

GHANA'S NEW OIL DISCOVERY: WHAT THIS COULD MEAN FOR NIGERIA



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In a press release dated the 4th day of July 2025, Ghana's Ministry of Energy and Green Transition announced the formal submission of the Declaration of Commerciality (DoC) for the Eban-Akoma oil and gas discoveries in the Cape Three Points Block 4 (CTP-B4), marking a significant development in Ghana's energy sector.

The DoC, submitted on the 3rd day of July 2025, follows the successful completion of the Eban-Akoma Appraisal Programme, which confirmed the commercial viability of hydrocarbons discovered in the Eban-1X oil well and the Akoma-1X gas and condensate well.

The declaration was jointly submitted by the Joint Venture Partners: Eni Ghana Exploration & Production Ltd, Vitol Upstream Tano Ltd, Woodfields Upstream Ghana Ltd, GNPC Exploration & Production Company Ltd (Explorco) in collaboration with the Ghana National Petroleum Corporation (GNPC).

In light of the declaration, the JV Partners plan to commence developing a comprehensive Plan of Development (PoD) that will prioritize efficient resource recovery, maximize value, and enhance local content participation in alignment with national policy.

The report further indicated that additional technical and commercial assessments will be carried out to establish a mutually beneficial development framework aligned with Ghana's long-term energy strategy; It also stated that the Ministry, in collaboration with the Petroleum Commission and GNPC, will maintain oversight to ensure the Eban-Akoma project is developed efficiently and in line with government priorities.

In view of this development, Ghana continues to position itself as a rising player in the region's energy landscape; one Nigeria must strategically watch.

A. Implications of Ghana's Eban-Akoma Oil & Gas Discovery for Nigeria

1. Regional Energy Competition

Ghana's declaration signals that it is moving aggressively to grow its oil and gas production, challenging Nigeria's long-held dominance as West Africa's top producer.

Impact on Nigeria:

-Nigeria may face increased competition for foreign direct investment (FDI) in the oil and gas sector, especially as investors seek stable, efficient, and transparent markets: Ghana's Petroleum (Exploration and Production) Act, 2016 (Act 919) sets out the licensing framework; it mandates that petroleum agreements must be awarded through a public, competitive tender process[1]. Similarly, Nigeria's Petroleum Industry Act, 2021 (PIA) contains provisions on licensing procedures, which require licenses and leases to be awarded through a fair, transparent, and competitive bidding process with published notices[2]. While both Acts allows exceptions to competitive bidding, Ghana's Act requires parliamentary ratification for all agreements including those awarded via direct negotiation, ensuring legislative oversight and public accountability. [3] In comparison, the PIA Act[4], does not require parliamentary approval for upstream licensing decisions, and grants broad discretion to the Minister and Commission, including the ability to award licences under treaties or bilateral agreements. This creates less external oversight, which may increase risks of opacity (lack of transparency or clarity) or misuse.



-Ghana's improving energy profile could attract multinational oil companies currently wary of Nigeria's regulatory and security challenges:

[1] Sec 10

[2] Sec 73-74

[3] Sec 10(13)

[4] 3(1)(g), 74(3)

- Ghana's regulatory structure is anchored on sector-specific legislation that provides defined mandates to distinct institutions, promoting clearer institutional roles:

Petroleum Commission (PC) – Established by the Petroleum Commission Act, 2011 (Act 821)[5], it is responsible solely for upstream petroleum operations, including exploration and production licensing, field development approvals, production monitoring, and regulation of upstream infrastructure. The Petroleum (Exploration and Production) Act (2016) sets the detailed upstream regulatory framework that the PC enforces.

National Petroleum Authority (NPA) – Created under the National Petroleum Authority Act, 2005 (Act 691)[6], it oversees downstream petroleum activities, such as fuel pricing regulation, refinery oversight, marketing, storage, distribution, and retail of petroleum products.

Energy Commission (EC) – Established by the Energy Commission Act, 1997 (Act 541)[7], it regulates midstream gas and electricity infrastructure, including licensing of natural gas pipelines, storage facilities, LNG installations, and gas-fired electricity generation systems. Although these statutory distinctions are intended to promote clearer institutional roles, it does not negate the fact that coordination challenges and overlaps may still arise in practice, except where proper enforcement mechanisms and inter-agency collaboration are effectively implemented.

