

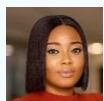
9 December 2025

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## Client Alert

# Nigeria 2025 Upstream Licensing Round (Part 2): *Investor-Critical Insights from the Guidelines*

## Introduction

Further to our article on the *2025 Nigeria Oil Licensing Round: Opportunities for Oil and Gas Investors*<sup>1</sup>; the Nigerian Upstream Petroleum Regulatory Commission ("NUPRC" or "**Commission**") has officially released the Nigeria 2025 licensing round guidelines (the "**NUPRC Guidelines**").

The NUPRC Guidelines, accessible via the Nigeria 2025 Licensing Round Portal<sup>2</sup>, map the pathway for prospective investors through procedural requirements and financial obligations to qualification criteria and compliance obligations for the bid process.

This alert cuts straight to the highlights of the NUPRC Guidelines.

## Eligibility and Participation for the Bid Round

- a. Applicants must be incorporated on or before 27 February 2026 to be eligible to apply to participate in the bid round.
- b. Foreign entities may apply to participate in the bid round. However, qualified foreign entities must incorporate a **Nigerian subsidiary** before the award of any block<sup>3</sup>.
- c. Consortiums are permitted to apply, provided they:
  - i. submit a valid consortium agreement;

<sup>1</sup> [2025-Nigeria-Oil-Licensing-Round.pdf](#)

<sup>2</sup> <https://br2025.nuprc.gov.ng/>

<sup>3</sup> This appears to be a carve-out from paragraph (a) above and may imply that foreign entities are not required to incorporate a Nigerian company before the application deadline of 27th February 2026. However, such foreign entities would be required to establish a Nigerian-incorporated company before they can be awarded a Petroleum Prospecting License. We encourage Parties to seek clarification from the NUPRC on this point.

- ii. execute a Power of Attorney appointing an authorised representative to act as the liaison between the consortium and the NUPRC on all matters relating to the bid process; and
- iii. designate a member of the consortium as an operator.

## Sequence of Events for the Bid Round

The bid round is currently at **Stage 4**: "the registration / submission of pre-qualification documents".

Subsequently, the 12 (twelve) other stages include:

- a. pre bid conference;
- b. roadshow;
- c. evaluation of submission/publication of prequalified applicants;
- d. announcement of prequalified applicants;
- e. data prying/leasing and/or purchase of relevant reports;
- f. issuance of letters of invitation to prospective bidders to participate in the bid;
- g. submission of bids by bidders;
- h. evaluation of technical bids;
- i. notification of results of technical bids to successful bidders;
- j. commercial bid conference;
- k. announcement of winning bids; and
- l. ministerial approval/contracting/awards<sup>4</sup>.

## Overview of the Bidding Process: What Investors Should Expect

### A. Classification of the Bidding Process

The NUPRC Guidelines establish a transparent and competitive two-stage bidding process:

1. **Qualification Stage:** The NUPRC assesses technical expertise, financial strength, and legal standing to enable pre-qualification. Following pre-qualification, applicants must execute a Confidentiality Agreement<sup>5</sup> before gaining access to bid data or participate in the bid stage.
2. **Bid Stage:** Pre-qualified applicants will submit technical and commercial bids. Bids will be evaluated on prescribed criteria including minimum work commitments, signature bonus proposals, technical merit, and demonstrable capability.

### B. Timing of the Bid Process

Key dates include:

- **Pre-qualification window:** 1 December 2025 - 16 March 2026;
- **Bid stage:** 17 March 2026 - 17 July 2026;
- **Completion of entire licensing round:** 16 October 2026.

<sup>4</sup> Please note that the calendar of event showing the bid round schedule and timetable is in Schedule A of the NUPRC Guidelines.

<sup>5</sup> See agreed form in Schedule C of the NUPRC Guidelines.

While the Commission reserves discretion to extend certain deadlines<sup>6</sup>, late submissions will be rejected outright, irrespective of the reason. Investors must therefore plan internal approvals, consortium arrangements, and financing timelines early enough to avoid compliance or timing risks.

### C. What is on Offer? Blocks, Rights and Regulatory Posture

1. **Acreage Offered:** The bid round covers multiple blocks across Nigeria's onshore, shallow water, and deep offshore terrains. Each block's geoscience profile and historic work data can be accessed in the data room<sup>7</sup>. Applicants may bid for multiple blocks, and each block is evaluated independently. Successful bidders will be awarded a Petroleum Prospecting Licence (PPL)<sup>8</sup> which will grant them rights to prospect within the specified acreage.
2. **NUPRC's Reserved Rights:** The NUPRC retains wide flexibility to alter blocks, reject bids, amend the NUPRC guidelines<sup>9</sup>, or cancel the round altogether, while strictly enforcing timelines and submission requirements. Investors should factor this sovereign discretion into commercial planning, especially financing, deal structuring, and partnership arrangements.

