



REPUBLIC OF GHANA

# 2014 ANNUAL REPORT

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ON THE

# PETROLEUM FUNDS

SUBMITTED TO

PARLIAMENT

BY

SETH E. TERKPER  
(MINISTER FOR FINANCE)

AS PART OF THE PRESENTATION OF THE 2015 BUDGET STATEMENT AND ECONOMIC  
POLICY AND, IN CONSONANCE WITH SECTION 48 OF THE PETROLEUM REVENUE  
MANAGEMENT ACT, 2011 (ACT 815).  
THIS IS THE THIRD IN THE SERIES.

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## ACRONYMS

ABFA	Annual Budget Funding Amount
Bcf	Billion Cubic Feet
BOG	Bank of Ghana
Bopd	Barrels of Oil per Day
CDB	Chinese Development Bank
FOMC	Federal Open Market Committee
FPSO	Floating Production Storage and Offloading
GAS	Ghana Audit Service
GHF	Ghana Heritage Fund
GIIF	Ghana Infrastructure Investment Fund
GIP	Gas Infrastructure Project
GNPC	Ghana National Petroleum Corporation
GOG	Government of Ghana
GPFs	Ghana Petroleum Funds
GPP	Gas Processing Plant
GSA	Gas Sales Agreement
GSF	Ghana Stabilisation Fund
LPG	Liquefied Petroleum Gas
MMBO	Million Barrels of Oil
MmBtu	Million British Thermal Units
Mmscf	Million Standard Cubic Feet
MOEP	Ministry of Energy and Petroleum
NOC	National Oil Company
PA	Petroleum Agreement
PHF	Petroleum Holding Fund
PoD	Plan of Development
PRMA	Petroleum Revenue Management Act, 2011 (Act 815)
SGN	Sankofa-Gye Nyame
Tcf	Trillion Cubic Feet
TEN	Tweneboa-Enyenra-Ntomme
WCGIDP	Western Corridor Gas Infrastructure Development Project

## **PREFACE**

The Petroleum Revenue Management Act, 2011 (Act 815), requires the Minister responsible for Finance to submit an annual report on the Petroleum Funds as part of the presentation of the annual Budget Statement and Economic Policy to Parliament. Thus, the 2014 Annual Report on the Petroleum Funds has been prepared in line with Section 48 of the PRMA to cover the collection, utilisation and management of petroleum revenues during the first three quarters of 2014.

This 2014 report highlights the events in the upstream petroleum sector, namely, the activities of the Petroleum Commission, the Ghana National Petroleum Corporation (GNPC) and its subsidiaries and provides an update on the Gas Infrastructure Project (GIP). It also gives an update on the progress of work on the production of oil and gas from the Tweneboa-Enyenra-Ntomme (TEN) and the Sankofa-Gye Nyame Fields.

The Ministry of Finance has continued to publish petroleum receipts in the Gazette, and in at least, two state-owned daily newspapers on quarterly basis, as required by Section 8 of the PRMA. The Investment Advisory Committee has been writing quarterly reports on the Ghana Petroleum Funds (GPFs) to the Minister for Finance, as required by Section 40 of the PRMA. The Bank of Ghana (BOG) and the Public Interest and Accountability Committee have also been publishing semi-annual reports on the Petroleum Holding Fund (PHF) and the GPFs in accordance with the PRMA. These reports underscore the growing importance of the upstream petroleum sector in the economy, as indicated by rising volumes and revenues from the sector.

After implementing the enabling act since 2011 and, in an effort to enhance the efficiency and effectiveness in its implementation, the Ministry of Finance proposed to amend the PRMA, as announced in the 2014 Budget. It is heartwarming to note that stakeholders presented inputs for the review and the broad stakeholder committee, from the public and quasi-public sectors and Civil Society Groups, that was set up to review the inputs has completed its work. The proposed amendments have been returned to the Ministry by the Attorney-General and are set to be submitted to Cabinet for onward submission to Parliament.

Government would like to commend all those who were involved in the process, both directly and indirectly, for their hard work. It is our belief that the proposed amendments will consolidate the gains made under the PRMA while correcting the operational challenges thereof, thus, bringing about increased efficiency in the collection, utilisation and management of petroleum revenues.

**SETH E. TERKPER**  
**MINISTER FOR FINANCE**

## SECTION ONE: INTRODUCTION

1. The Minister for Finance is required, by Section 48 of the Petroleum Revenue Management Act, 2011 (Act 815, PRMA), to submit an annual report on the Petroleum Funds, as part of the presentation of the annual Budget Statement and Economic Policy to Parliament.
2. The 2014 Annual Report on the Petroleum Funds has, thus, been written in line with Section 48 of the PRMA and includes:
  - receipts into and transfers from the Petroleum Holding Fund (PHF);
  - deposits into the Ghana Petroleum Funds (GPFs), namely, the Ghana Stabilisation Fund (GSF) and the Ghana Heritage Fund (GHF);
  - status of the audit report on the Petroleum Funds, covering 2011-2013; and
  - a balance sheet, including a note listing the qualifying instruments, of the GPFs.
3. This report presents detailed information on the Petroleum Funds from January to September 2014. Similar to the 2013 report, the 2014 Annual Report on the Petroleum Funds covers only nine months of 2014 as the 2015 Budget is due to be presented in November 2014.
4. Section 15 of the PRMA requires the Minister to submit an annual reconciliation report for the current year to Parliament by the end of the first quarter of the ensuing year. The 2014 Reconciliation Report on the Petroleum Holding Fund, which will cover the full year, will, therefore, be presented to Parliament by end-March 2015.
5. In addition to the Annual Report on the Petroleum Funds and the Annual Reconciliation Report on the PHF, all the institutions which have either been created by the PRMA or have a role in its implementation have gone about their responsibilities assiduously. The Ministry of Finance, in addition to the above reports, publishes quarterly petroleum receipts in the Gazette and in at least, two state-owned daily newspapers, in line with Section 8 of the PRMA. The Bank of Ghana (BOG) and the Public Interest and Accountability Committee have also been publishing semi-annual reports on the PHF and the GPFs; and the Investment Advisory Committee has been writing quarterly reports on the GPFs to the Minister for Finance, as required by Section 40 of the PRMA.
6. The rest of the report is structured as follows: Section Two looks at developments in the upstream sector from January-September 2014; Section Three provides a summary analysis on petroleum receipts and their utilization, while Section Four outlines the performance of the GPFs; Section Five provides an update on the audited financial statements of the Petroleum Funds; and Section Six discusses challenges and the way forward. The report ends with a conclusion in Section Seven.

## **SECTION TWO: DEVELOPMENTS IN THE UPSTREAM PETROLEUM SECTOR IN 2014**

### **2.1 Developments in the Structure of the Upstream Petroleum Sector in 2014**

7. Following a review of the industry, Government is taking steps to strengthen the management of the oil and gas sector in Ghana. To this end, a number of measures have been put in place to ensure the efficient management of the industry. The measures include the following:
  - The Local Content and Local Participation Regulations came into effect in February 2014. The Petroleum Commission is working to increase the level of local content and local participation in Ghana's upstream oil industry; and
  - Cabinet has approved a draft Bill to replace the Petroleum Exploration and Production Law, 1984 (PNDC Law 84), which will be laid before Parliament.
8. The main organisations in the upstream petroleum sector are the:
  - Ministry of Energy and Petroleum (MOEP);
  - Petroleum Commission;
  - Ghana National Petroleum Corporation (GNPC); and
  - Ghana National Gas Company Limited.

### **Ministry of Energy and Petroleum**

9. The Ministry of Energy and Petroleum's main function is to formulate, implement, monitor and evaluate energy sector policies. In connection with this, the Ministry provided leadership in the drafting of subsidiary legislations (which are at various stages of completion) in 2014. These include regulations on Fiscal Metering, Data Management, Reservoir Management and Health, Safety and Environment. The Ministry also led in the Gas Sales Agreement (GSA) negotiations between the Jubilee Partners and GNPC, leading to the signing of the GSA to satisfy one of the pre-conditions for tie-in between offshore and onshore facilities.
10. The Ministry has also developed a gas master plan to provide the framework for the infrastructure development priorities that will contribute to the development of the country's natural gas resources and security of energy supply.

### **Petroleum Commission**

11. The Petroleum Commission continued its mandate of regulating, managing and coordinating activities in the upstream petroleum sector in 2014, in accordance with the Petroleum Commission Act, 2011 (Act 821).

12. The Petroleum (Local Content and Local Participation) Regulation, 2013 (L.I. 2204), came into force on February 19, 2014. In order to operationalise the Regulations, the Petroleum Commission has developed programmes, guidelines and systems to maximize local employment and training and the increasing value of services provided by Ghanaians.
13. The Commission has played an advisory role to MOEP in the review of the Offshore Cape Three Points Project and its commercial terms and has been monitoring the development and production activities in the Jubilee Field and the development of the Tweneboah-Enyenra-Ntomme (TEN) Field.
14. Furthermore, the Commission is monitoring the appraisal activities of Hess on the Deep Water Tano/Cape Three Points Contract Area and Kosmos in the West Cape Three Points Contract Area to ascertain the commercial viability of the discoveries made. Appraisal activities in the Deep Water Tano/Cape Three Points Contract Area and the West Cape Three Points Contract Area are set to conclude by end-December 2014.

#### **Ghana National Petroleum Corporation**

15. GNPC has been mandated to assume the role of gas offtaker from the upstream partners and, has been engaged in gas sales negotiations to derive the best price for gas on the domestic market.
16. GNPC's objectives for 2014 include the following:
  - pursuit of accelerated growth strategy in order to assume commercial industry leadership in line with its mandate;
  - actively participating in activities leading to the drilling of at least six (6) wells made up of three (3) appraisal wells and five (5) development wells;
  - actively contributing to the development activities of the TEN and Sankofa Gye-Nyame projects, with the aim of ensuring that the projects are executed on schedule and within budget; and
  - carrying out pre-exploration activities, including drilling some slim hole wells as part of efforts to establish the petroleum system of the inland Voltaian basin.
17. Below is a discussion on some of the initiatives GNPC has undertaken to ensure that it becomes effective and efficient in its operations.

