

Kenya Gazette Supplement No.

(Legislative Supplement No.)

LEGAL NOTICE NO.

THE PETROLEUM ACT

(CAP. 308)

PETROLEUM (LOCAL CONTENT) REGULATIONS, 2026

IN EXERCISE of the power conferred by Section 50(4) of the Petroleum Act, Cap. 308 the Cabinet Secretary makes the following Regulations:

PART I- PRELIMINARY	
Citation	1. These regulations may be cited as the Petroleum (Local Content) Regulations, 2026.
Interpretation	2. In these Regulations, unless the context otherwise requires - “Authorized person” means a person, whether or not an officer or employee of the Authority, appointed or authorized in writing by the Authority to exercise any of the powers or perform any of the functions of the Authority under these Regulations. “Bid rigging” means the manipulation of a tendering process by dishonest means. “Cartelization” means a collection of businesses that act together as a single producer and agree to influence prices for certain goods, works and services by controlling supply through their production and marketing activities. “Foreigner” means a person who is not a citizen of Kenya.

	“Front” means to deceive or behave in a particular manner to conceal the fact that a Company is not a Local Entity. “Bank” has the meaning assigned to it under the Banking Act, Cap.488. “Field Development Plan” means a comprehensive, structured document prepared by a Contractor that outlines the technical, economic, operational, safety, environmental, and commercial strategy for developing a discovered oil or gas field. It details how the field will be appraised, produced, managed, and ultimately decommissioned over its life cycle. “Local Entity” means an entity registered under any Kenyan Laws that has: a) At least fifty-one percent of its equity owned by a citizen of Kenya; b) Kenyan citizens holding at least eighty percent of executive and senior management positions; and c) Kenyan citizens having eighty percent (80%) of the shareholding and ultimate beneficial ownership of the entity. “Long-term local content plan” means a plan that covers a period of five years and above as specified in the First Schedule. “Petroleum Agreement” means as defined in the Petroleum Act Cap. 308. “Petroleum Industry” means the sector where petroleum operations are carried out. “Petroleum Operations” means all or any of the operations related to the upstream, midstream and downstream petroleum sector. “Reporting Year” means twelve (12) consecutive calendar months from the effective date of the Petroleum Agreement or
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	from the anniversary thereof within which respective reports are due. “Sub-Plan” means a detailed plan within a long-term local content plan or an annual local content plan. “Sub-Contractor” means a person or firm contracted by the Contractor or a licensee or any other entity involved in the upstream, midstream or downstream operations to perform a specified component of the Contractor’s or licensee’s obligations under a license issued pursuant to the Act.
Purpose of these Regulations	3. The Purpose of these Regulations is to: (1) Promote participation of Kenyans and Local Entities in provision of goods, works and services in the petroleum industry value chain and related industries that will sustain economic development. (2) Promote creation of employment including through the use of local expertise along the entire value chain of the petroleum industry and to retain the requisite skills within the country. (3) Develop local capacity along the entire value chain of the petroleum industry including through training, skills and technology transfer, research and development. (4) Enhance local ownership and use of local assets, goods, works and services in the Petroleum Industry. (5) Achieve the minimum levels of local participation in employment and supply of goods, works and services. (6) Promote development of competitiveness of local businesses. (7) Provide for robust, transparent monitoring, enforcing and reporting mechanisms for local content obligations.

Application of the Regulations	4. These Regulations shall apply to a person carrying out any undertakings or works under the Act.
Contractor's, licensee's or permit holder's responsibilities	5. (1) A contractor, licensee or permit holder engaged in Petroleum Operations shall comply with requirements of the Act, these Regulations and any other applicable law. (2) A contractor, licensee or permit holder engaged in Petroleum Operations shall ensure that all its sub-contractors, agents and any other person acting for it complies with the Act, these Regulations, and any other applicable law. Such contractor, licensee or permit holder shall be liable for any non-compliance by itself and or its agents. (3) A contractor, licensee or permit holder engaged in Petroleum Operations shall within sixty (60) days, publish procurement plans prior to the commencement of the subsequent reporting Year.
Record of local capabilities	6. The Authority in consultation with relevant agencies shall: (a) Develop and keep under regular review, a comprehensive register of local expertise, goods, works and services required to meet the needs of the petroleum industry; (b) Assess the capacity of the local industry to supply the goods, works and services identified under sub-regulation (a); (c) Develop and maintain a database that shall contain details of Local Entities and individuals who meet the criteria as may be set out by the Authority from time to time; and (d) Develop procedures including targets, format and measures aimed at progressively enhancing the capabilities of local enterprises to compete effectively on quality, price, quantity and reliability in the supply of goods, works and services required in the petroleum industry.
PART II- LOCAL CONTENT OBLIGATIONS	

Establishment of Physical Office	7. (1) A contractor, licensee, or permit holder shall, at all times, establish and maintain a functional physical office in Kenya. (2) The contractor, licensee or permit holder shall ensure: (a) That its physical office is kept open on each business day; and (b) That at least one(1) authorized officer of the contractor, licensee or permit holder is present at all times when the office is open. (3) The contractor, licensee, or permit holder carrying out Petroleum Operations shall maintain records related to Local Content development and implementation in the physical office established in sub-regulation (1) in strict compliance with these Regulations. (4) The contractor, licensee, or permit holder shall, during working hours, for purposes of assessment and verification, allow the Authority or an authorized officer, access to their facilities, documentation or information required for the verification of local content compliance.
Participation of Kenyan citizens and Entities	8. (1) Subject to Sub-Regulation (2), a contractor, licensee, or permit holder shall: (a) Give priority for the employment and engagement of qualified and skilled Kenyans at all levels of the value chain; and (b) Give priority to services and works provided and goods assembled, produced or manufactured in Kenya where the goods meet the specifications of Kenya Bureau of Standards or best petroleum industry practices as approved by the Authority; (c) Give priority to services and works provided and goods assembled, produced and manufactured by Kenyan entities; (d) Ensure that thirty percent (30%) of goods, works and services be provided by youth, women and persons living with disabilities.

