

PETROLEUM TECHNOLOGY DEVELOPMENT JOURNAL
1ST ANNUAL SUMMIT 30 SEPTEMBER 2026

Theme: Private Sector Participation in Nigeria's Midstream and Downstream Petroleum Sector: The Prospects, Challenges and The Way Forward.

Keynote Speech

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Fifty-three years ago, the Federal Government of Nigeria made a strategic decision: owning oil and gas resources was not enough; we needed Nigerian expertise to develop our resource base. That decision led to the establishment of the Petroleum Technology Development Fund (PTDF) under "Decree (now Act) No. 25 of 1973." From its beginnings as "a desk in the Department of Petroleum Resources" in 1973, when our petroleum industry was heavily dependent on foreign technical expertise, to its evolution into a fully functional independent agency in 2000, PTDF has stood the test of time and played a significant role in the Nigerian petroleum sector. With over 15,639 scholars sponsored across various programs, more than 50,000 research projects supported, and numerous collaborations with industry and higher institutions, PTDF has made a significant contribution to research and human capacity development. Many of these professionals, like me, have gone on to occupy key positions across the Nigerian petroleum sector, service companies, and academia.

While this is a laudable achievement, we must recognize that the petroleum sector and industry we are building today are different from the one PTDF was established to support. The challenge is no longer simply to produce skilled Nigerians. It is to retain that expertise, create opportunities to apply it, and convert knowledge into technology, businesses, and economic value. As an indigenous operator, we see this every day. Nigeria has the talent; the next step is to build the ecosystem that keeps that talent engaged and provides a platform to solve Nigerian problems. I believe this is where PTDF's next chapter can have its greatest impact.

We face no shortage of challenges across the midstream and downstream sectors, but I would highlight three interconnected ones: 1) infrastructure deficits and reliability constraints, 2) human-capital and technical-capability gaps, and 3) financing, commercial viability, and investment uncertainty. Nigeria still faces significant constraints in gas gathering and processing, pipelines, storage, terminals, distribution infrastructure, refinery support infrastructure and product logistics. Pipeline vandalism, theft and integrity issues disrupt supply. Limited gas-processing and evacuation infrastructure currently constrains gas monetization. This has a negative knock-on effect, resulting in higher operating costs, supply disruptions, lower asset utilization and weaker investment economics.

The Federal Government of Nigeria, through its Ministries, Departments, and Agencies (MDAs) and NNPC Limited, has made significant investments in strategic infrastructure, including the Ajaokuta-Kaduna-Kano (AKK) and Obiafu-Obrikom-Oben (OB3) pipelines, both of which are important steps toward strengthening Nigeria's gas infrastructure. The challenge now is to build on these investments, expand connectivity, and ensure that infrastructure reaches the projects and end users that will drive industrial activity. In the downstream sector, reliable feedstock and product evacuation remain critical, as crude supply, storage, and logistics affect refinery capacity utilization

and product slate diversification. PTDF can play a critical role by building the expertise needed to deliver, operate, and optimize the infrastructure required to unlock the full potential of Nigeria's midstream and downstream sectors.

As Nigeria develops new refineries, gas-processing facilities, pipelines, and other energy infrastructure, there is a growing need for highly skilled Nigerian technical and managerial personnel, particularly as our midstream and downstream projects become more complex. The scale of the gap is significant. To reduce dependence on external expertise, enable technology transfer, enhance productivity, and mitigate higher operating risks, we must shift from simply creating jobs to building a deep, industry-ready talent pipeline capable of operating increasingly complex assets safely and efficiently. We now need engineers, project managers, process specialists and commercial professionals who can execute increasingly complex projects, while also building the next generation of technical and industry leadership.

Midstream and downstream projects are capital-intensive and require long-term investment horizons. “Their economics can be affected by the high cost of capital and limited availability of long-tenor financing, foreign-exchange exposure, feedstock availability and pricing, product pricing and market volatility, infrastructure and logistics costs, regulatory and contractual uncertainty, counterparty and payment risks, and difficulty securing bankable long-term offtake arrangements.”

For private investors, the central issue is not simply whether Nigeria has significant oil and gas resources, but whether projects can generate predictable, competitive, risk-adjusted returns.

This is why a PTDF–private-sector partnership can be particularly relevant: PTDF can directly address the human-capital and technical-capability constraints, while private-sector investment addresses infrastructure and commercialization. Together, these efforts can support a more competent, reliable, and commercially viable Nigerian midstream and downstream sector.

