THE WAVERLEY SERIES

EQUATORIAL GUINEA

An Insight of Investment, Trade and Economy

September 2026

For Advisory & Partnership

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EQUATORIAL GUINEA — AT A GLANCE

Capital	Malabo
Population	≈ 1.7 million
Real GDP growth	Contracted 5.4–6.4% in 2025 (sources vary); projected to keep contracting through 2027, with the World Bank forecasting an average -3.5% annually for 2026-27 before growth resumes only in 2028
GDP per capita	≈ USD 6,615 (2025), placing the country among upper-middle-income nations on paper despite widespread poverty
Inflation	3.1–3.2% (2025)
Fiscal deficit	Widened to 2.1% of GDP in 2025 from 0.6% in 2024, as declining oil revenue outpaced the government's capacity to adjust spending
Public debt	≈ 37% of GDP (2025) — assessed as sustainable but increasingly vulnerable given declining hydrocarbon revenue
Currency	Central African CFA franc (XAF), pegged to the euro, CEMAC/BEAC
Key exports	Crude petroleum, natural gas, methanol
Principal partners	United States and other international oil and gas majors, China, Spain, France; IMF, CEMAC
Governing framework	IMF Staff-Monitored Programme (lapsed mid-2026, extension under discussion); CEMAC foreign-exchange reserve pooling requirements; national 'Gas Mega Hub' strategy

Equatorial Guinea's economy is contracting for a third consecutive year as its legacy offshore oil and gas fields mature, with the IMF noting the overall economy is now smaller than it was in 2005. Against this backdrop, the government is pursuing a genuinely coherent repositioning strategy: a 'Gas Mega Hub' initiative that processes third-party gas from Cameroon, and potentially Nigeria, through its advanced Punta Europa infrastructure on Bioko Island, alongside a new upstream licensing round to be formally announced later this month. Investors weighing Equatorial Guinea today are weighing this genuine gas-infrastructure repositioning against continued hydrocarbon decline, an unresolved IMF programme status, and a succession question surrounding one of the world's longest-serving heads of state that independent analysts consistently flag as the country's central non-economic risk factor.

1. INVESTMENT & FDI

A new upstream licensing round and IMF programme renewal are both advancing even as economic contraction continues into its third year.

Equatorial Guinea will formally announce its EG 2026 Licensing Round, covering 24 offshore blocks, on 29 September at African Energy Week in Cape Town, part of a national strategy to accelerate upstream investment and unlock further exploration. Separately, the IMF's Staff-Monitored Programme, an informal, non-disbursing arrangement used to build a policy track record, saw its third review approved at management level in

December 2025, with all quantitative conditions for mid-2025 met and two of four structural benchmarks achieved; the programme itself lapsed in mid-2026 without a successor arrangement, and an extension remains under discussion.

- **EG 2026 Licensing Round:** the formal 24-block announcement at African Energy Week, led by Minister of Hydrocarbons and Mining Development Antonio Oburu Ondo, will be supported by enhanced seismic datasets intended to de-risk exploration and build investor confidence in underexplored offshore areas.
- **IMF programme status:** a specific, checkable governance benchmark remains outstanding — publication of a hydrocarbon sector transparency report — and its completion is the clearest near-term signal of whether Equatorial Guinea can progress toward a programme that actually disburses funding rather than one that merely monitors policy.
- **A two-decade reversal:** the IMF's own assessment that the overall economy is now smaller than in 2005, with non-hydrocarbon output still around its 2011 level, frames the scale of the diversification challenge facing any new investment strategy.
- **Diligence implications:** independent analysis notes that a country in a monitored programme with an unmet transparency benchmark is one where contract terms, payment reliability and dispute resolution warrant more diligence than usual from prospective investors, not less.

2. TRADE & BUSINESS

Declining legacy field output continues weighing on trade, even as established operators pursue infill drilling and new regional gas agreements emerge.

Hydrocarbon GDP fell 16.8% in 2025, with oil production down roughly 19% due to temporary production shutdowns, aging fields and a lack of new production sites; oil output specifically fell 25% across the first three quarters of the year. Despite this decline, established operators continue investing in existing assets: ConocoPhillips, having acquired Marathon Oil's interests in 2024, now holds positions in the Alba Unit and Block D and is conducting an infill drilling campaign, while independent operator Trident Energy continues delivering results from Block G's Ceiba and Okume fields alongside partner Kosmos Energy.