	(2) A contractor, licensee, or permit and common user holder shall comply with the obligations in sub-regulation (1) above by satisfying the thresholds provided in the Schedule. The Cabinet Secretary shall, on the advice of the Authority, conduct a review of the minimum local content levels specified in the Schedule every five (5) years..
PART III- LOCAL CONTENT PLANS	
Requirement for submission of local content plan	9. Whenever: (a) A prospective contractor, licensee, or permit holder submits a bid for the award of a Petroleum Agreement or makes an application for a license, permit or approval for the grant of a right to engage in petroleum operations; or (b) A contractor, licensee, or permit holder enters into a contract year as may be defined in a Petroleum Agreement, license, permit or other approval; such contractor, licensee, or permit holder shall submit a local content plan to the Authority in accordance with these regulations.
Submission of long-term local content plans (Upstream Petroleum)	10. (1) The Cabinet Secretary or the Authority shall require the submission of a long-term local content plan from prospective bidders, applicants or contractors as the case may be: (a) During bidding rounds; (b) During the application of a non-exclusive exploration permit; and (c) During the submission of a Field Development Plan; (2) Long-term local content plans shall be reviewed by the Cabinet Secretary in the case of sub-regulation (1)(a) and the Authority in the case of sub-regulations (1)(b) and (1)(c). (3) A contractor or permit holder shall revise a long-term local content plan at least once in every five (5) years and shall submit such revised plan to the Authority together with the work program and budget.

	(4) A contractor, licensee, or permit holder shall submit to the Cabinet Secretary or the Authority: (a) Long-term Local Content Plan which corresponds with the obligations of the: i. Petroleum Agreement sixty (60) days after the execution of the contract; ii. Permit within sixty (60) days of the issue date of a non-exclusive exploration permit; and, iii. Field Development Plan at the submission of the plan to the Authority.
Submission of annual local content plans (Upstream Petroleum)	11. (1) A contractor or permit holder shall submit an annual local content plan to the Authority three (3) months before the beginning of the subsequent contract or license year and shall; (a) Correspond to and be reviewed together with the activities in the respective work program and budget obligations (b) Be consistent with the long-term local content plan.
Submission of long-term local content plan (Midstream and Downstream Petroleum)	12. (1) An applicant for a construction permit, business license, operating license or approval for common use shall submit a long-term local content plan to the Authority. (2) The local content plan submitted in sub-regulation (1) shall correspond with and be reviewed together with the intended activities. (3) A business licensee, operating licensee or common user shall revise a long-term local content plan at least once in every five (5) years and shall submit such revised plan to the Authority together with an application for renewal of a business license, operating license or common use approval. Submission of a local content plan with respect to sub regulation (1) and (2) above for downstream petroleum shall be as the Authority may deem necessary.
Submission of annual local content plans (Midstream and	13. A construction permit holder, business licensee, operating licensee or common user shall submit an annual local

Downstream Petroleum)	content plan which shall correspond with and be reviewed together with the Long-term local content plan.
Review of Local content plans	14. (1) The Cabinet Secretary or the Authority, as the case may be, shall review and make a determination on the Long-term Local Content Plan submitted under Regulation 10 and 12 within ninety (90) days. (2) The Authority shall review and make a determination on a submitted annual Local content plan within thirty (30) days. (3) The Authority may require the contractor, licensee, or permit holder to amend the Long-term Local Content plan where necessary to ensure continued consistency with annual Local Content plans.
Minimum local content levels	15. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall achieve the minimum local content levels specified in the First Schedule. (2) Without limiting sub-regulation (1), the Authority shall take into account the work program specified in the respective Petroleum Agreements or non-exclusive exploration permit in determining the minimum content to be achieved.
Contents of the Local Content Plan	16. (1) A local content plan shall address the requirements of section 50(3) of the Petroleum Act, Cap. 308 as well as the following; (a) Engineering Services; (b) Geoscientific Services; (c) Office Supplies; (d) Fuel Supply; (e) Land Survey; (f) Drilling and production services; and (g) Communications and Information Technology.

Employment and Training sub-Plan.	17. (1) The Employment and Training Sub-Plan submitted by a contractor, licensee, or permit holder carrying out Petroleum Operations to the Authority shall include; (a) Employment: i. An outline of the hiring needs with the required skills; ii. Estimated expenditure that will be incurred; and iii. A time frame within which the contractor, licensee, or permit holder will provide employment opportunities for the Kenyans. (b) Training: i. An outline of the training needs with a breakdown of the skills needed; ii. List of available on-the-job training openings; iii. Project specific training requirements; iv. Anticipated expenditure that will be incurred; and v. Efforts made and procedures adopted for the accelerated training of Kenyans. (2) The contractor, licensee, or permit holder shall provide to the Authority a quarterly report on the employment and training activities undertaken not later than thirty (30) days after the last day of each quarter including: (a) Number of persons recruited during that period; (b) Status and terms of the employment; (c) Nationality of the persons employed; (d) Number of persons trained; (e) Number of trainings undertaken by the participants and field of trainings; (f) Skill shortages in the Kenyan workforce; and (g) Any other information required by the Authority for the purpose of implementing these Regulations.
Work permits for Foreigners	18. (1) The contractor, licensee, or permit holder shall, apply for recommendation from the Authority prior to making any application for work permits for Foreigners to the Government ministry, department or agency responsible for immigration.