- While Nigeria enacted the Petroleum Industry Act (PIA) 2021 to improve its oil sector, there have been slow implementation of the reforms introduced[8], with concerns over institutional overlap and enforcement capacity. The Petroleum Industry Act (PIA) of 2021 establishes the regulatory mandates of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC)[9] and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)[10], however, it does not explicitly assign responsibility for the management and control of crude oil export terminals or integrated upstream

[5] Sec 1, 2, 3

[6] Sec 2

[7] Sec 1-2

[8] [PIA implementation comes under knocks - Vanguard News](#) accessed 3/8/2025

[9] Sec 4, 6

[10] Sec 29, 32

midstream operations. This lack of precise delineation has led to regulatory overlaps and confusion in practice, with both agencies occasionally asserting authority over the same activities.

- To address these ambiguities, the Federal Government issued policy directives first by President Muhammadu Buhari via a memorandum dated the 3rd day of May 2023[11], and later reinforced by President Bola Tinubu on the 26th day of June, 2023[12], who asked that the policy be gazetted immediately. The Policy directive assigns the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) as the sole regulator for all upstream activities, including crude extraction, export terminals, and natural gas processing up to the entry gate. Even when upstream and midstream operations are combined (integrated projects), they are to be treated as upstream operations, and NUPRC has full control. The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) is responsible for operations beyond that point, such as refining, distribution, and retail. The temporary clarification was aimed to resolve regulatory overlaps until the **Petroleum Industry Act (PIA)** is formally amended.
- Despite these clear directives, industry reports reveal that overlapping mandates and regulatory inconsistencies persist, leading to duplicated licensing, conflicting compliance requirements, and multiple taxation fees[13]. These persistent challenges remain a barrier to investment and hinder growth across Nigeria's upstream, midstream, and downstream oil and gas sectors.
- Although the Presidential directive brings some clarity, but with the continuous overlap, only expressly stated amendment to the Petroleum Industry Act can ensure lasting resolution and prevent repeated conflicts and reassure investors.

2. Investor Confidence in Ghana

Ghana's clear regulatory predictability and institutional coordination, coupled with successful exploration, appraisal, and the recent declaration of commercial viability, could position Ghana as an attractive destination for energy investors. Its Licensing and Contracts transparency can also build investors' confidence:

[11] [Buhari directs MDAs to comply with senate resolution on crude oil export terminals regulation - Businessday NG](#) accessed 3/8/2025

[12] [After Buhari, Tinubu Wades into NUPRC, NMDPRA Altercation over Overlapping Functions - THISDAYLIVE](#) accessed 3/8/2025

[13] [Address overlapping laws in gas sector, NGA tells govt](#) accessed 3/8/2025

Impact On Nigeria:

- Following the enactment of Ghana's Petroleum (Exploration and Production) Act, 2016 (Act 919), Ghana launched its Public Petroleum Register in early 2018, offering online access to full-text petroleum agreements, permits, and licenses by project area[14]; the petroleum register is said to have featured comprehensive sets of documents following the launch of the site[15]. This fulfilled the statutory requirement under the Act[16] that the register shall be open to the public.
- While Nigeria's Petroleum Industry Act (PIA) 2021 contains detailed provisions on licensing procedures, empowering the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) to issue licenses and regulate upstream petroleum operations; Nigeria does not currently maintain a fully public petroleum register unlike Ghana. Although the NUPRC publishes some licensing data, comprehensive public disclosure of full petroleum agreements and detailed licensing terms remains limited[17].



- It is important to note that whilst Ghana's introduction of the public petroleum register is commendable, it is concerning that no new agreements have been pub-

[14] <https://resourcegovernance.org/articles/ghanaian-government-commits-full-text-disclosure-all-petroleum-contracts?> accessed 4/8/2024

