

OIL FIELD AFRICA REVIEW · SOUTH AFRICA

IOCs urge South Africa to fix upstream licensing delays

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International oil companies operating in South Africa have called on government to streamline regulations and resolve appeal-related licensing delays that are suppressing upstream investment, according to statements made during a panel discussion at African Energy Week (AEW) 2026. The session was sponsored by the South African National Petroleum Company (SANPC), signalling that the national petroleum body is actively engaging with industry concerns at the highest level.

Industry leaders on the panel identified regulatory bottlenecks and the drawn-out appeals process around licensing as the primary structural barriers preventing capital from entering South Africa's upstream sector. While the article does not specify individual companies by name, the fact that major international producers collectively raised these issues in a formal, SANPC-sponsored forum gives the grievances institutional weight and suggests coordinated lobbying is underway.

South Africa's upstream sector has long been regarded as underlicensed relative to its geological prospectivity, particularly offshore on the southern and western margins. Regulatory unpredictability — including licensing rounds that stall at the appeals stage — has been a persistent disincentive for the long-cycle capital commitments that deepwater and frontier exploration require. The AEW panel discussion reflects a broader industry push to shift the conversation from aspiration to actionable reform, with the SANPC's involvement suggesting the government is at minimum willing to hear the case for change.

For the service and supply sector, the near-term read is cautious. No blocks have been awarded, no contracts signed, and no final investment decisions announced as part of this story. What the AEW discussion represents is an early-stage policy dialogue — important to track, but not yet a procurement trigger. If regulatory reforms gain traction and licensing accelerates, South Africa could emerge as a meaningful upstream market within a three-to-five-year horizon, particularly for offshore-capable service companies already active elsewhere on the continent.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor South Africa's regulatory reform process closely, particularly any government response to the IOC demands raised at AEW 2026, as liberalised licensing could open offshore exploration campaigns requiring subsea, drilling, and well services capacity. No procurement outreach is warranted at this stage — the story is a policy dialogue, not a contract or tender. Saga Advisory recommends relationship-building with SANPC and attending follow-on AEW sessions where reform commitments may be made explicit.

PARTNER ANGLES

- **Drilling:** Monitor South Africa licensing reform; accelerated block awards could trigger exploration drilling campaigns requiring mobile rig capacity in the medium term.
- **Subsea/FPSO:** If regulatory unlocking proceeds, South Africa's frontier offshore acreage could require subsea tie-back and FPSO solutions — position early in the cycle with SANPC and operator relationships.
- **Well Services:** Regulatory clarity would lower the barrier for IOCs to commit to exploration wells; well services firms should track which operators hold existing but stalled licences.
- **Pipeline:** Upstream growth in South Africa would eventually require export and gathering infrastructure; pipeline firms should watch for development licence awards downstream of any exploration success.

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