

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
JANUARY – JUNE 2022



REPUBLIC OF GHANA

PUBLIC INTEREST AND ACCOUNTABILITY COMMITTEE

SEMI-ANNUAL REPORT ON THE
MANAGEMENT AND USE OF PETROLEUM
REVENUES FOR JANUARY – JUNE 2022

ABOUT THIS REPORT

The 2022 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 2022.

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LIST OF ACRONYMS

ABFA	Annual Budget Funding Amount
AEDA	Agona East District Assembly
AESL	Architectural & Engineering Services Limited
AG	Associated Gas
AOE	Additional Oil Entitlement
BBL	Barrel
BoG	Bank of Ghana
BR	Benchmark Revenue
Btu	British Thermal Units
BRENT	Broom, Rannoch, Etive, Ness and Tarbert
CAP	COVID-19 Alleviation Programme
CAP	Carried and Participating Interest
CEDM	Compliance, Enforcement and Debt Management
CIT	Corporate Income Tax
CNOOC	China National Offshore Oil Corporation
CODA	Coastal Development Authority
COLA	Crude Oil Lifting Agreement
COMAH	Control of Major Accident Hazards
COVID-19	Corona Virus Disease 2019
CSI	Corporate Social Investment(s)
CSO	Civil Society Organisation
CTP	Cape Three Points
CWM	Cash Waterfall Mechanism
DACF	District Assemblies Common Fund
DCE	District Chief Executive
DFVPI	Draining, Flushing, Ventilation, Purging and Isolation
DWT	Deepwater Tano
DWT/CTP	Deepwater Tano Cape Three Points
E&P	Exploration and Production
EC	Energy Commission
EDS	Esiam Distribution Station
EIA	Energy Information Administration
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EK	East Keta
ENI	Ente Nazionale Idrocarburi (Ghana E&P Limited)

EPA	Environmental Protection Agency
ESRP	Energy Sector Recovery Programme
FPSO	Floating Production Storage and Offloading Unit
FY	Full Year
GAAS	Ghana Academy of Arts and Sciences
GCB	Ghana Commercial Bank
GESTIP	Ghana Energy Sector Transformation Initiative Project
GHEITI	Ghana Extractive Industries Transparency Initiative
GHF	Ghana Heritage Fund
GIIF	Ghana Infrastructure Investment Fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GNGC	Ghana National Gas Company
GNPC	Ghana National Petroleum Corporation
GNPCF	Ghana National Petroleum Corporation Foundation
GNT	Ghana Negotiation Team
GoG	Government of Ghana
GOIL	Ghana Oil Company Limited
GOSCO	GNPC Operating Services Company Limited
GovID	Governance for Inclusive Development
GPF	Ghana Petroleum Funds
GPP	Gas Processing Plant
GPWF	Ghana Petroleum Wealth Fund
GRA	Ghana Revenue Authority
GSF	Ghana Stabilisation Fund
H1	First Half-year
IAC	Investment Advisory Committee
ICT	Information and Communications Technology
IEA	International Energy Agency
IFEJ	Institute of Financial and Economic Journalists
IMF	International Monetary Fund
IOC	International Oil Company
IPEP	Infrastructure for Poverty Eradication Programme
JAK	John Agyekum Kuffuor
JOHL	Jubilee Oil Holdings Limited
JVC	Joint Venture Companies
KNK	Kwame Nkrumah
LTI	Lost Time Injury
LCC	Local Content Committee
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
MoFA	Ministry of Food and Agriculture
MP	Member of Parliament
MSDI	Ministry for Special Development Initiatives
MT	Metric Tonne
NAG	Non-Associated Gas
NDT	Non-Destructive Testing
NETC	National Energy Transition Committee
NGCH	Natural Gas Clearinghouse
NGTS	National Gas Transmission System
NGTU	Natural Gas Transmission Utility
NOC	National Oil Company
NRGI	Natural Resource Governance Institute
NVTI	National Vocational Training Institute
O&M	Operations and Maintenance
OCTP	Offshore Cape Three Points
OECD	Organisation for Economic Co-operation and Development
OOL	Oil Offloading Line
OPCO	Operating Company
OPEC	Organization of Petroleum Exporting Countries
ORF	Onshore Receiving Facility
OSWT	Offshore South-West Tano
PA	Petroleum Agreement
PC	Petroleum Commission
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 Regulation and Metering Station
PSGL	Prestea-Sankofa Gold Limited

RCC	Regional Coordinating Council
REPO	Regional Planning Officer
RMS	Regulation and Metering Station
RoR	Rate of Return
SECO	State Secretariat for Economic Affairs of Switzerland
SDWT	South Deepwater Tano
SGN	Sankofa Gye-Nyame
SHS	Senior High School
SOPCL	Saltpond Offshore Producing Company Limited
SRMS	Sekondi Regulation and Metering Station
SRU	Sulphate Removal Unit
STEO	Short-Term Energy Outlook
SWAOCO	Swiss African Oil Company Limited
TDS	Takoradi Distribution Station
TEN	Tweneboa-Enyenra-Ntomme
TGL	Tullow Ghana Limited
TSA	Treasury Single Account
UNCITRAL	United Nations Commission on International Trade Law
UUOA	Unitisation and Unit Operating Agreement
VBP	Voltaian Basin Project
VRA	Volta River Authority
WAPCo	West African Gas Pipeline Company
WCTP	West Cape Three Points
WEO	World Economic Outlook
WI	Water Injection
WTI	West Texas Intermediate

FOREWORD

The Public Interest and Accountability Committee, (PIAC), was established in September 2011, with the responsibility of monitoring and evaluating the management of Ghana's petroleum resources by the government and stakeholder institutions.

In compliance with the Petroleum Revenue Management Act (PRMA), 2011, (Act 815), the Committee prepares statutory Semi-Annual and 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 serve as a tool for the Committee's public engagements and citizens' feedback, which is subsequently shared with duty bearers.

The Committee, since its establishment, has published a total of 22 reports – 11 Semi-Annual and 11 Annual - covering the period 2011 to the end of the first half of 2022, with information and data from the Ministry of Finance (MoF), Bank of Ghana (BoG), Ministry of Energy (MoEn), Petroleum Commission (PC), the Ghana National Petroleum Corporation (GNPC), and the Ghana National Gas Company (GNGC). The rest are Ghana Revenue Authority (GRA), GNPC Foundation (GNPCF), Energy Commission (EC), and International Oil Companies (IOCs) like Tullow, Kosmos and ENI.

The 2022 Semi-Annual Report covers the period January to June 2022. It encompasses a broad range of issues relating to 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, including PIAC.

The Committee is publishing this Report after the statutory date of 15th September due to the delay in the receipt of data from some of the reporting institutions. While commending stakeholders who continue to present their data on time, the Committee urges the others to emulate same to enable it meet the statutory deadline for subsequent reports.

It is the expectation of the Committee that the general public will read the Report, and provide feedback via; secretariat@piacghana.org, +233 (0) 302 547 765, 0554416544 (WhatsApp), or any of our social media handles.

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:

Key Findings/Observations

Developments in the Upstream Petroleum Sector

1. Following the acquisition of 7 percent interest in the Jubilee and TEN Fields by GNPC in 2021 (later ceded to its subsidiary - JOHL), JOHL made its first lifting (944,164bbls) on the Jubilee Field in H1 2022, amounting to US\$100,748,907.95. This amount was not paid into the PHF.

Recommendation:

PIAC recommends that the proceeds of liftings by JOHL should be paid into the Petroleum Holding Fund (PHF), as the Committee is convinced that the proceeds form part of Ghana's petroleum revenues.

2. Contrary to Section 6(e) of the Petroleum Revenue Management Act, 2011 (Act 815), Capital Gains Tax was not assessed and collected by the Ghana Revenue Authority in the sale of the 7 percent interest by Anadarko in the Jubilee and TEN Fields in 2021.

In its written response to PIAC on the matter, the Ghana Revenue Authority referred the Committee to the Ministry of Finance indicating that the Ministry was exclusively in charge of the transaction. The Ministry of Finance in turn referred the Committee to the Ghana Revenue Authority for answers.

Recommendation:

The Ghana Revenue Authority and the Ministry of Finance should collaborate to ensure that Capital Gains Tax and other taxes arising from transactions in the sector are assessed and paid to the PHF.

Revenue Collection and Management

3. The Surface Rentals outstanding continue to increase. As at the end of H1 2022, the balance outstanding was US\$2,774,702.29 constituting an increase of 7.58 percent on the Surface Rentals of US\$2,579,170.21 at the end of 2021.
4. As at the end of H1 2022, the operators of three (Swiss African Oil Co. Ltd, UB Resources and Britannia U) out of four terminated Petroleum Agreements have failed to pay (not even partly) their outstanding Surface Rental of US\$1,728,124.41, representing 62.30 percent of the total Surface Rentals outstanding balances.

Recommendation:

The Ghana Revenue Authority (GRA) needs to intensify its efforts at collecting surface rental arrears in addition to any new assessment before the end of the year. To enable GRA assess and collect revenues from IOCs before they exit Ghana, the Minister for Energy is encouraged to inform GRA and other relevant institutions before the termination of Pas

Allocation of Petroleum Revenues

5. The Ghana Petroleum Funds received an amount of US\$390,029,916.55 for the H1 2022, which is 91.43 percent higher than the budgeted allocation of US\$203.75 million for the GPFs for the full year in compliance with Section 4(a)(iii) of the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

Management and Performance of the Ghana Petroleum Funds

6. Despite withdrawals from the GSF, the reserves of the GPFs increased by 50.09 percent, from US\$815.29 million as at the end of H1 2021 to US\$1.22 billion in H1 2022.
7. The net return on investment of the Ghana Petroleum Funds of US\$7.13 million represents a 18.42 percent reduction from that of H1 2021 (US\$8.74 million). The year-to-date (YTD) yield of the GSF returned 0.43% as compared to 0.33% (H1 2021). Likewise, the GHF witnessed a decrease in the overall return by 7.45 percent for H1 2022, as compared to a decrease of 2.13% in H1 2021. This decrease was due to an elevated uncertainty in the direction of interest rates which resulted in the global increase in demand for short-term investments, relative to long-term during the review period. This had a pronounced negative effect on the yield of the GHF investments, which are long-term in nature.

Recommendation:

Besides diversifying the qualifying instruments of the GPFs, the investment portfolio should not be limited to the US Market. Other markets should be considered, albeit under the advice of the Investment Advisory Committee (IAC).

8. The retention of the current cap of US\$100 million on the GSF for the year 2022 is not in accordance with the formula stipulated in L.I 2381. A proper application of the formula would have returned a cap of US\$460.63 million.

Recommendation:

The Minister for Finance, in determining the cap on the GSF, should comply with the relevant provisions of L.I 2381.

GNPC Allocation and Utilisation

9. Total outstanding payments and guarantees by GNPC on behalf of other State-owned enterprises amounted to US\$636.46 million (excluding payments expected from gas sales) as at the end of H1 2022. GNPC continues to budget for recoveries from receivables (US\$183.47 million in 2022 and US\$126.68 million in 2021), but no recoveries were made as at the end of H1 2022.

Recommendation:

Parliament should give more attention to GNPC's budget and ensure that the Corporation's budget is based on realistic estimates of expected revenue.

ABFA Utilisation

10. There was unutilised ABFA of GH¢201,996,032.27 as at the end of 2021, representing 9.80% of 2021 utilisation. This figure was not brought forward in H1 2022.
11. No transfer of ABFA was made into the DACF during H1 2022, even though an amount of GH¢157.77 million was budgeted for 2022.

Recommendations:

The Committee reiterates its call to the MoF to take advantage of the review of the PRMA to provide clear rules for the treatment of unutilised ABFA.

The Ministry of Finance should ensure that the transfers to the DACF are done quarterly in order for the District Assemblies to efficiently carry out their functions.

12. An amount of US\$25.62 million was transferred to GIIF in H1 2022. According to the Fund, the entire disbursement was used to support the Agenda 111 Project of the Government. This is the second time, since 2021, that GIIF has received funds for the Agenda 111 Project. In 2021 an amount

of US\$49,390,491.08 (GH¢290,377,059.18) was allocated to the fund. PIAC is yet to receive specific details of all disbursements.

Recommendation:

PIAC recommends that Government should direct subsequent disbursements to GIIF intended for Agenda 111, to the Ministry of Health to support the Agenda 111 Project.

Additionally, GIIF should focus the utilisation of its share of ABFA on its core mandate of investing funds in commercial infrastructural projects, in

accordance with the GIIF Act, 2014 (Act 877) and policy guidelines of the Fund.

PIAC Activities

13. During the period under review, the Committee inspected 17 ABFA-funded projects in four (4) regions. Sixteen out of these projects had received ABFA funding, which averaged 56 percent of the original contract sum. Out of the projects inspected, eight (8) were completed at the time of the visit.

CHAPTER 1

1 INTRODUCTION

1.1 Background

Ghana's upstream petroleum industry continues to contribute to economic growth since commencement of commercial oil production in December 2010.

Three fields are currently in production. The Jubilee Field started production in December 2010, the Tweneboa Enyera and Ntomme (TEN) Field in August 2016, and the Sankofa Gye Nyame (SGN) Field in May 2017.

These three fields generate revenue that is utilised in line with the Petroleum Revenue Management Act (PRMA), 2011 (Act 815) as amended. This Act provides 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 and for related matters".

In the first half (H1) of 2022, global economies were expected to continue with their recovery from the impact of the COVID-19 pandemic, which plagued the world in 2020, and its ripple effect in subsequent years.

However, in February 2022, Russia invaded Ukraine, a situation that weakened global supply chains and a resultant surge in prices of goods and services. Global oil prices continued to rise during the period under review, averaging over a US\$100 per barrel. Oil-producing countries have recorded extraordinary gains, despite the worsening economic conditions globally, and Ghana was no exception.

Although oil production declined during the period under review, a surge in prices resulted in government realising more revenue than its set target. The proceeds from the upstream petroleum industry was thus one of the main sources of revenue for government in the face of the economic challenges during the period under review.

The Public Interest and Accountability Committee (PIAC), which was created as a unique institution with an additional oversight responsibility to support the work of Parliament in ensuring the prudent management and use of petroleum revenues, will in this report provide an account of how petroleum revenues were utilised in the first half of 2022.

1.2 Scope

This Report:

- Provides an update on developments in the upstream petroleum sector from January to June 2022;
- Analyses oil and gas production and liftings from January to June 2022;
- Verifies the accuracy of oil and gas revenues declared by state institutions over the period;
- 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 from January to June 2022; and
- Provides an update on PIAC's project inspections and other activities during the period under review.

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 reported documents from stakeholders.

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

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

- Ghana Revenue Authority (GRA)
- Ghana National Petroleum Corporation (GNPC)
- GNPC Foundation (GNPCF)
- Energy Commission (EC)
- Ghana National Gas Company (GNGC)
- Ghana Infrastructure Investment Fund (GIIF)
- International Oil Companies (IOCs) – Tullow, Kosmos and ENI

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 DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

2.1 Work Obligations and Operations

Following the easing of COVID-19 protocols and the resumption in 2021 of drilling campaigns after several months of moratorium granted upstream operators by the Petroleum Commission (PC), most International Oil Companies (IOCs) continued their project planning, execution, risk management, associated preparatory activities and drilling campaigns. For H1 2022, the following developments took place in the industry:

2.1.1 Jubilee Field Operations (Drilling and Completion)

Tullow Ghana Limited (TGL) continued its drilling and completion campaign. The J58-WI (Water Injection) well, which was spudded on the 28th of December, 2021, had its drilling operations completed on 24th January 2022 by the Maersk Venturer drillship. Completion operations continued, after the drilling phase till 12th February 2022.

Between 18th February and 21st May, the drillship had completed drilling the top and lower sections of the J59-WI well as well as the J60-P (Producer).

2.1.2 TEN Field Operations (Drilling and Completion)

The Maersk Venturer drillship commenced completion operations on the EN16-WI well on the 21st of May 2022 and ended on the 10th of June 2022. EN21-P top hole drilling operations commenced on 10th June 2022 and ended on the 17th of June 2022.

The drillship then moved to NT11-P and commenced top hole drilling operations on 17th June 2022, completing the operation on 22nd June

2022. The rig subsequently commenced drilling operations on NT10-P on 22nd June 2022 and this is currently on-going.

2.1.3 Offshore Cape Three Point (OCTP) Field Operations (Drilling and Completions)

No drilling and completion operations were carried out in the OCTP Fields for the period.

2.1.4 Cape Three Point (CTP) Block 4

There was no drilling and completion operation carried out in this Block for the period.

2.1.5 Deepwater Tano/Cape Three Points (DWT/CTP)

Aker Energy Ghana Limited (Aker) undertook a geotechnical survey in the block with the Fugro Scout vessel as part of its planned work programme.

Upon the expiry of the extended timeline for the submission of the Pecan Plan of Development, Aker requested for and was granted further extension by the Ministry of Energy for the submission of a revised Plan of Development (PoD).

2.1.6 Saltpond Field

The Saltpond Field is scheduled to be decommissioned and the PC scheduled a kick-off meeting for July 2022 to be held by the relevant stakeholders at the premises of the Petroleum Commission to consider and discuss the course of the decommissioning. In the meantime, the following actions represent the status of the Field as of June 2022:

- A decommissioning contract between GNPC and Hans & Co Oil and Gas Limited was executed on Wednesday 12th January 2022;

- GNPC constituted the project team and organised the maiden meeting to brief team members on the project and the expectation from team members;
- GNPC completed an Environmental Impact Statement (EIS) report and submitted it to the Environmental Protection Agency (EPA) to facilitate the decommissioning. The EPA issued the EIS permit to GNPC;
- GNPC has completed the detailed well plugging and abandonment programmes for all the six (6) wells;
- GNPC conducted a preliminary stakeholder engagement and submitted a report to its Management;
- GNPC completed the preparation of the External Stakeholder Engagement Plan and submitted same to the Petroleum Commission (PC) as required by Law;
- GNPC held a consultative stakeholder meeting at the PC, during which the PC and GNPC made presentations to over nine stakeholders present;
- GNPC obtained the following approvals and consents from the PC:
 - Well Plugging and Abandonment Strategy;
 - Explosive permit;
 - Vessel clearance permits for six (6) vessels including the Jack-up rig;
 - Safety Case;
 - Emergency Response Plan; and,
 - Stakeholders Engagement Plan.

These permits, approvals and consents paved the way for the commencement of the decommissioning of the Saltpond Field, subject to further engagements as may be necessary.

2.1.7 Voltaian Basin Project

Following the commencement in December 2021 of the phase 3 of GNPC's 2D seismic (Infill Campaign) acquisition programme, the Corporation has, within H1 2022, worked towards the acquisition of an additional one thousand, two hundred and fifty-two (1252) line kilometer (Km)

of 2D seismic data which is expected to continue throughout 2022.

As of June 2022, about one thousand, two hundred and sixty-nine (1,268.65) line kilometer (km) of 2D seismic data had been acquired by BGP-BAY Geophysical Services Limited. The data, upon completion of acquisition, will be processed by BGP-BAY Geophysical Services Limited.

GNPC achieved a Lost Time Injury (LTI) free of 747,708 man-hours in H1 2022, bringing the total Voltaian Basin Projects (VBP) LTI to 2,881,584 man-hours.

2.2 Exploration Activities

Following the resumption in 2021 of petroleum exploratory activities after almost a year of COVID-19-induced reduction in upstream activities, exploration activities continued across the various petroleum blocks in H1 2022. These include:

- a) **Deepwater Cape Three Points (GOIL Offshore):** Following the voluntary exit of ExxonMobil from the Deepwater Cape Three Points Contract Area in May 2021, the Minister for Energy in May 2022 assigned the 80 percent participating interest hitherto held by ExxonMobil to GOIL Offshore.
- b) **Cape Three Points Block 4 (ENI):** Eni submitted an appraisal programme for the Akoma and Eban discoveries awaiting approval from the PC. Preparations for drilling of a new exploration well (Aprokuma-1X) in fulfilment of work obligations for the Second Extension Exploration Period are currently underway.
- c) **South Deepwater Tano (AGM Petroleum):** AGM resumed work in April 2022 after a brief suspension in April 2020 and is currently seeking for an extension to the Initial Exploration period.
- d) **Expanded Shallow Water Tano (Base Energy):** Following the exit of Erin Energy

from the partnership, Base Energy was appointed Operator of the Contract Area. In August 2020, the Minister for Energy granted Base Energy a three-year extension to its Initial Exploration Period to allow it complete its minimum work obligation. Base Energy and GNPC Explorco are planning towards the acquisition of new 3D seismic data over the block.

- e) **Central Tano Block (Amni International Petroleum Development):** Amni plans to drill its obligatory exploration well, Kusia-1X in Q4 2022. Well planning and drilling-related procurement of goods and services are ongoing.
- f) **Offshore South-West Tano (GNPC Operating Services Company (GOSCO):** GOSCO carried out well planning and drilling-related procurement of goods and services in 2021 and made preparation towards the drilling of its obligatory exploration well, Mansonia-1X for Q4 2022.
In March 2022, GOSCO effected a change of its name to OSWT & EK Operating Company Ghana Limited or OPCO¹ for ease of reference, which was brought to the attention of the Minister for Energy.
- g) **Deepwater Cape Three Points West (Eco Atlantic Oil and Gas):** Eco Atlantic continued well planning and procurement of drilling-related goods and services. Eco Atlantic plans to drill its obligatory exploration well, Dawadawa-1X in Q4 2022.
- h) **East Cape Three Points (Medea Development):** Well planning and drilling-related procurement of goods and services were ongoing as of December 2021. Medea is planning towards the drilling of its obligatory exploration well in Q4 2022.

2.3 Petroleum Production, Liftings, Gas Utilisation and Exports

A summary of the production volumes, liftings, gas utilisation and exports for each producing field is as follows:

2.3.1 Jubilee Field Production and Operations

As expected of an associated gas field, the gas produced followed a similar trend as the oil produced.

2.3.1.1 Crude Oil and Gas production, Utilisation and Export Profile

Total reconciled oil and associated gas produced from January to June 2022 stood at 14,906,957.00 bbl and 31,873.28 MMSCF at average rates of 82,358.88 bbl/d and 176.10 MMSCF/D respectively. The highest monthly oil production was recorded in March 2022, at a total volume of 2,864,216.00 bbl with a corresponding produced gas volume of 6,276.19 MMSCF and exported gas volume of 2,836.14 MMSCF.

The month of May 2022 recorded the least monthly oil production during the period under review, resulting in a total volume 1,372,961.00 bbls of crude oil with a corresponding produced gas and exported gas volume of 2,668.77 MMSCF and 1,372.86 MMSCF respectively. Production halted from 30th April to 11th May 2022 to perform major repair works and other maintenance activities as part of planned shutdown activities. Production resumed on 15th May 2022 instead of the scheduled restart date of 11th May 2022 due to delayed Draining, Flushing, Ventilation, Purging and Isolation, (DFVPI) on the major production line.

On the Kwame Nkrumah (KNK) (MV21) Floating Production Storage Offloading Vessel (FPSO),

¹ According to PC, OPCO is an SPV set up by the three (3) Contractor Parties in the OSWT and East Keta Contract Areas, to operate the two blocks. These Contractors are: Heritage E&P Ghana Ltd, Blue Star Exploration Ghana Ltd, and GNPC Explorco. These contractors own equal stakes in OPCO. By virtue of the 33.33% equity stake of GNPC Explorco in OPCO, OPCO is an associate of GNPC.

26.62 percent of gas produced was injected for pressure maintenance in the Jubilee field; 16.10 percent of the total gas produced flared; 5.63 percent of the produced gas for fuel; and 51 percent of the total produced gas exported to GNGC at an average rate of 89.38 MMSCF/D.

2.3.1.2 Crude Oil Liftings

Fifteen (15) liftings, amounting to 14,233,616.00 bbls, were made in the Jubilee Field in H1 2022 as follows:

- Tullow Ghana Limited (TGL) lifted once (952,086.00 bbl) representing 6.69 percent;
- Together with Petro SA Ghana Limited, TGL again made four liftings (3,799,700.00 bbl)² representing 26.70 percent;
- Kosmos Energy made six separate liftings (5,732,554.00 bbl) representing 40.27 percent;
- Jubilee Oil Holdings Limited lifted once (944,164.00 bbl) representing 6.63 percent; and,
- The Ghana Group made three liftings (2,805,112.00 bbl) representing 19.71 percent.

2.3.2 TEN Field Production and Operations

The TEN Field, like the Jubilee Field, is an associated gas field with similar production trends in both crude oil and gas.

2.3.2.1 Crude Oil and Gas production, Utilisation and Export Profile

Total reconciled oil and associated gas produced from January to June 2022 stood at 4,394,067.00 bbls and 28,202.96 MMSCF at average rates of 24,276.61 bbls/d and 155.82 MMSCF/D respectively. The highest monthly oil production

was recorded in January 2022 with an average volume of 25,540.81 bbls/d.

The month of February recorded the least monthly oil production. A total volume of 669,999.00 bbls representing an average of 23,928.54 bbls/d with a corresponding produced gas and exported gas volumes of 4,330.66 MMSCF and 87.65 MMSCF respectively were recorded for that month. The low production was mainly due to flow assurance issues and pressure decline in the Enyenra reservoir. The Ntomme reservoir was optimised by shutting in or cutting back on some wells to manage excess flaring.

Produced gas was mainly used for gas injection for pressure support in the TEN field. This accounted for 66 percent of gas produced. Sixteen percent of the total gas produced was flared. Twelve percent of the gas produced was exported to GNGC at an average rate of 17.65 MMSCF/D, and six percent of the produced gas was used for fuel.

2.3.2.2 Crude Oil Liftings

Four (4) liftings, amounting to 3,929,414.00 bbls, were made in the TEN Field in H1 2022 as follows:

- Tullow Ghana Limited (TGL) lifted once (994,527.00 bbl) representing 25.31 percent;
- Together with Petro SA Ghana Limited, TGL again made two liftings (1,941,809.00 bbl)³ representing 49.42 percent; and,
- Kosmos Energy lifted once (993,078.00 bbl) representing 25.27 percent.

2.3.3 Sankofa Gye Nyame (SGN)/OCTP Field Operation and Production

The OCTP Block has both associated and non-associated gas reservoirs⁴. A summary of the

² TGL lifted a total volume of 3,523,719.00 bbl whereas PetroSA lifted a volume of 275,981.00 bbl.

³ TGL lifted a total volume of 1,682,994.00 bbl whereas Petro SA lifted a total volume of 258,815.00 bbl.

⁴ The OCTP Block is made up of the Sankofa and Gye-Nyame Fields. The Sankofa Field has two reservoirs which are the Cenomanian and Campanian. The Cenomanian has oil production well which implies associated gas while the Campanian has non-associated gas. The Gye-Nyame Field is a non-associated gas field but the hydrocarbons resources are yet to be produced.

trend of production, utilisation, export and lifting profile for the field is as follows:

2.3.3.1 Crude Oil and Gas Production, Utilisation and Export Profile

The total production from January to June 2022 stood at 6,560,786.42 bbl of oil at an average of 36,247.44 bbls/d. The total volumes of associated and non-associated gas produced were 29,040.62 MMSCF and 35,831.93 MMSCF at average rates of 160.45 MMSCF/D and 197.97 MMSCF/D respectively.

The highest monthly volume of oil produced within the period under review was recorded in January 2022. A total volume of 1,178,853.79.00 bbls (average of 38,027.54 bbls/d) was produced. The lowest monthly oil produced during the period was recorded in February 2022. A total volume of 950,511.48 bbls (average of 33,946.83 bbl/d) with corresponding produced gas and exported volume of 4,086.61 MMSCF and 4,839.35 MMSCF respectively, were recorded. Low production levels recorded in February were attributed to Planned Shutdown activities carried out to perform maintenance works on the FPSO systems. Also, integrity tests were carried out on OP-8, OP-9, OP-10, SKE-1X and GI-2 after which water injection was halted to carry out maintenance activities on the Sulphate Removal Unit (SRU).

The cumulative Associated Gas (AG) and Non-Associated Gas (NAG) production from January to June 2022 were 29,040.62 MMSCF and 35,831.93 MMSCF respectively, at average rates of 160.45 MMSCF/D and 197.97 MMSCF/D. Out of the 29,040.62 MMSCF cumulative associated gas, 53 percent was exported, 40 percent injected, 4 percent flared and 3 percent used as fuel gas.

2.3.3.2 Crude Oil Liftings

Seven (7) liftings, amounting to 6,552,420.00 bbls, were made in the SGN Field in H1 2022 as follows:

- Eni Ghana E&P Limited (Eni) made three liftings (2,846,807.00 bbls) representing 43.45 percent;

- Vitol Upstream lifted twice (1,852,927.00 bbls), representing 28.28 percent; and,
- The Ghana Group lifted twice (1,852,686.00 bbls), representing 28.27 percent.

2.3.3.3 Onshore Receiving Facility (ORF)

The Onshore Receiving Facility (ORF) at Sanzule received gas export from the SGN Field. The total gas sales from January to June 2022 was 34,022.17 MMSCF at an average of 187.97 MMSCF/D. A total of 485.95 MMSCF of gas was used as fuel, while a total of 9.67 MMSCF was flared.

2.4 Developments in the Investment Climate

Tullow Ghana Limited, as part of its multi-year, multi-well drilling programme, continued investments upstream by implementing its long-term Business Plan to unlock the full potential from the Jubilee and TEN fields, although no tangible results were reported in H1 2022.

The GNPC expended about US\$9.50 million out of the total cost of work done, amounting to US\$25,073,340 on the phase 3 project for H1 2022 on the Voltaian Basin Project.