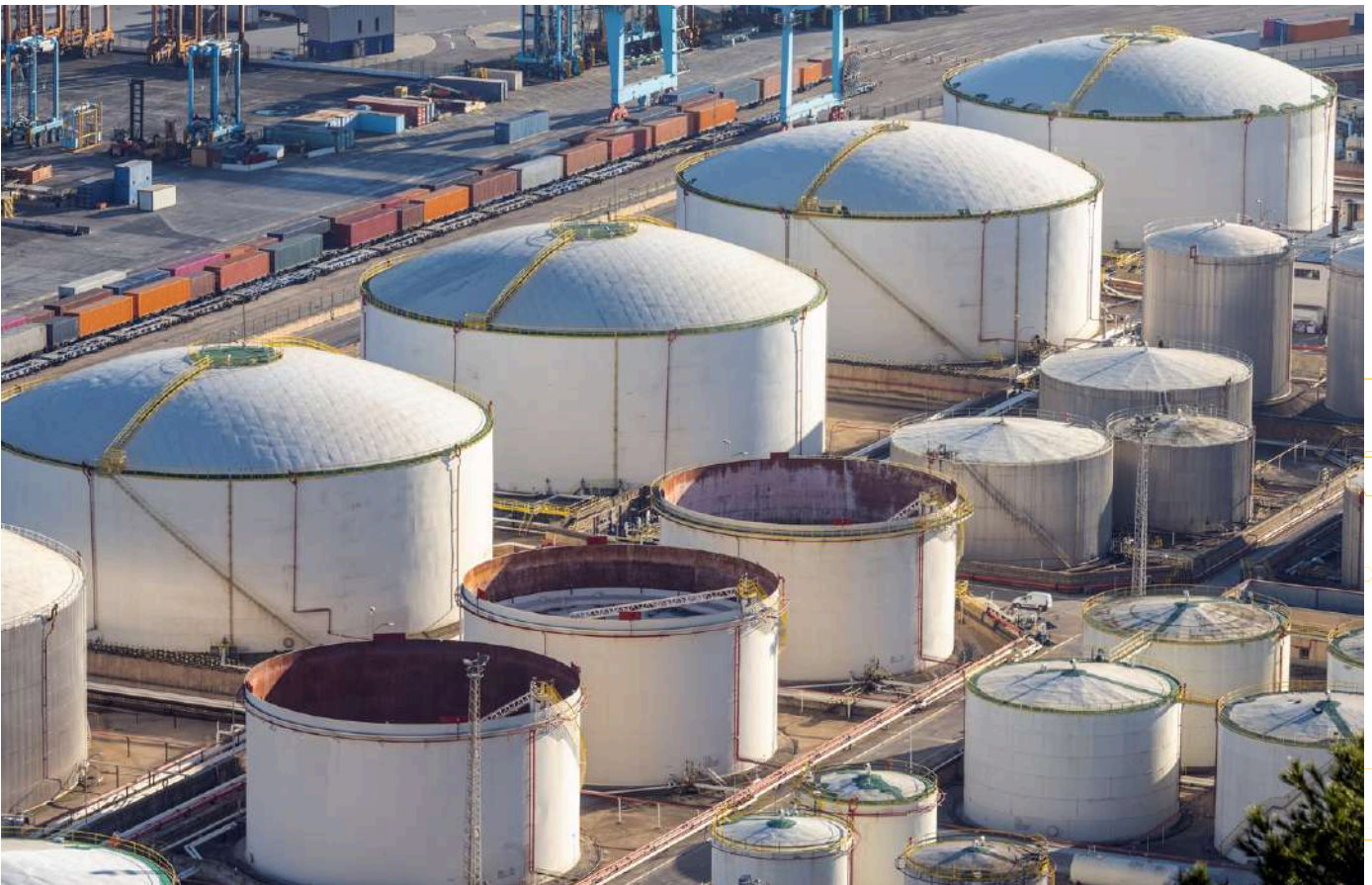
[15] [Petroleum Register](#)

[16] Sec 56

[17] *Etim v. Regd. Trustees*, P.C.N. (2004) 11 NWLR (Pt. 883) 79; (2005) 17 NWLR (Pt. 955) 596. accessed 4/8/2025

- blished between 2018 and 2025. This trend may reflect declining investor confidence. Reports during this period point to structural challenges such as inadequate infrastructure, falling crude oil production, and significant unpaid revenues by state-owned enterprises. The lack of new agreements does not necessarily reflect a failure of transparency but partly suggests a slowdown in upstream licensing.[18]

Despite Ghana's register being inactive since 2018, its existence reflects a stronger institutional commitment to transparency than Nigeria's current limited disclosure framework. However, the recent discovery of commercial oil at the Eban-Akoma field presents a potential turning point, provided the government resumes active licensing, addresses investor concerns, and fulfils its obligations, including updates to the public petroleum register.



