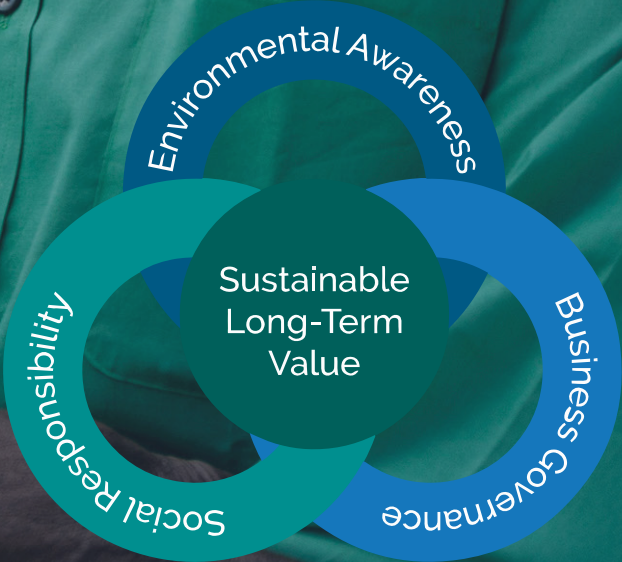


OUR APPROACH



Sustainable activities roadmap



We have historically been focused on sustainability, and have continued enhancing our strategy and approach. Our main ambition is to continue growing a sustainable business model around our asset in Tanzania. We take a holistic approach to sustainability and look at how we can contribute positively to all our stakeholders and the environment. We believe that a combination of strong governance practices and a diverse and talented workforce gives us the ability to create value for all our stakeholders. Our actions are also inspired by the 17 United Nations Sustainable Development Goals (SDGs) and the 2019 World Bank Pathways for Tanzania.

In 2020, we engaged a third party to assist with conducting a materiality assessment for our business. Since then, we have reviewed and clarified our priority issues in order to define our principles, policies, reporting and governance structure. In 2021, we took further action to formalize our sustainability strategy and reporting by appointing a third-party sustainability consultant, to assist in achieving our goals. We further included key employees and senior management as part of the sustainability strategy development process, which yielded the below material issues.

We are looking to publish our first dedicated sustainability report this year, summarizing our performance and ambitions on each of the key material issues. We provide a summary of key strategic topics and developments below.

Environmental

- Climate Change
- Biodiversity Impact
- Water and Waste Management
- Supply Chain Management

Social

- Community Relations
- Employee Wellbeing
- Human Capital Development
- Human Rights
- Supply Chain Management

Governance

- Business Ethics
- Board Structure
- Cybersecurity
- ESG Oversight
- Remuneration

Sustainability & Responsibility cont.

Environment

The need to accelerate the global transition to clean, renewable, and sustainable energy sources is undeniable, and nations and companies are increasingly committing to net-zero targets to limit global warming below a 2°C increase compared to pre-industrial levels. The quest for global reduction in GHG emissions places pressure on emerging economies, where a high proportion of economic activity is based on extractive and carbon intensive industries. At the same time, African economies have very low historic and current emissions per capita and low access to electricity. This conundrum places countries like Tanzania at a crossroads between the need for development and action on climate change mitigation.

The development versus climate debate often ignores the role that gas can and needs to play as a lower-emissions alternative to traditional fossil fuels in developing countries, and also misses the opportunity to foster a market for carbon-neutral or “green” Liquid Natural Gas (“LNG”). As such, we believe that our business is vital in assisting Tanzania in its development goals while also advancing towards a lower carbon economy.

The Tanzanian government has pledged to:

1. Strengthen the availability and reliability of electrical power by increasing generation capacity, transmission, and distribution networks.
2. Construct and strengthen natural gas supply infrastructure for domestic, industrial and transport use.
3. Develop renewable energy technologies and projects particularly for rural households.
4. Strengthen sustainable use and management of oil and natural gas.
5. Develop renewable energy sources for cooking to mitigate climate change.
6. Strengthen the availability of oil and natural gas by enhancing petroleum exploration and development.

Climate Change

When we think about climate change as a business, we aim to understand both how our activities have an impact on climate change, and how climate change has the potential to impact our business.

