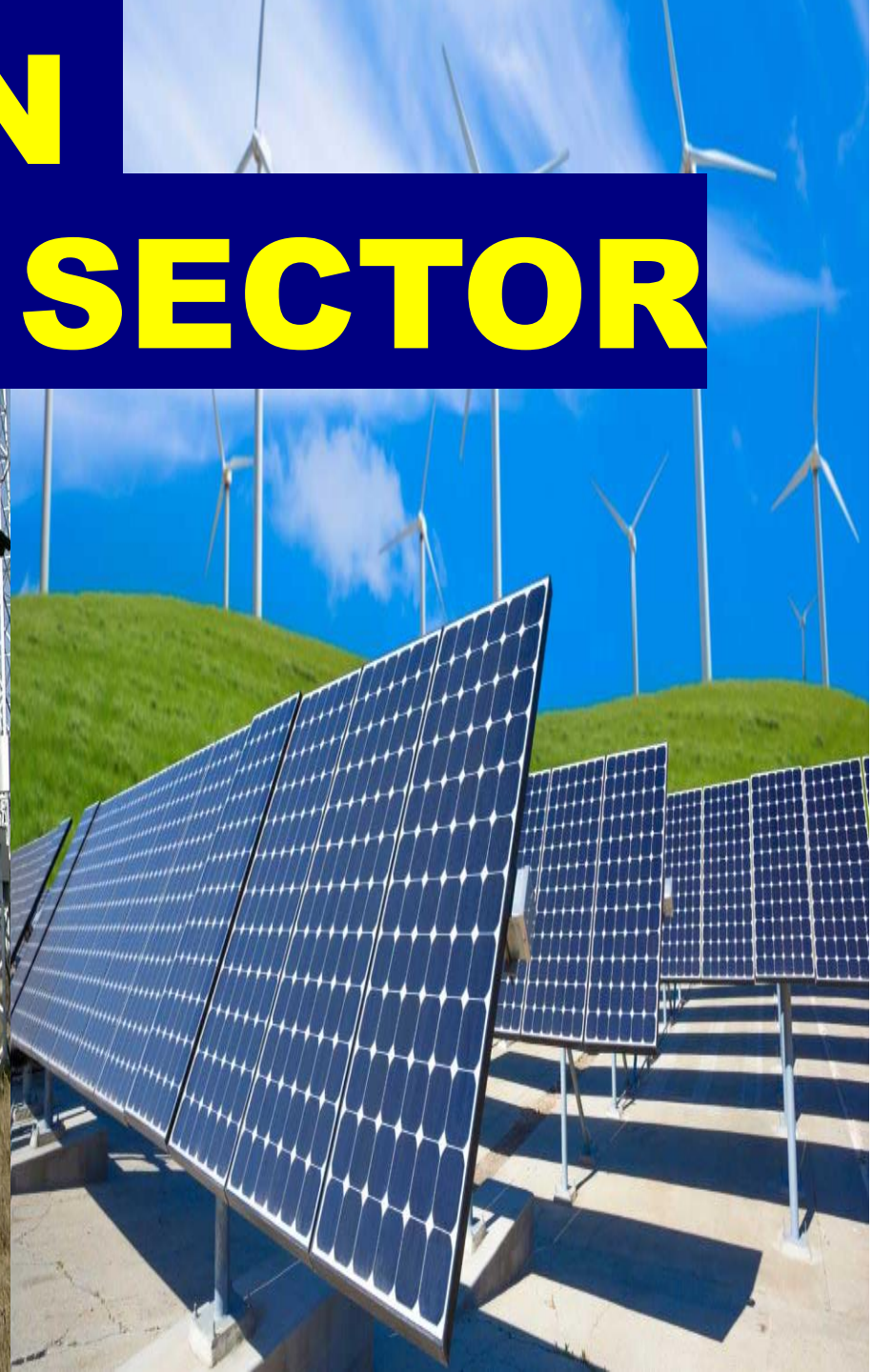


PRESENTATION ON GHANA'S ENERGY SECTOR



By Hon John Abdulai Jinapor

HISTORY OF GHANA'S OIL EXPLORATION

- ▶ **Hydrocarbon exploration in Ghana's sedimentary basins started precisely in 1896 at the onshore Tano basin in today's administrative Western Region.**
- ▶
- ▶ **PNDCL 64 established the Ghana National Petroleum Corporation (GNPC) in 1983 as a statutory corporation with commercial functions to handle the country's E & P activities.**

THE EXPLORATION AND PRODUCTION LIFE CYCLE OF OIL AND GAS.

