

OFFSHORE TECHNOLOGY · LNG

McDermott Secures ExxonMobil LoI for Rovuma LNG Phase 1 Engineering Work

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ExxonMobil Moçambique has issued McDermott Energy Solutions (UK) a letter of intent (LoI) for limited engineering and procurement services related to the continuation of the Rovuma LNG Phase 1 midstream project in Mozambique. The award signals a measured but deliberate step forward on one of Sub-Saharan Africa's most consequential LNG developments, which has faced prolonged delays linked to security conditions in Cabo Delgado province.

The scope covered under the LoI is described as limited engineering and procurement services, indicating that ExxonMobil is advancing preparatory technical work rather than committing to full construction activity at this stage. Letters of intent of this nature are typically used to preserve continuity with key contractors and maintain project momentum while broader conditions — financing, security, regulatory approvals — are being resolved. The engagement of a specialist contractor like McDermott, whose capabilities span LNG facilities engineering and offshore infrastructure, suggests the operator is keeping the development pathway active.

Rovuma LNG is a flagship ExxonMobil-led project targeting the prolific Rovuma Basin offshore northern Mozambique, a region that also hosts TotalEnergies' adjacent Area 1 LNG project. The basin holds substantial natural gas reserves, and both projects are designed to export LNG to global markets. TotalEnergies declared force majeure on its Area 1 project in 2021 following an insurgency in Cabo Delgado, and while security conditions have shown some improvement with the support of Rwandan and

SADC forces, neither project has reached a full return to construction-phase activity. ExxonMobil's LoI to McDermott therefore represents a cautious forward signal rather than a full project restart announcement.

For the broader Mozambique LNG sector, any visible progress on the ExxonMobil-led midstream component matters both commercially and diplomatically. The country's government has staked significant fiscal and developmental expectations on LNG export revenues, and international investors and lenders are watching operator behaviour closely for indicators of genuine re-engagement. An LoI of this type, while modest in immediate scope, can serve as a reference point that the project remains viable and that contractors are being retained in preparedness for an eventual final investment decision or construction mobilisation.

Norwegian service companies tracking Mozambique should note that the current phase involves engineering and procurement rather than offshore installation or well services, but the trajectory points toward expanded activity. McDermott's role in midstream engineering is consistent with eventual demand for offshore pipeline systems, subsea infrastructure connecting wellheads to onshore processing, and potentially FPSO-adjacent technologies depending on the upstream configuration. Companies positioned in LNG plant engineering support, marine logistics, and offshore construction should monitor contract award patterns closely as they will signal when the project transitions from desk work to field mobilisation.

Why this matters to partners and clients of Saga

Norwegian service companies should treat this LoI as an early-warning indicator rather than an immediate bidding opportunity, as the current scope is limited to engineering and procurement services held by McDermott. Firms with LNG midstream engineering capabilities, subsea pipeline installation, or marine construction assets relevant to the Mozambique Channel should engage now with EPC contractors like McDermott to position as subcontractors or partners ahead of a potential broader construction mobilisation. Monitoring the pace of follow-on contract awards will be the key signal for when to escalate from business development to active tendering.

PARTNER ANGLES

- **LNG:** Norwegian LNG plant and facilities engineering firms should approach McDermott directly to explore subcontract roles within the limited engineering and procurement scope already under LoI.
- **Subsea/FPSO:** Subsea infrastructure and pipeline contractors should map the likely offshore-to-onshore tie-in requirements for Rovuma Phase 1 and pre-position with ExxonMobil and McDermott ahead of construction-phase tenders.
- **Pipeline:** Offshore and onshore pipeline specialists should monitor procurement signals from McDermott's LoI scope, as midstream LNG projects of this scale typically require significant pipeline engineering and installation contracts.
- **Drilling:** Well services and drilling contractors should track upstream activity indicators in parallel, as midstream progress on Rovuma LNG typically presages renewed upstream drilling campaigns to confirm supply volumes.
- **Service:** Marine logistics, project management, and procurement support companies should assess Mozambique in-country capacity needs, as any acceleration toward construction will require substantial local and regional service infrastructure.

[Original source: Offshore Technology →](#)

Saga Advisory

General: info@saga-advisory.com · saga-advisory.com

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