REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

NAOT

ISO 9001:2015 Certified

TANZANIA PETROLEUM DEVELOPMENT CORPORATION (TPDC)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Controller and Auditor General
National Audit Office
Ukaguzi House
4 Mahakama Road, Tambukareli
P.O. Box 950
41104 Dodoma, Tanzania
Tel: +255 (026) 2161200-9
Email: ocag@nao.go.tz
Website: www.nao.go.tz

March 2026

AR/PA/TPDC/2024/25

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.

NAOT Vision, Mission & Motto

Vision: A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

mission: To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

Motto: Modernizing External Audit for Stronger Public Confidence

Core Values

Independence and Objectivity: We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Integrity: We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.

Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.

Team Work Spirit: We value and work together with internal and external stakeholders.

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ABBREVIATIONS

AGG	Airborne Gravity Gradiometric	NBAA	National Board of Accountants and Auditors
BCF	Billion Cubic Feet	NEMC	National Environmental Management Council
BPS	Bulk Procurement System	NNGI	National Natural Gas Infrastructure
CAG	Controller and Auditor General	NNGIP	National Natural Gas Infrastructure Project
CNG	Condensed Natural Gas	OCI	Other Comprehensive Income
EIA	Environmental Impact Assessment	PAET	Pan African Energy Tanzania
FTG	Full Tensor Gradiometric	PRE-FEED	Preliminary Front-end Engineering Design
FEED	Front End Engineering Design	PRS	Pressure Reduction Station
GASCO	Gas Company (Tanzania) Limited	PSA	Production Sharing Agreement
GoT	Government of Tanzania	PSSSF	Public Service Social Security Fund
GSA	Gas Sale Agreement	SACCOS	Savings and Credit Cooperative Society
HSSE	Health, Safety, Social and Environment	Sq. Km	Square Kilometers
IAS	International Accounting Standard	TANOIL	TANOIL Investment Limited
IFRS	International Financial Reporting Standard	TANESCO	Tanzania Electric Supply Company Limited
IOCs	International Oil Companies	TCF	Trillion Cubic Feet
Km	Kilometers	TPDC	Tanzania Petroleum Development Corporation
LNG	Liquefied Natural Gas	TR	Treasury Registrar
M&P	Maurel et Prom	TZ	Tanzania
MoE	Ministry of Energy	TZS	Tanzanian Shillings
MMSCFD	Million Standard Cubic Feet per Day	URT	United Republic of Tanzania
MOU	Memorandum of Understanding	USD	United States Dollar
PURA	Petroleum Upstream Regulatory Authority	HGA	Host Government Agreement
PBPA	Petroleum Bulk Procurement Agency	NHIF	National Health Insurance Fund
PAET	Pan African Energy Tanzania	EWURA	Energy and Water Utilities Regulatory Authority

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

THE REGISTERED OFFICE:	PSSSF Building Kambarage Tower, 8th Floor, Jakaya Kikwete Road, P. O. Box 1191, **Dodoma, Tanzania.**
MAIN BANKERS:	Bank of Tanzania (BoT) P. O. Box 2939, **Dar es Salaam, Tanzania**
	NMB BANK PLC P. O. Box 9031, **DAR Es Salaam, Tanzania**
	CRDB Bank PLC, Lumumba Branch P. O. Box 2318, **Dar Es Salaam, Tanzania**
	NBC (1997) Limited P.O. Box Box 35181, **Dar Es Salaam, Tanzania**
	TIB Development Bank P.O Box 9373 **Dar Es Salaam, Tanzania**
CORPORATION SECRETARY:	Dr. Elias T. Mwashiuya

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Board Chairperson,
Tanzania Petroleum Development Corporation,
Tower A, Benjamin W. Mkapa,
Azikiwe/Jamhuri Street,
P.O. Box 2774
Dar es Salaam, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Petroleum Development Corporation and its Subsidiaries, Gas Company (Tanzania) Limited and TANOIL Investment Limited (together "the Group"), which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in equity, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of material accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the group as at 30 June 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and as required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as well as the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Report by Those Charged with Governance, a statement of directors' responsibility, and a Declaration by the Head of Finance. However, it does not include the financial statements and my audit report thereon, which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not encompass the other information, and I do not express any form of assurance conclusion regarding it.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB)) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters.

I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement Laws

Subject matter: Compliance audit on procurement of works, goods, and services

I performed a compliance audit on procurement of works, goods and services in the Tanzania Petroleum Development corporation (TPDC) for the financial year ended 30 June 2025 as per the Public Procurement laws.

Conclusion

Based on the audit procedures performed, I conclude that TPDC complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution of the TPDC for the financial year ended 30 June 2025 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit procedures performed, I conclude that TPDC complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026

2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025

2.1 INTRODUCTION

Those Charged with Governance (TCWG) present this report together with the draft financial statements for the year ended 30 June 2025, which provide the results of Tanzania Petroleum Development Corporation (the "Corporation" or "TPDC") and its subsidiaries, Gas Company (Tanzania) Limited (GASCO) and TANOIL Investments Limited (together, the "Group". Those Charged with Governance prepared this report in compliance with TFRS 1 - The report by those charged with governance issued by NBAA.

The report is addressed to primary users and other stakeholders, presenting a forward-looking analysis of the Corporation's operations and a financial review. It will assist primary users and other stakeholders in evaluating the corporation's strategies and assessing the potential for those strategies to create value in the short, medium, and long term.

2.2 THE CORPORATION CULTURE

TPDC's culture consists of the shared vision, mission, and core values as provided hereunder.

2.2.1 Vision statement

TPDC's vision statement provides the outlook and direction of the Corporation, enabling employees to undertake their responsibilities with a common purpose. The Corporation's vision is:

"A sustainable regional company for affordable, reliable and innovative sources of energy with a global footprint."

2.2.2 Mission statement

TPDC mission statement summarizes the Corporation's purpose of existence and how customers' expectations will be met. The Corporation's mission is:

"To ensure energy security and access through efficient exploration, production, processing, and distribution of affordable and sustainable energy solutions to customers."

2.2.3 Core Values

TPDC core values represent the moral boundaries within which the Corporation operates. They define personality and serve as the ethical standards by which the Corporation's employees are measured. The values are TPDC's commitment to its stakeholders.

I. ***Excellence:*** We are committed to business excellence. We prioritise innovation and sustainable growth, making fact-based decisions and embracing a commercial mindset to pioneer new markets, products and services and deliver exceptional value.

II. ***Trust and Collaboration:*** We foster a culture of trust, teamwork and respect where integrity, transparency, accountability, professionalism thrive, ensuring seamless interactions and collaborations within our team.

III. ***Innovation:*** *We have a passion for innovation, driving the development of sustainable, affordable, and innovative sources of energy that empower lives and shape a brighter future.*

IV. ***Customer-Centricity:*** We put the customers at the forefront. Actively listening to the voice of the customers, we consistently strive to exceed their needs and expectations.

V. ***Environmental and Safety:*** We prioritize our people and communities' health and safety while protecting the planet for future generations.

2.3 NATURE OF OPERATIONS

TPDC, which is under the Ministry of Energy, was established under the Public Corporations Act No. 17 of 1969 through the Tanzania Petroleum Development Corporation (Establishment Order) Government Notice No.140 of 30 May 1969. Mandates of TPDC under the Petroleum Act and TPDC Establishment Order are summarized as follows:

a) To undertake Tanzania's commercial aspects of petroleum in the upstream, midstream and downstream operations;

b) To advise the Government on policy matters about the petroleum industry;

c) To participate in petroleum reconnaissance, exploration and development projects;

d) To carry out specialised operations in the petroleum value chain using its subsidiaries;

e) To handle the Government's commercial participating interests in the petroleum industry;

f) To manage the marketing of the country's share of petroleum received in kind;

g) To develop in-depth expertise in the petroleum industry;

h) To investigate and propose new upstream, midstream and downstream ventures at local and international levels;

i) To contract, hold equity or participate in oil services and supply chain franchises of other licenses; and

j) To perform any petroleum activities and related functions.

TPDC has exclusive rights over the natural gas midstream and downstream value chain to:

a) Safeguard the national interest in the natural gas industry;

b) Participate in the development and strategic ownership of natural gas projects and businesses on behalf of the Government;

c) Carry out specialized operations in the natural gas value chain through its subsidiaries;

d) Aggregate natural gas, own and operate major gas infrastructures;

e) Promote investment in gas activities;

f) Acquire, analyse and disseminate information on issues relating to natural gas;

g) Own pipeline network from central gathering stations to wholesale distribution and end-user;

h) Plan and propose midstream and downstream ventures and participate in venture projects;

i) Implement the gas master plan;

j) Promote local content in the natural gas value chain;

k) Hold land for key oil and natural gas projects; and

l) Perform any other functions as directed by the Government.

In addition, the Petroleum Act of 2015, among other things, mandated that TPDC carry out specialized operations in the petroleum value chain using subsidiary companies. GASCO and TANOIL have been incorporated as limited liability companies, and TPDC owns their shares wholly.

Gas Company (Tanzania) Limited was incorporated on 13 August 1985. It remained dormant until 2014 when it was revived. In 2015, TPDC designated the newly revived GASCO to carry out the operation and maintenance of the National Natural Gas Infrastructure (NNGI).

TANOIL Investments Limited was initially incorporated as the Commercial Petroleum Company (COPEC) on 22 March 1999 to conduct oil business. Following the Government's decision to liberalize the petroleum subsector, effective 1 January 2000, COPEC remained dormant effective 31 December 1999. After consulting stakeholders, the name TANOIL was proposed and subsequently adopted by TPDC's management, followed by approval from TPDC's Board of Directors.

TPDC is governed by the Board of Directors established under Section 7 of the Government notice. The Board is responsible for overseeing the management of the corporation's business and affairs. TPDC Head Office is in Dodoma.

2.4 OBJECTIVES AND STRATEGIES

The objective of the Corporation in carrying out its functions and exercising its powers as provided in the establishing Act is to enhance the benefits of Petroleum activities in Mainland Tanzania by:

a) To undertake Tanzania's commercial aspects of petroleum in the upstream, midstream and downstream operations;

b) To advise the Government on policy matters about the petroleum industry;

c) To participate in petroleum reconnaissance, exploration and development projects;

d) To carry out specialized operations in the petroleum value chain using its subsidiaries;

e) To handle the Government's commercial participating interests in the petroleum industry;

f) To manage the marketing of the country's share of petroleum received in kind;

g) To develop in-depth expertise in the petroleum industry;

h) To investigate and propose new upstream, midstream and downstream ventures at local and international levels;

i) To contract, hold equity or participate in oil services and supply chain franchises of other licenses; and

j) To perform any petroleum activities and related functions.

2.4.1 Strategies for Achieving Objective

The Strategic Plan serves as the primary tool for planning, setting priorities, and guiding decision-making. It supports the Corporation in fulfilling its roles and responsibilities throughout the specified period. Specifically, the Plan outlines the strategies to be implemented in order to achieve the defined strategic objectives.

The Strategic Plan has five (5) strategic objectives whose implementation is summarized into short-term, medium-term and long-term periods: -

I. Exploitation and supply of oil and gas products enhanced;

(a) Short-Term

- During the period under review, the gross production from the two fields has reduced (from 82.88 BCF to 62.68 BCF) due to relatively low demand for gas because of the shifting of TANESCO in generating power using hydro (after the inauguration of the Julius Nyerere dam) rather than gas, and continual depletion of the gas-producing fields. However, the gas production is expected to rise again in 2025/26 as TPDC and Maurel Prom are about to start a drilling campaign for 3 wells, which (if successfully) will increase production for about 45 mmscfd from the current production capacity of 185 mmscfd to 230 mmscfd.

- Following the grant of the development license over the Ntorya location, the Corporation, in collaboration with the Operator, has commenced development activities, where, during the period under review, the Corporation managed to secure a contractor for the construction of a 34.2 km pipeline from Ntorya to Madimba and engaged a consultant for ESIA. Furthermore, the Corporation successfully acquired land for its upstream production facilities and mobilised long lead items for well drilling.

(b) Medium- Term

- The Corporation completed a review of geological and geophysical data in the West Songo Songo Block that led to the identification of two prospects (Chocha and Afisi) with an estimated prospective resource of GIIP of 1.225 TCF and prepared a drilling program. For the year under review, the focus was on acquiring 3D seismic data to better understand the subsurface and reduce risks associated with the identified leads before a decision to drill was made. In view of this, the Corporation completed 3D seismic planning and design of 240 sq.km and the procurement of a seismic data acquisition contractor is underway.

- In Eyasi Wembere Block, the Corporation completed the acquisition of an additional 430 line-km of 2D seismic data out of the planned 779-line-km to enhance the understanding of the delineated area and identify potential areas for drilling. Engaged a consultant for updating the ESIA in the area. The remaining 349 line-km of the 2D seismic data will be acquired during the 2025/26 dry season.

- For the Lindi Mtwara Block, the Corporation completed planning and designing of 736.3 sq.km of 3D seismic data and secured the contractor for data acquisition. Seismic data acquisition is scheduled for July 2025.

- In search of a strategic partner in Mnazi Bay North Block, the corporation finalized discussions with FIRST E&P company for collaboration in maturing the prospects/leads in the Mnazi Bay North Block through an MoU. The signing and implementation of the MoU will occur after the completion of the assurance and approval processes.

(c) Long-Term

- In addition to the implementation of a signed MoU with ENH to jointly establish the commercial viability of Blocks 4/1B and 4/1C, the Corporation has also requested the Minister to include these Blocks in the upcoming licensing round in order to fast-track the process of obtaining partners to collaborate in exploration activities. The launch of the licensing round is under preparation.

II. **Exploitation and supply of oil and gas products enhanced;**

(a) Short-Term

- The supply of natural gas to downstream end-user customers remained consistent, reaching 44.00 bcf. This figure is a decrease compared to the 60.79 bcf supplied in the 2023/24 Financial Year.

- TPDC participated in Bulk Procurement System (BPS) bids and won three bids for delivering GASOIL in the country as a Tier 2 Supplier.

(b) Medium- Term

- Negotiated and signed a total of nine (9) new GSA(s) with downstream end user customers, where 3 were industrial customers, 1 was for institutional customers, and 5 were CNG customers.

(c) Long-Term

- Continued with the implementation of the planned gas pipeline from Ntorya gas field to Madimba Gas Processing Plant (34.2km long) whereby Detailed Engineering Design and cost estimation were completed. During the period, TPDC also completed undertaking environmental and social impact assessment (ESIA) through a consultant. Furthermore, TPDC signed a contract with the contractor for the construction of the pipeline.
- The projects for connecting new industrial customers (KEDA (T) Ceramics Co. Ltd, Float Glass in Mkuranga) to the gas supply network were finalized, whereby the industry started consuming natural gas in August 2024.
- Continued with the Construction of one CNG mother station at UDSM and two CNG daughter stations, one at Kairuki Pharmaceutical Factory - Kibaha and another at Muhimbili National Hospital. By June 30th, the mother station had started operations, and preparations for testing and commissioning at Kairuki and Muhimbili daughter stations had begun.
- Continued with the Construction of a gas supply network for 451 households to the gas supply network for cooking at Mnazi Mmoja, Lindi, as well as 529 households at Mkuranga, Pwani. By June 30, 2025, the progress at Lindi was 73%, at Mkuranga was 21%, and the overall/combined progress was 43%.
- Signed a consultancy contract with Gulf Interstate Engineering Company (GIE) in collaboration with Paulsam Geo-Engineering Co. Ltd (PSG) for providing consultancy services that include undertaking gas pipeline wayleave identification, feasibility study with front-end engineering design (FEED) and ESIA for a high-pressure natural gas transportation pipeline from Dar es Salaam to Chalinze. The consultant is currently progressing through the root selection stage before proceeding with FEED, Feasibility Study, and ESIA, all of which are expected to be completed by December 2025.

- The NNGI continued to operate and deliver natural gas to end-user customers without interruption (i.e., achieving 100% availability) while prioritizing long-term integrity and sustainability of the facilities.

III. Responsible Practice adopted;

(a) Short-Term

- The signed MoU between TPDC and ARA Petroleum for the Training/secondment of employees from TPDC, Petroleum Regulatory Authority and any other Tanzanian Governmental Ministry on oil and gas-related activities have started to be operationalized, where two (2) TPDC staff have already attended the on-job training in Oman. The other two staff members are expected to depart on 1st September 2025 for a two-month secondment in ARA's operations in Oman.
- The renewed Joint Operating Agreement (JOA) for the Mnazibay gas field allows TPDC to second its staff for all operations in the Block; thus, TPDC seconded two staff members in the Mnazibay field operations from May 2024 to May 2025. Furthermore, the Corporation has seconded two other staff members to the drilling team, who are preparing for the upcoming drilling campaign. Their secondment started in September 2024 and will continue until completion of the drilling campaign.
- Renewed the MoU with Pertamina, enabling one hundred (100) staff from TPDC and other Government institutions to participate in a secondment program in Indonesia
- Considering the nature of corporate operations and pressing community needs, TPDC has implemented a total of 38 CSR Projects in the area where the corporation operates and beyond, worth 3.5 billion. The CSR projects implemented aims to provide targeted interventions in areas of education, health, water and sanitation, and environmental conservation that align with the Global Sustainable Development Goals (SDGs) and Tanzania's National Vision 2050.

(b) Medium- Term

- Signed MoUs with Taifa Gas and Global Gas Tanzania Limited to collaboratively assess the feasibility and potential development of Mini LNG projects.

(c) Long-Term

- Sponsored long-term professional development programs for staff, including postgraduate studies and technical certifications in petroleum and energy management, ensuring enhanced technical and managerial capacity.
- Facilitated leadership and governance training for management and staff under the leadership pipeline (succession plan) to align with best practices in corporate governance and strategic decision-making.
- Enhanced organisational continuous improvement through ICT systems initiatives aimed at reducing and improving operational efficiency.
- Enhanced organisational sustainability through initiatives aimed at reducing operational costs, improving resource utilization, and building long-term financial resilience.

IV. **HIV/AIDS infections and non-communicable diseases were reduced, and supportive services improved;**

(a) **Short-Term**

- Provided Care and support services to PLWHIV.
- Conducted Training Program on HIV AIDS and non-communicable diseases.

(b) **Medium- Term**

- Audit on the implementation of HIV AIDS programs conducted and assurance reports issued.

(c) **Long-Term**

- Programs to fight HIV/AIDS and Non-Communicable Diseases (NCD) at the workplace were conducted.

V. **Implementation of the National Anti-corruption strategy enhanced and sustained.**

(a) **Short-Term**

- Zero tolerance level on corruption practices and malpractice maintained.
- Conducted Training Programs on anti-corruption.
- Created Awareness on Anti-corruption through printed banners and stickers.
- Departmental Fraud Risk assessments conducted.

(b) **Medium- Term**

- Anti-corruption programs prepared and implemented.
- Fraud Risk Management Framework approved by the Board, and its operationalisation is ongoing.

(c) **Long-Term**

- Enhanced Security Systems.
- Enhanced Financial control systems and measures.

2.4.2 *Managing Operations of the Corporation*

The Board of Directors bears overall responsibility for the Corporation's management, ensuring compliance with applicable laws and regulations. Daily operations are delegated to the Managing Director, who is supported by Directors and other Senior Management members. These Directors and Senior Managers attend Board meetings to facilitate their smooth conduct. Their role further extends to ensuring effective control of all operational activities and serving as a communication and coordination link between various operational areas.

In managing the external environment of the Corporation, the Board has established a system where management engages key stakeholders by holding consultative meetings with them and receiving their comments and views on the Corporation's performance and other issues relevant to the effective regulation of the petroleum sector. The Board has established a Risk Management Framework, which guides risk management processes, including monitoring of external and internal environments which may impact the business processes of the Corporation.

2.5 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Corporation's Service Performance Information discloses information needed for accountability and decision-making purposes, primarily to help users of the report, those charged with Governance, understand what the Corporation set out to achieve (targets) and what it has achieved (results). The service performance information is generally a mix of qualitative and quantitative reporting. The reporting of service performance information is based on the following elements:

(i) Outcomes: what the Corporation seeks to achieve in terms of its impact on society; and

(ii) Outputs: the goods or services that the Corporations deliver during the financial year.

The Corporation's reporting of service performance information is provided in this report under below paragraphs:

2.5.1 *Key Performance Indicators*

The Corporation's Key Performance Indicators (KPIs) are reported based on the implementation of the annual Plan and Budget derived from the Interim Strategic Plan (2024/25-2025/26). The KPIs for the year ended 30 June 2025 are given in the Table below:

Table 1: Key Performance Indicators for the Year 2024/25

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
Exploitation and supply of oil and gas products enhanced;	Exploration activities in the five strategic Blocks[1] fast-tracked by June 2025.	i. % change in the number of drilled deep wells ii. % change in resource volume iii. Total production rate of natural gas	**Exploration in Mnazi Bay North** • Finalized discussion with FIRST E&P company for collaboration in maturing the prospects/leads in the Mnazi Bay North Block. Draft MoU prepared and signing schedule in Q1 of 2025/26. • The Ministry issued an intention to award licenses with proposed obligations. TPDC provided its recommendation on the draft license. Following joint discussions with MoE, PURA, and AG, a revised draft License was prepared and submitted for the authority's decision.	3,026.525	1,260.34
Exploitation and supply of oil and gas products enhanced;	Exploration activities in the five strategic Blocks fast-tracked by June 2025.	i. % change in the number of drilled deep wells ii. % change in resource volume iii. Total production rate of natural gas	**Exploration in West Songo Songo** • Completed the re-interpretation of 840- line km of 2D seismic data and well panning in WSS Block. The interpretation of seismic data revealed	42,259. 06	282.22

[1] Such as Eyasi-Wembere, West Songo Songo, Mnazi Bay North, 4/1B & 4/1C and Lindi & Mtwara open Blocks.

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
			two potential prospects (Chocha and Afisi) with the mean prospective resources of ~1.2 TCF of natural gas. • Completed 240 sq.km of 3D seismic planning and design for the West Songo Songo Block. The procurement process is underway. • Completed Evaluation for the procurement of consultants to update ESIA for 3D seismic acquisition. Successful bidder identified.		
Exploitation and supply of oil and gas products enhanced;	Exploration activities in the five strategic Blocks fast-tracked by June 2024.	i. % change in the number of drilled deep wells ii. % change in resource volume iii. Total production rate of natural gas	**Exploration in Block 4/1B and 4/1C** • Conducted internal review of G&G studies. • In efforts to obtain partners to advance exploration activities in the Blocks, the Block has been included in the upcoming licensing round.	1,140.86	222.52
Exploitation and supply of oil and gas products enhanced;	The TLNG negotiations finalized by June 2024.	% of Pre-FEED activities for the TLNG Project completed	• LNG development project participation • Completed ESIA study, and NEMC issued a certificate 100% for the construction of the Likong`o School. • Conducted various stakeholders' engagement meetings involving Local Government Leaders. • Participated and facilitated the ongoing HGA negotiations. • Construction of Likong`o primary School is on progress and completed by 31%	21,870.76	8,584.65

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
Exploitation and supply of oil and gas products enhanced;	Exploration activities in the five strategic Blocks fast-tracked by June 2024.	i. % change in the number of drilled deep wells ii. % change in resource volume iii. Total production rate of natural gas	**Exploration in Eyasi Wembere Block** • Interpretation of the acquired seismic data (260-line km) completed • Completed acquisition of an additional 430 line-km of 2D seismic data out of the planned 779-line-km kilometer • Commenced preparation for the acquisition of the remaining 349 line-km of the 2D seismic data. • Engaged a consultant to update the ESIA in the area.	35, 124.38	28,617.46
Exploitation and supply of oil and gas products enhanced;	Natural gas transportation processing and distribution infrastructure expanded and maintained by June 2024.	i. % change in Infrastructure Expansion ii. % change in oil and gas customer base iii. % change in oil and gas volume sold	**Natural Gas Distribution Project in the Pwani Region** • Design Engineering, Procurement, Installation and Commissioning of Natural Gas Infrastructure to KEDA Ceramics Co. Ltd - Mkuranga (BVS 13). • The project was commissioned on 24th June 2024. The gas is now at the outlet of daughter FMS at KEDA factory. KEDA is still working to complete and commission her internal connections. • **Dar to Chalinze Natural Gas Transmission Pipeline** • EOI was opened on 7th June 2024. The Evaluation Committee was appointed on 15 June 2024, and the evaluation is ongoing. The evaluation was completed, and the report is being prepared. • EPC for Natural Gas Distribution	6,928.78	462.96

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
			Network in Mkuranga and connection of three industries (ECO PLASTIC, KAMAKA IT SOLUTION LTD and AMIRON PHARMACEUTICAL EQUIPMENT) • GSA negotiations with the customers are in progress; once the GSAs are signed,a tender to procure a contractor will be initiated.		
Exploitation and supply of oil and gas products enhanced;	Natural gas transportation processing and distribution infrastructure expanded and maintained by June 2024.	i. % change in Infrastructure Expansion ii. % change in oil and gas customer base iii. % change in oil and gas volume sold	**Natural Gas Distribution Project in Lindi: Construction of Natural Gas Distribution Network to Households in Lindi and Pwani (REA-financed Project),** • The Contract between TPDC and LOOTAH was signed on 13th June 2024, and the kick-off meeting and site handover to the Contractor were held on 20th June 2024. Currently, the team contractor and TPDC are carrying out a • site survey to confirm the houses to be connected by the contractor, and complete the design review.	1,575.92	253.71
Exploitation and supply of oil and gas products enhanced;	i. Oil storage and distribution infrastructures developed by June 2024. ii. Natural gas transportation	i. % change in market share in the oil business ii. % change in oil and gas customer base iii. % change in oil and gas volume sold	Natural Gas Distribution Project in Dar es Salaam • **Construction of CNG Mother Station at UDSM and daughter stations at Muhimbili and Kairuki Industry** • The site clearance and marking of margins/boundaries are completed. • The Contractor reassessed the Site conditions, and the required technical	23,411.11	1,212.14

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
	processing and distribution infrastructure expanded and maintained by June 2024.		mitigation measures were identified. • Manufacturing of long lead items is ongoing (the equipment manufacturing progress is at 28% with a target to complete manufacturing + FAT by 30 September 2024). **Tank Number 8** • EOIs for the procurement of a consultant for conducting an Environmental • Audit, design and supervision for the rehabilitation of tank no. 8 has been issued.		
Exploitation and supply of oil and gas products enhanced;	Natural gas transportation processing and distribution infrastructure expanded and maintained by June 2024.	Total production rate of natural gas	**Construction of Natural Gas Pipeline from Ntorya to Madimba** The Consultant submitted the final ESIA study report (after incorporation of comments) to NEMC and the draft DED report to TPDC.	18,750.28	739.63
Exploitation and supply of oil and gas products enhanced;	The corporation's market shares in Oil trading and business increased by June 2024.	% change in Infrastructure Expansion	**Construction of New TAZAMA White Products Pipeline Project** The procurement of the consultant to undertake the feasibility study is at the stage of awarding, and according to a work plan, the feasibility study report is expected to be completed by November 2024	110.23	110.22

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
Exploitation and supply of oil and gas products enhanced;	Natural gas transportation processing and distribution infrastructure expanded and maintained by June 2024.	% change in Infrastructure Expansion	**Construction of the Natural Gas Pipeline Project from Tanzania to Kenya** • The draft documents for the Bilateral Agreement between Tanzania and Kenya and the Joint procurement rules have been prepared. These documents will be used to procure a consultant to undertake the feasibility study of the project. • The draft documents for the Bilateral Agreement between Tanzania and Kenya and the Joint procurement rules have been prepared. These documents will be used to procure a consultant to undertake the feasibility study of the project.	195.53	64.43
Exploitation and supply of oil and gas products enhanced;	The corporation's market shares in Oil trading and business increased by June 2024.	% change in oil and gas volume sold	**Bulk Oil Importation Operations** During the period under review, TPDC participated in Bulk Procurement System (BPS) bids and won three bids for shipping and supply of Gasoil weighing 308,713.68 metric tons, amounting to 579.8 billion.	1,510,543	147,880
Exploitation and supply of oil and gas products enhanced;	The corporation's market shares in Oil trading and business increased by June 2024.	i. % change in market share in the oil business ii. % change in oil and gas volume sold	**Participate in the Oil marketing business** During the year under review, TPDC, through TANOIL, planned to sell 40,835 million litres of petroleum products; however, 34.3 million litres were purchased (AGO: 30 million litres and PMS:	136,019	103,584

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
			4 million litres), representing an 83% achievement. Out of the purchased volume of 29.6 million litres, 26.9 million litres were sold (AGO) and 2.8 million litres were sold (PMS), which translates to a 72% achievement of the plan.		
Exploitation and supply of oil and gas products enhanced;	Natural gas transportation processing and distribution infrastructure expanded and maintained by June 2024.	% change in Facility Reliability Index (FRI)	**Ensuring the supply of Natural Gas by operating and maintaining the National Natural Gas Infrastructure** GASCO managed to operate and maintain effectively and efficiently the National Natural Gas Infrastructure (NNGI) (natural gas processing plants & camps; transmission pipeline) and distribution pipelines. The Madimba and Songo Songo natural gas processing plants, respectively, charged 39,801.18 mmscf and 8,661.86 mmscf into the pipeline. This makes a total of 48,463.04mmscf natural gas charged into the NNGI from July 2023 to June 2024.	54,846	38,626
Exploitation and supply of oil and gas products enhanced;	Natural gas transportation processing and distribution infrastructure expanded and maintained by June 2024.	% change in Infrastructure Expansion	**Construction of the Natural Gas Pipeline Project from Tanzania to Uganda** The project is currently at the stage of procuring a consultant to undertake the feasibility study. During the period under review, the parties completed an evaluation of the expression of interest for which the Request for Proposal was issued to the shortlisted bidders. According to	5,225.22	199.53

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
			the agreed work plan, the contract with the successful bidder is expected to be signed by October 2024.		
Exploitation and supply of oil and gas products enhanced;	Oil storage and distribution infrastructures developed by June 2024.	% change in Infrastructure Expansion	**East African Crude Oil Pipeline project (preliminary activities & construction supervision)** • Up to 31st May 2024, the Corporation fully paid its equity contribution of USD 308 million to EACOP Ltd. Despite achieving this milestone, shareholders agreed to continue funding equity due to delays in securing external debt in a timely manner. In June 2024, TPDC began paying part of its increased equity share of USD 68 million, amounting to USD 17.4 million. So, towards June 2024, a total amount of USD 324.73 million has been contributed as an equity contribution to the company; • The Early Civil Works [ECW] for 14 camps involving cutting and filling, levelling and compaction, fencing, construction of sewage systems and roads were completed. Camp erection is ongoing at MC-PS1, MCPY-3, 6, 7, 8, 9, 10, 11 & 15. Decisions to mobilise resources for camp installations at	429,634.52	335,114.21

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
			MCPY 16 & 16 are going; • Construction of above-ground installations (AGIs) and pipelines progressed to earn 40.2% and 79% in engineering design, respectively. During the reporting period, construction of the AGIs and pipeline commenced with progress reported at 17% and 9%, respectively, of the actual work on the ground. • The Construction of a Thermal Insulation System (TIS) Plant is completed by 81%, up from 73% reported in March 2024. The TIS Plant line 1 Production testing is ongoing. For line 2, 90% of the equipment installed is ready for commissioning after installing the remaining 10% of the equipment. • The engineering design for a Jetty reached 75.4% compared to 40% reported in March 2024. The actual work of piling installation earned 44% towards June 2024. • Engineering design for Terminal and Tanks progressed to 28.3% and 88%, respectively. The construction of four (4) tanks with the capacity to store 2 million barrels is at different stages of construction. Both Terminal and Tanks		

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
			earned 14% and 49% of the actual work, respectively.		
Operational Efficiency enhanced	Financial management systems implemented by June 2024	i. % Change in investment value ii. % Change in liquidity position iii. % Change in profitability iv. % Change in assets turnover	During the year under review • Monthly and quarterly reports prepared and submitted. • Draft financial statements prepared and submitted • Budget Performance reports prepared and submitted • Draft Financial statements prepared and submitted to CAG on time • Statutory remittances	271.08	115.15
HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved	i. Awareness program for preventing NCDs established and implemented by June 2024. ii. Supportive service to staff living with HIV/AIDS provided by June 2024.	i. % change of HIV Infections ii. % change of AIDS status employees iii. % change of staff with NCDs.	Two HIV/AIDS training sessions for all of the corporation's employees were conducted as planned.	38.18	30.56
Implementation of the National Anti-corruption strategy enhanced and	i. Anti-corruption awareness programs implement	% change in corruption incidences	Two anti-corruption training sessions for all of the corporation's employees were conducted as planned.	43.28	12.56

Objectives	Target for 2024/25	Key Performance Indicators	Implementation Status as of 30 June 2025	Budget (TZS 'Millions)	Actual (TZS 'Millions)
sustained	ed annually. ii. Anti-corruption integrity committee capacitated by June 2024.				

2.5.2 Implementation Status of the Corporate Strategic Plan

The Corporation implemented the planned activities under the Interim Strategic Plan (2024/25-2025/26). Some of the key results/major activities and developments which took place during the financial year ended 30 June 2025 included the following:

i. Exploitation and supply of oil and gas products enhanced

Under this objective, TPDC aimed to invest in upstream, midstream, and downstream operations to cater to the growing demand for energy sources. TPDC has recently focused on supplying natural gas to TANESCO for power generation in response to the increasing demand for electricity in Tanzania. However, there is a growing demand for gas in other sectors of the economy and the neighbouring countries. This growing energy demand and global geopolitics prompted the Corporation to adopt a commercial focus, exploiting undeveloped resources, expanding distribution infrastructure, and implementing marketing strategies to supply energy resources to these diverse markets. The corporation had a number of targets which were planned to be achieved together with performance and achievement as follows;

- **Conduct Hydrocarbon Exploration in Mnazi Bay North.**

TPDC has continued with discussions with potential strategic partners on the possibility of jointly conducting exploration in the Block. It has also conducted a review of technical aspects and economic models prior to engaging strategic partners. Parallel to that, the Ministry of Energy (MoE) issued an intention to award an Exploration license with proposed obligations. However, TPDC provided some recommendations on the draft license. Following a joint discussion with MoE, PURA, and AG, a draft License that incorporated the recommendations was prepared and submitted for the authority's decision.

- **Conduct Hydrocarbon Exploration in Eyasi Wembere Block**

The Corporation has continued with exploration activities in the Eyasi Wembere project, and out of the planned targets during the year, the corporation was able to achieve the following;

1. Completed interpretation of the acquired seismic data (260-line km) with a consultant, which enabled delineation of focus areas for further exploration in the Block.
2. Acquire an additional 2D Seismic data of 430-line km out of 779-line km planned. The remaining data are to be acquired during the dry season of 2025/26 FY.
3. Secured a consultant for the processing of 914.7-line kilometres of 2D Seismic data.
4. Conducted Absolute dating of the rock sample to establish the crystallization and provenance ages of sedimentary and igneous rock samples from the Basin.
5. Completed compensation for 508 out of 544 PAPs of the 2D seismic data survey project in Eyasi Wembere Block.

- **Conduct Hydrocarbon Exploration in West Songo Songo**

Using a consultant, the Corporation completed a review of geological and geophysical data in the West Songo Songo Block, which led to the identification of two prospects (Chocha and Afisi) with an estimated prospective resource of GIIP of 1.225 TCF. A drilling program was then prepared.

For the year under review, the focus was on acquiring seismic data to better understand the subsurface and mitigate risks associated with the identified leads before a decision to drill is made. Therefore, 240 sq km of 3D seismic planning and design has been completed, and the procurement process for the contractor is underway. The procurement of consultants to update the ESIA for 3D seismic acquisition is in its final stage, with a successful bidder already identified.

- **Hydrocarbon Exploration in Block 4/1B and 4/1C**

The blocks lie in the Southern east of Tanzania in the ultra-deepwater with a depth of up to 3 km bordering Mozambique on the south part. The Block is strategically located on the Eastern part of Block 1 and the Southern part of Block 2, operated by Shell and Equinor, respectively, where gas discoveries were made and are now in preparation for development.

