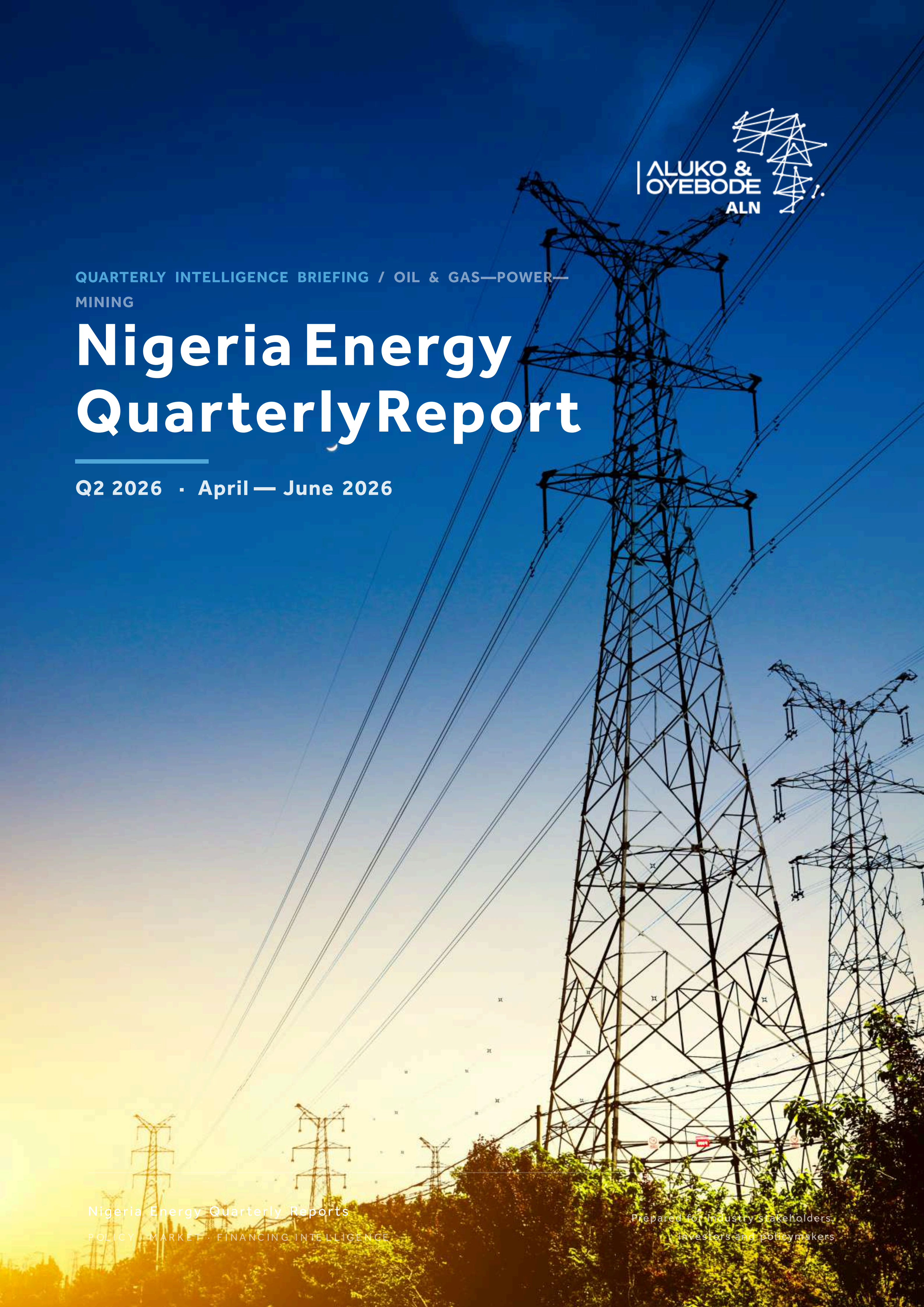

QUARTERLY INTELLIGENCE BRIEFING / OIL & GAS—POWER—MINING

Nigeria Energy Quarterly Report

Q2 2026 · April — June 2026

Nigeria Energy Quarterly Reports

POLICY · MARKET · FINANCING INTELLIGENCE

Prepared for industry stakeholders,
investors and policymakers

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This report distils the quarter's most significant policy shifts, regulatory actions and market developments — delivering critical intelligence for investors seeking entry points, operators navigating compliance requirements, and policymakers shaping Nigeria's energy future.

01 — OVERVIEW

Introduction

The Nigeria Energy Quarterly Report – Q2 2026 delivers a comprehensive review of the transformative developments that reshaped Nigeria's oil and gas, power, and mining sectors between April and June 2026.

The oil and gas sector delivered notable wins during the quarter. Upstream production surged past OPEC quotas, reaching approximately 1.53 million barrels per day in May — the highest since January 2025. Financing momentum accelerated with Africa Finance Corporation's backing for three additional refineries, while NNPC Limited's MOU with Chinese partners signalled renewed ambition for the Warri and Port Harcourt refineries. The 2026 licensing round was confirmed to commence in Q3, and Dangote Refinery's legal challenge against import licenses issued to NNPC Limited and other marketers continued to reshape downstream competition dynamics.

The power sector's decentralisation revolution continued to gain momentum during Q2. Two game-changing regulations emerged: the Mini-Grid Regulations 2026, which now permit isolated mini-grids up to 5MW and interconnected systems up to 10MW per site, and the Net Billing Regulations 2026, which allow consumers to generate renewable power and sell excess electricity back to distribution networks. Lagos State led the charge, executing PPAs with three IPPs and establishing frameworks for a 6,000MW target. The mining sector also witnessed renewed government focus with the transfer of mineral royalty collection to the Nigeria Revenue Service.