	(2) The application referred to under sub-regulation (1) shall include: (a) Job titles; (b) Certified or notarized academic transcripts and curriculum vitae accompanied by recommendations certifying the experience and job history referenced; (c) A description of responsibilities; (d) The duration of the proposed employment in Kenya; (e) Evidence that Kenyan nationals are not qualified for the job; (f) A training plan for the replacement of the Foreigner with Kenyan citizens; and (g) Any other information required by the Authority for purposes of implementing the provisions of the Act and these Regulations. (3) The Authority shall within thirty (30) days consider and respond to the application for recommendation.
Succession sub-Plan for positions not held by Kenyans	19. (1) A contractor, licensee, or permit holder carrying out Petroleum operations shall submit to the Authority a Succession sub-plan for any employment position that is held by a non-Kenyan. (2) The Succession sub-plan shall make provision for and require Kenyans to understudy a position held by a Foreigner for a maximum period of four (4) years after which the position occupied by the Foreigner shall be assumed by the Kenyan. (3) The Succession sub-plan shall include: (a) Identification of all positions currently held by non-Kenyans; (b) A timeline for the planned succession for each position held by a non-Kenyan; (c) Details of knowledge and skills transfer such as training, mentoring, and capacity-building programs designed to prepare Kenyan employees for succession; and

	(d) A description of the competencies and experience required for each position. (4) A contractor, licensee, or permit holder shall submit a quarterly report specifying; (a) Progress made in implementing the Succession Sub-Plan; (b) The number of positions successfully transitioned to Kenyans; (c) Number of Kenyan employees under succession training; and (d) The challenges encountered in implementing the succession plan.
Inspection Services Sub-plan	20. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority an Inspection Services Sub-Plan. (2) The Sub-plan shall include; (a) A description of inspection services required for the Petroleum Operations; (b) Identification of Local Entities capable of providing such services; (c) Projected annual expenditure for inspection services; and (d) Standards and certifications required for inspection service providers. (3) A contractor, licensee, or permit holder shall give preference to Local Entities for Inspection services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) A contractor, licensee, or permit holder shall submit a quarterly report detailing; (a) Inspection service providers engaged and duration of contracts; (b) Nature and scope of inspection services delivered; (c) Value of contracts awarded to Local Entities;

	(d) Number of Kenyans employed or trained through inspection-related activities; and (e) Compliance with applicable technical and EHS standards.
Research and Development sub-Plan and Budget	21. (1) A contractor, licensee, or permit holder carrying out upstream and midstream petroleum operations shall submit research and development sub-plan and budget to the Authority for the promotion of research, education, industrial attachments and training in the country in relation to its overall work program and activities. (2) The Research and Development sub-plan and budget submitted under sub-regulation (1) shall: (a) Outline a revolving three to five (3-5) year program in-line with the Long-term Local Content Plan for petroleum related research and development initiatives to be undertaken in the country; (b) Provide details of the estimated expenditure that will be made in implementing the Research and Development sub-Plan; (c) Provide for public calls for proposals for research and development initiatives associated with the operations and criteria for selecting proposals which qualify for support; and (d) Provide the manner in which they shall collaborate with the Kenyan learning institutions and Kenyan citizens. (3) A contractor, licensee, or permit holder shall submit a quarterly report detailing all the progress made in implementing the research, development sub-plan and budget.
Technology Transfer sub-Plan	22. (1) A contractor, licensee, or permit holder carrying out upstream and midstream petroleum operations shall submit a technology transfer plan to the Authority. (2) Subject to sub-regulation (1) the Technology Transfer Plan submitted shall include a program of planned initiatives aimed at promoting the effective transfer of technologies from the contractor, licensee or permit holder carrying out upstream and midstream petroleum operations to a Local

	Entity, established centers of excellence, learning institutions and citizens. (3) A contractor, licensee, or permit holder shall submit a quarterly report detailing all the progress made in implementing the Technology Transfer sub-Plan.
Technology, Skills and Knowledge Transfer	23. (1) A contractor, licensee, or permit holder engaged in upstream and midstream petroleum operations shall: (a) Support and facilitate technology transfer through the formation of joint ventures and by partnering, with local entities or citizens and foreign companies, contractors, service companies, or supply companies; and (b) Partner with already accredited centers of excellence and learning institutions for continuous skills and knowledge transfer. (2) A contractor, licensee, or permit holder carrying out upstream or midstream petroleum operations, upon request by the Authority or on its own initiative, with the approval of the Cabinet Secretary shall support the establishment or upgrading of any facility in Kenya for technical, vocational or commercial work and technology transfer.
Technology Transfer Report	24. A contractor, licensee, or permit holder carrying out upstream and midstream petroleum operations shall on each quarter, submit a Technology Transfer report to the Authority no later than thirty (30) days after the end of each quarter stating the technology transfer initiatives being pursued and the current results in relation to the Technology Transfer sub-Plan.
Insurance Services sub-Plan	25. (1) A contractor, licensee, or permit holder shall insure all insurable risks related to Petroleum Operations in compliance with the provisions of the Insurance Act, Cap 487 and the applicable laws. (2) The insurable risks shall be insured through a Local Entity engaged in insurance brokerage or where applicable, a reinsurance broker.

