THE CFG ADVISORY

LNG
NIGERIA VS. QATAR
A COMPARATIVE ANALYSIS

APRIL 2026

EXECUTIVE SUMMARY

Nigeria and Qatar are both major natural gas economies that launched their liquefied natural gas (LNG) programs in the same historical window, the late 1980s to mid-1990s, yet their trajectories have diverged sharply. Qatar has become the world's dominant LNG power, producing 77 million tonnes per annum (MTPA), with a stated ambition to reach 142 MTPA by 2030. Nigeria, by contrast, has remained anchored at 22 MTPA since 2007 and is only now approaching 30 MTPA with the near-complete Train 7 expansion. This report examines the foundational differences in how the two programs were conceived, financed, and scaled, and draws critical policy lessons for Nigeria's path forward.

BACKGROUND AND ORIGINS

Nigeria's LNG Journey

The idea of commercializing Nigeria's associated gas for export was first conceived as far back as 1969, coinciding with the early global interest in LNG shipping being explored by British Gas and Gaz de France. However, the Biafran Civil War stalled the project for nearly a decade, and it was only formally revived in 1976 when a shareholder group comprising NNPC, BP, Shell, Philips, Agip, and Elf was assembled. Nigeria LNG Limited (NLNG) was formally incorporated on 17 May 1989 as a limited liability company under Nigerian law.

The project suffered further delays through the early 1990s due to financing difficulties, political instability, and difficulties in securing bankable project structures. The Final Investment Decision (FID) was eventually taken in 1995 to build Trains 1 and 2, creating a 5.9 MTPA nameplate capacity. The Bonny Island plant commenced production in September 1999, with its first cargo delivered to Montoir Terminal in France. NLNG is owned by NNPC (49%), Shell Gas B.V. (25.6%), TotalEnergies LNG Nigeria (15%), and Eni International (10.4%).

Qatar's LNG Journey

Qatar's LNG story pivots on a single transformative geological discovery: Shell's identification of the North Field in 1971, the world's largest single natural gas reservoir. However, it took 26 years from that discovery for Qatar to launch its first LNG plant, the Qatargas facility commissioned in early 1997. Qatargas was established in 1984 as a joint venture between Qatar General Petroleum Corporation (now QatarEnergy), ExxonMobil, and other international partners.

Qatar's development proceeded in a more deliberate and strategically sequenced manner. Between 1984 and 1996, the North Field was explored, offshore drilling was established, and LNG trains were engineered. The first three trains (Train 1, 2, and 3) with a design capacity of 3.3 MTPA each were built between 1996 and 1998. The first LNG shipment was dispatched to Japan in 1996 and to Spain (Enagás) in 1997 from Ras Laffan Industrial City. Ras Laffan Liquefied Natural Gas Company (RasGas) was established in 1993 as a parallel entity, creating competitive internal pressure and redundancy of capacity.

FOUNDING STRUCTURES: A SIDE-BY-SIDE

Dimension	Nigeria (NLNG)	Qatar (Qatargas/RasGas)
Concept inception	1969	1971 (North Field discovery)
Formal incorporation	1989	1984 (Qatargas)
First FID	1995	1992–1993
First LNG production	1999	1996
Initial ownership	NNPC (49%), Shell, Total, Eni	Qatar General Petroleum Corp., ExxonMobil, others
Location	Bonny Island, Rivers State	Ras Laffan Industrial City
Initial capacity (MTPA)	5.9	9.9 (3 trains × 3.3)
Gas source	Niger Delta associated gas	North Field (non-associated)
Governance model	Mixed JV, Nigeria corporate law	State-directed sovereign JV
Key challenge at launch	Financing, political instability	Infrastructure from scratch in desert

