Petroleum
INSIGHT
2nd Quarter, April - June, 2023

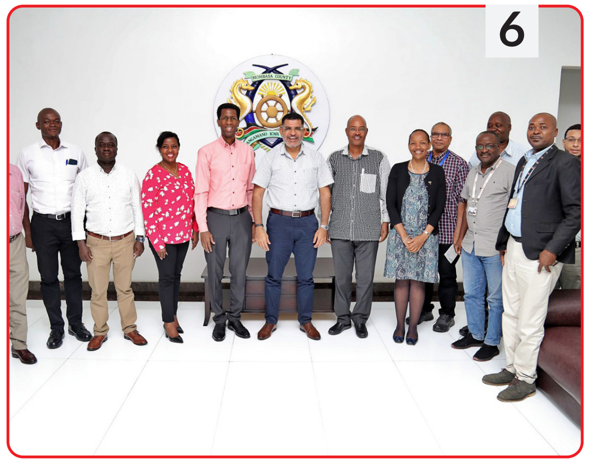
Enabling the Last Mile

THE MAGAZINE OF THE PETROLEUM INSTITUTE
PETROLEUM INSTITUTE OF EAST AFRICA
PIEA


HI-PERF
MOTORCYCLE ENGINE OIL
Jijenge na Hi-Perf
Oil halisi ya Pikipiki
Engine, clutch and gearbox protection
TotalEnergies


ETA
02 03:47:08
DAYS HOURS MINUTES SECONDS
FROM 2 DAYS TO TODAY
Enjoy seamless, real-time banking with Stanbic Borderless Banking
Instant Deposits And Payments
Instant Transfers And Withdrawals
Save With Low Transaction Fees
Enjoy Best-in-market Forex Rates
Visit any branch in the four countries for this service or contact
KENYA
Raphael Wanga
+254 746 729 086
wangar@stanbic.com
TANZANIA
Joe Mwakanjuki
+255 756 803 387
Joe.Mwakanjuki@stanbic.co.tz
UGANDA
Eva Mpalampa
0800 150 150
ComercialClientsupport@Stanbic.com
SOUTH SUDAN
Solomon Makuei
+211 922 713 505
makueim@stanbic.com
Stanbic Bank IT CAN BE™
A member of Standard Bank Group
Stanbic Bank Kenya Limited is licensed and regulated by the Central Bank of Kenya

In this Issue



Editorial & Production
Jay and Jey Media Consultants
Off Namanga Road
P.O. Box 374-00241, Kitengela
Tel - 0716 652 011
0780 652 011

Advertising Agency
ADG
Alison and Davis Group Ltd
2nd Floor, Spur Mall
Thika Super Highway
Tel - 020 2320083, 0721 845 944
0764 845 944, 0721 234 838
Email: info@energyea.com

Editorial Board
Wanjiku Manyara and Jennifer Kibiru

Contributors
Wanjiku Manyara, Jennifer Kibiru, Vivienne Ayuma, Chrinus Genga, Gideon Rotich, Dorice Itebaluk and Richard Nandi

Petroleum Insight is published quarterly by the Petroleum Institute of East Africa. Views expressed in this publication do not necessarily reflect the position of PIEA.

Petroleum Institute of East Africa
Fourth Floor, Bruce House
P.O. Box 8936-00200 Nairobi - Phone: 254-20-2249081,3313046, 3313047
Mobile: 0722 221120
Fax: 254-203-313048
Email: admin@petroleum.co.ke
Website: www.petroleum.co.ke

Towards Net Zero With Clean Energy
Technologies in Africa

Peter Murungi
Vivo Energy Kenya CEO and PIEA Chairman

First off, please allow me to warmly welcome you all and particularly our participants from Ghana, Nigeria, Eswatini, Uganda, South Africa, Tanzania, United Kingdom and Australia - Karibuni sana Kenya na ujisikie nyumbani. Furahia ukarimu wetu,vivutio na utamaduni wetu.

The Petroleum Institute of East Africa continues to play its critical role of providing platforms for interaction and dialogue for and/or between industry and other stakeholders on diverse oil and gas subjects and also promoting professionalism by building capacity through forums such as this.

It is gratifying that, with the collaboration of the World Liquefied Petroleum Gas Association (WLPGA), we have for the twelfth (12) year hosted this annual international forum where this year, the focus is on upscaling the use of clean energy technologies in cooking, transport and power generation energy.

The energy system transformation has progressively been taking shape but now there is certainly an amplified shift in technologies and behaviours that are needed to replace harmful sources of energy with another and particularly cooking energy, due to the scientific evidence on the diseases and deaths that are resultant from using charcoal, firewood and kerosene- globally 3.2 million people die from indoor air pollution; in Kenya, 21,650 women and children below the age of five die every year due to respiratory diseases (pneumonia, asthma, bronchitis, lung cancer).

For us in the oil and gas industry, we have not only embraced the call to deliver on the readily available fossil resource technology -LPG- but we have acknowledged that LPG is a key constituent in the contribution that the oil industry makes towards preserving lives and protecting the environment as well as dignifying the lives of particularly Women and Children in a myriad of ways (gender equality, decent work, economic empowerment, health, education, food security).

Through our Industry Association (PIEA), the LPG private sector stakeholders actively participated and contributed to the Government policy direction on clean cooking and strategies that aim to displace charcoal, firewood and kerosene with LPG, Biogas, ethanol as enshrined in the National Energy and Petroleum Policy of 2015.

Additionally, we jointly with the Ministry of Energy and Petroleum formulated the 2016 action plan for implementation of the aforementioned LPG policy and which is tracked annually at the national LPG workshop, to ensure that each public and private stakeholder plays their roles efficiently so that the aspired LPG access targets are achieved accordingly.-(this is how the regulatory framework was reviewed and changed-from LN 121 to LN 100 in 2019 as a means of reforming the sector and incentivizing the players to invest in safe LPG cylinders which are crucial in increasing the LPG uptake).

I will steer away from my aspirations on the deliberations since I know that Countries represented here will share their experiences and status on clean energy technologies but my appeal would be that we keep in mind that the time to deliver on targets and avail these solutions to the citizenry is yesterday and what we should be doing now is to take an audit on the extent of uptake of these technologies and subsequently deliberate upon strategies to bridge the gaps of access to clean cooking, transport and power generation.

As is always the case with our forums, I believe that we will derive an action plan that can be implemented by our Countries, Regional Blocks and the Continent at large so that when we meet next year, we will be reporting back on the progress that we will have made accordingly.

Peter Murungi
Chairman, Petroleum Institute of East Africa
Speech was read during The Petroleum Institute of East Africa (PIEA) and World Liquefied Petroleum Gas Association (WLPGA) Africa LPG Summit 17-19 May 2023, Serena Hotel, Nairobi.

For us in the oil and gas industry, we have not only embraced the call to deliver on the readily available fossil resource technology -LPG- but we have acknowledged that LPG is a key constituent in the contribution that the oil industry makes towards preserving lives and protecting the environment as well as dignifying the lives of particularly Women and Children in a myriad of ways (gender equality, decent work, economic empowerment, health, education, food security).

Government Agenda for The
Petroleum Energy Sector

Davis Chirchir
Cabinet Secretary
Ministry of Energy and Petroleum

GoK aims at deflating the monthly USD requirements of about USD500 million that are required for petroleum products, and this is projected to improve the USD liquidity in the market bearing in mind that petroleum accounts for about 35% of the country's USD requirements

The Petroleum Industry, through its professional Industry association, the Petroleum Institute of East Africa (PIEA), early in the quarter, held its first State of the oil industry briefing of 2023 as well as the first engagement with the relatively new administration through the Cabinet Secretary (CS) for Ministry of Energy and Petroleum (MOEP), Davis Chirchir.

Dubbed 'Government Agenda for The Petroleum Energy Sector', CS Chirchir gave insights of what the administration has planned for the petroleum sub-sector and reviewed progress on pertinent issues facing the Industry in Kenya and the East African region.

Also present in the briefing were the Industry's regulator Energy and Petroleum Regulation Authority(EPRA), Kenya Pipeline Company(KPC), Kenya Bureau of Standards(KEBS) and Central Bank of Kenya(CBK) representatives.

Among the key issues addressed was the importation of petroleum products through the Government to Government arrangement that is projected to deflate demand for the USD to curb speculation and reduce the depreciation of the Kenya Shilling (KES) resulting in enormous macro-economic benefits considering that Kenya is a net importer of various finished products.

"GoK aims at deflating the monthly USD requirements of about USD500 million that are required for petroleum products, and this is projected to improve the USD liquidity in the market bearing in mind that petroleum accounts for about 35% of the country's USD requirements" said the C.S

PIEA, the Policymaker and the Regulator addressed, among other issues, new developments in the fuel supply chain management that have coincided with the appointment of a new leadership at the Ministry of Energy & Petroleum.

Further discussed was the Government LPG Enhancement Program, where the GOK through the Ministry, aims at ensuring the transition of all learning institutions in the country from the use of biomass for cooking to the use of LPG by the year 2025. This program is aimed at reducing deforestation and also helps in reducing health complications associated with indoor pollution.

With the Presidential focus on LPG as the key to the success of the National Tree Growing and Restoration Campaign (15 billion trees targeted to be grown) Industry has come forward to not only grow 200,000 trees in Ngong forest but also offered to meet the aspiration of LPG conversion for every household that is using charcoal, firewood or kerosene.

EPRA Director General Daniel Kiptoo noted that the regulator is currently undertaking a census of all the LPG Cylinders in the country which will guide policy formulation.

He further added that EPRA, in conjunction with the Ministry of Interior and Coordination of National Government and the National Police Service, has in the quarter, embarked on an enhanced enforcement program aimed at weeding out illegal businesses in the petroleum and LPG supply chain.

"14 Closures of non-compliant LPG and Petroleum facilities and prosecution of respective operators has been undertaken in the last 90 days and this will be sustained until the bad elements are weeded out." said the D.G.

Also in discussion were the proposed reforms in the lubricants segment with the aim of implementing them given the demonstrated opportunities in increasing local manufacturing, increased exports and tax revenue as well as employment and resuscitation of the attendant sub-sectors.

The importance of Petroleum Business Licensing and Construction Permits, Regulations Development, Petroleum Information and Statistics, Enforcement and Consumer Protection was also reiterated in the interest of promoting a level playing field in the market and a stable business environment.

NCBA Group Director, Corporate Banking John Okulo said that the Bank is committed to providing the industry with the necessary resources that will assist in achieving their business goals.

"As we work with you to seize growth opportunities, we remain committed to providing you our clients with the best possible services and support. We have dedicated resources who are experts in the oil and gas industry, and who understand the unique challenges that confront you and your respective operations. As a bank, we provide a wide range of superior financial services to help you achieve your business goals." said Okulo.

Oil Marketing Companies Construct
Ultra-Modern Science Complex

The Oil Marketing Companies have teamed up to construct an ultra-modern science complex at the Alliance Girls High School.

While inspecting the construction progress, Ministry of Energy and Petroleum Cabinet Secretary Davis Chirchir noted that the complex will consist of eight modern laboratories & will be the first of its kind in Africa.

The CS applauded the Oil Marketing Companies (OMCs) for the noble gesture to construct such a magnificent facility for the benefit of the girl child.

"The construction of this facility will ease the pressure during science exams and enable our girls to take their exams in one sitting," said CS Chirchir.

"Additionally, with this facility, we will have increased capacity to host national workshops and seminars in science and mathematics."

The CS was accompanied by the Principal Secretary, State Department of Petroleum, Mohamed Liban, other government officials and Oil Marketing Representatives.

Ministry of Energy and Petroleum Cabinet Secretary Davis Chirchir, State Department of Petroleum Principal Secretary Mohamed Liban together with OMCs inspect the construction of the ultra-modern Science Complex at the Alliance Girls High School.

Mombasa County to Demolish Illegal Structures
Near The Refinery and Petroleum Storage Facilities Areas

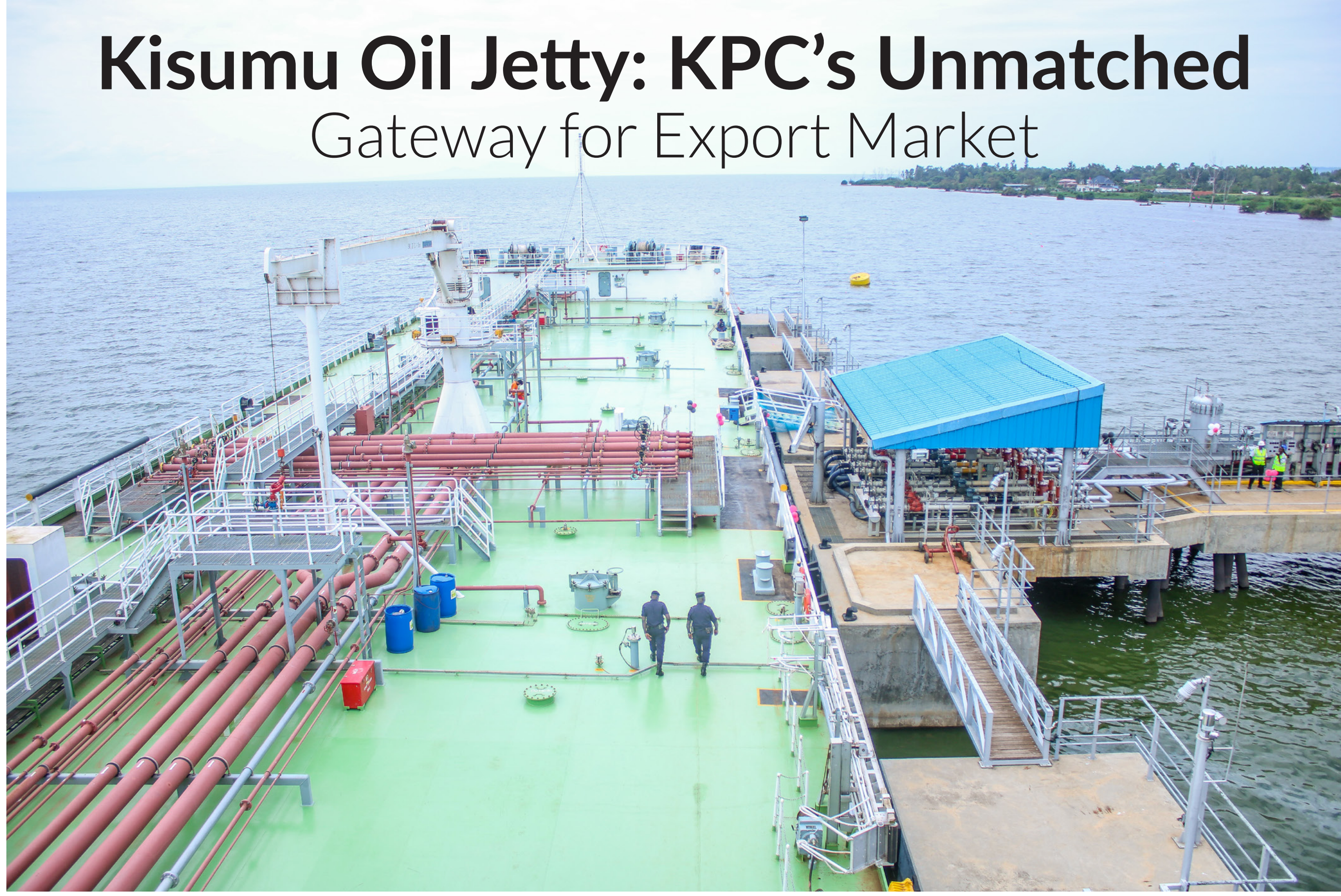
Representatives of PIEA paid a courtesy call to the County Government of Mombasa Governor Abdulswamad Sheriff Nassir on the 3rd of May 2023.

