



TOPE ADEBAYO LP

ENERGY AND NATURAL RESOURCES REPORT



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CHAPTER 3

2025 END-OF-YEAR NIGERIA OIL AND GAS INDUSTRY REPORT



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As we enter the new year, it is important to reflect on the major developments that shaped Nigeria's oil and gas industry in 2025. The sector continued to evolve under the framework of the Petroleum Industry Act (PIA), 2021 and the current administration's six policy directives: Presidential Directives 40 (Tax Incentives Order 2024), 41 (Local Content Compliance 2024) and 42 (Petroleum Sector Cost Reforms 2024), the Notice of Tax Incentives for Deep Offshore Production 2024, the Value Added Tax (VAT) Modification Order 2024, and the Upstream Petroleum Operations (Cost Efficiency Incentives) Order 2025. Together, these frameworks strengthened regulatory certainty and created a more stable and investment-ready environment. Against this backdrop, 2025 delivered meaningful progress across regulatory reforms, major project development, and operational activities.

The year was characterized by a clear shift toward investment-led growth. Nigeria strengthened its position in the global energy market with significant Final Investment Decisions, the successful completion of the 2024 licensing round, an unprecedented rise in rig activity, and the announcement of several strategic transactions across upstream, midstream, and gas value chains. These developments signalled a sector steadily regaining momentum and actively positioning itself for long-term competitiveness.

Gas development remained a central pillar of national energy policy. Nigeria continued to leverage its vast natural gas reserves to balance energy security with its transition commitments. The

growing activity around non-associated gas projects, midstream infrastructure investments, and domestic utilization initiatives underscores Nigeria's ambition to become the leading gas hub on the continent.

Throughout 2025, progress was also recorded across major infrastructure projects, regulatory enforcement under the PIA, divestment oversight, asset development approvals, and host community provisions. These gains further demonstrated the maturing governance framework guiding the industry.

In our [2024 End-of-Year](#) and [2025 Mid-Year Reports](#), we highlighted the progress of the sector's major infrastructure projects, investment trends, operational constraints, and regulatory shifts. This edition delivers a comprehensive review of the year, spotlighting 2025's defining milestones and setting out strategic projections for 2026 and the years ahead.

From the Energy Desk,

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AJAOKUTA-KADUNA-KANO (AKK) GAS PIPELINE¹

The Group Chief Executive Officer (GCEO) of Nigerian National Petroleum Company Limited (NNPCL), Bayo Ojulari, has confirmed that the AKK Gas Pipeline is projected to be activated for export in early 2026. This disclosure was made following a recent inspection of the project by the Minister of State for Petroleum Resources (Gas), Ekperikpe Ekpo, in the company of NNPCL executives, including the Executive Vice President, Gas, Power and New Energy, Olalekan Ogunleye.

The GCEO further noted that welding of the pipeline's mainline has been completed, positioning the project to proceed with all connection activities in early 2026.²

This milestone builds on earlier progress reported by NNPCL, including the successful River Niger crossing announced earlier in the year and highlighted in our 2025 Mid-Year Report. As of July 2025, NNPCL confirmed that the 614-kilometre AKK Gas Pipeline, valued at approximately \$2.8 billion, had reached 86.05% completion.

The AKK project has seen multiple timeline shifts. Under the former GCEO, Mele Kyari, completion was initially projected for December 2023, later moved to Q4 2024, and subsequently revised to Q1 2025.

At the “2025 AKK Pipeline Progress Update and Opportunities Engagement” held earlier in the year, the new GCEO of NNPCL, Bayo Ojulari, reaffirmed the strategic importance of the AKK pipeline. He described it as a pivotal asset for strengthening energy security, driving economic revitalisation, and enhancing industrial resilience. He emphasised that the pipeline is not merely an infrastructure project but a catalyst for economic advancement, job creation, and national integration. Once operational, it is expected to deliver up to 2.2 billion standard cubic feet of gas per day to power plants and industries in Abuja, Kaduna, Kano, and other key locations.

Further insight was provided by Audu Ibrahim, Executive Director, Projects, Nigeria Gas Infrastructure Company Limited (NGIC). He noted that despite the significant challenges encountered since its launch in 2020, the AKK project now has a clear pathway

¹ <https://www.thisdaylive.com/2025/07/25/after-3-deferrals-2-8bn-akk-pipeline-set-for-mechanical-completion-in-november/> accessed 24 November 2025

² <https://punchng.com/2-8bn-akk-pipeline-set-for-activation-in-2026-nnpcl-boss/> accessed 30 December 2025

to delivery between 2025 and 2026. He cited security issues, difficult terrain, the COVID-19 pandemic, and funding constraints that required international financing as key impediments.



NIGERIA-MOROCCO GAS PIPELINE PROJECT³

In our 2025 Mid-Year Report, we noted that the Nigeria–Morocco Gas Pipeline Project had completed its Feasibility Study, Front-End Engineering Design (FEED), and all key engineering assessments, clearing the path for construction to begin. At the

time, we also highlighted that a special-purpose vehicle (SPV) was being formed by the governments of Nigeria and Morocco to drive the project forward.

In September 2025, both countries formally announced the creation of a designated project company to oversee the \$25 billion pipeline. This development is intended to accelerate construction and strengthen the project's ability to secure international financing. The announcement was confirmed by Amina Benkhadra, Director General of Morocco's National Office of Hydrocarbons and Mines (ONHYM), who described the establishment of the company as a "crucial step" for organising the project's massive financing and managing its implementation.

The nearly 6,000-kilometre pipeline is designed to transport between 15 and 30 billion cubic meters of gas annually, supplying 13 coastal West African countries and reaching an estimated 400 million people. It will also provide landlocked countries, such as Niger, Burkina Faso, and Mali, with access to the regional gas network. Ultimately, the line will connect to the Maghreb–Europe Pipeline, opening a pathway for Nigerian gas exports into Europe.

³ <https://guardian.ng/news/morocco-nigeria-form-company-to-develop-25-billion-gas-pipeline/> accessed 24 November 2025

Technical studies completed in 2025 have confirmed the pipeline route and established a governance model built around a parent project company overseeing regional SPVs responsible for specific sections of the line. This approach, endorsed by ECOWAS, is expected to support project delivery across multiple jurisdictions.

The newly incorporated project company is now responsible for coordinating financing activities, with a Final Investment Decision (FID) anticipated before the end of 2025. As of the publication of this report, no further update on the FID has been provided.

This development follows a series of Technical and Steering Committee meetings held in Rabat, organised by ONHYM, to review progress and align stakeholders. According to ONHYM's official statement, the project has achieved several technical, environmental, and institutional milestones.

During the meetings, a new Memorandum of Understanding (MoU) was signed between the NNPCL, ONHYM, and Togo's National Gas Company (SOTOGAZ). This agreement formally

brings Togo into the project and completes the partnership framework with all countries along the pipeline corridor.⁴

THE OBIAFU-OBRIKOM-OBEN (OB3) GAS PIPELINE⁵

In its July 2025 Monthly Report Summary, the NNPCL announced that a 113-kilometre section of the OB3 Gas Pipeline has been commissioned and is now transporting approximately 300 million standard cubic feet of gas per day (mmscf/d). According to the NNPCL, the gas currently flowing through this segment is supplied by Ashtavinayak Hydrocarbon Ltd (250 mmscf/d) and by Platform, Chorus, and Xenergi Group (50 mmscf/d).

The OB3 Pipeline remains one of the country's most strategic gas infrastructure projects. It serves as the vital link between the Eastern gas network and the Escravos–Lagos Pipeline System (ELPS) in the West, while also connecting to the AKK Pipeline in the North. Its operationalisation is a significant step toward Nigeria's broader gas utilisation and energy transition goals.

