



ENERGY AND INFRASTRUCTURE SECTOR NEWS UPDATE AUGUST 2026

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OIL AND GAS SECTOR



FG signs the Deep Offshore Oil and Gas Projects Incentives (Tax Remission) Order 2026

President Bola Ahmed Tinubu signed the Deep Offshore Oil and Gas Projects Incentives (Tax Remission) Order 2026 on 6th August, 2026. The Order introduces a Standard Production Tax Credit (PTC) for qualifying deep offshore oil and non-

associated gas projects, subject to specified fiscal price thresholds and other conditions. The Order also requires compliance with Nigerian Content requirements, while the tax credits are non-refundable, non-transferable, and ring-fenced to the qualifying project. For companies undertaking or considering qualifying deep offshore projects, understanding the scope and conditions of the incentive will be important when assessing existing and future investments.

NMDPRA to Engage NUPRC to Resolve Crude Supply Shortages to Local Refineries

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has announced plans to engage the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) on measures to address crude oil supply challenges affecting local refineries. The engagement will focus on strengthening the enforcement of the Domestic Crude Supply Obligation under the Petroleum Industry Act and improving access to competitively priced domestic crude. The move is expected to improve feedstock availability for domestic refineries and support Nigeria's efforts to expand local refining and reduce reliance on imported petroleum products.

Nigeria Becomes Indonesia's Largest Crude Oil Supplier in H1 2026

Nigeria accounted for 24.91% of Indonesia's crude oil imports in the first half of 2026, making it the country's largest crude supplier, according to Indonesia's statistics agency, Badan Pusat Statistik ("BPS"). Angola followed at 15.41% and Saudi Arabia at 13.62%, reflecting Indonesia's growing preference for African crude as Jakarta faces scrutiny over its Russian supply contracts. The development highlights Nigeria's growing role in Indonesia's crude oil supply chain as the country diversifies its sources of crude.

Heirs Energies Doubles Crude Output to 55,000 bpd

Heirs Energies has increased its crude oil production from 25,000 bpd to 55,000 barrels per day following its assumption of operational control of its assets in 2021. The company attributed the growth to improved pipeline security, fiscal reforms under the Petroleum Industry Act, stronger host community engagement, and increased indigenous participation.

NCDMB, Butane Energy Commission Third LPG Plant in Bauchi to Deepen Domestic Gas Utilisation

The Nigerian Content Development and Monitoring Board (NCDMB), in partnership with Butane Energy Limited, has commissioned a Liquefied Petroleum Gas (LPG) plant in Bauchi State, the third

facility delivered under their partnership following plants in Katsina and Kaduna. The facility is intended to improve access to clean and affordable cooking gas in Bauchi and surrounding communities, while supporting domestic gas utilisation, indigenous participation, and the Federal Government's Decade of Gas initiative.

ELECTRICITY SECTOR



NERC Transfers Regulatory Oversight of Akwa Ibom Electricity Market to State Commission

The Nigerian Electricity Regulatory Commission (NERC) has transferred regulatory oversight of Akwa Ibom's intrastate electricity market to the Akwa Ibom State Electricity Regulatory Commission (AKSERC), in line with the Electricity Act 2023 and the 1999 Constitution of the Federal Republic of

Nigeria (as amended). Further to the transition, AKSERC regulates electricity activities within the state, while NERC retains oversight of interstate and international electricity operations.

Lagos state Receives 208MW Bulk Capacity from Upgraded Transmission Substations

The Federal Government has commissioned two upgraded transmission substations at Ijora and Apapa in Lagos, adding 208MW of bulk transmission capacity to Lagos. The Ijora upgrade contributes 112MW, while the Apapa Road substation adds a further 96MW, increasing the bulk power available to Eko Electricity Distribution Company (EKEDC) for distribution across major commercial, industrial and residential areas. The projects are expected to ease transmission constraints, improve grid stability and support the delivery of available generation to areas with high electricity demand.

Japan Commits N20bn Through JICA to Rehabilitate Apapa Transmission Substation

The Government of Japan, through the Japan International Cooperation Agency (JICA), has committed ₦20 billion to the expansion and rehabilitation of the Apapa Transmission Substation in Lagos. The project covers construction works, equipment procurement, engineering services, and operational training aimed at improving transmission capacity, grid stability and power evacuation in Lagos.

FG Flags Off 13.92MWp Interconnected Hybrid Solar Mini-Grid Projects in Yobe State

The Federal Government, through the Rural Electrification Agency (REA), has commenced the construction of 13.92MWp of interconnected hybrid solar mini-grid projects across five locations in Yobe State, with support from the World Bank. The projects, located across Damaturu, Gashua, Nguru and Potiskum, are supported by 40 distribution transformers and are designed to provide reliable and affordable electricity to households, businesses and public institutions, while supporting local economic activity and reducing energy costs.

NERC Dissolves Kaduna DisCo Board Over N456.5bn Market Debt and Chronic Underperformance

The Nigerian Electricity Regulatory Commission (NERC) has dissolved the board of Kaduna Electricity Distribution Company (KAEDC) and installed an interim administration following years of financial default, weak operational performance, and failure by its core investor to deliver on turnaround commitments. The intervention, carried out under Sections 75 and 79 of the Electricity Act 2023, follows the accumulation of approximately N456.5 billion in market debt owed primarily to the Nigerian Bulk Electricity Trading Plc and the Nigerian Independent System Operator, alongside roughly N14.25 billion in other statutory obligations.

The Rural Electrification Agency Establishes the Renewable Asset Management Company (RAMCO)

The Rural Electrification Agency launched RAMCO on 26th August, 2026, to professionally manage a portfolio of publicly funded renewable energy assets in the country. The initiative is being implemented in collaboration with the Ministry of Power, Ministry of Finance Incorporated (MoFI) and Infrastructure Corporation of Nigeria (InfraCo), with a stated ambition to aggregate professionally managed assets with predictable revenues for future private capital financing goals. The establishment of the institution has raised valid question surrounding the mandate of the body and how that aligns with the current structure of the electricity market.

NERC Issues 194 Electricity Licences, Permits as Mini-grid, Metering Surge

NERC issued 194 licences, permits and certifications across Nigeria's electricity market in 2025, a 15.5% increase on the 168 approvals recorded in 2024, according to the regulator's Annual Report. Mini-grid permits led the numbers with 64 issued, followed closely by 43 Meter Service Provider and 30 Meter Asset Provider approvals, alongside 31 captive power licences, with the remainder spread across distribution, generation and trading licences. The shift from 2024, when off-grid generation and metering approvals dominated, reflects a regulatory focus that is increasingly weighted toward decentralised and distributed electricity segments.

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