The Petroleum Industry, through its governing body, the Petroleum Institute of East Africa, paid a courtesy call to the Governor, County Government of Mombasa to discuss the safety hazards posed by the mash-rooming of illegal structures along the Shimanzi area.

Speaking to the industry representatives, Governor Abdulswamad Sheriff Nassir said that the County Government of Mombasa is working on demolishing all illegal structures constructed along petroleum storage facilities located in the Shimanzi area in Mvita, along the Refinery Road and the Kipevu area along POA Road to enhance safety for the public.

The governor further noted that his administration is in the advanced stages of planning for a Mombasa County Truck Marshalling Yard that will establish a centralized parking terminal to ease congestion by providing an area for trucks to queue off the road network.

Kisumu Oil Jetty: KPC's Unmatched
Gateway for Export Market



The Kisumu Oil Jetty (KOJ) is a strategic investment critical for the development of the lake transport network for the transportation of petroleum products. Product transported through KPC to Uganda, Rwanda, Burundi, Eastern DRC, and South Sudan was approximately 3 billion litres in FY 2022/23. Out of this, Uganda's market transported about 1.8 billion litres. Imports through the Port of Mombasa for the export market were about 3.6 billion litres in FY 2022/23, most of which were transported by road from KPC's western Kenya depots. KPC's objective in investing in KOJ was to provide an alternative supply route for the East African Region and reduce reliance on roads as well as a waterway route. This will also enhance transit share for the Oil Marketing Companies through the Northern Corridor Transit Route.

KPC completed the Kisumu Oil Jetty (KOJ) project on 28th February 2018. The Kisumu jetty facility has 4No. of independent pipelines carrying AGO, IK, PMS, and Jet-A1 from the tanks to the Jetty Head which can load the 4,500m3 barge efficiently. The facility was operationalized on 29th December 2022, upon completion of the complementary facility built by Mahathi Infra Uganda (MIUL), now trading as Lake Victoria Logistics (LVL) in Entebbe, Uganda.

To support commercialization, over twenty customers have been onboarded and signed contracts with Mahathi Infra Uganda. The customers were offered a volume-based discount to encourage patronizing the Jetty. The discount was approved by EPRA - USD 0.99/m^3 for six months from December 2022 and an extension was granted for another six months from July 2023 for another six months.

The company has reviewed all its operations to ensure that KOJ receives enough products to serve the envisaged two barges or vessels that will be transporting products to Uganda. These important projects are:

1. Increased flow rate from Mombasa to Nairobi from 950m^3 to 1300m^3 on 3rd April 2023 with a 37% increase in flow rates.
2. Enhanced Supply to Western Kenya Depots which entailed a change of philosophy that resulted in a combined flow rate improved from 530m3/hr. to 636m3/hr. This is a 20% increase. This has improved product availability in Nakuru, Eldoret, and Kisumu from two and three cover days for AGO and MSP respectively, to five days for both grades.
3. Upgrade of Line Four (4) to Western Kenya to enhance the flow rate from Nairobi to Western Kenya from 350 m3 to 550 m3/hr. this is a 57% increase. This will improve product receipt in Western Kenya. The progress status is at 23%; the expected completion date is January 2024 (Q1 2024). Line four supports Kisumu and this will feed into the needs of Kisumu Oil Jetty.

The Kisumu Oil Jetty's performance has been incremental, and it has an average loading uptake of 3.1 million m^3. The utilization equals 71% capacity utilization (4.5 million m^3 barge capacity). Approximately, 27,000m^3 has been loaded through Kisumu Oil Jetty.

KPC and Mahathi Infra Uganda together with the Oil Marketing Companies in Uganda and Kenya are working on ensuring there is full commercial uptake of the Kisumu oil Jetty and the Mahathi Infra Uganda facilities. The KPC team and stakeholders have displayed outstanding commitment to the operationalization of the two jetties. KPC appreciates all stakeholders and encourages the use of the waterway to provide alternative transportation to the export market.

SCHOOL OF PETROLEUM STUDIES
TRAINING CALENDAR FOR YEAR 2023 (PHYSICAL TRAINING SESSIONS)

CODE	COURSE TITLE	DURATION	DATE	LOCATION
(A)LEGAL & REGULATORY COURSES				
SPS 003 A	Petroleum sector regulatory training on LPG Bulk storage facilities	1 day	13/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 004A	Petroleum sector HSSE regulatory training requirements	1 day	26/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 005A	Legal and Regulatory Framework: Highlights of the impact of the 13 new petroleum regulations	Half day	6/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa
(B) OIL AND GAS RETAIL AND MARKETING COURSES				
SPS 008B	Stocks management Level 1	5 days	23-27/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 009B	Stocks management Level 2	5 days	6-10/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(C) HEALTH SAFETY SECURITY AND ENVRIONMENT COURSES				
SPS001C	Petroleum sector occupational health, safety & security (HSSE) management course	5 days	11-15/SEP/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 002C	Petroleum sector Contractor & Service providers health, safety, security, and environment (HSSE) course	5 days	23-27/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 003C	Occupational health and risk assessment	2 days	12-13/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 005C	Contractor safety management course Level 1	5 days	2-6/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 006 C	Contractor safety management course Level 2	4 days	16-19/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(D) AVIATION FUEL MANAGEMENT COURSE				
SPS003D	Aviation operations & management course	5 days	25-28/OCT/2022	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(E) LPG OPERATIONS SALES & MARKETING COURSES				
SPS001E	LPG sales, operations and marketing management	5 days	3-7/OCT/2022	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 005E	Annual PIEA-WLPGA Virtual LPG Training Workshop	3 days	6-8/MAR/2024	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 006 E	LPG Installers course	5 days	21-25/AUG/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 007 E	LPG HSSE Course (Practical course for LPG refilling and cylinder operations handling personnel)	3 days	25-27/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(F) RISK MANAGEMENT COURSES				
SPS 001F	Risk management in the oil and gas sector course	5 days	7-11/NOV/2022	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 004F	Occupational Health and risk assessment	3 days	7-9/DEC/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 006F	Joint Incident Command System training course Level 1	5 days	20-24/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(G) PETROLEUM PRODUCTS LOGISTICS & HANDLING COURSES				
SPS004G	Introduction to the Oil & Gas Sector	5 days	11-15/DEC/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS003M	EA oil and gas transportation and management	4 days	20-24/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS002M	Petroleum Stocks management level 1	5 days	13-17/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 004M	Petroleum Stocks management level 2	5 days	18-22/SEPT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 005M	Petroleum road and transportation management	5 days	25-29/SEP/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(H) LUBRICANTS COURSES				
SPS001H	Lubricants Competency Course	5 days	6-10/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(J) EXECUTIVE MANAGERIAL COURSES				
SPS001J	Highlights of The Amendments to The Companies Act, 2015 by the statute Law (Miscellaneous Amendment Act 2019)	1 day	20/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS002J	Executive Introduction to the East Africa Oil and Gas sector (for Boards of Directors and Senior management)	1 day	24/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 003J	Corporate governance course for Boards and Management (Board of Directors and Senior Management)	1 day	29/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(K) HUMAN RESOURCE MANAGEMENT COURSES				
SPS 002K	Supervision leadership and management	2 days	23-24/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(L) PERSONAL DEVELOPMENT COURSES				
SPS002L	Mental health Champions at the Work place	Half day	23/NOV/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 003L	Work life Balance In the context of Time management	1 day	26/SEPT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
SPS 004L	Work life Balance In the context of Technology devices usage		19/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba
(M) FINANCING OIL AND GAS PROJECTS				
SPS001M	Financing Oil and Gas Projects	1 day	30/OCT/2023	Nairobi/Nakuru/Naivasha/Eldoret/Kisumu/Busia/Mombasa/Kampala/Dare-es- Salaam/Kigali/Juba

Additional information:

Charges for Physical Training:
Open Courses:

5-day course PIEA member Kshs. 49,000+VAT (USD $ 563)
PIEA non-member Kshs. 62,500 +VAT (USD $ 718)
3-day course PIEA member Kshs. 35,000 +VAT (USD $ 402)
PIEA non-member Kshs. 40,000 +VAT (USD $ 460)
1-2-day course PIEA member Kshs. 25,000 +VAT (USD $ 287)
PIEA non-member Kshs. 30,000 +VAT (USD $ 345)
Training charges indicated are per person basis.

The dollar rate used is subject to change depending on current foreign exchange rate fluctuation
The minimum number required to form quorum for training is at least 10 individuals
We also have online courses available and are scheduled in a separate calendar
For enquiries kindly contact school@petroleum.co.ke or call +254722 221 120 / +254 020 224 9081

SCHOOL OF PETROLEUM STUDIES
TRAINING CALENDAR FOR YEAR 2023 (ONLINE MODULAR SESSIONS)

Location: Online via Microsoft teams/Google Meet

CODE	COURSE TITLE	DURATION		DATE
(A) OIL & GAS LEGAL & REGULATORY FRAMEWORK COURSES				
SPS 001A	Petroleum sector legal and regulatory framework	2 hours	Module 1: Petroleum Act 2019: What you need to know Module 2: Petroleum Act 2019: Unpacking the LPG Segment Module 3: Petroleum Act 2019: Unpacking the Supply Chain	7-9/AUG/2023 10.00 a.m-12.30 p.m.
(B) OIL AND GAS RETAIL AND MARKETING COURSES				
SPS 003B1	Service Station Management course (Part 1)	3 hours	Module 1: Product knowledge Module 2: Petroleum product supply chain Module 3: Licensing and legal requirements Module 4: Retail Service station layout and design Module 5: Retail service station operations	8-11/AUG/2023 10.00 a.m-12.30 p.m.
SPS 003B2	Service Station Management course (Part 2)	3 hours	Module 1: Staff management Module 2: Service station wet stock management and security Module 3: Service station HSSE Module 4: Service station merchandising, advertising and promotion Module 5: Service station practical session	9-12/OCT/2023 10.00 a.m-12.30 p.m.
SPS007B1	Strategic customer service course	3 hours	Module 1: Strategic customer service models Module 2: Customer service vs Quality Customer Service Module 3: Citizens Service Charter Module 4: Customer service process Module 5: Handling customer complaints	4-8/SEP/2023 10.00 a.m-12.30 p.m.
SPS 008 B1	Stocks Management Level 1	3 hours	Module 1: Overview of the Oil & Gas sector Module 2: Refining operations Module 3: Legal & regulatory framework Module 4: Imports custody transfer Module 5: Terminal designs & Importing Infrastructure Module 6: Product measurement & measurement equipment	9-13/OCT/2023 9 a.m. - 12.30 p.m.
SPS 009B2	Stocks Management Level 2		Module 1: Product receipts, costing and pricing Module 2: Stocks audit controls and procedures Module 3: Contracts & agreements Module 4: Risk management Module 5: Stocks accounting Systems Module 6: Work control documentation and procedures Module 7: Practical session (Depot/Service station visit)	23-27/OCT/2023 9.30 a.m-12.30 p.m.
(C) HEALTH SAFETY SECURITY AND ENVRIONMENT COURSES				
SPS001C1	Occupational Health, Safety, Security, and Environment (HSSE) course (Part 1)	2 hours	Module 1: HSSE Legislation, Standards and regulatory framework Module 2: OSHA Principles Policies and Development for petroleum Module 3: Risk assessment and management Module 4: Incident investigation and reporting	24-28/OCT/2022 9.15a.m-1.15 p.m.
SPS001C2	Occupational Health, Safety, Security, and Environment (HSSE) course (Part 2)	2 hours	Module 1: Emergency response and planning Module 2: OSHA health, safety and general welfare provisions Module 3: Compliance audit, offences and penalties Module 4: Fire protection and prevention	6-10/NOV2023 9.15a.m-1.15 p.m.
(D) AVIATION FUEL MANAGEMENT COURSE				
SPS003D1	Introduction to Aviation operations & management course (Part 1)	2 hours	Module 1: Production knowledge Module 2: Fundamentals of supply and demand Module 3: Distribution and logistics Module 4: Standards and quality control test measures for jet fuel Module 5: Jet fueling equipment and Facilities	14-18/AUG/2023 10.30 a.m-12.30 p.m.
SPS003D2	Aviation operations & management course (Part 2)	2 hours	Module 1: Aviation Jet fuel Safe Handling and Storage procedures Module 2: Quality Control and Jet Fuel Re-Certification Procedures Module 3: Price exposure and Risk management Module 4: Emergency Response Preparedness	25-29/SEP/2023 10.30 a.m-12.30 p.m.
(E) LPG OPERATIONS SALES & MARKETING COURSES				
SPS003E1	LPG Sales, Operations and Marketing Management (Part 1)	2 hours	Module 1: LPG product knowledge Module 2: Bulk LPG import and transfers Module 3: LPG bulk storage facilities Module 4: LPG standards, legal and regulatory framework Module 5: LPG cylinders manufacturing design and specification	9-13/OCT/2023 10.30 a.m-12.30 p.m.
SPS003E2	LPG Sales, Operations and Marketing Management (Part 2)	3 hours	Module 1: LPG cylinder safe handling and transportation Module 2: LPG market supply chain Module 3: LPG Safety and Emergency preparedness Module 4: LPG accident and incident investigation	22-25/AUG/2023 10.30 a.m-12.30 p.m.
(H) LUBRICANTS COURSES				
SPS001H1	Lubricants Competency Course (Part 1)	2 hours	Module 1: Fundamentals of lubricants and lubrication Module 2: Lubes blending operations and base oil classification Module 3: Coolants, special and general-purpose greases Module 4: Lubricants safe handling, storage and disposal (HSSE)	15-18/SEP/2023 10.30 a.m-12.30 p.m.
SPS001H1	Lubricants Competency Course (Part 2)	2 hours	Module 1: Lubricant's standards legal and regulatory framework Module 2: Automotive, Synthetic and industry specific lubricants Module 3: Lubricant's market, supply chain and distribution	3-6/OCT/2023 10.30 a.m-12.30 p.m.
(J) EXECUTIVE MANAGERIAL COURSES				
SPS001J	Highlights of The Amendments to The Companies Act, 2015 by the statute Law (Miscellaneous Amendment Act 2019)	2 hours	Module 1: Role of directors in the new company act Module 2: Implications on organizational role and structures	13/OCT/2022 9.30 a.m-11.30 a.m.
SPS002J	Executive Introduction to the East Africa Oil and Gas sector	2 hours	Module 1: Product Knowledge Module 2: Legal and regulatory framework Module 3: Market supply chain and fiscal regime	30/NOV/2022 10.30 a.m-12.30 p.m.
SPS 008M	Oil and Gas corporate governance for Boards and management conference	1 day	Corporate Governance for Boards and Management	21/OCT/2022

