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The 4th ICIS African Base Oils & Lubricants
Conference

Wednesday 4th – Thursday 5th November 2015,

Radisson Blu Gautrain Hotel, Sandton
Johannesburg, South Africa

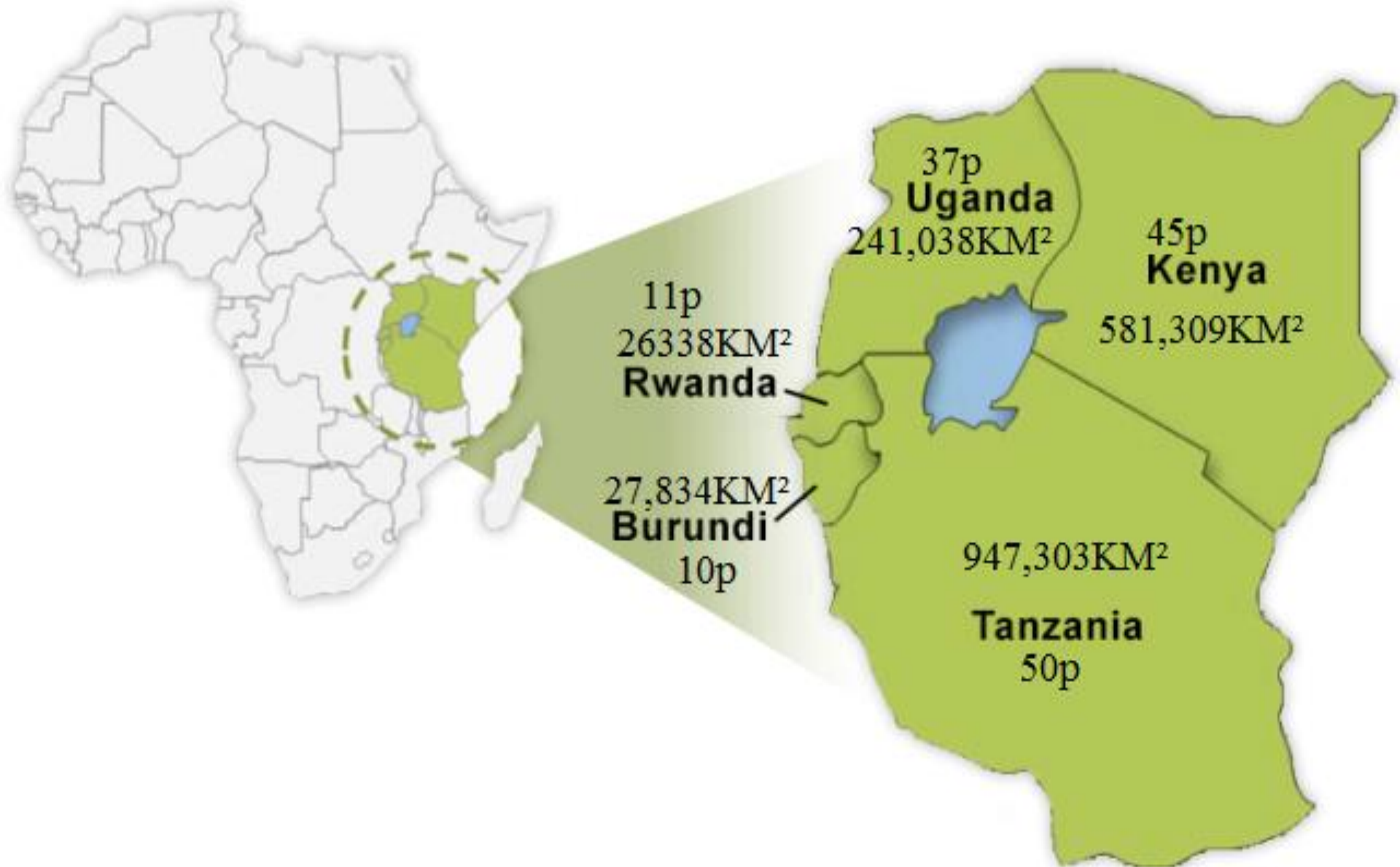
TANZANIA MINES, GAS AND OIL COMPANY LTD

We bring creativity and innovation in East Africa resources

SESSION OTLINE

- East Africa Countries
- Capitalizing on growing opportunities in East Africa
- Regional growth and Industrial Development
- Infrastructures challenge and development
- Mining sector in Tanzania
- Outlook for growing lubricant demand
- End of session.