#### **GNPC-Explorco**

18. GNPC Exploration and Production Company (Explorco) is GNPC's subsidiary focused on exploration and production of hydrocarbons. The subsidiary currently holds commercial stakes in various licenses in Ghana's offshore basins. As a key plank of GNPC's strategy, Explorco is partnering with strategically chosen international oil companies to jointly operate a number of the license areas. This is to ensure rapid

transfer of operating capabilities to GNPC and, ensure its commercial leadership of the upstream sector in Ghana. The details on GNPC-Explorco's equity participation in Ghana's Contract Areas are shown in Table 1.

**Table 1: GNPC-Explorco's Equity Participation in Contract Areas**

<b>SRN</b>	<b>Block</b>	<b>Operator</b>	<b>Explorco (%)</b>
1	Expanded Shallow Water Tano Block Offshore	Camac	25.00
2	South Deep Water Tano	AGM	24.00
3	Blue Star/Heritage – Keta	Heritage - Keta	11.60
4	Blue Star/Heritage – Tano	Heritage - Tano	8.80
5	Deepwater Cape Three Point West	A-Z Petroleum	4.35

*Source: GNPC*

### GNPC-Technip Engineering Services

19. This is a joint venture between GNPC and Technip to advance GNPC's goal of developing cutting edge expertise in upstream oil and gas engineering services, as well as project management. Established in 2011, the joint venture has won a number of contracts in both the Jubilee and TEN Fields operations. GNPC-Technip Engineering Services designed, manufactured and installed the first subsea jumpers in Ghana.

### Tradeco

20. Tradeco is GNPC's trading arm which has been set up to carry out the business of trading crude oil and gas. It will market and sell Ghana's crude oil and gas, as well as buy and sell crude oil on its own account. This subsidiary will ensure that Ghana retains the value embedded in the trading segment of the value chain.

### Ghana National Gas Company

21. The Ghana National Gas Company continued to develop the Western Corridor Gas Infrastructure Project (WCGIDP) in 2014. The estimated cost of the WCGIDP is US\$1 billion. The China Development Bank (CDB) loan accounts for US\$850 million of the project cost, with the Government of Ghana (GOG) providing a counterpart fund of US\$150 million, mainly from the Annual Budget Funding Amount (ABFA).

22. Between January and September 2014, a total amount of US\$89.75 million was disbursed to the project, as shown in Table 2. This brings the total disbursement to the project since inception to US\$732.70 million, 15 percent of which has been disbursed by GOG, in line with the loan agreement.

**Table 2: CDB and GOG Disbursement to GIP as at September 30, 2014**

Date	Utilisation Amount	CDB Portion	GOG Portion
	US\$		
30-May-14	4,194,861.15	3,565,631.98	629,229.17
30-May-14	54,162,323.51	46,037,974.98	8,124,348.53
30-May-14	1,409,071.10	1,197,710.44	211,360.67
18-Sep-14	29,984,778.83	25,487,062.01	4,497,716.82
<b>TOTAL</b>	<b>89,751,034.59</b>	<b>76,288,379.41</b>	<b>13,462,655.18</b>

Source: Ministry of Finance

23. In addition, GOG has disbursed a total of US\$40,943,862.18 to Ghana Gas for the set-up of the company, out of which US\$17,935,611.16 was released in January 2014. Major expenditure items include compensation to landowners, rental of office and residential accommodation for construction staff onsite, environmental and social impact assessments, construction support logistics, procurement of project equipment and general administrative expenses.
24. Furthermore, GOG released a total of US\$14,760,503.50 to Ghana Gas for the payment of construction tie in works to the FPSO Kwame Nkrumah and free span correction of the 14km offshore pipeline.
25. Ghana Gas and the Ministry of Finance have finalized negotiations on the on-lending and escrow agreement for the CDB facility, in line with the Ministry of Finance's new Debt Management Strategy. The agreement is, however, yet to be signed by both parties.
26. As at end-September 2014, Ghana Gas had achieved the following:
- The Right of Way (ROW) clearing, line pipe stringing, pipe fitting and welding, Non-Destructive Tests (Ultrasonic Test, Radiography Test) for weld joints, coating of welding joints, trenching, lowering and backfilling for the 111 km onshore (main) Pipeline is 100 percent complete;
  - All three Horizontal Directional Drilling (HDD) under the Ankobra, the Ebi and the Amanzure rivers have been successfully completed;
  - All seven Thrust Boring across main roads and a railway line have been successfully completed;
  - Tie-in with the Volta River Authority (VRA) pipeline system was successfully carried out at Aboadze and discussions on the Construction & Tie-in Agreement (CTIA) and Gas Sales Agreement are on-going;
  - Foundation and installation of mechanical equipment at the Pipeline stations are 100 percent complete;

- Auxiliary buildings which contain the control rooms, machine cabinet rooms (MCC), Cathodic Protection room, transformer room and Uninterruptable Power Supply (UPS) room at the Esiama Distribution Station (EDS) and Takoradi Regulating and Metering Station (TRMS) are 100 percent complete;
- Piping, instrumentation and electrical works at the EDS, Atuabo Initial Station, (AIS) block valve 1 & 2 and TRMS are above 97 percent complete;
- Earthworks at the Gas Processing Plant (GPP) and Gravel (vibro-stone column) piling have been completed. Concrete (bored) piles for the site and the foundation for equipment for the initial station is 100 percent complete. Work on the Irish bridge at Eloyin is 100 percent complete. The new bridge will enable heavy loads to be transported to the GPP site as well as for the construction of the shore approach aspect of the Offshore Pipeline System;
- Fabrication of the GPP modules by Thermo Design Engineering (TDE) is complete and all components have been assembled and erected on site. The 3 main components which are the Debutanizer, Deethanizer and Flare Stack were successfully installed on the 17<sup>th</sup> and 18<sup>th</sup> of June and 10<sup>th</sup> October, respectively. Civil works at the GPP is almost complete;
- Work on the offshore shallow water pipeline is progressing well. All 44km of the pipeline has been laid to date, and the final weld of the offshore pipeline has been done;
- The inter-tie with the already installed 14km 12-inch pipeline was also successfully carried out by Microperi's installation vessel DLV Seminole. The rest of the shore approach as well as burying by jetting to 1.5 meters of the surf zone have been completed. Free span correction of the offshore pipeline is 100 percent completion;
- Tie-in of the riser to the Pipeline end termination (PLET) and pre-commissioning of the offshore pipeline is scheduled to begin;
- The Construction & Tie-in Agreement (CTIA) of the offshore pipeline to the Jubilee FPSO has been concluded and signed off with Tullow Ghana Limited on 7<sup>th</sup> February, 2014. Discussions on the Gas Sales Agreement are also underway;
- The Onshore Pipeline and offshore pipeline project was 99 percent complete and the Gas Processing Plant, 98 percent complete as at June 2014.

27. At completion the project is expected to supply an initial quantity of about 120 million standard cubic feet (mmscf) per day to the Volta River Authority to fuel the Abaodze Thermal Plant.

#### **Update on Petroleum Reserves and Petroleum Agreements Signed in 2014**

28. Ghana's total proven reserve base for 2014 is approximately 876.7 million barrels of oil and 2.3 trillion cubic feet (tcf) of gas. The four (4) major fields in the country are the Jubilee Field, currently producing at a daily average of 102,630 bopd, and in the second

phase of development; the second producing field is the Saltpond field which is producing a daily average of 267 bopd, the TEN field, currently under development and has made a progress of 35.9 percent as at 30<sup>th</sup> September, 2014. The fourth field is the Sankofa-Gye Nyame (SGN) Field. The Plan of Development of the SGN Field has been submitted and currently under review for possible approval.

29. As at September 2014, eight (8) new Petroleum Agreements (PAs) had been ratified by Parliament, namely the:

- Expanded Shallow Water Tano Block with CAMAC;
- Offshore Central Tano Block with Amni International;
- Offshore Cape Three Points South PA with UB Resources Limited;
- South West Tano Block with Heritage/Blue Star;
- Ultra Deepwater East Keta Blocks with Heritage/Blue Star;
- Shallow Water Cape Three Points PA with Sahara Energy Fields;
- South-West Cape Three Points PA with A-Z Petroleum Products; and
- South West Saltpond PA with Britannia-U.

#### **Jubilee Field**

30. The Jubilee field holds recoverable reserves of 470 million barrels of oil (MMBO) and 577 billion cubic feet (bcf) of gas. A total of 115,333,809 barrels of oil has been produced from the Field since first oil on 28<sup>th</sup> November, 2010 to 30<sup>th</sup> September, 2014. Average daily production for the last five years has increased from 35,790 bopd (2010), 67,210 bopd (2011), 71,998 bopd (2012) and to 99,685 bopd (2013). Current production stands at 102,630 bopd (end-September 2014), as shown in Appendix 1.

#### **Tweneboa-Enyenra-Ntomme Project**

31. Following approval of the Plan of Development (PoD) on 29<sup>th</sup> May, 2013, development activities on the TEN Field is on course for first oil. The Field holds estimated recoverable reserves of 245 MMBO and 353 bcf of gas. Oil production from TEN is expected to start in the third quarter of 2016, reaching a plateau of 76,000 bopd from 2017 to 2020. All contracts have been awarded. As at 30<sup>th</sup> September, 2014, the actual overall project progress was 35.9 percent, as against the planned progress of 35.9 percent, implying that the TEN project is on schedule.

32. The total project cost from inception to date (30<sup>th</sup> September, 2014) for the TEN Field development is US\$0.992 billion. This represents 15.74 percent of the total project cost of US\$5.077 billion. The forecast is that a total of US\$1.189 billion would have been spent by the end of 2014. The Environmental Impact Assessment (EIA) has been submitted to the Environmental Protection Agency (EPA) for approval.

#### **Sankofa-Gye Nyame Project**

33. The SGN Field is made up of a number of discoveries with combined oil and non-associated gas reserves of 162 MMBO and 1,366 bcf, respectively. Following the

completion of appraisal works, an integrated development concept is being finalised and negotiations are on-going between GNPC and its partners (Eni and Vitol) to conclude the GSA.

34. First oil from the Sankofa-Gye Nyame Field is expected in 2016/2017. The second phase, which is the gas phase, is expected to be completed in 2017/2018. The Field is expected to peak at 44,800 bopd, and base load gas rate of 180 mmscf per day.

### **Voltaian Basin Project**

35. GNPC has intensified exploration activities on the inland Voltaian basin. These activities are geared toward enhancing the prospects of the basin and also to establish a petroleum system and thermal maturity in the basin.