During the year under review, TPDC was able to achieve the following;

1. Conducted an internal review of G&G studies.
2. In efforts to obtain partners to advance exploration activities in the Blocks,

   TPDC has requested the Minister to include the Blocks in the upcoming licensing round.
3. TPDC continued to engage potential partners for a partnership.

- **LNG development project participation**

The TLNG project, one of Tanzania's significant historical projects, is underway and is expected to cost nearly USD 45 billion. This project aims to commercialize substantial natural gas discoveries made in the deep offshore basin between 2010 and 2015 from blocks 1, 2, and 4 by reducing them to a liquid state through a cooling process for exportation and the utilization of the portion locally through the Domestic Market Obligation (DMO). During the year under review, TPDC was able to achieve the following;

1. Completed ESIA study and NEMC issued a certificate 100% for the construction of the Likong`o school.
2. Awareness and placement of signage of the LNG area were undertaken to mitigate encroachment at the site
3. Construction of Likong`o Primary School is completed by 31.24%.
4. Negotiations between the GNT team and IECs are ongoing

In May 2023, an important milestone was achieved when the Government and International Energy Companies (IECs) initiated the draft documents for the Tanzania Liquefied Natural Gas

TLNG Project. This progress, which is of utmost importance, sets the stage for further developments. The parties agreed that the initialed would be subjected to the approval processes for the Government machinery and IEC Boards before signing. The Parties continue to re-engage in discussions and negotiate issues from the approval process. Upon reaching a final agreement, parties will sign and proceed to the implementation phase, starting with the Pre-FEED and FEED works, which will ultimately lead to the Final Investment Decision (FID). Based on a recent study by Stanbic Bank, the execution of this project is expected to generate USD 9 billion to USD 13 billion annually for the economy.

i. Exploitation and supply of oil and gas products enhanced

TPDC aimed to invest in upstream, midstream, and downstream operations to cater to the growing demand for energy sources. TPDC has recently focused on supplying natural gas to TANESCO for power generation in response to the increasing demand for electricity in Tanzania. However, there is a growing demand for gas in other sectors of the economy and the neighbouring countries. This growing energy demand and global geopolitics prompted the Corporation to adopt a commercial focus, exploiting undeveloped resources, expanding distribution infrastructure, and implementing marketing strategies to supply energy resources to these diverse markets. Under this objective, the corporation had a number of targets which were planned to be achieved together with performance and achievement as follows;

- **Natural Gas Distribution Project in Pwani Region**

In the Coastal Region, projects to connect new industrial customers (KEDA (T) Ceramics Co. Ltd and Float Glass in Mkuranga) to the gas supply network were finalised, allowing the industry to start consuming natural gas in August 2024. Activities related to surveys for industrial and CNGV customers, as well as cost estimates to connect new customers in Mkuranga, continued. This effort identified several potential customers, including Brilliant Sanitaryware, Kibo Ceramics, and Quality Packaging. A project to construct the natural gas distribution network connecting these three industrial customers will be implemented in FY 2025/26. In addition to that, procurement of the consultancy services to undertake gas pipeline wayleave identification, feasibility study with front-end engineering design (FEED) and ESIA for a high-pressure natural gas transportation pipeline from Dar es Salaam to Chalinze was completed by TPDC, signing a consultancy contract with Gulf Interstate Engineering Company (GIE) in collaboration with Paulsam Geo-Engineering Co. Ltd (PSG). The pipeline is expected to pass through various industrial zones/parks in Kibaha, Coast Region. The consultant is currently progressing through the root selection stage before proceeding with FEED, Feasibility Study, and ESIA, all of which are expected to be completed by December 2025. Procurement of an EPC contractor for the pipeline has been planned and budgeted for in the TPDC FY 2025/26 annual budget. According to a preliminary study conducted by TPDC in the financial year 2023/24, approximately 50 industrial customers in Kibaha and Chalinze were willing to switch from various energy sources to natural gas, thereby helping TPDC diversify its customer base.

- **Natural Gas Distribution Project in Lindi**

In the Lindi Region, the EPC contractor (Lootah BC Gas LLC, whose contract was signed with TPDC in June 2024) completed the review of design for a project for connecting 451 and 529 households to a gas distribution network for cooking at Mnazi Mmoja, Lindi and Mkuranga, Pwani, respectively. This project is financed by REA through a grant contract between TPDC and REA, worth TZS 6,817,284,882.95, of which 60% has already been disbursed to TPDC. The EPC contractor also procured the project materials and commenced construction activities. During the reporting period, the progress at Lindi was 73%, at Mkuranga was 21%, and the overall combined progress was 47%. The construction activities are planned to be completed by December 2025. This project aims to increase TPDC's footprint in the contribution to clean energy sources for cooking.

- **Natural Gas Distribution Project in Dar es Salaam**

In the Dar es Salaam Region, the Construction of one mother CNG station located on leased land of the University of Dar es Salaam, two CNG daughter receiving and storage stations for the utilisation of gas by the Muhimbili National Hospital, Upanga area in Ilala, and the Kairuki Pharmaceutical Industry in Kibaha was ongoing during the reporting period. By June 30th, the mother station had begun operations, while preparations for testing and commissioning had started at Kairuki and Muhimbili daughter stations. Additionally, the project to connect 12 cafeterias at Mlimani City and 3 cafeterias and one laboratory at DUCE was implemented, with progress exceeding 95% by June 30, 2025.

During the reporting period, a total of three (3) new Gas Sales Agreements (GSA) were negotiated and concluded with industrial customers, namely Sapphire Float Glass Industry in Mkuranga, Chemi and Cotex Industry and Cotex Industry both along Bagamoyo road, Mbezi Beach right industrial area. In addition, a total of four (4) new GSA(s) were negotiated and concluded with hotel (institutional) customers, namely Ramada Resort by Wyndham Dar es Salaam, Giraffe Hotel, Jangwani Sea Breeze and Serene Beach Resort, all located in Mbezi Beach strip by the sea. Equally, the project has increased our contribution to clean and relatively affordable sources of energy for cooking.

- **Construction of Natural Gas Pipeline from Ntorya to Madimba**

TPDC completed the Detailed Engineering Design and cost estimate for a 34.2 km raw gas pipeline project, extending from the Ntorya gas field at Nanguruwe to the Madimba Gas Processing Plant. During this period, TPDC also completed an environmental and social impact assessment (ESIA) through a consultant. Furthermore, TPDC signed a contract with the contractor for the construction of the pipeline. Upon achieving the first gas from this project, additional gas production to the current production capacities of Mnazi Bay and Songo Songo will reinstate the supply capacity and allow new anchor customers, such as those that need large quantities of gas as feedstock (fertilizer and various petrochemicals plants) to be assured of gas availability in the long term.

- **East African Crude Oil Pipeline project (preliminary activities & construction supervision)**

Project activities that progressed during the year included securing external debt to the tune of USD 2.89 billion during the year, signalling the smooth implementation of the project. Main Camps Yard (MCY) construction works have achieved 84.6% progress. Construction of Above Ground Installations (AGIs) progressed to earn 54.6% up from 17% reported in June 2024. Pipeline welding reached 405 km, out of which 140km is coated and 43km is laid. The Construction of a Thermal Insulation System (TIS) Plant is now 100% complete, up from 81% reported in June 2024. TIS Plant lines 1 and 2 are running smoothly, with a cumulative production of 825km, out of which 748km has been released to MCPYs. The engineering design for the Terminal and Tanks has progressed to 86% and 91%, respectively. The construction of four (4) tanks with the capacity to store 2 million barrels is at different stages of finalising their construction. Both Terminal and Tanks achieved 34.3% and 79.3% progress, respectively, compared to 14% and 49% progress of the actual work, as reported in June 2024.

- **Bulk Oil Importation Operations**

During the period under review, TPDC participated in Bulk Procurement System (BPS) bids and won three bids for shipping and gasoil supply weighing 308,713.68 metric tons, amounting to 579.8 billion.

- **Oil Marketing**

During the reporting year, TANOIL implemented the turn-around strategy by reducing the cargo size to match customers' demand with the supply side selling 29.6 million litres compared to 62.5 litres sold in the year 2023/2024, preparing manuals, policies, business plan and other guiding documents for the company operations, collecting outstanding debts amounting to TZS 2.32 billion from defaulting customers out of TZS 20 billion that was outstanding as at 30 June 2024, made a gross profit of TZS 5.9 billion compared to a gross profit of TZS 10.6 billion reported in 2023/24 and paid taxes amounting to TZS 31 billion, Signed 9 contracts, whereby 3 contracts with bank guarantee were implemented. Further details of TANOIL's performance are presented in Note 9 of the financial statements.

ii. Operational Efficiency enhanced

The TPDC organizational capacity and operations are strengthened through training and career development, managing the staffing levels, performance management and fulfilling the succession plan. During the 2024/2025 financial year, the Corporation revised its training program to align with the new strategic plan. In the period under review, a total of 275 staff were trained on both short and long courses, both local and abroad.

iii. HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved

The Corporation has an HIV/AIDS awareness program and measures in place to provide comprehensive management of HIV/AIDS in the workplace, ensuring business continuity. In the year 2024/2025, TPDC conducted a total of two awareness programs for the Management and its staff to raise employees' awareness of HIV/AIDS-related issues.

iv. Implementation of the National Anti-Corruption Strategy enhanced and sustained

The corporation has an anti-corruption education program. In the year 2024/2025, TPDC conducted a total of two awareness programs for the Management and its staff, as initially planned in the budget.

2.6 TPDC OPERATING MODEL

The Corporation's operating model is a system that transforms inputs through its operating activities into outputs and outcomes, aiming to fulfil TPDC's strategic purposes and create value in the short, medium, and long term. Thus, the TPDC Operating Model is explained below: -

2.6.1 Input

(a) Human Capital

The Corporation has employed staff with the necessary skills and competence to ensure the delivery of high-quality services. Employees are well motivated and perform their duties responsibly and in an ethical manner.

(b) Financial Capital

Financial capital is composed of financial resources obtained from the Petroleum business activities. The cooperation as a National Oil Company earns its proceeds from the Sale of Natural Gas, Fuel, Condensate, Share of Revenue from PSA, Dividend from Associate, Rent from Investment properties, Land Lease Fees, PSA Licence fees, training fees and Government Subvention for development activities.

(c) Social and Relationship Capital

In executing its functions, TPDC has established an ethical and transparent relationship with its entire stakeholder team, comprising government institutions, the oil and gas industry, customers, suppliers, policymakers, communities, and the general public. The corporation conducts stakeholder meetings to provide awareness and receive feedback on various corporate issues. TPDC actively engages in Corporate Social Responsibilities, where each year, the corporation sets aside funds to contribute to society's well-being.

(d) Intellectual Capital

The Corporation has developed a specialised, skilled staff in the Exploration of hydrocarbons, development and production, Gas processing, transportation, and distribution of Petroleum products, as Well as Gas billing systems for its domestic natural gas customers. It is also the license holder of the PSA blocks.

(e) Natural Capital

The Corporation has been actively engaged in exploration, development and production of hydrocarbons, ensuring security in the energy sector.

2.6.2 Operating Activities

The Corporation implements various activities to convert inputs into high-quality service delivery. The operating activities are divided into three major Operations;

a) Upstream Operations

- To participate in petroleum reconnaissance, exploration and development projects;
- To handle the Government's commercial participating interests in the petroleum industry.
- To develop in-depth expertise in the petroleum industry.
- Acquire, analyze and disseminate information on issues relating to the Petroleum sector.
- To investigate and propose new upstream ventures at local and international levels;
- To advise the Government on policy matters about the petroleum industry; and
- Safeguard the national interest in the natural gas industry.

Input

- Financial Resources
- Human Resources
- Technical Expertise
- Equipment and Technology
- Data and Information

Processes

- Exploration License/Reconnaissance permit application
- Geological survey
- Potential Field Survey

- Seismic Survey
- Well Planning and Drilling
- Development
- Production
- Decommissioning
- Regulatory Approvals

Output

In its Upstream Operations, the Corporation had the following outputs:

- Signed and renewed the MoUs with ARA Petroleum MoU and Pertamina, respectively, which will enable one hundred (100) staff from TPDC and other government institutions to undergo a secondment program in Oman and Indonesia.
- Entered into a Head of Terms (HoT) for a Joint Venture Agreement with Rosetta and Africa50 to collaboratively assess the feasibility and potential development of the Mini LNG project.
- Finalized discussion with FIRST E&P company for collaboration in maturing the prospects/leads in the Mnazi Bay North Block. Signing of the MoU is underway.
- Completed interpretation of 260 line-km of 2D seismic data in Eyasi Wembere Block and delineated the block for further exploration.
- Acquired an additional 430 line-km of 2D seismic data out of the planned 779 line-km in Eyasi Wemebere to appraise the understanding of the delineated area and identify potential areas for drilling. The remaining 349 line-km of the 2D seismic data to be acquired in the dry season of 2025/26.
- Completed 736.7 sq.km of 3D seismic planning and design for Lindi Mtwara Block and secured the contractor for data acquisition. Campaign to commerce early July 2025.
- Completed 240 sq.km of 3D seismic planning and design for the West Songo Songo Block. The procurement process is underway.
- The reprocessing and Interpretation of 3D seismic data for the Tanga Block have been completed, which has led to the identification of potential areas for well drilling.

Outcomes

- Increased Proven reserves of hydrocarbons.
- Increased Revenue Generation from Oil and Natural Gas sales.
- Enhanced energy security in the country.
- Contribution to the National Economic Growth.

b) Midstream Operations

- Carry out specialized operations in the natural gas value chain through its subsidiaries.
- Aggregate natural gas, own and operate major gas infrastructures.
- Operation and Maintenance of the National Natural Gas Infrastructure (NNGI).
- Plan and propose midstream ventures and participate in venture projects.

Inputs

- Financial Resources
- Human Resources
- Technical Expertise
- Equipment and Technology
- Data and Information

Processes

- Processing, Transportation and distribution of Natural Gas.
- Procurement and construction of Equipment for the Operation and Maintenance of Natural.
- Gas Infrastructure.
- Regulatory Approvals.

Output

In its Midstream Operations, the Corporation had the following outputs:

- Conducted operations and maintenance of the infrastructures with prudence, resulting in the NNGI being maintained at 100% availability;
- A total volume of 41,096.59 MMSCF of natural gas was received for processing, with the Madimba plant receiving 33,192.97 MMSCF from the Mnazi Bay gas field, and the Songo Songo plant receiving 7,903.62 MMSCF from the Songo Songo gas field;
- A total quantity of 40,824.45 MMSCF was exported through the pipeline to customers, with the Madimba and Songo Songo processing plants exporting total gas volumes of 33,081.77 MMSCF and 7,742.67 MMSCF, respectively; and
- 3,062 tons of condensate were produced from both Madimba and Songo Songo processing plants.

Outcomes

- Reliable supply of Gas to downstream customers
- Mitigated operational risks such as Gas leaks that may lead to huge losses to the corporation.

c) **Downstream Operations**

- Promote investment in gas activities;
- Plan and propose downstream ventures and participate in venture projects;
- Implement the gas master plan;
- Promote local content in the natural gas value chain;
- Own pipeline network from central gathering stations to wholesale distribution and end-user;
- Hold land for key oil and natural gas projects; and
- Perform any other functions as directed by the Government.

Inputs

- Financial Resources
- Processing Facilities
- Market Intelligence and Expertise
- Human Resources

Processes

- Oil and Gas Projects Concept Developments
- Purchase and sale of natural gas
- Oil & Gas Infrastructure Design and Construction
- Purchase and Sale of Oil Products.
- Regulatory Approvals.

Output

In its Downstream Operations, the Corporation had the following outputs:

- Supplied natural gas to all connected customers (power generation plants, industries and commercial/non-commercial institutions, gas to CNG stations for vehicles as well as households;
- Participated in Bulk Procurement System (BPS) bids and won three bids for shipping and gasoil supply weighing 308,713.68 metric tons, amounting to 579.8 billion.
- Sold 29.6 Million Litres of AGO and PMS through its subsidiary OMC TANOIL.
- Continued with the construction of a gas supply network for 451 households to the gas supply network for cooking at Mnazi Mmoja, Lindi, as well as 529 households at Mkuranga, Pwani. By 30th June 2025, the progress at Lindi was 73%, at Mkuranga was 21% and the overall/combined progress was 43%.
- Continued with the Construction of one CNG mother station at UDSM and two CNG daughter stations, one at Kairuki Pharmaceutical Factory - Kibaha and another at Muhimbili National Hospital. By June 30th, the mother station had started operations, and the preparations for testing and commissioning at Kairuki and Muhimbili daughter stations had begun.

Outcomes

- Increased Accessibility of Energy to Customers
- Revenue growth from increased sales to customers
- Contribution to Local and National Economic Growth.
- Enhanced Customer Satisfaction.

2.6.3 Outcomes

The following were noted outcomes:

- Concluded four (4) Gas Sales Agreements (GSA) with Obtained a Development Licence that will enable the commencement of development activities at the Ntorya location;
- Increased customer satisfaction;
- Increased compliance among shipping agents;
- Improved maritime safety standards;
- Decreased number of maritime accidents;
- Increased volume of tonnage tallied on break bulk cargo and
- Increased operational efficiency of shipping agencies' services.

2.7 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

2.7.1 Corporate Strategic Plan

Following the expiration of a one-year extension of the TPDC Strategic Plan granted by the Office of the Treasury Registrar in the Financial year ending 2023/24, an Interim Strategic Plan was developed and approved, covering the period from 2024/25 to 2025/26. The Interim Strategic Plan was developed as a transitional plan as required by the Government Planning Guidelines. It is aligned with key National Policy Frameworks, pending the adoption of Tanzania's Development Vision 2050, which is currently under development. The Strategic Plan serves as the primary tool for planning, setting priorities, and guiding decision-making. It supports the Corporation in fulfilling its roles and responsibilities throughout the specified period. Specifically, the Plan emphasizes strategies to be executed to achieve the strategic objectives.

The Corporation's current and future development and performance are explained below:

Tanzania's gas industry is vital, with increasing domestic consumption. Natural gas fuels approximately 60% of the National Grid's power generation, meeting daily demand from power plants and other sectors. Beyond electricity, natural gas serves industries for heating and captive power, as well as commercial, non-commercial, and household users.

It also functions as an alternative transport fuel, replacing diesel and petrol. TPDC's role spans the entire petroleum value chain, from exploration, development, and production to midstream and downstream oil and gas operations and trading.

Currently, 54,764.5 km2, or about 5.74% of Tanzania's total area, is licensed for hydrocarbon exploration. TPDC and International Energy Companies (IECs) jointly manage ten active exploration and production licenses. These Production Sharing Agreements (PSAs) cover offshore basins (Blocks 1, 2, and 4) and onshore basins (Ruvuma, Ruvu, Tanga, Nyuni, Songo Songo, Mnazi Bay, and Kiliwani-North).

TPDC is driving four key projects under the National Five-Year Development Plan 2021/22 - 2025/26 (FYDP III): the Eyasi-Wembere and Mnazi Bay North Petroleum Exploration Projects, the Construction of the LNG Plant, and the East Africa Crude Oil Pipeline (EACOP). TPDC partners with IECs in exploration through PSAs, acting as a license holder. Tanzania's discovered gas resources total 57.54 trillion cubic feet (TCF), with 47.13 TCF offshore and 10.41 TCF onshore.

The significant offshore gas reserves (47.13 TCF) are slated for development by TPDC, Shell Exploration Petroleum Tanzania Limited, and Equinor of Norway through the LNG project, a critical endeavor for the national economy. This collaboration aims to efficiently develop and utilize these resources for both export and domestic consumption. The project is currently in the Host Government Agreement (HGA) negotiation phase between the Government of Tanzania (GoT) and the IECs. Once the HGA documents are signed, and presumably with condition precedents between Gas developers and the Government during negotiations, the Pre-FEED and FEED stages will commence. TPDC will receive the Development Licence upon submission of the Final Development Plan by the Gas developers and completion of the FEED stage.

The Songo Songo and Mnazi Bay fields, Tanzania's sole onshore gas producers, have a combined capacity of 240 mmscfd. TPDC and its IEC partners are also developing the Ntorya gas field, projected to yield approximately 140 mmscfd at full capacity.

TPDC's upstream activities are extensive and forward-looking, involving continuous review of subsurface data across all blocks. Recent work includes the detailed interpretation of 260 line-km of 2D seismic data from the Eyasi Wembere Block, as well as the acquisition and processing of 779 line-km of 2D seismic data in the same block. Additionally, preparations are underway for drilling an exploration well in the West Songosongo Block. The focus is on oil exploration in Eyasi-Wembere and natural gas exploration in West Songosongo.

As a central figure in the gas sector, TPDC manages and maintains the National Natural Gas Infrastructure (NNGI), which is responsible for the processing, transportation, and distribution of natural gas to end-users. Additionally, TPDC plays a crucial role in bulk fuel importation via the Bulk Procurement System under PBPA, while TANOIL manages oil marketing activities.

2.7.2 *Future Developments*

TPDC is embarking on the implementation of its long-term corporate strategic plan, with the overarching aim of achieving sustainable growth as a commercial State-Owned Enterprise (SOE). This involves securing a reliable, accessible, and affordable energy supply by pioneering new opportunities in the oil and gas sector, such as virtual connections and regional pipelines, and maximizing the value of existing oil and gas resources. The objective is to expand the current oil and gas product and service portfolio, establishing both regional connectivity and a global presence.

The corporation's new strategies are built upon a foundation of responsible practices. These strategies are designed to enhance workplace health, safety, and environmental standards, fulfil social responsibilities, and strengthen governance. These initiatives are expected to foster industry growth, create millions of jobs in Tanzania, and enhance the country's foreign exchange position. We are confident that these goals will have a significant positive economic impact. Furthermore, we are committed to providing consumers with lower energy costs while simultaneously ensuring energy security.

The corporation is focused on strategically accelerating gas production for commercial purposes. It intends to actively participate in the development of the Ntorya field, aiming for at least a 15% interest in partnership with ARA Petroleum Tanzania Limited, with the goal of delivering natural gas by 2025. Additionally, the corporation is seeking exploration licenses and strategic partners for exploration activities in various TPDC Blocks, including Mnazi Bay North, Eyasi Wembere, West Songo Songo, and Blocks 4/1B & 4/1C. TPDC is also preparing to be involved in the LNG development project, capitalizing on its participation interest and its roles as both a license holder and landlord.

In its midstream and downstream operations, TPDC, through GASCO, is committed to operating and maintaining the National Natural Gas Infrastructure (NNGI). This commitment ensures the efficient processing, transmission, and distribution of gas to end-users. TPDC is also focused on expanding the natural gas distribution infrastructure through pipeline construction and the use of Compressed Natural Gas (CNG). This expansion aims to support domestic gas utilization for power generation, industrial, institutional, and household use, as well as for CNG vehicles. The distribution infrastructure will be established in Mtwara, Lindi, Pwani, and Dar es Salaam. Additionally, the Corporation plans to implement a project to deliver CNG for vehicles in Morogoro and Dodoma through mobile CNG stations, which will be replenished by tube trailers from the CNG mother station currently under construction along Sam Nujoma Road.

TPDC is committed to the oil trading and marketing sector, continuing its involvement in the bulk importation of fuel through the Bulk Procurement System under PBPA, rehabilitating Tank No. 8, and implementing the EACOP project. Through its Oil Marketing Company, TANOIL, TPDC will also pursue oil marketing operations, explore new ventures such as LPG and lubricants, and engage in transit business to strengthen its industry position.

Our participation in bulk oil importation through TPDC and oil marketing through our subsidiary, TANOIL, will not only boost group profitability but also enhance transparency in the country's oil trading business (importation and distribution) and contribute to achieving security of oil supply.

A) Upstream Operations

I. Exploration Activities

- **Mnazibay North Block**

Mnazi Bay North Block has an area covering [506.7] km2 offshore Tanzania (< 1,000m water depth) and lies in a strategic location in the offshore Ruvuma Basin between the two gas discoveries of Mnazi Bay Gas Field and Block-1's Chaza-1 Gas discovery. The Block is close to the existing National Natural Gas Infrastructures (NNGI), comprised of processing and 551km transmission pipeline with an installed capacity of processing 210mmscfd and transporting 784mmscfd (when related 1002mmscfd) from Mtwara to Dar es Salaam respectively.

The block is covered by 131sqkm of 3D Seismic processed to pre-stack Time Migration (PSTM) and pre-stack Depth Migration (PSDM), of which the geophysical evaluation report suggests the presence of potential prospects estimated to contain 0.968TCF base case Gas Initial in Place (GIIP) as prospective volumes. TPDC focused on securing partners to advance exploration activities in the Block by drilling exploration wells in identified prospects. Several companies have shown interest and were engaged through data viewing to evaluate the potentiality of the Block and make decisions regarding partnering with TPDC in the Block. Currently, TPDC has finalised discussions with the FIRST E&P company for collaboration in maturing the prospects/leads in the Mnazi Bay North Block. Signing of the MoU is underway.

- **Eyasi Wembere Block**

The Eyasi Wembere Basin, located in northern Tanzania along the eastern branch of the Great East African Rift System, holds significant potential for Oil Discovery. Its geology, similar to that of the Albertine Basin in Uganda and the Lackcher Basin in Kenya, which have both been discovered to contain a commercial quantity of oil, is a source of excitement and anticipation for potential investors and partners.

TPDC has successfully acquired, processed, and interpreted 260-line km of 2D seismic data, which has enabled the delineation of potential areas for further exploration in the Block and the further planning and design of additional seismic surveys in the area. Of the planned 779 line km of additional 2D Seismic data, 430 line kilometers have been acquired to date, with the remaining 349 line-km scheduled for Q1 and Q2 of the 2025/26 Financial year. Additionally, TPDC has secured a consultant to process a total of 917.6 line km of 2D Seismic data. The interpretation of this data is expected to help identify drillable prospects in the Block.

- **West Songo Songo Block**

The West Songo Songo Block is located onshore/ near Shore Southern Tanzania (< 100m water depth) and lies about 10km west of the Songo Songo main gas-producing field, covering an area of [505.63] sq.km. Evaluation of existing 2D seismic data suggests the presence of a potential resource of 1.225 TCF Gas Initial in Place (GIIP) from two structures.

Using a consultant, the Corporation completed a review of geological and geophysical data in the West Songo Songo Block that led to the identification of two prospects (Chocha and Afisi) with the estimated prospective resource of GIIP of 1.225 TCF and prepared a drilling program. To better understand the subsurface and reduce risks associated with the identified leads/prospects before drilling, TPDC plans to acquire more data in the block, specifically 240 sq.km of 3D seismic. The procurement process for a contractor is underway, while the procurement of consultants to update the ESIA for 3D seismic acquisition is in its final stage, with a successful bidder already identified.

- **Block 4/1 B & 4/1C**

The blocks are located in the southeastern part of Tanzania, in ultra-deepwater with depths of up to 3 km, bordering Mozambique to the south. The Block is strategically located in the eastern part of Block 1 and the southern part of Block 2, where gas discoveries have been made and are now being prepared for development, operated by Shell and Equinor, respectively.

A preliminary technical evaluation of the Block was conducted using the available 2D seismic data (770.71 lines per kilometre), highlighting areas for further exploration. TPDC is looking for a partner to conduct additional exploration activities, appraise the field, and develop and produce the discovered resource. In an effort to secure partners to advance exploration activities in the Blocks, TPDC has requested that the Minister include the Blocks in the upcoming licensing round.

- **LNG Development**

The TLNG project, one of Tanzania's significant historical projects, is underway and is expected to cost nearly USD 43 billion. This project aims to commercialise substantial natural gas discoveries made in the deep offshore basin between 2010 and 2015 from blocks 1, 2, and 4 by reducing them to a liquid state through a cooling process for exportation and the utilisation of the portion locally through the Domestic Market Obligation (DMO). TPDC plays a crucial role in the consortium as an investor with a potential participation interest and as a license holder, as per the terms of the Agreements. Furthermore, TPDC will be the landholder and gas aggregator for the portion of DMO gas, underscoring its significant contribution to the project and instilling confidence in its successful execution.

In May 2023, an important milestone was achieved when the Government and International Energy Companies (IECs) initiated the draft documents for the Tanzania Liquefied Natural Gas TLNG Project. This progress, which is of utmost importance, sets the stage for further developments.

The parties agreed that the initialed would be subjected to the approval processes for the Government machinery and IEC Boards before signing. The Parties continue to re-engage in discussions and negotiate issues from the approval process. Upon reaching a final agreement, parties will sign and proceed into the implementation phase, starting with the Pre-FEED and FEED works, which will ultimately lead to the Final Investment Decision (FID). Based on a recent study by Stanbic Bank, the execution of this project is expected to generate USD 9 billion to USD 13 billion annually for the economy.

B) Mid and Downstream Operations

The Corporation implements mid and downstream operations in the aspects of oil and natural gas as described below:

1. Downstream Natural Gas Operations

During the period under review, the total amount of gas dispatched to power plants was 34,922.61 MMSCF, down from 51,741.75 MMSCF in 2023/24. For the industrial segment, a total of 9,003.44 MMSCF, down from 9,035.27 MMSCF in 2023-24 of gas was supplied to industrial customers in Dar es Salaam (Coca-Cola), Pwani (Goodwill Ceramics, Lodhia Steel, Knauf Gypsum, Raddy Fibre, LN Future, Balochistan, Sapphire Float Glass and Keda) and Mtwara (Dangote). For the vehicle segment, a total of 70.22 MMSCF, up from 8.66 MMSCF, was not only due to the operationalization of Daqa Dalbit CNG station in Dar es Salaam, which started operations in April 2025, but also an increase in the number of vehicles using CNG. A decrease in the quantity of gas supplied to Power Plants during the financial year is due to the increase in hydropower generated by the Julius Nyerere Hydropower Station. A total of 4.60 MMSCF, down from 6.77 MMSCF in 2023-24 was supplied to household customers in Dar es Salaam, Lindi and Mtwara and institutional customers for cooking, which include UDSM Cafeteria 1, Mtwara Technical Secondary School (MTSS), Mtwara Teachers College (MTC), Mtwara Technical Teachers College (MTTC) and the Lilungu Prison in Mtwara. Further, TPDC continued to implement natural gas distribution projects in three (3) Regions of Mtwara, Lindi, Pwani and Dar es Salaam.

In Mtwara Region, TPDC completed the Detailed Engineering Design and cost estimate of a 34.2 km raw gas pipeline project from the Ntorya gas field at Nanguruwe to the Madimba Gas Processing Plant. During the period, TPDC also completed the undertaking of an environmental and social impact assessment (ESIA) through a consultant. Furthermore, TPDC signed a contract with the contractor for the construction of the pipeline. Upon achieving the first gas from this project, additional gas production to the current production capacities of Mnazi Bay and Songo Songo will reinstate the supply capacity and allow new anchor customers, such as those that need large quantities of gas as feedstock (fertiliser and various petrochemicals plants) to be assured of gas availability in the long term.

In the Lindi Region, the EPC contractor (Lootah BC Gas LLC, whose contract was signed with TPDC in June 2024) completed the review of design for a project for connecting 451 and 529 households to a gas distribution network for cooking at Mnazi Mmoja, Lindi and Mkuranga, Pwani, respectively. This project is financed by REA through a grant contract between TPDC and REA, worth TZS 6,817,284,882.95, of which 60% has already been disbursed to TPDC. The EPC contractor also procured the project materials and commenced construction activities. During the reporting period, the progress at Lindi was 73%, at Mkuranga was 21%, and the overall combined progress was 43%. The construction activities are planned to be completed by December 2025. This project aims to increase TPDC's footprint in the contribution to clean energy sources for cooking.

In the Coastal Region, the projects for connecting a new industrial customer (KEDA (T) Ceramics Co. Ltd, Float Glass in Mkuranga) to the gas supply network were finalized, whereby the industry started consuming natural gas in August 2024. Activities related to surveys for industrial and CNGV customers, as well as cost estimates to connect new customers in Mkuranga, continued. This effort identified several potential customers, including Brilliant Sanitaryware, Kibo Ceramics, and Quality Packaging. A project to construct the natural gas distribution network connecting these three industrial customers will be implemented in FY 2025/26. In addition to that, procurement of the consultancy services to undertake gas pipeline wayleave identification, feasibility study with front-end engineering design (FEED) and ESIA for a high-pressure natural gas transportation pipeline from Dar es Salaam to Chalinze was completed by TPDC, signing a consultancy contract with Gulf Interstate Engineering Company (GIE) in collaboration with Paulsam Geo-Engineering Co. Ltd (PSG). The pipeline is expected to pass through various industrial zones/parks in Kibaha, Coast Region. The consultant is currently progressing through the root selection stage before proceeding with FEED, Feasibility Study, and ESIA, all of which are expected to be completed by December 2025. Procurement of an EPC contractor for the pipeline has been planned and budgeted for in the TPDC FY 2025/26 annual budget. According to a preliminary study conducted by TPDC in the financial year 2023/24, approximately 50 industrial customers in Kibaha and Chalinze were willing to switch from various energy sources to natural gas, thereby helping TPDC diversify its customer base.

In the Dar es Salaam Region, the Construction of one mother CNG station located on leased land of the University of Dar es Salaam, two CNG daughter receiving and storage stations for the utilization of gas by the Muhimbili National Hospital, Upanga area in Ilala and Kairuki Pharmaceutical Industry in Kibaha was ongoing during the reporting period. By June 30th, the mother station had started operations, whereas preparations for testing and commissioning had begun for Kairuki and Muhimbili daughter stations. Additionally, the project to connect 12 cafeterias at Mlimani City and 3 cafeterias and one laboratory at DUCE was implemented, with progress exceeding 95% by June 30, 2025.

Very importantly, during the reporting period, three (3) new Gas Sales Agreements (GSA) were negotiated and concluded with industrial customers, namely G&B Soap in Dar es Salaam, Brilliant Sanitaryware in Mkuranga and Kinglion in Kibaha (through CNG). In addition, a total of six (6) new GSA(s) were negotiated and concluded with private CNG station investors, namely Taqa Dalbit, Energo, BQ, TSNGH, Tanhealth and VIVO.

In the next financial year of 2025/26, Downstream Natural Gas Operations will continue to undertake the following activities:

I. Continue to supply natural gas to all connected customers (power generation plants, industries and commercial/non-commercial institutions, gas to CNG stations for vehicles as well as households;

II. Commissioning of two daughter stations (one at Muhimbili National Hospital and another at Kairuki Pharmaceutical Industry in Kibaha);

III. Supply and commissioning of mobile CNG stations for vehicles in Dar es Salaam (3), Morogoro (1) and Dodoma (2);

IV. Construction of gas supply infrastructure through GSACO to privately owned planned CNG stations, including BQ along Goba road and Energo along Coca Cola Road Mikocheni;

V. Supervision of gas supply infrastructure to privately owned planned CNG stations to be implemented through pre-financing arrangements (TANHEALTH station to be located at Mbezi Africana along Igesa road; Tanzania States Natural Gas Holding Company to be located at Kunguru Street adjacent to Goba road; PUMA stations at Mbezi Beach along Bagamoyo road, Mwenge junction to Sam Nujoma Road and Tegeta near IPTL power plant);

VI. Construction of the raw gas pipeline from the Ntorya gas field to the Madimba gas processing plant;

VII. Construction of a gas supply network for 451 households to the gas supply network for cooking at Mnazi Mmoja, Lindi, as well as 529 households at Mkuranga, Pwani;

VIII. Supervision of consultancy services contract for undertaking wayleave acquisition, front-end engineering design and construction project cost estimates, as well as environmental and social impact assessment for a high-pressure gas pipeline from Kinyerezi to Chalinze;

IX. Supervision of consultancy services contract for undertaking Detailed Engineering Design for natural gas distribution network at the Government City - Mtumba;

X. Procurement of EPC contractor for the construction of a high-pressure gas pipeline from Kinyerezi to Chalinze; and

XI. Procurement of EPC contractor for the construction of a natural gas distribution network at the Government City - Mtumba.

