

(FOR IMMEDIATE RELEASE)

PRESS RELEASE

March 31, 2011

To : Business Editors

Press clarification

KenolKobil Limited would like to clarify misrepresentation of facts as regards to an article published in Business Daily newspaper of 29 March 2011 titled, “**KenolKobil moves into non-oil products to grow its earnings.**” The author of the article widely refers to statements made by KenolKobil Group Management led by Chairman and Group Managing Director, Mr. Jacob I. Segman at a press briefing held on 28th March 2011, in Nairobi.

The author writes, “...the firm had bought 17,000 acres of land on which it plans to build.” This information is not true. **The true position is that the Company owns a 4 acre (17,000 square meters) prime piece of land in the heart of Addis Ababa, Ethiopia, housing our Head office and Storage facilities** and because of its location in the city centre, KenolKobil is considering using the land for other economic activities in line with its Non-Fuel business development strategy.

In the same article, the author writes, “The Company has set up a new LPG plant in Dar es Salaam with a capacity of 21,000 cubic meters.” This information is also not factual. **The correct information is that, KenolKobil plans to build an LPG plant in Dar es Salaam, Tanzania with an installed capacity exceeding 1000 metric tonnes which will receive LPG from vessels off the coast of Tanzania for distribution to markets in Rwanda, Burundi, Uganda, Malawi and parts of Kenya.** We expect the plant to cost in excess of **USD 7 million and not billion** as was stated in the article.



In reference to our business prospects in Mozambique, the author writes, "...KenolKobil has signed a contract with the government to set up a storage facility with a capacity of 21,000 cubic meters." This is not true. **The true position is that, KenolKobil has secured a 21,000 cubic meters storage arrangement which it intends to use for storage of imported fuel products for Inland Trading to markets in the region including Zimbabwe, Northern parts of South Africa, Zambia, D.R. of Congo/Lubumbashi and Malawi.**

As regards our fuel business in Tanzania, the author writes, "The firm said it planned to start marketing paraffin in Tanzania." This is also not true. **The true position is that we have been marketing paraffin in Tanzania ever since the inception of Kobil Tanzania in 2001. We are however strengthening this business line to address an increase in the demand of the product in the country.**

Finally, on our business expansion in Burundi, the author writes, "...they had acquired 14 small players in Burundi's oil market and had invested in a 4,000 cubic metre LPG storage facility." This information is incorrect. **The correct position is that, in the course of 2010 and early this year, we acquired a total of 14 Service Stations and a sizeable depot complex comprising of a fuels terminal and a dry cargo warehouse, as well as office block in Burundi.** KenolKobil intends to develop a 4,000 cubic meter fuels storage capacity to enable its Burundi operation to offer products in the country, Export to DRC and provide hospitality storage to other oil marketers in the country.



Jacob I. Segman

Chairman and Group Managing Director