United Nations SDG 13 Climate Action

13.1 Strengthen resilience and adaptive capacity to climate related disasters

13.2 Integrate climate change measures into policies and planning

13.3 Build knowledge and capacity to meet climate change



As a natural gas producer and operator, we are exposed to both physical and transitional climate change risks, while we acknowledge that our operations have the potential to exacerbate these risks over the long term.





Physical Risk

We utilize a third-party 207km onshore pipeline that transports gas from Songo Songo Island to Dar es Salaam. We also operate a 50km downstream high and low pressure gas distribution network. However, the vast majority of all pipelines are buried and protected in vulnerable areas. Thus they are not particularly exposed to climate change induced extreme weather events.

Other physical infrastructure such as offshore and onshore wells may be more vulnerable to extreme weather events.

We are committed to ensuring all onshore gas transportation pipelines, rigs, and wells are assessed for their ability to withstand extreme weather events by 2026.

Transition Risk

Since Tanzania's five-year development plan references the need to "strengthen the availability of natural gas by enhancing petroleum exploration and development activities", the Company is unlikely to be impacted by this risk directly. Nevertheless, sentiment around fossil fuels generally is changing and there is a risk of losing access to financing if the Company fails to demonstrate how it is working towards alignment with a low-carbon economy. As such, we want to ensure that we are transparent about our impact and contribution.

We are committed to reducing our negative environmental impact as much as possible while focusing on business growth. We see natural gas as a transitional fuel that will further reduce Tanzania's overall GHG emissions.

Innovation and Partnerships

We are in the process of examining opportunities to support local universities in research directed at innovative solutions around the climate related impacts of natural gas. Similarly, we are investigating options to produce LPG, small scale LNG and CNG alongside our existing gas production operations.

While this would not reduce the amount of natural gas that we produce, it would reduce the amount of CO₂ produced as a result of reduced flaring, whilst also further reducing Tanzania's reliance on coal and imported products.

GHG Emissions

We are committed to further measure and improve our reporting of our GHG emissions during the next reporting year and will assess the possibility of setting net-zero ambitions and creating an action plan to align with the Paris Agreement.

Sustainability & Responsibility cont.

Supporting our community

Our business strives to improve access to affordable, reliable, and modern energy services in Tanzania. We believe we contribute positively to the following targets:

United Nation's SDG 7 Affordable and Clean Energy

7.1 Universal access to modern energy

7.3 Double the improvement in energy efficiency

7.A Promoting access to research technology and investments in clean energy

7.B Expand and upgrade energy services for developing countries

Given that we operate a natural gas business, we do not directly contribute to 'Target 7.2 Increase Global Percentage of Renewable Energy', as set out in the SDGs. However, our business contributes to reducing Tanzania's reliance on coal, and heavy liquid fuels and thereby to the movement towards a lower carbon economy.

Focus Area: Kilwa District, Songo Songo Island.