36. GNPC has conducted a desktop geological study of all available data on the basin, including satellite imagery interpretation, aeromagnetic and gravity data and as a result, six (6) slim-hole wells are expected to be drilled in 2014-2015.

### **2.2 Developments in Petroleum Production and Prices**

37. The Jubilee and Saltpond Fields are currently the only producing fields. The total number of barrels produced from the Jubilee Field for the period, January to September 2014, was 28,017,990 barrels or 102,630 bopd, compared with 27,060,737 barrels for the corresponding period in 2013. Total production from the Saltpond Field for the same period was 60,728 barrels, compared with 78,376 barrels during the same period in 2013.

38. Production forecast for the Jubilee Field for 2014, as captured in the 2014 Budget Statement and Economic Policy, was 33,955,644 barrels, based on an average production of 93,029 bopd. At the average daily Jubilee production of 102,630 barrels by end-September 2014, it is expected that the annual production will surpass the 2014 projected volumes.

39. The average achieved Jubilee price for January to September 2013 was US\$105.85 (where achieved price means the price at which the Ghana Group liftings were sold). This compares favourably with the Benchmark Revenue price of US\$93.34 per barrel for 2014. However, with the decline in crude oil prices, beginning in July through to October 2014 (below US\$90 per barrel in October), the variance between the benchmark price and the actual could be moderated for the rest of the year.

### **2.3 Developments in Exploration and Other Petroleum Activities**

40. Since the Jubilee discovery in 2007, twenty-three new discoveries have been made. These discoveries are at various stages of appraisal and development by GNPC and its partners. Table 3 details the stage of appraisal and development of the discoveries so far.

**Table 3: Additional Discoveries Made Since Jubilee**

	BLOCK/OPERATOR	DISCOVERIES	HYDROCARBON TYPE	STATUS
1	<b>GNPC</b>	<i>Ebony</i>	<i>Condensate/Gas</i>	<i>Marginal</i>
2	<b>DWT/TULLOW OIL</b>	<i>Tweneboa-1</i>	<i>Gas Condensate</i>	<i>PoD</i>
3		<i>Tweneboa-2</i>	<i>Oil</i>	<i>PoD</i>
4		<i>Owo/Enyenra-1</i>	<i>Oil</i>	<i>PoD</i>
5		<i>Ntomme</i>	<i>Oil &amp; Gas</i>	<i>PoD</i>
6		<i>Wawa</i>	<i>Oil &amp; Gas</i>	<i>Appriasal</i>
7	<b>WCTP/KOSMOS ENERGY</b>	<i>Odum-1</i>	<i>Heavy Oil</i>	<i>Marginal</i>
8		<i>Teak-1</i>	<i>Oil &amp; Gas</i>	<i>Appraisal</i>
9		<i>Teak-2</i>	<i>Gas</i>	<i>Appraisal</i>
10		<i>Banda-1</i>	<i>Oil</i>	<i>Marginal</i>
11		<i>Mahogany Deep</i>	<i>Light Oil</i>	<i>Appraisal</i>
12		<i>Akasa-1</i>	<i>Light Oil &amp; Gas</i>	<i>Appraisal</i>
13	<b>OCTP/ENI</b>	<i>Sankofa-1</i>	<i>Gas</i>	<i>Pre-Development</i>
14		<i>Gye Nyame-1</i>	<i>Gas</i>	<i>Pre-Development</i>
15		<i>Sankofa East</i>	<i>Oil &amp; Gas</i>	<i>Pre-Development</i>
16	<b>DWTCTP/HESS</b>	<i>Paradise-1</i>	<i>Oil &amp; Condensate</i>	<i>Appraisal</i>
17		<i>Hickory North</i>	<i>Oil &amp; Condensate</i>	<i>Appraisal</i>
18		<i>Almond</i>	<i>Oil &amp; Condensate</i>	<i>Appraisal</i>
19		<i>Beech</i>	<i>Oil</i>	<i>Appraisal</i>
20		<i>Pecan</i>	<i>Oil</i>	<i>Appraisal</i>
21		<i>PN-1</i>	<i>Oil</i>	<i>Appraisal</i>
22		<i>Cob</i>	<i>Oil</i>	<i>Appraisal</i>
23	<b>DWCTP/LUKOIL</b>	<i>Dzata-1</i>	<i>Oil &amp; Gas</i>	<i>Appraisal</i>

Source: GNPC

## SECTION THREE: PETROLEUM RECEIPTS AND UTILIZATION IN 2014

### 3.1 Analysis of 2014 Petroleum Receipts

41. According to the fiscal regime of the petroleum agreements, Government is entitled to a royalty of 5 percent and 3 percent of the gross production of the Jubilee and Saltpond Fields, respectively. The petroleum agreements also grant a Jubilee Carried and Participating Interest of approximately 13.64 percent and Corporate Income Tax rate of 35 percent to Government.
42. The receipt of the proceeds from the above and other sources of petroleum revenue is regulated by the PRMA. The PRMA establishes the PHF as a designated Public Fund Account to receive all petroleum receipts as defined in the Law and, regulates how the received funds should be allocated.
43. For the period January to September 2014, GNPC lifted crude oil five (5) times (17<sup>th</sup> - 21<sup>st</sup> liftings) on behalf of the State. This involved 4,824,715 barrels of oil, down from 4,977,922 barrels in the corresponding period in 2013. Receipts from crude oil liftings

for the first nine months of 2014, which accrued from the sixteenth (lifted on 20<sup>th</sup> December, 2013) to the twentieth liftings, was US\$514.88 million (GH¢1,415.67 million), as shown in Table 4. This involved 4,746,674 barrels and excludes the proceeds from the twenty-first lifting, which was undertaken on 2<sup>nd</sup> September 2014, since the proceeds were received in October 2014.

**Table 4: Details of Crude Oil Liftings by the Ghana Group, January-September 2014**

Item	Unit	1st Qtr		2nd Qtr		3rd Qtr	Total
		16th Lifting	17th Lifting	18th Lifting	19th Lifting	20th Lifting	
Date of Lifting	dd/mm/yy	20-Dec-13	29-Jan-14	25-Mar-14	13-May-14	17-Jul-14	
Volume of Lift	barrels	917,189	947,220	947,276	947,574	987,415	4,746,674
Selling Price	US\$	110.965	108.975	107.591	109.25	105.769	
Value of Lift	US\$	101,775,877.39	103,223,299.50	101,918,372.12	103,522,459.50	104,437,897.14	514,877,905.64
	GH¢	244,155,169.10	259,585,953.58	283,526,719.40	311,571,546.36	316,833,248.55	1,415,672,636.99

Source: Ministry of Finance

44. Total petroleum receipts (i.e. proceeds from Jubilee liftings and other petroleum receipts) as at the end of the third quarter of 2014 was US\$780.07 million (GH¢2,139.12 million), as shown in Table 5. This compares favourably with the whole year (January-December 2014) Budget projection of US\$777.0 million (GH¢1,709 million).

**Table 5: Sources of January-September 2014 Petroleum Receipts**

Item	Unit	1st Qtr		2nd Qtr		3rd Qtr	Total	% of Total Receipts
		16th Lifting	17th Lifting	18th Lifting	19th Lifting	20th Lifting		
Date of Lifting	dd/mm/yy	20-Dec-13	29-Jan-14	25-Mar-14	13-May-14	17-Jul-14		
Jubilee Royalties	US\$	28,335,945.51	28,738,929.74	28,375,618.20	28,822,220.42	29,077,092.12	143,349,805.98	18.38
Carried and Participating Interest	US\$	73,439,931.88	74,484,369.76	73,542,753.92	74,700,239.08	75,360,805.02	371,528,099.67	47.63
Surface Rentals	US\$	-	17,864.45	73,207.54	581,978.60	60,000.00	733,050.59	0.09
Royalties from SOPCL	US\$	-	-	-	151,986.14		151,986.14	0.02
Corporate Income Tax	US\$	105,104,943.00	-	46,010,013.00		112,778,217.31	263,893,173.31	33.83
PHF Interest	US\$	96,013.39	-	8,248.94	-	9,767.90	114,030.23	0.01
2013 Price Differential	US\$	-	-	-	-	297,248.72	297,248.72	0.04
Total Petroleum Receipts	US\$	206,976,833.78	103,241,163.95	148,009,841.60	104,256,424.24	217,583,131.07	780,067,394.64	100.00
	GH¢	493,862,843.91	259,630,528.06	412,157,522.88	313,734,693.79	659,736,706.15	2,139,122,294.78	

Source: Ministry of Finance

45. In spite of the fact that the actual data on petroleum receipts is for the nine months ending September 2014, petroleum receipts show an overall positive variance of approximately US\$3.07 million over the 2014 Budget estimate, as shown in Table 6.

**Table 6: Analysis of January-September 2014 Petroleum Receipts (US\$)**

Item	Budget	Actual	Variance
	Jan-Dec 2014	Jan-Sept 2014	
Royalties	158,817,955.00	143,501,792.12	(15,316,162.88)
<i>o/w Jubilee Royalties</i>	158,466,427.00	143,349,805.98	(15,116,621.02)
<i>o/w Saltpond</i>	351,527.00	151,986.14	(199,540.86)
Carried and Participating Interest	410,706,733.00	371,528,099.67	(39,178,633.33)
Corporate Income Tax	187,238,898.00	263,893,173.31	76,654,275.31
Surface Rentals	796,117.00	733,050.59	(63,066.41)
PHF Interest	-	114,030.23	114,030.23
Price Differential	-	297,248.72	297,248.72
Gas Receipt	19,440,000.00	-	(19,440,000.00)
<b>Total</b>	<b>776,999,703.00</b>	<b>780,067,394.64</b>	<b>3,067,691.64</b>

Source: Ministry of Finance

46. The positive variance was influenced mainly by Corporate Income Tax, which exceeded its annual budget amount by US\$76.65 million. This included 2013 additional Corporate Income Tax payments by Tullow and Anadarko of approximately US\$10.52 million in the third quarter of 2014.

47. Furthermore, returns on the accumulated amount in the PHF and the payment of a price differential by Unipet Asia to the Ghana Group increased the year-to-date proceeds by approximately US\$0.41 million, as shown in Table 6. Altogether, these more than compensated for the shortfalls in the other sources of petroleum revenue, particularly, gas receipts, which were not realised due to the non-completion of the Gas Infrastructure Project.