This report distils the quarter's most significant policy shifts, regulatory actions, and market developments — delivering critical intelligence for investors seeking entry points, operators navigating compliance requirements, and policymakers shaping Nigeria's energy future.

02 — AT A GLANCE

Highlight of Trending Events in the Energy Sector

1.53 mbpd

Nigeria's crude output in May 2026 — the highest since January 2025

5 / 10 MW

New isolated / interconnected mini-grid capacity thresholds

₦3.3trn

Legacy power sector debt settlement approved by the FG

01 On 1 April 2026, the NMDPRA revised the domestic gas pricing framework and set the Domestic Base Price at USD 2.18/MMBtu for the power sector, 2.68/MMBtu for commercial users and 2.18/ MMBtu for gas-based industries.

02 In June 2026, NUPRC issued the revised Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026 with provisions on the submission of comprehensive decommissioning and abandonment plans by operators, the funding of decommissioning and abandonment via escrow arrangements. The Regulations crucially allow the decommissioning funds to be held offshore.

03 In April 2026, NERC issued the Mini-Grid Regulations 2026 which apply to isolated mini-grids from 1MW up to 5MW per site and interconnected mini-grids up to 10MW per site, enabling larger and more commercially viable deployments.

04 NERC issued the Net Billing Regulations 2026 in June 2026, and created a formal framework for eligible electricity consumers to generate renewable power for self-consumption and sell excess electricity to distribution networks under a regulated Net Billing Arrangement.

05 Nigeria's crude oil production exceeded its OPEC production quota in May 2026, reaching an average of approximately 1.53 million barrels per day (mbpd).

06 The oil sector's share of Nigeria's real GDP declined slightly to 3.92% on a year-on-year basis in the first quarter of 2026 as contained in figures released by the National Bureau of Statistics in May 2026.

07 The Federal Government has transferred responsibility for collecting mineral royalties from the Ministry of Solid Minerals Development to the Nigeria Revenue Service (NRS) in accordance with the Nigeria Tax Act, 2025.

08 The Federal Government approved a ₦3.3 trillion payment plan to settle outstanding legacy debts in Nigeria's power sector under the Presidential Power Sector Financial Reforms Programme.

09 Nigeria's fertilizer exports generated N1.37trillion in the first quarter of 2026, making urea one of the country's highest-earning export products.

03 — REGULATION

Policy and Regulatory Updates

01 OIL ANDGAS

› NMDPRA Revises Gas Pricing Framework for Strategic Sectors[1]

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) revised Nigeria's regulated domestic gas pricing framework for the strategic sectors by establishing the 2026 Domestic Base Price (DBP) and applicable wholesale gas prices, effective 1 April 2026. Under the updated framework, the DBP was set at USD 2.18/MMBtufor the power sector, 2.68/MMBtu for commercial users and 2.18/MMBtufor gas-based industries.

The adjustment was made pursuant to Section 167and the Third and Fourth Schedules of the Petroleum Industry Act (PIA) 2021 and applicable Gas Pricing and Domestic Demand Regulations. It reflects the annual price-setting mechanism envisaged under the regulated domestic gas regime.

The revised pricing approach signals a continued shift toward market aligned and cost reflective gas pricing in Nigeria. NMDPRA seeks to balance affordability for strategic domestic/industrial users with pricing adjustment to incentivise upstream gas producers to supply the domestic market.

1.punchng.com/breaking-gas-price-rises-to-2-18-mmbtu

› NUPRC Issues Directive Mandating Standardised Templates and Transition to Measurement-Based Methane and GHG Reporting[2]

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) issued a directive requiring upstream operators to institutionalise credible Measurement, Reporting and Verification (MRV) for methane and greenhouse gas (GHG) emissions, to support Nigeria's climate commitments and strengthen compliance with NUPRC's methane/GHG management framework.

To improve auditability and standardisation, NUPRC directed operators to adopt standardised templates for (i) a Greenhouse Gas Emissions Management Plan (GHGEMP) and (ii) methane and GHG emissions accounting/inventory reporting. The directive takes immediate effect for submissions and emphasises verifiable, transparent, evidence-driven reporting.

NUPRC set a methodology progression timeline: operators must, at minimum, report using IPCC Tier 2 methodologies from Q3 2026, and transition fully to IPCC Tier 3 (or equivalent high-level methods under other recognised frameworks) by January 2027. This directive seeks to support Nigeria's targets of net-zero emissions by 2060, zero routine gas flaring by 2030, and a 60% cut in methane by 2035.

› NMDPRA Set Jet A1 Price Cap and 30-Day Credit Window for Airlines to Stabilise Aviation Fuel supply[3]

NMDPRA introduced a temporary Jet A1 (aviation fuel) price stabilisation framework, setting a benchmark price band and directing that domestic airlines be granted a 30-day credit window for fuel purchases. The intervention followed emergency engagements after airlines warned that escalating fuel costs could trigger flight disruptions and severe route rationalisation.

The benchmark pricing is anchored on costs recorded between 17–23 April 2026 and pegged end-user Jet A1 prices within the bracket of ₦1,760–₦1,988 per litre in Lagos and ₦1,809–₦2,037 per litre in Abuja. The measures were developed after deliberations by an NMDPRA technical committee convened on 24 April 2026 and include recommendations to reduce supply-chain frictions by encouraging direct sales from marketers to airlines within the benchmark band.

The 30-day credit facility window provides crucial short-term cash flow relief to airlines and reduces near-term route rationalisation and shutdown risks. While the credit window offers a short-term cost containment for airlines, potentially volatile crude/FX conditions linked to Middle East tensions may affect implementation.

