

**THE SUB SAHARAN AFRICA INTERNATIONAL
PETROLEUM EXHIBITION AND CONFERENCE (SAIPEC)**

“THE NEXT STEPS: ACCELERATING AFRICAN CONTENT”

COUNTRY SHOWCASES

REGULATORS AND GOVERNMENTS

**OPPORTUNITIES, LOCAL CONTENT
POLICY AND INVESTMENT
FRAMEWORKS**

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LAGOS, 13-15 February 2024

ABOUT MOZAMBIQUE



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INTRODUCTION TO MOZAMBIQUE

- ❑ Southern Africa
- ❑ Area: ~ 800,000 Km²
- ❑ Coastline: ~ 2,700 km
- ❑ Sedimentar Area
 - ❑ Onshore: 290,122 Km²
 - ❑ Offshore: 282,227 Km²
- ❑ Climate: Sub-tropical - tropical
- ❑ +60 Rios e Lagos
- ❑ Exports: LNG, NG, Electricity, Minerals



- ❑ Capital: Maputo
- ❑ Population: ~34.000
- ❑ Languagem: Portuguese

MISSION & VISION

- ❑ INP is the regulatory authority for the Petroleum Operations (UP STREAM) in Mozambique.
- ❑ Develop natural gas resources in a manner that maximizes benefits to Mozambique society and in compliance with the legislation.

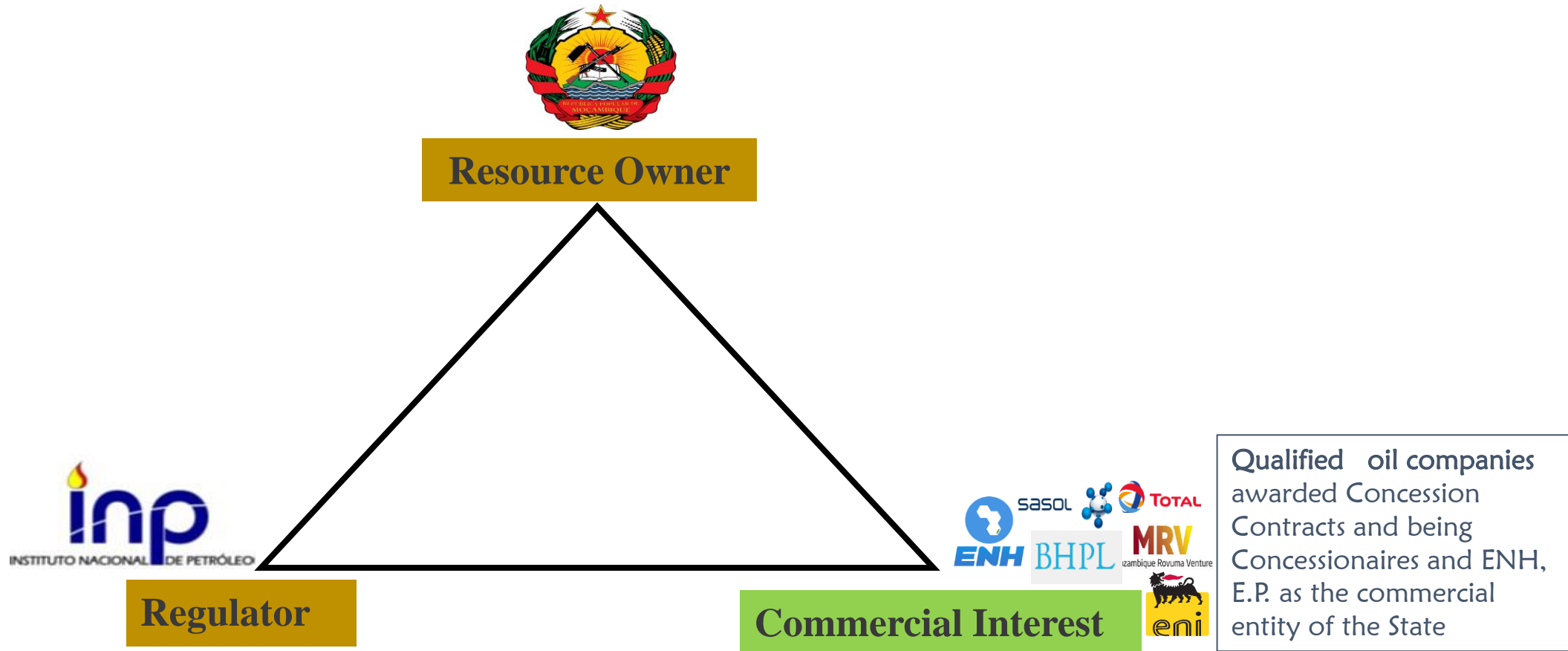
ABOUT INP



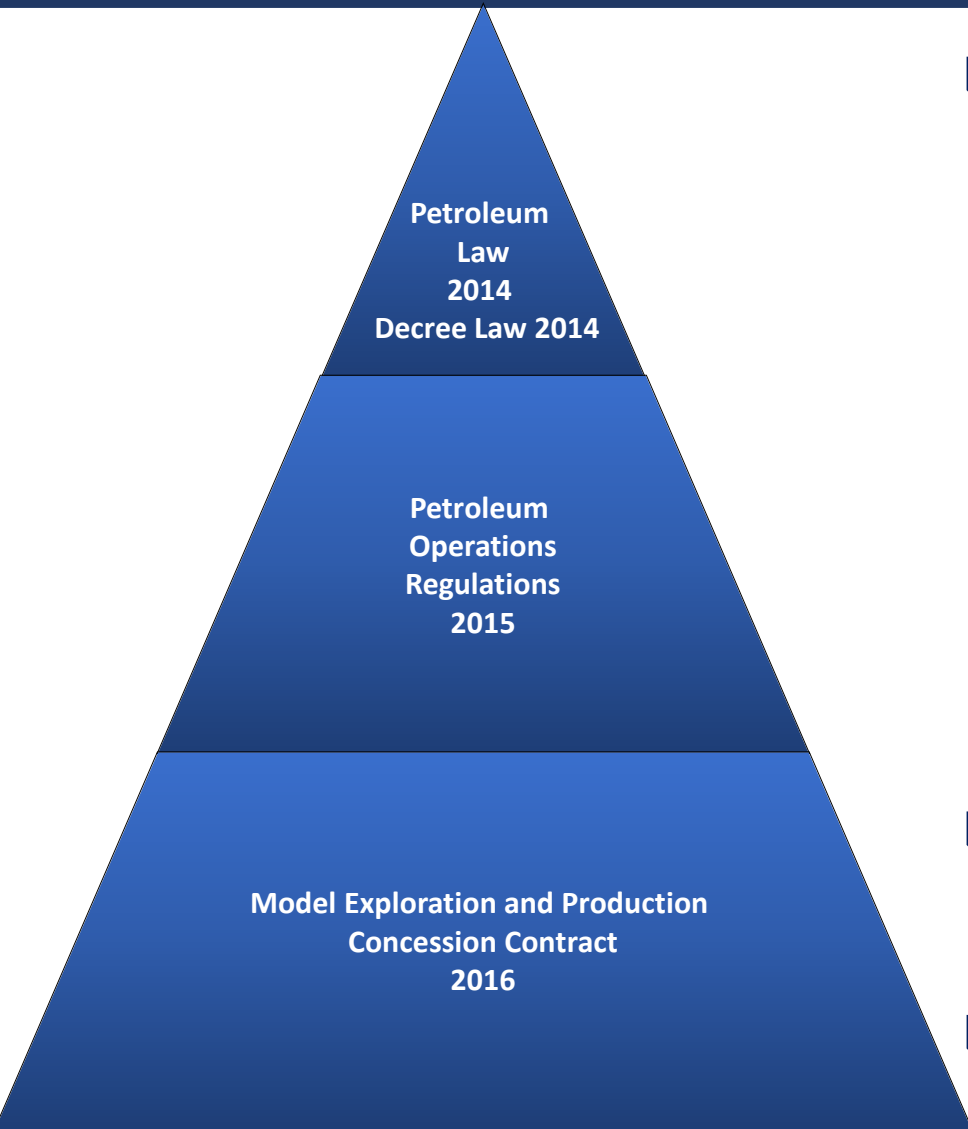
- ❑ Upstream Regulator overseen by MIREME (Ministry of Mineral Resources and Energy);
 - ❑ Created in 2004 (Decree No. 25/2004, of August 20th);
 - Later confirmed through the Petroleum Law, Law No. 21/2014, of August 18, as the Upstream regulator.
- ❑ **Scope:** administration, supervision and regulation of the Petroleum industry;

