



PIAC



2024 SEMI-ANNUAL REPORT

ON THE MANAGEMENT AND USE OF PETROLEUM REVENUES



PIAC

SEMI-ANNUAL REPORT ON THE MANAGEMENT AND USE OF PETROLEUM REVENUES (JANUARY – JUNE 2024)

ABOUT THIS REPORT

The publication of the 2024 Semi-annual Report is in fulfilment of PIAC's obligation under the Petroleum Revenue Management Act, 2011 (Act 815), as amended by Act 893, to publish Semi-annual Reports.

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List of Abbreviations

ABFA	Annual Budget Funding Amount
AFC	African Finance Corporation
AFCEI	AFC Equity Investments (AFCEI)
AG	Associated Gas
ATEL	A. T. Expressway Limited
BBL	Barrel
BoG	Bank of Ghana
BOST	Bulk Oil Storage and Transportation Company Limited
BR	Benchmark Revenue
BTU	British Thermal Units
BRENT	Broom, Rannoch, Etive, Ness and Tarbert
CAPI	Carried and Participating Interest
CEDM	Compliance, Enforcement and Debt Management
CHPS	Community Health Planning and Services
CIT	Corporate Income Tax
CNG	Compressed Natural Gas
COLA	Crude Oil Lifting Agreement
COVID-19	Corona Virus Disease 2019
CPI	Consumer Price Index
CSO	Civil Society Organisation
CTP	Cape Three Points
CWM	Cash Waterfall Mechanism
DACF	District Assemblies Common Fund
DIDT	Discounted Industrial Development Tariff

DWCTP	Deepwater Cape Three Points
DWT	Deepwater Tano
DWT/CTP	Deepwater Tano Cape Three Points
E&P	Exploration and Production
EC	Energy Commission
ECG	Electricity Company of Ghana Limited
EIA	Energy Information Administration
EK	East Keta
ENI	Ente Nazionale Idrocarburi (Ghana E&P Limited)
EPA	Environmental Protection Agency
EPC	Engineering, Procurement and Construction
FID	Final Investment Decision
FOREX	Foreign Exchange
FPSO	Floating Production Storage and Offloading Unit
FY	Full Year
GDP	Gross Domestic Product
GHF	Ghana Heritage Fund
GIIF	Ghana Infrastructure Investment Fund
GNGLC	Ghana National Gas Limited Company
GNPC	Ghana National Petroleum Corporation
GNPCF	Ghana National Petroleum Corporation Foundation
GoG	Government of Ghana
GOIL	Ghana Oil Company Limited
GPF	Ghana Petroleum Funds
GPWF	Ghana Petroleum Wealth Fund
GRA	Ghana Revenue Authority
GSF	Ghana Stabilisation Fund
H1	First Half-year

HFO	Heavy Fuel Oil
ICT	Information and Communications Technology
IFEJ	Institute of Financial and Economic Journalists
IGF	Internally Generated Funds
IMR	Inspections, Maintenance and Repairs
IOC	International Oil Company
JOHL	Jubilee Oil Holdings Limited
JSE	Jubilee South-East
JV	Joint Venture
JVC	Joint Venture Company
LCC	Local Content Committee
LI	Legislative Instrument
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
LPGC	Low-Pressure Gas Compressor
MF	Multi-functional
MMBtu	Million British Thermal Units
MMDA	Metropolitan, Municipal and District Assemblies
MMSCF	Million Standard Cubic Feet
MoEn	Ministry of Energy
MoF	Ministry of Finance
MoFA	Ministry of Food and Agriculture
MOMR	Monthly Oil Market Report
MRO	Maintenance, Repair and Overhaul
MT	Metric Tonne
NAG	Non-Associated Gas
NCCE	National Commission for Civic Education
NDPC	National Development Planning Commission

NGCH	Natural Gas Clearinghouse
NOC	National Oil Company
OCTP	Offshore Cape Three Points
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
ORC	Office of the Registrar of Companies
ORF	Onshore Receiving Facility
OSWT	Offshore South-West Tano
PA	Petroleum Agreement
PC	Petroleum Commission
PC-PEG	Post-COVID-19 Programme for Economic Growth
PHF	Petroleum Holding Fund
PIAC	Public Interest and Accountability Committee
PNDCL	Provisional National Defense Council Law
PoD	Plan of Development
PPI	Producer Price Index
PRMA	Petroleum Revenue Management Act
PURC	Public Utilities Regulatory Commission
SDWT	South Deepwater Tano
SGN	Sankofa Gye-Nyame
SOE	State-Owned Enterprise
SOPCL	Saltpond Offshore Producing Company Limited
SSA	Sub-Saharan Africa
STEO	Short-Term Energy Outlook
TEN	Tweneboa-Enyenra-Ntomme
TGL	Tullow Ghana Limited
TOR	Tema Oil Refinery
UNCITRAL	United Nations Commission on International Trade Law

UNOPS	United Nations Office for Project Services
VGf	Viability Gap Fund
VRA	Volta River Authority
WACOG	Weighted Average Cost of Gas
WAPCO	West African Gas Pipeline Company Limited
WCTP	West Cape Three Points
WEO	World Economic Outlook
WI	Water Injection
WTI	West Texas Intermediate

Foreword

Every year since 2011, the Public Interest and Accountability Committee (PIAC) publishes two reports on the management and use of petroleum revenues in Ghana as required by the Petroleum Revenue Management Act (PRMA), 2011 (Act 815) as amended.

The Committee's mandate to publish a semi-annual and an annual report every year emanates from its objects provided in section 52 of Act 815 to:

- (a) monitor and evaluate compliance with the Act by the government and other relevant institutions in the management and use of the petroleum revenues and investments as provided in the Act;
- (b) provide space and platform for the public to debate whether spending prospects and management and use of revenues conform to development priorities as provided under section 21(3) of the Act; and
- (c) provide independent assessments on the management and use of petroleum revenues to Parliament and the Executive in the oversight and performance of related functions respectively.

The Semi-Annual and Annual Reports of the Public Interest and Accountability Committee (PIAC) serve not only to fulfill statutory requirements but have also become a vital source of information for various stakeholders, including citizens, civil society organizations, and academics. These reports provide comprehensive insights and analyses of upstream petroleum production and its revenue in Ghana, as well as details on how these revenues are managed and utilized.

Interest in the PIAC reports has grown as revenues from the upstream petroleum sector have become a significant source of funding for various government programmes and projects since the onset of commercial production in 2010. The PIAC reports have contributed to more informed and objective discussions regarding this critical aspect of national life, particularly concerning the principles of transparency and accountability outlined in the Act.

The 2024 Semi-Annual Report is a product of the analysis of data received from key state institutions like the Ministry of Finance (MoF), Bank of Ghana (BoG), Petroleum Commission (PC), Ghana National Petroleum Corporation (GNPC), as well as International Oil Companies (IOCs) like Tullow, Kosmos and ENI.

The findings and recommendations in this report aim to influence policy development and advocate for the responsible management of petroleum revenues in Ghana. The Committee extends its gratitude to all the reporting institutions which provided data for the preparation of the Report. It envisages that this Report will serve as a very useful guide to help harness the full potential of our petroleum resources and to better manage the country's petroleum revenues for equitable benefit for citizens.

PIAC invites you to visit its website www.piacghana.org to access the report and delve deeper into the insights shared in the Report. We also welcome your feedback to the Committee via; secretariat@piacghana.org, +233 (0) 302 547 765, 0554416544 (WhatsApp), or any of our social media handles.

Emerita Professor Elizabeth Ardayfio-Schandorf

PIAC Chair

Executive Summary

The 2024 PIAC Semi-annual Report reconciles and analyses information as well as data from key stakeholder institutions. The data relates to the exploitation of hydrocarbon resources and associated revenues and expenditures as mandated by the PRMA. The Report also includes inputs from relevant stakeholder institutions.

DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

Observations

1. PIAC observes that no Petroleum Agreement was signed during the period under review, as has been the case since 2018.
2. PIAC notes that in comparison to H1 2023, less drilling operations on the Jubilee field were carried out during the period under review.
3. PIAC finds the outcome of the arbitration on the unitisation of the Afina and Sankofa Fields to be a concern to the development of Ghana's upstream petroleum industry.

PETROLEUM PRODUCTION AND SALES

Finding

1. Crude oil production for the first half of 2024 increased by 10.7 percent as compared to a decline of 13.2 percent in the previous period, primarily due to the coming on stream of the Jubilee South East (JSE) Project.

Observation

1. GNPC Explorco recorded one lifting of 951,903 barrels of crude oil from the Jubilee field valued at US\$74,916,669.91. However, this amount has not yet been realised as at the end of the reporting period.

REVENUE COLLECTION AND MANAGEMENT

Finding

1. The total petroleum receipts for the period increased by 55.6 percent from US\$540,456,124.27 in H1 2023 to US\$840,765,265.80 in H1 2024 mainly due to increased production for the period.

Observation

1. Total surface rental arrears remain high at US\$1,212,335.53 excluding that of the terminated PAs.

Recommendation

- The Committee reiterates that the Ghana Revenue Authority (GRA) should take immediate steps to recover the Surface Rentals outstanding and also ensure that Surface Rentals assessed be paid into the PHF not later than 28th February of each year, as provided in Regulation 5(1) (b) of L.I. 2381.

DISTRIBUTION AND UTILISATION OF THE ABFA**Observation**

1. An amount of US\$48,000,000 (GH¢622,872,600) was disbursed to the GIIF SPV Equity Viability Gap Fund for the Tema Motorway Extension Project for H1 2024.

Finding

1. There was neither allocation nor disbursement to the Industrialisation Priority Area during the period under review.

Recommendation

- The Committee urges the Ministry of Finance to demonstrate the essence of prioritisation of the Industrialisation Priority Area by consistently committing disbursement of the ABFA to the Priority Area.

MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS**Findings**

1. The retention of the current cap of US\$100 million on the Ghana Stabilisation Fund (GSF) for the year 2024 is not in accordance with the formula stipulated in Petroleum Revenue Management Regulations, 2019 (L.I. 2381) and does not help build the Fund to serve its purpose. A proper application of the capping formula under L.I. 2381 would have returned an amount of US\$530.10 million in the reporting period.

Recommendation

- PIAC recommends that Parliament should decline/or review any cap on the GSF that deviates from the statutory provision and direct the Minister of Finance to comply with Regulation 8 of L.I. 2381.
- The GHF reserves increased by 14.52 percent. The reserves of the GSF at the end of June 2024 increased by 45.05 percent despite withdrawals from the Fund. The combined effect on the GPFs was a reserve increase of 18.26 percent from US\$1,096.92 million in H1 2023 to US\$1,297.24 million in H1 2024.

GNPC ALLOCATION AND UTILISATION**Finding**

1. The rising expenditure trend in the TEN Field raises concerns about the viability of the field. With no lifting by the Ghana Group for H1 2024, the Field recorded 60 percent of the State's share of total development and production cost on all three producing fields.

Recommendation

- PIAC recommends the conduct of cost and technical audits on the TEN Field to establish the basis for cost escalation and technical challenges on the field in recent years.

Observation

1. PIAC observes that GNPC has not established the reserve fund, as required by Section 18 of PNDCL 64, to provide for expenditures which may reasonably be anticipated in the carrying out of the Corporation's long-term plan, having regard to the provisions of the PRMA that, allocation of petroleum revenues for GNPC's level B expenditures may be discontinued in 2026.

Recommendation

- Given the upcoming expiration of the 15-year timeline in 2026 for disbursement of Level B expenditure and the possible review of GNPC financing arrangements, PIAC is of the view that establishment of the reserve fund would provide the needed buffer to support the Corporation's activities if funding from the Petroleum Holding Fund (PHF) ceases. PIAC strongly encourages GNPC to activate this provision in PNDCL 64.

OPERATIONS OF THE GNGLC

Observation

1. PIAC noted that although the Discounted Industrial Development Tariff (DIDT) was suspended by the Ministry of Energy in January 2023, the GNGLC continued to invoice lean gas volumes at discounted tariffs.

Recommendation

- The Committee recommends that GNGLC complies with the directive of the Ministry of Energy to suspend the implementation of the DIDT.

CHAPTER 1

INTRODUCTION

1.0 Background

Crude oil production in Ghana dates as far back as 1978 when it started on the Saltpond Oilfield. Subsequently, commercial production began in 2010 on the Jubilee Field. In 2016, the Tweneboa, Enyenra and Ntomme (TEN) Fields came on stream, and in 2017, production also began on the Sankofa Gye Nyame (SGN) Fields.

Combined production efforts from these respective Fields lead to increased revenue accruing to the State, through its share of participation. As at the first half of 2024 (H1 2024), processes to decommission the Saltpond Field were temporarily suspended, while production is currently ongoing in the Jubilee, TEN and SGN Fields.

The management of revenue generated from these producing Fields remains critical to ensure that it aligned with provisions in the Petroleum Revenue Management Act (PRMA), 2011, Act 815 (as amended).

Since 2011, the utilisation of petroleum revenues has been regulated by provisions in the PRMA in a bid to address infrastructure deficits, enhance social services, and promote sustainable economic growth.

The Public Interest and Accountability Committee (PIAC), situated within the accountability framework of petroleum revenue management in Ghana and with oversight responsibility of the management and use of Ghana's petroleum revenues, is established under Section 51 of the PRMA. Section 56 of the PRMA also mandates it to publish two (2) reports each year - a semi-annual and annual - on the management and use of petroleum revenues.

In line with this mandate, PIAC has published a total of 26 Reports, with the 2024 Semi-Annual Report being the 13th in the series of Semi-Annual publications.

This Report provides an in-depth analysis of the management and use of petroleum revenues in Ghana for the period January to June 2024. It also offers recommendations for enhancing transparency, accountability, and the effective use of petroleum revenues.

The analysis and recommendations are intended to serve as a resource for policymakers, industry stakeholders, Civil Society Organisations (CSOs), the media and the public. Over the years, PIAC's

yearly Statutory Reports have put the spotlight on the need to manage petroleum revenues in a way that promotes long-term economic and social development, and to help avoid the pitfalls experienced by other resource-rich nations.

By providing a thorough analysis of the current state of petroleum revenue management in Ghana, the Report aims to contribute to the ongoing dialogue on how to best utilise Ghana's oil wealth for the benefit of all its citizens.

1.1 Scope

The Report is structured into 12 chapters, each addressing an aspect of petroleum revenue management in Ghana.

This Report:

- Gives updates on developments in the upstream petroleum sector;
- Analyses oil and gas production and liftings;
- Verifies the accuracy of oil and gas revenues declared by state institutions;
- Confirms revenues allocated to the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA), and the Ghana Petroleum Funds (GPFs);
- Discusses how petroleum receipts have been allocated and utilised;
- Reviews the utilisation of revenues allocated to the Ghana National Petroleum Corporation (GNPC), and assesses the operations of the Ghana National Gas Limited Company (GNGLC);
- Analyses the performance of the Ghana Petroleum Funds;
- Provides information on PIAC's project inspections and other activities; and
- Gives recommendations on the management and utilisation of Ghana's petroleum revenues.

1.2 Methodology

The following methods were employed for this Report:

- Qualitative analysis: This involved the analysis and reconciliation of data received from PIAC's reporting institutions; and,
- Stakeholder engagements, interviews, and validation meetings.

The key stakeholder institutions are as follows:

- Ministry of Finance (MoF);
- Ministry of Energy (MoEn);
- Bank of Ghana (BoG);
- Petroleum Commission (PC);
- Ghana Revenue Authority (GRA);
- Ghana National Petroleum Corporation (GNPC);
- GNPC Foundation (GNPCF);
- Energy Commission (EC);
- Ghana National Gas Limited Company (GNGLC);
- Ghana Infrastructure Investment Fund (GIIF);
- District Assemblies Common Fund (DACF);
- Public Utilities Regulatory Commission (PURC); and,

- International Oil Companies (IOCs) – Tullow, Kosmos and ENI.

This Report uses various visual tools such as tables, charts and graphs to communicate the findings and outcomes of the data analysed.

CHAPTER 2

DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR

2.1 Introduction

Upstream petroleum activities, influenced by market dynamics, are essential for enhancing petroleum production and ultimately increasing petroleum revenue to national development.

This chapter reviews the developments in Ghana's upstream petroleum sector for half-year (H1) 2024. It examines the work obligations and operations of International Oil Companies (IOCs), operations of the National Oil Company (NOC) - the Ghana National Petroleum Corporation (GNPC), Exploratory Activities; Production, Liftings, Gas Utilisation, and Exports. It also covers developments in the Investment Climate; Local Content and Local Participation; as well as Policy, Legal and Regulatory Environment, Energy Transition Concerns; and Natural Gas Developments and Market Information.

2.2 Work Obligations and Operations of IOCs

Most IOCs continued their project planning, execution, risk management, associated preparatory activities and drilling campaigns, details of which are presented below.

2.2.1 Jubilee Field Operations (Drilling and Completion)

In comparison to H1 2023, less drilling operations on the Jubilee field were carried out during the period under review. Three (3) wells were drilled, and four (4) completed as shown in Table 1:

Table 1: Jubilee Field Well Operation

Well Name	Well Type	Activity	Rig	Hole Section	Start Date	End Date
J69-P	Oil Producer	Drilling	Noble Venturer	Lower Section	13/12/2023	04/01/2024
J68-P	Oil Producer	Completion	Noble Venturer	Full hole	04/01/2024	29/01/2024
J69-P	Oil Producer	Completion	Noble Venturer	Full Hole	29/01/2024	19/02/2024
J70-WI	Water Injector	Drilling	Noble Venturer	Top Hole	19/02/2024	26/02/2024
J71-P	Oil Producer	Drilling	Noble Venturer	Full hole	26/02/2024	24/03/2024
J71-P	Oil Producer	Completion	Noble Venturer	Full hole	24/03/2024	19/04/2024
J70-WI	Water Injector	Drilling	Noble Venturer	Lower Section	19/04/2024	14/05/2024
J70-WI	Water Injector	Completion	Noble Venturer	Full Hole	14/05/2024	10/06/2024

Source: PIAC's Construct based on PC Data, June 2024.

2.2.2 TEN Field Operations (Drilling and Completion)

There was no drilling and completion activity by the Operator, Tullow, for H1 2024.

2.2.3 Offshore Cape Three Point (OCTP) Block Operations (Drilling and Completion)

There were no drilling or completion operations on the OCTP Field in H1 2024.

2.2.4 Cape Three Point (CTP) Block 4 (Drilling and Completion)

There were no drilling and completion operations in CTP Block 4 in H1 2024. There are plans to drill the appraisal well before the end of the year.

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

The Plan of Development (PoD) by Pecan Energies was approved in June 2023, and the Contractor has commenced preparatory works for the start of development. However, as at the end of June 2024, the Contractor had not reached Final Investment Decision (FID) which is the next major hurdle before the actual commencement of field development.

2.2.6 Saltpond Field

All wells have been plugged and abandoned. Approximately 1,801 tonnes of scrap, out of the total estimated 5,000 tonnes, have been dismantled from the Mr. Louie Production Platform as at the end of June 2024. A change in scope in the dismantling of the Mr. Louie Production Platform has necessitated an extension. An audit is currently ongoing into the new scope.

2.2.7 Voltaian Basin Project

According to PC, Phase IV of GNPC's 2D seismic acquisition programme (infill campaign) commenced in March 2023 and ended in April 2024. It was also in two (2) sub-phases (Area A and Area B). The Phase IV acquisition increased the density of the current 2D seismic grid, reduced the data gaps, reduced geological risk and has improved the geological understanding of the basin. A total of 1,832 line kilometres (lkm) of 2D seismic data was acquired in the Phase IV) infill campaign. The seismic data was acquired by BGP-BAY Geophysical Services Limited and processed by the same company. Preliminary interpretation of the already acquired dataset has been integrated and has so far identified over 38 structural and stratigraphic leads.

2.3 Exploratory Activities

While exploratory activities continued on most of the petroleum blocks in H1 2024, some blocks have witnessed no activity at all. Detailed status updates of the various blocks are as follows:

1. **Deepwater Cape Three Points (GOIL Upstream):** Following the signing of Farm-In and Joint Operating Agreements on 6th December 2023 between GOIL Upstream and Planet One Oil and Gas Limited, Planet One has assumed the operatorship of the Deepwater Cape Three Points Block.
2. **Cape Three Points Block 4 (ENI):** Upon the successful drilling of the Akoma and Eban exploratory wells in 2019 and 2021 respectively, Eni submitted a joint appraisal program for the Akoma and Eban discoveries which was approved by the Petroleum Commission. Eni requested for an extension of the Eban-Akoma appraisal programme to complete works to support the use of jack up for the appraisal drilling. Eni was granted a six-month extension from May to November 2024 to drill Eban -2A.

Following the discovery of hydrocarbons in 2022, and the subsequent approval of the appraisal programme in respect of the Aprozuma-1X, Eni completed the appraisal programme in June 2024. Preparations are currently ongoing for the further development of the block.

3. **South Deepwater Tano (AGM Petroleum):** Following the relinquishment by AGM Petroleum Ghana Limited of the contract area under the SDWT PA in March 2023, it is unclear if the remaining contractor party, Quad Energy, intends to retain its interest in the SDWT Block. The parties to the SDWT Petroleum Agreement are yet to have an exit meeting with AGM Petroleum Ghana Limited and Quad Energy.
4. **Expanded Shallow Water Tano (Base Energy):** Base Energy and GNPC Explorco are currently planning towards the acquisition of new 3D seismic data over the Expanded Shallow Water Tano Block by Q4 2024. Following the extension of the Initial Exploration Period and the requirement to produce a signed 3D Seismic Acquisition Contract by September 30, 2024, the Contractor

Parties have been promoting the Expanded Shallow Water Tano contract area for investment and the development of existing discoveries in the block.

5. **Central Tano Block (Amni International Petroleum Development):** The Minister for Energy granted Amni an extension to their Initial Exploration Period to 30th September, 2024, with the requirement that Amni provides evidence of a signed rig contract before the expiry of the extension period. Amni plans to drill its obligatory exploration well, Kusia-1X, in Q4 2024. Well planning and drilling related procurement of goods and services are ongoing.
6. **Offshore South-West Tano (OSWT) & East Keta (EK) Operating Company Ghana Limited (OPCO):** The Minister for Energy granted OPCO an extension to their Initial Exploration Period to 30th September, 2024, with the requirement that OPCO provides evidence of a signed rig contract before the expiry of the extension period. OPCO is preparing towards the drilling of its obligatory exploration well, for Q4 2024. The Partnership is currently engaging with Tullow for a possible rig share opportunity.
7. **Deepwater Cape Three Points West (Eco Atlantic Oil and Gas):** Having procured the necessary drilling related goods and services, Eco Atlantic plans to drill its obligatory exploration well, Dawadawa-1X, in Q4 2024. The Minister for Energy has however granted Eco Atlantic an extension of the Initial Exploration Period to produce a signed rig contract by 30th September, 2024.
8. **East Cape Three Points (Medea Development):** Subsequent to the procurement of well planning and drilling related goods and services, Medea is planning to drill its obligatory exploration well in Q4 2024.

2.4 Petroleum Production, Liftings, Gas Utilisation and Exports

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

2.4.1 Jubilee Field Production and Operations

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

2.4.1.1 Crude Oil and Gas Production, Utilisation and Export Profile

The total reconciled oil and associated gas produced for H1 2024 were 16,405,020.00 bbl (see Table 2) and 42,581.32 MMSCF at average rates of 90,137.47 bbl/d and 233.96 MMSCF/d, respectively.

The highest cumulative monthly oil produced within the reporting period was recorded in March 2024, as a result of the ramping up of J03-P and J69-P (post-commissioning of J69-P in late February). A total volume of 3,056,353.00 bbls was produced at an average of 98,592.03 bbl/d. June recorded the least cumulative oil production, producing a total volume of 2,570,305.00 bbl at an average rate of 85,676.83 bbl/d (see Figure 1). The low production obtained in June 2024 was mainly attributed to facility upsets. Production was slightly cut back to manage high flaring as a result of the low-pressure gas compressor (LPGC-A) trip and Ghana National Gas Limited Company (GNGLC) processing plant trip. The TEG contactor also tripped due to a faulty level transmitter. This then had a cascading

effect which tripped all the gas compression systems resulting in the choking down of some wells to minimise flaring rates.

The gas export profile followed a similar trend as oil production, but significant decrease in gas export from April 2024, which recorded the lowest export rate, was mainly due to process upsets at the Ghana National Gas Limited Company (GNGLC) plant.

Figure 1 and Table 2 show the graphical representation of the Jubilee field’s average monthly production and export profile each month and the cumulative monthly production volumes respectively.

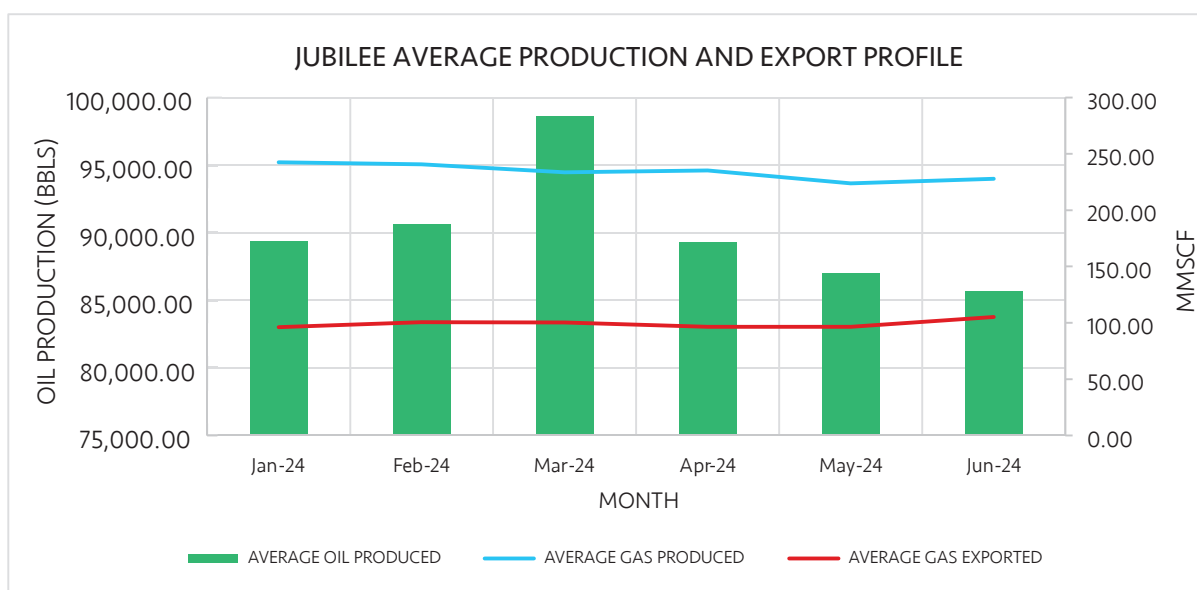


Figure 1: Jubilee Field Average Production and Export Profile for January to June 2024.

Source: PC Data, June 2024.

Table 2: Breakdown of Jubilee Total Crude Production

DESCRIPTION	MONTH	OIL PRODUCED
TOTAL CRUDE PRODUCTION (BBL)	January	2,771,107.00
	February	2,629,031.00
	March	3,056,353.00
	April	2,679,895.00
	May	2,698,329.00
	June	2,570,305.00
TOTAL		16,405,020.00

Source: PC Data, June 2024.

2.4.1.2 Crude Oil Liftings (Off-take Operations)

Seventeen (17) crude off-take operations were carried out from the Jubilee field. A total volume of 16,183,076.00 net¹ bbls of oil was lifted by the Jubilee partners in H1 2024 as shown in Table 3.

Table 3: Jubilee Field Summary of Liftings for January to June 2024

COMPANY	VOLUME LIFTED (BBL)	NO OF LIFTINGS	PERCENTAGE OF LIFTING VOLUMES (%)
KOSMOS ENERGY GHANA HC	3,822,657.00	4	23.62
GHANA GROUP	2,861,942.00	3	17.68
TULLOW GHANA LIMITED & PETRO SA	6,640,375.00	7	41.03
GNPC EXPLORATION & PRODUCTION COMPANY LTD.	951,903.00	1	5.88
KOSMOS ENERGY GHANA INVESTMENTS	1,906,199.00	2	11.78
TOTAL	16,183,076.00	17	100.00

Source: PIAC's Construct based on PC Data, June 2024.

- Together with Petro SA Ghana Limited, Tullow Ghana Limited (TGL) made seven (7) liftings (6,640,375.00 bbls), representing 41.03 percent of the total volume of Jubilee liftings;
- Kosmos Energy made six (6) liftings (5,728,856.00 bbls) representing 35.40 percent;
- GNPC Exploration & Production Company Ltd. made one (1) lifting (951,903.00) representing 5.88 percent.
- The Ghana Group made three (3) liftings (2,861,942.00 bbls) representing 17.68 percent.

2.4.2 TEN Field Production and Operations

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

2.4.2.1 Crude Oil and Gas production, Utilisation and Export Profile

The total reconciled oil and associated gas produced H1 2024 were 3,450,445.00 bbls (see Table 4) and 28,701.05 MMSCF at average rates of 18,958.49 bbls/d and 157.70 MMSCF/d respectively. The highest cumulative monthly oil produced within the reporting period was recorded in March 2024. A total volume of 600,859.00 bbls was produced at an average rate of 19,382.55 bbls/d. February recorded the least cumulative oil production, producing a total volume of 530,542.00 bbls at an average rate of 18,294.55 bbls/d (see Figure 2). The low production in February was largely attributed to flow assurance issues, and non-performance of oil-producing wells: En08-P and En10-P.

¹ The net volumes are the reconciled volumes used for accounting purposes. It represents the actual volumes offloaded and certified in the Bill of Laden. According to the Petroleum Commission, the gross volume of oil lifted by the Jubilee partners in H1 2024 was 16,187,455.00 bbls.

In the reporting period, approximately 85.78 percent (24,618.66 MMSCF) of the cumulative produced gas of 28.70 bcf from the TEN field was reinjected into the Ntomme field for pressure support while 2.78 bcf representing 7.58 (2,176.76 MMSCF) percent of the total gas was flared. Out of the remaining total gas produced, about 104.43 MMSCF, representing 0.36 percent of the produced gas was exported to GNLGC at an average rate of 0.57 MMSCF/d, while 1,801.22 MMSCF representing 6.28 percent of the produced gas was used as fuel. Typically, the TEN gas is exported to substitute for Jubilee gas due to technical constraints when Jubilee is unable to meet nomination by GNLGC.

Figure 2 shows the graphical representation of the production and export profile for the TEN field and Table 4 shows the breakdown of total crude oil production for the field. As expected of an associated gas field, the gas produced followed a similar trend to the oil produced.

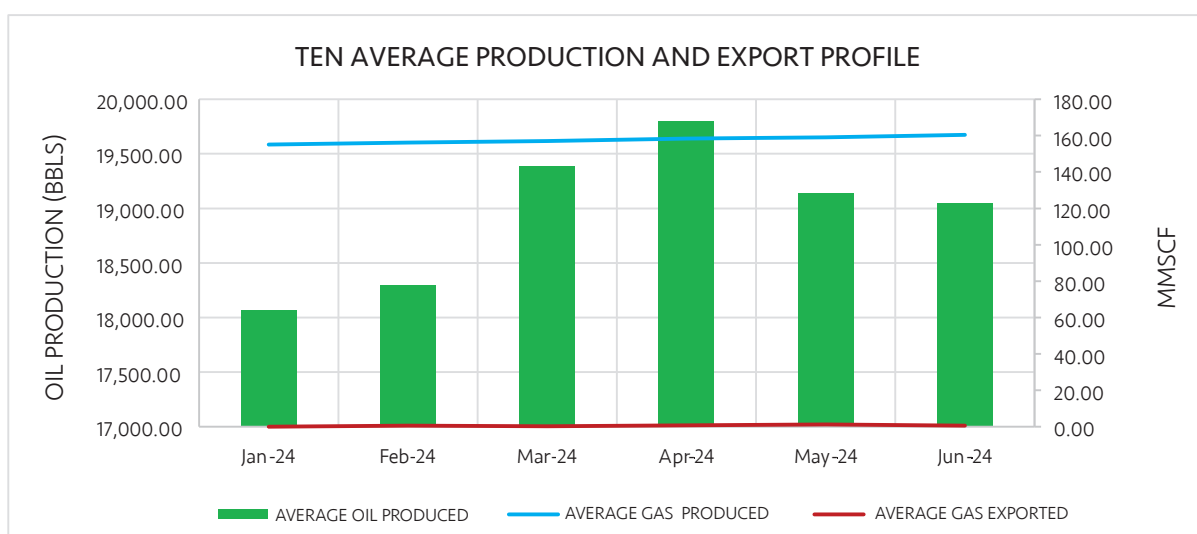


Figure 2: TEN Field Average Production and Export Profile for January to June 2024
 Source: PC Data, June 2024

Table 4: Breakdown of TEN total Crude Production

DESCRIPTION	MONTH	TEN
TOTAL CRUDE PRODUCTION (BBL)	January 2024	560,152.00
	February 2024	530,542.00
	March 2024	600,859.00
	April 2024	594,128.00
	May 2024	593,453.00
	June 2024	571,311.00
TOTAL		3,450,445.00

Source: PC Data, June 2024.

