



Resolving the 15-Year OPL 245 Stalemate: The Power of Consent Arbitral Awards Under Section 45 of The AMA 2023

Introduction:

On March 9, 2026, the Attorney General of the Federation and Minister of Justice, Prince Lateef Fagbemi, SAN, announced a historic milestone in Nigeria's energy sector: the final resolution of the 15-year dispute over Oil Prospecting License (OPL) 245. This protracted legal battle, which spanned multiple jurisdictions including Italy, the United Kingdom, and various arbitral forums, was formally concluded through a **Consent Arbitral Award** reached between the Federal Republic of Nigeria (FGN), Shell (SNEPCo), and Eni (NAOC). By transmuted a settlement agreement into a final arbitral award, the parties have effectively unlocked one of Africa's most prolific oil blocks, signaling a shift toward consensual dispute resolution in high-stakes sovereign transactions. This newsletter examines the nature of consent arbitral awards under the **Arbitration and Mediation Act (AMA) 2023** and their implications for commercial certainty and economic growth.

Key Highlights of the OPL 245 Resolution

- **The Statutory Foundation:** The resolution was anchored on Section 45 of the AMA 2023, which allows an arbitral tribunal to record a settlement reached by parties as an "award on agreed terms." This gave the settlement the same legal status and enforceability as an award rendered on the merits of the case.
- **Conversion of Title:** A critical component of the Consent Award is the conversion of OPL 245 to an Oil Mining License (OML) in accordance with the Petroleum Industry Act (PIA) 2021. This transition provides the legal security of title necessary for immediate investment and production.
- **Global Judicial De-escalation:** The AGF confirmed that as a result of this Consent Award, Nigeria has committed to withdrawing all related civil claims and proceedings in London and Milan. This "Global Peace Treaty" prevents the risk of conflicting judgments across different international courts.



- **The Mutual Release Clause:** The Award contains a comprehensive “mutual release,” where all parties waive future claims arising from the 2011 acquisition of the block. This provides a “clean slate” for the International Oil Companies (IOCs) to return to the site without the shadow of contingent liabilities.
- **Economic Repositioning:** The Federal Government emphasized that resolving this “legacy albatross” is expected to attract billions of dollars in Foreign Direct Investment (FDI), as the block moves from a state of litigation to a state of production.

The Nature of Consent Arbitral Awards under The AMA 2023

Under Section 45(1) and (2) of the AMA 2023, a Consent Arbitral Award (or an “award on agreed terms”) is more than a mere contract; it is a hybrid instrument. While the content is born out of the parties’ private agreement, its form is that of a judicial decree.

- **Tribunal Oversight:** The tribunal may refuse to record a settlement if it violates public policy or involves illegalities.
- **Procedural Efficiency:** Under Section 47(3)(a), consent awards require no statement of reasons, accelerating finality through party consensus.

Economic and Commercial Benefits to the Parties

- **Sovereign Gains:** Eliminates massive contingent liabilities and converts stagnant assets into revenue-generating OMLs, directly enhancing national oil output and fiscal stability.
- **Investor Security:** Provides “Sanctity of Contract” via a treaty-backed award, shielding IOCs from future political shifts or administrative reversals.
- **Global Reputation:** Signals Nigeria’s commitment to the rule of law and ADR, lowering “country risk” premiums and restoring international investor confidence.

Legal Implications of The Consent Arbitral Award

- **Res Judicata and Finality:** A Consent Award under Section 45 carries the force of res judicata. It permanently bars the parties from reopening the same dispute in any court. In the OPL 245 context, this provides the “finality” that 15 years of litigation failed to deliver.

- **Cross-Border Enforceability:** Because it is an Arbitral Award, it enjoys the protection of the New York Convention 1958. If any party breaches the terms of the settlement, the aggrieved party can enforce the award in over 160 jurisdictions without needing to relitigate the underlying facts.
- **Termination of Jurisdiction:** Upon the issuance of the Consent Award, the tribunal’s mandate is terminated, save for minor corrections. This effectively “closes the door” on the arbitration, preventing further legal costs or procedural delays.

What this means for Stakeholders

Sovereign Entities and Government Agencies:

The OPL 245 resolution demonstrates that ADR is a strategic tool for “National Interest.” Sovereign states should actively audit their “legacy litigation” portfolios and consider using Section 45 of the AMA 2023 to convert stalled settlements into enforceable awards that protect the state from future claims.

International Investors and Multinational Corporations:

When negotiating settlements with state actors, investors should insist on recording such agreements as Consent Arbitral Awards. This elevates a “promise” into a “judgment,” providing a robust layer of protection against future changes in government policy or personnel.

Legal Practitioners and Arbitrators:

The OPL 245 case highlights the importance of drafting “enforcement-ready” settlement agreements. Practitioners must ensure that settlement terms are compatible with the PIA 2021 and the AMA 2023 to avoid challenges at the recognition and enforcement stage.

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The resolution of the OPL 245 dispute via a Consent Arbitral Award is a watershed moment in Nigerian legal history. It underscores the efficacy of the Arbitration and Mediation Act 2023 in resolving the world’s most complex commercial impasses. As specialists in ADR and Special Tribunal matters, we provide expert guidance on navigating high-value settlements, investment treaty protections, and the enforcement of international awards.

For expert guidance on navigating international arbitration, energy sector disputes, and high-stakes compliance, contact us at info@scp-law.com or visit www.scp-law.com.