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CAPE TOWN · SOUTH AFRICA

APRIL 2026 · MARKET STUDY v2.1 (REVISED)

WALVIS BAY & SWAKOPMUND

O&G DEMAND-SIDE MARKET STUDY

Revised and corrected working draft — property demand framework for the Orange Basin oil-and-gas upside across the Walvis Bay–Swakopmund corridor, with explicit Lüderitz port-competition analysis.

REVISED DRAFT | STRICTLY CONFIDENTIAL | VERSION 2.1

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01 EXECUTIVE SUMMARY

THE REVISED FINDING

The v2.0 study is directionally right about a material oil-and-gas-driven demand uplift in Walvis Bay and Swakopmund, but some of its most important claims needed tightening — especially around port geography, comparator evidence, and the treatment of current supply.

The strongest current conclusion: Walvis Bay remains a significant industrial and accommodation beneficiary of Orange Basin development — but it should no longer be described without qualification as the uncontested primary onshore support hub, because Lüderitz is explicitly being positioned as the dedicated offshore supply base closer to the basin.

THE HEADLINE NUMBERS

300–550k m²	650k m²	1,400–2,400	~2,800
BASE CASE INDUSTRIAL TAM	UPSIDE INDUSTRIAL TAM	BASE CASE ROOMS/BEDS	UPSIDE ACCOMMODATION

Practical investment implication

Demand still exists, but the correct underwriting frame is not "all Orange Basin demand flows to Walvis Bay." The more defensible framing is that Walvis Bay should capture a meaningful share of logistics, warehousing, marine support, accommodation, repair, and overflow demand, while Lüderitz captures a growing share of basin-proximate offshore support activity as infrastructure comes online.

The revised base case therefore keeps the broad opportunity thesis but narrows and rebalances it. Basin-wide peak incremental industrial demand relevant to the Walvis Bay–Swakopmund corridor is best framed at roughly 300,000–550,000 m² under a prudent base case, with upside to 650,000 m² if multiple FIDs proceed broadly on time and port constraints are solved.

Incremental commercial accommodation demand is best framed at 1,400–2,400 rooms/beds in the corridor, with upside to around 2,800 if project phasing overlaps and no large dedicated FIFO village displaces guesthouse and hotel demand.

02 WHAT CHANGED FROM V2.0

Several elements from v2.0 remain useful and are retained: the subcontractor taxonomy, the phased demand framework, the caution on capture-rate ceilings, and the recognition that FID timing is the largest swing factor.

FIVE CORRECTIONS IN V2.1

- Lüderitz is now treated as a strategic competitor and complement to Walvis Bay rather than a marginal footnote.
- Industrial and accommodation TAMs are narrowed to reflect port competition and the still-unproven pace of major project sanctioning.
- Georgetown remains an important comparator, but its hospitality uplift is used as a directional signal rather than a precise scaling rule.
- Current marketed supply is treated as a weak proxy for immediately usable oilfield-grade stock.
- Explicit downside and scenario analysis added.

ONE ADDITIONAL CONCEPTUAL CORRECTION

The v2.0 document sometimes blended "basin-wide onshore demand" with "Walvis Bay-capturable demand" in a way that risked overstating local capture. This revision separates the two questions. Total Orange Basin support demand may be large, but only a portion is likely to accrue to Walvis Bay and Swakopmund once Lüderitz, Namport-controlled land, and possible operator-led dedicated facilities are taken into account.

03 BASIN CONTEXT & TIMELINE

External reporting in 2026 continues to describe Namibia as moving toward multiple FIDs by the end of the year, with first oil still widely discussed around 2029. That means the original report was broadly right to frame 2026 as a decisive commercial window, but still too confident in converting that macro timing into near-term local absorption without enough allowance for delays, sequencing changes, and infrastructure bottlenecks.

The report's macro logic remains valid: the Orange Basin can generate three major onshore demand cohorts, namely permanent subcontractor bases, peak construction and commissioning waves, and recurring offshore-crew transit demand. What changes in this revision is less the existence of those cohorts than the expected location and capture of that demand across Namibian ports and towns.

