PRESS RELEASE:

No shortage of medical Oxygen and no supply issues - Afrox

Afrox wishes to state again there is no supply shortage of medical grade Oxygen to its contracted customers in South Africa and the Company has more than 1250-tons of liquid Oxygen in its back-up storage footprint alone in South Africa.

Regarding rapidly increasing medical Oxygen demand, Afrox issued a notice of Force Majeure to all its industrial customers in December 2020. This allows Afrox to convert some 12,000 industrial cylinders to carry medical grade Oxygen, adding substantially to the supply of existing medical Oxygen cylinder stocks. Afrox also converted many of its industrial tanker fleet to carry medical grade Oxygen in bulk.

These steps were taken in anticipation of a spike in demand in early 2021 and is being enforced to save lives. Afrox consider it a moral and ethical duty to put lives before livelihoods or profits in this state of national disaster. Afrox staff work 24/7 to ensure medical grade Oxygen is available and delivered to medical facilities as per hospital orders.

Afrox has and continues to fulfil every order received in line with the original pandemic action plan communicated and agreed in 2020 with the health authorities and hospitals. However, Afrox is responsible for only a portion of the medical Oxygen supply chain.

It remains incumbent upon hospitals and clinic administrators to anticipate admissions and monitor the needs of patients through their medical staff. Any spike in demand as reported by medical staff to hospital administrators needs to be communicated to Afrox in reasonable time to allow for logistical delivery planning. Afrox's fleet supplying medical Oxygen, both bulk and cylinders, is a round-the-clock operation.

If administrators are in need assistance in hospital Oxygen logistical planning in this current crisis, they must contact Afrox immediately utilizing modern communication platforms provided by the company. Last minute orders by outdated methods are slow and can be the main cause of delivery delays.

Editor Notes:

1. Production and delivery of medical oxygen is Afrox's top priority as is supplying pandemic hotspots identified by Government in the Eastern Cape, Western Cape, KwaZulu-Natal, Gauteng, the North West and Limpopo provinces.

2. Afrox is contracted to supply oxygen and other medical gases to all government hospitals and clinics in South Africa. There are no barriers or shortages to supply the needs of state and private hospitals and clinics. Afrox works closely with hospitals to maintain cylinder stocks and has met all the medical oxygen demands of customers, including state hospitals and clinics during the pandemic to date.

3. On-time deliveries of bulk oxygen to hospitals are achieved through remote telemetry monitoring of storage tank levels. Deliveries are scheduled when tanks level reach 30%.

4. Where cylinders as opposed to Bulk tanks are used, it is the responsibility of hospitals to anticipate the medical demand and contact Afrox in a timely fashion to facilitate on time deliveries. This situation generally applies to medical facilities in rural areas.

5. Afrox actively monitors its end-to-end oxygen supply chain risk review and business continuity planning including in-depth reviews of the oxygen supply chain. A range of emergency scenarios are in place and testing and implementing update adjustments are on an ongoing basis.

6. Afrox's battery limits at hospitals do not extend into the total gas reticulation system or gas outlet points. Where hospitals need increased capacity and further installation and engineering work done, it is the prerogative of the hospital to progress this work.

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NOTE: Afrox has no mandate from the Central Command Council to make statements outside of its immediate contracts and will not comment on any private or state hospital or any other state of national disaster issues. Please direct those enquiries the South African Department of Health or directly to the hospitals concerned.