Planned projects under the Midstream and Downstream natural gas operations are aimed at:

I. Increase revenues and achieve targeted profitability levels of TPDC from the gas business portfolio.

II. Increase TPDC's contribution to the National Clean Energy Strategy, which was launched in May 2024.

III. Diversification of customer bases and stability of revenue projections while reducing over-reliance on one big anchor customer, such as TANESCO.

IV. Expand uses of Natural Gas as the choice source of transportation fuel by replacing petrol and diesel and hence contribute to reducing the balance of trade through the reduction in oil importation.

2. Downstream Oil Trading Operations

During the period under review, the following activities were achieved:

i. Bulk Oil Importation Operations

During the period under review, TPDC participated in Bulk Procurement System (BPS) tenders and won three bids weighing 308,713.68 metric tons, amounting to 579.8 billion.

ii. The East African Crude Oil Pipeline Project (EACOP)

The implementation phase of the East African Crude Oil Pipeline Project (EACOP) commenced following the signing of the Host Government Agreement in May 2021. The overcharging mandate for shareholders of EACOP Ltd to execute the Project was the signing of the Shareholders Agreement on 4th November 2021. TPDC is one of the four shareholders of EACOP Ltd, holding an equity interest of 15%. Other shareholders are Total Energies Holding EACOP SAS (62%), NPC Ltd (15%) and CEPME Ltd (8%). On 1 February 2022, the company's shareholders declared a Final Investment Decision (FID). Since the project's FID was attained, implementation of project activities continued. In the financial year 2024/25, TPDC and EACOP Company collaborated to deliver critical path milestones for the Project, achieving 62.5% compared to 39.6% reported during the previous financial year, 2023/24.

Project activities that progressed included securing external debt to the tune of USD 2.89 billion during the year, signalling the smooth implementation of the project. Main Camps Yard (MCY) construction works have achieved 84.6% progress. Construction of Above Ground Installations (AGIs) progressed to earn 54.6% up from 17% reported in June 2024. Pipeline welding reached 405 km, out of which 140km is coated and 43km is laid. The Construction of a Thermal Insulation System (TIS) Plant is now 100% complete, up from 81% reported in June 2024. TIS Plant lines 1 and 2 are running smoothly, with a cumulative production of 825km, out of which 748km has been released to MCPYs. The engineering design for the Terminal and Tanks has progressed to 86% and 91%, respectively. The construction of four (4) tanks with the capacity to store 2 million barrels is at different stages of finalising their construction. Both Terminal and Tanks achieved 34.3% and 79.3% progress, respectively, compared to 14% and 49% progress of the actual work, as reported in June 2024.

The engineering design for the jetty reached 85.2%, compared to 75.4% reported in June 2024. The actual work of piling installation earned 44% towards June 2024.

During the year, TPDC paid off its initial equity investment to the company, amounting to USD 374.8 million (89.1%), equivalent to TZS 981.35 billion, compared to USD 324.73 million (77.2%) reported in June 2024. TPDC, as a Shareholder, will continue to honour its obligation under the Shareholders' Agreement.

The EACOP project offers opportunities to local people by enhancing local enterprise value, creating employment, and transferring skills to youths. The opportunities created will last longer, resulting in long-term benefits for the country in terms of economic growth. In terms of monetary value, the government is expected to receive income generated from dividends on 15% TPDC's share investment in the company, land lease fee based on the existing agreement with EACOP, and various taxes and fees based on the agreed IGA and the HGA regimes.

In the year 2025/26, TPDC will continue to work with the Project Company in delivering key project milestones, including the finalisation of payment of Land Compensation for the remaining 58 PAP and closely monitoring of the project delivery plan in 2026.

iii. Oil Marketing

During the reporting year, TANOIL implemented the turn-around strategy by reducing the cargo size to match customers' demand with the supply side selling 29.6 million litres compared to 62.5 litres sold in the year 2023/2024, preparing manuals, policies, business plan and other guiding documents for the company operations, collecting outstanding debts amounting to TZS 2.32 billion from defaulting customers out of TZS 20 billion that was outstanding as at 30 June 2024, made a gross profit of TZS 5.9 billion compared to a gross profit of TZS 10.6 billion reported in 2023/24 and paid taxes amounting to TZS 31 billion, Signed 9 contracts, whereby 3 contracts with bank guarantee were implemented. Further details of TANOIL's performance are presented in Note 9 of the financial statements.

iv. Strategic Petroleum Reserve (SPR)

In June 2024, a Consortium comprising multiple government entities, including the President's Office, the Ministry of Finance, the Ministry of Energy, the Energy and Water Utilities Regulatory Authority, the Bank of Tanzania, the Petroleum Bulk Procurement Agency, the Tanzania Petroleum Development Corporation, and TANOIL, was established. This collaborative endeavour exemplifies the corporation's dedication to engaging all relevant stakeholders in its strategic initiatives.

The initial draft report on establishing the SPR has been completed, and TPDC has already submitted it to the Permanent Secretary of the Ministry of Energy for review. Furthermore, the Ministry is responsible for coordinating the process of collecting feedback from key stakeholders, including government agencies such as the Ministry of Finance, the Treasury Registrar's Office, the Central Bank, TRA, EWURA, PBPA, and TPA, among others.

3. Midstream Natural Gas Operations

The Corporation owns natural gas processing plants and pipelines operated and maintained by its subsidiary company (GASCO). The plant facilities are located at Madimba (Mtwara region) and Songo Songo (Lindi region), with a processing capacity of 210 MMSCFD (3 trains) and 140 MMSCFD (2 trains), respectively. The pipeline infrastructures consist of 36", 24" and 16" pipelines with a length of 551km from Mtwara and Songo Songo to Dar es Salaam, designed to transport 784 MMSCFD of natural gas and up to 1,002MMSCFD with the introduction of a compression facility. Additionally, GASCO operates several medium- and low-pressure pipeline networks and the associated facilities that transport natural gas to power, industrial, domestic, and CNG customers in the Dar es Salaam, Mtwara, Lindi, and Coast regions.

Assuring the availability of natural gas for downstream customers is the primary function of GASCO on behalf of TPDC. In the year under review, we conducted operations and maintenance of the infrastructure with prudence, resulting in the NNGI being maintained at 100% availability. A total volume of 41,096.59 MMSCF of natural gas was received for processing, with the Madimba plant receiving 33,192.97 MMSCF from the Mnazi Bay gas field, and the Songo Songo plant receiving 7,903.62 MMSCF from the Songo Songo gas field. A total quantity of 40,824.45 MMSCF was exported through the pipeline to customers, with the Madimba and Songo Songo processing plants exporting a combined total of 33,081.77 MMSCF and 7,742.67 MMSCF, respectively. Additionally, 3,062 tons of condensate were produced from both the Madimba and Songo Songo processing plants, demonstrating the efficiency of our operations.

i. FINANCIAL PERFORMANCE FOR THE YEAR

The Group's total revenue for the financial year 2024/25 increased by 20%, rising to TZS 1.43 trillion from TZS 1.19 trillion in the financial year 2023/24. This increase was primarily driven by an increase in fuel sales within the Bulk Oil Business and PSA revenue. Bulk oil importation is inherently competitive and operates on a tendering system, where contracts are awarded through a bidding process. This process introduces a significant level of uncertainty, as the outcome of tenders is subject to factors beyond the corporation's control, such as market conditions, competitor strategies, and regulatory changes. Consequently, the corporation managed to secure two tenders for the year ended June 30, 2025, thereby being a major contributing factor to the increase in revenue for the period.

The Group's net profit for the financial year 2024/25 was TZS 73 billion, a decline of 70% compared to the TZS 248.75 billion recorded in 2023/24. A decrease largely attributed to a decrease in natural gas sales from TZS 734.38 billion to TZS 639.76 billion, a decrease in protected gas sales from TZS 27.76 billion to TZS 5.17 billion, deferred income tax liability adjustment amounting to TZS 15.57 billion and an appreciation of TZS against USD during the year, leading to a decrease in net foreign exchange gain from TZS 160.41 billion to TZS 9.53 billion.

The Corporation recorded a net profit of TZS 72.24 billion in its standalone financial statements for the year 2024/25, compared to TZS 249.42 billion in the previous year.

On the subsidiary side of Note 9, noteworthy is the performance of GASCO, which recovered from a loss of TZS 1.33 billion in 2023/24 to post a profit of TZS 2.12 billion in 2024/25. This recovery underscores the effective strategies implemented by GASCO in response to market challenges and its improved operational efficiency. Additionally, TANOIL reported a net loss of TZS 1.15 billion for the 2024/25 fiscal year, compared to a profit of TZS 657 million in the previous year.

As of 30 June 2025, the Group's total assets amounted to TZS 5.39 trillion, up from TZS 5.05 trillion recorded in 2024. This asset increase was driven by growth in both current and non-current assets. Key drivers to this growth were an increase in the cash and cash equivalents balance, trade and other receivables, and increased investment in associates (EACOP) during the year.

The Group's total liabilities as of 30 June 2025 were TZS 1.28 trillion, an increase from TZS 1.13 trillion reported in the previous year. This rise in liabilities is primarily due to increased trade and other payables, reflecting higher operational and capital expenditure.

The Group closed the financial year with cash and cash equivalents amounting to TZS 378.42 billion, reflecting an increase of TZS 145 billion from the TZS 233.40 billion reported in 2023/24. Despite the increase in cash at the end of the period, the cash balance could have been reported higher. However, over the period, it has been tied up by long overdue debt from the anchor gas customer, TANESCO. The strategies to recover the debt from TANSECO to improve cash flow are elaborated in Note 14 of the financial statements. The available cash balance is strategically allocated to fund significant capital expenditures related to key development projects. These include the LNG project, the East African Crude Oil Pipeline (EACOP), the Mnazi Bay North exploration, the Eyasi Wembere basin exploration, and the Gas distribution project. The commitment of these funds underscores the Group's focus on advancing its strategic initiatives and ensuring the continued growth and expansion of its operations.

The table below highlights key financial performance indicators for the financial year 2024/25.

S/N	Description	2024/25	2023/24	2022/23
	Liquidity Ratios			
1	Current ratio	1.69	1.66	1.53
2	Quick ratio	1.59	1.57	1.50
	Profitability Ratios			
3	Revenue Growth (%)	20%	(31.71%)	(1.73%)
4	Gross Profit Margin (%)	16%	26%	11%
5	Net Profit Margin	5%	30%	2%
	Leverage Ratios			
6	Debt to Assets ratio	0.24	0.22	0.21
7	Debt to Equity ratio	0.31	0.28	0.26
	Efficiency Ratios			
8	Return on Asset	1%	5%	1%
9	Return on Equity	2%	7%	3%

From the above table, the key financial ratios are interpreted as follows;

(i) Liquidity Ratios

The liquidity ratios measure the Group's ability to meet its short-term obligations as they become due. The current and quick ratios show improvements over the past three financial years, indicating a stronger liquidity position:

- **Current Ratio**: The Group's current ratio was 1.69 in 2024/25, compared to 1.66 in 2023/24 and 1.53 in 2022/23. This indicates that for every TZS 1 of liabilities, the Group had TZS 1.69 of current assets to cover them. This improvement signifies enhanced short-term financial health.

- **Quick Ratio**: The quick ratio increased to 1.59 in 2024/25 from 1.57 in 2023/24 and 1.50 in 2022/23. Excluding inventory from current assets, this ratio also indicates that the Group has sufficient liquid assets to cover its immediate liabilities. A quick ratio above 1 indicates the company's ability to handle short-term obligations without relying on inventory sales.

(ii) Profitability Ratios

Profitability ratios provide insight into the Group's ability to generate earnings relative to its revenue and costs:

- **Revenue Growth:** The Group experienced an increase in revenue growth, with an increase of 20% in 2024/25 compared to a decline of 31.71% in 2023/24. This drop reflects the Group's top-line performance challenges, primarily driven by reduced fuel sales in the Bulk Oil and Oil Marketing Business.

- **Gross Profit Margin**: In 2024/25, our gross profit margin stood at 16%. This represents a notable decline compared to the 26% achieved in 2023/24, though it is an improvement over the 11% reported in 2022/23. The primary cause of this year decrease is mainly due to a drop in natural gas sales from TZS 734.38 billion to TZS 639.76 billion and a decline in protected gas sales from TZS 27.76 billion to TZS 5.17 billion. This occurred despite a total revenue increase of TZS 233.47 billion, largely driven by the bulk petroleum business. The table below highlights the main products that contributed the most to the overall gross profit for the financial year ended 30 June 2025.

- **Net Profit Margin:** The Group's net profit margin for the year 2024/25 is 5%. This figure represents a decrease when compared to previous years, specifically from 30% in 2023/24 though it is an improvement over the 2% reported in 2022/23. A decrease largely attributed to a decrease in natural gas sales from TZS 734.38 billion to TZS 639.76 billion, a decrease in protected gas sales from TZS 27.76 billion to TZS 5.17 billion, deferred income tax liability adjustment amounting to TZS 15.57 billion and an appreciation of TZS against USD during the year, leading to a decrease in net foreign exchange gain from TZS 160.41 billion to TZS 9.53 billion. We are actively monitoring this trend and evaluating its impact on our overall financial performance.

(iii) Leverage Ratios

Leverage ratios assess the degree to which the Group's assets are financed by debt and equity:

- **Debt to Assets Ratio:** The debt to assets ratio slightly improved to 0.24 in 2024/25 compared to 0.22 in 2023/24. This indicates that 23% of the Group's assets were financed by debt, a manageable level that shows prudent debt management.

- **Debt to Equity Ratio**: The debt-to-equity ratio was 0.31 in 2024/25, slightly lower than 0.28 in 2023/24 and higher than 0.26 in 2022/23. This indicates that the Group's reliance on debt relative to equity remains low, reflecting a stable capital structure and reduced financial risk.

(iv) Efficiency Ratios

Efficiency ratios are financial metrics that measure how well a Corporation uses its Assets and Equity to generate profits.

- **Return on Equity:** The ROE stands at 2%, which is a decrease compared to the 7% recorded in the previous year. This change is primarily due to a decline in our gross profit margin, which has decreased by TZS 78.95 billion from last year. The current year's 3% ROE reflects a more normalized operational performance, without the benefit of extraordinary gains from foreign exchange that contributed to last year's higher ROE.

- **Return on Asset:** The Return for the current year is 1%, which represents a decrease compared to the 5% ROA achieved in the previous year. This change is primarily attributable to an abnormal profit from foreign exchange gains recorded in the prior year. The higher ROA in the previous period was influenced by this non-recurring foreign exchange gain, which boosted the net income and, consequently, the ROA for that year. The current year's 2% ROA indicates a more normalized operational performance without the benefit of such extraordinary gains.

(v) Significant Aspects of the statement of profit or loss.

(a) Revenue

The Corporation's total revenue during the year ended 30 June 2025 was TZS 1.43 trillion (30 June 2024: TZS 1.19 trillion), which is an increase of TZS 235.27 billion, equivalent to 20%. During the year, revenue collected from the sale of natural gas and protected gas decreased by TZS 111.45 billion due to a decline in natural gas consumption. Meanwhile, the increase in revenue was largely attributed to an increase in fuel sales through the Bulk Procurement System (BPS), where the Corporation won three cargoes compared to one cargo won in 2024.

(b) Cost of Goods Sold

The Corporation's cost of goods sold for the year ended June 30, 2025, was TZS 1,198 billion (as of June 30, 2024: TZS 882.84 billion), representing an increase of TZS 315.16 billion, equivalent to 36%. During the year, the purchase of natural gas declined significantly by TZS 45.02 billion; meanwhile, the upturn in fuel purchases, amounting to TZS 341.68 billion through the Bulk Procurement System (BPS), contributed to the increase.

(c) Other Income

The Corporation's income from other sources of revenue during the year ended June 30, 2025, was TZS 32.11 billion (June 30, 2024: TZS 224.04 billion), representing a decline of TZS 191.92 billion, equivalent to 86%. This decrease resulted from a decline in foreign exchange gains of TZS 148.25 billion from the previous year.

(d) Other Expenses

The Corporation's operating expenses for the year ended 30 June 2025 amounted to TZS 154.62 billion (30 June 2024: TZS 170.19 billion). The major components of expenditure during the year were:

(i) Staff Cost amounted to TZS 52.86 billion (30 June 2024: TZS 48.17 billion); this increase of 8% was attributed to the addition of staff recruited through PSRS.

(ii) Transport and travel expenses amounted to TZS 19.06 billion (30 June 2024: TZS 14.16 billion), a 29% increase attributed to the increased number of implemented projects during the period compared to the previous year.

(iii) Tax assessment amounted to TZS 4.93 billion (30 June 2024: TZS 5.31 billion). This significant decline was attributed by the ongoing tax audit exercise that was still ongoing as at 30th June 2025. Hence, no significant tax assessment was received during the year.

(iv) Profit for the year was TZS 73 billion (30 June 2024: TZS 248.75 billion). A decrease largely attributed to a decrease in natural gas sales from TZS 734.38 billion to TZS 639.76 billion, a decrease in protected gas sales from TZS 27.76 billion to TZS 5.17 billion, deferred income tax liability adjustment amounting to TZS 15.57 billion and an appreciation of TZS against USD during the year, leading to a decrease in net foreign exchange gain from TZS 160.41 billion to TZS 9.53 billion.

(vi) Significant Aspects of Statement of Financial Position

(a) Cash and Cash Equivalents

The Corporation closed the financial year with cash and cash equivalents amounting to TZS 378.42 billion, reflecting an increase of TZS 145 billion from the TZS 233.40 billion reported in 2023/24. Despite the increase in cash at the end of the period, the cash balance could have been reported higher. However, over the period, it has been tied up by long overdue debt from the anchor gas customer, TANESCO. The strategies for recovering debt from TANESCO to improve cash flow are elaborated in Note 14 of the financial statements. The available cash balance is strategically allocated to fund significant capital expenditures related to key development projects. These include the LNG project, the East African Crude Oil Pipeline (EACOP), the Mnazi Bay North exploration, the Eyasi Wembere basin exploration, and the Gas distribution project. The commitment of these funds underscores the Group's focus on advancing its strategic initiatives and ensuring the continued growth and expansion of its operations.

(b) Trade and Other Receivables

The analysis of the recorded performance on receivables as at 30 June 2025 indicates that the Corporation had cumulative receivables and prepayments of TZS 1.62 trillion (30 June 2024: TZS 1.53 trillion), consisting of financial assets of TZS 1.54 trillion (30 June 2024: TZS 1.46 trillion) and non-financial assets of TZS 79.82 billion (30 June 2024: TZS 71.31 billion). During the year, TPDC recognized an additional receivable of TZS 93.12 billion in respect of the amount paid to EACOP as a project cash call on behalf of the Government and the amount paid to the transaction advisor of the LNG project on behalf of the Government.

Additionally, the prepayments comprise USD 27.18 million advanced by TPDC to Maurel & Prom as an interim guarantee to secure gas purchases from the Mnazi Bay gas field. The Gas Sales Agreement (GSA) signed in Sept. 2014 between TPDC and Other Mnazi bay partners (Sellers) requires the buyer (TPDC) to provide payment security (guarantee) to secure gas purchases from the field Since the security could not be obtained timely, parties mutually agreed to allow for an interim arrangement where TPDC advanced a sum of USD 27.18 into M&P account in August 2015. The guarantee shall be drawn by Sellers in case the buyer defaults in settling invoices within the due dates.

(c) Property and Equipment

The property and equipment during the year ended 30 June 2025 stood at TZS 2.13 trillion (30 June 2024: TZS 2.14 trillion). The difference was attributed to depreciation charges made during the year.

(d) Intangible Assets

As of 30 June 2025, the intangible assets were TZS 1.67 billion (30 June 2024: TZS 866 million). The difference was attributed to the addition of exploration and accounts software acquired during the year.

(e) **Trade and Other Payables**

The payables as of 30 June 2025 were TZS 460.53 billion (30 June 2024: TZS 402.85 billion), with the major part of the payables payable to related parties, largely attributed to the payable to the Oil and Gas Fund, which is derived from the natural gas purchase.

(f) **Overall Performance**

As of 30 June 2025, the Group's total assets amounted to TZS 5.39 trillion, up from TZS 5.05 trillion recorded in 2024. This asset increase was driven by growth in both current and non-current assets. Key drivers to this growth were an increase in the cash and cash equivalents balance, trade and other receivables, and increased investment in associates (EACOP) during the year.

The Group's total liabilities as of 30 June 2025 were TZS 1.28 trillion, an increase from TZS 1.13 trillion reported in the previous year. This rise in liabilities is primarily due to increased trade and other payables, reflecting higher operational and capital expenditure.

The general financial performance indicates that the Corporation's existing sources of revenue can sustain the execution of its functions. However, the Corporation shall continue to closely monitor its current sources of revenue and explore other sources of revenue to enable it to sustain its public services, monitor expenditure operations, and control expenses within approved budgets.

ii. LEVEL OF CAPITAL EXPENDITURE

During the reporting period, the Corporation spent TZS 136.16 billion being capital injection to EACOP, TZS 66.40 billion spent on the acquisition of PPE whereas TZS 603 million spent on the acquisition of motor vehicles, TZS 2.96 billion spent on furniture, fittings and equipment, TZS 1.93 billion spent on Computer Hardware, and TZS 58.92 billion spent on exploration activities such as Eyasi Wembere, Ntorya, and Lindi-Mtwara. Additionally, the corporation acquired land valued at TZS 168 million.

iii. DESCRIPTION OF BUDGET INFORMATION

The Corporation's approved revenue estimate for FY 2024/25 was TZS 2.91 trillion, down from TZS 3.76 trillion in FY 2023/24. Actual collections in FY 2024/25 amounted to TZS 1.43 trillion, representing 49% of the approved budget, compared to TZS 1.19 trillion or 32% of the budget in FY 2023/24. The improvement in collections is primarily attributable to higher revenue from the oil business under the Bulk Procurement System.

The Corporation's approved expenditure estimate for FY 2024/25 was TZS 2.91 trillion, compared to TZS 3.76 trillion in FY 2023/24. Actual expenditure in FY 2024/25 amounted to TZS 1.62 trillion, representing 56% of the approved budget, compared with TZS 1.50 trillion, or 40% of the budget, in FY 2023/24.

iv. ANALYSIS OF CORPORATION'S EXTERNAL ENVIRONMENT

The external environment refers to all factors outside the corporation's control that may have positive or negative effects on achieving the corporation's goals. Below are the analysed external environments:

Political Aspects

Tanzania is generally politically stable. Government policy clearly supports oil and gas as strategic sectors. Flagship projects such as the USD 3.5 billion EACOP pipeline and the National Clean Cooking Strategy, which targets 80% clean cooking by 2034, show long-term commitment to hydrocarbons and gas-for-development. This creates a strong opportunity for TPDC to grow through state-backed and regional projects, but also raises expectations and reputational risk if delivery falls behind policy commitments. At the same time, global geo-political tensions and conflicts can disrupt supply chains, increase energy price volatility and affect TPDC's project costs and schedules, as reflected in the Corporation's geo-political risk category.

Economic Aspects

Tanzania's GDP is growing at about 5-6% per year, supported by large public infrastructure projects, rising private investment and structural reforms. This growth is increasing demand for petroleum products and natural gas in power, industry, transport and households, and energy demand is expected to keep rising in line with industrialisation and urbanisation. Oil and gas will therefore remain important sources of revenue, foreign exchange and jobs. For TPDC, this offers room to expand domestic monetisation of resources, but also exposes it to macro risks such as FX volatility, fiscal pressure and international price swings that can delay or weaken projects.

Social Aspects

Tanzania had about 61.7 million people in 2022 and is growing at roughly 3.2% a year. The population could reach around 89 million by 2035, with more people living in towns and cities. A growing urban middle class and the 80% clean-cooking target are increasing demand for reliable, affordable, and cleaner fuels such as LPG and gas. This creates strong demand opportunities for TPDC, but also social risks if access, affordability, and last-mile delivery do not meet public and Government expectations.

Technological Aspects

Digital and advanced technologies are changing how oil and gas companies operate worldwide. Tools such as IoT, data analytics, AI/ML, robotics, and 3D modelling can improve recovery, reduce non-productive time, and enhance safety. In Tanzania, wider use of these technologies can also optimise gas-based power and existing midstream and ownstream infrastructure. For TPDC, this is a chance to move toward data-driven operations and greater efficiency, but it is also a risk if the Corporation lags behind peers in digital adoption, cybersecurity, and specialised skills.

Environmental Aspects

Global decarbonisation efforts and net-zero targets around 2050 are reshaping how investors and markets view fossil fuels. Tanzania still relies heavily on biomass and fossil fuels, and natural gas is positioned as a cleaner alternative to heavy fuels and traditional biomass, especially in power generation and clean cooking. Over time, stricter climate policies and changing investor expectations will increase pressure on emissions and long-lived fossil assets, creating a risk of stranded resources and underused infrastructure if TPDC's portfolio is not aligned with lower-carbon pathways. At the same time, the global clean-energy agenda opens opportunities in renewables, alternative fuels and nature-based solutions, as captured in the Corporation's HSSE and sustainability risks and in the opportunity on the "Global Agenda on Clean Energy (Net zero carbon emission by 2050)".

Legal Aspects

TPDC operates under a broad legal framework led by the Petroleum Act and related regulations. The framework secures State participation, supports local content and allows domestic gas supply and pricing to reflect national development goals, not only market forces. At the same time, laws such as the Public Procurement Act and environmental regulations can lengthen procurement and approval processes and increase compliance costs. This framework is a structural opportunity for TPDC to embed national priorities and local content in all projects, but also a regulatory risk to schedules and bankability if legal complexity and procedural bottlenecks are not well managed.

2.8 FUTURE DEVELOPMENTS

TPDC is embarking on the implementation of its long-term corporate strategic plan, with the overarching aim of achieving sustainable growth as a commercial State-Owned Enterprise (SOE). This involves securing a reliable, accessible, and affordable energy supply by pioneering new opportunities in the oil and gas sector, such as virtual connections and regional pipelines, and maximizing the value of existing oil and gas resources. The objective is to expand the current oil and gas product and service portfolio, establishing both regional connectivity and a global presence.

The corporation's new strategies are built upon a foundation of responsible practices. These strategies are designed to enhance workplace health, safety, and environmental standards, fulfil social responsibilities, and strengthen governance. These initiatives are expected to foster industry growth, create millions of jobs in Tanzania, and enhance the country's foreign exchange position. We are confident that these goals will have a significant positive economic impact. Furthermore, we are committed to providing consumers with lower energy costs while simultaneously ensuring energy security.

The corporation is focused on strategically accelerating gas production for commercial purposes.

It intends to actively participate in the development of the Ntorya field, aiming for at least a 15% interest in partnership with ARA Petroleum Tanzania Limited, with the goal of delivering natural gas by 2025. Additionally, the corporation is seeking exploration licenses and strategic partners for exploration activities in various TPDC Blocks, including Mnazi Bay North, Eyasi Wembere, West Songo Songo, and Blocks 4/1B & 4/1C. TPDC is also preparing to be involved in the LNG development project, capitalizing on its participation interest and its roles as both a license holder and landlord.

In its midstream and downstream operations, TPDC, through GASCO, is committed to operating and maintaining the National Natural Gas Infrastructure (NNGI). This commitment ensures the efficient processing, transmission, and distribution of gas to end-users. TPDC is also focused on expanding the natural gas distribution infrastructure through pipeline construction and the use of Compressed Natural Gas (CNG). This expansion aims to support domestic gas utilization for power generation, industrial, institutional, and household use, as well as for CNG vehicles. The distribution infrastructure will be established in Mtwara, Lindi, Pwani, and Dar es Salaam. Additionally, the Corporation plans to implement a project to deliver CNG for vehicles in Morogoro and Dodoma through mobile CNG stations, which will be replenished by tube trailers from the CNG mother station currently under construction along Sam Nujoma Road.

TPDC is committed to the oil trading and marketing sector, continuing its involvement in the bulk importation of fuel via the Bulk Procurement System under PBPA, rehabilitating Tank No.8, and implementing the EACOP project. Through its Oil Marketing Company, TANOIL, TPDC will also pursue oil marketing operations, explore new ventures such as LPG and lubricants, and engage in transit business to strengthen its industry position.

Our participation in bulk oil importation through TPDC and oil marketing through our subsidiary, TANOIL, will not only boost group profitability but also enhance transparency in the country's oil trading business (importation and distribution) and contribute to achieving security of oil supply.

A. Upstream Operations

III. Exploration Activities

- **Mnazi Bay North Block**

Mnazi Bay North Block has an area covering [506.7] km2 offshore Tanzania (< 1,000m water depth) and lies in a strategic location in the offshore Ruvuma Basin between the two gas discoveries of Mnazi Bay Gas Field and Block-1's Chaza-1 Gas discovery.

The Block is close to the existing National Natural Gas Infrastructures (NNGI) comprised of processing and 551km transmission pipeline with an installed capacity of processing 210mmscfd and transporting 784mmscfd (when related 1002mmscfd) from Mtwara to Dar es salaam respectively.

The block is covered by 131sqkm of 3D Seismic processed to pre-stack Time Migration (PSTM) and pre-stack Depth Migration (PSDM), of which the geophysical evaluation report suggests the presence of potential prospects estimated to contain 0.968TCF base case Gas Initial in Place (GIIP) as prospective volumes. TPDC focused on securing partners to advance exploration activities in the Block by drilling exploration wells in identified prospects. Several companies have shown interest and were engaged through data viewing to evaluate the potentiality of the Block and make decisions regarding partnering with TPDC in the Block. Currently, TPDC has finalized discussion with FIRST E&P company for collaboration in maturing the prospects/leads in the Mnazi Bay North Block. Signing of MoU is underway.

- **Eyasi Wembere Block**

The Eyasi Wembere Basin, located in northern Tanzania along the eastern branch of the Great East African Rift System, holds significant potential for Oil Discovery. Its geology, similar to that of the Albertine Basin in Uganda and the Lackcher Basin in Kenya, which have both discovered a commercial quantity of oil, is a source of excitement and anticipation for potential investors and partners.

TPDC has successfully acquired, processed and interpreted 260-line km of 2D seismic data that has enabled delineation of potential areas for further exploration in the Block and further planning and design of additional seismic surveys in the area. Of the planned 779 line km of additional 2D Seismic data, 430 line kilometers have been acquired to date, with the remaining 349 line-km scheduled for Q1 and Q2 of the 2025/26 Financial year. Additionally, TPDC has secured a consultant to process a total of 917.6 line km of 2D Seismic data. The interpretation of this data is expected to help identify drillable prospects in the Block.

- **West Songo Songo Block**

The West Songo Songo Block is located onshore/ near Shore Southern Tanzania (< 100m water depth) and lies about 10km west of the Songo Songo main gas-producing field, covering an area of [505.63] sq.km. Evaluation of existing 2D seismic data suggests the presence of a potential resource of 1.225 TCF Gas Initial in Place (GIIP) from two structures.

Using a consultant, the Corporation completed a review of geological and geophysical data in the West Songo Songo Block that led to the identification of two prospects (Chocha and Afisi) with the estimated prospective resource of GIIP of 1.225 TCF and prepared a drilling program.

To better understand the subsurface and reduce risks associated with the identified leads/prospects before drilling, TPDC plans to acquire more data in the block, specifically 240 sq.km of 3D seismic. The procurement process for a contractor is underway, while the procurement of consultants to update the ESIA for 3D seismic acquisition is in its final stage, with a successful bidder already identified.

- **Block 4/1 B & 4/1C**

The blocks lie in the southeastern part of Tanzania in the ultra-deep water with a depth of up to 3 km, bordering Mozambique to the south. The Block is strategically located in the eastern part of Block 1 and the southern part of Block 2, operated by Shell and Equinor, respectively, where gas discoveries have been made and are now in preparation for development.

A preliminary technical evaluation of the Block was conducted using the available 2D seismic data (770.71 lines per kilometre), highlighting areas for further exploration. TPDC is looking for a partner to conduct additional exploration activities, appraise the field, and develop and produce the discovered resource. In efforts to secure partners to advance exploration activities in the Blocks, TPDC has requested that the Minister include the Blocks in the upcoming licensing round.

- **LNG Development**

The TLNG project, one of Tanzania's significant historical projects, is underway and is expected to cost nearly USD 43 billion. This project aims to commercialise substantial natural gas discoveries made in the deep offshore basin between 2010 and 2015 from blocks 1, 2, and 4 by reducing them to a liquid state through a cooling process for exportation and the utilisation of the portion locally through the Domestic Market Obligation (DMO). TPDC plays a crucial role in the consortium as an investor with a potential participation interest and as a license holder, as per the terms of the Agreements. Furthermore, TPDC will be the landholder and gas aggregator for the portion of DMO gas, underscoring its significant contribution to the project and instilling confidence in its successful execution.

In May 2023, an important milestone was achieved when the Government and International Energy Companies (IECs) initiated the draft documents for the Tanzania Liquefied Natural Gas TLNG Project. This progress, which is of utmost importance, sets the stage for further developments. The parties agreed that the initiative would be subjected to the approval processes of government machinery and the IEC Boards before signing. The Parties continue to re-engage in discussions and negotiate issues from the approval process. Upon reaching a final agreement, parties will sign and proceed into the implementation phase, starting with the Pre-FEED and FEED works, which will ultimately lead to the Final Investment Decision (FID). Based on a recent study by Stanbic Bank, the execution of this project is expected to generate USD 9 billion to USD 13 billion annually for the economy.

B. Mid and Downstream Operations

The Corporation implements mid and downstream operations in the aspects of oil and natural gas as described below:

1: Downstream Natural Gas Operations

During the period under review, the total amount of gas dispatched to power plants was 34,922.61 MMSCF, down from 51,741.75 MMSCF in the previous year. For the industrial segment, a total of 9,003.44 MMSCF, down from 9,035.27 MMSCF in 2023-24 of gas was supplied to industrial customers in Dar es Salaam (Coca-Cola), Pwani (Goodwill Ceramics, Lodhia Steel, Knauf Gypsum, Raddy Fibre, LN Future, Balochistan, Sapphire Float Glass and Keda) and Mtwara (Dangote). For the vehicle segment, a total of 70.22 MMSCF, up from 8.66 MMSCF, was not only due to the operationalisation of Daqa Dalbit CNG station in Dar es Salaam, which started operations in April 2025, but also an increase in the number of vehicles using CNG. A decrease in the quantity of gas supplied to Power Plants during the financial year is due to the increase in hydropower generated by the Julius Nyerere Hydropower Station. A total of 4.60 MMSCF, down from 6.77 MMSCF in 2023-24 was supplied to household customers in Dar es Salaam, Lindi and Mtwara and institutional customers for cooking, which include UDSM Cafeteria 1, Mtwara Technical Secondary School (MTSS), Mtwara Teachers College (MTC), Mtwara Technical Teachers College (MTTC) and the Lilungu Prison in Mtwara. Further, TPDC continued to implement natural gas distribution projects in four (4) Regions of Mtwara, Lindi, Pwani and Dar es Salaam.

In Mtwara Region, TPDC completed the Detailed Engineering Design and cost estimate of a 34.2 km raw gas pipeline project from the Ntorya gas field at Nanguruwe to the Madimba Gas Processing Plant. During this period, TPDC also completed an environmental and social impact assessment (ESIA) through a consultant. Furthermore, TPDC signed a contract with the contractor for the construction of the pipeline. Upon achieving the first gas from this project, additional gas production to the current production capacities of Mnazi Bay and Songo Songo will reinstate the supply capacity and allow new anchor customers, such as those that need large quantities of gas as feedstock (fertiliser and various petrochemicals plants), to be assured of gas availability in the long term.

In the Lindi Region, the EPC contractor (Lootah BC Gas LLC, whose contract was signed with TPDC in June 2024) completed the review of design for a project for connecting 451 and 529 households to a gas distribution network for cooking at Mnazi Mmoja, Lindi and Mkuranga, Pwani, respectively. This project is financed by REA through a grant contract between TPDC and REA, worth TZS 6,817,284,882.95, of which 60% has already been disbursed to TPDC. The EPC contractor also procured the project materials and commenced construction activities.

During the reporting period, the progress at Lindi was 73%, at Mkuranga was 21%, and the overall combined progress was 43%. The construction activities are planned to be completed by December 2025. This project aims to increase TPDC's footprint in the contribution to clean energy sources for cooking.

