

PricewaterhouseCoopers Tanzania

Statement of Capabilities

Energy and Mining

Bringing value to your business



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Introduction

Energy

Oil prices have somewhat stabilized, but natural gas prices continue to be low. Energy analysts and professionals alike would certainly benefit from a crystal ball that could predict what commodity prices will do, not only in the short-term, but over the decades to come. Most industry professionals and observers realize that as the supply of oil and gas becomes even harder to find and access, prices have to go up. But the question remains, when will that be?

Energy companies are facing an increasingly complex environment, with changing geopolitics, tightening regulatory requirements, greater competition and higher stakeholder expectations. Finding new reserves requires greater investment and improved technology. International oil companies also face greater competition from national oil companies, as the global demand for energy continues to grow. The growth of renewable energy sources and unconventional hydrocarbons is helping deliver additional energy sources, but companies must weigh the costs associated with these sources. While needing to invest more, energy companies are also looking for ways to improve efficiency and lower costs, while managing the many risks of the business.

Mining

An unparalleled period of soaring commodity prices and economic growth has given way to slowdown and recession. The big question is whether the sudden downturn represents a relatively short-term interruption in growth, or whether it is the signal of a more long-run recession. Mining companies have to balance short-term responses with long-term strategy, weighing the long timescales needed for major infrastructure projects, such as mine development, against sharp downturns in prices and demand.

The mining industry, at first thought to be somewhat insulated from the debt crisis, is now fully impacted amid falling demand, tumbling commodity prices, high operating and capital costs and falling share prices. New mines will be rare. Under-performing mines, or those with cost over-runs will be carefully scrutinized for potential closure.

PricewaterhouseCoopers

At PricewaterhouseCoopers, our goal is to put ourselves in our clients' shoes, be able to understand their needs and add value from our knowledge and experience. To accomplish this goal, we maintain a robust training program, designed to enrich not only our technical skills, but also to keep us abreast of the industry issues that our clients face. We examine the issues, and build teams of subject matter specialists who develop appropriate solutions through our assurance, tax and advisory services. For global clients, we put together experienced teams from around the world who contribute a local understanding in addition to global experience. At PricewaterhouseCoopers, we not only examine the industry issues to understand your concerns, but we are also committed to constantly evaluating and enhancing our well-developed services to better meet your needs.

PwC is the leading adviser to the energy and mining industry in Tanzania and globally, working with exploration, production and service companies to provide business solutions tailored to the energy and mining sector. Our strength in serving this truly international sector comes from our skills, our experience and our team of industry specialists.

Our involvement with you

We want to be involved as you identify issues and work towards solving them. We know you expect to be able to come to us, ask a tough question, and get a useful, thoughtful answer in reply. Our goal is to do more — to help you plan for success. Our experience allows us to help you ask the right questions, not just provide the right answers.

Specialised services - energy and mining

Our energy and mining practice focuses on delivering professional services to companies of all sizes, across all segments of the industry. We provide industry-specific solutions in the fields of audit and assurance, tax, transactions, performance improvement, human resources and crisis management to help companies address their business and stakeholder issues.

Our significant experience in the energy and mining sector in Tanzania means that our professionals are able to leverage their industry knowledge to deliver immediate value to our clients by bringing our in-depth understanding of your business issues to bear.

Audit and assurance

PricewaterhouseCoopers audits major energy and mining companies and junior mining companies in Tanzania and around the world. Our audit clients in Tanzania include African Barrick Gold, the largest mining investor in Tanzania.

PwC auditors around the world use a single, global audit methodology, fully compliant with International Standards of Auditing and applicable national standards. Our globally consistent approach to the audit means that, regardless of location, PwC people can understand and evaluate your business using a single language and common methods. In turn, that gives you a uniform level of quality in all our audits. This methodology also enables us to quickly organise and deploy the kinds of multinational audit teams often required by our larger energy and mining clients.

In addition to audit services, we offer a full range of assurance services to energy and mining companies, covering areas such as statutory audit, regulatory risk, Sarbanes-Oxley compliance, independent review of controls and processes, and advice on acquisitions, alliances and disposals.

Tax services

We have the strongest international network of dedicated tax specialists of any professional services firm. Equally, we have the largest team of dedicated tax specialists in Tanzania, and are the leader in the provision of tax advisory services to the energy and mining sector in Tanzania. This means that we can support you both locally and globally, wherever you require tax advice.