1. Exploration

Oil and gas exploration is a method used by petroleum geologists and geophysicists for searching for hydrocarbon deposits (oil and gas) under the Earth's surface. It consists of locating oil and gas reserves using primary technologies particularly seismic surveys and drilling wells.

2. Appraisal

After a company is successful with their exploration drilling and make an oil or gas discovery, then the appraisal phase of the lifecycle is next. The main purpose of this phase is to reduce the uncertainty or possibility of losses about the size of the oil or gas field and its properties



3. Development


The development stage occurs after successful appraisal and before full-scale production.

4. Production

Production in the oil and gas industry is the last but one phase during which hydrocarbons are extracted from an oil or gas field and then first money (or revenue) comes from selling the oil or gas.

5. Decommissioning

Decommissioning is the term used to describe the removing of production facilities and restoring oil and gas sites that are no longer profitable.



BENEFITS OF PETROLEUM

Petroleum Resource is generally owned by the people of Ghana to whom maximum benefits from extracting the resource must accrue.

It is only fair that meaningful investments are made to benefit the owners of the resources.

Petroleum resources are finite, oil prices are volatile, therefore revenues must be properly invested in ways that sustain the Nation during boom and bust times, as well as when the resource is depleted.

Thirdly, the various stages along the extractive sector decision chain are susceptible to corruption and rent-seeking.

MAJOR REFORMS IN GHANA'S PETROLEUM SECTOR

- a. PRMA Act 815**
- b. E&P Act 919, 2016**
- c. Local Content LI 2013**
- d. PFMA 921, 2016**
- e. Gas Master Plan**
- f. BOST & TOR (Value Addition)**
- g. Capacity Building**

REGULATORY AND INSTITUTIONAL REFORMS

- ▶ **PRMA**
- ▶ **Petroleum Commission**
- ▶ **Exploration and Production**
- ▶ **Local Content LI**
- ▶ **Gas Master Plan**
- ▶ **EXPLORCO**
- ▶ **Capacity Building**
- ▶ **Public Financial Management Act, 2016, (Act 921).**

