



**PIAC**

PUBLIC INTEREST AND  
ACCOUNTABILITY COMMITTEE

ESTABLISHED UNDER THE PETROLEUM REVENUE MANAGEMENT ACT, 2011  
(ACT 815)



[www.piacghana.org](http://www.piacghana.org)



**REPORT ON THE MANAGEMENT AND USE OF  
PETROLEUM REVENUES FOR THE PERIOD  
JANUARY – JUNE 2020**



# **PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE**



REPUBLIC OF GHANA

**"REPORT ON THE MANAGEMENT AND USE OF  
PETROLEUM REVENUES FOR THE PERIOD  
JANUARY - JUNE 2020**

## **ABOUT THIS REPORT**

The 2020 Semi-annual Report is in fulfilment of PIAC's statutory obligation under the Petroleum Revenue Management Act, 2011 (Act 815), as amended by Act 893, to publish Semi-annual and Annual Reports. This Report is a reconciliation of data supplied by stakeholder institutions, and an independent assessment of the collection, management, and use of the country's petroleum revenues for the period January – June 2020.

# Contents

List of Tables	5
List of Figures	6
List of Acronyms	7
Foreword	10
Executive Summary	11
<b>CHAPTER 1</b>	<b>13</b>
<b>1.0 INTRODUCTION</b>	<b>13</b>
1.1 Background	13
1.2 Scope	14
1.3 Methodology	14
1.4 Outline of the Report	14
<b>CHAPTER 2</b>	<b>15</b>
<b>2.0 DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR</b>	<b>15</b>
2.1 COVID-19 and Related Developments	15
2.1.1 Developments in the economy, work obligations and operations	15
2.1.2 Developments in the Investment Climate	16
2.1.3 Developments in Local Content and Local Participation	17
2.1.3.1 Status of the Local Content Fund	17
2.2 Developments in the Policy, Legal, and Regulatory Environment	18
2.3 Exploration and Production Activities	19
2.3.1 Jubilee Field Operations	19
2.3.2 Tweneboa, Enyenra Ntomme (TEN) Field Operations	20
2.3.3 Offshore Cape Three Points (OCTP) Field Operations	20
2.3.4 Deepwater Tano/Cape Three Points Field Operations	20
2.3.5 Voltaian Basin Project	20
2.3.6 Decommissioning of Saltpond Oilfield	20
2.4 Natural Gas Developments and Market Information	21
2.4.1 Gas Supply Interruption	21
2.4.2 Energy Sector Debt Servicing	21
2.4.3 Natural Gas Clearinghouse (NGC)	21
2.4.4 Institutional Alignment	21
2.4.5 Energy Commission Natural Gas Regulatory Updates	21
2.4.6 Update on the Reimbursement of the US\$50 Million Loan to the Ministry of Finance	22
<b>CHAPTER 3</b>	<b>23</b>
<b>3.0 PETROLEUM PRODUCTION AND SALES</b>	<b>23</b>
<b>3.1 Crude Oil Production</b>	<b>23</b>
3.2 Gas Production	24
3.3 Crude Oil Liftings	27
3.3.1 Jubilee Field	27
3.3.2 TEN Field	27
3.3.3 Sankofa Gye-Nyame Field	28
3.4 Upstream Petroleum Expenditure	28
3.5 Crude Oil Pricing	29

3.5.1 Jubilee, SGN, and TEN Achieved Crude Prices	29
3.5.2 Achieved Prices by Ghana Group versus BRENT for Jubilee, TEN, and SGN Fields	29
<b>CHAPTER 4</b>	<b>31</b>
<b>4.0 REVENUE COLLECTION AND MANAGEMENT</b>	<b>31</b>
4.1 Payment into the Petroleum Holding Fund	31
4.2 Receipts from Crude Oil Liftings	31
4.2.1 Revenue from Jubilee Field Crude Liftings	32
4.2.2 Revenue from TEN Field Oil Liftings	33
4.2.3 Revenue from Sankofa Gye-Nyame Field Oil Liftings	33
4.2.4 Breakdown of Corporate Taxes and Surface Rental Payments	34
4.3 Gas Revenue	35
4.5 Comparison of Gross Revenues from Producing Fields by Partners	36
<b>CHAPTER 5</b>	<b>37</b>
<b>5.0 DISTRIBUTION OF PETROLEUM REVENUES</b>	<b>37</b>
5.1 Distribution of Revenues from the Petroleum Holding Fund	37
5.2 Distribution to the Ghana National Petroleum Corporation	38
5.3 Distribution to the Annual Budget Funding Amount	38
5.4 Distribution to the Ghana Petroleum Funds	38
5.4.1 The Ghana Stabilisation Fund	39
5.4.2 The Ghana Heritage Fund	39
5.5 Cumulative Distribution of Petroleum Revenue since Inception	39
<b>CHAPTER 6</b>	<b>40</b>
<b>6.0 ALLOCATION AND UTILISATION OF THE ANNUAL BUDGET FUNDING AMOUNT</b>	<b>40</b>
6.1 Selected Priority Areas for 2020-2022	40
<b>CHAPTER 7</b>	<b>42</b>
<b>7.0 MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS</b>	<b>42</b>
7.1 Ghana Petroleum Funds: Stabilisation and Heritage Funds	42
7.1.1 Ghana Heritage Fund (GHF)	42
7.1.2 Ghana Stabilisation Fund (GSF)	42
7.2 Ghana Petroleum Wealth Fund (GPWF)	42
7.3 Receipts and Returns on Investments	43
7.4 Accumulations and Reserves	44
7.5 Ghana Stabilisation Fund	45
7.5.1 Withdrawals	45
7.6 Ghana Heritage Fund	46
7.7 The Petroleum Holding Fund	46
<b>CHAPTER 8</b>	<b>48</b>
<b>8.0 OPERATIONS OF THE GHANA NATIONAL PETROLEUM CORPORATION</b>	<b>48</b>
8.1 Introduction	48
8.2 Allocation	48
8.3 Expenditure	48
8.3.1 Level A Expenditure	48
8.3.2 Level B Expenditure	49
8.3.2.1 Exploration & Development Projects	49
8.3.2.2 Staff and Administrative Cost	49
8.3.2.3 Capital Projects	49

8.3.2.4	General Operating Expenditure	49
8.3.2.5	GOG Gas Related Payments – Enclave Roads	49
8.3.2.6	SOPCL Decommissioning	49
8.3.2.7	Other Expenditures	50
8.4	Sustainability & Stakeholder Relations and GNPC Foundation	50

## CHAPTER 9

<b>9.0</b>	<b>OPERATIONS OF GHANA NATIONAL GAS COMPANY</b>	<b>52</b>
9.1	Technical and Commercial Operations	52
9.2	The Gas Value Chain	54
9.3	GNGC as a Gas Aggregator	55
9.4	Volumes and Cost of Raw Gas Received from GNPC	55
9.5	Processed Volumes	56
9.5.1	Lean Gas and other Derivatives	56
9.6	Summary of Receipts and Outstanding Receivables of Processed Derivatives	57
9.7	Cost of Processed Derivatives	57
9.7.1	Lean Gas	57
9.7.2	Liquefied Petroleum Gas (LPG)	57
9.7.3	Condensates	57
9.8	Summary of GNGC Expenditures	58
9.9	Cost of Raw Gas and Indebtedness	59

## CHAPTER 10 61

<b>10.0</b>	<b>PETROLEUM REVENUE OUTLOOK</b>	<b>61</b>
10.1	Economic Growth Outlook	61
10.2	Crude Oil Demand, Supply, and Production	62
10.2.1	OECD vs Non-OECD	62
10.3	Price Trends	63
10.4	Government Projections	65

## CHAPTER 11 67

<b>11.0</b>	<b>FINDINGS AND RECOMMENDATIONS</b>	<b>67</b>
11.1	Findings	67
	Petroleum Production and Sales	67
	Revenue Collection and Management	67
	Petroleum Funds Distribution and Utilisation	67
	Performance of the Ghana Petroleum Funds	67
	Allocation and Utilisation of GNPC's Share of Petroleum Revenue	67
	Operations of GNGC	68
11.2	Recommendations	68

## APPENDICES 69

<b>Appendix A: GNPC Expenditures</b>	<b>69</b>
<b>Appendix B: Summary of Receipts and Outstanding Receivables, June, 2020</b>	<b>70</b>
<b>Appendix C – GNPC CSI Expenditure</b>	<b>71</b>



# List of Tables

<b>Table 1:</b> Status of Guidelines Currently Under Development and Review	19
<b>Table 2:</b> Monthly Breakdown of Total Crude Production	23
<b>Table 3:</b> Gas Production from Jubilee, TEN, and SGN	25
<b>Table 4:</b> Greater Jubilee Field Gas Monthly Production and Utilisation	25
<b>Table 5:</b> TEN Fields Gas Monthly Production and Utilisation	26
<b>Table 6:</b> SGN Field Gas Monthly Production and Utilisation	26
<b>Table 7:</b> Crude Oil Liftings by the Ghana Group and other Jubilee Partners - Half-Year 2020	27
<b>Table 8:</b> Crude Oil Liftings by the Ghana Group and other TEN Partners - Half-Year 2020	28
<b>Table 9:</b> Crude Oil Liftings by the Ghana Group and other SGN Partners - Half-Year 2020	28
<b>Table 10:</b> Crude Oil Liftings from Jubilee by the Ghana Group and the Associated Revenue - Half-Year 2020	32
<b>Table 11:</b> Revenue from TEN Field Oil Liftings	33
<b>Table 12:</b> Crude Oil Liftings from SGN by the Ghana Group and the Associated Revenue - Half-Year 2020	34
<b>Table 13:</b> Breakdown of Corporate Taxes and Surface Rental Payments	34
<b>Table 14:</b> Surface Rental Arrears	35
<b>Table 15:</b> Outstanding Balances with GNGC as at June 2020	35
<b>Table 16:</b> Gross Revenue from Lifting by Jubilee, TEN and SGN Partners	36
<b>Table 17:</b> PHF Allocations for Jan - June 2019 and 2020 Compared	38
<b>Table 18:</b> Priority Areas Selected by the Government 2020 - 2022	40
<b>Table 19:</b> Net Accumulated Reserve of the Ghana Petroleum Funds in US\$	45
<b>Table 20:</b> GSF Statement of Account for Half-Year 2020	46
<b>Table 21:</b> GHF Statement of Account for Half-Year 2020	46
<b>Table 22:</b> Payments & Guarantees Made on Behalf of other Agencies, Government, National & Local Infrastructure Projects as at June 2020.	50
<b>Table 23:</b> Volumes of Processed Derivatives - H1 2020	56
<b>Table 24:</b> Breakdown of GNGC Expenditure	58
<b>Table 25:</b> Forecast Growth of Major Economies	61
<b>Table 26:</b> Revised Petroleum Receipts (US\$ Millions)	66
<b>Table 27:</b> Revised Distribution (US\$ Millions)	66

# List of Figures

<b>Figure 1:</b> Half-year (H1) Crude Oil Production (2011- 2020)	23
<b>Figure 2:</b> Cumulative Production 2010 - Half-Year 2020	24
<b>Figure 3</b> compares the achieved prices of Jubilee, TEN and SGN Fields for the period.	29
<b>Figure 3:</b> Achieved Prices – Jubilee, TEN and SGN	29
<b>Figure 4:</b> Comparison of Average Achieved Prices and Dated Brent of Jubilee, TEN and SGN Partners	30
<b>Figure 5:</b> Contribution of Revenue Streams to Total Petroleum Receipts	31
<b>Figure 6:</b> Distribution of Revenues from the Jubilee Field	32
<b>Figure 7:</b> Distribution of Revenues from TEN Field, in US\$.	33
<b>Figure 8:</b> Distribution of Petroleum Revenue from the Petroleum Holding Fund	37
<b>Figure 9:</b> Allocation of Petroleum Revenues from the PHF	38
<b>Figure 10:</b> Cumulative Distribution of Petroleum Revenue since Inception	39
<b>Figure 11:</b> The Ghana Petroleum Wealth Fund	43
<b>Figure 12:</b> Returns on the Ghana Petroleum Funds in H1 2019 and H1 2020	44
<b>Figure 13:</b> Net Realised Income on the Ghana Petroleum Funds since Inception	44
<b>Figure 14:</b> Reserves of the Ghana Petroleum Funds as at June 2020	45
<b>Figure 15:</b> Milestones in the Gas Sub-sector	53
<b>Figure 16:</b> GNGC Gas Infrastructure	54
<b>Figure 17:</b> Total Volumes of Raw Gas Received from GNPC and Cost	55
<b>Figure 18:</b> Volumes of raw gas exported to GNGC	55
<b>Figure 19:</b> Jubilee Raw Gas received and processed Derivatives – January to June, 2020	56
<b>Figure 20:</b> Half-Year Volumes of LPG in MT for 2019 & 2020	57
<b>Figure 21:</b> Half-Year Volumes of Condensates (MT) – 2019 & 2020	58
<b>Figure 22:</b> GNGC Total Expenses Jan-June 2020	59
<b>Figure 23:</b> GNGC's Indebtedness to GNPC	59
<b>Figure 24:</b> GNGC Indebtedness to GNPC – January to June, 2020	60
<b>Figure 25:</b> Crude Oil Demand	62
<b>Figure 26:</b> BRENT Forecast, 2016 - 2021	63
<b>Figure 27:</b> Henry Hub Forecast, 2016 to 2021	64
<b>Figure 28:</b> WTI Forecast, 2016-2021	64
<b>Figure 29:</b> Short-term Energy Outlook, 2016 -2021	65



# List of Acronyms

ABFA	Annual Budget Funding Amount
AG	Associated Gas
AGPP	Atuabo Gas Processing Plant
AOGC	Accelerated Oil and Gas Capacity
BBL	Barrel
BoG	Bank of Ghana
BP	British Petroleum
BRENT	Broom, Rannoch, Etive, Ness and Tarbert
CAPI	Carried and Participating Interest
CIT	Corporate Income Tax
COLA	Crude Oil Lifting Agreement
COVID-19	Corona Virus Disease 2019
CSI	Corporate Social Investment(s)
CTP	Cape Three Points
CWM	Cash Waterfall Mechanism
DWCTP	Deepwater Cape Three Points
DWT/CTP	Deepwater Tano Cape Three Points
E&P	Exploration and Production
EC	Energy Commission
ECG	Electricity Company of Ghana
EFC	Equity Financing Cost
EIA	Energy Information Administration
ENI	Ente Nazionale Idrocarburi (Ghana E&P Limited)
FPSO	Floating Production Storage and Offloading Unit
FEED	Front End Engineering Design
FRU	Floating Regasification Unit
FSU	Floating Storage Unit
GDP	Gross Domestic Product
GESTIF	Ghana Energy Sector Transformation Initiative Project
GHF	Ghana Heritage Fund
GMP	Gas Master Plan
GNGC	Ghana National Gas Company
GNPC	Ghana National Petroleum Corporation
GNPCF	Ghana National Petroleum Corporation Foundation





GoG	Government of Ghana
GOGIG	Ghana Oil and Gas for Inclusive Growth
GOSCO	GNPC Operating Services Company Limited
GPP	Gas Processing Plant
GPWF	Ghana Petroleum Wealth Fund
GRA	Ghana Revenue Authority
GSF	Ghana Stabilisation Fund
GTES	GNPC Technip Engineering Services
HFO	Heavy Fuel Oil
HSE	Health, Safety and Environment
IAC	Investment Advisory Committee
ICT	Information and Communications Technology
IMO	International Maritime Organisation
IMF	International Monetary Fund
IOC	International Oil Company
ISO	International Organization for Standardisation
JAK	John Agyekum Kuffuor
JIP	Jubilee Improvement Project
KATH	Komfo Anokye Teaching Hospital
KNK	Kwame Nkrumah
LI	Legislative Instrument
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MD	Managing Director
MMBoE	Million Barrels of Oil Equivalent
MMBtu	Million British Thermal Units
MGTF	Ministerial Gas Task Force
MMSCF	Million Standard Cubic Feet
MoEn	Ministry of Energy
MoF	Ministry of Finance
MT	Metric Tonne(s)
NAG	Non-Associated Gas
NGC	Natural Gas Clearinghouse
NGTS	National Gas Transmission System
NGTU	Natural Gas Transmission Utility
NOC	National Oil Company



NRGI	Natural Resource Governance Institute
OCTP	Offshore Cape Three Points
OECD	Organisation for Economic Co-operation and Development
OOSys	Oil Offloading System
OPEC	Organization of Petroleum Exporting Countries
ORF	Onshore Receiving Facility
P&A	Plugging and Abandonment
PA	Petroleum Agreement
PC	Petroleum Commission
PHF	Petroleum Holding Fund
PIAC	Public Interest and Accountability Committee
PLET	Pipeline End Termination
PNDCL	Provisional National Defense Council Law
PoD	Plan of Development
PRMA	Petroleum Revenue Management Act
PSGL	Prestea-Sankofa Gold Limited
PSM	Permanent Spread Mooring
ROV	Remotely Operated Vehicle
SGN	Sankofa Gye-Nyame
SME	Small and Medium Enterprise
SOE	State-owned Enterprise
SOIP	Shipboard Offloading Interface Package
SOPCL	Saltpond Offshore Producing Company Limited
SPS	Subsea Production Systems
STEO	Short-Term Energy Outlook
TEN	Tweneboa-Enyenra-Ntomme
TGL	Tullow Ghana Limited
TRP	Turret Remediation Project
TTIP	Takoradi - Tema Interconnection Project
VRA	Volta River Authority
WAGP	West African Gas Pipeline
WAPCo	West African Gas Pipeline Company
WCTP	West Cape Three Points
WEO	World Economic Outlook
WTI	West Texas Intermediate
YTD	Year-To-Date



# Foreword

Since its establishment in September 2011, the Public Interest and Accountability Committee, (PIAC), has effectively exercised its oversight responsibility of monitoring and evaluating the management of Ghana's petroleum resources by the government and stakeholder institutions.

In compliance with provisions of the Petroleum Revenue Management Act (PRMA), the Committee prepares statutory Annual and Semi-Annual Reports, which aim at keeping Ghanaians and other interested stakeholders constantly informed of how the country's petroleum revenues are managed and utilised. The Reports also provide the basis for public engagements and the collation of citizens' feedback, which is subsequently shared with duty bearers.

The Committee since its inception has published a total of 18 reports - nine (9) Annual and nine (9) Semi-Annual Reports - covering the period 2011 to June 2020, with information and data from the Ministry of Finance, Bank of Ghana, Petroleum Commission, Energy Commission, Ghana National Petroleum Corporation, Ghana Revenue Authority, Ghana National Gas Company and the International Oil Companies.

The 2020 Semi-Annual Report covers the period January to June 2020. It encompasses a broad range of issues associated with petroleum revenue management such as information on production, liftings, total revenues accruing and allocation by Government, and the management of the funds set aside in the Ghana Petroleum Funds (Ghana Stabilisation Fund and the Ghana Heritage Fund).

The Report also examines other issues pertinent to the performance of various institutions charged with responsibilities in the PRMA. It is important to indicate that this Report does not contain information on Annual Budget Funding Amount utilisation because the Ministry of Finance had not provided the data as at the time of publishing this Report.

The publication of PIAC Reports has suffered delays over time, and this year, the delay was largely due to the outbreak of Covid-19, which disrupted work activities of reporting entities. The delay in the release of data by some institutions was also a factor.

It is the expectation of the Committee that the general public will meticulously read the Report and provide feedback especially during public engagements to be held following the release of this Report, or send comments via email to [secretariat@piacghana.org](mailto:secretariat@piacghana.org), or call us on +233 (0) 302 547 765.

PIAC Chair,  
**Noble Wadzah.**

# Executive Summary

The Report reconciles and analyses information, data from key stakeholder institutions. The data relates to the exploitation of hydrocarbon resources and associated revenues and expenditures as mandated by the PRMA. The Report also includes inputs from relevant stakeholder institutions. The key findings and recommendations for action are as follows:

## FINDINGS

### Petroleum Production and Sales

1. Cumulative raw gas production increased significantly by 65 percent; the highest recorded half-year volume of gas produced since 2010.
2. All the three producing Fields (Jubilee, TEN and SGN) recorded an increase in gas production, with the SGN Field recording a 130 percent increase attributable to stable production operations.
3. The average unit price achieved by the Ghana Group in all three Fields (US\$42.49/bbl) were significantly lower than achieved unit prices in H1 2019 (US\$65.08/bbl), representing a 34.71 percent decline.

### Revenue Collection and Management

4. Total petroleum receipts in the PHF for the period stood at US\$322,571,265.64, indicating an 11.32 percent decline.
5. CAPI contributed the highest portion of 40 percent to total receipts.
6. Even though GNGC received US\$1.78 million under the Cash Waterfall Mechanism, there was no payment to GNPC in respect of gas supplied. Consistently, the non-payment of gas revenue denies the PHF of its due entitlement.

### Petroleum Funds Distribution and Utilisation

7. Total petroleum funds distributed since inception till end of June 2020 was US\$5.32 billion, of which approximately 39 percent went to the ABFA, 31 percent to GNPC, 21 percent to the GSF, and 9 percent to the GHF. This suggests that about 91 percent of the petroleum revenue is available for spending by the current generation.
8. For the fourth time, the Ministry of Finance failed to provide ABFA utilisation data for the compilation of PIAC Reports. This makes it difficult to reconcile disbursements and expenditure, and undermines the spirit of accountability as envisaged in the PRMA.

### Performance of the Ghana Petroleum Funds

9. There was a 24.09 percent reduction in the GPFs reserves at the end of June 2020 compared to H1 2019, as a result of the lowered cap and subsequent withdrawals from the GSF. Consequently, the GSF yield reduced by 68.08 percent from that of H1 2019.
10. The net profit on investment of the GPFs was US\$8.58 million, as against US\$11.20 million in H1 2019. This represents a reduction of 23.39 percent.
11. At the end of the period, an amount of US\$33.34 million, being the excess over the cap of US\$100 million placed on the GSF, was not transferred into the Sinking and/or Contingency Funds, as required by Law.

### Allocation and Utilisation of GNPC's Share of Petroleum Revenue

12. The Corporation's receipts in H1 2020 (US\$80.41 million) represents a 31.25 percent reduction from that of the same period in 2019 (US\$116.96 million).

13. Budgetary allocation to the GNPC Foundation decreased by 11.7 percent in 2020 as against that of 2019. However, an amount of US\$12.31 million, being financial obligations outstanding at the close of 2019, was brought forward, and honoured in H1 2020.
14. The Corporation budgeted US\$41.93 million as Equity Financing for the Jubilee Field for H1 2020. However, it spent US\$7.33 million, representing 17.5 percent of the budgeted amount.
15. GNPC spent only nine (9) percent of its total receipts on Jubilee equity financing. This is as a result of the re-phasing of work programmes, as well as disputes surrounding the Cash Calls submitted by the Operator. The disputes are currently under negotiations between GNPC and the Contractor Party.
16. Even though GNPC received GH¢110.96 million under the Cash Waterfall Mechanism, there was no payment into the PHF in respect of raw gas supplied. Consistently, the non-payment of gas revenue denies the PHF of its due entitlement.

#### Operations of GNGC

17. Revenue realised from the sale of LPG and Condensates decreased by 31.13 percent and 48.45 percent respectively. The Covid-19 and its associated effect on crude price on the world market affected revenue from Condensate, due to the benchmark with the PLATTS Index (Global Crude Market).
18. Out of the invoiced amount of US\$93,547,640.50, US\$10,185,922.57 was paid for the sale and transportation of lean gas.
19. Cumulative indebtedness to Ghana Gas continued to increase, totalling an amount of US\$942,260,510.63 at the end of the period.
20. The policy of Government to make GNGC the national gas aggregator will likely qualify the Company to receive petroleum revenue

funding as a National Oil Company, as well as make payments into the PHF.

#### Recommendations

1. PIAC reiterates its earlier call on Parliament to bring its oversight mandate to bear on the Ministry of Finance. This is because the Ministry's persistent failure (fourth time) to provide half-year data on ABFA utilisation is not only adversely affecting the work of the Committee, but also eroding gains in the fight for transparency and accountability in the management and use of Ghana's petroleum revenues for the benefit of citizens.
2. The Committee recommends the continuous monitoring of CSI expenditure by GNPC in order to ensure value for money for the remaining half of the year, and to minimise carryovers into 2021.
3. Although negotiations are ongoing between GNPC and the Contractor Party, PIAC recommends that a contingency amount should be set aside by the Corporation in anticipation of the eventual outcome of the dispute, as it could go either way.
4. GNPC should ensure that appropriate lodgments into the PHF are made once the Corporation receives payments from the Cash Waterfall Mechanism for raw gas supplied.
5. Government's clarification of the roles and mandates of regulatory institutions in the gas and power sectors is important for coordinated planning and improved management capacity. Government will need to design effective institutional arrangements with clear mandates for the institutions in the energy sector, including conducting technical studies on the electricity and gas sectors, to improve sector performance and to provide incentives to prospective investors.

# CHAPTER 1

## 1.0 INTRODUCTION

### 1.1 Background

For almost a decade of production, Ghana's petroleum industry has developed steadily despite the drop in international oil prices since late 2014. The petroleum industry continues to attract key global industry players on the back of sustained investor interest, as well as significant de-risking of the Western Basin. This was evident in the 2019 Licensing Rounds Bids and Negotiations. Despite these gains, the first half of 2020 proved to be a challenging period.

At the beginning of the year, there was extreme uncertainty around the global growth forecast for 2020. The Corona Virus Disease of 2019 (COVID-19), inflicted high economic costs worldwide. Global growth was projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021, according to the International Monetary Fund (IMF) in its January 2020 World Economic Outlook (WEO) Report. However, the Fund in its April 2020 WEO Report, stated that it was very likely that the global economy will experience its worst recession since the Great Depression in the 1930s, surpassing what was witnessed during the global financial crisis a decade ago.

Ghana's provisional Oil GDP as at the end of the first quarter of 2020 stood at GH¢92.5 billion as against GH¢84.9 billion in the first quarter of 2019, representing a nine percent increase. Real Oil GDP growth declined from 6.7 percent in the first quarter of 2019 to 4.9 percent in the first quarter of 2020, indicating a stronger performance in the non-oil subsectors.

Despite these challenges, modest progress in terms of production was made over the period. PIAC's responsibility is to ensure, through transparency and accountability measures, that

petroleum revenue management and use be consistent with the provisions of the PRMA.

The following distinct features of the PRMA deserve to be highlighted:

1. Intergenerational equity spending and savings, borne out of the recognition of the common resource ownership of current and future generations of Ghanaians; and,
2. Appropriating 70 percent expenditure through the budget to address the public investment expenditure needs, given the country's infrastructural deficit and its relevance for socio-economic growth and transformation. The remaining 30 percent is usually use to finance recurrent expenditure.

The Public Interest and Accountability Committee (PIAC) was created as the unique institution tasked with additional oversight responsibility to support the work of Parliament. To consolidate transparency in the management and use of the petroleum revenues, PIAC was charged with three distinct mandates under Section 52 of the PRMA. These are to:

- Monitor and evaluate compliance with the Act by Government and other relevant institutions in the management and use of petroleum revenues and investments;
- Provide space and a platform for the public to debate whether spending prospects as well as management and use of revenues conform to development priorities as provided under Section 21(3) of the Act; and,
- Provide independent assessments on the management and use of petroleum revenues to assist Parliament and the Executive in the oversight and performance of related functions respectively.

## 1.2 Scope

This Report:

- Analyses oil and gas production and liftings;
- Verifies the accuracy of oil and gas revenues declared by state institutions;
- Analyses revenues allocated to the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA), and the Ghana Petroleum Funds (GPFs);
- Examines allocation and utilisation of petroleum receipts;
- Analyses the performance of the Ghana Petroleum Funds; and,
- Assesses the roles and functions of reporting entities under this Act and their compliance.

## 1.3 Methodology

The following methods were employed for this Report:

- Analysis and reconciliation of data collected from relevant stakeholder institutions;
- Interviews and validation meeting(s);
- Independent verification of source documents from stakeholders.

**The key stakeholder institutions consulted include, but are not limited to:**

- Ministry of Finance (MoF)
- Ministry of Energy (MoEn)
- Bank of Ghana (BoG)
- Petroleum Commission (PC)
- Ghana Revenue Authority (GRA)

- Ghana National Petroleum Corporation (GNPC)
- GNPC Foundation (GNPCF)
- Ghana National Gas Company (GNGC)
- Energy Commission
- International Oil Companies (IOCs) - Tullow, Kosmos, and ENI

The Report uses a variety of visual tools such as tables, charts and graphs to communicate the findings and outcomes of the analysis.

