



Absa Bank Mozambique Oil & Gas

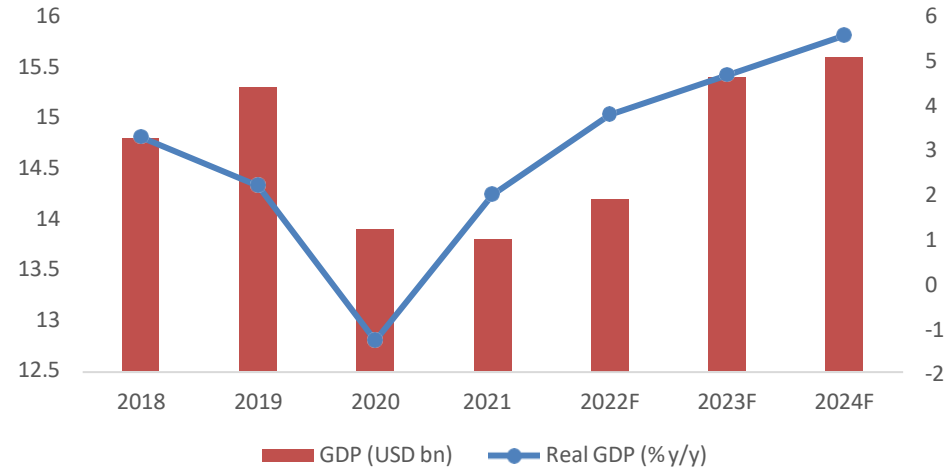
2nd DMRE PASA SAOGA Southern Africa Oil and
Gas Conference

Recent developments in the Mozambique
upstream oil and gas industry

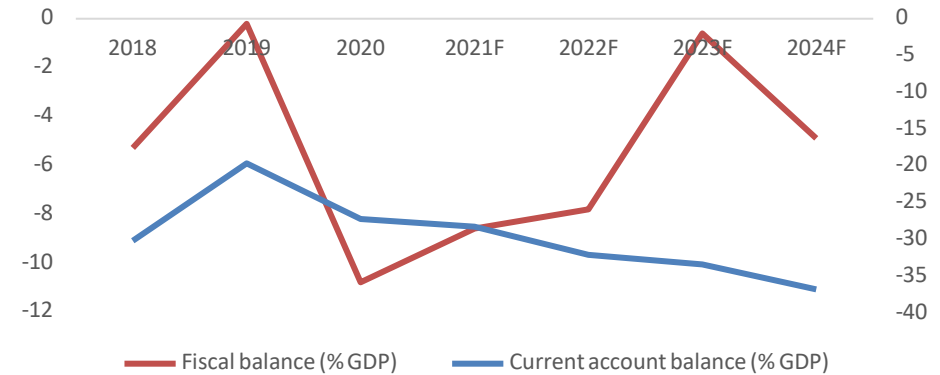
Possible Moz LNG 2023 restart to change the dial

Upstream LNG investments still forecast to be an economic driver despite project delays

