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Mozambique Cabinet formally reaffirms sovereign guarantee to TotalEnergies LNG financiers

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Mozambique's Council of Ministers has formally reaffirmed the state's sovereign guarantee to the financiers of the TotalEnergies-operated Mozambique LNG project, elevating what was previously understood as a political signal to a cabinet-level decision. The reaffirmation confirms that Maputo's commitment to the project's financial architecture is not merely rhetorical but has been sanctioned at the highest level of executive government, adding institutional weight to the pledge at a time when the project remains suspended under force majeure declared in 2021 following jihadist attacks in Cabo Delgado province.

A sovereign guarantee of this nature represents a formal state undertaking to stand behind the debt obligations of the project company should it default or be unable to service its loans. For a development of Mozambique LNG's scale — one of the largest LNG projects on the African continent — the creditor base includes a consortium of development finance institutions and commercial banks that extended billions of dollars in project finance. By routing this reaffirmation through the Council of Ministers, the Mozambican government has signalled that creditor confidence is a matter of national policy, not simply a technocratic financing obligation. This distinction matters to lenders assessing sovereign risk and to TotalEnergies and its co-venturers as they weigh conditions for any eventual restart conversation.

The sources reviewed do not yet provide granular detail on what specifically triggered the cabinet-level action at this moment — whether it followed a formal

creditor review cycle, a scheduled compliance milestone, or diplomatic pressure linked to Mozambique's recent post-election instability. Nor do they specify the total value of the guaranteed debt package or identify individual creditors by name. What the cabinet decision does clarify is the chain of authority: this is not a commitment made by the finance ministry or state energy company alone, but one endorsed by the full council, which strengthens its legal and political durability.

For the broader LNG ecosystem, the cabinet reaffirmation keeps the legal and financial scaffolding of the project intact at a critical juncture. It materially reduces the risk that creditors pursue restructuring or wind-down scenarios, which would be far more damaging to the project's long-term prospects than continued suspension. The Rovuma Basin's Area 1 resource base remains one of the largest undeveloped gas accumulations in the world, and a restart — if and when security conditions in Cabo Delgado allow — would represent a transformative event for East African and global LNG supply. The cabinet's action suggests Maputo is actively working to preserve that optionality rather than allowing the financing structure to erode through inaction.

Why this matters to partners and clients of Saga

The elevation of this reaffirmation to a formal Council of Ministers decision strengthens the case that Mozambique LNG's financial structure will survive the suspension period, which is a meaningful prerequisite for any future restart and associated re-mobilisation of the supply chain. Norwegian service companies with prior exposure to the project — particularly in LNG construction, marine services, and subsea works — should treat this as a signal to re-engage stakeholder contacts and confirm vendor pre-qualification status before competitive positioning intensifies. Monitoring the next creditor review cycle and any TotalEnergies public statements on restart conditions should be a priority intelligence task.

PARTNER ANGLES

- **Development finance institutions and commercial bank creditors:** Cabinet-level reaffirmation directly targets creditor confidence; Norwegian financial and legal

advisory firms could support creditor-side due diligence on sovereign guarantee enforceability and project status assessments.

- **LNG EPC and construction contractors:** Preserved financial architecture increases probability of eventual restart mobilisation; Norwegian subsea, marine, and topside contractors should refresh pre-qualification submissions and relationship contacts with TotalEnergies and its co-venturers.
- **Security and risk consultancies:** Restart feasibility remains contingent on Cabo Delgado security conditions; Norwegian-linked risk advisory firms can offer value to both the operator and creditors assessing the gap between financial readiness and operational readiness.

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