INSTITUTIONAL FRAMEWORK - OIL & GAS SECTOR (UPSTREAM)

The Petroleum Law form the legal and regulatory foundation for granting rights to commercial entities allowing Petroleum Operations and establishing the governance structure clarifying roles and interests:



LEGAL FRAMEWORK CONDITIONS



Petroleum
Law
2014
Decree Law 2014

Petroleum
Operations
Regulations
2015

Model Exploration and Production
Concession Contract
2016

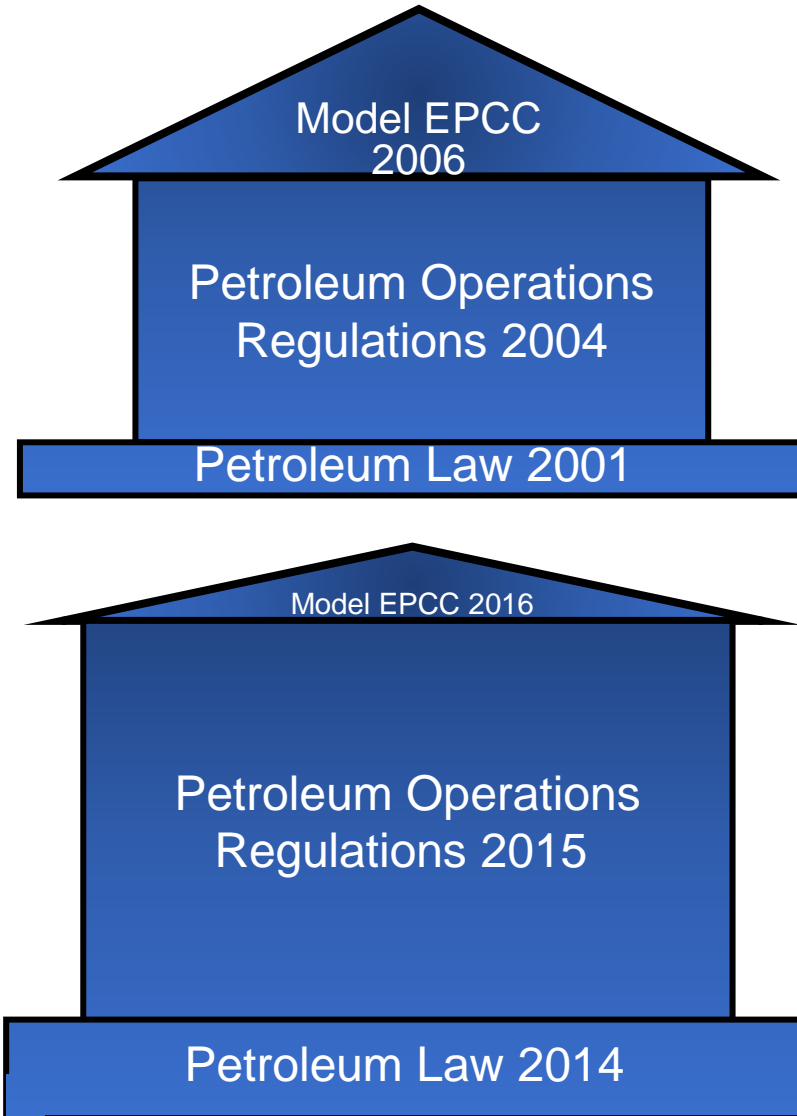
□ Petroleum Law (PL) 21/2014, of 18 August, rules:

- Disclosure of extraterritorial collaboration arrangements
- Publication of EPCC's
- Natural Gas offtake
- **Domestic market requirement: 25% of the oil and gas produced must be allocated to the national market**
- Role and content of ENH participation and activities
- Local content & local communities requirements

□ Petroleum Operation Regulations, Decree n.º 34/2015, of 31 December.

□ Model Exploration and Production Concession Contract - 2016

MOZAMBIQUE REGULATORY SYSTEM



Core Elements of the Petroleum Legal and Regulatory structure:

- ❑ Concession Strategy for Petroleum Operations Areas: Resolution 2009/16;
- ❑ Natural Gas Master Plan Strategy: 2010;
- ❑ Fiscal Law no. 27/2014, from 23 of September on Petroleum Operations;
- ❑ Specific Taxation and Fiscal Benefits Scheme for Petroleum Operations: Law 14/2017;
- ❑ Regulation of the Specific Taxation and Fiscal Benefits System of Petroleum Operations: Decree 32/2015;
- ❑ Mega Project Law (Law n.15/2011, of 10 of August);
- ❑ Legislative Authorization for the Liquefaction Projects of Natural Gas of Areas 1 and 4 of the Rovuma Basin: Law 25/2014

Production Tax (royalty)

- Oil : 10%
- Gas: 6%

Income Tax

- 32% of contractor's gross revenue

Back in rights

- Government can participate in all projects undertaken



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LOCAL CONTENT (LC) POLICY

Absence of LC Law – Mozambique

- ❑ Issues related to LC matters are covered in different legal instruments:
 - ❑ Comercial Code (Law nr. 1/2022, May 25th) – Article nr. 66;
 - ❑ Mega Projects Law (Law nr. 15/2011, August 10th) – Articles nrs. 33 e 34;
 - ❑ Petroleum Law (Law nr. 21/2014, August 18th) – Article 12. nr. 1 article 13, al. b) of Article 15 e Article 41;
 - ❑ EPCC – Article 18 (Area 1 and 4) & Article 14 (Pande & Temane);
 - ❑ JOA; Local Content Plans
 - ❑ Decree Law nr. 2/2014, December 2nd– Article nrs. 10, 18, 19 e 20 – Special Regime for Area 1 and 4 Projects, Rovuma Basin;
 - ❑ Petroleum Operations Regulation (Decree nr. 34/2015, December 31st) – Articles nrs. 49,50,51 e 55;
 - ❑ Regulation for Contracting of Foreign Citizens in the Petroleum and Mining Sectors (Decree nr. 63/2011, 7th December.