	(3) The contractor, licensee, or permit holder carrying out Petroleum Operations shall seek approval from the Authority before procuring offshore insurance services. (4) In granting approval under sub-regulation (3), the Authority shall ensure that reasonable efforts have been made to engage a Local Entity.
Legal Services sub-Plan	26. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations that requires legal services shall give preference to the maximum extent possible to the services of a local Kenyan legal practitioner or law firm whose principal office is located in the country. (2) A non-local legal practitioner shall only be hired where it has been proved to the satisfaction of the Authority that there is no Kenyan legal practitioner with the capacity to offer the service.
Contents of a Legal Services sub-Plan	27. The Legal Services Sub-Plan submitted to the Authority shall include: (a) A comprehensive report on legal services utilized in the preceding twelve (12) months highlighting the nature of services, the firms involved and the amount paid; and (b) Forecast of legal services required during the ensuing twelve (12) months where applicable, and the projected expenditure for the services.
Financial Services	28. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations that requires financial services shall give preference to Kenyan financial institutions. (2) A non-local financial institution shall only be engaged where it has been proved to the satisfaction of the Authority that there is no Kenyan financial institution with the capacity to offer the service.
Financial Services Sub-Plan	29. A contractor, licensee, or permit holder carrying out Petroleum Operations who has submitted a Financial Services Sub-Plan shall specify the following:

	(a) The financial services utilized in the preceding twelve (12) months highlighting the nature of services, the firms involved and the amount paid; and (b) A forecast of financial services required in the ensuing twelve (12) months and the projected expenditure for the financial services.
Operation of bank account in Kenya	30. A Contractor, licensee, or permit holder carrying out Petroleum Operations shall maintain a bank account in Kenya with a Kenyan bank for purposes of financial transactions.
Consultancy Services Sub-Plan	31. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority a Consultancy Services Sub-Plan outlining how consultancy services required for the Petroleum Operations (other than the ones listed in these regulations) will be sourced, prioritized, and executed in compliance with Local Content requirements. (2) The Consultancy Services Sub-Plan shall include: (a) An outline of the consultancy services required during the work program; (b) Details of the skills, qualifications and competencies required for each consultancy service area; (c) A list of consultancy services that will be sourced from Local Entities; and (d) The estimated expenditure to be incurred in procuring consultancy services. (3) A contractor, licensee, or permit holder shall give preference to Local Entities for consultancy services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) The contractor, licensee, or permit holder shall submit to the Authority a quarterly report detailing:

	(a) Nature of consultancy services procured during the reporting period; and (b) Value of contracts awarded for consultancy services.
Geoscientific Sub-Plan	32. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority a Geoscientific Services Sub-Plan for the utilization, development, and transfer of Geoscientific expertise in Kenya. (2) The Geoscientific Services Sub-Plan shall include: (a) An outline and description of all the Geoscientific services required; (b) Details of the skills and technical competencies required for each Geoscientific service area; (c) A list of Kenyan Geoscientists and Local Entities, recognized by relevant Geoscientific bodies, proposed for participation in the provision of Geoscientific services, together with the roles they will undertake; (d) Estimated annual expenditure for Geoscientific services, indicating the allocation to Local Entities; (e) Procedures adopted to ensure progressive localization of Geoscientific work with clear timelines; (f) Required qualifications, certifications, and experience for service providers; and (g) Project-specific training and capacity-building initiatives for Kenyan Geoscientists. (3) A contractor, licensee, or permit holder shall give preference to Local Entities for Geoscientific services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service.

	(4) The contractor, licensee, or permit holder shall provide quarterly reports to the Authority including: (a) The number and category of Geoscientists engaged; (b) The nationality of personnel performing Geoscientific services; (c) Types and scope of Geoscientific services rendered; (d) Value of contracts awarded for Geoscientific services; (e) Details of training, technology transfer, and capacity-building activities undertaken; and (f) Challenges and gaps in local Geoscientific capacity and measures to take to bridge the gap.
Waste Management Sub-Plan	33. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority a Waste Management Sub-Plan outlining how all waste generated during Petroleum Operations will be managed using Local Entities while ensuring environmental sustenance and compliance. (2) The Waste Management Sub-Plan shall include: (a) A description of the types and quantities of waste expected; (b) Details of Local Entities licensed to handle waste, including waste collection, transport, treatment, recovery, recycling, and disposal services; (c) Estimated expenditure on waste-management activities and the portion allocated to Local Entities; (d) Procedures for segregation, storage, transportation, treatment, and disposal of all waste streams in compliance with applicable Kenyan environmental laws and standards; (e) Details of training and capacity-building programmes for Kenyan personnel and local waste-management contractors; and (f) Procedures to ensure safe handling of hazardous and drilling waste, including emergency response and monitoring requirements.

	(3) A contractor, licensee, or permit holder shall give preference to Local Entities for waste management services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) The contractor, licensee, or permit holder shall submit to the Authority quarterly waste-management reports including: (a) Categories and volumes of waste generated and disposed of; (b) Local Entities engaged in waste management services; (c) Value of contracts awarded for waste management providers; (d) Details of training, technology transfer, and capacity-building activities undertaken; (e) Copies and summaries of disposal certificates issued by licensed facilities; and (f) Incidents, non-compliance events, or corrective actions undertaken.
Security Services Sub-Plan	34. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority a Security Sub-Plan outlining how security services for the Petroleum Operations will be provided with priority given to Local Entities in accordance with these Regulations. (2) The Security Services Sub-Plan shall include: (a) A description of the security needs for all sites, camps, facilities, and assets used for petroleum operations; (b) An outline of the categories of security services required; (c) Details of Local Entities proposed for the provision of security services, including evidence of licensing and compliance with Kenyan laws; (d) The estimated expenditure for the provision of security services; (e) Procedures adopted to ensure that local security firms and Kenyan personnel are given priority; and