2.4.2.2 Crude Oil Liftings (Off-take Operations)

COMPANY	VOLUME (BBL)	REVENUE GENERATED (US\$)	NUMBER OF LIFTINGS	PERCENTAGE OF LIFTING VOLUMES (%)
KOSMOS ENERGY GHANA HC	994,573.00	-	1.00	33.35
TULLOW OIL GHANA & PETROSA GHANA	1,987,699.00	-	2.00	66.65
TOTAL	2,982,272.00	-	3.00	100.00

Source: PC Data, June 2024.

Three (3) crude off-take operations (liftings), amounting to 2,982,272.00 bbls, were made in the TEN Field in H1 2024 as follows:

- Together with Petro SA Ghana Limited, Tullow Ghana Limited (TGL) lifted twice (1,987,699.00 bbls) representing 66.65 percent of the total volume of TEN liftings; and,
- Kosmos Energy Ghana HC lifted once (994,573.00 bbls), representing 33.35 percent of the total volume of TEN liftings.
- Neither the Ghana Group nor GNPC Exploro² made a lifting in TEN in H1 2024.

2.4.3 Sankofa Gye Nyame (SGN) Field Operation and Production

A summary of the trend of production, utilisation, export and lifting profile for the field is presented below:

2.4.3.1 Crude Oil and Gas Production, Utilisation and Export Profile

For the first half of 2024, a total reconciled oil volume of 5,002,012.52 bbls was achieved at an average production rate of 27,483.59 bbls/d. On the other hand, the total associated and non-associated gas produced were 24,144.62 MMSCF and 44,439.93 MMSCF at an average rate of 132.66 MMSCF/d and 244.18 MMSCF/d respectively. The total gas flared for the period was 8,137.03 MMSCF. A total of 42,290.67 MMSCF of non-associated gas was exported at an average rate of 232.37 MMSCF/d. Figure 3 shows the OCTP associated gas utilisation.

The month of January recorded the highest cumulative monthly oil production, producing a total volume of 884,837.45 bbls at an average of 25,621.96 bbl/d. (see Table 5). On the contrary, the lowest cumulative oil produced was recorded in June producing a total volume of 794,280.91 bbls, at an average production rate of 25,756.86 bbls/d. Similarly, the produced gas and exported gas recorded low volumes - 3,844.82 MMSCF in June and 6,632.67 MMSCF in February, respectively. According to ENI, the low production obtained in February 2024 was mainly due to the shorter number of days in the month compared to other months of the year. The associated produced gas trend followed the oil production profile as expected. The non-associated gas (NAG) production and gas export

2 The Jubilee Oil Holding Limited (JOHL)'s interests in the DWT and WCTP blocks have been transferred to GNPC Explorco.

were unsteady in February and June 2024 due to the onshore receiving facility (ORF) experiencing a technical fault.

Figure 3 shows a graphical representation of production and export profile for the OCTP, whereas Table 5 shows the breakdown of the total crude production.

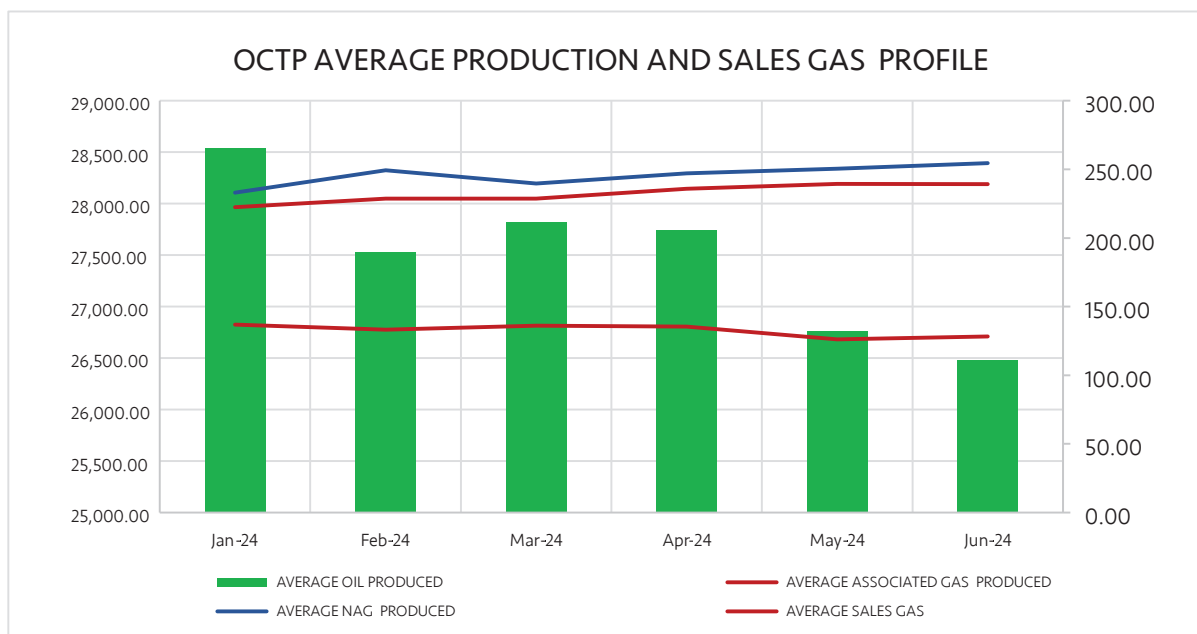


Figure 3: SGN Average Production and Sales Gas Profile

Source: PC Data, June 2024.

Table 5: Breakdown of Total Crude Production for OCTP Field Oil Production

DESCRIPTION	MONTH	OIL PRODUCTION
TOTAL CRUDE PRODUCTION (BBL)	January, 2024	884,837.45
	February, 2024	798,462.56
	March, 2024	862,499.29
	April, 2024	832,217.96
	May, 2024	829,714.35
	June, 2024	794,280.91
TOTAL		5,002,012.52

Source: PC Data, June 2024.

2.4.3.2 Crude Oil Liftings (Off-take Operations)

Table 6 shows the lifting volumes, number of liftings and revenue generated for the OCTP field.

Table 6: Gross Revenue Generated from OCTP liftings

COMPANY	VOLUME (BBL)	REVENUE GENERATED (US\$)	NUMBER OF LIFTINGS	PERCENTAGE OF LIFTING VOLUMES (%)
GNPC	905,434.00	-	1.00	19.42
ENI GHANA E&P LTD	1,855,004.00	-	2.00	39.79
VITOL UPSTREAM	1,901,239.62	-	2.00	40.78
TOTAL	4,661,678.00	-	5.00	100.00

Source: PIAC's construct based on PC Data, June 2024.

2.4.3.3 Onshore Receiving Facility (ORF)

The ORF located at Sanzule in the Western Region of Ghana receives gas export from the OCTP field, for onward transport through the Ghana Gas pipelines for sale. The total gas sales from January to June 2024 were 42,290.67 MMSCF at an average of 232.37 MMSCF/d. A total of 551.97 MMSCF of gas was used as fuel. The total flash gas and gas vented were 1,434.81 MMSCF and 4.00 MMSCF, respectively. Figure 4 illustrates Gas utilisation at the ORF.

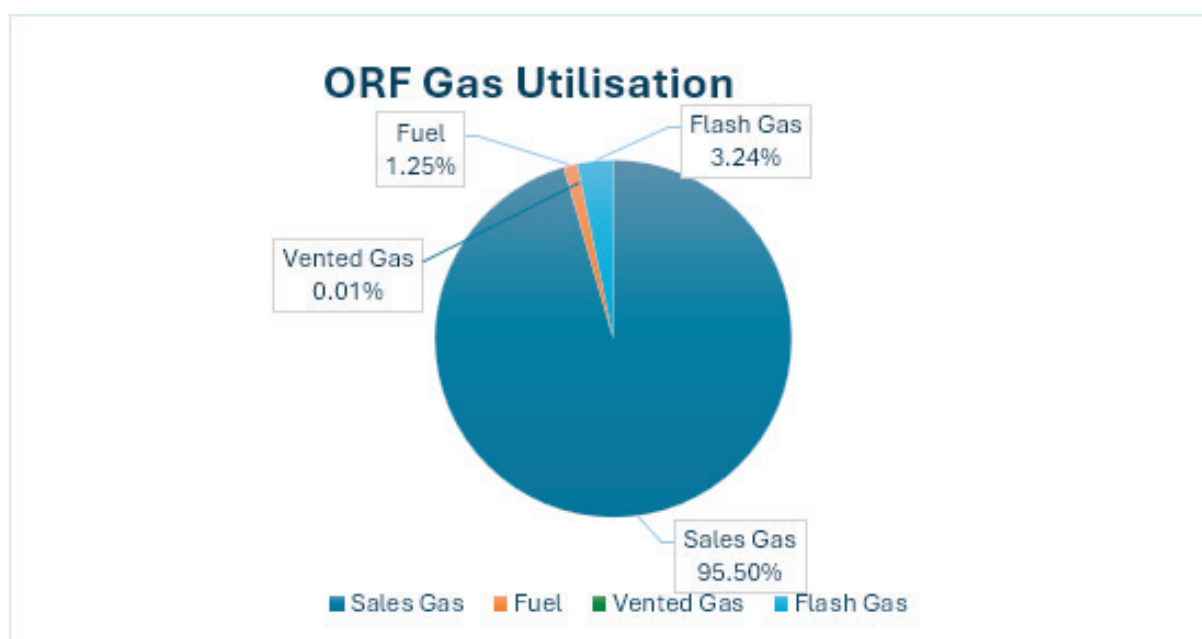


Figure 4: ORF Gas Utilisation for H1 2024

Source: PC Data, June 2024.

2.5 Developments in the Investment Climate

According to the Ministry of Energy, an Onshore Petroleum Exploration and Production policy has been developed for Ghana's upstream petroleum industry to address gaps in its existing legislation and accelerate investments in Ghana's onshore sedimentary basins. Based on the Policy, an exploration license agreement was signed in the first half of 2024, granting exploration rights to Menxons Limited over Block GH_TB_01 on the onshore portion of the Tano Sedimentary Basin.

With regards to the Voltaian Basin, the Ministry of Energy reports that three (3) applications of exploration rights from the following companies have been received and evaluated during the period:

1. GNPC Explorco – Block GH_VB_01;
2. Menxons Limited – Block GH_VB_02; and,
3. Bay Veritas Limited – Block GH_VB_03.

2.5.1 Update on GNPC Acquisitions in the DWT/CTP and SDWT Blocks operated by Aker Energy and AGM Petroleum Ghana

Acquisition of Participating Interest of DWT/CTP Contractor Parties

GNPC had intended to acquire a percentage of the participating interest of Aker Energy Ghana Limited (now Pecan Energies Ghana Limited) in the DWT/CTP Block. However, that transaction is no longer under consideration. The entire shares of Aker Energy AS, who was the beneficial owner of Pecan Energies Ghana Limited, has, as of April 2023, been sold to AFC Equity Investments (AFCEI) through a private arrangement. This implies that AFCEI is now the indirect holder of all the participating interests of Pecan Energies Ghana Limited in the DWT/CTP Block. Currently, AFCEI has not expressed any intention to offer for sale any of the stakes it has acquired in the DWT/CTP Block; and neither have the other contractor parties. There is therefore no stakes to be acquired by GNPC in the DWT/CTP Block.

Additional Participating Interest under Article 2.5 of the DWT/CTP PA

Subject to GNPC Board approval and in accordance with Article 2.5 of the DWT/CTP Petroleum Agreement, GNPC intended to exercise the option to acquire additional participating interest of up to three (3) percent in the petroleum operations in the Pecan Development and Production Area within 90 days from the date of commercial discovery (i. e. June 27, 2023).

GNPC has assessed economic/financial viability of acquiring the three (3) percent additional interest and has concluded that the results are favourable.

It is GNPC's proposal that based on Articles 2.8 and 10.1(e) of the DWT/CTP Petroleum Agreement, the DWT/CTP Contractors should advance funding for GNPC's proportionate share of costs attributable to the three (3) percent additional interest. GNPC will subsequently reimburse the DWT/CTP Contractor with interest at the specified rate (as defined under Article 1.58 of the DWT/CTP Petroleum Agreement as amended), from the commencement of production from GNPC's crude entitlements after the recovery of production costs. Discussions are ongoing between GNPC and the Contractor Parties (Pecan Energies, Lukoil and Fueltrade) to finalise and close the pre-finance loan agreement.

As at the end of June 2024, the Corporation states that acquisition has not been concluded.

2.5.2 Unitisation of the Afina and Sankofa Fields

In the matter of an arbitration under the 1976 Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) between Eni Ghana Exploration and Production Limited and Vitol Upstream Ghana Limited versus The Republic of Ghana and the Ghana National Petroleum Corporation (GNPC), the International Arbitral Tribunal concluded that the unitisation directives were wrong and unlawful. It further concluded that, the Republic of Ghana's actions were in breach of applicable Ghanaian regulations and Article 26(2) of the Offshore Cape Three Points (OCTP) Petroleum Agreement.

2.5.3 Update on Proceeds from GNPC Explorco Liftings

Explorco currently holds the seven (7) percent additional commercial interest in the Jubilee and TEN fields acquired by GNPC in April 2021 from Occidental Petroleum (Anadarko WCTP Company) in respect of the Company's DWT/WCTP assets.

According to GNPC, the interest of JOHL has officially been ceded to GNPC Explorco. On October 18, 2023, Explorco's re-registration at the Office of the Registrar of Companies (ORC) was completed and the relevant certificates issued. The transfer of JOHL's interests in DWT and WCTP to Explorco was approved by the Minister of Energy in November 2023. A lifting worth US\$74,916,669.91 was made by Explorco in June 2024, but receipts are yet to be realised as at the end of the period under review.

2.6 Developments in Local Content and Local Participation

The PC continued to undertake activities in furtherance of its mandate under the relevant Ghanaian laws, including the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204), as amended. A summary of local content and participation activities undertaken by the PC in H1 2024 are shown below:

2.6.1 Development of Guidelines

During H1 2024, the Commission held a consultative meeting with the Ghana Revenue Authority (GRA) on the final draft Guidelines for 'Channel Partnership' and 'Strategic Alliance' to ascertain the tax implications for foreign companies under Strategic Alliance and Channel Partnership arrangements. The findings of the meeting and international best practices are being considered to finalise the Guidelines to make them compliant with global standards and ensure local content development in Ghana's upstream petroleum industry.

With regards to the development of Technology, Skills and Know-how Transfer Policy, the Commission established a joint committee between PC and NDPC to review and finalise the draft policy on Technology Transfer.

2.6.2 Development and Implementation of Strategic Documents

As part of the development of strategies for mid-technical goods and services, the Commission during H1 2024, developed strategies for two (2) mid-technical services: Testing and Inspections, Maintenance and Repairs (IMR) to accelerate local capacities along the petroleum value chain.

Additionally, the Commission commenced the implementation of developed strategies for the following mid-technical areas:

- High Voltage Cables;
- Fabrication of Subsea Scopes; and,
- Environmental Services.

Also, as part of the implementation of developed strategies, the Commission commenced the fact-finding exercise and assessed scopes for the three (3) Mid-Technical services and selected companies for further engagement to ascertain in-country capacities and capabilities.

2.6.3 Minimum Local Content Requirements

In H1 2024, the Commission developed minimum local content requirements for the under listed proposed contracts to optimise local content in procurement and tender processes and ensure continuous growth in local content development:

- Valve and Actuator Maintenance Services
- KNK FPSO MRO Supply
- Rigging and Lifting Support
- Inspection Services

2.6.4 Technology, Skills, and Know-how Transfer

In H1 2024, the Commission engaged 10 Joint Venture Companies (JVCs) assessed in 2022 and 2023, and 10 newly-assessed JVCs to review their performance concerning the progress of their Technology Transfer Programmes. Also, the Commission in the quest to promote the transfer of skills, know-how and technology in the upstream petroleum industry:

- Reviewed and analysed Technology Transfer Plans and Reports of 33 JVCs;
- Reviewed JV agreements of ten (10) existing JVCs and one (1) new JV (Marine Platform);
- Reviewed Technology Transfer Agreements of initial permit applications to ensure compliance; and,
- Reviewed Share Transfer Agreement of one (1) JV company.

Subsequently, the Commission, organised a workshop on R&D and Technology Transfer to explore pragmatic strategies for implementing technology transfer and R&D in the upstream petroleum industry.

2.6.5 Value of Services

According to the Petroleum Commission, the total value of service recorded for H1 2024 was US\$301,262,892.21. Out of this, US\$27,519,115.75 (9.13%) was awarded to Indigenous Ghanaian

Companies, US\$271,427,049.00 (90.10%) went to Joint Venture Companies (JVCs) and US\$2,316,727.46 to Foreign Companies (See Figure 5).

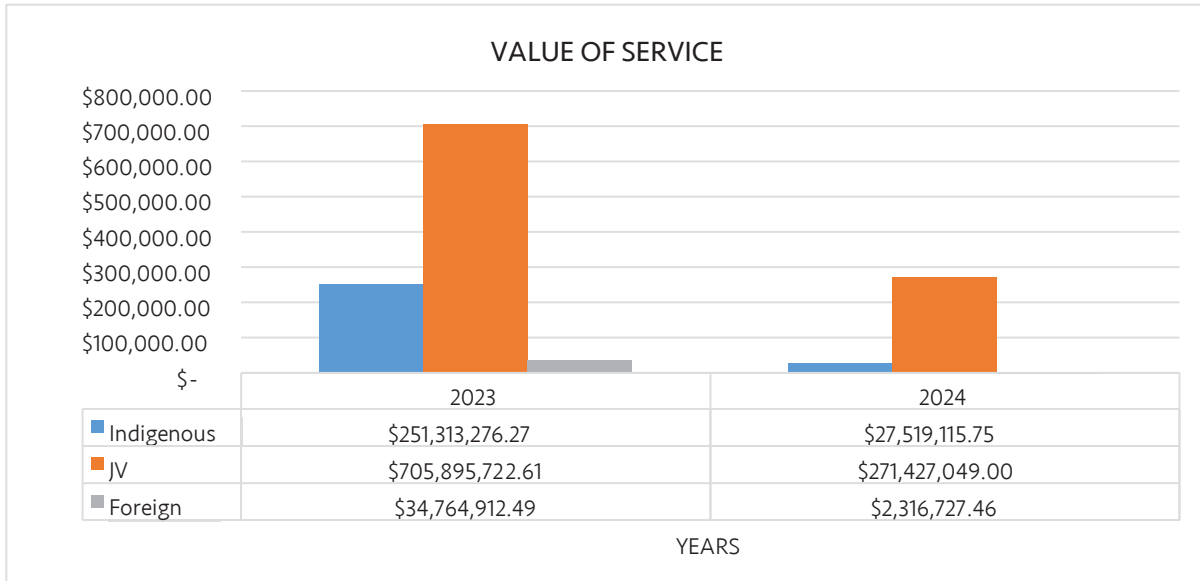


Figure 5: Value of Services

Source: PC Data, June 2024.

NB: Data collation for 2023 and 2024 is ongoing
Data collation for IOCs and Service Companies

2.6.6 Local Content Fund

According to PC, the Local Content Fund Operational Guidelines have been reviewed by the Local Content Committee (LCC) Board and awaiting approval and implementation. The Local Content Committee of the Petroleum Commission has continued to enforce a one percent (1%) deduction from the contract sum in accordance with the Petroleum (Exploration and Production) Act, 2016 (Act 919).

On the other hand, the Local Content Department is facing several challenges, including non-compliance from contractors and subcontractors who are citing stabilisation clauses in their petroleum agreements to avoid the 1% deduction from the contract sum. As of June 2024, receivables based on approved contract sums by the PC Local Content Fund amounted to US\$11.8 million.

2.7 Developments in the Policy, Legal, and Regulatory Environment

This section provides an update on policy, legal and regulatory developments for H1 2024.

2.7.1 PRMA Review and other Legislative Updates

Since 2018, the Ministry of Finance has been coordinating the review of the PRMA to address implementation challenges identified by the Ministry and sector stakeholders. The process has already missed its earlier projected deadline of December 2021. Since then, inaction has characterised

the process. The Ministry of Finance, however reported that it is working towards holding a workshop before end-of-year 2024 to elicit further inputs for the said PRMA amendment to be incorporated into a Cabinet Memo for Cabinet approval. According to the Ministry, the approved Cabinet Memo will then be forwarded to the Attorney-General for drafting of the PRMA Review Bill for submission to Parliament.

2.7.2 Update on Petroleum Agreements

No new PA was signed or ratified by Parliament in H1 2024. Total number of Petroleum Agreements as of June 2024 is fourteen (14). Jubilee, TEN and Sankofa Gye Nyame fields are in the production stage. Deepwater Tano/Cape Three Points (DWT/CTP) is in the pre-development phase. The remaining contract areas are in various stages of exploration.

2.8 Energy Transition Concerns

According to the Ministry of Energy, following the launch of the National Energy Transition Framework and Investment Plan, a National Energy Transition Secretariat has been set up at the Office of the President to oversee the implementation of the Framework.

Subsequently, a process has commenced to secure a one-million euro grant from the United Nations Office for Project Services (UNOPS) for a grid feasibility study to increase the uptake of clean energy.

2.9 Natural Gas Developments and Market Information

This section discusses natural gas developments and market information.

2.9.1 Revenue from Cash Waterfall Mechanism / Energy Sector Debt Servicing

The Ghana National Gas Limited Company (GNGLC) received a total Cash Waterfall Mechanism (CWM)/Natural Gas Clearing House (NGCH) revenue totalling US\$10,173,638.56 towards invoices for 2024. This amounts from GNGLC's invoices due from Lean Gas sales only. Due to the two-month lag-time of payments through CWM/NGCH, the receipts cover invoices from the period November 2023 to April 2024.

2.9.2 Natural Gas Regulatory Updates

In H1 2024, the Energy Commission, in line with its regulatory and management mandate under the Energy Commission Act, 1997 (Act 541), carried out the following activities relating to natural gas infrastructure development:

- The Commission carried out inspection and monitoring visits on natural gas facilities to ensure compliance to construction and operational procedures as enshrined in the law and codes developed to govern the construction, operations, and maintenance of natural gas infrastructure in Ghana. The following facilities were inspected;
 - The Gas Processing Plant (GPP) operated by Ghana National Gas Limited Company and related facilities in Atuabo, Prestea and Takoradi.

- Genser’s 12-inch Natural Gas Pipelines and related facilities at Tarkwa, Damang and Wassa Akyempin.
- Genser’s 20-inch Natural Gas pipelines and related facilities from Prestea to Humjibre and 20-inch Natural gas pipeline from Dawusaso to Kumasi (Ejisu).
- Natural gas pipelines and related facilities within Tema industrial area were also inspected and recommendations from the report were communicated to the respective parties.
- The Energy Commission also renewed the Project Registration Certificate issued to Tetracore Energy Group Ghana Limited for the construction of a Compressed Natural Gas (CNG) facility in Tema.

2.9.3 Other Relevant Natural Gas Information and Updates

Revenue from Cash Waterfall Mechanism / Energy Sector Debt Servicing

The Ghana National Gas Limited Company (GNGLC) received a total Cash Waterfall Mechanism (CWM)/Natural Gas Clearing House (NGCH) revenue of US\$10,173,623.56 in H1 2024 covering invoices for only Lean Gas sales from November 2023 to April 2024. The Ghana National Petroleum Corporation (GNPC) received US\$25,200,000.00 from the Cash Waterfall Mechanism/Natural Gas Clearing House to GNPC during the period.

Observations

1. PIAC observes that no Petroleum Agreement was signed during the period under review, as has been the case since 2018.
2. PIAC notes that in comparison to H1 2023, less drilling operations in the Jubilee field were carried out during the period under review.
3. PIAC finds the outcome of the arbitration on the unitisation of the Afina and Sankofa Fields to be a concern to the development of Ghana’s upstream petroleum industry.

CHAPTER 3

PETROLEUM PRODUCTION AND SALES

3.1 Crude Oil Production

Ghana produced a total of 24,857,477.52 barrels (bbls) of crude oil in H1 2024 from its three offshore producing Fields - Jubilee, TEN, and SGN. This represents a 10.7 percent increase from H1 2023's production volume of 22,452,078.81 barrels (bbls) as shown in Figure 6.

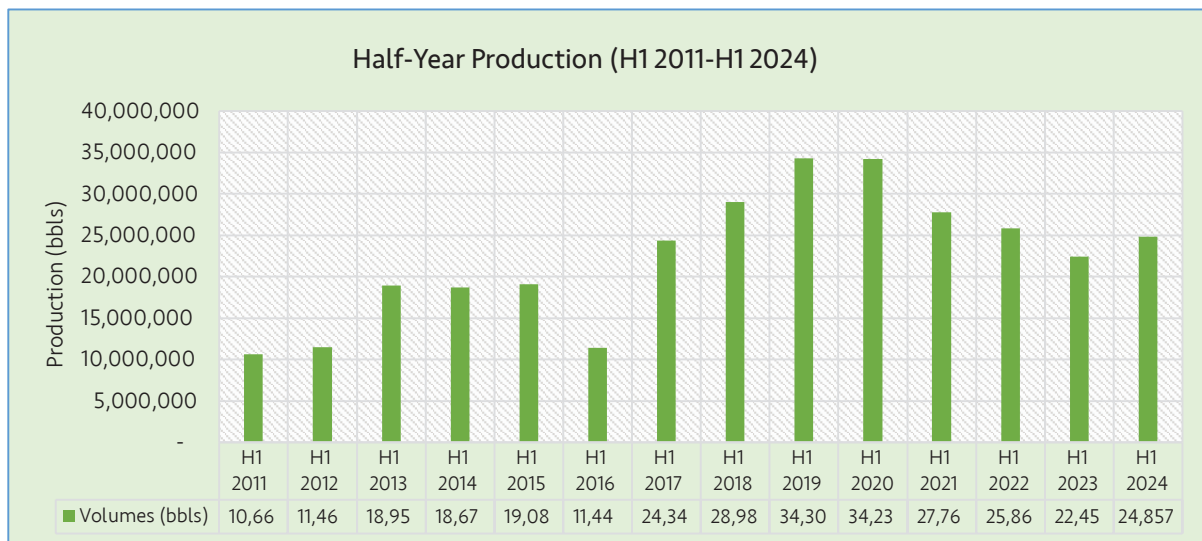


Figure 6: Half-Year (H1) Crude Oil Production (2011-2024)

Source: PIAC's Construct based on GNPC Data, June 2024.

The increase was due to a higher production of crude oil on the Jubilee field during the period. Crude oil production increased by 25.1 percent on the Jubilee Field year-on-year but declined by 4.8 percent and 12.4 percent on the TEN and SGN Fields respectively. Table 7 shows the monthly production figures for the three Fields.

Table 7: Monthly Breakdown of Total Crude Production (Jan-June 2024)

	Jubilee		TEN		SGN		Production Days
	Daily Av. Prod (bbls)	Qty Produced (bbls)	Daily Av. Prod (bbls)	Qty Produced (bbls)	Daily Av. Prod (bbls)	Qty Produced (bbls)	
	January	89,390.55	2,771,107	18,069.42	560,152	28,543.14	
February	93,893.96	2,629,031	18,947.93	530,542	28,516.52	798,463	28
March	98,592.03	3,056,353	19,382.55	600,859	27,822.56	862,499	31
April	89,329.83	2,679,895	19,804.27	594,128	27,740.60	832,218	30
May	87,042.87	2,698,329	19,143.65	593,453	26,764.98	829,714	31
Jun	85,676.83	2,570,305	19,043.70	571,311	26,476.03	794,281	30
Total		16,405,020		3,450,445		5,002,013	

Source: GNPC and PC, June 2024

Jubilee production increased from 13,113,193 bbls in H1 2023 to 16,405,020 bbls in H1 2024 (25.1%). Average daily oil production in the Jubilee Field in H1 2024 was 90,137.47 bbls compared to 72,449 bbls in H1 2023.

The highest monthly oil produced was recorded in March 2024 due to the ramping up of J03-P and J69-P wells in March after commissioning of the J69-P in late February. June recorded the least monthly oil production mainly attributed to facility upsets. According to the PC, production was slightly cut back to manage high flaring resulting from low-pressure gas compressor (LPGC-A) trip and Ghana National Gas Limited Company (GNGLC) processing plant trip. The TEG contactor also tripped due to a faulty level transmitter with a cascading effect that tripped all the gas compression systems resulting in the choking down of some wells to minimise flaring rates.

TEN production declined from 3,625,995 bbls in H1 2023 to 3,450,445 bbls in H1 2024 (4.8%). The average daily oil production declined from 20,032.24 bbls in H1 2023 to 18,958.49 bbls in H1 2024. The highest monthly oil production during the period was recorded in March whilst February recorded the lowest. The low production was mainly attributed to flow assurance issues and non-performance of the En08-P and En10-P producing wells.

SGN production declined from 5,712,891 bbls in H1 2023 to 5,002,012.52 bbls in H1 2024 (12.4%). Average daily production reduced from 31,562.9 bbls to 27,483.59 bbls during the period. The highest monthly oil produced within the period was in January with the lowest in June. The PC reports that the low production volumes in February and June were mainly attributed to facility upsets; and the unavailability of Gas Turbine Generator (GTG) -A due to ongoing repairs of an electrical failure following the unplanned Plant Shut Down that occurred in October 2023, and the unavailability of High-Pressure Flash Gas compressor-B. This resulted in the choking down of some wells to minimize flaring rates.

Cumulatively, the volume of crude oil produced in Ghana since first oil in December 2010, totals 633,299,085 bbls as at the end of June 2024 (Figure 7).

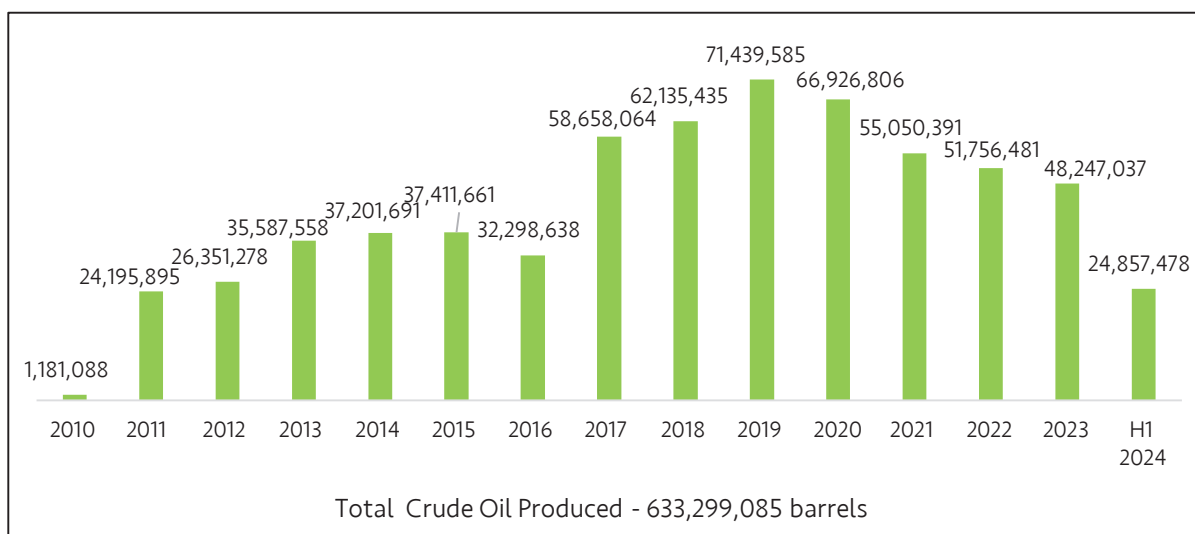


Figure 7: Annual Crude Oil Production (2010 to H1 2024)

Source: PIAC's Construct, June 2024.

3.2 Gas Production

As shown in Table 8, the cumulative raw gas production (Associated Gas-AG and Non-Associated Gas-NAG) for H1 2024 was 139,866.92 million standard cubic feet (MMSCF). This represents a 7.5 percent increase over the volume of 130,065.22 MMSCF produced for the same period in 2023. Production from the Jubilee, TEN, and SGN Fields increased by 19.6 percent, 2.7 percent and 3.2 percent respectively.

Table 8: Gas Production from Jubilee, TEN, and SGN (Jan – Jun 2024)

DESCRIPTION	MONTH	JUBILEE	TEN	OCTP	TOTAL	
		AG	AG	AG	NAG	AG/NAG
ASSOCIATED GAS (AG) & NON-ASSOCIATED GAS (NAG) PRODUCTION (MMSCF)	January	7,518.95	4,807.89	4,243.51	7,223.38	23,793.73
	February	6,984.84	4,528.59	3,860.70	6,982.32	22,356.45
	March	7,240.69	4,869.99	4,221.03	7,429.00	23,760.71
	April	7,060.84	4,749.13	4,064.11	7,408.69	23,282.77
	May	6,938.36	4,932.95	3,910.45	7,761.61	23,543.37
	June	6,837.64	4,812.50	3,844.82	7,634.93	23,129.89
TOTAL		42,581.32	28,701.05	24,144.62	44,439.93	139,866.92

Source: GNPC and PC Data, June 2024

Raw gas exported to the Ghana National Gas Limited Company (GNGLC) from the Jubilee Field increased from 17,252.98 MMSCF in H1 2023 to 18,043.31 MMSCF (4.6%) in H1 2024. The exported gas represents 42.4 percent of produced gas, re-injected gas constituted 39 percent, flared gas – 5 percent and fuel gas – 13.5 percent. The monthly breakdown of gas production and utilisation is presented in Table 9.