### D. Financial Commitments and Commercial Obligations

1. **Registration Fees:** Applicants are required to pay the sum of USD 10,000 (*applies to all terrains*) to register in the bid round.
2. **Bid Fees:** Applicants are required to submit separate applications for each block, with a mandatory USD 25,000 bid fee per block (*applies to all terrains*).
3. **Data Purchase Fees:** Physical data "prying" (*access to raw seismic or physical data sets*) is available but not compulsory. It attracts a fee of USD 10,000 per session per block, payable to the National Data Repository (NDR). This may be particularly relevant for technically complex or frontier blocks.
4. **Signature Bonus:** Bidders must offer a signature bonus between USD 3-7 million per block. **All Bids Must Fall within this Range** and must be payable before a PPL is issued. The highest complaint offer earns the top score, but the award is based on the overall strength of the bid, not just the bonus amount. Once an offer letter is issued, the signature bonus must be paid in full within 60 days<sup>10</sup>.
5. **Bid Guarantee:** A bid guarantee equal to 5% of the signature bonus must accompany each commercial bid. It must be in the form of an on-demand payment bond, payable upon presentation in Nigeria, and valid for *120 days (or as otherwise agreed by the NUPRC and the bidder)*. This requirement ensures bidders show firm financial commitment upfront.<sup>11</sup>

<sup>6</sup> We encourage applicants to keep a close, daily watch on the NUPRC Guidelines for any updates. The timelines have already been adjusted from those in the 01 December 2025 version of the NUPRC Guidelines and may continue to evolve. All information stated in this publication are as stated in the NUPRC Guidelines as of the date of this publication.

<sup>7</sup> A virtual data room and/or physical data room will be established to store data which the NUPRC will make available to provide for certain geological, geophysical, operational and well related information.

<sup>8</sup> See Schedule B of the NUPRC Guidelines which lists out the blocks on offer.

<sup>9</sup> This can be done no later than 30 days prior to the deadline for the submission of a bid. Any such update will be uploaded on the NUPRC's website no later than 5 days after such amendment. These modifications although should be non-material.

<sup>10</sup> The account details for payment are provided for in Schedule F of the NUPRC Guidelines.

<sup>11</sup> Please note that this bid guarantee must from an international bank. See Schedule D for the standard language provided by the NUPRC. Further note that in the event a parent company of the bidder has equivalent rating as prescribed by the NUPRC, such rating may (At the NUPRC's discretion) be accepted for the purpose of this requirement.

6. **Statutory Rents, Fees, and Royalties:** All fiscal obligations under the PIA including fees, royalties, rents, tax payable in respect of a licence, and other government revenues apply. Therefore, bidders must incorporate these into their economic evaluations.
6. **Minimum Work Programme:** As required under the PIA<sup>12</sup>, each bid must include a proposed Minimum Work Programme ("MWP"), backed by a performance guarantee. The MWP is a core determinant of competitive ranking and reflects the bidder's technical capacity.
7. **Beneficial Ownership & Anti-Corruption Compliance:** The NUPRC Guidelines mandate full beneficial ownership disclosure. False declarations, omissions, or ambiguity, whether deliberate or not, may lead to disqualification or later revocation<sup>13</sup>.

### Strategic Considerations: How Investors Should Prepare

1. **Engage early with the data room:** Subsurface understanding will materially influence bid competitiveness and MWP design.
2. **Undertake rigorous economic modelling:** Models should account for MWP costs, signature bonuses, PRY data fees (if required), PIA royalty structures, and infrastructure access assumptions.
3. **Explore consortium arrangements and partnerships:** Joint bidding may strengthen technical capability, financial capacity, and scoring metrics.
4. **Prepare compliance and disclosure documentation early:** Multijurisdictional corporate structures often require time to aggregate beneficial ownership, governance, and financial information.
5. **Maintain proactive engagement with the NUPRC:** Pre-bid engagement can clarify data issues, technical concerns, or regulatory expectations and significantly improve bid quality.
6. **Position for gas-focused opportunities:** Given the strategic emphasis on gas development and commercialization, companies with proven gas experience may enjoy a competitive advantage.

### Concluding Remarks

The 2025 Licensing Bid Round offers a window for investors to secure high-value positions in Nigeria's upstream sector, with attractive acreage, significant resource upside, and strong government commitment to accelerating production and gas development. The bid round is expected to draw intense competition and is governed by strict timelines and rigorous technical, financial, and regulatory requirements.

Winning will require early mobilisation and disciplined preparation across subsurface evaluation, commercial modelling, financing, ESG positioning, and legal compliance. Investors who act quickly, strengthen partnerships, and demonstrate execution capacity will be best placed to secure premium assets and capitalise on the long-term value potential of Nigeria's evolving energy market.

***If you require any further clarification, do not hesitate to contact us.***

<sup>12</sup> Section 76(c) of the PIA.

<sup>13</sup> See Schedule E of the NUPRC Guidelines.