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ENERGY AND NATURAL RESOURCES PRACTICE GROUP

2025 Newsletter – Maiden Edition

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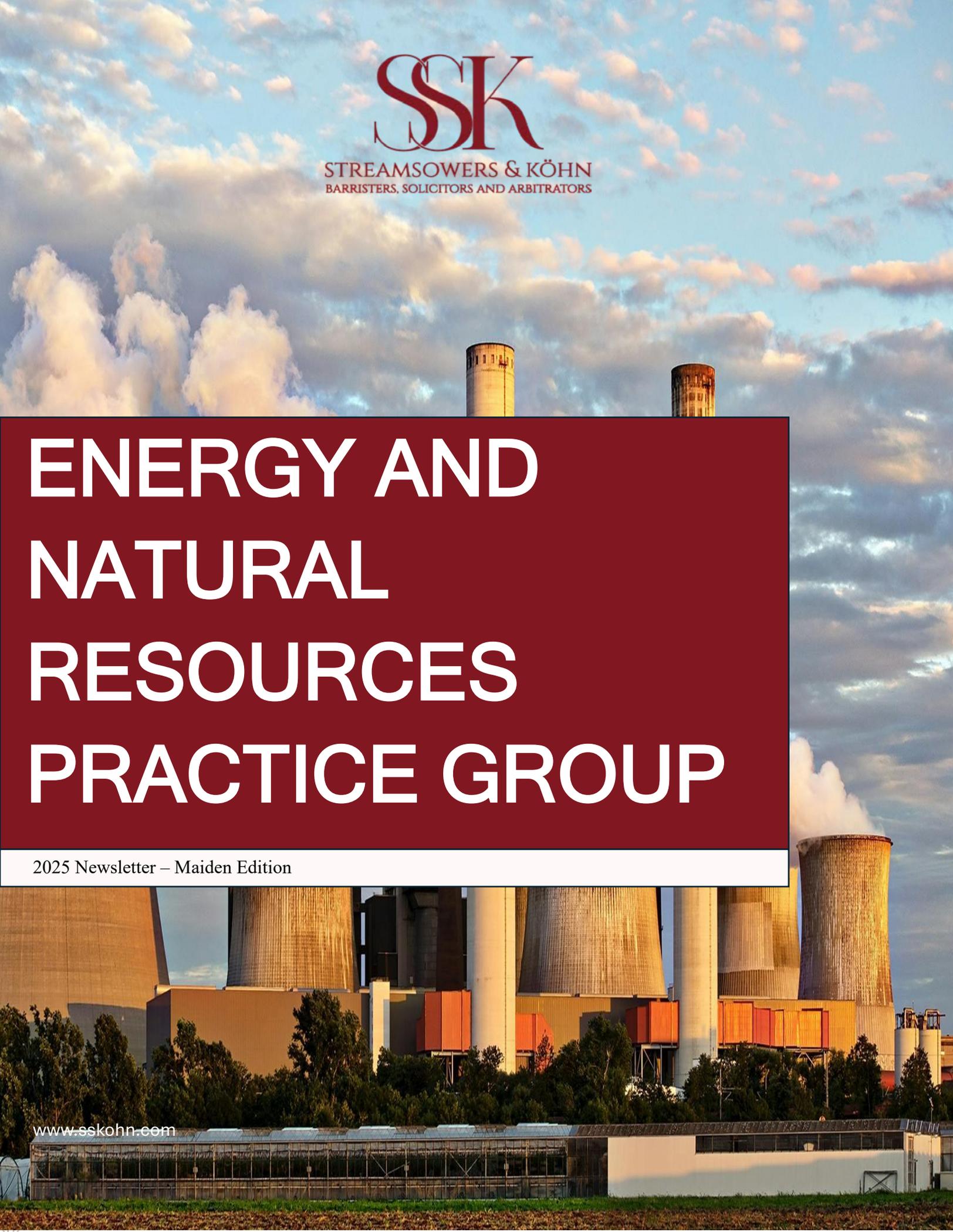


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INTRODUCTION

Welcome to the Energy and Natural Resources Quarterly newsletter. At the intersection of law, policy, and industry, the energy and natural resources sectors in Nigeria continue to evolve rapidly. In this maiden edition, we bring you timely insights, legal updates, and strategic commentary on the developments shaping the future of oil & gas, power, renewables, and mining.

From regulatory shifts to landmark transactions and sustainability trends, our Energy and Natural Resource team at SSK is committed to helping clients navigate complexity with clarity.

In this issue, we will explore key events and updates in the following sectors:

- Oil & Gas:
 - Upstream,
 - Midstream and Downstream
- Power
- Renewable Energy
- Mining

Stay informed as we delve into significant events and trends shaping these industries, while offering essential insights into their current landscape.

❖ OIL & GAS

1. UPSTREAM

1.1. OIL AND GAS MULTINATIONAL EXIT NIGERIA ONSHORE OPERATIONS

On 13 March 2025, Shell Global announced the sale of its Nigerian onshore subsidiary, Shell Petroleum Development Company of Nigeria Limited (SPDC), to Renaissance Group for \$2.4 billion. The Renaissance Group is a consortium of four Nigerian exploration and production companies, ND Western Limited, Aradel Holdings Plc, First Exploration & Petroleum Development Company Limited, Waltersmith Petroman Oil Limited, and an international energy group, Petrolin Group.¹

Renaissance Group now owns and controls SPDC's 30% stake in the SPDC JV which holds 18 onshore and shallow water mining leases and is an unincorporated joint venture with Nigerian National Petroleum Corporation Ltd (55%), Total Exploration and Production Nigeria Ltd (10%) and Agip Energy and Natural Resources (Nigeria) Limited (5%).

