

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:	IMZOKU MWALE, HSC

CLERK'S CHAMBERS
DIRECTORATE OF COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

FEBRUARY, 2026

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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 Stock 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
CO ₂	-	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

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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 Watanya 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 Ngigit, 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 | c) Trans Nzoia |
| b) West Pokot | d) Mombasa |
| c) Uasin Gishu | 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

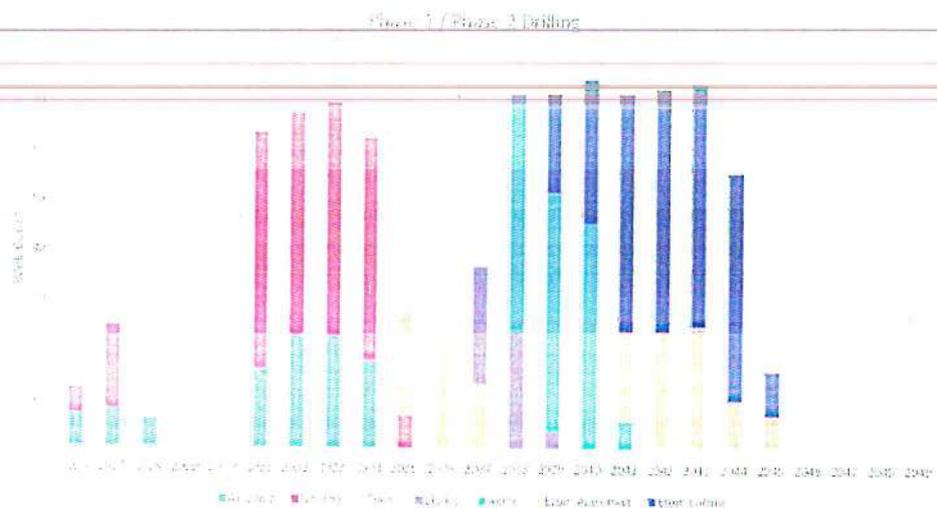
approximately 200,000 barrels in 2019. The EOPS utilized road transport to haul the crude from the oil wells to Mombasa.

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 STOIP and Contingent Resources

Field / Discovery	Reservoir	Gross STOIP (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 Auzwerer	1305 days	Tue 01/01/41	Mon 01/01/46
Phase 2 CPF Startup	2 months	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 months	Thu 01/07/32	Sun 26/06/33
Amosing FA North	12 months	Sun 26/06/33	Wed 21/06/34
Amosing NFA South	12 months	Wed 21/06/34	Sat 16/06/35
Ngamia NFA NW	12 months	Sat 16/06/35	Tue 10/06/36
Etete	12 months	Tue 10/06/36	Fri 05/06/37
Lopara North	12 months	Fri 05/06/37	Mon 31/05/38
Lopara	12 months	Mon 31/05/38	Thu 26/05/39
Amosing Fan	12 months	Thu 26/05/39	Sun 20/05/40
2D Infill Campaign (Acquisition, Processing and Interpret)	12 months	Sun 01/07/32	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

Item	Line Item	Per Well Cost (US \$MM)	Notes	Source
1	Rig & Services	0.50	Rig Day Rate	Budgetary Quote
2	Contractor's Labor	1.82	Drill bit, SPM, LWD, DD, M, HSS, Logging	Budgetary Quote
3	Wellhead & Annulus Tree	0.11		Budgetary Proposal
4	Well Completion	0.10	FR, FL	Budgetary Quote
5	Completion Services	0.82	Completion, Wellbore, Stacks	Budgetary Quote
6	Completion Equipment & SPMs	0.13	Logging and Additional LPI Equipment	Budgetary Quote
7	Wellhead Services	0.28	Security, EHS, Life Support, vehicles, logistics, freight etc	Budgetary Quote
8	Supervision and G&A	0.28	Rig Supervisor, EHS Supervisor, Office G&A	Budgetary Quote
9	Mob/Demob Allocation	0.10	Rig and Services Mob/Demob for 44 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.