Our four focus areas



Education



Health

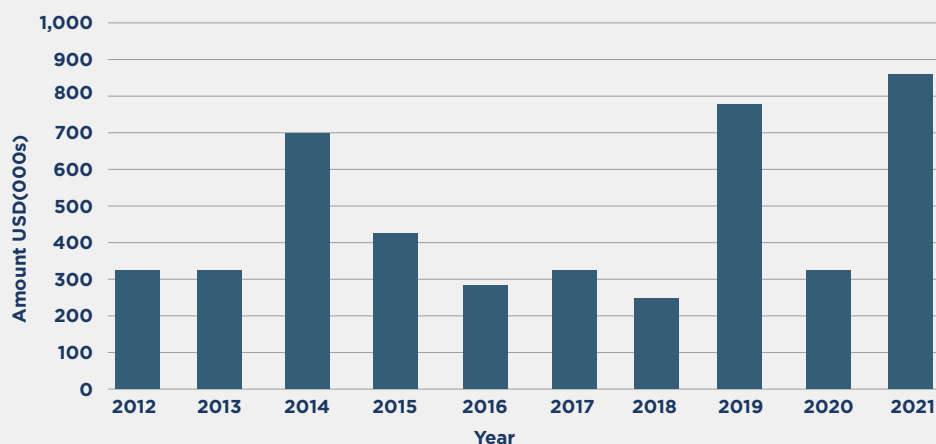


Scholarships

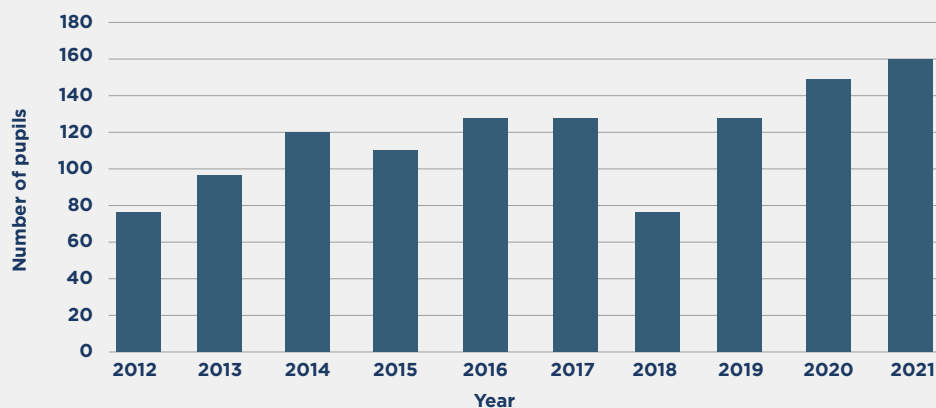


Life Skills Program

Graph 1: Amount Invested in Community Related Development Projects



Graph 2: Pupils enrolled at Songo Songo Island Kindergarten



Number of students using Science Lab at the Songo Songo Island Secondary School

Year	
2015	66
2016	74
2017	71
2018	74
2019	114
2020	193
2021	194
Total	786

Number of female students using the Songo Songo Island girls dormitory

Year	
2015	20
2016	32
2017	28
2018	36
2019	42
2020	29
2021	52
Total	239

We work hard to ensure that the benefits of our operations are not only for our customers and employees, but also to surrounding communities. The Government of Tanzania recognizes that education is the cornerstone of achieving the country's development goals, and accordingly the Government of Tanzania invests heavily in education. PAET feels similarly and the Company continues to focus on the community's educational and health requirements.

Education

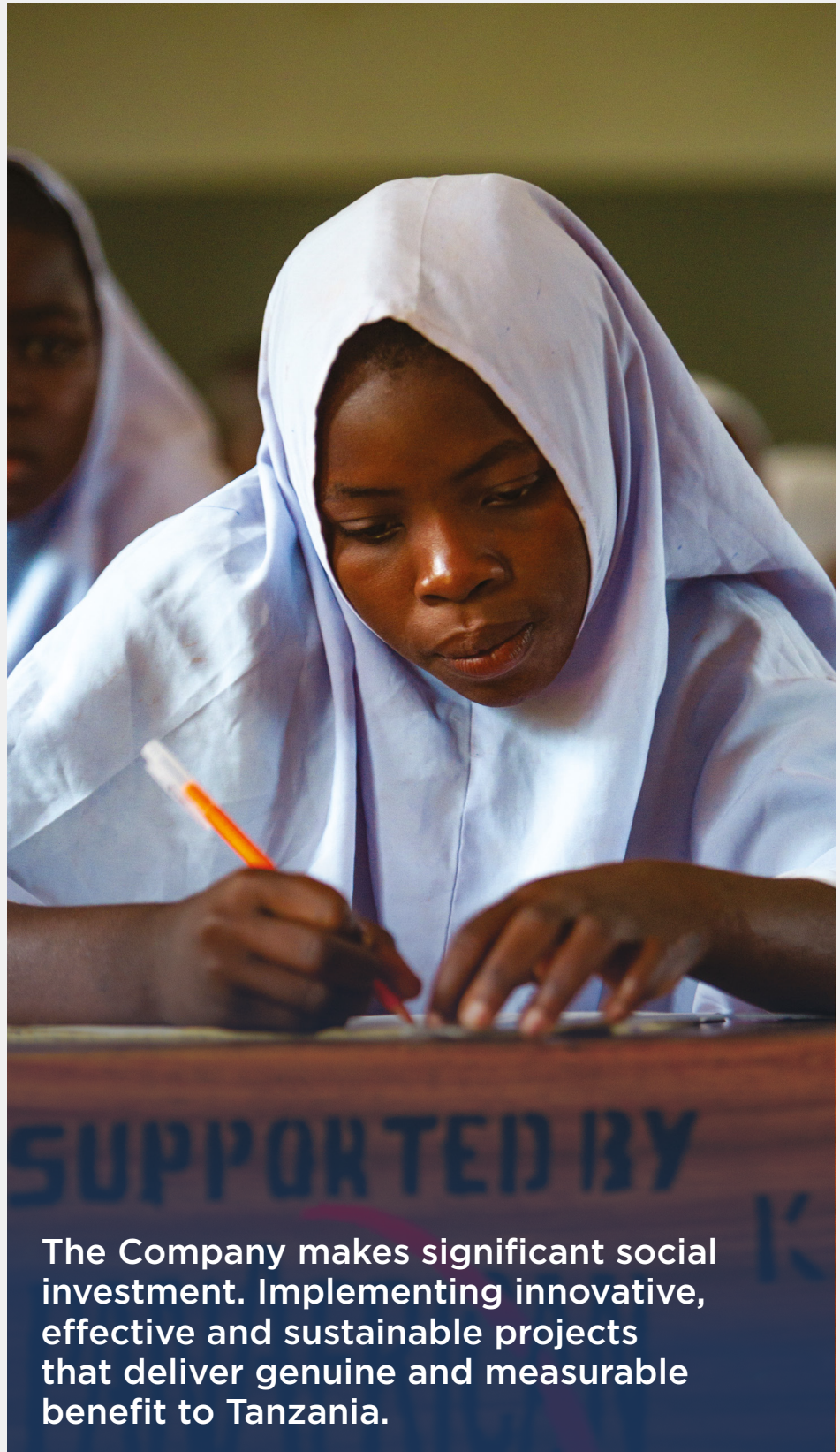
Investing in early childhood development

