

The Association of Local
Distributors of Gas (ALDG)
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DOWNSTREAM GAS

ASSOCIATION OF LOCAL DISTRIBUTORS OF GAS (ALDG) PUBLICATION | 2026 EDITION

INSIDE NIGERIA ENERGY ORDER

How Local Players are Shaping Demand and Infrastructure

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ABOUT THE ALDG

The Association of Local Distributors of Gas (ALDG) was established to support activities across the natural gas distribution value chain, foster the growth of gas distribution businesses in Nigeria, and promote the safe transmission, distribution, and utilisation of natural gas.

Our Objectives



Regulatory Advocacy

Regulatory advocacy by effective engagement with regulatory bodies, relevant Government MDAs and key stakeholders.



Natural Gas Utilisation

Deepen Natural Gas utilisation and champion gas-based industrialisation.



Promote Best Practices

Promote best practices in gas sector operations and management

Membership Criteria

Membership is open to all players in the downstream gas distribution and supply value chain, including those operating via physical pipelines or virtual pipelines (CNG & LNG), as well as companies providing EPC services or involved in the development of natural gas distribution infrastructure and gas trading.

Our Members



For enquiries, please contact: admin@aldg.org.ng

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John Kadiri
EXECUTIVE SECRETARY

The Secretariat
The ALDG Secretariat is responsible for the day to day running of the Association under the supervision of the Executive Secretary who is the principal officer.



Lekan Adekeye
BOARD MEMBER

ALDG ACTIVITIES

ALDG Engages Stakeholders at Kogi State AKK Business Development Forum.

Our delegation attended the Kogi State AKK Business Development Forum, an important platform showcasing the business opportunities emerging from the 614km Ajaokuta–Kaduna–Kano (AKK) Gas Pipeline.

The forum highlighted Kogi State's strategic position as a central hub along the pipeline and explored opportunities for industry growth, investment, and expanded gas utilisation.



ALDG Participates in Strategic Kick-Off of Nigeria's Mobility-CNG Framework. We were a key participant at the Mobility-CNG Supply Framework Kick-Off Event, which marked the official launch of a concessionary gas pricing structure aimed at making Compressed Natural Gas (CNG) more accessible and affordable for Nigeria's autogas sector.



ALDG COURTESY VISITS



The Association of Local Distributors of Gas (ALDG) recently paid a courtesy visit to the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) to introduce the newly constituted ALDG Board formally and to strengthen engagement between the two bodies.



The Governing Board of the ALDG, led by Chairman Kehinde Alabi, alongside Board Members Audrey Joe-Ezigbo, Sumeet Singh, Olakunle Williams, Ehizogie Nekpen Olotu (representing Ralph GBOBO), and Oga Adejo-Ogiri, paid a strategic visit to Olalekan Ogunleye, Executive Vice President, Gas, Power & New Energy at the Nigerian National Petroleum Company Limited (NNPC Ltd).



ALDG & Decade of Gas Secretariat Strengthen Collaboration on Domestic Gas Infrastructure

Discussions focused on strengthening collaboration to expand domestic gas supply infrastructure, including gas distribution pipelines, CNG, and domestic LNG facilities, needed to meet the growing demand for gas across the commercial, industrial, and transportation sectors.

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Foreword



“I am pleased to unveil the second edition of the ALDG magazine, a strategic publication dedicated to advancing Nigeria’s downstream gas sector.”

“ALDG recognises that downstream infrastructure remains the critical bridge between Nigeria’s vast gas reserves and the industries, businesses, transportation systems, and households”

Nigeria stands at a pivotal moment in its energy transition journey. With one of the largest proven gas reserves globally, natural gas has become increasingly central to the nation’s aspirations for industrialisation, energy security and economic growth. Yet, unlocking the full potential of this enormous resources requires more than production growth alone. It requires coordinated infrastructure expansion, market reforms, operational efficiency, private sector participation, and stronger domestic gas utilisation.

This publication highlights the growing role of indigenous gas distributors, infrastructure developers, virtual pipeline operators, LPG marketers, CNG investors, LNG developers, embedded power providers, and industrial gas suppliers who are collectively driving Nigeria’s gas revolution from the downstream segment of the value chain.

As an association representing local gas distribution companies, we strongly believe that expanding pipeline networks, gas processing facilities, LNG and CNG infrastructure, city gas distribution corridors, and industrial gas supply networks will remain essential to achieving the objectives of the Decade

of Gas initiative and Nigeria’s long-term energy transition agenda.

Recent reforms under the Petroleum Industry Act, evolving domestic gas pricing frameworks, major indigenous acquisitions, and renewed investments across the gas value chain are reshaping the structure of Nigeria’s energy market. At the same time, persistent challenges around infrastructure deficits, liquidity constraints, supply bottlenecks, and market coordination continue to demand urgent and collaborative solutions.

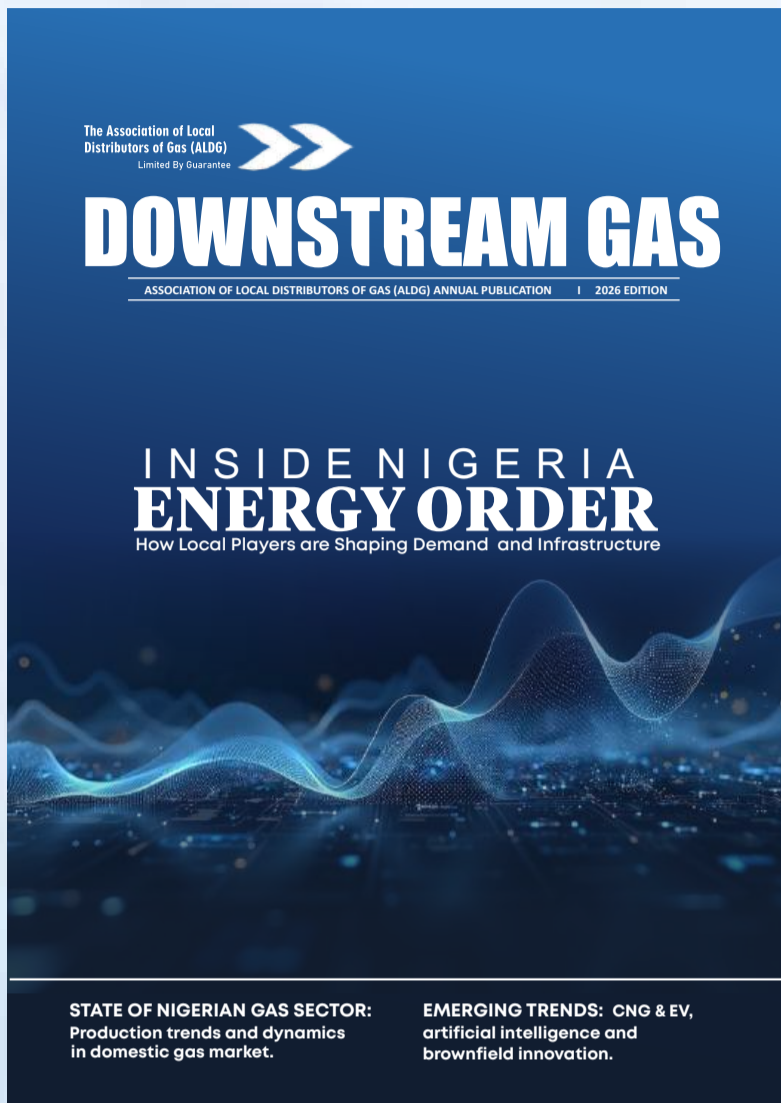
Through expert interviews, market intelligence, project analysis, expert commentary, and stakeholder perspectives, the ALDG Downstream Gas Publication aims to contribute meaningfully to industry development by fostering informed conversations and supporting evidence-based decision-making.

We trust that this publication will serve as a valuable resource for stakeholders across the energy landscape and contribute positively to the sustainable growth of Nigeria’s downstream gas sector.

John Kadiri,
Executive Secretary, ALDG



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DECADE OF GAS INTERVIEW



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INSIDE NIGERIA ENERGY ORDER



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ALDG BUSINESS FORUM

Advancing Nigeria's gas ambitions and industrialization

As Nigeria intensifies efforts to deepen domestic gas utilization and drive its energy transition agenda, the Association of Local Distributors of Gas (ALDG) Business Forum stands as Nigeria's most influential platform for dialogue, collaboration, and strategic action.

The annual forum brings together major industry stakeholders across the gas and energy value chain, creating a meeting point for policymakers, regulators, investors, and downstream gas operators committed to shaping the future of Nigeria's gas sector.

The ALDG event attracts high-level participation from industry leaders and key stakeholders, reflecting the growing importance of natural gas in Nigeria's economic and energy strategy. Executives, regulators, and decision-makers gathered to exchange insights, address pressing market challenges, and explore pathways to sustained growth in Nigeria's gas sector.

High-Level Participation and Strategic Panel Sessions

The ALDG event also features a strategic panel session with industry regulators and stakeholders. The discussions focus on key issues in the domestic gas market, including infrastructure gaps, regulatory alignment, market expansion, pricing structures, investment opportunities, and the development of scalable distribution systems capable of supporting increased gas adoption across the country.

The forum also demonstrates strong industry backing, reinforcing its reputation as a key gathering for players in Nigeria's downstream gas ecosystem. Major companies, including Tetracore, Axxela, Shell Nigeria Gas, NNPC Gas Marketing Limited, PTDF, Powergas, Bluebulb Financials Ltd, Highland LNG, Entec Power & Utilities Company Limited, Falcon Corporation Ltd, and Portland Gas Ltd, are among the notable sponsors at the event.

Beyond the discussions, the ALDG Business Forum continues to serve as a strategic platform for fostering partnerships, encouraging investment, and driving practical solutions that can strengthen Nigeria's gas infrastructure and energy security.

As Nigeria positions gas as a transition fuel for economic growth and industrial development, the ALDG Business Forum is increasingly becoming a catalyst for the conversations and collaborations shaping the future of the nation's energy landscape.





ALDG



Business Forum 2026

THEME



From Gas Abundance to Gas Access: Reassessing Nigeria's Gas Distribution Imperatives

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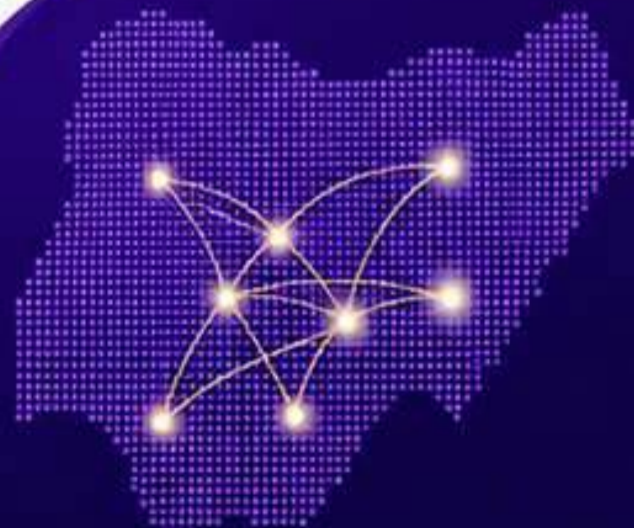
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By ALDG Editorial Team



NIGERIAN MIDSTREAM AND DOWNSTREAM PETROLEUM REGULATORY AUTHORITY (NMDPRA)

NMDPRA's Domestic Gas Pricing: Market Based or Cost Pressure?

Nigerian Midstream and Downstream Petroleum Regulatory Authority, NMDPRA, has announced a new domestic gas pricing, setting a benchmark of \$2.18 per MMBtu, effective April 1, 2026.

The adjustment, up from \$2.13/MMBtu, is modest in scale but significant in policy direction, reinforcing Nigeria's transition toward cost-reflective and market-based gas pricing, backed by the Petroleum Industry Act.

Policy Alignment and Pricing Structure

In its latest circular, NMDPRA confirmed that the new Domestic Base Price (DBP) represents the minimum threshold for gas sales within Nigeria's domestic market.

It also extends to other segments: commercial consumers will now pay \$2.68/MMBtu (up from \$2.63). At the same time, gas-based industries such as fertilizer and petrochemical producers will operate within a regulated band of \$0.90 to \$2.18/MMBtu.

The NMDPRA emphasized that the new pricing framework is anchored on statutory provisions, particularly Section 167(1) of the PIA, which mandates a structured, transparent, and market-aligned pricing regime. The DBP is designed to strike a balance between incentivizing upstream supply and maintaining competitiveness relative to peer gas-producing nations.

A Signal to Gas Producers

At the core of the adjustment is a long-standing structural challenge: inadequate domestic gas supply despite Nigeria's vast reserves.

Historically, lower domestic prices

have discouraged producers, who often prefer export markets—especially LNG—where returns are significantly higher.

By incrementally raising the DBP, NMDPRA aims to:

- ◀ Improve the commercial attractiveness of the domestic gas supply
- ◀ Reduce supply diversion to export markets
- ◀ Encourage voluntary participation by upstream producers

Power Sector Under Pressure

While the pricing reform may strengthen supply incentives, it simultaneously places additional strain on Nigeria's fragile power sector. Gas-fired plants generate the majority of the country's electricity, making gas pricing a critical factor for the power sector.

The timing of the increase is particularly sensitive. The power sector is currently burdened by severe liquidity constraints:

Approximately ₦3.3 trillion is owed by GenCos to gas suppliers.

However, the Federal Government has approved the payment for the long-standing debts in the power sector, under the Presidential Power Sector Financial Reforms Programme.

Implementation has begun at scale - 15 power plants have signed ₦2.3 trillion in settlement agreements. The Federal Government has already raised ₦501 billion to fund these payments, and ₦223 billion has already been disbursed, with further payments underway.

Furthermore, the government has also inaugurated a Gas-to-Power Monitoring Committee to tackle persistent gas supply issues disrupting electricity generation across the country. They will recommend mechanisms to guarantee payment for gas and improve overall sector sustainability.

The committee includes representatives from major stakeholders such as the Transmission Company of Nigeria, Nigerian Independent System Operator, Niger Delta Power Holding Company, and the Nigerian Gas Association, alongside other industry and consumer groups.

Balancing Investment and Affordability

From a policy standpoint, the NMDPRA's move reflects a delicate balancing act. On one hand, pricing must be attractive enough to:

- ◀ Sustain upstream investment
- ◀ Support infrastructure expansion
- ◀ Ensure long-term energy security

On the other hand, higher input costs risk cascading through the energy value chain, potentially leading to:

- ◀ Increased electricity tariffs
- ◀ Higher production costs for industries
- ◀ Broader inflationary pressures

The inclusion of a pricing band for gas-based industries suggests an attempt to shield strategic sectors from extreme volatility while maintaining overall market discipline.

Market Outlook

The increase to \$2.18/MMBtu may appear incremental, but it reinforces a broader reform trajectory. Nigeria is steadily moving toward a rules-based gas market where pricing reflects supply costs, global benchmarks, and investment realities.

However, pricing reform alone cannot resolve systemic inefficiencies. Its success will depend on parallel interventions, particularly:

- ◀ Clearing legacy debts in the power sector
- ◀ Strengthening payment discipline across the value chain
- ◀ Expanding midstream infrastructure to reduce bottlenecks

Conclusion

The NMDPRA's latest pricing adjustment underscores a pivotal shift in Nigeria's domestic gas policy—from state-controlled pricing toward a more market-driven framework. While the move is likely to improve supply incentives and investor confidence, it also exposes the liquidity challenges in the power sector.

Going forward, stakeholders will be watching:

- ◀ Whether further price adjustments follow
- ◀ How effectively does domestic supply improve
- ◀ Whether the power sector can absorb higher input costs

STATE OF NIGERIAN GAS SECTOR



Production trends and dynamics in domestic gas market

The Nigerian gas sector is moving toward incremental production, marked by renewed investment in the upstream sector and gas infrastructure development across the country. Industry report reveals that Nigeria's proven gas reserves have reached 215.19 TCF as of January 1, 2026. However, a significant portion of gas supplies is exported, tightening supply to the domestic market.

Gas Production Shows Resilience, But Below Potential

Nigeria's gas production rose from 6.8 billion cubic feet per day (bcf/d) in 2023 to 7.5 bcf/d in 2025, representing a significant increase over the period.

According to the NMDPRA data, associated gas accounted for 4.05 bscf/d, approximately 54% of total production, while non-associated gas contributed 3.41 bscf/d.

Despite this progress, the output is still far from monetizing the country's over 215 trillion cubic feet (TCF) of proven reserves - far below Nigeria's long-term target of 10–12 bcf/d by 2030.

In its report, the NMDPRA reveals that Nigeria's domestic gas supply is currently at 5.142 bcf/d, reflecting relative stability but also highlighting a gap between output and resource potential.

Exports Expand - But Volumes Unable to Meet Domestic Demand

While overall production trends upward, domestic gas availability isn't enough to meet the current demand.

Industry report also shows that a growing share of gas supply is being diverted to export markets, particularly liquefied natural gas (LNG).

Gas supply to NLNG stands at 3.129 Bscf/day, while the average daily gas supplied to domestic market is just 2.012 Bscf/day.

This shift underscores a widening imbalance between export-oriented growth and domestic energy needs.

Power Sector Hit By Gas Supply Shortfalls

The most immediate impact of reduced domestic supply is being felt in the power sector, which relies on gas for more than 70% of electricity generation. The Nigerian power sector is the biggest offtaker for domestic gas supply.

The gas supply to power sector is around 0.549 Bscf/day—limiting generation capacity and exacerbating electricity shortages.

Industry experts attribute the decline not only to supply constraints but also to persistent liquidity challenges. Mounting debts owed to gas producers and non-cost-reflective tariffs continue to discourage suppliers from prioritizing the domestic market.

Industrial Growth Stalls Amid Flat Supply

Gas supply to industrial consumers, including fertilizer plants, petrochemical facilities, and manufacturers, remained largely unchanged throughout this period. NMDPRA notes that the gas supply to commercial customers is currently at 0.671 Bscf/day, while gas supply to gas based industries stands at 0.468 Bscf/day. This stagnation signals a bottleneck in industrial expansion, as unreliable gas supply continues to constrain production capacity and deter new investment in gas-based industries.

Similarly, supply to commercial users showed volatility, particularly in emerging segments such as compressed natural gas (CNG) for transportation, highlighting uncertainty in supply chain management.

LPG Shortfall Drives Up Prices

Nigeria's cooking gas market also faced supply pressure. Liquefied petroleum gas (LPG) supply fell short of demand, with a deficit of roughly 400 metric tonnes per day.

By ALDG Editorial Team

According to the NMDPRA data, the average daily supply of LPG to domestic market is 4,545 mt/day, which is unable to meet the daily demand of 4,818 mt/day.

The shortfall has kept LPG retail prices high, ranging between ₦950/kg and ₦1,550/kg. As affordability declines, many households are reverting to traditional fuels such as firewood and charcoal.

Structural Constraints Undermine Domestic Allocation

The persistent decline in domestic gas supply points to deeper structural challenges, including inadequate infrastructure, limited processing capacity, and weak enforcement of domestic supply obligations.

Although the Petroleum Industry Act was designed to prioritize domestic gas market through regulatory mechanisms, current trends suggest that export-driven incentives are overshadowing these commitments.

Outlook: Balancing Growth and Domestic Needs

As Nigeria sets ambitious target to reach 12 bcf/d by 2030, supported by upstream investment and the ongoing gas infrastructure projects - AKK Gas pipeline, OB3 gas project, among others, which aims to boost domestic gas supplies once completed.

However, there is a need to address domestic market inefficiencies; the gap between export success and local energy access must be prioritized.

Resolving liquidity issues in the power sector, enforcing domestic supply obligations, and expanding midstream infrastructure will be critical to ensuring that increased production translates into broader economic benefits.

Assessing Nigeria's Gas Processing Infrastructure: Capacity growth and utilization rates

As Nigeria's gas sector builds momentum around incremental production, gas processing facilities are key enablers of sustained production, supported by a significant number of gas plants across the country.

Strategically located across the Niger Delta region, including Delta, Edo, Imo, and Rivers States, the Nigerian gas processing facilities comprise a combination of government-owned, joint venture, and indigenous-operated plants that process raw natural gas from both onshore and offshore fields, facilitating the processing of over 4 billion cubic feet per day of gas production.

These facilities play a critical role in processing raw natural gas, which includes the removal of impurities such as water, carbon dioxide, hydrogen sulfide, and other contaminants, while also separating valuable natural gas liquids (NGLs) such as ethane, propane, butane, and condensate for domestic utilization, export, and refining.

