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NIGERIA | GHANA

23 November 2026

Key contacts



Dayo Okusami
Partner and Head,
Energy and Natural Resources
dayo.okusami@templars-law.com



Adebimpe MacGregor
Senior Associate,
Energy and Natural Resources
adebimpe.macgregor@templars-law.com



David Akpeji
Associate,
Energy and Natural Resources
david.akpeji@templars-law.com

Client Alert

Nigeria's 2026 Upstream Licensing Round: *What You Need to Know*

Introduction

On 20 November 2026, the Nigerian Upstream Petroleum Regulatory Commission (the **"NUPRC"** or the **"Commission"**) officially launched the 2026 Upstream Licensing Round Portal (the "**2026 Bid Portal**") and published the 2026 Licensing Round Guidelines (**"2026 NUPRC Guidelines"**). Accessible via the 2026 Bid Portal[1], the 2026 NUPRC Guidelines set out the available blocks, qualification requirements, bid procedures, financial obligations and compliance expectations for prospective investors.

The 2026 Licensing Round offers 40 oil and gas blocks across onshore, shallow water and deep offshore terrains, representing another significant step in Nigeria's efforts to attract investment into its upstream petroleum sector under the framework established by the Petroleum Industry Act 2021 (the "**PIA**"), the Petroleum Licensing Round Regulations 2022, and the Petroleum Licensing Round (Amendment) Regulations 2026.

This alert details the key provisions of the 2026 NUPRC Guidelines and its impact on prospective bidders.

1. **Bidding Timeline[2]**

   i. **Pre-qualification window**: 20 November 2026 - 1 February 2027;
   ii. **Bid stage**: 2 February 2027 - 7 May 2027.

   Specific activities in the indicative timetable above include:

   a) Pre-bid Conference: 16 December 2026
   b) Closing of Registration: 15 January 2027
   c) Evaluation of Registration Documents: 18 January – 1 February 2027

[1] https://br2026.nuprc.gov.ng.
[2] These dates are as of 23 November 2026 but may be subject to change.

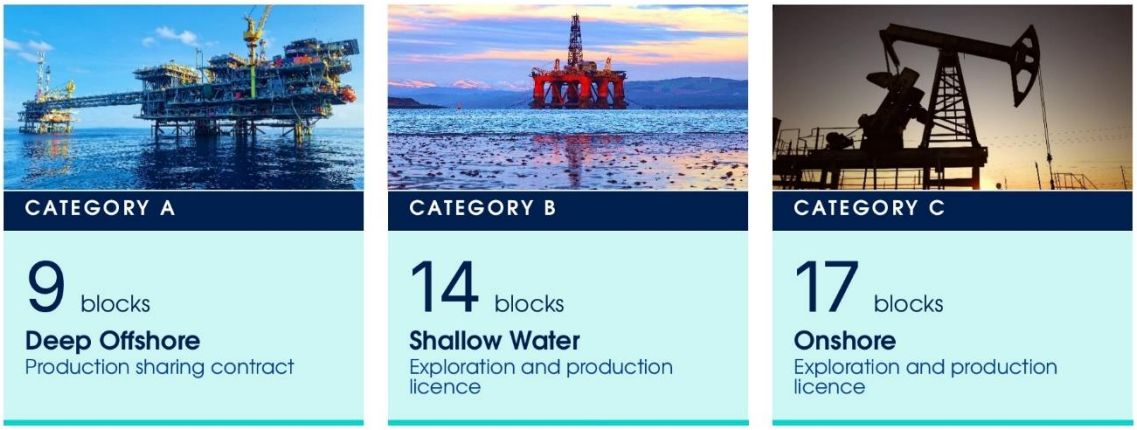
d) Notification of Prequalified Applicants: 1 February 2027
e) Data Access, Evaluation & Bid Submission (Technical & Commercial): 2 February – 15 April 2027
f) Technical Bid Evaluation: 16 – 30 April 2027
g) Notification of Qualified Companies: 1 May 2027
h) Commercial Bid Conference: 7 May 2027

2. **Who Can Bid?**

a. Nigerian and foreign companies can bid. However, if a foreign company wins, it must incorporate a Nigerian subsidiary, which will be awarded the Petroleum Prospecting Licence (**"PPL"**), in accordance with Section 70(2) of the PIA.

b. Applicants may also participate through consortiums, subject to:
   i. the submission of a valid consortium agreement;
   ii. the execution of a Power of Attorney appointing an authorised representative to liaise with the NUPRC throughout the bidding process;
   iii. the designation of a consortium member as Operator, which must hold at least 30% of the consortium interest in the asset.

