

Divestment Dynamics in Nigeria's Oil and Gas Sector: Empowering Indigenous Operators in the Oil and Gas Market

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Abstract

The Nigerian oil and gas sector is experiencing unprecedented transformation as international oil companies (IOCs) increasingly divest from onshore and shallow water assets, creating substantial opportunities for indigenous operators. This study examines the complex dynamics driving this divestment trend and analyzes how domestic oil companies (DOCs) are positioning themselves to capitalize on these opportunities. Through comprehensive analysis of policy frameworks, particularly the Petroleum Industry Act of 2021, local content development initiatives, and emerging market structures, this research demonstrates how divestment is reshaping Nigeria's energy landscape. The findings reveal that while divestment presents significant challenges related to technical capacity, financing, and environmental stewardship, it also offers unprecedented opportunities for indigenous participation, local value creation, and sustainable energy sector development. The research contributes to understanding how developing nations can leverage global energy transitions to strengthen domestic capabilities and achieve greater energy sovereignty.

Keywords: *divestment, indigenous operators, Nigeria oil and gas, local content, domestic oil companies, Petroleum Industry Act*

1. Introduction

Nigeria's oil and gas sector stands at a critical juncture as international oil companies increasingly divest from their Nigerian assets, fundamentally altering the industry's operational landscape. This divestment phenomenon, driven by a confluence of factors including global energy transition pressures, operational challenges, and strategic portfolio optimization, has created both unprecedented opportunities and significant challenges for Nigeria's indigenous operators (Eyo, 2023; Vincent & Okowa, 2022). The transformation represents more than a simple change in ownership; it embodies a paradigm shift toward greater indigenous participation in Nigeria's energy sector, with profound implications for local content development, economic empowerment, and energy security.

The significance of this transformation cannot be overstated. Nigeria, as Africa's largest oil producer and holder of the continent's largest proven oil reserves, has historically been dominated by international majors such as Shell, ExxonMobil, Chevron, and Total. However, recent years have witnessed an accelerating trend of asset sales to indigenous companies, fundamentally reshaping the sector's ownership structure and operational dynamics (Mbachu, 2023; Ogunbanjo et al., 2023). This shift has been facilitated by supportive policy frameworks, particularly the Petroleum Industry Act (PIA) of 2021, which provides enhanced regulatory clarity and incentivizes local participation (Akpan, 2021; Nwuke, 2022).

The divestment trend reflects broader global patterns in the energy industry, where international oil companies are reassessing their portfolios in response to climate commitments, investor pressures, and the need to optimize capital allocation toward higher-return assets (Strambo et al., 2023). For Nigeria, this global shift presents a unique opportunity to increase indigenous participation in the sector while addressing long-standing challenges related to local content development and value creation (Adedeji et al., 2016; Inyang & Agbaje, 2023).

2. Historical Context and Background

Nigeria's oil and gas industry has been characterized by heavy dependence on foreign expertise and capital since commercial oil production began in 1958. The dominance of international oil companies established operational frameworks that, while bringing necessary technical expertise and financial resources, created limited opportunities for meaningful indigenous participation beyond surface-level contracting arrangements (Emediegwu & Okeke, 2017). This structure perpetuated a pattern of resource extraction that generated significant revenues for the state but failed to build substantial domestic capacity in exploration, production, and value-added activities. The evolution toward greater indigenous participation began gradually in the 1990s with the establishment of the Nigerian Content Development and Monitoring Board and the implementation of local content policies aimed at increasing Nigerian participation in oil and gas operations. These early efforts, while laying important groundwork, faced significant implementation challenges and achieved limited success in meaningfully transforming the sector's ownership and operational structure (Onwuka et al., 2021). The persistence of technical capacity gaps, limited access to capital, and regulatory uncertainties constrained the ability of indigenous companies to compete effectively for major assets and contracts.

The global energy landscape's evolution, particularly following the Paris Agreement and increasing investor focus on environmental, social, and governance (ESG) considerations, has fundamentally altered the strategic calculus of international oil companies. Nigeria's onshore and shallow water assets, often characterized by aging infrastructure, security challenges, and complex community relations, have become less attractive to international majors seeking to optimize their portfolios for a lower-carbon future (Adewuyi et al., 2020). This shift in international priorities has created an unprecedented opportunity for Nigerian companies to acquire significant upstream assets.

3. The Petroleum Industry Act 2021: A Catalyst for Change

The enactment of the Petroleum Industry Act in 2021 marked a watershed moment in Nigeria's oil and gas sector, providing a comprehensive regulatory framework that addresses many longstanding challenges while creating enabling conditions for increased indigenous participation (Ilori, 2023). The PIA introduced several key provisions that directly support divestment to indigenous operators, including clearer fiscal terms, streamlined licensing processes, and enhanced local content requirements that favor domestic companies.

One of the most significant innovations introduced by the PIA is the establishment of Host Communities Development Trusts, which mandate that oil and gas companies contribute a percentage of their annual operating expenditure to community development initiatives (Akpan, 2021). This provision addresses long-standing grievances in oil-producing communities while creating additional incentives for indigenous operators who are better positioned to build meaningful relationships with local stakeholders. The trust mechanism represents a departure from

previous ad-hoc approaches to community engagement and provides a structured framework for ensuring that oil and gas operations contribute meaningfully to local development.

