



PIAC

PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE

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



**SEMI-ANNUAL REPORT
ON THE MANAGEMENT AND USE OF
PETROLEUM REVENUES FOR THE PERIOD
JANUARY – JUNE 2021**





PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE

SEMI-ANNUAL REPORT ON THE MANAGEMENT AND USE OF PETROLEUM REVENUES FOR THE PERIOD JANUARY – JUNE 2021

ABOUT THIS REPORT

The 2021 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 2021.



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LIST OF ACRONYMS

ABFA	Annual Budget Funding Amount
AG	Associated Gas
AGPP	Atuabo Gas Processing Plant
AOE	Additional Oil Entitlements
AOGC	Accelerated Oil and Gas Capacity
BBL	Barrel
BoG	Bank of Ghana
BR	Benchmark Revenue
BRENT	Broom, Rannoch, Etive, Ness and Tarbert
CAPEX	Capital Expenditure
CAPI	Carried and Participating Interest
CEDM	Compliance, Enforcement and Debt Management
CHPS	Community Health Planning and Services
CIT	Corporate Income Tax
CNOOC	China National Offshore Oil Corporation
COLA	Crude Oil Lifting Agreement
COMAH	Control of Major Accident Hazards
COVID-19	Corona Virus Disease 2019
CSI	Corporate Social Investment(s)
CWM	Cash Waterfall Mechanism
DACF	District Assemblies Common Fund
DBPS	Dawusaso Branch Point Station
DWT	Deepwater Tano
DWT/CTP	Deepwater Tano Cape Three Points
E&P	Exploration and Production
ECTP	East Cape Three Points
EDS	Esiama Distribution Station
EFC	Equity Financing Cost
EIA	Energy Information Administration
ENI	Ente Nazionale Idrocarburi (Ghana E&P Limited)
FDTT	Formation Deep Transient Testing
FPSO	Floating Production Storage and Offloading Unit
GDP	Gross Domestic Product
GESTIP	Ghana Energy Sector Transformation Initiative Project
GHF	Ghana Heritage Fund
GIA	Ghana Insurance Association
GIIF	Ghana Infrastructure Investment Fund



GIZ	[Deutsche] Gesellschaft für Internationale Zusammenarbeit
GNGC	Ghana National Gas Company
GNPC	Ghana National Petroleum Corporation
GNPCF	Ghana National Petroleum Corporation Foundation
GNT	Ghana Negotiation Team
GoG	Government of Ghana
GOGIP	Ghana Oil and Gas Insurance Pool
GOGSPA	Ghana Oil and Gas Service Providers Association
GOR	Gas to Oil Ratio
GOSCO	GNPC Operating Services Company Limited
GPF	Ghana Petroleum Funds
GPP	Gas Processing Plant
GPWF	Ghana Petroleum Wealth Fund
GRA	Ghana Revenue Authority
GSF	Ghana Stabilisation Fund
IAC	Investment Advisory Committee
ICT	Information and Communications Technology
IEA	International Energy Agency
IFEJ	Institute of Financial and Economic Journalists
IOC	International Oil Company
IPP	Independent Power Producer
JAK	John Agyekum Kuffuor
JV	Joint Venture
LCC	Local Content Committee
LED	Light-emitting Diode
LI	Legislative Instrument
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MMBtu	Million British Thermal Units
MMDA	Metropolitan, Municipal and District Assembly
MGTF	Ministerial Gas Task Force
MMSCF	Million Standard Cubic Feet
MoEn	Ministry of Energy
MoF	Ministry of Finance
MT	Metric Tonne
NAG	Non-Associated Gas
NGTS	National Gas Transmission System
NGTU	Natural Gas Transmission Utility
NOC	National Oil Company
NIC	National Insurance Commission



OCTP	Offshore Cape Three Points
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
OPEX	Operating Expenditure
ORF	Onshore Receiving Facility
PA	Petroleum Agreement
PC	Petroleum Commission
PCB	Petroleum Commission Board
PHF	Petroleum Holding Fund
PIAC	Public Interest and Accountability Committee
PNDCL	Provisional National Defense Council Law
PoD	Plan of Development
PRMA	Petroleum Revenue Management Act
PRMR	Petroleum Revenue Management Regulations
PRMS	Prestea Regulating & Metering Station
PSGL	Prestea-Sankofa Gold Limited
PURC	Public Utilities Regulatory Commission
RoR	Rate of Return
SEP	Springfield Exploration and Production Limited
SGN	Sankofa Gye-Nyame
SOE	State-owned Enterprise
SOPCL	Saltpond Offshore Producing Company Limited
SRMS	Sekondi Regulating & Metering Station
STEAM	Science, Technology, Engineering, Arts and Mathematics
STEO	Short-Term Energy Outlook
SWAOCO	Swiss African Oil Company Limited
TCF	Trillion Cubic Feet
TDS	Takoradi Distribution Station
TEN	Tweneboa-Enyenra-Ntomme
TGL	Tullow Ghana Limited
TLTC	Tema LNG Terminal Company
TUC	Trades Union Congress
VRA	Volta River Authority
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), 2011, (Act 815), the Committee prepares statutory Annual and Semi-Annual Reports, which aim at keeping Ghanaians and other interested stakeholders constantly informed about 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 20 reports – 10 Annual and 10 Semi-Annual Reports - covering the period 2011 to June 2021, 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 2021 Semi-Annual Report covers the period January to June 2021. 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. The Committee notes with commendation the provision of ABFA Utilisation Data by the Ministry of Finance for this Report, which has not been the trend in recent years.

The Committee is releasing its 2021 Semi-annual Report three weeks after the statutory date of 15th September, which is a clear departure from long delays, as witnessed in previous years. This was achieved as a result of the continuous collaboration between PIAC and its stakeholders, especially on the timely exchange of information.

It is the expectation of the Committee that the general public will read the Report meticulously, 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 , or call us on +233 (0) 302 547 765.

PIAC Chair,

Prof. Kwame Adom-Frimpong



EXECUTIVE SUMMARY

The Report reconciles and analyses information as well as 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:

FINDINGS/OBSERVATIONS AND RECOMMENDATIONS

Petroleum Funds Distribution and Utilisation

1. Following the decision of the Supreme Court of Ghana in the case of Kpodo and Another versus Attorney-General in 2019, that the District Assemblies Common Fund be added to the recipients of the Annual Budget Funding Amount to receive five (5) percent, an amount of GH¢129.26 million has been allocated to the Fund for 2021. This will ensure direct implementation and monitoring of projects at the Sub-national level.

Recommendation

PIAC recommends to the Ministry of Finance that, there is the need for the decision to find expression in the PRMA, which is being reviewed, with the necessary provisions as is the case with the ABFA and GIFF. This will enhance direct implementation and monitoring of ABFA-funded projects at the Sub-national level.

2. Instead of withdrawing from the Ghana Stabilisation Fund, the Government utilised an amount of GH¢40.17 million from the Treasury Main Account to shore-up the ABFA in the first quarter.

Recommendation

Even though the PRMA allows the Minister for Finance to place a cap on the GSF, the Fund should be grown to serve its purpose of shoring up shortfalls in the Budget.



CHAPTER 1

1.0 INTRODUCTION

1.1 BACKGROUND

In December 2010, Ghana joined the league of oil producing countries. It successfully attracted a number of oil Exploration and Production (E&P) companies who have in partnership with the Ghana National Petroleum Corporation (GNPC) been at the fore front of petroleum production in the country.

The build up to the attainment of a decade of petroleum production was adversely affected by the outbreak of the corona virus disease (COVID-19) in 2020. Growth was subdued and a lot of exploration companies halted their production and expansion plans in Ghana.

With the introduction of the COVID-19 vaccines in the first half of 2021, global economic growth started to rebound, as most restrictions are gradually being eased and measures put in place to allow for work to continue.

In Ghana, the economy began to show signs of recovery in the period under review. The local petroleum industry witnessed some level of activities, albeit, slow.

The anticipation for the oil producing companies to ramp up production, and execute plans that were halted as a result of the pandemic also remains high. An increased production output is thus expected to translate into more revenues needed to augment resources to manage the economy.

The management of the country's petroleum revenues continues to be guided by the Petroleum Revenue Management Act, 2011 (Act 815) as amended, which seeks "to provide the framework for the collection, allocation and management of petroleum revenue in a responsible, transparent, accountable and sustainable manner for the benefit of the citizens of Ghana in accordance with Article 36 of the Constitution for related matters."

The PRMA has two distinct features, among others. These are:

1. Intergenerational equity spending and savings, borne out of the recognition of the common resource ownership of current and future generations of Ghanaians,
2. Appropriating 70 percent of revenue through the budget to address infrastructure needs given the country's infrastructural deficit and its relevance for socio-economic growth and transformation. This expenditure is defined as capital expenditure. The remaining 30 percent is ploughed into recurrent expenditure requirements.

Having already marked ten years of commercial oil production as a nation, the Public Interest and Accountability Committee (PIAC), a creation of the PRMA, is also marking 10 years of its establishment.

Section 52 of the PRMA created PIAC in September 2011 as a unique citizens-based institution with an additional oversight responsibility to support the work of Parliament in ensuring the prudent management and use of petroleum revenues.

The Committee was given a three-fold mandate which is 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 and 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.

Over the last 10 years, PIAC has been consistent with the release of its statutory reports. This report is the 10th in the series of semi-annual reports, and the 20th in the Committee's statutory reports.

1.2 SCOPE

This Report:

- Analyses oil and gas production and liftings;
- Verifies the accuracy of oil and gas revenues declared by state institutions;
- Confirms revenues allocated to the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA), and the Ghana Petroleum Funds (GPFs);
- Discusses how petroleum receipts have been allocated and utilised;
- 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;
- Interview and validation meetings; and
- Independent verification of source documents from stakeholders.

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

- Bank of Ghana (BoG)
- Energy Commission
- Ghana Revenue Authority (GRA)
- Ghana National Petroleum Corporation (GNPC)
- Ghana National Gas Company (GNGC)
- Ghana Infrastructure Investment Fund (GIIF)
- GNPC Foundation (GNPCF)
- Ministry of Finance (MoF)
- Petroleum Commission (PC)
- International Oil Companies (IOCs) – ENI, Kosmos, and Tullow.

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



CHAPTER 2

2.0 DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

2.1 COVID-19 AND RELATED DEVELOPMENTS IN THE ECONOMY, WORK OBLIGATIONS AND OPERATIONS

Despite the double blow of the COVID-19 pandemic and the associated oil price shocks on the economy and work programmes of major industry actors last year, the first half of 2021 witnessed sustained activity upstream. Most IOCs resumed their project planning, execution, risk management and associated preparatory activities as well as drilling campaigns. As at the end of June, the Petroleum Commission reported that the following IOCs had resumed operations and were preparing towards drilling:

a. Amni International Petroleum Development (Central Tano)

Amni resumed operation and is planning towards drilling its obligatory exploration well, Kusia-1X in Q2 2022. Well planning and drilling related procurement of goods and services are ongoing. The Minister of Energy granted Amni a restitution time of eight (8) months to compensate for the time lost due to the COVID-19 pandemic.

b. GNPC Operating Services Company Ltd (Offshore South-West Tano)

GOSCO is planning towards drilling its obligatory exploration well, Mansonia-1X in Q2 2022. Well planning and drilling-related procurement of goods and services are ongoing. The Minister for Energy granted GOSCO a restitution time of nine (9) months to compensate for the time lost due to the COVID-19 pandemic.

c. Eco Atlantic Oil and Gas (Deepwater Cape Three Points West Offshore)

Eco Atlantic is planning towards drilling its obligatory exploration well, Dawadawa-1X in Q2 2022. Well planning and drilling-related procurement of goods and services are ongoing. The Minister for Energy granted Eco Atlantic a restitution time of eight (8) months to compensate for the time lost due to the COVID-19 pandemic.

d. ExxonMobil (Deepwater Cape Three Points)

ExxonMobil was granted a restitution time of nine (9) months by the Minister for Energy to compensate for the time lost due to the COVID-19 pandemic as well as conduct a holistic assessment of the commerciality of opportunities in the Contract Area. ExxonMobil, however, voluntarily relinquished its rights to the Deepwater Cape Three Points Contract Area in May 2021.

e. Eni (Cape Three Points Block 4)

Eni drilled its second exploration well, the Eban-1X in June 2021 and announced an oil discovery. Eni is undertaking post-well studies to determine if the Eban Discovery merits appraisal or otherwise. In its Press Release announcing the Eban 1X discovery, Eni indicated that the preliminary estimate in place for the Eban – Akoma Complex is between 500 and 700 million barrels of oil equivalent (MMboe).

f. Springfield E&P (West Cape Three Points Block 2)

Springfield is undertaking additional geological and geophysical studies in preparation towards the execution of a Unitisation and Unit Operating Agreement with Eni regarding the Sankofa East Field and Afina Discovery. The Minister for Energy granted Springfield a restitution time of nine (9) months to compensate for the time lost due to the COVID-19 pandemic.

g. Base Energy (Expanded Shallow Water Tano)

Following the removal of Erin Energy from the partnership, Base Energy was appointed Operator of the Expanded Shallow Water Contract Area. In August 2020, the Minister for Energy granted Base Energy a three-year extension to its Initial Exploration Period to allow it to complete its minimum work obligation. Base Energy is planning towards the acquisition of new 3D seismic data over the Block.

h. Medea Development (East Cape Three Points)

The Minister for Energy granted Medea and Cola an 18-month extension to complete work obligations under the East Cape Three Points Contract Area Petroleum Agreement (ECTP Contract Area) and specifically drill an Exploratory Well. Medea is planning towards drilling of its obligatory exploration well in Q1 2022.

i. AGM Petroleum (South Deepwater Tano)

AGM is preparing an appraisal programme for the Nyankom Discovery which is planned for submission in Q3 2021.

The resumption of critical upstream activities is largely attributable to both global and national deployment of effective COVID-19 containment and OPEC+ intervention measures. These have ensured a positive, though uncertain, market performance outlook of the oil and gas industry for the period under review compared to the same period in 2020. As at June, BRENT prices surged to pre-pandemic values of above US\$60/bbl up from around US\$50/bbl in December 2020, US\$40.27/bbl in June 2020 and US\$32.01/bbl in March 2020.

In the first half of 2021, compared to the same period in 2020, there was sustained but relatively low production in the country's three offshore producing Fields.¹ A total of 27.76 million bbls of oil was produced, down from the 2020 half year production of 34.23 million bbls, representing an 18.91 percent reduction (see 3.1).

However, with a significant recovery of oil prices above pre-pandemic values, revenue forecast for the half year have improved compared to the forecast of the same period in 2020. In the 2021 mid-year budget review, the Ministry of Finance stated that petroleum receipts from upstream oil and gas activities were above target by 4.9 percent, amounting to US\$330.3 million from four (4) scheduled oil liftings which yielded 3.84 million barrels of crude oil.

Other developments including measures put in place by the Government to sustain the country's efforts at managing its hydrocarbon resources are discussed below.

2.1.1 Developments in the Investment Climate

Notwithstanding a slow recovery from the COVID-19 pandemic, Ghana in the first half of 2021 witnessed some injection of investment by IOCs. In April, Tullow Oil for instance, commenced implementation of its long-term Business Plan to unlock the full potential from the Jubilee and TEN fields through a multi-year, multi-well drilling programme. In this campaign, Maersk Venturer drillship is expected to drill four wells in total in 2021, consisting of two Jubilee production wells, one Jubilee water injector well and one TEN gas injector well.

¹ 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.



Additionally, discussions with prospective investors are ongoing to promote Ghana as an attractive destination for investment, technology, and a hub for refined petroleum products in the West African sub-region through the implementation of the Petroleum Hub project. The Ghana Negotiation Team (GNT) has resumed negotiations with four companies (i.e., Eni Ltd in partnership with Vitol Upstream Tano Ltd, CNOOC International Ltd, Resource Base International Ltd and KOKA Energy Company Ltd) towards petroleum agreements.

Eni Group has recently made a significant oil discovery in Block 4 offshore Ghana, with an estimated deliverability potential of 5,000 bbl per day, similar to the well already in production from the Sankofa Field. According to Tullow, the Greater Jubilee field and Tweneboa-Enyenra-Ntomme (TEN) fields have additional gas reserves of 1.7 trillion cubic feet (TCF) and 2.7 billion barrels of oil (bbl).

However, the operator of the Deepwater Cape Three Points (DWCTP), ExxonMobil withdrew from the DWCTP license, relinquishing its entire stake in the block after fulfilling its contractual obligations during the initial exploration period. According to PC, despite ExxonMobil's decision to relinquish its interest in DWT/CTP block as per a letter to the Minister, the Petroleum Agreement is still in force with the remaining partners being GNPC and GOIL taking responsibility for the contract area. The 80 percent interest relinquished by ExxonMobil has reverted to the State pending the necessary arrangements for re-award to a new contractor party(s), as shown in Table 1.

Table 1: Current Partners (Ownership) on the DWCTP Block

S/N	Contractor Party	Percentage Ownership
1	GOIL Offshore Ghana Limited	5
2	GNPC (Carried Interest)	15
3	State (Relinquished stake pending re-award)	80

Source: PC, June 2021

2.1.2 Developments in Local Content and Local Participation

In line with the underlying object of the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204) to optimise local content and enhance local participation in the upstream oil and gas industry, the Petroleum Commission in the first half of 2021 undertook and accomplished the following, among other things:

- Reviewed the Annual Local Content Plans, Annual Performance Reports, Procurement Plans, and Measurement Reports received from 289 service companies and seven (7) IOCs respectively;
- Commenced engagements with the Bank of Ghana to develop the Financial Services Guidelines;
- Undertook a stakeholder engagement on the Guidelines for Chemical Importation;
- Undertook desktop studies to develop strategies to optimise local content in mid-technical services;
- Developed strategies for local content inspections and monitoring;
- Developed minimum standard local content requirements for FPSO, Rig and Subsea Systems to ensure continuous growth in local content development;

- Engaged with 27 joint venture companies to assess their performance on the transfer of technology and know-how to their local partners; and,
- Begun the development of the maiden edition of a Local Content Magazine.

As part of the Government's commitment to ensuring that Ghanaians are equipped with skills relevant for the upstream petroleum industry, over 1,500 candidates participated in an aptitude test in May 2021. One hundred shortlisted candidates will be trained in various modules under the Government's Accelerated Oil and Gas Capacity (AOGC) Programme being run by the Petroleum Commission.

2.1.2.1 Status of the Local Content Fund

As at the end of June, the following were in effect regarding the Local Content Fund:

- The Local Content Fund Operational Guidelines for the administration of the Fund was under review by the Local Content Committee (LCC) and the Petroleum Commission Board (PCB) in 2020 until the dissolution of both bodies.
- Pending the constitution of the Petroleum Commission Board and the Local Content Committee in 2021, the Local Content Fund Secretariat continued to implement the deduction of a one percent (1%) contract sum into the Local Content Fund established under the Petroleum (Exploration and Production) Act, 2016 (Act 919) albeit there were several challenges, including the impact of the COVID-19 pandemic on collections and non-compliance by Contractors and subcontractors citing the Fiscal Stabilisation Clause in petroleum agreements.
- Receivables based on approved contract sums by the PC to the Local Content Fund amounted to US\$4.2 million, down from an amount of US\$4.5 million recorded for the same period in 2020.

2.2 DEVELOPMENTS IN THE POLICY, LEGAL, AND REGULATORY ENVIRONMENT

For the period under review, the following policy, legal and regulatory developments had emerged:

2.2.1 PRMA Review and other legislative updates

The process for review of the PRMA which commenced in 2018 is still ongoing with the Ministry of Finance projecting that the bill may be laid in Parliament by the end of 2021, subject to Cabinet approval and drafting clearance by the Attorney-General's Department. The Ministry has received and collated proposals for review of the PRMA from Government agencies and civil society.

The Ghana Infrastructure Investment Fund Act, 2014 (Act 877) was amended by Act 1063, which repealed Section 9 of the Earmarked Funds Capping and Realignment Act, 2017 (Act 947) to allow a resumption of allocation of ABFA to GIIF.

2.2.2 Execution of New Petroleum Agreements

In the first half (H1) of 2021, no new Petroleum Agreement was signed or ratified by Parliament. The total number of existing Petroleum Agreements stands at eighteen. However, the process has begun for the termination of agreements of four (4) non-performing contractors; Swiss African Oil Company Limited (SWAOCO),² UB Resources, Britannia U, and Sahara Energy Fields Ghana Limited

Tullow Oil (West Cape Three Points and Deepwater Tano) and Eni (Offshore Cape Three Points) are at the production stage. Aker Energy (Deepwater Tano/Cape Three Points) is at the pre-development stage

² According to the PC, SWAOCO has written to the Minister for Energy to appeal against the decision. Although the remaining three Contractors are yet to formally appeal against the termination notice, these have commenced some form of engagements with the Ministry of Energy.



while Springfield and AGM Ghana are at the appraisal stage of operation. The remaining companies are at the exploratory stage of operation. Negotiations are, however, ongoing with CNOOC, KOKA and ENI for new petroleum agreements.

2.2.3 Review of Upstream Petroleum Sector Insurance Practices

To ensure compliance with respect to upstream insurance, the PC took the following steps in the first half of 2021:

- Reviewed insurance practices of contractors and subcontractors in the upstream oil and gas industry, pursuant to Law;
- Engaged companies operating in Ghana's upstream petroleum sector on their insurance arrangements;
- Engaged other stakeholders including Ghana Insurance Association (GIA), Ghana Oil and Gas Insurance Pool (GOGIP), Ghana Oil and Gas Service Providers Association (GOGSPA), General Transport, Petroleum and Chemical Workers Union of TUC and the Ghana Upstream Petroleum Chamber; and,
- Inaugurated a joint committee comprising the PC and the National Insurance Commission (NIC) to review Ghana's Upstream Petroleum Sector and to make recommendations to inform policy direction.

2.2.4 Afina Discovery and Sankofa Fields Unitisation

As at June 2021, there was no conclusive agreement on this subject.³ Eni and the Government continue to engage in order to reach a consensual outcome reflecting applicable law, the relevant project agreements, and industry standards.

However, in June 2021, following an application for preservation of funds filed by Springfield against Eni Ghana and Vitol; the High Court of Ghana granted the application and ordered Eni and Vitol to set aside 30 percent of oil proceeds from the Sankofa Field in an escrow account, pending the final determination of the case commenced by Springfield E&P in respect of the unitisation agenda. Eni has expressed its concerns with Government's approach to this unitisation call and has consistently requested for a fair process based on adequate data as well as a process that is in line with applicable law and best industry practice.

³ The Government, acting through the Minister for Energy in early April 2020, directed Eni and Springfield to commence talks relating to the potential unitisation of the Afina-1X Cenomanian discovery, operated by Springfield E&P Ltd (SEP), and the Sankofa Cenomanian field, operated by Eni. The Afina-1X Cenomanian discovery is located in SEP's West Cape Three Points 2 (WCTP2) Licence which shares a common boundary with the Offshore Cape Three Points (OCTP) Licence which contains the Sankofa Cenomanian field, offshore Ghana.

In a second directive dated 14 October 2020, the MoE sought to impose terms and conditions for unitisation on OCTP and WCTP2 on the basis that an agreement between the parties would ensure optimum exploitation and recovery of Ghana's petroleum reserves.

According to Eni, both directives were premised on reports authored by Ghana National Petroleum Corporation (GNPC). Eni objected to the directives in a series of letters to the MoE stating its concerns with the MoE's directive. Eni's position is that it has not been provided with sufficient data and/or sufficient data does not exist to ascertain whether:

- (i) The Afina discovery, drilled in 2019 and the Sankofa Cenomanian Oil field, which was discovered in 2012 and has been in production for about 3 and a half years, are straddling the licence border;
- (ii) The Afina discovery has been sufficiently tested or appraised to demonstrate that it is in dynamic communication with the Sankofa field and/or ascertain definitively that the discovered resources in the Afina discovery are producible;;
- (iii) Unitisation would ensure efficient reservoir exploitation, avoid unnecessary competitive drilling, and maximise economic recovery of the hydrocarbons reserves; and/or
- (iv) Unitisation or any other form of coordinated development would be appropriate in accordance with Ghanaian law.

2.2.5 Energy Transition Concerns

The global debate about the transition from fossil fuels to green energy is a topical issue in Ghana. The global call to achieve net-zero carbon emissions by 2050 is increasingly becoming a compelling factor usually considered in negotiating Petroleum Agreements globally. Ghana can ill afford to be left behind in this global movement.

To ensure that the country aligns its domestic policies to its international obligations, the Minister for Energy directed the Petroleum Commission to come up with proposals on reforms of the current fiscal regime to mitigate the adverse effect the transition will have on investment opportunities in Ghana's upstream oil sector.

2.3 EXPLORATION AND PRODUCTION ACTIVITIES

Petroleum exploration and production activities resumed in all exploration and producing fields after almost a year of COVID-19 induced reduction in upstream activities.

2.3.1 Jubilee Field Operations (Drilling and Completion)

Tullow Ghana Ltd (TGL) resumed its drilling campaign in the Jubilee Field in April, and accordingly, the Maersk Venturer drillship was contracted to carry out drilling and completion activities.

The J56-P was the first well drilled, spudded on 5th April, and completed drilling on 5th May. Between 6th May and 7th June, the rig proceeded to drill the lower section of the J55-WI well, whose top-hole section was drilled in March 2020. The rig then switched to completion mode and commenced completion operations on J56-P on 7th June 2021. As at the end of June, completion operations were still ongoing on J56-P with flowback operations being carried out.