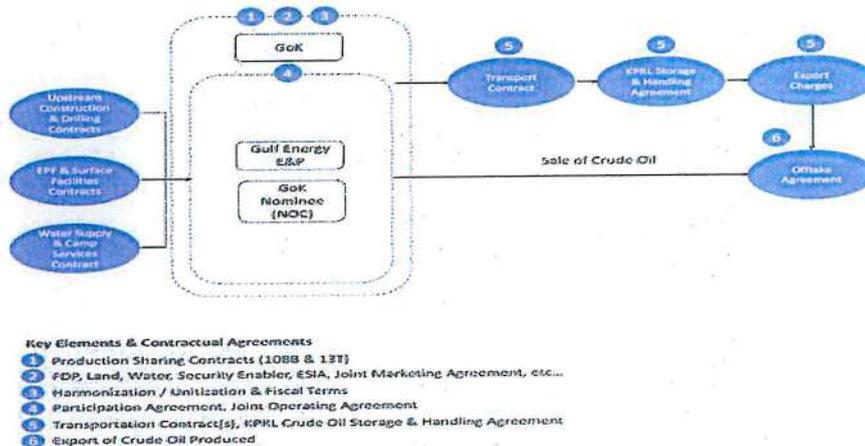
Table 4: Project OPEX

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	5.6	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	26.3	293.9	322.1
Storage & Handling	26.6	296.8	325.4
Admin & Monitoring	34.9	362.1	397.0
Product Loss	6.6	89.0	97.6
Trucking Insurance	4.3	44.5	48.8
Midstream Total	671.5	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)	Unitized 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%	95.0%																																																						
Profit Oil Split	<table border="1"> <thead> <tr> <th>Daily production (bbl/d)</th> <th>Government share</th> <th>Contractor share</th> </tr> </thead> <tbody> <tr> <td>0-20,000</td> <td>55%</td> <td>45%</td> </tr> <tr> <td>20,001-50,000</td> <td>45%</td> <td>55%</td> </tr> <tr> <td>50,001-100,000</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>100,001-150,000</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>Over 150,000</td> <td>75%</td> <td>25%</td> </tr> </tbody> </table>	Daily production (bbl/d)	Government share	Contractor share	0-20,000	55%	45%	20,001-50,000	45%	55%	50,001-100,000	65%	35%	100,001-150,000	65%	35%	Over 150,000	75%	25%	<table border="1"> <thead> <tr> <th>Daily production (bbl/d)</th> <th>Government share</th> <th>Contractor share</th> </tr> </thead> <tbody> <tr> <td>0-20,000</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>20,001-50,000</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>50,001-100,000</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>100,001-150,000</td> <td>70%</td> <td>30%</td> </tr> <tr> <td>Over 150,000</td> <td>75%</td> <td>25%</td> </tr> </tbody> </table>	Daily production (bbl/d)	Government share	Contractor share	0-20,000	50%	50%	20,001-50,000	50%	50%	50,001-100,000	65%	35%	100,001-150,000	70%	30%	Over 150,000	75%	25%	<table border="1"> <thead> <tr> <th>Daily production (bbl/d)</th> <th>Government share</th> <th>Contractor share</th> </tr> </thead> <tbody> <tr> <td>0-20,000</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>20,001-50,000</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>50,001-100,000</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>100,001-150,000</td> <td>70%</td> <td>30%</td> </tr> <tr> <td>Over 150,000</td> <td>75%</td> <td>25%</td> </tr> </tbody> </table>	Daily production (bbl/d)	Government share	Contractor share	0-20,000	50%	50%	20,001-50,000	50%	50%	50,001-100,000	65%	35%	100,001-150,000	70%	30%	Over 150,000	75%	25%
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Windfall T2 Tax	20% Trigger Price \$50/bbl, indexed since 2007	20% Trigger Price \$50/bbl, indexed since 2008	26% Trigger Price \$50/bbl, indexed since 2007																																																						