	(f) Details of training, capacity building, and upskilling programs to enhance the capabilities of Kenyan security personnel. (3) A contractor, licensee, or permit holder shall give preference to Local Entities for security services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) The contractor, licensee, or permit holder shall submit quarterly reports to the Authority including: (a) The number of security personnel engaged and their nationality; (b) A list of contracted local security firms; (c) Expenditure on local and non-local security services; and (d) Capacity-building programs undertaken for Kenyan personnel.
Office Supplies Sub-Plan	35. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority an Office Supplies Sub-Plan demonstrating how office supplies will be procured in compliance with Local Content requirements. (2) The Office Supplies Sub-Plan shall include: (a) A schedule identifying the office supplies to be sourced from Local Entities, including locally manufactured or assembled goods; (b) The estimated expenditure for office supplies and the proportion allocated to Local Entities and local SMEs; (c) Procurement processes to be adopted to ensure priority for Local Entities, including prequalification, tendering procedures, and supplier development initiatives; and (d) Details of capacity-building initiatives aimed at improving the quality and reliability of local suppliers.

	(3) A contractor, licensee, or permit holder shall give preference to Local Entities for office supply services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) The contractor, licensee, or permit holder shall provide quarterly procurement reports to the Authority detailing: (a) Office supplies procured and suppliers engaged; (b) Nationality and ownership structure of suppliers; (c) Expenditure on local and non-local supplies; and (d) Justification for items procured outside Kenya.
Industrial Attachment and Apprenticeship Sub-Plan	36. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority an Industrial Attachment and Apprenticeship Sub-Plan as part of its Local Content Plan. (2) The Sub-Plan submitted under sub-regulation (1) shall include; (a) An outline of industrial attachment opportunities available for Kenyan students and trainees; (b) Details of apprenticeship programs to be implemented, including duration, scope of work, and expected competencies; (c) A forecast of the number of attachment and apprenticeship slots to be offered annually; (d) Identification of institutions to be engaged; (e) Anticipated expenditure that will be incurred in implementing the attachment and apprenticeship programs; and (f) The criteria and process for selecting candidates. (3) A contractor, licensee, or permit holder shall submit a quarterly report to the Authority indicating: (a) The number of attachment and apprenticeship positions offered; (b) The number of trainees placed and their institutions;

	(c) Duration and departments where attachments were undertaken; (d) Competencies gained and completion status; (e) Challenges encountered in implementation; and (f) Expenditure incurred in implementing the attachment and apprenticeship programs.
Hospitality Services Sub-Plan	37. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations requiring hospitality services shall submit to the Authority a Hospitality Services Sub-Plan. (2) The Hospitality Services Sub-Plan shall include: (a) A description of hospitality services required for the Petroleum Operations; (b) A schedule of projected expenditure for hospitality services; (c) Identification of Local Entities capable of providing the required services; (d) Measures to ensure that such services are sourced locally; and (e) Quality, health, and safety standards to be met by service providers. (3) A contractor, licensee, or permit holder shall give preference to Local Entities for the supply of hospitality services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) A contractor, licensee, or permit holder shall submit a quarterly report detailing: (a) Hospitality service providers engaged; (b) Nature and scope of services delivered; (c) Value of contracts awarded to Local Entities; and (d) Any challenges or gaps in local capacity.
Transport Services Sub-Plan	38. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations that requires transportation shall submit to the Authority a Transport Services Sub-Plan.

	(2) Transport services include: (a) Road transportation; (b) Air transport charter services where applicable; (c) Water transport for offshore support operations; (d) Logistics management and fleet coordination; (e) Vehicle leasing and related support services; and (f) Rail transportation. (3) The Sub-Plan shall include: (a) The nature and volume of transport services required; (b) Type and specifications of vehicles or aircraft to be used; (c) Projected annual expenditure for transport services; (d) Identification of Local Entities capable of providing transport and logistics services; (e) Health, safety, and environmental management requirements for transport operations; and (f) Measures to ensure employment of Kenyan drivers, pilots, coxswain, technicians, and logistics personnel. (4) A contractor, licensee, or permit holder shall give preference to Local Entities for transport and logistics services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (5) A contractor, licensee, or permit holder shall submit a quarterly report specifying: (a) Transport service providers engaged and duration of contracts; (b) Fleet size utilized and nature of activities performed; (c) Number of Kenyans employed in transport and logistics roles; (d) Value of contracts awarded to Local Entities; and (e) Compliance with road safety and Environment Health and Safety standards.
Construction Services Sub-Plan	39. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority a Construction Services Sub-Plan.

	(2) The Sub-Plan shall include: (a) A detailed description of all construction services required for the Petroleum Operations; (b) Identification of Local Entities with capacity to provide such services; (c) Estimated annual expenditure on construction services; (d) Measures to prioritize the use of Local Entities; and (e) Certification and technical standards required for service providers. (3) A contractor, licensee, or permit holder shall give preference to Local Entities for Construction services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) A contractor, licensee, or permit holder shall submit a quarterly report detailing: (a) Construction service providers engaged and contract durations; (b) Nature and scope of services delivered; (c) Value of contracts awarded to Local Entities; (d) Number of Kenyans employed or trained through construction-related activities; (e) Compliance with health, safety, and environmental standards; and (f) Identified gaps in local construction capacity.
Engineering Services Sub-Plan	40. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall submit to the Authority an Engineering Services Sub-Plan for the utilization, development, and transfer of Engineering expertise in Kenya. (2) The Sub-Plan shall include: (a) A description of all Engineering services required;