How many countries under EAC?



growing opportunities in East Africa



EAST AFRICA

1. Energy... Source of energy in east Africa. Hydropower, Wind, Coal.. Tz is expecting to turn into gas energy.
2. Tourist According to United Nations World Tourism Organization, Tourist arrival in east africa by 2012 was 50 to 60m...
3. Agriculture
4. Mining
5. Infrastructures
6. Oil and Gas...
7. Construction sector – Real Estate Investment... Nhc, Avic Town, Project, Kopa Nyumba.

“East Africa economic development can be brought by advancement creativity and innovation in its natural resources sector” Hermes

Tourism Attraction in Tanzania



Agriculture:

Agriculture in

Tanzania is dominated by primary production which produce raw material for export

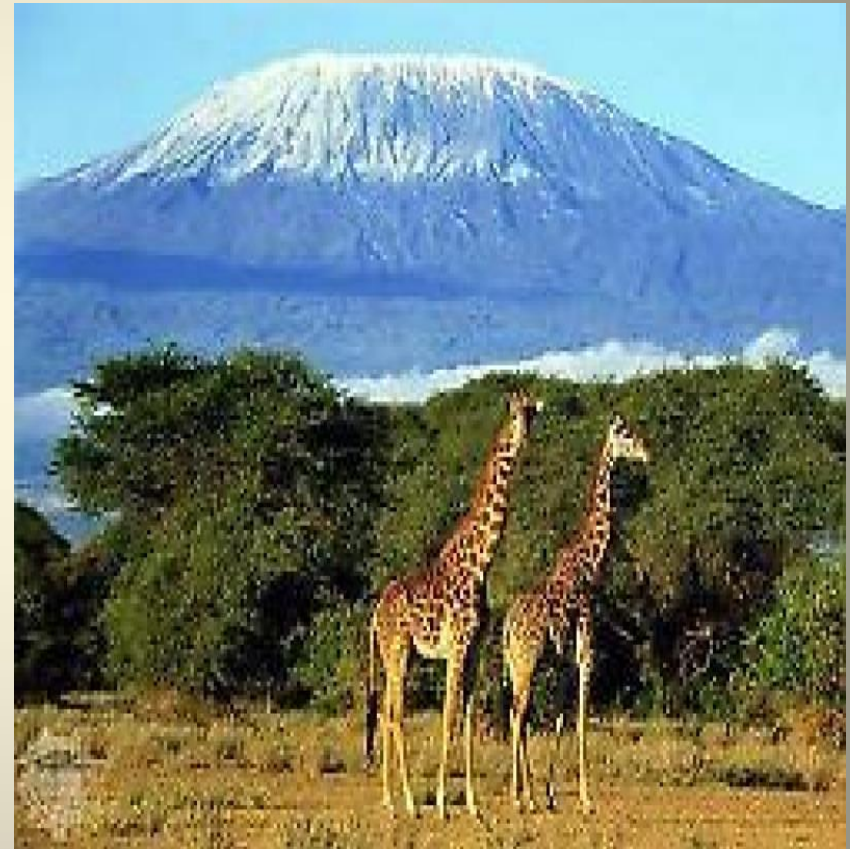


Fact for Oil and Gas in Tanzania

- The major discoveries of natural gas by Statoil, Ophir Energy and BG Group. Official discovered in 2012
- Total estimated natural gas reserves quadrupled from 10 trillion to 40 trillion cubic feet. Offshore gas fields at Songo Songo and Mnazi Bay are currently in the process of being developed by Pan African Energy and Maurel and Prom in conjunction with the Tanzania Petroleum Development Corporation (TPDC).
- Expected to be one stop Centre of investment for oil and gas economy in east Africa.