2. nuprc.gov.ng/media/news/b3f0614395dd79cd01ae509f
3. reuters.com — Nigeria caps jet fuel prices to avert airline disruptions

› NUPRC Issues Nigeria Upstream Petroleum Decommissioning and Abandonment Regulations, 2026[4]

NUPRC issued the Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026 ("the Regulations") pursuant to sections 232 and 233 of the PIA. The Regulations replace the earlier 2023 framework and contain updated compliance framework for orderly decommissioning and abandonment of upstream wells, facilities, installations and pipelines. The rules for the Decommissioning and Abandonment (D&A) Fund have been strengthened but with an easing on the banking arrangements for D&A funds.

The Regulations require every licensee/lessee to submit comprehensive D&A plans in accordance with mandated timelines across licence types. The submission timelines are linked to work programme approvals for Petroleum Prospecting Licences (PPLs), and Field Development Plan (FDP) approvals for Petroleum Mining Lease (PMLs) with updates required within six months where FDPs already contain D&A components.

The Regulations also require operators to establish and maintain the D&A Fund in escrow accounts, sets out eligibility and credit-rating criteria for financial institutions and introduced structured domiciliation rules with defined exceptions for certain IOC arrangements and tax deductibility where IOCs retain a percentage of D&A funds onshore. Administrative penalties are established for non-compliance, such as significant annual fines for failure to submit plans or set up the D&A Fund within prescribed timelines.

› PenCom Grants Pension Fund Administrators Special Waiver to Participate in Dangote Refinery IPO[5]

The National Pension Commission (PenCom), via a circular issued and dated 13 May, 2026 granted Pension Fund Administrators (PFAs) a special, one-off regulatory forbearance permitting investment of pension assets in the planned Initial Public Offer (IPO) of Dangote Petroleum Refinery & Petrochemicals FZE (DPRP).

According to PenCom, the decision followed an assessment of the IPO's strategic value and economic impact, citing DPRP's strategic importance, strong fundamentals, growth potential, and the track record of Dangote Industries Limited.

PenCom further clarified that the approval is exceptional, case-specific and not a precedent for future IPOs.

4. mondaq.com — Nigeria's Upstream Decommissioning & Abandonment Regulations 2026
5. thisdaylive.com — PenCom grants PFAs special waiver

› NMDPRA states that free-zone status does not replace petroleum licences[6]

NMDPRA issued a circular reiterating that oil and gas companies operating in free trade zones (FTZs), export processing zones, and other designated industrial areas are not exempt from the licensing and permitting requirements of the PIA. NMDPRA stated that any operator conducting midstream or downstream petroleum activities without the appropriate licence, permit or authorisation will be sanctioned under relevant PIA provisions.

The circular dated 12 May 2026 was addressed to CEOs of midstream/downstream companies, petrochemical and fertiliser firms, and import/export terminal operators, reiterating NMDPRA's mandate across Nigeria's landmass and maritime areas.

This directive is expected to tighten regulatory scrutiny in free trade and export processing zones, and oil and gas firms operating within NEPZA free zones must now ensure they hold the appropriate NMDPRA licenses and permits.

02 POWER

Nigeria's decentralised power framework advanced sharply in Q2 2026, anchored by new mini-grid and net billing regulations designed to unlock commercially viable off-grid and embedded generation at scale.

› NERC Issues Mini-Grid Regulations 2026[7]

NERC issued the Mini-Grid Regulations, 2026 ("the Regulations") to update the framework governing mini-grid development, permitting, operation, tariffing and transition, and effectively replacing the 2023 regulations.

One of the key changes of the Regulations is the significantly expanded capacity threshold; the Regulations apply to isolated mini-grids from 1MW up to 5MW per site and interconnected mini-grids up to 10MW per site, enabling larger and more commercially viable deployments. The Regulations also tightened grid-arrival and transition provisions, including a 12-month notice requirement for DisCos prior to grid extension into a mini-grid area, with clearer transition and compensation pathways.

Administrative reforms include simplified registration for projects up to 100kW, defined approval timelines and the ability to file portfolio applications across multiple sites.

The regulatory upgrade repositioned mini-grids as central pillars of Nigeria's electrification strategy rather than peripheral gap-fillers — a paradigm shift with significant implications for rural and peri-urban power access.

6.punchng.com/nmdpra-insists-on-regulatory-compliance-in-free-trade-zones
7.punchng.com/NMDPRA insists on regulatory compliance in free trade zones

› NEMSA Issues National Guidelines for Solar Mini-Grid Interconnection to Distribution Networks[8]

The Nigerian Electricity Management Services Agency (NEMSA), with support from the European Union and the Government of Germany under the Nigerian Energy Support Programme (NESP), launched the National Guidelines for Interconnecting Solar Mini-Grids to Distribution Networks in Abuja in June 2026. The guidelines are intended to provide a national technical framework for safely integrating solar mini grids into existing electricity distribution networks.

The initiative also included the handover of advanced solar testing equipment to NEMSA to strengthen inspection, certification, and quality-assurance capacity for renewable energy installations. This is significant because as interconnected mini grids scale, enforcement of technical standards becomes critical to ensuring that private-sector systems can connect safely to DisCo networks.

The guidelines provide a clearer rulebook for integrating solar mini grids to distribution networks without compromising grid stability, power quality, system reliability, or public safety. It further complements NERC's 2026 mini-grid Regulations by providing technical implementation support for the growing mini grid market and reinforce the broader policy direction towards decentralised electricity market.

› NEMSA Issues Safety Guidelines for Rooftop Solar PV Installations[9]

The Nigerian Electricity Management Services (NEMSA) issued a public safety notice introducing comprehensive safety guidelines for rooftop solar PV installations, following an increase in reported fire incidents allegedly linked to improperly installed rooftop PV systems. NEMSA attributed the incidents to poor workmanship, substandard materials, absence of protective devices, and non-compliance with technical standards.

In alignment with the provisions of sections 176 and 184(8) of the Electricity Act 2023, the NEMSA guidelines highlighted certain requirements including: installations by NEMSA-certified electrical contractors; pre-installation load assessment and structural checks; proper electrical protection and grounding; fire risk management measures; and inspection, testing and certification before energisation.

