

**Small firms to drive East Africa's oil & gas sector development...**

According to several oil executives, smaller oil explorers willing to take financial and operational risks will lead the development of East Africa's oil and gas industry whilst majors ditch riskier projects as margins fall.

East Africa has emerged as a significant prospect for the export of liquefied natural gas (LNG) because of the size of its natural gas discoveries and proximity to Asia's major LNG consumers. Furthermore, the U.S. Geological Survey estimates that more gas lies off the shores of Kenya, Tanzania and Mozambique than off Nigeria, Africa's biggest energy producer.

However, high development costs and low profit margins in the gas sector worldwide have made large oil and gas companies more hesitant to commit to risky and expensive investments and this paves the way for smaller explorers, such as Tullow Oil and Ophir Energy, who typically focus their efforts on one region or country in the hope of maximising any returns.

"The oil and gas industry is worried about costs. Oil companies are reducing their investments and putting projects on hold," Willy Olsen, former advisor to Statoil, said at the East Africa Oil and Gas conference in London. "If they make oil and gas discoveries in East Africa it will be 10 to 15 years before they see revenues - so the focus will be on small and medium-sized companies and few big players," he added.

Mozambique and Tanzania are racing to be first to export gas from Africa's eastern seaboard to transform their economies but the countries lack infrastructure and technical know-how. Both also lack clear oil and gas policies and legislation of the sector is uncertain and debate continues over how much gas should be sold to foreign investors and how much should be kept for domestic use.

According to Jose Branquinho, resource assessment director at Mozambique's National Petroleum Institute, c.180,000bcf of gas has been found in Mozambique's Rovuma Basin, and this alone would be enough to supply, Germany, Britain, France and Italy for some 18 years. "The Mozambique discoveries have changed the world - that's why people are still interested in East Africa," Miles Donnelly, commercial director at oil and gas exploration firm Bahari Resources, said on the sidelines of the conference. "They are on a scale which could be comparable to Qatar," he said, referring to the world's top LNG exporter.

Companies currently exploring for gas in the region include a mix of smaller and larger players. In Mozambique, Anadarko, Buzi Hydrocarbon, Eni, Petronas and Sasol are active. In Tanzania, Britain's BG Group and Ophir Energy, have been at the forefront of exploration, while Exxon Mobil and Statoil have also found gas. But it will be the smaller companies that get production off the ground in earnest in places such as Mozambique, executives said.

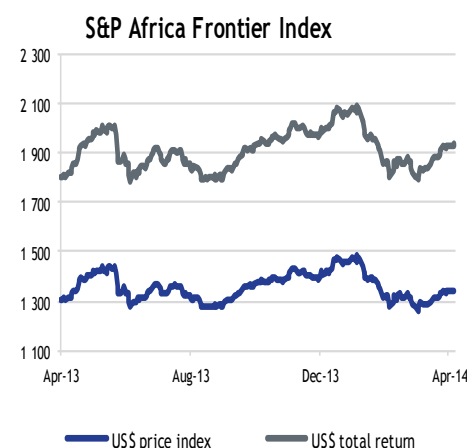
Taipan Resources, an Africa focused, oil exploration company based in Kenya and listed in Canada with a market capitalisation of USD 50.6m, hopes to start drilling for oil in northeast Kenya next year. "Smaller companies get on with things and have a big role to play. We bring in the medium companies, who draw in the large companies" said Max Birley, chief executive of Taipan Resource. "We may not have big pockets but we employ bright people who are aggressive about exploration and we drill wells which some of the majors won't drill," he added.

Even though LNG prices are seen as unfavourable following increasing competition from coal as an energy source, we think that the interest from smaller firms at such a time comes as a blessing for the region. East Africa is currently in its high economic growth phase and enhanced FDI at this stage would unlock the potential sooner. We therefore appreciate the flexibility and risk appetite of such firms and see their model as a good fit for mitigating some of the drawbacks associated with doing business on the continent.