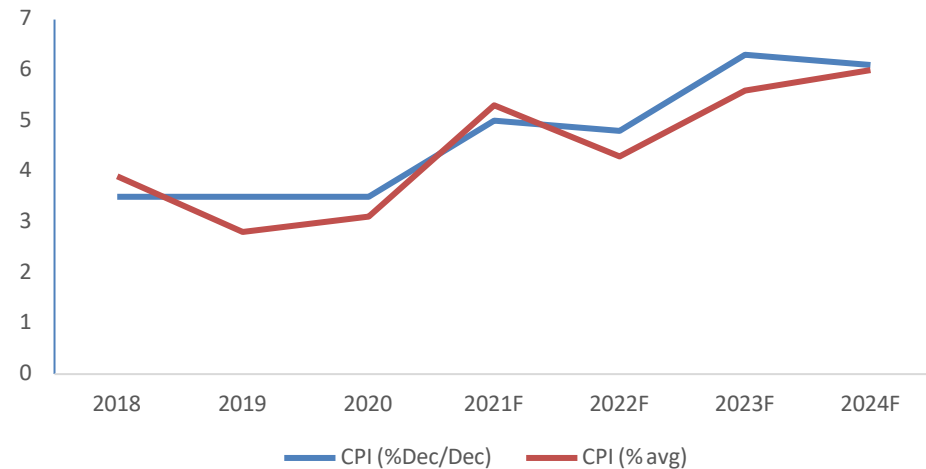
GDP and Real GDP Growth



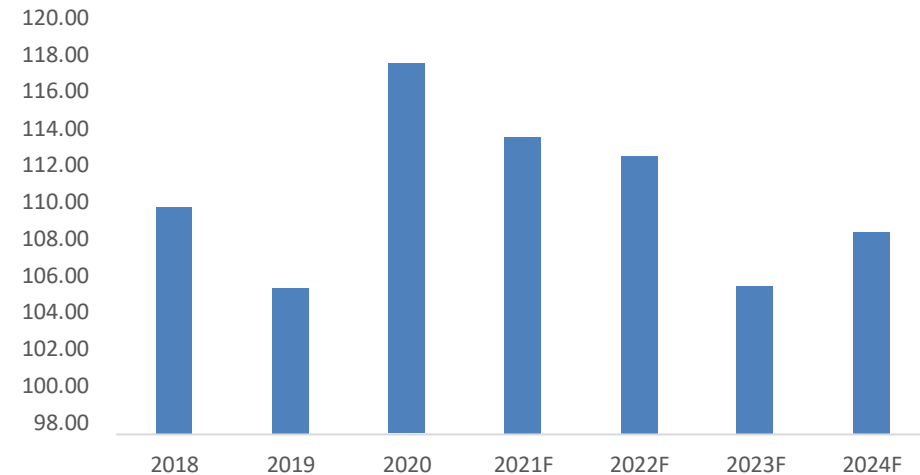
Current Account and Fiscal Balances



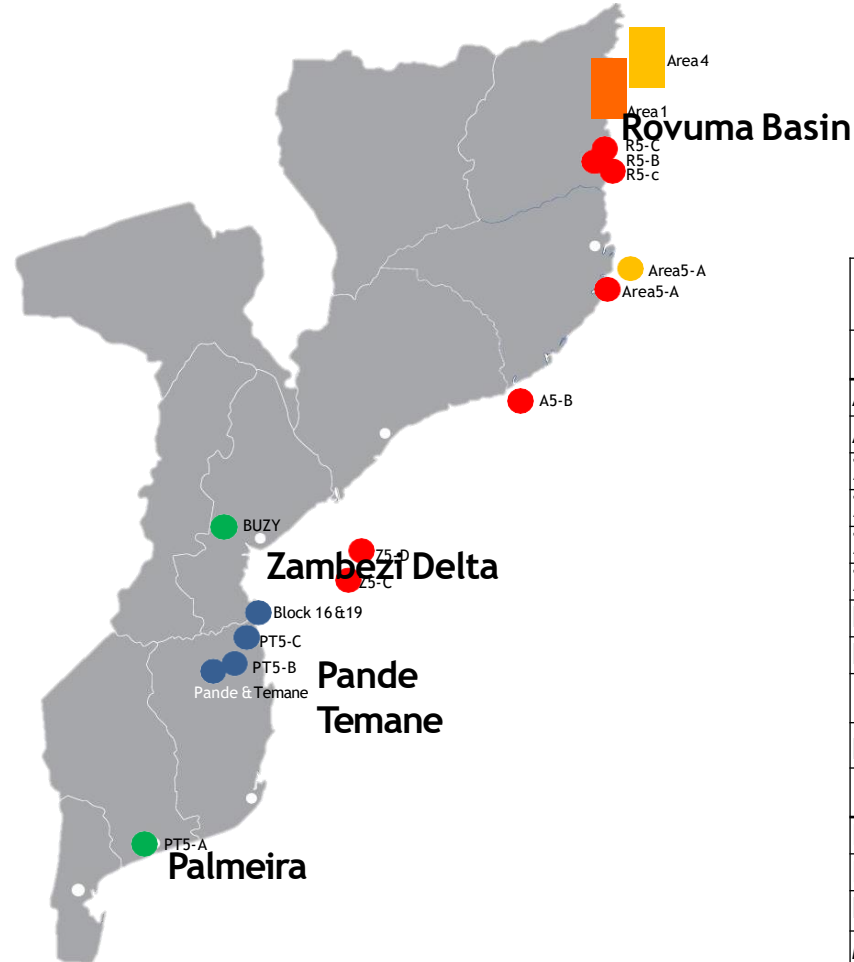
Consumer Price Inflation %YoY vs %Average