The Company funded the construction of the kindergarten on the Songo Songo Island which opened in September 2011. Since opening, we have continued to provide support with books and other items to enhance learning. The kindergarten proves to be a fundamental first step in improving the educational prospect for children within Songo Songo Island's remote community, delivering a significant increase in the availability of first stage education. To date, over 1,200 of the island's children have attended, with record attendance figures throughout 2021.

Secondary Education

The Company continues to support the girl's dormitory, able to accommodate 55 students within a learning orientated environment. The dormitory was opened in 2013 and has seen over 200 students utilize this facility.

In 2015 PAET funded the construction of a multi-purpose science laboratory for the SSI secondary school. The facility has helped the district achieve the national target, which requires every secondary school to have a science laboratory. To date we have seen over 750 students using this laboratory.



The Company makes significant social investment. Implementing innovative, effective and sustainable projects that deliver genuine and measurable benefit to Tanzania.

Sustainability & Responsibility cont.

Health

The Company has continued to make significant investment to develop accessible, clean, well equipped and well staffed medical facilities in the areas surrounding our operations.

Kilwa is one of the five districts of the Lindi Region of Tanzania. It is bordered to the north by the Pwani Region, to the east by the Indian Ocean, to the south by the Lindi Rural District and to the west by the Liwale District.

Tumaini La Maisha (Hope for Life)

The Company continues to support Tumaini La Maisha ("TLM"), TLM is a Tanzanian based NGO who provide care for children with cancer. TLM aim to reach every child in Tanzania who develops cancer, and provides high quality cancer treatment free of charge with the hope for a continued and healthy life. The charity is dedicated to caring for not only the children with cancer, but also supporting their families.

In collaboration with TLM, the Company provided support for the expansion of childhood cancer services in Sokoine Referral Hospital in Lindi Region, funding a new treatment, contributing to the improving survival rates of children suffering with cancer.

In October 2021 TLM began the second intake of paediatric oncology fellows at Muhimbili National Hospital ("MNH") and has added two more sites to its network.

