

## Frequently Asked Questions

### Introduction

In its almost 20 years of operations, the Sahara Group has witnessed an unfolding expansion story that transcends global markets and borders. The Group continues to play a leading role in the midstream, downstream, upstream, infrastructure and power sectors, bringing energy to life in the process.

Sahara has a pedigree of providing platforms for economic growth in markets where it operates, always seeking to make a difference through its sustainable approach to corporate responsibility.

Over the last decade, Sahara has been involved in initiatives, alliances and activities aimed at developing and strengthening its corporate governance and compliance systems. The thrust of this pursuit of best practice is to ensure Sahara operates a sustainable enterprise that conducts its businesses transparently and efficiently to the benefit of all stakeholders.

Sahara also believes that by applying itself to the highest standards of good governance, it will serve as a model for other businesses to enhance the quest for corporate responsibility and citizenship in Africa and the world. Sahara's membership of the World Economic Forum's Partnering Against Corruption Initiatives (PACI) signposts our firm resolve to this cause.

Pursuant to operating a transparent enterprise, we have provided answers to Frequently Asked Questions about Sahara below. Relevant documents have been attached to some answers where necessary. Sahara restates its commitment to upholding globally acclaimed best practice in all its operations, processes and activities.

### Frequently Asked Questions

Below are recurring questions (some arising from media reports) which Sahara Group has received from business partners, potential business partners, independent analysts and researchers. Answers have been provided to the questions. Should there be other questions; Sahara Group will update the FAQ document accordingly in line with PACI provisions.

### Donations

#### Question

Our attention has been drawn to online media reports sourced from a Press Statement credited to the Ekiti State Governor, His Excellency, Mr. Ayodele Fayose.

We are particularly disturbed by a portion of the statement that made a misleading and incorrect link between Sahara Energy and election donations: "Most importantly, Nigerians are interested in the \$60 million allegedly donated to the APC campaign by Sahara Energy, on which EFCC has been forced to suspend investigation."

### **Answer**

Sahara is guided by a robust and well-documented donations policy that clearly states that: ***"THE COMPANY DOES NOT MAKE POLITICAL DONATIONS; NEITHER DOES IT SPONSOR POLITICAL EVENTS ON BEHALF OF ANY POLITICAL ASSOCIATION."***

Please click on the [Sahara Group not involved in political donations](#) link to access the details

### **Nigerian firm suspended at home for profiteering**

#### **Question**

Our attention was brought to an online publication by the Guardian newspaper in Tanzania alleging that Sahara had been suspended in Nigeria for "profiteering" and faced the possibility of sanctions by Tanzania's Petroleum Importation Coordinator (PIC) for the supply of substandard gasoline under the bulk procurement system.

#### **Answer**

The misleading and false profiteering allegation was sourced from media reports in Nigeria. Please see explanation below (Sahara faults DPR suspension order).

On January 1, 2016, Sahara received a letter from the Petroleum Bulk Procurement Agency of Tanzania informing it of the non-conformity to the Tanzanian standard of the MOGAS with delivery laycan of 23 – 25 December, 2015. It has been ascertained that the cargo in question had been confirmed by a reliable Third Party supplier and inspection agents to be in compliance with the standards in Tanzania.

Sahara remains a leading Oil Marketing Company in Tanzania and has participated in subsequent tenders after the replacement of the cargo.

Please click on the [Tanzania MOGAS Supply](#) link to access the details

### **OPA explanation and update**

#### **Question**

Issues arising from the Crude Oil Offshore Processing Agreement (OPA) and the National Resource Governance Institute (NRGI) report on OPAs in Nigeria.

#### **Answer**

In May 2015, Sahara issued a statement explaining the operations of the Crude Oil Offshore Processing Agreement (OPA). Subsequently in August 2015, the NRGI issued a report titled "Inside NNPC Oil Sales: A case for reform in Nigeria".

Sahara has consistently addressed all the OPA issues transparently and maintains that OPA's are well established mechanisms in the industry globally for the supply of a range of petroleum products and

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Sahara participated in one such process that was designed, superintended, managed and monitored by NNPC/PPMC.

Please click on the [OPA](#) and [OPA Update](#) links to access the details

### **Suspension of your depot facility at Lagos for selling PMS above Government regulated price**

#### **Question**

On December 9, 2015, the Department of Petroleum Resources (DPR) issued a letter to Sahara Energy Resource Limited (SERL) informing the company that they had been selling PMS above the stipulated government approved price.

