



ExxonMobil's \$24 Billion Deepwater Push: What It Means for Energy Transactions and Project Finance in Nigeria

Introduction

On 9 April 2026, ExxonMobil's Senior Vice President for Deepwater, Hunter Farris, met with the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) in Abuja to outline the company's planned reinvestment in Nigeria's deepwater oil sector.

The proposed investment—estimated at up to \$24 billion across three offshore assets—signals renewed IOC confidence in Nigeria's upstream regulatory environment. More importantly, it sets the stage for a new cycle of energy transactions, project finance activity, and regulatory engagement across the sector.

The Investment Landscape

ExxonMobil's deepwater strategy centres on three key assets:

- **Erha (OML 133):** The Production Sharing Contract has been extended to 2042. Life extension works are ongoing to restore the Erha Floating Production Storage and Offloading (FPSO) vessel to optimal performance, alongside planned infill drilling and integration with nearby assets.
- **Owovo Deepwater Project:** With approximately one billion barrels of recoverable resources and an estimated development cost of \$7–8 billion, ExxonMobil is targeting a Final Investment Decision (FID) as early as 2027.



- **Bosi Oil and Gas Field:** Located adjacent to Erha, the Bosi development—dependent on new FPSO and pipeline infrastructure—could attract \$15–16 billion in capital expenditure.

Taken together, these three assets represent a significant pipeline of upstream development, contracting, and financing activity over the medium term.

Legal and Regulatory Implications

- **For upstream operators and project sponsors:** The Owowo and Bosi developments will require Field Development Plan approvals under the Petroleum Industry Act (PIA) 2021, as well as engagement with the NUPRC on licensing, work programme obligations, and regulatory compliance. Sponsors should also address Host Community Development Trust requirements early to avoid delays to Final Investment Decision (FID) timelines.
- **For project finance and capital markets participants:** Financing will likely involve reserve-based lending, production sharing structures, offtake arrangements, and offshore

security packages. Lenders and advisers should focus on the bankability of Production Sharing Contract (PSC) terms, enforceability of security and offtake arrangements, and the impact of PIA-related fiscal obligations on projected cash flows.

- **For indigenous operators and service providers:** The Nigerian Oil and Gas Industry Content Development Act (NOGICDA) 2010 will shape contracting opportunities across engineering, procurement, fabrication, logistics, and operations. Nigerian service providers should assess qualification requirements early and position within compliant contracting structures.
- **For energy sector investors:** ExxonMobil's recommitment, alongside other recent deepwater activity, signals renewed investor interest in Nigeria's offshore segment. Investors should track the 2025/2026 NUPRC Licensing Round and ongoing PIA fiscal implementation, particularly for asset valuation, market entry, and partnership strategy.

The Road Ahead

ExxonMobil's deepwater strategy points to a renewed phase of large-scale upstream transactions and project finance activity in Nigeria. For sponsors, lenders, and service providers, the opportunity is not only to participate, but to structure their participation properly from the outset.

Regulatory approvals, bankable contracts, local content compliance, and fiscal planning will be central to execution. Businesses that address these issues early will be better positioned to participate in the next phase of Nigeria's deepwater activity.

For guidance on energy transactions, project finance structuring, regulatory approvals, and local content compliance across the oil and gas value chain, contact info@scp-law.com or visit www.scp-law.com.