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Chapter 2

2026 MID-YEAR REPORT ON THE NIGERIAN OIL AND GAS INDUSTRY

INTRODUCTION

The Nigerian oil and gas industry entered 2026 on the back of a particularly active 2025, which was characterised by major Final Investment Decisions (FIDs), the completion of the 2024 licensing round and commencement of the 2025 licensing round, an unprecedented rise in rig activity, and the announcement of several significant transactions across the upstream, midstream and gas value chains, as detailed in our 2025 Mid-Year and End-of-Year Reports.

2026 has been quieter by comparison, but the first half of the year has still delivered some of the most important milestones Nigeria's energy sector has seen in years.

Perhaps the most consequential external development of the period is the US-Iran conflict, which led to the closure of the Strait of Hormuz, disrupting global oil supply and pushing crude prices sharply higher. Nigeria was well placed to benefit. In March 2026, the Dangote Petroleum Refinery exported 44,000 barrels per day of petrol, making Nigeria a net exporter of petrol for the first time in its history, with a surplus of around 3,000 barrels per day.[1] For a country that spent decades importing the bulk of its refined fuel, this is a landmark moment.

Equally significant was Nigeria's crude oil production performance. In May 2026, Nigeria exceeded its Organization of Petroleum Exporting Countries (OPEC) production quota, recording an average output of approximately 1.53 million barrels per day, representing 102% of its 1.5 million barrels per day OPEC-approved quota. This was Nigeria's highest output in fifteen months, achieved against a backdrop of improved operational stability and fewer disruptions across key producing facilities.[2]

The first half of 2026 also saw significant progress across the gas value chain, with several major infrastructure projects advancing towards completion or commencing operations, while on the investment front, a number of long-stalled assets were brought back into active play through new fiscal approvals, dispute settlements and fresh partnership agreements. The period equally witnessed meaningful consolidation in asset ownership, with key midstream and upstream assets changing hands in transactions that reflect growing confidence in Nigeria's energy sector among both domestic and international investors.

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1 https://www.vanguardngr.com/2026/04/dangote-refinery-drives-historic-shift-as-nigeria-becomes-net-petrol-exporter/ accessed 23 June 2026

2 https://punchng.com/nigeria-exceeds-opec-quota-oil-production-hits-15-month-high-nuprc/#google_vignette accessed 23 June 2026

INTRODUCTION

The first half of 2026 tells a story of a sector finding its footing, one where years of reform, investment and infrastructure work are beginning to show real results. Nigeria is producing more oil, refining more of it at home, expanding its gas network, and attracting renewed interest from both local and international investors.

This Report highlights key milestones recorded in the first half of 2026, encompassing infrastructure development, transactional and regulatory activity, and forward-looking projections for the remainder of 2026 and beyond.

AJAOKUTA-KADUNA-KANO (AKK) PIPELINE[3]

In our 2025 End-of-Year Report, we noted Nigerian National Petroleum Company Limited's ("NNPC Limited") projected completion and activation of the AKK Pipeline for export by early 2026, following the landmark River Niger crossing reported in our 2025 Mid-Year Report. Developments in the first half of 2026 indicate that this trajectory is on course. The Federal Government, on 26 February 2026, announced that first gas from the Ajaokuta–Gwagwalada segment of the $2.8 billion AKK Pipeline Project is expected to flow by July 2026, a milestone that would represent a structural inflection point in Nigeria's gas-to-power and industrialisation agenda. As at the date of this report, no further update has been provided on the status of first gas, which is expected to flow from the Ajaokuta - Gwagwalada segment.

Speaking at the stakeholders' workshop on emerging investment opportunities in mini-LNG and LCNG infrastructure in Abuja, the Executive Vice President, Gas, Power and New Energy of NNPC Ltd, Mr. Olalekan Ogunleye, underscored the transformative role the AKK Pipeline is expected to play in connecting northern industrial clusters to Nigeria's gas reserves. He further noted that the Gwagwalada axis is strategically positioned to serve as a major gas distribution hub, given its location along the AKK corridor and its connectivity to key transportation and commercial routes linking the Federal Capital Territory, Kogi State, and other northern markets.

Ogunleye characterised the 614-kilometre AKK pipeline as the centrepiece of Nigeria's midstream transformation, with the Ajaokuta–Gwagwalada segment projected to link northern industrial zones to domestic gas fields and address systemic energy deficits upon commissioning.

Under the proposed commercial arrangement, NNPC Limited will supply piped natural gas to Portland Gas's LNG/CNG production facility, which is intended to operate as a "mother station", anchoring a network of mobile refuelling units and retail outlets constituting what has been described as a virtual pipeline network. The project is said to advance Nigeria's gas commercialisation objectives while generating employment and offering bankable returns under market-reflective pricing.

[3] https://www.thisdaylive.com/2026/02/27/fg-first-gas-from-2-8bn-akk-pipeline-project-expected-in-july-2026/ accessed 19 June 2026

NLNG 7[4]

The $5 billion Nigeria LNG ("NLNG") Train 7 project has reached 92% completion and has advanced into the systems completion and pre-commissioning phase, marking a significant milestone in Nigeria's gas expansion programme and local content development objectives.

The update was provided by Mr. Ali Uwais, NLNG's Project Director for Train 7, at the 2026 Nigerian Oil and Gas Midstream and Downstream Summit organised by the Nigerian Content Development and Monitoring Board (NCDMB), which held in Lagos on 19–20 May 2026. The project has traversed various phases from front-end engineering commenced in 2018, a subsequent reconfiguration that introduced a common liquefaction unit, expanding capacity to the equivalent of two trains from the earlier era, to FID taken in December 2019 with the project's shareholders: NNPC Limited (49%), Shell Gas B.V. (25.6%), TotalEnergies Gaz & Électricité Holdings (15%), and Eni International N.A. N.V. S.àr.l. (10.4%), committing to proceed. The engineering, procurement and construction contract was subsequently awarded in 2020 to a consortium of Saipem, Chiyoda and Daewoo, notwithstanding the disruptions occasioned by the COVID-19 pandemic.

Upon commissioning, Train 7 is expected to increase NLNG's aggregate production capacity from 22 million tonnes per annum (MTPA) to 30 MTPA, representing a 36% increase in total output capacity.

The project's significance extends beyond its technical parameters to broader impact on Nigeria's industry and capability development. At peak construction, the project employed over 13,000 Nigerian workers, a marked increase from the approximately 9,000 reported at the time of our 2025 Mid-Year Report, with thousands receiving certified training in welding, scaffolding, electrical work and other specialist disciplines.

With completion now within sight, the Train 7 Project remains one of the most consequential gas sector developments in Nigeria and is expected to play a pivotal role in advancing the country's aspirations to leverage natural gas as a catalyst for economic growth, industrialisation, and energy transition.

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[4] https://www.thisdaylive.com/2026/05/21/5bn-nlng-train-7-hits-92-completion-nears-pre-commissioning-as-local-capacity-grows/ accessed 19 June 2026

NIGERIA-MOROCCO GAS PIPELINE PROJECT[5]

Nigeria and Morocco are reported to be approaching a significant milestone in the development of the long-anticipated Nigeria–Morocco Gas Pipeline (NMGP), with both countries expected to execute an intergovernmental agreement in the course of 2026, according to reports[6] citing statements by Amina Benkhadra, Director-General of Office National des Hydrocarbures et des Mines (ONHYM), Morocco's national hydrocarbons and mining agency.

The proposed intergovernmental agreement is intended to formalise the political and regulatory commitments of the participating States and constitutes a prerequisite for the establishment of a high-level governance structure for the project. According to Benkhadra, the agreement will pave the way for the creation of a High Authority for the pipeline, to be headquartered in Nigeria, comprising ministerial representatives from each of the 13 participating countries and charged with providing political oversight and regulatory coordination across jurisdictions.

The NMGP is a proposed 6,900-kilometre transcontinental gas infrastructure project, estimated to cost approximately $25 billion, designed to transport natural gas from Nigeria across the West African coastline to Morocco and onward to European markets. Backed by the Economic Community of West African States (ECOWAS), the project involves 13 countries along the West African coast and has been in contemplation for

5 https://punchng.com/nigeria-morocco-advance-25bn-transcontinental-gas-pipeline-deal/ accessed 19 June 2026

6 https://www.reuters.com/sustainability/boards-policy-regulation/intergovernmental-deal-25-billion-nigeria-morocco-gas-pipeline-due-this-year-2026-04-13/ accessed 19 June 2026

approximately a decade. Key preparatory stages, including feasibility studies and front-end engineering design, have been completed, reflecting sustained, if gradual, forward momentum notwithstanding global financing headwinds.

A notable development in the project's execution strategy has emerged since our 2025 End-of-Year Report, where we noted that a project company had been established with an FID anticipated before the close of 2025. The latest disclosures indicate a material departure from that approach: rather than proceeding on the basis of a single global FID, the project will now be developed on a phased, segment-by-segment basis, with each segment structured as a standalone system capable of independent financing and early value realisation. This shift in strategy, which Benkhadra characterised as deliberate, is consistent with the financing complexity inherent in a multi-sovereign infrastructure project of this scale.

On the commercial and structural arrangements, Benkhadra disclosed that a project company is to be established in Morocco as a joint venture between NNPC Limited and ONHYM, with responsibility for execution, financing and construction. The pipeline is designed with a maximum throughput capacity of 30 billion cubic metres per annum, of which approximately 15 billion cubic metres is earmarked for Morocco's domestic consumption and re-export to European markets. First gas from the initial phases of the project is targeted for 2031.

