

Newsletter

Presidential Decree no. 72/25 – Gas Master Plan

1 April 2025



Energy Sector Update: Comprehensive Overview of the Gas Master Plan

The recently published Gas Master Plan, approved by Presidential Decree No. 72/25, provides a strategic vision for the sustainable growth of Angola's natural gas sector by enhancing energy security, attracting investments, and creating a robust regulatory environment.

This comprehensive plan details how natural gas will drive economic growth, support environmental sustainability, and promote social development.

In this newsletter, we highlight the key elements of the Gas Master Plan and their implications for businesses operating in this sector.

I. Strategic Framework for Sustainable Development

Main Objectives

- **Sustainable Development:** Establish guidelines for the efficient use of natural gas in the domestic market, ensuring long-term resource management and environmental protection.
- **Energy Transition:** Reduce dependence on more polluting fossil fuels, promoting cleaner energy sources to mitigate climate change.
- **Economic Diversification:** Maximize socio-economic benefits for Angolan society by diversifying the economy and creating new industries and job opportunities.

Plan Structure The plan is structured around four fundamental pillars:

- (i) **Natural Gas Resources:** Exploration and production of gas in the Baixo Congo, Kwanza, Benguela, and Namibe basins.
- (ii) **Infrastructure:** Construction and expansion of pipelines, processing units, and regasification terminals.
- (iii) **Market:** Creation of a competitive and efficient domestic market.
- (iv) **Legal and Regulatory Framework:** Establishment of a robust framework to ensure sector development.

II. Exploration and Production: Unlocking Natural Gas Potential

Key Actions

- **Evaluation and Development:** Conduct thorough evaluations and develop natural gas resources in sedimentary basins to ensure sustainable extraction and utilization.

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- **Resource Management:** Implement strategies for effective resource management, including inventorying discovered and prospective gas resources.
- **Production Enhancement:** Increase production capacity in key basins to meet domestic and regional demand.

Goals and Objectives

- **Short-Term (2025):**
 - **Ensure Gas Supply:** Increase production from the Baixo Congo Basin to meet domestic demand and develop the Quiluma and Maboqueiro fields along with the Sanha Lean Gas Connector.
 - **Develop Market Offer:** Establish market foundations, including clear terms for the energy, petrochemical, mining, and residential sectors, supported by a regulatory framework to attract continuous investment.
 - **Identify Anchor Clients:** Engage potential anchor clients for the petrochemical industry and energy sector in Cabinda to ensure stable demand.
- **Medium-Term (2026-2036 years):**
 - **Transport Gas from Kwanza and Benguela Basins:** Develop infrastructure to transport gas from these basins to key consumption areas.
 - **Conduct Feasibility Studies:** Perform studies for pipelines from Soyo or offshore to Luanda and the Copperbelt region in Zambia.
 - **Select Investment Incentives:** Create conditions for the transportation and distribution of natural gas across the country, including the implementation of UAGs (Autonomous Gas Units) for low-pressure gas distribution.
- **Long-Term (2036-2050 years):**
 - **Expand Infrastructure:** Develop pipelines and regasification units to transport gas to central and eastern regions of Angola.
 - **Convert Diesel Power Plants:** Promote the conversion of diesel thermal power plants to natural gas to improve efficiency and reduce emissions.
 - **Develop Gas Distribution Projects:** Implement projects for gas distribution in buildings and condominiums to diversify residential energy sources.
 - **Utilize Gas from Kwanza and Benguela Basins:** Implement private projects in southern Luanda and/or Benguela to utilize gas from these basins.

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III. Infrastructure Development: Building a Robust Gas Network

Investment in Infrastructure

- **Pipeline Construction:** Invest in the construction of pipelines to ensure efficient transportation of natural gas from production sites to consumption areas.
- **Regasification Units:** Develop regasification terminals to facilitate the import and distribution of liquefied natural gas (LNG).
- **Processing Units:** Establish gas processing facilities to enhance the quality and usability of natural gas for various applications.

Specific Locations and Industries for Investment

- **Cabinda:** Development of gas infrastructure to support the petrochemical industry and energy sector. Key projects include the Central Thermal Plant in Malembo and the Industrial Hub in Fútila.
- **Zaire (Soyo):** Expansion of gas infrastructure to support the petrochemical industry and energy sector. Projects include the Angola LNG plant and the Combined Cycle Gas Turbine (CCGT) plant.
- **Luanda and Benguela:** Development of gas infrastructure to support the petrochemical industry, including fertilizer and methanol production. Key projects include the Industrial Hub in Catumbela and the Lobito Corridor.
- **Huíla and Cubango:** Development of gas infrastructure to support the mining and steel industries. Projects include the Cassinga Mining Complex and the Cuchi Steel Project.
- **Namibe:** Potential development of gas infrastructure to support energy generation and other industrial applications. Projects include the Namibe Port and the Cassinga Mines.