⁴ <https://www.thisdaylive.com/2025/07/13/nigeria-morocco-gas-pipeline-project-records-milestone-as-officials-meet-in-rabat/> accessed 24 November 2025

⁵ <https://www.thecable.ng/nnpc-inaugurates-113km-section-of-ob3-gas-pipeline-project/> accessed 24 November 2025

\$2 BILLION FID SECURED FOR SHELL'S HI GAS PROJECT⁶

A significant milestone was recorded on 14 October, 2025 when Shell announced that Shell Nigeria Exploration and Production Company Limited (SNEPCo), together with Sunlink Energies and Resources Limited, had reached an FID on the HI Gas Project located offshore Nigeria.

Once completed, the project is expected to deliver up to 350 million standard cubic feet of gas per day, equivalent to roughly 60 thousand barrels of oil equivalent, to Nigeria LNG (NLNG), where Shell holds a 25.6% interest. The gas will support NLNG's liquefaction and export operations, with production targeted to begin before the end of the decade.

The additional feedstock aligns with NLNG's ongoing Train 7 expansion project, which aims to increase the Bonny Island terminal's production capacity. It also supports Shell's strategy to grow its global LNG volumes by an average of 4-5% annually through 2030. The project is expected to enhance national economic outcomes, including employment opportunities across construction and operational phases.

The HI field, discovered in 1985, is a shallow offshore Non-Associated Gas project located in Oil Mining Lease (OML) 144.⁷ The estimated recoverable resource volume stands at around 285 million barrels of oil equivalent.

The field is being developed under a joint venture between Sunlink Energies and Resources Limited (60%) and SNEPCo (40%). It also benefits from Presidential Directive 40, which introduced a more competitive fiscal regime aimed at attracting investment in non-associated gas developments in onshore and shallow offshore areas.

UBETA GAS FIELD SET FOR 2027 START-UP⁸

In July 2025, a notable moment unfolded at the Nigerian Oil and Gas (NOG) Energy Week in Abuja. During a high-level panel session themed "Practically Achieving Energy Abundance," the Country Chair of TotalEnergies in Nigeria, Matthieu Bouyer, announced that first oil and gas from the \$550 million Ubeta Gas Field Project are expected to flow by 2027,⁹ provided the project progresses without unforeseen delays.

⁶ <https://www.shell.com/news-and-insights/newsroom/news-and-media-releases/2025/shell-invests-in-nigeria-offshore-gas-development.html> accessed 24 November 2025

⁷ <https://punchng.com/nigeria-secures-2bn-shell-gas-project/> accessed 25 November 2025

⁸ <https://corporate.totalenergies.ng/news/totalenergies-ubeta-project-boost-nigerias-gas-ambitions-bouyer> accessed 25 November 2025

⁹ <https://www.thisdaylive.com/2025/07/08/shell-totalenergies-expect-first-oil-gas-production-from-5bn-bonga-north-550m-ubeta-fields-by-2027/> accessed 25 November 2025



TotalEnergies has now taken a firm step forward by reaching an FID on the Ubeta field, located in the OML 58 onshore license. With the project officially in its execution phase, the company is positioning the development as a cornerstone of its support for Nigeria's energy transition and gas-led growth strategy.

Once operational, Ubeta is expected to deliver a plateau of approximately 70,000 barrels of oil equivalent per day, including condensates, a volume Bouyer described as "a major milestone" for Nigeria's gas development ambitions. The field will not only boost national supply but also provide critical feedstock for power, industry, and export markets.

OML 58 is jointly owned by TotalEnergies, which holds a 40%

working interest and operates the block, and the NNPCL, which retains a majority 60% stake.¹⁰

TOTALENERGIES PROVIDES PROGRESS ON THE IMA GAS FIELD¹¹

At the same 2025 NOG Energy Week panel in Abuja, Bouyer offered an important update on another major gas development, the IMA Gas Field. The \$750 million project,¹² located in shallow waters within OML 112 and OML 117, sits about 15 kilometres off Nigeria's southeast coast and is being advanced under a Joint Venture (JV) between Amni International Petroleum Development Company (60%) and TotalEnergies Exploration and Development Nigeria Limited (TEPNG) (40%).¹³

¹⁰ <https://www.offshore-technology.com/projects/ubeta-gas-field-nigeria/> accessed 25 November 2025

¹¹ <https://www.thisdaylive.com/2025/07/08/shell-totalenergies-expect-first-oil-gas-production-from-5bn-bonga-north-550m-ubeta-fields-by-2027/> accessed 25 November 2025

¹² <https://www.arise.tv/totalenergies-eyes-750-million-gas-project-in-nigeria-amid-renewed-investment-drive/> accessed 26 November 2025

¹³ <https://www.amni.com/operations/ima/> 26 November 2025

Bouyer explained that the IMA project is currently progressing through its FEED phase, a critical milestone in preparing the project for execution. The partners expect to reach an FID in 2026, setting the project firmly on the path toward development.

When completed, the IMA field is projected to deliver peak production of around 70,000 barrels of oil equivalent per day, similar to the output anticipated from the Ubeta development.

TOTALENERGIES COMPLETES \$510 MILLION DIVESTMENT TO SHELL AND AGIP

In our 2025 Mid-Year Report, we highlighted TotalEnergies' plan to divest its non-operated 12.5% interest in the OML 118 Production Sharing Contract (PSC). By November 2025, that plan had become a reality. TotalEnergies announced that its subsidiary, TEPNG, had completed the sale of its stake for a total of \$510 million, transferring 10% to SNEPCo and 2.5% to Nigerian Agip Exploration (NAE).¹⁴

The development followed the Nigerian Upstream Petroleum Regulatory Commission's ("NUPRC" or "Commission") September approval of the deal. According to NUPRC's official

statement, the Commission had conducted full due diligence under Section 95 of the PIA to confirm both buyers' technical and financial capacity. Its assessment concluded that SNEPCo and NAE already have the expertise needed to continue exploration and production activities within the OML 118 asset, where they both maintain existing interests.¹⁵

Importantly, NUPRC noted that SNEPCo and NAE will take on the decommissioning, abandonment, and host community obligations associated with the divested interest, ensuring that the Federal Government is shielded from any residual liabilities. As part of the approval conditions, the companies were required to pay the mandatory consent premiums and processing fees: 5% of the total transaction value from SNEPCo and 2% from NAE.¹⁶

AKWA IBOM PARTNERS WITH GACN AND NNPC ON \$3.5 BILLION GAS PROJECT¹⁷

On 15 July 2025, the NNPC announced the signing of a \$3.5 billion MoU with the Akwa Ibom State Government and the Gas Aggregator Company of Nigeria (GACN). The signing took place during the opening session of the South-South Gas Utilisation Forum in Uyo, an event attended by the Minister of State for

¹⁴ <https://totalenergies.com/news/press-releases/nigeria-totalenergies-completes-divestment-its-non-operated-interest-bonga> 26 November 2025

¹⁵ <https://guardian.ng/news/nuprc-approves-510m-totalenergies-divestment-to-shell-agip-2/> 26 November 2025

¹⁶ Ibid.

¹⁷ <https://thenationonlineng.net/aiacob-gacn-nnpsc-sign-3-5b-gas-deal/> accessed 26 November 2025

Petroleum Resources (Gas), Ekperikpe Ekpo, and delegations from Akwa Ibom, Cross River, and Rivers States.¹⁸

Providing insight into the scale of the commitment, NNPC's Executive Vice President (Gas), Olalekan Ogunleye, explained that the funding will drive a series of major gas projects across the region. These include an inter-county gas pipeline, offshore-to-land gas delivery systems, a methanol plant, a fertilizer plant, and even a floating Liquefied Natural Gas (LNG) facility.

The MoU, signed on behalf of Akwa Ibom State by the Secretary to the State Government, Prince Enobong Uwah, and the Attorney General and Commissioner for Justice, Uko Udom, SAN, establishes a clear roadmap for making the State a leading destination for gas-based industrial investment. A key element of the agreement is the development of a comprehensive Akwa Ibom State Gas Master Plan (AKS-GMP), focusing on data mapping, infrastructure planning, and demand forecasting.

Beyond major infrastructure, the MoU also commits both parties to expanding the State's domestic gas market. This includes promoting transparent, commercially viable access to gas for

industries, and expanding virtual pipeline systems such as Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG), and LNG to meet both industrial and household demand.