Online Training Charges:

Scheduled calendar training sessions:
Cost per person per module: *US $ 74*/ Kshs. 7,500+VAT only

Alternative for scheduled calendar training sessions:

Executive Private/Group Sessions:
Cost per person per module: *US $ 148* / Kshs. 15,000+VAT only
(Under the Executive Private/Group Sessions we offer individual or group sessions which are designed to fit your time and date schedule.)

Training charges indicated are per person basis and have a minimum no. of trainees
Contact us for customized In-house and Open-course trainings.

For enquiries kindly contact school@petroleum.co.ke or call 0722 221 120 /020 224 9081

N/B - Scheduled calendar training sessions: -The training take place as scheduled in the calendar dates/time as listed above.

-Executive Private/Group sessions- The training is delivered as per trainee's request depending on their availability.

The courses listed which have (Part 1) and (Part 2) annotation means that the training participant has to complete both parts to be awarded the certificate.
The courses listed with the annotation Level 1 and Level 2 means that the trainee will be awarded a certificate upon completion of each level.
*The price indicated in $ USD is subject to currency fluctuations USD/KSHS*currency exchange

Vivo Energy Kenya Quality Assurance

Enabling The Last Mile

By Vivo Energy Kenya Quality Team

The Energy Industry is a highly sensitive and precise one. Safe access to petroleum products and other energy sources has to be ensured and facilitated at all times due to the ultrasensitive nature of the products. Vivo Energy Kenya is eminently aware of this, and as a result, we pride ourselves on maintaining an environment and work culture that enables the last mile.

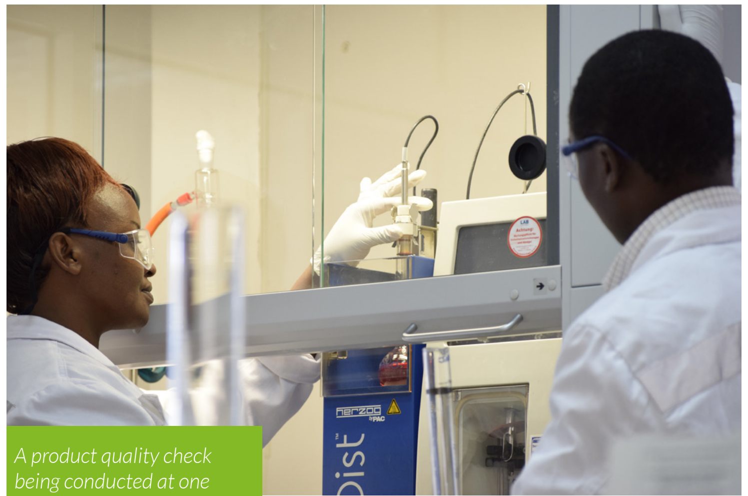
By prioritizing the testing, certification and quality assurance of our products, Vivo Energy Kenya is confident and proud in the fulfilment of our duties to our customers and stakeholders.

Lubricants Quality Assurance

The journey of testing and quality assurance of our lubricants from the blending plant until it reaches the consumer is a lengthy and delicate one. Shell-branded lubricants are blended under careful and strict controls as guided by the Shell Lubricants Quality System (LQS). This includes an end-to-end quality management process running through the value system up to and including consumer experience. This provides for periodic raw materials supplier audits to interrogate quality systems in place as a minimum demonstration of assurance in line with the expected sustainable delivery of quality materials (Base Oils, Additives and Packaging materials) in compliance with design and material specifications.

All raw materials are passed through quality inspection before being released for manufacturing. Shell and Vivo Lubricants Kenya Ltd have two laboratories equipped with modern testing equipment in line with the prescribed parameters for raw materials and finished products.

During and after the blending and filling processes, samples are tested for specific parameters to ensure conformance to applicable specifications. The automation of key processes has also ensured the delivery of good quality performance by eliminating nonconformities associated with human error.



A product quality check being conducted at one of the Vivo Energy Kenya laboratories.

The final product incorporates traceability elements in compliance with KEBS standards and Shell LQS which helps to guard product integrity in the entire value stream.

Fuel Quality Assurance

When it comes to fuel quality assurance and how it impacts both VEK and the consumer; our vision is Product Quality Management Excellence through world-class quality assurance processes to deliver exceptional customer satisfaction. By maintaining a quality policy, Vivo Energy Kenya:

- Promotes a culture in which all employees share a common commitment to product quality and customer service.
- Implements and maintains certified management systems for increased efficiency, consistency, and continuous improvement in processes leading to enhanced customer satisfaction.
- Rigorously applies quality assurance systems to ensure that our products always meet agreed specifications and are 'fit for purpose'
- Having skilled resources and training all employees, contractors, and agents in product quality applicable to their responsibilities and activities.
- Incorporate a risk-based approach and proactively mitigate product quality-related risks.
- Set targets for continuous improvement, measures, appraises and reports.
- Shares good practices and learnings.
- Robust quality control processes to strengthen our quality assurance systems.
- Providing products of acceptable quality is one of the key requirements to sustained success in our business.

At Vivo Energy Kenya, Quality Management is part of the company's merit scorecard to ensure our customers receive products within required East Africa specifications and of the right quality. This is achieved through state of art laboratory testing facilitation at three depot locations where quality checks are done before fuel receipt to tanks and exit from depots to Shell service stations and Commercial customers.

At retail stations and commercial customer sites confirmation of quality is done to ensure the meeting of quality & quantity is conducted as per depot loadings. Fuel additivation is done at depots before loadings to ensure that customers continue using enhanced fuels for better performance of their vehicles and equipment.

Quality control checks are carried out at Vivo Energy Kenya laboratories to ensure fuel integrity during pump overs and truck/wagon bridging. At fuel receipt points, an offloading sequence is followed to ensure there are no cross-overs, overspills, under-delivery, and off-spec fuel is received by the customer. This process is done with the participation of customer representatives and Vivo Energy Kenya.

Vivo Energy Kenya's adoption of a Quality Management System (QMS) is a strategic initiative to improve the overall performance of the company in buying and selling petroleum products and related services while complying with industry regulations. Additionally, we endeavour to identify hazards related to petroleum products through Risk Assessment Matrix to As Low as Reasonably Practicable to pass Zero harm to people, assets, and the environment while we do our business-As guided by our HSSEQ Policies. We ensure our staffs are competent enough to carry out matters related to quality assurance including competency assessment through Inter Center Precision Monitoring Scheme (ICPMS) of lab Analysts to their roles and rigorous training to drivers & other staff on quality.

ISO Certification

ISO certification is integral to the process that ensures that both Vivo Energy Kenya and the consumer are satisfied. With the increasing concern for maintaining and improving the quality of products, services, and environment and protecting human health, the HSSEQ performance of an organization is of increasing importance to internal and external parties. An ISO management system is a systematic approach to continuously improve Health, Safety, Quality and Environmental performance. The ISO standard specifies the requirements of a HSSEQ management system and by operating to a standard it provides a common reference point against which to assess performance. Vivo Energy Kenya is ISO certified in the three standards i.e., quality management system 9001:2015, environmental management system 14001:2015 and occupational health and safety management system 45001:2018. Additionally, all three Vivo Energy laboratories are accredited by ISO/IEC 17025, an accreditation that reaffirms the professional service in measurement, sampling, and analysis of petroleum products. Vivo Energy under the Shell brand thrives in product quality as a key promise to our customers. The Shell brand is well known for quality fuels and certification on ISO 9001:2015 and ISO/IEC 17025 accreditation reaffirms this commitment. Vivo Energy Kenya Limited, established in 2011 is certified ISO 9001:2015, 1400:2015, 4500:2015 and accredited ISO/IEC 1705:2017 with over 280 service stations and Inland depots in Mombasa, Nairobi and Nanyuki, licensed to market & sell differentiated fuels namely, Shell Fuel Save Diesel, Shell Fuel Save Unleaded Shell V-Power, and Shell Heavy Fuel Oil plus.

ISO certifications offer many qualitative and quantitative benefits. Vivo Energy ISO certification on quality management system and laboratory accreditation has ensured the maintenance of high-quality standards throughout the value chain from vessel receipt, storage, depot loadings and offloading at customer sites. Staff across the value chain have been engaged and made aware of the quality requirements within their scope and can easily demonstrate compliance.

ISO certification is being requested during supplier pre-qualification and tender stages, assuring customers that management systems meet internationally recognized standards. Having or becoming ISO certified differentiates one from competitors (if they are not certified) and it might place one at a disadvantage for organizations not having certification, while competitors are.

Quality assurance is a crucial aspect of this business and a compulsory factor if an organization aspires to be successful within this industry. The duty an organization has to their customers and consumers is too important to allow less than the standard quality of products. Because of this, VEK ensures that their products are not only good enough, but they are the best and leading products you can find in the market.

Enabling the Last Mile:

"Be-Proactive" – Safety First

A rapidly growing Oil Marketing Company has chosen to focus on its theme of the Year as "Being Proactive" – This holds even when we look at the aspects of Safety in our Industry.

Safety in Oil and Gas is paramount! We need to hear this over and over again! Any incidence is potentially Life-threatening to our Staff, Customers or innocent passers-by. The Oil Industry is a crucial driver of the global economy and growth. Regionally the Industry plays an important role and is a key contributor, if not the highest contributor for the Tax Man collectively.

However, we cannot ignore how hazardous the Industry can be both for the environment and our health. As an Industry, we therefore need to critically discuss and constantly exchange good practices in improving safety standards, Occupational Safety and Health (OSH) as well as look at a preventative culture in the sector.

From a Legal perspective, the Occupational Health Act, The Environment Act, The Employment Act as well as Policies drawn

EAGOL Eldoret Station

from the Regulator are a constant reminder of the interest drawn in the Safety of the Stations and spaces we operate under, or the transportation of our Petroleum Products and Sale or Storage of LPG Gas and Cylinders.

EAGOL ARE PRO-ACTIVE – SAFETY FIRST – Whether we are serving our Customers at the Forecourt or serving them our famed Coffee at one of our Outlets – we think and put everyone's Safety First.

LPG is a Fossil Fuel.

Experts Explain Why It's Still Africa's Best Option For Cleaner, Greener Cooking (For Now)

Africa's growing population desperately needs clean, modern energy in the home. Currently, more than 900 million people, 85% of the region's population, still rely on solid biomass fuel (like wood and charcoal) and kerosene for cooking. These energy sources are highly polluting, inefficient and unsafe.

Many African countries are moving to develop scalable renewable energy resources to fill the gap. These include solar PV, wind, hydro, geothermal, ethanol and biogas resources. The International Energy Agency has identified liquefied petroleum gas (LPG) as the most important interim clean cooking fuel during this transition. It's the most practical, abundant and affordable among the current options.

LPG is a byproduct of oil and gas production and refining. Although it's a fossil fuel, it's one of the least damaging for the climate. It burns efficiently and has a high ratio of hydrogen to carbon, resulting in more energy for lower carbon emissions. Unlike wood and charcoal, LPG does not draw on forest reserves or contribute substantially to emissions of black carbon and methane, which are among the most powerful, short-acting climate warmers.

