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PRO ALLY

Risk Insight for Oil &Gas Service Companies

THE EXPOSED BUSINESS

A New Financing Architecture.

How SNEPCo's three billion dollar contractor finance facility for financing indigenous service companies, the policies signed at the 2026 Nigerian Oil & Gas summit affect your business and create positioning opportunities for 2027.

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SOCIALIZING ENERGY. AMPLIFYING IMPACTS.

RISK INTELLIGENCE BRIEF

Four numbers from an Industry event map where Nigerian oil and gas service companies need to position over the next 24 months. This Brief unpacks each one and the commercial architecture emerging to close the gap between them.

The 25th NOG Energy Week convened over five thousand delegates from more than eighty countries in Abuja between 5 and 9 July 2026. Ministers, regulators, operators, and financiers laid out five days of substantial content. Read together, four numbers surfaced across the week that map where our client base of Nigerian oil and gas service companies should be positioning for the next 24 months.

The four numbers tell a coherent story about the reform trajectory and the addressable market ahead. Alongside them, a specific commercial development landed in early July that changes how service companies can access the capital needed to participate in that market. This Brief takes each number in turn, and closes on the **PRO ALLY** recommendation for our client base, the oil and gas service companies.

61% Growth in Oil and Gas Nigerian Content

Nigerian content in oil and gas is at 61%, up from under 5% before the 2010 NOGICD Act, with over 20 billion dollars of in-country investment attached. NCDMB Executive Secretary Felix Omatsola Ogbe, represented by Abayomi Bamidele, unveiled the number at the Nigerian Content Seminar on Monday morning under the theme "Shaping the Next Phase of Local Content Growth."

This number represents one of the largest Social pillar shifts delivered by any African industrial policy in the last decade. Fifty-six percentage points of ownership, contract flow, and value retention have moved from foreign counterparties to Nigerian firms.

“Phase 2 of Nigerian content policy shifts emphasis from compliance and participation to "competence, capacity, and collaboration."

For service companies, this suggests that qualification alone is no longer the differentiator. Demonstrated technical capability, ESG readiness, and delivery track record are what will now separate winning bids from qualifying ones.

"No project, no local content. Manufacturing cannot thrive without demand and investments cannot be justified without projects."

Local content growth from here depends on operators reaching final investment decision on approved projects. For service companies, that is a call to track FID pipelines closely and to build the relationships and technical positioning that place your firm on the resulting shortlists.

Indigenous participation in Nigerian gas has moved from 69 to 83% in three years.

Special Adviser to the President on Energy, Olu Verheijen, delivered this number in her NOG address. This is the most consequential number of the four for our client base. It measures the share of Nigeria's gas value chain that flows through Nigerian ownership, Nigerian management, and Nigerian institutional decision-making. In three years, that share has shifted 14% points at industrial scale.

The practical implication is that the operators, marketers, and infrastructure owners Nigerian service companies engage with are increasingly Nigerian counterparties. Their strategic interests, their risk appetite, their decision cycles, and their long-term commercial commitments now sit domestically. That is a shift in the entire counterparty landscape service companies operate within.

For firms that have built their business models around servicing international majors alone, this signals a strategic repositioning. Indigenous majors and independents are now the counterparty growth segment. Their procurement processes, their commercial expectations, and their financing structures require a different relationship posture than the ones that historically worked with the IOCs

10 billion dollars of long-awaited final investment decisions have come through in the last 3 years.

Alongside this number, Verheijen quantified an addressable pipeline of fifty billion dollars in visible upstream projects, crude and condensate production up approximately 400 thousand barrels per day since 2023, onshore production at a twenty-year high, external reserves crossing fifty billion dollars, and contracting timelines cut by more than half.

Also at NOG , NNPC Limited and its partners signed six strategic agreements advancing the Gas Master Plan 2026 launched in January. The agreements include the Ajaokuta Steel Company revitalisation partnership, gas supply agreements with Ajaokuta and UTM Floating LNG (positioning UTM FLNG for FID in Q4 2026), and three Network Entry Agreements migrating legacy interconnection arrangements to the Nigerian Gas Transportation Network Code. Together they inject up to 800 million standard cubic feet per day into the domestic gas transportation network.