Table 9: Greater Jubilee Field Gas Monthly Production and Utilisation (Jan – Jun 2024)

Month	Gas Production (MMSCF)	Gas Export (MMSCF)	Gas Injection (MMSCF)	Fuel Gas (MMSCF)	Flared Gas (MMSCF)
JANUARY	7,518.95	2,980.19	3,046.29	403.13	1,089.33
FEBRUARY	6,984.84	2,917.85	2,641.24	368.42	1,057.32
MARCH	7,240.69	3,110.87	2,917.81	391.15	820.86
APRIL	7,060.84	2,890.35	2,759.46	302.54	1,108.50
MAY	6,938.36	2,988.93	2,826.50	311.92	811.02
JUNE	6,837.64	3,155.12	2,438.10	375.84	868.58
Total	42,581.32	18,043.31	16,629.40	2,153.00	5,755.61
Average	7,096.89	3,007.22	2,771.57	358.83	959.27

Source: PIAC Construct based on GNPC Data, June 2024

Gas exports from the TEN Field declined by 78.3 percent, from 481.18 MMSCF in H1 2023 to 104.43 MMSCF in H1 2024. The gas exports represented 0.36 percent of total gas produced whilst 85.8 percent was re-injected, 7.6 percent flared, and 6.3 percent used as fuel gas (see Table 10).

Table 10: TEN Fields Gas Monthly Production and Utilisation (Jan – Jun 2024)

Month	Gas Production (MMSCF)	Gas Export (MMSCF)	Gas Injection (MMSCF)	Fuel Gas (MMSCF)	Flared Gas (MMSCF)
JANUARY	4,807.89	0.00	4,269.87	307.43	230.59
FEBRUARY	4,528.59	20.06	3,851.88	281.39	375.27
MARCH	4,869.99	5.39	4,298.91	300.66	265.03
APRIL	4,749.13	21.47	4,024.28	298.54	404.84
MAY	4,932.95	38.40	4,107.12	311.92	475.94
JUNE	4,812.50	19.11	4,066.60	301.71	425.09
Total	28,701.05	104.43	24,618.66	1,801.65	2,176.76
(Average)	4,783.51	17.41	4,103.11	300.28	362.79

Source: PIAC Construct based on GNPC Data, June 2024

Overall, exports from the Jubilee and TEN Fields recorded a 2.3 percent increase from 17,734.16 MMSCF in H1 2023 to 18,147.74 MMSCF in H1 2024.

Table 11 illustrates the monthly gas production and utilisation from the SGN Field.

Table 11: SGN Field Gas Monthly Production and Utilisation (Jan – Jun 2024)

MONTH	GAS PROD.	GAS PROD.	GAS		FUEL GAS	FLARED
	(AG)	(NAG)	EXPORT	INJECTION		
	MMSCF	MMSCF	MMSCF	MMSCF	MMSCF	MMSCF
JANUARY	4,243.51	7,223.38	6,894.78	2,644.45	297.92	1,537.81
FEBRUARY	3,860.70	6,982.32	6,632.67	2,422.56	280.1	1,418.80
MARCH	4,221.03	7,429.00	7,091.00	2,598.08	305.32	1,563.03
APRIL	4,064.11	7,408.69	7,077.05	2,521.28	299	1,483.23
MAY	3,910.45	7,761.61	7,420.31	2,592.18	307.68	1,255.99
JUNE	3,844.82	7,634.93	7,174.86	3,019.19	313.11	878.17
TOTAL	24,144.62	44,439.93	42,290.67	15,797.74	1,803.13	8,137.03
Average	4,024.10	7,406.66	7,048.45	2,632.96	300.52	1,356.17

Source: PIAC Construct Based on GNPC Data, June 2024

Total Gas exports from the SGN Field increased from 36,375.30 MMSCF in H1 2023 to 42,290.67 MMSCF in H1 2024 (16.3%) through the Onshore Receiving Facility (ORF) (see *Table 11*). Total Gas exports constituted 61.7 percent of total gas produced, whilst 23 percent was re-injected, 11.9 percent was flared, and 2.6 percent was used as fuel gas. The total flared gas on all the three producing fields increased from 15,483.91 MMSCF in H1 2023 to 16,069.40 MMSCF in H1 2024 (*Table 12*). According to the EPA, the volume of flared gas recorded on all three producing fields were within the permissible levels.

Table 12: Gas Flared on the Jubilee, TEN, and SGN Fields

Month	Jubilee	TEN	SGN	TOTAL
Jan-24	1,089.33	230.59	1,537.81	2,857.73
Feb-24	1,057.32	375.27	1,418.80	2,851.39
Mar-24	820.86	265.03	1,563.03	2,648.92
Apr-24	1,108.50	404.84	1,483.23	2,996.57
May-24	811.02	475.94	1,255.99	2,542.95
Jun-24	868.58	425.09	878.17	2,171.84
TOTAL	5,755.61	2,176.76	8,137.03	16,069.40

Source: PIAC Construct Based on GNPC Data, June 2024

3.3 Crude Oil Liftings

Lifting by partners on each producing field was carried out in accordance with their respective Petroleum Agreements, Crude Oil Lifting Agreements (COLA) and agreed annual lifting schedules.

3.3.1 Jubilee Field

A total of 17 liftings were made by the Jubilee Partners in H1 2024 compared to 14 liftings for the same period in 2023. The Ghana Group lifted three parcels of crude oil totaling 2,861,942 bbls against 1,902,136 bbls in two liftings for the same period in 2023. The other Partners lifted 13,321,134 bbls in line with the Field's COLA, as shown in Table 13.

Table 13: Crude Oil Liftings by the Ghana Group and other Jubilee Partners (Jan – Jun 2024)

COMPANY	VOLUME LIFTED (BBL)	NO. OF LIFTINGS	PERCENTAGE (%)
TULLOW GHANA & PETRO SA	6,640,375	7	41.03
GHANA GROUP	2,861,942	3	17.68
KOSMOS ENERGY	5,728,856	6	35.40
EXPLORCO (FORMERLY JUBILEE OIL HOLDINGS LTD)	951,903	1	5.88
TOTAL	16,183,076	17	100.00

Source: GNPC and PC Data, June 2024

3.3.2 TEN Field

With respect to this field, three (3) parcels of crude oil totaling 2,982,272 bbls were lifted by the Partners in H1 2024 (see Table 14), compared to three (3) liftings of 2,941,836 bbls recorded in H1 2023.

Table 14: Crude Oil Liftings by the Ghana Group and other TEN Partners (Jan – Jun 2024)

COMPANY	VOLUME (BBL)	No. OF LIFTINGS	PERCENTAGE
KOSMOS ENERGY	994,573.00	1	33.35%
TULLOW GHANA & PETROSA	1,987,699.00	2	66.65%
TOTAL	2,982,272	3	100.00

Source: PC, June 2024

There was no lifting by the Ghana Group in H1 2024 as compared to one (1) lifting totaling 995,409 bbls in H1 2023.

3.3.3 Sankofa Gye-Nyame Field

For the period, the SGN Partners lifted five (5) parcels of crude oil, totaling 4,661,678 bbls (see *Table 15*) compared with five (5) parcels amounting to 4,744,845 bbls for the same period in 2023.

Table 15: Crude Oil Liftings by the Ghana Group and other SGN Partners

COMPANY	VOLUME (BBLs)	No. OF LIFTINGS	PERCENTAGE
GNPC	905,434	1	19.42
ENI GHANA E&P LTD	1,855,004	2	39.79
VITOL UPSTREAM	1,901,240	2	40.78
TOTAL	4,661,678	5	100.00

Source: PC, June 2024

The Ghana Group lifted one (1) parcel of 905,434 bbls in H1 2024 compared to two (2) parcels of 1,897,512 bbls in the same period in 2023. The other Partners lifted a total of 3,756,244 bbls of crude oil in H1 2024 as compared to 2,847,333 bbls for the same period in 2023.

3.4 Upstream Petroleum Cost

The total petroleum expenditure on the Jubilee field in H1 2024 amounted to US\$333.96 million as compared to US\$435.33 million in H1 2023. Production cost on the Jubilee Field amounted to US\$92.13 million in H1 2024 as against US\$121.84 million in H1 2023. Development costs of US\$241.82 million was incurred in H1 2024 compared to US\$313.49 million in H1 2023. The Production cost included items such as Business Management & Assurance costs, O&M Contractor cost, Logistics and Materials, and Subsea expenses. Exploratory study Cost of US\$6,000.00 was also incurred in H1 2024 (see Appendix A).

The total petroleum expenditure on the TEN field amounted to US\$174.90 million in H1 2024 compared to US\$202.84 million in H1 2023. Production Costs on the Field in H1 2024 stood at US\$58.48 million as against US\$75.83 million in H1 2023. Development Costs also amounted to US\$116.38 million in H1 2024 as against US\$126.70 million in H1 2023. Exploratory study Cost of US\$32,000.00 was incurred in H1 2024. Some key components of the Production Costs include, O&M Contractor cost, Logistics and Materials, and Business Management & Assurance costs. Development Cost items on the TEN Field included FPSO Charter cost and Development Wells (see Appendix B).

The total petroleum expenditure for the SGN project for H1 2024 amounted to US\$159.93 million as compared to US\$171.16 million in H1 2023. Production Costs of US\$95.09 million was incurred on the Field, lower than the US\$104.74 million incurred in H1 2023. Development Costs amounted to US\$64.84 million in H1 2024, lower than the US\$66.42 million incurred in H1 2023. Some components of the Production Costs were made up of FPSO Operations and Maintenance Cost, Operating Maintenance Costs and Operating Transport Costs. A major Development Cost item on the SGN Field was the FPSO Leasing Cost (see Appendix C).

3.5 Crude Oil Pricing

3.5.1 Jubilee, SGN, and TEN Achieved Crude Prices

The average unit price achieved by the Ghana Group for Jubilee Crude during the period was US\$86.80/bbl, higher than that of the same period in 2023 (US\$78.21/bbl), and higher than the Government's estimated benchmark price of US\$75.44/bbl for 2024. The achieved average unit price was higher than the average Dated BRENT price of US\$80.32/bbl at the time of the liftings.

There was no lifting on the TEN field to warrant a price comparison during the period under review.

The average unit price achieved by the Ghana Group on the SGN Field was US\$84.08/bbl in H1 2024 as compared to the average of US\$74.82/bbl in H1 2023. The achieved price in H1 2024 was higher than the benchmark price and lower than the average Dated BRENT price of US\$86.86/bbl at the time of the lifting.

Figure 8 compares the achieved prices of the Ghana Group on the Jubilee, TEN and SGN Fields for the period.

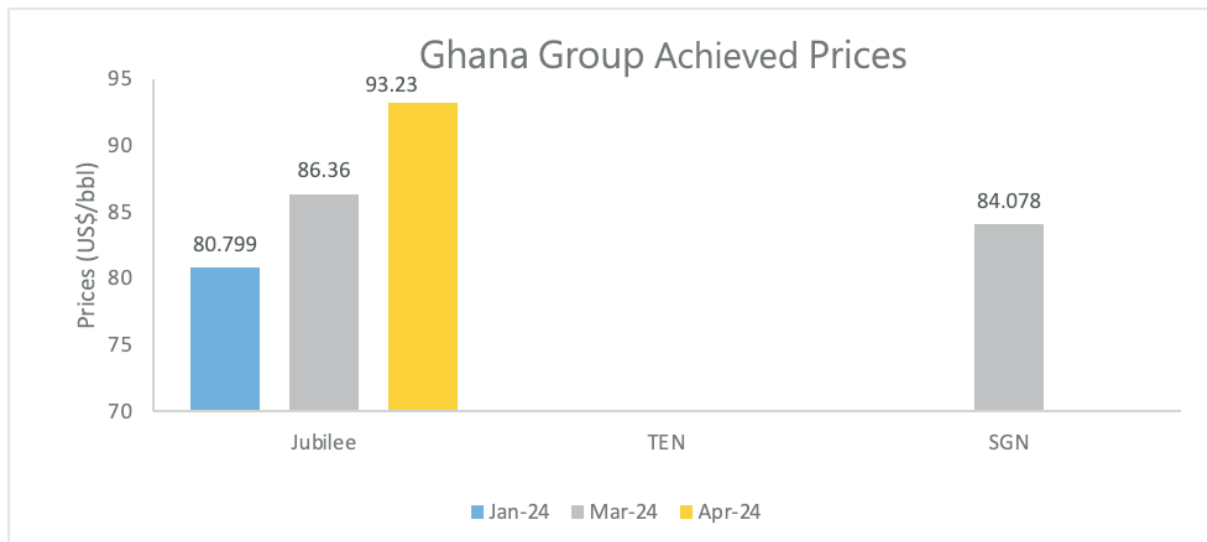


Figure 8: Ghana Group Achieved Prices (Jubilee, TEN and SGN)

Source: PIAC Construct based on GNPC Data, June 2024

Ghana Group's average achieved price over the three (3) producing fields stood at US\$93.23/bbl in H1 2024 compared to US\$75.89/bbl in H1 2023, representing a 22.8 percent increase. Table 16 shows the achieved prices for the past five years against the Government's Benchmark Price.

Table 16: Comparison of Ghana's Achieved Prices and Government Benchmark (Jan – June 2024)

Year	Government Benchmark Price	Ghana Group Average Achieved Price
2020	39.10	42.49
2022	54.75	63.61
2022	61.23	112.22
2023	74.00	75.89
2024	75.44	93.23

Source: PIAC Construct based on Budget Statements and GNPC Data, June 2024

3.5.2 Achieved Prices by Ghana Group and Jubilee, TEN, and SGN Fields Partners

The Ghana Group's achieved prices on the Jubilee Field were higher than the average price of Kosmos and Tullow by US\$2.59/bbl and US\$1.72/bbl respectively (see Figure 9). Ghana Group's average achieved price for SGN was US\$3.11/bbl higher than that of ENI during the period.

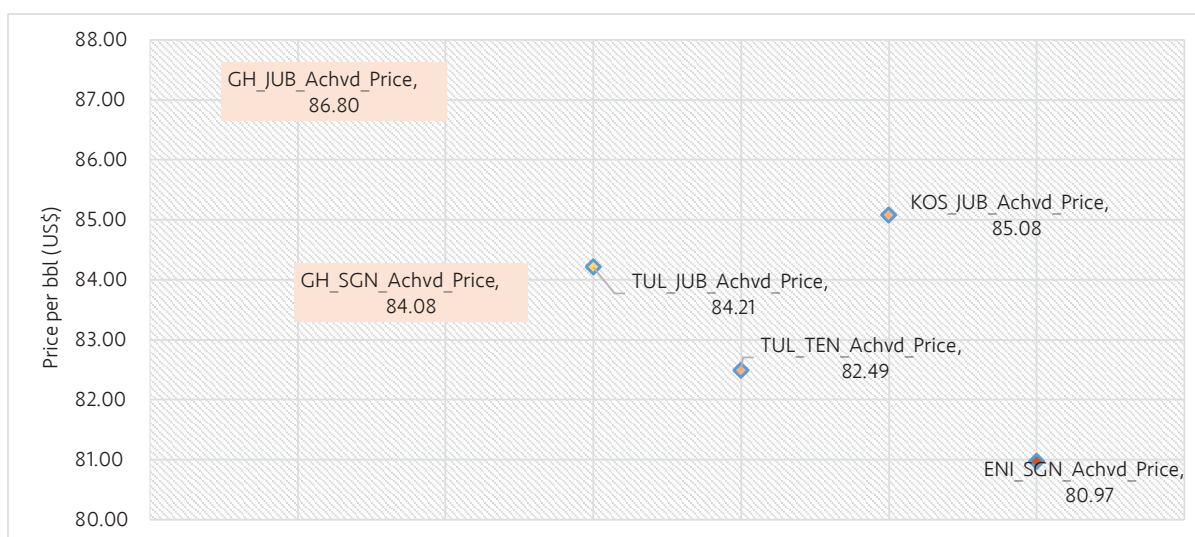


Figure 9: Comparison of Average Achieved Prices and Dated Brent of Jubilee, TEN and SGN Partners (H1 2024)

Source: PIAC Construct based on data from Partners, June 2024.

Finding

1. Crude oil production for the first half of 2024 increased by 10.7 percent as compared to a decline of 13.2 percent in the previous period, primarily due to the coming on stream of the Jubilee South East (JSE) Project.

Observation

GNPC Explorco recorded one lifting of 951,903 barrels of crude oil from the Jubilee field valued at US\$74,916,669.91. However, this amount has not yet been realised as at the end of the reporting period.

CHAPTER 4

REVENUE COLLECTION AND MANAGEMENT

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

4.1 Payment into the Petroleum Holding Fund

A total lodgement of US\$840,765,265.80 was made into the Petroleum Holding Fund (PHF) as petroleum receipts for H1 2024, compared with US\$540,456,124.27 for the same period in 2023. This represents a 55.6 percent increase compared with the figure for H1 2023. The revenues were derived from Corporate Taxes, Surface Rentals (Acreage Fees), Crude oil liftings, Interest on the PHF, and other income³.

4.2 Receipts from Crude Oil Liftings

Of the total receipts, Carried and Additional Participating Interest (CAPI) contributed US\$385,172,660.25, CIT generated US\$358,834,612.60 while Royalties yielded US\$89,102,349.89. Interest on the PHF yielded US\$7,149,729.42 and Surface Rental Payments were US\$439,011.08. A late payment interest of US\$66,902.55 was also received into the PHF during the period.

For the period under consideration, revenues from CAPI contributed the highest share of 45.8 percent followed by CIT (42.7 percent) and Royalties accounted for 10.6 percent. Revenues from Surface Rental, interest on the PHF, and late payment interest constituted less than one (1) percent to the total revenue as shown in Figure 10.

3 This refers to the interest that accrues to the State on late payment of revenues.

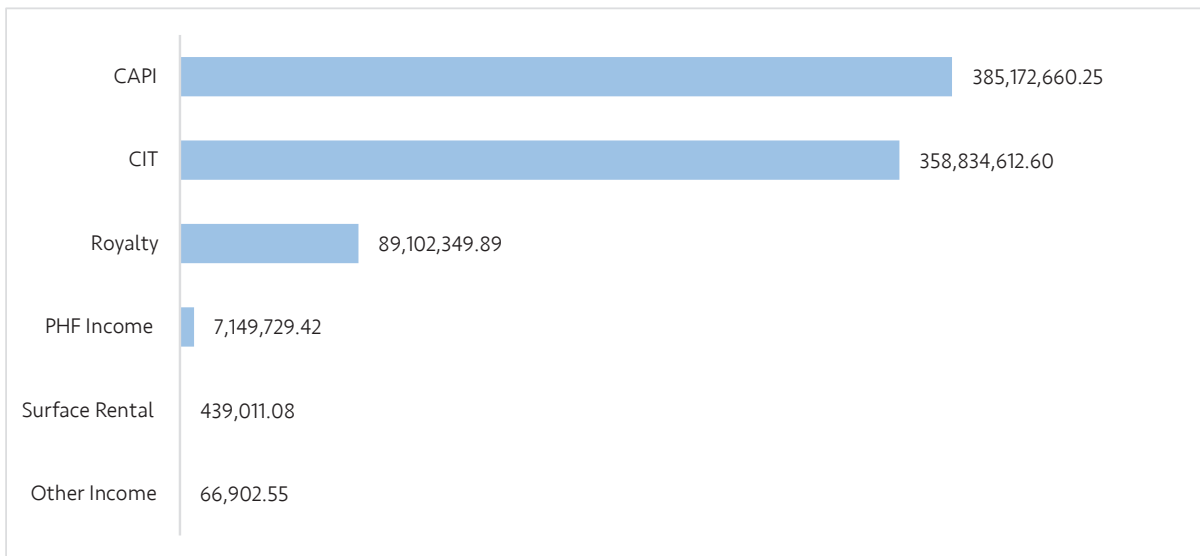


Figure 10: Contribution of Revenue Streams to Total Petroleum Receipts

Source: PIAC Construct from MoF and BoG Data, June 2024

4.2.1 Receipts from Jubilee Field Crude Oil Liftings

As depicted in Table 17, US\$248,646,664.31 was paid into the PHF for the period, compared to US\$223,792,905.09 for the same period in 2023, indicating an 11 percent increase. The revenue accrued for the period is made up of receipts from the Field's 75th, 76th, and 77th Liftings in the first half of 2024.

Table 17: Crude Oil Liftings from Jubilee by the Ghana Group (Jan – June 2024)

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
8-Jan-24	75	953,719	80.799	76,297.52	77,135,839.00
2-Mar-24	76	952,482	86.36	76,198.56	82,332,544.08
10-Apr-24	77	955,741	93.228	76,459.28	89,178,281.23
Total		2,861,942			248,646,664.31

Source: GNPC & BoG, June 2024.

As shown in Figure 11, out of a total of US\$248,646,664.31 paid into the PHF, US\$179,419,667.59 (72.2%) constitutes CAPI while US\$69,226,996.72 (27.8%) came from Royalties.

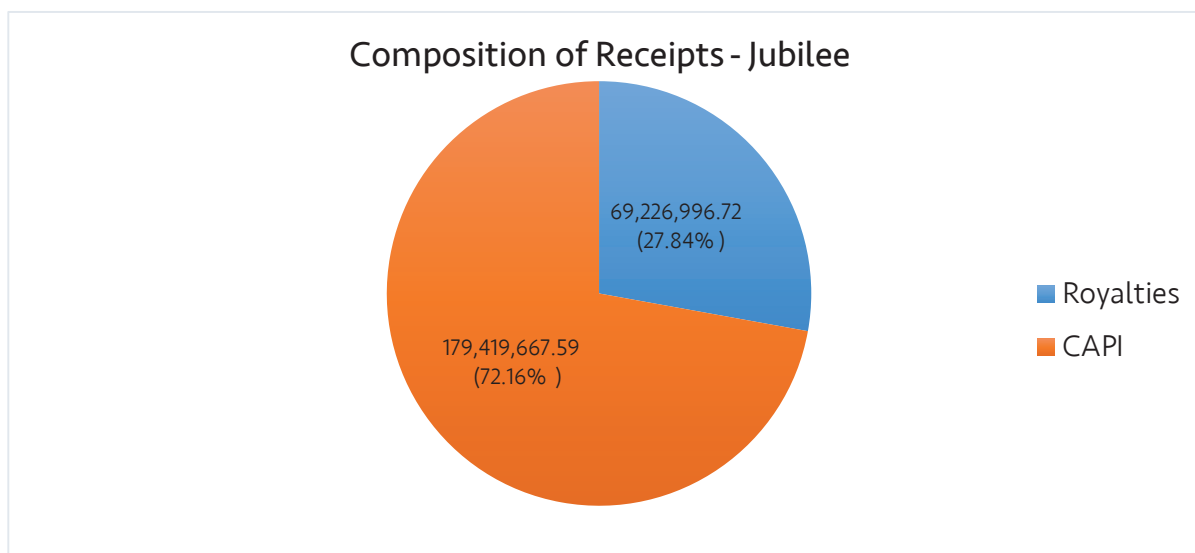


Figure 11: Composition of Receipts from the Jubilee Field

Source: PIAC Construct based on GRA Data, June 2024.

4.2.2 Receipts from TEN Field Crude Oil Liftings

In H1 2024, the Ghana Group paid US\$76,520,109.71 into the PHF from the TEN Field (see *Table 18*) as compared to US\$73,048,089.47 in the same period of 2023. This represents a 4.8 percent increase. The amount was derived from the 23rd Lifting in December 2023 whose receipts were recorded in the first half of 2024.

Table 18: Crude Oil Liftings from TEN by the Ghana Group (Jan – June 2024)

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
23-Dec-23	23	994,478	76.895	49,723.90	76,520,109.71
Total		994,478			76,520,109.71

Source: GNPC & BoG Data, June 2023

The total contribution of US\$76,520,109.71 from the TEN Field was made up of US\$56,644,756.54 (74%) from CAPI and US\$19,875,353.17 (26%) from Royalties (Figure 12).

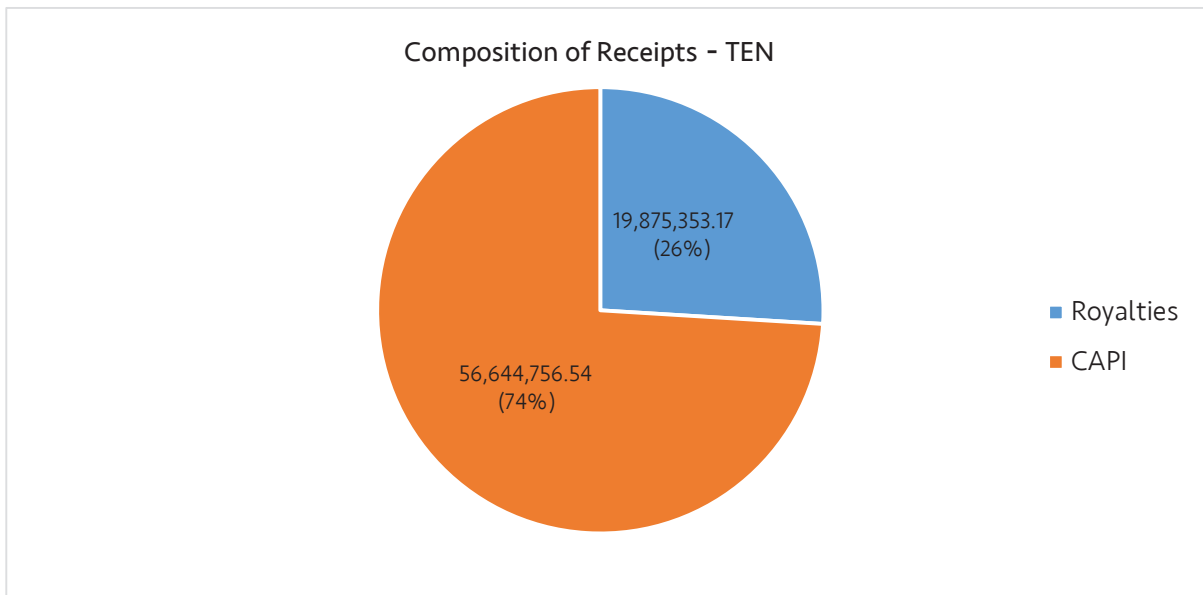


Figure 12: Composition of Receipts from TEN Field

Source: PIAC Construct based on MoF and GRA Data, June 2024

4.2.3 Receipts from SGN Field Crude Oil Liftings

During the period, US\$149,108,236.13 was paid into the PHF as shown in *Table 19* compared to US\$73,702,936.91 in H1 2023. The entire amount was in respect of CAPI and represented a 102.3 percent increase over the same period in 2023. The receipt for the period were from the 14th Lifting in December 2023 and 15th Lifting in March 2024.

Table 19: Crude Oil Liftings from SGN by the Ghana Group (Jan – June 2024)

Date of Lifting	Lifting No.	Parcel Qty (bbl)	Selling Price	Pricing Option fee	Receipts
11-Dec-23	14	996,425	73.243		72,981,156.28
23-Mar-24	15	905,434	84.078	-	76,127,079.85
TOTAL		1,901,859			149,108,236.13

Source: GNPC & BoG, June 2024.

4.3 Corporate Income Taxes

An amount of US\$358,834,612.60 was received as Corporate Income Tax (CIT) during the reporting period, as compared to US\$166,505,263.35 received in H1 2023, representing a 115.5 percent increase. The payments were made by Tullow Ghana Ltd, Kosmos Energy Ltd and Petro SA Ghana Ltd. as shown in Table 20.

Table 20: Corporate Income Taxes Paid in H1 2024

Date	Tax Type	Company	Amount (US\$)
30-Jan-24	Q4 2023	Kosmos Energy Ghana HC	56,941,488.00
29-Apr-24	Q1 2024	Kosmos Energy Ghana HC	36,699,403.00
Sub-Total			93,640,891.00
30-Jan-24	Q4 2023	Kosmos Energy Ghana Inv.	18,154,030.00
24-Apr-24	Q4 2023 (Annual Adj)	Kosmos Energy Ghana Inv.	141,938.00
29-Apr-24	Q1 2024	Kosmos Energy Ghana Inv.	21,105,377.00
Sub-Total			39,401,345.00
31-Jan-24	Q4 2023	PetroSA Ghana Ltd.	5,467,143.00
30-Apr-24	Q1 2024	PetroSA Ghana Ltd.	9,894,466.60
Sub-Total			15,361,609.60
30-Jan-24	Q4 2023	Tullow Ghana Ltd.	56,622,247.00
30-Apr-24	Q1 2024	Tullow Ghana Ltd.	86,745,829.00
27-Jun-24	Q2 2024	Tullow Ghana Ltd.	52,000,000.00
28-Jun-24	2023	Tullow Ghana Ltd.	15,062,691.00
Sub-Total			210,430,767.00
Total			358,834,612.60

Source: BoG and GRA Data, June 2024.

According to the GRA, the second round of tax audits have been completed on all the upstream producing companies and discussions on the issues raised in the audits have been concluded for all the producing companies up to year 2020. The Authority is in Arbitration with Tullow Ghana Limited and Petro SA over some tax assessments. That notwithstanding, an agreement has been reached between the two to commence the next round of audit in August, 2024.

4.4 Surface Rental Payments

Total receipt of Surface Rentals (Acreage Fees) from eight (8) out of 13 companies was US\$439,011.08 in H1 2024 as compared to US\$659,118.48 for the same period in 2023 - a 33 percent decline. According to the GRA, the reason for the decline is partly attributable to Goil Upstream Ltd which failed to pay its 2024 Acreage Fees due to its ongoing discussions to include the arrears of its partner Exxon Mobil who vacated the oil block to their current liability. Also, major contributors including Springfield Exploration Ltd is yet to settle its liability after demand notices have been served. Medea Development Ltd is having financial challenges and is in discussion with the Ministry of Energy for a suitable partner.

Table 21 presents details of Surface Rental payments and Arrears.

Table 21: Surface Rental Assessments, Payments and Arrears as at 30th June 2024

Date	Company	Contract Area	Prior Period Outstanding Balances	2024 Estimated Amount	Total Payment Receivable	Payment Received in 2024 (US\$)	Total Outstanding Balance (US\$)
27-Feb-24	Pecan Energy Ltd	Deepwater Tano/ Cape Three Points	-	201,000.00	201,000.00	226,606.85	(25,606.85)
21-Feb-24	Eni Ghana Ltd.	Cape Three Points Block 4	-	92,980.00	92,980.00	92,980.00	-
	Goil Upstream Company Ltd.	Deepwater Cape Three Points	73,700.00	73,700.00	147,400.00	0.00	147,400.00
14-Feb-24	Tullow Ghana Ltd.	Deepwater Tano	-	59,261.23	59,261.23	59,261.23	-
	Eco Atlantic	Deepwater Cape Three Points West Offshore	-	47,200.00	47,200.00	0.00	47,200.00
	Springfield Exploration and Production	West Cape Three Points Block 2	84,086.58	33,650.00	117,736.58	0.00	117,736.58
14-Feb-24	Tullow Ghana Ltd.	West Cape Three Points	-	18,464.00	18,464.00	18,464.00	-
21-Feb-24	Eni Ghana Ltd.	Offshore Cape Three Points	-	19,030.00	19,030.00	19,030.00	-
13-Mar-24	Amni Ghana	Central Tano	(710.00)	13,900.00	13,190.00	13,944.00	(754.00)
	Medea Development	East Cape Three Points	234,790.00	78,250.00	313,040.00	0.00	313,040.00
	Base Energy Ghana Ltd/Erin Energy	Expanded Shallow Water Tano	-	75,400.00	75,400.00	0.00	75,400.00

Date	Company	Contract Area	Prior Period Outstanding Balances	2024 Estimated Amount	Total Payment Receivable	Payment Received in 2024 (US\$)	Total Outstanding Balance (US\$)
12-Feb-24	OPCO	Offshore South-West Tano	100.00	8,750.00	8,850.00	8,725.00	125.00
	OPCO*	East Keta Offshore	537,794.80	-	537,794.80	-	537,794.80
Total	Sub-Total (Existing PAs)		929,761.38	721,585.23	1,651,346.61	439,011.08	1,212,335.53
4 Terminated PAs							
	Sahara Energy Fields Ghana	Shallow Water Cape Three Points	-	-	-	-	-
	Swiss African Oil Company Limited	Onshore/Offshore Keta Delta Block	862,500.00	-	862,500.00	-	862,500.00
	Britannia -U	Southwest Saltpond	760,208.33	-	760,208.33	-	760,208.33
	UB Resources Ltd	Offshore Cape Three Points South	105,415.58	-	105,415.58	-	105,415.58
	Sub-Total		1,728,123.91	-	1,728,123.91	-	1,728,123.91
	TOTAL		2,657,885.29	721,585.23	3,379,470.52	439,011.08	2,940,459.44

Source: PC and GRA Data, June 2024, * The Minister for Energy declared a Force Majeure on the East Keta Offshore block operated by (OPCO)

4.4.1 Update on Surface Rental Payment Arrears

According to the GRA, the Compliance, Enforcement and Debt Management (CEDM) Unit of GRA has issued garnishee orders on some defaulters. One of the four (4) defaulters (Sahara Energy Ltd), who had their PA terminated, paid its principal liability of US\$71,934.93 in 2022, taking advantage of the Tax Amnesty granted taxpayers to have its penalty of US\$21,943,750.00 waived by the Commissioner General in accordance with the law.

4.5 Additional Oil Entitlement (AOE)

Payment of Additional Oil Entitlement as per the Petroleum Agreements (PAs) with the Oil Companies is triggered by agreed benchmark indicators including the Rate of Return (RoR) in oil production. According to the GRA, recent discussions between the major stakeholders (GRA, GNPC, MoEn, and the IOCs) and the Minister are yet to result in an agreement for the payment of the AOE. The Commissioner-General however served AOE Assessment Forms to IOCs whose assessments have triggered for payment of the tax.

