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CORPORATE SOCIAL RESPONSIBILITY REPORT

The Company maintains its belief that there are three important areas for it to monitor as it grows its business. They are:

- Social and Ethical policy and practices,
- Health and Safety policy and practices and
- The Environment.

With its new onshore acquisitions in the UK, and an expanding work force that comes with those acquisitions, the Company is even more focused to ensure that all who are associated with it, whether in our offices, at our production sites or supplying third party services to us, share our views when it comes to responsible behavior in these important areas.

PUTTING SOMETHING BACK

In Tanzania, the Company sponsored the drilling of a freshwater well and the installation of a pumping system for a primary school where all the children attending had previously been deprived of clean drinking water. That project has now been successfully completed and the children are enjoying the benefits of that work.

In the UK, where we now have two onshore producing oil fields, the Company is currently evaluating ways to provide some benefits to the local youth of the area.

WORKING IN A SAFE AND HEALTHY ENVIRONMENT

Again in the UK, the Company is reviewing existing procedures to ensure operations are conducted in safe and healthy environments. Various training courses for production staff in the area of fire prevention, first aid and environmental impact are planned to be held in the coming months.

With regard to the environment, the Company has completed a number of Environmental Impact Assessments (EIAs) for its Italian projects during the year which have been approved by the relevant authorities. An EIA is currently underway in Tanzania for the proposed pipeline route from the Nyuni Joint Venture gas field to the gas production plant.

INTO THE FUTURE WITH THE ULTIMATE TARGET

Now that the Company is involved in production as well as exploration of oil and gas, we will place greater emphasis in the coming year on these production operations. However, the Company will continue with its philosophy of achieving an ultimate target for zero LTIs (lost time incidents) on any of its projects, no material environmental impact and a safe and healthy community.