Nevertheless, Shell Nigeria Exploration and Production Company Limited (SNEPCo), a subsidiary of Shell Plc, has announced a Final Investment Decision (FID) on Bonga North, a deep-water project off the coast of Nigeria.² This significant investment reflects Shell's diversion from upstream operations to the deepwater frontier.

1.2 BILLS INTRODUCED AT THE NATIONAL ASSEMBLY IN Q1 2025

The National Commission for Decommission of Oil and Gas Installations (NC-DOGI) Bill, 2025³: The Bill primarily seeks to establish the National Commission for Decommissioning of Oil and Gas Installations (NC-DOGI) as an autonomous body under the presidency. It empowers the commission to oversee and coordinate decommissioning efforts as part of Nigeria's environmental diplomacy strategy, ensure autonomy in decision-making, and protect national interests through

¹ 'Shell completes sale of SPDC to focus its portfolio in Nigeria on Deepwater and Integrated Gas positions' [Shell completes sale of SPDC to focus its portfolio in Nigeria on Deepwater and Integrated Gas positions | Shell Global](#) accessed on 26 March 2025

² 'Shell invests in Bonga North deep-water project, Nigeria' [Shell invests in Bonga North deep-water project, Nigeria | Shell Global](#) accessed on 26 March 2025

³ (HB. 1968) Sponsored by Hon. Abbas Tajudeen (Zaria Federal Constituency, Kaduna State)

sustainable resource management, environmental restoration, and international collaboration. It aims to position the country as a leader in sustainable resource management and climate action. The Bill also provides for the establishment of a Decommissioning Fund to ensure financial responsibility and effective operations. The bill underwent its first reading on 17th December 2024 and second reading on 6th March 2025 at the House of Representatives. Thereafter, the Bill was referred to the House of Committee on Petroleum Resources (Upstream).

1.3 NIGERIA'S OIL PRODUCTION FAILS TO REACH BUDGET BENCHMARK

The Organisation of Petroleum Exporting Countries (OPEC) reported that Nigeria's crude oil production averaged 1.51 million barrels per day (bpd) in March 2025, from 1.54 million bpd in February 2025. This falls short of the 2025 budget target of 2.06 million bpd. According to the report, despite the decline, Nigeria's oil output was the largest in Africa, surpassing Algeria and Congo.⁴

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) monthly oil production report revealed that aggregate output increased by 3.6% to 47.7 million barrels, implying a daily average output of 1.54 million barrels, excluding condensates of 198,783 bpd. Nevertheless, the NUPRC has set a production target of at least 2.1 million barrels of oil per day (MBOPD) by 2025.⁵ Engr. Gbenga Komolafe, Chief Executive of NUPRC, had announced during his presentation at the 2025 Nigeria International Energy Summit (NIES) that Nigeria's rig count had increased from 8 in 2021 to 40 in 2025 and will reach 50 by the end of 2025.⁶

1.4 SIGNIFICANT CRUDE OIL DISCOVERY

The Nigerian National Petroleum Company Limited (NNPCL) and FIRST Exploration & Petroleum Development Company Limited (FIRST E&P) Joint Venture (JV) have confirmed a significant hydrocarbon discovery in the Songhai Field, located in Oil Mining Lease 85 (OML 85)

⁴ 'Despite decline, Nigeria's oil production tops Africa's chart in March – OPEC' <https://dailytrust.com/despise-decline-nigerias-oil-production-tops-africas-chart-in-march-opec/> accessed on 15 April 2025

⁵ 'NUPRC Targets 2.1 Million Barrels Of Oil Per Day For 2025' [NUPRC TARGETS 2.1 MILLION BARRELS OF OIL PER DAY FOR 2025 – Nigerian Upstream Petroleum Regulatory Commission](#) accessed on 26 March 2025

⁶ The Street Journal Reporter 'Nigeria's Rig Count to reach 50 by end of 2025-NUPRC' [Nigeria's rig count to reach 50 by end of 2025 – NUPRC - The Street Journal](#) accessed on the 25 March 2025

in Bayelsa State.⁷ The well encountered hydrocarbons across eight reservoirs, logging over 1,000 ft of hydrocarbon-bearing sands.

Preliminary analysis indicates substantial oil and gas volumes, reinforcing the field's commercial potential. Further evaluations, including formation testing and well-data integration, will be conducted to refine resource estimates and optimize field development plans. Currently, the JV maintains a steady daily production of about 57,000 bo/d from OML 83 and OML 85.⁸

1.5 DECARBONISATION EFFORTS

1.5.1 NUPRC unveils strategic decarbonisation drive in upstream oil & gas

NUPRC is prioritising decarbonization as both an environmental necessity and a strategic growth drive in the upstream oil and gas sector. Engr. Gbenga Komolafe (“CEO NUPRC”) announced this at the Decarbonisation and Energy Sustainability Forum (DESF) held on 18 March, Abuja. He emphasised balancing climate action with Nigeria's economic realities, leveraging its hydrocarbon resources for sustainable development. Key initiatives include the National Gas Policy, National Gas Expansion Programme, and the Decade of Gas (2021–2030). NUPRC has established an Energy Sustainability and Carbon Management Department. NUPRC also launched a Decarbonisation Blueprint and Handbook, and March 18th was officially declared Upstream Decarbonisation Day.⁹

