

ADEREMI OGUNBANJO
PARTNER, TALP'S ENERGY &
NATURAL RESOURCES DEPARTMENT

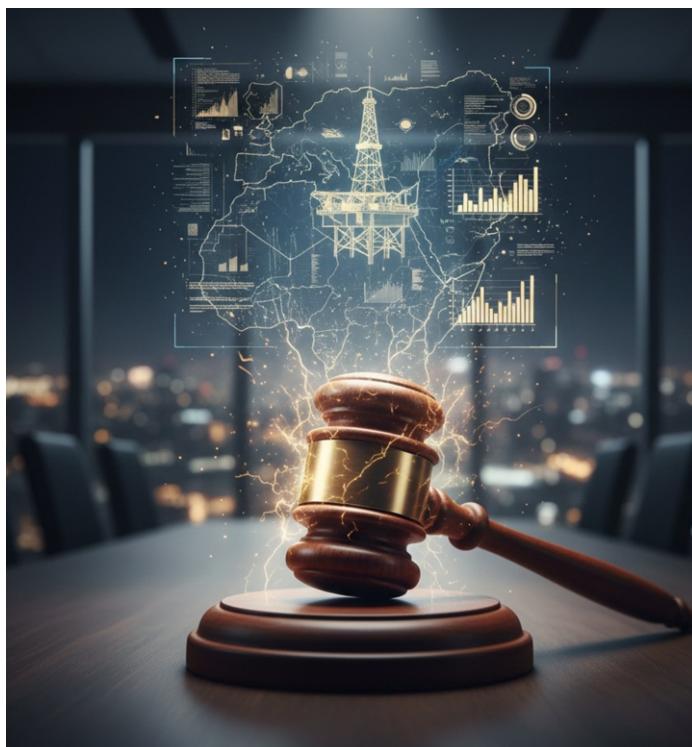
NIGERIA 2025 LICENSING ROUND

INTRODUCTION

On November 11, 2025, the Nigerian Upstream Petroleum Regulatory Commission (“NUPRC” or the “Commission”) announced that Nigeria's 2025 Licensing Round will commence on December 1, 2025. The announcement was made by the Commission's Chief Executive, Engineer Gbenga Komolafe, at the 1MMBOPD Additional Production Investment Forum in London.¹ The licensing round focuses on

discovered but undeveloped fields, fallow assets, and natural gas development. Its primary objective is to fast-track upstream production from unexploited reserves, while simultaneously stimulating the midstream capacity required for evacuation, storage, and early production handling, in support of the government's target of adding an additional One Million Barrels of Oil Per Day (1MMBOPD) to national production capacity.²

In this newsletter, we highlight the policy and regulatory framework governing licensing rounds in Nigeria, the eligibility requirements for participation in this bidding round, and key timelines in the bidding process.



POLICY AND REGULATORY FRAMEWORK

This exercise is governed by the Petroleum Industry Act (“PIA”) 2021 and the Petroleum Licensing Round Regulations 2022 (the “Regulation”). The PIA sets out the core legal framework for the award of Petroleum Prospecting Licences (“PPLs”) and Petroleum Mining Leases (“PMLs”), mandating that all licensing rounds be conducted through a transparent and competitive bidding process.³ To operationalize the PIA, the Regulation prescribes in detail procedures for conducting licensing rounds and expressly requires PPLs and PMLs be awarded only through a fair, transparent, and competitive bidding process in line with the PIA and applicable guidelines issued for each round.⁴

[1] President Tinubu approves Commencement of Licensing Round effective December 1, 2025. <https://www.nuprc.gov.ng/president-tinubu-approves-commencement-of-licensing-round-effective-december-1-2025/> [accessed 24th November 2025]
[2] FG unveils plan to boost oil production by 1m barrels per day in 24 months. https://businessdayng/news/article/fg-unveils-plan-to-boost-oil-production-by-1m-barrels-per-day-in-24-months/?utm_source [accessed 24th November 2025]
[3] Section 73 (1) Petroleum Industry Act, 2021

[4] Regulation 3 Petroleum Licensing Round Regulations 2022 C:\ADEX_Regulations\Petroleum_L [accessed 24th November 2025]

In line with the Regulation, each licensing round must begin with a formal public announcement to guarantee openness and equal access to information.⁵ Pursuant to this requirement, the Commission has issued a press statement and published the commencement date as December 1, 2025, as stated above. Following this, and in subsequent weeks, the Commission is expected to publish additional information regarding the bid timelines and schedules on its official website.⁶ Alongside these announcements, the Commission is expected to release the Licensing Round Guidelines, which will serve as the primary compliance document for interested bidders.⁷ Thereafter, the Commission is required to open the data room, an online repository containing geological, geophysical, and fiscal data relating to available blocks to enable participants conduct informed commercial and technical evaluations. Access to the data room is contingent upon the execution of a confidentiality agreement, reinforcing the integrity of proprietary data shared during the process.⁸

