

**PRESS STATEMENT PRESENTED BY THE HON.
BOAKYE AGYARKO, MINISTER FOR ENERGY
ON THE STATUS OF INVESTIGATIONS ON THE
SALE OF CONTAMINATED PRODUCTS BY THE
BULK OIL STORAGE AND TRANSPORTATION
COMPANY LIMITED ON TUESDAY, THE 4TH JULY
2017.**

The Ministry of Energy has followed recent events relating to the sale of contaminated products by the Bulk Oil Storage and Transportation Company Limited (BOST), which has generated public interest over the past week. The Ministry has oversight responsibility on BOST, and has dutifully taken interest in the matter.

Further to our intention to set up a ministerial committee on this matter, the on-going investigations by the National Security, the Bureau of National Investigations (BNI), and the National Petroleum Authority, have so far established the

following findings which have informed our understanding and assessment of the situation:

1. The contamination of the 5 million liters occurred on January 18th. This was before the current BOST MD assumed office.
2. BOST as a matter of practice has sold contaminated products as far back as 2014. Over 8 million liters of contaminated fuel was sold in 2015 and over 12 million liters was sold in 2016. The 5 million liters sold is less than that for 2015 and 2016.
3. The absence of refining capacity at TOR precluded the possibility of saving the contaminated product through refining process.
4. The sale of contaminated products has thus far been to individuals, union members and companies that have largely not been licensed by the NPA. From 2015 to 2016, a total of 49 unlicensed companies and individuals bought

contaminated products from BOST at GHC1 or below.

5. By selling to individuals and Union members for example, it is clear that, by practice, a company did not even have to be registered to buy contaminated products from BOST. In the particular case of Movenpina, which bought the 5 million liters of contaminated products, it was duly incorporated under the Companies Code of Ghana at the time the transaction occurred.

6. There is a market for contaminated products that is quite separate from the normal market for petroleum products. It is therefore not possible to sell contaminated products at pump prices since they require further processing before utilization.

7. BOST received Expressions of Interest for the purchase of the contaminated products from 15 companies and Movenpina offered the highest price of GHC1.30, which formed the basis for its

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive representation of a name.

selection. This is the highest price ever offered for contaminated products.

8. It is not the case that the MD of BOST owns the company that bought the products.

9. It is not true that the address or phone number of Movenpina is the same as that of the BOST MD.

The investigations so far carried out by the state security agencies and the NPA, show that on the basis of previous practice, there was no wrongdoing at BOST on the sale of the 5 million liters of contaminated products. We wish to advise that social commentators will in future cross check their facts before making allegations that have the tendency of causing unnecessary panic among consumers of petroleum products.

The Ministry also refers to the statement by NPA, which was issued last week, assuring that the

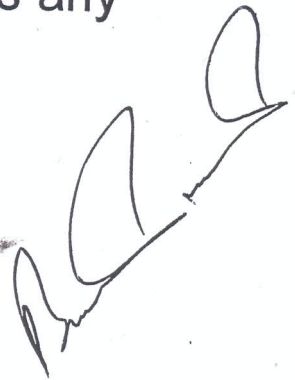
contaminated products have been fully accounted for and therefore have not been delivered to retail stations on the market. We wish to confirm that the contaminated products are currently being quarantined at the various depots and do not pose any danger to public safety.

The question going forward is whether to have new codified processes for dealing with contaminated products. To this effect, the Ministry will start the implementation of the following recommendations some of which have been pending from previous investigation reports on the sale and discharge of contaminated products:

- a. Review and introduce new regulations on the sale and discharge of contaminated products;
- b. Codify and publish widely a competitive tender process based on transparent advertisement for the sale of contaminated products;

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a personal name, possibly "Rafael" or similar, written in a cursive script.

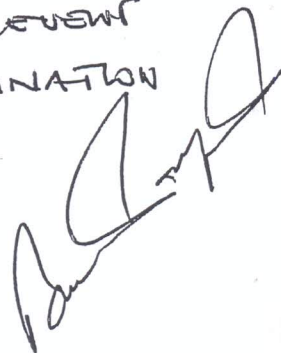
- c. Implement improved Standard Operating Procedures at all Petroleum Depots, the management, operations and maintenance of the pipeline systems to prevent future occurrence of such "accidents" of product contamination;
- d. Continuous training and skills upgrade for operators of BOST and other petroleum Depots;
- e. The controlled evacuation and disposal of the products under the direct supervision of NPA;
- f. Register and certify only Corporate entities that will be designated to buy contaminated products directly from BOST. These entities will be required to go back to NPA to file reconciled records of disposal.
- g. No unlicensed company, individual or union member can trade in contaminated products any longer.

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be a cursive name.

The Ministry is extremely concerned about the fact that year in and year out we are faced with the contamination of large volumes of products through preventable accidents. Our focus now must be on taking all necessary actions to ensure that this is brought to an immediate end.

The Ministry is therefore asking Dr. Lawrence Darkwah, Head of Chemical Engineering Department of the Kwame Nkrumah University of Science and Technology (KNUST), an acknowledged expert in the field to lead the Committee to consult with all relevant stakeholders to review the entire operations of BOST. Such a review is also to come up with any further recommendations that may be required to prevent any future occurrences. This review is to be completed within two weeks.

IN ORDER TO PREVENT
FUTURE CONTAMINATION
OF PRODUCTS



We wish to finally assure the public that the NPA will strengthen and increase its monitoring of the movement of petroleum products and contaminated products between the depots and petroleum retail stations to ensure that the contaminated products do not go on the market. We further assure the public that as a government, we will continue to uphold and ensure public safety and uninterrupted supply of petroleum products to consumers.