¹⁸ <https://guardian.ng/news/nnpcl-akwa-ibom-gacn-sign-3-5b-gas-deal/> accessed 26 November 2025

NNPCL RESUMES OIL DRILLING OPERATIONS IN NORTHERN NIGERIA

On 30 July 2025, during a government-citizen engagement session hosted by the Sir Ahmadu Bello Memorial Foundation in Kaduna, Yusuf Usman announced a development that signalled quiet but steady momentum in Nigeria's northern exploration story: the NNPCL had successfully drilled four new oil wells in the Kolmani area of Bauchi State.¹⁹

Usman explained that the company is now evaluating the most suitable technology for the next phase of drilling, noting that the Kolmani field remains a priority as NNPCL deepens its activities across the northern corridor.

Sitting on the boundary between Bauchi and Gombe, it hosts the Kolmani Integrated Development Project, Nigeria's first major oil discovery in the North. Momentum around the site picked up again earlier in May 2025, when NNPCL announced its intention to restart drilling. The newly appointed GCEO, Bayo Ojulari, reinforced this commitment, confirming operations would resume in June.²⁰

In 2019, NNPC reported the discovery of hydrocarbon deposits in the Kolmani River II Well, located within the Upper Benue Trough in the Gongola Basin. By 2022, the government had moved the project into commercial drilling, marking a historic first for the region after several exploration efforts. Officials projected that the discovery would attract foreign investment and create employment opportunities for the people.

At the time, the government estimated that the Kolmani area held over one billion barrels of oil and about 500 billion cubic feet of gas, volumes significant enough to have already attracted \$3 billion in investment.

NLNG SIGNS A SERIES OF LONG-TERM GAS SUPPLY AGREEMENTS²¹

On 22 August 2025, NLNG announced it had entered into a series of landmark long-term Gas Supply Agreements (GSAs), with extension options, with six (6) third-party suppliers. Under the agreements, up to 1,290 mmscf/d (13.3 bcm/yr) of feed gas will be supplied to its Bonny Plant, with supply volumes set to increase progressively over time. The agreements were struck with

¹⁹ <https://businessday.ng/energy/article/nnpc-drills-four-wells-in-bauchi-eyes-next-phase-of-operations/> accessed 26 November 2025

²⁰ <https://www.thisdaylive.com/2025/05/13/ojulari-nnpc-to-resume-drilling-in-kolmani-field-issues-with-dangote-refinery-resolved/> accessed 26 November 2025

²¹ <https://www.vanguardngr.com/2025/08/nlng-signs-long-term-gas-supply-agreements-with-six-third-party-suppliers/> accessed 26 November 2025

SNEPCO-SUNLINK HI PROJECT, TEPNG-AMNI JV IMA PROJECT, NNPCL-FIRST E&P JV, Shell Nigeria Gas (SNG)- NNPC Gas Marketing Limited (NGML), OANDO-NNPC E&P and TEPNG JV UBETA.

At the signing ceremony, NLNG's Managing Director and CEO, Dr. Philip Mshelbila, positioned the milestone as a result of sustained collaboration among shareholders, stakeholders, and partners. He acknowledged the difficult years the company had endured, marked by supply disruptions, pipeline vandalism, and sabotage, which affected gas availability from its traditional sources.

NUPRC SIGNS FIRST DEEPWATER CONTRACT IN TEN YEARS WITH TOTALENERGIES AND SAPETRO²²

On 1 September 2025, NNPCL announced a major step forward in Nigeria's upstream sector with the signing of a new PSC for Petroleum Prospecting Licences (PPLs) 2000 and 2001. The agreement, executed in partnership with the TEPNG-South Atlantic Petroleum Limited (Sapetro) Consortium (holding 80% and 20% interests respectively), is the first PSC in Nigeria to fully integrate both crude oil and natural gas exploration and

production. The signing, held at NUPRC's headquarters in Abuja, also represented the culmination of the 2024 Licensing Round, under which TEPNG and Sapetro were awarded the blocks.²³

NNPCL's GCEO, Bayo Ojulari, described the deal as a landmark moment for Nigeria's energy future. He highlighted its unique features, noting that it is the first PSC to incorporate comprehensive gas terms, including a profit-gas framework designed to incentivise the development of non-associated gas.

Ojulari added that NNPCL remains committed to deepening upstream activities through strategic partnerships, cutting-edge technology, and high operational standards aimed at ensuring commercial viability and long-term sustainability.

NUPRC's immediate past Chief Executive, Gbenga Komolafe, emphasized that the award of the two offshore blocks, covering roughly 2,000 square kilometres, reflects the transparency and competitive reforms introduced under the PIA.

TotalEnergies' Managing Director and CEO, Mr. Matthieu Bouyer, echoed this sentiment, describing the signing as a reaffirmation of

²² <https://nnpccgroup.com/insights/press-release-nnpsc-ltd-total-energies-sapetro-execute-landmark-psc-for-deepwater-blocks> accessed 26 November 2025

²³ <https://www.nuprc.gov.ng/nuprc-to-enforce-drill-or-drop-policy-as-nnpsc-total-consortium-sign-psc-for-ppls-2000-and-2001/> accessed 27 November 2025

the company's longstanding commitment to Nigeria, where it has operated for more than six decades. He noted that these blocks, allocated through an open and transparent bid process, represent the first deepwater assets secured by an international oil company in more than 10 years.

The PSC sets out a full suite of obligations and incentives, including signature and production bonuses, a defined minimum work programme with performance guarantees, rules on cost recovery and profit-sharing, applicable royalties and taxes, gas utilisation measures to reduce flaring, and clear responsibilities for decommissioning, environmental remediation, and host community development, all aligned with the PIA's requirements.



TOTALENERGIES UNVEILS PLAN TO SELL 40% STAKE IN NIGERIAN PORTFOLIO TO CHEVRON²⁴

Following the announcement of the executed PSC between NNPCL and the TEPNG-Sapetro consortium for PPL 2000 and 2001, TotalEnergies announced on 1 December 2025 that it had signed a farmout agreement with Star Deep Water Petroleum Limited, a Chevron company, to transfer a 40% interest in both offshore exploration licences.

The PPL 2000 and 2001 licences, located in the prolific West Delta basin, span about 2,000 square kilometres. Under the new arrangement, TEPNG retains operatorship with a 40% stake, while Chevron will hold 40% and Sapetro will maintain its 20% interest.



²⁴ <https://totalenergies.com/news/press-releases/exploration-totalenergies-strengthens-its-global-collaboration-chevron> accessed 3 December 2025

This partnership deepens the growing exploration alliance between TotalEnergies and Chevron. It follows their June collaboration in the United States, where TotalEnergies acquired a 25% working interest across 40 Chevron-operated offshore blocks.

Completion of the farmout remains subject to standard conditions, including required regulatory approvals.

MDGIF PARTNERS WITH AFREXIMBANK ON \$500 MILLION GAS INFRASTRUCTURE INVESTMENT²⁵

At the fourth Intra-African Trade Fair (IATF2025) held in Algeria from 4-10 September 2025, the African Export-Import Bank (Afreximbank) and the Midstream and Downstream Gas Infrastructure Fund (MDGIF) signed a landmark \$500 million MoU aimed at boosting Nigeria's gas infrastructure.

Under the MoU, both institutions will collaborate over a four-year period to mobilise up to \$500 million for priority midstream and downstream gas projects. The planned investment is expected to combine senior debt and equity contributions, aligned with each

institution's mandate, with a shared goal of accelerating the expansion and modernisation of Nigeria's gas value chain.

The partnership focuses on several core areas:

- **Project selection and prioritisation** – joint identification of eligible projects, supported by annual pipeline targets to track investment goals.
- **Financing support** – Afreximbank will explore direct financing, credit guarantees, and co-financing opportunities with Nigerian financial institutions.
- **Project preparation** – both parties will support feasibility studies, legal and commercial structuring, environmental assessments, and other activities needed to make projects bankable.
- **Capital structuring** – MDGIF will consider equity contributions to complement Afreximbank's senior debt, ensuring full funding structures for qualified projects.

