

# Nigeria Must Prioritize Gas, Protect Oil To Secure Its Energy Future — NAPE President

President Bola Tinubu recently signed Executive Order 9 mandating that all oil and gas revenues be paid directly into the Federation Account, suspending certain revenue retention mechanisms under the Petroleum Industry Act (PIA).

## How do you assess Nigeria's fiscal governance framework, its impact on investor confidence and the future of NNPC limited?

The Executive Order is a strong signal that the Federal Government wants tighter fiscal centralization, greater transparency, and improved liquidity into the Federation Account. From a governance standpoint, it reinforces constitutional revenue remittance principles, but it also raises concerns about contract sanctity and regulatory predictability under the Petroleum Industry Act (PIA). Investors generally support transparency, yet abrupt policy shifts that appear to override previously agreed commercial frameworks could create uncertainty regarding the stability and predictability of the investment environment for investors.

For NNPC Limited, the long-term implications will be determined by the extent to which it is allowed to function as a commercially independent energy company. Sustained investor confidence and operational efficiency are likely to depend on the preservation of its commercial autonomy, strategic flexibility, and adherence to market-based principles.

## What implications would this order have on investment, risk appetite and exploration momentum in some frontier basins?

The order could increase investor caution toward frontier exploration in some basins because these projects are already high-risk, long-cycle, and capital intensive. Investors typically require stable fiscal assurances before committing to frontier acreage. Any perception of policy uncertainty increases risk premiums.

That said, if government simultaneously provides targeted incentives—tax holidays, accelerated cost recovery, seismic funding support, and infrastructure guarantees—the basins could still attract strategic investors, especially gas-focused players seeking long-term domestic supply opportunities.

## Where do you see the most underexplored opportunity in Nigeria—frontier basins or deeper plays in the Niger Delta?

Nigeria's most underexplored opportunity lies in a combination of deep frontier plays and overlooked mature basin potential. The frontier basins offer large geological upside but remain data-poor. They are long-term strategic plays, particularly for gas.

However, the more commercially realistic near-term upside may still be in deeper and subtle plays within the Niger Delta. Improved imaging technology, deeper drilling, and redevelopment of bypassed reservoirs could unlock significant additional reserves faster and at lower risk than greenfield frontier exploration. To increase reserves, all opportunities including frontier and deeper opportunities, should be explored.

## If you had to prioritize one lever—exploration, local capability, or technology—which would deliver the highest impact and why?

While each lever may appear distinct, they are in fact mutually reinforcing and all are required to achieve sustainable impact. Exploration is essential for replenishing reserves and securing future production; local capability is critical for ensuring that value creation, skills development, and economic benefits are retained within the country; and technology serves as the enabler that improves efficiency, reduces

In this interview with MOHAMMED SHOSANYA, the new President of Nigerian Association of Petroleum Explorationists, NAPE, Mrs. Cecilia Olajumoke Ajayi, discusses salient issues in the country's hydrocarbon industry, the group's interventions as well as its upcoming international conference and exhibition. Excerpts:



Olajumoke Ajayi

costs, enhances recovery rates, and supports operational excellence.

Accordingly, it would be difficult to prioritize one over the others, as the greatest impact is achieved when all three are pursued in a coordinated and complementary manner. The absence of any one of these elements would limit the effectiveness and long-term sustainability of the other two.

## What bold, unconventional step should the industry take to truly 'unlock more barrels'?

The industry should adopt a bold national exploration risk-sharing framework. Nigeria could establish a sovereign-backed Exploration Risk Fund that co-finances frontier seismic acquisition and wildcat drilling alongside private operators. Frontier exploration fails globally because early-stage geological risk is too concentrated on individual investors.

A coordinated national basin-opening strategy could radically improve exploration momentum. Nigeria also needs an "open-access subsurface data marketplace" where legacy seismic and well data are digitized and commercially accessible at lower

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cost.

## In the face of energy transition, how do you justify aggressive reserves growth strategies?

Aggressive reserves growth remains justified because the global energy transition will be uneven, not instantaneous. Africa still faces energy poverty, industrialization gaps, and rapidly growing energy demand. Nigeria requires hydrocarbons to finance development, infrastructure, and economic diversification.

The key is not simply producing more oil, but producing competitively, efficiently, and with lower carbon intensity. Nigeria's strategy should focus on Lower-emission barrels, Gas-led industrialization, Monetizing reserves before demand peaks and using hydrocarbon revenues to fund energy transition investments.

## Should Nigeria prioritize gas exploration over oil, and how does that affect the 'more barrels' narrative?

Nigeria should prioritize gas exploration strategically, but without abandoning oil. Gas is increasingly the transition fuel supporting power generation, petrochemicals, fertilizers, LNG exports, and industrialization. Nigeria's comparative advantage may increasingly shift toward gas monetization.

However, oil revenues will remain the dominant source of fiscal income in the medium term. Therefore, the "more barrels" narrative should evolve into a broader "more molecules and more value" strategy—where gas reserves become equally important as crude oil reserves.

## When you hear 'unlocking more barrels', what specific reserve classes (proven, probable, contingent) should Nigeria realistically target over the next 5–10 years?

Over the next 5–10 years, Nigeria should

realistically focus on converting contingent and probable reserves into proven reserves.

Large undiscovered "yet-to-find" resources exist, but the quickest pathway to measurable reserves growth lies in Upgrading contingent resources through appraisal drilling, Redeveloping mature fields, improving commerciality through infrastructure access and fiscal incentives and applying enhanced recovery technologies.

The greatest value may come not from discovering giant new fields, but from commercializing known but stranded resources.

## What is currently the single biggest bottleneck to reserves growth in Nigeria—capital, policy, subsurface uncertainty, or execution capacity?

Capital, policy and regulatory certainty, subsurface uncertainty, and execution capacity all play important and interconnected roles in growing reserves. Reserves growth is typically constrained by a combination of these factors, making a balanced approach that addresses investment, regulation, technical risk, and project delivery essential for sustainable growth.

## What does this year's NAPE theme, 'Unlocking More Barrels: Driving Reserves Growth through Exploration, Local Capabilities and Adaptive Technology' mean in practical terms for Nigeria's upstream sector?

The NAPE theme reflects a practical reality: Nigeria cannot rely solely on legacy reserves. "Unlocking more barrels" means aggressively replacing reserves through exploration, maximizing recovery from existing assets and deeper opportunities, empowering indigenous technical capacity, and deploying smarter technologies.

In practical terms, it means Expanding frontier and deepwater exploration, Improving reserve recovery factors in mature fields, using AI-driven subsurface interpretation and advanced seismic imaging, building Nigerian technical competence in geoscience, drilling, and reservoir management, reducing project cycle times and operating costs, amongst others.

## Tell us what outcomes stakeholders should expect from this year's NAPE conference?

This year's NAPE conference is expected to emphasize practical solutions and implementation, with discussions likely to focus on strengthening collaboration between regulators and operators, attracting exploration investment, advancing technology adoption, promoting gas commercialization, addressing fiscal and energy security issues, enhancing reserves replacement, and developing local technical capacity. Ultimately, the conference should contribute to shaping a balanced approach to reserves growth, profitability, and the realities of the energy transition.

## What does 'adaptive technology' mean in a Nigerian context where infrastructure and data availability can be limiting?

In the Nigerian context, "adaptive technology" means deploying solutions that work despite infrastructure and data limitations. It includes, but not limited to low-cost modular production systems, cloud-based geoscience platforms, AI-assisted seismic interpretation using incomplete datasets, remote monitoring technologies, mobile drilling and mini-LNG systems and Incremental enhanced recovery methods suited to mature onshore fields.