In the Coastal Region, the projects for connecting a new industrial customer (KEDA (T) Ceramics Co. Ltd, Float Glass in Mkuranga) to the gas supply network were finalized, whereby the industry started consuming natural gas in August 2024. Activities related to surveys for industrial and CNGV customers, as well as cost estimates to connect new customers in Mkuranga, continued. This effort identified several potential customers, including Brilliant Sanitaryware, Kibo Ceramics, and Quality Packaging. A project to construct the natural gas distribution network connecting these three industrial customers will be implemented in FY 2025/26. In addition to that, procurement of the consultancy services to undertake gas pipeline wayleave identification, feasibility study with front-end engineering design (FEED) and ESIA for a high-pressure natural gas transportation pipeline from Dar es Salaam to Chalinze was completed by TPDC signing a consultancy contract with Gulf Interstate Engineering Company (GIE) in collaboration with Paulsam Geo-Engineering Co. Ltd (PSG). The pipeline is expected to pass through various industrial zones/parks in Kibaha, Coast Region. The consultant is currently progressing through the root selection stage before proceeding with FEED, Feasibility Study, and ESIA, all of which are expected to be completed by December 2025. Procurement of an EPC contractor for the pipeline has been planned and budgeted for in the TPDC FY 2025/26 annual budget. According to a preliminary study conducted by TPDC in the financial year 2023/24, approximately 50 industrial customers in Kibaha and Chalinze were willing to switch from various energy sources to natural gas, thereby helping TPDC diversify its customer base.

In the Dar es Salaam Region, the Construction of one mother CNG station located on leased land of the University of Dar es Salaam, two CNG daughter receiving and storage stations for the utilisation of gas by the Muhimbili National Hospital, Upanga area in Ilala, and the Kairuki Pharmaceutical Industry in Kibaha was ongoing during the reporting period. By June 30th, the mother station had started operations, whereas preparations for testing and commissioning had begun at Kairuki and Muhimbili daughter stations. Additionally, the project to connect 12 cafeterias at Mlimani City and 3 cafeterias and one laboratory at DUCE was implemented, with progress exceeding 95% by June 30, 2025.

Very importantly, during the reporting period, three (3) new Gas Sales Agreements (GSA) were negotiated and concluded with industrial customers, namely G&B Soap in Dar es Salaam, Brilliant Sanitaryware in Mkuranga and Kinglion in Kibaha (through CNG). In addition, a total of six (6) new GSA(s) were negotiated and concluded with private CNG station investors, namely Taqa Dalbit, Energo, BQ, TSNGH, Tanhealth and VIVO.

In the next financial year of 2025/26, Downstream Natural Gas Operations will continue to undertake the following activities:

I. Continue to supply natural gas to all connected customers (power generation plants, industries and commercial/non-commercial institutions, gas to CNG stations for vehicles, as well as households;

II. Commissioning of two daughter stations (one at Muhimbili National Hospital and another at Kairuki Pharmaceutical Industry in Kibaha);

III. Supply and commissioning of mobile CNG stations for vehicles in Dar es Salaam (3), Morogoro (1) and Dodoma (2);

IV. Construction of gas supply infrastructure through GSACO to privately owned planned CNG stations, including BQ along Goba road and Energo along Coca Cola Road, Mikocheni;

V. Supervision of gas supply infrastructure to privately owned planned CNG stations to be implemented through pre-financing arrangements (TANHEALTH station to be located at Mbezi Africana along Igesa road; Tanzania States Natural Gas Holding Company to be located at Kunguru Street adjacent to Goba road; PUMA stations at Mbezi Beach along Bagamoyo road, Mwenge junction to Sam Nujoma Road and Tegeta near IPTL power plant);

VI. Construction of the raw gas pipeline from the Ntorya gas field to the Madimba gas processing plant;

VII. Construction of a gas supply network for 451 households to the gas supply network for cooking at Mnazi Mmoja, Lindi, as well as 529 households at Mkuranga, Pwani;

VIII. Supervision of consultancy services contract for undertaking wayleave acquisition, front-end engineering design and construction project cost estimates, as well as environmental and social impact assessment for a high-pressure gas pipeline from Kinyerezi to Chalinze;

IX. Supervision of consultancy services contract for undertaking Detailed Engineering Design for natural gas distribution network at the Government City - Mtumba;

X. Procurement of EPC contractor for the construction of a high-pressure gas pipeline from Kinyerezi to Chalinze; and

XI. Procurement of EPC contractor for the construction of a natural gas distribution network at the Government City - Mtumba.

Planned projects under the Midstream and Downstream natural gas operations are aimed at:

I. Increase revenues and achieve targeted profitability levels of TPDC from the gas business portfolio.

II. Increase TPDC's contribution to the National Clean Energy Strategy, which was launched in May 2024.

III. Diversify customer bases and stabilize revenue projections while reducing overreliance on one big anchor customer, such as TANESCO.

IV. Expand the use of Natural Gas as the choice source of transportation fuel by replacing petrol and diesel, which will hence contribute to reducing the balance of trade through the reduction in oil importation.

2: Downstream Oil Trading Operations

During the period under review, the following activities were achieved:

i. Bulk Oil Importation Operations

During the period under review, TPDC participated in Bulk Procurement System (BPS) tenders and won three bids weighing 308,713.68 metric tons, amounting to 579.8 billion.

ii. The East African Crude Oil Pipeline Project (EACOP)

The implementation phase of the East African Crude Oil Pipeline Project (EACOP) commenced following the signing of the Host Government Agreement in May 2021. The overcharging mandate for shareholders of EACOP Ltd to execute the Project was the signing of the Shareholders Agreement on 4th November 2021. TPDC is one of the four shareholders of EACOP Ltd, holding an equity interest of 15%. Other shareholders are Total Energies Holding EACOP SAS (62%), NPC Ltd (15%) and CEPME Ltd (8%). On 1 February 2022, the company's shareholders declared a Final Investment Decision (FID). Since the project's FID was attained, implementation of project activities continued. In the financial year 2024/25, TPDC and EACOP Company collaborated to deliver critical path milestones for the Project, achieving 62.5% compared to 39.6% reported during the previous financial year, 2023/24.

Project activities that progressed included securing external debt to the tune of USD 2.89 billion during the year, signalling the smooth implementation of the project. Main Camps Yard (MCY) construction works have achieved 84.6% progress. Construction of Above Ground Installations (AGIs) progressed, earning 54.6% compared to 17% reported in June 2024. Pipeline welding reached 405 km, out of which 140km is coated and 43km is laid. The Construction of a Thermal Insulation System (TIS) Plant is now 100% complete, up from 81% reported in June 2024. TIS Plant lines 1 and 2 are running smoothly, with a cumulative production of 825km, out of which 748km has been released to MCPYs. The engineering design for the Terminal and Tanks has progressed to 86% and 91%, respectively. The construction of four (4) tanks with the capacity to store 2 million barrels is at different stages of finalising their construction. Both Terminal and Tanks achieved 34.3% and 79.3% progress, respectively, compared to 14% and 49% progress of the actual work, as reported in June 2024.

The engineering design for the jetty reached 85.2%, compared to 75.4% reported in June 2024. The actual work of piling installation earned 44% towards June 2024.

During the year, TPDC paid off its initial equity investment in the company, amounting to USD 374.8 million (89.1%), equivalent to TZS 981.35 billion, compared to USD 324.73 million (77.2%) reported as of June 2024. TPDC, as a Shareholder, will continue to honour its obligation under the Shareholders' Agreement.

The EACOP project offers opportunities to local people by enhancing local enterprise value, creating employment, and transferring skills to youths. The opportunities created will last longer, resulting in long-term benefits for the country in terms of economic growth. In terms of monetary value, the government is expected to receive income generated from dividends on 15% TPDC's share investment in the company, land lease fee based on the existing agreement with EACOP, and various taxes and fees based on the agreed IGA and the HGA regimes.

In the year 2025/26, TPDC will continue to work with the Project Company to deliver key project milestones, including the finalisation of payment for land compensation for the remaining 58 PAP, and closely monitor project delivery planned for 2026.

iii. Oil Marketing

During the reporting year, TANOIL implemented the turn-around strategy by reducing the cargo size to match customers' demand with the supply side selling 29.6 million litres compared to 62.5 litres sold in the year 2023/2024, preparing manuals, policies, business plan and other guiding documents for the company operations, collecting outstanding debts amounting to TZS 2.32 billion from defaulting customers out of TZS 20 billion that was outstanding as at 30 June 2024, made a gross profit of TZS 5.9 billion compared to a gross profit of TZS 10.6 billion reported in 2023/24 and paid taxes amounting to TZS 31 billion, Signed 9 contracts, whereby 3 contracts with bank guarantee were implemented. Further details of TANOIL's performance are presented in Note 9 of the financial statements.

iv. Strategic Petroleum Reserve (SPR)

In June 2024, a Consortium comprising multiple government entities, including the President's Office, the Ministry of Finance, the Ministry of Energy, the Energy and Water Utilities Regulatory Authority, the Bank of Tanzania, the Petroleum Bulk Procurement Agency, the Tanzania Petroleum Development Corporation, and TANOIL, was established. This collaborative endeavour exemplifies the corporation's dedication to engaging all relevant stakeholders in its strategic initiatives.

The initial draft report on establishing the SPR has been completed, and TPDC has already submitted it to the Permanent Secretary of the Ministry of Energy for review.

Furthermore, the Ministry is responsible for coordinating the process of collecting feedback from key stakeholders, including government agencies such as the Ministry of Finance, the Treasury Registrar's Office, the Central Bank, TRA, EWURA, PBPA, and TPA, among others.

3: Midstream Natural Gas Operations

The Corporation owns natural gas processing plants and pipelines operated and maintained by its subsidiary company (GASCO). The plant facilities are located at Madimba (Mtwara region) and Songo Songo (Lindi region), with a capacity of processing

210 MMSCFD (3 trains) and 140 MMSCFD (2 trains), respectively. The pipeline infrastructures consist of 36", 24" and 16" pipelines with a length of 551km from Mtwara and Songo Songo to Dar es Salaam, designed to transport 784 MMSCFD of natural gas and up to 1,002MMSCFD with the introduction of a compression facility. Additionally, GASCO operates several other medium- and low-pressure pipeline networks and the associated facilities that transport natural gas to power, industrial, domestic, and CNG customers in the Dar es Salaam, Mtwara, Lindi, and Coast regions.

Assuring the availability of natural gas for downstream customers is GASCO's primary function on behalf of TPDC. In the year under review, we conducted operations and maintenance of the infrastructure with prudence, resulting in the NNGI maintaining 100% availability. A total volume of 41,096.59 MMSCF of natural gas was received for processing, with the Madimba plant receiving 33,192.97 MMSCF from the Mnazi Bay gas field, and the Songo Songo plant receiving 7,903.62 MMSCF from the Songo Songo gas field. A total quantity of 40,824.45 MMSCF was exported through the pipeline to customers, with the Madimba and Songo Songo processing plants exporting a total gas volume of 33,081.77 MMSCF and 7,742.67 MMSCF, respectively. Additionally, 3,062 tons of condensate were produced from both the Madimba and Songo Songo processing plants, demonstrating the efficiency of our operations.

2.9 RESOURCES

The effective, knowledgeable, and experienced TPDC governing board is a key strength in the performance of the Corporation. A well-composed Board of Directors, effective Management, competent human resources, deployed ICT systems, and documented internal operating procedures (IoPs) are the main criteria for TPDC's achievement of its goals. The Corporation has both tangible and intangible resources, including intellectual resources, human resources, social and relationship resources, natural resources, financial resources and other resources, as explained below:

(i) Intellectual Resources

The Corporation's intellectual resources include specialised staff in Gas Processing, Distribution and Transmission, and ICT application systems, which have automated and modernised operations, thereby improving the provision of Upstream, Midstream, and Downstream business operations. The Corporation is the license holder of the PSA blocks.

(ii) Human Capital

The Corporation has employed staff with the necessary skills and competence to ensure the delivery of high-quality services. Employees are well motivated and perform their duties responsibly and ethically.

During the year ended 30 June 2025, TPDC had 487 qualified human capital in relevant and different disciplines, of which 359 (73.7%) were male and 128 (26.3%) were female. TPDC increases the number of employees, which aligns with the increase in operations. TPDC has a stable training and development program for enhancing staff capacities through short- and long-term training programs, particularly in the oil and gas industry. Further details on employee welfare are provided in Note 10.

(iii) Financial Resources

Financial capital is composed of financial resources obtained from the Petroleum business activities. The cooperation as a National Oil Company earns its proceeds from the Sale of Natural Gas, Fuel, Condensate, Share of Revenue from PSA, Dividend from Associate, Rent from Investment properties, Land Lease Fees, PSA Licence fees, training fees and Government Subvention.

The main sources of corporate funding are the Government's budgetary allocations, gas sales and gas tariff income from the National Natural Gas Infrastructure (NNGI)'s operations, fuel sales, and a profit share. Additionally, TPDC earns dividends from its investments in other companies.

(iv) Natural Resources

The Corporation has been actively engaged in exploration, development and production of hydrocarbons, ensuring security in the energy sector.

Following several discoveries in onshore and offshore blocks, the total natural gas discoveries in Tanzania have reached 57.54 trillion cubic feet (TCF). The discoveries are expected to rise further as a result of the ongoing exploration activities in the Country. For the period under review, ARA Petroleum has interpreted the acquired 3D Seismic data of the Ntorya field and managed to increase Gas Initial in Place from 1.64 TCF to 2.15 TCF subject to confirmation of the 3rd party assessment consultancy for reserve assessment. So far, there are two onshore gas-producing fields located at Mnazi Bay and Songo Songo Island, while the Ntorya field has also entered into the development phase.

TPDC holds a participating interest in the Mnazi Bay and Ntorya fields, with participation interests of 40% and 15%, respectively.

Two fields are currently under production, i.e. Songo Songo and Mnazi Bay. The Government of Tanzania and TPDC entered into the Production Sharing Agreements (PSAs) with Pan African Energy Tanzania Limited and Maurel & Prom (M&P) for exploration and production of oil and gas over the Songo Songo and Mnazi Bay blocks, respectively.

(v) Social and Relationship Resources.

The Corporation's social and relationship resources comprise ethical and transparent relationships with its customers, regulated service providers, suppliers, regulatory bodies, the Government, and the general public, who are both internal and external stakeholders, by establishing harmonious relationships. The Corporation creates a shared value strategy that relates to social development initiatives, including education and leadership development, financial inclusion, and health and safety facilities, which are delivered to the communities in the areas of operation.

(vi) Other Resources

The Petroleum Act, 2015, has given the TPDC the mandate to undertake Tanzania's commercial aspects of petroleum operations in the upstream, midstream, and downstream sectors, as well as to participate in the government's interests in petroleum and natural gas agreements. TPDC has exclusive rights over the natural gas midstream and downstream value chain. Further, it can authorize any other person to undertake regulated activities, particularly those to which TPDC has exclusive rights. The Public sector regulations and the standing orders of the public service are also instrumental to the corporation in discharging petroleum business services.

2.10 PRINCIPLE RISKS, UNCERTAINTIES AND OPPORTUNITIES

The risk categories and opportunities set out below arise from the external political, economic, social, technological, environmental and legal factors described in the PESTEL analysis. The risk register translates those external drivers into specific risk exposures, assumptions, and mitigation actions for TPDC.

The Board of Directors, through the Audit, Risk, and Compliance Committee (ARCC), oversees risk management activities by setting the right tone at the top and providing guidance on risk management within the Corporation. TPDC faced several risk factors during 2024/25. The most significant risks of the year are briefly outlined below;

Table 2: The Corporation Risk Categories, Impacts, and Mitigations

SN	Risk Category	Risk and Impact Description	Risk Mitigation Measures
1.	Financial	The Corporation's finances continued to be exposed to threats from financial market volatilities and other factors. **a) Market Risk** Market risk refers to the risk of changes in market prices, including foreign exchange rates and interest rates, that may impact the Corporation's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on the risk. **b) Credit Risk** The Corporation is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. The significant natural gas sales to a few customers with unsatisfactory payment records, such as TANESCO, continued to pose a major financial risk. **c) Liquidity Risk** Liquidity risk is the risk that the Corporation will be unable to meet its obligations as they become due. The Corporation's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due without incurring unacceptable losses.	▪ TPDC continued to implement different possible ways to resolve the risk, including sound financial management practices. Opened and operated bank accounts in both Tanzania Shillings and United States to easily facilitate forex transactions Dollar (USD) to mitigate market risks. ▪ Credit period set in the customer's contracts. ▪ Ensure the Corporation is able to meet estimated expenditure requirements through the use of cash flow forecasts. This is achieved through sound liquidity risk management, which includes maintaining sufficient cash and cash equivalents.
2.	Operational	Operational threats continued to be intrinsic in TPDC's operations during the year. The main drivers of this risk include the complexity of activities, particularly upstream, midstream, and downstream projects, which are	▪ The corporation used an appropriate insurance policy to cover itself against certain forms of operational impacts. Moreover, the corporation continued the implementation of the Business

SN	Risk Category	Risk and Impact Description	Risk Mitigation Measures
		multiple factors that can easily stall field operations. The corporation faced limited security threats during the year, which could have led to various impacts, such as degradation of natural gas pipeline integrity or even loss of life.	Continuity Management System by preparing the necessary policy and operating documents for critical processes to ensure quick operational resumption in case of adverse events; resilience was demonstrated at an acceptable level during the flooding at the station, in which the operation was kept up and running to meet customers' requirements during hard times. ▪ The Corporation liaises with TMA on the prediction of natural disasters and follows up with regional/ local news and weather forecasts.
3.	HSSE and Sustainability	TPDC's activities continued to be inherently vulnerable to adverse HSSE incidents. This exposure was primarily driven by the flammable nature of the primary products traded, namely natural gas and oil. Further, the operation and maintenance of natural gas and oil infrastructure, including natural gas processing plants, large countrywide natural gas transmission and distribution networks, and upstream field operations, as well as natural gas distribution and construction activities, were anothercritical element of exposure to possible HSSE incidents.	▪ The corporation implemented an effective HSSE policy and exhibited impressive management of this risk, as there were no major incidents during the year. ▪ In addition, the Corporation took another significant step to strengthen its Environmental, Social, and Governance (ESG) aspects by actively developing an ESG framework, policy and providing training.
4.	Strategic	The corporation began implementing its new strategic plan, which spans three horizons from short-term to long-term, starting in FY 2024/25 and extending to FY 2050. The new SP brings a new approach to project commercialization and its associated risks.	▪ Continuous risk assessment to guide CSP implementation. ▪ M&E Framework enhanced to monitor implementation of the CSP.
5.	Reputational	As a major public Corporation with enormous responsibilities in the energy sector in Tanzania, TPDC remained uniquely relevant to	▪ Appropriate measures were continually taken to curb possible reputation damage, including forming the Fraud Risk

SN	Risk Category	Risk and Impact Description	Risk Mitigation Measures
		matters that can impair its perception among stakeholders. Issues related to is management, ethical misconduct, and other matters can seriously harm stakeholders' perception of the Corporation.	Management Framework and Whistleblower Policy. ▪ We actively focus on improving the transparency of our business decisions and engage with our esteemed customers, employees and the general public, especially those around the area in which we operate, so as to understand their concerns and balance their needs. ▪ During the year, Fraud risk management and registers were prepared to continually manage fraud risks. ▪ The existence of the Corporation's Integrity Committee assists in monitoring any possible activity that may distort the reputation.
6.	Legal and Regulatory	Compliance with legislation governing the regulation of the Oil and gas sector and tax legislation is critical to how we continue to run our business and interact with our regulated service providers, customers, tax authority and other stakeholders. Petroleum-related acts, regulations, and tax legislation are subject to change. If we are unable to foresee, advocate for, plan for, and adapt to legislative changes, this could negatively impact the Corporation's compliance with tax legislation, as well as our ability to serve our regulated service providers, customers, and other stakeholders.	▪ To address this risk, the Corporation regularly engages the relevant regulators to explore the best ways to ensure compliance. ▪ We maintain constructive and proactive relationships with the Government, Parliamentary sectoral committees and the Parliament in general, where we get the opportunity to share our comments on legislation changes. ▪ We engage consultants to support the Corporation in compliance with tax legislation and all other relevant oil and gas sector legislation.
7.	Cyber security	The Corporation utilizes ICT systems in most of its operations, including critical activities such as natural gas processing and exploration data storage. Given the lucrative nature of the oil and gas business and the technological advancement of our	▪ The ICTS Unit continued to implement strategic measures to help safeguard our systems and data, considering the criticality of oil and gas in the economy and the energy security of the country.

SN	Risk Category	Risk and Impact Description	Risk Mitigation Measures
		foreign competitors, the possibility of malicious intrusion into our ICT systems always existed.	
8.	Technological	The corporation's overwhelming reliance on a few suppliers for critical technologies and equipment exposed it to technology risk. The oil and gas industry is heavily reliant on high-tech, so delays in adopting the latest technological advancements could impact operational efficiency and sustainability.	▪ Through its ICT and PMU units, the corporation continued to explore ways to address this challenge. ▪ Also, necessary equipment & software upgrade was encouraged to assist in bridging the technological change gaps.
9.	Geo-political	Political, economic, and military confrontations among nations, including the Russia-Ukraine war, posed direct and indirect threats to TPDC. Adverse commodity and financial market developments, as well as economic and trade sanctions among nations, impacted energy companies and key energy sector service providers, such as shipping and insurance companies. This situation heightened the uncertainty level in our operations, particularly regarding the procurement of critical spare parts and the surge in oil prices.	Geo-political risks have been actively monitored and geo-political developments to safeguard the corporation's interests and adjust company strategies as appropriate.

2.10.1 Opportunities

The Corporation's risk assessment process identified opportunities that would likely improve the execution of the strategic plan, as summarized below:

(i) Emerging technologies

Investing in new technology sectors can accelerate exploration and development, while also maintaining production from mature fields. Upstream companies are implementing remote operations, data analytics, seismic imaging, development drilling, data integration and sharing, digital tools, and predictive maintenance technologies to improve production and exploration efforts.

(ii) Availability of Potential Areas for Petroleum Exploration.

Fifty-six percent of Tanzania is covered by sedimentary basins suitable for hydrocarbon exploration. However, only 30% of these basins have been explored. Therefore, there is an opportunity for TPDC to expand its petroleum exploration activities.

(iii) Growing demand for gas utilization

There is a surge in gas demand from power utility companies, households, institutions, vehicles, and industrial customers, all of which are awaiting connection to the natural gas infrastructure. This presents strategic opportunities for TPDC to leverage.

(iv) Regulatory framework

The Petroleum Act grants exclusive rights to TPDC in both the upstream and downstream natural gas subsectors of the country, which, if utilized effectively, makes TPDC a “price searcher” in the sector.

(v) Global Agenda on Clean Energy (Net zero carbon emission by 2050)

There is an opportunity to pursue initiatives aligned with Sustainable Development Goals (SDGs) through renewable energy, alternative fuels, and a clean energy transition. The global goal of reaching net-zero carbon emissions by 2050 will enable TPDC to explore renewable energy options to meet energy demands and adopt nature-based solutions.

2.10.2 Uncertainties and Risks Assumptions

The Corporation considered a range of key uncertainties, related plausible assumptions, and possible outcome scenarios in case the assumptions change, as detailed below;

Sn	Uncertainties	Assumptions	Possible Outcome	
			Resulting from **Positive Change in Assumptions**	*Resulting from* **Negative Change in Assumptions**
1	The volatile nature of financial markets, such as foreign exchange, market interest rates, and inflation.	▪ Market volatilities will prevail, being an inherent element of these markets.	Lower likelihood of incurring foreign exchange losses and financing costs.	Higher likelihood of incurring forex losses and financing costs.
		▪ Maximum and minimum change thresholds are expected to remain broadly similar to the past years.	Lower likelihood of incurring foreign exchange losses and financing costs.	Higher likelihood of incurring forex losses and financing costs.
2	Possible occurrence of adverse HSSE	▪ Continually dealing with flammable oil and gas products. ▪ HSSE precautions will be implemented in commensuration with the exposure/ risk levels of associated oil and gas activities.	There is no limited impact on the Corporation.	There is no limited impact on the Corporation.

Sn	Uncertainties	Assumptions	Possible Outcome	
			Resulting from Positive Change in Assumptions	*Resulting from* Negative Change in Assumptions
	incidents.	▪ Low but possible instances of human errors, operational failures, or technical integrity failures in operations.	Higher likelihood of adverse HSSE impacts e.g., environmental degradation, product loss, loss of lives etc.	Higher likelihood of adverse HSSE impacts e.g., environmental degradation, product loss, loss of lives etc.
3	Fast-changing technological advancements in the oil and gas sector.	▪ The pace of technological development and adoption linked to the Corporation's activities will gradually increase.	Higher exposure to cybersecurity threats if countermeasures are not adopted at the same pace. Higher opportunity for operating efficiency improvement if appropriate Technologies are timely adopted.	Stable/ high cybersecurity level if countermeasures are adopted at a good pace. Missed opportunity for operating efficiency improvement if appropriate technologies are not timely adopted.
4	Dependence on a few major customer to fund operations and investments.	▪ TANESCO may significantly reduce gas demand over the foreseeable period.	Reduced the Company's financial capacity to fund operations and investments.	Stable Company's financial capacity to fund operations and investments.
		▪ The number of customers/ revenue streams will gradually increase on account of new upcoming projects, including in CNG.	Gradual improvement in the Corporation's financial health.	Slow growth or even a stagnant financial position.

2.11 STAKEHOLDERS RELATIONSHIP

The corporation's operations intersect with the interests of several stakeholders. The Corporation enjoys good and cooperative support from all stakeholders. The key to this relationship is a prompt and informed communication system. Some of the key stakeholders whose expectations are at the core of TPDC business operations include the following:

I. Employees
II. Government Ministries, Departments and Agencies (MDAs)
III. Local Communities
IV. Investors

V. Environmental Activist

VI. Development Partners

VII. Service Providers

VIII. Public

IX. Media

i. Employees

Employees are key to making the Corporation a great place to work. They should find working for TPDC an inspiring place for elevating personal experience and consequently accept co-responsibility for the development of each employee to their full potential. Together with efficient and value-creating solutions, services, and operations offer value to our customers. Career progress is based on the individual's initiative towards fulfilling their responsibilities, complemented by the Corporation.

Concerns

- Friendly, safe and conducive working environment
- Defined career progression
- Better salary and benefits
- Motivation and recognition
- Opportunities to contribute to society.

Value Added

- Transforming into an inclusive society through employment equity and gender equality;
- We focus on developing our employee through targeted training programs and skills upgrading to further their career and improve our services;
- Rewarding employees for the value they add;
- Motivating and energizing our workforce; and
- Timely payments of employees' entitlements.

ii. Government Ministries, Departments and Agencies (MDAs)

Concerns

- Timely and accurate information
- Timely and accurate levies,
- Royalties, profit shares and taxes
- Secure and precise exploration and development of data
- Processed and reliable supply of natural gas

- Professional advice

Value added

- Provision of Various information and reports on Petroleum operations and related issues
- Provision of levies, royalties, profit shares and taxes
- Provision of exploration and production data
- Sales of natural gas
- Provision of advice on the petroleum sector
- Sales of Petroleum white products

iii. **Local Communities Concerns**

- Fair and timely provision of CSR
- Timely compensation in accordance with the law

Value added

- Provision of social amenities in the context of CSR
- Provision of compensation for land
- Provision of resettlements and livelihood restoration

iv. **Investors' Concerns**

- Quality and accurate exploration data
- Favourable return on investment
- Processed and reliable supply of natural gas
- Transparent corporate governance;

Value added

- Sales of exploration data
- Provision of natural gas and oil

v. **Environmental Activist Concerns**

- Accurate and timely information

Value added

- Provision of information about environmental conservation

vi. **Development Partners Concerns**

- Timely and accurate reports
- High-quality Petroleum information

Value added

- Provision of Various information and reports on the petroleum sector and related issues

vii. **Service Providers' Concerns**

- Timely payments for goods and services;
- Reliable and affordable energy supply;
- High-quality service provision;
- Fair and transparent procurement practices;

Value added

- Timely Payments for works, goods and services;
- Provision of Business information and opportunities

viii. **Public Concerns**

- Affordable oil and gas products

Value added

- Provision of Business information and opportunities
- Sales of natural gas,
- Sales of Petroleum white products

ix. **Media Concerns**

- Accurate and timely information

Value added

- Various information on Petroleum operations and related issues

2.12 CAPITAL STRUCTURE AND TREASURY POLICY

2.12.1 Capital Structure

As of 30 June 2025, the Corporation's capital structure reflects a total equity position of TZS 4.16 trillion, an increase from TZS 3.92 trillion reported as of 30 June 2024. This growth is attributable to additional capital contributions from the Government and profit earned during the year. The equity structure is composed of the following elements:

- **Share Capital:** The share capital remains unchanged at TZS 2.21 billion, representing the nominal value of issued shares.
- **Equity Contribution from Government:** This increased to TZS 3.86 trillion as of 30 June 2025, up from TZS 3.72 trillion as of 30 June 2024, reflecting an additional capital injection of TZS 136.16 billion during the year.
- **Retained Earnings:** The retained earnings improved significantly, reducing the deficit from TZS (258.68) billion as of 30 June 2024 to TZS (197.21) billion as of 30 June 2025. This improvement was driven by a profit of TZS 73.21 billion earned during the year.

2.12.2 Treasury Policy

TPDC treasury policies involve mechanisms established by the board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation, Government Circulars, Guidelines and the Board resolutions on opening, operating and signing mandate to the bank accounts. The main objective is to ensure proper control and safeguard of the Government financial resources.

Under these mechanisms, the Corporation's revenue is collected and remitted directly to the Corporations revenue collection accounts maintained at designated commercial banks using GePG system; and weekly, on Monday, to the Corporation's revenue collection accounts maintained at BoT. All expenditures of the Corporation are incurred within the approved limits in the approved annual budget.

2.13 CASH FLOWS

The Corporation's cash flows can be analysed from the cash flow statement under three areas: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. It should be noted that a cash flow analysis does not consider any growth in the cash flow statement, as the statement always reflects what has happened in the past. Therefore, the Corporation's cash flows analysis is summarized below:

a) Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 301.31 billion (as of 30 June 2024: TZS -244.71 billion) were derived from the cash collected from customers, which amounted to TZS 1.47 trillion (as of 30 June 2024: TZS 938.47 million). The increase in cash receipts from the Oil Business was a major factor. Government revenue grants amounted to TZS 4.32 billion (as of 30 June 2024: TZS 17.40 billion). Cash paid to suppliers amounted to TZS 1.06 trillion (as of 30 June 2024: TZS 629.57 billion), with the increase in fuel volume sold being the major contributor. Staff costs amounted to TZS 52.86 billion (as of 30 June 2024: TZS 48.17 billion), with the adoption of new staff from PSRS being a key driver. The PSA operation cost amounted to TZS 13.78 billion (as of 30 June 2024: TZS 9.71 billion). Additionally, interest paid totalled TZS 493 million (as of 30 June 2024: TZS 376 million), and Income tax paid for the year was TZS 45.81 billion (as of 30 June 2024: TZS 23.33 billion).

b) Cash Flows from Investing Activities

The net cash flows from investing activities of TZS (189.75) billion (30 June 2024: TZS (494.10) billion), were a result of cash capital expenditures, including acquisition of property and equipment amounting to TZS 64.57 billion (30 June 2024: TZS 19.68 billion) and investment in EACOP during the year, amounting to TZS 136.16 billion (30 June 2024: TZS 405.24 billion).

c) Cash Flows from Financing Activities

Net cash flow from financing activities for the financial year ended June 30, 2025, amounted to TZS 33.46 billion (June 30, 2024: TZS 72.05 billion). The movement was mainly attributed by the funds received from the government for investment in EACOP amounted to TZS 45.43 billion. Also, the dividend paid for the year amounted to TZS 11.71 billion (30 June 2024: TZS 2.70 billion).

2.14 LIQUIDITY

The liquidity ratios measure the Group's ability to meet its short-term obligations as they become due. The current and quick ratios show improvements over the past three financial years, indicating a stronger liquidity position. During the financial year ending on 30 June 2025, the Corporation managed its liquidity level to ensure sufficient funds to meet short-term obligations.

The Corporation's current ratio for the financial year ended 30 June 2025, which measures the ability of current assets to meet short-term obligations (current liabilities), was 1.69 times (30 June 2024: 1.66 times). This indicates that for every TZS 1 of liabilities, the Group had TZS 1.69 of current assets to cover them. This improvement signifies enhanced short-term financial health.

The acid (quick) test ratio, which also measures the ability of current assets, without inventories, to meet short-term obligations (current liabilities), was 1.59 times (30 June 2024: 1.57 times). This ratio also demonstrates that the Group has ample liquid assets to cover immediate liabilities. A quick ratio above 1 indicates the company's ability to handle short-term obligations without relying on inventory sales.

The Corporation's working capital which is the excess of current assets over current liabilities for the financial year ended 30 June 2025 was TZS 832.61 billion (30 June 2024: TZS 708.75 billion). All of the above ratios, current ratio, acid test ratio and working capital reveal that the Corporation was able to fund its current liabilities when due.

The Corporation will continue managing its liquidity level to ensure there are sufficient funds to meet its liabilities when due without incurring unacceptable losses or risking damage to the Corporation's reputation.

2.15 CORPORATE GOVERNANCE

2.15.1 The Board of Directors

The Board is responsible for formulating internal policies, procedures, and rules, facilitating timely service delivery, and ensuring prudent management of resources based on the policies and procedures in place. The Board also takes overall responsibility for the Corporation, including identifying key risk areas, monitoring investment decisions, financial matters and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring the operation of a comprehensive system of internal control policies and procedures and for compliance with sound corporate governance principles.

The Board delegates the day-to-day management of the business to the Managing Director assisted by the senior management team. The Managing Director holds an executive position in the Corporation. Senior Management members are invited to attend Board meetings. They facilitate effective control of all the Corporation's operational activities, acting as a medium of communication and coordination between various business units.

The Corporation is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

The Board of Directors of the Corporation as at the date of signing this report are:

TANZANIA PETROLEUM DEVELOPMENT CORPORATION

Name	Gender	Position	Nationality	Discipline	Appointment Date	Age	Meeting Attendance
H.E. Amb. Ombeni Yohana Sefue	M	Chairman	Tanzanian	Diplomat	11/05/2022	71	10/12
H.E. Amb. Peter Allan Kallaghe	M	Member	Tanzanian	Diplomat	11/06/2022	66	9/12
Adv.Protase R. Ishengoma	M	Member	Tanzanian	Legal Practitioner	11/06/2022	65	12/12
Eng. Charles Omujuni	M	Member	Tanzanian	Engineer	15/06/2023	65	11/12
Ms. Subira E. Wandiba	F	Member	Tanzanian		01/05/2023		07/12
Dr. Benedict T. Mapunda	M	Member	Tanzanian	Legal Practitioner	09/6/2025	68	0
Mr. Paul Deo Makanza	M	Member	Tanzanian	Corporate Finance Expert	11/06/2022	58	10/12
Ms. Ruth Henry Zaipuna	F	Member	Tanzanian	Certified Public Accountant	11/06/2022	52	03/12
Mr. Mrisho Shabani Mrisho	M	Member	Tanzanian	Certified Public Accountant	15/06/2023	59	12/12

2.15.2 Board operations and control

The principle of appointment, composition, size, and qualifications of Board members was observed by the appointed authorities: the President of the United Republic of Tanzania, in the appointment of the Board Chairman, and the Minister of Works and Transport, in the appointment of Board Members. These principles were observed as follows:

a) Diversity

The Board is composed of members with diverse qualifications and strengths, as well as extensive knowledge of the Petroleum sector. Diversity is observed through differentiation in the age of Directors, their gender, professional qualifications and previous experiences.

b) Structure of the Board

As per the Tanzania Petroleum Development Corporation Establishment Order 1969, the Board shall consist of;

(a) a Chairman who shall be appointed by the President;

(b) any other members being not less than five nor more than nine, whom the Minister shall appoint.

