

AFRICAN ENERGY CHAMBER

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

Saga deep read · 08 May 2026 · Score 50

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São Tomé and Príncipe has launched a formal bid round for three new offshore blocks — Blocks 7, 8, and 9 — offering international oil companies (IOCs) an 85% participating interest, in what represents one of the most operator-friendly fiscal terms seen in West African upstream licensing in recent years. The African Energy Chamber has backed the initiative, signalling institutional support for the small island nation's efforts to attract upstream investment and monetise its offshore hydrocarbon potential.

The bid round marks a significant step for São Tomé and Príncipe, a nation that has long been on the periphery of West African upstream activity despite its location in the prolific Gulf of Guinea. Neighbouring acreage in Nigerian and Equatorial Guinean waters has yielded commercially significant discoveries, and São Tomé and Príncipe's offshore geology is considered broadly analogous. The 85% IOC stake is a deliberate signal that the government is prioritising capital attraction over near-term state revenue maximisation — a pragmatic approach for a frontier jurisdiction with limited drilling history.

Blocks 7, 8, and 9 are understood to be deepwater or pre-salt prospective acreage, consistent with the geological trends dominating exploration interest across the central Gulf of Guinea. While specific block coordinates and resource estimates have not been disclosed in the current announcement, the African Energy Chamber's endorsement suggests the terms have been structured to be competitive with

comparable frontier licensing rounds across the basin. Interested parties are invited to submit bids, with the process still in its early stages.

For the upstream community, São Tomé and Príncipe presents both opportunity and risk. The country has a limited regulatory and operational track record, and any successful exploration campaign would require substantial infrastructure development from scratch — including subsea production systems, floating production solutions, and export infrastructure. However, the generous equity offering could attract smaller independent operators or farm-in partners willing to take on frontier risk in exchange for significant upside exposure. The African Energy Chamber's involvement may also help streamline engagement with the national oil company and government counterparts.

Norwegian service companies monitoring West African frontier plays should register this bid round as an early-stage watch item. If an IOC or independent commits to an exploration programme, the activity timeline would likely run three to five years before any drilling decision, giving the supply chain adequate lead time to position. The deepwater Gulf of Guinea context means that subsea, drilling, and FPSO capabilities will all be relevant when the market matures. Early relationship-building with prospective operators bidding on these blocks would be a low-cost, high-optionality move at this stage.

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

Norwegian service companies should log this bid round and identify which IOCs or independents submit applications — those firms become priority relationship targets for early subsea, drilling, and FPSO conversations. Given the frontier nature of the acreage, no immediate tendering is anticipated, but early positioning with winning bidders is the correct play. Companies with Gulf of Guinea deepwater references are best placed to engage credibly.

#### **PARTNER ANGLES**

- **Subsea:** Deepwater Gulf of Guinea geology makes subsea tieback and umbilical systems highly probable for any commercial development; early front-end studies could be offered to winning bidders.

- **FPSO:** Absence of existing export infrastructure means any discovery would almost certainly require a floating production solution, making FPSO operators and leasing companies natural early-stage partners.
- **Drilling:** Frontier exploration drilling in deepwater São Tomé waters will require specialised rigs; Norwegian drilling contractors with Gulf of Guinea track records should monitor IOC award announcements.
- **Pipeline:** If multiple blocks are developed, subsea pipeline and flowline infrastructure connecting to a central FPSO or export terminal will be required, representing a bundled scope opportunity.
- **Service:** Well services companies offering reservoir evaluation, logging, and testing should target the independents most likely to bid, as frontier wells will require comprehensive data acquisition programmes.

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

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## Saga Advisory

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