Abstract: In October 2003, the government of Nigeria announced the deregulation of the down-stream sector. Prior to that time, the sector enjoyed heavy subsidy from government; and in the opinion of critics, this brought about inefficiency in the system. The notable outcome of this inefficiency was the insufficient supply and irregular pricing of petroleum products. With deregulation in place, the economy is liberalized to promote competition amongst petroleum products marketers. Another import of deregulation is that government’s interventions such as special treatment of government owned oil companies, price controls, and restrictions to trade are being removed. Increasingly, the private sector is participating in our more competitive petroleum markets. It is in this context that this study synthesizes the challenges and opportunities offered to Nigerians through deregulation.