SAGA ADVISORY

AFRICA ENERGY INTELLIGENCE

AFRICAN ENERGY CHAMBER

AEC and ENH forge alliance to unlock Mozambique's $50 billion gas expansion

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The African Energy Chamber (AEC) and Empresa Nacional de Hidrocarbonetos (ENH), Mozambique's national oil company, have formalised a strategic alliance aimed at accelerating investment, developing local content, and expanding private sector participation in Mozambique's gas industry. The partnership signals a renewed push to unlock what is estimated to be a $50 billion gas sector opportunity in the country.

The alliance is framed around three core pillars: attracting fresh capital into Mozambique's upstream and downstream gas value chain, building local capacity and content frameworks that can support large-scale project execution, and broadening the base of private sector actors engaged in the sector. By formalising ties between the AEC — one of the continent's most prominent energy advocacy bodies — and ENH, both parties are positioning themselves to coordinate more effectively with international investors, service companies, and financiers considering entry or re-entry into Mozambique.

Mozambique has long been regarded as one of Sub-Saharan Africa's most significant gas frontiers, with major offshore discoveries underpinning the $50 billion estimate. However, the country's development trajectory has been complicated by security challenges in the north, project suspensions, and financing uncertainty that have collectively delayed the realisation of its gas potential. The AEC-ENH alliance appears designed to rebuild investor confidence and create structured pathways for capital deployment as conditions gradually stabilise.

Local content development is a particularly consequential element of this agreement. Mozambique's regulatory environment places meaningful obligations on international operators to engage local suppliers, workforce, and service providers. An alliance that actively promotes local content frameworks gives international service companies a clearer signal that structured entry — through local partnerships and capacity-building arrangements — will be expected and supported at the institutional level. For Norwegian service companies with experience navigating similarly demanding local content regimes elsewhere on the continent, this represents both a compliance requirement and a commercial opportunity.

Private sector participation is the third lever the alliance seeks to activate. ENH's role as a carried-interest partner across multiple Mozambican blocks means that its strategic positioning directly influences how international companies structure their consortia and negotiate project terms. A more commercially engaged ENH, backed by AEC's advocacy reach, could accelerate final investment decisions and procurement timelines on projects that have been stalled or moving slowly.

For Norwegian energy service companies tracking Mozambique, this alliance is a development worth monitoring closely. It does not in itself unlock specific contracts, but it signals that ENH and the broader Mozambican energy establishment are actively working to rebuild the commercial architecture needed to advance the country's gas ambitions. Companies that engage now — through relationship-building, local content scoping, or participation in AEC-convened forums — will be better positioned when procurement cycles accelerate.

Why this matters to partners and clients of Saga

Norwegian service companies should treat this alliance as an early-stage market signal rather than an immediate tender opportunity, using the period to build relationships with ENH and local partners ahead of project reactivation. Participation in AEC-convened investor forums would give Norwegian firms visibility with the decision-makers shaping Mozambique's next procurement cycle. Companies with documented local content delivery experience from other African markets should actively position that track record with ENH now.

PARTNER ANGLES

- **FPSO:** Monitor ENH's evolving role in offshore project consortia, as any acceleration of stalled LNG or gas-to-power projects could trigger renewed FPSO procurement or conversion discussions.
- **Subsea:** Mozambique's offshore gas fields require substantial subsea infrastructure; re-engagement by private investors under this alliance framework could restart dormant subsea engineering and installation scopes.
- **LNG:** The $50 billion gas sector estimate is heavily weighted toward LNG export capacity, making this alliance directly relevant for Norwegian companies offering LNG plant services, marine loading systems, or cold-chain engineering.
- **Drilling:** Renewed private sector participation and investment acceleration may translate into appraisal and development drilling campaigns on blocks where activity has been suspended or delayed.
- **Service:** Local content obligations embedded in the AEC-ENH framework create structured demand for Norwegian service companies willing to form joint ventures or capacity-transfer arrangements with Mozambican firms.

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