Major Gas Facilities and Utilization Rates

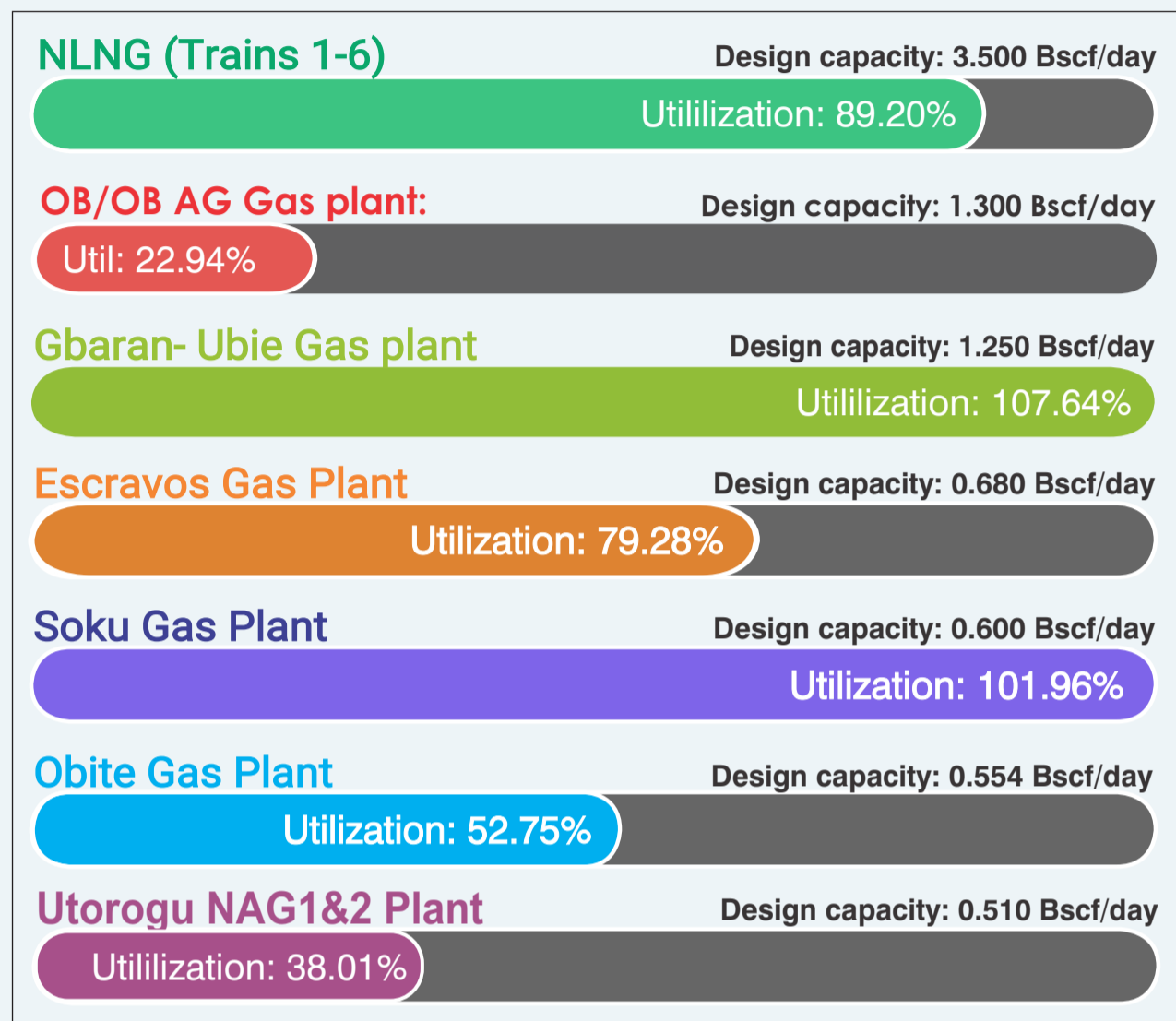
Despite the networks of gas processing plants in-country, the latest factsheet released by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) shows that several facilities remain under-utilized, particularly for domestic gas utilization.

The NMDPRA data also highlights the current operational status of Nigeria's critical gas processing plants, which include NLNG Trains 1–6, the Obiafu-Obrikom (OB/OB AG) gas plant, Gbaran-Ubie gas plant, Escravos gas plant, Soku gas plant, Obite gas plant, and the Utorogu NAG 1 & 2 plants.

According to the NMDPRA data, the only gas processing plants that exceed their utilization threshold are the Gbaran-Ubie and Soku gas plants.

Located in Bayelsa State, the Gbaran-Ubie gas plant, which has the processing capacity of 1.300 Bscf/day, surpassed its threshold and reached 107.64% utilization.

The Soku Gas Plant, located in Rivers State,



Source: NMDPRA factsheet

has also exceeded its utilization threshold and reached 101.96% of its design capacity of 0.600 Bscf/day. The plant is interconnected to the Obiafu-Obrikom-Oben pipeline system, enabling gas evacuation to NLNG and domestic markets.

The NMDPRA notes that NLNG Train 1-6 is capable of processing 3.500 Bscf per day, but the plant's utilization level stands at 89.20%.

In contrast, the Obiafu-Obrikom (OB/OB AG) gas plant in Rivers State, which has a design capacity of processing 1.300 Bscf/day, is operating below capacity, with utilization currently at 22.94%. The facility remains strategically important for gas supply to the domestic market.

In Delta State, the Escravos gas plant's utilization stands at 79.28%, despite being capable of processing 0.680 Bscf/day.

Furthermore, the Utorogu gas plant, located in Delta State, is capable of processing 0.510 Bscf/day; however, the plant utilization is currently 38.01%, operating below its design capacity.

By ALDG Editorial Team

More so, the Obite gas plant near the Delta-Rivers border in OML 58 processes gas from fields like Ubeta and supplies to both domestic markets and the Nigeria LNG facility. The plant is capable of processing 0.554 Bscf/day, but its utilization level is currently around 52.75%.

Experts say that the disparities across Nigeria's gas processing facilities highlight both the opportunities and structural bottlenecks within the gas value chain, particularly around domestic gas supply reliability.

Industry stakeholders also revealed that the under-utilized gas processing facilities are caused by a lack of feed gas availability, maintenance issues, and gas contract limitations. Other processing plants exceeding their utilization thresholds are driven by rising gas demand across multiple sectors.

They called for transparency and accelerated execution of key gas projects and contracts, urging the government to establish a clear and enforceable delivery framework to strengthen domestic gas availability and support long-term sector growth.

By ALDG Editorial Team

to ongoing deficiencies in gas gathering, processing, and transportation infrastructure—particularly in oil-producing regions where associated gas is produced.

The inability to capture and utilize associated gas forces operators to burn off excess volumes, representing both an economic loss and an environmental concern.

Industry experts emphasize that meaningful reductions in flaring will require accelerated investment in gas capture systems, including pipelines, compression facilities, and processing plants capable of integrating associated gas into the supply chain.

Implications for Domestic Supply and Growth Targets

The combined impact of high field use and gas flaring leaves just over 60% of Nigeria's gas production available for both domestic utilization and export markets.

This constraint has direct implications for key sectors such as Power generation, which depends heavily on domestic gas supply, including industrial sectors that also require steady feedstock availability and household energy access, particularly for cooking gas.

Furthermore, these inefficiencies pose a significant risk to Nigeria's long-term production target of 12 billion cubic feet per day (bcf/d) by 2030. Increasing gross output alone will not be sufficient if a large proportion continues to be internally consumed or lost.

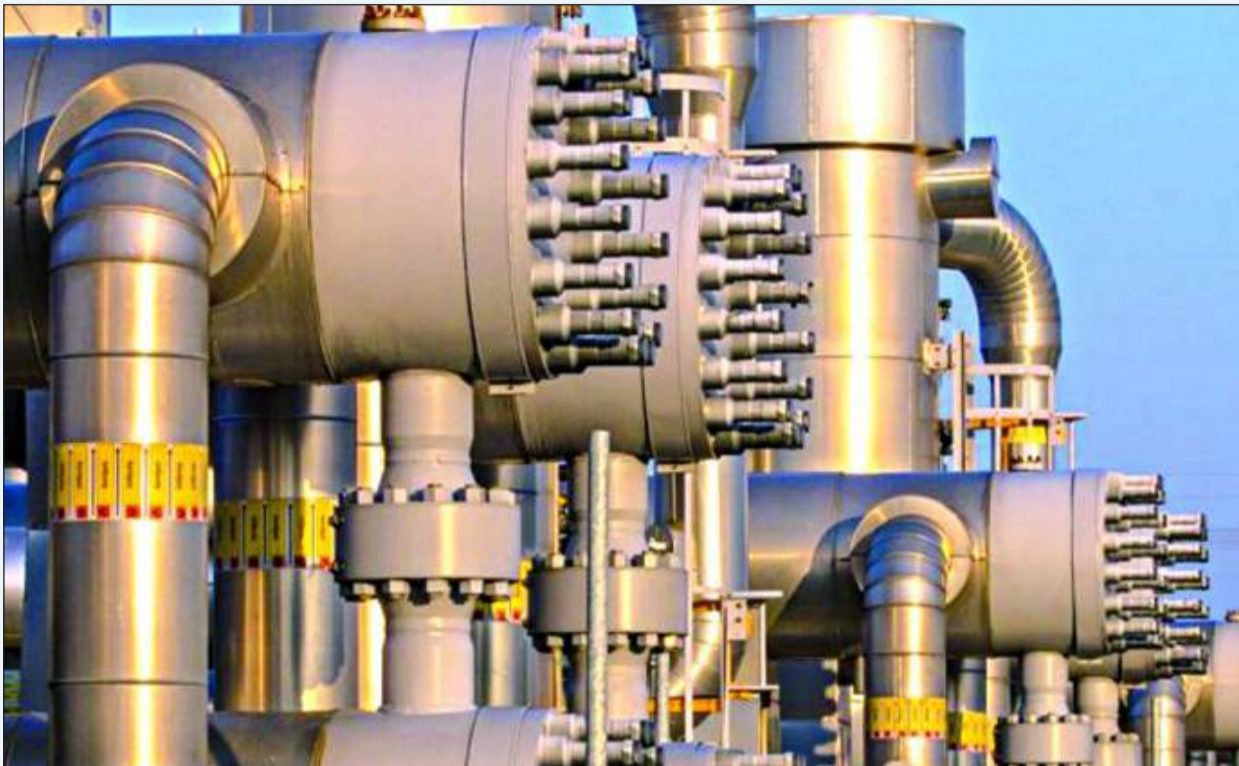
Outlook: Efficiency as the Next Growth Lever

As Nigeria seeks to position gas as a cornerstone of its energy transition and economic growth strategy, improving efficiency in upstream operations will be critical.

Addressing excessive field use and eliminating routine flaring represent some of the most immediate and cost-effective opportunities to boost available supply without requiring new project development.

Achieving this will depend on a combination of regulatory enforcement, targeted infrastructure investment, and technological upgrades across the gas value chain.

Ultimately, the path to unlocking Nigeria's gas potential lies not only in producing more but in ensuring that a greater share of what is produced reaches the domestic market.



Domestic Gas Shortfall: Field Use and Gas Flaring Weaken Supply Growth

Nigeria's ambition to deepen domestic gas utilization is at a crossroads, with structural challenges in upstream operations.

Recent data from the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) indicates that field use and gas flaring combined together accounted for as much as 38% of Nigeria's total gas output in 2025. This trend underscores a critical challenge: while production volumes are rising, effective supply to the domestic market remains constrained.

Excessive Field Use Signals Operational Inefficiencies

Field use is the volume of gas consumed within production sites to power operations. In Nigeria, field use averages around 30% of total gas output annually, with quarterly figures ranging between 23% and 32%.

This level is significantly higher than global benchmarks, where well-optimized operations typically maintain field use at approximately 10% of production.

The disparity highlights systemic inefficiencies in upstream infrastructure

and gas handling systems. Large volumes of gas are being diverted to on-site power generation, reinjection, and processing activities, rather than being commercialized.

While some degree of field consumption is unavoidable, the current scale in Nigeria suggests underinvestment in efficient energy systems, limited electrification of upstream facilities, and suboptimal gas recovery technologies.

Reducing field use through improved operational efficiency and infrastructure upgrades could unlock significant volumes for domestic consumption and even the export market.

Persistent Gas Flaring Reflects Infrastructure Gaps

In addition to field use, gas flaring continues to erode Nigeria's gas supply chain. NUPRC data shows that approximately 8% of total gas production is lost through flaring, with quarterly levels ranging between 7% and 9%. Nigeria flared more than 203.9 billion standard cubic feet of natural gas in 2025, according to the NUPRC full-year 2025 Gas Production Status Report.

Although flaring rates have declined over time, the persistence of this practice points



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AI FOR ENERGY:

How artificial intelligence can transform Nigeria's pipeline safety and emissions control

As Nigeria's gas sector grapples with increasing demand for domestic gas supply and emission reduction, a reliable energy infrastructure is a key enabler to boost the country's incremental production ambition.

Historically, Nigeria's gas infrastructure has operated under reactive maintenance systems in which equipment failures are addressed only after disruptions occur. This model is expensive, inefficient, and dangerous.

The recent explosion at the NNPC's Escravos–Lagos Pipeline System, located in South West Warri, Delta State, raises fresh concerns regarding the reliability of Nigeria's critical energy infrastructures. The pipeline stands as the backbone of Nigeria's domestic gas delivery architecture. Any disruption along the pipeline network has implications that extend beyond local communities — affecting electricity generation, industrial productivity, investor confidence, and national energy security.

While investigations are ongoing to identify the root causes for the explosion, the NNPC's preliminary statement referenced a "pressure drop consistent with a loss of containment," a phrase widely used in pipeline engineering to indicate that gas escaped from the system due to rupture, leakage, structural compromise, or external interference.

Industry experts generally classify pipeline explosions in the Niger Delta into five major categories, which include: Pipeline corrosion and infrastructure aging, sabotage and third-party interference, operational pressure surges and mechanical failure, environmental and geotechnical factors, maintenance gaps and lack of investments on pipeline optimization.

The explosion on the Escravos–Lagos Pipeline System highlights a growing reality in Nigeria's critical energy



infrastructure: traditional pipeline monitoring methods are no longer sufficient for modern risk environments.

Beyond the immediate damage, there are broader questions around what more can be done to prevent incidents like this and optimize pipeline infrastructures.

For Nigeria, artificial intelligence (AI) could become one of the most transformative tools in securing aging energy infrastructure, reducing sabotage, improving maintenance efficiency, and strengthening emergency response capabilities.

AI as the New Backbone of Pipeline Safety

Krishna Kishore, Senior Director – Solutions & Value Delivery at UptimeAI, a leading technology provider, said artificial intelligence is reshaping critical gas infrastructure management by moving beyond traditional predictive analytics into proactive engineering decision support.

"Legacy systems can detect anomalies, but they stop short of helping operators understand why something is happening or what action should be taken," Kishore stated.

Speaking about the company's AI agents in an interview with The Energy Republic, he noted that UptimeAI's Reasoning Agents continuously evaluate the operational environment across compressors, pipelines, gas processing plants, and reinjection

By Ndubuisi Micheal Obineme

systems. He explained that the company's AI platform uses adaptive baseline models that account for seasonal changes, operational load variations, and post-maintenance conditions that enable earlier and more accurate diagnostics on gas infrastructures.

In one of its deployments, Kishore revealed that UptimeAI successfully helped prevent a \$1.5 million compressor trip by identifying the root cause of an unexplained temperature increase in a reinjection compressor thrust bearing—demonstrating the value of full-system operational reasoning over isolated asset monitoring.

Strengthening Methane Emissions Prevention and Compliance

On methane emissions, he said that UptimeAI's AI Reasoning Agents integrate prevention, detection, monitoring, and reporting into a continuous intelligence-driven framework.

According to him, the UptimeAI's platform identifies early-stage equipment degradation—such as compressor seal wear, pressure instability, or abnormal vibration patterns—before methane leaks occur. Its AI-based soft sensors also estimate emissions behavior where physical sensors are limited, enabling continuous monitoring across critical assets.

"AI is helping the industry shift from periodic inspection-based emissions management toward continuous operational intelligence,"

he explained. “Operators gain visibility into the small percentage of assets and conditions responsible for disproportionately high emissions, enabling more targeted interventions and better capital allocation.”

Seamless Integration Across Existing Gas Infrastructures in Nigeria

According to Kishore, UptimeAI’s most significant ongoing engagement in Nigeria is with a top five energy companies and one of Nigeria’s leading indigenous operators. He noted that the initial deployment phase focuses on building the digital operational foundation required for intelligent infrastructure management. This involves integrating operational data sources, contextualizing critical assets, and creating early-warning intelligence systems capable of identifying operational anomalies before they escalate into failures.

“This first phase establishes the digital foundation by connecting operational data sources, contextualizing assets, and enabling early warning intelligence across critical equipment before progressively expanding into advanced AI Reasoning

Agents and decision intelligence workflows,” Kishore explained.

Managing Complex Gas Infrastructure at Scale
For Nigerian operators managing vast gas infrastructure networks, the implications are significant.

In many cases, operational complexity has outpaced the ability of traditional systems and manpower-heavy approaches to maintain optimal visibility and reliability.

However, Kishore stressed that UptimeAI’s platform addresses this challenge by bringing multiple operational layers into a unified intelligence environment.

According to him, the result is a more connected operational ecosystem where engineers and operators can identify emerging equipment risks earlier, respond faster to abnormalities, and make more informed decisions in real time.

AI as a Force Multiplier for Engineering Expertise

One of the biggest challenges facing energy companies globally — and particularly in rapidly expanding markets like Nigeria — is the growing gap between infrastructure scale and the availability of highly experienced

operational personnel. As companies acquire larger asset portfolios, maintaining international standards for reliability, emissions control, and operational performance becomes harder with leaner technical teams.

Kishore stated that the company’s AI-driven operational intelligence is helping close that gap.

“AI-driven operational intelligence helps scale expertise across the organization rather than relying solely on the availability of highly experienced personnel,” he stated.

Instead of replacing engineers, UptimeAI’s AI systems are designed to augment human expertise by digitizing institutional knowledge and standardizing operational decision-making processes. This allows operators to replicate best practices more consistently across geographically dispersed facilities while reducing dependence on a limited number of senior experts.

He added that the UptimeAI framework aligns with global compliance initiatives, including OGMP 2.0, EU methane regulations, ESG reporting requirements, and LNG export standards.

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Nigeria LNG export gains amid the Middle East conflict

Nigeria's gas sector is poised to benefit from strong global demand for LNG, even as structural imbalances continue to constrain supply to the domestic market, raising concerns about long-term energy security.

Industry experts say NLNG stands to gain from the ongoing Middle East conflict impacting global energy supply.

Nigeria Emerges as a Strategic Supplier

Despite the ongoing Middle East conflict, Nigerian LNG remains resilient. European buyers, in search of diversified and more secure energy sources, have increasingly turned to Nigeria as a reliable supplier.

Despite the domestic gas shortfalls, Nigeria's gas producers supplied 62 per cent of gas produced to foreign markets, according to industry report. The NMDPRA data also revealed that the LNG exported by NLNG have increased to 122,492 M/day (55,186 MT/day) — a 6.4% growth that outpaced domestic supply expansion.

Combined gas flows through the West African Gas Pipeline averaged around 0.130 Bscf/day, further reinforcing the outward orientation of Nigeria's gas utilization.

Justin Cochrane, African Upstream Regional Research Director at S&P Global Commodities Insight, said Nigeria is gaining

prominence as a critical supplier, and the scale of the global disruption in energy supply marks a turning point for NLNG.

Cochrane highlights that NLNG is now strategically positioned to fill part of the supply gap, as buyers in Europe and Asia seek to diversify away from the Gulf.

As a result of the Middle East conflict, nearly 20% of global LNG supply has been wiped out, reversing recent production gains from major exporters and pushing prices up across key consuming regions.

"This is not a temporary dislocation—it is a structural shock," he stated, emphasizing that the market is entering a prolonged phase of tight supply and intensified competition for cargoes.

The disruption has effectively shifted market power away from traditional Middle Eastern suppliers, accelerating a global realignment toward alternative sources. NLNG is playing a pivotal role in the global LNG supply chain.

S&P Global expert say the LNG supply opportunity extends beyond short-term revenue gains for Nigeria. According to him, it also presents a pathway to cement its reputation as a reliable, long-term supplier in an increasingly volatile energy environment.

He added that Nigeria's ability to fully

By ALDG Editorial Team

capitalize on the opportunity will be determined by operational and export capacity.

Balancing Export Revenues with Domestic Needs

Nigeria's expanding LNG exports offer a strategic opportunity to strengthen foreign exchange earnings and solidify its role in global energy markets. However, the current trajectory underscores the need for a more balanced approach to gas allocation in the domestic market.

Industry stakeholders said that without deliberate policy enforcement and infrastructure expansion, the growing trend toward exports could deepen domestic supply shortages and undermine broader economic development goals.

Outlook: Strategic Rebalancing Required

Looking ahead, Nigeria's gas sector is expected to maintain its export growth momentum, supported by sustained international demand. However, unlocking the full economic value of the country's vast gas reserves will depend on its ability to address domestic market bottlenecks.

Strengthening domestic gas infrastructure, improving market liquidity, and ensuring compliance with domestic supply obligations will be critical to achieving a more balanced and sustainable gas-powered economy.