Our tax professionals solve challenging issues, anticipate changes that can impact your tax situation and financial statements, and keep you apprised of tax issues of relevance to your company's operations. We pride ourselves on what we believe is a unique ability to provide both the experience, technical knowledge and negotiating skills that you require in Tanzania as well as the resources and skills of the PricewaterhouseCoopers international network of firms conducting their practices in accordance with agreed standards and procedures.

Advisory services

Through our deep understanding of finance, risk management/compliance, IT systems, operations and human resources, we can identify and implement cost-saving initiatives, improve management and control, improve performance, identify and assist in management of risk, improve quality of reporting and deliver greater financial effectiveness. We also provide internal audit resource solutions and also advise on project feasibility, finance raising, and transaction structuring.

Our Clients – Energy and Mining

Entities in the energy and mining sector to whom we provide or have provided services include:

Mining

Anglo American Group entities (audit and tax)

AnglogoldAshanti entity (Geita Gold Mines Limited) (tax)

African Barrick Gold entities including Bulyanhulu mine (audit and tax), North Mara mine (audit and tax), Pangea Minerals Limited - Buzwagi and Tulawaka mines (audit and tax), Tusker Gold Limited - Tanzania subsidiaries (audit and tax)

Helio Resources Corporation / Bafex (audit and tax)

Kabanga Nickel Company Limited (a Barrick Gold / Xstrata JV) (audit and tax)

Mantra Tanzania Limited (audit)

Resolute Tanzania Limited (tax)

TanzaniteOne Mining Limited (tax)

Various service providers to the mining sector

Oil and Gas

Artumas (tax)

Exxon Mobil (audit)

Maurel & Prom (accounting, tax)

Ophir Energy (tax)

Pan African Energy Limited (tax)

Petrobras (tax)

Songas Ltd / Songo Songo project (tax)

Statoil (tax)

TPDC (advisory - support in preparation of corporate plan and strategy)

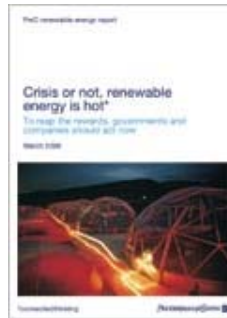
Out front on industry issues - Energy

Our commitment to the industry goes beyond our services. Each year we prepare industry specific reports on issues of key strategic importance to our energy and mining clients and the challenges that lie ahead. Our extensive thought leadership programme draws on the insights of our worldwide network of industry specialists, as well as energy and mining industry executives.

Visit www.pwc.com/energy to download or order hard copies of these reports.



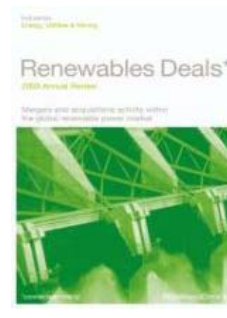
The scale of projects in the energy, utility and mining sectors present immense challenges at the best of times. In a world of economic instability, with uncertain demand and plummeting commodity prices, these challenges are magnified.



The survey examines Europe's future renewable energy marketplace through the lens of progress towards the 2020 goals. The study considers the market's potential, compares approaches in various countries, and puts forth some high-level recommendations for how governments and companies can achieve the high targets.



Tax and the environment, a book produced jointly by PricewaterhouseCoopers and the IBFD (International Bureau of Fiscal Documentation), is a valuable tool for cost-effective planning of investments which help save the environment.



Renewable energy is accounting for an increasing slice of overall M&A activity in the power utilities sector. Deal numbers and total M&A value in the sector as a whole declined significantly in 2009 but the decline in deals for renewable assets or technology was much less marked than in the wider sector.



Appetite for change - Based on almost 700 interviews, conducted in 15 countries, Appetite for change examines attitudes in the international business community towards environmental regulation, legislation and taxes. Climate change is testing the ability of the world's leaders to develop effective environmental policies and many are frustrated with the pace of negotiations, as evidenced by the Copenhagen summit.

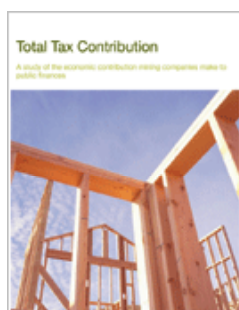


This publication considers the major accounting practices adopted by the oil and gas industry under International Financial Reporting Standards (IFRS). The need for this publication has arisen due to the absence of an extractive industries standard under IFRS; the adoption of IFRS by oil and gas entities across a number of jurisdictions, with overwhelming acceptance that applying IFRS in this industry will be a continual challenge.

