

# **NOSPETCO OIL & GAS LIMITED**

4TH FLOOR, ELEPHANT HOUSE,  
214, BROAD STREET  
LAGOS.

TEL: 01-7914293, 2641267.

RC: 460739

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INDUSTRIAL & AUTOMOTIVE FUE

## CHAIRMAN'S COMMUNIQUE ON THE JOINT VENTURE PARTNERSHIP (JVP) FOR THE FOREGOING YEAR 2007 AND THE WAY FORWARD FOR THE NEW YEAR 2008

Fellow partners and stakeholders,

Happy new and prosperous year 2008.

May we live to witness many more in health and progress of our lives, and great leaps for our Nation and Economy.

As we strove to improve and add value to our stakeholders and employees by trying to diversify into various sectors of the downstream oil and gas industry, it did not come without some notable challenges and setbacks.

During the year 2007, we made various diversifications in our downstream operations in areas of refined products importation, formulation and registration of our lubricants brand names, as well as increase in our fleet of trucks by acquiring more dedicated transporters. Also during the year we have been able to expand the retail outlets to cover major cities of the southwest, particularly, Lagos and Ibadan.

However, esteemed partners, these strides did not come without challenges. Notably we had to contain the following set backs:

1. The Department of Petroleum Resources (DPR) suspended the Import Permit of all oil companies that do not own storage facilities for imported petroleum products with effect from February 2008. We were adversely affected by this development. We had to enter into an MOU with companies that own storage depots at an extra cost in order to continue importing petroleum products and maintain our position in the market.

2. In compliance with the new DPR directive, the Central bank directed all the banks not to open letters of credit (LC) for importation of petroleum products for all oil companies that do not own storage facilities. Again we had to have the LC 'S

4. As we were trying to see how we could handle the unprecedented massive divestments vis a vis keeping faith with commitments and daily operational demands of the Company, the regulatory and enforcement agencies, alarmed by the entry of the wonder banks, and the ripples they were causing in the financial sector, stepped in, and in so doing our Company that has been doing business for years was unfortunately included in the list of the so called wonder banks.

5. While all these interruptions and investigations were going on, four (4) banks namely: Zenith bank, United Bank for Africa (UBA), First bank and Guaranty Trust Bank saw us as competitors, rather than outstanding customers and likened our JV partnership to parallel banking. This culminated into the banks' decision to close our accounts with them without any prior notice to us. This development further sent shock waves to our partners, stake holders and customers.

6. The last stroke that broke the camel's back came in June 2007, when the Securities and Exchange Commission (SEC) without any prior investigation or recourse to us, but relying only on the negative media publicity sponsored by our perceived enemies in the oil industry, decided to use the electronic and print media to publicly declare our 'Investment Scheme' as illegal. Little did SEC know that what we have in Nospetco is not an investment scheme, but rather a joint venture partnership scheme. The SEC announcement brought in insinuations, comments and counter comments and finally an overwhelming and uncontrollable run on the Company. In order to prove we are law abiding, our Solicitors wrote to SEC seeking for an audience to explain the state of our JVP and seek for where they could provide amends if need be. SEC vehemently and flagrantly refused to grant the audience.

7. As if that announcement and declaration was not enough, SEC, on 6th December 2007 dragged 37 Companies dubbed 'Illegal Fund Managers' including our company to the Investments and Securities Tribunal (IST) under a motion

bodies (according to the terms of our jointly signed MOU), and not as perceived 'Fund Managers', 'Finance House' or 'Wonder bank'. The Tribunal ordered the reopening of our business premises, while the freezing of our bank accounts subsists pending the determination of the motion exparte.

9. Fellow Partners and Stakeholders many of you kept following the sequences of the aforementioned events as they unfolded and continued to identify and sympathise with us. Some of our partners who refused to identify with the series of calamities that befell us resorted to the use of law enforcement agents and even thugs to enforce the divestment of their funds when we temporarily halted divestments in order to stabilise the system in August 2007. The disruptions and chaos resulted to an untimely closure of the office before the end of the year, to forestall complete break down of law and order.