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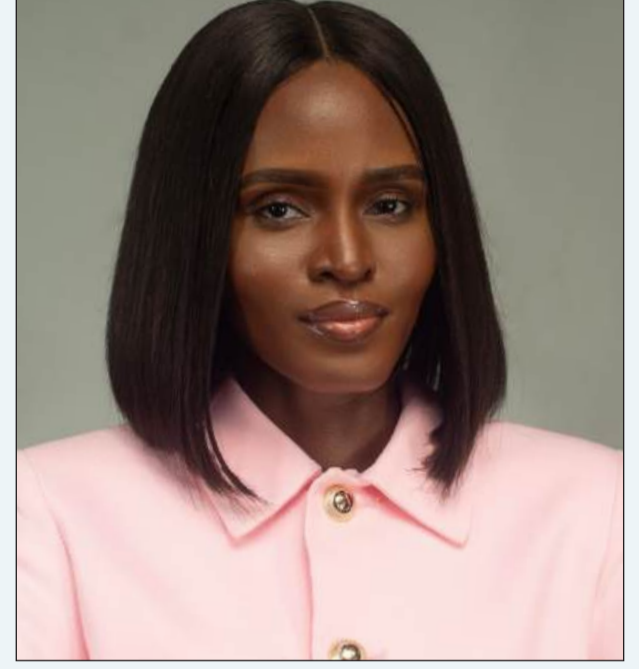
REGULATORY FRAMEWORKS



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FROM POLICY TO PRACTICE: Legal and Regulatory Drivers of Nigeria's Domestic Gas Market Under the PIA and Recent Executive Orders

By Aderemi Ogunbanjo, Sandra Osinachi-Nwadem, Olawunmi Abiola, Eyitayo Ajisafe, Oheji Emmanuel Iji, Taiwo Soyinka

Nigeria holds the largest proven gas reserves in Africa, estimated at over 206.53 trillion cubic feet (tcf), ranking among the top ten globally. Despite this abundance, the domestic Gas Sector has historically been underutilised, with a significant portion of produced gas either flared or exported, while domestic industries, including power generation, continue to face staggering supply constraints. This paradox underscores longstanding structural, commercial, and regulatory

inefficiencies that have limited the effective development of Nigeria's domestic gas market.

In response, the Federal Government has, in recent years, initiated a strategic policy shift from a predominantly oil-focused framework for the Energy Sector to a gas-driven development model. Central to this shift is the "Decade of Gas" initiative (2021–2030), which seeks to position gas as the primary fuel for Nigeria's economic transformation. Against this backdrop, the enactment of the Petroleum Industry Act ("PIA" or "the Act") 2021

and the introduction of subsidiary legislations and targeted Executive Orders represent significant legal and regulatory efforts deployed to stimulate growth in the domestic gas market. This article examines the extent to which these frameworks are translating policy ambitions into tangible market outcomes. It interrogates the effectiveness of the PIA and recent Executive Orders in driving domestic gas supply, infrastructure development, and investment, while highlighting the persistent gaps between policy formulation and practical implementation in Nigeria's evolving gas landscape.

Overview of the Petroleum Industry Act, Executive Orders, and Presidential Directives

Petroleum Industry Act 2021

The PIA constitutes the principal regulatory framework governing Nigeria's Oil and Gas Sector. Its enactment marked a significant overhaul of the existing regime under the Petroleum Act, introducing institutional and commercial reforms that have directly and indirectly strengthened gas development and utilisation in Nigeria. These include:

Value Chain Delineation and Regulatory Oversight

A central reform introduced by the PIA is the clear structuring of the petroleum value chain into upstream, midstream, and downstream operations, alongside the allocation of oversight functions to specialised regulators responsible for each segment, thereby replacing the previously overlapping mandates under the Department of Petroleum Resources (DPR).

The Nigerian Upstream Petroleum Regulatory Commission ("NUPRC") oversees upstream operations, including gas exploration and production, while the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("NMDPRA") regulates midstream and downstream operations, such as gas processing, transportation, and distribution.

This institutional clarity enables more focused and technically specialised and segment-specific oversight of each segment, addressing longstanding challenges such as regulatory overlap, delays in approvals, and policy inconsistency within the gas sector. It also establishes a stronger foundation for effective regulation and tailored licensing regimes for gas development, while supporting the introduction of investor-friendly frameworks and ensuring compliance with regulatory standards and industry best practices across the value chain. However, the effectiveness of this delineation ultimately depends on inter-agency coordination, which remains an evolving aspect of implementation.

Supporting Architecture to Boost Domestic Gas Supply

The PIA introduces targeted legal and regulatory mechanisms aimed at strengthening domestic gas supply, notably through the Domestic Gas Delivery Obligations ("DGDO") and enhanced gas flare elimination and monetization measures.

The DGDO establishes a structured framework for the annual allocation of gas volumes to producers for delivery (directly or indirectly) to wholesale customers in designated strategic sectors, including power generation, the commercial sector, and gas-based industries. It replaces the pre-PIA Domestic Gas Supply Obligation ("DGSO"), which was largely policy-driven and undermined by weak enforcement, uncertainty, and pricing distortions. In contrast, the DGDO is backed by clearer enforcement mechanisms, including a penalty of US\$3.50 per MMBtu for supply shortfall, alongside potential restrictions on export activities.

Further regulatory support is provided under the Domestic Gas Delivery Obligation Regulations 2022, which empower the NUPRC to impose on lessees, obligations to drill new wells, optimise existing assets, and undertake the development of transportation and pipeline infrastructure in consultation with the Midstream and Downstream Gas Infrastructure Fund ("MDGIF").

The PIA also strengthens the framework for gas flare elimination and monetisation through clearer delineation of institutional roles and enhanced regulatory tools. The NUPRC and the NMDPRA are each empowered to regulate flaring within their respective segments of the value chain, enabling more tailored oversight.

Regulations introduced by the NUPRC and NMDPRA grant them the right to take flare gas at no cost and to issue Permits to Access Flare Gas to third parties for commercialisation projects. Penalties stipulated for gas flaring have further incentivised compliance and supported commercialisation efforts.

These reforms have delivered measurable progress in gas development and supply. The NUPRC reported a DGDO performance level of 72.5% as of July 2025, reflecting a high compliance rate.

Gas utilisation has also increased, with domestic gas sales rising to 64,206.09 MMSCF in January 2025, compared to 49,310.73 MMSCF in January 2022. Over the same period, the proportion of gas flared declined from 8.28% to 7.92% of total production, indicating slow but steady progress in flare reduction. Complementing these efforts, the Nigerian Gas Flare

Commercialisation Programme ("NGFCP"), relaunched in 2022, has expanded third-party participation in gas monetisation. As of 2025, 49 flare sites had been auctioned, with Permits to Access Flare Gas granted to 28 successful bidders.

Strategic Shift towards Liberalised Gas Pricing

Historically, extensive government intervention in gas pricing and allocation distorted market dynamics and discouraged private sector investment. The PIA seeks to correct these inefficiencies while maintaining a balance between incentivising supply and ensuring affordability for the domestic market.

To achieve this, Section 167 of the PIA empowers the NMDPRA to determine the Domestic Base Price ("DBP") for natural gas supplied to designated strategic sectors. The DBP is guided by clearly defined principles set out in the Third Schedule of the PIA, including the need to encourage voluntary supply by upstream producers, benchmark pricing against comparable gas-producing emerging nations, and allow for periodic adjustments to reflect inflation. In addition, the DBP is set as the lower of the export parity price and the domestic supply price, ensuring that domestic pricing remains competitive without undermining supply incentives.

Importantly, this regulated pricing applies only to marketable natural gas sold within the strategic sectors, preserving price flexibility in other areas.

The Gas Pricing and Domestic Demand Regulations 2023 also provide further clarity on market regulation by distinguishing between the regulated and unregulated segments of the gas market and establishing the applicable rules for each.

The PIA further adopts a relatively defined approach to liberalisation by setting out conditions under which price regulation in strategic sectors will be gradually phased out. This creates a clear pathway towards the emergence of a fully competitive gas market.

Supporting Framework for Third-Party Access and Infrastructure Development

The PIA establishes a structured framework to optimise the use of existing gas infrastructure and accelerate new investments, aimed at strengthening the domestic gas market.

A key feature of this framework is the integration of third-party and open access principles into the licensing regime for critical gas infrastructure, including gas transportation pipelines, transportation networks, processing and storage facilities, and distribution systems.

The PIA also embeds existing frameworks, such as the Nigerian Gas Transportation Network Code, within this regime. The PIA ensures that third parties can access infrastructure on regulated terms.

To promote third-party access on fair, transparent, and non-discriminatory terms, the PIA introduces supporting measures, including the determination of tariff methodologies for gas transportation pipelines and networks by the NMDPRA, as well as the mandatory publication of applicable tariffs by operators.

Collectively, this open access framework enhances transparency, reduces barriers to market entry, prevents monopolistic control, and promotes optimal and efficient utilisation of existing infrastructure. With respect to infrastructure development, the PIA introduces the Midstream and Downstream Gas Infrastructure Fund (“MDGIF”).

The MDGIF serves as a government-backed investment vehicle designed to support midstream and downstream gas projects through strategic equity participation. By sharing project risk, the MDGIF is intended to attract private capital into infrastructure segments that may otherwise be considered high-risk. Its investment focus spans gas processing, transportation, storage, flare utilisation, and retail infrastructure, including auto-gas distribution and refilling facilities.

Since its operationalisation in 2024, the MDGIF has recorded measurable progress in advancing infrastructure development. Reports indicate that over N287 billion has been committed across more than 62 projects.

By 2025, several supported projects had reached completion or commissioning stages, including CNG refuelling infrastructure deployed across key Nigerian universities by Femadec Energy Limited. However, the operational dynamics and funding structure of the MDGIF may be influenced by subsequent policy developments, particularly Executive

Order 9 of 2026, which mandates the centralised remittance of petroleum sector revenues into the Federation Account. This shift in revenue custody has implications for existing funding and disbursement frameworks under the PIA, including mechanisms through which statutory funds such as the MDGIF are financed and administered.

Clear and Defined Fiscal Regime

The PIA introduced a comprehensive fiscal framework to support gas development and domestic utilisation, primarily set out in Chapter IV and the Fifth, Sixth, and Seventh Schedules. While these provisions have since been deleted from the PIA by amendment through the Nigerian Tax Act (“NTA”), they have largely been retained in the NTA, either in their original form or with modifications.

The NTA strengthens the fiscal environment for gas development and utilisation by introducing targeted incentives designed to improve project viability and attract investment across the value chain.

Key measures include a performance-based incentive of an annual 5% economic development tax credit for a period of 5 years on qualifying capital expenditure for priority gas infrastructure, including processing facilities, gas-based power plants, and gas pipeline, transportation, and distribution systems.

In addition, investors in gas pipeline projects benefit from a five-year tax relief period following the expiration of an economic development incentive certificate, providing longer-term fiscal stability.

To incentivize domestic supply, the fiscal regime also offers a reduced royalty rate of 2.5% on chargeable volumes for in-country use, compared to the 5% rate applicable to natural gas and natural gas liquids. Further cost relief is provided through the exemption of feed gas from value-added tax, which reduces input costs for processing activities.

Furthermore, as previously provided under the PIA, the NTA also provides hydrocarbon tax exemptions for certain categories of associated and non-associated gas operations, gaseous natural gas liquids, and condensates produced at both field and processing facilities.

Executive Orders and Presidential Directives Recent Executive Orders and Presidential Directives have been introduced to enable

a more friendly environment for investment, mainly through fiscal mechanisms. They include:

Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order, 2024

The Order establishes a targeted fiscal incentive framework designed to improve the commercial viability of gas-focused upstream and midstream investments. It introduces a range of incentives, designed to de-risk capital-intensive projects, particularly in the non-associated gas (“NAG”) segment.

For onshore and shallow water greenfield NAG projects, the Order provides a tax credit ranging from US\$0.50 to US\$1.00 per thousand cubic feet, or 30% of the fiscal gas price, where first gas is achieved on or before 1 January 2029. For similar projects with commercial production commencing after this date, a tax allowance of US\$0.50 per standard cubic feet, or 30% of the fiscal gas price, applies. These measures directly improve project economics and incentivise early investment in gas development.

In addition, the Order provides a 25% investment allowance to companies on qualifying capital expenditure for the acquisition of plant and equipment for both new and existing midstream gas projects.

Notably, the tax credit and allowance provisions for greenfield NAG projects have since been incorporated into Section 85 of the NTA, reinforcing their continuity within the broader fiscal regime.

Presidential Directive on Local Content Compliance Requirements, 2024

This Directive introduces a more pragmatic approach to local content requirements in Nigeria’s oil and gas sector, implemented by the Nigerian Content Development and Monitoring Board (“NCDMB”).

A key feature of the Directive is its recognition of existing capacity gaps in the domestic market, particularly for specialised services. It therefore encourages a more flexible application of local content requirements, taking into account the availability of in-country expertise. It also directs the NCDMB to implement local content requirements in a manner that does not obstruct investment flows or undermine the cost competitiveness of the oil and gas industry. This is particularly significant for the gas segment, where large-scale infrastructure development is still emerging and often depends on specialised technical inputs.



By permitting measured reliance on foreign service providers where necessary, the Directive reduces execution constraints, supports timely project delivery, and enhances the overall attractiveness of gas investments, while maintaining the broader objective of developing indigenous capacity over time.

Presidential Directive on Reduction of Petroleum Sector Contracting Costs and Timelines, 2024

This Directive was introduced to promote transparency and efficiency, and to encourage investment in the Petroleum Sector. It focuses primarily on contracts executed pursuant to Production Sharing Contracts (“PSCs”) and Joint Operating Agreements (“JOAs”) involving the Nigerian National Petroleum Company Limited (“NNPCL”).

A key reform under the Directive is the requirement for an increase in approval thresholds for contract awards, with only contracts of USD 10 million and above requiring NNPCL’s approval. This would reduce administrative bottlenecks and allow lower-value contracts to proceed more efficiently in gas operations. The Directive also requires the extension of the duration of third-party contracts awarded pursuant to a PSC or JOA from three to five years with a possible two-year renewal, thereby providing greater contractual stability and improving project planning.

In addition, the Order introduces strict timelines for approval, requiring the NNPCL and National Upstream Investment Management Services (“NUIMS”) to provide contract approval within 15 days, failing which approval is deemed granted. In addition, it stipulates a maximum timeline of 15 days for NCDMB to grant approval or consents in response to applications where no timeline has been stipulated by law.

Overall, the Directive is designed to reduce bureaucratic delays, lower contracting costs, and enhance Nigeria’s competitiveness as an investment destination in the global petroleum industry, particularly in relation to time-sensitive gas development projects.

Upstream Petroleum Operations (Cost Efficiency Incentives Order, 2025)

This Order introduces a Cost Efficiency Incentive (CEI) framework aimed at reducing high operating costs in Nigeria’s upstream petroleum sector and improving global competitiveness. The Order seeks to promote cost discipline, streamline contracting processes, maximise economic value from petroleum operations, and incentivise companies that achieve or exceed prescribed cost reduction targets set by the NUPRC.

Under the Order, the NUPRC is required to set annual unit operating cost benchmarks and reduction targets for onshore, shallow water, and deep offshore operations. Companies that perform below target costs would be eligible for tax credit incentives, calculated in accordance with the prescribed formula and capped at 20% of a company’s annual tax liability for that year.

The Order also mandates annual performance reviews, verification of production data, and publication of qualifying companies, thereby strengthening transparency. By directly incentivising cost optimisation in upstream activities, including gas production, the Order could foster more competitive pricing across the gas value chain.

Shortcomings

Despite the gains recorded through the various frameworks introduced by the PIA, large-scale outcomes remain constrained by persistent infrastructure deficits. Limited pipeline capacity, inadequate processing

facilities, and underdeveloped distribution networks continue to hinder the effective movement of gas, creating a disconnect between expectations based on established legal frameworks and operational realities.

While the DGDO has improved gas availability through clearer enforcement mechanisms, its effectiveness is tempered by commercial risks, particularly payment uncertainties in the Power Sector, legacy debts, and pricing concerns. In addition, delays in the implementation of initiatives such as the NGFCP have also contributed to weakening investor confidence.

On the fiscal and administrative front, uncertainties persist regarding the extent to which Executive Orders and Presidential Directives can be relied upon for large-scale gas infrastructure investments, given their susceptibility to modification or reversal upon a change in administration. In contrast, the recently introduced NTA aims to enhance project economics to strengthen investor appetite, particularly for midstream and non-associated gas developments. However, the extent to which these fiscal reforms will translate into sustained investment and measurable outcomes remains to be seen.

Conclusion

Nigeria’s domestic gas market reforms reflect a decisive shift from policy ambition to a more structured legal and regulatory framework, driven primarily by the PIA and reinforced by targeted executive interventions. While these frameworks have significantly improved regulatory clarity, fiscal attractiveness, and investor confidence, their practical impact remains gradual rather than transformative. This suggests that although mechanisms such as the DGDO, market-based pricing, open access regimes, and fiscal incentives have laid a credible foundation for growth, persistent challenges, particularly infrastructure deficits, commercial risks in key sectors like power, and implementation inefficiencies, continue to constrain full realisation of these reforms.

Accordingly, the transition from policy to practice is underway but incomplete; achieving a truly functional and scalable domestic gas market will depend on sustained infrastructure development, stronger market discipline, and consistent regulatory execution and institutional coordination to bridge the gap between legal design and operational reality.



Kehinde Alabi, ALDG Board Chairman, and Managing Director, Axxela Gas Distribution

"Infrastructure financing, regulatory stability key to deepen domestic gas utilization" – Alabi

ALDG: What's your assessment of the current state of Nigeria's gas sector, and how is Axxela powering gas-based industries across the country?

Alabi: Nigeria's gas story remains one of extraordinary promise, but also of developing infrastructure. The country's resource base is unquestionably strong: the Nigerian Upstream Petroleum Regulatory Commission has placed proven natural gas reserves at 210.54 trillion cubic feet as of January 2025, reaffirming Nigeria's position as Africa's largest gas reserve holder and one of the most significant gas provinces globally. The central issue, therefore, is not resource scarcity; it is the pace at which gas can be processed, transported, and delivered reliably to domestic demand centres.

In that context, Axxela has played a pioneering role in deepening domestic

gas utilisation. Through sustained private-sector investment over more than two decades, the business has developed an extensive gas distribution footprint across key industrial corridors, especially in Lagos, Ogun, and Port Harcourt, helping to connect manufacturers, commercial customers, and industrial clusters to a cleaner and more competitive source of energy. Its continued expansion in Nigeria underscores the importance of private infrastructure developers in translating Nigeria's gas potential into real economic value.

The practical impact is clear:

- Manufacturers now spend less on energy compared to other alternatives.
- Factories can boast of more stable power for production.
- Businesses can expand operations with lower operating costs.
- Cleaner fuel use has reduced emissions compared to heavy fuel oil and diesel.

Across sectors such as fast-moving consumer goods, manufacturing, pharmaceuticals, and food processing, the availability of gas infrastructure has helped strengthen production economics and improve resilience. Beyond the factory gate, the wider social benefits include job preservation and creation, stronger industrial activity, and the gradual emergence of cleaner energy ecosystems in major commercial hubs.

Overall, the sector's outlook is fundamentally positive, but execution remains decisive. Nigeria must continue to move from a resource-rich gas nation to an infrastructure-enabled gas economy. That transition will require policy consistency, asset security, investable midstream frameworks, and continued collaboration among government, regulators, producers, transporters, and distribution companies such as Axxela.

ALDG: What are the major challenges affecting companies like Axxela in the domestic gas market, and how is the company bridging the gap in the domestic gas market?

Alabi: The domestic gas market is constrained by a familiar set of structural challenges: insufficient midstream infrastructure, periodic supply disruptions, security risks around critical assets, and a financing environment in which interest rates and currency pressures materially raise the cost of long-term investment.

Demand for gas is not the problem. In fact, industrial and commercial users increasingly recognise gas as a cleaner, more efficient, and more commercially rational energy option. The challenge is building enough dependable infrastructure to meet that demand at scale.

Axxela's response has been to invest deliberately across the value chain where it can create the greatest impact. That includes expanding gas distribution infrastructure, supporting processing capacity, and deploying virtual pipeline solutions to extend access beyond the footprint of conventional pipelines.

This is particularly important in a market like Nigeria, where physical pipelines will remain the backbone of the sector, but flexible delivery models are also required to accelerate market penetration. In practical terms, our approach is to reduce the distance between available gas and paying demand, while improving reliability for customers that depend on gas for production, power, and competitiveness.



Axxela's natural gas city gate facility in Ibe fun, Ogun state

ALDG: What is the single biggest bottleneck to scaling domestic gas utilisation: infrastructure financing, security, customer conversion costs, or gas availability + stability?

Alabi: If one is compelled to identify the single most consequential bottleneck, it is infrastructure financing. Nigeria does not lack gas molecules, and market appetite for conversion is steadily improving. What remains insufficient is the scale of finance required to build the transmission, processing, storage, and distribution assets that turn reserves into a reliable domestic supply.

Security, customer conversion costs, and supply stability are all important considerations, but many of these issues become more manageable when the underlying infrastructure base is robust, well-financed, and properly interconnected.

In other words, infrastructure is the anchor variable; several of the other constraints are, to a significant extent, downstream consequences of inadequate infrastructure depth.

For that reason, the sector needs patient, long-tenor capital; a stable foreign exchange environment; market-reflective commercial frameworks; and regulatory predictability that gives investors confidence in cost recovery over time.

Where those conditions exist, capital will flow.

Where they do not, even a resource-rich market can struggle to unlock its full domestic value. That is why financing is not merely a commercial issue; it is a strategic enabler of Nigeria's gas-based industrial future.

ALDG: Which specific policies are needed to attract more private capital into the domestic gas sector? Where do you see potential opportunities across the gas value chain?