In respect of the proposed acquisition of stakes by GNPC in the Deepwater Tano Cape Three Points (DWT/CTP) and South Deepwater Tano (SDWT) Blocks operated by Aker Energy and AGM Petroleum Ghana, ERCE Limited completed the technical due diligence on the Blocks in May 2022. Based on the findings and recommendations from the ERCE Report, the Bank of America is in the process of performing an economic evaluation particularly, of the DWT/CTP Block.

Similarly, the Ghana Negotiation Team (GNT) continued negotiations with the successful bidders (Eni Ltd in partnership with Vitol Upstream Tano Ltd, CNOOC International Ltd, Resource Base International Ltd, KOKA Energy Company Ltd and First E&P) from the first licensing round. However, no Petroleum Agreement was signed or ratified by Parliament during the period.

A dispute between Eni Ghana Limited (and its partner Vitol Upstream Ghana Limited) and Springfield Exploration and Production Limited over the propriety of the Minister for Energy's directive⁵ to unitise the Afina (West Cape Three Points [WCTP] Block 2) discovery and the Sankofa Field remains unresolved. Although Eni Ghana and Vitol Upstream have been unsuccessful in challenging the Minister's directive in Ghanaian courts⁶, their resort in August 2021 to international arbitration under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) remains a huge setback.

2.4.1 Update on GNPC Acquisition of Additional Interest in Jubilee and TEN Fields

In the 2021 PIAC Annual Report, the Committee indicated GNPC's acquisition of a seven (7) percent interest from Occidental Petroleum (Anadarko WCTP Company) in respect of the Company's DWT/WCTP assets for US\$199 million effective 1 April 2021. The acquired interest was to be transferred to GNPC Explorco, a subsidiary of the Corporation. The current ownership structure of the Jubilee and TEN Fields is as depicted in Table 1.

⁵The Minister anchored his directive requirements of the Petroleum (Exploration and Production) Act, 2016 (Act 919) and L.I.2359 to ensure optimum exploitation and recovery of Ghana's petroleum reserves.

⁶Following the Minister's directive and subsequent disagreements by Eni Ghana Limited and its partner Vitol Upstream Ghana Limited on the propriety of the Minister's directive, including resort to Ghanaian courts, the High Court (Commercial Division) on January 24, 2022, ordered Eni and Vitol to pay 30 percent of revenue from the sale of crude oil to the Court Registrar. Eni and Vitol appealed the decision, but were unsuccessful. For a detailed background of the genesis of the dispute, see PIAC 2020 Annual Report, Chapter Three - pg 9-10.

Table 1: Current Ownership Structure in the Jubilee and TEN Fields

PRE-ACQUISITION				PRE-ACQUISITION			
DEEP WATER TANO (TEN)							
JV PARTNER	JOA Interest	Paying Interest		JV PARTNER	JOA Interest	Paying Interest	
		Dev	Prod			Dev	Prod
TLW	55.500%	52.725%	47.175%	TLW	55.500%	52.725%	47.175%
OXY	20.000%	19.000%	17.000%	OXY	0.000%	0.000%	0.000%
KOS	20.000%	19.000%	17.000%	KOS	33.000%	31.350%	28.050%
GNPC	0.000%	5.000%	15.000%	GNPC	0.000%	5.000%	15.000%
JOHL	0.000%	0.000%	0.000%	JOHL	7.000%	6.650%	5.950%
Petro SA	4.500%	4.275%	3.825%	Petro SA	4.500%	4.275%	3.825%
WEST CAPE THREE POINTS							
JV PARTNER	JOA Interest	Paying Interest		JV PARTNER	JOA Interest	Paying Interest	
		Dev	Prod			Dev	Prod
TLW	29.329%	28.596%	25.663%	TLW	29.329%	28.596%	25.663%
OXY	34.306%	33.448%	30.017%	OXY	0.000%	0.000%	0.000%
KOS	34.306%	33.448%	30.017%	KOS	61.611%	60.071%	53.910%
GNPC	0.000%	2.500%	12.500%	GNPC	0.000%	2.500%	12.500%
JOHL	0.000%	0.000%	0.000%	JOHL	7.000%	6.825%	6.125%
Petro SA	2.060%	2.009%	1.803%	Petro SA	2.060%	2.009%	1.803%
JUBILEE							
JV PARTNER	JOA Interest	Paying Interest		JV PARTNER	JOA Interest	Paying Interest	
		Dev	Prod			Dev	Prod
TLW		39.607%	35.480%	TLW		39.607%	35.480%
OXY		26.855%	24.077%	OXY		0.000%	0.000%
KOS		26.855%	24.077%	KOS		46.965%	42.109%
GNPC		3.641%	13.641%	GNPC		3.6408%	13.6408%
JOHL		0.000%	0.000%	JOHL		6.745%	6.0451%
Petro SA		3.043%	2.725%	Petro SA		3.043%	2.725%

Source: PIAC Construct based on GNPC Data, December 2021.

The shares of Jubilee Oil Holdings Limited, the company that holds the 7 percent commercial stake, were acquired at the cost of US\$164,798,691.00 by GNPC through a Share Purchase Agreement between Anadarko Offshore and GNPC with monies advanced by the Ministry of Finance. GNPC has started repaying the advanced amount of US\$164,798,691.00.

Although the acquisitions were initially intended to be held by GNPC Explorco, they are in fact being held by JOHL, which is not registered in Ghana. This may have tax revenue implications on the State. The JOHL lifted 944,164.00 bbls of crude oil in H1 2022, amounting to US\$100,748,907.95.

The proceeds from this lifting were not paid into the PHF. PIAC's independent assessment reveals a number of issues:

1. Section 7 of the PRMA provides that all revenues due from the direct or indirect participation of the Republic in petroleum operations, including the carried and additional participating interests be paid into the Petroleum Holding Fund. PIAC is convinced that the proceeds of liftings by JOHL forms part of Ghana's petroleum revenues and therefore should be paid into the Petroleum Holding Fund (PHF).

2. The GNPC indicated that they had sought the Attorney-General's opinion before entering into the transaction. PIAC's study of the opinion reveals that the Attorney-General did not comment on the issue of the advance by the State.
3. Contrary to Section 6(e)⁷ of the Petroleum Revenue Management Act, 2011 (Act 815), Capital Gains Tax was not assessed and collected by the Ghana Revenue Authority in the sale of the 7 percent interest by Anadarko in the Jubilee and TEN Fields in 2021. In its written response to PIAC on the matter, the Ministry of Finance referred the Committee to the Ghana Revenue Authority for answers. The Ghana Revenue Authority in turn referred the Committee to the Ministry of Finance indicating that the Ministry was exclusively in charge of the transaction.

2.5 Developments in Local Content and Local Participation

The Petroleum Commission (PC) continued to undertake activities in furtherance of its mandate under the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204). In respect of this, the following were undertaken:

2.5.1 Limited amendment to the Petroleum (Local Content and participation) Regulations, 2013, (L.I. 2204)

The Petroleum (Local Content and Local Participation) (Amendment) Regulations, 2021 (L.I. 2435) was passed by Parliament and came into force in February 2022. To ensure effective implementation of the amended regulations, the Commission has commenced the development of guidelines for 'Channel Partnerships' and 'Strategic Alliance.'

2.5.2 Research and Development Guidelines

As part of the development of the PC's Research and Development (R&D) Guidelines, the Commission held a consultative meeting with upstream petroleum companies to discuss the draft guidelines. Inputs made have been incorporated and are expected to be finalised by Q4 2022.

2.5.3 Development of Strategic Documents

In order to accelerate local capacities along the value chain, the PC developed strategic documents for the following mid-technical services in H1 2022:

- Rope access;
- Laboratory;
- Diving and Hyperbaric;
- Non-Destructive Testing (NDT); and,
- High Voltage Cables.

2.5.4 Minimum Local Content Requirements

To optimise local content in procurement and tender processes and ensure continuous growth in local content development, the PC developed minimum local content requirements for Vessels, Specialty Chemicals, and Aviation services during the period under review. A directive on same is expected to be issued to the industry by the end of 2022.

2.5.5 Technology, Skills, and Know-how Transfer

As part of the PC's effort to monitor the performance of Joint Venture Companies (JVCs), the Commission has commenced the development of a system to assess, measure and monitor technology transfer programmes of JVCs.

⁷ Any amount received by government directly or indirectly from petroleum resources not covered by paragraphs (a) to (d) including where applicable, capital gains tax derived from the sale ownership of exploration, development and production rights.

In this vein, the PC has commenced the development of Technology Transfer Policy, and Model Agreement as tools to provide clarity to stakeholders on the implementation of the provisions in the Regulations. It is expected that the draft policy and model agreement would be completed by Q4 2022.

2.5.6 Value of Services

The total value of contracts awarded for the first half of 2022 amounted to US\$23,302,156.57. Out of this, US\$3,931,294.23(17%) was awarded to indigenous Ghanaian Companies, US\$19,308,367.81 was to joint venture companies (JVs) and US\$62,494.53 to foreign companies. According to PC, data collection for the IOCs and service companies for 2021 and 2022 is still ongoing.

2.5.7 Local Content Fund

The Local Content Fund Operational Guidelines for the administration of the Fund is under review by the Local Content Committee (LCC) of the Petroleum Commission Board.

The PC's Local Content Committee continued to implement the payment of one percent (1%) contract sum into the Local Content Fund established under the Petroleum (Exploration and Production) Act, 2016 (Act 919). According to the PC, the Local Content Fund Secretariat encountered several challenges, including non-compliance by Contractors and subcontractors with the deduction of one percent contract sum, citing stabilisation clauses in their respective petroleum agreements.

2.6 Developments in the Policy, Legal, and Regulatory Environment

This section provides an update on policy, legal and regulatory developments for the period under review.

2.6.1 PRMA Review and other Legislative Updates

Even though the Ministry of Finance had earlier

projected a legislative review of the PRMA by end of 2021, the legislative proposals had not been passed into law as of June 2022.

2.6.2 Update on Petroleum Agreements

No new Petroleum Agreement was signed or ratified by Parliament by end of June 2022. The total number of existing Petroleum Agreements remain at fourteen (see Appendix A).

2.7 Energy Transition Concerns

In response to the global call to achieve net-zero carbon emissions by 2050, Ghana being party to key international environmental instruments, including the Paris Agreement, commenced a process in 2021 to align the country's domestic policies to her international obligations. By far, the most instructive demonstration of Ghana's commitment to consider energy transition challenges is the set up in December 2021 of a National Energy Transition Committee (NETC), chaired by a Deputy Minister for Energy, to carry out consultations for the drafting of the Energy Transition Policy and Strategy. The Committee engaged diverse stakeholders in H1 2022, including engaging the people of Ghana at regional fora and targeted engagements with energy sector stakeholders such as focal national institutions, civil society organisations (CSOs) and Think Tanks. As at end of June 2022, the Committee was in the process of engaging other relevant stakeholders. It is expected that the Committee's report will form the basis of a comprehensive national blueprint on energy transition.

Based on the Minister for Energy's 2021 directive to the PC to come up with proposals to mitigate the adverse effect of Energy Transition, the Commission stated that a document on the proposals to the current fiscal regime, is currently before its Board awaiting approval and further direction.

2.8 Natural Gas Developments and Market Information

This section discusses natural gas developments and market information.

2.8.1 Revenue from Cash Waterfall Mechanism / Energy Sector Debt Servicing

The Ghana National Petroleum Corporation (GNPC) received a total Cash Waterfall Mechanism (CWM)/Natural Gas Clearing House (NGCH) revenue of GH¢427,491,120.44 for H1 2022.

Although gas payments were to be made to the PHF, they were paid directly to the accounts of gas suppliers and service providers for the OCTP Partners service providers, such as West African Gas Pipeline Company (WAPCo) for transportation and West Coast for gas management services.

Cumulative revenue received by the Ghana National Gas Company (GNGC) from the Cash Waterfall Mechanism (CWM) for H1 2022 amounted to GH¢21,117,374.25.

2.8.2 Natural Gas Regulatory Updates

In H1 2022, the Energy Commission, in line with its regulatory and management mandate under the Energy Commission Act, 1997 (Act 541), carried out the following activities:

- Completed and commissioned for operation in February 2022 the 4.158km, 12-inch Natural Gas pipeline from VRA receiving facility to AKSA Energy Power plant in Kpone;
- Issued a Construction Permit to Genser Energy Company Limited to construct a Natural Gas Liquefaction facility at Prestea. This will enable the Company to produce LNG for export from the country and also facilitate gas movement for other uses;
- Issued a Construction Permit to Genser Energy Ghana Limited for the construction of an LNG Cryogenic Storage facility at Takoradi Harbour to facilitate the

exportation of the LNG to be produced at Prestea;

- Issued a Construction Permit to Genser Energy for the construction of 24-inch 105km Gas Pipeline from Dawusaso (Gyetreso) to Kumasi (Ejisu) in order to supply gas to the Ameri Power plant proposed to be relocated from Takoradi to Kumasi;
- Currently reviewing a draft regulations on Control of Major Accident Hazards (COMAH), developed by a consultant to the World Bank's Ghana Energy Sector Transformation Initiative Programme (GESTIP), in furtherance of the Energy Commission's commitment to the development and implementation of the COMAH Regulations;
- Carried out inspection and monitoring visits on the following natural gas facilities to ensure compliance to construction and operational procedures as enshrined in applicable legislative instruments (i.e. L.I. 2189, L.I. 1911, L.I. 1912, L.I. 1913 and L.I. 1936) relevant to the Energy Commission:
 - a. Genser Energy's 20 inch 158Km gas pipeline from Prestea to Dawusaso (Gyetreso) in the Ashanti Region;
 - b. Gas Processing Plant (GPP) at Atuabo in the Western Region;
 - c. Tema LNG Terminal Limited facility;
 - d. Takoradi Distribution and Metering Station;
 - e. Essiama Distribution and Metering Station;
 - f. Genser Energy's 12-inch Gas Pipeline from Prestea to Damang through Tarkwa;
 - g. Genser Energy's 12-inch Gas Pipeline from Damang Starting Point to Wassa Terminal Point in the Western Region; and,
 - h. Regulation and Metering Stations (RMS) of Twyford and Wangkang ceramics companies.

- Approved a draft Natural Gas Distribution Code which is to ensure that every natural gas distribution utility provides fair, transparent, safe, reliable, secure and efficient operation of the distribution system in furtherance of the provision of non-discriminative services to Customers located in the relevant designated area.

2.9 Ministry of Finance's Repayment of the US\$50 Million Advance to GNPC

As at end of June 2022, GNPC had 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. Following sustained advocacy by PIAC on the matter, Parliament directed that the Ministry of Finance and GNPC should meet to resolve this outstanding issue.⁸

According to GNPC, by a letter to the MoF in February 2021, 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. 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.

Findings

1. Following the acquisition of 7 percent interest in the Jubilee and TEN Fields by GNPC in 2021 (later ceded to its subsidiary - JOHL), JOHL made its first lifting (944,164bbls) on the Jubilee Field in H1 2022, amounting to US\$100,748,907.95. This amount was not paid into the PHF.
2. Contrary to Section 6(e) of the Petroleum Revenue Management Act, 2011 (Act 815), Capital Gains Tax was not assessed and collected by the Ghana Revenue Authority in the sale of the 7 percent interest by Anadarko in the Jubilee and TEN Fields in 2021.

In its written response to PIAC on the matter, the Ghana Revenue Authority referred the Committee to the Ministry of Finance indicating that the Ministry was exclusively in charge of the transaction. The Ministry of Finance in turn referred the Committee to the Ghana Revenue Authority for answers.

⁸ 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 PETROLEUM PRODUCTION AND SALES

3.1 Crude Oil Production

Ghana produced a total of 25,861,810.42 barrels (bbls) of crude oil in the first half of 2022 from its three offshore producing Fields - Jubilee, TEN, and SGN. This represents a 6.9 percent reduction from the first half of 2021 production volume of 27,767,859.00 barrels (bbls) and the third consecutive reduction in year-on-year (y-o-y) crude oil production volumes since inception as shown in Figure 1.

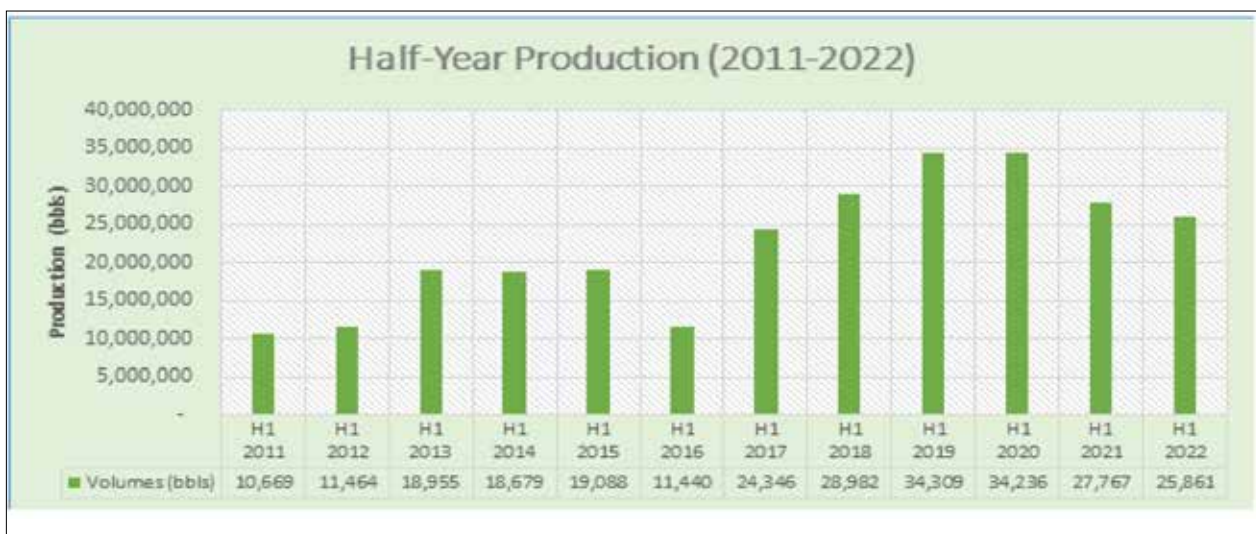


Figure 1: Half-Year (H1) Crude Oil Production (2011-2022)

Source: PIAC Construct, based on GNPC's Data, June 2022.

The decrease was as a result of reduced production on the TEN and SGN fields, recording a decline of 34.3 and 21 percent respectively. Crude oil production increased in the Jubilee Field by 16.6 percent. Table 2 shows the monthly production figures for the three Fields.

Table 2: Monthly Breakdown of Total Crude Production - H1 2022

	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	90,651.39	2,810,193	25,540.81	791,765	38,027.54	1,178,854	31
February	90,621.11	2,537,391	23,928.54	669,999	33,946.84	950,511	28
March	92,394.06	2,864,216	25,296.42	784,189	37,992.31	1,177,762	31
April	87,322.40	2,619,672	24,061.63	721,849	36,678.81	1,100,364	30
May	44,289.06	1,372,961	23,746.81	736,151	35,443.37	1,098,744	31
Jun	90,084.13	2,702,524	23,003.80	690,114	35,151.69	1,054,551	30
Total		14,906,957		4,394,067		6,560,786	

Source: GNPC and PC, June 2022

Jubilee production increased from 12,781,327 bbls in H1 2021 to 14,906,957 bbls in H1 2022 (16.6%). Average daily oil production in the Jubilee Field in H1 2022 was 82,560 bbls compared to 70,615 bbls in H1 2021, representing an increase of 16.9 percent. The highest monthly oil production in H1 2022 was recorded in March with the least being recorded in May. According to the Petroleum Commission (PC), production halted from 30th April to 11th May 2022 to perform major repair works and other maintenance activities as part of planned shutdown activities. Production resumed on 15th May 2022 instead of the scheduled restart date of 11th May 2022 due to delayed Draining, Flushing, Ventilation, Purging and Isolation, (DFVPI) on the major production line.

TEN production declined from 6,684,265 bbls in H1 2021 to 4,394,067 bbls in H1 2022 (34.3%). The average daily oil production of 24,263.00 bbls in the TEN Field in H1 2022, was a 34.3 percent reduction compared to the 36,930 bbls in H1 2021. The highest monthly oil production during the period was recorded in January whilst February recorded the lowest. The low production

was mainly due to flow assurance issues and pressure decline in the Enyenra reservoir. The Ntomme reservoir was optimised by shutting in or cutting back on some wells to manage excess flaring.

SGN production declined from 8,302,267.00 bbls in H1 2021 to 6,560,786.42 bbls in H1 2022 (21%). Average daily production reduced from 45,875 bbls to 36,206.76 bbls during the period (26.7%). The highest oil produced within the period was in January with the lowest in February 2022. The low production volumes in February were attributed to Planned Shutdown activities carried out to perform maintenance works on the FPSO systems, according to PC. Also, integrity tests were carried out on OP-8, OP-9, OP-10, SKE-1X and GI-2 after which water injection was halted to carry out maintenance activities on the Sulphate Removal Unit (SRU).

Cumulatively, the volume of crude oil produced in Ghana since first oil in December 2010, totals 534,299,900 bbls as at the end of June 2022, as shown in Figure 2.

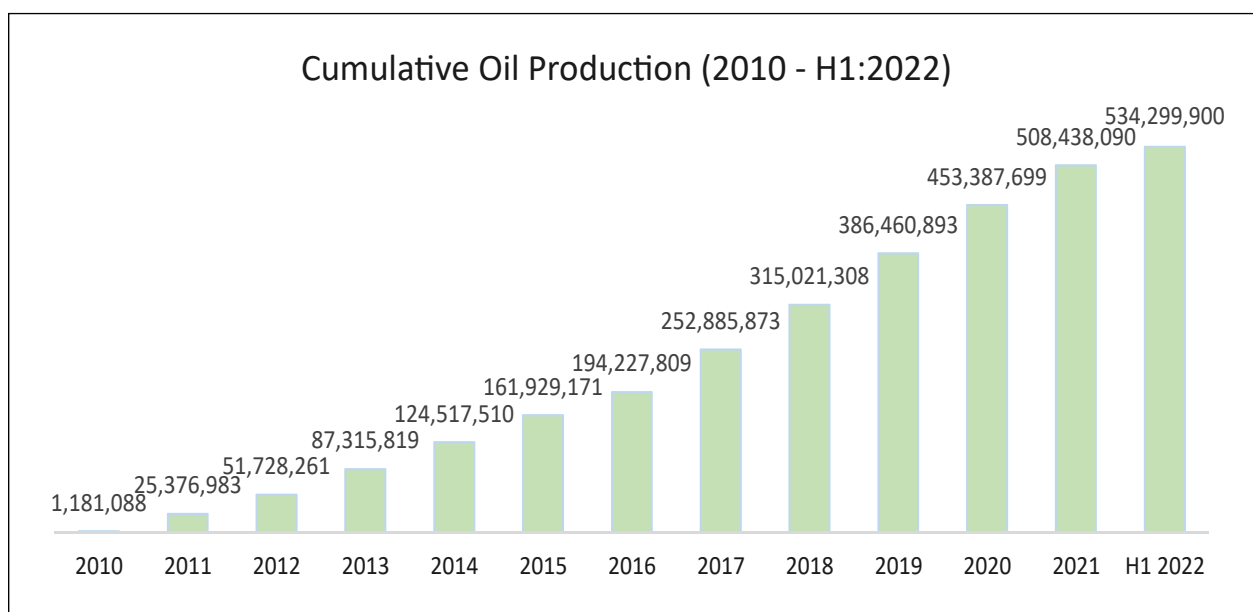


Figure 2: Cumulative Production 2010 – H1 2022

Source: PIAC Construct based on GNPC Data, June 2022

3.2 Gas Production

As shown in Table 3, the cumulative raw gas production (Associated Gas-AG and Non-Associated Gas-NAG) for H1 2022 was 124,948.79 million standard cubic feet (MMSCF). This represents a 2 percent reduction over the volume of 127,496.04 MMSCF produced for the same period in 2021. Production from Jubilee and TEN Fields decreased by 7.2 and 10.2 percent respectively, whilst SGN's raw gas production increased by 5.1 percent. Table 3 provides the monthly gas production volumes from the Fields.

Table 3: Gas Production from Jubilee, TEN, and SGN Fields - H1 2022

DESCRIPTION	MONTH	JUBILEE	TEN	OCTP		TOTAL
		AG	AG	AG	NAG	AG/NAG
ASSOCIATED	January	6,290.92	4,724.80	4,475.64	6,439.00	21,930.36
GAS (AG) &	February	5,606.36	4,330.66	4,086.61	5,123.30	19,146.93
NON-ASSOCIATED	March	6,276.19	4,921.73	5,307.86	5,836.82	22,342.60
GAS (NAG)	April	5,404.86	4,666.92	5,048.86	6,187.36	21,308.00
PRODUCTION	May	2,668.77	4,982.08	5,159.56	6,225.61	19,036.02
(MMSCF)	June	5,626.18	4,576.77	4,962.09	6,019.84	21,184.88
TOTAL		31,873.28	28,202.96	29,040.62	35,831.93	124,948.79

Source: PC, June 2022

Raw gas exported to the Ghana National Gas Company (GNGC) from the Jubilee Field declined from 18,153.30 MMSCF for H1 2021 to 16,177.03 MMSCF (10.9%) in H1 2022. The monthly breakdown of gas production and utilisation is presented in Table 4. The exported gas represents 50.7 percent of produced gas, re-injected gas constituted 26.6 percent, flared gas – 17 percent and fuel gas 5.6 percent.

Table 4: Greater Jubilee Field Gas Monthly Production and Utilisation - H1 2022

Month	Gas Production (MMSCF)	Gas Export (MMSCF)	Gas Injection (MMSCF)	Fuel Gas (MMSCF)	Flared Gas (MMSCF)
JANUARY	6,290.92	3,019.95	1,895.33	358.51	1,017.13
FEBRUARY	5,606.36	2,906.96	1,438.89	307.31	953.19
MARCH	6,276.19	2,836.14	2,058.67	352.13	1,029.25
APRIL	5,404.86	3,033.64	1,280.12	333.67	757.43
MAY	2,668.77	1,372.86	550.86	139.00	606.05
JUNE	5,626.18	3,007.48	1,259.73	304.75	1,054.22
Total	31,873.28	16,177.03	8,483.60	1,795.37	5,417.27
(Average per day)	5,312.21	2,696.17	1,413.93	299.23	902.88

Source: PIAC Construct based on GNPC Data, June 2022

Gas exports from the TEN Field increased by 86.5 percent, from 1,712.50 MMSCF in H1 2021 to 3,194.15 MMSCF in H1 2022. The gas exports represented 11.3 percent of total gas produced whilst 66.1 percent was re-injected, 16.3 percent flared, and 6.3 percent used as fuel gas (see Table 5).

Table 5: TEN Fields Gas Monthly Production and Utilisation - H1 2022

Month	Gas Production (MMSCF)	Gas Export (MMSCF)	Gas Injection (MMSCF)	Fuel Gas (MMSCF)	Flared Gas (MMSCF)
JANUARY	4,724.80	245.44	3,515.50	309.26	654.59
FEBRUARY	4,330.66	87.65	3,399.79	273.72	569.5
MARCH	4,921.73	68.47	3,780.28	305.64	767.34
APRIL	4,666.92	240.29	3,295.19	295.42	836.02
MAY	4,982.08	2,200.92	1,593.25	297.6	890.30
JUNE	4,576.77	351.38	3,064.00	292.28	869.10
Total	28,202.96	3,194.15	18,648.01	1,773.92	4,586.85
(Average)	4,700.49	532.36	3,108.00	295.65	764.48

Source: PIAC Construct based on GNPC Data, June 2022

Overall, exports from the Jubilee and TEN Fields recorded a 2.5 percent decrease from 19,865.80 MMSCF in H1 2021 to 19,371.18 MMSCF in the same period of 2022.

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

Table 6: SGN Field Gas Monthly Production and Utilisation - H1 2022

MONTH	GAS PRODUCED (AG)	GAS PRODUCED (NAG)	GAS EXPORT	INJECTION	FUEL GAS	FLARED
	MMSCF	MMSCF	MMSCF	MMSCF	MMSCF	MMSCF
JANUARY	4,475.64	6,439.00	6,061.45	3,642.33	321.7	804.59
FEBRUARY	4,086.61	5,123.30	4,839.35	3,561.34	268.72	473.97
MARCH	5,307.86	5,836.82	5,567.41	4,667.65	350.89	475.01
APRIL	5,048.86	6,187.36	5,893.24	4,503.84	337.86	414.76
MAY	5,159.56	6,225.61	5,926.00	4,883.66	354.57	130.58
JUNE	4,962.09	6,019.84	5,734.72	4,767.89	343.83	51.97
TOTAL	29,040.62	35,831.93	34,022.17	26,026.71	1,977.57	2,350.88
Average	4,840.10	5,971.99	5,670.36	4,337.79	329.6	391.81

Source: PIAC Construct based on GNPC Data, June 2022

Total Non-Associated Gas exports from the SGN Field increased slightly from 33,542.93 MMSCF in H1 2021 to 34,022.17 MMSCF in H1 2022 (1.4%) through the Onshore Receiving Facility (ORF) to the GNGC pipeline network during the period under review (see Table 6). Total Gas exports constituted 52.4 percent of total raw gas produced, whilst 40.1 percent was re-injected, 3.6 percent was flared, and 3 percent was used as fuel gas.