PRE-QUALIFICATION REQUIREMENTS TO PARTICIPATE

Participation in the licensing round is strictly limited to companies that have first undergone and successfully completed the pre-qualification process. Participants are required to satisfy the legal, financial, and technical criteria prescribed under the Regulation.⁹ Where the applicant is a consortium, all members must meet the legal and financial thresholds, while at least one member designated as the operator must satisfy the legal, financial and technical requirements. These requirements include providing incorporation documents in line with the Companies and Allied Matters Act (“CAMA”) 2020, providing financial information as prescribed in the Guidelines, technical records such as evidence of operating an oil and gas field for a minimum duration stipulated in the Guidelines, other information as may be prescribed in the Guidelines.¹⁰ The Commission reserves the discretion to reject applications that contain unverifiable or

incomplete information or where an applicant attempts to influence the evaluation process.¹¹ Only applicants who successfully complete the pre-qualification process will be published by the Commission in the Pre-Qualified Bidders List. These pre-qualified bidders are then eligible to submit bids and are mandated to pay a bid administration fee as prescribed in the Guidelines,¹² confirming their commitment and enabling formal evaluation.

BID SUBMISSION PROCESS AND PROCEDURE

Following pre-qualification, the Regulation outlines a transparent, multi-stage bid submission and evaluation procedure.

A Bid Submission

The Commission determines the date, time, and place for the bid process, and this information is published on its website at least thirty (30) days prior to the bid date. Bidders are required to submit their bids both physically (delivered either by a duly authorized representative of the bidder or via registered courier) and electronically.¹³ The bid is required to be submitted in a sealed envelope, representing the bidder's offer for a license or lease as per the guidelines, alongside a guarantee (as to be stipulated in the yet to be released NUPRC guidelines) guaranteeing the bid.¹⁴

B Bids Opening and Evaluation

All bids are opened publicly in the presence of bidders and representatives of relevant government ministries and bodies.¹⁵ The Commission verifies the validity of bid guarantees and conducts an evaluation of the bid in three (3) stages:¹⁶

[5] Ibid. Regulation 6

[6] Ibid. Regulation 4

[7] Ibid. Regulation 7

[8] Ibid. Regulation 8

[9] Ibid. Regulation 10

[10] Ibid. Regulation 10(5)-(7)

[11] Ibid. Regulation 10(10)

[12] Ibid. Regulation 16(1) (Additional information will be shared following NUPRC's publication of the official Licensing Round Guidelines).

[13] Ibid. Regulation 12 (1)-(2)

[14] Ibid. Regulation 12(5)

[15] Ibid. Regulation 12(10). (Federal Ministry of Finance, Federal Ministry of Petroleum Resources, Nigerian Extractives Industries Transparency Initiative and any interested member of the public).

[16] Ibid. Regulation 12(14)

I. Stage 1: At this stage, envelopes containing the bid guarantees are opened, and the guarantees are examined for validity in accordance with the Regulations and the Licensing Round Guidelines.

II. Stage 2: At this stage, envelopes containing the bid proposals are opened. The offers contained in each proposal are formally recorded and publicly announced.

III. Stage 3: At this stage, the outcome of the bidding process is determined. The bid with the highest value is announced as the winning bid, while the next highest bid is designated as the reserve bidder. All other bids are declared unsuccessful.

C

Bid Award

The Commission publishes the winning and reserve bidders on its website within the timeframe established in the Licensing Round Guidelines and issues an offer letter to the winning bidder within fourteen (14) working days.¹⁷

Where bids are tied, the Regulation mandates a follow-up round focused on increasing the signature bonus to determine a clear winner.¹⁸ The winning bidder must then, within ninety (90) days, satisfy all financial obligations including payment of the signature bonus, applicable fees, first-year rent, submission of the required guarantees and executed model contracts pursuant to Section 85 (3) of the Act, before the Commission may recommend the grant of a PPL or PML to the Minister.¹⁹

Where the winning bidder is unable to meet these conditions, his bid shall be declared unsuccessful, and the Commission shall invite the reserve bidder to fulfill the obligations.²⁰



WHAT TO EXPECT?

In the coming weeks, the NUPRC is expected to release the full Licensing Round Guidelines and detailed schedules of the 2025 Licensing Round.. These guidelines will outline the specific blocks on offer, the applicable pre-qualification criteria, the required documentation, the fee structure, and the timelines governing data-room access, bid submission, and bid opening.

Prospective bidders are encouraged to closely monitor the Commission's official website and public notices, as these publications will form the primary compliance framework for participation in the round.

We look forward to providing an update once the guidelines are released.

¹⁶⁶ Paragraph 10(6)◎
¹⁶⁷ Paragraph 20(4)
¹⁶⁸ Paragraph 21(1)



PRACTICE KEY CONTACTS



ADEREMI OGUNBANJO
PARTNER



SANDRA OSINACHI-NWANDEM
SENIOR ASSOCIATE



OLAWUNMI ABIOLA
ASSOCIATE



EYITAYO AJISAFE
ASSOCIATE



OLUWANIFEMI ALADE
TRAINEE ASSOCIATE

TALP's Energy & Natural Resources Team

For further enquiries, log onto www.topeadebayolp.com

Do you need to get in touch with us, to know more on how we can help you and your business? Kindly contact us by using any of the details provided below:

TOPE ADEBAYO LP

3rd Floor, The Phoenix, 31 Mobolaji Bank Anthony Way, Ikeja Lagos, Nigeria.
p: +234 708 869 9174, +234 813 532 1156
e: info@topeadebayolp.com
w: www.topeadebayolp.com