2.3.2 Tweneboa, Enyenra Ntomme (TEN) Field Operations

There were no drilling and completion operations carried out in the TEN Fields for the period.

2.3.3 Offshore Cape Three Point (OCTP) Field Operations

There were no drilling and completion operations carried out in the OCTP Fields for the period. However, production operations have been very stable in the first half of 2021.

Field production experienced a decrease in production due to the increasing Gas-Oil Ratio (GOR), higher than expected. Furthermore, there was a slight decrease in production levels in some wells due to the increase in impairment (scale build up) in the near wellbore area. An acid stimulation activity was carried out to restore the production in these wells. The stimulation campaign began on 4th April and ended on 15th April involving three wells (OP-5, SNKE-1XST and GI-4), with an instantaneous gain in oil rate ~2,500 barrels of oil per day (bopd).

Other major operational issues experienced within the period included a trip on GTG-C due to fuel gas failure which led to load shedding in January. In March, a shutdown of the High Pressure Flash compressor unit occurred due to feedback error from the limit switch.

2.3.4 Deepwater Tano/Cape Three Point Field Operations

As part of the preparations leading to the submission of a revised Plan of Development (PoD), Aker Energy Ghana Ltd (Aker), the Operator of the DWT/CTP contract, undertook a geotechnical survey in the block with the Fugro Scout vessel. Processing and interpretation of the data is currently ongoing.



2.3.5 Voltaian Basin Project

GNPC completed the acquisition of Phase 2 of its 2D infill Seismic Data Acquisition Programme in December 2019 in respect of the Voltaian Basin.⁴ The acquisition was completed in March 2020 with a total length of 667 kilometres. Further to this, GNPC plans on executing a Phase-3 (Infill Campaign) to acquire an additional 1,655 kilometres of 2D seismic lines. This campaign is scheduled to start in Q4 and continue for a period of 12 months.

2.3.6 Decommissioning of Saltpond Oilfield

Since November 2019, when the Minister for Energy approved the Saltpond Oilfield Decommissioning Plan by GNPC, the process has been ongoing through H1 2021. Pending execution of the Decommissioning Plan, the GNPC continued its procurement processes to select a Decommissioning Contractor. The Corporation spent US\$0.58 million within the half year towards the decommissioning.

2.3.7 Cape Three Points (CTP) Block 4

Eni contracted Saipem 10,000 drillship to drill its second exploration well, Eban-1X, in the CTP Block 4. This well was in fulfilment of work obligations for the First Extension Exploration Period.

Eban-1X was drilled and spudded on 6th May. As at 30th June, the 9-5/8" casing had been perforated to carry out Formation Deep Transient Testing (FDTT) which could not be achieved in the 12-1/4" open-hole section during the success case wireline logging programme due to higher pressures and gas shows faced in the Turonian formation above the target.

2.4 NATURAL GAS DEVELOPMENTS AND MARKET INFORMATION

2.4.1 Revenue from Cash Waterfall Mechanism / Energy Sector Debt Servicing

Revenue for the period from the Cash Waterfall Mechanism (CWM) to GNPC amounted to GH¢480,701,391.31. Although gas payments are to be made to the PHF, it was paid directly to gas suppliers and service providers such as West African Gas Pipeline Company (WAPCo) for transportation and OCTP gas accounts for SGN partners. Secondly, GNPC's share and Government Royalty share from the SGN Field has been zeroed out⁵ such that there was nothing left to pay into the PHF.

The Ghana National Gas Company (GNGC) received a total CWM revenue of GH¢230,119,314.61, (US\$40,013,087.36) for the 2021 half year. Meanwhile, as at the end of June 2021, GNGC's indebtedness to GNPC amounted to US\$613,910,025.21 due principally to VRA's inability to meet its debt service obligation to GNGC.

⁴ 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.

⁵ There is currently no offtake of GoG and GNPC share of OCTP gas. The purpose is to limit the impact of Take or Pay (ToP) obligations from the OCTP field and allow GNPC to fulfil its offtake obligations to its Partners. GoG and GNPC share of gas will be taken as Make Up gas.

Since there's no offtake of the Government Royalty share or GNPC's CAPI share there cannot be any payment into the PHF.

The payments for gas being collected through the Cash Waterfall Mechanism (CWM) is for the Contractors' share of gas which GNPC has purchased and therefore must pay for.

2.4.2 Natural Gas Regulatory Updates

In H1 2021, the Energy Commission – in line with its regulatory and management mandate under the Energy Commission Act, 1997 (Act 541) – carried out the following activities:

- Issued Siting and Construction Permits to AKSA Energy Ltd, an Independent Power Producer (IPP) involved in the production and sale of electricity in the Greater Accra Region, to construct a 4.158km natural gas pipeline from the VRA receiving facility to AKSA Energy's power plant in Kpone;
- Issued a Project Registration Certificate to Genser Energy Company Ltd, an IPP involved in the production and sale of power to mining installations in the Western Region, as part of processes involved in acquiring a Natural Gas Facility Licence for the development of a natural gas liquefaction facility in Prestea;
- Received, processed and issued Natural Gas Retail Sale project Registration Certificates to Vivo Energy Company Ltd and FuelTrade Company Ltd as an initial stage to acquiring Natural Gas Retail Sale Licences;
- Developed a natural gas licence text which defines the conditions for which an LNG facility should operate in the country;
- Developed a draft Natural Gas Transmission Pipeline Vesting and Maintenance Agreement for vesting, transfer and operations of all natural gas transmission assets in Ghana. The draft document has been forwarded to the Minister for Energy for review;
- Submitted a proposal to the World Bank through the Ghana Energy Sector Transformation Initiative Programme (GESTIP) for technical assistance for the development and implementation of Control of Major Accident Hazards (COMAH) Regulations in Ghana;
- Submitted a proposal to the World Bank through GESTIP for technical assistance to update the Natural Gas Distribution and Transmission Infrastructure Plan;
- Commenced the review of the Natural Gas Access Code developed to coordinate the activities of natural gas pipelines and related activities in the country;
- Received and reviewed the first draft of the Natural Gas Transmission Master Plan developed by GNGC;
- Embarked on a monitoring and inspection visit to the Tema LNG Terminal Company (TLTC) Project site to ascertain the progress of work and to ensure compliance with the rules stipulated in the Natural Gas Pipeline Safety (Construction, Operation and Maintenance) Regulations, 2012, and the conditions of the Construction Permit issued to the TLTC as part of regulatory activities in the natural gas sector; and,
- Carried out inspection and monitoring visits on the construction sites of Genser's 20 inch 158Km gas pipeline from Prestea (Western Region) to Nyinahin in the Ashanti Region to ascertain the progress of work and to ensure compliance with the rules stipulated in the Natural Gas Pipeline Safety (Construction, Operation and Maintenance) Regulations.



2.5 MINISTRY OF FINANCE'S REPAYMENT OF THE US\$50 MILLION ADVANCE TO GNPC

GNPC has still not received payment of the US\$50 million advanced to the Ministry of Finance (MoF) in 2014 for the construction of the Western Corridor roads, in the Atuabo Gas Processing Plant enclave. The money was expected to have been repaid in three months. In PIAC's engagement with Parliament over the last two years, Parliament directed that the Ministry of Finance and GNPC should meet to resolve this outstanding issue.⁶

According to GNPC, the Minister for Energy requested the Minister for Finance to intervene and assist in the settlement of monies owed GNPC by Government and Energy Sector Agencies. This was contained in a letter to the MoF in February 2021. However, according to the MoF, it is yet to receive the said letter either from GNPC or the Ministry of Energy (MoEn) to inform the appropriate accounting treatment to be effected in the books of GNPC and MoF.

⁶ 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.

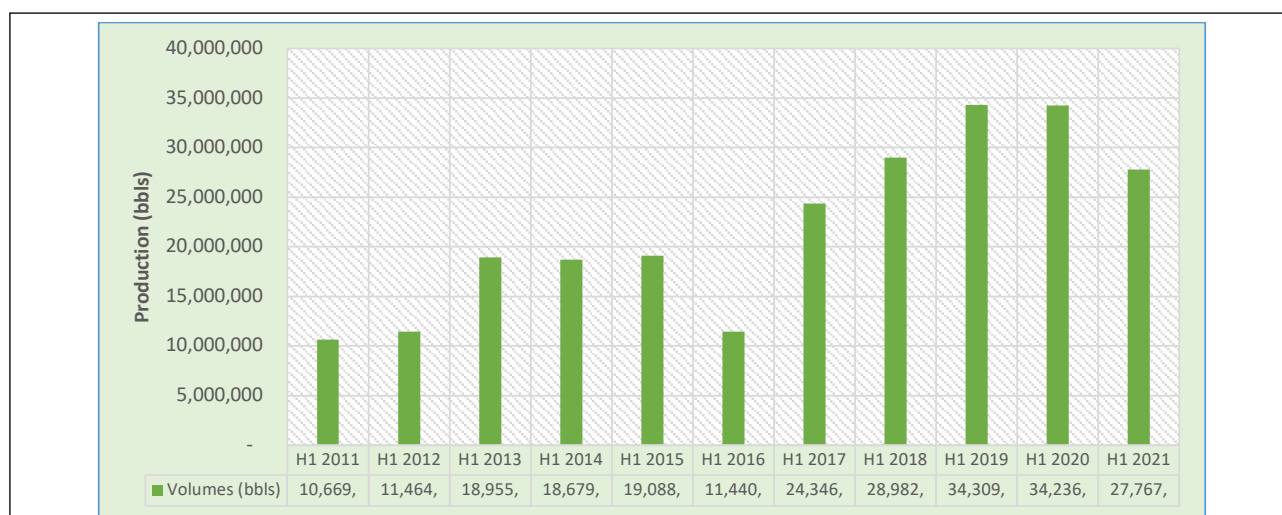
CHAPTER 3

3.0 PETROLEUM PRODUCTION AND SALES

3.1 CRUDE OIL PRODUCTION

Ghana produced a total of 27,767,859.00barrels (bbls) of crude oil in the first half of 2021 from its three offshore producing Fields - Jubilee, TEN, and SGN. This represents an 18.9 percent reduction from the first half of 2020 production volume of 34,236,596.97 barrels (bbls) and the second consecutive reduction in year-on-year (y-o-y) crude oil production volumes since inception as shown in Figure 1.

Figure 1: Half-Year (H1) Crude Oil Production (2011-2021)



Source: PIAC Construct, based on GNPC's Data, June 2021.

The decrease was a result of reduced production on all the three producing fields, recording a decline of 17, 27.9 and 13.2 percent on the Jubilee, TEN and SGN Fields respectively. Table 2 shows the monthly production figures for the three Fields.

Table 2: Monthly Breakdown of Total Crude Production

	Jubilee		TEN		SGN		Production Days
	Daily Av. Prod (bbls)	Qty Produced (bbls)	Daily Av. Prod (bbls)	Qty Produced (bbls)	Daily Av. Prod (bbls)	Qty Produced (bbls)	
January	72,749.23	2,255,226	39,574.55	1,226,811	48,395.06	1,500,247	31
February	70,562.79	1,975,758	38,218.86	1,070,128	46,977.54	1,315,371	28
March	67,832.32	2,102,802	38,680.32	1,199,090	45,154.13	1,399,778	31
April	71,854.03	2,155,621	36,464.40	1,093,932	46,079.20	1,382,376	30
May	70,409.65	2,182,699	36,181.35	1,121,622	45,240.29	1,402,449	31
Jun	70,307.37	2,109,221	32,422.73	972,682	43,401.53	1,302,046	30
Total		12,781,327		6,684,265		8,302,267	



Source: GNPC and PC, June 2021

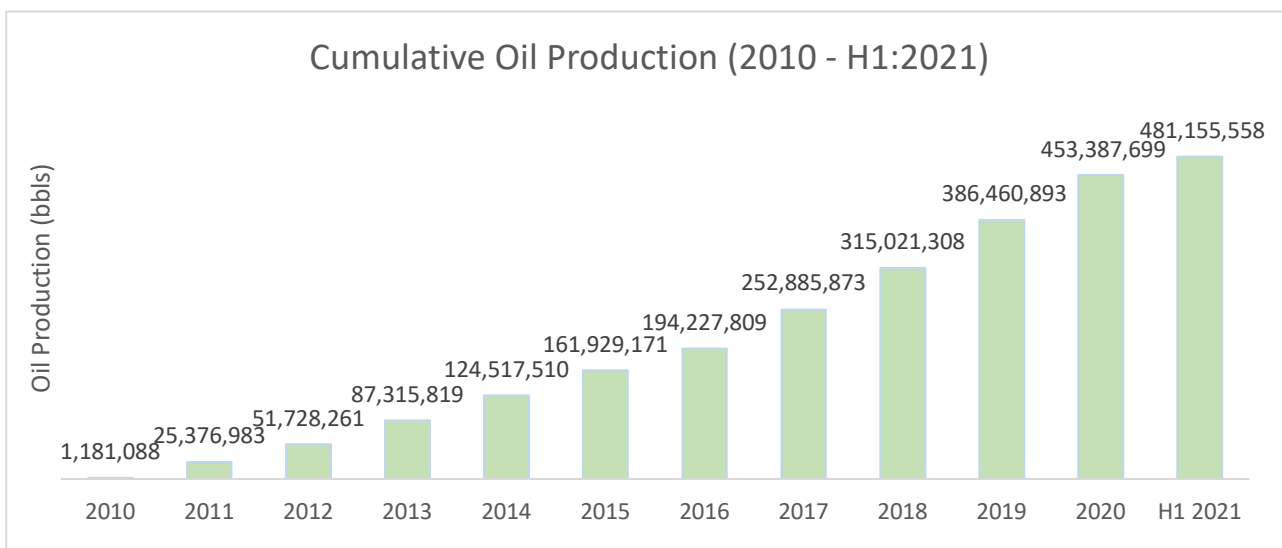
Jubilee production declined from 15,406,903 bbls in the first half (H1) of 2020 to 12,781,327 in H1 2021 (17%). Average daily production in the Jubilee Field in H1 2021 was 70,615 bbls compared to 84,723 bbls in H1 2020, representing a decrease of 16.65 percent. January 2021 recorded the highest monthly oil production volume of 2,255,226 bbls while February 2021 recorded the least monthly output of 1,975,758 bbls.

TEN production declined from 9,266,872 bbls in H1 2020 to 6,684,265 bbls in H1 2021 (27.9%). The average daily production of 36,930 bbls in the TEN Field in H1 2021, was a 27.5 percent reduction compared to the 50,916 bbls in H1 2020.

SGN production declined from 9,562,822.00 bbls in H1 2020 to 8,302,267.00bbls in H1 2021 (13.2%). Average daily production reduced from 52,543 bbls to 45,875 bbls during the period (12.69%). The decline, according to ENI, was attributable to Gas-oil Ratio (GOR) increase and the increased impairment (scale build-up) around the near wellbore areas in some of the oil producers. Consequently, acid stimulation activity was carried out to restore productivity in the affected wells.

Cumulatively, the volume of crude oil produced in Ghana since first oil in December 2010, totals 481,155,558 bbls as at the end of June 2021, as shown in Figure 2.

Figure 2: Cumulative Production 2010 - Half-Year 2021



Source: PIAC Construct based on GNPC Data, June 2021

3.2 GAS PRODUCTION

As shown in Table 3, the cumulative raw gas production (Associated Gas-AG and Non-Associated Gas-NAG) for H1 2021 was 127,496.04million standard cubic feet (MMscf). This represents a 9.56 percent increase over the volume of 116,373.39 MMscf produced for the same period in 2020, and the highest recorded half-year volume since 2014. Production from Jubilee, TEN and SGN Fields increased by 10.6, 12.8 and 7.42 percent respectively. Table 3 provides the monthly gas production volumes from the Fields.

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	5,728.94	5,249.05	4,190.78	6,906.20	22,074.97
	February	5,187.61	4,692.82	3,781.97	6,473.50	20,135.90
	March	5,502.36	5,353.88	4,414.32	5,932.10	21,202.66
	April	6,044.63	5,081.47	4,220.77	6,276.20	21,623.07
	May	5,986.46	5,730.39	4,522.95	5,686.42	21,926.22
	June	5,910.84	5,310.50	3,873.82	5,438.06	20,533.22
TOTAL		34,360.84	31,418.11	25,004.61	36,712.48	127,496.04

Source: PC, June 2021

Raw gas exported to the Ghana National Gas Company (GNGC) from the Jubilee Field almost doubled from 9,263.20 MMscf for H1 2020 to 18,153.30 MMscf (95.97%) in H1 2021. The monthly breakdown of gas production and utilisation is shown in Table 4. The exported gas represents 52.8 percent of produced gas, re-injected gas constituted 24 percent, flared gas – 17 percent and fuel gas 6.2 percent.

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	5,728.94	3,307.48	1,090.67	372.87	957.92
FEBRUARY	5,187.61	2,887.03	1,070.88	331.28	898.42
MARCH	5,502.36	2,811.45	1,371.2	343.14	976.57
APRIL	6,044.63	3,249.76	1,448.77	356.83	989.27
MAY	5,986.46	3,264.89	1,333.26	354.8	1,033.51
JUNE	5,910.84	2,632.69	1,913.76	362.32	1,002.07
Total	34,360.84	18,153.30	8,228.54	2,121.24	5,857.76
(Average)	5,726.81	3,025.55	1,371.42	353.54	976.29

Source: GNPC, June 2021

As shown in Table 5, gas exports from the TEN Field declined by 32.3 percent, from 2,528.63 MMscf in H1 2020 to 1,712.50 MMscf in H1 2021. The gas exports represented 5.5 percent of total gas produced whilst 73.7 percent was re-injected, 12.8 percent flared, and six (6) percent used as fuel gas.

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	5,249.05	209.42	4,027.34	320.77	691.52
FEBRUARY	4,692.82	200.76	3,388.93	273.89	829.24
MARCH	5,353.88	732.88	3,351.52	299.87	969.6
APRIL	5,081.47	166.75	3,883.34	296.7	74.67
MAY	5,730.39	202.99	4,437.82	390.11	699.47



Month	Gas Production (MMscf)	Gas Export (MMscf)	Gas Injection (MMscf)	Fuel Gas (MMscf)	Flared Gas (MMscf)
JUNE	5,310.50	199.70	4,071.52	291.16	748.12
Total	31,418.11	1,712.50	23,160.47	1,872.50	4,012.62
(Average)	5,236.35	285.42	3,860.08	312.08	668.77

Source: GNPC, June 2021

Overall, exports from the Jubilee and TEN Fields recorded a 68.5 percent increase from 11,791.83 MMscf in H1 2020 to 19,865.80 MMscf in the same period of 2021.

Table 6 illustrates the monthly gas production and utilisation from the Field.

Table 6: SGN Field Gas Monthly Production and Utilisation

MONTH	SANKOFA GYE NYAME FIELD						
	GAS PRODUCED (AG)	GAS PRODUCED (NAG)	GAS EXPORT	INJECTION	FUEL GAS (FPSO)	FUEL GAS (ORF)	FLARED
	MMScf	MMScf	MMScf	MMScf	MMScf		MMScf
JANUARY	4,190.61	6,906.40	5,905.01	4,683.72	357.95	86.05	64.11
FEBRUARY	3,781.97	6,473.54	5,572.65	4,155.40	312.95	81.16	132.29
MARCH	4,414.32	5,932.10	5,484.34	4,404.13	343.72	83.63	28.97
APRIL	4,220.77	6,276.17	5,984.50	3,980.97	329.59	85.04	113.91
MAY	4,522.95	5,686.42	5,427.81	4,324.06	343.01	81.12	30.72
JUNE	3,873.82	5,438.06	5,168.62	3,631.08	324.01	76.57	106.95
TOTAL	25,004.44	36,712.69	33,542.93	25,179.36	2,011.23	493.57	476.95
Average	4,167.41	6,118.78	5,590.49	4,196.56	335.21	82.26	79.49

Source: Eni Ghana, June 2021

Out of the cumulative Associated and Non-Associated Gas of 61,717.13 MMscf produced in the SGN Field (see Table 6), 33,542.93 MMscf (54%) was exported through the Onshore Receiving Facility (ORF) to the GNGC pipeline network during the period under review (see Table 6), according to ENI. Total gas re-injected was 25,179.36 MMscf (40.8%), gas flared for the period was 476.95 MMscf (0.77%), and fuel gas was 2,504.8 MMscf (4.1 percent).

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 17.96 percent in the Jubilee Field. A total of 13 liftings were made by the Jubilee Partners for H1 2021 compared to 15 liftings for the same period in 2020. The Ghana Group lifted two parcels of crude totaling 1,944,437 bbls as against 2,939,174 bbls in three liftings for the same period in 2020. The other Partners lifted 10,487,752 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 2021

COMPANY	VOLUME LIFTED (BBL)	NO. OF LIFTINGS	PERCENTAGE (%)
TULLOW GHANA	4,775,802	5	38.41
GHANA GROUP	1,944,437	2	15.64
KOSMOS ENERGY	2,859,895	3	23.00
ANADARKO & PETRO SA	2,852,055	3	22.94
TOTAL	12,432,189	13	100.00

Source: PC, June 2021

3.3.2 TEN Field

In respect of the Field, six (6) parcels of crude totaling 5,876,021 bbls were lifted by the Partners from January to June 2021 (see Table 8), representing a 40 percent decline from 10 liftings of 9,817,685 bbls recorded in H1 2020.

The Ghana Group lifted one (1) parcel of crude totaling 944,962 bbls in H1 2021, as against two (2) parcels of 1,988,819 bbls in the same period in 2020. Liftings by the other TEN Partners totaled 4,931,059 bbls during the period; a 37 percent reduction from 7,828,866 bbls of lifting for the same period in 2020.

Table 8: Crude Oil Liftings by the Ghana Group and other TEN Partners – Half-Year 2021

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
TULLOW	2,942,279.00	3	50.07
GHANA GROUP	944,962.00	1	16.08
KOSMOS	994,429.00	1	16.92
ANADARKO/PETRO SA	994,351.00	1	16.92
TOTAL	5,876,021.00	6	100.00

Source: PC, June 2021

3.3.3 Sankofa Gye-Nyame Field

For the period, the SGN Partners lifted nine (9) parcels of crude, totaling 8,635,787 bbls (see Table 9) compared with 10 parcels amounting to 9,454,361 bbls for the same period in 2020.

The Ghana Group lifted one (1) parcel of 948,845 bbls in H1 2021 compared to two (2) parcels worth 1,899,342.00 bbls in the same period in 2020. The other Partners lifted a total of 7,686,942 bbls of crude from January to June 2021; a 1.75 percent increase from 7,555,019 bbls in the same period in 2020.

**Table 9: Crude Oil Liftings by the Ghana Group and other SGN Partners – Half-Year 2021**

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
GHANA GROUP	948,845	1	10.99
ENI GHANA E&P LTD	3,891,002	4	45.06
VITOL UPSTREAM	3,795,330	4	43.95
TOTAL	8,635,177	9	100.00

Source: ENI, June 2021

3.4 UPSTREAM PETROLEUM EXPENDITURE

The total production cost on the Jubilee field for H1 2021 stood at US\$137.85 million. These expenses included items such as Business Management & Assurance costs, O&M Contractor cost, Subsea expenses, Consumables, Logistics and Materials, and Oil Lifting expenses. GNPC's share of the production cost stood at US\$17.76 million, representing 12.88 percent of the Field's total production cost.

The total production cost on the TEN field amounted to US\$81.29 million. Some components of the cost are Business Management & Assurance costs, O&M Contractor cost, and Logistics and Materials costs. GNPC's component of the costs was US\$11.44 million, constituting 14.07 percent of TEN's total production cost.

The total production cost for the SGN project for the first half of 2021 US\$84.4 million. These costs were made up of operating production cost, maintenance, transportation, general operating cost, etc. The total amount also included US\$4.98 million expenses for the Onshore Receiving Facility (ORF), representing 5.9 percent of the production cost for the period. GNPC's share of the total production cost amounted to US\$16.88 million, representing 20 percent of the Field's production cost.

Table 10 provides details of GNPC's share of production and development costs in the three (3) producing Fields, which amounts to US\$66.71 million.