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

A total of 15 liftings were made by the Jubilee Partners for H1 2022 compared to 13 liftings for the same period in 2021. The Ghana Group lifted three parcels of crude totaling 2,805,112 bbls as against 1,944,437 bbls in two liftings for the same period in 2021. The other Partners lifted 11,428,504 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 - H1 2022

COMPANY	VOLUME LIFTED (BBL)	NO. OF LIFTINGS	PERCENTAGE (%)
TULLOW GHANA	952,086	1	6.69
GHANA GROUP	2,805,112	3	19.71
KOSMOS ENERGY	5,732,554	6	40.27
TULLOW GHANA & PETRO SA	3,799,700	4	26.70
JUBILEE OIL HOLDINGS LTD.	944,164	1	6.63
TOTAL	14,233,616	15	100.00

Source: PC, June 2022

3.3.2 TEN Field

In respect of this field, four (4) parcels of crude totaling 3,929,414.00 bbls were lifted by the Partners from January to June 2022 (see Table 8), representing a 33.1 percent decline compared to six (6) liftings of 5,876,021 bbls recorded in H1 2021.

Table 8: Crude Oil Liftings by the Ghana Group and other TEN Partners - H1 2022

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
TULLOW	994,527.00	1	25.31
GHANA GROUP	-	-	-
KOSMOS	993,078.00	1	25.27
TULLOW/PETRO SA	1,941,809.00	2	49.42
TOTAL	3,929,414.00	4	100.00

Source: PC, June 2022

There was no lifting for the Ghana Group in H1 2022 compared to one (1) lifting of crude totaling 944,962 bbls in H1 2021. Liftings by the other TEN Partners represented a 20.3 percent decline from 4,931,059 bbls of crude for the same period in 2021.

3.3.3 Sankofa Gye-Nyame Field

For the period, the SGN Partners lifted seven (7) parcels of crude, totaling 6,552,420 bbls (see Table 9) in H1 2022 compared with nine (9) parcels amounting to 8,635,787 bbls for the same period in 2021.

Table 9: Crude Oil Liftings by the Ghana Group and other SGN Partners - H1 2022

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
GHANA GROUP	1,852,686	2	28.27
ENI GHANA E&P LTD	2,846,807	3	43.45
VITOL UPSTREAM	1,852,927	2	28.28
TOTAL	6,552,420	7	100.00

Source: PC, June 2022

The Ghana Group lifted two (2) parcels of 1,852,686 bbls in H1 2022 compared to one (1) parcel worth 948,845 bbls in the same period in 2021. The other Partners lifted a total of 4,699,734 bbls of crude in H1 2022; a 38.9 percent reduction from 7,686,942 bbls of the same period in 2021.

3.4 Upstream Petroleum Expenditure

The total petroleum expenditure costs on the Jubilee field for H1 2022 stood at US\$388.84 million which constitutes Production Cost amounting to US\$172.83 million and Development Cost of US\$216.02 million. The Production expenses included items such as Business Management & Assurance costs, O&M Contractor cost, Logistics and Materials, and Engineering Operations whilst Development Cost items included Drillex, Subsea and OOL2 expenses (see Appendix B).

The total petroleum expenditure on the TEN field amounted to US\$221.19 million, made up of Production Costs of US\$59.09 million and Development Costs of US\$162.01 million. Some components of the Production Costs include Business Management & Assurance costs, O&M Contractor cost, and Logistics and Materials costs. Development Cost items on the TEN Field included Drillex and FPSO Charter expenditure (see Appendix B).

The total petroleum expenditure for the SGN project for H1 2022 was US\$164.14 million, made up of Production Costs of US\$96.3 million and Development Costs of US\$67.84 million. Some components of the Production Costs were made up of maintenance, production and operating expenses. The Development Cost items on the

SGN Field include FPSO Leasing and Development Studies (see Appendix B).

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\$112.85/bbl, higher than that of the same period in 2021 (US\$64.32/bbl), and the Government's estimated benchmark price of US\$61.23/bbl for 2022. The achieved average unit price was higher than the average Dated BRENT price of US\$104.00/bbl at the time of the liftings.

The Ghana Group did not lift any cargo from the TEN Field during the period under review.

The SGN Field's cargo, belonging to the Ghana Group, attained an average unit price of US\$111.60/bbl which is higher than the estimated benchmark price and same as the average Dated BRENT price of US\$111.60/bbl at the time of the lifting.

Figure 3 compares the achieved prices of the Ghana Group on the Jubilee and SGN Fields for the period.

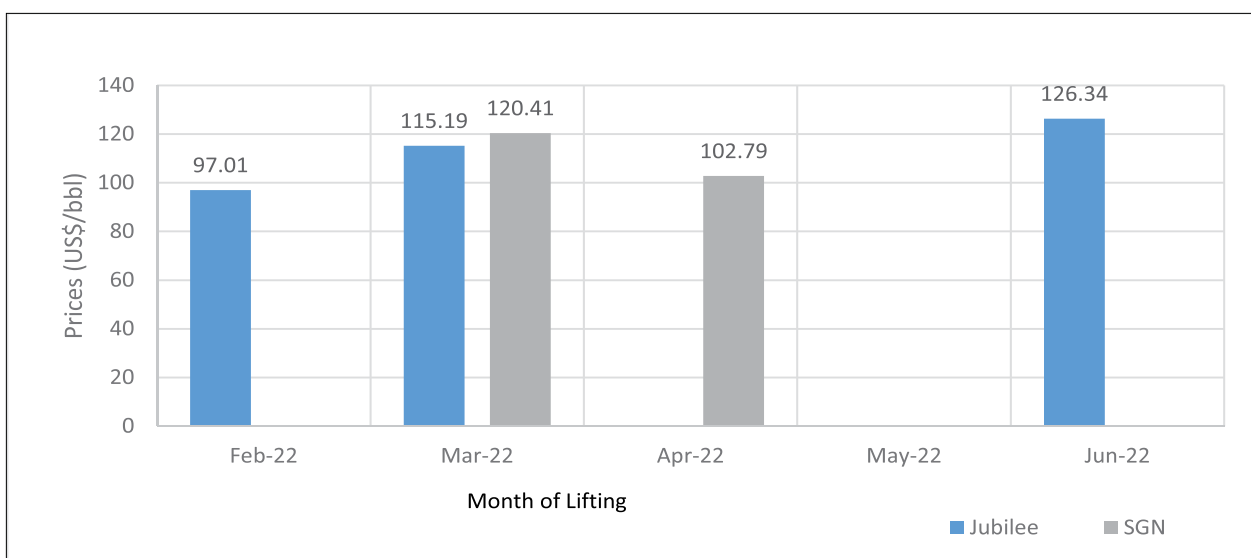


Figure 3: Ghana Group Achieved Prices – Jubilee and SGN

Source: PIAC Construct based on GNPC Data, June 2022

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

Ghana Group's average achieved price over the three producing fields stood at US\$112.22/bbl in H1 2022 compared to US\$63.61/bbl in H1 2021, representing a 76.4 percent increase. Table 10 shows the achieved prices for the past five years.

Table 10: Comparison of Ghana's Achieved Prices and Government Benchmark

Year	Government Benchmark Price	Ghana Group Average Achieved Price (H1)
2018	56.85	67.66
2019	66.76	65.08
2020	39.10	42.49
2021	54.75	63.61
2022	61.23	112.22
AVERAGE	55.805	66.68

Source: PIAC Construct based on Budget Statements and GNPC Data, 2022

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\$8.85/bbl. The Ghana Group's prices were higher than the average price of Kosmos for its Jubilee crude by US\$13.33/bbl and lower than Tullow's average price by US\$2.32/bbl (see Figure 4).

The Average Achieved price for TEN crude by Kosmos was lower than the Average Dated BRENT price by US\$9.79/bbl whilst that of Tullow was US\$16.16/bbl lower than the Average Dated BRENT price.

For the SGN Field, the Ghana Group's Average Achieved price was the same as the Average Dated BRENT price and US\$7.96/bbl higher than the average price obtained by ENI for the period.

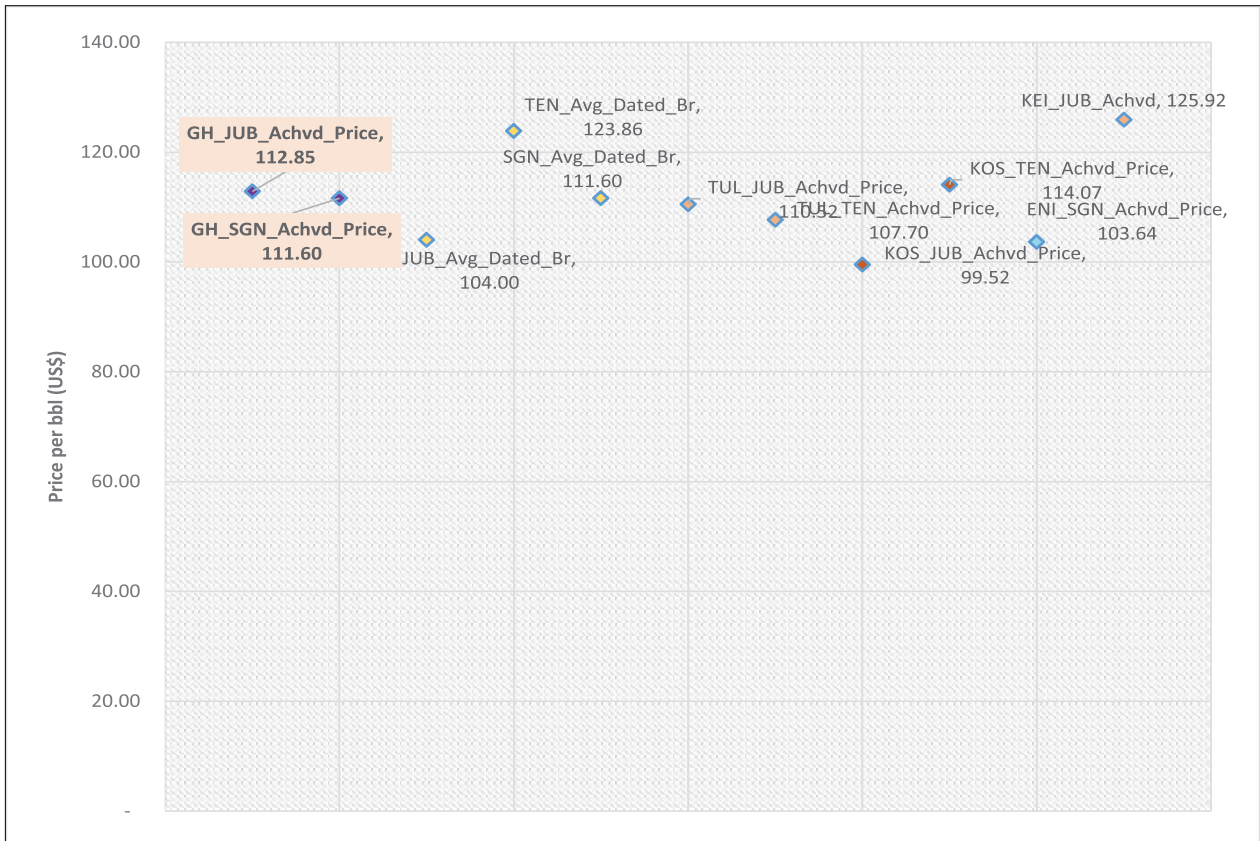


Figure 4: Comparison of Average Achieved Prices and Dated Brent of Jubilee, TEN and SGN Partners

Source: PIAC Construct based on data from Partners, June 2022

Finding

1. There was no lifting by the Ghana Group on the TEN Field during the period under review.

CHAPTER 4

4 REVENUE COLLECTION AND MANAGEMENT

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

4.1 Payment into the Petroleum Holding Fund

A total lodgment of US\$731,944,828.87 was paid into the Petroleum Holding Fund (PHF) as Petroleum receipts for H1 2022 as compared with US\$350,316,671.83 for the same period in 2021. This is largely attributable to revenues in respect of Corporate Taxes, Surface Rentals (Acreage

Fees), and Crude oil lifting. This represents 108.9 percent increase over the figure for H1 2021.

4.2 Receipts from Crude Oil Liftings

Of the Total Receipts, Carried and Participating Interest (CAPI) contributed US\$354,175,115.40 (48.39 percent), Royalties yielded US\$ 190,438,997.29 (26.02) while CIT generated US\$186,338,344 (25.46 percent). Proceeds from Surface Rentals and Overnight Interest on PHF were US\$687,759.16 and US\$304,613.03 respectively.

For the period under consideration, revenues from Carried and Participating Interest contributed the highest share of 48.39 percent followed by Royalties (26.02 percent) and Corporate Income Tax (CIT) accounted for 25.46 percent. Revenues from Surface Rental as well as Overnight Interest on PHF constituted less than one (1) percent to the total revenue as shown in Figure 5.

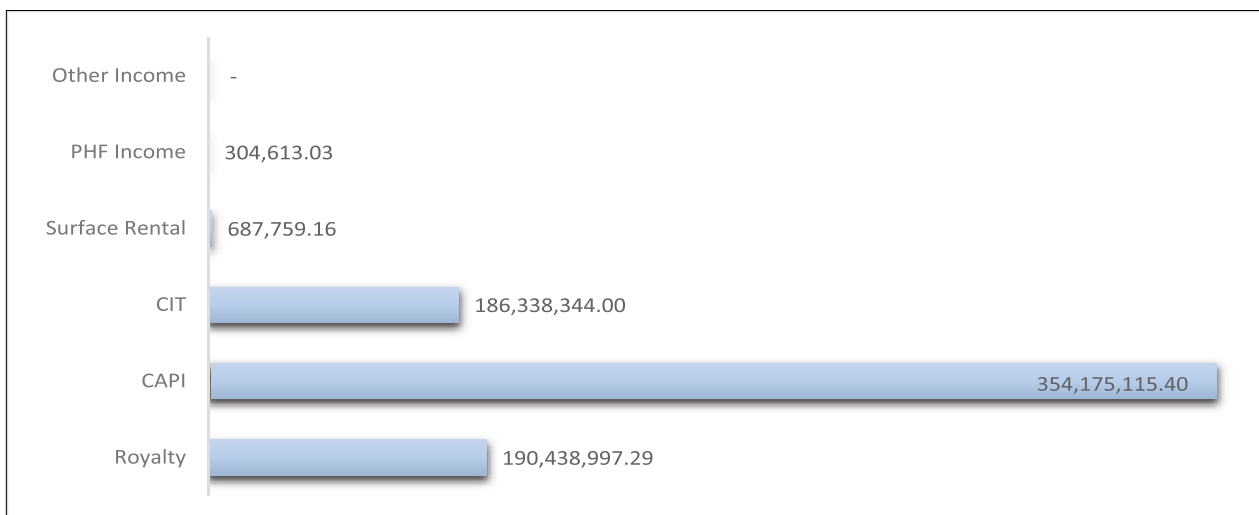


Figure 5: Contribution of Revenue Streams to Total Petroleum Receipts

Source: PIAC Construct from MoF and BoG Data, June 2022

4.2.1 Receipts from Jubilee Field Crude Liftings

As depicted in Table 11, an amount of US\$267,152,772.6 was paid into the PHF for the period, compared to US\$172,858,633.35 for the same period in 2021, indicating a 54.55 percent increase. The revenue accrued for the period is made up of receipts from the Field's 63rd Lifting on 8th December, 2021, 64th Lifting on 1st February, 2022, and 65th Lifting on 26th March, 2022.

Table 11: Crude Oil Liftings from Jubilee by the Ghana Group and the Associated Receipts

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
8-Dec-21	0063	948,033	74.189	75,842.64	70,409,462.877
01-Feb-22	0064	953,343	97.007	76,267.44	92,557,211.84
26-March-22	0065	903,844	115.190	72,307.52	104,186,097.88
Total		2,805,220			267,152,772.60

Source: GNPC & BoG, June 2022.

As shown in Figure 6, out of a total of US\$267,152,772.60 paid into the PHF, US\$ 192,773395.08 (72.16%) is CAPI while US\$74,379,377.52 (27.84%) came from Royalties.

Although the 66th lifting of 947,925 bbls was made on 12th June 2022, the accrued revenue of US\$119,833,834.47 will be received in H2 2022.

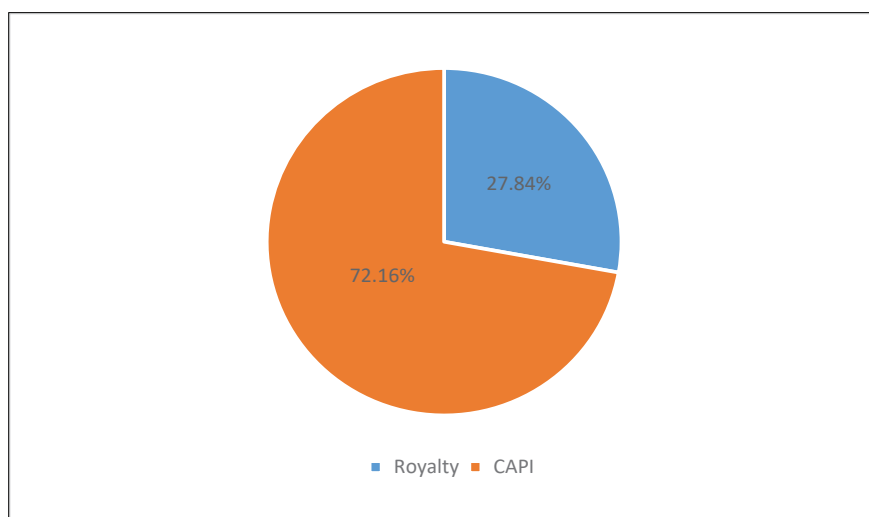


Figure 6: Composition of Receipts from the Jubilee Field

Source: PIAC Construct based on MoF and GRA Data, June 2022

4.2.2 Receipts from TEN Field Oil Liftings

In H1 2022, an amount of US\$71,012,637.12 was paid into the PHF by the Ghana Group from the TEN Field as compared to US\$58,230,448.36 in the same period in 2021. This represents a 21.95 percent increase. The amount which was derived from one lifting (20th lifting) in December 2021 was received in H1 2022 (see Table 12). There was no lifting for the Ghana Group in H1 2022.

Table 12: Receipts from TEN Field Oil Liftings– H1 2022

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
15-Dec.-21	0020	994,951	71.373	-	71,012,637.72
Total		994,951			71,012,637.72

Source: GNPC & BoG Data, December 2021

The total contribution of US\$71,012,637.72 from the TEN Field was made up of US\$52,567,796.76 (74.03%) from CAPI and US\$18,444,840.97 (25.97%) from Royalties (see Figure 7).

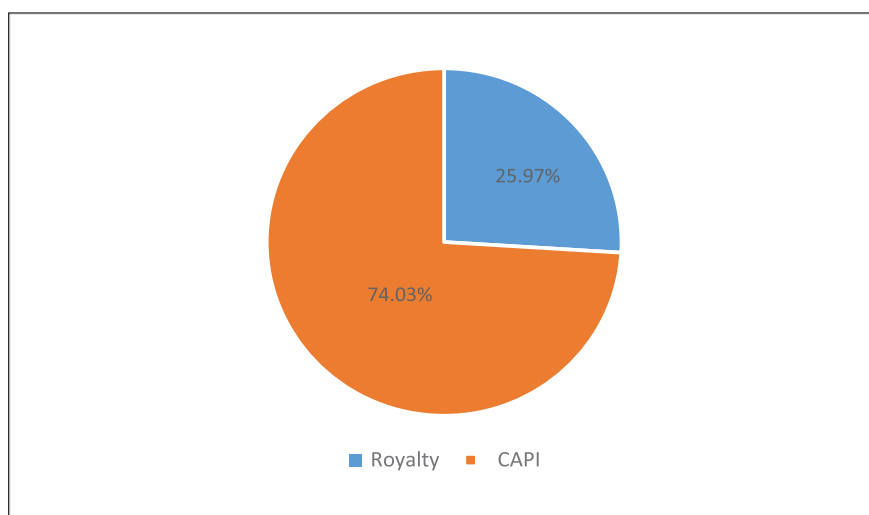


Figure 7: Percentage Composition of Receipts from TEN Field

Source: PIAC Construct based on MoF Data, June 2022

4.2.3 Receipts from Sankofa Gye-Nyame Field Oil Liftings

During the period, an amount of US\$206,448,702.36 was paid into the PHF as shown in Table 13 compared to US\$61,604,710.47 in H1 2021. The amount, which was in respect of CAPI and Royalties, represents a 235.12 percent increase over the same period in 2021.

Table 13: Crude Oil Liftings from SGN by the Ghana Group and the Associated Receipts

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
6-MAR-22	009	903,486	120.41	45,174.30	108,833,923.56
12-May-22	010	949,200	102.79	47,460.00	97,614,778.80
TOTAL		1,852,686		-	206,448,702.36

Source: GNPC & BoG, June 2022.

For H1 2022, a total amount of US\$206,448,702.36 had been lodged into the PHF. This is made up of US\$108,833,923.56 (52.72%) from CAPI and US\$97,614,778.80 (47.28%) from Royalties (see Figure 8).

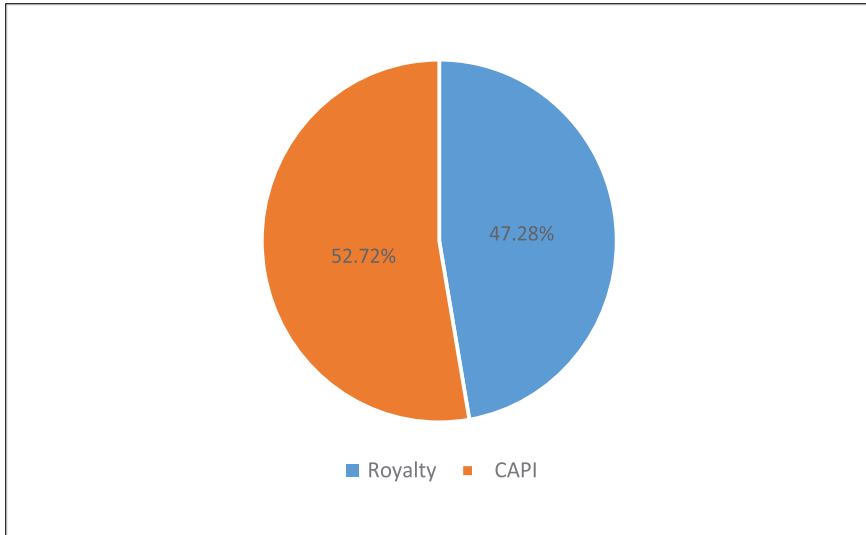


Figure 8: Percentage Composition of Receipts from SGN Field

Source: PIAC Construct based on MoF Data, June 2021

4.3 Corporate Income Taxes

Table 14 indicates that an amount of US\$186,338,344 was received as Corporate Income Tax (CIT) in the reporting period into the Petroleum Holding Fund, as compared to US\$56,923,479.35 received in H1 2021, representing a 227.35 percent increase. The payments were from Tullow Gh. Ltd, Kosmos Energy Ltd and Petro SA Gh. Ltd. See the breakdown of companies that contributed to CIT payments for the period in Table 14.

Table 14: Corporate Income Taxes Paid in H1 2022

Value Date	Company	Amount (US\$)
28-Jan-22	Tullow Ghana	30,497,504.00
28-Jan-22	Kosmos Energy	32,344,299.00
28-Jan-22	Kosmos Energy	6,029,670.00
31-Jan-22	Petro SA	2,404,877.00
27-Apr-22	Kosmos Energy	28,860,621.00
27-Apr-22	Kosmos Energy	42,256,787.00
29-Apr-22	Tullow Ghana	41,857,724.00
29-Apr-22	Petro SA	2,050,588.00
29-Jun-22	Kosmos Energy	36,274.00
TOTAL		186,338,344.00

Source: BoG, June 2022.

According to GRA, the second round of tax audits have been completed on all the upstream producing companies and discussion of the issues raised in the audits have been concluded for most companies. However, GRA states that a successful conclusion of the outstanding issues will serve as the basis for the next round of tax audits.

4.4 Surface Rental Payments

Total receipt of Surface Rentals (Acreage Fees) from nine (9) out of 14 companies was US\$687,759.16 in H1 2022 as compared to US\$697,977.96 for the same period in 2021 - a 1.46 percent decline. Table 15 presents details of Surface Rental payments.

Table 15: Surface Rental Payments into PHF- H1 2022

Value Date	Company	Amount (US\$)
15-Feb-22	Tullow Ghana	53,093.43
15-Feb-22	Tullow Ghana	24,631.80
17-Feb-22	Base Energy	75,000.00
22-Feb-22	Aker Energy	150,750.00
23-Feb-22	Eni Ghana EP Ltd - Block 4	92,980.00
23-Feb-22	Eni Ghana EP Ltd - Block 4	22,600.00
25-Feb-22	AGM Petroleum Gh Ltd	174,100.00
9-Mar-22	Amni Int. Petroleum Dev. Co. Ltd.	13,944.00
27-Apr-22	GOSCO	8,725.00
16-May-22	Sahara Energy Ltd.	71,934.93
TOTAL		687,759.16

Source: BoG, June 2022

Total estimated Surface Rentals from all fourteen existing Petroleum Agreements for 2022 amounted to US\$882,655.23. Added to the outstanding US\$2,579,170.72⁹ in Surface Rentals from both existing and terminated PAs as at end of 2021, total Surface Rentals receivable in 2022 is estimated at US\$3,461,825.95 (see Table 16). Of this figure, an amount of US\$687,759.16 has been paid in H1 2022, leaving a total outstanding balance of US\$2,774,066.79. The total outstanding balance is made up of US\$970,942.32 in respect of existing PAs and US\$1,803,124.41 in respect of terminated PAs.

Among the operators of the terminated PAs, only Sahara Energy Fields Ghana showed commitment in H1 2022 to paying its outstanding Surface Rentals in respect of the Shallow Water Cape Three

Points Block. Out of a total outstanding Surface Rentals of US\$146,934.93, Sahara Energy Fields Ghana paid US\$71,934.93 in H1 2022, leaving an outstanding balance of US\$75,000.00. In the case of the other three terminated PAs (i.e. Onshore/Offshore Keta Delta Block operated by Swiss African Oil Company Limited; Southwest Saltpond Block operated by Britannia-U; and Offshore Cape Three Points South operated by UB Resources Ltd), the outstanding post-termination Surface Rentals, receivable as at the end of December 2021 (i.e. US\$862,500.00; US\$760,208.83; and US\$105,415.58 respectively), remain unpaid as of June 2022. The cumulative outstanding balance receivable from operators of all four terminated PAs is US\$1,803,124.41 representing 65 percent of the total outstanding Surface Rentals balance of US\$2,774,066.79.

⁹ Of this amount, the four companies (i.e. Swiss African Oil Company Limited - SWAOCO, UB Resources, Britannia U, and Sahara Energy Fields Ghana Limited) at the heart of the terminated PAs (i.e. Onshore/Offshore Keta Delta Block; Offshore Cape Three Points South Block; Southwest Saltpond Block; and Shallow Water Cape Three Points – all terminated for non-performance on 27th April, 2021) alone accounted for about 73 percent of this outstanding Surface Rentals as at the end of 2021.

Unlike those of the terminated PAs, operators of six of the fourteen existing PAs have paid all outstanding Surface Rentals due Ghana. These are:

- AGM Petroleum Limited in respect of the South Deepwater Tano Block;
- Aker Energy Limited in respect of the Deepwater Tano/Cape Three Points Block;
- Eni Ghana Exploration & Production Limited in respect of the Cape Three Points Block 4;
- Eni Ghana Exploration & Production Limited in respect of the Offshore Cape Three Points Block;
- Tullow Ghana Limited in respect of the Deepwater Tano Block; and,
- Tullow Ghana Limited in respect of the West Cape Three Points Block.

The operators of seven of the remaining eight existing PAs still have the following outstanding Surface Rentals obligations:

- GOIL Offshore in respect of the Deepwater Cape Three Points Block – US\$147,400.00;
- Eco Atlantic in respect of the Deepwater Cape Three Points West Offshore Block – US\$44,882.00;
- Springfield Exploration and Production Limited in respect of the West Cape Three Points Block 2 – US\$84,086.58;
- Medea Development in respect of the East Cape Three Points Block – US\$156,540.00;
- Base Energy Ghana Limited in respect of the Expanded Shallow Water Tano Block – US\$800.00;
- OPCO Offshore in respect of the South-West Tano Block – US\$75.00; and,
- OPCO Offshore in respect of the East Keta Offshore Block – US\$537,794.80.

However, Amni Ghana, which is the operator of one of the eight existing PAs, overpaid Surface Rentals for the Central Tano Block in excess of US\$636.00.

