

Editorial

Dear Reader,

Welcome to the XXVI edition of the E-Magazine Energy & Extractive Industry; your first and only source of expertise concerning information and news on energy and mining in Mozambique.

There is no doubt: Communication is one of the most important fields of knowledge of any society worldwide, a fundamental right that is configured in a vital process of exchange of information of interest to the human person.

In parallel, communication has played an especially crucial role in building democracy and citizenship of Mozambicans. The construction of citizenship and participation of civil society in different spheres of the State, has contributed a lot in managing conflicts of various kinds in the process of consolidation of our democracy.

So the Energy Mozambique Media Project becomes the first and only major channel acting as promoter of Communication for Development concept, the right to information and corporate citizenship in the energy and mining sector in Mozambique.

Congratulations to the Mozambican people!

Happy Reading!

In this Edition:

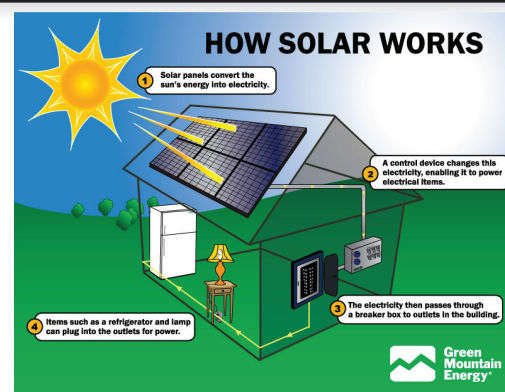
Pag. 6

Oil legislation under approval

Mozambique: Companies must report of any oil discovery within 24 hours

and more...

SOLAR POWER LIGHTENING THE LIVES OF CHANGALA PEOPLE



The Mozambican Association for the Development of the Energy Sector and Extractive Industries (AMEX) under the strategic plan of the Energy Mozambique Media Project in partnership with ADPP reinforce its works concerning the importance of Communication for Development in energy sector in Mozambique through a project funded by EEP and implemented by OWU in Changalane, Namaacha District, Maputo Province in Mozambique.

A major challenge in Mozambique is access to energy in rural areas for economic and social development. According to the statistics almost 70% of Mozambique's population has no access to electricity, so renewable energy through solar panels is the unique viable solution in some places of the country.

A team of students from OWU (One World University) in 2011/12 led the implementation of a project that consisted of installing six solar power stations for recharging mobile phones and lamps and train community people involved in using them and developing their activities and their business.

The project was implemented in the towns of Alto Enchisa, Mussuquelane, Ndivudane, Xigubuta A and Mafavuca I and

II, all of them located in the Changalane administrative post.

OPERATION OF SOLAR POWER STATIONS

Each station is managed by two entrepreneurs who run the station, which provides power through a system of solar panels with a capacity to recharge 60 lanterns and 20

mobile phones. The entrepreneurs are responsible for guiding the panels in the correct direction in order to conserve energy necessary for recharging, and.

UTILITY OF SOLAR POWER STATIONS

The stations ensure night lighting, useful for children to do schoolwork and adults do household tasks like taking care of animals and cooking, have literacy classes and develop income-generating activities. At the same time, to reduce respiratory diseases resulting from smoke inhalation the base of the lamps paraffin.

Cont. pag. 2 ➔

PUB.

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O Orgulho de Moçambique

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← Contin. of pag. 1

THE OWU

The OWU (One World University) is a private university. The campus is located near the OWU Changalane in Maputo

Province

The OWU applies modern teachings principles and students are the driving force in their individual and collective learning in the university governance and work in the community and in the national and international scene.

OIL & GAS:

WORLD: IEA launches Medium-Term Oil Market Report 2013

The global oil market faces unprecedented challenges and opportunities. One thing seems clear: The oil market as we know it today will have transformed in five years.

The global oil market faces unprecedented challenges and opportunities. One thing seems clear: The oil market as we know it today will have transformed in five years. The IEA's 2013 Medium-Term Oil Market Report (MTOMR) sketches out the likely changes to 2018 and what they mean for the world. Its forecasts are based on hard facts and the most likely assumptions: current expectations of economic growth, known government policies likely to affect oil supply and demand, regulatory changes that may impact oil market participation and oil price formation, oil field decline trends, and confirmed investments in the upstream, midstream and downstream.

