JEUNE AFRIQUE ÉCONOMIE · GABON

Gabon Seeks to Renegotiate Costly Karpowership Floating Power Contract

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Gabon is working to reduce its dependence on Karpowership, the Turkish floating power plant operator, two years after turning to the company's offshore electricity generation vessels to address an acute energy emergency in Libreville. The government is now attempting to renegotiate what it describes as a very expensive contract, signalling a broader effort to restructure the country's power supply arrangements on more sustainable financial terms.

Karpowership operates so-called powerships — vessel-mounted power plants that can be rapidly deployed to ports and connected to national grids — and has become a significant emergency power provider across several African markets where grid infrastructure has struggled to meet demand. Gabon's engagement with the company followed a period of acute electricity shortfall, but the cost burden of the arrangement has apparently prompted Libreville to seek an exit or renegotiation rather than extend the current terms.

The move reflects a wider tension in Sub-Saharan African energy markets between the speed and flexibility of floating or temporary power solutions and their long-run cost implications for state utilities and public finances. Governments that sign emergency power agreements under crisis conditions frequently find themselves locked into unfavourable pricing structures once the immediate pressure eases. Gabon's attempt to claw back financial headroom from its Karpowership contract is consistent with this pattern and may set a precedent for how other African sovereigns approach similar renegotiations.

For Gabon's energy sector more broadly, the episode underscores the structural gap between the country's installed generation capacity and its actual demand, particularly in and around the capital. Bridging that gap on a durable basis will require investment in baseload generation — whether hydro, gas-to-power, or grid-scale renewables — as well as transmission and distribution infrastructure. The Karpowership situation, while focused on the supply side, also highlights the governance and procurement challenges that can complicate longer-term infrastructure planning in the country.

Gabon holds significant natural gas resources associated with its offshore oil production, and gas-to-power development has periodically been discussed as a route to more affordable and domestically anchored electricity generation. Whether the current renegotiation process opens space for alternative supply arrangements, including gas utilisation projects, remains to be seen. The outcome of discussions with Karpowership will likely influence investor confidence in Gabon's willingness and ability to honour, or revisit, energy sector commitments going forward.

Why this matters to partners and clients of Saga

Norwegian companies in gas processing, power generation infrastructure, and floating energy systems should monitor this situation as Gabon's search for alternatives to expensive emergency power could create openings for gas-to-power solutions leveraging associated offshore gas. The renegotiation dynamic also signals a need for robust contract structuring advice and feasibility input, areas where Norwegian consultancy and engineering firms can add value to both government and private developer clients. Companies with LNG or gas monetisation capabilities should watch for whether Gabon's review process accelerates interest in domestic gas utilisation projects.

PARTNER ANGLES

- **LNG:** Gabon's desire to exit costly floating power imports may accelerate interest in monetising associated gas for domestic power generation, creating early-stage project development opportunities.

- **FPSO:** The powership model's cost pressures in Gabon may open a policy window for alternative floating infrastructure solutions, including gas processing and power generation vessels with different ownership and financing structures.
- **Pipeline:** Any gas-to-power pivot in Gabon will require gas gathering and transmission infrastructure from offshore fields to onshore or nearshore generation assets — a segment where Norwegian pipeline engineering firms are well positioned.
- **Service:** Norwegian advisory and project development firms can offer bankability assessments and contract structuring support as Gabon seeks to replace emergency power arrangements with longer-term, creditworthy energy infrastructure deals.

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