Time is fast running out to meet the UN's global Sustainable Development Goal 7 for clean, reliable, sustainable and affordable energy by 2030.

This slow progress prompted the International Energy Agency in 2022 to set out what it calls the Sustainable Africa (energy) Scenario. This envisages that by 2030 one third of homes would be using LPG, 10% electricity, 10% biogas and 6% alcohol fuels. This leaves 41% still using solid biomass, but on more efficient, cleaner stoves.

But the acceleration required to reach even these projections is staggering. Clean cooking access in sub-Saharan Africa needs to improve around 15 times faster over the 2022-2030 period than it has before.

As experts on the impact of air pollution on public health, we argue that realistically, for the next 10-20 years, LPG is the only cleaner fuel that ticks all the boxes. It is popular, meets household needs, is easy to store and transport, and – crucially – is available now in the quantities needed.

Many African governments have already prioritised the rapid scale-up of LPG to secure cleaner cooking and forest protection, alongside active investment in renewables. So what's the problem? Why aren't more people in Africa using LPG when it's cleaner and more efficient?

The international community should move rapidly to support African governments in securing widespread adoption of LPG for clean cooking, alongside development of renewable alternatives that can progressively displace fossil-derived fuels. This "twin-track" approach can help make universal access to clean, efficient and modern energy by 2030 a reality, without threatening the world's vital targets to limit global warming.

Barriers to LPG Adoption

We examined this question through a review of 44 studies from Africa, Asia and Latin America. We investigated factors influencing the adoption of LPG, biogas, alcohol fuels and solar cooking. For LPG we identified affordability, reliability and convenience of supply, and fears about safety, as being most important.

Another worrying factor that's emerged recently, and frequently reported to us by African country partners, is resistance from influential donor countries and their development institutions to invest in LPG because it's a fossil fuel.

Support from these sources is so important. They can ensure their investments are linked to policy for creating the right market conditions, such as a well-regulated cylinder re-circulation system and improved storage and transport infrastructure. These are prerequisites for securing the much larger private sector investment needed for rapid LPG market expansion.

Addressing the barriers

Cost of LPG

The cost of acquiring an LPG cylinder and stove can be prohibitive for poorer homes. But cooking with LPG is typically no more expensive than buying wood, charcoal or kerosene.

Multiple factors can influence LPG prices, though, so they can fluctuate considerably. For instance, the Ukraine conflict forced up the cost of LPG in Kenya.

Government policy can help consumers. For example, value added tax on cylinder refills in Kenya was halved from 16% to 8% in July 2022 to encourage LPG use with the Finance Act 2023 reinstating LPG's zero rate status.

A potentially important innovation for managing the costs of cooking with LPG – under evaluation by our team in Kenya and Tanzania – is "pay-as-you-go" technology that uses smart meters and mobile money, like M-Pesa in Kenya. This allows poor households to buy only the amount of gas they need each day.

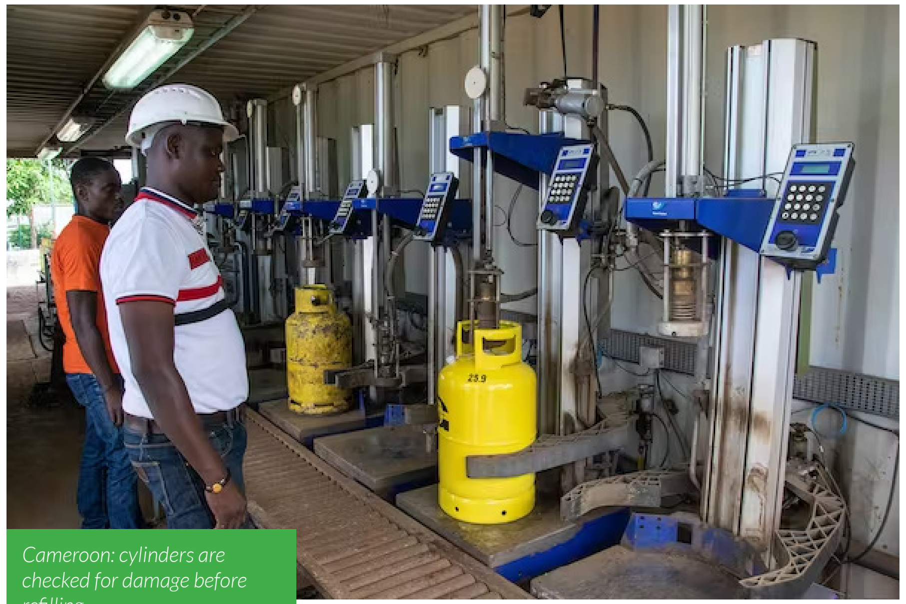
Reliability and Safety of Supply

Reliable, conveniently local and safe supply of LPG requires investment (to help businesses grow) and well-enforced regulation (to ensure best practices). The key to well-functioning LPG markets is adoption of the cylinder re-circulation model. This is when the marketing companies that distribute and sell LPG are also responsible for the safety of their branded cylinders.

COVER STORY

Even when LPG is used for some cooking tasks, often the traditional wood stove is still in regular use.

A 'pay-as-you-go' LPG service in Kenya



Cameroon: cylinders are checked for damage before refilling.

Under this model, when customers need more gas, they exchange the empty cylinder for a full one that has been checked by the marketer, and replaced if damaged. Many African countries are now adopting this model. Cameroon is one example where it has been working quite successfully for a number of years.

Reluctance of donors to invest

Concerns about LPG being a fossil fuel for clean cooking in Africa are currently misplaced, especially with progress towards meeting SDG-7 being so behind. There is mounting evidence that switching populations from solid biomass to LPG can bring substantial health benefits, while having minimal impact on climate warming, and protecting forest resources.

Policy should also be guided by principles of environmental justice. Compared to wealthy countries, Africa's historical climate warming contributions are minuscule. Cooking with biomass is at least 60% more greenhouse gas intensive than with LPG. If any population group has a just claim to use a fossil fuel that offers substantial health benefits as the world decarbonises, it is Africa's poor.

The international community should move rapidly to support African governments in securing widespread adoption of LPG for clean cooking, alongside development of renewable alternatives that can progressively displace fossil-derived fuels. This "twin-track" approach can help make universal access to clean, efficient and modern energy by 2030 a reality, without threatening the world's vital targets to limit global warming.

Government policy can help consumers. For example, value added tax on cylinder refills in Kenya was halved from 16% to 8% in July 2022 to encourage LPG use with the Finance Act 2023 reinstating LPG's zero rate status.

CLEAN-Air (Africa) To Establish Air
Pollution Centre of Excellence at KEMRI

The NIHR CLEAN-Air(Africa) Global Health Research Unit brings together experts from the UK and Sub-Saharan Africa to address the substantial burden of disease from exposure to household air pollution (see www.cleanairafrica.com). Partners include the University of Liverpool, the Kenya Medical Research Institute (KEMRI), Moi University, Eldoret, the Rwanda Biomedical Centre, the University of Dar es Salaam in Tanzania, the Makerere Lung Institute in Uganda, and Douala General Hospital in Cameroon. The 5-year program of policy-oriented research and health systems strengthening is focused on informing national strategies to meet the UN Sustainable Development Goal (SDG) of 'Universal access to affordable and clean energy' (SDG7) that will improve health (SDG3), gender equality (SDG5), economic growth (SDG8) and climate (SDG13) by 2030.

1

2

The partnership of experts from academic research and clinical institutions will act as a bridge to prevent more than 680,000 annual premature deaths in Sub-Saharan Africa from the fumes generated by reliance on solid fuels (wood, charcoal) by a substantial proportion of people to cook and heat their homes by providing policy-relevant evidence to raise population awareness of the issue and to support prevention through the transition to clean fuels and energy for cooking

Plans include the establishment of an Air Pollution Centre of Excellence at KEMRI, housing state-of-the-art air monitoring equipment, and training facilities that will enable academics and public & private sector organizations from Kenya and across Africa to conduct air quality monitoring and research.

Dr. James Mwitari, a senior research fellow at KEMRI and Co-Director of CLEAN-Air(Africa) stated that "the partnership of experts from academic research and clinical institutions will act as a bridge to prevent more than 680,000 annual premature deaths in Sub-Saharan Africa from the fumes generated by reliance on solid fuels (wood, charcoal) by a substantial proportion of people to cook and heat their homes by providing policy-relevant evidence to raise population awareness of the issue and to support prevention through the transition to clean fuels and energy for cooking".

With the explicit objective to address the health burden of institutional air pollution from reliance on polluting fuels, CLEAN-Air(Africa) is launching programmatic research to explore the potential for schools to transition to LPG to positively impact health, environment and climate. The high levels of air pollution exposure experienced by school cooks and pupils in their class and school courtyards, coupled with hundreds of kilograms of wood being burnt to prepare meals each day, warrant fast action of population-level reductions in polluting fuel use.

CLEAN-Air(Africa) is also exploring the potential for primary and secondary students to act as agents of change in their home environment and community. As an initial step to involve young learners, CLEAN-Air(Africa) established an art competition that invited students from primary schools in Nairobi slums, to create a drawing with the theme 'clean air for community health'. Mukuru kwa Njenga and Kwa Ruben primary schools took part in the competition. In June 2023, the winners were presented with framed high-quality impressions of their artwork and the schools received a selection of art supplies from the CLEAN-Air(Africa) directorship (UK and KEMRI) and representatives from the UK National Institute for Health and Care Research (NIHR), and the UK's Department of Health & Social Care.

3

4

Kwa Njenga Art Competition 1

Kwa Njenga school_wood kitchen 2

Kwa Reuben_Kid's artwork 3

Testing wood moisture 4

Photos Credit: Nigel Bruce

We have worked with several schools to deliver art competitions and have found they are an effective way of engaging with children, teachers, schools, and families on the issue of clean air. Creating artwork allows children to express the challenges they and their families face, in cooking food and heating their homes and provides a springboard for important discussion on the topic. Significantly, the artwork created also supports our research and is a key element of the data we collect

"We have worked with several schools to deliver art competitions and have found they are an effective way of engaging with children, teachers, schools, and families on the issue of clean air. Creating artwork allows children to express the challenges they and their families face, in cooking food and heating their homes and provides a springboard for important discussion on the topic. Significantly, the artwork created also supports our research and is a key element of the data we collect." said Professor Pope Professor of Global Public Health at the University of Liverpool and Director of CLEAN-Air(Africa).

Circular Economy Initiatives at
TotalEnergies Marketing Kenya

TotalEnergies is undergoing a profound transformation to evolve into a multi-energy company with an ambition to become a crucial player in the energy transition committed to getting to net zero by 2050, together with society. As a company, we reaffirm our commitment to attaining the United Nations Sustainable Development Goals (SDGs) by incorporating them into our ambition of being a responsible player in the energy industry while taking up the broader challenges of sustainable development. Our stakeholders have high expectations of the Company's long-term value and contribution towards Environmental, Social, Economic and Governance (ESG) impacts. TotalEnergies Marketing Kenya PLC (TMK) views this as an opportunity to align our energy transition by placing sustainable development at the heart of our strategy, projects, and operations.

Consequently, TotalEnergies promotes a circular economy to preserve the environment and efficiently discharge the planet's natural resources. In light of this, TotalEnergies Marketing Kenya PLC (TMK) has initiated several circular economy initiatives to help its customers and its facilities reduce the impact of their activities on the environment. Notable among these are partnerships with Mr. Green Africa, Waste Electrical and Electronic Equipment (WEEE) Centre and Rainwater harvesting at service stations.

TotalEnergies promotes a circular economy to preserve the environment and efficiently discharge the planet's natural resources. In light of this, TotalEnergies Marketing Kenya PLC (TMK) has initiated several circular economy initiatives to help its customers and its facilities reduce the impact of their activities on the environment. Notable among these are partnerships with Mr. Green Africa, Waste Electrical and Electronic Equipment (WEEE) Centre and Rainwater harvesting at service stations.

Mr. Green Africa Partnership

To reduce plastic pollution, TMK and Mr Green Africa, a pioneer recycling company in East Africa, partnered in 2021 to raise awareness, influence attitudes, and promote positive behaviours on the safe disposal of plastic waste. Through our collaboration partnership, we launched two plastic waste collection points for customers at TotalEnergies Gigiri and Ngong Road service stations in Nairobi.

Customers earn "green points" every time they deliver plastic waste to the collection points which can be redeemed with purchases made at the Bonjour shops. Mr. Green Africa transports collected plastic to its treatment facility for recycling and reuse. A total of 33 tonnes of plastics have been collected since its inception in March 2021. The project ambition is to continue promoting plastic waste collection through rollout to more stations in 2023.

Plastic collection point

WEEE Centre Partnership

In Kenya, we have gone further to develop a partnership with Waste Electrical and Electronic Equipment (WEEE) Centre which are an established and tested electrical and electronic waste disposal plus recycling partner. This is to ensure a robust end-of-life management program thereby protecting the environment from dumping and pollution by electronic waste. Our ongoing partnership with the Waste Electrical and Electronic Equipment (WEEE) Centre in Kenya involves the collection of used electronic products from our sites, dismantling and upgrading the electronic waste materials. In the last five years, TMK and WEEE Centre have also safely disposed of defective solar lanterns and offered customers an opportunity to safely dispose of electrical and electronic waste.

Customers dispose of their waste material through two e-waste collection points established in our TotalEnergies Gigiri and Ngong Road service stations since 2022. A third collection point has also been set up at the TMK head office in 2023. WEEE Centre collects the e-waste from the collection points and safely disposes of the material. In total, 0.5 tonnes of e-waste has been collected since the launch of the project. Discussions are ongoing to extend the collaboration to include other circular solutions, increased collection points and awareness creation on safe e-waste disposal.