In 2021, the Company's support has enabled the following:

- 28 children treated with childhood cancer from Lindi
- 500 arc lights to aid early diagnosis of children with certain cancers
- 250 courses of chemotherapy supplied to Sokoine Lindi Regional Hospital
- Purchase and delivery of personal protective equipment, including gloves, N95 masks and gowns at MNH and Sokoine Hospital in Lindi
- Bone marrow aspirate needles and bone marrow biopsy needles provided for every child
- Diagnostic testing at alternative medical centres, when not accessible at the treatment center
- Provision of antibiotics and other essential medication
- Transport provided for children and their families for journeys to and from the hospital
- Computers and software licenses
- 189 health professionals given training on childhood cancer treatment in the Lindi Region

Survival Rate +55%

60%

Current 60%

2005 5%

People Treated +730

850

2021 850

2005 120

Source: www.wearetlm.org



PAET Managing Director, Andy J Hanna (right) and TLM Board Chairman, Gerald Mongella (left) signing the MOU

Case Study

Construction of Songo Songo Island Health Centre

Songo Songo Island has a population of approximately 7,000. Currently, the Island has one dispensary that provides primary health care services lacking specialist services such as surgery, cardiologists, dermatologists, urologists and other specialists.

The nearest referral facility for the islanders is on the mainland at Kinyonga District Hospital, some 27km and a boat ride away.

The Company is currently funding the construction of an outpatient department, maternity ward, surgical theatre, laboratory, mortuary, and laundry facilities on Songo Songo Island.

Once completed in Q2 2022, the facility will be equipped and staffed to provide transformative primary and secondary health care to the Songo Songo islanders, across a broad and vital range of medical capabilities.

New medical center feature

Construction of Dispensary Building at Nahama Village, Namayuni Ward

The Namayuni ward comprises five villages with a population of approximately 10,000. The area has no public health facility and the nearest hospital is at Kipatimu, some 30km away.

The Company has funded the construction of a building that will include

- Out-Patients Department,
- Maternal & Child Health Ward,
- Maternity Wing,
- Incinerator

This facility will ensure more immediate medical support is available to the village, along with other surrounding communities. The completed building will be handed over to Kilwa District Council for use in 2022.



Dispensary Building at Nahama Village

Case Study

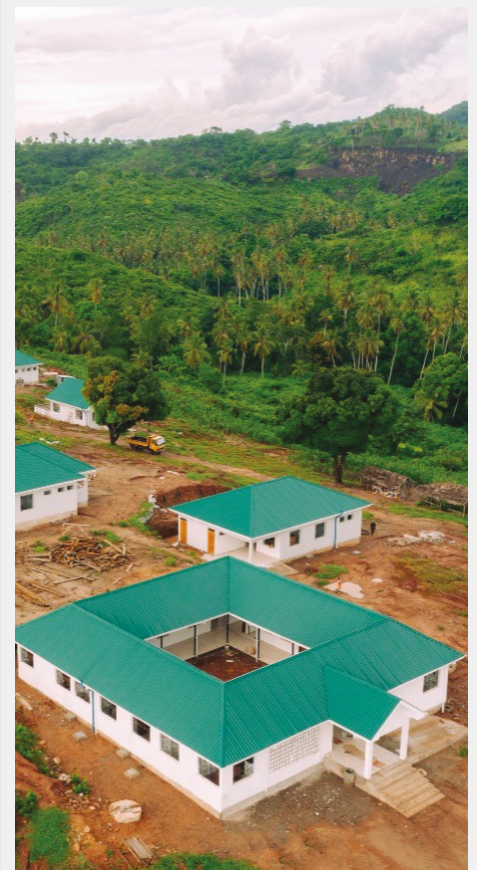
Construction of Chumo Health Centre in Kilwa

Chumo is one of the most densely populated wards in Kilwa District. The area has five villages with a population of around 14,000.

The construction of a health centre will allow community members to access high quality health care. Due for completion in Q2 2022, the facility will ensure more immediate medical support is available to community members, and surrounding communities.

The facility will be constructed with the same capabilities of the health center completed by the Company in Somanga.

The Company is utilizing a local contractor who has employed local artisans in completing the project. All building materials and the logistical delivery is being procured through local Tanzanian suppliers. For example, cement, a key construction material is being procured from a local factory in Mtwara.



Construction in progress at Chumo Health Center

Sustainability & Responsibility cont.

Our People

Our Workforce

Our employees are our core asset. We aim to inspire, protect, and nurture exceptional people. Additionally, we believe it is important that we provide support and shared value for the local communities that we serve. Given that our focus is on Tanzania, we have a great opportunity to contribute positively to the local communities and economy.