## 1.4 Outline of the Report

- Chapter One provides an introduction to this Report;
- Chapter Two reviews current developments in the petroleum sector;
- Chapter Three analyses production and sales data;
- Chapter Four is on petroleum revenue collection;
- Chapter Five discusses the distribution of petroleum revenues;
- Chapter Six focuses on the allocation and utilisation of the ABFA;
- Chapter Seven discusses the performance and management of the Ghana Petroleum Funds;
- Chapter Eight analyses the utilisation of GNPC's share of the petroleum revenues;
- Chapter Nine assesses the operations of the Ghana National Gas Company;
- Chapter Ten provides an outlook on the global petroleum market, and its impact on domestic revenue; and,
- Chapter Eleven draws conclusions and proffers recommendations.

# CHAPTER 2

## 2.0 DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

### 2.1 COVID-19 and Related Developments

The first half of 2020 proved to be a less stable period for investments in Ghana's upstream oil and gas sector, than the same period of 2019. This was largely due to the outbreak of the COVID-19 pandemic in 2020, and the associated shocks on the economy and work programmes of major industry actors. Nevertheless, Ghana in the first half of 2020 put in place some measures to sustain its efforts at managing its hydrocarbon resources.

#### 2.1.1 Developments in the economy, work obligations and operations

The Petroleum Commission had at the beginning of the year approved work programmes and budgets amounting to about US\$324 million for Exploration and Production (E&P) companies in the exploratory and appraisal stages. The companies were due to undertake various drilling campaigns, acquisition and interpretation of seismic, geological and geophysics data, well planning, procurement tender and mobilisation before the COVID-19 global pandemic. Project planning, execution, risk management as well as associated preparatory activities stalled, with potential for cost and time overruns.

#### Other developments:

a. In March 2020, Aker Energy postponed its development activities in the Pecan Field project, valued at US\$4.4 billion. The company was scheduled to submit a revised Plan of Development (PoD), and make a final investment decision on the Field. However, due to the effect of the COVID-19 pandemic on the oil and gas industry globally, Aker Energy has requested for a suspension and postponement of the Pecan Field development activities.

b. In respect of the Central Tano Block, AMNI had to reschedule its planned drilling campaign slated for Quarter 2 to Quarter 4 of 2020, and beyond;

c. ECO Atlantic, the Operator of the Deepwater Cape Three Points West Block, was compelled to suspend all exploration drilling preparatory activities due to the COVID-19 pandemic, despite commencing the process of rig tendering, tangibles contracts, and support services contracts;

d. ENI, the Operator of the Cape Three Points Block 4, indicated its plan to the Petroleum Commission to postpone the drilling of the Eban-1X exploratory well to the first quarter of 2021;

e. GOSCO, the Operator of the Offshore South West Tano Block put on hold all exploration drilling preparatory activities, contracting of key services, and plans to secure a rig; and

f. Appraisal programmes of ENI's Akoma-1X, AGM Petroleum's Nyankom 1X and Kyekyen 1X, and Springfield's Afina-1X discoveries also faced significant delays.

Generally, there was a freeze on the work programmes and a decision to restore the initial period or extensions lost for all companies whose agreements would have otherwise expired in 2020 but for the COVID-19 pandemic. There was also a freeze or cancellation of critical operations and maintenance works on production facilities scheduled for the year, due partly to the skeletal workforce operated by most companies in compliance with approved COVID-19 protocols.

Although oil production remains at approximately 200kbpd, production and revenue forecast for the



year have been significantly affected. According to the Ministry of Finance, the total estimated fiscal impact from the shortfall in petroleum receipts, import duties, other tax revenues, the cost of the preparedness plan, and cost of Coronavirus Alleviation Programme is GH¢21.42 billion (US\$3.89 Billion) (2.5 percent of revised GDP), with shortfall in petroleum revenues alone being GH¢5.7 billion (US\$1.04 Billion). There is an expected decline in GDP growth rate from 6.8 percent to 2.6 percent as a result of the COVID-19 pandemic.

## 2.1.2 Developments in the Investment Climate

The shift in government's priorities toward managing the economic impact of the pandemic, and the resulting fear of low investor confidence was a constraining factor on upstream investments in Ghana. Although the Government approved Yinson Holding to operate and maintain the Pecan Field FPSO for the DWT/CTP project, the approval was soon rendered ineffective in March 2020. This was as a result of Aker Energy notifying Yinson of its decision to terminate the arrangement, after postponing activities under the DWT/CTP Petroleum Agreement.

However, the data room of the Petroleum Commission attracted a considerable number of investors during the reporting period from industry giants like BP, Hunt Oil, Shell, among others. This followed the first Bids and Licencing round, which was generally described to be below expectation due partly to inadequate/low quality data and the small sizes of the blocks offered; a view that was corroborated by Government. Similarly, the CSOs Licensing Working Group coordinated by NRG1 and GOGIG, which monitored the Bids and Licencing round also made this observation. Ghana's second Bid and Licencing round is likely to delay till investment conditions improve to lift the veil of uncertainties in the investment space.

Notwithstanding the COVID-19 situation, there was sustained production in the country's three offshore producing Fields<sup>1</sup>. A total of 34.23 million barrels of oil was produced, of which the Jubilee

Field produced 15.41 million bbls, TEN - 9.26 million bbls, and OCTP (SGN) - 9.56 million bbls.

To improve production and enhance the chances of new discoveries, Tullow Ghana Limited (TGL), Operator of the Jubilee and TEN Fields, focused on sustaining safe and long-term production. Additionally, Tullow continued its infill drilling programme with Maersk Venturer, taking steps to improve gas handling; planning the Ntomme production well and Jubilee WI, among others. It is hoped that Tullow and its Jubilee partners (GNPC, Kosmos, Anadarko and Petro SA) will achieve a significant milestone in oil production from Jubilee by close of 2020 beyond the current production rate of approximately 200k bpd.

The Government in early April 2020 directed ENI and Springfield to commence unitisation talks on Springfield E&P (SEP)'s Afina-1X Cenomanian and ENI's Sankofa Cenomanian oilfields. The two oilfields are the subject matter of SEP's West Cape Three Points 2 (WCTP2) Licence and ENI's Cape Three Points (OCTP) Licence offshore Ghana. The directive was the outcome of Government's study of technical evidence, confirming the need for the unitisation of the two oil blocks. The conclusion of such an Agreement would ensure efficient reservoir exploitation, avoid unnecessary competitive drilling, and maximise economic recovery of the hydrocarbons reserves from both Licences. The Government requested the Unitisation talks to be completed within 120 days (four months), failing which, the Minister for Energy is empowered to stipulate the terms and conditions of such an Agreement. In such a circumstance, Springfield and ENI shall be jointly and severally liable for the costs incurred by the Minister under Regulation 50(6)(7) of the Petroleum (Exploration And Production) (General) Regulations, 2018 (L.I. 2359). When concluded, this would be the very first Unitisation Agreement between an International Oil Company and a Ghanaian Operator, and could usher in a new era of meaningful local participation in Ghana's upstream sector.

<sup>1</sup> The Jubilee Field, which was first to be discovered in 2007, began production in 2010. The Tweneboa Enyenra Ntomme (TEN) Field which was discovered in 2009 came onstream in August 2016 with the Sankofa Gye Nyame (SGN) Field located offshore Cape Three Points beginning production in May 2017.

### 2.1.3 Developments in Local Content and Local Participation

From the prescriptive requirements of the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204) for more collaborative public-private efforts, Ghana's local content objectives have been to:

- Maximise the patronage of Ghanaian goods and services, and thereby increase in-country spend and retention of cashflow;
- Increase employment of Ghanaian Professionals by ensuring the localisation of job opportunities;
- Facilitate Technology and Skills Transfer through Training, Research and Development;
- Promote local participation by encouraging Ghanaians to have equity ownership and management participation in upstream petroleum activities; and
- Develop Local Capacities resulting in increased capabilities and competitiveness of indigenous Ghanaian companies and individuals

Premised on the above key objectives and catalysed by the 2017 Accelerated Oil and Gas Capacity (AOGC) programme, the Petroleum Commission has in the past seven years increasingly pushed for more local content in the sourcing of goods, services, and labour, as new oil and gas investments came on stream. The industry had chalked a modest success in localising various positions including critical positions in major companies. Per the various localisation plans, the Commission forecasted about 40 roles to be localised in 2020. The Government initially demonstrated fidelity to these local content requirements when it objected to Tullow's appointment of a non-Ghanaian as the Company's new Managing Director (MD), insisting that Tullow's action defeats the Government's localisation agenda. The new MD was appointed in the middle of May to replace a Ghanaian who was due for retirement on June 30, 2020. Government did not pursue this objection further as the new MD remained Tullow's MD as at June 30, and into the second half of 2020.

Considerable investments in infrastructure, personnel, and technologies have already been

made in anticipation of major projects. Over 98 contracts worth over US\$389 million were awarded by Aker Energy, AGM, ENI, GOSCO and Springfield between the last quarter of 2019 and the first quarter of 2020. Similarly, processes towards the renewal of contracts previously awarded by ENI and Tullow commenced before the COVID-19 pandemic, and its associated impacts led to the cancellation of these contracts. In particular, the five-year Maersk Drilling contract which was terminated in June 2020 together with associated services, would have a toll on local businesses in the remainder of 2020 and beyond.

Already, workforce in the industry has been reduced in the first half of 2020 and there have been planned layoffs of both expatriate and local personnel. Over 450 Ghanaian workers in Aker Energy, Tullow, Schlumberger, Halliburton, Baker Hughes, among others, are expected to lose their jobs within the year due to weaknesses in the local supply chain (i.e. manufacturing, construction and industrial base) dynamics resulting from the pandemic.

The Local Content Committee of the Petroleum Commission continued to implement the deduction of one percent (1%) contract sum into the Local Content Fund established under the Petroleum (Exploration and Production) Act, 2016 (Act 919). The implementation of this provision came with some difficulties, including the delayed payments of contributions and outright deliberate violations of non-payment by some contractors who point to Stability Clauses in their respective Petroleum Agreements, as the basis for the non-compliance.

#### 2.1.3.1 Status of the Local Content Fund

As at June 2020, the following were in place regarding the Fund:

- A Local Content Fund Secretariat has been established and resourced at the Petroleum Commission. In addition, an Interim Coordinator of the Fund Secretariat has been appointed and endorsed by the Minister of Energy to ensure smooth administration of the Secretariat.
- A draft Local Content Fund Operational Guidelines has been developed by the

Commission for the administration of the Fund and is currently under review by the Local Content Committee.

- Two (2) bank accounts (GHS and USD) have been created at the Bank of Ghana (BoG) for the purposes of collections.
- The Petroleum Commission continues to implement the deduction of one percent (1%) contract sum albeit some challenges, including the delays in payment of fund contribution as well as non-payment by some contractors who point to Stability Clauses in their respective Petroleum Agreements
- Receivables based on approved contract sums by the PC, to the Local Content Fund amounted to US\$ 4.5million.

## 2.2 Developments in the Policy, Legal, and Regulatory Environment

As already indicated in the 2019 PIAC Annual Report, negotiations with ENI & Vitol Upstream Ghana Limited, winners of Block GH\_WB\_03, continued in the first half of 2020. Negotiations commenced soon after 2nd July, 2019 when the winning bids were announced. This has been delayed by the COVID-19 pandemic.

However, negotiations with First Exploration and Petroleum Development Company (Ghana) Limited and their local partners, Elandel Energy Limited for rights over GH\_WB\_02 have been concluded, albeit the draft Petroleum Agreement is yet to be ratified by Parliament.

Block GH\_WB\_04 which was up for competitive bidding did not attract any bid due to low quality data generally, and could be up for either competitive bidding or direct negotiation in the next licensing round. Although the Government had originally planned for a second Bid and Licensing round this year, there are indications there would be no new licensing round, though direct negotiation could prevail pursuant to strict requirements of Act 919.

As of 30th June 2020, no new Petroleum Agreement had been signed or ratified by Parliament.

To ensure the efficient conduct of the upstream petroleum operations, the Commission undertook the review of the underlisted existing regulations:

- Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204);
- Petroleum Commission (Fees & Charges) Regulations, 2015 (L.I. 2221); and,
- Petroleum Exploration and Production (General) Regulations, 2018 (L.I. 2359).

The Petroleum Commission continued the development and internal review of the following technical regulations and guidelines for the upstream industry, during the period:

**Table 1: Status of Guidelines Currently Under Development and Review**

NAMES OF GUIDELINES	STATUS
Draft Guidelines for Electronic Filing of Documents	Draft completed pending review by Board Local Content Committee
Draft Guidelines for Submission of Local Content Plans & Reports (Goods and Services)	Draft completed pending review by Board Local Content Committee
Draft Procurement and Bid Evaluation Guidelines.	Approved by Local Content Committee pending stakeholder engagements
Draft Research and Development Guidelines.	Draft completed pending review by Board Local Content Committee
Draft Financial Services Guidelines	Draft in progress
Draft Guidelines for the importation of chemicals.	Approved by Local Content Committee pending stakeholder engagements
Draft Guidelines for the Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258)	Draft completed for review by the Board.
Draft Geophysical Guidelines	Draft completed pending review
Draft Geological and Engineering Guidelines	Draft completed pending review
Draft Guidelines for the formation of Joint Venture Companies in the upstream petroleum sector of Ghana	Draft completed and ready for submission to the Board Local Content Committee
Draft Reservation of Goods and Services Guidelines.	Draft completed and ready for submission to the Board Local Content Committee
Draft Local Content Fund Operational Guidelines	Draft at the Board Local Content Committee level for review

Source: PC, June 2020.

### 2.3 Exploration and Production Activities

Ghana's petroleum industry continued to attract investments into exploration and producing fields throughout the first half of 2020.

#### 2.3.1 Jubilee Field Operations

Tullow Ghana Limited (TGL) and its Partners continued their multi-year incremental drilling programme and other development works on the Jubilee Field. The Maersk Venturer Drillship continued to work on the J15-WI Suspension/Abandonment operations which was concluded on the 8th of January 2020. The Drillship was then used for drilling activities on the J55-WI. The J55-WI was spudded on 14th March 2020 to undertake

top-hole drilling. This activity ended on 21st March 2020.

After the successful stabilisation of the turret and the rotation of the FPSO Kwame Nkrumah (KNK) bearing to 205° in November 2018, the next milestones of the Turret Remediation Project (TRP) were:

- the completion of the Permanent Spread Mooring (PSM);
- the installation of Shipboard Offloading Interface Package (SOIP); and,
- Oil Offloading System (OOSys).

During the first half of 2020, the Permanent Spread Mooring work scope was completed. However, the SOIP and OOSys projects, expected to be

completed by the second quarter of 2020, have witnessed some delays because of the COVID-19 pandemic.

### 2.3.2 Tweneboa, Enyenra Ntomme (TEN) Field Operations

Drilling and Completion activities on the TEN Field also continued from January 2020. These activities for the NTO9-P well were done using the Maersk Venturer Drillship, albeit, with significant operational challenges and high Non-Productive Time (NPT). The well was successfully re-spudded on 14th January, 2020 after a failed attempt on 12th January due to string buckling. However, due to further operational challenges during the completion campaign, the well was suspended. The Drillship moved to J55-WI to drill the top-hole section and then returned to NTO9-P to undertake completions which is currently ongoing.

### 2.3.3 Offshore Cape Three Points (OCTP) Field Operations

In May, ENI, the Operator of the Offshore Cape Three Points (OCTP) Field, undertook major works on the Takoradi phase of the Takoradi - Tema Interconnection Project (TTIP)<sup>2</sup>, which led to a shutdown of the West African Gas Pipeline (WAGP) system at Takoradi. The shutdown enabled critical works to be conducted which when completed, will minimise the impact to the communities that rely on power generated from gas transported through the WAGP system to Tema.

### 2.3.4 Deepwater Tano/Cape Three Points Field Operations

Aker Energy, the Operator of the DWT/CTP contract started undertaking further studies in preparation to re-submit the Pecan Field PoD. The Company

requested for a suspension and postponement of the Pecan Field development activities.

### 2.3.5 Voltaian Basin Project

The Voltaian Basin covers over 104,000 sq. km or approximately 40 percent of the land area of Ghana. It is located within the Northern, North East, Savanna, Bono, Bono-East, Ahafo, Ashanti, Eastern, Volta and Oti Regions.

GNPC continued with Phase Two of the 2D Seismic Data Acquisition Programme which commenced in 2019. The data acquisition was completed in March 2020 with a total of 667km of 2D data acquired, and is currently being processed by BGP-BAY Geophysical Services Limited in China. Data from Phase One are currently being interpreted by GNPC in order to identify prospective locations for further technical studies.

### 2.3.6 Decommissioning of Saltpond Oilfield

After about four decades since its commissioning in 1970, the Saltpond Oilfield was approved by the Minister for Energy in November 2019 to be decommissioned for not being commercially viable. Production operations ceased in 2015 in readiness for the installation to be decommissioned in accordance with industry best practices. Progress is currently being made to procure decommissioning contractor(s) to decommission the Field. There are also ongoing consultations between the Petroleum Commission, GNPC and the Ministry of Energy towards achieving the following three-pronged decommissioning objectives for the Saltpond installation:

- Well Plugging & Abandonment (P&A), ending with removal of conductor pipes;
- Topside removal of the Mr Louie Platform, dismantling and waste management; and,
- Installation of surveillance and marine lights.

<sup>2</sup> The TTIP is a collaboration between the West African Gas Pipeline Company (WAPCo), the Energy Ministry, the Ghana National Petroleum Corporation (GNPC), the Ghana National Gas Company (GNGC) and ENI Ghana to expand WAPCo facilities at Takoradi and Tema as well as the tie-in of the WAGP system at Takoradi to GNGC's facility/line.

## 2.4 Natural Gas Developments and Market Information

### 2.4.1 Gas Supply Interruption

Gas supply from the Jubilee/TEN Fields was interrupted for 37 days in the first quarter of 2020, out of which 21 days was due to GNGC's scheduled maintenance from 21st February to 12th March. The remaining 16 days was due to remediation works carried out on the offshore gas export pipeline to resolve a blockage.

### 2.4.2 Energy Sector Debt Servicing

Gas and power sectors legacy debts have been on the radar since July 2017, after Cabinet approved the implementation of the Cash Waterfall Mechanism<sup>3</sup> (CWM). The CWM is part of a wider strategy to address the worsening energy sector debt. Although there have been past developments relative to this, the first phase of the CWM for the regulated electricity market value chain came into effect on the 1st of April 2020.

### 2.4.3 Natural Gas Clearinghouse (NGC)

In spite of the implementation of the CWM, revenues collected in the electricity sector did not meet the cost associated with gas supplied, and therefore, the Natural Gas Clearinghouse (NGC) was proposed as a means of ensuring that gas sector entities are paid in full. The implementation of the NGC is being finalised with stakeholders.

### 2.4.4 Institutional Alignment

Following the President's approval of the Assignment of Institutional Roles within Ghana's Gas Sector, which is aimed at making GNGC an Integrated Gas Company with the role of gas aggregator, the Minister for Energy set up a Ministerial Gas Task Force (MGTF), to establish the roadmap for its implementation.

## 2.4.5 Energy Commission Natural Gas Regulatory Updates

In line with the regulatory and management mandate of the Energy Commission over natural gas resources under Sections 1 and 2 of the Energy Commission Act, 1997 (Act 541), the Commission, among other things:

- Issued a Siting Permit dated 6th July 2020 (valid till 5th January, 2022) to Genser Ghana Limited, an Independent Power Producer, for the siting of a 20km 12-inch Natural Gas Pipeline from Damang to Wassa in the Western Region;
- Continued to monitor developments in connection with the construction by GNGC of a Front End Engineering Design (FEED) for the Atuabo to Ivory Coast natural gas transmission pipeline network, to facilitate the offtake of natural gas produced in Ghana, and to ensure regulatory requirements are met. GNGC is the licensee as the Natural Gas Transmission Utility (NGTU) in the country. The Company is also responsible for the operation and maintenance of the Gas Processing Plant located at Atuabo in the Western Region. The Energy Commission has been unable to conduct inspection visits for this project during the period as a result of the outbreak of the COVID-19 pandemic;
- Has since 2018 issued a Siting Permit and Construction Permit to facilitate the construction of a Liquefied Natural Gas Floating Regasification Unit (FRU) and a Floating Storage Unit (FSU) by Tema LNG Terminal Company Limited near the Tema Harbour in the Greater Accra Region. Work has been progressing steadily, and is scheduled to be commissioned in the last quarter of 2020; and,
- Issued an invitation for Expression of Interest for the development, management and operation of a Natural Gas Distribution Pipeline

<sup>3</sup> A payment structure requiring that higher-tiered creditors receive interests and principal payments, while the lower-tiered creditors receive principal payments after the higher-tiered creditors are paid back in full.

Network franchise in the Tema Municipal area by a concessionaire. The Commission is in the process of procuring financial assistance from the Ghana Energy Sector Transformation Initiative Project (GESTIP) to provide technical support in the feasibility study for the project and procurement of the concessionaire.

#### 2.4.6 Update on the Reimbursement of the US\$50 Million Loan to the Ministry of Finance

GNPC as at the end of June, had not received payment in respect of the US\$50 million advance to the Ministry of Finance in 2013 for the construction of the Western Corridor roads, which leads to the

Atuabo Gas Processing Plant. The money was expected to be repaid in three months.

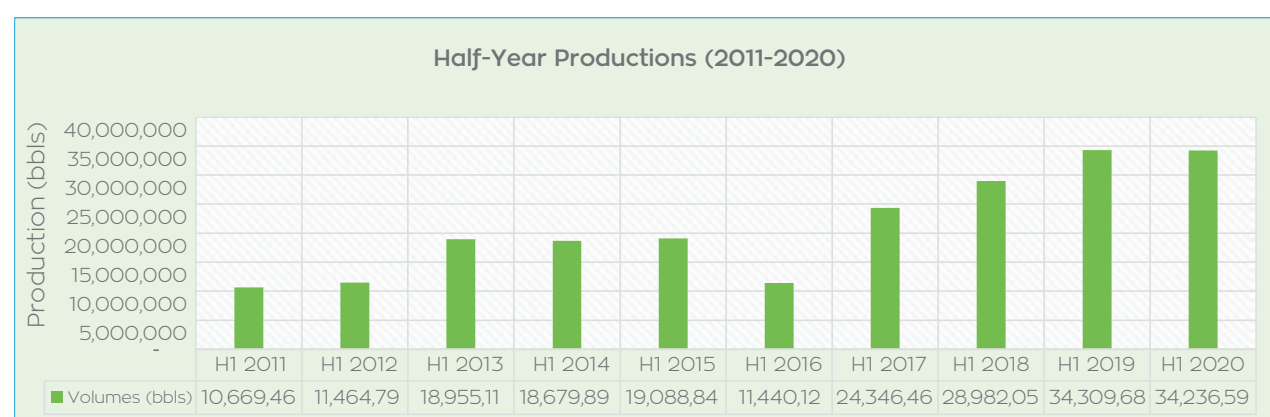
In December 2018, the Ministry directed GNPC to expunge the amount from its books, on the grounds that per the Earmarked Funds Capping and Realignment Act, 2017 (Act 947), the Minister for Finance is empowered to cap all earmarked funds at 25 percent of tax revenues. The Ministry indicated that the Government had not retained GNPC's flows thus far, with the view to offsetting the US\$50 million loan. According to the Corporation, it plans to engage its sector Ministry and Select Committee on Mines & Energy to discuss the issue further.

# CHAPTER 3

## 3.0 PETROLEUM PRODUCTION AND SALES

### 3.1 Crude Oil Production

Crude oil production in the first half of 2020 reduced marginally, relative to that of 2019. A total of 34,236,596.97 barrels (bbls) of oil was produced from Ghana's three offshore producing Fields - Jubilee, TEN, and SGN. This represents a 0.21 percent decrease from the first half of 2019 production volume of 34,309,685.53 bbls, and the first year-on-year (y-o-y) reduction in a half-year since 2016, as shown in Figure 1.



**Figure 1:** Half-year (H1) Crude Oil Production (2011- 2020)

**Source:** PIAC Construct, based on GNPC's Data, June 2020.

The decrease was a result of reduced production on the Jubilee and TEN Fields. Production on the Jubilee Field was 15,406,903 bbls, compared with 16,035,225 bbls for the same period in 2019. The TEN Field witnessed a decrease of 16.67 percent, with 9,266,872.00 bbls in the first half (H1) of 2020 against 11,120,126 bbls in H1 2019. Table 2 shows the monthly production figures for Jubilee, TEN, and SGN Fields for the period.

**Table 2:** Monthly Breakdown of Total Crude Production

	Jubilee		TEN		SGN		Prod Days
	Daily Av. Prod (bbls)	Qty Prod (bbls)	Daily Av. Prod (bbls)	Qty Prod (bbls)	Daily Av. Prod (bbls)	Qty Prod (bbls)	
January	63,839.35	1,979,020	52,299.71	1,621,291	55,279.15	1,713,654	31
February	86,020.24	2,494,587	51,594.72	1,496,247	54,160.65	1,570,659	29
March	88,080.10	2,730,483	51,283.26	1,589,781	53,442.18	1,656,708	31
April	88,794.13	2,663,824	51,488.03	1,544,641	52,455.88	1,573,677	30
May	90,776.94	2,814,085	49,977.39	1,549,299	50,472.32	1,564,642	31
Jun	90,830.13	2,724,904	48,853.77	1,465,613	49,449.45	1,483,483	30
Total		15,406,903		9,266,872		9,562,822	

**Source:** GNPC, June 2020



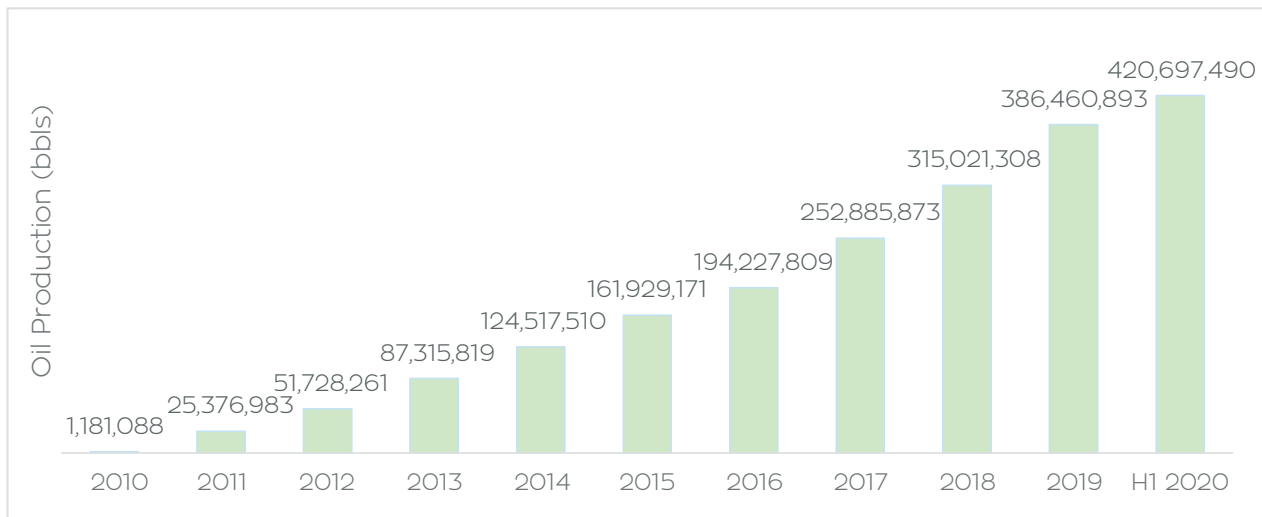
Average daily production on the Jubilee Field in H1 2020 was 84,723 bbls compared to 88,303 bbls in H1 2019, representing a decrease of 4 percent. January 2020 recorded the least oil production of 1,979,020 bbls while May 2020 recorded the highest monthly production of 2,814,085 bbls. In January, there were some days of production deferment due to a planned shutdown, which commenced on 24th January for the Wet Fuel Gas Project. The plant was successfully restarted on 31st January. The objective of the Wet Fuel Gas Project was to increase gas throughput capacity on the FPSO, which had a resultant effect on oil production increases in subsequent months.

especially in the Enyenra area, and the delay in the NTO9-P coming on stream.