THE OBIAFU-OBRIKOM-OBEN (OB3) GAS PIPELINE[7]

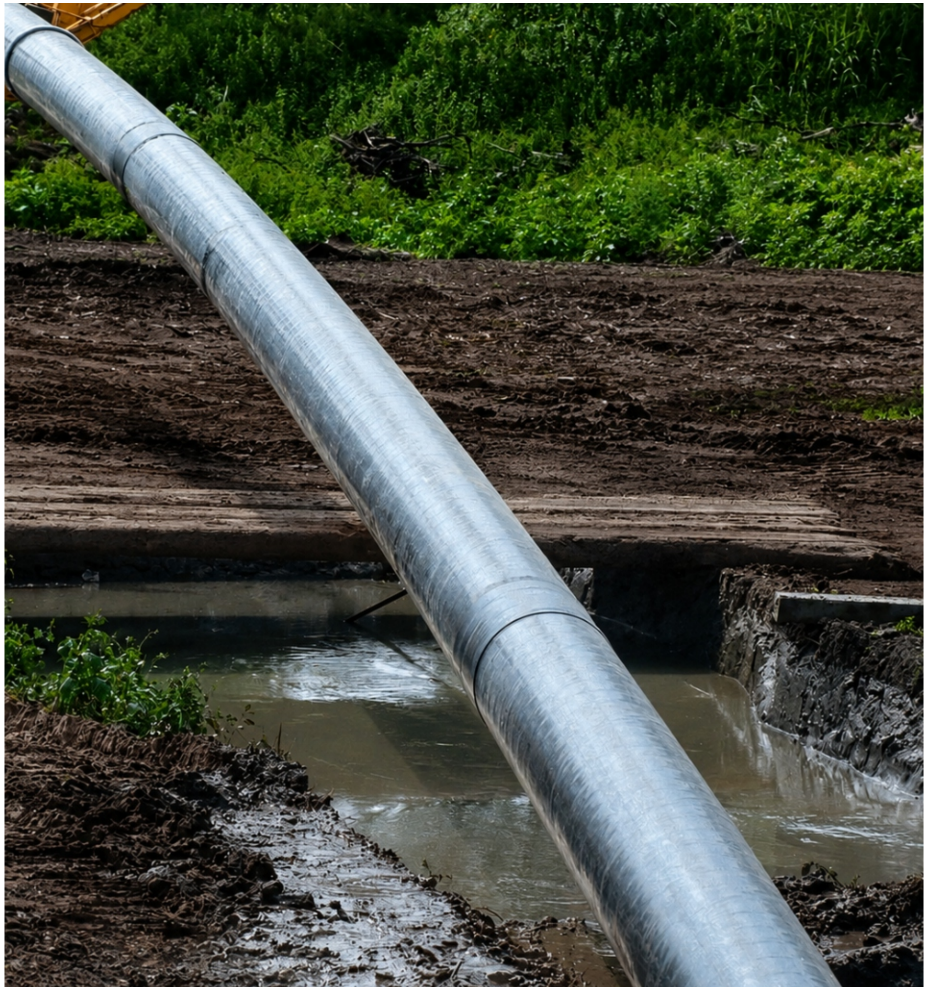
On 30 April 2026, NNPC Limited announced that its wholly owned subsidiary, NNPC Gas Infrastructure Company (NGIC), had successfully completed the River Niger crossing of the 130-kilometre OB3 Gas Pipeline. The completion of this technically demanding segment represents a significant milestone in the expansion of Nigeria's national gas transmission network and builds directly on the AKK River Niger crossing reported in our 2025 Mid-Year Report.

The OB3 Pipeline is designed to transport up to 2 billion standard cubic feet of gas per day and constitutes a critical piece of strategic infrastructure intended to strengthen energy availability, improve supply reliability, and support broader economic development objectives. The River Niger crossing, executed approximately two kilometres beneath the riverbed, was

[7] https://nnpcgroup.com/insights/press-release-nnpc-limited-records-major-breakthrough-with-successful-river-niger-crossing-on-ob-3-gas-pipeline accessed 19 June 2026

delivered by the NGIC project team in collaboration with PCE Nig. Limited, utilising horizontal directional drilling (HDD) technology. The Niger Delta operating environment rendered this crossing technically more complex than the AKK River Niger crossing completed in June 2025, making its successful delivery a notable demonstration of NNPC Limited's evolving in-house engineering and project execution capability.

The Group Chief Executive Officer of NNPC Limited, Engr. Bashir Bayo Ojulari described the milestone as a product of disciplined project governance, innovative engineering and the deliberate upscaling of lessons and competencies drawn from the AKK crossing. He characterised the OB3 Pipeline as central to NNPC Limited's broader ambition of developing an integrated and resilient national gas network capable of underpinning Nigeria's energy security and industrial growth.



HEIRS ENERGIES ACQUIRES 20.07% STAKE IN SEPLAT ENERGY PLC IN LANDMARK US$500 MILLION TRANSACTION[8]

On 30 December 2025, Heirs Energies announced the acquisition of the entire 20.07% equity interest (120.4 million ordinary shares) previously held by Maurel & Prom S.A. in Seplat Energy Plc, in a transaction valued at approximately $500 million. The transaction positions Heirs Energies as the single largest shareholder in Seplat Energy, one of Nigeria's leading independent oil and gas producers, ahead of fellow shareholders Petrolin Group (13.77%), Sustainable Capital (9.7%), Professional Support (8.5%) and Allan Gray Investment Management (5.61%).[9]

The acquisition is consistent with the broader post-Petroleum Industry Act, 2021 (PIA) trend of asset consolidation by indigenous operators and strengthens Heirs Energies' portfolio within Nigeria's upstream sector. Seplat Energy holds 2P reserves of 1.043 billion barrels of oil equivalent as of December 2024 and reported working interest production of 135.6 thousand barrels of oil equivalent per day as of October 2025.

According to a statement submitted to the Nigerian Exchange (NGX), the 20.07% shareholding is ultimately controlled by Heirs Energies Limited (3.658%) and Heirs Holdings Limited (16.412%), with Barclays Bank Plc serving as the controlled undertaking through which the shares are held.[10] The $500 million transaction, among the largest in Nigeria's energy sector in recent years, was supported by two leading pan-African financial institutions, the Africa Finance Corporation (AFC) and the African Export-Import Bank (Afreximbank).

BLUECORE GAS INFRACO ACQUIRES 100% OF AXXELA LIMITED IN MAJOR GAS INFRASTRUCTURE DEAL[11]

At the beginning of 2026, BlueCore Gas InfraCo Limited, a consortium comprising Stanbic IBTC Infrastructure Growth Fund, Levene Energy Holdings, Energy& LLP and emPERSAND Limited, completed the acquisition of a 100% stake in Axxela Limited, a major participant in Nigeria's midstream natural gas infrastructure sector. The transaction marks a significant transition of the asset from foreign private equity ownership to a domestically backed infrastructure platform, consistent with broader trends of indigenous capital consolidation in Nigeria's oil and gas sector.

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8 https://heirsenergies.com/heirs-energies-limited-acquires-maurel-proms-20-07-stake-in-seplat-energy-plc-in-us500-million-transaction/ accessed 19 June 2026

9 https://businessday.ng/energy/article/heirs-energies-acquires-20-stake-in-seplat-energy-in-500-million-deal/ accessed 19 June 2026

10 https://www.premiumtimesng.com/news/more-news/849445-more-details-of-heirs-energies-huge-stake-in-seplat-emerge.html accessed 19 June 2026

11 https://businessday.ng/energy/article/bluecore-acquires-axxela-signals-confidence-in-nigerias-gas-infrastructure/ accessed 19 June 2026

The sellers were Helios Investment Partners, which divested a 75% interest, and Sojitz Corporation, which sold the remaining 25%. Standard Bank facilitated the transaction, providing comprehensive debt and equity financing totalling $285 million.[12]

Commenting on the transaction, Dolu Olugbenjo, Executive Director, Investments and Chief Investment Officer of the Infrastructure Fund at Stanbic IBTC Asset Management, described it as reflecting a broader shift in Nigeria's infrastructure investment landscape, in which well-managed operating assets are increasingly able to attract domestic long-term institutional capital.

Axxela operates over 360 kilometres of gas pipeline infrastructure with a throughput capacity of 211 million standard cubic feet per day (MMscfd), supplying more than 200 industrial and commercial customers across Nigeria.[13]

NNPC LIMITED SIGNS MOU WITH CHINESE FIRM FOR THE REHABILITATION OF PORT HARCOURT AND WARRI REFINERY[14]

On 30 April 2026, NNPC Limited signed a Memorandum of Understanding (MoU) with two Chinese firms: Sanjiang Chemical Company Limited and Xingcheng (Fuzhou) Industrial Park Operation and Management Co. Ltd, for the restart, operation and expansion of the Warri and Port Harcourt refineries. The MoU was executed in Jiaxing City, China, by NNPC Limited's Group Chief

12 https://www.africaprivateequitynews.com/p/standard-bank-facilitates-nigerian accessed 19 June 2026

13 https://businessday.ng/companies/article/levene-energy-acquires-30-of-axxela-in-strategic-pivot-to-gas-infrastructure/ accessed 19 June 2026

14 https://www.vanguardngr.com/2026/05/chinese-firms-to-operate-warri-port-harcourt-refineries-nnpc/ accessed 22 June 2026

Executive Officer, Engr. Bashir Bayo Ojulari, alongside the Chairman of Sanjiang Chemical Company, Mr. Guan Jianzhong, and the Chairman of Xingcheng Industrial Park Operation and Management Co. Ltd, Mr. Bill Bi.

The agreement is intended to pave the way for a Technical Equity Partnership (TEP) aimed at completing the outstanding rehabilitation works at both facilities and ensuring their efficient and sustainable operation. Under the proposed arrangement, the Chinese partners would support the completion of rehabilitation works, participate in the operation and maintenance of the refineries, and explore opportunities for expansion and upgrade to meet cleaner fuel standards, improve profitability and enhance petrochemical production capacity. The partnership is also expected to support the development of gas-based industrial hubs around both facilities.

Engr. Ojulari described the MoU as a significant step following an extended period of negotiations, noting that all parties had identified mutually beneficial opportunities for the long-term development and sustainability of NNPC Limited's refining assets.

He emphasised, however, that the agreement is non-binding and remains subject to regulatory approvals and further negotiations before any definitive arrangements are concluded.

As reported in our 2025 Mid-Year Report, both the Port Harcourt and Warri refineries had recommenced operations before being shut down again in 2025 due to operational challenges. The rehabilitation of the Port Harcourt Refining Company was approved in 2021 at an estimated cost of $1.5 billion, with contracts awarded to Italy's Saipem and other partners to restore its 210,000 barrels per day (bpd) capacity. The Warri Refining and Petrochemical Company is similarly undergoing rehabilitation under a contract valued at approximately $897 million, aimed at reviving its 125,000bpd capacity and integrating petrochemical production. Both projects form part of NNPC Limited's broader strategy to reduce Nigeria's dependence on imported petroleum products.

