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Image courtesy of Hyphen Hydrogen Energy

Resilience, Forged in Uncertainty

As markets shift, Africa's energy industry doubles down on its strengths

The 2026 energy shock, a consequence of the conflict between the US, Israel, the Gulf States and Iran, upended energy markets. In January 2026, the price of a barrel of Brent crude bottomed out at US$61; by mid-March, intraday spot prices reached US$126. By April, the price stabilized slightly between US$90 and US$120, but continued to fluctuate with the news cycle. Gas markets experienced even more volatility; the closure of the Strait of Hormuz reduced global liquefied natural gas (LNG) supply by over 10 billion standard cubic feet per day (scf/d), or approximately 20%. Spot prices for the fuel soared as countries from Asia to Europe and beyond competed for a dwindling number of available shipments.

African nations have not remained immune to the disruption. Fuel prices rose across the continent, in both relatively deregulated markets like Nigeria and more closely controlled markets like Tanzania and South Africa. The World Bank cut its 2026 growth estimate for sub-Saharan Africa from 4.4% to 4.1% – the same rate as in 2025 – due to rising fuel costs and an impending global fertilizer shortage driven by disruptions to Gulf gas supply, a key feedstock.

The speed at which the conflict reshaped energy markets is a reminder to the industry to prepare for the unexpected. Mansur Mohammed, Africa head of new business development at Wood Mackenzie, cautioned: "The geopolitical disruption in the first quarter of 2026 is a reminder that external forces beyond any single stakeholder's control can shape the market. Firms need robust strategies to weather such periods of volatility, such as diversifying suppliers and offtakers. The situation also reinforces the need for African governments to develop domestic and regional energy markets that can cushion the impact of international shocks."

"Africa needs to establish robust domestic oil and gas markets as energy demand from the continent grows. We will need to invest in all segments, including exploration, refineries, cross-border pipelines and regional trade infrastructure to power the continent."

Rashid Ali Abdallah,
Executive Director,
AFRICAN ENERGY COMMISSION (AFREC)

To survive, diversify

In order to emerge stronger from the disruption, actors across the continent are diversifying their business relationships, while looking for ways to strengthen the African consumer base. To those who have been in the industry for a few years, this focus on increasing African independence is nothing new. Divestment by international oil companies (IOCs) from the upstream since the early 2020s highlighted the need for Africans to drive the continent's oil and gas development long before the current catalyst. Rashid Ali Abdallah, executive director of the African Energy Commission (AFREC), surmised: "AFREC supports the creation of an internal oil and gas market, a single electricity market and stronger cross-border trade structures. Given current global geopolitical volatility, intra-African trade can help reduce exposure to external price shocks."

The industry's foremost challenge remains meeting Africa's growing energy demand. In its State of African Energy 2026 Outlook report, the African Energy Chamber forecasted that refined oil product demand in Africa will grow from 4 million barrels per day (bpd) in 2026 to over 6 million bpd by 2050. Gas demand is also rising quickly. Linda Baaba Clarke, commercial manager at Shell Ghana, pointed out: "There is growing interest in using gas directly in certain industrial applications to save money and displace liquid fuels, which can cost more and be more carbon intensive. Industrial demand for gas is rising alongside the traditional residential and commercial base."

Africa's energy powerhouses continue to implement gas transformation strategies across the value chain, from Nigeria's 'Decade of Gas' initiative to Angola's Natural Gas Master Plan. Paul Eardley-Taylor, gas sector lead at Standard Bank, noted: "Nigeria's 'Decade of Gas' initiative is moving from aspiration to practical execution. With frameworks firmly in place, attention is now shifting toward upstream supply, midstream infrastructure and downstream utilization."

Upstream momentum continues

In Nigeria, sub-Saharan Africa's largest hydrocarbons producer, the upstream recovery has continued to accelerate into 2026. IOCs and operators have committed almost US$20 billion in investments with-

NJ Ayuk

Executive Director,
AFRICAN ENERGY CHAMBER

What are some recent achievements for the African Energy Chamber?

One of our priorities has been helping countries strengthen fiscal terms for projects so that investment decisions can move faster. We encourage countries to rethink licensing rounds and use direct negotiations where appropriate to streamline permitting and approvals. This advocacy is driven by the fact that Africa cannot afford delays.

Africa has the right to develop its hydrocarbons, the right to fight energy poverty and the right to build a realistic energy mix. The numbers are still deeply troubling: around 700 million Africans still lack access to electricity, and close to 1 billion still lack access to clean cooking, leading to roughly 1 million deaths annually from indoor air pollution, which is why Africa should produce every drop of hydrocarbons it can.

What kinds of international cooperation matter the most for Africa's energy future?

Across the continent, examples of such productive cooperation abound. Senegal and Mauritania worked together very effectively to advance the Greater Tortue Ahmeyim (GTA) LNG field. In February, Cameroon and Equatorial Guinea signed a unitization agreement to jointly explore the Yoyo-Yolanda field offshore. At a continental scale, institutions such as the African Petroleum Producers' Organization's Africa Energy Bank are advancing Africa-led solutions to continent-wide challenges.

What are the biggest risks facing the continent's energy sector?

Today, geopolitics is shaping markets even more directly than conventional supply-and-demand fundamentals. Africa is still importing far too many petroleum products, exposing African markets to price fluctuations in global oil and gas markets. We need to build better buffers against these shocks. It will take approximately US$15 to US$20 billion just to address refinery needs, and billions more to grow infrastructure in areas like storage, regasification and imports. Our challenge is to connect the continent's upstream and downstream. Crude oil is a raw material that must be processed, and if we do it here at home, we can create jobs and revenue and reduce our external vulnerability. ■

Farid Ghezali

Secretary General,
AFRICAN PETROLEUM PRODUCERS' ORGANIZATION (APPO)

What have been your priorities at APPO since assuming your role in January 2026?

The major theme of our work at APPO this year is to accelerate continental integration. Physical infrastructure is being constructed across our continent, as evidenced by the Trans-Saharan Gas Pipeline and the extension of the West African Gas Pipeline to Côte d'Ivoire. For 2026, we are targeting a 25% increase in intra-African gas trade, driven by major infrastructure projects.

The Africa Energy Bank, jointly led by APPO and Afreximbank, will also formally commence operations in July 2026. The inauguration of its headquarters building in Abuja, Nigeria, in February 2026 marked an important milestone in what has been a years-long journey.

Finally, we are launching a new digital platform to improve exchanges between service providers and producers. Local content is the DNA of APPO and the engine of our continent's development. Currently, our local content levels hover around 25%. Our goal is for the continent to reach 50% by 2030, which we forecast will create 1 million jobs.

Where does APPO intend to focus its advocacy efforts during your term?

APPO's 2026 advocacy efforts rest on three pillars: harmonizing regulations through the 'APPO Upstream Code' initiative, promoting blended finance to help address the continent's US$100 billion financing gap, and working towards a 50% local content quota. Currently, Africa's energy sector is hamstrung by fragmented and inconsistent regulatory frameworks, but by harmonizing petroleum codes, we can ensure that African states capture the lion's share of the value produced on the continent.

How do global South-South partnerships create tangible value for the African continent?

We are witnessing a genuine breakthrough in South-South cooperation. In financing, China has signed agreements of up to US$10 billion with Angola and Nigeria, while India is actively co-developing fertilizer plants in Algeria. We also see critical technology transfers taking place between Brazil's Petrobras and its African partners. South-South cooperation already exists; our task now is to formalize it through large-scale projects. ■

Energy Finance and Regulations in 2026

"Any country introducing non-associated gas for the first time must build a new policy framework step by step. Legislation, market structures, pricing principles and a capable regulator are all necessary."

Paul Eardley-Taylor,
Gas Sector Lead,
STANDARD BANK

"Many countries across Africa hold substantial exploration potential. However, the keys to unlocking our potential remain regulatory clarity, the rule of law, technology adoption and accessible financing. If these elements align, Africa's energy sector can experience renewed growth."

Olumide Esan,
West Africa Energy, Resources and Industrials Industry Leader and Partner,
DELOITTE

"The breadth of the investor base and the scale of the continent's resources, coupled with the potential for future discoveries, show African assets can compete globally. Capital continues flowing to projects that deliver competitive returns, regardless of geography."

Mansur Mohammed,
Head of New Business Development Africa,
WOOD MACKENZIE

in the country since 2025. Oliver Quinn, CEO of Meren Energy, commented: "Nigeria is a leading hydrocarbon producer on the global stage and is committed to the sector, which means the government's objectives align with those of an independent company like us." This alignment has translated into tangible improvements, added Quinn: "The process that led to the adoption of the Petroleum Industry Act has significantly improved the investment environment. Government approvals are now much speedier than before, which means that things function on a day-to-day basis."

Nigeria is not the only traditional producing jurisdiction witnessing a spike in interest from IOCs. In October 2025, Shell signed an MOU with Angola's upstream regulator, committing almost US$1 billion in exploration investment at deepwater and ultra-deepwater blocks. These announcements reflect a broader trend; Rystad Energy estimated in January 2026 that Africa is set to account for around 40% of planned high-impact exploration wells worldwide. Activity is set to be strongest in the Gulf of Guinea and in the Orange Basin, which straddles the Namibia-South Africa border.

Amid the surge in activity, several major projects are poised to achieve important milestones. Namibia may witness its first FID at the Venus project in 2026. Meanwhile, in Mozambique, the stabilization of the security situation enabled all major operators to lift their force majeure declarations at their projects, encouraging the restart of activity for operators and service providers alike. Ricardo do Amaral, general manager of Angolan subsea services provider Octomar, commented: "In Mozambique, TotalEnergies has lifted its force majeure on the project, which has heralded the resumption of tendering and given more cause for optimism."

The pace of activity in 2026 is notable, particularly given IOCs' renewed appetite for capital-intensive offshore projects. Yet financing and access to capital remain a major bottleneck for independents across the value chain.

Closing the financing gap

In a bid to help relieve the industry's cash crunch, the Africa Energy Bank (AEB) will start operations in July 2026, a major milestone for Africa-led energy financing. The AEB, co-owned by the African Export-Import Bank and the African Petroleum Producers' Organization (APPO), will start operations with US$500 million in seed funding and a capital base of US$5 billion. APPO's secretary general, Farid Ghezali, underlined: "At a time when geopolitical developments remind us not to take a steady energy supply for granted, the launch of the AEB positions Africa as a resilient energy supplier to the world. We have the resources to help Europe and Asia diversify their energy sources, and the AEB will enable African energy to reach international markets," adding that he expects the first projects to receive funding will include capital-intensive developments such as LNG terminals and cross-border pipelines.

Beyond government-backed initiatives, African financial institutions are also innovating in other ways, big and small. For example, IRON Capital, an investment banking firm, focuses on designing financial instruments to meet the continent's financing needs. Jubril Enakele, the firm's chief executive, explained: "A common misconception is that capital market investors invest in projects; in reality, they invest in instruments. Therefore, we have an imperative to create instruments that pension funds, asset managers and other capital market investors can invest in."

At the other end of the spectrum, Moneda Invest Africa is another finance firm focused on supporting African small- and medium-sized enterprises (SMEs). Moneda offers collateral-free loans and mitigates risk through technical capacity-building and other forms of support for borrowers. Its chief executive, Ejike Egbuagu, commented: "We believe Africa has the resources, talent and capital to drive its own development if those resources are mobilized effectively. Countries like China have demonstrated how capability can be built at scale, and there is no reason Africa cannot do the same."