NUMBER OF FIELDS PRODUCING OIL

▶ **THREE FIELDS ARE CURRENTLY
PRODUCING OIL**

1. JUBILEE

2. TEN

**3. SANKOFA GYE-NYAME
FIELDS**

JUBILEE FIELD

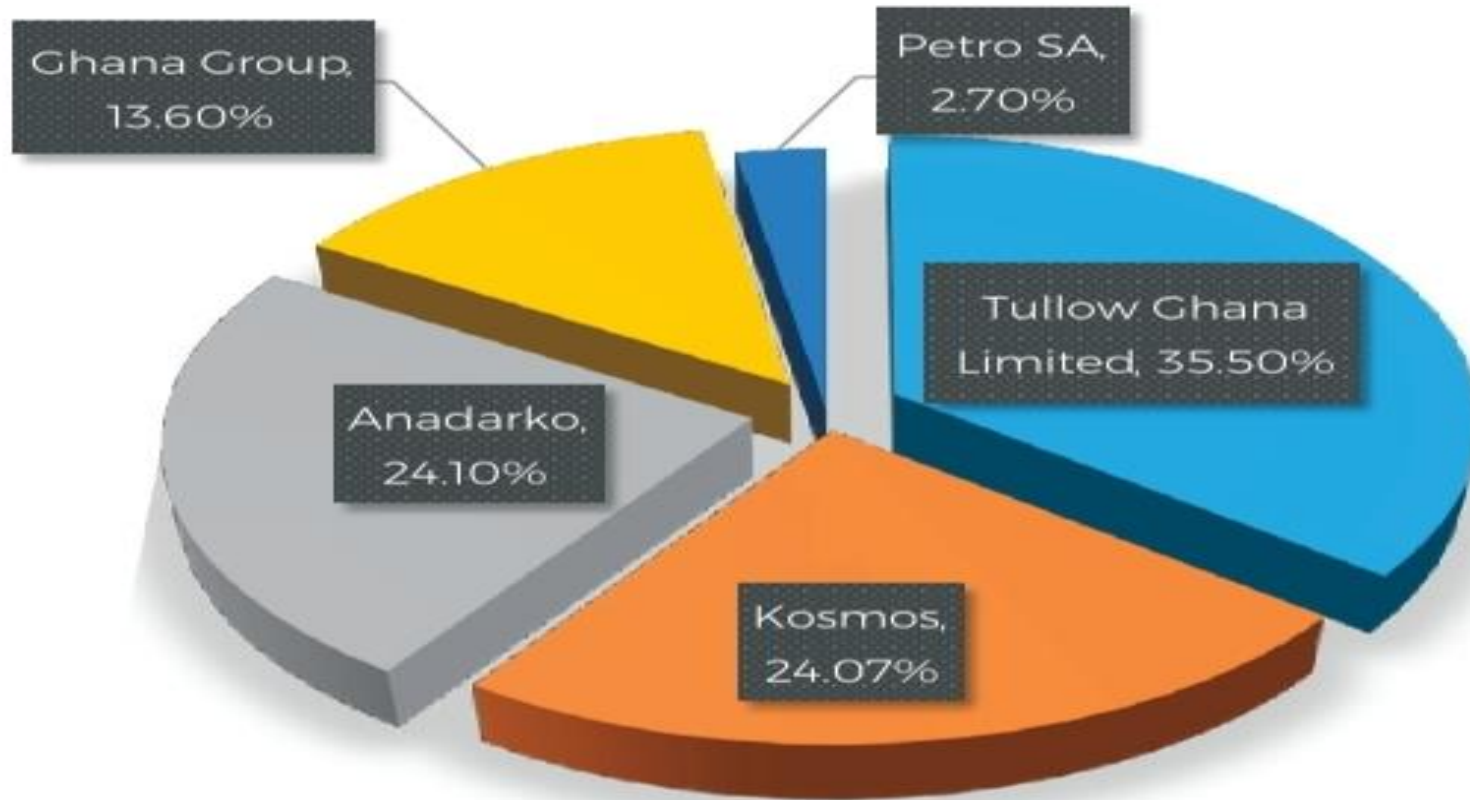


Figure 9: Jubilee Field JV Partners