□ Added Value

□ Local Content:

- Local suppliers of goods and services;
- Jobs/Employment and Training.

□ Local Participation:

- Participation of National Oil Companies (NOC);
- National Shares (capital markets);
- Intern market.

□ Government Revenue;

□ Government Investments/Expenses.



LOCAL CONTENT

□ Main objectives of Local Content policies:

□ Goods and services:

- Increase the participation of national suppliers in a competitive manner; and
- Promote development of technology.

□ Human Resources:

- Job; and
- Training.

□ “The Legacy” – i.e. investments that last long:

- Beyond the project; and,
- Beyond the resource (Oil and Gas). - e.g. infrastructure and human resources.



LOCAL CONTENT – THE LEGACY

HOW CAN WE ADD VALUE?

□ Who / What is National?

□ Society Rule – property criteria: assets and services provided by nationals. **(GNP) – Who?**

□ Economic Rule – country/territoriality criteria: goods and services provided within the country. **(GDP) – What?**

- Human Resources
- Infrastructures
- Finance
- Technology

... We are now busy stablishing Procedures/Mechanisms for Local Content in Mozambique





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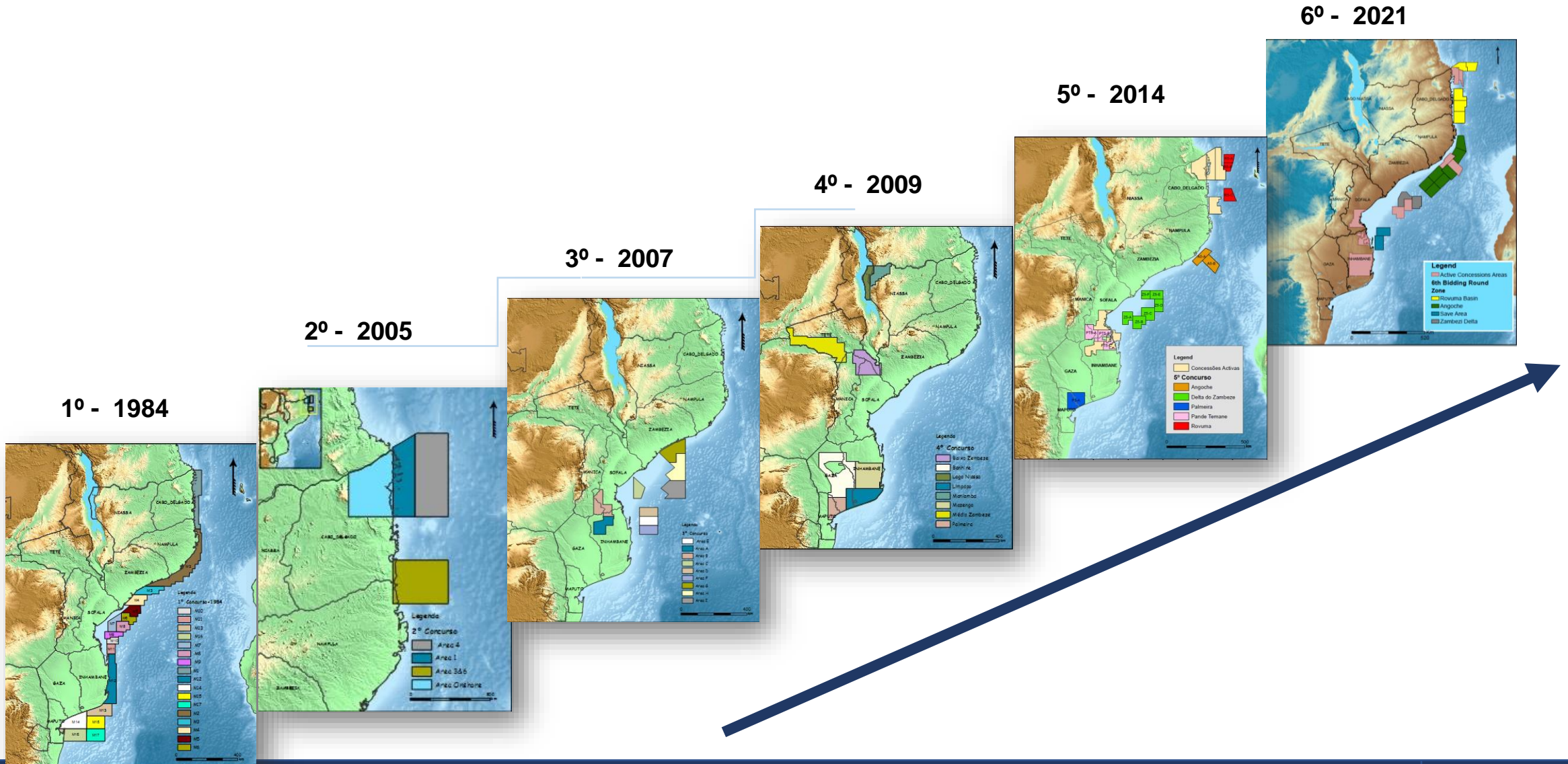