The company launched its flagship 'Africa Funds Africa' campaign in late 2025, aiming to close the financing gap for SMEs by mobilizing underutilized capital on the continent.

For stability, come to Africa

Taking a step back, given the broader geopolitical circumstances facing the world, African assets and upstream projects are attracting more attention from overseas investors. Chris Starling, managing director of Holt Energy Advisors, noted: "I expect greater interest in Africa as a way to diversify geopolitical risk in the long term. African LNG and gas projects may increasingly be seen as a strategic alternative supply source. The continent's appealing resource base and strategic relevance put it in a strong position amid broader volatility."

This uptick in interest will help the industry unlock the major capital that remains elusive for companies, in turn helping fuel the expansion of upstream activity that promises to turn Africa into a cornerstone energy supplier to the global marketplace.

Yet the industry must also leverage Africa's energy potential to improve grid resilience for the continent's own inhabitants. As NJ Ayuk, executive director of the African Energy Chamber, underscored, there remains much work to be done: "The numbers are still deeply troubling: around 700 million Africans still lack access to electricity, and close to 1 billion still lack access to clean cooking fuel, leading to roughly 1 million deaths annually from indoor air pollution."

For NJ Ayuk, moral duty is inseparable from economic incentive. He continued: "African nations must produce every drop of hydrocarbons they can in order to get their people out of energy poverty. Energy is life; it is movement. It is what drives human flourishing, and Africans deserve that as much as anyone else."

Fulfilling that promise to Africans will require more than mere capital to fund aggressive upstream expansion. Only well-coordinated investment across the value chain will bring the real, refined value to market that will propel Africa's ongoing industrialization. ■

Image courtesy of OPAC Refineries

From Crude to Consumer

Downstream operators build the capacity to industrialize Africa

In mid-2025, the African Refiners and Distributors Association (ARDA) released a think piece titled "What If Africa Couldn't Import Fuel for 30 Days?" In it, the industry association wrote: "The fallout from a prolonged disruption to fuel imports in Africa would escalate quickly and across multiple fronts." Key sectors like aviation, trucking and construction would be disrupted; millions of tons of essential supplies would be stranded; and critical sectors would shut down, creating billions in losses. Worse, basic services would falter, creating the conditions for social unrest.

That doomsday scenario has not yet materialized, but the 2026 oil shock underscored the critical importance of strengthening Africa's downstream oil and gas capacity. The Dangote refinery in Nigeria, which began operating at its full capacity of 650,000 barrels per day (bpd) in February 2026, has helped several African markets blunt the worst of the crisis. In March 2026, Nigeria became a net fuel exporter for the first time in its history. Data from Kpler showed shipments from the Dangote refinery port in Lekki reaching Ivory Coast, Cameroon, Tanzania, Ghana, Togo and other markets.

Even Dangote's home country, Nigeria, has not been immune to retail fuel price rises. The Dangote facility still imports more than half of its crude feedstock, leaving the Nigerian economy exposed to global market volatility denominated in dollars. In April 2026, while the US and Iran continued to blockade the Strait of Hormuz, the price of a liter of fuel in Lagos remained over 1,200 naira (US$0.87), compared to 900 naira (US$0.66) before the crisis.

The severity of the global disruption serves as a reminder that strengthening Africa's downstream and midstream infrastructure will play a crucial role in the continent's industrialization. Anibor Kragha, the executive secretary of ARDA, summarized: "We are focused on building a resilient downstream value chain that encompasses refining, storage, distribution, liquefied petroleum gas (LPG) bottling and other forms of infrastructure. We must broaden the range of products refined here on the continent and improve access to energy for ordinary Africans. To meet Africa's base energy demand, I have one simple message: refine, baby, refine."

The downstream is not a single ecosystem. Refined products come in many forms, and midstream infrastructure can take just as many shapes. The firms profiled below employ diverse strategies to bring energy to market, reflecting the complexity of fueling the world's youngest continent.

Barrels into product

After years in development, Angola's Cabinda refinery was inaugurated in September 2025, and commissioning work is nearing completion. The first phase of the refinery will have a capacity of 30,000 bpd and is the first such refinery to be constructed in the country since independence. Joaquim Kiteculo, CEO of the Sonangol Refining & Petrochemical Business Unit (Sonaref), reflected on the company's achievement: "The most significant milestone has been the advancement of the Cabinda refinery, which is now approaching its first phase of operations. This marks a critical step for Angola and will directly reduce the country's reliance on imported fuels," continuing: "The project's commissioning demonstrates that Angola is capable of executing on its vision to become self-sufficient in terms of refined products."

"Across the continent, we must harmonize our policies, roll out market-based pricing and invest in our infrastructure. Today, Africa's product standards vary widely; there are 11 diesel specifications and 12 gasoline grades, which makes planning complex and encourages smuggling."

Anibor Kragha,
Executive Secretary,
AFRICAN REFINERS AND DISTRIBUTORS ASSOCIATION (ARDA)

"Angola has the potential to become an important regional energy logistics hub. A more liberalized downstream market would create significant opportunities for private sector participation and regional integration, since Pumangol's combined storage capacity already exceeds domestic demand requirements."

Ivanilson Machado,
CEO, **PUMANGOL**

"Angola prides itself on being one of Africa's major producers and now this pride also extends to the downstream. The new Cabinda, Soyo and Lobito refineries will not just supply Angola's domestic demand for derivatives but will also support all of sub-Saharan Africa."

Joaquim Kiteculo, CEO,
SONANGOL REFINING & PETROCHEMICAL BUSINESS UNIT (SONAREF)

Long an upstream powerhouse, Angola's ability to convert its crude reserves into refined products will have a significant impact on the country's ability to industrialize effectively. Ivanilson Machado, CEO of retail distribution company Pumangol, emphasized: "Reducing Angola's dependence on imported refined products will strengthen supply security, improve product availability and reduce logistics costs. To maximize their impact, it will be important for these refineries to focus on producing the products that are currently most difficult and expensive to import."

Nigeria's expanding domestic refining capacity is already reshaping consumer markets, according to Momoh Oyarekhua, MD/CEO of OMSA and chairman of OPAC Refineries. He remarked: "Nigeria now imports less, helping preserve foreign exchange reserves and stabilize the naira. Smaller refineries also contribute to Nigeria's refinery network by ensuring stability of supply. Consumers directly benefit, as Nigeria now has among the lowest gasoline prices in West Africa, even after the end of the fuel subsidy. This highlights the importance of domestic refining; despite price pressures for downstream players, the economy is now healthier overall," he concluded.

The Dangote refinery and plants owned by the Nigerian National Petroleum Company (NNPC) account for over 90% of Nigeria's total national capacity. The rest of the country's midstream throughput is spread throughout a number of smaller modular refineries, which add a total of about 28,000 bpd of capacity, according to data from the Nigerian Midstream and Downstream Petroleum Regulatory Authority.

To thrive in a concentrated market, Nigeria's independent modular refineries must carve out their own operational niches, and the choice of product to refine is often a distinguishing factor. AIPCC Energy operates the Edo refinery and plans to commission an expansion to 33,000 bpd of capacity in Q3 2026. Daghe Osime, AIPCC's executive director, said: "Our output differs from that of the Dangote refinery. Aside from diesel, which we compete with Dangote on and remains a strong product for us, most of the products we produce are not produced by Dangote. For example, in our expansion plans, we do not plan to produce gasoline, one of Dangote's flagship products."

The refinery's expansion will focus on petrochemicals throughput, including naphtha, where export demand remains strong.

Another model for successful refinery development is to secure offtake demand by incentivizing industrial users to locate near the facility. HSI Energies, an integrated energy company, is constructing a 10,000 bpd refinery in Abia State, Nigeria. Chikezie Nwosu,

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At a Glance: Fueling Africa in 2050

	2024	2050 (est.)
GDP	US$3.55 trillion	US$7.8 trillion
Population	1.5 billion	2.4 billion
Demand for Refined Products	~4 million bpd	6+ million bpd
Demand for Diesel/Gasoil	~1.8 million bpd	~2.7 million bpd
Demand for Jet Fuel	280,000 bpd	465,000 bpd

Sources: African Energy Chamber/S&P Global Outlook, 'State of African Energy 2026' report; IMF; World Bank

Sonangol

Refinação & Petroquímica

Our vision is to be an integrated refining, petrochemical, and biofuels company by 2030, that produces derivatives to contribute to guaranteeing Angola's energy sovereignty

Refinery Projects	Location	Capacity
Luanda Refinery (Operational)	Luanda	65 Kbpd

- New Residue Catalytic Cracking Unit + Unsat Gas Treatment Plant
- New Diesel Hydrotreating Unit (HDS)
- Petrochemical Plant to produce polymers
- Bio Refinery to maximize SAF production
- Potential capacity expansion to 120Kbpd

With the envisioned new refinery configuration, we aim to **increase our efficiency and reduce our carbon footprint**, ensuring quality products for our customers in line with the new environmental regulations.

As Angola continues to diversify its economy beyond crude oil exports, investments in downstream oil and gas infrastructure have become vital. One transformative opportunity lies in the addition of a petrochemical plant to the Luanda Refinery. This expansion would enable Angola not only to produce high-value polymers but also to catalyze a broader **industrial renaissance**. The benefits are profound—spanning economic growth, job creation, technological advancement, and the strategic valorization of Angola's crude oil resources.

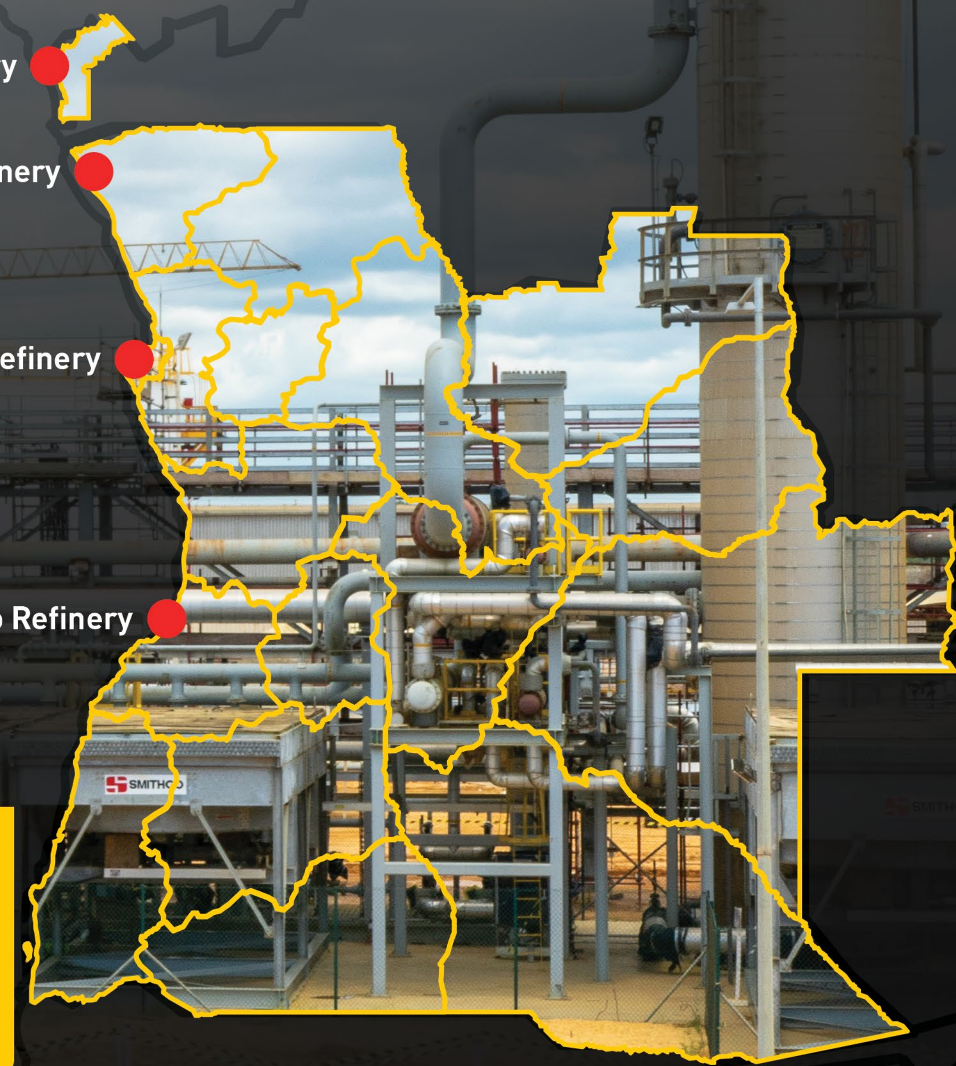
These products are essential to many industries, offering Angola access to global markets and opening the door for domestic manufacturing sectors like plastics, construction materials, and packaging to flourish.

