REPUBLIC OF GHANA
MINISTRY OF FINANCE

Ghana Extractive Industries
Transparency Initiative

GHEITI

REPORT ON OIL SECTOR

2021-2022

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www.gheiti.gov.gh
info@gheiti.gov.gh
+233 302 686 101

GHEITI

2021 – 2022

Oil and Gas Report

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

ABFA	Annual Budget Funding Amount
ADO	Average Daily Occupancy
AFC	Africa Finance Corporation
AFCEI	AFC Equity Investment Ltd
AFROSAI	Africa Organisation Supreme Audit Institutions
AG	Associated Gas
AOE	Additional Oil Entitlement
AoI	Area of Interest
BO	Beneficial Ownership
BoG	Bank of Ghana
BOP	Business Operating Permit
BOST	Bulk Oil Storage and Transportation
BR	Benchmark Revenue
CAFGOA	Canoe and Fishing Gear Owners Association of Ghana
CAOPA	Confederation of Artisanal Processors Association
CAPI	Carried and Participating Interest
CD	Customs Division
CDD	Customer Due Diligence
CEPS	Customs, Excise and Preventive Service
CIL	Carbon In Leach
CIT	Corporate Income Tax
CSI	Corporate Social Investment
CSOs	Civil Society Organizations
CSPOG	Civil Society Platform on Oil and Gas
CSR	Corporate Social Responsibility
CWM	Cash Waterfall Mechanism
DACF	District Assembly Common Fund
DMA	Drilling Management Agreement
DoA	Deeds of Assignment
DTRD	Domestic Tax Revenue Division
DWCTP	Deep Water Cape Three Points Block
DWT	Deep Water Tano
DWTCTP	Deepwater Tano Cape Three Points
EA	Environmental Assessment
EAP	Environmental Action Plan
ECG	Electricity Company of Ghana
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Statements
EIS	Environmental Impact Statement
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
ESA	Environment and Social Amenities
ESD	Emergency Shutdown
ESLA	Energy Sector Levy Act

ESRP	Energy Sector Recovery Program
ESWT	Expanded Shallow Water Tano
ETC	Entity Tender Committee
FIC	Financial Intelligence Centre
FID	Final Investment Decision
FC	Fisheries Commission
FPSO	Floating Production Storage and Offloading
FS	Financial Sector
FY	Financial Year
GCB	Ghana Commercial Bank
GDP	Gross Domestic Product
GHEITI	Ghana Extractives Industry Transparency Initiative
GIFMIS	Ghana Integrated Financial Management Information System
GIIF	Ghana Investment Infrastructure Fund
GIS	Ghana Immigration Service
GMA	Ghana Maritime Authority
GMP	Gas Master Plan
GN	Ghana Navy
GNCFC	Ghana National Canoe and Fishermen Council
GNGC	Ghana Gas Company limited
GNPC	Ghana National Petroleum Company
GoG	Government of Ghana
GPFs	Ghana Petroleum Funds
GRA	Ghana Revenue Authority
GRM	Grievance Redress Mechanism
GSL	Growth and Sustainability Levy
GTES	GNPC Technip Engineering Services
HFO	Heavy Fuel Oil
HSE	Health, Safety, and Environment
IA	Independent Administrator
IEP	Initial Exploration Phase
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IMO	International Maritime Organization
INTOSAI	International Organisation of Supreme Audit Institutions
IOCs	International Oil Companies
IPPs	Independent Power Producers
IRS	Internal Revenue Service
ISSAI	International Standards of Supreme Audit Institutions
ItT	Invitation to Tender
JAK	John Agyekum Kuffuor
JOA	Joint Operating Agreement
JOCs	Joint Operating Companies
JOHL	Jubilee Oil Holdings Limited
JV	Joint Venture
JVCs	Joint Venture Companies

JVs	Joint Ventures
KEGHC	Kosmos Energy Ghana HC
KEGIN	Kosmos Energy Ghana Investments
L.I.	Legislative Instrument
LC	Letter of Credit
LPG	Liquefied Petroleum Gas
LTD	Limited
MDAs	Ministries, Departments and Agencies
MMDAs	Metropolitan, Municipal, and District Assemblies
MoE	Ministry of Energy
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MPA	Model Petroleum Agreement
MSG	Multi-Stakeholder Group
NAFPTA	National Fish Processors and Traders Association
NAG	Non-Associated Gas
NCCE	National Commission for Civic Education
NGCH	Natural Gas Clearing House
NIB	National Investigation Bureau
NOC	National Oil Company
NRGI	Natural Resources Governance Institute
NVTI	National Vocational Training Institute
NYSE	New York Stock Exchange
OCTP	Offshore Cape Three Point
OECD	Organisation for Economic Corporation and Development
OEP	Opening Extractives Programme
OPCO	Operating Company Ltd
ORC	Office of the Registrar of Companies
OSEs	Other State Entities
P.N.D.C.L.	Provisional National Defence Council Law
PAs	Petroleum Agreements
PAYE	Pay As You Earn
PC	Petroleum Commission
PEA	Preliminary Environmental Assessment
PEGL	Pecan Energies Ghana Limited
PER	Preliminary Environmental Report
PERs	Preliminary Environmental Reports
PFM	Public Financial Management
PHF	Petroleum Holding Fund
PIAC	Public Interest and Accountability Committee
PLC	Publicly Listed Company
PMC	Project Management Consultancy
PoD	Plan of Development
PPA	Public Procurement Authority
PRMA	Petroleum Revenue Management Act
PSA	Production Sharing Agreement

PSGL	Prestea Sankofa Gold Limited
PURC	Public Utilities Regulatory Commission
PWYP	Publish What You Pay
QFE	Quasi Fiscal Expenditure
RFP	Request For Proposal
ROR	Rate of Return
SCF	Standard Cubic Feet
SDWT	South Deep water Tano
SEP	Springfield E&P Ltd
SGN	Sankofa Gye-Nyame
SIGA	State Interests and Governance Authority
SOE	State-Owned Enterprise
SOPCL	Saltpond Offshore Producing Company Limited
SSNIT	Social Security and National Insurance Trust
TGL	Tullow Ghana Limited
TSF	Tailing Storage Facility
TTU	Takoradi Technical University
UNCITRAL	United Nations Commission on International Trade Law
UUOA	Unitisation and Unit Operating Agreements
VAT	Value Added Tax
VRA	Volta River Authority
WAGP	West African Gas Pipeline
WCTP	West Cape Three Points

SECTION ONE: OVERSIGHT BY THE MULTI-STAKEHOLDER GROUP

The Extractive Industries Transparency Initiative (EITI) is a global benchmark for assessing how well natural resource dependent economies are doing in unleashing the development potential of resource extraction. The initiative is hinged on the principles of transparency, accountability, and participation of citizens in decisions around resource governance and spending options.

The EITI Standard requires public disclosure of companies' payments and governments' receipts. These payments and receipts are then reconciled by an Independent Administrator (IA), and where discrepancies are identified, steps are taken to unravel them.

As key stakeholders in EITI implementation, CSOs participate by observing the disclosure processes, and are expected to use data from the disclosures to engage government, and to push for the required reforms that will enhance the country's benefits from its natural resources.

1.1 Government Commitment

The Government of Ghana has since 2003, when the country acceded to the Extractive Industries Transparency Initiative (EITI) demonstrated its commitment by providing budgetary support for the implementation of the initiative. Government's commitment is also expressed in its uptake of GHEITI's recommendations, and the several reforms undertaken in the mining, oil and gas sectors. Government's commitment is further demonstrated by the fact that the EITI champion has always been available to launch the GHEITI reports, and other knowledge products produced by the MSG. This report is wholly financed by Government of Ghana through the Ministry of Finance.

1.2 Company Engagements

There are no barriers, legal, administrative, or whatsoever, to the effective participation of extractive industry companies in Ghana's EITI processes. Oil and Gas companies participating in the Ghana EITI are represented on the MSG by the industry association namely: the Ghana Upstream Petroleum Chamber; the three oil producing companies (Tullow Ghana Limited, Kosmos Energy Ghana and Eni Ghana Exploration and Production Limited); and two State Owned Enterprises (SOEs) comprising Ghana National Petroleum Company (GNPC) and Ghana Gas Company limited (GNGC).

1.3 Civil Society Engagement

Civil Society Organizations (CSOs) in Ghana are fully engaged in Ghana's EITI implementation processes. There are no barriers whatsoever to their effective participation in the processes. They are represented by Publish What You Pay (PWYP) Ghana, (a coalition of over 30 organizations, and the Civil Society Platform on Oil and Gas (CSPOG), (a coalition of over 50 organizations and 200 individuals). Both coalitions operate a decentralised governance structure, with PWYP Ghana having local chapters in the country's four main mining zones, and CSPOG having local chapters in 10 out of the 16 regions of Ghana. The CSOs have three slots on the GHEITI MSG, one for PWYP-Ghana, and two for CSPOG. One of the CSPOG positions is vacant, following the recruitment of the previous representative into the civil service (Ministry of Finance). CSPOG has been duly notified and expected to fill the vacancy soon.

One of the civil society representatives serves as the Co-Chair of the MSG, alongside the Chief Director of the Ministry of Finance. The MSG's decision-making has always been by consensus, which has come to form the basis for collaboration and co-operative dialogue. GHEITI has been monitoring the civil society space and can affirm that there are no threats and attacks against Civil Society activists in the extractive sector. CSOs have led campaigns against major controversial policies in the extractive sector including the controversial Agyapa deal. As far as the MSG is concerned, no such report has been received.

1.4 Multi-Stakeholder Group

Ghana's EITI (GHEITI) is governed by a Multi-Stakeholder Group[1] (MSG) drawn from Government agencies in the extractive sector, companies, and civil society groups. The company and Civil Society representatives are nominated in accordance with established codes. The MSG is an independent body that oversees EITI implementation in Ghana. It approves budgets and provides policy direction to the Secretariat (the operational arm of GHEITI). The MSG is currently taking steps to revise its rules of procedure to reflect current practices.

1.4.1Gender Make-up of the GHEITI MSG and Secretariat

The GHEITI MSG as at 2020 was made up of five females, and 20 males representing 80 percent males and 20 percent females. The years 2021 and 2022 saw efforts at balancing the gender composition of the MSG. In 2023, the MSG was made of 28 males and 6 females representing 76 percent males and 24 percent females. A challenge associated with efforts to improve the gender balance of the MSG, and which was highlighted in the 2020 GHEITI Reconciliation Report is that representation from both the government and company sides is determined exclusively by job function, which makes it difficult to insist on gender representation. Currently, both the Chair of the MSG and the Coordinator are females and the representative of the Petroleum Unit of the Ghana Revenue Authority has been replaced by a female.

On the Civil Society side, there were two women representatives out of the three slots allocated to the constituency, but one was recruited into the Civil Service (Ministry of Finance), creating a vacancy that is waiting to be filled. The Civil Society constituency has been entreated to strongly consider a woman as its replacement.

The GHEITI Secretariat on the other hand has 11 staff made up of 9 (nine) regular staff, a National Service person and an intern. This is made up of 6 females and 5 males making up 45% males and 55% females.

1 https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=541:addendum-to-gheiti-rules-of-procedure-on-msg-nominations&id=73:2023-validation-addendum&Itemid=54

Furthermore, the GHEITI MSG has developed a Gender Strategy document with the support of the World University Service of Canada, under the WAGES project. The strategy can be accessed via the link[2]

1.5 Work Plan

GHEITI held its 2021, 2022 and 2023 annual programme planning retreats in the second week of January of the three years. Participation in both events went beyond the core MSG membership to include the Institute for Financial and Economic Journalists, NRGI, GIZ, and the Ghana Journalists Association. The workplans were subjected to mid-year review, and planned activities are adjusted where there is the need, to reflect unforeseen national developments and changing priorities. The work plan[3] has been published and can be accessed via the link.

[2] http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=50:gender-related&Itemid=54
[3] https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=sections&Itemid=54

SECTION TWO: LEGAL AND INSTITUTIONAL FRAMEWORK, INCLUDING ALLOCATION OF CONTRACTS AND LICENCES

This section covers the management of the contracting and licensing regime in the oil and gas sector. It is intended to help stakeholders understand the laws and procedures for the award of exploration and production rights; the legal, regulatory, and contractual frameworks that apply to the oil and gas sector, and the responsibilities of State agencies in managing the sector.

The EITI requirements related to the transparency of the legal framework and award of extractive industry rights, include: (2.1) Legal framework and fiscal regime; (2.2) Contract and licence allocations; (2.3) Register of licences; (2.4) Contracts; (2.5) Beneficial ownership; and (2.6) State participation in the extractive sector.

2.1. Legal Framework and Fiscal Regime

Below is a summary description of the main legislations that regulate the upstream oil and gas sector.

2.1.1 Legal Framework

The 1992 Constitution: It is the supreme law of Ghana. Article 257 (6) of the Constitution declares the Republic of Ghana as the owner of every mineral resource in their natural state and vests them in the President on behalf of, and in trust for the people of Ghana. The President, in executing Petroleum Agreements[4] (PA), is required by Article 75 and Article 268 to ensure that all PAs are subject to ratification by Parliament.

Ghana National Petroleum Corporation (GNPC) Law, 1983 (P.N.D.C. Law 64): P.N.D.C. Law 64 establishes GNPC as the National Oil Company (NOC) with the mandate to undertake sustainable exploration, development, production, and disposal of the petroleum resources of the Republic of Ghana. The law can be accessed via the link[5].

Petroleum (Exploration and Production) Act, 2016 (Act 919): Act 919[6] was enacted in 2016 to replace the Petroleum (Exploration and Production) Law, 1984 (P.N.D.C.L. 84) as the primary law that governs the conduct of petroleum activities within Ghana's jurisdiction, including activities in, under and upon its territorial land, inland waters, territorial sea, exclusive economic zone, and its continental shelf. The object of the Act is to provide for and ensure safe, secure, sustainable, and efficient petroleum activities to achieve optimal long-term petroleum resource exploitation and utilisation for the benefit and welfare of the people of Ghana. Notwithstanding the repeal of PNDC Law 84, PAs, regulations, rules, authorisations, directives, and notices that were executed under the Law remains active until revoked, cancelled, or terminated.

[4] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/constitutionofghana.pdf
[5] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_%20corporation_law_19831.pdf
[6] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/Act-9190001.pdf

Petroleum Revenue Management Act, 2011 (Act 815) as amended by Act 893 provides the legal basis for the collection, allocation and management of petroleum revenues derived from upstream and mid-stream petroleum operations. The Act can be accessed via the link[7].

Income Tax Act, 2015 (Act 896) as Amended: Act 896 provides the legal basis for income tax in Ghana. Part VI of the Act covers taxation of upstream oil and gas activities, specifically, petroleum income tax, royalties, withholding tax, capital gains tax, dividend tax and capital allowance. It replaces the Petroleum Income Tax Law[8], 1987 (P.N.D.C.L. 188).

Ghana Revenue Authority (GRA) Act, 2009 (Act 791): Act 791 establishes GRA as an umbrella body with the aim to enhance coordination between Internal Revenue Service (IRS), Customs, Excise and Preventive Service (CEPS) and the Value Added Tax (VAT) Service for the administration of taxes. In relation to the upstream oil and gas sector, Act 791[9] provides rules under which GRA promotes efficient collection of revenue, and greater accountability to Government for the management of tax administration.

The Petroleum Commission Act, 2011 (Act 821): Act 821[10] establishes the Petroleum Commission as the regulator of petroleum activities in Ghana. The object of the Commission is to regulate and manage the utilisation of petroleum resources and to coordinate policies in relation to these resources.

Earmarked Funds Capping and Realignment Act, 2017 (Act 947) as amended by the Earmarked Funds Capping and Realignment (Amendment) Act, 2019 (Act 994): Act 994 provides the legal basis for the government to ensure tax revenues are not encumbered by Earmarked Funds. With respect to the upstream oil and gas sector, Act 947 as amended empowers the Minister for Finance to cap petroleum revenue transfers to GNPC to achieve the object of Act 947[11].

Local Governance Act, 2016 (Act 936): Act 936[12] provides the legal basis for the establishment and administration of the District Assemblies Common Fund; provide for a National Development Planning System, define and regulate planning procedures of District Assemblies, co-ordinate, facilitate, monitor and supervise internal audit activities within District Assemblies. With respect to upstream oil and gas activities, the Act empowers the Metropolitan, Municipal, and District Assemblies (MMDAs) to administer and collect property rates in respect of extractive companies operating in their jurisdictional areas.

[7] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/petroluem-revenue-management-act815-2011-.pdf
[8] http://www.gnpcghana.com/files/INCOME-TAX-ACT-2015-ACT-896.pdf
[9] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_%20corporation_law_19831.pdf
[10] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/petroleum-commission-act-2011-act-821-1.pdf
[11] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_%20corporation_law_19831.pdf
[12] https://lgs.gov.gh/index.php/local-governance-act-of-2016-act-936/

Companies Act, 2019 (Act 992): Act 992 provides the legal basis for the incorporation and registration of all companies (including private, public, external, and non-Ghanaian companies) in Ghana. Act 992[13] also provides the basis for all types of companies (including those limited by shares, limited by guarantee, unlimited, and external companies) to collect and submit their beneficial ownership information to the Registrar of Companies.

Model Petroleum Agreement (MPA): MPA emanates from Act 919[14] and is intended to guide the negotiation process (including terms and conditions) in a Petroleum Agreement among the Government of Ghana, GNPC and the oil companies.

Environmental Protection Agency (EPA) Act 1994 (Act 490): Act 490[15] establishes the Environmental Protection Agency as a body corporate to manage issues relating to the environment.

Energy Sector Strategy and Development Plan: This plan covers strategies, programmes and projects intended to support the national economic development agenda of the Government of Ghana in the following areas of the Energy Sector: Energy Sector Institutions, Power Sub-sector, Petroleum Sub-sector, Renewable Energy Sub-sector, Waste-to-Energy and Energy and Gender.

Gas Master Plan (GMP): This provides a medium to long-term strategy for infrastructure development priorities that will contribute to the development of the country's natural gas resources and security of energy supply. The gas master plan can be accessed via the link[16]

Guidelines for the formation of Joint Venture companies in the upstream petroleum industry of Ghana: These guidelines have been developed pursuant to Regulation 43(1) of the Petroleum (Local Content and Local Participation) Regulations[17], 2013 (L.I. 2204) to guide upstream petroleum industry players on the formation and structuring of joint venture companies. Adherence to these guidelines will enhance local content and local participation in the upstream petroleum industry.

Oil and Gas Insurance placement for the Upstream Sector: is governed by the Insurance Act 2006 (Act 724) and the Petroleum (Local Content and Local Participation) Regulations[18], 2013, L.I. 2204. It encourages Ghanaian insurance companies to actively participate in and play a lead role in the provision of insurance for assets and liabilities in respect of all activities and /or operations directly relating to the exploration, appraisal, production,

[13] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_%20corporation_law_19831.pdf
[14] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_%20corporation_law_19831.pdf
[15] https://www.petrocom.gov.gh/wp-content/uploads/2018/12/ghana_national_petroleum_%20corporation_law_19831.pdf
[16] https://www.energymin.gov.gh/policies
[17] https://www.petrocom.gov.gh/laws-regulations/
[18] https://www.petrocom.gov.gh/laws-regulations/

storage and transportation of crude oil and gas in Ghana, in accordance with the Insurance Act 2006, (Act724).

Guidelines on the submission of Proposed Contracts to the Petroleum Commission: Regulation 13 of the Petroleum (Local Content and Local Participation) Regulations, 2013, L.I. 2204 requires a contractor, subcontractor, licencee, or other allied entity to inform the Commission[19] in writing of each proposed contract or purchase order:

- (a) related to petroleum activities that are to be sole sourced; or
- (b) where it is to be sourced by a competitive bidding procedure, estimated to be in excess of the cedi equivalent of one hundred thousand United States Dollars.

A contractor, subcontractor, licencee or other allied entity shall submit the following documents for the approval of the Commission:

- advertisements relating to expression of interest
- requests for proposals
- prequalification criteria
- technical bid documents
- technical evaluation criteria; and
- any other information requested by the Commission to enable the Commission to determine that the local content requirements have been complied with.

Growth and Sustainability Levy Act, 2023, Act 1095: Act 1095 was enacted to impose a special levy known as the Growth and Sustainability Levy (GSL) to raise revenue for growth and fiscal sustainability of the Ghanaian economy.

The Act imposes a one percent (1%) levy on gross production of mining and upstream oil and gas projects. For other sectors of the economy, the levy is to be imposed on profit before tax. The levy is not an allowable deduction for the purpose of ascertaining the chargeable income of an entity under the Income Tax Act, 2015 (Act 986).

All companies shall comply with the Act irrespective of any provision to the contrary in any agreement or enactment relating to a tax holiday or exemption from direct or indirect tax applicable to a company or institution. The GSL[20] is subject to review by the Minister for Finance in 2025.

Ghana National Energy Transition Framework: This was adopted on the 21st September, 2023 with the objective to achieve economy wide decarbonisation, energy security and access, and energy efficiency by 2070. These would be achieved through the development and utilisation of diversified energy sources including renewables (solar and wind), nuclear energy, natural gas, hydrogen gas, biofuels and biomass as well as the deployment of clean cooking solutions and low-carbon solutions such as Carbon Capture Utilisation and Storage.

[19] https://www.petrocom.gov.gh/laws-regulations/
[20] gra.gov.gh/wp-content/uploads/2023/04/GROWTH-AND-SUSTAINABILITY-LEVY-ACT-2023-ACT-1095.pdf

The Framework envisages the development of charging stations for electric and hydrogen fuel cell vehicles to accelerate the replacement of internal combustion engines or fossil fuel dependent vehicles with electric and hydrogen fuel cell vehicles. It advocates for continuous oil and gas exploration and production in the country with abatement or mitigation of the emissions and promotes the development and utilisation of the country's critical mineral resources to drive the energy transition in-country and beyond.

2.1.2 Key Regulations Enacted for the Upstream Oil and Gas Sector

To enhance the application of the legislations, several Regulations have also been enacted for the sector. These are presented in table 2.1

Table 2.1: Key Regulations for Upstream Oil and Gas

Regulations	Legislation/Policy Enacted Under
Petroleum (Exploration and Production) (General) Regulations, 2018 (L.I. 2359)	*Petroleum (Exploration and Production) Act*, 2016 (Act 919)
Petroleum (Exploration and Production) (General) (Amendment) Regulations, 2019 (L.I. 2390)	*Petroleum (Exploration and Production) Act, 2016 (Act 919)*
Petroleum (Local Content and Local Participation Regulations), 2013 (L.I. 2204) As Amended Petroleum (Local Content and Local Participation) (Amendment) Regulations, 2021 (L.I. 2435)	*Petroleum Commission Act, 2011 (Act 821)*
Petroleum Commission (Fees and Charges) Regulations, 2015 (L.I. 2221)	*Petroleum Commission Act, 2011 (Act 821)*
Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258)	*Petroleum (Exploration and Production) Act, 2016 (Act 919)*
Petroleum (Exploration and Production) (Measurement) Regulations, 2016 (L.I. 2246)	*Petroleum (Exploration and Production) Act, 2016 (Act 919)*
Petroleum (Exploration and Production) (Data Management) Regulations, 2017 (L.I. 2257)	*Petroleum (Exploration and Production) Act, 2016 (Act 919)*
Petroleum Revenue Management Regulations, 2019 (L.I. 2381)	*Petroleum Revenue Management Act, 2015 (Act 815)*
Natural Gas Pipeline Safety (Construction, Operation and Maintenance) Regulations, 2012 (L.I. 2189)	*Energy Commission Act, 1997 (Act 541)*
Natural Gas Distribution and Sale (Technical and Operational) Rules, 2007 (L.I. 1911)	*Energy Commission Act, 1997 (Act 541)*
Natural Gas Distribution and Sale (Standards of Performance) Regulations, 2007(L.I. 1912)	*Energy Commission Act, 1997 (Act 541)*
Natural Gas Transmission Utility (Technical and Operational) Rules, 2007(L.I. 1913)	*Energy Commission Act, 1997 (Act 541)*
Natural Gas Transmission Utility (Standards of Performance) Regulations, 2008(L.I. 1936)	*Energy Commission Act, 1997 (Act 541)*
Transfer Pricing Regulations, 2020 (L.I. 2412)	*Ghana Revenue Authority Act (Act 791)*
Environmental Assessment Regulations, 1999 (LI 1652)	*Environmental Protection Agency Act, 1994 (Act 490)* *Fees and Charges (Miscellaneous Provisions) Act , 2022 (Act 1080)*

Source: GHEITI's construct, 2024

Table 2.2: Highlights of Selected Regulations for Upstream Oil and Gas Sector

Regulations	*Description*
Petroleum (Exploration and Production) (General)(Amendment) Regulations, 2019 (L.I 2390)	*L.I. 2359 came into force in June 2018 and was amended in 2019 (L.I. 2390). It provides for the procedures and conditions for the grant of petroleum rights, including qualification requirements, terms and conditions for open and competitive tendering procedures and direct negotiations.* *Regulation 5 of LI 2390 allows companies that are in the production or development stage to conduct exploration within their development and production areas under an existing petroleum agreement and not under a new petroleum agreement as was the case previously. This is part of efforts to ensure timely and optimal development of the country's hydrocarbon resources. The costs of the new exploration activities within the DPA would be ring fenced and deducted from the proceeds emanating from the additional activities if they result in a commercial discovery.* *GNPC's stake could also be increased and other terms imposed to ensure the State benefits from the additional petroleum that may be produced.*
Petroleum (Local Content and *Local Participation Regulations),* *2013 (L.I. 2204) as Amended by L.I 2435* *Petroleum (Local Content and Local Participation) (Amendment) Regulations, 2021 (L.I. 2435)*	*L.I. 2204 outlines the local content requirements of all upstream petroleum companies and contractors.* *Under L.I. 2435 an indigenous Ghanaian company shall be afforded first preference in the grant of petroleum rights. An indigenous Ghanaian company is a company incorporated under the Companies Act of Ghana and is fully owned by a Ghanaian citizen.* *Under L.I. 2204, Regulation 4 (2), a foreign company seeking to participate in a petroleum activity in Ghana must afford an indigenous Ghanaian company other than the Corporation (GNPC) an equity participation of at least five (5) percent to be qualified to enter into a petroleum agreement and or a licence with the government of the Republic of Ghana.* *Regulation 4(6) of L.I. 2204 grants an indigenous Ghanaian company an equity holding of at least ten percent in a Joint Venture for the provision of goods and services in the upstream petroleum operation.* *The amendment which is centered around Regulation 4(6) is aimed at providing a solution to some challenges facing the petroleum sector in Ghana, particularly the participation of local firms in high-value activities. The amendments intend to ease the requirement of a joint venture for petroleum operations by creating alternative statutory vehicles such as "strategic alliances" and "channel partnerships" for operating in the industry.*
Petroleum (Exploration and Production) (Data Management) *Regulations,* 2017 (L.I. 2257)	*L.I. 2257 applies to the reporting and management of petroleum data obtained from the conduct of petroleum activities within Ghana. This includes the receipt, interpretation and analysis of petroleum data, provision of a safe environment for storage of petroleum data submitted, efficient management of the data and the documentation and reporting of information related to acquisition and submission of petroleum data.*

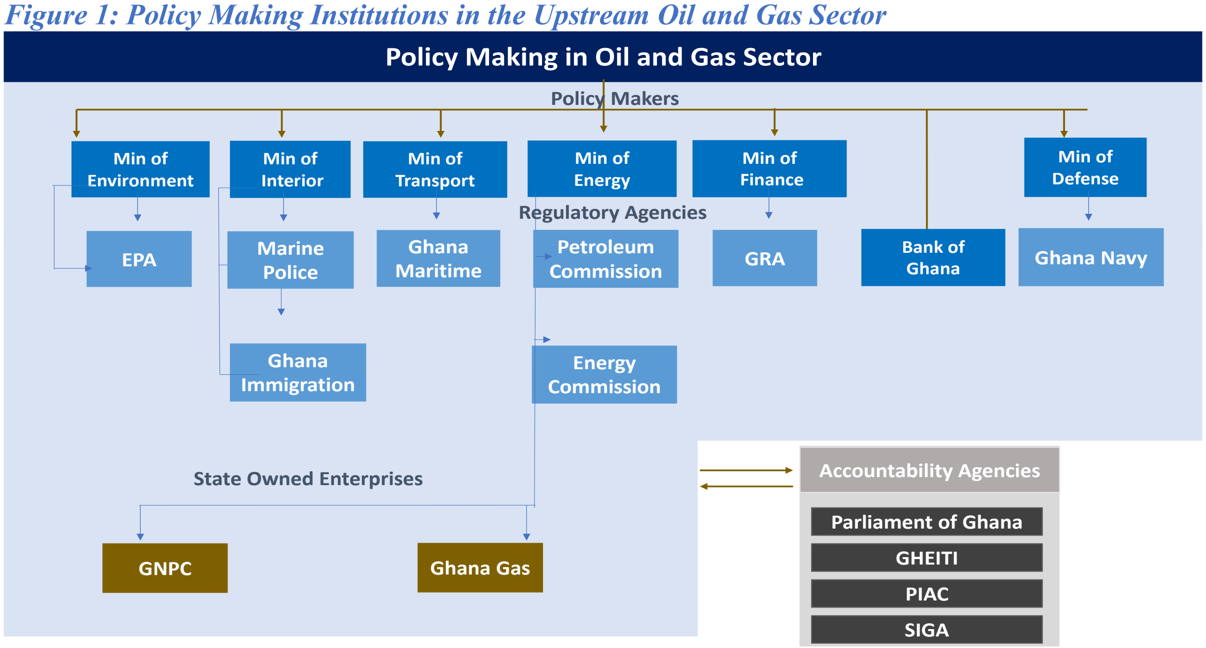
Regulations	Description
Petroleum (Exploration and Production) (Health, Safety and Environment) Regulations, 2017 (L.I. 2258)	L.I. 2258 applies to all petroleum operations. It provides the minimum health and safety requirements applicable to contractors, sub-contractors and other players within the industry.
Transfer Pricing Regulations, 2012 (L.I. 2188) – Repealed by Transfer Pricing Regulations, 2020 (L.I. 2412)	Transfer Pricing Regulations, 2020 (L.I.2412) requires all related party arrangements or transactions to be at arm's length. Companies are required to file annual Transfer Pricing (TP) returns, which include master, and local files and country-by-country reports with the GRA. The Commissioner-General is empowered under Act 896 to adjust non-arms-length transfers between related parties in computing the net income for tax purposes.
Income Tax Regulations 2016 (LI 2244)	These regulations have been enacted pursuant to Section 127(1)(a), (b) and (d) of the Income Tax Act, 2015 (Act 896). The regulations provide guidance for the implementation of the provisions of the Act.

Source: Petroleum Commission, 2024.

2.1.3 Institutional Framework

The primary institutions responsible for the regulation of the upstream oil and gas sector are presented in figure 2.1 below.

Figure 1: Policy Making Institutions in the Upstream Oil and Gas Sector



Source: GHEITI's construct, 2024

Ministry of Energy

The Ministry of Energy is responsible for the formulation, coordination, monitoring and evaluation of policies and programmes for the energy sector. This includes policies and legislations governing the upstream oil and gas sector as well as the award of exploration and production rights to potential investors for the development of the country's petroleum resources. The Ministry of Energy[21] has oversight responsibility over the Petroleum Commission, GNPC, and Ghana Gas Company Limited which are all directly engaged in the sector.

Ministry of Finance

The Ministry of Finance[22] promotes macroeconomic stability and fiscal prudence to support economic growth. It forecasts and manages revenue from the sector, and disburses budgetary allocations to designated funds as required by the PRMA.

Bank of Ghana

The Bank of Ghana[23] is the Central Bank of the Republic. It is responsible for the formulation and implementation of monetary policy to achieve price stability, contribute to the promotion and maintenance of financial stability, and ensure a sound payment system. It is also responsible for the day-to-day operational management of the Petroleum Holding Fund and the Ghana Petroleum Funds

Petroleum Commission

The Petroleum Commission (PC) regulates and manages the utilisation of petroleum resources and coordinates policies in relation to them. As the regulator of the upstream industry, the Commission regulates and supervises all upstream petroleum activities in the country to ensure compliance with contractual obligations by the contractors and strict adherence to the laws and regulations governing the industry. The Commission is also responsible for promoting and enforcing Local Content and Local Participation in the upstream petroleum sector. It also advises the Minister on technical issues, including recommendations to negotiate, grant, revoke, suspend or renew petroleum rights and authorisations in accordance with the Petroleum (Exploration and Production Act 2016 (Act 919). The Commission's ultimate goal is to ensure that the State obtains the best value from its petroleum resources. The Act can be accessed via the link[24]

Ghana Revenue Authority (GRA)

The GRA's core mandate is to ensure maximum compliance with all relevant tax laws in order to ensure a sustainable revenue flow to the Government, trade facilitation and a controlled and safe flow of goods across the country's borders. The Authority is made up of two operational divisions: Domestic Tax Revenue Division (DTRD), and Customs Division (CD).

Domestic Tax Revenue Division

The Domestic Tax Revenue Division of the GRA is responsible for the collection of taxes under the Income Tax Act, 2015 (Act 896) as amended, the Value Added Tax Act, 2013 (Act 870) as amended, and related laws and regulations. The Petroleum Revenue Management

[21] https://www.energymin.gov.gh/
[22] http://www.mofep.gov.gh
[23] https://www.bog.gov.gh/
[24] https://www.petrocom.gov.gh/laws-regulations/

Act, 2011 (Act 815) as amended, also mandates the GRA[25] to assess, collect and account for all petroleum revenues on behalf of the State.

Customs Division

The Customs Division, in accordance with the Customs Act[26], 2015 (Act 891), has responsibility for the collection of import and export duties and all other trade related imposts on behalf of the State. The Division is also responsible for the monitoring of oil production, supervision of oil exports and the conduct of preventive duties.

Ghana National Petroleum Corporation (GNPC)

GNPC was established to promote the exploration, development and production of the country's petroleum resources, as well as to ensure Ghana obtains the greatest possible benefits from its oil and gas resources. The Corporation is wholly owned by the Government of Ghana and is a partner in all Petroleum Agreements. GNPC[27] had been the National Gas Aggregator until 2020, when Government directed the Ghana National Gas Company Limited to assume that role.

Ghana National Gas Company (GNGC) Limited

GNGC[28] was set up to build, own and operate infrastructure required for the gathering, processing, transporting and marketing of natural gas resources in Ghana and internationally.

On May 11th 2020, a decision by Cabinet assigned GNGC the Gas Aggregatorship Role, which effectively extended GNGC's role in the petroleum sector to include the upstream. GNGC has since been playing the role of the gas aggregator and is currently involved in the Jubilee Post Foundation Gas Sales Agreement negotiations with Tullow Ghana Limited and other partners of the Jubilee field. However, the Gas Sales Agreements that predate this Government directive are yet to be transferred from GNPC to GNGC.

Ghana Maritime Authority

The Ghana Maritime Authority (GMA) is a regulatory body established by Act 630 of 2002, charged with the responsibility of regulating, monitoring, and coordinating the activities in the maritime space.

The GMA provides vessel traffic management services, deals with matters pertaining to maritime search and rescue, and co-ordinates the activities of the Ghana Armed Forces, the Ports and Harbours Authority and any other body during search and rescue operations.
It alerts mariners to the presence of maritime hazards, including oil installations such as underwater well heads and production systems to ensure that mariners including fishermen and vessels transiting the area will avoid interference with terminal operations at the offshore fields.

[25] https://gra.gov.gh/domestic-tax/
[26] https://gra.gov.gh/customs/
[27] http://www.gnpcghana.com/overview.html
[28] https://www.ghanagas.com.gh/about

The Authority has the powers to audit and inspect both Ghanaian and foreign-registered vessels including Mobile Offshore Drilling Units and offshore installations located in Ghanaian waters in enforcing compliance with the International Maritime Organization (IMO) standards.

