Nigeria 2025 Oil Licensing Round: Key Clarifications from The Pre-Bid Conference

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) held a pre-bid conference for the 2025 Oil Licensing Round last week at the Grand Ballroom, Eko Hotels and Suites, Lagos. The conference provided stakeholders with key details and clarifications regarding the blocks on offer, the bidding process, and the applicable contractual and fiscal terms. Some of this information is discussed in our newsletter, which can be accessed **here.**

The NUPRC provided clarifications on the bid process. Some key takeaways from the conference are below:

a) Overview of the 50 Blocks on Offer

- A total of 50 blocks are on offer, comprising 15 onshore blocks, 19 shallow-water blocks, 15 frontier blocks, and 1 deep offshore block. Applicants may bid for a maximum of 2 blocks.

- The NUPRC reiterated the objectives of the licensing round are to increase national reserves, enhance production, and attract foreign direct investment, with a focus on expanding exploration into deepwater and frontier areas.

b) The Bid Process

- The bid process commences with an Expression of Interest, which requires payment of a prescribed US$10,000 application fee.

- A prescribed fee of US$10,000 per session, per block, applies for data prying and analogue data for nearby blocks. This is not mandatory and applies solely to bidders which require further information.

- There is a mandatory fee of US$25,000 for data leasing, which provides bidders access to a comprehensive data package for evaluation.

- Technical bids are only submitted by pre-qualified applicants. The evaluation criteria for technical bids include:

  - knowledge and understanding of the subsurface of the acreage and block being bid for
  - exploration work program, that is, the proposed plan for the block
  - development concept which relates to the model for the development of the asset over time
  - reservoir management strategy
  - production mechanism
  - evacuation, abandonment provisions (sustainability, host community development)

- The commercial bid is based on a signature bonus, with ranging from US$3 million to US$7 million, depending on the terrain. Additionally, bidders must provide a work program commitment security equivalent to 1% of their proposed work commitment.

- Pre-qualified applicants must submit a bid guarantee equivalent to 5% of their proposed signature bonus. This guarantee must be issued by a reputable bank with at least a BB rating and remains valid for 120 days following the commercial bid conference. The validity period may be extended until the blocks are awarded.

- Successful bidders are required to pay the full signature bonus within 90 days of receiving their offer letter. Failure to do so will result in the block being offered to a reserve bidder.

- The NUPRC will utilise a weighted average score and the winning bids will be determined by the weighted average of technical scores and commercial scores.

c) Requirements for Consortiums

- Applicants can bid via consortiums.

- The consortium agreement must designate an operator.
- The operator must have a minimum of 30% participating interest in the consortium.
- NUPRC may make recommendations to the Minister for State Petroleum Resources for the revocation of the participating interest of a defaulting consortium member.

d) Disqualification rules

- Current license/lease holders with undischarged obligations to the FGN cannot bid.
- Applicants who breach the terms of the confidentiality agreement would be disqualified.

e) Forms of contracts

Successful bidders may choose between a concession agreement and a Production Sharing Contract (PSC). Under a concession, the Federal Government of Nigeria (FGN) reserves a back-in right of up to 60%. Under a PSC, NNPC Ltd. is the concessionaire, and the bidder acts as the contractor.

f) Incentives

The NUPRC listed available incentives to increase gas production and spur investments as follows:

- to promote non associated gas development
- for deep water projects
- tax credits for efficient operators

g) Timetable

The NUPRC unveiled an updated schedule for the licensing round, as detailed in the table below. Activities that have been concluded are highlighted in green.

S/N	ACTIVITY	REVISED TIMELINE
1	**ANNOUNCEMENT / ADVERTISEMENT / PORTAL LAUNCH**	**1 Nov 2025 – 1 Dec 2025**
1.1	Announcement of Licensing Round	11 Nov 2025 – 11 Nov 2025
1.2	Advertisement	24 Nov 2025 – 28 Nov 2025
1.3	Launch of Bid Portal	1 Dec 2025
2	**REGISTRATION / PRE-QUALIFICATION**	**1 Dec 2025 – 16 Mar 2026**
2.1	Opening of Registration	1 Dec 2025
2.2	Pre-Bid Conference	14 Jan 2026
2.3	Webinar	26 Jan 2026
2.4	Closing of Registration	27 Feb 2026
2.5	Evaluation of Registration Documents	2 Mar 2026 – 12 Mar 2026
2.6	Notification of Pre-qualified Applicants	16 Mar 2026
3	**TECHNICAL AND COMMERCIAL BID**	**17 Mar 2026 – 17 Jul 2026**

3.1	Data Access / Purchase / Evaluation / Bid Preparation and Submission	17 Mar 2026 – 12 Jun 2026
3.2	Technical Bid Evaluation	15 Jun 2026 – 24 Jun 2026
3.3	Notification of Qualified Companies for Commercial Bid	3 Jul 2026
3.4	Commercial Bid Conference	16 Jul 2026
3.5	Notification of Winning / Reserve Bidder	17 Jul 2026
4	**MINISTERIAL APPROVAL / CONTRACTING / AWARD**	**30 Jul 2026 – 14 Oct 2026**

Contacts:

Participation in the 2025 bid rounds will require careful consideration of bid compliance requirements, fiscal and contractual terms, and post-award regulatory obligations, including host community and local content development.

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