Out front on industry issues - Mining

Our commitment to the industry goes beyond our services. Each year we prepare industry specific reports on issues of key strategic importance to our energy, mining and utilities clients and the challenges that lie ahead. Our extensive thought leadership programme draws on the insights of our worldwide network of industry specialists, as well as energy and mining industry executives.

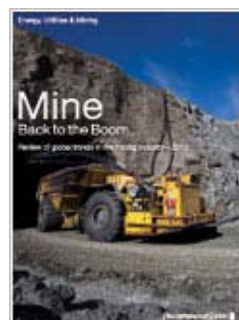
Visit www.pwc.com/mining to download or order hard copies of these reports.



This study aims to bring greater transparency to the full contribution that mining companies make to public finances. The results analyse their total payments to government, focusing on their most significant operations in the various locations.



PricewaterhouseCoopers' 1st 2010 edition of our quarterly Global Mine Bulletin specifically focuses on three of our recent PwC global thought leadership publications that considered events and industry issues arising across the year 2009: Mining Deals, Aussie Mine and the Global Gold Price Survey. Global Mine.



This year's publication marks our seventh annual survey of the Top 40 mining companies by market capitalisation, provides a comprehensive analysis of the financial performance and position of the global mining industry and also discusses current trends in the global mining industry.



The total value of mining M&A halved in 2009. Highlighting the significance of this decline was the fact that the biggest deal in 2009 would not have made it into a list of the top 10 deals by value in 2008. Overall, deal value fell from US\$153.4 billion in 2008 to US\$77.1 billion in 2009.

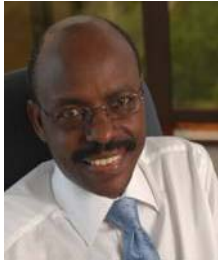


This year we have revised our annual junior mining publication to include a snapshot of 20 mining companies on the TSX with market capitalizations of \$500 million to 700 million, almost 10 times the market capitalization of the average company on the top 100 TSX-V list. The 20 companies on the TSX had a total market capitalization of \$12 billion.



The 2009 edition of the annual Gold Price Survey Report covers 58 gold mining and development companies with global operations. These companies, based in six countries across the globe, have reported expected production of more than 39 million ounces in 2009.

Our People – Assurance – Energy and Mining



Leonard Mususa, Partner - Assurance

Leonard is our country leader. Leonard Mususa joined Coopers and Lybrand, a predecessor firm of PricewaterhouseCoopers, in 1978 as a qualified Accountant at Audit Senior level. Having gained experience at various levels of seniority (two of these in London, UK), he was admitted to partnership in 1985. Leonard is a Fellow of the UK Association of Chartered Certified Accountants (FCCA).

Leonard has extensive accounting and advisory skills and knowledge of the local environment make him well placed to provide constructive advice on the business activities of your company. Over his career with the firm, Leonard has been involved in the audit of various energy and mining companies in Tanzania:- Barrick Gold subsidiaries, IAMGOLD Tanzania Limited, Williamson Diamonds Limited and other key clients like Tanzania Breweries Limited, TANESCO, BP Tanzania etc.

Leonard has a keen interest in financial reporting and acts as the local champion in IFRS technical matters. In this regard he regularly attends IFRS update courses organised by PwC's Global Accounting Consulting Services unit based in London.



Nelson Msuya, Partner – Assurance

Nelson has extensive experience of over 16 years in providing assurance and advisory services to energy and mining and mining related companies, gained while working with the firm in Tanzania and South Africa. He is a Tanzanian Certified Public Accountant.

In June 1998 he was seconded to our Johannesburg office where he gained valuable experience in financial reporting at an international level. While in Johannesburg office he was mainly involved in a number of high profile assignments offering both audit and business assurance services to a number of local and multi-national clients in the Energy & Mining sector. Nelson is currently based in Dar es Salaam and has worked extensively in the region.

Over his career with the firm, Nelson has been involved in the audit and due diligence assignments in various energy and mining companies in Tanzania, South Africa, West Africa and Canada.

Our People – Assurance – Energy and Mining



Chaitanya Mawji, Senior Manager – Assurance

Chaitanya is a Senior Manager in the Dar es Salaam office specialising in the provision of assurance services to clients in various sectors.