²⁵ <https://www.thisdaylive.com/2025/09/15/afreximbank-mdgif-sign-500m-mou-to-develop-nigerias-gas-infrastructure/> accessed 27 November 2025

- **Stakeholder engagement** – MDGIF will leverage Afreximbank platforms, including the Intra-African Trade Fair, to promote investment opportunities.
- **Capacity building** – a structured programme will be developed to strengthen MDGIF's capabilities in project development, risk management, and innovative financing.

Commenting on the partnership, Kanayo Awani, Afreximbank's Executive Vice President for Intra-African Trade and Export Development, described the agreement as a significant step toward advancing gas infrastructure projects that will unlock greater value from Nigeria's natural gas resources.

MINISTERIAL CONSENT WITHDRAWN ON TEPNG AND CHAPPAL ENERGIES DIVESTMENT

In our 2024 End-of-Year Report, we highlighted that TEPNG had signed a Sale and Purchase Agreement (SPA) with Chappal Energies to divest its 10% participating interest in eighteen (18) OMLs held under the Shell Petroleum Development Company (SPDC) Joint Venture. The deal, valued at \$860 million, was subject to securing all required regulatory approvals.

The SPDC JV comprises NNPC (55%), SPDC (30%, operator), TEPNG (10%), and Nigerian Agip Oil Company Limited (NAOC) (5%), and holds 18 licences across the Niger Delta. Under the SPA, TEPNG agreed to transfer its 10% interest, and all associated rights and obligations, in 15 oil-producing licences. These assets contributed approximately 14,000 barrels of oil equivalent per day to TEPNG in 2023. TEPNG also agreed to transfer its 10% interest in three gas-producing licences (OMLs 23, 28, and 77), although it would retain full economic interest in these gas assets, which collectively supply roughly 40% of feed gas to Nigeria LNG.²⁶

While ministerial consent was granted on 28 October 2024, this approval was later withdrawn. After months of extensions, Chappal Energies was unable to close the transaction. On 29 May 2025, the ministerial consent was formally recalled.²⁷

The Commission clarified that the withdrawal does not preclude a future divestment. Any renewed transaction must, however, fully comply with applicable legal and regulatory requirements.

²⁶ <https://totalenergies.com/news/press-releases/nigeria-totalenergies-sells-its-interest-spdc-jv-retaining-interest-gas-supply> accessed 27 November 2025

²⁷ <https://www.nuprc.gov.ng/nuprc-clarifies-totalenergies-chappal-deal/> accessed 27 November 2025

COMMISSIONING OF THE \$400 MILLION NIGERIA'S FIRST INDIGENOUS CRUDE OIL EXPORT TERMINAL²⁸

On 8 October 2025, President Bola Tinubu, represented by the Minister of State for Petroleum Resources (Oil), Senator Heineken Lokpobiri, commissioned Green Energy International Limited's (GEIL)/Lekoil Oil and Gas Investment Limited Otakikpo JV new crude oil export terminal in Otakikpo, Rivers State. The \$400 million facility is significant on two fronts: it is the first export terminal developed by a Nigerian company and the only one constructed in the country in over five decades.

According to the President, the Otakikpo terminal is expected to serve not only GEIL's operations but also provide a long-awaited evacuation route for marginal and stranded fields across the Niger Delta. This new corridor is positioned to unlock substantial reserves, stimulate activity across dormant assets, and support broader economic value creation.

GEIL's Chairman and Chief Executive, Prof. Anthony Adegbulugbe, disclosed that the terminal has a current storage capacity of 750,000 barrels, with the ability to scale up to 3 million

barrels. The facility also has a pumping capacity of 360,000 barrels per day. As of the date of our 2025 Mid-Year Report, we reported that the joint venture had completed its first crude oil export. As of October, four export operations had been concluded, amounting to 1 million barrels.



²⁸ <https://www.thisdaylive.com/2025/10/09/tinubu-inaugurates-400m-nigerias-first-indigenous-crude-export-terminal-in-rivers/> accessed 27 November 2025

RECENT EVENTS IN NIGERIA'S OIL AND GAS INDUSTRY



Beyond these operational milestones, GEIL emphasised the strategic importance of the terminal for the wider industry. More than 40 stranded fields in the Niger Delta, holding a combined reserve estimate of over 3 million barrels, have historically lacked access to export infrastructure. With the Otakikpo terminal now operational, these fields could collectively contribute over 200,000 barrels per day to Nigeria's national output.

Prof. Adegbulugbe underscored the project's broader impact, noting that it was conceived, designed, and delivered entirely by Nigerian professionals. He described it as a demonstration of local capacity and a signal of what indigenous operators can achieve in the energy sector.

The immediate past Chief Executive of the NUPRC, Gbenga Komolafe, added that the last major export terminals in Nigeria were constructed in the 1960s and 1970s by multinational companies such as Shell, Chevron, BP, and NAOC. GEIL's project, therefore, marks a rare and important step forward in domestic infrastructure development.²⁹

TOTALENERGIES AND CONOIL ANNOUNCE STRATEGIC ASSET SWAP³⁰

On 19 November 2025, TotalEnergies announced a pair of strategic agreements with Conoil Producing Limited. Under these agreements, TotalEnergies will acquire a 50% operated interest in Oil Prospecting Licence (OPL) 257 from Conoil, while Conoil will acquire TotalEnergies' 40% participating interest in OML 136, both located offshore Nigeria.

Once completed, the transaction will significantly increase TotalEnergies' position in OPL 257, from its current 40% to 90%, with Conoil retaining the remaining 10%.

OPL 257 covers about 370 square kilometres and sits roughly 150 kilometres off the Nigerian coast. It is located next to PPL 261, where TotalEnergies and its partners discovered the Egina South field in 2005. The field extends into OPL 257, and an appraisal well is planned for 2026 on the OPL 257 side. The development concept for Egina South is expected to be a tie-back to the Egina FPSO, located about 30 kilometres away.

²⁹ <https://guardian.ng/news/tinubu-nuprc-bank-on-new-export-terminal-for-2-5m-bpd-oil-output/> accessed 27 November 2025

³⁰ <https://totalenergies.com/news/press-releases/nigeria-totalenergies-increases-its-interest-oopl257> accessed 27 November 2025

TotalEnergies has emphasised that the transaction strengthens its long-standing collaboration with Conoil and positions the company to move ahead with the appraisal and potential development of Egina South. According to Mike Sangster, Senior Vice-President for Africa, Exploration & Production, the deal aligns with the company's strategy of using existing production facilities to unlock new resources efficiently, while concentrating investments in its operated offshore oil and gas assets in Nigeria.

Completion of the agreements remains subject to standard conditions, including regulatory approvals.

ARADEL EXPANDS ITS STAKE IN ND WESTERN LIMITED³¹

On 31 December 2025, Aradel Holdings Plc announced that its wholly-owned subsidiary, Aradel Energy Limited, had completed the acquisition of an additional equity interest in ND Western Limited ("NDW"), following the satisfaction of all regulatory and contractual conditions precedent.

This follows the announcement on 24 October 2025, when Aradel signed a definitive agreement to acquire a 40% equity stake in NDW from Petrolin Trading Ltd.

With the completion of this transaction, Aradel Energy Limited's shareholding in NDW has increased from 41.67% to 81.67%, resulting in NDW becoming a subsidiary of Aradel Energy Limited. The acquisition also materially increases Aradel's aggregate shareholding in Renaissance Africa Energy Company Limited, raising its total indirect ownership from 33.3% to 53.3%.

NDW holds a 45% participating interest in OML 34, a producing asset in the Western Niger Delta. OML 34 contains significant crude oil and associated gas reserves that support both Nigeria's domestic energy needs and export obligations. NDW also owns 50% of Renaissance Africa Energy Holding Company Ltd, the parent company of Renaissance Africa Energy Company Limited, operator of the Renaissance Joint Venture.

