



CLIENT ALERT:

THE NIGERIAN MIDSTREAM AND DOWNSTREAM PETROLEUM REGULATORY AUTHORITY (NMDPRA) ESTABLISHES 2026 DOMESTIC BASE PRICE AND WHOLESALE PRICING FRAMEWORK FOR NATURAL GAS FOR THE STRATEGIC SECTORS



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INTRODUCTION

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), pursuant to Section 167, the Third and Fourth Schedule of the Petroleum Industry Act, 2021 (PIA), has established the Domestic Base Price (DBP) and applicable wholesale prices of natural gas for strategic sectors, effective from the 1st April, 2026¹. Under the new regime, the DBP has been fixed at USD 2.18/MMBtu, forming the benchmark for wholesale gas pricing across designated sectors.

WHAT THIS MEANS

The announcement introduces a structured and tiered pricing framework for natural gas supplied to strategic sectors:

1. Power Sector: Gas will be priced at the Domestic Base Price of USD 2.18/MMBtu providing a fixed benchmark for gas-to-power supply.
2. Commercial Sector: Gas is priced at DBP + USD 0.50/MMBtu (USD 2.68/MMBtu), reflecting a premium above the base price.
3. Gas-Based Industries: Gas pricing is determined by a statutory formula prescribed under the Fourth Schedule of the PIA, subject to a floor of USD 0.90/MMBtu and a ceiling pegged to the DBP of USD 2.18/MMBtu

Sector	Floor Price USD/MMBTU	Price USD/MMBTU	Ceiling USD/MMBTU
Power		2.18	
Commercial		2.68	
Gas Base Industries (Ammonia, Urea, Methanol, Polypropylene, Low Sulphur Diesel and Others as the Authority may Add by Regulations)	0.9	As calculated from Formula in the 4th Schedule	2.18

The applicable pricing framework across the relevant sectors is summarised in the table above.

The pricing framework is guided by cost-reflective and market-aligned principles, including alignment with international gas benchmarks, a tiered cost-of-supply structure, and the need to balance affordability for strategic sectors with incentives for increased domestic gas supply.

CONCLUSION

The introduction of the 2026 Domestic Base Price underscores a continued shift towards a more structured and market-aligned domestic gas pricing regime in Nigeria, providing Stakeholders particularly producers, midstream operators, and off-takers, with clearer pricing signals and greater

¹ [NMDPRA announces the establishment of the year 2026 Domestic Base](#)

certainty within a regulated band that balances affordability with commercial viability. Stakeholders must, however, closely review existing gas supply agreements, pricing clauses, and commercial arrangements to ensure alignment with the new framework, particularly where pricing formulas or benchmarks are impacted.

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