48. Table 7 shows how overall petroleum revenue has increased consistently over the years. The positive variances in 2014 were driven mainly by increases in Corporate Income Tax.

**Table 7: Analysis of Petroleum Receipts for the First 3 Quarters of 2012-2014**

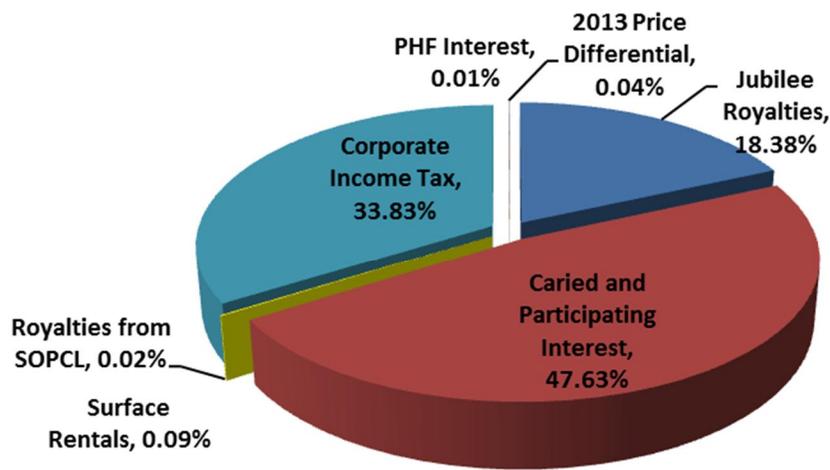
Item		Jan-Sep 2012	Jan-Sep 2013	Jan-Sep 2014	Variance: 2013 & 2014
Jubilee Royalties	US\$	120,613,033	148,634,519	143,349,806	(5,284,713)
Carried and Participating Interest	US\$	312,599,871	385,224,801	371,528,100	(13,696,701)
PHF Interest	US\$	-	-	114,030	114,030
Saltpond Royalties	US\$	104,193	403,831	151,986	(251,845)
Corporate Income Tax	US\$		172,216,932	263,893,173	91,676,241
Surface Rentals	US\$	448,225	797,777	733,051	(64,726)
2013 Price Differential	US\$	-	-	297,249	297,249
<b>Total Receipts</b>	<b>US\$</b>	<b>433,765,322</b>	<b>707,277,860</b>	<b>780,067,395</b>	<b>72,789,535</b>
	<b>GH¢</b>	<b>777,070,162</b>	<b>1,358,182,220</b>	<b>1,415,672,637</b>	<b>57,490,417</b>

Source: Ministry of Finance

49. The share of Carried and Participating Interest in total petroleum receipts as at end-September 2014 was 47.63 percent, compared with Corporate Income Tax of 33.83

percent, 18.40 percent for Jubilee and Saltpond Royalties and 0.14 percent from Surface Rentals, PHF Interest and 2013 price differentials, as shown in Figure 1.

**Figure 1: Composition of Total Petroleum Receipts, January-September 2014**



*Source: Ministry of Finance*

### 3.2 Allocation of 2014 Petroleum Receipts

50. In November 2013, Parliament approved the proposal by the Minister of Finance to reduce the National Oil Company's (NOC) share of the Carried and Participating Interest, net of Equity Financing Costs, from 40 percent to 30 percent for 2014-2016, in line with Section 7(3b) of the PRMA. This was in view of the anticipated increase in crude oil volumes for the period. Thus, the NOC received 30 percent of the net Carried and Participating Interest in January-September 2014.

51. Out of Government's net petroleum receipts, the PRMA requires that not more than 70 percent is designated as the ABFA, while the excess is transferred into the GPFs. By the same arrangement, of the amount transferred amount into the GPFs, the GSF receives not more than 70 percent, with the rest transferred into the GHF.

52. The 2014 petroleum receipts were allocated based on the provisions of the PRMA. Of the total revenue of US\$780.07 million, US\$136.93 million was allocated to GNPC (the NOC) as its share of Equity Financing Cost (US\$36.38 million) and Net Carried and Participating Interest (US\$100.54 million), as shown in Table 8.

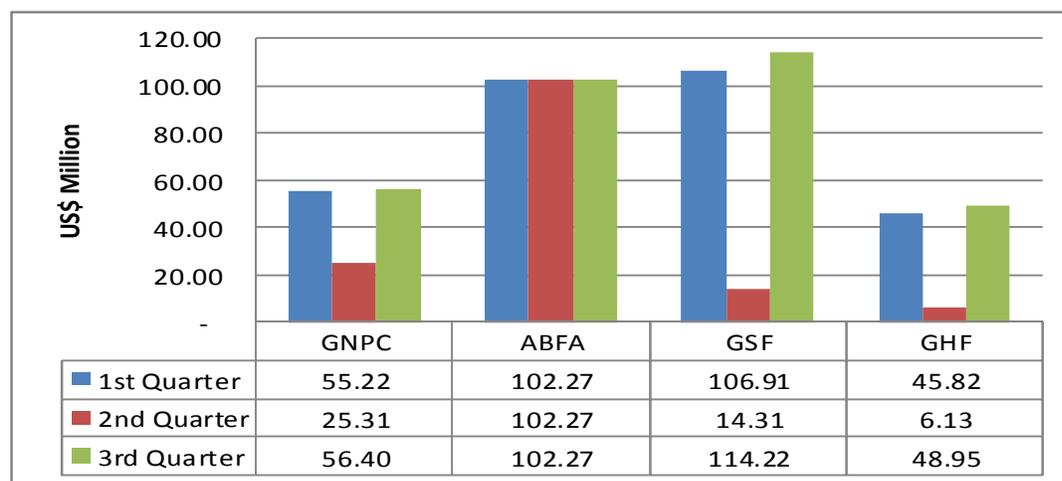
**Table 8: Distribution of January-September 2014 Petroleum Receipts (US\$)**

Item	1st Qtr		2nd Qtr		3rd Qtr	Total
	16th Lifting	17th Lifting	18th Lifting	19th Lifting	20th Lifting	
	US\$					
<b>Transfer to GNPC</b>	<b>28,656,184.66</b>	<b>26,562,323.35</b>	<b>25,305,824.68</b>	<b>31,931,648.66</b>	<b>24,471,694.21</b>	<b>136,927,675.56</b>
o/w Equity Financing Cost	9,463,193.00	6,024,303.46	4,632,855.00	13,602,252.76	2,662,075.29	36,384,679.51
o/w Net Carried and Participating Interest	19,193,021.66	20,538,019.89	20,672,969.68	18,329,395.90	21,809,618.92	100,543,026.05
<b>GOG Net Receipts for Distribution to ABFA and GPFs</b>	<b>178,320,619.12</b>	<b>76,678,840.60</b>	<b>122,704,016.92</b>	<b>72,324,775.58</b>	<b>193,111,436.86</b>	<b>643,139,689.08</b>
o/w Annual Budget Funding Amount	102,268,194.45	-	102,268,194.45	-	102,268,194.45	306,804,583.35
o/w Ghana Petroleum Funds	76,052,424.67	76,678,840.60	20,435,822.47	72,324,775.58	90,843,242.41	336,335,105.73
o/w Ghana Stabilization Fund	53,236,697.27	53,675,188.42	14,305,075.73	50,627,342.90	63,590,269.69	235,434,574.01
o/w of Ghana Heritage Fund	22,815,727.40	23,003,652.18	6,130,746.74	21,697,432.68	27,252,972.72	100,900,531.72
<b>Total Payments</b>	<b>206,976,803.78</b>	<b>103,241,163.95</b>	<b>148,009,841.60</b>	<b>104,256,424.23</b>	<b>217,583,131.07</b>	<b>780,067,364.64</b>

Source: Ministry of Finance

53. The total ABFA amounted to US\$306.80 million (GH¢888.60 million) between January and September 2014. The actual ABFA allocation in US dollars was equivalent to the 2014 Budget estimate but higher in cedi terms due to exchange rate differentials, as shown in Table 9<sup>1</sup>. The quarterly ABFA target was achieved for all the three quarters, with the excess receipts being transferred into the GPFs in accordance with Section 23(1a) of the PRMA, as shown in Figure 2.

**Figure 2: Quarterly Distribution of Petroleum Receipts, January-September 2014**



Source: Ministry of Finance

54. Thus, a total of US\$336.34 million was transferred into the GPFs in the first nine months of 2014. Out of this amount, the GHF received US\$100.90 million, while the GSF received US\$235.43 million. The quarterly allocation of petroleum receipts to the allowable destinations is shown in Figure 2.

<sup>1</sup> The actual dollar receipts are converted into Ghana Cedis at the prevailing rate of the value date

**Table 9: January-September 2014 ABFA Allocation and Variance Analysis**

Period	GH¢			US\$		
	Budget	Actual	Variance	Budget	Actual	Variance
Qtr 1	208,657,797.25	272,407,305.88	63,749,508.63	102,268,194.45	102,268,194.45	-
Qtr 2	208,657,797.25	295,759,618.35	87,101,821.10	102,268,194.45	102,268,194.45	-
Qtr 3	208,657,797.25	320,436,933.67	111,779,136.42	102,268,194.45	102,268,194.45	-
<b>Total</b>	<b>625,973,391.75</b>	<b>888,603,857.90</b>	<b>262,630,466.15</b>	<b>306,804,583.35</b>	<b>306,804,583.35</b>	<b>-</b>

Source: Ministry of Finance

\*Variance due to exchange rate differences

### 3.3 Utilisation of the 2014 Annual Budget Funding Amount

55. A total of US\$124.53 million (GH¢270.51 million) was disbursed to the non-CDB component of the ABFA in 2014. Of this amount, expenditure on Road and Other Infrastructure received GH¢260.65 million, while Agriculture Modernisation received GH¢9.85 million. No disbursements were made in the two other priority areas in the referenced period, as shown in Table 10.

**Table 10: January-September 2014 ABFA Allocation and Variance Analysis**

S/N	Priority Area	Amount (GHC)
1	Expenditure and Amortisation of Loans for Oil and Infrastructure	-
2	Agriculture Modernisation	9,853,380.97
3	Roads and Infrastructure	260,652,057.23
4	Capacity Building (Including Oil and Gas)	-
<b>5</b>	<b>Total</b>	<b>270,505,438.20</b>

Source: Ministry of Finance

### 3.4 Utilisation of 2014 GNPC Allocations

56. GNPC received a total of US\$136.93 million in the first three quarters of 2014. Of this amount, GNPC spent US\$63.49 million or 46.4 percent, leaving a balance of US\$73.44 million, as shown in Table 11. The unspent allocation, together with the opening balance of US\$141.70 million, leaves a balance of US\$215.14 million on GNPC's books.

