

AFRICAN ENERGY CHAMBER

São Tomé and Príncipe Offers 85% Stake in Three New Offshore Blocks

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São Tomé and Príncipe has formally launched a competitive tender for three new upstream blocks — blocks 7, 8, and 9 — offering international oil companies an 85% participating interest, one of the most operator-friendly fiscal structures currently on offer in West Africa. The tender has been issued with the active support of the African Energy Chamber, which is positioning the island nation as an underexplored frontier with material deepwater potential adjacent to the proven hydrocarbon systems of the Gulf of Guinea.

The 85% equity stake on offer is a deliberate signal from Libreville-aligned São Tomé authorities that they are willing to accept minority government participation in exchange for attracting credible upstream operators with the capital and technical capacity to move quickly from exploration to appraisal. The island state has long sat in the shadow of larger Gulf of Guinea producers such as Nigeria, Equatorial Guinea, and Gabon, but its exclusive economic zone overlaps geological trends that have yielded significant discoveries elsewhere in the basin. The Joint Development Zone shared with Nigeria has historically been the focal point for investor attention, but blocks 7, 8, and 9 represent sovereign São Tomé acreage with a streamlined regulatory pathway.

For the international service sector, the sequencing of events matters: a successful licensing round draws in E&P operators, and operators mobilise service company expenditure. If one or more credible IOCs or independent operators secure acreage in this round, the next 24 to 36 months would typically see seismic acquisition campaigns, followed by well planning and, ultimately, exploration drilling. São Tomé's

limited onshore infrastructure and small local service base means that virtually all technical and logistical support would need to be sourced regionally or internationally, creating early entry points for companies with West Africa operational footprints.

The African Energy Chamber's involvement adds promotional weight to the tender, though observers will note that São Tomé has previously struggled to convert licensing interest into committed drilling programmes. The 85% equity offer addresses one historical barrier — fiscal terms — but operators will also scrutinise data room quality, seismic coverage, and the country's regulatory stability before committing. Norwegian service companies tracking West Africa should monitor which E&P names emerge as frontrunners in this round, as operator identity will largely determine the procurement standards, contracting models, and technology requirements that follow.

Regionally, São Tomé sits within workable logistics range of established West African hubs including Port Gentil, Malabo, and Lagos, making it feasible for companies already operating in those markets to extend coverage without establishing a full in-country presence from scratch. The blocks' offshore nature and the island's limited local content obligations at this stage of development make this a relatively accessible entry point for international subsea, drilling, and marine service providers once a committed operator is confirmed.

Why this matters to partners and clients of Saga

Norwegian service companies should register this tender as a watch item rather than an immediate action, monitoring which IOC or independent operator secures acreage before mobilising business development resources. If a credible operator commits to an exploration well, the offshore-only nature of the blocks and São Tomé's thin local service base create direct openings for Norwegian subsea, drilling, and well services firms already active in the Gulf of Guinea. Companies with existing West Africa infrastructure in Nigeria, Gabon, or Equatorial Guinea are best positioned to extend coverage cost-effectively.

PARTNER ANGLES

- **Drilling:** Monitor operator awards closely — a first exploration well on sovereign São Tomé acreage would require a jack-up or semi-submersible mobilised from the Gulf of Guinea rig market, favouring contractors with regional presence.
- **Subsea/FPSO:** Early-stage frontier acreage means subsea and FPSO players are at minimum a decade out, but establishing data-room familiarity and operator relationships now positions companies for concept-select conversations if discovery is confirmed.
- **Service:** Seismic acquisition is the likely first spend cycle post-award; well services and mud-logging companies should engage with any incoming operator during their initial technical programmes to establish preferred-vendor status.
- **Pipeline:** São Tomé's island geography makes any future gas monetisation dependent on LNG or subsea export infrastructure; pipeline and flow assurance specialists should track basin-level discovery trends to anticipate long-lead planning requirements.
- **LNG:** If exploration confirms commercial gas volumes, São Tomé's remote location makes small-scale or floating LNG the most credible monetisation route, creating a niche opportunity for Norwegian LNG technology and FLNG advisory firms.

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

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