

AFRICA OIL+GAS REPORT · MOZAMBIQUE · LNG

Mozambique LNG Area 1 Restart Decision Could Come in 2026

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Mozambique's largest liquefied natural gas development may be approaching a critical decision point, with indications that the Area 1 project could receive a green light as early as 2026. The project, which has been suspended since TotalEnergies declared force majeure in April 2021 following a deterioration in security conditions in Cabo Delgado province, represents one of the most consequential stalled energy investments in Sub-Saharan Africa. A final investment decision or restart announcement in 2026 would mark a significant turning point for Mozambique's gas ambitions and for the broader East African LNG corridor.

The broader context for this potential revival is a global LNG market that continues to send mixed signals. On one hand, demand from European buyers seeking alternatives to Russian pipeline gas and growing Asian import appetite have reinforced long-term LNG fundamentals. On the other hand, cost inflation, financing complexity, and ongoing security concerns in northern Mozambique continue to weigh on project economics and investor confidence. Whether the glass is half-full or half-empty depends heavily on which of these forces project stakeholders choose to emphasise as they evaluate a path forward.

For Mozambique, the stakes are exceptionally high. Area 1 is the country's largest LNG scheme and a cornerstone of government revenue projections for the coming decades. A sustained delay not only deprives the Mozambican state of anticipated fiscal receipts but also creates uncertainty for the broader network of contractors, suppliers, and service companies that had positioned themselves for major activity in the Rovuma Basin. The project's restart would unlock a substantial upstream and

midstream work programme, including resumed construction of onshore liquefaction facilities and associated marine and subsea infrastructure.

Security conditions in Cabo Delgado remain a critical variable. While Rwandan and regional military forces have made gains against insurgents in recent years and the situation has stabilised in parts of the province, the threshold required for international operators and insurers to sanction a full return to site remains demanding. Project sponsors and host government authorities will need to demonstrate sustained security before financing institutions and equity partners commit to restarting the capital-intensive construction programme.

For Norwegian oil and gas service companies, the 2026 timeline — if it materialises — provides a planning window that is neither immediate nor distant. Companies with LNG construction, FPSO and marine infrastructure, subsea installation, and specialist well services capabilities should be monitoring project developments closely and positioning commercial relationships now, well ahead of any formal tender processes. Early engagement with the operator and its engineering procurement and construction partners will be essential to securing a role in what would be one of the most significant LNG construction restarts anywhere in the world.

Why this matters to partners and clients of Saga

A 2026 restart decision for Mozambique LNG Area 1 would trigger procurement activity across LNG construction, marine infrastructure, and subsea segments — Norwegian service companies should initiate or refresh operator relationships now to be positioned for tender pipelines. The planning window is sufficient for companies to qualify vendors, establish regional presence, and align with EPC partners before formal contracting begins. Saga recommends active monitoring with selective early-stage engagement rather than a wait-and-see posture.

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- **LNG:** Resumed construction of onshore liquefaction trains at Afungi would create demand for specialist LNG module fabrication, cold-insulation, and cryogenic piping contractors with proven brownfield restart capability.

- **Subsea/FPSO:** Marine and subsea infrastructure associated with the Rovuma Basin gas export chain represents a potential workscope for Norwegian subsea installation and engineering firms, subject to restart confirmation.
- **Drilling:** A sanctioned restart would likely require resumed development drilling activity in Area 1, creating rig and well-services demand that Norwegian drilling contractors should monitor for tender opportunity.
- **Pipeline:** Gas gathering and export pipeline infrastructure tied to the onshore LNG facility may require recommissioning or completion work, relevant to Norwegian pipeline integrity and installation specialists.
- **Service:** Project management, logistics, and specialist inspection services will be required early in any restart sequence, offering near-term entry points for Norwegian service firms ahead of major construction contracts.

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