**Table 11: Utilization of GNPC's Share of Jubilee Petroleum Revenue: Jan.-Sept. 2014**

<b>SRN</b>	<b>RECEIPTS FROM JUBILEE PROCEEDS</b>	<b>AMOUNT (US\$)</b>	<b>EXPENDITURE AS % OF RECEIPTS</b>
1	Level A Receipts (Equity Financing)	36,384,679.51	26.6%
2	Level B Receipts (30% of Net Proceeds)	100,543,026.04	73.4%
3	<b>Total Amount Received:- (A)</b>	<b>136,927,705.55</b>	<b>100.0%</b>
<b>SRN</b>	<b>USES OF AMOUNTS ALLOCATED:-</b>		
4	Jubilee Equity Financing Cost	39,607,365.94	28.9%
5	Petroleum Projects Other than Jubilee, TEN & Sankofa Gye Nyame : [Hess,Ultra Deep Water, Reservoir Characterization ,ICT Upgrade, Organizational Development Project, Maritime Boundary Capital Projects, (New Head Office Building), South Deep Water,Voltaian Basin and North & South Tano].	9,244,079.75	6.8%
6	Staff Cost	5,865,478.61	4.3%
7	Admin. Capital expenditure	1,248,662.76	0.9%
8	General Operational Expenditure	6,227,133.80	4.5%
9	Amount Appropriated by Bank of Ghana as charges	1,293,973.31	0.9%
10	<b>Total Expenditure:- (B)</b>	<b>63,486,694.17</b>	<b>46.4%</b>
11	Cash-yet-to-Spend:- (C = A - B)	73,441,011.38	53.6%
12	<b>Add: Cash B/Fwd (01.01.2014) (D)</b>	141,701,764.14	
13	<b>Total Cash-Available :- (E = C + D)</b>	<b>215,142,775.52</b>	

Source: GNPC

Note: Srn 2 includes US\$30.00 that was deducted as bank charges during the 16<sup>th</sup> lifting.

57. The details of GNPC's expenditure on other petroleum projects are presented in Table 12.

**Table 12: GNPC's Expenditure of Petroleum Receipts on other Petroleum Projects**

<b>Breakdown of Other Projects:</b>	<b>Amount (US\$)</b>
- North & South Tano Petroleum Projects	784,011.14
- TEN	2,189,730.17
- Voltaian Basin Petroleum Projects	1,357,954.72
- South Deepwater Tano Petroleum Projects	627,164.77
- Reservoir Characterisation	1,506,077.38
- ICT Upgrade	290,598.39
- OCTP ENI Project	522,541.84
- Hess	941,736.51
- Ultra Deep	365,554.45
- Organisational Development Project	164,929.12
- Maritime Boundary Special Project	493,781.25
<b>Total Non Jubilee Project Expenditure</b>	<b>9,244,079.75</b>

Source: GNPC

## **SECTION FOUR: PERFORMANCE OF THE GHANA PETROLEUM FUNDS IN 2014**

### **4.1 Developments in the Global Fixed Income Market**

58. Since the beginning of 2014, yields on investment grade securities have dropped significantly. This is as a result of unconventional monetary policies pursued by major central banks to create accommodative monetary conditions with a view to supporting economic recovery in their respective economies.
59. The European Central Bank lowered the interest rate on the main refinancing operations of the Eurosystem by 20 basis points to 0.05 percent. The rate on the deposit facility was also lowered by 20 basis points to -0.20 percent. These measures were taken to provide additional monetary policy accommodation.
60. The Federal Open Market Committee (FOMC) maintained the federal funds rate at a range of 0.00 percent to 0.25 percent. Further, the FOMC's sizable and still increasing holdings of longer term securities have continually flattened the US Treasury yield curve, with yields on the 10-year note dropping from 3.00 percent at the beginning of 2014 to 2.30 percent at the end of the third quarter of 2014.

### **4.2 Placement of a Cap on the Ghana Stabilisation Fund**

61. Paragraph 972 of the 2014 National Budget proposed a cap of US\$250 million on the GSF, in line with Section 23(3) of the PRMA. This was subsequently approved by Parliament [see column 3647 of the Official Report of Parliament (Fourth Series, Vol. 84, No. 31) on Tuesday, 17th December, 2013] and, the GSF was assessed on quarterly basis and the excess balance transferred for contingency purposes or for debt repayment.
62. An amount of US\$176.49 million (which was the amount in excess of the cap of US\$250 million in the first quarter) was withdrawn from the GSF in the second quarter after having assessed the amount standing in the GSF by the end of the first quarter of 2014. Similarly, a total of US\$14.70 million was determined as the excess over the cap on the GSF in the second quarter and US\$114.50 million for the third quarter, as shown in Table 13. The third quarter excess amount was transferred in October 2014.

**Table 13: Transfer of Funds in Excess of the Cap on the GSF**

SN	ITEM	Quarter 1	Quarter 2	Quarter 3*
		US\$		
1	Opening Balance	319,034,153	250,000,000	250,000,000
2	Petroleum Receipts During Quarter	106,911,886	14,696,603	114,217,613
3	Net Investment Income	545,298	-	279,136
4	Closing Book Value	426,491,337	264,696,603	364,496,748
5	Less GSF Cap	(250,000,000)	(250,000,000)	(250,000,000)
6	<b>GSF Excess for Contingency Fund and Debt Repayment</b>	<b>176,491,337</b>	<b>14,696,603</b>	<b>114,496,748</b>

Source: Ministry of Finance

\*Transfer was effected in October 2014

63. Of the excess amount transferred so far, the equivalent of GH¢50.0 million (US\$17.43 million) has been used to establish the Contingency Fund, in line with Articles 175 and 177 of the Constitution, and the remaining balance of US\$288.25 million deposited into the Debt Service Account for debt repayment, in line with Section 23(4) of the PRMA.

64. Of the amount deposited into the Debt Service Account, approximately US\$64.82 million was used to retire some domestic marketable instruments and US\$150 million earmarked for the liquidation of part of the 2017 Eurobond, as shown in Table 14.

**Table 14: Use of Transferred Amount over the Cap on the GSF**

S/N	Item	Allocated Amount (US\$)	Status
1	Contingency	17,433,143.89	Account established in May 2014 by BOG. The equivalent amount of GH¢50 million is in the account
2	Debt Service Account for Debt Repayment	288,251,544.51	Last transfer effected in October 2015
2A	o/w Domestic	64,815,570.55	Used to retire part of domestic marketable instruments in the last quarter of 2014
2B	o/w Foreign	150,000,000.00	
2B1	o/w Sovereign Bond Liability Management	150,000,000.00	Earmarked for 2017 Eurobond liability management in 2015
3	<b>Unused/Unencumbered GSF Excess (2-2A-2B)</b>	<b>73,435,973.96</b>	

Source: Ministry of Finance

#### 4.3 Portfolio Performance of the Ghana Petroleum Funds

65. The year-to-date (i.e. January-September 2014) return on the GHF has risen from 1.55 percent in the first quarter of 2014 to 5.7 percent in the third quarter of 2014. This compares favourably with a return of 0.81 percent for January to September 2013. The rise in the return is due to outright duration trades placed at the beginning of the year in anticipation of the flattening of the yield curve. The year-to-date return on the GSF also rose from 0.81 percent to 1.47 percent, although experiencing a marginal decline in the second quarter to 1.43 percent, as shown in Table 15. The decline was policy-driven. The FOMC issued forward guidance on the path of the Federal funds rate, given that the headline unemployment rate had declined below the target 6.5 percent floor for consideration of a rate hike. The year-to-date return for the same period in 2013 was 0.37 percent.

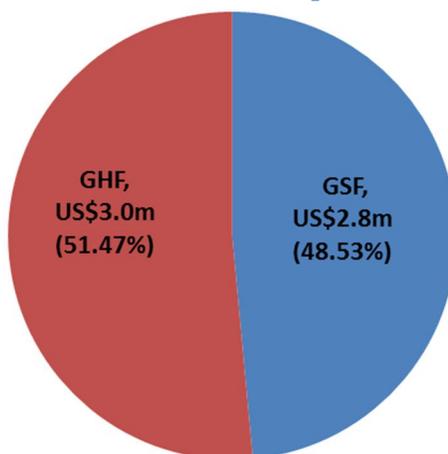
**Table 15: Portfolio Returns, January-September 2014**

Quarter End	Current Returns		Total Returns: year-to-date	
	Stabilisation (%)	Heritage (%)	Stabilisation (%)	Heritage (%)
March	0.133	0.406	0.809	1.554
June	0.71	2.44	1.47	5.37
September	-0.04	0.32	1.43	5.7

Source: Bank of Ghana

66. Since inception, the Ghana Petroleum Funds have returned a total of US\$5,825,774.36, as shown in Figure 3. Of this amount, the GHF has contributed US\$3.00 million and the GSF has contributed US\$2.83 million.

**Figure 3: Composition of Total Petroleum Receipts, 2012-September 2014**



Source: Bank of Ghana

67. The total return on the GPFs for January to September 2014 was US\$3.04 million, as shown in Table 16. Of this amount, the GHF returned a total of US\$1.82 million, compared with US\$0.66 million for the same period of 2013, while GSF returned US\$1.22 million, compared with US\$0.78 million for the same period in 2013.

