

Landmark investment to transform Mozambique into natural gas supplier

Mozambique's Coral Floating Liquefied Natural Gas (FLNG) development has received an approximately \$8 billion investment, marking the first step for Mozambique to become a regional and global offshore natural gas producer and supplier. The landmark energy deal is said to be the first of its kind in the country and promises to transform Mozambique's growth prospects.



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Standard Bank and its 20% shareholder, the Industrial and Commercial Bank of China (ICBC) are collectively the largest lenders to the project - reflecting the power of their partnership in driving African growth. ICBC plays a critical role in this transaction by acting as the Pathfinder Bank, K Sure agent, Chinese tranche agent and one of the facility account banks. Standard Bank acts as commercial facility agent, onshore account bank and security trustee in respect of the project.

“This game-changing transaction initiates a cycle of energy investment set to return Mozambique to growth while heralding the country’s arrival as a key global liquefied natural gas supplier,” says Paul Eardley-Taylor, Head, Oil & Gas, Southern Africa, Standard Bank.

In addition to broader advisory work currently underway in East Africa, Standard Bank and ICBC’s support for the Coral FLNG project builds on a long history of oil and gas development in Mozambique, including Sasol, ROMPCO, ENH, CMG, and CMH. Standard Bank also authored Mozambique’s landmark LNG macro-economic study informing the development of the 2014 Rovuma Basin Decree law.

This milestone transaction gives life to Standard Bank and ICBC's broader vision and strategy to develop East Africa as global energy production and supply hub – especially to East Asia.

Global interest in Mozambique and the region's potential as future energy suppliers is reflected by broad international participation in the deal. Export credit agencies, including Coface (BPI), K Exim, K Sure, Sace and Sinosure, are joined in this transaction by leading global energy giants ENI, Petrochina, GALP, ENH and Kogas.

ICBC and Standard Bank believe that this deal is an important signal on Mozambique's longer term growth prospects, especially the implications of this investment for future southern and east African energy trade and security.

"This transaction demonstrates ICBC and Standard Bank's vision of driving Africa's growth by attracting foreign direct investment back into Mozambique's promising energy production and export sector," says Eardley-Taylor. Significantly, "this game changing transaction puts East Africa on the map as a global energy supplier," he adds.

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