The opportunity before us is to shift from simply producing resources to building an integrated energy ecosystem. Gas, for example, should no longer be treated primarily as a by-product of oil production but as a platform for power, industry, refining, fertilizers, petrochemicals, CNG, LNG, and gas-based manufacturing. The same applies to infrastructure. We need to think beyond individual projects and consider shared pipelines, gas processing, storage, power, and logistics infrastructure that can serve multiple operators and users within the sector. Industrial parks can also serve as important platforms for this integration by bringing energy, manufacturing, and supporting infrastructure together, thereby reducing costs and strengthening domestic value chains. The objective is straightforward: connect resources to infrastructure, processing, commercialization, and ultimately the end user.

At Waltersmith, this is the direction we are pursuing. We have built our upstream resource base around our operated assets while developing the midstream infrastructure needed to gather and commercialize gas and connect it to potential users. Downstream, our modular refinery reflects our commitment to local crude utilization and domestic product supply. We are also developing the Waltersmith Industrial Park, where shared infrastructure and reliable power can support manufacturing and energy-intensive businesses. For us, this is not integration for its own sake. It is about connecting different parts of the value chain in ways that improve economics, create market access, reduce infrastructure constraints, and generate additional value. This is where I believe the private sector can make a meaningful contribution to the Nigerian Midstream and Downstream Petroleum Sector: not simply by investing in individual assets, but by building the infrastructure and ecosystems that allow those assets to work together and generate greater value

for the economy.

To the current PTDF Leadership and the entire workforce, under the leadership of the Executive Secretary, Professor Shu'aibu Shehu Aliyu, I want to say that, in line with your core mission to build a skilled and knowledgeable workforce capable of sustaining and advancing Nigeria's petroleum sector through strategic partnerships, innovative training programs, and scholarship initiatives, you have your work cut out for you. I believe the next chapter requires us to think beyond the traditional model. PTDF and the private sector must work hand in hand, connecting the talent PTDF develops to the projects the industry is building and must build, and linking research and innovation to current and emerging challenges and needs within the midstream and downstream petroleum sector and the wider energy sector.

A strong private-sector–PTDF partnership can significantly accelerate the development of a competent, commercially viable Nigerian midstream and downstream sector. The potential benefits of which extend beyond training to include technology transfer, employment, operational capability, local content, and investment sustainability. This approach requires adopting a value-accretive model that goes beyond a PTDF-funded training program. It also requires an industry-led competency development partnership in which the Federal Government of Nigeria (FGN), through PTDF, and private-sector operators jointly determine the capabilities Nigeria needs over the next 5–10 years. This model requires a paradigm shift and a strategic move from 'Train Nigerians for the Midstream and Downstream Petroleum Sector' to "Develop Nigerians who can safely, efficiently and commercially operate, maintain, manage and grow Nigeria's midstream and downstream energy infrastructure."

If we can do that, we will not only produce more qualified Nigerians; we will also build Nigerian companies, technologies, infrastructure, and institutions capable of competing globally. The ultimate benefit would be a virtuous cycle: competent people, better-operated midstream and downstream assets, improved project economics, greater private sector investment, adequate infrastructure, more employment and skills development, and ultimately a stronger Nigerian midstream and downstream industry. That is the opportunity before us, and that is the responsibility we all share as a collective.

As I conclude, let me return to where I began. Nigeria has abundant oil and gas resources. What we need now is a combination of capability, infrastructure, technology, and commercial discipline to convert those resources into lasting economic value. We must continue to develop our oil and gas infrastructure, expand domestic refining capacity, build industrial ecosystems, and strengthen the technical and leadership capacity to operate these assets efficiently. The private sector has a critical role to play, but we cannot do it alone. The Federal Government must provide the right policy environment; our regulators must provide clarity and consistency; financiers must support viable projects; and institutions such as PTDF must continue to build the people and expertise that will carry the Upstream, Midstream, and Downstream Petroleum Sector forward.

Distinguished members of the Board of PTDF, representatives of the Federal Government of Nigeria - Ministries, Departments, and Agencies, regulators, industry leaders, partners, colleagues, ladies and gentlemen, my keynote will not end without recognizing PTDF for the remarkable legacy it has built over more than five decades. It has trained generations of Nigerians who have gone on to contribute to and lead across the various segments of Nigeria's Petroleum Sector.

I look forward to the syndicated sessions that will follow, because this conversation should not end with a keynote or this summit. The real value will come from the ideas, experiences, and practical

solutions we can share, and from how we translate those ideas into sustainable, value-adding actions. That is the opportunity before us, and that is the responsibility we all share. Thank you for the opportunity to be part of this important conversation and the 2026 PTDF/PTDJ Summit.