

Navigating the
**2025 OIL
LICENSING
ROUND**

A concise guide to **Nigeria's 2025 Oil Block Bid Round**



Introduction

The Nigerian upstream sector has witnessed renewed momentum, particularly following the successful completion of the 2024 Licensing Round. Building on this progress, the Nigerian Upstream Petroleum Regulatory Commission ("NUPRC" or "the Commission") announced on November 11, 2025, that the 2025 oil block bid round (the "bid round") would formally commence on December 1, 2025.

Strategic Objectives

- ✓ Optimise underutilised petroleum resources
- ✓ Emphasise natural gas development
- ✓ Attract key investments aligning with UN Sustainable Development Goals

The upcoming round aims to optimise underutilised petroleum resources, emphasise natural gas development, and attract key investments, thereby aligning Nigeria's energy goals with the United Nations Sustainable Development Goals. It has prompted prospective participants to prepare strategically, particularly following the release of the 2025 Licensing Round Guidelines on the NUPRC portal and the completion of the pre-bid conference on January 14, 2026.

In this publication, we highlight the regulatory framework for the Licensing Rounds, the pre-qualification requirements for participation, and key timelines for the bidding process.



Dec 1, 2025
Commencement



Jan 14, 2026
Pre-Bid Conference

Regulatory Framework

The Licensing Round is governed by the Petroleum Industry Act (**"PIA"**) 2021, the Petroleum Licensing Round Regulations 2022 (**the "Regulations"**), and the 2025 Licensing Round Guidelines (**the "Guidelines"**), which set out the legal and procedural requirements for conducting the Licensing Rounds on a transparent and competitive basis.

The PIA establishes the primary legal framework governing the award of Petroleum Prospecting Licences ("PPLs") and Petroleum Mining Leases ("PMLs") in Nigeria. In furtherance of its transparency and governance objectives, the PIA mandates that all upstream licensing activities be conducted through a fair, transparent, and competitive bidding process, strictly in accordance with the Act and subsidiary regulations and guidelines issued pursuant to it.

Under the PIA, the NUPRC is empowered to design, regulate, and administer Licensing Rounds. While the Act sets out the core principles for competitive bidding, it delegates operational control to the Commission, including the authority to issue bid guidelines, prescribe qualification criteria, and determine bid parameters. It is in furtherance of the provisions of the PIA that the NUPRC issued the Regulations and the Guidelines.