Chaitanya is a member of the Association of Chartered Certified Accountants (ACCA) with over 8 years experience with PwC.

Chaitanya returned back in November 2009 from a 2 year secondment from Perth, Australia. During this time, some of his major mining clients included the Barrick Gold Australia, Dampier Salt and Luzenac Australia (subsidiaries of Rio Tinto), Avoca Resources, Tiger Resources and India Resources.



Deogratias Laballa, Manager – Assurance

Deo has over 7 years experience in our Assurance department and he is a registered member of the National Board of Accountants and Auditors of Tanzania - (NBAA).

Deo has a sound auditing and consulting experience in Tanzania and has been an audit manager for a number of our valued clients including Pangea Minerals Limited and Barrick Exploration Tanzania Limited.

In July 2007 he was seconded to the UK firm where he gained valuable experience in accounting and auditing at an international level. While in the UK, he was involved in the audit and business assurance services of high profile companies in the energy sector, including Terex Group and British Energy.

Our People – Advisory – Energy and Mining



Elizabeth Kariuki , Partner – Advisory

Elizabeth Kariuki is a partner in PricewaterhouseCoopers' Advisory Services Group. She is a Chartered and Certified Public Accountant, holds a BSc. in Mechanical Engineering (Manchester, UK) and a MSc. in Public Policy and Management (SOAS, UK), and has twenty years of work experience. She has consulted on several public sector management assignments in a number of countries in Sub-Saharan Africa covering aspects such as: programme coordination; performance improvement; ethics; retrenchment; pay reform; financial management; and monitoring and evaluation. The countries within Africa she has worked in include: Burundi; Ethiopia; Ghana; Kenya; Namibia; Rwanda; South Africa; Sudan; Swaziland; Tanzania; Uganda; and Zambia.



Barbara Harris, Director – Advisory

Barbara is a UK Chartered Accountant with an earlier university science degree and over twenty years' financial and management consultancy experience. Barbara has been involved in providing financial advisory support mainly to governments, privatisation agencies and parastatal organisations specialising in the utility and infrastructure sectors.

Our People – Taxation – Energy and Mining



David Tarimo, Partner – Tax

David heads our tax and company administration services group. He joined Coopers and Lybrand, a predecessor firm of PricewaterhouseCoopers, in Tanzania in 1995 and prior to this worked for ten years with KPMG in London. David is a Fellow of the Institute of Chartered Accountants in England & Wales, the Chartered Institute of Taxation (UK), and in Tanzania is registered with the National Board of Accountants and Auditors.

David's tax advisory and planning experience spans a wide range of industries and organisations including agriculture, construction, energy, financial, manufacturing, mining, telecoms and tourism sectors. Energy and Mining is an area of particular specialism, and he has advised most of the major mining entities operating in Tanzania.

David has been very active in making proposals for change to the tax system in Tanzania. In 2003 and 2004, he was instrumental in catalysing the Government into making significant changes to the original version of Tanzania's new Income Tax Act. He is a member of the "Think Tank on Tax Reform", an advisory group reporting directly to the Minister for Finance.

David was active in liaising with the tax authorities regarding practical difficulties in implementation of the new fiscal regime for the Mining Sector, including participating in representations in relation to the VAT reliefs required for the Mining Sector. In 1998 he made a presentation on the tax regime for mining at an international conference "Mining in Tanzania – A new Engine of Growth" - hosted by the President. In 1998 the Tanzania Chamber of Mines requested David to prepare a report analysing the impact of the 1999 budget on the mining sector. In 2003 David assisted with the preparation of presentations on the fiscal regime for mining made both to a Chamber of Mines workshop, as well as to the Parliament. In 2004 David prepared a detailed submission on Tanzania's fiscal regime for mining, which included a comparison of this fiscal regime with mining regimes in certain other African countries – this report was sent to a Government appointed Taskforce that had been specially set up to review the fiscal regime instituted in 1997. In 2006 David presented at the EAMIC conference on the topic of the taxation of mining in East Africa including making comparisons with mining regimes elsewhere in Africa. For a number of years David was also a member of the fiscal committee of the Chamber of Minerals and Energy. In 2007 David prepared a pre-budget submission in relation to issues relevant to the oil and gas sector. In November 2007, David was appointed by the President of Tanzania to be part of a committee set up to review the mining sector.

