



PRESS RELEASE ON THE ON-GOING INVESTIGATION OF PETROLEUM SUBSIDY CLAIMS IN NIGERIA AND CRIMINAL CHARGE AGAINST ETERNA PLC

Without prejudice to the on-going investigation on petroleum subsidy claims and criminal charges filed against Eterna Plc, its Managing Director (Mr. Mahmud Tukur) and Head, Financial Controls (Mr. Alex Ochonogor); The Company now wishes to clarify its position on the transactions that have given rise to the charges proffered against it.

Eterna Plc is an integrated energy Company listed on the floor of the Nigerian Stock Exchange. The Company was incorporated on the 13th of January, 1989 and commenced business in 1991. It is the first home grown energy company to be listed on the Nigerian Stock Exchange. The Company has about 27,000 (twenty seven thousand) shareholders on its register of members at the date of this release.

The Company is not owned by the People's Democratic Party (PDP) or the Action Congress of Nigeria (ACN) as espoused in some quarters.

Eterna Plc participated in 9 different Premium Motor Spirit (PMS) transactions since it commenced importation of PMS under the Petroleum Products Pricing Regulatory Agency (PPPRA) scheme in the third quarter of 2010 up till the end of 2011. The PPPRA scheme was implemented by the Government of the Federal Republic of Nigeria to stabilize the domestic prices of petroleum products against volatility in international crude and petroleum products prices by reimbursing petroleum products marketers for additional costs incurred above the regulated pump price.

In the course of the PMS transactions mentioned above, the Company, at various intervals engaged joint venture partners to finance and handle the operational dynamics involved in the execution of the allocation obtained under the PPPRA scheme.

Eterna Plc is now being charged with the offence of conspiracy, obtaining money by false pretence, forgery and uttering. Whilst we are mindful of the fact that this matter is now *sub judice*, we feel compelled to clarify and demystify the perceived impression that the Company was involved in any act of complicity to defraud the People and Government of the Federal Republic of Nigeria.

The charge against the Company is with respect to two transactions involving the importation of 46,989,907 (forty six million nine hundred and eighty nine thousand nine hundred and seven litres) of PMS.

The transactions were carried out jointly with Axenergy (Axcorp Limited) under a joint venture agreement. Axenergy's responsibility under the Joint Venture Agreement was to ensure importation of the stipulated volumes of PMS and provide other logistic and operational dynamics.

In furtherance of this agreement, Axenergy completed the importation, discharge and marketing of the PMS and forwarded the required documents to Eterna Plc to enable it recover the additional sums incurred on the PMS cargo under the PPPRA scheme.

Eterna has since forwarded all the documents sent to it by Axenergy to the PPPRA for the required subsidy claims. The PPPRA has also paid the claims and **ALL** the proceeds of the subsidy have been remitted to Axenergy.

The authenticity of some of the documents forwarded by Axenergy to the Company and subsequently forwarded to the PPPRA for subsidy claims have now been called to question by the EFCC.

It is important to state that neither the Company nor any of its officers obtained any illegal or fraudulent benefit with respect to the two transactions that have formed the basis of the charge drafted by the EFCC.

We assure all our stakeholders and the general public that the Company has not participated in any wrong doing to defraud any person or the Federal Republic of Nigeria and did not in any way conspire with any person or Company to commit crimes or perpetuate illegality.

We further assure all our clients, suppliers and business associates that the charges levelled against the Company will not affect the high quality of service that we have always delivered and that our business operations will not be hindered by this distraction. We have also instructed two leading law firms in Nigeria to represent the Company.

We anticipate that half-truths and incorrect information may be peddled through the mass media at this time and we would be available to provide all the information you may need to help clarify any ambiguity or queries if directed to subsidyclaims@eternapl.com.

Once again, please accept our assurance that Eterna Plc has and will always conduct its business dealings with the highest ethical standards and respect for the rule of law as a responsible corporate citizen.

**Signed
Eterna Plc**

ETERNA PLC

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