› NERC Issues Order on Regional Transmission Loss Factors[10]

NERC issued Order No. NERC/2026/026 establishing a framework for regional reporting of Transmission Loss Factors (TLFs) across the national grid, aimed at improving transparency, accountability and efficiency by disaggregating loss reporting to identify loss-intensive corridors.

NERC cited performance gaps, noting national average TLF of 8.71% in 2024 and 7.24% in 2025 which is above the Multi-Year Tariff Order (MYTO) benchmark of 7%. The Order directs Nigerian Independent System Operator (NISO) to install smart meters at boundary regional interconnection points by 31 December 2026, measure transformer losses at substations, and submit quarterly regional TLF reports using NERC's template (initial filing to be done, no later than 30 June 2026). Public reporting also indicates an expectation to drive regional transmission losses to no more than 6.5% by December 2026.

8. vanguardngr.com — FG unveils mini-grid interconnection guidelines
9. punchng.com — FG flags safety risks in solar panel installations
10. premiumtimesng.com — NERC issues new guidelines on regional transmission losses

› LASERC Issues Embedded Generation Licence to Isolo Power Gen Limited Under Lagos State's Deregulated Electricity Framework[11]

The Lagos State Electricity Regulatory Commission (LASERC) has issued an Embedded Generation licence to Isolo Power Gen Limited to develop a 9MW embedded power project along the Apapa–Oshodi Expressway (Isolo axis). The approval was granted as part of a broader licensing round in which LASERC issued licences and permits across off-grid generation, embedded generation, independent distribution, metering services and interconnected mini-grid operations.

The Isolo licence is notable as the only embedded generation approval in that batch, suggesting a strategic prioritisation for embedded projects. For investors in the power sector, the licence issuance signifies new opportunities to participate in the State's deregulated market with further easing of pressure on the national grid, reinforcing Lagos State's ambition to operationalise intrastate electricity market reforms.

› NERC Issues Net Billing Regulations 2026 for Export of Renewable Energy to DisCos[12]

The Nigerian Electricity Regulatory Commission (NERC) issued the Net Billing Regulations 2026 (Regulation No. NERC-R-002-2026) pursuant to its powers under section 226 of the Electricity Act 2023, thereby creating a formal framework for eligible electricity consumers to generate renewable power for consumption and export any excess electricity to distribution networks under a regulated Net Billing Arrangement. The Regulations were published in June 2026 and cover electricity consumers, DisCos, renewable energy developers, commercial and industrial users, and other market stakeholder.

Under the framework, qualifying consumers who are referred to as "Prosumers" may install eligible renewable generation systems, primarily solar PV, to generate electricity for on-site consumption, and export surplus power to the relevant DisCo's network. Rather than Prosumer receiving a cash payment, exported energy is credited against the Prosumer's import bill based on an export tariff approved by NERC, making the framework principally a bill-credit mechanism rather than a merchant generation arrangement.

Reports on the implementation framework indicate that eligible systems must meet technical and regulatory conditions, including connection to a DisCo's network, technical feasibility assessment by the DisCo, execution of a Net Billing Agreement, and registration with NERC.

With this framework, Nigeria joined an expanding roster of countries — including the United States, Australia, India, South Africa, Germany, and the United Kingdom — that have adopted solar export programmes. The prosumer model has the potential to fundamentally reshape electricity economics for commercial and industrial users with rooftop capacity.

11.thisdaylive.com — Lagos deepens smart regulation through LASERC
12.guardian.ng — New regulations to allow Nigerians sell surplus solar energy to DisCos

› NERC Issues Directive on Compensation for Band A Customers Affected by Supply Shortfalls[13]

The Nigerian Electricity Regulatory Commission (NERC) issued Directive No. NERC/2026/002 on the Special Compensation of Band A Customers Arising from Grid Generation Constraints, thereby approving compensation for eligible Band A customers who experienced electricity supply shortfalls between February and March 2026. The directive was introduced after significant generation constraints across the Nigerian Electricity Supply Industry (NESI) prevented DisCos from meeting committed service levels for some Band A customers.

NERC attributed the shortfalls largely to inadequate gas supply and the vandalism of critical gas and transmission infrastructure, which it described as factors beyond the direct operational control of the DisCos. The compensation framework therefore seeks to provide customer relief while recognising that some under-supply was caused by upstream generation and infrastructure constraints rather than purely DisCo-level performance failures.

For Band A feeders that received less than 18 hours of average daily supply, NERC introduced a special compensation arrangement: affected feeders will not be downgraded during the covered period, and eligible customers will receive compensation equivalent to 20% of applicable February 2026 energy/billing benchmarks.

› NERC Revises Health and Safety Code for NESI, Impose Financial Obligation for Electrical Injuries[14]

The Nigerian Electricity Regulatory Commission (NERC) published the Second Edition of the Health and Safety Code for the Nigerian Electricity Supply Industry ("the Code") dated March 2026 pursuant to sections 34(1)(e) and 34(2)(b) of the Electricity Act 2023. The Code applies to NERC licensees and persons operating electrical premises within the electricity value chain.

The Code confirms a minimum compensation framework for electrical accidents. It provides a minimum compensation of N15,000,000 for loss of human life, N15,000,000 for disability above 60%, and N7,500,000 for disability between 40% and 60%. It also requires compensation to be paid within six months from the date of accident, failing which an additional 5% applies at the end of every month. Non-compliance with applicable operating codes or technical regulations that leads to death, injury or property loss may attract a N20,000,000 penalty. This underscores NERC's move towards a more stringent safety and compliance regime.