04 PORT GEOGRAPHY & LOGISTICS

The biggest correction in this revision concerns logistics geography. Namport states that Walvis Bay North Port includes more than 1,300 hectares of backup land for tank storage, liquids, gases, and associated industries, confirming that Walvis Bay has long-run industrial expansion potential.

However, more recent industry reporting also says Lüderitz is being positioned as the dedicated logistics base for offshore oil and gas operations because it sits closer to the Orange Basin acreage, and that its expansion plan includes a dedicated oil and gas supply base with first-phase commissioning targeted by mid-2027.

This means the revised investment view should treat Walvis Bay as a diversified, better-developed and more liquid property market with substantial logistics relevance, but not necessarily the sole or even dominant basin-proximate offshore support node in all scenarios. Walvis Bay's advantages include deeper established port infrastructure, repair facilities, transshipment connectivity, and a broader hospitality base; Lüderitz's advantages are basin proximity and explicit oil-and-gas positioning.

REVISED PORT-ROLE MATRIX

FUNCTION	WALVIS BAY	LÜDERITZ	IMPLICATION
Established deep-water multi-use port	Strong existing advantage	Smaller but expanding	Walvis Bay likely remains important for diversified cargo and established services
Proximity to Orange Basin acreage	Weaker	Stronger	Lüderitz more credible for dedicated offshore support
Large backup industrial land	Strong via North Port / Farm 39	Expanding but more project-specific	Both matter; Walvis Bay still investable for land-led plays
Hospitality and urban depth	Stronger in Walvis Bay–Swakop corridor	Weaker today	Corridor still attractive for accommodation strategies
Existing repair / marine ecosystem	Stronger	Developing	Walvis Bay should retain repair and overflow roles

05 DEMAND FRAMEWORK

The original subcontractor taxonomy remains sound. Offshore developments typically require drilling fluids, OCTG storage, subsea and ROV workshops, logistics yards, quayside laydown, helicopter support, inspection services, waste handling, and accommodation for rotating and project staff. That framework is still the right basis for a property demand model, but it should now be translated into corridor-capturable demand rather than assumed wholly local demand.

THE THREE-LAYER REVISED APPROACH

- Layer 1 — Accept that Orange Basin development can create substantial onshore demand if several projects proceed on time.
- Layer 2 — Discount that basin-wide demand for leakage to Lüderitz, Namport-controlled land, and operator-controlled facilities.
- Layer 3 — Further discount current marketed property supply because much of it is likely too small, too fragmented, or too lightly specified to serve heavy oilfield use without upgrade.

06 REVISED INDUSTRIAL TAM

The v2.0 report framed industrial TAM at 400,000–750,000 m² incremental peak demand, with a 550,000 m² base case. That range was reasonable as a basin-support hypothesis but too aggressive as a corridor underwriting case once port competition is handled explicitly. The revised framing is as follows.

SCENARIO	BASIN DEVELOPMENT CONTEXT	CORRIDOR INDUSTRIAL TAM
Low case	Delayed or partial sanctions · 2 major FPSOs effectively drive demand	180,000–300,000 m²
Base case	3–4 effective FPSO-equivalent developments over time · mixed Walvis / Lüderitz split	300,000–550,000 m²
Upside case	Multiple FIDs broadly on time · Walvis Bay secures strong overflow and diversified service role	550,000–650,000 m²

Within that range, the most defensible current base case is roughly 425,000 m² corridor demand at peak, concentrated in open yard, standard warehousing, workshop space, hazmat-compliant storage, and a limited amount of heavier fabrication and quayside-linked laydown. The revision intentionally trims the upper end of fabrication-heavy demand because there is still no public evidence that the full shore-based fabrication scope assumed in v2.0 will be awarded into Walvis Bay rather than handled through port-controlled land or external yards.