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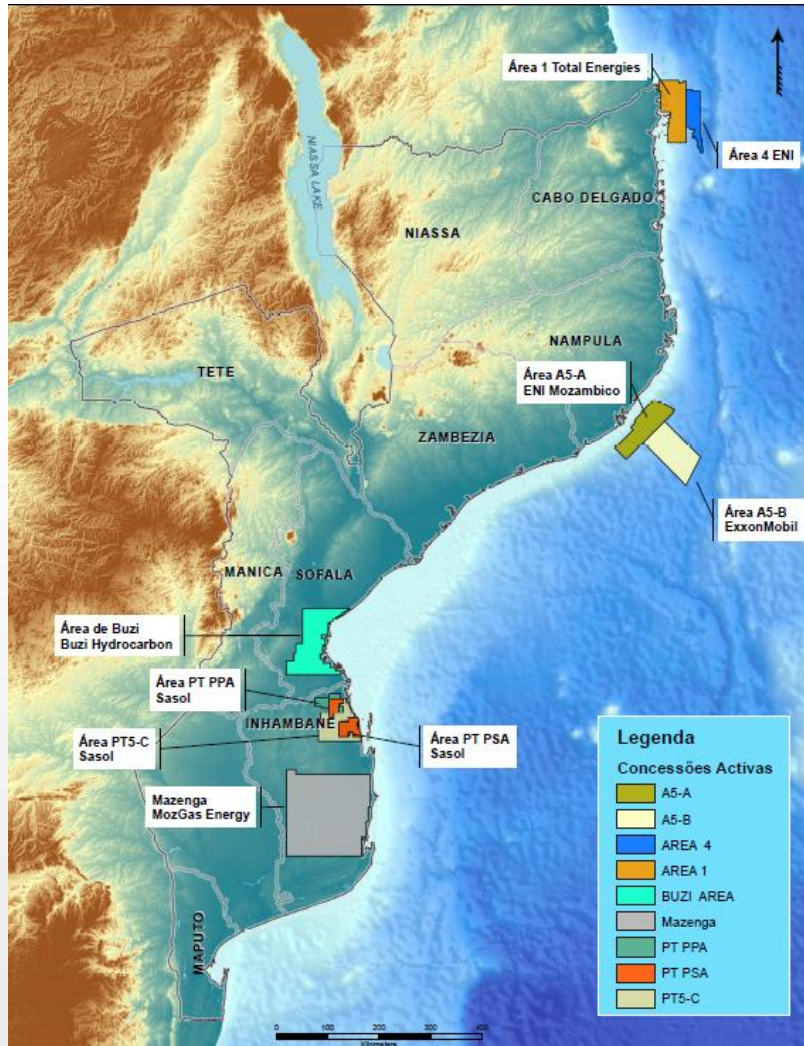
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BIDDING ROUNDS



PROJECTS IN PROGRESS (EXPLORATION AND PRODUCTION)



Mozambique	PPA	
Mozambique	PSA	
Pande/Temane	Area PT5-C	
Mozambique	Mazenga	
Mozambique	Buzi	

Rovuma	Área 1	
Rovuma	Área 4	
Angoche	Area A5-A	
Angoche	Area A5-B	

PROJECTS OVERVIEW



PPA (Pande/Temane)

- **Signed:** 2000
- **Development Plan:** 2001
- **Production started:** 2004
- **CPF Capacity:** 197 MGJ/a
- **Average annual production:** 190 MGJ/a

Area-4 (Coral South FLNG)

- **Signed:** 2000
- **Development Plan:** 2016
- **FID:** 2017
- **Production started:** 2022
- **GIIP:** 15.67 TCF
- **Production:** 3,4 MTPA
- **Production Wells:** 6

PSA (Inhassoro, Temane fields)

- **Signed:** 2000
- **Development Plan:** 2016
- **Resources:** 1884 BSCF of Natural Gas
- **Production Expected to Start:** 2024
 - **Light Oil:** 4 000 bbl/d
 - **Natural Gas:** Power Generation
 - **LPG:** 30 000 ton/a (Domestic Market)
- **CPF – Processing Facility Capacity:** 197 MGJ/a

Area-1 (Golfinho/Atum field)





- **Signed:** 2006
- **Development Plan:** 2018
- **FID:** June 18th 2019
- GIIP (Recourses):** 31.3 TCF
- **Production Wells:** 18
- **Production:** 2 trains (6,56 MTPA, each)
- **Status:** Force Major from May 2021 

