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Exxon announces Initial Investment Decision for US\$33b Mozambique LNG Project

Work on the Exxon project set to take place alongside construction of the c.US\$20b Total LNG project, creating huge demand for the labour and training services provided by RBR

RBR Group's (ASX: RBR) strategy to be a major supplier of labour and training services to the Mozambique LNG construction industry has received another boost with the Government of Mozambique and the Exxon Mobil (Exxon) lead consortium behind the Mozambique Rovuma Venture announcing an Initial Investment Decision for the US\$33 billion LNG project. The Initial Investment Decision paves the way for Exxon and its partners to invest more than US\$500 million in the initial construction phase of Rovuma.

A statement from Mozambique's Ministry of Mineral Resources and Energy said the consortium is expected to announce the Final Investment Decision in 2020.

Rovuma, which has an estimated capital cost of up to US\$33 billion, is operated by Exxon. Exxon and Italy's ENI each have a 25 per cent stake in the project alongside state-owned China National Oil and Gas Exploration and Development Company (CNODC), South Korean group Kogas, Portugal's Galp Energia and the Mozambican state-owned Empresa Nacional de Hidrocarbonetos (ENH).

"The Area 4 (Rovuma) partners will advance midstream and upstream area project activities of more than US\$500 million as initial investments," Exxon head of power and gas marketing Peter Clarke reportedly told attendees at a ceremony in Mozambique's capital Maputo on Tuesday 8 October.

Construction of onshore facilities has been awarded to a consortium led by Japan's JGC, UK firm TechnipFMC and US company Fluor Corp.

"These EPC (engineering, procurement and construction) contracts cover the construction of two natural gas production trains with a total capacity of 15.2 million tons per annum, as well as associated onshore facilities," Clarke said.

The announcement on the Exxon project follows last week's announcement by French giant Total that it had completed its acquisition of Anadarko Petroleum's 26.5 per cent stake in the neighbouring c.US\$20 billion Mozambique LNG Project.

RBR Chief Executive Richard Carcenac said the construction phase of Mozambique's LNG projects would need tens of thousands of workers on site with the number growing as the surrounding infrastructure and municipality develops in line with the LNG projects.

"Mozambique is poised to host one of the biggest construction industries in the world and RBR and its Mozambique operating entities Futuro Group, are ideally placed to supply labour and training services to these LNG projects," Mr Carcenac said.

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