

# ENERGY AND INFRASTRUCTURE SECTOR NEWS UPDATE FEBRUARY 2026

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## OIL AND GAS SECTOR



### **NNPCL in Advanced Talks with Chinese Firm Over Refinery Equity Partnership**

The Nigerian National Petroleum Company Limited (NNPCL) has disclosed that it is in advanced discussions with a Chinese petrochemical company over an equity partnership to revive one of its underperforming refineries. The company is simultaneously engaging several other interested parties, and has indicated that it is open to divesting part of its equity stake

to secure long-term, committed investors. The three refineries under consideration are located in Port Harcourt, Warri, and Kaduna. If concluded, the partnership is expected to reduce Nigeria's dependence on fuel imports, lower operating costs, and restore meaningful domestic refining capacity.

### **Dangote Refinery Hits Full 650,000 bpd Nameplate Capacity**

The Dangote Petroleum Refinery has reached its full nameplate capacity of 650,000 barrels per day following the restoration and optimisation of its Crude Distillation Unit (CDU) and Motor Spirit (MS) production block, marking what the company describes as a global first for a single-train refinery of its scale. The refinery has commenced a 72-hour performance test run in collaboration with licensor UOP (Honeywell UOP) to validate operational stability and compliance with global standards, with remaining processing units set to undergo Phase 2 performance testing.

### **African Energy Bank Headquarters Handed Over to African Petroleum Producers' Organisation (APPO), Operations Set to commence in June 2026**

Nigeria has officially handed over the headquarters of African Energy Bank (AEB) to African Petroleum Producers' Organisation (APPO), a flagship institution designed to mobilise capital for the continent's energy priorities and reinforce Africa's energy value chains. A joint initiative of African Petroleum Producers' Organisation member states and the African Export-Import Bank (Afreximbank), the AEB's core mandate is to mobilise domestic and regional capital for energy infrastructure, reduce Africa's reliance on external financing, and align energy investments with the continent's long-term development and industrialisation goals.

### **SNEPCo Commences Turnaround Maintenance on Bonga FPSO**

Shell Nigeria Exploration and Production Company Limited (SNEPCo) has initiated a turnaround maintenance programme on the Bonga Floating Production Storage and Offloading (FPSO) vessel, a statutory integrity assurance exercise aimed at extending the operational lifespan of the facility. The FPSO holds a production capacity of 225,000 barrels of oil and 150 million standard cubic feet of gas per day.

## **President Tinubu Signs Executive Order mandating direct remittance of oil and gas revenues to the federation account**

President Bola Tinubu has signed Executive Order 9 of 2026 (effective 13 February), suspending NNPC's entitlement to the 30 % Frontier Exploration Fund and the 30 % management fee on profit oil and profit gas, and directing that all oil and gas revenue including royalties, taxes, profit oil, profit gas, gas flare penalties, and related receipts be paid directly into the Federation Account without deductions. The Order also halts off-budget allocations such as gas flare penalty payments into the Midstream and Downstream Gas Infrastructure Fund and establishes an implementation committee to oversee execution.

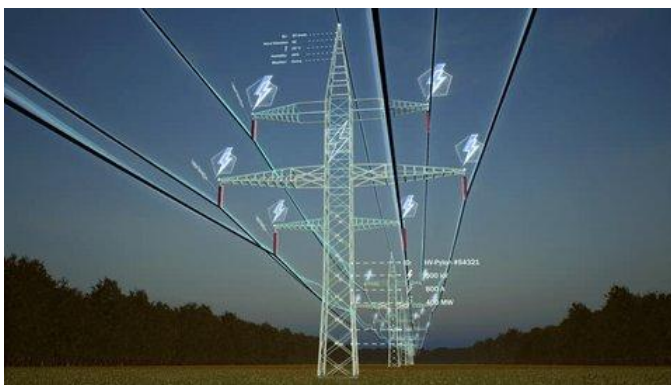
## **NCDMB Renews Directive on Mandatory One Per Cent Deduction for Nigerian Content Development Fund**

The Nigerian Content Development and Monitoring Board (NCDMB) has renewed its directive to upstream oil and gas operators, contractors, and service providers to strictly comply with the mandatory remittance of the one per cent Nigerian Content Development Fund ('NCDF') levy on all qualifying contracts. The Board stated that access to its approvals and regulatory services will now depend on proof of payment of the levy, in accordance with Section 104 of the Nigerian Oil and Gas Industry Content Development Act, 2010.

## **NUPRC Clarifies Incorporation Requirements for Foreign Bidders in 2025 Licensing Round**

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has clarified that international energy companies bidding for oil and gas assets in Nigeria's 2025 licensing round are not required to establish local subsidiaries upfront, but successful foreign bidders must incorporate Nigerian entities within 90 days of receiving offer letters. The clarification, issued following pre-bid conferences held in January, allows companies to enter the competitive bidding process without the upfront cost of local incorporation. The licensing round covers 50 exploration blocks, including 35 assets in the Niger Delta basin and 15 blocks in frontier basins including Benin, Anambra, Benue, and Chad.

