



STATEMENT BY SML ON THE DOCUMENTARY BY THE FOURTH ESTATE ON THE YET TO BE OPERATIONALIZED CONTRACT ON UPSTREAM PETROLEUM PRODUCTION AND MINERALS AND METALS RESOURCES VALUE CHAIN

The company has taken note of a documentary that has been aired by the fourth estate's team and places these on record.

1. The documentary represents a set of misrepresentations, false claims, and a general lack of understanding on the entire operations of the company.
2. We challenge Fourth Estate to produce any contract anywhere that is for a 10-year period. The 5th PPA Board at its 46th Board meeting in a letter referenced PPA/CEO/09/2286/23 approved a contract duration of five (5) years.
3. Again, it's NOT TRUE that SML takes \$100 million annually from its contract. The contract, which is yet to be operationalized, per their projections leads them to that claim. The Upstream operations of the company have not yet begun, and no revenue has been realized. No monies have been paid to SML; the \$100 million per year payment to SML that has been alleged is purely a figment of the author's imagination and not factual.
4. SML's engagements with GRA is solely a risk reward contract. GRA invests nothing in the entire investment chain. There is no cost commitment from the GRA. SML is not exempted from the payment of duties and taxes.
5. Again 31% of SML's would be monthly earnings goes to GRA as taxes per the law.
6. A good-intentioned and professional investigation would have established SML's investments cost and compared to its earnings to make an informed position.
7. Again, we challenge him to produce any evidence of wrongdoing in this contract arrangement.
8. SML's charging formula is standard in the industry and same is being used by other service providers in the industry.
9. SML's work forms the base data at the depots for revenue assurance and auditing. They declare the base volumes upon which any gap or deficit in the eventual volumes declared will expose those in the chain.
10. The downstream petroleum sector's reported figures have significantly increased because of SML over the time; from an average of 350 million liters per month in 2018 and 2019, to 450 million liters per month as of June 2020. This indicates a rise of more than thirty-three percent (33%) in volume reporting, and an average of an extra 100 million litres per month which translates into revenue.



11. A careful scrutiny of the work of NPA in terms of taking account and reporting the transactions using ERDMS within the downstream petroleum sector would show that it was not adequate and suited in giving revenue assurance to GRA. The NPA system was designed for its operations and was not suited for providing revenue assurance for tax purposes.
12. SML installed ultrasonic flow meters to check the volumes of petroleum products loaded at the gantries from the depots to reconcile in real time with the volumes recorded in ICUMS. This system additionally assures Customs that no loading activities occur in the depot in their absence. The installed metering system is designed to detect and record the movement of petroleum products at the depots.
13. SML's work is designed to culminate in the checking of the products in the tank using automatic tank gauging system. This aims at replacing the current system of Custom Officers climbing the tank using a dip stick to measure fuel volumes. By utilizing this, the GRA can calculate the overall quantity of petroleum products in depots nationwide to gauge revenue, provide Customs with data for reconciliation, and facilitate the tracking of oil movements during inter-depot and inter-tank transfers. Moreover, it aids in identifying leaks and notification of overfills.
14. SML takes pride in its committed and highly skilled technical team, whose combined expertise propels our success in delivering innovative solutions. The team consists of seasoned professionals with diverse backgrounds, ensuring a comprehensive approach to addressing the most intricate technical challenges. The SML technical team comprises Ghanaian-trained engineers and expatriates from the United States, with work experience ranging from 5 to 25 years in the petroleum industry and the instrumentation and controls sector. The team's expertise spans across petroleum engineering, process engineering, IT System Engineering, Cybersecurity Engineering, instrumentation, and controls, as well as Electrical and Mechanical Engineering.

We are aware of the heightened efforts by the Cartel in the oil ring whose illegal trade is being collapsed and is fighting to undermine Government's fight against illegalities in the petroleum sector.

Public Relations Unit
SML