

# Yemen's hopes of restarting LNG exports face major security and political tests

Yemen is looking to export its first LNG since exports ground to a halt four years ago, the country's oil minister was quoted as saying this week, but restart efforts will face both security and political obstacles as the civil war rages on in the Middle Eastern nation.

Aws Abdullah al-Awd, the oil minister to the government of Abd-Rabbu Mansour Hadi – who has the backing of Saudi Arabia – said the government is aiming to ramp up LNG production from the plant to its capacity of 6.7 mtpa, with half of the volume to be exported.

Al-Awd also said Hadi's government wants to increase crude production to 110,000 barrels/d this year, with exports expected to hit 75,000 barrels/d.

Despite the conflict between Hadi's government and the Iranian-backed Houthi rebels, Yemen has been able to export some oil, according to reports, with production averaging 50,000 barrels/d in 2018. The figure is said to be less than half of the 127,000 barrels/d produced in 2014.

## Major obstacles

A restart of Yemen LNG will face both security and political obstacles, Control Risks senior analyst Graham Griffiths told Gas Matters Today, but will be aided by anti-Houthi forces "nominally" securing infrastructure of the Total-operated Yemen LNG plant.

"Yemen LNG's infrastructure lies outside of the areas under the Houthis' control, so their ability to threaten the project is limited to weapons like ballistic missiles," he said.

However, the project is likely to face threats from Al-Qaeda in the Arabian Peninsula (AQAP), which has targeted the project in the past, with threats also likely from local tribes "who may commit acts of sabotage in order to extract economic benefits from the project", according to Griffiths.

"On the political level, parts of the project lie in areas under the control of groups affiliated with the southern secessionist movement, while others lie in areas controlled by a local authority that is affiliated with the Hadi government but operates relatively autonomously.

"Restarting the project will require coordination between these groups and agreements over issues like the distribution of export revenue," said Griffiths.

Progress was made last year on securing energy infrastructure after the government formed a pipeline security committee with the focus on protecting its energy infrastructure, said University of Oxford Middle East energy scholar Justin Dargin.

“Such committees, often in MENA countries with significant security issues, are made up of local tribes that are paid and given funding to protect energy infrastructure in their areas.

“And, such groups have been successful in preventing energy infrastructure attacks in Egypt, Iraq and other areas,” said Dargin, adding the plan to hit 6.7 mtpa of LNG production this year “may be slightly too ambitious for the still dynamic security situation on the ground”.

Yemen LNG repaired a major gas pipeline linked to the LNG plant in Balhaf in 2017, which is key to a potential restart, Dargin said, adding this could be at risk of attack from “Houthi rebels, insider sabotage or Islamist backed terrorist attacks” if a ceasefire does not hold.

### **Discrete redeployment**

Both Griffiths and Dargin agreed that project stakeholders might send foreign personnel back to the LNG plant and gas fields.

“Generally, foreign companies – including companies in the oil and gas sectors – have begun sending personnel back into Yemen in small numbers and to discrete locations,” said Griffiths.

Dargin used as an example the Austrian firm OMV, which restarted oil production in Yemen last year.

“Most other companies are [waiting] to see if the security situation improves. Nonetheless, even under the best of conditions, Yemen has been a challenging location to work and has had terrorist attacks against its energy infrastructure even since the early 2000s from still active Islamist elements. Therefore, the majority of companies understand the risks of getting involved,” said Dargin.

Gas Matters Today reached out to Total to confirm whether it will restart the plant this year and if it had foreign nationals working in the country, however the French major did not reply by the time of publication. - ET