

AFRICA INTELLIGENCE STORY ON CAMEROON OPERATIONS

QUESTION/ISSUE

The attention of Sahara Energy has been drawn to a story published on the Africa Intelligence website on May 8, 2020, under the headline: **Nigeria's Sahara Energy riles Total over petroleum products.**

SAHARA'S POSITION

We affirm, quite regrettably, that Africa Intelligence, an acclaimed reputable medium, failed to abide by the cardinal rule of fairness in journalism, which compels the organization to give Sahara Energy an opportunity to respond to the erroneous assertions made in the story.

Having had a previous situation (Reference Africa Intelligence/Indigo Report: Sahara Energy vaunts electricity expertise to get back into government's favour, 18/10/2016) in which Sahara was not given an opportunity to respond to the issues raised in a misleading story, we are compelled to wonder if this could be a campaign against leading African trading companies – as Sahara Energy, participating as the only African company among ten other significant European and International trading companies, transparently won the open petroleum product supply tender referred to in the story with the lowest premium ever recorded in Cameroon.

The misinformation and bogus claims made in the story are defamatory; they would have been clarified if Africa Intelligence had taken the professional route of finding out “the other side of the story” instead of relying on information sourced from questionable sources.

For the avoidance of doubt, we affirm that Sahara Energy does not operate a monopoly in Cameroon (as erroneously asserted in the story) and operates within the terms of the contract guiding the open tender which Sahara transparently and credibly won. This rejoinder clearly addresses the misleading information in the article, and we demand that Africa Intelligence – in the spirit of best practice in journalism – publish same to set the record straight.

For the benefit of our stakeholders in Cameroon and across the globe, we state

the following for the record:

FACT: The term "lucky winner" is misleading, inaccurate and defames our reputation and excellent track record painstakingly built over the past 24 years. The Cameroon Ministry of Water & Energy issued an open tender in December 2019, with explicit terms for the supply of petroleum products to Cameroon to cover a three-month period. Some of the tender participants included TOTSA, LITASCO, GLENCORE, TRAFIGURA, VITOL, SAHARA ENERGY, GUNVOR, MERCURIA, PETRA, ADDAX amongst others. The most competitive participant, as witnessed by all stakeholders at the tender opening ceremony, was SAHARA ENERGY, through its trading office situated in Geneva, Switzerland.

FACT: It is grossly inaccurate for the story to suggest that distributors were being "forced" to buy from Sahara Energy. The modalities, terms and conditions as well as pricing of the petroleum products supply tender was further clarified in a meeting between the Ministry, all Cameroon local marketers and all shortlisted suppliers in order of ranking (SAHARA ENERGY, VITOL, PETRA & ADDAX). It was established that the burden for majority of the petroleum products supply to all local marketers would commence almost immediately and be anchored from the highest ranked company for each product with all other shortlisted suppliers in agreement.

FACT: All suppliers received respective allocations based on their successful participation in the open tender for various products in line with terms & conditions. SAHARA ENERGY is bound to honour the entire elements of its allocation. It has since commenced the supply of petroleum products which are still in progress more than two (2) months after initial arrival. VITOL, PETRA and ADDAX have also begun subsequent arrivals in Cameroon in line with the stipulated schedule and guidelines. The letter referenced is a clear re-affirmation by the Cameroon Ministry of Water & Energy to the local marketers and state institutions of the tender terms and conditions to which all parties will adhere as previously communicated.

FACT: It is on record that most local marketers inclusive of BOCOM, CAMOCO, GREEN OIL amongst others have honoured their petroleum products supply allocations in line with the terms & conditions of the tender and continue to do so alongside as the respective suppliers. TOTAL CAMEROON is reported to be one of many local marketers who have fully performed in line with the terms & conditions of the open tender on all petroleum products. As a direct result, this represents an addition to its stock on Super, Gasoil, Jet A1 and Fuel Oil.

FACT: The tag of being a “monopoly” is utterly uncharitable, inaccurate and at variance with the true and verifiable situation in Cameroon where other suppliers have continued supply of products to Cameroon with recent vessels discharging in Douala and Limbe up until as recently as May 8, 2020. The market structure as regulated by the authorities makes a monopolistic situation impossible as every product grade is allocated and scheduled to a minimum of two suppliers in order of ranking under the tender. Vitol, Addax and Petra alongside Sahara remain the four suppliers contracted to import petroleum products into Cameroon on behalf of the Ministry and in accordance with the tender. Sahara had the best tender price, and in order to avoid a monopoly and not to put itself at risk or the mercy of any lone supplier, the Ministry asked these three other companies to match the winning tender number to ensure the security of supplies; to which the companies accepted.

Sahara Group continues to propel its Brand with distinctive standards in its operations, service excellence, safety record, good governance, and inspiring corporate citizenship in its locations across Africa, Asia, Europe and the Middle East.

In Africa, especially, we continue to lead the sector along the path of sustainable development by boosting intra-African trade, capacity, and collaboration.

We look forward to the publication of our rejoinder by Africa Intelligence to set the record straight. Sahara Energy is confident that Africa Intelligence will take this path of honour.