REVISED INDUSTRIAL PROPERTY MIX

PROPERTY TYPE	REVISED BASE-CASE PEAK M²	NOTES
Open yard / laydown	140,000–200,000	Still the largest segment; staging, OCTG, and equipment handling
Standard warehouse	55,000–80,000	Consumables, spares, catering, general MRO
Workshop / light industrial	30,000–45,000	ROV, NDT, valves, instrumentation, small fabrication
Office-attached industrial	18,000–28,000	Local service-company footprints
Hazmat / chemicals / OCTG-rated	25,000–40,000	Valuable but specification-sensitive niche
Heavy fabrication / port-linked industrial	30,000–90,000	Most uncertain category; depends on awards and Namport phasing

07 SUPPLY & ACCOMMODATION

Current industrial supply

The v2.0 report used scraped listings to estimate around 600,000 m² of currently marketed industrial property across Walvis Bay and Swakopmund, while also correctly noting that only a fraction is likely to be immediately usable oilfield-grade stock. That remains the right caution. Listing-derived supply is useful for illustrating market breadth, but it is not a substitute for verified vacancy, spec quality, road access, yard hardstand quality, hazardous-material compliance, crane capacity, or quayside access.

The revised conclusion is that the market probably does not face a shortage of "headline square metres" in a purely abstract sense. The true investable gap is more likely in fit-for-purpose product: larger contiguous yards, better hardstand, bunded hazmat storage, upgraded workshops, and well-located logistics plots that can support heavy vehicle circulation and quick port access.

Accommodation demand

The v2.0 report estimated 1,800–3,200 incremental rooms/beds, with a 2,400-room base case. That estimate was thoughtful but should be moderated because a larger share of offshore support may locate in Lüderitz or in purpose-built camps, and because Georgetown's hospitality expansion is better viewed as directional evidence than a hard ratio for Namibia.

REVISED CORRIDOR ACCOMMODATION TAM

SCENARIO	CORRIDOR ACCOMMODATION TAM	MAIN DRIVER
Low case	1,000–1,500 rooms/beds	Delays, lower overlap, more direct camping or basin leakage
Base case	1,400–2,400 rooms/beds	Continued use of Walvis Bay–Swakopmund as accommodation and overflow node
Upside case	2,400–2,800 rooms/beds	Overlapping project waves and no major FIFO village displacement

The base-case midpoint is roughly 1,900 rooms/beds. Of that, the most attractive segment remains extended-stay contractor accommodation rather than premium hotel stock, because project personnel often need practical medium-duration housing with kitchens, parking, and cleaning rather than high-end transient hospitality.

Guesthouse thesis revised

The guesthouse and B&B thesis remains valid, but it is narrower than v2.0 implied. Small and mid-sized assets can still work well for extended-stay contractors, specialists, and rotating supervisors, especially in Swakopmund and parts of Walvis Bay, but the thesis should be capped by the possibility of a dedicated FIFO village or operator-led camp at scale.

REVISED ACCOMMODATION SEGMENTATION

SEGMENT	DEMAND OUTLOOK	INVESTMENT READ
Extended-stay contractor rooms	Strongest	Best fit for guesthouse roll-up and serviced-apartment conversion
Short-stay rotational / transit	Moderate	Works for clean midscale assets near logistics nodes
Premium corporate hotel	Selective	Existing premium stock reduces urgency for major new-builds
Large-scale FIFO village	Real downside risk to fragmented owners	Must be included in underwriting as a cap on ADR and occupancy

08 COMPARATOR CITIES

Georgetown remains the most useful modern comparator because it demonstrates how a frontier offshore province can quickly tighten hospitality and logistics markets after major discoveries. Public sources indicate Guyana was expecting another 1,000 hotel rooms by 2025 after already adding 400 new high-quality rooms in 2024, which supports the conclusion that hotel stock can ramp materially in a hydrocarbon growth cycle.

That said, Georgetown should not be used mechanically. Guyana's hospitality market had a relatively low base and a sharper branded-hotel surge, whereas Walvis Bay and Swakopmund already have a meaningful tourism and lodging base. The right lesson is therefore not that Namibia will repeat Guyana's exact room-growth ratio, but that a frontier petroleum cycle can materially lift room demand and rates when supply is initially thin in the relevant quality bands.

THE CAPTURE-RATE CEILING

Fragmented private property markets rarely allow a single landlord to dominate the full oil-and-gas property cycle unless there is a monopoly concession or direct operator ownership. That remains highly relevant for Walvis Bay, where Namport controls strategically important land and facilities, limiting what a private platform can realistically capture.