**Table 16: Returns on the Ghana Petroleum Funds (2012-September 2014)**

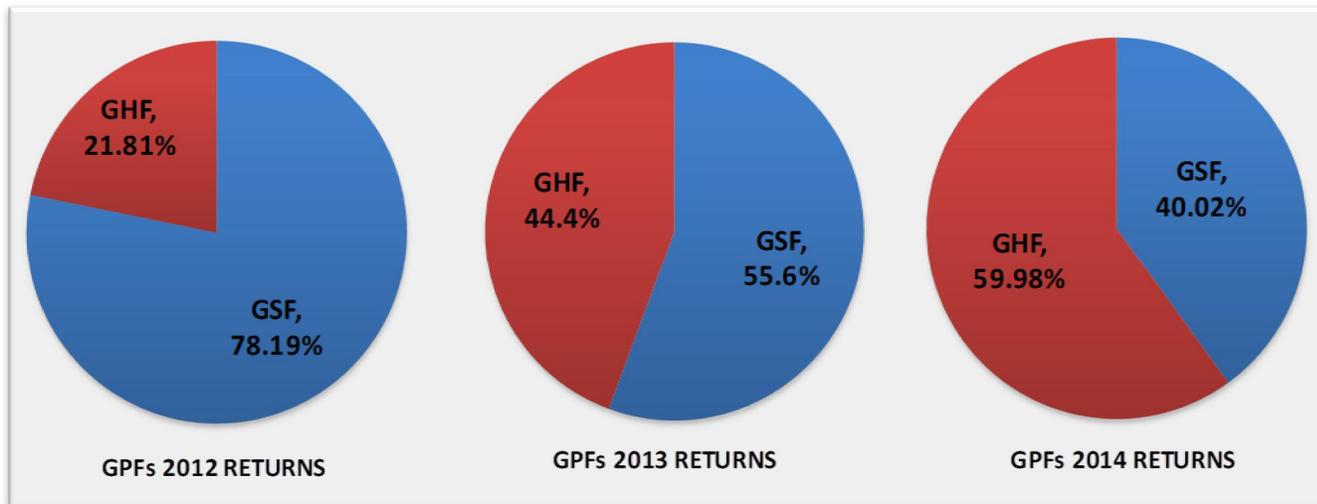
<b>GHANA STABILISATION FUND</b>			
	<b>2012</b>	<b>2013</b>	<b>Jan- Sep 2014</b>
Opening book Value	54,810,032	71,898,588	319,034,153
		<b>US\$</b>	
Receipt during the year	16,883,548	245,733,702	235,434,574
Income from Investments	214,049	1,413,341	1,229,717
Bank Charges	(9,041)	(11,477)	(13,756)
<b>Total</b>	<b>71,898,588</b>	<b>319,034,153</b>	<b>555,684,688</b>
Less Transfer to:			
Contingency Fund	-	-	(17,433,144)
Debt Service	-	-	(173,754,796)
<b>Closing Book Value</b>	<b>71,898,588</b>	<b>319,034,153</b>	<b>364,496,748</b>
Investment Income	214,049	1,413,341	1,229,717
Less			
Bank Charges	-	(11,477)	(13,756)
<b>Net return for the Period</b>	<b>214,049</b>	<b>1,401,864</b>	<b>1,215,961</b>
<b>GHANA HERITAGE FUND</b>			
	<b>2012</b>	<b>2013</b>	<b>Jan - Sep 2014</b>
		<b>US\$</b>	
Opening book Value	14,401,216	21,694,221	128,125,942
Receipt during the year	7,235,806	105,314,444	100,900,532
Income from Investments	60,209	1,126,764	1,831,073
Bank Charges	(3,010)	(9,486)	(8,502)
<b>Closing book Value</b>	<b>21,694,221</b>	<b>128,125,942</b>	<b>230,849,045</b>
Ghana Heritage Fund Income	<b>2012</b>	<b>2013</b>	<b>Jan - Sep 2014</b>
Investment Income	60,209	1,126,764	1,831,073
Less			
Bank Charges	-	(9,486)	(8,502)
<b>Net return for the Period</b>	<b>60,209</b>	<b>1,117,278</b>	<b>1,822,571</b>
<b>COMBINED FUNDS</b>			
	<b>2012</b>	<b>2013</b>	<b>Jan - Sep 2014</b>
			<b>US\$</b>
Opening book Value	69,211,248	93,592,809	447,160,096
Receipt during the year	24,119,354	351,048,145	336,335,106
Income from Investments	274,258	2,540,104	3,060,789
Bank Charges	(12,051)	(20,963)	(22,258)
<b>Closing book Value</b>	<b>93,592,809</b>	<b>447,160,096</b>	<b>786,533,733</b>
Less Transfer to:			
Contingency Fund	-	-	(17,433,144)
Debt Service Account for Debt Repayment	-	-	(173,754,796)
<b>Closing book Value</b>	<b>93,592,809</b>	<b>447,160,096</b>	<b>595,345,793</b>
Investment Income	274,258	2,540,104	3,060,789
less			
Bank Charges	(12,051)	(20,963)	(22,258)
<b>Net return for the Period</b>	<b>262,207</b>	<b>2,519,141</b>	<b>3,038,532</b>

Source: Bank of Ghana

68. In Figure 4, the path of the returns on the GPFs on an annual basis is analysed. In 2012, the GSF share of returns was 78.19 percent, while that of GHF was 21.81 percent. This trend reversed in 2014, with GHF contributing 59.98 percent to the total return, while GSF contributed 40.02 percent. The reversal is due to higher interest rates (due to

longer investment horizon) and tightening spreads in the investment universe of GHF, while spreads widened about some 35 basis points on GSF. Again, given the cap on the GSF, allocations in excess of the US\$250 million were maintained in cash equivalent instruments, pending withdrawal in accordance with Section 23(5) of the PRMA.

**Figure 4: GPFs Annual Returns**



Source: Bank of Ghana

#### 4.4 Outlook for 2015

69. Going into the fourth quarter of 2014 and 2015, global geopolitical tensions, weakness in the Euro Area economies (enhanced by the sanctions imposed on Russia and vice versa) and the continued significant slack in the United States labour market conditions pose serious threats to global economic recovery. Against this backdrop, the International Monetary Fund has revised the 2015 global growth forecast downward from 4 percent to 3.8 percent. These conditions create grounds for accommodative monetary policies that could keep yields in the investment universe of the GPFs low for a considerable time.

### SECTION FIVE: AUDITED FINANCIAL STATEMENTS OF THE PETROLEUM FUNDS

70. The audited financial statements of the Petroleum Funds are being included in the report for the first time. The 2011 and 2012 audited financial statements of the Petroleum Funds were submitted to Parliament on 14<sup>th</sup> October, 2013. The relevant sections of the audited report are attached as Appendix 2. However, at the time of finalizing this report, the 2013 audited financial statement had not been completed by the Ghana Audit Service.

## SECTION SIX: CHALLENGES AND THE WAY FORWARD

### 6.1 Challenges

71. **Jubilee Field:** There have been challenges with gas evacuation from the Jubilee Field due to the delay in the completion of the WCGIDP at Atuabo. As a result, a lot of the gas produced has been re-injected into the reservoir, leading to excess reservoir pressure. To manage the excess reservoir pressure, production volumes have had to be revised downward.
72. **Voltaian Basin Project:** With regard to exploration, the drilling of 6 Slim holes, as anticipated by GNPC, has not been possible due to scope change and procurement challenges. One Slim hole, however, is to be drilled by the end of 2014.

### 6.2 The Way Forward

73. Government, together with the Jubilee Partners, is working towards lifting the associated gas from the Jubilee Field to fuel power plants for cheaper power generation and facilitate increased crude oil production. Government will also work with GNPC to ensure the achievement of its programme of activities for the Voltaian Basin Project.
74. The Ministry of Finance placed an advert in the national dailies to solicit for inputs from the general public to help correct the operational challenges and inconsistencies in the PRMA. Subsequently, the Ministry received inputs from the general public. A review was done by a committee from the stakeholders implementing the PRMA and some Civil Society Organisations. The proposed amendments are undergoing final internal considerations before being submitted to Cabinet for onward submission to Parliament. Some of the proposed amendments (which have been italicised) can be found in Appendix 3.

## SECTION SEVEN: CONCLUSION

75. The 2014 Annual Report on the Petroleum Funds has been written as one of the transparency requirements of the PRMA. As earlier indicated, this report is not a full year's report since the 2015 Budget will be presented to Parliament in November 2014. Hence, the 2014 Reconciliation Report on the Petroleum Holding Fund, which will capture the full year report, will be presented to Parliament by end-March 2015, in line with Section 15 of the PRMA.
76. The Jubilee and Saltpond Fields were the only producing fields in 2014, with daily production average of 102,630 bopd and 267 bopd, respectively. The total number of barrels produced from the Jubilee Field as at end-September 2014 was 28,017,990 barrels, which signifies an increase of 3.54 percent over the 2013 production levels.

Similarly, the Saltpond Field produced a total of 60,728 barrels, signifying a decline of 22.5 percent over the 2013 production levels. Of the total crude oil produced, GNPC lifted 4,824,315 barrels on behalf of the State, compared with 4,977,922 barrels in the corresponding period in 2013.

77. Total petroleum receipts for the period up to end-September 2014 amounted to US\$780.07 million, which shows a positive variance of US\$3.07 million over the 2014 Budget estimate. This positive variation was due to the realisation of more Corporate Income Tax receipts than projected.
78. The breakdown of the total petroleum receipts shows that Carried and Participating Interest contributed 47.63 percent, compared with 33.83 percent from Corporate Income Tax, 18.40 percent from Royalties and 0.15 percent from Surface Rentals, PHF Interest and 2013 price differentials.
79. As guided by the allocation formula in the PRMA, a total of US\$336.34 million was transferred into the GPFs (US\$100.90 million for GHF and US\$235.43 million for GSF), while US\$306.80 million was allocated to the ABFA by end-September 2014.
80. The total amount in the GPFs as at end-September 2014 was US\$595.34 million, with a net return on income of US\$3.04 million. The GSF earned a return of US\$1.22 million, while the GHF earned a net return of US\$1.82 million. This compares favourably with a GSF net return of US\$0.78 million and a GHF return of US\$0.66 million for the same period in 2013.
81. A total of US\$191.19 million was transferred from the GSF by the end of the third quarter of 2014. A further US\$114.50 million was transferred in October 2014. These amounts were the excess amounts over the cap of US\$250 million, which was placed on the GSF in the 2014 Budget, in line with Section 23(3) of the PRMA. The transferred amounts were used to establish the Contingency Fund with the remaining balance deposited into the Debt Service Account for debt repayment.