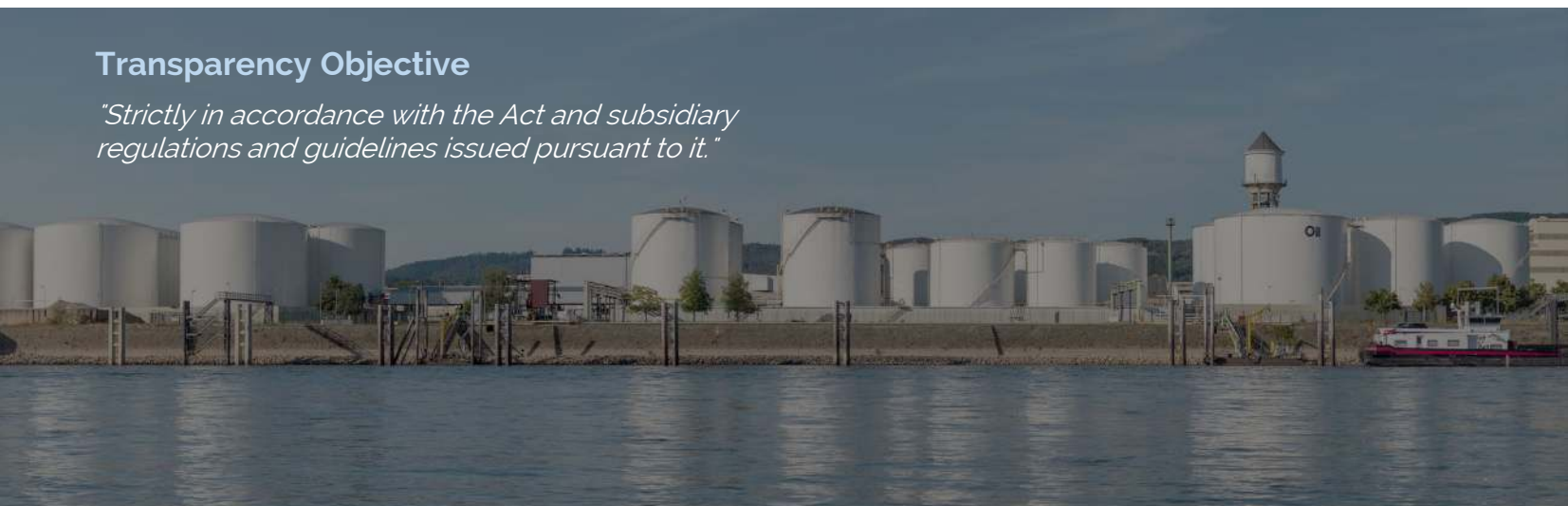
Hierarchy of Laws



Administered By
NUPRC

Transparency Objective

"Strictly in accordance with the Act and subsidiary regulations and guidelines issued pursuant to it."



Timeline of Events & Stages

The Licensing round majorly involves the following stages

Registration & Pre-Qualification

The 2025 Licensing Round commences with the registration and pre-qualification stage, designed to ensure that only bidders with the requisite legal standing, technical competence, financial capacity, and operational credibility proceed to the next stage.

This round covers fifty (50) petroleum assets located across Nigeria's onshore, shallow water, and deep offshore terrains. These assets span the Niger Delta, Anambra, Benue Trough, Chad, and Benin basins, with thirty-five (35) located in the Niger Delta and fifteen (15) classified as frontier assets. According to the 2025 Guidelines,¹ Applicants may bid on a maximum of two assets, and each bid will be assessed independently. Any bid submitted in excess of this limit is invalid.

This phase encompasses a *Pre-Bid Conference*, which was organised by the NUPRC on January 14, 2026. The conference clarified details regarding eligibility, consortium setups, bid structures, fees, and evaluation methods, serving as a forum for direct dialogue between potential bidders and the regulator.

Participation in the 2025 rounds is restricted to companies incorporated on or before February 27, 2026.² While foreign bidders are not obliged to incorporate a Nigerian subsidiary during the application process, any successful foreign bidder must set up a local subsidiary within ninety (90) days of receiving an offer letter. This is a prerequisite for obtaining a Petroleum Prospecting Licence (PPL).³

The 2025 Guidelines also permit consortium bidding, subject to the submission of a valid consortium agreement, the appointment of an authorised representative under a Power of Attorney, and the designation of an operator holding a minimum participating interest of thirty per cent (30%).⁴ Consortium structures may be formed or modified prior to the submission of commercial bids, provided all participants meet the Commission's qualification criteria. Where a consortium member defaults in a manner that threatens operations, the Commission may revoke and reallocate that member's interest.

Applicants must pay the required participation fees, which include a US\$10,000 expression-of-interest fee and a US\$25,000 application and processing fee for each asset.⁵ They are also required to demonstrate financial capability with verifiable evidence, such as turnover thresholds, cash in the bank, bank guarantees, or parent company guarantees, depending on the asset's classification.

It must be noted that only applicants who successfully satisfy the *legal, technical, financial, and HSE* requirements at this stage are pre-qualified and permitted to access technical data and proceed to bid submission.

Access to and Purchase of Technical Data

Following pre-qualification, bidders are granted access to technical data on the assets offered through data facilities maintained or approved by the NUPRC. In accordance with the 2025 Guidelines, the Commission operates a Virtual Data Room (VDR) and, where applicable, a Physical Data Room (PDR), enabling bidders to conduct informed technical and commercial assessments.⁶

The data is made available solely for bid evaluation purposes and is subject to strict confidentiality obligations and payment of applicable access or prying fees. To ensure data integrity and regulatory oversight, bidders are restricted to approved data sources. These include the National Data Repository (NDR), which hosts seismic data, well reports, and technical studies, as well as designated third-party vendors such as TGS ASA and TGS-PetroData Offshore Services Limited.

The Guidelines expressly prohibit the sourcing of technical data from unauthorised third parties, and any breach may result in regulatory sanctions, including disqualification.