The SGN Field's oil production continued to increase, with 9,562,821.97 bbls produced in the period, representing a 34 percent increase over H1 2019 production of 7,154,335 bbls. As a result, average daily production increased to 52,543 bbls from 39,534 bbls for the same period in 2019. The increase was attributed to stable production operations, resulting from the FPSO John Agyekum Kuffuor's (JAK) excellent plant uptime of about 99.95 percent, and the coming on stream of the OP-9 and OP-10 producer wells.

The average daily production of 50,916 bbls on the TEN Field in H1 2020, was a 22 percent reduction compared to the 65,040 bbls in H1 2019. This was mainly as a result of increasing water cut <sup>4</sup>,

Cumulatively, the volume of crude oil produced in Ghana since first oil in December 2010, totals 420,697,489.97 bbls as at the end of June 2020, as shown in Figure 2.



**Figure 2:** Cumulative Production 2010 - Half-Year 2020  
**Source:** PIAC Construct based on GNPC Data, June 2020

### 3.2 Gas Production

As shown in Table 3, the cumulative raw gas production (Associated Gas-AG and Non - Associated Gas-NAG) for H1 2020 was 116,373.39 million standard cubic feet (MMscf). This represents a 65 percent increase over the volume (70,401.51 MMscf) produced for the same period in 2019, and the highest recorded half-year volume since 2010. Gas production from the Jubilee and TEN Fields increased by 30 percent each, whilst the SGN Field recorded a significant increase of about 130 percent from a volume of 25,009.76 MMscf in H1 2019 to 57,451.67 MMscf for the same period in 2020, due to stable production operations.

<sup>4</sup> This refers to the rate of production of water with oil

**Table 3:** Gas Production from Jubilee, TEN, and SGN

DESCRIPTION	MONTH	JUBILEE	TEN	OCTP	TOTAL	
		AG	AG	AG	NAG	AG/NAG
ASSOCIATED GAS (AG) & NON-ASSOCIATED GAS (NAG) PRODUCTION (MMSCF)	January	3,688.67	4,549.83	3,082.85	5,949.65	17,271.00
	February	4,732.37	4,350.99	3,243.06	5,403.19	17,729.61
	March	5,657.86	4,742.79	3,417.57	7,418.16	21,236.38
	April	5,515.32	4,726.24	3,473.47	6,467.19	20,182.22
	May	5,841.01	4,758.18	3,677.15	5,875.11	20,151.45
	June	5,634.44	4,724.02	3,543.17	5,901.10	19,802.73
TOTAL		31,069.67	27,852.05	20,437.27	37,014.40	116,373.39

Source: PC, June 2020

Raw gas exported to Ghana National Gas Company (GNGC) from the Jubilee Field increased from 7,401.12 MMscf for H1 2019 to 9,263.20 MMscf in H1 2020, partly due to a substantial increase in gas production from 23,949.13 MMscf in H1 2019 to 31,069.37 MMscf in H1 2020, as shown in Table 4.

**Table 4:** Greater Jubilee Field Gas Monthly Production and Utilisation

Month	Gas Production (MMscf)	Gas Export (MMscf)	Gas Injection (MMscf)	Fuel Gas (MMscf)	Flared Gas (MMscf)
JANUARY	3,688.67	1,274.40	1917.42	258.8	238.05
FEBRUARY	4,732.37	147.28	3266.83	292.65	1025.61
MARCH	5,657.56	169.24	4183.21	347.19	957.91
APRIL	5,515.32	2,450.46	1872.98	298.03	893.86
MAY	5,841.01	2,573.61	2066.74	300.69	899.97
JUNE	5,634.44	2,648.21	1828.35	296.42	861.46
<b>Total</b>	<b>31,069.37</b>	<b>9,263.20</b>	<b>15,135.53</b>	<b>1,793.78</b>	<b>4,876.86</b>
<b>(Average)</b>	<b>5,178.23</b>	<b>1,543.87</b>	<b>2,522.59</b>	<b>298.96</b>	<b>812.81</b>

Source: GNPC, June 2020

The exported gas represents 29.81 percent of produced gas compared to re-injected gas of 15,135.53 MMscf; constituting 49 percent of produced gas. According to GNPC, the poor performance in gas export experienced in February and March 2020 on the Jubilee Field was due to suspected blockage in the Gas export pipeline. The gas pipeline was pigged (cleaned) and export was successfully re-established on 23rd March 2020. The COVID-19 pandemic resulted in delays and postponement of major scopes on the Jubilee Field. The Scopes includes Tank Inspection and Repairs, Gas Turbine Generators (GTGs) Maintenance and Repairs, Sea Water Injection System Improvement, Auxiliary Boiler Rebuild, Jubilee Improvement Project (JIP)

and the final phase of the Oil Offloading System (OOSys).

As shown in Table 5, gas exports from the TEN Field increased by about 335 percent, from a low of 580.78 MMscf in H1 2019 to 2,528.63 MMscf for the same period in 2020. This represents about 9 percent of total gas produced whilst 68 percent re-injected, and 15 percent flared.

Gas export was very low due to suspected restrictions in the pipelines and planned maintenance shutdown. Export was offline in the first quarter of the year due to suspected hydrate formation in the pipeline from the TEN PLET to the

GEM. The support vessel made a transit to the Field on 2nd January 2020 to commence dewatering activities and subsequently completed work on 13th January 2020. Gas export commenced on 10th January and halted on 21st January 2020 due to the main gas export pipeline flow restriction issue. Export resumed from 6th to 16th February

for flow trials to pressurise the pipeline to remove the blockage. From 16th February, export was available but offline due to GNGC planned maintenance shutdown from 20th February to 6th March. Export resumed on 20th March for a flow trial due to another restriction encountered in the GNGC gas export pipeline.

**Table 5:** TEN Fields Gas Monthly Production and Utilisation

Month	Gas Production (MMscf)	Gas Export (MMscf)	Gas Injection (MMscf)	Fuel Gas (MMscf)	Flared Gas (MMscf)
JANUARY	4,549.83	231.85	3739.46	333.35	245.17
FEBRUARY	4,350.99	324.46	2882.73	310.87	832.94
MARCH	4,742.79	470.42	3001.99	331.53	938.85
APRIL	4,726.24	230.17	3314.16	320.47	861.44
MAY	4,758.18	574.32	3078.9	324.66	780.3
JUNE	4,724.02	697.41	3039.44	346.1	641.07
<b>Total</b>	<b>27,852.05</b>	<b>2,528.63</b>	<b>19,056.68</b>	<b>1,966.98</b>	<b>4,299.77</b>
<b>(Average)</b>	<b>4,642.01</b>	<b>421.44</b>	<b>3,176.11</b>	<b>327.83</b>	<b>716.63</b>

**Source:** GNPC, June 2020

Overall, exports from the Jubilee and TEN Fields recorded a 4773 percent increase from 7,981.90 MMscf in H1 2019 to 11,791.83 MMscf in the same period of 2020.

**Table 6:** SGN Field Gas Monthly Production and Utilisation

MONTH	SANKOFA GYE NYAME FIELD					
	GAS PRODUCED (AG)	GAS PRODUCED (NAG)	GAS EXPORT	INJECTION	FUEL	FLARED
	MMScf	MMScf	MMScf	MMScf	MMScf	MMScf
JANUARY	3,082.85	5,949.65	4,638.84	4,638.84	536.52	53.67
FEBRUARY	3,243.06	5,403.19	4,115.39	4,115.39	414.16	6.77
MARCH	3,417.57	7,418.16	6,037.04	6,037.04	412.04	27.62
APRIL	3,473.47	6,467.19	5,214.85	5,214.85	403.59	81.85
MAY	3,677.15	5,875.11	4,723.71	4,723.71	421.45	86.19
JUNE	3,543.17	5,901.10	4,792.61	4,792.61	409.59	167.36
<b>TOTAL</b>	<b>20,437.27</b>	<b>37,014.40</b>	<b>29,522.44</b>	<b>29,522.44</b>	<b>2,597.35</b>	<b>423.46</b>
<b>Average</b>	<b>3,406.21</b>	<b>6,169.07</b>	<b>4,920.41</b>	<b>4,920.41</b>	<b>431.89</b>	<b>70.58</b>

**Source:** GNPC, June 2020

Out of the cumulative Associated and Non-Associated Gas of 57,451.67 MMscf produced on the SGN Field (see Table 6), 29,522.44 MMscf (51.39%) was exported through the Onshore Receiving Facility (ORF) to the GNGC pipeline network during the review period (see Table 6). Total gas re-injected was 24,704.22 MMscf (43%) and total gas flared for the period was 423.46 MMscf (1%).

Production operations were stable on board FPSO JAK which recorded an excellent plant uptime of about 99.95 percent as against a planned uptime of 95 percent. Operations were affected slightly by compressor trips, emergency shutdowns resulting from process upsets, and downstream gas export demand. The Gas export during the period was stable. The Tema-Takoradi Interconnection Pipeline (TTIP) work scope was completed during H1 2020. The system has been commissioned and flow of gas from West to East for Power generation has begun.

### 3.3 Crude Oil Liftings

Lifting of crude was done in accordance with the terms of the Petroleum Agreement and the Crude Oil Lifting Agreement (COLA) for each field.

#### 3.3.1 Jubilee Field

The Republic of Ghana and GNPC (Ghana Group) have a total entitlement of 17.9588 percent in the Jubilee Field. A total of 15 liftings were made by the Jubilee Partners for H1 2020 compared to 16 liftings for the same period in 2019. The Ghana Group lifted three parcels of crude totalling 2,939,174.00 bbls as against 2,936,014 bbls in three liftings for the same period in 2019. The Other Partners lifted 11,597,854 bbls in line with the Field's COLA, as shown in Table 7.

**Table 7:** Crude Oil Liftings by the Ghana Group and other Jubilee Partners - Half-Year 2020

COMPANY	VOLUME LIFTED (BBL)	No. OF LIFTINGS	PERCENTAGE
TULLOW GHANA	4,803,564.00	5	33.00
GHANA GROUP	2,939,174.00	3	20.20
KOSMOS ENGERGY	2,933,965.00	3	20.20
ANADARKO & PETRO SA	3,860,325.00	4	26.60
<b>TOTAL</b>	<b>14,537,028.00</b>	<b>15</b>	<b>100</b>

*Source:* PC, June 2020

#### 3.3.2 TEN Field

In respect of the TEN Field, 10 parcels of crude totalling 9,817,685.00 bbls were lifted by the Partners from January to June 2020 (see Table 8), representing about 16 percent reduction from the total liftings of 11,633,004 bbls recorded in H1 2019. This was attributed to a decline in production, due to increasing water breakthrough.

The Ghana Group lifted 2 parcels of crude totaling 1,988,819.00 bbls in H1 2020, as against 3 parcels of 2,985,421 bbls in the same period in 2019. Liftings by the other TEN Partners totalled 7,828,866 bbls during the period; a 10 percent reduction from 8,647,583 bbls of lifting for the same period in 2019.

**Table 8:** Crude Oil Liftings by the Ghana Group and other TEN Partners - Half-Year 2020

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
TULLOW	4,850,363.00	5	49.40
GHANA GROUP	1,988,819.00	2	20.26
KOSMOS	989,976.00	1	10.08
ANADARKO/PETRO SA	1,988,527.00	2	20.25
<b>TOTAL</b>	<b>9,817,685.00</b>	<b>10</b>	<b>100</b>

**Source:** PC, June 2020

### 3.3.3 Sankofa Gye-Nyame Field

For the period, the Sankofa Gye Nyame (SGN) Partners lifted ten (10) parcels of crude, totalling 9,454,361 bbls (see Table 9) compared with seven (7) parcels amounting to 6,612,967 bbls for the same period in 2019.

The Ghana Group lifted two (2) parcels totaling 1,899,342.00 bbls in H1 2020 as Royalties, compared to one (1) lifting in the same period in 2019. The other SGN partners lifted a total of 7,555,019 bbls of crude from January to June 2020; a 34 percent increase from 5,616,744 bbls in the same period in 2019.

**Table 9:** Crude Oil Liftings by the Ghana Group and other SGN Partners - Half-Year 2020

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
GHANA GROUP	1,899,342.00	2	20.00
ENI GHANA E&P LTD	4,238,083.00	4.6*	45.00
VITOL UPSTREAM	3,316,936.00	3.4*	35.00
<b>TOTAL</b>	<b>9,454,361.00</b>	<b>10</b>	<b>100</b>

\*The 9th March cargo of 949,563 barrels was attributed to ENI and Vitol in the ratio 55.56: 44.44 respectively

**Source:** PC, June 2020

### 3.4 Upstream Petroleum Expenditure

The total expenditure in relation to upstream petroleum activities on the Jubilee, TEN and SGN Fields amounted to US\$667,529,395.73, consisting of US\$ 349,536,560.47 of production expenses (52.4 percent of total expenditure) and US\$ 317,992,835.26 of development costs representing 47.6 percent of the total expenditure.

Total cost incurred on the Jubilee and TEN Fields amounted to US\$514,077,012.02 out of which GNPC's share was US\$49,688,235.70. This constitutes both production and capital expenditure.

The total cost of the SGN integrated project for H1 2020 was US\$153,452,383.71. This is made up of operating expenses of US\$65,135,970.02 (42.4 percent of total expenditure) and capital expenditure of US\$88,316,413.69 (57.6 percent of total expenditure). The operating cost was made up of key operating expenses such as maintenance of subsea production systems (SPS), Well Services, Remotely Operated Vehicle (ROV) Service, Acid Stimulation and Health, Safety and Environment (HSE) activities in running both the FPSO and the Onshore Receiving Facility (ORF). The amount spent on capital expenditure includes



US\$16,876,758.26 incurred mainly on the ORF and other gas related cost such as interconnection and development studies. Additionally, an amount of US\$16.17 million was spent on FPSO Bare Boat leasing, development well drilling (logistics) and FPSO development studies.

### 3.5 Crude Oil Pricing

#### 3.5.1 Jubilee, SGN, and TEN Achieved Crude Prices

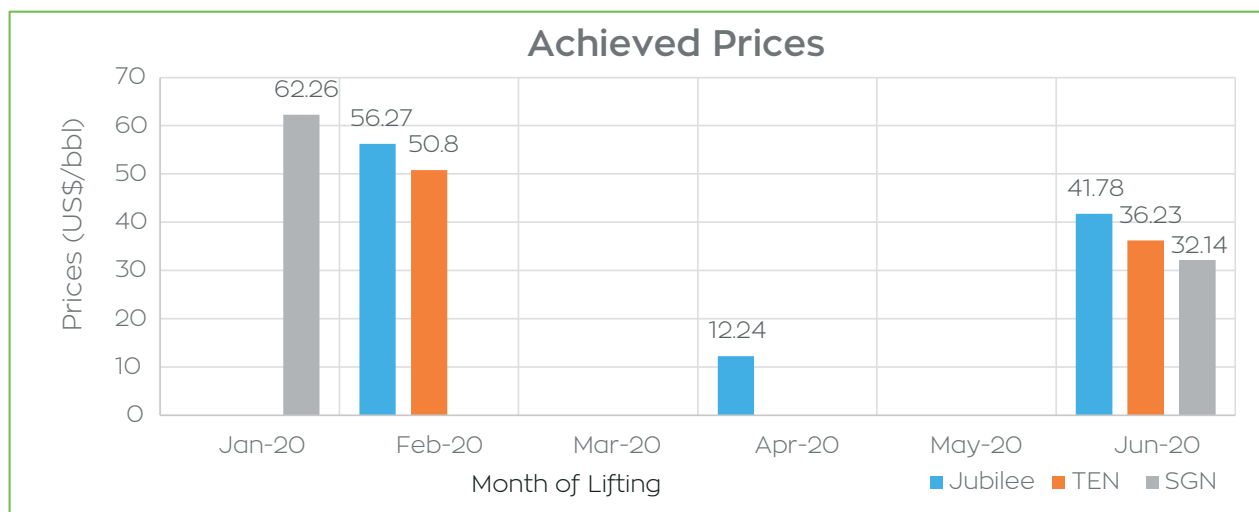
The average unit price achieved by the Ghana Group for Jubilee Crude during the period was US\$36.76/bbl compared with US\$64.01/bbl for the same period in 2019, and the Government's revised estimated benchmark price of US\$39.10/bbl. The achieved unit price for the Jubilee Field was slightly lower than the estimated benchmark price, and

also lower than the average Dated Brent price of US\$38.40/bbl at the time of the liftings.

The Ghana Group's two cargoes lifted from the TEN Field also achieved an average unit price of US\$43.52/bbl compared with US\$61.02/bbl for the same period in 2019, slightly higher than the estimated benchmark price, but marginally lower than the average Dated Brent price of US\$46.69/bbl at the time of the liftings.

The SGN Field's two cargoes belonging to the Ghana Group attained an average unit price of US\$47.20/bbl, significantly higher than the estimated benchmark price, but marginally lower than the average Dated Brent price of US\$48.10/bbl at the time of the liftings.

**Figure 3** compares the achieved prices of Jubilee, TEN and SGN Fields for the period.



**Figure 3:** Achieved Prices - Jubilee, TEN and SGN

**Source:** PIAC Construct based on GNPC Data, June 2020

As depicted in Figure 3, the prices varied on the Fields over time, reflecting the falling international crude oil price amidst the COVID-19 pandemic during the period.

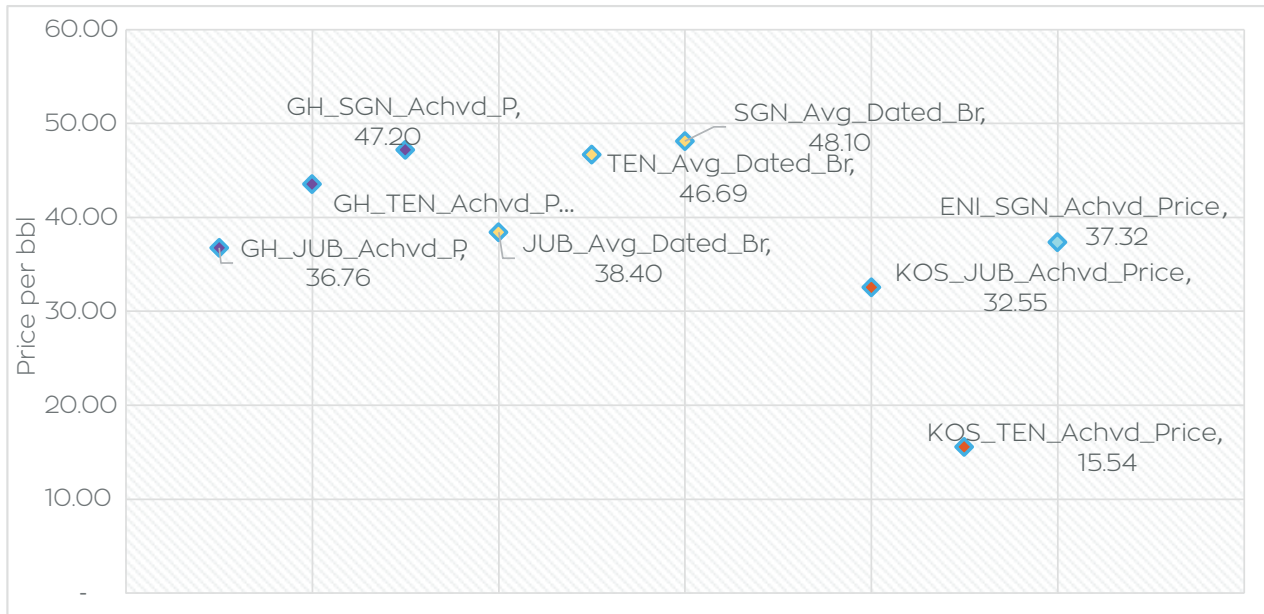
#### 3.5.2 Achieved Prices by Ghana Group versus BRENT for Jubilee, TEN, and SGN Fields

A comparison of the achieved prices for the Jubilee Crude by the Ghana Group versus BRENT indicates that the prices by the Ghana Group were slightly lower by US\$1.64/bbl. The Ghana Group's prices

were higher than the average price by Kosmos for its Jubilee crude by US\$4.21/bbl, but lower than that of Tullow by US\$2.74/bbl for the period.

The Average Achieved price for TEN crude by the Ghana Group was US\$3.17/bbl lower than the Average Dated Brent price, but higher than that of Kosmos by US\$27.98/bbl and US\$0.89/bbl higher than that of Tullow, as shown in Figure 4.

For the SGN Field, the Ghana Group obtained US\$0.90/bbl lower than the Average Dated BRENT price and significantly higher (US\$9.68/bbl) than the average price obtained by ENI for the period.



**Figure 4:** Comparison of Average Achieved Prices and Dated Brent of Jubilee, TEN and SGN Partners  
**Source:** PIAC Construct based on data from Partners, June 2020

**Findings**

1. Cumulative raw gas production increased significantly by 65 percent; the highest recorded half-year volume of gas produced since 2010.
2. All the three producing Fields (Jubilee, TEN and SGN) recorded an increase in gas production, with the SGN Field recording a 130 percent increase attributable to stable production operations.
3. The average unit price achieved by the Ghana Group in all three Fields (US\$42.49/bbl) were significantly lower than achieved unit prices in H1 2019 (US\$65.08/bbl), representing a 34.71 percent decline.

# CHAPTER 4

## 4 REVENUE COLLECTION AND MANAGEMENT

Sections 6 and 7 of the Petroleum Revenue Management Act, 2011 (Act 815) outline revenue streams including Royalty, Initial (Carried) and Participating Interest (CAPI), Corporate Income Tax (CIT), Additional Oil Entitlement, and Surface Rentals as gross receipts into the Petroleum Holding Fund (PHF) held at the Bank of Ghana. The Act mandates the Ghana Revenue Authority (GRA) to assess, collect, and account for petroleum revenue from these sources.

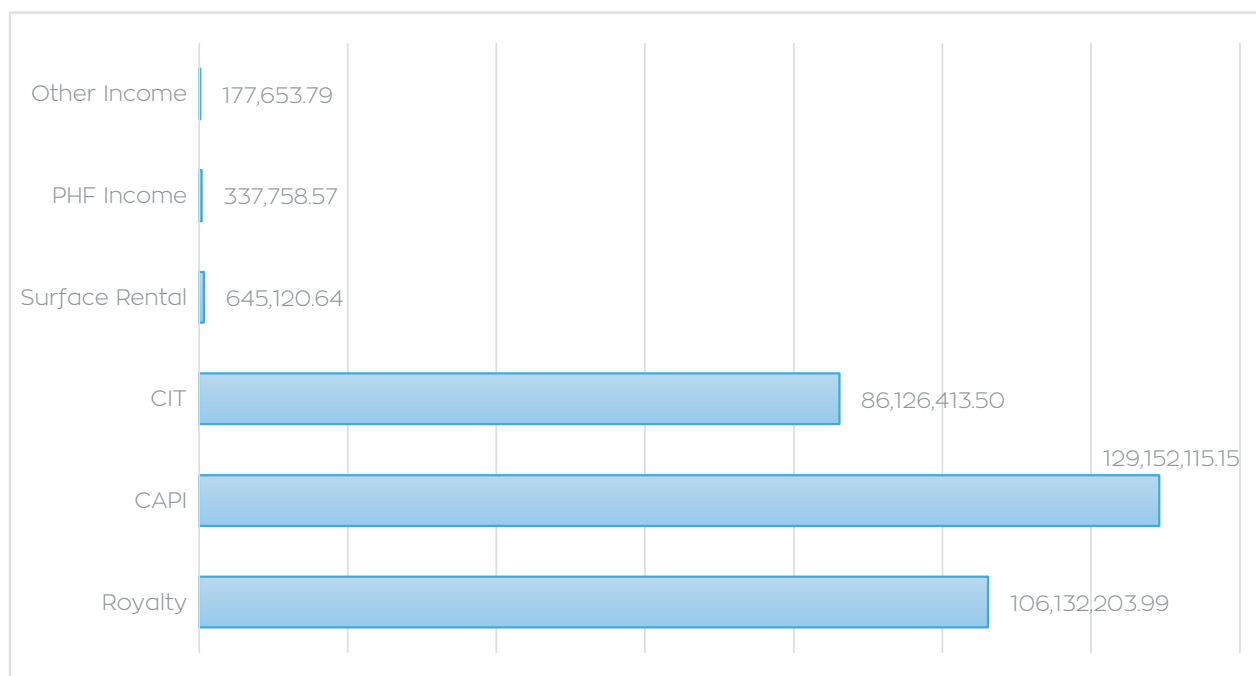
### 4.1 Payment into the Petroleum Holding Fund

Total petroleum receipt of US\$322,571,265.64 was paid into the Petroleum Holding Fund (PHF) for H1

2020 compared with US\$363,736,223.63 for the same period in 2019, representing an 11.32 percent decline.

### 4.2 Receipts from Crude Oil Liftings

Of the total receipts, CAPI contributed US\$129,152,115.15 (40 percent), Royalty yielded US\$106,132,203.99 (33 percent), while CIT proceeds were US\$86,126,413.50 (27 percent). Surface Rentals and Interest earned on the PHF contributed 0.2 percent and 0.1 percent to the total revenue respectively, as shown in Figure 5. The Other Income which represents interest due to late payments contributed 0.06 percent.



**Figure 5:** Contribution of Revenue Streams to Total Petroleum Receipts

**Source:** PIAC Construct from MoF and BoG Data, June 2020



An amount of US\$108.2 million, accruing from June liftings, was yet to be paid into the PHF. This is made up of 994,324 bbls from the Jubilee Field (55th liftings), 994,018 bbls from the TEN Field (16th liftings), and 949,296 bbls from the SGN Field (5th liftings). Undistributed funds in the PHF earned an interest of US\$337,758.57 whilst other income entailing interest for late payment amounted to US\$177,653.94.

4.2.1 Revenue from Jubilee Field Crude Liftings

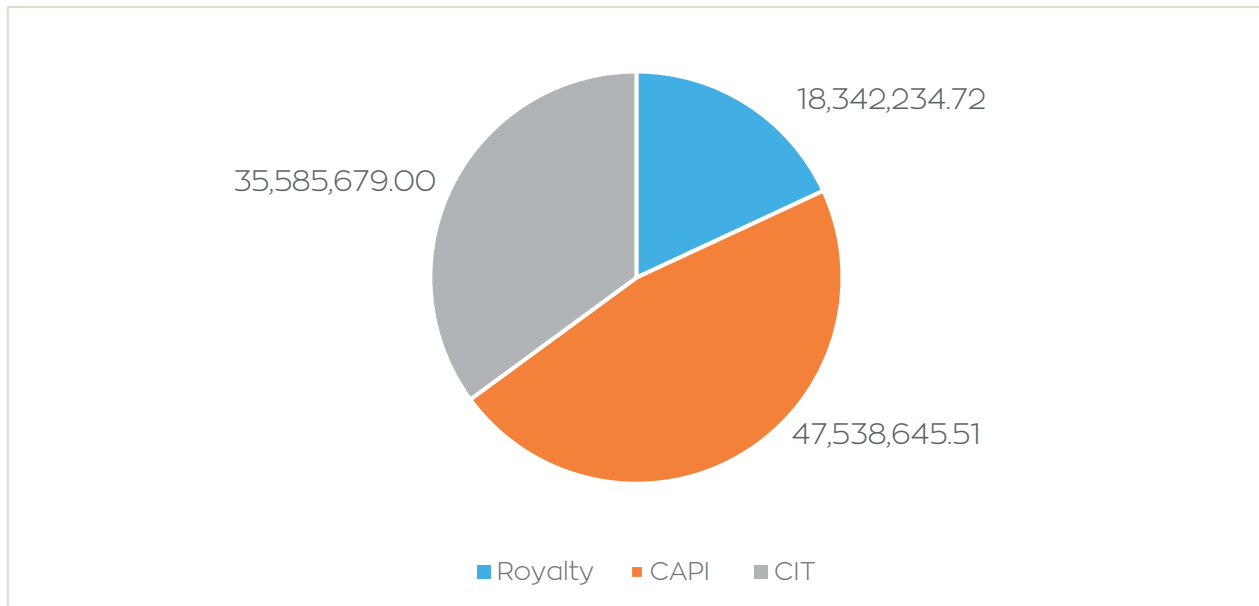
As shown in Table 10, an amount of US\$65,880,880.23 was paid into the PHF for the period, compared to US\$123,848,520 for the same period in 2019, indicating a 47 percent decrease in earnings. This is made up of US\$18,342,229.87 of Royalties and US\$47,538,650.36 in CAPI. Proceeds from the 55th lifting of 994,324 bbls made in June 2020 is yet to be deposited into the PHF.