SDG 8 Decent Work and Economic Growth

We are proud that our workforce and leadership teams reflect the community and culture where we operate. Our approach to material social issues is tied to the contribution towards SDG 8 and its underlying targets. We have identified the following targets that our business contributes to positively:

8.4 Improve resource efficiency in consumption and production

8.5 Full employment and decent work with equal pay

8.6 Promote youth employment, education and training

8.7 End modern slavery, trafficking and child labor

8.8 Protect labor rights and promote safe working environments



Employee Wellbeing

At present, our employee wellbeing strategy consists of three key dimensions: physical wellbeing, mental wellbeing, and our COVID-19 response. We recognise that the success of our business hinges on our employees, thus all dimensions must be adequately addressed.

Physical Wellbeing

To ensure physical wellbeing, we have conducted a variety of training programs to inform our employees on key topics such as emergency preparedness and response, as well as health and safety.

We have a zero-tolerance attitude towards discrimination on the grounds of sex, political affiliation, gender, religion and promotes an inclusive culture in all areas, which is covered in our Employee Handbook. As a result, we have not recorded any incidents of discrimination throughout 2018-2021. This is an area we will continue to monitor going forward, and will ensure all new employees are fully aware of our zero-tolerance attitude.

Mental Wellbeing

Mental health is a topic that we take seriously. In 2021, we sent a questionnaire around mental wellbeing which received a 99% employee response rate. As mental health has been identified as a strategic priority of ours, we are committed to launch a campaign around mental health in 2022, whilst also introducing confidential mental health counselling for our employees.

Case Study

Revocatus Kasheshi

Reservoir Engineer – PAET, Tanzania



Revocatus has a bachelor's degree in chemical and process engineering from the University of Dar es Salaam and a master's degree in petroleum engineering from the Norwegian University of Science and Technology. Revocatus joined PAET in September 2015, as a trainee reservoir engineer and began working closely with the well service engineer on a downhole data retrieval campaign and well test analysis. PAET quickly identified Revocatus' capabilities and potential, and the Company sought to expand on these and provided further international training to advance his knowledge and help him obtain additional skills.

Revocatus has progressed through the Company, having been promoted to reservoir engineer. Revocatus uses his skills to monitor and develop the Company's assets, maintain long-term surveillance plans, and supports the annual reserves audit. Additionally, Revocatus provides support to the operations team on various tasks and participates on workover and drilling projects.

Revocatus commented: "When a well has finished being drilled, I ensure that it is monitored carefully, particularly in the first few days to make sure the amount of gas extracted meets expectations. When these sorts of project come to life and contribute positively to the organization and community, I feel a lot of career satisfaction".

Revocatus is an extremely valued member of the team. Revocatus commented: "The Company provides a safe and happy working environment. Individuals within the organization are very welcoming, collaborative and at times go above and beyond to make things happen. I am given space to lead and take as much responsibility as needed, this gives me joy and confidence at work".

COVID-19

Throughout the COVID-19 pandemic, we have taken action to ensure the safety of our workforce in both operational and office-based capacities. In 2020, for our office workers, initially we moved to a 50:50 home office split before moving to a 100% working from home policy.

For our operational workers, we rigidly enforced personal hygiene and other protective measures, social distancing and compulsory quarantine for 13 days for anyone returning to work or who visit the island. We deferred several projects, including the workovers of three onshore wells, and all non-essential maintenance tasks were delayed whenever a consultant or service company was unable to travel or adhere to our defensive posture. Staff who had to go into the office were also provided with sanitized Company transport allowing them to avoid public transportation.

The COVID-19 Omicron variant saw a number of personnel return positive or inconclusive tests. The impact on operations was minimal, although several staff were required to work unexpected overtime to back-fill resultant personnel gaps. We will continue to provide free lateral flow test kits for all employees when required.

Q&A

Stella Ndossi



“PAET provides opportunities to develop its employees skills by investing in training, in-house coaching and the Company has internal policies to promote within where possible.”

Stella Ndossi

Logistics Manager, PAET Tanzania
April 20, 2022

When did you join PAET and what experience did you have prior to joining?

I joined PAET in March 2011. I previously worked in the telecommunications industry at Vodacom Tanzania and prior to that in the mining industry at Barrick Gold.