	(b) Identification of Local Engineering Firms capable of providing such services; (c) Projected annual expenditure on Engineering services; (d) Strategies to maximize local Engineering participation; (e) Required qualifications, certifications, and experience for service providers; and (f) A plan for knowledge transfer, including joint ventures, secondments, and training programs; (3) A contractor, licensee, or permit holder shall give preference to Local Entities for Engineering services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) A contractor, licensee, or permit holder shall submit a quarterly Engineering services report detailing: (a) Engineering service providers engaged; (b) Types and scope of Engineering services rendered; (c) Value of contracts awarded to Local Engineering Firms; (d) Number of Kenyan Engineers employed or under mentorship; (e) Compliance with applicable Engineering standards and regulations; and (f) Challenges and gaps in local Engineering capacity.
Clearing and Forwarding Services Sub-Plan	41. (1) A contractor, licensee, or permit holder requiring clearing and forwarding services shall submit to the Authority a Clearing and Forwarding such Sub-Plan. (2) The Sub-Plan shall include: (a) A description of clearing and forwarding needs; (b) Identification of Local Entities licensed to provide clearing and forwarding services; (c) Estimated expenditure for clearing and forwarding operations; (d) Timelines for processing and movement of cargo; and (e) Compliance requirements relating to customs laws and regulations; and (f) Any other information required by the Authority.

	(3) A contractor, licensee, or permit holder shall give preference to Local Entities licensed by the relevant government agency for clearing and forwarding services unless it has been proven to the satisfaction of the Authority that no Local Entity has the capacity to provide the required service. (4) A contractor, licensee, or permit holder shall give preference to Kenyan-registered clearing and forwarding companies licensed by the relevant government agency. (5) A contractor, licensee, or permit holder shall submit a quarterly clearing and forwarding report detailing: (a) Clearing and forwarding firms engaged; (b) Nature of work undertaken and number of consignments processed; (c) Total expenditure; (d) Proportion of work awarded to Local Entities; and (e) Challenges experienced in local capacity; and (f) Any other information required by the Authority.
Part IV. INFORMATION AND REPORTING	
Quarterly reporting	42. (1) A contractor, licensee, or permit holder undertaking upstream and midstream petroleum operations shall submit to the Authority quarterly reports covering all sub-plans and provisions of Schedule 1 under these Regulations, detailing the goods, works, and services procured during each quarter of the reporting year. (2) The quarterly reports in sub-regulation (1) shall be submitted no later than thirty (30) days after the end of each quarter. (3) The reports submitted under sub-regulation (1) shall be in the form and manner prescribed by the Authority from time to time.

Annual Local Content performance report submission	43. (1) A contractor, licensee, or permit holder engaged in Petroleum Operations shall, not later than sixty (60) days after the end of each Reporting year, submit to the Authority an annual Local Content performance report covering all its projects and activities for the Reporting year under review. (2) The report shall: (a) Include executive summary, introduction, corporate information; (b) In detail, outline the status and breakdown of the respective sub-plans; (c) Specify by category the expenditure of the Local Content on both current and cumulative cost basis; (d) Indicate the employment achievement in respect to the number of Kenyans and foreigners, their terms of employment and rank; (e) Indicate the number of employees who have ceased employment and the reason thereof; (f) Indicate the training, industrial and technology transfer availed to the employees; (g) Indicate the actual procurement of goods, works and services; (h) In detail outline a comparison of approved Local Content Plan targets versus actual performance, including percentage achievement and explanation of variances; (i) Indicate measures to be taken to ensure engagement of Kenya Citizens in the subsequent year; (j) Local content plans for the subsequent year; (k) Include a declaration signed by an authorized officer certifying the accuracy and completeness of the report; (l) Include accompanying annexes, and; (m) Include any other information the Authority may require.
Review of the Local Content performance report	44. Upon submission of the Local Content performance report, the Authority shall review the performance report

	compliance with the annual Local Content plan, these Regulations and the Act.
Availability of information	45. (1) A person may during working hours: (a) Access records that relate to local content which is kept by the Authority and designated as public records; or (b) Request to be furnished with a certified copy or extract from any document that that person is entitled to access. (2) The right of a person to inspect or obtain a copy of a document filed or kept in electronic form by the Authority shall extend only to the reproductions of the document in written form in a manner that the Authority determines. (3) An application for an extract or a certified copy of document requested shall be accompanied by a fee determined by the Authority. (4) The Authority shall publish on its website, information relating to these Regulations and local content and local participation requirements generally.
Public Education and Sensitization	46. The Authority shall ensure that public education and sensitization activities are undertaken to educate the public and industry stakeholders about the Local content policies and strategies to enhance their implementation.
Communication of Local content policies	47. (1) A contractor, licensee, or permit holder carrying out Petroleum Operations shall; (a) Communicate Local content policies, procedures and obligations set out in these Regulations to all its agents and sub-contractors; and (b) Monitor and ensure compliance with local content policies, procedures and obligations set out in these Regulations. (2) Notwithstanding sub-regulation (1), a contractor, licensee, or permit holder carrying out Petroleum