**Table 10:** Crude Oil Liftings from Jubilee by the Ghana Group and the Associated Revenue - Half-Year 2020

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Revenue
4-Feb-20	0053	951,954	56.27	76,156.32	53,646,415.72
4-Apr-20	0054	992,896	12.24	79,431.68	12,234,464.51
<b>Total</b>		<b>1,944,850</b>			<b>65,880,880.23</b>

Source: GNPC & BoG, June 2020

As shown in Figure 6, a total of US\$101,466,559.23 was realised from three revenue streams - CAPI, Royalty and CIT. Out of this, 47 percent (US\$47,538,645.51) is derived from CAPI. Royalty amounted to US\$18,342,234.72, representing 18 percent, while CIT recorded US\$35,585,679.00, accounting for 35 percent of the total revenue.



**Figure 6:** Distribution of Revenues from the Jubilee Field  
 Source: PIAC Construct based on MoF and BoG Data, June 2020



### 4.2.2 Revenue from TEN Field Oil Liftings

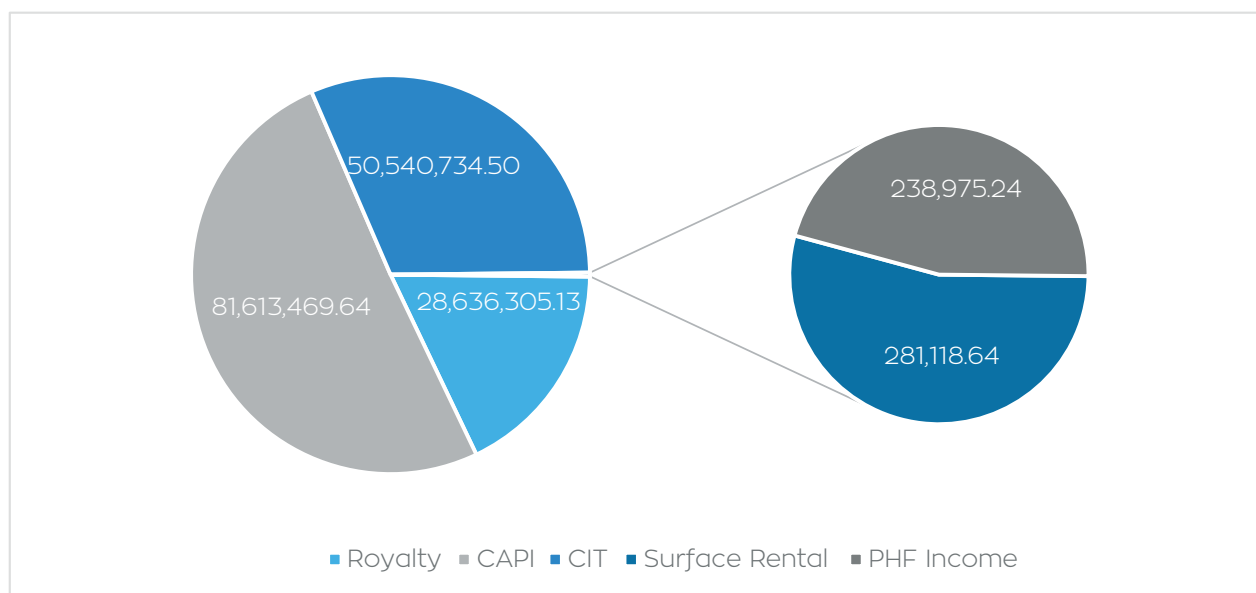
In H1 2020, an amount of US\$110,249,774.78 was paid into the PHF by the Ghana Group from the TEN Field as compared to US\$192,875,886.94 in the same period in 2019. This included the 14th lifting in December 2019, whose proceeds were received in January 2020, and the 15th lifting worth US\$50,537,880.40. The 16th lifting of 994,018 bbls on 21st June, 2020 valued at US\$36,011,284.10 was yet to be paid into the PHF as at the end of the period (see Table 11).

**Table 11:** Revenue from TEN Field Oil Liftings

Date of Lifting	Lifting No.	Parcel (bbl)	Qty	Selling Price	Pricing Option fee	Revenue
15-Dec-19	0014	945,931	63.13	-	-	59,711,894.38
26-Feb-20	0015	994,801	50.80	-	-	50,537,880.40
<b>Total</b>		<b>1,940,732</b>				<b>110,249,774.78</b>

**Source:** GNPC & BoG, June 2020

At the end of June 2020, a total amount of US\$161,310,603.15 had been lodged into the PHF. As shown in Figure 7, these comprised CAPI - US\$81,613,469.64 (50.6 percent); Royalty - US\$28,636,305.13 (18 percent); and CIT - US\$50,540,734.50 (31 percent). Surface Rentals and PHF Income constituted US\$281,118.64 and US\$238,975.24 respectively, representing approximately 0.2 percent each.



**Figure 7:** Distribution of Revenues from TEN Field, in US\$.

**Source:** PIAC Construct based on MoF and BoG Data, June 2020

### 4.2.3 Revenue from Sankofa Gye-Nyame Field Oil Liftings

During the period, as shown in Table 12, the Ghana Group’s 4th Lifting of 950,046 bbls, representing Royalties, was worth US\$59,153,664.14. An amount of US\$30,559,736.83, being sales revenue from the 5th parcel (949,296 bbls) lifted on 7th June 2020 is yet to be lodged into the PHF.

**Table 12: Crude Oil Liftings from SGN by the Ghana Group and the Associated Revenue – Half-Year 2020**

Date of Lifting	Lifting No.	Parcel (bbbl)	Qty	Selling Price	Pricing Option fee	Revenue
16-Jan-20	4	950,046		62.26	-	59,153,664.14

**Source:** GNPC & BoG, June 2020

As at June 2020, a total of US\$59,794,103.26 had been lodged into the PHF with US\$59,153,664.14 (99 percent) constituting Royalties and the remaining amount constituting Surface Rentals, PHF Income and Other Income.

#### 4.2.4 Breakdown of Corporate Taxes and Surface Rental Payments

Total receipt of Surface Rentals from eight (8) out of eighteen (18) companies was US\$659,094.64 against US\$595,246.18 in the same period in 2019, indicating a 10.7 percent increase over that of H1 2019. As shown in Table 13, an amount of US\$73,790,914.39 was received as Corporate Income Tax in the reporting period, as compared to US\$121,527,189.41 received in H1 2019.

**Table 13: Breakdown of Corporate Taxes and Surface Rental Payments**

Date	Payments	Company	Amount (USD)
7-Feb-20	Surface Rental	Tullow	24,631.80
7-Feb-20	Surface Rental	Tullow	53,093.43
14-Feb-20	Surface Rental Arrears	Petro S.A Ghana	14,113.41
20-Feb-20	Surface Rental	Aker	150,750.00
21-Feb-20	Surface Rental	GOSCO	8,725.00
26-Feb-20	Surface Rental	AGM Petroleum Gh Ltd	204,527.00
16-Mar-20	Surface Rental	ENI Ghana EP Ltd	92,980.00
16-Mar-20	Surface Rental	ENI Ghana EP Ltd	22,600.00
20-Mar-20	Surface Rental	ExxonMobil	73,700.00
30-Jun-20	Surface Rental	AMNI Ghana	13,974.00*
<b>Sub-Total</b>			<b>659,094.64</b>
	Corporate Tax		
29-Jan-20	Corporate Tax	Kosmos	24,736,427.00
31-Jan-20	Corporate Tax	Tullow	4,469,076.00
31-Jan-20	Corporate Tax	Petro S.A Ghana	7,012,430.50
3-Feb-20	Corporate Tax	Anadarko	1,776,477.00
28-Apr-20	Corporate Tax	Tullow	9,086,630.00
28-Apr-20	Corporate Tax	Petro S.A. Ghana	245,976.00
28-Apr-20	Corporate Tax	Anadarko	24,255,838.00
28-Apr-20	Corporate Tax	Anadarko	141,356.00
30-Apr-20	Corporate Tax	Petro S.A Ghana	1,855,879.00
29-Jun-20	Corporate Tax	Anadarko	210,824.89*
Sub-total			73,790,914.39
<b>Total</b>			<b>74,450,009.03</b>

**Source:** BoG and GRA, June 2020,

\*To be distributed in H2 2020

According to the Ghana Revenue Authority (GRA), payments of CIT by the IOCs were encouraging, considering the impact of COVID-19 on the operations of the upstream sector and the economy as a whole. In the face of the easing severity of the pandemic, the GRA has resumed audit of the upstream companies to ensure compliance with the laws and regulations governing the upstream petroleum industry.

The Authority further confirmed its collaboration with the Petroleum Commission on the collection of Surface Rental arrears, which stood at US\$2.14 million as at the end of June 2020. Details of outstanding Surface Rentals are shown in Table 14.

**Table 14: Surface Rental Arrears**

Operator	Contract Area	Outstanding Balance As at June 2020, US\$
Medea Development	East Cape Three Points	156,540.00
Erin Energy Gh. Ltd	Expanded Shallow Water Tano	222,294.67
Amni Ghana	Central Tano	13,456.00
Heritage	East Keta	439,357.30
Sahara Energy Fields Ghana	Shallow Water Cape Three Points	71,934.93
Eco Atlantic	Deepwater West Cape Three Points	35,370.00
Britannia -U	South West Saltpond	657,708.33
UB Resources Ltd	Offshore Cape Three Points South	67,665.58
Swiss African Oil Company Limited	Onshore/Offshore Keta Delta Block	712,500.00
Springfield Exploration and Production Ltd	West Cape Three Points Block 2	16,786.58
Exxon Mobil	Deep Water Cape Three Point	30.00
<b>Total</b>		<b>2,393,643.40</b>

**Source:** GRA & PC, June 2020

#### 4.3 Gas Revenue

There was no payment in respect of raw gas supplied during the period, even though 10,920,275.49 MMBtu of raw gas was supplied by GNPC to GNGC from the three Fields. As at 30th June, 2020, the cumulative indebtedness of GNGC to GNPC amounted to US\$463,401,569.80, as detailed in Table 15 below.

**Table 15: Outstanding Balances with GNGC as at June 2020**

Field	Volume (MMBtu)	Price (US\$)	Amount Payable (US\$)
JUBILEE/TEN - H1 2020	10,920,275.49	5.0860	55,540,521.16
OCTP - H1 2020	1,048,548.74	4.956	5,356,698.63
Accumulated Outstanding: 2014-2019			402,504,350.02
<b>Total</b>			<b>463,401,569.80<sup>5</sup></b>

**Source:** GNPC, HY 2020

<sup>5</sup> GNGC provided a figure of US\$393,042,132.35, and indicated the need for engagement with GNPC and PURC to harmonise raw gas invoicing.

According to GNPC, it used the Public Utilities and Regulation Commission (PURC) Weighted Average Gas Commodity Charge of US\$4.956 in addition to GNPC's service charge of US\$0.13, in its assessments. The PURC gas charges took effect in September 2019, according to the GNPC.

The implementation of the Cash Waterfall Mechanism (CWM) began on 13th April, 2020. The CWM is to ensure that payment is made to Gas Sector entities along the regulated electricity market value chain. Accordingly, the CWM will now make payment directly to GNPC and the other gas & power sector entities. Revenues received by the Electricity Company of Ghana (ECG) from 13th April, 2020 to the end of the reporting period was allocated to beneficiaries on the basis of the CWM framework. GNGC received US\$1.78 million as payment for January's invoices to VRA, which made up 29 percent of VRA's invoices in January 2020.

#### 4.5 Comparison of Gross Revenues from Producing Fields by Partners

Table 16 shows the gross revenue from Liftings by Partners from the three producing Fields.

**Table 16:** Gross Revenue from Lifting by Jubilee, TEN and SGN Partners

	Jubilee (US\$)	TEN (US\$)	SGN(US\$)	Total (US\$)
Ghana Group	107,498,311.25	86,549,164.51	89,713,400.98	283,760,876.74
Tullow	188,682,139.26	205,246,099.20		393,928,238.46
Kosmos	95,489,326.04	15,388,186.94		110,877,512.98
ENI			138,094,226.40	138,094,226.40
<b>Total</b>	<b>391,669,776.55</b>	<b>307,183,450.65</b>	<b>227,807,627.38</b>	<b>926,660,854.58</b>

**Source:** PIAC Construct from Partners' Data, June 2020

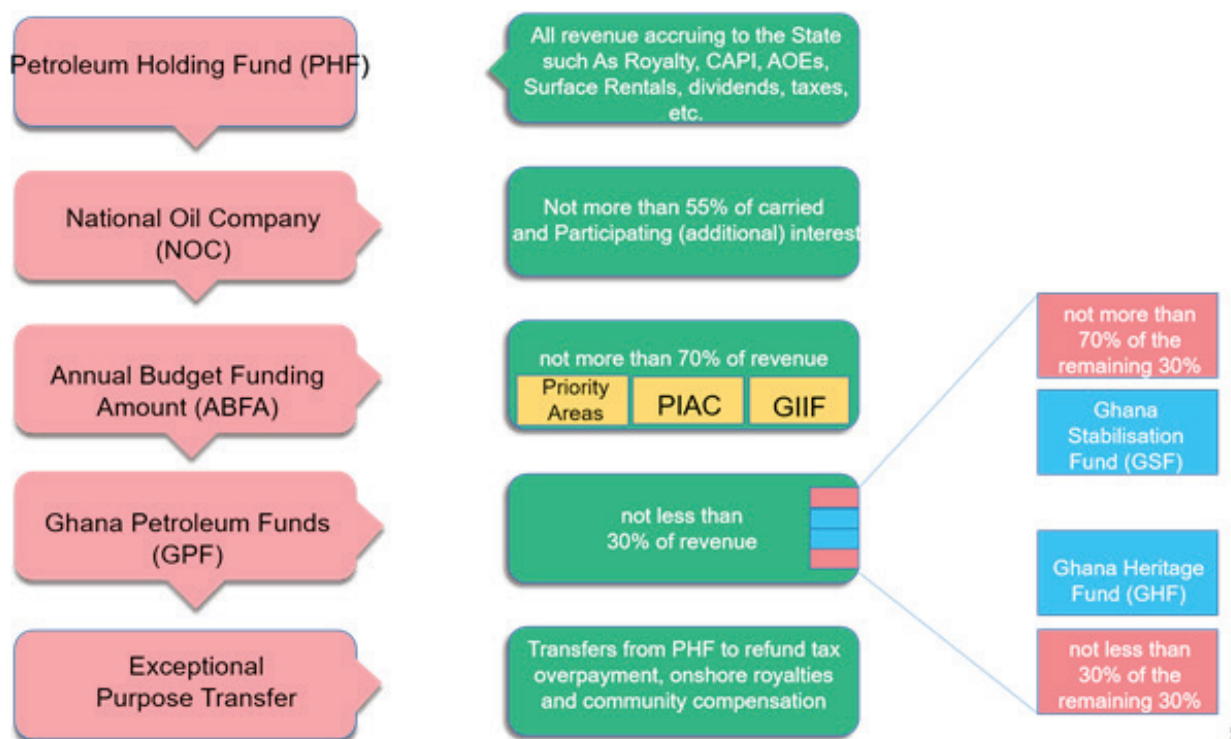
#### Findings

1. Total petroleum receipts in the PHF for the period stood at US\$322,571,265.64, indicating an 11.32 percent decline.
2. CAPI contributed the highest portion of 40 percent to total receipts.
3. Even though GNGC received US\$1.78 million under the Cash Waterfall Mechanism, there was no payment to GNPC in respect of gas supplied. Consistently, the non-payment of gas revenue denies the PHF of its due entitlement.

# CHAPTER 5

## 5 DISTRIBUTION OF PETROLEUM REVENUES

The Ghana Petroleum Holding Fund, established by the Petroleum Revenue Management Act, 2011 (Act 815) is to receive all petroleum revenues that accrue to the State, from which further disbursements are then made. These statutory disbursements from the Fund are represented in Figure 8 below.



**Figure 8:** Distribution of Petroleum Revenue from the Petroleum Holding Fund

**Source:** PIAC Construct, June 2020

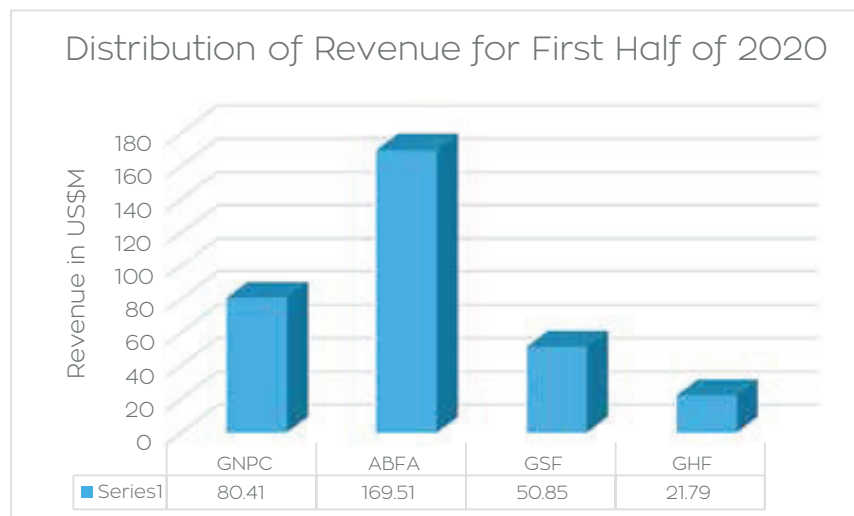
For the period, the Fund received a total amount of US\$235,284,319.15 from lifting proceeds. Other revenue streams including Corporate Income Tax, Surface Rentals, and interest earned on the balance of the PHF amounted to US\$74,852,964.38. An October 2019 receipt of US\$12,546,324.00 was distributed in the period, bringing the total amount available for distribution in the PHF to US\$322,683,607.53.

However, the total amount distributed from the PHF for H1 2020, according to the Bank of Ghana, was US\$322,571,265.80, leaving a balance of US\$112,341.73.

### 5.1 Distribution of Revenues from the Petroleum Holding Fund

In compliance with the PRMA, revenue in the Petroleum Holding Fund was distributed among the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA), the Ghana Stabilisation Fund (GSF), and the Ghana Heritage Fund (GHF) for H1 2020.

As depicted in Figure 9, GNPC received an amount of US\$80.41 million and the ABFA US\$169.51 million. The GSF and the GHF received US\$50.85 million and US\$21.79 million, respectively.



**Figure 9:** Allocation of Petroleum Revenues from the PHF

**Source:** PIAC Construct, based on BoG Data

Table 17 compares the distribution for the period under review with that of the corresponding period in 2019.

**Table 17:** PHF Allocations for Jan - June 2019 and 2020 Compared

	Jan - June 2019	Jan - June 2020	% Change
	US\$ million	US\$ million	%
GNPC	98,287,868.48	80,412,303.78	-18.19
ABFA	165,663,980.64	169,511,273.30	2.32
GSF	69,849,062.15	50,853,382.00	-27.20
GHF	29,935,312.36	21,794,306.57	-27.20
TOTAL	363,736,223.63	322,571,265.65	-11.32

**Source:** PIAC Construct, based on BoG Data

The total distribution for H1 2020 was 11.32 percent lower than the corresponding figure for 2019. The reduction was mainly due to a drop in revenue arising from lower crude oil prices induced by the COVID-19 pandemic.

## 5.2 Distribution to the Ghana National Petroleum Corporation

GNPC received an amount of US\$80,412,303.78 from Carried and Participating Interest (CAPI) for Equity Financing Cost (EFC), the Corporation's operations and its Foundation's expenditure. This is 18.19 percent lower than the receipts for the same period in 2019.

## 5.3 Distribution to the Annual Budget Funding Amount

For the period, the ABFA received US\$169,511,273.30, representing 69.99 percent of net Government receipts. This was within the limit stipulated by the PRMA, which requires that the ABFA shall not exceed 70 percent of the Benchmark Revenue. The disbursement was 2.32 percent higher than that of the same period in 2019.

## 5.4 Distribution to the Ghana Petroleum Funds

The Ghana Petroleum Funds (GPFs) comprise the Ghana Stabilisation Fund (GSF) and Ghana Heritage Fund (GHF). The Funds received an



amount of US\$72,647,688.57 for the period, of which US\$50,853,382.00 was distributed to the GSF with US\$21,794,306.57 to the GHF, thereby fulfilling the 70:30 percent requirement of the PRMA.

by the PRMA. The total receipt into the GHF decreased by 27.20 percent relative to that of H1 2019.

**5.4.1 The Ghana Stabilisation Fund**

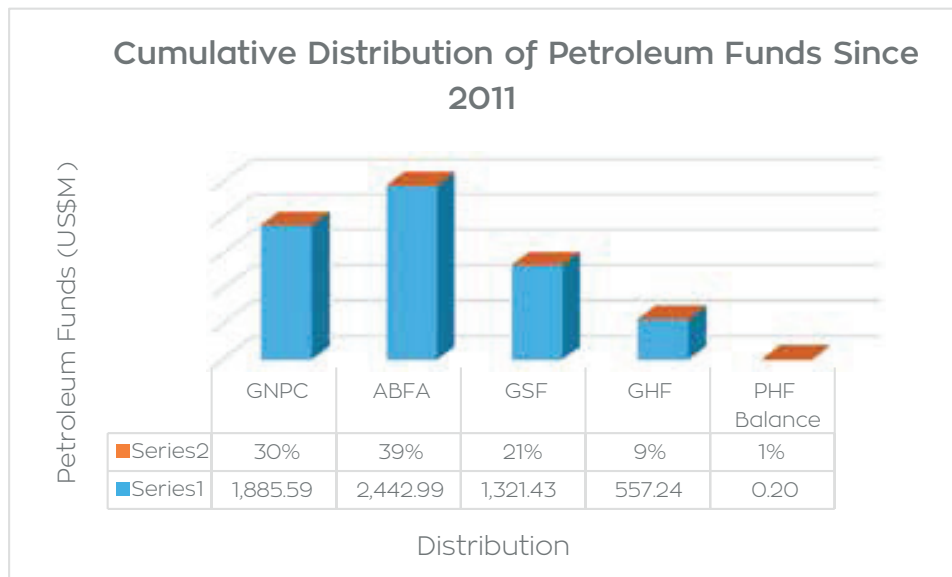
The GSF received an amount of US\$50,853,382.00, constituting 70 percent of the GPFs, in compliance with the PRMA. The total receipt into the GSF in H1 2020 represented a 27.20 percent decrease from that of the same period in 2019.

**5.5 Cumulative Distribution of Petroleum Revenue since Inception**

According to the Bank of Ghana, the total amount of petroleum funds distributed since inception till end of June 2020 was US\$5.32 billion. Of this amount, US\$2.04 billion (38 percent) went to the ABFA, US\$1.64 billion (31 percent) to GNPC, US\$1.15 billion (22 percent) to the GSF, and US\$484.68 million (9 percent) to the GHF. Figure 10 presents the distribution of petroleum funds since the commencement of production in November 2010.

**5.4.2 The Ghana Heritage Fund**

The GHF received an amount of US\$21,794,306.57, accounting for 30 percent of the GPFs, as required



**Figure 10:** Cumulative Distribution of Petroleum Revenue since Inception

**Source:** PIAC Construct, June 2020

**Finding**

Total petroleum funds distributed since inception till end of June 2020 was US\$5.32 billion, of which approximately 39 percent went to the ABFA, 31 percent to GNPC, 21 percent to the GSF, and 9 percent to the GHF.

This suggests that about 91 percent of the petroleum revenue is available for spending by the current generation.



# CHAPTER 6

## 6 ALLOCATION AND UTILISATION OF THE ANNUAL BUDGET FUNDING AMOUNT

The PRMA requires the Minister for Finance to make annual allocations to the Annual Budget Funding Amount guided by a medium-term development strategy aligned with a long term national development plan, absorptive capacity of the economy, and the need for prudent macroeconomic management. Where the long-term national development plan approved by Parliament is not in place, a maximum of four (4) out of a prescribed list of twelve (12) shall be prioritised by the Minister, and approved by

Parliament for spending the petroleum revenue within the budget every three (3) years.

### 6.1 Selected Priority Areas for 2020-2022

In accordance with the provisions above, the Minister for Finance selected in 2017 four priority areas for the period 2017 to 2019. The year 2019 marked the end of the period for the allocation of the ABFA to these priority areas.

According to the Ministry of Finance, the Government reviewed the priority areas for the utilisation of the ABFA for the 2020-2022 fiscal years, as shown in Table 18.

**Table 18:** Priority Areas Selected by the Government 2020 - 2022

No.	Priority Areas
1.	Agriculture
2.	Road, Rail and Other Critical Infrastructure Development
3.	Physical Infrastructure and Service Delivery in Education and Health
4.	Industrialisation

**Source:** Ministry of Finance, June 2020.

The Committee looks forward to the basis for the selection of the priority areas for the period 2020-2022. PIAC's understanding of the provisions of the Law, in line with best practice, is that some documentary basis of Government's rationale for making the selection should be encouraged. The availability of such information will enable the public and stakeholders appreciate the basis for the selection of the priority areas.

The PRMA, as amended, both in letter and spirit, seeks to promote high standards of transparency, accountability and free access to information by the public in the management and use of the revenues. This is clearly demonstrated in the preamble to the Law, as well as in the plethora of transparency provisions. Indeed, each of the

duty bearers in the management and use of the revenues has duties and obligations imposed upon them, including the Minister for Finance.

Section 49(7) of the Act provides that,

"Parliament, the Minister, the Bank of Ghana and the Investment Advisory Committee in the performance of their functions under this Act, shall take the measures to entrench transparency mechanisms and free access by the public to information."

Notwithstanding Section 49(7), the Act gives the Minister the prerogative, with the approval of Parliament, to declare some petroleum information or data confidential, where necessary. However, in line with its spirit of promoting transparency, the

Act takes away this prerogative when reporting to PIAC and enjoins the Minister to declare no data or information confidential.

In Section 50, the Act demonstrates its commitment to transparency by prescribing a penalty for non-compliance with transparency provisions. It stipulates that any person who fails to comply with any obligation to publish information provided for in the Act or causes another to fail to comply with information, or in any manner hinders or causes another person to hinder the compliance with these obligations, commits an offence and is liable on summary conviction to a fine not exceeding two hundred and fifty penalty units.

In spite of these provisions, the Ministry of Finance continued in what is becoming a trend of not

timeously providing to PIAC for its Semi-Annual Reports, data on ABFA expenditure. The Committee has been compelled for the third consecutive year, and the fourth since the production of PIAC Reports, to compile a semi-annual report without ABFA expenditure data.

### **Finding**

For the fourth time, the Ministry of Finance failed to provide ABFA utilisation data for the compilation of PIAC Reports. This makes it difficult to reconcile disbursements and expenditure, and undermines the spirit of accountability as envisaged in the PRMA.

# CHAPTER 7

## 7 MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS

### 7.1 Ghana Petroleum Funds: Stabilisation and Heritage Funds

The Ghana Petroleum Funds (GPFs) comprise the Ghana Stabilisation Fund (GSF) and Ghana Heritage Fund (GHF). In terms of disbursement, the Law mandates not less than 30 percent of the benchmark revenue or actual petroleum revenue in any fiscal year to be paid into the GPFs. A minimum of 30 percent of the revenue accrued to the GPFs is transferred into the GHF and the balance transferred into the GSF.

#### 7.1.1 Ghana Heritage Fund (GHF)

The GHF provides an endowment to support development for future generations when Ghana's petroleum reserves have been depleted. The Fund is invested outside Ghana in safe but low-yielding investments, due to the low-risk nature of the investment instruments. The range of qualifying instruments is limited to investment grade bonds and convertible currency deposits issued by sovereign states, Central Banks, and multilateral organisations such as the Bank for International Settlements, among others.

Parliament is mandated under the PRMA, to review, at intervals of fifteen (15) years, restrictions placed on transfers from the Heritage Fund, and also transfer portions of the accrued interest into any other fund established by or under Act 815.

