

AFRICAN ENERGY CHAMBER

# Nigeria Upstream Reforms Drive 40% Share of African FIDs After Decade of Decline

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Nigeria's upstream oil and gas sector has staged a significant comeback, now accounting for 40% of all final investment decisions (FIDs) taken across Africa — a remarkable turnaround after more than a decade of stagnation and investor flight. The figures emerge from a three-year government assessment documenting how executive-level reforms under President Bola Tinubu have systematically addressed the structural barriers that had eroded Nigeria's competitiveness as an upstream destination.

For much of the 2010s, Nigeria watched as exploration and production capital migrated to more stable jurisdictions — Mozambique, Senegal, Côte d'Ivoire, and Namibia among them — while regulatory uncertainty, fiscal opacity, and security concerns suppressed FIDs at home. The Petroleum Industry Act (PIA), signed into law in 2021, laid the legislative groundwork for this recovery, but it is the Tinubu administration's executive actions that appear to have accelerated implementation: streamlining approvals, rationalising tax terms, and pushing the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) to resolve long-stalled licensing rounds. The result is that Nigeria now commands a dominant share of African upstream capital commitments, outpacing competitors that had benefited from its earlier paralysis.

The 40% FID share is significant in absolute terms as well as relative ones. Africa's upstream pipeline has expanded considerably, with majors and independents

advancing projects from the Orange Basin to the Gulf of Guinea. Nigeria capturing four-in-ten of those decisions signals renewed confidence in deepwater and shelf assets, revived interest in gas monetisation projects, and growing appetite among international operators to lock in long-cycle investments. Key tranches of this activity are concentrated in deepwater blocks offshore the Niger Delta, where several large-scale developments had been deferred for years pending fiscal and regulatory clarity.

The reform report also highlights progress on gas-to-power and LNG feedgas commitments, areas where previous administrations struggled to convert resource endowment into bankable projects. Improved fiscal terms for associated gas handling and a harder regulatory line on gas flaring have made gas-linked project economics more attractive to international partners. This matters for the broader energy transition narrative: Nigeria's ability to monetise gas rather than flare it is increasingly a prerequisite for international financing and ESG-aligned capital.

Challenges remain. Security in the Niger Delta continues to require active management, and local content compliance has historically added cost and schedule risk for foreign contractors. Nonetheless, the trajectory — from marginalised frontier to Africa's largest single FID destination in three years — represents a material shift in the regional investment landscape that Norwegian service companies and their Nigerian partners should treat as an active opportunity window rather than a market to monitor from a distance.

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

Norway's oil and gas service sector has deep technical competency in exactly the deepwater and gas monetisation work now advancing in Nigeria, and the accelerating FID pipeline creates near-term tendering opportunities across subsea, FPSO, drilling, and well services. Companies with existing Nigerian entity structures or local-content partnerships are best positioned to bid on early tranches; those without should prioritise establishing compliant local presence now before the market tightens. The gas flaring reduction push and LNG feedgas commitments additionally open a lane for Norwegian process and LNG technology providers.

## PARTNER ANGLES

- **Subsea:** Multiple deferred deepwater Niger Delta developments are now advancing toward FID, creating demand for subsea umbilicals, risers, and flowlines where Norwegian suppliers hold strong competitive positions.
- **FPSO:** Deepwater project restarts and new block developments will require FPSO procurement or conversion contracts — Norwegian FPSO operators and marine systems suppliers should engage early with operators locking in hull and topsides strategies.
- **Drilling:** Revived licensing and deferred well programmes across Nigeria's offshore acreage will drive demand for semi-submersible and drillship capacity; Norwegian rig owners and drilling contractors should assess fleet positioning for West Africa.
- **LNG:** Improved fiscal terms for gas handling and anti-flaring enforcement create a more bankable environment for gas gathering and LNG feedgas infrastructure where Norwegian process technology and project management firms can add value.
- **Service:** Well services, inspection, and integrity management contracts will follow the FID wave; Norwegian well intervention and integrity companies should map active operators and engage Nigerian local-content partners ahead of contract awards.

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

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