



# LEADING SECURE GAS SUPPLY



Ambitiously operating a gas pipeline across Mozambique and South Africa, Mlandzeni Boyce, CEO of the Republic of Mozambique Pipeline Investments Company (ROMPCO), tells us about the organisation's tenacious efforts towards expansion and the successes of its public-private partnership

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Historically, the African oil and gas industry has had to work hard to keep pace with global industrialisation efforts, despite its abundance of coal and oil reserves.

Therefore, it has become necessary for many energy organisations across the continent to locate and leverage the most plentiful sources of gas, whether it be in Nigeria, Namibia, or more recently, Mozambique.

"The majority of electricity in the Southern African Development Community (SADC) – approximately 60 to 70 percent – comes from coal-fired plants," introduces Mlandzeni Boyce, CEO of ROMPCO. ▣



Heating, meanwhile, is generated using biomass and the burning of wood, which can significantly contribute to CO<sub>2</sub> emissions. However, a turning point has been reached in the emergence of gas as a transition fuel, which will play a significant role in reducing emissions whilst also elevating the continent further into an industrialisation space.

As part of this evolution, Africa has begun to cater to the global liquefied natural gas (LNG) market with areas such as Mozambique starting to export energy and become a key player in the international oil and gas industry, despite being a small country.

### **DILIGENTLY MEETING DEMAND**

As a leading gas transmission pipeline operator across Mozambique and South Africa (SA), ROMPCO transports gas molecules, owned by shippers, from the production site in Temane to end users located in Mozambique and SA. The ROMPCO pipeline transports and supplies 90 percent of SA's gas demand.

"We do not own the molecules, we simply transport them," details Boyce.

ROMPCO was born from the need to cater to rising energy demands in both countries, identifying potential gas availability in Pande and Temane gas fields in the vicinity of Vilanculos, Mozambique, which was used to address the market gap.

As it was considered stranded gas at the time, global energy and chemicals company Sasol therefore devised a way to transfer the gas to the Mozambican and South African markets. As such, ROMPCO was created to undertake and manage the pipeline operation.

Following its establishment, there was a cross-border agreement signed between the two countries' governments to manage how the gas molecules would be sold.

A concession license was then granted in 2001, which gave ROMPCO the right to construct, own, and operate the pipeline from Temane to Secunda in SA, spanning 865 kilometres (km) and transporting 120 to 126 petajoules (PJ) per annum.

Construction of the pipeline began in 2002 and was completed in just two and a half years.

However, due to geographical

difficulties, it initially faced challenges in developing the necessary infrastructure and extending its presence.

"Because of where we are, it's difficult to get ahead of the market and start building, so you need to have the necessary demand beforehand to ensure that the expansion is worth it," affirms Boyce.

Consequently, after recognising that there was a growing market in the region, the company extended its pipeline accordingly.

The first development project was the implementation of a compressor station which facilitated an additional 27 PJ per annum to the pipeline, before implementing Loop Line 1 in Mozambique and Loop Line 2 in SA, increasing the gas transmission capacity to approximately 212 PJ per annum and roughly about 1,200km of pipeline.

### **COMPREHENSIVE CROSS-BORDER OPERATIONS**

Since its inception, ROMPCO has been a shining example of the successes that can be afforded by a public-private partnership (PPP).





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In the early days of the pipeline, the governments of SA and Mozambique each owned 25 percent, whilst Sasol owned the remaining 50 percent.

Sasol sold part of its stake in 2021 to reduce its ownership to 20 percent, granting greater government ownership.

“The beauty of a PPP, not only in Africa but across the world, is that when government and private sector come together, there is a political will, which means that the projects in question usually move and progress quickly,” insights Boyce. ■



As part of the partnership, ROMPCO contributes the necessary financiers and skilled workers that are needed to build the pipeline. The government administration, meanwhile, aligns policy and regulation which helps to increase the productivity of a project.

PPP always benefits the government and citizens in the long run. The private sector normally provides the financial capital and skills for project development, which often outlive the financing period, leaving the country with developed infrastructure that is leveraged by its citizens.

The company's cross-border operations and workforce provide a competitive edge, as it allows ROMPCO to be agile in catering to the different requirements of the two countries.

Its dual activity also means that the company has a varied customer base. In Mozambique, the majority

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of its shippers are owners of the gas molecules, whereas in SA its shippers are industry businesses.

Being part of a joint venture also means that the company must work hard to meet the standards of both the public and private sectors.

“We have to keep our stakeholders happy on a government-to-government level as well as on a business-to-government level. Being

a part of this partnership means you have to navigate between these responsibilities,” asserts Boyce.

