



Press Statement

Wednesday 29th August 2007

ERB SUSPENDS ZOT AND PETROTECH LICENCES

The Energy Regulation Board has suspended the licenses for Zambezi Oil and Transport Company Limited and Petrotech Oil Corporation limited with immediate effect, for non remittance of Strategic Reserve Funds collections.

The Strategic Reserve Fund was constituted in 2005 to establish strategic reserves and to help stabilise fuel prices. The Energy Regulation Board (ERB) introduced a line in the price to accommodate this fund.

Since inception all other Oil Marketing Companies have complied with this requirement in full except Zambezi Oil and Transport Company limited (ZOT) and Petrotech Oil Corporation Limited.

ZOT, has to date not remitted K848, 541, 132.00 Strategic Reserve Fund (SRF), resulting in the suspension of it's Licenses to Distribute Petroleum Products and the Licence to Retail in Petroleum Products, with immediate effect.

While Petrotech Oil Corporation Limited with K58, 852, 818.20 outstanding SRF, had its licence to Distribute Petroleum products suspended.

These licences suspensions follows failure by the two Oil Marketing Companies (OMC) to comply with the Energy Regulation Board (ERB) directive issued in June, 2007 to remit the collected Strategic Reserve Funds to ERB.

The two OMCs appeared before ERB on 19 June 2007 at which hearing, they were ordered to pay all outstanding Strategic Reserve Fund (SRF) monies and to be current in their remittances, failure to which their licenses would be suspended.

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