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Kenya Negotiates \$20B Lamu Pipeline and Refinery Complex with Dangote Group

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The Kenyan government is in active negotiations with Nigerian conglomerate Dangote Group to construct an 800-kilometre crude oil pipeline linking the Turkana oil fields in northern Kenya to the coastal city of Lamu. President William Ruto confirmed the talks during a media engagement at the State Lodge in Kisumu, describing the pipeline as a central pillar of a broader 2.59 trillion Kenyan shilling (\$20 billion) energy complex intended to unlock Kenya's domestic oil production and process crude locally rather than export it raw.

The pipeline will transport waxy crude from the South Lokichar Basin in Turkana County to Lamu, where it will feed directly into a planned crude oil refinery with a targeted processing capacity of 700,000 barrels per day. The facility is designed to serve petroleum product markets across East Africa. Groundbreaking for the integrated refinery complex is scheduled for 30 September, with full pipeline and commercial operations targeted for 2030. To reach operational capacity, Kenya intends to supplement Turkana output by pooling regional crude supplies from South Sudan and Uganda in addition to domestic production.

Financing structures are taking shape. The Kenyan government has committed 21.5 billion shillings (\$165 million) in seed equity and has invited neighbouring states to acquire a combined stake of up to 30% in the project. Industry analysts have, however, flagged potential supply-side constraints: Uganda's crude is already committed to flow westward via Tanzania through the East African Crude Oil

Pipeline, while South Sudan's export routes run primarily through Sudan — both arrangements limiting the volumes readily available for the Lamu corridor.

In a parallel development, negotiations are underway to construct a 1,000-megawatt LNG-fired power plant at Lamu Port to provide the energy backbone required to support the refinery and associated industrial infrastructure. Gas supply arrangements for the power plant are part of the ongoing discussions, though specific sourcing details remain to be finalised. Together, the pipeline, refinery, and power plant represent one of the most ambitious integrated energy infrastructure programmes currently under active negotiation in Sub-Saharan Africa.

The project's scale and complexity mean that execution will require a broad ecosystem of international contractors and technology providers across engineering, construction, and commissioning disciplines. The 2030 commercial operations target is ambitious given the volume of infrastructure involved, but the confirmed groundbreaking date and presidential-level commitment signal that Kenya intends to move quickly from negotiation to procurement. For the Norwegian service industry, the Lamu complex represents a developing opportunity worth tracking closely as contracting structures and equity arrangements are finalised over the coming months.

Why this matters to partners and clients of Saga

Norwegian companies should monitor procurement timelines closely as the confirmed September groundbreaking signals an imminent shift from negotiation to tendering across pipeline, LNG power, and refinery packages. The LNG power plant component in particular creates an entry point for Norwegian gas technology and marine infrastructure specialists with Lamu Port experience. Partners are advised to establish early relationships with Dangote Group and the Kenyan government's project office before contractor selection frameworks are announced.

PARTNER ANGLES

- **Pipeline:** The 800-kilometre Turkana-to-Lamu crude pipeline will require engineering, procurement, and construction partners with experience handling waxy, high-pour-

point crude — a technically specific opportunity for Norwegian pipeline service firms to position early.

- **LNG:** The planned 1,000-megawatt LNG power plant at Lamu Port creates a direct opening for Norwegian LNG technology providers and marine terminal specialists to engage as gas supply and infrastructure design contracts are developed.
- **FPSO:** If offshore or nearshore crude storage and offloading solutions are required to support the Lamu refinery's intake logistics, Norwegian FPSO and floating storage operators should assess whether vessel-based infrastructure fits the project's supply chain architecture.
- **Drilling/Well Services:** Unlocking sufficient Turkana crude volumes to justify a 700,000-bpd refinery will require accelerated well development in the South Lokichar Basin, generating potential demand for drilling and well services contractors as field development plans are advanced.
- **Subsea/Service:** The broader Lamu Port industrial buildout may create ancillary demand for marine survey, subsea infrastructure assessment, and port engineering services as the complex moves from design to construction phase.

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