This update is relevant to electricity sector stakeholders because safety incidents now have clearer consequences. DisCos, GenCos, TCN, independent power project operators, embedded generation developers, mini-grid operators and contractors will need to review the provisions on insurance cover, HSE procedures, incident response processes, contractor allocation of risk and right-of-way management.

13. guardian.ng — NERC orders DisCos to compensate Band A customers
14. businessday.ng — NERC tightens safety net, imposes ₦15m death compensation on power firms

04 — MARKET ACTIVITY

Market and Industry Developments

01 OIL AND GAS

› NMDPRA Approves F-500 Encapsulator for Fire Safety in Oil & Gas Facilities[15]

The NMDPRA approved the use of F-500 Encapsulator as a fire-suppression agent across Nigeria's midstream and downstream petroleum operations, marking a regulatory step toward strengthening fire safety standards in petroleum handling facilities. The approval was granted pursuant to the PIA and the Midstream and Downstream Safety Regulations 2023, following NMDPRA's evaluation of the product's technical documentation, safety data sheet, and eco-toxicity test results under Nigerian environmental conditions.

The product is described as a water-based, fluorine-free fire-suppression agent designed to cool fires rapidly and encapsulate hydrocarbon fuels, reducing the risk of re-ignition. NMDPRA's assessment confirmed that the product demonstrated acceptable fire-suppression performance and met required safety and environmental standards for controlled application in petroleum operations.

The approval is subject to regulatory conditions. Reports indicate that the clearance runs for three years, is conditional and revocable, and requires continued compliance with petroleum and environmental regulations. Any change to the product's formulation without prior NMDPRA approval may invalidate the approval and trigger re-certification requirements. Distributors are also expected to submit quarterly inventory returns showing volumes imported, distributed, and deployed.

15.businessday.ng — NMDPRA approves usage of F-500 Encapsulator

› NMDPRA Launches Digital HCDT Portal for Host Community Development Oversight[16]

The NMDPRA launched a dedicated Host Community Development Trusts (HCDTs) Digital Portal to strengthen transparency, accountability, and regulatory oversight in the implementation of the HCDT framework under sections 234-257 of the PIA. The portal was unveiled during a stakeholder sensitisation workshop on HCDT implementation and portal operationalisation held in Port Harcourt, Rivers State, in May 2026.

NMDPRA explained that the digital platform will support the registration of HCDTs, submission of governance documentation, project tracking, compliance reporting, monitoring of statutory contributions, and real-time regulatory oversight. The NMDPRA positioned the portal as part of its broader digital transformation agenda and as a tool to standardise implementation of the HCDTs framework across host communities.

At the workshop, NMDPRA reiterated that compliance with the HCDT framework is not optional, but a statutory obligation for operators under the PIA. The portal is also expected to reduce disputes arising from information gaps by improving visibility over trust governance, statutory contributions, project implementation, and reporting obligations.

› Nigeria Exceeds OPEC Production Quota as Crude Output rises to 1.53mpd in May 2026[17]

Nigeria's crude oil production rose above its OPEC production quota in May 2026, reaching an average of approximately 1.53million barrels per day (mbpd). According to OPEC's June 2026 Monthly Oil Market Report,[18] Nigeria's crude output increased from about 1.48mbpd in April 2026 to 1.53mbpd in May 2026, representing a month-on-month increase of approximately 3.38%.

According to news outlets and data released by the NUPRC, the May crude oil production of about 1.52 mbpd represented roughly 102% of Nigeria's 1.5 mbpd OPEC quota (it exceeded the quota by approximately 2% which rounds up the extra quota at about 30,000 bpd). NUPRC-linked production data also showed total output of about 1.70mbpd when condensate production is included, comprising approximately 1,530,354 barrels per day of crude oil and 170,446 barrels per day of condensates.

Reports described the May crude figure as the highest since January 2025 in strict crude-only terms, while combined crude and condensate output represented one of the strongest monthly production levels recorded since mid-2025.

16. dailytrust.com — NMDPRA develops portal to monitor host community funds
17. thecable.ng — Nigeria exceeds OPEC quota as crude output rises
18. opec.org — Monthly Oil Market Report

› NUPRC confirms 2026 Licensing round to commence by Q3 2026[19]

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) confirmed that Nigeria's 2026 oil and gas Licensing Round will commence by Q3 2026, following approval from the Minister of Petroleum Resources. The Commission's Chief Executive, Oritsemeyiwa Eyesan, made the disclosure during a visit by Meren Energy (formerly Africa Oil) to NUPRC's headquarters on 3 June 2026.

NUPRC stated that it was satisfied with the conduct of the ongoing 2025 Licensing Round, noting that the commercial bid stage is expected to take place in July 2026, after which the 2026 Licensing Round will commence. The announcement signals the regulator's intention to maintain a predictable acreage-award pipeline and sustain upstream investor interest following recent licensing activity.

The announcement signalled NUPRC's commitment to maintaining a predictable acreage-award pipeline and sustaining upstream investor confidence following the momentum of rising production and active licensing activity. For international oil companies and indigenous operators alike, this presents fresh opportunities to expand Nigerian portfolios.

› Nigeria to Unveil First Integrated Gas and Power Infrastructure Map at NOG Energy Week 2026[20]

Nigeria is set to unveil its first comprehensive Gas and Power Infrastructure Map at the 25th edition of NOG Energy Week in Abuja scheduled to hold between 5 – 9 July 2026, in a move aimed at improving infrastructure visibility and planning coordination across the gas and power value chain. The map was developed under the Gas for Africa programme in partnership with NNPC Limited and is expected to provide a consolidated infrastructure data of Nigeria's key energy assets.

The map will cover critical gas and power infrastructure, including gas pipelines, gas processing facilities, power generation assets, LNG terminals, and major electricity transmission networks. It is being positioned as a response to a longstanding market investment barrier: the absence of reliable, centralised and consolidated infrastructure intelligence for investors, policymakers, developers and financiers.

