

MEDIA RELEASE



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FOR IMMEDIATE RELEASE

COORDINATED FUEL PROCUREMENT ARRANGEMENT

The National Petroleum Corporation of Namibia (NAMCOR) has noted recent public commentary regarding the Company's participation in the current fuel procurement arrangement and wishes to provide clarity on its position.

As Namibia's National Oil Company, NAMCOR is responsible for supporting the country's energy security while operating on sound commercial principles. While NAMCOR remains committed to its strategic role as Namibia's National Oil Company, the Company is still in the process of restoring its financial and operational strength following a period of significant commercial and governance challenges experienced in recent years.

In response to these challenges, the Government of the Republic of Namibia intervened on two occasions to safeguard national energy security and stabilise the company. The first intervention took place in April 2024, through a N\$1.2 billion support package backed by the National Energy Fund. A further intervention of approximately N\$700 million was secured during July/August 2025 to assist the company in addressing critical supplier obligations, of which N\$401 million constituted a Government contribution through the National Energy Fund, while the remaining amount was funded from NAMCOR's own resources.

These interventions have produced encouraging results. The Company's working capital deficit has reduced significantly from approximately N\$2.38 billion in March 2024 to approximately N\$483 million as at 31 March 2026. Despite this progress, the Company continues to face working capital limitations. The company, therefore, remains focused on consolidating the gains achieved through the turnaround strategy aimed at strengthening governance, improving operational efficiency and restoring financial stability.

NAMCOR considers the current fuel procurement arrangement to be commercially beneficial and aligned with its national objectives. In recent months, NAMCOR has procured fuel under challenging market conditions at costs exceeding the Basic Fuel Price (BFP), in some instances at up to BFP plus 75 cent per liter and continues to rely on parent company guarantees to support product procurement. The current arrangement provides access to more competitive pricing at BFP flat, it reduces procurement and logistics risks, provides greater certainty of supply and enables NAMCOR to continue generating value through its storage and distribution infrastructure.

Participation in fuel procurement activities must be commercially sustainable and supported by prudent decision-making, effective risk management and sound governance. The current arrangement allows NAMCOR to secure fuel supply on favourable commercial terms while continuing to strengthen its financial and operational position. These benefits further support NAMCOR's commercial objectives while ensuring a reliable supply of fuel to the Namibian market.

NAMCOR believes that the coordinated fuel procurement arrangement provides an appropriate balance between affordability, security of supply and commercial sustainability. The Company remains committed to ensuring reliable access to fuel, protecting public resources, supporting Namibia's energy security objectives and creating long-term value for the people of Namibia.

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