

Ophir's Well PWEZA-1 Encounters Natural Gas

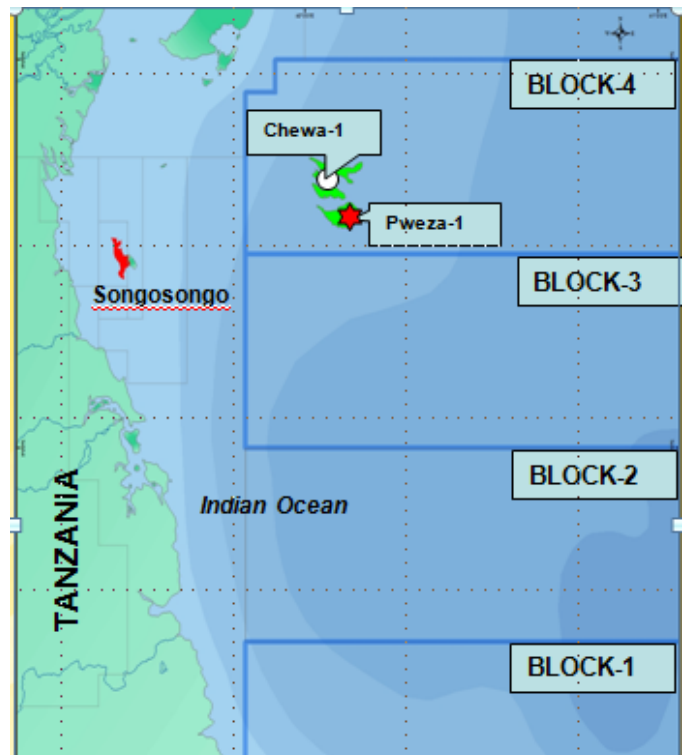
Ophir Energy Tanzania, PSA operators for deepsea Block 1, 3, 4 in offshore Tanzania have been drilling the well Pweza-1 off the island of Mafia. Drilling started on 18th September 2010 in 1440 metres of water, and was intended to be drilled to 4600 metres subsea. Drilling was carried out using the Norwegian drillship, the Deepsea Stavanger.

The Government would like to announce that the Well Pweza-1 has successfully encountered a natural gas column of nearly sixty (60) metres between 2625 metres while drilling through the main target.

The drillship is now moving to the second drilling location called Chewa-1, within the same Block-4, about 20 km to the north west of the location of Pweza-1. The Well Chewa-1 should start drilling before end October 2010.

In this project, Ophir are in partnership with British Gas (BG), the later holding a 60% interest. TPDC has back-in options.

The partners have been exploring for hydrocarbons in the area since 2006, through acquisition, processing and interpretation of seismic data, both 2D and 3D. Several prospective areas have been identified which will require testing by drilling. The



drilling of the well Pweza-1 is the start of a three well exploration drilling campaign, using the Deepsea Stavanger. The third well will be drilled at the location Chaza-1 in Block 1 near Mtwara.

The discovery of gas in the well Pweza-1 marks the beginning of an intensive exploration drilling campaign in Tanzania. In the year 2011, to meet their PSA commitments, Petrobras of Brazil are planning to drill two wells in Blocks 5 and 6 to the east of Mafia. Statoil are planning to drill one exploration well in Block-2 east of Lindi.

Dominion, operators of Block-7 (to the east of Dar es Salaam) is finalising 3D seismic data acquisition and should be submitting their drilling plans soon.

All in all, between September 2010 and December 2011, Tanzania should be drilling a maximum of ten (10) offshore wells, an investment of about US\$500 million in exploration operations.

There will be further investment in development operations once commercial quantities are confirmed. In the case of Ophir/BG, implementation of an export liquefied natural gas project should cost about US\$7 – 10 billion. If implemented, the project will contribute to the development of the economy and expand Tanzania's resource base tremendously.