

## African LNG holds key to EU-NATO's gas insecurities

February 15, 2022



With the security of Europe, the future of the North Atlantic Treaty Organization (NATO), and the independence of Ukraine all hanging in the balance – together with the fate of the fragile post covid global economy, Africa's major LNG producers – **Nigeria, Algeria, Mozambique** and **Libya** may yet hold the keys to the solving the conundrum of European over dependence on Russian gas.

Nigeria, Algeria, Mozambique, Egypt, Libya, Angola and Congo-Brazzaville together hold more natural gas reserves than Saudi Arabia or Canada. With massive multibillion dollar foreign investments in African LNG export infrastructure, Europe may yet gain greater diversification of its natural gas suppliers and end the silly political football over Germany's attachment to Nord Stream II.

Of the four key African gas exporters, Nigeria, Algeria and Libya, Algeria has the most sophisticated gas infrastructure connected to Europe. And yet in recent months Algeria has had several diplomatic standoffs with its former colonial master, France – complexifying any EU deal with Algeria for more gas. Egypt is facing new infuriating US military aid cutbacks, and President El Sisi, remains close to the Kremlin and co-chaired Russian President Putin's 2019 Africa-Russia summit. Libya is still in a state of quasi-civil war, while Mozambique faces a jihadist insurgency and a debt laden economy in distress. Nigeria's natural gas sector which has quietly expanded over the past decade is likely the most viable potential new partner in helping improve Europe's gas diversification. Nigeria LNG (NLNG) remains one of Africa's most impressive and - yet untoasted - business success stories.

Nigeria LNG Limited operates 6 LNG trains producing approximately 22 million tons per year of LNG roughly 10% of the world's LNG consumption. NLNG is expected to export 30mtpa when its 7th train comes online in a few years. An investment by the EU in NLNG may yield much greater longer-term strategic geopolitical results than sending bullets and long rifles to Kyiv.

Sebastian Spio-Garbrah,  
Chief Analyst & Global MD

+233 55 596 9049  
[Sebastian@daminaadvisors.com](mailto:Sebastian@daminaadvisors.com)

Alex Wark,  
Partner, Business Development

+44 7779 656 878  
[Alex@daminaadvisors.com](mailto:Alex@daminaadvisors.com)

Lars Henriksson  
Partner, Asia  
+60 11 1166 5199  
[Lars@daminaadvisors.com](mailto:Lars@daminaadvisors.com)

**Africa's Nat Gas Reserves are 129% of US; 36% of Russia's and 71% of Qatar's**

	1980	2021	80 - '21
<b>World</b>	<b>2,585</b>	<b>7,257</b>	<b>181%</b>
United States	201	465	132%
Russia	0.00	1,688	168823%
Iran	490	1,200	145%
Qatar	60	843	1304%
Turkmenistan	0.00	400	40000%
Saudi Arabia	96	333	248%
China	25	235	840%
United Arab Emirates	21	215	949%
<b>Nigeria</b>	<b>41</b>	<b>203</b>	<b>391%</b>
<b>Algeria</b>	<b>132</b>	<b>159</b>	<b>20%</b>
<b>Mozambique</b>	<b>0.00</b>	<b>100</b>	<b>10000%</b>
<b>Egypt</b>	<b>3</b>	<b>63</b>	<b>2000%</b>
<b>Libya</b>	<b>24</b>	<b>53</b>	<b>121%</b>
<b>Angola</b>	<b>1</b>	<b>12</b>	<b>931%</b>
<b>Congo-Brazzaville</b>	<b>2</b>	<b>10</b>	<b>398%</b>
<i>natural gas reserves (tcf)</i>			

Source: US EIA/ DaMina Advisors

-----  
**Contact DaMina for a more detailed briefing from our risk analysts:**

Sebastian Spio-Garbrah  
Chief Analyst

Alex Wark,  
Partner, Business Development  
London, UK

+44 7779 656 878  
+233 55 596 9049

[Alex@daminaadvisors.com](mailto:Alex@daminaadvisors.com)  
[research@daminaadvisors.com](mailto:research@daminaadvisors.com)

*DaMina Advisors is a preeminent Africa-Asia focused independent frontier markets political risk research, due diligence, M&A transactions consulting and strategic geopolitical risks advisory firm. DaMina Advisors is legally registered and has offices in Canada, the UK and Ghana.*

[www.daminaadvisors.com](http://www.daminaadvisors.com)

On Twitter  [@DaMina\\_Advisors](https://twitter.com/DaMina_Advisors)