Table 16: Surface Rental Payments and Arrears (US\$) as at end of June 2022

Operator	Contract Area	Prior Period Outstanding Balances	2022 Estimated Amount	Total Payment Receivable	Payment Received	Outstanding Balances
AGM Petroleum Limited	South Deepwater Tano	0.00	174,100.00	174,100.00	174,100.00	0.00
Aker Energy Limited	Deepwater Tano/Cape Three Points	0.00	150,750.00	150,750.00	150,750.00	0.00
Eni Ghana Exploration & Production Ltd	Cape Three Points Block 4	0.00	92,980.00	92,980.00	92,980.00	0.00
GOIL Offshore	Deepwater Cape Three Points	73,700.00	73,700.00	147,400.00	0.00	147,400.00
Tullow Ghana Ltd	Deepwater Tano		59,261.23	59,261.23	59,261.23	0.00
Eco Atlantic	Deepwater Cape Three Points West Offshore	(2318.00)	47,200.00	44,882.00	0.00	44,882.00

Springfield Exploration and Production Ltd	West Cape Three Points Block 2	16,786.58	67,300.00	84,086.58	0.00	84,086.58
Tullow Ghana Ltd	West Cape Three Points		18,464.00	18,464.00	18,464.00	0.00
Eni Ghana Exploration & Production Ltd	Offshore Cape Three Points		22,600.00	22,600.00	22,600.00	0.00
Amni Ghana	Central Tano	(592.00)	13,900.00	13,308.00	13,944.00	(636.00)
Medea Development	East Cape Three Points	78,290.00	78,250.00	156,540.00	0.00	156,540.00
Base Energy Ghana Ltd	Expanded Shallow Water Tano	400.00	75,400.00	75,800.00	75,000.00	800.00
OPCO	Offshore South-West Tano	50.00	8,750.00	8,800.00	8,725.00	75.00
OPCO	East Keta Offshore	537,794.80		537,794.80	0.00	537,794.80
Subtotal (Existing PAs)- A		704,111.38	882,655.23	1,586,766.61	615,824.23	970,942.32
Terminated PAs						
Sahara Energy Fields Ghana	Shallow Water Cape Three Points	146,934.93		146,934.93	71,934.93	75,000.00
Swiss African Oil Company Limited	Onshore/ Offshore Keta Delta Block	862,500.00	0.00	862,500.00	0.00	862,500.00
Britannia –U	Southwest Saltpond	760,208.83	0.00	760,208.83	0.00	760,208.83
UB Resources Ltd	Offshore Cape Three Points South	105,415.58		105,415.58	0.00	105,415.58
Total For Terminated PAs- B		1,875,059.34	0.00	1,875,059.34	71,934.93	1,803,124.41
Grand Total (A+B)		2,579,170.72	882,655.23	3,461,825.95	687,759.16	2,774,066.79

Source: BoG, June 2022

4.4.1 Update on Surface Rental Payment Arrears

With the passage of the Petroleum Revenue Management Regulations (PRMR), 2019 (L.I 2381), according to the GRA, it has embarked on a vigorous drive to recover all outstanding payments in respect of Surface Rentals. In this regard, Demand Notices have been issued to eight (8) defaulting companies requesting for the immediate payment of all arrears and associated penalties from the commencement of their Petroleum Agreements (PAs). The Compliance, Enforcement and Debt Management (CEDM) Unit of GRA has issued garnishee orders on some defaulters, and is in discussion with the others. According to GRA, efforts have been intensified to pursue Operators of the terminated PAs for the payment of their liabilities.

4.4.2 Additional Oil Entitlement (AOE)

Payment of Additional Oil Entitlement, as per the Petroleum Agreements (PAs) with the International Oil Companies, is triggered by agreed benchmark indicators including Rate of Return (ROR) in oil production. According to the GRA, recent discussions between the major stakeholders (GRA, GNPC and the Oil Companies) and the Ministry of Energy is yet to result in an agreement for the payment of the AOE.

4.5 Gas Revenue

For the period under review, no amount was paid into the PHF in respect of raw gas supplied even though production was made from all the fields. GNGC reported an indebtedness of US\$520,738,896.02¹⁰ to GNPC (see Table 17).

Table 17: Yearly Breakdown of Indebtedness to GNPC from 2014 to June 2022

Year	Volume (MMBTU)	Value(US\$)	Payment /Credit Notes-CWM-NGCH	Amount Payable (Cumulative)
2014	1,596,773.40	4,630,642.86		4,630,642.86
2015	25,664,762.40	74,427,810.96	9,856,679.67	69,201,774.15
2016	22,874,716.61	66,336,678.17		135,538,452.32
2017	32,681,611.46	94,776,673.23		230,315,125.55
2018	29,316,159.59	30,226,370.82		260,541,496.37
2019	22,753,370.06	81,329,848.01		341,871,344.39
2020	32,524,290.35	174,704,225.62	80,741,460.85	435,834,109.16
2021	34,652,991.71	186,138,544.97	209,391,254.07	412,581,400.06
H1 2022	20,169,971.20	108,343,000.30	185,504.34	520,738,896.02

Source: GNGC, June 2022

4.6 Cumulative Petroleum Revenues (2011-H1 2022)

From 2011 to date, total petroleum revenues have amounted to US\$8.09 billion. Figure 9 shows the annual realised revenues from 2011 to H1 2022.

¹⁰ According to GNPC, GNGC owes the Corporation an amount of US\$574,882,723.60 for raw gas supplied. The two institutions have indicated that they are reconciling the figures. PIAC will report on the outcome in its 2022 Annual Report.

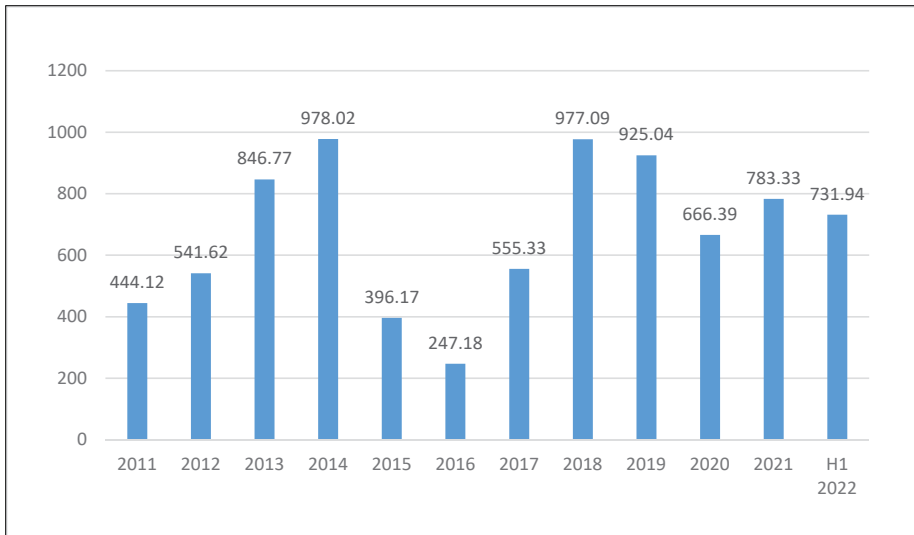


Figure 9: Annual Petroleum Revenues (2011 - H1 2022)

Source: PIAC Construct, June 2022.

Findings

1. The Surface Rentals outstanding continue to increase. As at the end of H1 2022, the balance outstanding was US\$2,774,702.29 constituting an increase of 7.58 percent on the Surface Rentals of US\$2,579,170.21 at the end of 2021.
2. As at the end of H1 2022, the operators of three (Swiss African Oil Co. Ltd, UB Resources and Britannia U) out of four terminated Petroleum Agreements have failed to pay (not even partly) their outstanding Surface Rental of US\$1,728,124.41, representing 62.30 percent of the total Surface Rentals outstanding balances.

CHAPTER 5

5 ALLOCATION OF PETROLEUM REVENUES

The Petroleum Revenue Management Act, 2011 (Act 815) provides that petroleum revenues due the Republic of Ghana shall be deposited into the

Petroleum Holding Fund for subsequent transfers in accordance with the provisions of the Act. The framework for the deposit into and disbursement of petroleum revenue from the Petroleum Holding Fund is represented in Figure 10.

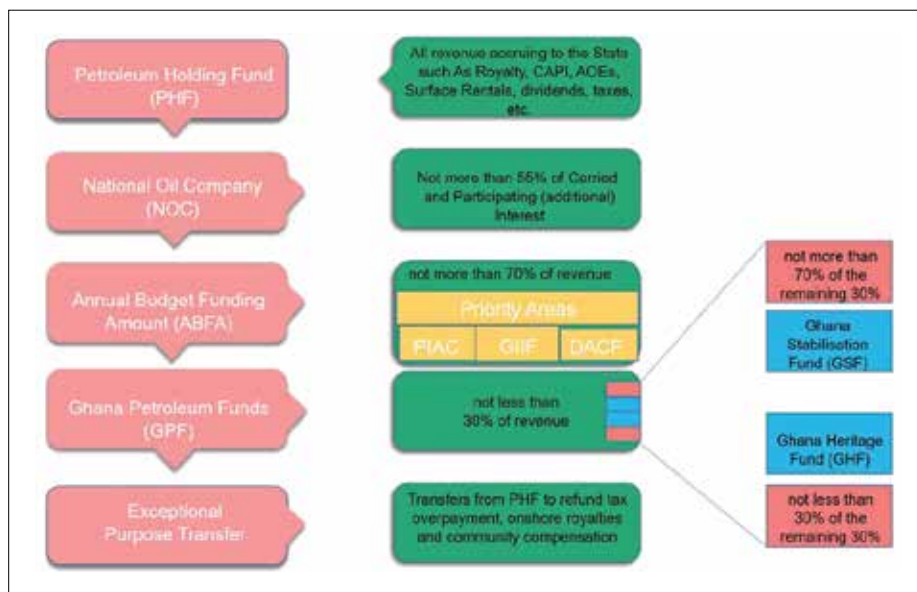


Figure 10: Distribution of Petroleum Revenue from the Petroleum Holding Fund

Source: PIAC Construct, June 2022

5.1 Allocation of Budgeted Petroleum Revenue

According to the 2022 Budget Statement and Economic Policy of the Government, the projected petroleum revenue for 2022 is estimated US\$1.01 billion, of which an amount of US\$326.98 million will be ceded to the National Oil Company, GNPC, for its equity financing cost (US\$236.71 million) and share of the net Carried and Participating Interest (US\$103.67 million), yielding a benchmark revenue of US\$679.12 million. The ABFA was budgeted to receive US\$475.41 million, and the GPFs US\$203.75 million (GSF 142.62 million and GHF US\$61.12 million

5.2 Receipts into the Petroleum Holding Fund

For the period under review, total actual petroleum receipts amounted to US\$731,780,741.09, representing 73.73 percent of the projected petroleum revenue for the year.

The total receipts for the period under review is 108.89 per cent higher than the receipts for H1 2021 (US\$350,316,617.83). The significant rise in revenue is mainly due to the sharp increase in the price of crude oil on the world market in H1 2022. The receipts are made up of lifting proceeds of US\$544,614,112.68 representing 74.40 per cent and other receipts of US\$187,330,716.19,

representing 5.60 percent. At the close of the year 2021, there were undistributed receipts of US\$15,113,467.00 brought forward to 2022. This brought the total amount available for distribution from the PHF for the period under review to US\$747,058,295.87.

5.3 Distribution of Revenue from the Petroleum Holding Fund

The PRMA provides that funds in the PHF shall be 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).

According to the Ministry of Finance and the Bank of Ghana, the total amount distributed was US\$746,894,208.09 which constitutes a 126.15 percent increase over the distribution for the same period in 2021. Table 18 presents quarterly distribution of petroleum revenue from the PHF in accordance with the Act.

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

	GNPC	ABFA	GSF	GHF	Total
Quarter 1	64,877,744.42	64,167,165.76	19,250,149.72	8,250,064.17	156,545,124.07
Quarter 2	108,965,868.86	118,853,512.50	253,770,791.87	108,758,910.79	590,349,084.02
Total	173,843,613.28	183,020,678.26	273,020,941.59	117,008,974.96	746,894,208.09

Source: Bank of Ghana, June 2022.

5.3.1 Allocation to the Ghana National Petroleum Corporation

The Ghana National Petroleum Corporation received an amount of US\$173,843,613.28 for the first half of the year, representing a 76.77 per cent increase over the disbursement to the Corporation for the same period in 2021 and 53.17 per cent of the Corporation's budgeted allocation for 2022.

5.3.2 Allocation to the Annual Budget Funding Amount

The Annual Budget Funding Amount (ABFA) received an amount of US\$183,020,678.26 during the period under review. The receipt is 17.59 per cent higher than the ABFA receipt for the same period in 2021 and 38.50 percent of the budgeted ABFA for 2022.

The disbursement to the ABFA for the first quarter of US\$64,167,165.76 was 46 per cent lower than the budgeted quarterly ABFA allocation of US\$181,843,512.50.

In the second quarter, however, the quarterly ABFA was met and the excess over the threshold was distributed between the Ghana Stabilisation Fund

and the Ghana Heritage Fund, as stipulated by the Act. This accounts for the higher disbursement to the Ghana Stabilisation Fund and the Ghana Heritage Fund in the second quarter.

5.3.3 Allocation of the Ghana Petroleum Funds

The Ghana Petroleum Funds (GPFs) consist of the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF). The GPFs received an amount of US\$390,029,916.55 for the first half of the year, which is 91.43 per cent higher than the budgeted allocation of US\$203.75 million for the full year 2022. This came about as a result of the higher disbursement to the GPFs in the second quarter resulting from the attainment of the quarterly ABFA, which made more funds available for distribution to the GPFs.

The PRMA, in Section 4(a)(iii), provides that where petroleum revenue collected in a quarter of any financial year exceeds one-quarter of the ABFA of that financial year, the US Dollar equivalent of the excess revenue shall be transferred from the PHF into the GPFs with a minimum of 30

percent transferred into the GHF and the balance transferred into the GSF.

This explains why for the second quarter, after the one-quarter ABFA stated earlier had been allocated to the ABFA, the balance of US\$362,529,711.68 was shared with the GHF receiving US\$117,008,974.96 (30%) and the GSF US\$273,020,941.59 (70%), in compliance with the Act.

5.3.3.1 The Ghana Stabilisation Fund

The GSF received an amount of US\$273,020,941.59 which is 70 percent of the distribution to the GPFs as required by the PRMA. This allocation constitutes 408.15 percent increase over the distribution to the GSF for the same period in 2021, and 91.43 percent increase over the budgeted allocation to the GSF for the entire year 2022.

5.3.3.2 The Ghana Heritage Fund

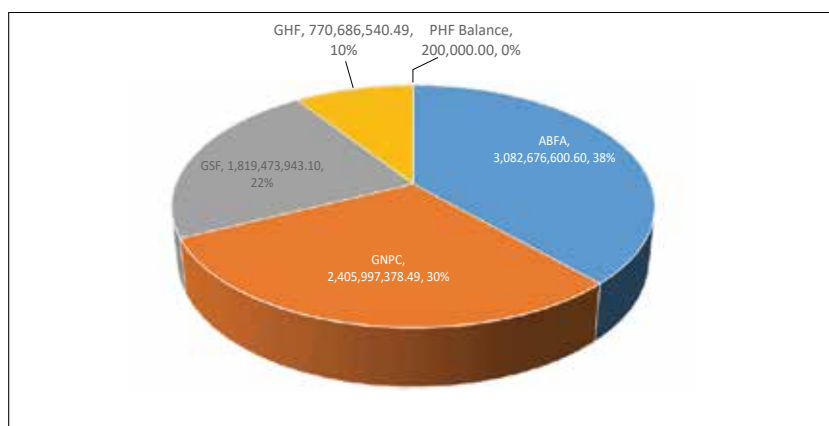
The GHF received an amount of US\$117,008,974.96 constituting 30 percent of

the distribution to the GPFs as required by the Act. This distribution is 408.15 percent higher than the allocation to the GHF for the same period in 2021, and 91.43 per cent over the budgeted allocation to the GHF for the entire year.

5.3.4 Cumulative Distribution of Petroleum Revenue since Inception

According to the Bank of Ghana, the total petroleum funds distributed from April 2011 to the end of June 2022 amounted to US\$8,079,034,462.68. This amount has been distributed with the ABFA receiving US\$3,082,676,600.60 (38 percent) and GNPC US\$2,405,997,378.49 (30 percent). The GSF, on its part, also received an amount of US\$1,819,473,943.10 (23 percent) while the GHF received US\$770,686,540.49 (10 percent). Figure 11 presents the distribution of petroleum funds since the commencement of allocation in 2011.

Figure 11: Distribution of Petroleum Revenue since 2011 (US\$)



Source: PIAC Construct based on BoG Data

Finding

1. The Ghana Petroleum Funds received an amount of US\$390,03 million for the H1 2022, which is 91.43 percent higher than the budgeted allocation of US\$203.75 million for the GPFs for the full year in compliance with Section 4(a)(iii) of the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

CHAPTER 6

6 DISTRIBUTION AND UTILISATION OF THE ANNUAL BUDGET FUNDING AMOUNT

The Petroleum Revenue Management Act, 2011 (Act 815 as amended) provides that disbursements from the Petroleum Holding Fund, (net of allocation to the national oil company), shall be made only to the Consolidated Fund in support of the national budget, the Ghana Petroleum Funds for purposes of savings and investments; and for exceptional deductions according to the provisions of the Act.

The amount of petroleum revenue allocated for spending in the Budget in each financial year which is known as the Annual Budget Funding Amount (ABFA), shall not be more than 70 percent of the Benchmark Revenue and shall be approved by Parliament as part of the national budget.

6.1 Priority Areas for 2020-2022

Out of twelve priority areas, the areas approved by Parliament for the utilisation of petroleum revenues by the Government for the period 2020-2022, as required by the Act are 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 2022

The selected priority areas are required to be reviewed by the Minister for Finance every three years, taking into account such factors as development needs, absorptive capacity of the economy and the need to maintain macroeconomic stability-. Any proposed changes following the review shall be approved by Parliament.

It is worthy of note that the current priority areas fall due for review at the end of 2022. In line with this, the 2023 Budget Statement and Economic Policy of the Government is expected to review the priority areas for parliamentary approval for the period 2023 to 2025.

It is the expectation of the Committee that citizen views will be considered in the review and selection

of new priority areas. Citizens, during PIAC public engagements, have expressed the need to avoid thin spread but rather use the petroleum revenues to wholly fund monumental capital projects, and for agricultural production.

6.2 Allocation of Budgeted Annual Budget Funding Amount

The budgeted ABFA for 2022 was US\$475,400,000 (GH¢3,155,376,463) and this was broken down into four quarters of US\$118,850,000 (GH¢788,844,115.75) per quarter as required by the PRMA. This means that for the first half of 2022, budgeted ABFA was US\$237,700,000 (GH¢1,577,688,231.50). The projected ABFA was allocated to the approved four priority areas in accordance with the PRMA as shown in Table 20.

Table 20: Allocation of Projected ABFA

No.	Priority Area	Goods & Services GH¢	Public Investment Expenditure (CAPEX) GH¢	Total GH¢	Percentage %
1.	Agriculture	-	35,000,000	35,000,000	1.11
2.	Critical Infrastructure & Service in Education and Health	930,846,000	95,424,000	1,026,270,000	32.52
3.	Road, Rail & Other Critical Infrastructure	-	2,049,124,782	2,049,124,782	64.94
	o/w DACF	-	157,768,890	157,768,890	
	o/w GIIF	-	441,752,892	441,752,892	
4.	Industrial Development	10,000,000	29,215,000	39,215,000	1.24
	Public Interest & Accountability Committee (PIAC)	5,767,000	-	5,767,000	0.18
	Total	946,613,000	2,208,763,782	3,155,376,782	100

Source: MoF Data, June 2022

Budgeted allocations of GH¢946,613,000 (30%) to Goods and Services and GH¢2,208,763,782 (70%) to Capital Expenditure (CAPEX) [Public Investment Expenditure] comply with the statutory ratio of 70:30 in favour of CAPEX and Goods and Services respectively.

6.3 Distribution to the Annual Budget Funding Amount

As stated in Section 5.3.2 of this report, the Annual Budget Funding Amount received a total of US\$183,020,678.26 (GH¢1,292,027,172.13) for the period under review from the PHF, representing 81.89 per cent of the budgeted ABFA for H1 2022 and 40.95 percent of the total budgeted ABFA for the full year of GH¢3,155,376,782.

The Ministry of Finance has explained that among the reasons for the non-realisation of the revenue targets, is the delayed payment of corporate income tax for 2022 by IOCs.

According to the 2021 Reconciliation Report on

the Petroleum Holding Fund, out of a total ABFA inflow of GH¢2,061,122,606.91, total actual utilisation was GH¢1,859,126,574.64 leaving a balance of GH¢201,996,032.27 at the end of 2021 (9.80%), which was not brought forward in H1 2022. This brings the total ABFA available for use in H1 2022 to GH¢1,494,023,204.40.

PIAC notes the recurrence of unutilised ABFA at the end of 2021¹¹. Key stakeholders have expressed concerns about this phenomenon, and the need to find a lasting solution to it. The Committee reiterates its call to the Ministry of Finance to take advantage of the review of the PRMA to provide clear rules for the treatment of unutilised ABFA.

The Ministry of Finance indicated in its report to PIAC that for H1 2022, the total ABFA utilisation was GH¢527,080,998.36 representing 35.28 percent of the total ABFA available, leaving a balance of GH¢966,942,206.04 (65.72%) to be utilised in the second half of 2022. The main reason

¹¹ Varied views have been expressed about the treatment of unutilised ABFA. While one school of thought holds that ABFA unutilised at the end of the fiscal year should be returned to the PHF for redistribution during the next year, the other view has been that the Act does not contemplate the return of unutilised ABFA into the PHF. The latter is what underpins the current practice of ring-fencing unutilised ABFA and using it to fund projects and programmes.

assigned by the MoF for this under-utilisation was that invoices did not reach the payment stage on the Government Integrated Financial Management Information System (GIFMIS). Also, other invoices were yet to be processed by the implementing agencies.

Out of the total ABFA utilisation for H1 2022, an amount of GH¢93,008,219.02 (17.65%) was spent on Goods and Services while an amount

of GH¢434,072,779.34 (82.35%) was spent on CAPEX (Public Investment Expenditure).

6.3.1 Distribution to the Priority Areas

For the period under review, the ABFA was disbursed to the four priority areas approved for the utilisation of the petroleum revenues. The distribution is shown in Table 21.

Table 21: ABFA Utilisation by Priority Areas for H1 2022

No.	Priority Area	Goods & Services, GH¢	Public Investment Expenditure (CAPEX), GH¢	Total GH¢	Percentage
1.	Agriculture	-	24,113,782.76	24,113,782.76	4.57
2.	Infrastructure & Service Delivery in Education & Health	87,568,450.68	-	87,568,450.68	16.61
3.	Road, Rail & Other Critical Infrastructure Development		409,958,996.58	409,958,996.58	77.78
	o/w GIIF ¹²		180,883,804.06	180,883,804.06	
	o/w DACF	-	-	-	
4.	Industrial Development	1,979,567.34	-	1,979,567.34	0.38
	Public Interest & Accountability Committee	3,460,201.00	-	3,460,201.00	0.66
	Total	93,008,219.02	434,072,779.34	527,080,998.36	100

Source: MoF Data, June 2022

6.3.1.1 Agriculture

The Agriculture Priority Area received GH¢24,113,782.76 representing 4.57 percent of the utilised ABFA for H1 2022, and 66.73 percent of the projected utilisation for the entire year. An amount of GH¢23,355,745.76 (97% of the disbursement to this priority area) was used to support the Planting for Food and Jobs Programme as well as the Phase II of the construction of irrigation infrastructure in Tamne for agricultural production. The rest of the disbursement was used for the construction of a laboratory block at the Anomabo Fisheries

College. The expenditure under this priority area for H1 2022 represents 722.73 percent increase over the expenditure under the same priority area for the same period in 2021.

6.3.1.2 Physical Infrastructure and Service Delivery in Education and Health

This priority area received an amount of GH¢87,568,450.68 being 16.61 percent of the utilised ABFA for H1 2022, and 8.53 percent of the projected allocation to this priority area for the entire year. The disbursement, which was made to the Ministry of Education, was used for Goods

¹² The disbursement of GH¢180,883,804.06 to GIIF is contained in the Road, Rail & Other Critical Infrastructure Development Priority Area (GH¢409,958,996.58)

and Services to support the Free Senior High School Programme. There was no expenditure under the Health aspect of this priority area.

6.3.1.3 Industrial Development

The Industrial Development Priority Area received an amount of GH¢1,979,567.34 representing 0.38 percent of the total H1 2022 utilisation and five (5) percent of the projected allocation for the year. The Ministry of Lands and Natural Resources expended the funds to carry out such preliminary works as payment for the development of a strategic master plan for the Ghana Integrated Iron Steel Development Corporation (GIISDEC), technical advisory services and mobilisation for phase 1 at Santrokofi Akpafu Iron Ore Concession Site. This disbursement constitutes an increase of 948 percent over the disbursement to the same priority area in H1 2021.

6.3.1.4 Road, Rail and Other Critical Infrastructure Development

The Road, Rail and Other Critical Infrastructure Development Priority Area received an amount of GH¢409,958,996.58 accounting for 77.78 percent of H1 2022 total utilisation and 20 percent of the projected allocation. The entire amount which was used to fund CAPEX (Public Investment Expenditure) was utilised as follows:

6.3.1.4.1 Road Infrastructure

About 52 percent of the disbursement to this priority area (GH¢212,115,116.54) went to the Ministry of Roads and Highways for various road projects covering construction, reconstruction, bitumen surfacing, rehabilitation, upgrading, asphaltic overlay, etc. across the country. Some of the major road projects that received ABFA funding were the reconstruction of the Kwabeng-Abomosu-Asuom road, Rehabilitation of Besease Roads 1,2,3,4, 5 & Links in Kumasi, Upgrading of the Asikuma Junction – Havè, Road Section - (Km 0 - 45) Phase 1 of the Eastern Corridor Road. Further details are provided in Appendix C of this report.

6.3.1.4.2 Other Critical infrastructure

The remaining 48 percent of the funds to this priority area (GH¢197,843,880.04) was disbursed to the underlisted implementing agencies as set out below:

- i. Ministry of Water Resources and Sanitation - GH¢1.54 million for the supply and laying of HDPM transmission, and construction of institutional toilets in the Bono Region;
- ii. Ministry of Works and Housing - GH¢0.80 million for consultancy service for the construction of Drainage systems over River Wiwi in Kumasi;
- iii. Office of Government Machinery - GH¢7.46 million for the construction of small dams and dugouts, classroom blocks, community markets, boreholes, feeder roads etc. under the Infrastructure for Poverty Eradication Programme (IPEP);
- iv. The Ministry of Local Government, Decentralisation and Rural Development - GH¢7.06 million for the supply of office equipment and the construction of administrative blocks in Ahafo, Bono, Bono East and Oti Regions.
- v. The Ghana Infrastructure Investment Fund (GIIF) - GH¢180.88 million (US\$25.62 million).

6.3.1.4.3 Rail Infrastructure

There was no disbursement to the Rail aspect of this priority area during the period under review.

6.3.2 Distribution to the Ghana Infrastructure Investment Fund

Following the passage of the Ghana Infrastructure Investment Fund (Amendment) Act, 2021 (Act 1063) and the subsequent resumption of allocation of petroleum revenues to the Fund in 2021, an amount of US\$25,622,894.95 (GH¢180,883,804.06) was disbursed to the Ghana Infrastructure Investment Fund (GIIF) for the period under review. This represents an 18 percent increase over the distribution to GIIF for H1 2021.

According to GIIF, the entire disbursement was used to support the Agenda 111 Project of the Government which involves the construction of 101 District Hospitals; Eight (8) Regional Hospitals including the rehabilitation of the Effia-Nkwanta Hospital and two (2) Psychiatric Hospitals.

GIIF has indicated that it has been engaged by the Ministry of Finance (MoF) to help ensure administrative and project management efficiencies as well as payment integrity throughout the process especially for the 101 standard 60/100-bed district hospitals. To isolate this activity from the rest of GIIF's business, GIIF has established a new ring-fenced subsidiary vehicle known as H-GIIF to execute the transaction and all payments to the contractors.

PIAC notes that even though there was no expenditure under the health component of the Physical Infrastructure and Service Delivery in Education and Health Priority Area during the period under review, ABFA disbursements made to GIIF were channeled towards the Agenda 111 Project.

It may be worth considering for the Government to direct subsequent disbursements to GIIF intended for Agenda 111, to the Ministry of Health to support the Project. This will enable GIIF focus on its core mandate of investing funds, including its ABFA disbursements, in commercial infrastructural projects that would yield returns, in accordance with the GIIF Act, 2014 (Act 877) and policy guidelines of the Fund.

6.3.3 Distribution to the Public Interest and Accountability Committee

An amount of GH¢3,460,201 representing 0.66 percent of the total utilisation was disbursed to the Public Interest and Accountability Committee (PIAC) for the first half of the year for its activities, as provided for by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

This disbursement represents 60 percent of the budgeted allocation to the Committee for 2022.

6.3.4 District Assembly Common Fund

The projected allocation to the DACF for 2022 was GH¢157,768,890. For the period under review, there was no disbursement to the DACF. In the 2021 PIAC Annual Report, the Committee reported that the total ABFA transferred to the DACF for the entire year was GH¢32.38 million. Subsequent to the publication of the report, PIAC received additional information from MoF to the effect that an additional amount of GH¢85.95 million had been released to DACF. However, GH¢32.38 million had actually been received by DACF within the reporting period. The Controller & Accountant-General is in the process of transferring the additional funds to DACF.

Findings

1. There was unutilised ABFA of GH¢201,996,032.27 as at the end of 2021, representing 9.80% of 2021 utilisation. This figure was not brought forward in H1 2022.
2. No transfer of ABFA was made into the DACF during H1 2022, even though an amount of GH¢157.77 million was budgeted for 2022.
3. An amount of US\$25.62 million was received by GIIF in H1 2022. This is the second time, since 2021, that GIIF has received funds for Government's Agenda 111 Project.
4. An amount of US\$25.62 million was transferred to GIIF in H1 2022. According to the Fund, the entire disbursement was used to support the Agenda 111 Project of the Government. This is the second time, since 2021, that GIIF has received funds for the Agenda 111 Project. In 2021 an amount of US\$49,390,491.08 (GH¢290,377,059.18) was allocated to the fund. PIAC is yet to receive specific details of all disbursements.