Last year's MTOMR challenged conventional wisdom with its analysis of the huge potential unlocked by the North American supply revolution and the Iraqi resurgence. Building on this foundation, the 2013 MTOMR turns to the formidable challenges facing the development of these new resources, while further exploring the transformation it brings to all aspects of the market. The impact of political turmoil in the Middle East and



Africa is also assessed.

On the demand front, the Report examines the continuing redistribution of demand by region, fuel-on-fuel competition between oil and natural gas, the short-term prospects for efficiency gains, and the shifting composition of the demand barrel. ■

AFRICA : Transparency thrust upon European miners

Mining companies based in the European Union will be forced in future to publish highly detailed information about their business on a project-by-project basis and reveal payments of over €100,000 they make for taxes, bonuses and royalties in countries where they operate. ■

The aim of the university is to train modern intellectuals who conquer knowledge and have the ability to use not only within the profession, but as people striving together with others to solve the urgent challenges that humanity is facing and will face in the coming decades.

Beneficiaries of Solar Power Stations

Some 2,400 families have been using 360 bulbs available for hire and also the services of recharging mobile phones. Community members also received training on solar energy, use, maintenance and sustainability of the stations.

- Twelve members of the local community have become managers of six solar stations and were trained in management and maintenance of the stations.
- 200 Small local entrepreneurs were trained in the field of business management.
- Two Elementary Schools received solar stations for use in night literacy.
- One Sustainable Energy Project for a wide community.

PARTNERS IN THE PROJECT

The project "Lightening the Lives of Changalane People" is the result of a multi-institutional partnership and fits the "Energy and Environment Partnership Program with Southern and East Africa, EEP - S & EA". ■



ANGOLA: Sonangol

According to our sources, Agencia Nacional de Petroleo de Sao Tome e Principe (ANP-STP) will shortly begin direct negotiations with Sonangol Co Limited concerning block 2 in the offshore of Sao Tome's exclusive economic zone. ■

MINING & INDIGENISATION:

Zimbabwe's Zanu-PF plans measure to seize stakes in foreign mines



Zimbabwean President Robert Mugabe's party has proposed a measure to seize majority stakes in foreign-owned mines without paying compensation, ahead of an election expected this year.

According to a draft in our hands, Mugabe's ZANU-PF wants to change laws compelling foreign companies, such as the world's top two platinum miners, to turn over majority stakes to nationals without any obligation of payment.

The empowerment drive is part of Mugabe's re-election campaign and also

ties in with ZANU-PF's plan to portray itself as a black liberation movement recovering assets seized by white colonialists.

"The motivation for this position arises out of the desire to ensure that the people of Zimbabwe benefit fully, and without whatsoever cost, from enterprises that exploit their God-given natural resources," part of the notice said.

When his party seized white-owned farm lands more than a decade ago, investor confidence was undermined, sending the economy on a downward spiral. ■



GOLD MINING PROJECT:

Gold One International will start gold exploration in Mozambique

The Australian mining group Gold One International will start industrial exploitation of gold this semester, in the Lupulichi region of Niassa province, near the border with Tanzania, said the district administrator.

The administrator Jorge Moura said the beginning of the mining industry will contribute to reducing the proliferation of illegal miners, from the Great Lakes region.

The administrator said that with the onset of the industrial exploitation of gold in Lupulichi should produce benefits such as the reduction of water contamination of the rivers that flow into Lake Nyasa driven by mercury used for washing ore.

Gold One International Group is listed on the stock exchanges of Australia and Johannesburg, and most of its share capital is controlled by a consortium integrating Baiyin Non-Ferrous Group Co. Ltd, Development Fund China-Africa and Long March Capital Ltd. ■

PUB.

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MINING INDUSTRY:

Mozambique: Montepuez Ruby Mining increases investment in rubies extraction project

The Montepuez Ruby Mining Ltd, a partnership between British companies and Mozambican Mwirit Gemfields, will invest 27 million dollars in Namanhumbiri district Montepuez, Cabo Delgado Province in northern Mozambique, until to the end of the year.