4.6 Misclassification of Corporate Income Tax Payment by Kosmos

According to GRA, there was a misclassification of Corporate Income Tax payment on 24th April 2024 totaling US\$141,938.00 from Kosmos Energy Gh. Investments as Surface Rental in the Petroleum Holding Fund (PHF). The anomaly however did not affect the total sum in the PHF for the period under review but was duly brought to the attention of BoG.

4.7 Gas Revenue

For the period under review, no amount was paid into the PHF in respect of raw gas supplied due to the zeroed gas policy.

4.8 Cumulative Petroleum Revenues (2011-H1 2024)

From 2011 to date, total petroleum revenues have amounted to US\$10.69 billion. Figure 13 depicts the annual realised revenues from 2011 to H1 2024.

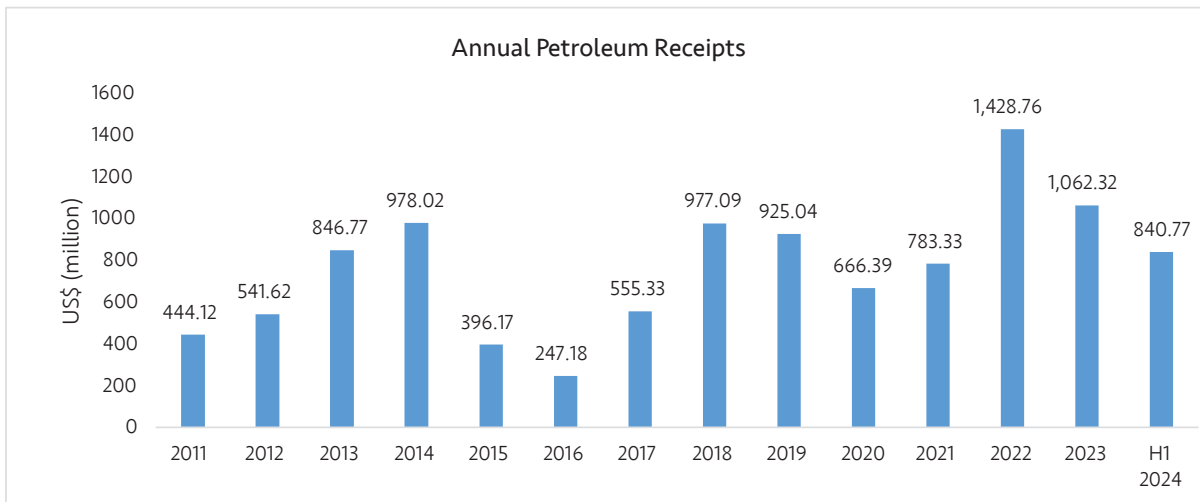


Figure 13: Annual Petroleum Revenues (2011 - H1 2024)

Source: PIAC Construct based on MoF and BoG Data, June 2024.

Findings

1. The total petroleum receipts for the period increased by 55.6 percent from US\$540,456,124.27 in H1 2023 to US\$840,765,265.80 in H1 2024 mainly due to increased production for the period.
2. Total surface rental arrears remain high at US\$1,212,335.53 excluding that of the terminated PAs.

CHAPTER 5

ALLOCATION OF PETROLEUM REVENUES

The Petroleum Revenue Management Act, 2011 (Act 815) as amended, established the Petroleum Holding Fund (PHF) for the receipt and disbursement of all petroleum revenues due the Republic of Ghana. The allocation of petroleum revenues from the PHF is provided for by the Act. Figure 14 shows the mode of allocation of the revenues.

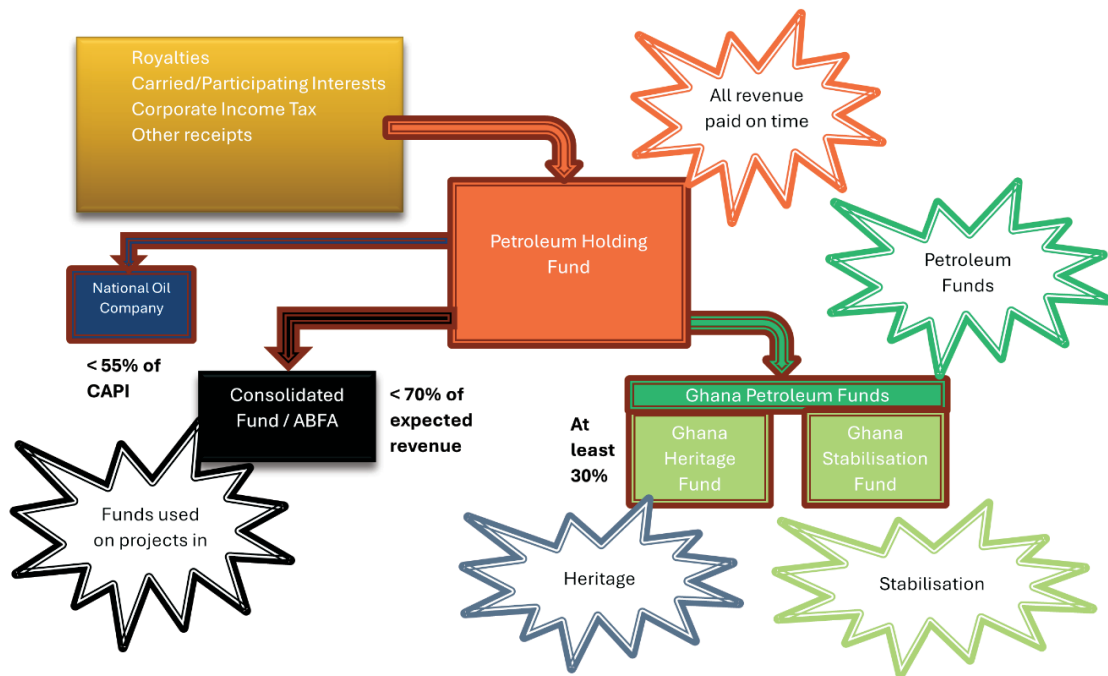


Figure 14: Distribution of Petroleum Revenue from the Petroleum Holding Fund

Source: PIAC Construct, June 2024

5.1 Allocation of Projected Petroleum Revenue

According to the 2024 Budget Statement and Economic Policy of the Government, projected petroleum revenue for 2024 is US\$1.07 billion. Out of this amount, GNPC (the national oil company) was allocated US\$250.41 million, comprising the Equity Financing Cost of US\$120.96 million and GNPC's share of the net Carried and Participating Interest of US\$129.45 million.

This brings the projected Benchmark Revenue for 2024, which is the total petroleum receipts, net of the projected receipts for GNPC to US\$821.94 million.

An amount of US\$575.36 million being 70 percent of the Benchmark Revenue was allocated to the Annual Budget Funding Amount (ABFA), while the Ghana Petroleum Funds (GPFs) would receive US\$246.58 million. The GPFs receipts will be distributed between the Ghana Stabilisation Fund (US\$172.61 million) and Ghana Heritage Fund (US\$73.97 million) in the ratio of 70:30 as stipulated by the PRMA.

5.2 Receipts into the Petroleum Holding Fund

For the period under review, total petroleum receipts paid into the Petroleum Holding Fund amounted to US\$840,765,265.84 which is the highest mid-year receipts since 2011. This constitutes 78.40 percent of the projected revenue for 2024 and 155.57 percent of the receipts (US\$540,456,124.27) for the same period in 2023.

5.3 Distribution of Petroleum Receipts

Petroleum receipts in the PHF are distributed to the Ghana National Petroleum Corporation (GNPC), the Annual Budget Funding Amount (ABFA) and the Ghana Petroleum Funds (GPFs) which is made up of the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF) in accordance with provisions of Act 815 as depicted in Figure 13.

Table 22 presents the quarterly distribution of petroleum receipts for H1 2024 as follows:

Table 22: Distribution of Petroleum Receipts for H1 2024

	GNPC (US\$)	ABFA (US\$)	GSF (US\$)	GHF (US\$)	TOTAL (US\$)
Quarter 1	61,936,977.81	61,732,915.66	18,519,874.70	7,937,089.16	150,126,857.33
Quarter 2	52,369,869.20	143,839,271.32	72,647,119.42	31,134,479.75	299,990,736.69
Total	114,306,847.01	205,572,186.98	91,166,994.12	39,071,568.91	450,117,597.02

5.3.1 Distribution to the Ghana National Petroleum Corporation

The Ghana National Petroleum Corporation (GNPC) received US\$114,306,847.01 consisting of US\$61,936,977.81 for Quarter 1 and US\$52,369,869.20 for Quarter 2 for its Equity Financing Cost and Net Carried and Participating Interest. GNPC's total receipts for H1 are equivalent to 45.65 percent

of the budgeted allocation to GNPC for 2024, and 90.93 percent of GNPC's receipt for the same period in 2023.

5.3.2 Distribution to the Annual Budget Funding Amount

An amount of US\$205,572,186.98 was disbursed to the Annual Budget Funding Amount (ABFA) for H1 2024. This was made up of US\$61.73 million for Quarter 1 and US\$143.84 million for Quarter 2. It can be observed from Table 22 that unlike Quarter 1 in which the projected quarterly ABFA target of US\$143.84 million was not met, for Quarter 2, the projected quarterly ABFA was met, and the excess was transferred to the GPFs as required by the PRMA. This resulted in the higher disbursements to the GPFs in Quarter 2 than in Quarter 1.

The disbursement to the ABFA for H1 2024 represents 35.73 percent of the projected ABFA for 2024, and 86.08 percent of the disbursement to the ABFA for the same period in 2023.

5.3.3 Distribution to the Ghana Petroleum Funds

For the period under review, the GPFs received an amount of US\$130,238,563.03, being 52.82 percent of the projected allocation to the GPFs for 2024, and 127.25 percent of the disbursement to the GPFs for the same period in 2023. The higher performance of the GPFs in H1 2024 than in H1 2023 was due to excess revenue deposited into the GPFs in 2024, in compliance with the Act.

5.3.3.1 *The Ghana Stabilisation Fund*

The Ghana Stabilisation Fund received an amount of US\$91,166,994.12 constituting 70 percent of the disbursement to the GPFs for H1 2024 in compliance with the Act.

5.3.3.2 *The Ghana Heritage Fund*

The Ghana Heritage Fund received an amount of US\$39,071,568.91 for H1 2024, representing 30 percent of the distribution to the GPFs as required by the Act.

5.3.4 Undistributed Funds

Out of the total receipts for H1 2024 of US\$840.77 million, an amount of US\$450.12 million was distributed, leaving a balance of US\$391.40 million to be distributed in H2 2024.

5.4 Cumulative Distribution of Petroleum Receipts

Cumulative petroleum receipts distributed as per the PRMA from August 2011 to the end of June 2024, amount to US\$10.29 billion. Of this amount, GNPC has received US\$2.93 billion representing 28.46 percent and the ABFA US\$4.12 billion which is equivalent to 40.02 percent.

The GSF and GHF have received an amount of US\$2.28 billion constituting 22.12 percent and US\$966.36 million being 9.39 percent, respectively.

Table 23 shows details of the cumulative distribution since inception.

Table 23: Cumulative Distribution of Petroleum Receipts since 2011

Recipient	Amount (US\$)	Percentage (%)
Ghana National Petroleum Corporation (GNPC)	2,927,799,307.19	28.46
Annual Budget Funding Amount (ABFA)	4,117,508,391.96	40.02
Ghana Stabilisation Fund (GSF)	2,276,046,675.70	22.12
Ghana Heritage Fund (GHF)	966,360,568.62	9.39
Petroleum Holding Fund (PHF) Minimum Balance	200,000.00	0
Total	10,287,914,943.47	100

Source: Bank of Ghana Data, June 2024

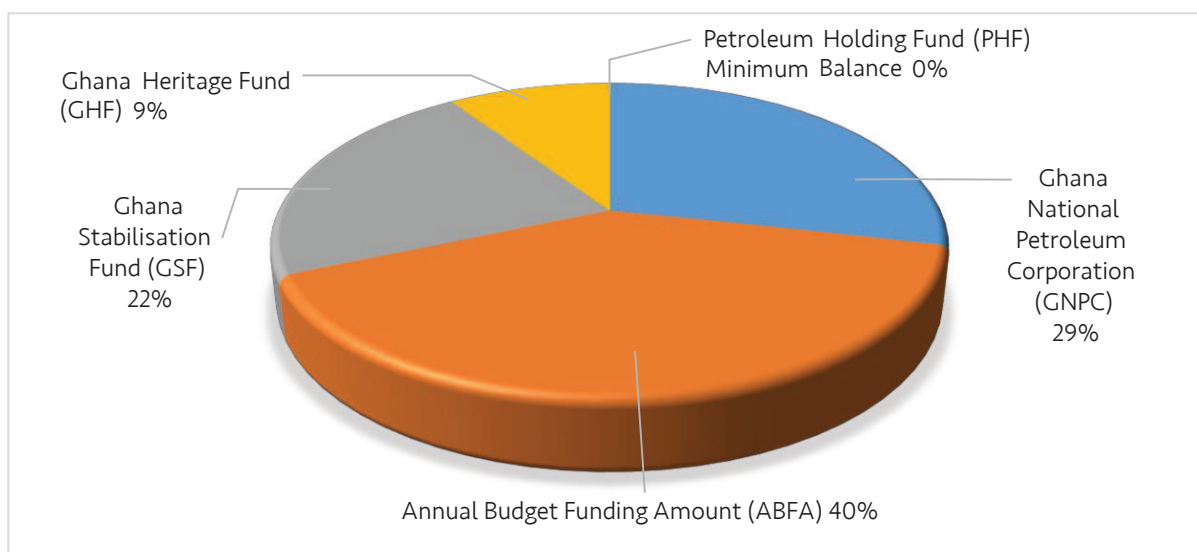


Figure 15: Cumulative Distribution of Petroleum Receipts since 2011

Source: PIAC’s construct based on Bank of Ghana Data, June 2024

CHAPTER 6

DISTRIBUTION AND UTILISATION OF THE ANNUAL BUDGET FUNDING AMOUNT

6.1 Introduction

The Annual Budget Funding Amount (ABFA) is petroleum revenue approved by Parliament for spending in the national budget in a financial year. The distribution and utilisation of the ABFA is regulated by the provisions of Act 815.

6.2 Allocation of Budgeted Annual Budget Funding Amount

According to the 2024 Budget Statement, projected ABFA for 2024 is US\$575.36 million (GH¢8,036,398,622). This amount was to be divided into four quarters and allocated to the Priority Areas and PIAC as approved by Parliament. Table 24 presents a breakdown of the projected spending of the ABFA for 2024.

Table 24 Allocation of Budgeted Annual Budget Funding Amount.

S/N	PRIORITY AREA	COVERED ENTITY / DESCRIPTION	GOODS & SERVICES GH¢	PUBLIC INVESTMENT EXPENDITURE GH¢	TOTAL GH¢	PERCENTAGE (%)
1.	Agriculture including Fisheries	Ministry of Food and Agric o/w MoFA Hqtrs and Agencies	-	600,000,000	600,000,000	7.47
2.	Physical Infrastructure and Service Delivery in Education and Health	Ministry of Education o/w Free Senior High School Programme	2,400,899,587	-	2,400,899,587	29.88
3.	Roads, Rail and Other Critical Infrastructure	General Government Services o/w Accra-Tema Motorway Project (Equity and VGF for GIIF SPV)		1,669,136,715	1,669,136,715	
		Ministry of Roads and Highways o/w Roads Infrastructure	-	1,529,861,782	1,529,861,782	
		Ghana Infrastructure Investment Fund o/w ABFA	-	1,125,095,807	1,125,095,807	
		District Assembly Common Fund o/w ABFA	-	401,819,931	401,819,931	
		Ministry of Railways Development o/w Railways Development	-	247,400,000	247,400,000	
		Ministry of Sanitation and Water Resources o/w Water and Sanitation	-	50,984,800	50,984,800	
				5,024,299,035	5,024,299,035	62.52
	Public Interest and Accountability Committee	Ministry of Finance o/w Public Interest and Accountability Committee	10,020,000	1,180,000	11,200,000	0.14
	Grand Total		2,410,919,587	5,625,479,035	8,036,398,622	

Source: MoF Data, June 2024.

The projected ABFA to the Priority Areas and PIAC for 2024, approved by Parliament, was allocated to the Priority Areas and PIAC in H1 2024, as shown in Table 24.

There was no budgetary allocation to the Industrialisation Priority Area for 2024.

The total projected expenditure on Goods and Services amounted to GH¢2,410,919,587, which is equivalent to 30 percent of the total projected expenditure, while projected Public Investment Expenditure amounted to GH¢5,625,479,035, representing 70 percent of the total projected expenditure. This complies with the PRMA ratio of 30:70 for Goods and Services, and Public Investment Expenditure, respectively.

Budgeted Versus Actual Annual Budget Funding Amount

Table 25 compares budgeted ABFA for the year 2024 and actual ABFA for H1 2024 allocated to the priority areas and PIAC.

Table 25: Budgeted ABFA Versus Actual ABFA Distribution

S/N	PRIORITY AREA	2024 BUDGETED ABFA (GH¢ MILLION)	2024 ACTUAL ABFA FOR H1 (GH¢ MILLION)	PERCENTAGE OF ACTUAL TO BUDGETED ABFA %	ACTUAL 2023 H1 ABFA (GH¢ MILLION)
1.	Agriculture Including Fisheries	600.00	169.37	28.23	247.89
2.	Physical Infrastructure and Service Delivery in Education and Health	2,400.90	732.53	30.51	36.35
3.	Roads, Rail and Other Critical Infrastructure	5,024.29	2,122.52	42.25	1,737.08
4.	Industrialisation	-	-	-	2.35
	Public Interest and Accountability Committee	11.20	6.11	54.55	2.25
		8,036.40	3,030.53		2,025.92

Source: PIAC Construct Based on MoF Data, June 2024

Distribution of ABFA by Priority Areas for H1 2024

No.	Priority Areas	Goods & Services GH¢	Public Investment Expenditure GH¢	Total GH¢	Percentage %
1.	Agriculture including Fisheries	-	169,373,797.18	169,373,797.18	5.59
2.	Physical Infrastructure and Service Delivery in Education and Health	732,523,824.97	-	732,523,824.97	24.17
3.	Roads, Rail and Other Critical Infrastructure	-	2,122,522,086.77	2,122,522,086.77	70.04
3.1	O/W Road Infrastructure	-	875,398,312.60	875,398,312.60	
3.2	O/W Rail Infrastructure	-	111,050,056.70	111,050,056.70	
3.3	Other Critical Infrastructure	-	1,136,073,717.50	1,136,073,717.50	
3.3.1	o/w Ministry of Sanitation and Water Resources	-	6,731,050.60	6,731,050.60	
3.3.2	o/w District Assembly Common Fund	-	133,374,335.37	133,374,335.37	
3.3.3	o/w Ghana Infrastructure Investment Fund	-	373,095,731.53	373,095,731.53	
3.3.4	o/w A. T. Expressway Ltd. (GIIF SPV for Tema Motorway Project)	-	622,872,600.00	622,872,600.00	
4.	Industrialisation	-	-	-	
	Public Interest and Accountability Committee	6,114,282.12	-	6,114,282.12	0.20
	Grand Total	738,638,107.09	2,291,895,883.95	3,030,533,991.04	100

Source: PIAC Construct based on MoF data, June 2024

6.3 Utilisation of the Annual Budget Funding Amount in the Priority Areas

According to the Ministry of Finance, actual ABFA available for distribution during H1 2024 was GH¢3,257.55. This is made up 2023 unutilised ABFA of GH¢592.57 million and GH¢2,664.97 (US\$205,572,186,98) distributed to ABFA for H1 2024. Out of the ABFA available for use, GH¢3,030.53 was distributed to the Priority Areas and PIAC (see Appendix D), leaving a balance of GH¢ 227.02 to be used in H2 2024.

During the period under review, expenditure under Goods and Services was 24.37 percent (GH¢738,638,107.09) while that under Capital Expenditure (Public Investment Expenditure) was 75.63 percent (GH¢2,291,895,883.95). This complies with the minimum ratio of 30:70 required by the Act for the spending of ABFA.

Utilisation of the ABFA in the Priority Areas is discussed below:

6.3.1 Agriculture Including Fisheries

The Agriculture including Fisheries Priority Area received GH¢169.37 million for the period under review. This disbursement is equivalent to 5.59 percent of the total ABFA for H1 2024, 28.23 percent of the budgeted allocation to this Priority Area for 2024, and 68.32 percent of the disbursement to this priority area for H1 2023.

About 95.75 percent (GH¢162.17 million) of the funds disbursed to this Priority Area was spent on the Tamne Dam Irrigation Project in the Upper East Region. The rest of the disbursement was spent on the construction and completion of the Nanton-Kurugu Irrigation Dam in the Northern Region of Ghana, and the construction and completion of sprinkler irrigation project in Kumawu, Ahinasi and Ataneata.

There was no disbursement to the Fisheries aspect of the Priority Area.

6.3.2 Physical Infrastructure and Service Delivery in Education and Health

The Physical Infrastructure and Service Delivery in Education and Health Priority Area received GH¢732.52 million. This amount constitutes 24.17 percent of the total ABFA for the period under review, 30.51 percent of the budgeted ABFA allocated to the Priority Area, and 2,015.19 percent of the disbursement to the Priority Area for H1 2023.

The entire disbursement was spent on Goods and Services in favour of the implementation of the Free Senior High School Programme for the 2023/24 academic year.

There was no disbursement to the Health aspect of this Priority Area.

6.3.3 Roads, Rail and Other Critical Infrastructure

The Roads, Rail and Other Critical Infrastructure Priority Area received GH¢2.12 billion which constitutes 70.04 percent of the ABFA for H1 2024, 42.25 percent of the budgeted allocation to

the Priority Area, and 122.19 percent of the disbursement to this Priority Area for H1 2023. The disbursement to this Priority Area was spent as follows:

6.3.3.1 Road Infrastructure

The Ministry of Roads and Highways received GH¢875.40 million for various road projects in the country. Some of the major road projects are the Upgrading of the Kyeaboso – Akrokere Feeder Road, Reconstruction of the Fijai Bypass Dual Carriageway, Rehabilitation of Kenyasi – Ntonso, Upgrading of Abokobi – Berekuso Junction, and Bridge over River Volta along Mishou – Woyema Road, to name but a few.

6.3.3.2 Rail Infrastructure

The Ministry of Railways Development received GH¢111.05 million for various railway projects. Out of this, 58.28 percent (GH¢64.72 million) was spent on the renovation of storehouses at Sekondi. The rest of the disbursement was used for the redevelopment of the Kojokrom – Manso Railway line and for the payment of compensation to persons affected by the Tema – Mpakadan Railway Project.

6.3.3.3 Other Critical Infrastructure

The Other Critical Infrastructure aspect of this Priority Area received GH¢1.14 billion of the disbursement to this Priority Area. The funds were utilised as follows:

District Assembly Common Fund

The District Assembly Common Fund (DACF) received US\$10,278,609.349 (GH¢133.37 million) which is equivalent to five (5) percent of the total budget ABFA for H1 2024. The funds were used for various projects in Metropolitan, Municipal and District Assemblies (MMDAs). The projects include the construction of markets and stalls in such places as Teshie Tsui Bleoo, Kpone, Asante Akyem South, Upper Denkyira East and Ajumako-Enyan-Essiam. Other projects are the construction of vocational and technical blocks in Sekyere Central, Bosome Freho and Atwima Nwabiagya. Additionally, the funds were used for the construction of CHPS compound in Gbungbu and Kpatia, and classroom block at Bortianor, Kparimbu AKA.

The Ghana Infrastructure Investment Fund

The Ghana Infrastructure Investment Fund received ABFA of US\$28,780,106.17 (GH¢373,095,731.53) for the Agenda 111 Project for the period under consideration. This disbursement is 14 percent of the ABFA for H1, 33.16 percent of the budgeted allocation to GIIF for 2024 and 101.75 percent of the disbursement to GIIF for H1 2023.

The disbursement brings cumulative ABFA disbursed to support the Agenda 111 Project as at 30th June 2024 to US\$219,845,813.58 (GH¢2,091,345,887.21). The Government of Ghana has made a cumulative non-ABFA contribution of GH¢1,342,960,000 bringing total funds spent on the Agenda 111 Project since 2021 to 30th June 2024 to GH¢3,434,305,887.21.

GIIF SPV Equity Viability Gap Fund- Tema Motorway Extension Project

An Annual Budget Funding Amount of US\$48,000,000 (GH¢622,872,600) was disbursed to the GIIF SPV Equity Viability Gap Fund Tema Motorway Extension Project for H1 2024.

GIIF reports that the Public-Private Partnership Committee, Cabinet and Parliament approved the Concession Agreement between A. T. Expressway Limited (ATEL- the Project Company) and the Government of Ghana represented by the Ministry of Roads and Highways acting through the Ghana Highway Authority in 2023. Project plans are since being implemented.

The Concession Agreement and the Engineering, Procurement and Construction (EPC) Contract were duly signed on 12th and 21st March 2024, respectively. In June 2024, the Ministry of Finance through GIIF disbursed US\$60 million out of the first tranche of US\$125 million to ATEL.

Water and Sanitation

The Ministry of Sanitation and Water Resources (MSWR) received GH¢6.73 million, representing 13.20 percent of the budgeted allocation to the MSWR for 2024. The funds were used for the Drilling and Mechanisation of boreholes with hybrid submersible pumps and solar farm at Chiana and Sandema, as well as the laying of transmission and distribution pipelines and installation of packaged water treatment plants at Juaben.

6.3.4 Industrialisation

As there was no budgetary provision, there was no ABFA disbursement to the Industrialisation Priority Area for the period under review. This comes as no surprise as ABFA disbursement to this Priority Area has been on the decline since the selection of the priority area in 2020. This raises the question of whether Industrialisation should have been retained as a Priority Area after the selection came to an end in 2022.

6.3.5 Public Interest and Accountability Committee

The Public Interest and Accountability Committee (PIAC) received ABFA of GH¢6,114,282.12 representing 100 percent of budgeted ABFA allocation to PIAC for H1 2024 for its programmes and activities in line with Act 815 as amended.

Observation

1. An amount of US\$48,000,000 (GH¢622,872,600) was disbursed to the GIIF SPV Equity Viability Gap Fund for the Tema Motorway Extension Project for H1 2024.

Finding

1. There was neither allocation nor disbursement to the Industrialisation Priority Area during the period under review.

CHAPTER 7

MANAGEMENT AND PERFORMANCE OF THE GHANA PETROLEUM FUNDS

7.1 Ghana Petroleum Funds

The Ghana Petroleum Funds (GPFs) are owned by the Government of Ghana and comprise the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF). The Funds are required to be transparently managed and operated within its legal framework.

The GPFs are supported by three (3) conditions, as provided for in the Petroleum Revenue Management Regulations, 2019 (L.I. 2381), specifically Regulation 14.

The Ghana Stabilisation Fund and the Ghana Heritage Fund are meant to be invested into financial instruments for sustaining public expenditure capacity during periods of unanticipated petroleum revenue shortfalls and serve as an endowment to support the development of future generations, respectively. A strong risk management framework supports the investment process of the Ghana Petroleum Funds. The framework of compliance rules is coded into the investment platforms monitored and implemented by the Risk Management and Compliance Unit of the Bank of Ghana.

The Bank publishes quarterly financial statements of the Ghana Petroleum Funds and the Petroleum Holding Fund. The Funds are audited quarterly by the Bank of Ghana's internal auditors and annually by external auditors.

The Bank of Ghana also reports on the investment performance of the Ghana Petroleum Funds and the Petroleum Holding Fund.

7.2 Disbursements to the Funds

The PRMA's disbursement requirements provide that the Funds must receive at least 30 percent of the benchmark revenue or realised petroleum revenue, net of GNPC's allocation, in any financial year. The Law further mandates that at least 30 percent of the revenue accruing to the Funds be deposited into the GHF, and the remaining portion into the GSF.

7.2.1 Ghana Heritage Fund (GHF)

The GHF provides an endowment to support development for future generations when Ghana's petroleum reserves are depleted. The Fund is invested outside of Ghana in safe, eligible securities since the GHF is required to be invested in conservative instruments. The only securities that meet the requirements are investment-grade bonds and convertible currency deposits issued by central banks, sovereign governments, and international institutions such as the Bank for International Settlements.

According to the PRMA, Parliament is required to assess any limitations on transfers from the Heritage Fund every 15 years and to also transfer a portion of the accrued interest into any additional fund(s) created by the PRMA.

7.2.2 Ghana Stabilisation Fund (GSF)

The purpose of the GSF was to allow the government to access funds in case of unanticipated declines in petroleum revenue or economic shocks that require the government to find other sources of funding to balance the budget. As evident in 2015 – 2016 and 2020 – H1 2024, the Fund thereby lessens the impact on public expenditure capacities. The withdrawal in H1 2024, similar to that of 2021 – 2023 was made to support government spending on the Post-COVID-19 Programme for Economic Growth (PC-PEG); the withdrawals in 2015, 2016, and 2020 were due to unanticipated deficits in petroleum revenue brought on by low oil prices.

The Minister for Finance may, subject to parliamentary approval, cap the amount that can be accumulated in the GSF, depending on the demands of the macroeconomic climate. When oil prices are high, the Minister may review the cap upward; and vice versa when they are low.

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

7.3 Capping of the Ghana Stabilisation Fund

The PRMA authorises the Minister for Finance to cap the GSF and transfer the excess over the cap into the Contingency, Sinking Fund, and the ABFA. Regulation 8 of the Petroleum Revenue Management Regulations, 2019 (L.I. 2381) provides the formula for the calculation of the cap.

Sub-Regulation 1 provides that in recommending the maximum amount of accumulated resources of the GSF, the Minister shall ensure the amount is not less than the average of ABFA over three (3) years. Sub-Regulation 2 provides the three (3) years in Sub-Regulation 1 and shall comprise:

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

Based on L.I. 2381, the cap for 2024 should be calculated as shown in Table 26.

Table 26: Determination of 2024 GSF Cap

Current Financial Year (2024) (A)	US\$575.36 million ⁴
The year preceding immediately before the current financial year (2023) (B)	US\$485.97 million
The year immediately after the current financial year (2025) (C)	US\$ 528.97 million ⁵
Total (A+B+C)	US\$1,590.30 million
Average (Total/3)	US\$530.10 million

Source: PIAC's Construct based on 2024 Budget Statement and Economic Policy, June 2024.

Therefore, the cap on the GSF by L.I 2381 should be US\$530.10 million for the year 2024 and not the US\$100 million set by the Minister for Finance.

7.4 Ghana Petroleum Wealth Fund (GPWF)

Section 20 of Act 815 mandates that the funds held in the Ghana Petroleum Funds be combined into a single fund, to be called the Ghana Petroleum Wealth Fund (GPWF), within a year of the depletion of the country's petroleum reserves. The GPFs will cease to exist following this consolidation. Illustrated in Figure 16 are the GPWF's sources of income.

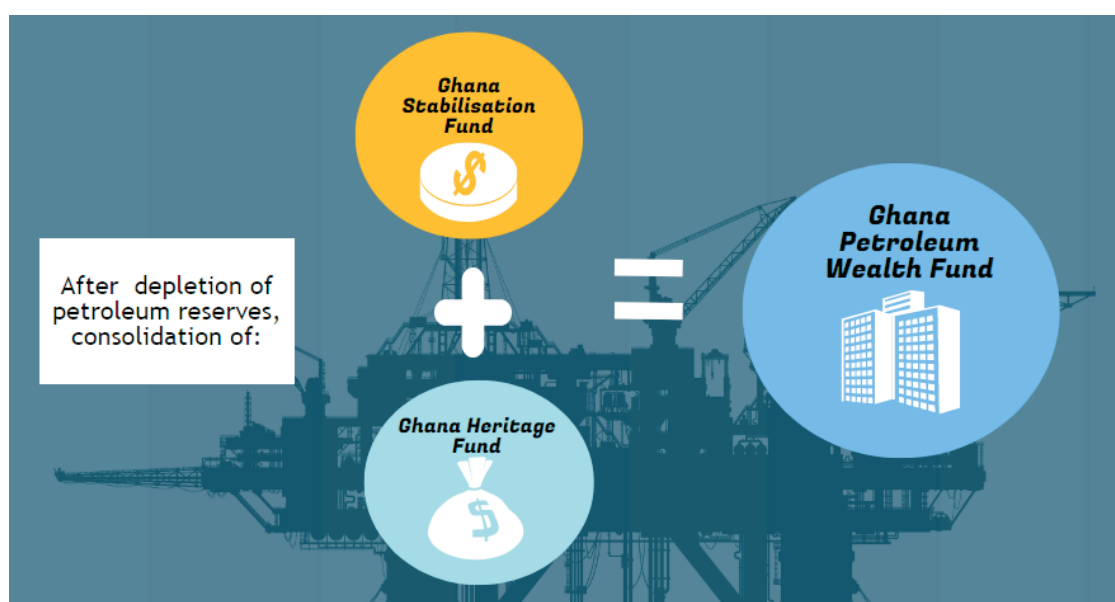


Figure 16: The Ghana Petroleum Wealth Fund

Source: PIAC's Simplified PRMA, 2017.

⁴ Based on the Benchmark Revenue in the 2024 Budget Statement and Economic Policy of the Government of Ghana.

