

To,
Mr. Seth Adu,
General Manager,
Ghanoil P&P
Adjaben Rd, Accra, Ghana, 171011

Date: June 24, 2022

Subject: Request for reimbursement of \$3 million pertaining to the gas lift compression system aboard the Scorpia

Dear Mr. Seth Adu,

Hope this letter finds you well. I am writing this letter to you with regards to the repayment of \$3 million (excluding the 8% annual interest) - the cost incurred by Gray Point for installation of the gas lift compression system aboard our converted tanker, Scorpia. Despite the contract stating that Ghanoil would reimburse Gray Point within 45 days of the successful installation for all the documented costs, the reimbursement for the expenses has not yet gone through, despite repeated requests for the past two years.

For context, Scorpia has been used by Ghanoil P&P for the past 5 years. Due to an oil production decline two years ago, Ghanoil had requested Gray Point to install a small natural gas compression system aboard Scorpia to implement gas lift operations and boost the oil production from aging fields. Adhering to the terms of the original contract, Gray Point was prompt in its installation of the compression system but Ghanoil's side of the contract (repayment of all documented expenses borne i.e. \$3 million within 45 days of installation) has not been fulfilled yet.

Post installation, the oil production has continually been on the rise, which speaks for the efficacy of the gas lift operation system. Foreshadowing the need of this device was an intelligent choice by Ghanoil, and we at Gray Point, had understood your concerns. The equipment helped you to be profitable a couple of years ago when oil production on a decline and it has allowed you to maintain that momentum over your competitors even today. The compressor system seems to be a definite add-on to your oil production arsenal and the lack of which, I believe, would be detrimental to your oil production capacity, and by extension, to your business.

We, at Gray Point, understand your hesitation but the aforementioned advantages make it clear that installation of the gas lift compressor has proved to be beneficial for Ghanoil. Furthermore, I was surprised to see Ghanoil officials and you objecting the contractual payment of the \$40,000 day-rate when the vessel is not producing oil. I'm sure that from your educational experience, you realize that having uniform output is not probable in a volatile market such as this – there will always be good days and not-so-good days. As a firm, it is not possible for us to guarantee uniform results every day and our business model is based on leasing out the oil extraction and production vessels. Usage of the vessel is Ghanoil's jurisdiction entirely.

I would like for you to please take this back to the higher authorities and explain the scenario to them, with emphasis on the points that I have mentioned. As for me, I can meet you in the middle and settle for a 3% annual interest rate, instead of the actual 8%, if the payment is done within the next 14 days. We still have two years of contract remaining and I strongly feel that we can arrive at a common ground while finalizing the day-rate for a probable six-year extension to the contract, which Gray Point is definitely interested in. This will indeed be beneficial for both the parties involved.

I hope to hear back positively from you soon.

Regards,
Ruchit Bhardwaj
Vice President of Operations, Gray Point.