REPUBLIC OF KENYA

PARLIAMENT

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

REPORT OF THE JOINT COMMITTEE OF THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY AND THE SENATE STANDING COMMITTEE ON ENERGY

.....

ON

CONSIDERATION OF THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 24 FEB 2026 DAY. TUESDAY
TABLED BY: HON DAVID GIKARIA, CBS, MP (CHAIRPERSON)
CLERK-AT THE-TABLE: INZOFU MWALE, HSC

CLERK'S CHAMBERS
DIRECTORATE OF COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

FEBRUARY, 2026

TABLE OF CONTENTS

LIST OF ANNEXURES VII
CHAIRPERSONS FOREWORD 1
CHAPTER I 3
INTRODUCTION 3
1.0 INTRODUCTION 3
1.1. SUBMISSION AND COMMITTAL OF FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS 3
1.2. COMMITTEE MEMBERSHIP 3
1.3. JOINT SECRETARIAT 4
1.4. COMMITTEE MANDATE 4
1.5. METHODOLOGY 5
CHAPTER TWO 6
2.0 CONSTITUTIONAL, LEGAL AND REGULATORY CONSIDERATIONS 6
2.1 BACKGROUND 6
2.2 CONSTITUTION OF KENYA 6
2.3 PETROLEUM ACT (CAP. 308) 6
2.4 ENERGY ACT (CAP. 314) 7
2.5 REGULATIONS 7
2.6 PRODUCTION SHARING CONTRACTS 7
2.6.1 Clauses of the Contracts 8
2.6.2 Addenda 11
CHAPTER THREE 14
ANALYSIS OF THE FDP AND PSC 14
3.0 THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR, TURKANA COUNTY 14
3.1 ANALYSIS OF THE FIELD DEVELOPMENT PLAN 14
3.1.1 Overview 14
3.1.2 Background and Evolution of the Product Sharing Contracts of the South Lokichar Oil Basin 14
3.1.3 Analysis of Production Forecasting, Reserves, and Surface Facilities 15
3.1.4 Schedule and Cost Profiles of The Project Oil Kenya 17
3.1.5 Commercial and Economic Analysis of the Project Oil Kenya 20
3.1.6 Analysis of the Midstream Project 23
3.1.7 Review of Critical Enablers/Sectoral Interventions by GoK 25
3.2 LOCAL CONTENT, ENVIRONMENTAL AND SOCIAL GOVERNANCE, WELL AND RESERVOIR MANAGEMENT 26
3.2.1 Environmental and Social Governance (ESG): Balancing Development with Sustainability .. 26
3.2.2 Well and Reservoir Management Plan (WRMP): Optimizing Resource Recovery for National Benefit 27
3.2.3 Local Content Plan (LCP): Fostering Economic Inclusion and Capacity Building 28
CHAPTER FOUR 30
COMMITTEE PROCEEDINGS 30
4.0 PUBLIC HEARINGS IN TURKANA, WEST POKOT, UASIN GISHU, TRANS NZOIA, LAMU AND MOMBASA COUNTIES 30
4.1 TURKANA COUNTY 30
4.1.1 Meeting with the Turkana County Security Committee 30
4.1.2 Engagement with the Turkana County Assembly & Turkana Professionals Association 31
4.1.3 Public Baraza at Ekales Centre, Lodwar – Turkana Central 34
4.1.4 Public Participation at Kalemgorok, Turkana South 36
4.1.5 Public Participation at Lokichar Town, Turkana South Constituency 37
4.1.6 Public Participation at Nakukulas, Turkana East Constituency 38
4.1.7 Public Participation at Lopii, Turkana East Constituency 40
4.1.8 Public Participation at Lokori, Turkana East Constituency 41
4.1.9 Public Participation at Katilia, Turkana East Constituency 42
4.2 UASIN GISHU COUNTY 43
4.2.1 Submissions by the Members of the Public 43
4.2.2 Remarks by government agencies during the town hall meeting 44
4.2.3 Kenya Railways Corporation, Eldoret Railway Station 45
4.2.4 Kenya Pipeline Company, Eldoret Terminal (PS 27) 49
4.3 WEST POKOT COUNTY 50
4.3.1 Gulf Energy 50
4.3.2 National Irrigation Authority 51

4.3.3 North Rift Water Works Development Agency 55
4.3.4 The Local Community 55
4.4 TRANS NZOIA COUNTY 56
4.4.1 Trans Nzoia Turkana Community - Diaspora Chapter 57
4.4.2 Ministry of Roads and Transport on road readiness for oil evacuation 58
4.5 LAMU COUNTY 60
4.5.1 Meeting with the County Commissioner, Lamu County 60
4.5.2 Meeting with the Governor of Lamu County 61
4.5.3 Submission by the County Government of Lamu 62
4.5.4 Meeting with LAPSSET Corridor Development Authority Officials 63
4.5.5 Town Hall Meeting held at Lamu Maritime and Innovation Center 65
4.6 MOMBASA COUNTY 66
4.6.1 Office of the Governor Mombasa County 66
4.6.2 Office of the Regional Commissioner Coast Region 66
4.6.3 Public Participation Forum Held in Magongo Stadium, Changamwe Constituency 67
4.6.4 Kenya Petroleum Refineries Limited (KPRL), Kenya Pipeline Company (KPC), and Kenya Ports Authority (KPA) 68
CHAPTER FIVE 70
5.0 SUBMISSIONS BY STAKEHOLDERS, OIL AND GAS EXPERTS AND MEMBERS OF THE PUBLIC 70
5.1 ENGAGEMENT WITH OIL AND GAS EXPERTS 70
5.1.1 Submissions by Mr. Mark Ekuam 70
5.1.2 Submissions by Eng. Fredrick Ngasike Ejore 71
5.1.3 Submission by Mr. Mark Senteu, Commercial Director, Petroleum Experts 72
5.1.4 Submission by Mr. Ken Mugambi, an Oil and Gas Professional 73
5.1.5 Submission by Zikhara Sushil, Oil and Gas Consultant 73
5.1.6 Submission by Johana Ekwam 73
5.1.7 Submissions by Joel Lulunken 74
5.1.8 Submissions by Dr. Bruce Ogaga 74
5.1.9 Submissions by Dr. Ezekiel Ekuwom 75
5.1.10 Submissions on gender issues and social protection by Ms. Basra Ali & Hannah Moturi .. 76
5.1.11 Mr. Johnson Kibaki Mirii 76
5.2 ENGAGEMENT WITH MINISTRIES, DEPARTMENTS, OTHER GOVERNMENT AGENCIES AND THE CONTRACTORS 77
5.2.1 Submission by the Cabinet Secretary, Ministry of Roads and Transport 77
5.2.2 Submissions by the Cabinet Secretary, Ministry of Environment, Climate Change and Forestry 79
5.2.3 Submission by Controller of Budget 81
5.2.4 Submission by the Office of the Auditor General 83
5.2.5 Submissions by the Ministry of Energy and Petroleum 84
5.2.6 Submission by the Kenya Revenue Authorities (KRA) 86
5.2.7 Ministry of Interior and National Administration 89
5.2.8 Submissions by Gulf Energy E&P BV 91
5.2.9 Submissions by the Office of the Attorney General and Department of Justice 96
5.2.10 Submission by Central Bank of Kenya (CBK) 97
5.2.11 Submission by The National Lands Commission (NLC) 98
5.2.12 The National Treasury and Economic Planning 99
5.2.13 Ministry of Water, Sanitation and Irrigation 102
5.2.14 Submissions by the Energy and Petroleum Regulatory Authority 103
5.3 SUBMISSIONS OF MEMORANDA BY OTHER STAKEHOLDERS AND MEMBERS OF THE PUBLIC 107
5.3.1 Kenya Private Sector Alliance 107
5.3.2 Lokichar Business Community Association 109
5.3.3 The Turkana Professionals Association (TPA) 109
5.3.4 The Social Performance Professionals Alliance (SPPA) 110
5.3.5 Turkana Community Justice Centre (TCJC) and Nakukulas Economic Development Organization (NEDO) 112
5.3.6 Nakukulas Community Land Management Committee (CLMC) and Kapese Community Land Management Committee 112
5.3.7 Turkana Civil Society Consortium (TCSC) 114
5.3.8 Secretariat, Kenya Youth Parliament 116
5.3.9 Turkana South Drivers and Transport Association 116
5.3.10 Action for Justice and Equality 117
5.3.11 Concern for Progress International 119

5.3.12 Kenya National Chambers of Commerce and Industry – Turkana Chapter *120*
5.3.13 The Kraal Elders and Community Leaders of Aroo Sub-County *121*
5.3.14 Mr. Lokuruka Jonah Namulen *122*
5.3.15 Submission by Akide Professionals' Association *123*
5.3.16 Submission by Bentworth Energy. *124*
5.3.17 Submission by Energy Governance Platform *124*
5.3.18 Submission by GEMA Watho Association *125*
5.3.19 Submission by the Kenya Oil and Gas Working Group (KOGWG) *126*
5.3.20 Submission by Miriam Osogo *127*
5.3.21 Submission by Muchemi Ndiang'ui *128*
5.3.22 Submission by Rael Munquu Mue *128*
5.3.23 Submission by Sammy Sisungo *129*
5.3.24 Submission by Zikhara Solutions Ltd *129*
5.3.25 Submission by Professor PLO-Lumumba, SC *130*
5.3.26 Submission By Ms. Centrina Otieno, a Concerned Kenyan Citizen *131*
5.3.27 Submission by Mr. Brian Kipchumba Maiyo *132*
5.3.28 Submission by Mr. Kelvin Nyaribo Jomo *133*
5.3.29 Submission by Mr. Sani Nzevela *134*
5.3.30 Submission by Mr. Justus Atuti *135*
5.3.31 Submission by Mr. Nalianya Sungwacha Augustine *136*
5.3.32 Submission by the Social Performance Professionals' Alliance *137*
5.3.33 Submission by Mr. Islim Shikunyi Imran *138*
5.3.34 Submission by Esanyanait Assembly *138*
CHAPTER SIX **140**
6.0 COMMITTEE OBSERVATIONS **140**
6.1 OBSERVATIONS ON COMPLIANCE AND PUBLIC PARTICIPATION 140
6.2 OBSERVATIONS FROM THE ANALYSIS OF THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS AND SUBMISSIONS FROM STAKEHOLDERS 149
6.3 OBSERVATIONS ARISING FROM THE PUBLIC HEARINGS 155
CHAPTER SEVEN **162**
7.0 COMMITTEE RECOMMENDATIONS **162**

LIST OF ABBREVIATIONS AND ACRONYMS

FDP	-	Field Development Plan
PSC	-	Production Sharing Contracts
MOEP	-	Ministry of Energy and Petroleum
EPRA	-	Energy and Petroleum Regulatory Authority
KPC	-	Kenya Pipeline Company
KPRL	-	Kenya Petroleum Refineries Limited
NOC	-	National Oil Corporation
GoK	-	Government of Kenya
KETRACO	-	Kenya Electricity Transmission Company
KPLC	-	Kenya Power and Lighting Company
KeNHA	-	Kenya National Highways Authority
KPA	-	Kenya Ports Authority
KRC	-	Kenya Railways Corporation
KAA	-	Kenya Airports Authority
KCAA	-	Kenya Civil Aviation Authority
NLC	-	National Lands Commission
WRMA	-	Water Resources Management Authority
AG	-	Attorney General
KES	-	Kenya Shillings
MMstb	-	Million Stack Tank Barrels
EOPS	-	Early Oil Market Scheme
VAT	-	Value Added Tax
RDL	-	Railway Development Levy
IDF	-	Input Declaration Fee
GEL	-	Gulf Energy Limited
Stb/d	-	Stock Tank Barrel per day
MGR	-	Meter Gauge Railway
SGR	-	Standard Gauge Railway
GEBV	-	Gulf Energy E&P B.V
FY	-	Financial Year
ESG	-	Environmental & Social Governance
IFC	-	International Finance Corporation
ESMP	-	Environmental and Social Management Plan
CO2	-	Carbon dioxide
ESPs	-	Electrical Submersible Pumps
WRMP	-	Well and Reservoir Management Plan
KURA	-	Kenya Urban Roads Authority
KeRRA	-	Kenya Rural Roads Authority
SPPA	-	Social Performance Professional Alliance
TPA	-	Turkana Professionals Association
LAPSET	-	Lamu Port-South Sudan-Ethiopia-Transport
SEZ	-	Special Economic Zones
KM	-	Kilometers
MW	-	Megawatts
EMCA	-	Environmental Management and Coordination Act
NEMA	-	National Environmental Management Authority
MoU	-	Memorandum of Understanding
KDF	-	Kenya Defence Forces
CSR	-	Corporate Social Responsibility
TVET	-	Technical & Vocational Education and Training
DDT	-	Defensive Driving Training

HCDTF	-	Host Community Development Trust Fund
PWDs	-	People With Disabilities
KLMC	-	Kalabata Land Management Committee
EGP	-	Energy Governance Platform
KOGWG	-	Kenya Oil & Gas Working Group
HRDD	-	Human Rights Due Diligence
LCP	-	Local Content Plan
EMCA	-	Environmental Management and Co-ordination Act

LIST OF ANNEXURES

1. ***Annex 1:*** Adoption List
2. ***Annex 2***: Minutes
3. ***Annex 3:*** Copies of Advertisements
4. ***Annex 4:*** Public Participation Matrix
5. ***Annex 5:*** Submissions by Stakeholders
6. ***Annex 6:*** Schedule of Public Hearings
7. ***Annex 7:*** Schedule of Stakeholder Meetings
8. ***Annex 8:*** Public Hearings Attendance Schedule
9. ***Annex 9:*** List of Petroleum Experts

CHAIRPERSONS FOREWORD

This report presents the proceedings of the Joint Committee of the Departmental Committee on Energy of the National Assembly and the Senate Standing Committee on Energy, conducted pursuant to Standing Order No. 213 and the Fourth Schedule of the National Assembly Standing Orders, as well as Standing Order No. 229 and the First Schedule of the Senate Standing Orders, on the consideration of the Production Sharing Contracts (PSCs) for Blocks T6 and T7 and the Field Development Plan (FDP) in the South Lokichar Basin, Turkana County.

On Thursday, 27th November 2025, the PSCs for Blocks T6 and T7 and FDP for the South Lokichar Basin were tabled in the National Assembly of Kenya and the Senate of Kenya pursuant to Article 71(1) of the Constitution of Kenya and Section 31(1) of the Petroleum Act, Cap. 308. These provisions require that any grant of rights or concessions for the exploitation of natural resources by or on behalf of the National Government be ratified by Parliament. The documents were thereafter formally committed to the Departmental Committee on Energy and the Standing Committee on Energy of the National Assembly and the Senate respectively, for consideration and the subsequent submission of reports to the respective Houses.

The PSCs and FDP outline the proposed commercial development of six oil discoveries within the South Lokichar Basin, Turkana County. The documents detail the strategy for the development of the discoveries and additional appraisal and exploration activities aimed at maximizing resource recovery within the designated development Area.

Pursuant to the provisions of Article 118 of the Constitution and Section 31(3) of the Petroleum Act Cap. 308, the Joint Committee was required to facilitate public participation and make appropriate recommendations to the Houses on Production Sharing Contracts and the Field Development Plan.

Accordingly, pursuant to Article 118(1)(b) of the Constitution of Kenya, 2010 and Section 31(3) of the Petroleum Act, Cap. 308, the National Assembly and the Senate placed advertisements in the daily newspapers on Saturday, 29th November 2025 and Thursday, 18th December 2025, respectively, inviting members of the public to submit views on the PSCs and FDP. Copies of the newspaper advertisements are attached as ***Annex 3***.

The Joint Committee thereafter received and considered memoranda from members of the public by Friday, 16th January 2026, as detailed in the matrix attached as ***Annex 5.***

Article 96 of the Constitution mandates the Senate to represent and protect the interests of counties and their governments. Article 95(2) of the Constitution mandates the National Assembly to deliberate on and resolve issues of concern to the people. Accordingly, the Joint Committee identified six (6) counties expected to experience direct and significant impacts from the implementation of the Product Sharing Contracts and the South Lokichar Basin FDP, namely: Turkana County, West Pokot County, Uasin Gishu County, Trans Nzoia County, Lamu County, and Mombasa County. The Joint Committee held public hearings in the aforementioned counties between 12th January and 6th February, 2026 as per the schedule attached as ***Annex 7.***

Subsequently, at a retreat held at Hilton Garden Inn Hotel from 9th to 16th February, 2026, the Joint Committee received submissions on the FDP and PSCs from key stakeholders as follows:

1. Ministry of Energy and Petroleum
2. The National Treasury and Economic Planning
3. Ministry of Interior and National Administration
4. Ministry of Roads and Transport

5. Office of the Attorney General
6. Ministry Of Lands, Public Works, Housing and Urban Development
7. Ministry of Water, Sanitation and Irrigation
8. Ministry of Environment Climate Change and Forestry
9. Kenya Revenue Authority
10. Central Bank of Kenya
11. Office of the Auditor General
12. The National Lands Commission
13. National Environmental Management Authority
14. Kenya Law Reforms Commission
15. Business Registration Services
16. Gulf Energy BV
17. Various experts and interested parties.

A schedule of the Joint Committee's stakeholder meetings is attached as ***Annex 5***. In addition to these consultations, the Joint Committee reviewed technical and non-partisan analyses from the Parliamentary Budget Office, the National Assembly and Senate-Directorates of Legal Services, and the Parliamentary Research Services.

Altogether, the Joint Committee held a total of ***twenty-five (25)*** sittings, during which it examined the PSCs and FDP, considered public submissions, engaged key stakeholders, and reviewed technical analyses from non-partisan parliamentary offices. Based on this comprehensive review, the Joint Committee is satisfied that the PSCs and FDP for Blocks T6 and T7 in the South Lokichar Basin, Turkana County, are aligned with national interests and comply with the requisite constitutional, legal and regulatory framework.

Accordingly, the Joint Committee recommends that the Houses **adopts the Report and approves the Ratification of the Production Sharing Contracts and Field Development Plan for Blocks T6 and T7 in South Lokichar Basin, Turkana County**.

Acknowledgements

The Joint Committee is grateful to the offices of the Speakers and Clerks of the National Assembly and the Senate for the logistical and technical support accorded to it in the execution of its mandate.

Further, the Joint Committee acknowledges with appreciation the Members and the Secretariat for their patience, dedication, sacrifice, and commitment, which enabled the successful completion of this assignment within the stipulated timeframe. On behalf of the Joint Committee, the Co-Chairs also extend sincere thanks to the members of the public and the various stakeholders who appeared before the Committee and submitted their views, contributing significantly to the review process.

It is therefore my pleasant duty and privilege, on behalf of the Joint Committee of the Departmental Committee on Energy of the National Assembly and the Senate Standing Committee on Energy to table its Report on the consideration of the Production Sharing Contracts (PSCs) for Blocks T6 and T7 and the Field Development Plan (FDP) in the South Lokichar Basin, Turkana County, for consideration and adoption by the House.

Sen. (Dr.) Oburu Oginga, MGH, M.P.
Chairperson, Senate Standing Committee on Energy

Hon. David Gikaria, C.B.S, M.P.
Chairperson, Departmental Committee on Energy

CHAPTER I

INTRODUCTION

1.0 Introduction

1. This is the report of the Joint Committee of the Departmental Committee on Energy of the National Assembly and the Senate Standing Committee on Energy on its consideration of the Field Development Plan (FDP) and Product Sharing Contracts (PSCs) for Blocks T6 and T7 in South Lokichar, Turkana County in accordance with Article 71(1) of the Constitution as read together with Section 31(1) of the Petroleum Act, Cap 308.

1.1. Submission and Committal of Field Development Plan and Production Sharing Contracts

2. The instruments were submitted and tabled in the Houses pursuant to Article 71 of the Constitution of Kenya, which requires that grant of a right or concession by or on behalf of the National Government for the exploitation of any natural resources in Kenya, shall be subjected to ratification by Parliament.

3. To give effect to Article 71 of the Constitution of Kenya, section 31(1) of the Petroleum Act, Cap. 308 provides that the Cabinet Secretary shall, within thirty days of the approval of a Field Development Plan submitted in accordance with the terms of a Production Sharing Contract entered into under the Act, submit the Production Sharing Contract together with the Field Development Plan to Parliament for ratification in accordance with Article 71 of the Constitution.

4. The Field Development Plan and Production Sharing Contracts were tabled in the Houses on Thursday, 27th November 2025 and subsequently committed to the National Assembly Departmental Committee on Energy and the Senate Standing Committee on Energy for consideration and reporting to the Houses.

1.2. Committee Membership

5. The following are the Members of the Senate Standing Committee on Energy -

    1. Sen. (Dr.) Oburu Oginga, MGH, M.P. - Chairperson
    2. Sen. William Kisang' Kipkemoi, M.P - Vice-Chairperson
    3. Sen. (Dr.) Boni Khalwale, CBS, M.P.
    4. Sen. Ledama Olekina, M.P.
    5. Sen. James Lomenen Ekomwa, M.P.
    6. Sen. (Dr.) Danson Buya Mungatana, MGH, M.P.
    7. Sen. Edwin Watenya Sifuna, CBS, M.P.
    8. Sen. Veronica Maina, CBS, M.P.
    9. Sen. Beatrice Akinyi Ogola, M.P.

6. The following are the Members of the National Assembly Departmental Committee on Energy -

    1. The Hon. David Gikaria, CBS, M.P. - Chairperson
    2. The Hon. Lemanken Aramat, CBS, M.P. - Vice-Chairperson
    3. The Hon. Simon King'ara, CBS, M.P.
    4. The Hon. Samuel Gonzi Rai, M.P.
    5. The Hon. Charles Gimose, M.P.
    6. The Hon. Elisha Odhiambo, M.P.
    7. The Hon. Julius Musili Mawathe, M.P.
    8. The Hon. Walter Owino, M.P.
    9. The Hon. Tom Mboya Odege, M.P.
    10. The Hon. George Omwera Aladwa, M.P.

11. The Hon. Victor Koech Kipngetich, M.P.
12. The Hon. Geoffrey Ekesa Mulanya, M.P.
13. The Hon. Cecilia Asinyen Ngitit, M.P.
14. The Hon. Barongo Nolfason Obadiah, M.P.
15. The Hon. Siyad Amina Udgoon, M.P.

1.3. Joint Secretariat

7. The Joint Committee was served by the following members of secretariat -

Senate

1.	Mr. Boniface Lenairoshi	-	Deputy Director
2.	Dr. Christine Sagini	-	Senior Clerk Assistant
3.	Ms. Mary Waqo	-	Clerk Assistant III
4.	Mr. Abdirahman H. Gorod	-	Senior Fiscal Analyst, PBO
5.	Mr. Joseph Lekisima	-	Fiscal Analyst II, PBO
6.	Ms. Zeinab Jirma	-	Legal Counsel II
7.	Ms. Nancy Mulei	-	Research Officer III
8.	Mr. Washington Otiato	-	Media Relations Officer II
9.	Ms. Judith Aoka	-	Audio Officer

National Assembly

1.	Mr. Fredrick Otieno	-	Clerk Assistant I
2.	Mr. Salim Athumam	-	Clerk Assistant III
3.	Ms. Brigitta Mati	-	Senior Legal Counsel
4.	Mr. Brian Njeru	-	Fiscal Analyst II, PBO
5.	Mr. Robert Langat	-	Research Officer III
6.	Mr. Ambrose Nguti	-	Media Relation Officer II
7.	Ms. Rehema Koech	-	Audio Officer

1.4. Committee Mandate

8. Article 96 of the Constitution mandates the Senate to represent and protect the interests of counties and their governments, while Article 95(2) mandates the National Assembly to deliberate on and resolve issues of concern to the people.

9. The Departmental Committee on Energy of the National Assembly is established under standing order 289 of the National Assembly Standing Orders and is mandated to consider all matters relating to fossil fuels exploration, development, production, maintenance and distribution, nuclear energy, clean energy and regulation of energy.

10. The Standing Committee on Energy of the Senate is established under standing order 228 (3) of the Senate Standing Orders and is mandated to consider all matters related to fossil fuels exploration, development, production, maintenance and regulation of energy.

11. In a communication dated 4th December, 2025, the Speaker of the National Assembly urged the Departmental Committee on Energy of the National Assembly and the Standing Committee on Energy of the Senate to convene joint sittings for the examination of the contracts and the conduct of public participation. This was aimed at ensuring consistency, eliminating duplication, promoting a bicameral approach and expediting the consideration process. Subsequently, on 29th December, 2025, the Speaker of the Senate approved the formation of a Joint Committee comprising the Standing Committees on Energy of the National Assembly and the Senate to consider the FDP and PSCs.

1.5. Methodology

12. At its inaugural meeting held on Wednesday, 7th January, 2026, the Joint Committee considered and adopted a joint schedule for public participation and stakeholder engagement. In this regard, the Joint Committee identified six (6) counties that will experience direct and significant impacts arising from the implementation of the South Lokichar FDP as follows –

    a) Turkana
    b) West Pokot
    c) Uasin Gishu
    c) Trans Nzoia
    d) Mombasa
    e) Lamu

13. The Joint Committee resolved to undertake public participation in Turkana, Uasin Gishu, Trans Nzoia, and West Pokot Counties from Monday, 12th January, 2026 to Saturday, 17th January, 2026. To note, owing to logistical constraints and unavailability of flights, the Committee was unable to commence the planned public participation exercise in Lodwar on Tuesday, 13th January, 2026, as resolved, and the visit was rescheduled to 2nd to 6th February, 2026.

14. Additionally, the Joint Committee undertook public participation in Mombasa and Lamu Counties from Tuesday, 20th January, 2026 to Saturday, 24th January, 2026. A schedule of the County-based public participation hearings is attached as ***Annex 4***.

15. Further, at a retreat held at Hilton Garden Inn Hotel from 9th to 16th February, 2026, the Joint Committee received submissions on the FDP and PSCs from the following key stakeholders-

    1. Ministry of Energy and Petroleum
    2. The National Treasury and Economic Planning
    3. Ministry of Interior and National Administration
    4. Ministry of Roads and Transport
    5. Office of the Attorney General
    6. Ministry Of Lands, Public Works, Housing and Urban Development
    7. Ministry of Water, Sanitation and Irrigation
    8. Ministry of Environment Climate Change and Forestry
    9. Kenya Revenue Authority
    10. Central Bank of Kenya
    11. Office of the Auditor General
    12. The National Lands Commission
    13. National Environmental Management Authority
    14. Kenya Law Reforms Commission
    15. Business Registration Services
    16. Gulf Energy BV
    17. Various experts and interested parties (see ***Annex 7*** for the list of experts)

    A schedule of the Joint Committee's stakeholder meetings is attached as ***Annex 8***

16. In addition to these consultations, the Joint Committee reviewed technical and non-partisan analyses from the Parliamentary Budget Office, the National Assembly and Senate - Directorates of Legal Services, the Parliamentary Research Services and the Clerk's Chambers.

17. The aforementioned Joint Committee proceedings were aimed at establishing whether the PSCs and FDP are aligned with national interests and comply with the requisite constitutional, legal and regulatory framework

CHAPTER TWO

2.0 CONSTITUTIONAL, LEGAL AND REGULATORY CONSIDERATIONS

18. The following section summarizes the constitutional, legal and regulatory framework governing ratification of the Production Sharing Contracts and the Field Development Plan.

2.1 Background

19. On 27th November, 2025, the Majority Leaders of the National Assembly and the Senate laid on the Table of the National Assembly and the Senate respectively;

    (a) The South Lokichar Field Development Plan, September, 2025.
    (b) The Production Sharing Contract between the Government of the Republic of Kenya and Turkana Drilling Consortium (Kenya) relating to Block 10BB.
    (c) The Production Sharing Contract between the Government of the Republic of Kenya and Platform Resources INC. relating to Block 13T.
    (d) The First Addendum to the Production Sharing Contract between the Government of the Republic of Kenya and Gulf Energy E&P B.V relating Block T6 formerly Block 10 BB.
    (e) The First Addendum to the Production Sharing Contract between the Government of the Republic of Kenya and Gulf Energy E&P B.V relating to Block T7 formerly Block 13T.

2.2 Constitution of Kenya

20. Article 71 of the Constitution states that a transaction is subject to ratification by Parliament if it involves the grant of a right or concession by or on behalf of any person, including the national government, to another person for the exploitation of any natural resource of Kenya.

2.3 Petroleum Act (Cap. 308)

21. Section 30 of the Petroleum Act, Cap. 308, regulates the development of a Field Development Plan and provides that: (1) where a commercial field is established, such field shall be developed by the contractor within such time as may be prescribed in this Act and the petroleum agreement.

22. Section 30(2) of the Petroleum Act provides that a contractor shall prepare a field development plan for a commercial field which shall contain - (a) *proposals for the development of and production from the field;* (b) *an assessment of whether the development of and production from the field should be subject to unitization or joint upstream petroleum operations in accordance with the provisions of this Act;* (c) *an assessment of how to coordinate upstream petroleum operations with other contractors, including the joint use of facilities subject to this Act and any other applicable law;* (d) *proposals relating to the spacing, drilling and completion of wells and the facilities required for the production of petroleum including-* (i) *the estimated number, size and production capacity of production platforms, if any;* (ii) *the estimated number of production wells;* (iii) *the particulars of production equipment and facilities;*(iv) *the particulars of feasible alternatives for transportation of petroleum, including pipelines;* and (e) *any other relevant information and data.*

23. Section 30(3) of the Petroleum Act provides that the field development plan shall be submitted by the contractor to the Energy and Petroleum Regulatory Authority for review in accordance with the petroleum agreement.

24. Section 30(3) of the Petroleum Act provides that the Energy and Petroleum Regulatory Authority shall advise the Cabinet Secretary before approval of the field development plan.

25. Section 31(1) of the Petroleum Act provides for ratification of the *production sharing contracts together with the field development plan* by Parliament and states that the Cabinet Secretary shall, within thirty days of the approval of a field development plan submitted in accordance with the terms of a production sharing contract entered into under this Act, submit ***the production sharing contract together with the field development plan*** to Parliament for ratification in accordance with Article 71 of the Constitution.

26. Section 31(2) of the Petroleum Act provides that Parliament shall, within sixty days after receipt of the production sharing contract and the field development plan: (a) ratify the production sharing contract and the field development plan; or (b) refuse to ratify the production sharing contract and the field development plan and refer the documents back to the Cabinet Secretary for reconsideration stating the reasons for the refusal.

27. Section 31(3) of the Petroleum Act provides that Parliament shall undertake public participation in the process of ratifying or refusing to ratify the production sharing contract and the field development plan.

28. Section 31(4) of the Petroleum Act provides that the Cabinet Secretary shall, upon refusal, consider the reasons and reservations on their merits and resubmit the same to Parliament for approval.

29. Section 31(5) of the Petroleum Act provides that if Parliament does not make a decision to ratify or to refuse to ratify within ninety days, the production sharing contract and the field development plan shall be deemed to have been ratified.

2.4 Energy Act (Cap. 314)

30. Section 10(h) of the Energy Act, Cap. 314, provides the one of the functions of the Energy and Petroleum Regulatory Authority is to include assessing field development plans and making recommendations to the Cabinet Secretary responsible for matters relating to petroleum for approval, amendment or rejection of the plans.

2.5 Regulations

31. Section 126 of the Petroleum Act provides that the Cabinet Secretary may make regulations for or with respect to any matter that by the Petroleum Act requires or permits to be prescribed, or that is necessary or expedient to be prescribed for carrying out or giving effect to the Petroleum Act.

32. Parliament is yet approve any regulations relating to regulation of any aspect relating to production sharing contracts or field development plans under the Petroleum Act, Cap. 308.

2.6 Production Sharing Contracts

33. One Production Sharing Contract (PSC) was entered into between the government and Turkana Drilling Consortium (Kenya) Limited on the 25th October 2007, while the PSC between the government and the Platform Resources Inc was entered into on the 17th September 2008.

34. An analysis of the production sharing contracts, the addenda to the production sharing contracts and the field development plan disclose the matters outlined in paragraphs 16, 17, 18, and, 19.

35. On 25th October 2007 Turkana Drilling Consortium (Kenya) signed a Production Sharing Contract (PSC) for a 100% working interest in newly designated Block 10BB.

36. On 17th September 2008 Platform Resources Inc. signed a PSC for a 100% working interest in newly designated Block 13T. In 2009 Africa Oil Turkana Ltd (a wholly owned subsidiary of Africa Oil Corporation) acquired Turkana Drilling Consortium. In 2010 Africa Oil Kenya B.V. acquired Platform Resources Inc. giving Africa Oil a 100% interest in both Blocks 10BB and 13T. On 26th January 2011 Tullow Kenya B.V. completed a farm-in to Blocks 10BB and 13T acquiring a 50% interest and Operatorship of both blocks.

37. On 1st March 2016 Africa Oil farmed down a further 25% of their remaining equity in Blocks 13T and 10BB to Maersk Oil and Gas.

38. On 21st August 2017 Total S.A. acquired 100% of Maersk Oil and Gas thus acquiring all Maersk Oil and Gas participating interests in Block 10BB and Block 13T giving subsidiaries Total E&P International K2 LTD and Total E&P International K3 LTD a 25% interest in each of the said Block 10BB and Block 13T PSCs, respectively.

39. On 21st July, 2025, Tullow Overseas Holding BV, a wholly owned subsidiary of Tullow Oil plc (Tullow) and Auron Energy E&P Limited, an affiliate of Gulf Energy Limited (GEL), signed a sale and purchase agreement. for the purchase of Tullow Kenya B.V. (TKBV). The transaction, which constitutes a corporate share transfer, involved the acquisition of 100% of Tullow Kenya BV, as a going concern, by Auron Energy E&P Limited, an affiliate of Gulf Energy Limited, from its current parent company, Tullow Overseas Holdings BV giving the subsidiary Gulf Energy E&P BV a 100% interest in each of the said Block 10BB and Block 13T PSCs, respectively. Gulf Energy E&P BV holds a 100% interest in each of the said Block 10BB and Block 13T PSCs.

2.6.1 Clauses of the Contracts

40. **Definitions and Interpretation:** Both Production Sharing Contracts (PSCs) have detailed definitions and interpretation provisions, which are legally determinative for the construction of the Contract. These clauses prescribe legal and definitive meaning of both technical and general terms used in the contracts, while ensuring that ambiguity is resolved within the Contract rather than by external implication or unilateral administrative action.

41. **Term of the Contracts:** Both Production Sharing Contracts (PSCs) have a definitive term of three (3) contract years from the effective date of execution of each contract. The term is typically divided into an exploration period and a development/production period. The continuation of the contract depends on compliance with obligations and approval of a Field Development Plan.

42. **The Production Sharing Contracts (PSCs):** Grant both parties exclusive rights to explore, develop, produce and dispose of petroleum within the defined Contract Area. This grant does not constitute a transfer of ownership of petroleum in situ, which remains vested in the State, but rather a conditional contractual licence. The exclusivity clause legally restrains the Government from granting overlapping rights to third parties within the Contract Area during the subsistence of the Production Sharing Contracts (PSCs).

43. **Contract Area and Relinquishment:** The Production Sharing Contracts (PSCs) legally defines the geographic scope of operations and imposes mandatory relinquishment obligations on the parties at the conclusion of defined exploration phases. These clauses protect the State against speculative acreage hoarding and ensure progressive reversion of

non-prospective areas to the Government. Non-compliance constitutes a material breach capable of enforcement or termination.

44. **Exploration Periods and Work Obligations**: The Production Sharing Contracts (PSCs) are structured into an Initial Exploration Period and optional extension periods, each accompanied by detailed minimum work and expenditure obligations. These provisions are legally enforceable performance undertakings, failure of which exposes the Contractor to forfeiture of rights or early termination. The clauses allocate exploration risk entirely to the Contractors, consistent with Production Sharing Contracts (PSCs) doctrine.

45. **Discovery, Appraisal and Declaration of Commerciality:** Upon discovery of petroleum, the Contractors are obligated to notify the Government and undertake appraisal operations. The legal threshold for a "Commercial Discovery" is expressly defined, and the declaration thereof triggers further obligations, including submission of a Field Development Plan (FDP). According to the Production Sharing Contracts (PSCs), Government approval of commerciality is a condition precedent to development rights.

46. **Development and Production:** Development and production activities may only commence following approval of the FDP by the Government. These clauses preserve regulatory control and ensure alignment with national development, safety, and environmental objectives. Production rights are time-bound and geographically limited to the approved Development Areas.

47. **Conduct of Petroleum Operations:** The Contractors are legally bound to conduct operations in accordance with Good International Petroleum Industry Practice, applicable Kenyan laws, and prudent operational standards. This clause imports an objective standard of care enforceable, notwithstanding the Contractor's internal practices or cost considerations. This is covered in details in the Production Sharing Contracts (PSCs).

48. **Cost Recovery (Cost Oil):** The Production Sharing Contracts (PSCs) establish a cost recovery regime permitting the Contractors to recover approved petroleum costs from a capped portion of production. These costs are reasonable, necessary, and properly audited and qualified. This clause is central to the economic equilibrium of the Production Sharing Contracts (PSCs) and a frequent source of State–Contractor disputes.

49. **Production Sharing (Profit Oil):** According to the Production Sharing Contracts (PSCs), after cost recovery, remaining production is shared between the Government and the Contractor according to an agreed formula. Title to petroleum passes only at the point of allocation. This clause operationalises State benefit from petroleum exploitation and underpins Government revenue expectations from the explorations.

50. **Measurement, Valuation and Lifting:** These clauses regulate metering, valuation, lifting procedures and scheduling. They are legally significant as they affect revenue calculation, taxation, and audit rights. Errors or manipulation at this stage have direct fiscal consequences for the State.

51. **Taxation and Fiscal Stabilisation:** The PSC specifies applicable taxes and fiscal treatment of the Contractor, including income tax obligations and any exemptions or stabilisation assurances. Further, each party shall be responsible for and shall pay its own taxes to the Kenyan authorities on its operations. These provisions limit the Government's ability to unilaterally alter the fiscal burden without breaching contract, subject to constitutional and statutory constraints.

52. **Environmental Protection:** The Contractors under the Production Sharing Contracts (PSCs) bear strict responsibility for environmental protection, pollution prevention, and remediation. Liability for environmental damage is not excused by Government approval or regulatory compliance. These clauses align the Production Sharing Contracts (PSCs) with environmental law principles, including the polluter-pays doctrine.

53. **Local Content and Training:** The Production Sharing Contracts (PSCs) obligate the Contractors where possible to train and employ Kenyan citizens in the petroleum operations until the expiry or termination of the contracts. The training programme shall be established in consultation with the Cabinet Secretary. Further, the contractors are required to give preference to Kenyan materials and supplies and sub-contractors, for use in petroleum operations as long as their prices, qualities and timeliness of delivery are comparable with prices, qualities, quantities of non-Kenyan materials. These clauses are legally enforceable policy instruments aimed at domestic capacity building enforced as per the provisions of section 11 of the Petroleum Act, which gives the CS powers to enforce any direction under the Act and the regulations thereto.

54. **Data Ownership and Confidentiality:** According to the Production Sharing Contracts (PSCs), all petroleum data generated under the Contract is owned by the Government, subject to confidentiality periods. However, the contractors may remove, for purposes of laboratory examination or analysis, specimens or samples of petroleum or water encountered in a borehole, but no specimen shall be exported from Kenya without prior notification to the Cabinet Secretary. This clause safeguards State sovereignty over geological information and future licensing leverage.

55. **Assignment:** Any assignment or transfer of rights and obligations under the Production Sharing Contracts (PSCs) to an affiliate or an acceptable assignee requires prior Government consent which consent shall not be unnecessarily withheld. In case of material changes to the corporate structure, ownership and financial position of the contractors, the contractors shall report to the Cabinet Secretary. Unauthorized transfers or assignment constitute a material breach. This clause preserves State control over the identity and capability of petroleum right holders thereby safeguarding the interests of the State.

56. **Termination and Force Majeure:** The Production Sharing Contracts (PSCs) sets out grounds for termination, including material breach and prolonged force majeure. Termination does not extinguish accrued liabilities, including environmental and decommissioning obligations under the contracts.

57. In case of termination, the Production Sharing Contracts (PSCs) provide for grounds for the same and the remedies available to each party.

58. **Decommissioning and Abandonment:** Upon expiry or termination, the Contractor is obligated to safely abandon operations and restore the Contract Area. These obligations survive termination and may require financial security.

59. **Governing Law and Dispute Resolution**: The Production Sharing Contracts (PSCs) are governed by Kenyan laws, with disputes typically referred to International Arbitration according to the rules adopted by the United Nations Commission on International Trade Law (UNCITRAL). The arbitration shall take place in Nairobi, Kenya and shall be in English.

60. This clause balances State sovereignty with investor confidence and enforceability of awards.

2.6.2 Addenda

61. **Legal Status of the Production Sharing Contracts**: The Production Sharing Contracts (PSCs) are petroleum agreements lawfully entered into between the Government of the Republic of Kenya and private contractors pursuant to the Petroleum Act of 1984 and the regulations in force at the time of execution. Under Kenyan laws, ownership of petroleum in situ remains vested in the State, and the Production Sharing Contracts (PSCs) merely grant the contractor a contractual licence to explore, develop, and produce petroleum, subject to strict State control and oversight.

62. The Petroleum Act, Cap. 308 expressly recognizes and preserves petroleum agreements entered into under repealed legislation. Accordingly, the Production Sharing Contracts (PSCs) for Blocks T6 and T7 remain valid and enforceable, and their rights and obligations are protected under the transitional and savings provisions of the Act.

63. Block Reconstitution and Statutory Alignment: Originally, the Production Sharing Contracts (PSCs) related to Block 10BB and Block 13T. Following a national reconstitution of petroleum blocks by the Cabinet Secretary through Gazette Notice No. 4832 of 16th April 2025, the blocks were redesignated as Block 10BB → Block T6 and Block 13T → Block T7.

64. The First Addendum amend the Production Sharing Contracts (PSCs) to replace all references to the former block names with the new statutory designations. This amendment is administrative and corrective in nature, ensuring conformity with section 15 of the Petroleum Act, which mandates formal gazettement and definition of petroleum blocks. There is no substantive alteration of the contract areas, and Parliament may note that the Addenda merely align the contracts with the current statutory block framework.

65. **Governance and Institutional Consistency:** The original Production Sharing Contracts (PSCs) refer to the "Minister" and the "Ministry of Energy," reflecting the pre-2010 constitutional order. The First Addendum amends the interpretation clauses to substitute these references with "Cabinet Secretary" and "Ministry responsible for Petroleum", consistent with the Constitution of Kenya (2010) and sections 10 and 11 of the Petroleum Act.

66. This amendment is legally necessary and cures a potential inconsistency that could otherwise undermine the enforceability of approvals, consents, and directives issued under the Production Sharing Contracts (PSCs). Parliament may note that this change strengthens administrative legality and accountability.

67. **Exploration, Development, and Field Development Plan (FDP):** The Production Sharing Contracts (PSCs) impose obligations on the contractor to conduct exploration within defined periods meet minimum work and expenditure commitments; relinquish portions of the contract area over time; and, submit a Field Development Plan (FDP) upon a commercial discovery.

68. Under section 31 of the Petroleum Act, an approved FDP must be submitted to Parliament for ratification before commercial production may commence. The First Addendum expressly acknowledges that the FDP has been approved by the Cabinet Secretary; and be forwarded to Parliament for ratification.

69. This is a critical legal safeguard. Parliament's ratification is not a formality but a mandatory statutory condition for lawful petroleum production as provided for under Article 71 of the

Constitution. Parliament therefore retains full authority to approve, reject, or condition the FDP in the national interest.

70. **Cost Recovery (Cost Oil) – Revenue Implications:** One of the most significant amendments introduced by the First Addenda concerns cost recovery. The Addendum increases the maximum cost recovery limit from 55% and 65% to 85% of total annual crude oil production.

71. While the Petroleum Act does not prescribe a numerical ceiling for cost recovery, it requires that petroleum resources be managed equitably and for the benefit of the people of Kenya. An 85% cost recovery ceiling means that, in the early years of production, only 15% of production may be available for sharing as profit oil, thereby delaying substantial government revenue.

72. **Profit Oil Sharing Structure:** After cost recovery, remaining production is classified as profit oil and shared between the Government and the contractor on a sliding scale linked to production volumes. The revised structure progressively increases the Government's share, reaching up to 75% at higher production levels.

73. This structure is broadly consistent with international PSC practice and satisfies the Petroleum Act's requirement for equitable sharing. However, the effectiveness of this provision is directly dependent on accurate production measurement; strict control of recoverable costs; and, fiscal incentives and tax exemptions

74. The First Addenda introduce extensive fiscal incentives in favour of the contractor, including exemptions from value added tax (VAT) on petroleum operations; railway development levy and import declaration fees; and, withholding tax on services and loan interest.

75. While fiscal incentives are permitted under petroleum agreements, Parliament should note that taxation is primarily governed by national tax laws. Therefore, broad contractual tax exemptions may reduce future fiscal flexibility; create tensions with Finance Acts enacted by Parliament; and, raise equity concerns when compared with other sectors of the economy.

76. Assignments, Changes of Control, and State Approval: The Production Sharing Contracts (PSCs) have undergone multiple assignments and changes of control involving various corporate entities. The Addenda documents that these changes were approved by the Government. Under section 26 of the Petroleum Act, any transfer or assignment of a participating interest requires Cabinet Secretary approval. Based on the Addenda, the procedural requirements appear to have been observed. Parliament may nevertheless request confirmation that all approvals were properly issued; and, the State's interests were protected during each transaction.

77. **Crude Oil Transportation and Marketing:** The Addenda amend the lifting and transportation clauses to allow the contractor to transport all crude oil, including the Government's share, for marketing on agreed terms.

78. While contractually permissible, Parliament should note that the Petroleum Act requires State oversight over production and disposal of petroleum; and, the absence of detailed statutory delivery point controls may expose the State to pricing, accounting, or transparency risks.

79. Comparatively, Kenya's Local Content Plan surpasses regional benchmarks by integrating enforcement and reporting, as in Ghana's successful fabrication growth. It positions the project as a catalyst for regional industrialization beyond Nairobi and Mombasa, akin to oil-driven hubs in Aberdeen, Scotland, or Stavanger, Norway.

CHAPTER THREE

ANALYSIS OF THE FDP AND PSC

3.0 THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR, TURKANA COUNTY

3.1 ANALYSIS OF THE FIELD DEVELOPMENT PLAN

3.1.1 Overview

80. A Field Development Plan (FDP) is the primary technical, economic, environmental and social blueprint by a petroleum operator, setting out how a discovered oil field will be developed, produced, transported and ultimately decommissioned. It defines the scale, cost, production profile, infrastructure requirements, environmental and social impacts and risk allocation of the project and forms the basis upon which government approvals, fiscal outcomes and long-term national obligations are determined. The FDP indicates the petroleum operator as Gulf Energy E&P B.V.

81. Section 30 (3) of the Petroleum Act, Cap. 308 provides that the FDP shall be submitted by the contractor to EPRA for review in accordance with the petroleum agreement. The Authority shall then advise the Cabinet Secretary before approval of the Field Development Plan. Once approved by the Cabinet Secretary, the FDP is then submitted to Parliament for Ratification.

3.1.2 Background and Evolution of the Product Sharing Contracts of the South Lokichar Oil Basin

82. Oil exploration in Kenya's South Lokichar Basin began in the 1950s with early efforts by Shell and BP, though no commercial discoveries were made until the 2010s. A major breakthrough occurred in 2012 when Tullow Oil's Ngamia-1 well confirmed commercially viable oil, marking Kenya's first significant upstream oil discovery and laying the foundation for Project Oil Kenya. According to the past parliamentary submissions, initial recoverable resources were estimated at 560–585 million barrels across multiple tertiary-age reservoirs and were later revised downward to approximately 326 million barrels following further appraisal, which is a material reduction that has direct implications for project viability, development scale and infrastructure planning.

83. According to the FDP and past parliamentary submissions, the modern exploration phase commenced with the signing of Production Sharing Contracts (Production Sharing Contracts (PSCs) for Block 10BB in October 2007 by Turkana Drilling Consortium and for Block 13T in September 2008 by Platform Resources Inc. Africa Oil Corporation consolidated control of both blocks between 2009 and 2010 through the acquisition of the two companies, enabling a coordinated exploration strategy. In January 2011, Tullow Kenya B.V. acquired a 50% interest (participation and operatorship), accelerating exploration and leading to multiple discoveries across the basin.

84. To facilitate integrated evaluation of the discoveries, the contractors sought and obtained approval in February 2013 to establish an Area of Interest (AOI) spanning parts of Blocks 10BB and 13T.

85. A joint venture evolved in 2016 with Maersk Oil's entry through a 25% farm-in (acquisition), later assumed by Total Energies following its acquisition of Maersk Oil in 2017. The partnership oversaw the implementation of Kenya's first oil export under the Early Oil Pilot Scheme (EOPS) between 2018 and 2020, producing limited volumes of

approximately 200,000 barrels in 2019. The EOPS utilized road transport to haul the crude from the oil wells to Mombasa.

86. In December 2021, the joint venture (Tullow Oil as operator, with Africa Oil and Total Energies) submitted its first Field Development Plan (FDP) to the Government of Kenya, signaling the development of the oil fields towards full commercialization. However, Total Energies and Africa Oil exited the project in May 2023, delaying the roadmap towards commercialization following an updated FDP submission in March 2023, leaving Tullow Oil as the sole owner and operator, thereby increasing both control and financing risk, hence heightening the need for a strategic partner amidst financing and regulatory challenges.

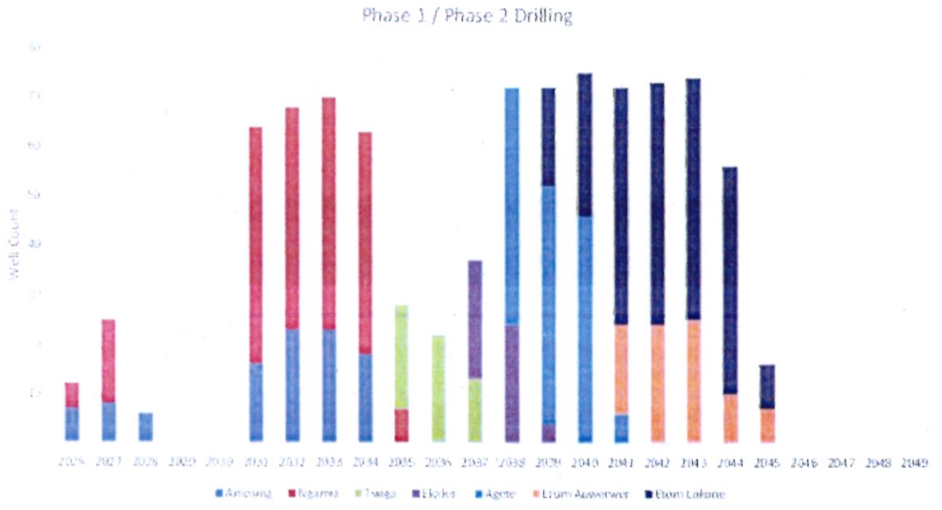
87. Following concerns raised by stakeholders, including Parliament on delay of FDP and lack of commitment, there was need for Ministry of Energy and Petroleum (MOEP) and the contractor to finalize the FDP. In that regard, in April 2025, Tullow agreed heads of terms for the sale of its Kenyan assets, culminating in a sale and purchase agreement in July 2025 with Auron Energy E&P Limited, an affiliate of Gulf Energy Limited. The transaction closed in September 2025, transferring 100% interest in Blocks 10BB and 13T to Gulf Energy E&P B.V. By December 2025, Gulf Energy held full ownership (with the blocks potentially redesignated as T6 and T7), and its revised FDP was approved by the parent Ministry in November 2025 and subsequently submitted to Parliament for ratification.

3.1.3 Analysis of Production Forecasting, Reserves, and Surface Facilities

88. According to the FDP, there is evidence of utilizing production forecasting tools in relation to the planned exploration for Blocks 13T and 10BB.

89. Production and associated drilling are expected to begin in 2026 utilizing Amosing and Ngamia, with Phase 2 drilling expected to begin in 2031 and continue to maintain the 50,000 stb/d plateau as shown in figure 1 below:

Figure 1: Phase 1 and Phase 2 drilling schedule



90. On surface facilities, Gulf Energy has adopted a phased development strategy to accelerate commercialization and achieve First Oil in the shortest possible time. The approach begins with an Early Production Phase (Phase 1) and transitions into a full-field development phase (Phase 2), allowing production to commence before large-scale permanent infrastructure is constructed.
91. Phase 1 will deploy two leased/rented Early Production Facilities (EPFs), each with a capacity of approximately 10,000 barrels of oil per day, resulting in a combined output of 20,000 barrels per day over an initial five-year period. This phase is largely operating expenditure driven, reducing upfront capital requirements. The EPFs are designed to handle associated produced water, limited gas volumes for on-site power generation with a diesel generator being considered for black start-up, and operational water requirements, with appropriate treatment and disposal systems in place.

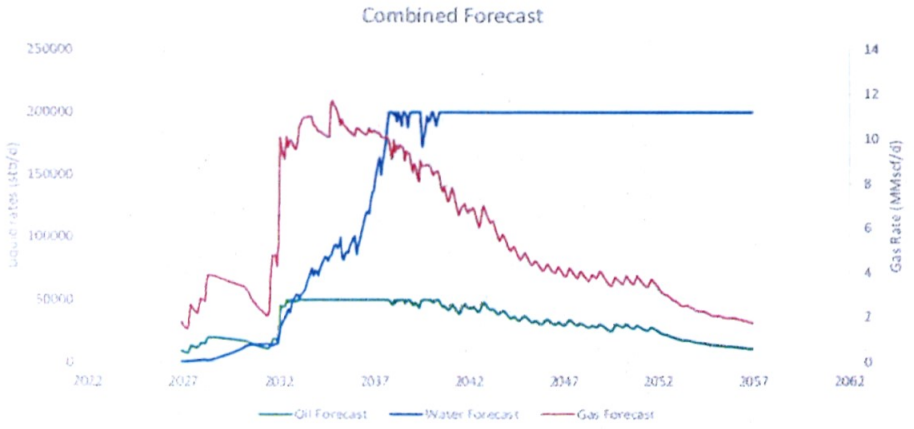
92. Production during Phase 1 will be supported by accelerated drilling from existing and new well pads within Block 10BB, utilizing 24 oil production wells and a similar number of water injection wells to maintain reservoir pressure. Produced oil will be stored in heated and insulated tanks with a capacity equivalent to approximately three days of production, providing operational flexibility in the event of transport disruptions.

93. Phase 2 will commence after the initial five-year period and will scale production up to approximately 50,000 barrels per day, anchored by the construction of a Central Processing Facility (CPF) in the Ngamia Field. The CPF will centralize processing, utilities, storage, waste management, and logistics, improving operational efficiency and reducing unit operating costs. It will be designed to manage significantly higher volumes of produced water and gas, supported by additional water supply from the Turkwel reservoir and a network of flowlines linking surrounding well pads.

94. Gas management and power supply have been designed to minimize routine flaring and enhance energy reliability. Associated gas will be used primarily for on-site power generation, with surplus gas reinjected into the reservoir. Power will be supplemented by grid connections, since Phase 1 EPF facilities are conceptually designed to consume 4MW per facility, which translates into 8MW for both EPF facilities, while the Phase 2 Central Processing Facility (CPF) is expected to have a peak power demand of 34 MW. Therefore, arising from this, a local substation containing a 220kV/ 33kV stepdown transformer will be constructed by KETRACO, local to the Central Facilities Area (CFA), as part of the Turkwel to Lokichogio transmission line expansion project, while flow assurance measures will ensure crude oil temperatures are maintained above the wax appearance temperature to prevent blockages and maintain uninterrupted operations.

95. Figure 2 provides a combined production forecast for all fields comprising gas, water, and oil forecasts.

Figure 2: Combined Production Forecast for Oil, Gas and Water



96. On the resource forecasting, the available resources summary shows a recoverable resource estimate of approximately 326 million stock tank barrels (MMstb) over a 25-year contract period, as indicated in table 1 below, which is considerably lower than the 560-585 million barrels of recoverable oil as earlier projected/submitted.

Table 1: 1C, 2C and 3C Full Basin STOIIP and Contingent Resources

Field / Discovery	Reservoir	Gross STOIIP (MMstb)			Gross Life of Field Resources (MMstb)			Best Estimate Resources to End of Licence (MMstb)
		Low	Best	High	Low	Mid	High	2C
Amosing	Auwerwer	186.0	252.0	394.0	46.4	71.9	114.1	54.3
Ngamia	Auwerwer	459.0	680.0	984.0	103.9	161.9	262.2	134.1
Twiga	Auwerwer	59.0	87.0	170.0	8.3	18.3	41.7	12.6
Ekales	Auwerwer	15.0	49.0	164.0	2.3	8.5	32.0	8.5
Agete	Auwerwer	125.0	212.0	362.0	17.1	36.8	79.1	36.5
Etom	Auwerwer	51.0	75.0	112.0	9.8	18.5	34.7	16.5
Etom - Emekuya	Lokone	173.0	327.0	598.0	36.0	80.0	173.2	63.4
Total		**1,068.0**	**1,682.0**	**2,784.0**	**223.8**	**395.9**	**737.0**	**325.9**

3.1.4 Schedule and Cost Profiles of The Project Oil Kenya

97. If the FDP is approved by Parliament, Phase 1 first oil is planned for December 2026 (fourth quarter of 2026), facilitated by the use of existing wells, pads, and rental infrastructure supported by drilling in sections of Amosing and Ngamia.

98. The Phase 1 project envisages an initial 21-month drilling programme to construct 43 new wells and to reinstate 5 existing wells in Amosing and Ngamia, while Phase 2 is planned for a 14-year program of continuous development drilling from 2031 (using 3 rigs) with additional wells in Amosing and Ngamia, followed by Twiga, Ekales, Agete, and Etom to maintain and extend the 50,000 barrels of oil per day plateau. This second programme involves drilling and completing 862 wells hence a total of 910 wells will be drilled and completed across the two phases.

99. On the Exploration and Appraisal aspect, it is important to note that out of the targeted 25 exploration and appraisal wells, 8 (in Ngamia FA North, Ngamia NFA NW, Amosing FA North, Amosing NFA South, Amosing Fan, Lopara North, Lopara, and Etete) are proposed to be prioritized. The eight high-grade drilling wells targeted are planned to be drilled sequentially over the course of approximately eight years, commencing in 2032 at an estimated average cost of $ 8-9 million per well.

100. To enable immediate project execution following a Final Investment Decision (FID) and meet the Phase 1 schedule, several preparatory activities must be initiated and completed as soon as possible. These include securing land access and water rights, finalizing commercial agreements, contracting and arranging project financing. In parallel, early technical works such as water pipeline tendering, detailed design, procurement and initial construction will commence. Enabling works, including access roads, temporary camps, site preparation and infield infrastructure, will also be undertaken. Permitting, Front End Engineering and Design (FEED) validation and detailed engineering will progress concurrently to allow early procurement of long-lead items essential to maintaining the Phase 1 and Phase 2 development timelines, as contained in figure 3 below:

Figure 3: Provisional integrated project schedule

Task Name	Duration	Start	Finish
PHASE 1, PHASE 2 and E & A	**5249 days**	**Thu 20/11/25**	**Mon 01/01/46**
Parliamentary Approval	0 days	Thu 20/11/25	Thu 20/11/25
Spud Date	0 days	Wed 01/07/26	Wed 01/07/26
Phase 1 Drilling and Completion	459 days	**Wed 01/07/26**	Mon 03/04/28
First Oil	0 days	Tue 01/12/26	Tue 01/12/26
Phase 2 Drilling and Completion	**3915 days**	**Wed 01/01/31**	**Mon 01/01/46**
Amosing	1044 days	Wed 01/01/31	Mon 01/01/35
Ngamia	1304 days	Wed 01/01/31	Mon 31/12/35
Twiga	1306 days	Mon 01/01/35	Fri 30/12/39
Ekales	783 days	Thu 01/01/37	Fri 30/12/39
Agete	1043 days	Fri 01/01/38	Mon 30/12/41
Etom Lokone	1827 days	Sat 01/01/39	Mon 01/01/46
Etom Auwerwer	1305 days	Tue 01/01/41	Mon 01/01/46
Phase 2 CPF Startup	2 emons	Thu 01/01/32	Mon 01/03/32
Exploration and Appraisal Well Drilling	**2058 days**	**Thu 01/07/32**	**Sun 20/05/40**
Ngamia FA North	12 emons	Thu 01/07/32	Sun 26/06/33
Amosing FA North	12 emons	Sun 26/06/33	Wed 21/06/34
Amosing NFA South	12 emons	Wed 21/06/34	Sat 16/06/35
Ngamia NFA NW	12 emons	Sat 16/06/35	Tue 10/06/36
Etete	12 emons	Tue 10/06/36	Fri 05/06/37
Lopera North	12 emons	Fri 05/06/37	Mon 31/05/38
Lopera	12 emons	Mon 31/05/38	Thu 26/05/39
Amosing Fan	12 emons	Thu 26/05/39	Sun 20/05/40
2D infill Campaign (Acquisition, Processing and Interp)	12 emons	Sun 01/07/35	Wed 25/06/36

101. Regarding the development activities, overall project costs are estimated at US $ 263.9 million (Approx. Kshs. 34.04 billion). This then increases significantly to US $ 5,452.6 million (Approx. Kshs. 703.38 billion) in Phase II, indicating that a significant portion of the development resources is projected to be unlocked in the subsequent phase. Notably, first oil cargo is planned for export in Q1 of 2027, with the breakdown of the upstream CAPEX, including Exploration and Appraisal, outlined in table 2:

Table 2: Upstream CAPEX

CAPEX ($M)	Phase I	Phase II	Total
Surface Facilities	36.8	430.8	467.6
Drilling and Completions	215.8	5,021.8	5,237.6
Project Owners Costs	11.3	-	11.3
Project Total	**263.9**	**5,452.6**	**5,716.5**
Decommissioning	-	-	343.0
Exploration and Appraisal	7.5	70.5	77.5
Total upstream capex	**271.4**	**5,522.6**	**5,794.0**

Note: Decommissioning costs amount to $331.8 million and exclude interest of $11.2 MM, which makes up the remainder of the total cost and has been calculated separately from the total upstream capex cost

102. Additionally, there is heavy concentration of project costs in drilling and completion activities, which represent approximately 80% of CAPEX in Phase 1 and increase to about 90% in Phase 2. Given that these activities dominate overall project expenditure and that the drilling and completion costs are largely assumed to be recoverable under the PSC, even relatively small deviations from planned well costs or drilling timelines could significantly affect the pace at which the contractor recovers costs and, consequently, the timing and share of government portion. Similarly, the current estimates rely on a combination of tender, vendor, and historical database information containing drilling and completion plans without simulations, which introduces potential cost and delivery risks if underlying assumptions change.

103. A summary of estimated costs to drill and complete the proposed development wells is provided in Table 3 below, which outlines the proposed cost of drilling and completing one well to be USD 4.65 million, translating to USD 4,231 million for the proposed total number of wells (910 in the FDP) in both phases.

Table 3: Initial Cost estimate to drill and complete proposed development wells

S. No	Line Item	Per Well Cost (US $MM)	Notes	Source
1	Rig & Services	0.59	Rig Day Rate	Budgetary Quote
2	Drilling Services	1.87	Drill Bits, SOBM, LWD, DD, ML, TRS, Fishing	Budgetary Quote
3	Wellhead & Xmas Tree	0.1		Budgetary Proposal
4	Drilling Tubulars	0.36	OCTG	Budgetary Quote
5	Completion Services	0.87	Completion, WBCO, Slickline	Budgetary Quote
6	Completion Equipment & ESP's	0.14	Tubing and Artificial Lift Equipment	Budgetary Quote
7	Support Services	0.28	Security, EHS, Life Support, vehicles, logistics, freight etc	Budgetary Quote
8	Supervision and G&A	0.28	Rig Supervision, EHS Supervision, Office G&A	Budgetary Quote
9	Mob/Demob Allocation	0.16	Rig and Services Mob/Demob for 43 wells	Budgetary Quote
	Total Well Cost	4.65		

Source: FDP

104. On the other hand, the project's operating expenditure (OPEX), as detailed in Table 4 below, is based on inputs from previous FEED contractors, well engineering estimates, historical costs incurred during the Exploration Phase, and internal in-house databases. While these inputs provide a basis for estimation, the resulting OPEX estimates indicates a significant escalation in Phase Two, with total OPEX estimate increasing from approximately USD 1,014.3 million (approx. Kshs.130.844 billion) in Phase One to USD 7,212.0 million (approx. Kshs.930.348 billion) in Phase Two, driven predominantly by

midstream costs, particularly oil trucking and rail transportation, storage and handling, and administrative and monitoring expenses.

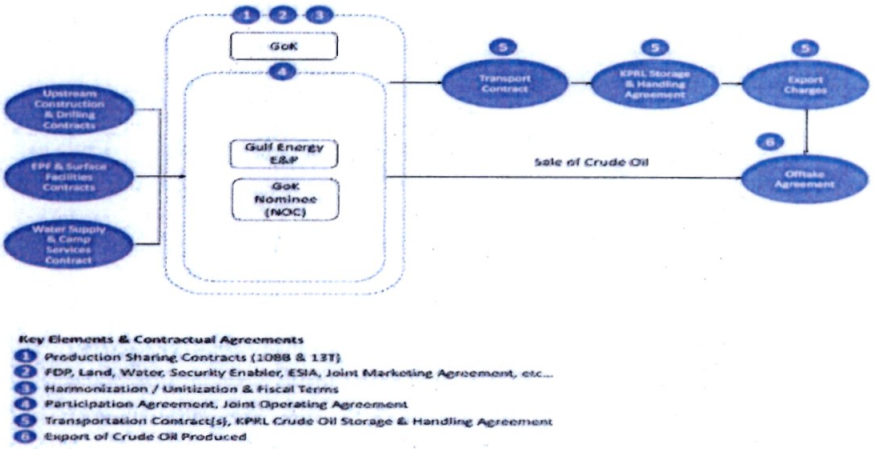
Table 4: Project OPEX

UPSTREAM OPEX ($MM)	Phase 1	Phase 2	Total
Lease of Surface Facilities, TDU & Water	267.7	247.4	515.2
GE Personnel (G&A)	56.6	226.5	283.2
Camp Costs	11.7	63.2	74.9
Consumables (Elec & Diesel)	14.9	171.8	186.6
Chemicals	5.8	138.7	144.5
Travel	5.2	20.4	25.6
Vehicles	5.3	73.5	78.8
Support Services	72.5	288.6	361.1
Insurance	3.0	47.0	50.0
Upstream Total	**442.8**	**1,277.1**	**1,719.9**
MIDSTREAM OPEX ($MM)	**Phase 1**	**Phase 2**	**Total**
Oil Trucking / Rail Transportation	466.9	4,848.6	5,315.5
Export Charges	28.3	293.9	322.1
Storage & Handling	28.6	296.8	325.4
Admin & Monitoring	34.9	362.1	397.0
Product Loss	8.6	89.0	97.6
Trucking Insurance	4.3	44.5	48.8
Midstream Total	**571.5**	**5,934.9**	**6,506.4**
Total OPEX	**1,014.3**	**7,212.0**	**8,226.4**

3.1.5 Commercial and Economic Analysis of the Project Oil Kenya

105. The Gulf FDP is anchored in an integrated contractual framework linking the Government of Kenya, Gulf Energy E&P, and the GoK Nominee to govern the development and production of crude oil from Blocks 10BB and 13T. The framework is centred on the Production Sharing Contracts and supported by enabling agreements covering field development approvals, land and water access, security, ESIA, joint marketing, harmonization, unitization, fiscal terms, participation, and joint operating arrangements, which together define governance, cost recovery, and profit-sharing. It further establishes the pathway for crude evacuation and commercialization through transportation contracts, the KPRL crude oil storage and handling agreement, export charges, and offtake agreements, enabling the movement, storage, and sale of crude oil to international markets in line with regulatory requirements and national interests as set out in figure 4 below:

Figure 4: Contractual Framework



106. The project crude is characterized as a medium-grade, paraffinic, sweet crude with an API gravity of approximately 30.5°, which is commercially marketable but not premium

and is therefore priced against the Dated Brent benchmark. For analytical purposes, a conservative oil price of USD 60 per barrel has been assumed, with no allowance for inflation or future price escalation. Reflecting the waxy nature of the crude, a constant discount of USD 3.5 per barrel to Brent has been applied, consistent with outcomes from the Early Oil Pilot Scheme and prevailing market conditions. The economic analysis is based on cash flows commencing on 1st January 2025 and assumes zero cost inflation over the project life to avoid optimistic assumptions.

107. The evaluation further assumes that the Government of Kenya, through its nominee National Oil Corporation (NOC), holds a 20% participating interest across the unitized development area, reflecting existing interests in Blocks 10BB and 13T. In addition, the contractor has indicated that, given the current cost environment and capital requirements, certain targeted revisions to fiscal treatment may be necessary to support project viability, while maintaining the overall fiscal framework set out in the Production Sharing Contracts (PSCs).

Table 5: Current and Adjusted Fiscal Terms

Item	10BB PSC (current terms)	13T PSC (current terms)	Unitised Lokichar Area (Requested)
VAT	16.0%		Exempt
WHT	5% Local 5.625% Imported		Exempt
RDL & IDF	2% & 2.5% on imported goods		Exempt
Cost Recovery Ceiling	55.0%	65.0%	85.0%
Profit Oil Split	Daily production (stb/d): 0-20,000 — Government share: 55% — Contractor share: 45% 20,001-50,000 — 60% — 40% 50,001-100,000 — 63% — 37% 101,001-150,000 — 68% — 32% Over 150,000 — 78% — 22%	Daily production (stb/d): 0-20,000 — Government share: 50% — Contractor share: 50% 20,001-50,000 — 60% — 40% 50,001-100,000 — 65% — 35% 101,001-150,000 — 70% — 30% Over 150,000 — 75% — 25%	Daily production (stb/d): 0-20,000 — Government share: 50% — Contractor share: 50% 20,001-50,000 — 60% — 40% 50,001-100,000 — 65% — 35% 101,001-150,000 — 70% — 30% Over 150,000 — 75% — 25%
Windfall T2 Tax	26% Trigger Price $50/bbl, indexed since 2007	20% Trigger Price $50/bbl, indexed since 2008	26% Trigger Price $50/bbl, indexed since 2007

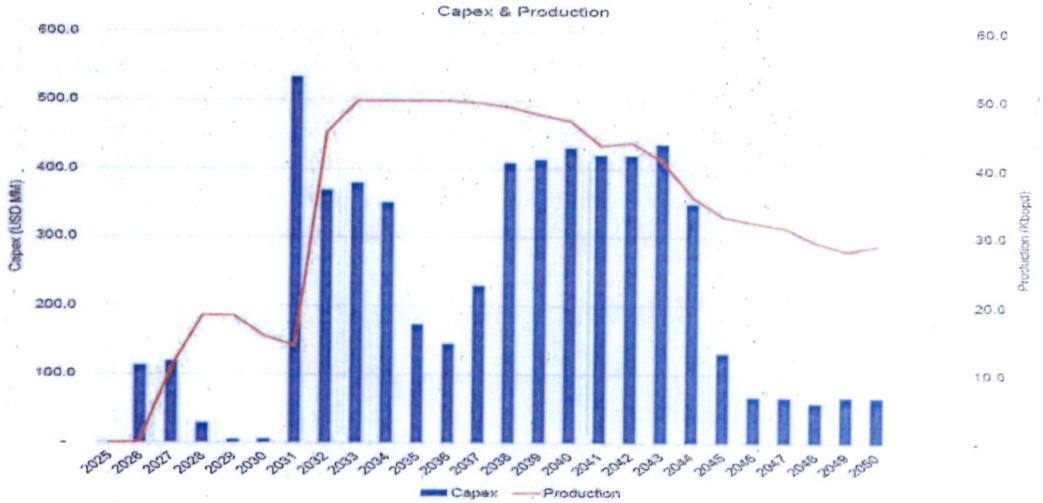
Source: FDP

108. The indicated fiscal terms and conditions for the Unitized Lokichar Area points to substantial concessions/tax expenditures being granted in comparison to the current 10BB and 13T Production Sharing Contracts (PSCs). There are proposals or expectations for various tax exemptions (VAT, withholding tax, RDL and IDF levies) which might impact tax yields accruing from these arrangements. Additionally, the Contractor shall recover costs incurred in relation to operations from cost recovery crude oil as follows: production costs, development costs, exploration and appraisal costs, and decommissioning costs in the order that shall be agreed by the parties.

109. On the other hand, the Capex and Production are as shown in figure 5, indicating capital expenditure sharply rising from 2031 and peaking above USD 500 million to support the ramp-up of production. Output starts in 2026 and reaches its peak at around 50,000 barrels per day between 2033 and 2037, before gradually declining through 2050, which means government revenues will similarly decline in the project's latter years. This pattern reflects a typical oil field lifecycle: substantial early spending to build infrastructure and drilling

capacity, followed by a production plateau and eventual decline. The alignment of peak Capex, with the achievement of 50,000 barrels per day, underscores the scale of investment required to sustain even a moderate production ceiling.

Figure 5: Capex and Production Chart



110. The FDP indicates the project cash flow for the initial 15 years, as indicated in table 6 below:

Table 6: Forecast Free cash flows over the initial 15 years

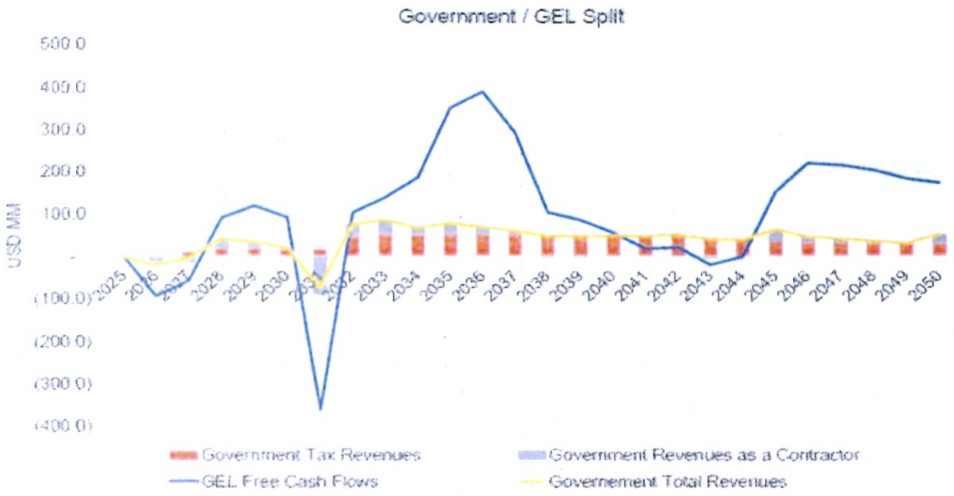
Year	Revenues (USDMM)	Transport Costs (USDMM)	Revenues Net of Transport Costs (USDMM)	Opex (USDMM)	Capex (USDMM)	Fees & Levies (USDMM)	Govt Share of Profit Oil (USDMM)	Contractor Group Net CF (USDMM)
2025	-	-	-	-	-	-	-	-
2026	16.4	1	1.8	-3.7	-112.9	-0.6	-0.4	-115.8
2027	228.1	80.7	147.4	-87.3	-119.5	-1.1	-36.5	-96.9
2028	385.8	136.6	249.2	-88	-28.7	-1.1	-61.7	69.8
2029	384.3	136	248.3	-88.1	-4.8	-1.1	-61.4	92.8
2030	322.4	114.1	208.3	-88.2	-5.5	-1.1	-51.5	61.9
2031	292.5	103.6	189	-88.6	-534.9	-1.1	-46.8	-482.3
2032	940.1	332.8	607.3	-59.3	-369.1	-1.1	-151	26.8
2033	1,031.10	365	666.1	-60.7	-379.3	-1.1	-166.5	58.5
2034	1,031.10	365	666.1	-61.7	-350.7	-1.1	-166.5	86.1
2035	1,031.10	365	666.1	-62.2	-173.5	-1.3	-159.8	260.9
2036	1,034.00	366	668	-62.8	-144.9	-1.3	-155.2	295.3
2037	1,024.30	362.6	661.7	-64.6	-230	-1.3	-153.6	203.8
2038	1,012.00	358.2	653.8	-65.5	-409.1	-1.3	-143.8	25.7
2039	989.1	350.1	638.9	-65.7	-414	-1.3	-134.1	15.6
2040	972.1	344.1	628	-66.3	-431.1	-1.3	-128.1	-7.1
Total	**10,694.40**	**3,780.80**	**6,900.00**	**-1,012.60**	**-3,707.90**	**-16.9**	**-1,616.90**	**495**

111. The revenue split analysis between the Government of Kenya (GoK) and Gulf Energy Limited (GEL) reveals Gulf Energy Limited experiences negative cashflows during the development phase: -$94.0 million (2026), -$57.0 million (2027), and a huge -$362.0

million (2031) coinciding with peak capital deployment. The contractor only achieves break-even around 2028 ($91.0 million) and sustained profitability from 2032 onwards, with peak annual returns concentrated in a narrow window: $103.1 million (2032), escalating to $351.4-$390.3 million during 2035-2036, then moderating to $86-293 million through 2037-2040.

112. The tail years (2044-2050) show remarkable resilience with cashflows of $152-222 million annually despite declining production, suggesting either dramatically reduced operating costs once infrastructure is amortized or potential modeling optimism. Over the entire project life, GEL accumulates total net cash flows of $2,673.0 million against cumulative government revenues of $1,047.2 million, representing a 72:28 split in favor of the contractor on net project cashflow, which is a ratio that appears fundamentally misaligned with Production Sharing Contract principles specifying 50% - 75% government profit oil shares.

Figure 6: Gulf Energy / Government of Kenya Split of Revenues



3.1.6 Analysis of the Midstream Project

113. The midstream component of the FDP is a key determinant of the commercial viability of the project, as it determines whether produced oil can be reliably transported, stored, and exported. Notably, trucking costs accounts for substantive costs of the project OPEX.

114. Additionally, on the evaluation of the feasibility of a refinery, an IHS Kenya Pre-Feasibility Study found that a 70,000 stb/d RFCC oil refinery at Lokichar, would cost over USD 2.0 billion, but will face greater challenges in securing financing and reaching FID due to higher capital costs, and difficult macroeconomic conditions in the oil and gas sector while an export pipeline cost is estimated at USD 1.5 billion.

115. Further, while trucking reduces upfront capital requirements, provides first and last mile advantages and lowers the threshold for achieving first oil, the project may experience logistical challenges and high per-barrel transportation costs, which are part of the estimated OPEX. A study by the Fraser Institute notes that transporting crude oil by trucks can cost around USD 20 per barrel, approximately four times the cost of transporting the same oil via pipeline (approximately USD 5 per barrel), highlighting the significant cost disadvantage of road evacuation.

116. During Phase 1, the project proposes to rely primarily on road trucking (using insulated road tankers) to transport crude oil from Lokichar to the KPRL facility in Mombasa for storage and handling, a distance of approximately 1,100 km before it is exported through the Port of Mombasa.

117. Table 7 below provides the current usable road route with over 75% on National highway class A roads under KeNHA.

Table 7: Current usable road route distances

From	To	Distance (km)	Highway
Well pads	Lokichar	25.0	C46
Lokichar	Kitale	214.0	A1
Kitale	Eldoret	72.0	B2
Eldoret	Nairobi	311.0	A104
Nairobi	Mombasa	482.0	A109
Total		**1,104.0**	

118. The FDP also provides for other road routes to enhance optimality although they may require repairs, upgrades, and completion of ongoing ones. The routes include the preferred route for road covering 975 km from the well pads to KPRL Mombasa, which is 65% and 35% on class A and B/C roads, respectively, and will require improvement/upgrade of about 176 km stretch, while the recommended route avoids major towns and junctions such as Kitale, Eldoret, and Mau Summit. The recommended route will also require the upgrade of the C46 road, approximately 25 km from Amosing to Lokichar from a class C road to a class A road, completion of construction work of Chemelingot to Lomut (c. 94 km), and construction of a tarmac road from Marich Pass to Lomut (c. 25 km).

119. At peak, approximately 100 tankers will be loaded daily to transport 20,000 barrels of oil per day to KPRL Mombasa for export storage. The fleet will consist of approximately 600 trucks, based on a six-day round trip in phase 1. At full production, it is expected that at least one vessel will be exported per month, totaling 600,000 barrels in phase 1.

120. Phase 2 envisages the use of the rail network for evacuation, which could improve cost efficiency and reduce environmental and road safety risks.

121. According to the FDP, GoK will evaluate various alternatives for rail network transportation with an option to construct a meter gauge line from Lokichar and connect it to the main MGR line at Kitale, Eldoret, Nakuru, Nyahururu, Nanyuki, or any other location, and another option to extend the SGR line to Lokichar and connect to the proposed extension of the SGR line from Naivasha to Lokichar. Studies are envisaged to be carried out to establish the optimal railway solution.

122. In phase 2 and to support increasing production of 50,000 stb/d, GoK will be required to provide a railway line in Lokichar, Turkana by the second half of 2030. At this rate, approximately 155 insulated and steam-heated crude wagons will be loaded daily and transported to KPRL Mombasa for offloading and storage with at least two vessels per month, totaling about 1,500,000 barrels anticipated to be exported in phase 2.

123. For storage, the project requires a total storage volume of approximately 900,000 barrels to support export parcels of approximately 600,000 barrels via KOT2 at Mombasa Port per month, and the project plans to use the existing storage tanks at the KPRL facility.

Currently, there are 6 storage tanks converted for handling and storage of Kenya Crude Oil, while 3 other tanks will require some modifications to be fit for purpose.

124. The FDP proposes a midstream tariff that will be presented by GEBV to EPRA for approval in line with its mandate. The tariff is determined by various factors, including trucking costs, storage and handling charges, and product loss, among others.

Table 8: Midstream Tariff

No	Item	Symbol	$/bbl	Comment
1	Trucking	T1	16.34	Excludes VAT.
2	Storage & Handling	SH	1	
3	Export Charges	EC	0.99	
4	Admin & Monitoring	AM	1.22	
5	Product Loss (0.5%)	PL	0.3	
6	Insurance (0.25%)	IN	0.15	
7	**Midstream Tariff**		**20**	

125. The major cost component in the midstream tariff is the trucking cost and may be attributed to trucking over long distances under Phase 1, resulting into a higher tariff than would have been expected under a pipeline or rail transport.

126. Table 9 below shows the calculation of the fuel surcharge applied to crude oil transportation, showing how changes in diesel prices translate into an additional per-barrel transportation cost on top of the base midstream tariff.

Table 9: Fuel Surcharge Calculation

Fuel Pricing Formula			
a)	Quoted Rate Per Barrel (T0)	$/bbl	16.02
b)	Base Diesel Price (BDP): ERC Nairobi Retail Price 15 July 2025	Kes/Litre	171.58
c)	Current Diesel Price (CDP): i.e., ERC Price 15 Nov 2026 applicable for supplies in December	Kes/Litre	180.00
d)	Fuel Factor (FF): The percentage of the total transport cost that is attributable to diesel		40%
e)	Fuel Surcharge Factor (FSF): (CDP-BDP)/BDP*FF		0.020
f)	**Applicable Price (TI) = TO (1+FSF)**	**$/bbl**	**16.34**

3.1.7 Review of Critical Enablers/Sectoral Interventions by GoK

127. The FDP assumes that the GoK will avail and facilitate key enablers, which will be critical to the successful implementation of the project. These include;

a) Land access - Provision and acquisition of project land is expected to be coordinated by the MOEP, and acquisition is to be undertaken by the National Land Commission (NLC)

b) Water provision - The project has an average water requirement of approximately 70,000 barrels per day (bwpd). The project will utilize water from the Turkwel dam,

with the Ministry of Water required to construct a pipeline from Turkwel Dam to the upstream fields ahead of production commencement

c) Security arrangements - GOK through the NPS is expected to enhance the Critical Infrastructure Protection Unit to support the increased operations by the Contractors, including the provision of security along the A1 Highway.

d) Grid Power - GoK through relevant Agencies will be required to provide last-mile grid power connections to the project's upstream fields, camps, airstrip, and boreholes. Power to be supplied on a commercial tariff basis.

e) Road infrastructure - As discussed earlier, GOK will be expected to construct some roads and upgrade others.

f) Storage and Handling infrastructure at KPRL - which includes provision of heat-traced and insulated storage tanks and construction of a heat-traced and insulated pipeline to evacuate crude oil from KPRL to KOT2.

g) Extension of railways including last mile modifications - In line with the Government's strategic plan to extend the railway line to Northern Kenya, the Contractor requests that the Government of Kenya provide a railway line at the fields in Lokichar for evacuating 50,000 barrels by January 2032.

h) FDP assumes that these enablers will be delivered without delay. Consequently, it is important that the government prioritizes these interventions in the next budgeting cycle beginning FY 2026/27 starting with the conceptualization and funding of the same in the upcoming 2026 Budget Policy Statement and clearly highlighted under sectoral interventions.

3.2 LOCAL CONTENT, ENVIRONMENTAL AND SOCIAL GOVERNANCE, WELL AND RESERVOIR MANAGEMENT

3.2.1 Environmental and Social Governance (ESG): Balancing Development with Sustainability

128. The Field Development Plan (FDP) positions Environmental and Social Governance (ESG) as a foundational pillar, dedicating an entire chapter that is Chapter 10, to a comprehensive framework that aligns with international benchmarks like the International Finance Corporation (IFC) Performance Standards and Kenyan legislation. This approach is informed by over six years of baseline environmental and social data collection (2015–2021), mirroring best practices in Uganda and Ghana, where studies extended preceded project approvals.

129. The Environmental and Social Management Plan (ESMP) emphasizes proactive mitigation, drawing lessons from African inland oil projects in Chad and South Sudan, where inadequate oversight led to community conflicts.

130. The National Land Commission (NLC), on behalf of the State Department for Petroleum (SDP), will acquire gazetted community lands (where registered) and "polygons" (prospective exploration zones, geological features, lease blocks, or delineated extents of interest) on maps) of required project land across the different oilfields in accordance with the requirements of the Land Act (2012). In addition to the oilfield polygons, land requirements will also include the Kapese Integrated Operations Base. Within these polygons, the Project has identified a defined footprint of approximately 1,500 hectares versus the predicted polygon land area of approximately 11,000 hectares.

131. To minimize the impacts of land acquisition, land not required by the Project within the polygons will continue to be available for community use. Some contingent well pads sit outside the gazetted areas. If contingent well pads are required, additional land will be acquired by NLC in line with statutory requirements.

132. Land requirements for the northern and eastern fields will be further developed during the appraisal activities and once finalized, they will be passed to the State Department for gazettement and acquisition through the NLC in line with statutory requirements. The Project expects this land will be acquired through community land acquisition approach as defined under law.

133. Water stewardship is paramount in this water-scarce environment, unlike coastal fields in Ghana or Angola. The plan calls for sourcing 8,000–10,000 cubic meters of water per day from the Turkwel River dam via a 70-kilometre pipeline, akin to the daily consumption of a town with 80,000-100,000 residents. Secured through permits from the Water Resources Management Authority (WRMA), this includes rigorous monitoring, recycling, and controlled abstraction to prevent escalation into conflicts, as seen in Chad and South Sudan.

134. Air quality and climate commitments include a zero routine flaring policy for associated gas, which will instead be utilized for power generation or re-injection, aligning with the World Bank's "Zero Routine Flaring by 2030" initiative. This exceeds practices in older African oil provinces and contributes to a projected carbon intensity of 25–30 kg CO2 per barrel, lower than Nigeria's approximately 35 kg per barrel of oil equivalent (boe) or Angola's 40 kg/boe, owing to the field's low gas-to-oil ratio (GOR).

135. Biodiversity protection involves a dedicated Action Plan, with baseline studies and monitoring to avoid sensitive areas; notably, no operations encroach on gazetted national parks or reserves in the semi-arid ecosystem. Community health and safety are addressed via a specialized plan, targeting over 70% local sourcing for the security workforce to enhance relations and job creation. Waste management entails an Integrated Waste Management Facility handling 15,000–20,000 tonnes of non-hazardous waste and 3,000–5,000 tonnes of hazardous waste over the project's lifespan.

3.2.2 Well and Reservoir Management Plan (WRMP): Optimizing Resource Recovery for National Benefit

136. The Well and Reservoir Management Plan (WRMP) serves as the technical roadmap for safe, efficient oil extraction over the 25-year license, converting static resources into producible reserves through data-driven strategies. This plan is crucial for Kenya's first commercial venture, modeled on mature fields like the North Sea, where rigorous management has prolonged production and boosted recovery rates.

137. The core objective is maximizing ultimate recovery, targeting a factor of 23–27% for key fields like Ngamia and Amosing via pattern water flooding. This is realistic for an initial phase, below the global average of about 35% for similar onshore fields but with potential for enhancement through future technologies. For the mid-case stock tank oil initially in place (STOIIP) of 1.95 billion barrels, a 25% recovery factor equates to roughly over 326 million barrels of produced oil, safeguarding substantial revenue for Kenya.

138. Surveillance is continuous and multifaceted: wellhead pressure and rates are monitored daily; reservoir pressure via permanent gauges in key wells (4–6 surveys annually); fluid sampling yearly; and injection efficiency across over 100 water injectors to maintain voidage replacement. Technologies such as Electrical Submersible Pumps (ESPs) in most

producer wells optimize lift, while zonal isolation via sliding sleeves or plugs addresses water-producing intervals, extending well life.

139. The management cycle; planning, execution (drilling/completion), monitoring (pressures/rates), analysis (modeling/reviews), optimization, and intervention (workovers/new wells) ensures adaptive operations. Phase 1 involves drilling over 40 new wells on multi-well pads to reduce surface impact, a modern approach contrasting older Nigerian sites with dispersed infrastructure.

140. Technically, South Lokichar's reservoirs resemble Uganda's Lake Albert Basin, requiring early water injection unlike high-pressure offshore fields in Nigeria or Angola. Production ramps up from 20,000 bpd to a 50,000-bpd plateau over several years, akin to phased strategies in Uganda (5-7 years to peak) and Chad. Weak reservoir oversight in comparable projects has reduced recovery by 10-20%, potentially costing billions in lost revenue; thus, the WRMP's transparency and independent verification are vital for positioning Kenya as an informed partner, preventing such pitfalls and extending field viability.

3.2.3 Local Content Plan (LCP): Fostering Economic Inclusion and Capacity Building

141. The Local Content Plan outlines strategies to channel project benefits to Kenyan citizens and businesses, promoting public acceptance and socio-economic growth. As a first-time oil producer, Kenya's targets are ambitious, learning from regional experiences to avoid over-reliance on foreign expertise.

142. The Local Content Plan aims to maximize value for the Kenyan economy through employment, procurement, and capacity building. The strategy utilizes a "Wheel of Opportunity" to categorize sectors based on local capability, prioritizing immediate opportunities in areas like security and transport while building capacity in specialized oil and gas services.

143. First, Priority Sectors identify goods and services that are already available in the local market and can meet industry standards with minimal adjustments; these include services like crane hire, security, catering, customs clearance, and general waste management.

144. Second, Potential Transformation Sectors involve services that are not currently ready for immediate project uptake and require significant development to meet the necessary standards, necessitating local players enhance their capacity.

145. Third, Opportunistic Sectors represent high-value, specialized oil and gas services such as well services, drilling, and seismic operations, which require substantial investment and are least likely to be sourced locally in the immediate term, though expertise transfer from sectors like geothermal energy is being explored.

146. In terms of workforce composition, the plan targets a peak workforce that is 50% Kenyan for the specialized Upstream Drilling and Completions operations, and 100% Kenyan for both Civil Works and Midstream operations. To ensure long-term benefits, contractors are required to implement clear succession plans to transition expatriate-held roles to Kenyan professionals over time.

147. At peak, this translates the overall project (direct and indirect) workforce is estimated to total 2,000 smaller than Uganda's projected 10,000-15,000 but comparable to Ghana's Jubilee field (5,000 at peak construction). Unskilled labor is targeted at 100% local,

aligning with Uganda and Tanzania, while skilled roles prioritize Kenyans, following Ghana's path from under 20% local participation at first oil to over 80% within a decade.

148. **Procurement prioritizes competitive Kenyan goods and services**, channeling a significant share of the $5.7 billion capital expenditure (CAPEX) and operational spend to local firms, with tracking mechanisms in place. Focus areas include transportation, security, catering, civil works, and manufactured goods, mirroring supplier development in Ghana and Norway that empowered SMEs, unlike Nigeria's early foreign dominance.

149. Procurement is divided into Upstream and Midstream workstreams, with specific mechanisms to integrate Kenyan businesses. In the Upstream sector, while specialized drilling packages offer limited immediate local content, Civil Works (roads, well pads, cellars) are expected to achieve near 100% local participation for equipment and services.

150. The Midstream phase presents the most significant immediate opportunity, particularly regarding the transportation of crude oil from Lokichar to Mombasa. For Phase 1, the project requires a fleet of approximately 600 trucks, all of which can be sourced from Kenyan suppliers (at least 200 of these trucks (33%) are specifically for Turkana County-based enterprises. These county suppliers will be organized through a cooperative structure incorporating stakeholders from Turkana East, West, and North to ensure broad-based benefit sharing.

151. In Phase 2, the project's logistical framework expands significantly to support higher production levels by transitioning to a dedicated rail transport system. This operation will require the daily mobilization of 155 wagons to move crude oil efficiently to the export terminal. With this enhanced infrastructure in place, the project aims to facilitate a substantial volume of trade, enabling monthly exports to range between 600,000 and 1,500,000 barrels.

152. Comparatively, Kenya's Local Content Plan surpasses regional benchmarks by integrating enforcement and reporting, as in Ghana's successful fabrication growth. It positions the project as a catalyst for regional industrialization beyond Nairobi and Mombasa, akin to oil-driven hubs in Aberdeen, Scotland, or Stavanger, Norway.

CHAPTER FOUR
COMMITTEE PROCEEDINGS

4.0 PUBLIC HEARINGS IN TURKANA, WEST POKOT, UASIN GISHU, TRANS NZOIA, LAMU AND MOMBASA COUNTIES

153. The Committee undertook public hearing in six (6) counties that are expected to experience direct and significant impacts arising from the implementation of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County. This is in accordance with Articles 95(2) and 96 of the Constitution on the roles of the National Assembly and the Senate respectively and Article 118 of the Constitution with regards to public participation.

4.1 Turkana County

The Joint Committee conducted public participation in Turkana County from 3rd to 6th February 2026 with engagements with government officials and members of the public in three (3) key constituencies i.e. Turkana Central, Turkana South and Turkana East.

4.1.1 Meeting with the Turkana County Security Committee

154. The Joint Committee held a briefing session in Lodwar town, Turkana Central Constituency, with the Turkana County Security Committee, chaired by the County Commissioner, Mr. J.M. Kavita, MBS on 3rd February 2026. The engagement focused on security preparedness and critical infrastructure considerations ahead of project implementation.

155. The issue of security featured prominently in the engagement. The County Commissioner informed the Committee that while Turkana County has generally remained stable, oil-related activities introduce new security dynamics, including risks associated with increased movement of personnel, equipment, and high-value commodities, especially on the Lokichar-Kapenguria stretch of the Road. He emphasized the need for a coordinated security architecture involving national security agencies, county administrators, and local community structures to safeguard infrastructure, personnel, and surrounding communities.

156. The County Commissioner emphasized the centrality of structured and continuous community engagement, noting that Turkana communities have borne the social, environmental, and economic impacts of petroleum exploration over an extended period. He stressed that inadequate consultation, delayed feedback loops, or unclear communication of project timelines risk exacerbating community fatigue, mistrust, and potential conflict. In this regard, the Commissioner underscored the need for clear public communication on the transition from EOPS to full-field development, including what benefits communities should realistically expect at each phase and the proceeds from the EOPS and their utilization.

157. On land access and compensation, the County Commissioner highlighted persistent grievances related to land acquisition, delayed compensation, and perceived inequities in valuation. He cautioned that unresolved historical claims could undermine the FDP's social licence to operate and expose the project to litigation and operational disruptions. He therefore called for transparent compensation frameworks, clear timelines, and enhanced coordination between the national government, county government, and project proponents.

158. On water resources, the engagement underscored water scarcity as a critical issue in Turkana. The County Commissioner stressed that water abstraction for oil operations must be balanced against domestic consumption needs and irrigation needs. He emphasized the importance of clear demarcation of the routes the water pipeline is expected to take, and assurances on water security for the host community and their neighbours in light of the proposed water pipeline to be constructed from the Turkwel Dam to the Lokichar oil fields.

159. The County Commissioner further highlighted expectations around local content, employment, and skills development, noting that communities expect tangible employment opportunities, skills transfer, and participation in the project value chain.

160. The County Commissioner further raised social cohesion and governance concerns, particularly the risk of clannism and intra-community competition arising from perceived or actual unequal distribution of project benefits. He cautioned that oil-related benefits, employment opportunities, and compensation processes can easily become flashpoints for conflict if not managed with sensitivity to Turkana's social structures.

161. He specifically underscored the critical role of community elders, traditional leaders, and seers in the Turkana context, noting that these actors command legitimacy, moral authority, and deep cultural knowledge that formal administrative structures alone cannot replicate. The County Commissioner advised that meaningful engagement with elders and seers should be institutionalized throughout the project lifecycle, from planning and land access negotiations to compensation, grievance redress, and conflict resolution, to ensure community buy-in, manage expectations, and preserve social harmony.

162. In conclusion, the County Commissioner reiterated that the success of the FDP is contingent not only on technical and commercial viability but also on robust governance, transparent public participation, timely compensation, security coordination, and inclusive development outcomes. He emphasized that sustained engagement with county leadership and local communities is essential to mitigate risks, maintain stability, and ensure that petroleum development contributes meaningfully to the socio-economic development of Turkana County.

163. On the water and irrigation aspect, Mr. Edwin Cheruiyot, the Chief Executive Officer of the North Rift Valley Water Works Development Agency, representing the CS, Ministry of Water, informed the Committee that two water supply lines are planned from Turkwel; one designated for irrigation and oil processing, and another for domestic use. The domestic supply line is expected to incorporate approximately 15 offtake points to serve communities along the corridor. He further indicated that the contractor would mobilize to the site upon ratification of the relevant project documents.

164. The Committee underscored the need to prioritize access to water for residents and emphasized that supply to host communities should be operational ahead of production activities, as a measure to promote community goodwill and support sustainable project implementation.