EXPANSION TRAJECTORIES

Nigeria: A Decade of Stagnation After 2007

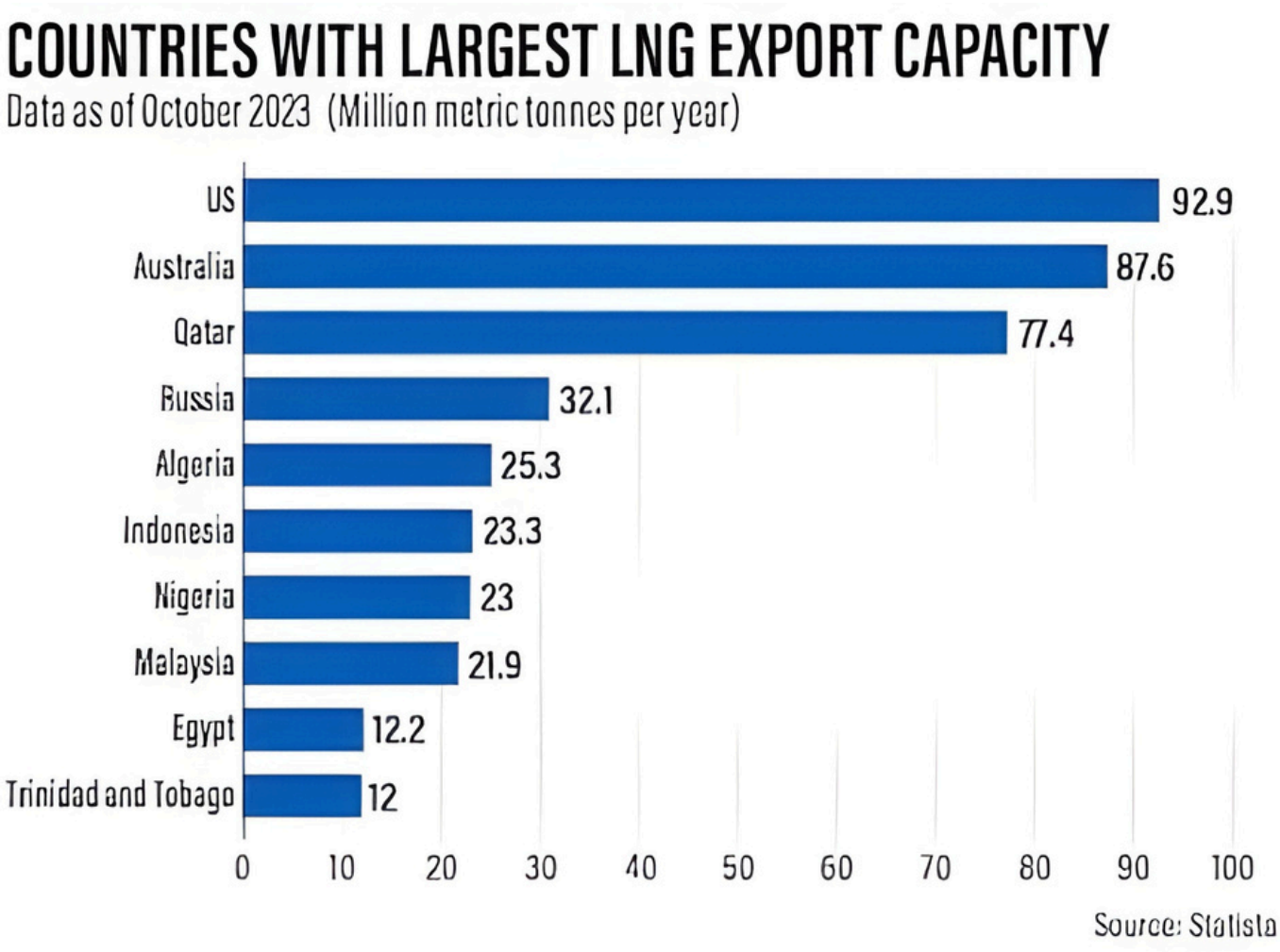
After a commendably rapid buildout through the 2000s, adding Trains 3, 4, 5, and 6 between 2002 and 2007, Nigeria's LNG expansion ground to a halt. From 2007 to 2019, no new FID was made, a consequence of inadequate upstream gas development, IOC hesitancy, regulatory uncertainty, and governance weaknesses. The Train 7 FID was eventually signed on 27 December 2019, with the EPC contract awarded in May 2020 to the SCD JV Consortium (Saipem, Chiyoda, Daewoo).