#### **Answer**

Sahara's response to the letter on December 9, 2015, clearly showed that the company could possibly not have been selling PMS above the government approved price as it had zero stock in its storage facilities during the period in question. Sahara followed up its letter to the DPR with a press release faulting the DPR's allegation. This was widely circulated. The purported suspension was never enforced as Sahara was cleared by the DPR.

Please click on the [Sahara faults DPR suspension order](#) link to access the details

### **Story by POINTBLANKNEWS.COM on "\$50 Billion Oil Fraud"**

#### **Question**

The story published on the Pointbanknews.com website on October 2, 2015 linked Sahara to a purported oil fraud in Nigeria. It was titled: "\$50 Billion Oil Fraud: Diezani, Aluko, Aiteo, Sahara Energy, Omokore, Wagbatsoma for Trial".

#### **Answer**

Sahara is utterly appalled by the untruth portrayed by the publication and has since clarified the fictitious and baseless allegations in the story – for the benefit of our stakeholders across the world and the general public.

Please click on the [False Story by Pointblank news](#) link to access the details



## **SAHARA Group's position on ATK sales**

### **Question**

Our attention has been drawn to articles circulating in the print media, on the internet and on social media implying that Sahara Group may be involved in the sales of sub-standard fuel and insinuating that one of our companies, So Aviation Fuel Limited had a part to play in PAST AND RECENT AIR ACCIDENTS IN THE COUNTRY.

### **Answer**

The allegations and insinuations are too grave in nature to go unchallenged. Therefore as responsible citizens and stakeholders we have set out the fact to the public and our customers in our press release statement of September 2015 addressing all the issues.

Please click on the [Sahara's position on ATK sales](#) link to access the details

## **SO Aviation statement on the issue of Super Absorbent Polymer (SAP) Deposits**

### **Question**

The issue relating to the presence of Super Absorbent Polymer (SAP) contaminants introduced during fuel loading into planes.

### **Answer**

Our attention has been brought to a notice issued by the Nigerian Civil Aviation Authority on Super Absorbent Polymer contaminants in Jet fuel that may have been introduced during fuel uploads into planes in Lagos.

In line with our commitment to transparency, we have issued a statement which provides clarification on our quality, health, safety and environmental management in our handling operations of Jet A1 fuel for upload into planes.

Please click on the [Aviation Operations](#) link to access the details

## **"Stolen Assets Recovery: Buhari Demands Fuel Imports from Oil Marketers Implicated In Fraud"**

### **Question**

The publication of an article on Sahara Reporters website on June 10, 2015 with the headline "**Stolen Assets Recovery: Buhari Demands Fuel Imports From Oil Marketers Implicated In Fraud**".

**Answer**

In line with the spirit of "right to reply" that guides sound journalism, Sahara Group has responded to the allegations made in the article in their reply statement of June 12, 2015 as below;

Dear Sir,

Our attention has been drawn to the article published on Sahara Reporters website on June 10, 2015 with the headline: **"Stolen Assets Recovery: Buhari Demands Fuel Imports From Oil Marketers Implicated In Fraud"**.

Making reference to the unfolding issues surrounding the Offshore Processing Agreement (OPA), the article stated that:

**"Among the companies implicated in her "petition," Transfigura was reportedly unable to account for \$80 million, Televeras \$111million, while Aiteo apparently gulped down \$150 million. Other oil firms named in the defrauding of the Nigerian people are Ontario, which failed to account for \$135 million, and Sahara Energy, accused of skipping the payment of \$120 million to the government. Our EFCC source revealed that two companies, Transfigura and Sahara Energy, had made some gesture towards paying back some missing funds.**

**However, a source at the Presidency told our correspondent that "so far the reconciliation has involved just paperwork and has not scratched the heart of the scam."**

We hereby exercise our right of reply to the above referred article as follows:

We would like to state that the reference to Sahara Energy "skipping the payment of \$120 million to the government" is not the true position and that the information provided by your source at the EFCC is grossly misleading. The allegation is at variance with the true position of the recently concluded OPA contract reconciliation. It is imperative for the facts of the matter to be brought to light to address the concerns of our local, regional and international partners/stakeholders.