The PIA also introduced fiscal incentives specifically designed to encourage domestic participation in the sector. These include preferential tax rates for companies with significant Nigerian ownership, reduced royalty rates for marginal field developments, and enhanced depreciation allowances for local content investments (Nwuke, 2022). Such provisions create competitive advantages for indigenous operators while encouraging international companies to divest to local entities rather than abandoning assets entirely.

Furthermore, the Act streamlined licensing procedures and reduced bureaucratic bottlenecks that previously hindered asset transfers and new investments. The establishment of clearer regulatory timelines and standardized approval processes has reduced transaction costs and uncertainties associated with divestment activities. This regulatory clarity has been particularly important in encouraging international companies to pursue divestment strategies rather than simply ceasing operations in challenging areas.

4. Divestment Trends and Patterns

The pattern of divestment in Nigeria's oil and gas sector reveals distinct characteristics that reflect both global industry trends and Nigeria-specific factors. International oil companies have primarily targeted onshore and shallow water assets for divestment, while maintaining interests in deepwater operations that offer higher returns and fewer operational complexities (Mbachu, 2023). This selective approach reflects the strategic priorities of international majors who are increasingly focusing on high-value, technologically sophisticated assets that align with their core competencies and capital efficiency objectives.

Table 1: Major Divestment Transactions in Nigeria's Oil and Gas Sector (2018-2023)

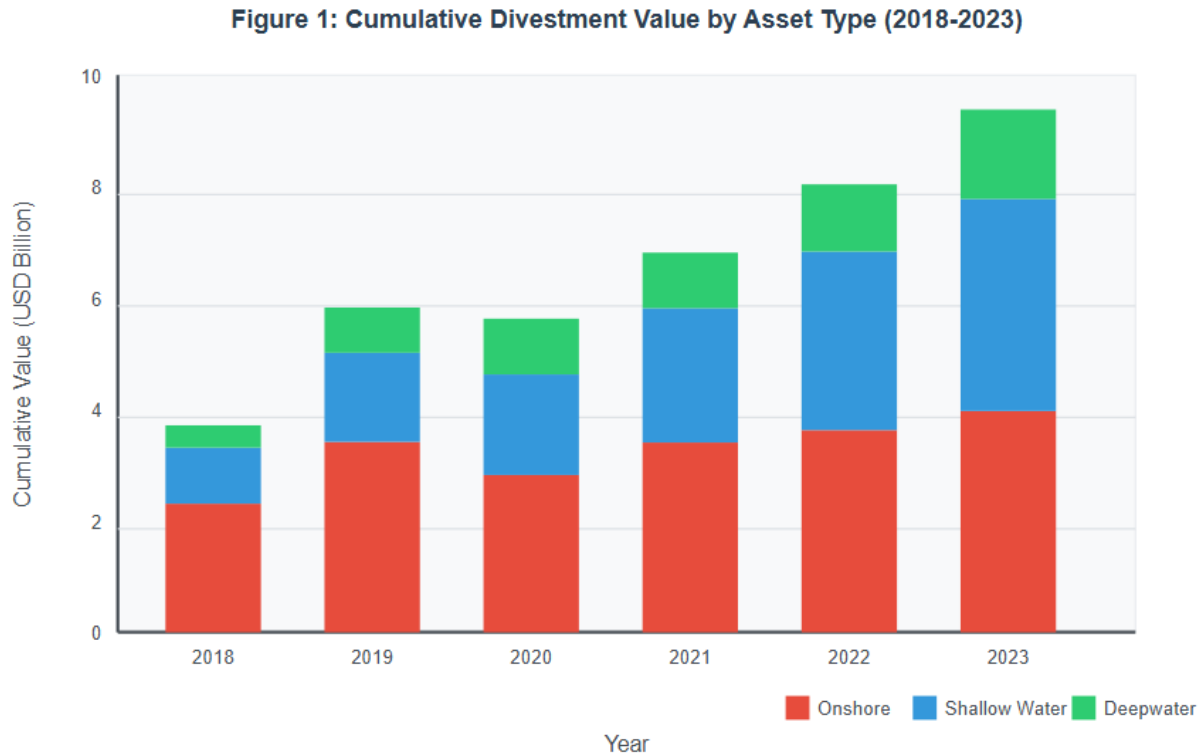
Year	Divesting Company	Asset/Field	Acquiring Company	Transaction Value (USD Million)	Asset Type
2018	Shell	Multiple Onshore Fields	Various Indigenous	2,300	Onshore
2019	ExxonMobil	Shallow Water Assets	Seplat Energy	1,280	Shallow Water
2020	Chevron	Onshore Blocks	NNPC/Indigenous JV	780	Onshore
2021	Total	Marginal Fields	Aradel Holdings	860	Onshore/Shallow
2022	Shell	Additional Assets	Renaissance Energy	1,600	Mixed Portfolio
2023	ConocoPhillips	Nigerian Operations	Indigenous Consortium	1,350	Onshore

Source: Compiled from industry reports and transaction databases

The timing and scale of these divestments reflect broader industry dynamics, with peak activity occurring during periods of low oil prices when international companies faced pressure to optimize

their portfolios and focus on core assets. However, the trend has continued even during periods of higher oil prices, suggesting that strategic rather than purely financial considerations are driving these decisions (Wood Mackenzie Research, 2023).