FINANCES & MARKETS:

Vale will pay 2.25 billion in the 1st instalment of the dividend to shareholders

The Board of Directors of Vale (VALE3; VALE5) approved the payment of the first instalment of the minimum dividend to the shareholders in 2013, amounting to \$ 2.25 billion.

The proposal submitted by the executive board of Vale, made public on 28 January this year, showed the minimum value of \$ 4 billion, equivalent to US\$ 0.776190372 per outstanding share, to be distributed in two instalments on April 30 and October 31, 2013.

The proposal was based on the remuneration policy to shareholders of Vale. ■

Underground Coal Gasification recognised as viable and economic method

Underground coal gasification (UCG) is now being recognised globally as a viable and economic method of accessing deep, otherwise unrecoverable, coal reserves, both on- and offshore, says International Energy Agency Clean Coal Centre senior analyst John Kessels.

UCG is a process of converting coal into gas while it is still underground, and has been under investigation by Eskom at Majuba for the last six years. ■



During a visit by the President of Mozambique, an official of Montepuez Ruby Mining said the company already invested US\$9.7 million and the undertaking of a washing capacity of 50 tons / hour of material from the mine at the present stage trial is limited to 15 tonnes / day.

The official also said that the company's management, in which Gemfields controls a 75% stake, is rushing to increase installed capacity to 100 tons / hour.

In 2012, one of the partners in the venture Mozambicans said that the choice of Gemfields for the establishment of the partnership was based on the fact that the

British multinational have the desired profile, as well as being listed on the London Stock Exchange.

"One of the great advantages of this company is that the Mozambican partner comes with zero risk, ie, everything that is related to financial engineering and machinery will be the responsibility of Gemfields," said Raimi Raimundo.

The second hardest stone after diamond, the ruby is basically used in the manufacture of adornments. Montepuez is expected to hold the world's largest deposit of rubies, which production will be exported to Thailand and India ■

Frase da quinzena

"Not to correct our faults is the same as committing new mistakes"

Confucius

BRIEFS

MOZAMBIQUE: Snag in backbone scheme



Talks on the financial and technical package for the new north-south transmission line have been thrown off course by a proposal from State Grid Corporation of China. ■

ONGC May Go it Alone on Mozambique Bid

ONGC, the state-run company of India, may move forward on an acquisition in Mozambique sans Oil India Ltd. (OIL). The company told Hindustan Times that it may go forward on its own to buy two 10% stakes in the Area 1 block of the Rovuma basin. The two 10% stakes for sale belong to Anadarko Petroleum and Videocon.

It was reported previously that ONGC and OIL were joining together to acquire the stakes that could cost between \$5 billion and \$6 billion. The company said the reports were false. ■

MOZAMBIQUE: Revuboe Mines receives mining permit

The Revuboe coking-coal project in Mozambique's Tete Province has received a mining concession from the Government, granting development of a mine expected to start producing in 2016. ■

IRON ORE PROJECT:

Mozambique: Baobab Resources block with potential for large scale operation

The Australian company Baobab Resources reported that the latest update of iron ore resources in the region Tenge-Ruoni, in Tete province, in Mozambique, anticipates a large-scale for the production of pig iron.

The update, also made by Australian Coffey Mining, mining consultants, allowed to increase to 727 million tons estimates of iron ore found, with 217 million tonnes to be placed in the category of "high confidence" and the remaining 610 million tons to have been inferred.

Furthermore, the update revealed that the total reserves estimated 553 million tons are concentrated in an area with an area of only 2.5 square kilometers.

The pre-feasibility study conducted by the Economic Baobab Resources has determined that there is potential to block the production of 1 million tons of pig iron per year and attributed the net amount of 1300 million dollars to the project.

The Australian company started the final study of economic viability last February.

This project has 85% stake from Baobab Resources and the remaining 15% from the International Finance Corporation, World Bank Group. ■



BP plans to invest USD 86 million in the country

The BP Group plans to invest about \$ 86 million in Mozambique, from where it imports oil crude. The amount will be spent on the modernization works of fuel terminals and deposits in Mozambique, said in Johannesburg, Iain Conn, senior official of the multinational.