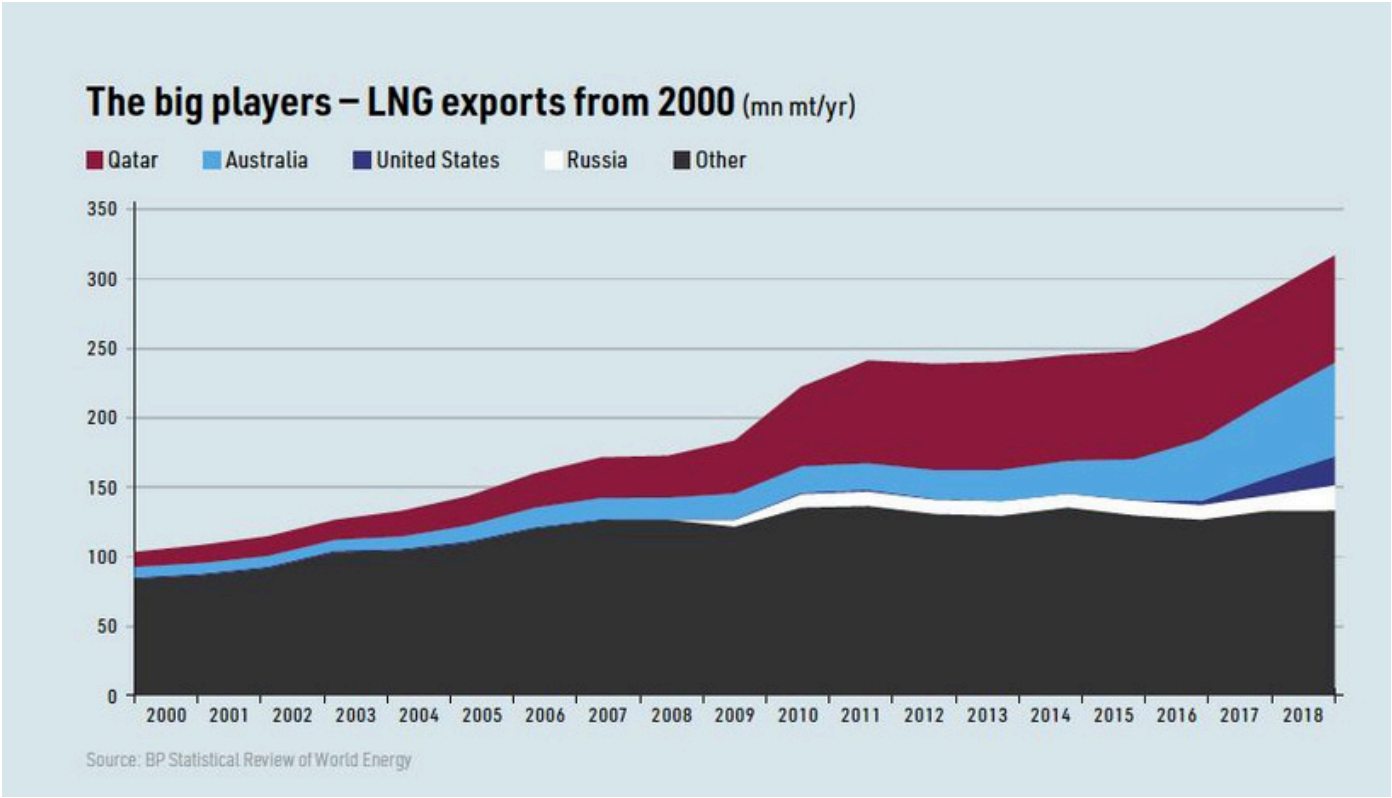
As of January 2026, Train 7 stood at 88% completion. When commissioned, it will increase Nigeria's LNG capacity by approximately 35%, from 22 MTPA to 30 MTPA. This is a critically important step, but one that arrives nearly two decades after the last expansion.

Qatar: Relentless Capacity Scaling

Qatar's approach has been fundamentally different, one of sustained strategic investment guided by long-term sovereign intent. After the initial Qatargas trains, Qatar aggressively expanded through the 2000s and, despite a self-imposed moratorium on North Field development (initially from 2005 to 2017 to allow reservoir studies), returned to expansion with even greater ambition. RasGas and Qatargas were merged into a unified entity, QatarEnergy LNG, effective 1 January 2018.