3. **Categories of Blocks Offered**[3]



Category A blocks are offered under a production sharing contract arrangement while categories B and C are offered under an exploration and production licence arrangement.

4. **Navigating the 2026 Licensing Round: Key Considerations for Prospective Bidders**

A. The Two-Stage Bidding Process

The 2026 NUPRC Guidelines establish a transparent and competitive two-stage bidding process[4]:

[3] There appear to be financial and technical requirements applicable to Category D. However, we note that no Category D blocks are identified or offered under Schedule B of the 2026 NUPRC Guidelines. This may be due to an apparent inconsistency or discrepancy in the NUPRC's published materials. We encourage parties to seek clarification from the NUPRC on this point.
[4] The NUPRC retains wide flexibility to alter blocks, reject bids, amend the 2026 NUPRC Guidelines, 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.

i. **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*[5] before gaining access to bid data or participating in the bid stage.

ii. **Bid Stage**: Shortlisted applicants will submit their technical and commercial bids. Bids will be evaluated on prescribed criteria including minimum work commitments, signature bonus proposals, technical merit, and demonstrable capability.

While the Commission reserves discretion to extend certain deadlines, 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.

B. Financial Commitments and Commercial Obligations

i. **Registration Fees:** Applicants are required to pay the sum of US$ 10,000 (applies to all terrains) to register in the bid round.

ii. **Bid Application Fees:** Applicants are required to submit separate applications for each block, with a mandatory US$ 25,000 bid fee per block (applies to all terrains).

iii. **Data Access / Prying:** Physical data "prying" (access to raw seismic or physical data sets) is available on a non-mandatory basis prior to the submission of a Bid and attracts a fee of US$10,000 per session per block, payable to the National Data Repository (NDR) and subject to data availability. This may be particularly relevant for technically complex or frontier blocks.

iv. **Data Leasing:** Applicants are required to lease available data from the NDR or relevant Multiclient companies and submit evidence of the lease as part of the Bid. As the 2026 NUPRC Guidelines do not prescribe a specific fee for data leasing, it is likely that the applicable fee would be payable in accordance with the charges of the NDR or relevant multiclient company. Without evidence of the lease from the NDR or the relevant multiclient company, the bid will not be accepted.

v. **Data Purchase (CPR):** Where a Competent Person's Report ("**CPR**") is available for a Block, the Bidder is required to purchase the CPR from the NUPRC at a fee of US$50,000 and submit evidence of purchase with its Bid. A Bid without the evidence of purchase of CPR, where available, will be rejected.

vi. **Signature Bonus:** Bidders must offer a signature bonus between US$ 3-7 million per block which is payable before a PPL is issued. The highest compliant 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 90 days.[6]

vii. **Bid Guarantee:** A bid guarantee equal to 5% of the proposed 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 180 days (or as otherwise agreed by the NUPRC and the bidder).

[5] See agreed form in Schedule C of the 2026 NUPRC Guidelines.
[6] The account details for payment are provided for in Schedule F of the 2026 NUPRC Guidelines.

viii. **Statutory Payments and Fiscal Obligations**: Bidders should account for all applicable fiscal obligations under the PIA, including licence fees, rents, royalties, taxes and other government-imposed charges, when assessing the commercial viability and economics of the block.

ix. **Minimum Work Programme:** In accordance with the PIA[7], each bid must include a proposed Minimum Work Programme ("MWP"), supported by a performance guarantee. The MWP is a key component of the bid evaluation process and demonstrates the bidder's technical capability and commitment to developing the block.

x. **Beneficial Ownership & Anti-Corruption Compliance:** Bidders must comply with the beneficial ownership disclosure requirements under the 2026 NUPRC Guidelines. Any false, incomplete or misleading disclosure, whether deliberate or inadvertent, may result in disqualification or, where discovered after the award, revocation of the relevant licence.[8]

5. A Look Back at the 2025 Licensing Round

The 2025 Licensing Round governed by the 2025 Licensing Round Guidelines ("**2025 NUPRC Guidelines**") provides a useful point of reference for assessing the prospects of the 2026 round. The round offered 50 oil and gas blocks across different terrains, spanning the Niger Delta onshore and shallow water areas, deep offshore and frontier basins, including the Benin Basin, Anambra Basin, Chad Basin and Benue Trough.

In the 2025 Licensing Round, 143 companies submitted a combined 200 bids for 37 of the 50 blocks on offer. Following the commercial bid conference held on 21 July 2026, 31 companies emerged as successful bidders for the 37 blocks that attracted bids. The remaining 13 blocks, which received no bids, were returned to the Commission's licensing basket.[9]

The level of participation in the 2025 Licensing Round provides an indication of the appetite for upstream investment opportunities in Nigeria. However, the fact that 13 blocks attracted no bids also raises questions around block attractiveness, commercial viability and the factors that inform investors' participation decisions.