Alabi: In order to attract more private capital into the domestic gas sector, Nigeria must continue to strengthen four policy fundamentals: regulatory certainty, commercial clarity, efficient permitting, and investment protection. Investors are willing to back gas infrastructure where the rules are clear, approvals are timely, pricing frameworks are credible, and there is confidence that capital can be recovered over the life of the asset.

In practical terms, that means consistency in implementation of the Petroleum Industry Act, disciplined regulation across the midstream and downstream space, and policy continuity that survives electoral cycles.

As for opportunities, they are broad and compelling across the value chain. Upstream gas development remains important, but some of the most immediate opportunities lie in gas processing, transmission pipelines, city and industrial distribution networks,

gas-to-power infrastructure, and virtual pipeline solutions for mobility and off-grid demand.

In my view, the winning opportunities will be those that combine strong demand anchors with scalable infrastructure and disciplined execution.

ALDG: What is your outlook for the Nigerian gas sector in the next five years?

Alabi: My outlook for the Nigerian gas sector over the next five years is constructive and strategic. I believe we are entering a period in which gas will move from being widely acknowledged as important to being more visibly embedded in industrial policy, power security, transport decarbonisation, and national competitiveness. That progression will not be automatic, but I firmly believe that it is headed in the right direction.

Several forces are converging in support of that outlook: the economics of fuel switching are becoming more compelling; industries are under pressure to improve cost efficiency and reduce emissions intensity; and public policy is increasingly aligned with deeper domestic gas utilisation. These are powerful demand-side and policy-side signals that should continue to stimulate private investment.

We have also seen meaningful institutional progress. The Decade of Gas initiative has helped establish gas as a central pillar of national development, while the Petroleum Industry Act has improved the framework for investment and sector governance. On the infrastructure side, strategic backbone projects such as AKK and OB3 remain critical to improving connectivity and supply reliability across the country, and recent progress on those systems is encouraging. The more Nigeria can translate policy intent into operating infrastructure, the stronger the sector's long-term trajectory will become.

If the country sustains momentum on infrastructure delivery, financing reform, and market discipline, Nigeria can credibly position gas as a foundational enabler of industrialisation, energy security, employment creation, and broader economic resilience. In my view, the next five years are not simply about sector growth; they are about whether Nigeria can convert gas abundance into a measurable national advantage.



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Reassessing Nigeria's energy policy: Rapid adoption of coal undermines Nigeria's gas-led energy transition - Kadiri

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ALDG: What's your assessment regarding the state of the Nigerian gas sector?

Kadiri: The Nigerian gas sector has carried the same narrative of unrealized potential for far too long. With proven reserves of 215.54 trillion cubic feet as of January 2026, the gap between what Nigeria holds and what it actually utilizes remains one of the most frustrating paradoxes in African energy.

However, I believe we are genuinely at a tipping point. Global instability around fossil fuels has reinforced the need for natural gas to be our preferred energy source. As a fuel for power generation, a feedstock for gas-based industries, an energy source for transportation and cooking, gas is the most practical path to protecting our economy from external shocks while driving growth from within.

From a policy and regulatory standpoint, there is real cause for optimism. The Petroleum Industry Act of 2021 brought much-needed regulatory clarity, transforming NNPC from a combined player-and-regulator into a strictly commercial entity. The Decade of Gas Initiative set an ambitious mandate to increase production and build a gas-powered economy by 2030, while the Presidential Initiative on Compressed Natural Gas and Electric Vehicles has helped roll out refueling infrastructure and expand conversion access in ways that are meaningfully deepening domestic gas utilization.

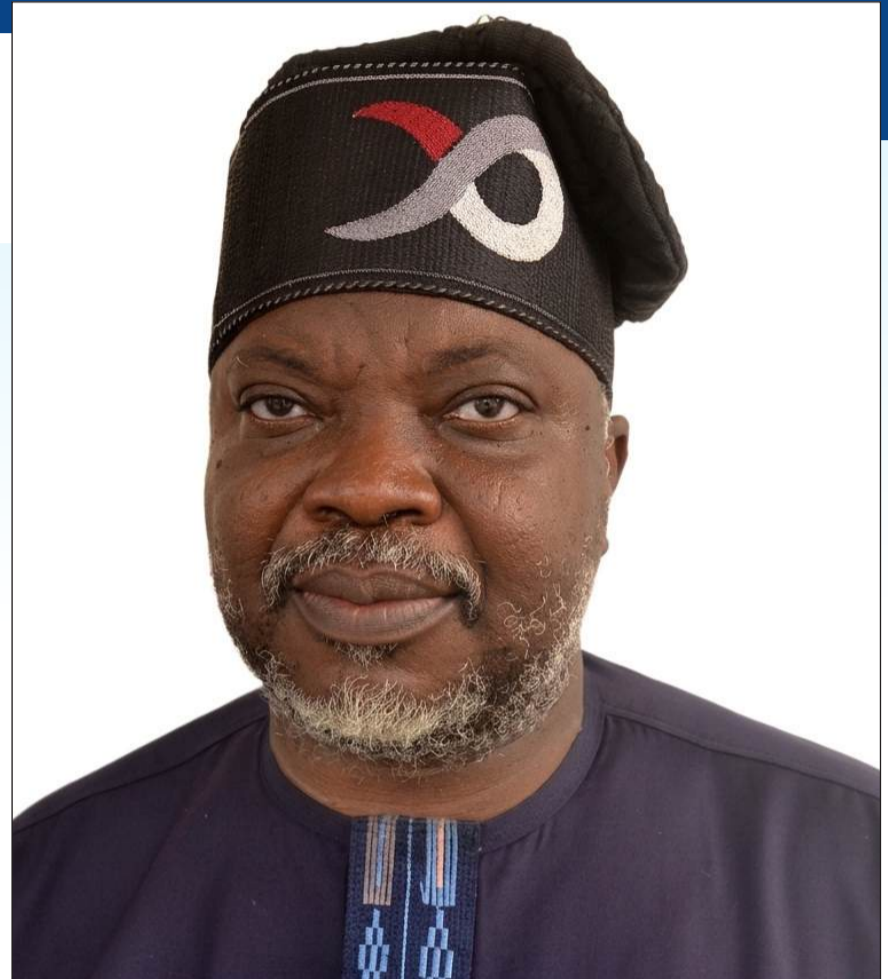
ALDG: What are the issues and challenges facing the domestic gas market, and how would you evaluate the market opportunities in-country?

Kadiri: The challenges are well known and, for many of our members, felt daily. But let me focus on the issues most critical to gas distributors, since that is where our mandate sits.

Funding remains the most critical constraint. Patient, long-tenure capital — the kind that fits the economics and timelines of natural gas infrastructure is increasingly scarce, whether from global development financiers or local banking consortia. Without it, viable projects stall at the development stage, and the market suffers.

Infrastructure is the second major gap. The absence of adequate gas distribution networks limits the ability of distributors to move gas efficiently from producers to commercial offtakers. The Nigerian Gas Transportation Network Code provides a framework for third-party access to public pipeline infrastructure, but transparency and genuine open access remain inconsistent in practice.

Layered on top of this is a licensing and permitting regime defined by complexity. Smaller indigenous operators who lack the administrative



**John Kadiri, ALDG Executive Secretary,
and MD/CEO, Alpha Maxvalue
Energy and Renewables Ltd**

capacity and institutional relationships to navigate it pay a heavy price in project delays and investor confidence.

ALDG: What role is ALDG playing in the domestic gas market, and what are its notable achievements so far?

Kadiri: ALDG represents a critical and often underappreciated segment of the gas value chain- the distributors who move gas from upstream producers to actual end users, whether through pipeline infrastructure or virtual pipeline solutions. Without this link, the value chain is broken. We give this sub-sector a coordinated voice and a credible platform to engage policymakers, offering insight into the commercial, operational, and regulatory challenges that don't always make it into high-level policy conversations.

Our most significant policy achievement to date is the removal of VAT on gas purchases across the value chain, a reform with far-reaching implications for downstream gas operations.

Previously, our members were required to pay VAT on gas procured from upstream producers but were unable to pass this cost on to end users, who remained VAT-exempt under the law. This created a structural inefficiency. Through sustained engagement with the Presidential Fiscal Policy and Tax Reforms Committee, the Office of the Special Adviser to the President

on Energy, and the Federal Inland Revenue Service (now the Nigeria Revenue Service), we secured a true end-to-end VAT exemption: upstream producers, downstream distributors, and end users are all now exempt. It is a landmark policy correction and a clear demonstration of what focused advocacy can achieve.

ALDG: Where are the growth opportunities across the domestic gas value chain, and how have the Decade of Gas and President Tinubu's Executive Order impacted the market?

Kadiri: The most compelling opportunity right now is accelerating the transition to gas among Nigeria's industrial and commercial users. Manufacturers, telecoms companies, and large commercial facilities are actively seeking alternatives to diesel, and many are willing to pay commercial gas prices because the economics remain firmly in their favour, given current diesel costs. The demand is real and growing. What is needed to meet it is a real supply response: faster licensing turnarounds, expanded distribution infrastructure,

accessible financing, and consistent policy support for gas distributors who are best positioned to serve it.

On the policy side, we are grateful for the direction that President Tinubu's executive orders have provided. They have offered meaningful regulatory clarity to investors, reinforced confidence in the domestic gas market, and introduced wholesale incentives on gas production equipment and actual production activity. Combined with the long-term ambition of the Decade of Gas Initiative, the policy environment is more investor-friendly than it has been in recent memory.

ALDG: How can the government support indigenous companies and drive more value addition in domestic gas development? What specific reforms would you recommend?

Kadiri: The recommendations here are not new, and that is precisely the point. The issues that hold back indigenous companies in the Nigerian gas sector are well understood. What is needed is decisive course correction.

Access to long-term, patient capital; Genuine gas pricing reform that moves the domestic market toward cost-reflective pricing;

substantive reform of the gas transportation network to ensure that open access is a functioning commercial reality. There is an issue with the energy mix and security that needs some reforms, as coal is rapidly replacing gas despite being regarded as a transition fuel. The unregulated and incentivized coal substitution is capable of undermining Nigeria's gas-led energy transition as it is inconsistent with the Decade of Gas initiatives, and its environmental and public health risks negate the nation's climate commitments.

ALDG: What is ALDG's outlook on the Nigerian gas sector over the next five years?

Kadiri: We are at a tipping point. The opportunity is real. Population growth, industrial expansion, the urgent need for reliable power, and the accelerating shift away from diesel among commercial users all point toward sustained growth in domestic gas consumption, regardless of what happens in global energy markets. Beyond 2026, ALDG will focus on deepening its advocacy impact through sustained engagement with the legislative committees on the regulatory issues that matter most to our members.

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Leveraging domestic resources to finance critical projects: Can capital markets finance major energy projects in Africa?

Africa's development ambitions are often constrained by financing gaps in infrastructure, energy, and other major industries. Traditionally, governments and development institutions have relied heavily on external financing sources, including multilateral lenders, bilateral partners, and international capital markets.

However, the latest report by the Africa Finance Corporation (AFC) reveals a significant opportunity: Africa already holds more than \$1.1 trillion in domestic capital across pension funds, insurance companies, sovereign wealth funds, and public development banks.

This finding challenges the prevailing narrative that Africa lacks the financial resources needed for development. The issue may not be the absence of capital but rather the mechanisms, policies, and institutions required to mobilize and channel these resources into productive investments.

The Case for Capital Market

Jubril Enakele, Founder and Chief Executive Officer of Iron Capital, an Africa-focused investment banking firm, has said African energy projects, including large-scale deepwater developments, can be financed through domestic capital markets if projects are structured to meet investor requirements.

Speaking on financing solutions for Africa's energy sector at the 2026 NIES Conference, the Iron Capital CEO said Africa can move away from importing capital to mobilizing its own local balance sheets and major projects.

He also noted that Sub-Saharan Africa possesses substantial pools of domestic capital that remain largely untapped for infrastructure and energy project.

"If you think about Sub-Saharan Africa,



Jubril Enakele, Founder and Chief Executive Officer of Iron Capital

pension funds alone control about \$600 billion in assets," he stated. "Even if you exclude South Africa, pension funds across the rest of Sub-Saharan Africa still control roughly \$200 billion. In Nigeria alone, pension fund assets are about \$20 billion, and that does not include collective investment schemes and other institutional investors."

He said the figures demonstrate that African capital markets have the capacity to support significant energy investments, including projects in the oil and gas sector.

"It is possible to fund transactions in the energy sector through the capital market," he emphasized. "We've seen it happen, and we've participated in some of those transactions."

He also highlighted several landmark deals as evidence of the market's growing capability. He revealed that Iron Capital was involved in the Nigerian Bulk Electricity Trading (NBET) transaction, which raised ₦501 billion to settle legacy debts owed to power generation companies and gas suppliers.

By Ndubuisi Micheal Obineme

"That transaction is equivalent to \$300 million to support the Nigerian power sector," he said.

He also pointed to Nigeria's first domestic U.S. dollar bond issuance, which Iron Capital served as financial adviser to the Federal Government. "We initially targeted \$500 million, but the transaction ultimately attracted subscriptions of approximately \$917 million," he revealed. "That shows the depth of investor appetite when opportunities are structured correctly."

However, he stressed that project developers must understand how institutional investors operate if they hope to access these funds, noting that the capital market does not invest in projects.

"Pension funds and capital market operators invest in instruments. Therefore, you need to design your projects with the market in mind if you want to access this funding."

"My recommendation is to speak with institutions such as the Africa Finance Corporation, Afreximbank, Iron Capital, and other financial advisers to help structure projects in a way that is capital-market friendly," he advised.

While bank lending remain important components of the funding ecosystem, he argued that they are insufficient on their own to meet Africa's growing energy infrastructure needs.

He reiterated the strategic importance of capital markets in closing Africa's infrastructure financing gap.

"We must engage the capital market. The capital market is not complementary to other sources of financing. "I believe it is foundational, and we need to engage it quickly if we are serious about funding the energy projects that will drive Africa's development," he added.

Early engagement, strong corporate governance key to attract financing for oil and gas projects in Africa - AFC

Taiwo Okwor, Vice President of the Africa Finance Corporation (AFC), has highlighted the critical areas considered as viable mechanisms for indigenous companies to get funding for its oil and gas projects.

Speaking on how companies can position themselves for funding, Okwor said project developers should view financiers as strategic partners capable of helping shape and de-risk projects from the outset.

She noted that AFC is the only infrastructure-focused development finance institution on the continent, with an investment footprint across 36 African countries and approximately \$20 billion invested in sectors including oil and gas, power, transport and logistics, energy, and heavy industry.

Despite global perceptions of elevated risk on the African continent, Okwor argued that Africa's investment performance tells a different story.

"The reality is that the risk perception for Africa is much higher than the reality," she made this known at a panel session in NIES 2026. "When you look at the numbers, the default rate for Africa is actually much lower than the rest of the world, yet projects continue to carry a significant risk premium."

According to her, one of the most important steps companies can take is initiating discussions with potential financiers at the earliest stages of project development.

"When you come to AFC, one of the key things we like to see is early engagement," she emphasized. "Whether it is a greenfield project or a brownfield acquisition, early engagement allows us to understand the lending requirements, identify project



Taiwo Okwor, Vice President of the Africa Finance Corporation (AFC)

gaps, and determine how we can add value to make projects more bankable."

Speaking further, she noted that AFC's involvement in the project at an early stage often helps accelerate project execution and improve financing outcomes.

"We've been able to invest capital as a co-investor because with our early engagement, we're able to accelerate deal closure and reduce the time to execution," Okwor explained. "That's why it's important to start talking to us very early."

Beyond project economics, AFC places significant emphasis on governance, transparency, and institutional capacity.

"The scale of a project is not enough," she stated. "You need to be able to demonstrate what the operating framework is, what the governance structure is, and even if you don't have it from day one, we will work with you to build it over the long term."

However, she also encouraged project developers to articulate the development impact of their

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investments, particularly in sectors such as oil, gas and power.

She said, "A lot of projects in the oil, gas and power sectors have significant socio-economic benefits, but these are often not highlighted sufficiently.

"As a development finance institution, we look closely at the long-term sustainable value projects create for communities and economies."

She also stressed the importance of conducting key studies before seeking financing.

"It's important that when you approach financiers, you've started the process of conducting the necessary feasibility, technical, financial, and environmental studies," she reiterated. "This enables us to identify risks and work with the company to take projects to bankability."

While acknowledging that many project developers may not have every aspect of a project structure fully developed, Okwor emphasized that AFC is prepared to support companies through the process.

"You don't have to have it all figured out when you approach financial institutions.

"We provide early-stage capital and work alongside companies as co-investors to accelerate project development and bring more projects across the line."

She added that the AFC's broader mission is to drive sustainable development through infrastructure investment across Africa.

"Our role as an institution is to create more value for Africa, bring more infrastructure projects online, and enable African economies to grow on a long-term basis."



Rt. Hon. Ekperikpe Ekpo, Minister of State for Petroleum Resources (Gas).

Nigeria's gas sector undergoing remarkable transformation, infrastructure development – Ekpo

Nigeria's Minister of Petroleum Resources (Gas), Rt. Hon. Ekperikpe Ekpo has reinforced the government's commitment to provide clear, stable, and coordinated policies that reward capability development and long-term investment.

The minister said Nigeria gas sector is undergoing significant progress, highlighting the notable milestones attained in the "Decade of Gas" initiative, which is positioning Nigeria as a regional hub through strategic partnerships with other African nations.

Key Infrastructure Developments

One of the flagship projects in Nigeria's gas expansion agenda is the Ajaokuta–Kaduna–Kano (AKK) gas pipeline. The AKK pipeline aims to enhance gas supply to key industrial hubs across Nigeria. While other cross-border pipeline projects demonstrating the benefits of collaboration include the West African Gas Pipeline, Trans-Saharan Gas Pipeline, Nigeria–Equatorial Guinea Gas

Pipeline, and the Nigeria–Morocco Gas Pipeline.

Promoting Affordable and Sustainable Energy

The government launched a nationwide Compressed Natural Gas (CNG) initiative to offer cost-effective and environmentally friendly transportation alternatives. The initiative aims to cut transportation costs and promote sustainability. Additionally, the Federal Government, through the Midstream Downstream Gas Infrastructure Fund (MDGIF), has invested 122 billion naira into six companies to transform Nigeria's gas value chain and accelerate gas development.

The Future of Nigeria's Gas Sector

While government reforms may create opportunities, the minister says local content is key to unlocking Nigerian gas potential, urging indigenous companies to build on their technical expertise, governance structures, and project execution capacity to compete effectively across the gas value chain. "Unlocking the opportunities in the gas sector, it requires a deliberate and strategic shift in how Nigeria conceives, designs, and

implements local content across the gas value chain," he emphasized. He urged indigenous companies to continue developing their capacities across engineering and project execution, gas processing, pipeline construction, operations and maintenance, fabrication, LNG and FLNG services, gas-based manufacturing, and downstream utilization.

The Need for Strategic International Partnerships

The minister joined global industry leaders at the 2026 Pipeline Technology Conference (PTC) in Berlin — a meeting point for pipeline operators, regulators, engineers, investors, and technology innovators shaping the future of energy infrastructure.

Speaking at the conference, Minister Ekpo outlined Nigeria's direction for the gas sector, noting that Nigeria is leading the charge to connect West Africa to European and global markets through regional pipeline project development. He called on global players to bring innovation in leak detection, integrity management, and digital monitoring to help extend the safety and lifespan of critical African energy infrastructures.

NIGERIA'S ENERGY REFORM:

"We're offering competitive fiscal terms for gas investments – Verheijen

Nigeria's energy sector, long weighed down by under investment, policy uncertainty, infrastructure deficits, and financial constraints, is undergoing what government officials describe as one of its most ambitious transformations in decades.

At the centre of this effort is a reform agenda championed by President Tinubu, driven across the oil, gas, power, and clean energy sectors with the aim of restoring investor confidence, attracting capital, and strengthening the foundations of economic growth.

A report, titled Nigeria's Energy Sector Reforms 2023–2026: A Three-Year Review, was published by the Office of the Special Adviser to the President on Energy and led by Olu Verheijen. It outlines how regulatory, fiscal, and operational reforms introduced under President Tinubu are helping revive upstream investment after years of stagnation.

In a statement, Olu Verheijen, Special Adviser to the President Tinubu on Energy, said: "For many years, Nigeria was constrained by under-investment, policy uncertainty, financial pressures, and infrastructure gaps that limited the sector's ability to serve as a true engine of development.

"Over the past three years, the government has pursued a coordinated strategy designed to restore investors' confidence through a combination of presidential directives, regulatory reforms, and fiscal adjustments, to address long-standing obstacles that had discouraged investment and reposition Nigeria for foreign direct investment across the oil and gas value chain."

Verheijen said the results have begun to emerge. "Contracting timelines were compressed, cost structures improved, and investor confidence rebuilt," she explained.



Olu Arowolo Verheijen, Special Adviser to President Tinubu on Energy

"At a time when global upstream investment was tightening, Nigeria reversed years of decline, emerging once again as a leading destination for energy capital in Africa."