ANOH GAS PROCESSING PLANT: FROM FIRST GAS TO COMMERCIAL OPERATIONS[15]

The Anoh Gas Processing Plant has commenced commercial operations and is currently ramping up towards its full processing capacity of 300 MMscfd. On 19 June 2026, the Managing Director of Anoh Gas Processing Company (AGPC), Mr. James Makinde, disclosed during a courtesy visit to Olu Verheijen, Special Adviser to the President on Energy, that the plant is presently processing approximately 150 MMscfd of wet gas in its initial stabilisation phase following the transition into commercial operations.[16]

This development marks the latest progression in a project that has navigated considerable delays since its formal commissioning by President Bola Ahmed Tinubu in May 2024. As reported in our 2025 Mid-Year Report, the principal cause of delay was the incomplete state of the OB3 pipeline, the plant's designated primary domestic gas export route. Initial projections had targeted first gas in Q3 2024, with subsequent re-planning deferring the commencement of full operations to the second half of 2025. On 20 January 2026, Seplat Energy Plc announced that the plant had achieved first gas, nearly two years after commissioning.

First gas was preceded by the completion of the 11-kilometre Indorama gas export pipeline and the receipt of regulatory approval from the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). On 16 January 2026, AGPC commenced gas supply to Indorama Eleme Petrochemicals under firm and interruptible offtake Gas Sales Agreements, with four upstream wells that had been on standby since November 2025 brought online to enable gas flow. In the period since first gas, wet gas production stabilised at 40–52 MMscfd of processed gas, with condensate production reaching 2.0–2.5 thousand barrels of oil equivalent per day (kboepd), both expected to increase as the plant continues its ramp-up. Preparations are also underway to initiate gas sales to NLNG under an interruptible offtake arrangement, which is expected to support further production scale-up towards design capacity.

On the OB3 pipeline, construction by NGIC resumed following an earlier suspension, and as reported above, the River Niger crossing was successfully completed, representing a material step towards enabling the pipeline to fulfil its role as ANOH's primary domestic supply channel.

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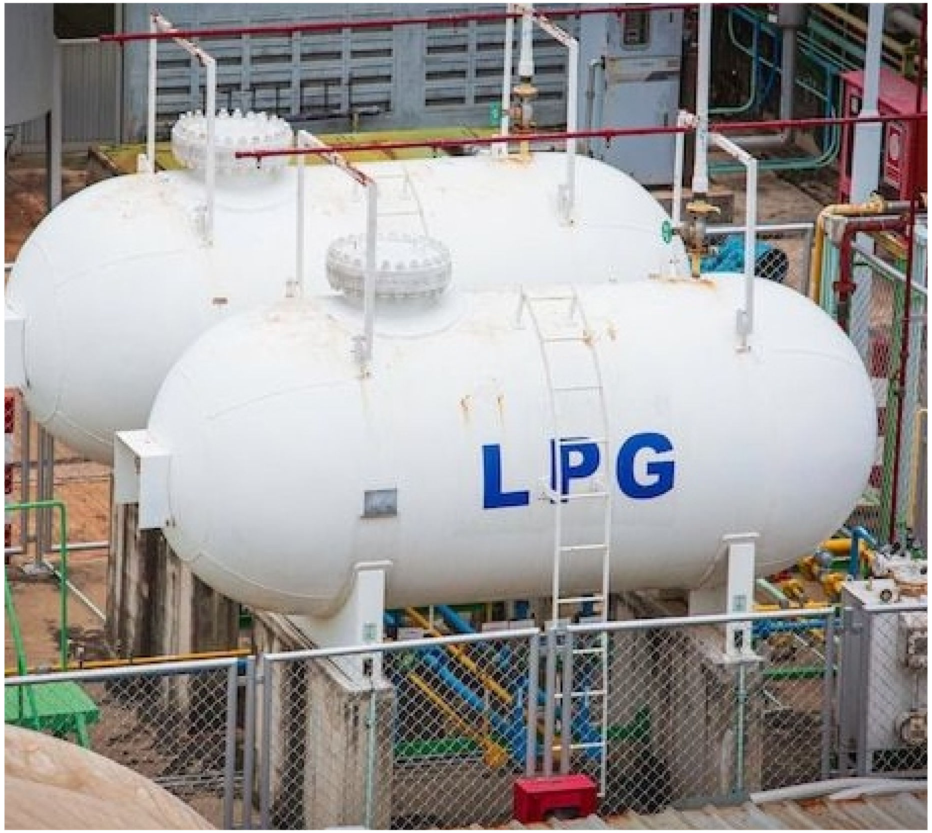
15 https://www.seplatenergy.com/news-insights/news/anoh-gas-project-achieves-first-gas/ accessed 19 June 2026
16 https://businessday.ng/energy/article/anoh-gas-ramps-up-production-targets-full-300mmscfd-capacity/ accessed 19 June 2026

The ANOH gas plant was developed by AGPC, an incorporated joint venture between Seplat Energy and NGIC. The integrated facility comprises two 150 MMscfd gas processing units, LPG recovery units, condensate stabilisation units, a 16MW captive power plant and ancillary supporting infrastructure, and has been designed to operate with zero routine flaring. Across the unitised field of OML 53 and OML 21, the plant unlocks an estimated 4.6 trillion cubic feet (Tcf) of condensate-rich gas resources, with Seplat's working interest 2P reserves in the unitised field standing at 0.8 Tcf as booked at year-end 2024.



Seplat will derive value from two distinct income streams: wet gas sales from OML 53 to the ANOH gas plant, and dividends from its 50% equity interest in AGPC. The LPG produced at ANOH, combined with output from Seplat's Sapele facility and the Bonny River Terminal, is expected to position Seplat as a leading domestic supplier of clean cooking fuel. The plant will additionally process flared gas from the Ohaji field, supporting Seplat's onshore End of Routine Flaring programme, a commitment with both commercial and sustainability dimensions.

NNPC SECURES PRESIDENTIAL APPROVAL FOR $20 BILLION FINAL INVESTMENT DECISION ON BONGA DEEPWATER PROJECT[17]

On 10 March 2026, NNPC Limited announced that President Bola Ahmed Tinubu GCFR had approved a targeted fiscal incentive package designed to unlock the long-awaited FID on the Bonga Southwest Aparo (BSWA) deepwater project, marking a significant milestone in Nigeria's ongoing efforts to attract strategic investment and accelerate economic growth. The project is estimated to attract approximately $20 billion in foreign direct investment and position Nigeria for a new phase of deepwater production.

The approval followed months of technical and commercial negotiations involving NNPC Limited as concessionaire, the Nigeria Revenue Service (NRS), the Special Adviser to the President on Energy, Olu Verheijen, and Shell Plc's Chief Executive Officer, Mr. Wael Sawan. It represents the culmination of a Presidential directive issued during an earlier courtesy visit by Mr. Sawan, instructing relevant agencies to fast-track the enablers required to move the project (which had remained stalled for nearly two decades prior to this development) to FID, and signals renewed investor confidence in Nigeria's policy direction.

The project will represent the first FID on a Nigerian deepwater Production Sharing Contract (PSC) asset since 2008, a development which industry observers regard as significant in re-establishing Nigeria's standing as a competitive deepwater investment destination. The approved fiscal package includes an enhanced Production Tax Credit and resolution of the 2021 dispute settlement agreement between the Federal Government and the PSC contractor parties, establishing a fiscal framework intended to balance national revenue objectives with investor returns.

NNPC Limited, as concessionaire, worked alongside Shell Nigeria Exploration and Production Company Limited (SNEPCo) and the broader contractor party to develop fiscal solutions addressing the structural constraints that had previously impeded the project, with the resulting package subject to evaluation by the NRS and onward recommendation to the Presidency for approval.

17 https://nnpcgroup.com/insights/press-release-nnpc-secures-presidential-approval-for-20-billion-final-investment-decision-on-bonga-deepwater-project accessed 19 June 2026

This development follows an earlier disclosure by Engr. Ojulari on 21 January 2026 regarding Shell's plans to invest up to $20 billion in the Bonga Southwest deepwater project.[18] Bonga Southwest is among Nigeria's most significant deepwater assets, with estimated reserves of approximately 820 million barrels and a projected production capacity of 150,000 barrels of oil per day and 140 million standard cubic feet of gas per day once fully operational. In addition to SNEPCo and NNPC Limited, the asset's other partners are ExxonMobil, TotalEnergies and Eni SpA. Shell anticipates taking FID on the project by 2027, subject to no material change in current plans.[19]

CHEVRON SUCCESSFUL AWODI-07 DISCOVERY[20]

On 26 January 2026, NNPC Limited announced the successful completion of the Awodi-07 appraisal and exploration well, located in the shallow offshore western Niger Delta, by Chevron Nigeria Limited (CNL), operator of the NNPC Limited/CNL Joint Venture.

The well was drilled as part of the Joint Venture's ongoing programme to further delineate and unlock hydrocarbon potential within its asset portfolio. Drilling operations commenced in late November 2025 and concluded in mid-December 2025, with the well safely secured following the completion of testing, logging and data acquisition. NNPC Limited noted that all activities were

[18] https://businessday.ng/energy/article/shell-plans-20bn-investment-in-bonga-south-west-project-says-ojulari/ accessed 19 June 2026

[19] https://www.thisdaylive.com/2026/04/07/baxi-exxonmobil-not-hindering-20bn-bonga-deepwater-fid/ accessed 19 June 2026

[20] https://nnpcgroup.com/insights/press-release-nnpc-ltd-commends-chevron-nigeria-ltd-on-successful-awodi-07-discoveryaccessed 19 June 2026

executed in compliance with applicable operational and regulatory standards. The successful outcome is regarded as a notable milestone for the Joint Venture, reinforcing confidence in the underlying asset and the broader prospectivity of the area.

NNPC Limited and CNL operate several oil and gas fields in the Niger Delta under a long-standing joint venture arrangement, with Chevron holding a 40% interest and NNPC Limited holding the remaining 60%. Through the Joint Venture, the partners aim to increase production to approximately 146,000 barrels of oil per day, with attendant implications for government revenue, employment and domestic energy supply.

