

ALLEGATIONS SURROUNDING LNG PROJECT IN GHANA

QUESTION/ISSUE

Our attention has been drawn to recent articles circulating in the print media, on the internet and social media implying that Sahara Energy made prohibited payments to Government officials in order for a project which West African Gas Limited entered into with the Ministry of Power be approved by Parliament;

and

(ii) That West African Gas Limited is filing claims to recover charter costs which were incurred before it had concluded the project contract.

SAHARA'S POSITION

We state for the record the following:

In February 2015, West African Gas Limited (WAGL) on the invitation of the Ministry of Power entered negotiations for the supply of LNG to Ghana to power several of its thermal power plants under its emergency power intervention program. The negotiations culminated with a Gas Supply Agreement being executed in October 2015 with the Government of Ghana acting through the Ministry of Power. The project consisted of, supply of a Floating Storage Regasification Unit (FSRU), dredging of the breakwater at the Tema Port, other port upgrades and the laying of a 8km Gas pipeline.

The project was subsequently sent to the Ghanaian parliament in March 2016 for ratification where it was debated by the Energy and Mines Committee of Parliament and it received the final approval of Parliament on the 20th of October 2016.

We refute absolutely and categorically state that at no time did Sahara Energy, West African Gas Limited or any of its Affiliates or Agents offer any inducement of any kind to any Government officials in Ghana to facilitate approval of the project.

We are unable to comment on allegations in the online publication that there are/were other competing projects for the supply of Gas and/or Power that would offer cost savings to the Ghanaian Government as we are not privy to any such proposals, discussions, their terms or circumstances nor can we confirm their existence.

We also refute absolutely and categorically any allegations that we supplied a FSRU to the project before having a valid contract for the project. WAGL signed a Gas supply agreement with the Ministry of Power for the project on the 8th of October 2015. The FSRU was supplied in line with the terms of the GSA on 30th May 2016.

WAGL has not commenced any debt recovery process against the Government of Ghana via the Ministry of Power.