Public debt (% GDP)



Mozambique's Upstream Outlook



Absa's Footprint in the Upstream Oil & Gas sector

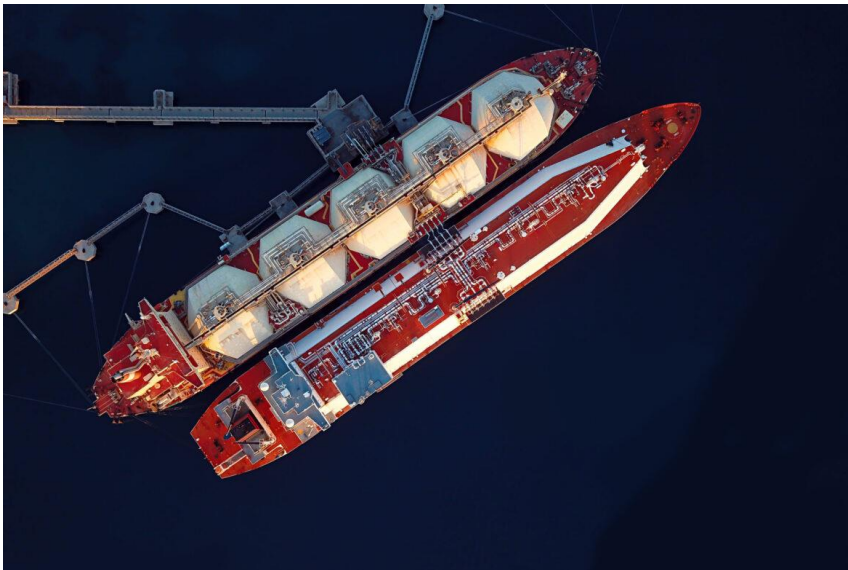
Absa Bank Mozambique has partnered with various projects in the Upstream sector, and currently has roles as Project and concessionaire account bank, agent and lender. We have various local content partnerships for the various projects.

Basin	Area	Operator	Phase	Mandates 2019	Mandates 2021
5th licensing round					
Angoche	Area A5-A	eni Mozambico S.p.A	Exploration		
Angoche	Area A5-B	ExxonMobil E&P Mozambique Offshore Ltd.	Pre-Exp*		X
Zambezi	Area A5-C	ExxonMobil E&P Mozambique Offshore Ltd.	Pre-Exp*		
Zambezi	Area A5-D	ExxonMobil E&P Mozambique Offshore Ltd.	Pre-Exp*		
Zambezi	Z5-C	ExxonMobil E&P Mozambique Offshore Ltd.	Pre-Exp*		X
Zambezi	Z5-D	ExxonMobil E&P Mozambique Offshore Ltd.	Pre-Exp*		X
Pande/Temane	Area PT5-C	Sasol Petroleum Mozambique Exploration Ltd.	Exploration	X	X
Palmeira	Area P5-A	Delonex Energy Ltd.			
4th licensing round					
Pande/Temane	PT5-C	Sasol Petroleum Mozambique Exploration Ltd.	Exploration	X	X
3rd licensing round					
Rovuma	Area 4	Eni Mozambico S.p.A	FID		
Rovuma	Area 1	Total Energies E&P Area 1 Mozambique	FID		X
Pande/Temane	Block 16 & 19	Sasol Petroleum Mozambique Exploration Ltd.	Exploration	X	X
Mozambique	Buzi	EMP & ENH	Exploration		X