1.5.2 Upstream Petroleum Decarbonisation Template (UPDT)

NUPRC has issued the UPDT, as a mandatory component of applications for licences, permits, and approvals across upstream activities, commencing in January 2025. The UPDT mandates the integration of decarbonisation strategies/plans into upstream operations, including field development plans, wells, project/facility engineering, drilling and rig operations. Operators will

⁷ Iain Esau ‘Substantial Discovery: Nigeria exploration well hits 1000 feet oil and gas-bearing sands

⁸ Alex Procyk ‘NNPC discovers hydrocarbons in shallow Nigerian waters’ [NNPC discovers hydrocarbons in shallow Nigerian waters | Oil & Gas Journal](#) accessed on 25 March 2025

⁹ ‘NUPRC Chief Unveils Strategic Decarbonisation Drive in Upstream Oil & Gas’ (Nigerian Upstream Petroleum Regulatory Commission, 20 March 2025) <https://www.nuprc.gov.ng/nuprc-chief-unveils-strategic-decarbonisation-drive-in-upstream-oil-gas/> accessed 16 April 2025.

be required to establish measurable and time-bound greenhouse gas reduction goals aligned with national targets. Companies are also required to demonstrate compliance with the Gas Flaring, Venting, and Methane Emissions Regulations, 2023, and related Guidelines, to eliminate routine flaring and venting in their operations.¹⁰

In accordance with the UPDT, operators must:

- (i) implement methane management programmes such as leak detection and repair;
- (ii) optimise operations using energy-efficient technologies; and
- (iii) integrate renewable energy sources into their projects and operations.

The UPDT also stipulates the development of carbon management and monetisation initiatives, including Carbon Capture and Storage (CCS), nature-based solutions, carbon offset projects, etc. Rather than constituting a regulatory hurdle, these measures are designed to enhance Nigeria's upstream sector's environmental credentials, attract sustainable energy investments, and ensure alignment with international Environmental, Social, and Governance standards.

1.6 COMMENCEMENT OF 2025 LICENSING ROUND

The NUPRC has announced plans for the 2025 licensing round aimed at unlocking the potential of fallow assets to enhance Nigeria's energy production and natural gas development, aligning with Nigeria's commitment to the United Nations Development Goals. The CEO, NUPRC, noted that the 2025 licensing round would build on lessons learnt from the 2024 exercises¹¹.

The NUPRC will soon release the guidelines and schedules for the 2025 Licensing Round. Prospective bidders are encouraged to keep an eye on the announcements posted on the official NUPRC websites. These announcements will provide detailed information on the specific pre-qualifications, bid evaluations, and other licensing requirements.

¹⁰ 'NUPRC Policy Release On Decarbonisation And Energy Sustainability In Nigerian Upstream Oil And Gas Operations: Issuance Of Upstream Petroleum Decarbonisation Template (Updt)' [POLICY-RELEASE-Introduction-of-Regulatory-Decarbonisation-Template-for-Upstream-Oil-Gas-Operations-in-Nigeria-1.pdf](#) accessed on 26 March 2025

¹¹ 'NUPRC Announces 2025 Licensing Round To Harness Undeveloped Fields' [NUPRC ANNOUNCES 2025 LICENSING ROUND TO HARNESS UNDEVELOPED FIELDS – Nigerian Upstream Petroleum Regulatory Commission](#) accessed on 26 March 2025

2. MIDSTREAM AND DOWNSTREAM

2.1. PIPELINE INFRASTRUCTURE EXPANSION

2.1.1 Ajaokuta-Kaduna-Kano (“AKK”) Gas Pipeline

Nigeria is aggressively expanding its pipeline network to meet rising energy demands and the ongoing AKK project will significantly enhance gas transportation across the country. The \$2.8 billion project which was scheduled for completion in January 2025, will transport natural gas from southern Nigeria to the northern regions. However, as at March 2025, only 72% completion have been achieved.¹²

2.1.2 Nigeria-Morocco Gas Pipeline

This is a key initiative aimed at linking Nigeria's gas reserves to North Africa and Europe, thereby expanding export opportunities.¹³ The project passes through 13 African countries along the Atlantic coast and supplies gas to the landlocked states of Niger, Burkina Faso and Mali. It is expected to supply more than 5,000 billion cubic meters of natural gas to Morocco. In January, a Chinese steel giant, the Jingye Group, expressed plans to support the project by supplying high-quality steel products. This commitment is based on the group's industrial expertise as well as the capabilities of its British subsidiary, Jingye British Steel, acquired in 2020.¹⁴

2.2. INVESTMENTS IN GAS PROCESSING AND TRANSPORTATION

2.2.1 ANOH-SEPLAT Gas Project

The Assa North/Ohaji South (ANOH) Gas Project is one of Nigeria's largest greenfield gas condensate development projects. Spearheaded by Seplat Energy and NNPC, it aims to process wet gas from onshore fields into usable energy. However, the project has encountered some delays because the Obiafu-Obrikom-Oben (OB3) evacuation pipeline required to transport the gas from Akoh to the demand centres, is incomplete.¹⁵

¹² AKK gas pipeline 72% completed, says Bayo Ojulari <https://www.thecable.ng/akk-gas-pipeline-72-completed-says-bayo-ojulari/> (11 April 2025) accessed 13 May 2025.

¹³ Ojocheneme Onje, 'Nigeria-Morocco Gas Pipeline to Fuel West African Growth, Renewable Energy Expansion' *BusinessDay* (Nigeria, 10 November 2024) https://businessday.ng/news/article/nigeria-morocco-gas-pipeline-to-fuel-west-african-growth-renewable-energy-expansion/#google_vignette accessed 26 March 2025.