Ghana Immigration Service

Established under PNDC Law 226 in 1989, the Ghana Immigration Service (GIS) remains the sole institution with the statutory mandate to regulate and monitor the entry, residence, employment, and the exit of nationals/foreigners in the country. In 2016, a new Act (Act 908) which repealed PNDC Law 226 expanded the mandate of the Ghana Immigration Service to include among others, the granting of Immigrant Quotas to companies operating in the country including the oil/gas sector.

In relation to the Oil and Gas sector, the GIS established the Oil and Gas Desk with the following mandate:

- Receipts and vetting of all work permit applications from the oil and gas industry;
- Gather accurate statistical information of the issuance of all permits, and any other permits for persons associated with oil and gas companies; and
- Liaise with the GIS Advisor at the Petroleum Commission and its Takoradi offices for information on all expatriates arriving by sea to work in Ghana and ensure the respective oil and gas company complies with the applicable laws.

Marine Police

The Marine Police, hitherto called the 'Water Police', was formed as far back as 1916 to maintain law and order at the country's ports and territorial waters but was disbanded in 1942. However, when Ghana discovered oil in commercial quantities in 2007, it became necessary to re-establish the unit to provide security for the maritime environment.

Ghana Navy

The Ghana Navy is responsible for providing external security and protection of Ghana’s maritime boundaries within the Ghana Armed Forces. The Navy, along with the Ghana Army and the Ghana Air Force make up the Ghana Armed Forces.

It is mandated to:

- Monitor, control and provide surveillance of marine activities;
- Provide maritime presence in the West African Waters and Naval support in the region and crises areas when requested; and
- Provide surveillance, effective patrol and control of Ghana's territorial waters and Exclusive Economic Zone (EEZ).

2.1.4 Fiscal Regime

The fiscal regime is modeled on negotiable fiscal terms guided by the Model Petroleum Agreement (MPA). The table below presents the current fiscal regime based on Act 919. It also presents the fiscal regime based on Petroleum Agreements signed before and after the enactment of Act 919.

Table 2.3: Fiscal Regime for Upstream Oil and Gas Sector

Fiscal Terms	Pre-Act 919	Post – Act 919
Royalty Oil	5.0%– 12.5%	Biddable
Royalty Gas	3.0%– 5.0%	5.0%
Initial Participation Interest (GNPC Pays production cost only)	10.0% - 15%	15.0%
Additional Participation Interest (GNPC Pays Development and production costs)	2.5% - 5.0%	Biddable/Negotiable
Paid Interest and right of Pre-emption	Optional & pre-emptive rights available to GNPC during disposal of petroleum rights	4% - 24%
Additional Oil Entitlement	AOE is based on Contractor after tax-inflation-adjusted rate of return exceeding a specified level in a Petroleum Agreement	4 tier varying by PA
Bonus Payments	Biddable/Negotiable (Signature or Production bonus)	Biddable/Negotiable
Income Tax	35% (based on Income Tax Act, 2015)	35%
Surface Rentals (Onshore)	US$225- US$900/ sq.km/year depending on stage of operation	US$ 225-900
Surface Rentals (Offshore)	US$30 -US$200/sq.km/year depending on stage of operation	US$150-US$600/ sq.km/year depending on stage of operation
Indirect Taxes	Exempt	Exempt
Local Content Fund	1%	As set out in Act 919 and the Petroleum Agreement 1% of all subcontracts

Source: GHEITI & PC's Construct based on Act 919 and Petroleum Agreements,2022

2.1.5 Description of Key Fiscal Terms

Initial Participating Carried Interest

GNPC, on behalf of the State, is entitled to at least 15 percent initial participating carried interest in each contract area for which it does not pay exploration and development cost as per Act 919. All costs related to exploration and development are borne by the Exploration and Production companies.

Additional Participating (Paid) Interest

The State is entitled to acquire additional interest in each contract area, for which it contributes to development and production costs. The allowable percentage of this interest is subject to negotiation. Additionally, Section 18 of Act 919 grants the State preemptive rights (right of first refusal) in case a contractor decides to dispose all or part of its interest in a Petroleum Agreement (PA).

Additional Oil Entitlement (AOE)

AOE is an additional payment (in cash or kind) to be made or given to the government based on a specified after-tax inflation adjusted rate of return that the contractor achieved with respect to each development and production area. For existing producing fields, the rates are indicated in Table 2.3.

Cost Recovery

The Income Tax Act allows full cost recovery of exploration, development, and production, as well as service and general expenses incurred. Contractors are granted five-year capital allowance recoverable at a rate of 20 percent per annum and a five-year carry-forward of losses.

Thin Capitalisation

Deduction for interests incurred on debt employed in petroleum operations is allowable at a debt-to-equity ratio of 3:1.

Transfer Pricing (TP)

Transfer Pricing Regulations, 2020 (L.I. 2412) requires all related party arrangements or transactions to be at arm's length. Companies are required to file annual TP returns, which include master, and local files and country-by-country reports with the GRA. The Commissioner-General is empowered under Act 896 to adjust non-arms-length transfers between related parties in computing the net income for tax purposes.

Stabilisation Clauses

Stabilisation clauses provide protection to contractors from fiscal regime changes and other contractual terms that may have adverse effects on contractors' economic situation as provided in Petroleum Agreements. Section 20 of Act 919 enables the terms of a PA to be reviewed by the parties to the agreement where there is a material change in the circumstances that prevailed at the time the agreement was executed or the last review of the agreement.

Fiscal Decentralisation

The Local Governance Act, 2016 (Act 936) empowers Metropolitan, Municipal, District Assemblies (MMDAs) to administer and collect property rates in respect of extractive companies operating in their jurisdictional areas. There is also a Business Operating Permit (BOP) chargeable on all enterprises and it is usually a specified rate depending on the business category.

2.1.6 Fiscal Regime Governing Existing Producing Fields

The fiscal regime for TEN, Jubilee and SGN fields which were in production in 2021 and 2022 are shown below.

Table 2.4: Fiscal Regime Governing Jubilee, TEN & SGN Operations

Producing Field	Royalty on Gross Oil Production	Royalty on Gross Gas Production	Carried and Additional Participation Interests	Corporate Income Tax
Jubilee	5%	5%	19.69%[29]**	35%
TEN	5%	3%	20.95%**	35%
SGN	7.5%	5%	20%	35%

Source: GHEITI & PC's Construct based on existing PAs (2022)

Table 2.5: Fiscal Regime Governing Existing Non-Producing Blocks

Non-Producing Blocks	Royalty on Gross Oil Production	Royalty on Gross Gas Production	Carried and Participation Interest	Corporate Income Tax
Deep Water Tano/ Cape Three Points Block	4%	3	10	35
South Deep Water Tano Block	10	5	15	35
East Cape Three Points Block	10	5	10	35
Central Tano Block	12.5	5	10	35
Expanded Shallow Water Tano Block	12.5	7.5	20	35
East Keta Block	10	5	11.6	35
Offshore South West Tano Block	12.5	10	8.8	35
Deep Water Cape Three Points West Offshore Block	12.5	10	17.35	35
West Cape Three Points Block 2	12.5 or 10*	10	16 or 18*[30]	35

[29] This percentage includes the acquisition of a 7% stake from Anadarko in Jubilee and TEN fields following negotiations in 2021.

[30] There were already two discoveries on the block when the PA was signed. If the existing discoveries will be developed on standalone basis, GNPC and Explorco will respectively hold 8% and 10% equity. However, if a new discovery is made and developed either alone or together with the existing discoveries, GNPC and Explorco will respectively hold 11% and 5% equity.

Non-Producing Blocks	Royalty on Gross Oil Production	Royalty on Gross Gas Production	Carried and Participation Interest	Corporate Income Tax
Onshore/Shallow Keta Block	13	6	12	35
Cape Three Points Block 4	10	7.5	14	35
Deep Water Cape Three Points Block (DWCTP)	10	5	15	35

Source: GHEITI's Construct based on existing PAs (2022)

Table 2.6: Fiscal Regime and Triggers for Additional Oil Entitlement

Contract	WCTP	DWT	OCTP
Project Field	Jubilee Greater Jubilee (%)	TEN (%)	SGN (%)
Royalty Rate:			
Crude Oil	5	5	7.5
Gas	5	3	5
Other Interest:			
Carried Interest	10	10	15
Participating Interest	3.64	2.5	5
Additional Oil Entitlement:			
AOE Trigger 1	7.5	5	10
AOE Trigger 2	15	10	12.5
AOE Trigger 3	25	15	16
AOE Trigger 4		20	20
AOE Trigger 5		25	
ROR Thresholds:			
ROR Trigger 1	25	19	12.5
ROR Trigger 2	30	20	17.5
ROR Trigger 3	40	25	22.5
ROR Trigger 4		**30**	**27.5**
ROR Trigger 5		**40**	

Source: Ministry of Energy & Ghana Commodity Trading Pilot Report, 2017

Ongoing Reforms

> *It is likely that there will be a resurgence of Additional Oil Entitlement (AOE) discussions by the Government in relation to the Jubilee field (ref. paragraph 222 of the 2023 Budget Statement).*

The Model Petroleum Agreement is currently being reviewed to further deepen the transparency and predictability in the upstream petroleum industry in Ghana with the ultimate goal of ensuring that the industry remains attractive to investors despite the energy transition.

The Environmental Protection Agency Act, 1994 (Act 490) was enacted to regulate all aspects of the environment and coordinate the activities of bodies concerned with the practical and technical aspects of the environment. In exercising its mandate, the Agency has been confronted with several challenges relating to general oversight responsibility over the environment mainly because of the fragmented environmental management provisions in other enactments across other sectors, as well as the complex emerging environmental challenges, among others.

Emerging issues such as climate change, plastic pollution, biodiversity loss, air pollution, upstream petroleum, illegal mining are not adequately addressed in Act 490 which pose serious enforcement challenges.

To exercise its full mandate of environmental compliance by other government institutions, the Environmental Protection Bill seeks to include express provisions reflecting this status. The Bill seeks to transition the Agency into an Authority to address the gaps and challenges in the implementation of Act 490 and the complexities of current global environmental issues. It will enable the Agency to perform, among others regulatory, supervisory or management functions.

The object of the Bill is to establish the Environmental Protection Authority to regulate, protect, manage, and exercise general oversight and co-ordination over all matters relating to the environment and climate change. The Bill re-enacts the Environmental Protection Agency Act, 1994 (Act 490) and introduces a Pesticides Management Fund. It also seeks to re-enact the Hazardous and Electronic Waste Control and Management Act, 2016 (Act 917) for the purpose of consolidation. The Bill further makes provision for the implementation of actions that positions Ghana to mitigate and adopt Climate Change. The Bill provides the legislative framework to comprehensively respond to climate change and its effects, domesticate the United Nations Framework Convention on Climate Change and its subsidiary protocols and agreements. The Bill also seeks to ensure a just transition to climate resilience and low- emission development in future.

Draft Regulations on environmental management in oil and gas development are currently being worked on by the Environmental Protection Agency. They are meant to comprehensively address the specific issues relating to the environmental assessment and management of the sector which have been addressed broadly in the Environmental Assessment Regulations of 1999 (L.I. 1652).

2.2. Contract and Licence Allocation

2.2.1 Licence Allocation

The Petroleum (Exploration and Production) Act, 2016 (Act 919) provides for an open competitive tendering as the default arrangement for the allocation of oil blocks in Ghana. However, Section 10 (9) of the Act empowers the Minister for Energy to enter into direct negotiations where direct negotiations represent the most efficient manner to achieve optimal exploration, development and production of petroleum resources in a defined area.

2.2.1.1.Competitive Bidding

The competitive tendering process is an introduction by Act 919 which is given further elaboration by L.I. 2359 as amended (LI 2390). Regulation 9 of L.I. 2359 specifies the general procedural requirements for the bidding processes leading to the grant of an oil block.

It provides that the tender processes should include:

- Expression of interest;
- Invitation to tender;
- Submission of bids;
- Evaluation of bids;
- Decision on bids, and
- Entry into petroleum agreement.

2.2.1.2. Pre-Qualification

The Minister has the discretion to direct that a pre-qualification of applicants be undertaken before the tender process. The pre-qualification requirement is provided for under Regulation 11 of L.I. 2359. The Minister is empowered to set specific pre-qualification requirements for prospective operators and for indigenous Ghanaian companies.

In the case where a competitive bidding process is preceded by a pre-qualification process, only companies which satisfy the pre-qualification requirements are invited to tender/bid for a petroleum agreement. The deadline for the submission of bids is determined by the Minister taking into consideration the conditions and circumstances of the tender process. However, the deadline should not be less than 120 days from the publication of the invitation to tender.

The decision to enter into petroleum agreement is made by the Minister based on the objective criteria provided under Regulation 16 of L.I. 2359 as follows:

- Responsiveness of the applicant to the policy objective of the bid;
- Proposed work programme based on any minimum requirements set out in the invitation to tender;
- Geological understanding and assessment of the prospectivity of the area;
- Proposal of the Initial Participating Carried Interest and Additional Participating Interest;
- Proposed level of local content compliance in accordance with L.I. 2204;

- Royalty rate exceeding the minimum rate (set for the purposes of the bidding only);
- Bonus, if any;
- Methodology and plan for the transfer of knowledge and skills;
- Training and technology support;
- Relevant experience from similar geological settings and presence in the sub-region;
- Relevant experience in the protection of health, safety and environmental systems for continuous improvement;
- Financial capabilities;
- Relevant technical capabilities; and
- Other criteria to be determined by the Minister.

Update on Ghana's Maiden Open Competitive Bidding
As indicated in the 2020 Report, Ghana held its maiden competitive bidding round in 2018/2019 and following the evaluation of the bids received, proceeded into negotiations with two successful applicants for petroleum agreements over two out of the three blocks which were on offer. One of the negotiations was with First Exploration and Petroleum Development Company and Elandel Energy Limited who won the bid for Block GH_WB_02; while the other negotiation was with Eni Ghana Exploration and Production Limited, and Vitol Upstream Tano Limited, who won the bid for Block GH_WB_03.

The negotiations with the successful bidders commenced in 2019 and four years on are yet to be concluded. Not even a dispensation granted by the Minister to the winning parties to renew their interest and resubmit their applications for the same blocks, this time under direct negotiations, helped to revive the negotiations. At the time of writing, the Ministry has confirmed that no applications had been received by the contracting parties under direct negotiations for the same blocks.

2.2.1.3. Direct Negotiation for Petroleum Blocks

Direct negotiation is allowed under Section 10 (9) of Act 919. The Minister may in consultation with the Petroleum Commission[31] determine that a Petroleum Agreement should be entered into by direct negotiations without public tender, where direct negotiations represent the most efficient manner to achieve optimal exploration, development, and production of petroleum resources in a defined area. However, any entity or body corporate that the Minister intends to engage in direct negotiation must first meet the pre-qualification requirements under Section 10 of Act 919, and additional requirements under Regulation 16 of L.I 2359. This notwithstanding, the Minister is required to publish the reasons for entering into direct negotiation, the area concerned and the potential contractor in the National Gazette, at least two state-owned daily newspapers, the website of the Ministry[32] responsible for Petroleum; or any other medium of public communication. However, the MSG has not been able to independently verify as no link has been provided. The Ministry of Energy

[31] *https://www.petrocom.gov.gh/licensing-and-permit/*
[32] *https://energymin.gov.gh/grant-petroleum-agreement-through-competitive-tender*

explained that the dedicated portal that it created for the licensing round has been taken down.

2.2.1.4 Technical and Financial Evaluation Criteria for Bid Assessment

The decision to enter into a petroleum agreement shall be made by the Minister on the basis of an objective criteria set out below:

Technical Capabilities
Establish what the needs of the Area of Interest (AoI) are in terms of data availability and well density;

Applicant's operations worldwide (operator or partner): It is essential to establish if the applicant or the intended operator of the block (partner) has previous experience of operations similar to the one it is applying for or the profile of its staff to be assigned to the project demonstrates similar capabilities as it is an important ingredient to the operational success or failure of the project;

Applicant's area of specialisation (onshore, shallow or deepwater player) and compare to the area under consideration;

What stage(s) is (are) applicant's operations elsewhere (exploration/ appraisal/developments or production?). Indicate reserves or any production;

Applicant's work commitments elsewhere and proposed work commitments for the AoI; and Key technical personnel for the Ghana Project and evaluate CVs submitted.

The technical criteria seek to evaluate the competence of the applicant to establish if it possesses the requisite technical capability to execute the work programme pertinent to the area applied for. In order to make the right and informed decisions, the factors listed above are taken into consideration during the evaluation process.

Financial Capabilities
Establishing financial capability can be considered as one of the most salient assignments to be undertaken under the due diligence process. Financial stagnation during a project's life can hinder the survival of the project. For this fact, the financial due diligence is as important as the technical evaluation.

The financial criteria establish the basis for the applicant/partner's financial resources to commit to the activities of the risky exploration business especially during the exploration and the appraisal phases. An informed decision is made, taken into consideration these factors listed below:

- ***Ownership Information:*** It must be established beyond doubt the owners of the company applying for the acreage. All shareholders of interest above five (5) percent need to be disclosed and supported by legal documentations from the appropriate government institutions/agencies. Due diligence must ensure that the applicant has included certified copies of Certificates of Incorporation and Certificate to Commence Business. This is to check against fictitious entities and to authenticate the existence of the applicant. This should be done for both the applicant and its parent company where the parent company has indicated to guarantee the activities of its subsidiary. The company background checks could be accomplished through checks from the Registrar of Companies in Ghana as well as liaising with Ghana's Missions abroad for the exercise.

- ***Cross-check financial statement with auditors:*** The financial statements to support the application must be audited by a credible auditing firm to lend credence to information contained therein. Unaudited financial statements are not considered and provide enough justification for rejection of the application. The due diligence process requires that credentials of the auditor are checked and established that it is in good standing and a member of an accredited association in the country of operation. In situations where the accounts presented raise issues of doubt, the auditor is contacted to establish the authenticity of the financial statements. The following actions are taken during review of financial statements:
  - Analysis of last three years of audited financial statements;
  - Cross-check financial statement with auditors where necessary;
  - Public or listed company;
  - Pay attention to cash flows from operations;
  - Applicant's main financiers;
  - Assets and overall financial commitments of applicant to other projects; and
  - Overall financial state of applicant (growing profits or making losses) and compare with minimum expenditure required for Initial Exploration Period,

The decision to enter into a Petroleum Agreement[33] (PA) with a bidder is based on the bid with the highest numerical score. Both unsuccessful and successful or preferred bidders shall be issued with a written notice from the Minister after the evaluation of bids and the decision to enter into one or more petroleum agreements. Notice to the preferred bidders shall be accompanied by an invitation to negotiate the detailed terms of the PA.

2.2.1.5. Deviation from the Applicable Legal and Regulatory Framework

From GHEITI's review of the licensing regime and the petroleum register, corroborated by the Petroleum Commission, there were no new contracts signed during the period and therefore no material deviations from the applicable legal and regulatory framework during the period under review.

2.2.1.6. Amendment to Petroleum Agreement - Transfer of interests

In 2023, Aker Energy AS sold its entire share capital in Aker Energy Ghana to AFC Equity Investment Ltd (AFCEI), a subsidiary of Africa Finance Corporation (AFC). Consequently, control of AEGL and its rights in the Deepwater Tano/Cape Three Points block were ceded to AFCEI. This transaction attracted an upfront payment of US$1 with the seller's cost of capital adjusted invested equity of US$ 313,000,000 to be paid upon commencement of

[33] https://www.petrocom.gov.gh/wp-content/uploads/2019/12/Petroleum-Exploration-and-Production-General-Regulations-2018-L.I-2359.pdf

production at an annual cost of capital adjustment factor of 8 percent. Following the conclusion of the transaction, Aker Energy Ghana Limited was renamed Pecan Energies Ghana Limited (PEGL) and was made the operator of the block. The current partnership of the block is shown in the table 2.7.

Table 2.7: Parties' interest in the Deepwater Tano/Cape Three points Block

Parties	Participating interest
GNPC	10%
Pecan Energies	50%
LukOIL Overseas Limited	38%
Fuel Trade	2%

Source: GHEITI's construct, 2024.

In 2021, ExxonMobil Exploration and Production Ghana (Deepwater) Limited exited from the Deepwater Cape Three Points Petroleum Agreement after fulfilling its obligations in the Initial Exploration Period. Subsequently, ExxonMobil's participating interest of 80 percent was transferred to Goil Offshore Ghana Limited (now Goil Upstream Ghana Limited, GUL), the indigenous Ghanaian Company in the PA, upon its request. With this development, GUL now holds 85 percent stake while GNPC holds the remaining 15 percent.

To support the execution of the remaining obligations of the contractor under the PA, GUL signed a farm-out agreement and a Joint Operating Agreement with Planet One Oil and Gas Limited in December 2023. Subsequently, the transaction was approved by the Minister for Energy in February, 2024 in line with the Petroleum (Exploration and Production) Act, 2016 (Act 919) and its regulations. The participating interest of the parties are shown in the table 2.8 below:

Table 2.8: Parties' Interest in The Deepwater Cape Three Points Block

Parties	Participating interest
GNPC	15%
Goil Upstream Ghana Limited	10%
Planet One Oil and Gas Limited	75%

Source: Ministry of Energy/PC

In February 2023, AGM Petroleum Ghana Limited wrote to the Ministry of Energy indicating its decision to surrender and relinquish one hundred percent of the South Deep water Tano (SDWT) contract area and not to enter into the First Extension Period. This was after the Company had fulfilled its obligations in the Initial Exploration Period, making an oil discovery in the process. The Company has since handed over all the petroleum data in its possession to the Petroleum Commission and other processes are being followed to absolve AGM of its obligations in the SDWT Petroleum Agreement.

In line with GHEITI's recommendation in the 2020 Oil and Gas Report, Jubilee Oil Holdings Limited (JOHL), in November 2023, transferred its interests in the Deep Water Tano (DWT) and West Cape Three Points (WCTP) Petroleum Agreements, the DWT and WCTP Joint

Operating Agreements (JOAs) and the Unitisation and Unit Operating Agreements (UUOA) to GNPC Exploration and Production Company Limited (Explorco). The relevant provisions of the law (Section 16 of the Petroleum (Exploration and Production) Act 2016, Act 919 and Regulation 27 of the Petroleum (Exploration and Production) (General) Regulations, 2018, (LI 2359) were complied with in this transaction.

2.3. Register of Licences

Section 56 of Act 919 mandates the establishment of a register of Petroleum Agreements, Licences, Permits and Authorisations. Pursuant to this, the Petroleum Commission launched its Online Petroleum Register in 2018. It contains PAs for all the 15 active blocks[34].

For each of the petroleum blocks, it displays the agreement, licence holders' details or partners for the Agreement, date of application, date of award, duration of licence, date of Agreement, effective date of registration, current phase of operation, exploration, drilling, development, and production permits where applicable. The Register highlights the operator of the licence, and the equity holdings of the contracting parties. It also shows the sizes of the contract areas.

In addition, the Government discloses other relevant information such as authorisations, permits, and operational licences. The Register currently publishes the following additional documents:

- Registration Permits.
- Exploration and Development Permits.
- Licences to Install and Operate Facilities.
- Permits to Install and Operate Facilities.
- Reconnaissance Licences.
- Drilling Permits.
- Production Permits.
- Flaring or Venting Authorisations.
- Approval of Third-Party Access.
- Permitted Mortgages.
- Assignment; and
- Any Other Permit, Authorization, Approval, Certificate or Consent.

2.3.1 Accessibility to Ghana Petroleum Register

The Register[35] is online, and no entry registration or fee is required to access information. However, in 2021, four licences were revoked for non-performance, bringing the number of licences to 15 in 2022. As at 2024, the number of licences have been reduced to 13 following a relinquishment.

[34] Four (4) Pas were terminated in 2021 for non-performance
[35] https://www.ghanapetroleumregister.com/

GHEITI's Observation

As observed in the 2020 report, the duration of all the licences are specified in the individual PAs, they are not summarised into a table in a manner that allows users to have a complete overview at a glance.

Recommendation

The Petroleum Commission is encouraged to summarise the licence tenure information in the various contracts and other vital contractual details for ease of reference.

2.4 Contracts

2.4.1Contracts Disclosure Policy

Government does not have an explicit policy statement on contract disclosure, however, the provisions for contract disclosures are enshrined in section 56 of Act 919 which mandates that:

- The Commission shall establish and maintain a Register of Petroleum Agreements, licences, permits and authorisations as prescribed; and
- The Register shall be open to the public.

Also, in compliance with EITI requirements, the Government has publicly disclosed all the Petroleum Agreements entered into by the Republic in the Petroleum Register. The Agreements stipulate parties' interests, contract area, exploration period and spell out contractor rights and obligations in relation to the National Oil Company, GNPC among others.

The Model Petroleum Agreement is also publicly displayed on the Ministry of Energy's website

Two Oil and Gas companies have independently disclosed some agreements on their websites. These are Tullow Ghana Ltd[36] and Kosmos Energy[37].[38]

Tullow Ghana has published two Petroleum Agreements: Deep Water Tano Contract Area and the West Cape Three Points Contract Area. Copies of the relevant Deeds of Assignment (DoA) on these Agreements have been published.

It has the under listed Deeds of Assignment also on display on its website[39].

- West Cape Three Points DoA March 2008
- West Cape Three Points DoA December 2008
- Deepwater Tano DoA September 2006
- Deepwater Tano DoA March 2008
- West Cape Three Points DoA September 2006

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[36] https://www.tullowoil.com/our-operations/africa/ghana/
[37] https://www.kosmosenergy.com/
[38] https://energymin.gov.gh/
[39] https://www.tullowoil.com/operations/west-africa/ghana/petroleum-agreements

Kosmos Energy Ghana has the following Agreements publicly displayed:

- West Cape Three Points
- Joint Operating Agreement, West Cape Three Points
- Joint Operating Agreement, Deepwater Tano
- Deed of Assignment – Deepwater Tano
- Unitisation and Unit Operating Agreement – Jubilee Field Unit

The above Agreements can be accessed through the official website[40] of Kosmos Energy Ltd

2.5 Beneficial Ownership

2.5.1 Ghana's Policy on Beneficial Ownership Disclosure

Ghana's policy on beneficial ownership disclosure is enshrined in the Companies Act, 2019 (Act 992) which provides the legislative basis for the definition of a beneficial owner, beneficial ownership disclosure requirements, the level of ownership, and details about how ownership or control is exerted.

All companies, including those limited by shares, limited by guarantee, unlimited companies, and external companies, are required to disclose BO data to the Office of the Registrar of Companies (ORC) during incorporation, registration or filing of annual returns. This includes extractive companies that bid for, operate, or invest in Ghana.

In practice, BO details that are first submitted during incorporation or annual returns filings are initially authenticated with the Ghana National ID card database, processed, and integrated into the central register of companies. The central register is available to the public on request and conditioned on the payment of a fee (GHS 25.00, the equivalent of US$ 2.00 as at the time of publication of this report). The MSG does not consider the GHS25.00 access fee as a barrier to accessing BO data. Further discussions between GHEITI Secretariat and the Office of Registrar of Companies (ORC) have confirmed that the amount charged constitutes a significant revenue source to cover the ORC's operations. At the time of writing, ORC confirmed that processes were far advanced to allow online access to BO information. Further, MSG has been engaged in the ORC's stakeholder engagements in the design of their new data collection software which, once completed, will allow companies to submit and access BO information online.

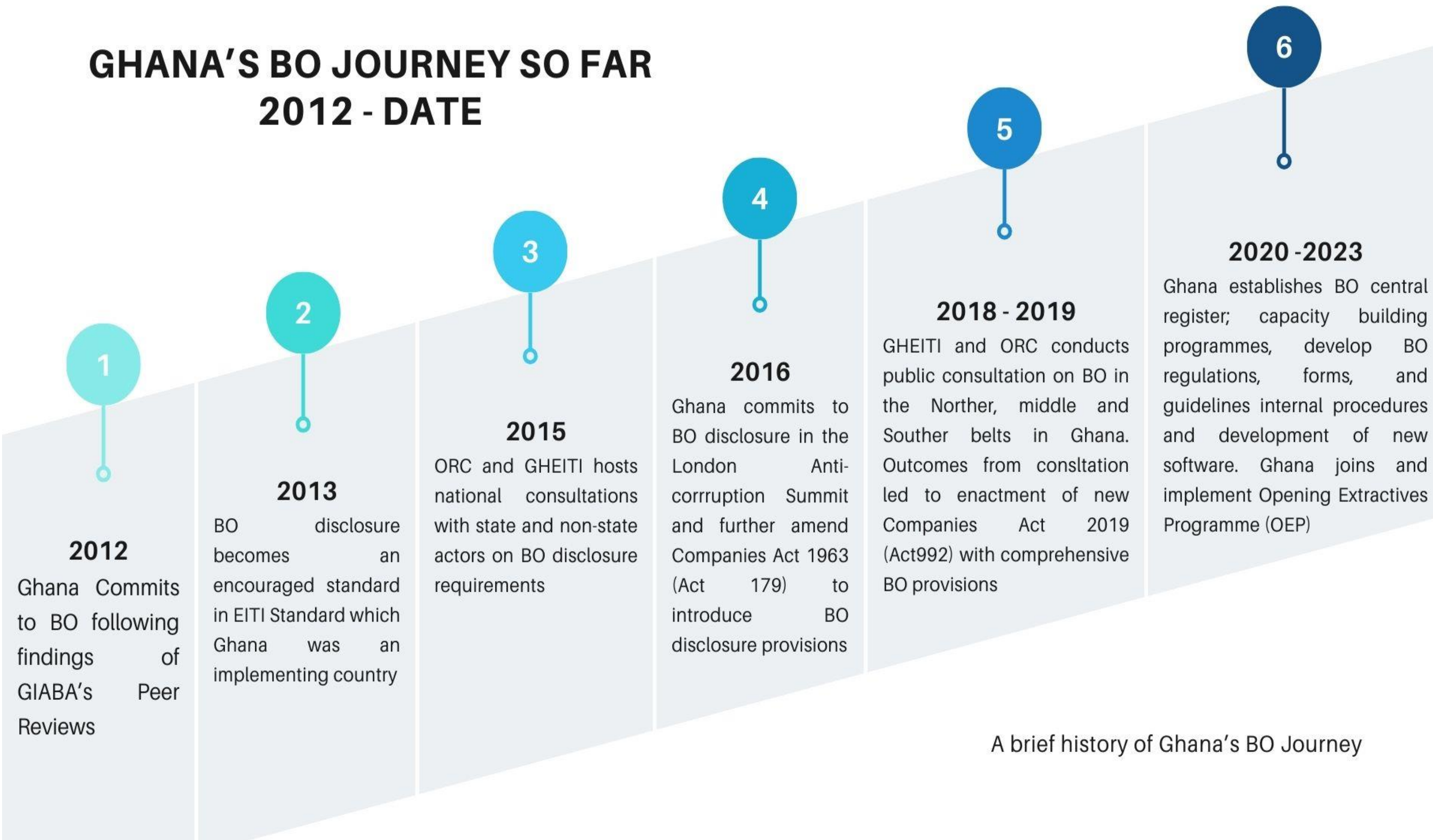
Upon request for BO information of any company, the following information will be provided:

- Name of the beneficial owner, including any former name(s);
- Business address;
- Percentage of beneficial ownership interest;
- Nature of interest; and
- Declaration as to whether the beneficial owner meets the definition of a Politically Exposed Person(s) (PEP).

The full BO information collected by the Office of the Registrar of Companies is accessible to all competent authorities and law enforcement agencies at no cost.

[40] https://energymin.gov.gh/

Figure 2: Ghana's BO Journey So Far (2012 - Date)



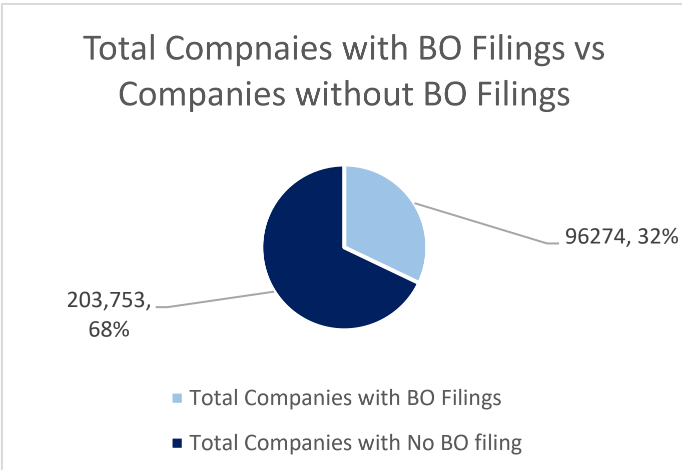
Source: GHEITI's construct based on data from ORC

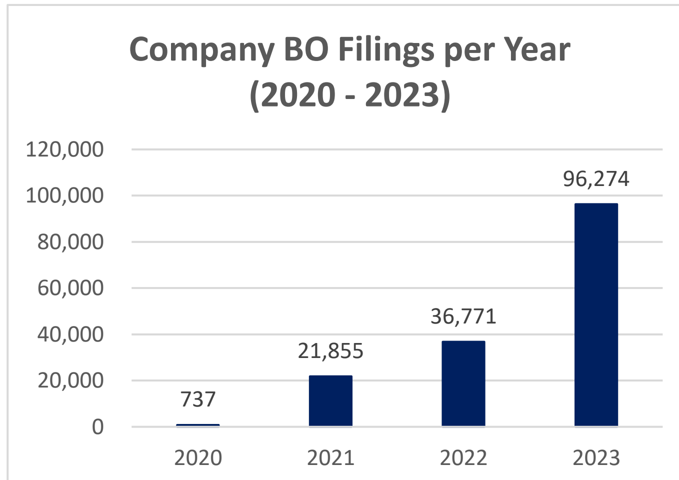
Figure 3: BO Implementation Statistics

BO Implementation Statistics

Between January 2020 and August 2023, a total of 96,274 companies had filed their BO data with the Office of the Registrar of Companies (ORC). Out of this, 65,193 representing 68 percent are new registrations or incorporations, while 31,081 are existing companies, representing 32 percent. This information is summarized in figure 2.2.

