

To,
The Ministry of Oil – Minister's office
Subject: Oil Metering System

Dear Sir,

Deficiencies in oil metering and lack of effective control over oil production, export and its distribution internally have already been recognized and identified. The Committee of Financial Experts (COFE) followed up, since its inception, the progress on installing a comprehensive and effective metering and control system over oil production and distribution through successive meetings with the related officials in the Ministry, and by contacts through correspondence and via BSA audit teams. This subject is viewed with grave concern by us and forms the main reservation about DFI accounts by the DFI independent auditor reports submitted to the IAMB. The latest development on this subject is that the Security Council has recently requested to host the Head of COFE in a special meeting to review the effectiveness of the metering system.

In the letter dated 13.01.2008 issued by your technical department, was stated that a complete metering system would be installed and become fully operational by the end of 2009, and during IAMB meeting held in April 2009, representatives of the Ministry informed the meeting that the system would be completed by the end of 2011. Thereafter an updated implementation plan was presented to us containing entirely different time frames for implementation and as follows:

Number and date of the letter	Total of meters/ planned	Total of meters actually installed (including those were originally installed)	Percentage of implementation	Expected date of completing
6807/09.11.2009	4903	1260	26%	The completion dates are between 2010 to 2012
7179/24.11.2009	-	-	34%	
7250/26.11.2009	5055	1624	32%	
Differences	152	364		

Accordingly, please confirm that the contents of your letter dated 26.11.2009 is a final and affirmed commitment plan for the Ministry and its related companies. Our follow up team will constantly follow up the progress achieved with the laid and action plans, and the various implementing organizations within the Ministry shall be held responsible for any negative deviations from the plan at the end of each three months and the situation will be reported to IAMB.

Please confirm the foreseeing and take whatever action you deem appropriate to ensure the implementation of action plan.

Regards
Dr. Abdul Basit Turki Saeed
Head of COFE

cc.
Council of Ministers- office of the Prime Minister/ To be informed please and will
keep you abreast of any new developments