If these requirements are met, Ghana's regulatory transparency through its Public Petroleum Register, could boost its appeal to energy investors. While Nigeria's lack of a comparable public platform for full petroleum agreements and limited disclosure may reduce its attractiveness to transparency-focused investors. As regional competition grows, Nigeria could face a competitive disadvantage without stronger public access to licensing data.

3. Energy Security & Export Competition

Ghana's Eban-Akoma Oil & Gas fields could reduce Ghana's energy import dependency, boost its domestic power generation, and enter regional energy export markets.

Impact on Nigeria

Nigeria currently supplies gas to Ghana via the West African Gas Pipeline (WAGP), governed by the International Project Agreement (2003) and the WAGP Authority framework, within the broader ECOWAS Energy Protocol (2003)[19] and Revised Treaty (1993)[20] which promotes and encourages regional energy integration and ensure effective development of energy resources. If Ghana's domestic gas outlook improves, pipeline nominations and throughput may shift, creating both competitive pressure and coordination opportunities.

Ultimately, if Ghana becomes self-sufficient in gas or begins exporting, the implications for Nigeria could be significant:

- Reduced demand for Nigerian gas could lower throughput on the WAGP, affecting revenue and Nigeria's gas monetization strategy.
- Increased regional competition is likely, as Ghana may target the same sub-regional gas markets or explore the development of LNG export infrastructure to access global markets, particularly given that it already has an operational LNG import terminal.[21]
- Nigeria risks a decline in its export dominance unless it accelerates the full and effective implementation of gas sector reforms under the Petroleum Industry Act (PIA) 2021. Addressing delays in infrastructure development, strengthening regulatory enforcement, and improving market efficiency are critical to unlocking the country's gas sector potential and maintaining its competitive edge.

B. Potential Positives for Nigeria from Ghana's Eban-Akoma Discovery

1. Regional collaboration:

Ghana's success opens the door for Nigeria to collaborate on cross-border energy infrastructure projects, such as pipelines, refineries, or LNG terminals. Under the West African Gas Pipeline (WAGP) and ECOWAS Energy Protocol, effective development of the region's energy resources and regional joint ventures in gas supply are encouraged to boost energy access and economic integration.

19] [1] Article 2

[20] Article 3, 28

[21] <https://www.nsenegybusiness.com/projects/tema-lng-import-terminal-project/> accessed 6/8/2025

2. Export of expertise:

Ghana's gas discovery opens new markets for Nigerian oil and gas experts to export technical services and project support. While the Petroleum Industry Act (PIA) 2021 does not directly cover export of services, it empowers the Minister of Petroleum to formulate policies and represent Nigeria in international petroleum matters[22]. This provides a framework through which government led initiatives can support the regional deployment of Nigerian expertise, particularly in line with the local content goals and indigenous capacity development under the Nigerian Oil and Gas Industry Content Development Act (2010)[23] even though it focuses on domestic market preference, not cross-border export of services.



3. Incentive for reform:

Ghana's progress in the energy sector can act as a catalyst for Nigeria to accelerate its own reform agenda. Delays in implementing key aspects of the Petroleum Industry Act (PIA) continue to pose challenges, especially as investors increasingly assess long-term risks.

4. Joint venture potential:

Ghana's growing oil & gas sector creates opportunities for Nigerian companies like NNPC Ltd or indigenous oil firms to partner on development projects. The PIA 2021[24] allows NNPC Ltd to operate as a fully commercial entity with joint venture powers, thereby enabling cross-border partnerships with Ghanaian operators under bilateral investment treaties and ECOWAS trade frameworks.

[22] Sec 3
[23] Sec 3
[24] Sec 54, 55

Conclusion

Ghana's declaration that the Eban-Akoma offshore oil and gas discoveries hold resources in commercial quantities marks a significant milestone, not only for its national energy ambitions but for the broader West African region. This milestone is a reminder that regional energy leadership requires ongoing adaptation and innovation.



For Nigeria, this development presents both a challenge and an opportunity. While it highlights the growing competition for investment and regional influence, it also offers a valuable moment for strategic reflection and collaboration.

By leveraging its industry expertise and accelerating the implementation of the Petroleum Industry Act 2021, Nigeria can reinforce its dominance and become a driving force behind a more unified energy future in West Africa.

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