CHAPTER 7

7 MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS

7.1 Ghana Petroleum Funds: Stabilisation and Heritage Funds

The Ghana Stabilisation Fund (GSF) and Ghana Heritage Fund (GHF) make up the Ghana Petroleum Funds (GPFs or the Funds). The PRMA's disbursement requirements provide that the Funds must receive at least 30 percent of the benchmark revenue or realised petroleum revenue in any fiscal year. The Law further mandates that at least 30 percent of the revenue accruing to the Funds be deposited into the GHF, and the remaining portion into the GSF.

7.1.1 Ghana Heritage Fund (GHF)

When Ghana's petroleum reserves are exhausted, the GHF offers an endowment to assist development for upcoming generations. Due to the requirement for the GHF to be invested in conservative instruments, the Fund is invested outside of Ghana in safe but low-yielding investments. Investment-grade bonds and convertible currency deposits issued by sovereign nations, Central Banks, and multilateral organisations like the Bank for International Settlements are the only instruments that qualify. According to the PRMA, Parliament is required to evaluate any limitations on transfers from the Heritage Fund every 15 years and to also transfer a portion of the accrued interest into any additional fund(s) created by Act 815.

7.1.2 Ghana Stabilisation Fund (GSF)

The GSF was created to enable the government draw from the Fund in the event of economic shocks or unexpected drops in petroleum revenue that make it necessary to find funding to balance the budget. Therefore, the Fund mitigates the effect on public expenditure capacities, as was

noticed in 2015, 2016, 2020, 2021, and H1 2022. The withdrawals in 2015, 2016 and 2020 resulted from unexpected shortfalls in petroleum revenue brought on by low oil prices, while the withdrawals in 2021 and H1 2022 were to shore up the Government's post-COVID-19 economic recovery programme expenditure.

Depending on the demands of the macroeconomic environment, the Minister for Finance may decide to cap the amount that can be accumulated to the GSF, subject to parliamentary approval. The Minister can review the cap either upward during times of high oil prices or downward during times of low oil prices.

Similarly, during a national emergency, the Stabilisation Fund may, subject to L.I. 2381, be capped and any surplus transferred to the Contingency Fund, as established by the 1992 Constitution, and mandated by the PRMA.

7.1.2.1 Capping of the Ghana Stabilisation Fund

The PRMA authorises the Minister for Finance to cap the GSF and the excess over the cap transferred into the Contingency and Sinking Funds. Regulation 8 of the Petroleum Revenue Management Regulations, 2019 (L.I. 2381) provides the formula for the calculation of the cap. Sub-Regulation 1 provides that in recommending the maximum amount of accumulated resources of the GSF, the Minister shall ensure the amount is not less than the average of ABFA over a three-year period. Sub-Regulation 2 provides the 3-year period in Sub-Regulation 1 shall comprise;

- a. The current financial year
- b. The year preceding immediately before the current financial year; and
- c. The year immediately after the current financial year

On the basis of L.I 2381, the cap for 2022 should be calculated as shown in Table 22.

Table 22: Determination of 2022 GSF Cap

Current Financial Year (2022) (A)	US\$475.41 million
The year preceding immediately before the current financial year (2021) (B)	US\$352.79 million
The year immediately after the current financial year (2023) (C)	US\$553.70 million
Total (A+B+C)	US\$1,381.90 million
Average (Total/3)	US\$460.63 million

Source: PIAC's Construct based on 2022 Budget and Economic Policy, June 2022.

Therefore the cap on the GSF by L.I 2381 should be US\$460.63 million for the year 2022 and not US\$100 million determined by the Minister for Finance.

7.2 Ghana Petroleum Wealth Fund (GPWF)

Section 20 of Act 815 mandates that the funds held in the Ghana Petroleum Funds be combined into one fund, to be called the Ghana Petroleum Wealth Fund (GPWF), within a year of the depletion of the country's petroleum reserves. The GPFs will cease to exist following this consolidation. Illustrated in Figure 12 are the GPWF's sources of income.

The GPWF will offer dependable funding for public expenditures. The funds shall be invested in approved securities, and the Minister, acting on the Investment Advisory Committee's recommendations, must evaluate these securities every three years or sooner. 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.

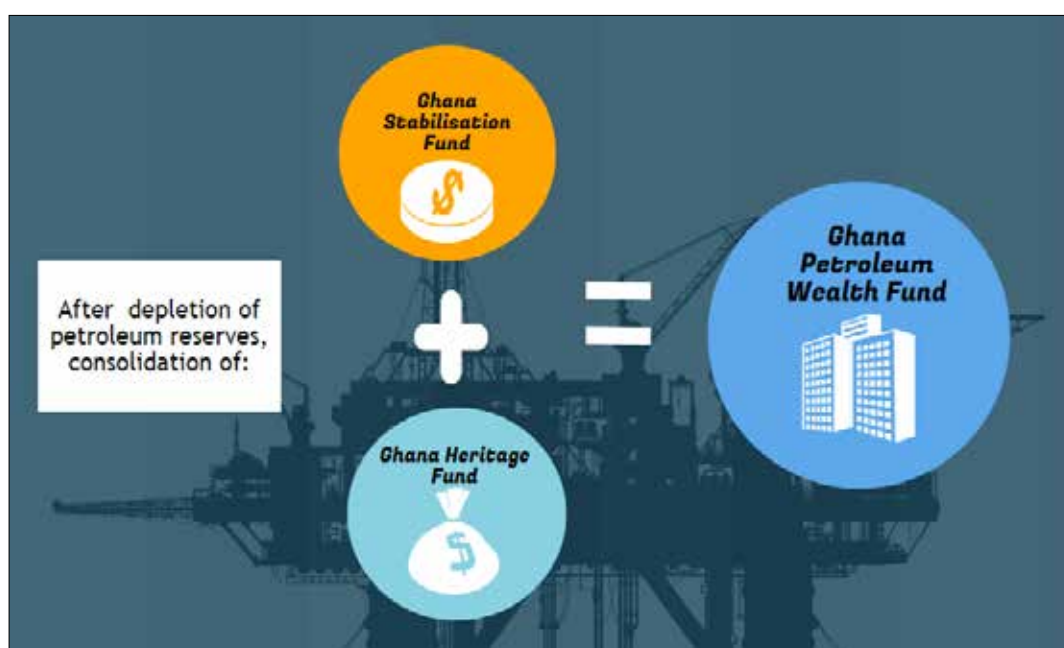


Figure 12: The Ghana Petroleum Wealth Fund

Source: PIAC's Simplified PRMA, 2017.

7.3 Receipts and Returns on Investments

In comparison to H1 2021, when the GPFs received US\$76.76 million from the PHF, the amount received during the period under review was US\$390.03 million. Of this, US\$273.02 million and US\$117.01 million were disbursed to the GSF and GHF respectively. The GPFs' receipt represented a 408.12 percent rise over the corresponding H1 2021 receipts.

In contrast to the US\$8.74 million realised at the end of June 2021, the Funds' net return on investments were US\$7.13 million in H1 2022 - an 18.42 percent decrease. As shown in Figure 13, the GSF contributed 10.77 percent (US\$0.77 million) of the net income compared to 1.17 percent (US\$0.10 million) in H1 2021, while the GHF contributed 89.23 percent (US\$6.36 million) compared to 83 percent (US\$7.14 million) in H1 2021.

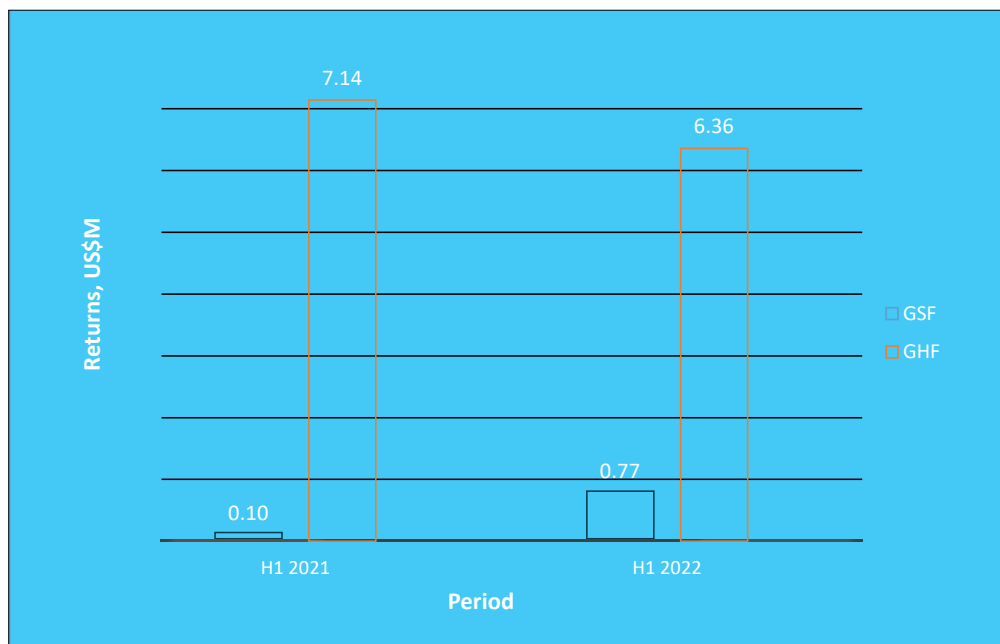


Figure 13: Returns on the Ghana Petroleum Funds in H1 2021 and H1 2022

Source: PIAC Construct, from BoG Data, June 2021

Compared to the GSF, investments made with the GHF are often of a long-term nature. However, the GHF is occasionally invested across the full range of the US yield curve - short, medium, and long term – to benefit from the entire investment spectrum. The 2-year and 10-year US Treasury Notes have historically served as the benchmarks for returns.

The Bloomberg Barclays U.S. Treasury Index experienced a -9.14 percent return in H1 2022. The overall (year-to-date) return on investment of the GHF for the period decreased by 7.45 percent. The annualised returns over the past two and three years for the GHF were down by 4.95 percent and 1.18 percent, respectively.

The returns on the GSF in H1 2022 and the 2-year annualised yield decreased by 0.43 percent and 0.16 percent, respectively.

In response to rising inflation and market turbulence, the ongoing conflict in Ukraine, renewed worries about the negative consequences of China's zero-COVID policy, and a change in the outlook for monetary policy towards a more aggressive tightening, the U.S. treasury yield curve moved significantly higher overall. Increased demand for short-term investments during the review period was as a result of elevated uncertainty about the direction of interest rates.

7.4 Accumulations and Reserves

Figure 14 displays the net profit on investment of US\$104.69 million for the Ghana Petroleum Funds since November 2011. GHF and GSF made a contribution of 76 percent and 24 percent, respectively.

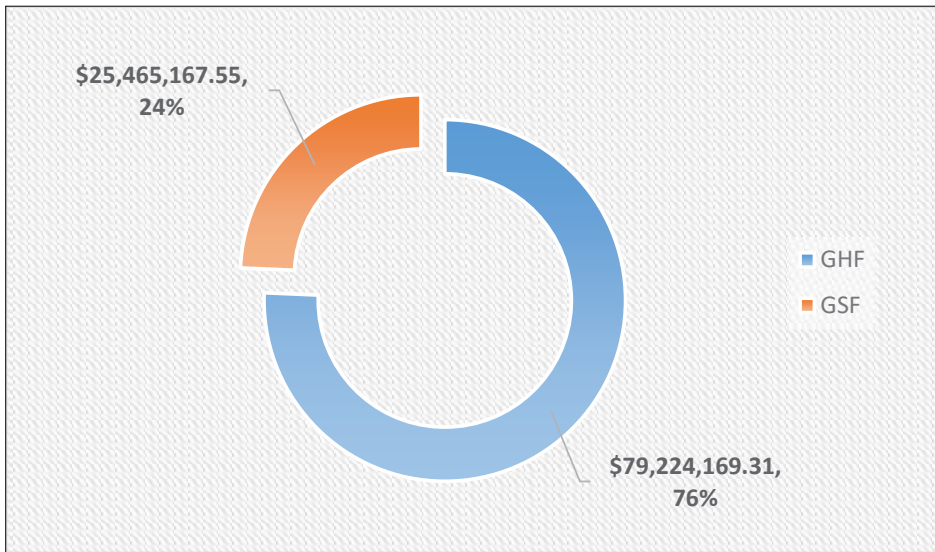


Figure 14: Net Realised Income on the Ghana Petroleum Funds since Inception

Source: PIAC Construct, from BoG Data, June 2022.

As at the end of June 2022, the GPFs had US\$1,223.70 million in total reserves, as shown in Figure 15. This included GHF with an accumulation of US\$849.91 million (US\$676.45 million in H1 2021) and GSF with US\$373.79 million (US\$138.84 million in H1 2021), which represented an increase of 50.09 percent from the reserves at the end of June 2021 (US\$815.29 million).

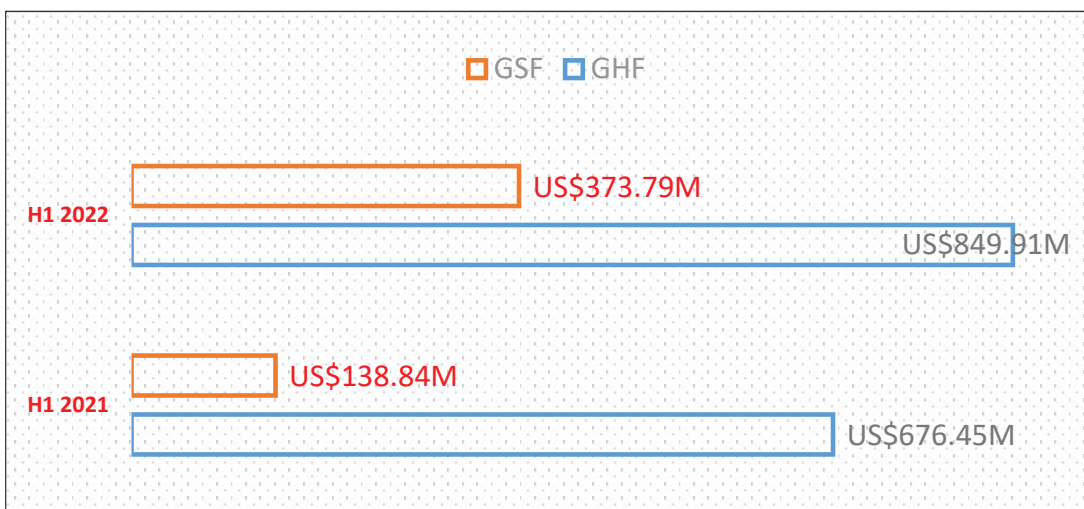


Figure 15: Reserves of the Ghana Petroleum Funds as at 30th June 2022

Source: PIAC Construct, from BoG Data, June 2022.

Shown in Table 23 are details of the Ghana Petroleum Funds.

Table 23: Net Accumulated Reserve of the Ghana Petroleum Funds in US\$

Fund	Allocations Since Inception	Realised Income (Nov. 2011 – June 2020)	Total Since Inception	Withdrawals	Closing Value
GHF	770,686,540.49	79,224,169.31	849,910,709.80	-	849,910,709.80
GSF	1,819,473,943.10	25,465,167.55	1,844,939,110.65	(1,471,150,327.25)	373,788,783.75
Total	2,590,160,483.59	104,689,336.86	2,694,849,820.45	(1,471,150,327.25)	1,223,699,493.55

Source: BoG, June 2022

7.5 Ghana Stabilisation Fund

7.5.1 Withdrawals

As determined by the Minister for Finance and approved by Parliament under Section 23(4) of the PRMA as amended, the cap (threshold) remained at US\$100 million. Throughout the period, withdrawals totaled US\$144.89 million over the threshold (cap). According to the Bank of Ghana, at the end of June 2022, there was an excess above the cap of US\$273.79 million, while the closing amount was US\$373.79 million (see the Statement of Accounts in Table 24).

Table 24: GSF Statement of Account for H1 2022

	US\$
Opening Book Value (1 Jan 2022)	244,888,360.88
Receipt During the Period	273,020,941.59
Bank Charges	(5,973.62)
Realised Income	773,815.78
Withdrawal	(144,888,360.88)
Closing Book Value (30 June 2022)	373,788,783.75
Net Income for the Period Comprised:	
Income	US\$
Investment Income	773,815.78
Less:	
Bank Charges	(5,973.62)
Net Return for the Period	767,842.16

Source: BoG, June 2022

7.6 Ghana Heritage Fund

The closing book value of the Ghana Heritage Fund as at the end of June 2022 was US\$849.91 million, as indicated in Table 25.

Table 25: GHF Statement of Account for H1 2022

	US\$
Opening Book Value (1 Jan 2022)	726,537,953.62
Receipt During the Period	117,008,974.96
Bank Charges	(23,349.75)
Realised Income	6,387,130.98
Closing Book Value (30 June 2022)	849,910,709.81
Net Income for the Period Comprised:	
Income	US\$
Investment Income	6,387,130.98
Less:	
Bank Charges	(23,349.75)
Net Return for the Period	6,363,781.23

Source: BoG, June 2022.

7.7 The Petroleum Holding Fund

At the end of H1 2022, the PHF had a balance of US\$0.37 million, made up of a mandatory balance of US\$0.20 million, and PHF overnight interest of US\$0.17 million.

Findings

1. Despite withdrawals from the GSF, the reserves of the GPFs increased by 50.09 percent, from US\$815.29 million as at the end of H1 2021 to US\$1.22 billion in H1 2022.
2. The net return on investment of the Ghana Petroleum Funds of US\$7.13 million represents a 18.42 percent reduction from that of H1 2021 (US\$8.74 million). The year-to-date (YTD) yield of the GSF returned 0.43% as compared to 0.33% (H1 2021).

- Likewise, the GHF witnessed a decrease in the overall return by 7.45 percent for H1 2022, as compared to a decrease of 2.13% in H1 2021. This decrease was due to an elevated uncertainty in the direction of interest rates which resulted in the global increase in demand for short-term investments, relative to long-term during the review period. This had a pronounced negative effect on the yield of the GHF investments, which are long-term in nature.
3. The retention of the current cap of US\$100 million on the GSF for the year 2022 is not in accordance with the formula stipulated in L.I 2381. A proper application of the formula would have returned a cap of US\$460.63 million.

CHAPTER 8

8 GNPC ALLOCATION AND UTILISATION

8.1 Introduction

The Ghana National Petroleum Corporation (GNPC) or the Corporation was established in 1983 by the GNPC Act, 1983 (PNDCL 64). As a National Oil Company (NOC), it is responsible for the exploration, licensing, and distribution of petroleum-related activities in Ghana and plays a key role along the petroleum value chain from licensing and extraction to decommissioning. GNPC is party to every petroleum agreement and holds the state's interest on behalf of the government of Ghana.

The Petroleum Revenue Management Act, 2011(Act 815) as amended makes provision for financial resources to be ceded from petroleum revenues to the NOC. The deduction from petroleum receipts is done at two levels:

- Level A: Equity financing costs (including interests and advances) from the proceeds of the Carried and Participating Interests before payment into the PHF.
- Level B: Allocation to GNPC of not more than 55 percent of the net cash flow from the Carried and Participating Interests (CAPI) after deducting the equity financing cost (in cash or equivalent barrels of oil).

In practice, these allocations have been about 30 percent of net CAPI over the past four years. The PRMA provides that Level B allocations shall be made to GNPC for a period not exceeding 15 years i.e. until 2026.

Besides these two main sources of revenue, GNPC also receives training and technology grants from existing Petroleum Agreements (PAs), interest on short-term investments and miscellaneous income.

For 11 years (2011 – 2021), GNPC's receipts in total equity financing costs (Level A receipts) amounted to US\$1.30 billion, representing 56.61 percent of the total GNPC allocations. Level B receipts for operational costs and other expenditures amounted to US\$994.54 million, representing 43.39 percent of total allocations. The total receipts of the Corporation amount to US\$2,292.31 million for the 11-year period.

This section provides a review of the allocations and utilisation of GNPC's receipts for H1 2022.

8.2 Actual Allocation

GNPC received a total amount of US\$173.84 million for H1 2022. Cash balance brought forward from 2021 was US\$0.85 million plus crude oil receipts of US\$173.84 million bringing the total cash available for H1 2022 to US\$174.69 million. Of the crude oil receipts (US\$173.84 million) for the period, US\$64.88 million was proceeds from the 63rd Jubilee and 20th TEN liftings in December 2021.

The breakdown is as follows:

8.2.1 Equity Financing (Level A)

- Jubilee Equity financing (share of development & production cost) – US\$54.03 million;
- TEN Equity financing (share of development & production cost) – US\$32.05 million;
- Sankofa Equity financing (share of development & production cost) – US\$10.48 million.

8.2.2 Percentage of Net Proceeds (Level B)

- 30% share of net proceeds of Jubilee crude oil revenue – US\$41.62 million;
- 30% share of net proceeds of TEN crude oil revenue – US\$6.16 million;

- 30% share of net proceeds of SGN crude oil revenue – US\$29.50 million

8.3 Expenditure

A total amount of US\$148.39 million of total revenue was expended in the period under consideration, leaving a balance of US\$26.30 million as shown in Table 26.

Table 26: GNPC's Receipts and Expenditure for H1 2022

SRN	Item	Amount (US\$)
Receipts		
1	Level A Receipts (Equity Financing) - Jubilee	54,028,881.59
2	Level B (30% of Net Proceeds) - Jubilee	41,623,354.05
3	Level A Receipts (Equity Financing) - TEN	32,048,698.70
4	Level B (30% of Net Proceeds) - TEN	6,155,729.42
5	Level A Receipts (Equity Financing) - SGN	10,481,103.50
6	Level B (30% of Net Proceeds) - SGN	29,505,846.02
	Total Amount Received (A)	173,843,613.28
Expenditure		
1	Jubilee Equity Financing Cost	58,950,098.54
2	TEN Equity Financing Cost	20,670,823.75
3	Sankofa/OCTP Financing Cost	3,072,703.20
4	Exploration and Development Projects -Note 1	11,508,599.97
5	Staff Cost	8,483,241.01
6	Admin. Capital Expenditure	534,054.87
7	Capital Projects	16,012,280.18
8	General Operational Expenditure	10,139,442.08
9	Gas Enclave Roads Payments	983,717.62
10	Saltpond Field Decommissioning Project	5,912,067.27
11	Mid-Stream & Other Projects	640,036.78
12	Repayment of Loan for Karpower Barge Movement	3,712,478.50
13	Sustainability and Stakeholder Relations and GNPC Foundation	7,579,720.88
14	Subsidiary Expenditure	193,526.96
	Total Expenditure (B)	148,392,791.61
	Net Position (C) (A-B)	25,450,821.67
	Add: Cash Brought Forward (01.01.2021) (D)	845,802.84
	Total Cash Available (E) (C+D)	26,296,624.51
	Note 1 –Breakdown of Exploration & Development Projects	Amount (US\$)
	Voltaian Basin Petroleum Projects	9,504,934.62
	Tano -Heritage (OSWT)	240,921.39
	N&S Tano - Camac (Erin)/Explorco	57,821.13
	A-Z Petroleum	406,124.63
	Springfield	238,092.29
	GH-WB-01 (GNPC)	68,834.68

	ENI Block 4	455,685.61
	Maritime Boundary Special Project	536,185.61
	Total Non-Jubilee, TEN and SGN Projects Expenditure	11,508,599.96

Source: PIAC's Construct based on GNPC Data 2022

8.3.1 Jubilee Expenditure

Of the total amount received during the period under review, US\$58.95 million representing 33.91 percent was utilised in respect of GNPC's share of production and development cost in the Jubilee Field. The amount of US\$58.95 million also represents 15.16 percent of total Jubilee production and development costs of US\$388.85 million incurred from January to June 2022 in line with the Corporation's interest in the Field.

8.3.2 TEN Expenditure

The expenditure of US\$20.67 million on the TEN Field's production and development cost represents 11.89 percent of the amount received during the period under review. This expenditure represents 9.34 percent of total TEN production and development costs of US\$388.85 million incurred from January to June 2022, lower than the 15 percent initial and additional interest in the Field.

8.3.3 SGN Expenditure

The expenditure of US\$3.07 million representing 1.77 percent of amount received during the period under review was in respect of GNPC's share of production and development cost in the SGN Field. GNPC's expenditure on the SGN Field represents 1.91 percent of total development and production cost of US\$160.32 million on the Field for the period. It is worth noting that the SGN PA allows the other partners to advance payments for cash calls on behalf of GNPC and lift the Corporation's share of crude to settle its cash call obligations.

8.3.4 Exploration & Development Projects

An amount of US\$11.51 million representing 6.62 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 Sankofa such as Voltaian Basin, Eni Block 4, Maritime Boundary Special projects, etc. A breakdown of exploration and development projects are shown in Note 1 of Table 26.

8.3.5 Staff Cost

Expenditure on Staff cost amounted to US\$8.48 million, which is 4.88 percent of total receipts for the period. This spending was in respect of remuneration for Technical as well as Petro-business support staff. Compared with the 2021 half year spending of US\$11.66 million, this spending represents a 27.27 percent reduction in staff cost.

8.3.6 Administrative Capital Expenditure

Administrative capital expenditure amounted to US\$0.53 million and this represents 0.31 percent of total receipts for the period under review. This covered expenditure on new laptops and workstations for corporate use.

8.3.7 Capital Projects

An amount of US\$16.01 million, representing 9.21 percent of total receipts was spent on various capital projects including the Research and Technology Project, virtualisation solutions and digital transformation, and the Accra Head Office building. The disbursement to these projects is 480.78 percent higher compared to that of H1 2021. Table 27 provides the breakdown of GNPC capital projects for H1 2022.

Table 27: Breakdown of GNPC Capital Projects for H1 2022

Capital Projects	Amount (US\$)
ICT Upgrade	740,260
Works on Landed Property	390,153
Research and Technology Center	2,554,865
Corporate Offices	12,327,011
Total	16,012,280

Source: GNPC Data, June 2022

8.3.8 General Operating Expenditure

An amount of US\$10.14 million representing 5.83 percent of total receipts within the period went into Operating Expenditure. Expenditure items under this included insurance, utilities, communication expenses, professional services, ICT-related cost, such as, software maintenance, general repairs and maintenance, vehicle repairs and maintenance, among others. This expenditure represents a 365.14 percent increase of that of H1 2021 for the same expenditure items listed under this budget line. According to the Corporation, the increase was largely attributable to rent and withholding tax payments carried over from 2021.

8.3.9 GNPC Gas Enclave Roads Payments

An amount of US\$0.98 million was expended on the Gas Enclave Road project representing 0.57 percent of total receipts. This represents a 681.63 percent reduction over the half year 2021 expenditure of US\$6.68 million. According to GNPC, the payment represents the IPCs received and what was due to be paid by H1 2022. As indicated in the PIAC 2021 Annual Report, this has been a constant item on GNPC's books since 2014. GNPC explains that it is supporting the construction of key roads within the Western Corridor to facilitate the evacuation of gas from the Ghana National Gas Company Ltd at Atuabo in line with the Corporation's role as the gas aggregator. In May 2020, the Presidency in a letter approved a proposal by GNGC to assign the role of Gas Aggregator to the Company (GNGC). In practice however, GNPC continues to perform this role.

8.3.10 Saltpond Field Decommissioning

An amount of US\$5.91 million was spent on the Saltpond Field representing 3.40 percent of total receipts for the period under review. The amount was spent on salaries, crew change, food supply, fuel, transportation, and first milestone payment towards the decommissioning of the Field.

8.3.11 Mid – Stream and Other Projects

An amount of US\$0.64 million was spent on Mid-Stream activities, including the Petroleum Hub and City Gate projects, accounting for 0.37 percent of total receipts for the period under review.

8.3.12 Repayment of Loan for Karpower Barge Movement

As reported in the 2021 PIAC Annual Report, this expenditure item represents repayments of a loan of about US\$31 million contracted from GCB Bank to facilitate the relocation of the Karpower Barge from Tema to Takoradi, which commenced in 2019. This was done to fulfill the gas offtaker obligation of the SGN field. A total amount of US\$36,361,806.65 was expected to be repaid by GNPC (including an interest of US\$5,361,806.65 million).

In 2020 and 2021, a total of US\$21,835,752.18 and US\$11,137,435.50 respectively were paid as various instalment payments totalling US\$32,975,752.18. For the first half of 2022, a total of US\$3.71 million was paid as the 10th and final instalment payment representing 2.14 percent of receipts for the period.

8.3.13 Outstanding Payments and Guarantees on behalf of Government and other State-owned Enterprises.

GNPC's total guarantees and payment receivable amounted to US\$1.46 billion as at the end of H1 2022 (see Table 28). These payments and

guarantees were made on behalf of Government of Ghana, State-Owned Enterprises (SOEs), national and local infrastructure projects, and outstanding indebtedness associated with gas supplied to GNGC.