Area 4 EPCC – Mamba Field

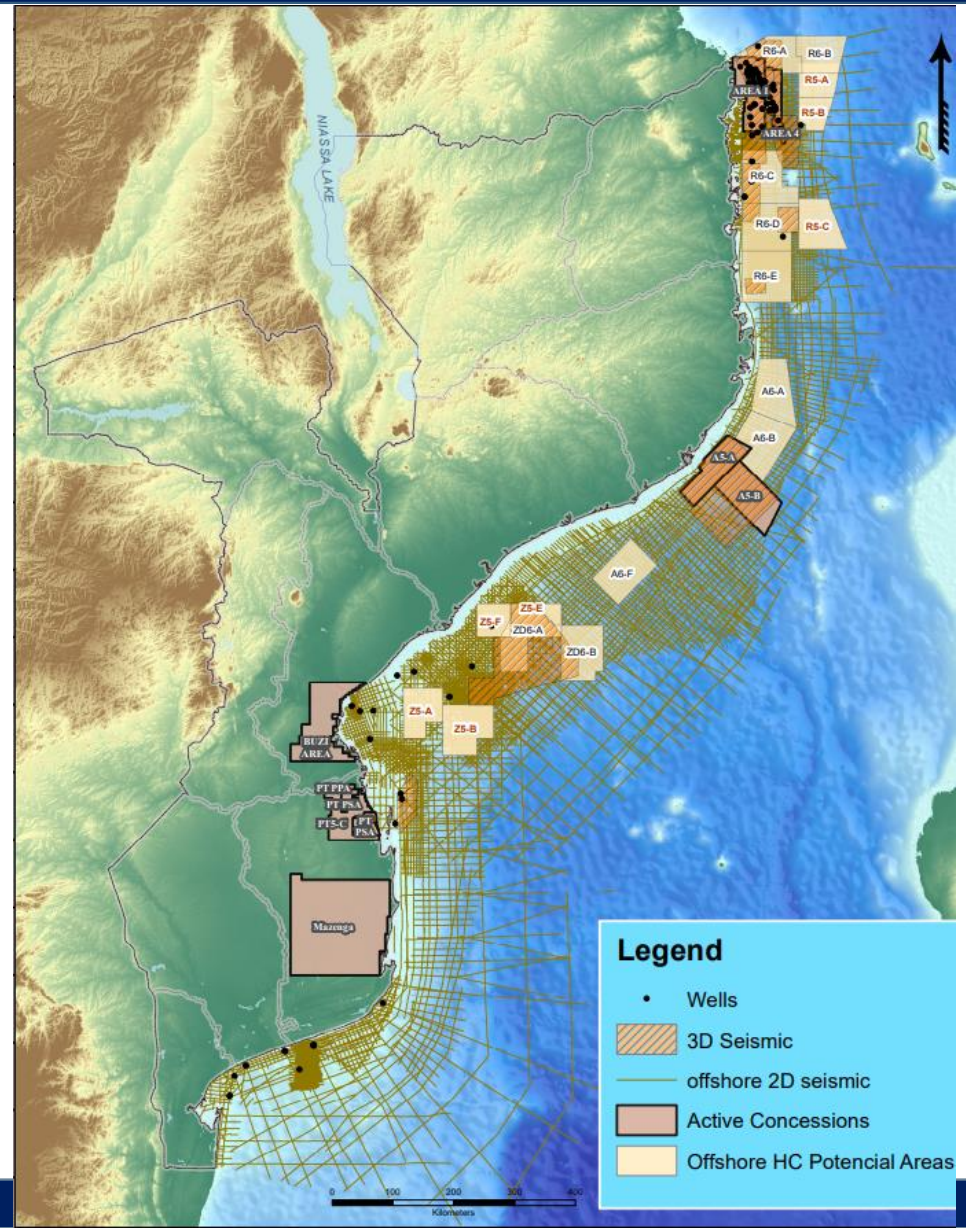
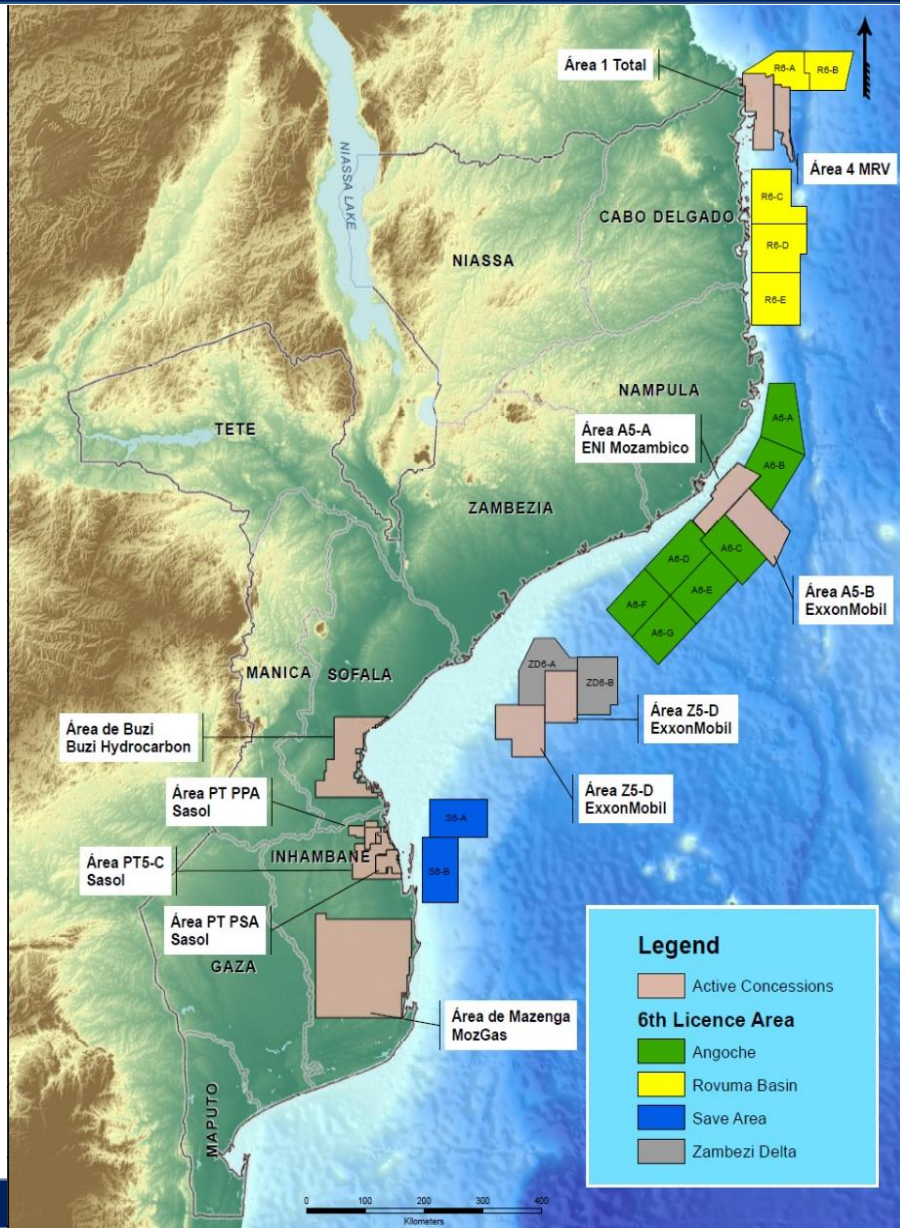
- **Signed:** 2006
- **Development Plan:** 2019
- **Pre - FID:** October 2019
- GIIP (Resources):** 53,1 TCF
- **Production Wells:** 24
- **Production:** 2 Trains (7,6MTPA each)

PROJECTS IN PROGRESS (EXPLORATION AND PRODUCTION)

