

The Ministry of Energy has inaugurated a committee to oversee the allocation of oil blocks to local and international companies through proper evaluation and negotiation. The committee is made up of 23 members, drawn from the Ministry of Energy, Ghana National Petroleum Corporation (GNPC), Environmental Protection Agency (EPA), Ghana Revenue Authority (GRA), Ministry of Finance, Attorney-General's Department, Petroleum Commission and the Ghana Maritime Authority.

Known as the Licensing Bid Rounds and Negotiation (LBRN) Committee, it will have three sub-committee and will be chaired by the Chief Director of the Ministry of Energy, Mr. Lawrence Apaalse, with the Director of Upstream Petroleum, Mr. George Okley, as the vice chairman.

Speaking after the members of the committee had sworn the oath of office and secrecy, the Minister of Energy, Mr. Boakye Agyarko, said the setting up of the committee was in line with preparation for the allocation of more oil blocks in accordance with the Petroleum Exploration and Production Act (Act 919).

**Nine blocks**

The minister reiterated a statement he made during the 50th Offshore Technology Conference (OTC) in Houston, Texas, in the United States of America (USA), earlier this month that nine oil blocks had been mapped out in the Western Region for allocation to companies interested in oil exploration.

Out of the nine blocks, he said six would be allocated this year while the remaining three would form the basis for the second bidding round next year.

Giving further details Mr. Agyarko said three would be allocated through open competitive tender; two would be given through direct negotiations, while one would be reserved for the national oil company, Ghana National Petroleum Corporation (GNPC).

The GNPC is expected to explore its block in partnership with a chosen strategic partner with the view to developing its technical capacity and becoming an operator.

To increase the nation's number of blocks, Mr. Agyarko said work would continue to identify further prospects in the eastern, central and onshore Voltaian Basins.

He said this year's licensing round focus would be on the western Basin because of the existence of infrastructure, including two gas pipelines to the shore, three production facilities (FPSOs) with a fourth FPSO in the offing by 2021, that could facilitate the development of any discovery made in the area.

These assets will ensure a quick development of hydrocarbons, maximizing value and minimizing cost. The overall effect is increase revenue to the state and development benefits to the people, he said.

**Terms of reference**

Per the terms of reference of the committee, it is to prepare all the necessary documentation for a successful bid round, access and package all data on the acreages and set up an online data room where all the data could be accessed by prospective bidders.

It is also to run promotions and road shows in collaboration with the Petroleum Commission; invite bids from prospective applicants in line with the applicable regulations, evaluate qualified bids and select winners in line with transparent criteria. It will also negotiate with the winners and provide recommendations to the minister with regard to signing of petroleum agreements.

12.16px;">According to its timelines, the committee will have to complete all preparatory work by August and start invitation of prospective bidders between November and December 2018.</span></p> <p style="text-align: justify;"><span style="font-size: 12.16px;">It is expected that by the end of April 2019, oil blocks will be awarded to bidders. </span><span style="font-size: 12.16px;">The committee chairman, Mr. Apaalse, on behalf of the members, pledged their preparedness to ensure the prudent management of Ghana's oil resources. </span><span style="font-size: 12.16px;">To the members, he urged them to be professional in the execution of their duties while ensuring confidentiality.</span></p> <p style="text-align: justify;"><span style="font-size: 12.16px;"><em>Source: Emelia Ennin Abbey (Daily Graphic; Issue No. 20683)</em></span></p>