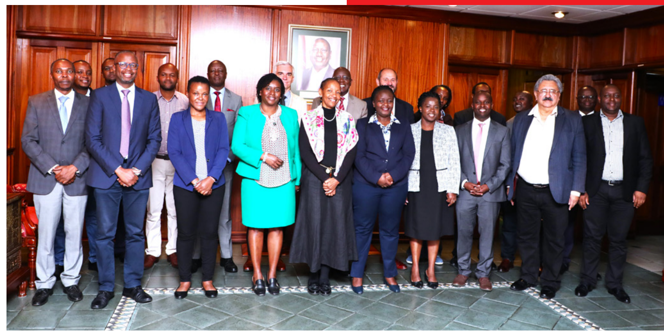
From left, Dr. Musili, Board Chairman of WEEE Centre and Mr. Eric Fanchini, TMK Managing Director the at the launch of e-waste partnership.

Rainwater Harvesting at Service Stations

TMK re-uses rain-harvested water at its stations for non-potable purposes such as car washing and other cleaning activities optimising water usage. The program has been implemented in 22 stations since inception in 2021 with stations achieving 50% water cost reduction during the rainy season. This sustainable approach not only conserves water but also solves the problem of water shortage in the stations through installing of gutters to harvest rainwater from the rooftop and store it for use.
TMK will continue to review its waste minimization and recycling initiatives in line with its sustainability roadmap as it seeks to achieve Net Zero emissions by 2050 with society.

Rain water harvesting at stations

- *Back row, left to right; John Okulo, NCBA Group Director, Corporate Banking, Bernard Njiraini Managing Director, Kenya Bureau of Standards, Joe Sang Managing Director, Kenya Pipeline Company and Solomon Osundwa Petroleum Institute of East Africa (PIEA) Vice Chairman with front row, left to right; Mohammed Baraka, Managing Director Synergy Lubricants Solutions, Ministry of Petroleum and Mining Cabinet Secretary, Davis Chirchir, Susan Koech Deputy Governor, Central Bank of Kenya and Daniel Kiptoo Director-General, Energy & Petroleum Regulatory Authority during the 1st Quarter Petroleum Industry Briefing hosted by PIEA at the Sarova Stanley Hotel, Nairobi on April 26th 2023.*



- *PIEA Directors paid a courtesy call to the Central Bank of Kenya Deputy Governor Dr Susan Koech on 30th June 2023.*

- *Defending the Petroleum Industry Finance Bill 2023 proposals before the Departmental Committee on Finance and National Planning on the 26th May 2023 at the Hilton Garden Hotel (L to R: The Lubricants Task Force Chairman, Mr Mohammed Baraka, Wanjiku Manyara, Joseph Musau from RUBiS Energy, Peter Bulimo and Thomas Abade from OLA Energy and Beatrice Njagi, Vivo Energy Kenya)*

- *PIEA General Manager, Wanjiku Manyara, giving her keynote address touching on Intellectual Property (IP) in Sustainable Development during the International Symposium on the Intellectual Property Protection and Enforcement (ISIPPE), organised by the Anti Counterfeit Agency at the Bomas of Kenya.*

- *PIEA paid a courtesy call to Bhachu Industries at their offices in Nairobi. Inset from the right Wanjiku Manyara-General Manager, PIEA, Gurveer Bhachu-MD, Bhachu Industries and Vivienne Ayuma, PIEA.*

- *PIEA visited one of its members BOC Kenya Plc (BOC) at their offices in Nairobi,Kenya. BOC Kenya is a lead supplier of industrial, medical, LPG & special gas in East Africa. From the left Arthur Kamau-Ag. MD, BOC, Wanjiku Manyara-GM, PIEA, James Njoronge, BOC & Vivienne Ayuma, PIEA*

- *PIEA received a courtesy call from (inset) Mr Hiro Shimada (L), Overseas Department, Department GM from Kagla Vaportech Corporation, Japan, and Motofumi Suzuki (R) Senior Adviser International Projects Division from Oriental Consultants and PIEA GM Wanjiku Manyara. (M).*

- *Warren Enterprises Ltd. paid PIEA a courtesy call visit. Inset from left: S. Umashankar, Operations Manager, Tejas Ganesh Business Development Manager and Brian from Warren Enterprises and PIEA General Manager Wanjiku Manyara.*

From left: TotalEnergies Africa Vice President Finance and Corporate Affairs, Elodie Luce, TotalEnergies Marketing Kenya Managing Director, Eric Fanchini, TotalEnergies Africa Executive Vice President of East & Central Africa, Olagoke Aluko, Blowplast Group Chairman, Hanish Chandaria, Blowplast MD, Sanjay Brahmbhatt, and Mr Green Africa CEO, Keiran Smith display the new revolutionary lube containers made from recycled plastic through a partnership between the three firms to minimise environmental impact of plastics.

TotalEnergies Africa Executive Vice President of East & Central Africa, Olagoke Aluko (Second R) and TotalEnergies Marketing Kenya Managing Director, Eric Fanchini (R) launch the company's first Electric Vehicle (EV) Charging station at TotalEnergies Gigiri. Looking on are TotalEnergies Africa Vice President Finance and Corporate Affairs, Elodie Luce (L) and TotalEnergies Marketing Kenya Strategy & Corporate Affairs Director, Adele Tura.

East Africa Women in LPG Network (Kenya Chapter) Clean Cooking Sensitization and Education workshop carried out at the Jamhuri Energy Centre, Nairobi in collaboration with REREC under the Ministry of Energy and Petroleum. (L to R: Ayuma Likhanga (PIEA), Boyani Omwenga (Vivo Energy Kenya) Elizabeth Mbuthia (MOEP) and Daniel Ngure (Vivo Energy Kenya)

National Oil Corporation of Kenya Chairman Kiraitu Murungi and Chief Executive Officer Leparan Morintat (both centre) among delegates at the East Africa Petroleum Conference and Exhibition 2023 held from 9th to 11th May 2023 in Kampala, Uganda. CEO Morintat was among the panellists, and he urged member states to get their state-owned oil companies to work together to promote petroleum development in the region.

Principal Secretary, State Department of Petroleum Mohamed Liban and National Oil CEO Leparan Morintat joined other delegates for the 8th Annual Petroleum Data Management Forum held between the 5th and 9th June 2023 at the PrideInn Paradise Beach Resort Convention Centre and Spa in Mombasa. The forum, organised by the National Oil Corporation of Kenya in conjunction with the Ministry of Energy and Petroleum, brought together industry leaders and data experts to discuss the latest trends, challenges and solutions in data management within the African petroleum sector.

PIEA in conjunction with St John Ambulance, Nairobi Country Fire Brigade and the National Police Service conducted a Joint Emergency Safety drill for petroleum and petroleum products road transportation in the adjacent road behind Moi International Kasarani Stadium. The event was comprised of incident simulation and a public awareness and sensitization baraza on road safety.

From L-R: Varun Sharma, Director-PIEA, Florence Wanjiru, Chairperson-Alison and Davis Group (ADG), Martin Chomba, Chairman-POAK, Wanjiku Manyara, General Manager-PIEA and Kimemia Mugo, Managing Director-ADG during the 2nd Africa Petroleum Equipment (AFRIPET) Convention held between the 18th - 20th July 2023, at Sarit Expo Centre, Nairobi.

From Left to Right: CPA Bernard M Ngugi, Sector Head, Energy & Infrastructure, Corporate & Investment Banking Division- Stanbic Bank Kenya, Wanjiku Manyara, GM-PIEA, Gadibolae Dihlabi, MD-LPG South Africa Association, David Tyler, Director-World LPG Association and David Appleton, Vice President-LPG Argus Media.

Dennis Wakaba from Roam Eletrics giving a presentation on A Road Map to Sustainable Transport using electric motorcycles and buses.

From L-R: Wanjiku Manyara, General Manager-PIEA moderating the Status on Access to Clean and Clean Energy Technology in Africa panel of Edward Kinyua, Director Petroleum and Gas-EPRA, Martin Kimani, Managing Director-M-Gas, Kevin Kinusu, Country Manager-Kenya Biogas program Kenya, Mabel Rubadiri, KOKO Networks and Mark O'keefe, Director of Product-Sunking.

David Tyler, Director WLPGA moderating the Opportunities for Diversity in a Net Zero Carbon World panel consisting of (L-R) Peter Murungi, Managing Director- Vivo Energy Kenya, Carol Kiplagat, Chief Environmental Officer-Kenya Pipeline Company (KPC) and Kevin Khaemba, Chief Commercial Officer-Pesapal Ltd.

Tapping into Women in LPG Global Network (WINLPG) to increase LPG footprint across Africa with L-R Alison Abbott, Marketing and Communications Director-WLPGA, Vivienne Ayuma, PIEA, East Africa WINLPG Kenya Chapter, Veneranda Masoum, Managing Director-Taifa Gas Kenya and Gadibolae Dihlabi, Managing Director-LPG South Africa Association.

Wanjiku Manyara, General Manager-PIEA moderating the Power Generation consisting of Dr Daniel Mwaura, Technical Assistant to General Manager, Geothermal Development-KENGEN, Jean-Sebastien Gerard, LPG Business Development-VITOL and Oliver Biyogo, Commercial Manager Specialities-TotalEnergies Marketing Kenya Plc.

Invited Guests following discussions keenly.

As a conclusion to the PIEA WLPGA Summit and exhibition, a training workshop took place with participants from Kenya, Uganda and Eswatini, who were elated on the level of knowledge exchanged and information they learned during this interactive training led by David Tyler, Director WLPGA.

LPG/LNG

12th Africa LPG Summit: Towards Net Zero with Clean Energy Technologies in Africa

The Petroleum Institute of East Africa(PIEA) and the World LPG Association(WLPGA) convened the 12th Africa LPG Summit, Exhibition and Training Workshop 2023 in Nairobi that attracted hundreds of speakers and participants across the globe.

The summit's theme 'Towards Net Zero with Clean Energy Technologies in Africa' provided a platform for the cooking, transport, power generation and financial sectors to share knowledge and expertise through the adoption of clean energy technologies and funding spaces.

In a speech on his behalf, Cabinet Secretary for Energy and Petroleum Davis Chirchir said that the government is keen on transitioning learning institutions and poor households from biofuels to clean cooking energy through investments.

"The government recognises LPG as the key energy source for households and also institutions. It is therefore included as an essential component of Kenya's energy mix within the national clean cooking strategy. Our head of state has given targets to be met to hasten the shift from non-clean cooking gas to LPG for households and institutions. This has made strategically catalysing the requisite interventions to spur investments in the LPG value chain. We now endeavour to bridge the gaps that have sustainable LPG access. These interventions include; enabling investments across the LPG value chain specifically in marine import, storage facilities, inland storage, loading and well as refilling plants across the country" said the CS.

Chirchir added that key on the government's agenda is transitioning poor households in rural and urban poor centres, and more than 5,000 public primary and primary schools from firewood to LPG by 2026.

To achieve this milestone, the CS said that the government is set to assign a fraction of taxes collected from kerosene to fund the development of safe cylinders annually in identified homes, thereby eliminating preventable deaths caused by bio-mass pollution.

"The government is encouraging the use of LPG as the primary cooking fuel as we endeavour to transition to electricity for cooking. Plans are underway to ensure these two are easily accessible and affordable to consumers. The 21,500 preventable deaths, particularly of children under 5 on account of indoor pollution, will be eliminated. This will ultimately impact our health budget to be converted to the prevention of other communicable diseases" he said.

Sustainable transportation was a topic as countries continue to adopt and invest in greener and cleaner fuels. Roam Electronic, the company that runs the electric mass transportation buses in Nairobi, said that as the country begins to embrace electric vehicles, there is a need to increase infrastructure development in terms of electric charging points and technological developments that support these investments.

In a speech read on his behalf, Roam Electric Chief Executive Office, Filip Lovstrom said that though facing various challenges such as limited infrastructure and high energy costs, the circumstances are also opportunities for innovation through collaboration strategies.

"At Roam, we have an unwavering commitment to advancing and innovating electric vehicles that contribute towards making the world a greener place. Another critical component of our roadmap towards sustainable transport involves establishing efficient and accessible EV charging networks throughout all the counties, urban areas, along the highways and many other public spaces. I invite all petroleum industry stakeholders to participate in the charging infrastructure build-up. In addition to renewables fostering local manufacturing and assembly capabilities for electric vehicles they play a critical role in achieving sustainable goals." said Lovstrom.

"By investing resources into creating EV manufacturing facilities located within Africa itself, we can create new avenues for job creation, and economic growth alongside technical development such an approach will further ensure customization inherently capable of servicing all aspects throughout the continent."

He added that the transition from conventional transport systems towards greener alternatives requires an integrated approach that prioritizes education sensitization campaigns aimed at stakeholders' knowledge in different sectors. Education plays a key role in the adoption of electric vehicles and also awareness by empowering communities as well as government agencies with knowledge of the environmental benefits and debunking the myths.

The 12th Africa LPG Summit had representatives from Ghana, Nigeria and South Africa share strides made and setbacks faced in their countries to convert citizens to clean cooking fuel as well as delegates across the world.

Rwanda to Construct USD 32M LPG Storage Facilities

The Government of Rwanda in partnership with the private sector has begun construction of 17.1 million litres of liquefied petroleum gas (LPG) storage facilities in the capital city of Kigali.

Speaking to the press in Kigali on Saturday, the Project Manager of the facilities Jean Gashumba said that the 37.7 billion Rwandan francs (about 32 million U.S. dollars) in Gasabo district is expected to be completed by mid-2025 with the first storage facility set to be in place within a year.

The upcoming storage facilities will ensure a stable supply of LPG for its growing Rwandan population as part of efforts to cut down the use of wood for cooking.

"The construction of three storage facilities, which is funded jointly by the government and the private sector, will be done in two phases. Once complete, the facilities will have the capacity to store 17.1 million litres of gas," said Gashumba.