4.1.2 Engagement with the Turkana County Assembly & Turkana Professionals Association

On Tuesday, 3rd February 2026, the Joint Committee then engaged Members of the Turkana County Assembly, led by the Speaker, in recognition of the Assembly's constitutional oversight role and its responsibility in facilitating informed public participation, and representatives of the Turkana Professionals Association to deliberate on the Field

Development Plan (FDP) and the associated Production Sharing Contracts (PSCs) at the County Assembly chambers. The engagements were as follows:

165. During the engagement, the Speaker raised key issues requiring clarification before MCA feedback, including the implications of the FDP and the applicable Production Sharing Contracts (PSCs), land settlement patterns and outstanding compensation claims, local content commitments on employment and skills development, and the Environmental and Social Impact Assessment (ESIA), particularly concerning environmental risks and mitigation measures affecting host communities. This was subsequently undertaken by the Joint Committee, after which the MCAs gave their views and feedback.

166. County Assembly Members raised concerns regarding the distribution of the 5% local community's revenue share, particularly how benefits would be allocated among subdivided sub-counties. Legal Counsel clarified that while petroleum legislation and the project frameworks allocate benefits at county and local community levels, the county government retains discretion over intra-county distribution, which would require appropriate local legislative or administrative mechanisms.

167. Members emphasized the need for a clear and operational definition of "local community" that recognizes migratory patterns and seasonal land use, noting that benefits should prioritize communities directly affected by extraction activities. Proposals were advanced to define a localized host community zone, estimated at approximately 30 square kilometers around extraction sites, to guide allocation of the local share.

168. Members advocated for harmonization between the Turkana County Local Content Act, 2024, and the national local content framework to ensure legal coherence. Suggestions were made to refine employment and procurement targets, including reserving up to 70% of workforce opportunities for Turkana residents, particularly in trucking and transport services, to maximize local economic participation.

169. The Turkana Professionals Association (TPA) provided specific metrics for these demands, requesting that: Trucking: 70% of trucking contracts be allocated to local contractors. Employment: 100% of drivers and 100% of logistics staff be hired locally, with training provided to ensure compliance. The project must prioritize Kenyan citizens for employment and SMEs for procurement.

170. Revenue sharing and land ownership emerged as significant areas of concern. While the statutory revenue allocation remains 75% to the national government, 20% to the county government, and 5% to local communities, Members called for clearer mechanisms governing sub-county distribution to minimize disputes.

171. Discussions on land rights underscored constitutional recognition of community land and the importance of proper registration to safeguard legitimate ownership. Members expressed concern over potential fraudulent claims and stressed that compensation processes must be timely, fair, and transparent, considering community ties and migratory practices. Concerns were also raised regarding the undervaluation of land during compensation, prompting calls for an urgent review of valuation frameworks to reflect the economic significance of oil and gas resources.

172. Concerns were also raised regarding the undervaluation of land during compensation. The TPA highlighted that current valuation frameworks fail to account for the enhanced economic value arising from oil discovery. They specifically noted that there exists historical Injustice where Specific areas, such as the Kapese Airstrip, were reportedly

acquired without community knowledge. The past mismanagement and previous payments by Tullow Oil (KES 258 million) were remitted to county authorities rather than directly to affected communities, a practice the TPA argued violates the spirit of the Community Land Act. They proposed that compensation must account for the Ere system of traditional ownership and exclude "unowned" land classifications simply because structures are not visible.

173. Security was identified as a critical enabler for project implementation and oil transportation. Members cited persistent challenges, including cattle rustling, armed attacks, and uneven deployment of security personnel despite the presence of multiple units. Calls were made for the redistribution of forces along transport corridors, equitable disarmament initiatives, and strengthened infrastructure, particularly road networks, to improve response capability and safeguard project operations.

174. Environmental and social safeguards featured prominently in the deliberations. Members highlighted risks associated with labor influx, including sexual exploitation, abuse, and gender-based violence, emphasizing the need for proactive mitigation planning supported by multi-agency coordination. Proposals included engaging specialized consultants and strengthening collaboration with relevant ministries to monitor social impacts throughout the project lifecycle.

175. Environmental protection measures were also discussed, including contractor obligations for waste management, pollution control, and post-extraction site restoration, supported by decommissioning provisions to mitigate public liability. The Ministry of Water outlined plans for substantial daily water supply infrastructure, with allocations for domestic and oil/irrigation use, alongside treatment systems and environmental safeguards. Members further raised concerns about potential health and livestock impacts linked to waste management, urging strict adherence to effluent standards and stronger enforcement mechanisms.

176. The Turkana Professional Association specified that waste must be transported by local transporters using compatible trucks to designated disposal areas. Regarding water, the Turkan Professional Association noted that oil production will require approximately 1,560 cubic meters of water per day. They demanded that additional wells be drilled for domestic use, kitchen gardening, and livestock to support the surrounding communities.

177. The Assembly emphasized the importance of transparency and accountability in revenue reporting and compliance with local content requirements, including appropriate penalties for non-adherence. Members are committed to advancing county legislation to operationalize management of the county and local revenue shares, ensuring complementarity with national laws.

178. Representatives of the Turkana Professionals Association proposed ring-fencing local content opportunities and employment applications for Turkana residents to enhance local participation and address existing gaps. They also called for sponsored benchmarking initiatives, including study visits to India, to strengthen agricultural and livestock practices within the county.

179. The Assembly further advocated for provisions allowing midterm review of project pricing structures and timelines, as well as the establishment of an oversight committee to monitor capital expenditure (CAPEX) operations undertaken by the project contractor.

180. The meeting concluded with a shared commitment to continued collaboration between the Joint Committee and the Turkana County Assembly Committee on Lands, Energy, and Urban Areas to strengthen oversight and policy coherence. Members also underscored the need for the county government to undertake comprehensive physical planning and zoning to support orderly development.

181. Furthermore, the Turkana Professional Association proposed a significant long-term economic commitment: that at least 25% of the total project cost be visibly invested within Turkana County every five years to ensure the region transitions from marginalization to economic empowerment.

4.1.3 Public Baraza at Ekales Centre, Lodwar – Turkana Central

The Joint Committee later conducted a public participation forum at Ekales Centre in Lodwar Town to gather public views on the proposed Field Development Plan (FDP) and associated Production Sharing Contracts (PSCs). Participants included residents, elders, civil society representatives, professionals, faith-based organizations, women, youth, persons with disabilities, and county stakeholders. Discussions covered security, environmental safeguards, governance, fiscal arrangements, and community benefits as below:

182. **Security and Infrastructure Concerns**: Rampant insecurity in Turkana County was identified as a significant risk to project planning and operations. Participants urged the government to urgently strengthen security measures to safeguard communities and project assets. The absence of secure alternative road networks, particularly along the Lokichar corridor, was cited as contributing to vulnerability, congestion, and delayed emergency response.

183. **Community Participation and Land Rights**: Community leaders emphasized the importance of meaningful participation in decision-making processes and called for clearer benefit-sharing and compensation frameworks to prevent disputes. Concerns were raised regarding the absence of free, prior, and informed consent (FPIC) mechanisms and incomplete customary land registration, which participants warned could expose the project to legal and social challenges. The Friends of Lake Turkana highlighted that Turkana pastoralism has a Total Economic Value of KSh 1.2 trillion annually, which is at risk without proper land safeguards.

184. **Additional proposals included:** prioritizing leasing arrangements for community land rather than outright sale and ensuring the county government and local communities are actively involved in negotiations and agreements affecting community resources.

185. **Environmental Safeguards:** Civil society representatives expressed concern that existing environmental impact assessments were incomplete or insufficient for the scale of the project. They highlighted the absence of strategic environmental and cumulative impact analyses suited to arid and climate-vulnerable ecosystems. Specific issues raised included the lack of defined limits on gas flaring, the absence of baseline air quality data, and limited public emissions reporting.

186. **Potential disruption to the pastoral economy and broader ecological risks were also emphasized.** Governance gaps in environmental liability management and contract ratification were noted. Participants further called for access to detailed EOPs to strengthen public oversight.

187. **Fiscal Arrangements and Revenue Realization**: Residents and county representatives expressed concern that the prevailing fiscal structure could delay the realization of public

benefits. VAT exemptions and higher cost recovery ceilings were cited as factors that may defer county and national revenue flows. Participants argued that these arrangements could reduce early government take and weaken Turkana County's ability to finance development priorities. Calls were made for a review of tax exemptions and cost recovery provisions to safeguard public interest.

188. The residents presented data suggesting a potential fiscal loss of USD 14 per barrel by using road transport (USD 20/barrel) instead of a pipeline (USD 6/barrel), which could amount to a loss of USD 700,000 daily at peak production. They also voiced concern that raising the cost recovery ceiling from 65% to 85% would result in Kenya receiving little to no net revenue for years.

189. **Local Content and Community Benefits:** Ensuring equitable local participation was identified as critical to social stability and economic inclusion. Participants observed that while local content policies seek to reserve significant employment and procurement opportunities for Turkana residents, including proposals for up to 70% local employment, enforcement remains weak. Concerns were raised about overreliance on casual labor, limited inclusion of skilled local professionals, and procurement patterns favoring external firms. Priority access to trucking contracts, including routing considerations, expanded training and scholarship opportunities, and fair compensation mechanisms were emphasized as necessary to maximize local benefits.

190. Participants also called for clearer governance of community revenue allocations, including structured management frameworks to ensure transparency and accountability. Unresolved land compensation disputes were cited as a continuing source of mistrust.

191. Additional concerns included the need to address welfare considerations for vulnerable groups, including elderly residents, and to facilitate employment opportunities for students previously sponsored under industry-supported education programs.

192. **Governance and Oversight Reforms**: Participants strongly advocated for reforms to strengthen multi-level oversight of the petroleum sector. Proposed amendments to existing legislation would explicitly incorporate county government and community roles in oversight, environmental protection, revenue management, and contract administration. A joint oversight framework involving national and county governments, civil society, and private stakeholders was suggested to enhance transparency and responsiveness.

193. **Decentralization of environmental oversight was also emphasized**, with calls for greater operational authority for county-level regulatory officers to enable timely enforcement actions on pollution, waste management, and ecosystem protection, supported by clear accountability and escalation mechanisms.

194. Finally, governance and youth proposed the establishment of scholarship programs covering TVET, secondary, and primary schools, and the acquisition of mobile classrooms to support pastoralist communities during migration. The Turkana Council of Elders proposed that the 25% profit allocated to the County be ring-fenced in a special purpose account overseen by a Board appointed by the Governor, rather than being mixed with shareable revenue. They also called for the establishment of a semi-refinery factory at the extraction site to maximize community benefits.

4.1.4 Public Participation at Kalemgorok, Turkana South

On Wednesday, 4th February 2026, the Joint Committee conducted a public participation forum at Kalemgorok in Turkana South constituency, bringing together drivers, professionals, community leaders, Bunge la Mwananchi representatives, youth, women, and elders. Participants raised the following key issues:

195. Community members proposed increasing the local community revenue share from 25% to at least 30%, arguing that the current allocation is inadequate given rising insecurity and development pressures in the region. Speakers emphasized that a more equitable community share would strengthen local engagement, promote stability, and support infrastructure development. Concerns were also raised about the existing revenue distribution framework, which allocates shares among the national government, county government, and local communities, with some participants viewing the structure as insufficiently responsive to local needs. Several contributors called for a review of the formula to enhance fairness and community empowerment.

196. The Turkana Council of Elders highlighted a critical flaw in the Production Sharing Contracts (PSCs), noting that after the contractor recovers up to 85% as "cost oil," the community's 5% share is actually reduced to a mere 0.735% of total production. Speakers emphasized that a more equitable share would support infrastructure and called for revenue to be disbursed frequently, ideally every three months. To ensure long-term benefits, they proposed establishing a Host Community Development Trust Fund (HCDTF) under the Petroleum Act to manage these funds for education and healthcare.

197. Security emerged as a central concern, with participants linking insecurity to reduced economic activity, weakened investor confidence, and delays in infrastructure development. Leaders called for stronger, coordinated security interventions to safeguard investments and protect community interests. County governments were recognized as critical actors in local oversight, while collaboration with elders and community leadership was emphasized as essential to improving security outcomes and ensuring project sustainability.

198. The Council of Elders demanded that the government restore security within two weeks, specifically citing the loss of school children and herdsmen in Aroo Sub-County. Youth leaders expressed concern that borders might become porous while men are engaged in project work, leaving women and children vulnerable. They recommended a comprehensive disarmament initiative modeled after successful efforts in neighboring counties. Leaders called for coordinated interventions, suggesting that the Kenya Defense Forces (KDF) provide security for infrastructure projects like the water pipeline while locals handle the labor.

199. Governance and accountability featured prominently in the discussions. Participants stressed the importance of clearly defined roles among national and county governments, community institutions, and project stakeholders to improve transparency in revenue management and benefit sharing. Elders and local leaders were viewed as vital representatives in overseeing compliance and safeguarding community interests. Some participants further advocated for community inclusion in the signing of agreements and contracts as a means of reducing conflict and strengthening trust.

200. Professional associations like TUSODTA and the Aroo Drivers Association requested formal recognition as legal stakeholder platforms to monitor local content compliance. Some participants further advocated for community inclusion in signing agreements and Memorandums of Understanding (MoUs) to reduce conflict and strengthen trust.

201. Tax incentives granted to Gulf Energy were raised as a policy concern. While participants acknowledged the importance of maintaining an attractive investment environment, they cautioned that excessive exemptions could limit revenue available for public services and infrastructure. Speakers underscored the need to balance investor incentives with fair contributions to local development to sustain community confidence.

202. Additional concerns focused on the method of land access, with a resolute preference for land leasing rather than outright compulsory acquisition to protect the nomadic pastoralist lifestyle. Participants emphasized the need for adequate disturbance allowances and prompt compensation for those displaced by pipelines. Serious public health concerns were raised regarding "legacy pollution" and exposure to hydrocarbons like benzene, which are linked to leukemia and reproductive health issues. Consequently, participants demanded strict adherence to the Environmental Management and Coordination Act (EMCA) and robust waste management measures.

203. Capacity building and local empowerment were identified as long-term priorities. Participants supported scholarship programs, vocational training, and other skills development initiatives aimed at increasing local participation in project-related employment. Strengthening community capacity was seen as critical to reducing dependence on external labour while improving safety, professionalism, and long-term economic inclusion.

204. Decentralized decision-making structures were also discussed, with sub-county level committees proposed as key mechanisms for project oversight and resource allocation. Participants observed that enhanced community ownership and participation would improve responsiveness, accountability, and the sustainability of development initiatives.

205. Additional concerns and proposals included a preference for land leasing rather than outright acquisition, provision of adequate disturbance allowances for displaced persons, strengthened corporate social responsibility initiatives, particularly in sports development, ring-fencing at least 70% of employment opportunities for residents, establishment of a scholarship fund, disclosure of proceeds from the Early Oil Pilot Scheme, allocation of up to 400 trucking opportunities to local operators, and strict adherence to environmental impact assessment requirements alongside proper waste management and disposal measures.

4.1.5 Public Participation at Lokichar Town, Turkana South Constituency

On Wednesday, 4th February 2026, the Joint Committee conducted a public hearing forum at Lokichar Town in Turkana South Constituency, engaging ward representatives, the council of elders, women, youth, persons with disabilities (PWDs), and faith-based organizations. Participants raised the following key issues:

206. Land rights, recognition, and compensation emerged as a central concern. Community members called for fair recognition, transparent benefit sharing, and equitable compensation related to land acquisition and resource utilization. Several speakers emphasized recognition of the Kalabata community and central land rights, supported by clear valuation frameworks and safeguards aligned with environmental and social standards. Participants underscored the importance of transparent revenue management to ensure benefits reach the rightful community members. Inclusive consultations involving local institutions, particularly the Kalabata Land Management Committee (KLMC), were identified as critical to successful implementation, with the timely settlement of land matters viewed as a key indicator of community trust and local economic upliftment.

207. Environmental protection and cultural heritage preservation were also prioritized. Participants expressed concern over potential pollution risks associated with oil activities and their implications for public health and livelihoods. The community called for comprehensive environmental monitoring, mitigation measures, and emergency response frameworks to safeguard ecosystems and cultural assets affected by land use changes.

208. Inclusion and economic participation of persons with disabilities featured prominently in the discussions. Representatives of PWDs highlighted long-standing systemic exclusion and advocated for affirmative inclusion in employment, procurement, and community engagement processes linked to oil sector operations. Proposals included reserving at least 10% of employment and procurement opportunities for PWDs, alongside targeted education and training initiatives, including scholarship and skills development programs, to improve preparedness for emerging opportunities. Participants emphasized that engagement of PWDs must be substantive and not merely symbolic.

209. Concerns were raised regarding oil revenue sharing and cost recovery arrangements. Participants strongly opposed proposals to increase the cost recovery cap from 65% to 85%, arguing that such a move would significantly reduce the profit pool available for community and national benefit sharing. Speakers expressed fear that excessive cost recovery could erode fiscal returns, weaken public trust, and undermine perceived fairness in the sector. They urged policymakers to review the cap with a view to protecting long-term national and community interests.

210. The proposed stabilization clause in project agreements also attracted criticism. Community leaders argued that freezing the applicability of future environmental, labor, and land laws risks undermining sovereignty, social protections, and adaptive governance. Participants called for renegotiation mechanisms that allow contracts to evolve in line with national legal reforms and community expectations.

211. Transparency and inclusive governance were repeatedly emphasized as foundational to trust. Participants called for open decision-making processes, meaningful community involvement, and structured engagement with Turkana County institutions to prevent exclusion. Clear communication channels and accountability mechanisms were viewed as essential to ensuring informed consent and minimizing conflict.

212. Security and emergency preparedness were identified as necessary safeguards to protect livelihoods, public health, and project continuity. Participants linked security to social stability and resource-related tensions, advocating for coordinated protection measures and strengthened local oversight structures.

213. Additional proposals included ring-fencing 400 out of 600 trucking opportunities for local operators, allocating 10% of trucking opportunities to persons with disabilities, the establishment of a sports stadium through corporate social responsibility initiatives, compensation for environmental impacts and legacy pollution, increasing disturbance allowances from 15% to 30%, and implementation of a ratified livelihood restoration and resettlement plan.

4.1.6 Public Participation at Nakukulas, Turkana East Constituency

On the morning of Thursday, 5th February 2026, the Joint Committee conducted a public participation forum at Nakukulas in Turkana East constituency, engaging civil society representatives, the Nakukulas Land Management Committee, the council of elders, professionals, sand harvesting associations, faith-based organizations, youth, and women.

Participants raised a range of social, environmental, governance, and economic concerns linked to ongoing and proposed petroleum activities in the region as below:

214. Security featured prominently in the discussions. Community members expressed concern over persistent insecurity and its impact on livelihoods and investment confidence. Participants called for enhanced Kenya Defence Forces patrols, police reservists, and the construction of modern police facilities to strengthen response capacity. Speakers emphasized that improved security would not only protect residents but also create a more stable environment for development projects. Additionally, it was proposed that KDF provide security for the water pipeline construction while local businessmen, professionals, and youth handle the actual labor.

215. Participants advocated for direct community involvement in the signing of contracts and agreements affecting local resources, arguing that inclusive processes would build trust and accountability. There were strong calls for disclosure of proceeds from early oil pilot operations to ensure communities understand how revenues were managed and shared.

216. The Nakukulas Land Management Committee specifically petitioned for the establishment of a "Host Community Information Office" at the project site to allow the public to access relevant information and channel grievances.

217. Environmental protection and social safeguards formed a significant part of the dialogue. Residents called for comprehensive mitigation measures to address potential environmental and health risks associated with oil development. Participants stressed the need for a resettlement action plan to be finalized and implemented prior to any displacement, alongside adequate compensation frameworks that include interest-earning accounts for land awards. Restoration of grazing ecosystems was identified as critical, with a specific demand for the FDP to fund a community-led tree nursery in Nakukulas to create green jobs.

218. Community members further proposed the establishment of long-term environmental protections, including an environmental liability fund to address oil spillages, a decommissioning guarantee to ensure restoration after project closure, and a project-specific Climate Adaptation Levy to build local resilience. Participants also supported localized carbon offset initiatives and a "Gas-to-Power" mandate to convert associated gas into cheap electricity for local schools and health centers rather than flaring it.

219. Economic inclusion and benefit sharing were widely discussed. Participants proposed that at least 70% of trucking opportunities, procurement contracts, and employment positions be reserved for residents. There were calls to review benefit-sharing arrangements to ensure they are computed from gross revenue rather than profit. To protect local interests, the Kapese community formally rejected permanent compulsory land acquisition for the Kapese Airstrip, demanding instead a long-term leasehold agreement so the land reverts to the community after decommissioning.

220. Access to social services was also raised, particularly the extension of water supply infrastructure to Nakukulas to support growing community needs. Participants further called for affirmative action measures targeting arid and semi-arid areas (ASALs), including "Green Skills" programs to train local youth in renewable energy technologies. Legally binding social safety nets, such as cash transfer initiatives modeled after the Hunger Safety Net Programme, were proposed to cushion vulnerable households from shocks caused by displacement.

221. Overall, speakers stressed that development must proceed in a manner that safeguards livelihoods, protects the environment, and ensures communities remain meaningful partners in decision-making. Many participants emphasized that long-term success would depend on balancing economic opportunity with social justice, environmental stewardship, and transparent governance.

4.1.7 Public Participation at Lopii, Turkana East Constituency

In the afternoon of Thursday, 5th February 2026, the Joint Committee conducted a public participation forum at Lopii in Turkana East Constituency. Discussions centered on security, land administration, local content, and intergovernmental coordination in relation to ongoing and planned national infrastructure and petroleum projects, with participants acknowledging the potential socio-economic benefits, such as employment and improved livelihoods. The engagements were as follows:

222. Security was identified as a priority concern. Participants emphasized the need to strengthen protective measures around infrastructure corridors, including modernization of police facilities and coordinated deployment of national security agencies such as the Kenya Police Service and the Kenya Defence Forces. There was a specific proposal that while the KDF should provide security for infrastructure like the water pipeline, local professionals and youth should be awarded the actual construction labor. Speakers noted that predictable and well-structured security arrangements, including regular checkpoints and improved response capacity, would help safeguard both communities and project assets. Youth and students further recommended comprehensive disarmament initiatives to protect vulnerable populations like women and children while men are engaged in project work.

223. Local content participation was discussed alongside security, with community members calling for stronger frameworks to ensure local professionals and residents benefit meaningfully. Participants proposed a 70% local and 30% non-local participation framework, including the progressive appointment of qualified locals to senior operational roles. The discussions highlighted the need for enforceable guidelines, such as the mandatory publication of Local Content Plans and compliance audits, to prevent past shortcomings. Professional associations requested formal recognition as legal stakeholders to monitor these commitments and facilitate transparent recruitment processes.

224. Land administration and dispute resolution also featured prominently. Participants stressed that unresolved land ownership issues continue to pose risks to project stability and community relations. The role of the National Land Commission was recognized as central to clarifying land rights and managing disputes. In addition, proposals were made to strengthen training for local administrators in land governance and grassroots security coordination to improve implementation capacity and reduce conflict. Integration between county and national frameworks was seen as necessary to eliminate overlaps, clarify mandates, and strengthen accountability.

225. Integration between county and national frameworks was seen as necessary to eliminate overlaps and strengthen accountability. Participants observed that regular engagement with elected leaders, including senators, members of the National Assembly, and committee leadership, is essential to align project objectives with local realities. Coordination between national and county authorities was viewed as critical to managing emerging challenges, such as "legacy pollution" and public health risks like respiratory distress and reproductive issues associated with oil exposure. Speakers noted that empowering local leadership would foster trust, improve communication, and support the effective delivery of both

security and local content objectives, ensuring that development proceeds in a socially sound and inclusive manner.

226. Overall, participants stressed that successful project implementation depends on balancing security, inclusive participation, and sound governance structures, supported by continuous dialogue among all stakeholders.

4.1.8 Public Participation at Lokori, Turkana East Constituency

In the morning of Friday, 6th February 2026, the Joint Committee conducted a public hearing forum at Lokori in Turkana East Constituency, engaging professionals, faith-based organizations, elders, youth, women, and PWDs. Discussions focused on local economic participation, environmental safeguards, security, social protection, and community benefit sharing, with a specific emphasis on the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for Blocks T6 and T7. The discussions were as follows:

227. Local content and economic inclusion featured prominently. Participants called for catering and other support services associated with project operations to be sourced locally. They emphasized that all 600 trucking opportunities should prioritize residents to maximize local economic benefit. Speakers noted that a previous civil works contractor had successfully employed a significant number of local workers, which they encouraged future contractors to emulate. Furthermore, there were specific demands for a 70% local to 30% non-local participation framework and the progressive appointment of qualified locals to supervisory and senior operational positions.

228. Women's economic empowerment was also highlighted, with calls for deliberate measures to increase participation in project-related opportunities. This included requests for clear frameworks to support women and youth in tender and procurement processes to ensure equitable benefit-sharing.

229. Environmental and social safeguards were widely discussed. Community members emphasized the importance of a comprehensive Environmental and Social Impact Assessment (ESIA), expressing concern about potential oil spillages, livestock disruption, and broader ecological risks. Participants stressed the need for proper displacement procedures where land acquisition is required, including fair consultation and compensation to protect livelihoods. There was a strong preference for land leasing rather than outright acquisition, given that Turkana land is held in trust for nomadic pastoralist communities. Concerns were also raised regarding "legacy pollution" and the long-term health impacts of hydrocarbon exposure, such as respiratory distress and reproductive issues.

230. Security concerns were raised in relation to infrastructure development and transport routes. Participants advocated for the construction of the Lokichar–Kapedo–Lokori-Marigat-Nakuru route and called for trucking through the same route. Additionally, they requested enhanced security coordination, suggesting that while the Kenya Defence Forces (KDF) should provide security for infrastructure construction, local professionals and youth should be awarded the actual labor contracts.

231. Community welfare and governance issues also emerged. Participants proposed setting aside a portion of the 5% community revenue share to support elderly residents and other vulnerable groups. Calls were made for expedited land titling and the formalization of community land management committees to reduce disputes and strengthen tenure security.

232. Speakers further recommended the appointment of a community liaison officer to serve as a structured communication link between Gulf Energy and local stakeholders, enhancing transparency and responsiveness. They also advocated for the establishment of a Host Community Development Trust Fund (HCDTF) to manage and disburse community funds transparently.

233. Education and long-term social investment were also prioritized. Participants suggested that corporate social responsibility initiatives support scholarship opportunities for students pursuing technical and vocational education and training (TVET), intending to strengthen local skills capacity. There were additional requests for investor-funded Defensive Driving Training (DDT) and HSE certifications for local drivers.

234. Finally, participants emphasized the importance of clear and equitable revenue-sharing arrangements, advocating for transparent frameworks that reflect agreed national and community benefit allocations. They specifically opposed the proposed increase of the cost recovery cap from 65% to 85%, arguing it would significantly reduce the profit pool available for community benefits.

4.1.9 Public Participation at Katilia, Turkana East Constituency

On Friday, 6th February 2026, the Joint Committee conducted a public hearing forum at Katilia in Turkana East, engaging elders, professionals, youth, women, and persons with disabilities. Discussions centered on security, social protection, infrastructure development, local economic participation, and safeguards as follows:

235. Security was raised as an ongoing concern, with participants emphasizing the need for strengthened protective measures to safeguard communities and infrastructure linked to project activities. Speakers noted that a stable security environment is essential to sustaining livelihoods and ensuring the smooth implementation of development initiatives. Participants specifically recommended the establishment of a formal communication and engagement framework to prevent misinformation and a structured dispute resolution mechanism involving the company, the Association, and community leaders to address emerging issues amicably.

236. Social welfare and inclusion featured prominently in the discussions. Participants called for targeted employment opportunities for vulnerable groups, including orphans, to ensure that project-related benefits reach those most in need. There was a strong call for the deliberate inclusion of qualified youth and women in driving and logistics opportunities, in line with corporate social responsibility principles.

237. Water access was also highlighted as a priority, with community members requesting that Gulf Energy support the drilling of boreholes to address persistent water shortages and improve local resilience. This was presented as part of a broader need for collaboration on infrastructure maintenance, particularly for roads affected by heavy company vehicles, to safeguard local communities.

238. Concerns were raised regarding displacement arising from project activities. Participants emphasized the importance of a comprehensive resettlement action plan, fair compensation, and transparent consultation processes to protect affected households. They advocated for timely and fair payment for all services and suggested that any mandatory assessment costs for local drivers be recovered through reasonable salary deductions to avoid excluding financially constrained residents.

239. Corporate social responsibility (CSR) initiatives were discussed in relation to infrastructure development and scholarship programs, with participants encouraging investments that support long-term social and economic advancement. Participants called for the construction of the Lokichar–Kapedo–Lokori-Marigat-Nakuru corridor and its use for trucking activities, noting its potential to improve connectivity. They also requested capacity-building initiatives, including defensive driving, health and safety (HSE), and first aid training for local personnel to enhance professionalism and safety.

240. Local content participation remained a priority, with participants calling for deliberate measures to ensure employment and procurement opportunities benefit residents. They requested that recruitment exercises be conducted within the sub-county and that local vehicle hire and logistics services be prioritized over external sources.

241. Finally, community members proposed that project implementation be subject to review following Phase I, allowing stakeholders to assess impacts and address emerging concerns. They advocated for the development of a formal Memorandum of Understanding (MoU) between Gulf Energy and local associations to guide recruitment, logistics support, and engagement throughout the project lifecycle.

4.2 Uasin Gishu County

The Joint Committee conducted public participation in Eldoret city, Uasin Gishu County on 13th January 2026 with engagements starting with a courtesy call to the Office of the Governor, where the Committee was received by and met with the Deputy Governor and other County Officials.

242. A town Hall Meeting was held in Eldoret city, in recognition of the County's strategic position along the proposed crude oil evacuation corridor. During the public participation sessions, stakeholders drawn from county government, national government agencies, civil society, academia, the business community, and residents from Uasin Gishu county raised several issues relating to infrastructure capacity, public safety, environmental protection, and socio-economic impacts of the project as follows:

4.2.1 Submissions by the Members of the Public

On 13th January, 2026, the Joint Committee conducted a public hearing forum at Town Hall, Eldoret City, Uasin Ngishu County, where Members of the Public presented their views on the proposed FDP and PSC as follows:

243. Mr. Cyrus Letting from the County Government of Uasin Gishu raised the need for counties along the transport corridor to have regulations to govern truck operations and also requested the national government to help regulate the trucks since county laws cannot operate in isolation. He also noted that the county has a fire emergency department which will be equipped to be able to respond in case of emergencies, however he noted that the county will need support of the national government to deal with oil spills which the county may not have capacity to handle, especially large-scale spills.

244. He further noted that the FDP tend to only consider upstream revenue sharing and considers only Turkana County leaving out counties like Uasin Gishu which is part of the transport corridor. In addition, Mr. Cyrus also noted that county level damages are not covered in the FDP and hence the need for the same to be covered.

245. Mr. Barno, who is the thematic Chairperson on environment, climate change, energy and agriculture in the Uasin Gishu county civil society noted that the project will increase risks of pollution and spillage and hence the need for allocations to curb the same. Other members of the civil society present noted the need for community sensitization on the project and the associated risks as well as ensuring that communities affected by road construction are compensated in time.

246. Mr. Mark from Kapseret Constituency stressed on the social impact that the project will have including increased risks of diseases. In addition, Mr. Smith Namjohi sought to know how the proposed road interchanges within Eldoret City will be done considering existing urban and spatial plans. He however emphasized the need for designated truck routes, bypasses, and interchanges to divert heavy vehicles away from the town and called for alignment of the FDP with existing county and city physical and spatial planning to avoid unplanned development and congestion.

247. Mr. Smith also noted that local content and youth employment should be considered, noting that graduates from Uasin Gishu who are trained in petroleum engineering, environmental sciences, logistics, and related fields should be absorbed into the project.

248. The business community, through the Kenya National Chamber of Commerce and Industry (KNCCI), called for structured dissemination of information on procurement opportunities, public - private partnerships, and transit-related commercial activities to enable local businesses to participate effectively.

249. On public safety and health, Mr. Korir Kennedy from Moiben Constituency, raised concerns regarding increased accident risks, respiratory health impacts, and emergency preparedness and called for strengthening of firefighting and spill response services to deal with any eventualities that may arise. Participants were especially concerned about oil spillage risk noting that there is no localized oil spillage response in Eldoret city.

250. Mr. Korir Kiprono from Moi University questioned the reliance on road transport for crude oil, noting that trucking appeared inconsistent with best international practice given Kenya's road capacity constraints. He called for the completion of rail transport and, in the longer term, explore value addition options such as refining to maximise domestic benefits.

4.2.2 Remarks by government agencies during the town hall meeting

251. A representative from Kenya National Highways Authority (KENHA) observed that this is not the first time Kenya is trucking oil to Mombasa noting that Early Oil Pilot Scheme (EOPS) which involved only eight trucks per day still had an impact on the roads implying that increased number of trucks during would definitely have an impact on the roads. He noted that most of the roads that will be used either needed upgrading or are currently undergoing construction. In addition, he emphasized that the challenge that KENHA anticipates as a result of the project is increased road maintenance costs.

252. Engineer David from KURA on his part reiterated their commitment to enhancing urban mobility in Eldoret City and noted that in order to address the challenge of congestion within the City, KURA has identified several ring roads which are currently under procurement stage and will be done to ease traffic congestion within the city ahead of the trucking of oil through Eldoret.

253. An official from the National Environment Management Authority (NEMA) also addressed environmental concerns relating to potential oil spills, leakages, and improper

washing of oil trucks. He referred to the Environmental Management and Coordination Act (EMCA) and the Articles 42 and 69 of the Constitution on protection and conservation of the environment by all actors including by contractors who are obligated to prevent environmental damage and restore affected areas in the event of spills. On proper washing of trucks, he noted that every petrol stations are required to have designated truck washing facilities and the same will be regulated by NEMA following the "polluter pays" principle.

4.2.3 Kenya Railways Corporation, Eldoret Railway Station

The committee also visited Kenya Railways Corporation (KRC), Eldoret Railway Station and was hosted by the Corporation's officials led by the Managing Director, Mr. Philip Mainga. The Corporation made a written presentation as follows:

254. That, over the past year, the Ministry has been actively coordinating with the project operator (Gulf Energy E&P B.V.) and other stakeholders to develop a comprehensive logistics framework that meets the FDP's requirements and timeline. Gulf Energy has engaged the Ministry of Transport and KRC on a proposed evacuation plan targeting first oil export by late 2026. Central to this plan is a high- capacity, multimodal transport corridor from Lokichar to Mombasa-combining Road and rail - to ensure safe, efficient crude oil evacuation. Specifically, the ministry has prioritized the critical upgrade of the Eldoret- Mombasa Meter Gauge Railway (MGR) and the procurement of specialized rolling stock (tank wagons and/or tank containers) for crude oil transport.

255. Under Phase 1 of the plan, crude from the Lokichar fields will be trucked by road (to the Kenya Petroleum Refineries Ltd (KPRL) export terminal in Changamwe, Mombasa. This is engineered to manage the initial production output of ~3,500 tons of crude per day (25,000 barrels/day) in the first phase, and can seamlessly double throughput to ~7,000 tons/day as production scales up. The Ministry has set an ambitious schedule to have this corridor fully operational by September 2026, well ahead of the FDP's goal of first oil by end- 2026, so that infrastructure readiness does not become a bottleneck.

256. In Phase 2 (2030 and beyond), Kenya will rely on a hybrid road- rail solution to evacuate crude oil. During the subsequent production period (20,000 barrels per day), road tankers will haul oil from Lokichar to the Eldoret railhead, where it will be loaded onto trains for transport to Mombasa. This phased approach allows ramp up of capital investments in rail infrastructure.

257. The evacuation plan is operationally sound, combining road and rail modes to cover ~1200 km from Turkana to Mombasa. The first leg (Lokichar to Eldoret, ~300 km) will use road tankers to a facility at Eldoret ICD, which will be upgraded as a rail loading point. The second leg (Eldoret to Mombasa, 908 kms via MGR) will move crude by train to the Changamwe KPRL terminal near Mombasa port.

258. It is projected that approximately 100 trucks per day in a six-day trip schedule would be required to move 20,000 barrels/day of oil by road alone. By leveraging rail for the longer distance, road traffic will reduce significantly. In fact, once rail operations begin, the need for long- haul trucking is cut dramatically - improving efficiency and reducing highway congestion. The Ministry, together with Kenya Railways Corporation (KRC), is on track to rehabilitate and upgrade the Eldoret- Mombasa MGR line to handle this task, including improvements to track, bridges, and signaling, as well as acquisition of sufficient locomotives and tank wagons. The corporation is also coordinating with the Kenya Ports Authority (KPA) to ensure that port facilities in Mombasa are prepared (e.g. an upgraded siding at KPRL Changamwe for crude loading/unloading).

259. The Corporation submitted that shifting bulk crude transport from road to rail yields numerous benefits for the nation's economy, safety, and environment which include:

i. **Reduced Road Damage and Maintenance Costs:** Heavy trucks currently account for over 60% of highway damage. By moving oil (and other bulk cargo) by rail, the corporation will drastically cut road wear and tear, potentially reducing annual road maintenance expenditures by 30 - 40%. These savings - out of an annual road maintenance budget of ~Ksh 70 billion - free up funds for other public services.

ii. **Enhanced Public Safety:** Lowering heavy truck traffic on our roads will significantly decrease road accidents, congestion, and fatalities - potentially by up to 20% according to projections. Rail is also a safer mode for hazardous materials like crude oil, minimizing the risk of spills or catastrophic incidents during transit.

iii. **Environmental Gains**: Rail freight produces 60 - 80% fewer carbon emissions per ton-kilometer than equivalent road transport. By utilizing rail, Kenya aligns with climate change commitments (Nationally Determined Contributions under the Paris Agreement) and improve air quality. The crude-by-rail plan will cut carbon emissions substantially, supporting Kenya's sustainable development goals.

iv. **Regional Trade and Economic Boost:** Strengthening the rail corridor also boosts cross-border trade and regional integration, particularly with Uganda, South Sudan, and Ethiopia. Improved rail logistics will open up northern Kenya - a historically marginalized region - by connecting local industries (e.g. agriculture, mining, livestock) to major markets, thereby catalyzing local enterprise, job creation, and socio-economic inclusion along the route.

260. In summary, the corporation noted that the rail-based evacuation plan is a triple win - cutting infrastructure costs, improving road safety, and protecting the environment - all while stimulating economic growth in line with Kenya's development agenda.

261. The Corporation noted that, looking beyond the initial exports, the Ministry has already turned its focus to Phase 3 (2030 and beyond), which centers on expanding rail infrastructure to meet increased production and regional connectivity needs.

262. They informed the Committee that a Joint Technical Committee - comprising the Ministry of Transport, KRC, the Ministry of Energy & Petroleum, and the project operator has been formed - to evaluate the feasibility of extending rail service closer to the oil fields beyond 2030. This committee is exploring the optimal rail extension from the existing MGR terminus (currently Eldoret) up to Lokichar in Turkana County, to directly link the oil production area with the national railway grid. Options under review include connecting the new line into the main network at Eldoret or via a branch from Kitale, depending on engineering and routing considerations.

263. The goal is to have rail access in Turkana (when daily output is projected to reach 50,000 barrels) so that crude can be loaded at Lokichar and shipped entirely by rail to Mombasa. This will eliminate the need for long- distance trucking of crude by that stage. Indeed, failure to extend the rail to South Lokichar would force reliance on an impractical fleet of up to 1,500 trucks per day to handle a 50,000 barrel/day output - an option the Government is keen to avoid through proactive infrastructure planning.

264. The corporation submitted that as part of Phase 3 preparations, detailed route planning studies are underway. One such study (Proposed SGR/MGR Line to Nakodok) has outlined a potential meter- gauge railway alignment from the Nakuru region to Lokichar and onward to Nakodok at the South Sudan border. The proposed alignment spans approximately 640 km from the Rongai area (west of Nakuru) through Lokichar to Nakodok, largely paralleling existing road corridors (such as the A1 highway through Lodwar to the border).

265. Crucially, the analysis indicates that while certain stretches (e.g. the first ~100 km between Rongai and the Lake Baringo area) traverse hilly terrain that may require tunnels or major bridges, the majority of the route beyond that point is relatively flat all the way to Nakodok. By adopting a meter- gauge design - which allows a ruling gradient of up to 2.5% (steeper than the 1.2% for standard gauge) - engineers can navigate the topography with minimal tunneling while still adhering to safe gradient limits. This flexibility in alignment significantly reduces construction complexity and cost. Preliminary estimates from the study put the construction cost of a 640 km MGR extension (with limited tunnels) at roughly Ksh 210- 220 billion. For comparison, an equivalent Standard Gauge Railway (SGR) line would require gentler grades and more extensive earthworks/tunnels, driving costs into the ~ Ksh 300+ billion range.

266. The ongoing feasibility assessments are examining these options in detail - weighing cost, engineering challenges, and future demand - to inform a government decision on the Phase 3 rail expansion. Notably, this rail extension concept represents a strategic shift from earlier plans to build a crude oil pipeline to Lamu (estimated at US 1.5 billion, or ~ Ksh 193 billion). By leveraging and extending our existing rail network instead, the corporation aims to achieve a more cost- effective, flexible, and multi- use infrastructure solution that not only serves the oil project but also integrates with broader national transport networks.

267. One of the most exciting aspects of this project is the opportunity to develop the Lokichar- Eldoret- Mombasa corridor as a multipurpose freight corridor, catalyzing broader economic development in Kenya's northwestern region. While the primary impetus is crude oil evacuation (approximately 1.2- 1.3 million tonnes of crude per year in Phase 1, potentially scaling to ~ 2.5 million tonnes at peak production of 50,000 barrels/day), the Turkana- West Pokot corridor holds substantial additional freight potential. Studies estimate 2.75- 3.3 million tonnes per year of other commodities could be transported along this corridor, improving the viability and impact of the railway. Key non- oil freight projections include:

i. **Clinker (West Pokot Cement Plant):** ~ 2,000,000 tonnes/year. A major clinker plant in West Pokot is already operational, receiving coal and producing bulk clinker/raw material for onward supply to cement manufacturers—cargo that rail can move efficiently to key consumption markets. This will support expansion of Kenya's cement industry, reduce reliance on imports, and unlock an estimated regional export potential of about USD 200 million.
ii. **Cement (Finished Product):** 500,000 - 800,000 tonnes/year. Bagged/bulk cement from local factories can be railed to construction markets domestically and in neighbouring countries, lowering building material transport costs.
iii. **Essential Imports (Fertilizer, Machinery, Consumer Goods):** 100,000 - 200,000 tonnes/year. The rail link provides a reliable, lower-cost supply line for critical imports into remote northern Kenya (and even South Sudan), supporting agriculture and commerce in these regions.
iv. **Agricultural Produce (Staple Crops):** 50,000 - 100,000 tonnes/year. Improved rail logistics will help farmers in Turkana, West Pokot and surrounding areas bring maize, pulses, and other staples to market. Faster, cheaper transport reduces post-

harvest losses and enables larger- scale agribusiness investment, improving food security.

v. **Livestock and Meat Products: 50,000-100,000 tonnes/year.** The northwestern region's pastoralist communities will gain access to formal meat markets via refrigerated rail wagons. Livestock can be transported more humanely and processed meat can reach urban markets or ports for export, adding value to the livestock value chain.

vi. **Minerals & Construction Aggregates:** ~ 30,000 - 60,000 tonnes/year. The region's deposits of minerals (like gypsum, salt) and construction materials (sand, gravel) can be moved in bulk by rail for use in national infrastructure projects or export, which is far more cost-effective for heavy, low-value commodities.

268. In total, these non- crude goods represent an additional ≈ 3 million tonnes per year of freight that could flow on the Lokichar corridor. By diversifying the cargo base, the rail line's utilization and revenue are secured well beyond the oil sector alone. This will spur local industries, encourage investments (e.g. in cement and agriculture), and ensure the communities along the corridor derive long- term economic benefits. The Turkana corridor, therefore, is not just a petroleum export route - it will evolve into a backbone for regional commerce, carrying goods in both directions (for example, bringing imports and relief supplies into Turkana/South Sudan, and exporting local products out).

269. Importantly, the Ministry's efforts on this project align closely with Kenya's high- level policy frameworks and development goals. Kenya Vision 2030 identifies robust transport infrastructure as a critical enabler of economic development. In fact, Vision 2030 sets an ambitious target for expanding railway freight capacity - aiming for rail to handle 50% of port cargo (about 25 million tonnes) to drive industrialization.

270. The Lokichar- Mombasa crude oil corridor is a flagship example of expanding rail's role to spur growth, directly supporting this Vision 2030 objective. Likewise, our focus on modernizing and extending the Eldoret- Mombasa MGR corridor fulfills key goals of the Kenya Railways Strategic Plan 2023- 2027, which prioritizes revitalization of the meter-gauge rail network and enhanced regional connectivity. By upgrading an existing rail asset and potentially extending it to Turkana (and one day towards South Sudan), the corporation noted that they are implementing the rail sector strategy to promote cross- border trade - the Turkana oil rail corridor will do exactly that, improving connectivity with Uganda, South Sudan and beyond.

271. Furthermore, this initiative feeds into the government's Bottom- Up Economic Transformation Agenda (BETA) and Medium- Term Plan priorities. BETA highlights infrastructure and logistics development as a foundation for job creation and equitable growth. The investments in rail and road for the Turkana oil project will create jobs (during construction and operation), boost commerce in the North Rift region. and ensure that even remote communities like Turkana are better integrated into the national and regional economy - all central tenets of BETA. The Corporation noted that the project exemplifies such policy alignment as it simultaneously enables a new petroleum export industry and advances long- term national goals under Vision 2030, BETA, and sector strategic plans. The Ministry will continue to ensure policy coherence and will report on progress so that Parliament and the public can track how this project contributes to our development targets.

272. In conclusion, the Corporation reiterated the Ministry of Transport's full commitment to the successful, sustainable, and timely implementation of the South Lokichar FDP and PSCs promising to remain solution- oriented and proactive, working hand- in- hand with all relevant government agencies and stakeholders to deliver the necessary transport

infrastructure and services on schedule. Through continued cross- government collaboration, diligent infrastructure execution, and faithful adherence to the principles of public participation and transparency, they noted that they are confident that Kenya will achieve first oil by 2026 in a manner that is safe, efficient, and maximally beneficial to the people.

4.2.4 Kenya Pipeline Company, Eldoret Terminal (PS 27)

The Joint Committee visited the Kenya Pipeline Company (KPC) Eldoret Terminal (PS 27) on 13th January 2026 and was briefed on the terminal's operations, infrastructure, capacity, and strategic relevance to national petroleum logistics. During the meeting KPC submitted as follows:

273. Kenya Pipeline Company Limited was established in 1973 and has over 52 years of experience in petroleum transportation and storage, contributing to regional economic development. The Eldoret Terminal commenced operations in 1994 and serves both local and export markets. The terminal handles petroleum products including Motor Spirit Premium (MSP), Automotive Gas Oil (AGO), Jet A-1, and Illuminating Kerosene (IK).

274. The terminal has a staff complement of 148 employees and its core mandate is the storage and dispensing of petroleum products to road tankers and rail wagons, as well as the quality testing of fuel for customers. In addition, the terminal hosts a 96-core fibre optic cable, which is leased to service providers, and supports capacity building through the Morendat Institute of Oil and Gas (MIOG) - Eldoret Campus, which offers training in the oil and gas sector.

275. The Committee was informed that KPC operates an extensive pipeline network comprising approximately 1,792 kilometers of pipeline infrastructure. The network includes several pipeline lines of varying diameters and lengths, including a new 20-inch line (Line 5), alongside existing 14-inch, 10-inch, 8-inch, and 6-inch lines.

276. Mainline flow capacities were reported as 120 cubic metres per hour for Line 2 and 420 cubic metres per hour for Line 4, supporting efficient product movement across the network.

277. The Eldoret Terminal has a total storage capacity of approximately 48,000 cubic metres, distributed across multiple tanks for different products. This includes storage for MSP, AGO, Jet A-1, IK, slops, and associated operational volumes. The terminal is equipped with multiple loading meters to facilitate product dispatch.

278. Operationally, the terminal runs 24-hour mainline operations and 16-hour loading operations, with an average throughput of 8,400 cubic metres per day, translating to approximately 350 trucks per day. The highest recorded daily throughput at the terminal was 11,800 cubic metres.

279. The Committee was briefed on the terminal's throughput performance and customer base as at December 2025, indicating sustained utilisation of the facility in serving both domestic and regional markets. The Eldoret Terminal plays a key role in petroleum supply to western Kenya and export markets within the region.

280. During the meeting KPC identified key opportunities that it intends to leverage, including the opportunity of expanding markets, strategic geographic location, adequate staff capacity, existing infrastructure with room for expansion, and strong stakeholder

goodwill. At the same time, it was reported that the terminal faces operational challenges, including: slow clearance of trucks, storage capacity constraints, line capacity limitations, and the impact of dynamic regional geopolitics.

281. KPC's Eldoret terminal comments on Turkana Oil - The committee was informed that KPC was not directly involved in the Early Oil Pilot Scheme but were indirectly involved through KPRL, noting that as a terminal they have not been involved.

282. **On KPC's Eldoret Terminal involvement in Turkana Oil** - The Committee was informed that Kenya Pipeline Company (KPC) was not directly involved in the Early Oil Pilot Scheme (EOPS), and that any involvement was indirect through the Kenya Petroleum Refineries Limited (KPRL); consequently, the Eldoret Terminal itself had no direct role in the pilot operations

283. During the meeting the Committee inquired on the possibility of using the decommissioned pipeline infrastructure such as the Mombasa-Nairobi pipeline (line 1) to transport crude oil. It was clarified that the pipeline had been decommissioned due to technical limitations and end of useful life which is estimated at 25 - 30 years, and is therefore unsuitable for crude oil transportation. They however noted that some components of the facility remain serviceable and could be rehabilitated, subject to budgetary provision.

284. On the preparedness to respond to oil spillages, KPC indicated that it possesses the requisite technical capacity and institutional experience to manage such incidents effectively.

285. The Committee was also briefed on potential logistics options at the Eldoret Terminal, including the possibility of utilizing the facility for interim storage and loading of crude oil onto rail wagons. KPC indicated that the Terminal could support organized loading operations for onward transportation by rail.

4.3 West Pokot County

The Committee also conducted public participation in Turkwel, West Pokot County on 15th January 2026, which is a critical area for the project as it is proposed to host the abstraction of water from River Turkwel to provide make-up water required for oil production activities. The Committee received presentations from the following stakeholders during the public hearings:

4.3.1 Gulf Energy

Mr. Bethwel Sang', representing Gulf Energy during the public hearings submitted that:

286. Oil exploration in South Lokichar, Turkana begun in 2010. He explained that for the gulf to commence production of oil, the Company requires a Production Licence. Consequently, the Company is required by law to submit a Field Development Plan which should contain details on the value of the oil, manner of evacuation and transportation of the oil and also how the contractor shall comply with the environmental laws- requirements which he said the company has fulfilled and submitted the FDP which is now before Parliament;

287. For the oil to be evacuated from the ground, water is required to replace it in equal measure. Gulf energy explored potential sources of water from the region including Lake Turkana, which is a protected UNESCO, drilling of boreholes and Turkwel dam. After in-depth analysis, it was found out that piping water from Turkwel Dam was the most feasible

option of the three. It was then agreed that the National Government would develop a 90km pipeline of water to Lokichar and Gulf would pay for the water using a commercial tariff determined by the government.

288. To balance the water needs of Lokichar Oil Exploration and the community consumption, the national government will develop three water pipelines from the Turkwel Dam; one raw-water pipeline that is dedicated to the Lokichar Oil Exploration, one raw-water pipeline for irrigation in both Turkana and West Pokot Counties, and one that with treated water for domestic consumption by residents of both Turkana and West Pokot Counties. The areas of irrigation will be determined by the National Irrigation Authority while the water points for treated water will be determined by the North Rift Water Works Development Agency.

289. Oil cannot be evacuated without water hence there is need for collaboration between Turkana County and West Pokot County;

290. Oil is a natural resource thus with respect to the distribution of royalties in line with the Petroleum Act, Cap.308, the national government would get 75%, the county government 20% and the local community 5%;

291. Once the Field Development Plan (FDP) is approved by Parliament, the evacuation of oil from Lokichar, Turkana would commence. Additionally, any land issues were being dealt with by the National Land Commission.

4.3.2 National Irrigation Authority

Eng. Felix Shiundu representing the National Irrigation Authority during the public hearings submitted that:

292. The Turkwel dam was not supposed to be used for the production of electricity only but for the irrigation of 60,000 acres in the region. That, the Authority has 71 irrigation projects in Turkana County;

293. Water from the Turkwel Dam was sufficient to supply the Lokichar Oil Exploration project, irrigate the area, provide domestic water for consumption and provide water for livestock. The irrigation water project will irrigate the area using the Public Private Partnership (PPP) model with monies from the Infrastructure Fund. Additionally, that sprinklers and not furrows would be used to irrigate the area;

294. The treated water pipeline would have six (6) water points that would be used to distribute water to the local community while 2,000 acres of land would be irrigated, 1,000 acres in West Pokot County and 1,000 acres in Turkana County; and

295. The irrigation areas in the County were yet to be determined for the 60,000 and 2,000 acres respectively. The designs were yet to be developed but the decision would be based on science considering the soil condition and the need to ensure that water flows with gravity. Further, that the six water points were yet to be determined but would be determined by the community and the water pipes to be used would depend on the local population in the area. In addition to the contributions made during the public participation with the locals, the National Irrigation Authority also submitted written submissions as follows:

296. National Irrigation Authority is mandated in Irrigation Development within the West Pokot and Turkana Counties. The climatic condition of the two counties is classified as arid and semi-arid (ASAL) where crop production has to be through irrigated agriculture.

297. Due to the unreliable rainfed agriculture, communities in the two counties rely predominantly on pastoralism as the main source of livelihood. This overreliance on livestock farming leads to constraint on the pasture and water sources which fuels conflicts within the Turkwel river basin. The existing community scale schemes developed along the Turkwel riverine face challenges such as siltation, unstable intakes and livestock conflicts. This makes the existing surface irrigation schemes unsustainable.

298. The Government has therefore embarked on a sustainable irrigation development program within the Turkwel river basin to diversify the economic activities within the basin. Through adopting largescale and modern irrigation technology to improve on water use efficiency and productivity.

299. **The Turkwel – Lokichar Transmission Line**: The Turkwel Dam will be the source for water for project Oil Kenya requiring 16,534m^3/day for oil extraction. A separate pipeline will be provided to convey water for domestic and irrigation purposes amounting to 17,806 m3/day for communities living along the pipeline.

300. The pipeline is aligned to deliver water by gravity from the Turkwel dam and will traverse the various centres as follows; Lorogon, Kaputir, Kalimung'orouk, Lokichar, Kamarese and Kodekode. This is outlined in figure 1 and 2 overleaf;

Figure 7: Turkwel- Lokichar Transmition Pipeline

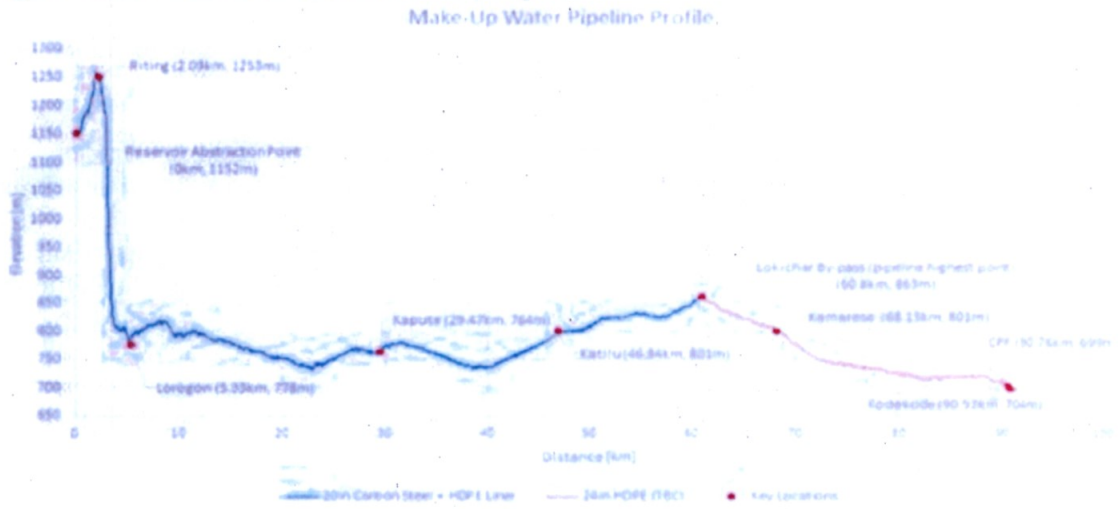
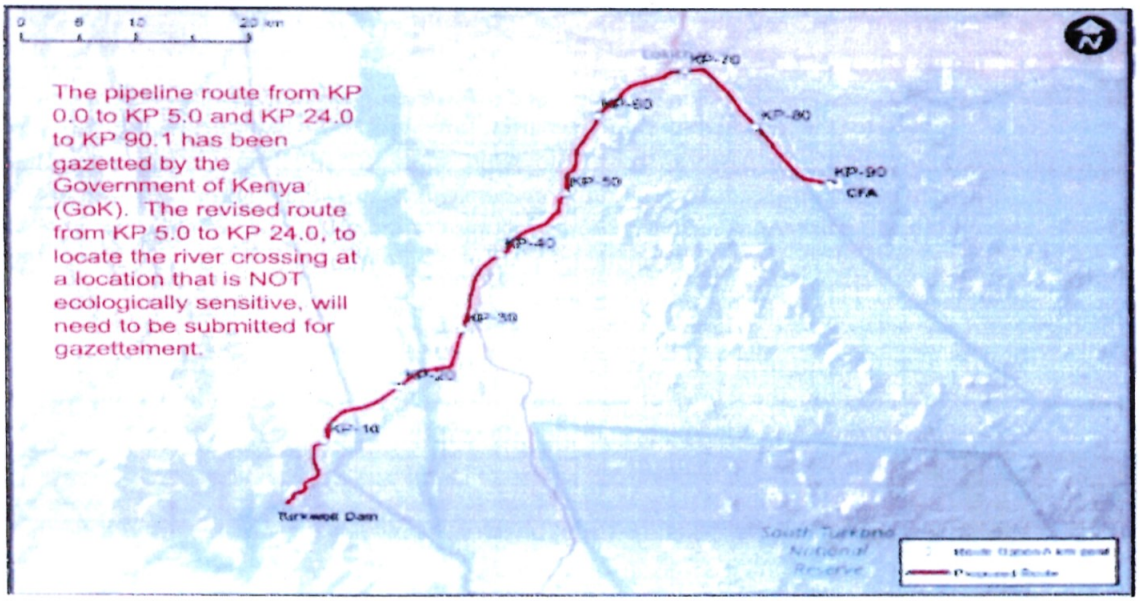


Figure 8: Turkwel- Lokichar Transmition Pipeline Allignment



301. Based on the study carried out by KIRI Consult Ltd the pipeline will have six (6 No.) offtake points to serve the communities residing along the pipeline route.

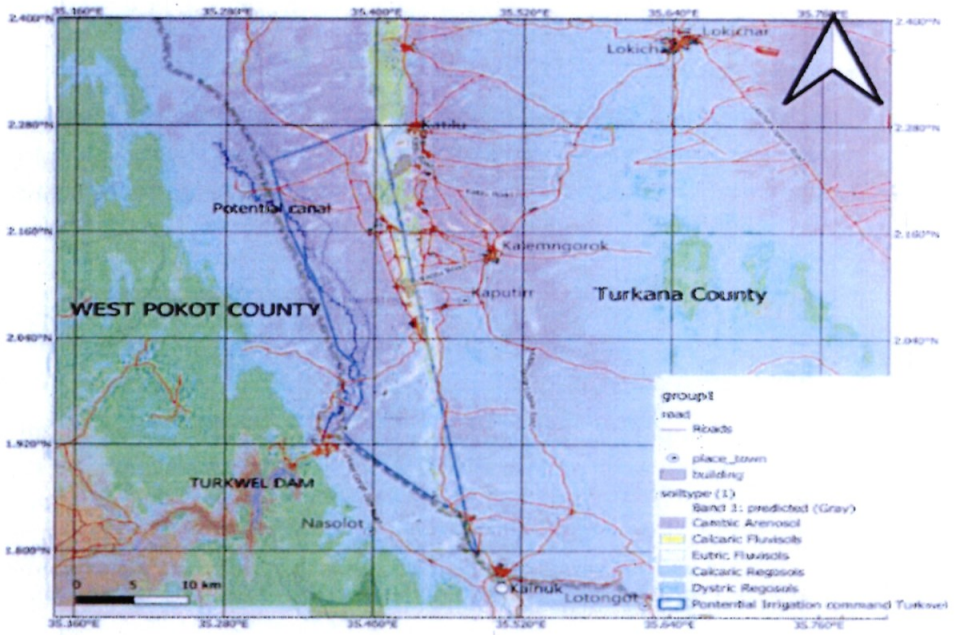
302. The project targets to develop irrigation infrastructure covering 2000 acres to be apportioned equally between the two communities. The farms will be located within the proximity of the pipeline to minimize head losses and optimize water use efficiency. Specific zones within the farms will be dedicated for high yield to pilot fodder production.

303. The community will be trained in agronomic practices such as crop rotation to improve productivity and manage diseases for contracted farming.

304. **Lower Turkwel irrigation project:** The proposed Lower Turkwel irrigation is located on the Turkwel River and Malmate river on the boundary between West Pokot and Turkana Counties at approximately 1°55'29.69"N, 35°21'37.30"E. The expansion of Lower Turkwel for irrigation scheme project will contribute 59,882 acres requiring approximately 21.5 m3/acre/day. The project will integrate 10,000 acres small to medium holder to 49,882-acre large scale irrigation.

305. The target agricultural enterprises prioritise reduction of Kenya's food deficit namely sugarcane, wheat, pasture, cotton, and fruits, as well as beans and pulses as the rotational crops.

Figure 9: Lower Turkwel Dam Irrigation Command areas



306. **Environment and Social Safeguards:** An Environmental Management Plan during the implementation will put in place measures so as to protect the two communities from any undesired impacts as follows;

(a) Boundary conflict between West Pokot and Turkana County at the existing county boundary with each community stating where the assumed boundary was located ealier.

(b) Conflict for Grazing areas: both communities rely on pastoralism mainly nomadic pastoralism being on the border between two counties there are conflicts of grazing areas.

(c) Irrigation schemes developed downstream of Turkwel dam. Turkwel dam being on the West Pokot County and the irrigation schemes in Turkana County has led to a perception of Bias that development projects only favour Turkana County yet water flows from West Pokot.

(d) There are approximately 52 irrigation schemes along the Turkwel river averaging at 19,541 acres of which 11,600 acres are developed, owned and maintained by the community mainly. Some are not functional due to high siltation from the river and inadequate maintenance capacity from the community.

(e) The proposed irrigation area is densely vegetated thus a need for bush clearing. This will affect biodiversity, animal movement corridor and Soil erosion

307. The development of sustainable irrigation systems in Turkana and West pokot will require collaborative approach to address the mentioned challenges as follows;

(a) The clear demarcation of the two counties boundary to address boundary conflicts involving all relevant ministries.

(b) Conflict for grazing will be addressed by introduction of specific fodder production zones targeting high yielding fodder crops to be used during the dry seasons.

(c) Equitable distribution of irrigation infrastructure within the two counties will address the Perceived Bias on development of irrigation schemes developed downstream of Turkwel dam in favour of Turkana County.

(d) Rehabilitation of the existing 52 irrigation schemes along the Turkwel river to improve on their sustainability.
(e) A comprehensive environmental management plan will be developed to address the negative environmental impacts by the project's existing environmental ecosystem.

308. The proposed irrigation development will result into sustainable agriculture, improve food security, and reduce over reliance on livestock as a source of livelihood for the two communities. This is critical in ensuring that project oil Kenya is implemented while managing the social and environmental concerns.

4.3.3 North Rift Water Works Development Agency

The Chairperson of the North Rift Water Works Development Agency, Prof. John Lonyangapuo submitted that—

309. The Turkwel Multipurpose dam project in West Pokot County, was initially meant to generate electricity and irrigate over 60,000 acres spread across both West Pokot and Turkana Counties. However, when opened in the early 1990s, the locals did not enjoy any benefits since the electricity was evacuated to Uasin Gishu County while the irrigation project was abandoned. It was not until the mid-2000s that the surrounding community first benefitted from electricity distribution but sadly, the irrigation project is yet to be commenced.

310. As regards the distribution of oil proceeds under the Petroleum Act, Cap. 308, the national government is entitled to 75 per cent, the county government 20 per cent, and the local community 5 per cent. That, given the strategic role of the Turkwel Dam as the proposed source of make-up water for petroleum operations in Lokichar, West Pokot communities are also affected by the project and should therefore share in the local community royalty benefit. It was further proposed that the current framework, which limits community royalties to the host county where the resource is located, may not adequately address cross - county impacts and contributions especially West Pokot which is the source of water. In this regard, it was observed that negotiations be undertaken between the affected counties and that the Petroleum Act be reviewed to provide for benefit - sharing arrangements that recognize all impacted communities including West Pokot County.

311. With respect to irrigation, it should be clear which areas would be irrigated in West Pokot County and Turkana County to ensure both counties get a fair share of development and to reduce conflict since this is a border region with historical cases of conflicts from resource sharing. Further, there is a need to increase the number of water points for treated water for both counties to ensure peace prevails in the region.

4.3.4 The Local Community

The local community submitted as follows -

312. The water supply infrastructure should be improved ensuring water is channelled through Lonyang'alen, Lorogon, Nasacha, Kases and Tagaiwa villages;

313. Gulf Energy should provide scholarships to the young people in the region to study abroad as previously done by Tullow Oil in Turkana County;

314. With respect to irrigation, areas within the region including the villages should be included in the irrigation plan;

315. The local community ought to benefit from the project through ringfencing of employment opportunities, contract opportunities and scholarship opportunities since water is more valuable than oil hence the local community in Turkana and West Pokot ought to benefit equally;

316. Health facilities should be developed and well equipped due to health hazards that could arise from accidents, oil spillages and air pollution. The health facilities should be developed in all centers and towns along the Kainuk – Kapenguria highway where the oil trucks will be passing. They also requested that Turkwel Health Centre be renovated and equipped well;

317. Villages in West Pokot County should benefit from the water pipeline hence the need for clarity on the specific areas that would be covered in the 60,000 acres and 2,000 acres irrigation project. Further, that the water pipeline should not follow the roads but be re-directed towards West Pokot villages;

318. Truck resting points should be constructed along the Kainuk – Kapenguria highway to minimise traffic accidents due to tired drivers. Also, this will allow the county government to collect additional revenue from the management of these truck resting parks.

319. Gulf energy ought to further engage the local community in order to ensure that there is clarity as regards the villages that would benefit from the water pipeline; and

320. Employment of locals within the affected areas ought to be prioritized with at least 5% being from the affected local community in West Pokot County. That there ought to be fairness in job distribution in order to ensure that the locals from West Pokot also benefit.

4.4 Trans Nzoia County

The Committee held public hearings in Trans Nzoia County on 14th January 2026 to gather views from the residents on the proposed South Lokichar Field Development Plan and the associated Production Sharing Contracts.

The Joint Committee visited the Governor's Office and met with different stakeholders, including the Deputy-Governor, County Executive Committee Members (CECs), Members of the County Assembly (MCAs) led by the Deputy Speaker, the Business community represented by the Kenya National Chamber of Commerce, and other stakeholders including the Kenya National Highways Authority (KeNHA) and the National Transport and Safety Authority (NTSA). The Committee also paid a courtesy call to the County Commissioner, and later held a public meeting at the Kenya Railways Corporation grounds in Kitale. The Participants present submitted their views as follows:

321. In general, the stakeholders were in support of the proposal, expecting benefits to the county in terms of employment and opportunities to generate revenue, but raised pertinent questions on the wider benefits expectations of the Trans Nzoia people. In addition, the stakeholders present were concerned about the environmental effects of the project on the county.

322. The stakeholders submitted that they expect the County to benefit from parking fees if truck stops are provided. However, they requested that the roads leading to Kitale be expanded to accommodate the trucks and the expected heavy traffic. Kitale town is highly congested, and there is a need for more space to accommodate trucks. They further emphasized the need for a refinery in Kenya, either in Kitale or Turkana, to curb potential truck accidents and avoid extra transportation and road maintenance costs.

323. There was concern for increased traffic and road accidents in Kitale, with the business community acknowledging the opportunities to make money, but at the cost of risk of disasters and accidents. The stakeholders advocated for youth employment and the local community to be engaged in every activity concerning the project. Further, they requested whether the corporate social responsibility (CSR) activities would include business people through the construction of market stalls and business centers adjacent to truck parking facilities.

324. The KeNHA on their part submitted that the Kitale road is narrow and it will be expanded in due course, while at the moment, the urgency is to fix road repairs. The Authority further submitted that the Lesseru-Kitale Road, a major road that will be used by the trucks, is under construction. Further, the entire route from Lokichar all the way to Mombasa is being improved, and infrastructure for truck parking facilities is already in place at Maili Tisa, Lokichogio and Lokichar.

325. The NTSA further submitted that there might be a potential increase in the number of accidents in the areas since the road is narrow. They advocated for a hybrid transportation system with both rail and road transport to help to ease traffic.

4.4.1 Trans Nzoia Turkana Community - Diaspora Chapter

The Trans Nzoia Turkana Community - Diaspora Chapter submitted a written memorandum outlining key concerns and recommendations regarding petroleum development in Turkana County. The submission emphasized the need for inclusive, transparent, and sustainable resource development that safeguards community livelihoods, environmental integrity, and equitable revenue governance. They submitted as follows:

326. The community highlighted the importance of local employment and skills transfer through clearly defined employment quotas, structured training programmes, and technology transfer to enhance long-term local capacity. They further called for transparent and fair compensation mechanisms for land access, resettlement where unavoidable, and livelihood restoration for affected pastoralist communities.

327. They emphasized the need for legally binding Community Development Agreements (CDAs) to define social investment priorities, implementation timelines, and community participation structures. In addition, the community advocated for independent and culturally appropriate grievance and dispute resolution mechanisms, as well as direct community participation in monitoring environmental, social, and employment commitments.

328. They raised concerns about environmental risks associated with petroleum development in arid and semi-arid areas. Key issues included the protection of water resources through strict contamination controls and continuous water quality monitoring. The community also emphasized measures to minimize land degradation, protect biodiversity and wildlife corridors, and rehabilitate disturbed land. They recommended independent and periodic environmental and social impact audits beyond initial ESIAs, clear decommissioning and site restoration plans backed by financial guarantees, and alignment of petroleum activities with Kenya's climate change commitments, including mitigation and adaptation strategies.

329. On fiscal and governance matters, the submission called for clear limits and timelines on cost recovery to avoid prolonged delays in public revenue realization. The community stressed the importance of transparent state take calculations and predictable revenue-

sharing arrangements benefiting Turkana County. Concerns were also raised regarding transfer pricing and profit shifting risks, with a recommendation for strong audit powers to prevent tax avoidance.

330. Additionally, the community advocated for enhanced transparency through disclosure of non-commercially sensitive Production Sharing Contract (PSC) terms, regular public reporting, and clearly defined oversight roles for Parliament, the Senate, and County Governments throughout the project lifecycle.

4.4.2 Ministry of Roads and Transport on road readiness for oil evacuation

331. The representatives from the Ministry submitted that the national road network is advanced, improving rapidly, and ready to support oil production logistics and evacuation from Lokichar to the Port of Mombasa. They indicated that there are two primary road evacuation scenarios, with the Government having already made significant investments along both corridors- many of which are complete, and the rest are under active implementation.

332. They submitted that Road evacuation readiness is anchored on a simple fact: Lokichar is already connected to the national trunk road system, and the trunk corridor to the Coast is undergoing significant strengthening and expansion.

333. Within Turkana and the broader north-western corridor, the Government has already delivered critical road links and key bridge structures that enable safe, all-weather movement - ensuring that oilfield logistics can connect reliably to the wider corridor network.

334. In addition, the principal national trunk route linking the Rift Valley to Nairobi and onward to Mombasa is being upgraded through major capacity and safety interventions - ensuring that once crude reaches the trunk network, it can move efficiently to the Coast and into the Port system.

335. The Ministry presented two main road evacuation scenarios that can be implemented, either independently or in a complementary manner, depending on operational priorities, traffic management requirements, and oil evacuation volumes.

336. ***Scenario 1: Lokichar - Barpelo / Marich Pass / Baringo axis - Nakuru - Nairobi – Mombasa.*** It was submitted that this option uses the Baringo route to connect to Nakuru and onward to Nairobi and the Coast. On why this option is strong, the ministry provided the following reasons;

i. It offers a lower-traffic corridor over long stretches, which is operationally advantageous for petroleum haulage.
ii. It provides route diversity, reducing dependence on the busiest sections of the Northern Corridor.
iii. It allows better planning for convoying, incident response, and predictable travel times.

337. Along this corridor, the Government has undertaken a multi-lot upgrading programme from the Barpelo-Tot -Sigor - Marich Pass axis, with contract packages already awarded and works ongoing in key sections. The overall intent is to secure a reliable, high-standard road connection through this axis into Baringo and onward toward Nakuru.

338. **On Operational considerations**, given the terrain and gradients associated with Marich Pass, the ministry submitted that they will accompany the corridor improvements with strict safety measures, including:

i. Hazardous cargo safety standards,
ii. Speed management,
iii. Mandatory vehicle inspections for braking systems and tyre integrity,
iv. Designated safe stopping points and emergency lay-bys, and
v. Coordinated multi-agency emergency response arrangements.

339. ***Scenario 2: Lokichar - Kitale - Eldoret - Nakuru / Nairobi – Mombasa:*** This option routes evacuation through Kitale and Eldoret, linking into the established Northern Corridor spine through Nakuru and Nairobi to Mombasa. On why this option is strong, the ministry provided the following justifications;

i. It benefits from an established logistics ecosystem in Eldoret, including services, supply chains, and emergency response capacity.
ii. It provides high operational convenience for fleet management, fuel supply, repairs, and staging.
iii. It connects well to major corridor operations and supports logistics scaling as evacuation volumes increase.

340. The Ministry submitted that the Government has implemented and continues to implement upgrading works along key links supporting this corridor, including: strengthening road sections connecting Turkana to the western highland's corridor; implementing major works around the Kitale-Leseru axis; and ensuring Eldoret circulation can accommodate increasing freight movements, supported by bypass capacity where available.

341. Because this scenario integrates into the most active parts of the Northern Corridor, it requires strong corridor operations, including:

i. Dispatch scheduling to avoid peak congestion,
ii. Axle load and compliance enforcement,
iii. Safe rest-stop planning, and
iv. Traffic management and incident response coordination through the high-traffic spine.

342. The Ministry submitted that both scenarios converge toward Nakuru and then move toward Nairobi and the Coast. Along this spine, the Government is implementing major corridor upgrades that directly benefit oil evacuation readiness:

i. capacity improvements on the Rironi-Mau Summit corridor to reduce delays, enhance safety, and improve travel times;
ii. Nairobi metropolitan bypass linkages that allow freight to bypass inner-city congestion and connect efficiently to the Mombasa Road corridor; and
iii. targeted pavement strengthening, junction improvements, and safety features to support heavy freight movement.

343. The Ministry recognises that evacuation readiness is only complete if the final approach into the Port system is efficient and resilient. For that reason, the ministry noted that they are implementing major improvements along the coastal gateway routes, notably:

i. upgrading and strengthening key approaches from Mariakani through Mazeras toward Changamwe,
ii. improving junction performance and corridor capacity,

iii. strengthening pavement layers to withstand heavy freight, and
iv. ensuring road access into the Port of Mombasa remains efficient, safe, and predictable.

344. Because Eldoret is a major logistics node under Scenario 2, the ministry noted that they are taking additional steps to ensure evacuation traffic does not create conflict with urban mobility and safety. Accordingly, the ministry is progressing planned improvements around Eldoret City, including bypass options that will:

i. divert heavy trucks away from CBD traffic,
ii. reduce congestion and accident risk, and
iii. provide dedicated circulation capacity for freight and hazardous cargo.

345. In conclusion, the Ministry assured the Committee that:

i. The national road network is advanced and continuously improving, with substantial completed works and major upgrades underway.
ii. Two viable road evacuation scenarios exist, offering redundancy and operational flexibility.
iii. The corridor backbone to Mombasa is being strengthened through targeted investments across the Rift Valley spine, Nairobi bypass functionality, and the Coast port gateway approaches.
iv. The Ministry stands ready to implement corridor operations measures - covering safety, enforcement, dispatch scheduling, rest-stop planning, and emergency response-to ensure secure and efficient crude evacuation.

346. The Ministry therefore submitted that road evacuation will not be a constraint to oil production and evacuation from the Lokichar Basin, and that it is prepared to provide annexed project schedules, contract packages, progress percentages, and completion calendars if required.

4.5 Lamu County

The Committee held public hearings in Lamu County on 21st and 22nd January 2026 having engagements with members of the public and government agencies on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana Country.

4.5.1 Meeting with the County Commissioner, Lamu County

The Joint Committee held a consultative meeting with the County Commissioner, Lamu County, as part of the public participation exercise. The meeting focused on security, infrastructure readiness, port operations, and the implications of the project for Lamu County.

347. The County Commissioner informed the Committee that Lamu County remains generally secure and that the security situation has often been misrepresented due to isolated incidents, including one major incident that occurred over a decade ago. He noted that current security threats are limited and manageable, with only isolated cases having been recorded. The County Commissioner emphasized that there is a strong and visible security presence across the county, including along key transport corridors and access roads.

348. On port operations, the County Commissioner indicated that the Port of Lamu is operational and currently supports transshipment activities. He noted that vessels are calling at the port regularly, with shipments taking place on a weekly basis, including

exports of fertilizer and livestock. He further explained that Lamu Port has the potential to support a wider range of cargo and economic activities beyond crude oil export.

349. The County Commissioner, having been informed of the proposal to use the port of Mombasa as the export terminal instead of Lamu port, noted that while this may have been informed by infrastructure readiness and other economic considerations, the shift should not be interpreted as a lack of capacity at Lamu Port.

350. The Committee was informed that Lamu County has significant untapped economic potential, particularly in agriculture and fisheries. The County Commissioner noted that Lamu is a productive region, with activities such as fishing, watermelon farming, and other agricultural activities contributing to livelihoods. However, these sectors continue to face constraints due to inadequate infrastructure and limited access to electricity. He highlighted that approximately 80 per cent of fish harvested in Lamu is consumed in Mombasa, while only about 20 per cent is consumed locally, underscoring the need for improved local infrastructure, storage, and market access.

351. The County Commissioner further emphasized the importance of continued investment in infrastructure linking Lamu to other regions, particularly road connectivity between Lamu and Turkana through alternative corridors such as the Isiolo route. He noted that such infrastructure would enhance regional integration, support trade, and ensure that Lamu County derives broader benefits from national strategic projects, including oil development.

352. Overall, the County Commissioner expressed the view that while crude oil production may not directly pass through Lamu under the current evacuation plan, the broader infrastructure, security improvements, and economic linkages associated with national projects should be leveraged to unlock Lamu County's development potential and improve livelihoods.

4.5.2 Meeting with the Governor of Lamu County

The Joint Committee held a consultative meeting with the Governor of Lamu County and other senior county officials. The meeting was attended by the Governor, the Deputy Governor, County Secretary, County Executive Committee Members responsible for various sectors, the Head of Finance from the LAPSSET Corridor Development Authority and security team in Lamu County.

353. The Governor welcomed the Committee and provided an overview of Lamu County's strategic interests in the oil and gas project and the wider LAPSSET programme. He noted that Lamu has attracted investor interest in downstream petroleum infrastructure, including proposals for an oil refinery and a solar energy plant, with some investors reportedly seeking about 4,000 acres for that purpose. He cautioned that if the pipeline component of the project were removed, it could have an adverse economic effect on the county and risk rendering the port infrastructure underutilised.

354. The Governor raised a concern that the estimated 600 trucks could significantly increase heavy truck traffic and increase the risk of road accidents. He emphasised the importance of undertaking the Lokichar - Lamu crude oil pipeline project, noting that large tankers cannot be accommodated at the Port of Mombasa but can be accommodated at Lamu port.

355. The Governor further observed that the LAPSSET Corridor has the potential to open up northern Kenya, citing the pattern where towns have developed along railway corridors,

and stressed that the oil project should be viewed within this broader regional development context. The need to fast-track development early enough was emphasized with the governor noting that the area earmarked for the LAPSETT corridor is not heavily settled for now and there is a need to take this advantage.

356. During the discussions, it was noted that Lamu Port is a natural deep-water port having a depth of 17.5 metres and among the largest and the deepest on the African coast, with significant untapped potential. However, county officials expressed concern that the Kenya Ports Authority (KPA) approach appeared to favour Mombasa over Lamu, which they felt was contributing to uncertainty and slowing investor confidence. It was emphasised that substantial investments had already been made by residents, including land purchases along the anticipated corridor, based on expectations associated with the pipeline and port development.

357. The County raised planning and compensation concerns, with the CECM in charge of the Department of Land, infrastructure, energy, natural resources and public works noting that changes or restructuring the port master plan or removal of the pipeline would trigger fresh surveys, planning processes, and potential compensation claims, thereby increasing costs for both the county and the national government. With the County government being the planning authority, the officials indicated that such changes would present a major administrative and financial challenge.

358. Water availability was highlighted as a key constraint, with the County noting that Lamu East continues to experience water scarcity. It was nevertheless observed that the project could be a game changer for the county if implemented as initially envisioned. Expectations around compensation were reiterated, particularly for communities that had anticipated benefits along the pipeline corridor.

359. Further discussions highlighted the need for clear and simplified communication, given that the FDP is highly technical and difficult for the general public to understand. It was also noted that the LAPSSET project had created significant expectations among residents, and uncertainty around key components of the project risked undermining public confidence in both the project and the broader corridor development.

4.5.3 Submission by the County Government of Lamu

360. The County Government of Lamu noted that it strongly supports the transportation of crude oil from Lokichar to Lamu Port either through a dedicated oil pipeline or by road tanker trucks rather than routing it to Mombasa for the following reasons:

i. **Strategic alignment with the LAPSSET Corridor** - Lamu is the designated terminal of the Lamu - South Sudan - Ethiopia Transport (LAPSSET) Corridor, a flagship national development project. Transporting oil to Lamu directly aligns with the original vision of LAPSSET which was designed to open up northern Kenya and decongest existing infrastructure in Mombasa.

ii. **Availability of modern oil handling infrastructure** - Lamu Port is a new deep-sea port designed to handle large cargo volumes including petroleum products. It offers the following: adequate space for oil storage facilities, modern berths capable of handling large crude carriers and fewer congestion risks compared to the already overstretched Port of Mombasa

iii. **Reduced Environmental and Urban Risk** - Routing crude oil to Mombasa will require tankers or pipelines to pass through densely populated urban areas, increasing the risk of: oil spills, traffic congestion and public safety hazards.

Lamu, by contrast, offers more controlled and purpose-built industrial zones, reducing environmental and social risks.

iv. **Economic Empowerment of Marginalized Regions-** Transporting oil to Lamu will: stimulate economic growth in Lamu County and the wider northern corridor, create jobs in logistics, security, storage, and port services and promote balanced regional development, a key objective of the Constitution of Kenya (2010). This approach helps address historical marginalization of coastal and northern counties.

v. **Cost Efficiency and Long-Term Viability -** A direct oil pipeline from Lokichar to Lamu is: shorter and more direct than alternative routes, more cost-effective in the long term compared to road transport and less prone to delays, security risks, and operational disruptions. Even interim transportation by trucks to Lamu provides a practical bridge toward full pipeline development

vi. **Enhanced National Energy Security-** Lamu's location along major international shipping lanes makes it an ideal export hub using Lamu Port. This strengthens Kenya's position in global oil markets, reduces dependency on congested export routes and enhances national energy export resilience.

vii. **Complementary and Not Competition with Mombasa -** The County Government of Lamu wishes to emphasize that this proposal is not intended to undermine Mombasa but to complement it. Mombasa can continue serving refined petroleum imports and other cargo while Lamu specializes in crude oil exports and bulk energy logistics.

361. In conclusion, the County Government of Lamu requested the National Government and all stakeholders to prioritize Lamu as the primary export route for Lokichar oil, noting that it will maximize the returns on national infrastructure investments, promote equitable development, and secure Kenya's long-term energy and economic interests.

4.5.4 Meeting with LAPSSET Corridor Development Authority Officials

The Joint Committee held a meeting with officials from the **LAPSSET Corridor Development Authority led by the Director General.**

362. The officials noted that LAPSSET is anchored in regional development objectives and aligns with the long-term development visions of the three countries, that is; **Ethiopia (Vision 2030), South Sudan (Vision 2040),** and **Kenya (Vision 2030)** with the countries viewing Kenya, and particularly Lamu Port, as a strategic gateway to global markets.

363. LAPSSET officials informed the Committee that the corridor was conceived as an **integrated and interlinked infrastructure system**, which has various components which include; Lamu Port, highways, railway, oil pipeline, international airports, resort cities and special economic zones (SEZs). It was emphasized that the components are designed to function collectively rather than in isolation, and that removal or delay of one component affects the viability of the entire corridor. The Director general took the Committee through the various components of LAPSETT as follows;

i. On Lamu Port, the Committee was informed that **the Port is a deep-sea port,** which had remained idle for some time but is now operational. Officials indicated that the port is capable of handling large vessels and any ship can dock with its natural depth presenting a comparative advantage over other regional ports.

ii. On the oil pipeline component, LAPSETT officials explained that the crude oil pipeline from South Sudan to Lamu Port was intended to evacuate crude oil from

South Sudan through Lamu with South Sudan spearheading the construction of the crude oil Pipeline, noting that the discovery of oil in Turkana came at a later stage.

iii. On the Lokichar -Lamu Crude oil pipeline, LAPSSET noted that it was concerning that the FDP is not planning to evacuate the crude oil from Lokichar using the pipeline as initially envisioned and that removal **of the pipeline component** would undermine the integrated design of the corridor and create coordination challenges. It was emphasized that developing components in isolation does not make economic sense, as LAPSSET's core value lies in integration.

iv. On land acquisition for the Lokichar - Lamu pipeline the 820 Km stretch has already been surveyed, inspected and valued and that only issuance of awards was remaining. They noted that significant resources had already been expended on planning and preparatory work for the pipeline and associated marine terminal, and that abandoning the pipeline could erode stakeholder confidence and trust, both domestically and regionally.

v. LAPSSET officials noted that the crude oil pipeline from South Sudan to Lamu was conceptualised before the discovery of oil in Turkana in 2012. South Sudan currently produces approximately 110,000 barrels of crude oil per day and pays approximately USD 35 per barrel to Sudan for the use of the northern pipeline. The officials noted that conflicts in Sudan often disrupt crude oil exports and this presents an opportunity for Kenya and Lamu County to position the Lamu crude oil pipeline as an alternative export route, especially given that Kenya already has an agreement with South Sudan to develop the South Sudan - Lamu Pipeline.

vi. The officials noted that given the indication of the FDP that evacuation Turkana Oil will not be by pipeline, Kenya can focus on South Sudan - Lamu pipeline opportunity which also presents many benefits to Kenya. Additionally, they noted that a possibility of establishing a refinery in Lamu to refine the South Sudan Oil can be explored. In addition, there exists an opportunity for a products pipeline, particularly because southern Ethiopia is geographically closer to Lamu Port than other regional ports, providing a competitive logistical advantage.

vii. On the Highways component, The Committee was briefed that substantial progress has been made on **highway infrastructure**, particularly the **Lamu - Garissa - Isiolo corridor**, with some sections completed or under active construction. However, some stretches remain incomplete, affecting full operationalization.

viii. On rail infrastructure, officials stated that Kenya has a **bilateral agreement with Ethiopia**, and that Ethiopia is keen on rail connectivity through Lamu due to the need for a cheaper and more efficient route for cargo movement. Lamu was identified as the preferred maritime outlet compared to longer or more congested alternatives. It was further noted that rail connectivity is essential to decongest Mombasa Port and provide Kenya with a second viable logistics corridor.

ix. On SEZ, LAPSSET officials confirmed that **Lamu SEZ has been gazetted**, access roads have been constructed, and there is growing investor interest. However, they acknowledged that regulatory bottlenecks have previously slowed investor uptake. Moreover, the officials also highlighted the development of supporting energy infrastructure, including a solar **power plant project in Lamu (approximately 40 MW)**, which is intended to support industrial and port operations.

x. On the challenges facing LAPSETT, the Committee was informed that one of the major challenges is the **fragmented institutional coordination,** arising from the allocation of funding across different agencies responsible for roads, rail, and other infrastructure. This has weakened centralized coordination and delayed

implementation. Additionally, the Officials noted that land acquisition is also a challenge noting that compensation along the corridor is expensive given limited resources.

4.5.5 Town Hall Meeting held at Lamu Maritime and Innovation Center

The Committee also held a Town Hall Meeting where members of the public from various Sub-Counties in Lamu County participated and submitted their views on the proposed FDP and PSCs as follows:

364. Mr. Yahya Mohamed opposed the transport of crude oil through Mombasa Port as proposed in the FDP. Prefers the construction of the pipeline from Lokichar to Lamu as proposed under the LAPSSET Corridor because he has had his land acquired compulsorily and has not been compensated. He criticized lack of communication to the affected communities on compensation for both roads and the oil Pipeline.

365. Mr. Ahmed Famau informed the Committee that he prefers the construction of the pipeline from South Lokichar to Lamu as proposed under the LAPSSET Corridor indicating that his land was acquired compulsorily for the project and has not been compensated.

366. Mr. Muhaji Ahmed noted that Lamu has more space for construction, processing and transport of crude oil from Lokichar compared to Mombasa.

367. Ms. Salama Shafii supported the construction of the pipeline from Lokichar to Lamu as this will create jobs for their children and the youth in general.

368. Ms. Amina Amina Hamisi noted that the residents have sacrificed their land which is yet to be compensated and therefore, the oil should be transported through Lamu Port. She emphasized the need for employment of the youth of Lamu County.

369. Ms. Angelina Ndusya emphasized creation of jobs noting that locals are not being employed in the Lamu port. She also asked for compensation of persons whose land has been acquired for construction stressing that the cattle keepers do not have land for cattle rearing.

370. Ms. Basra Ahmed supported the LAPSSET approach for construction of an oil pipeline. Advocated for creation of employment for locals who have educated their children and the need for locals to be employed in bigger capacities other than just as casuals. That women should be included in the economic opportunities available through the LAPSSET project i.e. employment.

371. Mr. Badi Nasiri speaking on behalf of the youths, noted that development levels in Lamu are low and that the project will create employment and wealth creation opportunities for the youth and reduce poverty. The poor have sacrificed their land in the hope that the developments will result in compensation of the poor. He also noted scholarship programmes from LAPSSET were initially there but had stopped or reduced and requested the same to be returned to benefit the youth.

372. Mr. Mohamed Rajab noted that the President promised the construction of Lamu Port and that transport of crude oil from South Sudan will be through the Lamu Port. He pointed out that some people have already had their land acquired compulsorily and are yet to be compensated. He further indicated that transporting crude oil using trucks will result in the occurrence of a lot of accidents on the roads.

373. Ms. Magdaline Njeri as a farmer observed that farmers should not be evicted from their land due to the project.

374. Mr. Danson Kariuki supported the construction of a pipeline and refinery in Lamu as originally proposed under LAPSSET.

4.6 Mombasa County

The Committee held public hearings in Mombasa County on 21st and 22nd January 2026 having engagements with members of the public and government agencies on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana Country.

4.6.1 Office of the Governor Mombasa County

On Wednesday 21st January 2025, the Committee was briefed on a courtesy meeting held with the Governor of Mombasa County, H.E Abdullswamad Sheriff Nassir during which matters relating to the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) were discussed. Key issues discussed included:

375. The importance of strengthening local content implementation to ensure that residents of Mombasa County, including local enterprises, youth, and professionals, are meaningfully involved in petroleum-related activities.

376. The revival of Kenya Petroleum Refineries Limited (KPRL) was also discussed, with recognition of its potential to create employment, promote local value addition, and contribute to sustainable economic development within the county.

377. The Committee took note of the Governor's concerns. These views will be considered alongside input from community public participation forums and other stakeholders as the Committee finalizes its findings and recommendations on the FDP and PSCs.

4.6.2 Office of the Regional Commissioner Coast Region

On 21st January 2026, the Joint Committee held a consultative meeting with the Regional Commissioner, Coast Region, as part of the public participation process on the proposed Field Development Plan (FDP) for the South Lokichar Oil Project.

378. The meeting focused on security preparedness, inter-agency coordination, infrastructure readiness, and the implications of evacuating crude oil through Mombasa Port, including the anticipated impact on road networks and urban mobility.

379. The Regional Commissioner informed the Committee that the Coast Region remains generally secure and that existing security arrangements are capable of supporting increased commercial activity at the Port of Mombasa. He noted that the region already handles significant volumes of petroleum products and hazardous cargo, supported by established security protocols and coordination among national security agencies.

380. On transport and safety, concerns were raised regarding the potential escalation of road safety risks arising from increased heavy truck traffic associated with crude oil transportation from Lokichar to Mombasa. The Regional Commissioner emphasized the need for advance planning, traffic management measures, and enhanced enforcement to mitigate accident risks and protect public safety.

381. The Committee was further informed that evacuation of crude oil through Mombasa would require close coordination between national government agencies, including security agencies, transport authorities, and port operators, to ensure uninterrupted operations and minimize disruption to existing economic activities.

382. Importantly, the Regional Commissioner's team emphasized the critical importance of undertaking thorough, inclusive, and well-documented public participation, noting that infrastructure and extractive projects of this scale have historically attracted litigation where communities perceive exclusion, inadequate consultation, or lack of clarity on benefits and impacts.

383. The team cautioned that insufficient public participation could expose the project to legal challenges, injunctions, and implementation delays, and advised that sustained engagement with affected communities should be treated as a risk mitigation measure, rather than a procedural formality.

384. Overall, the Regional Commissioner underscored the importance of clear institutional coordination and undertaking thorough public participation to support the proposed evacuation plan and safeguard both security and public safety in the region.

4.6.3 Public Participation Forum Held in Magongo Stadium, Changamwe Constituency

On 21st January 2026, the Joint Committee conducted a public participation forum at Magongo Stadium Hall in Changamwe, Mombasa County, where residents, community representatives, and business operators presented their views on the proposed FDP and PSC.

385. While participants expressed general support for the development of Kenya's petroleum resources, the most dominant and consistently raised issue during the forum was the call for the revival of the Kenya Petroleum Refineries Limited (KPRL) facility as a fully operational refinery.

386. Participants emphasized that the refinery has historically been the economic backbone of Changamwe, providing employment, skills development, local procurement opportunities, and broader socio-economic benefits to thousands of residents.

387. Strong concern was expressed that continued use of the refinery as mere storage facilities, without active refining operations, represents a missed opportunity for value addition, industrial growth, and affordable fuel supply.

388. Several participants argued that revival of the refinery would:

i. Create sustainable employment for local residents;
ii. Support downstream industries and technical training;
iii. Contribute to the reduction of fuel prices; and
iv. Restore livelihoods previously supported by refinery operations.

389. The issue of crude oil evacuation through Mombasa was therefore viewed by many participants as inseparable from the broader question of domestic refining and value addition, rather than a standalone transport decision.

390. In addition to refinery revival, participants raised concerns regarding:

i. Increased road congestion and accident risks from heavy truck traffic;
ii. Environmental and public health impacts within densely populated areas; and

iii. The need for clear frameworks to ensure local employment and inclusive economic participation.

391. Overall, the public participation forum reflected conditional support, with residents strongly urging that the FDP be aligned with a clear national strategy on refinery revival, industrial development, and equitable sharing of benefits for host communities.

4.6.4 Kenya Petroleum Refineries Limited (KPRL), Kenya Pipeline Company (KPC), and Kenya Ports Authority (KPA)

On 22nd January 2026, the Joint Committee held a technical consultative meeting with officials from Kenya Petroleum Refineries Limited (KPRL), Kenya Pipeline Company (KPC), and the Kenya Ports Authority (KPA) to obtain institutional perspectives on the FDP and the proposed crude oil evacuation strategy through Mombasa.

392. Officials from KPA informed the Committee that the Port of Mombasa has existing experience in handling petroleum cargo, including crude oil and refined products, and that port operations could accommodate crude oil exports subject to appropriate scheduling, safety protocols, and infrastructure adjustments.

393. KPA officials, however, acknowledged that port congestion remains a structural challenge, particularly during peak periods, and emphasized the need for careful planning to avoid disruption of existing trade flows.

394. KPC and KPRL officials briefed the Committee on the current pipeline and storage infrastructure and also highlighted the historical and potential future role of domestic refining, noting that any long-term strategy for crude oil development should be aligned with broader national objectives on value addition, energy security, and industrial development.

395. On the Status and Cost Implications of Refinery Infrastructure, KPRL officials informed the Committee that the existing refinery infrastructure is aged and would require significant capital investment to restore full refining operations. Indicative estimates provided during the meeting placed the cost of upgrading and modernizing the refinery at approximately USD 2.4 billion, according to a 2012 study, which could now have doubled, depending on the scope of refurbishment and technology choices.

396. It was further noted that the establishment of a new, modern refinery facility would entail substantially higher capital costs, estimated to range between USD 5 billion and USD 7 billion, excluding associated infrastructure such as pipelines, utilities, and storage facilities.

397. Officials from KPRL and KPC also clarified that the question of whether Kenya should export crude oil or refined petroleum products has not been conclusively determined and remains subject to further technical, commercial, and economic studies.

398. Upon further engagement, officials from KPRL and KPC informed the Committee that at the time of its closure, the refinery was processing approximately 80,000 barrels of crude oil per day, and with Phase I production projected at approximately 20,000 barrels per day, which is significantly below the historical refinery throughput capacity. The officials indicated that operating a refinery at such reduced volumes would raise serious commercial viability concerns, particularly regarding unit processing costs, utilization rates, and overall economic efficiency.

399. Officials from KPRL, KPC, and the Ministry also indicated that the prospect of refining crude oil domestically may not be economically competitive. This is largely due to the high transportation costs already incurred in moving crude oil from production sites to the refinery and the additional expenses associated with refining, which significantly raise the baseline cost.

400. In this context, the officials indicated that operating a refinery at such reduced volumes would raise serious commercial viability concerns, particularly in relation to unit processing costs, utilization rates, and overall economic efficiency.

401. The meeting underscored the need for coordinated inter-agency planning, particularly in relation to port operations, pipeline development, road infrastructure maintenance, and emergency response preparedness.

402. The Joint Committee was also taken on a comprehensive tour of KPC, KPA, and KPRL facilities to assess their current state and readiness, providing firsthand insight into the operational, logistical, and infrastructural facilities in place and challenges that could impact project implementation.

