

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
April 28, 2025.

The Nigerian National Petroleum Company Gas Marketing Limited Set to Acquire a Compressed Natural Gas Compression and Refuelling Facility from Gas Network Services Limited

The Federal Competition and Consumer Protection Commission ("FCCPC") in a merger and acquisition notice issued on April 25, 2025 disclosed that the Nigerian National Petroleum Company Gas Marketing Limited ("NGML"), a subsidiary of the Nigerian National Petroleum Company Limited ("NNPC"), is set to acquire a five million two hundred thousand (5,200,000) standard cubic feet per day Compressed Natural Gas ("CNG") compression and refuelling facility from Gas Network Services Limited ("GNSL").

This acquisition marks a significant move towards expanding Nigeria's CNG infrastructure and improving access to cleaner energy alternatives. Also, the acquisition aligns closely with the objectives of the Presidential Compressed Natural Gas Initiative (P-CNG Initiative), launched in August 2023 to cushion the impact of fuel subsidy removal and reduce energy costs nationwide by promoting the adoption of CNG as a cleaner and cheaper alternative to traditional fuels.

Read more at:

<https://www.mergers.fccpc.gov.ng/publications/sale-of-a-compressed-natural-gas-cng-compression-and-refueling-facility-2687019>

The Federal Government of Nigeria Set to Expand National Grid Capacity by the End of 2026

The Minister of Power, Adebayo Adedun, has disclosed that the Federal Government's renewed intervention in the power sector is set to boost Nigeria's grid capacity by an additional four thousand (4,000) megawatts (MW) by the end of 2026.

According to the Minister, the Federal Government of Nigeria ("FGN") has engaged reputable Engineering, Procurement and Construction (EPC) companies to expedite this process under a new strategic direction approved by President Bola Ahmed Tinubu. Mr. Adedun noted that the current administration's commitment has not only reinvigorated the Siemens Power Project, officially known as the Presidential Power Initiative (PPI), but also created a pathway for improved power supply to key sectors of the Nigerian economy.

Read more at:

<https://www.thecable.ng/fg-targets-additional-4000mw-to-grid-capacity-by-2026>

Nigerian Midstream and Downstream Petroleum Regulatory Authority Issues New Licenses for the Establishment and Construction of Refineries.

The Chief Executive Officer of the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("NMDPRA"), Mr Farouk Ahmed, has disclosed that NMDPRA issued forty-seven (47) Licenses to Establish (LTE) and thirty (30) Licences to Construct (LTC) modular refineries across different States in Nigeria in one (1) year as part of its initiatives to improve Nigeria's local crude oil refining capacity.

He stated that the LTE was issued to cover production capacity of one million seven hundred and fifty thousand (1,750,000) Barrels Per Day ("bpd") while the LTC was issued to cover production capacity of one million, two hundred and thirty thousand (1,230,000) bpd.

Read more at:

<https://brtnews.ng/nmdpra-issues-47-licences-for-new-refineries>



The Federal Government Bans the Importation of Threaded Pipes for the Oil and Gas Industry

On April 24, 2025, the Minister of State for Petroleum Resources (oil), Senator Heineken Lokpobiri (the “**Minister**”), announced a ban on the issuance of waivers for the importation of threaded pipes for use in the Nigerian oil and gas industry (the “**Ban**”).

The Minister, during the commissioning of the Monarch Alloys Limited’s concrete weight coated plant at Ikorodu, Lagos state, gave the directive to the Nigerian Content Development and Monitoring Board (“**NCDMB**”) to implement the Ban. Also, he emphasised the FGN’s support for local manufacturers while underlining the importance of the local content policy to the country’s development and economy.

This Ban represents a step towards promoting the indigenous market and it is envisaged that this development will decrease dependence on importation, expand the Nigeria value chain and growth through industrialisation, while creating job opportunities and improving standard of living.

Read more at:

<https://ncdmb.gov.ng/fg-bans-waivers-for-threaded-pipes-as-monarch-alloys-opens-factory>

The Nigeria Oil Market Faces Crisis with Over Eighty Million (80,000,000) Barrels of Unsold Crude Oil.

The Nigerian Oil market experiences crises as over eighty million (80,000,000) barrels of crude oil cargoes expected to be exported in April and May 2025 remains unsold. It was reported that this is as a result of the low global crude oil prices and the competitive landscape.

It has been reported that these unsold cargoes span a wide range of crude grades, including popular blends like Bonny Lite, Forcados, Qua Iboe, and Escravos, as well as lesser-known grades such as Djeno, Girassol, and Mostarda.

Also, it is believed that the sheer diversity of unsold grades suggests that the issue is not confined to a specific type of crude but is a systemic problem affecting Nigeria’s entire oil export portfolio.

The backlog of the sale poses a negative impact on the country’s revenue forecast and the economy at large.

Read more at:

<https://businessday.ng/energy/article/80m-barrels-of-nigerian-crude-unsold-on-global-glut>