Why investing in East Africa growing opportunity

- East Africa Community got peaceful countries
- The few investors who have already invested in EA knows that the rate of return on investment is higher..
- An analysis by the Economist found that over the ten years, six of the worlds ten fastest growing economies will be east Africa...
- Economic Performance and Growth Drivers: In terms of weight, Eastern Africa accounts for about 26 % of Africa's population, 16 % of the combined GDP in 2009, and 22% of the continental landmass. It clearly shows that an integrated Eastern Africa has great potential for trade expansion and poverty reduction.
- Tanzania is amongst 10 best governed countries in Africa (Mo Ibrahim)



Africa is the Best Region to invest...

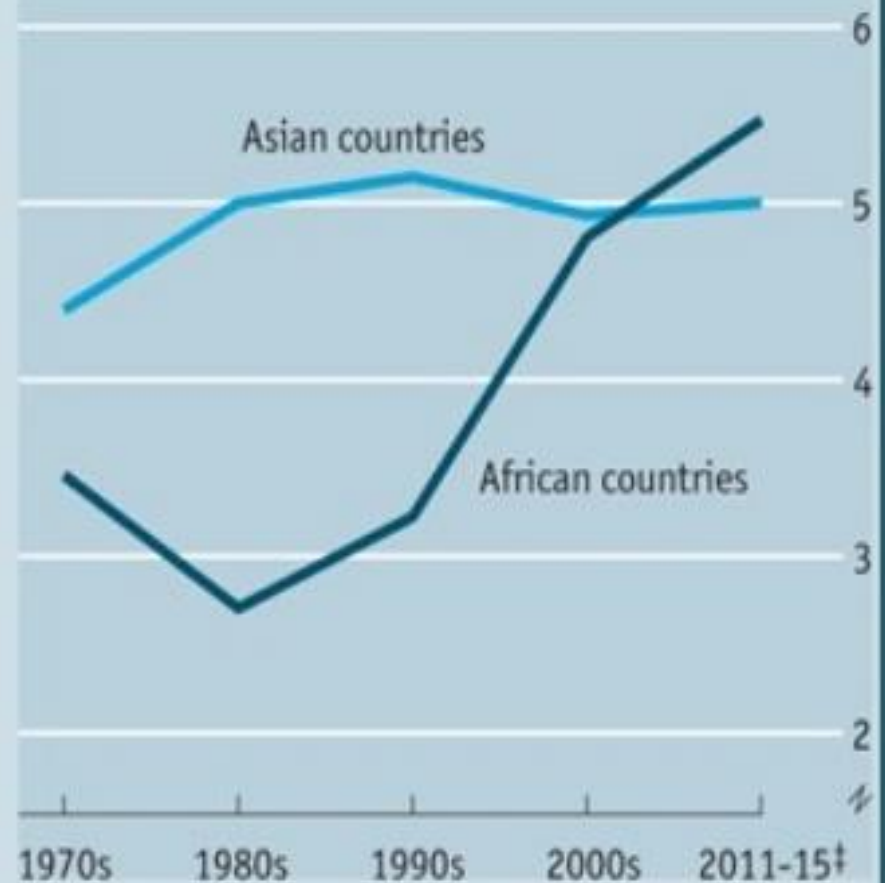
World's ten fastest-growing economies*

Annual average GDP growth, %

2001-2010†		2011-2015‡	
Angola	11.1	China	9.5
China	10.5	India	8.2
Myanmar	10.3	Ethiopia	8.1
Nigeria	8.9	Mozambique	7.7
Ethiopia	8.4	Tanzania	7.2
Kazakhstan	8.2	Vietnam	7.2
Chad	7.9	Congo	7.0
Mozambique	7.9	Ghana	7.0
Cambodia	7.7	Zambia	6.9
Rwanda	7.6	Nigeria	6.8