With careful planning, public-private partnerships, and a focus on sustainable development, Angola has the opportunity to unlock a new era of industrial prosperity—**all beginning with this key investment at Luanda Refinery**.

There is also the potential to increase the Luanda Refinery capacity **from 65K to 120Kbpd**, which will allow the increase of refined products and feedstock for the above-mentioned petrochemical initiative while contributing for the reduction of imports and ensuring the Angola's energy security.

The **Cabinda Oil Refinery** has initiated its operation in January 2026, with an initial production capacity of 30Kbpd. This will allow **the reduction of fuel imports by 14% within 2026**, Increase employment and Improve the overall socio-economic environment. The remaining 30Kbpd is expected to be in production by 2030.

Refinery Projects	Location	Capacity
Cabinda Refinery	Cabinda	60 Kbpd
Soyo Refinery	Zaire	100 Kbpd
Lobito Refinery	Benguela	200 Kbpd
		360 Kpbd



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www.sonangol.co.ao

"The Otakikpo Onshore Crude Oil Export Terminal has a capacity to handle 250,000 bpd. It is the first facility of its kind in Nigeria, marking a significant step in the maturation of the country's indigenous upstream and midstream capabilities."

Anthony Adegbulugbe,
CEO, **GREEN ENERGY INTERNATIONAL LIMITED (GEIL)**

"To deliver a cost-effective modular refinery, ensuring a secure supply of crude is essential. We chose our site where upstream operators face difficulties exporting crude due to distant or aging pipelines and the risk of theft."

Chikezie Nwosu,
Group CEO,
HSI ENERGIES

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HSI's group CEO, commented: "Industrial parks centered around refineries connect energy producers and consumers, making the supply chain more efficient. Our refinery project is located within a 2,000 ha industrial and innovation park. We plan to expand into petrochemicals, gas-to-power and gas-to-diesel production to meet the energy needs of a diverse range of users."

When refineries and their end users sit closer together, transport costs fall. Shorter transit times also reduce theft and delays, creating a more reliable industrial supply network.

Getting fuel to market

In Nigeria, investment in midstream infrastructure remains a core priority for the federal government. The country's flagship US$2.8 billion Ajaokuta-Kaduna-Kano (AKK) pipeline may enter into service in 2026, which would mark an important milestone for the country's 'Decade of Gas' framework.

Asiko Energy's investments to date are focused on LPG and other gas products. The company started as a retail distributor and is now building a liquefied gas storage facility in Ijora, Lagos, to reinforce its logistics network. Financing is one of the challenges Asiko Energy has encountered. Managing director Felix Ekundayo explained: "Financing in the upstream space tends to be easier as financiers more easily see the potential to dollarize outputs and generate reliable cash flow. However, the energy industry cannot focus solely on extraction; midstream and downstream value are also essential to a healthy gas ecosystem."

In February 2026, the NNPC published its Gas Master Plan 2026, in which it identified up to US$22 billion in investment that current gas pipeline infrastructure development plans could require, highlighting the scale of the challenge facing Nigeria's midstream.

Oil midstream infrastructure is advancing on a parallel track. In 2025, Atlantic Terminal Infrastructure Limited, a strategic partner of Green Energy International Limited (GEIL), completed construction of the Otakikpo onshore crude oil export terminal. The terminal is the first of its kind built by an indigenous company in Nigeria in over 50 years, bringing crude from stranded assets in the Niger Delta to international markets. Anthony Adegbulugbe, GEIL's CEO, pointed out: "In the Niger Delta, assets often remain stranded due to a lack of evacuation infrastructure. Previously, we relied on offshore facilities for export, but those are primarily owned by international oil companies (IOCs), and access for indigenous players is not always guaranteed. There is room for two to three additional export terminals in the Niger Delta to optimize logistics inefficiencies, which are currently caused by the long distances between existing facilities."

The Otakikpo terminal can handle 250,000 bpd and offers 750,000 bbl of storage, expandable to 3 million bbl, allowing it to handle both GEIL's upstream output and that of nearby marginal field operators.

LPG is also drawing attention across the downstream. James Rockall, MD/CEO of the World Liquid Gas Association (WLGA), stated: "LPG serves around 3 billion people and accounts for approximately 370 million t of annual demand, making it a significant component of the global energy mix, particularly for households and lower-income consumers."

For developing economies in sub-Saharan Africa, LPG is a way to improve living conditions. Luis Fernandes, general manager of the Petroleum Derivatives Regulatory Institute (IRDP), Angola's downstream regulator, commented: "IRDP is focused on promoting LPG as an alternative to traditional fuels like wood for cooking. Our initiatives try to reduce barriers to entry for consumers by encouraging more flexible distribution models – for example, filling stations that allow users to buy only the amount of LPG they need make the fuel more affordable."

In markets like Angola and Nigeria, access to LPG can be viewed by consumers as a status symbol, a perception that cuts both ways. Gasland Nigeria, one of the larg-

Africa's Varied Energy Mix

"Renewables have an important role to play in many African markets. While reducing emissions is not most countries' foremost concern because their emissions levels are relatively low, renewables like solar can help address the power access gap due to infrastructure constraints."

Guillaume Niarfeix,
MD - West Africa,
SPIE GLOBAL SERVICES ENERGY

"One of the biggest shifts in the global energy industry has been the impact of the AI-driven data center boom on electricity demand. As utilities in the US struggle to service demand, we are seeing this trend emerge in South Africa as well."

Martin Mkhabela,
Director: Power & Energy, **WSP**

"Africa holds significant untapped geological potential. To develop emerging energy sources such as helium and natural hydrogen, stakeholders need high-quality baseline geoscientific data to inform better subsurface knowledge."

Thashen Naidoo,
Business Development Manager,
XCALIBUR SMART MAPPING

"Green hydrogen enables the decarbonization of hard-to-abate sectors like steel, fertilizers and international shipping. Contract-for-Difference mechanisms are an effective way to accelerate the sector's commercialization, as they provide price certainty and bridge the price gap between grey and green hydrogen."

Marco Raffinetti, CEO,
HYPHEN HYDROGEN ENERGY

est retail distributors of LPG to consumers in the country, took it upon itself to make its LPG products appear more accessible to consumers at its 32 retail locations. Its COO, Abisoye Adebayo, noted: "Popular perception changes when the user experience of LPG changes. We work to make LPG feel aspirational and practical, not intimidating or exclusive. We want to make customers feel they are advancing in life when they adopt LPG, especially those moving away from dirtier fuels like kerosene or firewood."

LPG adoption carries major public health and economic benefits, but the Middle East supply shock has sent prices soaring, threatening consumer access at exactly the wrong moment. In March 2026, spot prices for propane shipments in East Asia rose to US$135/t from US$55/t, according to Argus Media, a research firm.

This volatility does not eliminate the need for LPG to remain a part of Africa's future fuel mix. Instead, it highlights the need for more gas processing capacity to be developed on the continent. Rockall of the WLGA added: "Since LPG prices are linked to international markets, price volatility cannot be eliminated entirely. However, resilience can be improved through diversified supply chains and streamlined upstream permitting. Reducing regulatory risk lowers capital costs and improves project viability."

The opening of the ANOH gas processing plant in a joint-venture partnership between NNPC and Seplat Energy in January 2026 marks an improvement to Nigeria's LPG production capacity. The facility has a capacity of 300 million standard cubic feet per day (scf/d) and produces processed gas and LPG, which may help stabilize the Nigerian market in the short term.

Where do the barrels go?

Africa's energy consumption patterns are evolving faster than its infrastructure. These pressures are only set to become more acute as more African nations become hydrocarbon producers. William Fernandes, area director for Angola and eastern Africa at Emerson, commented: "Global geopolitical developments are driving more investment opportunities in Africa's upstream. Mozambique, Uganda, Tanzania and Namibia are all seeing increased attention as alternative sources of energy."

When upstream trends evolve, downstream investments must keep pace in order to fuel the continent's continued economic rise. Currently, industrial users of energy are growing faster than infrastructure can keep up. Cheaper methods of energy generation, such gas-fired power plants, require a larger upfront investment. In the interim, diesel generators remain ubiquitous for industrial, commercial and even residential uses, especially in places where the grid is unstable.

Barloworld Equipment is the official representative of the Caterpillar and Perkins brands across 10 countries in southern Africa. Vuyelwa Mahanyele, executive head of power and energy at the company, observed: "Diesel generators remain the dominant solution across our markets, whether as standalone backup systems or as part of integrated small-scale power plants. Diesel is popular because it is readily available and reliable in the region. However, we are increasingly seeing demand for hybrid solutions, particularly from international mining companies and other large industrial users who face emissions pressures."

Infrastructure constraints on the continent are not only limited to the oil and gas midstream. The gradually increasing adoption of renewable energies by end users is also driven by limitations to transmission infrastructure.

Elisabete Alves is the COO for international infrastructure at MCA Group, a Portuguese firm active in the construction of solar energy projects in Angola. Alves offered: "While Angola has strong hydropower generation, transmission to remote eastern provinces is economically inefficient. Solar-powered mini grids are a highly effective solution within Angola's national energy strategy given the high cost of extending grid infrastructure across its geography."

Energy consumers across the continent are evidently diverse and increasingly sophisticated in their demands. The enduring challenge for the downstream over the years ahead will be to anticipate future demand trends and develop the necessary infrastructure to navigate future shifts.

"There are significant opportunities for investment across Angola's downstream. These include fuel stations, storage facilities, pipelines, bunkering and local production of petroleum derivatives. Angola is a growing country with increasing energy demand and we welcome investors who want to participate."