FEDERAL GOVERNMENT CONCLUDES SETTLEMENT WITH ENI/NAEL OVER OPL 245, CLEARING PATH FOR ZABAZABA-ETAN FID[21]

On 5 March 2026, President Bola Ahmed Tinubu announced the conclusion of a settlement agreement between the Federal Government of Nigeria, Eni S.p.A. and Nigerian Agip Exploration Limited (NAEL), bringing to a close a dispute over Oil Prospecting Licence (OPL) 245 spanning more than 15 years. The agreement was concluded at a meeting at the Presidential Villa attended by Eni's Chief Executive Officer, Claudio Descalzi; Chief Operating Officer, Guido Brusco; Head of Sub-Saharan Region, Mario Bello; NAEL's Managing Director, Fabrizio Bolondi; and the Special Adviser to the President on Energy, Olu Verheijen.

The settlement is intended to restore clarity and stability to OPL 245, widely regarded as one of Nigeria's most commercially significant deepwater blocks, and is expected to clear the path for an FID on the Zabazaba–Etan development, a project with the potential to add approximately 150,000 bpd to Nigeria's production capacity.

President Tinubu described the agreement as a strategic milestone in Nigeria's economic reform agenda, characterising it as a signal to global investors of the administration's commitment to resolving legacy disputes transparently and within the rule of law. According to Ms. Verheijen, the settlement represents an improvement on the 2011 Resolution Agreement, reflecting the policy and fiscal framework introduced under the PIA and the wider governance reforms undertaken in the energy sector since 2023. She further stated that the revised terms were structured to provide investors with the clarity required to proceed with

[21] https://statehouse.gov.ng/62708-2/ accessed 20 June 2026

major deepwater investments, while securing stronger value accretion and safeguards for the Federation.

Notwithstanding the settlement, the underlying dispute over OPL 245 resurfaced on 25 May 2026, when Malabu Oil & Gas Limited instituted proceedings against the Federal Government before the Federal High Court in Abuja, challenging the splitting of the block into four constituent assets and seeking damages of N1 trillion for alleged unlawful interference with its rights to the licence. The suit specifically challenges the Federal Government's decision to apportion OPL 245 among Shell Nigeria Ultra-Deep Limited, Shell Nigeria Exploration and Production Company Limited, Nigerian Agip Exploration Company Limited and NNPC Limited. The Malabu litigation introduces renewed uncertainty regarding the finality of the March 2026 settlement and bears close monitoring as to its implications for FID timing on the Zabazaba–Etan development.[22]

OWOWO DEEPWATER PROJECT: EXXONMOBIL SIGNALS FID COULD COME AS EARLY AS 2027[23]

ExxonMobil has indicated that the FID on its Owowo deepwater project, estimated to cost between $7 billion and $8 billion, could be reached as early as next year, 2027. The statement was attributed by S&P Global to Hunter Farris, ExxonMobil's Vice President for Deepwater Offshore.

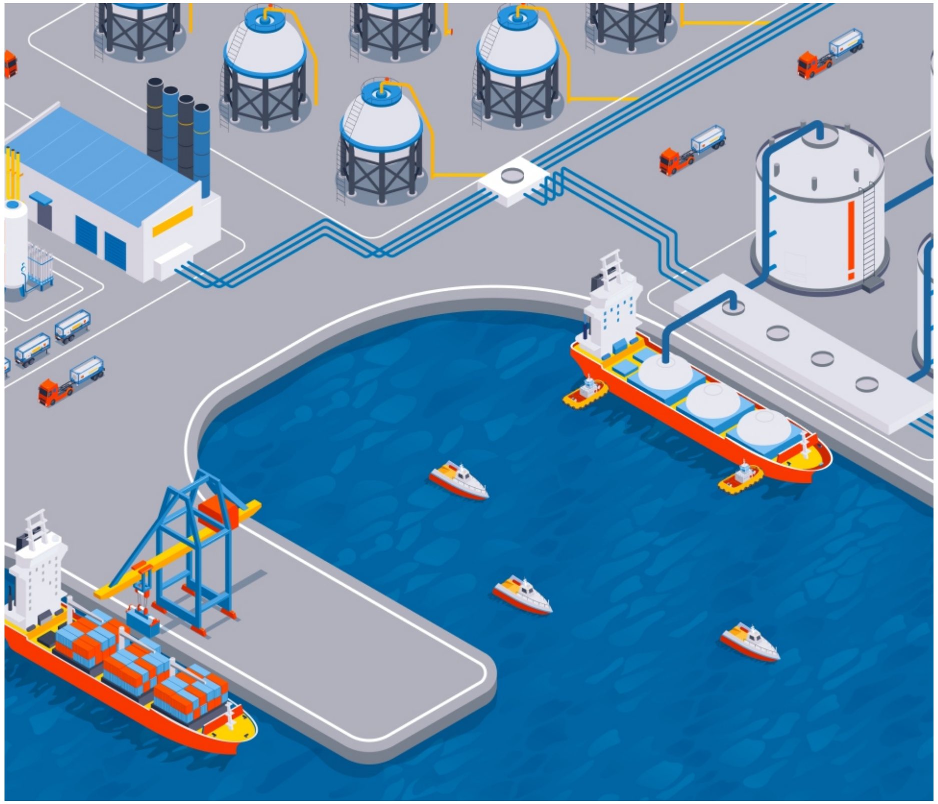
The disclosure positions 2026–2027 as a critical window for front-end engineering design, regulatory clearances, and alignment with the NUPRC on field development planning, domestic value retention, and environmental compliance.

ExxonMobil holds a 27% participating interest in the Owowo asset and serves as operator. Its Joint Venture partners are Chevron Nigeria Limited (27%), TotalEnergies E&P Nigeria Limited (18%), Nexen Petroleum Deepwater Nigeria Limited (18%), and NNPC Limited (10%).

The Owowo deepwater asset is estimated to hold between 500 million and one billion barrels of oil reserves, with its development

22 https://guardian.ng/news/malabu-sues-fg-over-opl-245-demands-n1tr-compensation/ accessed 20 June 2026
23 https://www.thisdaylive.com/2026/05/23/exxonmobil-eyes-fid-on-8bn-owowo-deepwater-project-early-2027/ accessed 20 June 2026

structured as a tie-back to ExxonMobil's nearby Usan Floating Production, Storage, and Offloading (FPSO) facility. The project is projected to deliver approximately 100,000 barrels of oil per day and 100 MMscf of gas per day upon completion.



ESSO EXPLORATION AND PRODUCTION NIGERIA LIMITED COMMENCES USAN INFILL PROJECT, TARGETING 40,000 BPD ADDITIONAL OUTPUT[24]

In our 2025 Mid-Year Report, we noted that ExxonMobil had planned an investment of $1.5 billion in Usan deepwater exploration and development, targeting an FID in late Q3 2025, subject to final approval of the Field Development Plan (FDP) and requisite internal and partner funding approvals. The Company has since indicated that it intends, in collaboration with its joint venture partners, to declare readiness to proceed with FIDs on several major Nigerian deepwater projects with a cumulative value of approximately $10 billion.

On 8 July 2026, Esso Exploration and Production Nigeria Limited (EEPNL), an affiliate of ExxonMobil, announced at the Nigeria Oil and Gas Energy Week Conference in Abuja that it had commenced on-block activities for the $1 billion Usan Infill Project in Oil Mining Lease (OML) 138. The project targets an additional 40,000 barrels of oil per day and is expected to sustain and increase output from the Usan deepwater field, with first production anticipated within 18 months of commencement.

[24] https://guardian.ng/news/esso-targets-40000bpd-from-1b-usan-deepwater-project/ accessed 9 July 2026

The Usan Infill Project forms part of the broader Usan Field Development Plan and follows the acquisition and processing of high-quality seismic data in 2024, which identified new investment opportunities within the field. EEPNL operates OML 138 under a PSC with NNPC Limited, with co-venture partners comprising Chevron Nigeria Limited, TotalEnergies and Nexen Petroleum Nigeria Limited, a wholly owned subsidiary of CNOOC.

NNPC LIMITED CONDUCTS TECHNICAL INSPECTION OF EBA OIL WELL AHEAD OF COMMERCIAL DRILLING IN OGUN STATE[25]

A technical team from NNPC Limited has conducted an inspection of the Eba oil well in Ogun Waterside Local Government Area, Ogun State, as preparations advance towards the commencement of commercial drilling operations. The inspection follows President Bola Ahmed Tinubu's approval for commercial exploration in the area and forms part of the Federal Government's broader efforts to deploy the technical capacity and infrastructure required for production.

The exercise was conducted by NNPC Limited officials alongside representatives of the NUPRC and national security agencies, with the objective of evaluating site conditions and confirming readiness for drilling activities. The inspection follows earlier geological reports confirming the presence of hydrocarbons within the Ogun Waterside axis, which had prompted preliminary surveys and technical engagement by NNPC Limited. The Ogun State Government separately conducted an independent verification of the well's coordinates, confirming that the discovery falls within the state's boundaries.

Naval security personnel have been deployed to the site for over 18 months, with the support of the Ogun State Government, to safeguard the facility and its surrounding environs pending the commencement of operations.

The Eba oil well forms part of Nigeria's broader strategy to expand oil production beyond the traditional Niger Delta region. Stakeholders have indicated that the next phase of the project will focus on regulatory compliance, community relations, environmental protection, and the orderly commencement of commercial operations.

[25] https://www.thisdaylive.com/2026/02/12/ogun-poised-to-join-oil-producing-states-as-nnpcl-kicks-off-commercial-oil-production-at-eba/ accessed 20 June 2026

NUPRC UNVEILS NIGERIA'S FIRST GRAVIMETRIC FLOW METER CALIBRATION FACILITY[26]

On 17 February 2026, the NUPRC inaugurated a Gravimetric Multifaceted Flow Metering Calibration Facility in Eket, Akwa Ibom State, the first facility of its kind in West Africa. The facility is intended to address a long-standing industry challenge: uncertainty in crude oil measurement, which has historically contributed to disputes between operators, revenue leakages, and reliance on overseas laboratories for calibration services.