	Operations shall make available the local content policies, procedures and obligations on their respective websites.
Review of guidelines and procedures by the Authority	48. (1) The Authority shall develop and review guidelines and procedures for the effective implementation of these Regulations. (2) Without limiting sub-regulation (1), the Authority shall, in consultation with relevant institutions, review guidelines for compliance by a contractor, licensee, or permit holder carrying out Petroleum Operations in respect of the following: (a) Requirements and targets for the growth of research and development of the petroleum industry in Kenya; (b) Minimum standards, facilities, personnel and technology for training in the petroleum industry in Kenya; (c) Investment in or setting up a facility, factory, production unit or other operation in the country to carry out any production or manufacturing or to provide any petroleum related service otherwise imported into the country; and (d) any other guidelines as may be determined by the Authority from time to time, generally for the implementation of these Regulations.
Part V. MONITORING	
Local content Monitoring	49. The Authority shall monitor, inspect and verify the activities of each Contractor, licensee, or permit holder to ensure compliance with these Regulations.
Investigations	50. (1) The Authority may for the purposes of enforcing these Regulations initiate an investigation into an activity of contractor, licensee, or permit holder carrying out Petroleum Operations. (2) Without limiting sub-regulation (1), the Authority may launch investigations to ensure that:

	(a) The Local Entity is not diluted by the operation of a Front, ; or (b) Bid Rigging and Cartelization are avoided in the procurement process.
Offenses and Penalties	51. (1) A person who contravenes provision of these Regulations shall be liable to the penalties provided for, under section 124 of the Act. (2) Subject to any other offence or penalty specifically prescribed under the Act, a person who: (a) Fails to comply with any direction given under these Regulations; (b) Fails to allow inspection authorized under these Regulations; or (c) Fails to make a submission, notification or report required by these Regulations; commits an offence and is liable upon conviction to a fine not exceeding Kenya shillings one (1) million or imprisonment of not more than six (6) months or both.
Grievance redress	52. (1) A contractor, licensee, or permit holder dissatisfied with a decision of the Authority in respect of any matter provided for under these regulations may make a complaint to the Authority in writing. (2) The Authority shall acknowledge the receipt of the complaint in writing within five (5) days and attend to the complaint within thirty (30) days. (3) Where a contractor, licensee, or permit holder is not satisfied with the Authority's response to the complaint, the contractor, licensee, or permit holder may appeal to the Tribunal within thirty (30) days of the receipt of the Authority's response to the complaint.
Transitional Provisions	53. A contractor, licensee, or permit holder engaged in Petroleum Operations shall comply with these Regulations six (6) months after publication in the Kenya gazette.

FIRST SCHEDULE

Note: "Start" means the date of the Petroleum Agreement, the grant of license, permit or the commencement of mid or upstream petroleum operations as the case may be when the exploration or production sharing contract becomes effective or, in the case of midstream operations the contract relating to any aspect of petroleum storage, transportation and refining. The award of production license resets the period to the Start with regards to oil production operations.

MINIMUM LOCAL CONTENT IN EMPLOYMENT, GOODS, WORKS AND SERVICES

Part 1- LOCAL CONTENT LEVELS TO BE ATTAINED FROM DATE OF EFFECTIVENESS OF LICENCE OR PETROLEUM AGREEMENT

UPSTREAM

	Item	Start	5 Years	10 Years
1.1	Goods, Works and Services	10%	As per Part 2	As per Part 2
1.2	Employment & training			
	(a) Management staff	30%	75%	100%
	(b) Core Technical Staff	10%	40%	55%
	(c) Other staff	80%	100%	100%

MIDSTREAM

	Item	Start	5 Years	10 Years
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1.3	Employment & training			
	(a) Management staff	30%	75%	100%
	(b) Core Technical Staff	10%	40%	55%
	(c) Other staff	80%	100%	100%

DOWNSTREAM

	Item	Start	5 Years	10 Years
1.4	Employment & training			
	(a) Management staff	90%	100%	100%
	(b) Core Technical Staff	90%	100%	100%
	(c) Other staff	100%	100%	100%

Part 2- Specific Levels to Be Achieved for Goods, Works and Services (Onshore and Offshore)

1. Front End Engineering Design (FEED), Detailed Engineering and Other Engineering Services

Description	Start	5 Years	10 Years	Measuring Unit
1.1: FEED and detailed Engineering on onshore facilities	15%	30%	50%	Man-Hour
1.2: FEED and detailed Engineering on offshore facilities	10%	20%	40%	Man-Hour

2. Fabrication and Construction

Description	Start	5 Years	10 Years	Measuring Unit
2.1: Terminal or oil movement systems	20%	40%	60%	Number
2.2: Drilling modules or packages	20%	50%	70%	Number

2.3: Accommodation module	60%	70%	100%	Number
2.4: Pipeline Systems	10%	40%	80%	Linear Metres
2.5: Utilities module of packages	10%	40%	80%	Number
2.6: Civil works	100%	100%	100%	Spend

3. Materials

Description	Start	5 Years	10 Years	Measuring Unit
3.1: Steel plates, flat sheets, sections	40%	80%	100%	Tonnage
3.2: Steel pipes	40%	80%	100%	Tonnage
3.3: Low voltage cables	60%	80%	90%	Length
3.4: High voltage cables	60%	80%	90%	Length
3.5: Valves and pumps	15%	35%	55%	Number
3.6: Drilling mud-barite bentonite	30%	50%	80%	Tonnage
3.7: Cement	60%	80%	90%	Tonnage
3.8: Heat exchangers and other piping accessories	10%	20%	40%	Number
3.9: Steel ropes and other mooring accessories	30%	60%	80%	Tonnage
3.10: Protective paints	30%	50%	75%	Litres
3.11: Glass reinforced epoxy (GRE) pipes	10%	30%	60%	Tonnage