Fellow Stakeholders, we could only achieve our aims and objectives as partners under an atmosphere of peace and tranquillity. In order to ensure this, we hereby earnestly and sincerely implore you to do the following:

- (a) Let us allow peace to reign. Allow our staff to remain in the office so that they can attend to you. We have approached the Lagos State Police Command for adequate policing of the office, yet we still beseech your cooperation and understanding.
- (b) All our partners who have gone to complain to the law enforcement agencies should withdraw their complaints forthwith and recourse back to the Company for a way forward.
- (c) Our consultants have produced an addendum to the JVP MOU as a way

forward, please collect your copies from the office and forward your comments and suggestions to our email; [suggestions@valueclients.net](mailto:suggestions@valueclients.net).

(d) The year 2007 was full of challenges and set-backs. Let us all resolve to overcome all our obstacles and relive the dream of being the Nigerian oil and gas Company to beat in terms of service delivery, vision, patriotism and value added programmes and objectives. These can only be achieved and realised with your unflinching support.

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The details of the addendum to the M.O.U will be placed on the [www.valuedclients.net](http://www.valuedclients.net). Emails containing your suggestions can be sent via [suggestions@valuedclients.net](mailto:suggestions@valuedclients.net). You may also wish to call the consultants and our staff on the following hotlines between 9.00am and 4.00pm (Monday to Friday) only.

01 -7430616,

01 -7430618,

08033455038,

08072941140,

07039477957,

08089839985,

08089839984,


08073089211,

08073089210,

Once again, Happy new and prosperous new year 2008.

Long live the Nigerian Nation and Citizens.

Long live Corporate Nigeria.



Y.A. MAIYAKI

CHAIRMAN, FOR AND ON BEHALF OF THE BOARD.

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## AN ADDENDUM TO THE MOU ON THE JOINT VENTURE PARTNERSHIP.

The Board of Nospetco Oil & Gas Ltd (NOG) during its extraordinary board meeting reviewed the structure and frame work of its joint venture partnership with private individuals and corporate organisations and came up with the following addendum to the SIGNED MOU with its JV partners.

### 1. SOURCE OF FUNDS

Funds for the Joint Venture Partnership (JVP) will subsist from private individuals and corporate bodies with the exception of uneducated individuals and minors.

### 2. RATE FOR RETURNS

Taking into consideration the prevailing business climate in the down stream sector of the Nigerian Oil & Gas Industry most especially with the deepening effects of deregulation on the marketing of refined petroleum, gas and petrochemical products where NOG largely operates, the board decided to adopt and revert returns on every slot of the JVP to 25% per annum on redemption basis, with effect from January 2008.

### 3. REDEMPTION

This entails non payment of monthly returns. Payment of capital and returns will be on a redeeming pattern. Every month, returns on outstanding investment will be calculated and added to the subsisting capital. Any amount redeemed is assumed to be part of the subsisting capital and returns as at the date of redemption. A partner cannot redeem more than four (4) times in a year.

### 4. MODE OF REDEMPTION

Redemption will be executed subject to availability of funds and at the discretion of Management, in the following pattern:

- (a) up to one million naira within 30 days.
- (b) above one million naira to ten million naira within 45 days.
- (c) above ten million naira within 60 days.

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However, returns subsisting within the notice period will be earned. Any request to reduce the redeeming period will amount to loss of returns for the period.

### **5. REVIEW**

At the discretion of the Management, if there are any changes on the foregoing, the JV partners will be duly informed.

### **6. INTEREGNUM**

The period between May and December 2007 saw the Company at its highest state of instability and disarray as a result of the adverse effects of the campaign of calumny sponsored by our perceived enemies, unprecedented and overwhelming divestment orchestrated by the ill conceived Securities and Exchange Commission (SEC) advertorial as well as the serial closure of our bank accounts by (4) four banks namely: Zenith bank, UBA, GTB & First bank, who rather than identify with us in our plight as an outstanding customer, dubbed us as competitors. These developments distorted the entire operations of the Company, caused an uncontrollable ran on the system, created disharmony and disaffection between us and our partners that culminated to an untimely closure of operations before the end of the year.

### **7. THE WAY FORWARD**

Fellow partners, this interregnum between May and December 2007 saw us doing little or no business, as such no tangible profit to share. As a result of this unforeseen interregnum, we therefore sincerely and earnestly seek to appeal for your understanding, support and acceptance for us to create a harmonious platform for us to negotiate with you our partners on how to mutually handle the issue of unpaid returns for the affected period. We also seek for your further acceptance and adoption of the new structure contained in this addendum as an extension of the JV MOU and a way forward from January 2008. Your Company NOG still boasts of the potentials of becoming the most diversified indigenous Oil & Gas Company in Nigeria, with your unflinching support.