#### 7.1.2 Ghana Stabilisation Fund (GSF)

The GSF has been set up so that government can draw from the Fund in times of shocks to the

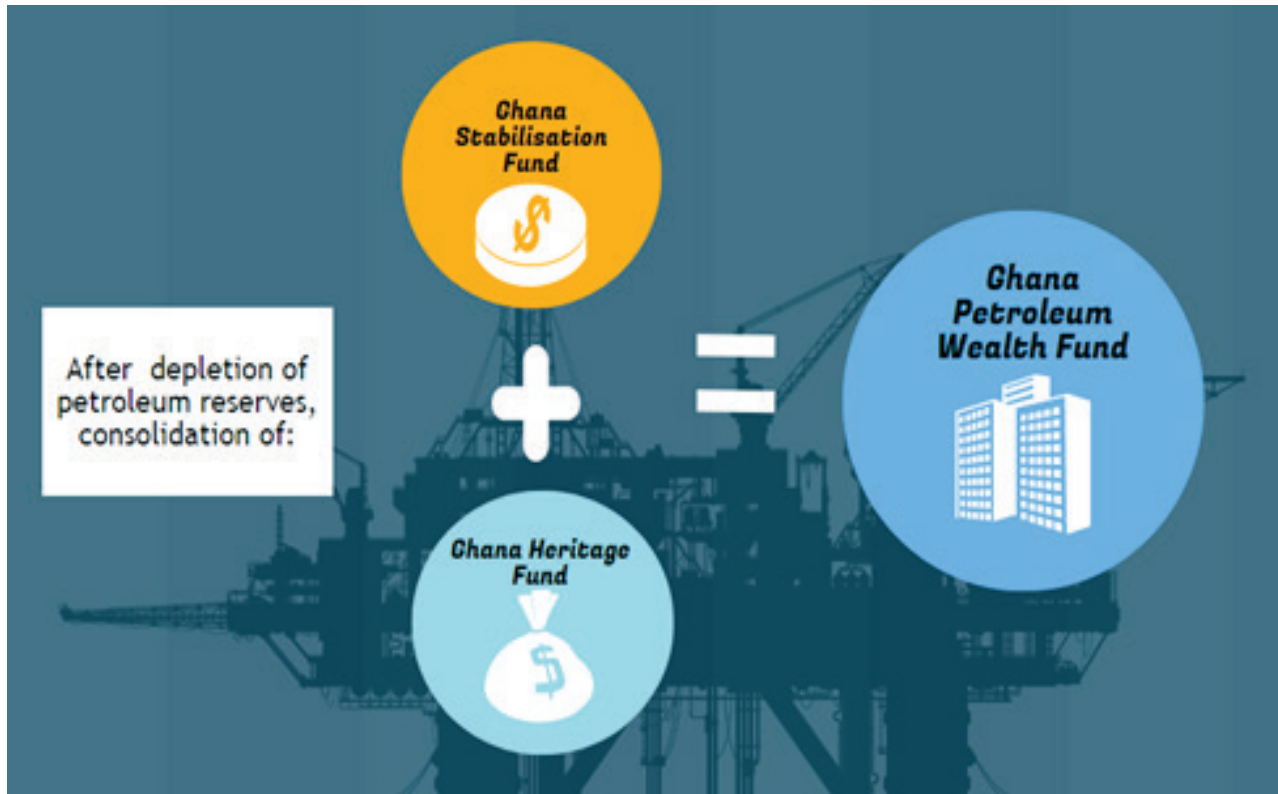
economy, or unanticipated shortfalls in petroleum revenue which necessitates that money be sourced to balance the budget. Hence, the Fund cushions the impact on public expenditure capacity such as was witnessed in 2015, 2016, and the first half of 2020 when low oil prices caused unanticipated shortfalls in petroleum revenues.

The Minister for Finance has discretion, subject to Parliamentary approval, to place a cap (ceiling) on how much can be accrued to the GSF as necessitated by macroeconomic conditions. For example, the capped amount can be reviewed downwards when oil prices fall or upwards in periods of high oil prices.

### 7.2 Ghana Petroleum Wealth Fund (GPWF)

In accordance with Section 20 of Act 815, within a year after petroleum resources are depleted, the amounts held in both the Ghana Stabilisation and Ghana Heritage Funds must be consolidated into a single Fund to be known as the Ghana Petroleum Wealth Fund (GPWF). After this consolidation, the GPFs shall cease to exist. Figure 11 below shows the outline of the GPWF.

The GPWF is to provide permanent income for government spending. The monies are to be invested in qualifying instruments which shall be reviewed every three (3) years or sooner by the Minister for Finance on the advice of the Investment Advisory Committee (IAC). The sum of the dividends from the GNPC and the earnings on the GPWF is what will be used to support the budget through the ABFA after petroleum reserves are depleted.



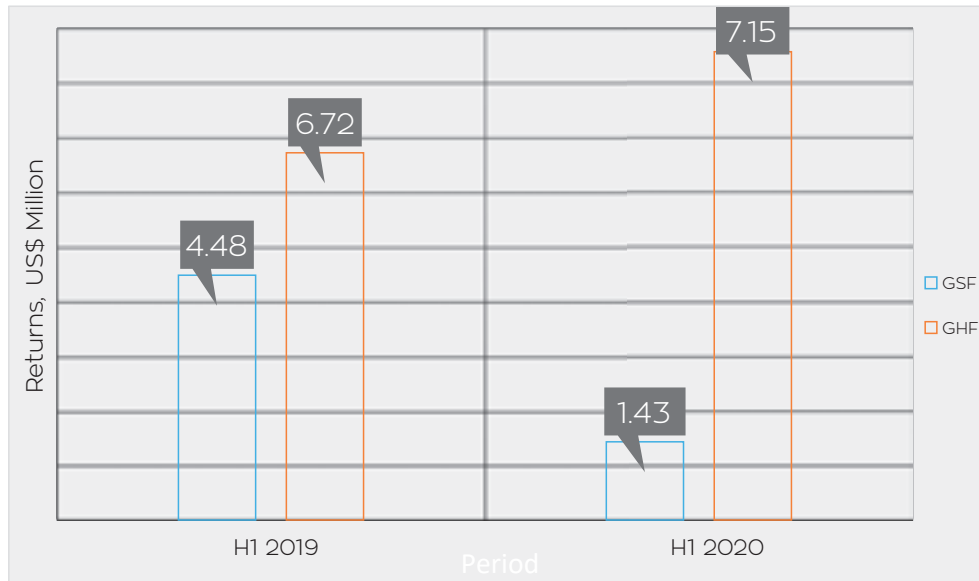
**Figure 11:** The Ghana Petroleum Wealth Fund

**Source:** PIAC’s Simplified PRMA, 2017.

**7.3 Receipts and Returns on Investments**

During the period, an amount of US\$72.64 million was received by the GPFs from the PHF compared to the US\$99.78 million received by the Funds in H1 2019. The GSF and GHF received US\$50.85 million and US\$21.79 million respectively. The GSF and GHF receipts in H1 2020 represented a 27.20 percent decrease from their respective H1 2019 receipts.

The income on investments of the GPFs was US\$8.57 million, compared to the US\$11.20 million realised in H1 2019. Of the net income, the GSF contributed 17 percent (US\$1.43 million) as compared to 40.01 percent (US\$4.48 million) in H1 2019, while the GHF contributed 83 percent (US\$7.15 million) as compared to 59.99 percent (US\$6.72 million) in H1 2019, as shown in Figure 12 below.



**Figure 12:** Returns on the Ghana Petroleum Funds in H1 2019 and H1 2020  
**Source:** PIAC Construct, from BoG Data, June 2020

The yield of the 10-year US Treasury note ended H1 2020 at 0.66 percent, compared to 2 percent in H1 2019. The yield of the 2-year note ended H1 2020 at 0.15 percent compared to 1.75 percent at the end of H1 2019.

In the period under review, the difference between the yields of the U.S. 2-year and 10-year Treasury notes widened by 29.88 percent, from 18.76 percent in January 2020 to 48.64 percent at the end of June 2020.

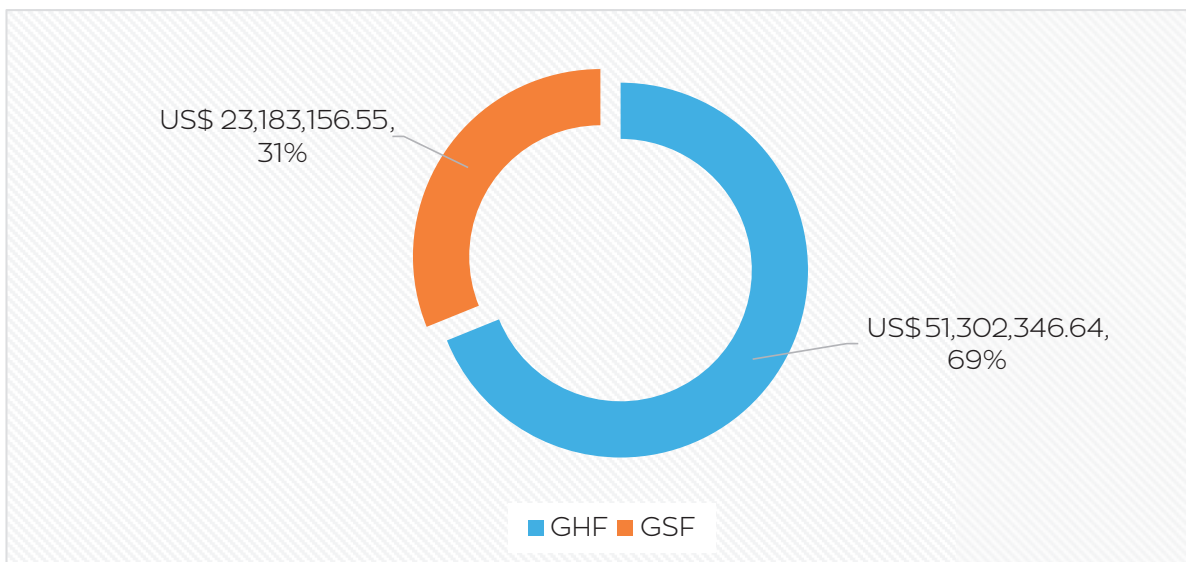
The mark-to-market performance of the GHF was impacted positively by the reduced yields of the US

Treasury notes, with the Year-To-Date (YTD) yield being 5.28 percent compared with 4.71 percent in H1 2019.

For the GSF, the YTD yield of 0.39 percent was lower than the 1.33 percent for H1 2019.

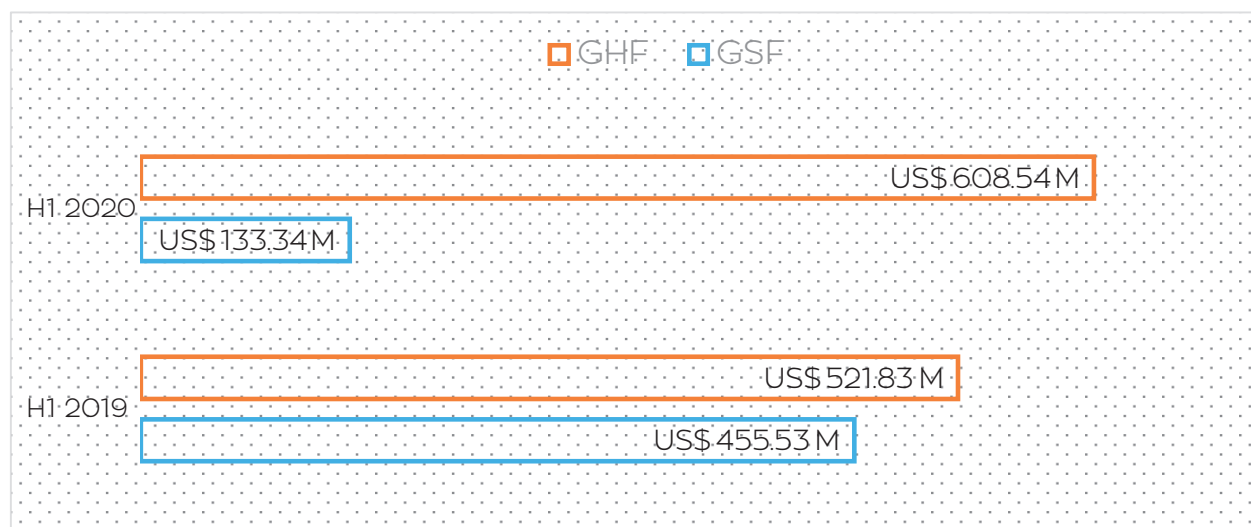
**7.4 Accumulations and Reserves**

The Ghana Petroleum Funds since November 2011 have accumulated a net profit on investment of US\$74.49 million, as shown in Figure 13 below. The GHF and GSF contributed 69 percent and 37 percent respectively.



**Figure 13:** Net Realised Income on the Ghana Petroleum Funds since Inception  
**Source:** PIAC Construct, from BoG Data, June 2019.

Figure 14 indicates the total reserves of the GPFs as at the end of June 2020, amounting to US\$741.88 million. This comprised GHF with an accumulation of US\$608.54 million (US\$521.83 million in H1 2019), and GSF amounting to US\$133.34 million (US\$455.53 million in H1 2019), representing a 24.09 percent decrease from the reserves at the end of H1 2019 (US\$977.36 million). Withdrawals from the GSF in the amount of US\$307.54 million caused the fall in the GPFs reserves, and led to a fall in realised income for H1 2020, compared to the same period in 2019.



**Figure 14:** Reserves of the Ghana Petroleum Funds as at June 2020

**Source:** PIAC Construct, from BoG Data, June 2020.

Shown in Table 19 below, are details of the Funds.

**Table 19:** Net Accumulated Reserve of the Ghana Petroleum Funds in US\$

FUND NAME	ALLOCATIONS SINCE INCEPTION	REALISED INCOME (NOV. 2011 - JUNE 2020)	TOTAL SINCE INCEPTION	WITHDRAWALS	CLOSING VALUE
GHF	557,240,729.61	51,302,346.64	608,543,076.25	-	608,543,076.25
GSF	1,321,433,718.05	23,183,156.55	1,344,616,874.60	(1,211,279,550.13)	133,337,324.47
<b>Total</b>	<b>1,878,674,447.66</b>	<b>74,485,503.19</b>	<b>1,953,159,950.85</b>	<b>(1,211,279,550.13)</b>	<b>741,880,400.72</b>

## 7.5 Ghana Stabilisation Fund

### 7.5.1 Withdrawals

In line with Section 23(4) of the PRMA, Act 815 and Act 893, as amended, the 2019 budget capped the GSF at US\$300 million. In the period, and due to the COVID-19 pandemic, the cap was reduced to US\$100 million by the Minister for Finance acting through the provision under Section 23(3) of Act 815 and a Parliamentary resolution. Subsequently, an amount of US\$218.95 million being the excess over the cap was withdrawn and transferred to the Contingency Fund on the 8th of April 2020 on the instructions of the Controller and Accountant-General. Total withdrawals for the period amounted to US\$307.54 million. The accumulated excess over the cap at the end of June 2020 stood at US\$33.34 million, while the

closing amount stood at US\$133.34 million, as shown in Figure 14 above and the Statement of Account in Table 20.

**Table 20:** GSF Statement of Account for Half-Year 2020

US\$	
Opening Book Value (1 Jan 2020)	388,591,944.82
Receipt During The Period	50,853,382.00
Bank Charges	(5,256.84)
Realised Income	1,438,047.92
Withdrawal	(307,540,793.43)
Closing Book Value ( 30 June 2020)	133,337,324.47
Net Income for the Period Comprised:	
<b>INCOME</b>	
Investment Income	1,438,047.92
Less:	
Bank Charges	(5,256.84 )
Net Return for the Period	1,432,791.08

**Source:** BoG, June 2020

## 7.6 Ghana Heritage Fund

As at the end of June 2020, the closing book value of the Ghana Heritage Fund was US\$608.54 million, as shown in Table 21.

**Table 21:** GHF Statement of Account for Half-Year 2020

US\$	
Opening Book Value (1 Jan 2020)	579,612,331.93
Receipt During the Period	21,794,306.57
Bank Charges	(16,690.59)
Realised Income	7,153,128.34
Closing Book Value (30 June 2020)	608,543,076.25
Net Income for the Period Comprised:	
<b>INCOME</b>	
Investment Income	7,153,128.34
Less:	
Bank Charges	(16,690.59)
Net Return for the Period	7,136,437.75

**Source:** BoG, June 2020.

## 7.7 The Petroleum Holding Fund

The PHF at the end of June 2020 held a balance of US\$424,000, which comprised Surface Rental payment of US\$14,000, a mandatory balance of US\$200,000, and Corporate Income Tax payment of US\$210,000.



## Findings

1. There was a 24.09 percent reduction in the GPFs reserves at the end of June 2020 compared to H1 2019, as a result of the lowered cap and subsequent withdrawals from the GSF. Consequently, the GSF yield reduced by 68.08 percent from that of H1 2019.
2. The net profit on investment of the GPFs was US\$8.58 million, as against US\$11.20 million in H1 2019. This represents a reduction of 23.39 percent.
3. At the end of the period, an amount of US\$33.34 million, being the excess over the cap of US\$100 million placed on the GSF, was not transferred into the Sinking and/or Contingency Funds, as required by Law.



# CHAPTER 8

## 8 OPERATIONS OF THE GHANA NATIONAL PETROLEUM CORPORATION

### 8.1 Introduction

The Ghana National Petroleum Corporation (GNPC) was established in 1983 by the GNPC Act, 1983 (PNDCL64) as the commercial entity in the upstream petroleum sector, charged with the primary responsibility for exploration, development, production and disposal of petroleum resources. Its establishment was without any guiding national policy on upstream petroleum operations. This occasioned the enactment a year later of the Petroleum (Exploration and Production) Act, 1984 (PNDCL 84) to govern the Sector.

Twenty-three years after the enactment of PNDCL 84, petroleum was discovered in commercial quantities offshore Ghana in 2007, followed by production in November 2010. This triggered the need for improved legal regimes, as the existing laws were outdated and inadequate to address modern trends in an ever-changing upstream petroleum industry. This gave rise to the enactment of several legislations aimed at reforming Ghana's law and policy landscape to respond to the emerging challenges of the time. One of the notable legislations in this regard is the PRMA, which provides a framework for the governance of upstream petroleum proceeds.

Two other enactments, fundamental to the operations of GNPC are the Petroleum Commission Act, 2011 (Act 821), and the Petroleum (Exploration and Production) Act, 2016 (Act 919). As explained in Section 5, the PRMA provides a formula for allocation of petroleum funds to support a National Oil Company (NOC), among others. GNPC currently receives this allocation. The PRMA mandates a transfer of not more than 55 percent of the amount accruing from the Carried and Participating Interest (CAPI) of the Republic, after the deduction of equity financing costs.

### 8.2 Allocation

Consistent with the PRMA, allocation to GNPC comes in two broad levels, described as A and B. Level A allocation is dependent on the Corporation's cash calls, charged on gross revenues, while Level B is charged on the net Carried and Participating Interest (CAPI) of the National Oil Company (NOC), initially capped at 30 percent and further to 25 percent, arising from the enactment of the Earmarked Funds Capping and Realignment Act, 2017 (Act 947).

For the period under review, the Corporation received an amount of US\$80.41 million, being receipts from crude sales. This, in addition to US\$15.90 million as cash brought forward from the previous year plus a refund of US\$16.43 million from MoF, brought the Corporation's cash available for spending to US\$112.74 million.

### 8.3 Expenditure

Consistent with the Corporation's allocation categories, GNPC's expenditure covers the two broad expenditure areas earlier described as A and B. Expenses under category A support the Corporation's Equity Financing Cost for the producing Fields, while category B expenditure is in respect of developments activities, aiding petroleum production including the Corporation's social investment commitments.

#### 8.3.1 Level A Expenditure

For H1 2020, the Corporation's Level A expenditure activities cover share of production and development cost of the three producing Fields delineated below.

- I. Jubilee Field equity share of production and development cost = US\$7.33 million, representing nine percent (9%) of the total receipts for the period under review.

- II. TEN Field equity share of production and development cost = US\$38.47 million, representing 48 percent of the total receipt. Out of this, US\$17.68 million was in respect of the 40 percent CAPI obligation tied to the 14th TEN lifting, which took place in December 2019.
- III. SGN Field equity share of production and development cost = US\$3.42 million, being four (4) percent of the total receipt.

### 8.3.2 Level B Expenditure

GNPC's activities financed under Level B support a range of thematic areas, providing support for petroleum production on one hand and the GNPC Corporate Investments Expenditures through a dedicated Foundation on the other. The GNPC Foundation is focused to deliver the Corporation's Corporate Social Investments commitments. The thematic areas are:

- Exploration & Development Projects
- Staff and Administrative Cost
- Capital Projects
- General Operating Expenditure
- GOG Gas Related Payments - Enclave Roads
- SOPCL Decommissioning
- Other Expenditures

#### 8.3.2.1 Exploration & Development Projects

An amount of US\$4.59 million, accounting for about six percent (5.7%) of the total receipts for the period was expended on exploration related development projects. These included the Corporation's cost incurred on projects other than Jubilee, TEN and Sankofa OCTP, such as Voltaian Basin, Springfield, Eni Block 4 projects, etc., as shown in Appendix A. This expenditure is lower by US\$13.65 million compared to what was spent in the same period of 2019.

#### 8.3.2.2 Staff and Administrative Cost

Fifteen (15) percent of receipts, amounting to US\$11.73 million was used to cover remuneration for Technical as well as Petro-business support staff.

Administrative Capital Expenditure amounted to US\$0.7 million, representing 0.9 percent of total receipts for the period, compared with US\$0.39 million in the same period of 2019. This expenditure covers the procurement of computers, replacement of obsolete office furniture as well as staff buses for corporate use. Total staff and administrative costs amounted to US\$11.80 million as against US\$11.67 million in the same period the previous year, recording a marginal increase of 1.1 percent.

#### 8.3.2.3 Capital Projects

An amount of US\$4.47 million was spent on investment in Research and Technology Project, digital transformation and refurbishment of the Corporation's landed properties in Accra, Tema and Sekondi-Takoradi in line with planned expenditure. This represents six percent (6%) of total receipts. This expenditure category recorded a rise of US\$1.59 million compared to the same period of 2019.

#### 8.3.2.4 General Operating Expenditure

An amount of US\$7.07 million, indicating nine percent (9%) of the total receipts, was in respect of General Operating Expenditure. Captured under this category are insurance, utilities, communication expenses, professional services, ICT-related cost such as software maintenance, general repairs and maintenance, vehicle repairs and maintenance, etc.

#### 8.3.2.5 GOG Gas Related Payments - Enclave Roads

One (1) percent of total receipts, translating to about US\$1.0 million, was expended on the Gas enclave roads, in line with the Corporation's role as the gas aggregator. GNPC was requested by the Government of Ghana to financially support the construction of key roads within the Western Corridor to facilitate the evacuation of gas from the Ghana Gas Company at Atuabo.

#### 8.3.2.6 SOPCL Decommissioning

An amount of US\$0.6 million, representing 0.8 percent of total receipts was spent on the

Decommissioning. The amount was used for preparatory activities, which actual task is envisaged to commence in the last quarter of 2020, and continue in 2021.

### 8.3.2.7 Other Expenditures

#### Expenditure on Subsidiaries

An amount of US\$1.93 million was spent on revamping the operations of Prestea Sankofa Gold Limited. The Prestea Sankofa Gold Limited constitutes one of GNPC's subsidiaries. This expenditure accounts for two percent (2%) of the total receipts for H1 2020.

Payments and Guarantees on behalf of other State-Owned Enterprises and Government.

The table below indicates cumulative payments and guarantees made by the Corporation on behalf of other State-Owned Enterprises, as at the end of June 2020.

**Table 22:** Payments & Guarantees Made on Behalf of other Agencies, Government, National & Local Infrastructure Projects as at June 2020.

AGENCY	OUTSTANDING BALANCE (USD)	DATE RECEIVABLES CRYSTALISED
Government of Ghana	18,092,485.80	
MoF Enclave Roads (GHS)	26,807,652.98	2015 to Date
MoF Enclave Roads (USD)	17,188,682.54	2015 to Date
Advance to Ministry of Finance	50,000,000.00	2014
Tema Oil Refinery	58,404,875.00	2011
ECG - BG Related Charges	4,966,027.40	2015-2017
GNGC - 14km Offshore Pipeline	37,913,333.00	2010
MOE Current Account (GCB Bank Loan)	20,189,530.55	2018/19
BOST Loan (Litasco)	14,678,879.00	2018
Volta River Authority	252,480,577.34	Ongoing
Bank of Ghana (Gemcorp)	23,815,995.19	2019
MoF BOST Under-recoveries	21,300,000	2015
<b>TOTAL</b>	<b>545,838,038.80</b>	

**Source:** GNPC, June 2020

## 8.4 Sustainability & Stakeholder Relations and GNPC Foundation

The approved budget for the Foundation for 2020 was US\$35 million as against US\$39.65 million in 2019, representing a decrease of 11.7 percent. An amount of US\$3.80 million, out of the approved budget, was received within the reporting period, and details of its utilisation are presented in Appendix C.

Overall, an amount of US\$28 million was spent on the Foundation, and Sustainability & Stakeholder Relations.

### Findings

1. The Corporation's receipts in H1 2020 (US\$80.41 million) represents a 31.25 percent reduction from that of the same period in 2019 (US\$116.96 million).
2. Budgetary allocation to the GNPC Foundation decreased by 11.7 percent in 2020 as against that of 2019. However, an amount of US\$12.31 million, being financial obligations outstanding



at the close of 2019, was brought forward, and honoured in H1 2020.

3. The Corporation budgeted US\$41.93 million as Equity Financing for the Jubilee Field for H1 2020. However, it spent US\$7.33 million, representing 17.5 percent of the budgeted amount.
4. GNPC spent only nine (9) percent of its total receipts on Jubilee equity financing. This is as a result of the re-phasing of work programmes, as well as disputes surrounding the Cash Calls submitted by the Operator. The disputes are currently under negotiations between GNPC and the Contractor Party.
5. Even though GNPC received GH¢110.96 million under the Cash Waterfall Mechanism, there was no payment into the PHF in respect of raw gas supplied. Consistently, the non-payment of gas revenue denies the PHF of its due entitlement.

# CHAPTER 9

---

## 9.0 OPERATIONS OF GHANA NATIONAL GAS COMPANY

Petroleum production started in 2010, with a reserve potential of about 368 million tonnes of oil and a commercial amount of associated gas found 60km offshore.

Consequent to this, a National Gas Development Taskforce was commissioned in February 2011 by the Government to review and make appropriate recommendations for the speedy realisation of a national gas commercialisation infrastructure system. In April 2011, the Taskforce submitted its report, recommending the evacuation and treatment of associated gas from the Jubilee Field.

Acting upon the above recommendations, the Government sanctioned the establishment of an indigenous company to undertake the project. As a result, the Ghana National Gas Company (GNGC) was formed, to give true meaning to government's emphasis on 'local content' in the oil and gas industry.

Currently, the power generation sector uses a bulk of the Country's imported and indigenous gas, with about 13 percent used for non-power activities. Ghana's gas resource therefore plays a crucial role in government's effort to provide

an affordable power supply upon which socio-economic development can be built. However, gas, as a reliable fuel for power generation, is currently hampered by financial hurdles, arising from payment deficits.

## 9.1 Technical and Commercial Operations

GNGC is the nation's premier mid-stream gas business company that owns and operates infrastructure required for the gathering, transporting and marketing of natural gas resources in Ghana.

Although incorporated in July 2011, GNGC started official production in November 2014. The reason for the delay between the period of the GNGC establishment and actual operation was to allow for the construction of the Gas Processing Plant (GPP) and pipelines required for processing and transporting the gas to the demand centres. The Company has the responsibility to build, own and operate natural gas infrastructure required for gathering, processing, transportation and marketing of natural gas and natural gas liquids (see Figure 15 below).

GNGC currently supplies gas to Volta River Authority (VRA) and other commercial institutions for power generation and industrial use.

