

**(FOR IMMEDIATE RELEASE)**

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**Capital Markets Authority**

**Nairobi Stock Exchange                      AND**

**PRESS RELEASE**


**KOBIL DAR ES SALAAM TERMINAL (IN TANZANIA) COMMENCES OPERATION**

KenolKobil limited, through its Tanzanian subsidiary, Kobil Tanzania Limited, has taken over the effective control and management of the recently acquired modern World Oil Terminal Complex in Dar es Salaam Tanzania effective July 1, 2011. The new acquisition, "The Kobil Dar Terminal" (KDT), will see KenolKobil take charge of the facility for the lease period of 25 years.

The Kobil Dar Terminal Complex has a 33,000 m<sup>3</sup> storage capacity, complete with a 12 Loading Arm Gantry, modern high speed loading pumps, a 3-Storey modern office block and 2-large dry cargo warehouses ideal for storing large quantities of LPG cylinders and lubricants.

Plans are already in place to make the Kobil Dar Terminal the destination of choice for companies seeking storage and distribution hospitality arrangements in Tanzania by automating its functions, including receiving and loading operations.

The Terminal fits well in KenolKobil Group's strategy to grow its storage infrastructure in Africa and free itself from storage infrastructure managed and controlled by third parties. Recently, KenolKobil acquired two other depots: one in Bujumbura, Burundi and the other in Jinja, Uganda.



The facility will be used to meet Kobil Tanzania's current local requirements including the demands of its 27-service stations and its growing commercial clientele. This acquisition comes at an opportune time when Kobil Tanzania has embarked on an aggressive campaign to grow its service stations beyond Dar.

Already, we have stations in key regional towns including Arusha, Morogoro, Lindi, Mtwara and Tanga. With this growth momentum, we expect to reach over 30 stations by the end of the year.

In order to meet the growing demand of its products in Mid-Stream, KenolKobil plans to make the Kobil Dar Terminal a Regional trading Hub for storage and trading purposes. In this regard, we are setting up a Trading Centre (the Dar Trading Centre) complete with the necessary infrastructure, communication tools and experienced high calibre traders to manage the Trading Desk.

The Dar Trading Centre will enhance the volumes and the reach of KenolKobil's exports from Dar to the hinterland region of Rwanda, Burundi, Zambia, Rwanda, Burundi, Uganda, Congo DR(East Congo and Lubumbashi Regions), Malawi and parts of Southern Kenya.

With the acquisition of the new Terminal, the KenolKobil Group is strategically poised to effectively participate in the bulk procurement system soon to be introduced by the authorities in Tanzania. KenolKobil will use its knowledge, expertise and experience of being a leading indigenous African Mid-Stream company, particularly its leading position in the Kenyan Open Tendering System (OTS) where it controls a market share of over 50%. Kobil shall seek to replicate the OTS success in the Tanzanian Market.

The new Kobil Dar Terminal will give Kobil Tanzania and the KenolKobil Trading Business a cutting edge in the competitive tendering systems in the different markets within the region, especially in Malawi, Mozambique and Zambia.



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