BO Implementation Statistics





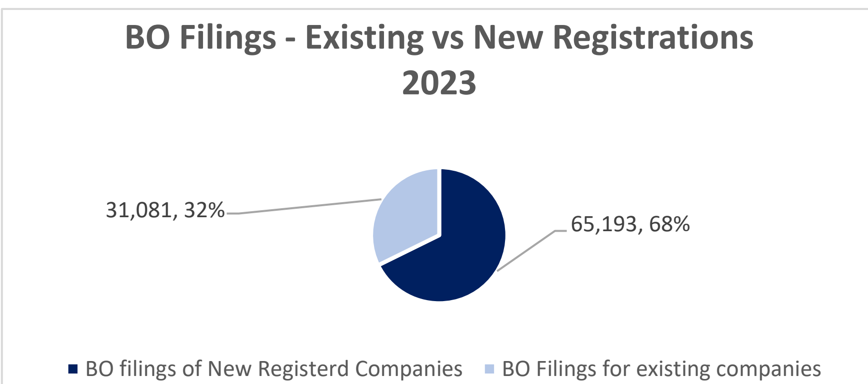


Table 1: Beneficial and legal ownership information of reporting companies

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
Tullow Ghana Exploration and Production Ltd	Private	Tullow Overseas Holdings B.V 100% Shareholding	Tullow Oil Plc	British	Indirect Voting rights – 100% Controlling rights – right to appoint and remove majority of directors	9 Chiswick Park, 566 Chiswick High Road, London, W4 5XT	No
Vitol Upstream (Ghana) Ltd	Private	Atlantic Energy Limited - 100 % shareholding	James Thornburn	NA	Controlling rights – right to appoint and remove majority of directors	Level 2, 437 Roberts Road Subiaco, Western Australia 6008 Australia	No
ENI Ghana Exploration and Production Ltd	Private	ENI International B.V- 100% shareholding	ENI Spa Listed on Milan Stock Exchange and NYSE Link	Italian	Financial Voting rights – 100% Controlling rights – right to appoint and remove majority of directors	Milan headquarters. Piazza Ezio Vanoni, 1 – 20097 San Donato Milanese	No
Quad Energy Limited	Private	TanOil Limited – 100% Shareholdings	Anthony Oteng Gyasi	Ghanaian	Indirect Voting rights	3 Emmause 2nd Close, Labone Accra, Ghana	No
			Angela List	Ghanaian	Indirect Voting rights	3 Emmause 2nd Close, Labone Accra, Ghana	
			David Adomako	Ghanaian	Indirect Voting	3 Emmause 2nd Close, Labone Accra, Ghana	

Company	Company Type (SOE/PLC/Private)	Legal Ownership Information	Name of Beneficial Owners	Nationality	Nature and details of Interest	Correspondence / Business Address	PEP Status (Y/N)
Fuel Trade Limited	Private	Dzifa Cudjoe - 30% Shareholding	Dzifa Cudjoe	Ghanaian	30% Direct Shareholding Interest 30% Direct voting rights Right to appoint and remove majority of directors	6th Floor, Advantage Place, Ridge West, Accra, Ghana	No
		Chris Chinebuah – 70% Shareholding	Chris Chinebuah	Ghanaian	70% Direct Shareholding Interest 70%Direct voting rights Right to appoint and remove majority of directors	6th Floor, Advantage Place, Ridge West, Accra, Ghana	No
Jubilee Oil Holdings Limited (External Company incorporated in Cayman Islands)	Public	GNPC 100% Shareholding	GNPC	Ghanaian	100% direct shareholding 100% Direct Voting rights Right to appoint and remove majority of directors	GNPC, PMB, Petroleum House Tema-Ghana	No
Kosmos Energy Ghana HC (External Company incorporated in Cayman Islands)	Private	NA	Kosmos Energy Ltd Listed on NYSE Link[41]	USA	Indirect Voting rights – 100% Right to appoint and remove majority of directors	15011 Katy Freeway, Suite 700 Houston, Texas 77094	No
AGM Petroleum Ghana Ltd	Private	TRG Energy AS – 100% Shareholding	KJell Inge Rokke	Norwegian	Indirect Shareholding – 100% Indirect Voting Rights – 87%	Oksenøyveien 10 1366, LYSAKER, VIKEN Norway	No

Source: GHEITI's construct based on data from ORC, 2022

[41] https://www.nyse.com/quote/XNYS:KOS

Opening Extractives Programme

Ghana accepted to join the Opening Extractives Programme (OEP) in July 2021 and officially launched the programme in September in the same year. The OEP is a global programme aimed at transforming the availability and use of beneficial ownership data for effective governance of the extractive sector. The OEP is implemented by the EITI International Secretariat and Open Ownership.

The programme seeks to achieve the following by the end of 2025:

- Ensure government, industry, and civil society actors have greater access to comprehensive and reliable information on the ultimate owners of extractive industry companies;
- Enable government, industry, and civil society actors to easily identify and address corruption and mismanagement risks associated with hidden ownership; and
- Advance beneficial ownership transparency in the extractive industries and beyond in a post-COVID-19 context, by documenting and communicating the impact and outcomes of the programme.

Update on OEP Implementation

- **Support on Generation of Accurate BO information** – OEP implemented capacity building workshops for ORC staff in Accra, Takoradi and Kumasi on the technical aspects of BO concept, interpretation of the legislation and on the BO regulations
- **Support on BO data use** – OEP implemented a data use training for media and civil society in Ghana, with the aim to enhance BO data use.
- **Support Industry Players - OEP** implemented a one day workshop with the legal representatives of members of the Chamber of Mines to brief them on BO legal requirements.
- **Support to Regulators:** OEP hosted online and in person capacity building meetings for petroleum commission and minerals commission to enhance their capacity on the use of BO in conducting due diligence
- **International Experience Sharing:** OEP created multiple platforms (including in Senegal, Ghana, and Norway) for Ghana to share their BO implementation experiences and learn from other countries to enhance same.

2.6 State Participation

The state participates in its upstream petroleum activities through State Owned Enterprises (SOEs). There are currently two SOEs in the upstream oil and gas industry. These are: Ghana National Petroleum Corporation (GNPC), established by the Ghana National Petroleum Corporation Act, 1983 (PNDCL 64), and therefore places it directly under Parliamentary oversight; and the Ghana Gas Company, established under the Companies Act of Ghana, and therefore operates under the Companies Act.

Ghana Gas operated in the mid to downstream from inception, until in 2020, when government took a decision to assign the gas aggregator role (formerly played by GNPC), to Ghana Gas, taking its operations into the upstream.

2.6.1 Ghana National Petroleum Corporation

The Ghana National Petroleum Corporation (GNPC) is one of the State's representatives in the upstream petroleum sector. It is mandated under Act 919 to hold a minimum 15 percent in Carried and Participating Interest (CAPI) in all oil blocks. The corporation's equity holding and those of its partners, in the country's three producing fields as of 2021, is presented in Table 2.9.

Table 2.10: GNPC's Equity and those of its partners in Producing Fields, as at close of year 2022

Project / Block/ Field	Operator	Partners	Percentage Stake	STATUS
West Cape Three Points Block – Jubilee	Tullow	Tullow Kosmos Occidental Petro SA GNPC	35.4795 24.0771 24.0771 2.7254 13.6408	Production
Deep Water Tano Block -TEN	Tullow	Tullow Kosmos Occidental PetroSA GNPC	47.175 17.000 17.000 3.825 15.000	Production
Offshore Cape Three Points Block – SGN	ENI	ENI Vitol GNPC (Carried) GNPC (additional)	44.444 35.556 15.000 5.000	Production

Source: GNPC, 2024

Following the sale of Occidental's stake in Jubilee and TEN, as reported on page 37 of the 2020 GHEITI Oil and Gas report42, the ownership structure of the Jubilee and TEN Fields changed as shown in table 2.11

Table 2.11: Ownership structure of Jubilee and TEN, following the exit of Occidental

Field	Operator	Partners	Percentage Stake	
			New	**Previous**
WEST CAPE THREE POINTS BLOCK (Jubilee Field)	Tullow	Tullow Oil Kosmos Energy GNPC JOHL PetroSA	25.66 53.91 12.5 6.13 1.80	35.47954 24.07710 13.64084 24.07708 2.72544
DEEPWATER TANO BLOCK (TEN Field)	Tullow	Tullow Kosmos JOHL PetroSA GNPC	54.84 19.76 5.95 4.45 15.00	47.175 17.00 17.00 3.825 15.00

Source: GHEITI's construct based on GNPC / Petroleum Commission data, 2024

The terms attached to each equity stake is enshrined in the Petroleum Agreements (PAs) for the contract area which is disclosed on the Petroleum register at[43]

[42] www.gheiti.gov.gh

[43] https://www.ghanapetroleumregister.com/contractareas

2.6.1. GNPC Financing

The financing of GNPC's activities is provided for in Section 4 and 15 of the P.N.D.C.L., 1983 (Act 64), which requires GNPC to finance its operations from borrowings and to ensure that the returns on its investments are sufficient to meet:

- • interest payments;
- • provide for a reasonable proportion of the funds needed for expanding the Corporation's activities and increasing its working capital;
- • provide reserves for replacement of fixed assets and equipment;
- • provide for contributions to any welfare or provident fund established by the
- Corporation; and
- • pay dividends into the Consolidated Fund.

Furthermore, Section 16 of the Act allows government to make financial advances and grants to the Corporation through the national budget.

The Petroleum Revenue Management Act (PRMA) also provides a complimenting source of financing for GNPC's activities. Section 7(3) of the Act stipulates that for a period not exceeding 15 years after the commencement of this Act, the cash or the equivalent in barrels of oil ceded to the National Oil Company shall not exceed 55 percent of the net cash flow from the Carried and Participating Interests after deducting the equity financing cost. This provision is to be reviewed every three years by Parliament. This provision has become the default financing mode for the national oil company.

Table 2.12: Transfers to GNPC from the State and External Borrowing, 2021, 2022

Year	Equity Financing (US$' million)	Net CAPI (US$' million)	Borrowing (US$' million)	Total Amount (US$' million)
2021	157.79	70.54	16.16*	244.49
2022	165.13	146.44	0	311.57

Source: GHEITI's Construct based on GNPC data
* Borrowing from Société Générale Ghana

Cash balance brought forward from the previous period (2021) was US$0.85 million plus crude receipts of US$311.57 million brings the total cash available for January to December 2022 to US$312.42 million. It is worth noting that US$64.88 million out of the US$311.57 million received in this period, was from the 63rd Jubilee and 20th TEN liftings, which took place in December 2021.

2.6.2 Financial Relationship between GNPC and Government in Practice

As discussed in section 2.6.5, the statutory financial relationship between GNPC and Government are:

- Loans subject to Ministerial and Parliamentary approval
- Advances and grants from Government
- A share of petroleum revenues as provided for in the Petroleum Revenue Management Act

These provisions of law which regulate the financial relationship between GNPC and the Government of Ghana were largely complied with during the years 2021 and 2022. However, there was a development in 2021 which can be described as a deviation from the statutory provisions in respect of due process. In its bid to exercise an accrued right of preemption to the State, GNPC obtained a loan from the Ministry of Finance. The loan was not covered by any loan agreement stipulating the loan tenure, terms of repayment, and agreed interest rate.

Again, the loan was granted as an extra-budgetary expenditure without parliamentary approval or post facto ratification. This undermines parliamentary oversight of Government's finances.

2.6.3 GNPC Subsidiaries and Joint Ventures

Section 3 (i) of GNPC's statute of establishment, PNDC Law 64 permits GNPC "to do any other things and perform any other functions necessary or expedient for the purpose of attaining its objects and carrying out its activities. Section 4(1) further provides that, "the Corporation shall conduct its affairs on sound commercial lines and, in particular, shall take the necessary steps to ensure that, taking one year with another, its revenues are sufficient to produce on the fair value of its assets, a reasonable return.

The effect of these provisions is that to the extent that GNPC subsidiaries are intended to generate good returns to help finance its core activities such activities can be deemed as expedient.

In fulfillment of the objective of these provisions, which is to enable GNPC raise funds independently to finance its core operations, GNPC has established diverse portfolio of subsidiaries in Ghana, including core, and non-core business interests. These are presented in table 2.13

Table 2.13: GNPC subsidiaries and investments

1. Prestea Sankofa Gold Limited (PSGL)	
Background	PSGL was incorporated in 1994 as a joint venture between Samax Gold Resources (a Canada-based gold mining company) and GNPC. In 1998 Ashanti Goldfields acquired the shares of Samax but shortly ceded the shares to GNPC, bringing GNPC's total shares to 90 percent, with the government of Ghana holding the remaining 10 percent shares. The facility is a Carbon In Leach (CIL) tailing processing Plant with a capacity of 300,000 tonnes per year. The Company boasts of an unexplored underground rock resources. It has a prospecting licence covering an area of 89.77 sq.km.
Ownership	GNPC: 90% GoG: 10%
Current Status	Through the intervention of GNPC, the following major works and upgrades were done to the Plant between 2019 and June 2021 in readiness for the Company's reopening: Refurbishment of the Plant; Test runs on the tailings from Bondaye (a suburb of Prestea); Sub-production to change the mail liners; Repair to the elution tanks; and major work to raise the tailings parameter. PSGL resumed operations on 1st July 2021 after it had been shut down in 2016. Following the resumption of operations, revenue increased from GHS37.8 million (July – December) in 2021 to GHS154.1 million in 2022, representing a 308% increase. The gross loss decreased from GHS2.1 million in 2021 to a gross profit position of GHS36.9 million in 2022, representing a 1,857 percent

1. Prestea Sankofa Gold Limited (PSGL)	
	increase. Net loss for 2022 further slumped by approximately GHS50 million to GHS97.1 million from the net loss of GHS47.2 million recorded in 2021. The high General and Administrative (G&A) expenses during the year under review accounted for the net losses. In 2022, the Company secured a one-year loan of US$600,000 from GNPC, out of which US$400,000 was used to extend the Tailing Storage Facility (TSF) by 1.5 metres. The remaining US$200,000 was used to support its operations. However, in the span of a year, the extended TSF has reached its full capacity again and for this reason construction of a new TSF is required to avoid punitive action by EPA and the MinCom. Management estimates the cost of constructing a new TSF to be about US$4 million. It is worth noting that the Company has repaid US$310,950.42 (principal and interests) towards the GNPC loan. Management confirmed on 17th October 2023 that as at the end of the third quarter of 2023, the outstanding loan balance (principal and interests) was US$310,950.42. In its bid to curb the high costs associated with G&A expenses, management has acquired two excavators to replace the rented excavators it previously used. The purchase of the excavators has led to a significant reduction in rental cost, and it is expected that the purchase costs will be recouped within five months of the purchase. The Company now rents only one excavator to support its operations. Management plans to purchase another excavator in the next year to further reduce the high costs associated with G&A.
2. Saltpond Offshore Producing Company Limited (SOPCL)	
Background	SOPCL was established as a Joint venture between GNPC and Lushann Eternit Energy Ghana Ltd. (a subsidiary of Lushann International Energy Corporation, based in Texas). Until the cessation of its activities in 2015, Lushann Eternit Energy Ghana Ltd. operated the Saltpond Oilfield. Commercial production from the field began in October 1978 and ceased due to operational and technical challenges, in December 2015. GNPC was directed by the Minister for Energy to execute and finance the decommissioning of the project, at an estimated cost of US$10 million, over three years. As at second quarter, 2023, the estimated total spend stood at US$116,749,193.42, including taxes (this covers April 2022 to May 2023).
Ownership	The Petroleum Agreement (PA) covering the block was terminated by the Minister for Energy in August 2016, following which GNPC inherited the assets and liabilities of the company, making it 100% GNPC owned.
3. GNPC Exploration and Production Company (Explorco)	
Background	Explorco was incorporated under the companies' code on 30th November 2012 as a wholly owned E&P subsidiary of GNPC. The Company's business model involves the use of Joint Operating Companies (JOCs) and Joint Ventures (JVs) with strategic partners. Since 2017 GNPC has been hosting Explorco and its staff. The Company is fully funded by the Parent Company (GNPC).

1. Prestea Sankofa Gold Limited (PSGL)				
Ownership		GNPC: 100 %		
EXPLORCO ASSETS				
Block	Operator	Participating Interest (%)	2023 Work Programme	Status as at 30th Sept. 2023
WEST CAPE THREE POINTS (Jubilee)	Tullow	6.13 (Transferred from JOHL in 2024)		
DEEPWATER TANO (TEN)	Tullow	5.95 (Transferred from JOHL in 2024)		
Expanded Shallow Water Tano	Base Energy	22.50	To conduct review of the comprehensive volumetric evaluation leading to justification document for additional Interest Acquisition for assets in ESWT block by 29th September.	Volumetric and commercial evaluation has been done on the North, South and West Tano Discoveries. This target is 100% complete using available data and information.
Offshore South-West Tano	GOSCO[44] (OSWT & EK Operating Company Ltd (OPCO)	8.80	1. Drill the obligatory exploration Edinam-1x well. 2. Post well analysis of Edinam-1X.	1. Engagement with Tullow Ghana Limited (TGL) concerning securing a rig slot on the Maersk Ventura to drill the first exploratory well, Edinam-1X is ongoing. 2. OPCO has written to the MoE and Petroleum Commission (PC) to request for an extension of the Initial Exploration Phase (IEP) to enable it engage other rig providers as it is unable to agree on the terms of Drilling Management

[44]Originally incorporated as GOSCO but now known as OSWT & EK Operating Company Ltd (OPCO). The petroleum desk at GRA however, claims not be aware of this change.

1. Prestea Sankofa Gold Limited (PSGL)				
				Agreement (DMA) proposed by Tullow.
Deep Water Cape Three Points West	Eco Atlantic	4.35	1. Drill Dawadawa 1X Well. 2. Post well studies Dawadawa 1X Well.	Negotiations with TGL to secure rig slot on the Noble Venturer. No contract signed yet. Application for extension of IEP submitted to the MOE.
East Keta	GOSCO (OPCO)	11.60	Delayed 3D seismic acquisition	Force Majeure (Boundary dispute with Togo)
West Cape Three Points Block 2	Springfield E&P Limited	5.00 for new discoveries /10.00 for existing discoveries	1. 2017 Reprocessing of Pre-Stack Depth Migration bandwidth enhancement project. 2. Evaluation and appraisal of Banda and Odum fields. 3. Afina-Sankofa unitisation.	1. Reprocessing of Pre Stack Depth Migration completed. 2. G&G work towards Odum, Banda and second exploratory well ongoing. 3. Unitisation of Afina-Sankofa discussions ongoing.
Cape Three Points Block 4	ENI Ghana	4.00	1. Provide Technical Input into Economic analysis to support commercial decision strategy. 2. Generate drillable prospects in Block. 3. Produce a report confirming well locations for 1 Appraisal Well in CTP Block 4, 12-weeks before well spud and generate peer reviewed post well analysis Report in 6-weeks after drilling.	1. Economic Analysis for Eban-Akoma field completed. Volumetric estimation of Aprokuma Discovery ongoing for production profile and economic analysis. Work is about 80% complete. 2. Extensive work is ongoing to define prospects in the Turonian. Work is about 80% complete. 3. Well postponed to First Quarter 2024 due to change in drilling strategy. Revised and final report to be

1. Prestea Sankofa Gold Limited (PSGL)				
				submitted following the G&G Studies. Post-well report to be postponed to next year. .
4. GNPC Technip Engineering Services (GTES)				
Background	• The GTES is a Joint Venture between GNPC and the engineering firm TechnipFMC Ghana; • The partnership has been in operation since August 2012. The JV Company was incorporated in Ghana on 27th March 2013. • The JV is a strategic vehicle to achieve accelerated capacity building and technology transfer in engineering services.			
Ownership	• GNPC: 30 percent • TechnipFMC Ghana: 70 percent			
Current Status	• GTES discontinued operations on 1st January 2021 and was subsequently liquidated. • The decision to liquidate the JV was made at a meeting of the parent company's (Technip FMC PLC) Board of Directors in early 2020 where all underperforming subsidiaries were identified for divestment / liquidation. • In 2021 the GRA was engaged to conduct a tax audit from the period of 2014 to 2020 that the Company had been in operation. The purpose of this exercise was to ensure that the Company is cleared of any tax liabilities and to ascertain its solvency. In lieu of the tax audit of GNPC-Technip, GRA elected to conduct a Transfer Pricing audit over TechnipFMC before it embarks on the tax audit of GNPC-Technip. The transfer pricing audit which started in January 2023 is ongoing. GRA is yet to announce the end date. The GRA has not concluded its tax audit on GNPC-Technip's operations and as a result, the Board of Directors cannot sign the Declaration of Solvency. Currently, the liquidation process is stalled and cannot proceed until GRA completes the tax audit and releases its report.			
5. Jubilee Oil Holding Limited (JOHL)				
Background	JOHL was originally incorporated as an exempted company (offshore company) in the Cayman Islands by Anadarko Offshore Petroleum LLC on 23rd September 2021. It was registered as an external company in Ghana under the Companies Act, 2019 (Act 992). The registration was concluded on 15th August 2022.			
Ownership	GNPC acquired a hundred percent shareholding in JOHL on 13th October 2021, pursuant to a share purchase agreement between Anadarko Offshore Petroleum LLC ("Anadarko") and GNPC, and the approval of the Minister for Energy. Cost of acquisition to GNPC is US$164,798,691.			
	The stake acquired by GNPC was funded by Ministry of Finance and repayable at an interest. In a press statement issued on 14th January 202216, GNPC disclosed that JOHL's directors comprised of its Board Chair, Mr. Freddie Blay, and the then Chief Executive, Dr. K.K. Sarpong. JOHL's participating interest was carved out of the participating interest held by Anadarko WCTP Company in the Deep Water Tano (DWT) and West Cape Three Points (WCTP) Petroleum Agreements. JOHL holds seven percent (7%) participating interest in each of the DWT and WCTP Petroleum Agreements. The seven percent Joint Operating Agreement (JOA) interest held includes JOHL's proportionate share of GNPC's Carried Interest. Consequently, the production equity interests of JOHL are 6.04514 percent and 5.95 percent in Jubilee and TEN respectively.			

1. Prestea Sankofa Gold Limited (PSGL)	
	GNPC's acquisition of JOHL was to increase the State and GNPC's commercial stake in the DWT and WCTP Petroleum Agreements through JOHL's participating interest.
Current Status	GNPC has transferred the participating interests of JOHL to its exploration subsidiary, Explorco, following approval by the Minister for Energy. Between its inception and end of November, 2022 JOHL had made a total of US$239,897,508.12 in respect of its 6.0451 percent share of the crude produced in Jubilee and 5.95 percent of TEN oil production.
5. Mole Motel	
Background	The motel is a one-star guest facility with thirty-four (34) rooms, comprising chalets, double-bed and three-bed family rooms. It renders hospitality services including accommodation, restaurant and other services. The Motel is located within the Mole National Park, the largest wildlife reserve in Ghana covering an area of 4,577 square kilometers. Motel is in the West Gonja District of the Savannah Region, 24km from Damongo, the district capital, and 146km from Tamale.
Ownership	GNPC: 60 percent Wildlife Division of Forestry Commission: 40 percent
Status	Prior to the Covid-19 pandemic, the Management of the Motel had projected a 60 percent Average Daily Occupancy (ADO) rate for 2020. However, due to the pandemic's impact, the actual ADO achieved during that period was 19 percent. Mass ecotourism and corporate meetings gradually returned to the Mole National Park and this rebound, coupled with a positive ADO of 28 percent in 2021 benefitted the Motel. In 2022, the actual ADO exceeded expectations at 49 percent compared to the projected 47 percent. This was a 21 percent increase from the previous year 2021, where actual ADO was 28 percent surpassing the 27 percent projected. With the positive ADO trend mentioned above, the Motel increased its staff from twenty-four (24) in 2021 to twenty-eight (28) by the end of 2022. The additional four (4) staff members were recalled from a group of fourteen (14) who had been on leave due to the pandemic's impact. The remaining furloughed staff were made redundant. Three (3) senior management staff retired and were replaced during the year.
6. Valley Farms	
Background	Valley Farms Limited was incorporated in March 1987 to undertake the cultivation of cocoa beans and its associated integration/processing. The plantations are in three different locations: i. Assin Nsuta (1,200 acres) ii. Enchi Nyankoman (877.7 acres), and iii. Dadieso (1,500 acres)
Ownership	J.W. Wilson - 68.54 percent Merban Investment Holding (on behalf of GNPC) - 23.34 percent E.K. Mensah - 3.69 percent Allan Beals - 2.95 percent E.R. Ofori - 1.47 percent
Status	The Company is insolvent. Currently, there are no farming activities on all the three plantations.
7. GNPC Foundation	
Background	• The GNPC Foundation was established in 2017, as a non-profit venture, to serve as the operating arm of the Sustainability Department of GNPC.

<table>
<tr><th colspan="2">1. Prestea Sankofa Gold Limited (PSGL)</th></tr>
<tr><td></td><td>• It is headquartered in Takoradi, in the Western Region;
• The Foundation replaced the GNPC Oil and Gas Learning Foundation which was set up in 2012;
• The previous GNPC Oil and Gas Learning Foundation was modified in scope and mandate, to emphasise the role and function of CSR within its Corporate agenda.
• The primary objective of the Foundation is to make GNPC more visible and socially responsible through community engagements and interventions through skills improvement, livelihood enhancement, and social interventions;</td></tr>
<tr><td>Ownership</td><td>• GNPC: 100 percent</td></tr>
<tr><td>Status</td><td>• The GNPC Foundation has been established with three key thematic areas of support:
o Education and Training;
o Economic Empowerment; and
o Environment and Social Amenities.
• The Foundation spent on the following in 2021:
Education & Training — GHS
Educational Infrastructure — 11,312,994
Scholarships — 34,368,824

Capacity Development — 161
Total — 45,681,979

Environment & Social Amenities
Sanitation — 1,779,270
Water: Boreholes — 1,718,331
Health: Support for Health Facilities/Campaigns — 375,035
Sports — 8,936,224
Total — 12,808,860

Economic Empowerment
Agricultural Support — 0
Entrepreneurial Training — 974,558
Total — 974,558

Grand Total — 59,465,397
Below is a breakdown of the completed and ongoing projects by the three departments as of December 2022:
i. Education and Training
• Managed the following scholarship beneficiaries:
o 198 GNPC scholarship beneficiaries in Cuba.
o 3,825 existing local scholarship beneficiaries.
o 45 existing foreign scholarship beneficiaries.
• Organised 1 career fair in 2 tertiary institutions.
ii. Economic Empowerment
• The Board of Trustees of the GNPC Foundation approved the implementation of the Skilled Artisans' Project for artisans within the Southern zone of Ghana. This zone included artisans within the Western, Western North, Central, Greater Accra, Eastern and Ashanti. The artisans were classified into Technical Trade and Domestic Trade.</td></tr>
</table>

1. Prestea Sankofa Gold Limited (PSGL)	
	The technical trade area included carpentry, welding, masonry etc. and the domestic trade area included hairdressing, tailoring, make up etc. At the end of 2022, 1,420 out of 2,050 artisans registered to write the National Vocational Training Institute (NVTI) examinations. • Fisherfolks in the 6 Coastal districts have long held a bad opinion of the enforcement agencies tasked with keeping the seas safe. To educate the fisherfolks about maritime safety and how their destructive practices damage the sea, the Economic Empowerment unit of the Foundation met with the enforcement authorities to help train the fisherfolks. Stakeholders from various government institutions such as the Ghana Maritime Authority (GMA), Ghana Navy (GN), Ghana Marine Police (GMP), Social Security and National Insurance Trust (SSNIT), Fisheries Commission (FM) and Petroleum Commission (PC) were present as well as officials from Nzema Manle rural bank. These stakeholders threw light on the benefit of their operations to fisherfolks. For each district, as many as 100 people were selected from the various cohorts. The cohorts included the Ghana National Canoe and Fishermen Council (GNCFC), Canoe and Fishing Gear Owners Association of Ghana (CAFGOA), National Fish Processors and Traders Association (NAFPTA), Confederation of Artisanal Processors Association (CAOPA) and Konkohemaa (Queen Mothers of Landing Beaches). iii. Environment and Social Amenities (ESA) • Out of the expected 365 boreholes to be completed in 2022, 46 were completed, with 319 yet to be completed. • Out of the total number of 64 classroom blocks to be completed in 2022, 10 have been completed and handed over while the remaining 54 are at various stages of completion. • Donated 2,200 mono-desks to 12 classroom blocks built by GNPC. Another 2,400 were donated to various schools across the region upon request. A total of 4,600 mono desks were donated in 2022. • The ESA partnered with the Women's Commission wing of the Student Representative Council at the Takoradi Technical University (TTU) to organise a breast cancer awareness and screening campaign.
8. Osagyefo Power Barge	
Background	• This is a 125MW barge-mounted gas turbine power generating unit located at Effasu; • The Barge was acquired by the Ghana government in 1995 with financial assistance from the Japanese government; • It was initially under the management of GNPC but was transferred to Volta River Authority (VRA) in 2003; • In 2014/15 the Ministry of Energy requested GNPC to take over the facility and to operate it; • GNPC signed an MOU with Aenerg Holdings in February 2016 to undertake feasibility studies of the barge's assets with a view to rehabilitating same into a 185MW combined cycle power plant. The MOU expired in June 2016 with the studies and the rehabilitation works still outstanding.
Ownership	• GoG: 100 percent
Status	The Barge has deteriorated beyond rehabilitation due to lack of maintenance, and has received approval from the Minister for Energy for decommissioning.

2.6.2 Ghana National Gas Company (GNGC)

GNGC was incorporated in July, 2011 under the Companies Code, 1963 (Act 179). The company's core mandate is to process, transport, market and sell natural gas and gas liquids produced in the country. GNGC commenced commercial operations in 2015.

GNGC's Ownership and Governance

GNGC is wholly owned by the Government of Ghana, and its activities overseen by a nine-member board, appointed by the President of the Republic.

Table 2.14: GNGC Board of Directors and Staff distribution data

2022 STAFF STRENGTH		
GENDER	NO.	%
MALE	446	72%
FEMALE	176	28%
TOTAL	**622**	**100%**

Source: GNGC

Table 2.15: GNGC Board Directors and Staff distribution data

2021 STAFF STRENGTH		
GENDER	NO.	%
Male	502	71%
Female	209	29%
Total	**711**	**100%**

Source: GNGC

Table 2.16: GNGC Board Directors

BOARD OF DIRECTORS STRENGTH		
GENDER	NO.	%
Male	7	78%
Female	2	22%
Total	**9**	**100%**

GNGC Financing

As earlier indicated, GNGC was established as a limited liability company and therefore, its activities are regulated by the Companies Act, 2019 (Act 992). It does not receive any funding from the government for its operations. It finances its operations with proceeds from the following activities:

- Sale of lean gas to the Volta River Authority (VRA) and Independent Power Producers (IPPs);
- The sale of Liquefied Petroleum Gas (LPG) to off takers; and
- The sale of condensates
- Proceeds from Cash Waterfall Mechanism[45] (CWM)

[45] 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.

Table 2.17: CWM Payments/Inflows to GNGC for 2021

Details	Amount (GH¢)	Amount (US$)
Cash Received	380,078,608.24	65.562,257.94
CWM Payments to PURC on behalf of GNGC	33,495,580.65	5,655,212.00
CWM Payments to GNPC on behalf of GNGC	865,406,594.78	149,370,630.76
Total	**1,278,980,783.67**	**220,588,100.70**

Source: GNGC, 2021

Table 2.18: CWM Payments/Inflows to GNGC for 2022

Details	Amount (GH¢)	Amount (US$)
Cash Received	409,383,051.58	52,878,870.26
CWM Payments to PURC on behalf of GNGC	34,385,944.89	4,024,106.80
CWM Payments to GNPC on behalf of GNGC	751,731,707.52	87,641,287.55
Total	**1,195,500,703.99**	**144,544,264.60**

Source: GNGC, 2022

Table 2.19: Total Receipts and Outstanding Receivables from GNGC as at June 30th 2022

Items	Amount (US$)
Total Invoice Amount (Jub/TEN, OCTP) from Jan - June 2022	108,343,000.31
Total Receipts 2022:	
CWM/NGCH[46] (Credit Notes Issued to GNGC over the period) from Jan - June 2022	-144,276,298.84
Outstanding Balance from Jan – June 2022	-35,933,298.53
Outstanding Balance b/f as of 31st December 2021	610,816,022.13
Total Outstanding Receivables	574,882,723.60

Source: GNPC, 2022

GHEITI's Observation

The GNPC is Government's designated partner for all upstream petroleum contracts, including gas sales. Following a 2020 Cabinet decision, Ghana National Gas Company (GNGC) was appointed as the new gas aggregator. The decision is clearly oblivious of the fact that GNGC is not party to the petroleum contracts and therefore lacks capacity to play the role of gas aggregator unless the gas contracts are amended to make GNGC party to them. For this reason, cabinets decision cannot be fully implemented.

Recommendation

Government must take steps to give the directives its full effect as the current situation is unclear.

2.6.4 Ghana's Definition of SOEs

In Ghana, SOEs are defined as entities whose shares are wholly held or controlled by the Government of Ghana. The description also applies to Joint Venture Companies (JVCs) in which Government has majority (i.e. more that 50 percent voting right).

[46] CWM/NGCH: Cash Waterfall Mechanism / Natural Gas Clearing House

For EITI implementation, GHEITI MSG defines State Owned Enterprises (SOEs) as commercial entities engaged in extractive activities which are wholly, or majority owned by the government. The State Interests and Governance Authority (SIGA) Act, 2019 (Act 990) grants the Authority oversight of all entities which the State holds interests. These are collectively termed 'Specified Entities' and include:

- **State Owned Enterprises (SOEs):** Entities, whether incorporated under the Companies Act or established by statute; and whether wholly owned or majority owned. SOEs are primarily commercially oriented.
- **Joint Venture Companies (JVCs):** Entities in which the government holds either majority (more than 50 percent voting interest) or minority (up to 10 percent) ownership. Majority stake includes special arrangements such as 'golden shares' ensuring government control.
- **Other State Entities (OSEs):** State-owned entities, not classified as SOEs, designated as Specified Entities in accordance with Ghanaian law.

2.6.5 Transactions Involving State Owned Companies

TEN Partner Financing involves DWT Contractor providing funding for GNPC's share of the cost of development of TEN field. This funding is at the election of GNPC to have the contractor fund its additional interest of five (5) percent in the field at LIBOR plus 1.5 percent per annum. GNPC applies 40 percent revenue from its share of the TEN proceeds towards this debt servicing.

2.6.6 Dividends to Government

From the audited financial accounts of the years under review, no dividends were paid by both GNGC and GNPC.

2.6.7 Terms and Conditions of Related Party Transactions

These are unsecured and interest free end balances and settlement in cash. Similarly, no guarantees have been provided.

2.6.8 Impact of COVID 19 on Activities of State Owned Enterprises in 2021 and 2022

The global upstream industry was adversely impacted by the Covid-19 pandemic because of the disruption of the value chain. GNPC had its share of the impact given its involvement in all petroleum agreements in the country. The impacts included revenue losses from some of its investments and delays in its time-bound exploration and appraisal projects as a result of the suspension of the work programmes of such projects. However, the Corporation, has since 2022, returned to normal operations.

SECTION THREE: EXPLORATION AND PRODUCTION

This section covers disclosures of information related to exploration and production, enabling stakeholders to understand the potential of the sector. The EITI requirements related to the transparency in exploration and production activities, include: (3.1) Information about exploration activities; (3.2) Production data; and (3.3) Export data.

3.1 Exploration

3.1.1 Deep Water Tano / Cape Three Points (DWT/CTP) Field

Following the self-sanction imposed by some of the service providers, the Minister for Energy granted two (2) three (3) months extension for the submission of the Pecan Field Plan of Development (PoD) to 30th September 2022 and then 15th December 2022. With the sanctions imposed by the U.S and its allies on Russian companies and their affiliates still in force, a further extension was granted for the submission of the Pecan Field PoD of which Lukoil is a party, to April 2023.

The Deepwater Tano Cape Three Points (DWTCTP) Block Partners, including GNPC, prepared and submitted the PoD to the Minister on 14th April 2023 and approval was received on 27th June 2023.

The entire shares of Aker Energy AS, who was the beneficial owner of Aker Energy Ghana Limited, had, as of April 2023, been sold to AFC Equity Investments (AFCEI). This implies that AFCEI is now the indirect holder of all the participating interest of Pecan Energies Ghana Limited in the DWT/CTP Block. Through the transaction, AFC has become the sole shareholder of Aker Energy, and thereby 50 percent owner of the Deepwater Tano Cape Three Points (DWT/CTP) block offshore Ghana, comprising discoveries of 450-550 million barrels of oil equivalents, including the Pecan field. Africa Finance Corporation has previously invested USD 200 million in senior secured bonds in the DWT/CTP block development and AFC's CEO currently serves on the Aker Energy board.

The Operator is in the process of engaging the market to update the cost estimates of the project which will be the basis for a Final Investment Decision (FID) currently planned for the end of first quarter 2024.

Following the approval of the PoD, Pecan has proceeded to submit its Environmental Impact Assessment as part of a regulatory requirement for field development, a Public Hearing is scheduled from 27th to 31st May, 2024.

3.1.2 South Deepwater Tano (SDWT) Block

In March 2023, the operator of the SDWT Block, AGM Petroleum Ghana Limited, informed the Minister for Energy that pursuant to Article 5.1 of the SDWT Petroleum Agreement, it has declined to enter into the First Extension Period and has therefore relinquished one hundred percent (100%) of the contract area under the SDWT Petroleum Agreement.

AGM fulfilled all its obligations under the petroleum agreement and has contributed significantly to Ghana's petroleum industry by drilling two ultra-deepwater wells, including the Nyankom discovery.

It is unclear if the remaining contractor party, Quad Energy, intends to retain its interest in the SDWT Block. With the relinquishment of the SDWT Block by the contractor parties, the SDWT contract area reverts to the State.

