

Review & Write Off EA Obsolete Stock By December 2018

| Background/Business Case | Current Conditions/Opportunity | | | | | | | | |
|---|---|------------------------|-------------|---|----------|---|----------|--|----------|
| <p>A review of EA items housed in the Onne Warehouse has been carried out by the EA team. 706 line items has been identified as obsolete stock to be disposed, with a stock value of ~\$6million. In addition, there are 2003 line items worth ~\$26million waiting for final confirmation of whether to keep or to dispose.</p> <p>This project will be focused on confirming the final 2003 line items, and sorting them for movement out of Onne and working with the Asset Recovery team to write off all items that are to be disposed, and get the best value for these stock items for the company.</p> <p>Another benefit of this project is that it will help prevent the relocation of unrequired spares and equipment to the new EA Warehouse as the team relocates it's materials from Onne to LADOL.</p> | <ul style="list-style-type: none"> The EA Asset is changing it's supply base from Onne to LADOL The EA has asset has identified obsolete stock with a stock value for ~\$6million to be written off. There is also stock of items worth ~\$26 million that the team needs to confirm whether they will still be required. <div data-bbox="1217 529 2308 586">Sign-off</div> <div data-bbox="1217 586 2308 758"> <ul style="list-style-type: none"> <i>Project Sponsor:</i> Meshach Maichibi (West Asset Mgr.) <i>Project Owner:</i> Oladele Adigun (EA AMIL) </div> <div data-bbox="1217 758 2308 963"> <table> <tr> <th><i>Key milestones:</i></th><th><i>Date</i></th></tr> <tr> <td>▪ Review of EA Stock Items for Obsolescence/Moribund?</td><td>15-11-18</td></tr> <tr> <td>▪ Submission of Obsolete and Moribund Items for write off</td><td>30-11-18</td></tr> <tr> <td>▪ Completion of Write off & Asset Recovery</td><td>31-12-18</td></tr> </table> </div> | <i>Key milestones:</i> | <i>Date</i> | ▪ Review of EA Stock Items for Obsolescence/Moribund? | 15-11-18 | ▪ Submission of Obsolete and Moribund Items for write off | 30-11-18 | ▪ Completion of Write off & Asset Recovery | 31-12-18 |
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| Deliverables/Goals | Benefits Forecasted | | | | | | | | |
| <p>The deliverables for this project are:</p> <ul style="list-style-type: none"> The confirmation of the need of 2003 line items by discipline teams. Write off of all items that are no more required by the EA Asset Cash derivation for SPDC/ EA-JV | <ol style="list-style-type: none"> Cash gain of ~\$3 million assuming 5%-10% of stock value is attained. Reduction of EA warehouse inventory line items by ~10% Cost Savings from transporting obsolete items from Onne to LADOL | | | | | | | | |