Sources: *The Economist*; IMF

GDP growth, unweighted annual average, %



*Excluding countries with less than 10m population and Iraq and Afghanistan †2010 estimate ‡Forecast

Regional growth and Industrial Development

Tanzania Zones



List of Region with its Activities

Northern Zone– Region found: Arusha, Kilimanjaro, Manyara..**Famous:** Tanzanite, National Park like Serengeti,

Eastern Zone- Region Found: Dar Es Salaam, Tanga, Pwani:
Famous: Fishing, Mining , Mountain like ulugulu

Lake Zone: Region Found: Mwanza, Geita, Kagera, **Famous:** Fishing, Mining.

Southern Zone: Mbeya, Mtwara, Lindi, Ruvuma **Famous:** Gas and Oil, Mining, Cashew nuts

Famous Region: Dar es Salaam, Mwanza, Arusha, Mtwara,

Industries Development

Fruit/Vegetable processing

2.95 million tons of fruits and vegetables produced annually only 4% is processed.

Cashew nut Processing:

120, 000 tones annually. Only about 10% of the cashew nuts produced within the country is processed.

Textile and apparel

More than 80% in raw and only 20% is locally processed.

Leather Sector

livestock population (17.7m cattle, 12.5m goats and 3.5m sheep) and produces about 2.6 million pieces of raw hides and skins annually. Only 10% is processed within Tanzania.

Renewable Energy

Energy is recognized as key challenge for Tanzania's sustainable development

Mining Industry

In Tanzania is Only 12% of the minerals have been exploited.. Tz remain with 88% underground...

Infrastructure challenge and development

Achievements

- The government has made infrastructures part of its strategic pillar to help in supporting development
- Tanzania's power sector is characterized by improvements each day.
- What drives East Africa growth and improvements in infrastructure is the discovery of oil and gas.

Challenge

- poor performance and weak financial condition represents Tanzania's most serious infrastructure challenge
- Inadequate maintenance to existing infrastructure

Infrastructure challenge and development

- Infrastructure could contribute much more to Tanzania's growth performance than it has in the recent past. Tanzania's annual economic growth averaged 7.0 percent from 2003-2007, compared with 3.7 percent from 1990 to 2002.
- The water supply sector shows poor performance and declining coverage despite the sector reforms and an increase in financing. Access to clean and safe water in Tanzania has fallen significantly since 2000 in both urban and rural areas.
- Annual infrastructure spending of US\$ 2.9 billion is needed to catch up on infrastructure; that cost, relative to GDP, is comparable to that incurred by China in recent years.
- Tanzania would need to invest US\$ 2.9 billion annually for a decade to catch up with the rest of the developing world in terms of infrastructure.

Mining Sector

Mining Overview

- Tanzania is Africa fourth largest producer of gold and diamond.
- Forecast to grow at 1.6 from 0.9 to reach \$1.0bn by 2018
- Tanzania has substantial long term potential of coal production
- Gemstones have little attention in Tanzania compared to precious metals
- Small scale Mining encounter with many challenge