IV. Market Development: Creating a Competitive and Efficient Gas Market

Promotion of Business Environment

- **Attracting Investments:** Foster a business-friendly environment to attract investments in the natural gas sector.
- **Market Offer:** Develop a clear market offer with competitive terms and conditions to engage potential clients.
- **Anchor Clients:** Identify and secure anchor clients in key industries to ensure stable demand and market growth.

Expected Impact

- **Economic:** Reduction in import costs for fuels and petrochemical products, increased fiscal revenue, and balance of payments equilibrium. The plan aims to attract investments exceeding \$30 billion (CAPEX), generating benefits of over \$150 billion.

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- **Social:** Job creation, development of local industries, and improvement in the population's well-being. The plan will foster the growth of first, second, and third-generation industries, creating thousands of jobs.
- **Environmental:** Reduction in greenhouse gas emissions and promotion of sustainable practices. The use of natural gas will help mitigate environmental risks and contribute to global climate goals.

V. Industrial and Residential Applications

Sector Overview

- **Energy Sector:** The use of natural gas in thermal power plants is crucial for energy generation. The plan includes converting diesel power plants to natural gas and expanding the capacity of existing gas-fired plants.
- **Petrochemical Sector:** Natural gas will be used to produce fertilizers, methanol, and other chemicals. This will reduce import costs and promote local production.
- **Industrial Sector:** Natural gas will support industries such as steel, cement, and ceramics. Key projects include the Cassinga Mining Complex and the Cuchi Steel Project.
- **Transport Sector:** The use of natural gas in the transport sector is crucial for reducing fuel import costs and promoting cleaner energy. The plan includes converting vehicles to natural gas and developing infrastructure for gas refueling stations.
- **Residential and Commercial Sector:** The plan aims to increase the availability of natural gas for residential and commercial use, including the distribution of piped methane gas in buildings and condominiums.

Estimated Gas Demand

ANPG and Sonangol report that there are currently expressions of interest substantiated in an estimated demand distributed as follows:

- **Energy Sector:** Natural gas allocation for thermal power plants is estimated at 150 MMSCFD, ensuring stable energy supply and reducing reliance on diesel.
- **Petrochemical Sector:** The production of fertilizers and methanol will require approximately 130 MMSCFD, supporting local manufacturing and reducing imports.
- **Industrial Sector:** The steel, cement, and ceramics industries will consume around 100 MMSCFD, enhancing production efficiency and reducing costs.
- **Transport Sector:** The use of natural gas in the transport sector is estimated to require 10 MMSCFD, promoting cleaner energy and reducing fuel import costs.
- **Residential and Commercial Sector:** The distribution of piped methane gas will diversify energy sources for residential and commercial use, with an estimated demand of 30 MMSCFD.

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Goals and Actions

- **Goal:** Ensure the supply of natural gas to various sectors to promote economic growth and sustainability.
- **Actions:**
 - **Energy Sector:** Convert diesel power plants to natural gas and expand gas-fired plant capacity.
 - **Petrochemical Sector:** Develop infrastructure for fertilizer and methanol production.
 - **Industrial Sector:** Support the development of steel, cement, and ceramics industries.
 - **Transport Sector:** Promote studies on the use of natural gas in the transport sector (road, rail, and maritime), enable the conversion of vehicles to natural gas, and develop infrastructure for gas refueling stations.
 - **Residential and Commercial Sector:** Implement projects for gas distribution in buildings and condominiums.

VI. Legal and Regulatory Framework: Ensuring Sector Development

Establishment of Robust Framework

- **Regulation:** Review and complement the legal framework to support sector development, ensuring compliance with international standards and best practices.
- **Incentives:** Provide fiscal incentives to attract investments in the natural gas sector.
- **Transparency:** Ensure transparency and accountability in the management and regulation of natural gas resources.

Implementation and Monitoring

- **Coordination:** Establish a coordination mechanism among relevant ministries and agencies to ensure effective implementation of the plan.
- **Monitoring:** Implement a robust monitoring and evaluation system to track progress and make necessary adjustments.
- **Stakeholder Engagement:** Engage stakeholders, including local communities, industry players, and international partners, to ensure inclusive and sustainable development.

The Gas Master Plan represents a transformative opportunity for the energy sector, fostering investment, infrastructure expansion, and sustainable economic growth.

Eversheds Sutherland is ready to assist clients in structuring transactions, ensuring compliance, and identifying investment opportunities in the natural gas sector. For tailored legal insights and support, please contact our team.

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