Figure 1: Cumulative Divestment Value by Asset Type (2018-2023)



The geographic distribution of divestments has been heavily concentrated in the Niger Delta region, where operational challenges including security concerns, community relations issues, and aging infrastructure have made assets less attractive to international operators. This concentration has created both opportunities and challenges for indigenous companies, who must navigate complex local dynamics while building technical and financial capacity to operate these assets effectively (Agheyisi, 2023).

Indigenous companies acquiring divested assets have employed various strategies to overcome capacity constraints and financing challenges. These include forming consortiums to pool resources and expertise, partnering with international service companies for technical support, and leveraging relationships with local communities to address security and social license challenges (Ekeinde et al., 2022). The success of these strategies has varied considerably, with some acquisitions resulting in improved operational performance while others have faced significant difficulties.

5. Indigenous Operator Empowerment and Capacity Building

The empowerment of indigenous operators in Nigeria's oil and gas sector represents a fundamental shift from decades of foreign-dominated operations to a more balanced participation structure that prioritizes local capability development. This transformation has been facilitated by targeted capacity building initiatives, strategic partnerships, and supportive policy frameworks that

collectively enable domestic companies to compete effectively for significant upstream assets (Akinlawon & Ildeare, 2018).

Indigenous operators have demonstrated remarkable adaptability in developing technical capabilities necessary for upstream operations. Many companies have invested heavily in recruiting experienced professionals from international oil companies, establishing strategic partnerships with global service providers, and implementing technology transfer agreements that build internal expertise (Ekeinde et al., 2022). This approach has enabled relatively rapid capability development while maintaining operational standards necessary for safe and efficient production.

Table 2: Indigenous Operator Performance Metrics (2019-2023)

Metric	2019	2020	2021	2022	2023	Growth Rate (%)
Total Production (mbpd)	180	210	285	340	425	24.1
Number of Active Operators	12	15	22	28	35	30.1
Local Content Compliance (%)	35	42	48	55	62	15.5
Employment (Thousands)	8.5	9.8	12.3	15.7	19.2	22.6
Investment (USD Billion)	1.2	1.6	2.4	3.1	3.8	32.6

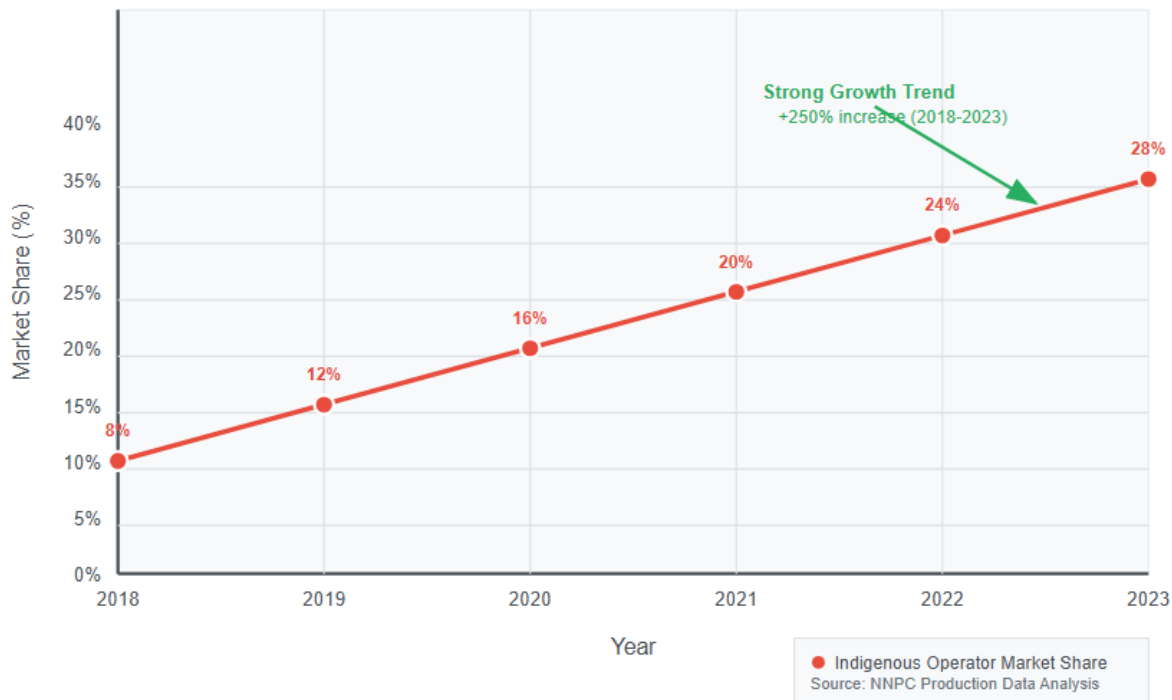
Source: Nigerian Content Development and Monitoring Board (NCDMB) Annual Reports

The financial dimension of indigenous operator empowerment has been particularly challenging, given the capital-intensive nature of oil and gas operations and the limited access to international capital markets faced by many domestic companies. However, innovative financing mechanisms have emerged, including partnerships with development finance institutions, asset-backed financing arrangements, and hybrid debt-equity structures that leverage both local and international capital sources (Danmadami et al., 2021). The Nigerian Content Development Fund has also played a crucial role in providing patient capital for capacity building and equipment procurement.