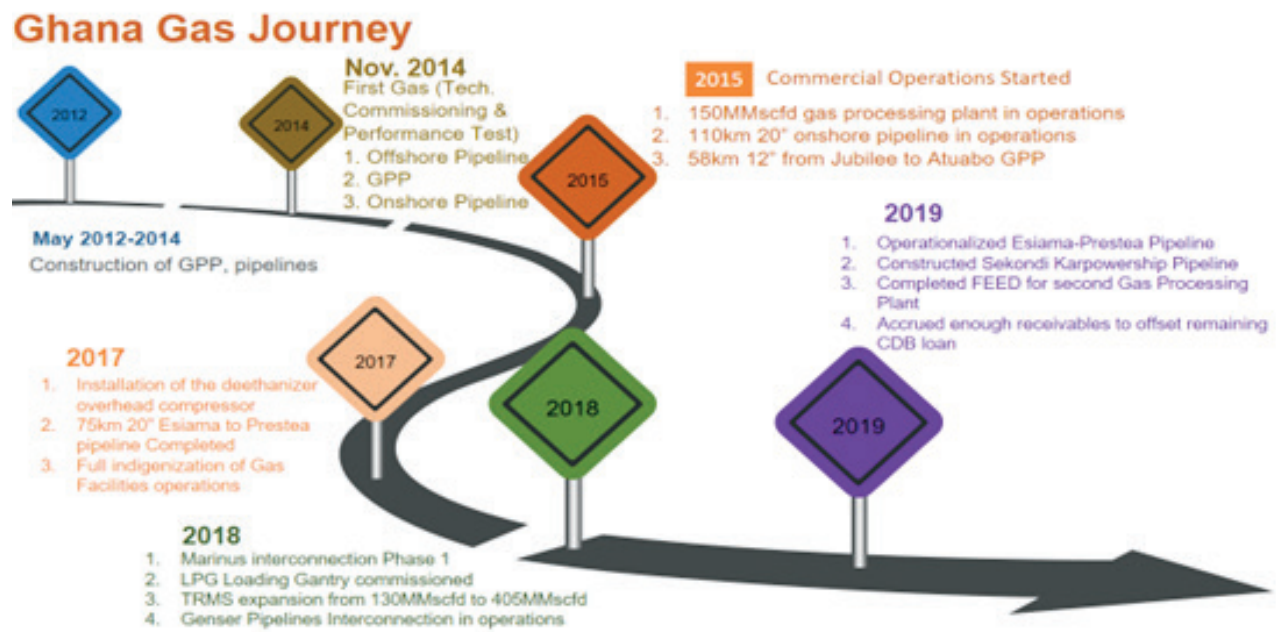


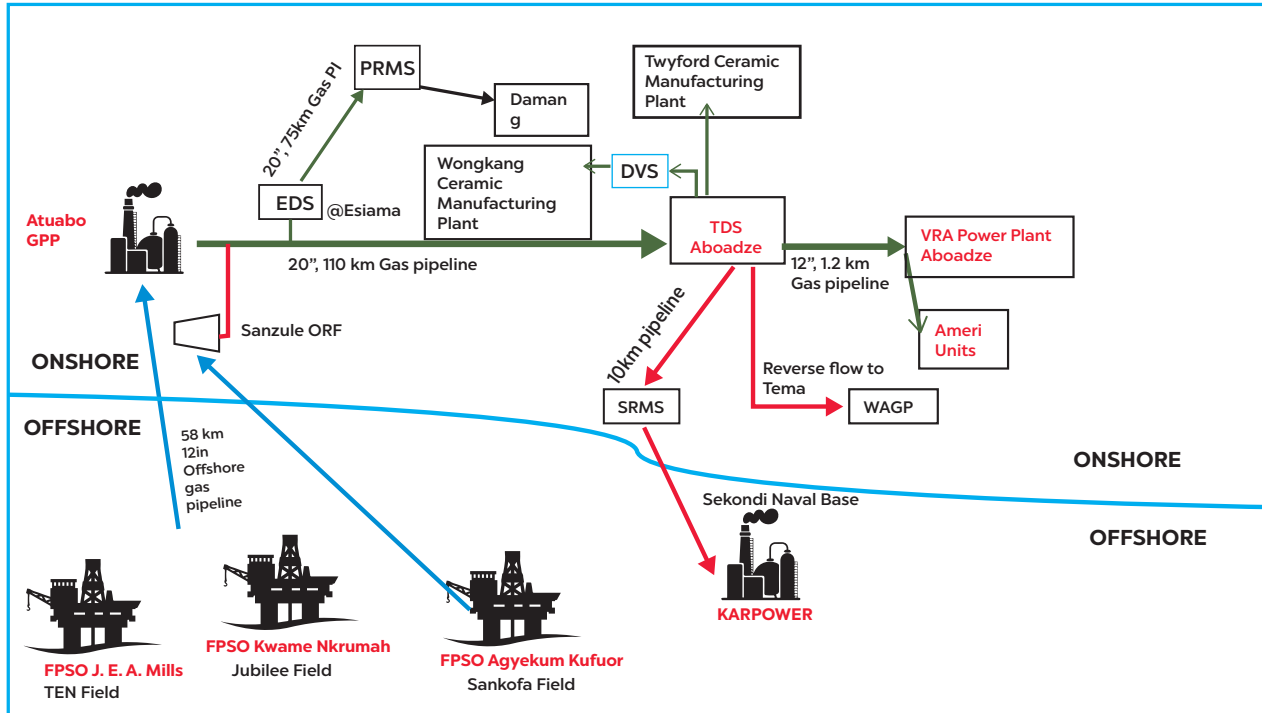
Figure 15: Milestones in the Gas Sub-sector

Source: NGGC, June 2020

Gas Infrastructure

The current gas infrastructure comprises the National Gas Transmission System (NGTS) and a Processing Plant, with the following main elements (see Figure 16):

- An offshore gas export pipeline, which consists of a 12-inch diameter 58km-long subsea pipeline, transporting dense-phase gas from the Jubilee FPSO to the Gas Processing Plant (GPP);
- A GPP at Atuabo in the Western Region, with a design capacity of 150 MMScfd and normal design capacity of 120 MMScfd;
- A 20-inch diameter 111km onshore gas pipeline transporting sales gas from the GPP to the Takoradi Distribution Station (TDS);
- A 20-inch diameter 75km lateral pipeline from Esiama Distribution Station (EDS) to Prestea Regulating & Metering Station (PRMS);
- A 20-inch diameter 10km onshore pipeline from TDS to Sekondi Regulating & Metering Station (SRMS);
- A 6-inch diameter 9km onshore pipeline from TDS to Distribution Valve Station at Eshiem, Western Region;
- A 6-inch diameter 1km onshore pipeline from TDS to Keda at Aboadze;
- An LPG truck-loading gantry located approximately 2.5km from the GPP near Anokyi; and,
- Construction of a Mainline Onshore Gas Compressor Station at Anokyi.



**Figure 16: GNGC Gas Infrastructure**  
 Source: GNGC, June 2020.

The GPP processes Jubilee and TEN gas, while OCTP gas is processed on the FPSO JAK and routed through GNGC’s pipelines to the downstream market.

- responsible for the installation and operation of all Gas Infrastructure; and,
- responsible for the installation and operation of all natural gas liquids (NGLs) Infrastructure.

**Institutional Alignment**

In an effort to increase operational and process efficiency along Ghana’s gas sector value chain, Government has recently approved the commencement of a process to consolidate midstream gas services in Ghana (i.e. aggregation, shipping and operation) such that the GNGC becomes an Integrated Gas Company.

To this end, and within the period, the Minister for Energy set up a Ministerial Gas Taskforce (MGTF) to establish the roadmap for the implementation of this Presidential directive. The letter from the Presidency dated 11th May 2020, confirmed GNGC as:

- aggregator for all gas;
- the shipper responsible for the purchase and sale of all gas – domestic, Regional (WAGP) and LNG;

**9.2 The Gas Value Chain**

The four roles from the gas value chain are as follows:

- Gas aggregation: the gathering of both domestic and international gas. Currently, GNPC remains the gas aggregator;
- Gas processing: processing of raw gas into lean gas and other derivatives for downstream use. Some of these derivatives are condensates, LPG and isopentanes. GNGC currently processes raw gas from the Jubilee and TEN Fields;
- Gas shipping: sale of processed gas to downstream customers. Currently, GNPC performs this role (power customers) while GNGC ships to non-power customers; and
- Gas transportation: transportation of lean gas and other derivatives through gas pipelines to



downstream customers. Currently, GNGC and WAGP are the most recognised transporters.

**9.3 GNGC as a Gas Aggregator**

All Petroleum Agreements (PAs) covering the Jubilee, TEN, and SGN Fields, among others, have GNPC as a partner, representing the interest of the Republic of Ghana. Consequently, GNPC cannot novate its Joint Venture Partnership in any of these Fields to GNGC without the consent of the other Partners, as the Gas Company is not a Party to any of these Agreements.

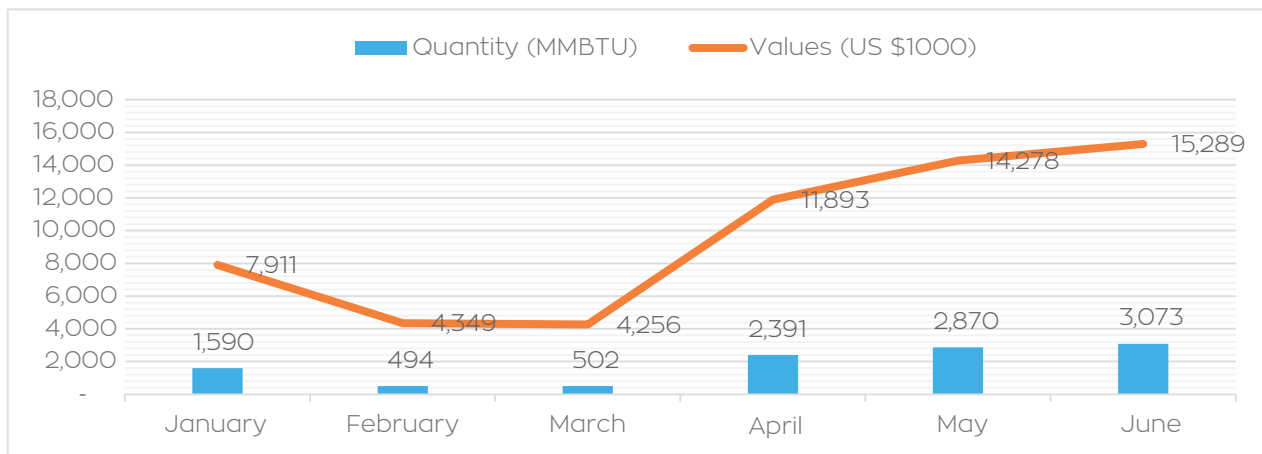
Should GNGC's role as the National Gas Aggregator be fully established, GNGC will qualify as a National

Oil Company in addition to GNPC as defined in the PRMA. As a National Oil Company, GNGC will be expected to make statutory payments into the PHF as well as receive allocations from the PHF to finance its operations.

**9.4 Volumes and Cost of Raw Gas Received from GNPC**

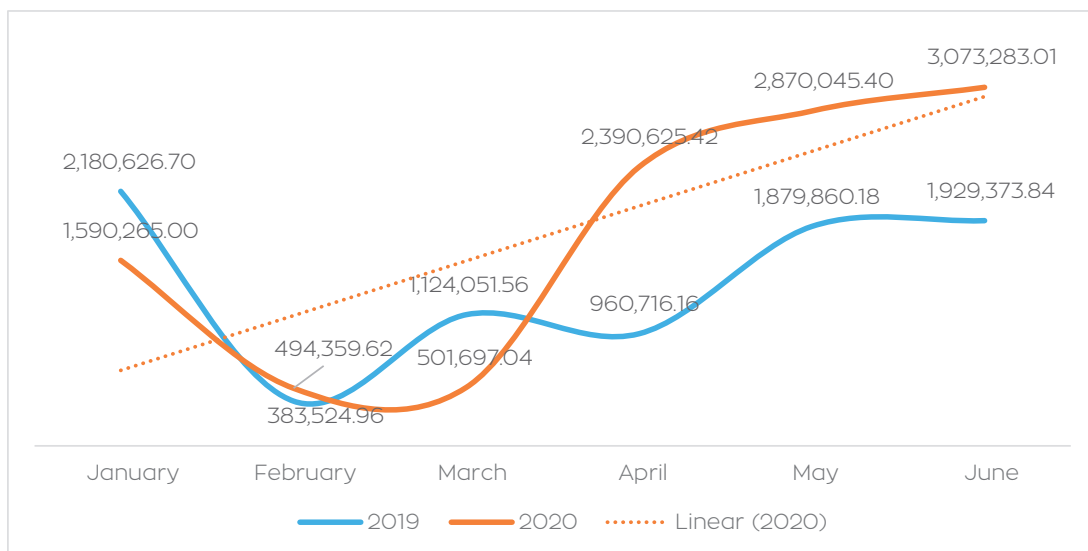
As at 30th June, 2020, a total volume of 10,920,285.00MMBtu of raw gas from the Jubilee and TEN Fields invoiced at US\$54,327,278.54<sup>6</sup>, was received from GNPC.

The figure below provides Jubilee and TEN raw gas quantities received from GNPC for the period under review.



**Figure 17:** Total Volumes of Raw Gas Received from GNPC and Cost

**Source:** PIAC Construct, based on GNPC data, June 2020



**Figure 18:** Volumes of raw gas exported to GNGC

**Source:** PIAC Construct Based on GNGC Data, June 2020

<sup>6</sup> GNPC reported an amount of US\$55,540,521.16. The two institutions have agreed to reconcile these figures for PIAC's full year Report.



The volumes and cost of raw gas received from GNPC over the period have been quite erratic, however, Figure 18 shows an increasing export trend, translating into a percentage increase of 47.73 percent as compared to the exports in the same period of 2019.

## 9.5 Processed Volumes

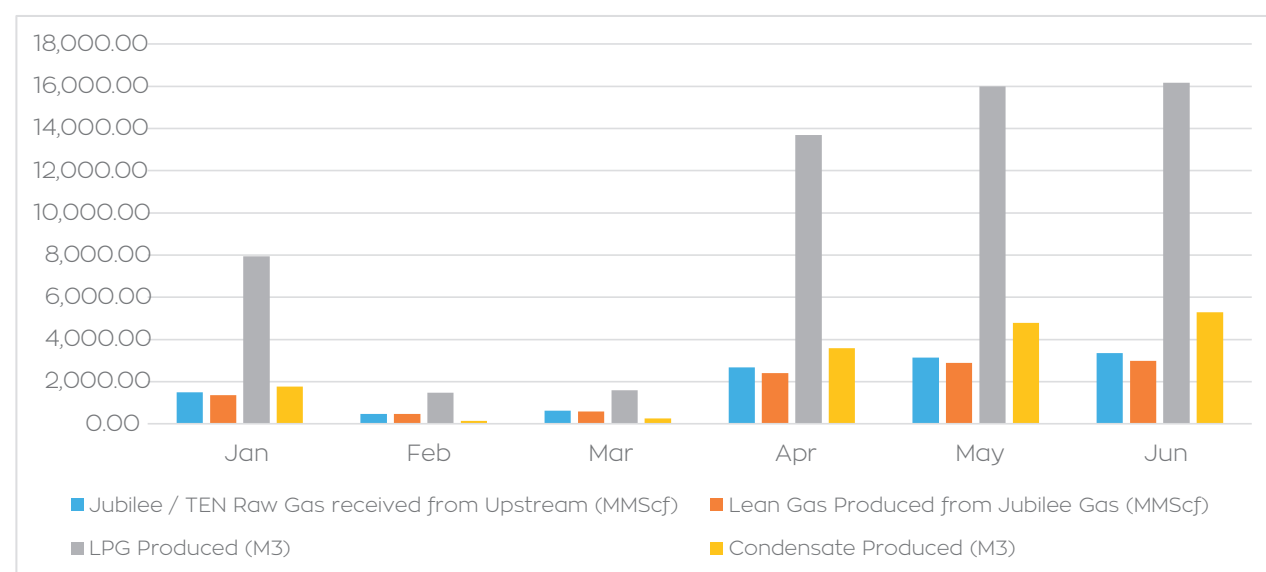
### 9.5.1 Lean Gas and other Derivatives

Total volumes of 10,681.38MMScf, 56,839.09M3 and 15,839.36M3 of Lean Gas, LPG and Condensates respectively were processed during the period (see Table 23 and Figure 19).

**Table 23:** Volumes of Processed Derivatives – H1 2020

Month	Jubilee / TEN Raw Gas received from Upstream (MMScf)	Lean Gas Produced from Jubilee Gas (MMScf)	LPG Produced (M3)	Condensate Produced (M3)
Jan	1,500.25	1,360.54	7,938.07	1,772.84
Feb	466.38	466.07	1,469.42	147.87
Mar	628.65	579.72	1,599.91	255.6
Apr	2,680.62	2,407.7	13,685.45	3,591.09
May	3,147.92	2,894.68	15,984.41	4,787.77
Jun	3,345.62	2,992.67	16,161.83	5,284.19
	11,769.44	10,681.09	56,839.09	15,839.36

**Source:** GNGC, June 2020



**Figure 19:** Jubilee Raw Gas received and processed Derivatives – January to June, 2020

**Source:** PIAC Construct, June 2020.



**9.6 Summary of Receipts and Outstanding Receivables of Processed Derivatives**

As at 30th June, 2020, a total of US\$20,622,858.48 out of US\$101,496,892.45 had been received from the sale of LPG, Lean Gas and Stabilised Condensates produced. This brought the cumulative outstanding receivables due GNGC to US\$942,260,510.63 at the end of the period, as shown in Appendix B.

**9.7 Cost of Processed Derivatives**

**9.7.1 Lean Gas**

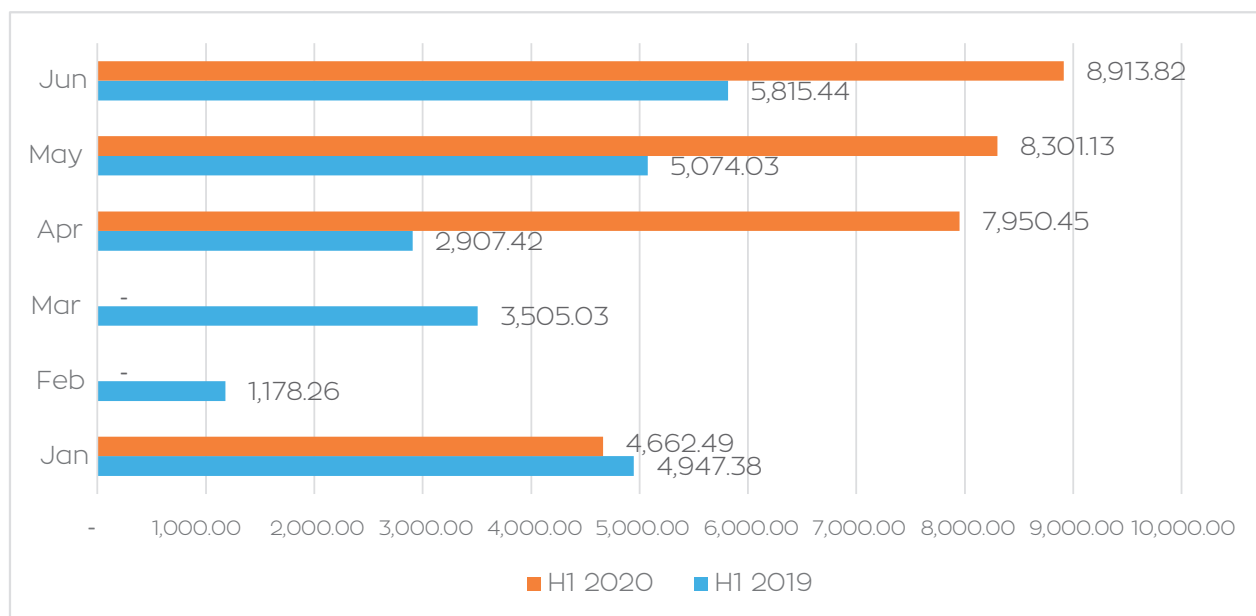
During the period, the bulk of income due GNGC from its value-added activities continued to be derived from the sale of lean gas to VRA, WangKang Gh. Ceramic Ltd, Keda Gh. Ceramic Ltd (Twyford) and Genser Energy. Substantial revenue also

accrued from GNPC - OCTP Transportation Service to convey lean gas to the various required facilities. Out of a total of US\$93,547,640.50 accrued from these activities, transportation service fees alone constituted 28.32 percent (US\$26,499,830.20). This compares with transportation service fees of US\$29,651,733.78, representing 35.79 percent of the total amount for the same period in 2019.

The total sales volume of lean gas was 13,219,581.11MMBTU, compared to the sales volumes in the same period of 2019 of 21,641,978.70MMBTU, translating into a 38.92 percent decrease.

**9.7.2 Liquefied Petroleum Gas (LPG)**

As shown in Figure 20, the volume of LPG sold from January to June, 2020 was 29,826.88MT while that of the same period in 2019 was 23,427.56MT, indicating a 27.32 percent increase.



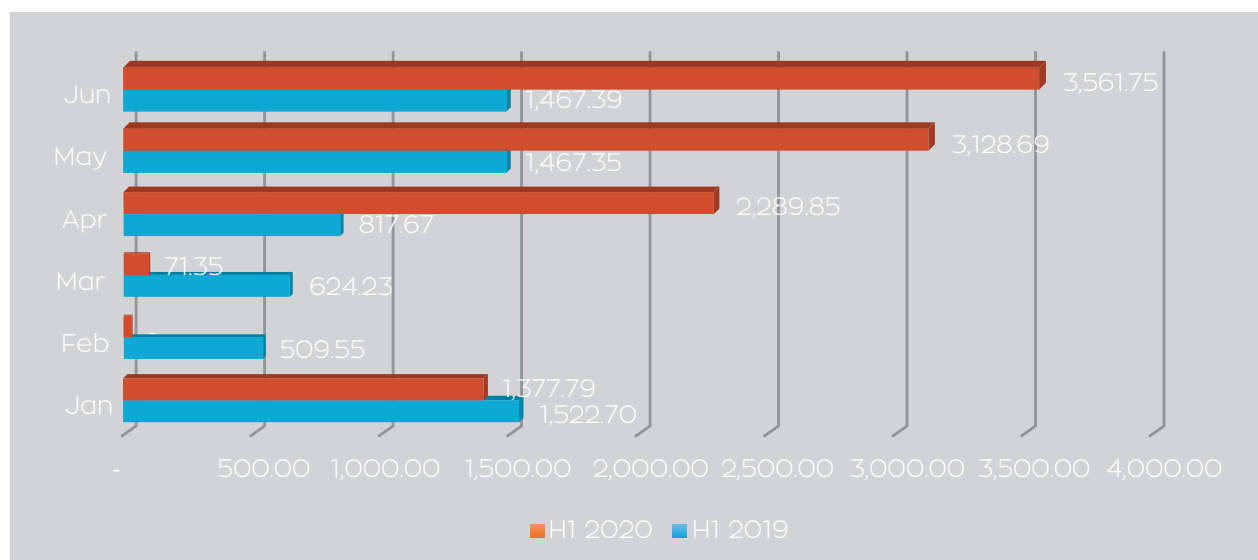
**Figure 20:** Half-Year Volumes of LPG in MT for 2019 & 2020

**Source:** PIAC Construct based on GNGC Data, June 2020

However, the amount invoiced for total LPG sold in H1 2020 was US\$6,720,052.46, while that of 2019 for the same period was US\$9,757,795.86. This represents a reduction in LPG revenue of 31.13 percent.

**9.7.3 Condensates**

The volume of Condensates sold from January to June, 2020 was 10,429.43MT while that for the same period in 2019 was 9,430.47MT. This translates into an increase of 998.99MT, representing 10.59 percent increase. Figure 21 illustrates the monthly volumes of Condensates sold during the period under review.



**Figure 21:** Half-Year Volumes of Condensates (MT) - 2019 & 2020

**Source:** PIAC Construct based on GNGC data, June 2020

Realised revenue from the sale of condensates for H1 2020 was US\$1,229,199.47, while that of 2019 for the same period was US\$2,384,595.65, representing a decrease of US\$1,155,396.18 (48.45%) in revenue, mainly due to the effect of Covid-19 and its associated effect on crude price on the world market.

## 9.8 Summary of GNGC Expenditures

Below is a table of detailed breakdown of all expenditures incurred during the period, including cost of operating the Atuabo Gas Processing Plant.

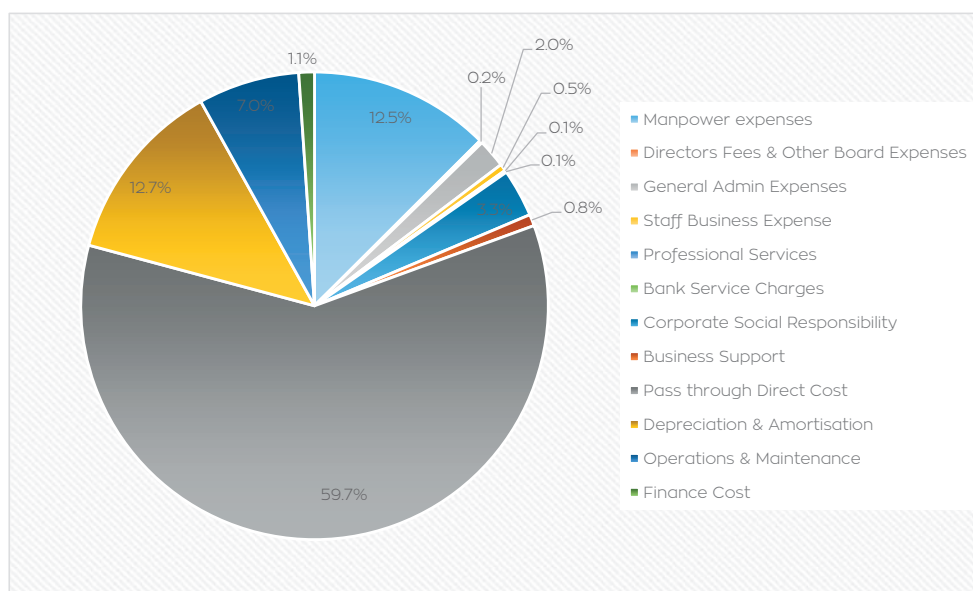
**Table 24:** Breakdown of GNGC Expenditure

Ghana National Gas Total Expenses Jan-June 2020	
Category	Amount '000 (GH¢)
Manpower expenses	74,668.00
Directors Fees & Other Board Expenses	1,130.00
General Admin Expenses	11,809.00
Staff Business Expense	2,856.00
Professional Services	410.00
Bank Service Charges	489.00
Corporate Social Responsibility	19,760.00
Business Support	4,724.00
Pass through Direct Cost	356,310.00
Depreciation & Amortisation	75,979.00
Operations & Maintenance	41,778.59
Finance Cost	6,431.85
<b>Total Expense</b>	<b>596,346.00</b>

**Source:** GNGC, June 2020



Total expenditure for H1 2020 amounted to GH¢596,346,000.00. Pass through direct cost constituted the highest expenditure item of GH¢356,310,000, while at GH¢410,000, that of professional services was the least. Figure 22 depicts the total expenditure of the Company during the period.

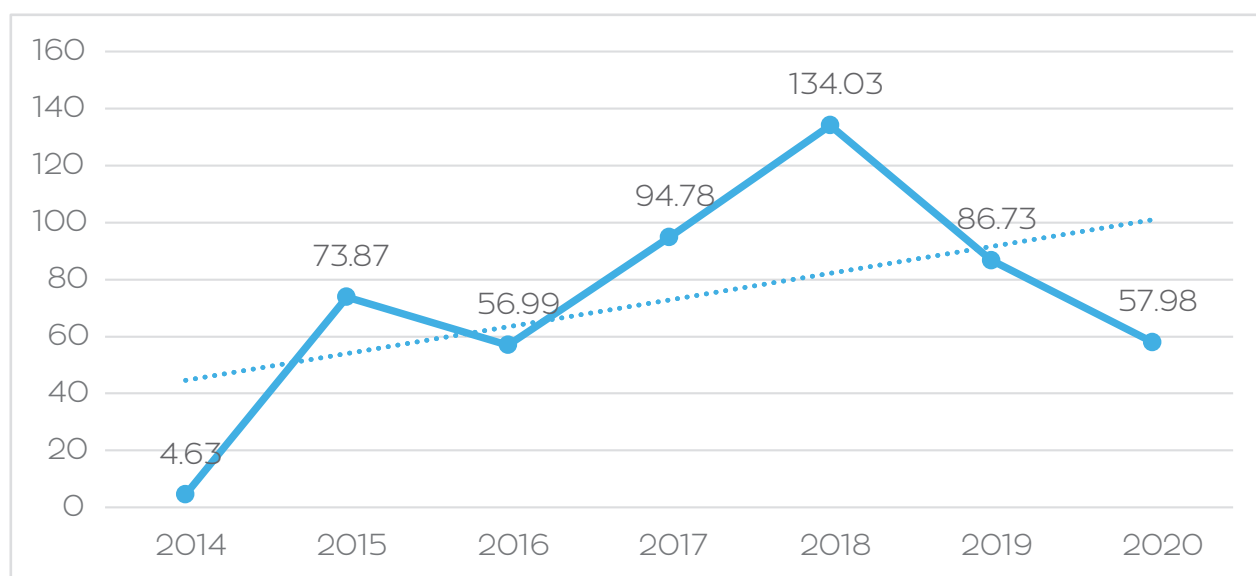


**Figure 22:** GNGC Total Expenses Jan-June 2020

Source: PIAC Construct, June 2020.

