

Artumas Leads the Field, Sets the Pace of Economic Development in East Africa

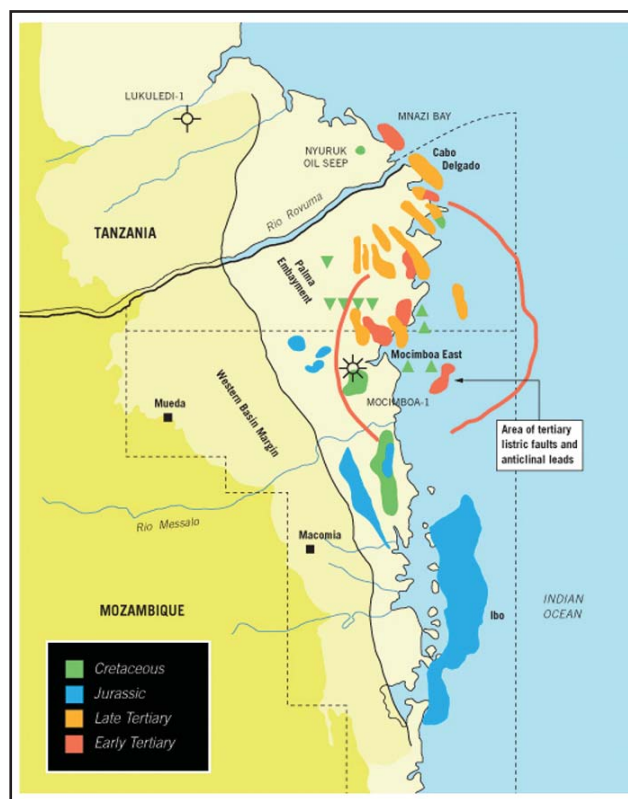
Few have garnered the respect and attention that Canadian energy up-start, Artumas Group Inc., has in East Africa arising from the company's pioneering efforts there. During the mid-90s, Artumas CEO, Steve Mason, began making his first trips to Tanzania – long before the company was eventually formed.

His initial pursuits were aimed at the development of a modest gas-to-electricity supply chain from the gas in the ground to the electrons on the busbar in order to promote industrial and economic development within the country. A decade later, Artumas is succeeding beyond Mason's wildest dreams. In June of 2005, the company was listed on the Oslo exchange. In 2006, Artumas raised US\$65 million in convertible bond issues and roughly US\$16 million through the issuance of common shares.

Today, Mason can say that he achieved his initial objective. On December 23, 2006, the first electricity was generated from the Mtwara Energy Project. Full commissioning of the integrated gas-to-power project, which includes gas production facilities, a 27-kilometer gas pipeline from the Mnazi Bay well site to Mtwara and a 12-megawatt gas-fired power station, was achieved on March 5, 2007.

However, the story has no ending. Exploration activities in the Mnazi Bay Field have proven up reserves several multiples of Mason's original expectations. Independent P50 resource estimates indicate 986 Bcf (164 MMBOE) for the first three Mnazi Bay wells, the MB-1, MB-2 and MB-3. The company began drilling the MS-1X in February 2007 to verify the southeastern extension of the Mnazi Bay Field and to test the prospectivity of a new structural lead, the Msimbati Prospect. The well was drilled to its targeted depth of 6,570 feet. The Msimbati Prospect has the potential for 400 Bcf (67 MMBOE).

Most importantly, the Mnazi Bay Field abuts the border with Mozambique. On April 18, Artumas Moçambique Petróleos Limitada, a wholly owned subsidiary of Artumas, signed an exploration and production concession contract for the 15,000 square-kilometer Rovuma Onshore Block in the Rovuma Delta Basin in northern Mozambique, which offsets the



Courtesy of Artumas

company's Mnazi Bay concession. Anadarko, which was awarded the adjacent offshore block immediately to the east of Artumas, has expressed a fierce commitment to the Rovuma Delta Basin, which has been compared to, and is geologically analogous to, some of the great basins of the world, such as the Niger Delta and the Gulf of Mexico. Other upstream participants in the adjacent blocks include the likes of Eni, Petronas and Norske Hydro.