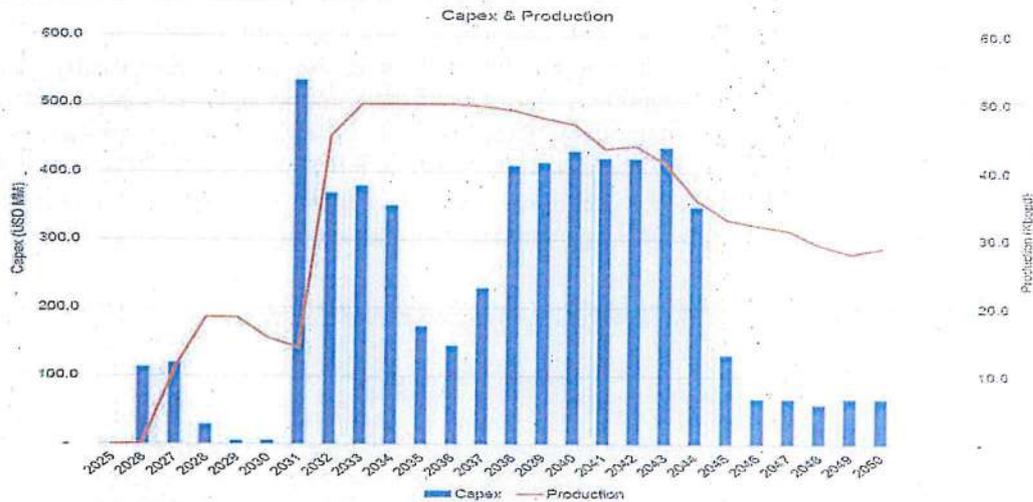
Source: FDP

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

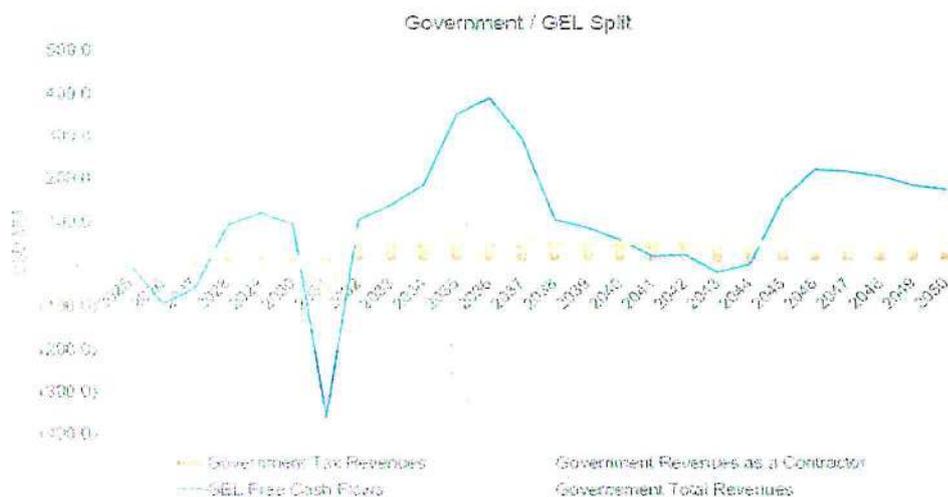
Year	Revenues (USDM M)	Transport Costs (USDM M)	Revenues Net of Transport Costs (USDM M)	Opex (USDM M)	Capex (USDM M)	Fees & Levies (USDM M)	Govt Share of Profit Oil (USDM M)	Contractor Group Net CF (USDM M)
2025	-	-	-	-	-	-	-	-
2026	16.4	1	1.8	-3.7	-112.9	-0.6	-0.4	-115.8
2027	228.1	80.7	147.4	-87.3	-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	-	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	TI	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 (TO)	\$/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;
- 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)
 - 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 gazettelement 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 (STOIP) 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.
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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 Turkana 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 \approx 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 16,534m³/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'rouk, Lokichar, Kamarese and Kodekode. This is outlined in figure 1 and 2 overleaf;

