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ADNOC eyes Nigeria-Morocco $26bn gas pipeline stake

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Nigeria's state oil company NNPC is in active talks with potential investors, including Abu Dhabi National Oil Company (ADNOC), to help finance the Nigeria-Morocco Gas Pipeline (NMGP), a project carrying an estimated price tag of between $25 billion and $26 billion. No commitment has been announced by any party, and the discussions remain at an exploratory stage.

The NMGP is one of the most ambitious pipeline projects on the African continent, stretching approximately 6,800 to 6,900 kilometres from Nigeria's gas-producing south through West African coastal states and onward to Morocco, with an eventual connection planned to European markets via Spain. NNPC has described the pipeline as a strategic infrastructure corridor intended to monetise Nigeria's substantial natural gas reserves and reduce gas flaring while generating long-term export revenues.

ADNOC's potential interest in the project is being channelled through XRG, its international gas and low-carbon investment vehicle, which has been mandated to pursue large-scale gas infrastructure opportunities beyond the UAE. ADNOC's engagement with XRG marks a broader strategic shift by the Abu Dhabi company toward becoming a global gas player, and the NMGP would represent a significant African footprint if any formal agreement were reached. However, the discussions with NNPC have not yet produced a heads of agreement, a memorandum of understanding, or any binding instrument.

The financing challenge is substantial. At $25 billion to $26 billion, the NMGP ranks among the most capital-intensive infrastructure undertakings in sub-Saharan Africa. NNPC has been engaging a range of potential partners and financiers beyond ADNOC, though the Ecofin Agency report does not name additional parties. The scale of funding required means that any eventual financing structure is likely to involve a consortium of sovereign, institutional, and commercial investors alongside development finance institutions.

Technically, the project has made reported progress, with route planning and feasibility work advancing, but construction has not commenced. The pipeline would pass through multiple national jurisdictions, each requiring its own regulatory approvals, land rights agreements, and offtake arrangements, adding layers of complexity to both the development timeline and the investment case. Morocco and Nigeria are the principal state sponsors, with the Economic Community of West African States (ECOWAS) also providing political backing as the pipeline aligns with regional energy integration goals. Exact timelines for financial close or a final investment decision have not been disclosed in publicly available statements.

Why this matters to partners and clients of Saga

This project remains at the investor-engagement stage — no contract, FID, or tender has been issued — so Norwegian service companies should monitor developments and build relationships with NNPC, ADNOC/XRG, and the ECOWAS project office rather than engaging procurement channels. Norwegian pipeline and subsea specialists with large-diameter, multi-jurisdiction experience should track the project closely, as the eventual execution phase will require significant technical capacity. Outreach to potential EPC consortium leaders is appropriate preparatory activity once a funding structure begins to crystallise.

PARTNER ANGLES

- **Pipeline:** Monitor route planning and pre-FEED opportunities; large-diameter onshore and potential subsea crossing segments will require Norwegian pipeline engineering expertise when tenders open.

- **Subsea/FPSO:** Identify potential river-crossing and nearshore subsea sections along the West African coast where Norwegian subsea contractors could position for future scopes.
- **LNG:** If pipeline economics shift toward LNG export alternatives at any coastal node, Norwegian LNG process and floating storage specialists should be ready to offer advisory or hardware solutions.
- **Drilling:** Upstream gas field development in Nigeria to feed the pipeline will drive incremental well-services demand; track NNPC's gas monetisation drilling programme as a related opportunity.
- **Service:** Project management and cost-engineering consultancies can offer independent technical review services to development finance institutions evaluating the $26 billion financing package.

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