

CONSTRUCTION REVIEW ONLINE

Dangote Refinery Breaks Ground on Second 700,000-Bpd Crude Processing Unit

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Nigeria's Dangote Refinery has officially commenced construction on its second crude processing unit at the Lekki-based facility, marking a significant milestone in what is described as Africa's largest refining development. The new unit carries a capacity of 700,000 barrels per day and forms part of a broader \$10 billion expansion program currently underway at the site.

The groundbreaking signals that the Dangote refinery complex is moving beyond its initial operational phase and into a material scale-up of throughput capacity. Nigeria's downstream petroleum sector has long been constrained by insufficient domestic refining capacity, forcing the country to import refined products despite being one of Africa's largest crude producers. The expansion is positioned as a direct response to that structural gap, with Dangote explicitly framing the project around the goal of petroleum self-sufficiency for Nigeria and, by extension, the broader African market.

The \$10 billion price tag on the expansion program alone underscores the capital intensity of the undertaking. Construction of a second crude processing unit of this scale requires an extensive supply chain — engineering procurement, civil and mechanical works, process equipment, instrumentation, and ongoing project management — all of which represent tangible entry points for international service providers with relevant credentials. The Lekki site, situated in Lagos State, has already demonstrated its capacity to host large-scale industrial construction, and the commencement of the second unit suggests the project developer is satisfied with progress on existing infrastructure.

For the Nigerian energy economy, a fully operational refinery at this scale would fundamentally alter the country's import dependency on refined fuels, reduce foreign exchange outflows, and create downstream feedstock availability for petrochemical industries. These second-order effects are relevant to investors and service companies assessing the long-term commercial environment in Nigeria's energy sector.

The project remains one of the most closely watched energy infrastructure developments in Sub-Saharan Africa, and the groundbreaking on the second processing unit confirms that the expansion is proceeding on an active construction timeline rather than remaining in a planning or financing phase.

Why this matters to partners and clients of Saga

Norwegian service companies with downstream engineering, industrial construction, or process technology capabilities should monitor this project closely, as the scale and complexity of a 700,000-bpd crude processing unit generates demand across multiple service categories. Companies with established procurement and construction (EPC) subcontracting experience in refinery environments may find direct bidding opportunities as the project advances. Those without a direct service fit should track the project for its downstream effects on Nigerian crude demand and feedstock flows, which could influence upstream and midstream activity.

PARTNER ANGLES

- **Service:** Engineering and project management firms can explore subcontracting roles within the \$10bn EPC scope, particularly in instrumentation, process systems, and construction supervision.
- **Pipeline:** Crude intake and refined product offtake infrastructure at Lekki may require pipeline tie-ins, metering, and terminal connectivity work as the second unit comes online.
- **FPSO:** Increased onshore refining throughput at this scale may drive demand for dedicated offshore crude offloading and storage solutions to feed the expanded facility reliably.

- **Subsea:** If subsea tiebacks or offshore loading infrastructure are developed to supply the expanded refinery, Norwegian subsea contractors should position early with the project developer.
- **LNG:** A large refinery complex of this size typically requires substantial utility gas supply; Norwegian companies with LNG or gas supply chain expertise could explore fuel gas provision or infrastructure advisory roles.

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