



Oil Exploration Set to Resume After a 10-Year Break

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Oil exploration is set to resume after a 10-year hiatus.

The government has given the greenlight to two international prospectors to start petroleum exploration in the Lamu basin along the Coast.

Energy minister Ochilo Ayacko named the two firms in a Kenya Gazette notice dated June 20 as Star Petroleum International and Pan Continental Oil and Gas.

Some 128,864 square kilometres of land within the basin have been demarcated into 12 blocks for the exploration purpose.

Star Petroleum will prospect in four blocks measuring 44,836 square kilometres with Pan Continental operating within 21,254 sq. kms of land divided into three blocks.

Prospectors are yet to be identified to carry out exploration in the remaining five blocks measuring 62,774 sq. kms.

The move by the government comes three months after key regional meeting on petroleum in Nairobi recommended that the exploration resumes.

The three-day meeting in March attended by government officials from Kenya, Uganda and Tanzania and local and international private sector experts discussed petroleum potential and investment opportunities in the region.

Reached for comment yesterday, Mr Ayacko told the Nation that the possibility of oil being discovered in the basin was higher after rock analysis gave positive indication of its presence.

"There is renewed hope of us striking oil in this region. Analysis of rock samples for petroleum has been going on for some time now and there are indications that oil exists along the coastal region," he said.

Mr Ayacko said the two firms won the award for prospecting on the basis of their huge resources and a demonstrated seriousness.

"There were many other firms which showed interest in the exploration. However, we found out that

most of them were not serious as they lacked the resources required for such work," he said.

Prospecting activities started in Kenya way back in 1953 when Anglo-Dutch firm Shell/BP was awarded an exploration license for the Lamu area where it drilled several wells but without luck. The efforts were invigorated in 1970s by both independent and transnationals following a surge in oil prices after the Arab-Israeli war of 1973.

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