The infrastructure map will be launched alongside a comprehensive report on Nigeria's gas industry, examining developments such as the NNPC Gas Master Plan 2026, upstream production and reserves, midstream pipeline capacity gaps, downstream CNG/PNG/LNGdevelopments, the gas-to-power value chain, and gas-based industrialisation opportunities.

19.leadership.ng —] NUPRC opens 2026 licensing round in Q3
20.guardian.ng — Nigeria to unveil first gas & power infrastructure map

› Sierra Leone Signs $225m Offshore Oil Exploration Deal with Nigerian Firm[21]

Sierra Leone signed a petroleum licence agreement with Nigerian independent oil and gas company, Marginal Energy Limited, granting the company rights to explore and produce oil and gas across five offshore blocks in Sierra Leone's offshore basin. The agreement was executed through the Petroleum Directorate of Sierra Leone (PDSL) and covers offshore blocks G-145, G-146, G-147, G-160 and G-161, spanning approximately 6,800 square kilometres.

Under the licence, Marginal Energy is expected to undertake extensive seismic surveys and drilling activities, with the exploration programme projected to attract investment exceeding US$225 million. The transaction was formalised during the Invest in African Energy Conference in Paris, where Sierra Leone promoted its offshore petroleum opportunities to international investors.

The Sierra Leonean government will hold a 10% carried interest in oil developments and a 5% stake in gas projects during exploration and development. In addition, the government retains the right to acquire up to an additional 9% participating interest on a paid basis once commercial production begins.

› NMDPRA Presents License to Construct for the Development of 30,000 Bpd Refinery in Rivers[22]

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) issued a Licence to Construct (LTC) to Foster Petroleum Development Company Limited, an indigenous petroleum exploration, development and refining company involved for the development of a 30,000 barrels-per-day refinery in Gokana, Rivers State.

NMDPRA stated that the approval aligns with its commitment to support investments that expand Nigeria's domestic refining capacity, strengthen energy security, and drive economic growth. Upon completion, the refinery is expected to produce Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), Dual Purpose Kerosene (DPK), and fuel oil, for domestic supply.

The project also fits within Nigeria's broader policy push to deepen local refining infrastructure and reduce reliance on imported refined products, particularly as the downstream market continues to adjust to deregulation, domestic refinery ramp-up, and increased private-sector participation.

21.reuters.com — Sierra Leone signs $225m offshore oil agreement with Nigeria's Marginal
22.nigeriannewsdirect.com — NMDPRA issues license for new 30,000bpd refinery

› CBN Allocates Additional Crude Oil Export Terminals to Inspection Agent[23]

The Central Bank of Nigeria (CBN) has announced the allocation of two additional crude oil export terminals (Cawthorne Terminal and Okwok Terminal) to Swede Control Intertek Limited, a Federal Government-appointed Pre-Shipment Inspection Agent. The allocation was communicated through a circular dated 15 June 2026 issued by the CBN's Trade and Exchange Department.

The Pre-Shipment Inspection of Exports Act, 1966, makes it mandatory for all oil and non-oil exports to undergo physical and financial inspection before they are exported. Its primary goal is to ensure the quality, quantity, and value of Nigerian exports meet international standards. The Act vests CBN with the responsibilities of administering the Act.

The allocation expands the pre-shipment inspection agents' role in the government's crude oil monitoring framework, under which accredited pre-shipment inspection agents verify export cargoes and related documentation before shipment. This reflects continued government efforts to curb crude oil thefts and strengthen the integrity of Nigeria's crude oil export monitoring framework.

› Modular Refineries Supply 648,000 Litres of Diesel Daily in May[24]

Nigeria's modular refining segment supplied an average of 648,000 litres of Automotive Gas Oil (AGO/ diesel) per day in May 2026, according to NMDPRA performance data reviewed by PetroleumPrice.ng. The data highlights the growing contribution of smaller domestic refineries to Nigeria's diesel supply, even as the broader downstream market remains dominated by larger refining and import supply channels.

The report identified Edo Refinery as the most efficient modular refinery during the period, based on utilisation and output performance. This is significant because modular refineries have often been promoted as a practical route to improving domestic supply, especially where they can access crude/ feedstock reliably and operate close to regional demand centres.

The development also aligns with wider industry arguments that modular refineries could meet a meaningful portion of Nigeria's diesel demand if crude supply constraints are addressed. This is especially important due to reported operational and structural challenges in the sub-sector evidenced by the shutdown of the OPAC and Duport Refinery. Earlier sector commentary from the Crude Oil Refineries Association of Nigeria (CORAN) indicated that modular refineries could supply more than 10% of Nigeria's diesel needs if they receive adequate crude oil feedstock.

23. businessday.ng — CBN allocates two additional crude oil terminals to Swede Control Intertek
24. thisdaylive.com — Petrol imports jump despite zero PMS export by Dangote Refinery in May

› Baker Hughes Secures Long-term Maintenance Agreement for ANOH Gas Processing Plant[25]

Baker Hughes secured a long-term service agreement with ANOH Gas Processing Company (AGPC), an incorporated joint venture between Seplat Energy Plc and NNPC Limited, to provide lifecycle and digital services for the ANOH Gas Processing Plant in Nigeria. The agreement covers maintenance, repairs, parts, engineering advisory services, and remote digital monitoring for critical turbomachinery equipment at the greenfield gas processing facility.

The scope includes support for key equipment supplied by Baker Hughes under an earlier relationship with the project, including two NovaLT 16 gas turbines, compressors and gears, which formed part of the plant's integrated power island solution. Baker Hughes will also provide iCenter digital services to monitor equipment and operational performance, with work to be delivered through its service centre in Port Harcourt, supporting local technical capacity.