At the same time, Rwandan Minister for Infrastructure Ernest Nsabimana added that the new LPG storage facilities are expected to stabilize cooking gas prices in the country.

"The country has the capacity to store less than 14 days' worth of gas. However, the new facilities will ensure we have cooking gas reserves that can last for roughly three months" said Nsabimana.

The LPG consumption in the country stands at about 3.5 million kilograms per month. Results of the Rwanda national population and housing census conducted in 2022 showed that 76 per cent of households still used firewood for cooking while 17 per cent used charcoal. The government envisages reducing the reliance on wood fuel for cooking to 42 per cent by 2024.

Tullow Oil, MoEP Review Project Oil
in the South Lokichar Basin

The Ministry of Energy and Petroleum, on June 23rd 2023, convened a Consultative Summit that brought together the ministry's officials, the County Government of Turkana, Tullow Oil Kenya and other project stakeholders to review the project status.

In the summit held at Turkana County, Cabinet Secretary for Ministry of Energy and Petroleum Davis Chirchir, noted that it's critical to fast-track the exploitation of our fossil fuels in an environmentally sustainable manner while ensuring that the Turkana County at large & the local communities in the South Lokichar basin benefit from the hydrocarbon resources found in Turkana.

The summit brought together County Government of Turkana officials led by Governor Jeremiah Lomorukai, representatives of Tullow Oil Kenya and other project stakeholders to provide an update on the status of Project Oil and Gas Development & the Exploration in the South Lokichar Basin.

During the summit, it was observed that discussions are ongoing on the proposed Field Development Plan submitted by Tullow Oil Kenya. This plan provides a roadmap of how the resources in the South Lokichar basin are to be exploited for the benefit of humanity.

Ministry of Energy and Petroleum top officials together with County Government of Turkana officials and Tullow Oil Kenya in a group photo during a Consultative Summit convened by Cabinet Secretary Davis Chirchir

Tullow Oil Kenya Yet to Secure a
Strategic Partner for Kenya's Oil Project

Rahul Dhir
Chief Executive Officer
Tullow Oil plc

Tullow Oil says that Engagements to secure a strategic partner for the development project in Kenya are ongoing.

In March 2023, Tullow and its JV Partners submitted an updated Field Development Plan to the Ministry of Energy and Petroleum and the Energy and Petroleum Regulatory Commission Authority, for their approval. This is currently under review by the relevant authorities.

In the 2022 full-year results, Tullow Oil PLC says that Kenya continues to remain an important asset in Tullow's development portfolio, with the potential to add material reserves and create value for shareholders.

In March 2023, Tullow and its JV Partners submitted an updated Field Development Plan to the Ministry of Energy and Petroleum and the Energy and Petroleum Regulatory Commission Authority in Kenya, for their approval. This is currently under review by the relevant authorities.

Intangible Exploration and Evaluation Assets In Kenya

Tullow Oil had received a 15-month licence extension from September 2020 to December 2021 which was contingent on certain conditions, including submission of a technically and commercially compliant Field Development Plan (FDP). On 10 December 2021, Tullow and its Joint Venture Partners submitted an FDP to the Government of Kenya and fulfilled its licence obligations. The Group expects a production licence to be granted once due Government process has been completed.

There have been ongoing discussions between Tullow Oil Plc and the Government of Kenya on approval of the FDP and securing government deliverables since 1 January 2022. An updated FDP was submitted on 3 March 2023 and is being reviewed by the Government of Kenya before ratification by the Kenyan Parliament. In addition, the Company continues to progress with the farm-down process.

In line with its accounting policy, the Group has performed a Value In Use (VIU) assessment of the Kenya asset following the identification of triggers for impairment and impairment reversal. This resulted in an NPV significantly more than the book value of $252.6 million.

concerning the Group's ability to realise the estimated VIU; receiving and subsequently finalising an acceptable offer from a strategic partner and securing governmental approvals relating thereto, obtaining financing for the project and government deliverables. These items require satisfactory resolution before the Group can take a Final Investment Decision (FID). Due to the binary nature of these uncertainties, the Group was unable to either adjust the cash flows or discount rate appropriately.

Tullow Oil Plc has therefore used its judgment and assessed the probability of achieving FID and therefore the recognition of commercial reserves. This probability was applied to the VIU to determine a risk-adjusted VIU and compared against the net book value of the asset. Based on this there is no impairment or impairment reversal as of 31 December 2022. The cash flows in the VIU assessment were discounted using a pre-tax nominal discount rate of 20%. Refer to note 10 for oil price assumptions.

Should the uncertainties around the project be resolved, there will be a reversal of a previously recorded impairment. However, if the uncertainties are not resolved there will be an additional impairment of $252.6 million. A reduction or increase in the two-year forward curve of $5/bbl, based on the approximate range of annualized average oil price over recent history, and a reduction or increase in the medium and long-term price assumptions of $5/bbl, based on the range of annualized average historical prices, are considered to be reasonably possible changes for the purposes of sensitivity analysis. Decreases in oil prices specified above would result in an impairment

charge of $31.6 million, whilst increases in oil prices specified above would result in an impairment reversal of $35.2 million. A 1% increase in the pre-tax discount rate would result in an impairment charge of $34.2 million. The Group believes a 1% change in the pre-tax discount rate to be a reasonable possibility based on a historical analysis of the Group and a peer group of companies' impairments.

Uganda's Contingent Asset

During 2020, the Group completed the disposal of its interest in Uganda for upfront cash consideration of $500.0 million, with $75.0 million received following FID and contingent future payments linked to oil prices. Given the existing uncertainties around the project, management has concluded that the conditions for recognition of an asset associated with contingent consideration under IFRS 15 were not met as of 31 December 2022.

UPSTREAM

Uganda Seek New Investors for Its $4B
Refinery Project

Irene Batebe
Energy Permanent Secretary,
Ministry of Energy and Mineral Development

Uganda is seeking new investors for its $4.5 billion refinery after three failed attempts with Russian, South Korean and now US/Italian private companies to raise a critical portion of the required financing.

Uganda's Ministry of Energy says it will work with public sector capital – a veiled admission that only bilateral deals were left to explore to get the project going.

On July 3, the Project Framework Agreement (PFA) signed with the Albertine Graben Energy Consortium (Agec) five years ago expired on June 30 without a final investment decision announcement for the $4.5 billion project.

But the consortium of US and Italian firms says it will stay on the project for which it holds intellectual property rights."There are, however, a number of outstanding aspects, including mobilisation of financing for the project and the Government of Uganda is now open to receiving offers from public sector capital providers to participate in this nationally and regionally strategic project," the ministry of Energy said in a statement.

Energy Permanent Secretary Irene Batebe said the government had opted to deal with state agencies as this guarantees faster commitment, but the consortium that owns the intellectual property for the refinery's Front End Engineering Design (Feed) still wants a piece of the pie.
"The Agec is the private sector partner for the development of an oil refinery project in Uganda," the consortium told The EastAfrican.

The consortium signed the PFA in 2018, for a two-year period within which to table its investment plan to get the project off the ground. But with the Covid-19 pandemic slowing global business activity, the government was twice forced to renew the agreement.

In December last year, Rajakumari Jandhyala, CEO of Yaatra Africa – the US firm that leads the consortium – and financiers met with President Yoweri Museveni in Washington DC and indicated that the group will announce the Fid by March 2023.

Batebe says Agec lost its controlling 60 per cent stake after failing commitments to announce Fid by March and June but still has a window to be a player in the refinery, based on achievements the group had registered, which include the project's Feed."The Agec is continuing its engagement with the government on the development of the project, believes strongly in its value for Uganda and is committed to its success for the benefit of the people of Uganda and East Africa," the consortium said, in a statement.

Although the government has reopened the project for tendering, officials in the Ministry of Energy reveal that Kampala already has a state-owned entity lined up for the project.

In March this year, Uganda signed a wide-ranging memorandum of understanding with Algeria government-owned energy firm Sonatrach Petroleum Corporation, on midstream and downstream development of Uganda's oil sector, which includes the refinery.

At the time, sources indicated that the Ugandan government was growing jittery at the time over the lack of progress with the Agec consortium, which includes American companies Yaatra Africa, Baker Hughes (part of General Electric) and Italian firm Saipem SPA, failing to move the project forward to Fid and development.

The other option is to mobilise East African Community partner states – Kenya, Tanzania, Rwanda, Burundi, South Sudan and DR Congo – to commit to taking up equity, while capital investment from publicly owned agencies has also been mooted.

Although Yaatra and Saipem deployed staff in Uganda to lead project work teams and negotiations with the government for the critical Shareholders Agreement, Implementation Agreement and Crude Oil Supply Agreement, the lack of progress on the financing front meant the talks would not yield anything. "The MoU with Sonatrach is [because] we have to look at our interests. It's a few weeks to the end of June, and from where we sit, it doesn't look like they will take Fid come the end of June," a government source working closely with the project told The EastAfrican in May.

The other option is to mobilise East African Community partner states – Kenya, Tanzania, Rwanda, Burundi, South Sudan and DR Congo – to commit to taking up equity, while capital investment from publicly owned agencies has also been mooted.

So far, only Kenya and Rwanda have shown interest in taking up a minority stake in the project.

Uganda says it registered achievements with Agec, including completion of the Refinery Configuration or Front-End Loading 2 (FEL-2), the Feed, which defines the technical design of the refinery, the project Environmental and Social Impact Assessment study, logistics study and commercial and marketing study.

The refinery shareholding structure was 60 per cent owned by the private developer Agec, while Uganda holds 40 per cent, which is to be floated amongst its EAC partner states.

Uganda discovered commercially viable hydrocarbon deposits in 2006 in the Albertine region. The current reserves of crude oil are estimated to be about 6.5 billion barrels.

The refinery is expected to process 60,000 barrels per day.

Article Credit : The EastAfrican
Julius Barigaba

Tanzania Bags CNOOC for
Offshore Exploration

The Tanzania Energy Minister, January Makamba, disclosed via an interview with Bloomberg on Thursday that Tanzania Petroleum Development Corporation (TPDC) and CNOOC, a Chinese state-owned offshore oil and gas corporation, want to begin offshore exploration.

Tanzania has reached an agreement with supermajors to build a sizable LNG export terminal as part of its efforts to accelerate the development of its natural gas resources, as seen in The Citizen, a Tanzanian news publication.

Tanzania's Energy Minister told Bloomberg recently that CNOOC and Tanzania had "an agreement in the works" to conduct seismic research before an offshore licensing round scheduled to take place in 2024.

"We believe that Tanzania has more gas, and possibly oil, to be discovered because only 30% of the area with potential for oil and gas resources has been explored so far," the Tanzanian minister told Bloomberg.

Tanzania's Energy Ministry estimates that the nation has recoverable natural gas reserves of more than 57 trillion cubic feet.

The Tanzania Petroleum Development Corporation (TPDC) and the Chinese corporation would collaborate on projects in TPDC's deep-water areas, the minister noted. The blocks are near the major natural gas finds made by a partnership between Shell, Equinor, and ExxonMobil.

The three supermajors and the Tanzanian government reached a deal last month to build an LNG export facility. A host government agreement and a production-sharing agreement are the cornerstones of the first arrangement. Tanzania and other African nations are attempting to benefit from the expanding LNG demand in Europe, which is purchasing increasing quantities of ultra-chilled fuel to replace Russian pipeline supplies.

To deliver gas to Europe, which aims to stop using Russian gas by 2027, oil and gas companies are now aiming to clinch more agreements in the Mediterranean and Africa.

Claudio Descalzi, CEO of Eni, stated in an interview with the Financial Times at the beginning of the year that Europe should turn to Africa as a "south-north" energy axis for gas delivery.

Oil Industry Market Dynamics
Post G to G Supply Plan

Chrinus Genga

In January 2023, the government published a new regulation for Petroleum importation under legal Notice N0. 3. The new Government to Government (G to G) arrangement allowed three local oil companies agencies of the International Oil Companies (IOCs) that signed a bilateral agreement with the government for nine months to supply Petroleum products for the country.

In April 2023, the first consignment was received. It was widely expected that the country would realize macroeconomic benefits in both the short and the longer term. For the Petroleum industry players, the immediate gain has been the ease of making payments to the importer in local currency. The headache of dollar shortage that plagued the industry in quarter one subsided. It is early days to pop the champagne, but most Marketers agree that accessing products is much better as a result of the shilling payment.

International Oil Prices for Brent crude have hovered around 69 to 74 dollars per barrel over the last two months. OPEC cut down supply, and Saudi Arabia went further to cut back its Oil output Production to stem a slide in prices. This fall in international oil prices has been explained by the general slump in demand with a gloomy economic outlook in leading economies of the world. That said, recovery is on the horizon, economic growth will pick up, and demand for Oil products will rise albeit marginally in the near term. Locally though, the uptake has remained timid in a harsh economic environment.

In June 2019, Brent crude traded at around $64 per barrel. The shilling exchanged at around 101 to the dollar. The pump price announced on 14th June 2019 by the regulator was 115.10 for PMS in Nairobi. A lot of market dynamics have shifted, and with it, the pump prices. The weakening shilling, the ramped-up taxes and other levies importers charge on the landed cost of the product have pushed prices in Nairobi closer to the unprecedented Ksh 200 per litre mark for Petrol. While the pump prices have almost doubled over this period with a steep rise in the required working capital for Marketers, the guidelines for the margins published by the regulator for the industry players have remained static.

The concerns over the economic and regulatory environment are not the only worries keeping the Marketers awake in this new arrangement in supply. There is the urgent matter of the flooding of the market by the supply over the last two months post the dollar payment period. As opposed to the earlier period when the dollar shortages only allowed product to trickle in, now it comes in an avalanche. This has been exacerbated by the opening of the new KOT jetty that has 4 berths. Ships now come on schedule and offload products without delay. KPC has also doubled its pumping capacity by bringing on board additional pumps in all the pumping stations to boost stocking in the depots. Marketers can access the products in the KPC system in all locations.