South Africa's Gas Demand to Fast-Track Investments

Sasol Secunda's massive investment to increase gas use instead of coal for fuel and chemicals production to be a major gas demand driver for Southern Mozambique projects

Beluluane Gas Company – Matola LNG



- Also referred to as the Matola LNG project
- A Joint venture between TotalEnergies, Gigajoule and ENH.
- The project will consist of an LNG terminal, and pipeline to supply petrochemical plant in Secunda.
- 2000MW Central Termico de Beluluane also a potential offtaker.
- Latest report hint financial close towards H1 2023.

Sasol's Pande & Temane (PPA) and Inhassoro (PSA)

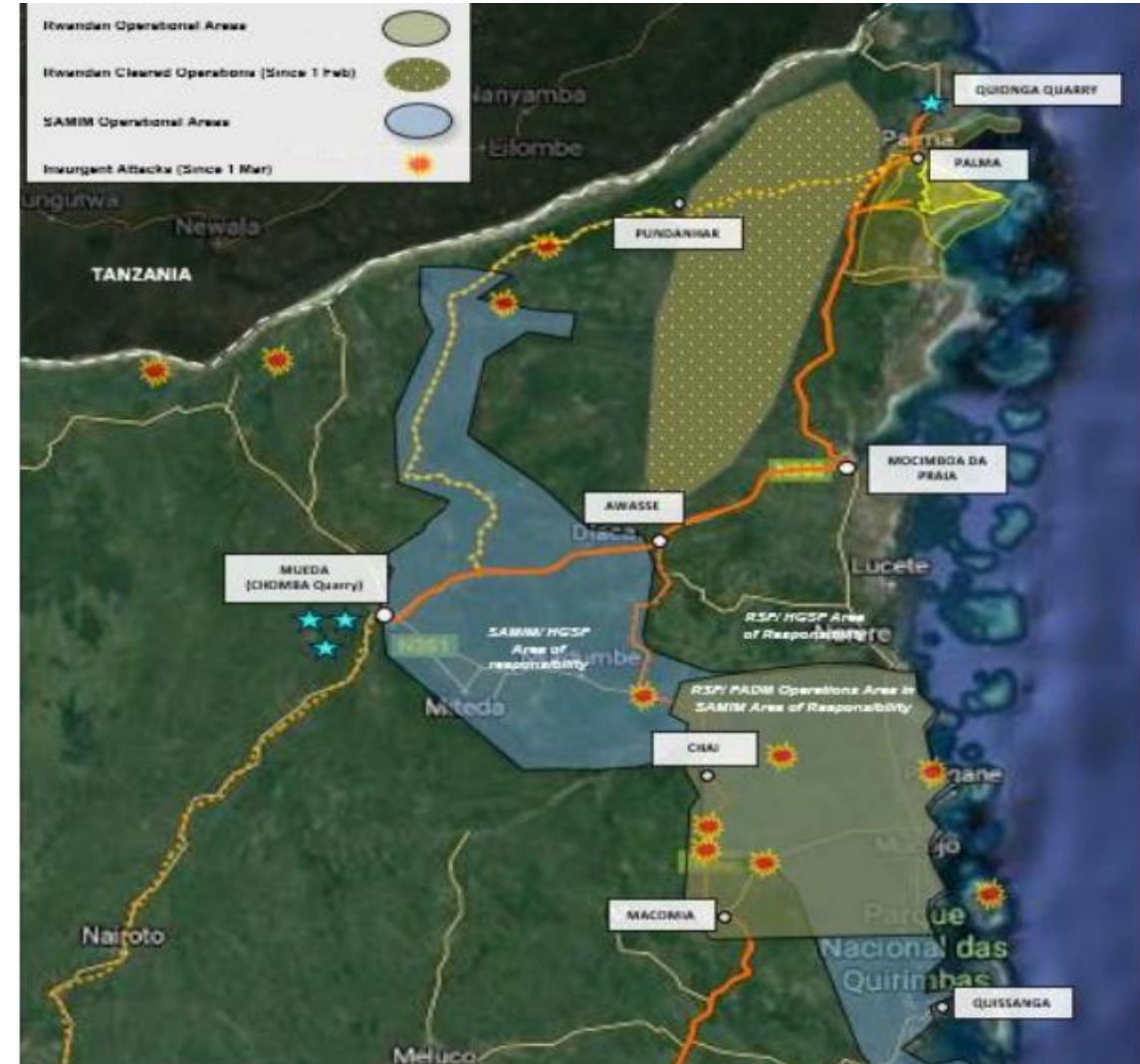


- Sasol's Temane & Pande (PPA) project's primary off taker is Sasol South Africa, and other local buyers include CTRG, MGC, and ENH.
- Matola LNG's project will replace Sasol, as decline is expected between 2025 and 2027.
- The Inhassoro (PSA) project will predominantly supply the 450MW Temane Power plant. Excess gas will supply Sasol South Africa.

Cabo Delgado Security situation continues to jeopardize onshore LNG investments

Most recent incidents in Cabo Delgado

- The situation remains broadly stable in Palma and the area of the Project since last November '21
