

Press Release



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GDC wins KSh 500 million grant for geothermal exploration from African Union

Nairobi, 17th March 2021 - Geothermal Development Corporation (GDC) is ready to commence the exploration of the Paka Geothermal Project in Baringo.

This follows, the signing of an agreement for a USD 5 million (KSh 500 million) Geothermal Risk Mitigation Facility (GRMF) grant with the African Union.

The funding will go towards the cost of the exploration drilling programme for the Paka Geothermal Project in Baringo. Commenting on the development, GDC, Managing Director and CEO Eng. Jared O. Othieno said, “The Paka Geothermal Project is an integral component of GDC’s strategic plan, where the company envisions the development of 1,065MW from geothermal sources by 2030. Of this, approximately 100MW will be sourced from the Paka Geothermal Project.”

The Agreement which was signed by the AUC Commissioner for Infrastructure and Energy, Dr Amani Abou-Zeid, the Cabinet Secretary, National Treasury and Planning. Amb. Ukur Yatani and GDC MD and CEO, Eng. Othieno is expected to support 40% of the total drilling cost (drilling and testing programme) and 20% of the total infrastructure development (infrastructure upgrade) cost of the project.

On his part, AUC’s Project Manager for the GRMF, Mr. Atef Marzouk, and the Energy Expert, Mr. Sylvain Degolmal, congratulated GDC on this achievement. “The African Union Commission (AUC) would like to congratulate the Geothermal Development Company (GDC), a fully government-owned company in Kenya, on the signing of the Grant Contract.”

GDC is the first public developer to sign the grant contract with AUC which both symbolic and encouraging. By reaching this milestone, GDC through the Kenyan National Treasury and Planning ministry has demonstrated the commitment of the Government of Kenya to expand the development of geothermal resources in the country.

The AUC and its partners KfW, BMZ, EU Africa ITF and FCDO (former DFID), are committed to fund bankable geothermal projects with respect to GRMF Financial scheme across East Africa region.

Under the agreement, GDC will drill two deep geothermal wells and upgrade the existing infrastructure to allow further development of the geothermal resource in the Project area.

The project which is in the vast Baringo – Silali Geothermal province is part of the first geothermal drilling programme in the area - north of the equator within Kenya's East African Rift System. The project is situated 25km north of Lake Baringo and approximately 120km south of the largest desert lake, L. Turkana.

Currently, the country's energy mix comprises geothermal (29%), hydro (29%), wind (12%), solar and others (2%) and thermal (28%). The East Africa rift system has geothermal potential 15,000 MW - of which has Kenya boast an estimated 10,000 MW of that.

About GDC

The Geothermal Development Company Limited (GDC) is wholly state-owned corporation that was established in 2008 to serve as a vehicle for driving accelerated development of geothermal resources in Kenya. GDC's primary role is to conduct geothermal resources exploration and production drilling with a view to mitigating risk associated with geothermal energy development. GDC's long term objective is to become the national and regional expert in geothermal resources development and exploitation.

For more information about GDC, please visit www.gdc.co.ke