

ENERGY AND INFRASTRUCTURE SECTOR NEWS UPDATE MAY 2026

 LAGOS | ABUJA | CALABAR

OIL AND GAS SECTOR



NMDPRA Insists on Regulatory Compliance for Petroleum Firms in Free Trade Zones

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has declared that petroleum companies operating in free trade zones, export processing zones, and other designated areas remain fully subject to the Petroleum Industry Act (PIA) 2021. In an industry circular, the regulator clarified that tax incentives and customs waivers offered in such zones do not exempt oil and gas operators from petroleum sector regulations, warning that any operator conducting midstream or downstream activities without the appropriate licence, permit, or authorisation would face sanctions.

NCDMB, Southfield Petroleum Begin Development of Utorogu Gas Processing Plant in Delta State

The Nigerian Content Development and Monitoring Board (NCDMB) and Southfield Petroleum Limited have begun developing the Southfield Utorogu Gas Processing Plant in Iwherekan, Ughelli South LGA, Delta State. The facility, with a capacity of 200 million standard cubic feet per day, is designed to increase domestic gas supply for power generation and industrial use.

Nigeria Scraps Jet Fuel Price Cap, Returns to Market-Driven Pricing

Nigeria has reversed its decision to cap jet fuel prices, with the Nigerian Midstream and Downstream Petroleum Regulatory Authority declaring the aviation fuel market fully deregulated and subject to market forces. The reversal follows a sharp price surge from 900 naira per litre in February 2026 to 3,300 naira in mid-April, a 266% jump in under three months.

NCDMB Launches Campaign to Boost Local Refining and Reduce Raw Material Exports

The Nigerian Content Development and Monitoring Board (NCDMB) has launched a campaign to promote local refining capacity and reduce the export of unprocessed raw materials. Going forward, the NCDMB is directing focus toward the midstream and downstream sectors as key drivers of investment, industrialisation, and economic growth.

Nigeria, Morocco Set to Sign Gas Pipeline Agreement in Q4 2026

Nigeria and Morocco are expected to sign an intergovernmental agreement in the fourth quarter of 2026 to advance the \$25 billion Nigeria-Morocco Gas Pipeline, also known as the African Atlantic Gas Pipeline.

Concerns Mount Over Proposed Sale of 40% Stake in Amukpe-Escravos Pipeline

Fresh concerns have emerged over the proposed sale of a 40% stake in the Amukpe-Escravos Pipeline, with calls on the Federal Government to halt the process over valuation disputes and potential impact on investor confidence. The pipeline, jointly owned by Pan Ocean Oil Corporation (40%) and NNPC Exploration & Production Limited (60%), has a capacity of 160,000 barrels per day and has maintained operational uptime of up to 95% since becoming operational in 2022.

ELECTRICITY SECTOR



NISO Issues New Directives to Combat Energy Theft Across Nigeria's Power Sector

The Nigerian Independent System Operator (NISO) has rolled out new directives targeting Distribution Companies, Generation Companies, Eligible Consumers, and Large Customers to combat energy theft and improve electricity supply reliability. The directives introduced stricter penalties for meter manipulation and energy theft.

NDPHC Restarts 450MW Alaoji Power Plant Three Years After Shutdown

The Niger Delta Power Holding Company (NDPHC) has restored the 450MW Alaoji Power Plant in Abia State, which had been shut down since 2023 following gas supply and metering disputes with TotalEnergies. NDPHC Managing Director Jennifer Adighije disclosed that all remedial works on the defective gas line have been completed, outstanding debts to TotalEnergies have been fully settled, and three generating units have been restored, making approximately 375MW available for dispatch to the national grid.

REA Signs MoUs with Nigeria Commodity Exchange and The Young Innovators of Nigeria to Advance Clean Energy and Economic Development

The Rural Electrification Agency (REA) has signed Memorandums of Understanding with the Nigerian Commodity Exchange (NCX) and the Young Innovators of Nigeria (YIN) to deepen Nigeria's clean energy transition and drive economic development. The agreement with NCX focuses on integrating renewable energy infrastructure into agricultural value chains, linking solar-powered energy systems with commodity aggregation, processing, storage, and export infrastructure to reduce post-harvest losses and strengthen food security. The partnership with YIN targets co-hosting the annual Technology Ecosystem Dialogue, bringing together clean energy, digital innovation, youth empowerment, and entrepreneurship.

Adamawa, Kaduna Approve Land Titles for Mini-Grid Projects

The governments of Adamawa and Kaduna states have issued Certificates of Occupancy for mini-grid project sites under the Rural Electrification Agency's (REA) Minimum Subsidy Tender programme, paving the way for electricity access to 33,262 homes. In Adamawa, approvals cover three interconnected sites in Yola South and Fufore LGAs with a combined solar capacity of 11.3MWp, while Kaduna's approvals cover two sites in Chikun and Makarfi LGAs with a combined capacity of 6.0MWp. The programme, implemented under the Nigeria Electrification Project, is expected to deploy approximately 213.436MW of peak solar PV capacity across over 163 sites in its first phase, spanning multiple states including Abia, Anambra, Bauchi, and Kano.

MINING SECTOR



Lagos Approves Mining Sites for Hitech Construction to Support Lagos-Calabar Coastal Road

The Lagos State Government has approved designated mining sites for Hitech Construction Company to support the Lagos-Calabar Coastal Road project. The approval includes dedicated borrow pits across Ilamija, Kajola, Orimedu, and Akodo corridors to supply construction materials. The ministry also announced facilitation of Right

of Way for the Lekki-Epe Integrated Energy Corridor, deployment of four marine filling stations under its Waterways Energy Solutions programme, and approval of 14 licences and permits covering off-grid, embedded generation, independent distribution, metering, and mini-grid projects.

NEITI Warns Weak Inter-Agency Coordination Fuelling Revenue Leakages in Mining Sector

The Nigeria Extractive Industries Transparency Initiative (NEITI) has warned that poor coordination among key regulatory agencies is driving revenue leakages and enabling illicit financial flows in the mining sector. In a policy brief, NEITI flagged fragmented oversight, weak data integration, and the absence of a unified digital monitoring system as loopholes exploited by criminal networks for record manipulation, production under-reporting, and tax evasion. Despite vast mineral deposits, the sector generated only N401 billion in revenue in 2023, contributing just 0.72% to GDP, well below its potential. To Infrastructure address the challenges, the policy brief proposed reforms centered on improved inter-agency coordination, the integration of anti-money laundering frameworks into mining governance, and the deployment of unified digital tracking systems.

CONTACTS



OLA ALOKOLARO

ola.alokolaro@advocaat-law.com



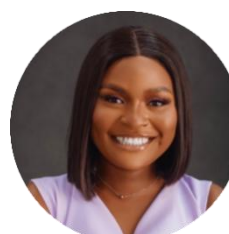
HASSAN SHERIF

hassan.sherif@advocaat-law.com



VICTORIA OBI

victoria.obi@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

WEBSITE: www.advocaat-law.com