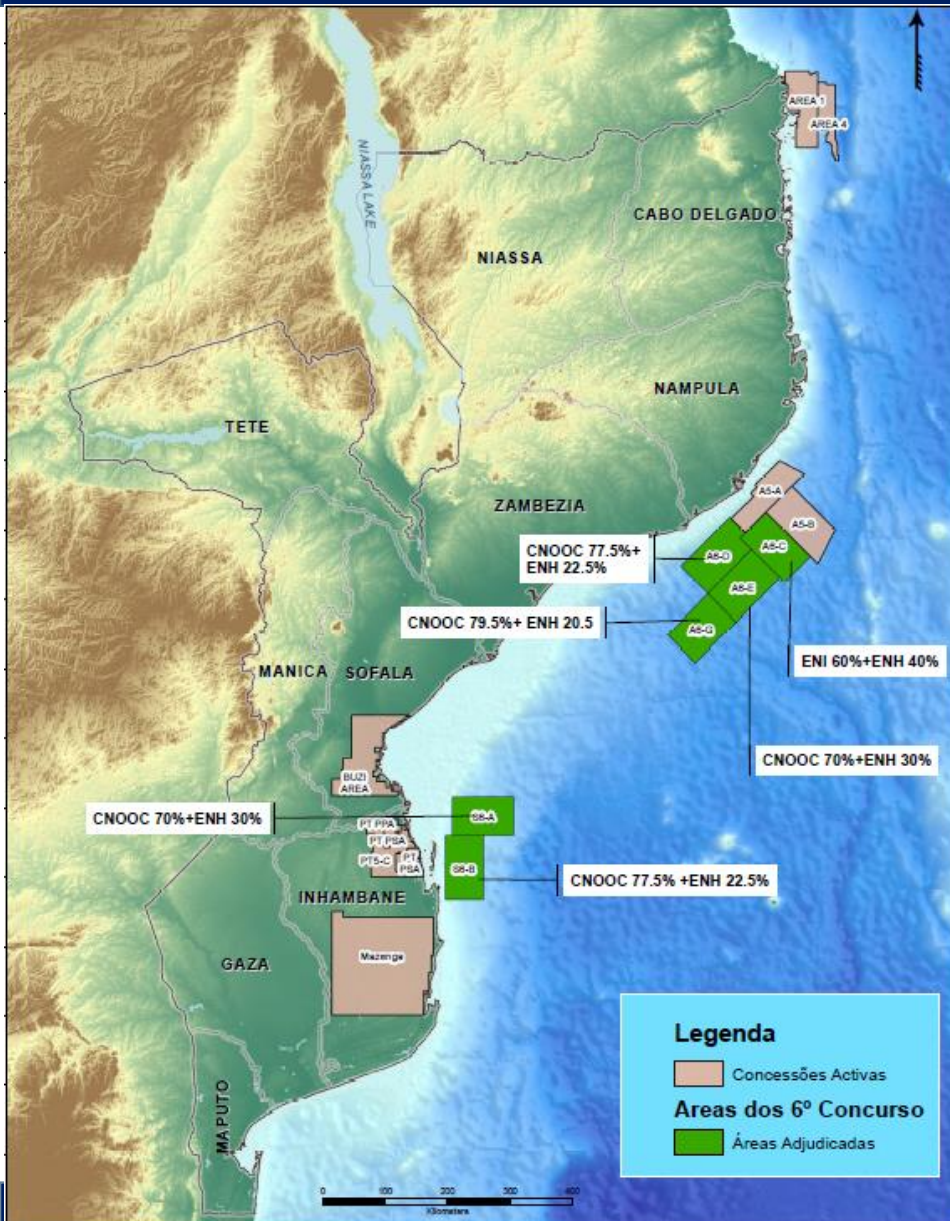
INSTITUTO NACIONAL DE PETRÓLEO

	Projects	Exploration	Appraisal	Development	Production	Decommissioning
Mozambique Basin	Pande & Temane (Sasol)		PoD approved in 2001 Production Start: 2004		★	<ul style="list-style-type: none"> ✓ CPF: 197 MGJ/a; ✓ Fields currently on production.
	Inhassoro/Temane (Sasol)		PoD approved in Jan 2016 PoD Amendment in 2020 FID in Feb 2021 Plant construction start 2nd semester	★	<ul style="list-style-type: none"> ✓ 4000 bbl/d of light oil; ✓ 23 PJ of natural gas to feed CTT project; ✓ 30 000 Ton/a of LPG; ✓ Investment: 1.8 B. USD and 2.4 B.USD of State Revenues. 	
Rovuma Basin	Area 1: Gofinho/Atum (TotalEnergies)		PoD approved in Mar 2018 FID in Jun 2019 PoD Amendment in Mar 2021	★		<ul style="list-style-type: none"> ✓ Onshore liquefaction plant; ✓ Two (2) Trains (13.12 MTPA); ✓ 18 Production Wells and 03 underwater gas pipelines; ✓ 2.5 M. USD for Local Content; ✓ 20 B. USD Investment and 32.6 B.USD of State Revenues; ✓ Suspended due to Force Majeure.
	Area 4: Coral FLNG (ERB)		PoD approved in Feb 2016, FID in Jun 2017 FLNG construction start in Mar 2018 Six (6) wells drilled		★	<ul style="list-style-type: none"> ✓ Floating LNG Platform; ✓ Capacity : 3.37 MTPA; ✓ Production start 2nd semester of 2022 ✓ 7 B. USD investment and 19.3 B.USD of State Revenues.
	Area 4: Mamba + Oligoceno 385 E (MRV)		 Mozambique Rovuma Venture	PoD approved in May 2019 Pre-FID in 2019	★	<ul style="list-style-type: none"> ✓ Separate and Coordinated Development (Unified Fields) ✓ Total Production (25 years): 19.1 TCF; ✓ Onshore liquefaction plant; ✓ Two (2) Trains (~15.2 MTPA); ✓ 23 B.USD Investment and 46 B.USD of State Revenues; ✓ Awaiting the Final Investment Decision.
	Area 1: Prosperidade (TotalEnergies)				★	<ul style="list-style-type: none"> ✓ Separate and Coordinated Development (Unified Fields) ✓ Unitization agreement approved in May 2019; ✓ Submitted the declaration of commerciality of the Prosperidade field.

ACREAGES MAP



6th BIDDING ROUND



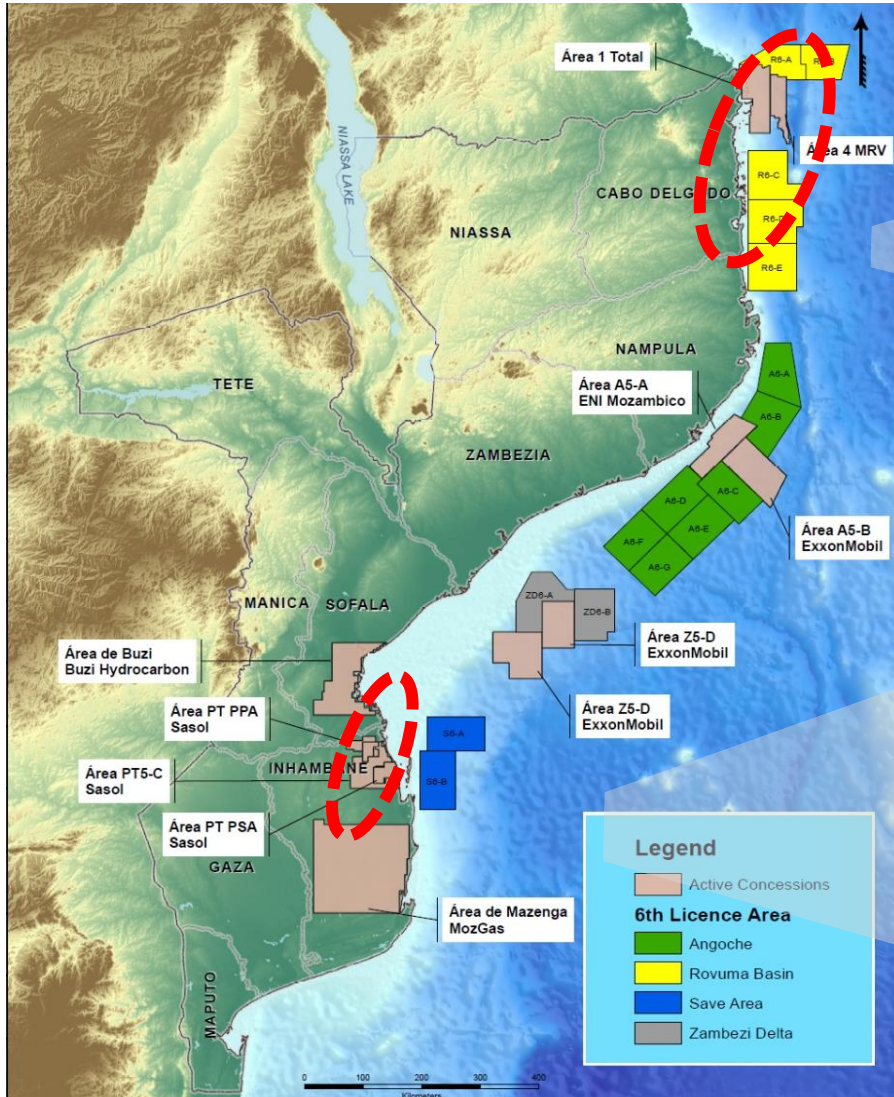
EPCC to be approved shortly; Ongoing clarifications meetings

