

OFFSHORE TECHNOLOGY · LNG

# UTM Offshore Signs Gas Sales Agreement for Nigeria's First Indigenous FLNG Project

Saga deep read · 08 July 2026 · Score 74

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UTM Offshore has signed a Gas Sales Agreement (GSA) with Seplat Energy and the Nigerian National Petroleum Corporation (NNPC) for the Yoho Floating Liquefied Natural Gas (FLNG) project, marking a significant milestone in what is positioned as Nigeria's first indigenous-led FLNG development. The agreement formalises the commercial framework under which gas will be supplied to the floating facility, a critical step in moving the project from planning toward execution.

The Yoho FLNG project represents a notable shift in Nigeria's LNG ambitions, with domestic operators taking the lead rather than international majors. UTM Offshore has been the primary driver behind the initiative, and securing a GSA with two of Nigeria's most significant energy entities — Seplat Energy, one of the country's leading indigenous upstream operators, and NNPC, the state oil company — lends the project considerable institutional weight. The tripartite agreement signals that gas supply commitments are now in place, removing one of the key commercial uncertainties that typically delays FLNG projects at this stage.

Nigeria has long struggled to monetise its substantial gas reserves, with flaring and underutilisation remaining persistent challenges. An indigenous-led FLNG solution, if successfully executed, could offer a replicable model for smaller or stranded gas accumulations that do not justify large onshore LNG infrastructure. The floating format also reduces the need for extensive onshore pipeline networks and processing

facilities, making it potentially attractive for gas fields that have historically been difficult to commercialise.

The GSA signing does not yet confirm a final investment decision or construction contract, and FLNG projects of this nature typically require additional financing arrangements, regulatory approvals, and EPC contractor selection before reaching those thresholds. However, the commercial agreement between these three parties represents a meaningful de-risking event that will be watched closely by both the Nigerian energy sector and international service companies evaluating entry points into the project.

For Norwegian energy service companies, the Yoho FLNG project now warrants active monitoring as it progresses through pre-FEED and FEED phases. The involvement of established Nigerian counterparts in Seplat and NNPC provides a degree of bankability that purely speculative FLNG schemes lack. Procurement and contractor engagement processes are likely to intensify as the project matures, and early relationship-building with UTM Offshore and its advisors could position Norwegian firms advantageously ahead of formal tender processes.

### **Why this matters to partners and clients of Saga**

Norwegian companies specialising in FLNG engineering, marine systems, and LNG process technology should begin direct engagement with UTM Offshore now that a GSA is in place — this is the stage at which FEED contractors and technology licensors are typically approached. Subsea and mooring specialists should monitor the project closely as hull and marine systems scopes are defined. The project's indigenous-led structure may also create openings for Norwegian firms willing to partner with local Nigerian entities to meet content requirements.

#### **PARTNER ANGLES**

- **LNG:** FLNG technology licensors and process engineers should approach UTM Offshore proactively as FEED contractor selection is likely the next major procurement milestone.

- **Subsea/FPSO:** Marine systems and mooring specialists should track hull design and station-keeping scopes as the floating unit concept is defined and contracted.
- **Drilling:** If upstream development drilling is required to support gas supply commitments to the GSA, well services companies should engage Seplat Energy on potential rig and services needs.
- **Pipeline:** Subsea or nearshore pipeline contractors may find scope in gas gathering and transfer infrastructure connecting the Yoho field to the FLNG vessel.
- **Service:** Project management and advisory firms can position now to support UTM Offshore on owner's engineer or FEED management roles ahead of EPC contractor selection.

[Original source: Offshore Technology →](#)

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## Saga Advisory

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