Table 28: GNPC's Payments and Guarantees as at 30th June, 2022

Agency	H1 2022 Outstanding Balance (US\$)	Date Receivables Crystallised	H1 2022 Status
Government of Ghana	23,217,406.00		Updated to full year
MoF Enclave Roads (GHS)	26,901,979.64	2015 to date	No change
MoF Enclave Roads (US\$)	17,188,682.54	2015 to date	No change
Advance to Ministry of Finance	50,000,000.00	2014	No change
Tema Oil Refinery	58,404,875.00	2011	No change
ECG-BG Related Charges	4,966,027.40	2015-2017	No change
GNGC - 14km Offshore Pipeline	44,618,789.36	2010	No change
MOE Current Account (GCB Bank Loan)	0.00	2018/19	Fully paid in February 2022
*OCTP Escrow	100,000,000.00	2018/19	No Change
ECG HFO Commitment (Litasco)	154,986,378.00	Secured 19th August 2020 **Amortization ongoing	Balance of the debt as at 30/06/2022 stood at US\$107,336,697. Also outstanding is HFO supplied to AKSA totaling US\$47,649,681
MoF BOST Under recoveries	20,177,583.00	2015	Final Under recovery amount recommended to MoF for settlement by EY audit review
Sub-total	500,461,720.94		
Outstanding from Gas Sales			
Volta River Authority	253,503,285.68	ongoing	Not paid
Total outstanding receivables from GNGC	574,882,723.60	ongoing	
Sub-total	828,386,009.28		

***Karpower Guarantees	136,000,000.00		Total Karpower Guarantees outstanding is US\$136 million of which Guarantee A (for early termination and reducible by 10% annually) is US\$57 million and Guarantee B (for Capacity) is US\$79 million
Sub-total	136,000,000.00		
Total	1,464,847,730.22		

Source: GNPC, June 2022

*OCTP Escrow - Represents funds put in an escrow for security which has been utilised by contractors because of non-payment by users.

**Date financing procured for a 3-year tenor

***Karpower Guarantees are Contingent Liabilities. The issuance fees are paid by GoG when they fall due.

Some of these payments and guarantees have been in the books of GNPC since 2011. As reported in the 2021 PIAC Annual Report, GNPC planned to recover a minimum of US\$126.68 million, out of an accumulated total of US\$318.09 million (excluding Karpower guarantee and gas indebtedness). However, no amount was recovered at the end of 2021. Again in 2022, the Corporation indicated that it was critical for it to receive at least US\$183.47 million out of a total amount of US\$316.38 million (excluding Karpower guarantee and gas indebtedness) owed it by Government of Ghana and its Agencies to enable GNPC meet its 2022 budgeted expenditure. As at the end of H1 2022, no recoveries had been made.

8.3.14 Subsidiary Expenditure

An amount of US\$0.19 million was spent on supplies and technical services for the production of gold at Prestea Sankofa Gold Limited, one of GNPC's subsidiaries representing 0.11 percent of the total receipts for the period under review. Total disbursements of US\$6,765,125.70 have been made between 2020 and H1 2022, following a GNPC board decision to constitute a Reorganisation Committee to revamp the Prestea Sankofa Gold Mine.

8.3.15 Sustainability and Stakeholder Relations and GNPC Foundation

A total of US\$7.58 million was spent on

sustainability and stakeholder relations, scholarship awards and community projects of the GNPC Foundation representing 4.36 percent of the total receipts for the period under review.

8.4 GNPC Foundation

GNPC disbursed an amount of US\$7.58 million for "Sustainability and Stakeholder Relations and GNPC Foundation" to fund projects and programmes as well as operational activities undertaken by the Foundation in H1 2022. The Foundation has a broader scope and mandate for Corporate Social Investments (CSI), based on four (4) thematic areas of support to stakeholder communities:

- Education and Training;
- Economic Empowerment;
- Environment and Social Amenities; and,
- Sports.

The Foundation received an amount of US\$3.52 million and GH¢23.80 million for the period under review. Also, the Foundation brought forward an amount of GH¢4.43 million from the previous year. Of the GH¢21.40 million spent on projects and programmes, an amount of GH¢14.73 million was spent on Education and Training, GH¢1.09 million on Environment and Social Amenities, GH¢0.37 million was spent on Economic Empowerment (Training of National Vocational Training Institute

[NVTI] Artisans in various regions) and GH¢5.22 million on Sports (construction of Astro Turfs).

Additionally, an amount of GH¢2.57 million was spent on operational expenses of the Foundation. With the dollar receipts, an amount of US\$2.15 million out of the US\$3.52 million was spent on foreign scholarships as part of the Foundation's "Education and Training" thematic area. A breakdown of the GNPC Foundation's expenditure for the first half of 2022 is shown in Appendix D.

Finding

1. Total outstanding payments and guarantees by GNPC on behalf of other State-owned enterprises amounted to US\$636.46 million (excluding payments expected from gas sales) as at the end of H1 2022. GNPC continues to budget for recoveries from receivables (US\$183.47 million in 2022 and US\$126.68 million in 2021), but no recoveries were made as at the end of H1 2022.

CHAPTER 9

9 OPERATIONS OF GHANA NATIONAL GAS COMPANY

Ghana is endowed with a gas reserve potential of about 2.23 Trillion Cubic Feet on its three (3) producing fields offshore. To harness this, a National Gas Development Taskforce was commissioned in February 2011 by the Government to build the needed gas 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 approved 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 Ghana's gas resources.

Currently, the power generation sector uses the bulk of the country's 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 deficit.

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

9.2 Volumes and Cost of Raw Gas Received from GNPC

As at 30th June, 2022, a total volume of 19,371.19 MMSCF of raw gas from the Jubilee and TEN Fields was received by GNGC from GNPC. Figure 16 provides Jubilee and TEN raw gas quantities received from GNPC for the period under review.

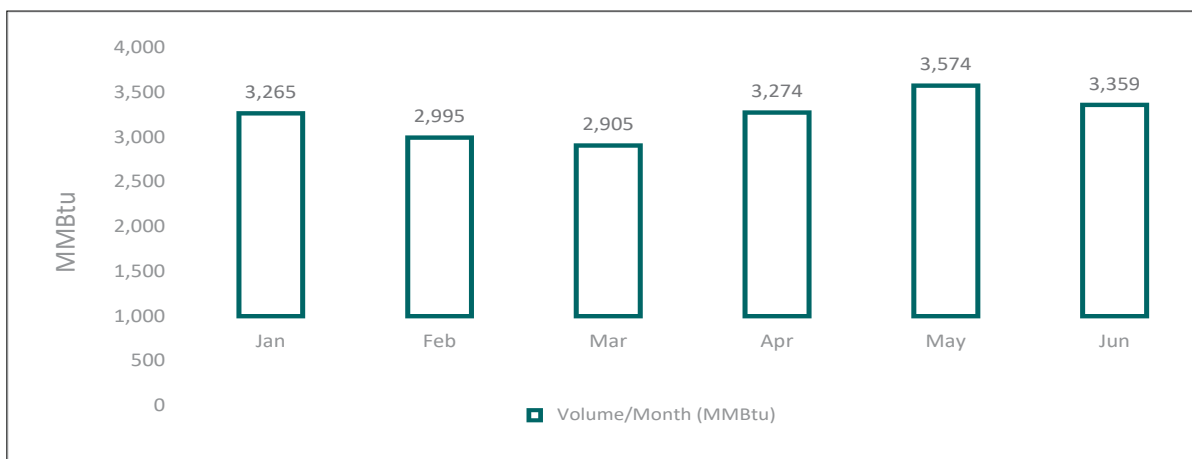


Figure 16: Total Volumes of Raw Gas Received from GNPC

Source: PIAC Construct, based on GNGC data, June 2022

The volumes of raw gas received from GNPC over the period averaged 3,228.53 MMSCF (see Figure 17). This represents a two (2) percent reduction from the total volume of 19,865.80 MMSCF for the corresponding period of 2021.

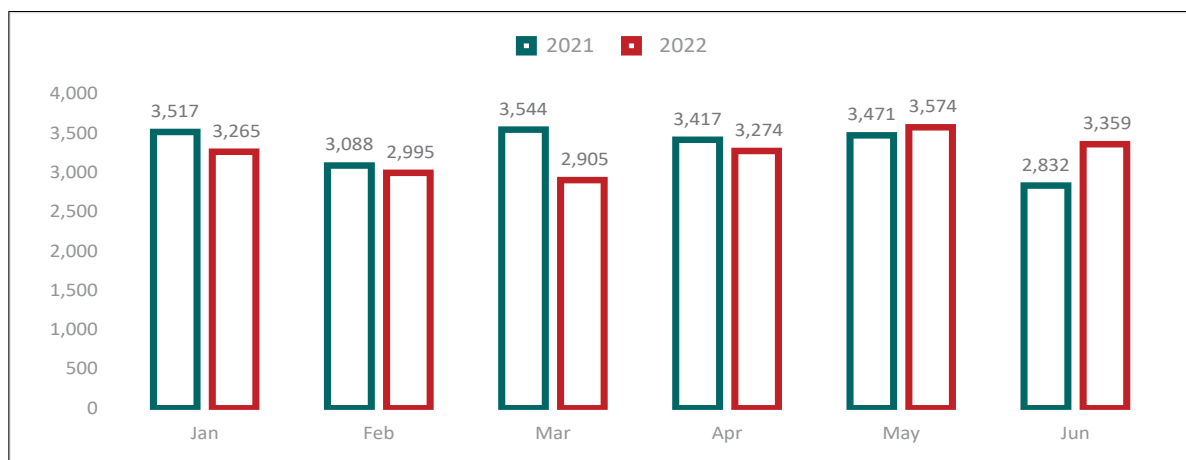


Figure 17: Volumes of Raw Gas Exported to GNGC

Source: PIAC Construct Based on GNGC Data, June 2022

9.3 Processed Volumes

9.3.1 Lean Gas and other Derivatives

Total volumes of 18,457.69 MMSCF, 55088.22M3 and 13,676.65M3 of Lean Gas, LPG and Condensates respectively were processed during the period (see Table 29 and Figure 18).

Table 29: Volumes of Processed Derivatives – Jan to June 2022

S/N	Month	Jubilee/TEN Raw Gas Received from Upstream	Lean Gas Produced from Jubilee	LPG Produced	Condensate
		MMSCF	MMSCF	MT	MT
1	Jan-22	3,265.39	3,096.95	10,031.68	2,507.30
2	Feb-22	2,994.61	2,825.59	9,201.81	2,388.79
3	Mar-22	2,904.61	2,745.92	9,123.86	2,175.12
4	Apr-22	3,273.94	3,086.67	9,768.76	2,548.95
5	May-22	3,573.79	3,508.03	7,097.92	1,288.84
6	Jun-22	3,358.85	3,194.53	9,864.19	2,767.65
	Total	19,371.19	18,457.69	55,088.22	13,676.65

Source: GNGC, June 2022.

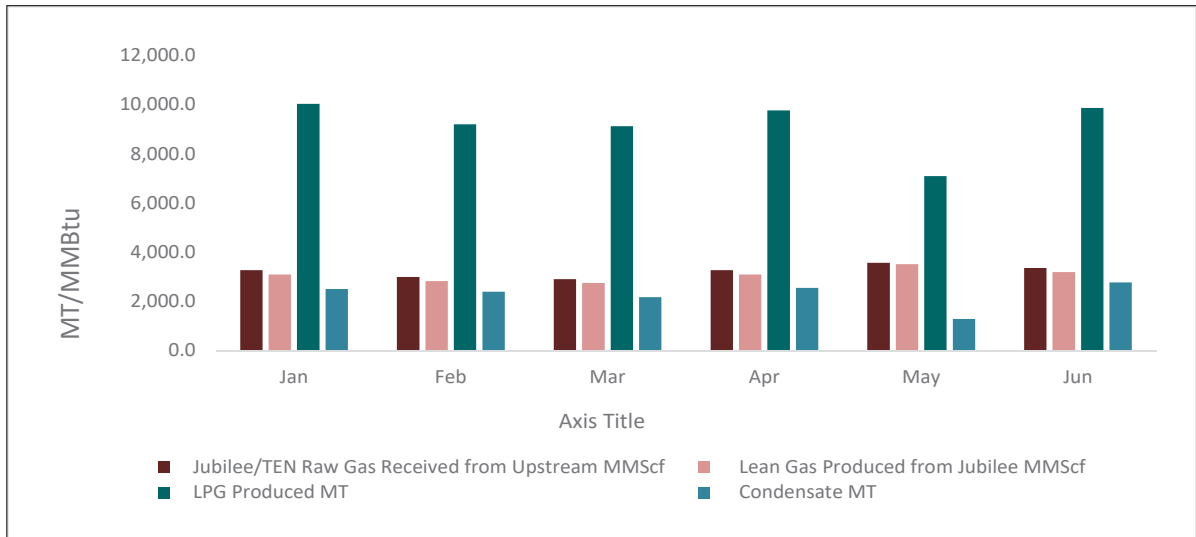


Figure 18: Total Volumes of Raw Gas Received from GNPC and Processed Derivatives

Source: PIAC Construct based on GNGC data, June 2022.

9.4 Summary of Receipts and Outstanding Receivables of Processed Derivatives

As at 30th June, 2022, a total of US\$68,447,321.71 out of US\$112,832,697.59 had been received from the sale of LPG, Lean Gas and Stabilised Condensates produced. This brought the cumulative outstanding receivables due GNGC, including legacy debts before the introduction of the Energy Sector Recovery Programme (ESRP), to US\$854,751,316.46 at the end of the period, as shown in Table 30.

Table 30: Summary of Receipts and Outstanding Receivables – January to June 2022

Company	Product Sold	Volumes MT/ MMBtu	Amount invoiced US\$	Payment Received US\$	Payment Outstanding US\$
Opening Balance					741,918,618.87
Globex Energy Ltd	Stabilised Condensates	2,250.43	1,619,440.25	1,465,721.32	153,718.93
Hilson	Stabilised Condensates	1,067.44	848,163.98	458,947.24	389,216.74
Everstone	Stabilised Condensates	606.90	549,581.72	193,914.64	355,667.08
Maranatha Oil	Stabilised Condensates	4,316.90	3,102,148.85	2,331,027.88	771,120.96
Firm Energy	Stabilised Condensates	179.61	193,014.23	-	193,014.23
Hask Oil	Stabilised Condensates	217.48	156,136.21	146,311.92	9,824.28
Oil Trade	Stabilised Condensates	361.70	358,438.15	79,079.31	279,358.84
SA Energy	Stabilised Condensates	1,693.08	1,226,687.54	886,705.05	339,982.49
Eagle Petroleum	Stabilised Condensates	717.70	549,786.45	541,853.34	7,933.11
Nation Service	Stabilised Condensates	99.55	87,465.46	52,266.43	35,199.02

Oil Channel	Stabilised Condensates	224.62	223,841.69	104,512.28	119,329.41
Dome Energy	Stabilised Condensates	1,338.10	1,240,521.85	673,902.47	566,619.38
CK Brothers	Stabilised Condensates	-	-	56,109.64	(56,109.64)
Chase	Stabilised Condensates			39,209.54	(39,209.54)
Sage Distribution Ltd (Sage Petroleum)	LPG	52,702.09	41,992,863.59	35,292,608.41	6,700,255.18
VRA	Lean Gas	13,174,736.34	80,090,539.70	6,990,876.76	73,099,662.94
WangKang Gh. Ceramic Ltd	Lean Gas	1,778,386.30	7,469,222.46	7,949,417.03	(480,194.57)
Keda Gh. Ceramic Ltd (Twyford)	Lean Gas	1,712,083.84	7,190,752.12	7,035,606.88	155,145.24
Genser Energy	Lean Gas	4,074,904.26	4,539,443.35	1,295,873.83	3,243,569.52
Jintao	Lean Gas	4,597.62	27,949.41	34,317.90	(6,368.49)
OCTP Transportation Service	Lean Gas	38,321,365.44	29,814,022.31	2,819,059.83	26,994,962.48
Sub-Total for January-June, 2022					112,832,697.59
TOTAL			181,280,019.31	68,447.321.71	854,751,316.46

Source: GNGC, June 2022

9.5 Cost of Processed Derivatives

A total volume of processed derivatives of condensates, LPG and Lean Gas amounting to 13,073.51 MT, 52,702.09 MT and 59,066,073.80 MMBtu respectively, invoiced at US\$181,280,019.31 to respective customers, was recorded during H1 2022.

9.5.1 Lean Gas

During the period, GNGC received the bulk of its income from the sale of Lean Gas (US\$26,125,152.23) compared with US\$20,612,726.27 received during H1 2021, translating to a 26 percent increase in H1 2022. Out of a total of US\$129,131,929.35 accrued

from these activities, transportation service fees constituted 23.1 percent (US\$29,814,022.31).

As presented in Table 31, the total sales volume of Lean Gas for H1 2022 was 59,066,073.81 MMBtu, compared with the sales volumes in the same period of 2021 of 59,400,664.72 MMBtu, translating into a 0.57 percent reduction. Similarly, the total gross revenue realised for H1 2022 was US\$129,131,929.35 compared with total gross revenue realised in the same period of 2021 of US\$136,230,139.39, translating into a 5.2 percent decrease.

Table 31: Summary of Lean Gas Product Statement – January to June 2022

Date	Company	Volume (MMBtu)	Price (US\$/MMBtu)	Value (US\$)	Volume/Month (MMBtu)	Gross Revenue (US\$)
Jan-22	VRA	2,301,215.75	6.0791	13,989,320.69	10,382,470.0153	22,485,687.17
	Jintao	408.96	6.0791	2,486.09		
	WangKang	298,633.32	4.20	1,254,259.94		
	Keda (Twyford)	278,553.24	4.20	1,169,923.61		
	Sankofa Gas Transported	6,813,627.97	0.778	5,301,002.56		
	Genser	690,030.78	1.114	768,694.28		
Feb-22	VRA	1,866,065.78	6.0791	11,343,999.89	8,496,224.1009	18,544,214.69
	Jintao	734.36	6.0791	4,464.26		
	WangKang	274,191.24	4.20	1,151,603.21		
	Keda (Twyford)	257,095.29	4.20	1,079,800.20		
	Sankofa Gas Transported	5,443,387.11	0.778	4,234,955.18		
	Genser	654,750.42	1.114	729,391.96		
Mar-22	VRA	1,834,453.12	6.0791	11,151,823.94	9,347,683.5439	19,229,295.9
	Jintao	1,091.93	6.0791	6,637.94		
	WangKang	299,239.40	4.20	1,256,805.47		
	Keda (Twyford)	287,802.58	4.20	1,208,770.84		
	Sankofa Gas Transported	6,277,678.10	0.778	4,884,033.57		
	Genser	647,418.42	1.114	721,224.12		
Apr-22	VRA	2,367,130.03	6.0791	14,329,229.14	10,260,185.5431	22,681,278.4
	Jintao	874.16	6.0791	5,314.09		
	WangKang	299,082.45	4.20	1,256,146.31		
	Keda (Twyford)	279,675.99	4.20	1,174,639.14		
	Sankofa Gas Transported	6,673,641.21	0.778	5,192,092.86		
	Genser	649,781.71	1.114	723,856.83		
May-22	VRA	2,445,698.34	6.0791	14,867,644.77	10,431,071.036	23,395,410.3
	Jintao	816.45	6.0791	4,963.26		
	WangKang	310,947.17	4.20	1,305,978.10		
	Keda (Twyford)	291,350.24	4.20	1,223,670.99		
	Sankofa Gas Transported	6,638,937.99	0.778	5,165,093.76		
	Genser	743,320.85	1.114	828,059.43		
Jun-22	VRA	2,370,173.43	6.0791	14,408,521.28	10,148,439.5682	22,796,042.9
	Jintao	671.77	6.0791	4,083.77		
	WangKang	296,292.72	4.20	1,244,429.43		
	Keda(Twyford)	317,606.51	4.20	1,333,947.35		
	Sankofa Gas Transported	6,474,093.05	0.778	5,036,844.39		
	Genser	689,602.08	1.114	768,216.72		
TOTAL					59,066,073.81	129,131,929.36

Source: PIAC Construct based on GNGC data, June 2022.

9.5.2 Liquefied Petroleum Gas (LPG)

As shown in Figure 19, the volume of LPG sold from January to June, 2022 was 52,702.09MT while that of the same period in 2021 was 53,463.98MT, indicating a 1.43 percent decrease.

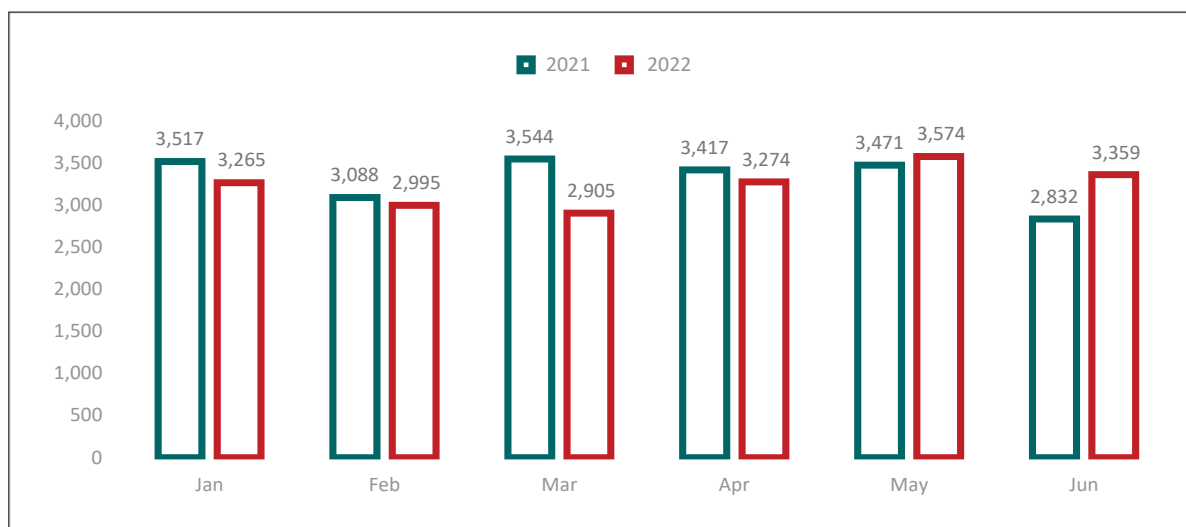


Figure 19: Volumes of LPG in MT for H1 2022

Source: PIAC Construct based on GNGC Data, June 2022

The amount invoiced for total LPG sold in H1 2022 was US\$43,046,905.44, while that of H1 2021 was US\$26,216,193.66 (see Table 32). This represents an appreciation in LPG revenue of 64.20 percent. The percentage increase was mainly due to the increased price of the commodity during the period.

Table 32: Summary of LPG Product Statement- January to June 2022

Date	Volume (MT)	Price (US\$)/MT	Value (US\$)	Volume/Month (MT)	Gross Revenue (US\$)	Discount (US\$)	Net Revenue (US\$)
Jan-22	4,579.18	695.43	3,184,474.17	9,411,764.00	6,812,152.25	188,235.28	6,623,916.97
	4,832.59	750.67	3,627,678.08				
Feb-22	4,233.40	792.11	3,353,333.71	8,328.55	6,747,355.90	166,570.90	6,580,785.00
	4,095.15	828.79	3,394,022.19				
Mar-22	6,060.52	781.33	4,735,282.81	9,696,276.00	8,058,088.91	193,925.51	7,864,163.40
	3,635.75	913.93	3,322,806.11				
Apr-22	5,135.53	835.56	4,291,028.94	9,930,867.00	8,152,378.08	198,617.35	7,953,760.74
	4,795.34	805.23	3,861,349.15				
May-22	2,504.71	843.53	2,112,791.08	6,733,068.00	5,895,164.81	134,661.37	5,760,503.44
	4,228.36	894.53	3,782,373.73				
Jun-22	4,471.92	884.17	3,953,926.77	8,601,572.00	7,381,765.48	172,031.44	7,209,734.04
	4,129.65	830.06	3,427,838.70				
TOTAL				52,702.09	43,046,905.44	1,054,041.84	41,992,863.59

Source: PIAC Construct based on GNGC data, June 2022.

9.5.3 Condensates

The volume of Condensates sold from January to June, 2022 was 13,073.51MT while that for the same period in 2021 was 16,256.50MT. This translates into a difference of 3,182.99MT, representing a decrease of 19.58 percent. Figure 20 illustrates the monthly volumes of Condensates sold during the period under review.

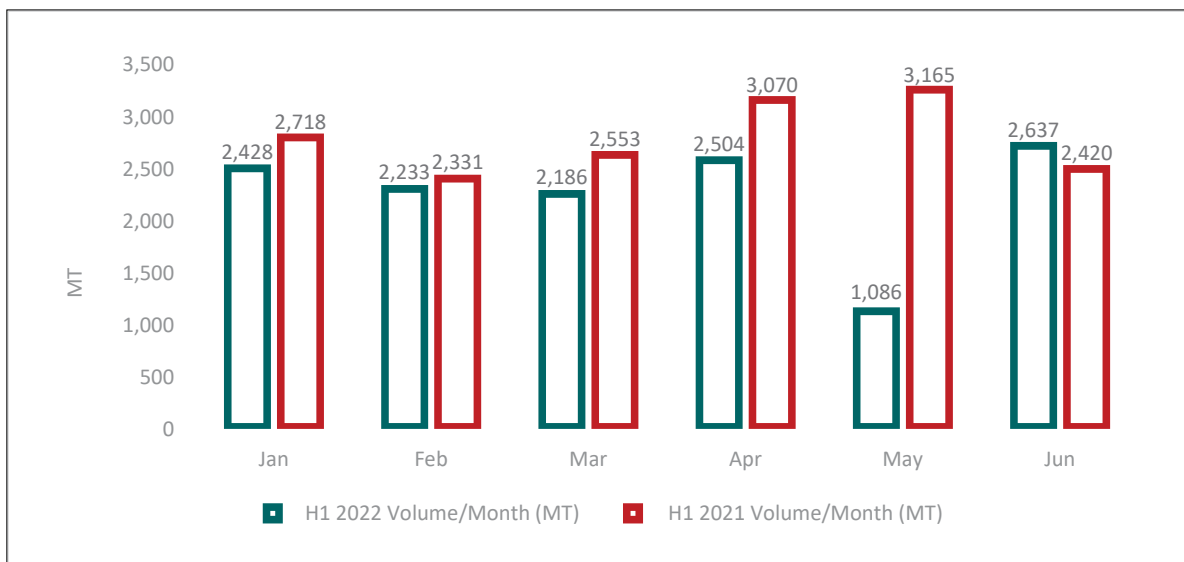


Figure 20: H1 Volumes of Condensates (MT) – 2021 and 2022

Source: PIAC Construct based on GNGC data, June 2022.

Realised revenue from the sale of Condensates for H1 2022 was US\$10,155,226.36 (see Table 33), while that of H1 2021 was US\$5,432,441.41, representing an increase of US\$4,722,784.95 (53.49%) in revenue. The H1 2022 increase in revenue was mainly due to the increase in the price of the commodity. Table 33 provides a summary of the Condensates product Statement.

Table 33: Summary of Condensate Product Statement – January to June 2022

Date	Volume/Month (MT)	Monthly Value (US\$)
Jan - 22	2,428.11	1,197,897.32
Feb - 22	2,233.29	1,352,693.30
Mar - 22	2,185.60	1,654,833.88
Apr - 22	2,503.55	2,026,090.53
May - 22	1,083.53	969,665.96
Jun - 22	2,637.43	2,954,045.37
Total	13,073.51	10,155,226.36

Source: GNGC, June 2022

9.6 Summary of GNGC Expenditures

Table 34 presents a detailed breakdown of all expenditures incurred during the period under review, including cost of operating the Atuabo Gas Processing Plant.

Table 34: Breakdown of GNGC Expenditure - January to June 2022

Ghana National Gas Total Expenses (Jan – Jun 2022)		
	Category	Amount '000 (GH¢)
1	Manpower Expenses	138,911
2	Directors Fees & Other Board Expenses	2,358
3	General Admin Expenses	11,633
4	Staff Business Expense	7,169
5	Professional Services	2,426
6	Bank Service Charges	859
7	Corporate Social Responsibility	75,455
8	Business Support	7,566
9	Pass Through Direct Cost	765,724
10	Depreciation & Amortisation	81,714
11	Operational Expenses	113,043
12	Finance Cost	308,922
13	Forex Loss/Gain	-139,010
	Total Expenses	1,376,769

Source: GNGC, June 2022

Total expenditure for H1 2022 amounted to GH¢1,376,769,000.00 compared to GH¢909,799,000.00 in H1 2021 which represents a 51 percent increase. Pass-Through Direct Cost constituted 55.6 percent of the total expenditure for the period under review.

9.7 Cost of Raw Gas and Indebtedness

As at 30th June, 2022, GNGC's cumulative indebtedness to GNPC amounted to US\$520,738,896.02 as compared to US\$613,910,025.21 during the same period in 2021. The exorbitant debt is due to VRA's inability to meet its debt service obligation. Figure 21 depicts the yearly indebtedness of the Company to GNPC.

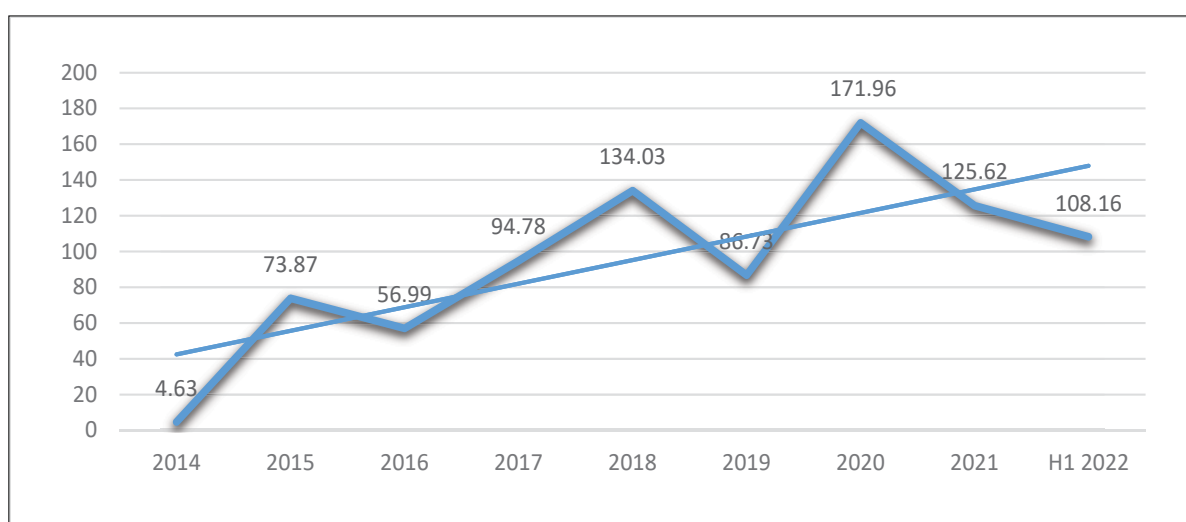


Figure 21: GNGC's Indebtedness to GNPC

Source: PIAC Construct, June 2022.