⁵ Based on the Benchmark Revenue in the 2024 Budget Statement and Economic Policy of the Government of Ghana.

The GPWF will offer dependable funding for public expenditures. The funds shall be invested in approved securities, and the Minister, acting on the Investment Advisory Committee's recommendations, must evaluate these securities every three years or sooner. The sum of the dividends from the GNPC and the earnings on the GPWF is what will be used to support the budget through the ABFA after petroleum reserves are depleted.

7.5 Receipts and Returns on Investments

The amount received by the GPFs from the PHF for the period under review was US\$130.24 million, of which the GSF and GHF received a total of US\$91.17 million and US\$39.07 million, respectively. The H1 2024 receipt indicated a 27.30 percent increase over that of H1 2023 (US\$102.31 million).

In contrast to the US\$15.70 million realised at the end of June 2023, the Funds' net return on investments was US\$20.63 million in H1 2024; a 31.40 percent increase. As illustrated in Figure 17, the GSF contributed 17.86 percent (US\$3.68 million) to total net income compared to US\$2.04 million in H1 2023 while the GHF contributed 82.14 percent (US\$16.94 million) compared to US\$13.66 million in H1 2023.

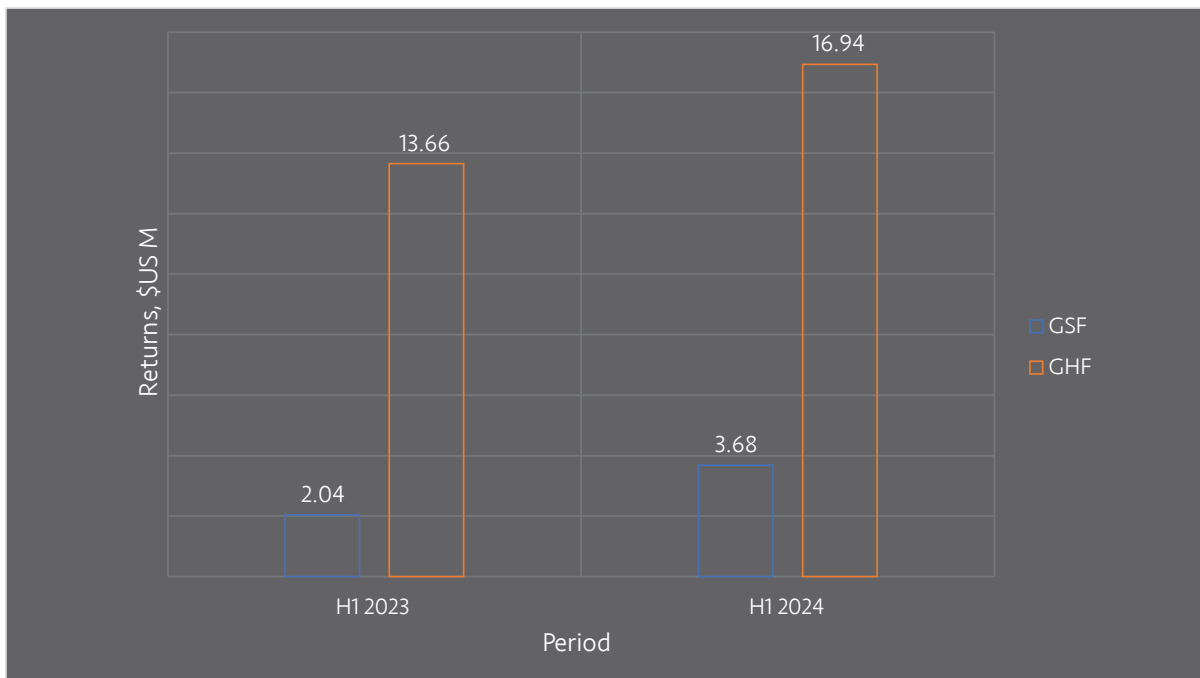


Figure 17: Returns on the Ghana Petroleum Funds (H1 2023 and H1 2024)

Source: PIAC Construct, from BoG Data, June 2024

In comparison to the GSF, GHF investments are mostly long-term focused. However, the GHF is periodically invested across the entire yield curve - short, medium, and long term - to benefit from the broad investment spectrum. Historically, the 2-year and 10-year US Treasury Notes served as the benchmarks for returns.

In the period under review, the spread between the U.S. 10-year Treasury note yield and the 2-year note yield increased by 1.34 percent from -37.29 percent in December 2023 to -35.95 percent at the end of H1 2024. The 3-month Treasury bill rate rose by 0.02 percent from 5.33 percent in December 2023 to end H1 2024 at 5.35 percent. The U.S. 10-year Treasury note yield increased by 52.00 bps from 3.88 percent in December 2023 to 4.40 percent by the end of June 2024.

Consequently, the return on the GHF in H1 2024 was -0.42 percent. Additionally, the two-year annualised return (2Y (A)) and three-year annualised return (3Y (A)) were up 0.90 percent and down 1.91 percent respectively for the GHF. The GSF return was 2.31 percent and 4.20 percent in H1 2024 and 2-year annualised (2Y (A)) respectively.

Table 27 and Table 28 show the GHF and GSF investment instruments, respectively, for the period under consideration.

Table 27: GHF Investment Instruments (H1 2024)

Name	Weight	Amount Invested
GHF	(%)	(US\$)
U.S Treasury Bonds	59.87	598,636,048.95
Agency bonds	13.53	135,631,663.56
Sovereign bonds	11.81	118,134,631.50
Supranational bonds	10.06	100,166,835.68
Overnight Repos	4.73	47,704,445.76

Source: Bank of Ghana Data, June 2024

Table 28: GSF Investment Instruments (H1 2024)

Name	Weight	Amount Invested
GSF	(%)	(US\$)
U.S Treasury Bonds and Bills	74.53	144,560,466.00
Overnight Repos	21.39	41,707,082.44
Sovereign Bonds	2.53	4,927,577.70
Supranational Bonds	1.55	2,994,867.78

Source: Bank of Ghana, June 2024

7.6 Accumulations and Reserves

As shown in Figure 18, the Ghana Petroleum Funds' net profit since November 2011 stands at US\$169.60 million. The GHF and GSF each contributed 80 percent and 20 percent, respectively.

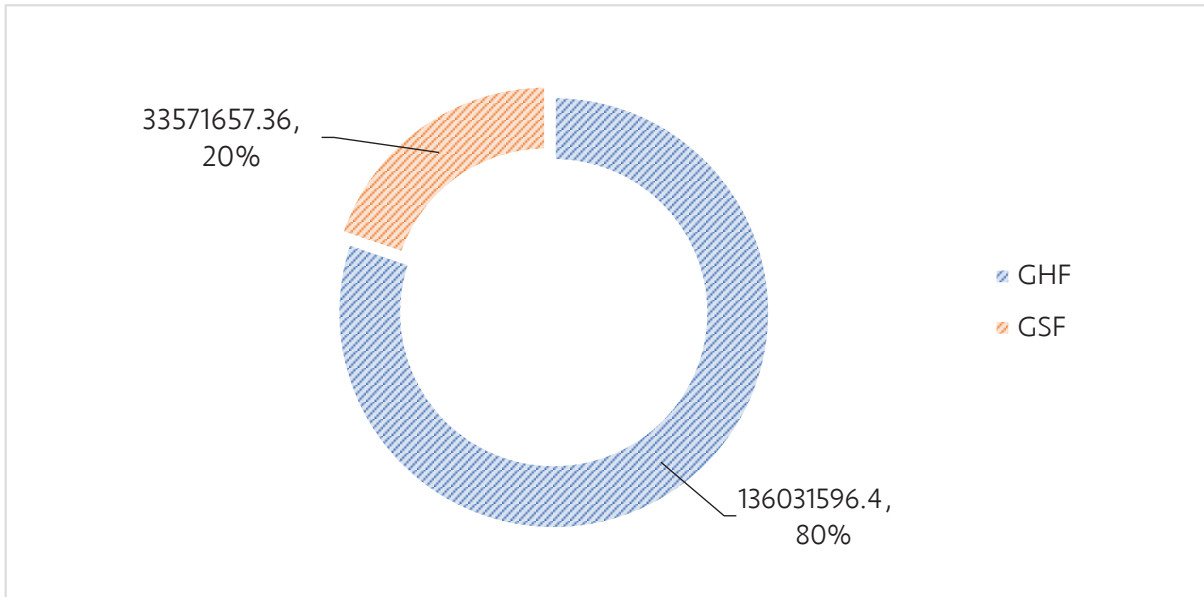


Figure 18: Net Realised Income on the Ghana Petroleum Funds since Inception

Source: PIAC Construct, based on BoG Data, June 2024.

The GPFs reserves (see Figure 19) at the end of H1 2024 was US\$1,297.24 million (GHF was US\$1,102.39 million and GSF was US\$194.85 million) compared to US\$1,096.92 million in H1 2023 (GHF was US\$962.59 million and GSF was US\$134.33 million)

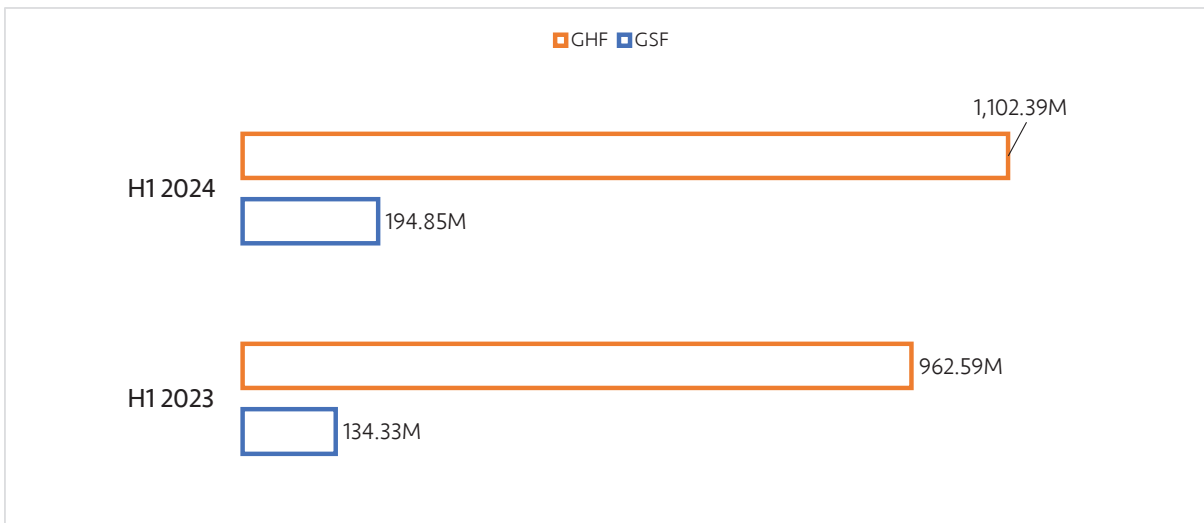


Figure 19: Reserves of the Ghana Petroleum Funds as of June 2024

Source: PIAC Construct, from BoG Data, June 2024.

Details on the Funds are displayed in Table 29.

Table 29: Net Accumulated Reserve of the Ghana Petroleum Funds in US\$

FUND	ALLOCATIONS SINCE INCEPTION	REALISED INCOME (NOV. 2011 – JUNE 2024)	TOTAL SINCE INCEPTION	WITHDRAWALS	CLOSING VALUE
GHF	966,360,568.62	136,031,596.39	1,102,392,165.01	-	1,102,392,165.01
GSF	2,276,046,675.71	33,571,657.36	2,309,618,333.07	(2,114,767,901.40)	194,850,431.67
Total	3,242,407,244.33	169,603,253.75	3,412,010,498.08	(2,114,767,901.40)	1,297,242,596.68

Source: BoG, June 2024.

7.7 Ghana Stabilisation Fund

7.7.1 Withdrawals

As determined by the Minister for Finance and approved by Parliament under Section 23(4) of the PRMA as amended, the cap on the GSF remained at US\$100 million. For the first half of the year, withdrawals from the GSF amounted to US\$90.38 million over the cap. According to the Bank of Ghana, there was an excess of US\$94.85 million over the cap, bringing the closing book value of the Fund to US\$194.85 million (see the Statement of Accounts in Table 30).

Table 30: GSF Statement of Account for H1 2024

	US\$
Opening Book Value (1 Jan 2024)	190,381,444.66
Receipt During the Period	91,166,994.11
Bank Charges	(1,538.26)
Realised Income	3,684,975.81
Withdrawal	(90,381,444.65)
Closing Book Value (30 June 2024)	194,850,431.68
Net Income for the Period Comprised:	
INCOME	US\$
Investment Income	3,684,975.81
Less:	
Bank Charges	(1,538.26)
Net Return for the Period	3,683,437.55

Source: BoG, June 2024

7.8 Ghana Heritage Fund

The closing book value of the Ghana Heritage Fund as of the end of June 2024 was US\$1,102.39 million, as indicated in Table 31.

Table 31: GHF Statement of Account for H1 2024

	US\$
Opening Book Value (1 Jan 2024)	1,046,376,406.90
Receipt During the Period	39,071,568.91
Bank Charges	(30,724.84)
Realised Income	16,974,914.05
Closing Book Value (30 June 2024)	1,102,392,165.01
Net Income for the Period Comprised:	
Income	US\$
Investment Income	16,974,914.05
Less:	
Bank Charges	(30,724.84)
Net Return for the Period	16,944,189.21

Source: BoG, June 2024.

7.9 The Petroleum Holding Fund

The Petroleum Holding Fund (PHF) Account had a balance of US\$391.40 million at the end of H1 2024, which was made up of Jubilee 77th and Sankofa 15th liftings, corporate income tax, surface rental, interest on late payment, PHF overnight interest and a mandatory balance.

Findings

1. The retention of the current cap of US\$100 million on the Ghana Stabilisation Fund (GSF) for the year 2024 is not in accordance with the formula stipulated in Petroleum Revenue Management Regulations, 2019 (L.I. 2381) and does not help build the Fund to serve its purpose. A proper application of the capping formula under L.I 2381 would have returned an amount of US\$530.10 million in the reporting period.
2. The GHF reserves increased by 14.52 percent. The reserves of the GSF at the end of June 2024 increased by 45.05 percent despite withdrawals from the Fund. The combined effect on the GPFs was a reserve increase of 18.26 percent from US\$1,096.92 million in H1 2023 to US\$1,297.24 million in H1 2024.

CHAPTER 8

GNPC ALLOCATION AND UTILISATION

8.1 Introduction

The Ghana National Petroleum Corporation (GNPC), established in 1983 by the Ghana National Petroleum Corporation Act, 1983 (PNDCL 64), is primarily charged with the responsibility of undertaking exploration, development, production and disposal of petroleum. The Corporation is party to every petroleum agreement, and it holds the State's strategic interest ultimately aimed at promoting exploration and the orderly and planned development of petroleum resources to obtain the greatest benefit for the country. It also plays a role in ensuring the transfer of technology related to petroleum operations, promoting capacity building in the petroleum sector and ensuring the safe conduct of petroleum operations to prevent adverse impacts on the environment, resources and the people of Ghana.

The Corporation's governing law (PNDCL 64) provides mechanisms for the financing of its operations including borrowing, government guarantees, advances, grants and special levies. However, with the enactment of the Petroleum Revenue Management Act, 2011 (Act 815) as amended, special provision has been made for financial resources to be ceded from petroleum revenues to the National Oil Company (NOC) i.e. GNPC. The PRMA provides for a two-tier deduction from petroleum receipts:

- Level A: Equity financing costs (including interests and advances) from the proceeds of the Carried and Participating Interests after payment into the PHF.
- Level B: The cash or the barrels of oil equivalent ceded to the National Oil Company out of the CAPI recommended by the Minister for Finance and approved by Parliament.

For a period not exceeding 15 years from the commencement of oil production, that is, until 2026, the PRMA provides that Level B allocation shall be no more than 55 percent of the net cash flow from the CAPI after deducting equity financing cost (Level A expenditure).

In practice, however, Level B allocation of about 30 percent of net CAPI has often been recommended by the Minister and approved by Parliament to GNPC since 2016. The percentage of net CAPI allocation prior to 2016 was about 40 percent.

Since the commencement of petroleum production in 2011, GNPC has received a total of US\$2,987.95 million from the two streams of receipts (Level A and B). Of this, total equity financing costs

(Level A receipts) amounted to US\$1,669.92 million, representing 55.89 percent of the total GNPC allocations. Level B receipts for operational costs and other expenditures over the period amounted to US\$1,318.03 million, representing 44.11 percent of total allocations.

This section provides a review of the allocations and utilisation of GNPC's receipts for H1 2024.

8.2 Actual Allocation

For the first half of 2024, GNPC received a total amount of US\$ 114.31 million. In addition to the cash balance of US\$52.71 million brought forward from 2023, the total amount available to GNPC for spending came to US\$167.01 million. At the end of 2023, GNPC reported provisions for payment to the tune of US\$147.11 million to be settled from cash balance of US\$52.71 million leaving deficit of US\$94.40 million. At H1 2024, the Corporation reports that most of the outstanding payments had been settled with others ongoing.

The total crude oil receipts included transfers in respect of crude oil liftings in December 2023 of US\$25.58 million from the 7th Sankofa lifting and US\$36.36 million from the 23rd TEN lifting. The breakdown of receipts is as follows:

8.2.1 Equity Financing (Level A)

- Jubilee Equity financing (share of development & production cost) – US\$25.50 million;
- TEN Equity financing (share of development & production cost) – US\$27.66 million; and,
- Sankofa Equity financing (share of development & production cost) – US\$5.27 million.

8.2.2 Percentage of Net Proceeds (Level B)

- 30% share of net proceeds of Jubilee crude oil revenue – US\$26.87 million;
- 30% share of net proceeds of TEN crude oil revenue – US\$8.70 million;
- 30% share of net proceeds of SGN crude oil revenue – US\$20.31 million

8.3 Expenditure

From the amount available for spending during the period, an amount of US\$158.18 million was expended, leaving a balance of US\$8.83 million as shown in Table 32.

Table 32: GNPC's Receipts and Expenditure for H1 2024

S/N	Item	Amount (US\$)	Percentage (%) of Total Receipt
Receipts			
1	Level A Receipts (Equity Financing) - Jubilee	25,498,397.30	22.31
2	Level B (30% of Net Proceeds) - Jubilee	26,871,471.90	23.51
3	Level A Receipts (Equity Financing) - TEN	27,657,902.61	24.20
4	Level B (30% of Net Proceeds) - TEN	8,696,056.18	7.61
5	Level A Receipts (Equity Financing) - SGN	5,269,531.63	4.61
6	Level B (30% of Net Proceeds) - SGN	20,313,487.39	17.77
	Total Amount Received (A)	114,306,847.01	100.00
Expenditure			
1	Jubilee Equity Financing Cost	27,450,081.04	24.01
2	TEN Equity Financing Cost	49,652,624.80	43.44
3	Sankofa/OCTP Financing Cost	5,567,258.52	4.87
4	Exploration and Development Projects -Note 1	5,414,656.01	4.74
5	Staff Cost	12,085,574.84	10.57
6	Admin. Capital Expenditure	1,713,935.79	1.50
7	Capital Projects	14,187,820.69	12.41
8	General Operational Expenditure	9,536,205.16	8.34
9	Gas Enclave RoadsPayments	1,412,838.56	1.24
10	Saltpond Field Decommissioning Project	21,626,306.12	18.92
11	Mid-Stream & Other Projects	1,500,000.00	1.31
12	Sustainability and Stakeholder Relations and GNPC Foundation	8,036,922.80	7.03
	Total Expenditure (B)	158,184,224.33	
	Net Position (C) (A-B)	(43,877,377.32)	
	Add: Cash Brought Forward (01.01.2023) (D)	52,707,483.13	
	Total Cash Available (E) (C+D)	8,830,105.81	
Note 1 –Breakdown of Exploration & Development Projects		Amount (US\$)	
	Voltaian Basin Petroleum Projects	4,741,544.75	
	GH-WB-01 (GNPC)	10,858.67	

S/N	Item	Amount (US\$)	Percentage (%) of Total Receipt
	Maritime Boundary Special Project	662,252.59	
	Total Non-Jubilee, TEN and SGN Projects Expenditure	5,414,656.01	

Source: PIAC's Construct based on GNPC Data, June 2024

8.3.1 Jubilee Expenditure

Of the total amount received during the period, US\$27.45 million representing 24.01 percent, was utilised in respect of GNPC's share of production and development cost in the Jubilee Field. The H1-2024 expenditure is nearly half the expenditure recorded in H1-2023 of US\$44.73 million. GNPC's expenditure of US\$27.45 constitutes 8.22 percent of total Jubilee Production and Development costs of US\$333.9 million incurred by Partners on the Field.

8.3.2 TEN Expenditure

The expenditure of US\$49.65 million on the TEN Field's production and development cost represents 43.44 percent of the amount received by GNPC during the period. It exceeds the amount received during the period to cover the TEN Equity Financing Cost (US\$27.66 million) by 79.52 percent and represents over seven-fold (700 percent) increase from the expenditure on the field in H1-2023 (US\$6.40 million).

Compared with the total production and development cost incurred by the partners (US\$174.9 million), the H1-2024 expenditure is 28.39 percent. GNPC however explains that the expenditure of US\$49.65 million is made up of an actual invoiced amount of US\$27.66 million, a part payment of US\$18.14 million and an internally allocated cost of US\$3.85 million.

8.3.3 SGN Expenditure

Expenditure on the field in respect of GNPC's share of production and development cost in the SGN Field for the period was US\$5.57 million, representing 4.87 percent of total receipts in H1 2024. Total spending by the Partners in respect of development and production cost in the Field was US\$159.93 million and GNPC's portion of US\$5.57 million is 3.41 percent of the total partners' cost.

8.3.4 Exploration & Development Projects

An amount of US\$5.41 million, representing 4.74 percent of the amount received for the period, was spent on exploration and development projects. The amount was spent on three projects other than Jubilee, TEN and Sankofa. These included the Voltaian Basin, GH-WB-01 (allocated to GNPC during the first Bid and Licensing Round) and Maritime Boundary Special Projects. Details are provided as Note 1 of Table 32. The amount represents a significant decline from the H1-2023 figure of US\$9.81 million.

8.3.5 Staff Cost

GNPC's Staff cost for the period amounted to US\$12.09 million, which is 10.57 percent of total receipts for H1-2024. This expenditure was in respect of remuneration for Technical as well as Petro-business support staff. In comparison with the H1 2023 staff cost US\$10.43 million, the amount represents an increase of 14.38 percent.

8.3.6 Administrative Capital Expenditure

Administrative capital expenditure amounted to US\$1.71 million and this represents 1.50 percent of total receipts for the period under review. Covered under this expenditure was the procurement of vehicles for corporate use.

8.3.7 Capital Projects

Expenditure on Research and Technology Project, Corporate Head offices, Works on Landed Property, and IT security solution (physical procurement of hardware and associated software) are classified by the Corporation under Capital projects. During the period, an amount of US\$14.19 million, representing 12.41 percent of total receipts was spent on these projects. Compared with the H1 2023 expenditure of US\$8.16 million, the amount represents an increase of 73.90 percent. Table 33 provides the breakdown of GNPC capital projects for H1 2024.

Table 33: Breakdown of GNPC Capital Projects for H1 2024

ITEM	AMOUNT (US\$'000)
Corporate Offices - New Accra Head Office	3,773.76
Corporate Offices - Takoradi Head Office	3,912.55
Research and Technology Centre	3,316.12
Works on Landed Property	884.37
Digital Transformation	2,301.01
TOTAL	14,187.82

Source: GNPC Data, June 2024

8.3.8 General Operating Expenditure

GNPC categorises insurance, utilities, communication expenses, professional services, ICT-related cost such as software maintenance, general repairs and maintenance, vehicle repairs and maintenance among others under general operating expenditure. For the period, a total of US\$9.54 million of receipts was spent on General Operating Expenditure representing 8.34 percent. Compared with a H1 2023 expenditure of US\$7.12 million, the H1 2024 figure represents an increase of 33.99 percent.

8.3.9 GNPC Gas Enclave Roads Payments

GNPC has consistently reported since 2014 that it is supporting the construction of key roads within the western corridor to facilitate the evacuation of gas from the Ghana National Gas Company Limited Company at Atuabo as part of its role as gas aggregator even though in theory, this role has been assigned to GNGLC since May 2020. In H1 2024, an amount of US\$1.41 million was expended on the Gas enclave road project, representing 1.24 percent of total receipts. According to the Corporation, the expenditure was in respect of Interim Payment Certificates (IPCs) raised by contractors on the projects. Compared with the previous period, this represents a 34.72 percent decline over the H1 2023 expenditure of US\$2.16 million. It is however worthy of note that some enclave road contractors were paid an amount of US\$7,807,005.58 by Ghana Gas to offset the legacy debt owed GNPC with respect to the cost of the 14km Offshore Pipeline.

8.3.10 Saltpond Field Decommissioning

As observed in the 2023 PIAC Semi-annual Report, the Saltpond Field Decommissioning project was scheduled to be completed in January 2024. For the period under review, GNPC has however reported that the project has been temporarily suspended on 10th October 2023 and the Contractor temporarily demobilized from the project site on 13th December 2023 pending the completion of the third-party verification work.

Despite the suspension, a total of US\$21.63 million was spent on the project during the period which represents 18.92 percent of total receipts and a 13.79 percent increase over disbursements to the project in H1-2023 which stood at US\$19 million. GNPC reports that the expenditure represents payment for an outstanding invoice in respect of work done by the Contractor including milestone payments as well as salaries, crew change, food supply, fuel, and transportations towards the decommissioning of the field.

The Corporation also reported that included in the total SOPCL cost is US\$3.98 million, which was drawn down from the US\$6 million cash to back bank guarantee in favour of Hans & Co. Oil and Gas and Shell Drilling Ltd. Additionally, the Hans & Co. contract required that US\$6million guarantee be posted in favour of Shell Drilling. The drawdown was as a result of non-payment of overdue invoices by the decommissioning Contractor, Hans & Co. An amount of US\$13 million was transferred directly by the Ministry of Finance to the Contractor and the Corporation has since treated the transfer as part payment of its indebtedness to the Contractor.

8.3.11 Mid – Stream and Other Projects

An amount of US\$1.50 million was spent on Mid-Stream activities, including the Tema LNG and Tema City Gate projects, accounting for 1.31 percent of total receipts for the period under review. GNPC explains that the Tema LNG project is a Build, Own and Transfer arrangement and would be transferred to the Corporation after 12 to 15 years. The Corporation has an obligation to guarantee the purchase of Regasified gas and the project is at 98 percent completion.

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

GNPC's total guarantees and payment receivable for H1 2024 amounted to US\$1,239,777,317.87 as shown in Table 34. This comprises:

- Loan amounts due from Government and other agencies
- Outstanding gas sales
- Guarantees (Karpower)
- ECG HFO Commitment (Litasco)

Table 34: GNPC's Payments and Guarantees as at 30th June, 2024

Agency	H1 2024 Outstanding Balance (US\$)	Date Receivables Crystallised	H1 2024 Status
Government of Ghana	23,217,406.00		No Change
MoF Enclave Roads (GHS)	26,901,979.64	2015 to date	No change
MoF Enclave Roads (US\$)	17,188,682.54	2015 to date	No change
Tema Oil Refinery	58,404,875.00	2011	No change
ECG-BG Related Charges	4,966,027.40	2015-2017	No change
GNGC - 14km Offshore Pipeline	36,811,783.78	2010	No Change
*OCTP Escrow	0.00	2018/19	fully utilised
MoF BOST Under recoveries	5,269,531.53	2015	Half of the outstanding amount has been received
Sub-total	172,760,285.89		
Outstanding from Gas Sales			
Volta River Authority	88,881,843.42	ongoing	CWM reconciled position
Total outstanding receivables from GNGC	595,640,468.82	ongoing	CWM reconciled position
Sub-total	684,522,312.24		
**Karpower Guarantees	117,000,000.00		No Change.Total Karpower Guarantees outstanding is US\$117 million of which Guarantee A (for early termination and reducible by 10% annually) is US\$38 million and Guarantee B (for Capacity) is US\$79 million
Sub-total	117,000,000.00		

ECC HFO Commitment (Litasco)	163,700,000	Secured 19th August 2020 *** Amortization ongoing	Debt servicing by government of the Litasco facility has stalled in light of the recent economic challenges. Government is currently negotiating a refinancing of the debt owed. Balance of the debt as at 30/06/2023 stood at US\$91,291,709.97. No change in the amount of US\$47,649,681 outstanding from AKSA for the supply of HFO.
Sub-total	163,700,000		
Total	1,049,100,755		

Source: GNPC, June 2022

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

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

*** Date financing procured for a 3-year tenor

From the outstanding payments and guarantees, some recoveries have been made totalling US\$36,639,724.96 as shown in Table 35.

Table 35: GNPC Recoveries of Loans and Advances as at June 2024

Agency	FY 2023 Outstanding Balance (US\$)	HY 2024 Outstanding Balance (US\$)	Difference FY 2023-HY 2024	Status HY2024
Total Outstanding Receivables from GNGC	562,696,382.33	531,326,188.99	31,370,193.34	CWM Reconciled position
MoF BOST Under recoveries	10,539,063.25	5,269,531.63	5,269,531.63	Half of the outstanding has been received
Total Reduction in HY 2024			36,639,724.96	

Source: GNPC, June 2024

8.3.13 Other Receipts by GNPC

Revenue from the Cash Waterfall Mechanism/ Natural Gas Clearing House

Receipts by GNPC from the Cash Waterfall Mechanism (CWM)/Natural Gas Clearing House (NGCH) amounted to US\$25.2 million for the period. Based on the revised CWM guidelines in August 2023, ECG now pays for only gas services and therefore no allocation was made for the gas commodity to GNPC over the period. According to GNPC, the Minister for Energy again directed that ECG makes payment for gas transportation services directly to West African Gas Pipeline Company Ltd (WAPCo) and GNPC pays for Gas Management from its Internally Generated Funds (IGF).

Table 36: Receipts from Cash Waterfall Mechanism

CWM Receipts	GHS	(US\$)
Commodity	0.00	0.00
Service	0.00	25,200,000.00
Total	0.00	25,200,000.00

Source: GNPC, June, 2024

Therefore, payments for gas services are not made into the PHF but are paid directly to gas service providers. These service providers include West African Gas Pipeline Company Ltd (WAPCo) for gas transportation and West Coast Gas Company Ltd (WCGG) for gas management.

8.3.14 Subsidiary Expenditure

Explorco

As reported in the 2023 Annual Report, the interest of Explorco has been officially ceded to GNPC Explorco. Explorco's re-registration at the Office of the Registrar of Companies (ORC) was completed on 18th October, 2023, and the relevant certificates issued. Additionally, the transfer of JOHL's interests in DWT and WCTP to Explorco was approved by the Minister of Energy in November 2023.

During the period H1 2024, Explorco lifted one parcel of crude worth US\$74,916,669.91 from the Jubilee field in June 2024. As at 30th June 2024, proceeds of the lifting were yet to be received. A utilisation report of Explorco would be provided in the 2024 PIAC Annual Report.

8.3.15 Sustainability and Stakeholder Relations and GNPC Foundation

A total of US\$8.04 million was spent on sustainability and stakeholder relations, scholarship awards and community projects of the GNPC Foundation. This represents 7.03 percent of total receipts for the period and 140.72 percent increase over receipts by the Foundation for the same period in 2023. GNPC explains that an amount US\$4.38 million was spent on Sustainability and Stakeholder Relations while US\$3.66 million was transferred to the Foundation to cover its budget.

8.4 GNPC Foundation

The Foundation's budget for 2024 was US\$23.18 million out of which it received GH¢40,256,500.00 and US\$200,000 from GNPC for the period H1 2024 under Sustainability and Stakeholder Relations and GNPC Foundation budget line to fund its projects and programmes as well as operational activities. As stated in previous PIAC reports, the Foundation's programmes are based on four (4) thematic areas:

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

Table 37 presents the Foundation's expenditure under the four (4) thematic areas as well as its operational spending for the period.

Table 37: Expenditure by GNPCF

Pillar	Expenditure (GH¢)	Expenditure (US\$)
Education and Training	21,712,843.02	7,346.50
Economic Empowerment	472,421.21	
Environment and Social Amenities	616,484.49	
Sports	9,811,581.29	
Sub-total (Projects)	32,613,330.01	7,346.50
Operational Expenditure	3,549,665.87	
Total Expenditure	36,162,995.88	7,346.50

Source: PIAC's Construct based on GNPCF Data, June 2024.

Observation

1. PIAC observes that GNPC has not established the reserve fund, as required by Section 18 of PNDCL 64, to provide for expenditures which may reasonably be anticipated in the carrying out of the Corporation's long-term plan, having regard to the provisions of the PRMA that, allocation of petroleum revenues for GNPC's level B expenditures may be discontinued in 2026.

Finding

1. The rising expenditure trend in the TEN Field raises concerns about the viability of the field. With no lifting by the Ghana Group for H1 2024, the Field recorded 60 percent of the State's share of total development and production cost on all three producing fields.

CHAPTER 9

OPERATIONS OF GHANA NATIONAL GAS LIMITED COMPANY

Ghana National Gas Limited Company (GNGLC) is a state-owned mid-stream gas business company. Its operations focus on harnessing natural gas resources from the country's oil-producing fields for power generation as well as providing gas for non-power industrial and domestic use.