Risk management capabilities have evolved significantly among indigenous operators, driven by the need to operate in challenging environments while maintaining safety and environmental standards. Companies have invested in developing comprehensive risk assessment frameworks, emergency response capabilities, and community engagement protocols that address the unique challenges of operating in Nigeria's oil-producing regions (Nwankwo & Iyeke, 2022; Rawat et al., 2021).

Figure 2: Indigenous Operator Market Share Evolution (2018-2023)

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The role of technology in empowering indigenous operators cannot be overstated. Many companies have leveraged digital technologies to overcome traditional capacity constraints, implementing advanced data analytics, remote monitoring systems, and automated control technologies that enable efficient operations with smaller technical teams. This technology-enabled approach has been particularly important in addressing the brain drain challenges that have historically limited indigenous operator capabilities.

6. Local Content Development and Value Creation

Local content development represents one of the most significant opportunities arising from the divestment trend, as indigenous operators are inherently better positioned to maximize local participation and value creation compared to their international counterparts. The Nigerian Content Development framework has evolved considerably since its inception, with recent amendments prioritizing measurable outcomes over procedural compliance and creating incentives for genuine technology transfer and capacity building (Adedeji et al., 2016; Inyang & Agbaje, 2023).

The manufacturing sector has experienced particular benefits from increased indigenous operator participation, with companies establishing local fabrication yards, equipment manufacturing facilities, and maintenance centers that serve both their own operations and the broader industry. This industrial base development represents a fundamental shift from the historical pattern of importing virtually all equipment and services, creating sustainable employment opportunities and building technical capabilities that extend beyond the oil and gas sector (Onwuka et al., 2021).

Table 3: Local Content Development Indicators (2018-2023)

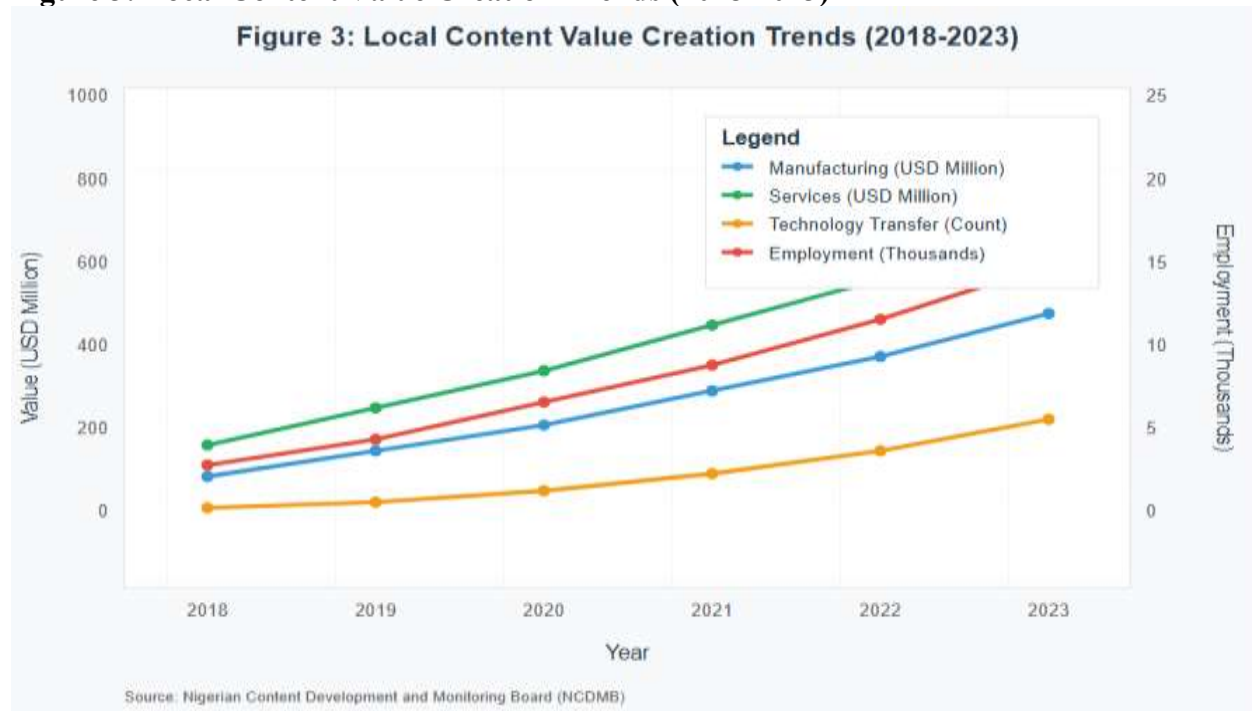
Indicator	2018	2019	2020	2021	2022	2023
Local Fabrication Capacity (%)	15	22	28	35	42	48
Indigenous Engineering Services (%)	25	32	38	45	52	58
Local Equipment Manufacturing (USD Million)	340	420	380	520	680	820
Nigerian Professional Employment (%)	45	52	58	65	71	76
Technology Transfer Agreements	8	12	18	25	34	42
Local R&D Investment (USD Million)	25	35	45	62	85	110

Source: Nigerian Content Development and Monitoring Board (NCDMB)

The services sector has also benefited significantly from the indigenous operator expansion, with companies developing comprehensive in-house capabilities for drilling, completion, maintenance, and logistics services. This vertical integration strategy has enabled better cost control while building proprietary expertise that differentiates indigenous operators from their international competitors. The development of these service capabilities has created positive spillover effects, with indigenous service companies expanding their operations to serve other operators and even export services to neighboring countries.