Also according to Conn, responsible for the department of refining and marketing, the group plans to invest half of that amount in the modernization of the refinery it shares with the Royal Dutch Shell in the port city of Durban. ■



OIL LEGISLATION UNDER APPROVAL:

Mozambique: Companies must report of any oil discovery within 24 hours



The Mozambique recently approved petroleum law, states that companies involved in oil and gas operations are required to inform the government of any new discoveries within 24 hours, and communities will get a slice of the country's oil revenues. However, the Center for Public Integrity, a Mozambican think tank, accused the government of lack of transparency for having revised the legislation without public consultation, as it should be.

According to the spokesman for the Council of Ministers and deputy minister of justice, Alberto Nkutumala, "from the revenues that result from oil operations in Mozambique, a part shall go to communities that are located in areas where the operations take place." It is not yet clear what the allocation to local communities would be.

A number of foreign petroleum companies, including the US-based Anadarko and Italy's ENI have made several discoveries of oil and gas reserves, positioning the country as a new natural resources frontier.

Some 150 trillion cubic feet of natural gas has already been discovered. Despite its confirmed energy reserves, the

country is ranked by the UN as the world's fourth poorest, with most of the 23.4 million population living on one dollar or less a day.

It is expected that within five years, the new industry will account for 13 percent of the economy. ■

COMPANIES & PRODUCTION:

Angola is the third largest producer of diamonds in the continent

Angola is the third largest producer of diamonds in Africa in quantity and value, said the executive secretary of the Association of African Diamond Producing Countries (AAPDC), Edgar Diogo de Carvalho.

With an output of 8 million carats, Angola is only surpassed by Botswana, the largest producer with about 38 million carats, and the Democratic Republic of Congo, with 30 million carats.

However, in value terms, while maintaining third place, is outweighed by Botswana and South Africa.

In comparative terms, according to Edgar de Carvalho, Angola gets 1000 million dollars with 8 million carats, while the Democratic Republic of Congo, with a production of 30 million carats, making approximately 960 million dollars, 40 million less than Angola".

The executive secretary of the Association of African Diamond Producing Countries stressed that business in Angola includes the sale of diamonds in jewellery, a product that has a higher added value. ■



OIL & GAS:

Osaka Gas Group interested in Mozambique natural gas



Osaka Gas Co., the second largest city gas supplier from Japan, identified Mozambique as one of the regions where it wants to invest, said a senior company quoted by Reuters news agency.

Takayuki Tasaka, associate director and chief of the division of business strategy, said the company is examining not only Mozambique but other regions of the planet, and is also cooperating with Tokyo Gas for the purchase of liquefied natural gas in several projects underway in Mozambique.

The findings of liquefied natural gas until the date announced in Mozambique amounted to 150 trillion cubic feet, which is sufficient to supply Japan for 35 years. During 2012, Japan imported 87.3 million tonnes.

The Japanese group Mitsui & Co, which controls a 20% stake in Block 1 area operated by U.S. group Anadarko Petroleum, has announced plans to sell at least 5 million tons of liquefied natural gas from Mozambique to Japanese customers. ■

GRAPHITE MINING:

Triton Minerals Finds Surface Graphite at Ancuabe

Triton Minerals Limited has advised that as a result of the initial exploration program, the Company has (in addition to surface mineralisation identified at the Balama project) located graphitic mineralisation outcropping in a number of locations over a distance of approximately 4kms in the northern section of License 5380 in the Ancuabe project.

The key objective of the Company's initial exploration program was to achieve proof of concept by identifying the presence of potentially-economic valuable concentrations of graphite on both the Balama and Ancuabe prospects.