Figure 7: Turkwel- Lokichar Transmission Pipeline

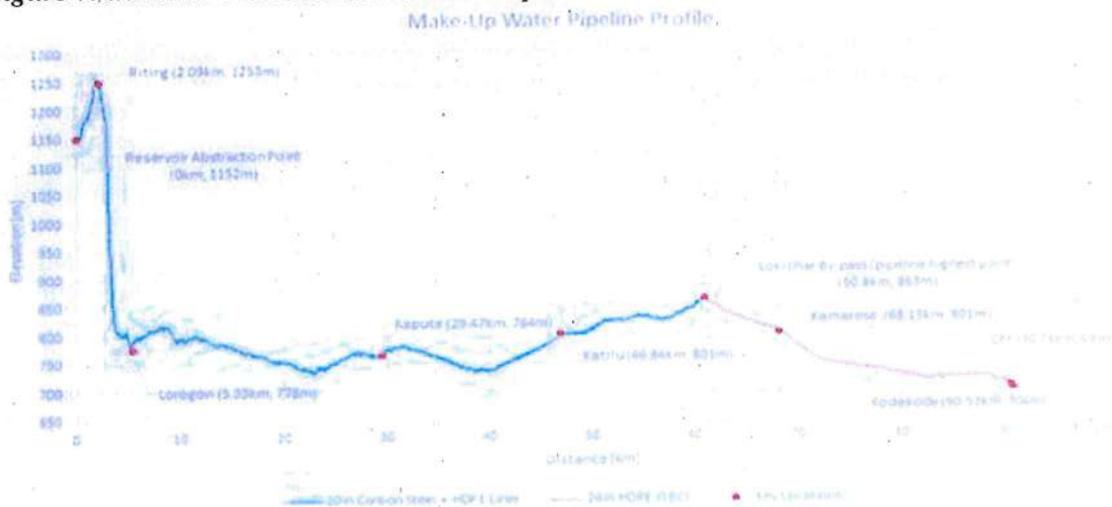
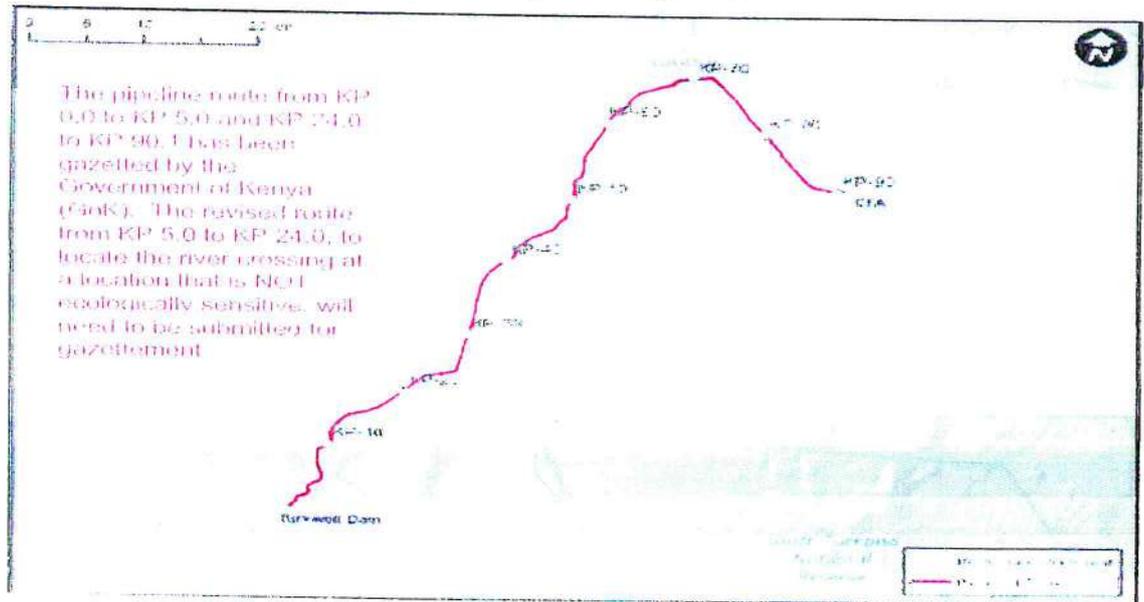
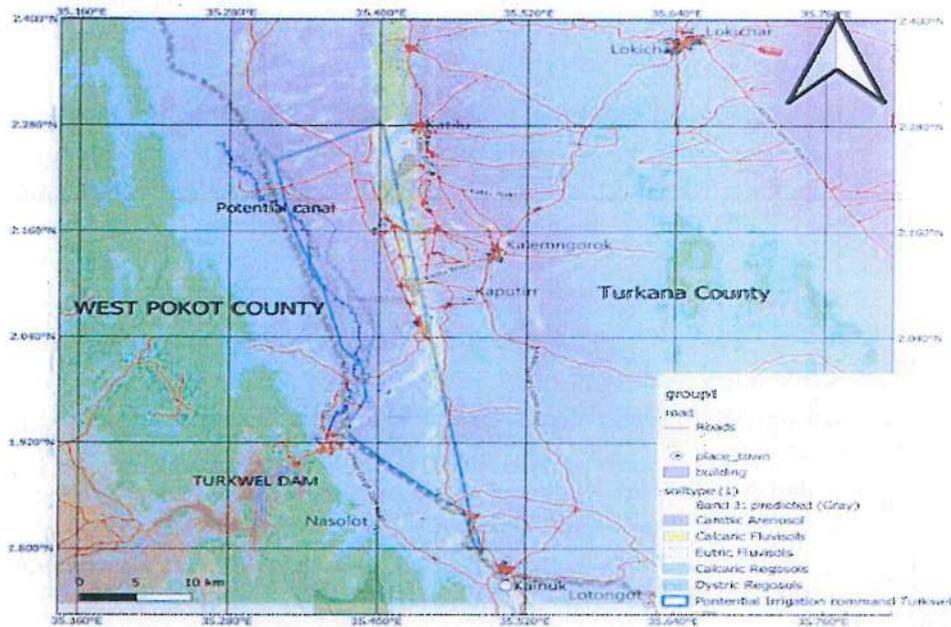