At the inauguration, NUPRC's Commission Chief Executive, Mrs. Oritsemeyiwa Eyesan, represented by the Deputy Director for Development, Mr. Manuel Ibituroko, commended Engineering Automation Technology Limited (EATL), the indigenous firm that developed the facility, for its investment in the project. The facility was described as incorporating zero-touch automation, tamper-proof audit trails and high-precision gravimetric standards designed to minimise human error and operational downtime.

According to the Commission, the facility is capable of calibrating turbine, ultrasonic, Coriolis, electromagnetic and positive displacement meters, the principal devices used to determine crude volumes flowing through pipelines and export terminals, with anticipated improvements in operational efficiency, regulatory compliance and production optimisation. NUPRC further indicated that more accurate measurement is expected to curb revenue losses, strengthen reserves management, and reduce Nigeria's historical dependence on foreign calibration services, which had previously entailed shipping costs, delays and foreign-exchange outflows.

In his remarks, EATL's Managing Director/CEO, Dr. Emmanuel Okon, noted that the project emerged from Nigeria's local content drive, following encouragement given to indigenous companies in 2020 to build in-country technical capacity. The project was executed under NUPRC oversight, with support from the NCDMB and other stakeholders, and its calibration certificates are recognised for statutory reporting and compliance purposes.

[26] https://www.thisdaylive.com/2026/02/18/major-win-as-nuprc-unveils-nigerias-first-gravimetric-flow-meter-calibration-facility/ accessed 20 June 2026

The facility is expected to improve transparency in royalty and tax reporting, support efforts to address crude oil theft, and enhance investor confidence through more verifiable production data. It is also anticipated to support the development of technical hubs within the host community and contribute to domestic capacity-building in petroleum measurement technology.

NNPC LIMITED AND ALGERIA'S SONATRACH SIGN MOU TO BOOST RESEARCH, INNOVATION IN OIL & GAS[27]

On 22 April 2026, NNPC Limited, through its Research, Technology and Innovation (RTI) Division, and in collaboration with the Petroleum Technology Development Fund (PTDF), signed an MoU with Sonatrach, the Algerian national oil company, establishing a formal framework for cooperation in research, development and innovation between the two national oil companies. The MoU was signed by NNPC Limited's Executive Vice President, Business Services, Ms. Sophia Mbakwe, and Sonatrach's Managing Director, Mr. Khodjah Mohamed.

[27] https://nnpcgroup.com/insights/press-release-nigeria-s-nnpc-algeria-s-sonatrach-sign-mo-u-to-boost-research-innovation-in-oil-and-gas accessed 21 June 2026

The signing took place during the opening ceremony of the 3rd Meeting of the African Petroleum Producers' Organization (APPO) Forum for Research and Development (R&D) Directors, held from 20 to 23 April 2026 at the PTDF Tower in Abuja, which brought together research and development directors from APPO member countries.

The Minister of State for Petroleum Resources (Oil), Senator Heineken Lokpobiri, represented by the former Secretary-General of APPO, Mr. Omar Farouk Ibrahim, described the R&D Forum as one of four measures introduced by APPO to address the funding, technology and market challenges presented by the global energy transition, alongside the African Energy Bank, which addresses funding constraints, and the Central African Pipeline System, which supports regional oil and gas market integration.

A significant aspect of the NNPC Limited–PTDF partnership is its ability to support decarbonisation and environmental protection initiatives across APPO member countries.

NMDPRA LAUNCHES DIGITAL PORTAL TO STRENGTHEN HOST COMMUNITY TRUST FUND OVERSIGHT[28]

On 20 May 2026, the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) unveiled a dedicated Host Community Development Trust (HCDT) Digital Portal aimed at enhancing transparency and accountability in the administration of HCDT funds. The portal was launched during a Stakeholder Sensitisation Workshop on the implementation of the HCDT framework, held in Port Harcourt.

At the workshop, NMDPRA reaffirmed that compliance with the HCDT framework under the PIA is mandatory for operators in Nigeria's petroleum sector. Speaking on behalf of the Authority's Chief Executive, Mr. Rabiu Umar, the Executive Director for Health, Safety, Environment and Community (HSEC), Dr. Mustapha Lamorde, stated that the PIA had fundamentally redefined the relationship between petroleum operators and host communities.

Lamorde explained that the portal would support the digital registration of trusts, submission of governance documents,

[28] https://guardian.ng/news/nmdpra-unveils-digital-portal-warns-operators-on-host-community-trust-compliance/ accessed 21 June 2026

monitoring of statutory contributions, compliance reporting, project tracking and real-time regulatory oversight. He noted that the platform forms part of the Authority's broader digital transformation agenda and is expected to reduce disputes arising from information gaps, while strengthening confidence between host communities and operators.

ENI COMMENCES DIVESTMENT OF 5% STAKE IN RENAISSANCE JOINT VENTURE[29]

Reports emerging over recent months indicate that Eni has received bids from several Nigerian and foreign energy companies for the acquisition of its 5% working interest in the Renaissance Joint Venture, formerly the Shell Petroleum Development Company Joint Venture, in Nigeria. The stake, held through Eni's subsidiary Agip Energy and Natural Resources Limited, is believed to be valued at between $400 million and $500 million.

The Renaissance JV was originally constituted with NNPC Limited (55%), Shell (30%), TotalEnergies (10%) and Eni (5%) as participants. The asset has undergone significant ownership changes over the past three years, with Shell divesting its interest to Renaissance Africa Energy Company and TotalEnergies divesting its 10% stake to Vaaris Resources JV Co. Eni's proposed divestment, if completed, would represent the third major ownership change within the JV in recent years.

The divestment process is being managed by Lazard, the American investment bank, on behalf of Eni. The process has been described as rigorous, with Eni imposing an unconventional requirement that only bidders able to demonstrate 100% of their bid amount in verified cash reserves will be given serious consideration, a condition that has significantly narrowed the competitive field.

Reported bidders include Bayo Ogunlesi, the Nigerian-American billionaire investor; Renaissance Africa Energy Company, the current operator of the Renaissance JV; a consortium led by Midwestern Oil and Gas Limited; and the Vaaris consortium led by Austin Avuru, which recently concluded the acquisition of TotalEnergies' 10% stake in the same JV. While Renaissance Africa Energy Company had for some time been considered the frontrunner, recent indications from parties close to the process suggest that the Sandesara Brothers, owners of Sterling Oil

29 https://thenationonlineng.net/eni-may-sell-5-renaissance-jv-interest-to-sandesara-brothers/ accessed 19 June 2026

Exploration and Energy Production Company Limited (SEEPCO), may be well-positioned to prevail, given their considerable liquidity profile relative to the transaction's cash requirement.

WALTERSMITH EXPANDS MODULAR REFINERY TO 10,000 BPD, PLANS FURTHER SCALE-UP TO 30,000 BPD[30]

Waltersmith Refining and Petrochemical Company Limited has doubled the capacity of its modular refinery from 5,000 to 10,000 bpd, representing a meaningful contribution to Nigeria's efforts to expand domestic refining capacity. The Phase 2 facility, located in Ibigwe, was reviewed by a high-level inspection team from the NMDPRA and the NCDMB, with the inspection serving as a final assessment ahead of the issuance of a Licence to Operate (LTO) for the phase.

The project is supported by a blend of private and institutional financing, including from the AFC and the Bank of Industry (BoI), reflecting the growing viability of public-private partnerships in delivering energy infrastructure at scale.

A defining structural feature of the project is NCDMB's 30% equity stake in the refinery, acquired in 2018, which underpinned the commissioning of the first phase in November 2020. The facility currently produces automotive gas oil (diesel), household kerosene (HHK), heavy fuel oil (HFO) and naphtha, and has to date supplied approximately 1.1 billion litres of refined petroleum products to markets across Nigeria's South-East and South-South regions, with HFO additionally exported to the broader West African sub-region. The facility has contributed to improved energy security, reduced dependence on imported petroleum products, and supported local economic development through job creation and value addition.[31]

Phase 2 introduces an expanded product slate, adding Premium Motor Spirit (PMS) and Aviation Turbine Kerosene (ATK), developments expected to improve supply reliability across Nigeria's transportation and aviation sectors and advance the shift from crude export dependence towards domestic value addition.

Waltersmith Petroman's Chairman, Alhaji Abdulrazak Isa, further announced plans for two additional phases of expansion, comprising a 30,000 bpd condensate refinery and an integrated industrial park designed to accommodate gas-based industries. The expansion is to be supported by a dedicated gas pipeline with a

[30] https://guardian.ng/news/waltersmith-doubles-refining-capacity-to-10000-bpd-eyes-industrial-hub-expansion/ accessed 22 June 2026

[31] https://businessday.ng/news/article/waltersmith-refinery-to-increase-production-by-30000-litres/ accessed 22 June 2026

capacity of 100 MMscfd and embedded captive power infrastructure, intended to enable co-location of industrial tenants within the park. Partnership arrangements for the condensate refinery are targeted for completion by Q4 2026, with feedstock to be sourced from the Ibigwe and Assa fields and neighbouring assets.

NNPC LTD UNVEILS GAS MASTER PLAN 2026[32]

On 30 January 2026, NNPC Limited officially unveiled its Nigeria Gas Master Plan 2026 (NGMP 2026) at NNPC Towers, Abuja, as part of its broader efforts to reposition Nigeria's gas sector as a driver of national industrialisation, energy security and sustainable economic growth.

The Minister of State for Petroleum Resources (Gas), Rt. Hon. Ekperikpe Ekpo, described the NGMP 2026 as a deliberate shift from policy articulation to disciplined, commercially driven execution, anchored on integrated sector-wide coordination. He noted that Nigeria's challenge had never been one of resource potential, given the country's position as one of Africa's largest holders of proven gas reserves, but rather one of translation: converting resources into reliable supply, infrastructure into value, and policy into measurable economic outcomes. He further stated that the Plan's focus on supply reliability, infrastructure expansion, domestic and export market development, and strategic partnerships aligns with the Federal Government's Decade of Gas Initiative, positioning natural gas as central to Nigeria's energy security, industrialisation and energy transition objectives.