The total volume of raw gas sales to GNGC by GNPC in H1 2022 amounted to 20,169,971.20 MMBtu compared with 19,868,900.00 MMBtu for the same period in 2021, representing an increase of 1.52 percent. On the revenue side, the total indebtedness to GNPC stood at US\$108.12 million compared to US\$110.75 million for the same period in 2021. Figure 22 illustrates GNGC's indebtedness to GNPC for the period.

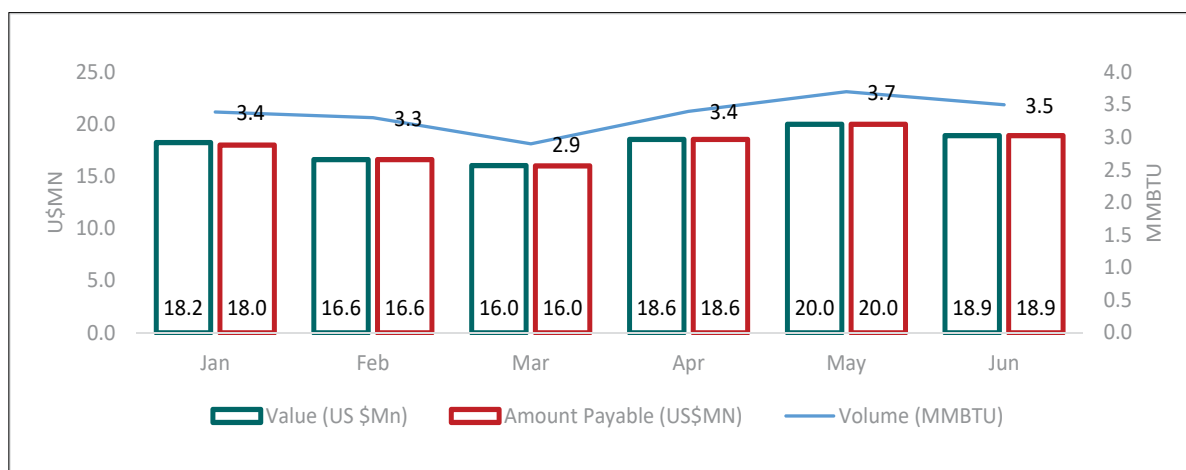


Figure 22: GNGC Indebtedness to GNPC – Jan to Jun 2022

Source: PIAC Construct, June 2022.

9.8 Revenue from Cash Waterfall Mechanism (CWM) and Natural Gas Clearinghouse (NGCH)

The CWM sets out the principles, methodology and processes for determination and disbursement of tariff revenue collected by the Electricity Company of Ghana to various beneficiaries along the Electricity Value Chain. Accordingly, GNGC, GNPC and other stakeholders in the value chain are paid directly by CWM, a percentage of the invoice amount submitted for each month. The implementation of the CWM commenced in April, 2020. Table 35 shows receipts from CWM and NGCH for 2022.

Table 35: Summary of CWM and NGCH Revenue - January to June 2022

Month	Invoice Month	Expected Lean Gas Revenue	Receipts from CWM/NGCH
22-Mar	22-Jan	5,563,199.61	6,020,806.50
22-Apr	22-Feb	4,247,530.45	2,777,183.08
22-May	22-Mar	4,645,852.26	4,466,277.08
22-Jun.	22-Apr.	5,516,663.25	7,853,107.59
Total		19,973,245.56	21,117,374.25

Source: GNGC, June 2022

CHAPTER 10

10.1 PETROLEUM REVENUE OUTLOOK

10.2 Economic Growth Outlook

Compounding the negative effect from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation. This raises the risk of stagflation, with potentially harmful consequences for middle and low-income economies alike, according to the World Bank's latest Global Economic Prospects report for June 2022.

The International Monetary Fund (IMF) has stated that global output contracted in the second quarter of 2022, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide – especially in the United States and major European economies. This has triggered tighter financial conditions, a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine, according to the Fund. As a result, the Fund has revised its baseline forecast for growth to slow from 6.1 percent in 2021 to 3.2 percent in 2022 - 0.4 percent lower than in the April 2022 World Economic Outlook.

In the Global Economic Prospects report of the World Bank, released in June 2022, the Bank expects global growth to slump from 5.7 percent in 2021 to 2.9 percent in 2022 – significantly lower than the 4.1 percent that was anticipated in January. It is expected to hover around that pace over 2023-24, as the war in Ukraine disrupts activity, investment, trade, as well as the withdrawal of fiscal and monetary policy

accommodation. As a result of the impact of the pandemic and the War, the levels of Per Capita Income in developing economies this year will be nearly five (5) percent below its pre-pandemic levels.

Growth in advanced economies is projected to sharply decelerate from 5.1 percent in 2021 to 2.6 percent in 2022 – 1.2 percent below projections in January. Growth is expected to further moderate to 2.2 percent in 2023, largely reflecting the further unwinding of the fiscal and monetary policy support provided during the pandemic.

Among Emerging Market and Developing Economies (EMDEs), growth is also projected to fall from 6.6 percent in 2021 to 3.4 percent in 2022 – well below the annual average of 4.8 percent over the period 2011-2019. The negative spillovers from the War will more than offset any near-term boost to some commodity exporters from higher energy prices. Forecasts for 2022 growth have been revised downward in nearly 70 percent of EMDEs, including most commodity importing countries as well as 80 percent of low-income countries.

According to the World Bank, global inflation is expected to be moderate in 2023 but will likely remain above inflation targets in many economies.

10.3 Crude Oil Demand, Supply, and Production

In the wake of the COVID-19 pandemic and the ongoing global oil price volatilities, world oil supply and demand continue to fall victim to price volatility and wavering investor sentiment. Surging production, storage shortages and falling oil prices have spelt deep trouble for the oil and gas industry. This intertwined relationship of geopolitics, economics and energy requires a

delicate balance by governments, operators, and investors around the world.

The International Energy Agency (IEA) in its June 2022 Oil Market Report forecasts that global consumption (demand) of petroleum and liquid fuels will average 99.4 million b/d (mb/d) in 2022, which is a 2.1 mb/d increase from 2021. Additionally, the forecast is that this global consumption (demand) will increase by another 2.1 mb/d in 2023 to average 101.5 mb/d, surpassing pre-pandemic levels. While higher prices and a weaker economic outlook are moderating consumption increases, a resurgent China will drive gains next year, with growth accelerating from 1.8 mb/d in 2022 to 2.2 mb/d in 2023. In contrast to 2022, when the Organisation for Economic Co-operation and Development (OECD) led the expansion, non-OECD economies

are set to account for nearly 80 percent of the growth in 2023.

Non-OPEC+ is set to lead world supply growth through 2023, adding 1.9 mb/d in 2022 and 1.8 mb/d in 2023. Total oil output by OPEC+ in 2023 may fall as embargoes and sanctions shut-in Russian volumes, and producers outside the Middle East suffer further declines.

Global refining capacity is set to expand by 1 mb/d in 2022 and 1.6 mb/d in 2023, boosting throughputs by 2.3 mb/d and 1.9 mb/d, respectively. Nevertheless, product markets are expected to remain tight, with a particular concern for diesel and kerosene supplies.

Captured in Figure 23 is an interplay of global supply and consumption from 2020 to 2023.

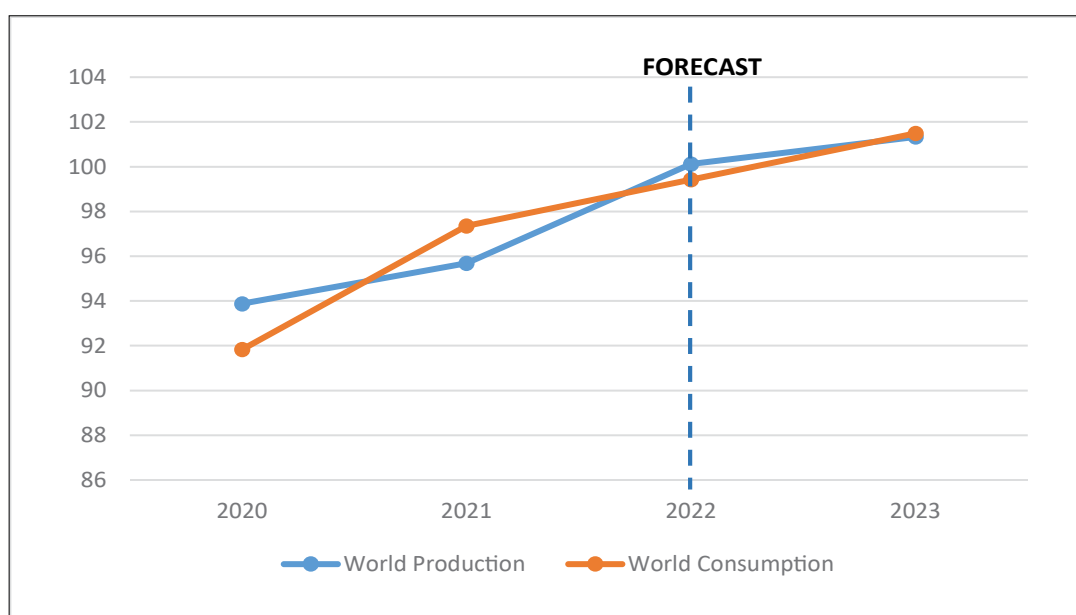


Figure 23: Crude Oil Supply and Consumption

Source: EIA, 2022.

10.4 Price Trends

According to the Energy Information Administration (EIA), spot prices of Daily BRENT crude averaged US\$122.71 per barrel in H1 2022, up by US\$49.55/bbl from the same period in 2021 and is estimated to average US\$95.5/bbl by H1 2023. Although disruptions in supply continue to keep BRENT prices around US\$100/bbl in 2022, crude oil prices are expected to decrease slightly as concerns of slower economic growth or a global recession become more prevalent.

The natural gas spot price at Henry Hub averaged US\$8 per million British thermal units (MMBtu) in the first half of 2022, up from US\$3.39/MMBtu in June 2021, and is expected to average US\$4.44/MMBtu by the end of 2023.

The West Texas Intermediate (WTI) crude is expected to reach an average of US\$89.5/bbl in H1 2023, lower than the prevailing average price of US\$101.62/bbl in H1 2022.

Depicted in Figure 24 is the Short-Term Energy Outlook (STEO) forecast, according to the EIA.

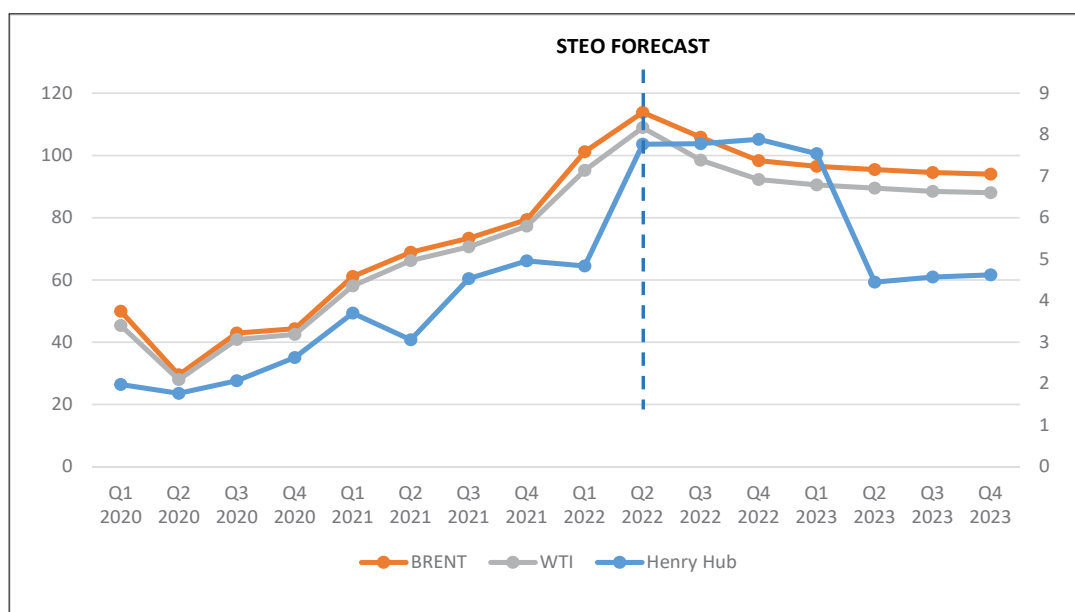


Figure 24: Short-term Energy Outlook, 2020-2023

Source: EIA, 2022.

10.5 Government Projections

In relation to production, the Government’s projected 2022 Benchmark crude oil output is 59.51 million barrels (163,044 barrels of crude oil per day), based on a three-year simple average of each producing field’s actual and projected outputs. Similarly, the Benchmark gas output has been estimated at 96.54 trillion Btu for 2022.

With regards to the Benchmark price for 2022, US\$61.23 per barrel of oil was used, up from US\$54.75 per barrel for 2021.

The projected Petroleum Benchmark Revenue for 2022 is estimated at US\$1,006.1 million. This is made up of Royalties of US\$206.5 million, Carried and Participating Interest of US\$537.6 million, Corporate Income Tax of US\$261.1 million and Surface Rentals of US\$0.92 million. Petroleum receipts are projected to increase to US\$1,033.2 million in 2023, US\$1,060.7 million in 2024, and US\$1,017.2 million in 2025, according to the Government’s 2022 Budget Statement. The breakdown of the projected petroleum receipts is presented in Table 36.

Table 36: Projected Petroleum Receipts (US\$ Millions), 2022

S/N	ITEMS	US\$M
	Total Petroleum Receipts	1,006.1
1	Royalties	206.48
	<i>o/w Crude Oil</i>	206.48
	<i>o/w Gas</i>	0.00
2	Carried and Participating Interest	537.61
	<i>o/w Crude Oil</i>	537.61
	<i>o/w Gas</i>	0.00
3	Corporate Income Tax	261.13
4	Surface Rentals	0.92

Source: 2022 Budget Statement

The projected distribution of petroleum receipts is shown in Table 37.

Table 37: Projected Distribution of Petroleum Receipts (US\$ Millions)

S/N	ITEMS	2022 Budget
	Total Receipts Distributed	1,006.14
1	Transfer to National Oil Company (NOC)	326.98
	<i>o/w Equity Financing</i>	236.71
	<i>o/w 30% Net CAPI</i>	90.27
2	Benchmark Revenue (BR)	679.16
	<i>o/w ABFA</i>	475.41
	<i>o/w Ghana Petroleum Funds</i>	203.75
	<i>o/w Ghana Stabilisation Fund</i>	142.62
	<i>o/w Ghana Heritage Fund</i>	61.12

Source: 2022 Budget Statement

CHAPTER 11

11 PIAC ACTIVITY REPORT

11.1 Background

The Public Interest and Accountability Committee (PIAC) consists of 13 Members and a supporting Secretariat. The Committee is mandated to monitor and evaluate compliance with the Act by Government and other relevant institutions, provide space and a platform for the public to debate on, and independently assess the management and use of petroleum revenues.

In line with its mandate, the Committee undertakes programmes and activities. This chapter gives an overview of the programmes and activities in H1 2022. The report also presents feedback from public engagements of the Committee.

11.2 Activities

11.2.1 Training for Members & Secretariat Staff

To fulfil its mandate, the Committee needs to provide members and staff with requisite skills and competence. In line with this, the Committee held a training workshop for Members and Staff in Accra from Thursday, 18th to Friday, 19th February, 2022.

The training programme consisted of four sessions and treated the following topics:

1. An overview of the Petroleum (Exploration and Production) Act, 2016 (Act 919).
2. An overview of the Petroleum Revenue Management Act, 2011 (Act 815) as amended and its Regulations (L.I. 2381).
3. Country Examples of Natural Resource Management.
4. Energy Transition – Potential Impact on Petroleum Revenue Management in Ghana.

Each session was followed by an open forum, during which questions were asked, and answers were provided by the facilitators.

11.2.2 Launch of Assessment Report on 10 Years of Petroleum Revenue Management

As part of activities marking the 10th anniversary of PIAC in 2021, an assessment of 10 years of petroleum revenue management in Ghana was commissioned by the Committee. The study was funded by the State Secretariat for Economic Affairs (SECO) of Switzerland through the Governance for Inclusive Development programme (GovID) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The final report was launched on Tuesday, 1st March, 2022 in Accra. The launch event was also supported by GIZ. Participants included representatives from reporting institutions, stakeholders, the media, and members of PIAC, both past and present. The launch was carried live on PIAC's Facebook Page.

Some key findings from the Report were:

1. Ghana's three producing fields peaked in 2020. This peak is forecast to last for at least three years, after which production will continuously decline if nothing is done by way of new in-fill developments on these existing fields or new fields coming on-stream.
2. ABFA has been a critical financing source for the national budget. Nevertheless, while total benchmark revenue allocations to the ABFA amounted to GH¢9.41 billion (US\$2.61 billion), disbursements, on the other hand, amounted to GH¢8.51 billion (US\$2.28 billion), leaving the balance being

swept into the Consolidated Fund under the government's Treasury Single Account (TSA) policy.

- 3 It was found that 74% of the withdrawals from the GSF have been used for debt repayment, while 21% has been allocated to the Contingency Fund to deal with national emergencies such as the COVID-19 pandemic. Interestingly, only 4% has been utilised to shore up ABFA shortfalls.
- 4 PIAC would need to deepen its advocacy to reach other critical voices and stakeholder groups using new media collaborations and channels.

The report also recommended the following to

address some of the issues raised:

- 1 There is a strong imperative to provide the GRA and other institutions such as the Petroleum Commission, IAC and Ministry of Finance with all the requisite human resources and tools to undertake their critical mandate of petroleum revenue management more effectively and efficiently.
- 2 Amend the PRMA to provide a legal requirement for enhanced transparency and effective accountability for unutilised ABFA balances. Where applicable, create an ABFA fund to ensure unutilised amounts are reverted to that Fund.



1. A cross section of participants at the event.

2. Rev. Dr. Kwabena Opuni Frimpong (Left) and the PIAC Chair, Prof. Kwame Adom-Frimpong (Right) jointly launching the 10-year assessment report.

11.2.3 Public Lecture

Following the launch of the Assessment Report, the Committee organised a public lecture to deepen public education on the content of the report. The lecture was held on Wednesday, 23rd March, 2022 in Accra. The event was carried live on Joy FM and on PIAC's Facebook Page. Chaired by Major Daniel Ablorh-Quarcoo (Rtd), a former Chairman of PIAC, the programme had in attendance representatives from key stakeholders, including reporting institutions, representatives of PIAC constituent bodies, past Members of PIAC, civil society, students, and the media.

Dr Theophilus Acheampong, Lead Consultant for the 10-year assessment on petroleum revenue management, delivered the lecture based on the

study that was conducted. The lecture focused on the four thematic areas of the Report, which align with the extractives industry value chain, - Petroleum production, sales and revenue collection; Revenue allocation, distribution and utilisation; Management of the Ghana Petroleum Funds (GPFs); and an institutional assessment of petroleum revenue management. The high-level findings and recommendations from the study were also presented.

The lecture was followed by a panel discussion which centered on the use of the ABFA, the expenditures of GNPC, and whether the Ghana Heritage Fund should be accessible by the current generation.



1. *Rev. Mrs Edem Sokpor opening the lecture with a prayer.*
2. *Resource persons discussing issues during the panel discussion.*

11.2.4 Launch of the 2021 Annual Report

PIAC is mandated to publish two statutory Reports on a semi-annual and annual basis each year.

In that regard, the Committee launched the 2021 Annual Report on 13th April, 2022 in Accra. The launch, which was chaired by Mrs. Angela Peasah, a past member of the Committee, was attended

by stakeholders, including reporting institutions and the media. The launch was also carried live on PIAC's Facebook Page. The highlights, which included crude oil and gas production for the year 2021, revenues accrued, distribution and utilisation of the petroleum revenues, and findings and recommendations, were presented by the PIAC Chairman, Prof. Kwame Adom-Frimpong.



1. *The Vice-Chair, Mr. Nasir Alfa Mohammed addressing participants at the launch.*
2. *A participant posing a question during the open forum.*



3. *Prof. Kwame Adom-Frimpong, the PIAC Chair (Left), launching the 2021 PIAC Annual Report with Mrs. Angela Peasah (Middle), and Mr Nasir Alfa Mohammed, PIAC Vice Chair (Right).*
4. *Participants listening keenly to the presentation on the Report.*

11.2.5 Regional Engagements

To engage the citizenry on the management and use of petroleum revenues in 2021, the Committee concurrently held regional engagements in the Western North and North East Regions from Sunday, 24th to Friday, 29th April, 2022. In both Regions, the PIAC Team held town hall meetings and engagements with tertiary institutions. Some of the key issues raised at the town hall meetings were the reporting mechanisms for ABFA

allocated to the District Assembly Common Fund (DACF), payment of judgement debt with ABFA, prosecutorial powers to PIAC, among others. Also, some projects that had received funding from the ABFA were inspected. Notable issues that came out of the project inspections were the non-involvement of the Metropolitan, Municipal and District Assembly (MMDAs) in project execution and supervision, and uncompleted projects due to lack of funds.



The PIAC team paid courtesy calls on the North East (Left) and Western North (Right) Regional Coordinating Councils.

11.2.6 Engagement with IFEJ and other Media Partners

As part of its engagement with stakeholders, the Committee holds regular meetings with the media, comprising members of the Institute of Financial and Economic Journalists (IFEJ) and key media partners who report on PIAC activities.

The activity was held from 6th – 8th May, 2022 at Tegbi in the Volta Region.

The engagement focused on providing a platform for members of IFEJ, selected members of the Parliamentary Press Corps and other media partners to be apprised of the highlights of the 2021 PIAC Annual Report, and the Committee's assessment Report on 10 years of petroleum revenue management in Ghana. Some of the key issues raised were the flaring of gas on the three producing fields, the inadequate activity in the upstream petroleum sector and the decline in crude oil production since 2020.

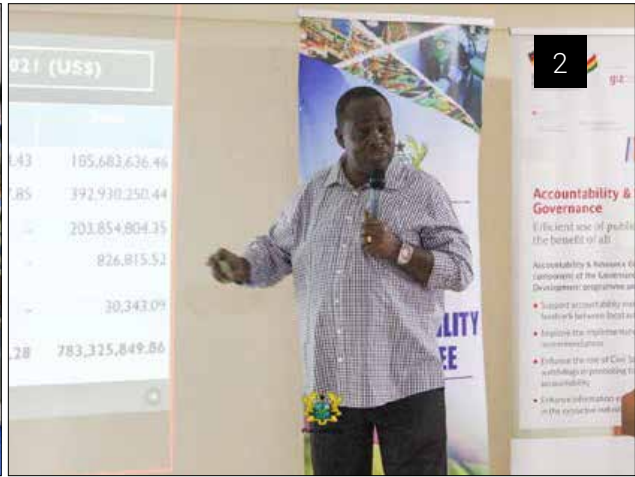


1. *The PIAC Vice-Chair making a presentation on legislation of the petroleum industry to the journalists.*
2. *Journalists and the PIAC Team in a group photograph after the event.*

11.2.7 Engagement with Editors

With the support of the State Secretariat for Economic Affairs (SECO) of Switzerland through the Governance for Inclusive Development programme (GovID) of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the activity was held in Koforidua, from Friday 27th – Sunday 29th May, 2022.

The Editors were taken through the PRMA and its accompanying Regulations, the PIAC 2021 Annual Report, and the PIAC 10-year assessment report of the management and use of petroleum revenues. Some of the issues raised were the need for amendments to the PRMA, the role of the Investment Advisory Committee (IAC), and responsiveness of institutions to PIAC's request for data.



1. A cross-section of Editors at the Forum.

2. The PIAC Chair - Prof. Kwame Adom-Frimpong presenting highlights of the PIAC 2021 Annual Report to Editors at the event.

11.2.8 Courtesy Call on PIAC by Parliamentary Delegation from Mozambique

During the period under review, the Committee received the delegation from the Republic of Mozambique, made up of Members of Parliament and CSO actors. The courtesy call was for the delegation to learn at first-hand lessons in the management of the Ghana Petroleum Funds (Sovereign Wealth Fund), as part of the preparation for the establishment of a Sovereign Wealth Fund by the Mozambican government.

The visit was also to interact with PIAC on its independent oversight experience and Ghana's experience in managing petroleum revenues, with particular focus on the Ghana Petroleum Funds, with a view to establishing an organisation similar to PIAC.

The Committee shared its experiences since its establishment in 2011 with the delegation and expressed its readiness to support the Mozambican government in both the establishment of the Sovereign Wealth Fund and the oversight body.

The leader of the delegation, Mr. Felix Avelino Silvia, thanked the Committee for the useful lessons shared and its readiness to support the government of Mozambique. He indicated that PIAC would be invited to a national conference in Maputo on the establishment of the National Sovereign Wealth Fund.



1. *The Mozambican delegation in a discussion with members of PIAC during the courtesy call.*
2. *Members of PIAC and the Parliamentary Delegation from Mozambique in a group photo.*

11.2.9 PIAC-NRGI Technical Roundtable Discussion

The Committee holds periodic technical roundtables to delve deeper into issues that were raised in the Committee's statutory reports. In that regard, PIAC, in collaboration with the Natural Resource Governance Institute (NRGI), organised a technical roundtable discussion, on 31st May, 2022 in Accra, under the theme "Ghana's Petroleum: A Critical Investigation of the Marginally Explored Revenue Streams". In attendance was the Deputy Minister for Energy, Hon. Andrew Egyapa Mercer.

Presentations were made by Dr. Abdallah Ali-Nakyea (a Legal Practitioner and Tax Expert), the Ghana Revenue Authority and NRGI on:

- Overview of Ghana's Petroleum Revenue Sources and the Marginally Explored Streams;
- Realizing The Marginally Explored Revenue Streams in Ghana's Petroleum Sector; and

- Administrator Perspectives on Marginally Explored Sources of Petroleum Revenues.

The presentations were followed by a panel discussion that identified the hindrances to realising these revenue sources and highlighted the mechanisms necessary for harnessing the potential from some of these sources. Some issues that arose from the discussion were:

- In the years 2011, 2012, 2018 and 2019, Capital Gains Taxes were not assessed and therefore not paid on transfers and sale of interests between companies operating in the upstream oil and gas sector.
- Other variables accounting for marginally explored revenue sources include non-payment of gas royalties and CAPI due to power sector indebtedness, corporate income tax and dividends from the national oil company and of midstream companies.



1. *A cross-section of participants in the session.*
2. *The Deputy Minister for Energy, Hon. Andrew Kofi Egyapa Mercer, responding to a question raised by a participant in the roundtable discussion.*

11.2.10 Constituent Engagements

Although PIAC holds an annual general meeting with all member institutions, individual constituent groups are engaged in a bid to keep them updated on the Committee's programmes. For the period under review, the Committee engaged the Ghana Academy of Arts and Sciences (GAAS), the Ghana Extractive Industries Transparency Initiative (GHEITI), and Christian Groups on its 2021 Annual Report and 10-year Assessment Report on the management and use of petroleum revenues in

Ghana. Some of the key issues highlighted during these engagements were exploring further ways of strengthening the relationship between PIAC and the member-institutions, the need for more space for gas-related matters in PIAC reports, and developing separate guidelines for the District Assemblies Common Fund (DACF) on the use of its allocation from the ABFA. The GAAS committed to providing the Committee with expert advice on issues related to petroleum revenue management and assisting with advocacy on PIAC reports.



Members of the Committee with members of the GAAS (Left) and Christian Groups (Right).



Members of the Committee with members of GHEITI.

11.2.11 District Engagements

The Committee held district engagements in the Awutu Senya East Municipality and Agona East District in the Central Region, and Akwapim South District and Nsawam Adoagyiri Municipality in the Eastern Region during the period under review. As part of the engagements, radio discussions were held to inform the wider public of the Committee's activities in the regions. The Committee also held town hall meetings in the districts visited.



Some scenes from the Committee's District Engagements.

11.2.12 Project Inspections

The Committee carried out physical monitoring and verification of 17 ABFA-funded projects in four (4) Regions; Central - 6, Eastern - 5, North East - 3, and Western North - 3. The exercise was carried out to respond to citizens' demand for PIAC to:

- Assure the existence of reported ABFA-funded projects;
- Obtain first-hand information on the quality and impact of projects funded with petroleum revenues; and,
- Make an informed assessment of how well the oil revenues were being applied.