CHAPTER FIVE

STAKEHOLDERS ENGAGEMENTS

5.0 SUBMISSIONS BY STAKEHOLDERS, OIL AND GAS EXPERTS AND MEMBERS OF THE PUBLIC

403. The Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County were tabled in the National Assembly and the Senate on Thursday, 27th November 2025 pursuant to Section pursuant to Article 71 (1) of the Constitution of Kenya and Section 31 (1) of the Petroleum Act, Cap. 308 and subsequently committed to the Departmental Committee on Energy and the Senate Standing Committee on Energy for consideration and reporting to the Houses.

404. The Field Development Plan and Production Sharing Contracts were subjected to public participation pursuant to Article 118(1)(b) of the Constitution of Kenya, 2010 and in this regard, an advertisement was placed in the dailies on Saturday, 29th November 2025 by the National Assembly and on Thursday, 18th December 2025 by the Senate.

405. Further to the call for memoranda from the public through the placement of advertisements in the print media, the Committee invited stakeholders for a retreat held between 9th and 16th February 2026 to receive their views and submissions on the Field Development Plan and Production Sharing Contracts (***Details in Annex 4)***. The Committee met the following stakeholders:

i. Ministry of Energy and Petroleum
ii. The National Treasury and Economic Planning
iii. Ministry of Interior and National Administration
iv. Ministry of Roads and Transport
v. Office of the Attorney General
vi. National Lands Commission
vii. Ministry of Water, Sanitation and Irrigation
viii. Ministry of Environment Climate Change and Forestry
ix. Kenya Revenue Authority
x. Central Bank of Kenya
xi. Office of the Auditor General
xii. The National Lands Commission
xiii. Kenya Law Reforms Commission
xiv. Business Registration Services
xv. Gulf Energy BV
xvi. Various Oil and Gas experts

5.1 Engagement with Oil and Gas Experts

On Monday, 9th February 2026, the Joint Committee engaged various stakeholders and experts to deliberate on the Field Development Plan (FDP) and the associated Production Sharing Contracts (PSCs).

5.1.1 Submissions by Mr. Mark Ekuam

Mr. Mark Ekuam, an expert in the Oil and Gas industry currently under the Chinese National Petroleum, presented his observations, concerns, and recommendations on the Field Development Plan as follows:

406. Mr. Ekuam viewed the transition of operatorship to Gulf Energy E&P BV as a critical step in addressing the operator paralysis that plagued the project's final years under previous leadership. He asserted that the target of 362 million recoverable barrels is technically sound and justified by the proposed waxy crude management strategies.

407. Furthermore, he observed that the aggressive timeline targeting First Oil by December 2026 is achievable, provided there is immediate infrastructure mobilization. On the fiscal front, he noted that the increase in the cost recovery ceiling from 55% to 85% is a significant concession that aligns Kenya with complex markets like Angola; however, he stressed that this adjustment necessitates rigorous oversight to prevent expense inflation.

408. A primary area of concern for Mr. Ekuam is the logistical reliance on road transport. While he acknowledged that mobilizing 600 tankers is mathematically feasible in the short term, he classified it as a High-Risk strategy regarding road safety and long-term economic sustainability. He argued that maintaining such a fleet beyond two to three years is not viable due to environmental impacts and safety risks.

409. Additionally, Mr. Ekuam highlighted deep-seated community skepticism, describing a "broken hope" within Turkana following the collapse of the local economy after Tullow's exit. He warned that the community views the new operator with caution and that social license depends on restoring the entire ecosystem, including closed clinics and collapsed SMEs, rather than just offering employment.

410. To mitigate these risks, Mr. Ekuam recommended that Parliament ratify the updated FDP and fiscal terms, but with strict conditionalities attached. His most urgent infrastructure recommendation is for the Committee to mandate an immediate feasibility study for a railway spur (LAPSSET) from Lokichar, arguing that rail is the only sustainable solution for the 50,000 barrels per day plateau target.

411. Regarding governance, he called for the establishment of a Joint Parliamentary Oversight Committee to enforce accountability through quarterly reviews. Finally, to secure social stability, he insists on the strict enforcement of the Local Content Plan, specifically the reservation of 100% of unskilled labor roles for Turkana residents and a quarterly audit of the Expat Replacement Plan to ensure genuine skills transfer.

5.1.2 Submissions by Eng. Fredrick Ngasike Ejore

Eng. Fredrick Ngasike Ejore serves as the Regional Director for East Africa at Kamit Group Limited, a Canadian-headquartered oil and gas services company. He submitted his expert opinion, backed by extensive field experience, having worked for 7 years with Tullow Oil on Project Oil Kenya across its exploration, drilling, appraisal, and Early Oil Pilot Scheme (EOPS) phases. He submitted as follows:

412. In his review of the FDP, Eng. Ejore outlined several critical functional areas required to govern the sector effectively. He emphasized Regulation and Licensing as fundamental necessities, defining them as the supervision of exploration and development activities to ensure strict compliance with technical and safety standards. He also highlighted the critical nature of Cost Management and Revenue, observing that the government must oversee the cost efficiency of oil companies to ensure that state revenues, both fiscal and non-fiscal, are not eroded by wasteful spending. Furthermore, he identifies Environmental and Social Monitoring and Data Management as key pillars, ensuring that health and safety measures are implemented and that all technical and financial data generated by the industry are properly managed.

413. To address these governance needs, Eng. Ejore provided specific actionable recommendations focused on the Energy and Petroleum Regulatory Authority (EPRA). He advised the Joint Committee to empower or revamp EPRA, establishing it as a statutory body to monitor and regulate both the upstream (exploration/production) and midstream

(refining/transportation) sectors effectively. He argued that a strengthened EPRA would be essential to ensure operations comply with laws, optimize resource usage, and protect the environment for long-term economic value. Additionally, to support National Content Development, he strongly recommended the introduction of a National Supplier Database. He proposed that all companies intending to participate in the Kenyan oil and gas sector must be required to register and seek approval through this database, ensuring that Kenyan businesses and goods are prioritized in the supply chain.

414. Eng. Ejore supported the immediate progression of the South Lokichar project. Drawing parallels to his experience in Uganda and the economic impact observed there, he argued that the project in Turkana should proceed without any delays. He commended the collaborative work done by the technical teams at Tullow Oil, Gulf Energy, and the Government to produce the current FDP. His final submission was that if the project is handled right, it is possible to become a major economic pillar for Kenya, and he urges stakeholders to support infrastructure development to facilitate the commercialization of first oil.

5.1.3 Submission by Mr. Mark Senteu, Commercial Director, Petroleum Experts

415. Mr. Senteu placed a primary focus on environmental integrity, specifically questioning the robustness of the safety mechanisms proposed in the Field Development Plan. His submission sought clarity on whether comprehensive spill prevention measures are currently in place to mitigate potential ecological damage. Furthermore, he emphasized the necessity of having concrete emergency response plans to handle accidents effectively should they occur. He also highlighted the critical need for a detailed environmental restoration plan, ensuring that the project outlines clear protocols for rehabilitating the land and ecosystem upon the conclusion of operations.

416. A significant portion of Mr. Senteu's submission addressed the communication of public benefits. He raised concerns regarding how the project's value is articulated to stakeholders at various administrative levels. Specifically, he discussed the need for clear communication regarding the tangible benefits accruing to the National Government, the County Government, and local communities. His recommendation implied that for the project to gain and maintain social license, the distribution of benefits across these three tiers of government must be transparent and well-understood by the public.

417. On the Local Content and Economic Inclusion, regarding local content, Mr. Senteu critiqued the FDP for its lack of explicit detail concerning the engagement of local service providers. He specifically questioned how essential support services, namely transport, catering, and water supply, would be procured. He argued that the FDP needs to factor in a robust Local Content Plan that outwardly mentions and prioritizes these sectors. His concern underscores the risk that, without specific mandates, local businesses in these key service areas might be overlooked in favour of external contractors.

418. Mr. Senteu recommended the empowerment of the statutory body responsible for oversight. He advocated for strengthening the mandate and capacity of the regulatory authority to ensure it can effectively function as a watchdog over the project's execution. This recommendation suggests that for the environmental, social, and economic commitments in the FDP to be realized, the governing body must have the requisite power to enforce compliance and hold operators accountable throughout the project's lifecycle.

5.1.4 Submission by Mr. Ken Mugambi, an Oil and Gas Professional

419. Mr. Mugambi observed that despite the 2012 discovery, Kenya has failed to commercialize its oil for over 13 years due to the previous operator's financial challenges and a shifting global landscape. He noted that with the world decarbonizing and petroleum demand projected to peak by 2050, global majors are now prioritizing massive fields in regions like Guyana and Tanzania while exiting smaller developments like Kenya's. Furthermore, he highlighted that international funding for fossil fuel projects is shrinking due to strict carbon controls, which severely hindered the previous operator's ability to secure capital.

420. To address these challenges, Mr. Mugambi argued that the future of the sector lies with indigenous companies like Gulf Energy, which are quicker and more cost-efficient than international majors. He asserted that the democratization of technology from markets like China and India allows local operators to access cutting-edge tools at a fraction of the cost, a trend successfully demonstrated in Nigeria and Angola, where local firms now run major assets. He viewed the transition to a Kenyan-owned operator as a strategic opportunity to accelerate decision-making and pivot the country into an oil producer within the next year.

421. Consequently, Mr. Mugambi strongly recommended that the Joint Committee approve the Field Development Plan (FDP), describing it as the key to unlocking Kenya's resource potential. He emphasized that the plan is optimized to empower local communities through enhanced revenue and local content, as indigenous companies are naturally inclined to prioritize local contracting. Finally, he commended the FDP's innovative waste management strategy, which proposes valorizing waste by converting it into useful construction materials like blocks and road aggregate, rather than simply disposing of it.

5.1.5 Submission by Zikhara Sushil, Oil and Gas Consultant

422. Mr. Zikhara Sushil, an independent Oil and Gas Consultant, presented his technical and governance-focused observations on the Field Development Plan (FDP), with particular emphasis on regulatory empowerment and the enforcement of local content obligations.

423. A central pillar of Mr. Sushil's submission was the need to strengthen the mandate and operational capacity of the Energy and Petroleum Regulatory Authority (EPRA). He argued that as the project transitions into production, EPRA must be adequately empowered financially, technically, and legally to approve tariffs, scrutinize midstream infrastructure costs, audit cost recovery claims, and enforce safety, environmental, and operational standards.

424. With regard to local content, Mr. Sushil underscored that local participation must translate into measurable economic empowerment. He called for strict enforcement of the Local Content Plan, including clear thresholds for local employment, procurement from Kenyan firms, and enforceable timelines for expatriate staff replacement. He emphasized that local content compliance should be routinely audited and publicly reported.

425. In conclusion, he indicated that regulatory strength and local economic empowerment are indispensable to ensuring that the project delivers durable national and community benefits.

5.1.6 Submission by Johana Ekwam

426. Mr. Johana Ekwam presented his technical and environmental concerns regarding the Field Development Plan (FDP), with particular emphasis on oil spill mitigation, water source selection, and groundwater vulnerability.

427. Mr. Ekwam acknowledged the strategic importance of advancing production under Gulf Energy E&P BV but stressed that operational preparedness must match the scale of projected production. He also called for clearly articulated and fully costed oil spill prevention and response mechanisms.

428. A significant portion of his submission focused on the decision-making process surrounding the selection of Turkwel Dam as a primary water source. Mr. Ekwam indicated that all other alternative surface and subsurface water options were comprehensively evaluated before settling on Turkwel. He emphasized that abstraction from the dam was supported by hydrological studies confirming long-term sustainability without compromising downstream users or ecological balance.

429. He further raised concerns about the hydrogeological characteristics of the region, noting that underground aquifers may be interconnected through subsurface fractures and sedimentary formations. In his view, the hydrological connectivity of the area increases the risk that contamination from drilling sites, waste pits, or pipeline leaks could migrate beyond the immediate project footprint.

430. Mr. Ekwam cautioned that groundwater contamination is particularly dangerous in arid zones such as Turkana County, where communities rely heavily on boreholes and shallow aquifers for domestic use and livestock watering. He recommended detailed groundwater mapping, baseline water quality assessments, and the installation of continuous monitoring wells around production sites.

431. In conclusion, Mr. Ekwam maintained that environmental resilience must underpin production strategy. He emphasized that proactive spill preparedness and rigorous groundwater protection measures are essential to safeguarding public health, livestock systems, and long-term ecological stability.

5.1.7 Submissions by Joel Lulunken

432. Mr. Joel Lulunken, an engineer by profession, presented his views on the Field Development Plan (FDP), focusing primarily on social sustainability and equitable community inclusion throughout the project lifecycle.

433. Mr. Lulunken acknowledged the economic significance of the project and the renewed momentum following the transition of operatorship to Gulf Energy E&P BV. However, he cautioned that the discourse around community engagement appears narrowly centered on the immediate host community, without sufficient recognition of other affected populations along the project value chain.

434. He emphasized that oil development is not geographically confined to the wellhead. In his view, communities along transport corridors, storage facilities, support infrastructure zones, and auxiliary service areas must equally be recognized as stakeholders. He argued that project planning must adopt a lifecycle approach that integrates upstream, midstream, and associated infrastructure impacts from exploration through decommissioning.

5.1.8 Submissions by Dr. Bruce Ogaga

435. Dr. Bruce Ogaga, Senior Lecturer, presented a macro-fiscal and resource governance analysis of the Field Development Plan (FDP), focusing on sunk production costs, economic rent, resource exhaustibility, legislative safeguards, and technology transfer.

436. Dr. Ogaga acknowledged the technical feasibility of advancing production under the current operatorship of Gulf Energy E&P BV. However, he raised concern over the high sunk and projected capital expenditure associated with field development, warning that high front-loaded costs could significantly delay the State's realization of economic rent.

437. He emphasized that petroleum resources generate economic rent only when revenues exceed all costs, including capital recovery and operational expenditure. In his view, any expansion of the cost recovery ceiling or escalation in project costs must be carefully scrutinized to ensure that the sovereign share of profit oil is not eroded. He cautioned that weak cost discipline could effectively transfer disproportionate value to the operator at the expense of the State.

438. Dr. Ogaga underscored the exhaustible nature of petroleum resources, noting that crude oil is a finite national asset. He argued that because extraction permanently depletes the resource base, fiscal frameworks must prioritize optimal recovery and intergenerational equity. Accelerated extraction without adequate economic return, he warned, would amount to premature depletion without commensurate national benefit.

439. On legislative matters, Dr. Ogaga called for strengthened statutory clarity to govern production licensing, fiscal terms, and cost auditing mechanisms. He argued that reliance on contractual arrangements alone is insufficient and that robust legislative backing is necessary to ensure predictability, accountability, and investor confidence. He recommended that Parliament review existing petroleum and fiscal laws to close potential loopholes that may expose the State to revenue leakage.

440. A key pillar of his submission was the need for structured technology transfer and capacity building. Dr. Ogaga maintained that long-term national value lies not only in oil revenues but also in the development of domestic technical expertise. He advocated for enforceable technology transfer provisions within project agreements, including joint technical programs, mandatory training quotas, research partnerships with local institutions, and time-bound expatriate replacement frameworks.

441. He concluded that the ultimate measure of success will not merely be production volumes, but the extent to which the project secures sustainable economic rent, institutional strength, and lasting national capability.

5.1.9 Submissions by Dr. Ezekiel Ekuwom

442. Dr. Ezekiel Ekuwom, former Chief Officer Turkana County, presented his observations on the Field Development Plan (FDP) with a strong focus on environmental protection, water resource preservation, and safeguarding pastoral livelihoods.

443. Dr. Ekuwom acknowledged the potential economic benefits of the project under the current operatorship of Gulf Energy E&P BV. However, he cautioned that oil development must not undermine the ecological foundations upon which local communities depend, particularly in arid and semi-arid regions such as Turkana County.

444. A central concern in his submission was the protection of water sources. He emphasized that surface water points, seasonal rivers, boreholes, and underground aquifers constitute lifelines for both human consumption and livestock.

445. Dr. Ekuwom further underscored the importance of pastureland preservation, noting that pastoral mobility and grazing patterns are critical to the survival of local communities. He cautioned that infrastructure development, including well pads, access roads, and

transport corridors, could fragment grazing routes and restrict access to dry-season pastures if not carefully planned.

446. He highlighted that livestock remains the primary economic asset in the region, forming the backbone of household income, food security, and cultural identity. In his view, any disruption to water access or grazing systems would have far-reaching socio-economic consequences that could outweigh short-term oil revenues.

5.1.10 Submissions on gender issues and social protection by Ms. Basra Ali & Hannah Moturi

447. To ensure equitable participation, the submission emphasized a deliberate focus on gender parity within the project's workforce and development initiatives. It recommended specific Women in Oil & Gas training programs designed to foster gender inclusion in technical roles, moving beyond traditional administrative positions. Furthermore, the submission called for targeted investments in girls' education initiatives to bridge the long-term skills gap and ensure that future opportunities in the sector are accessible to women from the host community.

448. **Restoration of Social Protection Systems:** The submission highlighted the collapse of vital social safety nets following the previous operator's exit and urged their immediate restoration to protect vulnerable groups. It specifically mandates the reopening of community health clinics that previously served over 500 patients monthly and the resumption of mobile medical units. A key priority identified is the implementation of Maternal and Child Health programs to safeguard families in the project area. Additionally, the submission stressed that social protection must be institutionalized through a Community Trust, which is allocated a specific portion of the project's benefits to fund these essential services sustainably.

5.1.11 Mr. Johnson Kibaki Mirii

Mr. Johnson Kibaki Mirii, a first year Petroleum Engineering student at the Kenyatta University made a submission on the proposed Field Development Plan (FDP), raising the following key concerns and proposals:

449. **Integration of Renewable Energy**: he proposed the use of solar energy for field facilities such as control rooms and operational buildings. Specifically, Building-Integrated Photovoltaics (BIPV) are recommended to serve both as roofing materials and power-generation systems. This approach would reduce dependence on diesel-generated power, lower operating costs, and convert field facilities from energy consumers into energy producers. Through this, there will be production above the breakeven point and every barrel produced would be of profitable impact.

450. **Sustainable Waste Management:** he proposed that drilling cuttings be processed and reused in cement manufacturing. This would reduce waste disposal costs for the project while lowering raw material costs for cement producers, contributing to a circular economy and minimizing environmental impacts.

451. **Cleaner Power Generation Technologies**: Where generators remain necessary, he recommended the use of fuel cells and properly sealed generator systems to improve efficiency, reduce emissions, and minimize fuel losses during operations.

5.2 Engagement with Ministries, Departments, Other Government Agencies and the Contractors

The Joint Committee engaged various Ministries, Departments and other Government Agencies to deliberate on the Field Development Plan (FDP) and the associated Production Sharing Contracts (PSCs) as summarised below:

5.2.1 Submission by the Cabinet Secretary, Ministry of Roads and Transport

On Wednesday, 11th February 2026, the Cabinet Secretary for Roads and Transport, Hon. Davis Chirchir, E.G.H., accompanied by the Principal Secretaries for Roads and Transport, Eng. Joseph Mbugua and Mr. Mohamed Daghar, respectively, appeared before the Joint Parliamentary Committees on Energy and made his presentation addressing the Ministry's position on the proposed Field Development Plan and Production Sharing Contracts for the South Lokichar oil basin, with a particular focus on the critical issue of transporting crude oil to Mombasa as follows:

452. The Cabinet Secretary laid out the investments already made and the commitments already fulfilled. Over KES 200 billion has been committed to upgrading and expanding the road corridors that will carry Kenya's first crude oil to market. He reminded the Committee that Lokichar should not be portrayed as a remote outpost awaiting connectivity. The town is already integrated into the national trunk road network through completed, all-weather roads and bridges constructed in recent years, notably the Lot 4 Lokichar-Loichangamatak section (KES 5.8 billion) and the Lot 0 Loichangamatak-Lodwar section (KES 6.782 billion), which have significantly enhanced accessibility and regional mobility. The groundwork, he suggested, has been laid to ensure oilfield logistics connect reliably to the wider corridor network.

453. Two evacuation routes were presented, not as theoretical options but as operational corridors with active construction contracts and measurable progress. The first, running through Baringo, Nakuru, Nairobi, and on to Mombasa, offers a lower-traffic alternative for steady, controlled operations. The Ministry acknowledged the genuine risks of the Marich Pass terrain and responded not with evasion but with specific, funded countermeasures: mandatory vehicle inspections, designated safe stopping points, coordinated emergency response protocols.

454. The second route, via Kitale and Eldoret, leverages an established logistics ecosystem, including services and supply chains, and ongoing bypass constructions to handle higher-volume phases. It connects to major corridor operations and supports scaling as evacuation volumes increase. Together, these corridors can absorb the projected daily truck movements without crippling congestion through measures like dispatch scheduling to avoid peak hours.

455. The Ministry acknowledged that a comprehensive Road Safety Impact Assessment is yet to be finalized, notwithstanding that isolated safety audits have been undertaken on select road sections. It identified several high-risk corridors, including Marich Pass, Tot, Loruk, and the high-speed conflict zones within Nakuru, Nairobi, and Mombasa. The Ministry further recognized vulnerable road users, particularly motorcyclists, pedestrians, and residents of urban centres, emphasizing that motorcycles are especially exposed along heavy-truck transit routes. Notably, it conceded that the current road safety inspection and enforcement capacity remains critically inadequate to manage the projected increase in crude oil haulage traffic.

456. To address this, the CS proposed a new Motor Vehicle Inspection (MVI) centre in Lodwar, costing approximately KES 600 million, to be developed by upgrading existing infrastructure into an automated facility. Another Motor Vehicle Inspection centre is planned for Lokichar at a similar cost of KES 600 million, alongside an upgrade to the overburdened and poorly located Kitale facility to handle heavy tanker inspections. He suggested this would be done through a PPP arrangement.

457. On the question of liability, the CS informed the Committee that the operator bears full financial responsibility for spills, cleanup, third-party compensation, and road repairs arising from its activities. Government liability is confined to its own demonstrable negligence or force majeure.

458. The Ministry also acknowledged the less visible threats: corruption in enforcement, inadequate driver testing capacity, and the difficulty of changing behaviour on roads where fatalism runs deep. It proposed tools: smart driving licences with merit and demerit systems, real-time fine enforcement, and expanded examiner cadres at Kitale, Lokichar, and Lodwar to improve driver competency.

459. He informed the Committee on rehabilitation plans of the Eldoret-Mombasa metre-gauge line. The acquisition of twenty-three active locomotives is planned to support the 6-day round-trip cycle. Under Phase 2, the Ministry is considering 556 specialized, heated tank wagons under Option A, or 1,148 ISO tanks and 574 flat wagons under Option B, with total capital expenditure structured across two phases totalling USD 666.56 million. A hybrid funding model is proposed: public investment in the track to "de-risk" the project and guarantee the cycle, and private capital for the specialized, thermally controlled rolling stock.

460. He further reported that a joint technical committee is already evaluating the feasibility of extending the railway line directly to Lokichar and, beyond it, to the South Sudan border. The estimated cost of KES 210 billion for a 640-kilometre metre-gauge line is substantial, but significantly less than the KES 300 billion-plus required for a standard-gauge railway. He expounded that it would be a multipurpose freight corridor, capable of carrying cement from West Pokot, fertiliser and consumer goods into the north, agricultural produce and livestock to market. The Ministry estimates an additional 2.7 to 3.3 million tons of non-oil cargo annually, unlocking an estimated US$200 million in regional export potential.

461. The railway, once built, will outlive the wells. It will serve farmers and traders long after the last barrel is shipped. That, the Ministry suggested, is the true measure of its value.

462. The Ministry testified that the Lokichar-Lamu crude oil pipeline project remains a strategic objective of the LAPSSET corridor vision. The Front-End Engineering Design was completed in 2018, with the Environmental and Social Impact Assessment (ESIA) licence renewed in March 2024, and land acquisition was underway across counties, including Lamu, Garissa, Isiolo, Samburu, and Turkana.

463. The Ministry further stated that road and rail are the evacuation pathways for the foreseeable future, and that the pipeline, if it comes, will come later. The Committee's concerns about Lamu Port's underutilization were met with acknowledgment, as a significant public investment was made, but activity remains below projections. Road evacuation (Phase 1) is engineered to manage ~25,000 barrels per day, transitioning to a hybrid road-rail solution (Phase 2) beyond 2030.

464. The Ministry reported that it was engaging county governments along the entire corridor: Turkana, West Pokot, Trans Nzoia, Uasin Gishu, Nakuru, and others, to manage

local infrastructure impacts, safety concerns, and business opportunities. A policy framework was being developed to rationalize county levies and fees, preventing cost escalation that could undermine project profitability.

465. The committee was informed that approximately 28% of the Road Maintenance Levy Fund was already securitised, with the rest left for maintenance and ongoing works. Public-private partnerships were being pursued for vehicle inspection centres and, potentially, for rolling stock acquisition. He also stated that the 2026/27 budget policy statement includes specific provisions for crude oil transport infrastructure.

466. The Cabinet Secretary was specific about deadlines: the Rironi to Gilgil section to open by August 2026, major corridor upgrades to be completed by June 2027, and the multimodal system operational by September 2026. He was equally specific about the mechanism for achieving them: intensified contractor oversight, performance-based contracts, and, where necessary, the imposition of penalties.

5.2.2 Submissions by the Cabinet Secretary, Ministry of Environment, Climate Change and Forestry

On Wednesday, 11th February 2026, the Cabinet Secretary for the Ministry of Environment, Climate Change and Forestry, Dr. Deborah Barassa, alongside the Director General for NEMA, Dr. Mamo B. Mamo, PhD, EBS, appeared before the Joint Committee and addressed the critical oversight of the Field Development Plan (FDP) and Production Sharing Contracts for Blocks T6 and T7 in the South Lokichar Basin as follows:

467. A key development in the project is the transition to a phased production approach, starting at 20,000 barrels per day and scaling to 50,000 barrels per day. Notably, the Ministry confirmed a strategic shift in logistics: crude oil will initially be transported via road and rail tracking because the intended Lokichar-Lamu pipeline is not yet constructed. This deviation from the original infrastructure plan necessitates a supplementary Environmental and Social Impact Assessment (ESIA) to ensure appropriate safety conditions for public health and transportation.

468. On the issue of regulatory oversight and environmental safeguards, NEMA informed the Committee that it issued a conditional ESIA license for the upstream project in October 2025, which imposes strict requirements on the contractor, Gulf Energy, following the transfer of liabilities from the previous operator, Tullow Oil. These conditions mandated a robust waste management infrastructure capable of handling both solid and liquid effluents. A primary technological intervention involves the requirement for a Thermal Desorption Unit (TDU) to treat up to 752 cubic meters of hazardous material per month. Furthermore, the project design includes a 50-hectare sanitary landfill adjacent to the Ngamia oil field with a total capacity of approximately 324,616 cubic meters across 13 engineered cells. These measures are intended to mitigate risks from carcinogenic hydrocarbons found in rig cuttings. Specific licenses have also been issued for critical infrastructure, including:

i) **Water Pipeline Project:** A license (NEMA/PR/5/2/25,836) was issued for a 90.8 km water abstraction and transport system from Turkwel Dam to the South Lokichar oil fields.
ii) **Crude Oil Pipeline**: License NEMA/EIA/PSL/14788 covers the 824 km Lokichar-Lamu Crude Oil Pipeline (LLCOP), traversing six counties within the LAPSSET corridor.
iii) **Upstream Development:** The core FDP license (NEMA/EIA/PSL/43347) mandates the implementation of over 100 specific environmental conditions,

including noise monitoring, vibration control, and dust suppression during construction.

469. To prevent long-term environmental degradation, the Ministry informed the Committee that it had anchored decommissioning and site restoration within the Petroleum Act 2019 and the Environmental Management and Coordination Act (EMCA). Under the new Deposit Bond Regulation 2024, extractive companies must provide financial assurance through bonds to cover restoration costs even if the company faces bankruptcy. The framework requires technical measures such as the 100% plugging of wells to prevent leaks of hazardous gases like Hydrogen Sulfide and the removal of heavy machinery. Upon successful restoration, the land will revert to the National Land Commission (NLC) to be held in trust as public land, with future use determined in consultation with the Turkana County Government. This process must adhere to the "Post-Closure Environmental Monitoring" plan, which requires at least five years of continued observation after site handover.

470. Serious concerns were raised regarding past environmental negligence and its impact on the local population. Community representatives reported the loss of over 200 livestock due to contaminated water sources following exploration activities, where dangerous substances allegedly trickled into the water table during rainy seasons.

471. The Committee expressed concern over inconsistencies in the reporting of compensation, noting that while the Ministry's report suggested that compensation processes had been concluded, local leaders in Turkana County indicated that numerous affected residents have yet to receive payment and called for full disclosure of compensation records, including amounts disbursed and beneficiaries. The Committee further raised concerns about alleged birth defects and other health complications reportedly linked to improper waste disposal at abandoned exploration sites. In response, the Cabinet Secretary stated that the Environmental Impact Assessment (EIA) licence expressly prohibits the discharge of untreated drill cuttings or produced water into the environment as a mitigation measure.

472. The safety of the Turkana people remains a high-priority issue, with specific mentions of past fatalities involving expired explosives kept on-site. There is a perceived lack of adequate monitoring, with reports of contractors dumping waste from one well into another to save costs. To address these transparency gaps, the Ministry and NEMA committed to enhancing community engagement and establishing clear reporting mechanisms so that residents can identify responsible officers for complaints. NEMA has emphasized that it will apply the "Polluter Pays Principle," requiring immediate containment, remediation, and compensation in the event of any environmental incident or oil spill.

473. Several additional critical issues and candid admissions emerged that highlighted the gap between policy and local reality:

i) **Legacy Liabilities and Site Neglect**: Committee members raised alarms over the current state of sites previously managed by Tullow, describing them as "deserted places" with no visible activity. NEMA admitted it had previously issued restoration orders to Tullow because landfill sites were not properly managed.

ii) **Allegations of Waste Mismanagement**: It was alleged that some contractors, to save costs, move waste from one well to another (e.g., from Ngamia 1 to Twiga 1) rather than treating it as a practice that NEMA was challenged to investigate.

iii) **No functional waste management:** Local representatives argued that despite claims of "adequate" facilities, no functional waste management infrastructure is currently visible or accessible within Turkana County.

474. **Past Environmental Harms:** The Committee explicitly referenced the "bad experience" from titanium mining in Kwale and oil leaks in Makueni as reasons for demanding more robust, audited financial provisions.

5.2.3 Submission by Controller of Budget

On Wednesday, 11th February, 2026, the Controller of Budget (CoB), FCPA Dr. Margaret Nyakang'o, appeared before the Joint Committee to provide a critical appraisal of the Turkana Lokichar Field Development Plan (FDP) and Production Sharing Contracts (PSCs) as follows:

475. A primary concern raised by the Controller of Budget was the systemic exclusion of her office from the Field Development Plan and the associated Production Sharing Contracts (PSCs) for blocks 10BB and 13T. Despite the CoB's constitutional mandate under Article 228 to oversee the implementation of national and county budgets, the current framework does not identify the CoB as a stakeholder. This omission creates a significant oversight vacuum, as the CoB currently lacks the legal authority to monitor, approve, or report on the withdrawal and utilization of petroleum revenues held in specialized funds.

476. The CoB highlighted critical gaps in the transition of funds from the national level to local entities. While the Petroleum Act of 2019 stipulates a revenue split 75% to the National Government, 20% to the County Government, and 5% to the Local Community, there is a lack of clear legislative mechanisms to ensure these funds reach their intended destinations. Specifically, the CoB noted the absence of a "ring-fencing" mechanism to protect oil proceeds for future generations, warning that without stringent regulations, these finite resources risk being diverted toward immediate operational expenditures rather than long-term development.

477. The CoB also highlighted that there is significant apprehension regarding the 5% share allocated to local host communities. She pointed out that the current law requires county governments to establish a Board of Trustees to manage these funds, yet these structures are largely non-existent or inadequately defined. Furthermore, there is no exact mechanism or guideline for how the 20% county share should be spent to ensure it benefits the actual communities whose lives are disrupted by oil exploration. The CoB emphasized that the environmental damage to the region may take decades to recover, making the prudent management of these royalties a matter of urgent social justice.

478. A recurring concern was the practice of channeling oil-related revenues, including the Petroleum Levy, into special-purpose funds operating outside the Consolidated Fund. The Controller of Budget (CoB) testified that her office lacks jurisdiction over such funds and is therefore unable to verify expenditures, exercise oversight, or report to the public on their utilization. This arrangement was characterized as a structural loophole that effectively circumvents constitutional oversight safeguards. The Joint Committee expressed grave concern that proceeds from previous Early Oil Pilot Scheme operations remain unaccounted for, with the CoB explicitly stating that her office has no visibility over those funds and cannot confirm their receipt, allocation, or expenditure.

479. The Committee initiated a discussion on the effectiveness of Kenya's petroleum oversight framework in comparison to regional peers, noting that in Uganda, petroleum auditors are empowered to intervene in real time and correct irregularities on-site. In response, the Controller of Budget clarified that Kenya's constitutional and statutory

framework operates as a sequential "relay system" rather than a real-time enforcement model. Under this architecture, the Controller of Budget, the Auditor-General, and Parliament discharge oversight responsibilities at different stages. She emphasized that, absent constitutional reform, her office does not possess prosecutorial or immediate enforcement powers but is mandated to monitor compliance and report findings to the next accountability institution within the oversight chain.

480. One of the most pointed exchanges concerned the disposition of revenues generated under the Early Oil Pilot Scheme (EOPS). When pressed on where the proceeds from those exports were held, the Controller of Budget (CoB) stated that her office had been entirely excluded from the process. She indicated that the funds were likely retained in special-purpose accounts or levy-based arrangements outside the Consolidated Fund, thereby placing them beyond her constitutional oversight. This admission exposed a significant transparency and accountability gap, as the CoB confirmed that her office is presently unable to trace, verify, or interrogate the utilization of revenues maintained in such off-budget structures.

481. The Committee challenged the CoB on whether the existing Petroleum Fund is sufficient to protect the interests of future generations. In response, the CoB argued that while the fund exists on paper, the lack of "ring-fencing" regulations means the money is vulnerable to being diverted for immediate operational costs. She stressed that petroleum is a finite resource and expressed concern that the current Field Development Plan does not provide a robust enough "generational shield" to ensure the wealth outlives the oil extraction period.

482. Members expressed serious concern regarding the operationalization of the 20% county allocation and the 5% local community share. Deliberations revealed the absence of a robust, ring-fenced mechanism to guarantee that these funds will directly benefit host communities rather than being absorbed into general county expenditure. The Committee underscored the risk that, without a clear regulatory architecture, the intended development impact could be diluted. Consequently, Members urged the Controller of Budget to move beyond diagnostic observations and collaborate with relevant institutions to develop concrete regulatory proposals. These would clarify the disbursement structure, define spending parameters for counties, and provide a clear framework for the establishment and governance of local Boards of Trustees before commencement of exports under the new production plan.

483. The Controller of Budget (CoB) and Members deliberated on what was characterized as a growing trend of structuring public revenues in a manner that circumvents constitutional oversight. The CoB observed that certain funds, including the Railway Development Levy and the Petroleum Levy, have been operationalized outside her jurisdiction, thereby limiting her capacity to approve withdrawals or verify compliance with Article 228 of the Constitution. She cautioned that should the Turkana-Lokichar petroleum project adopt a similar model, it would effectively exclude a key constitutional safeguard from the revenue management chain. The Committee concluded by directing the CoB to develop a technical and legal roadmap outlining how her office can be formally embedded within the petroleum revenue framework to ensure full constitutional oversight from the point of receipt to final expenditure.

484. To address these issues, the CoB proposed several urgent interventions:

i) **Legislative Amendments:** Integrating the CoB's role directly into the Petroleum Act and its regulations to ensure every withdrawal from the Petroleum Fund is authorized and lawful.
ii) **Drafting Regulations:** The CoB committed to reviewing the existing draft regulations to provide the Committee with specific proposals to make the process continuous.
iii) **Establishment of Trust Funds:** Immediate action is required to legislate the Board of Trustees at the county level before full-scale production begins, ensuring a structure is ready to receive and manage community funds.

5.2.4 Submission by the Office of the Auditor General

On Wednesday, 11th February 2026, the Auditor General, FCPA Nancy Gathungu, CBS, appeared before the Joint Committee to provide a critical appraisal of the Turkana Lokichar Field Development Plan (FDP) and Production Sharing Contracts (PSCs) as follows:

485. The Office of the Auditor-General (OAG) presented a detailed audit-based assessment of governance, fiscal oversight, regulatory compliance, and institutional preparedness in the petroleum sector, highlighting systemic weaknesses that expose the Government to revenue loss, operational inefficiencies, and environmental risk. The submission underscored that while the South Lokichar Basin Field Development Plan represents a significant national investment opportunity, existing audit gaps and legal inconsistencies must be addressed to safeguard public interest.

486. A primary concern raised was the absence of audits on recoverable petroleum costs for Blocks T6 and T7. The Auditor-General further noted weak monitoring practices, including incomplete submission of quarterly financial reports by contractors and delayed review of work programmes and budgets by the State Department due to staffing and procedural gaps. These weaknesses undermine real-time oversight and increase exposure to unverified expenditures.

487. The OAG also identified significant weaknesses in the management of the Petroleum Training Fund. Oil companies have accumulated training fee arrears totalling approximately USD 6.7 million, yet enforcement mechanisms have been largely ineffective, and no contractual sanctions were applied despite prolonged non-payment. Audit findings further revealed irregularities in the use of training funds, with expenditures diverted from their intended capacity-building purposes and a noticeable decline in allocations for actual training activities. In addition, inadequate monitoring of local employment requirements has allowed expatriates to occupy roles that could be filled by Kenyan personnel, undermining policy objectives on skills development and transfer.

488. The OAG identified structural legal and regulatory gaps within the petroleum framework. The Energy and Petroleum Regulatory Authority (EPRA), while exercising critical oversight functions, is not explicitly anchored within the Petroleum Act, creating institutional ambiguity. The legal framework lacks clear reporting standards, audit requirements, procurement safeguards, and procedures governing the allocation or transfer of petroleum rights. Uncertainty surrounding Government participation levels in upstream operations further complicates fiscal planning. Members expressed support for legislative clarification to strengthen regulatory certainty and enforcement.

489. Concerns were also raised regarding inconsistencies between the Field Development Plan and statutory provisions. These include proposals for unitization arrangements inconsistent with existing legal criteria, requests to increase cost recovery limits beyond statutory caps, and tax exemption proposals that could materially affect Government

revenues if approved without a comprehensive fiscal review. The local content plan was noted to lack measurable targets, timelines, and implementation indicators necessary for accountability.

490. On transparency, the Auditor-General observed that Kenya's non-membership in the Extractive Industries Transparency Initiative (EITI) limits public disclosure standards and may affect investor confidence. Members encouraged consideration of EITI accession to align Kenya with international governance benchmarks.

491. Environmental and financial risks associated with decommissioning were highlighted as a critical gradual concern. The proposed schedule for contractor contributions to the Decommissioning Fund begins a decade after projected production start, contrary to international best practice, which favours early accumulation to mitigate future liabilities. The OAG recommended benchmarking against established petroleum jurisdictions and committed to future audits on decommissioning and environmental compliance frameworks.

492. Regarding institutional capacity, the Auditor-General affirmed that the Office has developed technical expertise in petroleum auditing through specialized training and international cooperation. However, documentation gaps and legal ambiguities have constrained the effective deployment of this capacity. Plans are underway to establish a dedicated petroleum audit unit, expand advanced training, and utilize external expertise where necessary. Members recognized the importance of supporting capacity strengthening to ensure robust oversight as the sector matures.

493. The Auditor-General concluded by urging Parliament to expedite consideration of outstanding audit reports, strengthen the legal framework governing petroleum oversight, ensure compliance of the Field Development Plan with existing law, and require the timely submission of financial and operational documentation. Enhanced coordination with the Public Sector Accounting Standards Board was also recommended to develop clear reporting and disclosure standards tailored to petroleum operations.

494. Members welcomed the OAG's findings, acknowledging their implications for fiscal integrity, governance, and environmental stewardship. The Committee emphasized the need for responsive action by the Ministry responsible for petroleum, EPRA, and other stakeholders to close regulatory gaps, enforce contractual obligations, and align sector operations with statutory and international best practice.

5.2.5 Submissions by the Ministry of Energy and Petroleum

On Thursday, 12th February 2026, the Hon. James Opiyo Wandayi, EGH, Cabinet Secretary, Ministry of Energy and Petroleum accompanied by Mr. Mohamed Liban, CBS, Principal Secretary State Department for Petroleum, and other senior technical officers from the Ministry appeared before the Joint Committee and made his submissions on the Field Development Plan and Production Sharing Contracts focusing on project readiness, fiscal safeguards, community benefit mechanisms, regulatory compliance, and institutional oversight. The Cabinet Secretary briefed the Committee on progress made in infrastructure planning, regulatory preparedness, and revenue management as follows:

495. The Cabinet Secretary commended the Joint Committee for conducting extensive public participation and stakeholder consultations across six counties, engaging local communities, experts, and sector stakeholders. In response, Members acknowledged the commendation and stressed the importance of sustaining ongoing engagement, particularly

with host communities, to uphold transparency and foster trust throughout the implementation process.

496. The Ministry clarified that petroleum revenues would be shared in accordance with statutory provisions between the national government, county governments, and host communities. Apparent discrepancies between revenue projections presented in different documents were attributed to the inclusion of additional government revenue streams in the FDP model. Specifically, the Ministry explained that while the Government's profit share is calculated at USD 864.48 million (KES 112.38 billion), the total Government Revenue presented in the FDP is USD 1,047.2 million. This higher figure encompasses the profit share, surface fees, training fees per the Production Sharing Contracts (PSC), and the profit share derived from the Government's participation as a contractor. Members underscored the importance of transparent reporting and independent verification to prevent misinterpretation and ensure fiscal accountability.

497. The distinction between recoverable and non-recoverable costs was explained, with the Cabinet Secretary acknowledging the risk of inflated cost claims and affirming the need for rigorous audit mechanisms. Referring to Clause 27 and Appendix B of the PSCs, the Ministry clarified that recoverable costs are those directly incurred on exploration, appraisal, development, production, decommissioning, and abandonment. Conversely, non-recoverable costs include expenditures not directly contributing to operations, such as taxes on income, fines, and unsupported costs. Members stressed that strong cost monitoring is essential to protect public revenue and prevent excessive cost recovery practices.

498. The Ministry outlined plans to support oil production through power infrastructure expansion, including transmission lines and substations, with an emphasis on public-private partnerships. The project's power demand is projected at 8MW for Phase 1 (until 2031) and peaking at 34MW for Phase 2, with the bulk generated from associated gas. Additionally, KETRACO plans to construct a 220kV transmission line from Turkwel through Lokichar to Lodwar by 2029 at an estimated cost of USD 100 million, alongside a planned substation in Lokichar. Upgrades to crude export infrastructure, including modifications to the Kipevu Oil Terminal 2 and Kenya Petroleum Refineries Limited (KPRL), are estimated to cost approximately KES 5.3 billion to enable receipt and handling systems.

499. The Joint Committee was informed that the Pipeline development linking Lokichar to Lamu has been deferred pending increased production volumes, although preparatory technical work has been completed. Transportation during early phases will rely on road logistics, with a planned transition to rail once operational thresholds are met. Members requested continued evaluation of cost efficiency and safety implications associated with transport modalities.

500. The Cabinet Secretary indicated that a domestic refinery option is currently considered economically unviable due to insufficient crude volumes and high capital requirements. Benchmarking against international best practices indicated that a competitive inland complex refinery requires a processing capacity of at least 70,000 barrels per day with a Capex exceeding USD 2.5 billion. The Ministry noted that such additional Capex would render the South Lokichar project uneconomical. Regional benchmarks, including Uganda's refinery initiative, were cited to contextualize this assessment. Members called for continued benchmarking and periodic reassessment as production scales.

501. Government participation through a 20 percent stake held by the National Oil Corporation of Kenya (NOCK) was discussed. The Ministry acknowledged capacity limitations within NOCK and outlined ongoing restructuring efforts to strengthen its operational and financial readiness. Members emphasized that effective state participation requires robust institutional capacity and governance safeguards.

502. The meeting highlighted the necessity of strong audit and monitoring frameworks to safeguard public funds. The Ministry indicated that EPRA would maintain an enhanced field presence to support daily monitoring, while collaboration with oversight institutions, including the Office of the Auditor-General and Controller of Budget, would be strengthened. Regarding the midstream tariff, the Ministry clarified that the USD 20/bbl rate is indicative for modelling; actual tariffs will be reviewed, approved, and gazetted by EPRA upon application.

503. Seven draft petroleum regulations are currently undergoing public review and will be shared with Parliament before Cabinet consideration. Members stressed that regulatory clarity is essential to enforce local content obligations, cost recovery standards, and environmental compliance.

504. The Cabinet Secretary confirmed that the statutory community revenue share will be administered through county-level trust funds, with Turkana County progressing toward operationalization. Local content commitments were emphasized, particularly employment opportunities and supply chain participation for host communities.

505. Security concerns in Turkana and surrounding regions were acknowledged, with the Ministry coordinating with the Ministry of Interior to address operational stability and community safety. Members highlighted the political and social sensitivities surrounding land compensation, displacement, and local expectations, urging proactive communication and conflict mitigation.

506. Members raised concerns regarding transparency lessons from the Early Oil Pilot Scheme (EOPS), stressing the importance of applying corrective measures to the main project. The need to prevent cost shifting between contract blocks, independently verify production flows, and clarify recoverable cost thresholds was also emphasized.

507. The engagement concluded with agreement to proceed toward FDP ratification subject to continued clarification on oversight safeguards, cost recovery controls, and community benefit structures. The Ministry committed to: strengthening cost audit mechanisms in collaboration with EPRA and oversight bodies; accelerating restructuring and capacity building within NOCK; sharing draft petroleum regulations with parliamentary committees; supporting the establishment of community trust funds; enhancing field monitoring capacity; sustaining engagement with host communities; coordinating inter-ministerial efforts on water, transport, and security infrastructure; and benchmarking regional refinery and infrastructure models.

508. The Committee emphasized that effective implementation will depend on sustained transparency, institutional readiness, and responsiveness to community concerns.

5.2.6 Submission by the Kenya Revenue Authorities (KRA)

On Thursday, 12th February 2026, the Joint Committee met with the Kenya Revenue Authority (KRA), led by Mr. Weldon Ng'eno, Commissioner for Large and Medium Taxpayers Department, representing the Commissioner General of KRA. He was accompanied by officers

drawn from Customs, International Tax, Policy and Tax Advisory, Media Liaison, and the Energy Sector Units. The meeting examined the taxation framework governing oil exploration and production activities in Kenya, with particular focus on the transfer of Tullow Oil Kenya BV's business interests to Auron Energy E&P Limited, an affiliate of Gulf Energy Ltd. The session aimed to strengthen parliamentary oversight on fiscal risk management, tax compliance, and revenue safeguards within the petroleum sector.

509. KRA outlined the corporate structure and relationships relevant to the transaction, including Tullow Kenya BV, Tullow Overseas Holding BV, Tullow Oil PLC, former joint venture partners Africa Oil Kenya BV and Total Energies, and the acquiring entities Auron Energy E&P Limited and Gulf Energy Ltd. The Authority emphasized that the complexity of multinational corporate structures necessitates strong transfer pricing oversight to safeguard domestic tax interests.

510. Tullow Oil Kenya BV operated as a Kenyan branch of Tullow Overseas Holding BV, a Netherlands-incorporated entity whose ultimate parent company is Tullow Oil PLC, listed on the London Stock Exchange. Historically, Tullow operated Blocks 10BB, 13T, and 10BA under joint venture arrangements with Africa Oil Kenya BV and Total Energies. By 2025, the joint venture partners had relinquished their participating interests, leaving Tullow as the sole operator.

511. In 2025, Tullow Overseas Holding BV completed the sale of its Kenyan assets to Auron Energy E&P Limited for a minimum consideration of USD 120 million. The transaction was structured as staged payments, USD 40 million payable at completion, USD 40 million by June 2026, and USD 40 million upon commencement of production. In addition, Tullow retained rights to quarterly royalty payments calculated at USD 0.5 per barrel multiplied by 80 percent of production, alongside a contractual "back-in" option for a 30 percent stake in future development phases.

512. KRA conducted a tax audit covering the period 2020–2025 following the asset transfer. The audit resulted in tax assessments totaling approximately KES 23.1 billion, comprising capital gains tax of KES 4.6 billion, VAT of KES 18.3 billion, and withholding taxes amounting to KES 128.5 million. The taxpayer has formally objected to the assessment, and the matter remains under statutory review processes.

513. The Authority further reported that cumulative import tax exemptions granted to petroleum operators, including Tullow Kenya BV, Eni Kenya BV, and Anadarko Kenya, amounted to approximately KES 12.47 billion, primarily relating to imported equipment used in exploration activities. KRA underscored that while such exemptions may incentivize capital investment, they also reduce fiscal visibility and require careful policy balance.

514. KRA provided a comprehensive overview of the petroleum taxation environment, including VAT on taxable supplies, corporation income tax on profits, PAYE obligations for employees, withholding VAT on supplier payments, and withholding income tax on dividends, interest, and royalties. Gulf Energy's tax registrations, covering VAT, corporate income tax, PAYE, rental withholding, and VAT withholding, were confirmed as active within the iTax framework.

515. The Authority explained that intercompany financing arrangements within petroleum operations are governed by Section 16(2)(j) of the Income Tax Act and Paragraph 18 of the Ninth Schedule. However, Legal Notice No. 91 of 2015 exempts certain foreign-sourced

loan interest payments from withholding tax, a provision KRA identified as creating potential revenue leakage risks.

516. KRA highlighted that petroleum sector operations present elevated transfer pricing risks, particularly in drilling services, logistics, procurement, management fees, and contractor-linked services. Enforcement relies on Section 18(3) of the Income Tax Act, which mandates arm's-length pricing for related-party transactions. A specialized transfer pricing unit conducts continuous monitoring, supported by international cooperation, regulatory frameworks, and periodic tax reviews.

517. To strengthen fiscal integrity, KRA proposed revoking Legal Notice No. 91 to restore withholding tax on foreign loan interest, amending Section 16(2)(j) to address non-taxable interest deductions, and modernizing the Ninth Schedule to reflect evolving petroleum exploration practices. The Authority recommended eliminating blanket withholding tax exemptions for both local and imported services, advocating instead for refund-based mechanisms that preserve audit trails. Enhanced collaboration with energy sector stakeholders was also proposed to ensure accurate cost verification and revenue accountability.

518. Members interrogated whether blanket exemptions align with Kenya's long-term fiscal interests, the merits of exemptions versus credit/refund systems, the fairness of petroleum cost recovery arrangements, and KRA's capacity for independent auditing. KRA clarified that targeted exemptions may support investment, but blanket exemptions undermine transparency. The Authority emphasized that VAT and withholding tax refunds provide accountability safeguards, confirmed its audit independence, and highlighted digitized tax systems that enhance traceability. Early pilot oil exports were noted as generating minimal corporate tax, with larger revenues anticipated once commercial production scales.

519. KRA further stated that its centralized compliance infrastructure offers stronger verification capacity than fragmented systems and that deeper integration into petroleum revenue management would improve efficiency and oversight. Collaboration with the Ministry of Energy was recommended to validate exploration expenditures before revenue allocation.

520. The Committee raised concerns regarding the perceived harshness of the KRA toward small businesses compared to large oil firms. The KRA countered by advocating for a refund-based system rather than upfront exemptions, which would force companies to prove their costs before receiving tax credits, thereby enhancing accountability.

521. Regarding technical capacity, the Committee questioned the KRA's ability to independently audit complex petroleum costs. Commissioner Ng'eno assured members that the KRA utilizes specialized transfer pricing units and international exchange-of-information networks to track multinational financial flows. He also clarified that while early pilot oil exports generated minimal corporate tax due to high exploration costs not yet being fully covered, larger revenues are anticipated once commercial production scales. To mitigate future risks, the KRA proposed revoking Legal Notice No. 91 of 2015, which exempts foreign loan interest from withholding tax, and modernizing the Ninth Schedule of the Income Tax Act to align with global petroleum practices.

522. The Committee undertook to review KRA's policy recommendations concerning tax exemptions, refund frameworks, and legislative reforms. Stakeholders agreed to pursue coordinated mechanisms for petroleum cost verification and revenue governance. The Authority also proposed that the KRA be directly involved in the collection of the

Government's share of future crude oil sales to ensure maximum revenue accountability. The Committee undertook to review these policy recommendations, and both parties agreed to pursue coordinated mechanisms for petroleum cost verification and revenue governance.

5.2.7 Ministry of Interior and National Administration

On Thursday, 12th February 2026, the Joint Committee met the Ministry of Interior and National Administration, which is the state organ of the Government responsible for maintaining internal security, overseeing National registration services, managing immigration policies, and coordinating National Government functions.

The Cabinet Secretary (CS) for Interior and National Administration, Hon. Kipchumba Murkomen, E.G.H, accompanied by the Inspector General of Police, Mr. Douglas Kanja Kirocho, CBS, OGW, and senior security officials, appeared before the Joint Committee to outline the security architecture for the proposed oil project as follows:

523. In his opening remarks, the Cabinet Secretary emphasized that security planning must be an important component of government projects rather than an afterthought. He emphasized that no region in Kenya is inaccessible due to insecurity, although he acknowledged the unique challenges present in the North Rift. He continued by stating that the Ministry has adopted a multi-agency framework involving the National Police Service (NPS), Kenya Defense Forces (KDF), and the National Intelligence Service (NIS) to secure the project. The Cabinet Secretary stressed that the development of energy infrastructure should occur concurrently with the establishment of permanent security facilities, such as police stations, to ensure long-term stability in the region.

524. The National Police Service conducted an in-depth security risk assessment focused on upstream oil production areas in Turkana County, including blocks T6 and T7 in the South Lokichar Basin, feeder roads, storage sites, and designated transportation corridors. The assessment identified primary threats, including inter-communal conflicts, banditry, cattle rustling, cross-border incursions, and the proliferation of small arms. Furthermore, socio-economic dynamics such as land ownership concerns, compensation expectations, employment opportunities, and resource benefit sharing were highlighted as potential drivers of conflict if not proactively managed. Specific operational vulnerabilities identified included industrial sabotage, insider facilitation risks, organized criminal interference, and opportunistic activities like illicit siphoning or vandalism targeting oil transport convoys.

525. To mitigate these risks, the Ministry plans to deploy additional officers from the current training cohort, strengthen the Critical Infrastructure Protection Unit (CIPU) within the County, and establish patrol bases along the transport corridor. The strategy also incorporates enhanced patrols, intelligence-led operations in high-risk zones, and a community policing framework to address grievances before they escalate into violence. The Service will also seek a review and enhancement of fuel allocations for police motor vehicles to adequately support these operations.

526. The Cabinet Secretary detailed how lessons from the Early Oil Pilot Scheme (EOPS) have been incorporated into the current Field Development Plan (FDP). The EOPS experience revealed that previous security deployments were often reactive and ad hoc. Consequently, the new plan establishes a defined intelligence and emergency response framework with a permanent corridor-based deployment model and a structured Incident Command System (ICS).

527. The Ministry also noted that the direct handling of compensation by private entities previously created loopholes for fraudulent claims and incitement; therefore, the FDP mandates a structured compensation framework coordinated by relevant government agencies for verification and documentation through public institutions. Additionally, to counter political mobilization that exploits community ignorance, the plan includes enhanced public sensitization, civic education forums, and direct engagement with elders to manage expectations regarding revenue distribution and employment opportunities.

528. During the interactive session, the committee members engaged the Ministry on resource allocation and logistical planning. Concerns were raised regarding the budgetary provisions for these extensive security measures. In response, the Cabinet Secretary clarified that project-specific security costs should be integrated into the Ministry of Energy's budget, similar to other major infrastructure projects like the Horn of Africa Gateway. He noted that the County Security and Intelligence Committee is currently consulting with the Gulf Company responsible for extraction in Turkana to finalize these budgetary provisions and security arrangements for Phase I and Phase II. He argued that the investment in security infrastructure should be treated as a direct project cost.

529. The members highlighted the operational challenges posed by the difficult terrain, noting that bandits often utilize inaccessible areas that standard police vehicles cannot reach. The CS concurred, stating that the construction of security roads must be part of the project deliverables to open up these areas, thereby simultaneously facilitating oil operations and reducing marginalization, which drives insecurity.

530. Members raised specific operational concerns regarding the movement of crude oil and local socio-economic friction. Members inquired about the security of the 600 trucks expected to traverse multiple counties, particularly at the off-take point in Mombasa. The Ministry assured the committee that all motor vehicles transporting crude oil will move in structured convoys under armed police escort from production sites to designated destinations. This will be supported by strategic multi-agency roadblocks along transit routes to prevent illegal diversion and the use of technology for real-time tracking.

531. Issues regarding illegal gold mining were also raised, with members noting that these activities often distract security personnel and provide cover for bandits. The CS acknowledged this challenge, confirming that operations were underway to curb illegal mining, which distorts the security focus in the region. Additionally, the members raised concerns about water resources and land speculation, to which the Cabinet Secretary responded that the government plans to use technology, including drones, to monitor threats and manage resource-based conflicts. The framework also specifically prepares for emergencies such as oil spills, environmental contamination, and fire outbreaks at production or storage sites.

532. The session concluded with robust discussions on community trust and historical grievances. Members raised concerns about the effectiveness of KDF corridors and the recovery of stolen livestock, noting that local communities had seen limited tangible benefits from previous oil-related activities. Additional concerns were highlighted regarding perceived bias in disarmament exercises.

533. The Cabinet Secretary responded by explaining the complexities of disarmament due to porous borders, which allow for the rearming of bandits despite successful operations. He emphasized that while security operations are ongoing and intelligence-led, sustainable peace requires addressing the root cause of marginalization. Regarding the financial proceeds from the EOPS, the CS deferred to the Ministry of Energy but pledged to follow

up on presidential directives regarding the reconstruction of schools destroyed by banditry. The consensus was that while security forces are prepared, success relies on inter-ministerial cooperation to deliver development alongside security.

5.2.8 Submissions by Gulf Energy E&P BV

On Thursday, 12th February 2026, the Joint Committee convened a critical oversight session to deliberate on the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for Blocks T6 and T7 in the South Lokichar Basin. The session followed a formal invitation to the management of Gulf Energy E&P BV (formerly Tullow Kenya BV), an independent upstream petroleum company incorporated in the Netherlands with a branch in Kenya. Led by Chairman Francis Njogu and Group CEO Paul Limoh, the Gulf Energy team provided submissions addressing project timelines, financial capacity, and the specific fiscal concessions necessary to achieve a Final Investment Decision (FID) as follows:

534. On an assessment of the Field Development Plan, particularly concerning project timelines and commercial viability, the Joint Committee was informed that South Lokichar FDP presents a coherent, well-structured, and technically mature pathway for unlocking Kenya's largest onshore petroleum development. The plan demonstrates clear scheduling, phased risk reduction, and strong economic rationale.

535. The FDP employs a two-phase development approach that is standard for large onshore basins and effectively derisks early capital deployment and allows for early revenue generation as well. Phase development approach-risks early capital deployment and allows for early revenue generation as well. Phase 1 (2026–2031) consisting of 48 wells in Ngamia & Amosing field with expected Early Production Facilities (EPFs) delivery of 20,000 barrels of crude per day at peak production with first oil targeted in December 2026.

536. Phase 2, projected to commence in 2032, scales production to 50,000 barrels per day by adding the Twiga, Ekales, Agete, and Etom fields, with logistics transitioning to rail transport using approximately 155 wagons per day. The project faces unique technical challenges, as the crude is waxy and solidifies at room temperature, requiring specialized heating. Despite these complexities, Gulf Energy asserted the project's maturity, citing a robust dataset of 41 wells and 950 km² of 3D seismic data supporting a 2C resource base of 326 million barrels.

537. On the expected revenue and profit from the oil proceeds in both Phases, the Joint Committee was informed that the Profit Oil in both phases are allocated according to the Production Sharing Contract profit oil split. For Phases 1 and 2, the split is 50:50% since, after deducting Cost Oil, there is less than 20,000 barrels of oil per day (bopd) in Profit Oil to divide between the Government of Kenya (GOK) and the Contractor.

Production (kbbls/d)	Contractor Share	Government Share
20	50.0%	50.0%
50	40.0%	60.0%
100	35.0%	65.0%
150	30.0%	70.0%
151	25.0%	75.0%

538. Additionally, the government participates as a Contractor, receiving up to 20% of the Contractor Group's Profit Oil, as shown in Table 2

	REVENUE			COST OIL						PROFIT OIL			
Year	Revenues (KES Billion)	Transport Costs (KES Billion)	Revenues Net of Transport Costs (KES Billion)	Opex (KES Billion)	Taxes & Levies (KES Billion)	Capex (KES Billion)	Exploration & Appraisal (KES Billion)	Abandonment (KES Billion)	Total Cost Oil (KES Billion)	Total Profit Oil (KES Billion)	Govt Share of Profit Oil (KES Billion)	Govt as Contractor Share of Profit Oil (KES Billion)	GBL Share of Profit Oil (KES Billion)
2025	-	-	-	-	-	-	-	-	-	-	-	-	-
2026	0.4	0.1	**0.2**	0.2	-	-	-	-	**0.2**	**0.0**	0.02	0.0	0.0
2027	29.7	10.5	**19.2**	11.6	0.2	4.5	-	-	**16.3**	**2.9**	1.44	0.3	1.1
2028	50.2	17.8	**32.4**	11.4	0.0	16.1	-	-	**27.5**	**4.9**	2.43	0.5	1.9
2029	50.0	17.7	**32.3**	11.5	0.0	9.7	6.3	-	**27.4**	**4.8**	2.42	0.5	1.9
2030	41.9	14.8	**27.1**	11.5	0.0	3.0	8.5	-	**23.0**	**4.1**	2.03	0.4	1.6
2031	38.0	13.5	**24.6**	11.5	0.5	8.9	-	-	**20.9**	**3.7**	1.84	0.4	1.5
2032	122.2	43.3	**78.9**	7.7	0.3	59.1	-	-	**67.1**	**11.8**	5.92	1.2	4.7
2033	134.0	47.5	**86.6**	7.9	0.3	64.4	1.0	-	**73.6**	**13.0**	6.49	1.3	5.2
2034	134.0	47.5	**86.6**	8.0	0.3	47.9	17.4	-	**73.6**	**13.0**	6.49	1.3	5.2
2035	134.0	47.5	**86.6**	8.1	0.3	32.2	33.0	-	**73.6**	**13.0**	6.49	1.3	5.2
2036	134.4	47.6	**86.8**	8.2	0.3	22.7	42.6	-	**73.8**	**13.0**	6.51	1.3	5.2
2037	133.2	47.1	**86.0**	8.4	0.4	29.8	34.5	-	**73.1**	**12.9**	6.45	1.3	5.2
2038	131.6	46.6	**85.0**	8.5	0.5	46.8	16.4	-	**72.2**	**12.7**	6.37	1.3	5.1
2039	128.6	45.5	**83.1**	8.5	0.5	47.4	14.2	-	**70.6**	**12.5**	6.23	1.2	5.0
2040	126.4	44.7	**81.6**	8.6	0.5	52.0	8.3	-	**69.4**	**12.2**	6.12	1.2	4.9
2041	116.5	41.3	**75.3**	8.6	0.5	53.0	1.8	-	**64.0**	**11.3**	5.65	1.1	4.5
2042	117.8	41.7	**76.1**	8.7	0.5	54.9	0.6	-	**64.7**	**11.4**	5.71	1.1	4.6
2043	110.5	39.1	**71.4**	8.7	0.5	51.5	-	-	**60.7**	**10.7**	5.35	1.1	4.3
2044	96.5	34.2	**62.3**	8.7	0.5	43.8	-	-	**53.0**	**9.4**	4.68	0.9	3.7
2045	88.5	31.3	**57.2**	8.7	0.3	35.0	4.6	-	**48.6**	**8.6**	4.29	0.9	3.4
2046	86.1	30.5	**55.6**	8.7	0.2	16.5	21.9	-	**47.3**	**8.3**	4.17	0.8	3.3

2047	84.1	29.8	**54.3**	8.7	0.2	13.8	23.4	-	**46.2**	**8.1**	4.07	0.8	3.3
2048	78.6	27.8	**50.8**	8.7	0.2	10.3	24.0	-	**43.2**	**7.6**	3.81	0.8	3.0
2049	75.2	26.6	**48.6**	8.7	0.2	9.1	23.2	-	**41.3**	**7.3**	3.64	0.7	2.9
2050	77.2	27.3	**49.9**	8.7	0.2	8.7	11.1	13.7	**42.4**	**7.5**	3.74	0.7	3.0
Total	**2,319.5**	**821.1**	**1,498.4**	**218.5**	**7.6**	**740.9**	**293.0**	**13.7**	**1,273.7**	**224.8**	**112.4**	**22.5**	**89.9**

Table 2: Revenue, Cost Oil and Profit Oil Splits for each party (in KES Exchange Rate 130 KES to 1 USD)

539. On detailed justification for the fiscal concessions sought under the FDP including any requested tax exemptions and the proposed increase in cost recovery ceiling from 55% in block 10BB and 65%in block 13T to 85%, the Joint Committee was informed that even though upfront taxes such as VAT, WHT, RDL, and IDF are cost recoverable, they increase the overall development cost. Furthermore, these taxes increase project financing costs, adding unnecessary expenses to the overall project.

540. The 85% limit acts as a cap on the recovery of project expenditures, which include operational expenses (Opex), development costs, license fees, taxes, and both historical and current exploration costs. This ceiling defines the maximum amount a contractor can recover annually from revenue. The cost recovery framework is designed to ensure that before the contractor fully recoups its capital expenditures, a portion of the revenues is allocated to profit oil.

541. Additionally, the project is legally eligible for RDL (Risk Discovery Loss) and IDF (Import Declaration Fees) exemptions, as the investment exceeds KES 50 billion.

542. Due to the downward revision of STOIIP (Stock Tank Oil Initially In Place), the project is classified as a marginal greenfield development and faces financing challenges, especially with the global shift away from hydrocarbons. The withdrawal of former partners underscores the need for fiscal support to uphold the principles of mutual economic benefit in the Production-Sharing Contract (PSC).

543. The Contractor's proposal for an 85% ceiling is consistent with established regional practice. Aligning Kenya's terms with these norms would strengthen the country's competitive position, improve the project's bankability, and help attract the capital required to advance the South Lokichar development toward production—ultimately supporting the delivery of long-term economic benefits to the nation.

544. On the assessment of Gulf Energy's financial and technical capacity to undertake and fund the project, the Joint Committee was informed that Gulf Energy E&P BV is an indigenously owned company with strong financial resources to support capital- intensive projects, such as the South Lokichar Oil Project. The company has established robust financial partnerships and active credit lines with leading local and international banking and financial institutions. These institutions currently support Gulf Energy E&P BV's project-related operations.

545. Additionally, Gulf Energy E&P BV has the necessary expertise in the petroleum sector. For the South Lokichar Oil Project, the company has recruited highly experienced Kenyan upstream petroleum professionals, both from within Kenya and from the diaspora. Additionally, it has partnered with leading global upstream petroleum development companies. These strategic collaborations aim to ensure that the project meets the highest standards of technical and infrastructure readiness.

546. The Joint Committee further inquired about the company's ownership and financial freedom. Gulf Energy confirmed that the group is 100% indigenously owned, with a 50:50 beneficial ownership split between Francis Njogu and Paul Limoh, and that this ownership structure has remained consistent through the acquisition of the entity from Tullow Overseas Holdings BV.

547. The session concluded with intense deliberations on local content, community trust, and historical cost audits. Gulf Energy committed to maximizing local employment, projecting the creation of over 3,000 direct, indirect, and induced jobs and an estimated

local spend of USD 7.6 billion in operating expenses. Committee members raised concerns over gold plating and the verification of historical exploration costs inherited from the previous operator.

548. Gulf Energy reaffirmed that all cost recovery is subject to government audit and that the 85% ceiling ensures the government still receives profit oil from day one. The Committee requested further legal reviews of the Petroleum Act and detailed projections for the decommissioning fund, which Gulf Energy justified as a recoverable Petroleum Cost under Clause 42 of the PSC before concluding their joint consideration.

5.2.9 Submissions by the Office of the Attorney General and Department of Justice

On Friday, 13th February 2026, the Joint Committee met the State Law Office, which was represented by the Solicitor General of Kenya, Shadrack J. Mose, CBS.

549. They provided a comprehensive legal opinion confirming that the sequence followed in the approval of the FDP and its submission to Parliament is on solid legal ground. The original PSCs for Blocks 10BB and 13T, signed in 2007 and 2008, remain valid under the transitional and saving provisions of Section 128 of the Petroleum Act 2019. These provisions ensure that contractual rights, privileges, and obligations existing under the repealed 1984 Act are preserved and deemed to have been made under the current legal framework.

550. The Solicitor General noted that at the time of the original signing, there was no constitutional requirement for parliamentary ratification. However, the current submission of the FDP alongside the PSCs is undertaken in compliance with Section 31 of the Petroleum Act 2019 and Article 71 of the Constitution. The Attorney General emphasized that exploitation rights may only be exercised once this constitutional ratification process is completed.

551. The Solicitor General also raised concerns regarding long-term environmental and fiscal liabilities. To safeguard the State, particularly in cases of contractor insolvency, the FDP must eventually include a comprehensive Decommissioning and Abandonment Plan supported by financial security instruments as required by Section 39 of the Petroleum Act. Additionally, the office recommended that future reviews address routine flaring, which currently contradicts Section 62 of the Petroleum Act and Kenya's international commitments to gas flaring reduction.

552. The Business Registration Service, through the Director General, Mr. Kenneth Gathuma, HSC, then provided a formal timeline to clarify the legal identity and ownership structure of the contractor during the FDP approval process. According to corporate records, the transition from Tullow Kenya BV to Gulf Energy ENP Limited followed the statutory requirements of Section 26 of the Petroleum Act. The Cabinet Secretary assented to the Deeds of Assignment for Blocks 10BA, 10BB, and 13T on September 18, 2025, after satisfying the requirements regarding financial and technical capacity.

Key Milestone	Date	Legal Action
Initial Registration	September 15, 2012	Tullow Kenya BV issued a certificate of compliance.
FDP Submission	September 30, 2025	Gulf Energy formally submitted the FDP to EPRA.
Name Change	October 13, 2025	Formal change to Gulf Energy ENP Limited registered.
FDP Approval	November 5, 2025	The Cabinet Secretary approved the FDP following EPRA recommendations.

553. The Solicitor General further confirmed that the renaming of the blocks to T6 and T7 is a purely administrative action under Section 15(1) of the Petroleum Act and does not constitute a variation of the existing contracts, provided the geographical acreage remains unchanged.

554. The Solicitor General concluded that the transaction and the proposed FDP comply with Kenya's governing laws. The office emphasized that Clause 40 of the PSC allows for contractual adjustments to maintain economic equilibrium as laws change, which serves as a standard mechanism in long-term resource contracts. Provided that the identified gaps in decommissioning, local content, and fiscal coordination are addressed through the FDP's regular update cycle, the document is legally sufficient for parliamentary consideration.

5.2.10 Submission by Central Bank of Kenya (CBK)

On Friday, 13th February 2026, the Joint Committee met with the Governor of the Central Bank of Kenya (CBK), Dr. Kamau Thugge, C.B.S., to deliberate on the macroeconomic implications of the Field Development Plan (FDP) for the South Lokichar Basin. The session focused on how the anticipated $3 billion to $4 billion investment and subsequent oil exports would impact Kenya's monetary policy, foreign exchange reserves, and overall financial stability.

555. The Governor outlined that while the project, currently operated by Gulf Energy after it acquired the interests formerly held by Tullow Oil and Africa Oil, targets peak production of 80,000 to 100,000 barrels per day, its primary significance to the CBK lies in its capacity to strengthen the national balance of payments.

556. The Governor emphasized that the influx of Foreign Direct Investment (FDI) during the upstream development phase would provide a significant boost to the economy, noting that the projected $3 billion to $4 billion investment surpasses Kenya's typical annual FDI of approximately $1 billion. Once production commences, the CBK anticipates that oil exports will generate substantial foreign exchange inflows, projected at roughly $766.5 million annually based on an estimate of $60 per barrel.

557. An important portion of the Governor's testimony addressed the Dutch Disease, a phenomenon where a surge in natural resource revenue leads to a rapid appreciation of the local currency, potentially making other export sectors like tea, coffee, and manufacturing uncompetitive. To manage this risk, the Governor stated that the CBK would accumulate reserves to avoid "disorderly adjustments" in the foreign exchange market while using monetary policy operations to align the Kenya Shilling Overnight Average (KESONIA) with the Central Bank Rate (CBR). The Governor of the CBK also highlighted the

importance of a structured fiscal framework, citing the sovereign wealth funds of Norway and Chile as benchmarks for saving windfall revenues and reducing inflation volatility.

558. During the interactive session, Committee members raised concerns regarding the volatility of global oil prices and the transparency of the current ownership structure. The Governor clarified that while Gulf Energy holds the majority stake, the National Oil Corporation of Kenya (NOCK) retains a 20% protection share in the project. Members also queried the impact of oil production on domestic interest rates; the Governor explained that as the government receives more resource-funded revenue, its domestic borrowing requirements should decrease, theoretically lowering interest rates and stimulating private sector investment. He noted that the CBK has already strengthened the financial system by increasing the minimum core capital requirements for commercial banks to KES 10 billion to ensure they can support large-scale infrastructure projects.

559. The session concluded with a discussion on the transition to a new interest rate framework. The Governor informed the Committee that, as of December 1, 2025, all new loans are being benchmarked against the KESONIA-based framework to ensure that CBK policy decisions, such as the recent reduction of the CBR to 8.75%, are reflected more quickly in commercial lending rates. He reaffirmed the CBK's commitment to maintaining price stability and achieving the 5% inflation target while facilitating the economic growth anticipated from the South Lokichar development.

5.2.11 Submission by The National Lands Commission (NLC)

On Monday, 16th February 2026, Ms. Kabale Tache Arero, MBS, Chief Executive Officer/Commission Secretary National Land Commission appeared before the Joint Committee and submitted as follows:

560. On the status of land acquisition for infrastructure related to the oil project, including production facilities, pipelines, roads and other installations, the Committee was informed that the previous notices relating to the project had been issued in 2016, 2019 and 2022. At the time, the Commission gazetted the project using geographical coordinates due to the un surveyed nature of the land. The Commission issued a fresh Gazette Notice in October 2025 expressing the intention to acquire the land and to undertake statutory inquiries following expiry of the statutory timelines.

561. The Committee was informed that the project footprint comprises four (4) polygons and one (1) airstrip i.e Amosing, Twiga, Ngamia and Ekales. In total, approximately 11,354.8 hectares or about 40,000 acres, are to be involved across the four main fields. Further, the inspections, statutory inquiries, public participation forums stakeholder engagements and document verification has been undertaken in progressing the acquisition process. The Commission's valuation report is currently under preparation and is expected to be finalized on or before 27th February 2026.

562. On compensation of the project affected persons, the Committee was informed that approval of valuation reports to generate awards is a statutory function of the Commission sitting as duly constituted. It was noted that the Commission is not fully constituted following the lapse of tenure of seven (7) Commissioners hence no binding financial or land transfer decisions can be made since only a fully constituted Commission, led by a Chairperson, can approve valuation reports and issue final compensation awards, even though the technical preparations, such as inspections and draft valuations, were ongoing. This could delay the FDP's timeline.

563. The Committee was further informed that Turkana County did not yet have a gazetted Land Value Index, hence, the NLC uses a hybrid valuation approach that combines assessed market value with statutory additions.

564. The 40,000 acres slated for acquisition was registered as Community Land under 21 distinct title deeds. As a result, compensation would not be paid to individual landowners but to Community Land Management Committees (CLMCs), which would administer the funds for collective community benefit. The NLC emphasized that it was acting as a facilitator and the actual disbursement of funds depended on the Ministry of Energy and Petroleum (MoEP) and the National Treasury releasing the finalized compensation budget.

565. The large-scale acquisition raised significant concerns among host communities. During the public inquiry phase, 568 formal grievances were recorded. A major challenge was the presence of speculators who set up temporary structures after gazettement to inflate compensation claims. The NLC informed the Committee that it had planned a rigorous validation process to distinguish legitimate Project Affected Persons (PAPs) from opportunistic claims. Additionally, the NLC highlighted that the 40,000 hectares covers a larger area than the actual operational footprint. Efforts were underway to allow controlled grazing access in safe zones to mitigate disruption to pastoralist livelihoods while maintaining safety and future exploration buffers.

5.2.12 The National Treasury and Economic Planning

On Monday, 16th February 2026, the Cabinet Secretary for National Treasury and Economic Planning, the Hon. FCPA John Mbadi Ng'ongo, EGH accompanied by other technical officers from the Ministry, appeared before the Joint Committee and made the following submissions:

566. On Fiscal and Financial Considerations, the Joint Committee was informed that the Government of Kenya stands to earn between USD 1.05 billion (at USD 60/bbl) and USD 2.9 billion (at USD 70/bbl), equivalent to KES 136–371 billion over the Project's life. Direct Government revenues expected to come from profit oil split, Government participation. On Indirect Revenues, KPRL is projected to earn KES 42.3 billion (USD 325 million) in storage and handling revenues, while KPA will gain KES 41.9 billion (USD 322 million) from the New Kipevu Oil Jetty. The Government will also collect revenues from electricity and water consumption, ancillary services and in Road Maintenance Levy.

567. On the Macroeconomic Considerations, the Committee was informed that the project is expected to incur USD 8.2 billion in operating expenses, of which USD 7.6 billion (93%) will be spent locally and USD 5.7 billion in capital expenditure, of which USD 1.9 billion (34%) will also be spent locally. It is expected to generate over 3,000 direct, indirect, and induced jobs, contributing to PAYE and social security revenues. Communities along the project corridor will benefit from improved market access, infrastructure, and local business growth. The progression of the project will open Kenya for more foreign direct investment in the oil and gas value chain from international players.

568. On any approval or necessary assurances given underpinning the fiscal concessions sought in the FDP, the Cabinet Secretary informed the Committee that matters of fiscal concessions sought in the FDP shall be guided by the applicable laws. Article 210 of the Constitution provides that no tax or licensing fee may be waived, varied, or exempted except as provided by legislation.

569. The analysis of the estimated quantum amount of fiscal concessions sought in the FDP is as follows:

Item	Cost	
	USD (Million)	KES (Million)
Project Specific Fiscal Terms (PSFTs)		
1. VAT Upstream	269	34,970
2. WHT Upstream	58	7,540
3. RDL and Import Duty	32	4,160
SUM TOTAL	**359**	**46,670**

570. The implications of the concessions on Kenya's oil share of revenue and contractor's oil share of revenue if the proposed concessions were granted or are to be granted are tabulated below:

Revenue (USD million) at USD 60/bbl				
	Base Case (PSC Terms)	Tax Asks Granted (VAT, WHT, RDL & IDF)	Harmonization Cost Recovery Limit & Participating Interests	Taxes & Harmonization Allowed
GOK Net Cash Flow	3,485	2,612	2,153	1,047
Contractor Net Free Cash Flow	-1,943	-1,070	-609	497

571. The Committee was further informed that there are no concessions sought by the Contractor on the share of revenue from the sale of crude. The crude oil shall be marketed jointly. The Contractor sought harmonisation of the PSCs of USD 972 million (KES. 126,360,000,000). the combined fiscal concession during importation of materials for construction and upon sale of oil amounts to USD 1,331 million as tabulated below:

Item	Cost	
	USD (Million)	KES (Million)
Project Specific Fiscal Terms (PSFTs)		
1. VAT Upstream	269	34,970
2. WHT Upstream	58	7,540
3. RDL and Import Duty	32	4,160
4. Harmonisation	972	126,360
TOTAL PSFTs	**1,331**	**173,030**

572. Further, A review of the fiscal risk profile associated with the proposed Field Development Plan (FDP) and the Production Sharing Contracts (PSCs) for Blocks T6 and T7 was done. The assessment considered key risk variables including oil price volatility, production underperformance, cost escalation, project delays, and uncertainties inherent in large-scale upstream petroleum developments.

573. Phase I of the project shall use existing infrastructure, i.e., roads and part of KPRL facilities. The enablers, such as roads, power connectivity, rail, water, and pipeline, serve national development and are contained in the sector specific development plans.

574. The project relies on utilisation of the existing public infrastructure on a non-exclusive basis without an extra burden to the tax payer.

575. Multi-agency approach has been adopted to ensure that there is timely delivery of the enablers.

576. The PSC structure provides important risk mitigation measures including cost recovery ceiling, ring-fencing of costs, strict approval of work programmes and budgets, audit rights, and phased development tied to commercial viability. These mechanisms collectively limit fiscal exposure while ensuring that Government retains oversight over cost and revenue realization. Government expenditure is recoverable from the project as services are rendered to the project on commercial terms.

577. The Cabinet Secretary further clarified that the FDP does not create any explicit or implicit public debt obligation for the Government. The financing of exploration, development, and production activities remains solely the responsibility of the contractor under the PSC framework. There is therefore no impact on Kenya's public debt arising from the implementation of the FDP.

578. The estimated cost of Government funded enablers is as tabulated below:

ITEM	Cost		Status
	USD (million)	KES (million)	
1. Land	15.4	2,000	
2. Power	100.8	13,100	Existing plans
3. Water	76.9	10,000	Design and approvals ongoing
4. Crude oil receipt, handling and Import Infrastructure	40.7	5,288	Treasury has approved the concept note, budgeting process is ongoing
5. Roads	200	26,000	Budgeted
6. Rail	KRC is undertaking feasibility studies to determine an estimate.		
Sub-Total	**433.4**	**56,388**	

579. On cost recovery framework, the Cabinet Secretary informed the Committee that Kenya operates under a PSC regime that permits cost recovery of petroleum costs and expenses. Exploration and Development operations are high-risk and capital-intensive. The Contractor bears all the risks and costs associated with the operations; therefore, classifying costs as recoverable enables the Contractor to recoup its investment.

580. The cost recovery framework is supported by clause 27 of the PSCs for Blocks T6 and T7.

581. The proposed ceiling will improve the viability of the project and therefore this investment. The duration of the cost recovery depends on the actual production. The Government begins receiving revenues from the first oil, with revenues increasing progressively as the cumulative recoverable costs decline. Robust safeguards are in place to prevent erosion of revenue, including approval of annual work programs and budgets, monitoring of petroleum operations and audit recoverable costs.

582. On the impact of oil revenues on the country's fiscal framework and annual gross financing needs as well as key macro variables, the Cabinet Secretary informed the Committee that The Project is expected to incur USD 8.2 billion in operating expenses, of which USD 7.6 billion (93%) will be spent and USD 5.7 billion in capital expenditure, of which USD 1.9 billion (34%) will be locally spent. It is expected to generate over 3,000 direct, indirect, and induced jobs, contributing to PAYE and social security revenues. Communities along the project corridor will benefit from improved market access, infrastructure, and local business growth.

583. Revenue projections remain sensitive to global oil price volatility and production performance. Mitigation measures include conservative price assumptions in planning and continuous monitoring of market conditions.

584. Oil revenues accruing to the Government under the PSCs will be treated as non-tax revenue and paid into a dedicated petroleum fund in line with Section 57(2) of the Petroleum Act. Cap 308 and managed in accordance with Public Finance Management Act, 2012 and any other relevant law.

5.2.13 Ministry of Water, Sanitation and Irrigation

On Monday, 16th February 2026, the Cabinet Secretary for the Ministry of Water, Sanitation and Irrigation, Eng. Eric Murithi Mugaa accompanied by the Principal Secretary State Department for Irrigation, Mr. Ephantus Kimotho, CBS and other technical officers from the Ministry, appeared before the Joint Committee and made the following submissions:

585. The Cabinet Secretary submitted that their concept is strategically divided into three key components to balance industrial requirements with community needs.

586. The Cabinet Secretary indicated that the total budget is KShs 40,308,415,619.97 for water transmission and irrigation project designed to supply Lokichar oil fields, Lodwar town, and downstream irrigation schemes.

587. The project combines large-scale intake, transmission, treatment, and irrigation infrastructure with conflict resolution and environmental safeguards.

5.2.14 Submissions by the Energy and Petroleum Regulatory Authority

The Energy and Petroleum Regulatory Authority provided a written submission to the Committee as follows:

588. On the regulatory review and approval process EPRA undertook in respect of the sale of Tullow Overseas Holdings B.V. by Tullow PLC to Auron Energy E&P Limited, an affiliate of Gulf Energy, for a minimum consideration of USD 120 million, the Authority informed the Committee that, Pursuant to Clause 35 of the Production Sharing Contracts for Block 10BB (now T6) and 13T (now T7), the Contractor may assign part or all of their rights and obligations to an affiliate under the contract, after notice to the Minister.

589. Section 12 of the Petroleum Act (Cap. 308) establishes the National Upstream Petroleum Advisory Committee (NUPAC) in which the Director-General of EPRA shall be the secretary. The NUPAC generally advises the Cabinet Secretary on all matters regarding upstream petroleum operations.

590. The transfer of interest was deliberated upon by NUPAC and recommended to the Cabinet Secretary subject to all other regulatory approvals. The consideration of USD. 120 Million was part of the commercial transaction between the parties and is not cost recoverable.

591. Regarding the deferred royalty arrangement (USD 0.5 per barrel multiplied by 80% of total production, payable quarterly to the Seller), EPRA's legal and policy position is as follows:

i. The arrangement is a private and commercial contract between buyer and seller and the royalty consideration shall be borne out of the seller's profit share.
ii. The arrangement does not amend the Government share of profit oil payable to the Government under the respective PSCs.
iii. Under the respective PSCs, the royalty payments between the buyer and seller is not allowable for cost recovery.

592. On the deferred royalty arrangement, it was noted that deferred royalty arrangement does not create legal interest in the respective PSCs. Further, it does not alter the computation of Government share, which remains payable as defined in the respective PSCs. Accordingly, the deferred royalty payment is not classified as an approved recoverable cost under the respective PSCs, it therefore does not increase cost oil and therefore cannot affect profit oil sharing.

593. EPRA, in coordination with the Ministry responsible for petroleum, has ensured the following safeguards:

i. Pursuant to Section 10(h) of the Energy Act (Cap. 314), and 30(3) and 30(4) of the Petroleum Act (Cap. 308), EPRA is obligated to assess and recommend to the Cabinet Secretary, before approval of the Field Development Plans, production profiles and cost recovery submissions to ensure that private commercial arrangements do not prejudice the Republic's fiscal interests.
ii. The advancement of the draft Petroleum (Upstream Petroleum Cost Management) Regulations, 2025 by EPRA, which provides a robust cost audit framework and detailed cost reporting guidelines. The draft regulations have been subjected to public participation and are awaiting submission to the Cabinet Secretary for approval.
iii. Oversight by EPRA of production measurement and revenue reporting to prevent distortion of cash flow allocation. Over and above, EPRA has a functional regional office at Lodwar staffed with the relevant technical expertise that will be at hand during the day-to-day operations to ensure proper production assessments.

iv. EPRA's ring-fencing of petroleum costs in accordance with the respective PSCs under its accounting procedures.
v. Prior approval requirement of work programmes and budgets by the Cabinet Secretary as outlined in the respective PSCs.
vi. Preservation of independent Government share calculation methodology: EPRA has developed an economic model that is used to assess the actual revenues and costs.

594. On Past Contingent Liabilities, there are historical costs amounting to USD 2.176 billion, which are classified as exploration and appraisal costs incurred in the conduct of petroleum operations from the inception of the PSCs to date.

595. These costs have been incorporated into the Field Development Plan. Under the new ownership structure, the incoming Contractor assumes all rights and liabilities attached to the respective PSCs. The transaction between Gulf Energy E&P B.V and Tullow was conditional, upon a no cost back-in right of 30% participation in potential future development phases and retained royalty payments.

596. The legal basis emanates from the respective PSCs which provide that such exploration costs are eligible for recovery subject to audit and regulatory review, and provided they were incurred pursuant to an approved Work Programme and Budget and in accordance with the cost recovery provisions of the PSCs.

597. It was noted that EPRA carried the cost audit. The cost audits as well as the expenditure incurred is as follows:

a) Contract No. KE/MOE/79858/CS/ QCBS dated 27th May 2018 undertaken by the Joint Venture between Swale House Partners Inc., Rosa, Correia & Associados, SROC, S.A., Radon Law Offices and RES4DEV Consulting Inc.

The objective of the assignment was to conduct audit of petroleum costs in blocks 10BB and 13T from 2010 to 2016 (both years inclusive) to evaluate whether expenditure complied with the contractual obligations and further whether the claimed costs were entitled to cost recovery. The Contract sum for consultancy was USD 662,102.

b) Contract No. 4300005703 dated 5th April 2019 undertaken by RCA Auditores, Assessores Consultores.

The objective of the assignment was to conduct an independent audit of petroleum costs for blocks 10BB and 13T between 2017 and 2018 to evaluate whether expenditure complied with the contractual obligations and further whether the claimed costs were entitled to cost recovery. The Contract sum for the consultancy was USD 206,885.

c) Contract No. MOPM/SDP/RFP/15/2019-2020 dated 30th November 2020 undertaken by RCA Auditores, Assessores Consultores.

The objective of the assignment was as follows:
i. To conduct an audit of Early Oil expenditures, Early Oil petroleum produced, and the related revenue from the date the EOPS Agreement was entered into ie. 14th March 2017 to 31st December 2019 (Phase 1) and from 1st January 2020 to 31st December 2020 for the (Phase 2).

ii. To confirm the validity of the expenditures and the completeness of the revenue and production based on the terms of EOPS Agreement and the respective PSCs for Blocks 10BB and 13T.
iii. To carry out an audit of petroleum costs in Block 10BB and 13T from 2019 to 2020 in accordance with the respective PSCs to evaluate whether expenditure complied with the contractual obligations and if the claimed costs are entitled for cost recovery.
iv. The Contract sum was KES. 55 million.

598. On EPRA undertaking or commissioning, or relying upon any independent audit, to validate the quantum and nature of these liabilities, The historical exploration and appraisal costs in question were audited by an independent Audit firm, Rosa, Correia and Associados (RCA) in accordance with the provisions of the respective PSCs, applicable law and audit standards. The audit process addressed the quantum and nature of the contractor's reported expenditures for the period 2010 to 2020. Under the new ownership structure, the incoming Contractor assumes all rights and liabilities attached to the respective PSCs. The liabilities constitute audited costs which are recoverable.

599. The total cost incurred in the EOPS audit process was KES. 55 Million remitted to RCA Auditores, Assessores Consultores.

600. In line with Section 15(1) of the Petroleum Act (Cap. 308), the reconstitution and reconfiguration of the Kenya petroleum exploration blocks was presented and adopted by the National Upstream Petroleum Advisory Committee (NUPAC) where EPRA serves as the secretariat.

601. The re-designation of Blocks 10BB and 13T as Blocks T6 and T7 is an administrative renaming exercise aimed whose objective is to align with best practice international standards which has no implication on the size and coordinates of the Blocks.

602. The renaming of Blocks 10BB and 13T to T6 and T7 respectively, was administrative to align with international best practice where the nomenclature of Block naming originates from the Basin.

603. On whether the review alter the size or acreage, the coordinates, sizes and shapes and acreage for Block 10BB (now T6) and 13T (now T7) with the PSC's were not altered. The process was undertaken procedurally in collaboration with the Department of Surveys (Survey of Kenya).

604. Technical verification was done by the Survey of Kenya to confirm and verify all the coordinates and block boundaries, including the Kenya's International Boundary before publication and gazettement. Further, the Petroleum exploration block map reconstitution did not affect the contractual and fiscal obligation of Blocks T6 and T7 PSC's.

605. On Recoverable Cost Reporting Framework and Transparency, the draft Petroleum (Upstream Cost Management) Regulations 2025 provide for cost reporting guidelines which include templates aligned to the respective PSCs and the Petroleum Act (Cap. 308). The draft regulations have undergone stakeholder consultation and are currently in the process of being submitted to the Cabinet Secretary for approval.

606. On whether the framework clearly distinguish between capital expenditure (CAPEX), operating expenditure (OPEX), financing costs, decommissioning provisions, and any affiliate or related-party transactions, it was noted that, Clause 27 of the respective PSCs

clearly distinguishes between capital expenditure and other petroleum costs for purposes of cost recovery. The draft Petroleum (Upstream Cost Management) Regulations 2025 provide a clear framework for petroleum costs reporting, cost categorization, and financial disclosure obligations of the Contractor.

607. Under the respective PSCs, in particular under Clause 2.2 on the Accounting Procedure, labour costs are treated as eligible for recovery as long as they relate directly to petroleum operations. Only the proportion of time spent on those operations is charged, provided the amounts are reasonable, properly supported, auditable, and within the approved work programme and budget.

608. Pursuant to Clause 30(1) of the respective PSCs, the Contractor is required to submit cost recovery statements on a quarterly basis and no more than three (3) months after the end of each calendar year. Pursuant to Clause 30(3) of the respective PSCs, the Government may audit the books and accounts within two (2) calendar years of the period which they relate and shall complete the audit within one (1) year.

609. It is worthy to note that the FDP was submitted by the Contractor to EPRA on 10th December 2021 and there has been mutual agreement on the extension of the review period in order to ensure that the FDP is technically and commercially viable as required under the law.

610. Under the respective PSCs, cost recovery statements submitted by the Contractor constitute part of the records subject to audit. The audit entails review of the approved Work Programme and Budget, underlying expenditure records, contracts and procurement documentation, payment vouchers, and the quarterly cost recovery statements. The audit process serves as the formal mechanism through which the Government verifies that costs claimed are in accordance with the Petroleum Agreement, the approved Work Programme and Budget, and applicable law.

611. The audit frequency is as outlined in 4(d) above and notably, EPRA is currently in the process of procuring an independent consultant to undertake the next cost recovery audit to confirm the categorization and accuracy of the costs presented.

612. Section 119 of the Petroleum Act (Cap. 308) mandates the Cabinet Secretary to establish a reporting, transparency and accountability framework for the upstream petroleum sector, including publication of petroleum agreements, records, annual accounts and reports of revenues, fees, taxes, royalties and other charges, as well as, any other relevant data and information that supports payments made by the contractor and payments received by the national government, county governments and local communities.

613. The provision further provides for transparency and accountability framework for the upstream petroleum sector by ensuring it shall be disaggregated into each petroleum agreement, non-exclusive permit, drilling permit, production permit, and plug and abandonment permits.

614. Oversight of cost recovery is presently exercised through submission requirements, regulatory review, and audit processes conducted in accordance with the respective PSCs and applicable law. Additionally, the draft Petroleum (Upstream Cost Management) Regulations 2025 provide for an elaborate cost audit framework.

615. Under Clause 41 of the respective PSCs, any question or dispute arising out of or in connection with a PSC is to be settled amicably in the first instance. Where the parties

(Government and Contractor) are unable to reach a settlement within thirty (30) days, or such extended period as may be agreed, the dispute is referred to arbitration in accordance with the UNCITRAL Arbitration Rules.

616. Accordingly, where EPRA, on behalf of the Government, disallows certain costs and the Contractor objects, the matter is first addressed through amicable settlement. If it remains unresolved, it may be referred to arbitration under Clause 41. Pending determination of the dispute, the costs in question are treated as disputed amounts and are not recoverable until the matter is resolved in accordance with the dispute resolution provisions of the respective PSCs.

617. Additionally, the draft Petroleum (Upstream Cost Management) Regulations 2025 provides for discrepancies and dispute resolution under Regulations 49 and 51 respectively.

5.3 Submissions of Memoranda by Other Stakeholders and Members of the Public

Following the call for memoranda from the public through the placement of advertisements in the print media, the Joint Committee received and considered memoranda from thirty-four (34) stakeholders and members of the public by Monday 22nd December 2025 and Friday, 16th January 2026 as summarized below (***Matrix attached in Annex 5):***

5.3.1 Kenya Private Sector Alliance

The Kenya Private Sector Alliance (KEPSA) submitted written memoranda in support of the proposed Field Development Plan (FDP), citing the following key justifications and recommendations:

618. Economic Stimulus and Macroeconomic Impact: KEPSA noted that the projected capital investment of approximately USD 6.1 billion represents one of the largest private-sector inflows in Kenya's history. The investment is expected to stimulate activity across the construction, logistics, and services sectors. In addition, crude oil exports are anticipated to strengthen the Kenya Shilling against major currencies, generating economy-wide positive effects.

619. Energy Security and Trade Balance: Achieving a production plateau of 50,000–100,000 barrels per day will significantly improve Kenya's trade balance, reduce dependence on imported petroleum products, and lessen exposure to global oil price volatility.

620. Domestic Operator Confidence: The transition to a local operator, Gulf Energy E&P B.V, was cited as a strong signal of the growing maturity and capability of the Kenyan private sector to manage complex, capital-intensive upstream extractive projects.

621. Foundation for Upstream Industry Development: KEPSA observed that the project will catalyze the development of Kenya's upstream petroleum industry, thereby lowering barriers to commercial exploitation of other basins such as Anza, Mandera, and Lamu.

Key Recommendations to Parliament

622. While supporting the FDP, KEPSA proposed several "value-add" measures for consideration by Parliament:

i. Strengthening Local Content and SME Participation: KEPSA recommended that the FDP go beyond minimum local content requirements by introducing a Local Content Performance Bond and a time-bound roadmap for transitioning technical and managerial roles from expatriates to Kenyan nationals. They further proposed

the establishment of a Petroleum Enterprise Fund, financed through a small percentage of contractor cost recovery, to provide low-interest credit to Kenyan SMEs participating in the project supply chain.

ii. Infrastructure and Logistics Risk Management: Given that South Lokichar crude is waxy and solidifies below 40°C, KEPSA recommended that the FDP explicitly specify specialized tanker and rail wagon designs, including internal heating coils or advanced insulation. They further proposed that intermodal transfer points (e.g. Eldoret and Changamwe) be designated as Special Economic Zones (SEZs) to attract private investment in heating and storage infrastructure.

iii. To mitigate transport risks, KEPSA recommended prioritisation of roads leading directly to oil fields, particularly the Kitale–Lokichar Road, and the introduction of a mandatory convoy and GPS tracking system monitored by the National Transport and Safety Authority (NTSA).

iv. KEPSA further emphasized that road and rail transport should be leveraged for local economic benefit by reserving 100% of trucking contracts for Kenyan-owned logistics firms, sourcing diesel from local retail stations, and outsourcing rail wagon maintenance and last-mile logistics to local engineering firms.

v. Given the elevated spill risk associated with surface transport, KEPSA proposed mandatory Tier-1 Emergency Response Plans for all transit counties and comprehensive environmental pollution insurance to cover third-party damages.

vi. Water Resource Management: KEPSA raised concerns regarding the proposed 80km water pipeline from Turkwel Reservoir, highlighting competing demands for hydropower, irrigation, and domestic use, as well as the high-water intensity of oil production. They recommended that the pipeline be designed as a common carrier, with community water off-take points along the route, and that the FDP include an Environmental Flow Guarantee, suspending abstraction during critically low reservoir levels.

vii. KEPSA further proposed a Zero-Discharge Policy for produced water, requiring treatment and reinjection rather than storage in open evaporation pits, to prevent groundwater contamination and risks to pastoral livelihoods.

viii. Power Supply and Energy Integration: KEPSA noted that oil production is energy-intensive and recommended a Hybrid Captive Power Model integrating diesel or gas with renewable energy, particularly wind and solar, given Turkana's high renewable resource potential. They further proposed utilization of associated gas for on-site power generation, installation of step-down transformers to enable local electrification, and eventual net-metering to allow export of surplus power to the national grid.

ix. Fiscal Transparency and Decommissioning: KEPSA recommended the establishment of a real-time audit framework, allowing the Kenya Revenue Authority and the Auditor-General concurrent access to project expenditure data to minimize cost-padding risks. They also emphasized the need for clearly defined escrow arrangements for decommissioning and environmental restoration, ensuring that liabilities do not fall on the taxpayer.