HEIRS ENERGIES DELIVERS BREAKTHROUGH RIGLESS GAS RECOMPLETION IN OML 17³²

On 26 November 2025, Heirs Energies announced a major technical milestone in the NNPC/Heirs Energies JV on OML 17. The JV successfully carried out a rigless recompletion of a key non-associated gas well, an industry first in Nigeria. This innovative approach has doubled the JV's gas production to a peak of 135

³¹ <https://www.aradel.com/aradel-holdings-plc-completes-acquisition-of-40-equity-interest-in-nd-western-limited/> accessed 31 December 2025

³² <https://heirsenergies.com/nnpc-heirs-energies-breaks-new-ground-as-oml-17-doubles-output-adding-over-135-mmscf-d-to-nigerias-domestic-gas-supply/> accessed 28 November 2025

mmscf/d, significantly boosting domestic gas supply and supporting national energy security.

The increase in gas output has had an immediate and material impact on power generation across the eastern network. Transcorp PLC's TransAfam Power plant has seen its generation rise from about 50 MW to more than 180 MW, with peaks of 200 MW. Other power plants in the network, including First Independent Power Limited (FIPL) and Geometric Power, have also recorded more stable operations and increased output.

Overall, the power plants receiving gas from the JV have grown combined generation from roughly 100 MW to over 350 MW. This improvement translates to more reliable electricity for hundreds of thousands of homes and businesses, reducing outages and supporting essential services, industrial operations, and small businesses.

The well responsible for this breakthrough had been shut in due to excessive water production. Instead of drilling a new well or pursuing a conventional workover, Heirs Energies executed a through-tubing, rigless recompletion into a new reservoir interval.

The operation was completed safely, ahead of schedule, and at approximately 15% of the cost of drilling a new well, setting a new benchmark for cost-efficient interventions in the sector.

OML 17 is strategically located onshore near Port Harcourt and spans approximately 1,300 km². It is regarded as a proven, scalable, and underdeveloped asset with significant low-risk opportunities for production growth. The acreage has been producing since the late 1950s and 1960s, reached peak output of 120,000 boe/d in the 1970s, and today has a production capacity of about 27,000 boe/d, with 2P reserves of 1.2 billion boe and an additional 1 billion boe of prospective resources.³³



³³ <https://heirsenergies.com/oml-17/> accessed 28 November 2025



NIGERIA CONFIRMS READINESS FOR THE AFRICAN ENERGY BANK HEADQUARTERS LAUNCH³⁴

On 25 November 2025, the Minister of State for Petroleum Resources (Oil), Senator Heineken Lokpobiri, conducted an inspection of the proposed headquarters of the African Energy Bank (AEB) in Abuja, affirming that Nigeria is fully prepared for the bank's official takeoff. He noted that Nigeria had met all its obligations, positioning the country for the smooth launch of this landmark institution.

The AEB, a \$5 billion pan-African financial institution, was jointly conceived by the African Petroleum Producers' Organisation (APPO) and Afreximbank to address a pressing challenge: declining global financing for fossil fuel projects. The bank is

designed to provide long-term, Africa-led funding for oil, gas, and energy transition projects, enabling countries to continue developing upstream assets, refinery upgrades, gas infrastructure, power generation, and cleaner-energy solutions without depending heavily on foreign lenders with climate-driven restrictions.

Lokpobiri toured the facilities alongside APPO Secretary General, Dr. Omar Farouk Ibrahim, and Afreximbank Executive Vice President, Haytham El Maayergi. Their visit marked a major milestone toward operationalising the bank.

Nigeria was selected as the host of the AEB headquarters in July 2024 after a competitive bidding process involving Ghana,

³⁴ <https://www.arise.tv/nigeria-completes-5bn-african-energy-bank-headquarters-ready-for-takeoff-says-lokpobiri/> accessed 28 November 2025

Algeria, South Africa, and the Benin Republic.³⁵ According to Lokpobiri, the next step rests with APPG and Afreximbank, who are leading the process to finalise the bank's launch.

NIGERIA LAUNCHES THE 2025 LICENSING ROUND WITH A \$10 BILLION INVESTMENT TARGET³⁶

The NUPRC opened the 2025 oil and gas licensing round on 1 December 2025, signalling one of the most ambitious bid cycles in recent years. The Commission announced a target of \$10 billion in new investments, backed by a streamlined, fully digital process designed to attract both local and international players.

To support the exercise, NUPRC launched an online licensing portal, paving the way for a six-month bid window. A total of 50 oil and gas blocks, spanning onshore, shallow water, frontier basins, and one deepwater block, have been placed on offer, following President Bola Tinubu's approval.

Speaking in Abuja, NUPRC's immediate past Chief Executive, Gbenga Komolafe, explained that the round aligns with Section 73 of the PIA, which mandates a fair, transparent, and competitive

bidding process. He projected that the successful development of the awarded blocks could unlock two billion barrels of reserves and deliver up to 400,000 barrels per day in new production.

Komolafe outlined the strategic goals of the 2025 round: expanding reserves through aggressive exploration, raising national production volumes, increasing government revenue, and creating thousands of direct and indirect jobs, especially in host regions.

To ensure a disciplined and competitive exercise, NUPRC adopted a two-stage process consisting of a qualification stage followed by a bid stage. Only applicants who meet the regulatory and technical requirements will progress to submit commercial and technical bids. Komolafe emphasized that the entire process will be automated, with winners determined transparently through the commercial bid stage.

Komolafe noted that the 2025 licensing round presents a major investment window, offering easier entry, enhanced transparency, and comprehensive subsurface data for prospective bidders.

³⁵ <https://businessday.ng/energy/article/africa-energy-bank-ready-for-takeoff-as-nigeria-checks-off-obligations-as-host-country-lokpobiri/> accessed 28 November 2025

³⁶ <https://www.thisdaylive.com/2025/12/02/nuprc-targets-10bn-investment-lists-50-oil-gas-blocks-in-new-licensing-round/> accessed 4 December 2025

NUPRC RELEASES GUIDELINES FOR THE 2025 LICENSING ROUND: SETS SIGNATURE BONUS AT \$3M TO \$7M³⁷

Following the announcement of the 2025 licensing round, the NUPRC released the governing framework for the exercise, introducing signature bonuses³⁸ in the range of \$3 million to \$7 million. This represents a notable departure from previous cycles and is aimed at reducing entry barriers for investors, aligning Nigeria's bid process with global best practices.

In its published Frequently Asked Questions (FAQ) document, the Commission outlined the key objectives of the licensing round. These include expanding Nigeria's oil and gas reserves, strengthening Nigerian content development, attracting greater foreign direct investment, and supporting long-term global energy security.

This policy direction builds on the Federal Government's earlier move to reduce signature bonus levels, lowering rates from about \$100 million to \$10 million during the 2024 mini-bid round. According to the Commission's immediate past Chief Executive, Gbenga Komolafe, who spoke at the 2025 Nigeria Association of

Energy Correspondents (NAEC) Conference in Lagos, the intention is to allow investors channel more capital into field development and support the Government's target of increasing national oil production to 2.5 million barrels per day by 2027.³⁹

DANGOTE TARGETS 1.4 MILLION BPD REFINING CAPACITY⁴⁰

The Dangote Petroleum Refinery announced plans to scale up its processing capacity from 650,000 barrels per day to 1.4 million barrels per day, a move that would make it the largest refinery in the world once completed. This update was shared by Alhaji Aliko Dangote during a media briefing in Lagos on 26 October 2025, held alongside Femi Otedola, Chairman of First Bank.

Dangote explained that the expansion work would begin immediately and is expected to engage roughly 65,000 workers, with Nigerians accounting for about 85% of the workforce. He also noted that the refinery's power generation capacity will be doubled from 500 MW to 1,000 MW, and product quality will be upgraded from Euro V to Euro VI standards.