**For the record, Sahara Energy, as we have reiterated in other media, would like to state that:**

- **We made submissions to the Economic and Financial Crimes Commission (EFCC) which showed that the Society Ivoirienne de Raffinage, Abidjan (SIR)/Sahara OPA contract has been fully reconciled and indicates a zero debt position to NNPC/PPMC in crude, cash or products.**

- SIR and Sahara are both African companies that have continued to prove that business can be done efficiently, diligently, and transparently whilst adhering to best practice and good corporate governance.
- The successful implementation and reconciliation of the OPA contract attests to the professionalism of the SIR/Sahara partnership and the OPA has been widely commended as a model that saved Nigeria from a protracted fuel crisis during the contract period.
- We reiterate that there has never ever been a default on our part throughout the duration of the contract in line with our track record of excellence and commitment to total quality assurance.

It is our belief that our rejoinder will be published in your respected medium in line with the spirit of “right of reply” that guides sound journalism - which your organization is known to uphold.

Please accept the assurances of our highest regards.

### **OPA Update and Unfolding Industry events**

#### **Question**

This Day Newspaper publication of June 7, 2015 with the headline: – “Oil Traders, NNPC officials Interrogated, Watch Listed in Major Investigation.”

#### **Answer**

Following the above publication in the This Day newspapers of June 7, 2015 and our earlier explanation of the OPA operations ([OPA link](#)) published on our website on May 14, 2015, we hereby provide an update on the OPA and other unfolding events in the oil and gas sector.

For the records, we have provided additional clarification in our Press Statement published on page XI in the June 9, 2015 edition of This Day Newspaper in Nigeria

Please click on the [OPA Update](#) link to access the details.

### **Media Reports on perceived persecution of Oil & Gas Operators**

#### **Question**

There have been media reports suggesting that some of the operators in the Oil & Gas sector are being investigated by State Security Services (SSS) in Nigeria

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### **Answer**

Recently there have been speculations in the media alleging travel watch listing and investigation of certain companies within the Oil and Gas sector in Nigeria.

These speculations have been brought to our attention.

Our review of one of the articles showed one of our Directors as being placed on a watch list by the Director of State Services (DSS).

For the record, we state that the mention of Sahara Energy and its Director in the article is not just an affront on our Director and the Sahara Group; it is at variance with our track record of best practice and professional excellence in the sector.

We hereby provide our comment on the issue.

Please click on the [Persecution of Oil & Gas Operators](#) link to access the details.

### **The Crude Oil Offshore Processing Agreement (OPA)**

#### **Question**

The operations of the Crude Oil Offshore Processing Agreement (OPA)

#### **Answer**

We are aware that, over the past few months, there has been media interest in the crude oil offshore processing agreement (OPA) entered into by Society Ivoirienne de Raffinage, Abidjan (SIR) (for who we act as local agent) and Pipelines and Products Marketing Company (PPMC). It has become increasingly apparent to us, however, that much of this interest is driven by misconceptions circulating in the public domain about the OPA (and other contracts similar to the OPA), how the OPA is operated and its commercial rationale.

We have through this document, elected to provide clarification on our involvement with OPA in keeping with our commitment to transparency and status as a member of the World Economic Forum's Partnering Against Corruption Initiative (PACI).

Please click on the [OPA link](#) to access the details.

### **The Sahara Story**

#### **Question**

How did the owners of the Sahara Group come across the resources which they have used in building the business over the last twenty years?

**Answer**

The Sahara story provides detailed information about the history of Sahara Group's formative years and the growth process that transformed the organization from entrepreneurship powered by the dream of its three founders to the conglomerate the Sahara Group is today.

Please click on the [Sahara Story link](#) to access the details.

**The Role of Sahara Group in the Nigerian Oil and Gas Industry Subsidy investigation**

**Question**

What was the role of Sahara Group in the Oil and Gas Industry wide petroleum subsidy investigations in Nigeria?

**Answer**

This was an industry wide investigation by the Committee of the National Assembly and the Presidential Task Force Committee.

As part of the investigations, all the Petroleum marketers operating in the Petroleum downstream sector were invited to provide documents towards substantiating their subsidy claims over a period.

The House of Assembly committee and the Presidential Task Force committee verified that Sahara's transactions were legitimate.

