Company Operations cont.

The maintenance of gas deliverability as pressure in the reservoir declines.

Songo Songo Island Facilities

The Songo Songo Island gas processing facility was originally designed with a 70 MMcfd gas send-out capacity, which was subsequently re-rated to 110 MMcfd in 2010 (2 x 55 MMcfd dew-pointing trains). The maximum facility send-out rate was constrained to 96 MMcfd based on the export pipeline operating envelope of 87.5bar(g) send-out pressure and a 52bar(g) arrival pressure at Songas' LM6000 GTs at the Ubungo Power plant.

The original Songas infrastructure (Songo Songo gas processing facility and pipeline) is typical in its type for such conventional hydrocarbon resources, where the reservoir pressure declines as the resource is produced

The arrival pressure at the gas processing facility is currently at 80bar(g), which is below the 110bar(g) minimum required by design, hence constrained in production potential. To address the declining pressure, the Company began phase 2 compression.

Phase 2 – Compression Project Overview

Design studies verified a combination of mechanical refrigeration and compression to be the most cost-effective way to ensure the gas processing facilities could continue to function effectively to meet gas demand, as pressure in the reservoir declines.

Following the completion of the phase 1 plant upgrade (refrigeration project) in 2020, CPTDC progressed the detailed engineering of the phase 2 plant upgrade (Compression project) during the same year. CPTDC completed this in good order despite engineering reviews having to be conducted remotely, across several time zones and in various languages, due to the ongoing negative impact on the movement of personnel due to COVID-19 restrictions.

2021 saw rapid progression to the procurement and construction phases of the project, with both completed successfully, largely due to the professionalism and dedication of PAET and CPTDC personnel. Mechanical tie-in of the project equipment ahead of schedule during the required shutdown period in February 2022 further demonstrated the excellent levels of cooperation between parties. The project, which main units consists of three compressor trains with gas engine driver sets, was completed and handed over in March 2022.

NOI

Highlights

Capital Expenditure

Compliance

Strict adherence to Local Content Legislation

Contract Personnel

- CPTDC 45
- Subcontractors 134 (57% Tanzanian subcontractors)

Contract

Personne

Manhours - 734916 Days without LTI - 416

Permits to Work - 2160

LTIFR - 0.00

PANAFRICAN

HSSE

Challenges

Steady increases in the cost of logistics relating to sea freighting were a continued concern to the project. The selection of a major engineering, procurement and construction contractor, with extensive logistics support, proved a decisive factor in limiting impairment to both cost and schedule.

The attention to detail applied during the challenging contract negotiations also proved beneficial when the decision was taken to establish a "lump sum turnkey" model agreement. These forward-looking mitigations were warranted. "The completed \$42 million compression project which was over three years in the planning and execution phase, ensures that Tanzania continues to benefit from a reliable supply of natural gas. Increasing access to electricity, enabling the country

to continue on its economic growth trajectory."

