



**KENYA PIPELINE
COMPANY PLC**

KPC/CMA-NSE/68

Kenpipe Plaza, Sekondi
Road, Off Nanyuki Road,
Industrial Area, Nairobi, Kenya
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0709 723 000
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www.kpc.co.ke



12th June 2026

The Chief Executive Officer
Capital Markets Authority (CMA)
Embarkment Plaza, 3rd Floor
Upper Hill, Longonot Road
P.O. Box 74800-00200
NAIROBI

The Chief Executive Officer
Nairobi Securities Exchange (NSE)
The Exchange Building
55 Westlands Road
P.O. Box 43633-00100
NAIROBI

Dear Sirs,

MATERIAL LITIGATION AGAINST KENYA PIPELINE COMPANY PLC

Pursuant to our obligations under the Capital Markets (Public Offers, Listings and Disclosures) Regulations 2023 (“POLD Regulations”), and in compliance with the NSE Listing Rules, the Board of Directors of Kenya Pipeline Company PLC (“KPC” or the “Company”) hereby notifies you of the following material development in the affairs of the Company.

Background and nature of development

Zakhem International Construction (ZIC) has filed a lawsuit against the Company at the High Court of Kenya; *Milimani HCCOMM E346 of 2026: Zakhem International Construction Limited vs Kenya Pipeline Company PLC*. The suit relates to the contract for Procurement, Construction, Testing and Commissioning of Line 1 Replacement Project (the “Contract”). ZIC alleges that KPC has failed to pay them USD 19,036,187.46 being extension of time claims and USD 65,081,253.70 being interest on delayed payments pursuant to the terms of the Contract. They are therefore seeking to recover a total of USD 84,117,441.16 from the Company.

The position of the Board of Directors (the “Board”)

The Board, based on the information currently available and the preliminary legal advice it has received from the Company’s advocates, is of the view that the Company has credible legal and factual grounds upon which to contest the claim. Consequently, the Company will be defending the proceedings and has instructed its advocates to take appropriate legal measures to safeguard the interests of the Company and its shareholders.

Assessment of materiality

The Board has considered the nature of the lawsuit, the quantum of the claim and the potential implications of the matter and has determined that this lawsuit constitutes a material development that requires immediate disclosure to the shareholders of the Company and the investing public.

The Company intends to publish a cautionary statement on this development, through the NSE announcement portal and the Company website on 15 June 2026, subject to your acknowledgement of receipt of this communication. A draft of this cautionary statement is attached herein for ease of reference.

Should you require any further information, clarification, or documentation in relation to the matters disclosed herein, please do not hesitate to contact the undersigned.

Yours faithfully,

Flora Okoth

General Manager (Legal Services) & Company Secretary

For and on behalf of the Board of Directors, Kenya Pipeline Company PLC

Email: flora.okoth@kpc.co.ke