Table 10: GNPC Share of Production and Development Costs on the three Producing Fields

Field	Development Cost	Production Cost	Others	Total
Jubilee	3,117,635.00	17,756,540.00	7,402,969.00	28,277,144.00
TEN	6,528,073.00	11,437,854.00	-	17,965,927.00
SGN	3,585,665.00	16,877,122.00	-	20,462,787.00
Total	13,231,373.00	46,071,516.00	7,402,969.00	66,705,858.00

Source: GNPC, June 2021

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\$64.32/ bbl compared with US\$36.76/bbl for the same period in 2020, and the Government's estimated

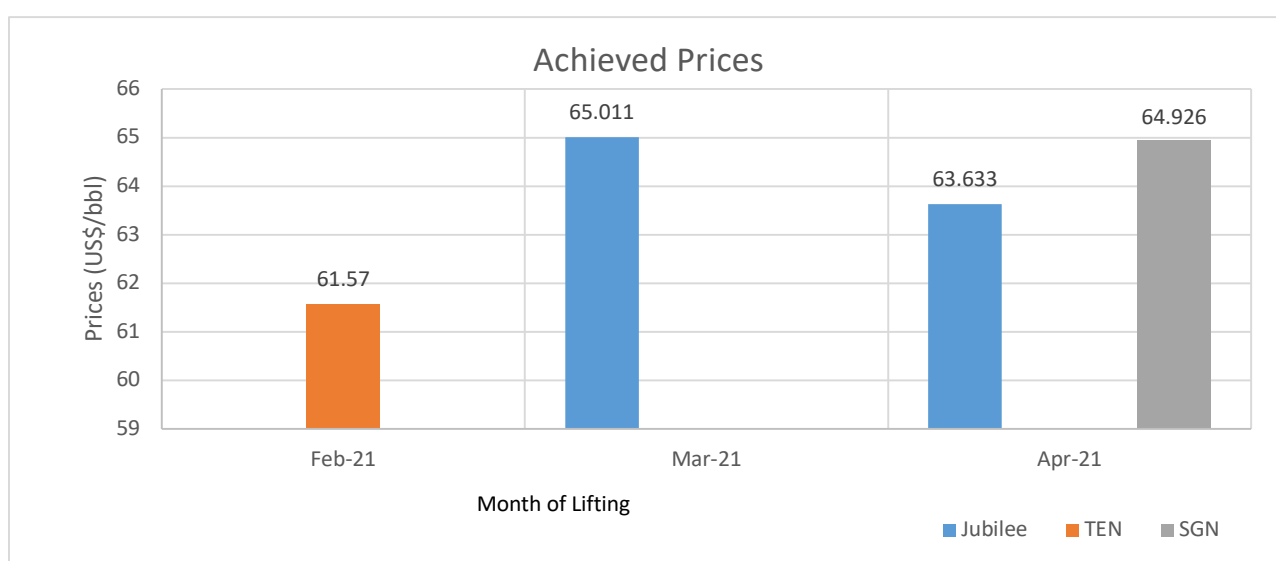
benchmark price of US\$54.75/bbl for 2021. The achieved unit price was lower than the average Dated Brent price of US\$65.16/bbl at the time of the liftings.

The Ghana Group's single cargo lifted from the TEN Field also achieved an average unit price of US\$61.57/bbl compared with US\$43.52/bbl for the same period in 2020, higher than the estimated benchmark price, but lower than the average Dated Brent price of US\$62.22/bbl at the time of the lifting.

The SGN Field's cargo belonging to the Ghana Group attained an average unit price of US\$64.926/bbl, according to the Bank of Ghana. This is higher than the estimated benchmark price and higher than the average Dated Brent price of US\$64.91/bbl at the time of the lifting.

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 2021

As depicted in Figure 3, the prices varied on the Fields over time, reflecting the volatility in international crude oil prices amidst recovery efforts from the COVID-19 pandemic.

Ghana Group's average achieved price over the three producing fields stood at US\$ US\$63.61/bbl in H1 2021 compared to US\$42.49/bbl in H1 2020 representing a 49.71 percent increase. Table 11 shows the achieved prices for the past five years.

Table 11: Comparison of Ghana's Achieved Prices and Government Benchmark

Year	Government Benchmark Price	Ghana Group Average Achieved Price (H1)
2017	56.14	49.21
2018	56.85	67.66
2019	66.76	65.08
2020	39.10	42.49
2021	54.75	63.61

Source: PIAC Construct based on Budget Statements and GNPC Data, 2021



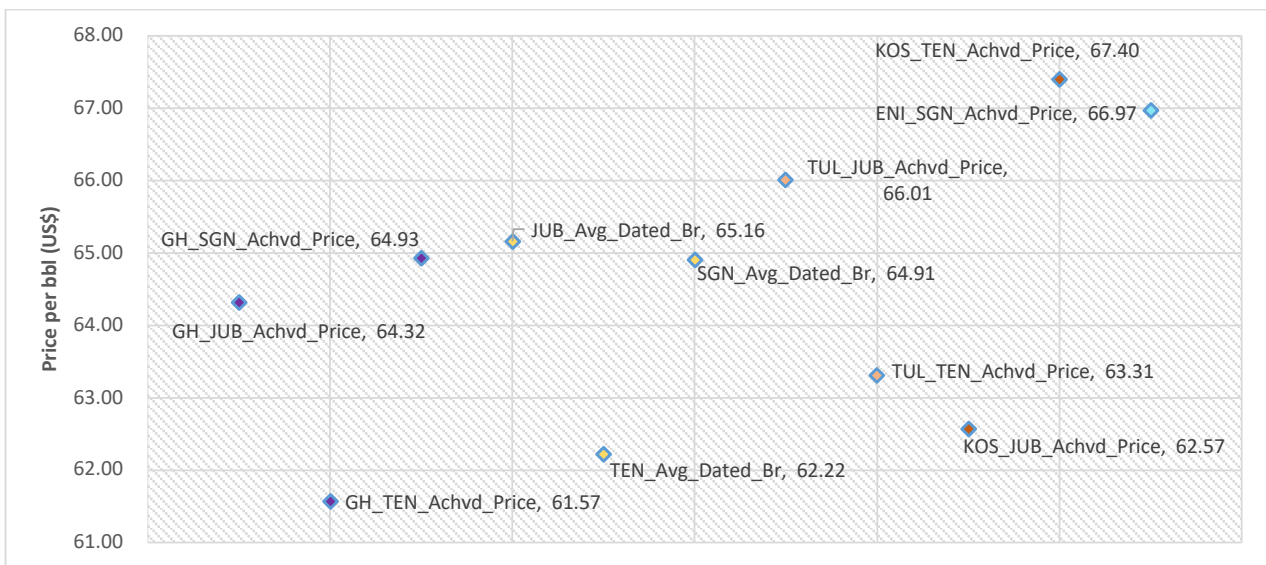
3.5.2 Achieved Prices by Ghana Group versus BRENT for Jubilee, TEN, and SGN Fields

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\$0.84/bbl. The Ghana Group’s prices were higher than the average price of Kosmos for its Jubilee crude by US\$1.75/bbl and lower than Tullow’s average price by US\$1.69/bbl.

The Average Achieved price for TEN crude by the Ghana Group was US\$0.65/bbl lower than the Average Dated BRENT price and that of Kosmos by US\$5.83/bbl (Figure 4). The Ghana Group’s average price was also lower than Tullow’s average prices by US\$1.74/bbl.

For the SGN Field, the Ghana Group obtained US\$0.02/bbl higher than the Average Dated BRENT price and US\$2.04/bbl lower 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 2021

Finding/Observation

1. For H1 2021, the average price achieved by the Ghana Group was higher than the government’s average estimated benchmark price.

CHAPTER 4

4.0 REVENUE COLLECTION AND MANAGEMENT

Sections 6 and 7 of the Petroleum Revenue Management Act, 2011 (Act 815) outline revenue streams including Royalty, 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.

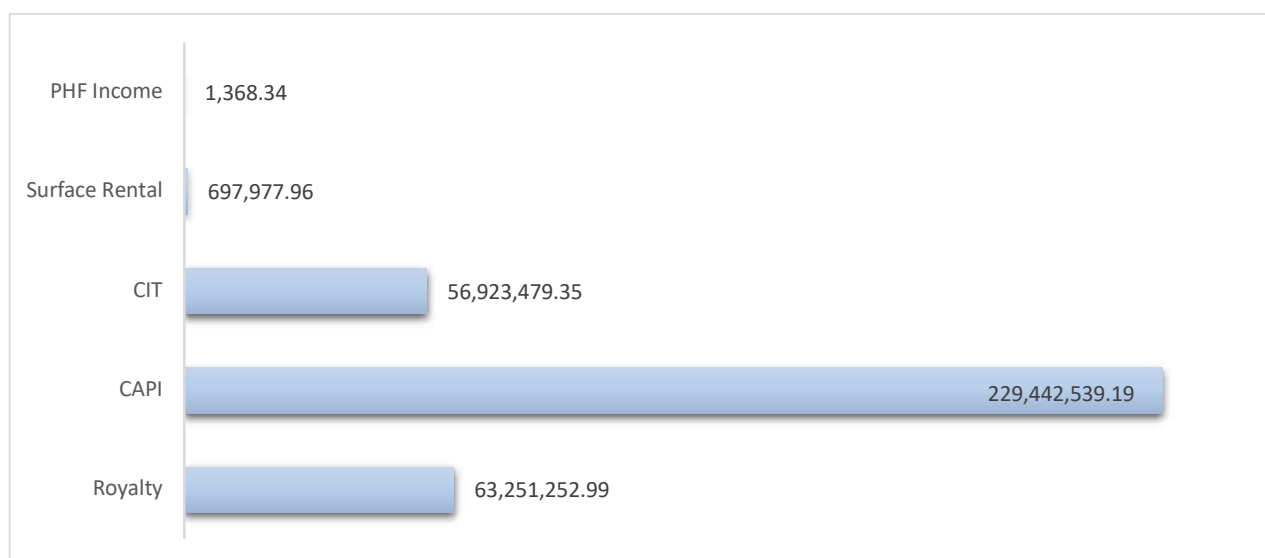
4.1 PAYMENT INTO THE PETROLEUM HOLDING FUND

Total petroleum receipt of US\$350,316,617.83 was paid into the Petroleum Holding Fund (PHF) for H1 2021 compared with US\$322,571,265.64 for the same period in 2020, representing an 8.6 percent increase.

4.2 RECEIPTS FROM CRUDE OIL LIFTINGS

Of the total receipts, CAPI contributed US\$229,442,539.19 (65.5 percent), Royalty yielded US\$63,251,252.99 (18.06 percent), while CIT proceeds were US\$56,923,479.35 (16.25 percent). Surface Rentals contributed 0.2 percent of the revenues (US\$697,977.96) and PHF Income from Overnight Interest contributed US\$1,368.34, as shown in Figure 5.

Figure 5: Contribution of Revenue Streams to Total Petroleum Receipts



Source: PIAC Construct from MoF and BoG Data, June 2021

4.2.1 Receipts from Jubilee Field Crude Liftings

As shown in Table 12, an amount of US\$172,858,633.35 was paid into the PHF for the period, compared to US\$65,880,880.23 for the same period in 2020, indicating a 162.38 percent increase in earnings. The revenue accrued for the period is made up of receipts from Jubilee Field's 58th Lifting on 14th December, 2020, 59th Lifting on 6th March, 2021, and 60th Lifting on April 27, 2021.



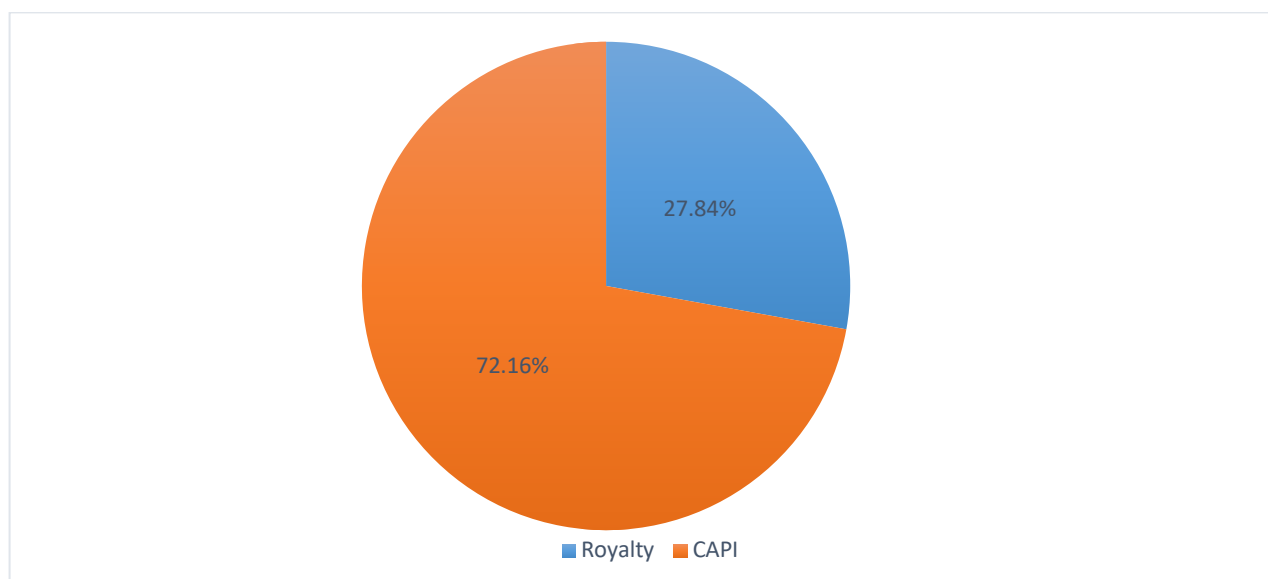
Table 12: Crude Oil Liftings from Jubilee by the Ghana Group and the Associated Receipts – Half-Year 2021

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
14-Dec-20	0058	951,161	49.995	47,558.05	47,600,852.25
06-Mar-21	0059	995,549	65.011	79,643.92	64,801,279.96
27-Apr-21	0060	948,888	63.633	75,911.04	60,456,501.14
Total		2,895,598			172,858,633.35

Source: GNPC & BoG, June 2021,

As shown in Figure 6, out of a total of US\$172,858,633.35 paid into the PHF, 72.16 percent is derived from CAPI (US\$124,732,172.14). Royalty constituted 27.84 percent (US\$48,126,461.21).

Figure 6: Distribution of Receipts from the Jubilee Field



Source: PIAC Construct based on BoG Data, June 2021

4.2.2 Receipts from TEN Field Oil Liftings

In H1 2021, an amount of US\$58,230,448.36 was paid into the PHF by the Ghana Group from the TEN Field as compared to US\$110,249,774.78 in the same period in 2020. This represents a 47.2 percent decline in revenues. The amount was derived from only one lifting (18th lifting) during the period (see Table 13).

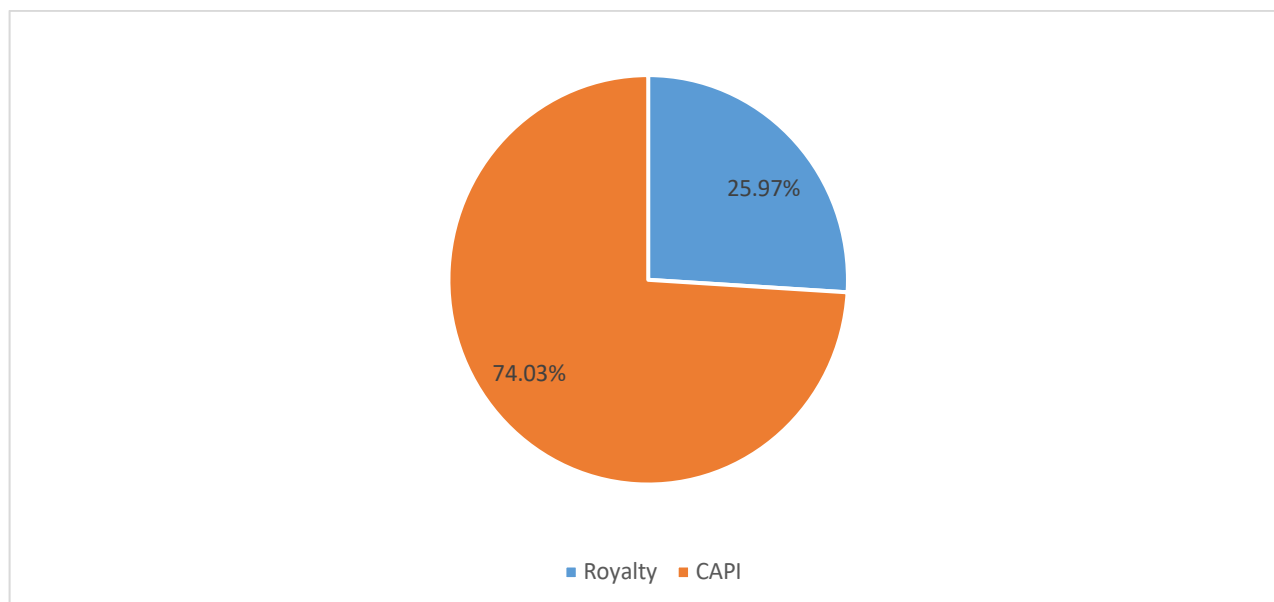
Table 13: Receipts from TEN Field Oil Liftings– Half-Year 2021

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
16-Feb-21	0018	944,962	61.572	47,248.00	58,230,448.26
Total		944,962			58,230,448.26

Source: GNPC & BoG, June 2021

At the end of June 2021, a total amount of US\$58,230,448.36 had been lodged into the PHF. This comprises CAPI of US\$43,105,656.58 (74.03 percent) and Royalty of US\$15,124,791.78 (25.97 percent) (See Figure 7).

Figure 7: Percentage Distribution of Receipts from TEN Field



Source: PIAC Construct based on MoF Data, June 2021

4.2.3 Receipts from Sankofa Gye-Nyame Field Oil Liftings

During the period, an amount of US\$61,604,710.47 was paid into the PHF as shown in Table 14 as against US\$59,153,664.14 of Royalties lifted in H1 2020. The amount received in H1 2021 was in respect of CAPI.

Table 14: Crude Oil Liftings from SGN by the Ghana Group and the Associated Receipts – Half-Year 2021

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
18-Apr-21	0007	948,845	64.92	-	61,604,710.47

Source: GNPC & BoG, June 2021

4.2.4 Breakdown of Corporate Taxes and Surface Rental Payments

Table 15 indicates that an amount of US\$56,923,479.35 was received as Corporate Income Tax (CIT) in the reporting period, as compared to US\$73,790,914.39 received in H1 2020, representing a 22.9 percent decline.

Total receipt of Surface Rentals from eight (8) out of 18 companies was US\$697,977.96 as against US\$659,094.64 for the same period in 2020, indicating a 5.9 percent increase.

**Table 15: Breakdown of Corporate Taxes and Surface Rental Payments**

DATE	PAYMENTS	COMPANY	AMOUNT (US\$)
04-Feb-21	Surface Rental - OCTP	ENI Gh. Ltd	22,600.00
04-Feb-21	Surface Rental – Block 4	ENI Gh. Ltd	49,030.44
12-Feb-21	Surface Rental-WCTP	Gosco	8,725.00
23-Feb-21	Surface Rental	Aker	150,750.00
24-Feb-21	Surface Rental	AGM petroleum	143,673.29
25-Feb-21	Surface Rental	Erin Energy Gh. Ltd	75,000
26-Feb-21	Surface Rental	Amni Int Petroleum Dev	13,974.00
06-Apr-21	Surface Rental-2019	Medea	78,250.00
07-Apr-21	Surface Rental-2020	Medea	78,250.00
30-Apr-21	Surface Rental-WCTP	Tullow	24,631.80
30-Apr-21	Surface Rental-DWT	Tullow	53,093.43
	Sub total		697,977.96
12-Jan-21	Corporate Tax	Kosmos	948,420.35
15-Jan-21	Corporate Tax	Kosmos	10,000,000.00
29-Jan-21	Corporate Tax	Petro SA Ghana Ltd	181,495.00
27-Apr-21	Corporate Tax	Anardarko WCTP	39,205,059.00
30-Apr-21	Corporate Tax	Tullow	6,588,505.00
	Sub total		56,923,479.35
30-Jun-21	Interest	PHF Income	1,368.34
	Sub total		1,368.34
	GRAND TOTAL		57,622,825.65

Source: BoG and GRA, June 2020,

The GRA indicated that it has embarked on a vigorous drive to recover all outstanding payments with respect to surface rental arrears following the passage of the Petroleum Revenue Management Regulations (PRMR), 2019 (L.I 2381). The Authority has issued Demand Notices to eight (8) defaulting companies requesting the immediate payment of all arrears and associated penalties from the commencement of their Petroleum Agreements (PAs) up to April 30, 2021. The Compliance, Enforcement and Debt Management (CEDM) Unit is expected to pursue all debts after the exhaustion of the laid down procedures and timelines allowed for the settlement of such liabilities.

4.2.5 Additional Oil Entitlement (AOE)

Payment of Additional Oil Entitlement as per the Petroleum Agreements (PAs) with the IOCs are triggered by agreed benchmark Rate of Return (ROR) in oil production. The GRA has indicated that discussions between major stakeholders including GNPC and the IOCs are yet to establish the necessary yardsticks to activate this payment.

Table 16: Surface Rental Arrears as at June 2021

Name of Company	Contract Area	Outstanding Balance As at June 2021, US\$
Erin Energy Gh. Ltd	Expanded Shallow Water Tano	400.00
GOSCO/Heritage Exploration Gh. Ltd.	Offshore South-West Tano Block	25.00
GOSCO/Heritage Exploration Gh. Ltd.	East Keta Ultra Deepwater	537,794.80
Sahara Energy Fields Ghana	Shallow Water Cape Three Points	146,934.93
Eco Atlantic Gh. Ltd.	Deepwater South-West Cape Three Points	82,570.00
Britannia -U	South-West Saltpond	760,208.33
UB Resources Ltd	Offshore Cape Three Points South	105,415.58
Swiss African Oil Company Limited	Onshore/Offshore Keta Delta Block	862,500.00
Springfield Exploration and Production Ltd	West Cape Three Points Block 2	33,650.00
ExxonMobil Exploration Gh. Ltd	Deep Water Cape Three Point	73,700.00 ⁷
TOTAL		2,603,198.64

Source: GRA, June 2021

4.3 GAS REVENUE

There was no payment in respect of raw gas supplied during the period, even though GNPC sent an invoiced amount of US\$112,582,316.04 to GNGC. As at 30th June, 2021, the cumulative indebtedness of GNGC to GNPC amounted to US\$664,129,595.17,⁸ as detailed in Table 17.

Table 17: Outstanding Balances with GNGC as at June 2021

Field	Amount Payable (US\$)
Total Invoiced Amount (Jubilee, TEN and SGN) – (A)	683,918,284.78
Direct payments from inception (2015) – June 2021	9,856,621.67
CWM (Credit Notes Issued to GNGC as at June 2021)	9,932,067.94
Sub-Total (B)	19,788,689.61
Total Outstanding Receivables (A-B)	664,129,595.17

Source: GNPC, H1 2021

⁷ According to GRA, the Surface Rental for Deepwater Cape Three Points owed by the JV Partners on the Block - Exxonmobil Exploration and Production Ghana Limited, GOIL Offshore Ghana Limited, and Ghana National Petroleum Corporation.

Exxonmobil, as the Operator, has ceased its operation on the Block, and exited the Ghana market. Since the other JV partners (Goil and GNPC) are still operating on the Block they would be required to pay the Surface Rental.

Nowhere in any of the petroleum laws does it indicate that Surface Rental is the responsibility of the Operator. When Erin left the expanded Shallow Water Tano block as operator, Base Energy, a JV partner stepped in to pay the Surface Rental.

⁸ GNGC reported an indebtedness of US\$613,910,025.21. The two institutions have agreed to reconcile the figures. PIAC would report on it in its 2021 Annual Report.



CHAPTER 5

5.0 ALLOCATION OF PETROLEUM REVENUES

The Ghana Petroleum Holding Fund (PHF) was established by Section 2 of the Petroleum Revenue Management Act, 2011 (Act 815) as a designated public fund at the Bank of Ghana for the receipt and disbursement of petroleum revenue that has accrued to the State. The deposit in the PHF and subsequent transfers of petroleum revenue as provided for by the Act are represented in Figure 8.

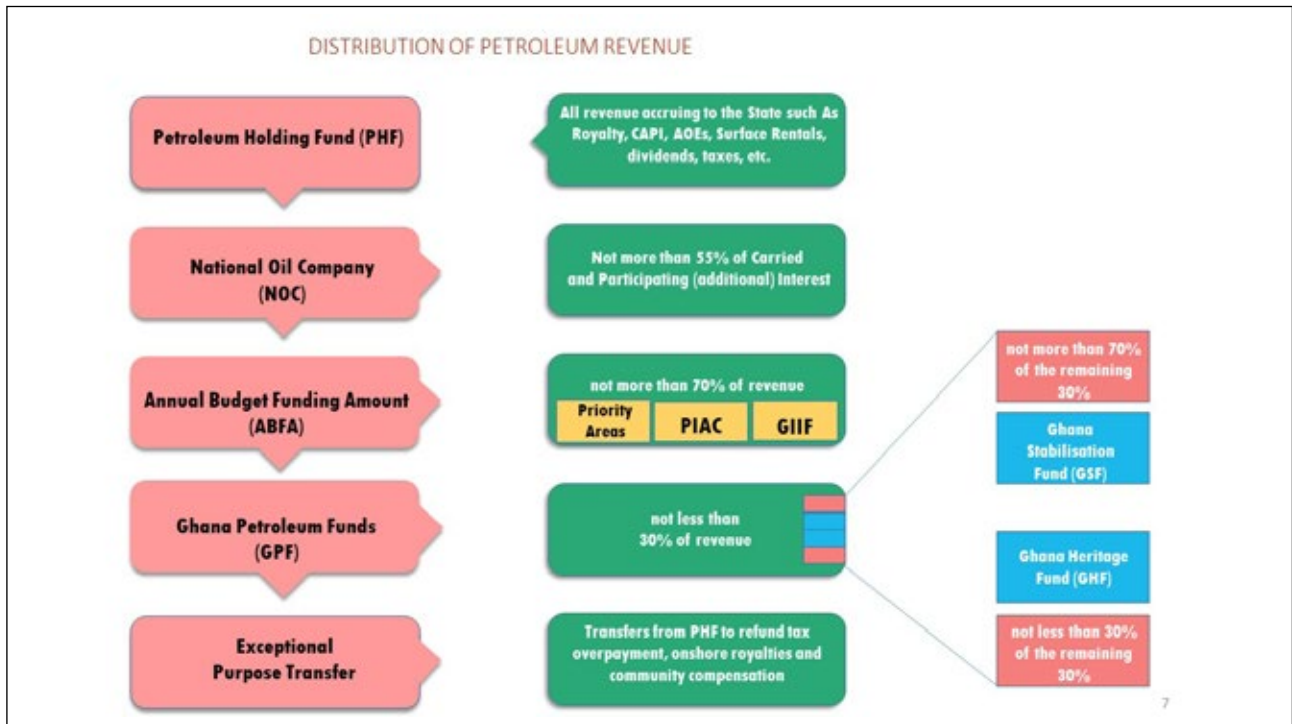


Figure 8: Distribution of Petroleum Revenue from the Petroleum Holding Fund

Source: PIAC's Construct, June 2021

5.1 RECEIPTS INTO THE PETROLEUM HOLDING FUND

In the 2021 Budget Statement and Economic Policy, the projected petroleum revenue for 2021 was US\$885.7 million.