She notes that the reforms have contributed to a renewed pipeline of more than \$10 billion in Final Investment Decisions, particularly in deep offshore and integrated gas projects. Some of the notable upstream investments announced include the Shell–Sunlink HI Field (OML 144), a shallow-water non-associated gas development with 1.9 Tcf of gas and 14 million barrels of condensate, reached FID on the back of Nigeria's non-associated gas (NAG) incentives issued in 2024, which restored commercial viability and unlocked critical feedstock for NLNG. Other key projects are Shell's Bonga North and South West, etc.

"We're offering competitive fiscal terms for gas investments," Verheijen said. "Nigeria now provides some of the most attractive gas terms in Africa alongside globally competitive deep-water fiscal frameworks."

The Presidential Directives have introduced fiscal incentives for the gas sector, covering the Non-Associated Gas (NAG), midstream, and

By Ndubuisi Micheal Obineme

deepwater developments to support investment in the sector. Under the new framework, gas tax credits will apply to Non-Associated Gas (NAG) greenfield developments, including a 25 percent Gas Utilization Investment Allowance for new and ongoing projects within the midstream oil and gas sector.

Tackling Power Sector Challenges

The power sector was also impacted by accumulated debts and structural inefficiencies, which weakened the market's ability to attract investment and deliver reliable power.

In response, the government launched the Presidential Power Sector Debt Reduction Programme, a comprehensive financial intervention in the sector's history. Through debt verification, negotiated settlements, and a bond-backed framework, the initiative aims to resolve long-standing obligations while restoring financial credibility to the market

Other measures include efforts to improve power generation dispatch, optimise existing infrastructure, and introduce targeted customer support mechanisms designed to protect vulnerable consumers while encouraging greater payment discipline.

"Across oil, gas, power, and clean energy, a consistent thread runs through this period: reform has been treated not as a series of announcements, but as a system," she said.

Looking ahead, Nigeria expects additional FIDs in 2026 and beyond, supported by targeted incentives and a stable, investor-focused policy framework.

The report notes that Nigeria now has a project pipeline valued at approximately \$50 billion extending beyond 2026, marking one of the country's strongest periods for upstream investment activity in more than a decade.



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Nigeria's journey toward a gas-powered economy



Ed Ubong, Coordinating Director, Decade of Gas

“We're unlocking 60 gas projects to deliver 4.6 Bcf per day into the domestic market” – Ubong

shared sense of direction across the industry.



ALDG: Nigeria aims to become a gas-powered economy by 2030. Is this achievable, and what is required to accelerate domestic gas utilisation?

Ubong: The 2030 ambition is achievable, but it will require consistent execution and strong coordination across the value chain.

ALDG: How would you assess the current state of Nigeria's gas sector, and what progress has been made since the launch of the Decade of Gas initiative?

Ubong: Nigeria's gas sector is at a critical stage, and we are firmly in the implementation phase. Over the past two years, we have seen clear progress, with domestic gas supply rising above 2 billion cubic feet per day (bcf/d), a significant improvement compared to recent years. On total production, Nigeria's gas output rose from approximately 6.8 billion cubic feet per day in 2023 to 7.5 billion cubic feet per day in 2025, and we have set a firm national target of delivering up to 12 billion cubic feet per day into the market by 2030.

The Decade of Gas initiative has played a central role in translating Presidential directives into coordinated action across the gas sector, bringing together government, regulators, and industry players around a shared objective of positioning gas as a driver of energy security, industrialization, and economic growth. We are beginning to see encouraging outcomes. On the supply side, there has been stronger alignment with producers and improved visibility on project delivery. On the demand side, we have actively engaged project owners to unlock priority

projects and drive utilisation.

On infrastructure, progress on key assets such as the completion of the OB3 pipeline is helping to improve gas transmission capacity and unlock supply to key demand centers, and we continue to track and monitor other key priority projects.

On arrears, there has been progress in advancing structured mechanisms to resolve gas-to-power debts. We are also seeing momentum in clean energy initiatives, including LPG rollout and CNG adoption, aimed at expanding domestic use.

These efforts have contributed to increased private sector participation and a more coordinated approach to addressing longstanding bottlenecks in the sector.

While challenges remain, particularly around infrastructure and financing, the sector is moving in the right direction, with a stronger foundation now in place for sustained growth.

Gas flaring remains an active area of regulatory focus: NUPRC, particularly, exercising its statutory oversight function under the PIA 2021, continues to intensify enforcement action against flaring, in parallel with the commercialization of flare gas through the Nigerian Gas Flare Commercialization Programme.

More importantly, there is now clearer alignment, stronger collaboration, and a

Nigeria has significant gas reserves, a growing domestic demand, and increasing investor interest. The focus now is on translating these into bankable projects and sustained utilisation. The Decade of Gas initiative projects that total gas demand could grow significantly by 2030, with domestic consumption potentially accounting for approximately 60% of that total gas demand. To close the gap between demand and available supply, the Secretariat has identified twenty strategic gas projects capable of delivering an additional 4.6 Bcf/d into the market, spanning onshore, shallow water, and deepwater operations across NNPC Limited's joint venture and production-sharing portfolios.

From a Decade of Gas perspective, a key priority has been supporting demand-side growth. Through the demand workstream, we have engaged project owners to identify bottlenecks and support the unlocking of 60 priority projects, particularly those that can drive immediate offtake and utilisation.

We are also advancing programmes such as the LPG rollout across the six geopolitical zones, aimed at deepening domestic gas use through clean cooking, improving accessibility, and expanding the customer base.

The Presidential Compressed Natural Gas Initiative has equally delivered measurable progress with CNG-powered vehicles - including tricycles, buses, and haulage trucks - that are now on Nigerian roads, supported by CNG infrastructure commissioned progressively since 2024.

In parallel, the Secretariat continues to work closely with regulators and industry players to improve alignment, provide clarity on commercial and policy issues, and support faster decision-making where required.

Ultimately, achieving the 2030 vision will depend on sustained collaboration, execution of priority projects, and continued expansion of domestic demand.

ALDG: How is the Decade of Gas engaging with private sector players and supporting indigenous companies to unlock Nigeria's gas potential?

Ubong: Private sector participation is critical to unlocking Nigeria's gas potential. The Secretariat plays a key role in bringing stakeholders together across the value chain, improving access to data, and providing clarity on policy direction. Through our governance structure, consisting of the sponsors group, the steering committee, and the technical working group, we ensure alignment between government agencies and industry players, and drive accountability in execution.

Supporting indigenous companies remains a key focus of the Decade of Gas initiative. We are committed to expanding their access to opportunities, strengthening both technical and commercial capabilities, and enabling meaningful participation across the sector's growth trajectory through the Decade of Gas Capacity Building Program.

Indigenous operators are all active participants within the Decade of Gas framework and are demonstrating the role that homegrown companies can play in sustaining Nigeria's gas output growth, with each advancing portfolio development and new upstream commitments aligned with the initiative's supply targets.



On the supply and demand side, we have actively engaged project owners under Wave 1 to identify bottlenecks and support the unlocking of key projects. This includes facilitating alignment on infrastructure, commercial frameworks, and regulatory support to ensure projects move towards execution.

A significant milestone on the regulatory side is the Flare Gas Permits programme administered by NUPRC. The regulator has issued Permits to Access Flare Gas to 28 awardees, converting previously stranded gas into investable commercial assets and unlocking approximately \$2 billion in new investment with the potential to create up to 100,000 jobs, with indigenous entrepreneurs well positioned to capitalise on field-level opportunities.

In addition, structured initiatives such as capability building programmes and ongoing stakeholder engagements are helping to build a more resilient and competitive gas ecosystem.

ALDG: What progress has been made in addressing gas-to-power debts, and how does this impact investor confidence and sector growth?

Ubong: Addressing gas-to-power debts has been a critical priority for the Decade of Gas Initiative, as it directly affects liquidity and investor confidence across the value chain. The Federal Government has made meaningful progress through a combination of mechanisms, including the use of royalty deductions and the development of a bonds programme to clear outstanding obligations. These efforts are part of a broader, more structured approach to resolving legacy debts while ensuring sustainability going forward.

The Secretariat has also driven stakeholder alignment through engagements and workshops that bring together key players across the value chain: government, regulators, gas producers, transporters, and power sector participants to agree on practical solutions and ensure coordinated implementation. Beyond clearing existing debts, there is a strong focus on preventing future build-up. This includes improving payment discipline, strengthening commercial frameworks, and working towards

more transparent and efficient settlement mechanisms within the gas-to-power ecosystem.

Ultimately, restoring long-term confidence and sustainability in the sector will require continued coordination and commitment across the ecosystem—including Gas Producers, Transporters, NERC, NUPRC, NMDPRA, NISO, GenCos, DisCos, end users, and other critical stakeholders to collectively drive reforms that support a more stable, bankable, and investable gas-to-power market.

This collaborative effort is essential not only for resolving historical issues but also for creating the foundation for long-term growth across the sector.

ALDG: What are the key opportunities across the gas value chain, including clean cooking, and your outlook for the sector in the next five years?

Ubong: Nigeria's gas sector presents significant opportunities across the entire value chain and has the potential to become a major driver of economic growth over the coming years.

In the upstream, new projects are expected to drive supply growth, while midstream investments—particularly in pipeline infrastructure and gas processing facilities—will be critical to unlocking stranded gas and connecting supply to demand centres.

The Decade of Gas Secretariat has identified 16 priority gas infrastructure projects requiring an estimated \$22 billion in investments to expand capacity and strengthen the domestic gas ecosystem.

Beyond infrastructure, Nigeria's broader gas ambition is expected to mobilise approximately \$30 billion in investments by 2030, supporting supply growth, industrialisation, and increased domestic utilisation.

Downstream, there is significant potential in gas-to-power, industrial applications, CNG for transportation, and LPG for clean cooking. Clean cooking remains a major priority.

Through the Decade of Gas LPG programme, rollout activities have commenced across the six geopolitical zones, with a focus on expanding access to LPG and reducing reliance on traditional fuels.

This is being complemented by broader national initiatives, including NNPC-led programmes and strong support from the Honourable Minister of State for Petroleum Resources (Gas), with ambitions to improve access to clean cooking solutions in over 5 million homes by 2030.

At the same time, the Presidential CNG Initiative is opening substantial opportunities in the transportation sector by promoting compressed natural

gas as a more affordable and cleaner fuel alternative.

Beyond reducing transportation costs, this initiative is expected to deepen domestic gas utilisation, stimulate local manufacturing and conversion industries, and create significant employment opportunities across installation, logistics, operations, and technical services.

Looking ahead, the next five years will be defined by execution — delivering infrastructure, scaling supply, and deepening

domestic utilisation. Nigeria's ambition is to increase gas supply from approximately 7.5bcfd today to 12bcfd by 2030, while demand is expected to grow significantly across power, industries, transportation, and domestic use.

With sustained collaboration between the government and the private sector, gas will play a transformative role in driving economic growth, improving energy access, attracting investment, and supporting a balanced energy transition in Nigeria.

Nigeria's CNG and electric vehicles prospect: Emerging trends and insights from PiCNG & EV

CNG, also known as Compressed Natural Gas, and electric vehicles (EVs) are gaining considerable market traction in Nigeria, backed by the Presidential Initiative on Compressed Natural Gas and Electric Vehicles (PiCNG & EV).

As of today, Nigeria is witnessing growing interest in CNG vehicles, marking a key part of the country's clean energy transformation following the removal of fuel subsidies in 2023.

Industry experts estimate that motorists can reduce fuel expenses by up to 50 percent with CNG vehicles compared to conventional petrol-powered vehicles. In Nigeria, CNG prices range between ₦230 and ₦450 per kilogram, offering a more affordable alternative to Premium Motor Spirit (PMS), which sells around ₦1,100 and ₦1,400 per litre across most states.

The Role of PiCNG & EV

As part of the government's clean mobility strategy, the PiCNG & EV initiative was established to coordinate the adoption of CNG-fuelled vehicles and EVs nationwide, while accelerating investments in charging infrastructure, conversion centres, and refuelling networks.

According to PiCNG & EV data, 24 states are now actively participating in the federal government-initiated CNG programme, with 175 refueling stations currently being constructed under the initiative.



Barr. Ismaeel Ahmed, Executive Chairman and Chief Executive Officer of the PiCNG & EV

The PiCNG & EV data also shows that over 120,000 vehicles have been converted to CNG. At the same time, about 72 CNG refuelling stations are operational across the country, with another 175 stations at various stages of development.

In a statement, the Executive Chairman and Chief Executive Officer of the PiCNG & EV, Barr. Ismaeel Ahmed said the federal government has set an ambitious target to establish 2,322 CNG stations nationwide by 2027 as part of efforts to deepen the adoption of CNG vehicles and expand gas mobility infrastructure across the country.

Ahmed described the growth trajectory as

By ALDG Editorial Team

one of the fastest globally, comparing Nigeria's adoption pace favourably with countries such as Brazil and China.

Infrastructure Expansion Ongoing

Addressing concerns regarding infrastructure availability, Ahmed explained that significant investments are already being deployed across the country.

"Nigeria is a country of over 200 million people with an estimated 12 million vehicles. Infrastructure expansion is capital-intensive, but this is not a permanent limitation. It is an evolution, and we are getting there," he stated.

The initiative is currently developing an extensive network of Mother and Daughter Stations, Integrated Refuelling Units, and virtual pipeline systems to strengthen nationwide gas distribution.

Notably, the PiCNG & EV data also revealed that more than 350 conversion centres have been established across Nigeria, while additional conversion kits have been stocked in Lagos warehouses for nationwide deployment as demand continues to grow.

The programme currently supports 28 operational gas compression stations, with 65 more under development. Expansion corridors now extend from Lagos to the eastern region, Ajaokuta, and northern Nigeria, while Kano State already operates two CNG stations and five daughter stations supplied through virtual pipeline systems.



Building Local Capacity and Creating Jobs
To support industry growth, the Federal Government has trained and certified more than 5,600 technicians in CNG conversion technologies.

Affordability for Low-Income Earners
Ahmed emphasized that affordability remains a central focus of the initiative, particularly for low-income Nigerians facing rising transportation costs.

Through partnerships with financial institutions, investors, and industry stakeholders, he said the government is developing flexible financing arrangements that will allow vehicle owners to spread the cost of conversion kits over time.

"What we are trying to do is collaborate with stakeholders to make CNG affordable. People will be able to spread payments over time so they won't feel the burden immediately," he explained.

Public Transportation and Local Manufacturing

The rollout of public transportation

projects powered by CNG has already commenced, marking a significant milestone in the integration of cleaner fuels into Nigeria's transport sector.

Ahmed revealed that 4,318 CNG tricycles have been deployed under the programme, with 95 percent assembled locally.

He also noted the growing demand for gas-powered tricycles, which are increasingly outselling petrol-powered alternatives in several markets.

The initiative is simultaneously expanding into electric mobility through pilot EV projects and investments in charging infrastructure nationwide.

"We are scaling up CNG now, making it a reasonable, viable alternative to petrol and diesel. But we have also now picked up EV, and we are going to be deploying pilot EV projects across the nation and looking at recharging infrastructure," Ahmed said.

Over \$1 Billion in Investment Attracted
Private sector participation continues to play

a critical role in the success of Nigeria's clean mobility agenda. According to Ahmed, PiCNG & EV has already attracted more than \$1 billion in direct investments into the emerging CNG and EV ecosystem.

"We are talking with financiers to invest in CNG in Nigeria. Infrastructure development requires private sector collaboration, and we are seeing increasing confidence from investors," he stated.

Looking ahead, the PiCNG & EV P Initiative has outlined ambitious targets for 2027, including the establishment of 2,322 CNG stations nationwide, 3,000 active conversion workshops, one million vehicle conversions, 75,000 direct jobs, and 300,000 indirect jobs.

As Nigeria advances its alternative fuel transition, PiCNG & EV is expected to remain at the forefront of efforts to reduce transportation costs, strengthen energy security, create jobs, and accelerate the country's transition toward a cleaner and more sustainable transportation future.



PiCNG CNG powered vehicles



PiCNG Electric Vehicles

Nigeria's Pipeline Gas Revolution: How infrastructure and policy can power an economic comeback

By Adenike Ajetomobi, Commercial Lead at Shell Energy Nigeria

Nigeria is at a critical juncture in its energy journey. With a population exceeding 200 million and an energy deficit that leaves over 85 million people without reliable electricity, the country's economic aspirations hinge on leveraging its vast natural gas reserves. For decades, the country's vast natural gas reserves promised prosperity, yet chronic infrastructure gaps and policy inertia kept that promise out of reach. Recent reforms, particularly the implementation of the Nigeria Gas Transportation Network Code, have begun to reshape the domestic gas landscape, driving transparency, discipline, and growth.

Why Pipeline Natural Gas is a Game Changer

Pipeline Natural Gas (PNG) refers to natural gas that is transported through a network of pipelines from production facility to end users such as power plants, industries, and households. It is the most efficient way to deliver natural gas because pipelines ensure steady availability, are cheaper and reduce associated risks.

Globally, PNG is more than a fuel source; it's the backbone of modern economies. It is a central component to Nigeria's energy mix, powering 70% of electricity generation and serving as a cleaner alternative to diesel and heavy fuel oils.

In Nigeria, its impact spans multiple fronts:

◀ **Power Generation:** Gas-fired plants supply about 70% of Nigeria's electricity, but chronic shortages have kept output far below potential. Expanding pipeline capacity unlocks hundreds of millions of cubic feet per day, translating into thousands of megawatts of additional power.

◀ **Industrial Growth:** Affordable gas fuels industrial clusters like Agbara-Ota, home to multinationals such as Nestlé and Unilever, creating jobs and boosting GDP. It also supports emerging gas-based



Adenike Ajetomobi, Commercial Lead at Shell Energy Nigeria

industries, from fertilizers to petrochemicals.

◀ **Cleaner Energy Transition:** Pipeline gas enables compressed natural gas (CNG) adoption for vehicles, reducing reliance on diesel and cutting emissions—key to Nigeria's climate commitments.

◀ **Environmental Gains:** Expanding pipelines curbs gas flaring, converting waste into energy and aligning with Nigeria's climate commitments.

The Network Code: Driving Gas Supply Reliability

To fully harness the benefits of PNG to the economy, the constraints around PNG reliability needed to be unlocked.

Before 2020, Nigeria's domestic gas network, anchored by the Escravos-Lagos Pipeline System (ELPS), was plagued by operational challenges, pressure drops, and over 50 Bcf of unaccounted gas. These inefficiencies discouraged upstream producers from developing projects that supply gas to the domestic market and local industries paid the price. These industries were forced to revert to costly, polluting fuels as a means of powering their businesses. The implementation of the Network Code (which was codified by the Petroleum Industry Act (2021) and revised in 2024), however changed the game. It established clear rules that drove:

◀ **Transparency:** Mandating daily publication of nominations, allocations, and losses.

◀ **Discipline:** Driving implementation of penalties and mechanisms to enforce compliance both upstream and downstream. The execution of these reforms by the Regulator and the Network Operator has restored confidence in the system, encouraging upstream producers to inject more gas, and attracting investment into the midstream and downstream sectors.

Since implementation, the industry has seen measurable improvements:

◀ **Supply Growth:** Domestic gas supply has increased significantly, supporting power generation and industrial demand.

◀ **System Discipline:** Unaccounted-for gas has dropped sharply, improving efficiency and reducing losses.

◀ **Reliability:** Pipeline pressures have stabilized, ensuring consistent delivery to end users.

◀ **Environmental Benefits:** Greater gas utilization has reduced reliance on diesel, cutting carbon emissions and supporting Nigeria's energy transition.

◀ **National and Industry Impact:** The implementation of the Code supports the Decade of Gas Initiative, positioning Nigeria as a regional gas hub and accelerating its energy transition.

Conclusion

PNG is more than infrastructure, it is the foundation for Nigeria's industrialization, energy security, and climate goals. The implementation of the Network Code marks a turning point, proving that transparency, discipline, and collaboration can unlock growth. As Nigeria deepens these reforms, the vision of a gas-powered economy becomes not just possible, but inevitable. The challenge now is sustaining momentum. Continued enforcement, infrastructure expansion, and stakeholder collaboration will determine whether Nigeria fully realizes the promise of its gas wealth. If it does, the pipeline gas revolution will not just power industries, it will power Nigeria's economic comeback.



50 NNPC's Bold Plan to Accelerate Domestic Gas Utilization



54 POWERGAS: An Indigenous Company Forging Nigeria's New Energy Order



56 "ANOH gas project enabling evacuation routes for offtakers, domestic gas supply" – Owolabi

Inside Nigeria's New Energy Order: How indigenous companies are shaping demand and infrastructures

By Ndubuisi Micheal Obineme

Amid growing global emphasis on energy security, Nigeria is pursuing a dual strategy of maximizing export earnings while meeting rising domestic energy demand. At the forefront of this transformation are indigenous companies, which are emerging as key drivers of Nigeria's New Energy Order and strengthening the country's position as Africa's foremost energy powerhouse.

The upstream, midstream, and downstream sectors are critical to Nigeria's energy security, which include refining, transportation, gas processing, storage, pipelines, retail operations, logistics, and manufacturing. Indigenous companies are now playing a critical role across the value chain, after decades of international oil companies (IOCs) dominance.

This feature story explores how indigenous companies are shaping the demand and infrastructure development across the Nigerian gas value chain.

