



UDO UDOMA &
BELO-OSAGIE

Nigeria: Executive Order 9 of 2026 on Oil & Gas Revenues

Key Directives and Regulatory Implications



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Overview



Oil and gas remains a principal source of federally collected revenue in Nigeria. On 13 February 2026, President Bola Ahmed Tinubu signed the **Presidential Executive Order to Safeguard Federation Oil and Gas Revenues and Provide Regulatory Clarity, 2026** (the “Order”) - Executive Order 9 of 2026.

The stated objectives of the Order include:

Directing the remittance of specified petroleum revenues into the Federation Account;

Suspending specified statutory retentions referred to in the Petroleum Industry Act 2021 (the “PIA”); and

Improving regulatory coordination - particularly for integrated petroleum operations.



This update summarises the Order's key directives and considers selected practical implications for operators, investors and lenders, including transition mechanics and the statutory interface with the PIA.

Key Directives Under the Order

The Order introduces practical measures addressing:

1. Where specified petroleum revenues are to be remitted;
2. The treatment of certain statutory retentions; and
3. Coordination between the relevant regulators for integrated operations.

Six directives stand out:

Suspension of Frontier Exploration Fund (FEF) contributions

The Order directs **Nigerian National Petroleum Company Limited (NNPCL)** to suspend the collection and management of the 30% of profit oil and profit gas allocated to the FEF under the PIA. Amounts otherwise earmarked for the FEF under production sharing, profit sharing and risk service contracts are to be transferred directly to the Federation Account.

Suspension of NNPCL's 30% management fee

The PIA contemplates specified statutory retentions by NNPCL in respect of proceeds from profit oil and profit gas under production sharing, profit sharing and risk service contracts.



The Order suspends this retention and directs that all profit oil and profit gas revenues received by NNPC - as concessionaire and government representative - be transferred into the Federation Account.

Direct Remittance by PSC contractors

Operators and contractors of oil and gas assets held under **production sharing contracts (PSCs)** are required, subject to transition arrangements and further implementation guidance, to move towards the direct remittance of government entitlements — including royalty oil, tax oil, profit oil and profit gas — directly into the Federation Account.

Gas Flare Penalties

The Order directs the **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)** to remit proceeds from gas flare penalties into the Federation Account and to cease paying such proceeds into the Midstream and Downstream Gas Infrastructure Fund (MDGIF), subject to applicable implementation arrangements and further guidance.

Joint Project Team for integrated petroleum operations

NUPRC and the **Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)** are directed to establish a Joint Project Team - supervised by the Special Adviser to the President on Energy - to develop guidelines for integrated facilities, clarify applicable licences, permits and fees, and facilitate data and information sharing.

Implementation Oversight

The Order constitutes an implementation committee to coordinate execution of the Order and provide periodic updates to the President.

THE ORDER AT A GLANCE	
Signed	13 February 2026 by President Bola Ahmed Tinubu.
Aim	Safeguard federation oil & gas revenues; provide regulatory clarity for integrated operations.
Targets	NNPC retentions, PSC remittances, gas flare penalties, NUPRC/NMDPRA coordination.
Sits with	The PIA - implementation, not replacement; further guidance expected from the implementation committee.



Practical Implications

What it means in practice

The Order has significant regulatory, institutional, fiscal and operational implications for the sector. Five threads matter most.

Investors and lenders: regulatory and fiscal certainty

Oil and gas projects are long-term and capital-intensive. Changes to the operation of statutory revenue mechanisms may be reflected in **financing terms, covenant analysis and the timing of investment decisions**. Lenders will want to understand how the Order interacts with existing security packages, payment waterfalls and account structures.

Legal hierarchy: the PIA Interface

Executive orders are generally expected to operate as instruments for implementing or giving administrative effect to existing constitutional and statutory powers, rather than as substitutes for legislation. Stakeholders may therefore look to additional guidance from government and regulators on how the Order is intended to operate **alongside the relevant PIA provisions and existing contractual arrangements**, including transitional compliance expectations.

NNPCL: cash-flow and counterparty considerations

The PIA positions NNPCL as a Companies and Allied Matters Act 2020 (as amended) company, intended to operate on a commercial basis and independently of government funding. The suspension of statutory retentions may have implications for cash-flow planning, counterparty analysis, borrowing costs and transaction pricing - and may be relevant to NNPCL-related financing processes, portfolio initiatives or potential capital markets activity.

Transitional mechanics

The redirection of revenue flows may require transition arrangements covering **existing payment processes, account arrangements, documentation requirements and stakeholder engagement**. Further guidance from the implementation committee and relevant regulators is likely to be important to the practical operation of these changes.



Public finance & regulatory interface

The Order is intended to increase near-term inflows to the Federation Account. From a regulatory standpoint, the Joint Project Team may support greater clarity around the NUPRC/NMDPRA interface for integrated facilities, including alignment of licensing expectations and approval processes.

Considerations for Stakeholders

What to look at next

The points below are intended as general, high-level practical considerations for market participants. The appropriate approach in any given case will depend on the relevant contractual framework, operational arrangements and any further guidance issued by competent authorities.

Operators and contractors

review current remittance workflows for royalty oil, tax oil, profit oil and profit gas to confirm alignment with the Order and any transition guidelines, including timing, accounts and documentation.

PSC parties

assess whether amendments, consents, operational clarifications or transition steps are required to implement direct remittance without disrupting existing arrangements.

Investors and lenders

track guidance issued by the implementation committee and regulators, including transitional directives, as this may be relevant to ongoing risk assessment, covenant analysis, transaction timelines and pricing assumptions.

Integrated-facility operators

engage early with NUPRC/NMDPRA processes as the Joint Project Team develops guidance on licensing, permitting, applicable fees and information-sharing expectations.

Conclusion

The Order is an important policy measure within Nigeria's petroleum regulatory landscape, with the stated aim of improving transparency and increasing remittances to the Federation Account.

In practice, its impact will depend on **implementation detail** - including transition arrangements, interagency coordination and how the Order is applied alongside the PIA and relevant contractual frameworks.

For operators, investors and lenders, the practical guidance issued by the implementation committee and relevant regulators may prove just as important as the headline directives.

Disclaimer: This article has been provided by Folake Elias-Adebowale, Anjolaoluwa Shittu, and Ifunanya Chinwuba of the Oil & Gas team at Udo Udoma & Belo-Osagie (UUBO). It is intended for information purposes only and shall not be construed as legal, financial, or investment advice on any subject matter in any circumstances. It does not and shall not be construed as creating any relationship, including a client/attorney relationship, between readers and our firm or any author or serve as legal advice. The opinions expressed in this publication are the opinions of the individual authors and may not reflect the opinions of the firm or of any individual attorney. You should contact your legal Advisers to obtain advice with respect to any particular issue or problem. For more information about our oil and gas and other practice area offerings, please email us at uubo@uubo.org or visit www.uubo.org.