

NAIRAMETRICS · KENYA

Kenya court clears Dangote \$16bn refinery to proceed

Saga deep read · 14 October 2026 · Score 55

A Kenyan court has lifted a legal restriction that had been blocking development of Aliko Dangote's proposed \$16 billion oil refinery in Kenya, allowing the project to move forward even as an underlying dispute over land ownership and environmental concerns continues through the courts. The ruling removes an immediate procedural obstacle to one of the largest proposed downstream energy investments on the African continent.

The project, attributed to Nigerian billionaire Aliko Dangote — whose Dangote Refinery in Lagos is already Africa's largest single-train refinery — would represent a transformational addition to Kenya's energy infrastructure if it reaches final investment decision. No timeline, site confirmation, capacity figures, or equity partners are disclosed in the current reporting, and it is important to note that court clearance to proceed is not equivalent to a project sanction or a construction contract. Significant legal uncertainty persists: the land ownership dispute and environmental objections remain active matters before the Kenyan judiciary, meaning further injunctions or delays remain possible.

Kenya currently has limited domestic refining capacity. The Kenya Petroleum Refineries Limited facility in Mombasa has been largely non-operational in recent years, leaving the country heavily dependent on imported refined products. A greenfield refinery at the scale proposed would require extensive associated infrastructure — including crude import terminals, product storage, pipeline connectivity, and utility systems — and would likely draw on international

engineering, procurement, and construction expertise across multiple work packages.

For the moment, however, the project remains at an early and legally contested stage. No engineering studies, contractor prequalifications, or tender processes have been publicly announced. The court clearance is a necessary but far from sufficient condition for the refinery to advance toward a bankable feasibility study, let alone a final investment decision. Investors and service companies should treat the current status as a reconnaissance-stage development: the headline number is large, but the commercial and legal foundations are still being established.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor this project closely but take no procurement action at this stage — the court clearance is a procedural milestone, not a contract award or FID. Relationship-building with Dangote's project development team and Kenyan government counterparts (energy ministry, NEMA) would be appropriate groundwork given the scale of potential downstream and associated infrastructure scope. The project warrants revisiting when a formal feasibility process or EPC prequalification is announced.

PARTNER ANGLES

- **Pipeline:** A refinery of this scale will require crude intake and product offtake pipeline infrastructure — Norwegian pipeline engineering firms should track the project for future FEED and EPC opportunities.
- **Subsea/FPSO:** Depending on the chosen site, crude supply could involve offshore single-point mooring or jetty infrastructure, warranting early monitoring by marine and subsea terminals specialists.
- **Service:** Norwegian consultancies with downstream project management and owner's engineer experience could pursue early advisory mandates once a formal feasibility process is announced.
- **LNG:**

[Original source: Nairametrics →](#)

Saga Advisory

General: info@saga-advisory.com · saga-advisory.com

STAVANGER · CAPE TOWN