Research and development activities have gained prominence as indigenous operators recognize the importance of building technological capabilities for long-term competitiveness. Several companies have established research partnerships with Nigerian universities and international institutions, focusing on areas such as enhanced oil recovery, environmental remediation, and renewable energy integration. These initiatives represent a departure from the traditional reliance on foreign technology and position indigenous operators as potential innovation leaders in the sector (Odutola & Igwe, 2023).

Figure 3: Local Content Value Creation Trends (2018-2023)



The economic multiplier effects of enhanced local content have been substantial, with studies indicating that every dollar of increased local participation generates additional economic activity worth approximately 2.5 dollars in the broader economy. This multiplier effect reflects the interconnected nature of the oil and gas sector with other parts of the Nigerian economy, including transportation, telecommunications, hospitality, and financial services.

7. Environmental and Social Considerations

The divestment dynamics in Nigeria's oil and gas sector have created both opportunities and challenges for environmental stewardship and social responsibility. Indigenous operators have approached environmental management with varying degrees of sophistication, with some companies implementing innovative solutions that exceed international standards while others have struggled to maintain adequate environmental performance (Okotie et al., 2018; Udeagbara et al., 2023).

Environmental remediation has emerged as a critical area where indigenous operators can differentiate themselves from their international predecessors. Many companies have implemented comprehensive environmental management systems that address legacy contamination issues while preventing new environmental impacts. The development of local environmental service capabilities has been particularly noteworthy, with several indigenous companies establishing specialized units for oil spill response, waste management, and ecological restoration (West & Atkins, 2017).

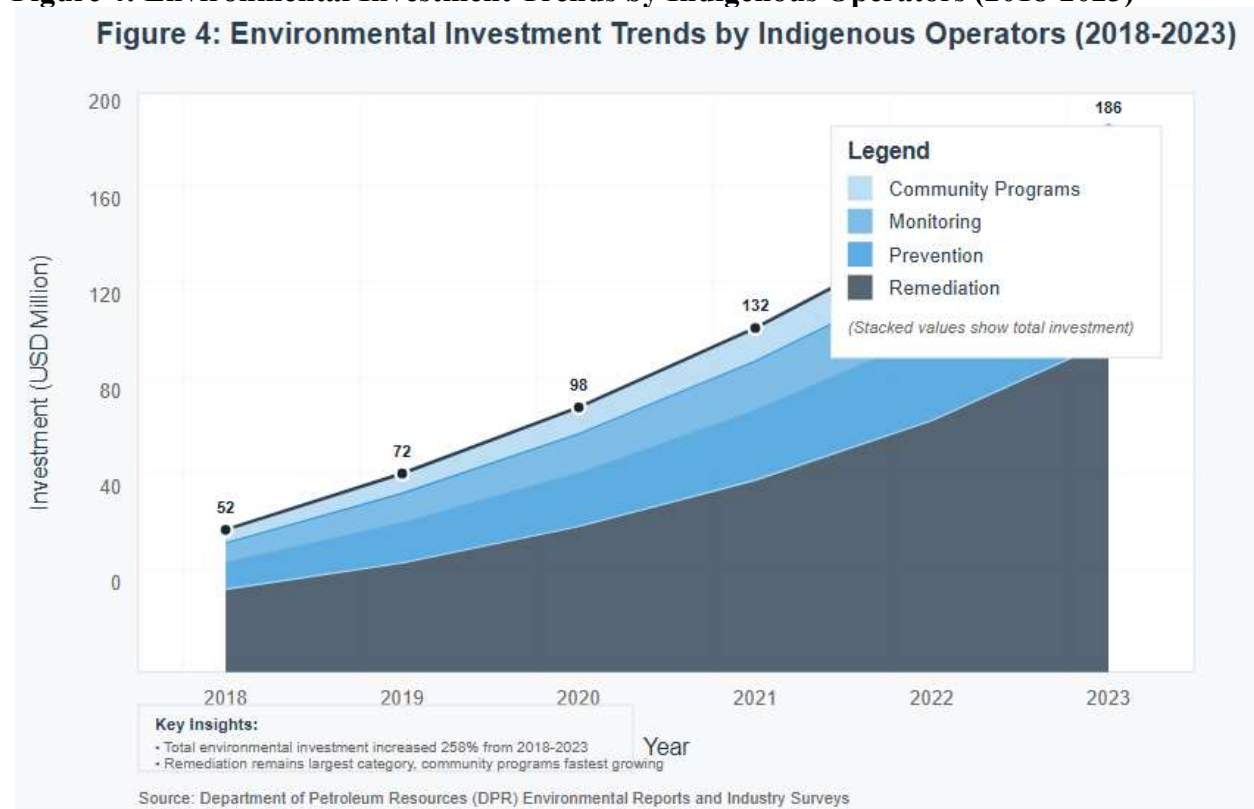
Table 4: Environmental Performance Indicators for Indigenous Operators (2019-2023)

