



**Novum Press release: CURRENT PRODUCT SUPPLY AND TENDER SITUATION IN HAITI.**

Further to our press release of January 19, 2019 Novum would like to update you on the current payment, supply and tender situation in Haiti.

Since our initial press release we are pleased to report that for a period of time thereafter, payments returned to some normality and the cargoes scheduled for delivery in December have since been discharged in full.

On January 23 BMPAD came out for tender of a further 330,000barrels of Gasoline for delivery in two parcels, scheduled to arrive 1-3 Feb and 20-22 Feb. Following the usual open tender process DINASA was approved to supply the first cargo and NOVUM was approved to supply the second. Novum then proceeded to purchase the cargo to ensure it was able to make timely delivery.

We are unable to confirm whether DINASA supplied the first cargo, however, due to the public unrest in the country, on February 13 we were informed by Ms. Elise Appolon of the BMPAD that Novum’s delivery would have to be suspended “until further notice”, without any clear indication of whether we would in the end be asked to deliver.

Since Novum had already purchased the cargo and in an effort to keep costs at a minimum for the BMPAD, Novum offered to delay the delivery of the vessel until February 27, which was subsequently accepted by the BMPAD. The vessel carrying said gasoline cargo is now on Financial Hold in international waters outside of Haiti, and is in all respects ready to discharge its cargo.

However, given the recent unrest and shutdown of most of the country’s banking system, unfortunately, payments have again become delayed and at the time of writing Novum has overdue payments from the BMPAD of more than US\$37m, which must be paid in order to discharge the current gasoline cargo. We are working with the BMPAD to remedy the over dues and are hopeful of being in a position to discharge the gasoline in the coming days (subject of course to settlement of these overdue invoices).

On February 21, Ms. Appolon (on behalf of the BMPAD) informed all of the usual local and international companies of a new tender for 550,000barrels of Gasoil, 250,000barrels of Gasoline and 74,000barrels of Jet Fuel for delivery in March. Submission of bids were due at 11am Haiti time on Monday February 25 with bids to be opened at the BMPAD office at 11.15am in the presence of the tenderers.

The result of the tender was as follows (*please note that there were NO OFFERS for Jet*):

| Price Reference = Platts USGC Waterborne |                 |             | Price Reference = Platts USGC Waterborne Mogas 87 |             |                 |
|--|-----------------|-------------|---|-------------|-----------------|
| GASOIL                                   | Bidder          |             | GASOLINE  | Bidder      |                 |
|  | Novum           | Dinasa      |   | Novum       | No other bidder |
| Delivery Date 1                          | 28 Feb - 01 Mar | No offer    | Delivery Date 1                                   | 18 - 20 Mar |                 |
| Delivery Date 2                          | 06 - 08 Mar     | 06 - 08 Mar | Delivery Date 2                                   | 01 - 03 Apr |                 |
| Price Premium to Reference 1             | 14.75 CPG       | No offer    | Price Premium to Reference 1                      | 24.90 CPG   |                 |
| Price Premium to Reference 2             | 11.45 CPG       | 22.50 CPG   | Price Premium to Reference 2                      | 24.90 CPG   |                 |
| Payment Terms Offered                    | 45 Days         | 45 Days     | Payment Terms Offered                             | 45 Days     |                 |

Subsequent to the opening of the tender it became apparent that Novum had won the contract to supply all of the gasoil and gasoline since it provided the best **or only** price for supply. It is important to say here that for the cargo Dinasa did offer, their price was the equivalent of US\$1,276,275 more expensive than Novum's.

Typically, at this point Novum would expect to receive an email during the same day, addressed to all the parties invited to the tender, informing us of the official result of the tender. In this case the email did not arrive; and instead we were advised verbally that due to one member of the tender committee being absent from the tender opening, the tender was CANCELLED.

Upon being notified of the cancellation, Novum had no choice but to release the cargoes it had on hold for the supply.