Qatar's current North Field Expansion (NFE and NFS) will add 32 MTPA of capacity, while the newly announced North Field West (NFW) project, confirmed in February 2024 following extensive appraisal drilling, will add a further 16 MTPA. The total target is 142 MTPA by the end of 2030, representing an 85% increase from the current 77 MTPA base. Qatar also announced additional gas reserves of 240 trillion cubic feet (tcf) during the NFW announcement, raising its total proven reserves to over 2,000 tcf.


COUNTRIES WITH LARGEST LNG EXPORT CAPACITY
Data as of October 2023 (Million metric tonnes per year)
US 92.9
Australia 87.6
Qatar 77.4
Russia 32.1
Algeria 25.3
Indonesia 23.3
Nigeria 23
Malaysia 21.9
Egypt 12.2
Trinidad and Tobago 12
0 10 20 30 40 50 60 70 80 90 100
Source: Statista


The big players – LNG exports from 2000 (mn mt/yr)
Qatar
Australia
United States
Russia
Other
350
300
250
200
150
100
50
0
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018
Source: BP Statistical Review of World Energy

RESERVE BASE AND RESOURCE ENDOWMENT

Metric	Nigeria	Qatar
Proven gas reserves	209 tcf	2,000+ tcf
Reserve-to-production ratio	Very high, but poorly monetised	Dominant globally
Gas type	Largely associated (with crude oil)	Non-associated (dedicated gas fields)
Flaring challenge	Severe — among world's worst	Minimal
Current LNG capacity (MTPA)	22 (→ 30 with Train 7)	77 (→ 142 by 2030)

Nigeria's 209 tcf of proven reserves are more than sufficient to power a world-class LNG industry for generations. The fundamental constraint is not geology; it is the predominantly associated gas nature of Nigeria's reserves, which makes gas production hostage to crude oil output decisions by IOCs. Qatar's North Field, by contrast, is the world's largest non-associated gas field, giving Doha unmatched operational independence and long-term supply certainty.

STRATEGIC AND GOVERNANCE COMPARISON

Qatar's Sovereign Coherence

Qatar's success is not merely a story of good geology. It reflects a deliberate, state-led industrialization model anchored in the Ras Laffan Industrial City, a purpose-built integrated energy hub that co-locates LNG production with petrochemicals, steel, and fertilizer complexes. This industrial clustering has created structural value multipliers that extend far beyond LNG revenues alone. Revenues from gas exports amounted to approximately $132 billion in recent years, fueling Qatar's sovereign wealth fund (SWF) to an estimated $450 billion and generating a GDP per capita exceeding $84,000.

Qatar also exercised remarkable long-term discipline with the North Field moratorium (2005–2017), accepting short-term revenue constraints to conduct proper reservoir management and avoid over-pressuring the field. This is a governance quality rarely seen in resource-rich developing nations.

Nigeria's Governance Deficit

Nigeria's LNG program, despite its technical success, has been perpetually constrained by upstream dysfunction, fiscal instability, and regulatory gaps. The 12-year hiatus between Train 6 (2007) and the Train 7 FID (2019) is the clearest symptom of structural governance failure. Nigeria's share of the global LNG market declined from approximately 10% to 7% during this period.

Key structural impediments include:

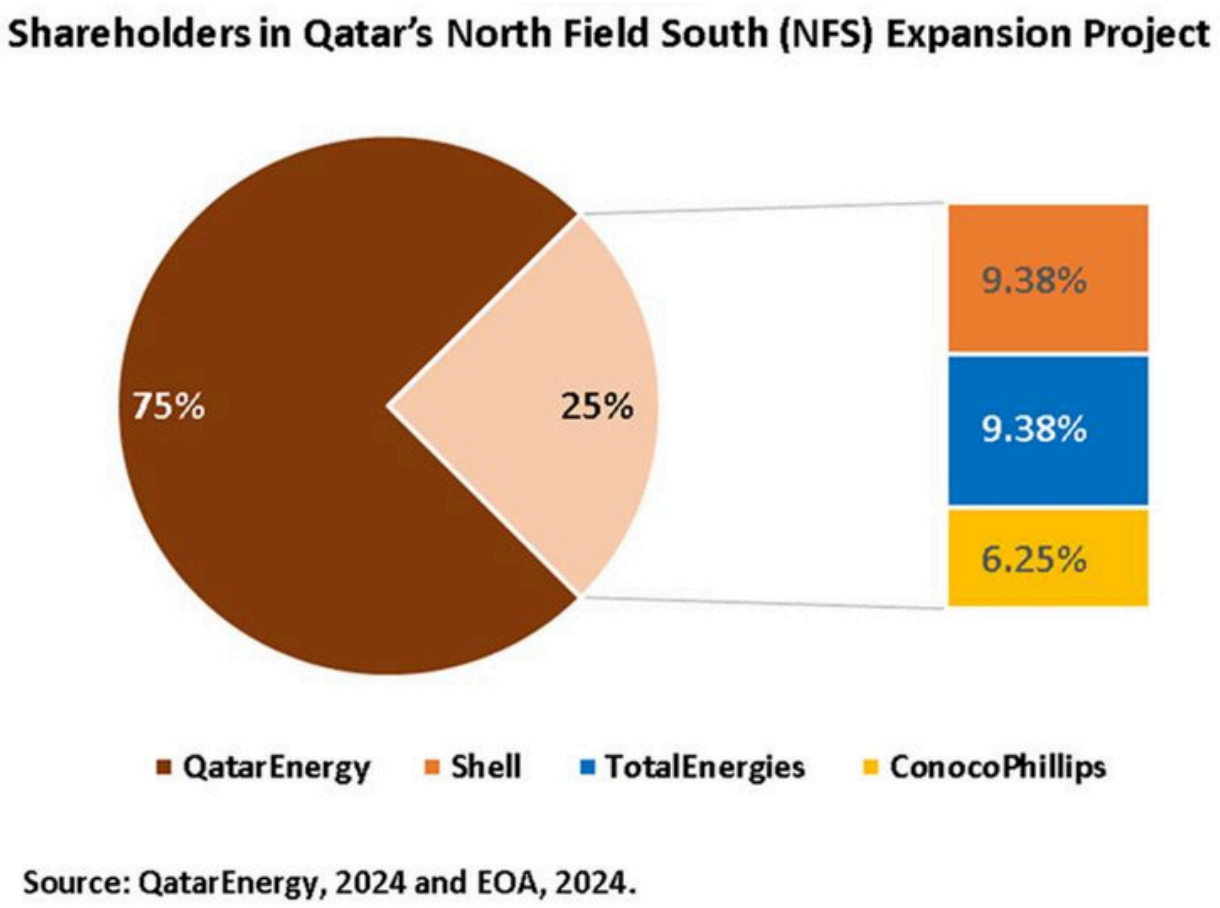
- **Associated gas dependency:** Nigeria's gas production is largely tied to IOC crude oil operations, meaning gas development is a secondary consideration to oil production schedules and economics.

- **Flaring losses:** Nigeria remains one of the world's top gas flaring nations, representing both a resource waste and an environmental liability.

- **Feedstock insecurity**: Even as Train 7 approaches completion, NLNG has raised formal concerns about the delay in sanctioning deep-water gas projects needed to supply feedstock for Train 7 and any future expansions.

- **Regulatory vacuum (now partially addressed):** The absence of a coherent gas sector legal framework for decades suppressed investor confidence. The Petroleum Industry Act (PIA) 2021 is a landmark step in addressing this, but implementation is still nascent.

- **Infrastructure gaps:** Unlike Qatar's integrated Ras Laffan model, Nigeria's gas sector suffers from chronic pipeline under-investment, vandalism in the Niger Delta, and inadequate domestic processing infrastructure.