4. Well Drilling Services

Description	Start	5 Years	10 Years	Measuring Unit
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4.1: Reservoir services	10%	20%	40%	Spend
4.2: Well completion services (permanent gauges & intelligent wells)	10%	20%	40%	Spend
4.3: Wirelines services (electric open holes, electric closed hole, slickline)	10%	25%	50%	Man-Hour
4.4: Logging While Drilling (LWD) (direction and inclination or Gamma ray)	10%	25%	55%	Man-Hour
4.5: Production or drilling service	10%	30%	60%	Man-Hour
4.6: Seismic data acquisition services	10%	40%	70%	Length
4.7: Well overhauling or stimulation services	10%	30%	60%	Man-Hour
4.8: Wellhead services	10%	30%	60%	Man-Hour
4.9: Directional surveying services	10%	20%	50%	Man-Hour
4.10: Cutting disposal services	40%	60%	80%	Man-Hour
4.11: Recutting inspection services	20%	45%	70%	Man-Hour
4.12: Cased hole logging services (gyro, perforation, gauges, gyro PLT performance, PLT gauges)	20%	50%	80%	Man-Hour
4.13: Well watch services	10%	30%	50%	Man-Hour

4.14: Cementing services	40%	60%	80%	Man-Hour
4.15: Coiled tubing services	30%	45%	70%	Man-Hour
4.16: Pumping Services (Surface and Sub-Surface)	20%	40%	70%	Man-Hour
4.17: Fluid or bottom hole sampling services	20%	50%	70%	Man-Hour
4.18: OCTS services (cleaning hard banding, recutting, rethreading, storage)	10%	40%	70%	Man-Hour
4.19: Well crisis management services	10%	25%	60%	Man-Hour
4.20: Petrophysical interpretation services	15%	40%	60%	Volume/ Man-Hour
4.21: Extended well test or early production services	10%	20%	35%	Spend
4.22: Rental of drill-pipe	10%	50%	65%	Man-Hour

5. Research and Development Relating to In-Country Services

Description	Start	5 Years	10 Years	Measuring Unit
5.1: Engineering studies-reservoir, facilities, drilling etc.	10%	20%	50%	Spend
5.2: Geological and geophysical services	30%	50%	65%	Spend
5.3: Safety and environmental studies	100%	100%	100%	Spend
5.4: Local materials substitution studies	20%	40%	70%	Spend

6. Exploration, Subsurface, Petroleum Engineering & Seismic Services

Description	Start	5 Years	10 Years	Measuring Unit
6.1: Onshore seismic data acquisition services	10%	30%	40%	Spend
6.2: Offshore seismic data acquisition services	5%	15%	30%	Spend
6.2: Seismic data processing services	30%	40%	50%	Spend
6.3: Geophysical interpretation services	20%	40%	70%	Spend
6.4: Geological evaluation services (organic geochemistry, petrology, diagenesis, Geostratigraphy, fluid characterization, PVT, core analysis, flooding) services	20%	40%	60%	Spend
6.5: Mud logging services	10%	20%	50%	Spend
6.6: Coring services	10%	30%	50%	Spend
6.7: Well testing services	10%	30%	60%	Spend
6.8: Drilling rigs (Onshore)	10%	40%	50%	Man-Hour
6.9: Workover rigs (Onshore and Offshore)	5%	10%	15%	Man-Hour
6.8: Drilling rigs (Offshore)	5%	10%	15%	Man-Hour
6.9: Snubbing services	10%	30%	60%	Spend

7. Supply and Disposal Services

Description	Start	5 Years	10 Years	Measuring Unit
7.1: Disposal, distribution and waste transport services	80%	90%	100%	Spend

7.2: Rental of Cranes and Special Vehicles	30%	50%	80%	Spend
7.3: Freight forwarding, logistic management services	80%	90%	100%	Spend
7.4: Supply base, warehouse, storage services	60%	90%	100%	Spend
7.5: Truck, package product, transportation services	80%	90%	100%	Spend

8. Environment, Health and Safety (EHS) Services

Description	Start	5 Years	10 Years	Measuring Unit
8.1: Site clean-up Services	70%	100%	100%	Man Hour
8.2: Pollution control	30%	40%	60%	Spend
8.3: Waste water treatment and disposal services	40%	60%	90%	Man Hour
8.4: Fire and gas protection system services	40%	60%	80%	Man Hour
8.5: Ventilation, heating, sanitary services	50%	70%	85%	Man Hour
8.6: Waste disposal, drainage services	70%	90%	100%	Man Hour
8.7: Industrial cleaning services	50%	80%	100%	Man Hour

8.8: Safety, protection, security, fire-fighting systems services	60%	90%	100%	Man Hour
8.9: Preservation of mechanical and electrical components services	35%	55%	90%	Spend
8.10: Equipment brokerage services	30%	50%	100%	Man Hour
8.11: Medical services	40%	80%	90%	Spend
8.12: Environmental studies and impact assessment	100%	100%	100%	Spend

9. Support Services

9.1: Temporary accommodation camp services	50%	60%	80%	Spend
9.2: Catering services	100%	100%	100%	Spend
9.3: Cleaning and laundry services	100%	100%	100%	Spend
9.4: Security services	100%	100%	100%	Spend
9.5: Information Technology services	30%	50%	80%	Spend
9.6: Communication services	100%	100%	100%	Spend
9.7: Fuel Supply services	100%	100%	100%	Spend
9.8: Human Resource Management	100%	100%	100%	Spend
9.9: Office Supply services	100%	100%	100%	Spend
9.11: Other supporting services	50%	80%	90%	Spend

Part 3 - Local Content Levels for Offshore Mid & Upstream Petroleum

	Item	Start	5 Years	10 Years
1.	Offshore Mid & Upstream Petroleum: Goods, Works Services, Recruitment and Training	10%	15%	20%