3.1.3 Voltaian Basin Project

During the period under review, 1,180-line km of 2D seismic data was acquired in the Northern Sector of the basin. Demobilisation of personnel and equipment from the Northern sector has been completed. The Team remobilised to the south in December 2023 and about 400-line km of 2D seismic data has been acquired and being processed.

Seismic interpretation of the 2D data in all phases (1-4) is still ongoing, with leads generated and tentative well locations identified. Invitation to Tender (ItT) was sent to Project Management Consultancy (PMC) firms for drilling and their responses have since been received. The consultant would validate the data from the preliminary studies being performed by the GNPC team on some of the prospects earmarked for drilling. Their bids have been evaluated, and the final report is yet to be submitted to Entity Tender Committee (ETC) for approval. GNPC has sought approval from the minister to drill a stratigraphic well to better understand the sub-surface strata and the request is yet to be approved.

3.1.4 Saltpond Decommissioning Project

Saltpond Field decommissioning project has progressed fairly well as at 2022. The Trident VIII Jack-up rig to be used for the plugging and abandonment scope arrived in-country on 25th September 2022. The jack-up rig was successfully integrated and completed the most critical phase of the project by plugging all six wells in the field successfully. The plugging and abandonment operations were completed on 1st May 2023 and the Trident VIII rig was demobilised.

As at 2023, dismantling and removal of the platform by the LB Fugar Barge was ongoing. However, checks by GHEITI have revealed that the project has stalled as a result of cost escalation and disagreements among the parties.

3.1.5 West Cape Three Points Block 2

As reported in the 2020 report, Eni and Springfield were directed by the Minister for Energy to unitise the Afina-1X Cenomanian discovery, operated by Springfield E&P Ltd (SEP), and the Sankofa Cenomanian field, operated by Eni.

According to the Ministry, the directive to unitise both fields was to ensure optimum exploitation and recovery of the hydrocarbon resources of the fields, consistent with section 34 of Petroleum (Exploration and Production) Act, 2016 (Act 919).

Eni and Vitol have challenged the Minister's directives to unitise the Afina and Sankofa fields in the law courts. The parties were of the view that the Minister's directives issued on 09 April 2020 and 14 October 2020 were not issued in accordance with Ghanaian law, international best practices, and the relevant contractual arrangements. The legal processes challenging the validity of the directives and implementation were filed both in Ghanaian courts and the Arbitration Institute of the Stockholm Chamber of Commerce, Stockholm, Sweden as per the OCTP PA.

In 2021 the Attorney General and Minister of Justice was officially notified of the filing of an arbitration under the United Nations Commission on International Trade Law (UNCITRAL) by Eni and Vitol against The Republic of Ghana and Ghana National Petroleum Corporation (GNPC) for breach of the Petroleum Agreement in respect of OCTP PA.

In 2022 the High Court (Commercial Division), following an application for preservation of funds filed by Springfield, ordered Eni and Vitol to pay 30 percent of revenue from the sale of crude oil to the Court Registrar pending determination of the substantive case. Eni and Vitol appealed to this order from the Ghanaian court but were unsuccessful. Springfield filed a motion for contempt on October 11, 2022, seeking to commit into prison several representatives from Eni and Vitol. However, at the last hearing on November 17, 2023, when the ruling was to be delivered, Springfield withdrew the motion.

The arbitration hearing was held in August 2023, but as of June 2024, the verdict of the arbitration was yet to be delivered.

3.2 Production

For the year 2021, a total of 55,050,391 bbls was produced from the three producing fields. This was lower than the 2020 figure of 66,926,806 bbls by 17.7 percent and lower than the 2021 Benchmark crude oil [47]output of 64.86 million barrels by 15 percent. The rather low output for 2021 was partly due to poor reservoir performance.

The production data is systematically disclosed by the Petroleum Commission and GNPC on their respective websites.

3.2.1 Jubilee Field

In 2021, Jubilee Field produced 27,335,481 bbls, compared with a 2020 output of 30,424,539 bbls. The Jubilee Field continues to contribute to about half the total national output, even though production reduced slightly by 10 percent. In 2022, Jubilee Field contributed half (30,505,813 bbls) of the total output, showing a production increase of 11.5 percent from the 2021 output (27,335,481 bbls). The highest monthly production volume on the Jubilee Field was recorded in March and the lowest in May.

Table 3.1: Jubilee Field Monthly Production Data 1st Jan – 31st Dec., 2021

MONTHS	JUBILEE Field Oil, Barrels	Daily Average, barrels
Jan	2,255,226.00	72,749.23
Feb	1,975,758.00	70,562.79
Mar	2,102,802.00	67,832.32
Apr	2,155,621.00	71,854.03
May	2,182,699.00	70,409.65
Jun	2,109,221.00	70,307.37
Jul	2,379,739.00	76,765.77
Aug	2,389,790.00	77,090.00
Sep	2,389,622.00	79,654.07
Oct	2,488,514.00	80,274.65
Nov	2,351,159.00	78,371.97
Dec	2,555,330.00	82,430.00
Total	**27,335,481.00**	

Source: GHEITI's Construct

[47] Government's forecast production based on PRMA provisions

Table 3.2: Jubilee Field Monthly Production Data 1st Jan – 31st Dec., 2022

YEAR 2022	JUBILEE Field Oil, Barrels	Daily Average, barrels
Jan	2,810,193.00	90,651.39
Feb	2,537,391.00	90,621.11
Mar	2,846,216.00	91,813.42
Apr	2,619,672.00	87,322.40
May	1,372,961.00	44,289.06
Jun	2,702,524.00	90,084.13
Jul	2,814,384.00	90,786.58
Aug	2,749,042.00	88,678.77
Sep	2,617,935.00	87,264.50
Oct	2,601,258.00	83,911.55
Nov	2,491,548.00	83,051.60
Dec	2,342,689.00	75,570.61
Total	**30,505,813.00**	**83,670.00**

Source: GHEITI's Construct

3.2.2 Tweneboa-Enyenra-Ntomme (TEN) Fields

In 2021, the TEN Field produced 11,978,064 bbls as against 17,802,536 bbls in 2020. This represents a decline of 32.7 percent. This can be attributed to poor reservoir performance.

Again, TEN Field's production declined by 28 percent from 11,978,064 bbls in 2021 to 8,612,822 bbls in 2022. The TEN Field recorded its highest oil production in October and recorded its lowest output in August. The decline in production was attributed to poor reservoir performance.

Table 3.3: TEN Fields Monthly Production Data 1st Jan – 31st Dec.2021

YEAR 2021	TEN Field Oil, barrels	Daily Average, barrels
Jan	1,226,811.00	39,574.55
Feb	1,070,128.00	38,218.86
Mar	1,199,090.00	38,680.32
Apr	1,093,932.00	36,464.40
May	1,121,622.00	36,181.35
Jun	972,682.00	32,422.73
Jul	967,207.00	31,200.23
Aug	949,750.00	30,637.10
Sep	875,267.00	29,175.57
Oct	862,105.00	27,809.84
Nov	815,764.00	27,192.13
Dec	823,706.00	26,571.16
Total	**11,978,064.00**	**32,844.00**

Source: GHEITI's Construct

Table 3.4: TEN Fields Monthly Production Data 1st Jan – 31st Dec.2022

YEAR 2022	TEN Field Oil, barrels	Daily Average, barrels
Jan	791,765.00	25,540.81
Feb	669,999.00	23,928.54
Mar	784,189.00	25,296.42
Apr	721,849.00	24,061.63
May	736,151.00	23,746.81
Jun	690,114.00	23,003.80
Jul	666,732.00	21,507.48
Aug	654,716.00	21,119.87
Sep	710,913.00	23,697.10
Oct	796,677.00	25,699.26
Nov	680,780.00	22,692.67
Dec	708,937.00	22,868.94
Total	**8,612,822.00**	**23,596.00**

Source: GHEITI's Construct

Table 3.5: TEN Fields Monthly Production Data 1st Jan – 31st Dec.2023

YEAR 2023	TEN Field Oil, barrels	Daily Average, barrels
Jan	632,719.00	20,410.29
Feb	564,828.00	20,172.43
Mar	633,859.00	20,447.06
Apr	608,004.00	20,266.80
May	610,071.00	19,679.71
Jun	576,514.00	19,217.13
Jul	206,471.00	6,660.35
Aug	574,256.00	18,524.39
Sep	611,204.00	20,373.47
Oct	586,893.00	18,932.03
Nov	538,056.00	17,935.20
Dec	573,403.00	18,496.87
Total	**6,716,278.00**	

Source: GHEITI's Construct

3.2.3 Sankofa-Gye Nyame Project

In 2020, the SGN Field produced 18,699,731.01 bbls relative to 17,205,070.85 bbls in 2019. The SGN Field recorded its third full-year production, increasing its output by 8.7 percent. The performance was attributable to stable production operations, resulting from the FPSO John Agyekum Kuffuor's (JAK) improved plant uptime and the coming on stream of the OP-9 and OP10 producer wells. The highest monthly production volumes were recorded in January. However, in 2021, the SGN's fourth full-year production reduced by 15.8 percent from 18,699,731.01 bbls in 2020 to 15,736,846.10 bbls in 2021. The production decline was due to the activation of an Emergency Shutdown (ESD).

Table 3.6: SGN Field Monthly Production Data 1st January – 31st Dec.2021

YEAR 2021	OCTP Field Oil, Barrels	Daily Average, barrels
Jan	1,500,247.40	48,395.08
Feb	1,315,370.69	46,977.52
Mar	1,399,777.61	45,154.12
Apr	1,382,375.87	46,079.20
May	1,402,449.08	45,240.29
Jun	1,302,046.12	43,401.54
Jul	1,284,007.65	41,419.60
Aug	1,314,393.09	42,399.78
Sep	1,214,873.30	40,495.78
Oct	1,264,933.55	40,804.31
Nov	1,187,800.82	39,593.36
Dec	1,168,570.92	37,695.84
Total	**15,736,846.10**	**43,138.00**

Source: GNPC

Table 3.7: SGN Field Monthly Production Data 1st January – 31st Dec.2022

YEAR 2022	OCTP Field Oil, Barrels	Daily Average, barrels
Jan	1,178,853.79	38,027.54
Feb	950,511.48	33,946.84
Mar	1,177,761.70	37,992.31
Apr	1,100,364.42	36,678.81
May	1,098,744.43	35,443.37
Jun	1,054,550.60	35,151.69
Jul	1,060,336.83	34,204.41
Aug	1,033,173.63	33,328.18
Sep	983,136.70	32,771.22
Oct	993,043.69	32,033.67
Nov	963,054.29	32,101.81
Dec	1,026,314.56	33,106.92
Total	**12,619,846.12**	**34,565.00**

Source: GNPC

Table 3.8: SGN Field Monthly Production Data 1st January – 31st Dec. 2023

YEAR 2023	OCTP Field Oil, Barrels	Daily Average, barrels
Jan	999,551.15	32,243.59
Feb	851,140.22	30,397.87
Mar	992,083.45	32,002.69
Apr	997,396.86	33,246.56
May	1,003,021.35	32,355.53
Jun	869,697.78	28,989.93
Jul	1,003,084.04	32,357.55
Aug	968,367.46	31,237.66
Sep	777,851.64	25,928.39
Oct	902,776.92	29,121.84
Nov	866,955.94	28,898.53
Dec	854,614.80	27,568.22
Total	**11,086,541.61**	

Source: GNPC

3.2.4 Gas Production

Gas production experienced a marginal increase in 2021 since the commercialisation of natural gas in Ghana. A total of 256,208.84 MMSCF of Associated Gas (AG) and Non-Associated Gas (NAG) was produced in 2021, about a seven percent increase over the 2020 volume of 237,962.82 MMSCF of raw gas produced from the Jubilee, TEN, and SGN Fields.

For the third consecutive time, the SGN Field produced the highest volume of combined AG and NAG with 121,604.96 MMSCF while the Jubilee and TEN Fields produced 70,473.21 MMSCF and 64,129.87 MMSCF respectively.

Gas production in 2022 decreased slightly by one percent relative to that of 2021. A total of 253,553.19 MMSCF of Associated Gas (AG) and Non-Associated Gas (NAG) was produced in 2022 from the three Fields compared to the 2021 volume of 256,208.84 MMSCF of raw gas produced. The SGN Field, relatively gas-concentrated, produced the highest volume of combined AG and NAG of 129,392.80 MMSCF while the Jubilee and TEN Fields produced 68,481.76 MMSCF and 55,678.63 MMSCF respectively.

Jubilee gas production decreased by 2.8 percent from 70,473.21 MMSCF in 2021 to 68,481.76 MMSCF in 2022. Gas production on the TEN Field also decreased by 13.1 percent from 64,129.87 MMSCF in 2021 to 55,678.63 MMSCF in 2022. The production of gas from the SGN field recorded an increase of 6.4 percent from 121,604.96 MMSCF in 2021 to 129,392.80 MMSCF in 2022.

3.2.4.1 Jubilee

Table 3.9: Jubilee Field Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2021

	Jubilee Field Gas Prod, MMSCF	Gas Export to GNGC MMscf	Gas Export to TEN MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	5,728.94	3,307.48	-	1,090.67	372.87	957.92	184.8
Feb	5,187.61	2,887.03	-	1,070.88	331.28	898.42	185.27
Mar	5,502.36	2,811.45	-	1,371.20	343.14	976.57	177.5
Apr	6,044.63	3,249.76	-	1,448.77	356.83	989.27	201.49
May	5,986.46	3,264.89	-	1,333.26	354.8	1,033.51	193.11
Jun	5,910.84	2,632.69	-	1,913.76	362.32	1,002.07	197.03
Jul	6,109.60	2,880.79	-	1,816.48	367.51	1,044.83	197.08
Aug	6,016.36	2,937.83	-	1,633.30	349.52	1,095.71	194.08
Sep	5,957.41	2,576.89	-	2,053.87	332.76	993.89	198.58
Oct	6,017.98	983.82	-	3,768.17	321.01	998.98	194.13
Nov	5,853.21	1,042.13	-	3,426.15	348.6	1,036.33	195.11
Dec	6,157.81	2,423.19	-	2,344.24	364.46	1,025.93	198.64
Total	**70,473.21**	**30,997.95**	**-**	**23,270.75**	**4,205.10**	**12,053.43**	
Average/ MMscfd	**193.08**	**84.93**	**-**	**63.76**	**11.52**	**33.02**	

Source: GHEITI's Construct

Table 3.10: Jubilee Field Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2022

	Jubilee Field Gas Prod, MMSCF	Gas Export to GNGC MMscf	Gas Export to TEN MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	6,290.92	3,019.95	-	1,895.33	358.51	1,017.13	202.93
Feb	5,606.36	2,906.96	-	1,438.89	307.31	953.19	200.23
Mar	6,276.19	2,836.14	-	2,058.67	352.13	1,029.25	202.46
Apr	5,404.86	3,033.64	-	1,280.12	333.67	757.43	180.16
May	2,668.77	1,372.86	-	550.86	139	606.05	86.09
Jun	5,626.18	3,007.48	-	1,259.73	304.75	1,054.22	187.54
Jul	6,195.78	3,605.72	-	1,270.62	355.72	964.12	199.86
Aug	6,247.45	3,031.82	-	1,888.01	367.93	959.69	201.53
Sep	6,189.75	3,287.37	-	1,573.48	349.65	979.25	206.33
Oct	6,181.78	3,457.40	-	1,393.08	333.56	997.74	199.41
Nov	5,999.72	3,276.23	-	1,461.12	289.21	973.13	199.99
Dec	5,794.00	3,045.33	-	1,361.30	273.33	1,114.04	186.9
Total	**68,481.76**	**35,880.90**	**-**	**17,431.21**	**3,764.77**	**11,405.24**	
Average/ MMscfd	**187.62**	**98.3**	**-**	**47.76**	**10.31**	**31.25**	

Source: GHEITI's Construct

Table 3.11: Jubilee Field Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2023

	Jubilee Field Gas Prod, MMSCF	Gas Export to GNGC MMscf	Gas Export to TEN MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	6,046.01	3,112.55	-	1,537.77	274.94	1,120.74	195.03
Feb	5,634.26	3,063.42	-	1,239.57	266.74	1,064.53	201.22
Mar	6,074.74	2,233.44	-	2,410.80	323.68	1,106.82	195.96
Apr	5,981.18	2,151.29	-	2,454.50	306.86	1,068.53	199.37
May	5,905.51	3,352.55	-	1,085.55	303.1	1,164.30	190.5
Jun	5,977.19	3,339.73	-	1,598.15	313.82	725.49	199.24
Jul	6,205.13	2,931.47	-	1,849.32	306.68	1,117.66	200.17
Aug	7,127.98	3,050.77	-	2,675.15	357.92	1,044.14	229.93
Sep	6,796.72	3,208.63	-	2,159.06	318.52	1,110.51	226.56
Oct	7,333.18	2,531.37	-	2,789.26	312.84	1,699.71	236.55
Nov	7,330.64	2,904.77	-	2,921.51	349.38	1,154.99	244.35
Dec	7,487.51	2,951.37	-	3,059.48	381.66	1,095.01	241.53
Total	**77,900.05**	**34,831.36**	**-**	**25,780.12**	**3,816.14**	**13,472.43**	
Average/ MMscfd	**213.42**	**95.43**	**-**	**70.63**	**10.46**	**36.91**	

Source: GHEITI's Construct

3.2.4.2 TEN Field

Table 3.12: TEN Fields Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2021

	TEN Field Gas prod, MMSCF	Gas Export MMscf	Gas Import MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	5,249.05	209.42	-	4,027.34	320.77	691.52	169.32
Feb	4,692.82	200.76	-	3,388.93	273.89	829.24	167.6
Mar	5,353.88	732.88	-	3,351.52	299.87	969.6	172.71
Apr	5,081.47	166.75	-	3,883.34	296.7	734.67	169.38
May	5,730.39	202.99	-	4,437.82	390.11	699.47	184.85
Jun	5,310.50	199.7	-	4,071.52	291.16	748.12	177.02
Jul	5,617.26	264.63	-	4,294.86	312.81	744.96	181.2
Aug	5,771.43	329.82	-	4,494.09	317.07	630.46	186.18
Sep	5,301.21	197.22	-	4,296.26	305.29	502.45	176.71
Oct	5,605.88	3.07	-	4,540.46	398.79	663.56	180.83
Nov	5,420.15	70.9	-	4,534.82	329.76	484.67	180.67
Dec	4,995.83	183.21	-	3,918.67	318.99	574.95	161.16
Total	**64,129.87**	**2,761.35**	**-**	**49,239.63**	**3,855.21**	**8,273.67**	
Average/ MMscfd	**175.7**	**7.57**	**-**	**134.9**	**10.56**	**22.67**	

Source: GHEITI's Construct

Table 3.13: TEN Fields Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2022

	TEN Field Gas prod, MMSCF	Gas Export MMscf	Gas Import MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,724.80	245.44	-	3,515.50	309.26	654.59	152.41
Feb	4,330.66	87.65	-	3,399.79	273.72	569.5	154.67
Mar	4,921.73	68.47	-	3,780.28	305.64	767.34	158.77
Apr	4,666.92	240.29	-	3,295.19	295.42	836.02	155.56
May	4,982.08	2,200.92	-	1,593.25	297.6	890.3	160.71
Jun	4,576.77	351.38	-	3,064.00	292.28	869.1	152.56
Jul	4,510.24	68.44	-	3,237.37	305.78	898.65	145.49
Aug	4,417.60	54.75	-	3,127.88	300	934.97	142.5
Sep	4,456.19	16.31	-	3,343.22	286.57	810.09	148.54
Oct	4,827.26	76.94	-	3,557.37	294.82	898.13	155.72
Nov	4,531.82	13.81	-	3,288.98	279.04	949.98	151.06
Dec	4,732.56	358.49	-	2,828.57	293.12	1,252.37	152.66
Total	**55,678.63**	**3,782.89**	**-**	**38,031.40**	**3,533.25**	**10,331.04**	
Average/ MMscfd	**152.54**	**10.36**	**-**	**104.2**	**9.68**	**28.3**	

Source: GHEITI's Construct

Table 3.14: TEN Fields Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2023

	TEN Field Gas prod, MMSCF	Gas Export MMscf	Gas Import MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,700.01	39.34	-	3,308.14	305.88	1,046.65	151.61
Feb	4,293.61	60.08	-	2,870.53	268.42	1,094.57	153.34
Mar	4,772.80	83.96	-	3,183.96	293.69	1,211.20	153.96
Apr	4,645.75	68.73	-	3,116.45	295.25	1,165.32	154.86
May	4,871.95	204.76	-	3,166.35	293.03	1,207.81	157.16
Jun	4,669.26	24.31	-	3,218.34	267.1	1,159.51	155.64
Jul	1,237.58	69.65	-	598.31	84.1	485.53	39.92
Aug	3,542.96	10.96	-	2,423.19	280.14	828.67	114.29
Sep	3,940.13	127.67	-	3,053.78	317.9	440.78	131.34
Oct	4,268.12	226.38	-	3,354.42	305.95	381.38	137.68
Nov	4,374.52	2.63	-	3,705.63	299.94	366.32	145.82
Dec	4,752.21	3.64	-	4,172.87	320.79	254.92	153.3
Total	**50,068.90**	**922.11**	**-**	**36,171.97**	**3,332.19**	**9,642.66**	
Average/ MMscfd	**137.18**	**2.53**	**-**	**99.1**	**9.13**	**26.42**	

Source: GHEITI's Construct

3.2.4.3 SGN

Table 3.15: SGN Field Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2021

	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,190.78	6,906.20	5,905.01	4,683.72	357.95	64.11	135.19
Feb	3,781.97	6,473.50	5,572.65	4,155.40	312.95	124.77	135.07
Mar	4,414.32	5,932.10	5,484.34	4,404.13	343.72	28.97	142.4
Apr	4,220.77	6,276.20	5,984.50	3,980.97	329.59	113.91	140.69
May	4,522.95	5,686.42	5,427.81	4,324.06	343.01	30.72	145.9
Jun	3,873.82	5,438.06	5,168.62	3,631.08	324.01	106.95	129.13
Jul	3,531.10	5,579.93	5,300.75	3,164.80	318.99	227.71	113.91
Aug	4,813.50	5,177.85	4,898.29	4,604.96	360.41	46.53	155.27
Sep	4,094.45	4,656.10	4,401.50	3,852.14	333.39	73.73	136.48
Oct	4,868.60	5,899.09	5,630.45	4,680.14	354.3	22.64	157.05
Nov	4,732.39	5,586.05	5,330.79	4,533.70	345.37	30.02	157.75
Dec	4,614.65	6,334.16	6,036.57	4,464.61	342.27	17.64	148.86
Total	**51,659.30**	**69,945.66**	**65,141.28**	**50,479.71**	**4,065.96**	**887.7**	
Average/ MMscfd	**141.53**	**191.63**	**178.47**	**138.3**	**11.14**	**2.43**	

Source: GHEITI's Construct

Table 3.16: SGN Field Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2022

	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,475.64	6,439.00	6,061.45	3,642.33	321.7	804.59	144.38
Feb	4,086.61	5,123.30	4,839.35	3,561.34	268.72	473.97	145.95
Mar	5,307.86	5,836.82	5,567.41	4,667.65	350.89	475.01	171.22
Apr	5,048.00	6,187.36	5,893.24	4,503.84	337.86	414.76	168.27
May	5,159.56	6,225.61	5,926.00	4,883.66	354.57	130.58	166.44
Jun	4,962.09	6,019.84	5,734.72	4,767.89	343.83	51.67	165.4
Jul	5,110.31	5,976.99	5,693.42	4,928.36	358.05	23.85	164.85
Aug	4,874.42	6,103.95	5,813.32	4,680.44	357.79	42.34	157.24
Sep	4,791.01	5,646.96	5,379.92	4,592.25	345.79	39.27	159.7
Oct	4,945.66	5,705.18	5,355.76	4,737.78	356.71	115.23	159.54
Nov	4,661.81	5,594.80	5,335.56	4,324.96	340.1	179.63	155.39
Dec	4,822.95	6,287.07	6,296.34	3,576.77	332.33	811.52	155.58
Total	**58,245.92**	**71,146.88**	**67,896.49**	**52,867.27**	**4,068.34**	**3,562.42**	
Average/ MMscfd	**159.58**	**194.92**	**186.02**	**144.84**	**11.15**	**9.76**	

Source: GHEITI's Construct

Table 3.17: SGN Field Gas Monthly Production and Utilisation 1st Jan – 31st Dec. 2023

	OCTP Field Associated Gas Prod, MMSCF	NAG Produced, MMSCF	Gas Export MMscf	Gas Injected MMscf	Fuel Gas MMscf	Gas Flared MMscf	Daily Average, MMSCF
Jan	4,779.56	6,184.24	5,904.19	4,533.65	340.59	100.22	154.18
Feb	3,978.81	5,761.49	5,533.77	2,795.73	280.22	1,042.91	142.1
Mar	4,981.15	6,787.14	6,399.56	4,808.06	348.93	122.41	160.68
Apr	4,765.34	6,527.54	6,210.91	4,636.66	337.08	22.2	158.84
May	4,978.19	6,608.91	6,307.88	4,787.05	347.41	52.02	160.59
Jun	3,876.35	7,261.41	6,018.99	3,707.62	313.44	1,008.68	129.21
Jul	4,995.03	6,599.43	6,291.27	4,843.50	348.84	20.31	161.13
Aug	5,066.02	6,350.74	6,018.13	4,861.16	349.84	99.22	163.42
Sep	4,872.77	2,176.95	2,058.09	4,550.03	336.78	67.79	162.43
Oct	4,958.29	5,337.03	5,916.74	3,176.96	311.73	803.63	159.94
Nov	4,862.62	4,767.92	5,924.05	2,505.42	304.55	809.64	162.09
Dec	4,430.15	6,293.12	6,703.27	2,457.40	298.18	1172.6	142.91
Total	**56,544.28**	**70,655.92**	**69,286.85**	**47,663.24**	**3,917.59**	**5,321.63**	
Average/ MMscfd	**154.92**	**193.58**	**189.83**	**130.58**	**10.73**	**14.58**	

Source: GHEITI's Construct

3.3 Exports

This section covers exports of crude oil from Ghana's three producing fields. The term liftings is used to represent exports.

3.3.1 Jubilee Field

In 2021, the Jubilee Partners lifted twenty-nine (29) parcels, totaling 27,613,382 barrels (bbls), reflecting an 11.78 percent decrease from the thirty-two (32) parcels, totaling 30,865,105 barrels, lifted in 2020. (Refer to Table 32), the GNPC lifted five (5) parcels, totaling 4,789,064 barrels, on behalf of the Ghana Group, which accounted for 17.34 percent of the total liftings. This represents a 20.87 percent decrease compared to the six (6) parcels, totaling 5,788,676 barrels, lifted in 2020.

In 2022, Jubilee Partners lifted thirty-two (32) parcels, amounting to 30,445,289 barrels, marking a 9.30 percent increase from the twenty-nine (29) parcels, totaling 27,613,382 barrels, lifted in 2021. GNPC lifted six (6) parcels, amounting to 5,653,497 barrels, on behalf of the Ghana Group, representing 18.57 percent of total liftings. This was a 15.30 percent increase from the five (5) parcels, totaling 4,789,064 barrels, lifted in 2021.

Table 3.18: Jubilee Field Liftings 1st Jan – 31st Dec. 2021

2021 GREATER JUBILEE FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
JC-0324	10th January 2021	948,596	TULLOW GHANA LTD.
JC-0325	24th January 2021	948,648	ANADARKO/OXY & PETRO SA
JC-0326	12th February 2021	962,793	KOSMOS ENERGY
JC-0327	21st February 2021	952,311	TULLOW GHANA
JC-0328	6th March 2021	995,549	GHANA GROUP
JC-0329	20th March 2021	950,738	ANADARKO/OXY & PETRO SA
JC-0330	2nd April 2021	949,630	TULLOW GHANA
JC-0331	14th April 2021	948,120	KOSMOS ENERGY
JC-0332	27th April 2021	948,888	GHANA GROUP
JC-0333	11th May 2021	973,351	TULLOW GHANA
JC-0334	24th May 2021	952,669	ANADARKO/OXY & PETRO SA
JC-0335	8th June 2021	948,982	KOSMOS ENERGY
JC-0336	20th June 2021	951,914	TULLOW GHANA
JC-0337	4th July 2021	918,603	ANADARKO/OXY & PETRO SA
JC-0338	16th July 2021	948,499	GHANA GROUP
JC-0339	28th July 2021	908,386	TULLOW GHANA
JC-0340	9th August 2021	951,601	KOSMOS ENERGY
JC-0341	21st August 2021	951,513	ANADARKO/OXY & PETRO SA
JC-0342	3rd September 2021	950,600	TULLOW GHANA
JC-0343	15th September 2021	948,096	GHANA GROUP
JC-0344	27th September 2021	949,650	ANADARKO/OXY & PETRO SA
JC-0345	9th October 2021	947,680	TULLOW GHANA
JC-0346	21st October 2021	947,643	KOSMOS ENERGY
JC-0347	1st November 2021	950,259	TULLOW GHANA
JC-0348	13th November 2021	987,820	ANADARKO & PETRO SA
JC-0349	26th November 2021	967,619	KOSMOS ENERGY
JC-0350	8th December 2021	948,033	GHANA GROUP
JC-0351	20th December 2021	952,453	TULLOW GHANA LIMITED
JC-0352	30th December 2021	952,739	ANADARKO & PETRO SA.
TOTAL		**27,613,383**	

Source: GHEITI's construct based on information from GNPC

Table 3.19: Jubilee Field Liftings 1st Jan – 31st Dec. 2022

2022 GREATER JUBILEE FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
JC-0353	11th January 2022	948,594	KOSMOS ENERGY
JC-0354	21st January 2022	952,086	TULLOW GHANA
JC-0355	1st February 2022	953,343	GHANA GROUP
JC-0356	11th February 2022	988,168	KOSMOS ENERGY
JC-0357	23rd February 2022	951,119	TULLOW GHANA
JC-0358	4th March 2022	947,823	KEGIN/KEG
JC-0359	15th March 2022	952,245	TULLOW GHANA/PETROSA
JC-0360	26th March 2022	903,844	GHANA GROUP
JC-0361	5th April 2022	948,178	KEGIN/KEG
JC-0362	13th April 2022	948,234	TULLOW GHANA/PETROSA
JC-0363	26th April 2022	944,164	JOHL
JC-0364	23rd May 2022	947,724	KEGIN/KEG
JC-0365	2nd June 2022	948,102	TULLOW GHANA/PETROSA
JC-0366	12th June 2022	947,925	GHANA GROUP
JC-0367	23rd June 2022	952,067	KEGIN/KEG
JC-0368	3rd July 2022	951,681	TULLOW GHANA
JC-0369	17th July 2022	948,341	TULLOW GHANA
JC-0370	25th July 2022	995,858	KOSMOS ENERGY
JC-0371	4th August 2022	952,341	GHANA GROUP
JC-0372	15th August 2022	956,417	TULLOW GHANA
JC-0373	25th August 2022	956,648	KOSMOS ENERGY
JC-0374	5th September 2022	951,786	TULLOW GHANA
JC-0375	16th September 2022	951,667	KOSMOS ENERGY
JC-0376	27th September 2022	948,309	GHANA GROUP
JC-0377	8th October 2022	951,038	TULLOW GHANA
JC-0378	18th October 2022	948,332	KOSMOS ENERGY
JC-0379	30th October 2022	951,461	TULLOW GHANA
JC-0380	11th November 2022	948,339	JOHL
JC-0381	22nd November 2022	952,216	KOSMOS ENERGY
JC-0382	3rd December 2022	953,535	TULLOW GHANA
JC-0383	17th December 2022	947,735	GHANA GROUP
JC-0384	29th December 2022	945,969	KOSMOS ENERGY
TOTAL		**30,445,289**	

Source: GHEITI's construct based on information from GNPC

Table 3.20: Jubilee Field Liftings 1st Jan – 31st Dec. 2023

2023 GREATER JUBILEE FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
JC-0385	10th January 2023	952,442	Tullow Ghana/PetroSA
JC-0386	22nd January 2023	948,447	Kosmos Energy
JC-0387	3rd February 2023	952,374	Tullow Ghana/PetroSA
JC-0388	18th February 2023	948,266	Ghana Group
JC-0389	3rd March 2023	951,713	Kosmos Energy
JC-0390	17th March 2023	948,768	Tullow Ghana/PetroSA
JC-0391	30th March 2023	953,115	Kosmos Energy
JC-0392	14th April 2023	952,676	Tullow Ghana/PetroSA
JC-0393	28th April 2023	953,870	Ghana Group
JC-0394	12th May 2023	950,763	Kosmos Energy
JC-0395	27th May 2023	951,447	Tullow Ghana/PetroSA
JC-0396	7th June 2023	952,607	JOHL
JC-0397	19th June 2023	953,211	Kosmos Energy
JC-0398	30th June 2023	904,263	Tullow Ghana/PetroSA
JC-0399	11th July 2023	906,021	Ghana Group
JC-0400	22nd July 2023	948,693	Tullow Ghana/PetroSA
JC-0401	1st August 2023	948,743	Kosmos Energy
JC-0402	10st August 2023	954,795	Tullow Ghana/PetroSA
JC-0403	20th August 2023	952,827	Kosmos Energy
JC-0404	30th August 2023	951,574	Tullow Ghana/PetroSA
JC-0405	9th September 2023	955,854	Kosmos Energy
JC-0406	18th September 2023	954,337	Ghana Group
JC-0407	27th September 2023	956,025	Tullow Ghana/PetroSA
JC-0408	7th October 2023	951,147	Kosmos Energy
JC-0409	18th October 2023	953,651	Tullow Ghana/PetroSA
JC-4010	27th October 2023	951,944	Ghana Group
JC-0411	6th November 2023	955,845	Kosmos Energy
JC-0412	16th November 2023	956,180	Tullow Ghana/PetroSA
JC-0413	26th November 2023	958,932	Kosmos Energy
JC-0414	7th December 2023	959,956	JOHL
JC-0415	19th December 2023	956,055	Tullow Ghana/PetroSA
JC-0416	29th December 2023	957,005	Kosmos Energy
TOTAL		**30,403,546**	

Source: GHEITI's construct based on information from GNPC

3.3.2 Tweneboa-Enyenra-Ntomme (TEN) Field

In 2021, the TEN partners lifted twelve (12) parcels, totaling 11,706,740 barrels (bbls), which represents a 59.11 percent decrease from the nineteen (19) parcels, totaling 18,627,127 barrels, lifted in 2020. (Refer to Table 3.21), the GNPC lifted three (3) parcels, totaling 2,887,021 barrels, on behalf of the Ghana Group, accounting for 24.66 percent of total liftings. This was a 3.33 percent decrease from the three (3) parcels, totaling 2,983,208 barrels, lifted in 2020.

In 2022, the TEN partners lifted nine (9) parcels, totaling 8,736,805 barrels, marking a 34.0 percent decrease from the twelve (12) parcels, totaling 11,706,740 barrels, lifted in 2021. The GNPC lifted one (1) parcel, totaling 994,962 barrels, on behalf of the Ghana Group, representing 11.39 percent of total liftings. This was a 24.66 percent decrease from the three (3) parcels, totaling 2,887,021 barrels, lifted in 2021.