- Increased coordination between forces: improved coordination between Rwandan/SADC/Moz military forces; Rwandese forces now in operations in Macomia (SAMIM/Mozambican forces area)
- However, insurgents have continued demonstrating agility in avoiding joint forces operational boundaries and locations – attacks against outlying villages remain
- Security at Site : site remains protected by Government security forces.
- Discussions between TotalEnergies and CCS JV (EPC), Van Oord and Technip (EPCI) have resumed.
- News emerging regarding probable announcement of lifting of Force Majeure.
- It is publicly known that ExxonMobil's FID is dependent on the lifting of Force Majeure



6th Licensing Round Schedule

ExxonMobil, Eni, TotalEnergies, Sinopec, CNOOC and PetroChina among the 6 pre-qualified Operators in the 6th licensing round

Stage	Dates	Description
Licensing Round Opening	25 th November 2021	Launch of 6 th licensing round by INP
Pre-Qualification	25 th November 2021 – 25 th March 2022	Companies are invited to register, and INP pre-qualifies potential operators and concessionaires.
Open Licensing Rounds	25 th November 2021-11 th November 2022	As the licensing round runs, INP will operate in an online data room.
License Round Closes	11 th November 2022	All submissions after this date will be excluded
Announcement of Results	30 th December 2022	Selected licenses will be publicly announced