What attracted you to the role and the Company?

PAET's mission and plans attracted me to the Company. Being involved in the contribution to national power generation and being a part of the Company's success story.

I love being challenged and I am a passionate problem solver. It feels refreshing getting things done in a timely manner, whilst continuing to learn.

How long have you worked for PAET and how have you progressed through the Company?

I am in my 11th year since joining PAET. Despite the number of years working for the Company, I still feel motivated, every day feels like the first day.

PAET provides opportunities to develop its employees skills by investing in training, in-house coaching and the Company has internal policies to promote within where possible. I am a living example of this. Over the past 11 years I have had the opportunity to work in three different job roles. I joined as an Executive Assistant, responsible for administrative activities such as taking minutes at meetings, creating action points and following up on these points until completion, amongst various other tasks.

In 2012, an Office Administration Manager role became available, I felt that my skills had developed, and I was well suited to the role. I was successful and promoted to this position which came with additional responsibilities, including further administrative tasks, a responsibility to manage office supplies along with a logistical element; looking after expats' housing, flights, hotels and vehicle and driver management.

In 2013, PAET had a change in management, which led to an internal restructure. A new Logistics Manager role was created. The exposure that I had in my previous two roles along with my work ethic pushed me to apply for the post, I was successful.

In each role, PAET has given me the opportunity to progress both within the Company and at a personal level. I am grateful for the trust and willingness that the Company has given me, to invest in myself.

Can you give an example of your daily activities?

My daily activities start with toolbox meetings with the operations team where I identify logistical needs against projected projects, along with reviewing what is in the pipeline. The planning process of this includes advising departmental managers on the best modes of transport based on the environment and cost efficiency versus the needs at the field. I also coordinate the collection and shipping of PAET orders and the movement of personnel, whilst adhering to the rules and regulations governing the imports and exports of both. I am able to manage all activities, which is also down to the highly skilled and cooperative team around me.

What is the most enjoyable part of your role?

- Challenge – Every task comes with a new challenge, which ultimately leads to new knowledge, improving my skills and growing with each. These challenges make me look forward to coming to work each day.
- Fitting pieces of the puzzle together and accomplishing tasks in a timely manner. These make my job enjoyable and satisfying.
- Working as part of a team.

Do you feel supported and valued by the Company?

Yes, I do feel trusted, valued and supported.

This trust has given me the opportunity to lead the Logistics Department. I feel valued when listened to, particularly in my area of expertise. Decisions are made based on the guidance I provide.

Our Workforce



Jay Lyons

Executive Director
Chief Executive Officer

Appointed 2019

Experience

Jay Lyons joined the Company in May 2019 as a Non-Executive Director and took on the role of Interim Chief Executive Officer in 2020 and Chief Executive Officer in June 2021. Jay is a private investor with considerable experience in the oil and gas industries in both Canada and the United States. He has worked in a range of roles for both private and public companies in the upstream and downstream sectors. Jay has a strong familiarity and understanding of the Songo Songo project and the Tanzanian operating environment.



Lisa Mitchell

Chief Financial Officer

Appointed 2021

Experience

Lisa Mitchell joined the Company as Chief Financial Officer in November, 2021. Lisa was the CFO and Executive Director of San Leon Energy plc (AIM: LSE), a Nigeria focused oil and gas company listed in London, and previously the CFO and Executive Director of Lekoil Limited (AIM: LEK), an Africa focused oil and gas Company with interests in Nigeria. Lisa has also held senior roles at Ophir Energy plc (LSE: OPHR), a former FTSE 250 energy Company, CSL Limited (ASX top 50) and Mobil Oil Australia.

Lisa is a FCPA (Australia) and holds a Bachelor of Economics from La Trobe University, Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.



Andrew Hanna MBE

Managing Director
PanAfrican Energy Tanzania Limited

Appointed 2012

Experience

Andrew Hanna has worked with Orca and PAET in various management roles for the past ten years, being appointed Managing Director of PAET in 2019. He joined the Company following a career in the public sector where he led engineering, logistics and security projects around the world. Since joining, he has played an integral role in the development and delivery of strategic and operational plans for PAET, while taking a lead role in the management of complex senior stakeholder issues in Tanzania. Andrew has a strong background in electronic and civil engineering and has a Master's Degree in Military Science from Cranfield University. He is a Fellow of the Chartered Management Institute and a Member of the Institute of Royal Engineers.