Table 3.21: TEN Field Lifting Schedule 1st Jan – 31st Dec. 2021

2021 TEN FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
TC-0093	27th January 2021	993,891	TULLOW GHANA LIMITED
TC-0094	16th February 2021	944,962	GHANA GROUP
TC-0095	16th March 2021	994,351	ANADARKO/OXY & PETRO SA
TC-0096	11th April 2021	954,614	TULLOW GHANA LIMITED
TC-0097	6th May 2021	994,429	KOSMOS ENERGY
TC-0098	1st June 2021	993,774	TULLOW GHANA LIMITED
TC-0099	6th July 2021	947,108	GHANA GROUP
TC-0100	1st August 2021	947,140	ANADARKO/OXY & PETRO SA
TC-0101	5th September 2021	994,897	TULLOW GHANA LIMITED
TC-0102	2nd October 2021	994,431	TULLOW GHANA LIMITED
TC-0103	11th November 2021	952,192	KOSMOS ENERGY
TC-0104	12th December 2021	994,951	GHANA GROUP
TOTAL		**11,706,740**	

Source: GHEITI's construct based on information from GNPC

Table 3.22: TEN Field Lifting Schedule 1st Jan – 31st Dec. 2022

2022 TEN FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
TC-0105	24th January 2022	992,056	TULLOW GHANA
TC-0106	9th March 2022	993,078	AWCTP / KOSMOS
TC-0107	18th April 2022	994,769	TULLOW GHANA
TC-0108	5th June 2022	947,040	TULLOW GHANA /PSA
TC-0109	20th July 2022	994,962	TEN GHANA GROUP
TC-0110	20th August 2022	994,763	TULLOW GHANA
TC-0111	11th October 2022	916,457	KOSMOS ENERGY
TC-0112	5th November 2022	947,172	JOHL
TC-0113	23rd December 2022	954,037	KOSMOS ENERGY
TOTAL		**8,736,805**	

Source: GHEITI's Construct based on information from GNPC

Table 2.23: TEN Field Lifting Schedule 1st Jan – 31st Dec. 2023

2023 TEN FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
TC-0113	29th January 2023	951,946	TULLOW GHANA /PSA
TC-0114	3rd April 2023	994,481	TULLOW GHANA/PSA
TC-0115	22nd May 2023	995,409	GHANA GROUP
TC-0116	26th July 2023	956,591	TULLOW GHANA /PSA
TC-0117	13th September 2023	995,143	KOSMOS ENERGY
TC-0118	1st November 2023	995,172	TULLOW GHANA/PSA
TC-0119	23rd December 2023	994,478	GHANA GROUP
TOTAL		**6,883,220**	

Source: GHEITI's construct based on information from GNPC

3.3.3 Sankofa-Gye Nyame Field

In 2021, seventeen (17) parcels, totaling 16,095,726 barrels (bbls), were lifted from the SGN Field, representing an 11.62 percent decrease from the nineteen (19) parcels, totaling 17,965,974 barrels, lifted in 2020. (Refer to Table3.24), the GNPC lifted two (2) parcels, totaling 1,853,127 barrels, on behalf of the Ghana Group, one of which was a royalty lifting. This represented 11.51 percent of the total liftings. This was a 53.70 percent decrease from the three (3) parcels, totaling 2,848,375 barrels, lifted in 2020, two of which were royalty liftings.

In 2022, fourteen (14) parcels, totaling 13,055,285 barrels, were lifted from the SGN Field, representing a 23.29 percent decrease from the seventeen (17) parcels, totaling 16,095,726 barrels, lifted in 2021. The GNPC lifted three (3) parcels, amounting to 2,756,209 barrels, on behalf of the Ghana Group, one of which was a royalty lifting. This represented 21.11 percent of the total liftings. This was a 32.77 percent increase from the two (2) parcels, totaling 1,853,127 barrels, lifted in 2021, one of which was a royalty lifting.

Table 3.24: 2021 Sankofa Gye Nyame Field Crude Oil Lifting

2021 SANKOFA GYE NYAME FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
SGNC-0054	6th January 2021	949,301	VITOL
SGNC-0055	25th January 2021	996,159	ENI GHANA
SGNC-0056	16th February 2021	948,417	VITOL
SGNC-0057	4th March 2021	996,727	ENI Ghana
SGNC-0058	26th March 2021	948,892	VITOL
SGNC-0059	18th April 2021	948,845	GNPC
SGNC-0060	5th May 2021	948,784	ENI GHANA
SGNC-0061	26th May 2021	949,330	VITOL
SGNC-0062	17th June 2021	949,332	ENI GHANA
SGNC-0063	13th July 2021	904,282	ROYALTY (GoG)
SGNC-0064	31st July 2021	904,077	ENI GHANA
SGNC-0065	22nd August 2021	904,328	VITOL
SGNC-0066	21st September 2021	949,560	VITOL
SGNC-0067	13th October 2021	949,824	ENI GHANA
SGNC-0068	5th November 2021	949,472	VITOL
SGNC-0069	24th November 2021	949,545	ENI GHANA
SGNC-0070	17th December 2021	948,945	ENI GHANA
TOTAL		**16,095,820**	

Source: GHEITI's construct based on information from GNPC

Table 3.25: 2022 Sankofa Gye Nyame Field Crude Oil Lifting

2022 SANKOFA GYE NYAME FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
SGNC-0071	11th January 2022	949,143	ENI GHANA
SGNC-0072	6th February 2022	949,245	VITOL
SGNC-0073	6th March 2022	903,486	GNPC
SGNC-0074	30th March 2022	920,542	ENI
SGNC-0075	26th April 2022	949,200	GoG ROYALTY
SGNC-0076	19th May 2022	977,122	ENI GHANA
SGNC-0077	22nd June 2022	903,682	VITOL
SGNC-0078	25th July 2022	949,128	ENI
SGNC-0079	11th August 2022	949,244	VITOL
SGNC-0080	14th September 2022	901,661	ENI
SGNC-0081	7th October 2022	903,523	GNPC
SGNC-0082	13th November 2022	904,110	VITOL
SGNC-0083	28th November 2022	947,208	ENI
SGNC-0084	28th December 2022	947,991	VITOL
TOTAL		**10,584,255**	

Source: GHEITI's construct based on information from GNPC

Table 3.26: 2023 Sankofa Gye Nyame Field Crude Oil Lifting

2023 SANKOFA GYE NYAME FIELD CRUDE OIL LIFTING			
PARCEL NO.	DATES	QUANTITIES, BBLS	LIFTING PARTY
SGNC-0085	28th January 2023	949,319	ENI GHANA
SGNC-0086	26th February 2023	948,631	GNPC
SGNC-0087	31st March 2023	949,166	VITOL
SGNC-0088	28th April 2023	948,848	ENI
SGNC-0089	29th May 2023	948,881	GoG ROYALTY
SGNC-0090	13th July 2023	903,515	ENI GHANA
SGNC-0091	26th July 2023	949,043	VITOL
SGNC-0092	28th August 2023	996,852	ENI
SGNC-0093	4th October 2023	996,311	VITOL
SGNC-0094	9th November 2023	997,264	ENI
SGNC-0095	11th December 2023	996,425	GNPC
TOTAL		**13,055,285**	

Source: GHEITI's construct based on information from GNPC

SECTION FOUR: REVENUE COLLECTION

This section covers company payments and Government revenues, and it serves as the source of information for public debate, discussions and analysis. The EITI standard requirements for oil and gas revenue collection include: (4.1) Comprehensive disclosure of taxes and revenues; (4.1.1) Treatment/Use of Revenues; (4.1.2) Revenue Disclosure and Reconciliation; (4.1.3) Contribution of Revenue Streams to Government Receipts; (4.1.4) Total Government Revenue in 2021 and 2022; (4.2) Sale of State's share of production or other revenue collections in-kind; (4.3) Infrastructure provisions and barter arrangements; (4.4) Transportation revenues; (4.5) Transactions related to State Owned Enterprises(SOEs); (4.6) Subnational payments; (4.7) Level of disaggregation; (4.8) Data timeliness; and (4.9) Data quality and assurance.

4.1 Disclosure of Taxes and Revenues

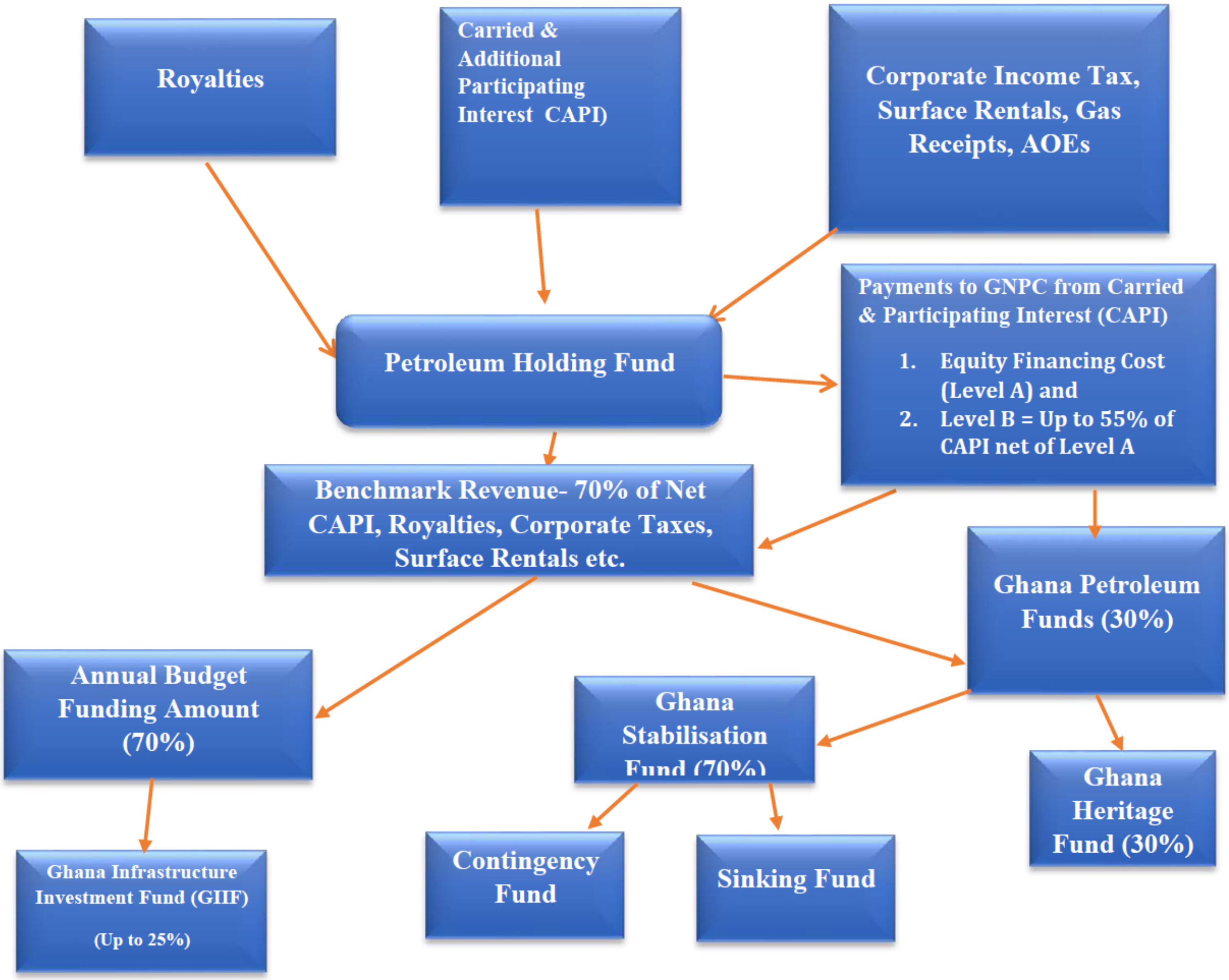
Revenue collection in the oil and gas sector is governed by the Petroleum Revenue Management Act, 2011 (Act 815) as amended, and the Income Tax Act, 2015 (Act 896) as amended. These acts assign the Ghana Revenue Authority (GRA) the primary responsibility for collecting fiscal revenues.

According to the PRMA, proceeds from petroleum sales must be deposited into the Petroleum Holding Fund (PHF) at the Bank of Ghana. Section 2(2) of the Act specifies that petroleum revenue should be placed in the PHF for subsequent distribution according to the Act's provisions. Sections 6 and 7 further define petroleum revenues or receipts.

- Royalties from oil and gas, additional oil entitlements, surface rentals, other receipts from petroleum operations, and proceeds from the sale or export of petroleum;
- Any revenue from the government's direct or indirect participation in petroleum operations;
- Corporate income taxes from upstream and midstream petroleum companies;
- Any payments by the National Oil Company (NOC) such as Corporate Income Tax (CIT), royalty, dividends, or any other amounts due under Ghanaian law;
- Any additional revenue the government receives directly or indirectly from petroleum resources not mentioned in paragraphs (a) to (d), including capital gains tax from the sale of exploration, development, and production rights; and
- Carried and Additional Participating Interest (CAPI) after deducting equity financing and the cash or equivalent barrels ceded to the NOC from CAPI as recommended by the Minister and approved by Parliament.
- Revenues from CAPI and royalties are deposited into the PHF. Additionally, surface rentals (acreage fees) and petroleum income taxes are also deposited into the PHF. Other collections by the GRA are placed into the Consolidated Fund, while collections by the EPA, GNPC, and Petroleum Commission are used as internally generated funds.

Revenues collected into the PHF and their allocations are summarised in Figure 4.

Figure 4: Sources of Petroleum Holding Fund and Allocation



4.1.1 Scoping/Materiality Determination

This section presents the reporting parameters for the 2021 and 2022 EITI Oil and Gas reports. It outlines the options offered to the MSG for setting materiality thresholds during the initial stages. Additionally, it outlines the methods for ensuring the credibility of data supplied by the reporting entities. The GHIETI MSG generated a scoping document for GHEITI's 2021 and 2022 Oil and Gas sector EITI reports, offering various materiality threshold options derived from revenue streams obtained through preliminary payment data from government agencies. The report additionally proposed recommendations for ensuring the credibility of data and determining the threshold beyond which discrepancies are not subject to further investigation. The MSG approved the scoping report in a meeting on 26th March 2024.

Revenue Flows within the Oil/Gas Sector during the scoping period

4.1.2 Determination of Materiality

Materiality thresholds were established based on the total payments made by oil and gas companies, considering the proportions of various revenue streams to total revenues received.

In the 2020 report, Withholding Taxes, Value Added Tax and Pay As You Earn (PAYE) were excluded from reconciliation due to their direct handling by oil and gas companies on behalf of their vendors and employees. However, recognising their increasing significance over time, these streams were added to the revenue streams for reconciliation in 2021 and 2022. This strategic decision aimed to mitigate the risk of overlooking material discrepancies in these crucial areas, underscoring our dedication to thorough financial scrutiny and accuracy.

Tables 4.2 and 4.3 provide an overview of the total preliminary receipts in the sector and the specific revenue streams utilised for establishing materiality thresholds, respectively. The Multi-Stakeholder Group (MSG) was presented with various materiality threshold options, as detailed in Table 4.3 below.

Table 4.2: Total Preliminary Receipts - 2021 and 2022

Revenue Stream	2021 Amount ($)	2022 Amount ($)	Receiving Agency
Corporate Income Tax	203,854,804.35	388,889,564.00	GHANA REVENUE AUTHORITY
PAYE	15,593,787.95	16,292,312.95	
Surface Rentals	193,305.23	193,305.23	
Withholding Tax	57,241,023.83	69,987,887.15	
Value Added Tax	3,316,050.00	2,830,143.18	
Final Audit Assessment for 2014 - 2018	-	14,381,797.48	
Customs Processing Fee	1,529,736.35	1,471,031.73	
MGO Taxes	10,558,785.00	9,634,364.70	
Additional Participating Interest	109,965,875.09	-	GNPC and PETROLEUM COMMISSION
Carried Interest	282,964,398.25	733,845,522.78	
Crude Oil Lifting	394,820.00	-	
Data Room and Data License Fees	2,000.00	-	
Fees and Charges - Admin. and Services Charges	660,200.00	187,500.00	
Permit Renewal Fees	119,000.00	48,100.00	
Gas Transportation Revenue	80,103,289.44	72,619,228.00	
License Application	2,000.00		
Participating Interest	275,754,438.11	262,957,921.08	
Royalty	185,683,636.00	302,954,860.68	
Training Allowance/Fees	2,550,000.00	2,550,000.00	
EPA Processing Fees	1,048,020.95	720,940.00	ENVIRONMENTAL PROTECTION AGENCY
EPA Permit Fees	214,079.90	64,000.00	
Surcharges / administrative charges	-	695,000.00	
Total Revenues	1,231,749,250.46	1,880,323,478.96	

2021 and 2022 Preliminary receipts for determining materiality threshold

Revenue Stream	2021 Amount ($)	2022 Amount ($)	2021 Percentage of Total Receipts	2022 Percentage of Total Receipts	Reconciliation Status
Additional Participating Interest	109,965,875.09	-	9.021%	0.000%	Not Reconciled
Carried Interest	282,964,398.25	733,845,522.78	23.212%	39.580%	Reconciled
Corporate Income Tax	203,854,804.35	388,889,564.00	16.722%	20.975%	Reconciled
Fees and Charges - Admin. and Services Charges	660,200.00	187,500.00	0.054%	0.010%	Reconciled
Gas Transportation Revenue	80,103,289.44	72,619,228.00	6.571%	3.917%	Reconciled
Participating Interest	275,754,438.11	262,957,921.08	22.620%	14.183%	Not Reconciled
PAYE	15,593,787.95	16,292,312.95	1.279%	0.879%	Reconciled
Permit Renewal Fees	119,000.00	48,100.00	0.010%	0.003%	Not Reconciled
Permitting Fees	1,048,020.95	720,940.00	0.086%	0.039%	Reconciled
Royalty	185,683,636.00	302,954,860.68	15.232%	16.340%	Reconciled
Surface Rentals	193,305.23	193,305.23	0.016%	0.010%	Reconciled
Training Allowance/Fees	2,550,000.00	2,550,000.00	0.209%	0.138%	Reconciled
Value Added Tax	3,316,050.00	2,830,143.18	0.272%	0.153%	Not Reconciled
Withholding Tax	57,241,023.83	69,987,887.15	4.696%	3.775%	Reconciled
Total	1,219,047,829.21	1,854,077,285.04	100%	100%	

Source: GHEITI's Construct based on data from reporting entities, 2021 and 2022

4.1.3 Revenue Streams

The Multi-Stakeholder Group (MSG) reassessed the materiality threshold for revenue stream reconciliation, recognising the significance of a comprehensive approach. Considering the nature of the preliminary receipts pegging materiality threshold at a high level could potentially exclude crucial revenue streams like surface rentals. This approach could lead to substantial discrepancies remaining unaddressed.

Surface rentals, which is integral to Petroleum Holding Fund contributions, would have been overlooked impacting the transparency of disclosures. Understanding the implications of such exclusions, the MSG revised the threshold to US$193,305.23 for 2021 and 2022.

By setting the threshold at 0.016% and 0.01% of total revenue streams for 2021 and 2022 respectively, the MSG ensured the inclusion of previously sidelined revenue sources like PAYE, Withholding Tax, and Value Added Tax. This adjustment facilitated a more comprehensive reconciliation exercise, aligning with the objective of transparency and accountability in revenue management within the petroleum sector.

The MSG decided that the following revenue streams were to be reconciled for the 2021 and 2022 GHEITI Oil/Gas sector reconciliation exercise.

- Additional Participating Interest
- Carried Interest
- Corporate Income Tax
- Fees and Charges - Admin. and Services Charges
- Gas Transportation Revenue
- Participating Interest
- PAYE
- Permit Renewal Fees
- Permitting Fees
- Royalty
- Surface Rentals
- Training Allowance/Fees
- Value Added Tax
- Withholding Tax

Detailed explanation of key revenue streams is shown in Table 4.4

Table 4.4: Revenue Streams at the Time of Reporting

SN	Revenue Stream	Purpose
1	***Royalty***	*It is a production levy which is based on the gross value of oil and gas extracted irrespective of profitability*
2	***Corporate Income Tax*** ***Loss carried Forward***	*This is the tax payable on income derived from oil and gas production. The Capital allowance regime is 20% on a straight- line basis. Expenses ranging from exploration, capital expenditure, development and operational costs prior to the year of commencement of commercial production is accumulated and amortised over a 5year period.* *Recoverable pre-production expenses relate to exploration, plant and equipment, Fields development comprising of building facilities for oil and gas exploitation such as drilling wells, laying of supporting infrastructure, interest expenses and general and administrative expenses. Petroleum income tax is computed at 35% of the chargeable income derived as follows:* *Gross Income Less Allowable expenses, Capital allowances and Losses carried forward. Allowable expenses include Petroleum royalties, contributions to a decommissioning fund, Rentals, interest expense and charges on sums borrowed for petroleum operations.* *Under the income tax Act,2015(Act 896), losses are carried forward for five years*
3	***Surface Rental (acreage fee)***	*According to Petroleum (EandP), 2016 Act (919) and the Petroleum (EandP)(General) Regulations, 2018 (L.I. 2359)* *Phase of Operation — Surface Rental per Annum* *Initial Exploration Period — US $ 150 per sq. km* *1st Extension Period — US $ 300 per sq. km*

SN	Revenue Stream	Purpose
		2nd Extension Period US $ 300 per sq. km Development and Production US $ 600 per sq. km
4	***Dividend***	*Dividends paid by National Oil Company for Government's equity interest.*
5	***Initial Participating carried Interest***	*The Initial Participating Carried Interest means an interest held by the Republic in respect of which the contractor pays for the exploration and development costs without any entitlement to reimbursement from the Republic. However, the republic contributes towards production cost. For the Jubilee, TEN and SGN Fields the Initial Participating carried interest are 10%, 10% and 15% respectively.*
6	***Additional Participating Interest***	*This is the interest acquired by the GNPC on behalf of the state after the discovery of oil and gas in commercial quantities. Under this arrangement, the GNPC/ Government of Ghana pay its share of development and production costs. The state or government of Ghana however does not contribute towards exploration expenditure.*
7	***Training Allowance***	*An annual amount paid by Oil and Gas companies to assist in building the capacity of the Regulator of the sector.*
8	***Gas Revenue***	*Gas revenue from the Jubilee, TEN and Sankofa Fields paid into the Petroleum Holding Fund*
9	***Environmental Permitting Fees***	*Amounts paid to EPA for engaging in activities that impact the environment negatively.*

Source: GHEITI's construct, 2022

4.1.4 Determination of Threshold for Entity Reporting Companies

Appendix 1 shows the total payments made by a company, the percentage contribution to the total payments and the cumulative weight.

Materiality threshold analysis and companies' payments analysis for 2021 and 2022 are shown in Table 4.5.

Table 4.5: 2021 and 2022 Materiality threshold Analysis for the selection of companies

Threshold	No. of companies	2021 - Weight/ Total Revenue Collected (%)	2022 - Weight/ Total Revenue Collected (%)	Comments
Amount≥US$300m	1	70.599%	69.015%	
US$300m≥Amount≥ US$200m	1	17.179%	12.813%	
US$200m≥Amount≥ US$100m	1	7.696%	11.397%	
US$100m≥Amount≥ US$50m	1	0.873%	4.083%	
US$20m≥Amount≥ US$1m	2	3.654%	2.692%	

Source: GHEITI's construct, 2021 and 2022

4.1.5 Materiality Statement

Any oil and gas upstream company that paid at least US$5,418,545.00 and US$21,128,080.00 in corporate income taxes in 2021 and 2022 respectively was required to participate in the reconciliation exercise. (see Tables 4.5 and 4.6)

4.1.6 Company Reporting Entities

The in-scope companies required to complete templates (with their reconciled CIT payments indicated) for the 2021 and 2022 report are shown in Table 4.6.

Table 4.6: Material (In-scope) Companies for 2021 and 2022 Reconciliation

No.	Company	TIN no.	2021 US$	2022 US$	2021 (%)	2022 %
1	Tullow Ghana Ltd	C0002551888	43,446,418.00	162,017,685.00	21.412%	41.920%
2	Kosmos Energy Ghana Investments (formerly Anadarko WCTP)	C0003168417	109,532,616.00	111,863,191.00	53.982%	28.943%
3	Kosmos Energy Ghana HC	C0003831426	44,508,805.00	91,480,608.00	21.936%	23.670%
4	PetroSA Ghana Limited	C0021485674	5,418,545.00	21,128,080.00	2.670%	5.467%
5	ENI Ghana Exploration and Production Limited	C0003664996				
6	Vitol	C0004743520				
7	GNPC	V0003107108				

Source: GHEITI's construct, 2021 and 2022

4.1.7 Reporting Government Agencies

The following government agencies contribute to the reconciliation exercise:

- Ghana Revenue Authority
- Ministry of Finance
- Bank of Ghana
- Petroleum Commission
- Ghana National Petroleum Corporation (GNPC)

The MSG's relevant scoping decisions have been summarised in Table 4.7 as follows.

Table 4.7: Scoping Decisions for 2021 and 2022 GHEITI Oil/Gas Report

Parameter		
Materiality threshold for Oil/Gas sector	2021	2022
Coverage: in-scope material) companies' CIT payments to total receipts	5,418,545.00	21,128,080.00
%age of total CIT on total revenue streams	***16.722%***	***20.975%***
Coverage: In-scope companies' payments to total receipts (including PAYE, VAT and Withholding Taxes)	90%	
Number of In-Scope Companies	7	
Reporting Government Entities	GRA GNPC Petroleum Commission Bank of Ghana Ministry of Finance	

Source: GHEITI's construct, 2022

Cut-Off Point

The MSG agreed that the cut-off point at which resolution of discrepancies will cease is 0.016% in 2021 and 0.01% in 2022 of total government receipts (submissions by Government Agencies of reconcilable revenues).

4.1.8 Basis of Reconciliation

The reconciliation is conducted on an actual basis. This means that financial and fiscal activities occurring between January 1, 2021, and December 31, 2022, were considered.
Currency: The reporting currency is the United States Dollar (US$)21. The exchange rate used was US$: GHS; 1: 5.8057 in 2021 and US$: GHS; 1: 8.2721 in 2022. These are shown below.

Chart of Ghana Exchange Rate against USD from January 2021 to December 2021

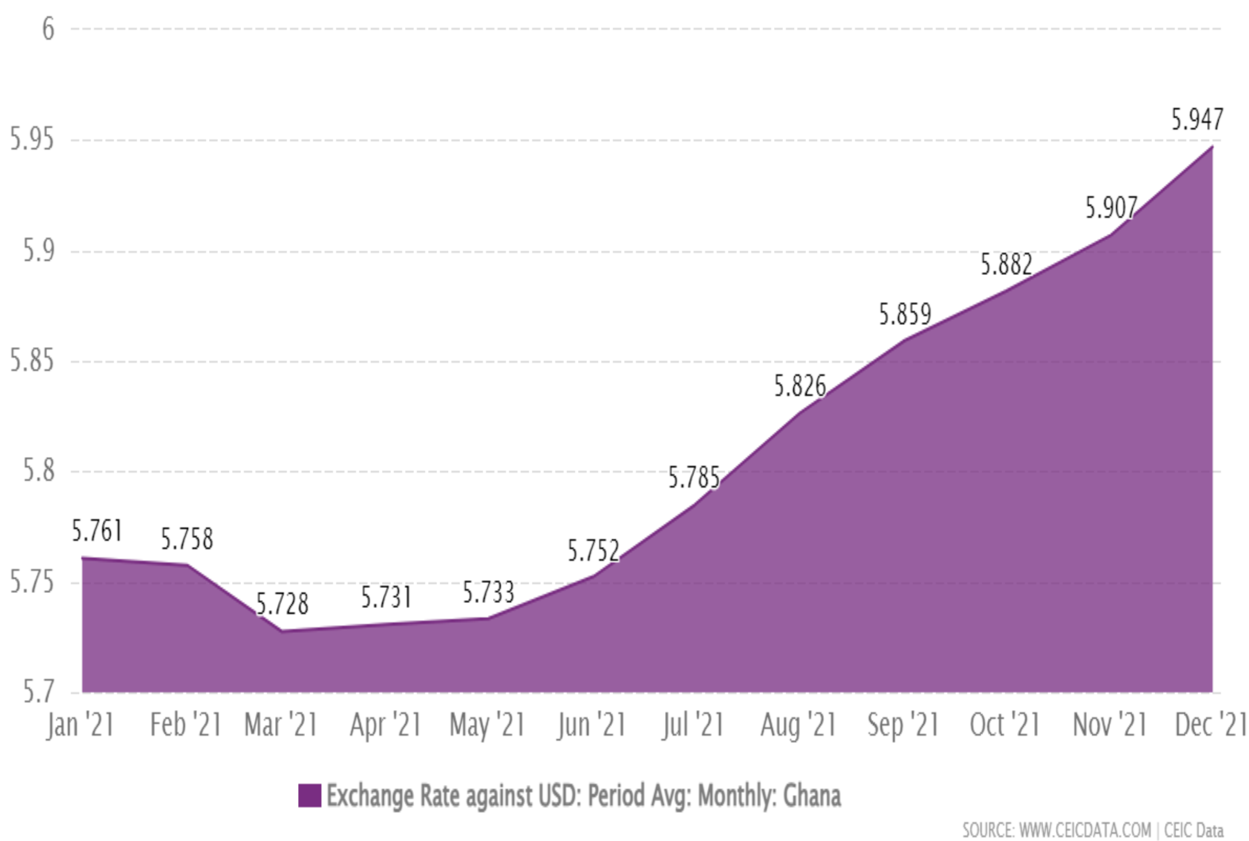
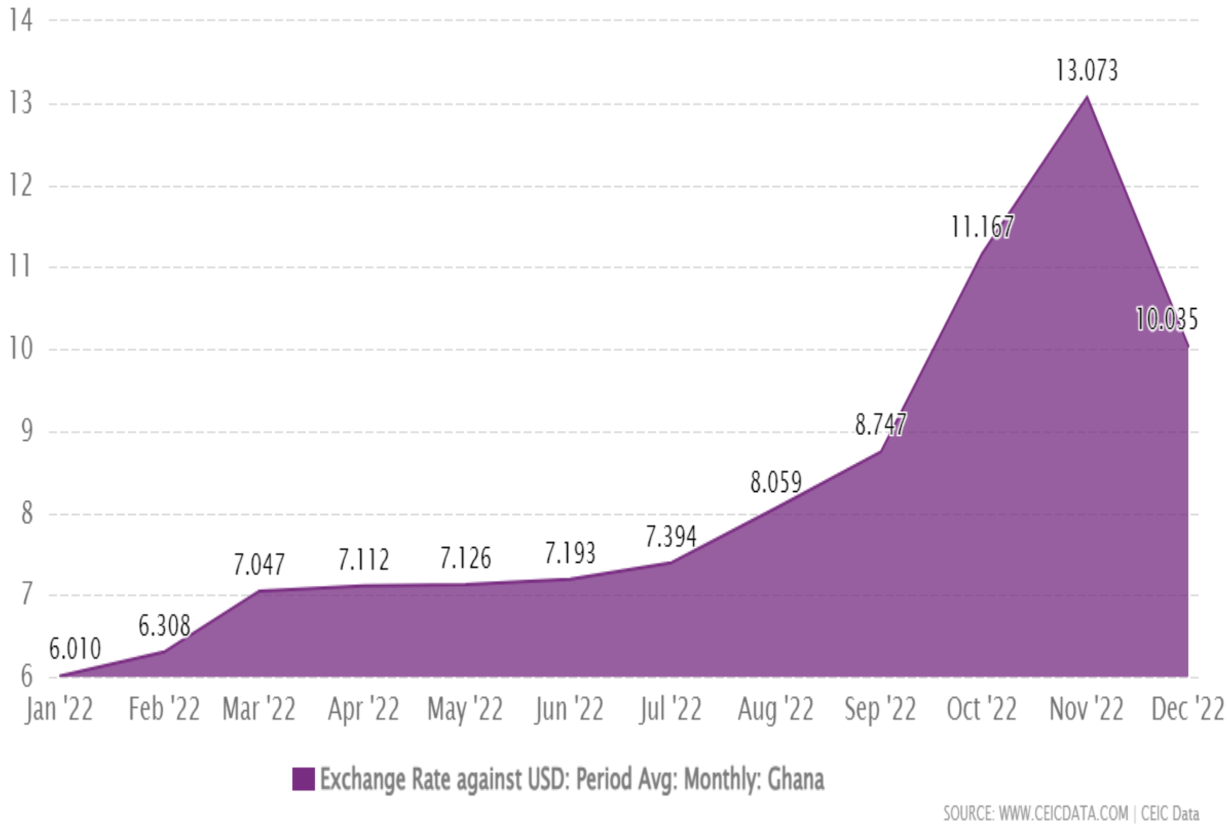


Chart of Ghana Exchange Rate against USD from January 2022 to December 2022



4.1.9 Auditing Standard

The reconciliation is based on data audited according to international standards. Revenues from taxes, grants, loans, and other sources are deposited into the Consolidated Fund or the government's Treasury, as stipulated by the Public Financial Management Act, 2016 (Act 921). Expenditures from the Consolidated Fund must be approved by Parliament through an Appropriation Act; any expenditure without this authority is deemed irregular and illegal.

Article 187(2) of the 1992 Constitution of Ghana empowers the Auditor-General to audit public accounts and report to Parliament. The Auditor-General and the Audit Service have completed audits of all participating government agencies for 2021 and 2022. The Audit Service of Ghana, a member of the International Organisation of Supreme Audit Institutions (INTOSAI) and the Africa Organisation Supreme Audit Institutions (AFROSAI), adheres to the International Standards of Supreme Audit Institutions (ISSAI) in its work.

The Audit Service monitors public funds and reports annually to Parliament. The 2021 and 2022 Auditor-General's Reports did not qualify any accounts of the government entities or revenue streams required for the 2021 and 2022 GHEITI Report.

[21] Most transactions within the Oil/Gas sector are denominated in the US dollars.

[22] The average of monthly exchange rates at year end 31st December 2021 and 2022

4.1.10 Reporting Companies

Section 128 of the Companies Act, 2019 (Act 992) mandates that company directors prepare and distribute auditors' reports to members in accordance with Section 137 of the Act.

As per Section 128(1) of the Act, audited financial statements, including profit and loss accounts and balance sheets, must be distributed to members and debenture holders of any company. These audits adhere to standards set by the International Auditing and Assurance Standards Board. All the audited financial statements were unqualified. The International Oil Companies (IOCs) that contributed data for the report include Kosmos Energy Ghana HC, Kosmos Energy Ghana Investments, Tullow (Ghana) Ltd, PetroSA, and ENI (Ghana) Ltd. These companies are subsidiaries or branches of 23 companies listed on the London and New York stock exchanges, thus requiring a stringent data provision regime.

The annual reports of companies including audited financial statements may be obtained from the websites of the companies25. The audited financial statements of the GNPC can be accessed via https://www.gnpcghana.com/GNPC_FY2014422.pdf

For further details on data credibility and assurance, refer to section 4.9.

4.1.11 Templates

A template based on revenue streams from previous reports was developed by the MSG with room for adding additional streams. These templates, which were designed for both companies and government reporting entities, were reviewed, and deemed satisfactory. A deadline of 25th February 2024 was provided as the date beyond which no templates were to be admitted.

4.1.12 Data Reliability Check

All collected templates were thoroughly examined to ensure they met the specified completion requirements. The reliability of the data was verified against the following criteria:

Completeness: Templates submitted by participating entities were reviewed to ensure all required fields were fully completed.

Relevance: Attached documents, such as receipts and schedules, were examined to confirm their relevance to the figures and time periods specified in the templates.

Correctness/Accuracy: The figures provided in the templates were audited for accuracy through re-performance, comparing them with receipts and other documentation. The figures on the receipts were also recalculated to ensure they matched the totals presented in the templates.

Certification: Templates were reviewed to confirm they were properly authorised by the responsible officers, including the necessary signatures and official stamps.

25 www.gnpcghana.com http://www.kosmosenergy.com http://www.tullowoil.com http://www.petrosa.co.sa https://www.eni.com

The templates were signed by senior officials on behalf of the board of directors. The MSG emphasized that these officials must ensure the accuracy of the data provided, as the board of directors would likely impose sanctions on any senior official who submitted false information.

See also sections 11 and 14 of the Audit Service Act, 2000, Act 584

4.1.13 Discrepancy

The MSG agreed that the cut-off point at which resolution of discrepancies will cease is 0.016% for 2021 and 0.01% for 2022 percent of total government receipts used in determining the materiality (submissions by Government Agencies of reconcilable revenues).