Minerals Found in Tanzania

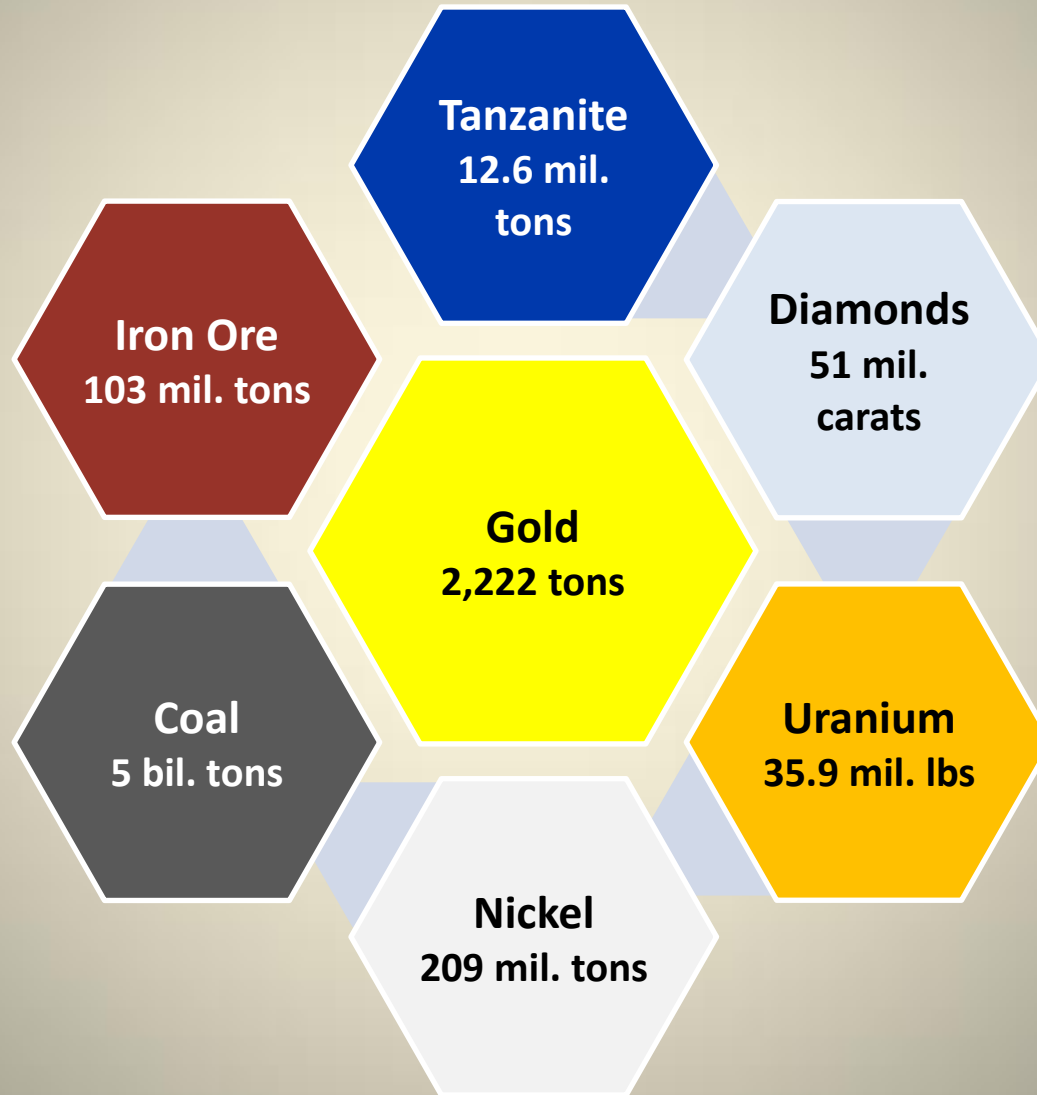
- Gold
- Diamond
- Ruby
- Garnets
- Sapphire
- Aquamarine
- Tanzanite

Tanzania is among the countries having abundant mineral resources. The data base indicates that the minerals found in Tanzania are grouped into the following major categories:

- Metallic Minerals, which include gold, iron ore, nickel, copper, cobalt and silver.
- Gemstones, which include diamonds, tanzanite, ruby, garnets, pearl etc
- Industrial Minerals, which include limestone, soda ash, gypsum, salt and phosphates;
- Energy source Minerals, such as coal and uranium; and.
- Construction minerals, such as aggregates, gravel, sand and dimension stones.