623. Community Engagement and Benefit Sharing: KEPSA proposed ring-fencing the 15% county and 5% community share of government royalties into a dedicated development fund to deliver visible benefits in health, water, and education infrastructure, thereby strengthening the project's social license to operate.

5.3.2 Lokichar Business Community Association

Mr. Gabriel Emuria Loyomo, the Chairperson, and Mr. Elijah Epur, the Secretary, on behalf of the Lokichar Business Community Association, submitted a written memoranda in support of the proposed Field Development Plan (FDP) and the Production Sharing Contracts (PSCs) outlining the following views and submissions:

624. **On Local Content and Employment:** The Association noted that ratification of the FDP and PSCs will generate employment opportunities in logistics, catering, environmental monitoring, technical services, and other related sectors, while also facilitating skills transfer, capacity building, and long-term workforce development.

625. **On Enterprise Development and SME Participation:** Approval of the FDP and PSCs legally enables local enterprises to participate across the petroleum value chain, in line with Articles 174 and 201 of the Constitution, which promote devolution and equitable sharing of national resources. The Association observed that contractors are obligated to procure goods and services locally where capacity exists, thereby stimulating the growth of small and medium enterprises (SMEs) in transport, hospitality, supply, maintenance, and other ancillary services.

626. **On Infrastructure Development and Social Investment:** The Association noted that approval of the FDP and PSCs will ensure lawful infrastructure development and social investments in accordance with Articles 60 and 69 of the Constitution and the Petroleum Act, 2019, which require sustainable land use, environmental protection, and promotion of community welfare. Implementation of the FDP is expected to facilitate coordinated development of roads, water systems, and community facilities, while Community Development Agreements provide a framework for structured social investment in education, health, water, and livelihood enhancement.

627. **On Revenue Sharing, Fiscal Accountability and National Interest:** The FDP and PSCs were cited as advancing equitable revenue sharing and fiscal accountability in line with Articles 201 and 174 of the Constitution and the Public Finance Management Act, 2012. The Association indicated that ratification will ensure transparent collection and equitable distribution of petroleum revenues among the National Government, County Governments, and host communities, thereby supporting poverty reduction, diversification of livelihoods, and sustainable socio-economic development.

628. **Recommendations to Parliament:** The Lokichar Business Community Association recommended that Parliament ensure strict enforcement of local content provisions, promote gender and youth inclusion, strengthen environmental and social safeguards, and uphold continuous community engagement as provided for under Article 10 of the Constitution.

5.3.3 The Turkana Professionals Association (TPA)

Mr. Jackson Nakusa, the Chairman, on behalf of the Turkana Professionals Association (TPA), submitted a memorandum in support of Gulf Energy E&P B.V.'s progress in implementing the approved Field Development Plan (FDP) and the Production Sharing Contracts (PSCs), raising the following key concerns and proposals:

629. The Association noted that the Environmental and Social Impact Assessment (ESIA) process has been completed and approved, and emphasized that strong safeguards must be maintained to protect communities from hazardous pollution, contamination of water sources, and air pollution arising from oil operations.

630. The Association noted that further clarity is required from both the National Assembly and County Assemblies on the formulas governing revenue utilization at various stages. It emphasized that all government entitlements, including royalties, corporate income tax, and profit oil shares, must be fully complied with.

631. The Association strongly underscored the importance of local content implementation as a prerequisite for successful oil production. It called for mandatory training programmes to build the capacity of local professionals and community members to participate meaningfully in the petroleum industry. TPA advocated for full localization of low-cadre and semi-skilled positions, and a minimum of 70 per cent localization for professional roles. It further emphasized that procurement of goods and services should prioritize local suppliers and contractors in order to enhance livelihoods, build technical capacity, and create sustainable economic opportunities for Kenyan citizens.

632. TPA highlighted the strategic importance of the South Lokichar oil project to the national economy, noting that oil production has the potential to enhance Kenya's Gross Domestic Product, increase foreign exchange earnings, and contribute to macroeconomic stability. The project was also identified as a key contributor to national energy security. At the county level, the Association observed that Turkana County stands to benefit significantly through oil-related infrastructure development and associated economic activities.

633. The Association identified several risks and challenges that require careful management. These include exposure to global oil price volatility, which could affect project economics, the need for sustained investment in positive community relations and transparent benefit-sharing arrangements, and the inherent environmental risks associated with oil production.

634. TPA recommended that Gulf Energy, the Government of Kenya, and other relevant stakeholders strengthen community engagement and benefit-sharing frameworks through regular consultation forums designed to inform, update, and advise host communities. It further recommended the establishment of a county-level wealth or stabilization fund to support sustainable revenue management for present and future generations. The Association also urged the expedited development of pipeline and export infrastructure in order to reduce heavy vehicular traffic associated with crude oil trucking to the port.

635. Finally, TPA called for strengthened environmental monitoring and compliance mechanisms, including routine inspections, to effectively manage risks related to oil pollution and water contamination. It emphasized the need to protect community heritage, including historical and cultural sites, indigenous trees, and legitimate land-use patterns, throughout the lifecycle of the project.

5.3.4 The Social Performance Professionals Alliance (SPPA)

Mr. Joseph Loibach Etaan on behalf of the Social Performance Professionals' Alliance (SPPA), a multidisciplinary professional body comprising experts in social performance, community development, stakeholder engagement, resettlement planning, environmental governance, peacebuilding, livelihoods, and human rights within the extractives, energy, and infrastructure sectors, submitted a memorandum on the following:

636. SPPA observed that while Field Development Plans are central technical and economic instruments guiding project development, production timelines, and investment decisions, they have traditionally prioritized engineering, financial, and production considerations. In

practice, social performance aspects, such as community impacts and benefits, land access and resettlement, local content and employment, conflict sensitivity, grievance management, and long-term socio-economic transition, have often been treated in a fragmented or peripheral manner. According to SPPA, the limited integration of social performance has contributed to project delays, community disputes, litigation, and erosion of trust among communities, operators, and the government, particularly in counties hosting extractive activities, such as Turkana.

637. The Alliance further noted that current FDP review processes tend to focus predominantly on technical feasibility, with social issues addressed as annexes rather than as core project risks and value drivers. It expressed concern that affected communities are rarely involved meaningfully in the formulation of FDPs, despite constitutional requirements on public participation. SPPA also highlighted the weak alignment of many FDPs with key constitutional provisions. In addition, unclear commitments on benefit sharing, employment, procurement, skills transfer, and community development were identified as a source of unrealistic expectations and conflict. The Alliance noted that social commitments contained in FDPs are often non-binding, with limited monitoring, reporting, and enforcement mechanisms.

638. SPPA recommended that Parliament mandate the inclusion of a dedicated, stand-alone Social Performance Chapter in all Field Development Plans. This chapter, it is proposed, should comprehensively address stakeholder mapping and engagement strategies, land access, compensation and resettlement frameworks, livelihood restoration and enhancement plans, inclusion of women, youth, and vulnerable groups, conflict sensitivity and peacebuilding measures, security and human rights risk management, and accessible grievance redress mechanisms.

639. The Alliance further recommended the strengthening of public participation requirements by ensuring early-stage community engagement prior to FDP approval, disclosure of simplified FDP summaries in local languages, and structured participation of county governments and local institutions. It also urged Parliament to require demonstrable alignment of FDPs with County Integrated Development Plans, county spatial plans, and local peace and security frameworks.

640. To enhance accountability, SPPA proposed the institutionalization of independent social performance oversight, including the use of accredited professional bodies to advise regulators during the FDP approval process. It further recommended that social obligations contained in FDPs be made legally enforceable by ensuring that they are clearly costed, time-bound, and subject to periodic reporting to Parliament and county governments. The Alliance also emphasized the need for strengthened local content and workforce transition planning, including progressive localization targets, skills development and certification pathways, and post-project socio-economic transition plans.

641. In its submission, SPPA underscored the critical role of the National Assembly in exercising enhanced oversight over FDP approvals, reviewing existing petroleum, mining, and energy legislation to embed social performance standards, ensuring effective intergovernmental coordination between national and county governments, and protecting community rights while safeguarding national economic interests.

642. In conclusion, the Social Performance Professionals' Alliance asserted that Kenya's extractive and energy resources can only deliver shared prosperity if Field Development Plans are socially sound, inclusive, and accountable. It emphasized that integrating robust social performance standards into FDPs should be viewed not as a regulatory burden, but

as a risk mitigation and value creation strategy that supports project sustainability, social stability, and investor confidence. SPPA expressed its readiness to support the National Assembly through technical advisory services, professional accreditation, and independent review mechanisms aimed at strengthening governance in the extractive and energy sectors for the benefit of all Kenyans.

5.3.5 Turkana Community Justice Centre (TCJC) and Nakukulas Economic Development Organization (NEDO)

The Turkana Community Justice Centre (TCJC) and Nakukulas Economic Development Organization (NEDO) submitted a memorandum raising the following concerns and proposals:

643. Climate Justice and Vulnerability Context: The organizations noted that while Project Oil Kenya promises national economic benefits, it will contribute to greenhouse gas emissions that intensify the climate crisis. They emphasized that pastoralist communities in Turkana, already affected by prolonged droughts and rising temperatures, bear the greatest burden of climate impacts, despite contributing least to global emissions.

644. Demand for a Climate Resilience and Accountability Framework: TCJC and NEDO asserted that ratification of the FDP should be conditional upon the establishment of a Climate Resilience and Adaptation Framework, going beyond conventional Corporate Social Responsibility (CSR).

645. Prayers and Recommendations to Parliament: The organizations petitioned Parliament to:

i. Mandate the establishment of a Community Climate Resilience Fund (CCRF) as a non-negotiable condition for FDP ratification;
ii. Require that all carbon offsetting, environmental mitigation, and land restoration measures be localised within Project Affected Areas;
iii. Ensure inclusion of a legally binding "Climate Safety Net" provision guaranteeing emergency fodder support, livestock insurance, and water relief during climate-induced or project-related shocks;
iv. Require a comprehensive, full-lifecycle Climate Impact Assessment (CIA) covering emissions from extraction to decommissioning prior to ratification; and
v. Reject the FDP entirely unless it includes a Climate Accountability Schedule, detailing application of the Polluter Pays Principle, ecosystem restoration measures, and deployment of best available technologies to minimise climate harm.

646. TCJC and NEDO concluded that development must not compromise the survival, dignity, and livelihoods of Turkana's pastoralist communities. They emphasized that genuine economic growth should be measured by the safety, health, and resilience of host communities, rather than the volume of oil extracted, and called on Parliament to anchor petroleum development firmly within principles of climate justice, accountability, and community resilience.

5.3.6 Nakukulas Community Land Management Committee (CLMC) and Kapese Community Land Management Committee

Mr. Geoffrey Longolekol and Mr. Enock Esikiria, the Chairpersons of Nakukulas and Kapese Community Land Management Committee (CLMC) representing the collective voice of the two communities, submitted written memoranda on the proposed Field Development Plan (FDP) and the applicable Production Sharing Contracts (PSCs), raising the following key concerns and proposals:

647. **Environmental Protection and Ecosystem Safeguards:** The Committees expressed concern that the anticipated project impacts pose a significant threat to the fragile Turkana ecosystem and the community's pastoralist way of life. They emphasized that the FDP must move beyond generic mitigation measures and address specific, documented risks, including:

i. Potential contamination of water sources;
ii. Land, habitat, and livelihood destruction;
iii. Air quality pollution and associated public health risks; and
iv. Oil and hazardous wastes.

648. **Just, Prompt, and Community-Centred Compensation**: The CLMCs called for an explicit declaration in the FDP that all compensation for land acquisition, displacement, and loss of livelihoods shall be just, prompt, and based on cultural, communal, and economic value. They further proposed that compensation be paid directly into community bank accounts under CLMC oversight.

649. **Environmental Liability, Restoration, and Decommissioning**: The Committees recommended that the FDP require the Contractor to establish an irrevocable, ring-fenced Environmental Restoration and Decommissioning Bond, managed by an independent fiduciary body with CLMC representation. This bond should cover all costs of land and water remediation after project closure, including orphan wells, to protect communities from future financial liabilities.

650. In addition, they proposed the establishment of a dedicated Environmental Liability and Emergency Fund to enable immediate clean-up and compensation for unplanned spills or contamination incidents without recourse to litigation.

651. **Public Health Monitoring and Oversight:** The CLMCs called for a commitment in the FDP to establish a permanent, independently funded community health monitoring and public health surveillance system. This system should include baseline data collection, mandatory quarterly reporting, and provision of free treatment for all project-related illnesses among Project Affected Communities (PACs).

652. **Climate Change and Resilience:** Recognizing that the project is fossil fuel-based, the Committees proposed the establishment of a Climate Resilience Fund to support community adaptation to climate-related pressures and vulnerabilities.

653. **Local Employment, Skills Development, and Capacity Building:** The submission proposed a mandatory local employment quota, requiring at least 70 per cent of non-skilled and semi-skilled labour to be sourced from Turkana County, particularly during construction and long-term operations.

654. They further recommended the establishment of a dedicated fund and clear timeline for comprehensive, accredited skills training and capacity-building programmes to enable local

community members to transition into skilled and supervisory roles within the first five years of operation.

655. **Local Procurement and Local Content Implementation:** The CLMCs called for firm commitments in the FDP requiring the Contractor to prioritize procurement of goods and services from Turkana-registered businesses, including catering, security, transport, and small-scale construction, supported by clear annual minimum spend targets.

656. They further recommended submission of a binding Local Content Implementation Plan with measurable targets for skills transfer, preferential procurement, and local job and business opportunities.

657. **Land Acquisition and Free, Prior, and Informed Consent (FPIC):** Finally, the Committees emphasized that all land acquisition and access arrangements must fully adhere to the principle of Free, Prior, and Informed Consent (FPIC). Compensation for land acquisition or displacement should be fair, timely, and compliant with the Community Land Act, 2016 and the IFC Performance Standards.

5.3.7 Turkana Civil Society Consortium (TCSC)

The Turkana Civil Society Consortium (TCSC) submitted written memoranda on the proposed Field Development Plan (FDP) and the applicable Production Sharing Contracts (PSCs), raising the following key concerns and proposals:

658. **Historical Marginalisation and Trust Issues**: TCSC noted that since the early 1900s, Turkana communities have perceived sustained neglect by successive administrations, resulting in deep-seated mistrust towards external actors and institutions. This historical context underscores the need for deliberate, inclusive, and trust-building engagement processes.

659. **Waste Management:** The Environmental and Social Impact Assessment (ESIA) report proposed the establishment of a hazardous waste disposal site at Kang'ipetain, an area identified as a critical grazing zone with perennial pastures, springs, and dry-season refuges for pastoralists. TCSC expressed strong concern over the potential adverse impacts on livelihoods, ecosystem services, and pastoral mobility.

660. **Oil Transportation and Infrastructure Development:** The Consortium raised concerns about land alienation for road development and associated environmental and social impacts. They sought clarity on consultation processes for identifying transport corridors with minimal disruption to communities and ecosystems. TCSC further recommended the inclusion of local community groups in Corporate Social Responsibility (CSR) initiatives and proposed consideration of the Lokichar–Lokori–Kapedo–Kinyang–Marigat–Nakuru–Mombasa route as a cost-effective and development-oriented option.

661. **Front End Engineering Design (FEED):** Concerns were raised regarding the adequacy of information disclosure, public participation, and inclusivity during the FEED decision-making process, with calls for greater transparency and stakeholder engagement.

662. **Community Land and Cultural Heritage:** During Phase One of the oil project, approximately 700 square kilometres of community land were allocated for oil and gas activities. These areas constitute vital grazing lands, drought reserves, and culturally significant sites used for traditional prayers (ekimwomor) and initiation ceremonies (asapan). Although the physical footprint of facilities is estimated at approximately 1,500

hectares, TCSC noted that this remains substantial given the ecological sensitivity of grazing zones and water points.

663. **Legacy Liabilities:** The Consortium sought clarification on whether Gulf Energy will assume responsibility for community-related liabilities arising from the operations of the previous operator, Tullow Oil.

664. **Data Gaps in Additional Exploration Periods:** TCSC highlighted the absence or insufficiency of publicly available data relating to the additional exploration period.

665. **Stakeholder Engagement on Land Acquisition:** Concerns were raised regarding the non-involvement of the local community and the County Government of Turkana in identifying project areas, with engagement occurring only at the stage of compulsory land acquisition. TCSC called for early, continuous engagement among contractors, the County Government, and local communities for future exploration prospects.

666. **Mapping and Identification of Oil Blocks:** The Consortium noted inconsistencies in the naming and identification of oil blocks, as well as government-led mapping exercises undertaken without adequate involvement of the County Government and local communities.

667. **Independent Monitoring and Oversight:** TCSC proposed that the County Government and local communities be permitted to procure an independent private consultant, funded through project proceeds, to monitor quantities of chemicals, materials, equipment, and personnel used in operations.

668. **Dry Hole Risk and Mineral Disclosure:** In cases of dry holes or non-commercial discoveries, contractors should disclose any other minerals encountered that fall outside their commercial interest but may be of potential benefit to local communities, thereby enabling identification of alternative investors.

669. **Public Participation in New Operations:** The Consortium emphasized the need for structured and continuous public participation processes for all new project phases and operations.

670. **Water Resource Management:** On water requirements, TCSC requested disclosure of the ten existing boreholes cited in project documents, noting the chronic water scarcity in the area for both human and livestock use. They recommended consideration of alternative sources such as Turkwel Gorge Dam, Lake Turkana, and proven aquifers, including Kaisamalit, Napuu, Tarach, and Lotikipi.

671. **Decommissioning and Closure Planning**: TCSC observed that the FDP lacks a clear and detailed decommissioning plan, which is necessary to track implementation, ensure environmental restoration, and manage long-term liabilities.

672. **Transparency in Oil Transportation Volumes:** To enhance accountability, the Consortium proposed that local community representatives be allowed to observe and record oil quantities during tanker loading at Lokichar and offloading at Changamwe.

673. **Sequencing of Development and Legal Frameworks:** Concerns were raised regarding the advancement of development plans prior to the full approval and operationalization of the legal and regulatory framework governing oil operations.

674. **Land Valuation and Compensation Framework:** TCSC recommended a review of the Land Value Index Act to address issues of zero-rated land and improve compensation mechanisms. They also called for a review of land requisition processes based on public input and corresponding amendments to the Petroleum Act.

675. **Environmental Monitoring and Spill Tracking:** The FDP should enable local communities, through civil society organizations engaged in governance, to monitor and report oil and gas spills during development and production phases.

676. **Inclusive Monitoring of Production Sharing Contracts:** Finally, TCSC emphasized the need for an inclusive monitoring framework that allows local communities to track implementation and compliance with PSCs, thereby mitigating risks of exploitation and collusion between government entities and project proponents.

5.3.8 Secretariat, Kenya Youth Parliament

The Secretariat Kenya Youth Parliament submitted views highlighting the corridor-based socio-economic opportunities arising from the proposed Field Development Plan (FDP) and Production Sharing Contracts (PSCs), outlining the following views and submissions:

677. Corridor-Based Youth Economic Opportunities: The submission identified specific opportunities along the project. The organization noted that this corridor-based approach promotes balanced regional development, reduces spatial inequality, and enables meaningful participation of youth across multiple counties in the petroleum value chain.

678. Environmental and Social Safeguards: The Kenya Youth Parliament observed that the FDP incorporates environmental and social impact management measures consistent with Kenyan law and international best practice. These safeguards were recognized as essential to ensuring that current development does not compromise the opportunities and welfare of future generations. Support for the FDP and PSCs was therefore linked to the promotion of responsible resource development that balances economic growth, environmental stewardship, and social inclusion.

679. Governance, Transparency, and Accountability: The submission noted that the Production Sharing Contracts provide a transparent framework for revenue sharing, government oversight, and reporting, thereby strengthening public accountability. The organization further emphasized that structured agreements such as the PSCs enhance youth engagement in governance, monitoring, and advocacy related to natural resource management.

5.3.9 Turkana South Drivers and Transport Association

The Turkana South Drivers and Transport Association, through the Kenya Truck Drivers Caucus, submitted a memorandum expressing strong support for Gulf Energy E&P B.V. following the submission of its Field Development Plan (FDP) and Production Sharing Agreement (PSA), outlining the following views and submissions:

680. Support for Gulf Energy E&P B.V.: The Association recognized Gulf Energy B.V. as a credible and reliable energy company with a proven track record in Kenya, particularly in the successful delivery of Government-to-Government (G-to-G) fuel supplies, which have contributed to national fuel security, supply reliability, and market stability. The submission of the FDP and PSA was viewed as evidence of Gulf Energy's commitment to long-term investment, regulatory compliance, and responsible development of Kenya's petroleum resources.

681. Role of Trucking in Petroleum Development: The Association emphasized that road transport remains indispensable to Kenya's energy value chain, supporting all phases of petroleum development, including:

i. Transportation of drilling equipment, pipes, fuel, and construction materials;
ii. Movement of crude oil from production fields to ports and storage facilities; and
iii. Provision of last-mile logistics where pipeline and rail infrastructure is limited or complementary.

682. Beyond truck drivers, the Association highlighted the extensive economic ecosystem supported by trucking activities, including mechanics, auto-electricians, welders, tyre repairers, spare-parts dealers, fuel station attendants, car wash operators, roadside vendors, hospitality providers, security personnel, and fleet management professionals. This ecosystem supports thousands of Kenyan households and presents significant employment and enterprise opportunities for youth and women.

683. Socio-Economic Benefits along the Mombasa–Lokichar Corridor: The Association noted that transportation of project materials from the Port of Mombasa to Lokichar will stimulate economic activity across multiple counties, including Mombasa, Kwale, Taita Taveta, Nairobi, Machakos, Kitui, Isiolo, Samburu, Laikipia, Baringo, and Turkana. Anticipated benefits include increased demand for haulage services, growth of roadside hospitality facilities, expanded vehicle maintenance services, opportunities for local suppliers and vendors, and skills transfer through local employment.

684. With respect to crude oil transportation from Lokichar to Mombasa, the Association highlighted the potential for long-term and predictable transport demand, resulting in stable employment for trained drivers and support crews, expansion of specialised haulage and safety services, sustained business for vehicle servicing and consumables, improved road safety and security services, and steady income flows supporting local economies along the corridor.

685. National Economic Impact: The Association underscored the broader ripple effects of trucking associated with the FDP and PSA, including job creation across the transport and service economy, increased county revenues through permits and local procurement, strengthening of Kenya's logistics capacity, and inclusive economic growth that integrates remote and frontier counties into the national economy. These outcomes were noted to align with Kenya's development priorities under Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

5.3.10 Action for Justice and Equality

Action for Justice and Equality (AJE), a Nairobi-based civil society organization committed to constitutionalism, social justice, equality, responsible natural resource governance, and sustainable development, submitted written memoranda welcoming and conditionally supporting the proposed Field Development Plan (FDP) and Production Sharing Contracts (PSCs), outlining the following views and submissions:

686. Constitutional and Governance Context: AJE grounded its submission in Articles 10, 69, 71, 174, and 201 of the Constitution of Kenya (2010), noting that the submission of the FDP and PSCs to Parliament represents a critical constitutional milestone that enhances transparency, democratic oversight, and public accountability in petroleum resource governance. The organization commended the Government of Kenya for complying with Article 71 by subjecting petroleum contracts to parliamentary approval and welcomed Gulf Energy's engagement with this constitutional process.

687. Conditional Support and Human Rights Perspective: Approaching the project from a civil society and human rights–centered perspective, AJE noted that petroleum development, if responsibly governed, can contribute to reducing inequality, strengthening livelihoods, and advancing socio-economic rights. However, without robust safeguards, such projects risk entrenching marginalization and rights violations.

688. Community Rights, Benefit Sharing, and Livelihoods: AJE underscored the importance of ensuring that petroleum development delivers tangible and equitable benefits to host communities in Turkana County. The organization welcomed provisions in the Petroleum Act and related frameworks.

689. Local Content, Inclusion, and Economic Opportunities: AJE welcomed commitments within the FDP and PSCs on local content and capacity building, noting their potential to catalyze:

i. Employment opportunities for local youth and women;
ii. Growth of local enterprises in logistics, transport, catering, security, construction, and professional services;
iii. Skills transfer and technical training for Kenyan professionals; and
iv. Broader economic linkages within Turkana County and nationally.

690. The organization urged Parliament to ensure strict adherence to local content laws and regulations, with economic participation that is inclusive, transparent, and measurable.

691. Environmental Protection and Climate Considerations: AJE recognized the environmental sensitivity of the South Lokichar region and welcomed FDP commitments on environmental protection, rehabilitation, and compliance with national environmental laws. The organization further encouraged alignment with Kenya's climate commitments and a just and orderly energy transition, while acknowledging the role of responsibly managed petroleum resources in financing development and supporting the transition to renewable energy.

692. Independent Human Rights Oversight: AJE emphasized that approval of the FDP and PSCs should be accompanied by ongoing, independent human rights oversight beyond statutory compliance. In this regard, the organization petitioned Parliament to recommend that Gulf Energy E&P B.V. establish an Independent Human Rights Advisory Committee (IHRAC) for its operations in Blocks T6 and T7.

693. AJE noted that such a mechanism, benchmarked on best-practice models in Kenya including the Kakuzi Plc Independent Human Rights Advisory Committee, would strengthen Gulf Energy's social license to operate and reduce risks of conflict, litigation, and reputational harm.

694. Action for Justice and Equality:

i. Welcomed and conditionally supported the FDP and PSCs for Blocks T6 and T7 in South Lokichar;
ii. Commended their submission to Parliament in compliance with Article 71 of the Constitution;
iii. Urged Parliament to approve the FDP and PSCs while reinforcing safeguards on community rights, environmental protection, gender equity, local content, and equitable benefit-sharing;
iv. Petitioned Parliament to recommend the establishment of an Independent Human Rights Advisory Committee by Gulf Energy E&P B.V.; and

v. Affirmed its readiness to engage constructively with Parliament, government institutions, the project proponent, and affected communities to advance justice, equality, and shared prosperity.

5.3.11 Concern for Progress International

695. The Concern for Progress International (CFPI), a Nairobi-based civil society and policy advocacy organization, submitted a memorandum supporting the proposed Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for Blocks T6 and T7 in the South Lokichar Basin, Turkana County. CFPI described the project as a strategic opportunity to advance Kenya's upstream petroleum sector, enhance national revenue, stimulate employment, and promote regional development.

696. CFPI underscored the importance of strict compliance with the Petroleum Act, 2019, and associated regulations. It urged the Committee to ensure that fiscal transparency, environmental safeguards, community benefit-sharing, and intergovernmental coordination were fully integrated into the FDP and PSC framework.

697. A central theme of CFPI's submission was the promotion of a shared prosperity model. The organization stressed that petroleum development should yield tangible socio-economic benefits for host communities in Turkana County. It recommended clearly structured community development programmes aligned with county priorities, predictable benefit-sharing mechanisms, and safeguards for pastoral livelihoods, land rights, water access, and cultural heritage.

698. On local content, CFPI advocated for meaningful participation of Kenyan enterprises across the petroleum value chain, targeted employment and skills transfer opportunities for youth and women, and collaboration with local training institutions to build long-term national capacity. The organization characterized local content as both a statutory obligation and a strategic investment.

699. Environmental governance was identified as a critical safeguard. CFPI called for comprehensive and participatory Environmental and Social Impact Assessments (ESIAs), enforceable mitigation and monitoring frameworks, and the integration of climate resilience and water stewardship into project planning and operations, noting Turkana's ecological sensitivity.

700. CFPI further highlighted Parliament's oversight responsibility in safeguarding the public interest. It encouraged the Committee to provide clear guidance on community benefit-sharing, local content implementation, and social investment obligations, while strengthening coordination between national and county governments.

701. Additionally, CFPI proposed strengthened compliance and accountability mechanisms, including oversight structures aligned with constitutional standards, human rights principles, and protections for vulnerable groups. It advocated for regular public reporting to enhance transparency and public trust.

702. In conclusion, CFPI supported ratification of the FDP and PSCs subject to full compliance with constitutional, legal, and policy requirements. The organization reiterated that implementation should prioritize shared prosperity, environmental stewardship, and inclusive community participation to ensure long-term sustainability.

5.3.12 Kenya National Chambers of Commerce and Industry – Turkana Chapter

703. The Kenya National Chamber of Commerce and Industry (KNCCI) Turkana Chapter submitted a memorandum to Parliament supporting the ratification of the South Lokichar Field Development Plan (FDP) and the revised Production Sharing Contracts (PSCs), while outlining key conditions it deemed necessary to ensure that oil development delivered meaningful and lasting benefits to the host county.

704. KNCCI Turkana acknowledged the national importance of achieving First Oil but emphasized that the long-term success of the project depended on whether it strengthened Turkana's economy, protected existing livelihoods, and ensured timely and fair benefit sharing with the local population.

705. On **fiscal terms and cost recovery**, the Chamber expressed concern over the proposed 85% cost recovery ceiling. While recognizing the investor's right to recover capital costs, it noted that maintaining this level throughout the project life would likely delay the realization of profit oil, thereby postponing the statutory 5% community share and 20% county share for many years. To address this, KNCCI proposed a "payback sunset clause" that would allow the 85% ceiling only during the initial three years of commercial production, after which it would revert to 65% to accelerate revenue flows to the county and host community.

706. **On trade transparency and oversight**, the Chamber affirmed that crude oil produced from Blocks T6 and T7 constituted a product of Turkana County. It proposed the use of the KNCCI Certificates of Origin as a complementary trade documentation tool to enhance traceability, transparency, and confidence in reported production volumes. This approach was intended to support accurate royalty calculations and strengthen trust among the operator, government, and the community, without duplicating existing regulatory systems.

707. Regarding **local content**, KNCCI stressed that local participation was a statutory obligation rather than a voluntary gesture. The Chamber proposed the adoption of a three-tier local content framework: reserving non-technical services primarily for Turkana-owned firms, requiring structured local equity participation in moderately technical services, and embedding succession planning and skills transfer in highly technical roles. This model was presented as a practical way to prevent procurement fronting and ensure genuine capacity building within the county.

708. On **livelihoods and livestock protection**, KNCCI emphasized that pastoralism remained the backbone of Turkana's economy and supported the majority of the population. It argued that oil development needed to coexist with, rather than undermine, livestock production. The Chamber therefore called for dual-use infrastructure, particularly the inclusion of livestock watering points along the Turkwel–Lokichar water pipeline, mandatory local meat sourcing for oil camps, rangeland restoration measures, and the mapping of grazing routes to minimize long-term disruption of pastoral systems.

709. With respect to **refugee–host integration**, the submission aligned the FDP with the Government of Kenya's Shirika Plan. KNCCI viewed the refugee population in Turkana West as an economic asset rather than a burden and recommended that oil-related infrastructure and procurement frameworks support integrated trade corridors, shared markets, and joint host–refugee enterprises, positioning Turkana as a regional trade gateway.

710. On **infrastructure legacy**, the Chamber argued that oil-related investments should not operate as isolated industrial facilities. It proposed that power, water, roads, telecommunications, and logistics infrastructure developed under the FDP should serve as long-term enablers for the wider Turkana economy. Key recommendations included subsidized host-community energy tariffs, shared water access, a contractor-funded road maintenance fund, and improved digital connectivity to support local businesses.

711. Regarding **capacity and readiness**, KNCCI rejected claims that Turkana lacked the business or workforce capacity to support the oil project. The Chamber presented evidence of locally based firms, trained technicians, and certified professionals who were already capable of participating in the petroleum value chain. It is committed to supporting implementation through firm vetting, facilitation of joint ventures, and maintenance of a local skills database.

712. In conclusion, KNCCI Turkana supported the ratification of the FDP and PSCs on the understanding that they would be treated as a shared economic blueprint rather than a purely technical extraction plan. The Chamber urged Parliament to condition approval on fiscal fairness, enforceable local content measures, transparent trade traceability, protection of pastoral livelihoods, and inclusive regional development. The submission underscored that oil development had the potential to transform Turkana only if it was managed in a manner that respected local economies, built lasting capacity, and delivered tangible benefits to the host community in a timely and equitable way.

5.3.13 The Kraal Elders and Community Leaders of Aroo Sub-County

Mr. Munyes Joseph, on behalf of Kraal Elders and Community Leaders, submitted a memorandum to the Joint Committee and appreciated the opportunity to present their views on the South Lokichar Field Development Plan (FDP). He submitted as follows:

713. On **waste management**, the community noted that the plan proposes 48 waste wells, yet only five have been identified, and none have been named publicly. The remaining wells are yet to be located. The community strongly called for strict public participation in identifying these sites, citing the Lomokamar incident as a painful reminder of the consequences of poor consultation and environmental oversight.

714. On **social issues**, the submission highlighted gaps in how land, livelihoods, and community well-being are addressed. Compensation for grazing land, they argued, should be guided by a Community Grazing Agreement that reflects local realities, rather than relying solely on national templates. The FDP was also faulted for failing to clearly outline proactive community health, safety, and security programmes, especially measures to manage social pressures such as the influx of speculative migrants into nearby towns and villages.

715. Regarding **cultural heritage**, the community expressed concern that the FDP does not define what constitutes cultural heritage, nor does it include the management plans for sacred sites that it claims exist. The elders insisted that these plans must be shared openly so the community can understand and interrogate how their heritage will be protected.

716. On **local content**, the community welcomed the idea of the "Wheel of Opportunity" but noted that it remains largely theoretical. They called for practical measures such as vocational training, apprenticeships, and deliberate skills development. They also raised concerns about weak enforcement of local content policies and tensions between traditional and modern governance systems, proposing that elders be formally recognized and consulted through structures like the Community Land Management Committees.

717. In terms of **employment and procurement**, the community proposed clear local participation thresholds: all unskilled and semi-skilled jobs should go to locals, while at least half of skilled positions should be filled locally or nationally. For procurement, particularly trucking in Phase I, they recommended increasing local participation from 33% to 50%, distributed fairly across sub-counties, to address historical marginalization.

718. The submission also raised serious concerns about **water use**, noting that government plans around water sourcing and allocation have not been adequately shared or discussed, despite the significant implications for the project and the community, especially given that much of the land in Aroo Sub-County remains unregistered.

719. On **cost recovery and land impacts**, the community emphasized that oil operations overlap with areas of deep cultural, spiritual, and livelihood significance. Sacred sites, archaeological remains, intangible heritage, grazing routes, and fishing areas have not been clearly mapped or demarcated. This issue is closely linked to the broader challenge of unregistered community land.

720. The elders firmly stated that **unregistered land is still protected under the Constitution and the Community Land Act**. Aroo Sub-County land is community land held under customary law, and its lack of registration does not diminish the community's rights or ownership.

721. The community further demanded adherence to the **mandatory benefit-sharing framework under the Petroleum Act, 2019**, which allocates 5% of revenues to host communities. They proposed that this benefit be delivered through cash payments, community trust funds, livestock and livelihood programmes, or a combination of these, recognizing the real disruptions caused by pipelines, roads, and oil infrastructure.

722. They also called for **Community Development Agreements (CDAs)** with all oil operators, clearly spelling out jobs, training, community projects, pastoral support, management of community funds, and transparent auditing mechanisms.

723. In conclusion, the community reaffirmed that they support responsible oil development but stressed that development must respect community land rights, livelihoods, and cultural heritage. They urged the Ministry of Energy and all partners to recognize affected community members, conduct transparent land inquiries, compensate not just for land but also for livelihoods and cultural loss, and actively support community land registration.

5.3.14 Mr. Lokuruka Jonah Namulen

Mr. Lokuruka Jonah Namulen submitted written memoranda on the proposed Field Development Plan (FDP) and the applicable Production Sharing Contracts (PSCs), raising the following key concerns and proposals:

724. Alignment of FDP Approval with County Development Frameworks: Mr. Namulen proposed that approval of the FDP should be aligned with existing county development and governance instruments, including: County Integrated Development Plans (CIDPs); County Spatial Plans; and Local peace, security, and conflict resolution frameworks.

725. Independent Social Performance Review: Parliament should support the establishment or designation of independent social performance reviewers, drawn from accredited professional bodies, to advise regulators during the FDP approval process. In the case of

Turkana County, he proposed the Social Performance Professionals Association (SPPA) as a suitable body.

726. Legally Enforceable Social Commitments: Social obligations contained in FDPs should be made legally enforceable. In particular, such commitments should be: clearly costed; time-bound; and subject to periodic reporting to Parliament and County Governments.

727. Strengthening Local Content and Workforce Transition Planning: FDPs should include clear provisions for strengthening local content and workforce transition planning, including:

i. Progressive localization targets;
ii. Skills development and certification pathways; and
iii. Post-project socio-economic transition plans.

728. Role of the National Assembly: Mr. Namulen further urged that the National Assembly should:

i. Exercise enhanced oversight over the approval and implementation of FDPs;
ii. Review existing petroleum, mining, and energy legislation to embed social performance standards;
iii. Ensure effective intergovernmental coordination between the National Government and County Governments; and
iv. Protect community rights while safeguarding national economic interests.

5.3.15 Submission by Akide Professionals' Association

The Akide Professionals Association, representing the interests of the Turkana South community submitted a formal memorandum to the Joint Committee regarding the South Lokichar Field Development Plan (FDP).

729. The Association acknowledged the technical progress of Project Oil Kenya but raised significant concerns that the current plan prioritized commercial objectives over the fundamental rights of local residents. The memorandum asserted that the community's social license to operate remained contingent upon a transition from corporate-centric "enablers" to a model of genuine partnership and shared prosperity.

730. The Association highlighted critical vulnerabilities regarding land, water, and traditional pastoralist livelihoods. They noted that the proposed development area overlapped with vital ancestral lands and water sources, leading to demands for an overhauled land acquisition process rooted in Free, Prior, and Informed Consent (FPIC). Furthermore, they insisted on the legal primacy of community water rights over industrial use, requiring that the operator establish new, sustainable water sources for the community before beginning any project-related abstraction. To safeguard the local ecosystem, the group also called for the creation of an independent, project-funded environmental watchdog accountable to the community.

731. Economic equity and transparent benefit-sharing were central to the Association's demands. The memorandum criticized the FDP's lack of detail regarding the community's share of oil revenue and requested that Parliament enact a clear law for the direct transfer of funds to a community-managed trust. Additionally, the Association made the approval of the FDP conditional on the negotiation of a legally binding Community Development Agreement (CDA) to secure long-term investments in health, education, and infrastructure. They further urged the Committee to mandate rising employment quotas for local Turkana professionals and to enforce preferential procurement for local businesses.

732. The reporting concluded with a call for integrated infrastructure planning that prioritized the long-term well-being of the people over the logistical needs of the oil project. The Association recommended that the Committee suspend FDP approval until a comprehensive legal framework for community rights was established. They proposed the formation of a parliamentary-led tripartite task force comprising national and county government, the operator, and community representatives to oversee the implementation of these frameworks and ensure the project did not lead to further marginalization.

5.3.16 Submission by Bentworth Energy.

733. Bentworth Energy Limited submitted a memorandum to provide expert oversight and technical perspective on the South Lokichar Basin oil development program. Drawing on over a decade of experience as a Kenyan oilfield services provider, the company outlined the strategic economic potential of the project while highlighting critical policy gaps and operational risks that necessitated legislative attention. The report detailed a phased development approach for six commercial discoveries including Ngamia and Amosing aiming for an initial production of 20,000 barrels per day (bpd), eventually scaling to 50,000 bpd.

734. The memorandum emphasized the significant scale of the project, noting a planned upstream capital expenditure exceeding USD 5.7 billion over a 25-year timeline. Bentworth observed that while the basin's resources offered a long-term revenue stream, the transition from road-based trucking in Phase 1 to rail transport in Phase 2 presented substantial logistical challenges. Specifically, concerns were raised regarding the capacity of national trunk roads to handle heavy traffic, the readiness of storage systems at the Kenya Petroleum Refineries Limited (KPRL), and the overall safety and environmental risks associated with high-volume crude transport.

735. Environmental and social governance (ESG) emerged as a primary focus, with the company identifying high sensitivities in water sourcing from the Turkwel Dam and the complexities of land acquisition within Turkana communities. Bentworth urged the Senate to strengthen monitoring frameworks for the implementation of Environmental and Social Impact Assessments (ESIA) and grievance resolution. Additionally, the report highlighted the immense technical requirements of the project, which involved drilling over 900 wells and managing significant water injection needs, and cautioned that these operations must not compromise local water security or environmental sustainability.

736. Finally, the memorandum addressed the critical need for robust local content and economic inclusion. While acknowledging the Field Development Plan's (FDP) targets for a local workforce and reserved trucking fleets for Turkana suppliers, Bentworth recommended that the Senate establish enforceable minimum local content thresholds and mandatory annual audits. The company concluded by suggesting the creation of a dedicated Senate Oversight Committee and a national oilfield supply-chain registry to ensure that Kenyan small and medium enterprises (SMEs) could effectively participate in and benefit from this historic resource opportunity.

5.3.17 Submission by Energy Governance Platform

The Energy Governance Platform (EGP), representing a network of fifteen civil society organizations, submitted a formal memorandum on the proposed Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for the South Lokichar Basin. The EGP expressed significant reservations concerning the legal, fiscal, and environmental frameworks of the project.

737. A key legal concern was the distinction between ratifying an FDP and ratifying a contract under Article 71 of the Constitution; the EGP argued that Parliament must first ratify the new contract before it can legally consider approving the FDP. Furthermore, they urged Parliament to investigate the beneficial ownership of the entities involved specifically Gulf Energy and Auron Energy to ensure the parties possess the necessary financial and technical competence required by the Petroleum Act.

738. The memorandum also highlighted critical fiscal risks, particularly the proposal to increase the cost recovery ceiling from 65% to 85%. The EGP cautioned that under lower production levels, such an increase would likely eliminate meaningful revenue for Kenya for an extended period, as seen during previous "early oil" phases where exploration costs threatened to absorb all net gains. They further questioned the prudence of granting extensive tax waivers on VAT and import levies, noting that these exemptions could shift the project's financial burden onto public funds. On the operational side, the EGP noted a significant economic loss in the chosen means of production, pointing out that delivering oil by road costs approximately $20 per barrel compared to $6 via pipeline, a $14 loss per barrel that they described as sacrilegious given the country's current fiscal deficits.

739. Environmental and resource management issues formed the final pillar of the EGP's submission. The platform raised alarms regarding water security in the Turkana region, criticizing the plan to rely on ten existing boreholes in an area already suffering from water scarcity. Additionally, they noted a concerning absence of reservoir monitoring components in the development plan. The EGP warned that Gulf Energy's lack of established experience in upstream extraction could lead to short-term extraction strategies that might permanently damage the reservoirs and undermine the long-term sustainable exploitation of Kenya's natural resources.

5.3.18 Submission by GEMA Watho Association

The GEMA Watho Association, a professional organization primarily comprising legal practitioners and advocates, submitted a comprehensive memorandum on the Field Development Plan and Production Sharing Contracts (PSCs).

740. The Association argued that while the Production Sharing Contracts for Blocks 10BB and 13T in the South Lokichar Basin provide a baseline for petroleum activities, they are fundamentally outdated, having been executed under the repealed 1986 legislation. They advised that the current framework fails to integrate the progressive mandates of the Petroleum Act, 2019, risking the entrenchment of a resource curse characterized by environmental degradation and community marginalization in Turkana.

741. A primary focus of the memorandum was the controversial 2025 amendments that reportedly raised cost recovery limits to 85%, a move the Association described as a threat to timely government revenue. To counter this, they recommended reinstating a strict 60% annual cost recovery cap and mandating independent third-party audits to prevent fraudulent cost inflation. Furthermore, the Association insisted on the immediate operationalization of the 2019 Act's revenue-sharing formula allocating 75% to the national government, 20% to the county, and 5% to local communities to be managed through an independently audited community trust fund.

742. The Association also highlighted significant gaps in government oversight and local economic inclusion. They proposed increasing the state's carried interest to 25% and requiring explicit parliamentary approval for any transfer of interests to prevent opaque asset flipping, citing Tullow Oil's 2025 exit as a point of concern. On local content, the memorandum called for enforceable quotas, including an 80% Kenyan workforce and 50%

local procurement of goods and services. These measures were framed as essential to moving beyond the vague "if competitive" preferences of the original contracts which have historically limited benefits for Kenyan businesses.

743. Finally, their submission addressed urgent environmental and health safeguards in light of documented harms in Turkana, such as contaminated groundwater and rising rates of renal disease. The GEMA Watho Association demanded the inclusion of strict liability for pollution, zero-routine flaring policies, and binding Community Development Agreements (CDAs). They concluded by advocating for a triennial review mechanism to ensure the PSCs remain adaptable to evolving national development goals and global sustainability standards.

5.3.19 Submission by the Kenya Oil and Gas Working Group (KOGWG)

The Kenya Oil and Gas Working Group (KOGWG), submitted a formal memorandum detailing substantive governance, fiscal, and environmental concerns regarding the Addendum to the Production Sharing Contract (PSC) and the South Lokichar Field Development Plan (FDP).

744. The Group emphasized that while oil production is a long-standing national objective, the current contractual amendments were structured in a manner that expanded fiscal concessions and cost recovery entitlements without sufficient public disclosure or demonstrable participation.

745. A key focus of the memorandum was the contractual secrecy surrounding the PSCs, which the KOGWG argued was inconsistent with Articles 10, 69, and 71 of the Constitution. The Group specifically criticized the lack of transparency in the reconstitution of petroleum blocks and the Selective disclosure of material addenda, which they claimed undermined the oversight mandate of Parliament. To address this, they recommended that the Ministry of Energy and Petroleum be compelled to publish full, consolidated versions of the PSCs to ensure that stakeholders can clearly understand what rights or obligations are being modified.

746. From a fiscal perspective, the KOGWG raised alarms over the proposal to increase the annual cost recovery cap from 65% to 85%. They argued that such a high ceiling would significantly delay the State's receipt of profit oil and create incentives for contractors to inflate recoverable costs. Furthermore, the memorandum highlighted that broad tax exemptions for imported goods and foreign services create a structural disadvantage for Kenyan enterprises, effectively undermining national local content objectives and limiting opportunities for technology transfer.

747. The Kenya Oil and Gas Working Group (KOGWG) presented several technical and governance-based justifications for maintaining the annual cost recovery cap at 65%. They argued that this ceiling is essential for ensuring that the State begins to receive its share of profit oil in a timely manner, rather than allowing public benefits to be deferred for many years through excessive cost oil deductions. Furthermore, the group asserted that a lower cap strengthens fiscal discipline by reducing the incentive for contractors to "gold-plate" or inflate recoverable costs, thereby making procurement controls and audits more credible and enforceable. As part of this fiscal oversight, the memorandum specifically warned against broadening the definition of Capital Expenditure (CAPEX) to include indirect administrative costs or management fees, noting that such an expansion would further delay the realization of public revenue.

748. In addition to fiscal matters, the KOGWG introduced sophisticated oversight requirements regarding environmental and human rights protections. They maintained that the Field Development Plan (FDP) must explicitly address risks to land rights, water access, and labor conditions through a robust Human Rights Due Diligence (HRDD) framework. The group also demanded a standalone water security plan, approved by the Water Resources Management Authority (WRMA) and county governments, which would prioritize domestic and livelihood water use over industrial requirements. To protect the State from long-term liabilities, they recommended that contractors be legally mandated to post environmental performance bonds to cover the costs of potential spills, contamination, and decommissioning.

749. Finally, the memorandum addressed the intersection of infrastructure and local content, expressing concern that blanket tax exemptions on imported goods create a structural disadvantage for Kenyan enterprises. The KOGWG observed that such exemptions make imports cheaper than locally supplied alternatives, which undermines national goals for technology transfer and capacity building. To remedy this, they recommended that fiscal incentives be restricted to specialized capital goods unavailable locally and that any tax exemptions be strictly conditioned on demonstrable compliance with approved local content plans, including specific targets for local procurement and employment.

5.3.20 Submission by Miriam Osogo

Ms. Miriam Osogo submitted a formal memorandum raising strong objections to the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for Blocks T6 and T7 in the South Lokichar Basin.

750. Invoking Article 118 of the Constitution regarding public participation, she argued that these agreements must undergo rigorous parliamentary scrutiny and ratification under Article 71 to protect the public interest. Her submission focused on what she characterized as systemic threats to Kenya's sovereign control over its natural resources.

751. A primary concern detailed in the reporting involved the lack of transparency surrounding the project's ownership. Miriam Osogo noted that Gulf Energy, which took over from Tullow Oil, underwent multiple changes in name and ownership structure within a remarkably short timeframe, sometimes just days before receiving government approval. She argued that these rapid shifts were suspicious and appeared designed to obscure the true beneficial owners of the entities tasked with producing Kenya's oil.

752. The memorandum also highlighted significant fiscal revisions made on November 25, 2025, which Osogo contended would severely diminish the economic benefits for Kenyans. She specifically criticized the amendment that increased maximum recoverable petroleum costs from 55% to 85%, alongside a broadened definition of capital expenditure. By reclassifying operational expenses such as labor, fuel, and maintenance as capital expenditure, the agreement effectively allowed private entities to recover nearly all costs before any profit-sharing with the state could occur.

753. Furthermore, Osogo reported that the current agreement appeared to exempt Gulf Energy from complying with Kenya's local content laws. She maintained that this was a direct violation of the Petroleum Act, 2019, which requires the prioritization of Kenyan labor, goods, and services. In her concluding requests, she urged the Senate to suspend the ratification of the FDP and PSCs, reverse the detrimental fiscal amendments, and enforce full legal compliance and public disclosure to ensure the nation's resources benefit its citizens rather than private interests.

5.3.21 Submission by Muchemi Ndiang'ui

Mr. Muchemi Ndiang'ui, writing on behalf of the Kenya National Interface Team (KNIT), submitted a formal memorandum on the South Lokichar Basin's development framework. The submission was made in accordance with Article 118 of the Constitution and the Petroleum Act, providing a response to the proposed Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for Blocks T6 and T7. While the team adhered to the Senate's specified notice period, they noted that the extreme technical complexity of the documents which exceeded 500 pages required a detailed analysis that was still ongoing at the time of this initial submission.

754. The report indicated that KNIT's primary recommendation was for the Senate to reject the current FDP and PSCs as they were presented. This position was grounded in what the team described as forensic evidence of structural risks across commercial, infrastructural, and fiscal dimensions. The memorandum asserted that the documents, in their current form, did not sufficiently protect the nation's interests and required a more thorough evidenced review before any formal endorsement could be considered.

755. Furthermore, the submission clarified that if the Committee chose to move forward with an approval despite these objections, such an endorsement should be strictly contingent upon the adoption of binding conditions designed to safeguard the Kenyan public interest. Mr. Ndiang'ui concluded the correspondence by offering the Kenya National Interface Team's availability for further clarifications or direct engagement to assist the Committee in its upcoming deliberations.

5.3.22 Submission by Rael Munquu Mue

Ms. Rael Munquu Mue, acting as a private citizen, submitted a memorandum on the following issues;

756. Ms. Rael framed her concerns around the constitutional mandate for citizen input, transparency, and accountability in the management of Kenya's natural resources. She expressed a desire to see petroleum development contribute to the national economy, but only if it could guarantee the safety of locals, protect delicate ecosystems, and ensure fair benefit-sharing.

757. A significant portion of Rael's memorandum focused on community rights and environmental risks. She questioned whether the host societies would receive tangible advantages and if community development plans had clear timelines. She recommended that the Senate ensure benefit-sharing systems were legal and enforceable, treating locals as active stakeholders rather than mere observers. Regarding the environment, she highlighted threats to water sources, pastoral livelihoods, and grazing land. She urged that a complete Environmental and Social Impact Assessment (ESIA) be circulated separately before approval, detailing specific mitigation and compensation measures.

758. Furthermore, Rael emphasized the need for transparency in the Production Sharing Contracts. She argued that the populace and Parliament needed clarity on revenue-sharing formulas, cost-recovery provisions, and state liabilities. She recommended that the terms of the PSCs be explained in plain language to the general public and that independent experts be consulted by Parliament. Finally, she addressed local content, insisting that oil exploration should translate into commercial opportunities for Kenyans, particularly the Turkana people. She called for distinct employment quotas, comprehensive skills transfer, and the promotion of local suppliers to strengthen the regional economy.

5.3.23 Submission by Sammy Sisungo

Mr. Sammy Sisungo submitted a formal memorandum offering his views as a private citizen on the proposed oil development in Blocks T6 and T7.

759. Identifying himself as a policy thinker and economic liberator, Sisungo grounded his submission in the constitutional principles of public finance and integrity. His primary objective was to ensure that the ratification of the Field Development Plan (FDP) and associated Production Sharing Contracts (PSCs) did not facilitate state capture or prioritize private interests over the welfare of the Kenyan people.

760. A significant portion of the memorandum was dedicated to fiscal objections, specifically regarding the reported increase in maximum recoverable costs from 55% to 85%. Sisungo argued that this cap violated Article 69 of the Constitution, which mandates the equitable sharing of accruing benefits, by effectively allowing the contractor to take the lion's share of revenue while leaving the public with negligible profit oil. He further contended that this high cost-recovery rate burdened the current generation while delaying benefits for the future, a direct contradiction of the principles of public finance outlined in Article 201. Consequently, he urged the Senate to reject any contract permitting such a high recoupment rate.

761. The submission also scrutinized the reclassification of operational costs such as labor, fuel, and repairs as "Capital Expenditure" under the amended Clause 27(2)(b). Sisungo warned that this unusual reclassification undermined the Auditor General's mandate under Article 229 by blurring the lines between long-term investment and daily running costs.

762. He argued that this lack of clarity would make "gold-plating," or the artificial inflation of costs, invisible to state auditors, thereby allowing the contractor to recover daily expenses under the guise of investment. To preserve fiscal accountability, he recommended that the Senate restrict the definition of Capital Expenditure strictly to physical infrastructure.

763. Regarding economic inclusion and governance, Sisungo demanded strict adherence to the Petroleum Act of 2019 and the Local Content Bill of 2025. He proposed specific thresholds, including an "80/20 Rule" requiring 80% of the workforce to be Kenyan citizens and a mandate that at least 60% of goods and services be sourced from Kenyan firms.

764. Finally, citing the Right to Information under Article 35 and the integrity requirements of Chapter Six, he called for full disclosure of the project's beneficial ownership. He specifically recommended that the Senate direct the Financial Reporting Centre (FRC) to table a report on the "Know Your Customer" details of the new owners prior to any ratification to rule out potential conflicts of interest involving state officers.

5.3.24 Submission by Zikhara Solutions Ltd

Zikhara Solutions Ltd, a fully Kenyan-owned oilfield services company, submitted a detailed memorandum on the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) for Blocks T6 and T7.

765. As a stakeholder with direct operational experience in the earlier phases of the Turkana Oil Project, the company provided a unique perspective focused on industrial capacity and supply chain continuity. They reported having previously supplied oil-field production chemicals, personal protective equipment (PPE), and environmental monitoring solutions to the project. Drawing from this experience, they highlighted the project's proven ability to stimulate economic activity, noting that during their engagement, 50% of their site

workforce had been recruited directly from Turkana County, with the remainder comprising Kenyan nationals from other regions.

766. The submission argued that the South Lokichar Basin represents a strategic upstream resource essential for national revenue, export earnings, and regional energy competitiveness. Zikhara Solutions observed that the recent slowdown in project activity had materially affected local livelihoods, disrupted business ecosystems, and eroded investor confidence in the region. Consequently, they characterized the approval of the FDP as a critical opportunity to unlock long-term investment certainty and restore economic stability to Turkana. They asserted that disciplined implementation of the contracts would reinforce business confidence among the national and regional enterprises that support the sector.

767. While expressing strong support for the project's advancement, the company attached a specific annex of formal recommendations to ensure sustainable national participation. They proposed that the Operator be required to submit a "Local Content Implementation Plan" prior to the commencement of major project phases, which would detail specific categories of goods and services to be sourced locally. Furthermore, to protect smaller local businesses, they recommended the implementation of a "Supplier Development and Inclusion Framework" that would mandate open registration and reasonable payment terms for qualifying SMEs.

768. Finally, the memorandum addressed environmental and social governance, urging that all activities conform to standards prescribed by the National Environment Management Authority (NEMA). Zikhara Solutions recommended that independent environmental audits be undertaken at legally prescribed intervals, with non-confidential findings made accessible to stakeholders to ensure transparency. They concluded by stating that with these strengthened oversight mechanisms in place, the project could once again serve as a catalyst for skills development, enterprise growth, and national economic value retention.

5.3.25 Submission by Professor PLO-Lumumba, SC

Professor PLO-Lumumba, SC, submitted a memorandum on the proposed Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in Turkana.

769. He argued that natural resources are a constitutional trust held by the State for present and future generations, not mere economic assets. He stated that Article 71 imposes a substantive duty on Parliament to approve resource agreements, and that ratification is the moment when the people assert ultimate authority over their inheritance.

770. He submitted that the Senate bears heightened responsibility regarding historically marginalised regions like Turkana, serving as the constitutional conscience of territorial equity.

771. He submitted that the FDP and PSCs are functionally inseparable and together constitute a comprehensive regime whose implications will extend beyond the present generation. He expressed concern that parliamentary approval risks degenerating into formalistic ratification, where agreements are politically committed before reaching Parliament, leaving genuine scrutiny narrowed, and oversight collapsed into choreography.

772. He argued that constitutional scrutiny demands interrogation of whether the development model aligns with national interest, not merely project profitability. On infrastructure, he questioned whether it would serve enduring public utility or leave behind stranded assets. On the environment, he stated that Article 69 requires sustainable

exploitation, with harm minimised at source and remediation adequately funded. On decommissioning, he argued that end-of-life considerations must be integrated from inception.

773. He submitted that PSCs bind the Republic for decades and warrant exacting scrutiny. On revenue allocation, he argued that high-cost recovery ceilings postpone State benefit indefinitely. On stabilisation clauses, he expressed concern that they may freeze regulatory space and impair Kenya's sovereign capacity to legislate in the public interest. On dispute resolution, he noted that removing disputes from domestic legal systems distances public accountability from public consequence.

774. He argued that Turkana communities are constitutional rights-holders, not peripheral stakeholders. He stated that the Constitution recognises rights to a clean environment, property, development, and participation, which require structured inclusion and enforceable entitlements, not episodic consultation.

775. He submitted that petroleum extraction converts natural capital into financial capital, with the risk that gains dissipate while environmental damage endures. He argued that Parliament stands as the institutional voice of future citizens and must ask whether proceeds fund long-term public goods rather than short-term consumption.

776. He argued that access to information is the precondition for every other constitutional safeguard. He submitted that the Senate has the authority to demand disclosure and condition approval on openness.

777. He urged the Senate to choose constitutional courage over expedience, insisting that development occur on terms that honour sovereignty, protect communities, safeguard the environment, and respect future generations. He submitted that legitimacy depends on trust, fairness, and constitutional fidelity, not speed or scale.

5.3.26 Submission By Ms. Centrina Otieno, a Concerned Kenyan Citizen

Ms. Centrina Otieno submitted a memorandum raising constitutional and legal objections to the proposed Field Development Plan and Production Sharing Contracts for Blocks T6 and T7.

778. She expressed grave concern over rapid ownership changes of the operating company (Gulf Energy, formerly Tullow Oil) shortly before FDP approval. She argued this raises questions on beneficial ownership transparency, contrary to Articles 10 and 73 of the Constitution.

779. She drew attention to the 25th November 2025 amendment increasing maximum recoverable cost from 55% to 85%. She stated this fundamentally undermines Kenya's entitlement to petroleum revenues and appears inconsistent with Article 71, which requires natural resource agreements to secure clear benefit to Kenyans.

780. She noted that amendment of Clause 27(2)(b) now expansively defines capital expenditure to include labour, fuel, maintenance, hauling, supplies, and decommissioning costs. She argued this creates a fiscal structure where nearly all revenues may be treated as recoverable costs, defeating the purpose of profit oil.

781. She expressed disappointment over the project's exemption from Local Content legislation. She stated this undermines Section 6 of the Petroleum Act and violates Articles 201 and 232 on equitable economic development.

782. She submitted that public participation was not meaningful or adequate for affected Turkana communities, contrary to Articles 10 and 118 requiring informed and inclusive engagement.

783. She argued the FDP insufficiently addresses environmental protection, land rights, and community livelihood risks, raising concerns under Articles 42 and 69.

784. She stated the framework lacks clarity on equitable revenue sharing between the National Government, the County Government, and local communities, contrary to Articles 202 and 203.

785. She urged the Senate to decline ratification of the current FDP and PSCs, or require substantial renegotiation to ensure transparency, constitutional compliance, local content protection, environmental sustainability, and fair economic returns for Kenyans.

5.3.27 Submission by Mr. Brian Kipchumba Maiyo

Mr. Brian Maiyo, an industrial sector professional, presented a memorandum pursuant to constitutional and statutory provisions on public participation in natural resource agreements.

786. He expressed conditional support for the commercialization of Kenya's oil resources while urging the Committee to address concerns relating to fiscal safeguards, local participation, environmental protection, and contractor capacity. The submission framed these issues as essential to ensuring transparency and long-term national benefit.

787. The memorandum raised concern over reports that the recoverable cost ceiling may have increased from 65 percent to 85 percent. The submitter argued that such an adjustment could delay government profit realization and reduce early public returns. He recommended that the Committee require an independent audit of recoverable costs to guard against inflated claims and protect fiscal integrity.

788. The submission questioned whether the FDP clearly specified Kenyan participation in employment and subcontracting. The submitter recommended that legally binding local content provisions be embedded in the development framework, including defined participation quotas for firms based in Turkana and West Pokot to ensure meaningful regional inclusion.

789. The memorandum highlighted environmental risks associated with transporting waxy crude oil, emphasizing the need for transparent ecological oversight. The submitter urged that environmental impact assessments be publicly disclosed before ratification to enable informed scrutiny and community assurance.

790. The submission stressed the importance of safeguarding benefits intended for host communities. The submitter proposed establishing an independent revenue oversight mechanism that includes community representation to monitor allocations and enhance accountability.

791. The memorandum also referenced the transition of operatorship to Gulf Energy E&P BV, noting public questions regarding technical and financial capacity following the exit of prior operators. The submitter encouraged due diligence review to maintain investor confidence and operational reliability.

792. The submission concluded that oil commercialization should proceed in a manner that protects transparency, environmental responsibility, and equitable economic participation. The submitter positioned his recommendations as safeguards to align petroleum development with national long-term interests.

5.3.28 Submission by Mr. Kelvin Nyaribo Jomo

793. Mr. Kelvin Nyaribo registered formal reservations regarding the Field Development Plan (FDP) and associated Production Sharing Contracts (PSCs) for Blocks T6 and T7 in the South Lokichar Basin. His memorandum urged the Committee to subject the agreements to heightened scrutiny, arguing that recent contractual and corporate developments raised concerns about ownership transparency, fiscal balance, and compliance with domestic legal frameworks. The submission framed these issues as matters of public interest requiring parliamentary oversight.

794. The memorandum questioned rapid corporate transitions involving the contractor identified as Gulf Energy E&P BV. The submitter argued that compressed ownership changes occurring near the period of government approval created uncertainty regarding beneficial ownership and raised concerns about transparency. He maintained that such opacity could undermine public trust and warranted full disclosure and verification by the Committee.

795. The submission objected to a contract variation that increased the recoverable cost ceiling from 55 percent to 85 percent. The submitter argued that this shift materially altered the fiscal balance of the PSC framework by reducing the share of petroleum revenues accruing to the State. He framed the amendment as inconsistent with the constitutional expectation that natural resource agreements safeguard the national interest.

796. Related concerns were raised about amendments broadening the definition of capital expenditure to include operational costs such as labour, fuel, and maintenance. According to the submission, this change risked inflating recoverable expenses and reducing net public benefit.

797. The memorandum expressed concern that the project structure could effectively exempt the contractor from domestic local content requirements. The submitter argued that any such exemption would weaken legislative intent to promote local employment, supplier participation, and skills development, thereby undermining confidence in the regulatory framework.

798. Taken collectively, the submitter interpreted the ownership changes, fiscal amendments, and regulatory concerns as indicators of weak governance safeguards. He urged Parliament to assert its oversight role to ensure transparency, fiscal equity, and protection of public resources.

799. The submission called for beneficial ownership disclosure, reconsideration of the revised cost recovery ceiling, restoration of clearer expenditure classifications, enforcement of local content obligations, and public hearings in Turkana County to facilitate community participation.

800. The memorandum concluded that petroleum development should proceed only under arrangements that demonstrate transparency, accountability, and equitable benefit sharing, consistent with constitutional principles and public expectations.

5.3.29 Submission by Mr. Sani Nzevela

801. Mr. Sani Nzevela provided a strategic review of the South Lokichar Basin Field Development Plan and attached a draft policy-style government response memorandum. The submission approached the FDP from a national economic perspective, acknowledging its technical and commercial strength while arguing that its current structure emphasized export-led production with limited domestic value capture. The memorandum framed petroleum development as an opportunity for industrial policy, capital market deepening, and citizen participation in national wealth creation.

802. He acknowledged that the FDP was technically robust, commercially bankable, and structured to support phased development. He noted that the production profile, engineering planning, and fiscal alignment were sufficient to attract investor confidence and support a final investment decision.

803. However, the analysis argued that the plan primarily facilitated crude export rather than integrated domestic industrial development. According to the submission, this approach risked perpetuating Kenya's reliance on refined fuel imports while limiting downstream value addition and capital formation.

804. The memorandum highlighted four principal gaps:

i. Export-oriented structure: Crude export was prioritized over domestic refining and value addition.
ii. Limited refining strategy: Existing infrastructure, including facilities associated with Kenya Petroleum Refineries Limited, was treated as logistical rather than industrial assets.
iii. Externalised financing: Project capital structures were largely dependent on foreign investors and debt, with minimal domestic participation.
iv. Restricted citizen ownership: Local content provisions focused on employment and procurement, with limited avenues for Kenyan capital participation.

805. He argued that these gaps constrained long-term national economic benefits and intergenerational wealth creation.

806. Through a draft government response framework, the submitter proposed aligning FDP implementation with a broader industrial and financial strategy. Key proposals included:

i. Phased development that incorporated domestic refining capacity and product processing.
ii. Sovereign-backed participation in midstream and refining infrastructure through special purpose investment vehicles.
iii. Structured capital market participation via listings on the Nairobi Securities Exchange to enable pension funds, institutional investors, and citizens to invest in petroleum infrastructure.
iv. Integration of associated gas into domestic energy and industrial uses.

807. These measures were framed as investor-compatible reforms designed to retain fiscal stability while expanding domestic economic participation.

808. The submission emphasized maintaining investor confidence through predictable timelines, respect for fiscal stability provisions, and non-interference with contractor operatorship. The proposed framework sought to balance national industrial objectives with contractual certainty.

809. The memorandum concluded that while the FDP was technically sound, Kenya risked missing broader economic opportunities if development remained export-focused. The submitter positioned domestic refining, sovereign investment participation, and capital market integration as pathways to convert petroleum production into long-term national capital formation and economic resilience.

5.3.30 Submission by Mr. Justus Atuti

810. Mr. Justus Atuti presented a memorandum opposing what he described as an opaque process surrounding the Turkana Oil Field Development Plan (FDP) and associated Production Sharing Contracts (PSCs) for Blocks T6 and T7 in the South Lokichar Basin. The submission was grounded in constitutional provisions on transparency, access to information, environmental stewardship, and parliamentary oversight. The memorandum argued that meaningful public participation required full disclosure of ownership, fiscal terms, and benefit-sharing arrangements before ratification could be considered.

811. He anchored his arguments in constitutional principles relating to transparency, accountability, and equitable resource management. He maintained that parliamentary approval under Article 71 must follow informed public participation and access to relevant information. Any process perceived as withholding critical contractual or ownership details was presented as inconsistent with constitutional obligations and statutory intent.

812. The memorandum raised concerns regarding corporate restructuring involving Gulf Energy E&P BV following its assumption of responsibility for the FDP. The submitter argued that rapid ownership changes raised legitimate questions about beneficial ownership disclosure and potential conflicts of interest. He urged the Committee to require full documentation relating to ownership transfers, due diligence processes, and regulatory approvals to safeguard public trust and compliance with integrity standards.

813. The submission questioned how the contractor emerged as the lead entity after prior operators and called for clarity on whether statutory procurement and petroleum laws were fully followed. The submitter emphasized the importance of transparent evaluation criteria, capacity assessments, and regulatory compliance to maintain legitimacy in strategic resource transactions.

814. The memorandum expressed concern about reported amendments increasing cost recovery limits and broadening recoverable expenditure categories, warning that such provisions could significantly delay public revenue realization. The submitter also questioned whether any contractual arrangements exempted the project from domestic local content obligations. These issues were framed as matters of fiscal equity, openness in public finance, and protection of national economic interests.

815. The submission emphasized that extractive development in Turkana should produce measurable benefits for local communities, including employment, infrastructure, and skills transfer. The submitter also highlighted the need for environmental protections and inclusive participation of vulnerable groups. He argued that benefit-sharing frameworks should be clearly documented and publicly accessible prior to approval.

816. The memorandum stated that effective participation required proactive disclosure of key project documents and adequate timelines for review. The submitter urged broader engagement with county stakeholders and public hearings to ensure informed scrutiny of the FDP and PSC arrangements.

817. He requested that the Committee withhold approval pending full disclosure and review, verify beneficial ownership and procurement compliance, reassess fiscal provisions, affirm local content obligations, and secure enforceable community benefits. He further recommended that investigations should evidence of irregularities arise.

818. The submission concluded that parliamentary oversight should prioritize transparency, equity, and constitutional compliance to ensure that natural resource development advances the public interest and long-term national welfare.

5.3.31 Submission by Mr. Nalianya Sungwacha Augustine

819. Mr. Nalianya presented a formal memorandum addressing the South Lokichar Field Development Plan (FDP) and associated Production Sharing Contracts (PSCs) for Blocks T6 and T7 in Turkana County. The memorandum was grounded in constitutional and statutory principles governing public finance, natural resource management, and parliamentary oversight. The submission argued that the Senate's ratification role required substantive scrutiny of ownership legitimacy, fiscal structure, and long-term governance risks, rather than procedural approval.

820. The memorandum anchored its arguments in constitutional provisions relating to public participation, environmental stewardship, fiscal responsibility, and intergenerational equity. The submitter maintained that Parliament's mandate extended to safeguarding long-term national interests and ensuring extractive agreements complied with statutory intent. This framing positioned the Senate as a gatekeeper responsible for interrogating the structural implications of the FDP and PSC arrangements.

821. The submission highlighted rapid corporate restructuring involving the petroleum contractor identified as Gulf Energy E&P BV around the period of FDP submission and approval. The submitter argued that such timing raised legitimate questions regarding beneficial ownership transparency and regulatory due diligence. He warned that ratification without verified ownership disclosure could expose the State to enforcement challenges, fiscal oversight risks, and reputational consequences in international markets.

822. The memorandum objected to amendments that increased the cost recovery ceiling and broadened recoverable expenditure categories. According to the submission, these changes altered the economic balance of the PSC framework by deferring government profit oil and weakening fiscal predictability. The expansion of recoverable costs was described as blurring the distinction between capital and operating expenditure, potentially creating audit complexity and reducing long-term public value.

823. He framed these issues as inconsistent with principles of fiscal prudence and equitable resource management, particularly where public institutions may face limitations in monitoring expansive cost categories.

824. The memorandum raised concern that PSC structuring could effectively exempt the contractor from domestic local content requirements. The submitter argued that executive contractual provisions should not displace statutory obligations intended to promote employment, supplier participation, and technical capacity development. He characterized any such exemption as legally questionable and contrary to legislative intent.

825. The submission connected fiscal and governance concerns to potential socio-economic effects in Turkana County, warning that perceived inequities could heighten community

grievances and long-term instability. The submitter emphasized that extractive governance structures must account for local economic inclusion and social legitimacy to sustain operations and public confidence.

826. The submitter urged the Senate to withhold ratification pending beneficial ownership disclosure, reassess fiscal provisions related to cost recovery, restore clearer expenditure definitions, affirm the applicability of local content legislation, and require broader conflict and political-economy assessments before approval. These measures were framed as safeguards to protect constitutional principles, fiscal accountability, and social stability.

5.3.32 Submission by the Social Performance Professionals' Alliance

827. The Social Performance Professionals' Alliance (SPPA) submitted a memorandum addressing the social, environmental, and community governance dimensions of Field Development Plans (FDPs) in extractive and energy projects. The submission emphasized that while FDPs traditionally focused on technical and financial considerations, insufficient integration of social performance had contributed to operational delays, community disputes, and weakened trust in project-hosting regions. SPPA framed social performance not as a peripheral compliance issue, but as a core determinant of project sustainability and national stability.

828. SPPA observed that FDPs often prioritized engineering and production parameters while treating community impacts, land access, livelihood restoration, grievance management, and long-term socio-economic transition as secondary matters. According to the submission, this imbalance had been particularly evident in extractive-hosting counties, where weak social planning had resulted in tensions between communities, operators, and government institutions.

829. The memorandum stressed that FDP governance should reflect constitutional obligations relating to public participation, environmental protection, labour rights, and responsible natural resource management.

830. The Alliance identified several structural weaknesses in current FDP practice:

i. Social performance considerations were frequently addressed as annexes rather than integrated project risks.
ii. Community participation in FDP formulation was limited despite constitutional expectations.
iii. FDPs showed inconsistent alignment with constitutional safeguards and county development frameworks.
iv. Benefit sharing, employment, and local content commitments lacked clarity, creating unrealistic expectations.
v. Social accountability provisions were often non-binding, with weak monitoring and enforcement mechanisms.

831. SPPA argued that these gaps undermined both community confidence and investor certainty, increasing the likelihood of disputes and project disruption.

832. SPPA recommended reforms aimed at embedding social performance into FDP governance. These included requiring a dedicated social performance chapter in FDPs, strengthening early-stage community participation, aligning FDP approvals with county development frameworks, and institutionalizing independent social oversight during regulatory review.

833. The submission further proposed that social commitments be legally enforceable, costed, and subject to periodic reporting. It also called for clearer local content and workforce transition planning to support sustainable economic benefits in host regions.

834. SPPA urged the Senate to exercise strengthened oversight of FDP approvals, support legislative reforms embedding social performance standards, and promote coordination between national and county governments. The Alliance positioned these actions as essential to balancing community protection with national economic priorities.

835. The submission concluded that integrating robust social performance standards into FDPs was a practical risk-management and value-creation strategy rather than an administrative burden. SPPA expressed readiness to support Parliament through professional advisory and independent review mechanisms.

5.3.33 Submission by Mr. Islim Shikunyi Imran

836. Mr. Shikunyi presented a memorandum pursuant to Article 118 of the Constitution in response to the Senate's public participation process on the Turkana Oil Field Development Plan and associated Production Sharing Contracts. The memorandum raised governance and fiscal concerns, arguing that certain proposed contractual arrangements risked weakening transparency, public benefit, and compliance with the constitutional framework governing natural resources.

837. He expressed concern about the absence of clarity regarding company ownership structures, noting that limited disclosure could undermine accountability and public trust.

838. He further objected to the proposed increase in recoverable costs to 85%, arguing that such a threshold would significantly reduce the revenue available for public benefit. Related to this, the memorandum questioned the expansion of capital expenditure definitions to include operating costs, stating that this could inflate recoverable expenses and delay equitable revenue sharing.

839. The submission also raised concern over proposed exemptions from Kenya's local content requirements, warning that such provisions could weaken domestic participation and reduce opportunities for Kenyan enterprises.

840. Taken together, the issues were framed as inconsistent with the spirit of Article 71 of the Constitution and the Petroleum Act, 2019, particularly in relation to transparency, fiscal prudence, and protection of national interests.

841. He urged the Senate to suspend ratification of the relevant agreements pending further investigation, with the objective of safeguarding Kenya's economic and governance interests.

5.3.34 Submission by Esanyanait Assembly

842. The Esanyanait Assembly submitted a memorandum raising substantive fiscal, legal, and governance concerns regarding the First Addendum to the Production Sharing Contract (PSC) for Block T7. Their submission focused primarily on the proposed increase in the cost recovery cap under Section 27(1) and the introduction of a stabilization clause under Section 33A. The Assembly argued that, as drafted, the provisions disproportionately favoured the contractor and risked undermining community benefit sharing, fiscal equity, and constitutional oversight.

843. The Assembly expressed strong concern that the proposed increase in the cost recovery ceiling from 65% to 85% would significantly reduce the profit oil available to government and host communities. They noted that the statutory community share is derived from government profit oil, and therefore a higher recovery cap would delay or diminish tangible benefits to the Turkana community.

844. The submission argued that such a cap exceeded prevailing international PSC norms and could result in a prolonged period during which the contractor prioritized cost recovery over equitable revenue sharing. The Assembly warned that this structure risked creating a situation where resource extraction proceeded without corresponding socio-economic gains for the host population.

845. In addition to fiscal concerns, the Assembly highlighted governance risks, including inadequate verification of recoverable costs, potential inflation of expenses, and limited transparency in subcontracting arrangements. They advocated for stricter auditing requirements, clearer cost classification rules, enhanced public disclosure, and safeguards to ensure local economic participation.

846. Overall, the Assembly framed Section 27(1) as a matter of fiscal fairness, accountability, and protection of community interests.

847. The Assembly further raised constitutional and policy concerns regarding the proposed stabilization clause. They argued that the clause, as drafted, could restrict Kenya's sovereign authority to enact future legislation affecting petroleum operations.

848. The memorandum emphasized that such restrictions could weaken Parliament's ability to introduce environmental protections, labour safeguards, public health standards, and accountability mechanisms. The Assembly maintained that stabilization protections should not override constitutional principles or the state's obligation to act in the public interest.

849. They therefore called for explicit carve-outs to preserve the government's legislative authority in areas relating to environmental protection, human rights, fiscal oversight, and community welfare.

850. This section of the submission was presented as a defence of constitutional supremacy and long-term regulatory flexibility.

851. The Assembly urged Parliament to reject the Addendum in its current form, reduce the proposed cost recovery cap, safeguard legislative authority through carve-outs, conduct forensic audits of recoverable costs, and ensure public disclosure of the final PSC. These measures were framed as necessary to protect fiscal sovereignty, transparency, and host community rights.

CHAPTER SIX

6.0 COMMITTEE OBSERVATIONS

Arising from the public hearings, deliberations with the stakeholders and analysis of the submissions, the Joint Committee made the following pertinent observations:

6.1 Observations on Compliance and Public Participation

Compliance with the requirements under sections 30 and 31 of the Petroleum Act

1. The Joint Committee noted that section 30 (2) of the Act provides the requirements of a Field Development Plan. The Joint Committee observed that in compliance section 30(2) of the Petroleum Act (Cap. 308) with the field development plan for a commercial field, the Plan submitted:

    a) contains a comprehensive statement on the proposals for the development of and production from the field (pages 22, 23, 24, 25, 195, 203 and 220);

    b) does not contain an express statement on the assessment of whether the development of and production from the field should be subject to unitization or joint upstream petroleum operations in accordance with the provisions of the Act, however, the Joint Committee noted that there is a statement indicating the development area is a *de facto* unitization as the blocks are being managed by one contractor;

    c) contains a comprehensive statement on an assessment of how to coordinate upstream petroleum operations with other contractors, including the joint use of facilities subject to this Act and any other applicable law (pages 23, 24, and 239); and

    d) contains a comprehensive statement on proposals relating to the spacing, drilling and completion of wells and the facilities required for the production of petroleum including:

        (i) contains a comprehensive statement on the estimated number, size and production capacity of production platforms, if any; (pages 23, 24, and 239),
        (ii) contains a comprehensive statement on the estimated number of production wells (pages 23, and 226);
        (iii) (iii) contains a comprehensive statement on the particulars of production equipment and facilities (pages 23, 24, and 239); and
        (iv) (iv) contains a comprehensive statement on the particulars of feasible alternatives for transportation of petroleum including pipelines; and any other relevant information and data (pages 23, 24, and 239).

    e) contains statements on relevant information and data, that is, Environmental & Social Governance (Section 10, page 253 onward), Land and resettlement framework (page 282 under Host Government Enablers), Economic analysis and revenue split (Section 12, page 271 onward) and Profit oil split (Table 13-1, page 285).

The Joint Committee observed that on 13th February, 2026, the Solicitor General appeared before the Joint Committee and stated that the office of the Attorney General considered the FDP laid before parliament is sound.

The Joint Committee further observed that the Cabinet Secretary approved the Field Development Plan on 5th November 2025 and submitted to Parliament for ratification on 27th November 2025 within the thirty days stipulated in section 31(1) of the Petroleum Act and Article 71 of the Constitution.

Public Participation

2. The Joint Committee noted that submissions from: Centrina Ngene, Justus Atuti, Akide Professionals Association, PWD Professionals Association, TCSC (Turkana Civil Society Consortium), Lochwaa Community Land Management Committee, and Sammy Sisungo, Public Participants Magongo Stadium in Mombasa, raised concerns on: public participation was not going to be meaningful due to compressed timelines, lack of accessible formats of the agreements and the field development plan, dissenting voices would be ignored, key documents were not disclosed in advance and there was insufficient opportunity for stakeholders to fully consider the Production Sharing Contracts and the Field Development Plan.

   The Joint Committee analysed the submissions and the law and observed that pursuant to the provisions of Article 118 of the Constitution and Section 31(3) of the Petroleum Act Cap. 308, the Joint Committee was required to facilitate public participation and make appropriate recommendations to the Houses on the Field Development Plan and Production Sharing Contracts. Accordingly, an advertisement was placed in newspapers on Saturday, 29th November 2025 by the National Assembly and on Thursday, 18th December 2025 by the Senate notifying members of the public that there would be public participation on the Field Development Plan and Production Sharing Contracts. The Joint Committee received memoranda between Monday 22nd December 2025 and Friday, 16th January 2026. Thereafter, the Joint Committee identified and held public hearings between 12th January and 6th February, 2026 in six (6) counties that are expected to experience direct and significant impacts from the implementation of the South Lokichar Basin Field Development Plan (FDP) and the associated Production Sharing Contracts (PSCs), namely: Turkana, West Pokot, Uasin Gishu, Trans Nzoia, Lamu and Mombasa Counties.

   Further to the foregoing, on 9th February 2026, the Committee received submissions from petroleum experts drawn from the upstream, midstream and downstream segments of the industry, as well as academicians, engineers and policy specialists. A detailed schedule of the experts is attached to this Report as ***Annex 9.***

   Additionally, during a retreat held at the Hilton Garden Inn from 9th to 16th February 2026, the Committee received presentations and submissions on the Field Development Plan (FDP) and the Production Sharing Contracts (PSCs) from key stakeholders, including the Ministry of Energy and Petroleum; the National Treasury and Economic Planning; the Ministry of Interior and National Administration; the Ministry of Roads and Transport; the Office of the Attorney General; the Ministry of Lands, Public Works, Housing and Urban Development; the Ministry of Water, Sanitation and Irrigation; the Ministry of Environment, Climate Change and Forestry; the Kenya Revenue Authority; the Central Bank of Kenya; the Office of the Auditor-General; the National Lands Commission; the National Environmental Management Authority; the Kenya Law Reform Commission; the Business Registration Service; and Gulf Energy BV.

   The Joint Committee observed that section 31(2) and (3) of the Petroleum Act, Cap. 308 provides that Parliament must either ratify or refuse to ratify the production sharing contract and the field development plan after receiving the documents from the

Cabinet Secretary within sixty days. Moreover, Parliament must conduct public participation within the sixty days designated under section 31(2).

In the circumstances, the Joint Committee observed that contrary to the submissions, public participation was meaningful within the compressed timelines provided under section 31(2) of the Petroleum Act.

Procedural Sequence

3. The Joint Committee noted that submissions from Lochwaa CLMC, TCSC, the County Government of Turkana and Justus Atuti raised concerns that ratification was premature, there was reliance on legacy ESIA, there was an unclear approval sequence, there was lack of due diligence disclosure, and approval before full community sensitization of the contents of the the Field Development Plan and the Production Sharing Contracts.

4. The Joint Committee noted that submissions from Kenya National Highways Authority submitting in Trans Nzoia raised concerns that existing roads are narrow for heavy project trucks and narrow roads may increase accident risk.

The Joint Committee analysed the submissions, the law and observed that sections 30 and 31 of the Petroleum Act provide that a Field Development Plan must be reviewed by EPRA and approved by the Cabinet Secretary before being submitted to Parliament together with the Production Sharing Contracts for ratification, and that no production or exploitation rights may be exercised until Parliament completes the ratification process. Also the ESIA was passed from Tullow to Gulf Energy pursuant to section 128 (2) of the Petroleum Act (savings and transition)

Disclosure of PSC Amendments

5. The Joint Committee noted that submissions from Sammy Sisungo, Islim Shikunyi Imran, Miriam Osogo, Centrina Ngene, Justus Atuti, Trans Nzoia Turkana Community Diaspora and County Government of Turkana raised concerns relating to transparency, particularly the limited disclosure of amendments to the Production Sharing Contracts, including changes to cost recovery ceilings, capital expenditure definitions, and altered or deleted clauses, including increase of recoverable cost from 55% to 85%, reclassification of operational costs as capital expenditure, lack of disclosure of amendments and lack of clarity on selection of Gulf Energy which constrained effective parliamentary and public scrutiny.

The Joint Committee analysed the submissions, the law and observed that amendments to the Production Sharing Contracts were incorporated in accordance with the terms of the original Production Sharing Contracts signed on 17th September 2008 and complied with the requirements of section 9 of the Petroleum (Exploration and Production) Act, Cap. 308 and saved under section 128(2) (a) and (f) of the Petroleum Act, 2019.

Ownership and Control

6. The Joint Committee noted that submissions Sammy Sisungo, Islim Shikunyi Imran, Miriam Osogo; Centrina Ngene, Justus Atuti, and Turkana Council of Elders raised concerns relating to rapid changes in ownership and control of the operating company, with concerns that insufficient disclosure of beneficial ownership may expose the agreements to governance, integrity, and compliance risks under Kenyan law.

The Joint Committee analysed the submissions, the law and observed that on 24th November, 2025, the Government of the Republic of Kenya signed an addendum with Gulf Energy E&P BV. On July 21, 2025, Tullow Overseas Holding BV, a wholly owned subsidiary of Tullow Oil plc (Tullow) and Auron Energy E&P Limited, an affiliate of Gulf Energy Limited (GEL), signed a sale and purchase agreement for the purchase of Tullow Kenya B.V. (TKBV). The effect of the transaction was that Tullow Overseas Holdings BV gave the subsidiary Gulf Energy E&P BV a 100% interest in each of the said Block 10BB and Block 13T PSCs. Gulf Energy E&P BV holds a 100% interest in each of the said Block 10BB and Block 13T PSCs.

Compulsory Land Acquisition

7. The Joint Committee noted that submissions from Turkana Host Community, Maj. Dr. Ekiru Kidalio, Kapese CLMC, Nakukulas & Kapese CLMC, Turkana Council of Elders, Akide Professionals Association, Members of Uasin Gishu Civil Society, Mr. Yahya Mohamed (Lamu), Mr. Ahmed Famau (Lamu), Ms. Amina Amina Hamisi(Lamu), Ms. Angelina Ndusya (Lamu), Mr. Mohamed Rajab(Lamu), and Ms. Magdaline Njeri (Lamu) expressed concerns relating to land access and tenure issues featured prominently, with concerns that reliance on compulsory land acquisition for petroleum activities may conflict with the legal distinction between acquisition for public purpose and commercial resource development, objected to compulsory acquisition for business use, preference for lease model, permanent loss of communal land, inadequate compensation and disruption of pastoral livelihoods.

   The Joint Committee analysed the submissions, the law and observed that section 116 of the Petroleum Act contains detailed provisions regulating compulsory acquisition and protects the rights of an owner or an occupier by providing that where the contractor or licensee fails to pay compensation when demanded, or if the owner or occupier is dissatisfied with the amount of compensation offered to him, the owner or occupier may, within six months of the date on which the demand or offer is made, take proceedings before a court of competent jurisdiction for the determination and recovery of compensation.

Community Land Registration

8. The Joint Committee noted that submissions from County Government of Turkana, Maj. Dr. Ekiru Kidalio and the Local Community submitting in Turkana raised concern that uncertainty exists regarding the registration status of community land within the project area, which may affect the legality of consent, valuation, compensation, and access arrangements required for implementation of the Field Development Plan exacerbating the risk to community land due to weak implementation of Community Land Act, and the need for registration and protection of grazing corridors.

   The Joint Committee analysed the submissions, the law and observed that that section 108 of the ***Petroleum Act*** *recognises community land and provides for compensation and access regardless of registration status, while land registration and titling processes remain governed by land laws and do not invalidate petroleum approvals granted under national legislation.*

   In addition, the Joint Committee observed that contrary to the submission that the project posses a risk to community land due to weak implementation of Community Land Act, section 116(2) of the Petroleum Act provides that where a contractor or licensee intends to enter upon any land for the purposes of conducting petroleum

operations, access to such lands shall be governed pursuant to the provisions of the Constitution and the relevant land laws.

Land Valuation

9. The Joint Committee noted that submissions from Akide Professionals Association, Turkana Council of Elders, and Nakukulas & Kapese CLMC, expressed concerns whether existing land valuation frameworks adequately reflect the legal, economic, and livelihood value of pastoral and communal land, including grazing corridors and water access, thereby increasing the risk of compensation disputes, whether Compensation based on market value not livelihood value, lack of culturally informed valuation, and no clarity on payment mechanisms.

   The Joint Committee analysed the submissions, the law and observed that section 116 of the Petroleum Act contains detailed provisions regulating compulsory acquisition and protects the rights of an owner or an occupier by providing that where the owner or occupier is dissatisfied with the amount of compensation offered to him, the owner or occupier may, within six months of the date on which the demand or offer is made, take proceedings before a court of competent jurisdiction for the determination and recovery of compensation.

Benefit Sharing

10. The Joint Committee observed that submissions from Village Elder Francis Alenyon, Turkana Council of Elders, Akide Professionals Association, County Government of Turkana, Centrina Ngene, Ms. Basra Ahmed (Lamu), Mr. Badi Nasiri (Lamu) and North Rift Water Works Development Agency submitting in West Pokot, raised concerns, regarding the clarity and enforceability of statutory benefit-sharing arrangements, particularly on how community and county shares would be calculated, managed, and safeguarded through legally recognised governance structures, 5 percent community share excludes West Pokot County and women should benefit from project opportunities.

    The Joint Committee analysed the submissions, the law and observed that section 58 as read with section 127(aa) of the Petroleum Act, establishes a statutory framework for revenue sharing between the national government, county governments, and local communities, provides that the Cabinets Secretary responsible for petroleum shall enact regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted, and, that Parliament shall review the percentages under this section within ten years.

Administration of Community Revenues

11. The Joint Committee noted that submissions from Turkana Host Community, Maj. Dr. Ekiru Kidalio, Turkana Council of Elders, County Government of Turkana and North Rift Water Works Development Agency submitting in West Pokot expressed concern on the absence of a clearly defined legal framework for the administration of community petroleum revenues, creating risks of mismanagement, elite capture, and accountability disputes, there being no clear legal structure for receiving and managing funds, the need for a proposal for Host Community Development Trust Fund and lack of the framework to enable counties to agree on sharing of benefits.

    The Joint Committee analysed the submissions, the law and observed that section 58 as read with section 127(aa) of the Petroleum Act, establishes a statutory framework for revenue sharing between the national government, county governments, and local

communities, provides that the Cabinets Secretary responsible for petroleum shall enact regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted.

Local Content

12. The Joint Committee noted that submissions from Governor Abdullswamad Sheriff Nassir from Mombasa County, Sammy Sisungo, Islim Shikunyi Imran, Miriam Osogo, Centrina Ngene, Justus Atuti, TUCODTA, Aroo Drivers Association, PWD Professionals Association, Nakukulas & Kapese CLMC, County Government of Turkana, Akide Professionals Association, Mr. Cyrus Letting (Uasin Gishu), Mr. Barno (Uasin Gishu), Mr. Korir Kennedy, (Uasin Gishu), Mr. Korir Kiprono (Uasin Gishu), Ms. Salama Shafii(Lamu), Ms. Amina Amina Hamisi (Lamu), Ms. Angelina Ndusya (Lamu), Ms. Basra Ahmed(Lamu), and Mr. Badi Nasiri (Lamu) relayed concerns on: the enforceability of local content obligations under the Production Sharing Contracts and the Field Development Plan, with concerns that exemptions and broadly framed provisions may undermine compliance with the Petroleum Act and related legislation, including, exemption from local content laws, lack of binding quotas, low local employment, weak procurement transparency, and, the need for a training fund and an implementation plan.

    The Joint Committee analysed the submissions, the law and observed that sections 50, 51 and 52 of the Petroleum Act impose mandatory local content, training, and technology transfer obligations, which are monitored and enforced by the relevant authorities independently of parliamentary ratification. In addition, the Joint Committee observed that there was a Local Content Plan (LCP) attached as Appendix F, Section 19 of the Field Development Plan for the South Lokichar Field Development Plan. The LCP is prepared in accordance with the requirements of the Petroleum Act (2019). This LCP sets out the ***principles, framework, and implementation mechanisms*** *that will guide the integration of local content throughout the life cycle of the Project. It outlines an approach to creating opportunities for Kenyan participation while ensuring alignment with national legislation, draft Local Content Regulations (2025), and international industry standards.*

National and County Laws

13. The Joint Committee observed that submissions from the County Government of Turkana, Justus Atuti; Centrina Ngene, and Sammy Sisungo outlined concerns on: potential inconsistencies were identified between national petroleum instruments and county-level local content legislation, creating legal uncertainty regarding applicable standards and institutional mandates, questioned legality of PSC Addendum, observed the need to align with Constitution and Petroleum Act, noted that the county is sidelined in oversight and the is need for compliance with procurement law.

    The Joint Committee analysed the submissions, the law and observed that petroleum operations are governed by national legislation pursuant to Article 71 of the Constitution, and any conflict with county legislation is resolved through constitutional hierarchy and intergovernmental coordination mechanisms under Article 191 of the Constitution. Furthermore, The Joint Committee analysed the submissions, the law and observed that section 127(aa) of the Petroleum Act provides that the Cabinet Secretary responsible for petroleum shall enact regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted.

Environmental Compliance

14. The Joint Committee noted that submissions from Nakukulas & Kapese CLMC, Lochwaa CLMC, the County Government of Turkana, Akide Professionals Association the Turkana Council of Elders, Mr. Cyrus Letting(Uasin Gishu), Mr. Barno (Uasin Gishu), Mr. Korir Kennedy, (Uasin Gishu), Mr. Korir Kiprono (Uasin Gishu)Mr. Yahya Mohamed (Lamu), Mr. Mohamed Rajab (Lamu), highlighted serious environmental compliance concerns, including whether existing Environmental and Social Impact Assessments adequately address cumulative impacts, hazardous waste management, water contamination risks, gas flaring, and unresolved legacy environmental liabilities.

    The Joint Committee analysed the submissions, the law and observed that environmental licensing and compliance are governed by EMCA and administered by NEMA, and that an ESIA licence has been issued for the project in accordance with section 64 of EMCA, with legal provision for variation, monitoring, and enforcement where project designs change. In addition, the Joint Committee noted that under Chapter 10.1 of the Field Development Plan contains a statement indicating that an environmental and social impact assessment (ESIA) report has been prepared to meet the requirements of the Environmental Management and Coordination (Impact Assessment and Audit) Regulations (2003, as amended). In addition, the Project has been designed and will manage its activities with good industry practice.

Access to Environmental Information

15. The Joint Committee noted that submissions from Trans Nzoia Turkana Community Diaspora, Lochwaa CLMC, Akide Professionals Association, PWD Professionals Association, Centrina Ngene and Brian Kipchumba Maiyo raised concerns on: the legal adequacy of environmental safeguards in the absence of updated, publicly accessible environmental assessments and independent monitoring mechanisms, the ESIA not being publicly disclosed, the lack of accessible formats of documents, no public emissions reporting, and Environmental Social Management Plan not shared

    The Joint Committee analysed the submissions, the law and observed that the public and stakeholders can access environmental information and compliance monitoring by accessing the Field Development Plan that contains information under Chapter 9 of the Environmental & Social Management Plan (ESMP) for implementation of ESIA commitments and mitigations for the upstream project component.

Decommissioning

16. The Joint Committee observed that the submissions from stakeholders from Trans Nzoia County, Lochwaa CLMC, Nakukulas & Kapese CLMC, and the County Government of Turkana raised concerns on: absence of clearly secured decommissioning, rehabilitation, and land restoration arrangements that presents a legal risk regarding long-term environmental liability, no ring-fenced decommissioning fund, and, no restoration guarantee and ecological debt shifted to future generations.

    The Joint Committee analysed the submissions, the law and observed that section 39 of the Petroleum Act provides that a contractor shall submit a field decommissioning plan to the Authority before a production permit to install and operate the facilities is issued. Section 32 of the Petroleum Act provides that a contractor shall submit a field decommissioning plan to the Authority before a production permit to install and operate the facilities is issued after a field development plan is approved by the Cabinet

Secretary. Consequently, a decommissioning plan is not required at the point of ratifying a field development plan under section 30 of the Petroleum Act.

Gas Management

17. The Joint Committee observed that submissions from the County Government of Lamu, Nakukulas & Kapese CLMC, County Government of Turkana, and Turkana Council of Elders raised concerns regarding the lack of clear legal provisions on gas ownership, quantification, utilisation, flaring controls, no zero routine flaring commitment, no gas reinjection or gas to power plan, and, no emissions baseline data within the Field Development Plan.

    The Joint Committee analysed the submissions, the law and observed that sections 34(Natural gas) and 62(Venting and flaring of oil and natural gas) of the Petroleum Act regulate natural gas utilisation and restrict flaring except with approval, with regulatory oversight vested in EPRA and the Cabinet Secretary. Further, Chapter 9 of the Field Development Plan includes an Environmental & Social Management Plan (ESMP), the Emergency Preparedness and Response Plan, Procurement Procedure to ensure that procurement of equipment, materials, chemicals and services (including labour) meet the Operator's environmental and social requirements, and the Environmental Incident Reporting Procedure that ensures that all non-conformances, incidents and near misses must be investigated to a level commensurate with the potential risk or outcome, to include lessons learnt and improvement recommendations.