The Bank of Ghana reports that for the period under review, the total amount received into the PHF was US\$350,316,617.83, which represents 39.55 percent of the projected revenue for the year. According to the Ministry of Finance, the lower than expected performance is attributable to the following factors:

- First is the reduction in crude oil production volumes from the three (3) producing fields due to aging wells;
- Secondly, there had been loss of production of over 3,000 barrels of oil from the TEN field due to flow issues encountered in two (2) of the TEN producer wells (En08-P and En10-P) since June 2020, leading to the closure of these wells;

Of the total receipts, US\$292,693,792.18 representing 83.55 percent was from lifting proceeds and US\$57,622,825.65, representing 16.45 percent from other revenue streams. The total receipts for

H1 2021 is 12.96 percent higher than the total receipts for the same period in 2020, which may be attributable to the gradual rebound of economic activities from the negative impact of COVID-19.

As at 31st December 2020, there was a balance of US\$40.61 million from other income which was brought forward to 2021. This brings the total amount available for distribution from the PHF for the period under review to US\$390.72 million.

5.2 DISTRIBUTION OF REVENUE FROM THE PETROLEUM HOLDING FUND

As provided for by the PRMA, funds in the Petroleum Holding Fund were distributed to the Ghana National Petroleum Corporation, the Annual Budget Funding Amount and the Ghana Petroleum Funds (the Ghana Stabilisation Fund and the Ghana Heritage Fund).

The total amount distributed for the period was US\$330,265,250.02 which constitutes a 2.39 percent increase over the distribution for the same period in 2020.

Table 18 presents the monthly distribution of petroleum revenue from the PHF in the ratios prescribed by the PRMA. In Q1, there was one distribution of an amount of US\$88,955,774.28 which was a receipt from the Jubilee Field. For this reason, the quarterly ABFA of US\$105,472,500.00 was not met in Q1. In Q2, however, there were two distributions of a total amount of US\$241,309,475.74 from all the three (3) producing fields which explains why the ABFA threshold for the quarter was met.

Table 18: Monthly Distribution of Petroleum Revenues from the PHF in US\$

	GNPC	ABFA	GSF	GHF	Total
January	17,963,073.43	49,694,890.59	14,908,467.18	6,389,343.08	88,955,774.28
April	51,606,561.97	57,504,064.85	17,251,219.46	7,393,379.76	133,755,226.04
June	28,773,891.88	47,968,435.15	21,568,345.87	9,243,576.80	107,554,249.70
Total	98,343,527.28	155,167,390.59	53,728,032.51	23,026,299.64	330,265,250.02

Source: Bank of Ghana, 2021, Semi-Annual Report

5.2.1 Allocation to the Ghana National Petroleum Corporation

The Ghana National Petroleum Corporation had been projected in the 2021 Budget Statement to receive an amount of US\$283.00 million for its Equity Financing Cost (US\$179.33 million) and share of the net Carried and Participating Interest (US\$103.67 million).

For the period under review, the Corporation received an amount of US\$98,343,527.28 made up of US\$60.85 million for its share of net Carried and Participating Interest (CAPI) and the balance of US\$37.49 million for Equity Financing Costs. The distribution to GNPC in the period under review is 34.75 percent of the budgeted allocation to the Corporation for the year and also represents an increase of 22.30 percent over the distribution for the period H1 2020.

5.2.2 Allocation to the Annual Budget Funding Amount

The Annual Budget Funding Amount (ABFA) had been budgeted in the 2021 Budget of Government to receive an amount of US\$421.89 million (GH¢2,585.10) for the year. In line with the provision of the PRMA which requires the allocation of not more than 30 percent of ABFA receipts for Goods and Services expenditure and at least 70 per cent to Capital Expenditure (CAPEX), an amount of GH¢775.53million



and GH¢1,809.57million were programmed for ABFA Goods and Services and Capital Expenditure respectively. This means that the Ministry complied with the 70:30 ratio requirement of the PRMA at the programming stage. Included in the ABFA CAPEX is an allocation of GH¢361.91million to the Ghana Infrastructure Investment Fund (GIIF).

The ABFA actually received US\$155,167,390.59 representing a decrease of 8.46 percent from that of the same period in 2020. The actual allocation to the ABFA is 73.56 percent of the budgeted ABFA for the period. The Ministry of Finance has explained that the shortfall in the allocation to the ABFA is due, among others, to the increase in Equity Financing Cost (EFC) submitted to government by the partners when the crude oil is lifted. This reduces the portion of the benchmark revenue allocated for ABFA.

5.2.2.1 Allocation to the District Assembly Common Fund

The Supreme Court of Ghana, in the case of *Kpodo and Another versus Attorney-General* (J1/03/2018) [2019] GHASC 39 (12 June 2019), ordered that in calculating the annual amount to be allocated to the District Assemblies Common Fund, the Government shall strictly comply with the provisions of Article 252(2) of the 1992 Constitution of Ghana which states that:

“Subject to the provisions of this Constitution, Parliament shall annually make provision for the allocation of not less than five percent of the total revenues of Ghana to the District Assemblies for development; and the amount shall be paid into the District Assemblies Common Fund in quarterly installments.”

In its judgement, the apex court construed and interpreted the phrase “Total Revenue of Ghana,” for purposes of allocation to the District Assemblies Common Fund to include “Petroleum Revenue allotted as Annual Budget Support amount and non-tax revenue paid to Central Government. Total Revenues of Ghana shall not include foreign loans and grants, Petroleum receipt paid into the Heritage and Stabilization Fund, retained Internally Generated Fund and levies imposed by Parliament for specific purposes under an Act of Parliament.”

This decision means that for every fiscal year, the Government of Ghana is required to allocate and disburse to the District Assemblies Common Fund five (5) percent of the ABFA, where any such petroleum funds were so allocated.

In compliance with this order, the Ministry of Finance allocated in the 2021 Budget Statement an amount of GH¢129.26 million, representing five (5) percent of the total ABFA to the District Assembly Common Fund (DACF).

Since the allocation and disbursement of the ABFA to the DACF has now become law and is therefore going to be a constant feature as long as upstream petroleum production brings revenue to the Government, there is need for stakeholder engagement on the policies that will guide the management and use of the ABFA at the district level to ensure transparency and accountability as enshrined in the PRMA. As mandated by the PRMA to monitor compliance with the Act, the Committee looks forward to collaborating with such institutions of state as the Ministry of Local Government and Rural Development, the Administrator of the District Assemblies Common Fund and Metropolitan, Municipal and District Assemblies (MMDAs) to ensure that petroleum revenues disbursed to the district assemblies are managed and utilised in accordance with the letter and spirit of the Act.

5.2.3 Allocation of the Ghana Petroleum Funds

The Ghana Petroleum Funds (GPFs) are made up of the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF). The GPFs were budgeted in the 2021 Budget Statement to receive an amount of US\$180.81 million for the year with the Ghana Stabilisation Fund to receive US\$126.57 million (70%) and the Ghana Heritage Fund US\$54.24 million (30%).

For the period under review, an amount of US\$76,754,332.15 was received into the GPFs with US\$53,728,032.51 going to the GSF and US\$23,026,299.64 to the GHF. This complies with the 70:30 ratio stipulated by the Act for the allocation of revenue to the GSF and the GHF respectively. The total receipt into the GPFs represents 42.45 per cent of the budgeted receipt into the GPFs for the year 2021.

5.2.3.1 The Ghana Stabilisation Fund

The GSF received an amount of US\$53,728,032.51 representing 70 percent of the distribution to the GPFs as required by the PRMA. This allocation is a 5.65 percent increase over the distribution to the GSF for the same period in 2020.

5.2.3.2 The Ghana Heritage Fund

The GHF received an amount of US\$23,026,299.64 which constitutes 30 percent of the distribution to the GPFs as required by the Act. This distribution is 5.65 percent higher than the allocation to the GHF for the same period in 2020.

The distribution of the Petroleum Holding Fund for the period under review is compared with the distribution for the same period in 2020 in Figure 9.

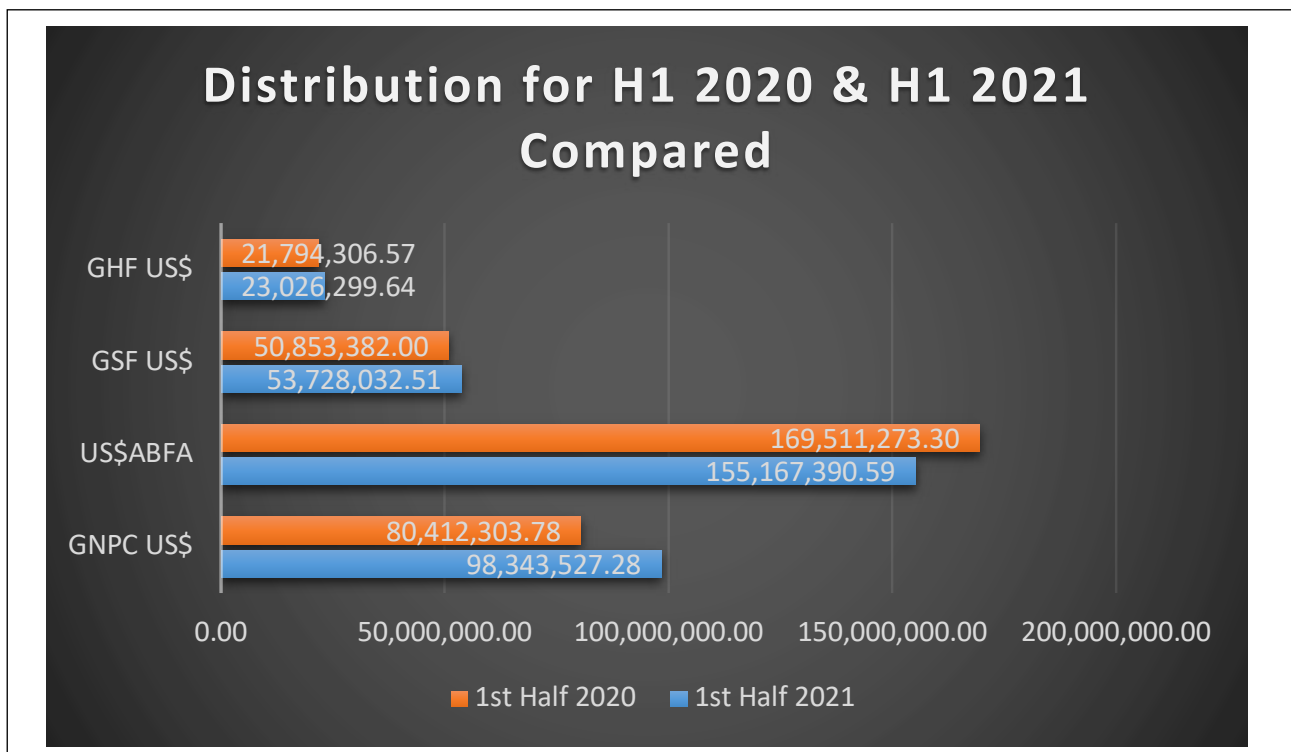


Figure 9: Distribution of Petroleum Revenues from the PHF

Source: PIAC Construct from BoG data, June 2021



5.2.4 Cumulative Distribution of Petroleum Revenue since Inception

The Bank of Ghana reports that the total amount of petroleum funds distributed since inception till the end of June 2021 is US\$6,853,595,195.73. Of this amount, US\$2,702,034,090.87 (39 percent) has gone to the ABFA, US\$2,102,168,571.85 (31 percent) to GNPC, US\$1,440,936,377.79 (21 percent) to the GSF, and US\$608,456,155.22 (9 percent) to the GHF. Figure 10 presents the distribution of petroleum funds since the commencement of allocation in 2011.

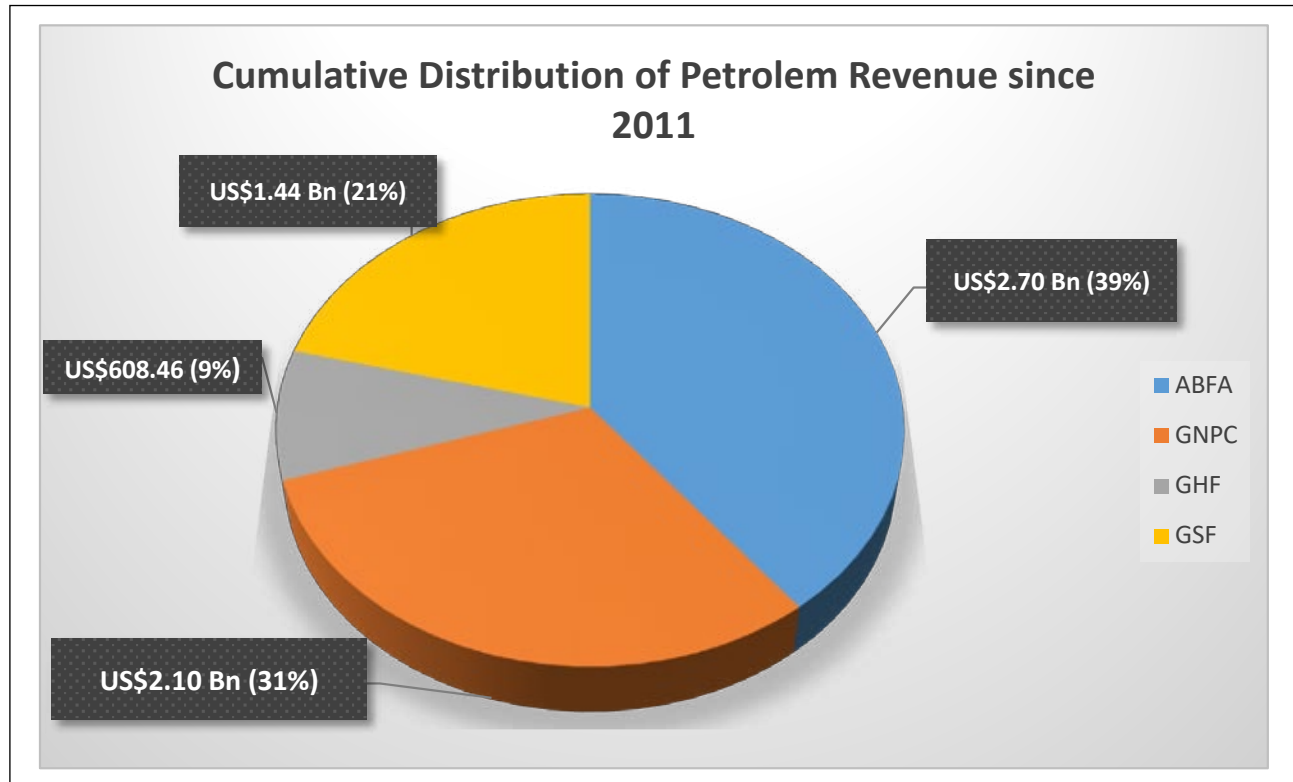


Figure 10: Cumulative Distribution of Petroleum Revenue since Inception

Source: PIAC Construct from BoG data, June 2021

Finding/Observation

1. Following the decision of the Supreme Court of Ghana in the case of Kpodo and Another versus Attorney-General in 2019, that the District Assemblies Common Fund be added to the recipients of the Annual Budget Funding Amount to receive five (5) percent, an amount of GH¢129.26 million has been allocated to the Fund for 2021. This will ensure direct implementation and monitoring of projects at the Sub-national level.

CHAPTER 6

6.0 DISTRIBUTION AND UTILISATION OF THE ABFA

The Annual Budget Funding Amount (ABFA) is required by the PRMA to be a maximum of 70 percent of the Benchmark Revenue.⁹ The exact percentage of allocation to the ABFA must be 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 shall be prioritised by the Minister, and approved by Parliament for spending the petroleum revenue within the budget every three (3) years. Since the coming into force of the Act, government has always chosen the maximum four (4) priority areas for the utilisation of petroleum revenues in the budget.

6.1 SELECTED PRIORITY AREAS FOR 2020-2022

The Minister for Finance, in the 2021 Budget Statement and Economic Policy of Government, selected and presented the following priority areas for the approval of Parliament for the 2020-2022 fiscal years, as shown in Table 19.

Table 19: 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: PIAC Construct from MoF data, June 2021

The Committee notes with commendation the remedial step taken by the Ministry to present these four (4) priority areas to Parliament for approval as required by the PRMA, for the disbursement of petroleum funds.

6.2 DISTRIBUTION OF THE ABFA

As stated in Section 5.2.2 of this report, the total distribution to the Annual Budget Funding Amount for the period under review was US\$155,167,390.59. The actual ABFA utilised for the period under review was GH¢931,386,597.98. This was made up of actual receipts of GH¢891,219,295.64 and a transfer from the Treasury Main Account of GH¢40,167,302.34. According to the Ministry of Finance, the transfer to supplement the actual ABFA receipt became necessary because the quarterly ABFA was not met in the first quarter coupled with the government's desire to pay for certificates raised on projects executed to avert interest payments.

⁹ The estimated revenue from petroleum operations expected by the Government for the corresponding financial year.



The utilisation of the ABFA comprised an amount of GH¢402.86 million (44.02%) for Goods and Services and GH¢512.38 million (55.98%) for CAPEX. This ratio of 56:44 for CAPEX and Goods and Services falls short of the PRMA requirement of 70:30, as at the end of June 2021. It is the expectation of the Committee that the Ministry will comply with this requirement by the end of the year.

6.2.1 Distribution to the Ghana Infrastructure Investment Fund

During the period under review, Parliament passed the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063), to, among others, resume the allocation of an amount not exceeding 25 percent of the infrastructure expenditure budget of the Annual Budget Funding Amount to the Ghana Infrastructure Investment Fund, as provided for by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) and the Ghana Infrastructure Investment Fund Act, 2014 (Act 877).

Pursuant to Act 1063, the Ministry of Finance allocated, out of the total ABFA of US\$155.2 million, an amount of US\$21,723,434.68 million to the Ghana Infrastructure Investment Fund (GIIF) for the Agenda 111 project, leaving a balance of US\$133.5 (GH¢891,219,215.64) for distribution over the four (4) priority areas selected, PIAC and the DACF.

PIAC notes with commendation the amendment of the Earmarked Funds Capping and Realignment Act, 2017 and the subsequent resumption of allocations to GIIF. The Committee's position is informed by the performance of the investment made by GIIF from the ABFA allocations to the Fund key among which is the investment in the Kotoka Airport Terminal 3. It is the Committee's expectation that more of such investment shall be made by GIIF for the benefit of citizens.

6.2.2 Distribution to the District Assembly Common Fund

Following the decision of the Supreme Court, the District Assemblies Common Fund (DACF) has become one of the recipients of the ABFA in addition to GIIF, PIAC and the selected priority areas. For the period under review, there was no disbursement of the ABFA to the DACF. However, the Ministry has indicated that processes are under way for the half-year transfers to be done.

6.2.3 Distribution to the Priority Areas

Table 20 presents the nominal and percentage distributions of the ABFA to GIIF, PIAC and the four (4) priority areas selected by the Government.

Table 20: Disbursement of ABFA to Priority Areas in H1 2021

No.	Priority Area	Amount Disbursed (GH¢)	Percentage (%)
1.	Agriculture	2,930,938.70	0.31
2.	Physical Infrastructure and Service Delivery in Education and Health	408,000,000.00	43.81
3.	Road, Rail and Other Critical Infrastructure Development	503,500,555.78	54.06
4.	Industrialisation	188,953.50	0.020
	Sub-total	914,620,447.98	
	Ghana Infrastructure Investment Fund	14,766,150.00	
	Public Interest and Accountability Committee	2,000,000.00	0.21
	Total	931,386,597.98	100.00

Source: PIAC Construct based on MoF data, June 2021

6.2.3.1 Agriculture

The Agriculture Priority Area received an amount of GH¢2,930,938.70 representing 0.31 percent of the actual ABFA distributed for the period. An amount of GH¢1.53million representing 52.22 percent of the distribution to this priority area was utilised under the Ministry of Agriculture for the construction of warehouses and irrigation project under the planting for food and jobs programme while the balance of GH¢1.40 million constituting 47.78 percent was used by the Ministry of Fisheries and Aquaculture for the payment of construction work of the National Aquaculture Centre and commercial farms as well as for the Anomabo Fisheries College (see Appendix A).

6.2.3.2 Physical Infrastructure and Service Delivery in Education and Health

The Physical Infrastructure and Service Delivery in Education and Health Priority Area received an amount of GH¢408,000,000 representing 43.81 percent of the total ABFA. Of this receipt, GH¢400 million went to support the implementation of the Free Senior High School programme for the first semester of the 2020/21 academic year, while the remaining GH¢8 million was spent on the construction, supply and installation of sectional equipment for Science, Technology, Engineering, Arts and Mathematics (STEAM) centres across the country. There was no expenditure under the Health aspect of this priority area as invoices raised had not reached payment stage.

6.2.3.3 Road, Rail and Other Critical Infrastructure Development

The Road, Rail and Other Critical Infrastructure Development Priority Area received an amount of GH¢503,500,555.78 constituting 54.06 percent of the entire ABFA for the period. An amount of GH¢378.05million of this receipt was used to pay various contractors under the Ministry of Roads and Highways for spot improvements, upgrading, rehabilitation and asphaltic overlays on various roads across the country. An amount of GH¢42.72 million under the Ministry of Railway Development was expended on feasibility studies and consultancy services on various rail projects; and the balance of GH¢82.73 million was spent towards the provision of other critical infrastructure such as supply and installation of LED streetlights, culverts and storm drains, water and sanitation projects, construction and rehabilitation of medical centres/facilities, construction of boreholes and water closet toilets as well as small dams.

6.2.3.4 Industrialisation

The Industrialisation Priority Area received an amount of GH¢188,953.50 representing 0.02 percent of the entire ABFA.

6.2.3.5 The Public Interest and Accountability Committee

The Public Interest and Accountability Committee received an amount of GH¢2million representing 0.21 percent of the total ABFA which was used by the Committee for its programmes and activities.

Findings/Observations

1. In the first two quarters of 2021, there was no disbursement of the ABFA to the DACF.
2. The Earmarked Funds Capping Realignment Act, 2017, which discontinued allocations to GIIF for infrastructural development has been amended to restore funding to GIIF.
3. Instead of withdrawing from the Ghana Stabilisation Fund, the Government utilised an amount of GH¢40.17 million from the Treasury Main Account to shore-up the ABFA in the first quarter.



CHAPTER 7

7.0 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 Heritage Fund (GHF) and the Ghana Stabilisation Fund (GSF). In terms of disbursement, the PRMA stipulates that not less than 30 percent of the benchmark revenue or actual petroleum revenue in any fiscal year should be paid into the GPFs. In accordance with the Law, 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.

Parliament is mandated under the PRMA, to review, at intervals of 15 years, restrictions placed on transfers from the Heritage Fund, and also transfer portions of the accrued interest into any other fund established 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, 2020 and H1 2021. The latter was caused by the COVID-19 pandemic-induced low oil prices, which caused unanticipated shortfalls in petroleum revenues.

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

Similarly, in the event of a national emergency, the Stabilisation Fund can be capped at a low amount and the excess transferred to the Contingency Fund, as established by the 1992 Constitution. In the period under review, the cap placed on the GSF was maintained, and the excess over the cap used to support the sustenance of the national economy, as a result of the impact of COVID-19.

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 the Ghana Petroleum 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 shows the revenue sources 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.