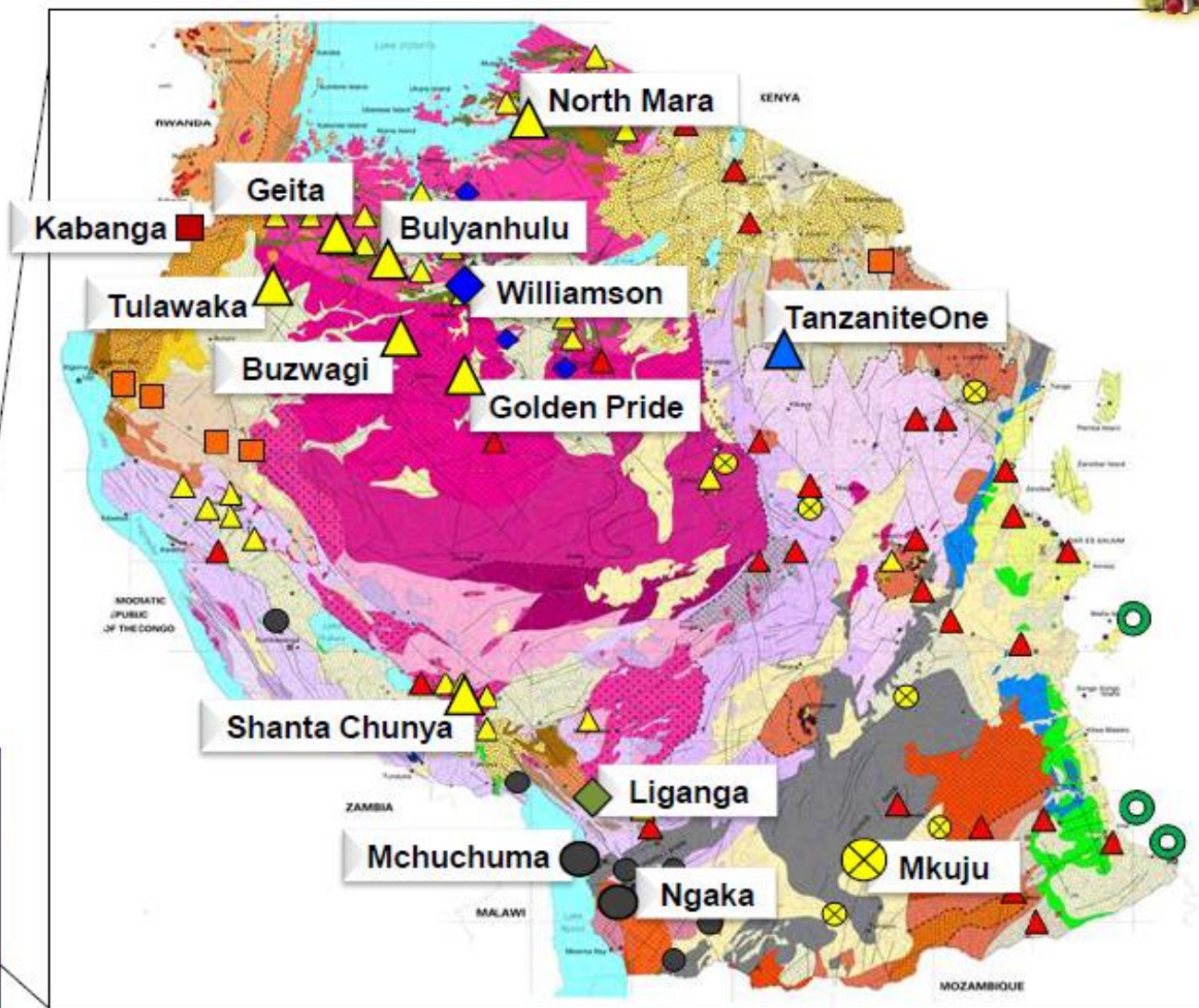
MINERAL DEPOSITS IN TANZANIA

(Country's Wallet of Minerals)



