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Nigeria pushes Shell for Bonga SW FID by 2027

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Nigeria is offering fiscal incentives to Shell in a bid to secure a final investment decision on the Bonga South West deepwater project before the end of 2027, according to reporting by the Journal of Petroleum Technology. The move signals Abuja's intent to unlock one of the country's most significant undeveloped deepwater assets and reverse a years-long stall on the project.

Bonga South West is a deepwater development in the Niger Delta offshore region operated by Shell, and its FID has been repeatedly delayed over cost, fiscal terms, and commercial alignment between the Nigerian government and the operator. By pressing for a 2027 deadline and attaching incentive packages to the negotiation, Nigeria is signalling that it views the project as a priority for sustaining deepwater production levels as existing fields mature. The specific nature of the incentives has not been detailed in the source article.

For the Nigerian upstream sector, a positive FID on Bonga South West would represent one of the most consequential greenlight decisions in West African deepwater in recent years. The project would require substantial subsea infrastructure, a production vessel, and an extended supply chain mobilisation, making the timing of any FID directly relevant to service and equipment companies that need lead time to position resources and capacity in the region.

The pressure from the Nigerian government also reflects a broader pattern across African producer states seeking to accelerate project timelines before the global energy transition reshapes the economics of long-cycle deepwater developments.

Whether Shell responds positively to the incentive package will depend on internal capital allocation priorities and its assessment of the fiscal terms on offer. No contract awards, tenders, or procurement processes have been announced at this stage — the story remains at the negotiation and political commitment phase.

For Norwegian service companies tracking West Africa, Bonga South West represents a project worth monitoring closely. If Shell moves toward FID, the subsequent FEED and procurement phases would open significant opportunities across subsea systems, FPSO integration, drilling, and well services. The window between now and a potential 2027 FID is the right period for relationship-building with Shell's project development and supply chain teams rather than formal tender engagement.

Why this matters to partners and clients of Saga

No procurement process is open at this stage — Bonga South West remains at the government-operator negotiation phase ahead of any FID. Norwegian service companies in subsea, FPSO, and drilling should monitor Shell's project development pipeline and use this period to establish or reinforce relationships with Shell's supply chain and FEED contractors. Formal outreach to procurement is premature until FID is confirmed and FEED/EPC scopes are released.

PARTNER ANGLES

- **Subsea/FPSO:** A Bonga South West FID would trigger major subsea production system and FPSO contracts — Norwegian firms should track Shell's FEED contractor selection as the earliest procurement signal.
- **Drilling:** Deepwater appraisal and development drilling campaigns would follow any FID; rig owners and drilling service companies should position early with Shell's well planning teams.
- **Well Services:** Completions, subsea well intervention, and umbilicals scope would be substantial on a project of this scale — begin mapping Shell's preferred vendor lists now.
- **Pipeline:** Flowline and riser systems for a deepwater tieback of this nature represent meaningful pipeline engineering scope; monitor FEED contractor appointments for entry points.

- **LNG:** Associated gas handling and any export infrastructure decisions linked to Bonga SW production could create downstream LNG-adjacent opportunities depending on field development concept selected.

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