

BIDDING FOR UPSTREAM OIL AND **GAS ASSETS UNDER NIGERIA'S 2025** LICENSING BID ROUND









The right to explore, win, work, carry away and dispose of petroleum resources in Nigeria is granted to qualified entities through two key instruments: The Petroleum Prospecting Licence ("PPL") and the Petroleum Mining Lease ("PML").1 These rights are not allocated arbitrarily. They are meant to be awarded а regulated, transparent, competitive bidding process conducted by the Nigerian Upstream Petroleum Regulatory Commission ("the Commission"), whose recommendations ultimately guide the Minister of Petroleum in making final awards.<sup>2</sup>

Following its formal announcement on 11 November 2025, the Commission has now launched the 2025 Licensing Bid Round Portal (the "Portal"), providing bidders with block information, pre-qualification requirements, bid guidelines, and the full schedule of the licensing This development marks exercise. commencement of a structured and fully digital intended unlock process to Nigeria's undeveloped and fallow oil and gas fields across onshore and offshore basins.

This article focuses on key aspects of the Nigeria 2025 Licensing Round Guidelines, highlighting key considerations for prospective participants ranging from compliance obligations and prequalification thresholds to technical and commercial requirements, offering clarity on what bidders must understand as the 2025 Licensing Round progresses.

#### THE 2025 LICENSING ROUND GUIDELINES

The 2025 Licensing Round is structured to attract technically capable and financially able investors for the rapid exploration, development and early production of the assets placed on offer. The following are the material requirements bidders must understand based on the 2025 Licensing Round Guidelines.

### 1. The 2025 Licensing Round Stages<sup>3</sup>

The Licensing Round shall be conducted in the following stages:

- A formal announcement for the commencement of the Licensing Round;
- ii. Advertisement;
- iii. Launch of the Licensing Round Portal;
- iv. Registration / Submission of Prequalification Documents;
- v. Pre-Bid Conference;
- vi. Roadshow;
- vii. Evaluation of Submissions/Publication of Prequalified Applicants;
- viii. Announcement of Prequalified Applicants;
- ix. Data Prying/leasing and or purchase of relevant reports;
- Issuance of letters of invitation to Prospective Bidders to participate in the Bid;
- xi. Submission of Bids by Bidders;
- xii. Evaluation of Technical Bids;
- xiii. Notification of results of Technical Bids to successful Bidders;
- xiv. Commercial Bid Conference;
- xv. Announcement of winning Bids; and
- xvi. Ministerial approval/contracting/awards.
- 2. List of Blocks on Offer: The blocks on offer under the 2025 Licensing Round include PPLs 2A29–2A62 and PPL 2010 and PPLs 307, 308, 309, 700–703, 800–803, 900–903.

<sup>&</sup>lt;sup>1</sup> Section 70 (1) Petroleum Industry Act ("the Act").

<sup>&</sup>lt;sup>2</sup> Section 73 of the Act.

<sup>&</sup>lt;sup>3</sup> Para 2.1 of the Nigeria 2025 Licensing Round Guidelines (the "Guidelines").



Participation in the 2025 Licensing Round is tightly regulated and subject to strict deadlines. Only companies incorporated on or before 20 February 2026 are eligible to bid. Foreign companies can participate, but they must establish a Nigerian-incorporated entity before any award is finalised.

Consortia are permitted if they submit a formal Consortium Agreement, designate a Lead Member, and appoint an Operator holding at least 30% participating interest.6 requirements ensure that bidders are both legally established and operationally prepared to undertake petroleum exploration and production activities in Nigeria.

- 4. Registration: All interested applicants are to register on the Portal as indicated on the Commission's website and submit all required legal, technical, and financial information through the Portal.<sup>7</sup>
- 5. **Submission** of **Applications** for Participation in the 2025 Licensing Round<sup>8</sup>: Applications must be submitted electronically via the Portal by 4:30 p.m. on 20 February 2026 (unless extended). Late submissions will be rejected. Applicants are required to submit Notarised statutory declarations and formal attestations, including Beneficial Ownership Declaration Form and all supporting documents as certified true copies or originals. documents to be submitted include Curriculum vitae of key personnel, Memoranda of Understanding applicable), Bank guarantees, audited financial statements, Corporate Affairs Commission ("CAC") documents and tax clearance certificates.

A single consolidated notarised affidavit may be used to authenticate all declarations. Applicants must confirm that there have been no material changes to the submitted information or indicate and seek approval for changes. With their submissions, Applicants acknowledge the Commission's right to disclose their names, accept the risk of any errors in the Licensing Round Package, and agree to be bound by the provisions of the Guidelines. documents must be in English, with certified translations provided where necessary. All applicable fees must be paid and evidenced before submission deadline; failure to do so will render the application invalid.