Andrew is pursuing a Master's in Business Administration, specializing in Oil and Gas Management, through Robert Gordon University, Aberdeen.



Lloyd Herrick

Advisor to the Board and Management

Appointed 2020

Experience

Lloyd Herrick brings over four decades of international energy experience following a 20 year career at TransGlobe Energy Corporation ("TransGlobe") where he was Vice President, Chief Operating Officer and Director. Prior to TransGlobe, he served as President, Chief Executive Officer and member of the board of Moibus Resource Corporation, which was acquired by TransGlobe. Earlier in his career, Lloyd worked at Ranger Oil Limited, holding technical, management and executive positions, and was a petroleum engineer with Rupertsland Resources Ltd. and Hudson's Bay Oil & Gas Ltd.

During his time as a member of the TransGlobe executive team and board, Lloyd acquired a wealth of experience in direct government negotiations, including concession agreement amendments and extensions to achieve optimum resource development.

Tanzanian Management Team

We remain focused on ensuring our workforce and leadership teams reflect the community and culture where we operate.

Our operational workforce in 2021 remained at 99% local staff, with 27% of our in-country management team being female. We are proud of our continued progress in diversifying our workforce, something that we monitor regularly.

We celebrate our workers and their dedication to achieving excellence, which has led to the success of PAET and the Songo Songo Gas to Electricity Project. It is through their professionalism, skill and diligence that we are able to continue to raise our standards and quality.

Welcoming Mwinshehe Said to the PAET Board of Directors

CPA Mwinshehe Said has been the Finance Director of PanAfrican Energy Tanzania Limited since he joined the Company in 2004. He is a professional accountant, having spent over 29 years in the fields of accounting, assurance, taxation and advisory services. Before joining PanAfrican Energy, Mwinshehe was privileged to have worked with a multinational assurance and accounting firm, and later a telecom company in different territories including Mauritius, Saudi Arabia, Botswana and, of course, at home in Tanzania. As a Finance Director, he is responsible for the day to day running of the finance operations of PAET, which include ensuring compliance to all statutory, IFRS and contractual requirements and financial stewardship. His role involves working with several stakeholders, including government regulators, tax authorities, contracting partners, statutory auditors and contractors amongst others. Mwinshehe holds first degrees in Accounting and Law, and a Master of Science degree in Finance from the University of Strathclyde. He is also a Certified Public Accountant in Public Practice by the Tanzanian National Board of Accountants and Auditors (NBAA).

Mwinshehe has a passion in delivering quality work in all his engagements and responsibilities. He is achieving this by developing and empowering his team members to deliver their best whilst also ensuring full compliance to applicable laws, standards and regulations. He sets time for his family and friends and for his interest in walking, reading and watching football.

The Company is proud to maintain an in-country workforce of 99% local Tanzanian staff



Bizimana Ntuyabaliwe
Deputy Managing
Director



Mwinshehe Said
Finance Director



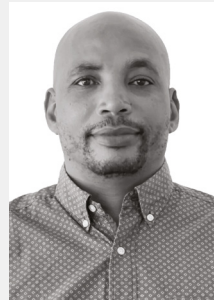
Shuli Mrengo
HSE Manager



Stella Ndossi
Logistics Manager



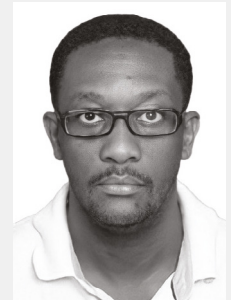
Rehema Shija
Local Content
Compliance Manager



Gasper Mkomba
HR/Office Manager



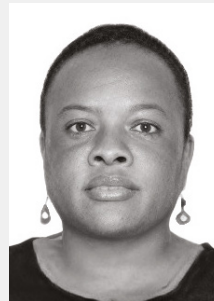
Peter Sololo
Operations Manager



Andrew Kashangaki
CSR/ESG Manager



Sabas Oisso
Downstream Manager



Ritha Mohele
Legal and Document
Control Manager



John Samwel
Downstream
Stakeholder Relations
Manager