Highlights: Positive exploration results from Ancuabe Project – Mozambique, Graphitic surface mineralisation identified in numerous locations, Confirm graphite mineralisation north west from historic Ancuabe mine. ■



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TECHNICAL SHEET

Production
AMEX - Associação Moçambicana para o Desenvolvimento do Sector de Energia e Indústria Extractiva

Address: Av. 25 de Setembro, n° 1123, 1º andar

Prédio Cardoso

Telephone.: +258 21 32 71 17

Fax: +258 21 32 71 17

Director: Inguila Sevene

Editor: C. Ginabay

Collaborator: Alexandre Dundero

Design: Luís Filipe Tembe

Email: energiamoz@gmail.com

Website: www.status.co.mz e www.energiamocambique.co.mz

ENVIRONMENT & LEGISLATION:

GLOBAL: UNEP calls on miners to radically rethink recycling practices



With demand for metals predicted to increase ten-fold, mining companies must radically rethink their recycling practices to mitigate the potential impact on the environment, according to two recent reports by the United Nations Environment Programme (UNEP).

The two reports, "Environmental Risks and Challenges of Anthropogenic Metals Flows and Cycles"

and "Metal Recycling - Opportunities, Limits, Infrastructure" - were launched recently during UNEP's 12th International Resource Panel Meeting in Berlin and issue a series of recommendations for mining companies to use their expertise to improve recycling practices.

These recommendations include adopting certified systems based on Best Available Technologies (BATs) to increase energy and entropy efficiency; setting recycling priorities for different metals; setting realistic policy targets for recycling metals and optimising systems to boost recycling rates and decrease environmental impact.

"A far more sophisticated approach is urgently needed to address the challenges of recycling complex products, which contain a broad variety of interlinked metals and materials," said UNEP executive director Achim Steiner in the report.

"While common commodity metals like steel, magnesium and copper can be recovered relatively easily, as these are often used in relatively simple applications, the small amounts of metals in, for example, electrical and electronic waste can be harder to recover because they are often just one among up to 50 elements."

"This is why the focus needs to be on optimising the recycling of entire products at their end-of-life instead of focusing on the individual materials contained in them," he stressed. ■



ECONOMY & FINANCE

Mozambique: Mineral resources generate 40% growth of Tete province

During 2012, the Tete province recorded output growth estimated at 40%, mainly driven by the development of mining activities, according to the director of retail banking, small and medium companies from Standard Bank, Chuma Nwokocho.

During a meeting organized by the bank in the city of Tete to promote funding solutions and partnerships for targeted small and medium enterprises, Chuma Nwokocho predicted that economic growth observed during 2012, will be continued this year.

Named Standard Bank Express, the meeting focused on the implications of economic changes in the global context and macroeconomic policies on the business particularly in the region of Mozambique. ■

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FESTIVAL

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ANALYSE

The Exploitation of Natural Resources in Mozambique: What Paths & What Choices?



The exploitation of natural resources, particularly minerals and hydrocarbons, has shown, over the last decades, that it can be the critical path to be used by African countries in their development process. This assumption is factual in Mozambique specifically, taking into account the wave of resource discoveries the country has been experiencing. Nevertheless, for a country that has always struggled with deep problems of poverty, this new “page” creates undoubtedly a renewed hope of a prosperous future.

But this relationship between the discovery and development of natural resources is grounded in a rather complex basis, in the sense that not always generates resources discovery generates the desired development. There are priori conditions to be observed such as: Quality of Infrastructure, socioeconomic and political stability, specificity of each resource, geostrategic location of the country, etc.. The blessing of natural resources is not necessarily limited to its discovery; it has to do also with the environment that will engage its exploitation.

From this finding, it appears that the discovery of natural resources does not end in itself the idea of full and harmonious development. Several approaches to the role of natural resource development are unanimous in warning about the danger of establishing a superficial relationship between these two components. Indeed, the development from the exploitation of natural resources should be the result of a long journey and matured on issues such as redistribution of revenues, transparency among other components. Just look at how the dynamics of natural resource

exploitation often triggered the slowdown of the development process in several African countries.

There are several components that are around this evaluation. One of the most important is the nature of the investments. The investments for exploration of natural resources are governed by own complexity. They have their own dynamics and rhythm. Accordingly, it is the role of the State institutions to apply the appropriate monitoring.