Luis Fernandes,
General Manager,
PETROLEUM DERIVATIVES REGULATORY INSTITUTE (IRDP)

No matter the cause of market disruption, new opportunities are bound to present themselves for those willing to think outside the box. As Dipo Salimonu, chief executive of Moteriba Group, reflected: "Dangote has reshaped regional trade flows and reduced Nigeria's need for imports, prompting traders to think beyond traditional models. We see an opportunity to differentiate by expanding our footprint across West Africa, particularly inland. As a Nigerian company, we can build the relationships needed to sustain operations in underserved markets, creating value for suppliers and customers." ■

Image courtesy of Heritage Oil

Nigeria: Confidence Restored

2026 opens with a flurry of M&A activity as homegrown firms step up

From his office overlooking Abuja's hazy Harmattan skies, Nigeria's minister of state for Petroleum Resources (Oil), Heineken Lokpobiri, drew on a simple statistic to reflect on where the industry stood entering 2026: "The current level of investment in Nigeria is an indicator of its ability to produce. As of October 2025, Nigeria's rig count stood at 69, up from just 10 in mid-2022. This figure is a testament to the extensive work that we have undertaken to improve the country's upstream capacity."

As recently as 2021, the country could count only eight rigs in total, across its onshore, swamp and offshore fields, but by March 2026, Nigeria's overall rig count had climbed to a total of 73, according to the country's upstream regulator. During this boom, rig providers could not keep up with demand. Anwuli Ige is the group managing director of Charlvon Limited, one of Nigeria's largest indigenous land rig providers. She commented: "At one point in 2025, there was a real scarcity of available rigs. That tells you that policies are stimulating drilling, and that turnkey capability becomes attractive when timelines are tight and investors want certainty."

Other data points also justify the industry's tentative optimism. Of the seven largest FIDs declared across Africa in 2024 and 2025, four took place in Nigeria, emphasized Minister Lokpobiri in an address to the Nigeria International Energy Summit in February. The first wave of these FIDs kicked off in early 2024, with gas projects leading the way. Shell's onshore division, now led by Renaissance Africa Energy Company, committed to advance the US$122 million Ibeni gas project to feed the Dangote petrochemical and fertilizer plant outside Lagos. Progress on Ibeni has been slow, however, due to both community engagement challenges and the Shell-Renaissance transition. In June 2024, TotalEnergies reached FID on its US$550 million Ubeta project, an onshore non-associated gas development that could reach 300 million standard cubic feet per day (scf/d) at peak. This was followed by Shell's October 2025 announcement of a US$2 billion FID at the HI gas project, expected to deliver 350 million scf/d of production by 2028. Both Ubeta and HI will feed into NLNG's US$10 billion Train 7 project, which has been under construction since 2020 and is expected to be commissioned in 2026.

On the oil side, in December 2024, Shell reached FID at its US$5 billion Bonga North Tranche 1 project. Nigeria's first deepwater FID in over a decade, Bonga North Tranche 1 promised a potential peak production of 110,000 barrels per day (bpd) from a resource of over 300 million barrels of oil equivalent (BOE).

The pipeline of potential FIDs stretches further. TotalEnergies may announce FID at the IMA gas field later in 2026. Shell has been in talks with the Nigerian government to define the terms of a potential FID at the Bonga South West deepwater oilfield in 2027, which could deliver up to US$20 billion in investment from the supermajor. Finally, ExxonMobil is considering investing up to an additional US$10 billion in deepwater projects, according to public statements from Jagir Baxi, the company's managing director in Nigeria. As part of that package, the company has already invested more than US$1 billion in its Usan infill drilling program, and, combined with the Owowo deepwater asset, this investment could provide an additional 180,000 bpd in production.

Reflecting on these FIDs, Minister Lokpobiri continued: "When IOCs decide where to deploy their resources, Nigeria can boast of a very stable legal and regulatory framework and a globally competitive fiscal regime. This is a testament to the stability this government has brought, and we are committed to continuing down this path."

Confidence beyond the majors

Nigeria's reforms are underpinning a boom in investment from both IOCs and other upstream producers as well. Oando Energy Resources is one of Nigeria's largest independent oil producers with a current production level of 90,000 bpd. It acquired Eni's former Nigeria subsidiary, NAOC, in August 2024 for US$783 million. Tasked with turning around production at its newly acquired assets, Oando's ability to raise capital has benefited from Nigeria's improved stability, according to Ainojie Alex Irune, managing director of Oando Energy Resources and executive director of Oando Plc. Irune stated: "Nigeria is structurally more attractive today than it was five years ago. This is driven by regulatory reform in the upstream sector, which has certainly improved investment attractiveness and execution. Through implementation of the Petroleum Industry Act (PIA) in 2021 and subsequent presidential directives, the country is moving from being a policy-risk jurisdiction to a reformed, rules-based system."

Heineken Lokpobiri

Minister of State for Petroleum Resources (Oil), **GOVERNMENT OF NIGERIA**

How would you assess Nigeria's progress in expanding production capacity in 2025?

Nigeria's production increased significantly across 2025, with some months recording average daily production exceeding 1.7 million bpd. However, our production is not enough to meet both our local and international demand. As a result, the government's continued expansion of production remains a key priority this year. A stronger upstream sector will boost Nigerians' energy security and help to stabilize the Nigerian economy, improving the lives of our people.

From my perspective, the level of investment in Nigeria is an indicator of its ability to produce. As of October 2025, Nigeria's rig count stood at 69, up from just 10 in mid-2022. This figure is a testament to the extensive work that we have undertaken to improve the country's upstream capacity.

What is the attitude of IOCs towards their Nigerian operations today?

The investment and confidence in Nigeria are back. When IOCs make decisions about where to deploy their resources, Nigeria can boast of a very stable legal and regulatory framework, with a fiscal regime that is highly competitive globally. Of the seven major FIDs declared across Africa in 2024 and 2025, four took place in Nigeria, all led by IOCs. This is a testament to the stability this government has brought, and we are committed to continuing down this path.

The combined amount of oil produced by indigenous companies exceeded that of IOCs for the first time in 2025. How will their role within the upstream continue to evolve?

Independents like Renaissance and Seplat are growing rapidly in capacity across onshore and swamp fields, and their technical capacity will only continue to improve. I see the potential for growth in the offshore space, where we are seeing an increasing number of independent companies building the capacity to take on more operations.

How does the launch of the Africa Energy Bank impact access to financing for upstream companies?

The Africa Energy Bank (AEB) has been created by the African Petroleum Producers' Organization and the African Export-Import Bank as a homegrown solution to the financing problem. We received strong interest from investors worldwide. The AEB will be headquartered in Abuja, a testament to Nigeria's leading role within Africa's energy industry.

What are your aspirations for Nigeria's upstream sector in 2026?

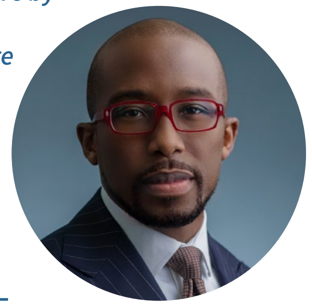
Nigeria will continue the same path it has been on for the past two and a half years, because it has led to success. The results speak for themselves. Notably, the 2025 NUPRC Bid Round will bring further exciting developments. The Ministry of Petroleum Resources wants to encourage willing companies to develop every available asset as we work towards our target of 3 million bpd in liquid hydrocarbon production by 2030. In particular, the Petroleum Industry Act of 2021's provision requiring license holders to drill on their blocks or risk losing their rights is a highly effective incentive. Overall, I am very optimistic about the future of Nigeria's upstream. ■

"The future of the energy industry in Nigeria is very bright. It feels like the handbrake has been lifted off our industry, thanks to a combination of policy maturation and stabilization, alongside competent operations executed by Nigerian independents."

Gbite Falade, MD/CEO, **ARADEL HOLDINGS**

"Price cycles reward disciplined and innovative operators. In the current environment, performance is defined less by price and more by the ability to manage costs, maintain uptime and execute efficiently."

Ainojie Alex Irune, Executive Director, **OANDO PLC** and MD, **OANDO ENERGY RESOURCES**



That reformist posture has been extended by further executive action. Aradel Holdings MD/CEO Gbite Falade concurred with Irune's praise for the government: "The government is solidly behind the industry and is putting regulatory weight behind its future. We have seen recent executive orders that go beyond the PIA to address gaps in our regulations and improve incentives for investment in the sector. This is a defining moment for the industry and an exciting time for Aradel as we continue to shape Nigeria's energy future."

Aradel Holdings was one of Nigeria's first homegrown upstream independents, beginning production in August 2005 at the Ogbele marginal field. Today, Falade is also the chairman of the Independent Petroleum Producers Group, an association of Nigerian upstream companies committed to the development of Nigeria's economy through oil and gas.

Other parts of the value chain are also benefiting from the stabilized macroeconomic environment. WEAFRI Well Services is a full-lifecycle well services provider with almost 40 years of experience operating in Nigeria. Chris Onyekwere, its executive director, noted: "Policy clarity and improved regulatory alignment under the current administration have strengthened investor confidence and reduced operational uncertainty. As production scales up, the demand for efficient, technically capable service providers has correspondingly increased."

The benefits of reform have rippled beyond oil and gas itself to benefit the Nigerian economy as a whole. Erika Achum is CEO of Falcon Aerospace Ltd, a Lagos-headquartered private aviation company that specializes in charter services for business leaders across Africa. He commented: "Since around 2024, the operational environment has meaningfully improved. A very important change has been the liberalization of the foreign exchange market. Aviation is a highly dollarized industry, so having a more consistent way to access foreign reserves has made a major difference."

Despite the widespread optimism, however, a note of caution must be struck. Nigeria's president and parliament are up for election soon, and the impact of reforms must last beyond political cycles in order to make a lasting effect. Chichi Emenike, acting MD of Neconde Energy, another independent producer, opined: "2027 is an election year, and it is important that the reforms and projects announced now continue through that period and beyond. Sustainable implementation will strengthen GDP, create jobs and send a clear signal to both international and indigenous players that the operating environment is stable and improving."

The job of turning around Nigeria's upstream is not yet complete. Projects that reach FID still need to be constructed, successfully commissioned and prove reliable and economical to operate for years to come. Nonetheless, compared to the doldrums of a few short years ago, the industry's participants have found new reasons to invest in the sector's future. This upstream momentum comes at an opportune moment, right as the world looks for new sources of petroleum to keep nations moving.

A consolidation wave

The final months of 2025 saw a flurry of deal activity for major indigenous upstream companies in Nigeria. Among other notable transactions, Aradel Holdings acquired an additional 40% equity interest in ND Western in October, raising Aradel's share in ND Western to 81.67% and giving Aradel an effective 53.3% majority stake in the Renaissance Energy consortium. On December 31, Heirs Holdings, owned by Tony Elumelu, purchased a 20.07% stake in Seplat Energy from Maurel & Prom, a French firm,

"The transition from IOCs to independent operators has led to consolidation of technical staff, enabling operational continuity amid ownership transitions. However, as major offshore FIDs such as the Bonga projects progress, skilled personnel and contractors will become increasingly in demand."

Segun Odusanya, Managing Director, **ERASKO ENERGY**

"Capital always matters in a business as asset-heavy as ours. Initiatives designed to widen financing options are welcome because they ensure qualified companies can invest. When funding finds its way to credible companies, the entire ecosystem and country benefit."

Anwuli Ige, Group Managing Director, **CHARLVON LIMITED**

for US$496 million. Regarding this deal, Abdulmajeed Abolaji, senior associate at Dentons ACAS-Law,, observed: "Heirs Energies' acquisition of Maurel & Prom's entire stake in Seplat Energy Plc is further evidence that indigenous players now have the capital and ambition to drive significant consolidation in the sector."

