

EXPLORATION

4.5km deep and no signs of oil

Results of the ongoing drilling to be known in April, says Nock

By PETER MWAI

Kenya will, in about a month's time, know if oil exploration efforts at Boghal in Merti Division of Isiolo District, are fruitful.

China National Off-shore Oil Corporation has drilled a depth of 4,456 metres but hasn't come across any traces of oil or gas, according to National Oil managing director Mwendia Nyaga.

The Chinese company had planned to drill 5,556 metres with Kenya's optimistic that the nation would join oil rich countries.

The remaining 1,100 metres will determine whether the fire ignited last year will continue burning or just fizzle out.

"We have one month of waiting and hoping. We expect the depth to be covered by the end of March or mid-April. This means we need to continue cross-

ing our fingers," Mr Nyaga said. However, the fact that no hydrocarbons have been found in the upper layers raises hopes of discovery.

"If we had found traces in upper layers, this would mean the gas or oil started escaping long time ago. It wouldn't be a good sign," he said.

Last October, Energy minister Kiraitu Murungi was optimistic that the drilling in Isiolo would be successful.

"With discoveries in Sudan, Uganda and Tanzania, we believe that Kenya is now standing at the door," said Mr Murungi, referring to three countries that neighbour Kenya. "It's only a matter of time."

Too early

The drilling started later that month with the minister however cautioning Kenyans that it was too early to celebrate.

Yesterday, Mr Nyaga said even if the Boghal well, which is the 31st to be drilled in a series of oil explorations did not yield oil, more wells would continue to be sunk.

"In your lifetime, there could even be the 40th well. We believe there must be oil somewhere in Kenya. As much as easy oil is over, maybe there will be difficult oil in Kenya," he said.

HOMES EXPO



Ms Stefania Boglioli from Cimacentro Solar (right) and the managing director of Primedia Jawad Jaffir address a press conference

at the Laico Regency on the arrangements of a homes expo which begins today at the Sarit Centre in Nairobi. Photo/FREDRICK ONYANGO

SABMiller and EABL resolve brewing row

By NATION Reporter

Brewing giant SABMiller has withdrawn a breach-of-contract case over beer production and distribution in Tanzania it had filed against East African Breweries in a London court, but failed to save the marriage of convenience that ended their battle for beer market nine years ago.

Under a deal hammered out in May 2002, SABMiller exited Kenya by shutting its Castle Brewing plant in Thika, while EABL gave up the Tanzanian market by closing down its Kibo Breweries. EABL was supposed to promote SABMiller's Castle brand in Kenya and Tanzania Breweries Ltd (TBL), a SABMiller subsidiary, to sell EABL's Tusker brand.

The contract would be renewed after every three years. But in May 2007, EABL balked and initiated a similar deal with Serengeti Breweries, Tanzania's second largest brewer. SABMiller filed a suit in London that has been under arbitration.

Yesterday, EABL, majority owned by Diageo, announced that it had reached an amicable settlement with its rival on the matter. "As a result of the settlement, all claims and counter claims in the arbitration in London will be withdrawn," EABL says in an announcement carried elsewhere in this paper, "and parties have agreed not to pursue any actions in respect to the matters which have formed the subject matter of the arbitration between them."