The use of gas as fuel in power generation tends to reduce the end-user tariff since it is less costly than conventional fossil fuels, such as light and heavy crude oils. The resulting savings contribute to lowering the cost of production and improving the competitiveness of local businesses as well as making electricity more affordable and accessible to Ghanaians. Further, the carbon footprint associated with the use of gas in various applications is lower than other forms of traditional fossil-based fuels. This therefore makes gas resources a key driver of Ghana's National Energy Transition and Investment Plan.

Overall, the exploitation of Ghana's gas resources contributes to enhancing industrial development and the well-being of consumers through competitive electricity tariffs as well as reducing the country's generation of carbon emissions, which contributes to the global efforts to decelerate climate change.

9.1 Technical and Commercial Operations

GNGLC is a state-owned utility that operates as an Integrated Gas Company with its activities spanning natural gas aggregation or gathering, processing, and transmission, systems operator, and marketing of natural gas and its derivatives. Currently, GNGLC supplies gas to the Volta River Authority (VRA) and other commercial entities for power generation and industrial applications.

9.2 Volumes and Cost of Natural Gas Received from Ghana National Petroleum Corporation

The volume of natural gas received by GNGLC from Ghana National Petroleum Corporation (GNPC) was 18,174.74 MMSCF as of 30th June 2024, as compared to 17,572.54 MMSCF recorded in the corresponding period in 2023. The monthly volumes of gas supplied by GNPC to GNGLC are depicted in Figure 18.

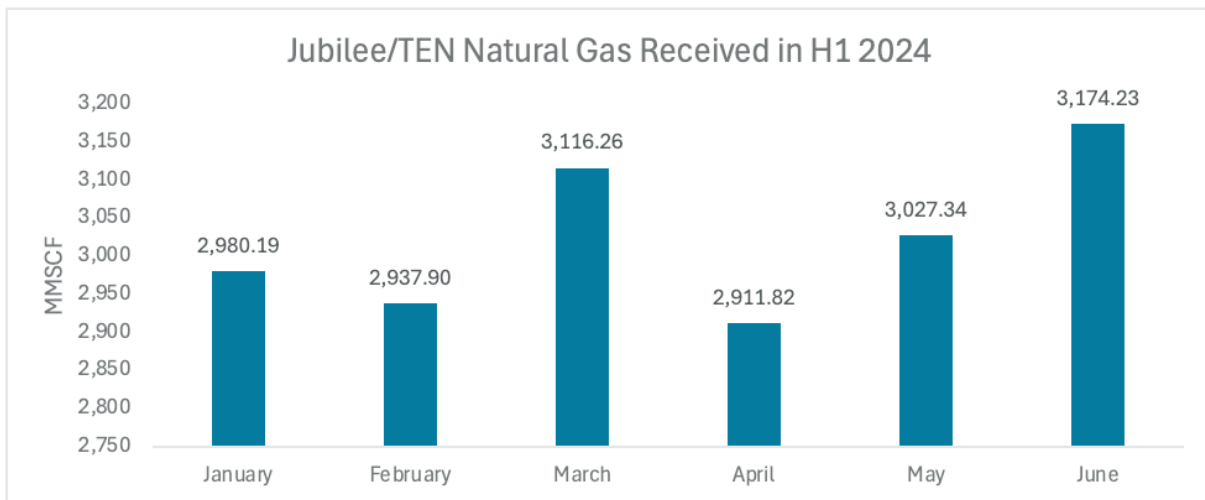


Figure 20: Total Volume of Natural Gas Received from GNPC in H1 2024

Source: PIAC Construct, based on GNGLC data, June 2024

On a year-on-year basis, the volume of natural gas received by GNGLC increased by 3.2 percent. The upturn in volume was primarily a reflection of base effect⁶. In the preceding first half-year period (2023), the quantum of gas supplied by GNPC to GNGLC in April and May was significantly lower than the discrete amounts received in the other months as well as the average quantum of gas (2,932.1 MMSCF) delivered in H1 2024. As the volume of gas supplied to GNGLC by GNPC returned to its normal trend with a monthly average of 3,024.62 MMSCF in the first half of 2024, this resulted in a higher percentage change. Figure 21 contrasts the volume of gas supplied by GNPC to GNGLC in the first half of 2023 with that of 2024.

⁶ Base effect is used to describe how in a comparison of two periods, the reference period can impact the computed percentage change.

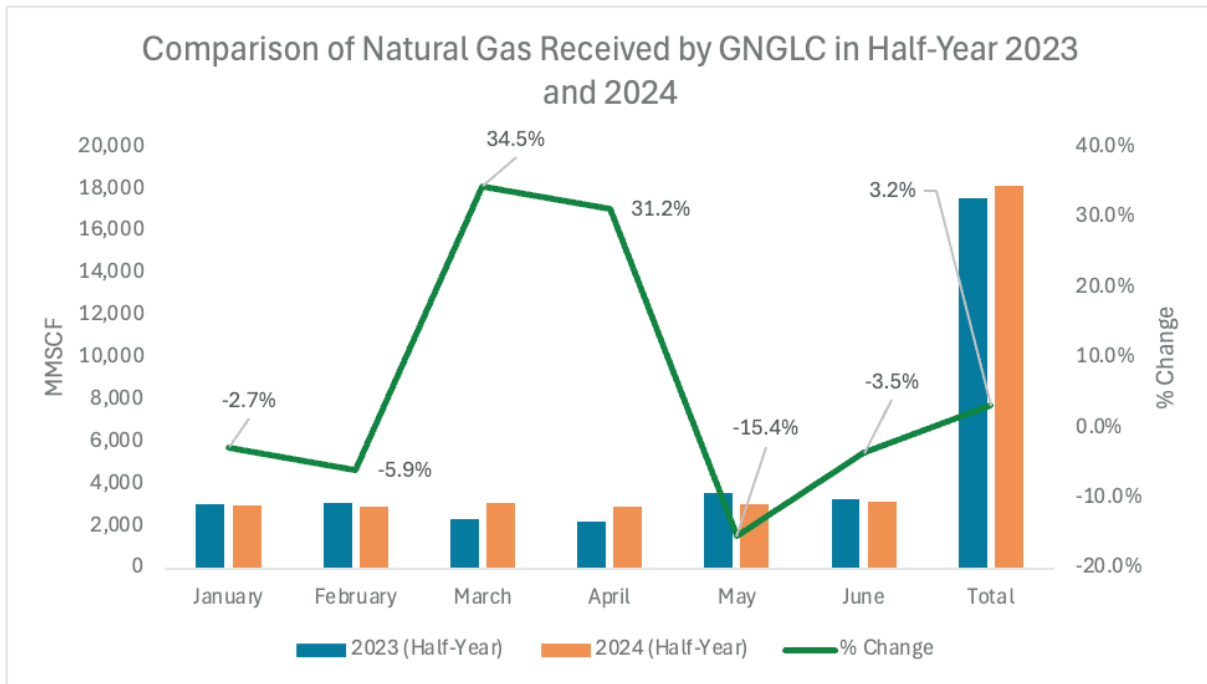


Figure 21: Total Volume of Gas Received by GNLGLC from GNPC in H1 2023 and H1 2024

Source: PIAC Construct, based on GNLGLC data, June 2024.

9.3 Processed Volumes

The natural gas received by GNLGLC is processed into lean gas, liquefied petroleum gas (LPG), and condensates.

9.3.1 Lean Gas and Other Derivatives

In the first half of 2024, the total volume of lean gas processed by GNLGLC was 16,910.28 MMSCF as compared to 16,160.46 MMSCF in the first half of 2023. This translates into a 4.6 percent growth in the volume of lean gas processed. As explained previously and can be inferred from Figure 22, the growth in the volume of lean gas processed by GNLGLC was due to base effect. The volume of processed lean gas in March and April 2023 was significantly lower than the outturn of the previous months. As the volume of lean gas returned to its average level (2,818 MMSCF) in the first half of 2024, the net effect is a higher percentage change.

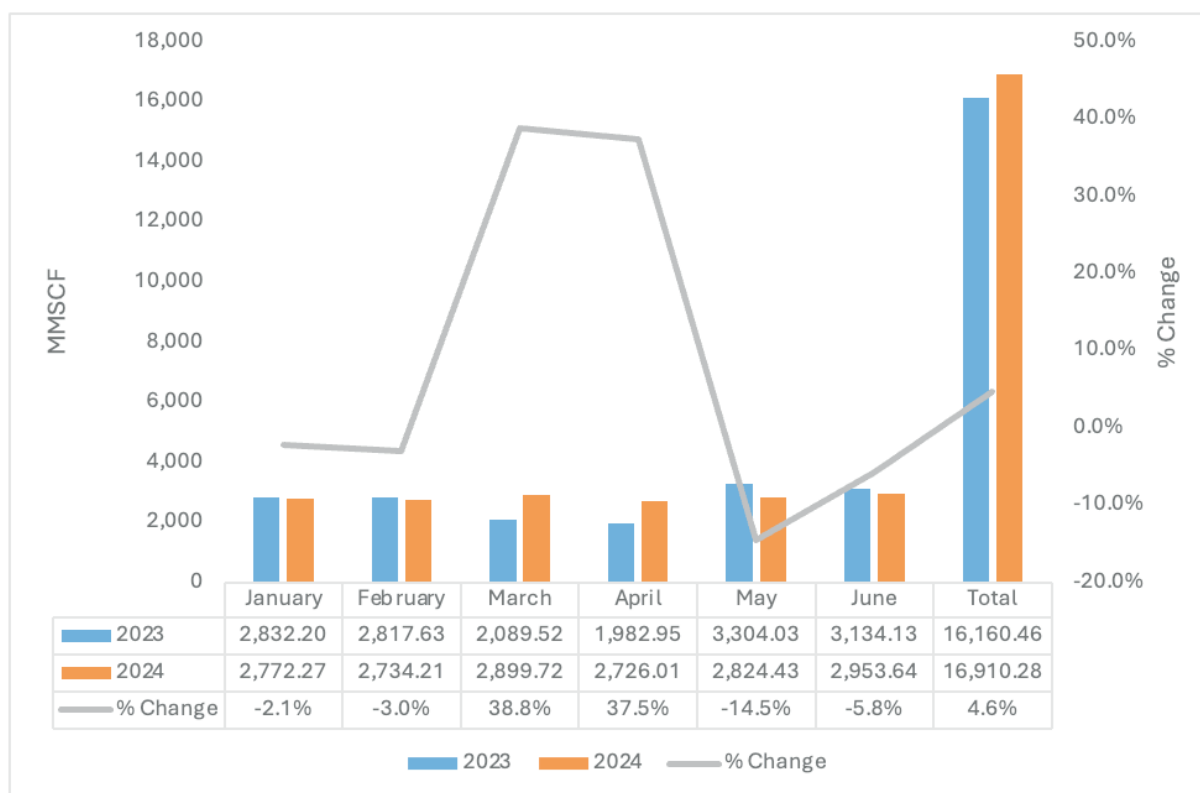


Figure 22: Total Volume of Lean Gas in H1 2023 and H1 2024

Source: PIAC Construct, based on GNGLC data, June 2024

This observation also holds for the outturns of LPG and condensates. The total volume of LPG at the end of June 2024 was 51,322.80 MT, representing a 2.6 percent increase over the H1 2023 volume of 50,013.74 MT. With respect to condensates, there was a 43.7 percent increase year-on-year, from 14,781.14 MT at the end of H1 2023 to 21,241.09 MT in H1 2024.

A summary of the volume of raw gas received by GNGLC from GNPC and the volumes of lean gas, LPG, and condensates processed are shown in Table 38.

Table 38: Volumes of Processed Derivates (Jan-June 2024)

Month	Jubilee/TEN Natural Gas	Lean Gas Produced	Liquefied	Condensate
	Received from Upstream	from Jubilee	Petroleum Gas	
	MMSCF	MMSCF	MT	MT
1 January	2,980.19	2,772.27	8,982.23	3,552.14
2 February	2,937.90	2,734.21	8,567.91	3,430.80
3 March	3,116.26	2,899.72	9,007.44	3,878.39
4 April	2,911.82	2,726.01	7,841.58	3,148.59
5 May	3,027.34	2,824.43	8,462.33	3,523.97

Month	Jubilee/TEN Natural Gas Received from Upstream	Lean Gas Produced from Jubilee	Liquefied Petroleum Gas	Condensate
6 June	3,174.23	2,953.64	8,461.31	3,707.20
Total	18,147.74	16,910.28	51,322.80	21,241.09

Source: GNGC, June 2024

9.4 Summary of Invoices, Receipts and Outstanding Receivables of Processed Derivatives

The total invoice value of GNGLC's sale and transportation of lean gas, LPG, and stabilised condensates was US\$206,829,102.53 as of the end of June 2024. This represents a 27.3 percent increase over the H1 2023 outturn of US\$162,463,164.71. The increase was primarily attributable to a volume-induced growth in all streams of products, except LPG, which recorded a marginal dip of 0.4 percent. As shown in Figure 23, the invoice value for the sale of stabilised condensates recorded the highest growth rate of 191.7 percent, from US\$5.527,617.90 in H1 2023 to US\$16,123,764.63 in H1 2024. This was followed by the invoice value for the sale of lean gas, increasing by 30.2 percent, from US\$92,254,458.19 in H1 2023 to US\$122,700,876.00 in H1 2024. The invoice value of gas transportation improved from US\$39,920,861.57 in H1 2023 to US\$45,330,493.77 in H1 2024, representing a growth outturn of 13.6 percent.

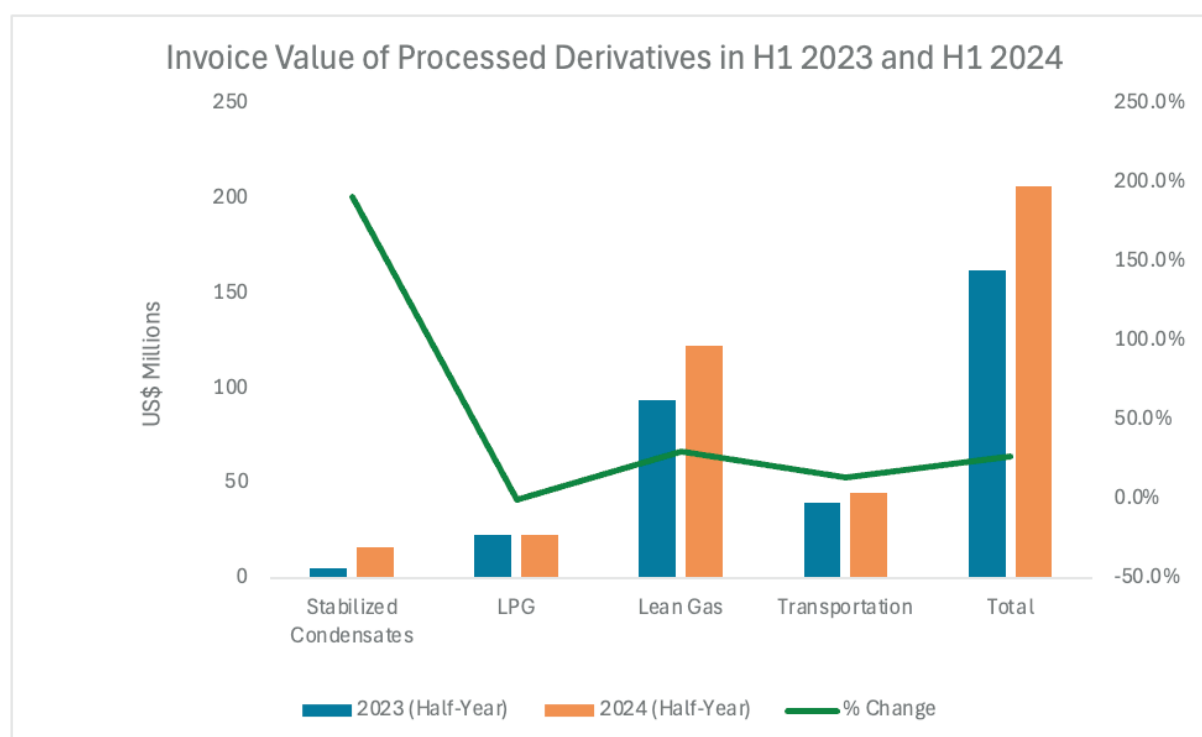


Figure 23: Invoice Value of Processed Derivatives for H1 2023 and H1 2024.

Source: PIAC Construct based on GNGC data, June 2024.

The total receipts from the sale and transportation of gas derivatives by GNGLC out of its invoice value was US\$170,755,501.56 at the end of H1 2024 as compared to US\$81,001,631.42 in H1 2023,

representing an increment of 110.8 percent. The payments to GNGLC in H1 2023 represent 82.6 percent of its gross invoice value, which is a marked improvement over the outturn of 49.9 percent recorded in the same period in 2023. With a legacy debt of US\$953,910,988.61 at the beginning of 2024 and outstanding payments of US\$36,073,600.96 as at 30th June 2024, GNGLC’s receivables increased to US\$989,984,589.57 at the end of the same period. Relative to the previous period’s 14.4 percent growth rate in the stock of receivables, the outturn of a 1.3 percent increase in outstanding payments shows efforts by GNGLC to improve liquidity.

Similar to previous years, the sale of lean gas continues to be the largest source of income for GNGLC in terms of invoiced amounts. It accounted for 59.3 percent of the Company’s invoice value in the first half of 2024. This is followed by revenue from gas transportation, as well as income from the sale of LPG and stabilised condensates, with respective shares of 21.9 percent, 11 percent, and 7.8 percent as of the end of June 2024, as shown in Figure 24.

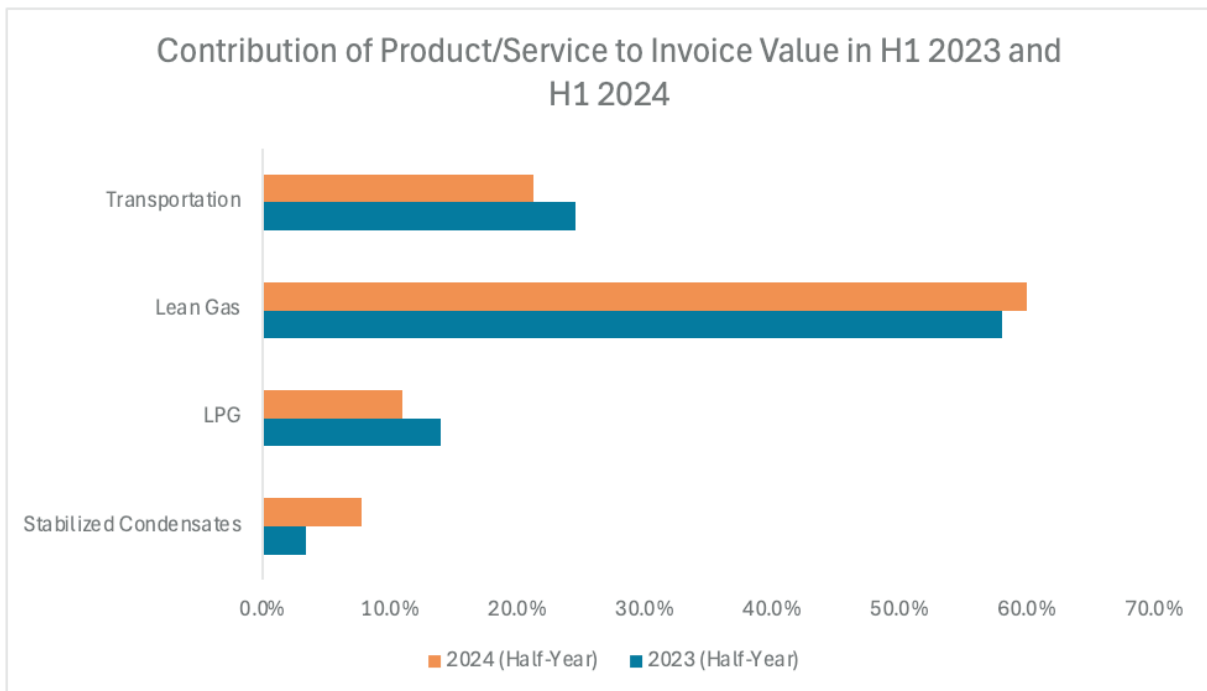


Figure 24: Contribution of Product/Service to Invoice Value for H1 2023 and H1 2024

Source: PIAC Construct based on GNGLC data, June 2024.

A summary of GNGLC’s transactions in H1 2024 is shown in Table 39.

Table 39: Summary of Receipts and Outstanding Receivables (Jan - June 2024)

Company	Product Sold	Volumes (MT/MMBtu)	Amount Invoiced (US\$)	Payment Received (US\$)	Payment Outstanding (US\$)
Opening Balance					953,910,989
Marantha Oil	Stabilised Condensates	12,105	5,286,451	2,033,253	3,253,198
Med Petroleum	Stabilised Condensates	653	345,473	349,523	(4,050)
Export	Stabilised Condensates	19,643	10,491,841	10,531,248	(39,407)
Everstone	Stabilised Condensates			31,369	(31,369)
Dome	Stabilised Condensates			40,123	(40,123)
Sage Distribution Ltd (Sage Petroleum)	LPG	49,725	22,673,968	23,809,158	(1,135,190)
VRA	Lean Gas	12,614,806	96,409,914	93,302,605	3,107,309
WangKang Gh Ceramic Ltd	Lean Gas	1,602,512	6,730,550	8,581,794	(1,851,244)
Keda Gh. Ceramic Ltd (Twyford)	Lean Gas	3,153,783	15,581,989	17,845,709	(2,263,721)
Jintao	Lean Gas	17,312	72,712	34,380	38,332
Sentuo Ceramics	Lean Gas	646,131	597,955	597,955	-
Sentuo Oil Refinery	Lean Gas	402,650	3,077,290	3,338,200	(260,911)
Marcopolo	Lean Gas	54,873	230,466	230,466	-
GNPC (OCTP Transportation Service)	Lean Gas	47,843,367	43,968,054	10,029,717	33,938,337
GNPC Jubilee	Lean Gas	379,224	1,362,440	-	1,362,440
Total			206,829,103	170,755,502	989,984,590

Source: GNCC, June 2024

9.5 Sale of Processed Derivatives

In the first half of 2024, the invoiced value of processed derivatives produced by GNGLC was US\$161,498,608.75. This comprised sales of 32,401.05 MT of stabilised condensates, 49,724.62 MT of LPG, and 18,492,066.72 MMBtu of lean gas. In H1 2023, the volume of derivatives sold was 7,055.06

MT of stabilised condensates, 47,593.51 MT of LPG, and 16,721,486.28 MMBtu of lean gas which yielded a gross invoiced value of US\$122,542,303.14. In addition, GNGLC transported 48,222,591.27 MMBtu of lean gas at an invoiced value of US\$45,330,493.77 in H1 2024. The comparable volume and invoiced value in the same period in 2023 was 40,818,637.72 MMBtu and US\$39,920,861.57 respectively. The sum of the invoiced values of sales from derivative products and revenue from gas transportation was US\$206,829,103 at the end of June 2024 and US\$162,463,164.71 in the same period in 2023, representing a growth rate of 27.3 percent.

9.5.1 Lean Gas

GNGLC derives revenue from the sale and transportation of lean gas. The total volume of lean gas sold and transported in the first half-year of 2024 was 66,714,657.98 MMBtu as compared to 60,160,993.30 MMBtu in H1 2023. The gross revenue realised from these transactions was US\$170,147,165.26 in H1 2024 and US\$134,657,709 in H1 2023 respectively. On a year-on-year basis, the total volume of lean gas sold and transported rose by 10.9 percent while the associated realised revenue grew by 26.4 percent.

The volume of lean gas sold by GNGLC to various off-takers (excluding transportation) declined from 19,342,355.57 MMBtu in the first half of 2023 to 18,492,066.70 MMBtu in the first half-year of 2024. This translates into a 4.4 percent downturn in the volumes of lean gas sold compared to the same period in 2023.

The other off-takers witnessed year-on-year increases in the volume of lean gas purchased from GNGLC, with Marcopolo recording the highest growth outturn of 230.1 percent. The latter is explained by the fact that Marcopolo's off-taker agreement with GNGLC took effect in April 2023, and therefore the transaction data in half-year 2023 spanned the period April to June whereas the transaction data in 2024 covers the period January to June. The volumes of lean gas sold by GNGLC to its respective clients and their corollary growth rate are shown in Figure 25.

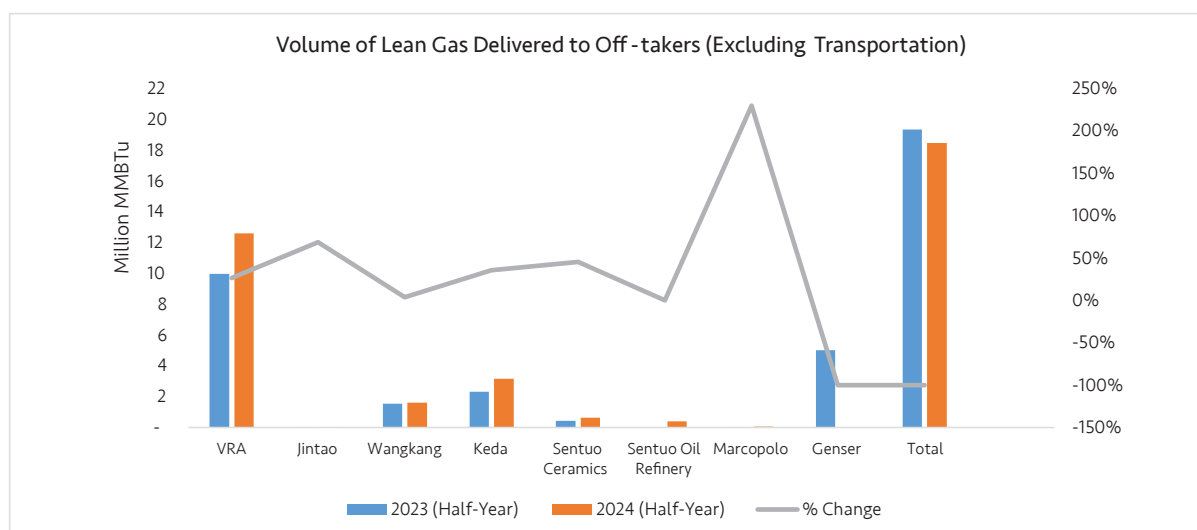


Figure 25: Volume of Lean Gas Sold by GNGLC to Off-takers for H1 2024 and H1 2023

Source: PIAC Construct based on GNGC data, June 2024.

The combination of the broad-base growth in the volume of lean gas sales (excluding transportation) and the non-sale of lean gas to Genser culminated in a redistribution of the share of each off-taker in the aggregate volume of lean gas sold by GNGLC. The Volta River Authority (VRA) continues to be the dominant client of GNGLC. Its share in the total volume of lean gas sold improved from 51.6 percent in the first half-year of 2023 to 68.2 percent in H1 2024. This is followed by Keda, Wangkang, and Sentuo Ceramics with shares of 17.1 percent, 8.7 percent, and 3.5 percent in the H1 2024, respectively. The corresponding share in the same period in 2023 was 12 percent, 8 percent, and 2.3 percent. The share distribution of all customers in H1 2024 and H1 2023 is depicted in Figure 26.

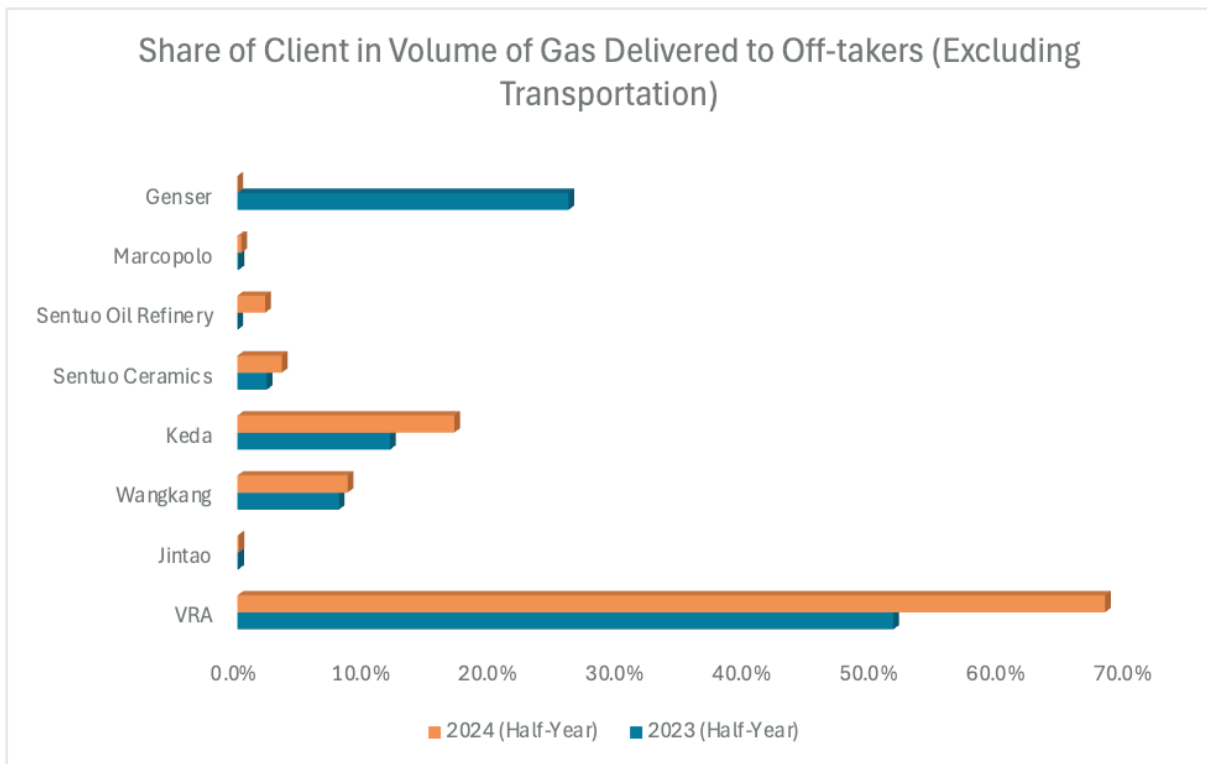


Figure 26: Share of Client in Total Volume of Lean Gas Sold by GNGLC in H1 2024 and H1 2023

Source: PIAC Construct based on GNGLC data, June 2024.

In terms of revenue, GNGLC’s receipts from the sale of lean gas (excluding transportation) was US\$126,179,111.15 as at the end of June 2024 relative to US\$94,736,847 as at the end of June 2023 as depicted in Figure 27. This represents a 31.8 percent growth in gross receipts. The upturn in revenue was driven mainly by an increase in tariffs, which offset the downturn in the volume of lean gas sold. The tariff on lean gas is determined by the Public Utilities Regulatory Commission (PURC) and is based on the weighted average cost of lean gas (WACOG) from indigenous sources (Jubilee, TEN, Sankofa) and imports (N-Gas). The WACOG for the period January to June 2024 was US\$7.6426/MMBtu. In the corresponding period in the previous year, the WACOG varied from US\$5.9060/MMBtu in January to US\$6.5165/MMBtu in June. This implies that both the lower and upper limits of the tariff (WACOG) in H1 2023 were lower than the analogous outturn for the corresponding period in 2024.

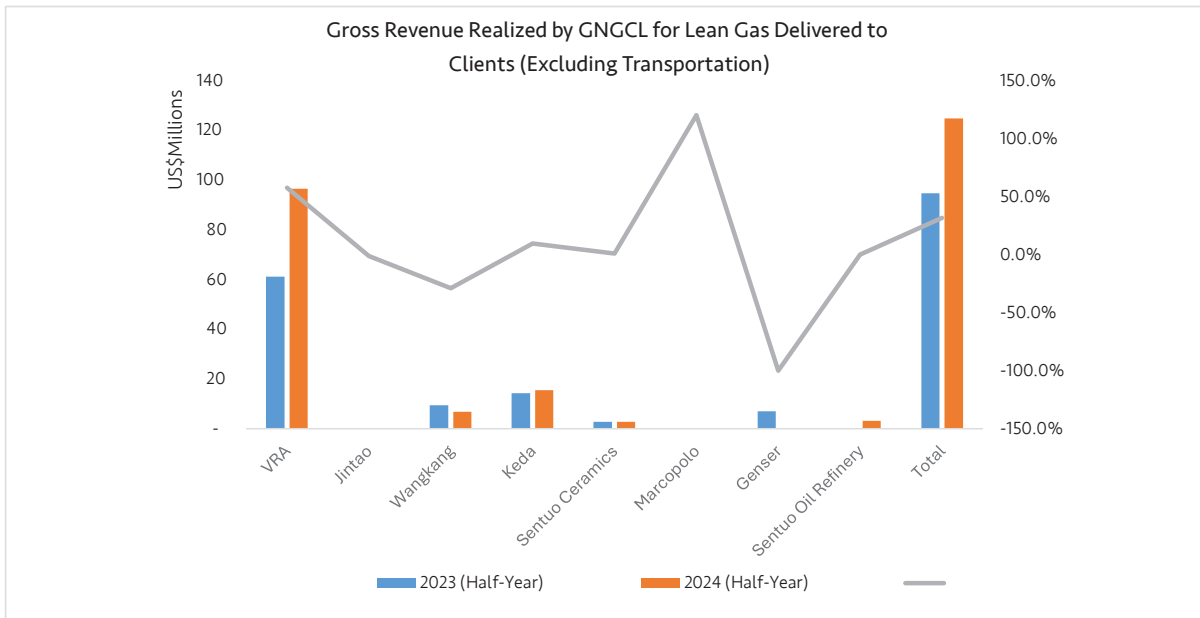


Figure 27: Gross Revenue Realised by GNGCL for Lean Gas Delivered to Clients (Excluding Transportation) in H1 2023 and H1 2024

Source: PIAC Construct based on GNGC data, June 2024.