### PROGRESSING THE PIPELINE

Currently, ROMPCO is committed to addressing depleting reserves in Mozambique, particularly in Pande and Temane, which offers the sole source of natural gas imported into SA. As such, the company is pursuing a tie-in ■

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for its pipeline that will enable the flow of LNG into SA and ensure a stable and robust gas supply for the future.

Additionally, ROMPCO is gearing up its pipeline for potential capacity expansion in preparation for an expected gas demand as a result of the South African government's request for proposal for gas-to-power projects to produce 2,000 megawatts (MW) under the Gas Independent Power Producer Procurement Programme (GIPPPP).

Fortunately, the pipeline's infrastructure was designed in such a way that the capacity could be expanded as and when the demand arose. Evidently, its capacity can be doubled, as indicated by hydraulics models created in preparation for the expansion.

ROMPCO estimates that it can guarantee approximately 205 to 212 PJ per annum, whilst the implementation of more loop lines can facilitate an additional 180 PJ annually.

The company also wishes to capture remote gas hotspots by introducing smaller virtual pipelines in Northern Mozambique. These would be used in cases where gas sources are 100 to 150km away from the main pipeline and having a significant secondary pipeline may not be economically feasible.

"Virtual pipelines allow us to take hold of a certain market, particularly in distant mining areas, and is part of our new way of thinking and diversification as a company," highlights Boyce.

Elsewhere, ROMPCO is looking internationally for more flourishing investment opportunities. For instance, it has been engaging with different governments in Southern Africa where it believes it can provide pipeline assistance.

"We also strive to position ourselves as a leading gas transmission and gas infrastructure company. Given our experience over the last 25 years, we can provide significant knowledge in this area," he adds.

### **TACKLING INDUSTRY CHALLENGES**

ROMPCO has maintained a symbiotic relationship with Sasol as its primary customer and operator. Indeed, in areas where the company can't reach, it relies on Sasol and its relationship ■



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## AFRICA OUTLOOK: COULD YOU PROVIDE SOME INSIGHT INTO YOUR CAREER IN THE NATURAL GAS SECTOR?

**Mlandzeni Boyce, CEO:** “I was one of the few fortunate young men from the small town of Uitenhage in the Eastern Cape to receive a bursary to study in the city.

“At university, I majored in chemistry and physics, earning both honours and master’s degrees. Subsequently, I specialised in organic synthesis and joined Sasol in SA soon after in 2003.

“I started as a senior scientist in the company’s lab before moving into strategic and business intelligence and then later to commercial. My role was to look for oil and gas assets that Sasol could invest in, scanning the world for possible project partnerships, whether it be a gas-to-liquid or oil-to-liquid operation.

“I grew and developed skills with the job as I searched for strategies and business developments across the world in areas like China, India, and Uzbekistan, looking at how to engage and build business in the region.

“Therefore, I have been exposed to gas throughout my career from both a technical and business standpoint, gaining an understanding in how different contracts are drafted and at what range.

“I returned to SA while still working for Sasol, where my role entailed sourcing gas from Mozambique and buying it for the SA market. From there, I was appointed as General Manager in 2019, before being appointed as CEO of ROMPCO a year later.”





with the government to tap into these markets.

Government relations are also utilised by ROMPCO to assist in areas such as procurement and the in-line inspection process of its pipelines, the latter of which the company conducts every five years to monitor pipeline integrity.

This undertaking requires the support and expertise of many suppliers across Africa and the rest of the world, including Italy and the UK.

“Our partnership with the government means it is easy for us to obtain permits for workers and the movement of materials.”

ROMPCO has also focused on integrating small to medium-sized enterprises (SMEs) into the supply chain across Mozambique and SA in the last five years.

“We appoint the owners of SMEs

who have not been in the industry long but have the necessary knowledge, and we partner them with larger companies so that skills are transferred across the two countries,” explains Boyce.

Although this can be a costly exercise, it means smaller business owners can efficiently run their companies with greater exposure and higher standards.


“We see this as a corporate social investment (CSI) from a developmental perspective rather than a project stance, advancing the overall landscape of the industry,” he adds.

This initiative is part of ROMPCO’s wider expansion plans going forward as it pushes to solve the problems caused by the emerging depletion of gas.

One of the company’s main priorities is to bring the right partners to the table and secure the long-term

growth of LNG in SA.

ROMPCO also wishes to lead the conversation around what industry players can do to solve widespread oil and gas issues.

“There needs to be a discussion between governments around how we move molecules from the countries that have significant gas resources to the ones that are energy starved, and we are ready to lead that conversation,” concludes Boyce. 



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