Thus, during the reporting period, the Board of the Corporation consisted of the Chairman and nine (9) Members.

In addition, the Board had established its Committees, including the Audit, Risk and Compliance Committee, Human Resources and Administration Committee, Investment and Business Development Committee, and Safety, Environment and Sustainability Committee. The Board and its Committees have Charters which provide terms of reference and guidance on undertaking their oversight role. Thus, the Board ensures that its Committees are appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them.

c) The Functions of the Board

To enhance accountability to the Government and the public at large, the Corporation has ensured that:

(i) Provide strategic guidance and formulate policies for the operation and Management of TPDC;

(ii) Conduct managerial oversight and review the activities and performance of the Management of TPDC;

(iii) Secure and ensure efficient use of resources, including approval of Corporate Strategic Plan, Business Plan, Annual Plan and Budget, Supplementary Budget, Annual Procurement Plan and Investment Plans and Operations Manuals;

(iv) Carry out the appraisal of the Corporate Strategic Plan, appoint, evaluate performance and exercise disciplinary powers over management employees, approve performance reports including reports on disciplinary matters of staff;

(v) Approve and recommend the organisation structure, scheme of service, financial rules and regulations, staff rules and regulations, salary structure, allowances, incentives and fringe benefits of TPDC to the Permanent Secretary (Establishment) through the Office of the Treasury Registrar;

(vi) Approve Management reports quarterly, code of conduct and procedures, appropriation of surplus funds generated, pension schemes for employees, disposal of capital items and supervise financial rules and regulations and staff rules and regulations;

(vii) Ensure maintenance of conditions of service for employees and adequacy of financial and operational systems and internal controls;

(viii) Be responsible for the preparation of financial statements and their authorization for issue;

(ix) Establish departments, units and sections;

(x) Employ the Directors of Departments, Units and Sections, and

(xi) Employ such a number of officers, staff and employees of TPDC in such categories and levels necessary for the efficient discharge of the functions of the Corporation.

d) The Board Independence

In executing its functions, the Board operates free from any interference, in line with the Board's Charter, laws and regulations, Circulars, and other guidelines. The Corporation assesses the independence of the Board and its members to ensure that the Board remains independent and objective.

e) The Board Instruments

The Corporation has developed the Board's Code of Ethics and Conduct, in compliance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016. The Code has been cascaded down to all employees, as well as to the established Charters of the Board and its Committees, so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed as needed to address changes. Further, the Board develops a work plan and an evaluation toolkit annually to ensure effectiveness.

f) Governance on Audit

The Board continues to oversee Management implementation of the Controller and Auditor General's recommendations made during the statutory audit of the financial year 2022/23 and the previous year

i. Rights of the Government and the General Public

The Corporation recognizes, respects and protects the rights of the Government and the general public through:

- Availing information on the Corporation's performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;

- Ensuring equitable treatment of all regulated service providers and customers in discharging the Corporation's functions;
- Ensuring that Government, Ministries and Agencies hold meetings with the Corporation's Management, when required, to discuss any matter related to the Corporation's performance or service delivery; and
- Engaging the media on the dissemination of the corporation's important information.

ii. Stakeholder Relations

The Board has identified eight (8) categories of stakeholders: the Government, employees, Investors, Environmental activists, development partners, service providers, the Public and the Media. Before making its decisions, the Board considers the interests of all stakeholders to ensure that engagement with them is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

iii. Ethics and social responsibility

The Corporation has developed the Board's Code of Ethics and Conduct to ensure that its business is conducted in accordance with the highest ethical standards and in compliance with all applicable laws and regulations governing the petroleum sector. The provisions of the Code apply to the Board, Management and all staff of the Corporation.

iv. Risk Management, Internal Control and Accountability

The Corporation is committed to maintaining a continuous process of risk management and internal controls, which ensures business continuity in service delivery, thereby achieving its strategic goals while effectively managing risks.

An overall policy framework for risk and internal control has been developed, which includes the Institutional Risk Management Framework and Policy, along with its related processes, guidance, and tools. The Corporation is committed to identifying and managing risks to its work plans, defining and implementing efficient and effective internal controls, to strengthen its ability to meet objectives and deliver benefits and goals expected by its regulated service providers, customers, and all stakeholders.

Good risk management identifies potential events that could affect the achievement of goals and develops action plans for addressing these risks, allowing for informed decision-making, better prioritisation, and improved resource utilisation.

The Corporation's approach to risk management does not aim to eliminate or avoid risk but to be aware of it, reducing risk to an acceptable level and balancing risks and opportunities when deciding on a course of action.

The established risk management process includes the implementation of regularly updated risk analyses and mitigation plans at all levels of the Corporation, both at head office and upcountry offices. The purpose is to create a tool for the internal management of each

Directorate, Unit, or Section, providing information to the Corporation's Management on key risks identified and how these are managed. In addition to this bottom-up review of risks, the Corporation has integrated risk management in its corporate strategic planning and results-based management processes.

Every staff member of the Corporation plays a crucial role in the risk management process and controls as part of their responsibilities. In particular, all Directors, Heads of Unit, and Managers are accountable for identifying and managing risks, as well as overseeing the definition and implementation of internal controls, policies, and procedures within the area under their authority, including the management of issues that arise.

v. Transparency and disclosure

(a) Policy on Conflict of Interest

The Board has established a Conflict-of-Interest Policy, recognising that excessive activities, gratuities, and access to information may lead to actual or potential conflicts of interest between the interests of the Corporation and those of its relevant persons. The Policy identifies the activities which may compete or conflict with the Corporation's interests and outlines the steps to manage conflicts of interest when they arise.

(b) Policy on ICT

The Board has developed various ICT policies to enable the Corporation to realise its digitization agenda. The policies provide in-depth coverage and guidance on ICT-related matters such as business continuity plan (BCP)/disaster recovery plan (DRP), Service Level Agreement (SLA) management, project management, server room management, business partnerships, database procedures, incident management, invoice processing, quality assurance, security procedures and software design, development and testing.

(c) Policy on Procurement

The Corporation Procurement Practice is in line with the Public Procurement Act, and its Regulations as amended, so as to:

- Promote best practices, transparency and professionalism in all acquisition processes within the Corporation;
- Ensure that suppliers of goods and services are subjected to a competitive tendering process in order to achieve quality, price competitiveness and reliability;
- Ensure that all expenditures are incurred in accordance with the approved plan and budget and the annual procurement plan (APP); and
- Ensure compliance with applicable regulations and legislation.

2.15.3 Meetings of Those Charged with Governance

The Board is required to meet at least four times a year. The Board meetings are held quarterly, with additional meetings convened as necessary. During the financial year ended 30 June 2025, the Board held twelve (12) meetings, of which four (4) were ordinary and eight (8) were extraordinary.

The Board meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- Approval of Organization Structure for TPDC and its subsidiaries
- Procurement Performance Review Report for the 3rd Quarter ended 31st March 2024
- HSSE and Sustainability Performance Report for the 4th Quarter of the 2023/2024 Financial Year
- Report on the Board's site visit to National Natural Gas Infrastructure (NNGI) in Dar es Salaam, Lindi, Pwani and Mtwara regions
- TPDC Tax Appeals against the Tanzania Revenue Authority (TRA)
- Deliberation on the Financial Performance Report for the Quarter ended 30th September 2024
- Deliberation on the Internal Audit Charter (2nd Edition 2024)
- Deliberation on Audit Report for Downstream Operations (July 2023 - June 2024)
- Relationship Framework between TPDC and its subsidiaries
- Performance Contract between the Treasury Registrar and TPDC Board 2024/2025
- Deliberation on Financial Performance Report for the 2nd Quarter ended 31st December 2024
- Deliberation on Internal Audit Review Report on the Financial Performance for the 2nd Quarter ended 31st December 2024
- Deliberation on Procurement Performance Review Report for the 1st Quarter ended 30th September 2024
- Treasury Registrar's Board Performance Evaluation Report for the 2023/2024 Financial Year
- Approval of the Annual Procurement Plan (APP) for Financial Year 2025-2026
- Appraisal on the Lindi Mtwara Exploration Project.
- Approval of Memorandum of Understanding (MoU) Between TPDC and First Exploration and Production Company (First E&P)
- Approval of MoU between TPDC and Energetech Tanel Limited for mini LNG natural gas distribution project
- Request for Delegation of Authority for signing certain operational legal instruments

- HSSE and Sustainability Performance Report for the 3rd Quarter of 2024/25 Financial Year
- Deliberation on the Internal Audit Report on Planning and Investment for the period from 1st July 2024 to 31st March 2025
- Deliberation on Financial Performance Report for the 3rd Quarter ended 31st March 2025
- Deliberation on Internal Audit Report on the Financial Performance for the 3rd Quarter ended 31st March 2025
- Deliberation on Procurement Audit Report for the 2nd Quarter ended 31st December 2024
- Deliberation on Procurement Performance Review Report for the 2nd Quarter ended 31st December 2024
- Deliberation on Risk Management Performance Report for the 3rd Quarter ended 31st March 2025.
- Deliberation on the Report of the Chairman of ARCC on External Auditors' draft engagement letter, draft audit plan and the proposed audit fees for the Financial Year 2023/24
- The draft consolidated and separate financial statement for the year ended 30th June 2024
- Internal review report on the draft consolidated and separate financial statements for the year ended 30th June 2024
- Approval of the project cost estimates for the construction of a high-pressure raw natural gas transmission pipeline from Ntorya gas field to Madimba natural gas processing plant and changes of the approved annual procurement plan for the 2024/2025 Financial Year
- Report of the CAG on the consolidated and separate financial and compliance audit for the year ended 30th June 2024 (BY CAG & PWC)
- Consolidated and separate financial statements of TPDC (corporate) and its subsidiaries (TANOIL &GASCO) for the Financial Year ended 30th June 2024.
- Consolidated and separate financial and compliance audit for the Financial Year ended 30th June 2024
- Update from the Office of Treasury Registrar on TPDC's draft dividend policy
- Approval of draft exploration licenses for TPDC Mnazi Bay North Block, West Songo Songo Block, Eyasi Wembere Block and Lindi Mtwara Block block
- To receive and deliberate on the decision of the Public Services Commission concerning the appeal submitted by the former management of TANOIL
- Update on preparation for the launch of the Long Term Corporate Strategic Plan

- Opening an account for Compressed Natural Gas (CNG) stations
- Update on the preparation for the inauguration of the CNG mother station
- Request for approval of the Annual Corporate Plan and Budget for the 2025/2026 Financial Year
- Dividend payment proposal to the Office of the Treasury Registrar for the 2023/2024 Financial Year
- Supplementary information for endorsement of the comprehensive salary structure for TPDC and its subsidiaries

2.15.4 Board's Committee

In discharging her duties, the Board has formulated four Board committees, comprising members from the Board of Directors and other co-opted members, to ensure and uphold a high standard of corporate governance. The members' tenure of office for these committees runs concurrently with that of the Board of Directors. The Committees report to the Board of Directors and are scheduled to meet at least once every quarter. The four Board committees are as described below:

i. Audit, Risk and Compliance Committee

This is an Oversight Committee of the Board, which comprises Independent Directors. It reviews the scope of the internal and external audit plans, examines significant findings by internal and external auditors, evaluates management's responses, and oversees the appointment and replacement of the Director of Internal Auditing. The Committee also oversees the financial reporting process, ensures that internal control systems are adequate and effective, and acts as a liaison between the external auditors and management.

To ensure the separation of the Committee's membership, individuals serving on the ARCC cannot be elected to serve in any other Committee. All members who served on this Committee during the financial year 2023/24 are non-executive and independent, with no financial interests in the entity or significant relationships with management, suppliers, or customers. The Committee has an approved Charter, which stipulates, among other things, its authority, duties, and responsibilities.

Members of the Audit, Risk, and Compliance Committee are comprised of the following directors:

S/N	Name	Position	Age	Meeting Attendance
1	Dismas A. Fuko	Chairperson	73	12/12
2	Ruth H. Zaipuna	Member	51	5/12
3	Mrisho S. Mrisho	Member	58	12/12
4	Peter L. Mwambuja	Member	47	11/12

During the financial year, the Committee discussed and deliberated the following key Agenda:

i. External auditor draft engagement letter, draft audit plan and the proposed audit fee for the Financial Year 2024/2025.

ii. External Audit report, audited financial statements and management letter for the year ended 30th June 2024 presented by the External Auditor.

iii. Internal Audit plan for the Financial year 2024/25

iv. Financial Performance Reports of the corporation

v. Quarterly Risk Management reports

vi. Quarterly Procurement Performance Reports

vii. The Draft Financial Report for FY ended June 2024

viii. Internal Audits reports during the period

ii. Human Resources and Administration Committee

The Human Resources and Administration Committee (formerly the Nomination and Compensation Committee) has been delegated the authority of the Board in respect of the functions and powers vested in the Committee. The role of the Committee is to assist the Board in fulfilling its responsibility to the shareholder to ensure that nominations and remuneration policies and practices are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements, and executive remuneration is aligned to company purpose and values and linked to the delivery of the long-term strategy. In particular, the Committee shall provide advice to the Board on all matters, including executive development, recruitment, setting the policy for remuneration, promotion and performance.

Members of the Human Resources and Administration Committee comprise of the following directors:

S/N	Name	Position	Age	Meeting Attendance
1	Subira E. Wandiba	Chairperson		
2	Protase R. Ishengoma	Member	64	4/7
3	Amb. Peter A. Kallaghe	Member	65	7/7
4	Zuhura S. Muro		64	7/7

During the financial year, the Committee discussed and deliberated the following key Agenda:

i. Approval of the 2024/25 training program for TPDC and its subsidiaries: Board paper HRAC/08/2024-25/17
ii. Proposed board performance evaluation for 2024; Board paper HRAC/08/2024-25/18
iii. Appointment of interview panel to fill positions of DEDP, DPB and Board membership for GASCO and TANOIL: Board paper NO. HRAC/08/2024-25/19
iv. Salary structure review
v. public service commission decision: appeal of former TANOIL management
vi. Request for approval of the comprehensive salary structure for TPDC and its subsidiaries
vii. Request for medical treatment abroad for Abdul Abdallah
viii. Status of Reallocation of TPDC Office to Dodoma
ix. Proposed salary review
x. Human Resource Management report for the 3rd Quarter of 2023/24 Financial year
xi. Appraisal on Permanent Secretary Directive on Personal Salary Approval for three Management Officers
xii. Resignation of Director of Petroleum Business, Mpambike W. Chiume.
xiii. Selection Process of Candidates to fill positions at TANOIL and GASCO Governing Boards
xiv. Human Resources Management Report for the Quarter of 2023/24 Financial Year
xv. Proposed Organization Structure for TPDC
xvi. Proposed Organization Structure for GASCO and TANOIL
xvii. Potential candidate for co-option to be the HRAC
xviii. Appointment of an individual to fill the vacant position of DPB and DEPD
xix. Approval of revised HRAC Charter standing agenda and work plan
xx. Review and approval of human resources policies
xxi. Request for Confirmation of Staff on First Appointment
xxii. Approval of Organizational structure
xxiii. Proposal to engage an external consultant to assist with the implementation of the HR Strategic initiatives
xxiv. Human resources management report for the 1st Quarter of the 2024/25 financial year
xxv. Policy matters (corporate Communication policy Approval
xxvi. Approval of the Corporation Communications strategic
xxvii. Approval of Human resources Quarter executive report
xxviii. Report of the Treasury resources registrar on the Board of Directors evaluation report
xxix. Potential candidates for Co-Option to the HRAC
xxx. Proposed temporary transfer of staff from Dodoma to Dar Es Salaam

iii. Investment and Business Development Committee

The primary responsibility of the Committee is to oversee the commercial vision on behalf of the Board and report the results of its activities to the Board. The Committee shall deliberate and recommend to the Board issues relating to:

a) Planning and budget matters;

b) Investment matters;

c) Local Content matters;

d) Marketing matters;

e) Monitoring and delivery;

f) ICT and Statistics; and

g) Corporate and public relations and related directed by the Committee.

Members of the Investment and Business Development Committee are as follows:

S/N	Name	Position	Age	Meeting Attendance
1	Paul D. Makanza	Chairperson	58	7/7
2	Protase R. Ishengoma	Member	64	6/7
3	Eng. Charles Omujuni	Member	64	7/7
4	Zuhura S. Muro	Member	64	7/7
5	George Kibakaya	Co-opted Member	64	7/7
6	Salvator Ntomola	Member	74	7/7

During the financial year, the Committee discussed and deliberated the following key Agenda:

i. Approval of project cost estimates for the construction of a high-pressure raw natural gas transmission pipeline from Ntorya gas field to Madimba natural gas processing plant and changes to the approved annual procurement plan for the 2024/2025 financial year: board paper NO. EO-IBDC 10/2023-24/21

ii. Approval of the revised TPDC investment policy 2024 and real estate investment manual 2024

iii. Fourth quarter financial performance for the 2023/2024 financial year.

iv. Approval of single-source method to procure contractor for the construction work of a high-pressure raw natural gas transmission pipeline from Ntorya gas field to Madimba gas processing plant: board paper NO.EO-IBDC 11/2024-25/24

v. Approval of a Memorandum of Understanding between TPDC and Taifa Petrochemical Industries Limited regarding investment in petrochemical projects: board paper NO.EO-IBDC 12/2024-25/25

vi. Approval of joint venture agreement between TPDC and Sahara Tanzania for Establishment Of Petroleum Storage Facilities: Board Paper NO.EO-IBDC 12/2024-25/26

vii. Request for approval of additional funding to cover the deficit on the approved budget to finance construction of the Ntorya to Madimba Gas Pipeline: Board Paper NO. EO-IBDC 12/2024-25/27

viii. Amendment of the 2024/2025 annual procurement plan to include the disposal of sludge material from TANK NO 8 at Kigamboni through Competitive Tendering: Board Paper NO. EO-IBDC 12/2024-25/28

ix. Approval of key commercial principles for negotiating the TPDC/ARA petroleum joint operating agreement: Board Paper NO. EO-IBDC 12/2024-25/29

x. Approval of joint venture agreement between TPDC and Sahara Tanzania for the establishment of petroleum storage facilities

xi. Approval of additional scope and budget for the transaction advisor representing the government and TPDC in the ongoing TLNG Project Negotiations

xii. Request to amend the 2024/2025 annual procurement plan for TPDC

xiii. update from the office of the treasury registrar on TPDC's Draft Dividend Policy

xiv. Approval of draft exploration licenses for TPDC Mnazibay North Block, West Songo Songo Block, Eyasi Wembere Block and Lindi-Mtwara Block

xv. Interim dividend payment proposal to the office of the treasury registrar for the 2023/2024 financial year: Board paper NO.EO-IBDC 14/2024-25/37

xvi. Request for annual corporate plan and budget for the 2025/2026 financial year: BOARD PAPER NO.EO-IBDC 14/2024-25/35

iv. Safety, Environment and Sustainability Committee

The Safety, Environment, and Sustainability Committee is responsible for assisting the Board in fulfilling its oversight responsibilities regarding health, safety, environment, and sustainability issues. Specifically, it will monitor and assess the adequacy and effectiveness of internal controls and compliance with Health, Safety, Social and Environment (HSSE) Standards and International Petroleum Industry Standards. Furthermore, the Committee shall be responsible for ensuring that day-to-day corporate activities build and support the long-term sustainability of the core business. Members of the Safety, Environment and Sustainability Committee are:

S/N	Name	Position	Age	Meeting Attendance
1	Salvator Ntomola	Chairman	75	3/4
2	Paul D. Makanza	Member	58	3/4
3	Eng. Charles S. Omujuni	Member	66	4/4

During the financial year, the Committee discussed and deliberated the following key Agenda:

I. HSSE &SC performance Report for the 1st Quarter of the 2024/2025 Financial year

II. 5HSSE &SC performance Report for the 4th Quarter of the 2023/2024 Financial year

III. HSSE & Sustainability Performance Report for the 2nd Quarter of 2024/2025 Financial Year

IV. Approval of the Corporate Social Responsibility (CSR) Policy

2.15.5 Management of the Corporation

The corporation management is headed by the Managing Director, who is assisted by Directors and other Senior Management. The Managing Director is also the Chief Executive Officer with the role to ensure proper administration and management of the corporation's affairs. The corporate management, under the supervision of the Managing Director, demonstrates the capability to handle day-to-day operational and administrative functions. Management is organized under four (4) directorates and Six (6) units as follows;

Directorates

- Exploration, Development and Production;
- Oil and Gas Business;
- Planning and Investment; and
- Finance and Administration.

Units

- Procurement Management;
- Public Relations and Communication;
- Risk Management;
- Internal Auditing;
- Legal Services; and
- Information Communication Technology and Statistics.

The Management team as of the date of signing this report, comprises of the following members;

Name	Position
Mr. Mussa Mohamed Makame	Managing Director
Mr. Francis M. Mwakapalila	Director of Finance and Administration
Mr.Paschal Njiko	Director of Exploration, Development and Production
Mr. Emmanuel Gilbert Simon	Director of Oil and Gas Business
Mr. Derick August Moshi	Director of Planning and Investment
Mr. Gabriel L. Mwero	Director of Internal Audit Unit
Dr. Elias T. Mwashiuya	Director of Legal Services Unit
Mr. Edwin J. Riwa	Head of Procurement Management Unit
Mr. Renatus E. Nyanda	Head of Risk Management Unit
Mr. David L. Kidenya	Head of ICT and Statistics Unit
Ms. Marie F. Msellemu	Head of Public Relations and Communication Unit

2.16 APPOINTMENT OF AUDITOR

The Controller and Auditor General (CAG) is the statutory auditor of the Corporation by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977, as amplified under section 10(1) of the Public Audit Act, [CAP.418 R.E 2021]. However, in accordance with Section 33(1) of the same Act, PricewaterhouseCoopers and the National Audit Office jointly conduct the audit of Tanzania Petroleum Development Corporation for the year ended June 30, 2025.

2.17 RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Corporation present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by Section 10 (2) of the Public Audit Act, Cap 418.

2.18 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing these financial statements, which present a true and fair view of the Corporation as of the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations, and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Corporation.

Therefore, Those Charged with Governance are of the opinion that the financial statements of the Corporation give a true and fair view of the Corporation's state of financial affairs and of its operating results for the year ended 30 June 2025.

2.19 POLITICAL AND CHARITABLE DONATIONS

During the reporting period, The Corporation did not donate funds to any political party. In line with statutory requirements and the Corporation's Corporate Social Responsibility Policy, the Corporation disbursed TZS 3.25 billion towards various community development and social welfare projects. This contribution reflects its goodwill and policy-mandated commitment to advancing sustainable development and public well-being.

Below is the list of beneficiaries and the respective amounts allocated.

S/N	Beneficiaries	Amount (TZS)	Purpose of the donation
1.	Jana Secondary School, Shinyanga, Masalala.	30,000,000	CSR to facilitate the construction of a hostel at Jana Secondary School
2.	Marendego Primary School-Lindi, Kilwa	72,000,000	CSR on the facilitation of the reconstruction of classrooms at Marendego Primary School

S/N	Beneficiaries	Amount (TZS)	Purpose of the donation
3.	Sponsorship of international and national conferences	277,400,000	Sponsorship of international and national conferences
4.	Madimba Village, Mtwara.	38,840,142	CSR to facilitate water project at Madimba
5.	Sengerema District Council-Mwanza	8,250,000	CSR for facilitation on the purchase of Cement due to the construction of classrooms at the Sengerema District Council
6.	Nanyumbu District Council	6,500,000	CSR on facilitation of the purchase of 3 bikes for disabilities and t-shirts
7.	Iguga District Council	30,000,000	CSR on the facilitation of the purchase of a Desk for Igunga
8.	Mtwara District Council	159,870,457	CSR for the construction of a dispensary at Mtwara Msimbati (MDC)
9.	Mtwara District Council	179,370,776	construction of Mimbati Police Station
10.	Mtwara District Council	422,207,903	Construction of Msimbati street light
11.	Ngorongoro District	4,067,796	Purchase of Tires
12.	Lindi Regional Commissioner's Office	5,000,000	Support of 100 6kg cylinder to RC LINDI
13.	Mtwara and Lindi Municipal, Cities and District Councils	690,000,000	CSR for Executing various Projects at Lindi and Mtwara Regions
14.	JKCI	50,000,000	Corporate social responsibility to JKCI
15.	Mbinga District Council	20,310,150	Supply of 10 computers for CSR
16.	Lindi Municipal Councils	163,313,372	CSR for the construction of Likongo Primary School
17.	Ruvuma District Council	33,897,900	CSR for 20 desktop Computers
18.	Nachingwea District Council	30,000,000	CSR to facilitate the implementation of small projects in Nachingwea Lindi
19.	Dar es Salaam Marine Institute (DMI)	36,750,000	CSR to facilitate the implementation of the SongoSongo to Kivinje ferry project.
20.	Clean Cooking initiatives	48,100,000	Support the Clean Cooking Energy Marathon and the seminar
21.	Songo Songo Village	44,915,254	Advance payment for the CSR of the water supply project at Songosongo
22.	Nanyamba District Council	360,096,770	CSR on facilitation for the construction of a dispensary in Nyundo

S/N	Beneficiaries	Amount (TZS)	Purpose of the donation
23.	Mtwara Municipal Council	5,000,000	CSR contribution to the Mtwara torch race celebration for the year 2025
24.	Lindi Regional Office	10,000,000	CSR contribution to the LINDI municipal for Umiseta year 2025
25.	Mfuru Village, Kisarawe	1,788,542	CSR for the Drilling of a water well at Mafuru village
26.	SHIM Media	46,400,000	CSR contribution to Shim media for conducting women's awareness media programs.
27.	DAS Mtwara	20,000,000	Contribution to the jogging club festival
28.	The office of the Attorney General	85,255,000	Purchase of a generator for the office of the Attorney General
29.	New Millennium women's group	6,650,000	CSR to the new millennium women group when visiting the natural gas plant at Kinyerezi and Madimba.
30.	Meatu District Council	10,000,000	CSR contribution to Meatu torch race celebration for the year 2025
31.	Mwanamke Initiative Foundation (MIF)	50,000,000	Contribution to Facilitate Clean energy Cooking day and Kizimkazi Festival
32.	MINISTRY OF HOME AFFAIR	10,000,000	Contribution for the Seminar held for the Public Relations Officers
33.	strengthening capacity for climate	10,000,000	Contribution to the climate change conference
34.	Energy Conference	80,771,700	Sponsorship of the 10th AFRICAN RIFT GEOTHEMAL CONFERENCE to be held in Dar es Salaam at JNCC, October 2024
35.	Tanzania women contractors' association	10,000,000	Sponsorship for TWCA
36.	MINISTRY UTUMISHI	10,000,000	Contribution for Preparation of Meeting for Head of HRs from Ministry, Gvt Boardies & Institutions
37.	LINDI WOMEN GALLA	10,000,000	Contribution to the cleaning cooking energy conference in Lindi
38.	TBC	30,000,000	Contribution and sponsorship for the Nyerere Marathon
39.	PR SOCIATE OF TZ	10,000,000	Sponsorship of the 3rd meeting of East Africa PR Week

S/N	Beneficiaries	Amount (TZS)	Purpose of the donation
40.	The Mwalimu JK Nyerere Memorial	15,000,000	Contribution to the 103rd Anniversary of Late Mwalim Julius Kambarage Nyerere
41.	RAS SINGIDA EVENT COLLECTION	30,000,000	Contribution for participating in Mei Mosi in Singida
42.	TAGCO	10,000,000	Sponsorship of the 20th Meeting of Government Information Officers held in Morogoro
43.	Attorney General's Office	10,000,000	Donation to Contribute to the Conference for the AG Office
44.	Tanzania embassy in Comoros	20,000,000	Donation to Contribute to the Business Conference and Celebration of the Union Day
45.	Meatu District Council	21,000,000	Supply of T-shirts
	Total	**3,222,755,762**	

2.20 EMPLOYEES' WELFARE

a) Management and Employees' Relationship

Established a healthy relationship between Management and employees through the Workers council meetings, which is a platform for a dialogue between workers through TUICO (Tanzania Union of Industrial and Commercial Workers) and Management. A harmonious relationship was demonstrated during the Workers Council meetings.

b) Working Environment

Management believes that its employees should find working for the Corporation an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual's initiative towards fulfilling their responsibilities, complemented by the Corporation. This encompasses individual commitment towards innovative thinking and professional expertise, resulting in reward.

c) Opportunities and Fairness

Management is committed to providing equal opportunities for all employees, regardless of their ethnicity, race, gender, disability, or religion. Management accepts that only through the total commitment, loyalty and dedication of its employees will it be able to achieve its performance targets.

d) **Post-employment Benefits**

The Corporation contributes 15% of each employee's basic salary to the Fund on behalf of all permanent employees. In addition, The Corporation also provides a golden handshake post-retirement as part of its incentive scheme.

e) **Medical Services**

All TPDC staff are included in the health insurance scheme. The National Health Insurance Fund (NHIF), a mandatory Government health scheme, provides medical services to TPDC Staff. The employer and employee contribute 6% of the basic salary to NHIF. The Corporation has enhanced medical services for staff by entering into a separate contract with the NHIF for the supplementary scheme, which provides staff and their dependents with additional medical services, including those not covered by standard NHIF cards. The supplementary medical services started in May 2023.

f) **Training**

TPDC has a stable training and development program in place. The TPDC Staff Regulations (2008) provide procedures to be followed when implementing the program. Sources of funds are clearly identified to make the program comprehensive. During the year ended 30 June 2025, TZS 3.8 billion was spent on short and long courses both locally and abroad, compared to TZS 5.4 billion was spent in the year ended 30 June 2024. Training expenses are disclosed as part of other expenses within Note 27.

g) **HIV/AIDS awareness programme**

The Corporation has an HIV/AIDS awareness program and measures in place to provide comprehensive management of HIV/AIDS in the workplace, ensuring business continuity. In the year 2023/24, TPDC conducted an awareness program for the Management and its staff to raise employees' awareness of HIV/AIDS-related issues.

2.21 DISABLED PERSONS AND GENDER BALANCE

2.21.1 Disabled Persons

The Corporation adheres to a disability policy that responds to the National Disability Policy (2004), which requires all government institutions, families, relatives, local governments, and non-governmental organizations to care for disabled persons. The Corporation ensures that people with disabilities have access to the Corporation's facilities and environment that is comparable to that of their non-disabled peers. The policy recognizes that disabled staff and community members are integral to the Corporation community.

2.21.2 Gender Balance

The Corporation is committed to promoting a national policy on gender balance by adhering to the principles of gender equality. The Staff Regulations adhere to principles of gender equality, including employment opportunities and addressing sexual harassment. During the year ended 30 June 2024, TPDC had 487 qualified human capital in relevant and different disciplines, of which 359 (73.7%) were male and 128 (26.3%) were female.

The Corporation's recruitment policy is to provide equal opportunities to all individuals in the recruitment process to fill vacant employment posts. Thus, the Corporation does not discriminate between male and female applicants for the vacant posts. In this regard, great care is taken when implementing the policy in order to ensure that education/professional qualifications, competencies and key attributes, which are the basic criteria for selection and appointment, are not compromised.

2.22 MAJOR PROCUREMENT CONTRACTS

The Corporation had major procurement contracts with individuals and other entities, which were essential to its operations during the financial year ended June 30, 2025. The list of the major procurement contracts of above TZS 100 million is summarized below

Major Procurement Contracts for the years 2024/25

S/N	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
1.	Consultancy Services for undertaking Detailed Engineering Design for the Construction of a High-Pressure Raw Natural Gas Transportation Pipeline from Ntorya Gas Field to Madimba Natural Gas Processing Plant	Kimphil Konsult (T) Ltd	Consultancy	1,716,530,070
2.	Construction of Natural Gas Distribution Network to Households in Lindi and Pwani	M/s Lootah BC Gas LLC	Works	1,540,725,920
3.	Engineering, Procurement, and Construction (EPC) for Natural Gas Distribution Network in Dar es Salaam - DUCE and Mlimani City Kitchens	M/s Gas Company (T) Limited	Works	1,091,563,991
4.	Provision of Air Travelling Services TPDC & TANOIL	M/s Shades of Green	Service	869,234,472
5.	Supply and Installation of Street Lights at Msimbati, Madimba and Mngoji Villages in Mtwara Region	M/s CHIBESH Construction Company Limited	Works	498,205,327
6.	Supply and Installation of Air Conditioners at TPDC Buildings	M/s Tera Technologies an d Engineering Limited	Service	294,705,000
7.	Construction of Saba Saba Pavilion	M/s NORDIC Construction Company Limited	Works	213,361,582
8.	Consultancy Services to Undertake Environmental and Social Impact Assessment (ESIA) for Construction of High-Pressure Natural Gas Transmission Pipeline	M/s TANSHEQ Limited	Consultancy	194,823,310

S/N	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
	from Ntorya Gas Field to Madimba Processing Plant			
9.	Construction of Msimbati Police Station at Msimbati Ward in Mtwara Region	M/s SERC Construction Company Limited	Works	186,170,804
10.	Upgrade of Conference Sound System	M/s Rana Technologies Limited	Goods	138,020,883
11.	Renewal and Support of Disaster Recovery Software License	M/s Computer Connection Limited	Service	134,000,000
12.	Supply and Installation of Heavy Duty Printers - TPDC and TANOIL	M/s MFI Document Solutions	Goods	121,343,708
13.	Supply of Office Furniture and Fittings at TPDC Offices	M/s J.E & CL. Co. Limited	Goods	119,126,900
14.	Renewal of Disaster Recovery Software License and Support	M/s Computer Connection Limited	Service	105,524,485
TOTAL				7,223,336,451

2.23 PREJUDICIAL ISSUES

During the reporting period, there were no issues outside the entity's control that prevented it from achieving the objectives (prejudicial issues).

2.24 STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS 1), as issued by the National Board of Accountants and Auditors (NBAA), and became effective as of 1 January 2021. The Corporation's financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.25 FUTURE PERFORMANCE OF SIGNIFICANT EVENTS AFTER REPORTING DATE

There were no significant events with material impact on the Corporation.

2.26 APPROVAL

This Report was approved and authorized for issue by the Board of Directors during its 11th Extra-Ordinary Meeting held on 28 December 2025 and signed on its behalf by

H.E. Amb. Ombeni Y. Sefue
Chairman

Date: 27/3/2026

Mussa M. Makame
Managing Director

Date: 27/03/2026

3.0 STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2025

The Directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of Tanzania Petroleum Development Corporation comprising the consolidated and individual statements of financial position as at 30 June 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information, in accordance with IFRS Accounting Standards and the manner required by Public Corporations Act, 1992.

The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors have assessed the Corporation and Group's ability to continue as a going concern and have disclosed the facts under Note 2 of these financial statements. They have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of Financial Statements

The consolidated and separate financial statements of Tanzania Petroleum Development Corporation and its subsidiaries, as identified in the first paragraph, were approved by the Board of Directors and signed on its behalf by:

H.E. Amb. Ombeni Y. Sefue	**Mussa M. Makame**
Chairman	**Managing Director**
Date: 27/3/2026	**Date:** 27/02/2026

4.0 DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2025

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied by a Statement of Declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors in discharging the responsibility of preparing financial statements that show the true and fair view of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with Senior Management, as under the Management's Responsibilities statement on an earlier page.

I, **Francis M. Mwakapalila,** being the Director of Finance and Administration of Tanzania Petroleum Development Corporation, hereby acknowledge my responsibility of ensuring that consolidated and separate financial statements for the year ended 30 June 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

Thus, I confirm that the financial statements comply with applicable accounting standards and statutory requirements as of that date and have been prepared based on properly maintained financial records.