¹⁴ <https://apanews.net/chinese-company-injects-26bn-into-nigeria-morocco-gas-pipeline/> accessed on 15 April 2025

¹⁵ “Nigeria: Seplat’s ANOH gas plant stalls as OB3 pipeline delays drag on” <https://www.theafricareport.com/378637/nigeria-seplats-anoh-gas-plant-stalls-as-ob3-pipeline-delays-drag-on/> accessed on 15 April 2025

2.2.2 Nigerian Gas Flare Commercialization Program (NGFCP)

Launched to reduce gas flaring and monetize gas resources, the NGFCP has attracted investment interest from local and foreign stakeholders.¹⁶ The NGFCP is an opportunity for the Government, industry and local communities to work together to resolve the unacceptable oil field practice of gas flaring. On 21 February 2025, the CEO NUPRC disclosed that the project has the potential to unlock as much as \$2.5 billion in investments in the Nigerian oil and gas sector, thereby creating a boost for government revenues.¹⁷

2.3. INCREASED FOCUS ON COMPRESSED NATURAL GAS (CNG) AND LIQUEFIED NATURAL GAS (LNG)

Amid global decarbonization efforts and fuel subsidy removal in Nigeria, there has been a surge in the adoption of alternative fuels. The government's push for CNG adoption as a cost-effective and cleaner fuel has led to increased investments in CNG refuelling stations and conversion centres.

2.3.1 Production of CNG Gas Kits

On 23 March 2025, the CEO of Adeayworld Energy Limited, Prince Adeleke, announced a collaboration with the National Agency for Science and Engineering Infrastructure to manufacture and distribute compressed natural gas (CNG) conversion kits in Nigeria. The aim is to ensure that conversion kits of the international standard are manufactured and distributed across Nigeria.¹⁸ This partnership will drive more confidence in domestic CNG utilization and economic sustainability.

2.3.2 10MMSCF/D CNG Project in Akwa Ibom

The FGN has commenced construction of a 10 million standard cubic feet per day (10MMSCF/D) CNG project in the Esit Eket Local Government Area of Akwa Ibom State. The project aims to transform the community and eventually become a CNG mother station that offers significantly lower gas prices, providing a viable alternative to petrol.¹⁹

¹⁶ Nigerian Upstream Petroleum Regulatory Commission, *Nigerian Gas Flare Commercialisation Programme* <https://ngfcp.nuprc.gov.ng/> accessed 26 March 2025.

¹⁷ 'FG eyes \$2.5bn investment from gas flare commercialisation program' <https://businessday.ng/energy/oilandgas/article/fg-eyes-2-5bn-investment-from-gas-flare-commercialisation-program/> accessed on 15 April 2025

¹⁸ Oluwatobi Odeyinka 'NASeni partners Energy firm for manufacturing, distribution of CNG kits in Nigeria' <https://nairametrics.com/2025/0324/naseni-partners-energy-firm-for-manufacturing-distribution-of-cng-kits-in-nigeria/> accessed on 27 March 2025

¹⁹ Aniefiok Udonquak 'Ekperikpe Ekpo performs groundbreaking of 10MMSCF/D CNG project in Akwa Ibom' <https://businessday.ng/life/article/ekperikpe-ekpo-performs-groundbreaking-of-10mmscf-d-cng-project-in-akwa-ibom/> accessed on 27 March 2025

2.3.3 Construction of the First Modular LPG Plant

The FGN has commissioned Nigeria’s first modular LPG extraction plant and a 20-megawatt gas-to-power project at the Otakikpo field in Rivers State. The Projects were developed by Green Energy and Lekoil Joint Venture (JV), marking a significant milestone in the country’s gas sector.²⁰

2.4. COMMENCEMENT OF 2025 DISTRIBUTION LICENSES

On 28 January 2025, the NMDPRA awarded 10 Gas Distribution Licenses (GDLs) to six companies to deepen gas utilisation and expansion in the country. The GDL, as provided in Sections 148-152 of the Petroleum Industry Act 2021 (PIA), is a license that gives exclusive rights to establish, construct and operate a gas distribution system in a designated local Gas Distribution Zone (GDZ). The beneficiary companies include the NNPC Gas Marketing Company, Shell Nigeria Gas Limited, NIPCO Plc., Central Horizon Gas Company, Falcon Corporation Ltd. and AXXELA Limited.²¹

2.5. NMDPRA GRANTS REFINING LICENSES TO THREE COMPANIES

The Nigeria Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has issued licenses to three companies to build new refineries in Edo, Delta, and Abia States. The licenses grant Eghudu Refinery Ltd (Edo) a 100,000-bpd capacity, MB Refinery (Delta) 30,000 bpd, and HIS Refining (Abia) 10,000 bpd. These projects will add a combined 140,000 barrels per day to Nigeria’s domestic refining capacity. Nigeria currently operates nine refineries with a total capacity of about 974,500 bpd, many of which are not operational. The new licenses aim to reduce fuel imports and bolster local supply. This move supports Nigeria’s goal to strengthen energy security and stabilise the petroleum sector.²²

²⁰ Oluwatobi Odeyinka “FG Commissions Nigeria’s First Modular LPG plant, 20MW gas Project In Rivers” <https://nairametrics.com/2025/03/19/fg-commissions-nigerias-first-modular-lpg-plant-20mw-gas-project-in-rivers/> accessed on 27 March 2025

²¹ ‘NMDPRA awards 10 gas distribution licences’ <https://www.environewsigeria.com/nmdpra-awards-10-gas-distribution-licences/> accessed on 27 March 2024