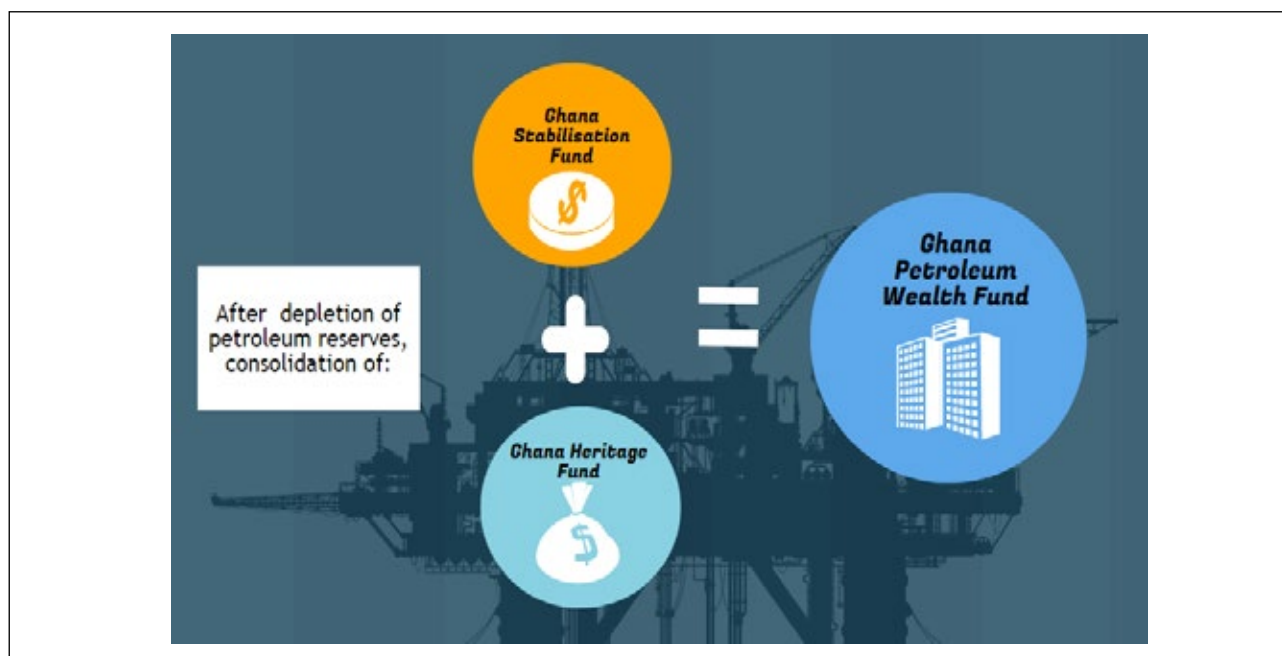


Figure 11: The Ghana Petroleum Wealth Fund

Source: PIAC's Simplified PRMA, 2017.

7.3 RECEIPTS AND RETURNS ON INVESTMENTS

During the period under review, an amount of US\$76.76 million was received by the Ghana Petroleum Funds (GPFs) from the Petroleum Holding Fund (PHF) compared to the US\$72.64 million received by the Funds in H1 2020. The GSF and GHF received US\$53.73 million and US\$23.03 million respectively. The GPFs receipt represented a 5.67 percent increase over the respective H1 2020 receipts.

Net return on investments of the Funds was US\$8.74 million, compared to US\$8.57 million realised at the end of June 2020, representing a 1.98 percent increase. Of the net income, the GSF contributed 1.17 percent (US\$0.10 million) as compared to 17 percent (US\$1.43 million) in H1 2020, while the GHF contributed 98.8 percent (US\$8.64 million) compared to 83 percent (US\$7.14 million) in H1 2020, as illustrated in Figure 12.

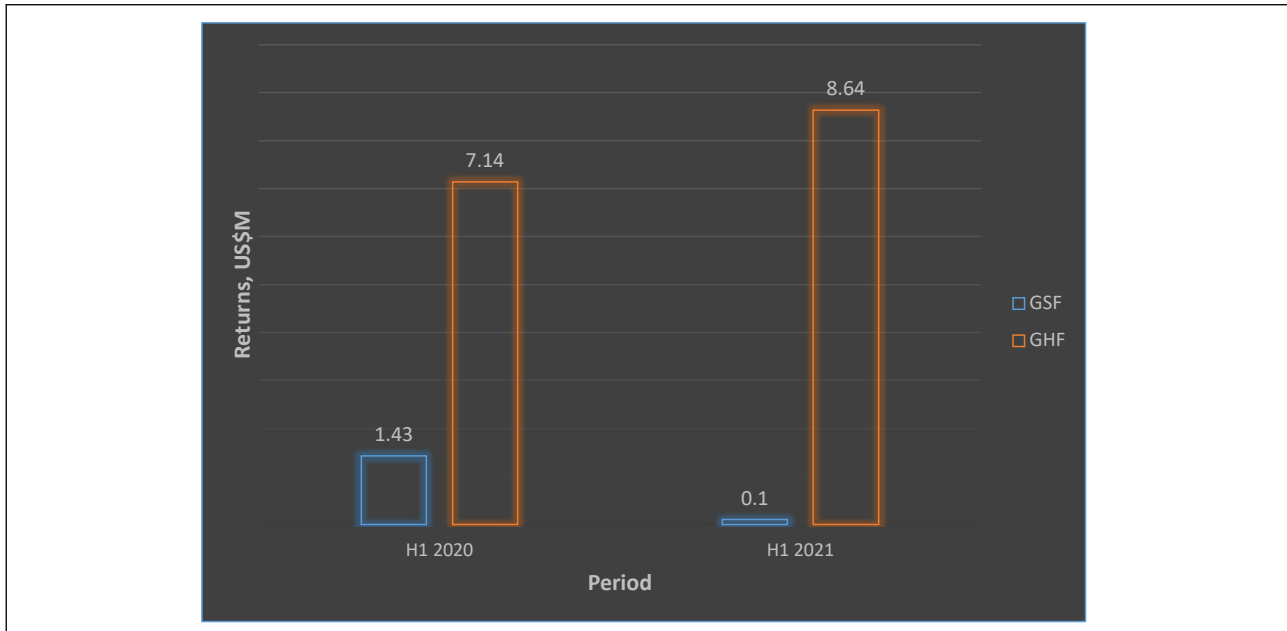


Figure 12: Returns on the Ghana Petroleum Funds in H1 2020 and H1 2021

Source: PIAC Construct, from BoG Data, June 2021

Investment of the GHF is usually long-term in nature, as compared to the GSF. However, to take advantage of the entire United States (US) investment yield curve, the GHF is sometimes invested across the broad spectrum of the curve – short, medium, and long term. Returns have usually been pegged to the 2-year and 10-year US Treasury Notes.

The yield of the 10-year US Treasury note ended H1 2021 at 1.45 percent as at the end of June 2021, compared to 0.66 percent in the same period of 2020. The yield of the 2-year note ended H1 2021 at 0.25 percent compared to 0.15 percent at the end of June 2020.

In the period under review, the difference between the U.S. 10-year Treasury note yield and the 2-year note yield widened by 42.73 percent, from 79.01 percent in December 2020 to 121.74 percent at the end of June 2021.

Among the reasons accounting for the general increase in yields were the net improvement in risk sentiments over the reopening of the U.S. economy, inflation expectations, accelerated vaccination campaigns, and reduced social distancing. Other contributing factors were the signs of stronger consumer spending, and additional fiscal stimulus which overshadowed the emergence of more contagious strains of the Corona Virus.

The mark-to-market performance of the GHF was impacted negatively by the increased yields of the US Treasury notes, with the Year-To-Date (YTD) yield down by 2.13 percent as compared to a gain of 5.28 percent in H1 2020.

For the GSF, the YTD yield of 0.03 percent was lower than the 0.39 percent for the same period of 2020.

7.4 ACCUMULATIONS AND RESERVES

The Ghana Petroleum Funds since November 2011 have accumulated a net profit on investment of US\$92.16 million, as shown in Figure 13. The GHF and GSF contributed 74 percent and 26 percent respectively.

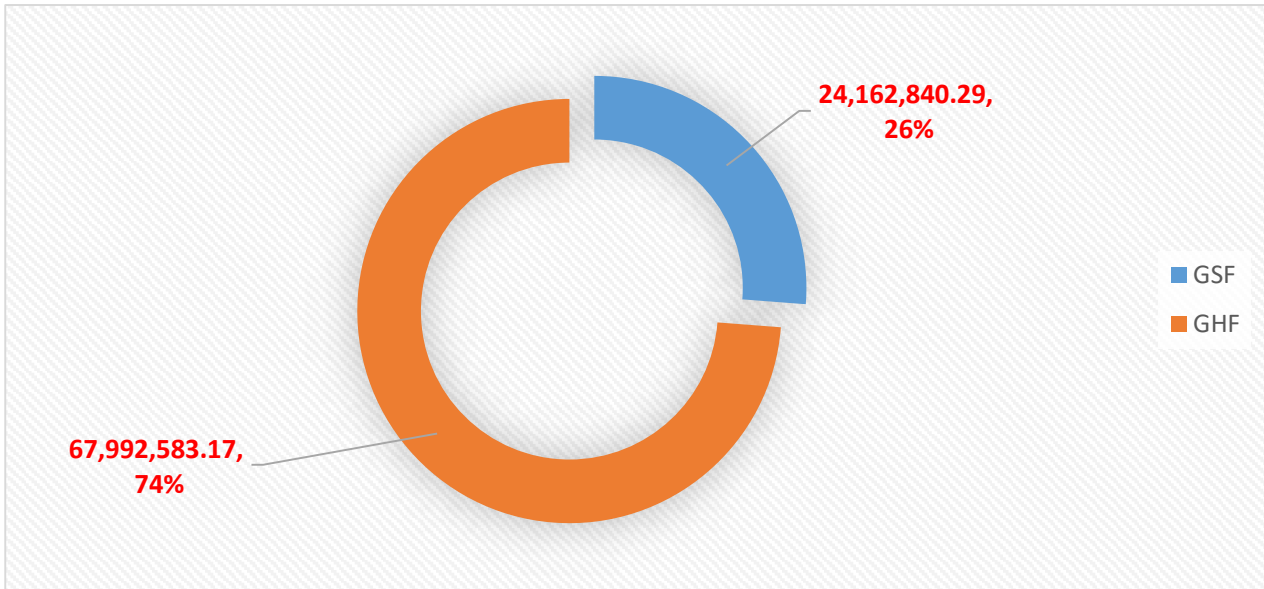


Figure 13: Net Realised Income on the Ghana Petroleum Funds since Inception

Source: PIAC Construct, from BoG Data, June 2021.

Figure 14 indicates the total reserves of the GPFs as at the end of June 2021, amounting to US\$815.29 million. This comprised GHF with an accumulation of US\$676.45 million (US\$608.54 million in H1 2020), and GSF amounting to US\$138.84 million (US\$133.34 million in H1 2020), representing a 9.9 percent increase from the reserves at the end of June 2020 (US\$741.88 million).

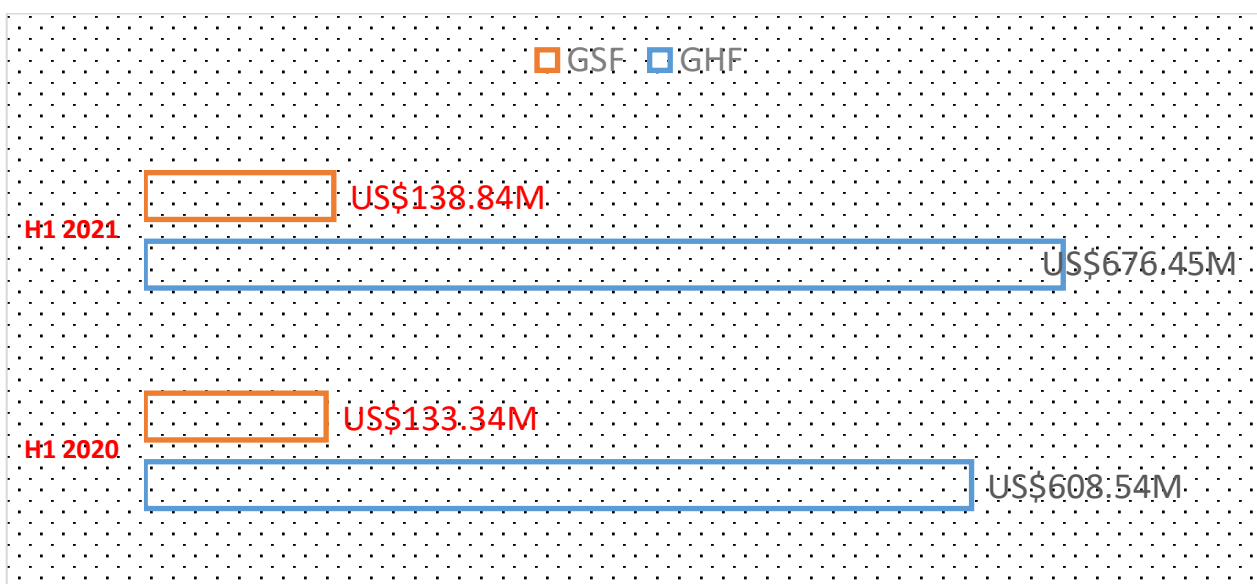


Figure 14: Reserves of the Ghana Petroleum Funds as at June 2021

Source: PIAC Construct, from BoG Data, June 2021.



Shown in Table 21 are details of the Ghana Petroleum Funds.

Table 21: 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	608,456,155.22	67,992,583.17	676,448,738.39	-	676,448,738.39
GSF	1,440,936,377.79	24,162,840.29	1,465,099,218.08	(1,326,261,966.37)	138,837,251.71
Total	2,049,392,533.01	92,155,423.46	2,141,547,956.47	(1,326,261,966.37)	815,285,990.10

Source: BoG, June 2021.

7.5 GHANA STABILISATION FUND

7.5.1 Withdrawals

The cap remained unchanged at US\$100 million as set by the Minister for Finance and a Parliamentary resolution, in line with Section 23(4) of the PRMA, Act 815 as amended by Act 893. The accumulated excess over the cap withdrawn in the period was US\$114.98 million. At the end of June 2021, the excess over the cap amounted to US\$38.84 million, while the closing amount stood at US\$138.84 million, as shown in Figure 14 and the Statement of Accounts in Table 22.

Table 22: GSF Statement of Account for First Half-Year 2021

US\$	
Opening Book Value (1 Jan 2021)	199,989,122.92
Receipt During The Period	53,728,032.51
Bank Charges	(4,295.50)
Realised Income	106,808.02
Withdrawal	(114,982,416.24)
Closing Book Value (30 June 2021)	138,837,251.71
Net Income for the Period Comprised:	
INCOME	
Investment Income	106,808.02
Less:	
Bank Charges	(4,295.51)
Net Return for the Period	102,512.52

Source: BoG, June 2021

7.6 GHANA HERITAGE FUND

As at the end of June 2021, the closing book value of the Ghana Heritage Fund was US\$676.45 million, as shown in Table 23.

Table 23: GHF Statement of Account for First Half-Year 2021

	US\$
Opening Book Value (1 Jan 2021)	644,787,189.85
Receipt During the Period	23,026,299.64
Bank Charges	(20,841.55)
Realised Income	8,656,090.45
Closing Book Value (30 June 2021)	676,448,738.39
Net Income for the Period Comprised:	
Income	
Investment Income	8,656,090.45
Less:	
Bank Charges	(20,841.55)
Net Return for the Period	8,635,248.90

Source: BoG, June 2021.

7.7 THE PETROLEUM HOLDING FUND

The PHF at the end of June 2021 held a balance of US\$60.66 million, which comprised the 60th lifting proceeds of US\$60.46 million from the Jubilee Field, a mandatory balance of US\$0.20 million and PHF overnight interest of US\$1,400.00.

Findings/Observations

1. Despite withdrawals from the GSF, the reserves of the GPFs increased by 9.90 percent in H1 2021 over the reserves for the same period in 2020.
2. Even though there was an increase in the net profit on investment of the GPFs, compared to the same period of 2020, the year-to-date yields of both the GSF and GHF reduced. The H1 2021 yield of the GHF was down by 2.13 percent as compared to a gain of 5.28 percent in H1 2020, while for the GSF, the H1 2021 yield of 0.03 percent was lower than the 0.39 percent for the same period of 2020.



CHAPTER 8

8.0 OPERATIONS OF THE GHANA NATIONAL PETROLEUM CORPORATION

8.1 BACKGROUND

The Ghana National Petroleum Corporation (GNPC) was established in 1983 by the GNPC Act, 1983 (PNDCL64) as the commercial entity in the petroleum sector, charged with the primary responsibility for exploration, development, production and disposal of petroleum resources. The establishment of GNPC in 1983 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 petroleum upstream sector.

The discovery of oil in commercial quantities in 2007 (23 years after the enactment of PNDCL 84) and the commencement of production in December 2010, 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 Petroleum Revenue Management Act, 2011 (Act 815), which provides a framework for the governance of upstream petroleum proceeds. Two (2) other enactments which are fundamental to the operations of GNPC are the Petroleum Commission Act, 2011 (Act 821), and the Petroleum (Exploration and Production) Act, 2016 (Act 919).

The PRMA provides, inter alia, a formula for allocation of petroleum funds to support a National Oil Company (NOC). 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 deduction of equity financing costs.

8.2 ALLOCATION

In line with the Law, funding allocation to GNPC comes from two broad categories, described as Levels 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). Despite the 55 percent provision, the Corporation has consistently been allocated 30 percent and was further lowered to 25 percent arising from the enactment of the Earmarking Funds and Capping Realignment Act 947, (2017).

For the period under review, the Corporation received an amount of US\$98.34 million from proceeds in crude sales.

Table 24 provides the sources of the amount emanating from the Corporation's participation in oil production through equity holdings.

Table 24: GNPC Receipts for H1 2021

Source	Amount (US\$ million)
Jubilee Field equity financing	28.91
TEN Field equity financing	17.24
SGN Field equity financing	4.70
30% share of net Jubilee crude	51.06
30% share of net TEN crude	7.76
30% share of net SGN crude	14.07
TOTAL	98.34

Source: PIAC Construct based on GNPC data, June 2021

The total receipt, in addition to US\$2.17 million as cash brought forward from the previous year (2020), brought the Corporation's cash available for spending to US\$100.5 million. An amount of US\$17.96 million out of US\$98.34 million represents the 58th jubilee lifting which took place in December 2020.

8.3 EXPENDITURE

GNPC's expenditure focuses on the two broad expenditure areas classified as A and B (See Appendix B). Classification A expenditure goes to support the Corporation's Equity Financing Costs associated with the producing fields in which GNPC participates. Classification B Expenditure supports a range of activities aiding petroleum production. Other related expenditures under B are in respect of Corporate Social Investments, through a dedicated Foundation – the GNPC Foundation - that delivers the Corporation's Social Investment Commitments, and those pertaining to GNPC's subsidiaries.

8.3.1 Level A Expenditure

For H1 2021, the Corporation spent a total of US\$54.19 million in respect of Level A activities, covering GNPC's share of production and development cost associated with the three producing fields delineated below as:

- Jubilee Field's equity share of production and development cost attracted US\$30.16 million representing 31 percent of the total receipts for the period;
- TEN Field's equity share of production and development cost was US\$21.86 million, representing 22 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; and,
- SGN Field's equity share of production and development cost was US\$2.17 million, being two (2) percent of the total receipts.

8.3.2 Level B Expenditure

8.3.2.1 Exploration & Development Projects

An amount of US\$5.39 million representing six (6) percent of the amount received for the period went to exploration and development projects. The expenditure included the Corporation's cost incurred on projects other than Jubilee, TEN and SGN such as Voltaian Basin and Eni Block 4 projects. This compares favorably with the previous year's expenditure in percentage terms, recording a nominal increase of US\$800,000.00.



8.3.2.2 Staff and Administrative Capital Expenditure

Twelve percent of receipts amounting to US\$11.66 million went into remuneration for Technical as well as Petro-business support staff, recording a three (3) percent decrease for the same period in the previous year.

Administrative capital expenditure amounted to US\$0.03 million, accounting for 0.03 percent of total receipts. Compared to the previous year, this is lower both in percentage and nominal terms. New laptops and desktop computers were procured for corporate use.

8.3.2.3 Capital Projects

An amount of US\$3.33 million went into a Research and Technology Project, virtualisation solutions and digital transformation in line with planned expenditure. Disbursements within this category represent three (3) percent of the total receipts and also indicate a three (3) percent less cost, compared with the previous year's six (6) percent.

8.3.2.4 General Operating Expenditure

Operating expenditure came to an amount of US\$2.18 million representing two (2) percent of receipts. Captured under this category are insurance, utilities, communication expenses, professional services, ICT-related costs such as software maintenance, general repairs and maintenance, vehicle repairs and maintenance, etc. The expenditure is a significant reduction of US\$4.89 million from the previous year's expenditure.

8.3.2.5 Gas Enclave Roads Payments

An amount of US\$6.68 million was expended on the Gas Enclave Road Project, representing seven (7) percent of total receipts for the period. This is 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\$0.58 million was spent on SOPCL representing 0.6 percent of total receipts for the period under review. The expenditure was for salaries, crew change, food supply, fuel, transportation, and severance payments to ex-staff, as well as other preparatory activities towards the decommissioning of the field. This is a slight reduction compared with the previous year's expenditure of US\$0.6 million.

8.3.2.7 Mid - Stream & other projects

GNPC spent US\$4.86 million on Mid-Stream activities, such as the Petroleum Hub and City Gate projects, accounting for five (5) percent of total receipts for the period under review. There was no expenditure under this category for the same period in the previous year.

8.3.2.8 Repayment of loan for Karpower Barge movement

An amount of US\$3.71 million was paid as the 7th installment of a US\$31 million GCB loan obtained to facilitate the relocation of the Karpower Barge from Tema to Takoradi, per the decision of Government (see Table 25). The loan was to finance the construction of the Gas Pipelines, Substation, Power Transmission Lines, and Marine Civil Engineering Works in respect of the relocation of the Karpower

Floating Plant from Tema to Sekondi Naval Base, Takoradi. This was done to fulfill the off-take obligation of the SGN Field, accounting for four (4) percent of total receipts for the period.

Table 25: GCB Loan Repayment Schedule as at June 30, 2021, in US\$

Due Date	Payment No.	Total Due	Interest Due	Principal Due	Total Balance Due	Balance as at June 30, 2021
Balance as at June 30, 2021						10,646,443.78
31-Aug-21	1	3,712,478.50	245,000.28	3,467,478.22	7,178,965.56	
30-Nov-21	2	3,712,478.50	164,090.07	3,548,388.43	3,630,577.13	
28-Feb-21	3	3,712,478.50	81,901.37	3,630,577.13		
		11,137,435.50	490,991.72	10,646,443.78		

Source: GNPC, June 2021

8.3.2.9 Sustainability & Stakeholder Relations and GNPC Foundation

In line with the Corporation's CSI obligations, a total of US\$6.17 million was spent on Sustainability & Stakeholder Relations, scholarship awards and community projects of the GNPC Foundation (see Appendix C). This represents six (6) percent of the total receipts for the period under review.

8.3.2.10 Other Expenditure

Expenditure on Subsidiaries

An amount of US\$1.48 million accounting for two (2) percent of the receipts was spent on salary arrears and preparatory activities for the production of gold at Prestea Sankofa Gold Ltd, one of GNPC's subsidiaries.

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 commercial quantities 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 the Government's emphasis on indigenisation of the oil and gas industry. The Company is the nation's premier mid-stream gas company that owns and operates infrastructure required for the gathering, transporting and marketing of natural gas resources in Ghana.

Currently, the power generation sector uses the bulk of the country's imported 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 affordable and reliable fuel for power supply upon which socio-economic development can be built. However, the gas industry is challenged by financial hurdles, arising from payment deficits.

9.1 TECHNICAL AND COMMERCIAL OPERATIONS

Although incorporated in July 2011, GNGC started official operations in November 2014. 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).

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

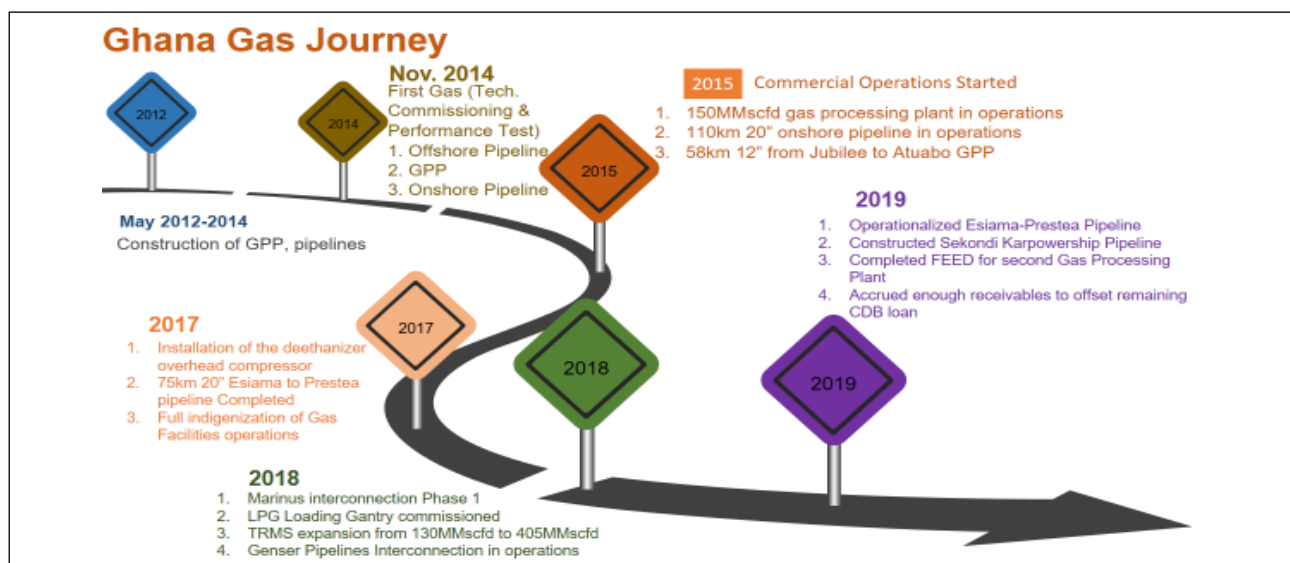


Figure 15: Milestones in the Gas Sub-sector

Source: GNGC, June 2020

9.2 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 designed capacity of 150 MMScfd and normal operating 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 transporting sales gas from the Esiama Distribution Station (EDS) to the Prestea Regulating and Metering Station (PRMS);
- A 20-inch diameter 10km onshore pipeline transporting sales gas from the TDS to the Sekondi Regulating and Metering Station (SRMS);
- A 6-inch diameter 9km onshore pipeline transporting sales gas from the TDS to the Distribution Valve Station at Eshiem, Western Region;
- A 6-inch diameter 1km onshore pipeline transporting sales gas from the TDS to Keda Ceramics Company 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.