Climate Obligations

18. The Committee noted that submissions from Lochwaa CLMC, Nakukulas & Kapese CLMC, County and the Government of Turkana raised concerns climate-related legal obligations were not clearly articulated as binding requirements within the Field Development Plan.

    The Joint Committee analysed the submissions, the law and observed that petroleum operations remain subject to national climate and environmental laws, and the Petroleum Act does not require separate climate instruments as a precondition for ratification under section 30 of the Petroleum Act, Cap .308.

Transparency and Reporting

19. The Joint Committee observed submissions from Sammy Sisungo, Justus Atuti, Centrina Ngene, County Government of Turkana, Trans Nzoia Turkana Community Diaspora and Turkana Council of Elders raised concerns that oversight and accountability mechanisms, including independent metering and public access to production data, no disclosure of fiscal terms, no revenue reporting clarity, lack of independent oversight, and need for publication of key documents were perceived as insufficiently defined.

    The Joint Committee analysed the submissions, the law and observed that section 119 of the Petroleum Act provides that the Cabinet Secretary shall develop a framework for reporting, transparency and accountability in the upstream petroleum sector, which includes the publication of all petroleum agreements, records, annual accounts and reports of revenues, fees, taxes, royalties and other charges, as well as, any other relevant data and information that support payments made by the contractor and payments received by the national government, county governments and local communities. Consequently, a framework for reporting, transparency and

accountability in the upstream petroleum sector is not required at the point of ratifying a field development plan under section 30 of the Petroleum Act.

Grievance Redress

20. The Joint Committee noted from the submissions of the Kenya National Chamber of Commerce and Industry, Nakukulas & Kapese CLMC, PWD Professionals Association, Aroo Drivers Association, Trans Nzoia Turkana Community Diaspora, Mr. Yahya Mohamed (Lamu), and, Akide Professionals Association concerns that there is no independent grievance mechanism, there is lack of community oversight and there is need for accessible and structured dispute resolution system and the absence of clearly established grievance redress and dispute resolution mechanisms accessible to affected communities raises legal risks.

    The Joint Committee analysed the submissions, the law and observed that section 117 of the Petroleum Act provides that all disputes between parties to a petroleum agreement arising from upstream petroleum operations shall be resolved through alternative dispute resolution mechanisms in the first instance as may be provided for in by the petroleum agreement, other disputes arising from an upstream regulated function under this Act shall be referred to the EPRA for determination in the first instance, and , any person who is dissatisfied with the decision of the Authority or as provided by the Agreement, may appeal to the Tribunal. Further the Field development Plan in 10.9 provides for a Stakeholder Engagement & Grievance Management and a stakeholder engagement plan that constitutes a grievance resolution process.

Delimitation of Boundaries

21. The Joint Committee noted from the submissions that there were concerns that since the discovery of oil in Turkana, administrative boundaries within the county have been reviewed, including the creation or reconfiguration of sub-counties. This creates a serious issue for revenue sharing because the Petroleum Act ties entitlement specifically to sub-county boundaries. The Joint Committee observed that the definition of local community under the Petroleum Act *means a people living in a sub-county within which a petroleum resource under this Act is situated and are affected by the exploitation of that petroleum resource*. Further section 127 tasks the Cabinet Secretary responsible for Petroleum to make regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted. In this case, issues dealing with share revenue to local communities ought to be considered under regulations.

    In the alternative, the Joint Committee observed that the National Government Coordination Act, Cap. 127 recognises the constituency as a national government service delivery unit. Section 14 of the Act provides "all the constituencies established under Article 89 of the Constitution are hereby recognized and established as national government service delivery units." In this case, the Petroleum Act, Cap. 308 may be amended in the definition of local community to mean a people living in a constituency within which a petroleum resource under this Act is situated and are affected by the exploitation of that petroleum resource. The proposed amendment will provide certainty of the persons who are to benefit from the petroleum resource.

Constitution of the National Land Commission

22. The Joint Committee noted from the submissions of the Secretariat of the National Land Commission was yet to be constituted as the Commissioners were yet to be appointed

in Office. The Secretariat of the National Land Commission submitted that all budgets and expenditure that relate to compensation of project affected persons were approved before the termination of the term of the previous Commission and the Secretariat to the Commission was in a position to implement all programmes relating to implementation of the compensation of project affected persons by the implementation of the Field Development Plan.

6.2 Observations from the Analysis of the Field Development Plan and Production Sharing Contracts and Submissions from Stakeholders

23. **Petroleum Development and the PSC Framework:** The Joint Committee observed that the development of the petroleum resources, especially in the Lokichar Basin, presents a strategic opportunity for the Country to utilize opportunities in the oil and gas sector and diversify the country's economy. The Joint Committee further noted that previous efforts to secure development partners were not successful due to various factors, mainly on account of financing availability and resource dynamics. Moreover, under the Production Sharing Contract (PSC) framework, the State maintains its ownership of the resource and provides stewardship of the petroleum resources, while the Contractor will provide the necessary capital and technical capacity to enable and facilitate commercial production.

24. **The Projected Oil Production Profile:** The Joint Committee observed that the Field Development Plan (FDP) proposes a phased production profile comprising a two-phase development approach, with Phase I covering the period 2026 to 2031 and Phase II spanning 2032 to 2050. Peak crude oil production is projected at approximately 20,000 barrels per day during Phase I and 50,000 barrels per day during Phase II. The Joint Committee further noted that the production levels will be maintained at about 30,000 barrels per day from 2042 towards the remainder of the licence period. With regards to recoverable oil resources, the Joint Committee observed that the Stock Tank Oil Initially in Place (STOIIP) has been estimated at a range of 1,192 - 1,952 - 3,419 million stock tank barrels (MMstb), with an estimated recovery of 326 million stock tank barrels (MMstb) over the project life, with other scenarios indicating higher recoverable possibilities.

25. **Production Facilities and Related Costs:** To achieve the projected production volumes, the Joint Committee observed that the Contractor intends to deploy Early Production Facilities in the initial year of operations, that is, 2026, within the Lokichar Basin (Ngamia and Amosing oil fields) to realise first oil. This will subsequently be followed by the establishment of a Central Processing Facility in 2032 to support increased production during Phase II. The Committee further noted that the estimated Capital Expenditure (CAPEX) amounts to approximately KShs 35.28 billion (USD 271.40 million) in Phase I, rising significantly to about KShs 717.94 billion (USD 5.52 billion) in Phase II, resulting in a total projected CAPEX of approximately KShs 753.22 billion (USD 5.79 billion). In addition, the projected Operational Expenditure (OPEX) over the project life is estimated at approximately KShs 131.86 billion (USD 1.014 billion) in Phase I and KShs 937.56 billion (USD 7.212 billion) in Phase II, bringing the total OPEX to about KShs 1.069 trillion (USD 8.226 billion).

26. **Midstream component of the project and associated costs:** The Joint Committee noted that the midstream logistics include trucking and rail evacuation of crude oil. Moreover, the contractor prioritizes trucking by road in Phase I, with plans to utilize rail transportation in Phase II, expected to commence in 2032, strongly signalling the National Government to prioritize extending the rail network to Turkana County,

including last-mile rail connections to storage and export zones. In this regard, the Joint Committee noted the need for the National Government to prioritise this extension of the railway infrastructure to Lokichar.

27. **Considerations on the Lokichar - Lamu Oil Pipeline and Refinery Infrastructure:** The Joint Committee noted the decision of the Government to formally defer the Lokichar - Lamu Crude Oil Pipeline project. The deferment is premised on economic viability and requirements of higher throughput volumes as earlier envisaged in previous ministerial plans. Given the potential of the pipeline in the future, including its comparative advantage in regional infrastructure, it remains a medium to long term priority. On the refinery component, the Joint Committee was further informed that international benchmarks indicate that for an inland refinery to be commercially competitive, it would require higher volumes and the need to mobilize significant capital. Going forward, the Joint Committee noted the possibility of private sector investment in refinery infrastructure, especially in key Special Economic Zones like Dongo Kundu in Mombasa, Lamu, and other parts of the Country including the production area. This could further accrue benefits to the country, including employment opportunities through value addition in crude oil production.

28. **Oil Cost Recovery Ceilings and Cost Recovery Incentives:** The Joint Committee noted that the Ministry had submitted a harmonised cost recovery ceiling of 85% for both Blocks, up from the previous thresholds of 55% for Block T6 (formerly Block 10BB) and 65% for Block T7 (formerly Block 13T). The Committee observed that cost recovery is a central component in the negotiation of Production Sharing Contracts (PSCs) with potential contractors, taking into account the need for government support to actualize huge projects in the extractive sector. The cost recovery framework also considers critical fiscal considerations such as risks inherent in huge projects, national fiscal interests, and the need to attract private sector and foreign investment for capital-intensive projects such as oil exploration and development, which carry higher risk when compared to other projects in the extractive sector like gold mining. The Joint Committee further observed that an increased cost recovery would enhance project bankability, particularly for debt-financed projects, reflect the high-risk nature of the upstream sector in Kenya, improve competitiveness in attracting and retaining investment, and the cost recovery limit as proposed will be consistent with international best practices where other countries have applied and successfully implemented oil and gas projects. In addition, the Joint Committee noted that a robust cost audit and verification framework is equally important. In this regard, the Committee emphasised the need to guard against potential inflation of capital expenditure (gold plating) and ineligible or unnecessary costs to protect the Government's fiscal interests.

29. **Comparative Cost Recovery Ceilings and Project Competitiveness:** The Committee observed that cost recovery ceilings on a comparative basis vary across jurisdictions, with examples including Niger (70%), Angola and Cameroon (85%), and Ghana (100%). In relation to the cost recovery framework, the Committee observed that the FDP provides for the recovery of various cost categories as agreed by the parties as follows: production costs, development costs, exploration and appraisal costs, and decommissioning costs, among others, as provided in the PSCs.

30. **Project Economics and Revenue Sharing:** The Joint Committee observed that pursuant to Section 57(1) of the Petroleum Act, 2019, profits derived from upstream petroleum operations are to be shared between the Contractor and the National Government in accordance with the applicable petroleum agreement. In this case, the share of oil profit between the government and the Contractor is proposed to be on a

50/50 percent sharing basis at between 0 and 20,000 barrels of oil per day and 60/40 percent sharing basis in favour of the government at between 20,001 and 50,000 daily production levels. This sharing framework increases the government's share to 70% upon production levels reaching above 100,000 and subsequently to 75% above 150,000 daily production levels. In respect to the share of the National Government, section 58 provides for the distribution of the profits as follows: 75% for the National Government, 20% for the County Government, and 5% for the local community

31. Further, the Joint Committee noted that the estimated gross revenue projections over the project life amount to approximately KShs 2.32 trillion (USD 17.84 billion), subject to crude oil production performance, including the possibility of higher volumes being achieved during the life of the project. Of this amount, the cost of oil and transportation costs are estimated at approximately KShs 1.27 trillion (USD 9.79 billion) and KShs 821.10 billion (USD 6.32 billion), respectively. Consequently, the resulting profit oil is to be shared among the parties in accordance with the PSCs. Moreover, the Committee observed that these projections are underpinned by a set of key assumptions, including factoring in the foreign exchange rate of USD 1 to KShs 130, an oil price benchmark of USD 60 per barrel with a crude quality discount of USD 3.5 per barrel referenced to the Brent index, and zero cost inflation per annum, among others. In this regard, the Joint Committee noted with caution that exchange rate volatility presents a material risk which, if not properly managed, could significantly affect overall project revenues and the Government's fiscal returns.

32. **Indirect Revenues and Related Commercial Arrangements:** In addition to direct petroleum revenues, the Joint Committee noted that the country is expected to benefit from indirect revenues arising from midstream, logistics, and export-related services. In particular, the Joint Committee observed that Kenya Petroleum Refineries Limited is projected to earn approximately KShs 42.3 billion (USD 325 million) from crude oil storage and handling services, while Kenya Ports Authority is expected to generate approximately KShs 41.9 billion (USD 322 million) through operations associated with the New Kipevu Oil Jetty. The Joint Committee further observed that additional fiscal benefits are anticipated through increased revenues from electricity and water consumption, auxiliary services, and Road Maintenance Levy collections linked to project logistics and operations.

    Moreover, the National Treasury estimates that about 34% of the total project Capital Expenditure (CAPEX) of USD 5.794 billion (or approximately KSh 753.22 billion) and 93% of the estimated project Operating Expenditure (OPEX) of USD 8.226 billion (or approximately KSh 1.069 trillion) is expected to be spent locally. In addition to capital investments, project operations are anticipated to generate over 3,000 direct, indirect, and induced employment opportunities over the project life cycle. Communities along the project corridor will also benefit from improved market access, infrastructure, and local business growth. The project's progression will open Kenya to increased foreign direct investment in the oil and gas value chain from international players.

33. **Fiscal Concessions and Tax Incentives:** The Joint Committee observed that the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) propose various fiscal incentives for the Contractor, including exemptions from Value Added Tax (VAT), Withholding Tax (WHT), Import Declaration Fee (IDF), and Railway Development Levy (RDL). The Joint Committee noted that the project qualifies for exemptions from the RDL and IDF, as the investment exceeds KShs 5 billion, in accordance with the Second Schedule of the Miscellaneous Fees and Levies Act (Cap. 469C). The Joint Committee further observed that previous VAT exemptions under

Block T6 and Block T7 PSCs lapsed in September 2018, and therefore, a Government decision is required to grant or extend VAT exemptions. Such fiscal support would help mitigate financing constraints affecting oil and gas exploration and development. The Joint Committee noted that the Contractor submitted that taxes increase overall development costs, thereby escalating project financing costs and other expenditures, which in turn affects the dynamics of recoverable costs.

In this regard, the Joint Committee observed that the National Treasury estimated the quantum amount of fiscal concessions sought under the FDP is approximately KShs 46.67 billion, covering upstream VAT, Withholding Tax, Railway Development Levy, and import duty. With regards to withholding tax, the National Treasury indicated that it is not a final tax and is meant to enhance compliance and improve visibility with expected reforms to streamline its application and efficacy from a compliance perspective. The Kenya Revenue Authority (KRA) submitted that it does not object to eligible exemptions, however KRA emphasized that such exemption regimes should be done in accordance with the applicable tax laws and with a view to enhancing transparency.

The Joint Committee observed that there was a need to anchor in law the fiscal incentives and concessions necessary to catalyze the Project and realize its implementation. The FDP seeks to exempt the operator from the application of value added tax, withholding tax, the railway development levy and the import declaration fee. However, these incentives should be incorporated within appropriate legislation, to provide a criteria for eligibility, auditability, and enforceability, in order to safeguard revenue integrity and ensure that fiscal measures operate predictably and support the project's bankability. The Joint Committee further observed that incentives sought under the FDP include: Zero rating of VAT on all the inputs related to the project with respect to goods and services to be procured by providing that zero rating applies across the value chain from extraction of oil to exportation of the oil; exemptions from other levies such as customs duty, RDL, IDF, and stamp duty, that will further incentivize the project by reducing the cost of importing critical machinery and other items required for the project; and exemption from withholding tax from all services and exemption from withholding tax on interest on debt funding, that will ensure that procurement of technical and imported services will be affordable and noting that exemption from withholding tax on interest on borrowing will make it possible for the project to secure funding that is affordable.

34. The Joint Committee observed that there was need to secure the incentives outlined above and in addition to consider enactment of a legislation with a framework that is similar to the establishment and operation of a Special Economic Zone, on the basis that, the framework under a Special Economic Zone provides a range of fiscal incentives that are critical to the success of the project, including exemptions from customs duties and value added tax, reduced taxes on corporate income, lower withholding taxes on the repatriation of income and 100% investment deduction on capital expenditure that is qualified. The Joint Committee further observes that the Project is fundamentally export-oriented in nature, generating foreign currency savings and earnings for the economy through either crude oil exports or import substitution of refined product in the event a refinery is constructed. Government policy has always been to spur export through various tax and policy incentives and therefore the incentives sought by the project are neither novel or exceptional for an export-oriented project. Such incentive exist in the Special Economic Zones framework.

35. The Joint Committee observed that there were submissions seeking targeted amendments to address gaps within the Special Economic Zones framework. First, the Joint Committee noted from submissions that there was an inconsistency between the definition of company under Section 2 and the requirement under Sections 28 and 29 that a developer, operator, or enterprise be incorporated in Kenya. The Joint Committee observed that there was a proposal to amend Sections 28(a) and 29(2)(a) to allow a company incorporated or registered under any law in Kenya to qualify and to clarify that an existing company that is incorporated or registered may be licensed if it meets eligibility criteria that was progressive. Second, the Joint Committee noted from submissions that fiscal incentives such as VAT zero rating apply only to SEZ enterprises while there is no incentive for a developer who may undertake enterprise type activities under the project structure. The Joint Committee observed that the proposal to insert a new Section 29(3) to allow a Developer or Operator to apply for an SEZ Enterprise license within the same zone was progressive. Third, the Joint Committee noted from the submissions that oil and gas zones are not expressly recognised under Section 4(6) of the Act. The Joint Committee observed that the proposal to amend that section to include upstream, midstream, and downstream petroleum operations and related activities as designated SEZ categories would permit petroleum to contribute to the agenda of industrialization of Kenya.

36. **Crude Oil Evacuation Strategy and Road Infrastructure Readiness:** The Joint Committee observed that the FDP proposes the export of crude oil via road trucking to Kenya Petroleum Refineries Limited in Mombasa during Phase I, utilising the currently proposed usable route covering a distance of approximately 1,104 kilometres. This route runs from the well pads in Lokichar through Kitale, Eldoret, Nakuru, Nairobi, and on to Mombasa, with approximately 75 per cent of the route comprising Class A roads under the management of Kenya National Highways Authority, which carry significant traffic volumes.

    The Committee further observed that there are two potential alternative routes, namely, the Amosing – Lokori – Kapedo – Kinyang – Marigat – Mogotio – Nakuru – Mombasa; and Amosing – Lokichar – Marich Pass – Sigor – Kinyang – Eldoret – Nakuru – Nairobi – Mombasa. In comparison to the current usable route, these alternative routes may save a distance of 129 KMs and 47 KMs, respectively.

    Comparatively, the Ministry of Roads and Transport also submitted two practical road evacuation scenarios with similar routes proposed in the FDP, such as the current usable route as one of the options. The other scenario is the Lokichar - Barpelo / Marich Pass / Baringo axis - Nakuru - Nairobi - Mombasa, which is operationally advantageous for petroleum haulage, with the potential to reduce dependency on the busy sections of the current usable road, as well as improve regional infrastructure connectivity in the region.

    The Joint Committee noted that the alternative routes require significant upgrades to meet safety and operational standards for crude oil transportation, and thus, the preference for the current usable route. In addition, the Ministry of Roads and Transport submitted plans to improve the status of alternative routes in the region at a cost of approximately KShs 26 billion, as submitted by the National Treasury

37. **Petroleum Revenue Fund and Governance:** The Joint Committee observed that the national government's share of petroleum revenues before the imposition of taxes shall be deposited into a dedicated petroleum fund, and managed in accordance with the Public Finance Management Act (Cap. 412A). The Committee further noted the need

for the Cabinet Secretary responsible for Petroleum to fast-track regulations establishing the Fund. The Fund should provide for: the governance framework on receipts of petroleum proceeds and disbursements according to the outlined sharing framework between the National government, the relevant County government, and the local community, and ring-fencing of county allocations and use of the community share, among others. Additionally, the Joint Committee noted that there is a need for legislative intervention to provide for approvals, budget implementation, and oversight reporting.

38. **Audit Mechanisms Framework on Recoverable Cost:** The law mandates the Energy and Petroleum Regulatory Authority (EPRA) to undertake audits on recoverable costs incurred by the contractor as agreed by the parties in the Production Sharing Contracts. Additionally, the Office of the Auditor-General is mandated to audit the approved recoverable cost statements submitted to the Auditor-General by EPRA for an extra layer of audit assurance and risk mitigation. The Committee observed that EPRA has indicated that cost audits have been undertaken for Blocks T6 and T7 in 2018 for petroleum costs incurred in the periods from 2010-2016, in 2019 for petroleum costs incurred in the periods from 2017-2018, and in 2020 for petroleum costs incurred in the periods 2019-2020. Additionally, in November 2020, cost audits were undertaken for expenditures incurred in the Early Oil Pilot Scheme from 14th March 2017 to 31st December 2020. The committee further noted that EPRA had indicated that Contractor's cost recovery statements are audited against the approved Work Programme and Budget, supporting expenditure records, contracts, and quarterly submissions to ensure compliance with the Petroleum Agreement and applicable law. In this regard, the Joint Committee noted that there is need for EPRA to provide comprehensive and timely audits during the project lifecycle with a view to enhance cost recovery safeguards as required by the relevant law.

39. **Status of the Early Oil Pilot Scheme (EOPS):** The Joint Committee noted that there was an Early Oil Pilot Scheme that exported crude oil to the international market. The Ministry of Energy and Petroleum submitted that the volume of exported crude oil amounted to 414,777, generating a revenue of USD 28.34 million against an expenditure of USD 62.73 million, occasioning a loss/balance of USD 34.39 million, forming part of the cost incurred in exporting the oil in 2019 and 2022. The ministry indicated having met the threshold of the underlying objectives of the pilot phase, which includes meeting the technical requirements and the commercial potential of Kenyan crude oil in the international market. Additionally, the Committee noted that in November 2020, cost audits were undertaken for expenditures incurred in the Early Oil Pilot Scheme from 14th March 2017 to 31st December 2020.

40. **Macroeconomic Benefits and Potential Risks:** The Joint Committee noted that crude oil exports are beneficial to the country's macroeconomic outcomes by strengthening the overall balance of payment position, allowing the Central Bank to build up international reserves on account of external dollar receipts, and assisting in stabilization of the exchange rates, among other potential benefits. On the other hand, crude oil proceeds are based on a finite resource and often negatively affect less diversified economies upon depletion. It also carries potential risks to exchange rate dynamics if not managed well, negatively affecting key sectors like agriculture and manufacturing, a phenomenon commonly known as "Dutch Disease".The Joint Committee noted that structural fiscal rules and frameworks, such as enhancing savings, checking government spending based on well forecasted commodity prices by independent expert committees, may assist and contribute to lower macroeconomic volatility.

41. **Government Funded Enablers to support Oil Project and Associated Funding Estimates:** The Joint Committee observed that the implementation of the Field Development Plan (FDP) will require Government-funded enablers, estimated by the National Treasury at approximately KShs 56.39 billion. These enablers include expenditures on land and land-related expenses (KShs 2 billion), power connectivity (KShs 13.1 billion), water supply (KShs 10 billion), crude oil receipt and export infrastructure at the coast (KShs 5.29 billion), and road upgrades (KShs 26 billion), among others. The Joint Committee noted that while some of these interventions are already budgeted or under design, their timely delivery will be critical to achieving First Oil targets and will require a coordinated multi-agency framework. The Joint Committee noted the need for fast-tracking the implementation of the enablers to ensure the timely delivery of the project

42. **National Oil Corporation of Kenya (NOCK) Participation:** The committee observed that the Field Development Plan (FDP) envisages the participation of the National Oil Corporation of Kenya (NOCK), as the Government nominee, through a carried and/or paid participating interest of up to 20 per cent in the unitised development area covering Blocks T6 and T7. The Committee noted that NOCK's participation is intended to enhance the State's direct involvement in upstream petroleum operations, strengthen national capacity, and secure an additional share of petroleum revenues beyond profit oil and royalties. In this regard, the Committee emphasizes the urgency of fast-tracking the restructuring and institutional strengthening of NOCK to ensure it is adequately equipped to discharge its responsibilities effectively and to safeguard the State's strategic and financial interests in the project.

6.3 Observations Arising from the Public Hearings

Having held public hearings in Turkana, West Pokot, Uasin Gishu, Trans Nzoia, Lamu, and Mombasa Counties, the Joint Committee made the following observations highlight critical issues around Security Concerns, Water Infrastructure, Waste Management Concerns, Local Content and Procurement Concerns, Environmental Assessment and Safeguards, and Continuous Community Engagement:

A. Security Concerns:

43. The Joint Committee received submissions from Turkana County Security Committee (Chaired by County Commissioner, Mr. J.M. Kavita, MBS), Members of the Turkana County Assembly (led by the Speaker), Public Participants at Ekales Centre, Lodwar, Turkana Council of Elders, Public Participants at Kalemgorok, Turkana South, Public Participants at Lokichar Town, Turkana South, Public Participants at Nakukulas, Turkana East, Public Participants at Lopii, Turkana East, Public Participants at Lokori, Turkana East, Public Participants at Katilia, Turkana East, County Commissioner Lamu County, Governor of Lamu County, Mr. Mohamed Rajab, Regional Commissioner Coast Region, and Public Participants at Magongo Stadium Changamwe.

44. The Joint Committee observed that the success of the South Lokichar Oil Project is closely tied to the prevailing security environment in the project area. As the project transitions from the exploration phase to full-scale production and crude oil transportation, the scale of operations expands significantly, and so do the associated risks and vulnerabilities. This progression heightens the need for a robust, coordinated, and community-sensitive security framework. The Joint Committee observed a **concerning disconnect** between the Government's assurances regarding security preparedness and the realities experienced by local communities in the extraction areas. While official commitments emphasize adequate protection and stability, communities in Turkana County reported persistent security concerns, suggesting a gap between

policy pronouncements and actual implementation. Bridging this gap will be critical to ensuring operational continuity, safeguarding infrastructure, and maintaining community trust and support for the project.

45. The Joint Committee observed that the Ministry of Interior has presented a comprehensive plan to enhance security along the oil transport corridor, including transitioning police operations from temporary deployments to a permanent presence supported by a clear command structure. The Joint Committee further notes that the Ministry of Roads and Transport proposed to establish Motor Vehicle Inspection Centers in Lodwar, Lokichar, and Kitale to ensure the safety and roadworthiness of the large fleet of oil tankers. In addition, the Joint Committee observes the Ministry's intention to deploy drones and real-time tracking technology to monitor risks and enable rapid response to potential threats along the corridor.

B. Water Concerns:

46. The Joint Committee received submissions from Turkana County Security Committee, Turkana Professionals Association, Ministry of Water, Public Participants at Nakukulas Turkana East, Public Participants at Katilia Turkana East, Local Community West Pokot, Governor of Lamu County and Officials.

47. The Joint Committee observed that there was emphasis on the urgent need to establish new, sustainable water sources for local communities before any abstraction of water for the project begins. It was noted that the Turkana Professional Association recommended drilling wells capable of supplying 1,560 cubic meters per day to meet domestic, livestock, and kitchen garden needs, thereby ensuring food and water security for local families. This was further emphasized by members of the public stating that water for the community should be given priority over oil production. The Joint Committee observed that a majority of households in Turkana lack clean water for human consumption, domestic use, and agricultural activities.

48. The Joint Committee observed from Mr. Johanna Ekwang submitted that there was concern that the hydrological connectivity of the area increases the risk that contamination from drilling sites, waste pits or pipeline leaks could migrate beyond the immediate project footprint.

49. **Irrigation Water Infrastructure and Community Consultation:** The Joint Committee observed that stakeholders in West Pokot County expressed the need to expand the number of six (6) proposed water points associated with the Turkwel water supply infrastructure to ensure broader coverage of affected villages. The Joint Committee further noted concerns that the identification and siting of these water points should be undertaken through structured community consultations to enhance transparency and local ownership. In addition, residents of Turkwel proposed that the water pipeline alignment should, where feasible, traverse villages rather than strictly following road reserves, in order to maximise direct community access and socio-economic benefits arising from the project.

50. **Inter-County Consultations on Revenue Sharing:** The Joint Committee the submissions from West Pokot County residents and stakeholders regarding the sharing of oil revenues, particularly in light of the County's role as the source of water for petroleum operations in Lokichar. The Joint Committee observed that the residents proposed continued consultations between Turkana County and West Pokot County be undertaken to explore mechanisms through which West Pokot communities may benefit from the project.

51. The Joint Committee observes that the Ministry of Water, Sanitation, and Irrigation has proposed a technical plan for water allocation from the Turkwel Dam. Under this plan, approximately 16,534 cubic meters per day would be allocated to the oil fields, 62,616 cubic meters per day to Lodwar town and surrounding communities, and 328,000 cubic meters per day to the Lower Turkwel Irrigation Scheme covering 10,000 acres.

52. The Joint Committee noted that in the FDP, one of the key design driver is water injection to maintain reservoir pressure as indicated in Section 7.2 on Completion. Additionally, Section 8.2 of the FDP indicates that produced water will be treated and reinjected back into the formation via injection wells for reservoir pressure maintenance sweep. Section 8.3.3 and 8.3.7 of the FDP also provides for a three-phase separation that indicated that produced water will be routed to a water tank and then treated further. It was further noted that Section 8.4.6 of the FDP states that produced water will be treated and then combined with the makeup water from the Turkwel Dam and reinjected to the reservoirs.

53. The Joint Committee observed there is a gap between the project's timeline as transport of oil is scheduled for December 2026, and the critical supporting infrastructure is not ready, raising concerns about the ability to provide both industrial and local water needs as scheduled.

C. Waste Management Concerns:

54. The Joint Committee received submissions from Members of the Turkana County Assembly, Turkana Professionals Association, Public Participants at Kalemgorok Turkana South, Public Participants at Lopii Turkana East, and Public Participants at Lokori Turkana East.

55. The Joint Committee observed from the submissions by Mr. Johnson Kibaki, a Petroleum Engineering student at the Kenyatta University, highlighted the need for a more sustainable and innovative approach to waste management within the proposed Field Development Plan (FDP). In particular, the proposal to process and repurpose drilling cuttings for use in cement manufacturing would present an opportunity to transition from conventional disposal methods to a circular economy model. Such an approach would not only reduce the environmental risks associated with waste disposal, such as soil and groundwater contamination, but also lower operational costs for the project and raw material costs within the construction sector.

56. The Joint Committee observed from the submissions that there were concerns regarding the proposed hazardous waste facility at Kang'ipetain, a critical grazing area with perennial pastures and springs. It was noted that local communities view the site as essential for pastoralist livelihoods and the local ecosystem, and that placing a hazardous waste facility there poses a direct threat to both human and animals.

57. The Joint Committee observed that residents in Turkana County raised concerns relating to health linked to hydrocarbon exposure, including benzene, citing risks such as leukemia, respiratory illnesses, and reproductive issues.

58. The Joint Committee noted from submissions that there were allegations that the previous contractor, Tullow Oil, bypassed proper treatment protocols to reduce costs, including practices such as transferring waste between wells.

59. It was noted that the Turkana Professionals Association recommended that waste transportation be managed by local contractors using certified and specialized trucks. The Joint Committee noted that while this approach supports local employment and skills development, it requires strict enforcement of safety standards to ensure that

hazardous materials are handled properly and that risks to workers, communities, and the environment are effectively mitigated.

60. The Joint Committee observed in relation to the concerns expressed that, the project has proposed an Integrated Waste Management Facility that employs global industry standard for the management of drilling and hazardous waste with a final disposal in an engineered sanitary landfill, and the National Environment Management Authority (NEMA) has also mandated the construction of a 50-hectare sanitary landfill near the Ngamia field, comprising 13 engineered cells with a total capacity of approximately 325,000 cubic meters, to ensure safe containment of project-generated waste.

D. Local Content, Procurement Concerns, and Benefit Sharing

61. The Joint Committee received submissions from Turkana County Security Committee, Members of the Turkana County Assembly, Turkana Professionals Association, Public Participants at Ekales Centre Lodwar, Turkana Council of Elders, Mr. Cyrus Letting, Mr. Smith Namjohi, KNCCI, Local Community West Pokot, Trans Nzoia Turkana Community Diaspora, Governor of Lamu County, Governor Abdullswamad Sheriff Nassir and Changamwe Constituency residents.

62. The Joint Committee observed that the Turkana County Assembly raised concerns regarding the distribution framework for the 5% local community revenue share, particularly on the criteria and mechanisms that will be used to allocate benefits among the newly subdivided sub-counties. The Joint Committee further noted that there is a need for the County Government to have a framework on how the 20% share due to the county government shall be utilized.

63. The Joint Committee observed that local communities and professional groups have strongly advocated for measures to ensure that the benefits of the project directly reach those most affected. The Joint Committee noted that the Turkana Professionals Association and residents submitted that specific local content quotas, including reserving 70% of trucking contracts (400 trucks out of an estimated 600 trucks), 100% of driver positions, and all unskilled labor roles for local people, emphasizing the need for meaningful participation in the economic opportunities of the project.

64. The Joint Committee observed that there is an ongoing debate regarding the definition of "local" in the context of project benefits. It was noted that the Turkana Professionals Association advocated for a "Host Community" definition limited to distance-based radius around the extraction sites, aiming to ensure that economic and employment benefits are prioritized for those directly impacted by the operations, rather than being distributed more broadly across the entire county.

65. The Joint Committee observed that local content discussions emphasized the inclusion of marginalized groups and gender equity. The Joint Committee noted that representatives called for 10% of employment and procurement opportunities, including trucking contracts, to be reserved for Persons with Disabilities (PWDs). The Joint Committee further noted that community members submitted that there was a need for women to participate in technical and logistics roles, beyond traditional positions in catering or cleaning, supported by targeted Women in Oil & Gas training programs to enhance their skills and meaningful engagement in the sector.

66. The Joint Committee observed that there were submissions recommending structural interventions to prevent elite capture and ensure equitable access to project opportunities.

67. The Committee observed that there were submissions proposing to create a National Supplier Database to register and pre-qualify businesses participating in the project.

68. The Joint Committee observed that, the Changamwe Constituency residents expressed general support for the development of Kenya's petroleum resources, but with a call for the revival of the Kenya Petroleum Refineries Limited (KPRL) facility as a fully operational refinery since the refinery has historically been the economic backbone of Changamwe, providing employment, skills development, local procurement opportunities, and broader socio-economic benefits to thousands of residents.

69. The Joint Committee observed that there was a Local Content Plan (LCP) attached as Appendix F, Section 19 of the Field Development Plan for the South Lokichar Field Development. The LCP is prepared in accordance with the requirements of the Petroleum Act (2019). This LCP sets out the principles, framework, and implementation mechanisms that will guide the integration of local content throughout the life cycle of the Project. Additionally, it outlines an approach to maximize socio-economic benefits for Kenyans through 4 pillars namely; employment, procurement, capacity building & stakeholder engagement while creating opportunities and ensuring alignment with national legislation, draft Local Content Regulations (2025), and international industry standards. Furthermore, the Joint Committee observed that the LCP highlights a commitment to maximize Kenyan participation, support enterprise growth, deliver workforce training & development, promote technology transfer and ensure transparent reporting.

E. Land Related Concerns

70. The Joint Committee received submissions from Turkana County Security Committee, Members of the Turkana County Assembly, Nakukulas Land Management Committee, Civil Society Members, Trans Nzoia Turkana Community Diaspora, Mr. Yahya Mohamed, and Ms. Magdaline Njeri.

71. The Joint Committee observed that the project requires roughly 11,354.8 hectares (about 40,000 acres) across the fields of Amosing, Twiga, Ngamia, and Ekales . Because Turkana County does not yet have a gazetted Land Value Index, the NLC is using a hybrid approach, combining market value with a disturbance allowance. Since the land is registered under 21 community titles, compensation will be channeled to Community Land Management Committees (CLMCs) rather than individuals, requiring transparency to ensure fair distribution and prevent elite capture. The NLC is also working to balance industrial development with pastoralist livelihoods by proposing controlled grazing in safe zones within the acquired area.

72. Joint Committee analyzed the submissions by National Lands Commission and observed that the process to compulsorily acquire land required for the project was being carried out by the National Lands Commissions in conjunction with the State department of Land under the Ministry of Lands, Public Works, Housing, and Urban Development in accordance to the Land Act – Part VIII (Compulsory Acquisition of interests in Land) and the Section 108 of the Petroleum Act 2019.

73. The Joint Committee noted from submissions from NLC that 568 formal grievances had been recorded, reflecting concerns among local communities. There was also the challenge of opportunistic claims, with some individuals establishing temporary structures to inflate compensation. To address this, the NLC informed the Joint Committee that it would implement a rigorous verification process to ensure that compensation reaches the rightful beneficiaries.

74. The Joint Committee further observed that the National Land Commission (NLC) ought to establish a satellite office in Turkana County, preferably located near the oil infrastructure sites. It was noted that having a physical presence on the ground would improve accessibility for affected communities, enable faster resolution of grievances,

and strengthen transparency throughout the compensation process. A local office would also support real-time verification of claims, enhance community engagement, and reinforce public confidence by demonstrating that the land acquisition process is being managed in a responsive and accountable manner.

F. Environmental Assessment and Safeguards

75. The Joint Committee received submissions from Turkana County Security Committee, Turkana Council of Elders, Civil Society Members, Local Community West Pokot, Trans Nzoia Turkana Community Diaspora, County Government of Lamu, and Regional Commissioner Coast Region.

76. The Joint Committee observed that civil society groups raised concerns regarding the adequacy of the current Environmental and Social Impact Assessments (ESIAs) for the project. The Joint Committee noted the recommendation for a Strategic Environmental Assessment (SEA) to evaluate the cumulative impacts of the oil project in conjunction with other developments along the LAPSSET corridor.

77. The Committee noted that Field Development Plan for the project does not include utilization of the LAPSSET Corridor. However, the Committee noted that the separation of the ESIAs was necessitated by the different ownership structures for upstream and mid-stream components. The Upstream component consisted of the PSC Contractors and the Government of Kenya through a joint venture company that was envisaged. For the water infrastructure, the current FDP does not entail the construction of a water pipeline as this the contactor will purchase water under a commercial arrangement with the water services provider. Additionally, under the FDP, this is now a government enabler.

78. The Joint Committee observed from submissions that there were concerns, on reliance on 600 trucks in Phase I which would generate a carbon footprint and present continuous spill risks. The Joint Committee further noted from submissions that local authorities currently lack the capacity, equipment, and expertise to respond effectively to large-scale oil spill incidents, highlighting the need for enhanced preparedness and mitigation measures.

79. The Joint Committee observed from submissions that there were concerns that there was need for planning for the decommissioning of oil fields as a critical strategy to prevent leaving a toxic legacy and the establishment of a Decommissioning Guarantee or Bond to ensure that funds are set aside for site restoration. The Joint Committee observed that Clause 42 of the Block T6 and T7 of the Production Sharing Contracts provide guidance for Abandonment and Decommissioning.

80. The Committee observed that Section 10.5.7 of the Field Development Plan provides for the development of an emergency response plan that caters for any spills.

81. The Joint Committee observed from submissions that local communities advocated for a leasehold arrangement on land that reverts to them following site restoration. The Joint Committee further observed from submissions that the model of leasing would secure community oversight, ensuring that operators are held accountable for proper rehabilitation and that both livelihoods and the environment are adequately protected.

G. CSR and Continuous Community Engagement

82. The Joint Committee observed from submissions that there is need to expand the scope of scholarships to support practical skills development owing to the demand for Technical and Vocational Education and Training (TVET) programs that equip youth

with green skills and technical trades, preparing them for employment in the oil sector and beyond.

83. The Joint Committee noted the request for mobile classrooms to accommodate the nomadic lifestyle of pastoralist children, ensuring access to education regardless of location.

84. The Joint Committee observed from submissions that there were requests for the establishment of a Host Community Information Office at the project site to provide verified information, manage grievances, and counter misinformation. The Joint Committee further noted the call for Community Liaison Officers to serve as a bridge between the operator and local residents, strengthening communication and trust.

85. The Joint Committee observed from submissions that there was emphasis on the concept of Free, Prior, and Informed Consent (FPIC) should be treated as an ongoing process rather than a one-time requirement.

86. The Joint Committee observed from submissions that community leaders sought to be signatories to Memorandums of Understanding (MOUs) and contracts, to provide inclusivity and participation in the development of the project.

CHAPTER SEVEN

RECOMMENDATIONS

7.0 COMMITTEE RECOMMENDATIONS

Having considered and analysed the submissions by members of the public and stakeholders on the Production Sharing Contracts and Field Development Plan for Blocks T6 and T7 in South Lokichar Basin, Turkana County and in accordance with Article 71 of the Constitution and section 31(2)(a) of the Petroleum Act, Cap. 308, ***the Joint Committee recommends that this House adopts the Report and approves the Ratification of the Production Sharing Contracts and Field Development Plan for Blocks T6 and T7 in South Lokichar Basin, Turkana County.***

SIGNED..... **DATE**.....23/02/2026

SEN. (DR.) OBURU OGINGA, MGH, M.P.
CHAIRPERSON, SENATE STANDING COMMITTEE ON ENERGY

SIGNED.....**DATE**.....23/02/2026

HON. DAVID GIKARIA, C.B.S, M.P.
CHAIRPERSON, DEPARTMENTAL COMMITTEE ON ENERGY, NATIONAL ASSEMBLY

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 24 FEB 2026 DAY. TUESDAY
TABLED BY: HON. DAVID GIKARIA, CBS, MP (CHAIRPERSON)
CLERK-AT THE-TABLE: INZOFU MWALE, HSC

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026

DIRECTORATE OF DEPARTMENTAL COMMITTEES

DEPARTMENTAL COMMITTEE ON ENERGY

ADOPTION OF THE REPORT ON JOINT CONSIDERATION OF THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY BY THE DEPARTMENTAL COMMITTEE ON ENERGY OF THE NATIONAL ASSEMBLY AND THE SENATE STANDING COMMITTEE ON ENERGY

We, the undersigned Honorable Members of the Departmental Committee on Energy today Wednesday, 18th February 2026 do hereby affix our signatures to this **Report on Joint Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County** to affirm our approval and confirm their accuracy, validity, and authenticity.

NO.	NAME	SIGNATURE
1.	**The Hon. David Gikaria, CBS, M.P -Chairperson**	
2.	**The Hon. Lemanken Aramat, CBS, M.P – Vice-Chairperson**	
3.	The Hon. Samuel Gonzi Rai, M.P.	
4.	The Hon. Charles Gimose, M.P.	
5.	The Hon. Julius Musili Mawathe, M.P.	
6.	The Hon. Walter Owino, M.P.	
7.	The Hon. Elisha Odhiambo, M.P.	
8.	The Hon. Tom Mboya Odege, M.P.	
9.	The Hon. Simon King'ara, M.P.	
10.	The Hon. George Omwera Aladwa, M.P.	
11.	The Hon. Victor Koech Kipngetich, M.P.	
12.	The Hon. Geoffrey Ekesa Mulanya, M.P.	
13.	The Hon. Cecilia Asinyen Ngitit, M.P.	
14.	The Hon. Barongo Nolfason Obadiah, M.P.	
15.	The Hon. Siyad Amina Udgoon, MP	

GEM

31

A4 FILE DIVIDER

US-031

MADE IN CHINA 6 920583 841781

1 Adoption List
2 Minutes
3 Advertisements
4 Public Participation Matrix
5 Submissions by Stakeholders
6 Schedule of ~~Stakeholders Meetings~~ Public Hearings
7 Schedule of Stakeholders Meetings
8 Public Hearings Attendance Schedule
9 List of Petroleum Experts.
10 PBO Briefs & Legal Brief
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

REPUBLIC OF KENYA
THE SENATE

THIRTEENTH PARLIAMENT – FIFTH SESSION, 2026

STANDING COMMITTEE ON ENERGY

ADOPTION OF THE REPORT ON JOINT CONSIDERATION OF THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY BY THE DEPARTMENTAL COMMITTEE ON ENERGY OF THE NATIONAL ASSEMBLY AND THE SENATE STANDING COMMITTEE ON ENERGY

We, the undersigned Honorable Members of the Standing Committee on Energy today ...Wednesday... ...18th February 2026... do hereby affix our signatures to this **Report on Joint Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County** to affirm our approval and confirm their accuracy, validity, and authenticity.

NO.	NAME	SIGNATURE
1.	**Sen. (Dr.) Oburu Oginga, MGH, MP** **Chairperson**	
2.	**Sen. William Kisang' Kipkemoi, CBS, MP** **Vice-Chairperson**	
3.	Sen. (Dr.) Boni Khalwale, CBS, MP	
4.	Sen. Ledama Olekina, CBS, MP	
5.	Sen. James Lomenen Ekomwa, CBS, MP	
6.	Sen. Danson Buya Mungatana, MGH, MP	
7.	Sen. Edwine Watenya Sifuna, CBS, MP	
8.	Sen. Veronica Maina, CBS, MP	
9.	Sen. Beatrice Ogolla, MP	

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE FIRST (1ST) SITTING OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 7TH JANUARY, 2026 IN MINI CHAMBER, 1ST FLOOR, MAIN PARLIAMENT BUILDING AT 11:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
2. Sen. William Kisang' Kipkemoi, MP
3. Sen. Ledama Olekina, MP
4. Sen. James Lomenen Ekomwa, MP
5. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
6. Sen. Edwine Watenya Sifuna, CBS, MP
7. Sen. Veronica Maina, CBS, MP
8. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon. Julius Musili Mawathe, M.P.
5. The Hon. Walter Owino, M.P.
6. The Hon. Tom Mboya Odege, M.P
7. The Hon. Samuel Gonzi Rai, M.P
8. The Hon. Simon King'ara, M.P
9. The Hon. Geoffrey Ekesa Mulanya, M.P
10. The Hon. Cecilia Asinyen Ngitit, M.P.
11. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A. THE SENATE

1. Sen. (Dr.) Boni Khalwale, CBS, MP

B. THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, M.P.
2. The Hon. Samuel Gonzi Rai, M.P.
3. The Hon. George Omwera Aladwa, M.P.
4. The Hon. Victor Koech Kipngetich, M.P.
5. The Hon. Siyad Amina Udgoon, MP

IN ATTENDANCE

1.	Dr. Christine Sagini	-	Senior Clerk Assistant
2.	Mr. Fredrick Otieno	-	Clerk Assistant I
3.	Mr. Salim Athumam	-	Clerk Assistant III
4.	Ms. Mary Waqo	-	Clerk Assistant III\
5.	Ms. Brigitta Mati	-	Senior Legal Counsel
6.	Ms. Zeinab Jirma	-	Legal Counsel II
7.	Ms. Nancy Mulei	-	Research Officer III

8. Mr. Robert Langat - Research Officer II
9. Mr. Washington Otiato - Media Relations Officer II
10. Mr. Ambrose Nguti - Media Relation Officer II
11. Mr. Joseph Lekisima - Fiscal Analyst II
12. Mr. Brian Njeru - Fiscal Analyst II
13. Ms. Judith Aoka - Audio Officer
14. Ms. Rehema Koech - Hansard Officer
15. Ms. Viviane Juma - Intern
16. Ms. Anjela Mariana - Intern

SENATE/NA/JOINT/ENERGY/NO.001/2026: PRELIMINARIES

The meeting was called to order at 11:19 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENERGY/NO.002/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Hon. Barongo Nolfason Obadiah, MP and seconded by Sen. James Lomenen Ekomwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Consideration of –
   a) Committee Brief on Local Content and Environmental matters;
   b) Committee Brief on Legal Matters; and
   c) Committee brief on fiscal analysis of the Field Development Plan (FDP) and the Production Sharing Contracts (PSCs) for Blocks T6 and T7 in South Lokichar Basin;
5. Consideration and adoption of Proposed Schedule for the Consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County;
6. Any other Business; and
7. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 003/2026: FISCAL ANALYSIS OF THE FIELD DEVELOPMENT PLAN (FDP) AND THE PRODUCTION SHARING CONTRACTS (PSCS) FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN

The Joint Committee considered the Fiscal Analysis of the South Lokichar FDP and PSCs for Blocks T6 and T7 and noted the following –

a) The proposed fiscal terms in the Field Development Plans (FDPs) and Production Sharing Contracts (PSCs) raised significant concerns regarding cost recovery and profit oil sharing. In particular, the contractor's proposal for an 85 per cent cost recovery ceiling and profit oil splits appeared to disproportionately favour the contractor, potentially diminishing the government's overall take.

Further, there was a need to review the capacity of the Ministry/EPRA to audit the recoverable costs and recommend measures to ensure independent verification.

b) There was a need for a detailed breakdown of the Ksh. 1 trillion OPEX figure, including specific cost items with a view towards identifying opportunities for cost reduction. \

c) While a significant proportion of the projected OPEX was attributable to transport and logistics, there was no comprehensive comparative analysis submitted by the Ministry of Energy and Petroleum on the available evacuation options (road, rail, and pipeline) covering costs, risks, timelines, and long-term implications. Consequently, the rationale for the apparent preference for a road-based evacuation solution, in the absence of such analysis, required clear justification.

d) A comprehensive technical and economic review of the Early Oil Pilot Scheme (EOPS) was required from the Government, including an assessment of its design, operational performance, economic viability, proceeds management framework, and transparency mechanisms. Further, there was a need to establish the adequacy and transparency of the EOPS, including its technical configuration, proceeds framework, and revenue-sharing arrangements between the national government, county governments, and local communities.

e) The significant downward revision of recoverable resource estimates from initial projections of approximately 1.6 billion barrels and subsequent estimates of 560–585 million barrels to the current estimate of about 326 million stock tank barrels over a 25-year contract period, required a detailed and transparent explanation. Given the profound implications for project viability, projected government revenue, project life, and major infrastructure investment decisions, there was a need for clear scientific and technical justification for this reduction.

Further, a comprehensive comparative analysis of the initial and revised estimates should be undertaken, including the recovery factors applied, reservoir and production assumptions, and reference to international precedents where similar downward revisions had occurred, in order to assess the credibility and robustness of the revised estimates.

f) The rationale for tax exemptions reportedly granted by the Kenya Revenue Authority to the project company required clarification, including the legal basis, fiscal justification, and the impact of such exemptions on the overall government take.

g) The proposed debt-to-equity ratio and financing structure, including interest rates and repayment profiles, could materially affect government revenue and therefore required careful scrutiny.

h) Drawing lessons from the inquiry into the high cost of electricity and the Committee's findings on the financing terms of Independent Power Producers, there was a need for disclosure of the lenders to the contractor and applicable interest rates, in order to assess implications for project risk, government revenue, and potential contingent liabilities.

i) Clarity was required on who would ultimately bear the costs of the road upgrades necessitated by the South Lokichar project, and whether such costs would be treated as project capital expenditure, financed through the Exchequer, or shared between the investor and the Government.

j) There was need to assess the status and utilisation of previous investments in the Lokichar–Lamu pipeline and related feasibility studies, and to ensure that critical enablers such as roads, water, security, and other supporting infrastructure were adequately provided for in the Budget Policy Statement and subsequent budgets, with enhanced oversight by the Controller of Budget, the Auditor-General, and relevant State corporations.

SEN/NA/JOINT/ENERGY/NO. 004/2026: CONSIDERATION OF THE COMMITTEE BRIEF ON LEGAL MATTERS

The Joint Committee considered a brief on the legal matters relating to the South Lokichar FDP and PSCs for Blocks T6 and T7 and noted the following -

a) The contractors associated with the South Lokichar development underwent multiple changes in ownership, control, and corporate identity within a short period preceding the approval of the FDP and the execution of the First Addenda. The rapid succession of name changes, assignments, and corporate restructurings raised a legitimate basis for piercing or lifting the corporate veil in order to establish the ultimate beneficial owners.

b) While the Contractor submitted the FDP to EPRA for approval on 30th September 2025, the tabled Addenda indicated that Tullow first changed its Kenyan branch name to Gulf Energy E&P Ltd, and subsequently to Gulf Energy E&P B.V. on 24th October 2025. This sequence raised concerns regarding the legal status of Gulf Energy at the time of executing the relevant Addenda and was suggestive that approvals by EPRA may have been granted prior to the finalization of ownership.

c) The Addenda presented for ratification appeared to lack the company seal of the Contractor.

d) While incorporation details of the contractors were referenced in the documentation, proof of legal capacity was not furnished to the Committee. In particular, certificates of

incorporation and current beneficial ownership registers for Platform Resources Inc., Turkana Drilling Consortium (Kenya) Limited, and Gulf Energy were not provided, limiting the Committee's ability to verify compliance with the Companies Act and governance requirements.

e) The PSCs entered into in 2007 and 2008, together with the 2025 Addenda, raised complex legal questions relating to the re-designation of blocks as T6 and T7 and the apparent reduction in contract areas. The Committee noted the need for clarity on whether such material variations amounted to the creation of new contracts requiring fresh contracts altogether.

f) Further, discrepancies were noted between the contract areas described in the PSCs and those reflected in the relevant Gazette Notices. The Committee expressed concern that such inconsistencies could have legal, fiscal, and operational implications for the Government.

g) The Addenda appeared to introduce material changes to key fiscal and operational terms of the PSCs, prompting the need for legal advice on whether these changes complied with constitutional and statutory requirements governing public contracts and natural resource management. For instance, Clause 27(2)(b) was amended to significantly expand the definition of recoverable "capital expenditure" to include labour costs, fuel, repairs and maintenance, hauling and mobilisation, supplies and materials, and decommissioning costs. This amendment blurred the distinction between capital and operating expenditure and substantially increased the pool of recoverable costs prior to profit oil sharing.

h) The Addenda introduced wide-ranging tax exemptions (VAT, RDL, IDF, withholding tax). There was need for clarity on the powers of the Cabinet Secretary and the Ministry of Energy and Petroleum to grant exemptions or vary fiscal regime provisions, and the extent to which such powers could be exercised without prior approval of Parliament;

i) The treatment of decommissioning and abandonment obligations under the PSCs and Addenda required detailed legal review, particularly with respect to responsibility for costs and the adequacy of financial security arrangements, in order to safeguard the public from future environmental and fiscal liabilities.

j) The legal framework governing community participation, land acquisition, resettlement, and benefit-sharing in the affected areas needed to be fully mapped against the commitments in the PSCs and FDPs to ensure consistency with constitutional principles and statutory requirements.

SEN/NA/JOINT/ENERGY/NO. 005/2026: CONSIDERATION OF THE COMMITTEE BRIEF ON LOCAL CONTENT AND ENVIRONMENTAL MATTERS

The Joint Committee considered a brief on local content and environmental matters relating to the South Lokichar FDP and PSCs for Blocks T6 and T7 and noted the following

a) There was inadequate waste management at previous exploration sites, including reports that Tullow Oil had left waste materials that remain unremoved, and called for a clear plan for clean-up, decontamination, and long-term environmental monitoring in line with Environmental and Social Impact Assessment standards; and

b) There was lack of detailed information on capacity-building and research-and-development interventions for local content and the need for a comprehensive plan to harness local expertise and resources.

SEN/NA/JOINT/ENE/NO. 006/2026 CONSIDERATION AND ADOPTION OF PROPOSED SCHEDULE FOR THE CONSIDERATION OF THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

The schedule for the consideration of the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in the South Lokichar Basin, Turkana County, was adopted after being duly proposed by The Hon. Julius Musili Mawathe and seconded by Sen. Veronica Maina, CBS, MP.

SEN/NA/JOINT/ENE/NO. 007/2026: COMMITTEE RESOLUTIONS

The Committee made the following resolutions-

a) To convene a dedicated retreat to undertake a detailed review of the Field Development Plans (FDPs), Production Sharing Contracts (PSCs), OPEX and CAPEX assumptions, and proposed government investments prior to engagements with external stakeholders;

b) The Kenya Bureau of Standards (KEBS) be included among the stakeholders to be invited for the Committee's deliberations on the FDPs and PSCs;

c) All Members of Parliament from the areas to be invited to participate in public engagements held within their respective constituencies;

SEN/NA/JOINT/ENE/NO. 008/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 4:45 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/26 18/02/26

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE SECOND (2ND) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON MONDAY, 12TH JANUARY, 2026 IN MINI CHAMBER, 1ST FLOOR, MAIN PARLIAMENT BUILDING AT 10:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)**
2. Sen. Ledama Olekina, CBS, MP
3. Sen. James Lomenen Ekomwa, CBS, MP
4. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
5. Sen. Edwine Watenya Sifuna, CBS, MP
6. Sen. Veronica Maina, CBS, MP
7. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The.Hon Elisha Odhiambo,M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. Victor Koech Kipngetich, M.P.
9. The Hon. Siyad Amina Udgoon, MP
10. The Hon. Simon King'ara, M.P
11. The Hon. Geoffrey Ekesa Mulanya, M.P
12. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A. THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP**
2. Sen. (Dr.) Boni Khalwale, CBS, MP

B.THE NATIONAL ASSEMBLY

1. The.Hon. George Omwera Aladwa,M.P
2. The Hon.Samuel Gonzi Rai,M.P
3. The Hon.Cecilia Asinyen Ngitit,M.P

SECRETARIAT

1. Dr. Christine Sagini	-	Senior Clerk Assistant
2. Mr. Fredrick Otieno	-	Clerk Assistant I
3. Mr. Salim Athumam	-	Clerk Assistant III
4. Ms. Mary Waqo	-	Clerk Assistant III\
5. Ms. Brigitta Mati	-	Senior Legal Counsel
6. Ms. Zeinab Jirma	-	Legal Counsel II
7. Ms. Nancy Mulei	-	Research Officer III
8. Mr. Robert Langat	-	Research Officer II
9. Mr.Anthony Wamae	-	Serjeant-at-Arm
10. Mr. Washington Otiato	-	Media Relations Officer II
11. Mr. Ambrose Nguti	-	Media Relation Officer II
12. Mr. Joseph Lekisima	-	Fiscal Analyst II
13. Mr. Brian Njeru	-	Fiscal Analyst II
14. Ms. Judith Aoka	-	Audio Officer
15. Ms. Rehema Koech	-	Hansard Officer
16. Ms. Viviane Juma	-	Intern
17. Ms. Anjela Mariana	-	Intern

IN ATTENDANCE **MINISTRY OF ENERGY AND PETROLEUM**

1. Hon.Opiyo Wandayi, EGH	-	Cabinet Secretary
2. Mr Mohamed Liban,CBS	-	Principal Secretary,Petroleum
3. Mr.Joseph C. Otieno	-	Commissioner Petroleum
4. Eng.Edward Kinyua	-	Director,EPRA
5. Eng.Jared Otieno	-	Technical Advisor,CS
6. Mr.Nadio Clement	-	Ministry HQ
7. Mr.Kasujaa Onyonyi	-	CS Office-Communication
8. Mr.Zakaria Soro	-	Legal-PS Office
9. Ms.Isabel Githinji	-	CS Office-Legal
10. Mr.Luqman Jamaldin	-	MC
11. Ms.Fatma Said	-	SDP
12. Mr.Alpoed Ng'ang'a	-	PA Gulf
13. Ms.Brenda Masieba	-	Intern SDP
14. Ms.Annabel Oderi	-	SDP

SENATE/NA/JOINT/ENERGY/NO.009/2026: PRELIMINARIES

The meeting was called to order at 9:57 a.m. This was followed by a word of prayer from the session co-chair Sen. William Kisang' Kipkemoi, M.P, and self-introductions were made.

SENATE/NA/JOINT/ENERGY/NO.010/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Sen.(Dr) Danson Mungatana, MP and seconded by Hon.Julius Musili Mawathe, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with the Cabinet Secretary, Ministry of Energy and Petroleum on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 011/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

This Agenda was differed to a later date.

SEN/NA/JOINT/ENERGY/NO. 012/2026: SUBMISSION BY THE CABINET SECRETARY ON THE FDP AND PSCs FOR BLOCK T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY.

The Cabinet Secretary, Ministry of Energy and Petroleum, Hon. James Opiyo Wandayi, EGH submitted as follows:

a) Tullow Kenya B.V., together with its joint venture partners, discovered oil in the Ngamia-1 well in the South Lokichar Basin, onshore Kenya, in March 2012.and to date, ten (10) discoveries have been made, namely: Ngamia, Ekales, Amosing, Twiga, Etuko, Agete, Ewoi, Etom, Ekunyuk and Erut in the two blocks;

b) The Stock Tank Oil Initially in Place (STOIIP) has been estimated at 2.85 billion barrels, with an estimated life of field resources is 429 million barrels and end of license period resources of 326 million barrels;

c) The Contractor has prepared the South Lokichar Field Development Plan (FDP), which proposes to jointly develop the discovered resources in blocks T6 and T7 for operational efficiency. The FDP has been reviewed by the Energy and Petroleum Regulatory

Authority (EPRA) and approved by the Cabinet Secretary for Energy and Petroleum and subsequently submitted to Parliament for ratification;

d) On Legal considerations, it is noted that the Contractor prepared the South Lokichar FDP in accordance with Section 30(2) of the Petroleum Act 2019 and clause 20 of the Production Sharing Contracts (PSCs) for blocks T6 and T7. The Act provides that, where a commercial field is established, a Contractor shall prepare a field development plan;

e) The Cabinet Secretary approved the FDP in accordance with the provisions of the Petroleum Act, Cap 308, Sections 10(j) and 31, and submitted it together with the PSCs for blocks T6 and T7 to Parliament for ratification as provided for under Article 71 of the Constitution of Kenya 2010;

f) The South Lokichar development is of strategic importance, with a broader objective of maximizing the value of Kenya's petroleum resources. Prior attempts to secure a strategic partner for development of the project have not been successful due to the marginal resource size. The project requires fiscal support in order to attract the required capital for its realization;

g) The project is reliant on debt financing. Capping the cost recovery limit at 85% reduces the debt repayment period, thus attracting lower interest rates. This eases access to project finance for such greenfield projects. And Comparative analysis of other jurisdictions shows that cost recovery ceilings range from 70% (Niger, Senegal) to 85% (Angola, Cameroon) and 100% (Ghana). This shows that the recovery limit of 85% is consistent with industry practice;

h) On environmental aspects, the following were considered:

   i. Environmental, Social, and Governance baseline data collected by the Contractor between 2015 and 2021;
   ii. Upstream Environmental and Social Impact Assessment (ESIA)
   iii. approved by the National Environment Management Authority (NEMA);
   iv. Zero Flaring Policy in line with best international practice on decarbonization technology;
   v. Sustainable waste management strategy with plans to construct an Integrated Waste Management Facility incorporating an engineering
   vi. land field, and a thermal disposition unit to ensure safe and compliant handling of all project waste,
   vii. Biodiversity Management Action Plan in place that will ensure conservation of protected areas and sensitive ecosystems;
   viii. Emergency Response Plan and necessary equipment in place to effectively address potential incidents;
   ix. Procedures in place for supporting community health and safety in compliance with legal requirements;
   x. Land and livelihood restoration through a structured framework in place to mitigate impacts and support sustainable recovery;

xi. Cultural heritage preservation by reconstruction surveys to safeguard and respect sites of historical and cultural significance; and
xii. Submission of the decommissioning and abandonment plan.

i) There are two licensed blocks in relation to the FDP, namely Block T6(formerly Block 10BB) and Block T7(formerly Block 13T);

j) Clause 28 of the PSCs provides for direct Government participation, where the Government may elect to participate in petroleum operations during development and production. The parties to the PSCs mutually agreed to a twenty per cent (20%) Government participation interest for blocks T6 and T7;

k) The Government will receive direct revenues from the project through its share of the project's profit oil as per clause 27(3) of the PSCs. Table, the County Government, and the Local Community in US$ and KES, as per Section 58 of the Act;

l) For cost identification, the Contractor shall submit and orally present to the Cabinet Secretary three (3) months before the end of each contract year a detailed statement of the Annual Work Program and Budget (AWPB) for exploration, development and production for the next contract year;

m) Further, the Contractor is required to submit a schedule of the service and supply contracts, with an estimated value exceeding the equivalent of five hundred thousand (500,000) US Dollars for Block T6 and three hundred thousand (300,000) U.S. dollars for Block T7 per contract, showing the anticipated tender date and approximate value, of the goods or services to be provided;

n) The State Department for Petroleum will provide land access for the project, which includes compensation for the Project-Affected Persons (PAPS). The Department will also coordinate other relevant state departments and agencies in the provision of the project enablers to the contractor on commercial terms, and the State Department for Energy will coordinate and support the provision of electric power to the project through its agencies;

o) The Early Oil Pilot Scheme (EOPS) was a pilot production during the exploration period. The project was executed under the Early Pilot Scheme Agreement (EOPSA);

p) The project involved producing 2,000 bbl. per day, trucking of crude oil from Turkana to Mombasa using specialized vessels, produced from the Amosing and Ngamia fields for storage in heated tanks at KPRL and export at the international markets;

q) The revenue realized from the sale of crude oil was USD 28,340,340.45 against an expenditure of USD 62,726,205.36; the balance of USD 34,385,805.91 is a historical

exploration cost that forms part of the Cost Oil. The revenues were utilised to meet the costs incurred by the project as per the EOPS Agreement. EOPS project incurred development (capital expenditure or Capex) and operating costs (Opex), including, amongst others, production (operations and maintenance), transportation (trucking), logistics services, tank-tainer leasing, hospitality, marketing of the crude oil, and Mombasa Port fees; and

r) In conclusion, the progression of the South Lokichar Project to the development and production phase is a significant milestone for the Country. This will enhance investor confidence in Kenya's Upstream petroleum sector, thus opening up the sector's huge potential in the Anza and Lamu basins while improving the country's competitiveness.

I therefore appeal for your support in progressing this project to the next phase in order to realize the shared benefit for our people.

SEN/NA/JOINT/ENERGY/NO. 013/2026: THE JOINT COMMITTEE OBSERVATIONS ON THE CABINET SECRETARY SUBMISSION ON THE FDP AND PSCs

The Joint Committee made the following key observations on the submission relating to the South Lokichar FDP and PSCs for Blocks T6 and T7;

a) The Committee noted that the approval of the South Lokichar Basin Field Development Plan represents a major milestone toward commercial oil production, coming nearly fourteen years after the initial discovery, and underscored the need for heightened scrutiny given the scale and long-term national implications of the project;

b) The Committee expressed concern over inconsistencies in the projected capital and operational expenditure figures presented by the Cabinet Secretary compared to those contained in the Field Development Plan and emphasized the need for clear reconciliation of CAPEX and OPEX across all project phases;

c) The Committee observed that the fiscal structure, particularly the harmonised cost recovery limit of 85 per cent, appears heavily skewed in favour of the contractor, raising risks of front-loaded cost recovery, delayed government revenue realisation, and reduced public benefit compared to other African jurisdictions with lower caps;

d) The Committee emphasized the necessity for a more balanced profit-sharing framework that safeguards public interest while maintaining the project's financial viability, alongside strict regulatory oversight by EPRA and other agencies to prevent cost inflation and ensure only allowable and prudent expenditures are recovered;

e) The Committee noted unresolved issues relating to tax incentives and exemptions granted to the contractor, including the absence of clear legal instruments authorising such exemptions, and further highlighted outstanding concerns on capital gains tax compliance arising from changes in ownership;

f) The Committee raised concerns regarding contractual transparency and governance, including the timing of contract addenda, the decision not to execute fresh contracts despite substantial amendments, discrepancies surrounding company name changes and registration timelines, and the overall legal clarity of the agreements, which may expose the project to litigation risks;

g) The Committee observed significant changes in ownership structure and contractual terms that reportedly resulted in a reduction of projected production capacity from approximately nine million to four million units, and called for a clear justification for these material alterations and their impact on national returns;

h) The Committee underscored the importance of clear contractual provisions on decommissioning and abandonment costs, including explicit allocation of liability to protect the Government and communities in the event of contractor default or project termination;

i) The Committee noted ambiguity regarding de-risking costs, dry wells, and non-productive drilling activities, and emphasized the need for explicit clauses outlining responsibility for such costs to prevent undue financial exposure to the State;

j) The Committee noted the constitutional necessity of robust, timely, and inclusive public participation in Turkana, Lamu, and Mombasa, warning that failure to meet statutory requirements could expose the FDP and Production Sharing Contracts to judicial challenge and project delays;

k) The Committee emphasized the need for comprehensive public awareness and stakeholder engagement, particularly in Turkana County, including transparent communication on the new operator, project expectations, and lessons from the Early Oil Pilot Scheme to rebuild trust and manage community expectations;

l) The Committee noted the importance of ensuring that revenue-sharing frameworks are clearly defined, transparent, and capable of translating into tangible socio-economic benefits for affected communities in line with existing legal provisions;

m) The Committee highlighted the necessity for strengthened environmental safeguards, including early establishment of decommissioning funds and continuous monitoring of restoration obligations, to secure long-term environmental protection; and

n) The Committee emphasized that all fiscal incentives, exemptions, and project approvals must strictly adhere to statutory thresholds and remain subject to parliamentary oversight to protect public resources and uphold accountability.

SEN/NA/JOINT/ENE/NO. 014/2026: **COMMITTEE RESOLUTIONS**

The Committee made the following resolutions-

a) The Committee directed the Secretariat to formally write to the Ministry of Energy and Petroleum requesting comprehensive written responses to all outstanding issues and concerns raised by Members; and
b) The Committee further requested the Cabinet Secretary to submit a detailed report on the Early Oil Pilot Scheme in Turkana, together with all supporting documentation relating to tax exemptions and fiscal concessions granted to the contractor.

SEN/NA/JOINT/ENE/NO. 015/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 1:36 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE THIRD (3RD) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON TUESDAY, 13TH JANUARY, 2026, IN ELDORET, UASIN GISHU COUNTY 10:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)**
2. Sen. Beatrice Akinyi Ogola, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP *(Virtual)*

B. THE NATIONAL ASSEMBLY

1. The Hon. Lemanken Aramat, CBS, M (Session Co-Chair)
2. The.Hon Elisha Odhiambo,M.P
3. The Hon. Julius Musili Mawathe, M.P.
4. The Hon. Simon King'ara, M.P
5. The Hon. Geoffrey Ekesa Mulanya, M.P
6. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A. THE SENATE

1. Sen. Ledama Olekina, MP

B. THE NATIONAL ASSEMBLY

1. The.Hon. Walter Owino, MP

That, Over the past year, the Ministry has been actively coordinating with the project operator (Gulf Energy E&P B.V.) and other stakeholders to develop a comprehensive logistics framework that meets the FDP's requirements and timeline. Gulf Energy has engaged the Ministry of Transport and KRC on a proposed evacuation plan targeting first oil export by late 2026. Central to this plan is a high- capacity, multimodal transport corridor from Lokichar to Mombasa - combining road and rail - to ensure safe, efficient crude oil evacuation. Specifically, the ministry has prioritized the critical upgrade of the Eldoret- Mombasa Meter Gauge Railway (MGR) and the procurement of specialized rolling stock (tank wagons and/or tank containers) for crude oil transport.

Under Phase 1 of the plan, crude from the Lokichar fields will be trucked by road (to the Kenya Petroleum Refineries Ltd (KPRL) export terminal in Changamwe, Mombasa. This is engineered to manage the initial production output of ~3,500 tons of crude per day (=25,000 barrels/day) in the first phase, and can seamlessly double throughput to ~7,000 tons/day as production scales up. The Ministry has set an ambitious schedule to have this corridor fully operational by September 2026, well ahead of the FDP's goal of first oil by end- 2026, so that infrastructure readiness does not become a bottleneck.

Phase 2: Beyond 2030 Crude Oil Evacuation Strategy

In Phase 2 (2030 and beyond), Kenya will rely on a hybrid road- rail solution to evacuate crude oil. During the subsequent production period ($\approx$ 20,000 barrels per day), road tankers will haul oil from Lokichar to the Eldoret railhead, where it will be loaded onto trains for transport to Mombasa. This phased approach allows ramp up of capital investments in rail infrastructure.

The evacuation plan is operationally sound, combining road and rail modes to cover ~1200 km from Turkana to Mombasa. The first leg (Lokichar to Eldoret, ~300 km) will use road tankers to a facility at Eldoret ICD, which will be upgraded as a rail loading point. The second leg (Eldoret to Mombasa, 908 kms via MGR) will move crude by train to the Changamwe KPRL terminal near Mombasa port.

It is projected that approximately 600 trucks per day would be required to move 20,000 barrels/day of oil by road alone. By leveraging rail for the longer distance, road traffic will reduce significantly. In fact, once rail operations begin, the need for long- haul trucking is cut dramatically - improving efficiency and reducing highway congestion. The Ministry, together with Kenya Railways Corporation (KRC), is on track to rehabilitate and upgrade the Eldoret- Mombasa MGR line to handle this task, including improvements to track, bridges, and signaling, as well as acquisition of sufficient locomotives and tank wagons. The corporation is also coordinating with the Kenya Ports Authority (KPA) to ensure that port facilities in Mombasa are prepared (e.g. an upgraded siding at KPRL Changamwe for crude loading/unloading).

2. **Benefits of the Multimodal Approach**

The Corporation submitted that shifting bulk crude transport from road to rail yields numerous benefits for the nation's economy, safety, and environment which include;

i. **Reduced Road Damage and Maintenance Costs:** Heavy trucks currently account for over 60% of highway damage. By moving oil (and other bulk cargo) by rail, the corporation will drastically cut road wear and tear, potentially reducing annual road maintenance expenditures by 30 - 40%. These savings - out of an annual road maintenance budget of ~Ksh 70 billion - free up funds for other public services.

ii. **Enhanced Public Safety:** Lowering heavy truck traffic on our roads will significantly decrease road accidents, congestion, and fatalities - potentially by up to 20% according to projections. Rail is also a safer mode for hazardous materials like crude oil, minimizing the risk of spills or catastrophic incidents during transit.

iii. **Environmental Gains**: Rail freight produces 60 - 80% fewer carbon emissions per ton-kilometer than equivalent road transport. By utilizing rail, Kenya aligns with climate change commitments (Nationally Determined Contributions under the Paris Agreement) and improve air quality. The crude-by-rail plan will cut

carbon emissions substantially, supporting Kenya's sustainable development goals.

iv. **Regional Trade and Economic Boost:** Strengthening the rail corridor also boosts cross-border trade and regional integration, particularly with Uganda, South Sudan, and Ethiopia. Improved rail logistics will open up northern Kenya - a historically marginalized region - by connecting local industries (e.g. agriculture, mining, livestock) to major markets, thereby catalyzing local enterprise, job creation, and socio-economic inclusion along the route.

3. In summary, the corporation noted that rail- based evacuation plan is a triple win - cutting infrastructure costs, improving road safety, and protecting the environment - all while stimulating economic growth in line with Kenya's development agenda.

SEN/NA/JOINT/ENE/NO. 019/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:36 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE THIRD (4TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 14TH JANUARY, 2026, IN GOVERNOR BOARDROOM, IN KITALE, TRANS NZOIA COUNTY 10:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)**
2. Sen. Beatrice Akinyi Ogola, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP *(Virtual)*

B. THE NATIONAL ASSEMBLY

1. The Hon. Lemanken Aramat, CBS, M (Session Co-Chair)
2. The.Hon Elisha Odhiambo,M.P
3. The Hon. Julius Musili Mawathe, M.P.
4. The Hon. Simon King'ara, M.P
5. The Hon. Geoffrey Ekesa Mulanya, M.P
6. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A. THE SENATE

1. Sen.Ledama Olekina,MP

B. THE NATIONAL ASSEMBLY

1. The.Hon. Walter Owino,MP

IN ATTENDANCE

1. Dr. Christine Sagini	-	Senior Clerk Assistant
2. Mr. Gedion Koech	-	Clerk Assistant II
3. Mr. Salim Athuman	-	Clerk Assistant III
4. Ms. Mercy Wanyonyi	-	Principal Legal Counsel
5. Mr. Lekisima Joseph	-	Fiscal Analyst II
6. Mr.Michael Arusei	-	Audio Officer
7. Mr.Timothy Chiko	-	Research Officer III
8. Ms. Mohamed Ibrahim	-	Serjeant at Arm
9. Mr.Said Wako	-	Serjeant at Arm
10. Mr. Robert Langat	-	Research Officer I

11. Mr. Washington Otiato - Media Relations Officer II
12. Mr. Joseph Lekisima - Fiscal Analyst II
13. Mr. Brian Njeru - Fiscal Analyst II
14. Ms. Jeniffer Mwavita - Office Assistant
15. Ms.Judy Rono - Office Assistant

AGENCIES AND MEMBERS OF THE PUBLIC IN TRANS NZOIA COUNTY

1. As annexured in the report

SENATE/NA/JOINT/ENERGY/NO.020/2026: PRELIMINARIES

The meeting was called to order at 11.33a.m. This was followed by a word of prayer from the session co-chair Sen. William Kisang', M.P, and self-introductions were made.

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. ***Public Participation on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.***
   a) Meeting with Trans Nzoia County Officials, Members of the County Assembly and the State Agencies officials
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO.021/2026: SUBMISSION BY THE STATE AGENCIES AND MEMBERS OF THE COUNTY ASSEMBLY ON THE FDP AND PSCs IN KITALE, TRANS NZOIA COUNTY.

1. The Joint Committee visited Trans Nzoia County on 14th January 2026 to gather views from the residents on the proposed South Lokichar Field Development Plan and the associated Production Sharing Contracts.

2. The Joint Committee visited the Governor's Office and met with different stakeholders, including the Deputy-Governor, County Executive Committee Members (CECs), Members of the County Assembly (MCAs) led by the Deputy Speaker, the Business

community represented by the Kenya National Chamber of Commerce, and other stakeholders including the Kenya National Highways Authority (KeNHA) and the National Transport and Safety Authority (NTSA). The Committee also paid a courtesy call to the County Commissioner, and later held a public meeting at the Kenya Railways Corporation grounds in Kitale.

3. The Participants present submitted their views as follows;

4. In general, the stakeholders were in support of the proposal, expecting benefits to the county in terms of employment and opportunities to generate revenue, but raised pertinent questions on the wider benefits expectations of the Trans Nzoia people. In addition, the stakeholders present were concerned about the environmental effects of the project on the county.

5. The stakeholders submitted that they expect the County to benefit from parking fees if truck stops are provided. However, they requested that the roads leading to Kitale be expanded to accommodate the trucks and the expected heavy traffic. Kitale town is highly congested, and there is a need for more space to accommodate trucks. They further emphasized the need for a refinery in Kenya, either in Kitale or Turkana, to curb potential truck accidents and avoid extra transportation and road maintenance costs.

6. There was concern for increased traffic and road accidents in Kitale, with the business community acknowledging the opportunities to make money, but at the cost of risk of disasters and accidents. The stakeholders advocated for youth employment and the local community to be engaged in every activity concerning the project. Further, they requested whether the corporate social responsibility (CSR) activities would include business people through the construction of market stalls and business centers adjacent to truck parking facilities.

7. KeNHA on their part submitted that the Kitale road is narrow and it will be expanded in due course, while at the moment, the urgency is to fix road repairs. The Authority further submitted that the Lesseru-Kitale Road, a major road that will be used by the trucks, is under construction. Further, the entire route from Lokichar all the way to

Mombasa is being improved, and infrastructure for truck parking facilities is already in place at Maili Tisa, Lokichogio and Lokichar.

8. NTSA further submitted that they might be potential increase in the number of accidents in the areas since the road is narrow. They advocated for a hybrid transportation system with both rail and road transport to help to ease traffic.

9. The Ministry submitted that national road network is advanced, improving rapidly, and ready to support oil production logistics and evacuation from Lokichar to the Port of Mombasa. They indicated that there are two primary road evacuation scenarios, with the Government having already made significant investments along both corridors- many of which are complete, and the rest are under active implementation. The Ministry submitted as follows;

National preparedness: we are not starting from zero

10. The Ministry submitted that Road evacuation readiness is anchored on a simple fact: Lokichar is already connected to the national trunk road system, and the trunk corridor to the Coast is undergoing significant strengthening and expansion.

11. Within Turkana and the broader north-western corridor, the Government has already delivered critical road links and key bridge structures that enable safe, all-weather movement - ensuring that oilfield logistics can connect reliably to the wider corridor network.

12. In addition, the principal national trunk route linking the Rift Valley to Nairobi and onward to Mombasa is being upgraded through major capacity and safety interventions - ensuring that once crude reaches the trunk network, it can move efficiently to the Coast and into the Port system.

SEN/NA/JOINT/ENE/NO. 022/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:15 p.m. The next meeting was scheduled to be held on notice.

Sign: _____

Date: 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

Sign: _____

Date: 18/02/2026

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE THIRD (5TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON THURSDAY, 15TH JANUARY, 2026, IN TURKWELL, IN, WEST POKOT COUNTY 11:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)**
2. Sen. Beatrice Akinyi Ogola, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP *(Virtual)*

B. THE NATIONAL ASSEMBLY

1. The Hon. Lemanken Aramat, CBS, MP (Sessio Co-Chair)
2. The.Hon Elisha Odhiambo,M.P
3. The Hon. Julius Musili Mawathe, M.P.
4. The Hon. Simon King'ara, M.P
5. The Hon. Geoffrey Ekesa Mulanya, M.P
6. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A.THE SENATE

1.Sen. (Dr.) Boni Khalwale, CBS, MP
2.Sen.Ledama Olekina,MP

B.THE NATIONAL ASSEMBLY

1. The.Hon. Walter Owino,MP

IN ATTENDANCE

1.	Dr. Christine Sagini	-	Senior Clerk Assistant
2.	Mr. Gedion Koech	-	Clerk Assistant II
3.	Mr. Salim Athuman	-	Clerk Assistant III
4.	Ms. Mercy Wanyonyi	-	Principal Legal Counsel
5.	Mr. Lekisima Joseph	-	Fiscal Analyst II
6.	Mr.Michael Arusei	-	Audio Officer
7.	Mr.Timothy Chiko	-	Research Officer III
8.	Ms. Mohamed Ibrahim	-	Serjeant at Arm
9.	Mr.Said Wako	-	Serjeant at Arm
10.	Mr. Robert Langat	-	Research Officer I
11.	Mr. Washington Otiato	-	Media Relations Officer II
12.	Mr. Joseph Lekisima	-	Fiscal Analyst II
13.	Mr. Brian Njeru	-	Fiscal Analyst II

14. Ms. Jeniffer Mwavita - Office Assistant
15. Ms.Judy Rono - Office Assistant

STATE AGENCIES AND MEMBERS OF THE PUBLIC IN WEST POKOT COUNTY

1. As annexured in the report

SENATE/NA/JOINT/ENERGY/NO.023/2026: PRELIMINARIES

The meeting was called to order at 11.20 a.m. This was followed by a word of prayer, and self-introductions were made.

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. ***Public Participation on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.***
   a) Meeting with Members of Public and the State Agencies officials in West Pokot County
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO.024/2026: SUBMISSION BY THE STATE AGENCIES AND MEMBERS OF THE MEMBERS OF THE PUBLIC ON THE FDP AND PSCs IN TURKWEL, WEST POKOT COUNTY.

1. The Joint Committee also conducted public participation in Turkwel, West Pokot County, which is a critical area for the project as it is proposed to host the abstraction of water from River Turkwel to provide make-up water required for oil production activities. The following stakeholders made their presentations as follows;

a) Gulf Energy

2. Mr. Bethwel Sang' from Gulf Energy submitted that -

   (a) Oil exploration in South Lokichar, Turkana begun in 2010. He explained that for the gulf to commence production of oil, the Company requires a Production Licence. Consequently, the Company is required by law to submit a Field Development Plan which should contain details on the value of the oil, manner of evacuation and

transportation of the oil and also how the contractor shall comply with the environmental laws- requirements which he said the company has fulfilled and submitted the FDP which is now before Parliament;

(b) For the oil to be evacuated from the ground, water is required to replace it in equal measure. Gulf energy explored potential sources of water from the region including Lake Turkana, which is a protected UNESCO, drilling of boreholes and Turkwel dam. After in-depth analysis, it was found out that piping water from Turkwel Dam was the most feasible option of the three. It was then agreed that the National Government would develop a 90km pipeline of water to Lokichar and Gulf would pay for the water using a commercial tariff determined by the government.

(c) To balance the water needs of Lokichar Oil Exploration and the community consumption, the national government will develop three water pipelines from the Turkwel Dam; one raw-water pipeline that is dedicated to the Lokichar Oil Exploration, one raw-water pipeline for irrigation in both Turkana and West Pokot Counties, and one that with treated water for domestic consumption by residents of both Turkana and West Pokot Counties. The areas of irrigation will be determined by the National Irrigation Authority while the water points for treated water will be determined by the North Rift Water Works Development Agency.

(d) Oil cannot be evacuated without water hence there is need for collaboration between Turkana County and West Pokot County;

(e) Oil is a natural resource thus with respect to the distribution of royalties in line with the Petroleum Act, Cap.308, the national government would get 75%, the county government 20% and the local community 5%;

(f) Once the Field Development Plan (FDP) is approved by Parliament, the evacuation of oil from Lokichar, Turkana would commence. Additionally, that any land issues were being dealt with by the National Land Commission.

b) National Irrigation Authority

3. Engineer Felix Shiundu from the National Irrigation Authority submitted that -

(a) The Turkwel dam was not supposed to be used for the production of electricity only but for the irrigation of 60,000 acres in the region. That, the Authority has 71 irrigation projects in Turkana County;

(b) Water from the Turkwel Dam was sufficient to supply the Lokichar Oil Exploration project, irrigate the area, provide domestic water for consumption and provide water for livestock. The irrigation water project will irrigation of the area using the Public Private Partnership (PPP) model with monies from the Infrastructure Fund. Additionally, that sprinklers and not furrows would be used to irrigate the area;

(c) The treated water pipeline would have six (6) water points that would be used to distribute water to the local community while 2,000 acres of land would be irrigated, 1,000 acres in West Pokot County and 1,000 acres in Turkana County; and

(d) The irrigation areas in the County were yet to be determined for the 60,000 and 2,000 acres respectively. That, the designs were yet to be developed but the decision would be based on science considering the soil condition and the need to ensure that water flows with gravity. Further, that the six water points were yet to be determined but would be determined by the community and the water pipes to be used would depend on the local population in the area.

c) Written submission by the National Irrigation Authority

In addition to the contributions made during the public participation with the locals, the National Irrigation Authority also submitted written submissions as follows –

4. National Irrigation Authority is been mandated in Irrigation Development within the West pokot and Turkana Counties. The climatic condition of the two counties is classified as arid and semi-arid (ASAL) where crop production has to be through irrigated agriculture.

5. Due to the unreliable rainfed agriculture, communities in the two counties rely predominantly on pastoralism as the main source of livelihood. This overreliance on livestock farming leads to constraint on the pasture and water sources which fuels conflicts

within the Turkwel river basin. The existing community scale schemes developed along the Turkwel riverine face challenges such as siltation, unstable intakes and Livestock conflicts. This makes the existing surface irrigation schemes unsustainable.

6. The Government has therefore embanked on sustainable irrigation development program within the Turkwel river basin to diversify the economic activities within the basin. Through adopting largescale and modern irrigation technology to improve on water use efficiency and productivity.

d) North Rift Water Works Development Agency

The Chairperson of the North Rift Water Works Development Agency, Prof. John Lonyangapuo submitted that—

(a) The Turkwel Multipurpose dam project in West Pokot County, was initially meant to generate electricity and irrigate over 60,000 acres spread across both West Pokot and Turkana Counties. However, when opened in the early 1990s, the locals did not enjoy any benefits since the electricity was evacuated to Uasin Gishu County while the irrigation project was abandoned. It was not until the mid 2000s that the surrounding community first benefitted from electricity distribution but sadly, the irrigation project is yet to be commenced.

(b) Since the project Oil Kenya requires 16,534m^3/day of water for oil extraction per day, there will only be 17,806 m3/day of water available for both irrigation, domestic consumption and livestock consumption. This huge allocation of water for oil exploration is what has necessitated the reduction of irrigation land from the initial 60,000 acres to only 2,000 acres.

(c) The Turkana Community will be compensated for the forgone irrigation land through the distribution of royalties in line with the Petroleum Act, Cap. 308. The Act proposes that the national government would get 75%, the county government 20% and the local community 5%. Since the local community in West Pokot County will not be able to share the resources from the oil exploration yet they will also be affected by the

reduction in irrigation land, there is need for the government to consider an alternative compensation mechanism for the people of West Pokot County.

(d) Since the FDP indicates that the Gulf Energy will pay a commercial tariff for water delivered to it through the Turkwel-Lokichar water pipeline, the government may consider amending the Water Act, Cap 372 to provide for a revenue sharing arrangement like the one for royalties under the Petroleum Act, Cap 308. This will reduce the potential conflicts that may arise from the region due to water scarcity; and

(e) With respect to irrigation, it should be clear which areas would be irrigated in West Pokot County and Turkana County to ensure both counties get a fair share of development and to reduce conflict since this is a border region with historical cases of conflicts from resource sharing. Further, there is need to increase the number of water points for treated water for both counties to ensure peace prevails in the region.

e) The Local Community-

7. The local community submitted as follows -

(a) The water supply infrastructure should be improved ensuring water is channelled through Lonyang'alen, Lorogon, Nasacha, Kases and Tagaiwa villages;

(b) Gulf Energy should provide scholarships to the young people in the region to study abroad as previously done by Tullow Oil in Turkana County;

(c) With respect to irrigation, areas within the region including the villages should be included in the irrigation plan;

(d) The local community ought to benefit from the project through ringfencing of employment opportunities, contract opportunities and scholarship opportunities since water is more valuable than oil hence the local community in Turkana and West Pokot ought to benefit equally;

(e) Health facilities should be developed and well equipped due to health hazards that could arise from accidents, oil spillages and air pollution. The health facilities should be developed in all centers and towns along the Kainuk – Kapenguria highway where the

oil trucks will be passing. They also requested that Turkwel Health Centre be renovated and equipped well;

(f) Villages in West Pokot County should benefit from the water pipeline hence the need for clarity on the specific areas that would be covered in the 60,000 acres and 2,000 acres irrigation project. Further, that the water pipeline should not follow the roads but be re-directed towards West Pokot villages;

(g) Truck resting points should be constructed along the Kainuk – Kapenguria highway to minimise traffic accidents due to tired drivers. Also, this will allow the county government to collect additional revenue from the management of these truck resting parks.

(h) Gulf energy ought to further engage the local community in order to ensure that there is clarity as regards the villages that would benefit from the water pipeline; and

(i) Employment of locals within the affected areas ought to be prioritized with at least 5% being from the affected local community in West Pokot County. That there ought to be fairness in job distribution in order to ensure that the locals from West Pokot also benefit.

SEN/NA/JOINT/ENE/NO. 025/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 5:15 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE THIRD (6TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 21ST JANUARY, 2026, IN LAMU COUNTY AT 11:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)** *(Virtual)*
2. Sen. Beatrice Akinyi Ogola, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP *(Virtual)*

B. THE NATIONAL ASSEMBLY

1. The Hon. Lemanken Aramat, CBS, MP (Sessio Co-Chair)
2. The.Hon Elisha Odhiambo,M.P
3. The Hon. Julius Musili Mawathe, M.P.
4. The Hon. Simon King'ara, M.P
5. The Hon. Geoffrey Ekesa Mulanya, M.P
6. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A. THE SENATE

1. Sen.Ledama Olekina,MP

B. THE NATIONAL ASSEMBLY

1. The.Hon. Walter Owino,MP

IN ATTENDANCE

1. Dr. Christine Sagini	-	Senior Clerk Assistant
2. Mr. Salim Athuman	-	Clerk Assistant III
3. Mr.Sidney Lugaga	-	Principal Legal Counsel
4. Ms.Zainab Jirma	-	Legal Counsel II
5. Mr. Lekisima Joseph	-	Fiscal Analyst II
6. Mr.Michael Arusei	-	Audio Officer
7. Mr.Timothy Chiko	-	Research Officer III
8. Ms. Mohamed Ibrahim	-	Serjeant at Arm
9. Mr.Said Wako	-	Serjeant at Arm
10. Mr. Washington Otiato	-	Media Relations Officer II
11. Mr. Joseph Lekisima	-	Fiscal Analyst II
12. Ms. Jeniffer Mwavita	-	Office Assistant
13. Ms.Judy Rono	-	Office Assistant

COUNTY COMMISSIONER LAMU COUNTY

1. As annexured in the report

COUNTY GOVERNMENT EXECUTIVE OFFICIALS

1. 1. As annexured in the report

LAPSSET

1. 1. As annexured in the report

SENATE/NA/JOINT/ENERGY/NO.026/2026: PRELIMINARIES

The meeting was called to order at 10.50a.m. This was followed by a word of prayer, and self-introductions were made.

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. ***Public Participation on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.***
   a) Meeting with County Commissioner, County Government Executive and LAPSSET officials in LAMU County
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO.027/2026: SUBMISSION BY THE COUNTY COMISSIONER, COUNTY EXECUTIVE OFFICIALS AND THE LAPSSET OFICIALS ON THE FDP AND PSCs IN TURKWEL, WEST POKOT COUNTY.

a) Meeting with the County Commissioner, Lamu County

1. The Joint Committee held a consultative meeting with the County Commissioner, Lamu County, as part of the public participation exercise. The meeting focused on security, infrastructure readiness, port operations, and the implications of the project for Lamu County.

2. The County Commissioner informed the Committee that Lamu County remains generally secure and that the security situation has often been misrepresented due to isolated incidents, including one major incident that occurred over a decade ago. He noted that current security threats are limited and manageable, with only isolated cases having been recorded. The County Commissioner emphasized that there is a strong and visible security presence across the county, including along key transport corridors and access roads.

3. On port operations, the County Commissioner indicated that the Port of Lamu is operational and currently supports transshipment activities. He noted that vessels are calling at the port regularly, with shipments taking place on a weekly basis, including exports of fertilizer and livestock. He further explained that Lamu Port has the potential to support a wider range of cargo and economic activities beyond crude oil export.

4. The County Commissioner having been informed the proposal to use the port of Mombasa as the export terminal instead of Lamu port, noted that while this may have been informed by infrastructure readiness and other economic considerations, the shift should not be interpreted as a lack of capacity at Lamu Port.

5. The Committee was informed that Lamu County has significant untapped economic potential, particularly in agriculture and fisheries. The County Commissioner noted that Lamu is a productive region, with activities such as fishing, watermelon farming, and other agricultural activities contributing to livelihoods. However, these sectors continue to face constraints due to inadequate infrastructure and limited access to electricity. He highlighted that approximately 80 per cent of fish harvested in Lamu is consumed in Mombasa, while only about 20 per cent is consumed locally, underscoring the need for improved local infrastructure, storage, and market access.

6. The County Commissioner further emphasized the importance of continued investment in infrastructure linking Lamu to other regions, particularly road connectivity between Lamu and Turkana through alternative corridors such as the Isiolo route. He noted that such infrastructure would enhance regional integration, support trade, and ensure that Lamu County derives broader benefits from national strategic projects, including oil development.

7. Overall, the County Commissioner expressed the view that while crude oil production may not directly pass through Lamu under the current evacuation plan, the broader infrastructure, security improvements, and economic linkages associated with national projects should be leveraged to unlock Lamu County's development potential and improve livelihoods.

b) Meeting with the Governor of Lamu County

8. The Joint Committee held a consultative meeting with the Governor of Lamu County and other senior county officials. The meeting was attended by the Governor, the Deputy Governor, County Secretary, County Executive Committee Members responsible for various sectors, the Head of Finance from the LAPSSET Corridor Development Authority and security team in Lamu County.

9. The Governor welcomed the Committee and provided an overview of Lamu County's strategic interests in the oil and gas project and the wider LAPSSET programme. He noted that Lamu has attracted investor interest in downstream petroleum infrastructure, including proposals for an oil refinery and a solar energy plant, with some investors reportedly seeking about 4,000 acres for that purpose. He cautioned that if the pipeline component of the project were removed, it could have an adverse economic effect on the county and risk rendering the port infrastructure underutilised.

10. The Governor raised a concern that the estimated 600 trucks could significantly increase heavy truck traffic and increase the risk of road accidents. He emphasised the importance of undertaking the Lokichar - Lamu crude oil pipeline project, noting that large tankers cannot be accommodated at the Port of Mombasa but can be accommodated at Lamu port.

11. The Governor further observed that the LAPSSET Corridor has the potential to open up northern Kenya, citing the pattern where towns have developed along railway corridors, and stressed that the oil project should be viewed within this broader regional development context. The need to fast-track development early enough was emphasized with the governor noting that the area earmarked for the LAPSETT corridor is not heavily settled for now and there is need to take this advantage.

12. During the discussions, it was noted that Lamu Port is a natural deep-water port having a dept of 17.5 metres and among the largest and the deepest on the African coast, with significant untapped potential. However, county officials expressed concern that the Kenya Ports Authority (KPA) approach appeared to favour Mombasa over Lamu, which they felt was contributing to uncertainty and slowing investor confidence. It was emphasised that substantial investments had already been made by residents, including land purchases along the anticipated corridor, based on expectations associated with the pipeline and port development.

13. The County raised planning and compensation concerns, with the CECM in charge of the Department of Land, infrastructure, energy, natural resources and public works noting that changes or restructuring the port master plan or removal of the pipeline would trigger fresh surveys, planning processes, and potential compensation claims, thereby increasing costs for both the county and the national government. With the

County government being the planning authority, the officials indicated that such changes would present a major administrative and financial challenge.

14. Water availability was highlighted as a key constraint, with the County noting that Lamu East continues to experience water scarcity. It was nevertheless observed that the project could be a game changer for the county if implemented as initially envisioned. Expectations around compensation were reiterated, particularly for communities that had anticipated benefits along the pipeline corridor.

15. Further discussions highlighted the need clear and simplified communication, given that the FDP is highly technical and difficult for the general public to understand. It was also noted that the LAPSSET project had created significant expectations among residents, and uncertainty around key components of the project risked undermining public confidence in both the project and the broader corridor development.

c) Written Submission by the County Government of Lamu

County Government of Lamu's Position on Transportation of Lokichar Oil

16. The County Government of Lamu noted that it strongly supports the transportation of crude oil from Lokichar to Lamu Port either through a dedicated oil pipeline or by road tanker trucks rather than routing it to Mombasa for the following reasons:

i. **Strategic alignment with the LAPSSET Corridor** - Lamu is the designated terminal of the Lamu - South Sudan - Ethiopia Transport (LAPSSET) Corridor, a flagship national development project. Transporting oil to Lamu directly aligns with the original vision of LAPSSET which was designed to open up northern Kenya and decongest existing infrastructure in Mombasa.

ii. **Availability of modern oil handling infrastructure** - Lamu Port is a new deep-sea port designed to handle large cargo volumes including petroleum products. It offers the following: adequate space for oil storage facilities, modern berths capable of handling large crude carriers and fewer congestion risks compared to the already overstretched Port of Mombasa

iii. **Reduced Environmental and Urban Risk** - Routing crude oil to Mombasa will require tankers or pipelines to pass through densely populated urban areas, increasing the risk of: oil spills, traffic congestion and public safety hazards. Lamu, by contrast, offers more controlled and purpose-built industrial zones, reducing environmental and **social risks.**

iv. **Economic Empowerment of Marginalized Regions-** Transporting oil to Lamu will: stimulate economic growth in Lamu County and the wider northern corridor, create jobs in logistics, security, storage, and port services and promote

balanced regional development, a key objective of the Constitution of Kenya (2010). This approach helps address historical marginalization of coastal and northern counties.

v. **Cost Efficiency and Long-Term Viability** - A direct oil pipeline from Lokichar to Lamu is: shorter and more direct than alternative routes, more cost-effective in the long term compared to road transport and less prone to delays, security risks, and operational disruptions. Even interim transportation by trucks to Lamu provides a practical bridge toward full pipeline development

vi. **Enhanced National Energy Security**- Lamu's location along major international shipping lanes makes it an ideal export hub using Lamu Port. This strengthens Kenya's position in global oil markets, reduces dependency on congested export routes and enhances national energy export resilience.

vii. **Complementary and Not Competition with Mombasa** - The County Government of Lamu wishes to emphasize that this proposal is not intended to undermine Mombasa but to complement it. Mombasa can continue serving refined petroleum imports and other cargo while Lamu specializes in crude oil exports and bulk energy logistics.

