

Press Release

TO ALL OUR CUSTOMERS, PARTNERS, COLLABORATORS, AND THE GOVERNMENT OF THE REPUBLIC OF THE GAMBIA,

We, the Oil Marketing Companies (OMCs), have a sense of responsibility, as suppliers of petroleum products, employers, tax payers, and as business entities, to inform all and sundry of a crisis that the country is now facing with respect to the availability of fuel.

In the coming days, we will be forced to shut down our operations.

Why?

There are four main reasons:

1. We are not able to find sufficient quantities of US Dollars in the market in order to pay our suppliers for fuel, meaning we are not able to resupply our stations;
2. Our banks are no longer able to issue credit so that we can get fuel from our suppliers;
3. The last three months' Government pricing structure have imposed on the OMCs bankruptcy losses if we continue for another month;
4. In addition, these pricing structures have been such that Government only cares about recouping as much revenue as possible from the amount it claims to have subsidized in recent months. In their effort to do this, they are putting at risk the continuity of businesses in the sector.

For example, in the October Government price structure, for Gasoil:

Margins

- The margin for the importer is : 2.60 GMD per litre
- The margin for oil marketing companies is : 5.05 GMD per litre

Total margin per litre is 7.65 GMD per litre

Costs

- The Government Price Structure exchange rate is : 55.74 GMD
- The real market rate is : 62 GMD
- **The difference between the two rates is : -6.26 GMD per litre**

- The Government Price Structure Letter of Credit rate (1.5%) : 0.90 GMD per litre
- The real LC rate is 2.5% : 1.51 GMD per litre
- **The difference between the two rates is** : **-0.61 GMD per litre**

Total net margin per litre is 0.78 bututs




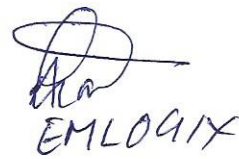
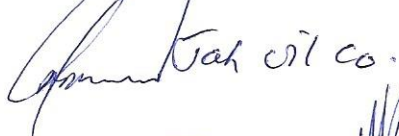


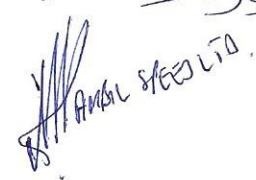

This margin does not account for the addition costs, such as:

- Late payment interest due to the lack of availability of the US Dollar
- Bank charges
- Transportation costs for fuel distribution
- Maintenance of standards imposed by the regulator

Meanwhile, the Government is recouping 17.99 GMD per litre, compared to the OMC's 0.78 bututs per litre...how does this make sense?

The bottom line is, we are on the brink of closing our businesses with millions of dollars in debt and therefore wish to inform you, the general public that we have no other choice than to cease operations by Monday 17th October 2022.

Because the pricing of fuel is 100% controlled by the Government, we plead to the Government to offer a long-term and practical solution before the situation deteriorates further.

 Atlas
 Castle oil
 Sandulce oil
 EMLOGIX
 Oshun Oil Co.
 Equi ENERGY
 STAR OIL
 ANGEL SPECIAL LTD.
 SLO DABO COLTD.