

NEWS AGENCY OF NIGERIA - OIL & GAS (NIGERIA) · NIGERIA · PIPELINE

NNPC sustains naira-for-crude supply to Dangote

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NNPC Ltd. is maintaining crude oil deliveries to Dangote Refinery under the approved naira-for-crude arrangement, Group Chief Executive Officer Bayo Ojulari confirmed, while also reporting improvements in domestic pipeline availability across Nigeria's midstream network.

The naira-for-crude framework, under which NNPC supplies crude to Dangote Refinery in local currency rather than dollars, represents a deliberate policy effort to reduce Nigeria's foreign exchange burden on refined product imports. Ojulari's statement signals that the arrangement remains operationally active, a point of ongoing scrutiny given earlier friction between NNPC and the Dangote refinery over pricing terms and supply reliability. The confirmation that pipeline availability has improved alongside this supply commitment suggests NNPC is working to align upstream delivery capacity with refinery feedstock requirements.

Dangote Refinery, with a nameplate capacity that positions it as one of the largest single-train refineries globally, is central to Nigeria's ambition to reduce refined product imports and stabilise domestic fuel prices. Consistent crude supply through functioning pipeline infrastructure is a prerequisite for the refinery to operate at commercially meaningful throughput levels. Any disruption in pipeline availability or crude allocation directly affects whether the refinery can displace imported petrol and diesel at scale.

For Nigeria's midstream pipeline sector, the operational signal from Ojulari is meaningful. It indicates that NNPC is prioritising the domestic crude logistics

corridor — from producing fields and terminals to the Lekki refinery — as a strategic asset rather than a residual one. Improved pipeline availability, if sustained, reduces the reliance on trucking and coastal shipping as workaround logistics, both of which add cost and inefficiency to the supply chain.

The broader investment climate context matters here. Nigeria's downstream and midstream sectors have historically suffered from underinvestment in pipeline integrity, metering, and anti-theft infrastructure. A sustained improvement in pipeline availability, even if incremental, points toward conditions where third-party pipeline service providers, inspection companies, and integrity management specialists could find growing commercial opportunity. The political commitment embedded in the naira-for-crude arrangement also reduces one layer of offtake uncertainty for operators considering midstream exposure in Nigeria.

Why this matters to partners and clients of Saga

This story is at an early operational-confirmation stage — no tender, contract, or FID is referenced — so Norwegian service companies should monitor rather than engage procurement channels directly. The reported improvement in pipeline availability and the sustained crude supply corridor to Dangote Refinery are signals worth tracking for pipeline integrity, inspection, and metering service opportunities as NNPC's midstream focus sharpens. Relationship-building with NNPC's midstream and infrastructure divisions, and with Dangote Refinery's technical procurement teams, is the appropriate near-term action.

PARTNER ANGLES

- **Pipeline:** Improved pipeline availability on NNPC's domestic crude corridors may create near-term demand for integrity inspection, leak detection, and pigging services as throughput volumes to Dangote increase.
- **Service:** Metering and flow assurance specialists should monitor NNPC's midstream investment programme, as sustained crude delivery commitments typically require upgraded custody transfer and measurement infrastructure.

- **Subsea/FPSO:** If NNPC expands offshore crude lifting to supplement pipeline supply to Dangote, floating storage and offloading logistics providers may see incremental demand on established Nigerian deepwater fields.
- **Drilling:** Sustained refinery feedstock demand from Dangote reinforces the commercial case for maintaining or increasing Nigerian crude production, supporting continued drilling activity in the Niger Delta and offshore basins.

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