# 6. Procedure for Submission of Bid Proposals:

- The Guidelines clarify that, a. notwithstanding its provisions, the Commission reserves the right, as provided in Paragraph 13(a) of the Regulations, to accept or reject any Application or Bid, annul the qualification process, or reject all Applications or Bids at any time without liability or reason. If all Bids are annulled or rejected, the Commission may, at discretion, invite eligible Bidders to submit fresh Bids.9
- The Regulations require that a b. bid must consist of a bid proposal in a sealed envelope and a bid guarantee in another sealed envelope. Αt the conclusion of the bid process, bid guarantee of unsuccessful bidders will be returned, while the bid guarantee of the winning bidders and reserve bidders will be

<sup>7</sup>Para 10 Ibid. <sup>8</sup>Para 11 Ibid. <sup>9</sup>Para 15.1 Ibid.

<sup>&</sup>lt;sup>4</sup> Para. 6.2 of the Guidelines.

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<sup>&</sup>lt;sup>6</sup>Para 6.3-6.4 of the Guidelines.



retained and these are to remain in force until the license or lease is granted.<sup>10</sup>

- Prequalified participants must c. submit a Technical Bid, a Commercial Bid, and a Bid Guarantee, collectively forming the complete Bid. Each component must be packaged in a separate, clearly marked envelope labelled Part A, Part B, and Part C respectively, and all three must be enclosed within an outer package clearly marked "Bid for Nigeria 2025", bearing Bidder's the name and addressed to the Commission's Chief Executive. Commercial Bids and Bid Guarantees must be submitted both in hard copy and in soft copy via the Portal, with the soft copy uploaded in encrypted form. The corresponding decryption keys must be presented at the Commercial Bid Conference. Evidence of payment of the Bid Fee and any data purchase is mandatory, and failure provide proof of payment by the submission deadline renders the Bid invalid.
- d. The Bid Guarantee, equivalent to 5% of the proposed Signature Bonus must be submitted with Commercial Bid. guarantee must be an ondemand payment bond, valid for 120 days after the Commercial Bid Conference (or longer if agreed). The Bid Guarantee must be issued either bν international bank with minimum "BBB" rating from S&P Global. Fitch Ratings, Moody's, or by a Nigerian bank

with a minimum "BBB" rating from GCR, Augusto & Co, AM Best, or Data Pro. With the Commission's approval, a parent company with an equivalent rating may also issue the guarantee. Any Bid submitted without the required Guarantee will be rejected. 11

- Upon compliant submission, the e. Commission will acknowledge receipt of the Bid with an official receipt. This structured submission process is designed ensure transparency, compliance. and proper documentation throughout the bid evaluation.
- 7. High Capital Thresholds for Eligibility: Bidders must demonstrate significant financial capacity to pre-qualify for the 2025 Licensing Round. The minimum average annual turnover, cash in bank, and bank guarantee are US\$100 million for deep offshore blocks and US\$40 million for onshore or shallow-water blocks. 12 Acceptable evidence of financial capability includes audited turnover, cash reserves, bank guarantees, or parent-company guarantees. stringent requirements ensure that only financially robust companies capable of sustaining exploration and production activities are considered.
- 8. Mandatory Data Purchase: Bidders must acquire relevant geological, geophysical, and well data from the National Data Repository or approved multiclient companies before submitting a bid<sup>13</sup>. Proof of purchase is a strict prerequisite for bid acceptance<sup>14</sup>. The Commission provides no warranty on the accuracy or completeness of the data, placing the

<sup>&</sup>lt;sup>10</sup> Regulation 12 of the Regulations.

<sup>11</sup> Para 17.6 of the Guidelines.

<sup>12</sup>Para, 12,2 Ibid.

<sup>&</sup>lt;sup>13</sup>Para. 7.1-7.5 Ibid.



responsibility on bidders to conduct their own due diligence<sup>15</sup>.

- 9. Signature Bonus Range: U\$\$3–7 million Per Block: All bid must include a Signature Bonus within the prescribed range of U\$\$3–7 million per block<sup>16</sup>. Bids outside this range are automatically disqualified. Within the range, the highest compliant bid scores the maximum under the evaluation criteria, while others are scored proportionally. Submission of the maximum amount does not guarantee award; ties are resolved via a sealed re-bid<sup>17</sup>. Payment is required in full before block award<sup>18</sup>.
- 10. Evaluation Uses Weighted Technical + Commercial Scoring: Bids are evaluated through a transparent, weighted system that considers the Signature Bonus, proposed Work Programme, financial commitment to the programme, and the Work Programme Performance Bond<sup>19</sup>. This approach ensures that both technical competence and commercial strengths are factored into award decisions.
- 11. Work Programme Commitments are Enforceable: Bidders must support their proposed work programmes with a Performance Bond or Letter of Credit.<sup>20</sup> Failure to meet the minimum work commitments may result in termination of the PPL reinforcing the Bid's focus on timely exploration and early production.
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- 12. Government / NNPC Participation Rights: The Nigerian government, through the Nigerian National Petroleum Corporation Limited ("NNPC Ltd"), may elect to participate in up to 60% of a concession<sup>22</sup>. However, Operatorship

cannot be assumed by NNPC unless voluntarily agreed by the Operator and successfully negotiated.<sup>23</sup>