On Tuesday February 26 @ 4.15pm Ms. Appolon sent a NEW tender for the same supply requirement with bids due at 2pm on February 27, however, BMPAD had changed the requirements for the Gasoline and Diesel tenders, while keeping the Jet tender information submittal the same as previous tenders. For the Gasoline and Diesel tender, offering companies had to provide a local registration ID patent number (such that the "**Bidder MUST now provide a Local Registration ID Patent number which is at least 2 years old**") effectively meaning that Novum was no longer eligible to participate in the tender process since we are an international company without such registration (or any other international company for that matter). However, regardless of this new requirement, Novum again submitted its offer.

Upon opening of the new tender, the results were as follows:

| Price Reference = Platts USGC Waterborne          |             |                 |                 |
|---|-------------|-----------------|-----------------|
| GASOIL  | Bidder      |                 |                 |
|   | Dinasa      | Novum           | Total           |
| Delivery Date 1                                   | 01 - 03 Mar | 01 - 03 Mar     | No offer        |
| Delivery Date 2                                   | No offer    | 10 - 12 Mar     | 10 - 15 Mar     |
| Price Premium to Reference 1                      | 14.60 CPG   | 18.75 CPG       | No offer        |
| Price Premium to Reference 2                      | No offer    | 16.49 CPG       | 26.00 CPG       |
| Payment Terms Offered                             | 45 Days     | 45 Days         | 45 Days with LC |
|   |             |                 |                 |
| Price Reference = Platts USGC Waterborne Mogas 87 |             |                 |                 |
| GASOLINE  | Bidder      |                 |                 |
|   | Novum       | No other bidder |                 |
| Delivery Date 1                                   | 18 - 20 Mar |                 |                 |
| Delivery Date 2                                   | 01 - 03 Apr |                 |                 |
| Price Premium to Reference 1                      | 24.15 CPG   |                 |                 |
| Price Premium to Reference 2                      | 24.15 CPG   |                 |                 |
| Payment Terms Offered                             | 45 Days     |                 |                 |
|   |             |                 |                 |
| Price Reference = Platts USGC Waterborne Jet 54   |             |                 |                 |
| JET   | Bidder      |                 |                 |
|   | Dinasa      | Novum           |                 |
| Delivery Date                                     | 06 - 08 Mar | 11 - 13 Mar     |                 |
| Price Premium to Reference                        | 30.29 CPG   | 26.75 CPG       |                 |
| Payment Terms Offered                             | 45 Days     | 45 Days         |                 |

The result of this new tender is such that Dinasa should be awarded the first delivery of Gasoil and Novum should be awarded all of the remaining cargoes, however at the time of writing, we have received no formal notification of the tender results, instead we expect to be disqualified due to the new requirement for a local registration.

Novum is extremely disappointed at the behavior of the BMPAD during this current tender process as it is very clear to us that pressure is being applied inside the organization to ensure that the local companies are able to win the tenders at any cost to the people of Haiti.

If Novum is eventually disqualified, then between the Gasoil and Jet alone, Dinasa and Total will charge the BMPAD (and ultimately the people of Haiti) a total of ~\$700,000 more than the real "best" price available at tender, furthermore Haiti will run out of Gasoline imminently, since not one other company supplied a price at tender.

The actions of the BMPAD are clearly not in the interest of the country during this politically unstable time, where keeping the country supplied with oil is the incumbent President's primary objective.

Despite the present situation, Novum is still fully committed to providing the Government and the people of Haiti with the best price available for its oil requirements and we implore the BMPAD to act independently of the local distributors, as it is charged with doing by the Government.

By continuing to act in this manner it is inevitable that the prices of oil in the country will rise rapidly, without control and only to the benefit of the local distribution companies who will have a monopoly in the market.

Should you have any further questions please contact us at [info@novumenergy.com](mailto:info@novumenergy.com)

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