Policy Support for Indigenous Companies

The Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010 has been a key driver in strengthening indigenous companies' capabilities. The NOGICD Act prioritizes Nigerian companies, workforce, and services, which have significantly boosted local participation in the oil and gas industry from 5% before its enactment to 61% as of 2025, according to the NCDMB report. This policy framework has strengthened indigenous ownership, expanded local capabilities, and created a more inclusive, competitive ecosystem across the upstream, midstream, and downstream sectors.

With the NOGICD Act, NCDMB targets 70 percent Nigerian Content by 2027, part of its 10-year strategic roadmap.

IOC Divestments: From Stranded Assets to Indigenous Control

The acquisition of IOC assets by indigenous companies such as Renaissance Africa Energy Company, Oando, Seplat Energy, and Heirs Energies marks a significant milestone for Nigeria's energy sector. Their strategic investments and strong operational performance in the aftermath of the asset acquisition are not only driving increased oil and gas production but also enhancing local content development and strengthening domestic supply chains.

Emerging Trends in the Nigerian Gas Sector:

- 1** Indigenous companies accounts for 60% of Nigeria's domestic gas production
- 2** Shell plays a significant role in the market, supplying gas to over 150 industrial and commercial customers
- 3** NGML is shaping the gas sector through large-scale industrial supply agreements and domestic LNG commercialisation
- 4** Falcon is expanding Nigeria's gas and LPG value chains through infrastructure-led investment projects
- 5** Axxela is a major player in gas infrastructures development including small-scale LNG
- 6** The NOGICD Act has boosted Nigerian Content in oil and gas to 61%
- 7** The IOCs asset divestments is a game changer for Nigerian companies.

ALDG COVER STORY



According to the Independent Petroleum Producers Group (IPPG), Nigerian companies contribute approximately 50% of the country's oil production.

Also, indigenous companies account for 60% of domestic gas output. This underscores their expanding role in supporting energy security, industrialization, and economic development.

Wood Mackenzie also notes that Nigerian companies account for eight of Africa's top 10 indigenous upstream operators. Combined, Nigerian indigenous companies represent about \$12 billion in market value, representing 75% of the African independent producer peer group.

What is driving the growth opportunities of indigenous companies?

The NOGICD Act is a key enabler driving the growth opportunities and positioning Nigerian companies at the forefront of the industry.

The NOGICD Act has played a pivotal role in strengthening local participation and building the capacity of indigenous operators to manage and expand the nation's energy resources sustainably. Combined with recent IOCs divestments, the policy has positioned Nigerian companies at the forefront of the industry, creating new opportunities for production growth, infrastructure development,

and local value creation.

Production Growth Driven by Asset Integrity Management

Demonstrating this momentum, Oando PLC reported strong operational performance in 2025, following the integration of Nigerian Agip Oil Company (NAOC) assets.

According to Oando's Group Chief Executive, Wale Tinubu, the company achieved a 32 percent year-on-year increase in total production in 2025, driven by enhanced asset integrity, improved security, and higher operational uptime.

Oando also recorded a 59 percent increase in gas sales volumes, supported by improved asset management, the reactivation of shut-in wells, and targeted infrastructure optimization across acquired assets. The successful completion and start-up of the Obiafu-44 gas-condensate well marked the first milestone in the company's 36-well development programme aimed at restoring field deliverability and unlocking additional production.

"With operational control firmly embedded and the foundations for growth clearly established, our focus is on the diligent execution of our development programme to accelerate production growth," Oando CEO stated. "We will continue to allocate capital prudently, deepen operational resilience, and build on the momentum achieved."

Gas Monetisation and Domestic Supply Expansion

Similarly, Seplat Energy's expansion—following its acquisition of Mobil Producing Nigeria Unlimited is advancing Nigeria's gas monetisation agenda and strengthening domestic gas supply through significant investments in gas infrastructures, processing capacity, and supply expansion.

Speaking at a conference on the company's growing gas portfolio, Seplat's Chief Executive Officer, Roger Brown, highlighted that Seplat's acquisition of Mobil Producing Nigeria Unlimited has substantially enhanced its long-term gas production outlook.

"From our ExxonMobil asset acquisition, we have an abundance of gas offshore. We also have three hubs offshore as well," Brown said, noting that the company now operates five gas processing plants across key production hubs, including facilities at the Oben and ANOH hubs.

Seplat supplies more than 850 million standard cubic feet of gas per day to the domestic market and has a combined gas processing capacity of approximately 2.8 billion cubic feet per day (BCF/d) across its onshore and offshore assets. The company's infrastructure network is strategically aligned with the NNPC Gas Master Plan deliverables to support regional gas distribution and improve supply reliability nationwide.



Seplat Energy completes acquisition of ExxonMobil's \$1.28bn onshore asset

Brown also underscored the significance of the ongoing OB3 gas pipeline project, which will enable greater connectivity between eastern and western gas resources and enhance supply to northern Nigeria upon completion.

"When the OB3 gas pipeline project is completed, our eastern gas can come in from the west through to the north," he explained.

In addition, Seplat's flagship ANOH Gas Plant, which achieved first gas in January 2026, is a critical project aimed at boosting domestic gas supply. Designed to process up to 300 million standard cubic feet per day (Mmscfd), the facility is currently producing between 40 and 52 MMscfd of wet gas and up to 2,500 barrels of condensate per day, with volumes expected to increase as the plant ramps up to full capacity.

Industry stakeholders have described ANOH as one of Nigeria's most strategic gas projects, supporting industrial growth, enhancing energy access, and accelerating the country's transition to a gas-powered economy.

Additionally, Seplat's Oso-BRT Phase 1 project, expected to be completed in the third quarter of 2026, is set to double offshore gas supplies to 240 MMscfd, further boosting gas availability for domestic consumption. Through these investments and strategic projects, Seplat Energy continues to play a pivotal role in expanding Nigeria's gas infrastructure, supporting industrial development,

and delivering sustainable energy solutions for the nation.

Further strengthening its gas value chain, Seplat has commenced participation in the domestic liquefied petroleum gas (LPG) market by redirecting butane from export-focused assets to local distribution. To date, the company is supplying more than 12,000 metric tonnes of LPG to Nigerian consumers.

Renaissance Africa Energy Company and the Post-Shell Turnaround

Since taking over the Shell onshore and shallow-water assets, Renaissance Africa Energy Company has also increased the asset production, achieving 2.2 billion cubic feet (bcf) of gas output and targeting further growth by 2030.

Renaissance is helping to reverse years of declining upstream production. The company's assets have made a strong recovery in fields previously affected by aging infrastructure and underinvestment.

Commenting on the domestic gas supply shortfalls, Renaissance's Managing Director Tony Attah said the company is committed to strengthening Nigeria's gas value chain by bridging the longstanding gap between gas producers and off-takers.

Speaking on the company's gas supply strategy, Attah revealed that Renaissance had already surpassed its export gas ambition ahead of schedule.

"It is very important to underpin what we are doing in the export space. We set an ambition of supplying two billion cubic feet

(BCF) of gas per day by 2030 to Nigeria LNG. However, as of January 2026, we have been supplying 2.2 BCF for export," Attah made this known at the Africa CEO Forum 2026 in Kigali.

He revealed that the company's domestic gas supply currently stands at 200 million standard cubic feet per day, highlighting the significant disparity between export and domestic gas utilization.

Attah emphasized that Renaissance is focused on changing the traditional dynamics that have constrained growth in Nigeria's domestic gas market.

"From the Renaissance point of view, we are trying to break some of the old paradigms. What tends to happen in the domestic space is that off-takers ask, 'Where is the gas?' while producers ask, 'Where is the contract?' That cycle has gone on for too long," he said.

According to Attah, Renaissance is positioning itself as a critical link between gas demand and supply by assuming the responsibility of facilitating transactions and building confidence across the value chain.

"We are trying to establish ourselves as the nexus between off-take and production. We are willing to take on that risk as Renaissance to ensure there is confidence for the off-taker and guarantees for the producer. That is how one BCF of domestic gas supply can happen," he explained.

He stressed that the fundamental challenge has never been a lack of gas resources or market demand.

"The demand is there, and the gas is there. What was always missing was Renaissance, and we're here now," Attah added.

Renaissance is also targeting further growth to 3 bcf by 2030 and plans to deliver between 10 and 15 field developments annually to sustain momentum.

Industry experts predict that Renaissance will play an increasingly important role in meeting rising domestic gas demand and will be a major player in helping to bridge the domestic gas shortfalls across Nigeria.

Heirs Energies and the Brownfield Recovery Model

Meanwhile, Heirs Energies Brownfield Model has become a super story in Nigeria's oil and

gas industry. The company's brownfield innovation has made significant milestones, doubling production at its OML 17 asset since 2021, relying entirely on Nigerian expertise and contractors to optimize operations and reduce costs. The company has significantly ramped up production at OML 17, accounting for 5% of Nigeria's gas output.

Speaking in an interview with The Energy Republic, Osayande Igiehon, Heirs Energies CEO, said the company's strong performance is the result of a disciplined operational model anchored on Brownfield Excellence (BFE).

"Our remarkable operational gains at OML 17 are the direct result of Heirs Energies' strong commitment to strategic innovation, disciplined execution, resilience, and purposeful collaboration with all stakeholders," Igiehon said.

Heirs Energies' Brownfield strategy is a methodology focused on revitalising oil and gas assets through targeted interventions, technology deployment, and operational discipline.

Speaking further, Igiehon explained that the company prioritises extracting maximum value from existing infrastructure rather than relying solely on new field development.

According to him, key interventions at OML 17 include well reactivations, infrastructure upgrades, and digital monitoring systems designed to improve reservoir management and reduce downtime.

Major Improvement in Terminal Delivery
One of the most significant operational improvements has been in terminal delivery efficiency, which rose from 3% in December 2021 to over 85% currently, reflecting major gains in infrastructure utilisation. The company attributed this to the elimination of bottlenecks across evacuation systems and improved coordination with logistics and terminal operators.

"A key priority has been the elimination of production bottlenecks and the reduction of non-productive time," Igiehon said. "We have significantly lowered operating costs without compromising safety or environmental standards."



Nigeria's Oando completes \$783-million acquisition of NAOC

He added that workforce upskilling and process standardisation are also critical contributors to Heirs Energies' operational excellence.

Downstream Gas Players Strengthen Nigeria's Industrial Expansion

Nigeria's push to deepen domestic gas utilisation across industries is being driven largely by downstream companies, which are expanding the distribution infrastructures, industrial supply networks, and energy systems across key economic corridors in Nigeria.

As the Federal Government intensifies implementation of its "Decade of Gas" agenda, downstream operators are increasingly emerging as the backbone of Nigeria's industrial energy transformation.

Closing Nigeria's Industrial Energy Gap

For decades, inadequate gas infrastructure constrained industrial productivity across Nigeria. Manufacturers relied heavily on diesel and heavy fuel oil due to the absence of pipelines, city gate stations, compressed natural gas systems, and integrated industrial gas networks. That dependency contributed to elevated operating costs, weakened competitiveness, and increased carbon emissions.

Today, downstream gas companies, including Shell Nigeria Gas, Nigeria Gas Marketing Limited (NGML), Axxela, and Falcon Corporation, are increasingly filling that infrastructure vacuum through long-term investments in gas pipelines, LNG facilities, embedded power systems, and industrial gas supply chains.

Industry experts note that the expansion of domestic gas networks stands as one of the most important enablers of Nigeria's manufacturing recovery strategy, particularly as industries seek lower-cost and cleaner alternatives to diesel-powered operations.

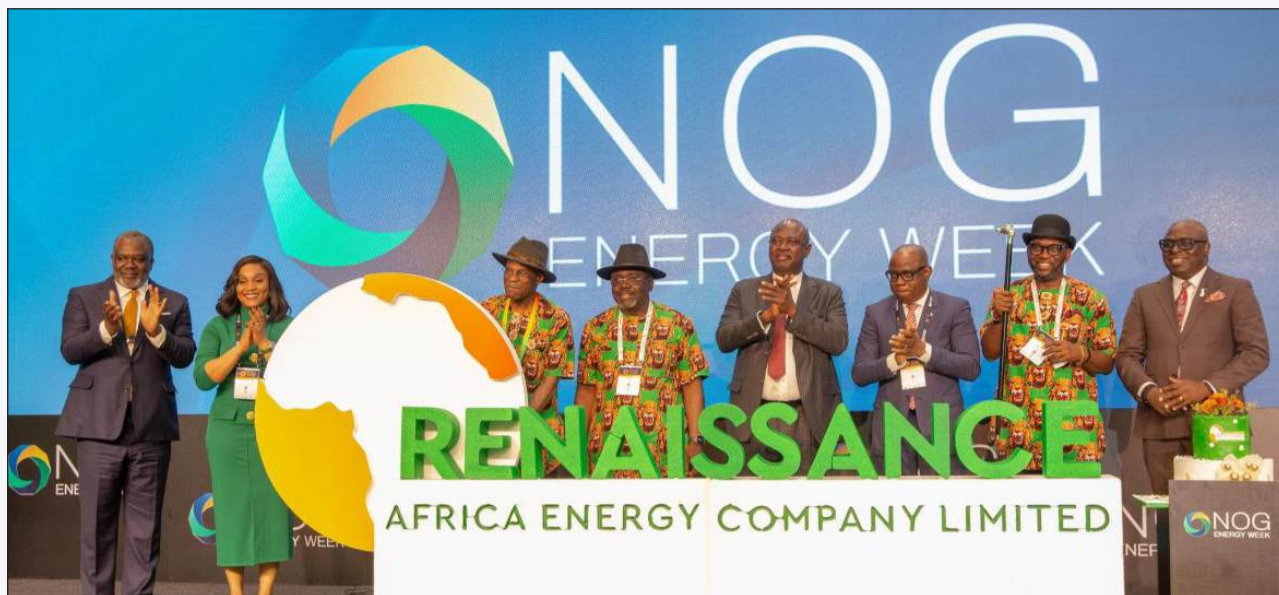
Shell Nigeria Gas Expands Industrial Supply Corridors

Among the most visible operators in the market is Shell Nigeria Gas (SNG), which has emerged as one of the country's largest industrial gas distributors. The company operates about 150km of gas transmission and distribution infrastructure, serving more than 150 industrial and commercial customers, mostly in Ogun, Abia, and Rivers States. Its distribution systems in Agbara-Ota, Aba, and Port Harcourt have become critical supply hubs for manufacturers and commercial users. The company currently serves over 150 industrial customers, with network capacity exceeding 150 million standard cubic feet per day (Mmscfd).

SNG's recent gas supply agreement with SG Industrial FZE in Ogun State further underscores the growing demand for industrial energy supplies within Nigeria's manufacturing sector. The deal also reflects increasing investor confidence in the gas distribution networks as dependable alternatives to traditional fuel systems.

Ralph Gbobo, Managing Director, Shell Nigeria Gas, said the company's strategy goes beyond simple fuel supply toward building resilient energy infrastructure capable of supporting long-term industrial growth.

Industry observers say Shell's downstream expansion aligns with a wider trend among multinational-backed operators seeking



Renaissance Africa Energy Company unveils brand at NOG Energy Week 2025

to deepen participation in Nigeria's domestic gas economy amid rising industrial demand and government-backed gas commercialisation reforms.

NGML Pushes Domestic Gas Monetisation

Nigeria Gas Marketing Limited (NGML) is also playing a strategic role in reshaping Nigeria's downstream gas market through large-scale industrial supply agreements and domestic LNG commercialisation projects.

One of the company's most significant initiatives is the Gas Sale and Purchase Agreement involving NGML, NIPCO Gas, and Ssonic Petroleum, under which approximately 80 million standard cubic feet of gas per day will be supplied over a 20-year period.

The arrangement is significant because it prioritises domestic LNG processing and industrial utilisation within Nigeria rather than focusing solely on export markets.

Industry experts stated that the agreement stands as a strong indication that Nigeria is repositioning natural gas as a domestic industrial feedstock capable of powering manufacturing clusters and industrial corridors.

The company's role now extends beyond traditional gas trading into infrastructure commercialisation, gas aggregation, and integrated industrial energy development.

NGML said that building long-term supply partnerships will support large industrial projects and unlock broader economic growth opportunities.

Energy market experts argue that such supply agreements are critical for improving investor confidence in

Nigeria's industrial gas market, especially as more manufacturers transition away from diesel dependence.

Falcon Corporation Deepens Gas Infrastructure Development

Since entering the gas distribution space in 2005 and delivering its first gas in November 2006, Falcon has developed approximately 32 kilometres of 10-inch gas pipeline infrastructure and supplied more than 32 billion cubic feet (BCF) of gas to industrial customers through its 25 million standard cubic feet per day (scf/d) City Gate Station. Falcon is also developing a 15,000-metric-ton LPG storage and handling facility with a dedicated jetty in Port Harcourt. The project is expected to ease distribution constraints, improve product availability, and support LPG consumption across Nigeria's South-East and Northern regions.

Notably, Falcon is also involved in the Optimera Energy Consortium — a special purpose vehicle (SPV), involved in gas distribution infrastructure within the Lagos Free Zone, supporting industrial growth and energy access.

Falcon's Managing Director, Audrey Joe-Ezigbo, says the company intends to deepen investments across the gas value chain, particularly in areas where infrastructure deficits continue to limit productivity and energy access. She noted that improved collaboration between industry operators and regulators, coupled with growing investor confidence in Nigeria's midstream and downstream sectors, is enabling greater access to institutional capital and accelerating project delivery.

Axxela Expands Nigeria's Gas Network

Axxela Limited has established itself as one of Nigeria's leading private gas infrastructure

developers, with more than 360 kilometres of pipeline infrastructure serving industrial and commercial customers.

The company's gas distribution footprint across Lagos — including Ikeja, Apapa, Tin Can, Victoria Island, Ilupeju, Isolo, and the Lekki corridor — has significantly improved energy access for industries previously dependent on expensive liquid fuels.

Beyond pipeline distribution, Axxela is also playing a pivotal role in Nigeria's emerging small-scale LNG market. Through a joint venture involving NGML and other private sector partners, the company is supporting the development of a 20mmscfd LNG plant in Ajaokuta, Kogi State.

The project is expected to utilise gas from the Oben-Ajaokuta pipeline to supply industrial and commercial customers outside Nigeria's existing gas pipeline network, particularly in Northern Nigeria, where access to cleaner energy remains limited.

Industry experts view small-scale LNG as critical to unlocking gas demand in underserved regions and expanding gas utilisation beyond traditional pipeline corridors.

Axxela is also increasingly integrating gas supply with power generation through embedded Independent Power Projects (IPPs), including installations for the Lagos State Government and a 5.8MW project for Cadbury Nigeria.

As these companies expand pipelines, LNG systems, industrial gas corridors, and embedded power infrastructure, Nigeria's downstream gas market is gradually evolving into a major driver of industrial growth and energy security.

Indigenous companies are increasingly defining the next phase of Nigeria's New Energy Order: reviving stranded assets, expanding gas processing capacity, building industrial supply corridors, and supporting the country's gas-led industrialisation agenda.

Nigerian companies are expected to play an increasingly role in strengthening domestic energy supply, and reinforcing Nigeria's position as Africa's leading energy powerhouse.

TETRACORE'S INTEGRATED ENERGY STRATEGY: "Our investments in gas-based projects are building a domestic ecosystem" – Williams

ALDG: How has Tetracore evolved in the domestic gas market over the years, and what's the company's vision and ambitious plan to unlock Nigerian gas potential?

Williams: Tetracore's evolution in the domestic gas market has been deliberately value-driven, anchored on expanding access to cleaner, more reliable, and commercially viable energy across Nigeria's industrial landscape. We are supplying fuel to major industrial clusters through piped natural gas, supporting manufacturing and power users for a stable and efficient energy supply.

As the market evolved, we have expanded into developing CNG infrastructure to serve offtakers in stranded locations without access to pipeline networks, effectively bridging the infrastructure gap and deepening gas penetration across underserved areas.

We see Natural Gas as more than just a commodity; we see it as a critical driver of industrialization, economic growth, and long-term value creation in Nigeria. This vision has guided our evolution across multiple gas value chain verticals. Beyond gas supply and distribution, we have expanded into gas-based industrial projects, virtual pipeline solutions, and power generation initiatives that deepen domestic gas utilization and create sustainable demand centers.

Our investment in AutoCNG, industrial gas solutions, and gas-fired power projects is helping to build a more integrated domestic gas ecosystem. Over time, these gas utilization initiatives have played a critical role in stimulating long-term demand for Natural Gas, thereby strengthening the commercial case for upstream development, pipeline expansion, and broader midstream infrastructure investments across the country.



**Oladayo Williams, Managing Director
(Subsidiaries), Tetracore**

Looking ahead, Tetracore remains firmly committed to scaling this impact through continued investments across the gas value chain. We are currently developing a 1,200 tons per day urea fertilizer project, alongside ongoing investments in Gas-to-Liquids (GTL), power generation, and the continuous expansion of our Autogas infrastructure network.

As we grow, we are expanding our regional presence and investing in key natural gas derivative industries that support industrialization and long-term economic value. To us, natural gas is not the final product; it is the foundation for the energy transition, broader industrial growth, energy security, manufacturing expansion, and regional economic integration.

ALDG: What is your assessment of the current state of Nigeria's gas sector, and where do you see challenges and potential opportunities across the domestic gas value chain?

Williams: Nigeria's gas sector holds enormous potential given its vast reserves, but the current state reflects a mix of structural constraints and emerging opportunities.