09 CAPTURE-RATE ANALYSIS

The original report's statement that 12–18 percent capture is a plausible base case for an aggressive first mover remains broadly credible, but only for well-specified segments rather than the whole headline market. In practice, realistic private capture in the corridor should be modeled separately by segment: standard warehousing, hardstand yard, specialized hazmat/industrial, and accommodation.

PRUDENT REVISED CAPTURE RATES BY SEGMENT

SEGMENT	CONSERVATIVE	BASE	UPSIDE
Standard industrial / warehouse	5–8%	8–12%	15%+
Specialized yard / hazmat / OCTG	8–12%	12–18%	20%+
Accommodation overall	6–10%	10–15%	18–22%

This segmented approach is more useful than a single platform-wide capture rate because fit-for-purpose product can outperform the market average even when a landlord's total corridor share remains modest. In other words, the strategy should aim to dominate narrow, high-specification niches rather than assume it can own a double-digit share of all property demand generated by the basin.

10 SCENARIO ANALYSIS

FPSO-linked corridor scenarios

SCENARIO	INDICATIVE EFFECTIVE DEVELOPMENT LOAD	INDUSTRIAL TAM	ACCOMMODATION TAM
2-FPSO style case	One major project or equivalent partial overlap	180,000–300,000 m²	1,000–1,500 rooms
3–4 FPSO style case	Base-case overlapping developments	300,000–550,000 m²	1,400–2,400 rooms
5+ FPSO style case	Full upside with broad overlap	550,000–650,000 m²	2,400–2,800 rooms

Timing scenarios

A 12-month slip in one major FID should be assumed to push corridor absorption materially to the right rather than eliminate it entirely. In practical terms, such a delay would likely trim near-term peak demand by around 20–25 percent and defer the leasing window for speculative development, which matters greatly for debt sizing and land-banking strategy.

THE LOCATION-SHIFT DOWNSIDE

A more severe downside case is not just "delay" but "location shift". If Lüderitz's dedicated supply-base build-out proceeds on time while Walvis Bay's role remains more generalized, the corridor can still do well in accommodation, repair, warehousing, and overflow logistics — but it should not be underwritten as the exclusive gateway for Orange Basin industrial support.

11 INVESTMENT IMPLICATIONS

The most attractive opportunities in the revised report are narrower and more operationally specific than in v2.0. The best industrial plays are likely to be contiguous hardstand yard, hazmat-compliant storage, upgraded light-industrial/workshop product, and port-access logistics space rather than speculative heavy fabrication megaprojects.

The best accommodation plays are likely to be extended-stay contractor lodging, serviced-apartment style stock, and selectively aggregated guesthouses rather than large pure-play premium hotels.

THE CASE FOR PHASED CAPITAL DEPLOYMENT

This revision strengthens the case for phased capital deployment. Instead of underwriting a single aggressive build-out, the market is better approached through option value: secure land and upgradeable assets early, pre-lease to anchor users where possible, and only commit heavier capex once actual project awards, port-release schedules, and operator mobilization patterns are clearer.

12 DATA GAPS — PRIMARY RESEARCH REQUIRED

The revised report is stronger than v2.0, but several questions remain unresolved and are critical before final investment decisions. These are the highest-priority workstreams.

- Namport land-release and concession timing at Walvis Bay and how that intersects with private-sector development windows.
- Lüderitz supply-base delivery status, actual capacity, and which service lines it is most likely to capture first.
- Which subcontractors intend to establish Walvis Bay premises versus Lüderitz premises versus fly-in/fly-out or South African solutions.
- Verified industrial vacancy and building-quality audits for the current Walvis Bay and Swakopmund stock, including hardstand quality, hazardous-material compliance, circulation space, and crane capability.
- Named-asset accommodation inventory by room count, quality band, occupancy, and long-stay suitability rather than broad web-scraped estimates.

13 BOTTOM LINE

THE CORRECTED THESIS

The original report captured a real opportunity, but it overstated Walvis Bay's likely uncontested role and leaned too heavily on headline supply and comparator scaling.

The corrected investment thesis is still positive: the Walvis Bay–Swakopmund corridor should benefit materially from Orange Basin development, especially in specialized industrial niches and contractor accommodation, but the opportunity should be underwritten as a phased, competitive, and port-split market rather than as a simple one-city boom.

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