17. In conclusion, the County Government of Lamu requested the National Government and all stakeholders to prioritize Lamu as the primary export route for Lokichar oil noting that so will maximize the returns on national infrastructure investments, promote equitable development, and secure Kenya's long-term energy and economic interests.

d) Meeting with LAPSSET Corridor Development Authority Officials

18. The Joint Committee held a meeting with officials from the **LAPSSET Corridor Development Authority led by the Director General.**

19. The officials noted that LAPSSET is anchored in regional development objectives and aligns with the long-term development visions of the three countries, that is; **Ethiopia (Vision 2030)**, **South Sudan (Vision 2040)**, and **Kenya (Vision 2030)** with the countries viewing Kenya, and particularly Lamu Port, as a strategic gateway to global markets.

20. LAPSSET officials informed the Committee that the corridor was conceived as an **integrated and interlinked infrastructure system**, which has various components which include; Lamu Port, highways, railway, oil pipeline, international airports, resort cities and special economic zones (SEZs). It was emphasized that the components are designed to function collectively rather than in isolation, and that removal or delay of

one component affects the viability of the entire corridor. The Director general took the Committee through the various components of LAPSETT as follows;

21. On Lamu Port, the Committee was informed that **the Port is a deep-sea port**, which had remained idle for some time but is now operational. Officials indicated that the port is capable of handling large vessels and any ship can dock with its natural depth presenting a comparative advantage over other regional ports.

22. On the oil pipeline component, LAPSETT officials explained that the crude oil pipeline from South Sudan to Lamu Port was intended to evacuate crude oil from South Sudan through Lamu with South Sudan spearheading the construction of the crude oil Pipeline, noting that the discovery of oil in Turkana came at a later stage.

23. On the Lokichar -Lamu Crude oil pipeline, LAPSSET noted that it was concerning that the FDP is not planning to evacuate the crude oil from Lokichar using the pipeline as initially envisioned and that removal **of the pipeline component** would undermine the integrated design of the corridor and create coordination challenges. It was emphasized that developing components in isolation does not make economic sense, as LAPSSET's core value lies in integration.

24. On land acquisition for the Lokichar - Lamu pipeline the 820 Km stretch has already been surveyed, inspected and valued and that only issuance of awards was remaining. They noted that significant resources had already been expended on planning and preparatory work for the pipeline and associated marine terminal, and that abandoning the pipeline could erode stakeholder confidence and trust, both domestically and regionally.

25. LAPSSET officials noted that the crude oil pipeline from South Sudan to Lamu was conceptualised before the discovery of oil in Turkana in 2012. South Sudan currently produces approximately 110,000 barrels of crude oil per day and pays approximately USD 35 per barrel to Sudan for the use of the northern pipeline. The officials noted that conflicts in Sudan often disrupt crude oil exports and this presents an opportunity for Kenya and Lamu County to position the Lamu crude oil pipeline as an alternative export route, especially given that Kenya already has an agreement with South Sudan to develop the South Sudan - Lamu Pipeline.

26. The officials noted that given the indication of the FDP that evacuation Turkana Oil will not be by pipeline, Kenya can focus on South Sudan - Lamu pipeline opportunity which also presents many benefits to Kenya. Additionally, they noted that a possibility of establishing a refinery in Lamu to refine the South Sudan Oil can be explored. In addition, there exists an opportunity for a products pipeline, particularly because

southern Ethiopia is geographically closer to Lamu Port than other regional ports, providing a competitive logistical advantage.

27. On the Highways component, The Committee was briefed that substantial progress has been made on **highway infrastructure**, particularly the **Lamu - Garissa - Isiolo corridor**, with some sections completed or under active construction. However, some stretches remain incomplete, affecting full operationalization.

28. On rail infrastructure, officials stated that Kenya has a **bilateral agreement with Ethiopia**, and that Ethiopia is keen on rail connectivity through Lamu due to the need for a cheaper and more efficient route for cargo movement. Lamu was identified as the preferred maritime outlet compared to longer or more congested alternatives. It was further noted that rail connectivity is essential to decongest Mombasa Port and provide Kenya with a second viable logistics corridor.

29. On SEZ, LAPSSET officials confirmed that **Lamu SEZ has been gazetted**, access roads have been constructed, and there is growing investor interest. However, they acknowledged that regulatory bottlenecks have previously slowed investor uptake. Moreover, the officials also highlighted the development of supporting energy infrastructure, including a solar **power plant project in Lamu (approximately 40 MW)**, which is intended to support industrial and port operations.

30. On the challenges facing LAPSETT, the Committee was informed that one of the major challenges is the **fragmented institutional coordination,** arising from the allocation of funding across different agencies responsible for roads, rail, and other infrastructure. This has weakened centralized coordination and delayed implementation. Additionally, the Officials noted that land acquisition is also a challenge noting that compensation along the corridor is expensive given limited resources.

SEN/NA/JOINT/ENE/NO. 028/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 5:15 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE SEVENTH (7TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON THURSDAY, 22ND JANUARY, 2026, AT COMMAND CENTRE, LAMU COUNTY 10:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. The Hon. Lemanken Aramat, CBS, MP (Sessio Co-Chair)
2.The.Hon Elisha Odhiambo,M.P
3. The Hon. Julius Musili Mawathe, M.P.
4. The Hon. Simon King'ara, M.P
5. The Hon. Geoffrey Ekesa Mulanya, M.P
6. The Hon. Barongo Nolfason Obadiah, M.P.

ABSENT WITH APOLOGY

A. THE SENATE

1. Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)
2.Sen. (Dr.) Boni Khalwale, CBS, MP
3.Sen.Ledama Olekina,MP

B. THE NATIONAL ASSEMBLY

1. The.Hon. Walter Owino,MP

IN ATTENDANCE

1.	Dr. Christine Sagini	-	Senior Clerk Assistant
2.	Mr. Salim Athuman	-	Clerk Assistant III
3.	Mr.Sidney Lugaga	-	Principal Legal Counsel
4.	Ms.Zainab Jirma	-	Legal Counsel II
5.	Mr. Lekisima Joseph	-	Fiscal Analyst II
6.	Mr.Michael Arusei	-	Audio Officer
7.	Mr.Timothy Chiko	-	Research Officer III
8.	Ms. Mohamed Ibrahim	-	Serjeant at Arm
9.	Mr.Said Wako	-	Serjeant at Arm
10.	Mr. Washington Otiato	-	Media Relations Officer II
11.	Mr. Joseph Lekisima	-	Fiscal Analyst II
12.	Ms. Jeniffer Mwavita	-	Office Assistant

13. Ms.Judy Rono - Office Assistant

MEMBER OF PUBLIC

1.

SENATE/NA/JOINT/ENERGY/NO.029/2026: PRELIMINARIES

The meeting was called to order at 11.05a.m. This was followed by a word of prayer from Hon.Julius Musili Mawathe, MP and self-introductions were made.

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. ***Public Participation on the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County.***
   a) Meeting with the Member of the Public in LAMU County
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO.030/2026: SUBMISSION BY THE MEMBER OF PUBLIC ON THE FDP AND PSCs IN, LAMU COUNTY.

1. The Committee also held a Town Hall Meeting where members of the public from various locations in Lamu County participated and submitted their views on the proposed FDP. The matrix summarises the views of the residents with most of the residents opposing the evacuation of the crude oil using road and rail and instead preferring construction of the Lokichar- Lamu Crude Oil Pipeline;

Matrix - Public Participation meeting on the South Lokichar Field Development Plan held on 22nd January 2026 at Lamu Maritime and Innovation Center				
No	**Name**	**Location**	**Submission**	
			Support/ no support	**Reason**
1.	Yahya Mohamed	Hindi	Does Not Support	Does not the transport of oil through Mombasa Port as proposed in the FDP. Prefers the construction of the pipeline Lokichar to Lamu as proposed under the LAPSSET Corridor because he has had his land acquired compulsorily and has not been compensated. He criticized lack of communication to the

				affected communities on compensation for both roads and the oil Pipeline
2.	Ahmed Famau	Lamu	Does not support	Prefers that the construction of the pipeline from South Lokichar to Lamu as proposed under the LAPSSET Corridor because he has had his land acquired compulsorily and has not been compensated.
3.	Muhaji Ahmed	Faza	Does not support	Noted that Lamu has more space for construction, processing and transport of crude oil from Lokichar compared to Mombasa
4.	Omar Mire	Mokowe	Does not support	He requested compensation for land acquired compulsorily
5.	Salama Shafii	Bargon	Does not support	Supports the Construction of the pipeline from Lokichar to Lamu as this will create jobs for their children and the youth in general.
6.	Khadir Ismail	Mokowe	Does not support	Concerned as to whether land will be acquired during the construction of the port and whether there will be jobs created as a result.
7.	Amina Amina Hamisi	Hindi	Does not support	She noted that the residents have sacrificed their land which is yet to be compensated and therefore, the oil should be transported through Lamu Port. She emphasized the need for employment of the youth of Lamu county.
8.	Angelina Ndusya	Hindi	Does not support	She emphasized creation of jobs noting that locals are not being employed in the Lamu port. She also asked for compensation of persons whose land has been acquired for construction. The cattle keepers do not have land for cattle rearing.
9.	Basra Ahmed	Mokowe	Does not support	Supports the LAPSSET approach for construction of an oil pipeline. Advocated for creation of employment for locals who have educated their children and the need for locals to be employed in bigger capacities other than just as casuals. That women should be included in the economic opportunities available through the LAPSSET project i.e. employment
10.	Badi Nasiri	Mokowe	Does not support	Speaking on behalf of the youth, he noted that development levels in Lamu are low and that the project will create employment and wealth creation opportunities for the youth and reduce poverty. The poor have sacrificed their land in the hope that the developments will result in compensation of the poor. He also noted scholarship programmes from LAPSSET were initially there but had stopped or reduced and requested the same to be returned to benefit the youth.
11.	Mohamed Rajab	Lamu	Does not support	He noted that the president promised the construction of Lamu Port and that transport of crude oil from South Sudan will be through the Lamu Port. People have already had their land acquired compulsorily and are yet to be compensated. Transport of crude oil using trucks will result in the occurrence of a lot of accidents on the roads. The public participation has always been undertaken at Majlis which is not accessible to the average residents of lamu.
12.	Magdaline Njeri	Hindi	Does not support	She is a farmer who observed that farmers should not be evicted from their land.

13.	Muhrsham Famau	Kiunga	Does not support	Noted that the residents of Lamu do not know the leadership of LAPSSET, therefore the need to ensure that the people of Lamu are represented in the Board of LAPSSET
14.	Danson Kariuki	Hindi	Does not support	Supports construction of pipeline and refinery in Lamu as originally proposed under LAPSSET
15.	Ali Mohamed Hussein	Mokowe	Does not support	Supports construction of pipeline in Lamu as originally proposed under LAPSSET

SEN/NA/JOINT/ENE/NO. 031/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 12:47 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/2/2026 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE EIGHT (8TH) SITTING OF SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 21ST JANUARY, 2026 IN COUNTY COMMISIONERS OFFICE AND MAGONGO HALL IN MOMBASA COUNTY AT 9:00 A.M

MEMBERS' PRESENT

THE SENATE

1. Sen. James Lomenen Ekomwa, CBS, MP
2. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
3. Sen. Edwine Watenya Sifuna, CBS, MP

THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Charles Gimose, M.P
3. The Hon. Tom Mboya Odege, M.P
4. The Hon. George Omwera Aladwa, M. P
5. The Hon. Siyad Amina Udgoon, MP

ABSENT WITH APOLOGY

THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
2. Sen. Veronica Maina, CBS, MP

THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, MP
2. The Hon. Samuel Gonzi Rai, M.P
3. The Hon. Barongo Nolfason Obadiah, M.P.
4. The Hon. Victor Koech Kipngetich, M.P.
5. The Hon. Cecilia Asinyen Ngitit, M.P.

IN ATTENDANCE **COUNTY COMMISIONER MOMBASA**

1. Ms. Rwala Onyancha R.C
2. Mr. Mohamed Hassan CC
3. Dr. Hassan H. RIC
4. Mr. Daniel Kende RCIO
5. Mr. Ali Nuno Dabad RPC
6. Mr. John Macharia RAPC

SECRETARIAT

1. Mr. Fredrick Otieno - Clerk Assistant I
2. Ms. Mary Waqo - Clerk Assistant III
3. Ms. Brigitta Mati - Senior Legal Counsel
4. Ms. Nancy Mulei - Research Officer III
5. Mr. Robert Langat - Research Officer II
6. Mr. Ambrose Nguti - Media Relation Officer II
7. Mr. Brian Njeru - Fiscal Analyst II
8. Ms. Judith Aoka - Audio Officer

SENATE/NA/JOINT/ENE/NO.032/2026 **PRELIMINARIES**

The meeting was called to order at 9:19 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENE/NO. 033/2026 **ADPOTION OF THE AGENDA**

The agenda of the meeting was adopted after it was proposed by The Hon. Barongo Nolfason Obadiah and Seconded by Sen. James Lomenen Ekomwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Meeting with-
   a) County Government of Mombasa;
   b) Regional Commissioner of Mombasa; and
   c) Public Participation in Magongo Hall in Changamwe.
5. Any other Business; and
6. Adjournment/Date of the next meeting.

SEN/NA/JOINT/ENE/NO. 034/2026 **CONFIRMATION OF MINUTES**

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 035/2026 **MATTERS ARISING**

There were no matters arising.

SEN/NA/JOINT/ENE/NO. 036/2026 **MEETING WITH THE REGIONAL COMMISIONER, MOMBASA REGION**

1. **On Commercial Oil Extraction Timeline and Production Plan-**

   a) The Committee noted that commercial oil extraction in Turkana is scheduled to commence by end-2026, following the approval of the Field Development Plan and the related Production Sharing Contract.

   b) The Committee further noted that initial production is targeted at 20,000 barrels per day, with a planned scale-up to 50,000 barrels per day; and

   c) The Committee observed that the phased approach is intended to allow incremental infrastructure development, manage technical and commercial risks, and support a smooth transition from exploration to full production.

2. **On transportation and Infrastructure Requirements -**

   a) The Committee noted that stakeholders highlighted the choice of transport mode for crude oil as a critical determinant of security, cost, congestion, and logistical efficiency;

   b) The Committee observed that phase one transport is planned by road, which would involve hundreds of trucks daily and significantly increase congestion, accident risk, and security challenges, particularly within and around Mombasa;

   c) The Committee further noted that regional security teams and technical stakeholders regard a dedicated pipeline as the preferred long-term option, with rail as an intermediate alternative and road transport as the least desirable scenario;

   d) The Committee observed that the current single carriageway between Mombasa and Nairobi is inadequate for the projected truck volumes, thereby prompting calls for urgent expansion into a dual carriageway and broader road upgrades; and

   e) The Committee noted that decisions on the final transport configuration will directly shape the required security measures, infrastructure investments, and environmental safeguards along the corridor.

3. **On local Community Impact and Resettlement-**

a) The Committee noted that more than 3,000 residents living near the pipeline corridors in Changamwe face serious safety risks and will need to be relocated in an orderly, humane, and adequately compensated manner;

b) The Committee further noted that relocation of these communities is non-negotiable due to the danger posed by potential pipeline leaks, fires, or spills;

c) The Committee observed that resettlement will require coordinated land acquisition through the National Land Commission and the provision of supporting infrastructure, including roads, water, sewerage, and electricity at the new settlement sites; and

d) The Committee noted that past experiences with railway-related relocations demonstrate that comprehensive public participation, transparent compensation, and early engagement can ease transitions, although the current exercise is larger and more sensitive.

4. **On Security and Regulatory Enforcement -**

a) The Committee noted that the security of oil infrastructure, transport routes, and storage facilities has been identified as a major priority requiring sustained multi-agency cooperation and clear legal mandates;

b) The Committee observed that regional security teams reported increased success in intercepting oil theft and illegal siphoning from vessels and pipelines through joint operations with EPRA, the Kenya Navy, and the Coast Guard;

c) The Committee further noted that planned measures include continuous patrols, escorted convoys along transport routes, and enhanced surveillance at storage and loading facilities to deter theft and sabotage;

d) The Committee called for stronger, deterrent legislation and better-resourced enforcement to address gaps in the current regulatory framework that allow repeated abuses by organized criminal networks; and

e) The Committee observed that security planning is closely tied to the choice of transport mode, with road transport requiring more escorts and presenting higher exposure, while pipeline encroachment demands robust land-use control and community management.

5. **Public Participation and Communication**

a) The Committee noted that effective public participation and communication are essential to secure community support, avoid legal challenges, and facilitate smooth implementation of the project;

b) The Committee further noted that the provincial administration, county governments, and local leaders are expected to play central roles in convening public meetings, disseminating accurate information, and channelling community feedback; and

c) The Committee observed that sensitization campaigns will also need to focus on safety around pipelines and transport routes, with a view to reducing accidents, vandalism, and misunderstandings among residents.

6. **On regional Security Team / Police Commander -**

a) The Committee urged the Regional Security Team and the Police Commander to strengthen multi-agency collaboration to combat oil siphoning and protect oil transport routes from Turkana to the Coast, including coastal marine areas.

b) The Committee further urged them to implement intensified security operations and community sensitization campaigns along transport corridors to reduce accidents, theft, and related conflicts.

SEN/NA/JOINT/ENE/NO. 037/2026 CHANGAMWE LOCAL PARTICIPATION

1. **Production Sharing Contracts (PSCs)**
   a) Residents observed that the Production Sharing Contracts relating to Blocks T6 and T7 are subject to approval by Parliament in accordance with the Constitution and relevant statutes, as a mechanism for ensuring transparency and public accountability.
   b) Residents further underscored the long-term duration of the contracts, estimated at approximately twenty-five years, and emphasised the necessity for thorough Parliamentary scrutiny to safeguard national interests and intergenerational equity.
2. **Public Participation and Benefit-Sharing Arrangements -**
   a) Residents emphasised that meaningful public participation must precede Parliamentary consideration and approval of the PSCs; and
   b) They called for the incorporation of clear and enforceable benefit-sharing mechanisms within the contractual and regulatory framework to secure employment opportunities, local economic participation and community-level oversight.
3. **Revitalisation of Kenya Petroleum Refineries Limited (KPRL), Changamwe-**
   a) Residents submitted that the revitalisation of Kenya Petroleum Refineries Limited in Changamwe is of significant strategic and socio-economic importance and should prioritise restoration of refining capacity rather than conversion into a storage facility;

b) They recalled that the closure of the refinery, which was reportedly burdened with liabilities of approximately Kshs. 5 billion, resulted in loss of approximately 6000 employment opportunities, closure of ancillary businesses and heightened social challenges within the constituency;
c) The community advocated for the establishment of a modernised refinery equipped with contemporary processing technologies capable of handling Turkana crude oil and reducing reliance on imported refined petroleum products; and
d) They further submitted that the revival of refining operations would enhance national revenue generation while delivering direct economic benefits to Changamwe and the wider Mombasa region.

4. Employment, Inclusion and Local Economic Empowerment

a) Residents called for the development of explicit policy frameworks prioritising employment and economic participation of local youth, women, persons with disabilities and small-scale enterprises;
b) They urged that procurement and recruitment processes accord preferential consideration to local skilled and semi-skilled labour, as well as community-based service providers;
c) The community proposed the establishment of skills development, apprenticeship and capacity-building programmes aligned to the oil and gas value chain; and
d) They further emphasised that inclusion of women and persons with disabilities should be expressly provided for and monitored within project implementation arrangements.

5. Environmental Protection, Safety and Social Safeguards

a) Residents expressed concern regarding potential adverse environmental and public health impacts arising from oil production, refining and transportation activities, particularly on marine ecosystems, fisheries, air quality and residential settlements;
b) They called for strict enforcement of environmental standards, continuous monitoring and establishment of robust emergency response mechanisms; and
c) The community urged the formulation of comprehensive mitigation, compensation and resettlement frameworks for affected persons and communities; and
d) Concerns were also raised regarding road safety and infrastructure degradation associated with heavy oil transportation, with calls for enforcement of axle-load limits and sustained infrastructure maintenance.

6. Transport Infrastructure, Logistics and Community Benefits

a) Residents noted that crude oil evacuation is proposed through a multi-modal system comprising road, rail and pipeline infrastructure, and expressed concern regarding congestion and strain on existing infrastructure within Changamwe;
b) They called for binding commitments on infrastructure upgrading, pipeline integrity and route management to minimise safety and social risks; and
c) The community further urged that communities situated along transportation corridors benefit equitably through employment opportunities and revenue-sharing arrangements.

7. Local Value Addition and Refining of Crude Oil

a) Residents strongly submitted that Kenya should prioritise domestic value addition and avoid exportation of crude oil in its raw form; and
b) They emphasised that local refining of Turkana crude oil in Mombasa would stimulate industrial growth, job creation and technology transfer.

8. Ongoing Oversight, Transparency and Stakeholder Engagement

a) Residents welcomed the role of Parliament in facilitating public participation and incorporating citizen views into decision-making processes;
b) They called for deliberate inclusion of submissions from vulnerable and marginalised groups within Committee reports and deliberations;
c) Support was expressed for regular multi-stakeholder engagements involving Government agencies, project proponents and host communities to monitor implementation and address emerging concerns; and
d) Residents further urged periodic public disclosure of information relating to revenues, employment outcomes, environmental compliance and project performance.

9. Community Development and Corporate Social Responsibility

a) Residents called for the establishment of a structured community benefit framework, including investment in education, health services and social development programmes within Changamwe;
b) They urged leaders to continue providing policy, legal and technical guidance to communities and to advocate for local interests in Parliamentary proceedings;
c) The community proposed that Government undertake a comprehensive socio-economic impact assessment of ref
d) inery operations and related petroleum activities in Mombasa to inform long-term planning and engagement with investors.

SEN/NA/JOINT/ENE/NO. 038/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 4:45 p.m. The next meeting was scheduled to be held on notice.

Signed _____ Signed _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

THE HON.DAVID GIKARIA, CBS, MP
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE NINTH (9TH) SITTING OF SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON THURSDAY, 22ND JANUARY, 2026 IN KPRL BOARDROOM, 1ST FLOOR, MOMBASA COUNTY AT 9:00 A.M

MEMBERS' PRESENT

THE SENATE

1. Sen. James Lomenen Ekomwa, CBS, MP
2. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
3. Sen. Edwine Watenya Sifuna, CBS, MP

THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Charles Gimose, M.P
3. The Hon. Tom Mboya Odege, M.P
4. The Hon. George Omwera Aladwa, M. P
5. The Hon. Siyad Amina Udgoon, MP

ABSENT WITH APOLOGY

THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
2. Sen. Veronica Maina, CBS, MP

THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, MP
2. The Hon. Samuel Gonzi Rai, M.P
3. The Hon. Barongo Nolfason Obadiah, M.P.
4. The Hon. Victor Koech Kipngetich, M.P.
5. The Hon. Cecilia Asinyen Ngitit, M.P.

IN ATTENDANCE	KPRL & KPC&MOEP
1. Mr. Joseph Ndoti	MD KPRL
2. Mr. Tom Mailu	Operations Manager KPC
3. Mr. Michael Kariuki	KPRL
4. Ms. Abogail Mwangi	SDP-MOEP
5. Mr. Joseph Wafula	SDP-MOEP
6. Mr. Abdi Abdullahi	MOEP
7. Mr. Casper Adodi	MOEP

IN ATTENDANCE	KPA
1. Capt. Patrick Ondonyi	
2. Mr. Calvin Onsarigo	
3. Mr. Mbaya Mbao	
4. Mr. John Akumu	
5. Mr. Hakim Thoya	
6. Mr. Samuel Ngumi	

SECRETARIAT

1. Mr. Fredrick Otieno	- Clerk Assistant I
2. Ms. Mary Waqo	- Clerk Assistant III
3. Ms. Brigitta Mati	- Senior Legal Counsel
4. Ms. Nancy Mulei	- Research Officer III
5. Mr. Robert Langat	- Research Officer II
6. Mr. Ambrose Nguti	- Media Relation Officer II
7. Mr. Brian Njeru	- Fiscal Analyst II
8. Ms. Judith Aoka	- Audio Officer
9. Mr. Antony Wamae	- Serjeant at Arms

SENATE/NA/JOINT/ENE/NO.039/2026 **PRELIMINARIES**

The meeting was called to order at 9:19 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENE/NO. 040/2026 **ADPOTION OF THE AGENDA**

The agenda of the meeting was adopted after it was proposed by The Hon. Barongo Nolfason Obadiah and Seconded by Sen. James Lomenen Ekomwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Meeting with Kenya Pipeline Company (KPC), Kenya Petroleum Refinery Limited (KPRL) and Kenya Ports Authority(KPA) on the Field Development Plan and Production Sharing Contracts For Blocks T6 And T7 in South Lokichar Basin, Turkana County;
5. Any other Business; and
6. Adjournment/Date of the next meeting.

SEN/NA/JOINT/ENE/NO. 041/2026 **CONFIRMATION OF MINUTES**

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 042/2026 **MATTERS ARISING**

There were no matters arising.

SEN/NA/JOINT/ENE/NO. 043/2026 **MEETING WITH KENYA PIPELINE COMPANY(KPC) AND KENYA PETROLEUM REFINANRIES LIMITED(KPRL)**

1. **On the status and future of KPRL refinery -**

a) The Committee noted that the Changamwe/KPRL refinery has remained non-operational since 2013, despite completion of storage and maintenance works;
b) The Committee noted that earlier technical assessments place the cost of constructing a new refinery at approximately USD 7 billion, compared to about USD 5 billion for upgrading the existing plant, and that any decision must be informed by updated financial, market and energy-transition studies;
c) The Committee further observed that the refined-products market now requires a highly efficient refinery capable of producing at least 95–97 per cent of saleable products, and that options including conversion to a bio-fuel facility should be carefully evaluated.

2. **On refinery feedstock and supply strategy -**

a) The Committee was informed that a mixed feedstock strategy, combining Turkana crude with imported crude or products, is the most prudent approach to enhance operational efficiency, reduce supply risk and support sustainable refinery utilisation;

b) The Committee was further informed that reliance on domestic crude alone would expose the refinery to volume and price volatility, whereas a blended approach would better support stable production and national fuel security.

3. **On storage capacity and port operations-**

a) The Committee noted that KPRL currently has storage capacity of about 404 million litres, which is already being used for crude and refined products, but that parts of the storage and plant infrastructure require upgrading to meet current safety and commercial standards;
b) The Committee noted that KPRL plans to add additional tanks to increase storage capacity in line with anticipated throughput of 20,000 to 50,000 barrels per day, and that this will be critical to support both upstream production and import/export operations;
c) The Committee further noted that the Port of Mombasa, through KPA, has adequate and modern infrastructure including multiple berths and handling systems to receive large tankers of up to 120,000 metric tonnes, but that limited downstream storage and evacuation capacity is contributing to ship delays and demurrage.

4. **On transport, pipelines and technical systems -**

a) The Committee noted that crude evacuation from Turkana to Mombasa is designed as a combination of heated pipelines and road transport, with existing pipelines and terminal systems equipped with heat-tracing and power (boilers and generators) to handle waxy crude that solidifies at normal temperatures;
b) The Committee was informed that timely investment in pipeline upgrades, larger-bore lines from the port to inland storage and clear wayleaves will be essential to achieve efficient flows and to avoid congestion and additional logistics costs;
c) The Committee further noted with concern that land encroachment and informal settlements along pipeline routes and around storage installations are increasing safety risks and raising long-term maintenance and security costs.

5. **On revenue management, corporate structure and past performance -**

a) The Committee was informed that KPRL operates as a subsidiary of KPC, with major project and revenue decisions taken at the KPC level in consultation with Government, and that KPRL assets are expected to form part of KPC's asset base in the planned IPO;
b) The Committee was informed that KPRL has recently been valued at approximately Kshs 21 billion and that a parallel LPG storage and distribution project (30,000-tonne capacity on a 23-acre site) is under development, signalling the strategic importance of the Changamwe complex to the national energy system.

6. **On employment, local content, land encroachment and CSR-**

a) The Committee noted strong expectations from the decisions on the refinery and associated logistics should translate into tangible employment opportunities, especially for residents of Mombasa and Turkana;
b) The Committee noted calls for clear, transparent criteria that prioritise local contractors, drivers and service providers in transport, construction, and support services linked to the project;
c) The Committee noted that communities around key infrastructure have long-standing concerns regarding equitable access to jobs, business opportunities and project benefits, particularly in transport and support services; and
d) The Committee noted with concern the persistent problem of land invasion and informal settlements on and around pipeline corridors, storage facilities and related public land, which undermines infrastructure security and the risks it possesses on the residents of Mombasa County.

SEN/NA/JOINT/ENE/NO. 044/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 3:45 p.m. The next meeting was scheduled to be held on notice.

Signed _____ Signed _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

THE HON.DAVID GIKARIA, CBS, MP
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TENTH (10TH) SITTING OF SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON TUESDAY, 3RD FEBRUARY 2026 IN TURKANA COUNTY ASSEMBLY AND EKALES CENTRE AT 9:00 A.M

MEMBERS' PRESENT

THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
1. Sen. James Lomenen Ekomwa, CBS, MP
2. Sen. Beatrice Ogolla, MP

THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Charles Gimose, M.P
3. The Hon. Tom Mboya Odege, M.P

ABSENT WITH APOLOGY

THE SENATE

1. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
2. Sen. Veronica Maina, CBS, MP

THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, MP
2. The Hon. Samuel Gonzi Rai, M.P
3. The Hon. Barongo Nolfason Obadiah, M.P
4. The Hon. George Omwera Aladwa, M. P
5. The Hon. Victor Koech Kipngetich, M.P.
6. The Hon. Cecilia Asinyen Ngitit, M.P.
7. The Hon. Siyad Amina Udgoon, MP

SECRETARIAT

1. Dr. Christine Sagini - Senior Clerk Assistant
2. Mr. Fredrick Otieno - Clerk Assistant I
3. Ms. Mary Waqo - Clerk Assistant III
4. Ms. Brigitta Mati - Senior Legal Counsel
5. Ms. Nancy Mulei - Research Officer III
6. Mr. Robert Langat - Research Officer II
7. Mr. Ambrose Nguti - Media Relation Officer II
8. Mr. Brian Njeru - Fiscal Analyst II
9. Ms. Judith Aoka - Audio Officer
10. Mr. Antony Wamae - Serjeant at Arms

SENATE/NA/JOINT/ENE/NO.045/2026 PRELIMINARIES

The meeting was called to order at 9:19 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENE/NO. 046/2026 ADPOTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by The Hon. Tom Mboya Odege, M.P and Seconded by Sen. James Lomenen Ekomwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Meeting with Lokori and Katilia residents on the Field Development Plan and Production Sharing Contracts For Blocks T6 and T7;
5. Any other Business; and
6. Adjournment/Date of the next meeting.

SEN/NA/JOINT/ENE/NO. 047/2026 CONFIRMATION OF MINUTES

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 048/2026 MATTERS ARISING

There were no matters arising.

SEN/NA/JOINT/ENE/NO. 049/2026 MEETING WITH MEMBERS OF COUNTY ASSEMBLY, TURKANA COUNTY

The Katilia–Loriu professionals' memorandum welcomes petroleum development in South Lokichar but argues that the current Field Development Plan (FDP) and Production Sharing Contracts (PSCs) are legally biased toward investor and national interests, leaving the Katilia host community exposed on land rights, livelihoods, and decision-making.

1. Core concern: PSC-driven model sidelines community rights

a) The professionals explain that Chapter 3 of the FDP is built almost entirely around PSCs for Blocks 10BB and 13T plus central government/EPRA approvals, which control land access, size and duration of the Development Area, and extensions, with no binding role for the Katilia community despite them being only about 35 km from the production site; and
b) Community land rights, compensation, resettlement and livelihood restoration are pushed to later instruments (ESIAs, LARFs, NLC processes), meaning Parliament is being asked to approve the FDP before land justice mechanisms are defined or agreed with affected people;

c) The memorandum argues that community land under Article 63 and the Community Land Act is not "operationalised" inside the FDP; instead, PSC rights effectively override customary tenure by granting long-term control of community land without Free, Prior and Informed Consent.

3. Subsurface planning as a social and land-use driver

a) They highlight that Chapter 4 (subsurface studies) is treated as "technical," yet in practice it fixes field life, well density and drilling phases that decide how long and how intensively community land will be occupied by well pads, roads, pipelines and security zones;

b) The professionals warn this can lock in multi-decade land use, grazing route disruption and youth livelihood impacts without corresponding social safeguards, and they therefore pose formal questions to Gulf Energy on; and

c) Whether compensation and livelihood restoration will be scaled up if project life extends beyond initial projections, and how these plans will respect Article 63 on community land.

4. Proposed community benefit-sharing framework -

a) The memorandum proposes a detailed "model" framework to correct what it sees as structural inequities where PSCs and FDPs define State–contractor fiscal terms but not fair, predictable benefits for host communities; and

b) It calls for a statutory Community Benefit-Sharing Authority (CBSA) with elected community reps, county nominees, national observers and independent experts to approve benefit plans, manage and audit funds, publish annual reports and interface with regulators and contractors, closing gaps that enable mismanagement and elite capture.

SEN/NA/JOINT/ENE/NO. 050/2026 PUBLIC PARTICIPATION AT EKALES CENTRE, TURKANA COUNTY

1. Land rights, valuation, compensation and displacement

a) Inadequate and unjust compensation for compulsory acquisition of community land, grazing areas, water points, migration corridors, shrines, burial grounds and other cultural–spiritual sites, with claims that current valuations do not reflect the enhanced land value created by oil discovery and production;

b) Failure to fully implement the Community Land Act, resulting in large areas of community land remaining unregistered, unclear tenure, exclusion of many beneficiaries (including pastoral households frequently on the move) and heightened risk of displacement without fair, prompt and just compensation.

c) Concerns that land-related payments (such as earlier Tullow levies and rates) were remitted to county authorities without direct benefit to affected community structures, and calls for compensation and land-based revenues to be paid directly into community-controlled accounts or management committees; and

d) Strong insistence that community land vested in the County Government should be leased, not sold, with clear lease terms, royalties and long-term benefits to land-owning communities.

2. Fiscal terms, cost recovery, tax exemptions and benefit sharing

a) Objections that the 85% cost-recovery cap, extensive tax exemptions (VAT, import duties, railway development levy, import declaration fee, withholding tax) and high midstream transport costs will delay profit oil for national and county governments and shrink the net pool available to host communities, possibly until after 2032;

b) Concern that shifting from pipeline to road/rail significantly increases per-barrel transport costs, reducing the divisible fiscal pool and questioning the commercial and fiscal logic of the FDP as currently designed;

c) Demands for loading of community benefits, including a ring-fenced social investment or Community Development Trust Fund funded from a percentage of gross revenue before full cost recovery, so that communities feel tangible benefits early; and

d) Repeated calls for clearer, enforceable benefit-sharing frameworks (between national government, county government and local communities) with transparent publication of all valuation reports, lease agreements, compensation schedules, revenue records and historical oil-related receipts.

3. Institutional roles, county marginalization and oversight -

a) Perception that the County Government of Turkana is institutionally marginalized in licensing, project design, fiscal decisions and environmental oversight, despite being host to the primary oil resource;

b) Proposals to amend the Petroleum Act to clearly define joint oversight roles for county governments in monitoring upstream operations, and to establish a National–County–Community Oversight Committee to review quarterly compliance reports on environment, revenue and labour; and

c) Calls for County Assembly involvement in approving key project documents (such as the FDP, investment decisions and local content plans) and for stronger county-level scrutiny of company operations and social programmes.

4. Governance, legality, constitutional sequence and contracts-

a) Assertion that the FDP is being advanced "out of constitutional sequence" by proceeding under a Production Sharing Contract that has not yet been ratified by Parliament under Article 71, thereby reversing the proper order of contract ratification then technical plan approval;

b) Questions about the legality and transparency of PSC addenda and farm-downs, including: location and status of the original PSC, reasons for not signing a fresh PSC with Gulf Energy after devolution, whether Gulf was party to the initial PSC, and whether legacy environmental and fiscal liabilities have been properly transferred and scrutinized; and

c) Demands that Parliament fully review original PSCs, addenda, company ownership changes and associated liabilities before ratifying the FDP, to avoid future legal disputes and ambiguous responsibility for environmental damage or fiscal losses.

5. Environmental protection, climate, water and public health

a) Deep concern over historical and potential environmental harm, including soil contamination, water pollution, livestock deaths and long-term health risks to communities, and a view that past exploration activities were poorly managed;

b) Allegations that the FDP and associated approvals lack robust Climate Impact Assessment, Biodiversity Impact Assessment, cumulative impact analysis and

Strategic Environmental Assessment appropriate for an arid/semi-arid (ASAL) region already in climate crisis;

c) Demands for zero-discharge waste systems, strict adherence to updated NEMA waste guidelines, continuous water and soil testing around project areas, mandatory public disclosure of environmental monitoring data, and independent third-party environmental audits co-appointed with the County Government; and

d) Requests for strong decommissioning guarantees, including an escrow-type fund capitalised from first oil to prevent "orphaned" infrastructure and long-term environmental degradation once operations cease.

6. Pastoralist livelihoods, land use and security

a) Concern that oil infrastructure (roads, facilities, well pads and other installations) will fragment grazing corridors, limit access to water, and disrupt traditional migration routes that underpin Turkana pastoralism;

b) Emphasis that pastoralism constitutes a major national economic system with high total economic value, providing livestock production, ecosystem services and cultural continuity, and should not be treated as marginal or expendable land use; and

c) Fears of resource-driven conflict, including cattle rustling and boundary disputes with neighbouring communities (e.g. West Pokot and Tiaty), potentially worsened by oil discoveries and perceptions of unequal sharing of benefits.

7. Local content, employment and local enterprises-

a) Strong, repeated demand that local people, particularly Turkana residents, receive priority in employment across all skill levels, with some memoranda proposing explicit quotas (e.g. 70% of jobs reserved for local community members);

b) Calls for clear, enforceable local content plans and ring-fenced contract percentages for Turkana-based companies and associations, especially in non-technical services such as transport and logistics;

c) Proposals that a defined share of light vehicle and heavy-duty haulage contracts be reserved for local transport associations like the Turkana County Drivers and Transport Association (TUCODTA), coupled with project-funded capacity-building in HSE standards so local firms can meet industry requirements.

8. Youth, education, skills and social empowerment-

a) Expectations from students and youth that Gulf Energy and the project will contribute meaningfully to raising incomes, reducing inequality and expanding opportunities for young people in Turkana;

b) Requests for broad scholarship schemes and education support covering university, TVET, secondary and primary levels, including infrastructure for Turkana University (laboratories, facilities for petroleum-related courses), internships, attachments and teaching materials; and

c) Calls for social empowerment initiatives for both "elite" and "non-elite" youth, including dedicated funds for student associations, support for self-help groups and cooperatives, and inclusion of youth in procurement and tendering opportunities linked to the project.

9. Community benefits, social programmes and CSR

a) Demands for robust, community-driven CSR programmes aligned with local priorities (e.g. water schemes, irrigation, health facilities, education bursaries) and not just company-designed projects;

b) Proposals that portions of the community's statutory revenue share be ring-fenced for: direct cash transfers to households, targeted development sectors (agriculture, water, livestock value chains, education, health) and safety nets for the elderly and persons with disabilities, overseen through special purpose accounts and independent boards;

10. Participation, information, transparency and accountability

a) Complaints about earlier inadequate public participation on land acquisition, valuation and project decisions, including instances where land (such as Kapese Airstrip) was reportedly acquired without the knowledge or consent of local communities;

b) Demands for full and ongoing public participation across all Turkana sub-counties and settlements, meaningful engagement of councils of elders, spiritual leaders and local administrators, and provision of detailed information on previous oil extracted, revenues earned and benefits that accrued to communities; and

c) Calls for binding commitments on Free, Prior and Informed Consent (FPIC), registration of customary grazing lands, and accessible, regular reporting to communities and their representatives on project progress, fiscal flows and environmental performance.

SEN/NA/JOINT/ENE/NO. 051/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:45 p.m. The next meeting was scheduled to be held on notice.

Signed _____ Signed _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

THE HON.DAVID GIKARIA, CBS, MP
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE ELEVENTH (11TH) SITTING OF SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 4TH FEBRUARY, 2026 IN KALEMNGOROK, TURKANA SOUTH CONSTITUENCY AT 9:00 A.M

MEMBERS' PRESENT

THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
1. Sen. James Lomenen Ekomwa, CBS, MP
2. Sen. Beatrice Ogolla, MP

THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Charles Gimose, M.P
3. The Hon. Tom Mboya Odege, M.P

ABSENT WITH APOLOGY

THE SENATE

1. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
2. Sen. Veronica Maina, CBS, MP

THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, MP
2. The Hon. Samuel Gonzi Rai, M.P
3. The Hon. George Omwera Aladwa, M. P
4. The Hon. Barongo Nolfason Obadiah, M.P.
5. The Hon. Victor Koech Kipngetich, M.P.
6. The Hon. Cecilia Asinyen Ngitit, M.P.
7. The Hon. Siyad Amina Udgoon, MP

IN ATTENDANCE

1. Residents of Kalemngorok- Turkana South Constituency (Attendance sheet has been attached)

SECRETARIAT

1. Mr. Fredrick Otieno - Clerk Assistant I
2. Ms. Mary Waqo - Clerk Assistant III
3. Ms. Brigitta Mati - Senior Legal Counsel
4. Ms. Nancy Mulei - Research Officer III
5. Mr. Robert Langat - Research Officer II
6. Mr. Ambrose Nguti - Media Relation Officer II
7. Mr. Brian Njeru - Fiscal Analyst II
8. Ms. Judith Aoka - Audio Officer
9. Mr. Antony Wamae - Serjeant at Arms

SENATE/NA/JOINT/ENE/NO.052/2026 PRELIMINARIES

The meeting was called to order at 9:19 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENE/NO.053/2026 ADPOTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by The Hon. Charles Gimose, M.P and Seconded by Sen. James Lomenen Ekomwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Meeting with the residents of Kalemngorok, Turkana South Constituency on the Field Development Plan and Production Sharing Contracts For Blocks T6 And T7 in South Lokichar Basin, Turkana County;
5. Any other Business; and
6. Adjournment/Date of the next meeting.

SEN/NA/JOINT/ENE/NO. 054/2026 CONFIRMATION OF MINUTES

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 055/2026 MATTERS ARISING

There were no matters arising.

SEN/NA/JOINT/ENE/NO. 056/2026 **MEETING WITH THE RESIDENTS OF KALEMNGOROK, TURKANA SOUTH CONSTITUENCY-**

1. **Turkana Council of Elders (Aroo) petition -**

   a) Argues Turkana community is not treated as a proper party in the Production Sharing Contract (PSC) and calls for direct negotiations between the community (led by the Council of Elders), the investor and Government before oil export proceeds (suggesting oil can be pumped and stored pending agreement);

   b) Opposes "blanket compulsory land acquisition," proposing leasing of land (with compensation for displacement) and internal community dialogue first on land and displacement implications; and

   c) Disputes revenue-sharing outcomes under the PSC structure (e.g., "cost oil" up to 85%, remainder split; community share argued to reduce to a very small fraction) and proposes computing community/county shares first before national/investor sharing.

2. **Oversight, transparency, and benefit delivery (Council of Elders petition)**

   a) Flags risks of mismanagement/theft/illegal diversion across production–transport–storage–export and calls for shared data/consultative decision-making and clearer oversight structures involving community, county, national government and investor;

   b) Notes unclear governance for receiving/disbursing oil funds and proposes a secure fund to manage the community share and deliver direct benefits to families/individuals, plus clearer (and more frequent) revenue disbursement intervals (suggesting quarterly); and

   c) Requests local-content mechanisms such as employment committees with representation (elders, professionals, youth, women) and advance advertising with specified community shares per job category.

3. **Security, culture, environment, and water infrastructure (Council of Elders petition)**

   a) Raises deteriorating security (including recent deaths) and asks for urgent restoration of security, compensation for affected persons over the last three years, and recovery of stolen livestock; also asks Senate to scrutinize the wider security situation;

   b) Calls for culturally sensitive operations (protect Turkana identity and heritage; discourage foreign naming) and high ethical standards during oil development; and

c) Supports a Turkwel Gorge Dam–to–oilfield water pipeline but asks for community access/offtake points along the route (e.g., Kalemngorok, Nakabosan), compensation for pipeline land access, and prefers KDF to provide security while locals participate in construction; also proposes diversifying water sources (including aquifers).

4. **Turkana South memorandum (Maj. (Rtd) Dr. Ekiru Kidalio) — land, compensation, and health framing-**

a) Emphasizes Turkana land as community land held in trust by the County Government and argues land decisions for oil should be made for the benefit of the whole community (not a few), rejecting the idea of "compulsory land acquisition" by a private business;

b) Proposes land leasing (rather than one-off compensation) and pooling lease proceeds into a host community development trust fund model for long-term benefits, drawing on examples/analogies from other jurisdictions; and

c) Highlights environmental/health risks from oil activities (pollution exposure and long-term impacts) and uses these risks to justify stronger compensation and community-benefit structures.

5. **Aroo Drivers & Logistics Association memorandum — local content in logistics -**

a) Requests localized recruitment for driving/logistics roles within Aroo Sub-County, with job adverts issued at least two weeks before deadlines to improve fairness and transparency;

b) Asks the company to cover (or recover via salary deductions after hiring) costs of defensive driving tests and other mandatory assessments so qualified but cash-constrained locals aren't excluded; and

c) Proposes recruitment through the Association (vetted database), priority for local vehicle hire/logistics, training (defensive driving, HSE, first aid, maintenance), clear engagement/liaison channels, timely payments, dispute resolution mechanisms, gender/youth inclusion, and an MoU to govern the relationship.

6. **Aroo Youth & Student Association memorandum — education, inclusion, and equity -**

a) Asks how Gulf Energy will raise GDP/incomes in Turkana and avoid inequality patterns seen in other oil contexts, and what the "share" for youth will be;

b) Requests scholarships spanning university/college, TVET, secondary and primary levels, plus mobile classrooms to support pastoralist communities during displacement/migration/raids; and

c) Seeks support to develop Turkana University (labs/infrastructure for petroleum-related courses, internships/attachments, learning materials), youth inclusion in employment and procurement/tendering, and improved security including a proposed disarmament initiative (Turkana–West Pokot) to stabilize the region.

SEN/NA/JOINT/ENE/NO. 057/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:45 p.m. The next meeting was scheduled to be held on notice.

Signed _____ Signed _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

THE HON.DAVID GIKARIA, CBS, MP
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWELFTH (12TH) SITTING OF SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON THURSDAY, 5TH FEBRUARY, 2026 IN NAKUKULAS AND LOPII, TURKANA EAST CONSTITUENCY, TURKANA COUNTY AT 9:00 A.M

MEMBERS' PRESENT

THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
2. Sen. James Lomenen Ekomwa, CBS, MP
3. Sen. Beatrice Ogolla, MP

THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Charles Gimose, M.P
3. The Hon. Tom Mboya Odege, M.P

ABSENT WITH APOLOGY

THE SENATE

1. Sen. Veronica Maina, CBS, MP
2. Sen. Edwine Watenya Sifuna, CBS, MP

THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, MP
2. The Hon. Samuel Gonzi Rai, M.P
3. The Hon. Barongo Nolfason Obadiah, M.P.
4. The Hon. George Omwera Aladwa, M. P
5. The Hon. Victor Koech Kipngetich, M.P.
6. The Hon. Cecilia Asinyen Ngitit, M.P.
7. The Hon. Siyad Amina Udgoon, MP

IN ATTENDANCE

1. Nakukulas and Lopii Centre (Turkana East Constituency)

SECRETARIAT

1. Dr. Christine Sagini - Senior Clerk Assistant
2. Mr. Fredrick Otieno - Clerk Assistant I
3. Ms. Mary Waqo - Clerk Assistant III
4. Ms. Brigitta Mati - Senior Legal Counsel
5. Ms. Nancy Mulei - Research Officer III
6. Mr. Robert Langat - Research Officer II
7. Mr. Ambrose Nguti - Media Relation Officer II
8. Mr. Brian Njeru - Fiscal Analyst II
9. Ms. Judith Aoka - Audio Officer
10. Mr. Antony Wamae - Serjeant at Arms
11. Mr. Mohamed Ibrahim - Serjeant at Arms

SENATE/NA/JOINT/ENE/NO.058/2026 PRELIMINARIES

The meeting was called to order at 9:15 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENE/NO.059/2026 ADPOTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by The Hon. Charles Gimose, M.Pand Seconded by Sen. James Lomenen Ekomwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Meeting at Nakukulas and Lopii centers on the Field Development Plan and Production Sharing Contracts For Blocks T6 And T7 in South Lokichar Basin, Turkana County;
5. Any other Business; and
6. Adjournment/Date of the next meeting.

SEN/NA/JOINT/ENE/NO. 060/2026 CONFIRMATION OF MINUTES

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 061/2026 MATTERS ARISING

There were no matters arising.

SEN/NA/JOINT/ENE/NO. 062/2026 MEETING AT NAKUKULAS CENTRE, TURKANA EAST CONSTITUENCY

1. **Nakukulas & Kapese CLMCs:**
   a) Nakukulas and Kapese CLMCs clearly support "Project Oil Kenya" but insist that FDP ratification must hard-wire stringent protections for land, water, health, and livelihoods. They warn of contamination of shallow wells and dry riverbeds from produced water and heavy metals, soil sterilisation from spills and drill cuttings, and air pollution and respiratory disease from flaring and vehicle emissions in a fragile pastoral ecosystem;

   b) They requested for several safeguards legally binding: just and prompt compensation paid into community-controlled accounts; ring-fenced environmental restoration and decommissioning bonds; an emergency environmental liability fund for rapid spill response; permanent, independently funded health surveillance and medical screening; and strict adherence to Free, Prior and Informed Consent and the Community Land Act in all land takings.

   c) The memorandum also demands strong local content and oversight: at least 70% of non-skilled and semi-skilled jobs for Turkana locals; accredited training so locals can move into skilled roles within five years; minimum local procurement spend; a binding local content implementation plan; CLMC observer seats on the Project Monitoring Committee; and an independent, community-supervised grievance redress mechanism; and

   d) On technology and climate, they want zero routine flaring, gas-to-power or gas re-injection, advanced leak detection, full reinjection of produced water, digital pipeline integrity systems, deep reinjection or properly lined storage of drill cuttings, digital waste manifests, and annual medical screening for residents near waste sites. They categorically reject compulsory acquisition for hazardous-waste areas and the Kapese camp/airstrip, insisting on long-term leases with environmental restoration bonds so land and infrastructure revert to the community after decommissioning and provide continuous rental income in the meantime.

2. **TCJC & NEDO: climate justice and just transition -**
   a) Turkana Community Justice Centre and Nakukulas Economic Development Organization frame FDP approval as a climate justice issue, not just a commercial decision. They highlight a "double burden": Turkana is already suffering severe drought and collapse of pastoral livelihoods due to global warming, yet oil

extraction would add local pollution and global emissions while the rest of the world moves away from fossil fuels;

b) They describe concrete risks: hazardous waste and poorly lined pits that can permanently destroy scarce pasture, and flaring that contributes to localized acid rain and further degrades already marginal vegetation and soils. They therefore demand three core pillars of climate justice: a mandatory percentage of the project budget for adaptation (livestock insurance, drought-resistant veterinary services, satellite pasture monitoring); engineering designs that protect hydrology and ecosystems; and a legal requirement that all carbon mitigation and offsets be implemented within the project-affected areas;

c) To protect ancestral land, they want legal obligations to restore exhausted well pads and camps to grazing condition within 12 months of use, backed by interest-bearing restoration bonds released only after joint verification of land recovery. Their "prayers" include: a non-negotiable Community Climate Resilience Fund; localized carbon offsetting; an emergency "climate safety net" for fodder, water and livestock insurance; a full-lifecycle Climate Impact Assessment; a Climate Accountability Schedule applying the polluter-pays principle; a local content framework that also covers renewables; and a Green Skills programme to equip Turkana youth for renewable energy and sustainable land management beyond the oil era.

3. Nakukulas CLMC: land rights, climate justice and JET -

a) The Nakukulas CLMC's separate submission reinforces the climate-justice and land-rights framing but focuses more tightly on valuation, compensation mechanics, and adaptation tools. It points out the injustice of a highly climate-vulnerable community absorbing the local environmental costs of fossil-fuel extraction while the world transitions away from carbon, and insists FDP ratification must align with Kenya's NDCs and Just Energy Transition commitments;

b) Compensation whenever infrastructure severs grazing blocks (extra distance to pasture/water), and to embed a localized reforestation and rangeland management programme in Nakukulas as an in-situ carbon sink and grazing-restoration tool. For youth, they reject training that only serves the oil value chain and demand programmes in renewable energy and green construction to keep the workforce relevant in a post-oil economy;

c) On land valuation, they oppose sole reliance on the Land Value Index, arguing that it undervalues arid communal lands. They want compensation to reflect total economic and cultural value: land and improvements, lost grazing, lost access to

medicinal plants and stock routes, and disturbance of ancestral graves and spiritual sites. They demand an irrevocable fund to guarantee that land is returned in a condition fit for pastoralism at project end, and insist that all compensation is paid into a CLMC-managed interest-earning account before the contractor takes possession, with penalty interest on any delays beyond 30 days; and

d) Given high environmental risk, they call for community-accessible sensors on key water points with automatic stop-work triggers upon contamination, a community-run tree nursery to create "green jobs" while restoring ecosystems, a binding gas-to-power mandate so associated gas provides cheap local electricity instead of being flared, and a project-specific Climate Adaptation Levy to finance local resilience as global markets move away from oil. They stress that climate justice is a constitutional right and urge Parliament to insist on an FDP that is climate-smart, socially equitable and legally robust.

SEN/NA/JOINT/ENE/NO. 063/2026 MEETING AT LOPII CENTRE, TURKANA EAST CONSTITUENCY

a) Participants demanded that catering and other support services for project operations be sourced locally and that all 600 trucking opportunities prioritise residents of the area;
b) The forum called for a 70% local / 30% non-local participation framework, with progressive appointment of qualified locals to supervisory and senior operational positions;
c) Speakers cited a previous civil works contractor who had successfully employed large numbers of local workers and urged that this be adopted as the standard for future contracts;
d) Women's economic empowerment was emphasized, with calls for clear frameworks enabling women and youth to access tenders and procurement opportunities linked to the project;
e) Participants insisted on a comprehensive ESIA, citing concerns about oil spillages, disruption to livestock, and broader ecological risks;
f) There was a strong preference for land leasing rather than outright acquisition, noting that Turkana land is held in trust for nomadic pastoralists and that livelihoods must be protected;
g) Community members stressed the need for fair consultation, proper displacement procedures, and adequate compensation wherever land acquisition is unavoidable;

h) Concerns were raised about "legacy pollution" and long-term health impacts of hydrocarbons, including respiratory distress and reproductive health issues, with calls for stronger safeguards and monitoring; and
i) Security along infrastructure and transport routes was identified as a major concern.

SEN/NA/JOINT/ENE/NO. 064/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 4:45 p.m. The next meeting was scheduled to be held on notice.

Signed_____ Signed_____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

THE HON.DAVID GIKARIA, CBS, MP
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE THIRTEENTH (13TH) SITTING OF SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON FRIDAY, 6TH FEBRUARY, 2026 IN LOKORI AND KATILIA CENTRES, TURKANA EAST CONSTITUENCY AT 9:00 A.M

MEMBERS' PRESENT

THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (Co-Chair)**
2. Sen. James Lomenen Ekomwa, CBS, MP
3. Sen. Beatrice Ogolla, MP

THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Co-Chair)**
2. The Hon. Charles Gimose, M.P
3. The Hon. Tom Mboya Odege, M.P

ABSENT WITH APOLOGY

THE SENATE

1.Sen. (Dr.) Danson Buya Mungatana, MGH, MP
2. Sen. Veronica Maina, CBS, MP

THE NATIONAL ASSEMBLY

1. The. Hon. Elisha Odhiambo, MP
2. The Hon. Samuel Gonzi Rai, M.P
3. The Hon. Barongo Nolfason Obadiah, M.P
4. The Hon. George Omwera Aladwa, M. P
5. The Hon. Victor Koech Kipngetich, M.P.
6. The Hon. Cecilia Asinyen Ngitit, M.P.
7. The Hon. Siyad Amina Udgoon, MP

SECRETARIAT

1. Dr. Christine Sagini - Senior Clerk Assistant
2. Mr. Fredrick Otieno - Clerk Assistant I
3. Ms. Mary Waqo - Clerk Assistant III
4. Ms. Brigitta Mati - Senior Legal Counsel
5. Ms. Nancy Mulei - Research Officer III
6. Mr. Robert Langat - Research Officer II
7. Mr. Ambrose Nguti - Media Relation Officer II
8. Mr. Brian Njeru - Fiscal Analyst II
9. Ms. Judith Aoka - Audio Officer
10. Mr. Antony Wamae - Serjeant at Arms

SENATE/NA/JOINT/ENE/NO.065/2026 PRELIMINARIES

The meeting was called to order at 9:19 a.m. This was followed by a word of prayer, and a round of introduction.

SENATE/NA/JOINT/ENE/NO.066/2026 ADPOTION OF THE AGENDA

The agenda of the meeting was adopted after it was proposed by Sen. James Lomenen Ekomwa, CBS, MP and Seconded by The Hon. Tom Mboya Odege, M.P as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Meeting with the residents of Lokori and Katilia on the Field Development Plan and Production Sharing Contracts For Blocks T6 And T7 in South Lokichar Basin, Turkana County;
5. Any other Business; and
6. Adjournment/Date of the next meeting.

SEN/NA/JOINT/ENE/NO. 067/2026 CONFIRMATION OF MINUTES

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 068/2026 MATTERS ARISING

There were no matters arising.

SEN/NA/JOINT/ENE/NO. 069/2026 MEETING WITH LOKORI RESIDENTS

a) The professionals explained that Chapter 3 of the FDP is built almost entirely around PSCs for Blocks 10BB and 13T plus central government/EPRA approvals, which control land access, size and duration of the Development Area, and extensions, with no binding role for the Katilia community despite them being only about 35 km from the production site;
b) Community land rights, compensation, resettlement and livelihood restoration are pushed to later instruments (ESIAs, LARFs, NLC processes), meaning Parliament is being asked to approve the FDP before land justice mechanisms are defined or agreed with affected people;
c) The memorandum argues that community land under Article 63 and the Community Land Act is not "operationalized" inside the FDP; instead, PSC rights effectively override customary tenure by granting long-term control of community land without Free, Prior and Informed Consent;
d) Clear limits and timelines on Development Area retention and criteria for progressive release of land;
e) Finalization and public disclosure of access, compensation, resettlement and livelihood restoration frameworks before any land take;
f) Compensation that is fair, transparent, prompt, and paid prior to displacement, with time-bound guarantees and accessible grievance mechanisms; and
g) Full alignment with Articles 10, 63, 69 and 174 (public participation, community land, environmental protection, devolution).

SEN/NA/JOINT/ENE/NO. 070/2026 MEETING WITH KATILIA RESIDENTS

a) The professionals warn this can lock in multi-decade land use, grazing route disruption and youth livelihood impacts without corresponding social safeguards, and they therefore pose formal questions to Gulf Energy;
b) How geological uncertainty will be managed so communities are not left with long-term damage if assumptions change;
c) How community consent will be obtained for infill wells/extended phases based on new subsurface data;
d) Whether compensation and livelihood restoration will be scaled up if project life extends beyond initial projections, and how these plans will respect Article 63 on community land;
e) The memorandum proposes a detailed "model" framework to correct what it sees as structural inequities where PSCs and FDPs define State–contractor fiscal terms but not fair, predictable benefits for host communities;

f) It calls for a statutory Community Benefit-Sharing Authority (CBSA) with elected community reps, county nominees, national observers and independent experts to approve benefit plans, manage and audit funds, publish annual reports and interface with regulators and contractors, closing gaps that enable mismanagement and elite capture;

g) A guaranteed direct revenue share for host communities calculated as a fixed percentage of gross petroleum revenues (not profits) to avoid erosion by "cost oil" and budget politics;

h) A ring-fenced Host Community Development Fund (CDFOil) financed by petroleum revenues, mandatory contractor contributions and penalties, dedicated to health, water, education, grazing infrastructure, livelihoods and climate resilience as per community priorities;

i) Impact-based, time-linked and reviewable compensation tied to the duration and intensity of land occupation, with fully funded livelihood restoration so people are not left worse off;

j) A separate Intergenerational Legacy Fund into which a minimum share of community revenues is invested for future generations, insulated from political cycles and focused on long-term assets;

k) Strong transparency and accountability measures: mandatory public reporting, independent audits, full disclosure of inflows/outflows, regular community barazas, and a community-accessible grievance mechanism with real sanctions;

l) Early and adequate decommissioning funds, independently verified land restoration, and mandatory community consent to closure plans so communities are not stuck with abandoned, degraded land at project end;

m) The professionals argue that "local content" is currently treated as a national or contractor obligation, allowing outsiders to capture most opportunities. They propose redefining it so Katilia/South Lokichar host communities are the first-order beneficiaries; and

n) "Local" is to be clearly defined as individuals, enterprises and institutions originating from and ordinarily resident in the Development and impact areas, with a cascading priority: host community first, then county, then national.

SEN/NA/JOINT/ENE/NO. 071/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:45 p.m. The next meeting was scheduled to be held on notice.

Signed _____ Signed _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

THE HON.DAVID GIKARIA, CBS, MP
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE FOURTEENTH (14TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON MONDAY, 9TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY FROM 10:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)**
2. Sen. (Dr.) Boni Khalwale, CBS, MP
3. Sen. James Lomenen Ekomwa, MP
4. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
5. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Session Co-Chair)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The.Hon Elisha Odhiambo,M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The.Hon. George Omwera Aladwa,M.P
9. The Hon. Victor Koech Kipngetich, M.P.
10. The Hon. Siyad Amina Udgoon, MP
11. The Hon. Geoffrey Ekesa Mulanya, M.P
12. The Hon. Barongo Nolfason Obadiah. M.P.
13. The Hon.Samuel Gonzi Rai,M.P
14. The Hon.Cecilia Asinyen Ngitit,M.P
15. The Hon. Simon King'ara, M.P

ABSENT WITH APOLOGY

A. THE SENATE

1. **Sen.(Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. Edwine Watenya Sifuna, CBS, MP
3. Sen.Veronica Maina,CBS,MP
4. Sen. Ledama Olekina,MP

IN ATTENDANCE

1. Dr. Christine Sagini	-	Senior Clerk Assistant
2. Mr. Fredrick Otieno	-	Clerk Assistant I
3. Mr. Finlay Muriuki	-	Clerk Assistant I
4. Ms. Grace Wahu	-	Clerk Assistant II
5. Mr. Salim Athuman	-	Clerk Assistant III
6. Ms. Mary Waqo	-	Clerk Assistant III
7. Ms. Brigitta Mati	-	Senior Legal Counsel
8. Mr. Abdi Gorod	-	Senior Fiscal Analyst
9. Ms. Nancy Mulei	-	Research Officer III
10. Mr. Anthony Wamae	-	Serjeant-at-Arm
11. Mr. Washington Otiato	-	Media Relations Officer II
12. Mr. Ambrose Nguti	-	Media Relation Officer II
13. Mr. Joseph Lekisima	-	Fiscal Analyst II
14. Mr. Brian Njeru	-	Fiscal Analyst II
15. Ms. Judith Aoka	-	Audio Officer
16. Ms. Rehema Koech	-	Hansard Officer
17. Mr. Ronny Nyagah	-	Public Relations Officer
18. Ms. Christine Sabdio	-	Office Assistant
19. Ms. Caroline Mati	-	Office Assistant
20. Ms. Anjela Mariana	-	Intern

PETROLEUM EXPERTS

1. Mr. Mark Senteu	-	Commercial Director, Vivo Energy Kenya
2. Mr. Fredrick Ejore	-	Regional Director, Kamit Group Ltd
3. Mr. Sushil Gohil	-	Director, Zikhara Solutions Ltd
4. Mr. Mark Ekuam	-	Independent Coordinator
5. Mr. Johana Ekwam	-	Technical Director, Apoo Energy
6. Mr. Joel Daadi Lulumken	-	Project Coordinator, Kamit Group
7. Mr. Kinoti Kajume	-	Commercial Director, Fortune Block
8. Ms. Hannah Moturi	-	Consultant, Independent Consultant
9. Ms. Busra Ali	-	Founder, Women in Boderlang
10. Dr. Bruce Ogaga	-	Lecturer, Tax Expert
11. Dr. Ezekiel Etetei	-	Consultant, Tax Expert
12. Mr. Ken Mugambi	-	CEO, Trinity Energy

SENATE/NA/JOINT/ENERGY/NO.072/2026: PRELIMINARIES

The meeting was called to order at 9:50 a.m, and commenced with prayer by the session co-chair Hon Lemanken Aramat, M.P, after which self-introductions were made.

SEN/NA/JOINT/ENERGY/NO. 073/2026: SUBMISSION BY PETROLEUM EXPERTS

Led by Entrepreneurship and Innovation Management Consultant, Mr. Mark Ekuam, the petroleum experts submitted as follows:

a) The transition to Gulf Energy E&P BV represents a strategic pivot towards a local-first execution model. The revised FDP optimizes for cost recovery and accelerated timelines. Critical to success will be the Local Content Plan, ensuring Turkana County and Kenyan stakeholders directly benefit through the 33% local trucking quota and 100% unskilled labor reservation. The aggressive December 2026 first Oil target is achievable but contingent on immediate infrastructure mobilization.

b) The transition to Gulf Energy E&P BV resolves the prolonged uncertainty surrounding the previous operator. The revised 362mM recoverable barrels' target is technically sound, based on a higher recovery factor justified by the waxy nature of the crude being managed with heated flow lines. The project's economics, with 3.78Billions dollars in revenue and significant government take, remain robust at current oil prices. The critical path is now execution speed.

c) The speed at which the updated FDP moved from submission to Parliamentary ratification (under 60 days) demonstrates unprecedented alignment between the new operator (Gulf Energy) and the Government of Kenya. The inclusion of Turkana County as a core partner in the Local Content Strategy is a critical de-risking factor for social license.

d) The complex history of farm-ins and farm-outs is typical for a frontier basin. However, the consolidation of 100% interest under Gulf Energy E&P BV simplifies decision-making. The rigorous updating of the PSC terms, particularly the definition of Capital Expenditure, protects the Government by removing 'gray areas' in cost recovery auditing. The re-designation to Blocks T6 and T7 brings the licensing into conformity with the modern Kenyan block map.

e) The 85% Cost Recovery Ceiling (increased from 55% and 65%) is a significant concession that matches Angola`s complex project terms. While it may accelerate investment, it delays government revenue realization. The Joint Committee must demand the following:

   (1) Independent quarterly cost audits to prevent expense inflation;

   (2) Strict adherence to the expanded Capital Expenditure definition, and

   (3) Transparent reporting on R-Factor progression. This ceiling makes rigorous oversight non-negotiable.

f) The success of the South Lokichar development hinges on the effective management of the waxy crude. The proposed heated flow lines and hot water injection strategies are standard but capital intensive. The integration of the CPF with the national grid (KETRACO) provides a crucial reliability redundancy that earlier plans lacked, reducing the risk of downtime due to power failure.

g) The 'local-first execution strategy' is not just a slogan but a necessity for security and continuity. The specific reservation of 100% unskilled roles for Turkana residents

addresses the most common source of community friction. However, the 33% local trucking quota is the most economically significant lever, directly injecting wealth into the local logistics sector.

h) The social license to operate in Turkana has historically been fragile. Gulf Energy`s commitment to 100% unskilled local labor is the single most effective policy to mitigate community unrest. However, the long-term value lies in the Skills Transfer program. The Senate Committee requires an annual audit of the 'Expat Replacement Plan' to ensure the 80% national workforce target is met not just in numbers but in value added rules.

i) While the initial plan relies on six hundred trucks for evacuation, this creates significant inventory risks and road safety hazards. An immediate feasibility study for a railway link from Lokichar to Mombasa is strongly recommended to reduce delays and long-term costs. Furthermore, the Waste Management Facility must be operational before First Oil to ensure environmental compliance is not an afterthought.

j) The 600 tanker calculation is mathematically sound and realistic when you factor in Kenya`s road conditions, security requirements, maintenance downtime and buffer capacity. However, this is a transitional solution only.

k) The acquisition by Gulf Energy resolves the 'operator paralysis' that characterized the final years of Tullow`s tenure. However, Gulf Energy E&P BV is absolutely riding on Tullow`s shoulders- they inherited all wells, seismic data, the FDP and trained workforce. The technical solutions for waxy crude are proven but expensive, necessitating strict cost recovery oversight. The Turkana community`s skepticism is justified. Gulf must prove through actions, not words that December 2026 first oil is not another mirage. Parliamentary oversight is critical to prevent another cycle of false hope.

l) The reliance on road transport for 20,000 bpd (600 trucks) is the single biggest operational risk to the project`s continuity and social license. It is my strong recommendation that the Joint Committee mandates an immediate independent feasibility study for a railway spur from Lokichar. While expensive, it secures the long-term viability of the 50,000 bpd plateau target and drastically reduces road safety incidents.

m) Trust is the currency of this project. The previous operators suffered from a perception of opacity. Gulf Energy has the opportunity to reset this by adopting a 'radical transparency' approach. Real time online dashboards showing daily production and local employment numbers will do more for community stability than any PR campaign.

n) The entry of Gulf Energy E&P BV marks a definitive shift from 'exploration potential' to 'development reality'. The alignment of national interests with a local operator offers the best chance to finally unlock the South Lokichar Basin. The Dec 2026 First Oil target is the primary KPI against which all stakeholders- Government, Operator and Community- must now align.

SEN/NA/JOINT/ENE/NO. 074/2026: COMMITTEE OBSERVATIONS

The Committee made the following observations-

a) The need of more competitive revenues sharing agreements and more inclusivity on the product sharing contracts to the local communities.

b) The need for the contractor to prioritize the corporate social responsibilities to the affected areas before fully embarking on the exploration.

SEN/NA/JOINT/ENE/NO. 075/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 1:57 p.m. The next meeting was scheduled to be held on notice.

Signed _____ Signed _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP, CO-CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE FIFTEENTH (15TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON MONDAY, 9TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 2:00 PM

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, CBS, MP (Session Co-Chair)**
2. Sen. (Dr.) Boni Khalwale, CBS, MP
3. Sen. James Lomenen Ekomwa, CBS, MP
4. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
5. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. The Hon. Lemanken Aramat, CBS, MP
2. The Hon. Charles Gimose, M.P
3. The Hon Elisha Odhiambo,M.P
4. The Hon. Julius Musili Mawathe, M.P.
5. The Hon. Walter Owino, M.P.
6. The Hon. Tom Mboya Odege, M.P
7. The Hon. Victor Koech Kipngetich, M.P.
8. The Hon. Siyad Amina Udgoon, MP
9. The Hon. Geoffrey Ekesa Mulanya, M.P
10. The Hon. Barongo Nolfason Obadiah, M.P.
11. The Hon. Samuel Gonzi Rai, M.P
12. The Hon. Cecilia Asinyen Ngitit, M.P

ABSENT WITH APOLOGY

A. THE SENATE

1. **Sen.(Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. Edwine Watenya Sifuna, CBS, MP
3. Sen. Veronica Maina, CBS, MP
4. Sen. Ledama Olekina, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The. Hon. George Omwera Aladwa, M.P
3. The Hon. Simon King'ara, M.P

SECRETARIAT

1. Dr. Christine Sagini	-	Senior Clerk Assistant
2. Mr. Fredrick Otieno	-	Clerk Assistant I
3. Mr. Finlay Muriuki	-	Clerk Assistant 1
4. Ms. Grace Wahu	-	Clerk Assistant II
5. Mr. Salim Athuman	-	Clerk Assistant III
6. Ms. Mary Waqo	-	Clerk Assistant III
7. Ms. Brigitta Mati	-	Senior Legal Counsel
8. Mr. Abdi Gorod	-	Senior Fiscal Analyst
9. Ms. Nancy Mulei	-	Research Officer III
10. Mr. Anthony Wamae	-	Serjeant-at-Arms
11. Mr. Washington Otiato	-	Media Relations Officer II
12. Mr. Ambrose Nguti	-	Media Relation Officer II
13. Mr. Joseph Lekisima	-	Fiscal Analyst II
14. Mr. Brian Njeru	-	Fiscal Analyst II
15. Ms. Judith Aoka	-	Audio Officer
16. Ms. Rehema Koech	-	Hansard Officer
17. Mr. Ronny Nyagah	-	Public Relations Officer
18. Ms. Christine Sabdio	-	Office Assistant
19. Ms. Caroline Mati	-	Office Assistant
20. Ms. Anjela Mariana	-	Intern

PETROLEUM EXPERTS

1. Mr. Mark Senteu	-	Commercial Director, Vivo Energy Kenya
2. Mr. Fredrick Ejore	-	Regional Director, Kamit Group Ltd
3. Mr. Sushil Gohil	-	Director, Zikhara Solutions Ltd
4. Mr. Mark Ekuam	-	Independent Coordinator
5. Mr. Johana Ekwam	-	Technical Director, Apoo Energy
6. Mr. Joel Daadi Lulumken	-	Project Coordinator, Kamit Group
7. Mr. Kinoti Kajume	-	Commercial Director, Fortune Block
8. Ms. Hannah Moturi	-	Consultant, Independent Consultant
9. Ms. Busra Ali	-	Founder, Women in Boderlang
10. Dr. Bruce Ogaga	-	Lecturer, Tax Expert
11. Dr. Ezekiel Etetei	-	Consultant, Tax Expert
12. Mr. Ken Mugambi	-	CEO, Trinity Energy

SENATE/NA/JOINT/ENERGY/NO.076/2026: PRELIMINARIES

The meeting was called to order at 2:00 p.m, and commenced with prayer by the session co-chair Sen. William Kisang' Kipkemoi, CBS, M.P, after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.077/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Sen. (Dr) Danson Mungatana, MP and seconded by Hon. Julius Musili Mawathe, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with the Petroleum Experts on the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 078/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENERGY/NO. 079/2026: MEETING WITH THE PETROLEUM EXPERTS

The invited petroleum experts apprised the Joint Committee on their take regarding the proposed project in South Lokichar, Turkana, as follows:

1. **Historical context and Project Status-**

a) The commercial oil was discovered in Kenya's Lokichar Basin in 2012, with Ngamia-1 and subsequent discoveries confirming a commercially-viable petroleum system;

b) Gulf Energy EP B.V. an indigenous Kenyan-affiliated company, acquired 100% stake of Tullow Kenya B.V. in July 2025 and assumed operatorship of the South Lokichar project;

c) The updated Field Development Plan (FDP) for Blocks T6 and T7 was submitted on 30th September 2025, and approved by the Cabinet Secretary for Energy and Petroleum on 5th November 2025; and

d) Experts indicated that the FDP targets approximately 362 million barrels of recoverable reserves, with a projected government revenue of about Ksh. 142 billion over the life of the project, against an estimated capital expenditure of USD 5.8 billion.

2. Technical development concept-

a) The petroleum experts informed the Committee that the FDP proposes a Central Processing Facility (CPF) in South Lokichar to handle separation, dehydration, desalting and stabilization of crude oil, powered primarily by associated gas with back-up from the national grid through a KETRACO connection;

b) Production is planned to commence at approximately 20,000 barrels per day, with a ramp-up to 50,000 barrels per day over the first four to five years, supported by multi-well pads and water injection for pressure maintenance;

c) Experts highlighted that the crude is waxy and viscous, necessitating heated and insulated flowlines, hot water injection and chemical treatment to ensure flow assurance from well pads to the CPF; and

d) Managing water breakthrough and produced water volumes will be critical for sustaining plateau production and controlling operating costs.

3. Infrastructure and logistics -

a) The Committee was informed that the FDP currently relies on road transport using approximately 600 tanker trucks to move 20,000 barrels from Lokichar to Mombasa over a distance of about 975 km over a period of one week;

b) The trucking solution is considered feasible for the initial 2–3 years but not sustainable in the long term due to high costs, road safety risks, and inventory management challenges;

c) A pipeline or railway solution, including a possible spur linked to the LAPSSET corridor, would be required to ensure long-term evacuation of crude at 50,000 barrels per day; and

d) Integrated Waste Management Facility and a water pipeline from Turkwel Dam to the CPF are integral parts of the infrastructure concept, with potential for community water offtake.

4. Fiscal regime, PSCs and refinery considerations -

a) The Committee was informed that the Production Sharing Contracts (PSCs) for Blocks T6 and T7 have undergone several amendments over time to reflect corporate farm-ins, farm-outs and the eventual consolidation of 100% interest under Gulf Energy EP B.V;

b) The definition of capital expenditure was expanded to explicitly include labour, fuel, repairs, maintenance, hauling, mobilization, supplies and materials related to exploration, development, production and decommissioning, to reduce ambiguity in cost recovery audits;

c) The Cost Recovery Ceiling has been increased from 55% to 85% of gross revenue, which aligns Kenya's terms with complex projects in Angola but exceeds ceilings in Niger and Senegal;

d) Further, the experts cautioned that, while the higher ceiling enhances project viability and may accelerate investment, it will delay the timing of government profit petroleum and therefore requires robust, independent cost audits and strict adherence to the expanded expenditure definition;

e) The combination of tax exemptions and an 85% Cost Recovery Ceiling is high but considered necessary to attract and retain capital in frontier basins such as South Lokichar;

f) Investment allowances are designed to be location-neutral within Kenya, ensuring that projects in Turkana receive the same treatment as those in Nairobi or other regions;

g) The Government is encouraged to undertake continuous cost-benefit analyses to ensure that fiscal incentives generate net positive employment, local business growth and revenue;

h) Any future refinery linked to South Lokichar must be underpinned by sufficient crude volume and a positive refining margin, whereby the value of refined products exceeds the cost of crude and operations. Reference was made to the closure of the previous Kenya Petroleum Refinery Limited that was attributed to poor margins and unfavourable cost-to-value ratios; and

i) The petroleum experts recommended a phased approach, including gradual equipment upgrades and process improvements to restore refinery viability while aligning with national energy security and export objectives.

5. Transparency, Governance and Oversight-

a) The petroleum experts from the diverse firms and associations emphasized that transparency in the petroleum sector depends on clear communication and public

access to data on daily crude prices, production volumes, transport costs and revenue flows from national to community level;

b) Concerns were raised about the Early Oil Pilot Scheme (EOPS), including the absence of clear, public confirmation by the National Treasury of the Government's revenue share, the revenue split with contractors and the amounts, if any, ring-fenced for Turkana development;

c) It was proposed that the Energy and Petroleum Regulatory Authority (EPRA) be further empowered or revamped to effectively regulate upstream and midstream operations, manage costs and enforce environmental, health and safety standards;

d) Enhanced oversight mechanisms, including metering and monitoring of volumes across pipelines, rail and trucking, were recommended to reduce losses, diversion and corruption risks;

e) The introduction of a National Supplier Database was recommended, requiring all companies participating in the oil and gas sector to register, thereby improving transparency and local content monitoring;

f) The petroleum experts recommended that Parliament establish a dedicated oversight framework for the South Lokichar project, including a Joint Committee reporting cadence with quarterly reviews of production, local content performance, environmental audits and revenue remittances; and

g) Proposals included an online transparency portal showing daily production, revenue, and employment statistics, complemented by quarterly public participation sessions and social audits in Turkana;

6. Local Content, Community Engagement and Social impacts-

a) The Committee was briefed that the FDP and associated Local Content Plans commit to 100% reservation of unskilled jobs for local Turkana communities, with priority for Turkana residents in semi-skilled roles and a target of 80% Kenyan nationals across the workforce;

b) A quantitative framework was presented indicating planned job creation of about 2,000 direct positions and targeted beneficiaries across employment, training, education and social infrastructure programs;

c) The petroleum experts stressed that local content must move beyond policy statements to practical, auditable systems for allocating opportunities in transport, catering, construction, water supply and other support services;

d) The Committee was informed that past projects in Kenya and elsewhere have suffered from conflict, strikes and shutdowns where community expectations were not managed or where benefit-sharing appeared opaque or unequal;

e) The petroleum experts recommended structured community engagement, including regular town hall meetings, clear grievance mechanisms and inclusive participation of youth, women and marginalized groups;

f) It was noted that employment disputes and competition among local groups for limited opportunities can lead to stoppages, and that national-level coordination and community education are needed to harmonise expectations;

g) The Committee heard detailed testimony on the socio-economic transformation of Lokichar during the exploration and appraisal phase, including growth in jobs, SMEs, social services and infrastructure, followed by widespread collapse after Tullow's slowdown and exit;

h) The petroleum experts argued that Gulf Energy must not only create new jobs but also restore livelihoods across workforce, SMEs and social services that were disrupted or lost;

i) Social protection experts underscored the importance of strong institutional frameworks, county government structures and public participation teams in building trust and managing rapid urbanisation linked to oil development;

j) The Committee was urged to ensure that women's participation is substantive and not merely symbolic, including through tracking of attendance, speaking time and representation in decision-making forums; and

k) Inclusion of people with disabilities, border communities and residents of refugee-hosting areas was highlighted as necessary to prevent social unrest and perceptions of exclusion.

7. Environmental management, sustainability and innovation

a) Experts noted that produced water and drilling waste will be significant and must be managed through robust treatment, re-injection and, where feasible, beneficial re-use;

b) The FDP includes a central Integrated Waste Management Facility, and Gulf Energy has proposed valorisation measures such as converting some waste streams into materials for construction, land reclamation and other uses;

c) The Committee heard proposals to use produced water as a feedstock for hydrogen generation and industrial processes, subject to technical and economic validation;

d) A proposal was presented to use building-integrated photovoltaic solar panels as roofing for oilfield facilities, particularly in Turkana's high-insolation environment, to reduce operating costs and emission; and

e) The Committee was informed of proposals for data-driven predictive well optimisation models to delay water breakthrough, maintain oil production above breakeven and reduce operating costs.

8. Observations by the Committee-

a) The Committee noted that while the entry of an indigenous operator presents opportunities for improved local content and accountability, it also increases the responsibility to ensure rigorous oversight of cost recovery, environmental management and community benefits;

b) The Committee further noted that the significant fiscal concession represented by the 85% Cost Recovery Ceiling and emphasized the need for strong, independent cost audits and regular reporting to avoid erosion of the State's take;

c) The Committee noted that the proposed reliance on 600 tanker trucks for crude evacuation poses material risks to road safety, environment and project economics, and underscored the need to accelerate consideration of a pipeline or railway alternative;

d) The Committee stressed that community expectations in Turkana are high after years of unfulfilled promises, and that any perception of exclusion or broken commitments by the operator or Government could trigger instability and project delays;

e) The Committee underscored the importance of strengthening EPRA and other statutory bodies, as well as establishing a National Supplier Database, to ensure fair participation of Kenyan and Turkana-based companies in the value chain; and

f) The Committee further noted that sustainable integration of renewable energy, innovative waste management and robust social inclusion will be essential if South Lokichar is to contribute meaningfully to Kenya's just energy transition.

SEN/NA/JOINT/ENE/NO. 080/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:36 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/2/2026 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE SIXTEENTH (16TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON TUESDAY, 10TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 9:00 AM

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, CBS, MP (Session Co-Chair)**
2. Sen. (Dr.) Boni Khalwale, CBS, MP
3. Sen. James Lomenen Ekomwa, CBS, MP
4. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
5. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. Victor Koech Kipngetich, M.P.
9. The Hon. Siyad Amina Udgoon, MP
10. The Hon. Geoffrey Ekesa Mulanya, M.P
11. The Hon. Barongo Nolfason Obadiah, M.P.
12. The Hon. Samuel Gonzi Rai, M.P
13. The Hon. Cecilia Asinyen Ngitit, M.P

ABSENT WITH APOLOGY

A. THE SENATE

1. **Sen.(Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. Edwine Watenya Sifuna, CBS, MP
3. Sen. Veronica Maina, CBS, MP
4. Sen.Ledama Olekina, MP

B.THE NATIONAL ASSEMBLY

1. The. Hon. George Omwera Aladwa, M.P
2. The Hon. Simon King'ara, M.P

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Mr. Finlay Muriuki	Clerk Assistant 1
4. Ms. Grace Wahu	Clerk Assistant II
5. Mr. Salim Athuman	Clerk Assistant III
6. Ms. Mary Waqo	Clerk Assistant III
7. Ms. Brigitta Mati	Senior Legal Counsel
8. Mr. Abdi Gorod	Senior Fiscal Analyst
9. Ms. Nancy Mulei	Research Officer III
10. Mr. Anthony Wamae	Serjeant-at-Arms
11. Mr. Washington Otiato	Media Relations Officer II
12. Mr. Ambrose Nguti	Media Relation Officer II
13. Mr. Joseph Lekisima	Fiscal Analyst II
14. Mr. Brian Njeru	Fiscal Analyst II
15. Ms. Judith Aoka	Audio Officer
16. Ms. Rehema Koech	Hansard Officer
17. Mr. Ronny Nyagah	Public Relations Officer
18. Ms. Christine Sabduo	Office Assistant
19. Ms. Caroline Mati	Office Assistant
20. Ms. Anjela Mariana	Intern

SENATE/NA/JOINT/ENERGY/NO.081/2026: PRELIMINARIES

The meeting was called to order at 9:10 a.m, and commenced with prayer by the session co-chair Sen. William Kisang' Kipkemoi, CBS, M.P, after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.082/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Sen. (Dr) Danson Mungatana, MP and seconded by Hon. Julius Musili Mawathe, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Consideration of Committee brief on the Public Participation for the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County;
7. Any other Business; Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 083/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENERGY/NO. 084/2026: CONSIDERATION OF COMMITTEE BRIEF ON THE PUBLIC PARTICIPATION ENGAGEMENT OF SOUTH LOKICHAR FDP

The Committee considered the brief on public participation outcomes relating to Public Participation for the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County submitted by the Committee Secretariat.

During deliberations, the Committee made the following Observations-

1. **On Community Impact and Employment Concerns**

a) The Committee noted that the communities residing around petroleum project areas continue to experience significant concerns over employment opportunities and environmental safety;

b) Public submissions highlighted the need for tangible employment and business opportunities at the county level to mitigate economic impacts. The Committee emphasized that community benefits must be clearly aligned with project funding frameworks to avoid discontent similar to those observed in past initiatives;

c) The Committee further noted that communities had expressed security concerns stemming from localized banditry, which they viewed as an impediment to stable development;

d) Environmental and health risks were also raised as key concerns, particularly among communities in proximity to oil fields. Participants cited pollution and potential health risks associated with exploration activities; and

e) Limited access to electricity was highlighted as a continuing infrastructure gap affecting households and key installations in petroleum zones.

2. **On infrastructure and Security Challenges-**

a) The Committee noted that inadequate road infrastructure and persistent insecurity in certain project areas pose challenges to both logistic operations and community welfare; and,

b) The Committee further noted that some transport routes proposed under the FDP have elicited mixed community reactions due to concerns over distance, congestion, and safety.

3. On Governance and Legislative Framework for Petroleum Projects-

a) Committee Members emphasized the need for clear regulatory and governance arrangements to ensure fairness, transparency, and trust in the management of petroleum revenues;

b) The Committee expressed concern over continuing uncertainty regarding the governance and disbursement mechanisms of the Petroleum Trust Fund. It remains unclear whether funds will be channelled through county governments or managed directly via the trust mechanism, each option implying different oversight and accountability structures; and

c) The Committee resolved to seek clarification from the Cabinet Office Board (COB) and relevant ministries on the definition of the "local community" within the context of petroleum fund benefits and on the applicable oversight arrangements for fund allocation and expenditure.

4. Way Forward

The Secretariat was directed to liaise with the relevant stakeholders and to provide an updated confirmation list of those scheduled to appear before the Committee, to facilitate a more coordinated programme for the remainder of the week in order to address the matters arising thereto.

SEN/NA/JOINT/ENE/NO. 085/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 1:36 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE SEVENTEENTH (17TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 11TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 10:00 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, MP (Session Co-Chair)**
2. Sen. (Dr.) Boni Khalwale, CBS, MP
3. Sen. James Lomenen Ekomwa, MP
4. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
5. Sen. Beatrice Akinyi Ogola, MP
6. Sen. Edwin Watenya Sifuna, CBS, MP
7. Sen. Veronica Maina, CBS,MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Session Co-Chair)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. George Omwera Aladwa, M.P
9. The Hon. Victor Koech Kipngetich, M.P.
10. The Hon. Siyad Amina Udgoon, MP
11. The Hon. Geoffrey Ekesa Mulanya, M.P
12. The Hon. Barongo Nolfason Obadiah, M.P.
13. The Hon. Samuel Gonzi Rai, M.P
14. The Hon. Cecilia Asinyen Ngitit, M.P
15. The Hon. Simon King'ara, M.P

ABSENT WITH APOLOGY

A. THE SENATE

1. **Sen.(Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. Ledama Olekina,MP

IN ATTENDANCE

1.Dr. Christine Sagini	-	Senior Clerk Assistant
2.Mr. Fredrick Otieno	-	Clerk Assistant I
3.Mr. Finlay Muriuki	-	Clerk Assistant I
4.Mr. Salim Athuman	-	Clerk Assistant III

5.Ms. Mary Waqo	-	Clerk Assistant III
6.Ms. Brigitta Mati	-	Senior Legal Counsel
7.Mr. Abdi Gorod	-	Senior Fiscal Analyst
8.Ms. Nancy Mulei	-	Research Officer III
9.Mr. Anthony Wamae	-	Serjeant-at-Arm
10. Mr. Washington Otiato	-	Media Relations Officer II
11. Mr. Ambrose Nguti	-	Media Relation Officer II
12. Mr. Joseph Lekisima	-	Fiscal Analyst II
13. Mr. Brian Njeru	-	Fiscal Analyst II
14. Ms. Judith Aoka	-	Audio Officer
15. Ms. Rehema Koech	-	Hansard Officer
16. Mr. Ronny Nyagah	-	Public Relations Officer
17. Ms. Christine Sabdio	-	Office Assistant
18. Ms. Caroline Mati	-	Office Assistant
19. Ms. Anjela Mariana	-	Intern

MINISTRY OF ROADS AND TRANSPORT

1. Mr. Davis Chirchir	-	Cabinet Secretary, Ministry of Roads and Transport
2. Mr. Mohamed Daghar	-	Principal Secretary, Transport
3. Eng. Joseph Mbugua	-	Principal Secretary, Roads
4. Eng. Luka Kimeli	-	Ag. Director General, KENHA
5. Mr. Stephen Ikua	-	Director General, LAPSSET.
6. Mr. Philip Mainga	-	Managing Director, Kenya Railways Corporation
7. Mr. Victor Gitonga	-	Senior Administrative Assistant, Ministry of Roads and Transport
8. Mr. John Maina	-	Senior Staff, Kenya Railways Corporation

MINISTRY OF ENVIRONMENT, CLIMATE CHANGE AND FORESTRY

1. Dr. Deborah Baraza, EGH	-	Cabinet Secretary, Ministry of Environment, Climate Change and Forestry
2. Dr. Mamo B Mamo	-	Director General, NEMA
3. Mr. Titus W Simiyu	-	Ag. DDFO, NEMA
4. Mr. Joseph Makau	-	NEMA
5. Ms. Mary W Machandi	-	NEMA
6. Ms. Emma Lisanza	-	Ag. HOD Legal, NEMA

SENATE/NA/JOINT/ENERGY/NO.086/2026: PRELIMINARIES

The meeting was called to order at 10.00 a.m., and commenced with prayers by the session co-chair Hon. David Gikaria, CBS, M.P., after which self-introductions were made.

SENATE/NA/JOINT/ENERGY/NO.087/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted, having been proposed by the Sen. (Dr.) Danson Mungatana, MP and seconded by Hon. Simon King'ara, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. ***Stakeholders Engagement on Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County;***
   a) Meeting with Ministry of Roads and Transport
   b) Meeting with Ministry of Environment, Climate Change and Forestry & NEMA
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 088/2026: **SUBMISSION BY THE CABINET SECRETARY, MINISTRY OF ROADS AND TRANSPORT ON THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY**

The Cabinet Secretary for the Ministry of Roads and Transport, Mr. Davis Chirchir, EGH accompanied by the Principal Secretary for the State Department of Roads, Eng. Joseph Mungai Mbugua, CBS and the Principal Secretary for the State Department for Transport, Mr. Mohamed Daghar, CBS and other Ministry officials appeared before the joint Committee and made the following submissions: That;

a) Road evacuation readiness is anchored on the fact that Lokichar is already connected to the national trunk road system, and the trunk corridor to the Coast is undergoing significant strengthening and expansion. Within Turkana and the broader north-western corridor, the Government has already delivered critical road links and key bridge structures that enable safe, all-weather movement, thereby ensuring that oilfield logistics can connect reliably to the wider corridor network.

b) In addition, the principal national trunk route linking the Rift Valley to Nairobi and onward to Mombasa is being upgraded through major capacity and safety interventions, thereby ensuring that once crude reaches the trunk network, it can move efficiently to the Coast and into the Port system.

c) Two main road evacuation scenarios can be implemented, either independently or in a complementary manner, depending on operational priorities, traffic management requirements, and oil evacuation volumes;

i. Scenario 1: Lokichar - Barpelo / Marich Pass / Baringo axis - Nakuru -Nairobi – Mombasa. This option uses the Baringo route to connect to Nakuru and onward to Nairobi and the Coast.
ii. Scenario 2: Lokichar - Kitale - Eldoret - Nakuru / Nairobi – Mombasa.This option routes evacuation through Kitale and Eldoret, linking into the established Northern Corridor spine through Nakuru and Nairobi to Mombasa.

d) Both scenarios converge toward Nakuru and then move toward Nairobi and the Coast. Along this spine, the Government is implementing major corridor upgrades that directly benefit oil evacuation readiness:
   i. Capacity improvements on the Rironi–Mau Summit corridor to reduce delays, enhance safety, and improve travel times;
   ii. Nairobi metropolitan bypass linkages that allow freight to bypass inner-city congestion and connect efficiently to the Mombasa Road corridor; and
   iii. Targeted pavement strengthening, junction improvements, and safety features to support heavy freight movement.
e) The Ministry recognizes that evacuation readiness is only complete if the final approach into the Port system is efficient and resilient. Subsequently, the Ministry is implementing major improvements along the coastal gateway routes, notably:
   i. upgrading and strengthening key approaches from Mariakani through Mazeras toward Changamwe;
   ii. improving junction performance and corridor capacity;
   iii. strengthening pavement layers to withstand heavy freight; and
   iv. ensuring road access into the Port of Mombasa remains efficient, safe, and predictable.
f) Considering that Eldoret is a major logistics node under Scenario 2, the Ministry is taking additional steps to ensure evacuation traffic does not create conflict with urban mobility and safety. Accordingly, the Ministry is progressing planned improvements around Eldoret City, including bypass options that will:
   i. divert heavy trucks away from CBD traffic,
   ii. reduce congestion and accident risk, and
   iii. provide dedicated circulation capacity for freight and hazardous cargo.
g) The Ministry of Roads and Transport assures the Committee and the people of Kenya that:
   i. The national road network is advanced and continuously improving, with substantial completed works and major upgrades underway;
   ii. Two viable road evacuation scenarios exist, offering redundancy and operational flexibility;
   iii. The corridor backbone to Mombasa is being strengthened through targeted investments across the Rift Valley spine, Nairobi bypass functionality, and the Coast port gateway approaches;
   iv. The Ministry stands ready to implement corridor operations measures—covering safety, enforcement, dispatch scheduling, rest-stop planning, and emergency response—to ensure secure and efficient crude evacuation.

NTSA Road Safety Strategies

v. The National Transport and Safety Authority (NTSA) undertakes National Public Education, road safety awareness campaigns through media platforms, and on one on one engagements.

vi. Enforcement – The NTSA and National Police Service have also been undertaking enforcement of heavy commercial vehicles to reduce related traffic incidences/crashes involving this category of vehicles.

vii. The following interventions will be enhanced.
   a) Operationalization of County Transport Safety Committees
   b) National Road Safety Action Plan operationalized
   c) Corridor Infrastructure & Engineering Readiness
   d) Truck Inspection and Compliance Capacity
   e) NTSA Operational & Service Capacity Expansion

h) NTSA and KeNHA have audited the Lokichar–Nandapal Road, Kitale-Eldoret Road, Nakuru-Naivasha Road and other sections of the Northern Corridor, but there is need for comprehensive Road Safety Impact Assessment (RSIA) that quantifies fatality risk associated with increased oil-truck traffic.

i) The Ministry has instituted various measures to prevent, detect and respond to crude oil spillage during road transportation such as;
   i. Spill Prevention Measures
   ii. Spill Detection & Monitoring
   iii. Spill & Crash Emergency Response Capacity

j) Over the past year, the Ministry has been actively coordinating with the project operator (Gulf Energy E&P B.V.) and other stakeholders to develop a comprehensive logistics framework that meets the FDP's requirements and timeline. Gulf Energy has engaged the Ministry of Transport and Kenya Railways on a proposed evacuation plan targeting first oil export by late 2026. Central to this plan is a high-capacity, multimodal transport corridor from Lokichar to Mombasa (combining road and rail) to ensure safe, efficient crude oil evacuation.

k) In Phase 2 (2030 and beyond), Kenya will rely on a hybrid road-rail solution to evacuate crude oil. During the subsequent production period (on average 20,000 barrels per day), road tankers will haul oil from Lokichar to the Eldoret railhead, where it will be loaded onto trains for transport to Mombasa. This phased approach allows ramp up of capital investments in rail infrastructure.

l) It is projected that approximately 600 trucks per day would be required to move 20,000 barrels per day of oil by road alone. By leveraging rail for the longer distance, the Ministry will significantly reduce this road traffic. Once rail operations begin, the need for long-haul trucking will be cut dramatically thereby improving efficiency and reducing highway congestion.

m) The Ministry, together with Kenya Railways Corporation (KRC), is on track to rehabilitate and upgrade the Eldoret–Mombasa MGR line to handle this task, including improvements to track, bridges, and signaling, as well as acquisition of sufficient locomotives and tank wagons. The Ministry is further coordinating with the Kenya Ports Authority (KPA) to ensure that port facilities in Mombasa are prepared (e.g. an upgraded siding at KPRL Changamwe for crude loading/unloading).

n) Optimizing the rail cycle to 6 days will enhance operational efficiency and reduce the required fleet of 23 active locomotives. Under Option A (Tank Wagons) a fleet of 556 wagons compared. Similarly, Option B (ISO Tanks + Flat Wagons) benefits from the faster turnaround, requiring only 1,148 ISO tanks and 574 flat wagons in Phase 2.

o) The Ministry's efforts on this project align closely with Kenya's high-level policy frameworks and development goals. Kenya Vision 2030 identifies robust transport infrastructure as a critical enabler of economic development. Vision 2030 sets an ambitious target for expanding railway freight capacity that aims for rail to handle 50% of port cargo (about million tonnes) to drive industrialization.
p) The FDP recognizes the Lokichar–Lamu crude oil pipeline as a strategic national infrastructure component under the LAPSSET Corridor. However, the pipeline is not yet available to support initial or medium-term production timelines. As a result, Road evacuation is adopted for Phase 1 while Rail evacuation is planned for Phase 2. The FDP remains aligned with future pipeline development, should it reach investment and construction readiness within the project life.
q) The LAPSSET Corridor Development Authority (LCDA) in collaboration with the National Land Commission (NLC) and the State Department for Petroleum are currently undertaking the Land Acquisition for the LAPSSET Corridor.
r) The Ministry of Roads and Transport has full commitment to the successful, sustainable, and timely implementation of the South Lokichar FDP and PSCs. The Ministry is solution-oriented and proactive, working hand-in-hand with all relevant government agencies and stakeholders to deliver the necessary transport infrastructure and services on schedule. Through continued cross-government collaboration, diligent infrastructure execution, and faithful adherence to the principles of public participation and transparency, the Ministry is confident that Kenya will achieve first oil by 2026 in a manner that is safe, efficient, and maximally beneficial to our people.