Gas Suppliers are currently experiencing persistent challenges around underinvestment in gas infrastructure, commercial viability of projects, and security risks across key gas-producing corridors. Liquidity constraints in the power sector have also historically impacted gas producers' willingness to invest on a large scale.

Midstream infrastructure remains a major challenge, particularly pipeline capacity and reliability, which limit the efficient evacuation of gas to key demand centers. This is compounded by pricing and regulatory uncertainties that affect long-term investment decisions.

However, there are also significant opportunities emerging across the domestic value chain. Growing demand from power generation, industrial clusters, manufacturing, petrochemicals, fertilizers, LNG deployment, and transport fuel substitution is rapidly expanding the domestic gas market.

Another critical challenge is financing and commercial viability. Gas infrastructure projects are highly capital-intensive, with long payback periods, while liquidity constraints within the power sector continue to affect payment security and investor confidence across the gas-to-power value chain.

We are also seeing increased policy focus on gas as a transition fuel, alongside reforms such as the Electricity Act and efforts to improve payment discipline in the gas-to-power space. These are gradually improving investor confidence.

ALDG: What opportunities do you see around the 'Decade of Gas'?

Williams: The Decade of Gas is the most strategic initiative Nigeria has undertaken. With over 210tcf, the largest proven natural gas reserves in Africa, natural gas represents a genuine opportunity to



Tetracore's Atakobo Industrial Park (CNG FACILITY) in Ogun State, with a capacity of 6.2 MMscf/d

drive industrialization, energy security, and economic diversification.

Tetracore's strategy is fully aligned with this vision. We are actively pursuing projects across gas distribution, power generation, GTL, petrochemicals, and industrial gas utilization. We believe the future of Nigeria's economy will be heavily linked to domestic gas monetization. For example, our urea fertilizer project is aimed at supporting food security, industrial growth, and import substitution.

Nigeria has the gas resources needed to become a major fertilizer production hub, not just for domestic consumption but for regional exports across Africa.

Another major opportunity is gas-to-power. Reliable electricity remains one of the biggest constraints to industrial growth in Nigeria. Through projects like the Atakobo IPP, we see significant opportunities to utilize gas for decentralized and industrial power generation that supports manufacturing clusters and economic productivity.

We are also seeing major momentum around AutoCNG adoption. Rising transportation costs have accelerated interest in cleaner and more affordable fuel alternatives. This creates significant opportunities across CNG infrastructure, virtual pipeline systems, conversion centers, and logistics networks.

The key now is execution. The opportunity is already clear. The focus must be on infrastructure deployment, financing, and building integrated value chains that ensure gas is not only produced but efficiently delivered to industries, businesses, power plants, and transportation systems across the country.

ALDG: Which specific policies are needed to attract private capital?

Williams: To attract more private capital into Nigeria's gas sector, the key requirement is policy stability combined with commercially viable market structures across the value chain.

First, gas pricing needs to be fully market reflective. Investors require clear, cost-reflective pricing frameworks that reflect upstream costs, infrastructure investment, and acceptable returns, particularly for domestic supply obligations.

Regulatory consistency is critical. The Petroleum Industry Act (PIA) provides a strong foundation, but implementation needs to be faster, more transparent, and more predictable to reduce regulatory uncertainty and investment risk.

Infrastructure development, especially gas pipelines and processing facilities, should be accelerated through stronger public-private partnership models.

Open-access infrastructure frameworks would also improve utilization and reduce bottlenecks. Liquidity in the domestic gas-to-power value chain must be structurally addressed. Strengthening payment assurance mechanisms and improving the creditworthiness of offtakers will significantly de-risk gas investments.

Another key area is financing. Gas infrastructure projects are highly capital-intensive and require long-term patient capital. Indigenous companies especially need greater access to lower-cost financing, credit guarantees, and infrastructure-focused intervention frameworks.

Nigeria can also become more competitive by accelerating regulatory approvals and reducing bureaucratic delays. Investors value certainty and speed.

Ultimately, Nigeria already has the reserves, the domestic demand potential, and the strategic positioning to become one of the leading gas economies globally. The opportunity now is to translate those advantages into scalable, commercially viable projects that deepen industrialization and energy security.

ALDG: Which specific areas can the government support indigenous companies like Tetracore in expanding domestic gas utilization?

Williams: Indigenous companies like ours will play a central role in achieving Nigeria's domestic gas utilization objectives because they are often closer to the market and better positioned to develop localized solutions.

At Tetracore, we are actively involved in domestic gas supply, industrial energy solutions, power projects, and emerging gas-based industrial developments.

From our experience, there are several areas where government support can significantly accelerate indigenous participation and execution capacity.

First is infrastructure support. Expanding pipeline connectivity into industrial clusters and supporting gas transportation infrastructure would significantly improve market accessibility and reduce delivery costs.

Financing remains critical. Many indigenous companies have commercially viable projects but face challenges accessing long-term, affordable capital. Projects such as gas processing facilities, fertilizer plants, GTL facilities, LNG plants, and power projects all require substantial investment. Government-backed financing frameworks, credit enhancement mechanisms, and infrastructure intervention funds would help indigenous developers scale much faster.

Thirdly, there should be continued fiscal incentives for gas-based industrialization. Incentives around gas processing, petrochemicals, fertilizers, methanol, and gas-to-power projects would help deepen domestic industrial capacity and encourage further private sector participation.

If indigenous companies are properly supported, Nigeria can build a much stronger domestic gas economy that drives industrialization, creates jobs, improves energy security, and enhances long-term economic resilience.

ALDG: Nigeria's power sector crisis is interconnected with the lack of adequate gas supply despite the abundant natural gas reserves in the country. How can Nigeria overcome gas supply shortfalls, particularly in the power sector, and what is Tetracore doing in the Gas-to-Power space?

Williams: Nigeria's power sector crisis is not only a gas supply issue but also a structural and infrastructure challenge. The country's overreliance on a centralized national grid, coupled with years of underinvestment in transmission and distribution networks, continues to limit reliable power delivery even when generation capacity exists. The slow implementation of the Electricity Act is also delaying the decentralization of the sector and limiting private sector participation in embedded generation and state-level electricity markets.

In addition, inadequate grid infrastructure remains a major bottleneck to evacuating power effectively across the country. While the federal government's approval of outstanding payments to gas producers is a positive step toward improving liquidity in the gas-to-power value chain, sustained reforms and stronger investment incentives are still required.

At Tetracore Energy Group, we are actively contributing to the solution through our



Tetracore's 100MW Atakobo Independent Power Generation & Distribution System

Gas-to-Power investments. We commissioned our 20MW IPP in April and are currently scaling the project to 100MW by Q1 2027.

Leveraging opportunities created by the Electricity Act, alongside strategic local and international partnerships, we continue to explore innovative and decentralized energy solutions that support more reliable, sustainable, and commercially viable power infrastructure development across Nigeria.

ALDG: What is Tetracore's outlook for the Nigerian gas sector in the next 5 years?

Williams: Over the next 5–10 years, we see Nigeria's gas sector becoming far more integrated into the country's industrial and economic growth. Natural Gas will increasingly drive power generation, transportation, manufacturing, and industrialization.

Tetracores' immediate priority will be optimizing our existing gas supply and distribution operations to improve reliability, operational efficiency, and market penetration across our current industrial base. We believe the next phase of growth in the sector will not only come from developing new infrastructure, but also from maximizing the efficiency and utilization of existing assets and facilities.

Particularly through integrated pipeline and virtual pipeline solutions, our AutoCNG and CNG infrastructure rollout,

which is expanding gas availability to transport users and industrial off-takers, including those in stranded locations without pipeline access.

We see gas-based industrial development as the primary driver of sustained gas demand and bankable investment cases. We are investing in large-scale gas-consuming industries such as our 1,200 tons per day Urea production project in Koko, Delta State, alongside Gas-to-Liquids (GTL) initiatives. These anchor projects are essential because they create predictable, long-term offtake, which in turn strengthens the commercial viability for upstream gas investments, midstream infrastructure expansion, and pipeline development.

We are also strengthening the gas value chain by optimizing and expanding our power generation capacity. The Atakobo Independent Power Project is a key part of this strategy, as it provides reliable gas-fired generation to support industrial and commercial power demand. This reinforces gas utilization, improves offtake certainty, and strengthens the overall commercial case for continued investment in Nigeria's domestic gas sector.

Tetracore is also positioning for opportunities in the AKK pipeline corridor, particularly in Nasarawa State, where we are developing power supply solutions to support mining and industrial operations with a more reliable and efficient gas-based power supply.



NNPC Gas Marketing Limited
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NNPC's Bold Plan to Accelerate Domestic Gas Utilization

Olalekan Ogunleye, Executive Vice President, Gas, Power & New Energy at NNPC Limited

Despite Nigeria's enormous gas reserves, the molecules often fail to meet domestic demand for power plants, industries, and households - caused by inadequate infrastructure, delayed investments, and weak commercial frameworks.

Nigeria holds over 210 trillion cubic feet of proven gas reserves—but still struggles to meet domestic demand. While domestic gas supply has improved modestly in recent years—from approximately 1.6 billion cubic feet per day (bcf/d) in 2021 to around 2.0 bcf/d in 2026. However, the gas supply still falls significantly short of demand for power plants, manufacturers, and commercial users.

This long-standing paradox—abundant gas reserves alongside domestic gas shortfalls forms the backdrop on the newly developed NNPC Gas Master Plan, which aims to reposition gas as the foundation of Nigeria's industrialisation and energy transition agenda. But Nigeria isn't new to gas sector reform ambitions.

By Ndubuisi Micheal Obineme

In 2008, the country introduced a gas master plan designed to transition the sector into a commercially driven, market-based system.

Nearly two decades later, NNPC Limited launched a revised 2026 gas master plan aimed at addressing domestic supply gaps and accelerating gas delivery to strategic sectors of the economy.

According to NNPC, the master plan represents one of the most ambitious efforts to transform Nigeria into a gas-powered economy and capable of supporting industrial expansion, power generation, and long-term economic growth. Energy experts argue that if Nigeria hopes to unlock the full potential of its gas reserves, the focus must move beyond policy ambitions to practical execution.

But the real question is:

- ◀ What distinguishes the 2026 NNPC Gas Master Plan from the 2008 version?
- ◀ Can the new NNPC Gas Master Plan finally resolve Nigeria's domestic gas supply shortfalls?

- ◀ How will implementation be funded and executed?
- ◀ What role will private sector operators and indigenous producers play?

This article examines NNPC's bold plan for effective implementation of the gas master plan, featuring the company's executives' commentary on strategies put in place in actualising the deliverables of the plan.

Overview

According to NNPC, the company's gas master plan is being positioned not merely as a policy framework, but as a strategic roadmap for national development. The company described the plan as a declaration that natural gas will serve as the backbone of Nigeria's industrialisation, a pillar of national energy security, and a transition fuel to support economic growth and lower emissions.

Cost Competitiveness, Collaboration, and Customer Value

In a statement, NNPC outlined the strategic pillars driving its 2026–2030 Gas Master Plan, stating that the plan stands as a practical framework for accelerating

domestic gas supply, strengthening industry collaboration, and delivering greater economic value to Nigerians.

Speaking on the framework of the Gas Master Plan, Olalekan Ogunleye, Executive Vice President, Gas, Power & New Energy at NNPC Limited, said the plan is structured around three key priorities aimed at transforming Nigeria into a more competitive and gas-powered economy.

According to Ogunleye, the first pillar of the plan focuses on **‘Cost Competitiveness’**, particularly reducing unit operating costs across Nigeria’s upstream sector.

“We have built a structure around it, and we are doing a monthly connect with all CEOs of upstream companies,” Ogunleye stated. “The Decade of Gas initiative has its own credence on weekly, monthly, and quarterly engagements to ensure we are consistently tracking progress.”

He explained that improving cost efficiency across the value chain remains critical to increasing domestic gas supply, accelerating project delivery, and improving the overall commercial viability of Nigeria’s gas sector.

The second pillar of the plan, according to him, is centred on **‘Collaboration’** across the energy industry.

He notes that NNPC aims to replace the traditional mindset of competition with stronger partnerships capable of unlocking greater value for both domestic and export markets.

“In the energy sector today, it is about collaboration and adding value,” he said. “The general alignment in the past suggested that progress in exports was detrimental to domestic gas supply. These are false assumptions. We want both to thrive.”

He noted that the Gas Master Plan is designed as a strategic tool to deepen cooperation between government institutions, upstream operators, infrastructure providers, and investors across the gas value chain.

“The plan is about win-win partnerships that will generate greater value for our partners and ourselves,” Ogunleye stated.



In addition, he explained that the third pillar of the strategy focuses on delivering tangible benefits to end-users and the Nigerian economy.

He said the NNPC Gas Master Plan is ultimately designed to ensure that Nigeria’s vast energy resources translate into improved living conditions, increased industrial growth, and lower energy costs for citizens.

“The plan makes sure the general alignment is for the Nigerian people,” he reiterated. “We will ensure that we transform our energy resources into tangible economic benefits and better living conditions for Nigerians.”

He also notes that NNPC’s recurring stakeholder engagements are increasingly focused on measuring how operational improvements and cost reductions can directly benefit consumers.

“In our monthly engagements, the focus is on how we are delivering cost reductions to the public,” Ogunleye said.

He reaffirmed NNPC’s commitment to sustaining structured collaboration across the gas sector, noting that governance and coordination mechanisms under the current leadership have been strengthened to support effective implementation of the Gas Master Plan.

He also noted that the plan aligns with Nigeria’s Decade of Gas agenda and is expected to support increased domestic gas utilisation, industrialisation, power generation, and long-term energy security.

How NNPC Gas Master Plan Will Drive Coordinated Growth, Stronger Partnerships, and Faster Gas Delivery.

Speaking on the framework of the master plan, Ekpei Ukam, the Focal Person of the NNPC Gas Master Plan Implementation Assurance Team, stated that the plan builds on the foundation laid by the 2008 Nigerian Gas Master Plan and other previous gas sector development initiatives prior to the implementation of the Petroleum Industry Act (PIA).

Ukam described the plan as a dynamic and actionable roadmap designed to accelerate gas development, infrastructure expansion, monetisation, and domestic utilisation across Nigeria.

He highlighted that earlier initiatives has helped grow Nigeria’s gas industry to its current production, significant gaps remain in gas monetisation and domestic supply.

“These plans have gotten us to where we are today, producing about 7.5 BCF per day and monetising roughly 60 percent of that volume, but clearly that is not where we want to be,” he said.

“And so NNPC sought to put this plan together to take us to where we need to be and join our peers in the global space.”

Integrated Gas Hub Strategy

Ukam revealed that the 2026 NNPC Gas Master Plan introduces a more coordinated and commercially driven development model, moving away from the fragmented project-by-project approach that previously characterised gas development in Nigeria.

“At the core of this plan is market-led gas development and commerciality,” he reiterated. “We are moving away from fragmented project-by-project approaches and adopting an integrated gas hub concept.”

Under the strategy, the Gas Master Plan identifies 23 gas hubs across the country, some of which are already operational. He stated that the hub model is expected to improve coordination, optimise infrastructure costs, and unlock greater value across the gas value chain.

“We are now seeking to develop gas in a more coordinated way, and in that way, we can optimise cost and assure increased value,” he added.

Balancing Domestic Supply and Exports

Speaking further, he also stated that the Gas Master Plan is designed to balance domestic gas utilisation with export growth, adding that the gas hub framework incorporates flexibility to supply both domestic and export markets depending on demand dynamics.

“We have identified flexibilities around hubs that can either go to the domestic market or export market,” he explained.



NNPC Limited Records Major Breakthrough with Successful River Niger Crossing on OB3 Gas Pipeline. The OB3 Pipeline is a strategic infrastructure designed to transport up to 2 billion standard cubic feet of gas per day - a backbone gas infrastructure linking the Eastern gas network to the Western network and extending connectivity to the Northern corridor through the AKK Pipeline.

“There is a clear direction to deepen demand in the domestic market space, which we know will transform the economy, while also strengthening supply to export markets to attract foreign exchange earnings from LNG.”

Leveraging the Petroleum Industry Act

A major distinction between the 2026 Gas Master Plan and previous frameworks, according to him, is the regulatory clarity provided by the Petroleum Industry Act.

“The NNPC Gas Master Plan is based on the regulatory framework established by the PIA,” he said. “When previous plans were developed, the PIA was not in place, so there was no certainty around regulatory operations. Today, we have a clearer and more stable framework guiding the sector.”

He noted that the company is leveraging both the Decade of Gas initiative and existing gas sector institutions to accelerate gas distribution and utilisation across Nigeria.

Partnership at the Core

More so, he emphasised that partnership remains central to the success of the Gas Master Plan. According to him, the development of the plan involved extensive engagement with industry

stakeholders and joint venture partners to ensure alignment and collaboration.

“The entire Gas Master Plan is anchored on partnership,” he said. “We engaged all our partners in putting this plan together, took their inputs, and ensured those inputs were reflected.”

He described the plan as a “listening framework” that will continue to evolve as industry realities change.

“This is why we call it the 2026 NNPC Gas Master Plan,” he explained. “As dynamics change, the plan will also evolve to reflect present realities and ensure Nigeria remains competitive globally.”

Focus on Implementation

One of the major lessons learned from the 2008 Gas Master Plan, he said, was the importance of implementation tracking and execution discipline.

To address this, Ukam stated that the 2026 framework includes a dedicated implementation assurance mechanism designed to monitor project delivery across the gas value chain.

“This framework will ensure we track work programmes across all our JV partners,” Ukam said. “We will also track the infrastructure required to deliver gas to destination markets.”

The implementation structure is also tied directly to the Presidential mandate targeting 10 BCF/day gas production by 2027 and 12 BCF/day by 2030.

“The Gas Master Plan clearly demonstrates deliberate actions towards achieving these objectives,” he added.

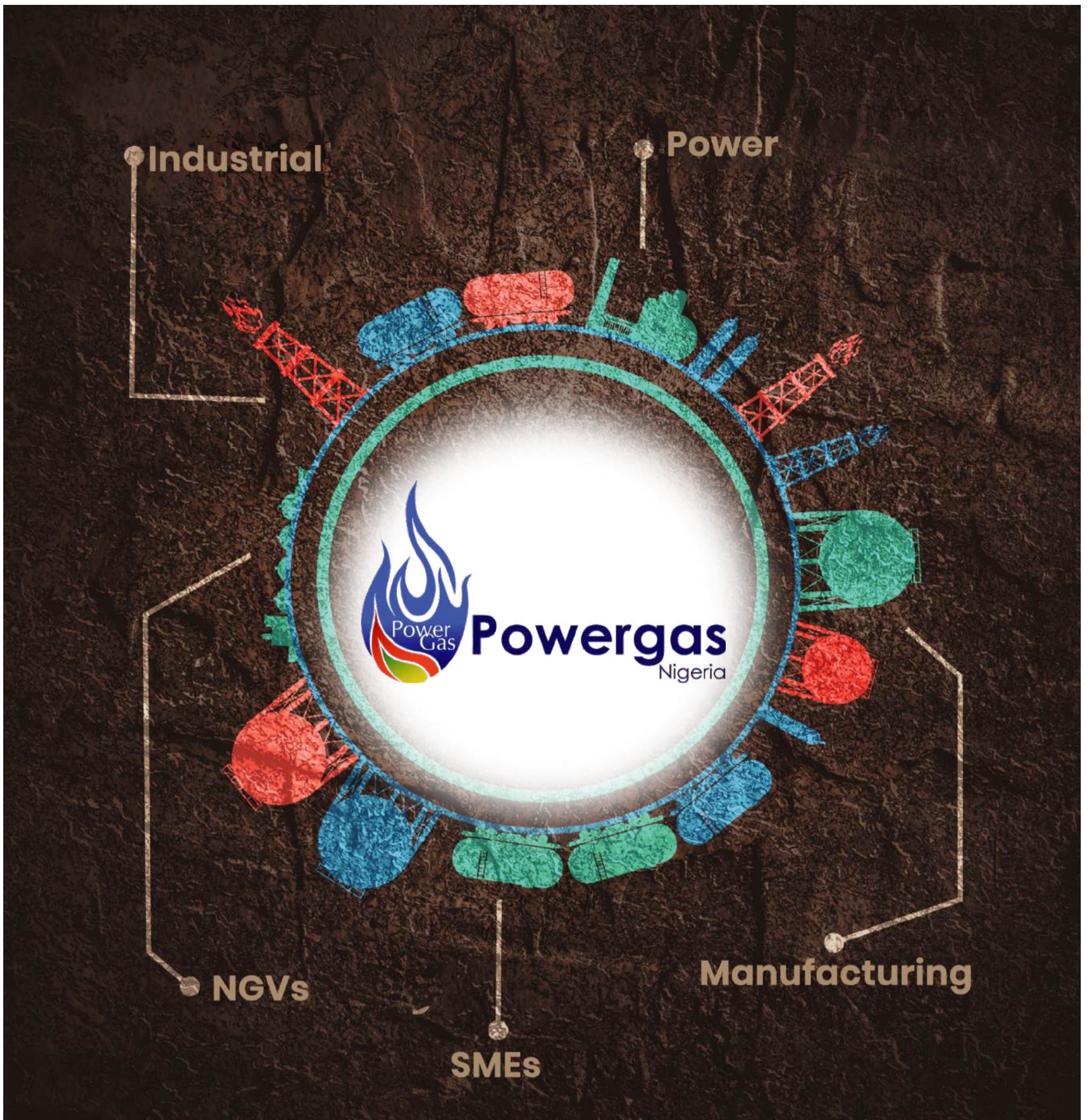
Lessons from 2008

Speaking on why the 2008 Gas Master Plan faced implementation challenges, he said partnership and continuous stakeholder engagement will now play a more active role in the execution of the NNPC Gas Master Plan.

