

## Kenol/Kobil in new acquisitions in Zambia

Kobil Zambia, a fully-owned subsidiary of the Kenol Group with its head office in Kenya, has signed two major ventures in Zambia with a view to expanding its regional presence, and improving on supply chain logistics, market share and profitability.

Kobil Zambia has acquired a 15% shareholding of Lubblend Limited, a lubricants blending plant in Ndola, in the Copper belt region of Zambia.

The company acquired the shareholding from Total Zambia Limited. With this new acquisition, the company plans to beef its lubricants blending and supplies within the mineral-rich Zambian region.

The plant will boost Kobil lubricants supplies within the export markets of DR Congo (the Lumumbashi area), Zimbabwe, Malawi and Mozambique, and will provide the Kenol/Kobil Group with the capacity to service this high-potential region.

Prior to the acquisition, the Kenol/Kobil Group was blending all its lubricant supplies for Kenya and the subsidiaries (except Kobil Tanzania) in Mombasa, and then distributing them using trucks. The new acquisition is expected to reduce operator costs, reducing the lead time in making lubricants available closer to customer operations in the region. The acquisition will also reduce operational pressure on the Changamwe-based lubricants blending plant, which will now concentrate on the growing Kenyan and the landlocked countries in the Eastern African oil market.

Kobil Zambia limited has also signed a long-term fuel supply agreement with Albidon Mining Ltd. Albidon is currently in the final stages of its site construction, and will be mining nickel in the southern region of Zambia for the export market. Preliminary mining activities have started and, Kobil has commenced supplies of low sulphur diesel to Albidon.

These new ventures are part of an aggressive plan by Kobil Zambia to penetrate the mining sector in Zambia, which has for long been dominated by the traditional multi-national oil companies with their parent companies mostly in the US and Europe. The mining sector in Zambia and the Southern African region has been registering impressive growth due to favourable metal prices in the international market.

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