## APPENDICES

### APPENDIX 1: JUBILEE CRUDE OIL PRODUCTION, JANUARY 1-SEPTEMBER 30, 2014

<b>MONTH</b>	<b>DAILY AVERAGE PRODUCTION (BBLs)</b>	<b>PRODUCTION DAYS</b>	<b>QTY PRODUCED (BBLs)</b>
Jan-2014	101,672	31	3,151,844
Feb-2014	108,202	28	3,029,655
Mar-2014	96,940	31	3,005,125
Apr-2014	104,852	30	3,145,556
May-2014	105,077	31	3,257,380
Jun-2014	103,011	30	3,090,336
Jul-2014	101,025	31	3,131,786
Aug-2014	104,037	31	3,225,142
Sep-2014	99,372	30	2,981,166
<b>TOTAL</b>	<b>102,630</b>	<b>273</b>	<b>28,017,990</b>

Source: GNPC

## APPENDIX 2: AUDITED REPORT FOR 2011 AND 2012

### CHAPTER TWO

#### 2.0 FINANCIAL HIGHLIGHTS – 2011

##### 1. Ghana Group Oil Lifting Proceeds

	Eight months period ended 2011 USD
1 <sup>st</sup> lifting	112,189,575
2 <sup>nd</sup> lifting	115,579,115
3 <sup>rd</sup> lifting	109,569,254
4 <sup>th</sup> lifting	<u>106,786,778</u>
Total	<u>444,124,722</u>

##### 2. Breakdown of total transfers to the various stakeholders

Stakeholder	Lifting 1	Lifting 2	Lifting 3	Lifting 4	Total USD
GNPC (Equity finance)	32,453,455	33,433,960	31,695,448	34,901,953	132,484,816
GNPC (Carried and participation interest)	19,472,073	20,060,375	19,017,269	16,929,771	75,479,488
ABFA	37,396,576	37,376,025	37,227,412	54,955,054	166,955,067
GSF	18,059,340	19,903,267	16,842,744		54,805,351
GHF	<u>4,808,131</u>	<u>4,805,488</u>	<u>4,786,381</u>	-	<u>14,400,000</u>
Total	<u>112,189,575</u>	<u>115,579,115</u>	<u>109,569,254</u>	<u>106,786,778</u>	<u>444,124,722</u>

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*Report of the Auditor-General on the management of Petroleum Funds for the period May 2011 to December 2012*

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## 2.1 FINANCIAL HIGHLIGHTS – 2012

### 3 Ghana Group Oil Lifting Proceeds

	2012 USD	Eight months period ended 2011 USD
1 <sup>st</sup> lifting		112,189,575
2 <sup>nd</sup> lifting		115,579,115
3 <sup>rd</sup> lifting		109,569,254
4 <sup>th</sup> lifting		106,786,778
5 <sup>th</sup> lifting	111,157,790	
6 <sup>th</sup> lifting	125,598,382	
7 <sup>th</sup> lifting	89,863,837	
8 <sup>th</sup> lifting	106,592,896	
9 <sup>th</sup> lifting	<u>107,858,417</u>	-
<b>Total Lifting Proceeds</b>	<b>541,071,322</b>	<b>444,124,722</b>
<b>Other Income</b>		
Surface Rental -Tullow	63,866	
Surface Rental – Tap Oil	43,770	
Royalties – Sopcl	104,193	
Surface Rental – Kosmos Energy	35,438	
Surface Rental – Vanco	154,398	
Surface Rental – Hess Ghana Ep	150,750	
Surface Rental – Eni Ghana Ep	66,841	
Surface Rental – Eni Ghana Ep	52,047	
Royalties – Omikron Energy Ltd	71,434	
Surface Rental – Sopcl	3,025	
Royalties – Lushann Int (Gh) Ltd.	101,251	
Royalties – Lushann Int. (Gh) Ltd	<u>59,550</u>	
<b>Total Other Income</b>	<b>906,563</b>	
<b>Total Receipts</b>	<b>541,977,885</b>	<b><u>444,124,722</u></b>
<b>Total Transfers (Details on page 7 for 2012)</b>	<b><u>541,623,737</u></b>	<b><u>444,124,722</u></b>
<b>Difference</b>	<b><u>354,148</u></b>	<b><u>-</u></b>

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*Report of the Auditor-General on the management of Petroleum Funds for the period May 2011 to December 2012*

## 2.2 FINANCIAL HIGHLIGHTS 2012

### Breakdown of total transfers to the various stakeholders

Stakeholder	Lifting 5	Lifting 6	Lifting 7	Lifting 8	Lifting 9	Total USD
GNPC (Equity finance)	32,083,912	28,774,038	27,603,475	18,195,509	17,973,695	124,630,629
GNPC (Carried and participation interest)	19,250,346	24,742,341	14,896,362	23,488,124	23,942,122	106,319,295
ABFA	59,823,532	72,082,003	23,797,062	64,909,263	65,942,600	286,554,460
GSF			16,883,547			16,883,547
GHF			7,235,806			7,235,806
<b>Total</b>	<b>111,157,790</b>	<b>125,598,382</b>	<b>90,416,252</b>	<b>106,592,896</b>	<b>107,858,417</b>	<b>541,623,737</b>
Other income distributed (**)	=	=	(552,415)	=	=	(552,415)
<b>Group lifting proceeds</b>	<b>111,157,790</b>	<b>125,598,382</b>	<b>89,863,837</b>	<b>106,592,896</b>	<b>107,858,417</b>	<b>541,071,322</b>

\*\*Other income represents surface rentals and other royalties from petroleum operations. This was distributed with the group lifting proceeds for the seventh lifting.

**STATEMENT OF AFFAIRS  
AS AT 31 DECEMBER 2011**

	2011 US \$
Assets	
Investment (note 10)	69,205,351
Bank balances (note 11)	<u>27,682</u>
Total assets	<u>69,233,033</u>
Financed by:	
Accumulated fund account (note 12)	69,205,351
Income reserve (note 14)	<u>27,682</u>
Total liabilities	<u>69,233,033</u>



Fund Manager

Date August 21, 2013



Fund Manager

Date 21-08-2013

**PETROLEUM HOLDING FUND  
STATEMENT OF RECEIPTS AND TRANSFERS  
FOR THE EIGHT MONTH PERIOD ENDED 31 DECEMBER 2011**

		<b>Eight months period ended US \$</b>
Opening balance		-
Total funds received (note 3)		<b>444,124,722</b>
Less		
Carried & Participating Interest (GNPC) (note 4a)	75,479,488	
Transfer to GNPC (note 4)	132,484,816	
Transfer to ABFA (note 5)	166,955,067	
Transfer to Stabilisation Fund (note 6)	54,805,351	
Transfer to Heritage Fund (note 7)	14,400,000	
Total Transfers		<b><u>444,124,722</u></b>
Closing Balance		<b><u><u>-</u></u></b>

**GHANA STABILISATION FUND  
STATEMENT OF DEPOSITS AND WITHDRAWALS  
FOR THE EIGHT MONTH PERIOD ENDED 31 DECEMBER 2011**

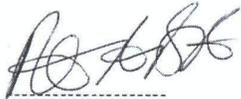
	<b>Eight months period ended US \$</b>
Opening balance January 1, 2011	-
Receipts	
1st lifting	18,059,340
2nd lifting	19,903,267
3rd lifting	<u>16,842,744</u>
	<b>54,805,351</b>
Interest received	4,679
Less interest expense	-
<b>Total</b>	<b>54,810,030</b>
Less withdrawals	-
Accumulated fund	<u><b>54,810,030</b></u>

**GHANA HERITAGE FUND  
STATEMENT OF DEPOSITS AND WITHDRAWALS  
FOR THE EIGHT MONTH PERIOD ENDED 31 DECEMBER 2011**

	<b>Eight months period ended</b>
Opening Balance January 1, 2011	US\$
Receipts	
1st lifting	4,808,131
2nd lifting	4,805,488
3rd lifting	<u>4,786,381</u>
	<b>14,400,000</b>
Interest Received	1,214
Less Interest Expense	-
Total	14,401,214
Less Withdrawals	-
Accumulated Fund	<u><b>14,401,214</b></u>

**STATEMENT OF AFFAIRS  
AS AT 31 DECEMBER 2012**

	2012 US\$	2011 US\$
Assets		
Investment (note 10)	68,931,206	69,205,351
Bank balances (note 12)	<u>25,084,185</u>	<u>27,682</u>
<b>Total Assets</b>	<b><u>94,015,391</u></b>	<b><u>69,233,033</u></b>
Financed by:		
Accumulated Fund Accounts (Note 13)	93,678,857	69,205,351
Income Reserve	<u>336,534</u>	<u>27,682</u>
<b>Total Liabilities</b>	<b><u>94,015,391</u></b>	<b><u>69,233,033</u></b>



Fund Manager

Date August 21, 2013



Fund Manager

Date 21-08-2013

**PETROLEUM HOLDING FUND  
STATEMENT OF RECEIPTS AND TRANSFERS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	Eight months
	<b>US\$</b>	2011
		US\$
Opening balance	-	-
Total Funds Received (note 3)	<b>541,977,885</b>	444,124,722
Less		
Carried & Participating Interest (note 5)	<b>106,319,296</b>	75,479,488
Transfer to GNPC Equity Finance (note 4)	<b>124,630,628</b>	132,484,816
Transfer to ABFA (note 6)	<b>286,554,460</b>	166,955,067
Transfer to Stabilisation Fund (note 7)	<b>16,883,547</b>	54,805,351
Transfer to Heritage Fund (note 8)	<u>7,235,806</u>	<u>14,400,000</u>
	<b>541,623,737</b>	444,124,722
Closing Balance	<u><b>354,148</b></u>	<u>-</u>

**GHANA STABILISATION FUND  
STATEMENT OF DEPOSITS AND WITHDRAWALS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 US\$	Eight months Period ended 2011 US\$
Opening balance January 1, 2012	54,810,030	-
Receipts		
1st lifting	-	18,059,340
2nd lifting		19,903,267
3rd lifting		16,842,744
7th lifting	<u>16,883,547</u>	
	71,693,577	54,805,351
Interest Received	214,048	4,679
Less Interest Expense	(9,040)	-
Total	71,898,585	54,810,030
Less Withdrawals	-	-
Accumulated Fund	<u>71,898,585</u>	<u>54,810,030</u>

**GHANA HERITAGE FUND  
STATEMENT OF DEPOSITS AND WITHDRAWALS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	Eight months
	<b>US\$</b>	2011
		US\$
Opening balance January 1, 2012	14,401,214	-
Receipts		
1st lifting	-	4,808,131
2nd lifting		4,805,488
3rd lifting		4,786,381
7th lifting	<u>7,235,806</u>	
	<b>21,637,020</b>	14,400,000
Interest Received	60,208	1,214
Less Interest Expense	(3,010)	-
<b>Total</b>	<b>21,694,218</b>	14,401,214
Less Withdrawals	-	-
Accumulated Fund	<u><b>21,694,218</b></u>	<u>14,401,214</u>

## APPENDIX 3: PROPOSED PRMA AMENDMENTS

### Amended Sections 7 and 16

#### Section 7:

##### Carried and participating interest

7. Revenue due from the direct or indirect participation of the Republic in petroleum operations, including the carried and participating interest shall be paid into the Petroleum Holding Fund.