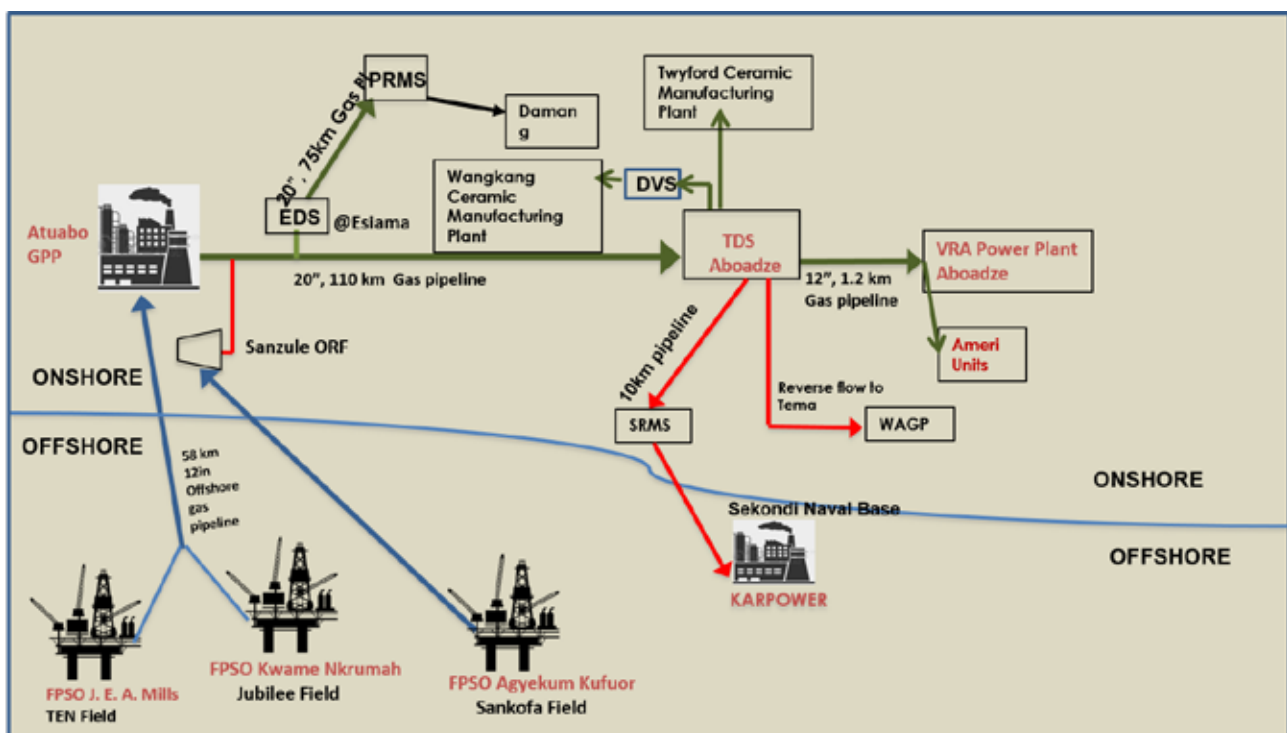


Figure 16: GNGC Gas Infrastructure

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.



9.3 INSTITUTIONAL ALIGNMENT

In an effort to increase operational and process efficiency along Ghana's gas sector value chain, the Government in May 2020 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, the Minister for Energy set up a Ministerial Gas Taskforce (MGTF) to establish the roadmap for the implementation of this Presidential directive, but there has since been no reported action on this directive.

9.4 THE GAS VALUE CHAIN

The four roles of 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: the 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: the sale of processed gas to downstream customers. Currently, GNPC performs this role (power customers) whiles GNGC ships to non-power customers; and
- Gas transportation: the transportation of lean gas and other derivatives through gas pipelines to downstream customers. Currently, GNGC and WAPCo are the most recognised transporters.

9.5 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.

9.6 VOLUMES AND COST OF RAW GAS RECEIVED FROM GNPC

As at 30th June, 2021, a total volume of 19,868.90MMscf of raw gas from the Jubilee and TEN Fields invoiced at US\$113,980,390.63,¹⁰ was received from GNPC. Figure 17 provides Jubilee and TEN raw gas quantities received from GNPC for the period under review.

¹⁰ GNPC reported an amount of US\$112,582,316.04 for raw gas invoiced during the period. The two institutions have agreed to reconcile the figures. PIAC would report on it in its 2021 Annual Report.

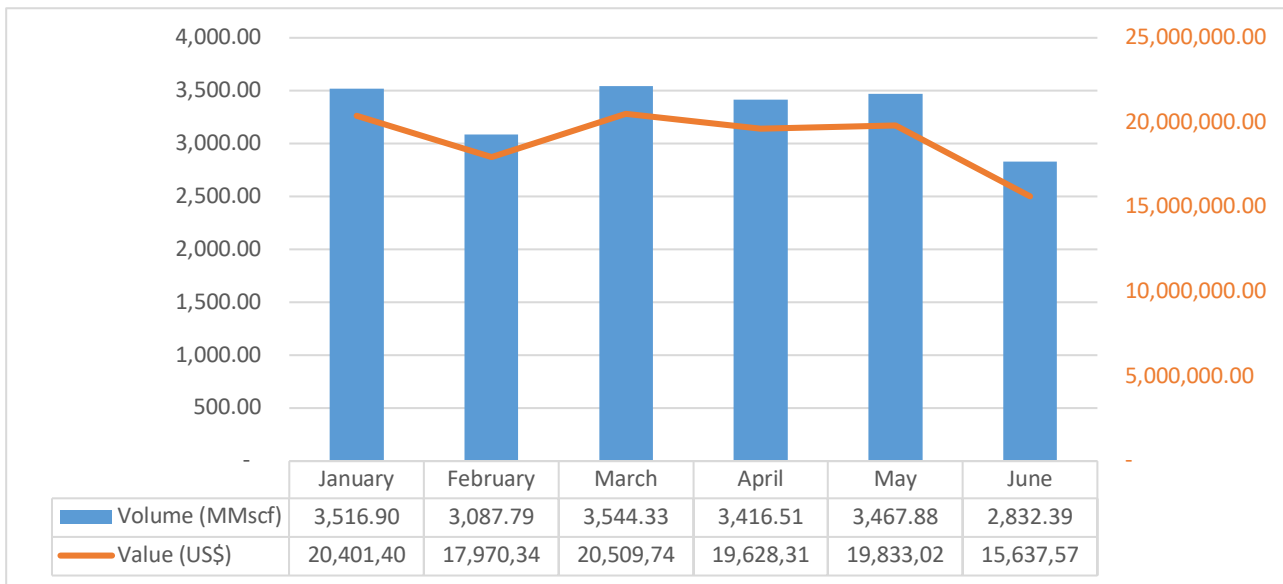


Figure 17: Total Volumes of Raw Gas Received from GNPC and Cost

Source: PIAC Construct, based on GNGC data, June 2021

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 an increase of 81.95 percent as compared to the exports in the same period of 2020.

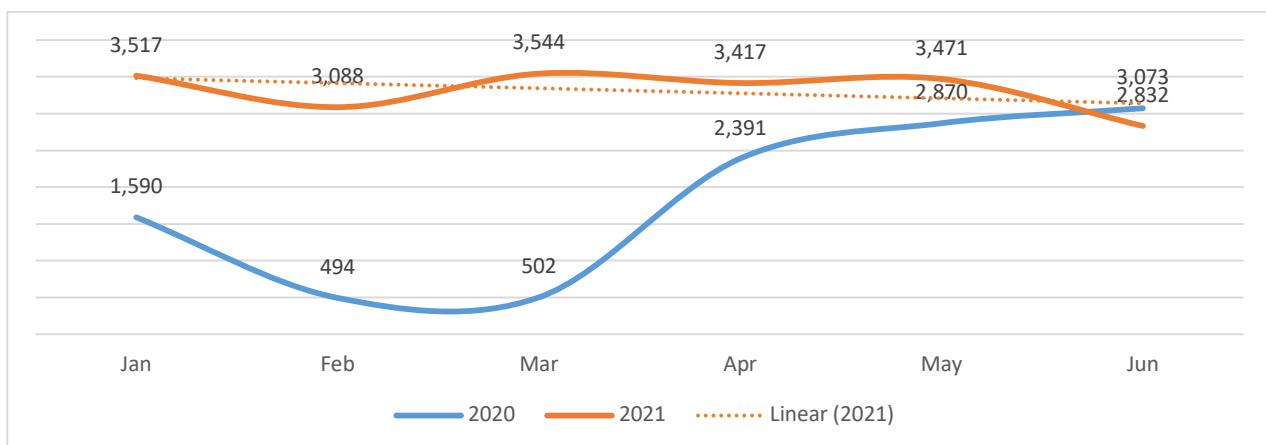


Figure 18: Volumes of raw gas exported to GNGC

Source: PIAC Construct Based on GNGC Data, June 2021

9.7 PROCESSED VOLUMES

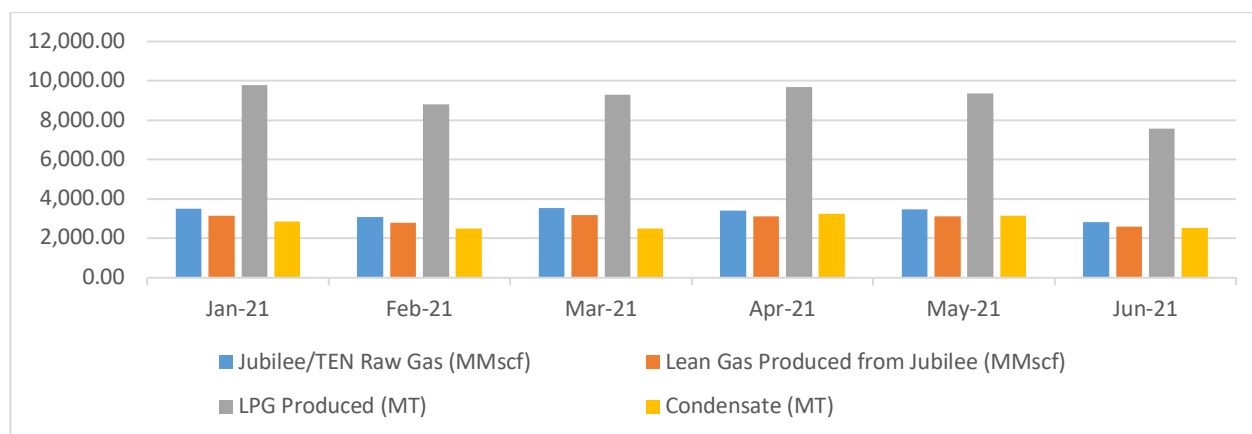
9.7.1 Lean Gas and other Derivatives

Total volumes of 17,928.01MMScf, 54,546.51M³ and 16,819.17M³ of Lean Gas, LPG and Condensates respectively were processed during the period (see Table 26 and Figure 19).

**Table 26: Volumes of Processed Derivatives – Jan to June 2021**

S/N	Month	Jubilee/TEN Raw Gas Received from Upstream	Lean Gas Produced from Jubilee	LPG Produced	Condensate
		MMScf	MMScf	MT	MT
1	Jan-21	3,516.91	3,153.68	9,789.75	2,850.25
2	Feb-21	3,087.77	2,789.85	8,809.74	2,510.83
3	Mar-21	3,544.36	3,170.90	9,281.48	2,512.69
4	Apr-21	3,416.51	3,119.59	9,703.38	3,253.53
5	May-21	3,470.96	3,104.47	9,378.01	3,153.70
6	Jun-21	2,832.39	2,589.52	7,584.14	2,538.18
7	Total	19,868.90	17,928.01	54,546.51	16,819.17

Source: GNGC, June 2021

**Figure 19: Jubilee Raw Gas received and processed Derivatives – Jan to June, 2021**

Source: PIAC Construct based on GNGC data, June 2021.

9.8 SUMMARY OF RECEIPTS AND OUTSTANDING RECEIVABLES OF PROCESSED DERIVATIVES

As at 30th June, 2021, a total of US\$78,297,090.93 out of US\$167,878,774.46 had been received from the sale of LPG, Lean Gas and Stabilised Condensates produced as well as payment under the Cash Waterfall Mechanism (CWM). This brought the cumulative outstanding receivables due GNGC to US\$932,379,759.17 at the end of the period, as shown in Table 27.

Table 27: Summary of Receipts and Outstanding Receivables – January to June 2021

Company	Product Sold	Volumes MT/MMBtu	Amount invoiced US\$	Payment Received US\$	Payment Outstanding US\$
Opening Balance					842,798,075.65
Globex Energy Ltd	Stabilised Condensates	3,165.30	1,073,179.11	1,052,417.29	20,761.81
LHS Ghana Ltd	Stabilised Condensates	1,053.89	339,999.10	266,236.21	73,762.89
Battop	Stabilised Condensates	93.48	23,361.50	50,188.08	(26,826.58)

Company	Product Sold	Volumes MT/MMBtu	Amount invoiced US\$	Payment Received US\$	Payment Outstanding US\$
Maranatha Oil Service Ltd	Stabilised Condensates	2,164.57	728,301.47	575,321.69	152,979.78
Firm Energy	Stabilised Condensates	1,072.50	356,602.54	276,416.67	80,185.87
Dome Energy	Stabilized Condensates	4,867.35	1,598,261.05	1,393,868.73	204,392.32
Chase	Stabilized Condensates	1,001.93	346,387.10	344,139.90	2,247.20
Mobile Oil	Stabilized Condensates	215.10	54,277.46	92,133.17	(37,855.71)
Oil Trade Co. Ltd	Stabilized Condensates	970.81	321,361.20	291,098.18	30,263.02
Lemla Ltd	Stabilized Condensates	1,037.40	341,612.30	283,162.42	58,449.88
Hask Oil Ltd	Stabilized Condensates	294.32	118,652.33	-	118,652.33
Eagle Petroleum Ltd	Stabilized Condensates	319.85	130,446.25	63,973.94	66,472.31
Sage Distribution Ltd (Sage Petroleum)	LPG	53,463.98	26,216,193.66	24,876,531.82	1,339,661.84
VRA	Lean Gas	15,087,275.58	91,717,057.00	3,661,749.55	88,055,307.45
WangKang Gh. Ceramic Ltd	Lean Gas	1,539,830.70	6,467,288.94	6,161,558.39	305,730.55
Keda Gh. Ceramic Ltd (Twyford)	Lean Gas	1,021,913.19	4,292,035.40	4,779,428.88	(487,393.48)
Genser Energy	Lean Gas	3,782,672.77	4,213,897.47	2,057,455.35	2,156,442.12
OCTP Transportation Service	Lean Gas	37,968,972.47	29,539,860.58	3,952,534.10	25,587,326.48
UNALLOCATED CWM RECEIPTS				28,118,876.56	(28,118,876.56)
TOTAL			167,878,774.46	78,297,090.93	932,379,759.17

Source: GNGC, June 2021

9.9 COST OF PROCESSED DERIVATIVES

9.9.1 Lean Gas

During the period, GNGC did not receive the bulk of its income from the sale of Lean Gas, contrary to previous years. Nonetheless, some revenue accrued from GNPC - OCTP Transportation Service to convey Lean Gas to the various required facilities. Out of a total of US\$78,297,090.93 accrued from these activities, transportation service fees constituted 5.05 percent (US\$3,952,534.10). No receipts were recorded for transportation service for the same period in 2020.

As presented in Table 28, the total sales volume of Lean Gas for H1 2021 was 59,400,664.72 MMBtu, compared with the sales volumes in the same period of 2020 of 47,281,059.52 MMBtu, translating into a 25.63 percent increase. However, the total gross revenue realised for H1 2021 was US\$136,230,139.39



compared with total gross revenue realised in the same period of 2020 of US\$93,547,640.46, translating into a 45.63 percent increase.

Table 28: Summary of Lean Gas Product Statement — January to June 2021

Date	Company	Volume (MMBtu)	Price (US\$/MMBtu)	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)
Jan-21	VRA	2,688,448.35	6.0791	16,343,346.38	10,434,234.9703	24,017,312.60
	WangKang	248,374.05	4.20	1,043,170.99		
	Keda (Twyford)	172,044.85	4.20	722,588.37		
	Sankofa Gas Transported	6,703,133.30	0.778	5,215,037.71		
	Genser	622,234.42	1.114	693,169.14		
Feb-21	VRA	2,404,565.42	6.0791	14,617,593.66	9,660,881.8823	21,789,742.59
	WangKang	238,986.08	4.20	1,003,741.55		
	Keda (Twyford)	152,215.82	4.20	639,306.43		
	Sankofa Gas Transported	6,305,466.29	0.778	4,905,652.78		
	Genser	559,648.26	1.114	623,448.17		
Mar-21	VRA	2,834,353.76	6.0791	17,230,319.94	10,112,189.5317	24,571,929.0
	WangKang	258,883.43	4.20	1,087,310.41		
	Keda (Twyford)	167,877.95	4.20	705,087.41		
	Sankofa Gas Transported	6,199,064.28	0.778	4,822,872.01		
	Genser	652,010.11	1.114	726,339.26		
Apr-21	VRA	2,592,370.50	6.0791	15,759,279.51	10,417,423.4124	23,440,746.99
	WangKang	251,971.15	4.20	1,058,278.83		
	Keda (Twyford)	151,103.07	4.20	634,632.90		
	Sankofa Gas Transported	6,784,311.05	0.778	5,278,194.00		
	Genser	637,667.64	1.114	710,361.75		
May-21	VRA	2,676,916.04	6.0791	16,273,240.27	9,923,772.587	23,636,450.17
	WangKang	265,996.82	4.20	1,117,186.66		
	Keda (Twyford)	172,867.09	4.20	726,041.78		
	Sankofa Gas Transported	6,143,221.25	0.778	4,779,426.13		
	Genser	664,771.39	1.114	740,555.32		
Jun-21	VRA	1,890,621.51	6.0791	11,493,277.23	8,852,162.3315	18,773,958.02
	WangKang	275,619.17	4.20	1,157,600.50		
	Keda(Twyford)	205,804.41	4.20	864,378.52		
	Sankofa Gas Transported	5,833,776.29	0.778	4,538,677.95		
	Genser	646,340.96	1.114	720,023.83		
TOTAL					59,400,664.72	136,230,139.39

Source: GNGC, June 2021

9.9.2 Liquefied Petroleum Gas (LPG)

In comparison with H1 2020, GNGC received the bulk of its income from the sale of LPG to Sage Distribution Ltd (Sage Petroleum). As shown in Figure 20, the volume of LPG sold from January to June, 2021 was 53,463,982MT while that of the same period in 2020 was 29,827,882MT, indicating a 79.24 percent increase.

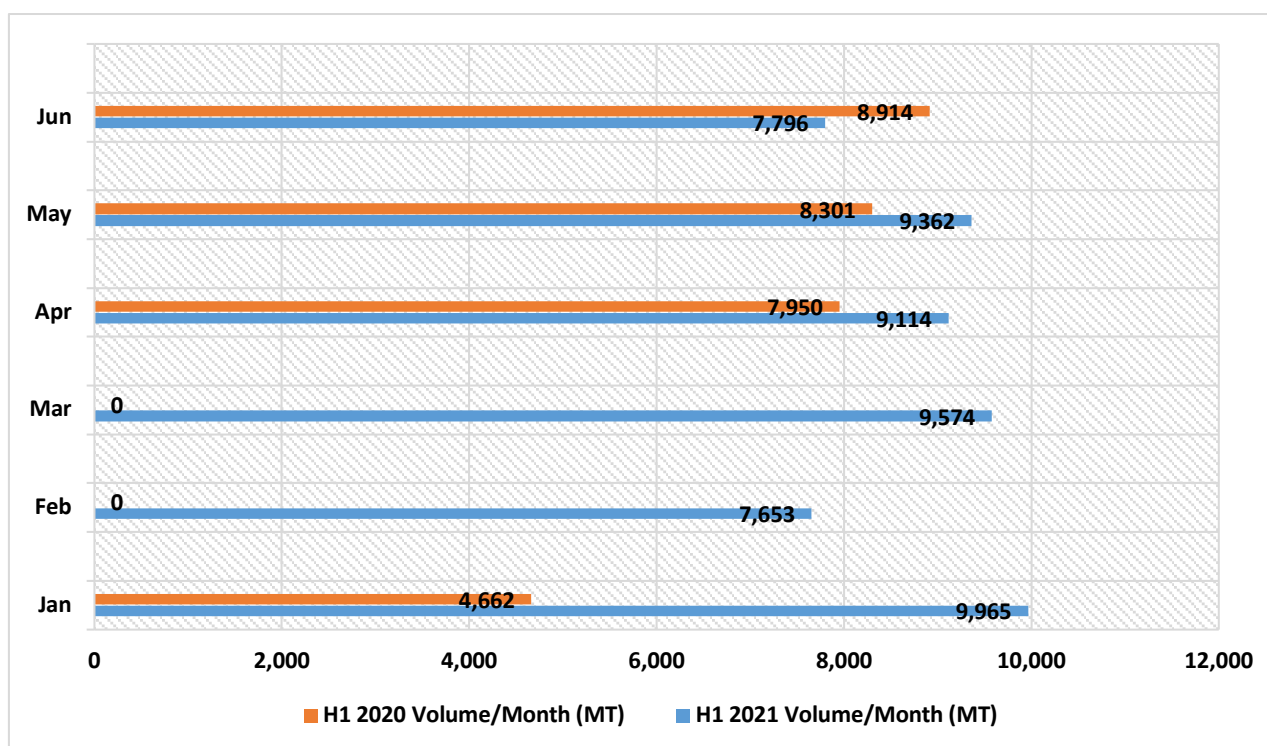


Figure 20: End-Year Volumes of LPG in MT for Jan-June 2021

Source: PIAC Construct based on GNGC Data, June 2021

However, the amount invoiced for total LPG sold in H1 2021 was US\$26,216,193.66, while that of 2020 for the same period was US\$6,720,052.46 (see Table 29). This represents an appreciation in LPG revenue of 290.12 percent. The astronomical percentage increase in H1 2021 was mainly due to increased production volumes and price of the commodity, coupled with non-production of the product in February and March 2020 during the same period.

Table 29: Summary of LPG Product Statement- January to June 2021

LPG STATEMENT – H1 2021							
Date	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/Month (MT)	Gross Revenue (US\$)	Discount (US\$)	Net Revenue (US\$)
Jan - 21	4,789.78	445.69	2,134,778.57	9,964.544	4,458,247.16	99,645.44	4,358,601.72
	5,174.76	449.00	2,323,468.59				
Feb - 21	4,125.581	454.5909	1,875,451.58	7,653.323	3,662,693.87	76,533.23	3,586,160.64
	3,527.742	506.625	1,787,242.29				
Mar - 21	5,065.07	527.7273	2,672,974.66	9,574.214	5,025,621.74	95,742.14	4,929,879.60
	4,509.15	521.75	2,352,647.08				



LPG STATEMENT – H1 2021							
Date	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/Month (MT)	Gross Revenue (US\$)	Discount (US\$)	Net Revenue (US\$)
Apr - 21	4,430.63	511.7727	2,267,476.86	9,114.048	4,677,679.30	91,140.48	4,586,538.83
	4,683.42	514.625	2,410,202.44				
May - 21	4,422.52	480.1136	2,123,312.96	9,362.274	4,503,161.98	93,622.74	4,409,539.24
	4,939.75	481.775	2,379,849.02				
Jun - 21	2,955.89	467.00	1,380,401.10	7,795.579	3,888,789.61	77,955.79	3,810,833.82
	4,839.69	518.2955	2,508,388.51				
TOTAL				53,463.98	26,216,193.66	534,639.82	25,681,553.84

Source: GNGC, June 2021

9.9.3 Condensates

The volume of Condensates sold from January to June, 2021 was 16,256.50MT while that for the same period in 2020 was 10,429.43MT. This translates into a difference of 5,827.07MT, representing an increase of 55.87 percent. Figure 21 illustrates the monthly volumes of Condensates sold during the period under review.

