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BELO-OSAGIE

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

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## Key Directives and Regulatory Implications



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## Overview



Oil and gas remains a principal source of federally collected revenue in Nigeria. Recent public reporting indicates that, notwithstanding relatively stable production, net oil revenue inflows have declined over time. This has reinforced policy attention on **transparency, revenue administration and remittance processes.**

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*).

### The stated objectives of the Order include:

Centralising remittances of specified petroleum revenues into the **Federation Account**;

Suspending certain deductions and retentions under the **Petroleum Industry Act 2021 (PIA)**; and

Improving regulatory coordination, particularly for **integrated petroleum operations.**



In this regulatory update, **Folake Elias-Adebowale, Anjolaoluwa Shittu and Ifunanya Chinwuba** of **Udo Udoma & Belo-Osagie's Oil & Gas team** summarise the Order's key directives and consider 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. Regulatory coordination for integrated operations.

A summary of the key directives is set out below.

### 1. 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 Frontier Exploration Fund (**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.

### 2. Suspension of NNPCL's 30% Management Fee:

Under the PIA, NNPCL was entitled to retain 30% of proceeds from the sale of profit oil and profit gas as a management fee in respect of certain upstream contracts.



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

### **3. Direct Remittance by PSC Contractors**

Operators and contractors under production sharing contracts (PSCs) are required, from the commencement of the Order, to remit government entitlements directly into the Federation Account.

These entitlements include:

- Royalty oil;
- Tax oil;
- Profit oil; and
- Profit gas.

### **4. 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 remittances to the Midstream and Downstream Gas Infrastructure Fund (MDGIF).

### **5. Joint Project Team for Integrated Petroleum Operations**

To improve regulatory clarity, the Order mandates NUPRC and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) to establish a Joint Project Team, supervised by the Special Adviser to the President on Energy.

The team is tasked with:

- Developing guidelines for integrated facilities;
- Clarifying applicable licences, permits and fees; and
- Facilitating data and information sharing to support a harmonised regulatory approach.

### **6. Implementation Oversight**

An implementation committee is constituted under the Order to coordinate execution and provide periodic updates to the President.



## **Practical Implications**

The Order has immediate regulatory, institutional, fiscal and operational implications for Nigeria's oil and gas sector.

### **Investors and Lenders**

For investors and lenders, regulatory and fiscal certainty and predictability are critical. Oil and gas projects are long-term and capital-intensive, and changes to statutory revenue mechanisms may influence:

- Financing terms;
- Risk allocation; and
- The timing of investment decisions.

## **Legal Hierarchy and the PIA Interface**

A key consideration is the statutory interface between the Order and the PIA. Executive orders are generally expected to operate consistently with existing legislation.

Stakeholders may therefore seek additional guidance on how the Order will be implemented alongside relevant PIA provisions and contractual arrangements, including transitional compliance expectations.

## **Implications for NNPC**

For NNPC, the suspension of statutory retentions may affect cashflow planning, governance considerations and counterparty perceptions.

The PIA positions NNPC as a company incorporated under the Companies and Allied Matters Act 2020 (as amended), intended to operate on a commercial basis and independently of government funding. Counterparties may consider whether the Order alters:

- Revenue certainty;
- Governance signals; and
- Borrowing costs or transaction pricing.

These issues may be particularly relevant in the context of NNPC-related financings, portfolio initiatives or capital markets activity, where cash management and governance frameworks are closely reviewed.



## Transitional Implications

Redirecting revenue flows may necessitate **transitional arrangements** for the administration of PSCs, profit sharing and risk service contracts. This may involve:

- Alignment with existing operator payment processes; and
- Engagement with relevant labour and operational stakeholders.

## Public Finance Considerations

From a public finance perspective, the Order is intended to increase near-term inflows to the Federation Account. Clear implementation guidance, effective inter-agency coordination and alignment with contractual and statutory frameworks under the PIA will be central to its effectiveness.

## Regulatory Interface Between NUPRC and NMDPRA

The Joint Project Team may support greater clarity around the regulatory interface between NUPRC and NMDPRA, particularly for integrated facilities, by aligning:

- Licensing expectations; and
- Approval and permitting processes.

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## Considerations for Stakeholders

The following are high-level practical considerations for market participants in light of the Order's remittance and coordination measures. The appropriate approach in any given case will depend on contractual terms, operational structures and any further guidance issued by competent authorities.

**Operators and contractors** should review existing remittance workflows for royalty oil, tax oil, profit oil and profit gas to confirm alignment with the Order.

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**PSC parties** should assess whether amendments, consents or operational clarifications are required to implement direct remittance without disrupting existing arrangements.

**Investors and lenders** may wish to monitor guidance from the implementation committee and regulators, including any transitional directives relevant to risk assessment and covenant analysis.

**Entities operating integrated facilities** should engage early with NUPRC and NMDPRA as guidance is developed on licensing, permitting and applicable fees.

## Conclusion

The Order represents a significant policy intervention within Nigeria's petroleum regulatory landscape, aimed at enhancing transparency and revenue remittances to the Federation Account.

Its practical impact will depend on the detail of implementation, the effectiveness of inter-agency coordination and how the Order is applied alongside the PIA and existing contractual frameworks.

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