

Nigeria invests \$13.5bn to fight oil theft and vandalism

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Nigeria's upstream oil regulator on Monday announced an annual oil and condensates production target of 2.6 million barrels per day (bpd) by 2026, an ambitious jump from 2023 levels of around 1.6 million bpd.



NUPRC CEO Gbenga Komolafe in December received awards for public service from the SUN Newspaper and for distinction from foreign investment network. Source: Facebook/NUPRC

Africa's biggest oil exporter, Nigeria has suffered declining production due to crude theft and vandalism of pipelines in the Niger Delta as well as low investment in the sector, which has hit government revenue.

But President Bola Tinubu's government says oil majors have committed to invest \$13.5bn in the short-term following his meetings with senior executives from TotalEnergies Shell and Exxon Mobil.

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) said in its 2024-2026 action plan that it would direct development of oil assets to areas less prone to theft and vandalism and provided regulatory support for alternative crude oil evacuation routes.



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Oil firms require the NUPRC approval for new pipeline routes.

Oil production was expected to rise from 1.8 million bpd this year and progress to 2.6 million bpd in 2026, the NUPRC said.

Two of three consultancies tasked by OPEC+ to verify Nigeria's output said in November that the country was unlikely to reach its own production target this year.

Reduce cost of production

NUPRC was also working to cut the cost of oil production to about \$20 a barrel, down from between \$25 and \$40, by providing incentives to oil producers.

"The commission will set up a framework for crude oil and gas transportation and/or handling costs based on a standardised tariff (and) implement an open access regime for upstream oil and gas pipelines and ancillary facilities," the regulator said.

High signature bonuses - one-off fees paid to secure exploration blocks - would be reduced to attract more investment and raise oil production, the NUPRC said.

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