Although the tariff on lean gas was unchanged at US\$7.6426/MMBtu in H1 2024, the actual tariff paid by some industrial clients was lower than the previously cited rate. As shown in Figure 28, Jintao, Wangkang, Keda, Sentuo Ceramics, and Marcopolo’s tariff was discounted to US\$4.2/MMBtu. The tariff paid by these industrial clients was identical to the rate published under the Discounted Industrial Development Tariff (DIDT) regime approved by the Ministry of Energy in 2019. However, the DIDT regime was suspended with effect from January 2023. In a follow-up with GNGCL, the Company confirmed that by a directive from the Office of the President, the DIDT has been reinstated. This claim, was however, refuted by the Ministry of Energy during a validation engagement with data reporting institutions.

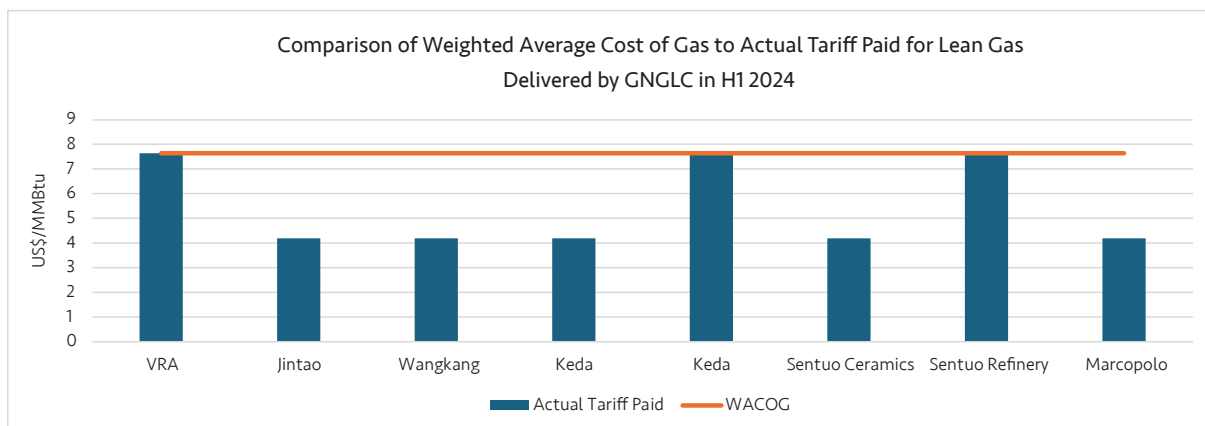


Figure 28: Comparison of Weighted Average Cost of Gas to Actual Tariff Paid for Lean Gas Delivered by GNGCL in H1 2024

Source: PIAC Construct based on GNGCL and PURC data, June 2024.

Regarding the volume of lean gas transported, GNGLC delivered 48,222,591.28 MMBtu in H1 2024 relative to 40,818,637.73 MMBtu in the corresponding period in 2023. This represents an upturn of 18.1 percent. The corollary revenue from gas transmission services also rose from US\$39,920,862 in H1 2023 to US\$45,330,493.76 in H1 2024, a growth rate of 13.6 percent. The increase in gross revenue was largely attributable to the rise in the volume of gas delivered as the tariff for gas transportation in H1 2024 (US\$0.9190/MMBtu) was either equal or lower than the equivalent rates in H1 2023. The tariff ranged between US\$0.9190/MMBtu and US\$1.0049/MMBtu in H1 2023. GNGLC had a distinct tariff for gas transported on behalf of GNPC, which was pegged at a rate of US\$3.5927/MMBtu. The GNGLC ascribed the difference in the tariff to the nature of business⁷ with regards to Sankofa Gas Transported and GNPC.

On the whole, the volume of lean gas transported represents 72.3 percent of the gross volume of lean gas delivered in H1 2024. The equivalent outturn in the corresponding period in 2023 was 67.8 percent. In terms of contribution to gross revenue, the fees associated with gas transportation accounted for 26.6 percent in H1 2024 as compared to 29.6 percent in H1 2023. This also connotes that non-transportation transactions accounted for 32.2 percent and 27.7 percent of the volume of lean gas sold in H1 2023 and H1 2024, respectively. The related contribution to gross revenue was 70 percent and 73.4 percent in the same period respectively. Table 40 presents a summary of the lean gas statement for H1 2024.

Table 40: Summary of Lean Gas Statement- January to June 2024

Date	Company	Volume	Price	Value	Volume/	Gross Revenue
		(MMBtu)	US\$/MMBtu	(US\$)	Month	(US\$)
January	VRA	1,973,969.42	7.6426	15,086,258.72	10,654,421.15	27,037,333.84
	Jintao	3,377.46	4.2	14,185.34		
	WangKang	303,279.05	4.2	1,273,771.99		
	Keda	341,000.00	4.2	1,432,200.00		
	Keda8	211,499.39	7.6426	1,616,405.27		
	Sentuo Ceramics	55,276.10	4.2	232,159.62		
	Sentuo Oil Refinery	32,528.66	7.6426	248,603.57		
	Sankofa Gas Transported	7,725,362.13	0.919	7,099,607.79		
	Marcopolo	8,128.94	4.2	34,141.53		

7 According to GNGLC, the US\$0.9190/MMBtu is the Transmission Charge for the Sankofa Gas Transported on behalf of GNPC. The US\$3.5927/MMBtu is as result of Jubilee volumes consumed. The price reflects the WACOG less the Commodity Charge and GNPC Service Charge in the WACOG.

8 According to the GNGLC, the difference in tariff was due to the approved DIDT applied to 15MMSCF/D, and the remaining volume of 35MMSCF/D was invoiced at the WACOG.

Date	Company	Volume	Price	Value	Volume/ Month	Gross Revenue
February	VRA	1,632,348.47	7.6426	12,475,386.42	10,862,642.03	26,346,020.02
	Jintao	2,637.00	4.2	11,075.38		
	WangKang	294,751.43	4.2	1,237,956.02		
	GNPC (Jubilee)	379,224.44	3.5927	1,362,439.65		
	Keda	319,000.00	4.2	1,339,800.00		
	Keda	184,609.29	7.6426	1,410,894.93		
	Sentuo Ceramics	100,201.20	4.2	420,845.04		
	Sentuo Oil Refinery	112,531.59	7.6426	860,033.94		
	Sankofa Gas Transported	7,829,696.30	0.919	7,195,490.90		
	Marcopolo	7,642.32	4.2	32,097.74		
March	VRA	2,153,239.44	7.6426	16,456,347.78	11,205,649.92	29,386,666.80
	Jintao	2,395.30	4.2	10,060.25		
	WangKang	315,047.18	4.2	1,323,198.14		
	Keda	341,000.00	4.2	1,432,200.00		
	Keda	198,088.49	7.6426	1,513,911.07		
	Sentuo Ceramics	124,674.00	4.2	523,630.80		
	Sentuo Oil Refinery	101,186.92	7.6426	773,331.13		
	Sankofa Gas Transported	7,961,015.10	0.919	7,316,172.87		
	Marcopolo	9,003.50	4.2	37,814.72		
	VRA	2,140,133.91	7.6426	16,356,187.41		
April	Jintao	2,952.01	4.2	12,398.44	11,014,859.89	27,944,047.00
	WangKang	235,716.47	4.2	990,009.17		
	Keda	494,023.29	4.2	2,074,897.83		
	Keda	29,832.60	7.6426	227,998.63		
	Sentuo Ceramics	115,044.60	4.2	483,187.32		
	Sentuo Oil Refinery	62,369.56	7.6426	476,665.63		
	Sankofa Gas Transported	7,925,450.99	0.919	7,283,489.46		
	Marcopolo	9,336.46	4.2	39,213.14		

Date	Company	Volume	Price	Value	Volume/ Month	Gross Revenue
May	VRA	2,242,559.98	7.6426	17,138,988.91	11,486,387.92	28,748,478.70
	Jintao	3,088.00	4.2	12,969.60		
	WangKang	235,697.33	4.2	989,928.79		
	Keda	510,063.59	4.2	2,142,267.07		
	Keda	30,475.17	7.6426	232,909.52		
	Sentuo Ceramics	117,501.42	4.2	493,505.95		
	Sentuo Oil Refinery	4,997.19	7.6426	38,191.52		
	Sankofa Gas Transported	8,331,820.99	0.919	7,656,943.49		
	Marcopolo	10,184.25	4.2	42,773.86		
	June	VRA	2,472,554.44	7.6426		
Jintao		2,862.67	4.2	12,023.22		
WangKang		218,020.54	4.2	915,686.28		
Keda		470,110.21	4.2	1,974,462.88		
Keda		24,081.00	7.6426	184,041.46		
Sentuo Ceramics		133,433.85	42,000	560,422.17		
Sentuo Oil Refinery		89,035.63	7.6426	680,463.73		
Sankofa Gas Transported		8,070,021.33	0.919	7,416,349.60		
Marcopolo	10,577.38	4.2	44,425.01			
Total					66,714,657.97	170,147,165.26

Source: PIAC's construct based on GNGLC data, 2024

9.5.2 Liquefied Petroleum Gas

The volume of Liquefied Petroleum Gas (LPG) sold by GNGLC from January to June 2024 was 49,724.62MT relative to 47,593.52MT in the same period in 2023. This translates into a 4.5 percent appreciation in the volumes of LPG sold. Figure 29 shows the monthly volumes of LPG sold by GNGLC in H1 2023 and H1 2024 and their associated growth rates.

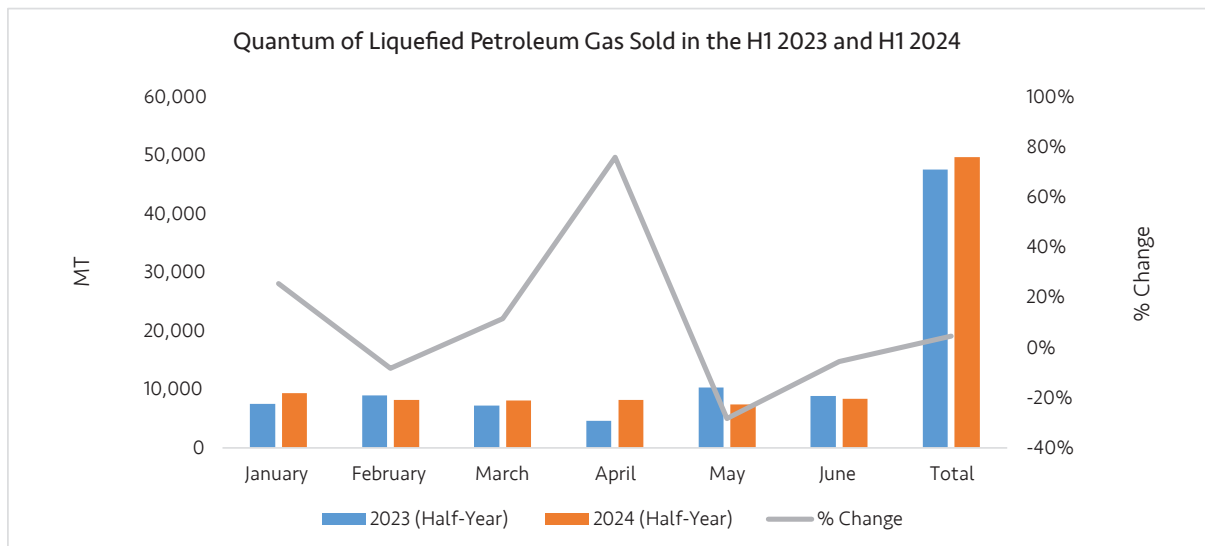


Figure 29: Liquefied Petroleum Gas Volumes Sold in H1 2023 and H1 2024

Source: PIAC Construct based on GNGLC Data, June 2024.

Despite the increase in the volume of LPG sold, the net revenue realised by GNGLC reduced from US\$23,712,097.34 in H1 2023 to US\$23,668,460.60 in H1 2024. The marginal 0.2 percent decline in net revenue was due to lower tariffs and a higher discount rate. The tariff on LPG is independently determined by GNGLC based on market variables. The tariff in H1 2023 was generally higher than the equivalent rate in the corresponding period for 2024. Further, the average discount rate of 4.2 percent given to off-takers of LPG in the first quarter of 2024 was slightly higher than the analogous average factor of 4 percent offered in the same period in 2023. In previous editions of this report, GNGLC explained that the discount factor, which varies monthly, is derived from the interplay of market forces in the downstream market and global supply dynamics. GNGLC also clarified that the rationale for the discount regime was to enhance the competitiveness of locally-produced LPG relative to imported LPG. The resulting regular evacuation of the product contributes to pre-empting a shutdown of the Gas Processing Plant. Table 41 provides additional information on GNGLC's sale of LPG in H1 2024.

Table 41: Summary of Liquefied Petroleum Gas Statement- January to June 2024

Date	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/ Month (MT)	Gross Revenue (US\$)	Discount (US\$)	Net Revenue (US\$)
January	4,004.86	507.39	2,032,022.02	9,392,486	4,497,595.33	187,849.72	4,309,745.61
February	4,355.45	470.41	2,048,841.90	8,211,634	4,044,418.68	164,232.68	3,880,186.00
March	4,426.94	534.48	2,366,101.08	8,102,979	4,494,157.74	162,059.58	4,332,098.16
April	3,970.82	562.30	2,232,775.90	8,196.837	4,144,518.99	163,936.74	3,980,582.25
May-24	3,658.40	418.45	1,530,873.94	7,411.554	3,109,596.51	148,231.08	2,961,365.43
Jun-24	4,490.69	404.80	1,817,832.53	8,409.134	3,378,173.37	168,182.68	3,209,990.69
TOTAL				49,724.62	23,668,460.61	994,492.48	22,673,968.13

Source: GNGC Data, June 2024

9.5.3 Condensates

The aggregate volume of condensates sold by GNGLC in H1 2024 was 34,401.05MT, which was 236.8 percent higher than the volume of 9,619.71 MT recorded in the same period in 2023. The increase in the quantum of condensates sold was mainly due to improved month-on-month outturns. As depicted in Figure 30, the volume of condensates sold in each month in H1 2024 was more than the equivalent volume in the corresponding period in 2023. Further, 1,481.42 MT of condensates was sold in June 2024 whereas there were no sales of condensates in June 2023.

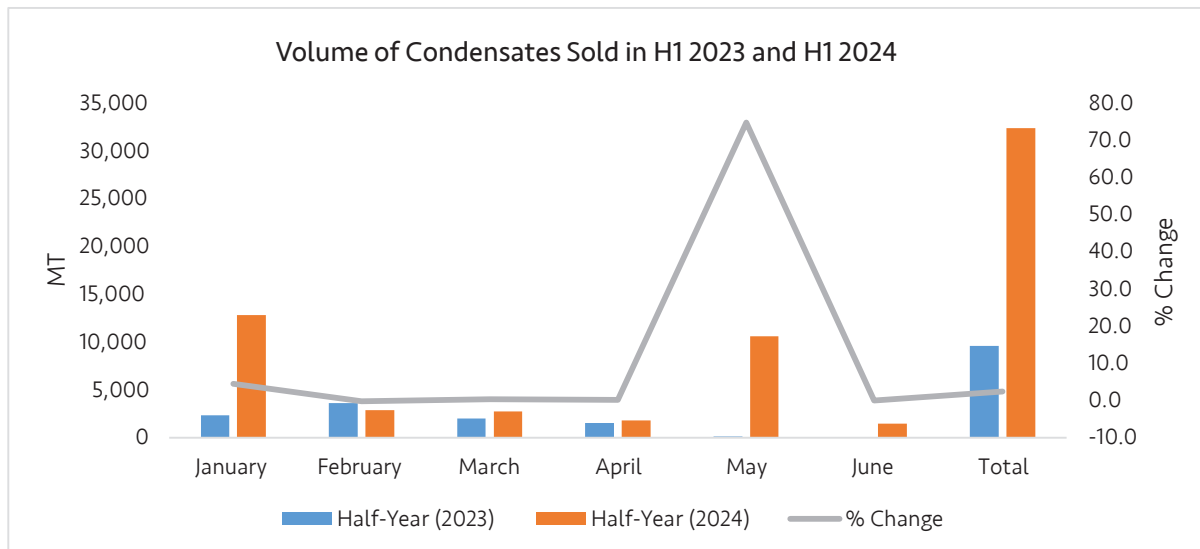


Figure 30: Volume of Condensates Sold in H1 2023 and H1 2024

Source: PIAC Construct based on GNGLC Data, June 2024

The main off-takers of the condensates in 2024 were Maranatha Oil, Med Petroleum, and the Export Market⁹ with respective market shares of 37.4 percent, 2 percent, and 60.6 percent in H1 2024. In nominal terms, the volume purchased by Maranatha Oil was 12,105.09 MT while the equivalent volume for Med Petroleum and the Export Market was 653 MT and 19,642.96 MT, respectively. In the corresponding period in 2023, the off-takers were Maranatha Oil, Firm Energy, Eagle Petroleum, Dome Energy, Hilson, and Vihama Energy. A comparison of the off-takers in the two periods shows that only Maranatha Oil continues to transact with GNGLC. Further, a new entity, Med Petroleum, as well as the Export Market were the new off-takers of condensates in H1 2024. The high attrition rate of the previous off-takers was primarily due to a change in government policy that prioritised the use of condensates for premix fuel preparation. The previous off-takers were using condensates mainly for gasoline blending.

In terms of revenue, proceeds from the sale of condensates were US\$16,123.764.63 as at June 2024 relative to US\$5,527,617.91 as of June 2023. This is equivalent to an increase of 191.7 percent and was driven mainly by the growth in the volume of condensates sold, which offset the decline in tariffs. The off-taker price of condensates is determined by GNGLC based on the PLATSS Gasoline Premium Unleaded. The average tariff on condensates reduced by 3.99 percent year-on-year.

In H1 2024, the largest source of revenue in terms of sales of condensates was the export market. It accounted for 65.1 percent of revenue, with Maranatha Oil and Med Petroleum contributing 32.8 percent and 2.1 percent of the product's revenue. Table 42 is a summary of the condensate product statement for H1 2024.

⁹ GNGLC reported that due to increasing condensate stock coupled with storage limitations at the Tema Oil Refinery (TOR), Condensates were exported.

Table 42: Summary of Condensate Product Statement- January to June 2024

Date	Company	Volume (MT)	Price (US\$/MT)	Value (US\$)	Volume/ Month (MT)	Gross Revenue (US\$)
Jan-24	Maranatha Oil	1,500.72	397.8472	1,089,084.61	12,854.76	6,368,424.38
	Export	1,200.00	410.0228	5,279,339.77		
Feb-24	Maranatha Oil	1,225.62	421.42	1,201,341.33	2,905.62	1,241,423.33
	Med Petroleum	1,600.00	428.03	40,082.00		
Mar-24	Med Pet.	120.00	514.2160	102,926.96	2,723.53	1,217,686.14
	Maranatha Oil	80.00	515.2630	1,114,759.18		
Apr-24	Med Petroleum	1,246.20	441.2160	45,027.04	1,824.48	860,705.12
	Maranatha Oil	1,277.33	442.2630	815,678.08		
May-24	Med Petroleum	80.00	562.84	63,861.95	10,611.24	5,760,393.87
	Export	113.00	549.33	5,212,500.98		
Jun-24	Maranatha Oil	9,488.92	492.15	484,030.94	1,481.42	675,131.79
	Med Petroleum	534.32	465.40	93,575.34		
Total	Maranatha Oil	180.00	519.86	581,556.45	32,401.05	16,123,764.63
	Med Petroleum	1,301.42	446.86			

Source: GINGLC Data, June 2024

9.6 Summary of Ghana National Gas Limited Company Expenditure

The total expenditure of GNGLC in H1 2024 was GH¢2.76 billion as compared to GH¢1.59 billion in H1 2023. On a year-on-year basis, this corresponds to a 73 percent growth in expenditure. The main drivers of the upturn in cost include personnel expenses, professional services, pass-through direct costs, and finance costs. Pass-through direct cost displaced finance cost as the largest expenditure item of GNGLC in H1 2024. It comprises expenditures incurred as a result of regulatory levy to PURC for the processing and transmission of gas, as well as costs related to the sale of raw gas by GNPC. The expenditure outlay of pass-through direct cost was GH¢1.90 billion as at the end of June 2024 relative to GH¢0.64 billion as at the end of June 2023. The 199 percent increase in expenditure was a natural consequence of the growth in the volume of lean gas and other derivative products sold by GNGLC. Table 43 summarizes the expenditures of GNGLC in the reporting period.

Table 43: Breakdown of GNGLC Expenditure (January - June 2023)

Category	Amount '000 (GHS)
Manpower Expenses	280,497.65
Directors Fees & Other Board Expenses	1,334.09
General Admin Expenses	23,235.41
Staff Business Expense	11,983.99
Professional Services	13,899.10
Bank Service Charges	284.17
Corporate Social Responsibility	95,159.38
Business Support	16,163.70
Pass-Through Direct Cost	1,902,900.51
Depreciation & Amortization	97,564.33
Operational Expenses	62,142.99
Finance Cost	861,918.00
Forex Loss/(Gain)	(608,704.00)
Total Expenses	2,758,379.32

Source: GNGC, June 2024

9.7 Cost of Natural Gas and Indebtedness

The debt stock of GNGLC to GNPC amounted to US\$626,742,239.10 as at 30th June 2024 relative to US\$559,259,907.60 as at the same period in 2023. This translates into a 12.1 percent growth in the debt portfolio, which was higher than the outturn of 7.4 percent recorded in the previous period as depicted in Figure 31.

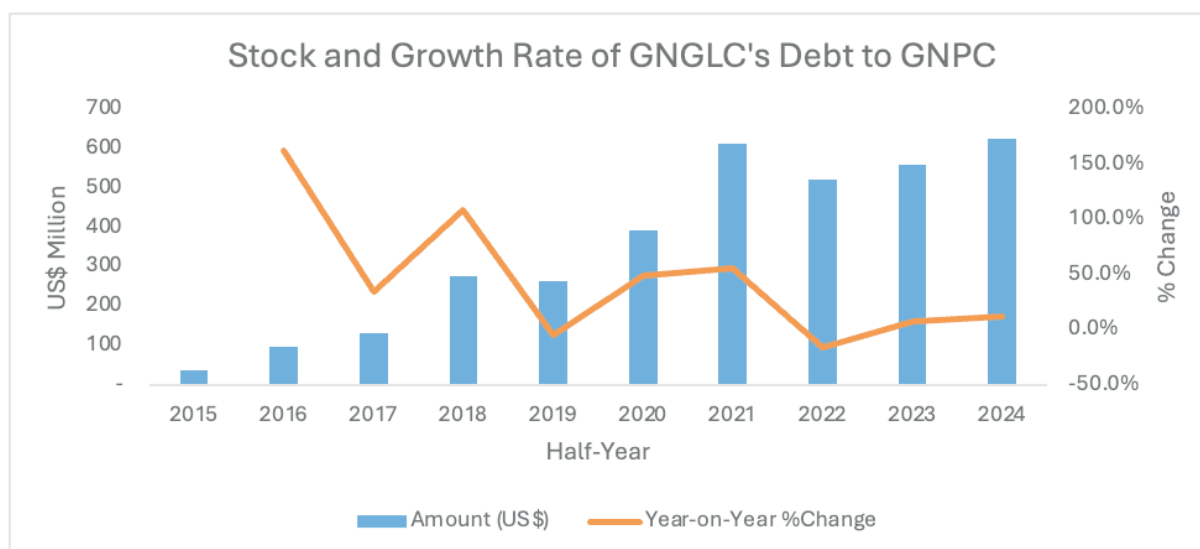


Figure 31: Stock and Growth Rate of GNGLC's Debt to GNPC in H1 2023 and H1 2024

Source: PIAC Construct based on GNGLC Data, June 2024.

The deterioration in the Company's debt exposure to GNPC was mainly due to VRA's inability to meet its debt service obligations to GNGLC. The volume of raw gas received by GNGLC from GNPC stood at 22,158,283.5 MMBtu in H1 2024, which was a decline of 2.5 percent when juxtaposed with the outturn of 22,730,386.70 MMBtu recorded in H1 2023. The invoiced value of the volume of gas supplied in H1 2024 was US\$144,128,555.15 as compared to US\$9,323,676.98. Out of the payable amount, GNGLC received a credit note of US\$121,438,067.44, leaving an outstanding debt of US\$22,690,487.71 for the period. The sum of the period's balance and the opening balance (as at 1st January 2024) of US\$604,051,751.38 yielded a cumulative debt stock of US\$626,742,239.10 in H1 2024. The upward trend in the debt exposure of GNGLC to GNPC has dire implications for the operational viability of the previously cited companies. It also perpetuates a cycle of violation of the statutory architecture of the Petroleum Holding Funds (PHF) as the proceeds from the sale of natural gas constitute a source of receipt for the Fund as envisaged under Section 6 of the PRMA as amended.

9.8 Revenue from Cash Waterfall Mechanism and Natural Gas Clearing House

The Cash Waterfall Mechanism (CWM) sets out the principles, methodology, and processes for the determination and disbursement of tariff revenue collected by the Electricity Company of Ghana (ECG) to various beneficiaries along the energy value chain. Accordingly, GNGLC, GNPC, and other stakeholders in the value chain are paid directly through the CWM a percentage of the invoiced amount submitted for each month. The CWM has been in operation since April 2020.

In the reporting period, the cumulative payments received by GNGLC through the CWM was US\$10,173,638.55 as at the end of June 2024, as shown in Table 44. The receipt, which covers invoices from November 2023 to April 2024 was low, compared to the inflow of US\$18,232,104.22 received by GNGLC in the same period in 2023. This partly explains the relatively high accretion in GNGLC's debt exposure to GNPC in H1 2024.

Table 44: Summary of Cash Waterfall Mechanism and Natural Gas Clearing House

Month (2024)	RECEIPTS (US\$)
January	2,505,993.50
February	3,225,182.22
March	1,085,044.42
April	-
May	3,357,418.41 ¹⁰
June ¹¹	-
TOTAL	10,173,638.55

Source: GNGLC data, June 2024

Observation

1. PIAC noted that although the Discounted Industrial Development Tariff (DIDT) was suspended by the Ministry of Energy in January 2023, the GNGLC continued to invoice lean gas volumes at discounted tariffs.

¹⁰ This is inclusive of payments for April 2024,

¹¹ The payment for June 2024, was paid in July 2024.

CHAPTER 10

THE GLOBAL ECONOMY AND PETROLEUM REVENUE OUTLOOK

10.1 Global Economic Growth

A modest recovery from the pandemic-induced disruptions, geopolitical tensions, and the effects of fluctuating inflation rates characterised the global economic landscape for H1 2024. Despite these, the global economy is stabilising in the second half of the year. This is primarily due to increase in global trade, activated by strong exports from Asia from its technology sector.

As reported by the IMF in its July 2024 World Economic Outlook (WEO) Report, global economic growth is projected to stay at 3.2 percent for the rest of 2024 and 3.3 percent in 2025.

Economic growth expectations among advanced economies are anticipated to converge in the forthcoming quarters. In the United States, the projected growth for 2024 has been reduced to 2.6 percent due to a slower-than-expected start to the year. Growth is expected to further decline to 1.9 percent in 2025 as the labour market softens and consumer spending decreases, accompanied by a gradual tightening of fiscal policy. By the end of 2025, growth is anticipated to return to potential levels.

In the United Kingdom, growth is forecast at 0.4 percent in 2024 and making an upturn to 1.0 percent in 2025, reflecting the increased consumer confidence and the easing mortgage lending rates.

In the euro area, economic activity seems to have stabilised. Consistent with the April 2024 forecast, a slight growth of 0.9 percent is now expected for 2024 (an upward revision of 0.1 percentage points), driven by increased momentum in the services sector and unexpectedly strong net exports in H1 2024. Growth is forecast to rise to 1.5 percent in 2025, supported by stronger consumer spending fueled by rising real wages and increased investment due to easing financing conditions, coupled with gradual monetary policy loosening toward the end of 2024. However, ongoing weaknesses in manufacturing suggest a slower recovery in countries like Germany.

In Japan, the successful shunto wage negotiations are likely to bolster private consumption in H2 2024. Nevertheless, the growth forecast for 2024 has been lowered by 0.2 percent, mainly due to temporary supply chain disruptions and weak private investment observed in the first quarter. The forecast for growth in emerging markets and developing economies is revised upward; the

projected increase is powered by stronger activity in Asia, particularly China and India. For China, the growth forecast is revised upward to 5 percent in 2024, primarily on account of a rebound in private consumption and strong exports in the first quarter. In 2025, GDP is projected to slow to 4.5 percent, and to continue to decelerate over the medium term to 3.3 percent by 2029, mainly due to slowing productivity growth. The forecast for growth in India has also been revised upward, to 7.0 percent this year, with the change reflecting carryover from upward revisions to growth in 2023 and improved prospects for private consumption, particularly in rural areas.

The World Bank in its June 2024 Global Economic Prospects Report, forecast that growth in Sub-Saharan Africa (SSA) is projected to pick up from 3 percent in 2023 to 3.5 percent in 2024 and about 4 percent annually in 2025-26, as fading inflationary pressures allow for interest rate cuts, which will support private consumption and investment. Growth in the region's largest three economies – Nigeria, South Africa, and Angola – is expected to accelerate from 1.8 percent in 2023 to 2.4 percent in 2024 and an average of 2.6 percent in 2025-26, holding back the region's overall growth. The projected growth is revised downward, primarily due to a 0.2 percent downward revision to the growth outlook in Nigeria amid weaker-than-expected activity in Q1 2024.

According to the Bank, a growth of 2.9 percent, 4.4 percent, and 4.9 percent are forecast for Ghana for 2024, 2025, and 2026 respectively.

10.2 Crude Oil Trends

In H1 2024, crude oil prices demonstrated considerable volatility, largely driven by persistent geopolitical tensions, particularly relating to conflicts in Eastern Europe and the Middle East. Ongoing investment in renewable energy and a gradual transition towards energy alternatives continue to add downward pressure on long-term crude prices, albeit short-term spikes may occur due to supply disruptions or unexpected demand surges. Factors contributing to price movements include OPEC+ production decisions, U.S. inventory levels, and seasonal demand patterns.

The Energy Information Administration (EIA) in its July 2024 Short-Term Energy Outlook (STEO) showed that the West Texas Intermediate (WTI) spot price averaged US\$79.66 in H1 2024 and is projected to average US\$84.31/bbl in H2 2024. For Brent, spot prices averaged US\$83.85/bbl in H1 2024 and are expected to experience a surge to an average of US\$88.81/bbl in H2 2024. For natural gas, the Henry Hub spot price is forecast to average US\$2.87/BTu in H2 2024, up from an average of US\$2.11/BTu in H1 2024. An illustration of the Short-Term Energy Outlook is shown in Figure 32.

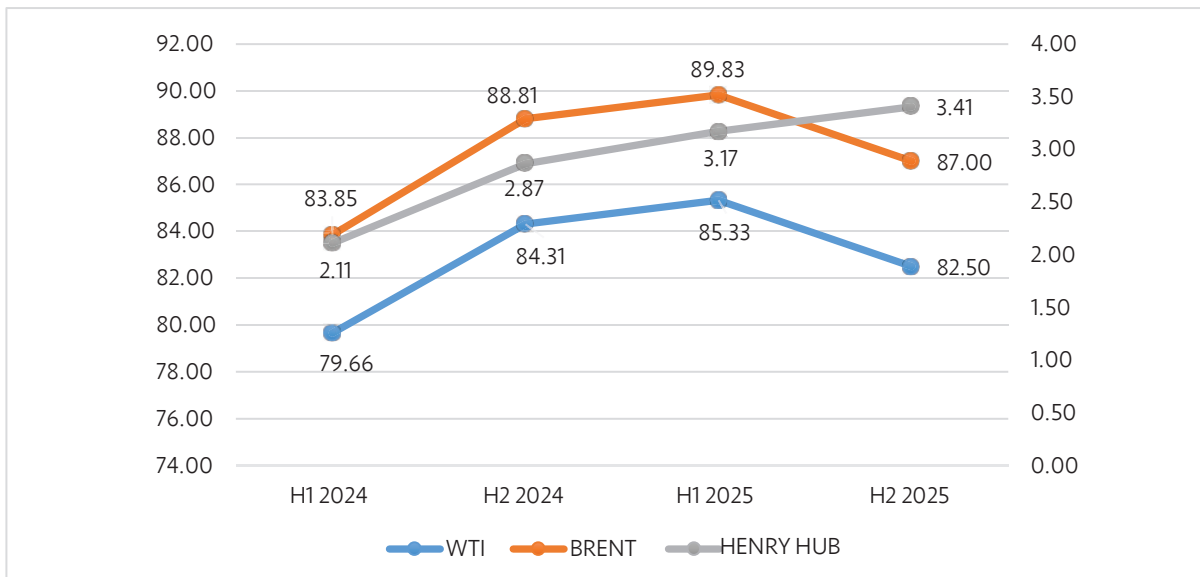


Figure 32: Average Henry Hub, Brent, and WTI Crude Prices for 2024 and 2025

Source: US Energy Information Administration (EIA), July 2024.

