PRESS RELEASE

Dar es Salaam – May 15, 2006 – The quarter ended March 2006 was a positive one for Tanga Cement. Even though our sales volumes were slightly below budget, we recorded improved results compared to the first quarter of 2005. These results were possible due to a decrease in the Company's production costs as a result of the switch from expensive heavy fuel oil (HFO) to coal.

The Company continues to face challenges due to the high distribution and electricity costs. The recent increase in fuel continues to affect our transportation costs. Tanga Cement is particularly vulnerable to distribution costs due to our market position and we await, with interest, to see the impact of the recent privatization of Tanzania Railways Corporation (TRC).

Given the Company performance thus far, we remain optimistic that profit growth will exceed that of 2005 significantly. We expect market growth to continue and, hence, are busy investigating alternatives to expand our current production capacity to meet the anticipated growth.

We would like to thank our shareholders for their support and further stress our commitment to making Tanga Cement a more profitable and valuable company to you.

Dave King
Chairman of the Board