IN ANALYSE

The Benefits and Concerns of Mozambique Mining Expansion

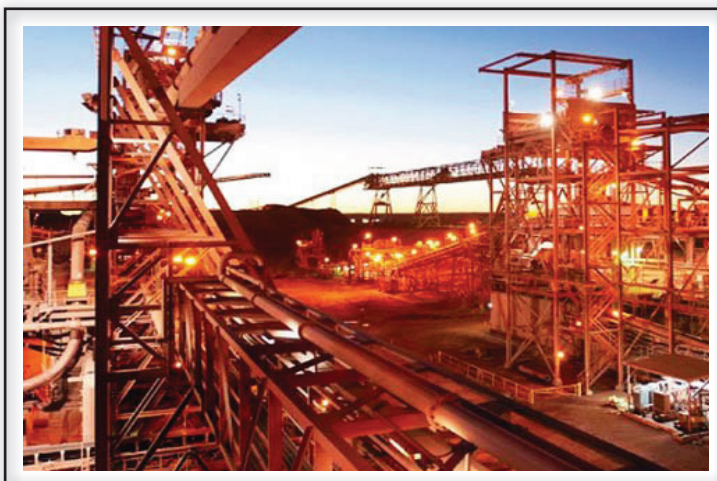
Mineral production in Mozambique should generate revenues of nearly 20.8-billion meticaís (some \$680-million) during this year, a technical team from the International Monetary Fund (IMF) has forecast.

Talking about the institutional capacity, in the particular case of Mozambique, the glaring example of official government institutions assume that the country was found in "back foot" regarding the discovery of natural resources, almost automatically opens a precedent hassle, at least when it believes it is possible to achieve the full development from the exploitation of natural resources. A question that arises is: If the government was not prepared, who ought to be prepared? This point is crucial and can illustrate the level of commitment from the government on issues such as expectations management, horizontal communication with communities and monitoring of companies activities involved in the exploitation of national resources.

Another component not less important is the question of the companies involved in this activity. Natural resources will not be a blessing in no time if the companies involved in the exploration do not show any interest in the sustainable development approach. This point is perhaps associated with the previous point. If there it be capacity from government institutions, then the process of companies selection to be involved in the exploitation of resources will have to be selective and based on the record of their actions in other countries, ignoring this aspect opens up an objective slit for the resource curse.

Essentially, the issue of blessing or curse has to do with the choices of the country. The responsibility for the way forward lies with the country itself. Mozambique has the privilege of having at its disposal, concrete examples on this subject. Ones that led to the collapse and disagreements and others that led to a successful recognition. Natural resources should not be considered itself as the "magic sweep" for development but it is the policy effort around its exploitation that may turn these resources into a blessing.

(Newsroom, Energy Mozambique)



(FDI) in new businesses in Southern Africa, after South Africa, reported Fitch. Recently, Fitch Ratings upgraded its outlook on Mozambique sovereign debt from 'stable' to 'positive' as a result of prudent fiscal and monetary policies followed

Mozambique's income from mineral production last year was nearly 14.3-billion meticaís (about \$470-million), while, in 2011, it was just under 5.1-billion meticaís (some \$170-million).

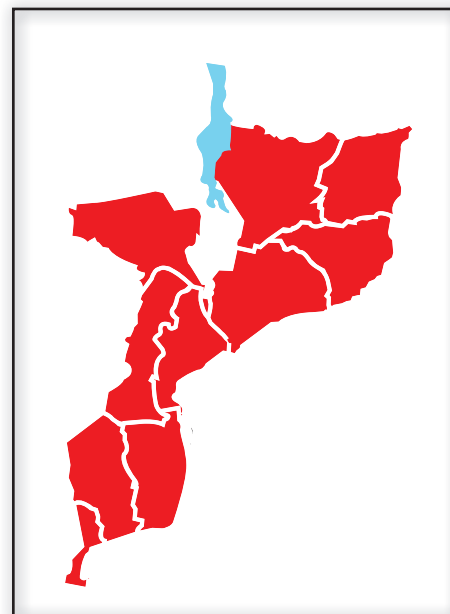
In gross domestic product (GDP) terms, the minerals sector accounted for 1.4% of the country's GDP in 2011, rising to 3.4% in 2012 and predicted by the IMF to reach 4.3% this year. The ramping up of coal exports this year, the execution of major infrastructure projects and the elimination of transport bottlenecks, particularly an increase in the capacity of the railways linking the inland coal-producing Tete region to the coast, should increase the country's economic growth rate to 8.4% for this year.

