

ENERGIES MEDIA · NIGERIA

Shell divests Nigeria Gas unit to Vaaris Energy

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Shell Petroleum B.V., the Dutch-registered subsidiary of the British energy major, has announced the divestment of Shell Nigeria Gas Limited to local Nigerian company Vaaris Energy. The transaction was announced on 13 October 2026, continuing Shell's broader strategic withdrawal from Nigerian downstream and midstream gas assets.

Shell Nigeria Gas Limited was established in 1998 and has since built a business supplying natural gas to industrial and commercial customers across three Nigerian states: Ogun, Abia, and Rivers. These states represent a cross-section of Nigeria's industrial heartland — Ogun hosts significant manufacturing activity on the Lagos periphery, Rivers is the centre of Port Harcourt's oil-services economy, and Abia anchors commercial activity in the southeast. The portfolio therefore serves a geographically distributed customer base with varied end-use profiles across sectors likely to include manufacturing, power generation, and process industries.

Vaaris Energy, the incoming owner, is a Nigerian entity, and the deal follows a pattern that has become well established in Nigeria's energy sector: international majors exiting operating assets and transferring ownership to indigenous companies, partly in response to regulatory pressure under Nigeria's Petroleum Industry Act and partly reflecting the majors' global portfolio rebalancing toward fewer, larger positions. Shell has been one of the most active divestors in Nigeria over recent years, having already moved to exit several onshore and shallow-water positions in the Niger Delta. The Nigeria Gas transaction extends that footprint reduction into the downstream gas distribution segment.

The article does not disclose the financial terms of the transaction, nor does it specify whether regulatory approvals from the Nigerian Upstream Petroleum Regulatory Commission, the Nigerian Midstream and Downstream Petroleum Regulatory Authority, or other relevant bodies have already been secured or remain pending. The instrument at this stage is a divestment announcement, not a completed and ratified transfer, and the deal's effective close date has not been reported.

For the Nigerian gas market, the transaction raises practical questions about continuity of supply to the existing industrial and commercial customer base in Ogun, Abia, and Rivers states. Vaaris Energy will inherit an operating gas distribution network with established offtake relationships, and its capacity to maintain and potentially expand that infrastructure will be a key variable for the industrial clients currently dependent on Shell Nigeria Gas supply.

Why this matters to partners and clients of Saga

This divestment is a change-of-ownership event at the midstream gas distribution level, not a new upstream or infrastructure development contract, so Norwegian service companies should monitor rather than pursue procurement outreach at this stage. The relevant watch point is whether Vaaris Energy, as a new and presumably growth-oriented indigenous operator, moves to expand the gas distribution network in Ogun, Abia, or Rivers states — which could open demand for pipeline integrity, metering, compression, or small-scale LNG supply chain services. Relationship-building with Vaaris Energy's technical leadership now, while the asset transition is fresh, is the pragmatic near-term action.

PARTNER ANGLES

- **Pipeline:** Vaaris Energy's takeover of a multi-state gas distribution network may trigger rehabilitation or expansion of onshore pipeline infrastructure — monitor for tenders once operational control transfers.
- **LNG:** Industrial gas customers in Abia and Rivers states are geographically close to Nigeria's LNG and CNG distribution corridor; if Vaaris pursues supply diversification, small-scale LNG logistics expertise becomes relevant.

- **Service:** Pipeline integrity, metering calibration, and gas quality monitoring services will be needed as a new operator inherits ageing Shell-era distribution assets across three states.
- **Subsea/FPSO:** No direct subsea or FPSO angle in this transaction; Nigerian offshore activity should be tracked separately through Shell's ongoing upstream divestment programme.

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Saga Advisory

General: info@saga-advisory.com · saga-advisory.com

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