²² ‘NMDPRA issues licenses for new refineries in Edo, Delta, Abia’ <https://nairametrics.com/2025/03/07/nmdpra-issues-licenses-for-new-refineries-in-edo-delta-abia/#:~:text=The%20Nigeria%20Midstream%20and%20Downstream%20Petroleum%20Resources%20Authority,combined%20refining%20capacity%20of%20140%2C000%20barrels%20per%20day.> accessed on 7 March 2025

2.6. NNPC LTD SET TO LIST SHARES ON CAPITAL MARKET

NNPC LTD in finalising its preparations for its Initial Public Offering (IPO), commenced an "IPO Beauty Parade" to engage prospective partners and ensure compliance with capital market regulations. The company seeks partnerships in Investor Relations, IPO Readiness Advisers, and Investment Bank Partners. Olugbenga Oluwaniyi, NNPC Ltd.'s Chief Finance and Investor Relations Officer, on 27 March 2025, highlighted that this move, as mandated by the PIA 2021, will transform NNPC Ltd. from a state-owned entity into a fully commercial enterprise. This IPO aims to enhance corporate governance, attract private sector investment, and boost operational efficiency, following the model of successful state-owned oil firms like Saudi Aramco and Petrobras.²³

2.7. POLICY REFORMS

2.7.1 Review of the Gas Transportation Network Code

The NMDPRA revised the Gas Transportation Network Code to improve access to natural gas, facilitating increased utilization and investment in gas infrastructure.²⁴

2.7.2 Operationalization of the Midstream and Downstream Gas Infrastructure Fund (MDGIF)

In January 2025, President Bola Tinubu GCFR appointed members of the Governing Council of the MDGIF. The MDGIF acts as a catalyst for gas infrastructure development, thus, encouraging investments to bolster the nation's gas value chain.²⁵

2.7.3 Domestic Gas Demand Requirement (DGDR) Implementation

The NMDPRA convened stakeholders to determine the aggregate gas demand for strategic sectors, ensuring a steady supply to Nigeria's growing domestic gas market through the DGDR framework.²⁶

2.7.4 Ban on Oversized Fuel Tankers

Effective March 1, 2025, the Federal Government, through the NMDPRA, enforced a ban on fuel tankers exceeding 60,000 litres from operating on Nigerian roads, which aims to enhance safety

²³ 'NNPCL says initial public offer at final stage' (Nairametrics, 27 March 2025) <https://nairametrics.com/2025/03/27/nnpcl-says-initial-public-offer-at-final-stage/> accessed 16 April 2025.

²⁴ Ibid.

²⁵ President Tinubu Appoints Executive Director and Governing Council of Midstream and Downstream Gas Infrastructure Fund 'https://fmino.gov.ng/president-tinubu-appoints-executive-director-and-governing-council-of-midstream-and-downstream-gas-infrastructure-fund/' accessed on 15 April 2025.

²⁶ Nigerian Midstream and Downstream Petroleum Regulatory Authority, 'Announcement Regarding New Regulations' (LinkedIn Post, 15 March 2025) <https://www.linkedin.com/company/nigerian-midstream-and-downstream-petroleum-regulatory-authority/posts/?feedView=all> accessed 26 March 2025.

and reduce road degradation.²⁷

2.8. PRIVATE SECTOR INVESTMENT AND REFINING CAPACITY EXPANSION

2.8.1 Commencement of Dangote Refinery Operations

The 650,000-bpd refinery began full-scale production in 2025, reducing Nigeria's reliance on imported petroleum products and stabilizing fuel prices. The refinery also integrates a petrochemical plant and fertilizer production facility, further strengthening Nigeria's industrial base.²⁸

2.9. DANGOTE REFINERY BREAKS INTO U.S. MARKET WITH JET FUEL EXPORTS

In a major milestone for Nigeria's oil industry, by March 2025, the Dangote Petroleum Refinery has exported over 2 million barrels of jet fuel to the United States. This marks a historic entry into the U.S. market for the refinery, the world's largest single-train facility.

According to trade analysts, the influx of Dangote's jet fuel is expected to push U.S. supply to a two-year high this month and could help bring down aviation fuel prices just in time for the busy summer travel season.

If Dangote can maintain a steady supply to the U.S., it could become a significant player in the global aviation fuel market, benefiting American airlines and travellers with more competitive prices. Industry experts believe this is just the beginning of Dangote's global presence.

²⁷ Jide Ajia, 'FG Bans 60,000-Litre Fuel Tankers to Reduce Road Crashes' *The Punch* (Nigeria, 27 February 2025) <https://punchng.com/fg-bans-60000-litre-fuel-tankers-to-reduce-road-crashes/> accessed 26 March 2025.

²⁸ Faith Esifiho, 'Dangote Refinery to Hit 650,000 BPD Full Capacity in 30 Days' *BusinessDay* (Nigeria, \$\$Date of Publication - find on the article page]) https://businessday.ng/news/article/dangote-refinery-to-hit-650000-bpd-full-capacity-in-30-days/#google_vignette accessed 26 March 2025.