In addition, the refinery plans to boost its polypropylene output

³⁷ <https://www.thisdaylive.com/2025/12/09/2025-licensing-round-nuprc-releases-ground-rules-sets-signature-bonus-at-3m-to-7m/> accessed 9 December 2025

³⁸ A signature bonus is a one-time, upfront payment made by a company upon winning a licence or lease to explore or produce petroleum resources. Put simply, it is the initial fee required to secure rights to a block.

³⁹ <https://thesun.ng/why-we-crashed-signature-bonus-by-90-nuprc/> accessed 9 December 2025

⁴⁰ <https://guardian.ng/energy/dangote-refinery-expands-capacity-from-650k-to-1-4m-barrels-a-day/> accessed 4 December 2025

from 900,000 metric tonnes to 2.4 million metric tonnes per year. This increase will support greater production of linear alkylbenzene, a key material in detergent manufacturing, and enable additional production of base oils.

He also confirmed that the company intends to list the refinery on the Nigerian Stock Exchange in 2026, opening the door for Nigerians to invest directly in the multibillion-dollar asset.



FEDERAL GOVERNMENT INTRODUCES \$100 MILLION EQUITY SCHEME TO STRENGTHEN LOCAL PARTICIPATION⁴¹

In December 2025, the Federal Government launched a \$100 million equity investment scheme to support Nigerian companies operating in the oil and gas sector. The announcement was made at the 2025 Practical Nigerian Content Forum in Yenagoa by the Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Engr. Felix Ogbe.

The initiative was unveiled during the signing of an MoU between the NCDMB and the Bank of Industry (BOI). According to Ogbe, the scheme is designed to provide equity financing to fast-growing indigenous energy service companies, strengthen local capacity, and create a more diversified and sustainable income base for the Nigerian Content Development Fund (NCDF).

NIGERIA LEADS AFRICAN COUNTRIES IN SIGNING THE PETROLEUM REGULATORY CHARTER⁴²

Nigeria has reinforced its leadership in Africa's oil and gas sector by spearheading the creation of the African Petroleum Regulators Forum (AFRIPERF). The landmark charter signing, chaired by

⁴¹ <https://www.vanguardngr.com/2025/12/federal-government-launches-100-million-equity-investment-scheme-to-support-nigerian-oil-companies/> accessed 9 December 2025

⁴² <https://guardian.ng/business-services/nigeria-leads-african-countries-to-sign-petroleum-regulatory-charter/> accessed 9 December 2025

NUPRC's immediate past Chief Executive Engr. Gbenga Komolafe took place on the sidelines of the 31st Africa Oil Week (AOW) in Accra, Ghana, on 18 September 2025, with regulators from 16 African countries in attendance. Eight countries, including Nigeria, Ghana, Somalia, Gambia, Madagascar, Sudan, Guinea, and Togo, formally signed the charter, while seven others pledged to join following consultations. AFRIPERF's mission is to strengthen cooperation among African petroleum regulators, promote harmonized standards, and uphold safety and environmental protection across the continent.

LEADERSHIP CHANGES AT NUPRC AND NMDPRA⁴³

On 17 December 2025, the Presidency announced the resignation of the Chief Executives of Nigeria's two petroleum regulators, Engr. Farouk Ahmed of the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) and Engr. Gbenga Komolafe of the NUPRC. Both officials were appointed in 2021 by former President Muhammadu Buhari following the establishment of the regulators under the PIA.

Following their exit, President Bola Ahmed Tinubu formally requested the Senate to consider and approve new appointments

to ensure leadership continuity at both institutions. The President nominated Oritsemetry Amanorisewo Eyesan as Chief Executive of the NUPRC and Engr. Saidu Aliyu Mohammed as Chief Executive of the NMDPRA and sought expedited confirmation of the appointments. The Senate subsequently confirmed the appointments following the consideration and adoption of the report of the joint Senate committees that screened the nominees.⁴⁴



⁴³ <https://statehouse.gov.ng/engineers-farouk-ahmed-gbenga-komolafe-resign-president-tinubu-nominates-successors-to-the-senate-for-approval/> accessed 18 December 2025

⁴⁴ <https://www.thisdaylive.com/2025/12/20/senate-confirms-mohammed-eyesan-as-nmdpra-nuprc-ceos/> accessed 30 December 2025

NIGERIA'S OIL SECTOR RECEIVED \$16BN COMMITMENT IN TWO YEARS⁴⁵

Nigeria's upstream oil and gas industry is seeing renewed investor confidence, with the NUPRC reporting more than \$16 billion in investment commitments over the past two years. This momentum is driven by major reforms and policy initiatives aimed at strengthening energy security, improving sustainability, and bolstering economic resilience.

At the 2025 NOG Energy Week held in Abuja, NUPRC's immediate past Chief Executive Gbenga Komolafe highlighted that the country is entering a new phase of upstream growth, supported by clearer regulations, improved operational frameworks, and a strong push to ramp up production.

While the PIA laid the foundation for regulatory stability, the turning point came with the issuance of three key Executive Orders in 2024: Order 40 on fiscal incentives, Order 41 on local content, and Order 42 on contracting efficiency. These measures triggered a wave of fresh capital inflows.

The commitments span a wide range of activities, including deepwater exploration, the reactivation of dormant assets, new gas development projects, and expanded evacuation infrastructure. They also signal renewed interest from both international oil companies and local independents, after several years of limited activity and operational constraints.

FG APPROVES 37 NEW CRUDE OIL EVACUATION ROUTES⁴⁶

A major security milestone was recorded this year as the Federal Government approved 37 new crude evacuation routes, an announcement made by NUPRC's immediate past Chief Executive, Gbenga Komolafe, at the 2025 NOG Energy Week.

These routes form part of a wider strategy to stabilise production, strengthen security in the oil-producing regions, and ensure producers have multiple, reliable pathways to move crude to domestic refineries and export points. The combination of pipelines, barging routes, and supporting infrastructure is expected to significantly reduce losses from vandalism and sabotage.

⁴⁵ <https://businessday.ng/energy/oilandgas/article/nigerias-oil-sector-received-16bn-commitment-in-two-years-nuprc/> accessed 5 December 2025

⁴⁶ <https://businessday.ng/energy/oilandgas/article/nigeria-approves-37-new-evacuation-routes-to-bolster-oil-security-curb-theft/> accessed 5 December 2025

Authorities are deploying digital monitoring systems and working with security agencies to provide round-the-clock oversight. The introduction of the Advance Cargo Declaration System is also expected to create better visibility in the export value chain.

PROGRESS ON THE HOST COMMUNITY DEVELOPMENT TRUST FRAMEWORK⁴⁷

In an update released on 13 October 2025, the NUPRC confirmed significant progress in the implementation of the Host Community Development Trust (HCDT) framework. According to the Commission's Head of Media and Strategic Communications, Eniola Akinkuotu, total HCDT funds now stand at approximately N373 billion, made up of N125 billion and \$168.9 million contributed by upstream companies operating under the PIA.

The Commission also reported that 536 community development projects are currently being executed across various host communities. The HCDT structure, created under Section 235 of the PIA, requires oil companies ("settlers") to contribute 3% of their previous year's operating expenditure to a dedicated trust for the benefit of their host communities.

Earlier in the year, NUPRC's immediate past Chief Executive, Gbenga Komolafe, disclosed at the 2025 NOG Energy Week that 145 HCDTs had been formally incorporated in the Niger Delta, with 94 settlers already complying with their remittance obligations.⁴⁸

DECOMMISSIONING OVERSIGHT STRENGTHENS AS NUPRC SIGNS OFF ON 94 PLANS, TOTALING \$4.4BN IN FDP OBLIGATIONS⁴⁹

In his remarks at the Nigerian Extractive Industries Transparency Initiative (NEITI) Companies Forum in Lagos on 10 September 2025, the immediate past Chief Executive of the NUPRC, Gbenga Komolafe, announced that the Commission had approved 94 Decommissioning and Abandonment (D&A) plans since April 2023. These approvals reflect total liabilities of about \$4.424 billion arising from Field Development Plans submitted within the period. He also confirmed that more than \$400 million in decommissioning liabilities had already been secured.

