

Media Statement

Re: Misleading statement by COPEC -

Friday 22/05/2020

Ghana National Gas Company Ltd have become aware of another misleading and mischievous media aggression by the Executive Secretary of the Chamber of Petroleum Consumers(COPEC) Mr. Duncan Amoah.

According to him, COPEC is raising red flags over the quality of Liquefied Petroleum Gas being supplied by the Atuabo Gas Company. Indeed, the gravamen of the claims being made by COPEC is that the recent Product from the Company has been contaminated, a situation they fear could cause explosion if not checked.

It is within the right of Duncan Amoah and COPEC to engage in media gimmicks, but Ghana Gas wishes to place on record that:

1. Mr. Duncan Amoah asserted that the Atuabo LPG is quite high in Propane without providing a standard measure of "**high**". This statement is mischievous. LPG is a gas mixture mainly made up of Propane and Butane. The presence of Propane in LPG amongst many other constituents contributes to the vapour pressure, density and calorific value of the LPG.

As a leading producer and marketer of domestic LPG, Ghana Gas ensures that the quality of LPG and the standards for quality determination of LPG are in alignment with both Local and International Standards. The average vapour pressure of the Ghana Gas LPG over the last six months is 7.46kg/cm², which is well below the 9.5kg/cm² required by the Ghana Standards Authority.

It is instructive to note that the lower vapour pressure reflects a stable product with low volatility. We have consistently marketed LPG of exceptional performance and of the highest quality whilst ensuring that the Propane content are always within the acceptable specifications of the Ghana Standards Authority (GSA) and National Petroleum Authority (NPA) requirements.

2. LPG produced from the Atuabo Gas Plant is from a rich and sweet feedstock with negligible/trace amounts of undesirable compounds.

Because the LPG is naturally odorless and colourless, an odorant is added to it to enable detection whenever there is a leakage or fugitive emission. Thus an odorant is only added as a safety measure.

3. On Liquefied Petroleum Gas (LPG) pricing, the mechanism for LPG produced by Ghana Gas at the Atuabo Gas Processing Plant is derived from NPA's bi-weekly market-driven Argus Butane ARA/UK large cargo price index, which is also the guideline for the commodity portion of imported LPG. The non-commodity charges are outside Ghana Gas' domain.

4. The Bi-Weekly pricing comprises two pricing windows for each month. The first pricing window for any current month references the Argus Butane CIF ARA cargoes price assessment for the period between the 12th to 26th of the previous month. The second pricing window references the Argus Butane CIF ARA cargoes price assessment from 27th of the previous to the 11th of the current month.

5. It is imperative to note that, Ghana Gas is mindful of its strategic role and the impact on the downstream LPG market. Therefore, unlike other suppliers of LPG who add the producer's premium to the benchmark pricing, the management of Ghana Gas, as a matter of

responsiveness to the Ghanaian consumers, decided not to add premium on the benchmark FOB price.

Ghana Gas hopes that since Mr. Amoah enjoys the liberty of expressing his views on this and other issues, he would also accept the responsibility of acquiring the relevant knowledge on the issues before expressing same.

Signed:

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