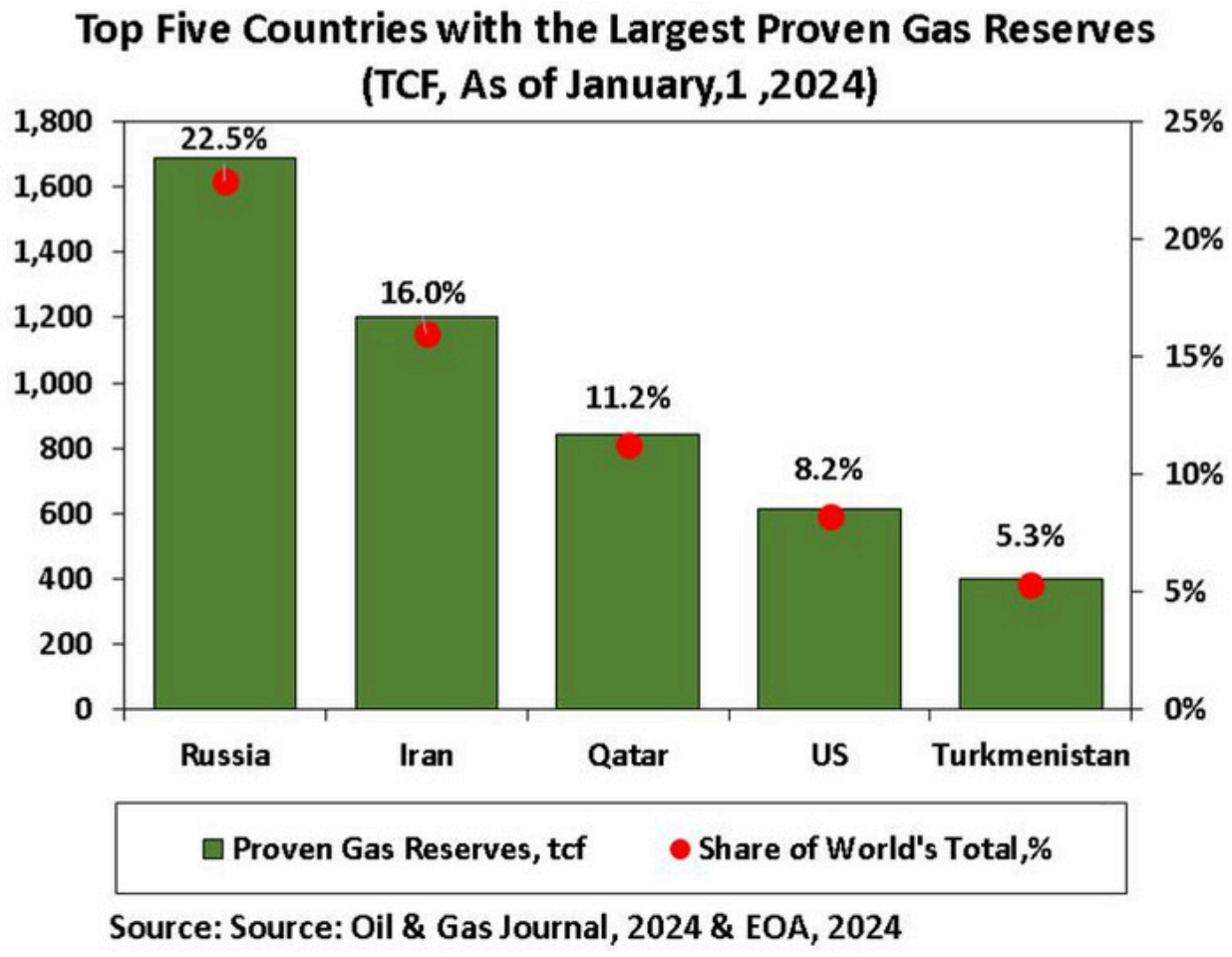


Source: QatarEnergy, 2024 and EOA, 2024.

FINANCIAL AND ECONOMIC OUTCOMES

The economic divergence between the two programs is stark. Qatar has transformed itself into one of the world's wealthiest nations per capita on the back of its gas program, while Nigeria, despite being Africa's largest gas reserves holder, continues to import refined petroleum products and faces chronic energy poverty. Nigeria's oil and gas sector still accounts for over 85% of export earnings and nearly half of government revenue, yet gas has historically been underprioritized in this mix.

At peak, NLNG supplied approximately 8% of global LNG demand and contributed around 4% of Nigeria's GDP. These are meaningful figures, but they represent a fraction of what the gas endowment should theoretically deliver. Qatar, by comparison, accounts for nearly 20% of global LNG exports.



CRITICAL ANALYSIS: WHY NIGERIA HAS FALLEN BEHIND

Four structural explanations stand out:

1. The "Oil Curse" Distortion

Nigeria's political economy has been organized around crude oil, with gas treated as a by-product. Investment decisions, fiscal allocations, and regulatory attention have all been calibrated to the crude oil sector. Qatar, with smaller oil reserves, was compelled to develop its gas resources with existential urgency, an urgency Nigeria has never felt because oil revenues have always been available as a fallback.