The Commission noted that all actions were carried out in full alignment with the PIA, with liabilities to be remitted gradually over the life of the fields into designated escrow accounts.

⁴⁷ <https://www.nuprc.gov.ng/host-community-fund-rises-to-n373bn-as-nuprc-oversees-536-projects/> accessed 5 December 2025

⁴⁸ <https://www.arise.tv/nuprc-niger-delta-host-communities-have-received-n98bn-150m-from-oil-firms-under-hcdt/> accessed 5 December 2025a

⁴⁹ <https://www.thisdaylive.com/2025/09/11/nuprc-approves-94-decommissioning-abandonment-plans-total-fdp-liabilities-hit-4-4bn-in-two-years/> accessed 5 December 2025

Komolafe further highlighted Nigeria's approach to recent divestments, citing Sections 232 and 233 of the PIA, which place full responsibility for decommissioning and abandonment on licensees and lessees. He explained that the 2024 divestment transactions provided a practical opportunity to apply the Commission's divestment framework, testing the technical and financial capacity of acquiring companies and ensuring that all decommissioning and abandonment obligations were secured upfront through escrow arrangements.

\$40BN INVESTMENT OPPORTUNITY EMERGES FROM 2024–2025 FDP APPROVALS

In an update released on 10 November 2025, the NUPRC announced that it had approved 43 new FDPs in 2025. These approvals are expected to unlock an estimated 1.7 billion barrels of oil and 7.7 trillion cubic feet of gas, supported by more than \$20 billion in committed investments.⁵⁰

According to the Commission's immediate past Chief Executive, Gbenga Komolafe, several major FIDs were also concluded during the year. These include the \$5 billion Bonga North project, the

\$500 million Ubeta Gas development, and Shell's \$2 billion HI Gas Project, together expected to deliver nearly 2 trillion standard cubic feet of gas.

Komolafe noted that indigenous participation in the sector continues to grow, with local acquisition transactions exceeding \$5 billion in value, an indication of the strengthening role of Nigerian companies in upstream development.

This update builds on an earlier statement issued on 5 October 2025 to mark NUPRC's fourth anniversary, where the Commission confirmed that a total of 79 FDPs had been approved across 2024 and 2025. These approvals represent potential investments of approximately \$39.98 billion—\$20.55 billion in 2024 and \$19.43 billion in year-to-date 2025.⁵¹

NIGERIA'S RIG COUNT SURGES FROM 8 TO 69⁵²

In the same statement marking the NUPRC's fourth anniversary on 5 October 2025, the Commission reported a sharp rise in Nigeria's rig count, from eight rigs in 2021 to 69 as of 2 October 2025. The current figure includes 40 active rigs, 8 on standby, 5

⁵⁰ <https://www.nuprc.gov.ng/approved-fdfs-can-unlock-1-7bn-barrels-7-7tcf-of-gas-komolafe/> accessed 6 December 2025

⁵¹ <https://www.nuprc.gov.ng/nuprc-4-commission-lists-16-high-impact-achievements-post-pia/> accessed 6 December 2025

⁵² <https://www.nuprc.gov.ng/nuprc-4-commission-lists-16-high-impact-achievements-post-pia/> accessed 6 December 2025

warm-stacked, 4 cold-stacked, and 12 in transit, representing a remarkable 762.5% increase in just four years.

This growth reflects renewed investor confidence and aligns with President Tinubu's push to position Nigeria as open for business, backed by NUPRC's continuous regulatory actions. As noted in our 2025 Mid-Year Report, Nigeria had already reached 42 rigs at the time, and the upward trajectory has continued since then.

NUPRC CONVERTS FIRST PETROLEUM LICENCE TO MINING LEASE UNDER PIA⁵³

In an update released on 12 September 2025, the NUPRC confirmed it had completed the conversion of PPL 202 to Petroleum Mining Lease (PML) 66, an important milestone that strengthens Nigeria's position as an attractive destination for both local and international upstream investors.

The Commission highlighted that this transition reflects the practical impact of the PIA, particularly in creating a clearer, more predictable framework for moving assets from prospecting to full development.

Speaking at the Signing Ceremony in Abuja, the Commission's immediate past Chief Executive, Gbenga Komolafe, noted that PML 66 is the first licence to progress from PPL to PML under the 2020 Marginal Field Bid Round. He described it as a major step forward in implementing the PIA's intent to accelerate field maturation and unlock reserves.

The licence holders of the former PPL 202 include Suntrust Oil Company Nigeria Limited, Petrogas Energy Trade W.A. Ltd, Somora GTP Limited, Moore Oil Exploration & Production Nigeria Ltd, and Genesis Hydrocarbons Limited.

NIGERIA ATTRACTED OVER \$4.9BN IN NON-ASSOCIATED GAS INVESTMENTS IN FOUR YEARS⁵⁴

Since the PIA came into effect, the NUPRC has approved more than 25 Non-Associated Gas (NAG) FDPs, attracting over \$4.9 billion in capital investment. These approvals have helped unlock about 9,790 billion standard cubic feet of gas reserves and added approximately 3.54 bscf/d in new gas production potential.

The Commission also announced a new regulatory roadmap aimed

⁵³ <https://www.nuprc.gov.ng/nuprc-oversees-conversion-of-first-ppl-from-2020-bid-round-as-ingentia-energies-pledges-to-deliver-over-5-wells/> accessed 6 December 2025

⁵⁴ <https://www.thisdaylive.com/2025/10/09/nuprc-nigeria-attracted-over-4-9bn-in-non-associated-gas-investments-in-four-years/> accessed 9 December 2025



at commercialising over 55 trillion cubic feet of uncommitted gas reserves. The objective is to draw significant new investment into Nigeria's gas value chain and strengthen the country's position as a regional gas leader.

These updates were shared by the Commission's immediate past Chief Executive, Gbenga Komolafe, during the 2025 Gas Investment Forum in Lagos, and further outlined in a statement by the Commission's Head of Media and Strategic Communication, Eniola Akinkuotu.

FG ISSUES 23 REFINERIES 'LICENSE TO ESTABLISH' IN FOUR YEARS⁵⁵

Over the past four years, since the PIA came into force, the Federal Government has issued 23 Licences to Establish (LTE) new refineries. This update was shared by the NMDPRA at the inaugural conference of the Energy Correspondents Association of Nigeria (ECAN) held in Abuja on 13 November 2025.

According to the NMDPRA, once these plants are completed and commissioned, they are expected to add more than 850,000 barrels per stream day (bpsd) to Nigeria's current refining

⁵⁵ <https://thenationonlineng.net/fg-issues-23-refineries-license-to-establish-in-four-years/> accessed 9 December 2025

capacity of 1,125,000 bpsd. The Authority also reported steady progress in domestic crude supply, which has increased from approximately 20,000 barrels per day in 2023 to over 40,000 barrels per day in 2025.

In addition, Premium Motor Spirit (PMS) supply has grown significantly, from 1.3 billion litres in 2024 to 3.8 billion litres in 2025, reflecting improved operational stability and a stronger outlook for the downstream sector.