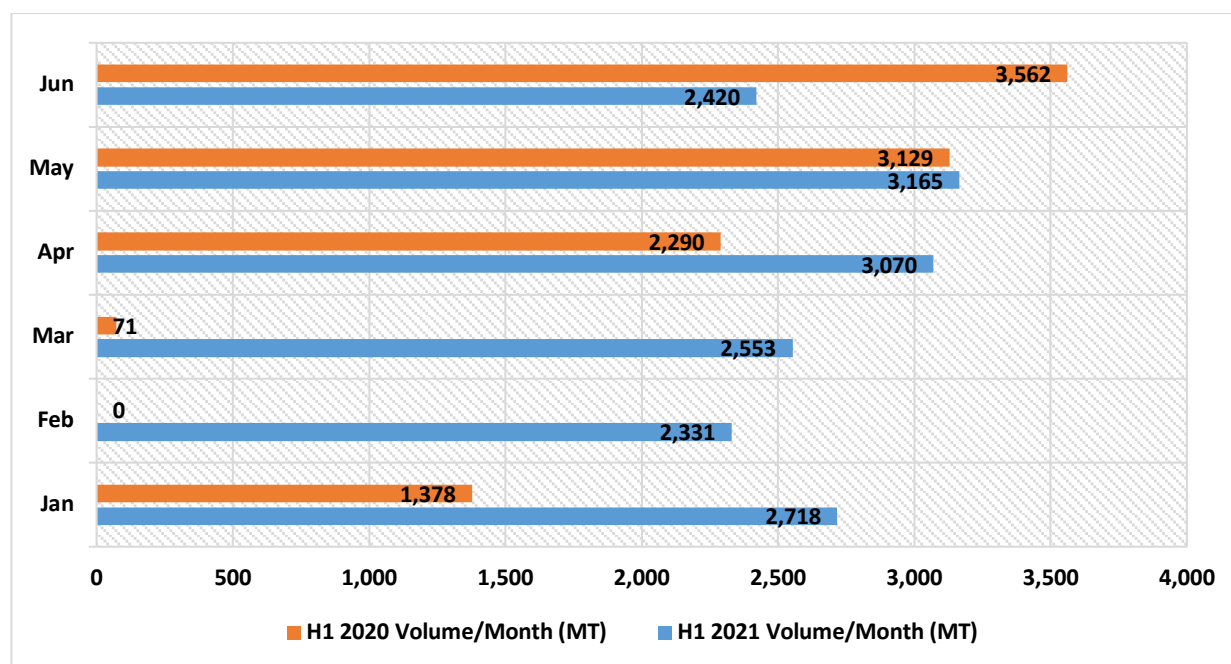


Figure 21: End-Year Volumes of Condensates (MT) – Jan-Jun 2021

Source: PIAC Construct based on GNGC data, June 2021

Realised revenue from the sale of Condensates for January to June 2021 was US\$5,432,441.41 (See Appendix D), while that of 2020 for the same period was US\$1,229,199.47, representing an increase of US\$4,203,241.94 (341.95%) in revenue. The 2020 depressed performance was mainly due to the low Henry Hub's Index,¹¹ a function of the negative impact of COVID-19.

¹¹ This index is the final settlement price in dollars per MMBTU as published by the New York Mercantile Exchange (NYMEX) for the Henry Hub Natural Gas futures contract for Gas to be delivered during a specific month. The final price is based upon the last trading day for the contract for the month.

9.10 SUMMARY OF GNGC EXPENDITURES

Table 30 presents a detailed breakdown of all expenditures incurred during the period, including cost of operating the Atuabo Gas Processing Plant.

Table 30: Breakdown of GNGC Expenditure

No.	Ghana National Gas Total Expenses (Jan – Jun 2021)	Amount '000 (GH¢)
	Category	Amount '000 (GH¢)
1	Manpower Expenses	78,389
2	Directors Fees & Other Board Expenses	167
3	General Admin Expenses	8,538
4	Staff Business Expense	2,853
5	Professional Services	478
6	Bank Service Charges	179
7	Corporate Social Responsibility	14,423
8	Business Support	6,120
9	Pass Through Direct Cost	674,306
10	Depreciation & Amortisation	80,279
11	Operational Expenses	38,136.00
12	Finance Cost	6,789.00
13	Forex Loss/Gain	-858.00
	Total Expenses	909,799.00

Source: GNGC, June 2021

Total expenditure for H1 2021 amounted to GH¢909,799,000.00. Pass through direct cost constituted the highest expenditure item of GH¢674,306,000.00 while at GH¢167,000, that of Directors' Fees and Other Board Expenses was the least amount. Figure 22 depicts the total expenditure of the Company during the period.

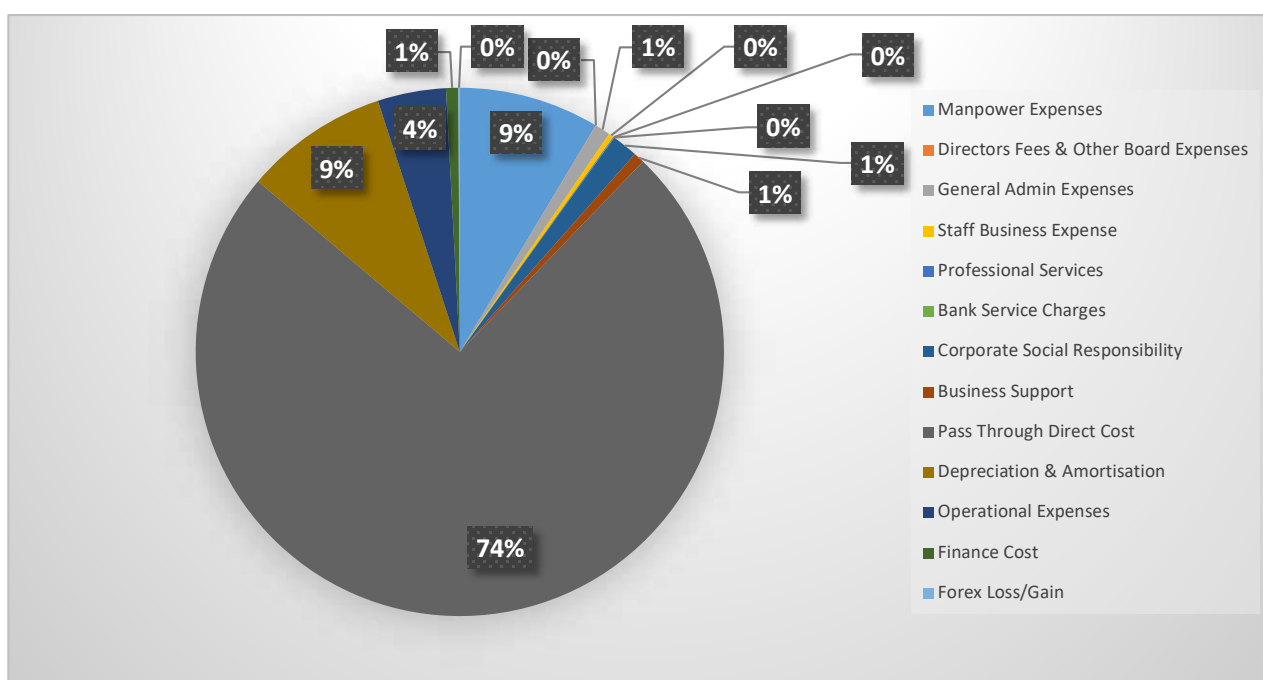


Figure 22: GNGC Total Expenses Jan-Jun 2021

Source: PIAC Construct, June 2021.



9.11 COST OF RAW GAS AND INDEBTEDNESS

As at 30th June, 2021, GNGC’s cumulative indebtedness to GNPC amounted to US\$613,910,025.21 as compared to US\$393,042,132.35 during the same period in 2020. The escalating debt is attributable to VRA’s inability to meet its debt service obligation. Figure 23 depicts the yearly indebtedness of the Company to GNPC.

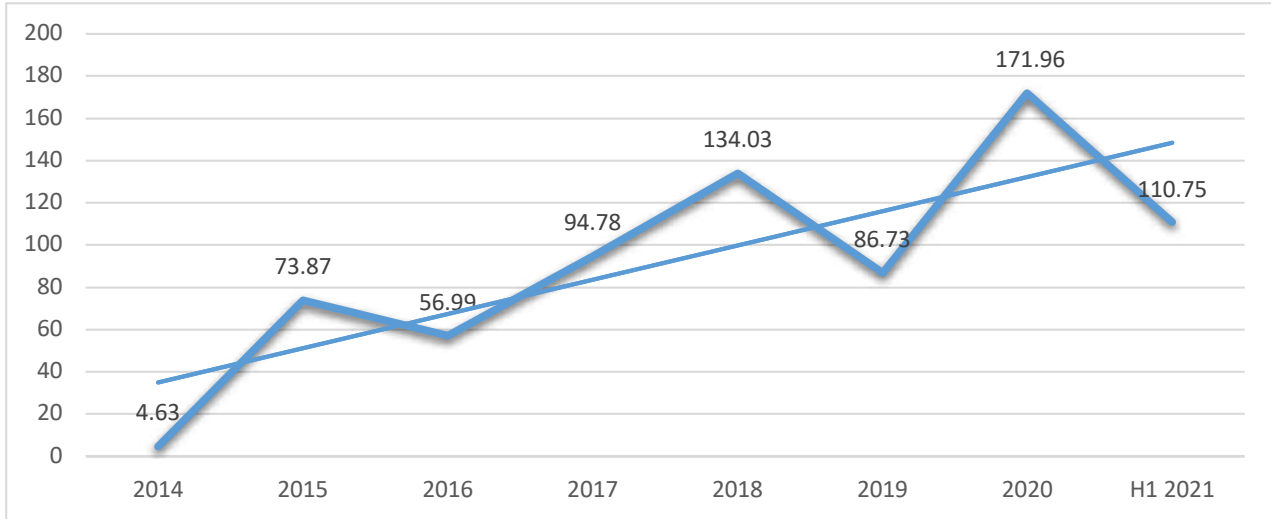


Figure 23: GNGC's Indebtedness to GNPC

Source: PIAC Construct, June 2021.

The total volume of raw gas sales to GNGC by GNPC in H1 2021 amounted to 19,868,900.00 MMBtu compared with 10,920,275.49 MMBtu for the same period in 2020, representing an increase of 81.95 percent. On the revenue side, the total indebtedness to GNPC stood at US\$110.75 million compared to US\$62.31 million for the same period in 2020. Figure 24 illustrates GNGC’s indebtedness to GNPC for the period.

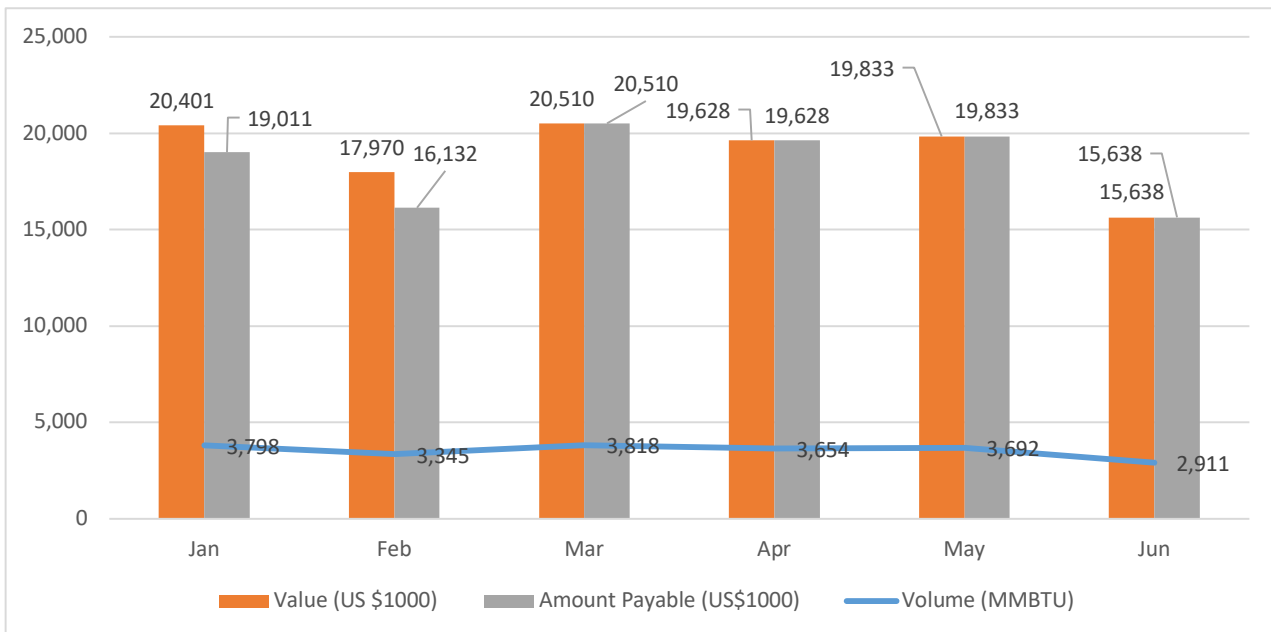


Figure 24: GNGC Indebtedness to GNPC – Jan to Jun 2021

Source: PIAC Construct, June 2021.

9.12 REVENUE FROM CASH WATERFALL MECHANISM

Table 31 below sets out payments received by GNGC for gas invoices submitted:

Table 31: Summary of CWM Revenue- January to June 2021

Details	Amount (GH¢)	Amount (US\$)
Payment received by GNGC from CWM	205,346,240.84	35,733,160.21
CWM Payments to PURC on behalf of GNGC	6,049,064.58	1,051,730.89
CWM Payments to GNPC on behalf of GNGC	18,724,009.19	3,228,196.26
Total	230,119,314.61	40,013,087.36

Source: GNGC, June 2021.

9.13 OTHER RELEVANT INFORMATION AND UPDATES IN CONNECTION TO NEW DEVELOPMENTS AND MARKET INFORMATION

- Gas Supply to Ashanti Region — Genser Energy, with the approval of GNGC as the Natural Gas Transmission Utility (NGTU), has constructed the 20-inch Prestea-Kumasi natural gas pipeline project up to Dawusaso (Dawusaso Branch Point Station, DBPS) in the Ashanti Region, from where it would be extended to Kumasi. Additionally, a lateral pipeline is expected to be constructed from the DBPS to Nyinahin to support bauxite mining activities at Nyinahin.
- The Prestea-Kumasi natural gas pipeline project is to facilitate power generation in the Middle Belt of the Country (Kumasi) to ensure a more robust power system network. Furthermore, the project will also serve as a catalyst to drive industrialisation in the region and its environs. The pipeline has subsequently been commissioned up to the DBPS.



CHAPTER 10

10.0 PIAC ACTIVITY REPORT

10.1 BACKGROUND

The Public Interest and Accountability Committee (PIAC) consists of 13 Committee Members and a supporting Secretariat. The Secretariat is managed on a day-to-day basis by its staff, headed by the Coordinator.

10.2 MAIN ACTIVITIES

10.2.1 Launch of PIAC 2020 Annual Report

PIAC, as mandated by Section 56 of the PRMA, is required to publish its annual reports on the 15th March of the ensuing year. In fulfilment of its mandate, PIAC released its 2020 Annual Report, the 19th in the series of statutory reports. The first Chairman of the Committee, Maj. (Rtd) Daniel Ablorh-Quarcoo launched the Report. Highlights of the Report were presented by the Chairman of the Committee, Prof. Kwame Adom-Frimpong.



Figure 25: Maj. (Rtd) Daniel Ablorh-Quarcoo (Left), launching the 2020 Annual Report in conjunction with The PIAC Chair (Middle) and the Association of Queen Mothers' representative on the Committee

Source: PIAC, 2021

10.2.2 Regional Engagements and Project Inspections

As part of its mandate to provide a platform for public debate on spending prospects of petroleum revenues in line with development priorities, the Committee held two (2) regional engagements in the Oti and Northern Regions.

The townhall meetings focused on the background to petroleum revenue management, PIAC's mandate as enshrined in the Petroleum Revenue Management Act, Act 815, and highlights of PIAC's 2020 Annual Report. Additionally, in-studio radio discussions as well as physical monitoring and verification of ABFA-funded projects in the Regions visited were undertaken.

10.3 ENGAGEMENT WITH STAKEHOLDERS

10.3.1 Editors' Forum

The Forum, held in Koforidua, was attended by senior editors, some Committee members and Secretariat staff of PIAC. This was to share with stakeholders PIAC's 2020 Annual Report, as well as address all concerns and questions arising from it and leverage the capacities of senior editors and news editors as key constituent members of PIAC.



Figure 26: The PIAC Chair presenting the highlights of the PIAC 2020 Annual Report to Senior Editors of the Media

Source: PIAC, 2021

10.3.2 Engagement with Morning Show Hosts and Producers

As part of PIAC's media engagement, this activity was held to have journalists and presenters, who are primarily Morning Show Hosts or Producers on different media platforms, effectively interrogate and communicate the findings and recommendations of PIAC Reports as key constituent members of the Committee.



Figure 27: A cross-section of participants from the media at the event

Source: PIAC, 2021

10.3.3 Engagements with Institute of Financial and Economic Journalists (IFEJ)

The first of two (2) engagements with journalists, comprising members of the IFEJ and other media who report on PIAC activities, took place in Accra. Discussions centred on PIAC's second Issue Paper on the management and use of petroleum revenues.

The second engagement, held in Tutu, for which PIAC partnered the German Development Corporation (GIZ), was to discuss PIAC's 2020 Annual Report and improve advocacy, responsiveness, and coverage of the Report.



Figure 28: Excerpts of the discussion session on the PIAC Issue Paper I

Source: PIAC, 2021

10.3.4 Engagement with the Finance Sub-Committee of Parliament

Each year, the Finance Committee of Parliament calls on PIAC and other stakeholders to discuss issues arising out of Ghana's petroleum revenue management. For the period, the Committee was called to discuss its 2020 Semi-annual and Annual Reports. The highlights of the Reports focused on oil and gas production, the revenue accrued, and its utilisation. The presentation also touched on the key findings and recommendations in both Reports.

The meeting also brought together stakeholder institutions including the Ministry of Finance (MoF), Petroleum Commission (PC), Ministry of Energy (MoE), Ghana National Gas Company (GNGC), Bank of Ghana (BoG), Ghana Revenue Authority (GRA), Ghana National Petroleum Corporation (GNPC), and Tullow Ghana Ltd.

10.4 ENGAGEMENT WITH PIAC CONSTITUENT INSTITUTIONS

10.4.1 Members' Orientation

Membership of the Committee is drawn from representation from 13 nominating institutions for either a two-year (renewable) or three-year tenure. Committee Members whose tenures had expired, were replaced by new Members from their nominating institutions, and subsequently sworn into office.

In line with the Committee's Rules of Procedure, an orientation programme was organised by the PIAC Secretariat for incoming Members. This was to bring Members up to speed on the workings of the Committee and provide the platform for recently-outgone Members to share their knowledge and experience, during their tenure on the Committee, with the new Members.

10.4.2 Engagement with Independent Policy Research Think Tanks

PIAC, apart from engaging with stakeholder institutions, meets with some of its constituent institutions in the course of each year. The meeting with the Think Tanks sought to discuss the recently published PIAC 2020 Annual Report, take a look at the successes and lessons for the future in Ghana's 10 years of petroleum production, and solicit feedback on ways to ensure the advancement of the workings of the Committee.

10.5 PIAC @10 ACTIVITIES

PIAC, as established by the PRMA in 2011, is marking 10 years of its existence in 2021. The anniversary coincides with 10 years of petroleum revenue management in Ghana. The lined-up activities are scheduled to take place in the course of the year under review.

10.5.1 Launch of PIAC @10

The event along with its activities, dubbed "PIAC @ 10", was launched on Wednesday, 24th March, 2021, by the President of the Republic, Nana Addo Dankwa Akufo-Addo. The event touched on the background of PIAC, its journey 10 years on, and the way forward for the Committee.



Figure 29: President Nana Addo Dankwa Akufo-Addo, delivering the keynote address at the launch of PIAC's 10th Anniversary

Source: PIAC, 2021

10.5.2 Northern Belt Engagement

As part of the PIAC@10 activities, the Committee held a forum in Tamale to engage citizens, in the Northern Belt of Ghana. The event was graced by participants from all five (5) regions (Northern, North East, Savannah, Upper East and Upper West) of the Belt. PIAC's presentation extensively focused on oil and gas production, the revenue accrued, and its utilisation.



Figure 30: Prof. Kwame Adom-Frimpong (PIAC Chair) presenting the management and use of petroleum revenues since its inception

Source: PIAC, 2021



10.5.3 Middle Belt Engagement

The Committee held the Middle Belt engagement in the Ashanti Region. Participants were drawn from the Ashanti, Bono, Bono East, Ahafo and Western North Regions. A documentary by PIAC on 10 years of petroleum production was broadcast, highlighting the revenues accrued from petroleum production, the fiscal regime, and issues arising from the management of the resource.



Figure 31: The Ashanti Regional Minister, Mr Simon Osei-Mensah, speaking at the forum

Source: PIAC, 2021



Figure 32: Participants asking questions during the open forum.

Source: PIAC, 2021



CHAPTER 11

11.0 PETROLEUM REVENUE OUTLOOK

11.1 ECONOMIC GROWTH OUTLOOK

Like all other resource-rich countries, the performance of Ghana's petroleum sector is linked to the global economic outlook especially as it relates to crude pricing.

In 2020, the COVID-19 pandemic triggered the worst global economic downturn since World War II. According to the International Energy Agency (IEA), global economic growth is expected to rebound sharply in 2021, with a GDP forecast of 5.6 percent as compared to the rate of 3.5 percent in 2020. The most important assumption underpinning this forecast is that COVID-19 vaccines in high income economies are rolled out before the end of summer 2021, which would support a strong recovery in the second half of the year. Vaccine deployment will take longer in middle and low-income economies than in high-income markets, but vaccination programmes will prove supportive, nonetheless. In 2022, global economic growth will remain higher than the recent trend (4.5% vs. an average of 3% from 2015 to 2019), as sectors particularly affected by the COVID-19 crisis continue to recover. Growth is expected to return to 3.5 percent per year from 2023 through 2026.

The US economy is forecast to grow by 6.9 percent in 2021, but is set to plunge to 3.6 percent in 2022. China's 2021 GDP is predicted to boom by 8.5 percent in the year under review, followed by a decline to 5.8 percent 2022. The Euro Area is projected to grow by 4.3 percent in 2021, and progressively move to 4.4 percent in 2022. The United Kingdom is projected to see a steady growth in GDP of 7.2 percent in 2021, but might witness a drop to 5.5 percent by 2022. Japan's economy is expected to grow by 2.6 percent in 2021 and decline to 2.0 percent in 2022.

Table 32 summarises the growth pattern of major economies, as forecast by the Organisation for Economic Co-operation and Development (OECD).

Table 32: Forecast Growth of Major Economies

Country	2021 Forecast (%)	2022 Forecast (%)
US	6.9	3.6
UK	7.2	5.5
China	8.5	5.8
Japan	2.6	2.0
Euro Area	4.3	4.4

Source: OECD, May 2021.

11.2 CRUDE OIL DEMAND, SUPPLY, AND PRODUCTION

The drop in demand in 2020 did not affect all fuels evenly. Oil was by far the hardest hit, with restrictions on mobility causing demand for transport fuels to fall by 14 percent from 2019 levels. At the peak of restrictions in April 2020, global oil demand was more than 20 percent below pre-crisis levels. Overall, oil demand was down by almost 9 percent across the year. Global demand for petroleum are estimated to stay at 6.0 million barrels per day (mb/d), averaging 96.6 mb/d by the end of 2021.



The U.S Energy Information Administration (EIA) forecasts that total consumption of petroleum globally will average 98.8 mb/d by the end of H1 2021, representing an increase of 6.0 million b/d from H1 2020, although 3.4 mb/d less than in H1 2019.

11.2.1 OECD vs Non-OECD

Oil demand growth in the Organisation for Economic Co-operation and Development (OECD) region was revised slightly higher in H1 2021, to reflect the easing in COVID-19 restrictions and the opening of international borders. OECD oil demand is projected to average 46.5mb/d in 2021 and rise by 0.5mb/d in 2022 at 47.0 mb/d.

Oil demand growth in the non-OECD region is expected to rise by 3.4 mb/d in 2021 at 51.2 mb/d, with the growth largely backed by China, India, Other Asia, and the demand for petrochemical feedstock. Figure 33 shows global crude oil demand.

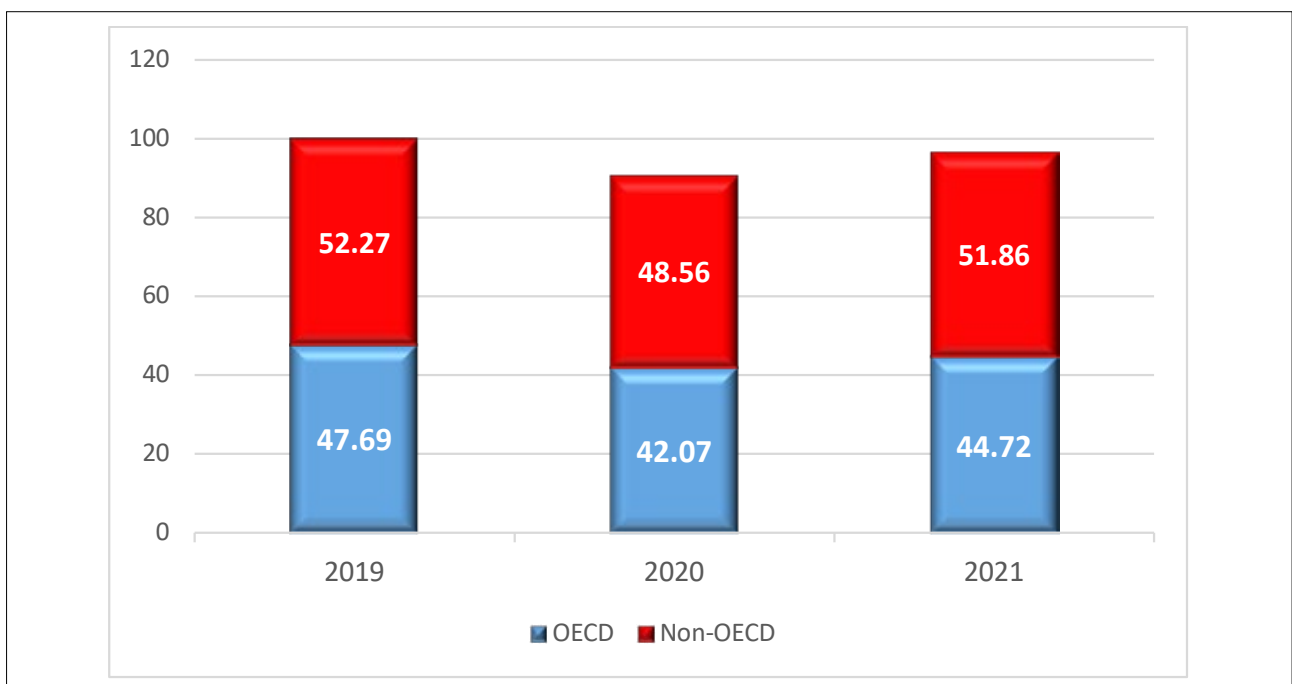


Figure 33: Crude Oil Demand

Source: OPEC, June 2021

11.3 PRICE TRENDS

According to the EIA, spot prices of Daily Brent crude oil averaged US\$75 per barrel in July, up by US\$25/bbl from the end of 2020 and is estimated to average US\$68.71 per barrel (bbl) by the end of 2021. This rise is as a result of steady draws on global oil inventories, which averaged 1.8 million barrels per day (b/d) during H1 2021 and remained at almost 1.4 million b/d in the same period. However, prices are anticipated to drop to US\$66.04 per barrel in 2022.

