

FOR IMMEDIATE RELEASE

GHANA NATIONAL PETROLEUM CORPORATION



PRESS RELEASE

ACQUISITION OF RESIDENTIAL PROPERTIES IN TAKORADI

1. The attention of the Ghana National Petroleum Corporation (GNPC) has been drawn to recent publications and news items on the acquisition of residential properties in Takoradi. The Corporation will like to set the records straight and to assure the general public that the Corporation acquired those assets in a transparent manner devoid of any conflict of interest.
2. In 2017, a search for suitable office and residential accommodation for staff in Sekondi-Takoradi became necessary and was initiated, following a decision to relocate GNPC's operations to the Western Region. Towards this end, the needed funding was provided in the 2017 Budget of the Corporation.
3. The Board of Directors of GNPC decided to purchase property instead of renting. Accordingly, the Board of Directors set up a Committee comprising some of its members and management to identify and negotiate the purchase of suitable property. The Chief Executive, Dr. K.K. Sarpong was not part of the Committee.
4. The property offered by Global Haulage Company Limited (GHCL) was selected for purchase after reviewing other offers. This property consists of a mix of two and three bedroom flats/bungalows totalling eighteen (18) units and ancillary facilities.
5. GNPC commissioned a valuation of the GHCL property by Architectural and Engineering Services Limited (AESL) who put the valuation at USD7.23 million.

GHCL also provided a valuation of the property by Nana Kumi and Associates amounting to approximately USD8.2 million.

6. Following a series of meetings with the vendor, the Committee arrived at a purchase price of USD7.5 million and recommended same to the Board of Directors for approval. At its meeting of 9th November 2017, the Board of Directors considered the property search committee's report, including the underlying valuation reports and approved the purchase of the GHCL property at the recommended price of USD7.5 million.
7. It must be re-emphasized that due processes were followed at all times during the purchase of the property. There was no conflict of interest as is being alleged.
8. Dr. Sarpong, the Chief Executive declared his interest deriving from his past association with the Global Haulage Group. He recused himself from the Board Committee's work and discussions relating to the approval for the purchase of the property.
9. It is on record that prior to joining GNPC in January 2017, Dr. Sarpong, the Chief Executive, had terminated all official association with the Global Haulage Group and its related companies in November 2016.
10. Following the Board's approval, a Sale and Purchase Agreement was duly executed on 22nd December 2017. A request for payment was subsequently received from the vendors, GHCL.
11. In processing the request for payment, our Internal Audit team requested for the duly executed Sale and Purchase Agreement but it was not immediately available because the Lawyer who had the agreement had taken a vacation. It is under these circumstances that payment was made, acknowledging the fact that the Sale and Purchase Agreement had been duly executed. The Chief Executive felt

rightly so, that the Corporation should not delay the legitimate payment to GHCL because our Lawyer was absent and could not produce the documents.

12. Payment to GHCL after withholding tax was made in three (3) instalments as follows:
 - USD3 million on 29th December 2017
 - USD2 million on 3rd January 2018
 - USD2.275 million on 12th January 2018
13. It must be placed on record that the total payments made to GHCL, including withholding tax is USD7.5 million and not USD9.5 million as alleged.
14. Eventually, the agreements which were in the custody of the Lawyer were submitted to Internal Audit Department and this enabled them to complete a post-audit without any adverse findings.
15. While we assure all Ghanaians that the finances of GNPC are being prudently managed, we wish to appeal to the Media that efforts should be made to ascertain the facts of a matter before any needless sensation is caused among the public.

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