Continuing the dealmaking train, in January 2026, Vaaris Resources, a Nigerian joint venture, signed a Sale and Purchase Agreement for TotalEnergies' 10% stake in the Renaissance joint venture.

To build the financial strength to acquire major producing assets, joint venture arrangements are becoming common across the industry, and a broader range of indigenous participants are exploring joint ventures in order to gain a stake in lucrative existing assets. Josephine Udonsak, partner at Dentons ACAS-Law, explained: "Across both oil and gas, there is more interest in collaboration for various reasons. For instance, the cost efficiency associated with shared use and development of infrastructure is becoming more appealing. From an asset acquisition perspective, players are increasingly harnessing collaboration to boost technical and financial strength," adding that more joint ventures are likely to emerge as a result of the 2025 Nigerian Upstream Petroleum Regulatory Commission (NUPRC) licensing round and due to other imminent acquisitions.

Nonetheless, parties seeking to form joint venture agreements should bear a few key considerations in mind when selecting potential collaborators. Olumide Esan, West Africa energy, resources and industrials industry leader and partner at Deloitte, warned: "The main risk in incorporated joint ventures lies in governance conflicts, control struggles and misaligned expectations. Companies must not rush into these arrangements solely to win bids; they must think about sustainability and long-term collaboration."

This advice proves particularly prudent as the 2025 NUPRC bid round process plays out. Nigeria's upstream regulator is offering 50 blocks: 15 onshore, 19 shallow-water, 15 frontier and one deepwater.The round began on December 1, 2025 and is expected to conclude in July at a commercial bid conference.

The NUPRC's new chief executive, Oritsemeyiwa Eyesan, stated in an interview with THISDAY that the ability to bring assets to first oil quickly will be a key factor in determining awards. "Signature bonuses for the 2025 round are deliberately moderate (US$3 to US$7 million) because we are prioritizing technical competence, strong work programs and real development capacity over speculative bidding," she noted.

In comparison, during the 2024 bid round, the signature bonus was capped at US$10 million, and bonus requirements were even higher prior to the introduction of the PIA.

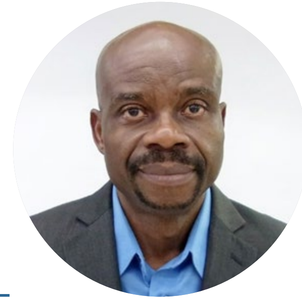
In the aftermath of every licensing round, new potential producers are christened and opportunities created. One such company was Emadeb Energy Group, which won the rights to the Ibom Field (PPL 236) dur-

“We understand the importance of AI and recognize that advanced technology is changing both operations and training. However, many of our members are not yet financially positioned to invest heavily in those tools.”

Chris Osarumwense,
President, **OIL AND GAS TRAINERS' ASSOCIATION OF NIGERIA (OGTAN)**

“Policy clarity and improved regulatory alignment under the current administration have strengthened investor confidence and reduced operational uncertainty. As production scales up, the demand for efficient, technically capable service providers has correspondingly increased.”

Chris Onyekwere,
Executive Director,
WEAFRI WELL SERVICES



ing the 2020 Marginal Field Bid Round. Development activities commenced in 2021, and the company reached first oil in October 2025. The field is currently producing 4,000 bpd, and Emadeb is investing US$150 million this year to expand production to 12,000 bpd. Emadeb Energy Group CEO Adebowale Olujimi noted: “Experienced partners are very helpful for new, independent operators. Emadeb made a deliberate decision to engage leading service providers like Shelf Drilling and SLB to ensure our operations were supported by companies with strong track records and technical expertise. Credibility is critical in building trust with investors, partners and stakeholders.”

Technical competence remains a cornerstone of successful asset development, irrespective of evolutions in market conditions. Energia is another Nigerian upstream company that leveraged an innovative technical approach to deliver strong production. In 2009, the company achieved first oil at the Ebendo marginal field in a 55/45 JV with Oando. Energia's MD/CEO, Oladimeji Bashorun, emphasized: “From the onset, we believed that long-term value required deeper technical understanding of the asset. We invested heavily in subsurface data acquisition, including 3D seismic, at a time when such spending was considered excessive for a marginal field.”

He added that Energia currently uses advanced data processing tools, including AI-enabled workflows, to reinterpret its reservoir continuously for new opportunities.

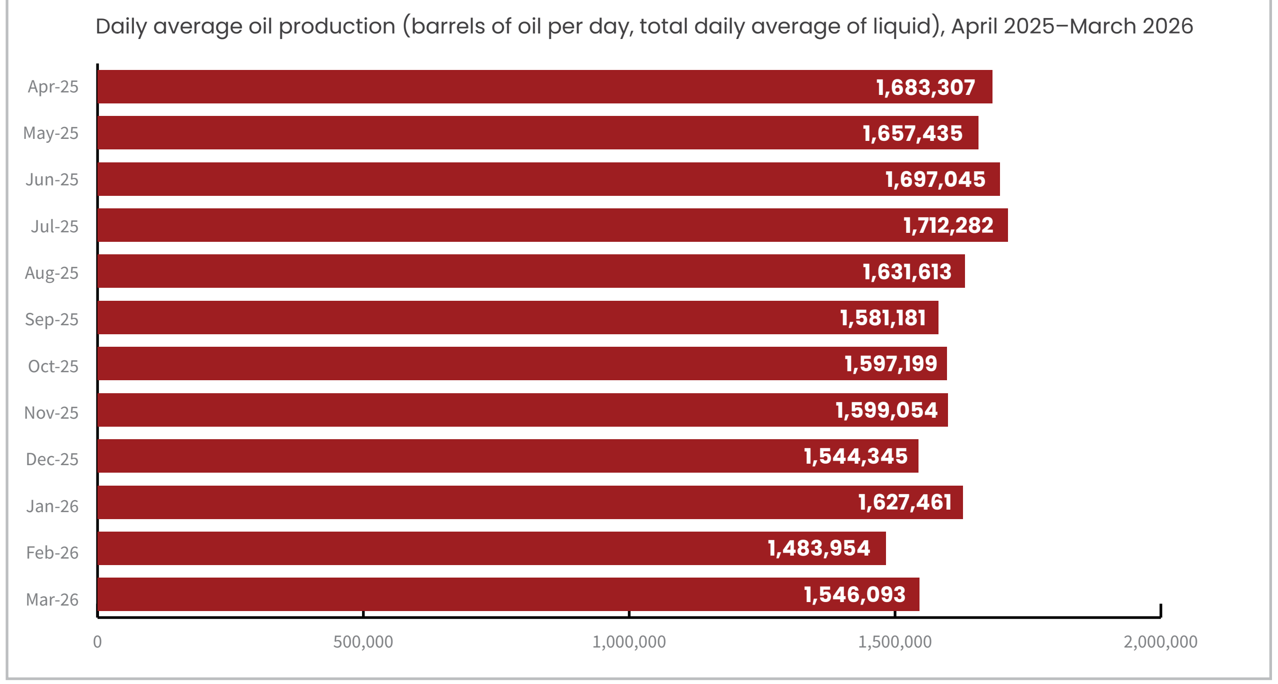
Service providers’ moment

Given the high capital costs and technical challenges involved, Nigerian operators are constantly seeking to reduce their per-barrel costs. Recognizing this, local service providers are positioning themselves as the ideal partners in this drive for efficiency. One way that service providers can achieve this is by providing more flexible financing to clients, improving commercial viability.

Loyz Marine Services is a woman-owned offshore service provider founded in 2021. Managing director Bassey Adie said: “When we assessed the market, we found that many service providers were unwilling to engage with certain indigenous operators due to perceived cash flow risks. For us, this presented an opportunity. We made a deliberate decision to support credible operators by offering flexible payment terms and, in some cases, by delivering services upfront. That approach has proven effective, which demonstrates that when indigenous companies collaborate, they can unlock value that traditional models often overlook.”

In this competitive environment, service providers must reliably deliver on their contracts to demonstrate their value to operators. Vincent Ajilo is the CEO of AJIVIN Group of Companies, an oilfield service provider which is active across swamp and

Nigerian Production: A Foundation of Stability



Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

"More gas, in particular LNG, is needed everywhere today, and gas commercialization is a part of our long-term strategy. Due to its capital-intensive nature, we are in discussions with partners to develop the necessary infrastructure, including pipelines and processing facilities."

Adebowale Olujimi, CEO, **EMADEB ENERGY GROUP**

offshore locations in Nigeria. He stressed: "Proper asset management can extend asset life and improve reliability. Through life extension programs and disciplined maintenance, an asset with an initial life of 20 years can operate for an additional 20 years."

A competent service partner can improve project cost structures by delivering technical gains as well. Kaptain Energy MD/CEO Onyekachi Ekezie posited: "We need indigenous operators to operate more efficiently so costs come down and projects become more bankable. Certainly, effective knowledge transfer from OEMs and legacy operators to indigenous companies strengthens their technical capacity. However, service providers like us also have a role to play in this shift. By striving for efficiency, we can drive cost reductions, which positively impact project viability."

"In the offshore and subsea services space, the most visible demand factor for our services is the increase in rig count. Rigs are arriving from other oil-producing jurisdictions because investors believe Nigeria is a place where value can be generated."

Anamelechi Onwuegbu, Country Director, **KAVOD OFFSHORE SERVICES**

Kaptain Energy is a multidisciplinary well services company that operates on a turnkey basis.

Ayo Shote, COO of Ashbard Energy, an oilfield services company, concurred in this assessment, given the operational realities for smaller operators: "Newer and smaller indigenous operators, especially those involved in marginal fields, operate with lean teams and do not want to manage multiple service providers themselves. Our clients are more comfortable when one organization delivers integrated services and manages the moving parts on their behalf."

As a result, Ashbard Energy is undergoing an internal transformation toward an integrated service delivery model. One of its priorities is to develop a rig provision service line, which will add to its existing portfolio of well services, engineering and field logistics.

The trend towards integrated delivery is not just present within oilfield services. Eunisell is one of Nigeria's major domestic chemicals suppliers, including to the oil and gas industry. Its CEO, Kenneth Okeiyi, shared that one of the company's priorities is to better integrate its chemicals lines with engineering solutions. Okeiyi said: "Chemical and engineering solutions must align to deliver maximum efficiency. If dosing volumes rise without results, that can indicate issues along the production line. Chemical intervention can identify symptoms, but technical capabilities are needed to address the underlying causes and restore efficiency, thereby connecting the two sides."

Okeiyi added that operators are demanding more gas management support, which is why Eunisell is working towards collaborating with a gas purchase and sale agreement partner in its business.

Erasko Energy, an EPCIC provider to major operators such as Oando, has also noticed this trend towards more gas activities. Managing director Segun Odusanya relayed: "We are beginning to incorporate more gas projects into our overall portfolio, with opportunities under development in LPG, mini-LNG and CNG. Gas is the future of Nigeria, and there is significant market penetration left to fulfill domestic retail and industrial demand for gas."

Mature fields, mature problems

As marginal fields mature and reach the end of their life cycles, Nigerian engineers are having to navigate an increasing variety of technical challenges. One of the most significant in 2026 is the importance of treated water management.