TOP 5 VALUE TRADED	
Country	Value traded (USD m)
Nigeria	51.73
Kenya	13.93
Mauritius	3.55
Namibia	3.41
Zimbabwe	0.69

TOP 5 VOLUME TRADED	
Country	Volume traded (m)
Nigeria	1 407.29
Kenya	43.32
Mauritius	29.51
Uganda	5.22
Zimbabwe	3.38

Source: IAS



Source: IAS/S&P



## CLOSING MARKET SUMMARIES - 10 JUNE 2014

### BOTSWANA

Index	Today	Previous	Day %	YTD %
BSE DCI	9 112.97	9 110.99	0.02%	0.66%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	679 205	626.81%	286 598	526.24%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
CHOPPIES	329 691	157 099		
<b>Top Gainers</b>	<b>Bottom Losers</b>			
SECHABA	0.22%		There were no losers	

### BRVM

Index	Today	Previous	Day %	YTD %
BRVM 10	239.01	238.49	0.22%	-2.98%
BRVM Composite	232.30	232.13	0.07%	0.12%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	57 564	-44.67%	285 797	-48.62%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
ETI TG	49 285	97 529		
SONATEL SN				
<b>Top Gainers</b>	<b>Bottom Losers</b>			
FILTISAC	6.13%	UNILEVER	-7.50%	
MOVIS	4.87%	SETAO	-7.48%	
BOA	2.50%	ONATEL BF	-4.88%	
ETI TG	2.38%	SMB	-0.06%	
BOA NG	1.64%	SONATEL SN	-0.05%	

### GHANA

Index	Today	Previous	Day %	YTD %
GSECI	2 361.58	2 362.67	-0.05%	10.09%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	329 850	-95.94%	410 979	-59.72%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
EGL	100 600	187 038		
EBG				
<b>Top Gainers</b>	<b>Bottom Losers</b>			
EGL	2.07%	SOGEGH	-4.76%	
		EBG	-0.28%	

### KENYA

Index	Today	Previous	Day %	YTD %
NSE All Share	150.24	149.61	0.42%	9.95%
NSE 20	4,828.65	4,835.69	-0.15%	-2.00%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	43 317 200	53.94%	13 925 742	42.29%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
Safaricom	19 395 500	3 989 368		
Kenya Comm Bank				
<b>Top Gainers</b>	<b>Bottom Losers</b>			
Olympia Capital	3.85%	Eaagads	-7.63%	
Jubilee	3.55%	KenGen Co.	-3.05%	
Longhorn Kenya	3.33%	E.A.Portland Cement	-2.50%	
Uchumi Supermkt	3.15%	Centum Inves	-2.48%	
Equity Bank	2.98%	Trans-Century	-2.15%	

### MALAWI

Index	Today	Previous	Day %	YTD %
DASI	10 410.79	10 410.79	0.00%	5.69%
MASI	13 237.97	13 237.97	0.00%	5.64%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	879 859	-34.80%	10 465	-80.66%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
TNM	850 310	7 080		
<b>Top Gainers</b>	<b>Bottom Losers</b>			
There were no gainers		There were no losers		

### MAURITIUS

Index	Today	Previous	Day %	YTD %
Semdex	2 090.76	2 092.97	-0.11%	-0.24%
Sem 7	405.95	406.56	-0.15%	0.57%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	29 507 432	2714.96%	3 547 002	973.0%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
SBM	28 357 410	1 331 449		
MCB				
<b>Top Gainers</b>	<b>Bottom Losers</b>			
CMPL	1.48%	United Docks	-4.23%	
Omnican	0.59%	PIM	-1.30%	
Rogers	0.50%	AIR MTIUS LTD	-1.10%	
Lux Island Resorts	0.23%	IBL	-0.97%	
ENL Land	0.20%	Caudan	-0.86%	