4.1.14 Results of Reconciliation

Companies:

Except for Vitol, Tullow (Ghana) Ltd, Kosmos Energy Ghana HC, Kosmos Energy Ghana Investments (formerly Anadarko WCTP), ENI (Exploration and Production) Ltd, PetroSA and GNPC submitted templates.
All the templates/data submitted largely, met the completeness, integrity and reliability tests. (see section 4.9 on Data Quality).

Government Agencies:

Data from government agencies such as the Petroleum Commission, GRA, and GNPC corresponded closely with figures from their audited financial statements and other sources, including the PIAC 2021 and 2022 reports and the 2021 and 2022 reconciliation reports on the Petroleum Holding Fund. There were supporting documents, and the data provided were found to be reliable. The data quality was high.

Reconciliation of Oil and Gas Benefits in 2021 and 2022

This section details the reconciliation of payments and receipts in the oil and gas industry for the Jubilee, TEN, and SGN producing fields in 2021 and 2022. Below is the reconciliation between IOCs, GNPC, and government agencies:

- Reconciliation of in-kind payments/entitlements made by IOCs and receipts by GNPC.
- Reconciliation of payments made by oil companies, including GNPC, and receipts recorded by the Bank of Ghana/Ministry of Finance but managed by the GRA. These payments from GNPC included Carried Interest, Additional Participating Interest, and of payments made by oil companies including GNPC and receipts by the Bank of Ghana/Ministry of Finance but accounted for by the GRA.
- The IOCs' payments for Surface Rental and Corporate Income Tax (See Tables 4.11 and 4.12)
- Reconciliation of liftings (exports) by IOCs and GNPC to lifting records from the Ghana Revenue Authority (Customs Division).

4.1.15 Payment of Royalty by International Oil Companies

Royalty Payment by IOCs are received by the government in-kind as per Act 815. This is based on their Participating Interests and royalty rates in their respective blocks or producing fields (see Figure.4.2).

[24] https://audit.gov.gh/files/audit_reports/Report_of_the_Auditor-General_on_the_Public_Accounts_of_Ghana_–Ministries,_Departments_and_Other_Agencies_(MDAs)_for_the_year_ended_31_December_2021 and 2022.pdf

In 2021 and 2022, total royalties paid by the respective partners in the producing fields27 amounted to US$185,683,635.87 and US$ 302,954,860.68. SGN contribution was 35 and 32 percent for 2021 and 2022 respectively, whilst Jubilee and TEN were 47 and 52 percent, then 18 and 16 percent for 2021 and 2022 respectively.

Table 4.8 shows the contribution of in-kind royalty based on liftings of crude oil in the three producing areas of Jubilee, TEN and SGN in 2021 and 2022.

Table 4.8: Royalty contribution by IOCs in 2021 and 2022

Producing Fields	Royalty (US$) 2021	Royalty (US$) 2022	2021 %AGE	2022 %AGE
Jubilee	86,549,205.00	157,971,049.50	47%	52%
TEN	33,434,726.44	47,369,032.38	18%	16%
SGN	65,699,704.43	97,614,778.80	35%	32%
Total	**185,683,635.87**	**302,954,860.68**		

Source: GHEITI's Construct Based on Data from Ministry of Finance

4.1.16 Corporate Income Tax and Surface Rental Payments made by IOCs into the PHF

Table 4.10 below shows Surface rental and Corporate Income Tax payments in 2021 and 2022 by the IOCs;.

Table 4.9: Surface Rental and Corporate Tax Payments in 2021 and 2022 (JAN - DEC 2021 and 2022)

	Company	2021 Surface Rentals (US$)	2022 Surface Rentals (US$)	2021 Corporate Tax (US$)	2022 Corporate Tax (US$)
1	AGM Petroleum Limited	143,673.29	174,100.00		
2	Aker Energy Limited	150,750.00	150,750.00		
3	Amni Ghana	13,974.00	13,944.00		
4	Eco Atlantic	84,888.00	75,000.00		
5	ENI Ghana Exploration and Production Ltd	115,580.00	115,580.00		
6	Erin Energy Ghana Ltd	75,000.00			
7	GOSCO	8,725.00	8,725.00		
8	Medea Development	156,500.00	71,934.93		
9	Tullow Ghana Ltd	77,725.23	77,725.23		
10	Anadarko WCTP Company/Kosmos Energy Ghana Investments			109,532,616.00	123,824,907.00
11	Kosmos Energy Ghana HC			45,457,225.35	79,518,892.00
12	PetroSA Ghana Ltd			5,418,545.00	23,528,080.00
13	Tullow Oil Company			43,446,418.00	162,017,685.00
	Total	**826,815.52**	**687,759.16**	**203,854,804.35**	**388,889,564.00**

Source: GRA Data submitted for 2021 and 2022

[26]fiscal regime pertaining to the producing field
[27] Jubilee, TEN and SGN field

4.1.17 Reconciliation of Liftings between GNPC and GRA

Crude oil lifting from producing fields is conducted according to a schedule provided by the producing partners at the beginning of each year. GNPC undertakes the lifting of crude oil from these fields on behalf of the State. In accordance with Section 3(1) of the PRMA, the GRA is responsible for the assessment, collection, and accounting of petroleum revenues. Table 4.11 shows the reconciliation of liftings in 2021 and 2022 between the GNPC and GRA.

Table 4.10: Reconciliation of liftings data between GNPC and GRA

2021	GNPC	GRA	Discrepancy	2022	GNPC	GRA	Discrepancy
JUBILEE				**JUBILEE**			
Lifting Date	Quantity (bbls)	Quantity (bbls)		Lifting Date	Quantity (bbls)	Quantity (bbls)	
06-Mar-2021	995,549	995,549	-	01-Feb-2022	953,343	953,343	-
27-Apr-2021	948,888	948,888	-	26-Mar-2022	903,844	903,844	-
16-Jul-2021	948,499	948,499	-	12-Jun-2022	947,925	947,925	-
15-Sep-2021	948,095	948,095	-	04-Aug-2022	952,341	952,341	-
08-Dec-2021	948,033	948,033	-	27-Sep-2022	948,309	948,309	-
				17-Dec-2022	947,735	947,735	-
Total	**4,789,064**	**4,789,064**	**-**	**Total**	**5,653,497**	**5,653,497**	**-**
TEN				**TEN**			
16-Feb-2021	944,962	944,962	-	20-Jul-2022	994,962	994,962	-
06-Jul-2021	947,108	947,108	-				
15-Dec-2021	994,951	994,951	-				
Total	**2,887,021**	**2,887,021**	**-**	**Total**	**994,962**	**994,962**	**-**
SGN				**SGN**			
18-Apr-2021	948,845	948,845	-	06-Mar-2022	903,486	903,486	-
13-Jul-2021	904,282	904,282	-	07-Oct-2022	903,523	903,523	-
Total	**1,853,127**	**1,853,127**	**-**	**Total**	**1,807,009**	**1,807,009**	**-**

Source: GRA/GNPC Data for 2021 and 2022

4.1.18 Unilateral Declarations

Table 4.12 displays the declarations from government agencies regarding payments made by companies that did not submit templates for reconciliation. Since this report is produced under the flexible reporting framework, unilateral declarations from government agencies are permitted.
The GRA and Petroleum Commission provided unilaterally, payments made by Vitol in 2021 and 2022. No data was provided by Vitol.

Table 4.11: Unilateral declarations for 2021 and 2022 EITI Report.

In-Scope Company	Government Agency	Revenue Stream	2021 Amount US$)	2022 Amount US$
Vitol	Petroleum Commission	Permit Renewal	36,000.00	36,000.00
Vitol	Ghana Revenue Authority	Withholding Tax	76,440.00	
Total			112,440.00	36,000.00

Source: GHEITI's construct based on data from GRA, 2021 and 2022

Unilateral declaration for Vitol which did not submit or participate in the reconciliation exercise amounted to US$112,440.00 for 2021 and US$36,400.00 in 2022.

Reconciliation:

Tables 4.13 and 4.14 provide details of reconciliation by revenue streams and companies respectively.

Table 4.12: Reconciliation by Revenue Streams Reporting Period: 2021

	Revenue Stream	Company	Paid To	Company	Government	After Reconciliations	Variance		Comments
				Initial Amount US$	*Initial Amount US$*	*Final Amount US$*		*Resolved*	
1	*Additional Oil Entitlement*	*Tullow Ghana Limited*	*GRA*	*54,336,026.40*	*-*	*-*		*Yes*	*Tullow recorded USD54.34M as AOE instead of royalty*
2	*Carried Interest*	*Tullow Ghana Limited*	*GNPC*	*14,987,485.92*	*392,930,250.46*	*392,930,250.46*	*-*	*Yes/No*	*GNPC declared a bulk sum for carried interest for all OICs so this could not be verified*
3	*Corporate Income Tax*	*Kosmos Energy Ghana HC*	*GRA*	*44,508,805.00*	*45,457,225.35*	*44,508,805.00*	*(948,420.35)*	*Yes*	*Diff of USD$948.42K being withholding tax on intercompany interest paid erroneously into the PHF account by Kosmos Energy. This was detected and resolved in March 2023 as a result of GHEITI reconciliations in the 2020 report.*
4	*Crude Oil Lifting*	*Tullow Ghana Limited*	*GRA*	*394,820.00*	*-*	*-*	*(394,820.00)*	*No*	*GRA did not submit data on crude oil lifting expenses*
5	*Customs Processing Fee*	*Tullow Ghana Limited*	*GRA*	*1,529,736.35*	*-*	*-*	*(1,529,736.35)*	*No*	*GRA did not submit data on customs processing fees*
6	*MGO Taxes*	*Tullow Ghana Limited*	*GRA*	*10,558,785.00*	*-*	*-*	*(10,558,785.00)*	*No*	*GRA did not submit data on MGO taxes*
7	*Participating Interest*	*Tullow Ghana Limited*	*GNPC*	*275,754,438.11*	*-*	*-*	*(275,754,438.11)*	*No*	*GNPC did not submit data on Participating Interest*
8	*Permitting fees*	*Tullow Ghana Limited*	*EPA*	*796,202.00*	*-*	*-*	*(796,202.00)*	*No*	*EPA did not submit any data for GHEITI reporting*

	Revenue Stream	Company	Paid To	Company	Government	After Reconciliations	Variance		Comments
9	*Permitting fees*	*ENI Ghana*	*EPA*	*210,444.00*	-	-	*(210,444.00)*	*No*	*EPA did not submit any data for GHEITI reporting*
10	*Permitting Fees*	*PetroSA Ghana*	*EPA*	*41,374.95*	-	-	*(41,374.95)*	*No*	*EPA did not submit any data for GHEITI reporting*
11	*Permitting Fees*	*GNPC*	*EPA*	*41,374.95*	-	-	*(41,374.95)*	*No*	*EPA did not submit any data for GHEITI reporting*
12	*Processing Fees*	*Tullow Ghana Limited*	*EPA*	*131,330.00*	-	-	*(131,330.00)*	*No*	*EPA did not submit any data for GHEITI reporting*
13	*Processing Fees*	*PetroSA Ghana*	*EPA*	*82,749.90*	-	-	*(82,749.90)*	*No*	*EPA did not submit any data for GHEITI reporting*
14	*Processing Fees*	*GNPC*	*EPA*	*82,749.90*	-	-	*(82,749.90)*	*No*	*EPA did not submit any data for GHEITI reporting*
15	*Royalty*	*Tullow Ghana Limited*	*GNPC*	*54,336,026.40*	-	-	*(54,336,026.40)*	*No*	*GNPC declared a bulk sum for all OICs so this could not be verified*
16	*Surface Rental*	*Tullow Ghana Limited*	*GRA*	-	*77,725.22*	*77,725.22*	-	*Yes*	*USD77.73K omitted in initial submission by Tullow*
17	*Surface Rental*	*ENI Ghana*	*GRA*	*115,580.00*	*66,549.56*	*115,580.00*	*49,030.44*	*Yes*	*GRA understated 2021 surface rental by USD49.03.*
18	*Training fee/obligations*	*Tullow Ghana Limited*	*GNPC*	*350,000.00*	-	*350,000.00*	-	*Yes*	*Training allowance originally not declared by GNPC but data resubmitted after reconciliations discussions*
19	*Training fee/obligations*	*ENI Ghana*	*GNPC*	*200,000.00*	-	*200,000.00*	-	*Yes*	*Training allowance originally not declared by GNPC but data resubmitted after reconciliations discussions*
20	*Value Added Tax*	*Tullow Ghana Limited*	*GRA*	*3,316,050.00*	-	-	*(3,316,050.00)*		*GRA did not submit data on VAT received*

Table 4.12: Reconciliation by Revenue Streams Reporting Period: 2022

	Revenue Stream	Company	Paid To	Company	Government	After Reconciliations	Variance		Comments
N	*Revenue Stream*		*Paid To*	*Initial Amount US$*	*Initial Amount US$*	*Final Amount US$*	*Amount US$*	*Resolved*	
1	*Carried Interest*	*Tullow Ghana Limited*	*GNPC*	*16,776,153.00*	*733,845,522.78*	*733,845,522.78*	*717,069,369.78*	*No*	*GNPC declared a bulk sum for carried interest for all OICs so this could not be verified*
2	*Participating Interest*	*Tullow Ghana Limited*	*GNPC*	*262,957,921.08*		*262,957,921.08*	*-*	*No*	*GNPC did not declare any Participating Interest for the OICs*
3	*Royalty*	*Tullow Ghana Limited*	*GNPC*	*86,393,119.28*	*302,954,860.68*	*302,954,860.68*	*216,561,741.40*	*No*	*GNPC declared a bulk sum for carried interest for all OICs so this could not be verified*
4	*Training fee/obligations*	*Tullow Ghana Limited*	*GNPC*	*350,000.00*	*-*	*350,000.00*	*-*	*Yes*	*Training allowance originally not declared by GNPC but data resubmitted after reconciliations discussions*
5	*Training fee/obligations*	*ENI Ghana*	*GNPC*	*200,000.00*	*-*	*200,000.00*	*-*	*Yes*	*Training allowance originally not declared by GNPC but data resubmitted after reconciliations discussions*
6	*Payment of administrative charges*	*Tullow Ghana Limited*	*PC*	*238,850.04*	*79,500.00*	*79,500.00*	*(159,350.04)*	*No*	*PC confirms their number is accurate. Tullow to provide details of their number for review*

	Revenue Stream	Company	Paid To	Company	Government	After Reconciliations	Variance		Comments
7	*Surface Rental*	*ENI Ghana*	*GRA*	*-*	*115,580.00*	*115,580.00*	*-*	*Yes*	*Initial submission by ENI had surface rental payment of USD115.6K recorded as stamp duty*
8	*Stampy Duty*	*ENI Ghana*	*GRA*	*115,580.00*	*-*	*-*	*-*	*Yes*	*Initial submission by ENI had surface rental payment of USD115.6K recorded as stamp duty*
9	*Corporate Income Tax*	*Kosmos Energy Ghana Investments*	*GRA*	*111,863,191.00*	*79,518,892.00*	*111,863,191.00*	*32,344,299.00*	*Yes*	*Diff of USD$32.34M being understatement of KEGIN CIT as a result of KEGIN CIT being classified as KEGHC by GRA*
10	*Corporate Income Tax*	*Kosmos Energy Ghana HC*	*GRA*	*91,480,608.00*	*123,824,907.00*	*91,480,608.00*	*(32,344,299.00)*	*Yes*	*Diff of USD$32.34M being overstatement of KEG CIT as a result of KEGIN CIT being classified as KEGHC by GRA*
11	*Corporate Income Tax*	*PetroSA*	*GRA*	*21,128,080.00*	*23,528,080.00*		*2,400,000.00*	*No*	*Diff of USD$2.4M being overstatement of by GRA. GRA has been asked to provide details.*
12	*Permitting fees*	*Tullow Ghana Limited*	*EPA*	*220,694.00*	*-*	*-*	*(220,694.00)*	*No*	*EPA did not submit any data for GHEITI reporting*
13	*Permitting fees*	*ENI Ghana*	*EPA*	*500,246.00*	*-*	*-*	*(500,246.00)*	*No*	*EPA did not submit any data for GHEITI reporting*
14	*Processing Fees*	*Tullow Ghana Limited*	*EPA*	*64,000.00*	*-*	*-*	*(64,000.00)*	*No*	*EPA did not submit any data for GHEITI reporting*

	Revenue Stream	Company	Paid To	Company	Government	After Reconciliations	Variance		Comments
15	*Surcharges/administrative charges*	*Tullow Ghana Limited*	*EPA*	*695,000.00*	-	-	*(695,000.00)*	*No*	*EPA did not submit any data for GHEITI reporting*
16	*Customs Processing Fee*	*Tullow Ghana Limited*	*GRA*	*1,471,031.73*	-	-	*(1,471,031.73)*	*No*	*GRA did not submit data on Customs Processing Fees*
17	*MGO Taxes*	*Tullow Ghana Limited*	*GRA*	*9,634,364.70*	-	-	*(9,634,364.70)*	*No*	*GRA did not submit data on MGO taxes*
18	*Value Added Tax*	*Tullow Ghana Limited*	*GRA*	*2,830,143.18*			*(2,830,143.18)*	*No*	*GRA did not submit data on VAT received*

4.1.19 Discrepancies

Discrepancies refer to the differences between government receipts and company payments. These are either negative or positive variances due to missing data or errors in reporting. Some of the discrepancies were resolved during the reconciliations. Others remained unresolved due to non-submission of data by some companies or lack of detailed data.

4.1.20 Resolution of Discrepancies

In 2021 and 2022 the discrepancies emanated from both In-Scope companies and the government entities. The below discrepancies were resolved during the period in question.

2021 Resolved Discrepancies

Tullow Ghana Limited

- Tullow erroneously recorded USD54.34M as Additional Oil Entitlement instead of royalty. This was corrected and data was resubmitted.
- USD77.73K with respect to Surface Rental payment had been omitted in initial submission. This has subsequently been corrected.
- USD350K in Training fee/obligations paid by Tullow had been omitted by GNPC but subsequently corrected and Data resubmitted.

Kosmos Energy Ghana HC

- USD$948.42K being CIT overstated by GRA due to withholding tax on intercompany interest paid erroneously into the PHF account by Kosmos Energy. This was detected and resolved between GRA and Bank of Ghana in March 2023.

ENI Ghana Limited

- USD49K in Surface Rentals payments in 2021 understated GRA. This was subsequently corrected and resubmitted.
- USD200K in Training fee/obligations paid by ENI had been omitted by GNPC in the initial submission but subsequently corrected and data resubmitted.

2022 Resolved Discrepancies

Tullow Ghana Limited

- USD350K in Training fee/obligations paid by Tullow had been omitted by GNPC but subsequently corrected and data resubmitted.

Kosmos Energy Ghana HC (KEGHC)

- USD$32.34M being overstatement of CIT as a result of incorrect classification by GRA.

Kosmos Energy Ghana Investments (KEGIN)

- USD$32.34M being understatement of CIT as a result of incorrect classification by GRA. Kosmos Energy has receipts to prove that the payment is for KEGIN.

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[30] That is the resulting discrepancy after aggregating negative and positive discrepancies

[31] Discrepancy obtained when all the negative discrepancies are considered as positive.

ENI Ghana Limited

- USD115.6K being Surface rental payment had been originally recorded as stamp duty by ENI. This was subsequently corrected.
- USD200K in Training fee/obligations paid by ENI had been omitted by GNPC in the initial submission but subsequently corrected and data resubmitted.

4.1.21 Unresolved Discrepancies:

2022 unresolved discrepancies

CIT payment declared by PetroSA is less than GRA's number by USD2.4M. PetroSA confirms their number as correct. GRA is yet to submit details of the difference. Administrative charges declared by Tullow (Ghana) Ltd overstated by US$159K compared to Petroleum Commission's number. PC confirmed their number by submitting detailed breakdown, but Tullow is yet to submit the breakdown of the declared amount.

Participating Interest of USD263M submitted by Tullow (Ghana) Ltd, did not have a corresponding declaration from Ghana National Petroleum Corporation.

In both 2021 and 2022, there were unresolved discrepancies of revenue streams such as Value Added Tax and Permitting Fees which could not be reconciled due to the non-submission of data on the part of GRA and EPA

4.1.22 Revenue streams contribution to Government receipts

In both 2021 and 2022, Carried Interest provided the highest contribution to government revenues. In 2021, Participating Interest and Corporate Income Tax followed. However, in 2022, Corporate Income Tax was the second highest contributor, with royalties being the third.

Table 4.13: Shows the contribution of the revenue streams to government receipts in 2021 and 2022.

Revenue Stream	2021 Amount (USD)	2022 Amount (USD)	2021 Percentage contribution %	2022 Percentage contribution %
Carried Interest	*282,964,398.25*	*733,845,522.78*	*23.21%*	*39.58%*
Participating Interest	*275,754,438.11*	*262,957,921.08*	*22.62%*	*14.18%*
Corporate Income Tax	*203,854,804.35*	*388,889,564.00*	*16.72%*	*20.97%*
Royalty	*185,683,636.00*	*302,954,860.68*	*15.23%*	*16.34%*
Additional Participating Interest	*109,965,875.09*	-	*9.02%*	
Gas Transportation Revenue	*80,103,289.44*	*72,619,228.00*	*6.57%*	*3.92%*
Withholding Tax	*57,241,023.83*	*69,987,887.15*	*4.70%*	*3.77%*
PAYE	*15,593,787.95*	*16,292,312.95*	*1.28%*	*0.88%*
Value Added Tax	*3,316,050.00*	*2,830,143.18*	*0.27%*	*0.15%*
Training Allowance/Fees	*2,550,000.00*	*2,550,000.00*	*0.21%*	*0.14%*
Permitting Fees	*1,048,020.95*	*720,940.00*	*0.09%*	*0.04%*
Fees and Charges - Admin. and Services Charges	*660,200.00*	*187,500.00*	*0.05%*	*0.01%*
Surface Rentals	*193,305.23*	*193,305.23*	*0.02%*	*0.01%*
Permit Renewal Fees	*119,000.00*	*48,100.00*	*0.01%*	*0.00%*
Total	*1,219,047,829.21*	*1,854,077,285.04*		

The coverage for the reconciliation is 84 percent.

Table 4.14: Coverage

Revenue Stream	Total Collected by Government in 2021 and 2022: A-US$	Total Reported by Government Agencies in 2021 and 2022 at Reconciliation: B-US$	% Coverage (B/A)
Carried Interest	212,027,273	212,024,899	100
Participating Interest	88,902,727	88,901,732	100
Royalty	195,350,005	195,359,566	100
Surface Rental	928,552	207,418	22
Corporate Tax	168,773,046	72,048,727	43
Permit Fees	2,172,840	0	-
Permit Renewal Fees	3,701,641	0	-
Training/Tech	8,473,307	7,450,000	88
Data Licence	3,008,429	0	-
Total	**683,854,021**	**575,992,342**	84

4.1.23 Effect of Non-Submission of Templates on the Reconciliation Exercise

A unilateral declaration by the GRA for Vitol, which did not participate in the reconciliation exercise, amounted to US$112,440.00 for 2021 and US$36,400.00 for 2022. This amount represents 0.009% and 0.002% percent of the total government receipts used in determining materiality thresholds and relatively lower than the reconciliation threshold. The omission of which has little or no effect on the report.

4.1.24 Analysis

Figure 5 Shows the comparison of the 2021 and 2022 reconciliation outcomes. The percentage changes in the value of the revenue streams in 2021 and 2022 are shown by Table 4.15

Figure 5: Comparison of Government Receipts for 2020, 2021 and 2022

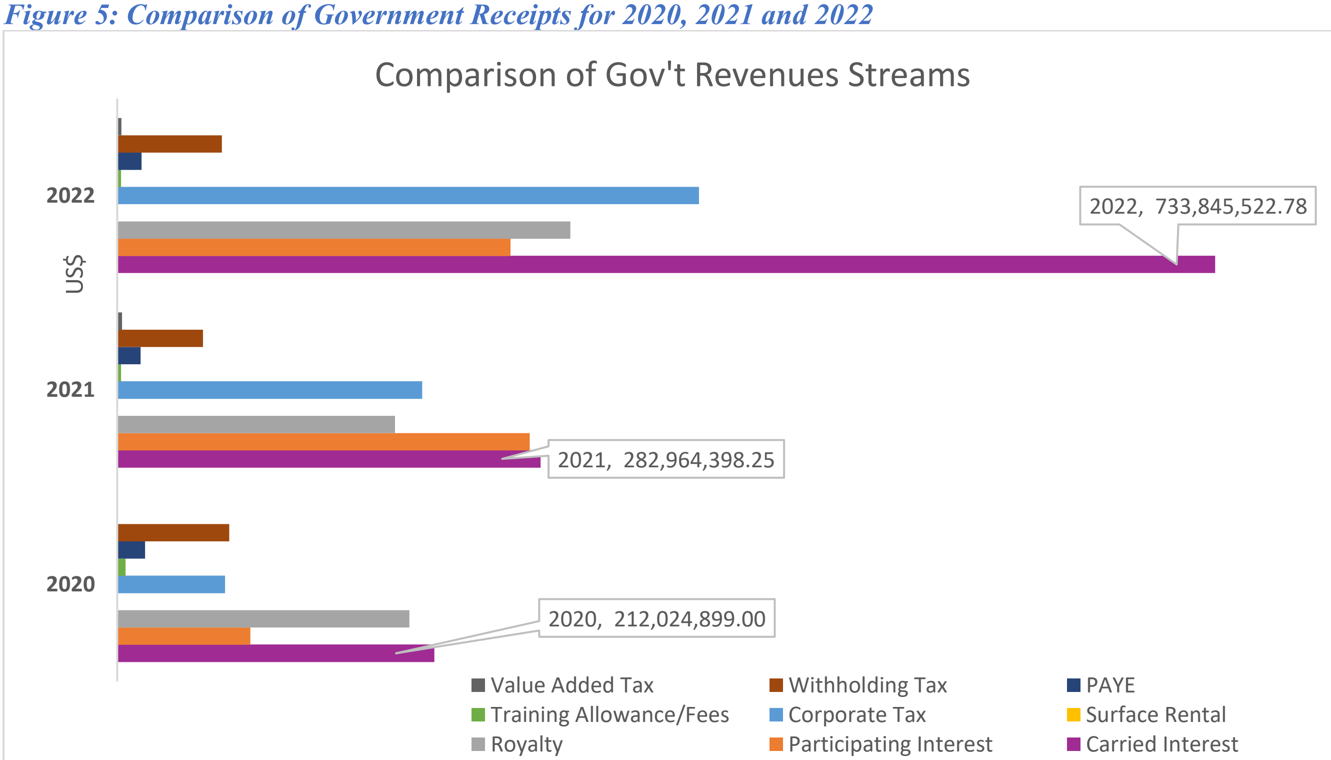

Table 4.15: Comparison of Revenue Streams for 2020, 2021 and 2022

Revenue Stream	2020 Amount (US$)	2021 Amount (US$)	2022 Amount (US$)	2021 % increase/decrease	2022 % increase/decrease
Carried Interest	212,024,899.00	282,964,398.25	733,845,522.78	33%	159%
Participating Interest	88,901,732.00	275,754,438.11	262,957,921.08	210%	-5%
Royalty	195,359,566.00	185,683,636.00	302,954,860.68	-5%	63%
Surface Rental	207,418.00	193,305.23	193,305.23	-7%	0%
Corporate Tax	72,048,727.00	203,854,804.35	388,889,564.00	183%	91%
Training Allowance/Fees	5,488,394.46	2,550,000.00	2,550,000.00	-54%	0%
PAYE	18,517,087.15	15,593,787.95	16,292,312.95	-16%	4%
Withholding Tax	74,816,844.82	57,241,023.83	69,987,887.15	-23%	22%
Value Added Tax	-	3,316,050.00	2,830,143.18		-15%
Totals	667,364,668.43	1,027,151,443.72	1,780,501,517.05	54%	73%

From the above table, even though some of the revenue streams incurred marginal losses, there is a year-on-year steady increment for the significant revenue streams.

Carried interest, Corporate Income Tax and Royalty (revenue streams linked to oil production) gained the most.
In 2021 five of the revenue streams listed above which includes, Royalty, Surface Rentals and Training Allowance Fees decreased in 2021. However, in same year, Royalty had a 33% increase in contribution to government revenues whiles Corporate Income Taxes and Participating Interest increased by 183% and 210% respectively.

Carried Interest had its percentage contribution to government revenues, increase by 33% in 2021 with a further increase of 159% in 2022. Overall, the above revenue streams had increments of 54% and 73% for 2021 and 2022 respectively.

4.2 The Sale of the State's Share of Production or Other Revenues Collected in Kind

The lifting and marketing the State's share of oil, is the responsibility of GNPC, the National Oil Company, which encompasses CAPI and royalties. The revenue generated from these sales is deposited into the Petroleum Holding Fund at the Bank of Ghana. GNPC employs both spot contracts and term contracts. Spot sales are one-time transactions on the open market, with crude oil delivery typically occurring between 10 and 60 days after the contract is finalised.

Conversely, term contracts enable buyers and sellers to agree on a specified quantity of crude to be delivered over an extended period, usually more than a year. These contracts detail the quantity and quality of the crude, the lifting point, the pricing formula (usually tied to an international benchmark and a differential), the lifting schedule, and the payment terms, among other specifications.

Oil and gas companies fulfill their royalty obligations to the government by delivering royalty oil to GNPC, which then sells the oil on the government's behalf.

Tables 4.16 and 4.17, details oil lifting transactions for 2021 and 2022 respectively. These include, the lifting account name and parcel number, vessel name, lifting date, quantity lifted (in barrels), average Brent crude price, price differential, unit price, gross amount from the sale, marketing costs or pricing option fees, and the resulting net amount.

Table 4.16: 2021 Jubilee, TEN and Sankofa Crude Oil Revenue - 2021

Lifting Account Name and Parcel No	Name of Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US$/bbl)	Differential (US$/bbl)	Unit Price (US$)	Gross Amount (US$)	Marketing Costs/ Pricing Option fee (US$)	Net Amount (US$)
JUBILEE									
Ghana Group-0059	*M/T KHK Majesty*	*06-Mar-2021*	*995,549*	*65.63*	*-0.62*	*65.011*	*64,801,280*	*79,644*	*64,721,636*
Ghana Group-0060	*M/T Front Queen*	*27-Apr-2021*	*948,888*	*64.70*	*-1.06*	*63.633*	*60,456,501*	*75,911*	*60,380,590*
Ghana Group-0061	*M/T Amphion*	*16-Jul-2021*	*948,499*	*71.81*	*-0.21*	*71.601*	*67,989,357*	*75,880*	*67,913,477*
Ghana Group-0062	*M/T DHT Taiga*	*15-Sep-2021*	*948,095*	*74.58*	*-0.81*	*73.769*	*70,015,868*	*75,848*	*69,940,020*
Ghana Group-0063	*M/T Seaways Cape Henry*	*08-Dec-2021*	*948,033*	*74.10*	*0.09*	*74.189*	*70,409,463*	*75,843*	*70,333,620*
		Total	***4,789,064***				***333,672,468***	***383,125***	***333,289,343***
TEN									
Ghana Group-0018	*M/T DHT Edelweiss*	*16-Feb-2021*	*944,962*	*62.22*	*-0.65*	*61.572*	*58,183,200*	*47,248*	*58,230,448*
Ghana Group-0019	*M/T Amphion*	*06-Jul-2021*	*947,108*	*75.03*	*-0.65*	*74.38*	*70,445,893*	*47,355*	*70,493,248*
Ghana Group-0020	*M/T Front Sparta*	*15-Dec-2021*	*994,951*	*72.72*	*-1.35*	*71.373*	*71,012,638*		*71,012,638*
		Total	***2,887,021***				***199,641,731***	***94,604***	***199,736,335***
SGN									
7	*M/T SCF Primorye*	*18-Apr-2021*	*948,845*	*65.476*	*-0.55*	*64.926*	*61,604,710*		*61,604,710*
8	*M/T Harmonic*	*13-Jul-2021*	*904,282*	*73.254*	*-0.60*	*72.654*	*65,699,704*		*65,699,704*
		Total	***1,853,127***				***127,304,415***		***127,304,415***

Table 4.17: 2022 Jubilee, TEN and Sankofa Crude Oil Revenue - 2022

Lifting Account Name and Parcel No	Name of Vessel	Lifted on	Parcel Qty (bbl)	Avg Dated Brent (US$/bbl)	Differential (US$/bbl)	Unit Price (US$)	Gross Amount (US$)	Marketing Costs/ Pricing Option fee (US$)	Net Amount (US$)
JUBILEE									
Ghana Group-0064	*M/T Nissos Kythnos*	*01-Feb-2022*	*953,343*	*95.319*	*1.688*	*97.007*	*92,557,212*	*76,267*	*92,480,944*
Ghana Group-0065	*M/T New Treasure*	*26-Mar-2022*	*903,844*	*112.675*	*2.515*	*115.190*	*104,186,098*	*72,308*	*104,113,790*
Ghana Group-0066	*M/T Leicester*	*12-Jun-2022*	*947,925*	*123.702*	*2.635*	*126.337*	*119,833,835*	*75,834*	*119,758,001*
Ghana Group-0067	*M/T Marina*	*04-Aug-2022*	*952,341*	*99.994*	*2.242*	*102.236*	*97,439,722*	*76,187*	*97,363,534*
Ghana Group-0068	*M/T Coswish Lake*	*27-Sep-2022*	*948,309*	*87.300*	*0.110*	*87.410*	*82,967,554*	*75,865*	*82,891,690*
Ghana Group-0069	*M/T Archangel*	*17-Dec-2022*	*947,735*	*80.041*	*-1.013*	*79.028*	*74,897,602*		*74,897,602*
		Total	***5,653,497***				***571,882,022***	***376,461***	***571,505,561***
TEN									
Ghana Group-0021	*M/T Pentathlon*	*20-Jul-2022*	*994,962*	*110*	*2*	*111.922*	*111,358,137*		*111,358,137*
		Total	***994,962***				***111,358,137***		***111,358,137***
SANKOFA									
9	*M/T Red*	*06-Mar-2022*	*903,486*	*118.810*	*1.60*	*120.410*	*108,788,749*	*45,174*	*108,833,924*
11	*M/T Euro champion*	*07-Oct-2022*	*903,523*	*93.332*	*-4.19*	*89.142*	*80,541,847*	*45,176*	*80,587,023*
		Total	***1,853,127***				***1,807,009***	***90,350***	***287,035,726***

4.2.1 Methods for Buyer Selection

A competitive bidding process is utilised by GNPC to select a buyer for the crude available for shipment.

4.2.2 Pre-Qualification Process

The pre-qualification process for potential buyers ensures that only those with a sufficient level of financial and technical capability are considered reliable. Typically, three primary criteria are used for selecting buyers:

- Technical Capability: This assesses the buyer's ability to handle the commodity and their experience in relevant markets.
- Financial Capability: This includes evaluating the buyer's strategy for obtaining the best differential, their creditworthiness, and the ratings of their LC banks.
- Local Participation Potential: This criterion is relevant for jurisdictions aiming to enhance local trading capabilities.

After passing the pre-qualification process, buyers are added to a list of eligible participants for future competitive bidding. GNPC conducts this evaluation prior to each tender or sale.

4.2.3 Pre-defined Criteria to Select Buyers

A buyer may be evaluated against established criteria during the pre-qualification stage.

4.2.4 Technical Capability

GNPC issues a request for proposal (RFP) to companies on its list of pre-qualified buyers, chosen based on an initial evaluation of the crude oil's grade and the buyers' experience. The assessment emphasises the buyer’s capability to handle a cargo of crude oil and their commercial strategy. In selecting a marketer, GNPC considers the company's experience, adaptability in crude oil marketing, and its Health, Safety, and Environment (HSE) capabilities.

4.2.5 Financial Capability

GNPC will establish financial criteria to assess the prospective buyer’s payment capability. This may involve requiring buyers to provide proof of a credit line from a reputable financial institution or demonstrate their ability to make direct payments for the commodities they intend to purchase. Additionally, GNPC will verify the buyer’s credit line and conduct an evaluation of their credit rating.

