



EXTRACTIVE INDUSTRY IN NORTHERN MOZAMBIQUE

After TotalEnergies, North American ExxonMobil sends signs of resumption of the Rovuma LNG project

- The beginning of 2023 has been marked by the imminent resumption of billions worth of natural gas projects in the Rovuma Basin, in the province of Cabo Delgado. This is a movement spearheaded by TotalEnergies, the French multinational that is leading the Mozambique LNG project, budgeted at over US\$20 billion. Now, the leaders of the Rovuma LNG project, which has yet to announce its Final Investment Decision, are also signaling its return to Afungi.



The apparent improvement in security conditions in the districts of Palma and Mocímboa da Praia – following the actions of the Mozambican Defense and Security Forces with the support of troops from Rwanda and the SADC Mission, is reviving the return of large projects of natural gas in Cabo Delgado.

Recently, the CEO of TotalEnergies, Patrick Pouyanné, visited Mozambique and dictated the necessary conditions for the resumption of the project. *Mozambique LNG, on the Afungi peninsula*, has been left to Jean- Christophe Rufin for the analysis and subsequent recommendation on the humanitarian, security and human rights situation. This report should guide investors in deciding whether or not to lift the Force Majeure declared in April 2021, when violent extremists attacked the town of Palma.

Now it is the turn of the North American Exxon-Mobil, Italian ENI, and Chinese CNPC, leaders of the Rovuma Venture SpA consortium, to signal their interest in resuming the project's operations *Rovuma LNG*, in block 4 of the Rovuma Basin. The big news lies in the fact that the new natural gas

production projections with the resumption of the project *Rovuma LNG* are about 18 million tons per year, against 15.2 million tons previously reported.

In this context, ExxonMobil, the project leader, opened the call for interest in the construction of the LNG plant on the Afundi peninsula, in Palma. These movements take place at a time when it is expected, on the one hand, that the LNG market will gain significant growth, giving advantages to Mozambique¹, and on the other hand, that important decisions will be taken in new LNG ²projects.

The extractive industry in the northern region of Mozambique has been highlighted for being the sector that attracts the most investments and, consequently, with enormous potential to create a structural transformation of the country's economy. Expectations of raising billions of dollars in revenue from gas projects led the Government to submit to the Assembly of the Republic the proposal for a law to create a Sovereign Fund, an instrument that aims, among other objectives, to guarantee sustainable and transparent management.

¹ <https://www.oeconomico.com/exxonmobil-sinaliza-regresso-ao-projecto-da-area-4/>


² <https://epbr.com.br/mercado-de-petroleo-e-gas-continuara-tumultuado-em-2023-diz-wood-mackenzie/>



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