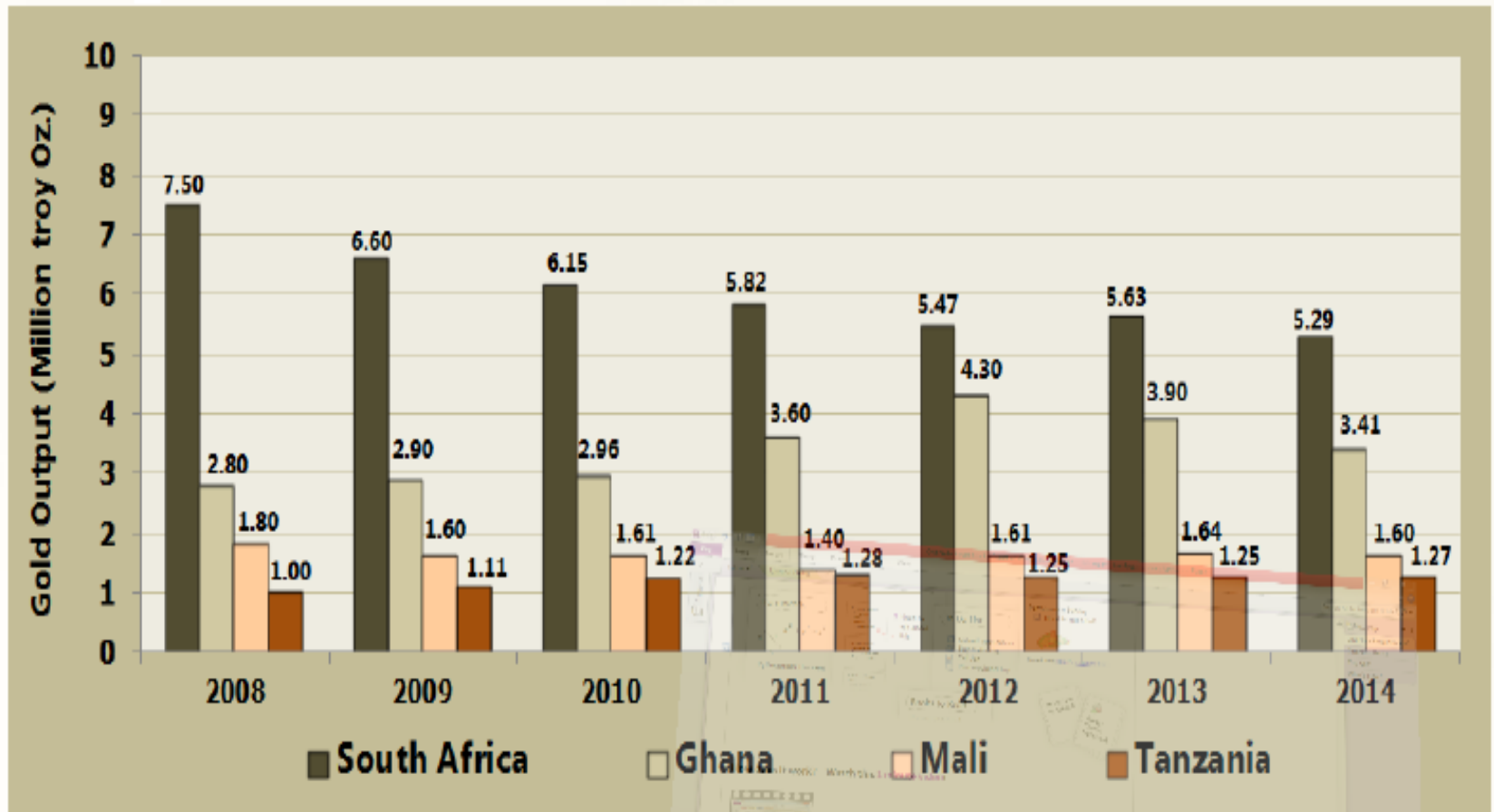
MINERAL OCCURRENCE AND MAJOR MINING PROJECTS IN TANZANIA

- ▲ Gold
- ▲ Tanzanite
- ◆ Diamonds
- Coal
- ⊗ Uranium
- ▲ Gemstones
- Copper
- Nickel