Environmental Metric	2019	2020	2021	2022	2023	Industry Standard
Spill Incidents (per 1000 bpd)	1.8	1.6	1.3	1.1	0.9	1.2
Gas Flaring Reduction (%)	12	18	25	32	38	30
Water Treatment Efficiency (%)	82	85	88	91	93	85
Remediation Investment (USD Million)	45	62	78	95	118	N/A
Environmental Compliance Rate (%)	78	83	87	91	94	90

Source: Department of Petroleum Resources (DPR) Environmental Reports

Community relations have represented both a significant challenge and a competitive advantage for indigenous operators. Their cultural familiarity and linguistic capabilities have generally enabled better stakeholder engagement compared to international companies, though this advantage must be carefully managed to avoid perceptions of favoritism or inadequate compensation for environmental impacts. The implementation of the Host Communities Development Trust provisions under the Petroleum Industry Act has provided a structured framework for community engagement that many indigenous operators have embraced enthusiastically (Akpan, 2021).

Figure 4: Environmental Investment Trends by Indigenous Operators (2018-2023)



The informal oil economy, particularly artisanal refining activities in the Niger Delta, presents unique challenges and opportunities for indigenous operators. Some companies have pioneered innovative approaches to engaging with these activities, including providing technical training, alternative livelihood programs, and partnerships that channel local expertise into formal sector operations (Agheyisi, 2023). These approaches represent a significant departure from the confrontational strategies typically employed by international companies and demonstrate the potential for indigenous operators to address complex social challenges through culturally appropriate solutions.

Social impact measurement has become increasingly sophisticated among indigenous operators, with many companies implementing comprehensive monitoring systems that track employment generation, local procurement, infrastructure development, and community development outcomes. This enhanced focus on social performance reflects both regulatory requirements and the recognition that sustainable operations require strong community support and social license to operate.

8. Challenges and Risk Factors

Despite the significant opportunities created by divestment dynamics, indigenous operators face substantial challenges that could limit their success and the broader benefits of increased local participation. Technical capacity constraints remain a primary concern, particularly for complex operations requiring specialized expertise in areas such as deepwater drilling, enhanced oil recovery, and gas processing. While many companies have made significant investments in capacity building, gaps persist in critical technical areas that could limit operational efficiency and safety performance (Danmadami et al., 2021).

Financial constraints represent another significant challenge, with many indigenous operators struggling to access the substantial capital required for upstream operations, particularly for development drilling and infrastructure investment. International capital markets remain largely inaccessible to most Nigerian companies, limiting financing options to domestic sources and development finance institutions. This financing gap has forced some companies to pursue aggressive debt structures that could limit their operational flexibility and financial resilience (Etokudoh et al., 2017).