4.2.6 Local Content

The Corporation employs a buyer selection team that scores based on technical (75%) and commercial (25%) criteria. These scores are aggregated and averaged before a recommendation is forwarded to GNPC management for approval or rejection of the buyer. The evaluation process prioritises the participation of local partners and compliance with local content requirements, in line with the Ghanaian government's policy to encourage local involvement in crude oil trading.

Table 4.18: GNPC Weighting Criteria for Selection of Crude Oil Buyer

TECHNICAL	75%	Ability to lift and strategy	15%	
		o/w Shipping		3%
		o/w Experience in trading crudes		4%
		o/w Refineries/options		3%
		o/w Sales/Marketing strategy		5%
		Flexibility of marketing	10%	
		o/w Ownership/access to dedicated vessels		2%
		o/w Access to wider markets		5%
		o/w Access/partnership with refineries		3%
		Experience in marketing new crude oil	10%	
		o/w Number of crude Oil marketed		6%
		o/w Marketing West African Crude		4%
		HSE (Proof of good Safety record)	5%	
		Capacity Building (Provision for GNPC Staff training)	5%	
		Local Content	30%	
		o/w Evidence and terms of partnership		5%
		o/w Strength of local partner		10%
		o/w In-country presence and Investment		15%
COMMERCIAL	25%	Commercial terms	25%	
		o/w Strategy to achieve the best price(differential) proposed		10%
		o/w Marketing fee		5%
		o/w Pricing option		5%
		o/w Bank credit line or Strong Company financial status		5%
	100%	**TOTAL**	**100%**	

Source: OECD File adapted from presentation by GNPC to the Tenth Plenary Meeting of the Policy Dialogue on Natural Resource-based Development on 26 June 2018.

4.2.7 Composition of the Team

Once the request for proposals has been sent out to potential buyers, GNPC management assembles an Evaluation Team made up of members from the legal, marketing, procurement, and finance departments. This team establishes the evaluation criteria and assesses the bids according to these criteria. The Evaluation Team then submits a report with their findings and recommendations to GNPC management. After the evaluation process is completed, the team is dissolved.

4.2.8 Reporting Structure and Team Oversight

The buyer selection team is chaired by the Chief Finance Officer, who reports directly to the CEO of GNPC. Although there is no alternative reporting line, the selection process and evaluation results are reviewed by the internal audit team.

4.2.9 Disclosure of Sales Contract Terms

The sales contract terms will be partially disclosed to an unsuccessful bidder by GNPC upon request.

4.2.10 Marketer Selection

GNPC engages a marketer when selling a new grade of crude oil and where GNPC may not have sufficient knowledge of the international oil markets. When engaging a marketer, GNPC considers both technical and commercial criteria.

4.2.11 GNPC – Marketer Selection

Technical Evaluation Criteria:

- Lifting Capability and Strategy
- Marketing Flexibility
- Experience with New Crude Oil (if applicable)
- Health, Safety, and Environment (HSE) Compliance
- Capacity Building
- Local Content Requirements

4.2.12 Commercial Evaluation Criteria:

- Strategy Strategy for Achieving the Best Differential or Proposed Price
- Marketing Fee (if applicable)
- Pricing Options
- Bank Credit Line or Strong Financial Status of the Company

Source: GNPC Presentation at the Tenth Plenary Meeting of the Policy Dialogue on Natural Resource-Based Development, 26 June 2018.

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4.2.13 Pricing Policy or Formula for Setting Prices

GNPC employs a pricing formula when selecting buyers for crude oil cargoes.
The formula is:

Unit Price (US$/Bbl) = Dated Brent Price + Differential + Pricing Option Fee + Marketing Fees (if applicable).

For instance, according to the offtake agreement between GNPC and Unipec, the buyer has the option to select from four different pricing options.

4.2.14 Destination of Payments made for the Sale of Crude Oil

Payment for the crude oil is made directly to the government account at Bank of Ghana.

4.2.15 Pricing Adjustments for Long-Term Sale Agreements

The UNIPEC Jubilee Crude Oil Offtake Agreement spans 15.5 years, requiring periodic price reviews. For the Jubilee Agreement, the differential is determined by daily published Platt's price quotations, which are evaluated on a daily basis.

Source: OECD
https://www.oecd.org/dev/Session5_Preliminary_Stocktake_on_SOE_Selection_Procedures.pdf

4.3 Infrastructure Provisions and Barter Agreements

These agreements involve the exchange of goods and services (such as loans, grants, and infrastructure projects) either fully or partially for oil, gas, or mining exploration and production concessions, or the physical delivery of these commodities.

Aside from the UNIPEC agreement, no other barter arrangements have been observed in the sector. However, GHEITI noted the SGN financing arrangement, where, if cash calls are not met, the operator has the right to prefinance and recover the costs from the country's share of oil and gas production. Although crude oil and gas are used for cash call payments in this case, the MSG does not view this as a direct barter arrangement. Such practices are typical in free carried interest arrangements within the industry.

4.4 Transportation Revenues

For the determination of transportation revenues, the following pipeline costs are considered in the tariff asset base.

- West Africa Gas Pipeline transmission costs
- Western (Prestea-Kumasi Pipeline Costs)
- Costs incurred by GNPC in the construction of the 14km offshore pipeline.32

According to the GNGC, an amount of GHS465M and GHS729.5M were received by the company in 2021 and 2022 respectively. The GNGC provided this information by providing their financial statements. To improve transparency, the MSG has opted to present the following information as a unilateral declaration by GNGC. The table below details the payments.

Table 4.19: GNGC Transportation Revenue for 2021 and 2022

Name of Company	2021 AMOUNT (GHS)	2022 AMOUNT (GHS)
Transportation Revenue	729,515,000	465,055,000
Total	**729,515,000**	**465,055,000**

Source: GNGC 2022 FS

4.5 Transactions Related to State-Owned Enterprises

This section addresses GNPC's role as a state-owned enterprise (SOE), including disclosures of significant payments made to GNPC by companies, transfers from GNPC to the government, and transfers from the government to GNPC. The tables below illustrate the transactions between GNPC, its subsidiaries, joint ventures, related parties, and the government.

Table 4.20: Amounts Due from Government and Agencies

	2021 (US$)	2022 (US$)
Government of Ghana	23,217,406	23,217,406
Ministry of Finance	55,579,212	5,579,212
Tema Oil Refinery	58,404,875	58,404,875
Ghana National Gas Company	75,945,911	74,540,706
Ministry of Energy Current Account	3,532,479	-
GEMCORP/BOST Loan	203,933,050	90,713,947
Volta River Authority	58,157,885	60,574,483

Table 4.21: GNPC Investments in Its Subsidiaries

	2021 (US$)	2022 (US$)
Mole Motel Co. Ltd	9,570	9,570
Prestea Sankofa Gold Ltd[33]	795,905	795,905
GNPC Exploration and Production Co. Ltd	13,150	13,150
Jubilee Oil Holding Company Limited	164,798,316	164,798,316

Table 4.22: GNPC Investments in Its Joint Venture and Associate Companies

	2021 (US$)	2022 (US$)
Saltpond Offshore Producing Company	620,156	620,156
Gulf Frontiers Logistics Ltd	98,265	98,265
GNPC Technip Engineering Services Ltd	988,231	988,231

GNPC did not make any investments in its joint venture and associate companies in FY 2021 and FY 2022. Level of investments standing at end of FY 2021 and 2022 shown above.

Table 4.23: Amounts Due GNPC from Its Related Parties

	2021 (US$)	2022 (US$)
Mole Motel Limited	221,662	221,662
Saltpond Offshore Producing Company	6,933,095	7,083,354
GNPC Technip Engineering Services Ltd	22,164	37,184
GNPC Exploration and Production Co. Ltd	15,559,846	15,559,846

Table 4.24: Medium Term Loan Transactions

	2021(US$)	2022(US$)	Remark
Ministry of Finance-Jubilee Oil Holding Limited - loan	164,798,691	40,704,511	
Term Loans[34]	203,933,050	90,713,947	
GoG Advance for OCTP Gas[35]	923,701,572	489,048,221	
Bank Loan[36]	28,963,732	23,519,779	The interest rate is 5.5% over the 3-month LIBOR rate at the first drawdown date.

Source GNPC Financial Statement – 2022

Loan Terms and Conditions

Ministry of Finance - Jubilee Oil Holding Limited Loan: The Ministry of Finance provided a bridge loan of US$164,798,691 for Jubilee Oil Holdings Limited to acquire Anadarko WCTP Company shares in the Deep Water Tano (DWT) and West Cape Three Point (WCTP) blocks. As of the end of 2022, US$128,010,790 had been repaid.

Term Loan - LITASCO: GNPC, under the direction of the Ministry of Finance, secured a US$200 million loan from LITASCO to refinance ECG's HFO debt at a rate of 3-month LIBOR plus 5.5 percent, payable over three and a half years. By the end of the year, the loan balance was US$90,713,947, with the Government of Ghana servicing the loan.

Government of Ghana Advance for OCTP Gas: In May 2019, the Cabinet approved the Energy Sector Recovery Program (ESRP) to address financial shortfalls in the Energy Sector, aiming for financial balance by 2023. Key initiatives included the Cash Waterfall Mechanism (CWM) and the Natural Gas Clearing House (NGCH). The CWM ensures equal distribution of revenues collected by ECG, while the NGCH, introduced in October 2020, captures both tariff and non-tariff revenues for equitable allocation. Outstanding balances represent payments used to settle gas supply debts to the Corporation, awaiting offset against debts owed by Independent Power Producers (IPPs), as advised by ECG.

Bank Loan: GNPC secured a US$25 million loan from Societe Generale Ghana to finance its operational Head Office in Takoradi and Research Centre in Accra. By year-end, US$23,519,779 had been drawn. The loan has a 24-month term with a moratorium period after the first drawdown, converting to a term loan payable over three years. The interest rate is 5.5 percent over the 3-month LIBOR rate at the first drawdown date. A 2 percent penalty interest applies on default, and any unpaid amount after the term attracts a 13.9 percent annual penalty rate.

Table 4.25: GNPC Related Party Transactions

	2020 (US$)	2021 (US$)	2022 (US$)
GNPC Exploration and Production Co. Ltd	3,861,487	1,030,932	3,861,487
Prestea Sankofa Gold Ltd	3,648,367	3,029,813	3,648,367
Saltpond Offshore Producing Co. Ltd	578,097	184,357	578,097
Mole Motel	-	-	-
GNPC Technip	-		-

Source GNPC Financial Statement - 2022

Terms And Conditions of Related Party Transactions

These end balances are unsecured, interest-free, and settled in cash. Additionally, no guarantees have been issued.

Other GNPC Commitments

Under the Offshore Cape Three Point (OCTP) Agreement, GNPC is contractually obligated to purchase and pay for a minimum guaranteed quantity of gas from the OCTP partners, regardless of whether it physically takes delivery of the gas. Additionally, GNPC must compensate the OCTP partners for the accrued condensates as if it had lifted the required gas quantities.

4.6 Payments

Business Operating Permits paid to MMDAs was GHS129,042 and GHS120,545 for 2021 and 2022 respectively and Property rate of GHS890,897 and GHS936,191 in 2021 and 2022 respectively. These payments are not material for reconciliation.

Table 4.26: Subnational Payments to MMDAs

Company	2021 Business Operating Permit (GHS)	2022 Business Operating Permit (GHS)	2021 Property Rate (GHS)	2022 Property Rate (GHS)
Kosmos Energy Ghana HC	8,732	10520	-	-
Tullow Ghana Limited	10,310	15,525	-	-
ENI Ghana	110,000	94,500	890,897	936,191
Total	**129,042**	**120,545**	**890,897**	**936,191**

4.7 Level of Disaggregation

According to EITI guidelines, a project is defined as operational activities regulated by a single contract, license, lease, concession, or similar legal agreement that generates payment obligations to the government. However, if multiple agreements are closely linked and function as a unified entity, they should be recognized as a single project.

Under EITI definitions, an oil and gas project refers to operational activities governed by a single contract, license, lease, concession, or similar legal agreement that creates payment obligations to the government. However, if multiple agreements are significantly interconnected and operate as a cohesive unit, they should be treated as a single project.
Legal instruments that define project

- Petroleum (Exploration and Production) Act, 2016 Act 91938
- Petroleum Revenue Management Act, 2011 (Act 815) and as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893)39
- Income Tax Act, 2015 (Act 896) as amended40

The Jubilee Field spans both the West Cape Three Points and Deepwater Tano licenses. A Unitisation and Unit Operating Agreement was approved and implemented, involving GNPC, Tullow Ghana Ltd, Kosmos Energy Ghana Ltd, Kosmos Energy Ghana Investments (formerly Anadarko WCTP Company), and other parties.

Oil and Gas revenue streams levied or imposed on project basis

- Royalty
- Carried Interest
- Additional Paid Interest
- Surface Rentals
- Environmental Permitting and Processing Fees
- Data Licence: Where information was available the above revenue streams were reported on project basis. (see Appendix 4)

Corporate income tax, as well as permit and permit renewal fees, are not applied on a per-project basis and were therefore not reported for specific projects. (See Appendix 4)

4.8 Data Timeliness

The reporting period for this assignment covers from January 1 to December 31 for both 2021 and 2022. The data compiled for the report falls within the two-year time frame allowed by the EITI Standard. Although the report is prepared under flexible guidelines and may include data updates up to the current year (2022) where available, the reconciliation is restricted to the reporting years of 2021 and 2022.

[40] Section 64 of Act 896 a petroleum operation pertaining to a petroleum right shall constitute a separate petroleum operation

4.9 Data Quality and Assurance

The MSG confirms that this report is based on data audited according to International Financial Reporting Standards (IFRS). To further ensure the credibility of the data, the following measures are implemented:
For Companies: Data submission templates must be endorsed by a senior executive, ideally the Chief Executive Officer, Managing Director, or Chief Financial Officer.

For Government Agencies and State-Owned Enterprises (SOEs): Completed reporting templates must be signed by a Senior Official.

Additionally, both companies and government agencies are required to provide supporting documentation for the amounts reported on the templates.

SECTION FIVE: REVENUE ALLOCATIONS

This section covers disclosures of information related to revenue allocations, enabling stakeholders to understand how revenues are recorded in the national, and where applicable, subnational budgets, as well as track social expenditures by companies. The EITI Requirements related to revenue allocations include: (5.1) distribution of revenues; (5.2) subnational transfers; and (5.3) revenue management and expenditures.

5.1 Distribution of Extractive Industry Revenues

Sections 6(a-e) and 7(1) of the PRMA stipulate the various revenue streams in the oil and gas industry to be paid to Government. These revenues constitute the gross receipts into the PHF and are also recorded in the national budget.

These revenues include:

- Royalties, additional oil entitlements, surface rentals, other receipts from any petroleum operations and the sale or export of petroleum;
- Any amount from direct or indirect participation of government in petroleum operations;
- Corporate Income Taxes in cash from upstream and midstream petroleum companies;
- Any amount payable by the National Oil Company as corporate income tax, royalty, dividends, or any other amount due in accordance with the laws of Ghana;
- Any amount received by government directly or indirectly from petroleum resources not covered by paragraphs (a) to (d) and where applicable, capital gains tax derived from the sale of ownership of exploration, development and production rights; and
- Revenue due from the direct or indirect participation of the Republic in petroleum operations, including the Carried and Additional Participating Interests shall be paid into the Petroleum Holding Fund.

Sections 85-89 of the Petroleum (Exploration and Production) Act, 2016 (Act 919) provide for payment of royalties, acreage fees (surface rentals), taxes, bonuses and additional oil entitlements by extractive companies to the State.

According to the PRMA, not more than 70 percent of the State's net petroleum receipts shall be designated as ABFA and not less than 30 percent shall be designated as Ghana Petroleum Funds (GPFs).

Total amounts of US$783.33million and US$1.428 billion were recorded as petroleum revenues for the years 2021 and 2022 respectively. The total petroleum revenue in 2022 represents the highest petroleum revenue for a single year mainly due to favourable international oil price despite a three-year continuous decline in production volumes.

5.2 Sub-National Transfers

As reported in the 2020 report, Petroleum receipts are now subject to subnational transfers in compliance with the Supreme Court's decision in the case Kpodo v AG 48. The main issue of the suit was that the amount allocated under Act 945 (i.e. the 2017 Appropriation Act) to the District Assembly Common Fund (DACF) was not 5% of the total revenue of that year, as required by Article 252(2) of the Constitution.

The 2019 Supreme Court ruling directed that in calculating the annual amount to be allocated to the DACF, the total revenue for that purpose shall include Petroleum Revenue allotted as ABFA and non-tax revenue paid to Central Government.

Until the ruling, there has never been a transfer from petroleum revenues to sub-national level. However, since the ruling, the Ministry of Finance has made efforts to comply with the requirement to transfer five (5) percent of the ABFA to the DACF. Evidence available to the MSG suggests that there is currently a quarters time lag of payment. For most part of 2023 the requirement has been met.

Table 5.1: ABFA[49] allocation to DACF since SC ruling in 2019 in the case of Kpodo v. AG

Year	ABFA (GH¢)	Budgeted 5% of ABFA	Transfer to DACF (GH¢)	Percentage of transfer (%)	Percentage deviation
2019	-	-	-	-	
2020	-	-	-	-	
2021	1,859,126,575	92,956,328.7300	32,380,403.91	1.74	65.1700
2022	4,411.919,419.78	220,595,970.9900	10,5281,567.1	2.39	0.5227

Source: GHEITI's construct

Table 5.2: Update of Payment to DACF

SRN	Description	Amount GH¢
1	TRANSFER OF DACF SHARE OF 2021 SECOND QUARTER ABFA INFLOWS	32,380,403.9100
2	PART PAYMENT FOR 2022 Q2 DACF SHARE OF THE ABFA	100,000,000.0000
3	FINAL PAYMENT FOR 2022 Q2,Q3 AND Q4 AS DACF SHARE OF THE ABFA	130,246,518.0000
4	2023TRANSFER OF DACF SHARE OF 5% OF ALLOCATION OF ABFA INFLOWS	270,907,662.2800

Source: Ministry of Finance.

[48] Kpodo v AG , File https://ghalii.org/gh/judgment/supreme-court/2019/39

[49] From Table xxx, 1.74% and 2.39% of the ABFA were disbursed to the DACF in the years 2021 and 2022 respectively following Kpodo v. AG in 2019.

5.3 Revenue Management and Expenditures

5.3.1 Budget and Audit processes

The Budget statement presented every year has legal basis in Article 180 of the 1992 Constitution and Section 23 of the Public Financial Management Act, 2016 (Act 921).

Guidelines for preparation of annual budget is first issued consistent with Article 179 (1) of the 1992 Constitution and Section 20 of the Public Financial Management Act, 2016 (Act 921) and section 122 of the Local Governance Act, 2016 (Act 936) for the benefit of Ministries, Departments and Agencies (MDAs) as well as Metropolitan, Municipal and District Assemblies (MMDAs) not later than the 30th of June of every year.

The guideline sets out the following indicators and criteria:

- Revenue forecasts and Fiscal targets;
- Medium-term fiscal framework;
- The multiple year ceilings for each covered entity in line with the State's Fiscal Strategy Document;
- The selection criteria for investment projects, including provision for linking forward recurrent expenditure estimates to investment50 ;
- The ceilings for local government authorities; and
- Expenditure details for statutory funds and alignment with fiscal objectives.

In accordance with section 13(2) of the Public Financial Management Regulation, 2019 (L.I. 2378), the Ghana Integrated Financial Management Information System (GIFMIS)51 shall be the core electronic platform for the preparation of the national budget and its execution.

The Minister shall, in consultation with the relevant stakeholders, prepare the proposed annual budget not later than 1st October of each financial year; and submit the proposed annual budget to Cabinet for approval not later than the 15th of October of each financial year.

Cabinet shall, not later than the 30th of October of each financial year, communicate to the Minister, the decision of Cabinet on the proposed annual budget.

The Minister shall, on behalf of the President, lay before Parliament not later than the 15th of November of each financial year, estimates of the revenues and expenditure of the Government, the annual budget, for the ensuing financial year.

[50] Investment projects are highlighted under the Integrated Bank of Projects as part of the Public Investment Management System within the Ghana Integrated Financial Management Information System, in furtherance of the Public Financial Management Regulations, 2019 (L.I. 2378); See section 1 of Public Financial Management Regulations, 2020 LI 2411

[51] See https://mofep.gov.gh/sites/default/files/acts/PFM-Regulations-2019.pdf

The estimates of expenditure of all public offices and public corporations other than those set up as commercial ventures, shall (a) be classified under programs or activities in the Appropriation Bill to be introduced into Parliament,

The Minister shall present the Annual Budget accompanied with the Appropriation Bill and any other Bill that is required to implement the Annual Budget;

And shall, publish in the Gazette, the Appropriation Act on or before the 31st of December of each financial year.

Parliament shall, by the 31st of December of each financial year, consider and approve;
- the Annual Budget and the correlative work plan of Government for the ensuing financial year;
- the Appropriation Bill; and
- any other Bill that may be required to implement the annual budget

The annual budget, approved by Parliament, takes effect from the 1st day of January of the ensuing year.

5.3.1.1 Implementation
Pursuant to Section 27 of the PFM Act, 2016 (Act 921), Performance Report of each Principal Account Holder shall, within the first quarter of the ensuing year after the Minister submits the Annual Budget to Parliament, submit to Parliament, a report on budget implementation for the proceeding financial year.

The Principal Account Holder shall submit a copy of the performance report required to the Minister indicating the achievements of the Principal Account Holder for the preceding financial year and the annual work plan comprising the objectives, outputs, outcomes, targets and performance indicators.

5.3.1.2 Mid-year Review
The Minister shall, not later than the 31st of July of each financial year, prepare and submit to Parliament a mid-year fiscal policy review.

The mid-year fiscal policy review shall include an analysis of the total revenue, expenditure and financing performance for a period up to the first six months of the financial year and a revised budget outlook for the unexpired term of the financial year, and the implication of the revised budget outlook for the Medium-Term Fiscal and Expenditure Framework if necessary; and where necessary plans for submitting a proposed supplementary budget for approval by Parliament.

5.3.1.3 Internal and External Audit
The Internal Audit Unit of covered entities shall appraise and report on the soundness and application of the system of controls operating in the covered entity and provide assurance on the efficiency, effectiveness in the administration of the programs and evaluate compliance of a covered entity with enactments, policies, standards, systems and procedures.

In accordance with section 83(10) of Act 921, where the Internal Auditor of a covered entity suspects that a Principal Spending Officer is involved in fraud or misuse of public funds, the Internal Auditor shall report the matter to the Director-General of the Internal Audit Agency who shall in consultation with the chairperson of the relevant Audit Committee initiate investigations into the matter.

The Auditor-General shall, within six months after the end of each financial year, examine and audit the public accounts submitted in accordance with Article 187 of the Constitution and the Audit Service Act, 2000 (Act 584).[52]

Revenue Sustainability and Resource Dependence.

This includes the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector.

Growth Projections

Industry of which minerals and oil and gas are subcomponents is expected to record a sustained and robust average medium-term (2024-2027) growth of 4.5 percent, based on growth performances of 3.7 percent, 4.2 percent, and 5.2 percent in 2024, 2025, and 2026 respectively.

The 2023 crude oil output volume was estimated at 52.61 million barrels averaging 144,145 barrels of crude oil per day. This was subsequently revised to 46.28 million barrels in the 2023 Mid-Year Budget.

Gas offtake is also projected to increase from about 450 MMscfd in 2023 to about 600 MMscfd in 2026.

2023 Benchmark Projections53

Consistent with section 10 of the First Schedule (Section 17) of the PRMA (Act 815) as amended, the Benchmark crude oil price for 2023 was projected at US$88.55 per barrel, down from the price of US$94.83 per barrel used in the 2022, which is a reflection of projections by reputable international institutions such as the IMF, Bloomberg and the World Bank. The 2023 Benchmark crude oil price was revised to US$74.00 following global developments and weakened demand for crude oil.

The gas price for 2023 was projected at US$6.46 per MMBtu, estimated as a seven-year moving average in line with the PRMA.

[52] Section 84 of PFM Act 2016
https://mofep.gov.gh/sites/default/files/reports/economic/PUBLIC%20FINANCIAL%20MANAGT.%20%20ACT%2C%202016.pdf

[53] 2024 Budget Statement was available at time of compiling 2021 / 2022 GHEITI Report so forward estimates in 2024 National Budget were used to reflect most recent estimates.

The 2023 Benchmark crude oil output volume was estimated at 52.61 million barrels (averaging 144,145 barrels of crude oil per day) based on a three-year simple average of each producing field's actual and projected outputs in line with the PRMA.

The Benchmark gas output volume, was estimated at 107.55 trillion Btu for 2023.[54]

The Evolution of Government Projections are shown in Table 5.3 below.

Table 5.3: Evolution of Government Projections

Items	Unit	2021	2022	2023	2024	2025	2026
Crude Oil Production	MBbl	64.86	59.51	52.61 / 46.28	52.96 / 51.37	54.97 / 53.4	56.17
Price	US$/Bbl	54.75	61.23	88.55/ 74.00	75.57/ 70.90	78.09/ 72.04	84.06/ 76.61
Petroleum Revenue [1]	$Mn	885.7		1,008.65	1,288.63	1,393.47	1,681.72

2023 Projected Revenue Allocation

The projected petroleum receipts for 2023 (main Budget) was US$1,484.47 million, revised to US$1,008.65 million (representing a 32 percent decline) in the 2023 Midyear Budget. The total petroleum receipts were made up of Royalties (US$190.27 million), Carried and Participating Interest (US$492.84 million), Corporate Income Tax (US$324.81 million) and Surface Rentals (US$0.73 million). Of the amount of US$1,008.65 million, US$ 302.48 million was ceded to the National Oil Company (GNPC) for its Equity Financing Cost (US$ 220.90 million) and its share of the net Carried and Participating Interest (US$ 81.58 million)

Table 5.4: Projected Revenue Allocation

No.	Items	Unit	2023	2024	2025	2026
1	Royalties	USD mn	190.27	201.14	209.41	232.33
1.1	o/w Crude Oil	USD mn	190.27	201.14	209.41	232.33
1.2	o/w Gas	USD mn				
2	Carried and Participating Interest	USD mn	492.84	522.32	545.57	606.42
2.1	o/w Crude Oil	USD mn	492.84	522.32	545.57	606.42
2.2	o/w Gas	USD mn				
3	Corporate Income Tax	USD mn	324.81	564.42	637.62	842.97
4	Surface Rentals	USD mn	0.73	0.76	0.88	-
5	**Total Petroleum Receipts**	USD mn	**1,008.65**	**1,288.63**	**1,393.47**	**1,681.72**

Source: MoF

[54] The gas output was converted from Bcf to trillion Btu using the conversion factor of 1,060 btu / scf.

Table 5.5: Memo

1	Price	USD/Bbl	74.00	70.90	72.04	76.61
2	Benchmark Production (Oil)	Million Bbl	46.28	51.37	53.40	56.17

Source: MoF

The Benchmark Revenue, which is total receipts, net the transfer to the National Oil Company was estimated at US$706.17 million. A total of US$494.32 million was allocated to the Annual Budget Funding Amount (ABFA), while the Ghana Petroleum Funds (GPFs) receive US$211.85 million.

The GPFs receipts will be distributed between the Ghana Stabilisation Fund (US$148.30 million) and Ghana Heritage Fund (US$63.56 million).

Table 5.6: GPFs receipts Distribution

No.	Items	Unit	2023	2024	2025	2026
1	**Transfer to National Oil Company (NOC)**	**USD mn**	**302.48**	**244.51**	**249.16**	**293.12**
1.1	o/w Equity Financing	USD mn	220.90	125.45	122.12	158.84
1.2	o/w 30% Net CAPI	USD mn	81.58	119.06	127.04	134.27
2	**Benchmark Revenue (BR)**	**USD mn**	**706.17**	**1,044.12**	**1,144.32**	**1,388.61**
2.1	o/w Annual Budget Funding Amount (ABFA)	USD mn	494.32	730.88	801.02	972.03
2.2	o/w Transfer to the Ghana Petroleum Funds (GPFs)	USD mn	211.85	313.24	343.29	416.58
2.2.1	o/w Ghana Stabilisation Fund	USD mn	148.30	219.27	240.31	291.61
2.2.2	o/w Ghana Heritage Fund	USD mn	63.56	93.97	102.99	124.97
3	**Total Amount Distributed**	**USD mn**	**1,008.65**	**1,288.63**	**1,393.47**	**1,681.72**

Source: MoF

Total petroleum receipts were projected at US$1,008.65million, US$1,288.63 million, US$1,393.47 million, and US$1,681.72 million for 2023, 2024, 2025, and 2026 respectively.

Table 5.7: Projected Gas Offtake (2023-2026)

Expected Gas Offtake (MMscfd)	2022	2023	2024	2025	2026
SANKOFA	201	170	173	180	198
JUBILEE	116	112	112	112	112
TEN	9.4	12.6	13	13	13
LNG	55	125	148	187	225
N-GAS	30	30	50	50	50
TOTAL	410	449	496	542	598

Source: GNPC, 2022

Table 5.8: Gas Commodity Costs (2022-2026)

SUMMARY COSTS	2022	2023	2024	2025	2026
Weighted Aggregate Service Cost	1.3937	1.2930	1.2090	1.1310	1.0557
Intermediation Service Cost	0.0855	0.0855	0.0855	0.0855	0.0855
Gas Management Service Cost	0.0659	0.0673	0.0657	0.0668	0.0686
WAGP Transmission Cost (Takoradi-Tema	2.4248	2.5388	2.6581	2.7378	2.7926
VGIF Service Cost	0.0150	0.0150	0.0150	0.0150	0.0150
West -Kumasi Pipeline Financing Cost	1.7817	1.7817	1.7817	1.7817	1.7817
Weighted Average Commodity Cost	6.5206	7.3848	7.7344	8.0212	8.3148

Source: GNPC, 2022Heritage Fund

SECTION SIX: SOCIAL AND ECONOMIC SPENDING

This section covers disclosures related to revenue management and expenditures, helping stakeholders to assess whether the extractive sector is leading to the desirable social, economic and environmental impacts and outcomes. The EITI Requirements related to revenue allocations include: (6.1) social and environmental expenditures by companies; (6.2) SOE quasi-fiscal expenditures; (6.3) an overview of the contribution of the extractive sector to the economy; and (6.4) the environmental impact of extractive activities.

6.1 Social and Environmental Expenditures by Extractive Companies

There were no mandatory social expenditure in 2021 and 2022. In Ghana, social expenditures are mandatory, pseudo-mandatory and voluntary. They aim at securing the social licence to operate. Under the Petroleum Exploration and Production Act, 2016 (Act 919), all oil and gas companies are encouraged to have a positive impact on local communities.

The mandatory contributions are prescribed by law or subject to a contractual agreement between the state and the companies. On the other hand, pseudo-mandatory contributions are those CSI commitments that are not prescribed in law between the state and oil producing companies but in a bilateral agreement between an oil producing company and its host communities. The residual module which involves voluntary contribution does not involve a covenant but an arrangement where an oil producing company commits to community development through social interventions.

6.1.1 Environmental Expenditures By Companies In 2021 And 2022

The Environmental Processing and Permitting fees are mandatory environmental payments.

6.2 Quasi Fiscal Expenditure (QFE)

On 8th June 2021, the MSG at a stakeholder engagement with Parliament, PIAC, BoG, GNPC, MoF, and CSOs, adopted a definition of Quasi Fiscal Expenditure (QFE) to include the arrangements whereby SOE(s) undertake social expenditure such as:

- Payment for social services;
- Public infrastructure;
- National debt servicing;
- Loan agreements;
- Asset purchases; and
- Such other goods and services.

which should primarily be provided by either Central or Local Government unless the expenditure had been well documented and pre-approved by Parliament with well-defined thresholds.

Subsequently, in 2023 the government provided guidelines on Quasi Fiscal activities of State entities and how they are to be reimbursed as part of the State Ownership Policy for Specified Entities.

In 2021 and 2022, these expenditures were identified as Quasi Fiscal expenditures as per the definition of QFEs by the MSG. It is important to note that the identified expenditures had been made between 2005 and 2019. However, this is the second time the MSG is reporting on QFEs based on its adopted definition.

Table 6.1: Quasi Fiscal Expenditures Identified

Payments & Guarantees Made on Behalf of other Agencies, Government, National & Local Infrastructure Projects as at 31st December 2021					
AGENCY	**OUTSTANDING BALANCE (USD)**	**DATE RECEIVABLES CRYSTALISED**	**TYPE OF TRANSACTION**	**AGREED REPAYMENT TERMS**	**STATUS**
Government of Ghana	23,217,406.00	2005/2015	Current account (proceeds from sale of Westel/Airtel).	No written commitment from GoG. Expectation is payment through ESLA Bonds issues.	Pending
MoF Enclave Roads Cedi	21,588,737.46	2015 to Date	Construction of Enclave Roads for the evacuation of gas from the Western Corridor	Written request from MoE accompanied by commitment to pay from MoE.	Not paid
MoF Enclave Roads US Dollars	17,188,682.54	2015 to Date	Construction of Enclave Roads for the evacuation of gas from the Western Corridor	Written request from MoE accompanied by commitment to pay from MoE.	Not paid
Advance to MoF	50,000,000.00	2014	Advance to MoF	No written commitment from MoF	Pending
Tema Oil Refinery	58,404,875.00	2011	Crude Oil refinery related indebtedness	Expectation is payment through ESLA Bonds issues	Pending
ECG - BG Related Charges	9,632,902.40	2015-2017	Karpower-ECG PPA Bank Guarantee related charges	Payment in one bullet	Pending
GNGC - 14km Offshore Pipeline	37,913,333.00	2010-2014	Installation of pipeline and related expenses	Under negotiation	Pending
MOE Current Account (*GCB Bank Loan*)	31,262,500.00	2018/19	Gas related: Loan in respect of relocation of Karpowership to the Western Region	Quarterly repayments by GoG	Ongoing
BOST Loan (Litasco)	41,941,419.00	2017	Repayment of BOST debts	Quarterly repayments by GoG	Ongoing
Volta River Authority	202,185,189.00	2017	Gas sales	Cash waterfall mechanism	Ongoing
TOTAL	493,335,044.40				

Source: GNPC, FY 2022

6.3 Contribution of Oil and Gas to Ghana's Economy

6.3.1 Contribution of Petroleum Revenue to Total Government Revenues

The petroleum sector total receipt of US$783.33 million in 2021 contributed about seven percent (6.91%) to total government revenue for the year, and 7.03 percent to domestic revenues. Table 6.2 indicates the annual petroleum receipts from 2017 to 2023 with their respective percentage contributions to total government revenues.

Table 6.2: Contribution of Petroleum Revenue to Total Government Revenues / Domestic revenues

Items	2017	2018	2019	2020	2021	2022	2023
Total Revenue & Grants (in GH¢ mn)	39,694.5	47,636.7	53,379.6	55,138.2	70,918.1	96,651.2	135,000.46
Domestic Revenue (in GH¢ mn)	38,159.7	46,501.9	52,393.5	53,909.5	69,735.9	95,532.7	132,348.79
Oil Revenue (in GH¢ mn)	2,407.7	4,491.4	4,888.0	3,746.1	4,900.3	12,061.8	12,625.25
Oil Revenue (in USD mn)	555.33	977.12	937.58	666.39	783.33	1,428.76	1,062.32
Memo Items[55]							
Oil Revenue % of Total Revenue	6.07	9.43	9.16	6.79	6.91	12.48	9.35
Oil Revenue % of Domestic Revenue	6.31	9.66	9.33	6.95	7.03	12.63	9.54

Source: Ministry of Finance

6.3.2 Contribution to Gross Domestic Product

The upstream oil and gas sector in Ghana contributed 4.89 percent to the Gross Domestic Product (GDP) of Ghana in 2021 and recorded a growth rate of -12.57 percent (at constant 2013 prices). Table 6.3 shows the annual GDP56 and the percentage contribution of the upstream oil and gas sector.