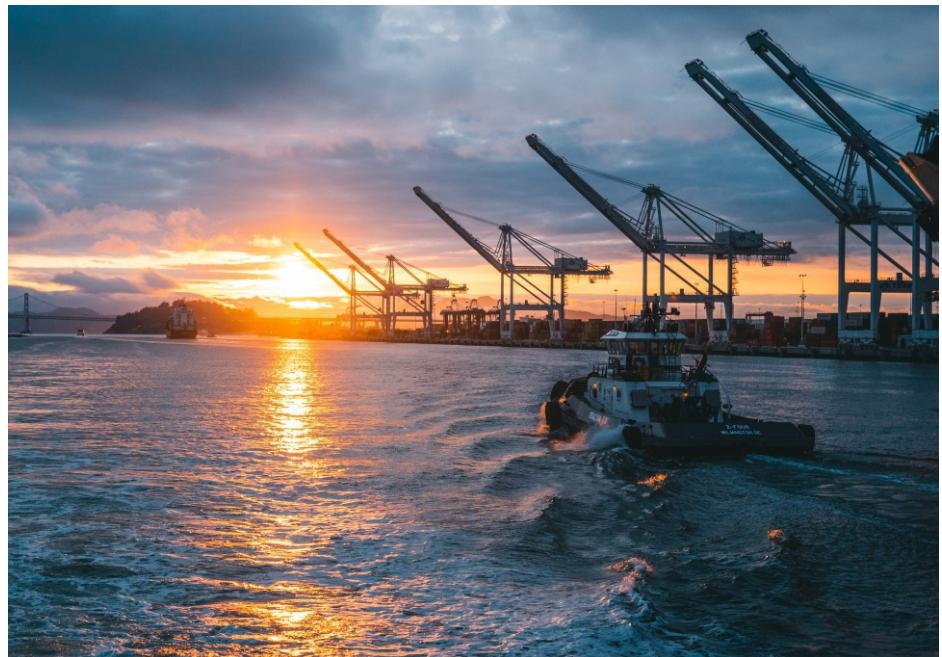
NMDPRA: OVER N287BN INVESTED IN 62 PROJECTS VIA GAS INFRASTRUCTURE FUND⁵⁶

At the same ECAN conference, the NMDPRA highlighted the impact of the MDGIF, which has facilitated investments totaling over N287 billion in gas infrastructure projects across Nigeria.

Established under the PIA, the MDGIF is designed to stimulate investment in gas infrastructure, supporting both domestic consumption and export-driven growth. As of October 2025, the fund had supported 62 projects implemented by 16 companies, according to Farouk Ahmed, NMDPRA's immediate past Chief

Executive Officer, represented at the conference by the Authority's Legal Adviser and Secretary, Joseph Tolorunse.

Ahmed further noted that the MDGIF has leveraged a partnership with Afreximbank to catalyse an additional \$500 million in gas infrastructure investments, reinforcing the fund's role in expanding energy access and driving economic development.



⁵⁶ <https://www.thecable.ng/nmdpra-over-n287bn-invested-in-62-projects-via-gas-infrastructure-fund/> accessed 9 December 2025

NIGERIAN UPSTREAM PETROLEUM (COMMERCIAL) REGULATIONS 2025

On 5 May 2025, the NUPRC issued the Nigerian Upstream Petroleum (Commercial) Regulations 2025 (the “Regulations”), establishing a framework to regulate commercial activities in upstream petroleum operations. The Regulations focus on the approval of the commercial aspect of FDP, Annual Work Programmes, and the submission of Annual Work Programme Status Reports. ([Click here for our newsletter on the Regulations.](#))

UPSTREAM PETROLEUM FEES AND RENTS (TEMPORARY) REGULATIONS 2025

The NUPRC, on 5 May 2025, also released the Upstream Petroleum Fees and Rents (Temporary) Regulations, 2025 (the “Regulations”), providing an interim regulatory framework for the determination of fees and rents in the upstream sector pending consultations with stakeholders. The Regulations set out the fees and rents payable by licensees and lessees under the PIA, as well as by any person seeking approval, permit, or authorisation for upstream activities. ([Click here to read our newsletter on the Regulations.](#))

GUIDELINES FOR THE OPERATIONALISATION OF ADVANCE CARGO DECLARATION REGULATION

On 17 June 2025, the NUPRC issued the Guidelines for the Operationalisation of Advance Cargo Declaration Regulation (the “Guidelines”), providing detailed procedures for implementing the Nigerian Upstream Petroleum Advance Cargo Declaration Regulations, 2024 (the “Regulations”). The Regulations require that all petroleum exports from Nigeria, whether via onshore or offshore terminals, be preceded by the submission of an advance cargo declaration form to the Commission, accompanied by a copy of the export permit issued by the Ministry of Industries, Trade and Investment. The Commission then grants vessel clearance and issues a Unique Identification Number. The Guidelines set out the step-by-step procedures for compliance. ([Click here to read our newsletter on the Guidelines.](#))

As we look ahead to 2026 and beyond, the outlook for Nigeria's oil and gas industry remains broadly positive. The momentum built in 2025, driven by renewed upstream activity, major investment commitments, and strong regulatory reform, sets the stage for a more active and stable operating environment in the coming year. Production is expected to rise as operators advance recently approved field development plans and ramp up drilling programmes, supported by the significant increase in rig deployment across the industry and Nigeria's ambition to meet its 2.5 million barrels-per-day target by 2026.⁵⁷ Indigenous companies are also poised to deepen their footprint, leveraging recent asset acquisitions.

Nigeria's gas agenda will take centre stage. With several non-associated gas projects already in motion and over 55 TCF of uncommitted gas reserves targeted for development, 2026 is positioned to deliver meaningful progress on gas processing, transportation, and utilisation infrastructure. Projects such as the AKK and OB3 pipelines and NLNG Train 7 are nearing commissioning. These efforts will support power generation, industrial growth, and export opportunities, reinforcing gas as the country's anchor for its energy transition.

On the midstream and downstream front, refinery development and pipeline infrastructure will continue to expand. The new refineries licensed under the PIA are expected to move closer to construction, adding to the growing footprint of domestic processing capacity. Gas infrastructure projects supported by the MDGIF and other financing partnerships will also scale, improving the availability and affordability of gas across the country.

Security and operational integrity will remain priority areas. The rollout of new evacuation routes and the adoption of digital surveillance tools will help reduce losses, strengthen production accountability, and provide more reliable evacuation pathways for crude and gas. Measurable improvements are already evident, with daily crude oil losses dropping to 9,600 bpd in July 2025, the lowest since 2009.⁵⁸ The implementation of decommissioning and abandonment obligations will also deepen, reflecting stronger regulatory compliance and a shift toward global best practices.

Host Community Development Trusts will continue to expand their reach, with more projects implemented and hopefully greater transparency around fund management. This will support

⁵⁷ <https://punchng.com/nigeria-targets-2-5-million-barrels-daily-output-by-2026-nuprc/>

⁵⁸ [https://www.nuprc.gov.ng/crude-oil-losses-drop-to-16-year-low-as-nuprc-releases-latest-report/#:~:text=In%20July%202025%2C%20daily%20losses,Petroleum%20Regulatory%20Commission%20\(NUPRC\).](https://www.nuprc.gov.ng/crude-oil-losses-drop-to-16-year-low-as-nuprc-releases-latest-report/#:~:text=In%20July%202025%2C%20daily%20losses,Petroleum%20Regulatory%20Commission%20(NUPRC).)

social stability and strengthen the partnership between operators and host communities.

With ongoing bid rounds and refined licensing terms, the industry is likely to attract new entrants and catalyse fresh exploration activities. At the same time, global energy transition pressures will push operators to rebalance their portfolios, prioritise gas, and adopt cleaner and more efficient technologies.

Overall, the sector enters 2026 with stronger investor confidence, clearer regulatory direction, and a widening pipeline of projects. Sustaining this progress will depend on consistent policy implementation, improvements in security, and continued collaboration across government, industry, and communities. If these conditions are maintained, Nigeria is well-positioned for another cycle of growth, investment, and sector-wide transformation.



This year has been defined by sustained regulatory recalibration, accelerated capital deployment, and high-impact transactions that continue to reshape Nigeria's oil and gas industry. From deepwater contracts and landmark divestments to multibillion-dollar gas infrastructure commitments, the sector has demonstrated a drive towards renewed investor confidence and a clear pivot toward long-term asset optimisation.

As the market realigns around transitional fuels, indigenous participation, and efficiency-driven reforms, stakeholders enter the new year with clearer regulatory expectations and better-aligned commercial frameworks. The milestones achieved in 2025 lay a strong foundation, positioning Nigeria to meet its target of \$20 billion in upstream petroleum investments by 2029.⁵⁹

⁵⁹ <https://www.arise.tv/nigeria-projects-20bn-investment-in-oil-and-gas-sector-by-2029/> accessed 10 December 2025

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