Please click on the [Oil & Gas Subsidy Investigation link](#) to access the details of the report.

**"Swiss traders' opaque deals in Nigeria", Berne Declaration, November 2013**

**Question**

Please clarify the statements in the Berne Declaration report of November 2013 that Sahara Group reimbursed N6.034 Billion to the Nigerian Government that it had received in the form of subsidy payments, the inability to justify a bank statement showing \$33.7 million and being one of the companies that did not import the correct quantity of petroleum products.

**Answer**

These were part of the allegations that were investigated by the committees set up in Nigeria by the National Assembly and the Presidency.

Sahara Group submitted all its documents to substantiate their claims and was not listed as one of the companies to make refunds to the Federal Government and the reports are public knowledge.

Please click on the [Oil & Gas Subsidy Investigation link](#) to access the details of the report.



**“Swiss traders’ opaque deals in Nigeria”, Berne Declaration, November 2013**

**Question**

The report header states “**Sahara Energy, a documentary desert**” and alludes to Sahara Group being one of the beneficiaries of the export allocation system of Nigeria’s Crude Oil sales. The report further claims that Sahara Group is nothing but a letterbox company.

**Answer**

In its almost 20 years of operations, Sahara Group has grown to a company with staff strength of over 650 people.

Over this period, Sahara Group has established fully, officially registered and operational offices in Lagos, Abuja, Calabar, and Porthacourt in Nigeria, Accra and Tema in Ghana, Abidjan in Cote D’Ivoire, Dubai in the United Arab Emirates, Geneva in Switzerland, Isle of Man in the United Kingdom, and Singapore.

The Sahara Group’s operational office in Geneva Switzerland is located at 7, Quai du Mont-Blanc, 1201 Geneva and has total staff strength of 37 people. In line with Sahara Group’s corporate responsibility activities, the Geneva office has partnered with the following NGO’s towards providing Corporate Social Responsibilities activities – ESCA (English Speaking Cancer Association) and Le Care and also providing the avenue for the development of clowns on various diseases in the Hopiclowns project towards providing entertainment and relaxation for children and the elderly in hospitals.

The addresses of Sahara Group’s registered and operational offices across its various locations can be found on the Sahara Group website – <http://www.sahara-group.com/>

**The Global News Magazine report – Tope Shonubi and Tonye Cole on the run**

**Question**

There was a publication by a local news magazine – Global News which alleged that two of the Directors of Sahara Group Mr. Tope Shonubi and Mr. Tonye Cole had been fraudulent.

**Answer**

The story was published in the Global News Edition of February 6, 2012 and July 23, 2012 with the headlines; “**Corrupt Marketers Who Collected Money Without Supplying Fuel Exposed**”, “**Sahara Energy’s Tope Sonubi and Tonye Cole On The Run**” and **Aig-Imoukhuede’s Panel Fingers Self-acclaimed Pastor Tope Sonubi and Tonye Cole’s Sahara Energy in Fuel Subsidy Scam**”.

Sahara Group instituted a legal action against Global Style Multi-Media Services (the publisher of Global News) and the Editor in Chief for libel. The publisher of the magazine admitted that the publication was libelous and tendered an official letter of apology to Sahara Group and its Directors as

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part of its obligations in seeking the terms of settlement which were eventually filed as judgment of the court.

Please click on the [Global News allegations](#) to access the details.

### **Alleged complicity in the supply of Crude Oil to Tema Oil Refinery (TOR)**

#### **Question**

Sahara Group's role in the Tema Oil Refinery (TOR) investigation in the allegations that the company was incorrectly paid for the Supply of crude

#### **Answer**

The allegations bordered on the fact that Sahara Group was incorrectly paid for the supply of Crude Oil to Tema Oil Refinery. This was thoroughly investigated by the Ghanaian authorities and upon completion of their investigations, it was confirmed that Sahara Group were the legitimate suppliers of the crude and had been correctly paid for the supply made, further Sahara employees were invited by the Ghanaian authorities to testify against the perpetrators in a criminal matter.

Please click on the [TOR Crude Supply](#) to access the details.

### **Allegation on the Sale of DPK as aviation Fuel**

#### **Question**

Sahara Group's role concerning the newspaper publication that the company was involved in the sale of DPK as Aviation Fuel

#### **Answer**

There was a publication in the Nation Newspaper of December 20, 2011 relating to allegations that Sahara Group was involved in the sale of DPK as Aviation Fuel.