11.2.12.1 Central Region

1. Construction of 1 No. 3-unit Classroom Block at Agona Asafo AEDA JHS in the Agona East Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives (MSDI)
Contractor	Glovision Investment Limited
Consultant	E-Benzy & Co. Ltd.
Date of Award	20 th December, 2018
Contract Duration	4 months
Original Contract Sum	GH¢195,600.00
ABFA Component	GH¢109,395.00
Percentage of ABFA	55.93%
Year of Disbursement	2020
Date of Inspection	8 th February, 2022

Observation

- Even though the project consultant was able to provide some information, he could not confirm the location of the project to enable the PIAC Team conduct its inspection.

In a written response, the Special Development Initiative Secretariat later explained that the MP for Agona East District and the District Chief Executive (DCE) initially sited the project at Agona East AEDA JHS at Agona Asafo. However, the DCE before the commencement of the project wrote to the project consultant, requesting for the project to be relocated to the Agona Nsaba Islamic JHS.



2. Construction of Steel Bridge over River Akora on Agona Nsaba - Agona Nkran F/rds

Project Details	
Implementing Agency	MoRH (Department of Feeder Roads)
Contractor	M/s Old Days Co. Ltd.
Consultant	-
Date of Award	24 th December, 2008.
Contract Duration	12 months
Original Contract Sum	GH¢977,325.00
ABFA Component	GH¢926,924.99
Percentage of ABFA	94.84%
Year of Disbursement	2018
Date of Inspection	8 th February, 2022

Observation

- The Assembly was not consulted before the construction of the steel bridge. The project was, however, handed over to the Assembly.
- For a project that commenced 12 years ago, the integrity of the bridge was satisfactory.



3. Construction of 1 No. Clinic with Doctors' Residence and Ancillary Facilities at Akweley in the Awutu Senya East Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives (MSDI)
Contractor	Ofori Asante Plus Co. Ltd.
Consultant	Do-Win Ventures
Date of Award	20 th January, 2019
Contract Duration	7 months
Original Contract Sum	GH¢1,097,865.78
ABFA Component	GH¢557,007.41
Percentage of ABFA	50.74%
Year of Disbursement	2020
Date of Inspection	11 th February, 2022

According to the Assembly, the project was funded from government's US\$1 million per constituency programme, and was completed in the last quarter of 2020.

Observations

- The PIAC Team, together with the Municipal Chief Executive, and the clinic staff, undertook a physical inspection of the facility and observed that the facility was well-constructed. The facility has a:
 - Laboratory;
 - Pharmacy;
 - Dispensary;
 - Male and Female detention wards;
 - Consulting room;
 - Treatment/Procedure Room;
 - Incinerator; and,
 - Shared office for records and the Mental Health unit.
- The facility, however, is not fully equipped.
- The facility is manned by a resident doctor, supported by other health workers.
- According to the clinic staff, even though the facility was meant to serve the Akweley community, its citizens prefer to go to Kasoa Polyclinic for healthcare. This has affected patronage of the facility, since it was commissioned.
- This raised the question as to whether a Needs Assessment was conducted and whether the community was engaged with regards to the social amenities they would have preferred to be constructed in the community.



4. Construction of 2km Road, Drainage and 6-unit Classroom Building in Kasoa in the Awutu Senya East Constituency in the Central Region

Project Details	
Implementing Agency	Ministry of Special Development Initiatives (MSDI)
Contractor	Kpalua Company Ltd.
Consultant	Cost Survey Consult
Date of Award	20 th March, 2020
Contract Duration	7 months
Original Contract Sum	GH¢4,764,755.00
ABFA Component	GH¢2,231,800.52
Percentage of ABFA	46.84%
Year of Disbursement	2020
Date of Inspection	11 th February, 2022

The PIAC Team together with the Deputy Chief Executive Officer for the Coastal Development Authority (CODA), inspected the project.

Observation

- The contractor had laid the base structure and first seal of the road, with the second seal, some drain works and the construction of the 6-unit classroom block outstanding.



5. Construction of 1.60km of Road at Datus Electoral Area at Kasoa in the Awutu Senya East Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives (MSDI)
Contractor	Sisaturasoul Co. Ltd
Consultant	Cost Survey Consult
Date of Award	20 th March, 2020
Contract Duration	7 months
Original Contract Sum	GH¢4,036,074.17
ABFA Component	GH¢2,106,461.96
Percentage of ABFA	52.19%
Year of Disbursement	2020
Date of Inspection	11 th February, 2022

The scope of the project was road works, concrete works and drains.

Observation

- The works that are yet to be completed are the second seal and some drainage works.



6. Construction of Durbar Grounds at Ofaakor in the Awutu Senya East Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives
Contractor	Arbiko Estate and Construction Co. Ltd
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢200,000.00
ABFA Component	GH¢190,000.00
Percentage of ABFA	95.00%
Year of Disbursement	2020
Date of Inspection	16 th February, 2022

Following the inspection exercise in the district, a citizen of the Awutu Senya East Municipality drew the attention of the PIAC Team to a project within the Municipality that was allegedly in a deplorable state, and hence appealed to PIAC to inspect it. The said project was the Construction of Durbar Grounds at Ofaakor in the Awutu Senya East Constituency (Nai Odupong Awushie Tetteh II Durbar Grounds).

Upon further checks, the Committee confirmed that the project had received funding from the ABFA and therefore inspected the project site at a later date.

Observations

- Though the project had a lot of outstanding works (Expansion Joints, Irregular Screeding, Filling, Plastering, Cracks), it was observed that the project was commissioned by the Member of Parliament (MP) for Awutu Senya East constituency on 28th November, 2019.



11.2.12.2 Eastern Region

7. Construction of 2-Unit Kindergarten Block with Ancillary Facilities at Ahwerase in the Akuapem South Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives
Contractor	Akofex Ventures
Consultant	Bong Limited
Date of Award	9 th November, 2018
Contract Duration	4 months
Original Contract Sum	GH¢166,619.00
ABFA Component	GH¢158,198.05
Percentage of ABFA	94.95%
Year of Disbursement	2020
Date of Inspection	8 th February, 2022



8. Construction of 1 No. Rural market with Storage and Mechanised Boreholes in the Akuapim South Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives
Contractor	Mass Premium Ltd.
Consultant	Multi-Lead Co. Ltd.
Date of Award	29 th January, 2019
Contract Duration	6 months
Original Contract Sum	GH¢923,954.72
ABFA Component	GH¢581,140.62
Percentage of ABFA	62.90%
Year of Disbursement	2020
Date of Inspection	8 th February, 2022

Observations

- Although the PIAC team was informed that work had been completed by the contractor, the facility was yet to be handed over and put to use.
- The market structures had started deteriorating with visible defects such as cracks in the floor and walls, and rusty roofs, thereby raising concerns about the integrity of the structure. The team was also informed that whenever it rained, the shed got flooded.
- From PIAC's interactions with members of the community, it was reported that because the market was not in use, most market women in Pokrom and its surrounding villages take their produce to Nsawam to sell.
- However, if the market was in operation, trading activities that would have otherwise been done in Nsawam would remain in the town.

The Committee hereby recommends that the contractor be brought back to site to remedy the defects before handing over the project to the District Assembly for use.



9. Rehabilitation of Office Space and Headmistress Bungalow at Aburi Girls SHS

Project Details¹³	
Implementing Agency	Ministry of Education
Contractor	-
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GH¢99,010.49
Percentage of ABFA	-
Year of Disbursement	2015
Date of Inspection	8 th February, 2022

¹³ The Committee is yet to be furnished with data on the project by the Ministry of Education

The project consisted of the renovation of an office space and a bungalow for the Headmistress. Since the renovation in 2015, the bungalow had developed structural defects, and necessitated additional work to be done. At the time of PIAC's visit, an ongoing renovation by a group of Old Students was underway.

10. Construction of 1 No. Rural Market with Storage and Mechanised Boreholes at Nsawam Pwd/ Otukwadjo in the Nsawam Adoagyiri Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives
Contractor	Basham Co. Ltd.
Consultant	Multi-Lead Co. Ltd.
Date of Award	29 th January, 2019
Contract Duration	6 months
Original Contract Sum	GH¢920,354.00
ABFA Component	GH¢190,707.57
Percentage of ABFA	20.72%
Year of Disbursement	2020
Date of Inspection	11 th February, 2022

Observations

- The PIAC team visited the OtuKwadjo community to inspect the project but did not find it there, and proceeded to Pwd/Kudjo in the Municipality, where the project was sited. The Special Development Initiative Secretariat had stated that the project, which was to be sited in two communities (OtuKwadjo – 1 shed and Nsawam PWD – 2 sheds), consisted of three (3) sheds (24-unit stalls each), a water system of 5,000 litres, a storage facility and a 4-seater water closet. However, the Secretariat stated that the Assembly was unable to secure a site for the shed that was to be located in OtuKwadjo.
- Some stalls were unoccupied due to the absence of electricity and washroom facilities. Others were being customized to fit the purpose of those who had rented them.
- Even though the section of the project at PWD-Kudjo had been deemed by the Special Development Initiative Secretariat as commissioned, the borehole, which is part of the water system had not been drilled.
- Officials of the Assembly also indicated that the Assembly was not involved in the selection and implementation of the project.



11. Construction of 2 No. Boreholes with Ancillaries at Akwamu and Asikafo Amantem in the Nsawam Adoagyiri Constituency.

Project Details	
Implementing Agency	Ministry of Special Development Initiatives
Contractor	Padiki D. Consultancy and Construction
Consultant	Bong Limited
Date of Award	7 th November, 2018
Contract Duration	4 months
Original Contract Sum	GH¢99,420.00
ABFA Component	GH¢89,478.00
Percentage of ABFA	90.00%
Year of Disbursement	2020
Date of Inspection	11 th February, 2022

The PIAC team visited both communities and inspected the projects which comprised a poly tank, a pump and a mechanised borehole. At Akwamu, the water is sold and the proceeds are used to carry out maintenance works on the facility. The team was informed that the availability of the water system had brought an end to the perennial water shortage that the community used to face.

Observations

- At Asikafo Amantem, the use of the water was free.
- The pump was not secured, and thus exposed to the vagaries of the weather.
- The absence of labelling made it difficult to locate the project.



11.2.12.3 North East Region

The PIAC team was accompanied by the North East Regional Planning Officer (REPO) in visiting all three projects.

12. Construction of 1000MT warehouse at Gambaga

Project Details	
Implementing Agency	Ministry of Food and Agriculture (MoFA)
Contractor	Ramboll Limited
Consultant	-
Date of Award	18 th July, 2018
Contract Duration	23 months
Original Contract Sum	GH¢2,620,532.86
ABFA Component	GH¢1,330,932.11
Percentage of ABFA	50.79%
Year of Disbursement	2019 & 2020
Date of Inspection	26 th April, 2022

Observations

- Ancillary facilities that were part of the project were a laboratory, security post, changing rooms, washrooms, and a mechanised borehole.
- It was stated that though the facility was commissioned in 2021, it only became operational in 2022.
- Since its operationalisation, two farmers had patronised the service, storing a total of 11,835 (84kg) bags (9,915 and 1,920) of rice at a flat rate of GH¢1 per season.
- The rice bags were packed from the ground up, without pallets. This exposed the grains to contact with moisture, which could reduce its quality.
- Some of the packed bags of rice had been ripped open, with the grains of rice left to the risk of exposure to air moisture and insect infestation.
- The facility does not have a ladder or a machine that loads the rice bags higher up the warehouse. This prevents the facility from being filled to capacity, and loses the extra revenue that could have been generated if filled.
- The facility is well-ventilated, with the bags evenly spaced.
- The facility is an affordable solution for farmers in need of storage for their harvest.



13. Construction of 1 No. 3-Storey RCC Administration Block at North East Region

Project Details	
Implementing Agency	Ministry of Local Government, Decentralisation and Rural Development
Contractor	M/s MyTurn Limited
Consultant	Architectural & Engineering Services Limited (AESL Ltd)
Date of Award	-
Contract Duration	12 months
Original Contract Sum	GH¢19,000,000 (approx.)
ABFA Component	GH¢7,105,674.99
Percentage of ABFA	~37.40%
Year of Disbursement	2020
Date of Inspection	26 th April, 2022

The 3-Storey Administration Block, located In Nalerigu, is intended to house the North East Regional Coordinating Council. Construction commenced in 2019, and was expected to be completed in November 2021.

Observations

- The site engineer was not aware that the project was partly funded with the Annual Budget Funding Amount (ABFA).
- Works were ongoing past the expected completion date, even though there was no documented extension granted to the Contractor.
- Works such as painting, tiling, electricals, and furnishing remain outstanding.
- According to the Site Engineer, some variations were made to the original scope to accommodate the construction of a retaining wall and asphaltic overlay of the Block's parking lot.



14. Upgrading of Nalerigu - Gbintri Road

Project Details	
Implementing Agency	Ministry of Roads and Highways (MoRH)
Contractor	Maripoma Enterprise Limited
Consultant	Ghana Highway Authority
Date of Award	19 th May, 2020
Contract Duration	36 Months
Original Contract Sum	GH¢164,000,000 (approx.)
ABFA Component	GH¢20,000,000
Percentage of ABFA	~12.20%
Year of Disbursement	2020
Date of Inspection	27 th April, 2022

According to the project consultant, the Ghana Highway Authority (North East Regional Office), the scope of the project is clearing and road widening works, earthworks, U-drain and culverts, sealing works, and road markings. The project is being implemented by the Ministry of Roads and Highways (MoRH). The 40km road spans over 15 communities, and when completed would ease transport within these communities.

Observations

- Out of the scope, clearing and road widening works had been completed, with earthworks and culvert works ongoing at the time of the Committee's visit.
- Out of the five (5) Interim Payment Certificates (IPCs) raised by the contractor, three (3) had been paid.
- Most of the U-drains across the stretch of road inspected were not uniform, and showed signs of failure. Adequate supervision of the project would have ensured that the drains were uniformly shaped, as the cost of correcting such defects is high.



11.2.12.4 Western North

15. Construction of 1 No. 3-Storey RCC Administration Block at Sefwi Wiawso

Project Details	
Implementing Agency	Ministry of Local Government, Decentralisation, and Rural Development
Contractor	China State Housing Construction Gh. Ltd.
Consultant	Architectural and Engineering Services Ltd. (AESL)
Date of Award	18 th October, 2019
Contract Duration	12 Months (Extended to 20/12/2021)
Original Contract Sum	GH¢17,647,534.17
ABFA Component	GH¢5,256,851.51
Percentage of ABFA	29.79%
Year of Disbursement	2020
Date of Inspection	25 th April, 2022

Observations

- The building was completed and was in use.
- The Team's overall assessment of the project was satisfactory and urged the RCC to ensure regular maintenance to prolong the lifespan of the building.
- Works to be done on the urinal basins of some of the washrooms remain outstanding.



16. Construction of 3 No. Snr. Staff Bungalows at Sefwi Wiawso

Project Details	
Implementing Agency	Ministry of Local Government, Decentralisation, and Rural Development
Contractor	Josano Limited
Consultant	Architectural and Engineering Services Ltd. (AESL)
Date of Award	27 th November, 2019
Contract Duration	6 Months (Extended to 20/06/2022)
Original Contract Sum	GH¢3,103,525.64
ABFA Component	GH¢1,517,372.46
Percentage of ABFA	48.89%
Year of Disbursement	2020
Date of Inspection	25 th April, 2022

Observations

- All the 3-unit bungalows had been built, roofed and walled. Internal finishing in all three bungalows was almost completed.
- There were still some outstanding works to be done on the bungalow's exterior.

The Committee advocates for speedy completion of the project for use by the respective officers.



17. Construction of 1 No. Rural Market at Amoaya in the Bodi Constituency

Project Details	
Implementing Agency	Ministry of Special Development Initiatives
Contractor	Samotrust Company Ltd.
Consultant	E-Benzy and Co. Ltd.
Date of Award	29 th November, 2018
Contract Duration	4 months
Original Contract Sum	GH¢199,915.00
ABFA Component	GH¢107,327.70
Percentage of ABFA	53.69%
Year of Disbursement	2020
Date of Inspection	27 th April, 2022

The team met the DCE of Bodi, who indicated that the project concept was developed from the Assembly and submitted to the Special Development Initiatives who provided funding for its execution. The DCE stated that the project had stalled and indicated that he had begun efforts to seek funding from Government to complete it.

Observations

- The market had stalled due to the delay of funds to the Contractor. Due to this, the contractor indicated his unwillingness to continue the project.
- Apart from the abandoned project, a new rural market construction was underway, and being implemented by the Coastal Development Authority.



11.2.13 Key Concerns arising from Project Inspections

11.2.13.1 Project Siting

Two (2) out of the 17 projects visited by the Committee during the period were sited in locations different from what was in data submitted by the Ministry of Finance to PIAC. This deprives the intended beneficiaries that the projects were initially assigned to of the benefit. This also makes monitoring such projects difficult, as there would be no structures meeting the project description at their original sites.

11.2.13.2 Lack of Ancillary Facilities

Some of the projects inspected had been handed over to the MMDAs lacked ancillary facilities, such as storage tanks, drainage systems and equipment. This makes it difficult for the Assemblies to efficiently manage and use the facilities.

11.2.13.3 Project Commissioning

The Committee noted that the construction of Durbar Grounds at Ofaakor in the Awutu Senya East Constituency, which received ABFA

funding, had a lot of outstanding works. This raises questions as to why a project that was not completed was commissioned for use.

11.2.13.4 Co-mingling of ABFA with other funds

The ABFA continues to be co-mingled with counterpart funds from other sources. This makes it difficult to monitor and assess the impact of the ABFA in project delivery to the beneficiary communities.

Finding

1. During the period under review, the Committee inspected 17 ABFA-funded projects in four (4) regions. Sixteen out of these projects had received ABFA funding, which averaged 56 percent of the original contract sum. Out of the projects inspected, eight (8) were completed at the time of the visit.

CHAPTER 12

12 CONCLUSION AND RECOMMENDATIONS

Despite the worsening global economic conditions during the period under review, the oil industry made significant gains, owing to the surge in crude oil prices. Although the impact of the COVID-19 pandemic lurked around, the windfall from the petroleum sector continued to cushion the economies of many oil producing countries. In Ghana, though production volumes declined during the period under review, higher crude oil prices increased revenue accrued to the State.

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

1. PIAC recommends that the proceeds of liftings by JOHL should be paid into the Petroleum Holding Fund (PHF), as the Committee is convinced that the proceeds form part of Ghana's petroleum revenues.
2. The Ghana Revenue Authority (GRA) needs to intensify its efforts at collecting surface rental arrears in addition to any new assessment before the end of the year. To enable GRA assess and collect revenues from IOCs before they exit Ghana, the Minister for Energy is encouraged to inform GRA and other relevant institutions before the termination of PAs.
3. Besides diversifying the qualifying instruments of the GPFs, the investment portfolio should not be limited to the US Market. Other markets should be considered, albeit under the advice of the Investment Advisory Committee (IAC).
4. The Minister for Finance, in determining the cap on the GSF, should comply with the relevant provisions of L.I 2381.
5. Parliament should give more attention to GNPC's budget and ensure that the Corporation's budget is based on realistic estimates of expected revenue.
6. The Committee reiterates its call to the MoF to take advantage of the review of the PRMA to provide clear rules for the treatment of unutilised ABFA.
7. The Ministry of Finance should ensure that the transfers to the DACF are done quarterly in order for the District Assemblies to efficiently carry out their functions.
8. The Ghana Revenue Authority and the Ministry of Finance should collaborate to ensure that Capital Gains Tax and other taxes arising from transactions in the sector are assessed and paid to the PHF.
9. PIAC recommends that Government should direct subsequent disbursements to GIIF intended for Agenda 111, to the Ministry of Health to support the Agenda 111 Project. Additionally, GIIF should focus the utilisation of its share of ABFA on its core mandate of investing funds in commercial infrastructural projects, in accordance with the GIIF Act, 2014 (Act 877) and policy guidelines of the Fund.

APPENDICES

Appendix A – Current Petroleum Agreements in Ghana

S/N	Contract Area	Operator
1.	South Deepwater Tano	AGM Petroleum Limited
2.	Deepwater Tano/Cape Three Points	Aker Energy Limited
3.	Cape Three Points Block 4	Eni Ghana Exploration & Production Limited (Eni)
4.	Offshore Cape Three Points	Eni Ghana Exploration & Production Limited (Eni)
5.	Deepwater Cape Three Points	GOIL Offshore
6.	Deepwater Tano	Tullow Ghana Limited (TGL)
7.	West Cape Three Points	Tullow Ghana Limited (TGL)
8.	Deepwater Cape Three Points West Offshore	Eco Atlantic
9.	West Cape Three Points Block 2	Springfield Exploration and Production Limited
10.	Central Tano Block	Amni Ghana
11.	East Cape Three Points	Medea Development
12.	Expanded Shallow Water Tano	Base Energy Ghana Limited
13.	Offshore South-West Tano	OSWT & EK Operating Company Ghana Limited (OPCO)
14.	East Keta Offshore	OSWT & EK Operating Company Ghana Limited (OPCO)

Source: PIAC's Construct, based on PC Data, June 2022.

Appendix B – Share of Production and Development Cost of Ghana’s Producing Fields

I. Production and Developments Costs on the Jubilee Field – H1 2022

Production	Amount (US\$ '000)
Business Mg't & Assurance	18,150.00
Jubilee Transformation	7,775.00
O&M Contractor Cost	62,730.00
Facilities Optimization Project	478.00
FPSO Insurance	4,271.00
Subsea	6,955.00
Consumables	2,715.00
Logistics & Materials	19,443.00
Oil Lifting	845.00
Engineering Operations	37,244.00
Prod. Syst Optimization	420.00
Subsurface	292.00
Wells	4,530.00
KNK upgrade Reclass	233.00
Riser 5 Lift and Shift	3,861.00
PCO and Financial Items	2,886.00
Total Operating Expenditure	172,828.00
Development	Amount (US\$ '000)
Business Mg't & Assurance	5,555.00
KNK Upgrade Reclass	526.00
London Engineering Project	8,625.00
OOL2	14,831.00
Subsea	62,201.00
Drillex	119,673.00
PCO and Financial Items	4,605.00
Total Capex	216,016.00
Total Petroleum Cost	388,844.00

Source: GNPC Data, June 2022

II. Production and Developments Costs on the TEN Field – H1 2022

Production	Amount (US\$ '000)
Business Mgt & Assurance	10,202.00
O&M Contractor Cost	29,268.00
Subsea	4,728.00
Consumables	1,732.00
Logistics & Materials	11,841.00
Oil Lifting	141.00
Prod. Syst Optimisation	41.00
Subsurface	224.00
PCO and Financial Items	917.00
Total Opex	59,094.00
Development	Amount (US\$ '000)
Business Mgt & Assurance	4,730.00
Subsea	13,562
London Projects and Engg.	1,115.00
Drillex	36,639.00
FPSO Charter	104,833.00
PCO and Financial Items	1,219.00
Total Capex	162,098.00
Total Petroleum Cost	221,192.00

Source: GNPC Data, June 2022

III. Production and Developments Costs on the SGN Field – H1 2022

Production	Amount (US\$ '000)
Operating Maintenance Cost (ORF)	5,407.06
Operating Production Cost	19,709.40
Operating Insurance Cost	1,233.70
Operating Maintenance Cost	15,133.94
Operating Transport Cost	26,631.34
Chemicals	7,660.21
Other Operating Cost	5,074.68
General Operating Cost (G&A)	15,449.18
Total OPEX	96,299.51
Development	Amount (US\$ '000)
Development Studies & Operator G&A	3,760.30

FPSO leasing	64,019.70
Other Costs - PA Overheads	56.18
Total CAPEX	67,836.18
Total Petroleum Cost	164,135.69

Source: GNPC Data, June 2022

Appendix C - H1 2022 ABFA Utilisation Data

Below is the link to the Appendix on the 2022 ABFA Utilisation Data, detailing projects and programmes that received petroleum funding during the period under review, as reported by the Ministry of Finance.

https://www.piacghana.org/portal/files/downloads/abfa_utilisation_data_-_h12022.pdf

Appendix D - Payments by GNPC Foundation for Projects and Programmes – January to June

Pillar	Details	Class	GH¢	US\$
Education and Training	Foreign Scholarship	Foreign Scholarship		\$2,147,104.81
	Local Scholarship	Local Scholarship	12,679,258.74	
	Community - 3 unit classroom block Nkonsa	Educational Support	139,718.47	
	Construction of 6 Unit classroom at Drobonso	Educational Support	85,710.84	
	Construction of 6 unit classroom at Fiaso SHS	Educational Support	21,427.71	
	Construction of 6 unit classroom at Kuntense SHS	Educational Support	21,427.71	
	Construction of 6 unit classroom at Tawheed SHS	Educational Support	21,427.71	
	Construction of 160 bed dormitory at Opoku Agyemang SHS	Educational Support	42,618.82	
	Construction of 160 bed Dormitory at SDA SHS	Educational Support	42,618.82	
	Construction of 1No.3 Classroom at Wassa Simpa	Educational Support	11,639.36	
	Construction of 3 unit classroom at Birim North	Educational Support	93,138.12	
	Construction of 3 unit classroom at Sulmuchu	Educational Support	54,856.94	
	Construction of 3 Unit classroom block at Asotwe La School	Educational Support	105,599.68	
	Construction of 6 unit classroom at Akroso	Educational Support	85,710.84	
	Construction of 6 unit classroom at Ayakomaso	Educational Support	85,710.84	
	Construction of 6 Unit classroom at Bulenga	Educational Support	54,857.14	
	Construction of 6 Unit classroom at Dodowa	Educational Support	85,710.84	
	Construction of 6 unit classroom at Epowano-shama Beposo	Educational Support	85,710.84	
	Construction of 6 unit classroom at Gwiraman SHS	Educational Support	85,710.84	
	Construction of 6 unit classroom at Kpando Gadza	Educational Support	85,710.84	
	Construction of 6 Unit classroom at Kwadaso	Educational Support	45,094.73	
	Construction of 6 Unit classroom at Kwadaso	Educational Support	90,189.46	
	Construction of 6 unit classroom at Naaga SHS	Educational Support	93,323.96	

	Construction of 6 Unit classroom at Okere	Educational Support	188,487.71	
	Construction of 6 unit classroom at Tawheed SHS	Educational Support	21,427.71	
	Construction of 6 unit classroom block at Kumasi High School	Educational Support	188,487.71	
	Supply of Bunk Bed to St Johns of God College Health	Educational Support	28,215.00	
	Supply of Bunk beds to Bekwai SHS	Educational Support	29,469.00	
	Supply of Bunk beds to Bekwai SHS	Educational Support	31,350.00	
	Supply of Bunk beds to Opoku Agyemang SHS	Educational Support	30,174.00	
	Supply of Bunk beds to Opoku Agyemang SHS	Educational Support	32,100.00	
	Supply of Bunk Beds to Queens SHS	Educational Support	31,600.00	
	Supply of bunk beds to St John of God College of HealthEducational	Educational Support	31,350.00	
	Sub-total		14,729,834.38	\$2,147,104.81
Environment & Social Amenities	Construction of 6 Unit sanitary facility at Domini	Sanitary Facility	6,987.57	
	Construction of 12 Unit sanitary facility at Agyan	Sanitary Facility	10,578.67	
	Construction of 24 Unit sanitary facility at Sekondi College	Sanitary Facility	131,973.72	
	Construction of 24 Unit santary Facility at Mando SHS	Sanitary Facility	131,973.72	
	Construction of 12 unit sanitary Facility at Ejura Sekyeredumase	Sanitary Facility	42,840.80	
	Construction of 24 Unit Sanitary Facility at TTU	Sanitary Facility	131,973.72	
	Construction of 12 unit unit sanitary Facility at Ahwia Nkwanta	Sanitary Facility	94,241.95	
	Support Construction of 5NO Boreholes at Pru East	Water Boreholes	26,139.38	
	Support Construction of 9No. Hand Pump boreholes at Bongo	Water Boreholes	11,744.69	
	Support Construction of 10No. Hand Pump boreholes at Bongo	Water Boreholes	13,172.00	
	Support Construction of 26 hand pumps at Upper west region	Water Boreholes	205,447.47	

	Support Construction 9No Hand pump boreholes at Pru East	Water Boreholes	26,139.38	
	Support Construction of 28No Boreholes in western & Western North	Water Boreholes	221,250.79	
	Support Construction of 5No. Handpump boreholes at Pru-East	Water Boreholes	6,534.84	
	Support Construction of 5No. Handpump boreholes at Pru-East	Water Boreholes	26,139.38	
	Sub-total		1,087,138.08	
Economic Empowerment	Training of NVTI Artisan in various regions	369,504.81		
	Sub-total		369,504.81	
Sports	Construction of Astro Turf at Asomanso	Sports Development	319,813.00	
	Construction of Astro Turf at Bekwai	Sports Development	163,981.20	
	Construction of Astro turf at Mpohor	Sports Development	1,183,333.34	
	Construction of Astro turf at Offinso	Sports Development	1,183,333.34	
	Construction of Astro turf at Adieso	Sports Development	1,183,333.34	
	construction of AstroTurf at Half Assini -Jomoro	Sports Development	1,183,333.34	
	Sub-total		5,217,127.56	
	Grand Total		21,403,604.83	\$2,147,104.81

**MEMBERS OF THE PUBLIC INTEREST AND ACCOUNTABILITY
COMMITTEE (PIAC) AS AT 30TH JUNE 2022**



**PROFESSOR KWAME
ADOM-FRIMPONG
(Chairman)**

**Institute of Chartered
Accountants, Ghana**



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



Hajia Dr Kansawurche Bukari
Queenmothers' Association



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
Ardayilo-Schandori**
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**Rev. Dr. Christopher
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Christian Groups



Osei Kwadwo Adow
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M. Bashiru Abdul-Razak
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