The natural gas spot price at Henry Hub averaged \$3.84 per million British thermal units (MMBtu) in June 2021, and is expected to average US\$3.71/MMBtu by the start of H2 2021 and US\$3.42/MMBtu for all of 2021. This will be up from the 2020 average of \$2.093/MMBtu.



The West Texas Intermediate (WTI) crude oil is expected to reach an average of US\$65.93/bbl in 2021. Depicted in Figure 34 is the Short-Term Energy Outlook (STEO) forecast, according to the Energy Information Administration (EIA).

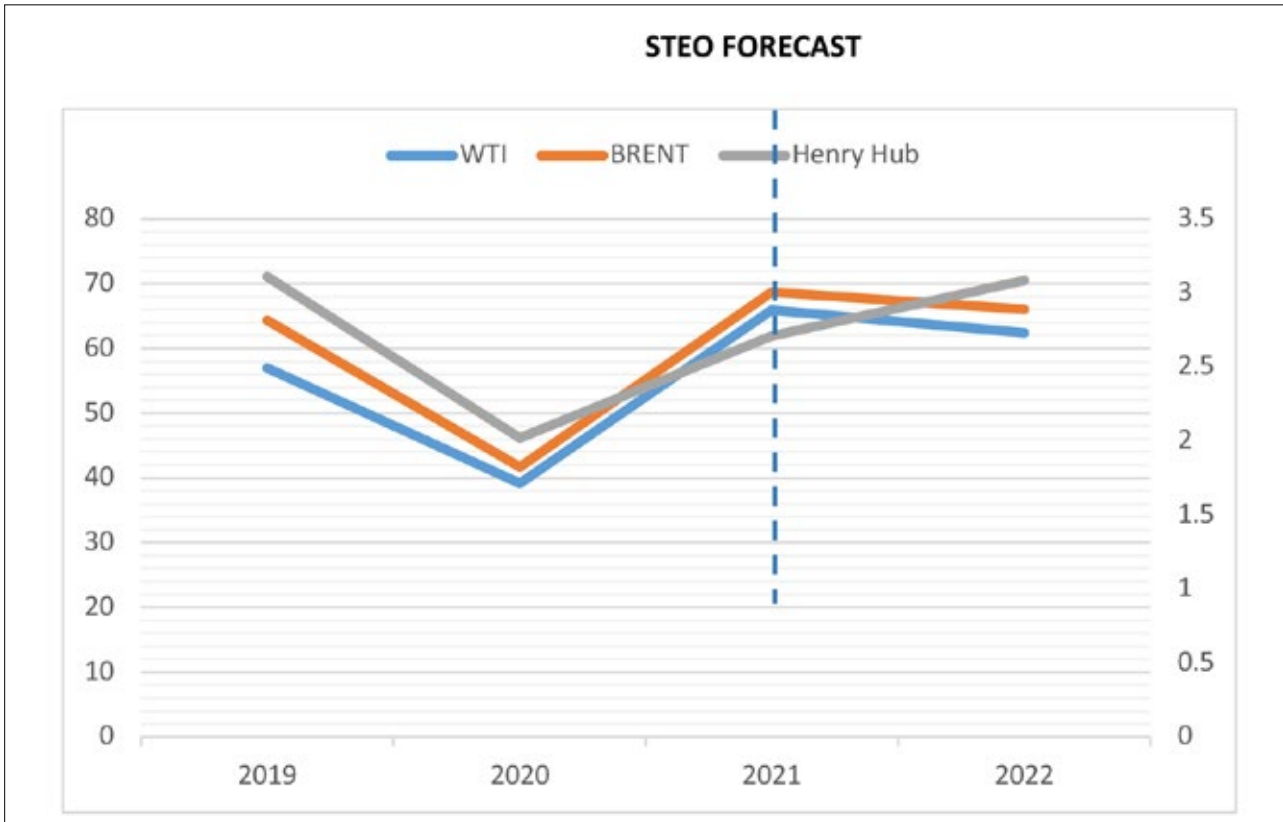


Figure 34: Short-term Energy Outlook, 2016 -2021

Source: EIA, July 2021

11.4 GOVERNMENT PROJECTIONS

In relation to production, the Government’s projected 2021 Benchmark Revenue (BR) crude oil output is 64.86 million barrels (177,701.66 barrels of oil per day), based on a three-year simple average of each producing field’s actual and projected outputs. Similarly, the BR gas output has been estimated at 78.34 Trillion Btu for 2021.

With regards to Benchmark price, a projection of US\$54.75/bbl was made for 2021, down from US\$62.6 for 2020. The gas price for the year is also forecast at US\$5.29/MMBtu, up from the 2020 projection of US\$4.32/MMBtu.

Based on these, the total petroleum receipts for 2021 have also been revised up by 25.43 percent from US\$660.45 million in 2020 to US\$885.70 million in 2021. The breakdown of the projected petroleum receipts is presented in Table 33. The revenue distribution is shown in Table 34.

Table 33: Petroleum Receipts (US\$ Millions), 2021

S/N	ITEMS	2021 Budget
1	Total Petroleum Receipts	885.70
2	Royalties	210.00
3	o/w Crude Oil	210.00
4	o/w Gas	0.00
5	Carried and Participating Interest	524.91
6	o/w Crude Oil	524.91
7	o/w Gas	0.00
8	Corporate Income Tax 492.98 134.01	158.47
9	Surface Rentals	1.33

Source: 2021 Budget Statement

Table 34: Distribution (US\$ Millions)

S/N	ITEMS	2021 Budget
1	Total Receipts Distributed	885.70
2	Transfer to National Oil Company (NOC)	283.00
3	o/w Equity Financing	179.33
4	o/w 30% Net CAPI	103.67
5	Benchmark Revenue (BR)	602.70
6	o/w ABFA	421.89
7	o/w Ghana Petroleum Funds	180.81
8	o/w Ghana Stabilisation Fund	126.57
9	o/w Ghana Heritage Fund	54.24

Source: 2021 Budget Statement



CHAPTER 12

12.0 CONCLUSION AND RECOMMENDATIONS

The Committee observes that for the period under review, despite the double blow of the COVID-19 pandemic and the associated oil price shocks on the economy and work programmes of major industry actors last year, the first half of 2021 witnessed sustained activity upstream. Most IOCs resumed their project planning, execution, risk management and associated preparatory activities as well as drilling campaigns.

Based on the Committee's findings, below are its recommendations:

1. PIAC recommends to the Ministry of Finance that, there is the need for the Supreme Court decision on funding of the DACF with petroleum revenues to find expression in the PRMA, which is being reviewed, with the necessary provisions as is the case with the ABFA and GILF. This will enhance direct implementation and monitoring of ABFA-funded projects at the Sub-national level.
2. Even though the PRMA allows the Minister for Finance to place a cap on the GSF, the Fund should be grown to serve its purpose of shoring up shortfalls in the Budget.



APPENDICES

APPENDIX A: ABFA PROJECTS BY PRIORITY AREAS

Below is the link to the Appendix on the 2021 ABFA Utilisation Data, detailing projects and programmes that received petroleum fund during the period under review, as reported by the Ministry of Finance.

https://www.piacghana.org/portal/files/downloads/abfa_utilisation_data_h12021.pdf

APPENDIX B: GNPC H1 2021 UTILISATION

RECEIPTS FROM JUBILEE & TEN PROCEEDS	AMOUNT (US\$)	EXPENDITURE AS % OF RECEIPTS	COMMENTS
Level A Receipts (Equity Financing) - Jubilee	28,908,645.23	29.4	
Level B Receipts (30% of Net Proceeds) - Jubilee	15,659,709.36	15.9	
Level A Receipts (Equity Financing) - TEN	17,242,262.63	17.5	
Level B Receipts (30% of Net Proceeds) - TEN	7,759,018.18	7.9	
Level A Receipts (Equity Financing) - Sankofa/OCTP Eni	14,703,541.06	15.0	
Level A Receipts (30% of Net Proceeds) - Sankofa/OCTP Eni	14,070,350.82	14.3	
Total Amount Received:- (A)	98,343,527.29	100.0	

**APPENDIX B: GNPC H1 2021 UTILISATION CONTINUED**

RECEIPTS FROM JUBILEE & TEN PROCEEDS	AMOUNT (US\$)	EXPENDITURE AS % OF RECEIPTS	COMMENTS
USES OF AMOUNTS ALLOCATED:-			
Jubilee Equity Financing Cost	30,164,118.28	30.7	
TEN Equity Financing Cost	21,857,244.75	22.2	
Sankofa/OCTP Eni Project	2,167,102.82	2.2	
Exploration and Development Projects	5,386,429.16	5.5	
Staff Cost	11,663,679.96	11.9	
Admin. Capital Expenditure	28,434.88	0.03	
Capital Projects	3,327,040.15	3.4	
General Operational Expenditure	2,184,322.98	2.2	
Gas Enclave Roads Payments	6,676,794.26	6.8	
SOPCL	580,560.59	0.6	
Mid-stream and Other Projects	4,863,130.29	4.9	
Repayment of loan for Karpowership Barge Movement	3,712,478.50	3.8	
Sustainability and Stakeholder Relations and GNPC Foundation	6,166,044.05	6.3	
Subsidiary Expenditure	1,477,973.25	1.5	
Total Expenditure:- (B)	100,255,353.91	101.9	
Net Position:- (C = A - B)	(1,911,826.62)	-1.9	
Add: Cash B/Fwd (01.01.2021) (D)	2,169,575.06		
Total Cash Available:- (G = C + D + E)	257,748.44		
Exploration and Development Projects	Amount (US\$)		



APPENDIX B: GNPC H1 2021 UTILISATION CONTINUED

RECEIPTS FROM JUBILEE & TEN PROCEEDS	AMOUNT (US\$)	EXPENDITURE AS % OF RECEIPTS	COMMENTS
USES OF AMOUNTS ALLOCATED:-			
- Voltaian Basin Petroleum Projects	3,148,769.20		
- Tano – Heritage [OSWT]	98,504.67		
N&S Tano – Camac (Erin)/Explorco	98,504.67		
- A - Z Petroleum	98,504.67		
- Springfield	197,009.35		
- DWT/CTP – Hess/ExxonMobil Project	197,009.35		
- GH-WB-01 (GNPC)	492,523.37		
- Eni Block 4	801,400.17		
- Maritime Boundary Special Project	254,203.71		
Total Non -Jubilee, Sankofa and TEN Projects Expenditure	5,386,429.16		

Source: GNPC, June 2021



APPENDIX C: GNPC FOUNDATION CSI PROJECTS

Foreign Scholarship	Foreign Scholarship	894,949.88
Local Scholarship	Local Scholarship	56,500.00
Construction of 3 storey Six Unit at Bibiani College of Health	Educational Support	119,635.93
Construction of 1 no. 2 storey dormitory at Zambo Girls	Educational Support	298,472.73
Construction of 6 Unit classroom block at Zambo Girls	Educational Support	359,266.57
Construction of 3 unit classroom at Abruvasi	Educational Support	54,857.14
Construction of 6 unit classroom at Nsia Mem. School	Educational Support	85,710.84
Construction of 6 unit classroom at Yoggu	Educational Support	93,323.96
Construction of 6 unit classroom at Nyameboa	Educational Support	93,323.98
Construction of 6 unit classroom at Avetikope Basic School	Educational Support	7193.00
Construction of 3 unit classroom at Akwanserem	Educational Support	46,854.35
Construction of girls dormitory at Apaah	Educational Support	170,475.30
Construction of 6 unit classroom at Kuntanase Pres by SHS	Educational Support	85,710.84
Construction of 6 unit classroom at Ajumako Assasan	Educational Support	42,840.80
Construction of 6 unit classroom at Ejura Sekyedumase	Educational Support	85,710.84
Construction of 6 unit classroom at Atonsu Pres by SHS	Educational Support	85,710.84
Construction of 6 unit classroom at Nkwabeng Tech	Educational Support	85,710.84
Construction of 6 unit classroom at Afiaman	Educational Support	85,710.84
Construction of 6 unit classroom at Tawheed SHS	Educational Support	85,710.84
Construction of 6 unit classroom at Menji	Educational Support	85,710.84
Construction of 6 unit classroom at Nana Yaw Brempong III	Educational Support	85,710.84
Construction of 6 unit classroom at Nana Brentu SHS	Educational Support	85,710.84
Construction of 6 unit classroom at Prampram	Educational Support	85,710.84
Construction of 6 unit classroom block at Prampram SHS	Educational Support	7193.00
Construction of 6 unit classroom at Prampram	Educational Support	171,421.68
Construction of 6 unit classroom at Nyong	Educational Support	93,323.96
3rd Tranche - Construction of 6 unit classroom at St. Michael Basic school-Mfianekrom	Educational Support	85,710.84
Retention - Construction of 6 Unit Classroom block at Gomoa Gyaman	Educational Support	16,789.21
Construction of 6 unit classroom at Fiaso SHS	Educational Support	85,710.84
Payment for fabrication of 30,000 pieces of Furniture for GNPC Classrooms	Educational Support	3,000,000.00
Construction of 6 unit classroom at Hohoe	Educational Support	85,710.84
Construction of 6 unit classroom at Sefwi Asafo Nursing College	Educational Support	85,710.84
Construction of 6 unit classroom at Sefwi Anhwaiso	Educational Support	85,710.84



APPENDIX C: GNPC FOUNDATION CSI PROJECTS CONTINUED

Environment & Social Amenities	Foreign Scholarship		Foreign Scholarship	894,949.88
	Foreign Scholarship	Foreign Scholarship		
Construction of 12 unit sanitary Facility at Agyan	Construction of 12 Unit sanitary Facility at Eduyaw	Sanitary Facility	Sanitary Facility	42,840.80
Construction of 24 sanitary facility at Opoku Agyemang SHS	Sanitary Facility	Sanitary Facility	44,314.67	
Construction of 6 unit sanitary facility at Akonu	Sanitary Facility	Sanitary Facility	131,973.72	
Construction of 12 Unit Sanitary facility at Beposo Comm	Sanitary Facility	Sanitary Facility	26,306.22	
Construction of 12 unit sanitary Facility at Beposo	Sanitary Facility	Sanitary Facility	94,241.95	
Construction of market shed at Yamfo	Sanitary Facility	Sanitary Facility	42,840.80	
Construction of 12 Unit Sanitary at Abodom Dwensae	Sanitary Facility	Sanitary Facility	126,777.82	
Construction of 12 unit sanitary Facility at Dormabin	Sanitary Facility	Sanitary Facility	6,538.80	
Construction of 6 unit sanitary facility at Dornin	Sanitary Facility	Sanitary Facility	85,681.60	
Construction of 4 unit sanitary facility at Akonu	Sanitary Facility	Sanitary Facility	26,306.26	
Construction of 12 handpumps and 4 Mechanised borehole	Sanitary Facility	Sanitary Facility	52,269.23	
Construction of 12 Handpumps and 4 Mech Boreholes in West Gonja	Water Boreholes	Water Boreholes	86,706.80	
Support Construction of boreholes in Kpone Katamanso	Water Boreholes	Water Boreholes	21,676.70	
Support Construction of boreholes in Selwi Akontombra	Water Boreholes	Water Boreholes	36,000.00	
Support Construction of Borehole at Bortianor	Water Boreholes	Water Boreholes	24,000.00	
Construction of Borehole at Amenfi West	Water Boreholes	Water Boreholes	24,750.00	
Support Construction of Borehole at Ejura	Water Boreholes	Water Boreholes	82,500.00	
Support Construction of Borehole at Gushiegu, Karaga, Yendi	Water Boreholes	Water Boreholes	41,250.00	
Support Construction of Borehole at Wa	Water Boreholes	Water Boreholes	137,250.00	
Support Construction of Borehole at Techniman South	Water Boreholes	Water Boreholes	88,500.00	
Support Construction of 30 boreholes in Central Region	Water Boreholes	Water Boreholes	107,250.00	
Support Construction of Borehole at Ellebelle	Water Boreholes	Water Boreholes	237,054.42	
Support Construction of Borehole at Adenta	Water Boreholes	Water Boreholes	78,750.00	
Support Construction of Borehole at Bawku	Water Boreholes	Water Boreholes	66,000.00	
Support Construction of borehole in Lawra	Water Boreholes	Water Boreholes	33,000.00	
Support Construction of N o12 Boreholes in Yendi	Water Boreholes	Water Boreholes	90,000.00	
Support Construction of borehole in Akan	Water Boreholes	Water Boreholes	72,000.00	
Support Construction of Borehole at Fumena	Water Boreholes	Water Boreholes	54,000.00	
Support Construction of No. 12 Boreholes in Navrongo	Water Boreholes	Water Boreholes	30,000.00	
Support Construction of Borehole at Talensi	Water Boreholes	Water Boreholes	30,000.00	
Support Construction of borehole in Suaman	Water Boreholes	Water Boreholes	24,000.00	
			24,000.00	



APPENDIX D: H1 2021 SUMMARY OF CONDENSATE PRODUCT STATEMENT

CONDENSATE PRODUCT STATEMENT – H1 2021						
Date	Company	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/Month (MT)	Monthly Value (US\$)
Jan-21	Globex	126.64	187.1944	89,760.00	2,717.64	550,488.05
		302.96	218.0278			
	LHS	148.79	187.1944	42,852.97		
		68.80	218.0278			
	Mobile Oil	-	187.1944	13,700.87		
		62.84	218.0278			
	Maranatha Oil	447.20	187.1944	135,172.26		
		236.02	218.0278			
	Firm Energy	70.94	187.1944	35,605.62		
		102.40	218.0278			
	Lemla	111.09	187.1944	35,924.37		
		69.39	218.0278			
	Oil Trade	136.24	187.1944	40,340.16		
		68.05	218.0278			
	Chase	-	187.1944	29,680.12		
		136.13	218.0278			
	Dome Energy	322.33	187.1944	127,451.69		
		307.82	218.0278			
Feb-21	Globex	292.53	249.91	120,862.54	2,330.81	611,548.13
		172.29	277.19			
	LHS	103.17	249.91	43,074.08		
		62.38	277.19			
	Mobile Oil	59.68	249.91	40,576.59		
		92.58	277.19			
	Maranatha Oil	234.87	249.91	102,173.01		
		156.85	277.19			
	Firm Energy	65.86	249.91	44,352.39		
		100.63	277.19			
	Lemla	60.49	249.91	41,657.70		
		95.75	277.19			
	Oil Trade	34.37	249.91	25,924.68		
		62.54	277.19			
	Chase	34.09	249.91	35,622.79		
		97.78	277.19			
	Dome Energy	287.05	249.91	133,942.83		
		224.42	277.19			
Battop	93.48	249.91	23,361.50			
	-	277.19				



APPENDIX D: H1 2021 SUMMARY OF CONDENSATE PRODUCT STATEMENT CONTINUED

CONDENSATE PRODUCT STATEMENT – H1 2021						
Date	Company	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/Month (MT)	Monthly Value (US\$)
Mar-21	Globex	228.09	334.64	181,363.42	2,553.22	903,083.84
		282.25	372.14			
	LHS	95.46	334.64	66,806.36		
		93.68	372.14			
	Maranatha Oil	277.28	334.64	195,301.08		
		275.47	372.14			
	Firm Energy	94.14	334.3364	66,282.77		
		93.46	372.1389			
	Lemla	94.65	334.6364	65,731.49		
		91.52	372.1389			
	Oil Trade	62.81	334.6364	55,794.89		
		93.45	372.1389			
	Chase	93.87	334.64	66,229.63		
		93.56	372.14			
Dome Energy	308.78	334.6364	205,574.19			
	274.75	372.1389				
Apr-21	Globex	343.08	361.50	242,829.24	3,069.60	1,124,199.58
		320.88	370.25			
	LHS	128.18	361.50	82,114.33		
		96.63	370.25			
	Maranatha Oil	249.05	361.50	243,992.63		
		415.83	370.25			
	Firm Energy	96.03	361.50	70,595.77		
		96.91	370.25			
	Lemla	64.65	361.50	71,070.28		
		128.83	370.25			
	Oil Trade	63.51	361.50	70,513.78		
		128.44	370.25			
	Chase	65.34	361.50	71,245.67		
		128.63	370.25			
Dome Energy	398.14	361.50	271,837.88			
	345.47	370.25				



APPENDIX D: H1 2021 SUMMARY OF CONDENSATE PRODUCT STATEMENT CONTINUED

CONDENSATE PRODUCT STATEMENT – H1 2021						
Date	Company	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/Month (MT)	Monthly Value (US\$)
May-21	Globex	433.26	380.75	246,970.93	3,165.06	1,240,874.02
		201.43	407.13			
	LHS	-	380.75	51,888.08		
		127.45	407.13			
	Maranatha Oil	473.05	380.75	270,251.26		
		221.4	407.13			
	Firm Energy	158.48	380.75	86,360.62		
		63.91	407.13			
	Lemla	128.2	380.75	74,864.08		
		63.99	407.13			
	Oil Trade	126.96	380.75	74,212.81		
		63.55	407.13			
	Chase	62.86	380.75	75,874.95		
		127.58	407.13			
	Dome Energy	314.77	380.75	234,161.24		
		280.78	407.13			
	Hask Oil	79.03	380.75	62,310.55		
		79.14	407.13			
Eagle Petroleum	31.96	380.75	63,979.50			
	127.26	407.13				
Jun-21	Globex	172.27	401.27	191,392.97	2,420.17	1,002,247.79
		289.62	422.16			
	LHS	64.30	401.27	53,263.28		
		65.05	422.16			
	Maranatha Oil	124.84	401.27	195,364.05		
		344.11	422.16			
	Firm Energy	65.38	401.27	53,405.37		
		64.36	422.16			
	Lemla	97.03	401.27	52,364.37		
		31.81	422.16			
	Oil Trade	32.63	401.27	54,574.88		
		98.26	422.16			
	Chase	33.22	401.27	67,733.92		
		128.87	422.16			
	Dome Energy	222.78	401.27	211,340.41		
		288.86	422.16			
	Hask Oil	54.35	401.27	56,341.79		
		81.8	422.16			
Eagle Petroleum	64.38	401.27	66,466.75			
	96.25	422.16				
Total					16,256.50	5,432,441.41



MEMBERS OF THE PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE (PIAC) AS AT JUNE 2021



PROFESSOR KWAME ADOM-FRIMPONG
(Chairman)

Institute of Chartered Accountants, Ghana



Professor Akosua K. Darkwah
Think Tanks



Hajia Dr Kansawurche Bukari
Queenmothers' Association



Mr. Nasir Alfa Mohammed
(Vice Chairman)
Ghana Bar Association – GBA



Dr Emmanuel Yamoah
Tenkorang
Civil Society Organisations/
Community-based Organisations



Eric Keyman Defor
Association of Ghana Industries/
Ghana National Chamber of
Commerce and Industry



Alhaj Ahmad Suleman Anderson
Muslim Groups



Emerita Professor Elizabeth
Ardayfio-Schandorf
Ghana Academy of Arts and Sciences



Rev. Dr. Christopher
Kwame Sokpor
Christian Groups



Osei Kwadwo Adow
Ghana Journalists
Association - GJA



M. Bashiru Abdul-Razak
Ghana Extractive Industries
Transparency Initiative – GHEITI



Mrs Mary Karimu
Trades Union Congress - TUC



Ogyeahoho Yaw Gyebi II
National House of Chiefs

CURRENT MEMBERS OF THE PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE (PIAC)



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Institute of Chartered
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Anderson**
Muslim Groups



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Mrs Mary Karimu
Trades Union Congress - TUC



Mrs Clara Beerli Kasser-Tee
Think Tanks



Odeefuo Amoakwa Boadu VIII
National House of Chiefs



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Public Interest and Accountability Committee



PIAC ... Safeguarding Your Petroleum Revenues

Web: www.piacghana.org | **Email:** secretariat@piacghana.org

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