Sahara Group in a rejoinder through its lawyers sent to the President of the Federal Republic of Nigeria on December 22, 2011 provided clear explanations on these allegations and all the necessary documents relating to operations in the Aviation business were submitted to the NCAA, the SSS and the DPR who investigated these allegations and found that the allegations against Sahara Group were unfounded.

Please click on the link [DPK False Allegations](#) to access the details.

## Sahara Director's service to the nation

### Question

The role of one of Sahara Group's Director as a special assistance to the president in Nigeria's recent democratic process

### Answer

In 1999, one of the Directors of Sahara Group Mr. Tope Shonubi was invited to serve his country under the government of President Olusegun Obasanjo.

Mr. Tope Shonubi served as a Special Adviser on Youths Affairs to President Olusegun Obasanjo between 1999 and 2003. During the period, he resigned his appointment as a director in Sahara Group. His role entailed the collaboration with the Youth's Ministry as well as the Presidency, in the development of national policy and strategy on job creation, economic empowerment for the development of and growth of entrepreneurship, SMEs and youth development nationwide.

Some his functions during the time include the following

- Liaised with the Youth Ministry and the Presidency, serving as a primary point of contact in the development of national policy and strategy on job creation, economic empowerment for the development and growth of entrepreneurship nationwide;
- Prepared briefing memos and background research to prepare the President for engagements on youth empowerment and entrepreneurship initiatives;
- Supported the President's media activity with respect to youth development and empowerment;
- Worked with the Ministries of Youths & Sports, and Labor & Productivity on strategy for growth of SMEs and youth development;
- Research, prioritize, and follow up on incoming issues and concerns addressed to the President on youths, including those of a sensitive or confidential nature and advise on appropriate course of action;
- Coordinated special projects on youth empowerment throughout the Federation, on behalf of the President;
- Worked closely with the Presidency to keep well informed of upcoming commitments and coordinate events;
- Liaison with Non-Governmental Organizations, student bodies and tertiary institutions;
- Worked with the Presidency on International investment initiatives with a focus on ensuring an enabling environment was created, bureaucratic red tape reduced and efficiency increased;
- Performed other duties as assigned by the President and Chief of Staff.



## Ambassador Patrick Dele Cole's relationship with the Sahara Group

### Question

There are allegations that Ambassador Dele Cole's meritorious service to his country has been beneficial to the growth and business relationships that were developed by Sahara Group because his son Tonye Cole is a Director of the company.

### Answer

Over the years, there have been questions suggesting that Ambassador Dele Cole who served our country meritoriously as an Ambassador to Brazil from 1987 to 1990, and as a Senior Special Adviser on Internal Affairs under President Olusegun Obasanjo between 1999 and 2001 has influenced the growth of the Sahara Group.

It is important to state on behalf of Sahara Group and Mr. Tonye Cole as follows;

Mr. Tonye Cole has been independent of his parents since he graduated as an architect in 1990 and moved to Brazil. His father served for just shy of 2 years in President Olusegun Obasanjo's government from 1999 to 2001 as a Senior Special Adviser on Internal affairs. At no time before, during or after his father's service to Nigeria was he involved, being a part, remotely or otherwise, connected to the business of Sahara.

Mr. Tonye Cole has not in any way benefitted, been aided, abetted or influenced by his father's time in government neither have he or any of the partners of Sahara received any contracts as a result of his father's time in government.

Mr. Dele Cole's service to the government of Nigeria was meritorious. Tonye Cole is proud of his father's service to Nigeria and the fact that his father has maintained a good name before; during and after his involvement in the public sector. His father is now retired and is a well-respected senior statesman in Nigeria, spending his time writing books and articles, most of which can be found online.

While his father's time of service has placed on Mr. Tonye Cole the tag of a Politically Exposed Person (PEP), he remains proud of his father's untainted and meritorious service to Nigeria.

### Conclusion

**In line with Sahara Group's Corporate Governance and Compliance policy, we reaffirm our resolve to uphold accountability and transparency in all our operations and would periodically update our FAQ's to provide information on our operations. However, this would be without prejudice or compromise on contractual obligations with our business partners.**