3. POWER AND RENEWABLES

3.1. GOVERNMENT INITIATIVES AND POLICY DEVELOPMENTS IN THE POWER SECTOR

3.1.1 30% Increase in Power Supply

Nigeria's electricity output surged by 30% in March 2025, reaching a peak of 6,000 MW. This improvement follows the partial completion of the ongoing grid overhaul, which included the installation of 66 new power transformers, new substations, and transmission lines.²⁹

3.1.2 Continued Decentralisation of the Electricity Market

The implementation of the Electricity Act of 2023 has paved the way for states to gain control over electricity markets. This decentralization is expected to enhance efficiency, attract investment, and reduce electricity subsidy, marking a significant shift towards State regulated electricity markets. On January 10, 2025, the Nigerian Electricity Regulatory Commission (NERC) officially transferred regulatory oversight of Niger State's electricity market to the newly established Niger State Electricity Regulatory Commission (NSERC).³⁰ Under this new framework, NSERC will oversee intrastate electricity supply and distribution, while NERC will retain control over interstate electricity activities. Following the issuance of the transfer order on March 13, 2025, the Plateau State Energy Corporation and the Plateau State Electricity Market which were instituted to ensure the efficient and sustainable generation and distribution of electricity, can also engage in the development of renewable energy sources in the state to meet public demand. As of March 2025, NERC began the process of transferring regulatory authority over electricity markets to 11 states. Upon completion, these states will assume full responsibility for regulating their respective electricity sectors. The states involved in the transfer are Enugu, Ekiti, Ondo, Imo, Oyo, Edo, Kogi, Lagos, Ogun, Niger, and Plateau. So far, the transfer process has been finalised in five states: Enugu, Oyo, Ekiti, Ondo, and Imo; while the remaining Edo, Kogi, Lagos, Ogun, Niger, and Plateau are still undergoing the transition.³¹ This restructuring is expected to improve efficiency, encourage

²⁹ Isaac Anyaogu, 'Nigeria's Power Generation Rises 30% as Grid Overhaul Progresses' (*Reuters* 6 March 2025) <<https://www.reuters.com/world/africa/nigerias-power-generation-rises-30-grid-overhaul-progresses-2025-03-06/>> accessed 27 March 2025.

³⁰ Daniel Inaju, 'NIGERIAN ELECTRICITY REGULATORY COMMISSION' (*Nerc.gov.ng* 2025) <<https://nerc.gov.ng/media/transfer-of-regulatory-oversight-from-nerc-to-nserc-aedc/>> accessed 25 March 2025.

³¹ 'Enugu, Ekiti, Ondo, Imo to Begin Electricity Generation, Transmission, Distribution - ENERGY PLANET' (*Energyplanets* 14 January 2025) <> accessed 16 April 2025.

investment in localized power infrastructure, and foster competition within state-level electricity markets.

3.1.3 National Integrated Electricity Policy (NIEP) and National Integrated Resources Plan (NIRP)

The Federal Government unveiled the NIEP and NIRP on February 27, 2025, in partnership with the UK Foreign, Commonwealth and Development Office and the UK Nigeria Infrastructure Advisory Facility. These frameworks aim to guide Nigeria's power sector toward universal electrification, prioritising least-cost electrification and optimised energy resource utilisation. The NIEP aligns with the country's energy transition goals, emphasising sustainability and strategic planning.³²

3.1.4 Targeted Electricity Subsidies

The government is transitioning to a targeted subsidy system to ensure low-income households receive greater support. Currently, electricity tariffs cover only 65% of supply costs, with the government subsidising the remaining 35%. Over N200 billion is spent monthly on subsidies, but this disproportionately benefits wealthier households. The new system aims to make electricity more affordable for vulnerable populations.³³

3.1.5 West African Power Pool (WAPP) Integration

Nigeria's engagement with the WAPP continues, with the North Core Project expected to be completed by 2025. This initiative will facilitate cross-border electricity trade and enhance regional energy stability.

3.1.6 Strengthened Nigeria-China Relations

In January 2025, Nigeria and China deepened their cooperation across various sectors, including clean energy, defence, and finance. China has pledged support for Nigeria's issuance of Panda bonds to fund infrastructure projects and is considering expanding a currency swap agreement to bolster economic ties³⁴.

³² 'National Integrated Electricity Policy Federal Ministry of Power' <https://ukniaf.ng/wp-content/uploads/2025/02/National-Integrated-Electricity-Policy-report_20-Feb-202-WEBSITE-FINAL.pdf> accessed 25 March 2025.

³³ Emmanuel Addeh, 'Nigerian Government Denies Claims of 65% Electricity Tariff Hike, Says N200bn Spent on Subsidy Monthly - Arise News' (*Arise News* 4 February 2025) <https://www.arise.tv/nigerian-government-denies-claims-of-65-electricity-tariff-hike-says-n200bn-spent-on-subsidy-monthly/#google_vignette> accessed 25 March 2025.

³⁴ Ope Adetayo and Camillus Eboh, 'Nigeria, China Deepen Ties with Pledge on Security, Finance and Economic Growth' (*Reuters* 9 January 2025) <<https://www.reuters.com/world/nigeria-china-deepen-ties-with-pledge-security-finance-economic-growth-2025-01-09/>> accessed 28 March 2025.

3.1.7 Partnership with Egypt for Energy Sector Development

Nigeria sought Egypt's expertise to boost power generation, transmission, and distribution. In March 2025, during a meeting with the Egyptian Ambassador to Nigeria, Minister of Power, Adebayo Adelabu highlighted Egypt's achievements in energy transformation and expressed Nigeria's interest in collaboration, particularly in renewable energy and rural electrification. Egypt is increasing its renewable energy contribution from 14% to 42% and is keen to share best practices with Nigeria.

