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Nigeria approves offshore incentives targeting \$50bn

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Nigeria has approved a new package of offshore oil and gas incentives designed to attract up to \$50 billion in investment, according to Egypt Oil & Gas. The move signals a deliberate effort by Abuja to reposition the country's upstream offshore sector as a competitive destination for international capital following years of underinvestment and policy uncertainty.

The approval of the incentive framework represents a policy instrument — not a signed contract or field development sanction — and its practical effect will depend on how quickly operators translate improved fiscal terms into concrete investment decisions. The specific content of the incentives, including details on tax relief, royalty adjustments, or production-sharing modifications, was not detailed in the source article, but the headline target of \$50 billion underscores the scale of capital Nigeria's government is attempting to mobilise for its offshore basin.

Nigeria's offshore sector has faced prolonged stagnation, with major international oil companies divesting onshore and shallow-water assets while deepwater projects have struggled to reach final investment decision under previously unfavourable fiscal and regulatory conditions. The Petroleum Industry Act, passed in 2021, laid groundwork for reform, and this new incentive package appears to be a further step in operationalising that framework to make offshore blocks more commercially viable for both IOCs and independent operators.

For the broader service and supply chain ecosystem, the significance of this development lies in what it could unlock downstream. If the incentive package

succeeds in drawing IOC or independent operator commitments to new offshore acreage or stalled developments, demand for drilling rigs, subsea infrastructure, FPSO conversions, and well services would follow. Nigeria already has an established offshore service market with active FPSO deployments and subsea tiebacks, meaning mobilisation timelines for suppliers with existing in-country presence could be shorter than in frontier markets. The \$50 billion figure, if achieved over a multi-year cycle, would represent one of the largest offshore investment programmes on the African continent.

Why this matters to partners and clients of Saga

This is a policy approval — not an FID, contract, or open tender — so direct procurement outreach is premature. Norwegian service companies should monitor which operators respond to the incentive package by announcing new offshore commitments or reactivating stalled projects, and use this window to strengthen relationships with both IOC and independent operator teams active in Nigeria. When specific field development plans or licensing-round announcements emerge, that is the trigger for active positioning.

PARTNER ANGLES

- **Subsea/FPSO:** Track which stalled deepwater or pre-salt projects are reactivated under the new fiscal terms, as these would require FPSO solutions and subsea tieback engineering.
- **Drilling:** Improved fiscal terms could increase rig demand in Nigerian waters; monitor operator announcements for new exploration or appraisal drilling programmes.
- **Well Services:** An uptick in offshore well activity — exploration, appraisal, or workover — would drive demand for completion and stimulation services across Nigeria's offshore blocks.
- **Pipeline:** New field developments unlocked by the incentive package may require export pipeline or riser infrastructure, particularly for gas-prone offshore discoveries.
- **LNG:** If the incentives encourage gas-focused offshore development, there may be downstream opportunities linked to Nigeria LNG expansion or new floating LNG concepts.

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