The ripple effect of this efficiency in logistics and supply chain was unforeseen by Marketers. The wholesale market collapsed quickly as players relying entirely on this channel to evacuate(sell) scrambled for the few buyers. The sluggish economy with reduced transportation and general travel has not helped matters.

The concerns over the economic and regulatory environment are not the only worries keeping the Marketers awake in this new arrangement in supply. There is the urgent matter of the flooding of the market by the supply over the last two months post the dollar payment period. As opposed to the earlier period when the dollar shortages only allowed product to trickle in, now it comes in an avalanche. This has been exacerbated by the opening of the new KOT jetty that has 4 berths. Ships now come on schedule and offload products without delay. KPC has also doubled its pumping capacity by bringing on board additional pumps in all the pumping stations to boost stocking in the depots. Marketers can access the products in the KPC system in all locations.

Further, a collapsed wholesale market has not spared the Retail segment. There is heavy under-canopy discounting of up to Ksh 5 per litre in some stations. New entrants still building their brands are flat out in advertising the discount in their Main Identity display. While this may be a boon for the consumers, it may not augur well for the small brands who have no outlets to evacuate products other than wholesale. For some, aggressive undercutting of prices has led to selling products below cost and digging a gaping hole in their working capital. Sustained losses may lead to market exit in the long run.

For the regulator, this increased competition and heavy discounting to the consumer may sound like a success story. But there are market distortions and a regulator's hand may be required to smoothen the bumps. For now, the Middleman is pocketing most of the profits- not the Marketer or the consumer. A fair balance needs to be found and reviewing the capped margins for the other players like the dealers, transporters (Rates) and Marketers' investment margins as well could be a good starting point. Anytime the difference between pump prices and wholesale prices are above Ksh 15 the Marketers with few or no Retail outlets suffer. It can be argued that open markets left to the forces of demand and supply- laissez-faire will self-correct. Sometimes it does at the detriment of the consumers.

The next market correction is likely to have companies slash their nominations for the next import and focus more on Retail. For now, the resellers and independent operators are smiling all the way to the bank. This cyclical market behaviour is a phenomenon the economist calls the Cobweb theory. At some level, such high volatility in the market with highly unpredictable revenue streams may be a hindrance to long-term investment in the petroleum sector.

There is another emerging trend accompanying this turbulence. Spot-purchase (buying bulk from an importer) now makes more business sense as opposed to participating in the import tender. Marketers who previously participated in OTS now find it profitable to approach other players stuck with high stocks of diminishing value ready to dispose at any bargain sometimes solely for cash-flow. The urgency to offload peaks when KPC ageing penalties begin to kick in. If more Marketers go this route to hedge their bets in the longer term, the planning of supply and participation in the OTS, especially the element of energy security, may be compromised.

Further, a collapsed wholesale market has not spared the Retail segment. There is heavy under-canopy discounting of up to Ksh 5 per litre in some stations. New entrants still building their brands are flat out in advertising the discount in their Main Identity display. While this may be a boon for the consumers, it may not augur well for the small brands who have no outlets to evacuate products other than wholesale. For some, aggressive undercutting of prices has led to selling products below cost and digging a gaping hole in their working capital. Sustained losses may lead to market exit in the long run.

For some marketers, the export market has always come in handy as a way to cushion them in lean times when the local market is awash with products and the margins are wafer-thin. While efficiency in the scheduling of ships and offloading at the new KOT has helped to eliminate other charges and improve competitiveness more work needs to be done to retain Kenya Port as the leader in the region. Most importers in the Eastern DRC, Burundi and Rwanda, South Sudan now find Dar port most preferred because the premium charged on the landed cost of a product is relatively lower compared to Kenya currently.

Chrinus Otieno Genga is a full-time lecturer at Kenya School of Petroleum Studies run by PIEA. He Has previously worked in TOTAL, ENGEN, PETRO and NATIONAL Oil in Downstream operations.

Mr Genga is a private consultant with Sheer Quality Training Partners specializing in Petroleum Retail Training and development. Genga is a writer - special correspondent with The East African Newspaper. He has is also an author with 5 books to his name.

POST BUDGET ANALYSIS

Post-budget Insights and Analysis – Path to Recovery, Stabilization and Growth

Gideon Rotich

The Cabinet Secretary (CS) for the National Treasury and Planning, Prof Njuguna Ndung'u presented this year's budget on 15th June 2023 under the theme "Bottom-up Economic Transformation and Climate Change Mitigation/ Adaptation for Improved Livelihoods of Kenya". The budget was presented at a time when the National Assembly was deliberating the Finance Bill of 2023, which has now been assented to and enacted into law.

From an economic perspective, the Government is projecting a growth of 5.5% for FY 2023/2024. This is against a backdrop of global economic slowdown, elevated global inflation, persistent supply chain disruptions and prolonged drought. The overall total expenditure is set to increase from KES 3.38 trillion in FY 2022/2023 to KES 3.67 trillion in FY 2023/2024 with a projected ordinary revenue increase from KES 2.19 trillion to KES 2.57 trillion. Over the past few years, the Government has continued to reduce the budget deficit and projects it to fall from the current KES 824 billion (about 5.8% of GDP) to KES 718 billion (4.4% of GDP).

Reducing the budget deficit is key to economic recovery and is going to be pegged on revenue mobilization, reducing wastage and inefficiencies, public debt management and ring-fencing economic developments. The projected performance is premised on broadening the tax base and implementation of various tax reform measures.
Expenditure Allocation

According to the CS, expenditure has been projected to increase by KES 290 billion while total revenue (Appropriation in Aid and Ordinary) is projected to increase by KES 401 billion. To ensure the fiscal deficit projections are met, the Government is keen to ensure that ordinary revenue targets are met. Failure to meet the targets will result in additional borrowing.

Expenditure allocation has remained largely constant as compared to the previous year. Development expenditure continues to remain below the Public Fund Management Act (PFM) requirement of 30%.

Debt continues to weigh significantly on revenues collected with loan payments being on the upward growth as the Government seeks more loans to fulfil its short-term and long-term commitments. To fund the budget deficit, the government is going to source KES 718 billion from borrowing. In addition, a 2 billion Eurobond is also maturing in FY 2023/24. The Government is keen on changing the debt ceiling from an absolute number to a percentage of GDP. As part of measures to manage the Government's fiscal deficit, the Government has strengthened the public-private partnership (PPP) framework to leverage the private sector expertise and financing in infrastructure developments. The Government intends to operationalize the project facilitation fund (PFF). This fund will support project preparation through the provision of viability gap funding which will ensure bankability of the PPP projects and provide the necessary security to the private sector. This fund will also cover any contingent liabilities that may arise from these PPP projects and provide the much-needed liquidity to meet payment obligations.

Infrastructure continues to be a key enabler of the Kenyan economy. Being President Ruto's first budget, infrastructure has received a generous allocation of KES 351.3 billion although slightly lower than the FY22/23 allocation of KES 368.5 billion. The Government plans to continue expanding critical infrastructure in roads, railways, sea, and airports to create an enabling environment for the economic recovery of the country. A total of KES 244.9 billion (70% of the total infrastructure budget) has been allocated to the construction of roads and bridges, an indication of the Government's plans to intensify national connectivity to promote access throughout the country in a bid to foster economic growth.

Housing is one of the main priorities of the Kenya Kwanza administration. The Government has been very vocal about turning around the housing challenge in Kenya and has allocated a total of KES35.2 billion for the housing Programme in FY24. The housing gap will be reduced by facilitating the delivery of 250,000 houses per annum and enabling affordable housing mortgages. To actualize this, the Government plans on putting in place policies and administrative reforms to lower the cost of construction and improve access to affordable housing finance while creating jobs, while funding the exercise through the implementation of a 1.5% affordable housing levy of employee pay, payable by both the employee and employer.

The agricultural sector remains the backbone of Kenya's economy contributing an average of 21.4% of the GDP directly and up to 33% of GDP indirectly. As a result, the agricultural sector continues to play a fundamental role in Kenya's economy contributing approximately 65% of Kenya's total exports.

It continues to have the highest employment contribution, employing more than 40% of the total population and 70% of the rural population.

Despite this, the agricultural productivity of the country has been declining. This has been occasioned by prolonged droughts as well as the doubling of global fertilizer prices due to the appreciation of the dollar and disruption of the supply chain. Some of the proposed measures to revive the agriculture sector include revamping agriculture through subsidies, value chain development and other interventions.

The Financial Inclusion Fund, commonly known as the Hustler Fund, was set up in November 2022 to provide affordable credit to individuals and MSMEs. KES 11 billion has already been invested in the fund, and the Cabinet Secretary (CS) proposed the allocation of an additional KES 10 billion to the fund.

Since its launch, 43.5 million transactions have been made on the Hustler Fund by an estimated 16.07 million customers, of which 7.1 million are repeat customers. Individuals and MSMEs have borrowed a total of KES 30.8 billion from the Fund, saved KES 1.5 billion as mandatory savings, and KES 17 million voluntarily.

The tourism sector has recovered significantly since the onset of the COVID-19 pandemic. While the FY 2022/23 budget focused on the recovery of the tourism sector considering the effects of the COVID-19 pandemic, the FY 2023/24 budget focuses on a Bottom-Up, job-creating tourism industry. To this end, the CS proposed an allocation of KES 4.1 billion for the Tourism Fund and KES 2 billion for the Tourism Promotion Fund; a 28% and 11% increase, respectively, when compared to the allocations in the FY 2022/23 budget.

Access to quality and affordable healthcare remains critical for socio–economic development. In the FY 2023/2024 budget, Government continues to prioritize investments towards achieving Universal Health Coverage. However, the health sector received KES. 141.2 B down from the previous KES 148 B allocated in FY 2022/2023.

Tax Measures

The Finance Act, 2023 (the Act) was assented to by the President on 26 June 2023. The Act made changes to various tax and legislative laws in the country. This followed the tabling and deliberation of the Finance Bill in the National Assembly. This year's Finance Bill has been touted as the most discussed, with most Kenyans expressing their views through public participation. There are quite several changes brought about by the enactment of the Act to expand the tax base and increase the revenue in a bid to reduce the budget deficit.

As promised in the Kenya Kwanza manifesto, the CS proposed measures to lower the cost of Liquefied petroleum gas (LPG) to the consumer. Apart from zero rating, the Government has removed Import Declaration Fees (IDF) and Railway Development Levy (RDL) fees and levies from LPG. The Government also aims to continue to attract private sector investment into the sector which will see the implementation of a common user bulk storage and handling facility for LPG to help enhance price and market stability.

A key change impacting the oil and gas sector was the increase in the VAT rate of petroleum products from 8% to 16%. This will have an adverse effect on the cost of living taking into consideration that industries such as transportation, manufacturing and agriculture are heavily reliant on fuel.
Another key change impacting the oil and gas sector was the removal of condensates from the ambit of specific Excise Duty rates. This change is aimed at reducing the costs of condensates used in the manufacture of petroleum gasoline, diesel and jet fuel among other products in the oil and gas industry. This is a positive impact on the oil and gas sector as condensates have been excisable since 2015 when it was first introduced through the Finance Act, 2015.

In a bid to cushion its citizenry and provide incentives to the manufacturing sector, the Government has provided for various VAT incentives, by inter alia zero rating the supply of locally assembled and manufactured mobile phones, the supply of motorcycles of tariff heading 8711.60.00, the supply of electric bicycles, the supply of solar and lithium-ion batteries, the supply of electric buses of tariff heading 87.02 and inputs or raw materials locally purchased or imported for the manufacture of animal feeds. This is a welcome move as it is in line with the Government's agenda to promote manufacturing and local production.

From an employee perspective, there was an adjustment of the individual PAYE rates affecting employed persons. The Act has introduced two additional tax bands above the current marginal tax rate of 30% i.e., 32.5% applicable to individuals earning monthly incomes between KES 500,000 and KES 800,000, and 35% applicable to individuals earning monthly incomes of more than KES 800,000. The net take-home pay for the affected individuals is expected to reduce.

The Capital Gains Tax (CGT) scope has been expanded to include companies whose shares are transferred indirectly and are asset rich, particularly in relation to real estate. The Act has introduced a new provision bringing tax gains from the alienation of shares or comparable interest where the shares derive more than 20% of their value from immovable property situated in Kenya.

With the numerous provisions introduced by the Finance Act, the Government is keen on relying on in-source revenue as a way of expanding the tax base as it reduced reliance on debts.