GCEO Bayo Ojulari also indicated at the Strategic Conference that seven additional commercial transactions are in NNPC's pipeline. For service companies, the specific work streams to track are gas processing, pipeline construction, industrial gas distribution, steel manufacturing, offshore support services, and the maintenance and expansion of the domestic transportation network. The Ajaokuta linkage alone reopens a substantial industrial subsector with implications running from EPC to fabrication to operations and maintenance.

Approximately 38.3 billion dollars of remaining financing gap separates the current sector position from the 2030 production targets.

This gap is the scale of the addressable market Nigerian firms are being asked to help build over the next four years. It also names the specific constraint on how the market gets built. The reform architecture has moved past policy design. The remaining variable is capital, and specifically the working capital Nigerian service companies need to execute at the pace and scale reform now requires.

Interestingly, a commercial development in early July had begin to close that specific constraint. Shell Nigeria Exploration and Production Company Limited (SNEPCo), in partnership with nine leading Nigerian banks including Fidelity Bank Plc, executed a Memorandum of Understanding on a 3-billion-dollar Contractor Finance Facility. The facility, signed in Lagos, provides credit support to indigenous oil and gas contractors executing projects for SNEPCo, in both Naira and United States dollars.

The structure of the facility matters for our oil and gas service clients base. SNEPCo provides the contracts and payment domiciliation. Nigerian banks provide the capital. Nigerian contractors provide the performance. In SNEPCo Managing Director Ronald Adams's words,

"the participating banks provide capital and discipline, while SNEPCo brings contracts and payment domiciliation that help to de-risk lending. The contractors are expected to provide performance, creating a mutually accountable structure that gives the facility its strength."

This is credit enhancement. The IOC uses its balance sheet, contract flow, and payment infrastructure to underwrite the risk that Nigerian banks could not previously underwrite alone.
This is the same risk the Risk Intelligence Edition 06 highlighted, and it has been the specific reason Nigerian service companies had been unable to access financing at scale. That risk is now dissolved for one operator's contract pipeline, with nine Nigerian banks holding paper.

If you read as an ESG-aligned innovation, the facility is a Governance architecture with direct Social pillar consequences. It creates a mutually accountable structure across three counterparties. It converts share of ownership in the sector into share of delivery. And it is replicable.

PRO ALLY Risk Radar

The four numbers together tell a coherent story about where Nigeria's energy sector is, and what it now needs.
The 61 percent proves the reform can deliver Social pillar outcomes at scale. The shift from 69 to 83 percent shows the counterparty landscape has moved in favour of indigenous firms. The 10 billion dollars proves FIDs are landing. The 38.3 billion dollar gap names what remains.

That gap does not close through further policy design. It closes through commercial architectures that let Nigerian capital sit safely behind operator contract flow while Nigerian companies deliver the work. The SNEPCo facility is the first visible template. Whether it becomes the pattern for the sector depends on how rapidly other operators adopt the structure with their own bank consortia over the next twelve months.

For our client base of Nigerian oil and gas service companies, the strategic implication is clear. The commercial market is expanding. The counterparty landscape favours indigenous firms. A new financing architecture is emerging. What will define the winners over the next 24 months is not access to opportunity. It is positioning, execution capacity, and the ESG readiness to participate in the operator-anchored finance facilities that will scale.

ESG Compliance Readiness Recommendations

1. **Audit your operator contract portfolio through a credit-enhancement lens.** Which of your current or prospective operator counterparties has the contract volume, the payment discipline, and the ESG-motivated interest in local content growth to potentially anchor a facility of the SNEPCo type? Those are the operators to deepen relationship with. A structured proposition to the right operator team, backed by demonstrated ESG credentials and a clear commercial case, is a stronger starting point than waiting for their initiative.

2. **Invest in ESG-audit readiness before you need it.** IOC-anchored finance facilities will apply governance, safety, and community-relations standards that mirror the operators' own ESG frameworks. Building auditable Environmental performance, Social pillar credentials (hiring practices, host community engagement, supplier diversity), and Governance discipline (audit trails, anti-fraud controls, payment integrity) is now a financing enabler, not a compliance overhead. This is where our team at **PRO ALLY** can support directly.

3. **Position for Phase 2 local content on demonstrated capability.** NCDMB's shift from participation to competence means that qualification is table stakes. Track record on project delivery, technical depth of team, integrated service offering, and demonstrated ESG discipline are what will differentiate on 2027 shortlists. Where gaps exist, invest in closing them now, while the market is expanding.