

NUPRC UPSTREAM SERVICE INDUSTRY NEWSLETTER

Q1 2026 (January – March 2026)

Regulatory Performance | Operational Activity | Investment Signals

EXECUTIVE OVERVIEW

Q1 2026 reflected stable upstream service sector performance, supported by consistent rig activity (72–73 rigs), sustained licensing (49 UMR licenses), and strong OGISP revenue generation of ₦1.23 billion. While permit volumes moderated from Q4 2025, this aligns with normal regulatory cycles rather than a decline in activity.

Revenue peaked in February before normalizing in March, with specialized services driving most earnings. A 22.6% year-on-year increase in rig activity highlights continued operational momentum. Key policy reforms, licensing advancements, and strategic collaborations during the quarter further strengthened transparency, efficiency, and investor confidence within the sector.

Q1 2026 AT A GLANCE

- 49 UMR Licenses Issued
- 72–73 Active Rigs Maintained
- 7,942 OGISP Permits Processed
- ₦1.23 Billion Revenue Generated from OGISP
- **2.2 BCF** Record Gas Output achieved by key operators
- 11,700 sq. km New 3D Seismic Survey Agreement (PEL5) Signed

A. UPSTREAM SERVICE INDUSTRY PERFORMANCE

1. Upstream Monitoring and Regulation (UMR) LICENSING & ASSET CERTIFICATION

A total of 49 UMR licenses were issued in Q1 2026, covering:

- Rig Licenses (Pre-License Inspection, Pre-Shipment Inspection, Annual Conformity Survey)
- Hydraulic Workover certifications (Pre-License Inspection and Annual Conformity Survey)
- Vessel Licenses (Pre-shipment Inspection and Annual Conformity Survey)

February recorded the highest activity (24 licenses), representing 49% of quarterly licensing output.

Rig licenses accounted for approximately 69% of total licenses issued, indicating:

UMR Licenses Issued from January to March 2026

Months	January	February	March	Total
Hydraulic Workover (ACS)	0	7	1	8
Rig License (ACS)	6	2	2	10
Rig License (PLI)	8	10	5	23
Rig License (PSI)	0	1	0	1
Vessel License (ACS)	0	3	0	3
Vessel License (PSI)	1	0	0	1
Hydraulic Workover (PLI)	0	1	2	3
Total	15	24	10	49

Table 1

2. RIG OPERATIONS & DISPOSITION

- The data shows that Nigeria maintained stable rig activity from January to February, with total rigs increasing slightly from 72 to 73 in March.
- Land operations accounted for the highest number of rigs, as it remained stable in Q1 with 52 rigs and driving the overall increase. Offshore rigs remained steady at 11 January and February and increased to 12 in March, while swamp rigs were constant at 9 throughout the period.
- Overall, the trend reflects stable drilling operations, with marginal growth concentrated in land-based activities.

Terrain Distribution

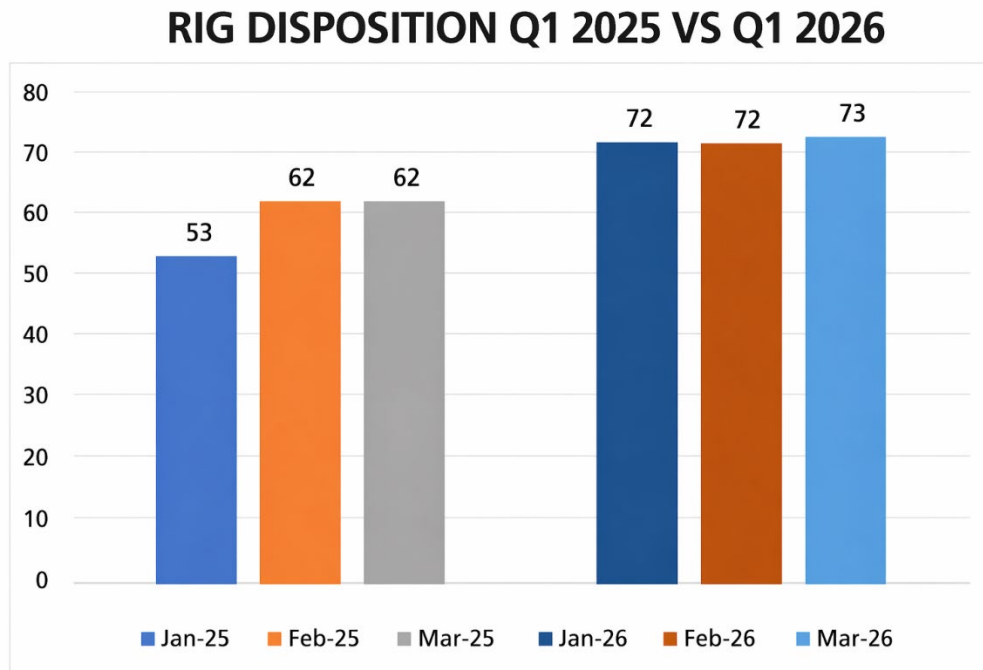
Month	Offshore	Land	Swamp	Total
January	11	52	9	72

February	11	52	9	72
March	12	52	9	73

Table 2

Figure 1. Rig trend comparison

Q1 2026 showed an increase (22.6%) in total rig count compared to Q1 2025, indicating strong growth in upstream activity.



3. OIL & GAS INDUSTRY SERVICE PERMIT (OGISP) PERFORMANCE

A total of 7,942 permits were issued under the Oil and Gas Industry Service Permit (OGISP) scheme in Q1 2026.

- A total of 7,942 permits were issued under the OGISP in Q1 2026.
- This represents a 22.3% decline compared to Q4 2025.
- Major and specialized permit categories accounted for over 90% of total permits issued

4. OGISP REVENUE PERFORMANCE

Revenue Generation: Total revenue stood at ₦1,237,871,787.64. Earnings peaked in February (₦574.1M), driven by the Specialized category, which alone contributed 90% of the quarter's total revenue.