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Aminex reports first gas production from Kiliwani North in Tanzania

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DAR ES SALAAM, Tanzania -- Aminex PLC, the Africa-focused oil and gas production and development company, has announced first gas production from its Kiliwani North gas field in Tanzania. The Kiliwani North Development Licence is operated by a wholly-owned subsidiary of the company with a 55.575% working interest (expected to **reduce ()** to 51.75% as a result of a partial disposal announced on April 4, 2016) and the field will provide the company with its first significant African production revenues.

Initial production commenced from the Kiliwani North-1 well ("KN-1") on 4 April. KN-1 is tied into the regional pipeline infrastructure and will deliver gas to the new adjacent Songo Songo processing plant, ultimately serving the local power **market ()**. Production is expected to build up to an anticipated **production ()** rate of 25-30 MMcf/d (approximately 4-5,000 boed gross) over the next 90-100 days. All gas produced during the build-up to full **production ()** rates will be paid for under the terms of a recently signed Gas Sales Agreement signed with the sole buyer, Tanzania Petroleum Development Corporation (TPDC). Aminex will receive US\$3/MMbtu (approximately US\$3.07 per Mcf) with expected net cash revenues of US\$10-15 million per annum.

Aminex will receive all revenue in U.S. dollars and the contractual gas price of US\$3/MMbtu will be adjusted annually by applying an agreed United States Consumer Price Index. The gas price is not linked to any commodity price so importantly is unaffected by current commodity **market ()** conditions. The gas delivery point is to be at the outlet flange of the Kiliwani North wellhead and, by selling the gas at the wellhead, the joint venture partners will not be liable for pipeline transportation and processing fees.

Initial **production ()** rates will be carefully managed to allow for testing and commissioning of the gas processing plant and pipeline, while recording critical pressure and flow rate measurements to determine the optimal flow rate to maximize the life of the reservoir. Together with TPDC the Company plans to conduct a well test during the production build up to determine the optimal flow rate. It is this optimal flow rate that will become the Commercial Production Rate and the Company intends to flow gas at this rate for as long as possible prior to a natural decline in production.

KN-1 represents contingent resources (2C) of gross 28 Bcf gross. With first production complete, Aminex expects to book reserves for Kiliwani North later this year.

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