Table 6.3: Annual GDP and the Percentage Contribution of the Upstream Oil and Gas Sector 2017-2023

Item	Unit	2017	2018	2019	2020	2021	2022	2023**
Gross Domestic Product At Basic Prices	Gh¢ Million	244,393.67	286,964.12	333,625.97	368,105.71	431,151.50	575,999.95	782,889.61
Oil and Gas GDP current prices	Gh¢ Million	9,022.58	16,971.08	21,334.68	13,792.82	21,081.50	32,939.33	37,732.05
Gross Domestic Product (GDP) at Constant 2013 Prices	Gh¢ Million	146,145.91	155,207.07	165,307.59	166,157.18	174,592.09	181,257.15	186,594.79
Oil and Gas GDP constant prices	Gh¢ Million	11,278.51	12,174.74	13,932.44	13,287.96	11,617.04	10,626.60	10,271.27

[55] Memo Items refer to indicators(ratios) below the table that are very salient but can not be placed in the main table
[56] Provisional 2023 figures from Ghana Statistical service

Item	Unit	2017	2018	2019	2020	2021	2022	2023**
Oil Contribution to Real GDP Growth rate	%	80.32	7.95	14.44	-4.63	-12.57	-8.53	-3.34
Oil Contribution to GDP sectoral shares basic prices	%	3.69	5.91	6.39	3.75	4.89	5.72	4.82

Source: GHEITI's construct based on data from Ghana Statistical Service[57] (2023)

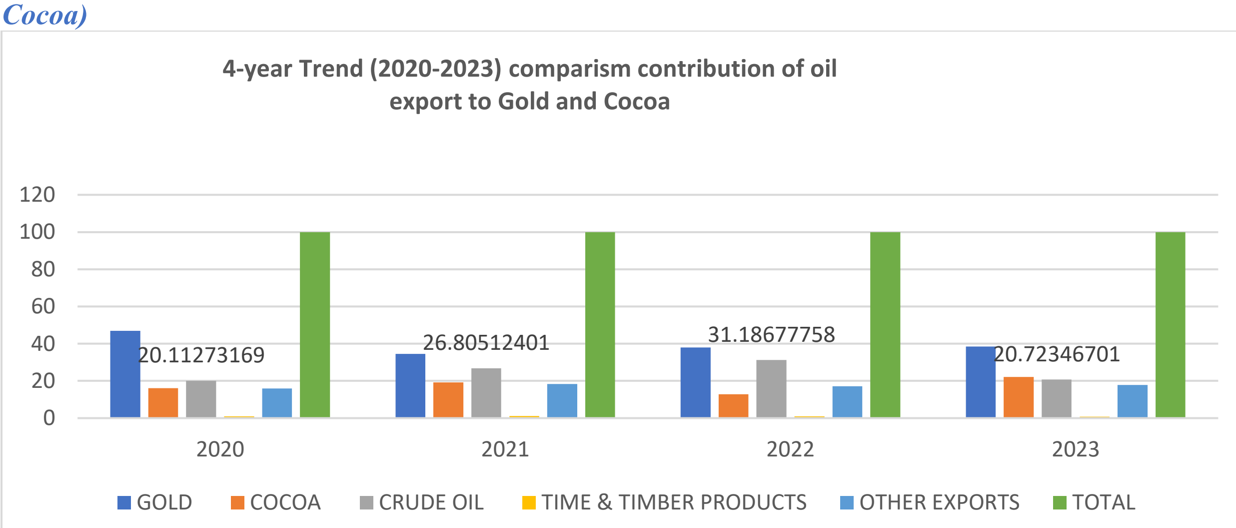
6.3.3 Contribution to Merchandise Exports

A total of 11,615,029 bbls of crude oil was exported by GNPC in respect of CAPI and royalties for an amount of US$496,286,197.87. The other partners also exported 55,843,177 bbls of crude oil during the year 2022.

The total crude oil exports for 2022 as reported by the Bank of Ghana was 67,458,206 bbls valued at US$2,910.6 million as against 70,054,551 bbls in 2019 valued at US$4,493 million.

From the figure below the crude oil export for 2021 represents 28.60 percent of total merchandise exports value for the year as against 31.18 and 20.72 in 2022 and 2023 respectively.

Figure 6: Four-year Trend comparison of oil export to other major merchandise export (Gold and Cocoa)



Source: GHEITI construct from export data published by Bank of Ghana

[57]https://statsghana.gov.gh/nationalaccount_macros.php?Stats=MjQyODAxMDY3NC42Mzg=/we bstats/227532q92p

Table 6.4: 4-year Merchandise Exports (2020-2023)

MERCHANDISE EXPORT (US$ million)	2020	2021	2022	2023
GOLD	6799.09	5083.16	6608.42	2172.87
COCOA	2328.17	2838.56	2229.35	1251.61
CRUDE OIL	2910.62	3947.73	5428.62	1170.65
TIMBER & TIMBER PRODUCTS	134	161.96	155.46	43.3
OTHER EXPORTS	2299.65	2696.11	2984.95	1010.48
TOTAL	**14471.53**	**14727.52**	**17406.8**	**5648.91**

Source: GHEITI construct from export data published by Bank of Ghana (2020 – 2023)

Table 6.5: Percentage Contribution of Crude Oil to Merchandise Export

PERCENTAGE CONTRIBUTION (%)	2020	2021	2022	2023
GOLD	46.98252	34.5147	37.96459	38.4653
COCOA	16.08793	19.27385	12.80735	22.15666
CRUDE OIL	20.11273	26.80512	31.18678	20.72347
TIMBER & TIMBER PRODUCTS	0.925956	1.09971	0.893099	0.76652
OTHER EXPORTS	15.89086	18.30661	17.14818	17.88805
TOTAL	**100**	**100**	**100**	**100**

Source: GHEITI construct from export data published by Bank of Ghana (2020 – 2023)

6.3.4 Energy Transition

As indicated in the 2002 GHEITI report, Ghana set up a multi-agency Energy Transition Committee in December 2021 which undertook nationwide consultations and developed an Energy Transition Framework which was launched in November 2022 at CO27 in Egypt. The Framework sets a 2070 target for decarbonizing the energy sector and reaching a net zero while ensuring socio economic development and efficient use of natural resources. The Framework is has been published by the Ministry of Energy and is available here. The framework is linked to various sector efforts and targets including the Ghana Integrated Power Sector Master Plan, Renewable Energy Master Plan, Gas Master Plan, Ghana's Updated Nationally Determined Contribution, Ghana Trade Policy, National Infrastructure Plan, Policy on Zero Gas Flaring, National LPG Promotion Policy, National Energy Policy, National Transport Policy, Energy Efficiency Regulations, and the Ghana Climate Change and Adaptation Plan among others. Government's targets for the transition that are critical to the petroleum sector include plans to accelerate upstream exploration, use of gas as a transition fuel and develop the Petroleum Hub which involves the building of three refineries and five petrochemical plants to maximize petroleum resources for domestic consumption.

6.4.5 Contribution to Employment

The upstream oil and gas sector plays a very important role in driving economic growth and creating employment opportunities. The sector's contribution to employment has been particularly significant, reflecting its dynamic nature and the continuous demand for skilled and unskilled labor. In 2022, the number of employees encompassing both expatriates and local workers in the sector saw a remarkable increase from 3,711 in 2021 to 5,132 in 2022 representing a 38 percent increase in employment. This surge underscores the sector's expanding activities and its crucial role in fostering economic stability. However, in 2023, the employment figures adjusted to 4,147 indicating a 19% decline in employment.

Table 6.6: Employment Contribution

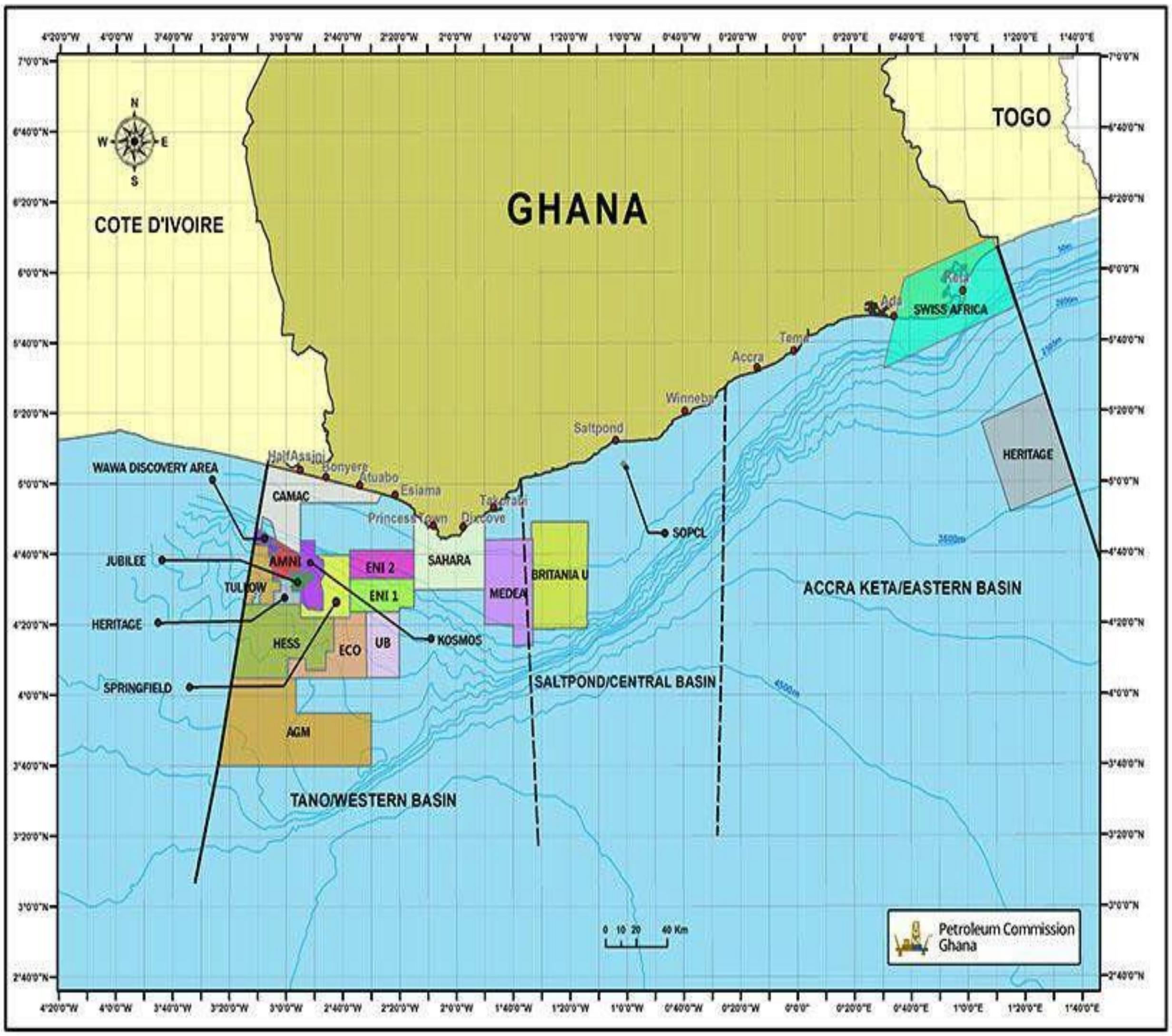
YEAR	EMPLOYMENT CATEGORY	LOCAL	EXPATRIATE	TOTAL
2023	MANAGEMENT	820	111	931
	CORE TECHNICAL	1418	231	1649
	OTHERS	1521	46	1567
	TOTAL	**3759**	**388**	**4147**
2022	MANAGEMENT	618	78	696
	CORE TECHNICAL	1,731	342	2073
	OTHERS	2,268	95	2363
	TOTAL	**4617**	**515**	**5132**
2021	MANAGEMENT	478	94	572
	CORE TECHNICAL	1,424	380	1804
	OTHERS	1,309	26	1335
	TOTAL	**3,211**	**500**	**3,711**

Source: Petroleum Commission

6.4.6 Key regions/areas where production is concentrated

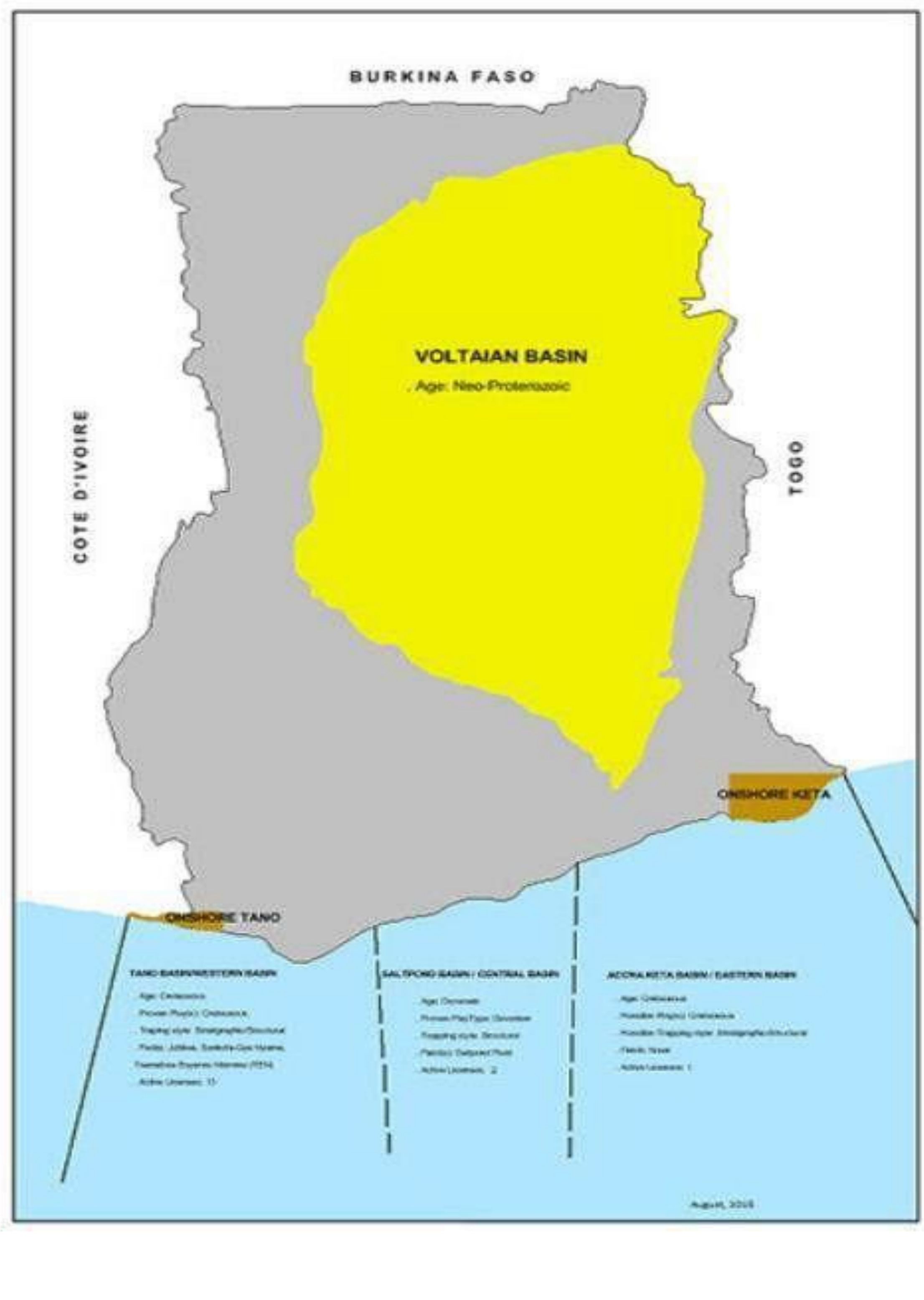
The current three producing fields are all situated offshore in the Tano Cape Three Points in the Western Region of Ghana. Figure 7 shows the three offshore Basins.

Figure 7: Activity Map of Ghana



Source: Petroleum Register, Petroleum Commission https://www.ghanapetroleumregister.com

Figure 8: Map of Ghana's sedimentary basins indicating inland Voltaian basins



6.4 Environmental Impact of Extractive Activities

6.4.1 General Environmental Assessment Process of The Environmental Protection Agency

The Environmental Protection Agency (EPA) was established by the Environmental Protection Agency Act, (Act 490) in 1994 as the lead public institution for environmental protection and management in Ghana.

There is currently a Bill which seeks to repeal EPA Act (Act 490). The object of the bill is to amend and consolidate the laws relating to environmental protection, establish the Environmental Protection Authority to regulate, protect and manage the environment; to provide for pesticide control and regulation; provide for the control, management and disposal of hazardous waste, electrical and electronic waste and also to provide for climate change matters. This bill when passed into law, will have impact on the extractive sector.

6.4.2 Legal and Legislative Provisions for Environment Assessment

Pursuant to Section 62 of Act 490, the Environmental Assessment Regulations, (L.I. 1652) was enacted in 1999 to provide the necessary specific and complete legal backing for the Environmental Assessment (EA) system/ procedure in Ghana. The Agency is further mandated under LI 1652 to ensure compliance with laid down EIA procedures in the planning and execution of developmental projects, including petroleum (oil and gas).

The First and Second Schedules of LI 1652 provide guidance on the appropriate level of environmental assessment that a proposed undertaking must adhere to, to form the basis for decision-making and permitting. Large-scale projects, with significant environmental impacts, are typically categorised as Second Schedule projects/ undertakings in the LI 1652 for which an Environmental Impact Statements (EIA) is a pre-requisite (mandatory) to permitting. Similarly, small-scale, and medium-scale impact projects fall under the First Schedule for which Preliminary Environmental Assessment (PEA) is required for permitting.

Thus, new companies or existing companies proposing new projects, including petroleum (oil and gas), are therefore expected to conduct a PEA (Regulation 9) or an EIA (Regulation 10) depending on the nature and scale of the project and presents their findings in reports known as Environmental Impact Statement (EIS) for large scale projects and Preliminary Environmental Reports (PERs) for the small and medium scale projects. Under the law, all EISs and PERs are required to be publicly available and accessible under the law. Hence EPA keeps copies of these reports in its office libraries scattered across the country. In addition, EPA sends copies of these reports to the Metropolitan, Municipal and District Assemblies (MMDAs) in which a particular project is taking place for public access.

There is currently a draft Environmental (Petroleum) Regulations which is specific to Oil and Gas activities which will address specific environmental issues in Oil and Gas operations when passed into law. It will also address some of the administrative charges imposed in the sector.

6.4.3 Fees and Charges

There are legal provisions for the payment of fees in respect of the grant of environmental permits or certificates for undertakings, including the extractive sector. These fees schedule also include administrative charges for non- compliance to the general provisions of the LI 1652 as well as the specific conditions outlined in project schedule to the environmental permit /certificate. The fees cover the entire lifecycle of projects (for extractives, covering exploration, development, exploitation/production and decommissioning) and the determination of which, are set out in a separate Fees and Charges Instrument which is periodically reviewed and approved by the Parliament of Ghana.

The current applicable fees are specified in the Environmental Assessment Fees and Charges Act, 2022 (Act 1080).

6.4.4 Public Participation

Public participation is thoroughly enshrined in the EA process/system of Ghana. The LI 1652 sets out guidelines for public consultations and engagements. This includes:

- Publication of notices for Scoping and EIS (Regulation15 and Regulation 16 respectively). In respect of Scoping, the form in the Third Schedule is to be used, as well as EIS (form in Fourth Schedule); making available copies of these reports at designated locations, as well as providing mediums for collating and incorporating concerns relating to these proposed undertakings.
- Public hearings (Regulation 17). The condition(s) that trigger the need for a Public Hearing in respect of a proposed undertaking are listed in Regulation 17 as:
  - great adverse public reaction to the commencement of a proposed undertaking upon a notice issued under Regulation 16 of LI 1652;
  - one causing the dislocation, relocation or resettlement of communities; or
  - one which the Agency considers could have extensive and far-reaching effect on the environment.

General and targeted consultations. Also required are several other general and targeted consultations with key stakeholders including communities within the project catchment areas prior to permitting and over the life of the project as outlined in the draft Public Participation Guidelines in Environmental Assessment. For Oil and Gas production, the targeted engagements include Regional House of Chiefs, Civil Society and Media, MMDAs and the general public.

6.4.5 Environmental Management Plan (EMP)

After a company is permitted for executing its initial proposed project, it is required to prepare an Environmental Management Plan (EMP) leading to the issuance of an environmental certificate in respect of any undertaking for which a Preliminary Environmental Report (PER) or Environmental Impact Statement (EIS) was approved, within eighteen (18) months of commencement of operations and thereafter to be updated every three (3) years.

LI 1652 also has a provision for any undertaking which was in operation prior to the coming into force of the legislation to submit an EMP to the EPA to enable the Agency permits its activities. This provision is really a transitional regulation but is still used by the Agency if a company is found to have started its operations without any permit from the Agency.

The Environmental Management Plan sets out steps that are intended to be taken to manage any significant environmental impact(s) that may result from the operation of the undertaking within the three (3) year certification period and contains an Environmental Action Plan (EAP), which indicates the particular actions, timelines, budgetary allocations, among others necessary for mitigating identified impacts against which routine monitoring is undertaken to ensure compliance.

6.4.6 Environmental Permit/Certificate

An environmental permit or certificate issued to a company includes a schedule of conditions, which serves as the control measures for the environmental laws of the country. The schedule of conditions is attached to the permit or certificate and outlines the various actions necessary to ensure the validity of same in the specified or indicated period. These conditions are project and sector specific, but a couple are statutory, such as submission of:

- periodic (monthly, quarterly, semi-annually, and annually) environmental quality (air, water, effluent, noise) monitoring reports;
- Annual Environmental Reports; and
- Environmental Management Plan.

6.4.7 Environmental Monitoring

The LI 1652 also sets out modalities not only for compliance monitoring in respect of proposed undertakings but also for permitted projects. As such, companies are required to do environmental baseline surveys before commencement of activities of the project. This is to enable them measure changes that are taking place in the environment because of their operations. The Agency also undertakes routine announced and unannounced monitoring visits to ensure general compliance with the LI 1652 and the permit conditions. The monitoring activities are intended to ensure that the conditions of the permit or certificate as well as specific actions contained in the project approved environmental assessment reports are complied with.

Non-compliance with permit conditions constitutes an offence and various sanctions can be applied as per Act 490 and LI 1652, such as the issuance of enforcement notices, imposition of administrative charges, fines/penalties and suspension, revocation or cancellation of environmental permits/ certificates.

Hence as an example, oil and gas companies in compliance with the requirements do baseline environmental survey of the offshore environment before field development and thereafter a three (3)-yearly marine benthic and water column monitoring survey to check for changes.

The Agency has developed draft guidelines titled "Offshore Marine Environmental Monitoring Guidelines" to guide the conduct of all marine environmental monitoring in offshore Oil and Gas operations.

6.4.8 Environmental Audit

Act 490 under Section 2 also mandate the Agency to ensure compliance with the laid down EA procedures in the planning of development projects, including compliance in respect of existing projects. The Agency as such conduct inspections, investigations and audits into environmental issues concerning companies that it has permitted. To formalise, provide guidance to its officers and have a uniform process of inspections and audits, the Agency published an Inspection and Audit Manual in 2021.

The list of oil and gas that has been audited by the Agency are published periodically on the oil and gas website of the Agency. The information can be found via the link58 .

Akoben Programme

In line with its core mandate, the Agency instituted the flagship Akoben Programme which is an Environmental Performance Rating and Public Disclosure System to ensure environmental sustainability. Akoben draws its roots from Ghana's tradition of Adinkra symbols and it stands for vigilance and alertness. The environmental performance of the extractive industry is assessed annually using a five-colour rating scheme ranging from excellent (gold) to poor (red).

The Akoben programme is not applicable to the oil/gas sector because of the following:

- Limited number of active producing fields;
- Although there are several companies, the three fields are being operated by two companies, Tullow and Eni, which deal directly with the Agency for permits to operate. The other companies that are involved in the fields do not deal with the Agency for permits.
- For the above reasons, applying the Akoben scoring and rankings to only two companies would be found by the Agency to be not very useful.

6.4.9 Grievance Redress Mechanism

In furtherance to its bid to promote transparency and accountability as well as increase stakeholder involvement in sound environmental management, the Agency has a Grievance Redress Mechanism (GRM) in place that assists its clients and the general public to resolve environmentally related complaints and grievances in a prompt, effective and efficient manner. The GRM document is available to the public at the Agency's website for download and can be accessed via this link. [59]

[58] www.epaoilandgas.org
[59] http://www.epa.gov.gh/epa/grievance-redress-mechanism.

6.4.10 Reclamation Bond and Decommissioning

Decommissioning of oil and gas facilities are provided in Sections 43 to 49 of the Petroleum (Exploration and Production) Act, 2016 Act 919. Section 45 specifically states: "A licencee or contractor shall establish a decommissioning fund as prescribed" and Section 48 (1) states, "A contractor or a licencee who is under an obligation to implement an approved decommissioning plan under section 44 is subject to strict liability towards the Republic for any loss or damage caused, in connection with the decommissioning of the facility or other implementation of the decommissioning plan."

EPA's oil and gas draft regulations, which is yet to be passed by Parliament also provides for decommissioning of petroleum facilities.

SECTION SEVEN: OUTCOMES AND IMPACT

This section covers the outcomes and impacts of EITI disclosures, including how the disclosures contribute to wider public debates on resource governance and revenue management, as well as lessons learnt, and actions on EITI recommendations. The EITI Requirements under this section are: (7.1) Public debate; (7.2) Data accessibility and open data; (7.3) Recommendations from EITI implementation; and (7.4) Review of the outcomes and impacts of EITI implementation.

7.1Public Debate

During the reporting period, the Ghana EITI undertook series of activities targeted at promoting public debate around the findings and recommendations of the Ghana EITI Report. The activities were done through engagements with diverse stakeholders, press releases, and other publications, among others.

The launch of the 2020 GHEITI Report by the EITI champion, then Hon. Minister of State for Finance in March 2023 to set the stage for the dissemination and awareness creation of the Report. Participants at the workshop took issue with what they described as unambitious timelines (2070) for Ghana's energy transition and urged the Ministry of Energy to revise the timelines in order to take advantage of existing investment opportunities for the country's energy transition.

Recognising that the bulky nature of the report poses some accessibility challenges, the MSG in 2023 published an abridged, infographic version. Additionally, highlights of the Report were published in local newspapers to ensure greater accessibility for stakeholders who may not have the time to peruse the full report. The abridged version can be accessed via the link[60]

Again, in further addressing the accessibility gap, the MSG engages in regional dissemination outreach events that target stakeholders at the regional and subnational levels, as well as host communities. These close engagements reveal some of the peculiar issues that prevail at the subnational level and are important for policy and reforms at the national level. This bottom-top approach has proven useful in addressing the needs of the indigenous people in the front-line oil and gas host communities who are directly impacted by the extractive activities.

During the reporting years, the MSG held district and regional dissemination workshops in the Western Region (Takoradi), Bono Region (Sunyani), Ashanti Region (Kumasi) and Eastern Region (New Abirem). At each of these events, the MSG afforded opportunities for community people to engage with the Report through in-person interactions and interactive radio discussions in local languages. In these discussions, the MSG facilitated the participation of marginalised groups, such as persons with disability, women and the youth.

[60]https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=501:2020-oil-and-gas-report-abridged-version&id=67:2020&Itemid=54

Particularly, the 2020 report was also reproduced in brailed versions to allow visually impaired persons to participate meaningfully in the discourse on extractives. Over 500 people directly participated in these stakeholder engagements and an estimated number of 22,000 indirectly via local radio discussions. Feedback received from stakeholders and communities is usually used to strengthen EITI implementation and feed into the workplan for the following year.

In February 2022 and November 2023, GHEITI in collaboration with Open Ownership, the International EITI Secretariat and the ORC held a capacity building workshop for institutions identified as competent authorities under the country's BO regime. These include National Security, National Investigation Bureau (NIB), Customs Division of Ghana Revenue Authority and Financial Intelligence Center (FIC), as well as the National Commission for Civic Education (NCCE), which is expected to sensitise the public on BO requirements. The focus of the workshop was to enable competent authorities better appreciate and use BO data in combating corruption in the extractive sector.

In the wake of the Energy Transition and ongoing conversations around ensuring a just transition, GHEITI came to the fore with the publication of its report on the Critical Minerals and Energy Transition. The report was launched in September 2022 by the EITI Champion and the then Deputy Minister responsible for Energy, Hon. Mohammed Amin Adam. This launch of the report added a new dimension to the conversations around the Energy Transition to include the often-neglected role of the critical minerals in the transition and their accompanying opportunities, risks and challenges.

In 2023, subnational platforms were created in Prestea Huni Valley, Obuasi and Ellembelle. The creation of these sub-national platforms was intended to deepen local communities' participation in dialogues on energy transition, monitor the use of mineral revenue that accrues to sub-national entities and serve as a feedback loop to the national MSG.

7.2 Data Accessibility and Open Data

The MSG is committed to the promotion of transparency in the extractive sector through an open and easy accessibility of data on the sector's activities. This commitment is expressed in the form of a policy statement accessible via the link[61]. Furthermore, the MSG has taken steps to ensure that data from its 2020 reports are published on its website in an open data format.

As indicated in the 2020 reports, contract documents published on the Petroleum Commission's website are in picture format and have not changed since it was brought to the attention of the Commission. This is because the original contracts were signed in hardcopy formats and digitalizing them has proven a challenge to the Commission.

The MSG can confirm that all summary data files for each fiscal year have been duly completed and disclosed in an open data format.

7.3 Implementation of EITI Recommendations

Following the publication of every report, GHEITI writes to all the stakeholder institutions that are affected by the findings of the published reports to officially notify them and encourage them to take steps to implement the recommendations. Six months after the official notification, all the affected stakeholder institutions are engaged in a technical session to discuss progress and challenges associated with the implementation of the recommendations.

Table 7.1 highlights some of the key findings and recommendations from the last report (2020), as well as the status of their implementation by the various affected institutions.

7.4 Review of the Outcomes and Impacts of EITI Implementation

Data relating to the extractive sector is disclosed systematically through the reports of Government entities and companies. As indicated in the previous year's report, GHEITI undertook a feasibility study to assess the capacity of existing systems to support routine disclosure of information as part of its mainstreaming efforts. The feasibility study can be accessed via the link[62].

EITI and its impact on policies and practices in the extractive sector

The establishment of a BO disclosure regime in Ghana has helped to improve Customer Due Diligence (CDD) in the award of licences and has reduced the incentive for corruption in the extractive industry. Today, at a click of a button, the actual Beneficial Owners of those who seek licences for exploratory activities and to provide support services can be determined.

GHEITI contributed to advocacy for the transfer of JOHL 7 percent shares in Jubilee and TEN which was domiciled in an offshore jurisdiction (Cayman Islands) to GNPC EXPLORCO

Through GHEITI's engagement with the Ministry of Energy, the time frame for the country's transition has been revised downwards from 2070 to 2060 within the framework of the investment plan. Furthermore, following promptings by GHEITI, the country's energy transition framework has been expanded to cover the minerals sector and focusing on how to leverage on the country's critical minerals to expedite the country's transition to green energy technologies.

GHEITI's advocacy contributed to the withdrawal of the Bank of Ghana from the Gold4Oil programme. The MSG continues to engage sector stakeholders to promote greater transparency and accountability in the Gold4Oil programme.

[62]https://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&id=15:implementation-reports&Itemid=54

How feedback from stakeholders beyond MSG have been considered in the review of the outcomes and impact of EITI implementation

Some of the ways in which feedback from stakeholders beyond MSG members have been considered in the review of the outcomes and impact of EITI implementations are:

- Sharing the Annual Progress Report with external stakeholders for their feedback on the work of GHEITI,
- GHEITI shares information at national and international conferences and receives feedback from the audience. For instance, GHEITI participated in the 2023 Ghana Mining and Energy Summit as a speaker and received critical feedback on its work,
- Engagement with media houses and receiving feedback from viewers and listeners of the various media outlets,
- Feedback from presentations made at public events and fora; and
- Feedback from publications based on GHEITI's data.
- Date of MSG approval of this submission: 28th June 2024
- Information on how the public can access GHEITI:

Table 7.1: Status of Implementation of GHEITI Recommendations on the Oil and Gas Sector 2020 Oil/Gas Report

SRN	FINDINGS	RECOMMENDATION	RESPONSIBLE AGENCY	IMPLEMENTATION STATUS
10	GNPC has engaged in several quasi-fiscal expenditures and transactions with other SOEs	GNPC should be reimbursed with all its QFEs advances as soon as possible. Where such reimbursements cannot happen in the short term, government should enter into repayment agreements to ensure that within a reasonable timeframe GNPC is able to access the money to ensure that it is able to use it for the purpose it was allocated in the first place.	Ministry of Energy Ministry of Finance	MoF claims it has paid the money in full In 2023 government adopted policy on QFEs.
		Government should cease forthwith, the practice of urging GNPC to engage in quasi fiscal spending any time it needs to meet a contingency.		

SRN	FINDINGS	RECOMMENDATION	RESPONSIBLE AGENCY	IMPLEMENTATION STATUS
2.	Four IOCs' did not submit templates for the 2016 GHEITI Report.	MSG should investigate why some oil companies are refusing to participate in the reconciliation process	MSG	For the first time in the history of EITI implementation in Ghana PetroSa submitted data for reconciliation. Vitol promised to submit data but failed.
3.	GNPC did not provide information on data licence fees during preliminary information gathering.	All government agencies are required to submit details of all receipts during the scoping phase of the assignment	MSG	GNPC has rectified the lapse in subsequent report
4.	GRA's Self- Assessment Policy does not require clear payment timelines by contractors hence causing undue delays in the payment of surface rentals.	GRA provides clear timelines for the payment of self-assessed surface rentals.	GRA	Surface rental payments have been addressed through the amendment of the regulation (L.I. 2381, regulation 5) to provide for specific timelines for the payment of surface rentals
5.	As at the end of 2016 10 companies were in default of surface rental payments amounting to GHS181, 152,708	GRA pursues these defaulters for settlement	GRA	There has been marked improvements in payments after the settlement of the territorial disputes.
6	Under the Earmarked Funds, Capping and Realignment Act, 2017 (Act 947), should there be any realignment of funds by the Minister under the Act, the budget statement would stipulate weightings under the realignment However, there was no provision for GIIF in 2018 but such weightings were absent in the 2018 and 2019 budget statements.	Future shortfalls should be explained thoroughly for the benefit of the entire public and for transparency's sake	MoF	Weightings exist but currently are not disclosed in the budget statement. GHEITI to follow up with the MoF on disclosures of weightings in subsequent budget statement

SRN	FINDINGS	RECOMMENDATION	RESPONSIBLE AGENCY	IMPLEMENTATI ON STATUS
7	GNPC has been capped at 25percent of its approved allocation (up to 55% of CAPI) which further reduces its allocations to meet operational expenditure. This has the potential to deny the NOC of the available resources to finance critical exploration activities. This has the effect of undermining the ability of the corporation to wean itself from allocation of petroleum revenue by 2026.	It is recommended that this issue is critically investigated.	MoF GNPC	The Ministry of Finance insists they have stopped capping GNPC.
8	There is lack of clarity on the relationship between GNPC and GNGC. Currently, GNPC claims responsibility for GNGC as a subsidiary and indicates this on its website. However, GNGC does not recognize GNPC as a parent company on its website. Secondly, GNPC's financial statements do not reflect debts owed by GNGC	The Minister for Energy is entreated to address this issue for the benefit of transparency and good corporate governance	GNPC GNGC MoF	GNGC has been made an independent National Gas Aggregator by a Cabinet decision but Ghana Gas is yet to assume that role.
9	On 15th December 2018, GNPC indicated that it received a letter from the Ministry directing that the $50m loan to Ministry of Finance be expunged from its books, on the ground that per the Earmarked Funds Capping and Realignment Act, 2017 (Act 947), the Minister for Finance is empowered to cap all earmarked funds at twenty-five percent of tax revenues. This is viewed by some industry stakeholders as capricious on the part of MoF.	GNPC and MOF should resolve this impasse for purposes of transparency.	MoF GNPC	MoF considers repayment through capping arrangement