Future Oilfield Services Ltd is an oilfield services provider with a history spanning three decades. Originally focused on providing surface solutions to the market, in recent years the company has shifted its focus to subsurface services such as water management. Managing director Chike Uchendu commented: "Many wells drilled 20 to 30 years ago that once produced around 5% to 10% basic sediment and water (BSW) are now producing 60% to 70% BSW, meaning a large proportion of their output is water. Produced water management has therefore become a critical operational and environmental challenge across Nigeria's upstream."

The need to manage produced water is driving capital expenditure for upstream companies. Heritage Oil is the operator of OML 30, an asset that has been in production since the 1960s. Its CEO, Ado Oseragbaje, remarked: "In 2026, we will also continue to advance our Produced Water Disposal Project. We launched a water treatment and disposal or reinjection program last year, and it moves into an EPC phase this year."

Heritage Oil is currently drilling the first new exploration well at OML 30 in 25 years, as it aims to grow production at the asset from 67,000 bpd in mid-2025 by another 30% to 40% by the end of the decade.

Other Nigerian service providers are focused on bolstering the country's domestic manufacturing capacity. This capability is currently lacking, especially for more technical products, as Triumph Power and Gas Systems Ltd managing director Bolaji Ososami pointed out: "In less complex areas such as coatings, cables, safety equipment and certain consumables, Nigeria is increasingly able to produce meaningfully, helped by stronger enforcement of local content laws. However, highly specialized machinery such as large turbines and advanced compression systems will still take time to be manufactured domestically at scale."

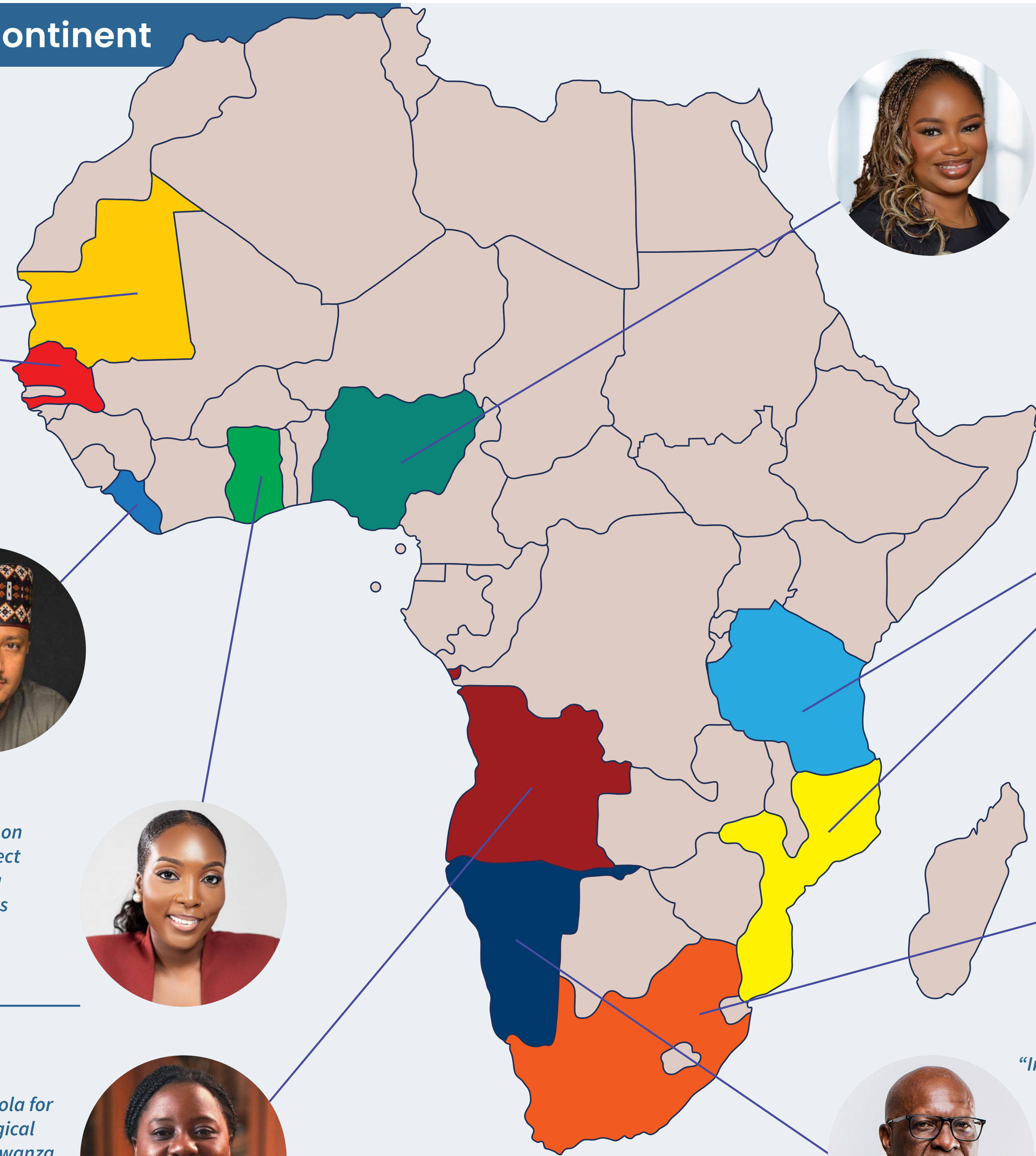
One company that senses an opportunity to grow Nigeria's industrial capacity is Macans Global Services, a steel supplier to the oil and gas industry. The company is working on constructing a first-of-its-kind threading facility near Port Harcourt to help reduce lead times for order fulfillment. Managing director Kelechi Nnabara observed: "Nigeria does not have the capacity to melt steel domestically on a widespread basis, creating an opportunity for us to expand into that space. We will import plain pipe and add value using Nigerian workers and knowhow. Construction is underway, and the objective is to enter full operation by the first quarter of 2027."

Macans previously imported its products from China, and cross-border collaboration between Nigerian service providers and foreign partners will remain central to the supply chain.

Kavod Offshore Services has an established supplier base in the Middle East and Asia. The company is a frontline offshore services company that provides offshore logistics and modular accommodation in Nigeria and across sub-Saharan Africa. Country director Anamelechi Onwuegbu underlined: "I view the Middle East and Asia as increasingly strategic partners as Nigeria's production grows. Much of our drilling equipment comes from China because we have used it for years and it delivers the performance we require. This is industry-leading technology that operators have responded to very positively."

At a moment when Nigeria's upstream output is becoming more important to global energy security, the country's industrial growth will only become more integrated with developments abroad. The door to capitalize on Nigeria's latest petroleum boom is open for more than just IOCs and indigenous operators. Entrepreneurial suppliers and service providers, both homegrown and foreign, will find that opportunities abound in Nigeria if they are willing to build lasting partnerships and invest in the country's future. ■

Energy Highlights Across the Continent



"Senegal and Mauritania are drawing strong interest, especially on the gas side. Holt has a regional office in Nouakchott due to its compelling gas reserves and strong development opportunities, such as BirAllah and Banda."

Chris Starling,
Managing Director,
HOLT ENERGY ADVISORS

"Transoceanic seeks to be a long-term partner with the Liberian government as it expands its operations in the country. The operating climate is favorable, the technical base is improving and IOCs are also showing renewed interest, driven by improved datasets."

Amin Ilyas, Group Executive Chairman,
TRANSOCEANIC ENERGY GROUP

"Over the next 12 months, Shell Energy Ghana's primary focus is on concluding the restructuring of the terms of our LNG import project as it moves closer to active operations. This is critical to ensuring a commercially robust, operationally viable project that supports Ghana's power sector and energy security."

Linda Baaba Clarke, Commercial Manager, **SHELL GHANA**

"Corcel is retelling the story of the onshore Kwanza Basin in Angola for the modern age. We have pointed out to investors the key geological indicators, and highlighted the basin's analogy to the offshore Kwanza and pre-salt systems."

Geraldine Geraldo, Executive Director, **CORCEL**

"Collaboration and consolidation will define 2026, and we will see more JVs, more M&A, and a more proactive government and regulatory environment. Other African jurisdictions are competing aggressively for the same capital and Nigeria must make a compelling case for why investors should choose the country."

Josephine Udonsak, Partner, **DENTONS ACAS-LAW**

"Mozambique and Tanzania form a major gas corridor with vast reserves and projects such as Coral North anchoring regional development."

Miguel Baptista,
MD - East, Central
and Southern Africa,
SLB

"South Africa has seen significant renewable adoption, but the intermittency of renewable energy sources is a challenge. Battery storage remains relatively expensive, so while renewables are growing, they must be complemented by reliable sources like diesel and gas."

Vuyelwa Mahanyele,
Executive Head:
Power and Energy,
BARLOWORLD EQUIPMENT

"In Namibia, we see a particular need to help correct information gaps as they arise, because when investors engage, their concerns often fall away. Our task is to maintain that essential dialogue while the country works to enhance investment attractiveness."

Tom Alweendo, Founder,
ALVENCO ADVISORY

Image courtesy of Tradinter

Angola, Avante

A story of reinvention where the Congo and Kwanza rivers meet the Atlantic

Angola's recent petroleum history ought to be understood as a story of reinvention. To be certain, based on production figures alone, the industry's long, slow decline continued throughout 2025. According to data from the Angola National Oil, Gas and Biofuels Agency (ANPG), production undershot forecasted figures in every month in 2025 except October. July 2025 was the only month of that year in which production fell below the symbolic 1 million bpd mark, reaching 998,757 bpd. It was the lowest monthly output since March 2023, itself a record low dating back to 2006, and the weakest figure since Angola's departure from the Organization of Petroleum Exporting Countries (OPEC) in January 2024.

Given the country's aging oilfields, these figures do not represent the worst-case scenario. In fact, given the ANPG's benchmark target of 1 million bpd, Angola's upstream continues to make the most of a suboptimal situation caused by years of little exploration activity. Alcides Andrade, the upstream regulator's executive board member, outlined: "The current strategic priority for Angola is to sustain oil production above 1 million bpd while creating the conditions for future growth. This can only be achieved by promoting investment in both existing assets and new exploration opportunities. To further support exploration, we are launching new licensing rounds for the 2026–30 period."

Angola has also continued to diversify its upstream project pipeline and attract more capital to the country. At the Angola Oil and Gas 2025 conference in September, the ANPG declared that an investment pipeline of US$70 billion is expected to enter Angola over the next five years. Energy majors ExxonMobil and TotalEnergies, as well as BP and Eni's joint venture, Azule Energy, are all reinforcing their presence in the country. Meanwhile, Shell announced a return to Angola after a 20-year absence to explore ultra-deepwater blocks offshore in the Kwanza Basin, with expenditures estimated to reach US$1 billion.

"I encourage investors to view Angola as a promising destination. The country offers assets with strong potential, supported by a transparent regulatory approach. Companies like Shell announcing new investments show that the country is moving in the right direction, with significant upside."

Domingos Freitas,
Board Member,
EFFIMAX ENERGY

"Angola's Gas Master Plan is a pillar of the industry's future. It lays out a vision to support LNG projects, to encourage domestic industrial development and to diversify Angola's sources of energy."

Alcides Andrade,
Executive Board Member,
ANGOLA NATIONAL OIL, GAS AND BIOFUELS AGENCY (ANPG)

"Independents play a critical role in developing Angola's economic value chain, an area that has historically been limited by the dominance of international players. Our objective is to promote local participation by building partnerships that strengthen domestic capabilities."