### 9.9 Cost of Raw Gas and Indebtedness

As at 30th June, 2020, GNGC’s cumulative indebtedness to GNPC amounted to US\$393,042,132.35 <sup>7</sup> as compared to US\$263,949,220.40 during the same period in 2019. The debt is exorbitant due to VRA’s inability to meet its debt service obligation. Figure 23 depicts the yearly indebtedness of the Company to GNPC.

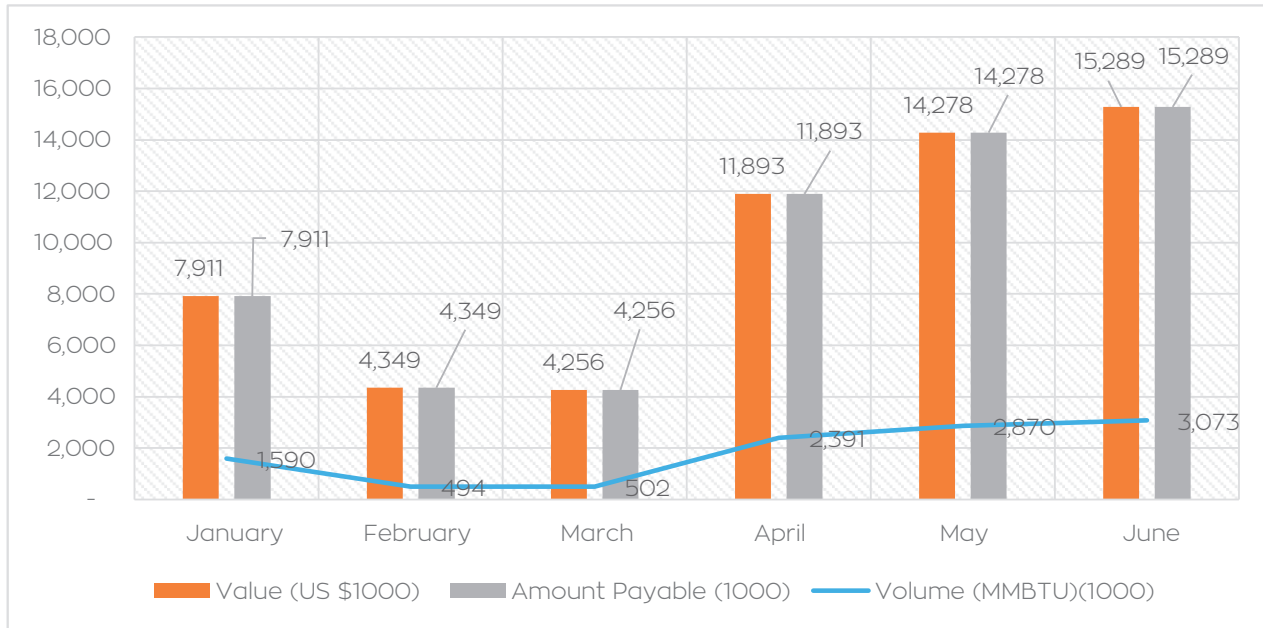


**Figure 23:** GNGC’s Indebtedness to GNPC

Source: PIAC Construct, June 2020.

<sup>7</sup> GNPC provided a figure of US\$463,401,569.80, and indicated the need for engagement with GNGC and PURC to harmonise raw gas invoicing.

The total volume of raw gas sales to GNGC by GNPC in H1 2019 was 8,458,153.40 MMBtu compared to 10,920,275.49 MMBtu for the period, representing an increase of 29.1 percent. On the revenue side, the total indebtedness to GNPC stood at US\$54.33 million<sup>8</sup> compared to US\$4.23 million for the same period in 2019. The figure below illustrates GNGC's indebtedness to GNPC for the period.



**Figure 24:** GNGC Indebtedness to GNPC - January to June, 2020

**Source:** PIAC Construct, June 2020.

**Findings**

1. Revenue realised from the sale of LPG and Condensates decreased by 31.13 percent and 48.45 percent respectively. The Covid-19 and its associated effect on crude price on the world market affected revenue from Condensate, due to the benchmark with the PLATTS Index (Global Crude Market).
2. Out of the invoiced amount of US\$93,547,640.50, US\$10,185,922.57 was paid for the sale and transportation of lean gas.
3. Cumulative indebtedness to Ghana Gas continued to increase, totalling an amount of US\$942,260,510.63 at the end of the period.
4. The policy of Government to make GNGC the national gas aggregator will likely qualify the Company to receive petroleum revenue funding as a National Oil Company, as well as make payments into the PHF.

<sup>8</sup> GNPC quoted an amount of US\$55.54 million. The two institutions have agreed to reconcile this for PIAC's full year Report.

# CHAPTER 10

## 10 PETROLEUM REVENUE OUTLOOK

### 10.1 Economic Growth Outlook

After an initial slowdown, economic output recovered swiftly following the easing of measures to contain the Corona Virus Disease of 2019 (COVID-19) pandemic and the initial re-opening of businesses. Policymakers and States responded rapidly and massively to buffer the initial blow to incomes and jobs. However, the pace of recovery remains sluggish. Restoring confidence will be crucial to how successfully economies can recover, and for this, countries need to learn to safely live with the virus, according to the Organisation for Economic Co-operation and Development (OECD).

The Organisation has revised its world economic growth in 2020 from -4.5 percent to -3.7 percent, following a more pronounced impact of the COVID-19 pandemic on the global economy. The major contraction in 2020 is forecast to be followed by a recovery in 2021, with global economic growth forecast at 5.0 percent. Table 25 below shows the growth pattern of major economies, as forecast by the OECD.

**Table 25:** Forecast Growth of Major Economies

Country	2020 Forecast (%)	2021 Forecast (%)
US	-3.8	4
UK	-10.1	7.6
China	1.8	8.0
Japan	-5.8	1.5
Euro Area	-7.9	5.5

**Source:** OECD, June 2020.

The re-emergence of trade tensions between the United States and China also weighed on commodity prices, as the US threatened to impose tariffs on China over claims of significant amounts of evidence that the new coronavirus emerged from a Chinese laboratory. Political risks, such as the US election cycle, the outcome of the Brexit process in Europe, and tensions in the Middle East between multiple states and non-state actors also disrupted economic growth.

The outbreak of COVID-19 is rattling a global oil market that was already facing challenges. On the demand side, growth in 2019 was significantly weaker than expected and new vehicle efficiency measures have started to weigh on transport fuels.

Refinery capacity additions and tightening product specifications, were introduced at the beginning of 2020, with the most conspicuous being the new International Maritime Organisation (IMO) bunker rules. The new regulations, known as IMO 2020, mandates a maximum sulphur content of 0.5 percent in marine fuels globally from January 1, 2021, down from 3.5 percent currently permitted under ISO 8217. The regulation applies outside the designated emission control areas where the limit is already 0.1 percent. The driver of this change is the need to reduce the air pollution created in the shipping industry

by reducing the sulphur content of the fuels that ships use. The impact of IMO 2020 on Heavy Fuel Oil (HFO) prices will be significant, although less severe than expected.

**10.2 Crude Oil Demand, Supply, and Production**

Global demand for petroleum and related liquid fuels averaged 93.4 million barrels per day (mb/d) in July 2019, but slumped by 9.1 mb/d from July 2019, and up from an average of 85.0 mb/d during the second quarter of 2020. This was down by about 15.8 mb/d from that of H1 2019.

The U.S Energy Information Administration (EIA) forecasts that total consumption of petroleum and liquid fuels globally will average 93.1 mb/d for the whole of 2020, a drop by about 8.1 mb/d from 2019, before increasing by 7.0 mb/d in 2021. The collapse in demand came on the heels of delays of the Organisation of Petroleum Exporting Countries (OPEC) and Russian Federation in extending a production agreement in March 2020, and an absolute production increase in some OPEC countries, according to the World Bank. A new agreement between OPEC and non-OPEC producers to curb production was reached in early April 2020; however, prices fell further after the announcement.

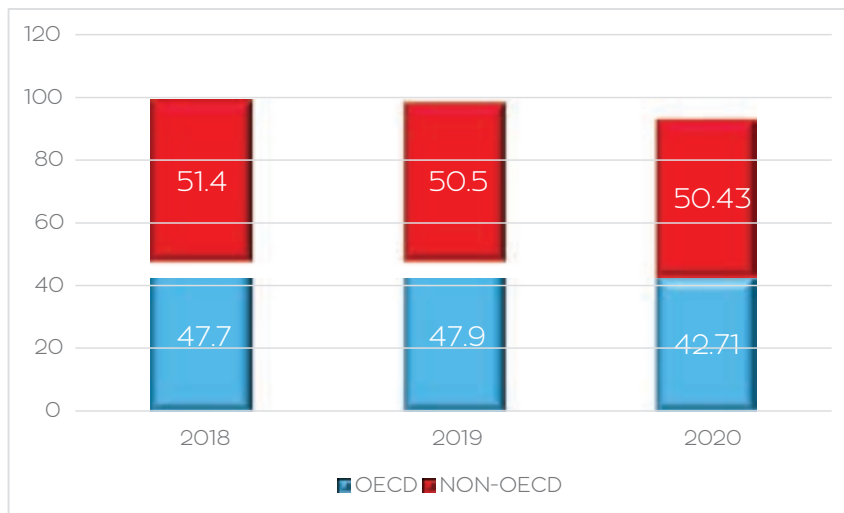
Global oil demand growth is forecast to weaken, as consumption of transport fuels increases more slowly. Between 2019 and 2025, global oil demand

is forecast to grow at an average annual rate of just below 1 mb/d. China, the leader in oil demand market, was hit the most in the first quarter, with a year-on-year fall of 1.8 mb/d. For 2020 as a whole, the degree of the drop in the first half leads to a decline in global oil demand of around 90,000bpd in the second half of the year, compared with 2019.

**10.2.1 OECD vs Non-OECD**

Oil demand growth in the Organisation for Economic Co-operation and Development (OECD) region was revised higher from 0.3mb/d to around 1.0 mb/d for 2020. The upward adjustment was mainly the result of better-than-expected data for diesel in OECD Europe and Asia Pacific, as well as for petrochemical feedstock in OECD Americas.

Oil demand growth in the non-OECD region was revised lower by 0.2 mb/d and 0.4 mb/d in the first and second quarters of 2020 respectively, to around 0.1 mb/d on average for 2020, mainly accounting for weaker-than-expected demand in the Other Asia region (such as India, Indonesia, Thailand, and Singapore) during H1 2020. Weakness in manufacturing activities and the transportation sector was greater than expected in those countries, hence the reduction in industrial and transportation fuels was larger than anticipated. Total global oil demand is estimated at 90.7 mb/d in 2020, with higher demand expected in the second half of 2020 compared with the first half. Figure 25 shows global crude oil demand.



**Figure 25: Crude Oil Demand**  
 Source: EIA, June 2020



On the supply side, geopolitics remain uncertain. Production losses from Iran, Libya, and Venezuela have reached a combined 3.5 mb/d since the start of 2018. Markets had been over-supplied, leading OPEC+ producers to cut output. Looking beyond the short term, the oil market looks comfortably supplied through 2025.

Also, the world's oil production capacity is expected to rise by 5.9 mb/d. Non-OPEC supply will rise by 4.5 mb/d while OPEC builds another 1.4 mb/d of crude and natural gas liquids capacity. This assumes that there is no change to sanctions on Iran or

Venezuela. The United States leads as the largest source of new supply.

**10.3 Price Trends**

Spot prices of Daily Brent crude oil averaged US\$43 per barrel (bbl) in July 2020, up US\$3/bbl from the average in June, and up US\$25/bbl from the multiyear low monthly average price in April. According to the EIA, monthly Brent spot prices are expected to average US\$43/bbl during H2 2020 and rise to an average of \$50/bbl in 2021 (see Figure 26).

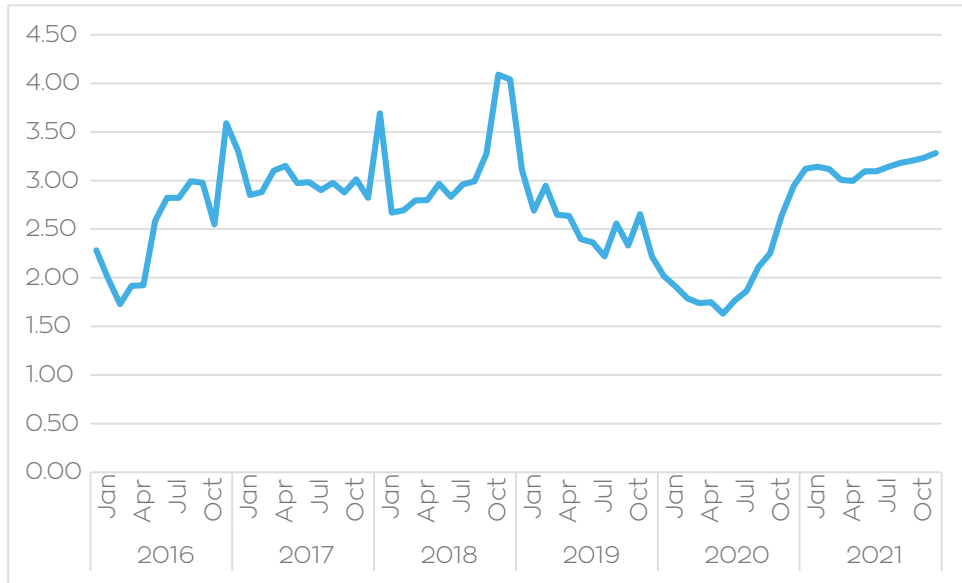


**Figure 26:** BRENT Forecast, 2016 - 2021

**Source:** EIA, June 2020

The Henry Hub natural gas spot price averaged US\$1.77 per million British thermal units (MMBtu) in July. Natural gas prices are expected to rise through the end of 2021, and the sharpest increases will be during the Fall and Winter when they rise from an average of US\$2.11/MMBtu in September 2020 to US\$3.14/MMBtu in February 2021. The EIA forecasts that Henry Hub natural gas spot prices will average US\$2.03/MMBtu in 2020 and US\$3.14/MMBtu in 2021 (See Figure 27).

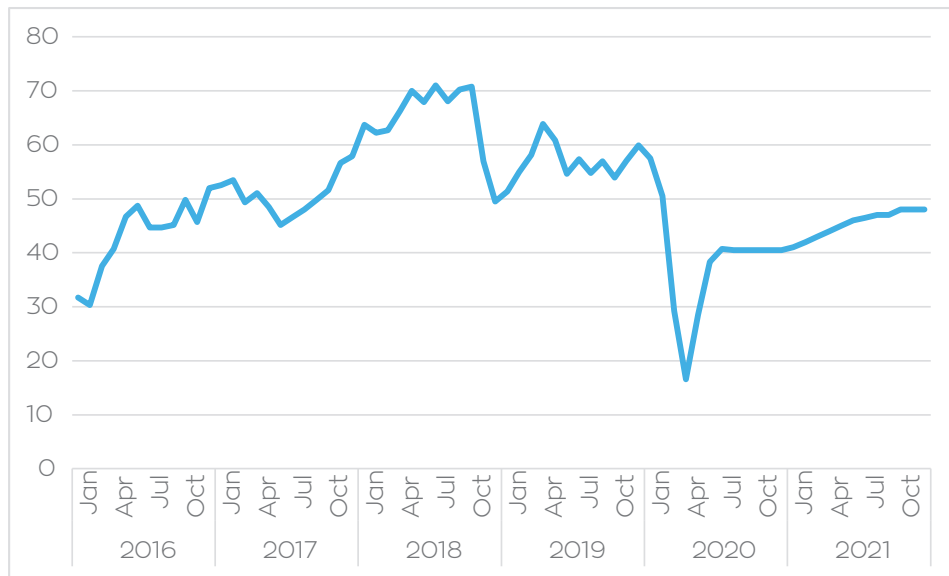




**Figure 27:** Henry Hub Forecast, 2016 to 2021

Source: EIA, June 2020

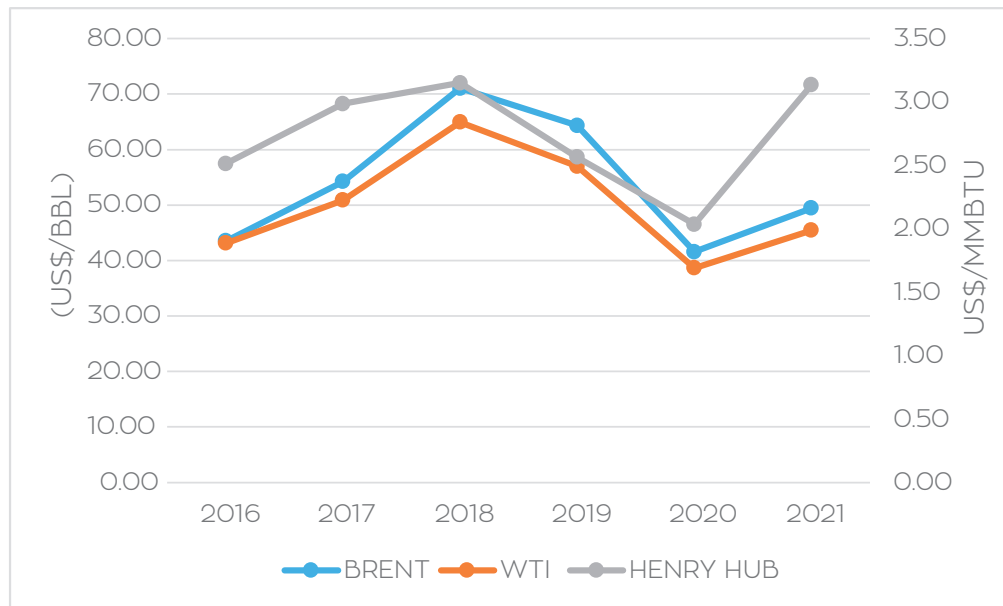
The West Texas Intermediate (WTI) crude oil is expected to reach an average of US\$38.5/bbl in 2020. This came as a result of the decline in consumer demand following fears of a continued spread of the coronavirus pandemic and its impact on the world economy, which in turn led to a disagreement between two of the largest oil producers, Russia and Saudi Arabia in early March (see Figure 28).



**Figure 28:** WTI Forecast, 2016-2021

Source: EIA, June 2020

Depicted in Figure 29 is the short-term energy outlook, according to the Energy Information Administration (EIA).



**Figure 29:** Short-term Energy Outlook, 2016 -2021

**Source:** EIA, June 2020

**10.4 Government Projections**

In relation to production, the Government’s projected crude oil output is 70.2 million barrels (192,336 barrels of oil per day), based on a three-year simple average of each producing Field’s actual and projected outputs. This is against an upward forecast of 77.16 million barrels for all three Fields, with Jubilee producing 34.5 million barrels, TEN: 24.9 million barrels; and SGN: 17.7 million barrels.

With regards to Benchmark price, a projection of US\$62.6/bbl was made for 2020, down from US\$66.76 for 2019. This was further reduced to US\$39.10/bbl in the mid-year budget review. The gas price for the year is also forecast at US\$4.31/MMBtu, up from the 2019 projection of US\$3.99/MMBtu.

Based on these revisions, the total petroleum receipts for 2020 have also been revised downwards by 57.9 percent from US\$1,567.60 million to US\$660.45 million. The breakdown of the projected and revised petroleum receipts is presented in Table 26. The distribution of the revised petroleum receipt is shown in Table 27.

**Table 26:** Revised Petroleum Receipts (US\$ Millions)

S/N	ITEMS	2020 Budget	2020 Revised Budget
1	Total Petroleum Receipts	1,567.61	660.45
2	Royalties	254.37	144.70
3	o/w Crude Oil	238.06	144.70
4	o/w Gas	16.30	0.00
5	Carried and Participating Interest	818.68	380.39
6	o/w Crude Oil	629.33	380.39
7	o/w Gas	189.35	0.00
8	Corporate Income Tax 492.98 134.01	492.98	134.01
9	Surface Rentals	1.59	1.35

**Source:** 2020 Mid-Year Budget Statement

**Table 27:** Revised Distribution (US\$ Millions)

S/N	ITEMS	2020 Budget	2020 Revised Budget
1	Total Receipts Distributed	1,567.61	660.45
2	Transfer to National Oil Company (NOC)	479.80	252.17
3	o/w Equity Financing	334.56	197.22
4	o/w 30% Net CAPI	145.24	54.95
5	Benchmark Revenue (BR)	1,087.81	408.28
6	o/w ABFA	761.47	285.80
7	o/w Ghana Petroleum Funds	326.34	122.48
8	o/w Ghana Stabilisation Fund	228.44	85.74
9	o/w Ghana Heritage Fund	97.90	36.75

**Source:** 2020 Mid-Year Budget Statement

# CHAPTER 11

## 11 FINDINGS AND RECOMMENDATIONS

### 11.1 Findings

#### Petroleum Production and Sales

1. Cumulative raw gas production increased significantly by 65 percent; the highest recorded half-year volume of gas produced since 2010.
2. All the three producing Fields (Jubilee, TEN and SGN) recorded an increase in gas production, with the SGN Field recording a 130 percent increase attributable to stable production operations.
3. The average unit price achieved by the Ghana Group in all three Fields (US\$42.49/bbl) were significantly lower than achieved unit prices in H1 2019 (US\$65.08/bbl), representing a 34.71 percent decline.

#### Revenue Collection and Management

4. Total petroleum receipts in the PHF for the period stood at US\$322,571,265.64, indicating an 11.32 percent decline.
5. CAPI contributed the highest portion of 40 percent to total receipts.
6. Even though GNGC received US\$1.78 million under the Cash Waterfall Mechanism, there was no payment to GNPC in respect of gas supplied. Consistently, the non-payment of gas revenue denies the PHF of its due entitlement.

#### Petroleum Funds Distribution and Utilisation

7. Total petroleum funds distributed since inception till end of June 2020 was US\$5.32 billion, of which approximately 39 percent went to the ABFA, 31 percent to GNPC, 21

percent to the GSF, and 9 percent to the GHF. This suggests that about 91 percent of the petroleum revenue is available for spending by the current generation.

8. For the fourth time, the Ministry of Finance failed to provide ABFA utilisation data for the compilation of PIAC Reports. This makes it difficult to reconcile disbursements and expenditure, and undermines the spirit of accountability as envisaged in the PRMA.

#### Performance of the Ghana Petroleum Funds

9. There was a 24.09 percent reduction in the GPFs reserves at the end of June 2020 compared to H1 2019, as a result of the lowered cap and subsequent withdrawals from the GSF. Consequently, the GSF yield reduced by 68.08 percent from that of H1 2019.
10. The net profit on investment of the GPFs was US\$8.58 million, as against US\$11.20 million in H1 2019. This represents a reduction of 23.39 percent.
11. At the end of the period, an amount of US\$33.34 million, being the excess over the cap of US\$100 million placed on the GSF, was not transferred into the Sinking and/or Contingency Funds, as required by Law.

#### Allocation and Utilisation of GNPC's Share of Petroleum Revenue

12. The Corporation's receipts in H1 2020 (US\$80.41 million) represents a 31.25 percent reduction from that of the same period in 2019 (US\$116.96 million).
13. Budgetary allocation to the GNPC Foundation decreased by 11.7 percent in 2020 as against that of 2019. However, an amount of US\$12.31 million, being financial obligations outstanding

at the close of 2019, was brought forward, and honoured in H1 2020.

14. The Corporation budgeted US\$41.93 million as Equity Financing for the Jubilee Field for H1 2020. However, it spent US\$7.33 million, representing 17.5 percent of the budgeted amount.
15. GNPC spent only nine (9) percent of its total receipts on Jubilee equity financing. This is as a result of the re-phasing of work programmes, as well as disputes surrounding the Cash Calls submitted by the Operator. The disputes are currently under negotiations between GNPC and the Contractor Party.
16. Even though GNPC received GH¢110.96 million under the Cash Waterfall Mechanism, there was no payment into the PHF in respect of raw gas supplied. Consistently, the non-payment of gas revenue denies the PHF of its due entitlement.

#### Operations of GNGC

17. Revenue realised from the sale of LPG and Condensates decreased by 31.13 percent and 48.45 percent respectively. The Covid-19 and its associated effect on crude price on the world market affected revenue from Condensate, due to the benchmark with the PLATTS Index (Global Crude Market).
18. Out of the invoiced amount of US\$93,547,640.50, US\$10,185,922.57 was paid for the sale and transportation of lean gas.
19. Cumulative indebtedness to Ghana Gas continued to increase, totalling an amount of US\$942,260,510.63 at the end of the period.
20. The policy of Government to make GNGC the national gas aggregator will likely qualify the Company to receive petroleum revenue funding as a National Oil Company, as well as make payments into the PHF.

## 11.2 Recommendations

The following recommendations are made for consideration of the various institutions with the intent of continual improvements in petroleum revenue management and utilisation:

1. PIAC reiterates its earlier call on Parliament to bring its oversight mandate to bear on the Ministry of Finance. This is because the Ministry's persistent failure (fourth time) to provide half-year data on ABFA utilisation is not only adversely affecting the work of the Committee, but also eroding gains in the fight for transparency and accountability in the management and use of Ghana's petroleum revenues for the benefit of citizens.
2. The Committee recommends the continuous monitoring of CSI expenditure by GNPC in order to ensure value for money for the remaining half of the year, and to minimise carryovers into 2021.
3. Although negotiations are ongoing between GNPC and the Contractor Party, PIAC recommends that a contingency amount should be set aside by the Corporation in anticipation of the eventual outcome of the dispute, as it could go either way.
4. GNPC should ensure that appropriate lodgments into the PHF are made once the Corporation receives payments from the Cash Waterfall Mechanism for raw gas supplied.
5. Government's clarification of the roles and mandates of regulatory institutions in the gas and power sectors is important for coordinated planning and improved management capacity. Government will need to design effective institutional arrangements with clear mandates for the institutions in the energy sector, including conducting technical studies on the electricity and gas sectors, to improve sector performance and to provide incentives to prospective investors.

