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MEDIA RELEASE

OCG DISASSOCIATES ITSELF FROM FALSE CLAIM MADE BY THE OBSERVER NEWSPAPER ON THE LNG MATTER – REITERATES POSITIONS OUTLINED IN INVESTIGATION REPORT

Kingston; June 8, 2011 – The Office of the Contractor General (OCG) wishes to completely disassociate itself from and reject a false and misleading claim which has been made about the OCG by the Jamaica Observer in an article which is entitled ‘**American firm replaced as consultant on LNG project**’, and which appears on page 5B of today’s edition of the newspaper.

In the article, the Observer falsely and erroneously states that “*The OCG also announced, in a news release, outlining contract award recommendations approved by the National Contracts Commission (NCC) in April, that it has given the nod to the Government's recommendation that a US\$426,000 LNG project manager services contract be awarded to Ernest Megginson* who, Government advisor Christopher Zacca said, has more than 30 years of energy and project management experience.” (OCG Emphasis).

The OCG News Release in question was issued by the OCG on June 6, 2011, and is the standard monthly OCG News Release in which the OCG discloses to the Media a spreadsheet listing of the Recommendations for the award of Government of Jamaica contracts that have been endorsed by the NCC in the preceding month.

The OCG wishes to make it abundantly clear that all such OCG Media Releases, inclusive of the one which is the subject of the Observer’s claims, contain a standard OCG disclaimer which explicitly reads as follows:

“The Office of the Contractor-General is the Secretariat for the Contractor-General and the National Contracts Commission. However, both the Contractor-General and the National Contracts Commission are independent, separate and distinct Commissions of Parliament. The Contractor-General is responsible solely for monitoring and investigating the award and implementation of Government contracts, licences and permits and related matters. The Contractor-General does not award, approve, endorse or recommend for award, approval or endorsement any Government contract, licence or permit.”

Additionally, and as is customary in all such OCG Media Releases, absolutely no OCG comment of any kind was made about the OCG’s positions regarding any of the 32 NCC endorsements which were outlined in the spreadsheet listing.

Consequently, the OCG remains at a complete loss as to how, in the above-referenced circumstances, the Observer could have claimed that “*the OCG also announced, in a news release, ... that it has given the nod to the Government's recommendation that a US\$426,000 LNG project manager services contract be awarded to Ernest Megginson*”.



The OCG can only conclude that the actions of the Jamaica Observer, in this matter, are, at best, reckless or questionable.

The OCG wishes to use this opportunity to remind the Media, the members of the public and its other stakeholders that it has already formally recommended to the Government of Jamaica that the current tender process for the FSRU LNG Project, which saw the Exmar Marine NV consortium being selected as the 'preferred bidder', be immediately and summarily aborted.

The referenced Recommendation is not only embodied in the OCG's formal Report of Investigation on the matter which was tabled in the House of Representatives on May 24, 2011, but it is also contained in a letter which was written to the Government by the Contractor General from as early as November 16, 2010. The letter, which was directed to the Legal Counsel of the Energy Ministry, was copied to the Prime Minister, the Hon. Bruce Golding, the then Minister of Energy and Mining, the Hon. James Robertson, and the Energy Permanent Secretary, among other State officials.

The OCG also wishes to make it clear that, despite the obfuscatory and disingenuous remarks concerning the OCG's Special Report of Investigation, which are being recklessly paraded over a variety of local radio talk shows by a prominent Attorney who represents one of the implicated parties in the matter, it has absolutely no intention whatsoever of retreating from any of the Findings, Conclusions, Recommendations or Referrals which are set out in its Report of Investigation.

The referenced OCG Findings, Conclusions, Recommendations and Referrals are all based upon the sworn written statements of the over twenty (20) witnesses which gave direct evidence to the OCG in the matter, and they are also credibly substantiated by the hundreds of otherwise undisclosed emails and documents which were sequestered by the OCG from the official electronic and hard-copy files of several of the senior Government officials who were involved in the matter, inclusive of the Client of the referenced Attorney himself.

The OCG further wishes to point out to the public, and to publicly remind the said Attorney, that the Government is in possession of two (2) independent Legal Opinions, dated March 24 and 29, 2011 respectively, which were commissioned by it from one of Jamaica's most respected and oldest law firms. The Legal Opinions, which reviewed the LNG tender process – a process with which the learned Attorney can find no fault – have concluded that “... *the tender... is flawed and could not withstand scrutiny under judicial review*”.

It is also critically instructive to note that the Solicitor General of Jamaica, Mr. Douglas Leys, after having reviewed the said independent Legal Opinions, by way of a formal Memorandum to the Government that was dated April 11, 2011, opined, *inter alia*, that “... *I have reviewed the said opinion and am in substantial agreement with the views posited by the Attorneys*”.

Finally, it is now a matter of public record that the Chris Zacca led GOJ LNG Steering Committee, which was appointed in December 2010, by the Prime Minister, to oversee the LNG Project, has already, in no uncertain terms, on April 13, 2011, recommended to the Government that it should abort the tender process, for the FSRU LNG Project, which saw the Exmar Marine NV consortium being selected as the 'preferred bidder'.

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