“The critical aspect is talking to partners because partnership sits at the core of what we need to achieve,” he emphasized.

He disclosed that NNPC has commenced a series of workshops and syndicate sessions with JV partners to track approved work programmes beginning in 2026.

“2026 will serve as our test case to track the work programmes that have been signed up by our JV partners to ensure this plan is delivered,” he said, adding that the coordination and accountability framework around the plan is expected to improve execution and support Nigeria’s ambition of becoming a globally competitive gas economy.



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POWERGAS: An Indigenous Company Forging Nigeria's New Energy Order

By Abiodun Oseni, GM & Head of Strategy – Powergas Nigeria

For as long as we remember, the story of our natural gas in Nigeria followed a familiar pattern: vast reserves, endless flaring, and yet very little of the fuel reaching the factories, industries, and power plants that needed it. The reason was simple: Pipelines are expensive to build, slow to cost recovery, and easy to vandalize. If your business was not sitting directly on a pipeline right-of-way, you simply could not access gas.

However, this has changed. A new energy order has slowly emerged. It isn't led by the IOCs such as ExxonMobil, Chevron, SNEPCO and other international majors - but by local distributors who have found a different way to move gas.

Instead of waiting for steel pipes, we have put gas molecules on skids, towed by trucks. Instead of relying on a single fixed route, we have built flexible, scalable networks.

Over the past decade, one company has quietly become the largest operator of this model in Africa: Powergas Nigeria.

This article tells the Powergas story, not as a promotional piece, but as a case study of how an indigenous operator built a virtual pipeline network, created demand where none existed, and demonstrated that local players can reshape Nigeria's downstream gas landscape. We have been told so many times that Nigeria holds more than 200 trillion cubic feet of proven gas reserves, yet for many of our industrial users and fleet operators, diesel remained the default.

A more expensive and dirtier fuel with zero resistance to constant price shocks. Why? Because the pipeline network is concentrated in a few areas like Lagos, and a handful of industrial corridors. If your factory was in Anambra, or 'champion' a brewery in Uyo, or be an Anudu plastic in Delta, you were effectively off the gas grid.



Abiodun Oseni, GM & Head of Strategy – Powergas Nigeria

The result was a distorted market. Industries paid a premium for imported diesel. Gas that could have powered their operations was instead flared at oil fields. And the environment paid the price, with methane and CO2 emissions rising from both flaring and diesel combustion. This was a problem of distribution, not supply.

Here comes the solution, A Virtual Pipeline. Powergas Nigeria was incorporated in 2012, but our roots go back to 2009 when the group built Sub-Saharan Africa's first CNG plant in Ota, Ogun State. The insight was straightforward: if you cannot lay pipes, use trucks. Compress natural gas at a central facility (a "mother station"), load it into high-pressure cylinders mounted on skids, and deliver it directly to customers.

Today, that model has grown into a substantial operation. Powergas operates five state-of-the-art gas compression facilities with a few more underway.

In 2026, we now have a fleet of over 300 skids and over 150 trucks, all towards an effective distribution pan-Nigeria.

As at the fourth quarter of 2025, we had delivered more than 600million SCM (standard cubic metres) of CNG to customers across the South-West, South-East, and South-South, and further poised for our Northern expansion this month. These numbers while may be impressive are only evidence of a working model for your energy needs.

Powergas alone controls nearly 40% of Nigeria's CNG compression and distribution industry. Our volume growth is steady with about 39% Y-o-Y, not the explosive, unsustainable hype seen among some newer entrants and we have maintained a 100% safety record since the start of our operations.

We had literally had to create demand where there was none. One of the most striking aspects of the Powergas story is how we helped create demand for gas.

In the early years, many industrial customers did not even know they could run their boilers, kilns, or generators on CNG. Diesel was the familiar choice. Gas was something that came from a pipeline and which they did not have one.

We changed that by offering what is called today a "virtual pipeline." For a factory in Ogun State or a small business in Aba, the experience is simple: a truck arrives, connects to a small on-site station (a "daughter station"), and gas flows. No pipeline. No long-term civil works. Just reliable fuel.

The list of our major customers tells the story. Nigeria's largest FMCGs and industries all have switched to Powergas's CNG for at least part of their operations. These are not small players. Just ask the bottlers of your favorite coke or makers of Indomie, and other major brands. They demand reliability, safety, and cost predictability. They choose a local distributor. They choose Powergas.



One of the reasons the virtual pipeline model works in Nigeria is its modularity. A pipeline is a fixed asset: you build it once, at great cost, and it serves a fixed corridor. If demand grows, you cannot easily expand. If demand shifts, you cannot move the pipe.

A virtual pipeline is different. When a new industrial cluster emerges, Powergas can add trucks and skids. When a customer's production increases, it can increase delivery frequency. The infrastructure scales with demand. This is especially valuable in our country where industrial growth is often unpredictable and where security or road conditions can change quickly.

Our five mother stations are strategically located. From these hubs, CNG is transported to customers as far as the South-East and South-South. And with an additional 20,000 SCHM of capacity under expansion, the network is still growing.

While the focus of this article is not on climate policy, but it is worth noting that the Powergas model delivers environmental benefits as a natural by-product of commercial operations. By displacing diesel (over 650 million litres so far), we reduce both CO2 emissions and local air pollution.

By capturing associated gas that would otherwise be flared, we cut methane emissions. And by avoiding long, potentially aging pipelines (which are a possible source of methane leaks), the virtual pipeline is inherently cleaner than the alternative.

For Nigeria the primary achievement is economic: cheaper, more reliable fuel for industries, and a reduction in foreign exchange spent on diesel imports.

Today, patience is not a virtue; it is a survival strategy. Roads are unpredictable. Security challenges shift. The regulatory landscape evolves slowly. And industrial customers, who are burned by an unreliable fuel supplier, may never return to gas.

At Powergas, we learned this the hard way by actually doing it. Our safety record did not happen by accident. It came from rigorous maintenance, proper seals to prevent methane leaks, and refusal to cut corners.

Blue-chip customers did not sign contracts based on press releases, rather they sign after years of proven delivery.

The crawl created a template. The virtual pipeline model – mother stations, daughter stations, mobile refilling – was refined through trial and error. The routes from Lagos to Anambra, from Ogun to Rivers, were optimised over thousands of trips. The financial model that works without subsidy was built slowly, with patient capital.

Now, that template is available to everyone. New entrants did not have to invent the wheel. They simply bought skids, hired drivers, and started marketing. They are flying on a runway that Powergas and a few other pioneers laid down.

That is not a complaint. It is a compliment. A healthy industry needs both pioneers and fast followers. Every new entrant that genuinely delivers gas, even if their claims are inflated, helps displace diesel. Every

million scm that replaces imported fuel saves foreign exchange and reduces emissions.

Powergas did not build this industry to keep it to itself. We built it so that Nigeria could finally use its own gas. If new entrants help achieve that faster, that is a win for the nation.

The first bird to fly did not complain when others joined the sky. It simply flew higher. So as a member of Association of Local Distributors of Gas, three things stand out.

First, patience matters. Powergas has been at this since 2009. We did not appear overnight. The growth was steady, not explosive. In a sector where many new entrants rush in with sub-standard equipment, the value of a long track record is enormous.

Second, safety is a competitive advantage. The company's 100% safety record is not a lucky statistic. It comes from using ISO-standard skids, proper gas dehydration, and well-maintained compression equipment. We notice that smaller players use cheaper, untested cascades, and risk damaging customer equipment or, worse, causing accidents. In the long run, safety wins customers.

Third, focus on the customer's problem. Industrial users do not want gas for its own sake. They want reliable power, process heat, and lower costs. Powergas solved that problem by offering a complete service: compression, transport, on-site storage, and refilling options for fleets. That is why we now serve over 78 major companies.

In conclusion, Nigeria's new energy order is not being built by international majors. They are divesting. It is being built by local distributors who have learned to operate in a challenging environment – poor roads, limited pipelines, and a regulatory system that is still evolving. Powergas Nigeria is one of those builders. We took a simple idea such as put gas on wheels and turned it into a national network. It created demand where there was none. It proved that a local company can achieve world-class safety and scale. And we continue to expand, from the South-West to the South-East, from the South-South to the North.

From the ALDG desk to the rest of the world, the message is clear: the opportunity is real. But success requires more than hype. It requires patience, safety, and a relentless focus on solving the customer's problem. That is the story of Powergas. And it is a story worth telling as we shape Nigeria's downstream gas future together.



Engr. Gbenga Ayodele Owolabi, Senior Commercial Manager, ANOH Gas Processing Company

Strategically, the combined infrastructure offers route diversity, reduced single point of failure risk, and improved system resilience, strengthening investor confidence in Nigeria’s gas midstream.

More broadly, OB3 underpins Nigeria’s gas-led economic transition by enabling reliable gas supply to power generation, industrial hubs, and emerging gas-based industries, moving the domestic gas sector toward a more integrated and resilient national network.

ALDG: What’s your assessment of the current state of Nigeria’s gas pipeline networks, and how can new pipelines be well integrated into existing infrastructures without disrupting gas supply?

Owolabi: Nigeria’s gas pipeline network is improving, with new systems such as AKK complementing the ELPS network.

However, capacity and resilience remain below the level required to meet current demand and projected growth across power and industrial sectors.

The government is making progress in addressing aging infrastructure, limited redundancy, and ongoing integrity and security challenges, but a fully robust network will require sustained upgrades.

Achieving this will depend on a combination of private sector investment, strong regulatory frameworks, and investment-focused policies, including clear network codes, transparent access rules, and commercially viable tariffs.

The integration of new pipelines must be guided by coordinated network planning, supported by digital flow modeling, phased tie-ins, and strong pressure management practices to ensure interoperability and system reliability.

ALDG: What strategies were implemented to ensure the ANOH gas pipeline meets the global best practices in terms of ESG commitments?

Owolabi: Sustainability was embedded into the ANOH alternative pipeline from the design stage. The project was structured to allow Indorama and other offtakers to develop their own pipelines and compression facilities, while ANOH provided a central gas hub with multiple manifold connection points to

"ANOH gas project enabling evacuation routes for offtakers, domestic gas supply" – Owolabi

ALDG: Earlier this year, the ANOH gas project delivered its first gas through an alternative pipeline after years of delays caused by a decade-long infrastructure gap in Nigeria’s traditional pipelines. How secure is the new pipeline for gas supply, and how will it reshape the domestic market?

Owolabi: The delivery of first gas through the Indorama-owned alternative pipeline marks a major milestone for the ANOH Gas Project, enabling early gas monetization and overcoming long-standing evacuation constraints affecting legacy infrastructure.

Purpose-built with enhanced security, optimized routing, and greater operational resilience, the pipeline is currently transporting approximately 50 MMSCFD of gas to the Indorama Eleme Petrochemical Complex in Rivers State.

For long term, large scale gas evacuation, the Obiafu–Obrikom–Oben (OB3) pipeline remains critical. OB3 serves as Nigeria’s strategic east–west gas transmission backbone, linking Eastern gas supplies to the Escravos–Lagos Pipeline System (ELPS) at Oben.

This connection enables access to multiple downstream markets across the western corridor, including power plants, industrial clusters, and large domestic offtakers.

While the Indorama pipeline provides an immediate and secure evacuation route, other ANOH offtakers depend on the completion and full integration of OB3 into ELPS for onward gas delivery.

Together, both routes will deliver evacuation certainty, a prerequisite for meeting Domestic Gas Supply Obligations and sustaining long-term gas commercialization.



Snapshot of the 300 mmscf/d ANOH gas project

enable future tie-ins and efficient gas redistribution. This approach minimizes infrastructure duplication and supports long-term system resilience.

Comprehensive Environmental and Social Impact Assessments (ESIAs) were completed in compliance with Nigerian regulations and aligned with international best practices.

Construction utilized low-impact techniques, including horizontal directional drilling in environmentally sensitive areas, significantly reducing surface disturbance.

The project adopted a strong host community engagement strategy, emphasizing early consultation, local employment opportunities, formal grievance management mechanisms, and targeted long-term social investment, supporting social acceptance and operational stability.

From an environmental and climate perspective, the pipeline enables reduced gas flaring and cleaner fuel substitution, aligning the project with Nigeria’s energy transition and decarbonization objectives while strengthening the domestic gas value chain.

ALDG: How are digital technologies shaping the company’s operations?

Owolabi: Digitalization is a cornerstone of ANOH’s operational strategy, enabling safe, reliable, and efficient asset performance. Advanced SCADA systems and real-time monitoring tools are deployed to continuously track pipeline integrity, pressure, and flow parameters across the network.

The company leverages data analytics, predictive maintenance models, and condition-based monitoring to identify potential risks early and optimize inspection and maintenance cycles.

In addition, digital asset registers and integrity management systems support full lifecycle asset management, enhancing safety, reliability, and cost efficiency.

To further strengthen this capability, ANOH is progressing plans to implement Risk-Based Inspection (RBI) and Reliability Centered Maintenance (RCM) studies. These initiatives will enable end-to-end digitalization of plant and pipeline assets, streamlining inspection and maintenance activities while supporting long-term operational resilience.

ALDG: What are your company’s priorities in 2026 and beyond?

Owolabi: Our priorities center on ensuring consistent and reliable gas supply to the domestic market, strengthening asset integrity and operational resilience, and

deepening digital transformation across all operations.

A key area of focus is the execution of our expansion strategy, including the successful implementation of Phase 2 of the ANOH Gas development.

We remain equally committed to best-in-class HSE performance and strong sustainability outcomes, while actively supporting Nigeria’s ambition to build a gas-driven industrial economy.

At ANOH Gas Company, we are focused on creating long-term shareholder value in a manner that is fully aligned with national energy development objectives.

Key facts about ANOH gas project

ANOH is the first of the seven critical gas development projects identified by Federal Government of Nigeria to commence operations. It is an important strategic project to reduce carbon intensity and contribute significantly to Nigeria’s gas production target of 12 billion cubic feet per day by 2030.

The project will also increase energy access for Nigerians in terms of both power and clean cooking fuel for the local communities, while advancing delivery of economic prosperity in Nigeria.

The ANOH gas plant was developed by ANOH Gas Processing Company (AGPC), an incorporated joint venture between Seplat Energy and the Nigerian Gas Infrastructure Company (NGIC).



Agbada 67 in OML 17

Agbada-67 Case Study: How Heirs Energies is transforming OML 17 with brownfield innovation

As natural gas becomes Nigeria's energy transition fuel, achieving a meaningful progress will depend on rapid execution, technical and innovative solutions.

Interestingly, the Agbada-67 intervention in OML 17 offers a compelling case study of how brownfield innovation can unlock stranded gas, increase domestic gas supply, and stabilise power generation, without drilling a new well.

In an op-ed authored by Debo Adebajo, Vice President, Technical at Heirs Energies, he provided insights about a pioneering rigless gas well recompletion at Agbada-67, which led to massive increase on gas production, delivered measurable benefits to Nigeria's power sector.

He notes that the company's brownfield intervention restarted Agbada-67 with gas production of approximately 45 million standard cubic feet per day (MMscf/d), which significantly increased the entire OML 17 gas production from 50 MMscf/d to 135 MMscf/d.

As a result of this intervention, aggregate power generation across plants supplied through the eastern domestic gas network rose from 100MW to more than 325 MW on average,

By ALDG Editorial Team

with peak generation reaching 455 MW. According to Adebajo, the project demonstrates that Nigeria's gas ambitions can be achieved not only through large-scale greenfield developments, but also through the intelligent re-engineering of existing assets.

"Nigeria's gas ambitions will not be delivered by policy declarations alone," Adebajo stated. "They will be delivered by speed, precision, and engineering ingenuity. Agbada-67 proves that brownfield innovation can unlock significant value quickly, safely, and cost-effectively."

Delivering Results Through Innovation

Rather than drilling a new well, the Heirs Energies technical team implemented a two-stage tubing recompletion strategy that avoided the need for a rig and significantly reduced project costs.

Completed safely within 51 days, the intervention delivered nearly double the initial production forecast while maintaining strong reservoir pressure and avoiding additional surface footprint expansion.

Lower Cost, Faster Payback

The Agbada-67 project was completed at an estimated cost of approximately \$3.5 million — about 35% of the cost of a conventional

workover and roughly 15% of the estimated cost of drilling a new well. The project achieved payout in approximately 22 days and generated an estimated \$14 million in revenue within the first 90 days of production.

Supporting Nigeria's Energy Transition

He noted that the intervention improved electricity availability for households, hospitals, businesses, and industrial users that depend on grid power. He also emphasised the replicability of the approach across Nigeria's mature onshore assets, where thousands of existing wells present opportunities for similar brownfield optimisation projects.

"Agbada-67 is a proof point," Adebajo said. "Nigeria does not need to wait for large greenfield developments to grow domestic gas supply. With the right technical mindset, disciplined execution, and collaborative support, existing assets can deliver transformative value."

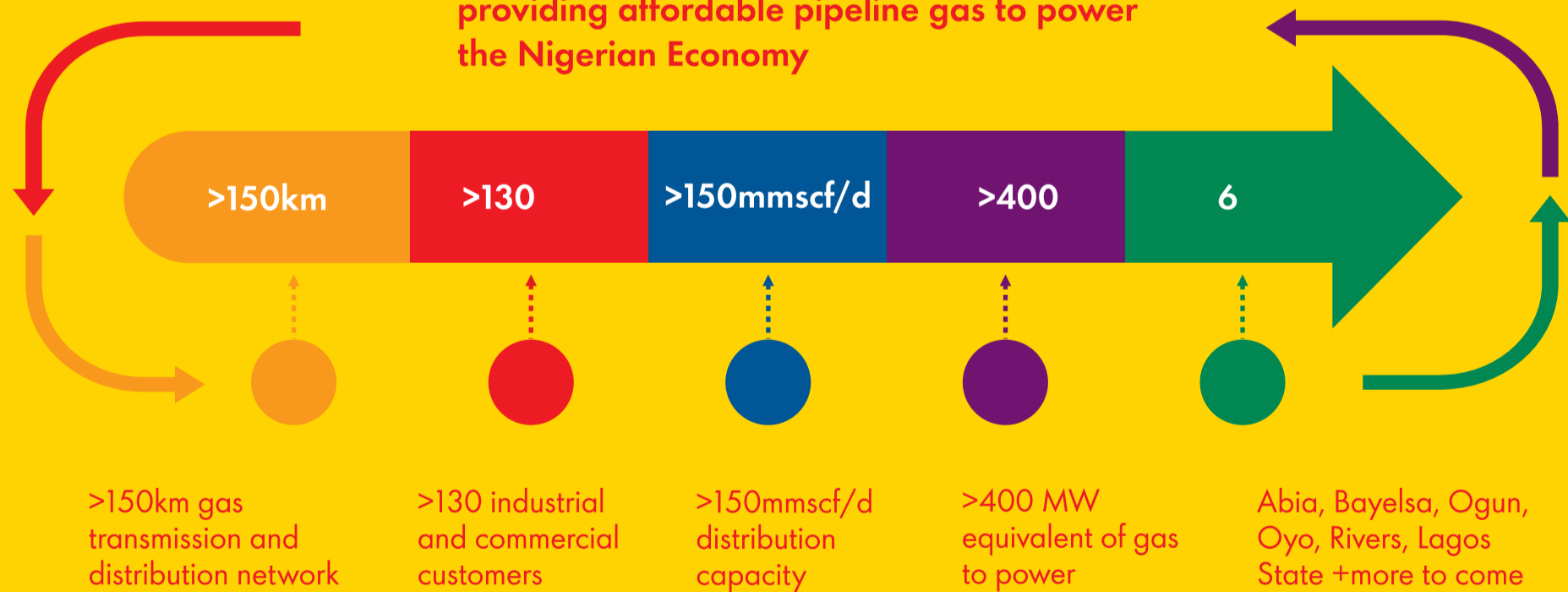
A Model for Indigenous-Led Energy Development

Heirs Energies credited the project's success to collaboration among indigenous technical teams, NNPC, and NUIMS, underscoring the growing role of local expertise in driving Nigeria's energy transition agenda, the company called for greater industry focus on scalable brownfield innovation supported by flexible regulation, data transparency, and stronger public-private collaboration.



Shell Nigeria Gas in Numbers

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Axxela Limited, a company owned by BlueCore Gas Infracore Limited, a strategic alliance of Afrigaz Energie LLP (a portfolio company of Stanbic IBTC Infrastructure Growth Fund), Levene Energy Development Limited, emPERSAND Limited, and Energy& LLP, is Nigeria's pioneer private-sector developer of natural gas solutions, with proven expertise in captive power generation and energy infrastructure development.

With over 400km of natural gas pipeline infrastructure built, Axxela provides unique energy solutions primarily through its subsidiaries: Gaslink Nigeria Limited, Gas Network Services Limited, Central Horizon Gas Company Limited, Transit Gas Nigeria Limited, and other Strategic Business Units.

