

NUPRC hails court ruling on Halkin E&P's OML 46, reinforcing judicial independence in Nigeria's energy sector

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Nigeria – The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has welcomed a landmark ruling by the Federal High Court in Yenagoa, which upholds the legal integrity of Nigeria's oil and gas asset allocation process. This ruling is a significant validation of President Bola Ahmed Tinubu's administration's commitment to depoliticizing regulatory decisions, ensuring that oil and gas assets are allocated transparently and based strictly on merit, compliance, and operational performance. By eliminating political interference from the regulatory process, the administration is bolstering Nigeria's appeal as a predictable, rules-based investment destination for global energy players.

The court's judgment, delivered by Justice Ayo Emmanuel, found that Bayelsa Oil Company Limited lacked the legal standing to challenge the Federal Government's re-award of OML 46. The case was dismissed in its entirety, with the court ruling that it was statute-barred under Section 2 of the Public Officers Protection Act and Section 307 of the Petroleum Industry Act (PIA) 2021, which establish clear legal timelines for contesting oil asset allocations.

This decision sends a strong signal to investors and energy stakeholders that Nigeria's legal system upholds due process, protects contract sanctity, and ensures that regulatory actions are backed by law. By affirming regulatory decisions in asset reallocation, the ruling underscores Nigeria's credibility as a jurisdiction where legal certainty and investment protection are priorities.

The NUPRC, under the leadership of Chief Executive Engr. Gbenga Komolafe, has been instrumental in enforcing a transparent, predictable, and rules-based approach to asset management in the upstream oil and gas sector. The Commission's Seven Pillars of Divestment Strategy has led to the revocation of non-performing leases and the reallocation of critical assets, such as OML 46, to technically and financially capable operators.

Chikaosolu Ojukwu, S.A.N., legal counsel for the NUPRC, described the ruling as a landmark moment for regulatory and investor confidence in Nigeria, stating:

"This ruling affirms that Nigeria's legal system provides strong protections for legitimate investors. By ensuring that contract sanctity and regulatory integrity are upheld, this judgment reinforces the predictability and fairness of Nigeria's oil and gas sector, making it a more attractive destination for long-term investment."

With legal distractions now eliminated, Halkin E&P is now set to accelerate its OML 46 development strategy with a planned 2,000-barrel modular refinery, the development of solar and hybrid power projects in host communities, and working with key partners to enhance exploration, maximize field output, and contribute to Nigeria's crude production targets.

As the NUPRC continues to implement President Tinubu's policy of regulatory independence and depoliticized decision-making, investors can expect stability, transparency, and fairness in Nigeria's upstream oil and gas industry.

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