

CONSTRUCTION REVIEW ONLINE · KENYA · LNG

Kenya Negotiates 1,000MW LNG Power Plant With Dangote at Lamu Refinery

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Kenya is in negotiations with Dangote Industries over a proposed 1,000MW LNG-based power facility to be integrated into the planned Lamu refinery development. The power plant would form a core component of an emerging energy hub at Lamu, designed to serve refinery operations, the surrounding industrial zone, and potentially feed into Kenya's national grid.

The Lamu refinery project has been valued at \$16 billion, making it one of the most significant proposed energy infrastructure investments in East Africa. The addition of a dedicated LNG power generation component signals an ambition to make Lamu not just a refining centre but a self-sustaining industrial energy node. By embedding power generation within the refinery complex, the developers aim to reduce dependency on Kenya's grid while enabling industrial expansion in the broader Lamu Port-South Sudan-Ethiopia Transport corridor zone.

Dangote Industries, the Nigerian conglomerate with established interests in refining and energy across Africa, is the named counterparty in Kenya's negotiations. The proposed 1,000MW capacity figure positions this as a utility-scale project, substantially larger than a typical captive power installation. If completed, it would represent a meaningful addition to Kenya's total installed generation capacity and could alter the energy economics of the entire Lamu industrial corridor.

The LNG dimension is particularly notable. Kenya has been advancing its LNG import infrastructure ambitions for several years, and anchoring LNG demand to a large-

scale industrial complex such as this refinery would provide the offtake certainty typically required to justify upstream LNG supply agreements and import terminal investment. A project of this scale would require gas supply arrangements, regasification or import infrastructure, and long-term fuel delivery logistics — all of which remain subjects for further negotiation and planning.

At this stage, the project remains in a negotiation phase, and no final investment decision, construction timeline, or confirmed financial close has been reported. However, the scale of ambition and the identity of the counterparty suggest the discussions are substantive. Kenya's government appetite to anchor industrial development at Lamu adds a policy dimension that could accelerate permitting and offtake frameworks if commercial terms are agreed.

Why this matters to partners and clients of Saga

Norwegian LNG technology and marine service companies should monitor this project closely, as a 1,000MW LNG power facility integrated into a \$16 billion refinery complex would require regasification infrastructure, gas handling systems, and potentially floating storage and regasification units (FSRUs) — all areas where Norwegian firms hold competitive expertise. The project is early-stage, so the immediate action is to track negotiation progress and identify entry points through EPC bidding or equipment supply as the project matures. Companies active in LNG infrastructure or FPSO/FSRU design and supply should begin mapping potential Kenyan government and Dangote procurement channels.

PARTNER ANGLES

- **LNG:** A 1,000MW gas-to-power facility will require regasification and gas supply infrastructure; Norwegian LNG technology providers and FSRU specialists should assess early positioning for equipment or advisory roles.
- **Subsea/FPSO:** If LNG import via floating storage is selected, FSRU operators and conversion specialists with East Africa project references could find a direct commercial opening here.

- **Pipeline:** Gas distribution within a large refinery-industrial complex of this scale will require onshore pipeline and metering infrastructure, relevant for Norwegian pipeline engineering firms.
- **Service:** Project management and owner's engineer services will be needed for a development of this complexity; Norwegian consultancies with refinery and LNG integration experience should monitor tender activity.

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