The ANOH Gas Processing Plant is a strategic domestic gas infrastructure project and forms part of Nigeria's wider effort to develop gas resources for power generation, industrial use, and lower-carbon fuel substitution. The agreement is therefore important not only as a maintenance contract, but as part of the operational reliability framework needed to keep major gas-processing assets available and productive.

› NNPCL and Chinese firms sign MoU toward restart and Expansion of Warri and Port Harcourt refineries[26]

Nigerian National Petroleum Company Limited ("NNPCL") signed a Memorandum of Understanding (MoU) with two Chinese companies; Sanjiang Chemical Company Limited and Xinganchen (Fuzhou) Industrial Park Operation and Management Co. Ltd to explore collaboration through a potential Technical Equity Partnership for the completion, restart, operation and expansion of the Port Harcourt and Warri refineries. The MoU was signed by the parties in April in Jiaxing City, China, with NNPCL's Group Chief Executive Officer, Bashir Bayo Ojulari, signing for it.

The proposed partnership is a performance-driven model in which technical partners are expected to bring operational expertise, investment capacity and commercial discipline, not the conventional contractor-led refinery rehabilitation of the past. NNPCL stated that the collaboration would go beyond rehabilitation to include the long-term operation and maintenance of the facilities, with the objective of achieving sustainable refinery performance.

NNPC also indicated that the discussions may extend to expansion projects, production of cleaner fuels and higher-value petroleum products, and opportunities in co-located petrochemicals and gas-based industries around the refinery complexes.

25.worldoil.com — Baker Hughes wins long-term support agreement for ANOH gas project
26.guardian.ng — NNPC signs MoU with Chinese firms to revive Warri, Port Harcourt refineries

02 POWER

› Lagos State Executes Power Purchase Agreements with Three IPPs as State Electricity Market Becomes Operational[27]

The Lagos State Government has executed Power Purchase Agreements (PPAs) and related concession arrangements with three Independent Power Producers (IPPs): Fenchurch Power Limited, Mainland Power Limited, and Viathan Engineering Limited as part of its strategy to expand embedded generation and operationalise the Lagos State Electricity Law 2024.

The agreements aim to scale available capacity from approximately 60MW of existing generation capacity to between 200MW and 400MW within the next few years through market-driven investment pursuant to the State and Federal electricity laws. Lagos State positioned the transaction as a corrective framework for earlier embedded power arrangements, with the focus on a more performance-based model where payments are tied to energy actually delivered.

Under the arrangement, the IPPs are expected to support specific public infrastructure and load centres, including major water facilities in Adiyan and Iju, as well as Ikeja, Oshodi and Anthony suburbs of Lagos.

For power sector investors, Lagos State's state-licensed market opens new investment opportunities in Nigeria's largest commercial nerve-centre.

› FG Approves ₦3.3 trillion Plan to Clear Power Sector Debts and Stabilise Electricity Supply[28]

President Bola Tinubu approved a ₦3.3 trillion payment plan to settle outstanding legacy debts in Nigeria's power sector under the Presidential Power Sector Financial Reforms Programme. According to the Federal Government, the debts accumulated between February 2015 and March 2025, and the ₦3.3 trillion figure is a full and final settlement following audits, verification and review of the outstanding liabilities.

Implementation of the payment has commenced, with 15 power plants reportedly signing settlement agreements worth approximately ₦2.3 trillion. The Federal Government raised ₦501 billion from the bond market to fund the payments,[29] out of which ₦223 billion had been disbursed at the time of the announcement, with further payments underway.

The intervention was positioned not merely as a debt-settlement exercise, but as a liquidity-restoration mechanism to stabilise the entire power value chain — from gas suppliers to generators to distributors. If successfully implemented, the debt clearance could break the vicious cycle of non-payment that has plagued NESI, improve investor confidence, and potentially unlock fresh capital inflows into a sector long starved of private investment.

27.punchng.com — Lagos sets up independent electricity system operator
28.thenationonlineng.net — Tinubu approves ₦3.3trn power sector debt settlement plan
29.vanguardngr.com — FG raises ₦501bn from bond market to settle GenCos debt

› Lagos signs Strategic Gas Supply Framework with GACN to support 6,000MW power Target[30]

The Lagos State Government signed a Strategic Framework for Gas Supply and Energy Development with the Gas Aggregator Company of Nigeria Limited/GTE (GACN) as part of efforts to achieve its planned 6,000MW electricity generation target. The agreement was executed at Lakowe Lakes Resort, Ibeju-Lekki, and is intended to support Lagos' decentralised electricity market by improving access to reliable and affordable gas for power generation.

According to the Lagos State Government, the agreement is expected to secure gas supply for power projects at less than half the prevailing market gas-to-power price, thereby addressing one of the major constraints faced by Independent Power Producers (IPPs): fuel availability and cost. Governor Babajide Sanwo-Olu, represented by Deputy Governor Dr. Kadri Obafemi Hamzat, described the framework as a practical and enforceable plan for definitive gas supply and offtake agreements to ensure affordable and reliable energy for Lagos.

The initiative aligns with the Lagos Independent Electricity Policy and Strategic Implementation Plan, the State's THEMES Plus agenda, and the development of the Clean Lagos Electricity Market (CLEM). It is also expected to support private-sector investment, increase competition, and bring electricity closer to homes, industries and public infrastructure across the state.

› LASERC bars recovery of electricity charges older than 12 months, strengthening consumer protection in Lagos electricity market[31]

The Lagos State Electricity Regulatory Commission (LASERC) clarified that electricity supply licensees in Lagos cannot recover charges that are more than 12 months old, except in limited cases involving meter tampering, illegal use of electricity, or obstruction of meter reading. The clarification was issued through a consumer awareness message as part of LASERC's broader effort to educate consumers on their rights under the Lagos electricity regulatory framework.

