



MINISTÉRIO DOS RECURSOS MINERAIS
E PETRÓLEOS

Press release

1st TENDER OF ROUGH DIAMONDS IN ANGOLA PRODUCER RAISES US\$16.7 MILLION

LUANDA, 31 JANUARY 2019 – With the 1st Tender of Rough Diamonds held in Angola, its producers raise approximately US\$16.7 million.

The 1st Tender of rough diamonds held in Angola within the framework of the implementation of the Diamond Marketing Policy, under Presidential Decree No. 175/18, of 27 July 2018, was concluded today in Luanda.

Organised by SODIAM EP, this tender included the sale of a parcel of seven Special stones from *Sociedade Mineira do Lulo*, weighing 43.25 to 114.94 carats. Among these was a 46 carat pink stone.

The model chosen for this sale was a "tender auction" - usually called "tender", whereby participating companies present their sealed bids. This model allows for the achievement of greater value for the auctioned stones. The bids were made online, on an electronic platform created and developed for SODIAM for this purpose (www.sodiamsales.com), where the participating companies were pre-registered.



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Thirty-one (31) companies from eight (8) countries, namely, Angola, Belgium, United Arab Emirates, India, United States of America, South Africa, Israel and China participated in the tender.

The total amount raised with this first tender was US\$16,696,696.27 (or sixteen million, six hundred and ninety-six thousand, six hundred and ninety-six dollars and twenty-seven cents). The winning companies with the highest bids were Arslanian Group DMCC, Blue Glacier Diamonds, Kapu Gems, Shree Ramkrishna Export Pvt Ltd, M.B.D. BVDA, and Julius Klein Group.

Diamantino Pedro Azevedo, Minister of Mineral Resources and Petroleum, underscored the importance of this 1st Tender of Rough Diamonds and the historic moment it represents for Angola. *"The Government, the Ministry and all the entities involved are very satisfied with the results achieved and with the efficient, professional and transparent manner in which the whole process was based,"* reveals the **Minister of Mineral Resources and Petroleum**.

For **Eugénio Bravo da Rosa**, **Chairman of the Board of Directors of SODIAM**, this first step could not have gone any better, given the short time frame in which it was prepared. *"The first rough diamond tender in Angola, carried out by SODIAM in close co-ordination with MIREMPET, ENDIAMA, Sociedade Mineira do Lulo and its shareholder Lucapa Diamonds, was a success. Both in terms of the financial result obtained, and the adherence of the participating companies and players, as well as the image of efficiency and transparency it projected of our country,"* stated **Eugénio Bravo da Rosa**.

The **Chairman of ENDIAMA EP, José Ganga Júnior**, who participated in this tender as the concessionaire and as a shareholder in *Sociedade Mineira do Lulo*, underlines that *"this*



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tender symbolises for us an unmistakable sign of Angola's openness to investors in the sector, bringing together quality, transparency and free market rules in line with international standards."

Stephen Wetherall, CEO of Lucapa Diamonds, the majority shareholder of *Sociedade Mineira do Lulo*, welcomed the result, above all since *"the prices offered by the large number of international players who participated in this historic tender in Angola reflect the true value of the diamonds of Sociedade Mineira do Lulo. The additional value obtained in this tender is a result of the major reforms being effectively implemented in Angola in the area of diamond sales. We look forward to future tenders this year where we will bring more exceptional diamonds from Lulo, under the new law and the new regulation for the marketing of diamonds, whose implementation is being done in an exemplary manner."*

It is worth recalling that this 1st Tender of Rough Diamonds in Angola was publicly presented in Luanda on 28 January, by the Minister of Natural Resources and Petroleum, at a ceremony organised by SODIAM.

At that event, **Diamantino Pedro Azevedo** highlighted that the Diamond Marketing Policy and the Technical Regulation on the Marketing of Diamonds - the legal instruments that made this tender possible under the terms defined for the purpose - were *"proudly thought out, debated and drafted by a Technical Committee consisting of managers and technical staff from the main entities who were involved in this process (MIREMPET, SODIAM, ENDIAMA and the Kimberley Process Commission), who have worked hard to assess the best practices and the most effective models of buying and selling diamonds."*

Still at the same event, **Bravo da Rosa, Chairman of SODIAM**, recalled that the public presentation of this tender represents a milestone in *"the effort we have been making to implement improvements in the way the diamond trading business is conducted."*



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He also emphasised the objectives of this new policy, with this new national attitude towards the operation of the sector: "*Greater transparency, modernisation and introduction of new technologies for the development of the marketing activity, are the way to achieve greater credibility, efficiency and rent for mining companies, and the State.*"

ON SODIAM

SODIAM E.P. is the public body responsible for the entire diamond marketing process (buying, selling, importing and exporting) in Angola. In addition to this function, it is also responsible for the public acquisition of strategic minerals in the light of the Diamond Marketing Policy.

A new management was appointed in November 2017, led by Eugénio Bravo da Rosa, as Chairman of the Board of Directors. The implementation of good practices in the diamond marketing market in Angola, the attraction of new international players, and the improvement of the sector's fiscal contribution to the Angolan State are the main priorities of this Board of Directors.

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