Signed by: ____________________

Position: Director of Finance and Administration

NBAA Membership No.: ACPA (T) 1400

Date: 27/3/2026

5.0 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		GROUP		CORPORATION	
		2025	2024	2025	2024
Assets	Note	TZS 'm	TZS 'm	TZS 'm	TZS '
Non-current assets					
Property, plant and equipment	5	2,127,096	2,141,343	2,121,908	2,138,574
Natural gas properties	6	102,015	106,450	102,015	106,450
Investment Properties	7	5,340	5,284	5,340	5,284
Intangible assets	8	1,672	866	865	803
Investment in subsidiaries	9	-	-	105,698	105,698
Investment in an associate	10	953,253	843,793	953,253	843,794
Right-of-use asset	11	4,341	3,816	4,341	3,816
Escrow funds	12	157,939	158,458	157,939	158,458
		3,351,656	3,260,010	3,451,359	3,362,877
Current assets					
Inventories	13	46,508	29,467	5,004	3,044
Trade and other receivables	14	1,618,592	1,526,876	1,645,566	1,542,203
Loan receivable	35	-	-	1,395	8,090
Income tax receivable	18	1,630	-	2,552	-
Cash and cash equivalents	15	378,419	233,396	376,321	218,121
		2,045,149	1,789,739	2,030,838	1,771,458
Total Assets		5,396,805	5,049,749	5,482,198	5,134,335
Equity and Liabilities					
Equity					
Share capital	16	2,208	2,208	2,208	2,208
Equity contribution from GoT	17	3,858,632	3,722,470	3,858,632	3,722,470
Reserves	17	452,064	452,042	452,636	452,614
Retained earnings		(197,408)	(258,678)	(108,756)	(169,259)
Total equity		4,115,496	3,918,042	4,204,720	4,008,033
Liabilities					
Non-current liabilities					
Employee benefit obligation	22	434	-	434	-
Government grants and assistance	20	41,770	41,929	41,770	41,929
Lease liability	11	3,930	2,627	3,930	2,627
Deferred income tax Liability	18	15,573	-	15,573	-
Asset retirement obligation	21	6,862	6,157	6,862	6,157
		68,569	50,713	68,569	50,713
Current liabilities					
Borrowings	19	630,192	630,192	630,192	630,192
Lease liability	11	770	1,001	770	1,001
PSA cash calls commitments	23	-	5,441	-	5,441
Trade and other payables	24	560,527	402,850	556,695	397,463
Employee benefit obligation	22	8	-	8	-
Provisions	37	21,243	19,017	21,243	19,017
Income tax payable	18	-	22,493	-	22,475
		1,212,740	1,080,994	1,208,908	1,075,589
Total liabilities		1,281,309	1,131,707	1,277,478	1,126,302
Total equity and liabilities		5,396,805	5,049,749	5,482,198	5,134,335

The financial statements were approved on ....by the Board of Directors and signed on its behalf by;

H.E. Amb. Ombeni Y. Sefue - Chairman

Mussa M. Makame - Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

		GROUP		CORPORATION	
	Note	2025 TZS 'm	2024 TZS 'm	2025 TZS 'm	2024 TZS 'm
Revenue from contracts with customers	26	1,428,171	1,193,159	1,338,324	1,005,311
Cost of sales	27	(1,198,166)	(882,835)	(1,157,428)	(743,876)
Gross profit		230,005	310,324	180,896	261,435
Other income	28	32,113	224,034	32,775	217,997
Release/(Charge) of impairment loss on financial assets	14	34,527	(62,827)	36,829	(65,704)
Administrative expenses	29	(154,622)	(170,191)	(111,894)	(112,783)
Operating profit		142,023	301,340	138,606	300,945
Finance cost	32	(1,221)	(871)	(1,221)	(849)
Share of (loss)/profit from associate	10	(9,827)	6,188	(9,827)	6,188
Profit before tax		130,975	306,657	127,558	306,284
Income tax expense	33	(57,990)	(57,909)	(55,340)	(56,867)
Profit for the year		72,985	248,748	72,218	249,417
Profit Attributable to:					
- Owner of the corporation		72,985	248,748	72,218	249,417
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
- Remeasurement of defined benefit liability	22	22	-	22	
Total comprehensive income for the year		73,007	248,748	72,240	249,417
Total comprehensive income for the period is attributable to:					
- Owner of the corporation		73,007	248,748	72,240	249,417

H.E. Amb. Ombeni Y. Sefue
Chairman
Date: 27/3/2026

Mussa M. Makame
Managing Director
Date: 27/03/2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

GROUP	Share capital TZS 'm	Equity contribution government TZS 'm	Reserves TZS 'm	Retained earnings TZS 'm	Total TZS 'm
Year ended 30 June 2025					
At the start of the year	2,208	3,722,470	452,042	(258,678)	3,918,042
Other comprehensive income:					
Profit for the year	-	-	-	**72,985**	**72,985**
Other comprehensive income	-	-	22	-	22
Transactions with owners:					
Dividend paid	-	-	-	(11,714)	(11,714)
Additional capital (Note 17)	-	136,162	-	-	136,162
At the end of the year	**2,208**	**3,858,632**	**452,064**	**(197,408,)**	**4,115,497**
Year ended 30 June 2024					
At the start of the year	2,208	3,271,658	452,042	(501,581)	3,224,327
Other comprehensive income:					
Profit for the year	-	-	-	248,748	248,748
Transactions with owners:					
Dividend paid	-	-	-	(5,845)	(5,845)
Additional capital	-	450,812	-	-	450,812
At the end of the year	**2,208**	**3,722,470**	**452,042**	**(258,678)**	**3,918,042**

H.E. Amb. Ombeni Y. Sefue
Chairman

Date: 27/3/2026

Mussa M. Makame
Managing Director

Date: 27/03/2026

CORPORATION	Share capital TZS 'm	Equity contribution government TZS 'm	Reserves TZS 'm	Retained earnings TZS 'm	Total TZS 'm
Year ended 30 June 2025					
At the start of year	2,208	3,722,470	452,614	(169,259)	4,008,033
Other comprehensive income:					
Profit for the year	-	-	-	72,218	72,218
Other comprehensive income	-	-	22	-	22
Transactions with owners:					
Dividend paid	-	-	-	(11,714)	(11,714)
Additional capital (Note 17)	-	136,162	-	-	136,162
At the end of the year	**2,208**	**3,858,632**	**452,636**	**(108,756)**	**4,204,720**
Year ended 30 June 2024					
At the start of the year	2,208	3,271,658	452,614	(412,831)	3,313,649
Other comprehensive income:					
Profit for the year	-	-	-	249,417	249,417
Transactions with owners:					
Dividend paid	-	-	-	(5,845)	(5,845)
Additional capital	-	450,812	-	-	450,812
At the end of the year	**2,208**	**3,722,470**	**452,614**	**(169,259)**	**4,008,033**

H.E. Amb. Ombeni Y. Sefue
Chairman

Date: 27/3/2026

Mussa M. Makame
Managing Director

Date: 27/03/2026

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

		GROUP		CORPORATION	
	Note	2024/2025 TZS 'm	2023/2024 TZS 'm	024/2025 TZS 'm	2023/2024 TZS 'm
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operating activities	34	351,254	257,722	351,579	253,243
Interest paid	11	(438)	(376)	(438)	(376)
Income tax paid	18	(45,866)	(23,332)	(44,119)	(22,406)
Net cash flows from operating activities		304,950	234,014	307,022	230,461
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment (net of transfers)	5	(64,571)	(19,682)	(61,633)	(18,486)
Acquisition of intangible assets	8	(1,153)	(3)	(394)	-
Dividend income received	10	16,041	2,780	16,041	2,780
Additions to natural gas properties	6	(3,998)	(71,716)	(3,998)	(71,716)
Additional investment in a subsidiary	9	-	-	-	-
Investment property addition	7	(179)	(237)	(179)	(237)
Loan Receivable	35	-	-	-	(40,740)
Loan Repayment	35	-	-	6,334	34,943
Disposal of assets	5	276	-	268	-
Investment in EACOP	10	(136,162)	(405,243)	(136,162)	(405,243)
Net cash used in investing activities		(189,746)	(494,101)	(179,723)	(498,699)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease (Principal)	11	(331)	(624)	(331)	(624)
Repayment of bank borrowings	19	-	-	-	-
Principal received	19	-	-	-	-
Government contribution	17	45,433	264,596	45,433	264,596
Government grant	20	16	4,090	16	4,090
Dividends paid		(11,714)	(5,845)	(11,714)	(5,845)
Net cash flows from financing activities		33,404	262,217	33,404	262,217
Net increase/(decrease) in cash and cash equivalents		148,608	2,130	160,703	(6,021)
Movement in cash and cash equivalents					
At the beginning of the year		233,396	220,569	218,121	212,270
Increase during the year net of realised gain.		148,608	2,130	160,703	(6,021)
Unrealised gain/(loss) on foreign exchanges		(3,585)	10,697	(2,503)	11,872
Cash and cash equivalents at the end of the year	15	378,419	233,396	376,321	218,121

H.E. Amb. Ombeni Y. Sefue
Chairman
Date: 27/3/2026

Mussa M. Makame
Managing Director
Date: 27/03/2026

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Tanzania Petroleum Development Corporation (TPDC) is domiciled in Dar es Salaam, Tanzania. The consolidated financial statements of the Corporation as at and for the year ended 30 June 2025 comprise the Corporation and its subsidiaries GASCO and TANOIL (together referred to as the "Group"). The Corporation owns 100% of the ordinary share capital of GASCO and TANOIL.

For these financial statements, "consolidated" refers to the Group's financial statements (including its corporation and subsidiaries) and "separate" refers to the Corporation's financial statements.

2. GOING CONCERN

As of the year end, the Group and the Corporation reported accumulated losses amounting to TZS 197,408 million and TZS 108,756 million, respectively (2024: Accumulated losses of TZS 258,678 million and TZS 169,259 million, respectively).

The accumulated losses have continued to decrease given the performance of the Group. Following the conversion of loan in September 2023, the Directors believe the group will continue to generate positive results in the coming years.

Further, The Government has consistently shown its commitment to providing financial support. This support comes in the form of revenue grants to finance part of the operating costs, capital contributions to finance capital projects, and the granting of government loans and/or securing of loans on behalf of the Group and Corporation. The Management believes that the Government acknowledges the Group's and Corporation's financial difficulties.

In view of the above, the Management of the Corporation believes that the Group and Corporation will continue to operate on a going-concern basis. Accordingly, these financial statements have been prepared based on accounting policies applicable to the going concern.

3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing these consolidated and separate financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

a) Basis of preparation

(i) *Compliance with IFRS Accounting Standards*

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and in the manner required by the Public Corporation Act, 1992.

The compliance statement in the basis of preparation should be aligned with how reference to the framework is described in local regulation. An alternative way to state compliance with IFRS Accounting Standards could be 'International Financial Reporting Standards as issued by the IASB' (" IFRS Accounting Standards").

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and investment property - measured at fair value or revalued amount,
- contingent consideration – measured at fair value, and
- defined benefit pension plans - plan assets measured at fair value.

The financial statements are presented in Tanzanian Shillings rounded to the nearest million (TZS 'm), except where otherwise indicated.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(iii) *New and amended standards adopted by the group*

There are no standards and amendments that the Group applied for the first time for its annual reporting period commencing 1 July 2024 nor standards and amendments with material impact on the amounts recognized in prior periods.

(iv) ***New standards and interpretations not yet adopted***

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

	Effective date	Executive summary
Amendments to IAS 21: Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025	In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after 1 January 2026	On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: • clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The Group does not expect these amendments to have a material impact on its operations or financial statements.

	Effective date	Executive summary
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The group will apply the new standard from its mandatory effective date of 1 July 2027. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2026 will be restated in accordance with IFRS 18.

b) Foreign currency translations

Transactions in foreign currencies are translated to the functional currency (Tanzanian Shilling - TZS) at the exchange rates on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign currency gains or losses on monetary items are the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in the foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at the fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss in the period in which they occur. Foreign currency differences relating to trading activities are identified under operating expenses.

c) **Principles of consolidation and equity accounting**

(i) ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) ***Associates***

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) ***Joint arrangements***

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Corporation has joint operations only.

Joint operations

TPDC recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 6.

In determining whether the terms of contractual arrangements and other facts and circumstances lead to a classification as joint operations, the Group and Corporation, in particular, consider the nature of products and markets of the arrangement and whether the substance of their agreements is that the parties involved have rights to substantially all the arrangement's assets. Group accounts for the assets, liabilities, revenues and expenses relating to its interests in joint operations in accordance with the principles applicable to those particular assets, liabilities, revenues and expenses.

Normally, this leads to accounting for the joint operation in a manner similar to the previous proportionate consolidation method. Under this method, the Corporation recognises the assets it controls, the liabilities it incurs, the expenses it incurs, and its share of the income it earns from the sale of goods or services resulting from the joint operation, all in respect of its interests in jointly controlled operations.

Groups' and corporations' unincorporated joint production activities are conducted through arrangements that are jointly controlled because unanimous consent is required among all parties involved. In determining whether each separate arrangement related to TPDC's unincorporated joint exploration and production licence activities falls within or outside the scope of IFRS 11, the Group and Corporation consider the terms of relevant licence agreements, governmental concessions, and other legal arrangements that impact how and by whom each arrangement is controlled. Joint ventures (in which the Group and Corporation have rights to the net assets), are accounted for using the equity method.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 10.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated and separate financial statements requires the use of accounting estimates, which will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events under the circumstances.

Management has applied significant estimates and assumptions under the following areas:

a) Income tax

The Group and the Corporation are subject to income taxes to the Government. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Corporation recognize liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) Property, plant & equipment

Critical estimates are made by the management in determining the fair value of property, plant and equipment as well as depreciation rates. The rates used are set out in Note 5.

c) Proved oil and gas reserves

Proved oil and gas reserves may materially impact the consolidated and separate financial statements, as changes in the proved reserves, for instance, as a result of changes in estimated volume, will impact the unit of production rates used for depletion and impairment

Assessments of the natural gas properties. Proved oil and gas reserves have been estimated based on industry standards, which require the use of a price based on a 12-month average for reserve estimation. These standards are to be based on existing economic conditions and operating methods and with a high degree of confidence (at least 90% probability) that the quantities will be recovered.

Reserves estimates are based on subjective judgements involving geological and engineering assessments of in-place hydrocarbon volumes, the production, historical recovery and processing yield factors and installed plant operating capacity. For future development projects, proved reserves estimates are included only where there is a significant commitment to project funding and execution and when relevant governmental and regulatory approvals have been secured or are reasonably certain to be secured.

The reliability of these estimates at any given time depends on the quality and quantity of the technical and economic data and the efficiency of extracting and processing the hydrocarbons. An independent third party has evaluated the Group's and Corporation's proved reserves estimates, and the results of this evaluation do not differ materially from the Group's estimates.

Proved gas reserves are those quantities of gas that, by analyzing geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations.

Unless evidence indicates that renewal is reasonably certain, estimates of economically producible reserves only reflect the period before the contracts providing the right to operate expire.

The valuation of natural gas properties and depletion expense are sensitive to estimates of recoverable reserves. Management uses 2P reserves (proved plus probable) as the primary basis for financial reporting. To demonstrate the impact of estimation uncertainty, sensitivity analysis considering 1P (conservative) and 3P (optimistic) reserves has been performed. Variations in reserve estimates affect depletion calculations and natural gas property values. Reserve volumes are reviewed regularly to reflect updated geological and economic information.

Reserve Category	2024/25			2023/24		
	Reserve (BSCF)	**Depletion rate (%)**	**Natural Gas Properties Valuation (TZS Millions)**	Reserve (BSCF)	Depletion rate (%)	Natural Gas Properties Valuation (TZS Millions)
1P (Proved Reserves - Conservative)	**327.64**	**11%**	**95,836**	187.9	25%	93,760
2P (Proved + Probable Reserves - Base Case)	**475.64**	**7%**	**99,678**	425	10%	103,725
3P (Proved + Probable + Possible Reserves - Optimistic)	**603.64**	**6%**	**101,436**	701.9	6%	106,593

d) Expected oil and gas reserves

Expected gas reserves may materially impact the consolidated and separate financial statements, as changes in the expected reserves, for instance, as a result of changes in prices, will impact the impairment testing of upstream assets, which in turn may lead to changes in impairment charges affecting operating income. Expected gas reserves are the estimated remaining, commercially recoverable quantities, based on the Group's and Corporation's judgment of future economic conditions, from projects in operation or justified for development.

Recoverable gas quantities are always uncertain, and the expected value is the weighted average, or statistical mean, of the possible outcomes. Expected reserves are therefore typically larger than proved reserves. Expected gas reserves have been estimated on the basis of industry standards and are used for impairment testing purposes and for the calculation of asset retirement obligations.

Reserve estimates are based on subjective judgments involving geological and engineering assessments of in-place hydrocarbon volumes, the production, historical recovery and processing yield factors, installed plant operating capacity and operating approval limits. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data and the efficiency of extracting and processing the hydrocarbons.

e) Impairment of non-financial assets

The Group and Corporation have significant investments in property, plant and equipment, natural gas properties and intangible assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, requiring the carrying amount to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Evaluating whether an asset is impaired or if an impairment should be reversed requires a high degree of judgment. It may, to a large extent, depend upon the selection of key assumptions about the future.

Subsequent to the initial evaluation phase for a well, it will be considered a trigger for impairment testing if no development decision is planned for the near future and there is no concrete plan for future drilling in the licence. Impairment of unsuccessful wells is reversed, as applicable, to the extent that conditions for impairment are no longer present.

Estimating recoverable amounts involves complexity in estimating relevant future cash flows, based on assumptions about the future, discounted to their present value. Impairment testing requires long-term assumptions to be made concerning a number of often volatile economic factors such as future market prices, currency exchange rates and future output, discount rates and political and country risk, among others, in order to establish relevant future cash flows.

Impairment testing frequently also requires judgment regarding probabilities and probability distributions, as well as the levels of sensitivity inherent in the establishment of recoverable amount estimates.

f) Asset retirement obligations

The Group and Corporation have significant obligations to decommission and remove onshore and offshore installations at the end of the production period. It is difficult to estimate the costs of these decommissioning and removal activities, which are based on current regulations and technology, and consider relevant risks and uncertainties.

Most of the removal activities are to be done many years in the future, and the removal technology and costs are constantly changing.

The estimates include assumptions of the time required and the day rates for rigs, marine operations and heavy lift vessels that can vary considerably depending on the assumed removal complexity.

As a result, the initial recognition of the liability and the capitalized cost associated with decommissioning and removal obligations, and the subsequent adjustment of these balance sheet items, involve the application of significant judgment.

g) Employee benefit obligation

The following assumptions were applied by independent actuary in determination of the post-employment benefit obligation.

Group and Corporation	2024/25	2023/24
Discount rate	**14.60%**	-
Salary escalation rate	**6.10%**	-
Retirement age	**60 years**	-
inflation	**3.3%**	-

The discount rate during the year is in line with prevailing discount rate which is based on secondary market of government bonds in Tanzania.

Assumptions regarding future mortality are set based on actuarial advice in accordance with A1949/52 mortality table published by the Institute of Actuaries. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60. See the table below;

Sn	Age	Mortality	Withdraw	Ill health
1	20	0.00111	0.3000	0.0004
2	25	0.00112	0.2500	0.0004
3	30	0.00116	0.1320	0.0004
4	35	0.00132	0.0625	0.0004
5	40	0.00188	0.0360	0.0006
6	45	0.00330	0.0200	0.0011
7	50	0.00599	0.0037	0.0020
8	55	0.01035	0.0010	0.0035

Through its defined benefit pension plan the company is exposed to a number of risks. The most significant being changes in discount rates (which are set with reference to the Government of Tanzania bonds) and salary inflation.

Further, the actuarial valuation results are sensitive to the assumptions made with results being more sensitive to financial assumptions than the demographic assumptions. Particularly, the narrower the gap between the discount rate and the rate of salary escalation, the higher the value of the actuarial liabilities disclosed in the valuation.

Sensitivity analysis

	June 2025	June 2024
	TZS'M	TZS'M
Increase in defined pension benefit due to 7% decrease in discount rate	54	-
Decrease in defined pension benefit due to 7% increase in discount rate	(46)	-

The sensitivity analysis above has been determined based on reasonable possible changes and assumptions remaining unchanged. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The valuation was done by Hemak Actuarial Consultancy, the next valuation will be done in the year ending 30 June 2026.

h) Impairment of Financial Assets

The Group's financial assets primarily comprise trade receivables, contract assets, loans, and other receivables that are measured at amortized cost. These assets are subject to impairment assessment in accordance with IFRS 9, using the simplified approach for expected credit loss (ECL) measurement.

Under the simplified approach, the Group recognizes a loss allowance for expected credit losses measured at the lifetime expected credit losses on all financial assets measured at amortized cost from initial recognition. The Group does not track changes in credit risk for these assets but instead recognizes impairment losses based on historical credit loss experience adjusted for forward-looking information such as macroeconomic conditions and industry trends.
The estimation of expected credit losses involves applying a provision matrix, which reflects the historical default rates and recovery patterns of the Group's financial assets, adjusted to incorporate forecasts of relevant forward-looking factors (see note 39 for details on the assumptions and methods applied).

Financial assets are written off when the Group considers that there is no reasonable expectation of recovery. Recoveries of amounts previously written off are credited to profit or loss.

The carrying amounts of financial assets and the related loss allowances, including a reconciliation of the loss allowance balance for the reporting period, are disclosed in note 14.

The measurement of expected credit losses incorporates significant judgment, including estimates of future economic conditions. The Group has performed sensitivity analyses on key assumptions such as default rates and recovery rates. Changes in these assumptions could have a material impact on the allowance recognized. Further details on the sensitivity of the expected credit loss estimates to key assumptions are presented in note 39.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, if any, and borrowing costs for qualifying assets. Property, plant and equipment also include expenditure on major maintenance refits or repairs including the cost of replacement assets or parts of assets, inspection costs and overhaul costs.

Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will flow to the Group and Corporation, the expenditure is capitalised. Inspection and overhaul costs, associated with regularly scheduled major maintenance programs planned and carried out at recurring intervals exceeding one year, are capitalised and amortised over the period to the next scheduled inspection and overhaul.

All other maintenance costs are expensed as incurred. All other repair and maintenance costs are recognized in profit or loss as and when incurred.

The estimated useful lives and residual values of property, plant and equipment are reviewed on an annual basis, and changes are accounted for prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included within other income in the period the item is derecognised.

Valuation

Valuations of property, plant and equipment prior to Government Asset Management Guidelines 2019 and circular no.2 of FY 2021/22 on Government Asset Management Information System were performed with sufficient regularity (5 years) to ensure that the carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting period. During the Financial year 2024/25, the Valuation of Property, Plant and Equipment is in accordance with Government Asset Management Guidelines 2019 and circular No.2 of FY 2021/22 on the Government Asset Management Information System. The estimated useful lives and residual values of property, plant, and equipment are reviewed at the end of the reporting period.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows: -

Asset class	Rate per annum 2024/25	Rate per annum 2023/24
Buildings	2%	2%
Furniture, fittings and equipment	10%	10%
Motor vehicles	10%	12.5%
Natural gas processing plant	2% - 5%	2% - 5%
Natural gas pipeline	2% - 3.33%	2% - 3.33%
Computer hardware	12.5%	25%
Intangible assets	10%	25%

Where changes have been made, these were to align with the directives issued by the Government. The change are applied prospectively.

Useful lives and residual values are assessed for reasonableness at the end of each reporting period and adjusted where appropriate.

Capital work in progress

Capital work in progress represents the costs incurred for capital projects in respect of downstream & upstream projects that are under construction and are stated at cost. List of projects include Compress natural gas station project (CNG), Exploration (Eyasi wembere and Mtwara Lindi), rehabilitation of tank no 8 and Gas distribution projects a The cost comprises of the cost of materials, labour, overheads and spares. It includes the capital projects under construction that are not depreciated.

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land	Buildings	Motor vehicles	Furniture, fittings and equipment	Computer hardware	Gas pipeline	Gas processing plant	WIP	Total
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Year ended 30 June 2025									
Opening net book amount	184,279	29,059	5,332	8,399	1,332	1,529,065	357,720	26,157	2,141,343
Additions	168	-	1,993	2,958	1,926	1,317	-	58,916	67,278
Transfers W.I.P	-	116	1,361	3,055	-	851	5,096	(10,479)	-
Impairment***	-	(360)	-	-	-	-	-	-	(360)
Reclassification**	-	-	-	(37)	-	-	-	-	(37)
Disposal	-	-	(156)	(16)	(16)				(188)
Depreciation charge	-	(611)	(803)	(1,312)	(347)	(56,824)	(21,043)	-	(80,940)
Closing net book amount	**184,447**	**28,204**	**7,727**	**13,047**	**2,895**	**1,474,409**	**341,773**	**74,594**	**2,127,096**
As of 30 June, 2025									
Cost/fair value	184,447	30,627	10,567	17,463	4,506	1,701,269	425,943	74,594	2,449,416
Impairment	-	(360)	-	-	-	-	-	-	(360)
Accumulated depreciation	-	(2,063)	(2,840)	(4,416)	(1,611)	(226,860)	(84,170)	-	(321,960)
Netbook amount	**184,447**	**28,204**	**7,727**	**13,047**	**2,895**	**1,474,409**	**341,773**	**74,594**	**2,127,096**

** A reclass adjustment of TZS 37 million was passed in respect of an Intangible asset (digital shelves), which was previously recorded as PPE.

* The total additions consist of TZS 64,571 million in cash purchases, TZS 1,390 million in transfers from receivables related to prepaid motor vehicles, and TZS 1,317 million for assets acquired via pre-financing arrangements (Distribution network).

*** The impairment charge represents a write down of buildings net book value that are not occupied and assessed to be unhabitable.

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land	Buildings	Motor vehicles	Furniture, fittings and equipment	Computer hardware	Gas pipeline	Gas processing plant	WIP	Total
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Year ended 30 June 2024									
Opening net book amount	184,124	29,669	5,488	7,882	1,181	1,579,578	378,762	15,673	2,202,356
Additions	155	-	701	1,555	739	-	-	16,648	19,798
Transfers**	-	-	-	-	-	6,164	-	(6,164)	-
Reclassification	-	-	-	-	-	(46)	-	-	(46)
Depreciation charge	-	(610)	(857)	(1,038)	(588)	(56,631)	(21,042)	-	(80,766)
Closing net book amount	**184,279**	**29,059**	**5,332**	**8,399**	**1,332**	**1,529,065**	**357,720**	**26,157**	**2,141,343**
As of 30 June, 2024									
Cost/fair value	184,279	30,511	7,369	11,503	2,596	1,699,101	420,847	26,157	2,382,363
Accumulated depreciation	-	(1,452)	(2,037)	(3,104)	(1,264)	(170,036)	(63,127)	-	(241,020)
Netbook amount	**184,279**	**29,059**	**5,332**	**8,399**	**1,332**	**1,529,065**	**357,720**	**26,157**	**2,141,343**

** Transfers represent capitalization of Motor vehicles purchased and paid in advance the previous year and capitalization of work-in-progress items that were ready for intended use during the year.

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CORPORATION	Land	Buildings	Motor vehicles	Furniture, fittings and equipment	Computer hardware	Gas pipeline	Gas processing plant	WIP	Total
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Year ended 30 June 2025									
Opening net book amount	184,279	28,681	4,422	7,086	785	1,529,443	357,719	26,157	2,138,574
Additions	168	-	1,390	838	1,711	1,317	-	58,916	64,340
Transfers W.I. P	-	116	1,361	3,055	-	851	5,096	(10,479)	-
Impairment***	-	(360)	-	-	-	-	-	-	(360)
Reclassification**	-	-	-	(37)	-	-		-	(37)
Disposals	-	-	(156)	(15)	(9)	-	-	-	(180)
Depreciation charge	-	(611)	(680)	(1,052)	(220)	(56,824)	(21,042)	-	(80,429)
Closing net book amount	**184,447**	**27,826**	**6,339**	**9,875**	**2,267**	**1,474,787**	**341,773**	**74,594**	**2,121,908**
At 30 June 2025									
Cost/fair value	184,447	30,627	8,751	13,664	3,224	1,701,096	425,943	74,594	2,442,346
Impairment of buildings	-	(360)	-	-	-	-	-		(360)
Accumulated depreciation	-	(2,441)	(2,412)	(3,789)	(957)	(226,309)	(84,170)	-	(320,078)
Netbook amount	**184,447**	**27,826**	**6,339**	**9,875**	**2,267**	**1,474,787**	**341,773**	**74,594**	**2,121,908**

** A reclass adjustment of TZS 37 million was passed in respect of an Intangible asset (digital shelves), which was previously recorded as PPE.

*** The total additions consist of TZS 61.633 billion in cash purchases, TZS 1.390 billion in transfers from receivables related to prepaid motor vehicles, and TZS 1.317 billion for assets acquired via pre-financing arrangements (Distribution network).

*** The impairment charge represents a write down of buildings net book value that are not occupied and assessed to be unhabitable.

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CORPORATION	Land	Buildings	Motor vehicles	Furniture, fittings and equipment	Computer hardware	Gas pipeline	Gas processing plant	WIP	Total
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Year ended 30 June 2024									
Opening net book amount	184,124	29,291	5,085	6,710	744	1,579,956	378,761	15,673	2,200,343
Additions	155	-	116	1,267	415	-	-	16,648	18,602
Transfers**	-	-	-	-	-	6,164	-	(6,164)	-
Reclassification						(46)			(46)
Depreciation charge	-	(610)	(777)	(891)	(374)	(56,631)	(21,042)	-	(80,325)
Closing net book amount	**184,279**	**28,681**	**4,424**	**7,086**	**785**	**1,529,443**	**357,719**	**26,157**	**2,138,574**
At 30 June 2024									
Cost/fair value	184,279	30,511	6,248	9,849	1,551	1,698,928	420,846	26,157	2,378,370
Accumulated depreciation	-	(1,830)	(1,826)	(2,763)	(766)	(169,485)	(63,127)	-	(239,796)
Netbook amount	**184,279**	**28,681**	**4,424**	**7,086**	**785**	**1,529,443**	**357,719**	**26,157**	**2,138,574**

** Transfers represent capitalization of Motor vehicles purchased and paid in advance the previous year and capitalization of work-in-progress items that were ready for intended use during the year.

6. NATURAL GAS PROPERTIES

Natural gas properties include oil and gas development and production assets and are measured at cost less accumulated depletion and accumulated impairment losses. Natural gas properties assets include expenses incurred in developing commercial reserves and bringing them into production such as drilling of development wells, tangible costs of facilities and infrastructure construction, projected cost of retiring the assets i.e., asset retirement obligation and the borrowing costs on qualifying assets. The development expenditures are capitalized to Natural gas properties when it is probable that a future economic benefit will flow to the Group and the cost can be reliably measured.

These expenditures are incurred under the terms of Production Sharing Agreements (PSAs) and Joint Operations Agreements (JOAs) and represent the Group's share of those expenditures. The costs of the day-to-day servicing of natural gas properties are recognised in profit or loss as incurred according to TPDC participation interest of 40%.

Additions

During the year, TPDC incurred development expenditures amounting to TZS 4 billion, representing its 40% participating interest in cash calls related to the ongoing development activities in the producing gas fields. These costs have been capitalized as part of the natural gas properties, as they are directly attributable to the enhancement of future economic benefits from the existing assets.

Depletion

The net carrying amount of natural gas properties is depleted using the unit of production method by reference to the ratio of production in the year to the related proven and probable reserves, considering estimated future development costs necessary to bring those reserves into production. If the useful life of the asset is less than the reserve life, the asset is depreciated over its estimated useful life using the straight-line method. During the year During the year the depletion rate of the natural gas reserve decrease from 10.18% to 7.47% . this was significantly due to the increase in reserve (Recoverable value) from 425BCF to 475.64 BCF. The increase in reserve was highly attributable due to the incorporation of the Performance analysis of the proved developed producing wells and inclusion of drilling of two additional wells in 2025 and field- wide compression to be installed in 2028.

Future development costs are estimated considering the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers. Changes in factors such as estimates of reserves that affect unit-of-production calculations are dealt with on a prospective basis. Capital costs for assets under construction, included in development and production assets, are excluded from depletion until the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Disposals

Natural gas properties are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss on the derecognition of the asset, including farm-out transactions or asset sales or asset swaps, is calculated as the difference between the proceeds on disposal, if any, and the carrying value of the asset, is recognised in profit or loss in the period of derecognition.

The Group and Corporation assessed triggers for impairment on the natural gas properties and determined that an impairment test was not required. The majority of the Group and Corporation's natural gas is sold under long-term fixed-price gas sales and purchase agreement, eliminating the current volatility in the commodity market.

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Capitalized natural gas costs		
Opening balance	103,725	39,066
Additions	3,998	71,716
Depletion	(8,045)	(7,057)
Closing balance	99,678	103,725
Capitalized ARO Costs		
Opening balance	2,726	373
Additions	-	2,551
Depreciation	(389)	(199)
Closing balance	2,337	2,725
Total Natural Gas properties	102,015	106,450

7. INVESTMENT PROPERTIES

Investment property is property held to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business, nor for use in the production or supply of goods or services, or for administrative purposes. Investment properties are initially measured at cost, which includes transaction costs directly attributable to the acquisition.

The carrying amount includes the cost of replacing part of an existing investment property when the recognition criteria are met. Costs incurred for the day-to-day servicing of an investment property are not capitalized.

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized in profit or loss over the useful life of the asset unless the asset is classified as non-depreciable (e.g., land).

Rental income derived from investment properties is recognized in the income statement on a straight-line basis over the lease term. For the year ended 30 June 2025, the Group recorded rental income of TZS 7.21 billion, which includes land lease income of TZS 7.2 billion from EACOP and TZS 16 million from rent on a petrol station. Major rehabilitation and maintenance costs incurred during the year, amounting to TZS 177 million, were necessary for income generation. Also, during the year, the group has not amortized any of its assets and depreciation of TZS 34 million was charged in the income statement.

The group classifies cash outflows to acquire or construct investment property as investment activities and classifies rental inflows as operating activities.

Investment properties are derecognized when disposed of or permanently withdrawn from use with no expected future economic benefits. Gains or losses arising from the de-recognition of investment property, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss in the period of de-recognition.

Transfers into or out of investment properties are made only when there is a change in use. For transfers from investment property to owner-occupied property, the property's carrying value at the date of change in use is treated as its deemed cost for subsequent accounting. Similarly, if an owner-occupied property becomes an investment property, the Group and Corporation account for the asset according to the policy stated under Property, Plant, and Equipment up to the date of the change in use.

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Opening balance	5,283	5,138
Addition during the year	179	237
Disposal	(88)	-
Depreciation	(34)	(58)
Impairment loss	-	(34)
Closing balance	5,340	5,283

Investment property movement schedule;

Group and Corporation	Land TZS 'm	Buildings TZS 'm	Equipment TZS 'm	Total TZS 'm
Opening balance as at July 2024	4,063	1,177	43	5,283
Additions	2	177	-	179
Reclassification	(142)	142	-	-
Disposal	-	(88)	-	(88)
Depreciation	-	(17)	(17)	(34)
Closing balance as at June 2025	**3,923**	**1,391**	**26**	**5,340**
As at 30 June 2025				
Cost	3,923	1,447	56	5,426
Accumulated depreciation	-	(56)	(30)	(86)
Closing balance	**3,923**	**1,391**	**26**	**5,340**

Group and Corporation	Land TZS 'm	Buildings TZS 'm	Equipment TZS 'm	Total TZS 'm
Opening balance as at July 2023	4,063	1,028	47	5,138
Additions	-	228	9	237
Impairment	-	(34)	-	(34)
Depreciation	-	(44)	(13)	(57)
Closing balance as at June 2024	**4,063**	**1,178**	**43**	**5,284**
As at 30 June 2024				
Cost	4,063	1,256	56	5,375
Impairment	-	(34)	-	(34)
Accumulated depreciation	-	(44)	(13)	(57)
Closing balance	**4,063**	**1,178**	**43**	**5,284**

8. INTANGIBLE ASSETS

Intangible assets acquired by the Group are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are recognized at cost when it is probable that future economic benefits associated with the asset will flow to the entity. Intangible assets include exploration software and accounting software.

The useful lives of intangible assets are generally assessed to be finite. Intangible assets with finite live are amortized over their useful economic life and are reviewed for impairment whenever there is an indication that the carrying amount may not be recoverable. The annual amortization rate applied is 10%, calculated on a straight-line basis. Should the useful life of an asset be revised, a new amortization rate is applied based on the updated estimate.