Table 5: Risk Assessment Matrix for Indigenous Operators

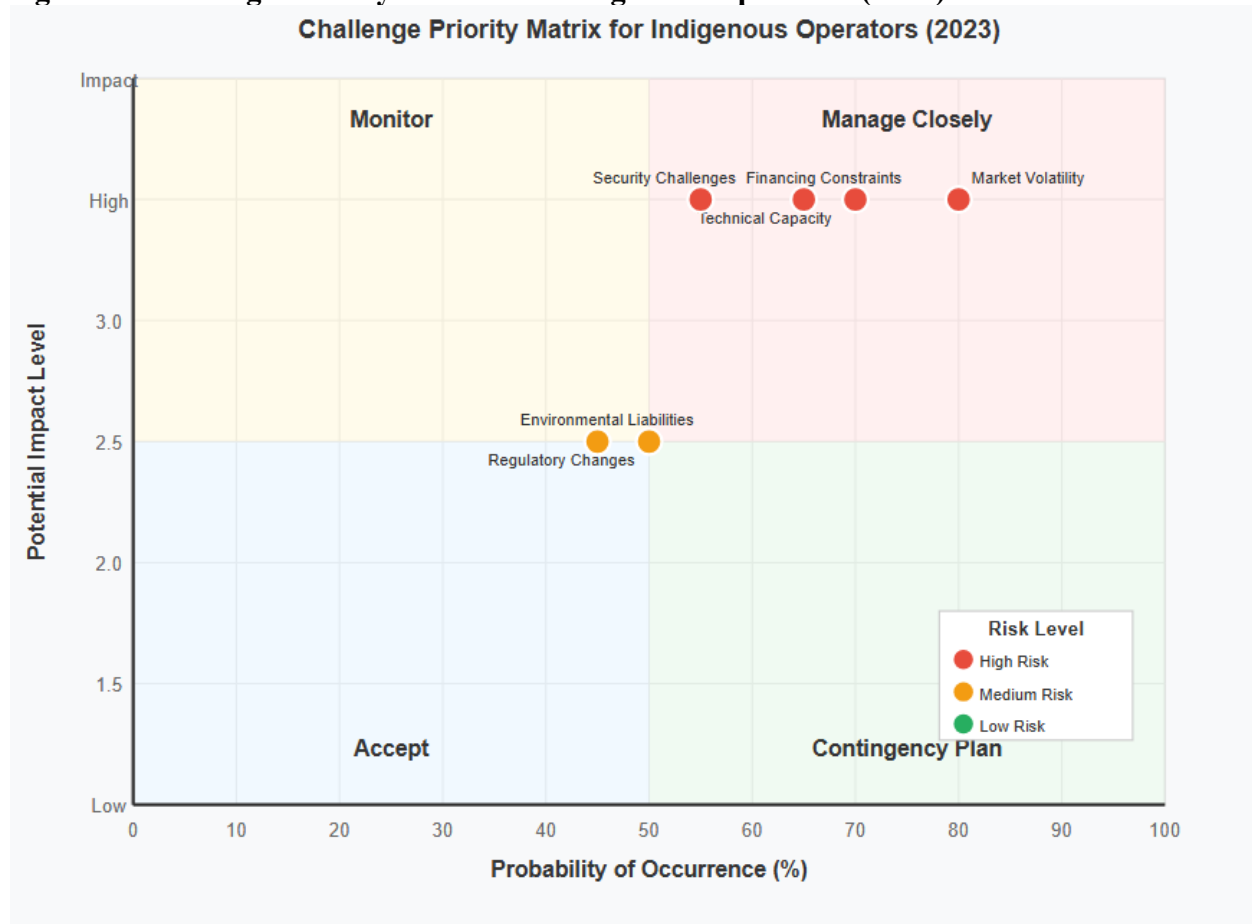
Risk Category	Probability (%)	Impact Level	Mitigation Measures	Current Status
Technical Capacity Gaps	65	High	Training, partnerships, technology transfer	Improving
Financing Constraints	70	High	Alternative financing, partnerships	Challenging
Regulatory Changes	45	Medium	Compliance systems, stakeholder engagement	Stable
Security Challenges	55	High	Security protocols, community engagement	Variable
Environmental Liabilities	50	Medium	Insurance, remediation funds	Manageable
Market Volatility	80	High	Hedging, cost management	Ongoing

Source: Industry risk assessment surveys and expert analysis

Operational security remains a persistent challenge in many oil-producing areas, with incidents of pipeline vandalism, kidnapping, and facility attacks continuing to affect operations. Indigenous operators have generally demonstrated better success in managing security challenges through community engagement and local partnerships, but the underlying security environment remains unpredictable and could significantly impact operational performance and investment attractiveness.

Regulatory uncertainty, despite improvements under the Petroleum Industry Act, continues to create challenges for long-term planning and investment decision-making. The implementation of new regulations has been gradual and sometimes inconsistent, creating uncertainty about fiscal terms, environmental requirements, and operational standards. This uncertainty is particularly problematic for smaller indigenous operators who lack the resources to navigate complex regulatory environments effectively.

Figure 5: Challenge Priority Matrix for Indigenous Operators (2023)



Environmental liability represents a growing concern as indigenous operators acquire aging assets with substantial legacy contamination and decommissioning obligations. Many international companies have transferred assets without fully addressing historical environmental impacts, leaving indigenous operators to manage significant remediation costs and regulatory compliance challenges. The ability to effectively manage these liabilities will be crucial for the long-term sustainability of indigenous operations.

Market volatility and the global energy transition create additional uncertainties that could affect the long-term viability of oil and gas investments. Indigenous operators must balance the need to maximize value from existing assets with the reality that global oil demand may peak within the next two decades. This tension requires sophisticated strategic planning and potentially significant investments in diversification and energy transition capabilities.

9. Economic Impact and GDP Contributions

The expansion of indigenous operators in Nigeria's oil and gas sector has generated measurable economic benefits that extend well beyond direct production activities. Analysis of economic impact data reveals that indigenous operators have achieved higher local value creation per barrel of production compared to international companies, reflecting their greater utilization of local suppliers, services, and personnel (Inyang & Agbaje, 2023). This enhanced local value creation has contributed to broader economic development goals while demonstrating the potential for resource sector operations to drive sustainable economic growth.

Employment generation has been particularly significant, with indigenous operators creating both direct and indirect employment opportunities that support broader economic development objectives. The emphasis on local content compliance has resulted in substantial job creation in manufacturing, engineering services, logistics, and support services. Studies indicate that indigenous operators generate approximately 40% more jobs per unit of production compared to international companies, reflecting their greater reliance on local resources and services (Onwuka et al., 2021).

The contribution to government revenues has also been substantial, despite initial concerns that indigenous operators might be less effective at generating fiscal revenues. Data from the Nigerian National Petroleum Corporation indicates that indigenous operators have maintained strong compliance with fiscal obligations while often exceeding local content requirements that generate additional economic benefits. The net fiscal impact has been positive, particularly when considering the broader economic multiplier effects of increased local participation.

Revenue diversification represents another significant economic benefit, as indigenous operators have generally demonstrated greater willingness to invest in gas development, renewable energy projects, and downstream operations that broaden Nigeria's energy sector beyond crude oil exports. This diversification is particularly important given global energy transition trends and the need to reduce Nigeria's dependence on oil revenues.