SEN/NA/JOINT/ENE/NO. 089/2026: COMMITTEE OBSERVATIONS

The Committee made the following observations-

a) The need of high-level preparedness by the Ministry and engagement with affected Counties on the handling of additional 600 trucks on the roads across the transport corridor of the crude oil to Mombasa.
b) Most of the roads in the affected Counties remain untarmacked despite being the key areas for the extraction of the crude oil such as Turkana East does not have any road tarmacked despite being the main site for the project.
c) The need to undertake a comprehensive cost analysis on all the route scenarios to be used in the transportation of the crude oil to Mombasa and the impact of the costs impact on the revenue sharing.
d) The need for proper planning and strategies on the management and reduction of road carnage due to the increased number of trucks during the project.
e) The future of the LAPSSET project was an issue of concern after the new proposed plan to transport the crude oil via the road route instead of the pipeline.
f) The readiness of the Ministry in terms of the meeting the timelines of the completion of the infrastructure by December 2026 needs to be ascertained.

g) The source of the funding for the infrastructure improvement and the budget support for the Counties across the corridor for the repairs of damages caused by the trucks needs to be ascertained as well.

SEN/NA/JOINT/ENERGY/NO. 090/2026: **SUBMISSION BY THE CABINET SECRETARY MINISTRY OF ENVIRONMENT, CLIMATE CHANGE AND FORESTRY ON THE FIELD DEVELOPMENT PLAN AND PSCs FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY**

The Cabinet Secretary for the Ministry of Environment, Climate Change and Forestry, Dr. Deborah M. Barazah, EGH accompanied by other Ministry officials appeared before the joint Committee and made the following submissions: That;

a) The Ministry of Environment, Climate Change and Forestry and the National Environment Management Authority jointly discharge the State's constitutional obligation under Articles 42, 69 and 70 of the Constitution of Kenya to secure the right to a clean and healthy environment for all. They undertake this by providing integrated policy leadership, coordination, regulation and enforcement for sustainable development.

b) NEMA has institutionalized the coordinated environmental governance, including the use of Environmental Impact Assessment (EIA) as a core preventive regulatory tool to screen, assess, license and monitor proposed developments, ensure environmental risks are identified and mitigated upfront, promote public participation, and balance socio-economic development with environmental protection for present and future generations.

c) Since the discovery of oil in the South Lokichar Basin at Ngamia-1 exploration well in Block 10BB back in 2012, the Ministry has been supervising the oil exploration activities, The early oil projects and now the proposed Upstream Oil Development Project.

d) An Environmental and Social Impacts Assessment (ESIA) study for the Proposed South Lokichar Upstream Oil Development Project was undertaken by Tullow Oil (K) B. V. and submitted to NEMA on 23rd September, 2021 under application reference No. NEMA/EIA/5/2/1900 Application ID No. NEMA/EIA/SR/2365. The ESIA study report was processed in accordance with provisions of EMCA CAP 387 and the EIA/EA Regulations 2003 and Upstream Oil Development Project granted an ESIA license No. NEMA/EIA/PSL/43347 on 28th October, 2025

Outstanding Environmental and social safeguards concerns on FDP:

e) Gulf Energy Limited needs to finalize transfer of the EIA License No. NEMA/EIA/PSL/43347 from Tullow Oil (K) B V in accordance with Regulations 26. (1) of the EIA/EA Regulations 2003 to be the lawful holder of the EIA license.

f) Gulf Energy Limited needs to undertake supplementary environmental assessment on the potential impacts and risks associated with change in the project design from the initial Tullow Oil (K) B.V Upstream Oil Development Project design and make an application of variation to amend the project design and EIA license conditions in accordance with Regulations 25. (1) of the EIA/EA Regulations 2003 before commencement of the crude oil field development. This will ensure the appropriate pollution control safeguards are put in place to enhance environmental protection, public health and sustainable development.

g) On 23rd February, 2022, Tullow Oil (K) B. V. undertook an ESIA for the Proposed Make-Up Water Supply Project from Turkwel Gorge Dam Reservoir in West Pokot County to Nakukulas Lokichar Central Processing Facility in Turkana County. This ESIA study report was processed under application reference No. NEMA/EIA/5/2/1944 Identification No. NEMA/EIA/SR/2550. The supporting water supply infrastructure was approved and granted an ESIA license No. NEMA/EIA/PSL/37329 on 22nd January 2025.

h) The South Lokichar Basin Oil Field Development Project, decommissioning and site restoration shall be undertaken within a clearly defined regulatory framework anchored in the Constitution of Kenya; Articles 42, 69 and 70, the Environmental Management and Coordination Act (EMCA), the Petroleum Act, 2019, and the approved Environmental Impact Assessment (EIA) licence and Field Development Plan (FDP).

i) The National Environment Management Authority (NEMA), as the principal environmental regulator, shall enforce all EIA licence conditions and the approved Environmental and Social Management Plan (ESMP) relating to decommissioning, site restoration, waste management, well abandonment, land rehabilitation, and post-closure environmental monitoring through compliance inspections, environmental audits, and issuance of enforcement and restoration orders where necessary.

j) Upon decommissioning, land that had been acquired for petroleum operations and for which affected persons were duly compensated shall, in accordance with Articles 62 and 67 of the Constitution of Kenya, revert to the National Land Commission (NLC) as public land held in trust on behalf of the people of Kenya. In fulfilment of its constitutional mandate, the NLC shall oversee the reversion, management, and administration of the decommissioned land, including ensuring that restoration obligations have been satisfactorily met prior to reversion. Following this process, and consistent with the Petroleum Act and national land use planning frameworks, the determination of post-oil production land use shall be undertaken by the Ministries for Petroleum and Mining respectively, in consultation with County Government of Turkana and relevant National Government lead agencies, to ensure that subsequent land use is sustainable, compliant with applicable laws, and aligned with national development priorities.

k) Through this complementary and coordinated oversight, NEMA, EPRA, County Government of Turkana and NLC shall provide the legal and institutional assurance required to supervise, enforce, and verify environmentally sound decommissioning of the South Lokichar Basin Oil Field Development Project in the public interest.

l) The public health and safety risks associated with oil production and transportation in the South Lokichar Basin and along the export transportation corridor shall be addressed through

a preventive, regulatory, and collaborative enforcement-based framework anchored in the Constitution, EMCA, and the approved EIA license conditions. The Ministry shall provide overall policy leadership, inter-agency coordination, and strategic oversight to ensure that environmental protection, climate resilience, and public health safeguards are fully integrated into oil development planning and operations

m) It is important to note that, the crude-oil pipeline is the ideal, safe and preferred means of transporting the produced crude oil from Lokichar to the point of export. The Road and/or rail transport that Gulf energy has proposed in the PDP is yet to be scrutinized through an ESIA process to ensure the appropriate safeguard conditions are instituted to guarantee public health and safety. The Ministry is following up to ensure the addendum assessment report is submitted and subject to due approval process to ensure inclusivity and adequacy.

n) NEMA, as the principal environmental regulator in liaison with EPRA, the lead agency shall operationalize these safeguards by enforcing EIA license conditions and the Environmental and Social Management Plan (ESMP) on the contractor, Gulf energy, including mandatory oil spill prevention and response measures, hazardous materials management, emergency preparedness and response plans, occupational health and safety controls, and community health protection measures along production sites and transport corridors.

o) The approach shall include routine inspections, compliance monitoring, environmental audits, and coordination of oil spill contingency planning in collaboration with lead agencies, county governments, and emergency responders. In the event of oil spills or environmental incidents, NEMA shall enforce immediate containment, clean-up, remediation, and public health protection measures, and require restoration and compensation **in accordance with the Polluter-Pays Principle**. Through this coordinated approach, the Ministry and NEMA shall ensure that risks to public health, safety, water resources, land, and ecosystems arising from oil production and transportation in the South Lokichar Basin are effectively prevented, managed, and mitigated for a clean, healthy and sustainable environment for all.

SEN/NA/JOINT/ENE/NO. 091/2026: COMMITTEE OBSERVATIONS

The Committee made the following observations-

a) The issue of the oil waste disposal and environmental degradation in Turkana was raised and the level of preparedness in handling the same to mitigate on the effects the oil project will cause.

b) The urgent need of the Ministry to fully engage and extensively sensitize the Communities in the affected Counties on the environmental issues and effects of the crude oil.

c) The need to improve reporting mechanisms on the hazards and working hand in hand with the Communities in sensitization on the project.

SEN/NA/JOINT/ENE/NO. 092/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 2:35 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/2/2026 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE EIGHTEENTH (18TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 11TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 9:00 AM

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. William Kisang' Kipkemoi, CBS, MP (Session Co-Chair)**
2. Sen. (Dr.) Boni Khalwale, CBS, MP
3. Sen. James Lomenen Ekomwa, CBS, MP
4. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
5. Sen. Beatrice Akinyi Ogola, MP
6. Sen. Edwine Watenya Sifuna, CBS, MP
7. Sen. Veronica Maina, CBS, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. Victor Koech Kipngetich, M.P.
9. The Hon. Siyad Amina Udgoon, MP
10. The Hon. Geoffrey Ekesa Mulanya, M.P
11. The Hon. Barongo Nolfason Obadiah, M.P.
12. The Hon Samuel Gonzi Rai, M.P
13. The Hon Cecilia Asinyen Ngitit, M.P
14. The. Hon. George Omwera Aladwa, M.P
15. The Hon. Simon King'ara, M.P

ABSENT WITH APOLOGY

1. THE SENATE

1.**Sen.(Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**

2. Sen. Ledama Olekina, MP

2. THE NATIONAL ASSEMBLY

SECRETARIAT

1. Dr. Christine Sagini	-	Senior Clerk Assistant
2. Mr. Fredrick Otieno	-	Clerk Assistant I
3. Mr. Finlay Muriuki	-	Clerk Assistant 1
4. Ms. Grace Wahu	-	Clerk Assistant II
5. Mr. Salim Athuman	-	Clerk Assistant III
6. Ms. Mary Waqo	-	Clerk Assistant III
7. Ms. Brigitta Mati	-	Senior Legal Counsel
8. Mr. Abdi Gorod	-	Senior Fiscal Analyst
9. Ms. Nancy Mulei	-	Research Officer III
10. Mr. Anthony Wamae	-	Serjeant-at-Arms
11. Mr. Washington Otiato	-	Media Relations Officer II
12. Mr. Ambrose Nguti	-	Media Relation Officer II
13. Mr. Joseph Lekisima	-	Fiscal Analyst II
14. Mr. Brian Njeru	-	Fiscal Analyst II
15. Ms. Judith Aoka	-	Audio Officer
16. Ms. Rehema Koech	-	Hansard Officer
17. Mr. Ronny Nyagah	-	Public Relations Officer
18. Ms. Christine Sabduo	-	Office Assistant
19. Ms. Caroline Mati	-	Office Assistant
20. Ms. Anjela Mariana	-	Intern

IN ATENDANCE **CONTROLLER OF BUDGET**

1. FCPA Dr. Margaret Nyakango	Controller of Budget
2. Dr. Bwan Mutie	Office of the Controller of Budget
3. Mr. Patrick Kamore	Office of the Controller of Budget
4. Mr. Mare Kipkoech	Office of the Controller of Budget

IN ATTENDANCE **OFFICE OF THE AUDITOR GENERAL**

1. Ms. Nancy Gathagu	Auditor General
2. Ms. Pricilla Maina	DA
3. Mr. Joshua Omutuku	DA
4. Ms. Jacinta Arusa	BDA
5. Mr. Pauline Nyaga	DDA
6. Mr. Daniel Kuria	PA

SENATE/NA/JOINT/ENERGY/NO.093/2026: PRELIMINARIES

The meeting was called to order at 2:10 p.m, and commenced with prayer by the session co-chair The Hon. Lemanken Aramat, CBS, MP, after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.094/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted, having been proposed by the Sen. James Lomenen Ekomwa, CBS, MP and seconded by The. Hon Elisha Odhiambo as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with-
    a) Controller of Budget;
    b) Office of the Auditor General on the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 095/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENERGY/NO. 096/2026: MEETING WITH CONTROLLER OF BUDGET

The following are submissions made by the Controller of Budget-

1. **On Constitutional mandate over all public funds -**

    a) The Controller of Budget apprised the Joint Committee that her office is established under Article 228 of the Constitution to oversee implementation of national and county budgets, authorise withdrawals from public funds (Consolidated Fund, County Revenue Funds, Equalization Fund) and report to Parliament;

b) She stressed that no withdrawal from any public fund should occur without authorization of the Controller of Budget confirming that it is unlawful, including withdrawals of petroleum revenues once deposited into public funds or dedicated petroleum funds;

2. **On application of the mandate to petroleum revenues-**

a) The Controller of Budget pointed out that the FDP and PSCs do not mention her office, but clarified that, once petroleum revenues enter the Consolidated Fund, County Revenue Fund or a Petroleum Fund established under Section 57 of the Petroleum Act, her constitutional roles on authorization, oversight, monitoring and reporting automatically apply; and

b) She recommended that the Petroleum Fund legislation and county-level trust fund frameworks explicitly provide for the role of the Controller of Budget, including prior authorization of withdrawals and regular submission of fund reports to her office.

3. **On revenue-sharing framework and community funds -**

a) The Controller of Budget restated that Section 58 of the Petroleum Act allocates, out of the profit oil revenue due to the national government, 75% to the national government, 20% to the relevant County Government (in this case, the Turkana County Government) and 5% to the local host community, with the national share deposited into a dedicated Petroleum Fund and the community share paid into a trust fund managed by a county-established Board of Trustees; and

b) She underscored that county legislation must establish the Board of Trustees and define prudent utilisation of the 5% share for the benefit of present and future generations, and that these instruments should also incorporate Controller of Budget's oversight.

4. **On reporting to Parliament and County Assemblies -**

a) The Controller of Budget confirmed that her office prepares quarterly, annual and special budget implementation reports and is ready to integrate petroleum revenue flows into these reports once accurate project data is provided; and

b) She proposed that the Ministry of Energy and Petroleum be required by law to submit special quarterly reports on the South Lokichar project, covering both financial and non-financial performance, to enable her Office provide Parliament and County Assemblies with informed oversight reports.

5. **On Key legislative gaps and proposals -**

a) The Controller of Budget highlighted five main gaps: limited transparency of PSCs; weak mechanisms to monitor and protect the 5% community share; absence of ring-fencing for future generations; unclear rules for county spending of oil revenues; and the lack of an explicit legal provision on the Controller of Budget's role in petroleum revenue management; and

b) She recommended amendments or regulations under the Petroleum Act and PFM framework to: mandate disclosure of petroleum agreements; clarify governance of community trust funds; establish legal savings or stabilisation mechanisms for future generations; spell out county budgeting and reporting rules for oil revenues; and codify the Controller of Budget's authorization and reporting functions in relation to petroleum funds.

A. Observations by the Committee -

1. **On the Controller of Budget's exclusion from the oil framework -**

a) The Committee noted that the Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 do not recognise the Controller of Budget as a stakeholder, despite the office's constitutional mandate over public funds; and

b) The Committee noted with concern that petroleum revenues could be managed through special funds and trust arrangements without the Controller of Budget's authorization, or reporting, thereby weakening national oversight.

2. **On revenue sharing, funds flow and safeguards -**

a) The Committee observed that, although Section 58 of the Petroleum Act provides the 75%/20%/5% sharing formula of the national government's profit oil revenue among the national government, county government and local community, the practical mechanisms for receiving, authorising, spending and reporting these revenues remain unclear, particularly at county and community level;

b) The Committee noted the absence of a clear framework to ring-fence oil revenues for future generations and to prevent their diversion to immediate, non-priority expenditures; and

c) The Committee further observed that there is no defined mechanism to track and safeguard the 5% local community share once it is paid into a community trust fund.

3. **On transparency and disclosure -**

a) The Committee noted that limited public disclosure of Production Sharing Contracts, addenda and petroleum agreements undermines accountability and makes independent verification of fiscal terms difficult; and

b) The Committee further noted that the Controller of Budget currently relies on self-reported data from entities and does not receive systematic, project-specific reports on petroleum funds, increasing the risk of under- or mis-reporting.

4. **On lessons from the Early Oil Pilot Scheme (EOPS)-**

a) The Committee noted that the Office of the Controller of Budget did not participate in the Early Oil Pilot Scheme and therefore did not document lessons, highlighting a historic oversight gap in oil-related pilots; and

b) The Committee further noted that, while the Petroleum Act has since clarified the basic revenue-sharing framework, further guidance is still required on what specific activities may be financed from petroleum proceeds and how they should be accounted for.

5. **On legislative and regulatory gaps**

a) The Committee observed that the Petroleum Act and related laws do not clearly spell out the role of the Controller of Budget in authorizing withdrawals and overseeing the utilisation of petroleum revenues; and

b) The Committee noted gaps regarding how county governments should budget and report their oil revenue shares, and how Parliament, County Assemblies and communities can monitor compliance.

SEN/NA/JOINT/ENE/NO. 097/2026 MEETING WITH THE AUDITOR GENERAL

A. Submissions made by the Auditor-General -

a) The Office of the Auditor-General has a constitutional mandate to audit petroleum revenues, including the Petroleum Fund and any future Sovereign Wealth Fund, but its role on recoverable costs is currently limited to auditing statements forwarded by EPRA, and no approved cost recovery statements for Blocks T6 and T7 have ever been submitted for audit;

b) Failure to audit Tullow Kenya B.V.'s recoverable costs within the contractual and statutory timelines means earlier books may already be 'deemed correct', denying Government the opportunity to disallow ineligible costs and reducing its eventual share of oil revenues;

c) Earlier financial and performance audits found that Tullow implemented work programmes and budgets before approval, submitted irregular and delayed quarterly reports, and that the State Department did not review work programmes or expenditures due to staff shortages and lack of standard procedures, creating serious risks of unchecked spending;

d) Performance audits on local employment and training revealed US$6.7 million (about Kshs 683.4 million) in unpaid training fees, low and irregular utilization of the Training Fund, and diversion of training monies to non-training expenditures, alongside weak monitoring of local employment and expatriate hiring;

e) The Auditor-General confirmed that her Office has built significant technical capacity (Engineering, Tax, Law, and Environmental, Social, and Governance (ESG) principles, etc.), has trained over 60 staff in extractive audits, and will reconstitute a dedicated Petroleum Audit Unit, but requires more resources and may use outsourcing under the Public Audit Act to scale up work;

f) For decommissioning, the FDP does not yet include an approved Decommissioning Plan contrary to the 2025 Guidelines, and proposes Decommissioning Fund contributions from 2036 (ten years after production starts), whereas best practice in Nigeria, Brazil and Indonesia is to begin contributions within the first year or within months of approval;

g) The Auditor-General flagged inconsistencies between the FDP and the Petroleum Act, including: an unlawful unitization request for blocks held by the same contractor; a weak, non-comprehensive Local Content Plan lacking Key Performance Indicators (KPIs) and research and development; and a request to raise cost recovery to 85% and grant wide tax exemptions (VAT, Withholding Tax, levies) contrary to the statutory 60% cap and with multi-billion shilling revenue implications;

h) It was noted that EPRA is not properly anchored as a petroleum institution in the Petroleum Act, that the Act lacks detailed reporting and procurement rules for recoverable costs and block awards, that Government participation levels are

unspecified, and that Kenya is not a member of Extractive Industries Transparency Initiative (EITI), which raises governance risk and financing costs; and

i) The Auditor-General stressed that over 60 performance audits (including key petroleum reports issued in 2016 and 2021) remain undebated by Parliament, limiting the impact of her Office's work on correcting weaknesses in the sector.

B. Observations by the Committee-

a) The Committee observed that the absence of timely audits of recoverable costs for Blocks T6 and T7, combined with contractual deeming clauses, exposes the country to permanent acceptance of ineligible expenditures and a reduced Government take once production begins;

b) The Committee noted that past failures to review work programmes, budgets and Cost Recovery Statements, attributed to staff shortages and lack of standard operating procedures, point to systemic weaknesses that must be addressed before large-scale development proceeds;

c) The Committee observed that longstanding arrears in training fees, low utilization of the Petroleum Training Fund and diversion of training monies to non-training uses reflect poor enforcement and governance, undermining the objective of building Kenyan and Turkana capacity for the petroleum sector;

d) The Committee noted with concern that the FDP lacks an approved Decommissioning Plan and schedules Decommissioning Fund contributions a decade after production commencement, contrary to Kenyan guidelines and international best practice, thereby jeopardizing future environmental rehabilitation;

e) The Committee observed that the proposed unitization of blocks held by a single contractor, the requested 85% Cost Recovery limit and broad tax exemptions, as well as the incomplete Local Content Plan, are inconsistent with the Petroleum Act and present risks of cost shifting, revenue loss and weak accountability;

f) The Committee noted that the current legal framework does not clearly anchor EPRA as a petroleum regulator, does not prescribe formats and processes for recoverable cost reporting and cost audits, and leaves Government participation levels undefined, thereby complicating oversight and investment planning; and

g) The Committee observed that Kenya's non-membership in the Extractive Industries Transparency Initiative limits disclosure of beneficial ownership and may increase the governance risk premium for petroleum investments and related borrowing.

SEN/NA/JOINT/ENE/NO. 098/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 5:36 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/2/2026 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE NINETEENTH (19TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON THURSDAY, 12TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 9:00 AM

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. William Kisang' Kipkemoi, CBS, MP (Session Co-Chair)
3. Sen. (Dr.) Boni Khalwale, CBS, MP
4. Sen. James Lomenen Ekomwa, CBS, MP
5. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
6. Sen. Beatrice Akinyi Ogola, MP
7. Sen. Edwine Watenya Sifuna, CBS, MP
8. Sen. Veronica Maina, CBS, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. Simon King'ara, M.P
9. The. Hon. George Omwera Aladwa, M.P
10. The Hon. Victor Koech Kipngetich, M.P.
11. The Hon. Siyad Amina Udgoon, MP
12. The Hon. Geoffrey Ekesa Mulanya, M.P
13. The Hon.Samuel Gonzi Rai, M.P
14. The Hon.Cecilia Asinyen Ngitit, M.P

ABSENT WITH APOLOGY

1. THE SENATE

1. Sen. Ledama Olekina, MP

2. THE NATIONAL ASSEMBLY

1. The Hon. Barongo Nolfason Obadiah, M.P

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Mr. Finlay Muriuki	Clerk Assistant 1
4. Ms. Grace Wahu	Clerk Assistant II
5. Mr. Salim Athuman	Clerk Assistant III
6. Ms. Mary Waqo	Clerk Assistant III
7. Ms. Brigitta Mati	Senior Legal Counsel
8. Mr. Abdi Gorod	Senior Fiscal Analyst
9. Ms. Nancy Mulei	Research Officer III
10. Mr. Anthony Wamae	Serjeant-at-Arms
11. Mr. Washington Otiato	Media Relations Officer II
12. Mr. Ambrose Nguti	Media Relation Officer II
13. Mr. Joseph Lekisima	Fiscal Analyst II
14. Mr. Brian Njeru	Fiscal Analyst II
15. Ms. Judith Aoka	Audio Officer
16. Ms. Rehema Koech	Hansard Officer
17. Mr. Ronny Nyagah	Public Relations Officer
18. Ms. Christine Sabduo	Office Assistant
19. Ms. Caroline Mati	Office Assistant
20. Ms. Anjela Mariana	Intern

IN ATENDANCE

MINISTRY OF WATER, SANITATION AND IRRIGATION

1. Eng. Eric Muruthi Mugaa	Cabinet Secretary, Ministry of Water, Sanitation and Irrigation
2. Eng. Sao Alima	SDWS
3. Eng. Simon Korir	SDWS
4. Mr. Joel Tanui	Irrigation Secretary
5. Francis C Bor	PLO

IN ATTENDANCE

MINISTRY OF ENERGY AND PETROLEUM

1. Hon. Opiyo Wandayi, EGH	Cabinet Secretary, Ministry of Energy and Petroleum
2. Mr. Mohamed Liban, CBS	Principal Secretary, Petroleum
3. Mr. Joseph C. Otieno	Commissioner Petroleum
4. Eng. Edward Kinyua	Director, EPRA
5. Eng. Jared Otieno	Technical Advisor, CS
6. Mr. Nadio Clement	Ministry HQ

7. Mr. Kasujaa Onyonyi	CS Office-Communication
8. Mr. Zakaria Soro	Legal-PS Office
9. Ms. Isabel Githinji	CS Office-Legal

SENATE/NA/JOINT/ENERGY/NO.099/2026: PRELIMINARIES

The meeting was called to order at 9:10 a.m, and commenced with prayer by the session co-chair The Hon. David Gikaria, CBS, MP, after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.100/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Sen. James Lomenen Ekomwa, CBS, MP and seconded by The. Hon Elisha Odhiambo as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with-
    a) Cabinet Secretary, Ministry of Water, Sanitation and Irrigation;
    b) Cabinet Secretary, Ministry of Energy and Petroleum on the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 101/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENERGY/NO. 102/2026: MEETING WITH CS WATER AND SANITATION AND IRRIGATION

The Cabinet Secretary, Ministry of Water, Sanitation and Irrigation made the following submisison-

1. On Water resource management and supply readiness-

a) The Ministry has completed preliminary designs for bulk water and irrigation infrastructure along the Turkwel–Lokichar corridor, including an intake at Turkwel Dam sized for about 407,470 m³/day, a 105 km raw water pipeline to the Lokichar oil fields (16,534 m³/day), a treatment plant at Riting (62,616 m³/day) and transmission of treated water to Lodwar Municipality (35,810 m³/day) and 15 corridor communities (26,806 m³/day);

b) The project is structured into three integrated components: (i) raw water abstraction and conveyance for oil production to reduce unsustainable groundwater use, (ii) bulk treated water for domestic, institutional and commercial demand along the corridor, and (iii) irrigation abstraction from Turkwel Dam, including the proposed Lower Turkwel Irrigation Scheme of about 10,000 acres in West Pokot and adjacent Turkana; and

c) Environmental approval has been granted (NEMA EIA license NEMA/EIA/PSL/37329), and discussions with KenGen are ongoing to secure a 'No Objection' for irrigation and water supply abstractions from Turkwel Dam.

2. On Service providers, tariffs and oversight-

a) A bulk water tariff framework has not yet been approved. The Ministry indicated that operation and maintenance costs are expected to be recovered through bulk sales to industrial users, including oil operations, with North Rift Valley Water Works Development Agency selling to county water service providers;

b) North Rift Valley Water Works Development Agency will operate and maintain the bulk infrastructure and collect bulk water tariffs from Project Oil Kenya and licensed water service providers, while distribution and customer management will be handled by experienced county water service providers; and

c) Oversight and accountability are to be strengthened through dedicated technical and managerial teams, structured O&M manuals and deployment of automated monitoring and control systems (including Supervisory Control and Data Acquisition -SCADA) to enhance efficiency, reliability and transparent asset management.

3. On Safeguards for host communities, irrigation and regional equity-

a) To protect host and neighbouring communities, the Ministry has adopted adaptive abstraction rules linked to dam water levels, integrated dam operation planning with the power sector, and provision for balancing and storage infrastructure to stabilise supplies and protect domestic/community needs;

b) Additional water and irrigation projects are being prioritised for project host communities, including Sigor Dam and Siyoi Murunyi Dam in West Pokot and Lowaat Dam in Turkana, to expand access and address historical under-utilisation of Turkwel Dam that has caused flooding downstream; and

c) The Lower Turkwel Irrigation Scheme (about 10,000 acres, requiring approximately 328,000 m^3/day) is designed to support local food production, reduce reliance on imported food for oil settlements and logistics hubs, stimulate agro-processing and employment, and complement a further 10,000 acres of potential in the Kerio Basin.

4. On climate, drought and long-term sustainability-

a) Water abstraction limits are set so that Turkwel Dam levels remain above 1,107 m above sea level, preserving the minimum 1,105 m required for power generation and long-term water security; and

b) Catchment protection is to be supported under the 15-billion-trees initiative through reafforestation, land reclamation and soil conservation programmes in West Pokot and Turkana Counties.

Observations by the Committee -

1. On project readiness and design detail -

a) The Committee noted that, although preliminary designs and capacities have been outlined for the Turkwel–Lokichar bulk water system, detailed designs, final cost estimates and a bulk water tariff framework are still outstanding, limiting firm budgeting and implementation planning; and

b) The Committee further noted that the length and complexity of the 100-plus kilometre transmission corridor, and the reliance on future detailed design for storage reservoirs and off-take points, raise questions about the project's readiness to meet the tight timelines associated with the Field Development Plan.

2. On funding commitments and competition with other projects -

a) The Committee noted that no dedicated budget has yet been approved for the water infrastructure despite the strategic importance of the scheme to oil production, corridor communities and irrigation, and despite parallel demands from major road and other infrastructure projects; and

b) The Committee further noted that the ongoing budget and supplementary budget processes present a narrow window to secure financing and stressed the need for the

Ministry of Water and the Ministry of Energy to coordinate closely with Parliament and the National Treasury on funding proposals.

3. **On water security and community protection-**

a) The Committee noted that the planned abstraction regime and adaptive rules at Turkwel Dam offer a framework to protect domestic and pastoral water needs, but emphasised the need for clear, enforceable safeguards to ensure oil-related demand does not crowd out community access during droughts or low-flow periods; and

b) The Committee further noted positively the intention to use the project to address historical flooding and under-utilisation of Turkwel Dam but stressed that host communities in Turkana and West Pokot must see tangible benefits through reliable water supply, new dams and irrigation schemes.

4. **On environmental and contamination risks-**

a) The Committee noted that stakeholders expressed concern over potential groundwater contamination from chemicals injected water used in oil extraction, and that responsibilities for treatment, safe reinjection and disposal of produced water remain insufficiently clarified between the water and energy sectors; and

b) The Committee further noted that existing pollution control studies and NEMA approvals must be complemented by detailed contingency plans for water quality protection, including continuous monitoring, clear liability allocation and remediation measures.

5. **On institutional coordination and oversight-**

a) The Committee observed that effective delivery of the Turkwel–Lokichar water project depends on strong coordination among the Ministry of Water and Sanitation, North Rift Valley Water Works Development Agency, county water service providers, KenGen, the State Department for Petroleum, NEMA and other agencies; and

b) The Committee noted gaps in inter-agency planning to-date, particularly around contamination mitigation and budget commitments, and recommended strengthened joint planning mechanisms and follow-up sessions to track readiness and address emerging risks.

SEN/NA/JOINT/ENE/NO. 103/2026 MEETING WITH THE CABINET SECRETARY, MINISTRY OF ENERGY AND PETROLEUM

The Cabinet Secretary, Ministry of Energy and Petroleum, made the following submisisons-

1. **Mandate of appearance and scope-**
   The Cabinet Secretary provided additional information on the FDP and associated Production Sharing Contracts (PSCs) for Blocks T6 and T7, and addressed various issues including revenue sharing, project enablers, refinery option, Lokichar–Lamu pipeline, cost recovery, NOCK's role, and the midstream tariff;

2. **Revenue framework and disparity in figures**

   The Cabinet Secretary explained that the earlier submission to Parliament indicated Government profit oil of USD 864.48 million (about KES 112.38 billion) to be shared between the national government, Turkana County and local communities under section 58 of the Petroleum Act. The FDP, however, shows a higher total Government revenue of USD 1,047.2 million because it includes oil, surface fees, training fees, and Government participation as a contractor.

3. **Project Enablers under the Ministry-**

   a) Power demand is projected at 8 MW in Phase 1 (to 2031) and 34 MW in Phase 2 (from 2032), with most power to be generated from associated gas. KETRACO plans a 220 kV Turkwel–Lokichar–Lodwar line by 2029 at an estimated cost of USD 100 million, including a substation at Lokichar; and
   b) Crude export facilities at KPRL and Kipevu Oil Terminal 2 will be modified for receipt, storage, handling and export at an estimated cost of about KES 5.3 billion; budgeting is ongoing.

4. **Refinery option and justification for exclusion-**

   a) The Cabinet Secretary stated that the refinery option was analyzed and benchmarked against international best practice;
   b) A competitive inland complex refinery would need at least 70,000 barrels per day capacity, with CAPEX (Capital Expenditure) exceeding USD 2.5 billion, which would render the South Lokichar project uneconomical at current volumes; and

c) The Cabinet Secretary noted that additional discoveries and larger resource volumes in future could make a refinery viable based on economies of scale.

5. **Status of Lokichar–Lamu Crude Oil Pipeline (LLCOP)-**
   a) The Lokichar–Lamu Crude Oil Pipeline has been deferred until there are sufficient volumes to make an export pipeline economically viable; and
   b) Preparatory works (wayleave land acquisition, pre-feasibility and feasibility studies, FEED (Front-End Engineering Design) and ESIA (Environmental and Social Impact Assessment) were funded by the contractor and completed by 2021.

6. **National Oil Corporation of Kenya (NOCK) participation-**
   a) The National Oil Corporation of Kenya currently lacks financial capacity to serve as Government nominee and to take up the proposed 20% participating interest; and
   b) The Cabinet Secretary reported a government-approved revival and commercialization plan, including three subsidiaries (NOCK Upstream, NOCK Downstream Limited and NOCK Trading) to strengthen NOCK over time.

7. **USD 20/bbl midstream tariff and transport choices-**
   a) The Cabinet Secretary tabled a breakdown of the indicative USD 20/bbl midstream tariff: about USD 16.34 (trucking based on market rates), USD 1.00 (storage), USD 0.99 (KPA export charges), USD 1.22 (monitoring), plus allowances for product loss and insurance;
   b) The Cabinet Secretary clarified that this figure is currently indicative for modelling, and the actual tariff will be reviewed, approved and gazetted by EPRA upon application by midstream parties; and
   c) Phase 1 will rely on road transport due to the absence of a rail link between Lokichar and Mombasa; Phase 2 is planned to shift to rail, with Kenya Railways undertaking feasibility work expected to yield a lower rail tariff than road.

Observations by the Committee -

1. **On revenue framework and transparency-**
   a) The Committee noted that while the Cabinet Secretary clarified the difference between the earlier USD 864.48 million figure and the FDP figure of USD 1,047.2 million, they remain concerned about how clearly the various revenue

streams (profit oil, surface fees, training fees and Government participation) are disclosed to Parliament and the public; and

b) The Committee stressed the need for simple, consolidated presentations of all Government take and for clear linkages to the statutory sharing formula between the national government, Turkana County and local communities.

2. **On Cost Recovery and audits -**

a) The Committee noted that the broad category of "recoverable costs" could be abused through inflated or inefficient spending, eroding the Government's and communities' share; and

b) The Committee emphasized the need for robust cost-audit mechanisms, clear limits on recoverable items, and close coordination between EPRA, the Office of the Auditor-General and Parliament to detect and deter unsupported cost claims.

3. **On institutional oversight (EPRA, Auditor-General, Controller of Budget)**

a) The Committee sought clarification on who will have the primary mandate to audit and sign off on recoverable costs and petroleum revenues, and whether EPRA and the Auditor-General currently have sufficient technical capacity; and

b) The Committee stressed the importance of integrating the Controller of Budget into the oversight framework for petroleum revenue flows, to avoid the creation of opaque special funds outside normal PFM controls.

4. **On NOCK's capacity and Government participation-**

a) The Committee welcomed the intention for NOCK to hold a 20% participating interest but expressed concern that, in its current state, NOCK may not be an effective vehicle for representing Kenya's commercial interests; and

b) The Committee called for a time-bound and adequately funded NOCK restructuring plan, stronger governance, and clear safeguards to prevent future dilution or transfer of Government participation to private interests without parliamentary approval.

5. **On midstream tariff and transport options -**

a) The Committee took note of the USD 20/bbl indicative tariff but questioned whether this level is competitive and how it compares, on a like-for-like basis, with future rail and potential pipeline options; and

b) The Committee further noted that reliance on road transport in Phase 1 raises cost and safety concerns and insisted that EPRA's future tariff approvals be grounded in full cost transparency, independent benchmarking and protection of the project's and public's long-term economic interests.

6. **On refinery option and regional benchmarking-**

a) The Committee noted that a complex inland refinery is currently uneconomical at South Lokichar volumes, but questioned why Uganda is proceeding with a refinery while Kenya is not; and

b) The Committee recommended structured benchmarking with nations excelling in refinery investment to inform future decisions and asked that the FDP and policy documents be clearer on the conditions under which a refinery for Kenya would become viable.

7. **On community benefits, displacement and trust funds-**

a) The Committee reiterated that the 5% community share and county allocations must translate into visible, locally owned development benefits and not be lost in opaque trust structures.

b) Members highlighted the need to clearly define the radius of operational impact and displacement, to ensure fair compensation, targeted social investments and meaningful participation of affected communities.

8. **On security, land and social risk management-**

a) The Committee underscored that security in Turkana and neighbouring counties remains a critical enabler for the FDP and must be addressed through coordinated efforts with the Ministry of Interior and local leaders; and

b) The Committee pointed to historical grievances over land, compensation and expectations from the early oil pilot scheme, and called for a transparent, well-communicated approach that proactively manages political and social sensitivities.

9. **On local content and employment**

a) The Committee welcomed the emphasis on Local Content but warned that without clear targets, monitoring and enforcement, local communities may again feel excluded from jobs and supply opportunities; and

b) The Committee called for stronger regulations and reporting obligations on local employment, procurement and capacity building, with specific reference to Turkana and neighbouring counties.

10. **On regulations and continued Parliamentary engagement-**

a) The Committee noted the Ministry of Energy and Petroleum's indication that seven draft regulations are under public review and requested that these be shared with the Committees before submission to Cabinet, to allow for early parliamentary input.

SEN/NA/JOINT/ENE/NO. 104/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 1:45 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWENTIETH (20TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONAL ASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON THURSDAY, 12TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 3:00 P.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen.(Dr.) Oburu Oginga, MGH, MP (Session Co-Chair)**
2. Sen. William Kisang' Kipkemoi, MP (Session Vice-Chair)
3. Sen. (Dr.) Boni Khalwale, CBS, MP
4. Sen. James Lomenen Ekomwa, MP
5. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
6. Sen. Beatrice Akinyi Ogola, MP
7. Sen. Edwin Watenya Sifuna, CBS, MP
8. Sen. Veronica Maina, CBS, MP

B.THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (Session Co-Chair)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The.Hon Elisha Odhiambo,M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. George Omwera Aladwa, M.P
9. The Hon. Victor Koech Kipngetich, M.P.
10. The Hon. Siyad Amina Udgoon, MP
11. The Hon. Geoffrey Ekesa Mulanya, M.P
12. The Hon. Barongo Nolfason Obadiah, M.P.
13. The Hon. Samuel Gonzi Rai, M.P
14. The Hon. Cecilia Asinyen Ngitit, M.P
15. The Hon. Simon King'ara, M.P

ABSENT WITH APOLOGY

A. THE SENATE

1. Sen. Ledama Olekina, MP

IN ATTENDANCE

1.Dr. Christine Sagini	-	Senior Clerk Assistant
2.Mr. Fredrick Otieno	-	Clerk Assistant I
3.Mr. Finlay Muriuki	-	Clerk Assistant I
4.Mr. Salim Athuman	-	Clerk Assistant III
5.Ms. Mary Waqo	-	Clerk Assistant III
6.Ms. Brigitta Mati	-	Senior Legal Counsel
7.Mr. Abdi Gorod	-	Senior Fiscal Analyst
8.Ms. Nancy Mulei	-	Research Officer III
9.Mr. Anthony Wamae	-	Serjeant-at-Arm
10. Mr. Washington Otiato	-	Media Relations Officer II
11. Mr. Ambrose Nguti	-	Media Relation Officer II
12. Mr. Joseph Lekisima	-	Fiscal Analyst II
13. Mr. Brian Njeru	-	Fiscal Analyst II
14. Ms. Judith Aoka	-	Audio Officer
15. Ms. Rehema Koech	-	Hansard Officer
16. Mr. Ronny Nyagah	-	Public Relations Officer
17. Ms. Christine Sabdio	-	Office Assistant
18. Ms. Caroline Mati	-	Office Assistant
19. Ms. Anjela Mariana	-	Intern

IN ATTENDANCE **KENYA REVENUE AUTHORITY**

1. Mr. Weldon Ngeno	-	KRA Commissioner
2. Mr. Geoffrey Njuguna	-	Ag. Deputy Commissioner
3. Mr. James Ndege	-	Chief Manager
4. Mr. Ezekiel Obura	-	Ag. Deputy Commissioner
5. Mr. James Macharia	-	Chief Manager, Construction and Energy
6. Mr. Isaac Kweyu	-	Manager Policy and Tax Advisory
7. Mr. Dickson Kaptum	-	Relationship Manager, Energy Sector
8. Ms. Linda Onyango	-	Media Relations
9. Ms. Harriet Kitiyo	-	Stakeholder Engagement
10. Mr. May Muthama	-	Stakeholder Engagement

IN ATTENDANCE **MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION**

1. Hon. Kipchumba Murkomen, EGH, CBS	-	Cabinet Secretary, Ministry of Interior and National Administration
2. Mr. Douglas Kanja , MGH, CBS, OGW	-	Inspector General
3. Mr. Jacob Narengo , EBS	-	Personal Assistant to the Inspector General
4. Mr. Peter Thuku	-	National Police Service
5. Mr. Tungo. C. Aaron	-	Administration
6. Ms. Jonah Towett	-	Administration

IN ATTENDANCE		GULF ENERGY
1.Mr. Francis Njogu	-	Group Chairman
2.Mr. Franklin Juma	-	Country Manager
3.Mr. Paul Sila	-	Asset Geologist
4.Mr. Eris Lothike	-	Social Performance Manager
5.Ms. Sandra Gikundi	-	Corporate Affairs
6. Mr. Bethwell Sang	-	Social Performance Lead
7. Mr. Alfred Ng'ang'a	-	Communications Officer

SENATE/NA/JOINT/ENERGY/NO.105/2026: PRELIMINARIES

The meeting was called to order at 3.15pm., and commenced with prayers by the session co-chair Hon. David Gikaria, CBS, M.P., after which self-introductions were made.

SENATE/NA/JOINT/ENERGY/NO.106/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted, having been proposed by the Sen. (Dr.) Beatrice Akinyi Ogola, MP and seconded by Hon. George Omwera Aladwa, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. ***Stakeholders Engagement on Field Development Plan and Production Sharing Contracts for Blocks T6 and T7 in South Lokichar Basin, Turkana County;***
    a) ***Meeting with Kenya Revenue Authority***
    b) ***Meeting with Ministry of Interior and National Administration***
    c) ***Meeting with the Gulf Energy***
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 107/2026: SUBMISSION BY THE COMMISSIONER, KENYA REVENUE AUTHORITY ON THE FDP AND THE PSCs FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY.

The Commissioner, KRA Large and Medium Taxpayers, Mr. Weldon Ng'eno, accompanied by other Senior officials made the following submissions on behalf of the Kenya Revenue Authority-That;

a) Tullow Kenya BV was a branch of Tullow Overseas Holding BV, a company incorporated in the Netherlands but whose ultimate parent is Tullow Oil PLC a company incorporated in the UK and listed on the London stock exchange.

b) The company has been in joint ventures with several other exploration oil companies among them Africa Oil Kenya BV and Total Energies.

c) In 2025 Tullow Oil Overseas Holding BV completed the sale of its entire Kenyan business to Auron Energy E&P Limited, an affiliate of Gulf Energy Ltd, for a minimum consideration of USD120 million. The deal was structured as follows; Payment Structure:

   i. $40 million was paid upon completion, $40 million by June 2026 and $40 million upon production.

   ii. Royalty Payment: Quarterly royalty payments of US$0.5/bbl multiplied by 80% of total production.

   iii. Future Rights: Tullow retains a "back-in right" for a 30% interest in future development phases.

d) In 2025, KRA Carried out a tax audit on the taxpayer for the period 2020 to 2025. Taxes were raised;

   a. Capital gains Tax - Kshs. 4.6 Billion
   b. VAT - Kshs. 18.3 Billion
   c. Withholding Taxes - Kshs. 128.5 Million
   d. Total taxes - kshs. 23,124,656,330

   The taxpayer has since objected to the taxes raised. The objection is pending review.

e) Paragraph 18 of the Ninth Schedule of the Income Tax Act notes that Section 16 (2) (j) of the Income Tax Act shall apply to a Contractor.

f) In 2015, the Cabinet Secretary for the National Treasury gazetted Legal Notice 91, which effectively exempts from tax any interest paid on loans to foreign sources in the listed sectors, which include the oil sector.

g) There are adequate measures in place to monitor and audit transfer pricing risks, particularly in relation to drilling services, logistics, procurement, inter-company management fees, and contractor-affiliated service providers.

h) Measures in place to monitor risks
   i. Specialized transfer pricing unit
   ii. Collaboration with other established tax authorities/Agencies for capacity building and exchange of information
   iii. Legal framework – Section 18 (3)
   iv. Transfer pricing rules
   v. Regular Tax Reviews

i) Proposals to mitigate revenue risks
   i. Revocation of legal notice 91
   ii. Amendment of section 16 2(j) (v)

iii. Review of Ninth Schedule to align with modern practices in the exploration sector
iv. No exemption should be granted on withholding taxes for both local and Imported services
v. KRA to work closely with other stakeholders in the collection of the Government's share of sales of future crude oil

SEN/NA/JOINT/ENE/NO. 108/2026: COMMITTEE OBSERVATIONS

The Committee made the following observations-

a) The issue of the value of the projects verses the benefits to be yielded for Kenyans was raised.
b) The issue of the blanket tax exemptions given to the contractors was raised and inquiries was sought on whether KRA is losing any taxes in the whole process of the project implementations.
c) The issue of the audits process of the early oil exploration and the recovery costs declared by the contractors was also discussed, and clarifications was sought on whether KRA has undertaken any audit on the same.

SEN/NA/JOINT/ENERGY/NO. 109/2026: SUBMISSION BY THE CABINET SECRETARY MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION ON THE FIELD DEVELOPMENT PLAN AND PSCs FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

The Cabinet Secretary for the Ministry of Interior and National Administration, Hon.Onesmus Kipchumba Murkomen, EGH, CBS, accompanied by The Inspector General, Mr Douglas Kanja, MGH, CBS, OGW and other Ministry officials made the following submissions: That;

a) The National Police Service conducted an in-depth security risk assessment focused on the upstream oil production areas in Turkana County, including oil fields in Lokichar Basin, feeder roads, storage sites and designated crude oil transportation routes exiting the county. The objective of the assessment was to identify potential vulnerabilities, evaluate existing security gaps and formulate proactive mitigation measures to ensure the safe and uninterrupted implementation of the FDP.

b) Along crude oil transportation corridors, the National Police Service identified risks related to possible illicit siphoning, vandalism, sabotage and opportunistic criminal activities targeting oil transport convoys. The remoteness of certain oil fields and stretches of access roads, coupled with infrastructural limitations and terrain challenges were also identified as operational vulnerabilities requiring enhanced mobility, forward deployment and rapid response capability.

c) In relation to storage facilities and oil handling infrastructure, the assessment evaluated threats including;

i. Industrial sabotage,
ii. Insider facilitation risks and
iii. Organized criminal interference.
iv. Heightened political activity and local grievances could potentially be exploited by criminal elements to incite disruptions.

Arising from the assessment, the National Police Service has put in place the following measures:

d) Deployment of additional officers to Turkana County upon graduation of the current cohort of officers undergoing training;
   i. Strengthened Critical Infrastructure Protection Units within the County;
   ii. Enhanced patrols and intelligence led operations along identified high-risk zones;
   iii. Deployment of specialized units in the area;
   iv. Establishment of patrol bases along the oil transport corridor;
   v. Strengthening community policing frameworks and structured stakeholder engagement to address grievances proactively and prevent escalation into insecurity; and,
   vi. The Service will seek a review and enhancement of fuel allocations for police motor vehicles to adequately support patrol and escort operations, given the expansive geographical coverage of the area.

e) The County Security and Intelligence Committee has been tasked to convene a stakeholders' meeting with Gulf Energy, which is responsible for oil extraction in Turkana County, and consultations are ongoing to finalize the security arrangements and budgetary provisions necessary to safeguard oil infrastructure, personnel, and host communities during Phase I and Phase II of the project.

f) The implementation of the Field Development Plan (FDP) in Turkana and along transit counties presents potential conflict risks primarily linked to land use disputes, community expectations and revenue-sharing concerns.

g) To mitigate these risks, both National and County security agencies have adopted a coordinated, preventive approach aimed at ensuring stability while safeguarding community and national interests.

h) Given the strategic national importance of the project, the framework adopted a unified, multi-agency approach integrating security operations, intelligence coordination, disaster management, environmental protection and community stabilization mechanisms. The objective is to ensure protection of critical infrastructure, prevent and deter security threats and guarantee rapid response to emergencies.

I) The Early Oil Pilot Scheme (EOPS) provided critical operational and security insights that have informed the design and implementation of the Field Development Plan (FDP) in Turkana County. The lessons learnt have been systematically incorporated into the FDP to enhance stability, transparency and operational resilience.

J) Security deployments were often reactive rather than structured under a formalized unified framework. In this regard, the Cabinet Secretary appealed to government agencies to

incorporate security at the initial planning phase of a project as opposed to treating it as an afterthought in order to secure investment locations.

Security incorporation into FDP:

i. Establishment of a defined inter-agency security and emergency response framework.
ii. Activation of a structured Incident Command System (ICS).
iii. Permanent corridor-based deployment model instead of ad hoc escorts.
iv. Enhanced intelligence-led threat monitoring.

i) Tullow handled individual compensation claims directly, with some claimants receiving payment without formal reporting to relevant government agencies for verification and investigation. This created incentives for additional claims, some of which were not entirely genuine.

j) Certain political leaders exploited vulnerable and less-informed community members by misguiding them to advance demands for political leverage, thereby heightening tensions around the project.

k) High expectations regarding employment opportunities and revenue distribution led to dissatisfaction and unrest.

The National Police Service has developed preventive and enforcement strategies to address potential resource-related insecurity associated with oil production and transportation.

Key Preventive and Enforcement Measures include;

i. All motor vehicles transporting crude oil will move in structured convoys under armed police escort from the production sites to designated destinations.
ii. There will be sustained patrols along production sites, storage facilities and oil evacuation routes.
iii. The National Police Service will undertake decisive enforcement operations against any emerging criminal networks involved in oil siphoning, vandalism of infrastructure, organized theft or disruption of evacuation operations.
iv. Expeditated investigations involving oil related crimes.
v. Community policing structures will be enhanced to support early warning mechanisms.
vi. Armed security on production facilities, storage sites and export terminal
vii. Intelligence-led assessments to monitor emerging threats, identify organized criminal networks, detect potential sabotage plans and provide potential risks to operational commanders.
viii. Strategic multi-agency roadblocks will be erected along key transit routes to monitor movement of vehicles and prevent illegal diversion or siphoning.

SEN/NA/JOINT/ENE/NO. 110/2026: COMMITTEE OBSERVATIONS

The Committee made the following observations-

a) The status of preparedness on the enhancement of the security levels across the transport corridor and the budgetary provisions made so far need to be ascertained in light of the fact that the project is scheduled to commence in December 2026.
b) The issue of the security strategic plan made so far on the movements of trucks from Lokichar to Mombasa was raised.
c) The need of extensive sensitization to the local communities to restore confidence on the benefits of the project.

SEN/NA/JOINT/ENERGY/NO. 111/2026: SUBMISSION BY THE GULF ENERGY ON THE FIELD DEVELOPMENT PLAN AND PSCs FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

The Chairman of Gulf Energy, Mr. Francis Njogu, accompanied by other Directors and staff of his firm, made the following submissions: That;

a) The South Lokichar FDP presents a coherent, well-structured and technically mature pathway for unlocking Kenya's largest onshore petroleum development. The plan demonstrates clear scheduling phased risk reduction and strong economic rationale.

b) The FDP employs a two-phase development approach that is standard for large onshore basins and effectively derisks early capital deployment and allows for early revenue generation as well.

c) The FDP includes a clear Gantt- style overview of prerequisites leading to Final Investment Decision (FID) and first oil. The integrated schedule strengthens project delivery certainty and ensures proper alignment with government processes.

d) From a commercial viability perspective, the FDP is underpinned by one of the most extensive onshore datasets in East Africa.

e) The project envisages spreading of Capital Expenditure (CapEx) and Operating Expenditure (OpEx) across two main phases which reduces initial financing pressure and allows cost optimization from early-phase learnings. Additionally, this avoids the high upfront costs associated with high-cost facilities while still providing reliable evacuation pathways compatible with production growth.

f) The FDP relies on existing infrastructure which will be provided to the Contractor at standard business rates. This partnership offers government agencies the opportunity to deliver valuable services to the country and the oil industry.

g) The FDP presents a credible, well-sequenced and economically sound development plan. The project timelines are aligned with realistic operational expectations and the commercial viability is strongly supported by a large resource base, robust geology, mature appraisal data and favorable fiscal structures.

h) The Profit Oil from both phases are allocated according to the Production Sharing Contract profit oil split. For Phase 1 and 2, the split is 50:50%, since, after deducting cost oil, there will be less than 20,000 barrels of oil per day in Profit Oil to divide between the Government of Kenya and the Contractor.

i) Gulf Energy E&P BV has the necessary expertise in the petroleum sector. For the South Lokichar Oil project the company has recruited highly experienced Kenyan upstream petroleum professionals, both from within Kenya and from the diaspora.

j) Gulf Energy E&P BV is an indigenously owned with strong financial resources to support capital-intensive projects, such as the South Lokichar Oil Project.

k) In the FDP, the Contractor has outlined a set of project specific fiscal terms required to ensure that the development is both bankable and capable of attracting the necessary investment. These include exemptions from Value Added Tax (VAT),Withholding Tax, the Road Maintenance Levy and the Import Declaration Fee. The FDP also proposes the harmonization of fiscal and contractual parameters across the project area and an increase in the cost-recovery ceiling to 85%,compared to the existing limits of 55% for block T6 and 65% for Block T7.

l) Kenya stands to gain significant fiscal and economic benefits, with the Government of Kenya projecting potential earnings between USD 1.05 billion (at USD 60 per barrel) and USD 2.9 billion (at USD 70 per barrel) which translates to KES 136 billion to KES 371 billion over the life of the project.

m) The Government is expected to benefit from several indirect revenue systems. The Kenya Pipeline Company (KPRL) is projected to earn KES 42.3 billion (USD 325 million) in storage and handling revenues, while the Kenya Ports Authority (KPA) anticipates generating KES 41.9 billion (USD 322 million) from the New Kipevu Oil Jetty. The Government will also collect revenue from electricity and water consumption, ancillary services, a KES 6.6 billion Road Maintenance Levy and KES 18.2 billion in diesel- related taxes.

n) The project is expected to incur operating expenses of USD 8.2 billion, with USD 7.6 billion (93%) spent locally. It will involve capital expenditures of USD 5.7 billion. With USD 1.9 billion (34%) allocated for local spending. This initiative is anticipated to create over 3,000 from direct, indirect and included jobs, leading to contributions to PAYE (Pay As You Earn) and social security revenues. Communities along the project corridor will benefit from enhanced market access, improved infrastructure and the growth of local businesses. Given that the owners of Gulf Energy are Kenyans, the revenue generated from the sale of crude oil will help improve the balance of payments and encourage local investments, as the owners continue to invest in Kenya.

o) The 85% limit acts as a cap on the recovery of project expenditures, which include operational expenses (Opex), development costs, license fees, taxes and both historical and current exploration costs. This defines the maximum amount a contractor can recover annually from revenue. The cost recovery framework is designed to ensure that before the contractor fully recoups its capital expenditures, a portion of the revenues is allocated to profit oil. The project is legally eligible for RDL (Risk Discovery Loss) and IDF (Import Declaration Fees) exemptions, as the investment exceeds KES 50 billion. Due to the

downward revision of STOIIP (Stock Tank Oil Initially In Place), the project is classified as a marginal greenfield development and faces financing challenges, especially with the global shift away from hydrocarbons. The withdrawal of former partners underscores the need for fiscal support to uphold the principles of mutual economic benefit in the Production Sharing Contract (PSC).

p) Across the region, cost- recovery ceilings very significantly, ranging from around 70% in Niger and Senegal to approximately 85% in Angola and Cameroon, and up to 100% in Ghana. The Contractor's proposal for an 85% ceiling is therefore consistent with established regional practice. Aligning Kenya`s terms with these norms would strengthen the country`s competitive position, improve the project`s bankability and help attract the capital required to advance the South Lokichar development toward production –ultimately supporting the delivery of long- term economic benefits to the nation.

q) Cost recovery functions similarly to an investment allowance for capital expenditure. A paper released by the Kenya Revenue Authority (KRA) in November 2024 clarified the eligible capital expenditures for tax deductions. The KRA allows for 100% capital deductions for investments in hotel construction, manufacturing plants and related machinery, provided that cumulative investments outside Nairobi and Mombasa in the preceding three years exceed two billion shillings. Investments, exceeding KES 250 million within Special Economic Zones (SEZ) qualify for full capital deduction if the investment for the fiscal year meets or exceeds this threshold. Gulf Energy anticipates investing approximately USD 6 billion (KES 910 billion) in upstream capital expenditures, thus, an 85% cost recovery ceiling aligns with current KRA provisions for hotel industry investments.

r) The timely delivery of key government- provided enablers is crucial for the project to reach its full objectives. While these elements are progressing, Gulf Energy is taking practical interim steps to keep the project on track while allowing time for government processes to conclude. These measures aim to support continuity and minimize operational delays.

s) The PSC explicitly allows the Contractor to recover all abandonment and decommissioning costs as petroleum costs. Clause 42(1) d of the block T6 and T7 PSC provide that "all abandonment and decommissioning costs shall be recovered as petroleum costs at the time that the accrual is entered in the books.

t) Because Cost Oil is the mechanism for recovering Petroleum Costs (clause 28), this confirms that decommissioning costs are Petroleum Costs, they are therefore recoverable through cost oil under clause 28

u) The South Lokichar Development presents a strategic opportunity for Kenya to convert a well-endowed petroleum resource into long-term economic value.

v) If implemented, these fiscal terms and the associated development plan will enable Kenya to;

1. Mobilize multi-billion-dollar upstream investment at a time when completion
2. Capture direct fiscal revenues estimated between USD 1.05 billion and USD 2.9 billion over the project life.
3. Unlock significant indirect revenues to State-Owned enterprises and County level economies.

4. Support thousands of direct, indirect, and induced jobs, together with material local-content and supply chain development

SEN/NA/JOINT/ENE/NO. 112/2026: COMMITTEE OBSERVATIONS

The Committee made the following observations-

a) The issue of the 85% recovery cost and whether the same was considered on the initial studies undertaken during the early oil explorations was revisited.

b) The issue of tax exemptions was discussed, with inquiries as to whether any company in the world has been enjoying the same.

c) The need to improve local content during the whole project to the local communities and the country at large such as in employment, supply of goods and services was highlighted.

d) The need to improve on the corporate social responsibilities and developing clear framework on the measure to mitigate the environmental degradation due to the project was also deliberated on.

SEN/NA/JOINT/ENE/NO. 113/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 8.24p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWENTY-FIRST (21ST) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON FRIDAY, 13TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 9:00 AM

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. William Kisang' Kipkemoi, CBS, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP
4. Sen. James Lomenen Ekomwa, CBS, MP
5. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
6. Sen. Beatrice Akinyi Ogola, MP
7. Sen. Veronica Maina, CBS, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. Simon King'ara, M.P
9. The. Hon. George Omwera Aladwa, M.P
10. The Hon. Victor Koech Kipngetich, M.P.
11. The Hon. Siyad Amina Udgoon, MP
12. The Hon. Geoffrey Ekesa Mulanya, M.P
13. The Hon Samuel Gonzi Rai, M.P
14. The Hon Cecilia Asinyen Ngitit, M.P

ABSENT WITH APOLOGY

1. THE SENATE

1. Sen. Ledama Olekina, CBS, MP
2. Sen. Edwine Watenya Sifuna, CBS, MP

2. THE NATIONAL ASSEMBLY

1. The Hon. Barongo Nolfason Obadiah, M.P

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Mr. Finlay Muriuki	Clerk Assistant 1
4. Ms. Grace Wahu	Clerk Assistant II
5. Mr. Salim Athuman	Clerk Assistant III
6. Ms. Mary Waqo	Clerk Assistant III
7. Ms. Brigitta Mati	Senior Legal Counsel
8. Mr. Abdi Gorod	Senior Fiscal Analyst
9. Ms. Nancy Mulei	Research Officer III
10. Mr. Anthony Wamae	Serjeant-at-Arms
11. Mr. Washington Otiato	Media Relations Officer II
12. Mr. Ambrose Nguti	Media Relation Officer II
13. Mr. Joseph Lekisima	Fiscal Analyst II
14. Mr. Brian Njeru	Fiscal Analyst II
15. Ms. Judith Aoka	Audio Officer
16. Ms. Rehema Koech	Hansard Officer
17. Mr. Ronny Nyagah	Public Relations Officer
18. Ms. Christine Sabduo	Office Assistant
19. Ms. Caroline Mati	Office Assistant
20. Ms. Anjela Mariana	Intern

IN ATENDANCE

OFFICE OF THE ATTORNEY GENERAL

1. Hon. Shadrack J. Mose	Solicitor General
2. Mr. Wachira Nyayo	Deputy Chief
3. Mr. Oloibon Roy Tobias	State Counsel
4. Mr. Charles Wamwangi	OAG & DOJ
5. Mr. Ongori Peter	OAG & DOT

IN ATTENDANCE

CENTRAL BANK OF KENYA

1. Dr. Kamau Thugge	Governor of the Central Bank of Kenya
2. Mr. Chris Gigatio	Director, CBK
3. Ms. Kethi Ngoka	Ag. Deputy Director, CBK
4. Ms. Fahari Mwangoli	Deputy Manager, CBK

SENATE/NA/JOINT/ENERGY/NO.114/2026: PRELIMINARIES

The meeting was called to order at 9:10 a.m, and commenced with prayer by the session co-chair The Hon. David Gikaria, CBS, MP, after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.115/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Sen. James Lomenen Ekomwa, CBS, MP and seconded by The. Hon Elisha Odhiambo as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with-
    a) The Attorney General; and
    b) Central Bank of Kenya on the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 116/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENE/NO. 117/2026 MEETING WITH THE ATTORNEY GENERAL

The Solicitor General made the following submissions on behalf of his Office and the Office of the Attorney General-

1. **Background and governing law -**

    a) The original PSCs for Blocks 10BB and 13T were signed in 2007 and 2008 under the repealed Petroleum (Exploration and Production) Act, Cap 308, before Article

71 on ratification took effect, and so were not constitutionally required to be ratified at that time;

b) Transitional provisions in the Constitution and Section 128 of the Petroleum Act 2019 preserve rights and obligations under the old regime, so the original PSCs remain valid and do not need retroactive ratification; and

c) Clause 40 of the PSCs (governing law and economic equilibrium) allows adjustments to align with new laws while preserving the economic balance, and such adjustments are not treated as new concessions.

2. FDP approval and Article 71 sequence-

a) Sections 30 and 31 of the Petroleum Act 2019 set a sequence where: EPRA reviews the FDP, the Cabinet Secretary approves it on EPRA's recommendation, and then the Cabinet Secretary submits both the PSC and FDP to Parliament for ratification under Article 71;

b) EPRA reviewed the FDP, and advised the Cabinet Secretary, who approved the FDP in November 2025, after which the PSC and FDP were submitted together to Parliament, which the Office of the Attorney General views as compliant with the statutory sequence; and

c) The submission stresses that Executive approval of the FDP is only an administrative step and that no exploitation rights may be exercised until Parliament completes the Article 71 ratification process.

3. Contractor changes and block re-designation-

a) On contractor identity, the Office of the Attorney General notes that Section 26 of the Petroleum Act 2019 governs transfer of interests and control and concludes that, by the time the FDP was formally submitted on 30 September 2025, the statutory process for assignment from Tullow to Gulf Energy had been followed and the Cabinet Secretary for Energy and Petroleum was satisfied as to Gulf Energy's capacity;

b) The re-designation of Blocks 10BB and 13T to T6 and T7 is treated as an administrative exercise under Section 15 of the Petroleum Act, with no legal effect on rights where acreage does not change; and

c) However, any renaming or reconfiguration that alters acreage would amount to a variation requiring compliance with the Act and, where applicable, Parliamentary

ratification. The Office of the Attorney General stated that it has not been informed of any such acreage change and pointed to the Ministry/EPRA for confirmation.

4. **Fiscal terms and Government of Kenya enablers-**

   a) The submission emphasizes that Article 210 of the Constitution and the Public Finance Management framework require that any tax waivers, variations, exemptions or fiscal concessions be authorized by legislation. Contractual addenda alone cannot alter tax or fiscal obligations;

   b) It advises that Government 'enablers' and associated costs should not be embedded as binding fiscal concessions in the PSC/Addenda or FDP, but instead be put in a separate non-binding Head of Terms aligned to the FDP and shared with relevant MDAs for planning and budgeting, to reduce litigation/arbitration risk against the Government; and

   c) It further states that detailed fiscal terms fall within the remit of the National Treasury, which must address tax-related provisions and cost recovery issues.

5. **Decommissioning, environmental risk and public-interest safeguards-**

   a) Section 39 of the Petroleum Act 2019 and Clause 42 of the PSCs require a comprehensive decommissioning and abandonment framework, including approved plans and adequate financial security, to protect the State from future environmental and fiscal liabilities.

   b) Without sufficient financial guarantees and binding decommissioning arrangements, residual liabilities could revert to the State, especially if a contractor becomes insolvent or exits.

A. It also recommends that the 'living' nature of the FDP be used to update legal content, including: a full decommissioning plan, a robust local content plan (Section 50), measures to avoid routine flaring contrary to Section 62 and international flaring-reduction commitments, and relocation of Government enablers into a separate non-binding instrument to avoid creating precedents for other investors under Bilateral Investment Treaties (BITs).

B. Submissions from the Business Registration Service-

a) The Business Registration Service (BRS) responded to the Joint Committees' request on the status of three entities: Tullow Kenya B.V., Gulf Energy E&P B.V. and Auron Energy E&P Limited;

b) BRS stated that Tullow Kenya B.V. is a foreign company registered in the Netherlands, issued with a certificate of compliance in Kenya on 15 September 2010, with a registered office at Fidelity Insurance Centre, Westlands, Nairobi;

c) BRS outlined multiple changes in Tullow Kenya B.V.'s directorship and local representatives over time, including resignations and appointments documented through various statutory forms between 2014 and 2025;

d) The company's name has changed twice: first from Tullow Kenya B.V. to Gulf Energy E&P Limited (certificate of compliance on change of name dated 13th October 2025), and subsequently from Gulf Energy E&P Limited to Gulf Energy E&P B.V. (certificate of compliance dated 24th October 2025);

e) As at 12th February 2026, the company now known as Gulf Energy E&P B.V. has Paul Kiprotich Limoh and Francis Koome Njogu as directors, with Paul Kiprotich Limoh also serving as the local representative; and

f) BRS reported that Auron Energy E&P Limited does not appear in its register of companies and requested that any documentation indicating its registration be submitted for verification.

C. Observations from the Committee-

a) The Committee noted that the FDP and PSCs sit on firm legal footing under the current petroleum framework, and pre-existing contracts are preserved;

b) The Committee further noted that Parliament's ratification mandate under Article 71 remains the decisive step before any exploitation rights can be exercised;

c) The Committee noted the need to separate fiscal concessions and government cost implications from the FDP and PSCs and to anchor any tax or fiscal benefits in legislation and National Treasury processes;

d) The Committee further noted that before ratification, clear guidance is required on how the proposed fiscal structure will affect project bankability, government contingent liabilities and medium-term budget planning;

e) The Committee noted that institutionalizing an annual review cycle for the FDP, decommissioning plans and local content plans is essential for sustained compliance and responsiveness;

f) The Committee further observed that clear review triggers, amendment procedures and reporting obligations should be built into the ratification resolution to ensure that Parliament remains informed over the project life;

g) The Committee further noted that there are legislative gaps around non-linear, large-scale petroleum infrastructure and recommends that targeted law reform be initiated to harmonize land, infrastructure and petroleum statutes;

h) The Committee noted that block renaming and harmonization appear lawful, but any change in acreage or unitization-type arrangement must strictly follow statutory procedures and, where applicable, Parliamentary approval;

i) The Committee further observed that robust decommissioning security instruments and cost-sharing frameworks are necessary to shield the State from residual environmental and fiscal liabilities, particularly in cases of contractor insolvency or exit;

j) The Committee noted improvements in company registration timelines and corporate data accuracy, which support better due diligence on petroleum sector participants; and

k) The Committee further observed that continued strengthening of BRS oversight, particularly around dormant entities and beneficial ownership information, is critical for transparency and risk management in upstream projects.

SEN/NA/JOINT/ENE/NO. 119/2026 MEETING WITH CENTRAL BANK OF KENYA

The Governor of the Central Bank of Kenya made the following submissions-

a) Gulf Energy E&P B.V. has acquired the South Lokichar contractor interest previously held by Tullow Oil and now effectively holds 80% of production shares in Blocks T6 and T7;

b) Full-field development of South Lokichar will require an estimated capital investment of about USD 3–4 billion for upstream facilities, drilling, processing facilities and an export pipeline to the coast;

c) At peak, the field is projected to produce 80,000–100,000 barrels of crude oil per day, making oil a potentially significant source of export earnings and fiscal revenue for Kenya;

d) CBK highlighted its price stability mandate and indicated that oil exports will generate additional foreign exchange, strengthen the balance of payments and may lead to appreciation of the Kenya shilling, moderating imported inflation but potentially undermining other exports under the Dutch-Disease Phenomena -where a boom in a natural resource sector such as oil, pr even large foreign capital inflows lead to currency appreciation, thereby making other sectors such as manufacturing and agriculture less competitive.

e) CBK noted the need to build international reserves and use monetary policy (including Central Bank Rate adjustments and operations in KESONIA) to anchor inflation and avoid disorderly exchange rate movements, requiring a strong CBK capital base;

f) CBK cited international best practice, including Norway's sovereign wealth fund model and Chile's structural fiscal rule and stabilization funds, as examples for managing volatile extractive revenues and limiting macroeconomic volatility;

g) The investment is expected to significantly boost Foreign Direct Investment (FDI). The CBK, together with KenInvest and KNBS, will continue to monitor foreign investments through the Foreign Investment Survey, banking survey data, and the International Transactions Reporting System (commercial banks' cross-border and foreign currency reports);

h) Using a crude price indexed to Dated Brent at about USD 60 per barrel and a conservative average of 35,000 barrels per day from 2031–2044, annual export earnings are estimated at about USD 766.5 million, thereby strengthening the Balance of Payments and supporting reserve build-up, though Kenya's large, refined imports may leave the net oil price impact negative;

i) Kenya's capital account is liberalized, with no restrictions on profit repatriation. The CBK monitors foreign exchange receipts and payments via data from commercial banks and collaborates with KRA, Ken Invest and KNBS to plan for repatriation of export proceeds;

j) CBK noted Kenya's flexible exchange rate regime, improved reserves from about USD 10.1 billion at end-2024 to about USD 12.4 billion in 2025, and indicated that oil export proceeds would further support reserve accumulation and provide a buffer against external shocks;

k) On global risks, CBK emphasized that global inflation, growth and financial conditions (including oil prices, geopolitical tensions and advanced-economy monetary policy) will interact with the oil project and can affect financial stability, especially if the contractor has significant exposures in the domestic banking system. In this regard, CBK's Financial Stability Committee meets quarterly to assess and mitigate such risks;

l) CBK observed that the Early Oil Pilot Scheme (EOPS) resulted in a net loss and that the export proceeds of USD 28.3 million were too small to impact CBK's mandate; and

m) CBK pointed to the likelihood of shilling appreciation from oil exports, the need to accumulate reserves and align KESONIA with the Central Bank Rate, the importance of a strong CBK capital base, and noted that if government financing improves without higher expenditure, domestic borrowing and interest rates could fall.

SEN/NA/JOINT/ENE/NO. 120/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 1:45 p.m. The next meeting was scheduled to be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWENTY-SECOND (22ND) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON MONDAY, 16TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY 10:00 AM

MEMBERS' PRESENT

A. THE SENATE

1. Sen. William Kisang' Kipkemoi, CBS, MP (Session Co-Chair)
2. Sen. James Lomenen Ekomwa, CBS, MP
3. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
4. Sen. Beatrice Akinyi Ogola, MP
5. Sen. Veronica Maina, CBS, MP

B. THE NATIONAL ASSEMBLY

1. The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)

2. The Hon. Charles Gimose, M.P
3. The Hon Elisha Odhiambo, M.P
4. The Hon. Julius Musili Mawathe, M.P.
5. The Hon. Walter Owino, M.P.
6. The Hon. Tom Mboya Odege, M.P
7. The Hon. Simon King'ara, M.P
8. The. Hon. George Omwera Aladwa, M.P
9. The Hon. Victor Koech Kipngetich, M.P.
10. The Hon. Geoffrey Ekesa Mulanya, M.P

ABSENT WITH APOLOGY

1. THE SENATE

1.Sen. (Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)

2. Sen. Ledama Olekina, CBS, MP
3. Sen. Edwin Watenya Sifuna, CBS, MP
4. Sen. (Dr.) Boni Khalwale, CBS, MP

2. THE NATIONAL ASSEMBLY

1. The Hon. Barongo Nolfason Obadiah, M.P
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Siyad Amina Udgoon, MP
4. The Hon Samuel Gonzi Rai, M.P
5. The Hon Cecilia Asinyen Ngitit, M.P

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Mr. Finlay Muriuki	Clerk Assistant I
4. Ms. Grace Wahu	Clerk Assistant II
5. Mr. Salim Athuman	Clerk Assistant III
6. Ms. Mary Waqo	Clerk Assistant III
7. Ms. Brigitta Mati	Senior Legal Counsel
8. Ms. Zainab Jarma	Legal Counsel II
9. Mr. Abdi Gorod	Senior Fiscal Analyst
10. Ms. Nancy Mulei	Research Officer III
11. Mr. Anthony Wamae	Serjeant-at-Arms
12. Mr. Washington Otiato	Media Relations Officer II
13. Mr. Ambrose Nguti	Media Relation Officer II
14. Mr. Joseph Lekisima	Fiscal Analyst II
15. Mr. Brian Njeru	Fiscal Analyst II
16. Ms. Judith Aoka	Audio Officer
17. Ms. Rehema Koech	Hansard Officer
18. Mr. Ronny Nyagah	Public Relations Officer
19. Ms. Christine Sabduo	Office Assistant
20. Ms. Caroline Mati	Office Assistant
21. Ms. Anjela Mariana	Intern

IN ATENDANCE — **NATIONAL LAND COMMISSION**

1. Ms. Kabale Tache Arero,MBS	CEO, National Land Commission
2. Mr. Joel Ombati Nyamweya	Director, National Land Commission
3. Mr. Kupea Jacob	Ag. Deputy Director, NLC
4. Mr. Kariulu Wambia	S/FCP, NLC
5. Mr. Jaldeya Hussein	Communication Officer, NLC

IN ATTENDANCE — **MINISTRY OF NATIONAL TREASURY AND ECONOMIC PLANNING**

1. Hon. FCPA John Mbadi Ng'ongo, EGH	Cabinet Secretary, National Treasury
2. Mr.Shikumo Muchelule	Assistant Director, National Treasury
3. Mr.Joseph Z. Ngugi	Director Macro Planning, National Treasury
4. Mr.Migomo Bett	Protocol Officer, National Treasury
5. Ms.Mildred Kenyan	Public Communication Officer, Treasury

SENATE/NA/JOINT/ENERGY/NO.121/2026: PRELIMINARIES

The meeting was called to order at 10:17 a.m, and commenced with prayer by the session co-chair The Hon. David Gikaria, CBS, MP, after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.122/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Sen. Veronica Maina, CBS, MP and seconded by The. Hon Walter Owino, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with-
   a) The National Land Commission and;
   b) Ministry of National Treasury and Economic Planning on the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 123/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENE/NO. 124/2026 MEETING WITH THE NATIONAL LAND COMMISSION

The Chief Executive Officer of the National Land Commission made the following submissions-

1. **Background -**

   a) The South Lokichar project was gazetted for compulsory acquisition vide Gazette Notice No. 1467 of 9th October 2025. This followed the lapse of the statutory twenty-four (24) month period provided in law for completion of acquisition processes, which rendered all previous gazette notices issued since 2016 legally spent. Subsequently, the Commission recommenced the acquisition process in compliance with the law. Inspections were undertaken in December 2025 alongside renewed stakeholder engagements.

2. Following expiry of the statutory timelines, the Commission issued a fresh Gazette Notice in October 2025 expressing the intention to acquire the land and to undertake statutory inquiries. The project footprint comprises four (4) polygons and one (1) airstrip, namely: Amosing, Twiga, Ngamia and Ekales In progressing the acquisition process, the Commission has undertaken the following:

    a. Inspections were conducted December 2025 and subsequent field verifications in January 2026
    b. Statutory inquiries were held between 16th December 2025 and 13th January 2026.
    c. Gazette notice of Inquiries were published on 14th November, 2025.
    d. Public participation forums were undertaken in 2025 and 2026.
    e. Stakeholder engagements included multiple consultative meetings and courtesy calls to National Government Administration Offices (NGAO) and County Governments.
    f. Participation of Leaders included Area Member of Parliament and Members of County Assembly accompanied Commission teams during ground engagements
    g. Document verification included collection of land ownership and personal identification documents during inquiry sessions

3. The Commission's Valuation Report is currently under preparation and is expected to be finalized before 27th February, 2026, upon which the total project compensation cost will be established.
4. Upon finalization of the valuation exercise, the Commission will proceed with the statutory compensation process as follows:
    a. Approval of the Valuation Report by the Commission
    b. Submission of funding request to the Acquiring Authority
    c. Issuance of Awards to Project Affected Persons (PAPs)
    d. Compensation payment
5. The approval of valuation reports to generate awards is a statutory function of the Commission sitting as duly constituted. At present, the Commission is not fully constituted following the lapse of tenure of seven (7) Commissioners in November 2025.

6. The remaining two (2) Commissioners do not meet the legal quorum required to make binding Commission determinations. Consequently, progression to award issuance and compensation payment is contingent upon the onboarding of additional Commissioners. Upon reconstitution, the Commission will expeditiously proceed with approvals and the remaining phases of compensation.

7. The Commission had previously gazetted the petroleum blocks and polygons under earlier acquisition notices. At that time, the land was largely unsurveyed and boundary extents were not precisely defined. To address this, the Commission deployed its survey teams to ascertain the actual acreage affected, following registration and verification of communities based on data provided by the State Department of Petroleum.

8. Further technical clarification on block reconstitution, acreage variations, and petroleum licensing frameworks may be provided by the State Department of Petroleum, which is the Acquiring Authority.
9. Key Issues Emerging from Statutory Inquiries.
    a. **Complaints on Omission of PAPs in Valuation Schedules**; Some community members raised concerns regarding missing PAPs in preliminary valuation records. In response, the Commission undertook to conduct additional public engagement forums before the end of February 2026 to address and validate beneficiary records. These engagements will be attended by the NLC CEO and the Principal Secretary, State Department of Petroleum and their respective technical teams.

    b. **Community Proposal on Leasing;** Communities proposed leasing of the airstrip land instead of compulsorily acquire, citing prior arrangements with Tullow Oil where the airstrip had been leased. The matter will be subjected to further deliberation during the scheduled public inquiry forums in February 2026 to determine the most appropriate legal and compensation framework.

SEN/NA/JOINT/ENERGY/NO. 125/2026: COMMITTEE OBSERVATIONS

1. The National Land Commission is not well constituted as only two Commissioners are in office thus lacking quorum in making any policy decision for the Commission.
2. There is no compensation which has yet been made despite the starting date of the project being December 2026 and the need by the Commission to conduct sensitization to the public on the compensations mechanism to manage expectations.
3. There is need to conduct extensive awareness to the local communities on the Land Act 2019 on the compulsory land acquisition for the public use and the list of the affected including community land and the beneficiaries of the same.
4. The issue of the leasing of the Community land on the Airstrip and the rights granted to the public on the usage of the Airstrip or whether a new one will be built was also discussed.
5. The issues of the items considered during the land valuations process in items compensations including the value of gold which is available in Turkana and West Pokot was also considered.

COMMITTEE RESOLUTION

1. The Committee resolved to request the National Land Commission to submit the report on addendum notice on the land acquisition plan for the affected areas of the project.

SEN/NA/JOINT/ENE/NO. 126/2026 MEETING WITH THE NATIONAL TREASURY AND ECONOMIC PLANNING

The Cabinet Secretary for the National Treasury and Economic Planning made the following submissions-

1. **On the Fiscal and Financial Considerations**
   a) **Direct Revenues**: The Government of Kenya stands to earn between USD 1.05 billion (at USD 60/bbl) and USD 2.9 billion (at USD 70/bbl), equivalent to KES 136–371 billion over the Project's life. Direct Government revenues expected to come from profit oil split, Government participation.
   b) **Indirect Revenues**: KPRL is projected to earn KES 42.3 billion (USD 325 million) in storage and handling revenues, while KPA will gain KES 41.9 billion (USD 322 million) from the New Kipevu Oil Jetty.
   c) The Government will also collect revenues from electricity and water consumption, ancillary services and in Road Maintenance Levy.

2. **On the Macroeconomic Considerations**
   a) The project is expected to incur USD 8.2 billion in operating expenses, of which USD 7.6 billion (93%) will be spent locally and USD 5.7 billion in capital expenditure, of which USD 1.9 billion (34%) will also be spent locally.
   b) It is expected to generate over 3,000 direct, indirect, and induced jobs, contributing to PAYE and social security revenues.
   c) Communities along the project corridor will benefit from improved market access, infrastructure, and local business growth.
   d) The progression of the project will open Kenya for more foreign direct investment in the oil and gas value chain from international players.
3. Matters of fiscal concessions sought in the FDP shall be guided by the applicable laws.
4. Article 210 of the Constitution provides that no tax or licensing fee may be waived, varied, or exempted except as provided by legislation.
5. There are no concessions sought by the Contractor on the share of revenue from the sale of crude. The crude oil shall be marketed jointly. Therefore, the combined fiscal concession during importation of materials for construction and upon sale of oil amounts to USD 1,331 million.
6. A review of the fiscal risk profile associated with the proposed Field Development Plan (FDP) and the Production Sharing Contracts (PSCs) for Blocks T6 and T7 was done. The assessment considered key risk variables including oil price volatility, production underperformance, cost escalation, project delays, and uncertainties inherent in large-scale upstream petroleum developments.
7. Phase I of the project shall use existing infrastructure, i.e., roads and part of KPRL facilities. The enablers, such as roads, power connectivity, rail, water, and pipeline, serve national development and are contained in the sector specific development plans.

6. The PSC structure provides important risk mitigation measures including cost recovery ceiling, ring-fencing of costs, strict approval of work programmes and budgets, audit rights, and phased development tied to commercial viability. These mechanisms collectively limit fiscal exposure while ensuring that Government retains oversight over cost and revenue realization.

7. The FDP does not create any explicit or implicit public debt obligation for the Government. The financing of exploration, development, and production activities remains solely the responsibility of the contractor under the PSC framework. There is therefore no impact on Kenya's public debt arising from the implementation of the FDP.

8. The parties to the commercial agreements governing the enablers (water, power, crude oil storage and export infrastructure and rail) shall negotiate and agree on the terms which includes specific obligations and liabilities.

9. Kenya operates under a PSC regime that permits cost recovery of petroleum costs and expenses. Exploration and Development operations are high-risk and capital-intensive. The Contractor bears all the risks and costs associated with the operations; therefore, classifying costs as recoverable enables the Contractor to recoup its investment. The cost recovery framework is supported by clause 27 of the PSCs for blocks T6 and T7.

10. The duration of the cost recovery depends on the actual production. The Government begins receiving revenues from the first oil, with revenues increasing progressively as the cumulative recoverable costs decline. Robust safeguards are in place to prevent erosion of revenue, including approval of annual work programs and budgets, monitoring of petroleum operations and audit recoverable costs.

11. Revenue projections remain sensitive to global oil price volatility and production performance. Mitigation measures include conservative price assumptions in planning and continuous monitoring of market conditions.

12. The crude oil evacuation under the Field Development Plan (FDP) will be implemented in phases aligned to the scale of production and infrastructure readiness.
13. For **Phase I**, crude oil evacuation will be undertaken through **trucking** as an interim and practical solution to facilitate early production while minimizing upfront infrastructure costs.
14. For **Phase II**, evacuation will transition to **rail transportation**, which provides a more efficient and cost-effective logistics solution aligned to increased production volumes.
15. This phased approach ensures that logistics arrangements are matched to production levels while protecting Kenya's share of oil revenue from excessive transportation costs.
16. EOPS was not a commercial project and therefore, no revenues were expected to be generated. The key lesson learnt is that the Government should have a monitoring and oversight framework.

SEN/NA/JOINT/ENE/NO. 127/2026 COMMITTEE OBSERVATION

1. The need for clarity on the costs of the enablers and if the they are provisions in the upcoming Budget on the same and the contingency plan if key enablers are delayed.
2. The proposed tax exemptions and fiscal concessions may significantly reduce the government take and the specific tax exemptions incentives granted to the Main Contractor.
3. The need by the Ministry to ensure that costs traditionally treated as operating expenditure are not reclassified as capital expenditure so as to avoid expansion of the recoverable costs.

4. The importance of the ensuring that land acquisition, resettlement and compensation commitment under the FDP and PSCs comply with Land Act and the Constitution.
5. The need to structure a compensation timeline for Project Affected Persons was discussed. In response, the Cabinet Secretary pointed out that his role as Cabinet Secretary is to facilitate payment once the data on persons to be compensated is raised and presented to him by the line ministry (namely, the Ministry of Energy and Petroleum) in conjunction with the National Land Commission.
6. Queries were raised as to whether Decommissioning Funds had been specifically factored and secured.
7. Whilst the matter of tax exemption for capital investments by the investor seemed logical, the waiver of withholding tax was raised since Governments require tax at source for liquidity purposes. In response, the Cabinet Secretary pointed out that withholding tax is primarily for tax visibility and is not the final tax for any investor. He further apprise the Committee that tax exemptions have to be made under the law on a case by case basis.
8. The issue of the likelihood of the investor abandoning the project and thereby constituting contingent liability was also discussed. In response, the Cabinet Secretary informed Members that whilst the ascertainment of the investor's technical capacity was the responsibility of the line ministry, his ministry had ascertained the investor's financial capacity including the firm's access to credit. Further, he assured the Committee that the Government was under no possibility of fiscal loss since it had not guaranteed the investor with any letters of credit or similar guarantees.
9. Members also discussed the Attorney General's views on inclusion of enablers in the FDP, which would mean the investor holding the government accountable should the Government fail to provide the said enablers.
10. Members also sought clarification on existence of an Appraisal Cost as was witnessed during the first oil venture under Tullow Corporation.
11. Members also sought to know on what basis the 2026 Budget Policy Statement had sought to place petroleum revenues under the currently non-existent Sovereign Wealth Fund instead of a newly-established Petroleum Fund contrary to the Petroleum Act. In response, the Cabinet Secretary apprised the Committee that the Sovereign Wealth Fund was currently a draft Bill at the Office of the Attorney General, and that its inclusion in the Budget Policy Statement was for projection and planning purposes.
12. Upon inquiry from the Committee, the Cabinet Secretary undertook to apprise Members on the composition of the Harmonization element under the fiscal concessions arrangement.
13. The Committee raised queries about the increase of the Cost Recovery ceiling to 85%. In response, the Cabinet Secretary held that he believed the figure was based on sound economics as determined by the Ministry of Energy and Petroleum.

SEN/NA/JOINT/ENE/NO. 128/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 1:43 p.m. The next meeting will be held on notice.

Sign _____ Sign _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO-CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP, CO-
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWENTY-THIRD (23RD) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON MONDAY, 16TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY AT 2.30PM

MEMBERS' PRESENT

A. THE SENATE

1. Sen. William Kisang' Kipkemoi, CBS, MP
2. Sen. James Lomenen Ekomwa, CBS, MP
3. Sen. (Dr.) Danson Buya Mungatana, MGH, MP (Session Co-Chair)
4. Sen. Beatrice Akinyi Ogola, MP
5. Sen. Veronica Maina, CBS, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Charles Gimose, M.P
3. The Hon Elisha Odhiambo, M.P
4. The Hon. Julius Musili Mawathe, M.P.
5. The Hon. Walter Owino, M.P.
6. The Hon. Tom Mboya Odege, M.P
7. The Hon. Simon King'ara, M.P
8. The. Hon. George Omwera Aladwa, M.P
9. The Hon. Victor Koech Kipngetich, M.P.
10. The Hon. Geoffrey Ekesa Mulanya, M.P

ABSENT WITH APOLOGY

1. THE SENATE

1.Sen. (Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)

2. Sen. Ledama Olekina, CBS, MP
3. Sen. Edwin Watenya Sifuna, CBS, MP
4. Sen. (Dr.) Boni Khalwale, CBS, MP

2. THE NATIONAL ASSEMBLY

1. The Hon. Barongo Nolfason Obadiah, M.P
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Siyad Amina Udgoon, MP
4. The Hon Samuel Gonzi Rai, M.P
5. The Hon Cecilia Asinyen Ngitit, M.P

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Mr. Finlay Muriuki	Clerk Assistant 1
4. Ms. Grace Wahu	Clerk Assistant II
5. Mr. Salim Athuman	Clerk Assistant III
6. Ms. Mary Waqo	Clerk Assistant III
7. Ms. Brigitta Mati	Senior Legal Counsel
8. Ms. Zainab Jarma	Legal Counsel II
9. Mr. Abdi Gorod	Senior Fiscal Analyst
10. Ms. Nancy Mulei	Research Officer III
11. Mr. Anthony Wamae	Serjeant-at-Arms
12. Mr. Washington Otiato	Media Relations Officer II
13. Mr. Ambrose Nguti	Media Relation Officer II
14. Mr. Joseph Lekisima	Fiscal Analyst II
15. Mr. Brian Njeru	Fiscal Analyst II
16. Ms. Judith Aoka	Audio Officer
17. Ms. Rehema Koech	Hansard Officer
18. Mr. Ronny Nyagah	Public Relations Officer
19. Ms. Christine Sabduo	Office Assistant
20. Ms. Caroline Mati	Office Assistant
21. Ms. Anjela Mariana	Intern

IN ATENDANCE **MINISTRY OF WATER, SANITATION AND IRRIGATION**

1. Eng. Eric Murithi Mugaa	Cabinet Secretary
2. Mr. Ephantus Kimotho	Principal Secretary, Irrigation
3. Mr. Joel Tanui	Irrigation Secretary
4. Eng. Simon Korir	Director, Water & Irrigation Department
5. Eng. Loise Kahige	National Irrigation Authority

SENATE/NA/JOINT/ENERGY/NO.129/2026: PRELIMINARIES

The meeting was called to order at 2.45p.m and commenced with a prayer by the Session Chair Sen. (Dr.) Danson Buya Mungatana, MGH, MP after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.130/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Beatrice Akinyi Ogola, MP, MP and seconded by Sen. Veronica Maina, CBS, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Matters Arising from the Minutes;
6. Meeting with the Cabinet Secretary, Ministry of Water, Sanitation and Irrigation in regard to the proposed Turkwel-Lokichar water transmission pipeline and Turkwel downstream irrigation.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 131/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The agenda was differed to a later date.

SEN/NA/JOINT/ENE/NO. 132/2026 MEETING WITH THE CABINET SECRETARY, MINISTRY OF WATER, SANITATION AND IRRIGATION IN REGARD TO THE PROPOSED TURKWEL-LOKICHAR WATER TRANSMISSION PIPELINE AND TURKWEL DOWNSTREAM IRRIGATION.

The Cabinet Secretary re-appeared before the Joint Committee and made the following submissions in regard to issues raised on the proposed Turkwel-Lokichar water transmission pipeline and Turkwel downstream irrigation during the previous meeting held on Thursday, 12th February, 2026:

1) In regard to the proposed irrigation development from the Turkwel, the project is divided into two phases.
2) Phase one will irrigate 1000 acres downstream of the Turkwel dam. The Ministry also intends to expand Weiwei project from 600 acres to 1500 acres and Muruny Irrigation Scheme from 700 acres to 1500 acres in West Pokot.
3) In addition, there is planned rehabilitation of the existing 52 schemes along the Turkwel River covering 19,000 acres in Turkana County.
4) Phase two intends to develop irrigation covering 10,000 acres for commercial investments with Kshs. 7.8B and Kshs. 2.6B budgeted for the development of Sigor dam and an irrigation area of 2000 acres.
5) The development of sustainable irrigation systems in Turkana and West Pokot will require collaborative approaches to address the mentioned challenges as follows:

a. Conflict for grazing will be addressed by introduction of specific fodder production zones targeting high yielding fodder crops to be used during the dry seasons:
b. Development of a comprehensive environmental management plan by the project proponent.

6) In regard to the water abstraction options, the Cabinet Secretary informed the Joint Committee that three options had been considered by the Ministry as follows:
   a. Option 1: abstraction through a surge tank - hydropower
   b. Option 2: abstraction through a water treatment plant
   c. Option 3: abstraction through a water pipeline through siphoning from the reservoir.

7) The Joint Committee was informed that the most sustainable option of water abstraction is through Option 3 in which tunnels are to be constructed for passage of water through mechanism of gravity into tanks therefore avoiding the use of power. This option will also create room for additional tunnels for future expansion.

SEN/NA/JOINT/ENERGY/NO. 133/2026: COMMITTEE OBSERVATIONS

1) The water abstraction option of building tunnels is the most sustainable for future expansion and maintenance.
2) There is need for the Ministry to form a multi-disciplinary approach to assess and resolve the local community's needs before the implementation of the project.
3) The Ministry intends to introduce feed lock around the water sources for the community.
4) The water project infrastructure is being implemented by the Ministry of Defense.
5) The Ministry of Water, Sanitation and Irrigation should consider providing clean drinking water to the local community before starting the petroleum project.

COMMITTEE RESOLUTION

The Ministry of Water, Sanitation and Irrigation should budget for the provision of water for domestic use in Turkana in the Supplementary Budget Estimates for the financial year 2025/2026 as well as in the Budget Estimates for the financial year 2026/2027.

SEN/NA/JOINT/ENE/NO. 134/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 4:22 p.m. The next meeting will be held on notice.

SEN/NA/JOINT/ENE/NO. 135/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting adjourned at 1:43 p.m. The next meeting will be held on notice.

Sign: _____ _____

Date: 18/02/2026 18/02/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP, CO-
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWENTY-FOURTH (24TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON TUESDAY, 17TH FEBRUARY, 2026 IN PAVILLION HALL, HILTON GARDEN INN HOTEL, MACHAKOS COUNTY AT 8.30A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. William Kisang' Kipkemoi, CBS, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP
4. Sen. James Lomenen Ekomwa, CBS, MP
5. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
6. Sen. Veronica Maina, CBS, MP
7. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Julius Musili Mawathe, M.P.
6. The Hon. Walter Owino, M.P.
7. The Hon. Tom Mboya Odege, M.P
8. The Hon. Simon King'ara, M.P
9. The. Hon. George Omwera Aladwa, M.P
10. The Hon. Victor Koech Kipngetich, M.P.
11. The Hon. Geoffrey Ekesa Mulanya, M.P
12. The Hon Samuel Gonzi Rai, M.P

ABSENT WITH APOLOGY

1. THE SENATE

2. Sen. Ledama Olekina, CBS, MP
3. Sen. Edwin Watenya Sifuna, CBS, MP

2. THE NATIONAL ASSEMBLY

1. The Hon. Barongo Nolfason Obadiah, M.P
2. The Hon. Siyad Amina Udgoon, MP
3. The Hon Cecilia Asinyen Ngitit, M.P

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Mr. Finlay Muriuki	Clerk Assistant 1
4. Ms. Grace Wahu	Clerk Assistant II
5. Mr. Salim Athuman	Clerk Assistant III
6. Ms. Mary Waqo	Clerk Assistant III
7. Ms. Brigitta Mati	Senior Legal Counsel
8. Ms. Zainab Jarma	Legal Counsel II
9. Mr. Abdirahman Gorod	Senior Fiscal Analyst
10. Ms. Nancy Mulei	Research Officer III
11. Mr. Anthony Wamae	Serjeant-at-Arms
12. Mr. Washington Otiato	Media Relations Officer II
13. Mr. Ambrose Nguti	Media Relation Officer II
14. Mr. Joseph Lekisima	Fiscal Analyst II
15. Mr. Brian Njeru	Fiscal Analyst II
16. Ms. Judith Aoka	Audio Officer
17. Ms. Rehema Koech	Hansard Officer
18. Mr. Ronny Nyagah	Public Relations Officer
19. Ms. Christine Sabduo	Office Assistant
20. Ms. Caroline Mati	Office Assistant
21. Ms. Anjela Mariana	Intern

SENATE/NA/JOINT/ENERGY/NO.136/2026: PRELIMINARIES

The meeting was called to order at 8.45 a.m and commenced with a prayer by the Session Chair Sen. William Kisang' Kipkemoi, CBS, MP after which introductions were made.

