ENERGY VOICE AFRICA · PIPELINE

Nigeria Reports Near-Zero Pipeline Losses as Anti-Theft Drive Gains Momentum

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Nigeria's state oil company NNPC has reported that pipeline losses have been cut to near-zero levels, marking a significant milestone in the country's prolonged battle against crude oil theft. The announcement signals a meaningful shift in the operational environment across Nigeria's pipeline network, which has historically been one of the most heavily targeted hydrocarbon infrastructure systems in Sub-Saharan Africa.

Oil theft — locally referred to as bunkering — has for years suppressed Nigeria's production capacity well below its OPEC quota, eroding government revenues and undermining investor confidence in the upstream sector. Criminal syndicates operating across the Niger Delta have tapped pipelines at scale, with losses at peak periods estimated to have cost Nigeria billions of dollars annually in foregone export revenues. The NNPC's near-zero loss figure, if sustained, would represent a structural improvement rather than a temporary security surge.

The reported success appears tied to a combination of enhanced surveillance, community engagement, and security operations targeting theft syndicates directly. While the article does not detail the specific measures deployed, the framing from NNPC suggests that progress is being attributed to coordinated efforts rather than any single intervention. The ability to hold losses at near-zero levels over time will be the true test of whether the gains are durable or episodic.

For the broader Nigerian energy sector, the implications are considerable. Reduced pipeline losses translate directly into higher volumes of crude reaching export terminals, improving throughput metrics for operators and increasing the attractiveness of incremental upstream investment. A more secure pipeline corridor also lowers the operational risk premium that international service companies must factor into project economics when evaluating Nigeria engagements. Sustained improvement could accelerate final investment decisions on projects that have been deferred in part due to infrastructure vulnerability.

Norwegian service companies monitoring Nigeria should treat this development as a positive directional signal while applying measured caution. The Niger Delta security environment has seen cycles of improvement followed by renewed disruption, and the NNPC report does not provide independent verification or a timeframe for how long near-zero losses have been maintained. That said, if the trend holds through 2025, it materially strengthens the case for re-engaging Nigeria as a priority market across subsea, FPSO, and pipeline service segments.

Why this matters to partners and clients of Saga

A stabilising pipeline security environment in Nigeria directly improves the business case for Norwegian service companies considering new bids or partnerships in the upstream and midstream sectors. Companies in subsea integrity, pipeline inspection, and FPSO operations should monitor whether near-zero loss levels are sustained over multiple quarters before committing resources. This is a market to watch closely and re-evaluate in H2 2025 rather than act on immediately.

PARTNER ANGLES

- **Pipeline:** Improved pipeline security creates an opening for integrity management and inspection service providers to pitch long-term maintenance contracts to NNPC and IOC operators.
- **Subsea/FPSO:** Reduced theft-related production disruption strengthens the economics of deepwater and shallow-water tiebacks that depend on stable pipeline offtake routes to shore.

- **Drilling:** A lower infrastructure risk premium could accelerate sanctioning of deferred well programmes in the Niger Delta, creating drilling campaign opportunities.
- **Service:** Pipeline surveillance technology providers — including fibre-optic monitoring and drone inspection — should approach NNPC with solutions that help institutionalise the security gains already achieved.

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