Prohibition Notice

The Guidelines expressly prohibit sourcing technical data from unauthorised third parties. Any breach may result in regulatory sanctions, including immediate disqualification.

Data Access Workflow



Pre-Qualification
Prerequisite Met



Access Grant
Confidentiality & Fees



Approved Sources

 **NDR**

 TGS ASA

 TGS-PetroData



Bid Evaluation
Technical Assessment

**Data usage is strictly monitored for compliance.*



Submission of Technical and Commercial Bids

The eligible bidders are required to submit their bids in accordance with the framework prescribed in the 2025 Guidelines. Bid submissions are structured to separate technical proposals from commercial offers, reflecting the Commission's objective of balancing operational competence with fiscal value.

The technical bid focuses on the bidder's proposed work programme, technical approach, and operational capability. In contrast, the commercial bid centres on fiscal commitments, particularly the proposed signature bonus and work programme expenditure. Bids are evaluated using a weighted scoring system that balances both technical merit and commercial attractiveness. The signature bonuses must fall within the prescribed range of US\$3 million to US\$7 million per asset.⁷ and bids outside this range are deemed non-compliant and excluded from evaluation. Although higher signature bonuses may improve a bidder's commercial score, awards are determined by the overall strength of the bid rather than price alone.

In a major policy shift, bidders must now submit a work programme performance security of at least 1% of the proposed work programme value, a significant decrease from the previously required 100%.⁸ This change aims to reduce entry barriers while ensuring that work commitments remain enforceable after award.

Bidders must submit a bid guarantee equal to 5% of the proposed signature bonus, valid for at least 120 days after the Commercial Bid Conference.⁹ This guarantee may be forfeited where a bidder withdraws, fails to sign necessary documents, or submits false information. In case of a tie with identical total scores, the Guidelines specify a tie-breaking process to ensure procedural clarity.¹⁰

Bid Components

Packet A

Technical

Work Programme
Tech Approach
Operational Cap.

+

Packet B

Commercial

Signature Bonus

\$3M - \$7M

WP Security

1%

Bid
Guarantee
5%

**Bids outside the specific bonus range are automatically disqualified.*

Major Policy Shift

The requirement for Work Programme Performance Security has been significantly decreased from 100% to 1% to reduce entry barriers while ensuring enforceable commitments.