SENATE/NA/JOINT/ENERGY/NO.137/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Beatrice Akinyi Ogola, MP, MP and seconded by Sen. Veronica Maina, CBS, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings

5. Matters Arising from the Minutes;
6. Consideration and Adoption of the Report on the Field Development Plan and Production Sharing Contracts For Blocks T6 And T7 in South Lokichar Basin, Turkana County.
7. Any other Business; and
8. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 138/2026: **CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING**

This agenda item was deferred.

SEN/NA/JOINT/ENE/NO. 139/2026 **CONSIDERATION AND ADOPTION OF THE REPORT ON THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY.**

The Committee made the following observations on the Draft Report-

1. **General view of the project -**
   a) The Committee noted that while the petroleum project is a strategic national opportunity, the high capital and operating costs, relative to the current level of resources discovered, raise concerns about the overall financial viability of the proposal; and

   b) The Committee observed that continuity in exploration and discovery of additional petroleum resources will be critical if the project is to achieve economies of scale and justify the upfront investments highlighted in the report.
2. **Production, infrastructure and cost recovery -**
   a) The Committee noted the proposed sequencing of early production facilities ahead of a central processing facility and observed that clarity is needed on how this phasing affects costs, timelines and risks;

   b) The Committee further observed that the shift from road-based evacuation in the initial phase to rail and possible pipeline solutions in later phases needs to be reflected more clearly in the report, including realistic assumptions on government enablers and private investment; and

   c) The Committee noted that the proposed increase in cost recovery ceilings and the profit oil sharing structure have major implications for Government take and

stressed that the report must present these fiscal terms in simple, unambiguous language for public understanding.

3. **Revenue prospects, risks and fiscal clarity**
   a) The Committee noted that the projected gross revenues appear substantial on paper, but underscored that they are highly sensitive to global price volatility and production assumptions, and therefore must not be presented as guaranteed earnings;

   b) The Committee noted the need for the report to spell out clearly the different streams of government revenue and potential contingent liabilities, so that net benefits to the country can be assessed rather than headline figures alone.

4. **Community, environment and local content**
   a) The Committee noted that local communities have strong expectations around security, water supply, local content and benefit sharing, and observed that these expectations must be reflected in the report;

   b) The Committee noted the need for a strategic environmental assessment and stronger monitoring and enforcement and directed that the ESIA reference number from the NEMA Report be clearly included;

   c) The Committee further noted that local content demands, including high thresholds for local trucking and employment, are politically and socially sensitive, and must be framed in a way that balances community aspirations with legal, safety and capacity realities; and

   d) The Committee observed that the submission and personal appearance of Mr. Johnson Kibaki, a student of Kenyatta University, should be acknowledged in the report as an example of youth engagement in a highly technical national debate.

5. **Legal, land and governance issues**
   a) The Committee observed that land acquisition and compensation remain flashpoints in host communities, and stressed that the report should call for clear, enforceable frameworks that respect community land rights and guard against disputes that could stall the project;

   b) The Committee further noted that without robust benefit-sharing and governance structures, there is a real risk of mismanagement of community revenues, which would undermine public trust and the legitimacy of the entire project.

   c) The Committee directed the Secretariat to harmonize wording across sections for clarity and coherence.

SEN/NA/JOINT/ENERGY/NO. 140 /2026: COMMITTEE RESOLUTIONS

The Committee resolved to convene on Wednesday 18th February, 2026 at 9.00 a.m. to adopt the report and directed the Secretariat to finalize and clean up the document accordingly.

SEN/NA/JOINT/ENE/NO. 141/2026 ADJOURNMENT AND DATE OF NEXT MEETING

The meeting adjourned at 12:22 p.m. The next meeting will be held on notice.

Sign _____ Sign _____

Date 18/2/2026 Date 18/2/2026

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

13TH PARLIAMENT – (FIFTH SESSION)

MINUTES OF THE TWENTY-FIFTH (25TH) SITTING OF THE JOINT COMMITTEE OF THE SENATE STANDING COMMITTEE ON ENERGY AND THE NATIONALASSEMBLY DEPARTMENTAL COMMITTEE ON ENERGY HELD ON WEDNESDAY, 18TH FEBRUARY, 2026 IN THE MINI CHAMBER, 1ST FLOOR, COUNTY HALL AT 9.30 A.M

MEMBERS' PRESENT

A. THE SENATE

1. **Sen. (Dr.) Oburu Oginga, MGH, MP (CHAIRPERSON)**
2. Sen. William Kisang' Kipkemoi, CBS, MP
3. Sen. (Dr.) Boni Khalwale, CBS, MP
4. Sen. Ledama Olekina, CBS, MP
5. Sen. James Lomenen Ekomwa, CBS, MP
6. Sen. (Dr.) Danson Buya Mungatana, MGH, MP
7. Sen. Veronica Maina, CBS, MP
8. Sen. Beatrice Akinyi Ogola, MP

B. THE NATIONAL ASSEMBLY

1. **The Hon. David Gikaria, CBS, MP (CHAIRPESRSON)**
2. The Hon. Lemanken Aramat, CBS, MP
3. The Hon. Charles Gimose, M.P
4. The Hon Elisha Odhiambo, M.P
5. The Hon. Walter Owino, M.P.
6. The Hon. Tom Mboya Odege, M.P
7. The Hon. Victor Koech Kipngetich, M.P.
8. The Hon Samuel Gonzi Rai, M.P
9. The Hon Cecilia Asinyen Ngitit, M.P
10. The Hon. Barongo Nolfason Obadiah, M.P
11. The Hon. Siyad Amina Udgoon, MP
12. The Hon. Julius Musili Mawathe, M.P.
13. The Hon. Simon King'ara, M.P
14. The. Hon. George Omwera Aladwa, M.P
15. The Hon. Geoffrey Ekesa Mulanya, M.P

ABSENT WITH APOLOGY

THE SENATE

1. Sen. Edwin Watenya Sifuna, CBS, MP

SECRETARIAT

1. Dr. Christine Sagini	Senior Clerk Assistant
2. Mr. Fredrick Otieno	Clerk Assistant I
3. Ms. Grace Wahu	Clerk Assistant II
4. Mr. Salim Athuman	Clerk Assistant III
5. Ms. Mary Waqo	Clerk Assistant III
6. Ms. Brigitta Mati	Senior Legal Counsel
7. Ms. Zainab Jarma	Legal Counsel II
8. Mr. Abdirahman Gorod	Senior Fiscal Analyst
9. Ms. Nancy Mulei	Research Officer III
10. Mr. Anthony Wamae	Serjeant-at-Arms
11. Mr. Washington Otiato	Media Relations Officer II
12. Mr. Ambrose Nguti	Media Relation Officer II

13. Mr. Joseph Lekisima	Fiscal Analyst II
14. Mr. Brian Njeru	Fiscal Analyst II
15. Ms. Judith Aoka	Audio Officer
16. Ms. Rehema Koech	Hansard Officer
17. Mr. Ronny Nyagah	Public Relations Officer
18. Ms. Christine Sabduo	Office Assistant
19. Ms. Caroline Mati	Office Assistant
20. Ms. Anjela Mariana	Intern

SENATE/NA/JOINT/ENERGY/NO.142/2026: PRELIMINARIES

The meeting was called to order at 9.45 a.m and commenced with a prayer by the Session Chair Sen. William Kisang' Kipkemoi, CBS, MP.

SENATE/NA/JOINT/ENERGY/NO.143/2026: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by the Beatrice Akinyi Ogola, MP, and seconded by Sen. (Dr.) Danson Buya Mungatana, MGH, MP as follows-

AGENDA

1. Prayers
2. Preliminaries
3. Adoption of the Agenda
4. Confirmation of Minutes of the previous sittings
5. Consideration and Adoption of the Report on the Field Development Plan and Production Sharing Contracts for Blocks T6 And T7 in South Lokichar Basin, Turkana County.
6. Any other Business; and
7. Adjournment/ Date of the next meeting.

SEN/NA/JOINT/ENERGY/NO. 144/2026: CONFIRMATION OF MINUTES OF THE PREVIOUS SITTING

The following Minutes were confirmed as true records of the Committee proceedings; -

1. Minutes of the 1st sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Sen. (Dr.) Danson Buya Mungatana, MGH, MP

2. Minutes of the 2nd sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. Beatrice Ogola, MP and seconded by Hon. Tom Odege, MP

3. Minutes of the 3rd sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. Beatrice Ogola, MP and seconded by Hon. Elisha Odhiambo, MP

4. Minutes of the 4th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Elisha Odhiambo, MP and seconded by Sen. Beatrice Ogola, MP

5. Minutes of the 5th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. Beatrice Ogola, MP and seconded by Hon. Elisha Odhiambo, MP

6. Minutes of the 6th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Lemanken Aramat, MP and seconded by Hon. Elisha Odhiambo, MP

7. Minutes of the 7th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. Beatrice Ogola, MP and seconded by Hon. Elisha Odhiambo, MP

8. Minutes of the 8th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. (Dr.) Danson Buya Mungatana, MGH, MP and seconded by Hon. Tom Odege, MP

9. Minutes of the 9th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. (Dr.) Danson Buya Mungatana, MGH, MP and seconded by Hon. Charles Gimose, MP

10. Minutes of the 10th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Hon. Charles Gimose, MP

11. Minutes of the 11th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Hon. Charles Gimose, MP

12. Minutes of the 12th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Hon. Charles Gimose, MP

13. Minutes of the 13th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Hon. Charles Gimose, MP

14. Minutes of the 14th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Sen. (Dr.) Danson Buya Mungatana, MGH, MP

15. Minutes of the 15th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. (Dr.) Danson Buya Mungatana, MGH, MP and seconded by Hon. Tom Odege, MP

16. Minutes of the 16th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. James Lomenen Ekomwa, CBS, MP and seconded by Hon. Tom Odege, MP

17. Minutes of the 17th sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Tom Odege, MP and seconded by Sen. (Dr.) Danson Buya Mungatana, MGH, MP

18. Minutes of the 18th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. Beatrice Ogola, MP and seconded by Hon. Elisha Odhiambo, MP

19. Minutes of the 19th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. (Dr.) Danson Buya Mungatana, MGH, MP and seconded by Hon. Walter Owino, MP

20. Minutes of the 20th sitting were confirmed as a true reflection of the proceedings having being proposed by Sen. Beatrice Ogola, MP and seconded by Hon. Tom Odege, MP

21. Minutes of the 21st sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Elisha Odhiambo, MP

22. Minutes of the 22nd sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Sen. (Dr.) Danson Buya Mungatana, MGH, MP

23. Minutes of the 23rd sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Sen. Beatrice Ogola, MP

24. Minutes of the 23rd sitting were confirmed as a true reflection of the proceedings having being proposed by Hon. Gonzi Rai, MP and seconded by Hon. Victor Koech, MP

SEN/NA/JOINT/ENE/NO. 145/2026 **CONSIDERATION AND ADOPTION OF THE REPORT ON THE FIELD DEVELOPMENT PLAN AND PRODUCTION SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY.**

The Joint Committee considered and unanimously adopted the report on Production Sharing Contracts and Field Development Plan for Blocks T6 and T7 in South Lokichar Basin, Turkana County and made the following observations and recommendations having been proposed by **Sen. William Kisang' Kipkemoi, CBS, MP** and **seconded by the Hon. Lemanken Aramat, CBS, MP**: -

1. COMMITTEE OBSERVATIONS

Arising from the public hearings, deliberations with the stakeholders and analysis of the submissions, the Joint Committee made the following pertinent observations:

1.1 Observations on Compliance and Public Participation

Compliance with the requirements under sections 30 and 31 of the Petroleum Act

1. The Joint Committee noted that section 30 (2) of the Act provides the requirements of a Field Development Plan. The Joint Committee observed that in compliance section 30(2) of the Petroleum Act (Cap. 308) with the field development plan for a commercial field, the Plan submitted:

   (a) contains a comprehensive statement on the proposals for the development of and production from the field (pages 22, 23, 24, 25, 195, 203 and 220); (b) does not contain an express statement on the assessment of whether the development of and production from the field should be subject to unitization or joint upstream petroleum operations in accordance with the provisions of the Act, however, the Joint Committee noted that there is a statement indicating the development area is a *de facto* unitization as the blocks are

being managed by one contractor,; (c) contains a comprehensive statement on an assessment of how to coordinate upstream petroleum operations with other contractors, including the joint use of facilities subject to this Act and any other applicable law (pages 23, 24, and 239); and (d) contains a comprehensive statement on proposals relating to the spacing, drilling and completion of wells and the facilities required for the production of petroleum including: (i) contains a comprehensive statement on the estimated number, size and production capacity of production platforms, if any; (pages 23, 24, and 239), (ii) contains a comprehensive statement on the estimated number of production wells (pages 23, and 226); (iii) contains a comprehensive statement on the particulars of production equipment and facilities (pages 23, 24, and 239); and (iv) contains a comprehensive statement on the particulars of feasible alternatives for transportation of petroleum including pipelines; and any other relevant information and data (pages 23, 24, and 239). (e) contains statements on relevant information and data, that is, Environmental & Social Governance (Section 10, page 253 onward), Land and resettlement framework (page 282 under Host Government Enablers), Economic analysis and revenue split (Section 12, page 271 onward) and Profit oil split (Table 13-1, page 285).

The Joint Committee observed that on 13th February, 2026, the Solicitor General appeared before the Joint Committee and stated that the office of the Attorney General considered the FDP laid before parliament is sound.

The Joint Committee further observed that the Cabinet Secretary approved the Field Development Plan on 5th November 2025 and submitted to Parliament for ratification on 27th November 2025 within the thirty days stipulated in section 31(1) of the Petroleum Act and Article 71 of the Constitution.

Public Participation

2. The Joint Committee noted that submissions from: Centrina Ngene, Justus Atuti, Akide Professionals Association, PWD Professionals Association, TCSC (Turkana Civil Society Consortium), Lochwaa Community Land Management Committee, and Sammy Sisungo, Public Participants Magongo Stadium in Mombasa, raised concerns on: public participation was not going to be meaningful due to compressed timelines, lack of accessible formats of the agreements and the field development plan, dissenting voices would be ignored, key documents were not disclosed in advance and there was insufficient opportunity for stakeholders to fully consider the Production Sharing Contracts and the Field Development Plan.

The Joint Committee analysed the submissions and the law and observed that pursuant to the provisions of Article 118 of the Constitution and Section 31(3) of the Petroleum Act Cap. 308, the Joint Committee was required to facilitate public participation and make appropriate recommendations to the Houses on the Field Development Plan and Production Sharing Contracts. Accordingly, an advertisement was placed in newspapers on Saturday, 29th November 2025 by the National Assembly and on Thursday, 18th December 2025 by the Senate notifying members of the public that there would be public participation on the Field Development Plan and Production Sharing Contracts. The Joint Committee received memoranda between Monday 22nd December 2025 and Friday, 16th January 2026. Thereafter, the Joint Committee identified and held public hearings between 12th January and 6th February, 2026 in six (6) counties that are expected to experience direct and significant impacts from the implementation of the South Lokichar Basin Field

Development Plan (FDP) and the associated Production Sharing Contracts (PSCs), namely: Turkana, West Pokot, Uasin Gishu, Trans Nzoia, Lamu and Mombasa Counties.

Further to the foregoing, on 9th February 2026, the Committee received submissions from petroleum experts drawn from the upstream, midstream and downstream segments of the industry, as well as academicians, engineers and policy specialists. A detailed schedule of the experts is attached to this Report as ***Annex 9.***

Additionally, during a retreat held at the Hilton Garden Inn from 9th to 16th February 2026, the Committee received presentations and submissions on the Field Development Plan (FDP) and the Production Sharing Contracts (PSCs) from key stakeholders, including the Ministry of Energy and Petroleum; the National Treasury and Economic Planning; the Ministry of Interior and National Administration; the Ministry of Roads and Transport; the Office of the Attorney General; the Ministry of Lands, Public Works, Housing and Urban Development; the Ministry of Water, Sanitation and Irrigation; the Ministry of Environment, Climate Change and Forestry; the Kenya Revenue Authority; the Central Bank of Kenya; the Office of the Auditor-General; the National Lands Commission; the National Environmental Management Authority; the Kenya Law Reform Commission; the Business Registration Service; and Gulf Energy BV.

The Joint Committee observed that section 31(2) and (3) of the Petroleum Act, Cap. 308 provides that Parliament must either ratify or refuse to ratify the production sharing contract and the field development plan after receiving the documents from the Cabinet Secretary within sixty days. Moreover, Parliament must conduct public participation within the sixty days designated under section 31(2).

In the circumstances, the Joint Committee observed that contrary to the submissions, public participation was meaningful within the compressed timelines provided under section 31(2) of the Petroleum Act.

Procedural Sequence

3. The Joint Committee noted that submissions from Lochwaa CLMC, TCSC, the County Government of Turkana and Justus Atuti raised concerns that ratification was premature, there was reliance on legacy ESIA, there was an unclear approval sequence, there was lack of due diligence disclosure, and approval before full community sensitization of the contents of the the Field Development Plan and the Production Sharing Contracts.

4. The Joint Committee noted that submissions from Kenya National Highways Authority submitting in Trans Nzoia raised concerns that existing roads are narrow for heavy project trucks and narrow roads may increase accident risk.
The Joint Committee analysed the submissions, the law and observed that sections 30 and 31 of the Petroleum Act provide that a Field Development Plan must be reviewed by EPRA and approved by the Cabinet Secretary before being submitted to Parliament together with the Production Sharing Contracts for ratification, and that no production or exploitation rights may be exercised until Parliament completes the ratification process. Also the ESIA was passed from Tullow to Gulf Energy pursuant to section 128 (2) of the Petroleum Act (savings and transition)

Disclosure of PSC Amendments

5. The Joint Committee noted that susbmissions from Sammy Sisungo, Islim Shikunyi Imran, Miriam Osogo, Centrina Ngene, Justus Atuti, Trans Nzoia Turkana Community Diaspora and County Government of Turkana raised concerns relating to transparency, particularly the limited disclosure of amendments to the Production Sharing Contracts, including changes to cost recovery ceilings, capital expenditure definitions, and altered or deleted clauses, including increase of recoverable cost from 55% to 85%, reclassification of operational costs as capital expenditure, lack of disclosure of amendments and lack of clarity on selection of Gulf Energy which constrained effective parliamentary and public scrutiny.

   The Joint Committee analysed the submissions, the law and observed that amendments to the Production Sharing Contracts were incorporated in accordance with the terms of the original Production Sharing Contracts signed on 17th September 2008 and complied with the requirements of section 9 of the Petroleum (Exploration and Production) Act, Cap. 308 and saved under section 128(2) (a) and (f) of the Petroleum Act, 2019.

Ownership and Control

6. The Joint Committee noted that submissions Sammy Sisungo, Islim Shikunyi Imran, Miriam Osogo; Centrina Ngene, Justus Atuti, and Turkana Council of Elders raised concerns relating to rapid changes in ownership and control of the operating company, with concerns that insufficient disclosure of beneficial ownership may expose the agreements to governance, integrity, and compliance risks under Kenyan law.

   The Joint Committee analysed the submissions, the law and observed that on 24th November, 2025, the Government of the Republic of Kenya signed an addendum with Gulf Energy E&P BV. On July 21, 2025, Tullow Overseas Holding BV, a wholly owned subsidiary of Tullow Oil plc (Tullow) and Auron Energy E&P Limited, an affiliate of Gulf Energy Limited (GEL), signed a sale and purchase agreement for the purchase of Tullow Kenya B.V. (TKBV). The effect of the transaction was that Tullow Overseas Holdings BV gave the subsidiary Gulf Energy E&P BV a 100% interest in each of the said Block 10BB and Block 13T PSCs. Gulf Energy E&P BV holds a 100% interest in each of the said Block 10BB and Block 13T PSCs.

Compulsory Land Acquisition

7. The Joint Committee noted that submissions from Turkana Host Community, Maj. Dr. Ekiru Kidalio, Kapese CLMC, Nakukulas & Kapese CLMC, Turkana Council of Elders, Akide Professionals Association, Members of Uasin Gishu Civil Society, Mr. Yahya Mohamed (Lamu), Mr. Ahmed Famau(Lamu), Ms. Amina Amina Hamisi(Lamu), Ms. Angelina Ndusya (Lamu), Mr. Mohamed Rajab(Lamu), and Ms. Magdaline Njeri (Lamu) expressed concerns relating to land access and tenure issues featured prominently, with concerns that reliance on compulsory land acquisition for petroleum activities may conflict with the legal distinction between acquisition for public purpose and commercial resource development, objected to compulsory acquisition for business use, preference for lease model, permanent loss of communal land, inadequate compensation and disruption of pastoral livelihoods.

The Joint Committee analysed the submissions, the law and observed that section 116 of the Petroleum Act contains detailed provisions regulating compulsory acquisition and protects the rights of an owner or an occupier by providing that where the contractor or licensee fails to pay compensation when demanded, or if the owner or occupier is dissatisfied with the amount of compensation offered to him, the owner or occupier may, within six months of the date on which the demand or offer is made, take proceedings before a court of competent jurisdiction for the determination and recovery of compensation.

Community Land Registration

8. The Joint Committee noted that submissions from County Government of Turkana, Maj. Dr. Ekiru Kidalio and the Local Community submitting in Turkana raised concern that uncertainty exists regarding the registration status of community land within the project area, which may affect the legality of consent, valuation, compensation, and access arrangements required for implementation of the Field Development Plan exacerbating the risk to community land due to weak implementation of Community Land Act, and the need for registration and protection of grazing corridors.

*The Joint Committee analysed the submissions, the law and observed that that section 108 of the **Petroleum Act** recognises community land and provides for compensation and access regardless of registration status, while land registration and titling processes remain governed by land laws and do not invalidate petroleum approvals granted under national legislation.*

In addition, the Joint Committee observed that contrary to the submission that the project posses a risk to community land due to weak implementation of Community Land Act, section 116(2) of the Petroleum Act provides that where a contractor or licensee intends to enter upon any land for the purposes of conducting petroleum operations, access to such lands shall be governed pursuant to the provisions of the Constitution and the relevant land laws.

Land Valuation

9. The Joint Committee noted that submissions from Akide Professionals Association, Turkana Council of Elders, and Nakukulas & Kapese CLMC, expressed concerns whether existing land valuation frameworks adequately reflect the legal, economic, and livelihood value of pastoral and communal land, including grazing corridors and water access, thereby increasing the risk of compensation disputes, whether Compensation based on market value not livelihood value, lack of culturally informed valuation, and no clarity on payment mechanisms.

The Joint Committee analysed the submissions, the law and observed that section 116 of the Petroleum Act contains detailed provisions regulating compulsory acquisition and protects the rights of an owner or an occupier by providing that where the owner or occupier is dissatisfied with the amount of compensation offered to him, the owner or occupier may, within six months of the date on which the demand or offer is made, take proceedings before a court of competent jurisdiction for the determination and recovery of compensation.

Benefit Sharing

10. The Joint Committee observed that submissions from Village Elder Francis Alenyon, Turkana Council of Elders, Akide Professionals Association, County Government of Turkana, Centrina Ngene, Ms. Basra Ahmed (Lamu), Mr. Badi Nasiri (Lamu) and North Rift Water Works Development Agency submitting in West Pokot, raised concerns, regarding the clarity and enforceability of statutory benefit-sharing arrangements, particularly on how community and county shares would be calculated, managed, and safeguarded through legally recognised governance structures, 5 percent community share excludes West Pokot County and women should benefit from project opportunities.

    The Joint Committee analysed the submissions, the law and observed that section 58 as read with section 127(aa) of the Petroleum Act, establishes a statutory framework for revenue sharing between the national government, county governments, and local communities, provides that the Cabinets Secretary responsible for petroleum shall enact regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted, and, that Parliament shall review the percentages under this section within ten years.

Administration of Community Revenues

11. The Joint Committee noted that submissions from Turkana Host Community, Maj. Dr. Ekiru Kidalio, Turkana Council of Elders, County Government of Turkana and North Rift Water Works Development Agency submitting in West Pokot expressed concern on the absence of a clearly defined legal framework for the administration of community petroleum revenues, creating risks of mismanagement, elite capture, and accountability disputes, there being no clear legal structure for receiving and managing funds, the need for a proposal for Host Community Development Trust Fund and lack of the framework to enable counties to agree on sharing of benefits.

    The Joint Committee analysed the submissions, the law and observed that section 58 as read with section 127(aa) of the Petroleum Act, establishes a statutory framework for revenue sharing between the national government, county governments, and local communities, provides that the Cabinets Secretary responsible for petroleum shall enact regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted.

Local Content

12. The Joint Committee noted that submissions from Governor Abdullswamad Sheriff Nassir from Mombasa County, Sammy Sisungo, Islim Shikunyi Imran, Miriam Osogo, Centrina Ngene, Justus Atuti, TUCODTA, Aroo Drivers Association, PWD Professionals Association, Nakukulas & Kapese CLMC, County Government of Turkana, Akide Professionals Association, Mr. Cyrus Letting (Uasin Gishu), Mr. Barno (Uasin Gishu), Mr. Korir Kennedy, (Uasin Gishu), Mr. Korir Kiprono (Uasin Gishu), Ms. Salama Shafii(Lamu), Ms. Amina Amina Hamisi (Lamu), Ms. Angelina Ndusya (Lamu), Ms. Basra Ahmed(Lamu), and Mr. Badi Nasiri (Lamu) relayed concerns on: the enforceability of local content obligations under the Production Sharing Contracts and the Field Development Plan, with concerns that exemptions and broadly framed provisions may undermine compliance with the Petroleum Act and related legislation, including,

exemption from local content laws, lack of binding quotas, low local employment, weak procurement transparency, and, the need for a training fund and an implementation plan.

The Joint Committee analysed the submissions, the law and observed that sections 50, 51 and 52 of the Petroleum Act impose mandatory local content, training, and technology transfer obligations, which are monitored and enforced by the relevant authorities independently of parliamentary ratification. In addition, the Joint Committee observed that there was a Local Content Plan (LCP) attached as Appendix F, Section 19 of the Field Development Plan for the South Lokichar Field Development Plan. The LCP is prepared in accordance with the requirements of the Petroleum Act (2019). This LCP sets out the ***principles, framework, and implementation mechanisms*** *that will guide the integration of local content throughout the life cycle of the Project. It outlines an approach to creating opportunities for Kenyan participation while ensuring alignment with national legislation, draft Local Content Regulations (2025), and international industry standards.*

National and County Laws

13. The Joint Committee observed that submissions from the County Government of Turkana, Justus Atuti; Centrina Ngene, and Sammy Sisungo outlined concerns on: potential inconsistencies were identified between national petroleum instruments and county-level local content legislation, creating legal uncertainty regarding applicable standards and institutional mandates, questioned legality of PSC Addendum, observed the need to align with Constitution and Petroleum Act, noted that the county is sidelined in oversight and the is need for compliance with procurement law.

The Joint Committee analysed the submissions, the law and observed that petroleum operations are governed by national legislation pursuant to Article 71 of the Constitution, and any conflict with county legislation is resolved through constitutional hierarchy and intergovernmental coordination mechanisms under Article 191 of the Constitution. Furthermore, The Joint Committee analysed the submissions, the law and observed that section 127(aa) of the Petroleum Act provides that the Cabinet Secretary responsible for petroleum shall enact regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted.

Environmental Compliance

14. The Joint Committee noted that submissions from Nakukulas & Kapese CLMC, Lochwaa CLMC, the County Government of Turkana, Akide Professionals Association the Turkana Council of Elders, Mr. Cyrus Letting(Uasin Gishu), Mr. Barno (Uasin Gishu), Mr. Korir Kennedy, (Uasin Gishu), Mr. Korir Kiprono (Uasin Gishu)Mr. Yahya Mohamed (Lamu), Mr. Mohamed Rajab (Lamu), highlighted serious environmental compliance concerns, including whether existing Environmental and Social Impact Assessments adequately address cumulative impacts, hazardous waste management, water contamination risks, gas flaring, and unresolved legacy environmental liabilities.

The Joint Committee analysed the submissions, the law and observed that environmental licensing and compliance are governed by EMCA and administered by NEMA, and that an ESIA licence has been issued for the project in accordance with section 64 of EMCA, with legal provision for variation, monitoring, and enforcement where project designs change. In addition, the Joint Committee noted that under Chapter 10.1 of the Field Development Plan contains a statement indicating that an environmental and social impact assessment

(ESIA) report has been prepared to meet the requirements of the Environmental Management and Coordination (Impact Assessment and Audit) Regulations (2003, as amended). In addition, the Project has been designed and will manage its activities with good industry practice.

Access to Environmental Information

15. The Joint Committee noted that submissions from Trans Nzoia Turkana Community Diaspora, Lochwaa CLMC, Akide Professionals Association, PWD Professionals Association, Centrina Ngene and Brian Kipchumba Maiyo raised concerns on: the legal adequacy of environmental safeguards in the absence of updated, publicly accessible environmental assessments and independent monitoring mechanisms, the ESIA not being publicly disclosed, the lack of accessible formats of documents, no public emissions reporting, and Environmental Social Management Plan not shared

The Joint Committee analysed the submissions, the law and observed that the public and stakeholders can access environmental information and compliance monitoring by accessing the Field Development Plan that contains information under Chapter 9 of the Environmental & Social Management Plan (ESMP) for implementation of ESIA commitments and mitigations for the upstream project component.

Decommissioning

16. The Joint Committee observed that the submissions from stakeholders from Trans Nzoia County, Lochwaa CLMC, Nakukulas & Kapese CLMC, and the County Government of Turkana raised concerns on: absence of clearly secured decommissioning, rehabilitation, and land restoration arrangements that presents a legal risk regarding long-term environmental liability, no ring-fenced decommissioning fund, and, no restoration guarantee and ecological debt shifted to future generations.

The Joint Committee analysed the submissions, the law and observed that section 39 of the Petroleum Act provides that a contractor shall submit a field decommissioning plan to the Authority before a production permit to install and operate the facilities is issued. Section 32 of the Petroleum Act provides that a contractor shall submit a field decommissioning plan to the Authority before a production permit to install and operate the facilities is issued after a field development plan is approved by the Cabinet Secretary. Consequently, a decommissioning plan is not required at the point of ratifying a field development plan under section 30 of the Petroleum Act.

Gas management

17. The Joint Committee observed that submissions from the County Government of Lamu, Nakukulas & Kapese CLMC, County Government of Turkana, and Turkana Council of Elders raised concerns regarding the lack of clear legal provisions on gas ownership, quantification, utilisation, flaring controls, no zero routine flaring commitment, no gas reinjection or gas to power plan, and, no emissions baseline data within the Field Development Plan.

The Joint Committee analysed the submissions, the law and observed that sections 34(Natural gas) and 62(Venting and flaring of oil and natural gas) of the Petroleum Act regulate natural gas utilisation and restrict flaring except with approval, with regulatory oversight vested in EPRA and the Cabinet Secretary. Further, Chapter 9 of the Field

Development Plan includes an Environmental & Social Management Plan (ESMP), the Emergency Preparedness and Response Plan, Procurement Procedure to ensure that procurement of equipment, materials, chemicals and services (including labour) meet the Operator's environmental and social requirements, and the Environmental Incident Reporting Procedure that ensures that all non-conformances, incidents and near misses must be investigated to a level commensurate with the potential risk or outcome, to include lessons learnt and improvement recommendations.

Climate Obligations

18. The Committee noted that submissions from Lochwaa CLMC, Nakukulas & Kapese CLMC, County and the Government of Turkana raised concerns climate-related legal obligations were not clearly articulated as binding requirements within the Field Development Plan.

The Joint Committee analysed the submissions, the law and observed that petroleum operations remain subject to national climate and environmental laws, and the Petroleum Act does not require separate climate instruments as a precondition for ratification under section 30 of the Petroleum Act, Cap 308.

Transparency and Reporting

19. The Joint Committee observed submissions from Sammy Sisungo, Justus Atuti, Centrina Ngene, County Government of Turkana, Trans Nzoia Turkana Community Diaspora and Turkana Council of Elders raised concerns that oversight and accountability mechanisms, including independent metering and public access to production data, no disclosure of fiscal terms, no revenue reporting clarity, lack of independent oversight, and need for publication of key documents were perceived as insufficiently defined.

The Joint Committee analysed the submissions, the law and observed that section 119 of the Petroleum Act provides that the Cabinet Secretary shall develop a framework for reporting, transparency and accountability in the upstream petroleum sector, which includes the publication of all petroleum agreements, records, annual accounts and reports of revenues, fees, taxes, royalties and other charges, as well as, any other relevant data and information that support payments made by the contractor and payments received by the national government, county governments and local communities. Consequently, a framework for reporting, transparency and accountability in the upstream petroleum sector is not required at the point of ratifying a field development plan under section 30 of the Petroleum Act.

Grievance Redress

20. The Joint Committee noted from the submissions of the Kenya National Chamber of Commerce and Industry, Nakukulas & Kapese CLMC, PWD Professionals Association, Aroo Drivers Association, Trans Nzoia Turkana Community Diaspora, Mr. Yahya Mohamed (Lamu), and, Akide Professionals Association concerns that there is no independent grievance mechanism, there is lack of community oversight and there is need for accessible and structured dispute resolution system and the absence of clearly established grievance redress and dispute resolution mechanisms accessible to affected communities raises legal risks.

The Joint Committee analysed the submissions, the law and observed that section 117 of the Petroleum Act provides that all disputes between parties to a petroleum agreement arising from upstream petroleum operations shall be resolved through alternative dispute resolution mechanisms in the first instance as may be provided for in by the petroleum agreement, other disputes arising from an upstream regulated function under this Act shall be referred to the EPRA for determination in the first instance, and , any person who is dissatisfied with the decision of the Authority or as provided by the Agreement, may appeal to the Tribunal. Further the Field development Plan in 10.9 provides for a Stakeholder Engagement & Grievance Management and a stakeholder engagement plan that constitutes a grievance resolution process.

Delimitation of Boundaries

21. The Joint Committee noted from the submissions that there were concerns that since the discovery of oil in Turkana, administrative boundaries within the county have been reviewed, including the creation or reconfiguration of sub-counties. This creates a serious issue for revenue sharing because the Petroleum Act ties entitlement specifically to sub-county boundaries. The Joint Committee observed that the definition of local community under the Petroleum Act *means a people living in a sub-county within which a petroleum resource under this Act is situated and are affected by the exploitation of that petroleum resource*. Further section 127 tasks the Cabinet Secretary responsible for Petroleum to make regulations to govern the interests of the County Governments and local communities where upstream petroleum operations are being conducted. In this case, issues dealing with share revenue to local communities ought to be considered under regulations.

In the alternative, the Joint Committee observed that the National Government Coordination Act, Cap. 127 recognises the constituency as a national government service delivery unit. Section 14 of the Act provides "all the constituencies established under Article 89 of the Constitution are hereby recognized and established as national government service delivery units." In this case, the Petroleum Act, Cap. 308 may be amended in the definition of local community to mean a people living in a constituency within which a petroleum resource under this Act is situated and are affected by the exploitation of that petroleum resource. The proposed amendment will provide certainty of the persons who are to benefit from the petroleum resource.

Constitution of the National Land Commission

22. The Joint Committee noted from the submissions of the Secretariat of the National Land Commission was yet to be constituted as the Commissioners were yet to be appointed in Office. The Secretariat of the National Land Commission submitted that all budgets and expenditure that relate to compensation of project affected persons were approved before the termination of the term of the previous Commission and the Secretariat to the Commission was in a position to implement all programmes relating to implementation of the compensation of project affected persons by the implementation of the Field Development Plan.

1.2 Observations from the Analysis of the Field Development Plan and Production Sharing Contracts and Submissions from Stakeholders

23. **Petroleum Development and the PSC Framework:** The Joint Committee observed that the development of the petroleum resources, especially in the Lokichar Basin, presents a

strategic opportunity for the Country to utilize opportunities in the oil and gas sector and diversify the country's economy. The Joint Committee further noted that previous efforts to secure development partners were not successful due to various factors, mainly on account of financing availability and resource dynamics. Moreover, under the Production Sharing Contract (PSC) framework, the State maintains its ownership of the resource and provides stewardship of the petroleum resources, while the Contractor will provide the necessary capital and technical capacity to enable and facilitate commercial production.

24. **The Projected Oil Production Profile:** The Joint Committee observed that the Field Development Plan (FDP) proposes a phased production profile comprising a two-phase development approach, with Phase I covering the period 2026 to 2031 and Phase II spanning 2032 to 2050. Peak crude oil production is projected at approximately 20,000 barrels per day during Phase I and 50,000 barrels per day during Phase II. The Joint Committee further noted that the production levels will be maintained at about 30,000 barrels per day from 2042 towards the remainder of the licence period. With regards to recoverable oil resources, the Joint Committee observed that the Stock Tank Oil Initially in Place (STOIIP) has been estimated at a range of 1,192 - 1,952 - 3,419 million stock tank barrels (MMstb), with an estimated recovery of 326 million stock tank barrels (MMstb) over the project life, with other scenarios indicating higher recoverable possibilities.

25. **Production Facilities and Related Costs:** To achieve the projected production volumes, the Joint Committee observed that the Contractor intends to deploy Early Production Facilities in the initial year of operations, that is, 2026, within the Lokichar Basin (Ngamia and Amosing oil fields) to realise first oil. This will subsequently be followed by the establishment of a Central Processing Facility in 2032 to support increased production during Phase II. The Committee further noted that the estimated Capital Expenditure (CAPEX) amounts to approximately KShs 35.28 billion (USD 271.40 million) in Phase I, rising significantly to about KShs 717.94 billion (USD 5.52 billion) in Phase II, resulting in a total projected CAPEX of approximately KShs 753.22 billion (USD 5.79 billion). In addition, the projected Operational Expenditure (OPEX) over the project life is estimated at approximately KShs 131.86 billion (USD 1.014 billion) in Phase I and KShs 937.56 billion (USD 7.212 billion) in Phase II, bringing the total OPEX to about KShs 1.069 trillion (USD 8.226 billion).

26. **Midstream component of the project and associated costs:** The Joint Committee noted that the midstream logistics include trucking and rail evacuation of crude oil. Moreover, the contractor prioritizes trucking by road in Phase I, with plans to utilize rail transportation in Phase II, expected to commence in 2032, strongly signalling the National Government to prioritize extending the rail network to Turkana County, including last-mile rail connections to storage and export zones. In this regard, the Joint Committee noted the need for the National Government to prioritise this extension of the railway infrastructure to Lokichar.

27. **Considerations on the Lokichar - Lamu Oil Pipeline and Refinery Infrastructure:** The Joint Committee noted the decision of the Government to formally defer the Lokichar - Lamu Crude Oil Pipeline project. The deferment is premised on economic viability and requirements of higher throughput volumes as earlier envisaged in previous ministerial plans. Given the potential of the pipeline in the future, including its comparative advantage in regional infrastructure, it remains a medium to long term priority. On the refinery

component, the Joint Committee was further informed that international benchmarks indicate that for an inland refinery to be commercially competitive, it would require higher volumes and the need to mobilize significant capital. Going forward, the Joint Committee noted the possibility of private sector investment in refinery infrastructure, especially in key Special Economic Zones like Dongo Kundu in Mombasa, Lamu, and other parts of the Country including the production area. This could further accrue benefits to the country, including employment opportunities through value addition in crude oil production.

28. **Oil Cost Recovery Ceilings and Cost Recovery Incentives:** The Joint Committee noted that the Ministry had submitted a harmonised cost recovery ceiling of 85% for both Blocks, up from the previous thresholds of 55% for Block T6 (formerly Block 10BB) and 65% for Block T7 (formerly Block 13T). The Committee observed that cost recovery is a central component in the negotiation of Production Sharing Contracts (PSCs) with potential contractors, taking into account the need for government support to actualize huge projects in the extractive sector. Cost recovery framework also considers critical fiscal considerations such as risks inherent in huge projects, national fiscal interests, and the need to attract private sector and foreign investment for capital-intensive projects such as oil exploration and development, which carry higher risk when compared to other projects in the extractive sector like gold mining. The Joint Committee further observed that an increased cost recovery ceiling provides an opportunity for reasonable cost recovery, which would enhance project bankability, particularly for debt-financed projects. In addition, the Joint Committee noted that a robust cost audit and verification framework is equally important. In this regard, the Committee emphasised the need to guard against potential inflation of capital expenditure (gold plating) and ineligible or unnecessary costs to protect the Government's fiscal interests.

29. **Comparative Cost Recovery Ceilings and Project Competitiveness:** The Committee observed that cost recovery ceilings on a comparative basis vary across jurisdictions, with examples including Niger (70%), Angola and Cameroon (85%), and Ghana (100%). In relation to the cost recovery framework, the Committee observed that the FDP provides for the recovery of various cost categories as agreed by the parties as follows: production costs, development costs, exploration and appraisal costs, and decommissioning costs, among others, as provided in the PSCs.

30. **Project Economics and Revenue Sharing:** The Joint Committee observed that pursuant to Section 57(1) of the Petroleum Act, 2019, profits derived from upstream petroleum operations are to be shared between the Contractor and the National Government in accordance with the applicable petroleum agreement. In this case, the share of oil profit between the government and the Contractor is proposed to be on a 50/50 percent sharing basis at between 0 and 20,000 barrels of oil per day and 60/40 percent sharing basis in favour of the government at between 20,001 and 50,000 daily production levels. This sharing framework increases the government's share to 70% upon production levels reaching above 100,000 and subsequently to 75% above 150,000 daily production levels. In respect to the share of the National Government, section 58 provides for the distribution of the profits as follows: 75% for the National Government, 20% for the County Government, and 5% for the local community

31. Further, the Joint Committee noted that the estimated gross revenue projections over the project life amount to approximately KShs 2.32 trillion (USD 17.84 billion), subject to

crude oil production performance, including the possibility of higher volumes being achieved during the life of the project. Of this amount, the cost of oil and transportation costs are estimated at approximately KShs 1.27 trillion (USD 9.79 billion) and KShs 821.10 billion (USD 6.32 billion), respectively. Consequently, the resulting profit oil is to be shared among the parties in accordance with the PSCs. Moreover, the Committee observed that these projections are underpinned by a set of key assumptions, including factoring in the foreign exchange rate of USD 1 to KShs 130, an oil price benchmark of USD 60 per barrel with a crude quality discount of USD 3.5 per barrel referenced to the Brent index, and zero cost inflation per annum, among others. In this regard, the Joint Committee noted with caution that exchange rate volatility presents a material risk which, if not properly managed, could significantly affect overall project revenues and the Government's fiscal returns.

32. **Indirect Revenues and Related Commercial Arrangements:** In addition to direct petroleum revenues, the Joint Committee noted that the country is expected to benefit from indirect revenues arising from midstream, logistics, and export-related services. In particular, the Joint Committee observed that Kenya Petroleum Refineries Limited is projected to earn approximately KShs 42.3 billion (USD 325 million) from crude oil storage and handling services, while Kenya Ports Authority is expected to generate approximately KShs 41.9 billion (USD 322 million) through operations associated with the New Kipevu Oil Jetty. The Joint Committee further observed that additional fiscal benefits are anticipated through increased revenues from electricity and water consumption, auxiliary services, and Road Maintenance Levy collections linked to project logistics and operations.

    Moreover, the National Treasury estimates that about 34% of the total project Capital Expenditure (CAPEX) of USD 5.794 billion (or approximately KSh 753.22 billion) and 93% of the estimated project Operating Expenditure (OPEX) of USD 8.226 billion (or approximately KSh 1.069 trillion) is expected to be spent locally. In addition to capital investments, project operations are anticipated to generate over 3,000 direct, indirect, and induced employment opportunities over the project life cycle. Communities along the project corridor will also benefit from improved market access, infrastructure, and local business growth. The project's progression will open Kenya to increased foreign direct investment in the oil and gas value chain from international players.

33. **Fiscal Concessions and Tax Incentives:** The Joint Committee observed that the Field Development Plan (FDP) and Production Sharing Contracts (PSCs) propose various fiscal incentives for the Contractor, including exemptions from Value Added Tax (VAT), Withholding Tax (WHT), Import Declaration Fee (IDF), and Railway Development Levy (RDL). The Joint Committee noted that the project qualifies for exemptions from the RDL and IDF, as the investment exceeds KShs 5 billion, in accordance with the Second Schedule of the Miscellaneous Fees and Levies Act (Cap. 469C). The Joint Committee further observed that previous VAT exemptions under Block T6 and Block T7 PSCs lapsed in September 2018, and therefore, a Government decision is required to grant or extend VAT exemptions. Such fiscal support would help mitigate financing constraints affecting oil and gas exploration and development. The Joint Committee noted that the Contractor submitted that taxes increase overall development costs, thereby escalating project financing costs and other expenditures, which in turn affects the dynamics of recoverable costs.

In this regard, the Joint Committee observed that the National Treasury estimated the quantum amount of fiscal concessions sought under the FDP is approximately KShs 46.67 billion, covering upstream VAT, Withholding Tax, Railway Development Levy, and import duty. With regards to withholding tax, the National Treasury indicated that it is not a final tax and is meant to enhance compliance and improve visibility with expected reforms to streamline its application and efficacy from a compliance perspective. The Kenya Revenue Authority (KRA) submitted that it does not object to eligible exemptions, however KRA emphasized that such exemption regimes should be done in accordance with the applicable tax laws and with a view to enhancing transparency.

34. **Crude Oil Evacuation Strategy and Road Infrastructure Readiness:** The Joint Committee observed that the FDP proposes the export of crude oil via road trucking to Kenya Petroleum Refineries Limited in Mombasa during Phase I, utilising the currently proposed usable route covering a distance of approximately 1,104 kilometres. This route runs from the well pads in Lokichar through Kitale, Eldoret, Nakuru, Nairobi, and on to Mombasa, with approximately 75 per cent of the route comprising Class A roads under the management of Kenya National Highways Authority, which carry significant traffic volumes.

    The Committee further observed that there are two potential alternative routes, namely, the Amosing – Lokori – Kapedo – Kinyang – Marigat – Mogotio – Nakuru – Mombasa; and Amosing – Lokichar – Marich Pass – Sigor – Kinyang – Eldoret – Nakuru – Nairobi – Mombasa. In comparison to the current usable route, these alternative routes may save a distance of 129 KMs and 47 KMs, respectively.

    Comparatively, the Ministry of Roads and Transport also submitted two practical road evacuation scenarios with similar routes proposed in the FDP, such as the current usable route as one of the options. The other scenario is the Lokichar - Barpelo / Marich Pass / Baringo axis - Nakuru - Nairobi - Mombasa, which is operationally advantageous for petroleum haulage, with the potential to reduce dependency on the busy sections of the current usable road, as well as improve regional infrastructure connectivity in the region.

    The Joint Committee noted that the alternative routes require significant upgrades to meet safety and operational standards for crude oil transportation, and thus, the preference for the current usable route. In addition, the Ministry of Roads and Transport submitted plans to improve the status of alternative routes in the region at a cost of approximately KShs 26 billion, as submitted by the National Treasury

35. **Petroleum Revenue Fund and Governance:** The Joint Committee observed that the national government's share of petroleum revenues before the imposition of taxes shall be deposited into a dedicated petroleum fund, and managed in accordance with the Public Finance Management Act (Cap. 412A). The Committee further noted the need for the Cabinet Secretary responsible for Petroleum to fast-track regulations establishing the Fund. The Fund should provide for: the governance framework on receipts of petroleum proceeds and disbursements according to the outlined sharing framework between the National government, the relevant County government, and the local community, and ring-fencing of county allocations and use of the community share, among others. Additionally, the Joint Committee noted that there is a need for legislative intervention to provide for approvals, budget implementation, and oversight reporting.

36. **Audit Mechanisms Framework on Recoverable Cost:** The law mandates the Energy and Petroleum Regulatory Authority (EPRA) to undertake audits on recoverable costs incurred by the contractor as agreed by the parties in the Production Sharing Contracts. Additionally, the Office of the Auditor-General is mandated to audit the approved recoverable cost statements submitted to the Auditor-General by EPRA for an extra layer of audit assurance and risk mitigation. The Committee observed that EPRA has indicated that cost audits have been undertaken for Blocks T6 and T7 in 2018 for petroleum costs incurred in the periods from 2010-2016, in 2019 for petroleum costs incurred in the periods from 2017-2018, and in 2020 for petroleum costs incurred in the periods 2019-2020. Additionally, in November 2020, cost audits were undertaken for expenditures incurred in the Early Oil Pilot Scheme from 14th March 2017 to 31st December 2020. The committee further noted that EPRA had indicated that Contractor's cost recovery statements are audited against the approved Work Programme and Budget, supporting expenditure records, contracts, and quarterly submissions to ensure compliance with the Petroleum Agreement and applicable law. In this regard, the Joint Committee noted that there is need for EPRA to provide comprehensive and timely audits during the project lifecycle with a view to enhance cost recovery safeguards as required by the relevant law.

37. **Status of the Early Oil Pilot Scheme (EOPS):** The Joint Committee noted that there was an Early Oil Pilot Scheme that exported crude oil to the international market. The Ministry of Energy and Petroleum submitted that the volume of exported crude oil amounted to 414,777, generating a revenue of USD 28.34 million against an expenditure of USD 62.73 million, occasioning a loss/balance of USD 34.39 million, forming part of the cost incurred in exporting the oil in 2019 and 2022. The ministry indicated having met the threshold of the underlying objectives of the pilot phase, which includes meeting the technical requirements and the commercial potential of Kenyan crude oil in the international market. Additionally, the Committee noted that in November 2020, cost audits were undertaken for expenditures incurred in the Early Oil Pilot Scheme from 14th March 2017 to 31st December 2020.

38. **Macroeconomic Benefits and Potential Risks:** The Joint Committee noted that crude oil exports are beneficial to the country's macroeconomic outcomes by strengthening the overall balance of payment position, allowing the Central Bank to build up international reserves on account of external dollar receipts, and assisting in stabilization of the exchange rates, among other potential benefits. On the other hand, crude oil proceeds are based on a finite resource and often negatively affect less diversified economies upon depletion. It also carries potential risks to exchange rate dynamics if not managed well, negatively affecting key sectors like agriculture and manufacturing, a phenomenon commonly known as "Dutch Disease".The Joint Committee noted that structural fiscal rules and frameworks, such as enhancing savings, checking government spending based on well forecasted commodity prices by independent expert committees, may assist and contribute to lower macroeconomic volatility.

39. **Government Funded Enablers to support Oil Project and Associated Funding Estimates:** The Joint Committee observed that the implementation of the Field Development Plan (FDP) will require Government-funded enablers, estimated by the National Treasury at approximately KShs 56.39 billion. These enablers include expenditures on land and land-related expenses (KShs 2 billion), power connectivity (KShs 13.1 billion), water supply (KShs 10 billion), crude oil receipt and export infrastructure at

the coast (KShs 5.29 billion), and road upgrades (KShs 26 billion), among others. The Joint Committee noted that while some of these interventions are already budgeted or under design, their timely delivery will be critical to achieving First Oil targets and will require a coordinated multi-agency framework. The Joint Committee noted the need for fast-tracking the implementation of the enablers to ensure the timely delivery of the project

40. **National Oil Corporation of Kenya (NOCK) Participation:** The committee observed that the Field Development Plan (FDP) envisages the participation of the National Oil Corporation of Kenya (NOCK), as the Government nominee, through a carried and/or paid participating interest of up to 20 per cent in the unitised development area covering Blocks T6 and T7. The Committee noted that NOCK's participation is intended to enhance the State's direct involvement in upstream petroleum operations, strengthen national capacity, and secure an additional share of petroleum revenues beyond profit oil and royalties. In this regard, the Committee emphasizes the urgency of fast-tracking the restructuring and institutional strengthening of NOCK to ensure it is adequately equipped to discharge its responsibilities effectively and to safeguard the State's strategic and financial interests in the project.

1.3 Observations Arising from the Public Hearings

Having held public hearings in Turkana, West Pokot, Uasin Gishu, Trans Nzoia, Lamu, and Mombasa Counties, the Joint Committee made the following observations highlight critical issues around Security Concerns, Water Infrastructure, Waste Management Concerns, Local Content and Procurement Concerns, Environmental Assessment and Safeguards, and Continuous Community Engagement:

I. **Security Concerns**:

41. The Joint Committee received submissions from Turkana County Security Committee (Chaired by County Commissioner, Mr. J.M. Kavita, MBS), Members of the Turkana County Assembly (led by the Speaker), Public Participants at Ekales Centre, Lodwar, Turkana Council of Elders, Public Participants at Kalemgorok, Turkana South, Public Participants at Lokichar Town, Turkana South, Public Participants at Nakukulas, Turkana East, Public Participants at Lopii, Turkana East, Public Participants at Lokori, Turkana East, Public Participants at Katilia, Turkana East, County Commissioner Lamu County, Governor of Lamu County, Mr. Mohamed Rajab, Regional Commissioner Coast Region, and Public Participants at Magongo Stadium Changamwe.
42. The Joint Committee observed that the success of the South Lokichar Oil Project is closely tied to the prevailing security environment in the project area. As the project transitions from the exploration phase to full-scale production and crude oil transportation, the scale of operations expands significantly, and so do the associated risks and vulnerabilities. This progression heightens the need for a robust, coordinated, and community-sensitive security framework. The Joint Committee observed a **concerning disconnect** between the Government's assurances regarding security preparedness and the realities experienced by local communities in the extraction areas. While official commitments emphasize adequate protection and stability, communities in Turkana County reported persistent security concerns, suggesting a gap between policy pronouncements and actual implementation. Bridging this gap will be critical to ensuring operational continuity, safeguarding infrastructure, and maintaining community trust and support for the project.
43. The Joint Committee observed that the Ministry of Interior has presented a comprehensive plan to enhance security along the oil transport corridor, including transitioning police

operations from temporary deployments to a permanent presence supported by a clear command structure. The Joint Committee further notes that the Ministry of Roads and Transport proposed to establish Motor Vehicle Inspection Centers in Lodwar, Lokichar, and Kitale to ensure the safety and roadworthiness of the large fleet of oil tankers. In addition, the Joint Committee observes the Ministry's intention to deploy drones and real-time tracking technology to monitor risks and enable rapid response to potential threats along the corridor.

II. Water Concerns:

44. The Joint Committee received submissions from Turkana County Security Committee, Turkana Professionals Association, Ministry of Water, Public Participants at Nakukulas Turkana East, Public Participants at Katilia Turkana East, Local Community West Pokot, Governor of Lamu County and Officials.
45. The Joint Committee observed that there was emphasis on the urgent need to establish new, sustainable water sources for local communities before any abstraction of water for the project begins. It was noted that the Turkana Professional Association recommended drilling wells capable of supplying 1,560 cubic meters per day to meet domestic, livestock, and kitchen garden needs, thereby ensuring food and water security for local families. This was further emphasized by members of the public stating that water for the community should be given priority over oil production. The Joint Committee observed that a majority of households in Turkana lack clean water for human consumption, domestic use, and agricultural activities.
46. The Joint Committee observed from Mr. Johanna Ekwang submitted that there was concern that the hydrological connectivity of the area increases the risk that contamination from drilling sites, waste pits or pipeline leaks could migrate beyond the immediate project footprint.
47. The Joint Committee observes that the Ministry of Water, Sanitation, and Irrigation has proposed a technical plan for water allocation from the Turkwel Dam. Under this plan, approximately 16,534 cubic meters per day would be allocated to the oil fields, 62,616 cubic meters per day to Lodwar town and surrounding communities, and 328,000 cubic meters per day to the Lower Turkwel Irrigation Scheme covering 10,000 acres.
48. The Joint Committee noted that in the FDP, one of the key design driver is water injection to maintain reservoir pressure as indicated in Section 7.2 on Completion. Additionally, Section 8.2 of the FDP indicates that produced water will be treated and reinjected back into the formation via injection wells for reservoir pressure maintenance sweep. Section 8.3.3 and 8.3.7 of the FDP also provides for a three-phase separation that indicated that produced water will be routed to a water tank and then treated further. It was further noted that Section 8.4.6 of the FDP states that produced water will be treated and then combined with the makeup water from the Turkwel Dam and reinjected to the reservoirs.
49. The Joint Committee observed there is a gap between the project's timeline as transport of oil is scheduled for December 2026, and the critical supporting infrastructure is not ready, raising concerns about the ability to provide both industrial and local water needs as scheduled.

III. Waste Management Concerns:

50. The Joint Committee received submissions from Members of the Turkana County Assembly, Turkana Professionals Association, Public Participants at Kalemgorok Turkana

South, Public Participants at Lopii Turkana East, and Public Participants at Lokori Turkana East.

51. The Joint Committee observed from the submissions by Mr. Johnson Kibaki, a Petroleum Engineering student at the Kenyatta University, highlighted the need for a more sustainable and innovative approach to waste management within the proposed Field Development Plan (FDP). In particular, the proposal to process and repurpose drilling cuttings for use in cement manufacturing would present an opportunity to transition from conventional disposal methods to a circular economy model. Such an approach would not only reduce the environmental risks associated with waste disposal, such as soil and groundwater contamination, but also lower operational costs for the project and raw material costs within the construction sector.

52. The Joint Committee observed from the submissions that there were concerns regarding the proposed hazardous waste facility at Kang'ipetain, a critical grazing area with perennial pastures and springs. It was noted that local communities view the site as essential for pastoralist livelihoods and the local ecosystem, and that placing a hazardous waste facility there poses a direct threat to both human and animals.

53. The Joint Committee observed that residents in Turkana County raised concerns relating to health linked to hydrocarbon exposure, including benzene, citing risks such as leukemia, respiratory illnesses, and reproductive issues.

54. The Joint Committee noted from submissions that there were allegations that the previous contractor, Tullow Oil, bypassed proper treatment protocols to reduce costs, including practices such as transferring waste between wells.

55. It was noted that the Turkana Professionals Association recommended that waste transportation be managed by local contractors using certified and specialized trucks. The Joint Committee noted that while this approach supports local employment and skills development, it requires strict enforcement of safety standards to ensure that hazardous materials are handled properly and that risks to workers, communities, and the environment are effectively mitigated.

56. The Joint Committee observed in relation to the concerns expressed that, the project has proposed an Integrated Waste Management Facility that employs global industry standard for the management of drilling and hazardous waste with a final disposal in an engineered sanitary landfill, and the National Environment Management Authority (NEMA) has also mandated the construction of a 50-hectare sanitary landfill near the Ngamia field, comprising 13 engineered cells with a total capacity of approximately 325,000 cubic meters, to ensure safe containment of project-generated waste.

IV. Local Content, Procurement Concerns, and Benefit Sharing

57. The Joint Committee received submissions from Turkana County Security Committee, Members of the Turkana County Assembly, Turkana Professionals Association, Public Participants at Ekales Centre Lodwar, Turkana Council of Elders, Mr. Cyrus Letting, Mr. Smith Namjohi, KNCCI, Local Community West Pokot, Trans Nzoia Turkana Community Diaspora, Governor of Lamu County, Governor Abdullswamad Sheriff Nassir and Changamwe Constituency residents.

58. The Joint Committee observed that the Turkana County Assembly raised concerns regarding the distribution framework for the 5% local community revenue share, particularly on the criteria and mechanisms that will be used to allocate benefits among the newly subdivided sub-counties. The Joint Committee further noted that there is a need for

the County Government to have a framework on how the 20% share due to the county government shall be utilized.

59. The Joint Committee observed that local communities and professional groups have strongly advocated for measures to ensure that the benefits of the project directly reach those most affected. The Joint Committee noted that the Turkana Professionals Association and residents submitted that specific local content quotas, including reserving 70% of trucking contracts (400 trucks out of an estimated 600 trucks), 100% of driver positions, and all unskilled labor roles for local people, emphasizing the need for meaningful participation in the economic opportunities of the project.

60. The Joint Committee observed that there is an ongoing debate regarding the definition of "local" in the context of project benefits. It was noted that the Turkana Professionals Association advocated for a "Host Community" definition limited to distance-based radius around the extraction sites, aiming to ensure that economic and employment benefits are prioritized for those directly impacted by the operations, rather than being distributed more broadly across the entire county.

61. The Joint Committee observed that local content discussions emphasized the inclusion of marginalized groups and gender equity. The Joint Committee noted that representatives called for 10% of employment and procurement opportunities, including trucking contracts, to be reserved for Persons with Disabilities (PWDs). The Joint Committee further noted that community members submitted that there was a need for women to participate in technical and logistics roles, beyond traditional positions in catering or cleaning, supported by targeted Women in Oil & Gas training programs to enhance their skills and meaningful engagement in the sector.

62. The Joint Committee observed that there were submissions recommending structural interventions to prevent elite capture and ensure equitable access to project opportunities.

63. The Committee observed that there were submissions proposing to create a National Supplier Database to register and pre-qualify businesses participating in the project.

64. The Joint Committee observed that, the Changamwe Constituency residents expressed general support for the development of Kenya's petroleum resources, but with a call for the revival of the Kenya Petroleum Refineries Limited (KPRL) facility as a fully operational refinery since the refinery has historically been the economic backbone of Changamwe, providing employment, skills development, local procurement opportunities, and broader socio-economic benefits to thousands of residents.

65. The Joint Committee observed that there was a Local Content Plan (LCP) attached as Appendix F, Section 19 of the Field Development Plan for the South Lokichar Field Development. The LCP is prepared in accordance with the requirements of the Petroleum Act (2019). This LCP sets out the principles, framework, and implementation mechanisms that will guide the integration of local content throughout the life cycle of the Project. Additionally, it outlines an approach to maximize socio-economic benefits for Kenyans through 4 pillars namely; employment, procurement, capacity building & stakeholder engagement while creating opportunities and ensuring alignment with national legislation, draft Local Content Regulations (2025), and international industry standards. Furthermore, the Joint Committee observed that the LCP highlights a commitment to maximize Kenyan participation, support enterprise growth, deliver workforce training & development, promote technology transfer and ensure transparent reporting.

V. Land Related Concerns

66. The Joint Committee received submissions from Turkana County Security Committee, Members of the Turkana County Assembly, Nakukulas Land Management Committee, Civil Society Members, Trans Nzoia Turkana Community Diaspora, Mr. Yahya Mohamed, and Ms. Magdaline Njeri.
67. The Joint Committee observed that the project requires roughly 11,354.8 hectares (about 40,000 acres) across the fields of Amosing, Twiga, Ngamia, and Ekales . Because Turkana County does not yet have a gazetted Land Value Index, the NLC is using a hybrid approach, combining market value with a disturbance allowance. Since the land is registered under 21 community titles, compensation will be channeled to Community Land Management Committees (CLMCs) rather than individuals, requiring transparency to ensure fair distribution and prevent elite capture. The NLC is also working to balance industrial development with pastoralist livelihoods by proposing controlled grazing in safe zones within the acquired area.
68. Joint Committee analyzed the submissions by National Lands Commission and observed that the process to compulsorily acquire land required for the project was being carried out by the National Lands Commissions in conjunction with the State department of Land under the Ministry of Lands, Public Works, Housing, and Urban Development in accordance to the Land Act – Part VIII (Compulsory Acquisition of interests in Land) and the Section 108 of the Petroleum Act 2019.
69. The Joint Committee noted from submissions from NLC that 568 formal grievances had been recorded, reflecting concerns among local communities. There was also the challenge of opportunistic claims, with some individuals establishing temporary structures to inflate compensation. To address this, the NLC informed the Joint Committee that it would implement a rigorous verification process to ensure that compensation reaches the rightful beneficiaries.
70. The Joint Committee further observed that the National Land Commission (NLC) ought to establish a satellite office in Turkana County, preferably located near the oil infrastructure sites. It was noted that having a physical presence on the ground would improve accessibility for affected communities, enable faster resolution of grievances, and strengthen transparency throughout the compensation process. A local office would also support real-time verification of claims, enhance community engagement, and reinforce public confidence by demonstrating that the land acquisition process is being managed in a responsive and accountable manner.

VI. Environmental Assessment and Safeguards

71. The Joint Committee received submissions from Turkana County Security Committee, Turkana Council of Elders, Civil Society Members, Local Community West Pokot, Trans Nzoia Turkana Community Diaspora, County Government of Lamu, and Regional Commissioner Coast Region.
72. The Joint Committee observed that civil society groups raised concerns regarding the adequacy of the current Environmental and Social Impact Assessments (ESIAs) for the project. The Joint Committee noted the recommendation for a Strategic Environmental Assessment (SEA) to evaluate the cumulative impacts of the oil project in conjunction with other developments along the LAPSSET corridor.
73. The Committee noted that Field Development Plan for the project does not include utilization of the LAPSSET Corridor. However, the Committee noted that the separation

of the ESIAs was necessitated by the different ownership structures for upstream and mid-stream components. The Upstream component consisted of the PSC Contractors and the Government of Kenya through a joint venture company that was envisaged. For the water infrastructure, the current FDP does not entail the construction of a water pipeline as this the contactor will purchase water under a commercial arrangement with the water services provider. Additionally, under the FDP, this is now a government enabler.

74. The Joint Committee observed from submissions that there were concerns, on reliance on 600 trucks in Phase I which would generate a carbon footprint and present continuous spill risks. The Joint Committee further noted from submissions that local authorities currently lack the capacity, equipment, and expertise to respond effectively to large-scale oil spill incidents, highlighting the need for enhanced preparedness and mitigation measures.

75. The Joint Committee observed from submissions that there were concerns that there was need for planning for the decommissioning of oil fields as a critical strategy to prevent leaving a toxic legacy and the establishment of a Decommissioning Guarantee or Bond to ensure that funds are set aside for site restoration. The Joint Committee observed that Clause 42 of the Block T6 and T7 of the Production Sharing Contracts provide guidance for Abandonment and Decommissioning.

76. The Committee observed that Section 10.5.7 of the Field Development Plan provides for the development of an emergency response plan that caters for any spills.

77. The Joint Committee observed from submissions that local communities advocated for a leasehold arrangement on land that reverts to them following site restoration. The Joint Committee further observed from submissions that the model of leasing would secure community oversight, ensuring that operators are held accountable for proper rehabilitation and that both livelihoods and the environment are adequately protected.

VII. CSR and Continuous Community Engagement

78. The Joint Committee observed from submissions that there is need to expand the scope of scholarships to support practical skills development owing to the demand for Technical and Vocational Education and Training (TVET) programs that equip youth with green skills and technical trades, preparing them for employment in the oil sector and beyond.

79. The Joint Committee noted the request for mobile classrooms to accommodate the nomadic lifestyle of pastoralist children, ensuring access to education regardless of location.

80. The Joint Committee observed from submissions that there were requests for the establishment of a Host Community Information Office at the project site to provide verified information, manage grievances, and counter misinformation. The Joint Committee further noted the call for Community Liaison Officers to serve as a bridge between the operator and local residents, strengthening communication and trust.

81. The Joint Committee observed from submissions that there was emphasis on the concept of Free, Prior, and Informed Consent (FPIC) should be treated as an ongoing process rather than a one-time requirement.

82. The Joint Committee observed from submissions that community leaders sought to be signatories to Memorandums of Understanding (MOUs) and contracts, to provide inclusivity and participation in the development of the project.

SEN/NA/JOINT/ENERGY/NO. 146 /2026: **COMMITTEE RECOMMENDATIONS**

Having considered and analyzed the submissions by members of the public and stakeholders on the Production Sharing Contracts and Field Development Plan for Blocks T6 and T7 in South Lokichar Basin, Turkana County and in accordance with Article 71 of the Constitution and section 31(2)(a) of the Petroleum Act, Cap. 308, ***the Joint Committee recommends that this House adopts the Report and approves the Ratification of the Production Sharing Contracts and Field Development Plan for Blocks T6 and T7 in South Lokichar Basin, Turkana County.***

SEN/NA/JOINT/ENERGY/NO. 147 /2026: **COMMITTEE RESOLUTIONS**

The Joint Committee resolved to table the Joint Report on Tuesday, 24th February, 2026 at 2.00 p.m. They also resolved to maintain the communication forums for the Joint Committee for purposes of communicating during the tabling of the report.

SEN/NA/JOINT/ENE/NO. 148/2026 **ADJOURNMENT AND DATE OF NEXT MEETING**

The meeting was adjourned at 12:36 p.m.

Sign: _____ _____

Date: 23/02/2026 23/02/26

SEN. (DR.) OBURU OGINGA, MGH, MP
CO- CHAIRPERSON.

HON. DAVID GIKARIA, CBS, MP,
CO- CHAIRPERSON.

REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT - FOURTH SESSION (2025)

IN THE MATTER OF ARTICLE 118(1) (b) OF THE CONSTITUTION
AND
IN THE MATTER OF SECTION 31(3) OF THE PETROLEUM ACT, CAP. 308
AND
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF THE FIELD DEVELOPMENT PLAN AND PRODUCT SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

INVITATION TO SUBMIT MEMORANDA

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and section 31(3) of the Petroleum Act, Cap. 308 requires Parliament to undertake public participation in its consideration of production sharing contracts and the field development plans submitted for ratification;

AND WHEREAS the **Field Development Plan and Product Sharing Contracts for Blocks T6 and T7 in South Lokichar, Turkana County** have been submitted to the National Assembly and referred to the **Departmental Committee on Energy** for consideration and reporting to the House;

IT IS NOTIFIED that **the Field Development Plan and Product Sharing Contracts for Blocks T6 and T7 in South Lokichar, Turkana County** outline the proposed commercial development of six oil discoveries in the Lokichar Basin. The Plan and Contracts detail the strategy for the development of the discoveries and additional appraisal and exploration activities that will be conducted to maximize resource recovery within the Development Area.

NOW THEREFORE, in compliance with Article 118(1)(b) of the Constitution and section 31(3) of the Petroleum Act, Cap. 308, the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the **Field Development Plan and Product Sharing Contracts** to the **Departmental Committee on Energy.**

Copies of the Field Development Plan and Product Sharing Contracts are available at the National Assembly Table Office, Main Parliament Buildings and on https://www.parliament.go.ke/the-national-assembly/house-business/paper-laid.

The memoranda may be forwarded to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi;** hand-delivered to the **Office of the Clerk, Main Parliament Buildings, Nairobi;** or emailed to cna@parliament.go.ke to be received on or before **Monday, 22nd December 2025** at **5.00 p.m.**

S. NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY
29th December 2025

"For the Welfare of Society and the Just Government of the People"



ARE YOU SELLING ?
YOUR PROPERTY
Advertise with us

For more information Visit our offices at Nation Centre,
or Call: 0719 038 373 / 0719 038 377
Email: imuge@ke.nationmedia.com

Nation Media Group
Media of Africa for Africa

Credit Bank

NOTICE IS HEREBY GIVEN THAT THE EXTRAORDINARY GENERAL MEETING OF CREDIT BANK PLC (THE "BANK") WILL BE HELD VIRTUALLY ON FRIDAY 19TH DECEMBER 2025 AT 10.00AM

AGENDA

1. **ISSUE OF SHARES BY PRIVATE PLACEMENT**
To consider the following ordinary resolutions:
THAT:
   i. Pursuant to the provisions of the Companies Act, 2015, and the Company's Articles of Association, and subject to all regulatory approvals the Company be and is hereby authorised to issue and allot up to 45,000,000 (Forty Five Million) ordinary shares of KES 100/= each, at par to raise up to KES 4,500,000,000 (Kenya Shillings Four Billion Five Hundred Million), by way of a private placement to existing shareholders and qualified investors
   ii. The private placement shall be undertaken in accordance with the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, and shall not constitute a public offer of shares.
   iii. The Board of Directors be and is hereby authorised to determine and approve the detailed terms and conditions of the private placement, including pricing, timing, and allocation of shares, and to do all acts and things necessary to give effect to this resolution.
   iv. The Board is further authorised to appoint professional advisors, sign all necessary agreements, make regulatory filings, and take all necessary steps to implement the private placement.
   v. The proceeds of the issue shall be applied towards improvement of the Bank's capital.

2. **CREATION OF PREFERENCE SHARES**
To consider the following ordinary resolution
THAT:
Subject to compliance with all regulatory approvals, the Company be and is hereby authorized to create a new class of shares to be designated as Preference Shares of up to KES 3,000,000,000 (Kenya Shillings Three Billion), with such rights, privileges, preferences and restrictions as may be determined by the Board of Directors in accordance with applicable law and the Company's Articles of Association and the Board of Directors be authorized to negotiate, determine and approve the specific terms and conditions attaching to the Preference Shares, including (but not limited to) dividend rights, priority on winding-up, redemption terms, conversion features, voting rights (if any), and issue price.

3. **ASSET SHARE SWAP**
To consider and if thought fit to pass the following Ordinary Resolutions:
THAT:
   i. Subject to all regulatory approvals, the Company be and is hereby authorised to acquire from Shangrilas Villas Co. Ltd the parcel of land known as LR Numbers 37/748 & 749 located on Kiambere Road, Upper hill, Nairobi City County (the Asset) at a value not exceeding KES 1,200,000,000/= (Kenya Shillings One Billion, Two Hundred Million only) as supported by a valuation dated 19th May 2025 in exchange for the allotment and issuance of up to 12,000,000 (Twelve Million) ordinary shares of KES 100/= (Kenya Shillings One Hundred) each in the capital of the Company, to be issued as fully paid.
   ii. The consideration for the said shares shall be the transfer and vesting of the Asset in favour of the Company, free from all encumbrances.
   iii. The valuation of the Assets and the share consideration has been reviewed and approved by the Board.
   iv. The Directors of the Company be and are hereby authorised to do all such acts, deeds, matters, and things as may be necessary or expedient to give effect to this resolution, including the execution of all relevant agreements, instruments, and filings with the Registrar of Companies.

4. **AUTHORIZATION TO ISSUE CONVERTIBLE NOTE**
To consider and if thought fit to pass the following Ordinary Resolutions:
THAT:
Subject to obtaining all necessary regulatory approvals, the Company be and is hereby authorized to issue a convertible note in the amount of USD 1,500,000 (United States Dollars One Million Five Hundred Thousand) to ShoreCap III LP, with a maturity period of not less than five (5) years, thereby qualifying as supplementary capital. The note shall bear interest at the rate of 6% per annum, payable semi-annually with the following terms:
   i. Right of Conversion
The holder of the note shall be entitled, at its sole discretion, to convert all or part of the outstanding principal and any accrued but unpaid interest into ordinary shares of the Company, having a par value of KES 100/= (kenya Shillings One Hundred) per share. Any portion of the note not converted shall continue to be governed by the terms of the note and shall remain payable upon maturity.
   ii. Conversion Price
The conversion shall be effected at the book value per share as reflected in the most recent audited financial statements of the Company as approved by the shareholders at a General Meeting of the Company, provided that the conversion price shall not be below par value and shall comply with provision iii. below.
   iii. Conversion Price Cap
The conversion price shall not exceed the price at which shares may have been issued to any other member of the Company during the tenure of the convertible note.

5. **ANY OTHER BUSINESS**

BY ORDER OF THE BOARD
DCDM Registrars

Company Secretary
Date: 28th November 2025

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member. A form of proxy is enclosed and should be returned to arrive not later than 48 hours before the meeting or any adjournment thereof
2. A form of proxy may be obtained from the Bank's website, www.creditbank.co.ke or the Bank's head office, Mercantile House, Koinange Street, Nairobi and should be completed and returned to the Secretary, to arrive not later than 48 hours before the meeting or any adjournment thereof.
3. All shareholders will be pre-registered using their Bio-data details in the Company Register and will receive a personalized link via SMS and/or email. Shareholders wishing to participate in the meeting still need to confirm their attendance for the EGM online at https://digital.candc.africa or via a link to the EGM Platform that will be sent to them via SMS and/or Email by dialing USSD short code number *384*041# and following the various registration prompts. In order to complete the registration process, shareholders who are not using the pre-registration link will need to have their ID/ Passport Numbers which were used to purchase their shares and their shares account number at hand. For assistance shareholders should dial the following helpline number +254 020 8690360 from 9:00 a.m. to 4:30 p.m. from Monday to Friday. Any shareholder outside Kenya should dial the helpline number to be assisted to register or send an email to digital@candc.africa
4. Registration for the EGM opens on 9th December, 2025 at 08:00AM and will close on 18th December 2025 at 12.00 Noon
5. Shareholders wishing to raise any questions or clarifications regarding the EGM may do so by:
   a) Sending their written questions by email to digital@candc.africa ; or
   b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code *384*041# and selecting the option (ask Question) on the prompts; or
   c) Shareholders who will have registered to participate in the meeting shall be able to ask questions online at https://digital.candc.africa or via a link to the EGM platform; Select Attend Event; Select "Q&A" option tab and submit questions in text box provided; or
   d) To the extent possible, physically delivering their written questions by 17th December 2025 12:00 Noon with a return physical address or email address to the Company Registrars address: Custody & Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue.
6. Shareholders wishing to vote may do so by:
   a) Accessing Virtual EGM via online at https://digital.candc.africa or via a link to the EGM platform; Select Attend Event; Select "Voting" option tab and vote; or
   b) Accessing Virtual EGM via USSD platform *384*041#; Use the menu prompts menu option for "Voting" and follow the various prompts regarding the voting process.
7. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the EGM are entitled to appoint a proxy to vote on their behalf.
   - A proxy need not be a member of the Company. If the Proxy appointed is not the Chairman of the EGM, the appointed proxy will need access to a mobile telephone or an internet enabled device.
   - A proxy form available on the Company's website via this link: www.creditbank.co.ke Physical copies of the proxy form are also available at the Company Registrars address: Custody & Registrars, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, Nairobi.
   - A proxy form must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate.
   - A completed form of proxy should be emailed to proxy@candc.africa or delivered to Custody & Registrars, at IKM Place, Tower B, 1st Floor, 5th Ngong Avenue, Nairobi so as to be received not later than Wednesday 17th December 2025 at 10.00AM. Any person appointed as a proxy should submit his/her email or mobile telephone number to the Company no later than Wednesday 17th December 2025 at 10.00 am.
   - Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Wednesday 17th December 2025 to allow time to address any issues
8. The EGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service SMS/ and/or an email prompt on their registered mobile numbers, 24 hours prior to the EGM acting as a reminder of the EGM. A second SMS and/or an email prompt shall be sent two hours ahead of the EGM, reminding duly registered shareholders and proxies that the EGM will begin in two hours' time and providing a link to the live stream.
9. Duly registered shareholders and proxies may follow the proceedings of the EGM using the live stream platform and may access the agenda. Duly registered shareholders and proxies may vote (when prompted by the Chairman) via the USSD *384*041# or Voting Matters tab on the live stream display screen
10. A poll shall be conducted for all the resolutions put forward in the notice
11. Results of the EGM shall be published within 24 hours following conclusion of the EGM
12. All shareholders of the Company are hereby notified that pursuant to the provisions of the Unclaimed Financial Assets Act No 40 of 2011 Parts II and III, dividends and shares which have not been claimed for a period of three (3) years or more are required to be delivered to the Unclaimed Financial Assets Authority ("the Authority) as abandoned assets on the appointed date. Therefore, all shareholders with previous unpaid dividends are requested to urgently contact the Share Registrar, Custody & Registrars Services Limited at IKM Place, Tower B, 1st Floor 5th Ngong Avenue, Nairobi; Tel: Mobile: +254 20 790 9276 Email: info@candc.africa claim any unpaid dividends to avert the risk of the dividends being forwarded to the Authority.

CONFLICT

Withdrawal of Natembeya, Khalwale security challenged

An activist has sued Interior Cabinet Secretary Kipchumba Murkomen over the withdrawal of security details for Trans Nzoia Governor George Natembeya and Senator Bonny Khalwale.

In a petition filed before Justice Lawrence Mugambi, activist Julius Ogogoh described Murkomen's decision as illegal, unconstitutional and void.

Ogogoh, Executive Director of the Mombasa-based Centre for Litigation Trust (CLT), said the move was unreasonable, whimsical and amenable to judicial intervention.

"We seek an order of certiorari quashing any decision by the Respondent withdrawing the security of the 1st and 2nd Interested Parties and compelling the immediate restoration of their protection," said Ogogoh.

He has sued Murkomen, the Attorney General and the Inspector General of Police. He noted that neither legislator has been charged or informed of any investigation into alleged criminal conduct.

Ogogoh said the acts by IG and Murkomen are retaliatory, whimsical and calculated to bully and intimidate the legislators, and if unchecked by judicial intervention, may erode public trust and undermine the very foundation of the rule of law and constitutional democracy.

"The decision by the IG to withdraw the security detail of Natembeya and Khalwale is also discriminatory in nature since all the other governors and senators continue enjoying security provided by the National Police Service," said Ogogoh.

Ogogoh said that Murkomen disregarded the rules of natural justice by condemning Natembeya and Khalwale unheard.

He said that to date, Natembeya and Khalwale are yet to be informed of any reason that led to the withdrawal of their security.

"The right to fair administrative action under Article 47 of the Constitution cannot also be suspended at the whims of any State organ," said Ogogoh.

He said there is no any evidence that the two breached or violated the conditions of the policy on the provision of protective security to VIPs and other state officers.

"That the security detail attached to Natembeya and Khalwale has unceremoniously been withdrawn, which threatens and exposes them to security risks since they might be attacked or harmed based on the nature of their duties as the Governor of Trans-Nzoia County and the Senator of Kakamega County, respectively," said Ogogoh.

He said the withdrawal of the security detail of the two legislators is meant to intimidate them to change their political stand and affiliation. **[Joackim Bwana]**

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY
THIRTEENTH PARLIAMENT - FOURTH SESSION (2025)

IN THE MATTER OF ARTICLE 118(1) (b) OF THE CONSTITUTION
AND
IN THE MATTER OF SECTION 31(3) OF THE PETROLEUM ACT, CAP. 308
AND
IN THE MATTER OF CONSIDERATION BY THE NATIONAL ASSEMBLY OF THE FIELD DEVELOPMENT PLAN AND PRODUCT SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

INVITATION TO SUBMIT MEMORANDA

WHEREAS, Article 118(1) (b) of the Constitution requires Parliament to facilitate public participation and involvement in the legislative and other business of Parliament and section 31(3) of the Petroleum Act, Cap. 308 requires Parliament to undertake public participation in its consideration of production sharing contracts and the field development plans submitted for ratification;

AND WHEREAS the **Field Development Plan and Product Sharing Contracts for Blocks T6 and T7 in South Lokichar, Turkana County** have been submitted to the National Assembly and referred to the **Departmental Committee on Energy** for consideration and reporting to the House;

NOTIFIED that **the Field Development Plan and Product Sharing Contracts for Blocks T6 and T7 in South Lokichar, Turkana County** outline the proposed commercial development of six oil discoveries in the Lokichar Basin. The Plan and Contracts detail the strategy for the development of the discoveries and additional appraisal and exploration activities that will be conducted to maximize resource recovery within the Development Area.

NOW THEREFORE, in compliance with Article 118(1)(b) of the Constitution and section 31(3) of the Petroleum Act, Cap. 308, the Clerk of the National Assembly hereby invites the public and stakeholders to submit memoranda on the **Field Development Plan and Product Sharing Contracts** to the **Departmental Committee on Energy.**

Copies of the Field Development Plan and Product Sharing Contracts are available at the National Assembly Table Office, Main Parliament Buildings and on https://www.parliament.go.ke/the-national-assembly/house-business/paper-laid.

The memoranda may be forwarded to the **Clerk of the National Assembly, P.O. Box 41842-00100, Nairobi;** hand-delivered to the **Office of the Clerk, Main Parliament Buildings, Nairobi;** or emailed to cna@parliament.go.ke to be received on or before **Monday, 22nd December 2025** at **5.00 p.m.**

S. NJOROGE, CBS
CLERK OF THE NATIONAL ASSEMBLY
29th December 2025

"For the Welfare of Society and the just Government of the People"

eaagads Ltd

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2025

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2025

	2025 Kshs'000	2024 Kshs'000
Revenue	94,769	103,895
Fair value gain on biological assets	1,841	511
Cost of production	(64,811)	(101,916)
Gross profit	**31,799**	**2,490**
Administration and finance costs	(23,568)	(18,670)
Profit /(loss) before taxation	**8,231**	**(16,180)**
Tax (charge)/Credit	(3,839)	1,039
After tax profit / (loss) for the 6 months period	**4,392**	**(15,141)**
Total comprehensive income /(loss) for the period	**4,392**	**(15,141)**
Basic and diluted profit/loss) per share	0.14	(0.47)

INTERIM STATEMENT OF FINANCIAL POSITION AS AT

	30 September 2025 Kshs'000	31 March 2024 Kshs'000
EQUITY		
Share capital	40,196	40,196
Revaluation surplus	1,064,034	1,228,348
Retained earnings	193,881	152,818
	1,298,111	**1,421,362**
Non-current liabilities	232,109	255,152
Current liabilities	68,106	93,502
	300,215	348,654
Total equity and non-current liabilities	**1,598,326**	**1,770,016**
REPRESENTED BY:-		
Non-current assets	1,345,897	1,540,708
Current assets	252,429	229,308
	1,598,326	**1,770,016**

STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2025

	Share capital	Revaluation surplus	Retained earnings	Total
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
At 1 April 2025	40,196	1,064,034	189,488	1,293,718
Check	-	-	4,393	4,393
At 30 September 2025	**40,196**	**1,064,034**	**193,881**	**1,298,111**

STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2025

	2025 Kshs'000	2024 Kshs'000
Net cash generated/(used in) from operating activities	37,618	(1,349)
Net cash used in investing activities	-	(4,369)
Net cash /(used in)/ generated from financing activities	(30,317)	25,763
Net increase in cash and cash equivalents	7,300	20,045
Cash and cash equivalents at the beginning of the year	31,577	14,545
Cash and cash equivalents at end of period	38,878	34,590

RESULTS SUMMARY

The above are extracts of the un-audited financial statements of Eaagads Limited that were approved by the Board of directors on 28 November 2025.

PERFORMANCE

During the six-month reporting period, the company demonstrated significant operational improvement, achieving a clean coffee production of 175 tons. This represents a robust 30% year-over-year increase from the 134 tons produced in the prior-year period.

This notable growth in output is directly attributable to two key factors: optimal agronomic conditions, specifically a strong early crop flowering, and the successful implementation of improved field management practices. From a commercial perspective, the company translated this production success into a sales volume of 100 tons by the end of half year period, 30 September 2025. Furthermore, financial discipline was maintained, as production costs for the period were well-controlled and aligned directly with the volume of coffee sold, indicating efficient cost management without additional expenditure on unsold inventory.

OUTLOOK

While climatic conditions have impacted the late crop flowering, leading to a revised 2025/26 production forecast of 270 tons, our company is taking proactive steps to navigate this challenge. The reduced late crop is expected to be of superior quality, which will command premium market prices and help protect revenue.

The early crop flowering for the 2026/27 season is already underway and showing positive signs, indicating a robust recovery on the horizon. In anticipation of the forecasted insufficient short rains, we are implementing water conservation and agronomic measures to preserve moisture and protect the yield potential. Our focus remains on maintaining strict control over production, enhancing quality assurance, and leveraging market opportunities to ensure financial resilience and long-term growth.

DIVIDEND

The board of directors do not recommend payment of an interim dividend for the period ended 30 September 2025 (30 September 2024: Nil)

By the Order of the Board

Company Secretary
28 November 2025



whether he caused Jirongo's death through dangerous driving.

Mr Githinji had claimed in his statement that Jirongo was overtaking other vehicles when the collision occurred. But the DCI on Tuesday said that Jirongo had just exited Eagol Petrol Station at the time of the crash.

CCTV footage seen by the *Nation* captured Jirongo, entering the petrol station at 2:18:43, coming from the Nairobi direction, he however drove through without fuelling nor talking to anyone, and exited the station.

The footage further shows Jirongo's vehicle stopping before joining the highway and driving for some seconds before it collided with the climax bus, which was coming from the Nairobi general direction.

When traffic police officers arrived at the scene in Karai early Saturday morning, they secured the scene and took evidence before towing the two vehicles to the police station.

An inventory of items in the vehicle was, however, not taken. A police officer on Tuesday explained that in traffic incidents, it is up to the first responding officer to make judgment on whether to take an inventory or not.

At the Climax Coaches' junk yard and stop-over in Elementaita, Gilgil sub-county, a few kilometres from the accident scene, business continued as usual. Buses owned by the Climax Transport Company streamed in, ferrying passengers.

Inside the facility are a garage and a petrol station, where several buses were refuelling, alongside hotels and general shops where passengers stopped to refresh themselves and use restrooms before continuing their journeys.

For the third time detectives from the homicide department visited the scene. In a statement, the DCI noted that it deployed a multi-agency team comprising homicide detectives and forensic experts from the National Forensic Laboratory.

One of the first responders, Peter Kamau, said that he heard a loud bang in the wee hours, and upon arrival at the scene, he found a white Mercedes Benz and Climax bus had been involved in an accident.

He said together with nine other responders, they tried to rescue the occupant in the Mercedes Benz, but the door had been locked, and they had to use an axe to free the body from the wreckage.

According to Mr Kamau, a motorcycle mechanic within Karai, the occupant who was alone in the vehicle had slumped over the steering wheel, facing upwards.

"We have been responding to accidents since this place is a blackspot. When I heard the loud bang I just rushed outside. I live a few metres from the highway. We did not know who the man was, we were just trying to help as responders. Unfortunately, he was dead, and we had to wait for police officers to arrive," he recalled

The 21-year-old said that in Jirongo's vehicle they found a bottle of alcohol which had been drank halfway and a packet of cigarettes.

According to Mr Kamau, the shaken bus passengers stayed at the scene for around 10 minutes before another bus came and picked them.

"... they alighted from the bus and they were transferred to another and they continued with their journey. There were more than 40 passengers, some of them were recording videos and taking photos. There was a traffic jam on the lane he was supposed to use after joining the highway," he said.

Reporting by Mercy Koskei, Steve Otieno, Kamore Maina and Nyaboga Kiage.

Security

Kenya, France enter defence agreement

BY EDWIN MUTAI

Kenya and France have entered into a defence cooperation agreement that will see members of the visiting forces or dependants who commit offences tried under the jurisdiction of the host nation.

The agreement, however, stipulates that the competent authorities of the visiting forces shall have the primary right to exercise jurisdiction in the event of offences relating to any act or negligence by a member of the visiting forces committed while in service, as well as offences solely against the security of the visiting forces.

"The competent authorities of the party with the primary right to exercise jurisdiction shall give sympathetic consideration to requests to waive that right where the other party's competent authorities consider there are important particular jurisdiction to do so," the agreement states.

The two countries agreed to cooperate in areas of maritime security, intelligence cooperation, peace-keeping, humanitarian assistance and disaster relief, and any other defence and security-related area.

Defence Cabinet Secretary Soipan Tuya and Ambassador of France to Kenya Arnaud Suguet signed the agreement on November 29. It will run for a period of five years and is renewable.

STIMA SACCO

INVITATION TO TENDER

Stima DT Sacco Society Ltd invites bids from interested and qualified tenderers as per the particulars below: -

TENDER NUMBER	TENDER DESCRIPTION	TENDER COMMENCEMENT DATE	TENDER CLOSING DATE AND TIME
ST/DT/SAB/24/25	Tender for provision of Group Alpha Deposits Insurance Policy (Open to Underwriters only)	18th December 2025	7th January 2026 at 12:00 Noon.

Interested eligible bidders may download the tender document from Stima DT Sacco Society website (www.stima-sacco.com) free of charge. Bidders are advised to refer to the website regularly before the closing date for any additional information/clarifications/addenda.

Duly completed documents are to be submitted in plain sealed envelopes, clearly marked with the **Tender Number** and **Tender Name** as more particularly described in the Document and addressed to:

Chief Executive Officer
Stima DT Sacco Society Ltd
P.O. Box 75629 - 00200
NAIROBI

Tenders will be opened soon after closing time in the presence of the candidates' representatives who choose to attend at the Supply chain Meeting Room, 1st floor, Stima Investment Plaza1, Mushembi Road, Parklands, Nairobi.

STIMA DT SACCO SOCIETY LTD
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT | FOURTH SESSION

THE SENATE

INVITATION FOR SUBMISSION OF MEMORANDA ON THE FIELD DEVELOPMENT PLAN AND PRODUCT SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

The South Lokichar Field Development Plan together with the associated Production Sharing Contracts was tabled in the Senate on 27th November, 2025, pursuant to Article 71 of the Constitution, which requires that the grant of a right or concession for the exploitation of natural resources by or on behalf of the National Government, be ratified by Parliament and section 31(3) of the Petroleum Act, Cap 308, which requires Parliament to undertake public participation in its consideration of production sharing contracts and field development plans submitted for ratification. The documents were thereafter committed to the Standing Committee on Energy for review and consideration.

The Field Development Plan and Product Sharing Contracts for Blocks T6 and T7 in South Lokichar, Turkana County, outline the proposed commercial development of six oil discoveries in the Lokichar Basin. The Plan and Contracts further detail infrastructure plans, environmental safeguards, community obligations and projected national benefits.

Pursuant to the provisions of Article 118 of the Constitution and section 31(3) of the Petroleum Act, Cap 308, the Standing Committee on Energy hereby invites members of the public to submit written memoranda on the Field Development Plan and the Product Sharing Contracts.
Copies of the documents may be accessed on the Parliament website at https://www.parliament.go.ke/the-senate/committees/standing-committees/12-committee-on-energy

Memoranda may be submitted to the Clerk of the Senate, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk of the Senate, Main Parliament Buildings, Nairobi; or emailed to clerk.senate@parliament.go.ke with a copy to energycommittee.senate@parliament.go.ke, to be received on or before **Friday, 16th January, 2026** at **5.00 p.m.**

J. M. NYEGENYE, CBS,
CLERK OF THE SENATE.

Gideon Moi calls for peace amid Transmara fights

- Kanu chairman says path to a lasting solution lies in dialogue, respect for the rule of law.
- Several people have been injured and homes destroyed after clashes in Transmara South.

PETER KIPKEMBOI AND KIPRONO KURGAT

Kanu national chairman Gideon Moi has called for peace and dialogue following violent clashes in Ang'ata Barikoi, Transmara, which have left dozens of homes destroyed and several residents injured.

The unrest has intensified tensions in a region already plagued by disputes over land and resources.

In a statement, Gideon expressed deep concern over the destruction noting that more than 30 homes were torched and several people wounded.

"We are deeply troubled by the recent outbreak of violence in Ang'ata Barikoi, where dozens of homes have been set alight and people injured. The path to a lasting solution lies in dialogue, respect for the rule of law, and the use of peaceful, community-driven measures such as local mediation, truth-telling and agreed security arrangements," he said.

Gideon underscored the need for a collective effort to address the root causes of the unrest. He urged local elders, leaders and stakeholders to convene inclusive talks aimed at finding a peaceful resolution to the grievances fueling the violence.

"Security agencies must act firmly but professionally to protect lives and create an environment conducive to dialogue, reconciliation and reparation," the statement read.

He also called for humanitarian assistance to be extended to families displaced and left without shelter or basic necessities.

Gideon emphasized the need for a swift and impartial investigation into the attacks, insisting that the perpetrators be held accountable. He stressed the importance of long-term solutions to the land and resource disputes at the core of the violence.

"We appeal to the people of Ang'ata Barikoi to choose peace and work together towards lasting harmony and development," he concluded.



Residents of Transmara South have been displaced after violent clashes between the Kipsigis and the Maasai communities. [Peter Kipkemboi, Standard]

Residents from several villages in Transmara South, Narok County, have been displaced following renewed insecurity linked to clashes between the Kipsigis and Maasai (Siria) communities.

The violence, which erupted two weeks ago in Lolgorian and Ang'ata Barrikoi wards, has affected villages including Lolalama, Sitete, Kapkures, Rotik, and Sach Angwan, forcing families to flee their homes in search of safety. Those displaced have sought refuge in nearby schools and are appealing to the national government to intervene and restore security in the area.

Transmara South OCPD Enricko Telewa confirmed that at least four people have been killed in the clashes, while several others are receiving treatment in different hospitals.

newdesk@standardmedia.co.ke

REPUBLIC OF KENYA

THIRTEENTH PARLIAMENT | FOURTH SESSION

THE SENATE

INVITATION FOR SUBMISSION OF MEMORANDA ON THE FIELD DEVELOPMENT PLAN AND PRODUCT SHARING CONTRACTS FOR BLOCKS T6 AND T7 IN SOUTH LOKICHAR BASIN, TURKANA COUNTY

The South Lokichar Field Development Plan together with the associated Production Sharing Contracts was tabled in the Senate on 27th November, 2025, pursuant to Article 71 of the Constitution, which requires that the grant of a right or concession for the exploitation of natural resources by or on behalf of the National Government, be ratified by Parliament and section 31(3) of the Petroleum Act, Cap 308, which requires Parliament to undertake public participation in its consideration of production sharing contracts and field development plans submitted for ratification. The documents were thereafter committed to the Standing Committee on Energy for review and consideration.

The Field Development Plan and Product Sharing Contracts for Blocks T6 and T7 in South Lokichar, Turkana County, outline the proposed commercial development of six oil discoveries in the Lokichar Basin. The Plan and Contracts further detail infrastructure plans, environmental safeguards, community obligations and projected national benefits.

Pursuant to the provisions of Article 118 of the Constitution and section 31(3) of the Petroleum Act, Cap 308, the Standing Committee on Energy hereby invites members of the public to submit written memoranda on the Field Development Plan and the Product Sharing Contracts.

Copies of the documents may be accessed on the Parliament website at https://www.parliament.go.ke/the-senate/committees/standing committees/12/committee-on-energy

Memoranda may be submitted to the Clerk of the Senate, P.O. Box 41842-00100, Nairobi; hand-delivered to the Office of the Clerk of the Senate, Main Parliament Buildings, Nairobi; or emailed to clerk.senate@parliament.go.ke with a copy to energycommittee.senate@parliament.go.ke, to be received on or before **Friday, 16th January, 2026** at **5.00 p.m.**

J. M. NYEGENYE, CBS,
CLERK OF THE SENATE.

STIMA SACCO

towards a prosperous future together

INVITATION TO TENDER

Stima DT Sacco Society Ltd invites bids from interested and qualified tenderers as per the particulars below: -

TENDER NUMBER	TENDER DESCRIPTION	TENDER COMMENCEMENT DATE	TENDER CLOSING DATE AND TIME
ST/OT/SAB/24/25	Tender for provision of Group Alpha Deposits Insurance Policy (Open to Underwriters only)	18th December 2025	7th January 2026 at 12:00 Noon.

Interested eligible bidders may download the tender document from Stima DT Sacco Society website (www.stima-sacco.com) free of charge. Bidders are advised to refer to the website regularly before the closing date for any additional information/clarifications/addenda.

Duly completed documents are to be submitted in plain sealed envelopes, clearly marked with the **Tender Number** and **Tender Name** as more particularly described in the Document and addressed to:

Chief Executive Officer
Stima DT Sacco Society Ltd
P.O. Box 75629 - 00200
NAIROBI

Tenders will be opened soon after closing time in the presence of the candidates' representatives who choose to attend at the Supply chain Meeting Room, 1st floor, Stima Investment Plaza1, Mushembi Road, Parklands, Nairobi.

STIMA DT SACCO SOCIETY LTD
CHIEF EXECUTIVE OFFICER