On May 3, 2007, Artumas announced the signing of a trade agreement with Anadarko subsidiary Anadarko Moçambique Area 1, Limitada, which provides for a mutual exchange of interests in their respective concessions in Mozambique. Under the terms of the agreement, Artumas will receive an 8.5% participating interest in Anadarko's Offshore Area 1 in the Rovuma Basin, in exchange for assigning Anadarko a 35.7% participating interest in Artumas' Rovuma Onshore Block. The Republic of Mozambique's national oil company, Empresa Nacional de Hidrocarbonetos (ENH) has a 15% participating interest in each area, to be proportionately carried by Artumas and Anadarko during the exploration period for both areas.

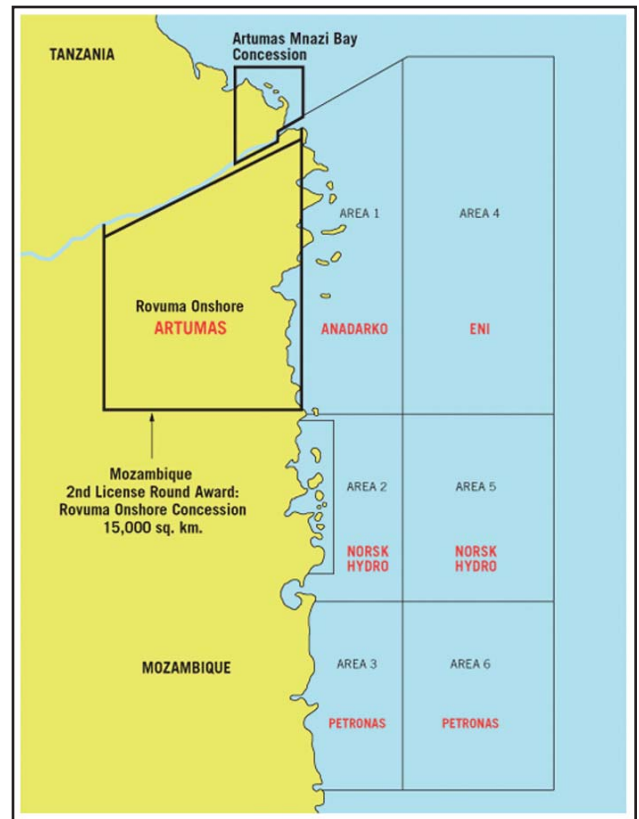
Again, the story gets even better. As it turns out, the affable Mason has invested in him the wisdom of the ages. One who has truly evinced a love for East Africa, the jolly CEO has been an increasingly fervent proponent of developing social and economic programs in the region. Turning to the subject of poverty, obviously moved, Mason becomes serious and collects himself before speaking. "I've really come to love the people that I've come into contact with in East Africa," he says, his voice faltering.

Mason has been a leader and a powerful voice in the international community doing business in East Africa. Just take a look at the company's 2006 Annual Report. It's rife with the commitment the company is making to the region and its people. In November 2006, Mason delivered a heartfelt keynote address to leaders in Western Canada's business community at an event hosted by the Canadian Council on Africa. Present at the event was His Excellency Prime Minister Edward N. Lowassa of the United Republic of Tanzania.

It so happens that Artumas' success in finding gas has taken the company far beyond monetizing gas only in Tanzania's electric markets. It turns out that Artumas may well be the first company in the world to commercialize CNG ocean transport with its Mtwara to Mombasa, Kenya CNG project. The results of a pre-FEED analysis conducted in collaboration with TransCanada/OSG suggested that the most cost-effective configuration would involve four to five [CNG] ships in rotation, delivering 35 to 50 MMcfd on a constant-flow basis.

"For our investors, the successful build-out of Artumas' operations in Tanzania is exciting. It clearly proves the validity of the company's gas monetization strategy," says Mason.

For more information about Artumas, contact Wendy Shaw at (403) 294-1530.



Courtesy of Artumas