3.1.8 Mission 300 Africa Energy Summit

At the Mission 300 Africa Energy Summit, which held in January 2025, twelve African nations including Nigeria, unveiled their National Energy Compacts. Each Compact outlines targeted policy actions to overcome energy sector challenges, with countries setting their own goals tailored to their specific circumstances. These Compacts are entirely government-led and developed, with an emphasis on conducting public consultations involving civil society and other key stakeholders to guide their formulation.

The National Energy Compacts establish ambitious, time-bound objectives aimed at:

- a. expanding energy infrastructure cost-effectively,
- b. capitalizing on the advantages of regional power integration,
- c. promoting distributed renewable energy and clean cooking solutions as essential components of energy access,
- d. encouraging stronger private sector engagement to mobilize additional resources, and
- e. reinforcing utility performance.

3.1.9 National Energy Compact

Following the concluded Mission 300 Africa Energy Summit, the FG launched an energy access programme in February 2025, called National Energy Compact which will see to the transformation of the nation's energy sector. The FG aims to increase electricity access from 4% to 9% annually to close energy gap, boost access to clean cooking solutions from 22% to 25% annually, expand renewable energy's share in the power generation mix from 22% to 50%, and mobilise \$15.5 billion in private investment to drive last-mile electrification.

The Minister of Power, Adebayo Adelabu, stated that the Compact outlines an investment target of \$23.2 billion, of which \$15.5 billion is anticipated from private sector contributions. The funding

will be allocated to expanding power generation capacity, enhancing transmission and distribution infrastructure, and integrating distributed renewable energy solutions.

3.2 RENEWABLE ENERGY INITIATIVES

3.2.1 Commitment to Renewable Energy and Net-Zero Emissions

In March 2025, the Federal Government reiterated its dedication to advancing renewable energy, aiming for net-zero emissions by 2060. With the decision to launch this \$100 million (N151.9bn) electric vehicle initiative in North-East Nigeria, under the North-East Development Commission (NEDC), this project will see the procurement of electric buses, tricycles, and charging infrastructure to reduce carbon emissions and promote energy efficiency³⁵. Additionally, plans are underway to manufacture electric vehicles domestically and fostering collaborations with local universities to develop a skilled workforce aligned with renewable energy goals.³⁶

3.2.2 \$200 Million Mini-Grid Initiative

Similarly, in March 2025, Nigeria secured a \$200 million agreement with WeLight Africa, a pan-African Distributed Renewable Energy company, to install 400 mini grids and 50 metro grids across rural areas in Nigeria. This initiative aims to provide reliable electricity to millions in rural and peri-urban areas, increasing the share of renewable energy in Nigeria's electricity mix from 22% to 50%.³⁷ The project is backed by the World Bank and the African Development Bank and will improve electricity access to an estimated 1.5 to 2 million people and boost local economies.

3.2.3 N100 Billion Solar Mini-Grids for Public Institutions

In February 2025, the Federal Government allocated N100 billion in the 2025 budget for the Rural Electrification Agency (REA) to install solar mini-grids in public institutions, including universities and teaching hospitals, under the National Public Sector Solarisation Program with the aim of reducing energy costs and the reliance on diesel generators.³⁸

³⁵ Donatus Anichukwueze, 'FG Set to Deploy 10,000 Electric Vehicles for Transportation in North-East' (*Channels Television* 9 March 2025) <<https://www.channelstv.com/2025/03/09/fg-set-to-deploy-10000-electric-vehicles-for-transportation-in-north-east/>> accessed 27 March 2025.

³⁶ Oshionameh Ajayi, 'President Tinubu Pledges Nigeria's Net-Zero Future at ADSW • the Electricity Hub' (*The Electricity Hub* 16 January 2025) <<https://theelectricityhub.com/president-tinubu-pledges-nigerias-net-zero-future-at-adsw/>> accessed 25 March 2025.

³⁷ Isaac Anyaogu, 'Nigeria Strikes \$200 Million Deal to Power Rural Areas with Renewable Mini Grids' (*Reuters* 10 March 2025) <<https://www.reuters.com/world/africa/nigeria-strikes-200-million-deal-power-rural-areas-with-renewable-mini-grids-2025-03-10/>> accessed 25 March 2025.

³⁸ Olalekan Adigun, 'FG Allocates N100bn for Solar Mini-Grids in Public Institutions to Cut Energy Costs' (*Nairametrics* 11 February 2025) <<https://nairametrics.com/2025/02/11/fg-allocates-n100bn-for-solar-mini-grids-in-public-institutions-to-cut-energy-costs/>> accessed 25 March 2025.

3.2.4 \$500 Million Solar Energy Fund

The Nigeria Sovereign Investment Authority (NSIA), in partnership with Sustainable Energy for All (SEforALL), the International Solar Alliance (ISA), and Africa50, on March 12, 2025, launched the Distributed Renewable Energy (DRE) Nigeria Fund, which is an innovative US\$500 million initiative aimed at accelerating the development and financing of DRE projects across Nigeria.

This fund seeks to address critical barriers in the energy sector, including currency volatility, inadequate tariff structures, and the limited availability of local currency financing. Targeted investments will include mini-grids, solar home systems, commercial and industrial energy solutions, embedded generation, and advanced energy storage technologies. These efforts will contribute to expanding reliable, affordable, and sustainable electricity access for Nigerian households and businesses.

3.2.5 AfDB's \$1 Billion Support for Power Generation

The African Development Bank (AfDB) has pledged \$1 billion to bolster Nigeria's power sector. The AfDB's planned \$1 billion investment, which was announced in January 2025, will bolster Nigeria's power sector, focusing on renewable energy projects such as solar hybrid mini-grids and standalone systems³⁹. This funding is expected to enhance energy access in underserved rural areas and improve overall system reliability. This support is expected to enhance power generation capabilities and address longstanding challenges in the electricity supply chain.

