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Songo Songo Gas Op Faces October Shutdown Risk

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Orca Energy Group has warned that its subsidiary PanAfrican Energy Tanzania may cease operating Tanzania's Songo Songo gas field when its production licence expires on 10 October 2026, raising the prospect of disruption to natural gas supplies currently flowing to Tanzanian power plants and industrial consumers. The warning underscores the urgency of completing a pending ownership transition before the deadline.

The proposed sale of the Songo Songo operation to Taifa Gas and Amber Energy Investment remains subject to regulatory and government approvals that have yet to be granted. PanAfrican Energy Tanzania has already recommended that preparations begin for a possible transfer of operating responsibilities, signalling that the company is no longer confident the approvals will arrive in time for a seamless handover. The situation puts the field's continuity of supply in question at a time when Tanzania depends on Songo Songo gas to keep power generation and industrial activity running.

Songo Songo is Tanzania's principal domestic gas asset, feeding a pipeline network that delivers fuel to Dar es Salaam's power utilities and a range of industrial offtakers. Any operational gap between the licence expiry and a fully approved new operator taking the helm could have material knock-on effects for the country's electricity grid. The Tanzanian government and the regulator face pressure to accelerate the approval process if supply disruptions are to be avoided, but no revised timeline has been publicly confirmed.

The transaction structure — a negotiated sale from Orca Energy Group to two incoming buyers — remains at the heads-of-agreement or sale-and-purchase stage pending official sanction, meaning the deal is not yet a ratified contract. Until approvals are secured and a new operating entity is formally constituted, the field's future management remains legally unresolved. The October deadline concentrates minds on both sides: Orca has a commercial interest in an orderly exit, while Taifa Gas and Amber Energy Investment need sufficient lead time to mobilise operational capability before licence transfer.

For the broader Tanzanian gas sector, the Songo Songo situation illustrates the regulatory complexity that can accompany asset sales in a market where state consent is required at multiple levels. The outcome will be closely watched by other upstream operators assessing how Tanzania handles licence transitions, particularly as the country presses ahead with its ambitions to develop larger offshore gas reserves and attract international investment into LNG infrastructure. A smooth resolution would reinforce investor confidence; a disorderly shutdown would do the opposite.

Why this matters to partners and clients of Saga

The immediate commercial instrument here is a pending sale awaiting approvals — not a ratified contract or open tender — so Norwegian service companies should monitor the situation and build relationships with incoming operators Taifa Gas and Amber Energy Investment rather than approaching procurement now. If and when the transfer is approved and a new operator formally takes control, there will likely be demand for well-integrity assessments, production optimisation services, and pipeline inspection work as the new owners establish their operational baseline. Companies with gas-field operating support experience should position themselves with both buyers ahead of a formal handover.

PARTNER ANGLES

- **Well Services:** A change of operator typically triggers well-integrity audits and production logging campaigns — position now with Taifa Gas and Amber Energy Investment for early engagement post-approval.

- **Pipeline:** The Songo Songo pipeline network supplying Dar es Salaam power plants may require inspection and condition assessment under new ownership, creating a near-term opportunity for pipeline integrity service providers.
- **Subsea/FPSO:** Monitor the offshore components of the Songo Songo licence area; a new operator inheriting subsea infrastructure may seek independent technical reviews before committing to a development or maintenance programme.
- **LNG:** Tanzania's broader LNG ambitions depend on domestic gas-field credibility — a smooth Songo Songo transition strengthens the case for upstream investment that could draw on Norwegian LNG process and compression expertise.

[Original source: TanzaniaInvest - Energy \(Tanzania\) →](#)

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