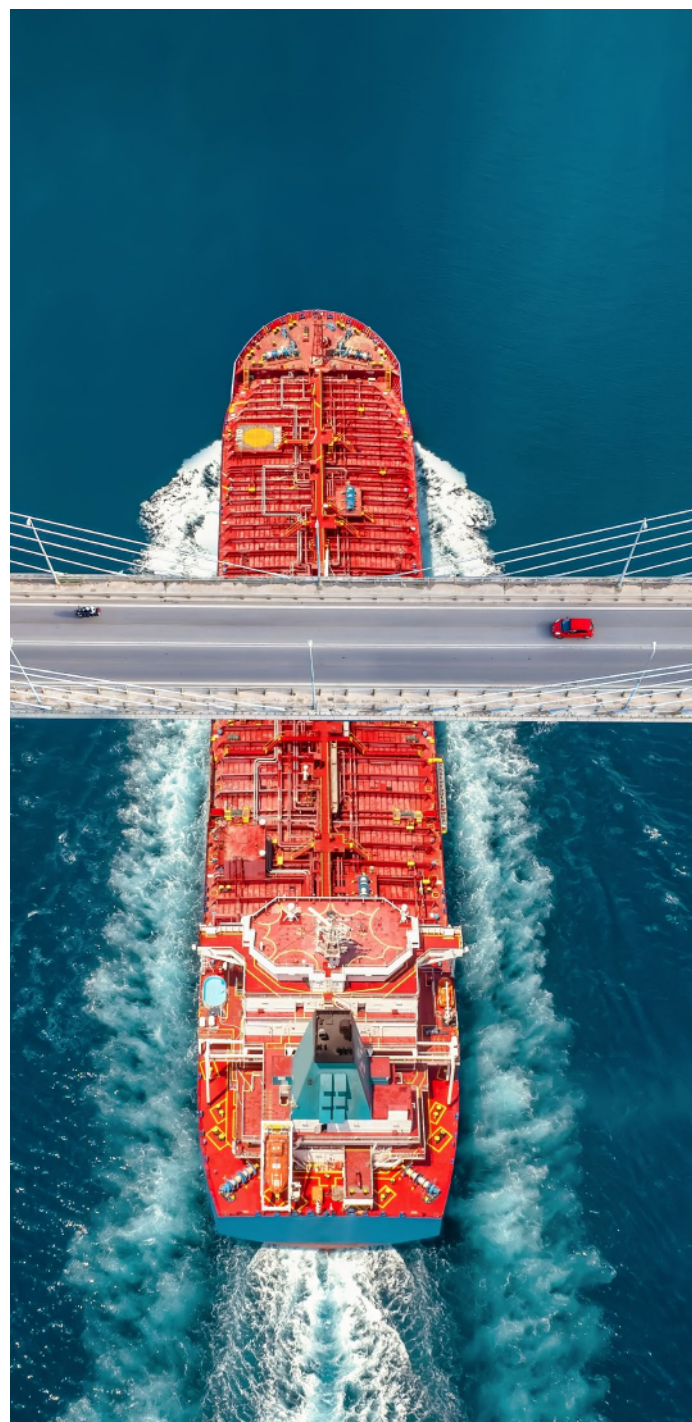
Technical and Commercial Bid Evaluation

Bid evaluations are conducted in two sequential stages: technical evaluation followed by commercial evaluation. This phased approach ensures that only bidders with credible technical capacity proceed to financial assessment.

During technical evaluation, bidders are assessed on operational experience, technical competence, and the quality and feasibility of their proposed work programmes. However, successful completion of this stage does not guarantee a licence but merely qualifies the bidder to proceed to commercial evaluation.¹¹

Commercial bids from bidders who meet the technical criteria are opened at the Commercial Bid Conference.¹² The Commission evaluates offers using a weighted assessment that includes technical scores, signature bonuses, and financial commitments outlined in the work programme. The highest-scoring bidder is declared the winning bidder, and the second-highest scorer becomes the reserve bidder.¹³

This system reflects the Commission's emphasis on awarding assets to bidders capable of delivering sustainable value rather than maximising short-term fiscal returns alone.



Announcement of Winning Bidders and Closing of the Licensing Round

Upon completion of bid evaluation, the Commission publishes the winning and reserve bidders for each asset on its website and issues an electronic offer letter to each winning bidder.¹⁴ This offer letter is deemed received on the date of transmission and serves as formal notification of selection.

Winning bidders are required to pay the signature bonus in full within sixty (60) days of receipt of the offer letter¹⁵ and within ninety (90) days, must also submit all prescribed post-award documentation, including applicable guarantees, statutory fees, evidence of payment of first-year rent and signature bonus, a sworn affidavit confirming regulatory compliance, solvency, and the absence of disciplinary or criminal proceedings.¹⁶

Failure to meet these conditions within the stipulated timeframe empowers the Commission to declare the bid unsuccessful and invite the reserve bidder to fulfil the same requirements. Where all conditions are satisfied, the Commission recommends the grant of a PPL to the Minister pursuant to the Petroleum Industry Act 2021.¹⁷

The post-award obligations of the winner include execution of the licence instrument, provision of work programme performance security, entry into necessary commercial arrangements, and payment of production bonuses where applicable. Non-compliance may result in enforcement action, including forfeiture of guarantees or recourse to the reserve bidder.



Payment Requirements & Deadlines

Within 60 Days of Offer Letter

 Pay the **Signature Bonus** in full.

Within 90 Days of Offer Letter

-  Submit applicable guarantees & statutory fees.
-  Evidence of payment: 1st-year rent & signature bonus.
-  Sworn affidavit (Regulatory compliance, Solvency, No criminal proceedings).