## **ELECTRICITY SECTOR**



## **IEA Report Flags Nigeria's Transmission Gap Amid Rising African Electricity Demand**

The International Energy Agency (IEA) has identified Nigeria's electricity supply crisis and transmission infrastructure deficit as persistent challenges in its 2026 Electricity Report, calling for faster infrastructure upgrades alongside capacity additions. The

report noted a 5.2 percent rise in African electricity demand in 2025, with natural gas accounting for over 40 percent of the continent's power generation and projected to grow at 2.6 percent annually through 2030. While acknowledging Nigeria's progress in expanding off-grid and distributed solar access, the IEA cautioned that significant challenges remain.

## Nigeria Overtakes Egypt as Africa's Second-Largest Solar Energy Importer

Nigeria has overtaken Egypt as Africa's second-largest importer of solar energy and battery storage systems, driven by the gradual removal of diesel subsidies over the past two years, which has made diesel increasingly expensive and accelerated adoption of solar as an affordable alternative to generators and unreliable grid power. Last September, Nigeria announced plans for a 1 GW solar panel factory, the largest in West Africa. According to the Africa Solar Industry Association, 20 African nations set new annual records for solar imports last year, with 25 countries importing at least 100 megawatts of capacity, while South Africa's historically dominant share has slipped below a third as demand surged elsewhere across the continent.

## FG Begins Strategic Talks with Russia on AI-Powered Economy and Digital Transformation

The Federal Government has begun strategic discussions with the Russian Federation to accelerate Nigeria's transition to an innovation-driven economy, focusing on artificial intelligence, robotics, renewable energy, and digital transformation. Minister of Science, Innovation and Technology Kingsley Udeh, speaking after meeting with Russian officials in Abuja on February 19, stated that the partnership aims to drive technology transfer, STEM education, job creation, and economic diversification. Both sides will establish joint technical working groups to design policy frameworks and practical programmes aimed at attracting technology-driven investment and positioning Nigeria as a leading innovation hub in Africa.

## INFRASTRUCTURE



## FG Releases N127 Billion to Continue NNPCL-Funded Road Projects

The Federal Government has released N127 billion to continue road projects previously funded by the Nigerian National Petroleum Company Limited (NNPCL) under the now-discontinued tax-credit road scheme. Minister of Works, David Umahi, disclosed that NNPCL's withdrawal effective August 1, 2025, created a financing gap for road projects valued at

about N7 trillion, with the Ministry now assuming supervision and payment responsibilities. President Bola Ahmed Tinubu has directed the Ministry to explore alternative funding models, including Public-Private Partnerships.

## MINING SECTOR

### Stakeholders Split Over N6.69 billion Budget Allocation to Ajaokuta Steel Plant

Nigeria's 2026 Appropriation Bill has allocated N6.69 billion to the non-functional Ajaokuta Steel Company Limited (ASCL), a 4.9 percent decrease from the N7.03 billion allocated in 2025, drawing mixed reactions from stakeholders. Critics have questioned the continued funding of a plant that has remained inactive for decades, with concerns that most of the allocation, N6.04 billion, is directed at personnel costs while capital projects account for just 6.1 percent of the budget. On a more positive

note, the Minister of Steel Development, Prince Shuaibu Audu, disclosed that discussions with prospective Chinese investors are ongoing, and that the Nigerian National Petroleum Company Limited and its partners have committed \$500 million toward establishing five mini-LNG plants within the Ajaokuta complex.

### **Minister Orders Suspension of Mining Operations in Plateau State Following Tragic Deaths**

Nigeria's Minister of Solid Minerals Development, Dr. Dele Alake, has ordered the immediate suspension of operations at Mining Licence 11810 in Zurak, Wase Local Government Area of Plateau State, following the deaths of several villagers from dangerous gaseous emissions at a mining pit operated by Solid Unit Nigeria Limited. The Minister has deployed a high-level investigative team led by the Ministry's Permanent Secretary, Engr. Yusuf Yabo, to determine the immediate and root causes and recommend sanctions where applicable. Preliminary findings indicate the company handed over the abandoned lead deposit pit to community members after protests demanding greater inclusion, with villagers unaware of toxic sulphuric oxide gas emissions resuming mining activities at the site.

## **CONTACTS**

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**OLA ALOKOLARO**

ola.alokolaro@advocaat-law.com



**HASSAN SHERIF**

hassan.sherif@advocaat-law.com



**VICTORIA OBI**

victoria.ob@advocaat-law.com



**MIRACLE IKANI**

miracle.ikani@advocaat-law.com



**ONYEKA CHIKA**

onyeka.chika@advocaat-law.com

**LAGOS OFFICE**

13 Norman Williams Street  
Off Keffi Street, Ikoyi  
Lagos Nigeria

**ABUJA OFFICE**

Nigerian National Merit Award House Enspire  
1st Floor Room 3  
Plot 22 Aguiyi Ironsi Way Maitama Abuja  
Nigeria

**CALABAR**

Akom Building  
15 Murtala Mohammed Highway Calabar  
Cross River  
Nigeria

**TELEPHONE:** (LOS)+234 02014547932 (ABJ)+234 8105340496

**EMAIL:** [info@advocaat-law.com](mailto:info@advocaat-law.com)

**WEBSITE:** [www.advocaat-law.com](http://www.advocaat-law.com)