- CNOOC Hong Kong Holding LTD:
 - ❑ Areas A6-D, A6-E, A6-G, S6-A e S6-B

- EMO SPA:
 - ❑ Area A6-C

Áreas		Dimensão
Áreas do Rovuma (R6-)	5 Áreas	28241.01 Km ²
Áreas do Angoche (A6-)	7 Áreas	40420.79 Km ²
Áreas do Delta Zambeze (ZD6-)	2 Áreas	11474.6 Km ²
Áreas do Save (S6-)	2 Áreas	11479.35 Km ²
TOTAL	16 Áreas	91615.75 Km²

PETROLEUM POTENTIAL AND DISCOVERIES



ROVUMA BASIN

ROVUMA BASIN – GNL PROJECTS

3 PROJECTOS GNL
39,3 TCF



US\$50 BILIÕES
Esperados DFI

+/- 30 MTPA
De produção de GNL

900 MMSCFD
Domestic Gas

MOZAMBIQUE BASIN – PSA

PRODUCTION
53MGJ/A

Power Generation
450 MW

GPL
30'000 TON/A

MOZAMBIQUE BASIN - PANDE & TEMANE (PPA)

PRODUÇÃO
197MGJ/A

Domestic Market
09MGJ/A – R. Gás
27MGJ/A – Gás Dom

Transmission
Pipline
ROMPCO 864km
Moçambique-Secunda

EXPORTATION
159 MGJ/ano

NATURAL GAS PRODUCTION IN MOZAMBIQUE

Temane – Secunda Pipeline



Production started in 2004 from Pande/Temane Fields

Capacity

- CPF: 197 MGJ/a
- ROMPCO: 212 MGJ/a @ 26"
- MGC: 22 MGJ/a @ 8"

➤ Use of Natural gas in Mozambique:

- Power generation
- Fuel to industries (Mozal, cement plant, etc)
- Fuels to vehicles (CNG - Compressed natural gas)
- Commercial and domestic use -Gas distribution Project

MOZAMBIQUE BASIN GAS PRODUCTION

ONSHORE GAS

PANDE & TEMANE

PRODUCTION

TRANSMISSION

DISTRIBUTION

DOMGAS

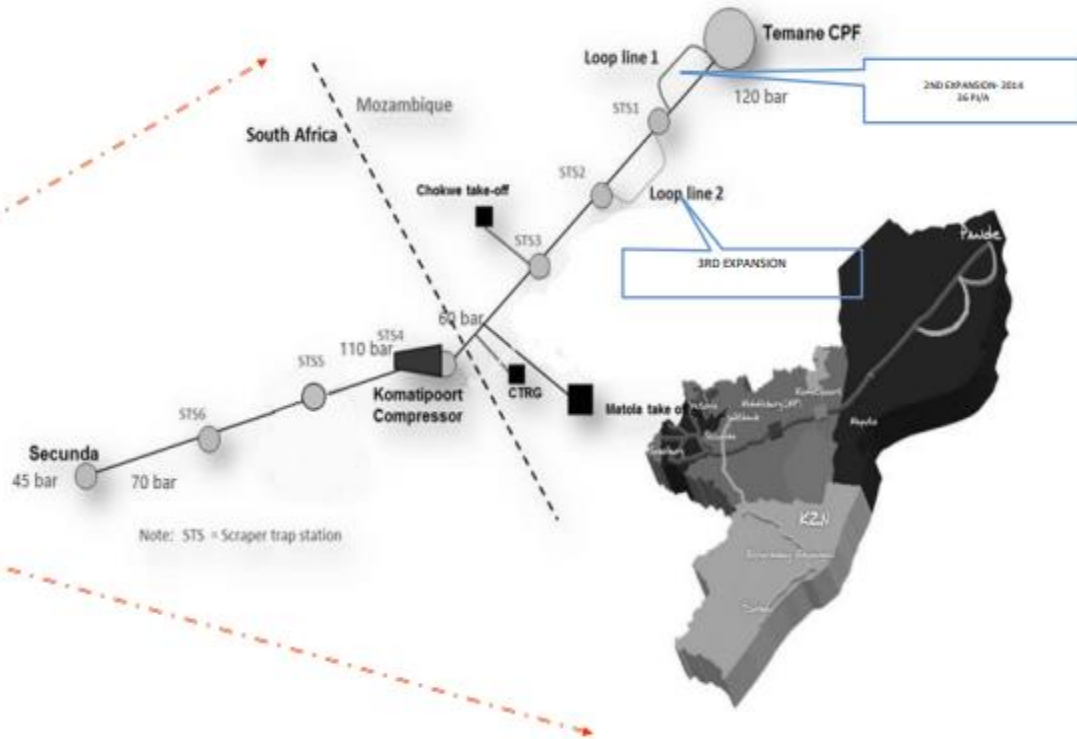
STARTED 2004

183 PJ/a

ROMPCO PIPELINE
865 Km

PIPED GAS
DISTRIBUTION NETWORK

GAS TO POWER
450MW



MAPUTO/MARRACUENE
NORTE DE INHAMBANE
2500 HOUSEHOLDS



CTM 100MW



120MW



CNG/GAS TO VEHICLES



175MW



INDUSTRIES

MOZAL - ALUMINIUM
2M - BEVERAGES
CEMENT
HOSPITALITY (POLANA
HOTEL; GLORIA;
RADISSON)



Kuvinga
40MW

NATURAL GAS USE IN MOZAMBIQUE

Power Generation



Industrial Use



Commercial Use



Compressed Natural Gas (CNG)
Virtual Pipe Line

Domestic Use



Gas Network
(Maputo, Marracuene & Inhambane)