2. Institutional Fragmentation vs. Sovereign Coherence

QatarEnergy operates with a clarity of state mandate that NNPC, despite reform efforts, has historically lacked. NLNG's structure as a minority-state-controlled JV means that investment decisions require consensus among four shareholders with divergent risk appetites. Qatar's model, where the state retains dominant control and sets the strategic direction, has enabled faster decision cycles.

3. Absence of Integrated Downstream Industrialization

Nigeria has not replicated anything equivalent to Ras Laffan. Gas-based industrialisation in Nigeria (fertilisers, petrochemicals, methanol plants) remains fragmented and chronically underfunded. This means Nigeria captures only the upstream LNG export premium and misses the downstream value chain entirely, unlike Qatar, which has built an entire industrial ecosystem around its gas.

4. Feedstock and Security Risk

Niger Delta militancy and pipeline vandalism have imposed persistent production disruptions on NLNG since its inception. Qatar faces no comparable domestic security threat to its gas infrastructure, enabling uninterrupted supply commitments and stronger long-term offtake contracting.

OPPORTUNITIES AND STRATEGIC PATH FORWARD FOR NIGERIA

Despite the performance gap, Nigeria's position is not without strategic opportunity. Global LNG demand is projected to reach 441 MTPA by 2026, with Asia as the dominant growth driver. Nigeria's geographic proximity to both European and Asian markets gives NLNG a freight advantage over Atlantic Basin competitors.

The following priorities are critical:

- **Accelerate deep-water gas development:** Sanctioning deep-water gas projects (particularly in the Bonga Southwest and Zabazaba areas) is the single most important step to ensuring feedstock security for Train 7 and enabling future FIDs for Trains 8 and 9.

- **Fast-track PIA implementation:** The fiscal and regulatory framework established by the PIA 2021 must be operationalized swiftly to restore IOC confidence and attract new upstream gas investment.

- **Develop Nigeria's own "Ras Laffan":** A dedicated integrated gas industrial zone possibly anchored at Bonny Island or a greenfield site, would multiply the value capture from Nigeria's gas reserves.

- **Revive Brass LNG and Olokola LNG:** These stalled projects represent stranded optionality. With proper governance and feedstock certainty, they could collectively add another 20–30 MTPA of capacity.

- **End gas flaring as a national priority:** The continued flaring of 300–400 billion cubic feet of gas annually is both an economic hemorrhage and a reputational liability. This gas, if monetized, could support an additional 3–4 MTPA of LNG capacity.

- **Knowledge and technology transfer from Qatar:** Nigeria's Minister of State for Petroleum Resources has explicitly acknowledged Qatar as a model, and bilateral cooperation on technology transfer, infrastructure development, and LNG expertise is already being discussed.

CONCLUSION

The Nigeria-Qatar LNG comparison is ultimately a study in the gap between potential and execution. Both countries entered the LNG era in the same window and with substantial natural endowments. Qatar converted its gas into national wealth, sovereign power, and industrial transformation through long-term strategic discipline, institutional coherence, and decisive investment. Nigeria, despite holding one of Africa's largest gas reserves, has been constrained by associated gas dependency, governance fragmentation, infrastructure deficits, and a political economy that historically privileged crude oil over gas.

The commissioning of Train 7, which will take NLNG's capacity to 30 MTPA, is a necessary but insufficient step. By 2030, that figure will represent only about 21% of Qatar's projected 142 MTPA output. Nigeria must treat its gas sector not as an adjunct to oil, but as a sovereign strategic asset in its own right, precisely the philosophical reorientation that transformed Qatar from a small Gulf emirate into a global energy superpower.

Sources: Nigeria LNG Limited, QatarEnergy LNG (formerly Qatargas), Reuters, Business Day Nigeria, African Peace Magazine, Middle East Institute, U.S. Energy Information Administration, Belfer Center for Science and International Affairs, APRI, IJGlobal, World Economic Forum.

CONTACT

The CFG Advisory
Methodist House
16, Probyn Road
Ikoyi, Lagos

+234 802 224 5404
www.cfg.ng