[32] https://nnpcgroup.com/insights/press-release-nnpc-ltd-unveils-gas-master-plan-2-0 accessed 22 June 2026

The Group Chief Executive Officer of NNPC Limited, Engr. Bashir Bayo Ojulari described the NGMP 2026 as an execution-anchored roadmap designed to unlock Nigeria's gas potential and position the country as a globally competitive gas hub. He noted that Nigeria holds approximately 210 Tcf of proven gas reserves, with an upside potential of up to 600 Tcf, underpinned by the PIA and the Federal Government's gas-centric energy transition agenda. Ojulari stated that the Plan is structured to meet, and exceed, the Presidential mandate of increasing national gas production to 10 billion cubic feet per day (Bcf/d) by 2027 and 12 Bcf/d by 2030, while catalysing over $60 billion in new investment across the oil and gas value chain by 2030. He further explained that the Plan prioritises cost optimisation, operational excellence, and the systematic advancement of resources from 3P to bankable 2P reserves, while strengthening gas supply to power generation, CNG, LPG, Mini-LNG and critical industrial off-takers.

Alongside the NGMP 2026, NNPC Limited unveiled a 20 million LPG cylinder supply project scheduled for completion by 2030, alongside NNPC LPG and cylinder supply expansion initiative.[33]

NNPC LTD COMMENCES EXPORT OF NEW CAWTHORNE BLEND CRUDE GRADE FROM NEW TERMINAL[34]

On 8 April 2026, NNPC Limited announced the commencement of exports of its new crude grade, Cawthorne, marking a further step in the Company's strategy to increase Nigeria's crude oil production and expand its portfolio of export streams. The maiden cargo of 950,000 barrels was loaded onto the MT Eburones vessel on 5 April 2026 and dispatched to the Netherlands, exported via the Cawthorne Floating Storage and Offloading (FSO) vessel located offshore Bonny, Rivers State.

Cawthorne blend crude carries an API gravity of 36.4, placing it within the light, sweet category and rendering it broadly comparable to Bonny Light in terms of its petrol and diesel yield profile. The FSO facility, strategically positioned offshore Bonny, is expected to enhance crude evacuation from OML 18 and improve Nigeria's export reliability and operational efficiency.

The introduction of Cawthorne to Nigeria's basket of crude grades follows recent additions to Nigeria's crude basket, including the Nembe and Utapate grades, and reflects NNPC Limited's

[33] https://www.premiumtimesng.com/news/top-news/853349-nnpc-unveils-gas-master-plan-targets-20m-lpg-cylinder-supply-by-2030.html accessed 22 June 2026

[34] https://nnpcgroup.com/insights/press-release-nnpc-ltd-launches-cawthorne-crude-onto-global-market-exports-first-cargo-to-netherlands-reinforcing-production-growth-export-diversification-strategy accessed 19 June 2026

structured approach to optimising production and expanding its market offerings. The development also supports the Presidential mandate of scaling crude oil production to three million bpd and gas output to 12 Bcf/d by 2030.

NMDPRA GETS NEW CHIEF EXECUTIVE AS PRESIDENT TINUBU APPROVES LEADERSHIP CHANGE[35]

As highlighted in our 2025 End-of-Year Report, Engr. Saidu Aliyu was appointed Authority Chief Executive of the NMDPRA following a leadership change in the latter part of 2025. Within months of that appointment, President Bola Ahmed Tinubu GCFR approved the removal of Engr. Saidu Aliyu, as the Authority Chief Executive, in the public interest, and nominated Mr. Rabiu Abdullahi Umar as his successor. The Senate has since confirmed Mr. Umar's appointment.[36]

The removal and nomination were made pursuant to the PIA and were stated to be aimed at strengthening regulatory effectiveness in the midstream and downstream petroleum sector. Mr. Umar brings over 25 years of experience across the energy, manufacturing and infrastructure sectors, with a background in strategic leadership, operational transformation and large-scale project delivery.

DANGOTE SUES FEDERAL GOVERNMENT OVER FRESH FUEL IMPORT LICENCES[37]

The Dangote Petroleum Refinery has instituted fresh proceedings before the Federal High Court in Lagos, seeking to nullify fuel import licences issued by the NMDPRA to several petroleum marketers and NNPC Limited. The suit asks the court to set aside import permits issued or renewed by the NMDPRA, on the ground that they are in breach of an earlier court order to maintain the status quo.

The development marks a resumption of litigation that Dangote had withdrawn in 2025 following the intervention of the Federal Government. The NMDPRA had recently issued licences to six marketers: NIPCO, AA Rano, Matrix, Shafa, Pinnacle and Bono, for the importation of an aggregate 720,000 metric tonnes (MT) of premium motor spirit, with individual allocations of 120,000 MT (NIPCO), 150,000 MT (AA Rano), 150,000 MT (Matrix), 120,000 MT (Shafa), 120,000 MT (Pinnacle) and 60,000 MT (Bono).

[35] https://statehouse.gov.ng/president-tinubu-nominates-rabiu-abdullahi-umar-as-new-chief-executive-of-nmdpra/ accessed 22 June 2026

[36] https://thenationonlineng.net/senate-okays-rabiu-umar-as-nmdpra-boss-vows-stable-fuel-supply/ accessed 19 June 2026

[37] https://punchng.com/dangote-refinery-sues-fg-over-petrol-import-licences/ accessed 19 June 2026

The Authority has maintained that imported fuel is necessary to complement domestic supply and prevent shortages, a position similarly advanced by marketers.

The litigation is notably at odds with the NMDPRA's own earlier position. In March 2026, the Authority had indicated that Nigeria no longer required petrol imports, as local refining capacity had reached a level sufficient to meet national daily demand, and confirmed that no import licences had been issued at that point in the year.

This position was supported by the Authority's February 2026 fact sheet, which showed that local refineries supplied 36.5 million litres of petrol per day against imports of approximately three million litres per day, a total national daily supply of 39.5 million litres, of which domestic refining accounted for approximately 92%. The data represented a marked shift from Nigeria's long-standing dependence on imported fuel and a significant decline in import volumes relative to the preceding month. It is noteworthy that the Dangote Petroleum Refinery is currently the only operating facility producing petrol at scale, as other modular refineries are primarily configured for the production of automotive gas oil (diesel).[38]

[38] https://punchng.com/dangote-now-supplies-92-of-petrol-as-fg-pauses-imports/ accessed 22 June 2026

NNPC LTD AND AFREXIMBANK PARTNER ON AFRICA ENERGY DEVELOPMENT[39]

In May 2026, NNPC Limited and Afreximbank agreed to deepen strategic cooperation in African energy development, financing and industrialisation, following a high-level meeting at NNPC Towers in Abuja between NNPC Limited's Group Chief Executive Officer, Engr. Bashir Bayo Ojulari, and Dr. George Elombi, President and Chairman of the Board of Directors of Afreximbank.

At the meeting, NNPC Limited outlined its strategic direction and both parties agreed on a shared continental agenda for energy security and industrialisation, resolving to institutionalise regular strategic engagement sessions, with the first scheduled for later in 2026. A central focus of the discussions was the proposed African Energy Bank, expected to be headquartered in Abuja, with NNPC Limited reaffirming its commitment to deepening its investment in the initiative. Afreximbank, in turn, indicated its continued support for NNPC Limited's growth plans through risk-sharing arrangements, structured financing and refinancing mechanisms directed at the development of Nigeria's oil and gas resources and broader energy infrastructure across the continent.

The engagement reflects a growing trend towards the utilisation of regional financial institutions to support hydrocarbon and energy infrastructure projects, particularly as global capital flows to fossil fuel investments remain constrained. It is also consistent with Nigeria's broader ambition to position itself as a regional hub for energy financing and development.[40]

NIGERIA'S 2026 OIL LICENSING ROUND SET FOR Q3 [41]

The NUPRC has confirmed that the 2026 Oil Licensing Round will commence in the third quarter of 2026, following the receipt of Presidential approval in accordance with the PIA. The Commission's Chief Executive, Mrs. Oritsemeyiwa Eyesan, made this disclosure during a visit by Meren Energy (formerly Africa Oil) to the NUPRC's corporate headquarters in Abuja.

Eyesan indicated that the 2025 Licensing Round remains on track, with the commercial bid phase scheduled for July 2026, following the June 12, 2026, deadline for the submission of technical and commercial bids by prequalified applicants.[42] She noted that participation levels in the 2025 Licensing Round had been encouraging, characterising the heightened interest as indicative

[39] https://www.channelstv.com/2026/05/25/nnpc-afreximbank-partner-on-african-energy-development/ accessed 19 June 2026
[40] https://stakebridgeirpr.com/media/nnpc-afreximbank-strengthen-energy-financing-alliance-for-continental-industrial-expansion/ accessed 19 June 2026
[41] https://www.thisdaylive.com/2026/06/04/nuprc-to-commence-2026-licencing-round-in-q3-after-tinubus-approval/ accessed 22 June 2026
[42] https://businessday.ng/energy/oilandgas/article/nuprc-announces-deadline-for-submission-of-2025-licensing-bid-round/ accessed 22 June 2026

of the growing attractiveness of Nigeria's upstream sector to investors and reflecting broader positive momentum in production and investment activity.

PRESIDENT TINUBU COMMISSIONS FOUR CNG INFRASTRUCTURE PROJECTS ACROSS LAGOS, ABUJA AND OWERRI [43]

On 29 May 2026, President Bola Ahmed Tinubu commissioned four major Compressed Natural Gas (CNG) infrastructure projects spanning Lagos, Abuja and Owerri in a single-day rollout. All four projects were delivered under the Midstream and Downstream Gas Infrastructure Fund (MDGIF) and form part of the Federal Government's strategy to expand domestic gas utilisation, reduce transport costs and accelerate Nigeria's transition to cleaner fuels in the wake of the petroleum subsidy reform.

- **Portland Gas CNG Mother Station, Ojota, Lagos**

  At Ojota, Lagos, the President flagged off the Portland Gas CNG Mother Station, a facility with a daily dispensing capacity of 96,000 standard cubic metres. The project includes two skid trucks for onward distribution, a 54-metric-tonne liquefied CNG storage facility, and an associated CNG Daughter Station at Kubwa, Abuja.