International ratings agency Fitch Ratings, has noted Mozambique as one of the primary commodity-producing African countries that has gained in importance in recent years (others being Angola, Uganda and Zambia). The country is one of 20 African States whose sovereign debt is now rated by the international agencies (in 1994, South Africa was the only African country to have its debt rated). Being rated encourages foreign investment.

Mozambique is now the second-biggest recipient of foreign direct investment

over the past ten years. The agency expects the country to grow even more rapidly in future, driven by increased exploration of natural resources. Fitch's rating of long-term Mozambique debt is B+ with a stable outlook, while short-term debt is rated at B. ■

(To be continued on the next edition...)



EUROPEAN UNION PRESS RELEASE:

OIL AND MINING INTERPRISES TO UNVEIL ALL PAYMENTS MADE TO GOVERNMENTS OVERSEAS

The major timber, oil, gas and mining companies will be required to disclose payments made to governments, by country and by project, according to new rules adopted today by the European Parliament by 655 votes in favor, 18 against and 11 abstentions. The goal is to increase transparency and prevent corruption in the countries in which they operate.

which companies are involved, to ensure greater transparency.

OTHER SECTORS

The European Parliament introduced a review clause to which the Commission is obliged to examine the possibility to include other sectors within the scope of the directive.

This policy is comparable to the Dodd-Frank Act, from the United States, approved in July 2010, which requires companies registered in the mining industry, Securities and Exchange Commission to publicly disclose payments made to governments by country and project. The EU Member States have two years to swap the directive into national law. ■



Currently, EU law does not require extractive industry (oil, gas and minerals) companies or the logging industry to disclose payments made to governments in the countries in which they operate, although such payments may represent a significant portion of revenues of a country, especially those that are rich in natural resources (particularly in Africa).

The European Parliament has requested, since 2007, the full and wide dissemination of the information.

In 2011, the Commission presented a proposal to revise the Transparency Directive which requires companies of mining and timber to annually disclose payments made to governments in each country.

The new rules, as agreed between the negotiators of the European Parliament as well as by the Council require that all payments equal to or exceeding 100 thousand euros are published. Payments will also be released for each extraction project in

COMPANIES AND APPOINTMENTS

Mozambique: Ncondezi appoints Paul Venter as CEO

Following formal board review, Aim-listed Ncondezi Coal has appointed its current COO Paul Venter as CEO and executive director with immediate effect.



Venter, who joined Ncondezi as COO in June 2012, had more than 30 years of experience in the power industry and has worked for power generation companies and independent power producers in South Africa, Russia, China and Mongolia.

In addition to the appointment of Venter, and following the company's change in focus to power generation, the board had approved the restructuring of its existing share incentive scheme for directors, senior management and contracted personnel to ensure it was appropriate for a developing energy producer. ■

Oil & Gas Industry Wages: Specialized Positions Still Command Top Pay

While we celebrate the 1st of May, international workers day, we bring to you the most well paid oil and gas specialty positions worldwide, visiting region by region, showing the places and numbers.

Middle East: Average compensation for Middle East-based oil and gas workers rose nearly 4 percent from \$90,905 in 2011 to \$94,309 in 2012.

South America: For the 2010-2012 time period, mean compensation levels grew nearly 2 percent from \$102,570 in 2010 to \$104,459 in 2012.

North America: From 2010 to 2012, the mean pay declined 2 percent, as the decline from 2011 to 2012 offset the gain made from 2010 to 2011, when the mean compensation level rose from \$96,558 in 2010 to \$99,175 in 2011.

Europe: For the 2010-2012 time period, mean compensation levels for oil and gas workers working in Europe rose nearly 9 percent from \$91,685 in 2010 to \$99,683 in 2012.

