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TotalEnergies Formalises 40% OPL257 Sale to SAPETRO with Signed Agreement

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TotalEnergies has signed a formal agreement to sell a 40% participating interest in OPL257, an offshore Nigerian block, to SAPETRO, upgrading what was previously characterised as a farm-out arrangement to a confirmed signed transaction. The French major retains an interest in the block and continues to plan appraisal of the Egina South prospect as a potential tie-back to the existing Egina FPSO in the coming months.

The signing of the agreement marks a meaningful step forward from the initial farm-out announcement, though the deal has not yet been reported as closed or regulatory-approved. SAPETRO, a Lagos-based upstream company with prior involvement in the Egina project, brings established geological familiarity with the block alongside local content credentials that align with the Nigerian Upstream Petroleum Regulatory Commission's push for greater indigenous participation in deepwater assets. No final investment decision or engineering contract has been announced alongside the transaction.

The strategic logic remains centred on the Egina FPSO, one of the largest floating production units operating in West Africa. A successful appraisal of Egina South could unlock a subsea tie-back to the vessel, extending its production plateau without the capital cost of a standalone development. Tie-back economics are typically attractive because existing topsides processing capacity, mooring infrastructure, and export lines are already in place. Whether Egina South holds sufficient recoverable

volumes to justify a tie-back campaign will depend on appraisal well results, which TotalEnergies has indicated are planned for the near term.

For Nigeria's upstream sector, the deal reflects continued operator appetite for portfolio restructuring through farm-outs and partial divestments rather than outright exits — a pattern seen across Niger Delta and deepwater acreage as majors seek to recycle capital while maintaining operatorship or technical influence. The formalisation of the SAPETRO agreement reinforces this trend and adds a degree of transactional certainty that was absent at the earlier announcement stage.

Norwegian service companies should continue to monitor this transaction closely. Now that a signed agreement is in place, the pathway to appraisal activity is clearer, though no tender, FEED, or FID has been announced. If appraisal results are encouraging and TotalEnergies greenlights a tie-back development, the project would likely require subsea umbilicals, risers and flowlines work, potential FPSO modifications, and well services — all segments where Norwegian firms carry strong credentials from comparable West African deepwater projects.

Why this matters to partners and clients of Saga

The signing of a formal agreement sharpens the timeline for potential appraisal activity on Egina South, making it an appropriate moment for Norwegian subsea and well-services companies to intensify relationship-building with TotalEnergies' Nigeria procurement teams. No contract or FID has been issued, but firms with FPSO modification, subsea EPCI, and deepwater well-services capabilities should position themselves ahead of any appraisal-to-development transition.

PARTNER ANGLES

- **Subsea systems suppliers:** Potential scope for umbilicals, risers, and flowlines if Egina South appraisal supports a tie-back development decision.
- **FPSO modification specialists:** Egina FPSO may require topsides upgrades or additional tie-in infrastructure to accommodate a new subsea tie-back from Egina South.

- **Well services companies:** Appraisal drilling on Egina South is planned for the near term, creating an early-stage opportunity for deepwater drilling and completion services providers.
- **Local content partners:** SAPETRO's prominent role in the transaction signals a strong local content dimension; Norwegian firms should identify Nigerian JV or subcontracting partners early.

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