

EXPANSÃO - BUSINESS WEEKLY (ANGOLA) · ANGOLA

Tanzania races to close \$42bn LNG deal after June miss

Saga deep read · 19 October 2026 · Score 63

Tanzania is pushing to finalise a \$42 billion natural gas agreement after missing its initial June deadline, keeping one of Africa's most consequential LNG projects in a prolonged commercial resolution phase. The deal, when concluded, would underpin development of the country's vast natural gas reserves, estimated at 57.5 trillion cubic feet — the sixth largest reserve base on the African continent.

The scale of Tanzania's gas endowment has long attracted international interest, but the project has faced repeated delays at the negotiation stage. The failure to meet the June target adds to a history of stop-start progress on what would rank among the largest single energy investments ever undertaken in sub-Saharan Africa. No revised deadline has been publicly confirmed, and the status of the agreement remains an MoU or heads-of-agreement process rather than a ratified contract — meaning no procurement or construction mandate has yet been formally triggered.

At \$42 billion, the project would dwarf most African energy developments in capital intensity, requiring a full LNG value chain: upstream well development, gas gathering and treatment, liquefaction trains, storage, and marine export infrastructure. The 57.5 Tcf reserve figure gives the project strong long-term supply credentials, provided fiscal terms and offtake arrangements can be aligned between the Tanzanian government and its international partners. The identity of the lead developers and the specific liquefaction site are not detailed in the current reporting.

For the East African gas sector, conclusion of this agreement would represent a significant step toward monetising reserves that have sat largely undeveloped for

over a decade. Neighbouring Mozambique's LNG experience — marked by security disruptions and force majeure declarations — has added caution to regional investor sentiment, making Tanzania's ability to close this deal on credible terms a bellwether for East African LNG more broadly. Tanzania's government has signalled continued commitment to finalising terms, but no new target date has been announced publicly.

Norwegian service companies tracking this opportunity should treat the current status as a monitoring situation. Until a host government agreement or equivalent binding instrument is ratified and a final investment decision is confirmed, no procurement cycle will open. The lead time between agreement and first supplier engagement in a project of this complexity is typically measured in years, but relationship-building with potential operators and EPC contractors active in the Tanzania discussions is appropriate now. Companies with LNG liquefaction support, subsea pipeline, FPSO-adjacent marine services, or modular gas processing expertise should be positioning with the engineering and development consortia likely to compete for roles once the commercial structure is locked.

Why this matters to partners and clients of Saga

This project remains pre-FID and pre-contract, so Norwegian service companies should focus on intelligence-gathering and relationship-building with the operator consortia and EPC contractors circling the Tanzania LNG opportunity rather than any procurement outreach. At \$42 billion in projected investment, the eventual supply chain will be substantial, and early positioning with developers and project managers is warranted now. Companies specialising in LNG infrastructure, subsea gas gathering, or marine export systems should flag Tanzania as a priority monitoring target for the next 12-24 months.

PARTNER ANGLES

- **LNG:** Monitor operator and EPC consortia forming around Tanzania's liquefaction project; Norwegian LNG technology and modular processing specialists should begin mapping key decision-makers before FID.

- **Subsea/FPSO:** Offshore gas gathering and subsea tie-back requirements will be substantial given reserve scale; subsea contractors should track field development plan submissions for early scope visibility.
- **Pipeline:** A project of this magnitude will require extensive onshore and potentially offshore gas transmission infrastructure; pipeline engineering firms should monitor tender pre-qualification notices once the HGA is signed.
- **Drilling:** Upstream well development across a 57.5 Tcf reserve base implies a multi-year drilling campaign; drilling contractors and well services companies should build relationships with prospective operators now.
- **Service:** Project management, logistics, and specialist inspection services will be in demand across a multi-decade LNG development; service companies should identify local partner candidates in Tanzania in advance of contract awards.

[Original source: Expansão - business weekly \(Angola\) →](#)

Saga Advisory

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

STAVANGER · CAPE TOWN