

AFRICA OIL+GAS REPORT · NIGERIA

Nigeria IOC Divestments Stall on NUPRC Approval Delays, Predictability Concerns

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The divestment of upstream oil and gas assets by International Oil Companies (IOCs) in Nigeria has become an established trend, reshaping the country's upstream sector as majors exit legacy onshore and shallow-water positions in favour of independent and indigenous acquirers. However, a critical bottleneck has emerged in the regulatory process managed by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC): the time required to secure approvals between a transaction being agreed and its formal conclusion.

According to a review by Africa Oil+Gas Report, NUPRC has the legislative and technical tools to process divestment approvals, but the regulator has yet to translate those capabilities into a predictable, time-bound approval framework. For buyers, sellers, and third-party service providers seeking to plan operational transitions, this unpredictability introduces meaningful commercial and financial risk. Transactions that are commercially agreed can remain in regulatory limbo for extended periods, delaying the transfer of operatorship and the commencement of new development programmes.

The concern is not merely procedural. When approval timelines are uncertain, capital deployment decisions are deferred. Incoming operators — often Nigerian independents or mid-cap E&P companies — may be unable to secure financing, finalise work programmes, or engage service contractors until regulatory clearance is confirmed. This creates a cascading effect: fields that IOCs have already de-

prioritised sit in a transitional grey zone, with neither the outgoing operator investing meaningfully nor the incoming operator empowered to act. The result can be production decline at assets that, under new ownership with a focused development mandate, could be revitalised.

The article frames the issue as one of institutional maturation. NUPRC, established under Nigeria's Petroleum Industry Act (PIA), has a mandate to bring order and efficiency to upstream regulation. Meeting that mandate on divestment approvals would require the Commission to publish and adhere to defined review timelines, establish clear documentation requirements upfront, and communicate transparently with transacting parties on the status of applications. These are achievable administrative improvements that do not require new legislation — they require process discipline and stakeholder engagement.

For the broader Nigerian upstream sector, improving divestment approval predictability has systemic importance. A functioning secondary market in upstream assets encourages IOCs to divest more efficiently, allows indigenous companies to build operational scale, and keeps producing assets in active development rather than managed decline. International service and equipment companies also benefit from clarity: a confirmed operator transition signals when procurement cycles will open, when rig contracts may be tendered, and when subsea or infrastructure scopes will be defined. Without regulatory predictability, that forward visibility disappears, making Nigeria a harder environment in which to plan resource allocation.

Why this matters to partners and clients of Saga

Norwegian service companies monitoring Nigerian asset transitions should treat NUPRC approval timelines as a leading indicator for when new operators will open procurement cycles. Until approval predictability improves, partners are advised to maintain relationships with both incoming indigenous operators and their financial backers rather than waiting for formal tender announcements. Tracking specific divestment applications through NUPRC's pipeline will allow earlier positioning when clearances are granted.

PARTNER ANGLES

- **Drilling:** Incoming Nigerian independents acquiring IOC assets will require drilling campaigns to arrest production decline — monitoring NUPRC approval clearances gives early warning of when rig tendering is likely to commence.
- **Subsea/FPSO:** Divested offshore assets may require new FPSO arrangements or subsea intervention programmes once operatorship transfers; Norwegian FPSO operators and subsea contractors should identify which assets are in transition and engage incoming operators early.
- **Service:** Well services and production optimisation companies can position with indigenous acquirers during the regulatory waiting period, when new operators are planning but not yet executing, to secure preferred supplier status ahead of first-mover competitors.
- **Pipeline:** Onshore and shallow-water asset transfers often involve renegotiation of pipeline access and tariff arrangements; Norwegian pipeline integrity and inspection firms should monitor which divested assets face infrastructure gaps that new operators must resolve.
- **LNG:** Gas-rich assets being divested may present monetisation opportunities for incoming operators with LNG or gas-to-power ambitions, creating potential demand for Norwegian gas processing and compression expertise once regulatory transitions are completed.

[Original source: Africa Oil+Gas Report →](#)

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