- **Legacy field decline:** the 16.8% hydrocarbon GDP contraction and 19% oil production decline in 2025 together illustrate the scale of the maturity challenge facing Equatorial Guinea's established offshore fields.
- **Continued operator investment despite decline:** ConocoPhillips' infill drilling campaign in the Alba Block and Trident Energy's ongoing Block G development, including a digital-twin subsea integrity solution developed with Canadian technology firm Enaimco, demonstrate that established operators continue investing selectively even amid overall sector contraction.
- **First LNG cargo under new operator:** ConocoPhillips shipped its inaugural LNG cargo from the Punta Europa facility in June 2025, a concrete operational milestone following its acquisition of Marathon Oil's Equatorial Guinea interests.

3. MAJOR ECONOMIC DEVELOPMENTS

The economy is contracting for a third consecutive year as legacy fields mature, with a succession question widely flagged by independent analysts as the central non-economic factor for investors to watch.

Real GDP contracted by between 5.4% and 6.4% in 2025 depending on the source, following weak 0.9% growth in 2024, and the World Bank projects continued contraction averaging 3.5% annually through 2026-27 before growth resumes only in 2028. The fiscal deficit widened sharply to 2.1% of GDP in 2025 from 0.6% the prior year as declining oil revenue outpaced the government's capacity to adjust spending, though public debt at roughly 37% of GDP remains assessed as sustainable for now.

- **A prolonged hydrocarbon contraction:** the World Bank's -3.5% average annual growth projection for 2026-27, with recovery only expected from 2028, reflects genuine, multi-year structural decline in the country's legacy oil and gas production rather than a temporary downturn.
- **Succession as the central political risk factor:** President Teodoro Obiang Nguema, in power since 1979 and Africa's longest-serving head of state, has designated his son and vice president as heir-apparent; independent analysts consistently identify the succession question, alongside CEMAC compliance and gas project approvals, as the specific signals investors should track most closely, given the disruption risk a contested transition could pose to hydrocarbon operations and reform commitments.
- **A favourable sovereignty ruling:** the International Court of Justice ruled in Equatorial Guinea's favour in its 2025 maritime boundary dispute with Gabon, reinforcing territorial sovereignty over waters relevant to future offshore exploration.
- **Uneven regional fiscal compliance:** CEMAC rules require member states to pool foreign-exchange reserves at the regional central bank, and Equatorial Guinea's compliance has been uneven; reform pressure is intensifying precisely as the ongoing recession reduces the government's available fiscal resources.

4. MAJOR PROJECTS & INFRASTRUCTURE

The Punta Europa Gas Mega Hub strategy is aggregating regional third-party gas to offset declining legacy field output.

The Punta Europa complex on Bioko Island, one of Sub-Saharan Africa's most advanced gas processing hubs with existing LNG, methanol and LPG facilities, sits at the centre of Equatorial Guinea's repositioning strategy. Rather than pursuing capital-intensive greenfield LNG development, the government is aggregating domestic and regional gas volumes to maximise use of this existing infrastructure, a faster and more cost-effective monetisation route than new standalone export facilities would offer.

- **Cross-border Yoyo-Yolanda unitization:** Equatorial Guinea and Cameroon signed a February 2026 agreement to jointly develop the cross-border Yoyo-Yolanda gas fields, estimated to hold around 2.5 trillion cubic feet of gas, with production slated to feed directly into Punta Europa without requiring standalone export infrastructure.
- **Aseng gas project expansion:** a Heads of Agreement with Chevron increased state gas company GEPetrol's stake in the Aseng gas project from 5% to over 30%, stabilising production and securing additional feedstock for downstream processing; the project has since secured a 2026 final investment decision.
- **Alen Unit gas monetisation:** definitive agreements now commit Alen Unit gas to tolling through the Alba Plant's LPG facility and the Equatorial Guinea LNG plant, both at Punta Europa, with national gas company Sonagas GE's stake increasing from 25% to 30% as part of the arrangement.
- **Proposed Punta Europa modular refinery:** citing insufficient investment in the Alba field and the associated methanol plant, the Ministry of Mines and Hydrocarbons has proposed converting part of the Punta Europa complex into a modular refinery, though detailed project parameters have not yet been disclosed.

5. CONFERENCES, FORUMS & EXHIBITIONS

The formal EG 2026 Licensing Round announcement at African Energy Week marks the country's highest-profile investment event this quarter.

- **African Energy Week: Invest in African Energies:** running 29 September to 3 October in Cape Town, the event will host Equatorial Guinea's licensing round announcement alongside a dedicated high-level session, 'Equatorial Guinea's New Exploration Drive,' and a data room providing detailed geological information to prospective investors.
- **Enhanced seismic data packages:** Full Waveform Inversion processing and new 2D and 3D seismic acquisition by UK-based Searcher Seismic in underexplored areas are intended to de-risk exploration and strengthen the technical case for the new licensing blocks.