Ulanga Gaspar Martins,
CEO, **POLIEDRO ENERGY**

On the gas front, the Azule-operated New Gas Consortium started production at the Quiluma field, Angola's first non-associated gas development, in March 2026. Quiluma is expected to produce approximately 330 million scf/d of gas at plateau, which will be channeled to the new Angola LNG plant in Soyo for processing and export.

Unlocking this investment has required sustained reform that began when President João Lourenço took office in 2017. The country awarded more than 70 exploration blocks between 2019 and 2025, and 31 new exploration wells have been drilled in the last decade. Andrade, of ANPG, continued: "Angola is open for investment and committed to continuous improvement. We are not stopping at significant reforms, but will continue to adapt, innovate and collaborate with investors to ensure that Angola remains a competitive and attractive destination."

Traditionally, Angola has been a jurisdiction dominated by supermajors offshore. Part of the ANPG's drive to revive production in the country has involved opening up the country to a broader range of assets. This includes onshore assets in the Kwanza Basin and deepwater exploration in the Benguela and Namibe basins to the country's south. As SLB's managing director for east, central and southern Africa, Miguel Baptista, commented: "Angola is an extremely dynamic and exciting market because activity spans the entire lifecycle of oil and gas assets. There is strong momentum in ultra-deepwater exploration and deeper geological targets. At the same time, development projects are progressing, *“Angola presents its challenges, but it is also a country of tremendous opportunity with a young population, vast natural resources and significant untapped potential. The continued presence of IOCs proves that these opportunities are real and sustainable.”*

Bráulio de Brito,
Executive Chairman,
TRADINTER,
and Chairman,
AECIPA

“Angola has made meaningful progress in terms of local content, and maintaining confidence requires predictability and respect for contractual commitments. We need more balance, more transparency, more knowledge transfer and more value creation in Angola.”

António Henriques da Silva, Founder and CEO,
GIPSA

while mature assets are entering late-life stages and undergoing decommissioning and asset retirement. This combination of exploration, development and late-stage operations creates a highly balanced and active market environment.”

An opening beyond the majors

One exploration company that reflects this diversity in activity is Corcel. The London AIM-listed junior is advancing the KON 16 exploration block in the onshore Kwanza Basin. In 2026, the company announced the completion of the largest onshore 2D seismic campaign in the Kwanza Basin since 2010, involving 326 line kilometers of data. Speaking of Angola’s regulatory environment today, Geraldine Geraldo, Corcel’s executive director, remarked: “The fiscal improvements matter, but the operational framework has improved as well. Angola historically built much of its oil and gas regime around a major-company offshore model, but onshore work requires something more flexible. The government has shown a willingness to adapt operational rules and contracting processes to better fit the reality of smaller-scale onshore projects.”

The company is now analyzing the results of its seismic campaign to select a well location in hopes of unlocking the basin’s pre-salt potential.

Effimax Energy is another upstream player focused on the onshore Kwanza Basin. The Angolan company holds a 30% non-operating stake in Block KON 13, where it signed a production sharing agreement with ANPG, asset operator Oando, and partners Sonangol and Walcott Ltd. When it comes to attracting financing to the onshore Kwanza Basin asset, board member Domingos Freitas reflected: “Investors are primarily focused on returns, and their appetite depends heavily on the asset’s maturity and risk profile. For greenfield projects, investors tend to be more cautious and prefer to see some level of proven potential before committing capital. In contrast, marginal or mature fields are more attractive because they already demonstrate production potential, making it easier to justify investment.”

Amid heightened geopolitical volatility worldwide, Angolan upstream projects are also attracting more interest from investors looking for barrels that can safely reach the global market. Ulanga Gaspar Martins, CEO of Poliedro Energy, commented: “Traders and financiers still have a strong interest in Angolan production, and we maintain positive relations with all of the major players active in Angola today. Overall, the environment for local independents is more favorable than it was a few years ago, and capital is increasingly available for oil and gas projects.”

Poliedro currently holds a non-operating stake in Block 2/05 offshore Angola, but is also looking to become an operator by the end of this decade. It is targeting

“For local companies, there are still good opportunities emerging, even though fewer rigs are active compared to previous years. Angola's National Oil, Gas and Biofuels Agency (ANPG) is doing well to promote local content by placing more contracts under the exclusivity regime.”

Raul Costa,
Managing Director,
TUBOSTRANS

mature offshore fields and smaller, less complex fields in shallow-water or onshore to transition into operatorship.

The Middle East conflict is likely to enhance the relative attractiveness of Angolan upstream projects. Traders and IOCs alike are consolidating positions in jurisdictions insulated from geopolitical flashpoints. That being said, insurance providers in Angola are warning producers that the global outbreak of conflict increases the risk of contract breaches due to logistical disruptions.

Protteja Seguros chairman Kianda Trozo said: “Foreign conflicts create risks to both exports and production. These risks come from both the physical transport logistics itself and because delivery deadlines are more likely to be broken during conflict. Angola’s exports, from crude to refined products, now face a greater risk of contract breaches due to missed deadlines, which means companies need better coverage against operational disruptions.”

In order to improve its internal risk controls, Protteja is integrating AI into its due diligence process, which helps it build risk profiles that serve clients’ interests more effectively.

Striving to localize

For Angola’s service providers, the country’s decline in production has not resulted in a decline in business. Instead, as fields mature, IOCs are increasingly reallocating work away from in-house specialists towards contractors. Charles Lowery, general director at TEST Angola, pointed out: “This pattern is a structural shift: as Angola’s production matures, operators are transitioning responsibilities to contractors. IOCs are reallocating resources to higher-return assets elsewhere, such as Guyana or the Permian Basin, creating considerable opportunity for service providers like us.”

TEST delivered the South N’Dola well jacket platform for Chevron in late 2025, and has remained active on the project, performing well hookups as the platform starts producing.

The drive to localize production across the value chain has continued, driven by multiple factors, including the war in the Middle East, which has complicated supply chains for essential oilfield products. Angola country manager João Freitas of Ascending, an integrated provider of workforce and procurement solutions that also has a presence in marine logistics services, noted: “External uncertainties continue to influence the mar-

"Angola's local content law provides a solid foundation with opportunities for industry collaboration to enhance effectiveness. However, Angolan companies need greater US dollar payment access to be competitive, as current regulatory ambiguities regarding exclusivity regime eligibility create investment uncertainty."

Adelino Pereira, Managing Director, **TECSEP**

ket, including geopolitical tensions and Angola's upcoming 2027 election cycle. Higher oil prices do not automatically mean higher value. Costs rise with them, and the balance is what matters. That said, the trajectory of the industry is encouraging. What we are seeing today is not just recovery, it is renewed confidence in Angola's upstream potential."

Oilfield chemical provisioning is another domain where disruptions to international supply chains can negatively affect production. Frecissimo Sarmento, district manager for chemicals multinational ChampionX, reflected: "Amid global disruptions impacting the supply and pricing of essential raw materials and components, we have observed significant price variations in critical solvents such as methanol, TEG and MEG. Although we cannot completely remove all external dependencies, ChampionX's most efficient strategy to guarantee supply for our operations and customers continues to be to leverage domestic refining capacity and develop local production capabilities."

SLB acquired ChampionX's global operations in mid-2025, but that has not stopped ChampionX's efforts to increase the proportion of local content within its supply chains. The company already sources a majority of its product from within Angola, and the expansion to domestic refinery capacity will further improve access to locally produced chemicals.

Local content, local limits

Productive partnerships between international companies and Angolan players are just as critical as ever. Alexander Thomson-Payan, president and founder of TGI Group, emphasized: "International companies need to understand the importance of having a strong local partner with deep market knowledge and infrastructure. In our case, we offer a compelling value proposition by being well-financed and willing to co-invest alongside our partners, often matching their investment to support business development."

In addition to providing financing, TGI Group also helps deliver administrative and logistical support to companies seeking to enter the Angolan market. More broadly, partnerships with non-Angolan companies are becoming increasingly important to Angolan firms. In January 2026, TECSEP, a technical services provider, signed an agreement with Baker Hughes to develop a liquid mud plant in Soyo, which will produce material used to

"Local content providers must lead the way in adopting sustainable practices. There are plenty of ways our industry can improve in areas such as energy efficiency and carbon management. If we do not take the lead and look after our own backyard, no one else will."

Jurelmo Lopes, CEO, **MAINSOL**

support drilling operations for ExxonMobil, Chevron and Azule Energy offshore.

TECSEP managing director Adelino Pereira noted: "As part of this agreement, TECSEP will provide the relevant infrastructure investment while Baker Hughes contributes specialized drilling fluids expertise. This balanced partnership model shares commercial risks while enabling job creation and technology transfer."

Beyond manufacturing capacity, capacity building also occurs in the maintenance and repair business. 3A Services (Alliance Ambiental Angola) is the exclusive distributor of 3X Engineering, a pipeline corrosion specialist. Luc Defforey, 3A Services' managing director, commented: "When we entered the market, several high-quality international technologies were not locally represented in Angola. This created a gap in responsiveness, technical support and on-the-ground expertise. Our role is to bridge that gap by combining global technology with local execution."

As a result, 3A invests heavily in training its Angolan workforce to become fully proficient in these specialized solutions. This permanent upskilling of its workforce brings benefits to the labor market as a whole. In other instances, technologies that are initially introduced for oilfield purposes often find new life in other industries. Tradinter is a company with five business units spanning drone inspections, logistics, industrial maintenance, consulting and husbandry. The drones initially used for performing inspections at offshore platforms are now also being used to perform agricultural inspections in Angola's fertile heartland.

Tradinter is led by Bráulio de Brito, who is also the chairman of the Angolan Oil & Gas Service Companies Association (AECIPA). He remarked: "The oil and gas industry is a major driver of technology transfer into Angola. Beyond production, the industry drives the development of an entire ecosystem of services, raising the standards required of local companies in terms of quality, safety and performance."

"The most important impact of the oil and gas industry is on people. The industry develops talent to high standards, exposing professionals to international best practices. When workers later transition into other sectors, it transfers knowledge and expertise across the economy," De Brito concluded.

Despite the gradual push to boost domestic manufacturing and transfer technical knowledge to Angola, several companies offered suggestions on how to improve the local content ecosystem. Angola's current local content framework is governed by Presidential

"Since Angola is vast, fuel stations often act as key retail hubs for local communities, especially outside Luanda. In this environment ProLog identified an opportunity to deliver a new level of consistency in downstream logistics through our just-in-time distribution model."

Miguel Pereira,
Founder and Managing Partner,
PROLOG SOLUÇÕES

"We were pioneers in training Angolan divers, and there remains a strong interest among candidates seeking to join the profession. Training a diver requires long-term planning, including offshore exposure, academic training abroad and practical experience, so we make sure we give them the time to develop."

Ricardo do Amaral,
General Manager,
OCTOMAR

Decree 271/20, issued in October 2020. The decree adjusted the definition of which companies qualified as Angolan. Previously, only a majority of a company needed to be owned by Angolan citizens to qualify under the most restrictive local content category, but now a company must be wholly owned by Angolan citizens to qualify as a Sociedade Comercial Angolana (SCA).