- **IBILE Oil and Gas Corporation CNG Refuelling Station, Ojota, Lagos**

  Also at Ojota, the President commissioned the IBILE Oil and Gas Corporation (IOGC) CNG Refuelling Station, the flagship of a network of 15 IOGC-MDGIF refuelling stations being delivered across Lagos at locations including Ogudu, Ikota, Agege, Oko-Oba, Ajah, Idimu, Ogolonto, Abule Egba, Badagry and Ayobo, among others. The network is designed to provide a commercially viable alternative to premium motor spirit for commercial fleets and private vehicle owners across Lagos, with an anticipated reduction in vehicular emissions across the metropolitan area.

- **Rolling Energy Limited High-Capacity CNG Daughter Booster Station, Jahi District, Abuja**

  At Jahi District, Abuja, the President commissioned a High-Capacity CNG Daughter Booster Station developed by Rolling Energy Limited in a joint venture with the MDGIF.

[43] https://statehouse.gov.ng/president-tinubu-commissions-four-mdgif-supported-cng-projects-in-major-push-for-clean-transport-energy/ accessed 22 June 2026

The facility is equipped with a 1,000 standard cubic metre-per-hour CNG compressor, a 3,200 standard cubic metre cascade storage system, two CNG tube skids of 8,500 standard cubic metres each, a 150-kilovolt-ampere CNG-powered backup generator, and four dual-nozzle dispensers with a combined daily sales capacity of 20,000 standard cubic metres, sufficient to serve between 900 and 1,000 cars and tricycles and up to 50 trucks and buses per day. The facility also incorporates a mass vehicle conversion centre with eight conversion pits, certified by the Standards Organisation of Nigeria, capable of converting up to 20 cars and 25 tricycles daily.

- **FEMADEC CNG Daughter Station and Conversion Centre, Federal University of Technology, Owerri**

At the Federal University of Technology, Owerri (FUTO), Imo State, the President commissioned the FEMADEC CNG Daughter Station and Conversion Centre, the flagship project of the nationwide 20 Universities CNG Ecosystem Initiative, delivered under the Special Palliative Relief on University Transportation (SPROUT) Programme. The facility comprises a 1,000 standard cubic metre-per-hour Integrated Refuelling Unit, CNG storage skid, four-way dispensing units, a CNG-powered on-site generator, and a Vehicle Conversion Workshop and Training Centre. The project also provides for the deployment of CNG-powered buses and tricycles for intra-university transportation, alongside CNG conversion kits under the Presidential CNG Initiative for Electric Vehicles (PiCNG-EV) programme.

- **Consumer Financing for CNG Conversion**

To support vehicle conversion uptake, the Federal Government, through the Presidential Initiative on Compressed Natural Gas and Electric Vehicles (Pi-CNG & EV), has partnered with the Nigerian Consumer Credit Corporation (CrediCorp), Moniepoint Microfinance Bank and the National Credit Guarantee Company Limited (NCGC) to offer structured consumer credit under the Credit Access for Light and Mobility (CALM) Fund. The facility enables motorists, commercial transport operators and fleet owners to finance CNG vehicle conversions at rates as low as 9% per annum, with repayment structured over six months and backed by credit guarantees, removing the need to pay the full conversion cost upfront.

NMDPRA TO ISSUE IMPORT PERMITS TO BRIDGE 165,000 MT LPG SUPPLY GAP IN Q3 2026[44]

The NMDPRA has announced that it will issue and closely monitor import permits to bridge a projected supply gap of 165,000 metric tonnes of Liquefied Petroleum Gas (LPG) in the third quarter of 2026. The disclosure was made by the Authority's Chief Executive, Mr. Rabiu Umar, at an emergency stakeholders' meeting on rising LPG prices convened in Abuja by the Minister of State for Petroleum Resources (Gas), Rt. Hon. Ekperikpe Ekpo.

Umar described the issuance of import permits as an immediate response to the supply shortfall, forming part of a broader set of short and medium-term measures aimed at boosting domestic cooking gas supply and stabilising prices. He noted that prior engagement with terminal operators, domestic producers and other suppliers had already improved LPG supply sufficiency from 11 days to 22 days, and that efforts were ongoing to address profiteering and diversion within the supply chain through intensified monitoring and enforcement.

On the supply side, Umar indicated that the Anoh Gas Processing Plant is expected to commence LPG supply of approximately 50 metric tonnes per day from July 2026, and that steps were underway to redirect volumes currently being exported into the domestic market. The Authority also stated its intention to audit off-takers lifting LPG from NLNG and NNPC Limited, with a view to improving distribution efficiency and pricing transparency.

Looking ahead, the NMDPRA indicated that it would support the expansion of LPG storage, terminal and distribution infrastructure; accelerate domestic gas processing projects; prioritise local LPG supply; and facilitate access to foreign exchange for critical imports where necessary.

44 https://www.vanguardngr.com/2026/06/nmdpra-to-issue-import-permits-to-bridge-lpg-supply-gap-umar/ accessed 23 June 2026

EXECUTIVE ORDER 9 OF 2026

On 13 February 2026, the President of the Federal Republic of Nigeria signed Executive Order 9 of 2026, pursuant to Section 5 of the Constitution of the Federal Republic of Nigeria 1999 (as amended).

The Order mandates direct remittances of all Royalty Oil, Tax Oil, Profit Oil, Profit Gas, and other government entitlements under Production Sharing and related Contracts to the Federation Account to curb leakages, eliminate duplicative deductions and restore constitutional revenue entitlements of the Federal, State and Local Governments which were hitherto removed by the PIA. (Click here for our Article on the Executive Order)

UPSTREAM PETROLEUM FEES AND RENTS (TEMPORARY) EXTENSION REGULATIONS 2026

The NUPRC previously issued the Upstream Petroleum Fees and Rents (Temporary) Regulations, 2025 (Click here for our newsletter on the 2025 Regulations). The 2025 Regulations were designed to operate for an initial period of six months, with a possibility of extension for a further six months, subject to the approval of the Minister.

Following the expiration of that initial period, the NUPRC has now issued the Upstream Petroleum Fees and Rents (Temporary) Extension Regulations, 2026. The 2026 Regulations largely replicate the provisions of the 2025 Regulations, with no material substantive changes to the fee and rent structure previously introduced. Essentially, the new instrument functions as a continuity mechanism, ensuring the uninterrupted application of the temporary regime pending the development or consolidation of a more permanent framework. (Click here for our Newsletter on the 2026 Regulations)

CONVERSION AND RENEWAL (LICENCES AND LEASES) AMENDMENT REGULATIONS, 2026

On 27 February 2026, the NUPRC issued the Conversion and Renewal (Licences and Leases) Amendment Regulations, 2026 (the 2026 Regulations), which repeal and replace the Conversion and Renewal (Licences and Leases) Regulations, 2022 (the 2022 Regulations).

While the 2026 Regulations largely retain the framework established under the 2022 Regulations, they introduce a number of notable amendments. (Click here for our Newsletter on the 2026 Regulations)

NIGERIA UPSTREAM DECOMMISSIONING AND ABANDONMENT REGULATIONS, 2026

On 9 March 2026, the NUPRC issued the Nigeria Upstream Decommissioning and Abandonment Regulations, 2026, repealing the Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2023.

While the 2023 Regulations established the foundational framework for Decommissioning and Abandonment obligations in Nigeria's upstream petroleum sector pursuant to the PIA, the 2026 Regulations largely retain this structure but introduce targeted refinements aimed at addressing implementation challenges, funding constraints, and lifecycle compliance gaps. (Click here for our Newsletter on the 2026 Regulations)

NUPRC MANDATES MRV FRAMEWORK FOR METHANE AND GHG EMISSIONS ACROSS UPSTREAM OPERATORS[45]

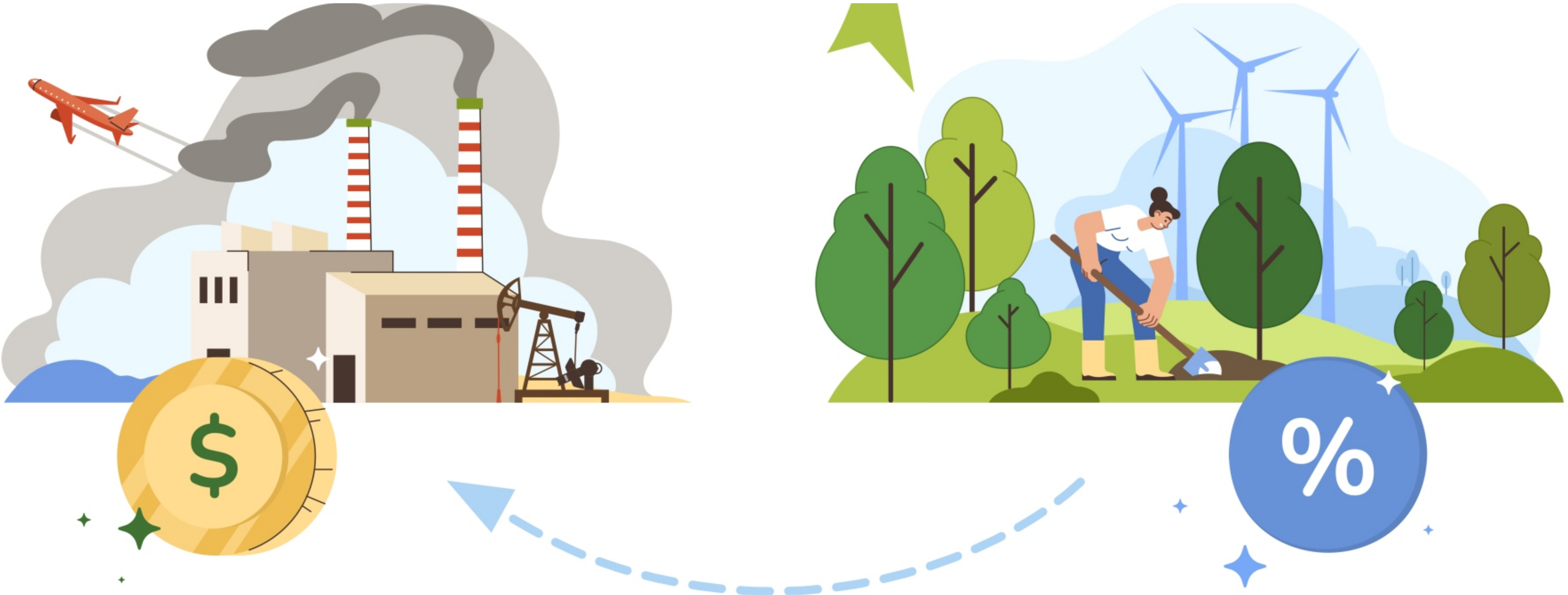
On 11 April 2026, the NUPRC issued a policy directive requiring all upstream petroleum operators to institutionalise credible Measurement, Reporting and Verification (MRV) practices for methane and greenhouse gas (GHG) emissions inventories.

