

AFRICA OIL+GAS REPORT

Poor Data Quality Undermines Nigeria's Active Upstream Licensing Bid Round

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Nigeria's ongoing oil and gas bid round is encountering a significant structural obstacle: applicants are struggling to properly evaluate prospective acreage due to serious deficiencies in the availability and reliability of subsurface and technical data. As the process reaches the stage where bidders must conduct meaningful due diligence, the absence of verified, complete datasets is hampering informed decision-making across the board.

According to reporting by Macson Obojemuinmoin in Abuja for the Africa Oil+Gas Report, the data shortfall is not merely a logistical inconvenience — it represents a fundamental challenge to the credibility of the bid round itself. When applicants cannot trust the veracity of the geological, seismic, or production data on offer, risk assessments become unreliable, and the appetite to commit capital diminishes accordingly. This dynamic risks reducing the competitive tension that regulators depend on to drive up the quality and value of bids.

Nigeria's bid rounds have historically been uneven in execution, often delayed or complicated by governance, legislative, and administrative hurdles. The Petroleum Industry Act of 2021 was intended to modernise the framework governing licensing and acreage awards, streamlining processes and improving investor confidence. However, the current data quality problem suggests that institutional readiness has not fully kept pace with the legal reforms. Data rooms and national petroleum data

repositories require sustained investment and professional management — areas where Nigerian agencies have faced chronic under-resourcing.

The implications are practical and immediate. International oil companies and independent E&P operators evaluating blocks need reliable seismic data, well logs, production histories, and reservoir studies to build investment cases that can withstand internal capital allocation scrutiny. Where this information is missing, outdated, or of questionable accuracy, companies are left either walking away from potentially prospective acreage or submitting heavily discounted bids that reflect the additional technical risk they are absorbing. Neither outcome serves Nigeria's ambition to attract fresh upstream investment and reverse declining production, which has slipped well below the country's OPEC quota in recent years.

For service companies and technology providers monitoring the round, the data gap also signals a broader market opportunity. Improving subsurface data quality, digitising legacy records, and reprocessing vintage seismic are all services in strong demand when a licensing cycle is active. The current bid round, despite its difficulties, remains one of the most consequential upstream opportunities in Sub-Saharan Africa in the near term, and the blocks on offer span both the prolific Niger Delta and deeper offshore frontier areas. Stakeholders who engage now — whether as bidders, partners, or service providers — will be better positioned as the round progresses toward awards.

Why this matters to partners and clients of Saga

Norwegian service companies with data management, seismic reprocessing, or subsurface consulting capabilities should monitor this bid round closely, as the identified data gap creates direct commercial openings ahead of block awards. Companies such as TGS, PGS, or Cognite-type digital solution providers already operating in the Norwegian ecosystem are well placed to offer data room support or legacy seismic reprocessing to Nigerian regulators or E&P bidders. Drilling and well-services firms should track which companies ultimately win acreage, as new block awards in the Niger Delta and offshore Nigeria typically trigger near-term appraisal and development programmes.

PARTNER ANGLES

- **Subsea/FPSO:** Monitor which deepwater and offshore blocks attract awards, as successful bids in frontier areas will generate FPSO and subsea infrastructure requirements within two to four years.
- **Drilling:** Data gaps on prospective blocks may accelerate demand for early appraisal drilling once awards are made, creating rig contracting and well-services opportunities for companies already established in Nigerian waters.
- **Service:** Seismic reprocessing, legacy data digitisation, and data room management services are immediately needed by Nigerian regulators and bidding companies to resolve the current data quality bottleneck.
- **LNG:** Any gas-prone blocks awarded through this round will feed into Nigeria's broader LNG and domestic gas agenda, warranting early engagement from Norwegian LNG technology and equipment suppliers.
- **Pipeline:** New acreage awards, particularly onshore and shallow-water Niger Delta blocks, will require pipeline and flow assurance infrastructure tied back to existing trunk systems, a segment where Norwegian engineering firms carry strong credentials.

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