

ENERGY VOICE AFRICA · PIPELINE

Nigeria Reports Near-Zero Pipeline Losses as Anti-Theft Campaign Delivers Results

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Nigeria's state oil company NNPC has reported pipeline losses have been cut to near-zero levels, marking a significant milestone in the country's prolonged battle against oil theft syndicates that have long suppressed production volumes and deterred upstream investment. The announcement signals a meaningful shift in the security environment surrounding Nigeria's critical pipeline infrastructure, which has historically been one of the most heavily targeted in sub-Saharan Africa.

Oil theft, locally known as 'bunkering,' has cost Nigeria billions of dollars annually in lost revenues over the past decade, with some estimates suggesting losses equivalent to hundreds of thousands of barrels per day at the peak of illicit activity. The damage extended beyond stolen crude — repeated attacks on pipelines caused prolonged shutdowns, environmental degradation across the Niger Delta, and force majeure declarations by international oil companies operating in the region. The cumulative effect was a steady erosion of investor confidence and a suppression of Nigeria's actual production capacity relative to its OPEC quota.

The turnaround has been attributed to a combination of factors, including enhanced community surveillance programmes, deployment of technology-based monitoring along key trunk lines, and strengthened coordination between NNPC, the Nigerian Navy, and joint venture security units. The improvement in pipeline integrity is closely tied to broader production recovery ambitions — Nigeria has consistently

fallen short of its OPEC output targets in recent years, and reducing transit losses is a prerequisite for translating wellhead volumes into export revenues.

For the international service sector, the significance of near-zero pipeline losses extends beyond headline production figures. Stable pipeline throughput reduces the commercial risk associated with upstream developments that depend on onshore and shallow-water export routes. It also creates conditions under which operators may be more willing to sanction deferred maintenance programmes and incremental capacity expansion projects that had been shelved during periods of high security risk. Several international oil companies with equity positions in Nigerian joint ventures have already signalled renewed interest in accelerating brownfield development where above-ground risk has diminished.

Looking ahead, sustaining these gains will require continued investment in pipeline surveillance infrastructure, leak detection systems, and community engagement programmes. Nigeria's aspiration to reach 2 million barrels per day of production — a target repeatedly cited by both NNPC and the government — depends not only on new wells being drilled but on existing infrastructure reliably moving barrels from field to terminal. The current security improvement, if maintained, repositions Nigeria as a more credible destination for the capital-intensive service contracts that support sustained production growth.

Why this matters to partners and clients of Saga

Norwegian service companies should treat this as a monitoring-to-bid transition signal — improved pipeline security directly expands the addressable market for integrity management, inspection, and leak detection contracts that were previously untenable under high-risk conditions. Companies with pipeline inspection, corrosion management, or flow assurance capabilities should begin mapping NNPC and JV tender pipelines now. Those already active in Nigeria through JV structures with Shell, TotalEnergies, or ENI should flag this shift to their business development teams as a catalyst for deferred brownfield service scopes.

PARTNER ANGLES

- **Pipeline:** Reduced theft and sabotage events open a credible commercial window for pipeline integrity assessment and rehabilitation contracts across NNPC's trunk line network.
- **Subsea/FPSO:** Improved onshore export route reliability reduces above-ground risk for offshore developments that rely on nearshore tie-ins and terminal infrastructure, supporting FPSO project sanctioning.
- **Drilling:** With export routes more secure, operators are more likely to sanction brownfield well workover and infill drilling programmes previously stalled by production loss uncertainty.
- **Service:** Norwegian companies specialising in leak detection technology, fibre-optic monitoring, and remote surveillance systems have a direct product fit for Nigeria's pipeline security upgrade cycle.

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