Australia/Oceania: Oil and gas workers in Australia/Oceania reported a 7 percent increase in mean compensation levels from 2010 to 2012. Mean pay rose from \$114,902 in 2010 to \$123,453 in 2011, but declined slightly to \$123,161 in 2012.

The highest paying salaries are positions associated with subsea, subsurface and drilling. These roles are in demand as oil exploration companies go



Mean compensation levels from 2010 to 2012 remained relatively flat for Africa-based oil and gas workers, while the average compensation level grew approximately 5 percent from 2011 to 2012. Mean pay declined from \$105,453 in 2010 to \$99,894 in 2011, but rebounded to \$105,107 in 2012.

The increase in average pay in 2012 was concentrated mainly among Africa-based workers with master's degrees; salaries for these workers grew over 8 percent from \$107,393 in 2011 to \$116,742 in 2012. In terms of experience, the gains in average 2012 salaries for Africa-based workers were concentrated among workers with six to 10 years of experience or more than 20 years of experience. Workers with six to 10 years of work experience saw their average salary level rise from \$83,331 in 2011 to \$88,890 in 2012. Workers with over 20 years of experience saw their average salary level grow from \$131,264 in 2011 to \$146,946 in 2012.

into deeper and deeper waters to extract oil and gas resources.

"Workers with previous experience working on liquefied natural gas projects also can command higher salaries, as these skills are considered niche and hard to find" noted Thomas Ward, human resources specialist.

Salary increases for these positions have been seen over the last five years has operator's battle for the talent required to push their project ahead.

"Salaries will continue to rise across the sector unless employers begin to employ alternative methods to paying the highest possible salary to someone currently engaged on another project," Ward commented.

These alternative methods for retention strategies include performance bonuses, flexible working hours, death, disability and medical insurance and salary packaging, allowing individuals to purchase cars and other benefits. ■



e - MAGAZINE

The bi-weekly E-Magazine Energy & Extractive Industry
Is one of the channels of the Energy Mozambique Media Project
available on:

www.energiamocambique.co.mz

And there is also the print format which is the quarterly magazine Energy Mozambique,
Including a TV program entitled Mozambique Energy broadcasted
on the Television of Mozambique (TVM) every Wednesdays.
The biweekly E-Magazine Energy & Extractive Industry brings to its readers the main events
that may result in great changes in the Energy & Mining Industry
at the national, regional and international level.

The Energy Mozambique Media Project is the first and only media project with expertise En-
ergy & Mining News which makes of it an exclusive
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Prédio Cardoso - Av. 25 de Setembro, N. 1123,
1st and 2nd floor, Door N.
tel.: +258 21 32 71 16 / 21 32 71 17 • Fax: +258 21 30 09 48
Cell: +258 84 30 66 780 • PO BOX: 302
E-mail: inguila.sevane@status.co.mz • www.status.co.mz
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New York, 28th of May, 2012



José E. Prieto
President and CEO of Business Initiative Directions



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Commitment of Projecto Energia Moçambique Status Consultores de Comunicação, Lda. to Quality

Our company accepts quality as a factor of development to become more competitive.

Projecto Energia Moçambique Status Consultores de Comunicação, Lda. is committed to publicizing this Quality Culture with employees, suppliers, clients and the community, supported by the QC100 Total Quality Management Model, the principles of which are the following:

- 1** Quality is a consequence of valuing customer satisfaction and obtaining positive business results.
- 2** Meet the quality levels established in the company in accordance with the QC100 Points of Quality.
- 3** Encourage participation and teamwork for decision making.
- 4** Satisfy the needs of our clients and meet their expectations.
- 5** Provide human resources, both technical and economic, to achieve continuous improvement and respect for the environment.
- 6** Manage human resources in our company to achieve the maximum potential.
- 7** Make employees aware of the importance of concentration on the most profitable areas of activity, to achieve the best business results.

The achievement of these seven principles by Projecto Energia Moçambique Status Consultores de Comunicação, Lda. will foster improvement for clients, employees, suppliers and all of the other persons who make up the company.



New York, May 28, 2012

General Manager
Projecto Energia Moçambique Status
Consultores de Comunicação, Lda.

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e orgulho,
produzimos
energia limpa
e geramos
riqueza.

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