

AFRICAN ENERGY CHAMBER · LNG

UTM Offshore, Seplat and NNPC Sign Gas Deal for Nigeria's First Domestic FLNG Project

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UTM Offshore, Seplat Energy, and the Nigerian National Petroleum Company (NNPC) have signed a gas supply agreement that brings Nigeria's first indigenously led floating liquefied natural gas (FLNG) project a significant step closer to commercialization. The agreement represents a notable milestone in Nigeria's ambition to monetize its vast gas reserves through locally driven initiatives rather than relying solely on established international majors.

The signing marks a critical commercial anchor for the project, with gas supply terms now formally agreed between the upstream supplier, Seplat Energy, the national oil company, NNPC, and the project developer, UTM Offshore. A confirmed gas supply agreement is typically a prerequisite for advancing toward a final investment decision, as it underpins the revenue model that lenders and equity investors require before committing capital to a capital-intensive FLNG development.

Nigeria holds some of the largest proven gas reserves in Africa, yet a substantial portion of associated and non-associated gas continues to be flared or remains undeveloped due to infrastructure constraints and the historical dominance of pipeline-based export routes such as Nigeria LNG on Bonny Island. An FLNG solution offers a potentially faster and more flexible route to monetization, particularly for stranded or offshore gas accumulations that are uneconomical to tie back to onshore processing facilities. The UTM-led project is positioned as a demonstration that Nigerian entities can drive such technically complex ventures independently.

For the broader Nigerian gas sector, a successful Nigerian-led FLNG project would establish an important precedent. It would signal to international financiers and technology providers that domestic operators are capable of structuring and executing projects of this scale, potentially catalyzing further gas monetization initiatives across the country. Nigeria has long faced criticism for slow progress on reducing gas flaring and unlocking stranded gas, making commercially structured projects of this nature politically as well as economically significant.

The project is described as advancing toward commercialization following the gas supply agreement, though the article does not specify a timeline for a final investment decision, project sanction, or first LNG cargo. Key milestones such as EPC contractor selection, financing close, and regulatory approvals are likely still ahead. Nonetheless, the tripartite agreement between a private developer, a leading indigenous E&P company, and the national oil company represents a commercially credible foundation from which the project can progress.

Why this matters to partners and clients of Saga

Norwegian service companies should begin monitoring this project closely now that a gas supply agreement is in place, as FLNG developments require a dense supply chain spanning hull and mooring systems, topside processing, subsea infrastructure, and marine services. Early engagement with UTM Offshore and its prospective EPC partners positions Norwegian firms to bid on or partner into specific scopes before contractor lists are finalized. Given Norway's deep FLNG and LNG technology heritage, this is a project where Norwegian players carry genuine competitive advantage.

PARTNER ANGLES

- **LNG:** FLNG liquefaction technology providers and LNG process licensors should open dialogue with UTM Offshore now, as technology selection typically occurs before EPC award.
- **FPSO:** Companies with FLNG or floating facility engineering expertise should assess whether the hull and topsides scope fits their fabrication and integration capabilities.

- **Subsea:** Depending on the gas source location, subsea tieback infrastructure — flowlines, risers, and umbilicals — may be required, representing a potential scope for Norwegian subsea contractors.
- **Drilling:** Development drilling to supply gas to the FLNG facility will be required; drilling contractors should track Seplat Energy's well campaign plans tied to this agreement.
- **Service:** Marine, mooring, and offshore installation contractors with FLNG experience should begin building relationships with the project team ahead of front-end engineering and design procurement.

[Original source: African Energy Chamber →](#)

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