

NEWS DIGGERS! · ZAMBIA

Mercuria and Exergy Commit \$250 Million to Zambia Power Generation and Transmission

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Swiss commodity trading giant Mercuria and Zambia-based Exergy Energy have signed a US\$250 million financing agreement in Lusaka, representing one of the largest single private capital commitments to Zambia's power sector to date. The deal also marks Mercuria's first entry into the Southern African regional power market, signalling growing interest from major international commodity traders in African energy infrastructure beyond hydrocarbons.

The funds are earmarked for generation and transmission projects operated through two of Exergy's subsidiaries: Lunzua Power Company and Lusitu — the latter name appearing to reference a project in the Lusitu area of Zambia's Southern Province. The precise technology mix, installed capacity targets, and project timelines were not disclosed in the available reporting, but the scale of the commitment places this deal among the most significant privately financed power infrastructure transactions in Zambia's recent history.

Zambia has faced persistent power deficits in recent years, driven by drought-reduced output from its hydropower-dominant grid, rising industrial demand from the copper mining sector, and underinvestment in transmission infrastructure. Private capital at this scale, channelled through local operating subsidiaries with established project pipelines, addresses a structural financing gap that has long constrained Zambia's ability to expand generation capacity. The Mercuria partnership may also bring commodity-linked financing structures — potentially linking power offtake or

project revenues to broader energy trading arrangements — though no such details were confirmed in the source material.

For the broader Sub-Saharan African investment climate, the deal is a meaningful signal. It suggests that globally active trading houses are moving beyond oil and gas positions into power infrastructure on the continent, diversifying the profile of large-scale investors active in the region. Zambia's copper belt, which requires reliable and affordable electricity to sustain and expand mining output, is a logical anchor for generation and transmission investment, and successful execution here could attract further capital into neighbouring markets facing similar supply constraints.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor this deal as a leading indicator of large infrastructure capital flows into Zambia and the Southern African power corridor — markets that often sequence energy investments from power into upstream oil and gas services as economies strengthen. While the immediate project scope is power rather than hydrocarbons, Mercuria's regional entry and the transmission infrastructure component may create future procurement opportunities for Norwegian firms with grid, subsea cable, or LNG-to-power expertise. Partners active in East and Southern Africa should track Exergy and Mercuria as potential relationship targets for future energy project consortia.

PARTNER ANGLES

- **LNG:** If Zambia's hydro deficit deepens, LNG-to-power solutions could complement this investment pipeline — Norwegian LNG service companies should engage Exergy and Mercuria early as potential offtake or technology partners.
- **Pipeline:** Transmission infrastructure associated with the Lunzua and Lusitu projects may require specialised installation and integrity services that Norwegian pipeline contractors can competitively offer.
- **Service:** Norwegian project management and engineering consultancies with African power infrastructure experience can position for advisory or EPC support roles as Exergy scales project execution under the new financing facility.

- **Subsea/FPSO:** Monitor only at this stage — no offshore component is indicated, but Mercuria's regional market entry is worth tracking as it may expand into upstream energy assets over time.

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