LASERC referenced Paragraph 35(1)–(2) of the Retail Electricity Supply Code, which restricts the recovery of old electricity charges beyond the prescribed period. The statement comes amid growing consumer concerns over back-billing and attempts by distribution companies or supply licensees to recover electricity bills dating back several years.

The clarification is significant because LASERC has now taken over electricity regulation in Lagos State pursuant to the Electricity Act 2023, and is beginning to define the consumer-protection framework for the state market. The Commission has also indicated that it will establish zonal offices in Ikorodu, Amuwo-Odofin/Badagry, and Sangotedo/Epe to improve complaint resolution and access to regulatory services.

30. guardian.ng — LASG partners firm on 6,000MW power supply target
31. punchng.com — LASERC bars recovery of electricity bills beyond one year

› Lagos Moves to Commercialise Biogas and Biomethane Production[32]

The Lagos State Government inaugurated a technical committee to drive the commercial production of biogas and biomethane across the state, as part of efforts to reduce dependence on imported fuels, improve waste management, and expand cleaner energy alternatives for transport, households, and businesses. The initiative was disclosed by the Commissioner for Transportation, Oluwaseun Osiyemi, during a press briefing in May 2026.

According to reported state figures, Lagos generates approximately 13,000 metric tonnes of waste daily, about 45% of which is organic and potentially suitable for conversion into biogas and biomethane. The programme is designed as a cross-government implementation effort, with the technical committee comprising representatives from relevant ministries, departments and agencies to coordinate policy, technical, commercial, and regulatory workstreams. According to the Lagos State Government, Lagos generates significant organic waste that can be converted into fuel, creating an opportunity to turn waste pressure into clean energy at significantly lower costs.

If implemented successfully, the commercialisation could materially reduce Lagos State's dependence on diesel and more importantly carbon emission reduction in Lagos. The commercialisation plan also builds on earlier waste-to-energy activity, including the Ikosi Fruit Market Biodigester Plant.

03 MINING

The mining sector saw renewed institutional focus this quarter, as royalty collection moved from the Ministry of Solid Minerals Development to the Nigeria Revenue Service.

› Nigeria Revenue Service Formally Assumes responsibility for Mineral Royalty Collection[33]

The Federal Government has transferred responsibility for collecting mineral royalties from the Ministry of Solid Minerals Development to the Nigeria Revenue Service (NRS) in accordance with the Nigeria Tax Act 2025. The change took effect from 1 January 2026 and was formalized following a coordination meeting between the Minister of Solid Minerals Development and the NRS Chairman.

Under the new arrangement, NRS becomes the collecting authority for mineral royalties and associated reporting/accounting functions, while the Solid Minerals Ministry retains its core function of technical and regulatory oversight (licensing, monitoring, compliance and sector regulation).

The delineation provides clarity in regulatory oversight with the Ministry's role as sector regulator rather than a revenue-collection institution and the Federal Government achieves its aim of centralising all its receivables and revenues in the NRS.

32.punchng.com — Lagos to commercialise biogas production
33.businessday.ng — NRS takes over mining royalties as FG tightens rules

05 — CAPITAL FLOWS

Financing and Investment Trends

01 POWER

› Federal Government Cancels $717.7 Million World Bank Power Sector Loan[34]

The Federal Government and the World Bank jointly cancelled US$717.7 million in undisbursed funding under the Power Sector Recovery Performance-Based Operation (PSRO), triggering mixed reactions among sector analysts. While the cancellation represented a reduction in Nigeria's outstanding undisbursed external commitments, it removed a significant funding pillar at a critical juncture. The cancellation followed a formal request by the Federal Government dated 26 March 2026 and formed part of a restructuring decision that brought the programme's closing date forward from 30 June 2027 to 31 May 2026.

The cancelled amount represented the full undisbursed balance under the programme. According to the World Bank restructuring document, the operation had total commitments of approximately US$1.51 billion from the IBRD and IDA, of which about US$796 million had already been disbursed — meaning the programme delivered more than half its intended value before the cancellation.

The restructuring was linked to worsening financial conditions in the electricity market, including the sharp rise in tariff shortfalls following Naira devaluation, which increased the cost of gas-fired generation because gas is priced in US Dollars while tariffs remained frozen for most consumers outside Band A.

The implications were double-edged: on one hand, the cancellation reduced Nigeria's contingent liability burden and signalled the government's willingness to prioritise fiscal management over external borrowing; on the other hand, it widened the gap between consumer tariffs and actual generation costs, potentially delayed critical infrastructure upgrades, and may have signalled to other development finance institutions that concessional lending in Nigeria's power sector carries elevated execution risk.

34. guardian.ng — FG, World Bank cancel $717m power scheme loan

02 OIL AND GAS

› Afreximbank Funds Three New Nigerian Refineries to Strengthen Domestic Refining Capacity and Reduce Fuel Import Dependence[35]

The African Export-Import Bank (Afreximbank) disclosed that it is financing three refinery projects in Nigeria in addition to the Dangote Refinery as part of a broader strategy to expand domestic refining capacity, reduce reliance on imported petroleum products, and strengthen energy security across Africa. The disclosure was made by Afreximbank's Senior Executive Vice President, Denys Denya, during a virtual media briefing in April 2026.

According to Denya, the financing is part of Afreximbank's wider value-addition and industrialisation strategy, further noting that refining investment can reduce Africa's vulnerability to external supply shocks and anchor structural transformation.

Afreximbank's continued appetite for Nigerian refining assets underscored the strategic importance of domestic processing capacity. Expanded refining infrastructure will strengthen Nigeria's energy security, ease pressure on foreign reserves and the Naira, and position the country to capture more value from its hydrocarbon resources rather than exporting crude and importing refined products — a long-standing policy objective that is finally gaining traction.

35.punchng.com — Afreximbank funds three new Nigerian refineries

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