10.2.1 Global Oil Demand

The projected global oil demand growth for 2024 remained unchanged at 2.2 mb/d. This is due to an offset between a better-than-expected performance in some non-OECD countries against downward adjustments for the first quarter of 2024 due to actual data from the Organisation for Economic Co-operation and Development (OECD) region. In 2025, global oil demand is forecast to grow by 1.8 mb/d, year-on-year, with the non-OECD region forecast to increase by 1.7 mb/d while the OECD region is expected to grow by 0.1 mb/d, year-on-year, according to the Organisation of the Petroleum Exporting Countries (OPEC) Monthly Oil Market Report (MOMR) for July 2024.

The OECD region is projected to expand by around 0.2 mb/d in 2024, with OECD Americas leading oil demand growth, while OECD Europe and OECD Asia Pacific are expected to marginally decline year-on-year. Expected improvements in manufacturing and petrochemical activities are expected to support the demand for LPG/NGL, lending additional support to oil demand in the United States. Oil demand in Europe and the Asia Pacific region is also expected to increase between Q2 2024 and Q4 2024, amid stronger mobility and improving economic development.

In the non-OECD region, oil demand is forecast to expand by around 2.1 mb/d, year-on-year, driven mostly by China as well as Other Asia, the Middle East, India, and Latin America. Total world oil demand is anticipated to reach 104.5 mb/d in 2024, bolstered by strong demand for air travel and healthy road mobility, including trucking. Support is also expected from non-OECD countries' industrial, construction, and agricultural activities. Similarly, petrochemical capacity additions in non-OECD countries – mostly in China and the Middle East – are expected to contribute to oil demand growth.

The upward trajectory for oil demand in Q1 2024 in the non-OECD region, supported by robust economic activity, is expected to continue till the end of Q4 2024. This growth is mostly supported

by demand for distillates and transportation fuels in the Middle East, India, China, and Other Asia. However, this forecast is subject to some uncertainty, including global economic developments in key economies of the region.

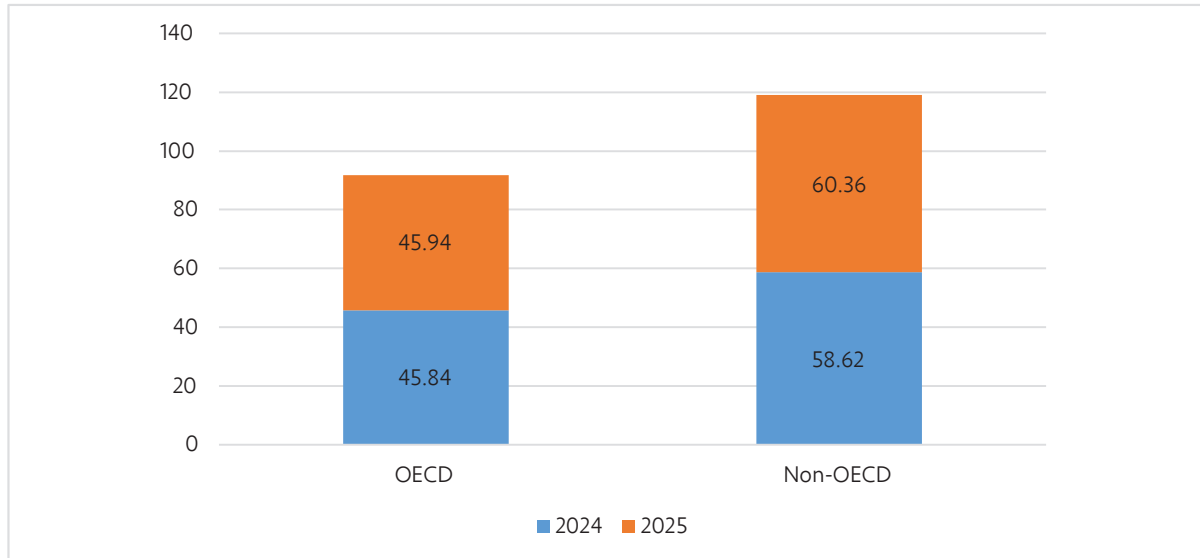


Figure 33: Comparison of Global Oil Demand (2024 & 2025)

Source: OPEC Monthly Oil Market Report, July 2024.

10.2.2 Global Oil Supply

According to OPEC's July 2024 MOMR, the supply of liquids from non-DoC countries (i.e. countries not part of the Declaration of Cooperation) is projected to increase by 1.2 mb/d in 2024, reaching an average of 53.0 mb/d. For 2025, growth in non-DoC liquid supplies is anticipated to be 1.1 mb/d, averaging 54.1 mb/d, also largely unchanged from previous evaluations. This growth is primarily expected from the US, Brazil, Canada, and Norway, while Angola is predicted to see the most significant decline.

Production of DoC Natural Gas Liquids (NGLs) and non-conventional liquids is expected to rise by about 0.1 mb/d to an average of 8.3 mb/d in 2024, followed by a further increase of approximately 20 tb/d to an average of 8.4 mb/d in 2025. OPEC's NGLs and non-conventional liquids output are projected to grow by around 60 tb/d, averaging 5.5 mb/d in 2024, with an additional increase of 110 tb/d expected in 2025, bringing the average to 5.6 mb/d. In June 2024, DoC crude oil production declined by 125 tb/d month-on-month, averaging 40.80 mb/d.

In its report, OPEC stated that the U.S. crude and condensate output approached its peak, while NGLs production achieved a new monthly record in April 2024. Consequently, the growth of the U.S. liquids supply for 2024 is estimated at 0.5 mb/d. Besides the U.S., Canada and Brazil are also key contributors to the anticipated growth in non-DoC supplies in 2024.

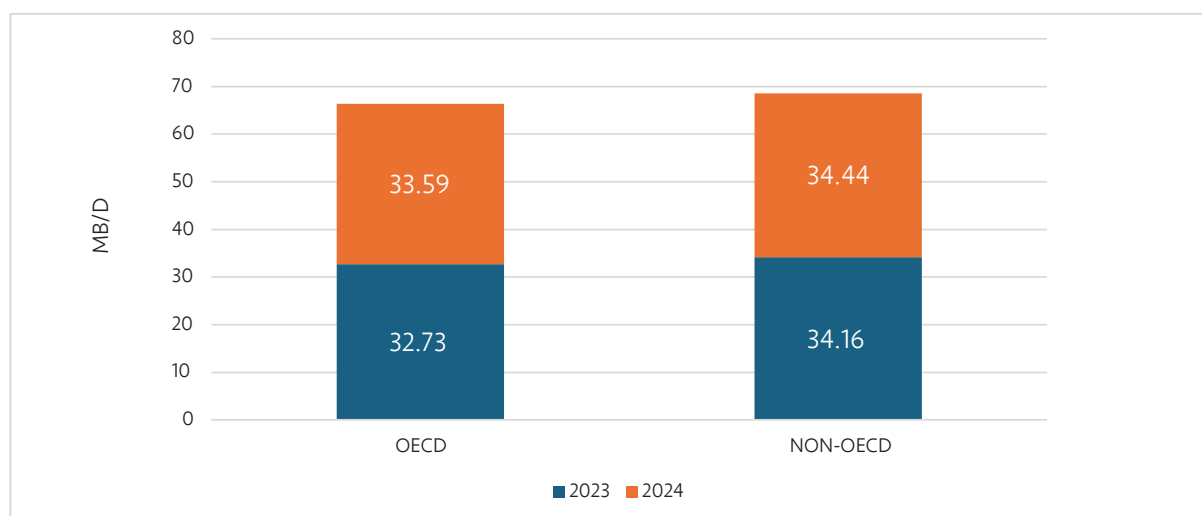


Figure 34: Comparison of Global Crude Oil Supply (2023 and 2024)

Source: OPEC Monthly Oil Market Report, February 2024.

10.3 Ghana's Projections

With regards to production, Ghana's projected 2024 Benchmark crude oil output is 51.15 million barrels (139,754 barrels of crude oil per day), based on a three-year moving average of each producing field's actual and projected outputs in line with the PRMA. Similarly, the Benchmark gas output has been estimated at 116.46 trillion Btu for 2024.

With regards to the benchmark price for 2024, US\$75.44 per barrel of oil was used, up from the price of US\$74.00 per barrel for 2023 in the 2023 Mid-Year Fiscal Policy Review. The benchmark gas price¹² for 2024 is projected at US\$6.84 per MMBtu, estimated as a seven-year moving average in line with the PRMA.

The projected Petroleum Benchmark Revenue for 2024 is estimated at US\$1,072.35 million. This is made up of Royalties (US\$213.08 million), Carried and Participating Interest (US\$552.47 million), Corporate Income Taxes (US\$306.04 million) and Surface Rentals (US\$0.76 million). The medium-term total petroleum receipts are projected at US\$1,011.14 million, US\$1,145.60 million, and US\$1,114.77 million for 2025, 2026 and 2027, respectively, according to the Government's 2024 Budget Statement and Economic Policy.

The breakdown of the projected 2024 petroleum receipts and distribution are presented in Table 45 & Table 46

¹² The benchmark gas prices are based on Gas prices using a blend of the US CPI/PPI index and the Henry Hub Spot Price Index to capture inflationary trends and movement in global gas prices on the well-head price of gas, in line with the specific contracts.

Table 45: Projected 2024 Petroleum Revenue Receipts (US\$M)

S/N	ITEMS	2024 Budget (US\$M)
	Total Petroleum Receipts	1,072.35
1	Royalties	213.08
	o/w Crude Oil	213.08
	o/w Gas	0
2	Carried and Participating Interest	552.47
	o/w Crude Oil	552.47
	o/w Gas	0
3	Corporate Income Tax	306.04
4	Surface Rentals	0.76

Source: MoF 2024 Budget Statement, June 2024.

Table 46: Projected 2024 Petroleum Revenue Distribution (US\$M)

S/N	ITEMS	2024 Budget (US\$M)
	Revenue Distribution	1,072.35
1	Transfer to National Oil Company (NOC)	250.41
	o/w Equity Financing	120.96
	o/w 30% Net CAPI	129.45
2	Benchmark Revenue (BR)	821.94
	o/w ABFA	575.36
	o/w Ghana Petroleum Funds	246.58
	o/w Ghana Stabilisation Fund	172.61
	o/w Ghana Heritage Fund	73.97

Source: MoF 2024 Budget Statement, June 2024.

CHAPTER 11

PIAC ACTIVITY REPORT

11.1 Background

In line with its mandate, the Committee undertakes programmes and activities throughout the year. This chapter provides an overview of PIAC's programmes and activities undertaken in H1 2024, and feedback received from public engagements.

11.2 Activities

11.2.1 Meeting with the Ministry of Finance

As part of strengthening its stakeholder relations, the PIAC team led by its Chair, Emerita Professor Elizabeth Ardayfio-Schandorf, met with the leadership of the Ministry of Finance (MoF) on Thursday, 11th January 2024. The PIAC Team was received by the Minister of Finance, Mr Ken Ofori-Attah, the Minister of State at the Ministry of Finance, Dr Mohammed Amin Adam, the Coordinating Director, Ms Stella Dede Williams and other officials of the Ministry. At the meeting, the Minister was briefed about the reconstituted membership of the Committee, and issues of the amendment of the PRMA, branding of ABFA projects, and PIAC funding were discussed.



11.2.2 PIAC Engagement with NDPC

The PIAC team led by its Chair, Emerita Professor Elizabeth Ardayfio-Schandorf, held an engagement with management of the National Development Planning Commission (NDPC) on Wednesday, 31st January 2024. The engagement explored collaborative efforts with the NDPC with a view to gaining its support for the work of PIAC.

The first presentation was done by the then Director-General (DG) of the NDPC, Dr Kodjo E. Mensah-Abrampa. His presentation spelt out the mandate of the NDPC and gave an outline of efforts by the Commission to put in place a plan to guide national development in Ghana. This was followed by a presentation by PIAC on the role of long-term national development in Ghana's petroleum revenue management. The presentation gave an overview of PIAC's operations and the relevance of a Long-Term National Development Plan, approved by Parliament, in the utilisation of the Annual Budget Funding Amount (ABFA).

This was followed by an open forum on areas of collaboration between the two institutions towards the implementation of a long-term national development plan approved by Parliament.



11.2.3 Launch of Citizens' Version of 2022 PIAC Annual Report

In response to feedback on the need to make PIAC Reports more accessible and user-friendly, PIAC developed a much simpler version of its Statutory Reports each year. The maiden edition which is a simplified version of the Committee's 2022 PIAC Annual Report was launched on Tuesday, 6th February 2023 at the Tomreik Hotel in East Legon. The event, chaired by Dr. Steve Manteaw - a past member of PIAC, was streamed live on PIAC's Facebook page. The launch was attended by past and current PIAC members, the media and the public via the livestream. Gracing the event was Nana Dr. Susubribi Krobea Asante, the Paramount Chief of Ashanti Asokore and Past President of the Ghana Academy of Arts and Sciences, launched the Report. The special guest, the Chair of the National Commission for Civic Education (NCCE) - Ms. Kathleen Addy, highlighted the role the NCCE plays in providing information to empower citizens. In her remarks, she said the NCCE eagerly looked forward to working closely with PIAC in disseminating the content of the Citizens' Version.

The highlights of the Citizens' Version Report, presented by the PIAC Chairperson - Emerita Prof. Elizabeth Ardayfo-Schandorf, included crude oil and gas production for the year 2022, revenues accrued, distribution and utilisation of the petroleum revenues, and findings and recommendations.



11.2.4 Meeting with the Speaker of Parliament

Towards strengthening its stakeholder relations, PIAC led by the Chair, Emerita Prof. Elizabeth Ardayfo-Schandorf, paid a courtesy call on the Speaker of Parliament, Honourable Alban Sumana Kingsford Bagbin on Monday, 19th February, 2024.

The Speaker of Parliament emphasized the need for active citizens' participation in the country's democracy, and commended PIAC for its work in ensuring the transparent and accountable management and use of the country's petroleum revenues.



11.2.5 Launch of PIAC 2023 Annual Report

PIAC is mandated to publish two statutory Reports (Semi-annual and Annual) each year. In that regard, the Committee launched the 2023 Annual Report on Tuesday, 21st May 2024 at the Great Hall of the University of Ghana, Legon. The event was chaired by Prof. Paul Kingsley Buah-Bassuah, a past member of PIAC. The launch was attended by stakeholders, including development partners, reporting institutions, students and the media.

The PIAC Chairperson, Emerita Prof. Elizabeth Ardayfio-Schandorf, presented the highlights of the 2023 PIAC Annual Report. Her presentation focused on crude oil and gas production, allocations, distributions from the Petroleum Holding Fund (PHF), petroleum receipts, as well as the Committee's findings and recommendations.



11.2.6 Engagement with Editors and Morning Show Hosts

The engagement took place in Koforidua, in the Eastern Region from Friday 24th – Sunday 26th May 2024. The engagement, chaired by the Chair of the Public Affairs and Communications (PAC) Sub-Committee - Nana Kweku Dei, equipped the Committee's media partners with credible information and provide the platform for the media to aid in advocacy on PIAC's reports with the aim of ensuring accountability, and promote a culture of good governance. Presentations were made to the Editors and Morning Show Hosts on the following topics:

- Highlights of PIAC's 2023 Annual Report;
- PIAC Issue Paper II;
- Shaping the Media Narrative in an Era of Energy Transition;
- PIAC's Data Dashboard; and
- The Role of Media Professionals in Promoting Accountability.



11.2.7 Regional Engagements

In line with PIAC’s second mandate of providing space and platform for public debate on the management and use of petroleum revenues, the Committee held two regional fora concurrently in the Western and Ahafo Regions from 2nd - 8th June 2024 to engage with the citizenry. Each forum had about 100 participants from different sections of the public.

In both Regions, the PIAC Team held zonal media engagements, town hall meetings and radio discussions. Some of the key issues raised in these meetings were the non-payment of JOHL proceeds into the PHF, prosecutorial powers for PIAC, continuous decline of crude oil production and unutilised ABFA.





11.2.8 Engagements with Tertiary Educational Institutions

In H1 2024, the Committee engaged two (2) tertiary institutions in the Bono and Western regions. These engagements were held to facilitate interaction between industry and academia on current developments in Ghana's upstream petroleum industry. The institutions were:

- Takoradi Technical University (TTU); and
- Sunyani Technical University (STU).

Participants were taken through a brief history of PIAC, followed by an overview of the country's performance in the management and use of petroleum revenue since 2011.



11.2.9 Engagement with IFEJ and other Media Partners

As part of its regular engagements with stakeholders, the Committee holds annual meetings with the media, comprising members of the Institute of Financial and Economic Journalists (IFEJ), and other key media partners who report on PIAC's activities. The activity took place at the Eastern Premier Hotel in Koforidua in the Eastern Region, from Friday, 21st – Sunday, 23rd June, 2024.

The engagement focused on providing a platform for members of IFEJ, PIAC's key Media, and selected members of the Parliamentary Press Corps to familiarise themselves with PIAC's 2023 Annual Report, PIAC's Second Issue Paper on the role of the GNPC and Energy Transition related issues. The session also provided the opportunity for participants to engage in a data dive on the report to tease out issues worth discussing.



11.2.10 Project Inspections

The Committee carried out physical inspections of 12 ABFA-funded projects in two (2) Regions; Ahafo – seven (7), and Western – five (5). The exercise was carried out under PIAC’s mandate of independent assessment of the management and utilisation of petroleum revenues.

Western Region

1. Modernisation of Railways Location Workshops Complex (Sekondi-Takoradi), Drainage System for Location Workshops Complex and the Training Institute Sekondi-Takoradi

Project Details

Implementing Agency	Ministry of Railways Development (MRD) & Ghana Railway Company Limited (GRCL)
Contractor	CK Engineering and Construction Limited
Consultant	-
Date of Award	April 2021
Contract Duration	-
Original Contract Sum	GH¢79,403,842.76
ABFA Component	GH¢45,675,671.46
Percentage of ABFA	57.52%
Year of Disbursement	2020 to 2022
Date of Inspection	4 th June, 2024

Observations

- The contract comprises three infrastructural projects, namely, workshop complexes, a drain and the construction of the UMaT School of Railway.
- For the workshops, the scope included the rehabilitation of five (5) existing sheds, the construction of two (2) new sheds and the construction of a drain.
- The UMaT School of Railway had received a facelift, with the construction of lecture halls, offices, and other infrastructure.

The Committee was satisfied with the overall quality of the projects.



2. Construction and Equipping of Treatment and Holding Centre at Takoradi in the Western Region for the Ministry of Health

Project Details

Implementing Agency	Ministry of Health (MoH)
Contractor	City-Plus Company Limited
Consultant	-
Date of Award	23 rd Sept. 2020
Contract Duration	12 Months
Original Contract Sum	GH¢15,000,000
ABFA Component	GH¢1,599,603.30
Percentage of ABFA	10.66%
Year of Disbursement	2022
Date of Inspection	4 th June, 2024.

The project is a Treatment and Holding Centre, constructed for the purpose of supporting infectious disease outbreak responses.

Observations

- The project was labelled, indicating ABFA as a funding source.
- The project had initially stalled due to late payments to the Contractor. At the time of the Committee’s visit, the Contractor had returned to the project site, with work progressing steadily.
- The project, which commenced in 2021, is currently 60 percent complete.



3. Asphaltic Overlay of Anaji Critical Collectors, Race Course and Dupaul Area Roads, Takoradi

Project Details

Implementing Agency	Department of Urban Roads (DUR) - Ministry of Roads and Highways (MoRH)
Contractor	Kinspok Construction Works
Consultant	-
Date of Award	18 th June, 2020
Contract Duration	12 Months
Original Contract Sum	GH¢28,739,461.30
ABFA Component	GH¢14,746,787.64
Percentage of ABFA	51.31%
Year of Disbursement	2021 to 2022
Date of Inspection	4 th June, 2024.

The Team inspected the asphalted roads within Takoradi. The roads linked the Anaji, Race Course and Dupaul communities.

Observation

- As at the time of PIAC's visit, sections of the Dupaul stretch had developed potholes and cracks. The team was informed, at the time of inspection, that the roads were still under construction, and that defects would be remedied by the Contractor before the project is handed over.



4. Kojokrom – Tarkwa Railway Line

Project Details

Implementing Agency	Ghana Railway Development Authority
Contractor	Amandi Investment Limited
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GH¢154,494,434.83
Percentage of ABFA	-
Year of Disbursement	2013 to 2021
Date of Inspection	5 th June, 2024.

Observations

- Since the Committee’s last visit to the project in 2019, the narrow gauge of the existing tracks has been discontinued, with the standard gauge lines now being constructed.
- The team inspected the Kojokrom – Manso section of the Kojokrom – Tarkwa Railway Line, which is a standard gauge line. As part of the inspection, the team also stopped by the Eshiem and Manso Stations, constructed along the rail lines.

Overall, the team was satisfied with the project’s progress of work.



5. Construction of Durbar Grounds at New Takoradi in the Takoradi Constituency

Project Details

Implementing Agency	Special Development Initiatives Secretariat (SDI)
Contractor	-
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	-
ABFA Component	GH¢184,013.41
Percentage of ABFA	-
Year of Disbursement	2021
Date of Inspection	5 th June, 2024

Observations

- The project comprises an area laid with concrete and pavement blocks to be used as durbar grounds for the New Takoradi community.
- At the time of the Committee's visit, the project was in a deplorable state, with depressions in the concrete as well as exposed pavement blocks. Also, squatters had encroached sections of the durbar grounds, occupying about half of the project's designated area.



Ahafo Region

6. Erection and Completion of 1 No. 3-Storey RCC Administration at Goaso

Project Details

Implementing Agency	Ministry of Local Government, Decentralisation & Rural Development (MLGRD)
Contractor	M/S Core Construction Limited
Consultant	Architectural and Engineering Services Limited (AESL)
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢16,936,569.17
ABFA Component	GH¢7,549,415.74
Percentage of ABFA	44.57%
Year of Disbursement	2020 to 2022
Date of Inspection	4 th June, 2024

Observation

- The PIAC team observed that although work was ongoing, there were already some defects such as peeled-off paint on the walls and weak glass frames for the windows.



7. Construction of 1 No. 3-Storey Regional Police Command at Goaso

Project Details

Implementing Agency	Ministry of Local Government, centralisation & Rural Development (MLGRD)
Contractor	M/S Core Construction Limited
Consultant	-
Date of Award	-

Contract Duration	-
Original Contract Sum	GH¢23,000,499.67
ABFA Component	GH¢1,107,270.90
Percentage of ABFA	4.81%
Year of Disbursement	2022
Date of Inspection	4 th June, 2024

Observations

- The works done included the foundation and the erection of beams up until the first floor. The team was informed that the rains had disrupted progress of work.
- The PIAC team expressed displeasure with the construction of the regional police command.
- The residential units for the police personnel of the regional police command was about 80 percent complete.



8. 12 Units 2-Bedroom Block of flats for staff of Regional Police Command in Goaso

Project Details

Implementing Agency	Ministry of Local Government, Decentralisation & Rural Development (MLGRD)
Contractor	M/S A4 Construction Ltd
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢10,224,669.24
ABFA Component	GH¢1,534,827.95
Percentage of ABFA	15.01%
Year of Disbursement	2022
Date of Inspection	4 th June, 2024

Observations

- The road leading to the project site was not motorable, but the team was informed that it wasn't part of the project and would be dealt with by the authorities after the construction project is completed.
- The construction work was at the finishing stage with outstanding works comprising painting, tiling and fixing of electricals. Two septic tanks would also be installed as part of the project.



9. Erection and Completion of 3 No. Senior Staff Bungalow for RCC at Goaso

Project Details

Implementing Agency	Ministry of Local Government, Decentralisation & Rural Development (MLGRD)
Contractor	M/S Original Asaase Aban Co. Limited
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢2,970,724.06
ABFA Component	GH¢2,074,184.35
Percentage of ABFA	69.82%
Year of Disbursement	2020 and 2022
Date of Inspection	4 th June, 2024

Observation

- All three (3) staff bungalows had been constructed and were in use as at the time of the visit. The team did not have the opportunity to access the buildings because they were occupied by the RCC staff.



10. Erection and Completion of 1 No. 2-Storey Administration Block at Goaso (Department of Agriculture)

Project Details

Implementing Agency	Ministry of Local Government, Decentralisation & Rural Development (MLGRD)
Contractor	M/S Gabtack Construction Limited
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢3,749,475.56
ABFA Component	GH¢1,291,127.33
Percentage of ABFA	34.43%
Year of Disbursement	2020
Date of Inspection	4 th June, 2024

Observations

- Although new, the building showed some defects, including leakage in the conference room, and lack of power supply to some parts of the building.
- The building was not fenced, making it prone to intrusion.



11. Erection and Completion of 2 No. 3 Bedroom Bungalow for Regional Police Commander and Deputy at Goaso

Project Details

Implementing Agency	Ministry of Local Government, Decentralisation & Rural Development (MLGRD)
Contractor	M/S Obmikes Const. and Suppliers Ltd
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢2,284,149.94
ABFA Component	GH¢576,608.40
Percentage of ABFA	24.24%
Year of Disbursement	2022
Date of Inspection	4 th June, 2024

Observations

- Work was ongoing at the time of the visit.
- Outstanding works on the project included tiling, painting, and installation of door frames.



12. Erection and Completion of 2 No. Senior Staff Bungalows for the Department of Agriculture at Goaso

Project Details

Implementing Agency	Ministry of Local Government, Decentralisation & Rural Development (MLGRD)
Contractor	M/S Obmikes Const. and Suppliers Ltd
Consultant	-
Date of Award	-
Contract Duration	-
Original Contract Sum	GH¢1,924,674.05
ABFA Component	GH¢1,098,713.22
Percentage of ABFA	57.09%
Year of Disbursement	2020
Date of Inspection	4 th June, 2024

Observation

- The staff bungalows had been constructed and were in use at the time of the visit. As a result, the team did not have the opportunity to access the buildings.

CHAPTER 12

CONCLUSION AND RECOMMENDATIONS

The effective management and utilisation of petroleum revenues in Ghana remain critical for sustainable economic growth and development. While it is evident that petroleum resources offer substantial revenue, the extent to which these funds contribute to the broader economy and improve social outcomes hinges on transparent governance and prudent financial management.

Since the discovery and subsequent commercialisation of hydrocarbons, the government has put in place frameworks to enhance transparency, accountability and prudent use of revenues derived.

PIAC, based on its analysis, has highlighted key findings and observations in the 2024 Semi-annual Report that require attention. Based on the Committee's findings, below are its recommendations:

1. The Committee reiterates that the Ghana Revenue Authority (GRA) should take immediate steps to recover the Surface Rentals outstanding and also ensure that Surface Rentals assessed be paid into the PHF not later than 28th February of each year, as provided in Regulation 5(1) (b) of L.I. 2381.
2. The Committee urges the Ministry of Finance to demonstrate the essence of prioritisation of the Industrialisation Priority Area by consistently committing disbursement of the ABFA to the Priority Area.
3. PIAC recommends that Parliament should decline/or review any cap on the GSF that deviates from the statutory provision and direct the Minister of Finance to comply with Regulation 8 of L.I. 2381.
4. PIAC recommends the conduct of cost and technical audits on the TEN Field to establish the basis for cost escalation and technical challenges on the field in recent years.
5. Given the upcoming expiration of the 15-year timeline in 2026 for disbursement of Level B expenditure and the possible review of GNPC financing arrangements, PIAC is of the view that establishment of the reserve fund would provide the needed buffer to support the Corporation's activities if funding from the Petroleum Holding Fund (PHF) ceases. PIAC strongly encourages GNPC to activate this provision in PNDCL 64.
6. The Committee recommends that GNGLC complies with the directive of the Ministry of Energy to suspend the implementation of the DIDT.

APPENDIXES

Appendix A: Greater Jubilee Field Production & Development Costs for the Period 1st Jan – 30th June 2024

Production Costs	Amount US\$' 000
Business Mgt & Assurance	14,237
Jubilee Transformation	125
O&M Contractor Cost	25,945
FPSO Insurance	4,510
Subsea	12,139
Consumables	2,772
Logistics & Materials	23,410
Facilities Projects	3,810
Oil Lifting	2,533
Engineering Operations	(2,068)
Prod. Syst Optimisation	147
Information Systems	1,513
Subsurface	421
Wells	223
Riser 5	666
Decommissioning Charges	140
PCO and Financial Items	1,617
Total	92,131

Development Costs	Amount US\$' 000
Business Mgt & Assurance	5,565
Subsurface	187
Development wells	210,000
OOL2 & OOSys	81
Subsea	24,941
Information Systems	100
LLI Inventory write off	228
PCO and Financial Items	456
Total	241,819

Exploration Costs	Amount US\$' 000
Desktop studies	6
Total	6

Source: GNPC, HY 2024

Appendix B: TEN Field Production & Development Costs for the Period 1st Jan – 30th June 2024

Production Costs	Amount US\$' 000
Business Mgt & Assurance	7,345
O&M Contractor Cost	29,365
Subsea	5,178
Consumables	2,200
Logistics & Materials	10,843
Oil Lifting	1,106
Engineering Operations	924
Production Sys Optimisation	65
Information Systems	355
PCO & Fin Items	1,103
Total	58,484

Development Costs	Amount US\$' 000
Business Mgt & Assurance	3,049
Subsea	1,177
Development Wells	5,121
Subsurface	(16)
FPSO Charter	105,413
LLI Write Off	1,927
PCO & Fin Items	(289)
Total	116,382

Exploration Costs	Amount US\$' 000
Desk-top studies	32

Source: GNPC, HY 2024

Appendix C: Sankofa Gye Nyame Field Production & Development Costs for the Period 1st Jan – 30th June 2024

Production Costs	Amount US\$' 000
Operating production cost	25,279,401.63
Operating Insurance Cost	1,671,273
Operating Maintenance Cost	14,033,438
Operating Transport Cost	22,557,409
Chemicals	5,582,115
Other Operating Cost	3,354,138
General Operating Cost (G&A OPEX)	20,498,821
Operating Maintenance Cost-ORF	2,110,047
Total	95,086,642

Development Costs	Amount US\$' 000
FPSO Leasing	64,373,400.00
Well Logistics and Fixed Assets	184,888
Development G&A	228,009
PA Overheads	56,536
Total	64,842,833

Source: GNPC, June 2024

Appendix D: H1 2024 ABFA Utilisation Data

https://www.piacghana.org/ova_doc/h1-2024-abfa-utilisation-data/



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

Membership of the Committee

As at 14th September, 2024



Odeefuo Amoakwa Boadu VIII (Vice Chair)
National House of Chiefs



Clara Beeri Kasser-Tee, Esq.
Independent Policy Research Think Thanks



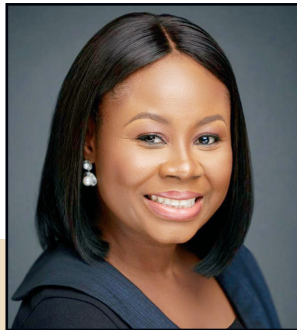
Nana Yaa Ansua
Queen Mothers Association



Ms Freda Stephanie Frimpong
Trades Union Congress (TUC)



Ms Sena Dake
Institute of Chartered Accountants, Ghana



Yorm Ama Abledu, Esq.
Ghana Bar Association - GBA



Mr Richard Ellimah
Civil Society Organisations/
Community-based Organisations



Mr Edward Yaw Afriyie
Ass. of Ghana Industries and Ghana Chamber of Commerce and Industries



Dr Ibrahim Lartey
Muslim Groups



Constatine K.M. Kudzedzi, Esq.
Christian Groups



Nana Kweku Dei (Mr Ransford Tetteh)
Ghana Journalists Association - GJA



Mr Christopher Opoku
Ghana Extractive Industries Transparency Initiative - GHEITI



Constatine K.M. Kudzedzi, Esq. (Chair)
Christian Groups

Current Membership of the Committee



Odeefuo Amoakwa Boadu VIII (Vice Chair)
National House of Chiefs



Mr Samuel Bekoe
Independent Policy
Research Think Thanks



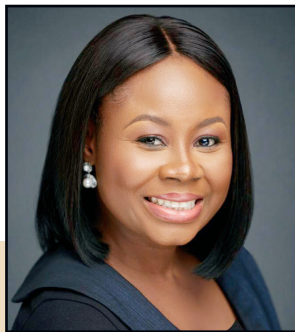
Nana Yaa Ansua
Queen Mothers Association



Ms Freda Stephanie Frimpong
Trades Union Congress (TUC)



Ms Sena Dake
Institute of Chartered
Accountants, Ghana



Yorm Ama Abledu, Esq.
Ghana Bar Association - GBA



Mr Richard Ellimah
Civil Society Organisations/
Community-based Organisations



Mr Edward Yaw Afriyie
Ass. of Ghana Industries and Ghana
Chamber of Commerce and Industries



Dr Ibrahim Lartey
Muslim Groups



Prof. Peter Quartey
Ghana Academy of Arts and Sciences



**Nana Kweku Dei
(Mr Ransford Tetteh)**
Ghana Journalists Association - GJA



Mr Christopher Opoku
Ghana Extractive Industries
Transparency Initiative - GHEITI

Contact PIAC



Location

13 Nii Amon Kotey Street, East Legon
GPS Address: GA-7497-375



Mail

secretariat@piacghana.org

Instagram
@piacghana



Web
www.piacghana.org



Phone
(+233) 30 254 7765



WhatsApp
(+233) 55 441 6544



Facebook
PIAC-Ghana



X
@piacghana



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