NAIRAMETRICS · KENYA · DRILLING

Gulf Energy targets 20,000 bpd Kenya first oil on December 1 with $6 billion investment

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Gulf Energy has commenced drilling operations at the Amosing 1 well in Kenya's South Lokichar Basin in Turkana County, with crude oil production targeted to begin on 1 December 2026 at an initial rate of 20,000 barrels per day. Drilling began on 20 November 2026, confirmed by reporting from Ecofin Agency dated 23 November, bringing Kenya to the verge of becoming an oil-exporting nation after more than a decade of exploration, appraisal and development planning.

The Amosing 1 well is now the named focal point of the South Lokichar development — East Africa's most advanced onshore oil project. With the 1 December target just days away from the latest reporting date, the operational tempo across all workstreams is intense. Gulf Energy has disclosed plans to invest nearly $6 billion in the project in total, with approximately $5.7 billion allocated to specific project components, underscoring the scale of capital committed to bringing South Lokichar into production.

Kenya's upstream journey has been marked by repeated schedule revisions stemming from financing complexity, infrastructure requirements and prolonged fiscal negotiations between the government and project partners. The long-discussed export pipeline to the Kenyan coast remains a critical open question: whether that infrastructure is in place for first oil, or whether early volumes rely on trucking as an interim solution, has not been confirmed in available reporting. The resolution of this

question will significantly shape the economics and scalability of the stated 20,000 bpd opening rate.

The significance of the December 2026 milestone extends well beyond Kenya's borders. East Africa has watched South Lokichar's progress as a proof-of-concept for landlocked upstream development tied to long-distance pipeline export infrastructure. A successful first production event at the declared rate would validate the development model and reinforce investor confidence across the region's onshore frontier basins. The $6 billion investment commitment from Gulf Energy also signals a long-duration capital deployment cycle, not merely a one-well programme.

For the services and supply market, the near-term nature of first oil means that primary procurement cycles for major development scopes — drilling services, well completions, production facilities, flow assurance and logistics — are either fully contracted or in final award stages. The window for new entrants to capture significant scopes on the initial development phase has effectively closed. However, the commencement of production at 20,000 bpd, backed by a multi-billion dollar investment programme, creates a new and sustained demand cycle: well intervention, production optimisation, facilities maintenance, production chemicals, HSE services and local content compliance will all drive procurement activity from first oil onward. The scale of Gulf Energy's declared investment suggests this operational phase will be substantial and prolonged. Suppliers and service companies with the ability to establish in-country presence in Turkana County quickly are best positioned to capture this operational phase business.

Why this matters to partners and clients of Saga

The identification of Gulf Energy as the operator and the disclosure of a ~$6 billion investment programme gives Norwegian service companies a clearer commercial target for relationship-building. With development-phase procurement effectively closed, the priority should be positioning for the operational services cycle — well intervention, production chemicals, facilities integrity and HSE — that commences at first oil. Norwegian companies not yet on the ground should urgently pursue local agent relationships or in-country partnerships to access the sustained procurement activity that a multi-billion dollar operational programme will generate.

PARTNER ANGLES

- **Well intervention and workover specialists:** A newly producing asset at 20,000 bpd will require ongoing well intervention and production optimisation services; early positioning with Gulf Energy's operations team is critical.
- **Production chemicals suppliers:** Long-term chemical supply contracts for flow assurance, corrosion inhibition and water treatment will be a primary operational procurement need from first oil onward.
- **Facilities integrity and inspection companies:** Gulf Energy's $6 billion investment implies substantial surface infrastructure requiring ongoing integrity management, inspection and maintenance services over a multi-year horizon.
- **HSE and training service providers:** Local content and HSE compliance obligations in Turkana County create sustained demand for training, safety management systems and community liaison services.

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