The amortization period and method for intangible assets are reviewed at least at each financial year-end. Changes in the expected useful life or consumption pattern of future economic benefits embodied in the asset are accounted for by adjusting the amortization period or method accordingly, which is treated as a change in the accounting estimate.

Amortization expense on intangible assets is recognized in profit or loss. Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The FTG data, previously recognized as an intangible asset with an indefinite useful life, has been fully impaired and removed from the Group's balance sheet as of the current reporting period ending 30 June 2025. The Group's and Corporation's intangible assets are made up of;

GROUP	**Exploration Software TZS 'm**	**Other software TZS 'm**	**FTG project TZS 'm**	**Total TZS 'm**
Year ended 30 June 2025				
Opening balance	803	63	-	866
Addition	393	760	-	1,153
Reclass from PPE*	38	-	-	38
Amortization	(368)	(17)	-	(385)
Closing balance	**866**	**806**	-	**1,672**
Cost	3,505	2,028	13,056	18,589
Impairment provision	-	-	(13,056)	(13,056)
Accumulated amortization	(2,639)	(1,222)	-	(3,861)
Closing balance	**866**	**806**	-	1,672

GROUP	**Exploration Software**	**Other software**	**FTG project**	**Total**

	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Year ended 30 June 2024				
Opening balance	897	149	13,056	14,102
Addition	-	3	-	3
Impairment provision*	-	-	(13,056)	(13,056)
Amortization	(94)	(89)	-	(183)
Closing balance	**803**	**63**	**-**	**866**
Cost	3,074	1,268	13,056	17,398
Impairment provision	-	-	(13,056)	(13,056)
Accumulated amortization	(2,271)	(1,205)	-	(3,476)
Closing balance	**803**	**63**	**-**	**866**

CORPORATION	**Exploration Software TZS 'm**	**Other software TZS 'm**	**FTG project TZS 'm**	**Total TZS 'm**
Year ended 30 June 2025				
Opening balance	803	-		803
Additions	393			393
Reclass from PPE*	37			37
Amortization	(368)	-	-	(368)
Closing balance	**865**	**-**	**-**	**865**
As at 30 June 2025				
Cost	3,524	911	13,056	17,491
Impairment provision	-	-	(13,056)	(13,056)
Accumulated amortization	(2,659)	(911)	-	(3,570)
Closing balance	**865**	**-**	**-**	**865**
Year ended 30 June 2024				
Opening balance	897	-	13,056	13,953
Impairment provision	-	-	(13,056)	(13,056)
Amortization	(94)	-	-	(94)
Closing balance	**803**	**-**	**-**	**803**
Cost	3,074	911	13,056	17,041
Impairment provision	-	-	(13,056)	(13,056)

Accumulated amortization	(2,271)	(911)	-	(3,182)
Closing balance	803	-	-	803

* During the year, a reclass adjustment of TZS 37 million was passed in respect of an Intangible asset (digital shelves), which was previously erroneously recorded in PPE.

9. INVESTMENT IN SUBSIDIARIES

The group's principal subsidiaries as of 30 June 2025 are set out below. Unless otherwise stated, their share capital consists solely of ordinary shares held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

The group accounts for Investments in Subsidiaries on the Cost Method as allowed by IAS 27 in line with its material accounting policies. IAS 27 - Separate Financial Statements allow an entity to account for its investments in Subsidiaries, Joint Ventures (JV) and Joint Operations (JO) on Cost. The group determines at each reporting date whether there is any objective evidence that the investment in the subsidiaries is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value. It recognizes the amount of profit or loss.

During the year, management performed an impairment assessment of its investment in TANOIL and GASCO. The impairment test was done based on the projections of financial performance of both subsidiaries. No impairment allowances were recognized during the year (2024: Nil). The impairment assessment was made with the following significant assumptions;

- New approved TANOIL five-year business plan, which shows profitability throughout the plan, improvement in customer base and widening business undertakings by introducing new business lines (i.e LPG and Lubricants).
- New approved GASCO five-year business plan, which shows profitability throughout the plan, widens business operations such as operation& maintenance, Construction activity and addition of new business such as CNG filling outlet.
- Profitability in the current year in both subsidiaries, as indicated below.

Corporation

	2024/25	2023/24
Investment in TANOIL*	104,198	104,198
Investment in GASCO**	1,500	1,500
	105,698	105,698

Name of the entity	Place of business/ country of incorporation	Ownership interest held by the group 2024/25	2023/24	Principal activity
GASCO	TANZANIA	100%	100%	Operation & Maintenance
TANOIL	TANZANIA	100%	100%	Oil marketing business

Performance of subsidiaries during the year amounts in TZS'm

Year	Subsidiary/Performance measure	Gross Profit/ (Loss)	Profit/Loss for the Year	Total Assets	Total Liabilities
2024/25	GASCO	2,640	2,118	36,658	39,149
2023/24		109	(1,325)	28,794	33,402
2024/25	TANOIL	7,353	(1,152)	48,540	29,377
2023/24		10,561	657	60,300	39,984

*TANOIL (formerly known as COPEC) is a fully owned subsidiary company of TPDC established in March 1999 to carry on the oil business in terms of export and import, storage, supplies and distribution of petroleum products.

**Gas Company (Tanzania) Limited (GASCO) is a fully owned subsidiary company of TPDC established in August 1985 to carry on operations, maintenance and construction activities of the natural gas infrastructure as well as performing mechanical and civil works.

10. INVESTMENT IN ASSOCIATE

The Group and Corporation's interests in equity-accounted investees comprise interests in associates. An associate is an entity in which the Group and Corporation have significant influence, but not control or joint control, over the financial and operating policies.

In the consolidated and separate financial statements, interest in associates is accounted for using the equity method. They are initially recognised at cost, which includes the initial transaction costs directly attributable to the acquisition of the investments. Subsequent to initial recognition, the consolidated and separate financial statements include the Group's and Corporation's share of the profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

The following table analyses the financial information about the associate as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Songas. The financial information of the associate presented in the table below, from which the attributable profit was taken, was for the period ended 30 June 2025. This is consistent with prior years.

The following table analyses, in aggregate, the associate's carrying amount, share of profit and OCI.

Corporation and Group:		2024/25 TZS 'm	2023/24 TZS 'm
Investment in Associate			
Carrying amount of interest		**843,794**	435,288
Share of (loss)/profit		**(9,828)**	6,188
Additions		**136,162**	405,243
Dividend received	*	**(16,874)**	(2,926)
Investment in associates		**953,253**	843,794

* The dividend received is inclusive of withholding tax. The net dividend received for the year 2024/25 is TZS 16,041 million (2023/24: TZS 2,780 million).

The movement above is made up of the following investments

Corporation and Group:	2024/25 TZS 'm	2023/24 TZS 'm
A. Investment in Associate (SONGAS)		
Carrying amount of interest	**57,882**	54,395
Share of profit/(loss) from associate	**(10,985)**	6,413
Dividend received	**(16,874)**	(2,926)
Investment in associates	**30,023**	57,882

B. Investment (EACOP)	2024/25 TZS 'm	2023/24 TZS 'm
Carrying amount of interest	**785,911**	380,893
Share of profit/(loss) from associate*	**1,157**	(225)
Investment in EACOP during the year	**136,162**	405,244
Investment in associates	**923,230**	785,912
Total Investment balance (A+B)	**953,253**	843,794

*The share of profit or loss during the year is the net share of results from the associate since its incorporation.
*Out of the TZS 136.26 billion invested in EACOP, TZS 45.43 billion of the total amount was from the Government and TZS 90.73 billion was paid by TPDC on behalf of the Government.

TPDC acquired 30,000 shares in SONGAS Limited, which is equivalent to 28.69% of the share capital of SONGAS Limited. This investment had a cost of USD 3,000,000. The Group has determined that it has significant influence over the investee and has accounted for the investment as an associate.

SONGAS Limited's principal activities are gas processing and transportation, and generating electricity in Tanzania using natural gas from Songo Songo Island ("SSI"), off Southern Tanzania's coast, under the Power Purchasing Agreement ("PPA"), which expired on 31 October 2024. Nevertheless, the gas processing and transportation activities will continue until 10 October 2026 owing to the contractual supply of natural gas to third parties whose contract with the company terminates in 2026.

Despite the expiry of the PPA, and if shareholders fail to reach a plausible solution to realize the best value of the existing assets, leading to the disposal of the gas turbines and decommissioning of the power plant, TPDC affirms that the company will continue to operate on a going-concern basis for the next 12 months. This is primarily due to the company's gas-related agreement expiring on 10th October 2026, whose cash flow generated through gas processing and transportation will be sufficient to discharge the company's liabilities for the period.

TPDC maintains reporting of its investment in the company owing to the fact that the shareholders have not reached a definitive position to wind up the entity. The ongoing assessment of the disposal of critical assets owned by the company will realize the terminal value, which will fetch value against the disclosure made under this note.

Therefore, after enquiring from the SONGAS Board and considering this uncertainty, the Management reasonably expects that the Company will have adequate resources to continue in operational existence for the next 12 months. For this reason, the Corporation continues to adopt the going concern principle for the company and in disclosing information under this note.

Furthermore, TPDC is among the four shareholders of EACOP Ltd, with an equity interest of 15%. Other shareholders are; Total Energies Holding EACOP SAS (62%), NPC Ltd (15%) and CEPME Ltd (8%) who together with TPDC declared Final Investment Decision (FID) for the Project on 1 February 2022. TPDC has started to meet its cash calls, and during the year, a sum of TZS 136,261 million has been paid, partly payment of its capital contribution to the company.

	2024/25	2023/24	2024/25	2023/24
Percentage of ownership interest	15%	15%	28.69%	28.69%
	EACOP		**SONGAS**	
	USD ‘m	USD ‘m	**USD ‘m**	USD ‘m
Non-current assets	**3,432**	2,224	**16**	40
Current assets	**456**	366	**61**	91
Non-current liabilities	**(795)**	(1)	**-**	(8)
Current liabilities	**(333)**	(309)	(44)	(54)
Net assets (100%)	**2,760**	2,280	33	69
Group’s share of net assets (15%)	**414**	342	9	20
Foreign exchange rate (TZS/1 USD)	**2,618**	2,627	**2,618**	2,627
Group’s share of net assets in associate (TZS ’m)	**1,083,817**	898,578	**24,617**	52,253
Foreign exchange differences (TZS ’m)	**(160,586)**	(112,667)	**5,406**	5,774
Carrying amount of interest in associate at 30 June (TZS ’m)	**923,230**	785,911	**30,023**	58,028
Revenue	**2.95**	-	35	111
Profit from continuing operations	**0.44**	1.24	(15)	9
Group's share of net profit/Loss	0.44	0.19	(4)	2.56
Exchange rate	**2619**	2,504	**2,619**	2,504
Group’s share of total comprehensive income (TZS ’m)	**1,157**	467	**(10,985)**	6,413

	EACOP 2024/25	2023/24	SONGAS 2024/25	2023/24
Percentage ownership interest	15%	15%	28.69%	28.69%
Commitments	129,982	405,243	-	-

11. LEASE AND RIGHT OF USE (ROU) ASSETS

1. Identification of a Lease

At the inception of a contract, the Group assesses whether the contract is or contains a lease. A contract is considered a lease or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) As a Lessee

At the commencement or modification of a contract containing a lease component, the Group allocates the consideration to each lease component based on its relative stand-alone prices. The Group recognizes a right-of-use (ROU) asset and a corresponding lease liability at the lease commencement date. The ROU asset is initially measured at cost, which includes the initial amount of the lease liability, lease payments made at or before the commencement date, any initial direct costs incurred, an estimate of costs to dismantle, remove, or restore the underlying asset or site, and less any lease incentives received.

Subsequently, the ROU asset is depreciated on a straight-line basis from the commencement date to the end of the lease term, unless ownership of the underlying asset transfers to the Group by the end of the lease term or the ROU asset's cost reflects that the Group will exercise a purchase option. In such cases, the ROU asset is depreciated over the useful life of the underlying asset, consistent with the Group's policy for property and equipment.

The ROU asset is also subject to impairment testing and adjusted for any remeasurements of the lease liability. The lease liability is initially measured at the present value of lease payments not yet paid, discounted at the interest rate implicit in the lease or, if that rate cannot be determined, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining rates from various external financing sources and adjusting them to reflect the lease terms and the type of asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments, variable lease payments dependent on an index or rate (measured initially using the index or rate at the commencement date), amounts expected to be payable under a residual value guarantee, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments for penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments due to a change in an index or rate when the Group's estimate of the amount payable under a residual value guarantee change, when the Group changes its assessment of whether it will exercise a purchase, extension, or termination option, or when there is a revision of in-substance fixed lease payments. When the lease liability is remeasured, a corresponding adjustment is made to the ROU asset.

If the carrying amount of the ROU asset has been reduced to zero, the adjustment is recognized in profit or loss. The Group presents ROU assets (that do not meet the definition of investment property) under Property, Plant, and Equipment and lease liabilities under Loans and Borrowings in the statement of financial position.

ii) As a Lessor

At inception or on modification of a contract containing a lease component, the Group allocates the consideration to each lease component based on its relative stand-alone price. The Group classifies each lease as either a finance lease or an operating lease based on an assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. Indicators of a finance lease include, but are not limited to, whether the lease covers the major part of the asset's economic life. If the lease does not transfer substantially all the risks and rewards incidental to ownership, it is classified as an operating lease.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. The Group regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. Lease payments received under Operating leases are recognized as income on a straight-line basis over the lease term and are included in Other Income.

The Group leases land for CNG projects and buildings for office and residential facilities. The leases run for a duration between 3 to 10 years. The three lease contracts for building are renewable each year, while one lease contract for land is for a duration of 10 years. These leases are recognized and presented in the balance sheet as Right-of-use (ROU) assets and liabilities; depreciation and interest expenses are recognized on the statement of profit or loss. During the year, there was a modification of a lease asset/liability, recognition of a lease asset/liability and derecognition of a lease asset/liability. The Right-of-use asset represents a lessee's right to use a leased asset over the duration of an agreed lease term. In contrast, the lease liability is the financial obligation to make the payment arising from a lease.

During the year, there was an additional lease contract in respect of office and land lease (CNG station) from National Social Security Fund (NSSF) and National Housing Corporation (NHC). Information about a lease for which the company is a lessee is presented below.

A) Right-of-use (ROU) asset

Group and Corporation:

	2024/25 TZS 'm	2023/24 TZS 'm
Land	1,547	1,591
Building	2,794	2,225
	4,341	3,816

At start of year	3,816	3,633
In addition, during the year	1,047	211
Depreciation	(704)	(547)
De recognition of the asset	-	(118)
Impact of modification	183	637
Closing balance	4,342	3,816
Cost	5,906	4,577
Accumulated depreciation	(1,565)	(761)
Closing balance	4,341	3,816

	Land TZS 'm	Buildings TZS 'm	Total TZS 'm
Opening balance as at July 2023	1,829	1,804	3,633
Additions	-	211	211
Modifications	-	637	637
De recognitions	-	(118)	(118)
Depreciation	(238)	(309)	(547)
Closing balance as at June 2024	1,591	2,225	3,816

	Land TZS 'm	Buildings TZS 'm	Total TZS 'm
Opening balance as at July 2024	1,591	2,225	3,816
Additions	72	974	1,047
Modifications	89	94	183
Depreciation	(218)	(486)	(704)
Closing balance as at June 2025	1,534	2,807	4,341

B) Lease liability

Group and Corporation:	**2024/25 TZS 'm**	2023/24 TZS 'm
At start of year	**3,628**	3,826
Addition during the year	**1,047**	211
Impact of lease modification	**282**	416
Interest	**438**	376
Lease payment (Interest)	**(438)**	(376)
Lease payment (principal)	**(331)**	(624)
Forex gain/loss	**27**	(49)
De-recognition of Lease	**47**	(152)
Closing balance	**4,700**	3,628
Current portion of lease liability	**770**	1,001
Non-current portion of lease liability	**3,930**	2,627
Closing balance	**4,700**	3,628
Amount recognised in profit and loss.		
Depreciation	**704**	547
Interest on lease liability	**438**	376
Total to be expensed	**1,142**	923
Amount to be recognised in statement of cash flow		
- Payment of interest	**438**	376
- Payment of principal	**331**	248
Total lease paid	**769**	624

12. ESCROW FUNDS

The Corporation is an end user of a loan awarded to the Government of Tanzania ("GOT"/Borrower) by the Export-Import Bank of China (Lender). The GOT and the Export-Import Bank of China entered into a preferential buyer credit loan agreement and buyer credit loan agreement in 2012, with a total amount of USD 920 million and USD 275 million, respectively. The funds were on-lent to TPDC ("End-User") to fund part of the cost of construction of Tanzania's natural gas processing plants and pipelines.

In accordance with the terms of the loan agreements, three escrow accounts were opened and governed by the Escrow Accounts Management Agreement between Exim Bank of China, the Ministry of Finance, TPDC (End User) and a commercial bank (Escrow Bank). The escrow accounts were opened to secure repayment of principal and payment of interest and fees under the loan agreements. The escrow funds represent amounts deposited into the escrow accounts. The balance of USD 60,320,710 (TZS 158 billion) as at 30 June 2025 (2024: USD 60,320,710 (TZS

158 billion) consists of USD 58,866,942 and USD 1,473,574 deposited by the Ministry of Finance on behalf of the Government of the United Republic of Tanzania and TPDC, respectively. The deposited funds are classified under non-current assets since they are not available for meeting the immediate short-term Group's and Corporation's financial obligations during the entire period of the loan.

The total deposits into the escrow accounts as of the reporting period are shown below;

Group and Corporation:	**2024/25 TZS 'm**	2023/24 TZS 'm
Opening balance	**158,458**	140,398
Foreign exchange (loss)/gain	**(519)**	18,060
Escrow funds	**157,939**	158,458

The movement of TZS 519 million during the year was caused by the revaluation of foreign currency at the end of the year.

13. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the Weighted Average Cost method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses. Any obsolete items are provided for in full in the year they are detected. Condensate is measured at net realisable value.

	Group		**Corporation**	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
Consumables	**21,573**	18,421	**437**	430
Condensate	**4,567**	2,614	**4,567**	2,614
Petroleum (Petrol & Diesel) *	**20,368**	8,432	**-**	-
	46,508	29,467	**5,004**	3,044

*A decline in fuel sales near the end of the financial year resulted in TANOIL closing with a fuel inventory of TZS 20.37 billion. This represents a substantial increase from the TZS 8.43 billion reported in 2024. No inventory was written off or reversals recorded during the reporting period.

14. TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
Financial assets:				
Trade receivables:				
- Other customers	**240,379**	179,085	**200,642**	139,072
- Related parties (Note 34)	**1,085,448**	1,184,750	**1,105,441**	1,206,095
Oil business trade receivables	**14,926**	15,069	**14,926**	15,068
Due from the government (Note 34)	**282,782**	189,671	**318,632**	221,350
Staff receivables	**774**	390	**474**	359
Other receivables	**5,215**	11,829	**2,580**	2,156
Less: Loss Allowance - others	**(8,112)**	(6,309)	**(2,019)**	(216)
Less: Loss Allowance - Trade receivable	**(82,585)**	(118,916)	**(66,496)**	(105,128)
	1,538,827	1,455,569	**1,574,180**	1,478,756
Nonfincial assets:				
Prepayments**	**67,145**	65,161	**66,321**	63,447
VAT receivable	**12,620**	6,093	**5,065**	-
Current income tax receivable	-	53	-	-
	79,765	71,307	**71,386**	63,447
	1,618,592	1,526,876	**1,645,566**	1,542,203

**The prepayments consist of USD 27.18 million advanced by TPDC to Maurel & Prom as an interim guarantee to secure gas purchases from the Mnazi Bay gas field.

The Gas Sales Agreement (GSA) signed in Sept. 2014 between TPDC and Other Mnazi bay partners (Sellers) requires the buyer (TPDC) to provide payment security (guarantee) to secure gas purchases from the field Since the security could not be obtained timely, parties mutually agreed to allow for an interim arrangement where TPDC advanced a sum of USD 27.18 into M&P account in Aug. 2015. Sellers shall draw the guarantee in case of buyer defaults in settling invoices within the due dates.

During the year, TPDC recognised an additional receivable of TZS 93.12 billion in respect of the amount paid to EACOP as project cash call on behalf of the Government and the amount paid to the transaction advisor of the LNG project on behalf of the Government.

Further, management reassessed the Expected Credit Losses (ECL) on trade and other receivables in accordance with IFRS 9. The reassessment reduced the provision from TZS 105.12 billion in the prior year to TZS 66.49 billion as at year-end. Consequently, an impairment provision amounting to TZS 38.63 billion was released to profit or loss.

The reversal primarily reflects updated credit risk assessment of anchor customer TANESCO. This settlement pattern reduced the assessed probability of default and, in turn, lowered the expected credit loss estimate. Thus, in line with IFRS 9, management applied external credit risk parameters, including qualitative assessment as well as forward-looking information consistent with historical practice, to determine the revised expected loss. The movement of Loss allowance is made up of the following:

Loss Allowance - Trade receivable

Group:	**2024/25**	**2023/24**
	TZS 'm	**TZS 'm**
At the start of the year	**118,915**	57,424
Additional provision during the year	**2,302**	65,704
Release of prior year provision	**(38,632)**	(4,213)
Closing balance	**82,585**	118,915
Corporation:		
At the start of the year	**105,129**	39,425
Additional provision during the year	**-**	78,794
Release of prior year provision	**(38,632)**	(13,091)
Closing balance	**66,496**	105,129

Loss Allowance - others

Group:	**2024/25**	**2023/24**
	TZS 'm	**TZS 'm**
At the start of the year	**6,309**	4,973
Additional provision during the year	**1,803**	1,336
Release of prior year provision	**-**	-
Closing balance	**8,112**	6,309
Corporation:		
At the start of the year	**216**	216
Additional provision during the year	**1,803**	-
Release of prior year provision	**-**	-
Closing balance	**2,019**	216

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and cash at the bank. For the purpose of cash flows, bank overdrafts that are repayable on demand form an integral part of the Group's and Corporation's cash management.

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	2024/25 TZS 'm	2023/24 TZS 'm
Cash at the bank	**378,419**	233,396	**376,321**	218,121
Cash at bank - TZS	**111,428**	114,503	**109,703**	102,476
Cash at bank - USD	**266,991**	118,893	**266,618**	115,645
Cash at the bank	**378,419**	233,396	**376,321**	218,121

16. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 Income Taxes.

	2024/25 TZS'm	2023/24 TZS'm
Authorised:		
2,500 ordinary shares of TZS 1,000,000 each	**2,500**	2,500
Issued and fully paid:		
2,208 ordinary shares of TZS 1,000,000 each	**2,208**	2,208

17. CAPITAL AND RESERVES

a) Equity contribution from the Government

The equity contribution from the Government as at 30 June 2024 represents net cash received from the Government of Tanzania as a capital contribution to the petroleum/gas projects for TPDC.

Group and Corporation:	2024/25 TZS 'm	2023/24 TZS 'm
At the start of the year	**3,722,470**	3,271,658
Additions during the year not paid	**90,728**	186,216
Amount received during the year	**45,433**	264,596
At the end of the year	**3,858,632**	3,722,470

During the year, TPDC received TZS 45.43 billion from the Government in respect of EACOP investment. In addition, TPDC as a shareholder on behalf of the Government of Tanzania made a payment of TZS 136.16 billion to EACOP to honor a cash call that was due. TPDC's investment in EACOP is accounted as equity contribution from the Government.

b) Revaluation reserve

Revaluation reserve represents surplus recognised from the valuation of assets. Further details are disclosed under PPE Note 5.

	Group			Corporation
	2024/25	2023/24	**2024/25**	2023/24
	TZS 'm	TZS 'm	**TZS 'm**	TZS 'm
At start of the year	**452,042**	452,042	**452,614**	452,614
Additions	22	-	22	-
At end of the year	**452,064**	452,042	**452,636**	452,614

18. INCOME TAX

	Group		Corporation	
	2024/25	2023/24	**2024/25**	2023/24
	TZS 'm	TZS 'm	**TZS 'm**	TZS 'm
Current tax:				
- Current year	**42,417**	57,909	**39,767**	56,867
- Prior year	-	-	-	-
Deferred income tax				
- Current year	**15,573**	-	**15,573**	-
- Prior year	-	-	-	-
At end of the year	**57,990**	57,909	**55,340**	56,867

a. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The current rate of corporate tax is 30%.

	Group		Corporation	
	2024/25	2023/24	**2024/25**	2023/24
	TZS 'm	TZS 'm	**TZS 'm**	TZS 'm
Opening balance	**22,493**	8,260	**22,475**	8,332
Current year tax charge	**42,417**	57,909	**39,767**	56,867
Current deferred income tax	-	-	-	-
Tax paid:				
- WHT	**(833)**	(147)	**(833)**	(147)
- Adjustments	-	(25)	-	1
- Ordinary tax payments	**(45,865)**	(23,332)	**(44,119)**	(22,406)
- Payments of Corporate tax PSA PAET)	**(19,843)**	(20,172)	**(19,843)**	(20,172)
	(1,630)	22,493	**(2,552)**	22,475

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with the investments in associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred income tax liability/(asset)

Deferred tax is calculated on all temporary differences under the liability method using a principal tax rate of 30%. The details of the deferred income tax are as follows;

A deferred income tax asset of TZS 1,578 million was not recognised in the current year relating to subsidiary GASCO due to uncertanity on the entitiy's ability to generate future taxable profit

Group	At the start of the year TZS 'm	Movement TZS 'm	Prior year under provision TZS 'm	At the end of the year TZS 'm
Year ended 30 June 2025				
Accelerated capital deductions	269,871	5,311	33,518	308,700
Tax loss carried forward.	(185,519)	(25,332)	(37,674)	(248,525)
Provisions	(102,233)	54,549	1,576	(46,108)
IFRS 16 - Lease		128	57	(72)
Potential Deferred tax asset not recognised.	**(17,881)**	**34,399**	**(2,523)**	**(13,995)**

A deferred income tax asset of TZS 17,881 million was not recognised in the prior year due to uncertainty on the Corporation's ability to generate future taxable profit. The movement schedule of the prior year potential deferred tax asset is as follows:

Year ended 30 June 2024				
Accelerated capital deductions	266,387	3,484	-	269,871
Tax loss carried forward	(126,113)	54,612	(114,018)	(185,519)
Provisions	(230,108)	7,631	120,244	(102,233
Potential Deferred tax asset not recognized	**(89,834)**	**65,727**	**6,226**	**(17,881)**

Corporation	At the start of the year TZS 'm	Movement TZS 'm	Prior year under provision TZS 'm	At the end of the year TZS 'm
Year ended 30 June 2025				
Accelerated capital deductions	269,796	5,163	33,519	308,479
Tax loss carried forward.	(168,428)	25,953	96,367	(46,108)
Other timing differences	(120,049)	(25,330)	(101,347)	(246,726)
IFRS 16 - Lease		(128)	57	(72)
Deferred income tax asset	**(18,681)**	**5,658**	**28,596**	**15,573**

A deferred tax asset of TZS 25,479 million was not recognised in the prior year due to uncertainty on the Corporation's ability to generate future taxable profit. The movement schedule of the prior year potential deferred tax asset is as follows:

	At the start of the year TZS 'm	Movement TZS 'm	Prior year under provision TZS 'm	At the end of the year TZS 'm
Year ended 30 June 2024				
Accelerated capital deductions	266,367	3,429	-	269,796
Tax loss carried forward	(128,078)	55,043	(95,393)	(168,428)
Provisions	(228,608)	6,766	101,793	(120,049)
Potential Deferred tax asset not recognized	**(90,319)**	**65,238**	**6,400**	**(18,681)**

19. BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowing costs on non-qualifying assets are expensed in the period they accrue.

The subsidiaries of the Group do not have any borrowings. The borrowings for the Group and Corporation are as follows; -

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Accrued Interest	630,192	630,192
Total	**630,192**	630,192

The loan balance is accrued interest on a Bank of China Exim loan for natural gas infrastructure construction, which the Government lent to the Corporation as per the On-lending Agreements signed in April 2013 between the Government and TPDC.

In September 2022, the Government decided to convert the loan to equity to enhance the Government's capital contribution to TPDC. The respective accounting entries to reclassify the principal portion of the loans to equity were passed after TPDC received official notification of the Government's decision to convert the loan into equity.

Discussions on the conversion of the accrued interest are on progress.

20. GOVERNMENT GRANT AND ASSISTANCE

Government grants received relating to the creation of non-current assets are included in non-current liabilities as deferred income and are credited to profit or loss in other income on a straight-line basis over the expected useful lives of the related assets.

Government grants in the form of non-monetary assets are accounted for at fair value and presented as deferred grants in the statement of financial position. The grant is credited to profit or loss in other income on a straight-line basis over the expected useful life of the asset.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss within other operating income for the period in which they become receivable.

Group and Corporation	Opening balance TZS 'm	Additions TZS 'm	Amortization TZS 'm	Closing balance TZS 'm
As at 30 June 2025				
Benjamin W. Mkapa Tower (i)	4,454	-	(134)	4,320
Ministry of Energy - World Bank (ii)	-	-	-	-
Likong'o (iii)	25,000	-	-	25,000
Furniture (iv)	153	-	(26)	127
Forklift (iv)	102	-	(14)	88
Pipeline Mkuranga - Lindi (REA) -Grant (v)	4,090	-	-	4,090
Laptops - EU (vi)	-	16	-	16
Government grant- EACOP (vii)	2,468	-		2,468
Government grant - land compensation	5,662	-	-	5,662
	41,929	**16**	**(174)**	**41,770**
As at 30 June 2024				
Benjamin W. Mkapa Tower (i)	4,588	-	(134)	4,454
Ministry of Energy - World Bank (ii)	82	-	(82)	-
Likong'o (iii)	25,000	-	-	25,000
Furniture (iv)	194	-	(41)	153
Forklift (iv)	102	-	-	102
Pipeline Mkuranga - Lindi (REA) -Grant (v)	-	4,090	-	4,090
Government grant- EACOP (vii)	2,468	-		2,468
Government grant - land compensation	5,662	-	-	5,662
	38,096	**4,090**	**(257)**	**41,929**

Terms and conditions:

(i) The grant relates to Benjamin William Mkapa Tower A (TPDC's head office), which the government granted to TPDC in 2008 and 2009. The grant is being amortised over the life of the building, which is designated at 25 years.

(ii) The grant was received from the World Bank through the Ministry of Energy. The World Bank, through the Ministry of Energy, granted Source Rock Analyser system, Petrol Reservoir engineering and Eclipse software, including computers—the grant aimed at building capacity in the energy sector.

(iii) The grant relates to the land which was given to TPDC by the Ministry of Lands, Housing and Human Settlements Development in 2015 in the Likong'o area, Lindi. This area has been reserved for the LNG project. The amount is the fair value of the land as it was offered to TPDC at no cost.

(iv) The Group received a forklift as a grant from Shell for use in exploration and development activities during the year ending 30 June 2020. Also, the group received Furniture from Equinor Tanzania AS for use in its routine activities during the year ended 30 June 2021.

(v) The Group received a grant amounting to TZS 4,090 million from REA during the year ended 30th June 2024 for natural gas distribution projects in Mkuranga, Rufiji and Lindi Municipalities.

(vi) The Group received three laptops as a grant from the European Union. This grant aimed to improve the productivity of personnel performing routine activities.

(vii) The grant relates to the land which was given to TPDC by the Ministry of Lands, Housing and Human Settlements Development in 2023 for the pipeline wayleave. This area has been reserved for the EACOP project. The amount is the fair value of the land as it was offered to TPDC at no cost

21. ASSET RETIREMENT OBLIGATIONS (ARO)

The Group has AROs primarily related to the Mnazi Bay gas field, Natural gas processing plants and gas pipeline. The full balance is non-current as decommissioning activities are not expected to occur within the next twelve months.

Provisions for ARO costs are recognised when the Group and Corporation have an obligation (legal or constructive) to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reliable estimate of that liability can be made. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements.

Cost is estimated based on current regulations and technology, considering relevant risks and uncertainties. The discount rate used in calculating the ARO is a risk-free rate based on the applicable currency and time horizon of the underlying cash flows, adjusted for a credit premium reflecting the Group's own credit risk.

Normally, an obligation arises for a new facility, such as an oil and natural gas production or transportation facility, upon construction or installation.

An obligation may also crystallise during a facility's operation through a change in legislation or a decision to terminate operations.

When a provision for ARO cost is recognised, a corresponding amount is recognised to increase the related property, plant and equipment. It is subsequently depreciated as part of the costs of the facility or item of property, plant and equipment. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding property, plant and equipment.

When a decrease in the ARO provision related to a producing asset exceeds the carrying amount of the asset, the excess is recognised as a reduction of depreciation, amortisation and net impairment losses in profit or loss. When an asset has reached the end of its useful life, all subsequent changes to the ARO provision are recognised as they occur in operating expenses in the profit or loss.

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Opening balance	**6,157**	2,166
Additional provision	**-**	1,741
Additions accretion due to acquisition	**-**	1,777
Forex adjustments	**(20)**	
Accretion expense	**726**	473
	6,862	6,157
This relates to the following assets; -		
Mnazi Bay Gas field-ARO liability (ii)	**5,850**	5,396
Natural gas processing plants and pipelines-ARO liability	**1,012**	761
	6,862	6,157

22. EMPLOYEE BENEFIT OBLIGATION

In addition to the statutory Public Service Social Security Fund (PSSSF), the Company maintains an unfunded, non-contributory employee-defined pension plan. The defined benefit plan was introduced as a result of negotiations between management and the Tanzania Union of Industrial and Commercial Workers (TUICO), an association representing employees.

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Opening balance	**-**	-
Adjustment for Initial application of IAS 19	**374**	-
Current service cost	**60**	-
Interest cost	**56**	-

Actuarial loss	(22)	-
Benefits paid during the year	(26)	-
	442	-

Amount recognised in profit and loss;

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Adjustment for the Initial application of IAS 19 included in staff costs	374	-
Current service cost included in staff cost	60	-
Interest cost	56	-
	490	-

Amount recognised in other comprehensive income;

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Loss/ (Gain) Discount rate changes	22	-
Loss/ (Gain) from change of experience/benefit paid projections	(44)	-
	(22)	-

Amount recognized in Statement of Financial Position;

Group and Corporation	**2024/25 TZS 'm**	2023/24 TZS 'm
Current Liability	8	-
Non-Current Liability	434	-
	442	-

23. CASH CALL COMMITMENTS

The balances as at year-end are shown below;

Group and corporation:

	2024/25 TZS 'm	2023/24 TZS 'm
Cash call commitments payable	-	5,441

Cash call commitments represent amounts payable to/ recoverable from other partners in the Mnazi Bay PSA in respect of the Corporation's 40% participating interest. The Group is liable to contribute 40% of all operation and development costs in Mnazi Bay PSA as a specified TPDC's participation interest in the whole contract expenses, other than exploration expenses of joint operations in all development areas.

24. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
Due to related parties	**438,318**	274,439	**448,144**	281,081
Trade payable due to oil Business	**6,988**	7,772	**(110)**	-
Other trade payables	**89,618**	90,815	**83,058**	86,558
Accruals	**24,714**	24,194	**24,714**	24,194
VAT payables	**-**	4,716	**-**	4,716
Payroll liabilities	**889**	914	**889**	914
	560,527	402,850	**556,695**	397,463

**Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade payables are mainly attributed to Payable from related parties and other trade payables. Due to related parties make up a total of TZS 438.32 billion.

25. OTHER INVESTMENTS

The Group and Corporation hold 150,000 shares of TZS 10,000 each in Agro EcoEnergy (T) Ltd, representing 5% of the total issued share capital in the Company. This private agro-industrial development Company was registered in 2007 under Tanzanian Company law. Agro EcoEnergy formed a special purpose project, Bagamoyo EcoEnergy Ltd, with the aim of developing a modern sugar cane plantation and factory that produces sugar, ethanol, and power for the Tanzanian market. The Government later cancelled the project.