What has changed?

S/N	Description	2025 NUPRC Guidelines	2026 NUPRC Guidelines
1.	Block Structure	Blocks were simply listed with no differentiated PSC/concession structure.	40 blocks divided into Categories A (Deep Offshore – 9), B (Shallow Water – 14) and C (Onshore – 17). Category A is under a PSC, while Categories B and C are under E&P licences.
2.	Category-based qualification	Eligibility requirements were generally applicable across the bid basket.	Technical and financial qualification requirements are expressly linked to the category applied for, including separate Category A requirements and financial thresholds.
3.	Data Acquisition	Data purchase was optional where such data existed and could be procured from third party multiclient companies.	Data leasing from NDR is mandatory, and bids must be supported by evidence of the required data lease. Reliance on data from other sources can result in disqualification.

[7] Section 76(c) of the PIA.
[8] See Schedule E of the 2026 NUPRC Guidelines.
[9] Winners of NUPRC's 2025 Licensing Round Emerge | NUPRC.

			Additionally, transactions with the NDR attract a processing fee of US$ 500 per transaction. CPR data purchase of US$50,000 is also mandatory where available.
4.	Consortium flexibility	Consortium members could change with Commission approval.	2026 imposes tighter controls: consortium must generally retain at least two members, while the Operator must maintain its participating interest; changes in ownership/control and consortium composition are also restricted after bid submission.
5.	Signature Bonus	Signature bonus payable within 60 days from the date of offer.	Signature bonus payable within 90 days from the date of offer.
6.	Deep Offshore fiscal terms	No equivalent PSC term sheet.	The 2026 NUPRC Guidelines contain a specific PSC fiscal term sheet for Deep Offshore blocks, with NNPC Limited as concessionaire.
7.	Bid Guarantee validity	Bid guarantees valid for 120 days after the Commercial Bid Conference.	Bid guarantees valid for 180 days after the Commercial Bid Conference.
8.	Financial criteria	Minimum annual turnover, cash balance or bank guarantee of US$100 million for deep offshore blocks and US$40 million for onshore and shallow water blocks.	Introduces block-category-specific funding capacity thresholds: US$200 million (Category A), US$85 million (Category B), US$70 million (Category C).

6. Positioning for a Successful Bid: Key Investor Priorities

a. **Demonstrable Development Capacity:** Prospective bidders should have the financial, technical and operational capacity to deliver their proposed work programmes within the applicable timelines. The NUPRC's increasing enforcement of the PIA's Drill-or-Drop requirements signals that acreage retention will depend increasingly on demonstrable development progress, rather than mere ownership[10]. Recent enforcement actions, including the recovery of over 50 undeveloped fields from defaulting awardees, underscore the importance of credible funding, technical capability and realistic development plans. [11] Prospective bidders should therefore assess not only the acquisition cost of an asset, but also their capacity to develop and retain it within the applicable timelines.

b. **Due Diligence on Recovered Acreage:** Investors considering previously recovered acreages should undertake comprehensive legal, technical and commercial due diligence before bidding. This should cover the acreage's current licensing status, available geological data, existing infrastructure and any outstanding environmental, decommissioning, host community or third-party liabilities arising from previous operations. Importantly, recovery by the NUPRC should not be assumed to extinguish historical liabilities or resolve all operational issues. These considerations should inform the bidder's valuation, proposed work programme and overall investment decision.

[10] NUPRC Offers Support for New PPL Holders, Projects 250kbpd in Fresh Production | NUPRC
[11] https://www.thisdaylive.com/2026/10/08/fg-retrieves-50-oil-fields-from-defaulting-awardees-insists-on-drill-or-drop-policy/

c. **Regulatory Readiness**: Ensure corporate, beneficial ownership and other regulatory requirements are fully addressed ahead of the bid deadline.

d. **Strategic Partnerships:** Consider local and international partnerships to strengthen financial capacity, technical expertise and execution capability.

e. **Gas and Commercial Opportunities:** Prioritise blocks with attractive gas potential and other opportunities aligned with Nigeria's growing focus on gas development and commercialisation.

Conclusion

The 2026 Licensing Round presents investors with an opportunity to secure interests in 40 oil and gas blocks and participate in Nigeria's next phase of upstream development. However, success will extend beyond securing acreage. Investors must demonstrate the financial, technical and operational capacity to deliver their work programmes, particularly as the NUPRC intensifies enforcement of the Drill-or-Drop regime. The commercial imperative is clear: acquiring acreage must translate into timely and tangible development.

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