The writer is an Associate Director, Tax Services at PricewaterhouseCoopers Limited, Kenya.
gideon.rotich@pwc.com

Petroleum Taxes

	Import Duty	Former Rate of Excise Duty Kshs/Litre	Current Rate of Excise Duty Kshs/Litre	VAT	Road Mainten. Levy	Petroleum Devel. Levy Kshs/Litre	Current Rate of Import Decl. Fee	Railway Development Levy	Remission Kshs/Litre	Adulteration Levy Kshs/Litre
Motor Spirit (Gasoline) Regular	-	20.5095	21.5227	16%	18.00	5.40	2.50%	1.50%	0.45	-
Motor Spirit (Gasoline) Premium	-	20.9196	21.9530	16%	18.00	5.40	2.50%	1.50%	0.45	-
Aviation Spirit	-	20.9196	21.9530	16%	-	0.40	2.50%	1.50%	0.45	-
Spirit Type Jet Fuel	-	20.9196	21.9530	16%	-	0.40	2.50%	1.50%	0.45	-
Special Boiling Point & White Spirit	-	8.9378	9.3793	16%	-	-	2.50%	1.50%	0.30	-
Other Light Oils and Preparations	-	8.9378	9.3793	16%	-	-	2.50%	1.50%	0.30	-
Partly refined (including topped crudes)	-	1.5247	1.6000	16%	-	-	2.50%	1.50%	0.30	-
Kerosene type Jet Fuel	-	6.0514	6.3503	16%	-	0.40	2.50%	1.50%	0.45	-
Illuminating Kerosene (IK)	-	10.8357	11.3710	16%	-	0.40	2.50%	1.50%	0.45	18.00
Other Medium oils and preparations	-	5.5730	5.8483	16%	-	0.40	2.50%	1.50%	0.30	-
Gas Oil (automotive, light, amber for high speed engines).	-	10.8357	11.3710	16%	18.00	5.40	2.50%	1.50%	0.30	-
Diesel Oil (ind heavy ,black for low speed marine and stationery engines).	-	3.8906	4.0827	16%	-	0.40	2.50%	1.50%	0.30	-
Other Gas Oils	-	6.6245	6.9517	16%	-	0.40	2.50%	1.50%	0.30	-
Liquiefied Petroleum Gas(LPG)				0%	-	0.40	Exempt	Exempt	0.30	
Residual Fuel oils 125 cst.	-	0.3155	0.3310	16%	-	0.40	2.50%	1.50%	0.30	-
Residual Fuel oils 180 cst.	-	0.6309	0.6621	16%	-	0.40	2.50%	1.50%	0.30	-
Residual Fuel oils 280 cst.	-	0.6309	0.6621	16%	-	0.40	2.50%	1.50%	0.30	-
Other residual fuels	-	0.6309	0.6621	16%	-	0.40	2.50%	1.50%	0.30	-
Lubricating oils	25%			16%	-	-		1.50%		-
Lubricating greases	25%			16%	-	-		1.50%		-
Batching oils	25%			16%	-	-		1.50%		-
Butanes (Petroleum gases)	-			-	-	0.40		1.50%		-
Petroleum Bitumen	10%			16%	-	0.40		1.50%		-
Bituminous or oil shale and tar sands	10%			16%	-	0.40		1.50%		-
Bituminous mixures	10%			16%	-	0.40		1.50%		-

Pursuant to the Finance Act 2023, the value Added Tax (VAT) on Super Petrol (PMS) Diesel (AGO) and Kerosene (IK) have been revised from 8% to 16% effective 1st July 2023

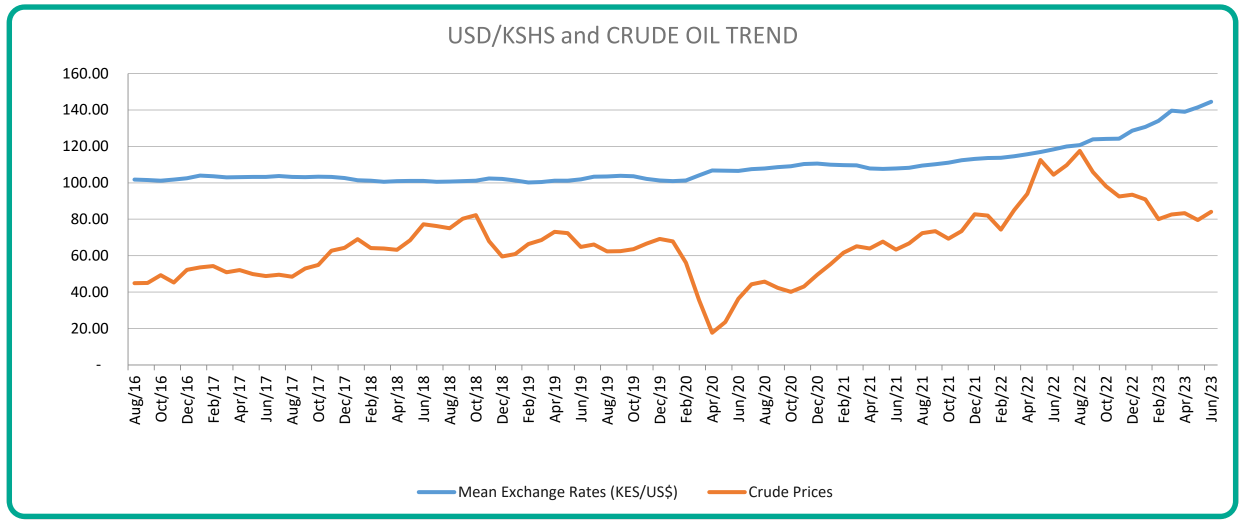
The Finance Act of 2023 amended the Miscellaneous Fees and Levies Act of 2016 to reduce IDF from 3.5 percent to 2.5 percent and RDL from 2.0 percent to 1.5 percent

Reinstatement of Zero VAT rate on Liquefied Petroleum Gas (LPG) as well exemption from charge of IDF and RDL fees.

SOURCE: KRA

Crude Oil Price Trend

Crude Oil Analysis		
Year 2021 - 2023	**Mean Exchange Rates (KES/US$)**	**Crude Prices**
Feb/21	109.67	61.61
Mar/21	109.63	65.16
Apr/21	107.84	63.94
May/21	107.61	67.71
Jun/21	107.82	63.35
Jul/21	108.26	66.7
Aug/21	109.46	72.34
Sep/21	110.21	73.5
Oct/21	111.1	69.37
Nov/21	112.33	73.41
Dec/21	113.14	82.73
Jan/22	113.58	82.03
Feb/22	113.79	74.36
Mar/22	114.6	85.11
Apr/22	115.74	93.99
May/22	116.89	112.48
Jun/22	118.32	104.48
Jul/22	119.92	109.68
Aug/22	120.64	117.53
Sep/22	123.88	105.96
Oct/22	124.06	98.06
Nov/22	124.2	92.45
Dec/22	128.58	93.53
Jan/23	130.64	90.9
Feb/23	133.98	80.11
Mar/23	139.61	82.63
Apr/23	138.96	83.36
May/23	141.39	79.55
Jun/23	144.48	84.11



Pump Prices

Maximum pump prices (15th July 2023 to 14th August 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	191.62	194.68	193.77	194.53	194.52
Automotive Diesel	176.63	179.67	179.14	179.89	179.89
Kerosene	166.43	169.48	168.99	169.75	169.74

Maximum pump prices (1st July 2023 to 14th July 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	192.48	195.53	194.60	195.36	195.34
Automotive Diesel	176.63	179.67	179.14	179.89	179.89
Kerosene	170.40	173.44	172.93	173.69	173.68

Maximum pump prices (15th June 2023 to 30th June 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	179.20	182.04	181.18	181.88	181.87
Automotive Diesel	164.45	167.28	166.78	167.49	167.79
Kerosene	158.65	161.48	161.01	161.71	161.70

Maximum pump prices (15th May 2023 to 14th June 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	179.86	182.70	181.83	182.54	182.53
Automotive Diesel	165.57	168.40	167.91	168.61	168.60
Kerosene	158.30	161.13	160.65	161.35	161.35

Maximum pump prices (15th April 2023 to 14th May 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	176.98	179.30	178.62	179.50	179.50
Automotive Diesel	159.76	162.00	161.83	162.72	162.70
Kerosene	143.69	145.94	145.79	146.67	146.66

Maximum pump prices (15th March 2023 to 14th April 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	176.98	179.30	178.62	179.50	179.50
Automotive Diesel	159.76	162.00	161.83	162.72	162.70
Kerosene	143.69	145.94	145.79	146.67	146.66

Maximum pump prices (15th February 2023 to 14th March 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	174.98	177.30	176.62	177.50	177.50
Automotive Diesel	159.76	162.00	161.83	162.72	162.70
Kerosene	143.69	145.94	145.79	146.67	146.66

Maximum pump prices (15th January 2023 to 14th February 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	174.98	177.30	176.62	177.50	177.50
Automotive Diesel	159.76	162.00	161.83	162.72	162.70
Kerosene	143.69	145.94	145.79	146.67	146.66

Maximum pump prices (15th December 2022 to 14th January 2023)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	174.98	177.30	176.62	177.50	177.50
Automotive Diesel	159.76	162.00	161.83	162.72	162.70
Kerosene	143.69	145.94	145.79	146.67	146.66

Maximum pump prices (15th November 2022 to 14th December 2022)					
Product	**Mombasa**	**Nairobi**	**Nakuru**	**Eldoret**	**Kisumu**
Super Petrol	174.98	177.30	176.62	177.50	177.50
Automotive Diesel	159.76	162.00	161.83	162.72	162.70
Kerosene	143.69	145.94	145.79	146.67	146.66

Notes:

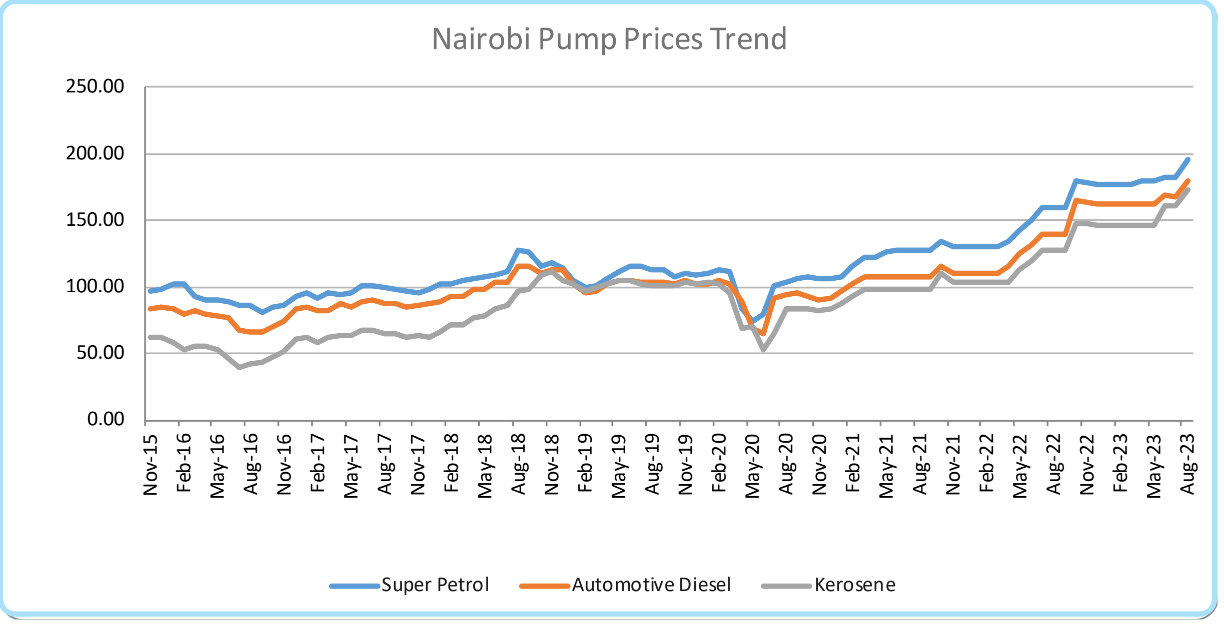
In the period **1st - 14th July** pricing cycle,

prices were reviewed pursuant to the

Finance Act **2023**

taking into accont VAT at

16%



EPRA Petroleum Prices

Breakdown of the costs of Super Petrol (PMS), Diesel (AGO) and Kerosene (DPK) in Nairobi: 15th July to 14th August 2023				
Cost Item	Cost Description	Super Petrol	Diesel	Kerosene
		Kshs/Litre	**Kshs/Litre**	**Kshs/Litre**
Landed Cost (a)	Weighted average cost for all imports	101.08	99.84	95.18
Pipeline Transport (Msa - Nrb)	Pipeline (100% PMS, AGO & IK)	2.58	2.58	2.58
Road Transport (Msa-Nrb) - Bridging	Road (0% PMS, AGO & IK)	0.00	0.00	0.00
Pipeline Losses	Pipeline (0.25%)	0.06	0.05	0.05
Depot Losses	0.5% PMS, 0.3% For DPK & AGO)	0.76	0.42	0.39
Delivery within 40kms of Nairobi	Delivery to petrol stations	0.54	0.54	0.54
Storage and distribution (b)		**3.94**	**3.59**	**3.56**
Importers Margin	Wholesale			
Dealers Margin	Retail Investment Margin	4.20	3.02	4.17
	Retail Operating Margin	8.19	8.19	8.19
Supplier Margins (C)		**12.39**	**11.21**	**12.36**
Excise Duty	Tax	21.95	11.37	11.37
Road Maintenance Levy	Levy	18.00	18.00	0.00
Petroleum Development Levy	Levy	5.40	5.40	0.40
Petroleum Regulatory Levy	Levy	0.25	0.25	0.25
Railway Regulatory Levy	Levy	1.76	1.89	1.80
Anti-adulteration Levy	Levy	0.00	0.00	18.00
Merchant Shipping Levy	Levy	0.03	0.04	0.03
Import Declaration Fee	Levy	3.03	3.30	3.15
Value Added Tax (VAT)	**Tax**	26.85	24.78	23.38
Taxes and Levies (d)		**77.27**	**65.03**	**58.38**
Retail Prices in Nairobi (a) + (b) + (c) + (d)		194.68	179.67	169.48
Summary		**Super Petrol**	**Diesel**	**Kerosene**
		KShs/Litre	**KShs/Litre**	**KShs/Litre**
Product Costs (a)		101.08	99.84	95.18
Distribution and Storage Costs (b)		3.94	3.59	3.56
Margins (c)		12.39	11.21	12.36
Taxes and Levies (e)		77.27	65.03	58.38
Retail Prices in Nairobi		**194.68**	**179.67**	**169.48**

SOURCE: EPRA

Petroleum and Petroleum Products Data and Market Share Reports are Accessible from the Data and Information Centre at the PIEA Secretariat.

For more information kindly send an email to:
analyst@petroleum.co.ke
or
call: Tel. 0722 221120 | 020 2249081 | 020 313046/7