### NAMIBIA

Index	Today	Previous	Day %	YTD %
NSX Local	344.62	344.49	0.04%	3.89%
NSX Overall	1 108.06	1 105.59	0.22%	11.17%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	453 230	160.93%	3 410 560	852.60%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
Sanlam	315 220	1 828 859		
<b>Top Gainers</b>	<b>Bottom Losers</b>			
Paladin Energy	5.46%	Afrox	-1.90%	
Investec	2.62%	Santam	-1.21%	
Barlworld	2.27%	Vukile Propty	-1.11%	
Standard Bank	1.72%	Anglo-American	-1.10%	
Nedbank	1.53%	Oceana	-0.57%	

### NIGERIA

Index	Today	Previous	Day %	YTD %
NSE All Share	41,521.40	41,609.41	-0.21%	0.47%
<b>Trading Activity</b>	<b>Volume</b>	<b>Daily %</b>	<b>Turnover (USD)</b>	<b>Daily %</b>
10-Jun-14	1 407 291 073	370.13%	51 728 963	134.47%
<b>Top Traders</b>	<b>Volume</b>	<b>Turnover (USD)</b>		
Transcorp	1 043 608 000	28 553 100		
<b>Top Gainers</b>	<b>Bottom Losers</b>			
Honyflour	6.25%	Caverton	-4.99%	
Fidson	4.71%	Ikejahotel	-4.65%	
Unilever	4.61%	Costain	-4.27%	
Conoil	4.59%	Cutix	-3.68%	
Eterna	4.57%	Courtville	-3.23%	



## CLOSING MARKET SUMMARIES - 10 JUNE 2014

RWANDA				
Index	Today	Previous	Day %	YTD %
RSI	236.19	264.13	-10.58%	1.62%
RSE All Share	146.00	146.24	-0.16%	5.71%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
10-Jun-14	70 700	542.73%	33 746	372.81%
Top Traders	Volume	Turnover (USD)		
Bank of Kigali	61 100	27 441		
Top Gainers	Bottom Losers			
There were no gainers		Bank of Kigali		-0.65%
		Bralirwa		-0.22%

TANZANIA				
Index	Today	Previous	Day %	YTD %
TSI	3 250.67	3 236.06	0.45%	14.32%
DSEI	2 091.74	2 076.04	0.76%	12.06%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
10-Jun-14	370 415	4.14%	241 223	93.75%
Top Traders	Volume	Turnover (USD)		
TOL	229 247	114 469		
Top Gainers	Bottom Losers			
TBL	1.86%	SIMBA		-0.83%
NMB	1.76%			

UGANDA				
Index	Today	Previous	Day %	YTD %
USE All Share	1 625.87	1 619.60	0.39%	6.79%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
10-Jun-14	5 220 558	na	67 191	na
Top Traders	Volume	Turnover (USD)		
SBU	5 175 878	60 562		
Top Gainers	Bottom Losers			
JHL	6.34%	CENT		-2.40%
KCB	1.19%	NMG		-1.60%
EBL	0.82%	KA		-1.24%
EABL	0.01%			

ZAMBIA				
Index	Today	Previous	Day %	YTD %
LuSE All Share	6 037.89	6 037.89	0.00%	13.92%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
10-Jun-14	66 802	-98.43%	23 282	-94.87%
Top Traders	Volume	Turnover (USD)		
Zanaco	30 000	12 430		
Shoprite				
Top Gainers	Bottom Losers			
There were no gainers		There were no losers		

ZIMBABWE				
Index	Today	Previous	Day %	YTD %
Industrial	178.49	177.91	0.33%	-11.69%
Mining	41.08	38.83	5.79%	-10.29%
Trading Activity	Volume	Daily %	Turnover (USD)	Daily %
10-Jun-14	3 377 291	-70.06%	686 052	-41.81%
Top Traders	Volume	Turnover (USD)		
OK	588 459	347 229		
ECON				
Top Gainers	Bottom Losers			
MASIMBA	36.36%	TSL		-3.33%
BIND	9.09%	ABCH		-2.78%
BAT	7.14%	SEED		-2.74%
MEIKLES	5.26%			
HIPP	4.62%			

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