*The other subsections are moved to section 16.*

#### Section 16:

##### Disbursement from the Petroleum Holding Fund

16. (1) Disbursements from the Petroleum Holding Fund shall be made *in the following order of priority and only*

- (a) *to a national oil company for the purposes of section 2(a) and section 2(b) of this part;*
- (b) *to the Consolidated Fund in support of the national budget;*
- (c) *to the Ghana Petroleum Funds for purposes of savings and investments; and*
- (d) *for exceptional purpose according to the provisions of this Act.*

(2) *The payment to a national oil company shall be for*

- (a) *the equity financing cost, including advances and interest of the carried and participating interests of the Republic;*
- (b) *the cash or the barrels of oil equivalent of petroleum that shall be ceded to a national oil company out of the carried and participating interests recommended by the Minister and approved by Parliament; and*
- (c) *other capital requirements of a national oil company as may be approved by Parliament upon the recommendation of the Minister.*

(3) For a period not exceeding fifteen years after the commencement of this Act, the cash or the *barrels of oil equivalent of petroleum* ceded to a national oil company shall

- (a) *not exceed fifty-five percent of the net cash flow from carried and participating interest after deducting the equity financing cost under Section 2(a) of this part; and*
- (b) *be reviewed every three years by Parliament but Parliament shall in each year approve the programme of activities of the national oil company, which may include the gas payment, and/or repayment, obligations of a national oil company for a loan it may raise to finance its operations and activities.*

(4) *The Minister shall ensure that no later than three working days after receipt of petroleum revenue into the Petroleum Holding Fund by the Bank of Ghana, the Bank of Ghana shall transfer to a national oil company the relevant portion of the petroleum revenue due to a national oil Company under section 2(a) and section 2(b) of this part.*

### What has changed?

Section 7 now has only one subsection.

Section 16, on the other hand, now has four (4) subsections, with the list prioritized to ensure that payment to the national oil company receives topmost priority. The original Sections 7(2) and 7(3) have now become the new Sections 16(2) and 16(3). The new subsection (1)(c): use of “a” instead of “the”, clarifies the flexibility anticipated by the law for more than one national petroleum company, and (2)(c) ensures that capital financing for a national petroleum company is paid out of petroleum revenue. A more appropriate definition of the measurement of petroleum is used to include both oil and gas. A new section 16(4) has been added to ensure that revenue due the national oil company is released to them expeditiously for the conduct of their business and, for the avoidance of doubt, that a national oil company may use its allocation to leverage loans and meet its gas payment obligations.

### Amended Section 12

(5) Transfer out of the Ghana Stabilisation Fund shall only be done for the purposes of alleviating the shortfalls in actual petroleum revenue in accordance with subsections (1), (2), (3) and (4) *and for transfers into the Contingency Fund and for debt repayment permitted under Section 23(4) and Section 23(5) of this Act.*

### What has changed?

Additional words to capture the full permitted uses of moneys that are transferred out of the GSF.

### Amended Section 17

(1) The Minister shall not later than September 1<sup>st</sup> of each year estimate and certify the Benchmark Revenue using the formula set out in the First Schedule.

(2) *The Minister may make a recommendation to Parliament for a revision to the Benchmark Revenue if it becomes evident that unexpected petroleum price movements or production conditions have resulted, or are likely to result, in a gross over or under projection of the Benchmark Revenue.*

(3) *The Minister shall make the presentation to Parliament at the time of presenting the annual budget or during the mid-year review.*

(4) *A variation of the Benchmark Revenue shall not become effective until it has been certified as provided under this Act and has been approved by Parliament.*

## What has changed?

Allowing for a revision to Benchmark Revenue (BR) if current price trends and production levels indicate a gross deviation from the one certified on September 1<sup>st</sup> to ensure a realistic BR; renumbering of the section to accommodate the amendments.

### **Amended Sections 21 and 48: Ghana Infrastructure Investment Fund**

#### **Section 21 (4)**

For any financial year, a minimum of seventy percent of the Annual Budget Funding Amount shall be used for public investment expenditures consistent with the long-term national development plan or with subsections (3), (4) and (5) of which *a maximum of 25 percent shall be allocated to the Ghana Infrastructure Investment Fund (GIIF) for infrastructure development. The amount allocated to the GIIF shall be included in the National Budget and shall be approved by Parliament.*

#### **Section 48 (2)(b)**

a report from the Minister describing the stage of implementation of the programmed activities funded by ~~and~~ the expenditures incurred on the activities covered by the Annual Budget Funding Amount *and, portions of the Annual Budget Funding Amount allocated to the Ghana Infrastructure Investment Fund, in the financial year of the report;*

## What has changed?

Section 21(4): An allocation made for the Ghana Infrastructure Investment Fund.  
Section 48(2): Accountability for GIIF allocation and removal of a superfluous “and” from text. We have included subsections (4) and (5) to make GIIF infrastructure investments consistent with others approved by Parliament.

#### **Amended Section 31(1)**

31. (1) The Investment Advisory Committee comprises seven members, at least *two* of whom *are* women, who shall be persons of proven competence in finance, investment, economics, business management or law or similar disciplines.

## What has changed?

One more slot has been given to women and “is” changed to “are”.

#### **Amended Section 54**

54. (1) The Accountability Committee consists of *thirteen* members *comprising*

### What has changed?

Replacement of “eleven” with “thirteen” to correct the inconsistency. “Including” changed to “comprising”

#### **Amended Section 57** ***Funding and Allowances***

57 (1) *The Accountability Committee shall submit a budget on its annual programmes to the Minister for inclusion in the annual National Budget.*

(2) *Members of the Accountability Committee shall be paid the allowances determined by the Minister.*

### What has changed?

The heading has changed from “Allowances” to “Funding and Allowances”. The Section now has 2 subsections with 57(1) referring to funding and 57(2) talking about allowances.

#### **Amended Section 60**

60. (1) The Minister may *by* legislative instrument make Regulations for the effective performance of this Act.

### What has changed?

“be” changed to “by”

#### **Amended First Schedule**

*(Section 17)*

- (1) change ‘prior to’ in line 5 to ‘*preceding*’.
- (2) The expected quantity *of petroleum* shall be calculated on the basis of expected average government take in gross petroleum over a three year horizon, being the immediately *preceding* year, the current financial year, and the one year *forward* projection following the current financial year.
- (4) Expected *revenue from gas* shall be calculated on the basis of anticipated *revenue from gas* derived from a seven-year moving average being the four years immediately *preceding* the current financial year, the current financial year and the two years immediately following the current financial year.

(5)(a) Benchmark Revenue is the sum of the expected revenue from crude oil defined in paragraph (3), expected *revenue from gas* defined in paragraph (4), expected dividends

from a national oil company, *corporate income tax and surface rental, as well as any other revenue identified under section 6.*

(b) that is for each financial year,

Benchmark Revenue = Expected current receipts from *crude oil* + Expected *current receipts from gas* + Expected dividends from a national oil company + *corporate income tax + surface rental + any other revenue identified in Section 6 of this Act.*

#### What has changed?

“of Petroleum” has been inserted in the first line of subsection (2) for clarity, and “and gas” has been inserted in line two to include gas revenue in the calculation. In subsection (4) ‘gas royalty’ has been replaced with “revenue from gas”, in line 2, “associated” has been deleted, and in line 3, “ahead” has been replaced with “forward”..

(5) Addition of corporate income tax, surface rentals and any other revenue identified in section 6, to the calculation of Benchmark Revenue. Paragraph 2 is now section (5)(b) and the formula has been expanded to include the new revenue additions.

(8) For the purposes of this section “quarter” means a three-month period ending March 31, *June 30, September 30 and December 31’.*

#### What has changed?

Inclusion of June 30.

(11) The forecasts and the amounts determined in accordance with the formula in paragraphs 1, 2, 3, 4, *and 5* above, shall be certified by a reputable independent expert appointed in accordance with the Public Procurement Act, 2003 (Act 663).

#### What has changed?

Inclusion of paragraph 5 in formulas to be certified independently to ensure that the Benchmark Revenue itself is also certified.

### **Amended Second Schedule**

*(Sections 13, 25)*

#### **Operations Management Agreement *Template***

Delete clause (8) under Schedule 2 which enjoins the Minister to remunerate the Bank of Ghana. Clause 9 becomes, 8, 10 becomes 9 and so on.

#### What has changed?

Add ‘Template’ to the heading, as it is only a template for the OMA.

Clause 8 of Schedule 2 deleted. *(The OMA signed with Bank of Ghana will need to be amended to reflect this change, if approved by Parliament.)*

**APPENDIX 4: LIST OF PERSONS HOLDING POSITIONS AND QUALIFYING INSTRUMENTS**  
**A. LIST OF PERSONS HOLDING POSITIONS REQUIRED FOR THE OPERATION AND PERFORMANCE OF THE GHANA STABILISATION AND GHANA HERITAGE FUNDS**

**Minister of Finance**

Seth E. Terkper

**Governor, Bank of Ghana**

Dr. H.A.K. Wampah

**Members of the Investment Advisory Committee (IAC)**

- |                              |          |
|------------------------------|----------|
| 1. Mr. Jude Kofi Bucknor     | Chairman |
| 2. Mrs. Marian Barnor        | Member   |
| 3. Mrs. Johanna Svanikier    | Member   |
| 4. Awulae Agyefi Kwame II    | Member   |
| 5. Ms. Abena Amoah           | Member   |
| 6. Mr. Alexander Yamoah Kyei | Member   |
| 7. Mr. Adams Nyinaku         | Member   |

**B. LIST OF QUALIFYING INSTRUMENTS FOR THE GHANA PETROLEUM FUNDS**

In compliance with Section 61 of the PRMA, the GPFs are invested in the following instruments:

1. Overnight and call deposits
2. Discount notes
3. Treasury bills
4. Short-term deposits
5. Investment grade bonds
6. Certificates of deposit
7. Commercial papers
8. Medium term notes