# APPENDICES

## Appendix A: GNPC Expenditures

RECEIPTS FROM JUBILEE & TEN PROCEEDS	AMOUNT (US\$)	EXPENDITURE AS % OF RECEIPTS
Level A Receipts (Equity Financing) - Jubilee	19,503,425.32	24.3%
Level A Receipts (30% of Net Proceeds) - Jubilee	8,410,566.06	10.5%
Level A Receipts (Equity Financing) - TEN	40,020,387.86	49.8%
Level A Receipts (30% of Net Proceeds) - TEN	12,477,924.54	15.5%
Level A Receipts (30% of Net Proceeds) - Sankofa/OCTP ENI	-	0.0%
Level A Receipts (30% of Net Proceeds) - Sankofa/OCTP ENI	-	0.0%
Total Amount Received:-(A)	80,412,303.77	100.00%
USES OF AMOUNTS ALLOCATED:-		
Jubilee Equity Financing Cost	7,331,189.15	9.1%
TEN Equity Financing Cost	38,467,088.96	47.8%
Sankofa/OCTP ENI Project	3,417,997.28	4.3%
Exploration and Development Projects	4,592,167.12	5.7%
Staff Cost	11,728,878.65	14.6%
Admin. Capital Expenditure	693,660.52	0.9%
Capital Projects	4,472,752.47	5.6%
General Operational Expenditure	7,074,600.54	8.8%
GOG Gas-Related Payments - Enclave Roads	997,584.76	1.2%
SOPCL	614,821.93	0.80%
Sustainability & Stakeholder Relations and GNPC Foundation	28,084,061.60	34.9%
Subsidiary Expenditure	1,926,904.85	2.4%
Total Expenditure:- (B)	109,401,707.82	136.1%
Net Position (C=A-B)	(28,989,404.06)	-36.1%
Add: Cash B/Fwd (01-01-2020) (D)	15,895,675.78	
Refund from MOFEP in Aug-19 for payment made to LITASCO on behalf on ECG/Karpowership (E)	16,431,299.43	
<b>Total Cash Available (F=C+D+E)</b>	<b>3,337,571.15</b>	
North & South Tano Petroelum Projects	-	
Voltaian Basin Petroleum Projects	1,649,412.64	
South Deepwater Tano Petroleum Projects	-	
Ultra Deep Water [Keta Heritage]	-	
Tano - Heritage [OSWT]	601,680.71	
A - Z Petroleum	529,806.03	
Springfield	631,007.54	

DWT/CTP – Hess/ExxonMobil Project	193,310.01	
GH-WB-01 (GNPC)	30,482.36	
ENI Block 4	539,767.26	
Maritime Boundary Special Project	416,700.57	
<b>Total Non -Jubilee, Sankofa and TEN Projects Expenditure</b>	<b>4,592,167.12</b>	

### Appendix B: Summary of Receipts and Outstanding Receivables, June, 2020

Company	Product Sold	Volumes MT/ MMBtu	Amount Invoiced US \$	Payment Received US \$	Payment Outstanding US \$
<b>Opening Balance as at 1/1/20</b>					<b>861,386,476.67</b>
Globex Energy Ltd	Stabilized Condensates	1,993.30	232,317.87	366,303.91	(133,986.04)
LHS Ghana Ltd	Stabilized Condensates	1,408.75	161,142.11	325,852.79	(164,710.68)
Battop	Stabilized Condensates	894.56	90,419.24	176,196.71	(85,777.47)
Maranatha Oil Service Ltd	Stabilized Condensates	2,332.45	315,387.43	360,149.50	(44,762.07)
Film Energy	Stabilized Condensates	1,226.68	117,122.04	132,982.93	(15,860.89)
Dome Energy	Stabilized Condensates	1,796.80	251,064.28	164,845.54	86,218.74
Chase	Stabilized Condensates	525.40	41,591.84	97,980.97	(56,389.13)
Mobile Oil	Stabilized Condensates	251.49	20,154.66	103,341.16	(83,186.50)
Oil Trade Co. Ltd	Stabilized Condensates			54.18	(54.18)
Mimshach Energy Ltd	Stabilized Condensates			490.44	(490.44)
Sage Distributions Ltd (Sage Petroleum)	LPG	29,827.88	6,720,052.46	8,708,737.80	(1,988,685.34)
VRA	Lean Gas	8,280,954.55	50,340,750.83		50,340,750.83
WangKang Gh. Ceramic Ltd	Lean Gas	1,031,837.43	4,333,717.20	5,994,918.83	(1,661,201.62)
Keda Gh. Ceramic Ltd (Twyford)	Lean Gas	940,710.74	3,950,985.09	2,477,040.26	1,473,944.83
Genser Energy	Lean Gas	2,966,078.39	8,422,357.18	1,713,963.48	6,708,393.70
GNPC - OCTP Transportation Service	Lean Gas	34,061,478.41	26,499,830.20		26,499,830.20
<b>TOTAL</b>			<b>101,496,892.43</b>	<b>20,622,858.50</b>	<b>942,260,510.63</b>

Source: GNGC, June 2020

## Appendix C – GNPC CSI Expenditure

Approved Budget			2020 35.00
2020 CSI PROJECTS BUDGET			REVISED
	NO.	Project Name	US\$m
Environment & Social Amenities	1	Water: 317 Boreholes + Branding + Commissioning Publicity	1.20
	2	Construction of 40 Sanitary Facility for Markets & Communities	1.80
	3	Support for Fly-to-Save	1.00
	4	Health Facilities	2.00
	5	Construction of Sickle Cell Screening and Treatment Centre at Komfo Anokye Teaching Hospital (KATH)	1.00
		<b>Sub Total</b>	<b>7.00</b>
Education & Training	1	Professorial Chairs	1.00
	2	Local Scholarship (4 Cohorts)	6.00
	3	Foreign Scholarship	1.40
	4	GNPC - Medical Cuba Scholarships	2.00
	5	Construction of 6 Dormitories for Schools	0.80
	6	Construction of 7 Science Laboratories for SHS	0.80
	7	Construction of 60 6-Unit classroom blocks - 2019	3.50
	8	Furniture for 60 6-Unit classroom blocks - 2019	1.00
	9	Construction of UCC institute of Law & Governance Building - 2019	0.75
	10	Library Project - Kumasi Children's Park	0.75
	11	UMAT School of Petroleum Studies	0.50
	12	Zuarungu Community Library	0.25
	13	Capacity Building for Governance Institutions	0.50
		<b>Sub Total</b>	<b>19.25</b>
Economic Empowerment	1	Support for Fishermen	0.50
	2	Skill Development	0.50
	3	Market Access	0.50
	4	SME Support	0.50
	5	Gender/PWD	0.50
	6	Nationwide Baseline Survey;Stakeholder engagement;Communications and CSR	0.25
		<b>Sub Total</b>	<b>2.75</b>



Sport	1	Construction of 10 Artificial Soccer Turf with Flood lighting, wire fencing	3.00
	2	Sports	3.00
		<b>Sub Total</b>	<b>6.00</b>
		<b>Total</b>	<b>35.00</b>

### Funds Received

	GHC	USD
Receipts	52,687,399.73	3,803,106.51

### Payments - Projects

Pillar	DETAILS	CLASS	GHC	USD
Education & Training	Foreign Scholarship	Foreign Scholarship		\$ 1,568,467.85
	Local Scholarship	Local Scholarship	12,149,096.63	
	Payment - Service charge for Construction of 6 Unit classroom	Educational Support	26,744.47	
	Supply of beds & mattress to Sekondi school of the deaf	Educational Support	47,600.00	
	Payment - Service charge for Construction of 6 Unit classroom at Mpohor SHS	Educational Support	25,148.85	
	Payment - for Construction of 6 Unit classroom at Frafraha SHS	Educational Support	25,260.21	
	Payment - Service charge for Construction of 6 Unit classroom at St George SHS	Educational Support	25,241.72	
	Payment - Service charge for Construction of 6 Unit classroom at Queens Girl SHS	Educational Support	26,769.11	
	Payment - Service charge for Construction of 6 Unit classroom at Parkoso SHS	Educational Support	25,199.79	
	Payment - Service charge for Construction of 6 Unit classroom at Osei Adutwum SHS	Educational Support	25,182.33	
	Payment - Service charge for Construction of 6 Unit classroom at Sefwi Wiaso Sec Tech	Educational Support	22,871.59	



Payment - Service charge for Construction of 6 Unit classroom at Sakafia Islamic SHS	Educational Support	25,216.78	
Payment -Service charge for Construction of 6 Unit classroom at Amaniampong SHS	Educational Support	25,283.50	
Payment - Service charge for Construction of 6 Unit classroom at Dwemena Akenten shs	Educational Support	25,362.18	
Payment -Service charge for Construction of 6 Unit classroom at Swedru SHS	Educational Support	25,305.16	
Payment - Service charge for Construction of 6 Unit classroom at Sekondi College	Educational Support	10,264.19	
Payment - Service charge for Construction of 6 Unit classroom at Bawku SHS	Educational Support	29,837.56	
Payment - Service charge for Construction of 6 Unit classroom at Komenda SHS	Educational Support	25,267.53	
Payment - Service charge for Construction of 6 Unit classroom at Gomoa Gyaman SHS	Educational Support	25,183.81	
Payment - Service charge for Construction of 6 Unit classroom at Zuarungu SHS	Educational Support	29,837.56	
Payment - Service charge for Construction of 6 Unit classroom at lawra SHS	Educational Support	29,781.58	
Payment - Service charge for Construction of 6 Unit classroom at Tamale SHS	Educational Support	29,507.14	
Payment - Service charge for Construction of 6 Unit classroom at Dunkwa SHS	Educational Support	25,250.39	
Payment - Service charge for Construction of 6 Unit classroom at Meth shs	Educational Support	22,922.01	
Payment - Service charge for Construction of 6 Unit classroom at Zebilla SHS	Educational Support	29,837.56	

Payment - Service charge for Construction of 6 Unit classroom at Islamic SHS	Educational Support	29,781.58	
Payment - Service charge for Construction of 6 Unit classroom at Tolon SHS	Educational Support	29,507.12	
Payment - Service charge for Construction of 6 Unit classroom at Assin North SHS	Educational Support	25,230.51	
Payment - Service charge for Construction of 6 Unit classroom at Ofoase SHS	Educational Support	26,366.78	
Payment - Service charge for Construction of 6 Unit classroom at Bodamase SHS	Educational Support	25,337.87	
Payment - Service charge for Construction of 6 Unit classroom at Kpandai SHS	Educational Support	29,507.14	
Payment - Service charge for Construction of 6 Unit classroom at Ofoase Kokoben SHS	Educational Support	25,319.70	
Payment - Service charge for Construction of 6 Unit classroom at Mankessim SHS	Educational Support	25,283.50	
Payment - Service charge for Construction of 6 Unit classroom at Badu Bonsu SHS	Educational Support	25,130.73	
Payment - Service charge for Construction of 6 Unit classroom at Efutu SHS	Educational Support	25,437.62	
Payment - Service charge for Construction of 6 Unit classroom at Abakrampa SHS	Educational Support	25,271.74	
Payment - Service charge for Construction of 6 Unit classroom at Kwabenya SHS	Educational Support	25,237.53	
Payment - Service charge for Construction of 6 Unit classroom at Mpasatia SHS	Educational Support	25,302.32	



Payment - Service charge for Construction of 6 Unit classroom at Bonzo Kaku SHS	Educational Support	25,181.75	
Payment - Service charge for Construction of 6 Unit classroom at Mabang SHS	Educational Support	25,294.76	
Payment - Service charge for Construction of 6 Unit classroom at Mankraso	Educational Support	25,372.38	
Payment - Service charge for Construction of 6 Unit classroom at Yendi SHS	Educational Support	29,532.75	
Payment - Service charge for Construction of 6 Unit classroom at Daboase SHS	Educational Support	25,163.27	
Payment - Service charge for Construction of 6 Unit classroom at Kanton SHS	Educational Support	29,781.58	
Payment - Service charge for Construction of 6 Unit classroom at College of Music	Educational Support	25,126.10	
Payment - Service charge for Construction of 6 Unit classroom at Diaso SHS	Educational Support	26,394.93	
Retention- 6 Unit classroom at Adugyman	Educational Support	16,816.10	
Retention- 6 Unit classroom at Sefwi Bekwai SHS	Educational Support	17,829.65	
Payment for supply of furniture to Daboase SHS	Educational Support	76,848.28	
Payment for the supply of furniture	Educational Support	74,647.16	
Payment for the supply of furniture	Educational Support	111,769.71	
Supply of furniture to Akotombra SHS	Educational Support	75,685.43	
Construction of 6-Unit Unit classroom block at Komenda SHS	Educational Support	67,380.07	
payment- Supply of furniture to Bodomase & Amaniapong SHS	Educational Support	115,968.30	
Retention- 6 Unit classroom at Swedru SHS	Educational Support	16,870.11	

Construction of science block at Kwamang Presby SHTS	Educational Support	220,000.00	
Construction of 6-Unit classroom block at St. Michael's Basic School	Educational Support	128,566.26	
Construction of girls' dormitory at Abuakwa State College	Educational Support	255,712.95	
Construction of 6-Unit classroom block at Nkyeraa SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at St. Peter's Catholic Basic School - Papaase	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Methodist Technical and Vocational Institute	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Wenche Salvation Army SHS	Educational Support	128,566.26	
Construction of dining hall at Esiam STS	Educational Support	219,992.45	
Construction of 6-Unit classroom block at Nana Yaw Brempong III	Educational Support	128,566.26	
Construction of science laboratory at Krobo Girls' SHS	Educational Support	220,000.00	
Construction of 6-Unit classroom block at Ayakomaso	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Menji SHS	Educational Support	128,566.26	
Construction of girls' dormitory at Mando SHS	Educational Support	255,712.95	
Construction of 6-Unit classroom block at Afiaman	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Fodome Woe/ Agbetsido Basic School	Educational Support	128,566.26	



Construction of 6-Unit classroom block at Hwidiem SHS	Educational Support	128,566.26	
Construction of science laboratory at Nsutaman Catholic SHS	Educational Support	220,000.00	
Construction of 6-Unit classroom block at Assin Bereku	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Ahamansu Islamic SHS	Educational Support	139,985.94	
Construction of 6-Unit classroom block at Nsia Akoah Memorial Primary School	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Asuhyiae English Arabic primary School	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Drobonso	Educational Support	128,566.26	
Construction of 3-Unit classroom block at Drobonso	Educational Support	72,000.00	
Construction of 3-Unit classroom block at Drobonso	Educational Support	72,000.00	
Construction of 6-Unit classroom block at Afigyaman SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Atonsu Presbyterian School	Educational Support	128,566.26	
Construction of science lab at Bosomtwe Girls' SHS	Educational Support	220,000.00	
Construction of 6-Unit classroom block at St. Michael Tech and Voc School	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Ankanful	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Ejura-Sekyedumase	Educational Support	128,566.26	

Construction of 6 unit classroom Block at Tawheed SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Ejura-Sekyedumase	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Atobiase SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Gwiraman SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Abrafi SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Nkwabeng Technical School	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Nii Boi Town SDA	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Akroso SHS	Educational Support	128,566.26	
Construction of 6 unit classroom Block at Tawheed SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Kpando Gadza M/A School	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Anfoega Azigbe E.P JHS	Educational Support	128,566.20	
Construction of science laboratory at Yaa Asantewaa Girls SHS	Educational Support	220,000.00	
Construction of 6-Unit classroom block at Metumi	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Dodowa Islamic Basic School	Educational Support	128,566.20	
Construction of science laboratory at Bisease SHS	Educational Support	220,000.00	
Supply of furniture at Mpohor & Bedu Bonsu	Educational Support	74,517.09	
Supply of bed & mattress to Sekondi School Deaf	Educational Support	44,744.00	



Construction of 6-Unit classroom block at Fiaso SHS	Educational Support	128,566.26	
Construction of 6 Unit classroom Block at Shama Beposo	Educational Support	128,566.26	
Construction of 6 Unit classroom Block at Kue Nkwanta South	Educational Support	139,985.94	
Construction of 6 Unit classroom Block at Pibala	Educational Support	139,985.84	
Construction of 6 Unit classroom Block at Nyameboa	Educational Support	139,985.94	
Construction of 6 Unit classroom Block at Kuntase Presby SHS	Educational Support	128,566.26	
Construction of 6-Unit classroom block at Kpando Gadza M/A School	Educational Support	128,566.26	
Construction of Girls Dormitory at Sefwi Anhwiaso	Educational Support	255,712.95	
Construction of 3 Unit Classroom Block at Aduyaw JHS	Educational Support	72,000.00	
Construction of 3 Unit Classroom Block at Karlon D/A Dadieso Suaman	Educational Support	72,000.00	
Construction of 6 Unit Classroom Block at Asuom SHS	Educational Support	128,566.26	
Construction of Girls Dormitory Bekwai	Educational Support	255,412.95	
Construction of 6 Unit Classroom Block at Sefwi Asafo Nursing Training	Educational Support	128,566.26	
Construction of 6 Unit Classroom Block at Sefwi Anhwaiso SHS	Educational Support	128,566.26	
Construction of 6 Unit classroom at Nyong Karaga	Educational Support	139,985.94	
Construction of 3 Unit classroom at Sulmuchu	Educational Support	82,285.72	
Construction of 6 Unit classroom at Damago	Educational Support	139,985.94	
Construction of 6 Unit classroom at Larabanga	Educational Support	139,985.94	



Construction of 3 Unit classroom at Abrumasi	Educational Support	82,285.72	
Construction of Dormitory at Bimbilla SHS	Educational Support	271,368.75	
Construction of Dormitory at Walewale	Educational Support	271,368.75	
Construction of 6 Unit classroom at Naaga Prim/ KG	Educational Support	139,985.94	
Construction of 6 Unit classroom at Yungyoo D/A	Educational Support	139,985.94	
Construction of 3 Unit classroom at Bawku	Educational Support	139,985.94	
Construction of 3 Unit classroom at Bulenga	Educational Support	82,285.72	
Supply of Furniture to mpasatia and Maabeng SHS	Educational Support	77,413.37	
Supply of Furniture to Mankraso & Adugyaman	Educational Support	76,688.57	
Supply of Furniture to Islamic, Lawra and Kanton SHS	Educational Support	116,037.67	
Supply of Furniture to Zimbilla, Zuarungu and Bawku SHS	Educational Support	116,037.67	
Supply of Furniture to Adutwum SHS & St George SHS	Educational Support	77,176.35	
Construction of 6 Unit classroom block at Adwaafua SHS	Educational Support	128,566.26	
Construction of 6 Unit classroom block at Yoggu in the Northern Region	Educational Support	139,985.94	
Supply of Furniture to GNPC Foundation Takoradi to Schools	Educational Support	156,030.06	
Construction of 6 Unit classroom block at Tamale	Educational Support	139,985.94	
Construction of 6 Unit classroom block at Assin Jakai	Educational Support	128,566.26	
Girls Dormitory at Apaah	Educational Support	255,712.95	
Supply of furniture to Sefwi Bekwai SHS	Educational Support	80,445.48	
Retention -Construction of 6 Unit classroom at Mpohor SHS	Educational Support	16,765.90	

Supply of furniture to Sefwi Tamale SHS	Educational Support	81,217.27	
Supply of furniture to Yendi and Kpandai SHS	Educational Support	81,029.39	
Retention - Construction of 3 Unit classroom at Salakpang	Educational Support	9,154.04	
Retention - Construction of 6 Unit classroom at Dabase SHS	Educational Support	16,775.52	
Retention - Construction of 6 Unit Classroom at Ofoase SHS	Educational Support	17,577.86	
Retention - Construction of 6 unit classroom @ college of music	Educational Support	11,750.74	
Retention - Construction of 6 unit classroom @ Maabeng	Educational Support	16,863.16	
Retention - Construction of 6 unit classroom @ Assin North	Educational Support	16,820.34	
Construction of 6 Unit Classroom at prampram	Educational Support	128,566.26	
Construction of 6 Unit classroom block at Domini	Educational Support	52,612.44	
Construction of 3 unit classroom block Tarkwa Nsuaem	Educational Support	93,114.86	
Construction of 3 Unit classroo block at Wassa Amenfi	Educational Support	93,590.59	
Construction of 2No. 3 Unit classroo block at Amansie Central	Educational Support	186,453.72	
Construction of 6 Unit classroom block at Adansi Asokwa	Educational Support	167,471.64	
Construction of 3 Unit classroo block at Amansei Central	Educational Support	93,172.80	
Construction of 3 Unit classroo block at Adansi Asokwa	Educational Support	93,174.43	
Construction of 2No. 3 Unit classroo block at Amansie Central	Educational Support	186,572.79	

	Construction of 6 Unit classroom block & 1 mech. Borehole at antwima mponuah	Educational Support	178,927.05	
	Construction of 6 Unit classroom block at antwima mponuah	Educational Support	167,416.06	
	Construction of 6 Unit classroom block at Kpando	Educational Support	167,466.19	
	Construction of 6 Unit classroom block at Akonu	Educational Support	52,612.44	
	Construction of 4 Unit classroom at Agyan	Educational Support	104,538.25	
	Supply of Furniture at Abrakrampa	Educational Support	77,406.14	
	Supply of Furniture at Mankessim & Swedru SHS	Educational Support	77,326.66	
	Construction of 6 unit classroom @ Bonzo Kaku	Educational Support	16,787.84	
	Construction of sickbay at St. Hubert SHS	Educational Support	102,345.84	
	Retention- Construction of 6 unit classroom block	Educational Support	16,753.83	
	Retention - Construction of 6 unit classroom @ Dunkwa SHS	Educational Support	16,833.59	
	Payment of supplied furniture to contractor- Dunkwa SHS and Diaso SHS	Educational Support	81,338.67	
			28,103,340.52	\$ 1,568,467.85
Environ- ment & Social Amenities	Supply of Nose Mask & Haand Gloves - GNPC Health Campaign on CoronaVirus in Central Region	Health	1,236.00	
	Supply of Dust Bin Rubber - GNPC Health Campaign on CoronaVirus in Central Region	Health	1,428.00	
	Supply of Hand Paper Tissue - GNPC Health Campaign on CoronaVirus in Central Region	Health	3,786.41	



Supply of Hand Soap - GNPC Health Campaign on CoronaVirus in Central Region	Health	4,500.00	
Supply of veronica bucket -GNPC Health campaign against CoronaVirus(Western Region)	Health	67,500.00	
Supply of veronica bucket -GNPC Health campaign against CoronaVirus(Central Region)	Health	68,400.00	
Construction of Hospital at Bremang	Health	294,345.84	
Water system and Borehole for 24 Unit sanitary facility at Agona Nkwanta	Sanitary Facility	28,500.00	
Water system and Borehole for 24 Unit sanitary facility at Nsein SHS	Sanitary Facility	28,500.00	
Construction of 12-Unit sanitary facility at Kwamang Presby SHTS	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Mankoadze	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Beposo	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Odmansie	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Pataboso Junction	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Sefwi Anhwiaso	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Prampram Lower Town	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Hohoe Gbi Atabu	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Abuom	Sanitary Facility	64,261.20	

Construction of 12-Unit sanitary facility at Osramane	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Ejura-Sekyedumase	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Agbogbloshie	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Agbogbloshie	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Gbefi Tornu	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Omyemsu	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Goi	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Twifo Mampong	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Bamiri	Sanitary Facility	64,261.20	
Construction of 24-Unit sanitary facility at Duayaw Nkwanta SHS	Sanitary Facility	90,000.00	
Construction of 12-Unit sanitary facility at Dorman Kessi	Sanitary Facility	64,261.20	
Construction of 12-Unit sanitary facility at Wenche Salvation Army SHS	Sanitary Facility	64,261.20	
Construction of 12 Unit sanitary facility at Dormabin	Sanitary Facility	64,261.20	
Construction of 24 Unit Sanitary Facility at New Takoradi	Sanitary Facility	90,000.00	
Construction of 12 Unit Sanitary Facility at Ajumako Assasan	Sanitary Facility	64,261.20	
Construction of 12 Unit Sanitary Facility at Ajumako Assasan	Sanitary Facility	64,261.20	
Construction of 12 Unit Sanitary Facility at Ejura	Sanitary Facility	64,261.20	

Construction of 12 Unit Sanitary Facility at Asunafo Asutifi	Sanitary Facility	64,261.20	
Construction of 12 sanitary facility at Tamale Teaching Hospital	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Ghanasco	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Langdmsi	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Sokogu	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Jamatu	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Abrumasi	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Possum	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at Zanlerugu	Sanitary Facility	67,129.05	
Construction of 12 sanitary facility at WA City Centre	Sanitary Facility	67,129.05	
24 Unit Sanitary facility a Sekondi. School of the deaf	Sanitary Facility	90,000.00	
Supply of Various sanitary items - GNPC Health on CoronaVirus in Western region	Sanitary Facility	19,874.00	
12 Unit Sanitary facility at Nandam in the Upper West Region	Sanitary Facility	67,129.05	
12 Unit Sanitary facility at Chereponi in the North East Region	Sanitary Facility	139,985.94	
Supply of Hand Sanitizer - GNPC Health on CoronaVirus in Western region	Sanitary Facility	80,000.00	
Supply of Hand Sanitizer - GNPC Health on CoronaVirus in Central region	Sanitary Facility	64,000.00	
Construction of 24 Unit Sanitary Facility at Nsein SHS	Sanitary Facility	11,382.76	
Construction of 24 Unit Sanitary Facility at Nkroful	Sanitary Facility	11,512.90	

Construction of U drain at Trobu	Sanitary Facility	295,305.32	
Construction of 12 Unit sanitary facility at Yapei Kussawgu	Sanitary Facility	173,724.87	
Construction of 12 Unit sanitary facility at Tano North	Sanitary Facility	82,461.75	
Construction of 12 Unit sanitary facility at West Gonja	Sanitary Facility	87,525.27	
Construction of 12 Unit sanitary facility at Ayawaso East	Sanitary Facility	82,480.15	
Construction of 12 Unit sanitary facility at Yapei Kussawgu	Sanitary Facility	86,878.46	
Construction of 12 Unit sanitary facility at west Gonja	Sanitary Facility	87,297.30	
Construction of resource centre at kpando	Sanitary Facility	204,689.16	
Construction of No. 2 12 Unit sanitary facility at Birim North	Sanitary Facility	164,511.90	
Construction of 12 Unit sanitary facility at Agyan	Sanitary Facility	84,629.34	
Construction of 4 mechanised boreholes at West Gonja	Water Boreholes	35,131.20	
Construction of 30No. Hand Pump Boreholes in the Brong Ahafo region (Bono, Bono East and Ahafo)	Water Boreholes	395,090.71	
Construction of 15No. Hand Pump Boreholes in the Ashanti region	Water Boreholes	131,696.90	
Construction of 15No. Hand Pump Boreholes in the Eastern region	Water Boreholes	197,545.36	
Construction of 30No. Boreholes in Western and Western North regions	Water Boreholes	395,090.71	
Construction of 30No. Boreholes in Central Region	Water Boreholes	395,090.71	



	Construction of 10No. Hand Pump Boreholes in the Greater Accra region	Water Boreholes	131,696.90	
	Construction of 25No. Hand Pump Boreholes in the Volta region & Oti	Water Boreholes	329,242.26	
	Construction of 80No Hand pumps and borehole in Northern, North East and Savannah Regions	Water Boreholes	1,053,325.22	
	Construction of 26 Hand pump boreholes in Upper West Region	Water Boreholes	342,411.95	
	Construction of 26 Hand pump boreholes in Upper East Region	Water Boreholes	342,411.95	
	Construction of borehole and water system @ Abodom Dwenase	Water Boreholes	15,000.00	
	Construction of 10NO Hand pump boreholes in bongo	Water Boreholes	105,375.99	
	Construction of 9NO Hand pump boreholes in bongo	Water Boreholes	93,957.54	
	Construction of 6NOMech boreholes in bongo	Water Boreholes	70,023.70	
			8,755,366.96	\$ -
Sports	Donation Support to Construction for Hohoe Sport Complex	Sports Development		\$ 500,000.00
	Construction of Astro Turf at Nzema	Sports Development	383,116.59	
	Construction of Astro Turf at Sekondi	Sports Development	799,532.50	
	Construction of Astro Turf at Mankessim	Sports Development	799,532.50	
	Construction of Astro Turf at Asokwa	Sports Development	380,177.16	
	Construction of Astro Turf at Apenkwa	Sports Development	382,687.27	
	Construction of Astro Turf at Yendi	Sports Development	799,532.50	
	Construction of Astro Turf at Karaga	Sports Development	799,532.50	
	Construction of Astro Turf at Prestea	Sports Development	779,532.50	



Construction of Astro Turf at Adenta	Sports Development	799,532.50	
Construction of Astro Turf at Akyemansa	Sports Development	799,532.50	
Construction of Astro Turf at Beposo	Sports Development	799,532.50	
Construction of Astro Turf at Bantama	Sports Development	799,532.50	
Construction of Astro Turf at Tema	Sports Development	799,532.50	
			\$ 500,000.00
<b>Grand Total</b>		<b>45,980,013.50</b>	<b>2,068,467.85</b>
<b>Payments - Operational</b>			
Operational Expense - GH¢1,031,406.77			

# Members of the Public Interest and Accountability Committee



Mr. Noble Wadzah

## Civil Society Organisations and Community-Based Organisations



Mr. Nasir Alfa Mohammed  
Ghana Bar Association



Rev. Dr. Kwabena Opuni-Frimpong  
Christian Groups



Osei Kwadwo Adow  
Ghana Journalists Association



Alhaji Alhassan Abdulai  
Muslim Groups



M. Bashiru Abdul-Razak  
Ghana Extractive Industries Transparency Initiative



Prof. Kwame Adom-Frimpong  
Institute of Chartered Accountants, Ghana



Nana Agyenim Boateng  
Association of Ghana Industries and Ghana Chamber of Commerce



Ogyeahoho Yaw Gyebi II  
National House of Chiefs



Prof. Albert Fiadjoe  
Ghana Academy of Arts and Sciences



Prof. Akosua K. Darkwah  
Think Tanks



Mrs Mary Karimu  
Trades Union Congress



Kansawurche Hajia Azara Bukari  
Association of Queen Mothers