ExxonMobil



SINOPEC



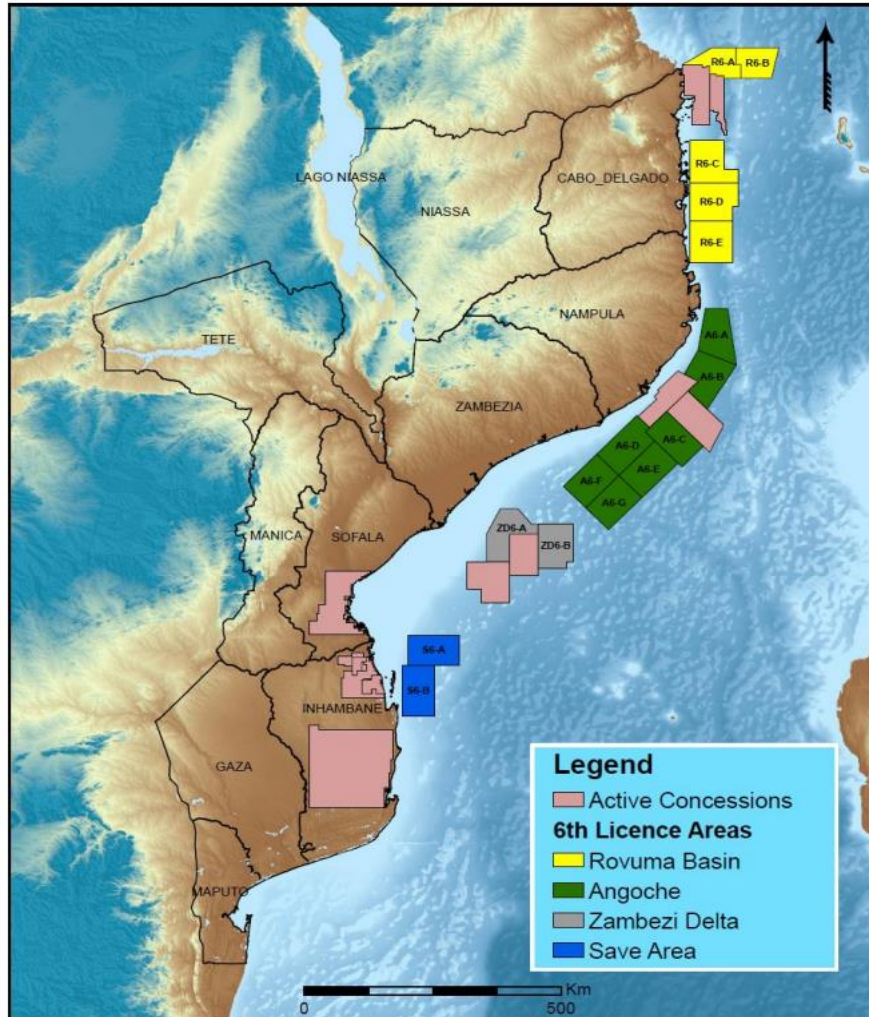
CNOOC



PetroChina

6th Licensing Round Areas vs Active Concessions

Oil & Gas deposits across the coastline will continue to attract billions of USD of capital for coming decades



Active LNG Concessions

- **Mozambique Basin:**

Sasol: Pande & Temane (PPA), Inhassoro (PSA) & PT5-C

Energi Mega Persada: Buzi Block

- **Zambezi Basin:**

ExxonMobil: Area Z5-C & Z5-D

- **Angoche Basin:**

Eni: Angoche Area A5-A

ExxonMobil: Area A5-B

- **Rovuma Basin:**

TotalEnergies: Mozambique LNG Area 1

Mozambique Rovuma Venture: Rovuma LNG Area 4 & Coral South FLNG

6th License Areas

- Rovuma offshore: R6-A, R6-B, R6-C, R6-D and R6-E
- Angoche offshore: A6-A, A6-B, A6-C, A6-D, A6-E, A6-F and A6-G
- Zambezi offshore: Z6-A and Z6-B
- Save offshore: S6-A and S6-B

So what?

How the different players in the economy should position themselves for the massive LNG investments

Financial Institutions



- Develop sector expertise
- Enhance Investment Banking offering
- Enhanced lending frameworks for SMEs
- Capacitation and financial literacy for SMEs/local enterprises
- Deal with capital limitations to increase lending role.

Government



- Flexible immigration policies
- Training programs for local talent and enterprises
- Build local educational institutions that provide specialized skills for the sector (e.g., welding, drilling).
- Centralize SME portals
- Local content legislations.

Oil & Gas Operators



- Build capacity for local NOC to own operations
- Continue with programs to develop local enterprises and talent
- Participate with Government in equipping local staff for skilled, managerial and executive positions.

Investors



- Form Joint Ventures with local enterprises for contracts with Operators
- Explore non-Operator investment opportunities
- Begin building relationship and presenting capabilities to potential operators
- Diversify revenue stream with other sectors as O&G is cyclical.



Thank you