- 13. Mandatory Disclosure & Anti-Corruption Compliance: Bidders must disclose all beneficial owners with 5% or more interest<sup>24</sup>. Misrepresentation results in automatic disqualification, even post-award<sup>25</sup>. These disclosures, aligned with Section 7(f)(ii) of the Act, include ownership percentages, control rights, and the identity of persons with significant influence over the company.<sup>26</sup>
- 14. Health, Safety, **Environment**, Sustainability, And Community Evaluation<sup>27</sup>: Applicants are required to demonstrate strong commitments to health, safety, environmental performance, and community engagement. This includes providing HSE policies, management systems, and historical performance records, as well as details of past incidents and mitigation measures. Companies must show compliance with the Host Communities Development Trust (HCDT) initiative and submit a CEO-signed Community Affairs, Safety, Health, Environment and Security (CASHES) policy covering all relevant areas. Additionally, applicants must provide evidence of adherence to decarbonization and emissions management requirements, including greenhouse gas reporting, methane abatement, and implementation of netzero strategies.
- 15. Post-Award Compliance Timeline Is Strict: Successful bidders must pay the Signature Bonus within 60 days of the Offer Letter and submit all required guarantees and fees within 90 days<sup>28</sup>. Execution of the Model Contract and

<sup>&</sup>lt;sup>15</sup>Para. 7.7 Ibid.

<sup>&</sup>lt;sup>16</sup>Para. 16.3 Ibid.

<sup>&</sup>lt;sup>17</sup> Para. 16.5–16.7 Ibid.

<sup>&</sup>lt;sup>18</sup> Para. 16.8 Ibid.

<sup>&</sup>lt;sup>19</sup>Para. 19.2(c) Ibid.

<sup>&</sup>lt;sup>20</sup> Para. 11.7 Ibid.

<sup>&</sup>lt;sup>21</sup> Para. 11.9 Ibid.

<sup>&</sup>lt;sup>22</sup> Para. 23.1 Ibid.

<sup>&</sup>lt;sup>23</sup> Para. 23.2 Ibid.

<sup>&</sup>lt;sup>24</sup> Para. 21.1 Ibid.

<sup>&</sup>lt;sup>25</sup>Para. 21.4 Ibid.

<sup>&</sup>lt;sup>26</sup> Para. 21.2 Ibid.

<sup>&</sup>lt;sup>27</sup> Nigeria 2025 Petroleum Licensing Round Pre-Qualification Criteria

<sup>&</sup>lt;sup>28</sup> Para. 19.2(j-k) of the Guidelines.



Ministerial approval must follow promptly<sup>29</sup>. Failure to meet these deadlines leads to automatic reversion of the award to the reserve bidder<sup>30</sup>.

# APPLICANTS WHO MAY BE DISQUALIFIED FROM THE 2025 BIDDING PROCESS/LICENSING ROUND



A pre-qualified applicant may be disqualified at any time from participating in the bid process if the applicant:<sup>31</sup>

- presents or has previously presented false information or forged documents in respect of any bid or tender process with the Government;
- ii. has breached or breaches the terms and conditions of any existing licence or agreement with the Commission, the regulatory authority or the Government in relation to petroleum operations in Nigeria;
- iii. is or becomes Insolvent;
- iv. undergoes a change of control within the meaning of section 95(14) of the PIA, except with the consent of the Minister;
- v. has been or is found guilty of an offence which raises doubts about the professional integrity and financial viability of the Bidder, its shareholders, members or directors;
- vi. uses third parties to circumvent the matters under the Regulations;

- vii. is indebted to or has its assets taken over by Asset Management Corporation of Nigeria (AMCON);
- viii. has not met its obligations, with regard to the payment of taxes and other statutory & regulatory payments such as the Nigerian Social Insurance Trust Fund (NSITF), Bureau of Public Procurement (BPP), Pension Commission (PENCOM), Industrial Training Fund (ITF), where applicable in accordance with the extant law in Nigeria; or
- ix. is not in all respects acceptable to the Government.

#### **CONCLUSIONS**

The 2025 Nigeria Licensing Round reflects the growing structure and competitiveness of Nigeria's upstream petroleum sector. With clearly defined eligibility requirements, robust financial thresholds, mandatory data acquisition, and a structured evaluation process, the Guidelines highlight the importance of careful preparation, strategic planning, and full compliance at every stage. Companies that approach the Round with a clear understanding of these requirements are better positioned to submit technically sound and commercially competitive bids.

Navigating this complex process successfully requires insight into both regulatory expectations and the practical implications of technical and commercial commitments. As the sector continues to evolve, informed decision-making and diligent planning remain critical to unlocking the opportunities the 2025 Round offers.

<sup>31</sup> Para 14.1 Ibid.

<sup>&</sup>lt;sup>29</sup> Para. 26.4 Ibid.

<sup>&</sup>lt;sup>30</sup> Para. 19.2(I) Ibid.



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