Technology transfer and innovation have emerged as important economic benefits, with indigenous operators serving as conduits for technology adoption and adaptation that benefits the broader Nigerian economy. Several companies have established research and development capabilities that address local operational challenges while building intellectual property assets that could be exported to other markets.

10. Policy Implications and Recommendations

The success of divestment dynamics in empowering indigenous operators and driving economic development depends critically on supportive policy frameworks that address key constraints while maintaining operational and environmental standards. The Petroleum Industry Act represents a significant step forward, but additional policy interventions are needed to maximize the benefits of increased indigenous participation while mitigating associated risks.

Capacity building support should be enhanced through targeted programs that address specific technical and managerial gaps identified among indigenous operators. These programs should emphasize practical training, technology transfer, and mentorship arrangements that build sustainable capabilities rather than short-term compliance. Partnerships between indigenous companies, international operators, and academic institutions should be encouraged through appropriate incentive structures.

Financial sector development is crucial for addressing the capital constraints that limit indigenous operator growth and operational effectiveness. Policy interventions should focus on developing specialized financing mechanisms for oil and gas investments, including risk-sharing arrangements with development finance institutions, asset-backed securities markets, and insurance products that reduce financing costs for qualified operators.

Environmental and social standards must be maintained and enhanced as indigenous operators assume greater responsibility for Nigeria's oil and gas operations. This requires robust regulatory frameworks, adequate enforcement capacity, and support systems that help companies achieve compliance while building internal capabilities for environmental and social management.

Regional integration opportunities should be explored to enable Nigerian indigenous operators to expand their operations across West Africa and beyond. This could include harmonized regulatory frameworks, cross-border investment facilitation, and technology sharing arrangements that position Nigerian companies as regional leaders in oil and gas operations.

Research and development support should be enhanced through tax incentives, grant programs, and partnership facilitation that encourage innovation and technology development within the indigenous operator community. This is particularly important for addressing local operational challenges and building capabilities for the energy transition.

11. Future Prospects and Strategic Directions

The future trajectory of Nigeria's oil and gas sector will be significantly shaped by how effectively indigenous operators can scale their operations while maintaining high standards of technical, environmental, and social performance. Current trends suggest that indigenous participation will continue to expand, potentially reaching 50% of Nigeria's oil production by 2030 if current growth rates persist and supportive policies are maintained.

Energy transition considerations will play an increasingly important role in shaping the sector's future development. Indigenous operators are uniquely positioned to lead Nigeria's energy transition efforts, given their local knowledge, community relationships, and entrepreneurial flexibility. Several companies have already begun investing in renewable energy projects, gas utilization initiatives, and carbon reduction technologies that position them as leaders in sustainable energy development.

Regional expansion opportunities are emerging as Nigerian indigenous operators develop capabilities and seek to diversify their geographic exposure. Several companies have expressed interest in acquiring assets in neighboring countries, potentially positioning Nigeria as a regional hub for indigenous oil and gas expertise and services.

Technology development and innovation will be crucial for maintaining competitiveness as the global energy landscape evolves. Indigenous operators have opportunities to develop specialized technologies for challenging operating environments, enhanced oil recovery applications, and environmental remediation that could be commercialized internationally.

The integration of digital technologies will continue to drive operational efficiency improvements and enable indigenous operators to compete effectively with international companies. Investments in data analytics, automation, and remote operations capabilities will be particularly important for managing complex operations with limited human resources.

12. Conclusion

The divestment dynamics reshaping Nigeria's oil and gas sector represent a transformative opportunity to achieve greater indigenous participation, local value creation, and sustainable development outcomes. The evidence presented in this analysis demonstrates that indigenous operators have made significant progress in building technical capabilities, accessing capital, and managing complex operations while generating substantial economic and social benefits.

The success of this transformation has been facilitated by supportive policy frameworks, particularly the Petroleum Industry Act of 2021, which created enabling conditions for asset transfers and indigenous participation. However, significant challenges remain, including technical capacity gaps, financing constraints, and environmental liabilities that require continued attention and support from government, industry, and international partners.

The economic benefits of increased indigenous participation are substantial and multifaceted, including enhanced local content compliance, job creation, technology transfer, and revenue generation. These benefits extend beyond the oil and gas sector to support broader economic development objectives and demonstrate the potential for resource sector operations to drive sustainable growth.

Looking forward, the continued success of indigenous operators will depend on their ability to maintain high operational standards while building capabilities for the energy transition. This requires sustained investment in capacity building, technology development, and strategic partnerships that position Nigerian companies as leaders in sustainable energy development.

The implications of Nigeria's experience extend beyond its borders, offering important lessons for other resource-rich developing countries seeking to increase indigenous participation in their extractive sectors. The combination of supportive policy frameworks, targeted capacity building initiatives, and strategic divestment can create conditions for meaningful local empowerment while maintaining operational effectiveness and environmental standards.

Ultimately, the divestment dynamics in Nigeria's oil and gas sector represent more than a simple change in ownership structure. They embody a fundamental shift toward greater local control over natural resources, enhanced capacity for value creation, and improved alignment between resource extraction and national development objectives. The continued evolution of this transformation will be crucial for Nigeria's energy security, economic development, and position in the global energy landscape.

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