Our People – Taxation – Energy and Mining



Richard Marshall, Partner – Tax

Richard joined us in 2003 having previously worked in a variety of developing countries specialising in international and corporate taxation. Richard is a member of the Institute of Chartered Accountants in New Zealand and the National Board of Accountants and Auditors in Tanzania, and is a registered tax consultant.

Richard has had a specific focus on the energy and mining sectors for the past three years, dealing on a regular basis with most of the significant energy and mining companies active in Tanzania, in addition to a broad range of prospecting clients. This has involved both a tax advisory role and extensive dealings with the tax authorities in connection with audit enquiries and resolving issues in dispute.

Richard has had significant experience in advising companies involved in oil and gas exploration.



Rishit Shah, Director – Direct and Indirect Tax

Rishit joined us in 1997 and is a member of the Association of Chartered Certified Accountants (UK) and a member of the National Board of Accountants and Auditors.

From January 2004, Rishit has specialised in indirect taxes and effective July 2005 heads the indirect tax practice of the firm.

Rishit's has significant experience in advising in the energy and mining sector on indirect tax matters. Rishit has been involved in significant lobbying and recently made a pre-Budget submissions on technical issues relevant to the industry and a presentation to protect the mining provisions during the transition to the Income Tax Act, 2004. He has recently completed a tax review of a major energy company in Tanzania. In 2003, on behalf of the Tanzania Chamber of Minerals and Energy, Rishit made presentations to various stakeholders in Dar es Salaam as well as the Parliament in Dodoma to educate on the fiscal provisions for the mining industry.

Our People – Taxation – Energy and Mining



Radoslav Kratky, Senior Manager – Direct Tax

Rado joined PwC in 2001 and has taken up a role within the Tanzania firm in the energy and mining industry, he has provided tax advisory and compliance services for a large number of Slovak and multinational companies, banks, private equity houses and other financial institutions. He is a direct tax specialist with extensive experience in providing tax due diligences, mergers and acquisitions advice and implementation, international tax structuring and tax planning, project management and corporate tax advice.

Rado graduated from the University of Economics in Bratislava. He is Member of the Association of Chartered Certified Accountants (ACCA). He is also registered Tax Advisor with the Slovak Chamber of Tax Advisors.



Angelica Tarimo, Manager - Direct Tax

Angelica Tarimo is an experienced consultant within our direct tax team.

Angelica joined us in 2002 and holds a degree of Bachelor of Science in Electrical Engineering from the University of Dar es Salaam and is a member of the Association of Chartered Certified Accountants (ACCA). She also has a certificate in Mining Taxation from the University of South Africa

Angelica is a key resource in our direct tax team and is currently specialising in mining taxation



Joseph Lyimo, Manager – Indirect Tax and Company Administration Services

Joseph is a qualified lawyer and has worked with PwC in Tanzania for seven years. He has principally specialised in indirect taxes and recently spent two years on secondment to PwC New Zealand where he worked in the VAT(GST) practice.

Joseph is currently the manager in charge of the Company Administration Services department.



Aloys Byemerwa, Manager – Indirect Tax and Company Administration services

Aloys joined Coopers & Lybrand Tanzania, now PricewaterhouseCoopers, in February 1993 as an audit trainee after graduating from the University of Dar es Salaam in the field of engineering. He qualified as a Certified Public Accountant [CPA (T)] in May 1999.

Aloys's career pattern while in audit department clearly reveals a depth of experience in all commercial areas including auditing, accounting, due diligence, receiverships, liquidations and advisory services.

In 2006, Aloys transferred to tax. Since joining tax he has worked predominantly on providing accounting and payroll services, and consulting on indirect taxes. Currently he is manager in-charge of the group specialising in providing accounting and payroll services as well as VAT refund audits.

PricewaterhouseCoopers

International Presence

PricewaterhouseCoopers (www.pwc.com) provides industry-focused assurance, tax and advisory services to build public trust and enhance value for our clients and their stakeholders. More than 163,000 people in 151 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

“PricewaterhouseCoopers” refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Local Presence

The Tanzanian firm (www.pwc.com/tz) of PricewaterhouseCoopers (and its legacy firms) has operated in Tanzania for more than 60 years and has 7 partners and more than 175 professional staff based in Tanzania. We offer a full range of services including:

- Assurance and regulatory reporting;
- Tax compliance and tax advisory;
- Corporate support, including company formation / registration, company secretarial;
- Corporate finance;
- Transaction services;
- Business recovery;
- Forensic services;
- Financial management and accounting;
- Human resource services;
- Policy and management;
- Process improvement.

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