Timeline of Events

The 2025 Oil licensing round will run for 11 months, subject to updates released by the NUPRC. The current timeline of events, as released by the NUPRC, is contained in the schedule below:

Event / Activity	Start Date	End Date
Announcement / Portal Launch Official announcement of licensing round	Nov 11, 2025	Nov 11, 2025
Advertisement	Nov 24, 2025	Nov 28, 2025
Registration / Prequalification Main window for applicant registration	Dec 1, 2025	Mar 16, 2026
‣ Launch of Bid Portal	Dec 1, 2025	Dec 1, 2025
‣ Pre-Bid Conference	Jan 14, 2026	Jan 14, 2026
‣ Webinar	Jan 28, 2026	Jan 28, 2026
‣ Closing of Registration	Feb 27, 2026	Feb 27, 2026
‣ Evaluation of Registration	Mar 2, 2026	Mar 12, 2026
‣ Notification of Pre-qualified Applicants	Mar 16, 2026	Mar 16, 2026
Technical & Commercial Bid Phase Data access, bid preparation & submission	Mar 17, 2026	Jul 17, 2026
‣ Data Access / Bid Prep & Submission	Mar 17, 2026	Jun 12, 2026
‣ Technical Bid Evaluation	Jun 15, 2026	Jun 26, 2026
‣ Notification of Qualified Companies	Jul 3, 2026	Jul 3, 2026
‣ Commercial Bid Conference	Jul 16, 2026	Jul 16, 2026
Award & Conclusion		
‣ Notification of Winning/Reserve Bidder	Jul 17, 2026	Jul 17, 2026
‣ Ministerial Approval / Contracting / Award	Jul 20, 2026	Oct 16, 2026

Conclusion & Outlook

The 2025 Licensing Round represents an opportunity for investors seeking to participate in Nigeria's upstream sector. While the framework outlined in the Petroleum Industry Act 2021, the Petroleum Licensing Round Regulations 2022, and the 2025 Licensing Round Guidelines is structured and clear, subtle differences in technical, regulatory and financial capabilities can materially influence eligibility to bid.

Thus, prospective bidders must pay careful attention to these nuances. Early insights into these considerations can make the difference between a competitive bid and a missed opportunity.

Pre-Qualification Timing

Start early on gathering pre-qualification evidence. The timeline is strict, and document verification can be lengthy. Ensure all tax clearance and incorporation documents are current.

Bid Security Alignment

Align bid security and guarantees precisely with the Guidelines. Note the requirement for a bid guarantee equal to 5% of the signature bonus and verify validity periods (120+ days).

Bonus Calibration

Calibrate the signature bonus within the mandatory **US\$3M – US\$7M** range. Bids outside this bracket are automatically disqualified, regardless of technical merit.

Data Integrity

Use only approved data sources (NDR, TGS). Sourcing technical data from unauthorised third parties is a breach that can lead to immediate disqualification and sanctions.



Strategic Imperative

Success in the 2025 Licensing Round will favor bidders who prioritize robust, feasible work programmes over purely speculative fiscal offers. The Commission's emphasis on value delivery and net-zero alignment suggests that technical viability is as critical as financial capability.

Endnotes

1. Nigerian Upstream Petroleum Regulatory Commission, *Nigeria 2025 Licensing Round Guidelines* (Licensing Round Portal, issued December 2025) para 10
2. *Ibid*, para 6
3. *Ibid*
4. *Ibid*
5. *Ibid* para 8
6. *Ibid* para 7
7. *Ibid* para 16
8. *Ibid* schedule G
9. *Ibid* para 17.7
10. *Ibid*
11. *Ibid* para 19.1
12. The Commercial Bid Conference is scheduled to hold on July 17, 2026.
13. *Ibid* para 19.2
14. *Ibid*
15. *Ibid*
16. *Ibid*
17. Petroleum Industry Act 2021, Section 73(3)

Contributors

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Nimma Jo-Madugu
Energy & Natural Resources



Onyemauche Ibezim
Energy & Natural Resources



Adesuwa Akhigbe
Energy & Natural Resources



CONTACT US

LAGOS

KENNA Place
8, Ogunyemi Road, Palace Way, Oniru
PO Box 73002, Victoria Island, Lagos

ABUJA

1st Floor, Novare Central
Plot 502 Dalaba Street,
Wuse Zone 5, FCT 900285, Abuja

ENUGU

3 Emmanuel Ngwu Street,
Old Emene Road, by AC Drug,
Thinkers Corner, Enugu.

+234 811 395 1052, +234 811 395 1053
counsel@kennalp.com