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
Equity security available for sale	**1,500**	1,500	**1,500**	1,500
Less: Accumulated impairment loss	**(1,500)**	(1,500)	**(1,500)**	(1,500)
Closing balance	**-**	-	**-**	-

26. REVENUE

Revenues from the sale of natural gas are realised when the natural gas is delivered at the delivery point. This is at the end of each month, when the meter readings have been completed and co-signed by both parties (TPDC and the customer), net of discounts and taxes.

Natural gas, protected gas, and other merchandise.

Natural gas and protected gas revenues are recognised when control over the product is transferred to the customer, which is normally at the point of delivery of the gas, based on the contractual terms of the agreements. Meter readings are done to ascertain the quantity of gas sold. The consideration for the amount of gas sold is based on the agreed gas prices.

PSA Revenue

Revenues from the production of gas in which the Group and Corporation share an interest with IECs are recognised based on the Group's and Corporation's share of volumes transported and sold to customers during the period. It comprises the cost gas and the profit gas revenue, which is determined in accordance with the PSAs. The revenue is presented net of taxes and royalties.

Cost gas is the portion of revenue accruing to the licence partners as a recovery for the cost incurred by the partner to reach the production level. Profit gas is the residual profit accruing to TPDC and its partners after deducting the cost gas.

Upstream government shares are remitted to the government, and the downstream portion is retained by the Group and Corporation as per the Oil and Gas Revenue Management Act, 2015 and the respective PSAs' provisions. Net PSA revenue from Songo Songo and Mnazi Bay is arrived at after deducting the adjustment factor as provided by the respective PSAs.

Oil business revenue

Revenue from sales of oil and related products is recognized upon the satisfaction of performance obligations, which occurs when control transfers to the customer. Control of the products is transferred to the customer when the title of the oil and related products passes to them, which typically occurs when the product is physically transferred into a vessel, pipe, or other delivery mechanism. Where applicable, the transaction price is allocated to the individual performance obligations of a contract based on their relative stand-alone selling prices.

Sale of Compressed Natural Gas

Compressed Natural gas revenue is recognized when control over the product is transferred to the customer, which is normally at the point of delivery of the gas. Based on the contractual terms of the agreements for bulk purchase customers, meter readings are done to ascertain the quantity of gas sold. This new stream of revenue mainly started on May 10, 2025. The consideration for the quantity of gas sold is based on the agreed gas prices.

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	2024/25 TZS 'm	2023/24 TZS 'm
Recognised at a point in time:				
PSA revenue	**98,078**	93,076	**98,078**	93,076
Sale of natural gas	**639,764**	734,386	**639,764**	734,386
Sale of protected gas	**5,172**	27,764	**5,172**	27,764
Sale of data		237		237
Sale of fuel (petrol & diesel)	**682,528**	337,174	**594,551**	149,848
Sale of compressed natural gas	**759**	-	**759**	-
Recognised over time:				
Construction Revenue	**1,870**	522	**-**	-
Total	**1,428,171**	1,193,159	**1,338,324**	1,005,311

** The decline in natural gas revenue from TZS 734,386 million in 2023/2024 to TZS 639,765 million in 2024/2025 is mainly due to TANESCO's volume decrease in gas consumption.
The disaggregation of revenue by product can be summarized as follows:

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	2024/25 TZS 'm	2023/24 TZS 'm
PSA revenue	**98,078**	93,076	**98,078**	93,076
Gas sales	**645,696**	762,149	**645,696**	762,149
Fuel (petrol & diesel) sales-BPS	**594,551**	149,848	**594,551**	149,848
Fuel (petrol & diesel) sales-OMC	**87,997**	187,326	**-**	-
Construction Income	**1,870**	522	**-**	-
	1,428,192	1,192,922	**1,338,324**	1,005,074

From the tables above, a total of TZS 15.47 billion intercompany revenue transaction has been eliminated in respect of Operation and maintenance revenue and Construction revenue.

27. COST OF SALES

Purchase of natural gas	**418,897**	463,924	**418,897**	463,924
Purchase of Fuel (Petrol & Diesel)	**665,346**	323,667	**584,722**	146,902
Pipeline and plant maintenance	**13,336**	-	**53,386**	38,219
Depreciation of pipelines and plants	**78,055**	77,863	**78,055**	77,863
Depletion of natural resources	**8,434**	7,255	**8,434**	7,255
Construction	**164**	413	**-**	-
Operation and maintenance- CNG	**154**	-	**154**	-
PSA expenses	**13,780**	9,713	**13,780**	9,713
Total	**1,198,166**	882,835	**1,157,428**	743,876

An analysis of cost of sales by product is as follows:

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	2024/25 TZS 'm	2023/24 TZS 'm
PSA revenue	22,214	16,968	22,214	16,968
Gas sales	510,442	541,787	550,492	580,006
Fuel (petrol & diesel) -BPS	584,722	146,902	584,722	146,902
Fuel (petrol & diesel) sales-OMC	80,624	176,765		
Construction Income	164	413	-	-
	1,198,166	882,835	1,157,428	743,876

From the tables above, during the year, a total of TZS 54.59 billion intercompany cost transaction has been eliminated in respect of Operation and maintenance costs and Construction costs.

28. OTHER INCOME

The Other Income section of the TPDC financial statement details a diverse array of revenue streams the company accrues, which are distinct from its principal operations. These regular and occasional revenues underscore the multifaceted nature of TPDC's financial activities and illustrate how the company leverages various opportunities to ensure financial sustainability. The line items constituting this section are:

Training Fees from PSA Contractors: fees collected from upstream contractors as stipulated in their PSA's contracts to support the development of local capabilities and technology transfer to the host country's oil and gas sector.

Licence Fees from PSA Contractors: Fees collected from PSA contractors in return for the issuance of required operational licenses or permits.

Sale of Condensate: The revenue generated from selling condensate is a valuable by-product of the natural gas extraction process.

Government Revenue Grant: These are financial grants received from the Government to subsidize TPDC's operations.

Interest Income: This consists of interest charged to OMCs for the late settlement of their due invoices.

Rent from Petrol Stations: Income derived from leasing TPDC's petrol station plots to third parties.

House Rent: Rent charged to TPDC's staff residing in the corporation houses.

Miscellaneous Income: An aggregate of various minor or non-recurring revenue streams.

Secondment Fees: Salary costs are charged to EACOP Ltd for TPDC's staff who are seconded to the project.

Land Lease: This line item represents revenue from leasing land owned by TPDC to EACOP Ltd.

Tender Fees: Income from fees related to the tendering process or associated services.

Tariffs: This income is derived from the charges imposed on PAET for using the Ubungo to Mikocheni distribution pipeline owned by TPDC to deliver natural gas to its customers.

Amortization of Capital Grants: Recognized income as certain capital grants are amortized over the respective asset's useful lifespan.

Gain or Loss on Asset Disposal: This captures the financial impact, either as profit or loss, from the sale or disposal of TPDC's assets.

Foreign Exchange (gain)/loss: This line item represents gain from foreign currency revaluation.

	Group		**Corporation**	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS'm
Training fees from contractors	**2,946**	2,680	**2,946**	2,680
Licence fees from contractors	**2,154**	1,054	**2,154**	1,054
Sale of condensate	**-**	3,423	**-**	3,423
Government revenue grant	**4,324**	20,840	**4,324**	12,618
Interest income	**4**	734	**94**	848
Rent from petrol stations	**16**	21	**16**	21
House rent	**57**	7	**57**	7
Miscellaneous income***	**725**	1,903	**639**	1,903
Secondment fees	**2,197**	2,476	**2,197**	2,476
Land lease	**7,197**	6,899	**7,197**	6,899
Tender fees	**(11)**	-	**(11)**	-
Tariffs	**1,892**	1,894	**1,892**	1,894
Amortisation of capital grants	**174**	257	**174**	257
Foreign exchange (gain)/loss	**9,526**	157,775	**10,205**	160,417
Refunds from third parties	**-**	571	**-**	-
Data viewing	**208**	-	**208**	-
Agency fees	**22**	-	**-**	-
Gain from asset disposal	**682**		**682**	
Wentworth Acquisition**	**-**	23,500	**-**	23,500
	32,113	224,034	**32,775**	217,997

*The Corporation invoices its customers in USD for the sale of natural gas and petroleum products. According to the BOT monthly economic reviews, the Tanzanian Shilling (TZS) appreciated by 0.5% against USD (TZS 2,630/USD on June 2024 compared to TZS 2,618/USD on June 30, 2025).

From the tables above, during the year, a total of TZS 48.50 billion intercompany transaction has been eliminated in respect of Operation and maintenance fund received by GASCO as other income, interest income from intercompany loan and Personal emoluments benefits from Parent company to GASCO and TANOIL.

29. ADMINISTRATIVE EXPENSES

	Group 2024/25 TZS 'm	2023/24 TZS 'm	Corporation 2024/25 TZS 'm	2023/24 TZS 'm
Staff costs (Note 30)	**52,859**	48,166	**33,367**	21,118
Depreciation (Note 31)	**3,721**	3,509	**3,211**	3,067
Legal expenses	**1**	-	**1**	-
Transport and travel expenses	**19,055**	14,160	**17,506**	12,267
Audit fees	**650**	682	**650**	682
Insurance	**4,001**	2,691	**4,001**	2,671
Bank charges and commission	**1,000**	352	**971**	311
Directors' fees	**177**	194	**95**	94
Foreign exchange (gain)/loss	**-**	-	**-**	-
Tax assessment	**4,937**	5,310	**4,779**	5,310
Project facilitation cost***	**16,696**	17,135	**16,696**	16,917
Other expenses ***	**9,540**	12,531	**8,614**	11,514
Amortization of intangible	**385**	183	**368**	94
Exhibitions & Awareness	**1,386**	1,055	**1,386**	1,055
Corporate social responsibility	**3,223**	1,142	**3,223**	1,019
Repair & Maintenance	**866**	4,863	**850**	856
Land rent & levies	**3,403**	1,538	**2,859**	1,163
Training expenses	**3,790**	5,390	**2,646**	3,281
Consumables & Others	**2,366**	1,639	**1,320**	819
Outsourced goods & services***	**21,088**	27,123	**4,570**	15,977
Oil trading expenses	**696**	3,968	**-**	-
Gain/Loss on disposal of fuel	**-**	3,991	**-**	-
BPS Operating expenses	**1622**	1,478	**1,622**	1,478
Impairment of Assets	**3,159**	13,090	**3,159**	13,090
	154,622	170,191	**111,894**	112,783

***Project facilitation costs are costs incurred in facilitating strategic projects such as EACOP projects, LNG projects, and other development projects whose current costs are not capital in nature. Other expenses include operating expenses such as electricity, water, funeral costs, and expenses not in a specific group as above.

Outsourced goods and services consist of all expenses incurred while outsourcing services from suppliers such as security, consultancy, cleaning, and other services.
From the table above, during the year, a total of TZS 9.92 billion intercompany transaction has been eliminated in respect Personal emoluments costs in the subsidiary companies GASCO and TANOIL.

30. STAFF COST

The Group and Corporation pay mandatory contributions to a publicly administered pension plan that qualifies as a defined contribution plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group portion of contributions is recognized as an employee benefit expense in profit or loss during which employees render related services. The Group's employees are members of the Public Service Social Security Fund (PSSSF), a defined contribution plan. The Group and employees contribute 20% of the employees' gross salaries to the pension funds.

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
Salaries and wages	**15,410**	15,071	**6,118**	6,849
Pension	**1,526**	751	**606**	341
Defined benefit plan (Note 22)	**60**		**60**	
Other staff costs***	**35,863**	32,344	**26,583**	13,928
	52,859	48,166	**33,367**	21,118

*** Other staff costs include gratuity for contract staff, staff allowances, overtime, recruiting costs, and other staff entitlements.

31. DEPRECIATION

The depreciation charge for property, plant and equipment is made up of;

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
Depreciation charge	**81,776**	81,372	**81,266**	80,930
The depreciation charge is classified as:				
Cost of sales	**78,055**	77,863	**78,055**	77,863
Operating expenses	**3,721**	3,509	**3,211**	3,067
Total depreciation charge	**81,776**	81,372	**81,266**	80,930

32. FINANCE COST

Finance cost comprises interest expenses on asset retirement obligation liability interest charge and interest expense on applying IFRS 16 on accounting of lease liability.

	Group 2024/25 TZS 'm	2023/24 TZS 'm	Corporation 2024/25 TZS 'm	2023/24 TZS 'm
Interest expense on borrowings	-	-	-	-
Lease liability interest	438	376	438	376
Interest on defined benefit	56	-	56	-
ARO accretion	727	473	727	473
Other interest	-	22	-	-
	1,221	871	1,221	849

From the table above, during the year, a total of TZS 94.34 million intercompany transaction has been eliminated in respect of interest from intercompany loan.

33. INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income, respectively.

In determining the current and deferred tax amount, the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

	Group 2024/25 TZS 'm	2023/24 TZS 'm	Corporation 2024/25 TZS 'm	2023/24 TZS 'm
Current tax:				
- Current year	42,217	57,909	39,767	56,867
- Prior year	-	-	-	-
Deferred income tax				
- Current year	15,573	-	15,573	-
- Prior year	-	-	-	-
At end of the year	57,990	57,909	55,340	56,867

The tax on the Corporation's result before tax differs from the amount that would arise using the basic tax rate as follows:

	Group 2024/25	2023/24	Corporation 2024/25	2023/24
	TZS 'm	TZS 'm	**TZS 'm**	TZS 'm
Profit before tax	**130,976**	306,657	**127,558**	306,284
Tax calculated at a tax rate of 30%	**39,293**	91,997	**38,267**	91,885
Expenditure permanently disallowed	**11,935**	`5,241	**11,874**	3,648
Deferred income tax liability recognition/(derecognition)	**13,995**	(65,727)	**15,573**	(65,278)
Under provision of prior year deferred income tax	**(27,076)**	6,226	**(30,217)**	6,400
Corporate tax from Pan Africa Energy Tanzania (PAET)	**19,843**	20,172	**19,843**	20,172
	57,990	57,909	**55,340**	56,867

34. CASH GENERATED FROM OPERATING ACTIVITIES

Operating activities					
Cash collected from customers	26&28	**1,467,624**	938,140	**1,368,467**	745,631
Government revenue grant	26	**4,324**	17,400	**4,324**	9,177
Cash paid to suppliers	27&29	**(1,040,719)**	(639,939)	**(920,679)**	(432,515)
Staff cost	30	**(52,859)**	(48,166)	**(33,367)**	(21,118)
Pipeline and plants O&M	27	**(13,336)**		**(53,386)**	(38,219)
PSA operation cost	27	**(13,780)**	(9,713)	**(13,780)**	(9,713)
Cash generated from operations		**351,254**	257,722	**351,579**	253,243

35. RELATED PARTY TRANSACTIONS

The Corporation is wholly owned by the Government of the United Republic of Tanzania through the Treasury Registrar. Therefore, the Government of the United Republic of Tanzania is the ultimate holding entity.

Related parties in the books of TPDC include subsidiaries, associates and government agencies (including national departments/Ministries, public entities and local government municipalities).

TPDC's transactions with the local Government offices and Government Executive Agencies are not individually significant compared to the total value of the transactions between TPDC and other government-related parties and are therefore not disclosed separately. These include, among others, transactions as a result of services received from government hospitals and utility companies.

Related parties also comprise key management personnel of TPDC or its shareholders and close family members of these associated parties. Key management personnel constitute the members of the Board of Directors, Managing Director, Heads of Directorates and Departments.

	Group 2024/25 TZS 'm	2023/24 TZS 'm	Corporation 2024/25 TZS 'm	2023/24 TZS 'm
i. Sales of goods and services				
Associate - SONGAS Limited	**5,172**	27,558	**5,172**	27,558
Government entity - TANESCO	**487,456**	626,403	**487,456**	626,403
TANOIL - (BPS Fuel)	**-**	-	**-**	-
	492,628	653,961	**492,628**	653,961
ii. Purchases of goods and services				
GASCO - (Operation and maintenance)	**-**	-	**53,540**	39,405
Other				
Associate - Dividend received	**(16,874)**	(2,926)	**(16,874)**	(2,926)
Dividend payment	**11,714**	5,845	**11,714**	5,845
	(5,160)	2,918	**(5,160)**	2,918

iii. Outstanding balances (due from related parties)

	Group 2024/25 TZS 'm	2023/24 TZS 'm	Corporation 2024/25 TZS 'm	2023/24 TZS 'm
Receivables and amounts owed by related parties				
Associate - SONGAS Limited	**57,039**	87,170	**57,039**	87,170
Subsidiary - (GASCO)	**-**	-	**35,836**	31,599
Subsidiary - (TANOIL)	**-**	-	**19,768**	21,534
Government entity - TANESCO	**964,522**	994,811	**964,522**	994,811
Ministry of Finance - (EACOP & LNG)	**282,782**	189,658	**282,782**	189,658
	1,304,343	1,271,639	**1,359,947**	1,324,772

iv. Outstanding balances (due to related parties)				
Amounts payable to a subsidiary - TANOIL	-	-	5,142	5,142
Amounts payable to a subsidiary - GASCO	-	-	4,684	1,500
Royalty and Profit gas payable to the Government	438,318	269,407	438,318	269,407
	438,318	269,407	448,144	276,049
Government - Interest incurred on on-lent borrowings	630,192	630,192	630,192	630,192

v. Loans receivable

The corporation issued a loan of USD 16.67 million to its Subsidiary, TANOIL Investment Limited, to enable the purchase of oil cargo from suppliers. Interest was accrued from the disbursement date by applying the most recent treasury bill rate published by the Bank of Tanzania (BOT), which is 3.96% (published in June 2023). The tenure of the loan was agreed to 3 months.

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	2024/25 TZS 'm	2023/24 TZS 'm
Loans receivable				
Beginning of the year	-	-	8,090	
Loans advanced	-	-		40,740
Loan repayments received	-	-	(6,334)	(34,943)
Interest charged	-	-	94	848
Interest received	-	-	-	-
Foreign exchange	-	-	(455)	1,444
Balance as at year end	-	-	1,395	8,090

The loan is measured at amortized cost in accordance with the requirements of IFRS 9 - Financial Instruments. The carrying amount represents the principal amount outstanding adjusted for accrued interest and the impact of foreign exchange movements for loans receivable from other related parties. The impact of ECL is minimal, as there is no history of default and no event of default is expected to occur in the future.

vi. Directors and key management personnel remuneration.

Group	Salary and post-retirement benefits		Fees and sitting allowance		Social security benefits	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Key management	2,804	2,380	1,830	1,582	92	71
Directors	-	-	177	194	-	-
Total	2,804	2,380	2,007	1776	92	71

Corporation	Salary and post-retirement benefits		Fees and sitting allowance		Social security benefits	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Key management	1,001	900	712	809	41	35
Directors	-	-	95	94	-	-
Total	1,001	900	807	903	41	35

36. CAPITAL COMMITMENTS

As of June 30, 2025, the group was committed to TZS 330.10 billion for implementing various development projects and related activities.

37. PROVISIONS AND CONTINGENCIES - ASSETS AND LIABILITIES

The following are contingent liabilities concerning Group and Corporation affairs for the year ended 30 June 2025;

(i) Tax related matters at Tax Revenue Appeals Board (TRAB)

As of year-end 30 June 2025, the Group had tax dispute with the Tanzania Revenue Authority (TRA) as follows:

Value-added tax and penalties (Tax Appeal no. 29 of 2025)

The Commissioner General issued an assessment of VAT for the year of income 2023, requiring TPDC to pay TZS 756,611,785.40 in respect of VAT on various expenses, including repairs and maintenance, accommodation, and meals, among others. After a successful application of waiver to pay the lesser amount, TPDC paid a sum of TZS 128 million for submission of objection which was later denied by the Commissioner General.

TPDC proceeded to lodge an appeal before the Tax Revenue Appeals Board (TRAB), which has been registered as Appeal No. 29 of 2025 and is currently pending hearing. The probability of future cash outflow in regard to this case is low.

Pay As You Earn (Tax Appeal no. 137 of 2025)

The Commissioner General issued an assessment of PAYE for the year of income 2023, requiring TPDC to pay TZS 3,461,328,655.23 in respect of staff allowances. After a successful application of waiver to pay the lesser amount, TPDC paid a sum of TZS 675 million for submission of objection which was later denied by the Commissioner General. TPDC subsequently lodged an appeal before the Tax Revenue Appeals Board (TRAB), which has been registered as Appeal No. 137 of 2025 and is currently pending hearing. The probability of future cash outflow in regard to this case is low.

Skills Development Levy and penalties (Tax Appeal no. 138 of 2025)

The Commissioner General issued an assessment of SDL for the year of income 2023, requiring TPDC to pay TZS 1,012,858,676.05 in respect of staff salaries and allowances. After a successful application of waiver to pay the lesser amount, TPDC paid a sum of TZS 197 million for submission of objection which was later denied by the Commissioner General. TPDC subsequently lodged an appeal before the Tax Revenue Appeals Board (TRAB), which has been registered as Appeal No. 138 of 2025 and is currently pending hearing. The probability of future cash outflow in regard to this case is low.

(ii) Tax related matters at Tax Revenue Appeals Tribunal (TRAT)

Value-added tax and penalties (Tax Appeal no. 58 of 2025)

The Commissioner General issued an assessment of VAT for the years of income 2021 and 2022, requiring TPDC to pay TZS 427,129,483 in respect of VAT on data sales and input tax relating to the purchase, repair, and maintenance of motor vehicles. After a successful application of waiver to pay the lesser amount for other taxes except for VAT, TPDC did not pay any sum for submission of objection in respect of VAT which was later denied by the Commissioner General. TPDC subsequently lodged an appeal before the Tax Revenue Appeals Board (TRAB), which on 24th October 2024 determined the matter in favor of the Commissioner General. Aggrieved with that decision, TPDC filed a further appeal before the Tax Revenue Appeals Tribunal (TRAT), which has been registered as Appeal No. 58 of 2025 and is currently pending hearing. The probability of future cash outflow in regard to this case is low.

Pay As You Earn (Tax Appeal no. 87 of 2025)

The Commissioner General issued an assessment of PAYE for the years of income 2021 and 2022, requiring TPDC to pay TZS 3,169,034,841 in respect of staff allowances. After a successful application of waiver to pay the lesser amount, TPDC paid a sum of TZS 700 million for submission of objection which was later denied by the Commissioner General.

TPDC subsequently lodged an appeal before the Tax Revenue Appeals Board (TRAB), which on 17th March 2025 determined the matter in favor of the Commissioner General. Aggrieved with that decision, TPDC filed a further appeal before the Tax Revenue Appeals Tribunal (TRAT), which has been registered as Appeal No. 87 of 2025 and is currently pending hearing. The probability of future cash outflow in regard to this case is low.

Skills Development Levy and penalties (Tax Appeal no. 73 of 2025)

The Commissioner General issued an assessment of SDL for the years of income 2021 and 2022, requiring TPDC to pay TZS 577,006,486 in respect of staff salaries and allowances. After a successful application of waiver to pay the lesser amount, TPDC paid a sum of TZS 150 million for submission of objection which was later denied by the Commissioner General. TPDC lodged an appeal before the Tax Revenue Appeals Board (TRAB), which on 17th March 2025 determined the matter in favor of TPDC. Dissatisfied with that decision, the Commissioner General filed a further appeal before the Tax Revenue Appeals Tribunal (TRAT), which has been registered as Appeal No. 73 of 2025 and is currently pending hearing. The probability of future cash outflow in regard to this case is low.

(iii) Other cases

- **M/s Shades of green Safaris Limited vs Tanzania Petroleum Development Corporation PPAA Appeal No. 37 of 2024-25**

This is an Appeal against the award of tender No. TR24/2024/2025/NC/43 for the provision of air travel services where the Appellant is contesting the award of the cited tender. The case was decided in favor of TPDC.

- **TPDC VS. Kapuulya Charles Musomba, James Emmanuel Batamuzi and Sudi Abdallah Balawazi**

TPDC has appealed against Kapuulya Charles Musomba, James Emmanuel Batamuzi and Sudi Abdallah Balawazi to the President of the United Republic of Tanzania. The appeal is against the Public Service Commission's ruling in favour of the Respondents by pointing out the irregularities in the Inquiry Committee's recommendations and disciplinary authority procedures. The Commission ruled, among others, that the disciplinary authority did not undertake a preliminary investigation, hence contravening regulation 36 of the Public Service Regulations of 2022 and rule 13 of the Public Service Disciplinary Code of Good Practice.

The President's Office does not allow for a hearing on this matter. We are currently awaiting feedback from the higher office after the review. The probability of future cash outflow in regard to this case is low.

- **Aqua Power and Catalysis Capital v. United Republic of Tanzania-ICSID Case No. ARB/24/42**

On 17th September 2024, Aqua Power and Catalysis Capital Limited issued a Request for Arbitration (RFA) at the International Centre for Settlement of Investment Disputes (ICSID) against the Government of the United Republic of Tanzania under the Agreement on Promotion and Reciprocal Protection of Investment (the "BIT") between GoT and the Government of the Republic of Mauritius. Aqua Power claims damages to the tune of USD 500 Million as loss and projected loss due to the actions of GoT and its institutions, namely TPDC, TANESCO and EWURA.

The RFA was preceded by a notice of dispute issued by Aqua Power and Catalysis Capital Limited against the GoT on 26 September 2024. Aqua Power and the Office of the Solicitor General (OSG) held a settlement meeting in March 2024 under 8 (1) of the BIT, and having not been able to reach a settlement within the six (6) month window as per Article 8 (1) of the BIT, Aqua Power proceeded to submit its RFA.

Aqua Power claims that after being invited by Dangote to invest in a gas-fired power generation plant to supply power to the Dangote Cement Plant as a short-term solution up until Dangote completed construction of a tri-fuel power plant, it was discriminated against in the implementation of the following projects:

i) 45MW Gas Fired Power Plant,

ii) Kinyerezi I Extension 185 MW Gas Fired Power Plant,

iii) supply of Electricity to Mozambique, and

iv) Mtwara 420 TPD LNG Plant.

Among the allegations that Aqua Power makes against GoT's institutions, such as TANESCO's refusal to purchase power from Aqua Power and EWURA's refusal to grant a generation license to Aqua Power, those against TPDC are mainly that TPDC refused to grant a Gas Supply Agreement (GSA) to Aqua Power.

The matter is at the preliminary stage where the Claimants will file their Memorial on 4 August 2025 and the Respondent will submit its Counter Memorial on 1st December 2025.The probability of future cash outflow in regard to this case is low.

As of 30th June, 2025, a sum of TZS 21.24 billion has been provided for all the cases and assessments as shown on the table below:

Group and Corporation	2024/25	2023/24
	TZS 'm	TZS 'm
VAT	5,808	6,036
Withholding Tax	227	291
PAYE	8,013	3,911
Excise Duty	154	1,077
Corporate Tax	36	690
Penalties & Interests	2,215	2,222
Non-Tax Provisions	4,790	4,790
	21,243	19,017

38. SUBSEQUENT EVENTS

There were no subsequent events with material impact on the group.

39. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk, fair value interest rate risk, and cash flow interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's profit or loss. Risk management is carried out by management on behalf of the Board of Directors.

a) Market risk

(i) *Foreign currency exchange risk*

The Group earns income and incurs some of its expenses in United States dollars. Furthermore, the Group has borrowings denominated in United States dollars from two banks. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities.

On 30 June 2025, if the functional currency had strengthened/weakened by 5% against the US dollar with all other variables held constant, post-tax loss for the year would have been;

Group:

TZS 22,960 million (2024: TZS 24,863 million) lower/higher, mainly due to the translation of US dollar-denominated current assets and borrowings.

Corporation:

TZS 32,888 million (2024: TZS 25,602 million) lower/higher, mainly due to translating US dollar-denominated current assets and borrowings.

(i) ***Price risk***

The Group is exposed to price risk due to fluctuations in the prices of petroleum products in the global market and spare parts for natural gas infrastructure.

(ii) ***Interest rate risk***

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rates, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at a fixed rate were denominated in the US dollar.

If interest rates on US dollar-denominated borrowings had been 10% higher/lower at 30 June 2025 with all other variables held constant, the post-tax profit/loss for the year would have been TZS 0 (2024: TZS 0) since the group had no outstanding loan as of 30 June 2024.

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

Exposure:

The amount that represents the Group's and Corporation's exposure to credit risk as of 30 June is made up as follows:

	Group		Corporation	
	2024/25 TZS 'm	2023/24 TZS 'm	2024/25 TZS 'm	2023/24 TZS 'm
Cash at the bank	378,419	233,396	376,321	218,121
Trade receivables	1,258,167	1,505,832	1,254,512	1,498,889
Loan receivable	-		1,395	8,090
Other receivables (excl. prepayments and VAT)	(2,069)	5,910	1,036	2,299
	1,634,517	1,745,138	1,633,264	1,727,399

Risk Management:

The Group has policies in place to ensure that the exposure to credit risk is monitored continuously. The Group's and Corporation's risk management policies are established to identify and analyse the risks faced by the Group and Corporation, to set appropriate risk limits and controls, and to monitor adherence to risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

The Group and Corporation, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Credit limits are set out in PSAs and GSAs with customers. Further, Management performs regular balance reconciliations and follows up on outstanding balances.

Impairment of financial assets:

The Group financial assets are measured at amortised cost and are subject to a credit loss model. The Group has two types of financial assets that are subject to IFRS 9 impairment requirements (expected credit losses):

- Trade and other receivables (excluding prepayments and statutory receivables); and
- Cash at the bank.

Trade and other receivables:

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the trade receivables.

The expected loss rates are based on the payment profiles of sales over 36 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that affect customers' ability to settle receivables, based on the country's economy and tourism trends in the foreseeable future. On that basis, the loss allowance as of 30 June 2025 was determined as follows for trade receivables.

A. Group

Details	Outstanding balance TZS 'm	Loss allowance Rate	Loss allowance TZS 'm
From 1 to 30 days	91,133	2.77%	2,526
From 31 to 90 days	11,614	1.74%	202
From 91 to 180 days	29,8354	5.76%	1,719
From 180 days	1,822	4.38%	80
Default category	37,018	93.31%	34,559
	-	-	-
Specific customers*	14,052	100%	14,052
Government entities	1,043,975	1.51%	29,446
	1,229,272		**82,585**

*Specific customers relate to TANOIL's long outstanding debts and TPDC unrecovered market research cost .

B. Corporate

Details	Outstanding balance TZS 'm	Loss allowance rate	Loss allowance TZS 'm
From 1 to 30 days	91,050	2.77%	2,520
From 31 to 90 days	11,566	1.73%	200
From 91 to 180 days	29,611	5.73%	1,697
From 180 days	1,822	4.38%	80
Default category	32,376	100%	32,376
Specific customers*	-	-	-
Government entities	398	100%	398
	1,028,582	1.51%	29,226
	1,195,007		66,497

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include, amongst others, the customer's failure to meet the agreed monthly purchase targets and severe financial difficulties. This assessment is performed on a case-by-case basis.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Group TZS 'm	Corporation TZS 'm
Balance at 1 July 2023	57,424	39,425
Impairment loss recognized during the year	65,704	65,704
Reversal of impairment loss	(4,213)	
Balance at 30 June 2024	118,915	105,12[illegible]
Balance at 1 July 2024	118,915	105,129
Impairment loss recognized during the year	2,302	-
Reversal of impairment loss	(38,632)	(38,632)
Balance at 30 June 2025	82,585	66,497

During the year, management reassessed the Expected Credit Losses (ECL) on trade and other receivables in accordance with IFRS 9. The reassessment reduced the provision from TZS 105.12 billion in the prior year to TZS 66.49 billion as at year-end. Consequently, an impairment provision amounting to TZS 38.63 billion was released to profit or loss.

The reversal primarily reflects updated credit risk assessment of anchor customer TANESCO, which fully honored its obligations relating to FY 2024/25.

This settlement pattern reduced the assessed probability of default and, in turn, lowered the expected credit loss estimate. Thus, in line with IFRS 9, management applied external credit risk parameters, including a qualitative assessment and forward-looking information consistent with historical practice, to determine the revised expected loss.

Bank balances

There is no independent credit rating for banks operating in Tanzania. However, the Group banks with reputable local banks. In management's view, the risk of non-performance by the counterparties is considered highly unlikely and insignificant. The balance held at the bank by type of counterparty as at 30 June was as follows;

	Group		**Corporation**	
	2024/25 TZS 'm	2023/24 TZS 'm	**2024/25 TZS 'm**	2023/24 TZS 'm
CRDB Bank	**14,004**	14,393	**12,391**	5,210
Citibank	**3,844**	1,318	**3,844**	1,319
NMB Bank	**15,271**	11,539	**14,917**	6,486
STANBIC Bank	**125**	57	-	-
NBC	**6**	983	-	-
Bank of Tanzania	**345,169**	205,106	**345,169**	205,106
	378,419	233,396	**376,321**	218,121

c) Liquidity risk

Liquidity risk is the risk that the Group and Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and Corporation's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and funding availability through active cash flow monitoring.

The table below analyses the Group's and Corporation's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

Group	Carrying amount	Contractual cash flows	Up to and Less than 1 year	Between 1 and up to 2 years	Between 2 and up to 5 years	Over 5 years
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Non-derivative financial liabilities						
At 30 June 2025						
Borrowings	630,192	630,192	630,192			-
Lease liability	4,700	4,700	770	1,539	2,391	-
Trade and other Payables*	573,757	573,757	573,757			-
	1,208,649	1,208,649	1,204,719	1,539	`2,391	-
Non-derivative financial liabilities						
At 30 June 2024						
Borrowings	630,192	630,192	630,192			-
Lease liability	3,628	3,628	1,001	2,001	626	-
Trade and other Payables*	418,467	418,467	418,467	-	-	-
	1,052,287	1,052,287	1,050,849	1,539	`2,391	-

*Excludes statutory liabilities as they do not form part of financial liabilities.

Corporation	Carrying amount	Contractual cash flows	Up to and Less than 1 year	Between 1 and up to 2 years	Between 2 and up to 5 years	Over 5years
	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm	TZS 'm
Non-derivative financial liabilities						
At 30 June 2025						
Borrowings	630,192	630,192	630,192			-
Lease liability	4,700	4,700	770	1,539	2,391	-
Trade and other payables*	569,925	569,925	569,925			-
	1,204,817	1,204,817	1,200,887	1,689	1,863	-
At 30 June 2024						
Borrowings	630,192	630,192	630,192	-	-	-
Lease liability	3,628	3,628	1,001	2,001	626	-
Trade and other payables*	414,269	414,269	414,269	-	-	-
	1,048,088	1,048,088	1,045,461	2,001	626	-

*Excludes statutory liabilities as they do not form part of financial liabilities.

Net debt reconciliation

	Group 2024/25 TZS 'm	2023/24 TZS 'm	Corporation 2024/25 TZS 'm	2023/24 TZS 'm
Cash and cash equivalents (Note 15)	**378,419**	233,396	**376,321**	218,121
Borrowings (Note 19)	**630,192**	630,192	**630,192**	630,192
Lease liabilities (Note 11)	**4,700**	3,628	**4,700**	3,628
	(256,473)	(400,424)	**(258,570)**	(415,699)

d) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital consistent with others in the industry.

The gearing ratio is calculated as net external borrowings divided by total capital. Net external borrowings are calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net external borrowings. The gearing ratios at 30 June 2025 and 30 June 2024 were as follows:

	Group		Corporation	
	2024/25	2023/24	**2024/25**	2023/24
	TZS 'm	TZS 'm	**TZS 'm**	TZS 'm
Total borrowings (Note 19)	**630,192**	630,192	**630,192**	630,192
Less: cash and cash equivalents (Note 15)	**(378,419)**	(233,396)	**(376,321)**	(218,121)
Net debt	**251,773**	396,796	**253,871**	412,071
Total equity	**(4,115,697)**	(3,967,055)	**(4,204,720)**	3,313,649
Total capital	**(3,863,924)**	(3,570,259)	**(3,950,849)**	2,895,727
Gearing ratio	**7%**	11%	**6%**	11%