Africa Top Four Gold Producing Countries

Figure : Africa's Top Four Gold Producing Countries (2008 – 2014)



Sources: www.mining.com; www.mineweb.com; www.miningweekly.com

Minerals Produced by Major Gold Mines in Year 2014 according to TMAA

summarizes the quantity of gold bars and Copper Concentrate produced by major gold mines in year 2014 as audited by TMAA. Geita Gold Mine was the leading gold producer in year 2014 with 37.5% of total production

Table 1: Minerals Produced by Major Gold Mines in Year 2014

	Year 2014	Year 2013
Number of gold bars produced	2,221	2,139
Weight of gold bars produced (kg)	42,486	39,775
Number of containers loaded with Copper Concentrate	2,531	1,907
Net wet weight of Copper Concentrate produced (ton)	50,521	38,942
Gold quantity (toz)	1,273,094	1,253,785
Silver quantity (toz)	443,176	376,824
Copper quantity (lb)	12,824,121	12,865,738

Summary of the quantity of diamonds produced and exported by Williamson Diamond Mine in year 2014 as audited by TMAA

Table : Diamonds Production and Export, 2014

	Year 2014	Year 2013*
Quantity produced (carat)	203,786	158,562
Quantity exported (carat)	226,351	144,354
Average Price (USD/carat)	325.24	274.06
Export Value (USD)	73,617,469	39,561,323
Royalty Paid (USD)	3,438,841	1,905,304

Summary of the quantity of Tanzanite produced and exported by TTM
in year 2014 as audited by TMAA.

Table 1 Tanzanite Production and Exports by TTM, 2014

	Year 2014	Year 2013*
Quantity Produced – Grade A – I (crt)	3,798,403	3,235,331
Quantity Sold – rough (g)	5,306,101	3,115,077
Quantity Sold – cut (crt)	76,245	52,809
Export Value (USD)	9,658,706	7,379,669
Royalty Paid (USD)	362,311	229,545

SMALL SCALE MINING SECTOR IN TANZANIA

Challenge.

- appropriate mining equipment and mineral processing technologies.
- grants and loans from financial institutions.
- reliable mineral markets information.
- research-based trainings on improved mineral processing.

Our Solution

- Our goal In these challenges is to work with small scale miners to maximize the profitability of their business



Outlook for growing lubricant demand in Tanzania



Importers

- Individuals
- Companies Bp, Camel, Lake Oil, Puma Oil Company
- TPDC, is the sole importer of both crude oil and white products for national consumption. Distribution and marketing of fuels and lubricants is carried out by Addax, Mobil, Total, BP, GapCo, GapOil and Engen.

Demand

- Lubricants Industry is needed in Tanzania
- Tanzania is a free market for lubricants

FACTS OVERVIEW

Import Procedure

- Import permits from TFDA, TBS
- The importer is required to appoint a Licensed Clearing and Forwarding Agent (CFA) to clear goods
- We advise your company to be updated with import procedure

Overview Demand

- accounted for over 10% share of the global market in terms of volume in 2013.
- Tanzania Import all its lubricants requirements
- BP has the largest share of the market, commanding about 44% of the market

Conclusion

- Challenges are always there. Let us have your views, concerns, advice, recommendations on how we can work together better especially on issues of investment opportunities.
- Our corporate plans to emphasize on development of foreign investors and your are part of it
- We are partners of your project, business development in Tanzania.
- We are 100% Tanzanian Local company which aim to bring creativity and innovation in East Africa natural resources through partnership.
- We are the platform for safe investment in Tanzania and East Africa Investment in General.



Thank you for your attention!

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We Bring Creativity and Innovation in East Africa Resources