To ensure standardisation across the upstream sector, operators are required to adopt and comply with NUPRC guidance templates in respect of two instruments: a Greenhouse Gas Emissions Management Plan (GHGEMP) and a framework for the reporting of methane and GHG emissions accounting and inventories.

Pursuant to Section 4.0 of the Guidelines for Management of Fugitive Methane and Greenhouse Gases in Upstream Oil and Gas, operators are required, at a minimum, to report emissions using IPCC Tier 2 methodologies with effect from Q3 2026, and to transition fully to IPCC Tier 3, or equivalent high-level measurement-based methodologies under other recognised frameworks, by January 2027.

[45] https://www.nuprc.gov.ng/media/news/b3f0614395dd79cd0lae509f accessed 22 June 2026

The directive is intended to entrench accountability in emissions reporting, strengthen Nigeria's credibility in international markets, and support the attraction of climate-conscious investment into the upstream sector.



As Nigeria's oil and gas industry moves into the second half of 2026, the overall outlook is broadly positive, with the gas sector in particular showing strong momentum and several major infrastructure projects approaching completion.

The gas sector is already demonstrating measurable growth. Data released by the NUPRC shows that total gas production rose from 667.27 billion standard cubic feet (BSCF) in Q1 2025 to 687.09 BSCF in Q1 2026, representing a year-on-year, albeit minimal increase of approximately 2.97%. Equally significant is the shift in the composition of that output: associated gas production declined from 370.28 BSCF to 332.82 BSCF over the same period, while non-associated gas production grew from 296.99 BSCF to 354.17 BSCF. This shift, from oil-linked gas production towards output from dedicated standalone gas developments, is an encouraging structural indicator, suggesting that Nigeria's gas sector is maturing beyond its historical dependence on associated gas. Gas flaring also declined by over 8% year-on-year during the same period, reflecting progress on the country's zero flaring commitments.[46]

Looking ahead, domestic gas supply is expected to improve considerably as key infrastructure projects reach completion. The Ajaokuta–Gwagwalada segment of the AKK Pipeline is targeted for first gas by July 2026, which will unlock gas supply to northern industrial zones for the first time. The OB3 pipeline, whose River Niger crossing was completed in April 2026, is advancing towards full commissioning, which will significantly strengthen the domestic transmission network and enable the Anoh Gas Processing Plant, now in commercial operations, to ramp towards its full design capacity. NLNG Train 7, at 92% completion, is expected to increase Nigeria's LNG export capacity upon commissioning. Together, these developments position the gas sector as the primary driver of Nigeria's energy and industrial growth agenda in the near to medium term, consistent with the objectives of the Federal Government's Decade of Gas Initiative, the Nigeria Gas Master Plan 2026, and the country's Energy Transition Plan.

On the upstream side, drilling activity recorded a notable recovery in Q1 2026. NUPRC's Rig Disposition Report shows that active rigs increased from 22 in February 2026 to 31 in March 2026,

46 https://www.thisdaylive.com/2026/05/26/nigerias-q1-gas-production-rises-marginally-to-687bscf-flaring-drops-8/ accessed 23 June 2026

representing a 40.9% month-on-month increase. While this remains below the January 2026 figure of 40 active rigs, the recovery from the February trough signals renewed operator confidence and is consistent with the broader uptick in investment activity seen across the sector.[47]

The second half of 2026 is also expected to see progress on several significant FID processes. The Bonga Southwest Aparo deepwater project, which received Presidential fiscal approval in the first half of the year, is expected to advance towards a definitive FID, with Shell targeting a decision by 2027. ExxonMobil has similarly indicated that FID on the Owowo deepwater project, valued at $7 to $8 billion, could come as early as next year. The conclusion of the OPL 245 settlement with Eni, subject to the resolution of the Malabu litigation, may also clear the path for FID on the Zabazaba–Etan development. If these FIDs materialise within the projected timelines, they would represent a significant injection of capital into Nigeria's deepwater sector and further reinforce the country's position as a competitive destination for upstream investment.

The Dangote Petroleum Refinery's emergence as a net petrol exporter in the first half of 2026 marks a structural shift in Nigeria's downstream landscape. With the refinery now processing crude at an increased capacity of 700,000 barrels per day,[48] Nigeria is, for the first time, in a position to meet its domestic petrol requirements from local production while generating foreign exchange earnings from exports. This dual benefit, reduced dependence on imported refined products and the creation of a new export revenue stream, is a significant step towards achieving the energy self-sufficiency that has long been a stated national objective.

Progress on the rehabilitation of the Port Harcourt and Warri refineries, now supported by the MoU signed with Chinese partners in April 2026, will also be closely watched, though the non-binding nature of that agreement means material progress remains contingent on the conclusion of definitive arrangements and regulatory approvals.

Overall, the first half of 2026 has demonstrated that Nigeria's oil and gas sector is capable of delivering on multiple fronts simultaneously, producing more oil, refining it domestically,

[47] https://www.thisdaylive.com/2026/06/09/nigerias-active-rig-count-rises-40-m-o-m-as-offshore-drilling-activity-rebounds/ accessed 23 June 2026
[48] https://www.channelstv.com/2026/06/06/dangote-boosts-local-petrol-supplies-as-refinerys-production-hits-700000b-d/ accessed 23 June 2026

expanding its gas network, and attracting fresh investment into long-stalled assets. The second half of the year offers the opportunity to consolidate these gains. The critical variables will be the pace at which infrastructure projects reach completion, the outcome of pending FID processes, and the extent to which the regulatory and fiscal environment continues to support the investment confidence that the first half of 2026 has begun to rebuild.

CONCLUSION

The first half of 2026 has been a period of quiet but meaningful progress for Nigeria's oil and gas industry. It has not been the most eventful half-year on record, but it has delivered some of the most structurally significant milestones.

Nigeria becoming a net exporter of petrol for the first time in its history is, on its own, a development that would have seemed improbable not so long ago. That it occurred in the same period in which Nigeria exceeded its OPEC production quota, completed the River Niger crossing of the OB3 pipeline, moved the Anoh Gas Processing Plant into commercial operations, and unlocked FID pathways on several major deepwater assets speaks to a sector that is, gradually but discernibly, beginning to deliver on the promises of its reform agenda.

The developments of the first half of 2026 suggest that the industry is now entering the phase where that impact is becoming tangible. Fiscal frameworks are being restructured to unlock stalled investments. Indigenous operators are acquiring significant assets and attracting institutional capital. Domestic refining is displacing imports.

Challenges, of course, remain. The rehabilitation of the Port Harcourt and Warri refineries, despite the MoU signed with Chinese partners, remains at a preliminary stage. Several FID timelines are contingent on regulatory approvals and partner alignment that have not yet been secured.

The second half of 2026 will be telling. If the AKK Pipeline delivers first gas on schedule, the pending FIDs materialise, and the rehabilitation of the national refineries gains real traction, Nigeria will exit the year in a stronger position than it entered it.

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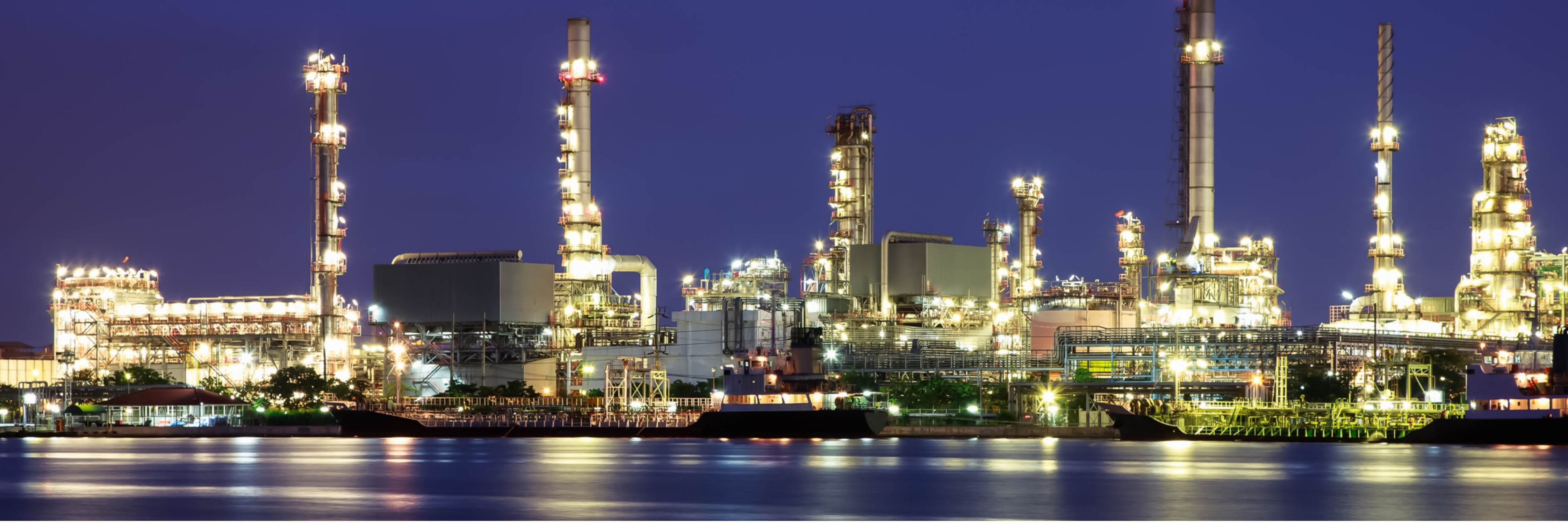

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