3.2.6 Nigeria Secures 2,600MW Solar Module Supply Deal for Green Hydrogen Hub

The Federal Government of Nigeria has signed a 2,600-megawatt (MW) solar module supply agreement with LONGi Solar France SARL to bolster the country's renewable energy capacity. Announced in March 2025, by the Minister of Innovation, Science, and Technology, Uche Nnaji, the solar modules will be deployed to power Nigeria's Green Hydrogen Hub Project, located in the Liberty Oil & Gas Free Trade Zone, Akwa Ibom State. This agreement marks a significant step in Nigeria's clean energy transition, reinforcing its commitment to sustainable industrialization, energy diversification, and reducing carbon emissions.

³⁹ Emmanuel Addeh, 'Report: Bolstered by AfDB's \$1bn Support, Nigeria to See Improved Power Generation in 2025 – THISDAYLIVE' (*Thisdaylive.com*2025) <<https://www.thisdaylive.com/index.php/2025/02/18/report-bolstered-by-afdb-1bn-support-nigeria-to-see-improved-power-generation-in-2025/>> accessed 28 March 2025.

4. MINING

4.1 RENEWED PARTNERSHIPS

The Ministry of Solid Minerals Development announced the renewed collaboration between Nigeria and Saudi Arabia to build the capacity of their geological agencies. This announcement resulted from a closed-door meeting between the Nigerian Minister of Solid Minerals Development, Dr. Oladele Alake and the Saudi Minister of Mining, Engr Bandar Al-Khorayef held at the Future Minerals Forum (FMF), Riyadh, Saudi Arabia, in January 2025. Dr. Dele Alake stated that a partnership with Saudi investors would encourage the export of finished industrial inputs. The Minister added that the global shift towards electric machines using lithium batteries has made Nigeria a critical supplier of minerals.⁴⁰

4.2 NIGERIA'S GOLD REFINING AND DIAMOND DRILLING ADVANCES.

Nigeria is strengthening its gold value chain through projects like the construction of its first gold refinery by Kian Smith.⁴¹ Thor Explorations Ltd, owners of Segilola Gold Mine (the “Gold Mine”), reported positive results from its ongoing diamond drilling programme at the Gold Mine. The drilling programme is aimed at exploring the down-plunge potential beneath the existing open-pit boundaries. Specific findings include 1.8 meters of rock containing 39.7 grams of gold per tonne of ore (high grade gold) at a depth of 222 meters underground and 3.4 meters of rock containing 4.8 grams of gold per tonne of ore at a shallow depth of 74 meters.⁴² The programme demonstrates strategic progress in building a viable gold mining and refining industry in Nigeria, and the quantity of findings show promise in the expansion of Nigeria’s gold mining sector.

4.3 ESTABLISHMENT OF THE NIGERIA SOLID MINERALS CORPORATION

Further to the President’s approval to establish the Nigeria Solid Minerals Corporation, the Minister of Solid Minerals Development, Dr. Oladele Alake, has assured Nigerians that the establishment

⁴⁰“Nigeria, Saudi Arabia Renew Plans for Mining Projects” <https://msmd.gov.ng/nigeria-saudi-arabia-renew-plans-for-mining-projects/> accessed on March 24, 2025

⁴¹ Nicholas Nhede “Five Emerging Mineral Resources in Nigeria” <https://energycapitalpower.com/five-emerging-mineral-resources-in-nigeria/#:~:text=Notable%20projects%20include%20Thor%20Exploration's,gold%20refinery%20by%20Kian%20Smith.> Accessed on March 24 2025.

⁴² “Thor Explorations Announces Further Positive Drilling Results From Segilola Gold Mine” <https://thorexpl.com/news/thor-explorations-announces-further-positive-drilling-results-from-segilola-gold-mine/> Accessed on March 24 2025

of the Nigeria Solid Minerals Corporation will lay the foundation for the sustainable development of the mining sector in Nigeria. This announcement was made on 3rd February 2025 while he was receiving the British Deputy High Commissioner at his office. He stated that the corporation will be an enduring legacy free from political interference from any government. The equity holding of the corporation is projected to be 50% equity stake for private sector companies, 25% for individual Nigerians and 25% for the Federal Government. We project that this corporation will be established by the end of Q4.⁴³

4.4 NIGERIA MINING WEEK

The Miners Association of Nigeria (MAN) has announced its preparedness to host the 2025 Nigeria Mining Week. This event is scheduled to be held from 13-15 October 2025 at the Abuja Continental Hotel and is expected to gather mining professionals, sponsors, exhibitors, mining operators and mining exploration companies.⁴⁴

5. CONCLUSION

As the energy industry continues to evolve, staying informed and adaptable is more important than ever. We hope this edition provided valuable insights into market trends, operational updates, and regulatory developments shaping the oil and gas sector. Thank you for your continued interest and engagement. If you have questions, feedback, or topics you would like us to cover in future issues, we would love to hear from you.

⁴³ “Solid Minerals Corporation will be an Enduring Legacy for Mining Sector- Alake” <https://msmd.gov.ng/solid-minerals-corporation-will-be-an-enduring-legacy-for-mining-sector-alake/> accessed on March 24 2025

⁴⁴ Cynthia Egboboh “Miners Association Partners set to host 2025 Nigeria Mining Week” <https://businessday.ng/news/article/miners-association-partners-set-to-host-2025-nigeria-mining-week/> accessed on March 24 2025

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