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## **FOR IMMEDIATE RELEASE**

### **NAMCOR SUCCESSFULLY TAKES OVER NATIONAL OIL STORAGE FACILITY**

NAMCOR has now successfully taken charge of Namibia's National Oil Storage Facility, which was constructed by the Namibian government to ensure Namibia's security of fuel supply. The construction of this multi-billion-dollar facility commenced in January 2015 and consists of a tanker jetty, multiple product pipelines and a terminal consisting of seven (7) tanks with a capacity of 75 million litres.

Cabinet took a decision in 2019 that NAMCOR will operate and maintain the facility upon completion after considering several international bidders who were also interested in operating and managing it.

Making the announcement at the official handover ceremony that took place in the capital on Monday, 29 March 2021, NAMCOR Board Chairperson thanked the Namibian government for strategically investing in such a facility and showing confidence in NAMCOR and its leadership to operate and manage the facility. "This facility was designed and constructed as a strategic storage facility with the primary aim of increasing Namibia's security of fuel supply from the previous 7-10 days to 30-45 days in situations where the country will be unable to import petroleum products from the international market. A decision was made to convert it to serve as a commercial storage facility, in addition to the strategic storage imperative, to make sure product is continually used and replenished.

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This is indeed a monumental milestone in NAMCOR's history, as we take pride in operating and maintaining this proudly Namibian petroleum infrastructure; built for Namibia and managed by competent Namibians. We would like to congratulate the Namibian government for their wise decision and foresight to entrust such a strategic facility to its own people. The collaboration between Government and NAMCOR was indeed excellent because NAMCOR recruited and trained competent Namibian staff that in the process also assisted government with the completion and commissioning of the facility. We are proud that NAMCOR was instrumental in advising Government to convert this facility from merely a strategic storage facility to a National Oil Storage Facility that will be operated on commercial principles while still obtaining its objectives of strategic fuel security," said Comalie.

The facility has been configured as follows; 3 x ADO (1 tank of 5 million litres & 2 tanks of 20 million litres), 2 x ULP (2 tanks of 10 million litres), 1 HFO tank of 5 million litres & 1 Jet A1 tank of 5 million litres)].

Comalie explained that the Ministry of Mines and Energy officially handed over the facility to NAMCOR on 1 March 2021.

Also speaking at the event, NAMCOR Managing Director Immanuel Mulunga explained that commissioning the facility meant bringing in fuel equivalent to the capacity of the terminal in order to test the operation of the jetty, pipelines and tanks and various systems. "As per the Operatorship Agreement between the Ministry of Mines and Energy and NAMCOR, the latter was to supply the commissioning stock and on-sell it to its customer base once commissioning was completed.

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This commissioning strategy was carried out with the approval of the NAMCOR Board, the Ministries of Mines and Energy and Public Enterprises, having followed the due procurement process in procuring the commissioning stock. This facility will not only be used for NAMCOR's own trading purposes, but also to host other international oil marketing companies such as Vitol, Gunvor, Vivo and Total to ensure that it is utilized optimally and that Namibia becomes a strategic gateway through which neighbouring African countries are supplied".

Mulunga stated that the first shipment of commissioning stock arrived on 1 December 2020, which heralded the testing and commissioning of the facility. The commissioning stock was valued at N\$407.3 million and consisted of approximately 37 million litres of Diesel (ADO), 21 million litres of Unleaded Petrol (ULP) and 9 million litres of Low Sulphur Fuel Oil (LSFO) (5 million litres of this went for commissioning while the rest went into our existing HFO tanks).

Comalie reiterated that the procurement of this fuel was funded by NAMCOR with extended payment terms from NAMCOR suppliers in order to assist the owner (National Energy Fund) with the commissioning of the facility. "NAMCOR has already begun to successfully sell the commissioning stock to its retail, commercial, bunkering and export customers, as well as other local marketing companies with success. NAMCOR has so far realized a total revenue of N\$152 million on the three products sold, since commissioning, thanks to our dedicated team under the leadership of MD Mulunga. We would like to assure you that the future of NAMCOR is indeed in good hands" said Comalie.

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Mulunga assured the gathering that the commissioning has so far been a resounding success and that the product is safe and clean for use.

NAMCOR will continue to subscribe to the principles of good corporate governance, which include transparency and accountability and is well on its way to realizing its long-term vision of building future sustainability and a brand that all Namibians will be proud of.

**END.**

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