Figure 8: Turkwel- Lokichar Transmition Pipeline Allignment



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 $1^{\circ}55'29.69''N$, $35^{\circ}21'37.30''E$. 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 earlier.
- (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 ESIA's, 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 (LAPSSSET) 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.
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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 LAPSET 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 (bbl/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

Year	REVENUE			COST OIL						PROFIT OIL			
	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 unsurveyed 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.
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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.
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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 gazettelement. 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.

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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.
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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.
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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 Sisungu

Mr. Sammy Sisungu 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, Sisungu 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%. Sisungu 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). Sisungu 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, Sisungu 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.
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850. This section of the submission was presented as a defence of constitutional supremacy and long-term regulatory flexibility.
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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 Sisungu, 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 Sisungu, 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 Sisungu, 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 poses 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 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, 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 Sisungu, 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 Shaffii(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 Sisungu 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 Sisungu, 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 contractor 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

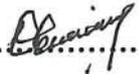
with green skills and technical trades, preparing them for employment in the oil sector and beyond.

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.

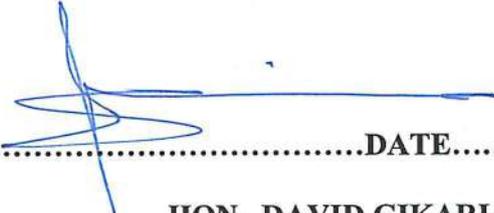
**CHAPTER SEVEN
RECOMMENDATIONS**

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: WEDNESDAY
TABLED BY:	Hon. DAVID GIKARIA, CBS, MP (CHAIRPERSON)
CLERK-AT-THE-TABLE:	INZOPU MWALE, HSO



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 Kipngetch, 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	