The decree also divided the local content sector into three arrangements: exclusivity, preference and competition. For services and goods treated under the exclusivity arrangement, only SCAs may supply them to the market. Under the preference arrangement, the decree states that SCAs are preferred, but that any company registered in Angola with a majority of shares owned by Angolans (Sociedades Comerciais de Direito Angolano, or SCDAs) may also bid on the project. Furthermore, if no companies registered in Angola can deliver the service at an adequate quality, then foreign companies may win the tender. Lastly, under the competition arrangement, operators may freely contract foreign firms from the outset.

For Adelino Pereira from TECSEP, one drawback of the current implementation of this local content framework is that not enough contracts are subject to the exclusivity regime. He remarked: "As of 2024, only 3% of the US$19 billion in total contract value awarded by operators was subject to the exclusivity regime. This is a drop in the ocean for Angolan service providers, and we believe more can be done to increase that ratio."

Others noted potential ways to improve the structure of procurement systems. Founder and CEO António Henriques da Silva of GIPSA, which has provided a variety of technical services to the industry for over a decade, opined: "Strengthening local content requires a concrete combination of people, knowledge, assets and operational discipline. Procurement systems in the industry are evolving, but there is still considerable human intervention in many processes."

He continued: "When procurement systems are structured around objective criteria, they create stronger and more transparent relationships between operators and service providers. Companies that demonstrate capability and reliability should have a fair opportunity to participate in projects."

In many instances, local content providers are ideally positioned to provide the best, most cost-effective solution to the market. Famar Energies is a logistics and bunkering company with its own fleet of vessels focused on supporting the Angolan midstream and upstream sectors. Managing partner Mauro Carvalho noted: "Our competitive advantage lies in proximity and responsiveness. With vessels based in Angola, we can reach local refineries within approximately 12 hours. This agility enables us to participate effectively in tenders issued by Sonangol to offload surplus product, offering a faster and more cost-efficient solution compared to long-haul operators."

Digital ambitions, cautious adoption

With the newest iterations of everything from drones to AI redefining workflows in every industry, 2026 will be a year of rapid technological change for Angola's oil and gas industry. Operators are seeking out new solutions to tackle old problems from service providers like Ocean Atlantic Petroleum, a company specialized in subsea support and workshop services. David Parker, the company's managing director, affirmed: "Technology can make a large impact on inspections, especially with drones and digital reporting. Today's drones are much improved over past models, with impressive flight times making them much more operationally practical."

Arsénio Junqueira, COO at oilfield services company Mainsol, concurred that operators prefer to work with companies that invest in technology. He said: "In our industry, companies with better technology and data are seen as leaders. Well diagnostics technologies and downhole visualization tools allow clients to better understand well conditions and significantly improve production outcomes."

While many Angolan companies are forging technical partnerships with foreign firms to help bring cutting edge solutions into the country, some Angolan companies are also developing innovative in-house technology to compete with international providers. Copia Group of Companies, a wholly Angolan firm, is launching a suite of proprietary software products in 2026 that leverage AI and machine learning to help make upstream activities more efficient by automating much of the tedious data interpretation process in upstream exploration. Copia CEO Adilson Mangueira Nelumba said: "Angolan companies struggle to pay dollar-denominated invoices, so having a kwanza-backed local solution makes geological interpretation much more accessible for local companies. Our software is highly effective and can reduce interpretation times for a normal block from 18 months down to five, reducing costs and accelerating decision-making for operators."

Managing director Raul Costa of Tubostrans, an oilfield services company, also expressed urgency to adapt to new innovations in the oilfield services segment, but warned that the industry remains fundamentally conservative in its approach to new technology due to cost concerns: "Technology and automation will play a role in the future, but Angola still tends to lag behind countries like Norway, which is a prime example for all. Angolan oilfields are already mature, and operators must keep costs low."

Tubostrans is prioritizing investments in new technologies such as hands-free TRS (tubular running service) machines, which improve worker safety.

Feito em Angola: bringing Angolan expertise to the world

The ambitions of Angolan companies have long stretched beyond the nation's borders. In recent years, many Angolan firms have established entities in Namibia, anticipating that the country's upstream will pick up steam in the latter half of this decade. In ways big and small, Angolan companies are playing a vocal role in supporting the development of their neighbor to the south.

Yet increasingly, Angola's economic strength allows it to lead southern and western Africa more broadly. One example is the Operatec Marine and Industrial Training Center (OMITC), Angola's largest private training institute for the oil and gas industry. Launched in 2014 in Cabinda, its larger Luanda campus opened in 2021, training up to 6,000 students a year. OMITC managing director and Operatec CEO Alberto Figueiredo said: "Rather than waiting for clients to tell us they were looking for a new training facility, we instinctively understood that Angola and Africa needed such a facility to help our workforce grow organically."

"Individuals must actively pursue training and professional development in specific trades or technical fields to advance their careers. All Angolans should know that opportunities exist if they are willing to develop the requisite skills to contribute to the industry."

Alberto Figueiredo, CEO, **OPERATEC** and MD, **OPERATEC MARINE AND INDUSTRIAL TRAINING CENTER (OMITC)**

"We are also seeing strong growth opportunities in West Africa, especially in deepwater developments requiring specialized capabilities for which we have uniquely positioned assets. We recently completed work in Angola and see Namibia as a major opportunity for us."

Mahesh Swaminathan, Senior Vice President, Subsea and Floating Facilities, **MCDERMOTT**

Figueiredo's ambition is to build OMITC into the leading private training institution in sub-Saharan Africa.

Angola's strategic location straddling central and southern Africa also has certain companies evaluating its potential as a regional logistics hub. ProLog Soluções operates a just-in-time logistics network and manages operations for retail fuel stations in Angola. Miguel Pereira, founder and managing partner at ProLog Soluções, remarked: "Angola has strong potential to become a regional logistics hub, but this depends on improving connectivity with neighboring countries. Projects like the Lobito Corridor will help realize this vision; as rail and road infrastructure improves, regional trade could expand significantly," adding that the company is ready to expand its business into neighboring markets like the DRC and Zambia.

In a strong sign for the entire Angolan supplier ecosystem, partnerships forged in Angola also have the potential to expand abroad. As Vera Vaz, commercial coordinator at subsea solutions provider Octomar, stressed: "Our partnerships extend to the full range of jurisdictions in which we operate. Companies we collaborate with in Angola can also work with us in Côte d'Ivoire, Namibia and Mozambique. These are all jurisdictions we know well and where we understand the logistical challenges."

With activity heating up in Angola, Mozambique, Namibia and beyond, the future is bright for Angolan companies seeking to leverage their operational expertise for the benefit of the continent. ■

Image courtesy of Hyphen Hydrogen Energy

Namibia: At the Edge of First Oil

As milestones approach, debate intensifies over the path forward

During her opening address at the 2026 Namibia International Energy Conference in April, Namibia's president, Netumbo Nandi-Ndaitwah, declared: "Namibia stands at a pivotal moment. The responsibility before us is to ensure that our natural resources translate into shared prosperity and sustainable development."

The president's words matched the seriousness of the moment, for 2026 promises to be a year full of milestones for Namibia's upstream. Guidance from the operator of the Venus discovery, TotalEnergies, indicates that an FID on the project is possible in 2026. Such an announcement would be Namibia's first upstream FID. With between 700 and 800 million barrels of oil equivalent (BOE) that can sustain production at up to 150,000 bpd, the project carries the right dimensions to become a nation-building asset for Namibia.

Dealmaking has been active in recent months. In December 2025, TotalEnergies acquired a 40% operated interest in PEL83 from Galp Energia; the block holds the Mopane discovery. Mopane currently stands as Namibia's largest discovery, with a potential reserve of between 800 million and 1.1 billion BOE that may support up to 200,000 bpd of production.

Besides Galp Energia, TotalEnergies' partners at the Mopane field include state oil company NAMCOR, which holds a 10% stake, and Custos Energy, a Namibian independent with a 10% stake as well. Sintana Energy, a TSX-V listed Canadian independent, is a 49% shareholder in Custos Energy, which provides a platform for international investors to become involved in Namibia's progress. Robert Bose, CEO of Sintana Energy, remarked: "The Orange Basin has now been successfully proven, but there is still ample room for further discoveries in Namibia. Only a relatively limited number of wells have been drilled across very large license areas, and in other basins north of the Orange Basin, there is even more opportunity."

In April 2026, BP expanded its Namibian presence by acquiring a 60% interest in three offshore blocks from Eco Atlantic Oil & Gas, an AIM- and TSX-V-listed independent. This farm-down transaction by Eco, involving blocks in the Walvis Basin, marked BP's entry into the country as a standalone operator.

"Strengthening Namibia's regulatory framework is essential to convert the country's significant offshore hydrocarbon potential into sustained FDI and long-term development. Recent discoveries in the Orange Basin and other blocks demonstrate the scale of opportunity attracting global majors to Namibian waters."

Jessica Hauuanga,
Acting CEO, **NAMIBIA INVESTMENT PROMOTION AND DEVELOPMENT BOARD (NIPDB)**

Building the regulatory bones

This ongoing activity reflects the growing maturity of Namibia's investment environment. Tom Alweendo, Namibia's minister of mines and energy from 2018 to 2025, recently founded Alvenco Advisory, a consultancy to help international investors navigate the Namibian market. He remarked: "The continued flow of interest and capital shows that investors believe they can achieve returns here and feel comfortable operating in the country. That in itself demonstrates credibility."

However, Alweendo also offered words of caution: "It would be a mistake to assume that this position will maintain itself automatically. Other emerging oil and gas jurisdictions are also looking at ways to improve their relative standing, and we must do the same."

Namibia's policymakers are keenly aware of the challenge. The government released the Petroleum Exploration and Production Amendment Bill in February 2026, and its provisions include formalizing the reorganization of the regulatory model which Nandi-Ndaitwah has spearheaded. The bill would legally incorporate the Upstream Petroleum Unit (UPU) within the Office of the President, centralizing oversight under the executive and away from the ministry.

Jessica Hauuanga, acting CEO of the Namibia Investment Promotion and Development Board, stressed: "Strengthening Namibia's regulatory framework is essential to convert the country's significant offshore hydrocarbon potential into sustained FDI and long-term development. Recent government reviews highlight the need for modernization, and enhancing investor confidence through clear and efficient processes remains critical as companies approach FID."

The local content question

Another major area of debate centers on Namibia's draft local content regulation. A final draft of the National Upstream Petroleum Local Content Policy was circulated throughout 2025 and underwent a public consultation process in September. In April 2026, President Nandi-Ndaitwah announced that Namibia's cabinet had approved the revised policy, but the text has yet to be released.

Because upstream production has yet to begin in Namibia, the country now has a unique opportunity. As Jamilla Jacobs, CEO of Greenwood Supply Services, a Namibian-owned offshore services provider, noted: "Namibia has a rare opportunity to build its oil and gas supply chain correctly from the start, with local companies that combine international experience with genuine local ownership."

Given the technical challenges associated with the development of Namibian assets, however, external partnerships and expertise will be key. Jesper Kristensen, general manager of Angola-based Atlantic Logistic Services, reflected: "Namibian assets face high per-barrel extraction costs, and there are also potential constraints around workforce availability. Namibia has a relatively small population with limited skilled personnel, so there will need to be a balance between local content requirements and expatriate expertise."

Interested parties will watch these local content debates closely. Namibia is running out of time to decide how the coming energy boom will reshape its economy. Once construction begins offshore, the economic impact will be felt in every corner of the country, from the windswept shores of Lüderitz to the arid Kalahari Desert. ■

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