6. BUSINESS & INVESTMENT EVENTS

Entrepreneurship-support programmes are gaining visible traction even as the macroeconomic picture remains challenging.

- **A shifting entrepreneurial culture:** local business-support organisation INPYDE reports that young Equatoguineans increasingly view entrepreneurship as a genuine alternative to public-sector employment, a cultural shift local business leaders describe as essential to building a more sustainable private sector amid demographic pressure and limited formal job creation.
- **Improving trade connectivity:** continued port infrastructure investment and expanding digital networks are cited as concrete, if incremental, improvements to the country's regional trade and investment connectivity.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A gas-monetisation pact with Cameroon and an unresolved IMF programme status define Equatorial Guinea's most consequential external relationships this year.

- **Cameroon:** the February 2026 Yoyo-Yolanda unitization agreement represents Equatorial Guinea's most significant recent bilateral economic arrangement, directly tying a neighbouring country's gas resources into its own processing infrastructure.
- **IMF:** the lapsed Staff-Monitored Programme and the specific outstanding transparency-report benchmark remain the clearest markers of the country's broader relationship with international financial institutions and the reform credibility investors should weigh.
- **CEMAC:** regional reserve-pooling obligations, and Equatorial Guinea's historically uneven compliance with them, represent an ongoing point of engagement with the broader Central African monetary union as fiscal pressure intensifies.
- **International Court of Justice:** the 2025 ruling favouring Equatorial Guinea in its maritime dispute with Gabon provides a settled legal foundation for offshore activity in the previously contested boundary area.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A young generation of entrepreneurs is exploring self-employment as public-sector opportunities shrink under fiscal pressure.

With the government's fiscal deficit widening and public-sector job creation correspondingly constrained, business-support organisations report a genuine shift in how young Equatoguineans view entrepreneurship, increasingly as a primary career path rather than a fallback option. Programmes supporting entrepreneurship and self-employment are described as making a measurable difference, particularly for young people navigating a labour market with historically limited private-sector depth.

- **INPYDE-supported programmes:** targeted entrepreneurship and self-employment support is helping normalise private business ownership as a mainstream career path, a cultural shift local business leaders regard as foundational to any genuine long-term economic diversification away from hydrocarbon dependence.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

The 2026 licensing round and expanding gas-hub infrastructure define the newest openings for foreign capital.

- **EG 2026 Licensing Round:** 24 offshore blocks, formally announced on 29 September, represent the most significant new upstream opportunity for international oil and gas investors this year.
- **Yoyo-Yolanda cross-border gas development:** the Cameroon unitization agreement opens a concrete opportunity for gas aggregation, transport and processing investors specifically, distinct from traditional standalone exploration and production plays.
- **Aseng project post-FID:** with its 2026 final investment decision secured, the Aseng gas monetisation project moves from planning into a genuine near-term execution and supply-chain opportunity.
- **Punta Europa modular refinery:** though still at an early, undisclosed stage, the proposed modular refinery conversion represents a potential downstream investment opening tied directly to the government's broader gas hub repositioning strategy.

SUMMARY ASSESSMENT

Equatorial Guinea presents investors with a genuinely coherent infrastructure repositioning strategy set against a multi-year hydrocarbon contraction now in its third consecutive year. The Gas Mega Hub concept, leveraging the country's already-advanced Punta Europa processing infrastructure to monetise third-party gas from Cameroon and potentially Nigeria, represents a pragmatic response to legacy field decline, and the forthcoming 24-block licensing round offers a concrete new upstream opportunity.

Set against that: the IMF's own assessment that the overall economy is now smaller than it was two decades ago underscores the depth of the structural challenge, an outstanding hydrocarbon-transparency benchmark leaves the country's IMF programme status genuinely unresolved, and a succession question surrounding one of the world's longest-serving heads of state remains, in the words of independent analysts covering the country, one of the specific signals investors should track most closely alongside CEMAC compliance and gas project approvals.

For investors, the coming weeks offer a concrete signal to watch directly: the detailed terms of the EG 2026 Licensing Round announcement on 29 September, and whether it draws genuine new international interest or primarily reflects continued engagement from operators already established in the country. Longer term, publication of the outstanding hydrocarbon transparency report, and any further clarity on the succession question, will matter more to the durability of Equatorial Guinea's investment case than any single project announcement.