LNG POTENTIAL – ROVUMA BASIN

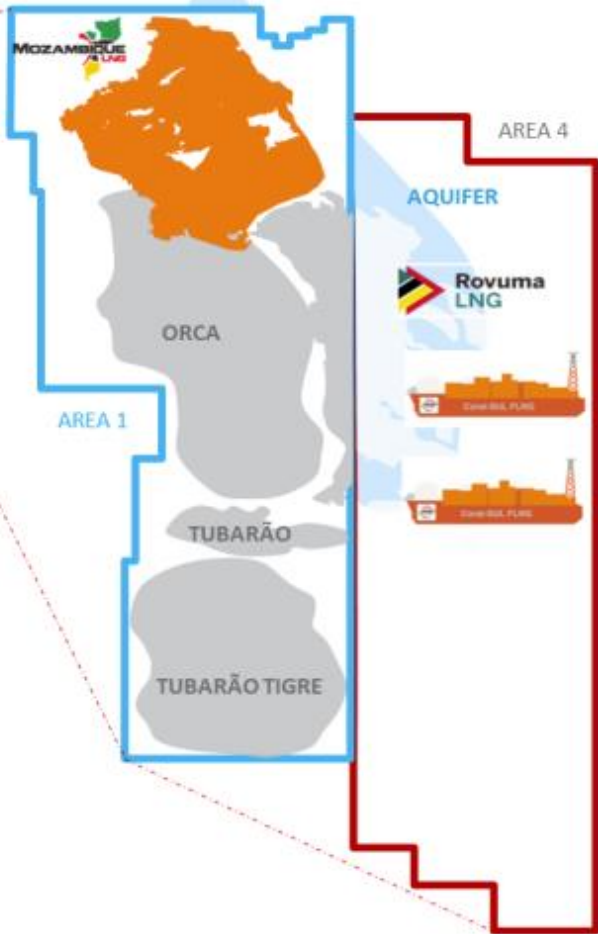










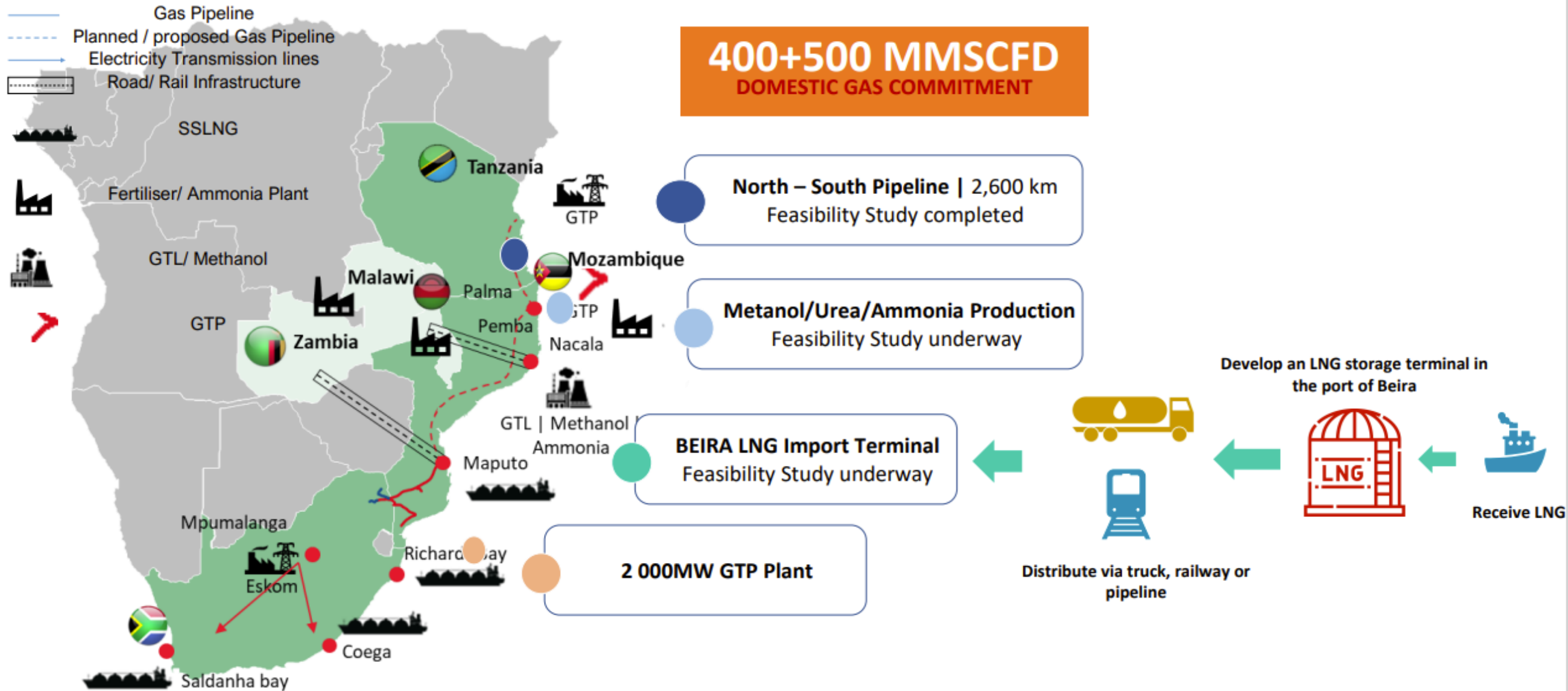
ILLUSTRATION NOT TO SCALE

- AREA 1
- AREA 4

LNG Projects (Rovuma Basin)

	 CORAL LNG SOUTH	 MOZAMBIQUE LNG	 Rovuma LNG	 CORAL LNG NORTH
	2X	2X	2X	2X
	3.4 MTPA Floating	13.2 MTPA 2 Initial Trains	18.2 MTPA Multiple Trains	3.55 MTPA Floating
	Floating LNG	LNG Park (MOF/Jetty)	LNG Park (MOF/Jetty)	Floating LNG
	~6 Subsea Wells	~20 Subsea Wells	~25 Subsea Wells	Phased ~6 Subsea Wells
	N/A	400 MMSCFD DomGas	500 MMSCFD DomGas	25 MMSCFD DomGas
	Operational Phase Since Nov. 2022	Development Phase	Conceptual Phase	Conceptual Phase

GAS MASTERPLAN – DOMESTIC GAS/LNG OPPORTUNITIES



GAS MASTER PLAN: PRIORITY INVESTMENT AREAS

Industrial Sector	Project	Product	Reasoning
Fuels sector	GTL	Diesel /LPG/Nafta	<ul style="list-style-type: none"> Reduces Mozambique's dependence on imported refined petroleum products; Potential for regional export of products derived for GTL .
Base Chemicals Sector	Ammonia /Urea and other projects	Ammonia /Urea and other products	<ul style="list-style-type: none"> It is Government strategy for the development of agriculture and agro-industry; Will provide a reduction in fertilizer imports ; The fertilizer plant in Mozambique can be the distribution center for Africa.
Energy	Power Plant	Electricity	<ul style="list-style-type: none"> Contributes to the implementation of the Strategy for industrialization and rural electrification; Increases efficiency and flexibility in electricity distribution; Increase in energy availability in the country and region; Contributes to the diversification of the energy matrix.
Raw Materials	Cement, Carbon Black and Glass Production Project	Cement, Carbon Black and Glass	<ul style="list-style-type: none"> Indirect benefit, workforce and value chain; High domestic and regional demand.

- Human Resources – Capacity building
- Infrastructures
- Finance
- Technology

FINAL REMARKS

- Mozambique offers countless opportunities for investment throughout the value chain (upstream, midstream e downstream), which will be available through:
 - Its competitive fiscal regime,
 - Implementation of Development Plans in view of Force Majeure lifting will boost investment opportunities;
 - Further Exploration as a result of the 6th Bidding Round contracts signing of EPCC;
 - Huge potential for exploration
 - Gas demand growth due to Energy Transition;
 - Its strategic location in relation to LNG markets;

FINAL REMARKS

MOZAMBIQUE & AFRICA

DO IT!

BECAUSE...

YOU & I, TOGETHER

WE CAN DO IT!

WE MUST DO IT!

THANK YOU VERY MUCH FOR YOUR ATTENTION
MUITO OBRIGADA PELA ATENÇÃO DISPENSADA



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