Source: PIAC's Construct, 2018

TEN FIELDS

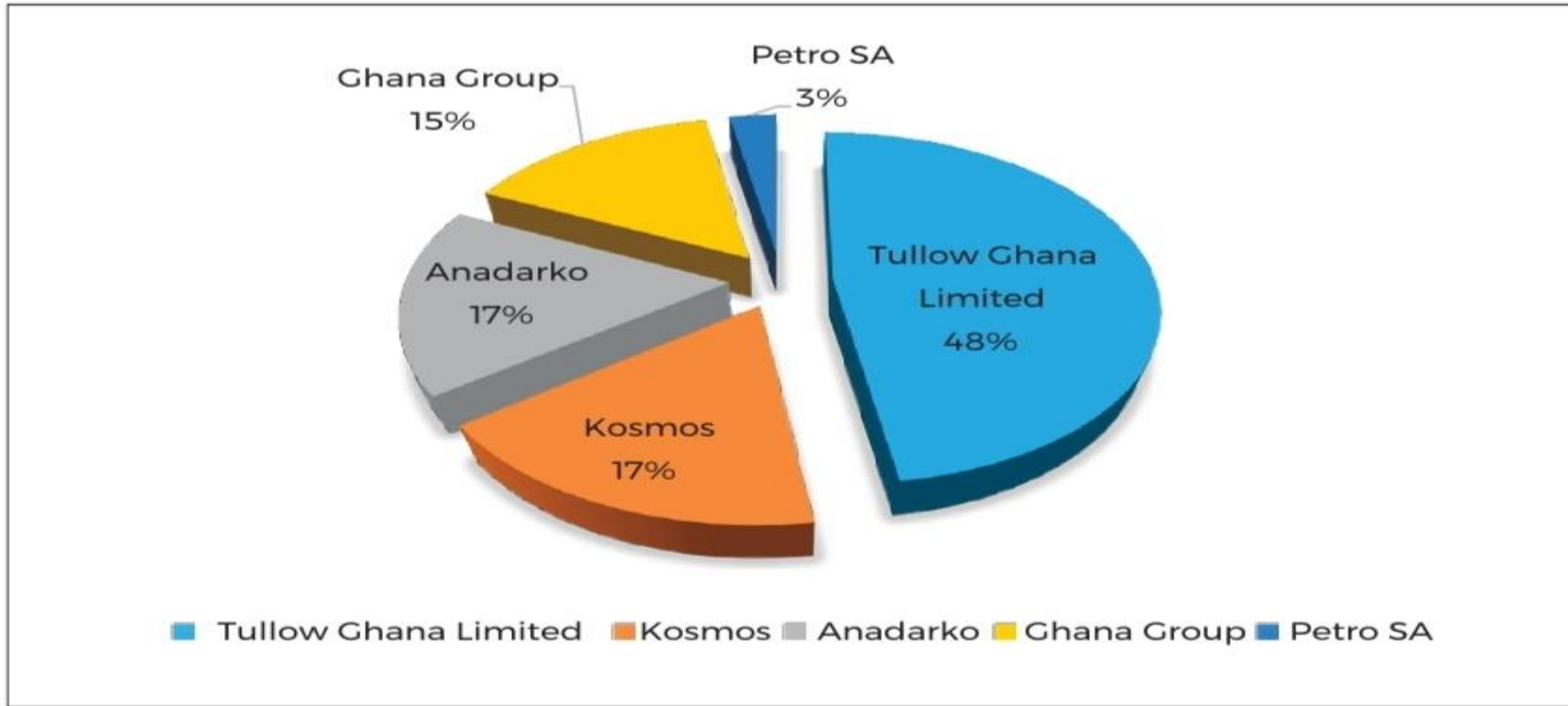


Figure 10: TEN Field JV Partners

Source: PIAC's Construct, 2018.

SANKOFA GYE-NYAME

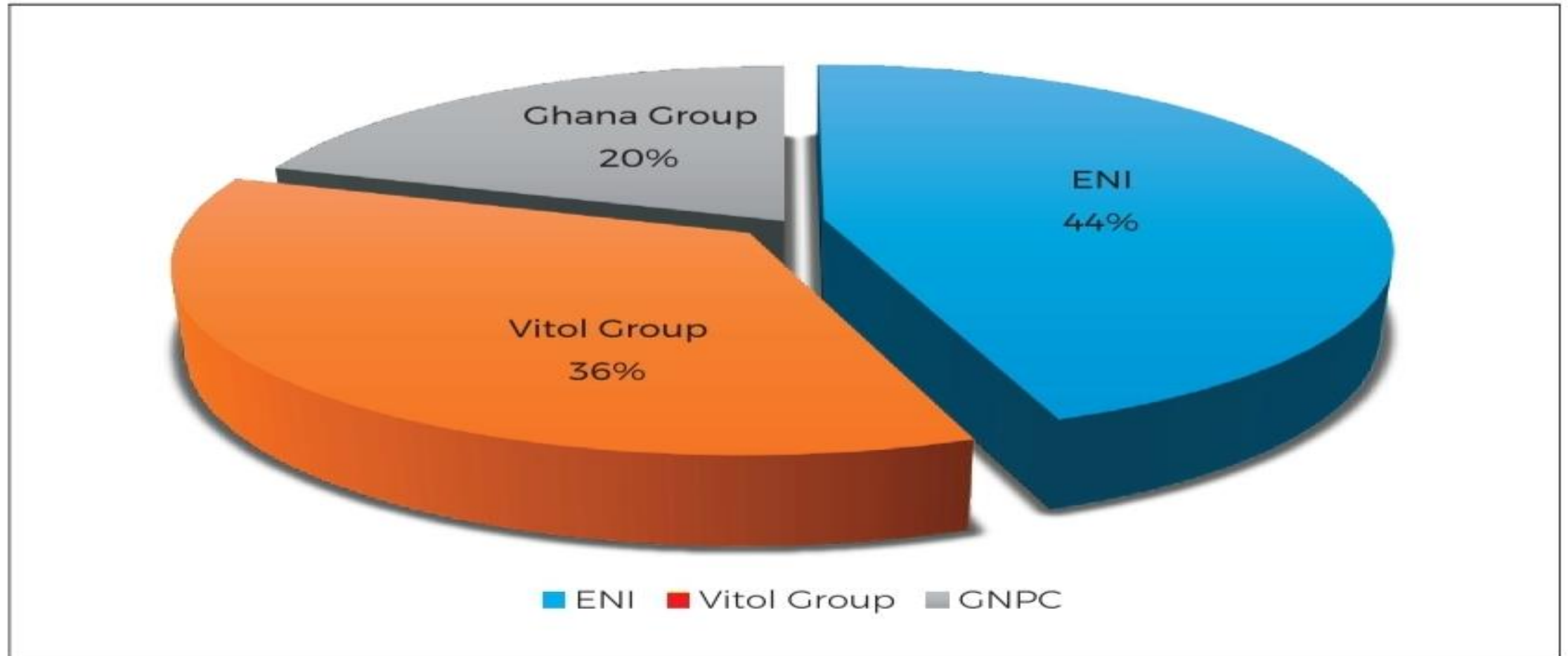
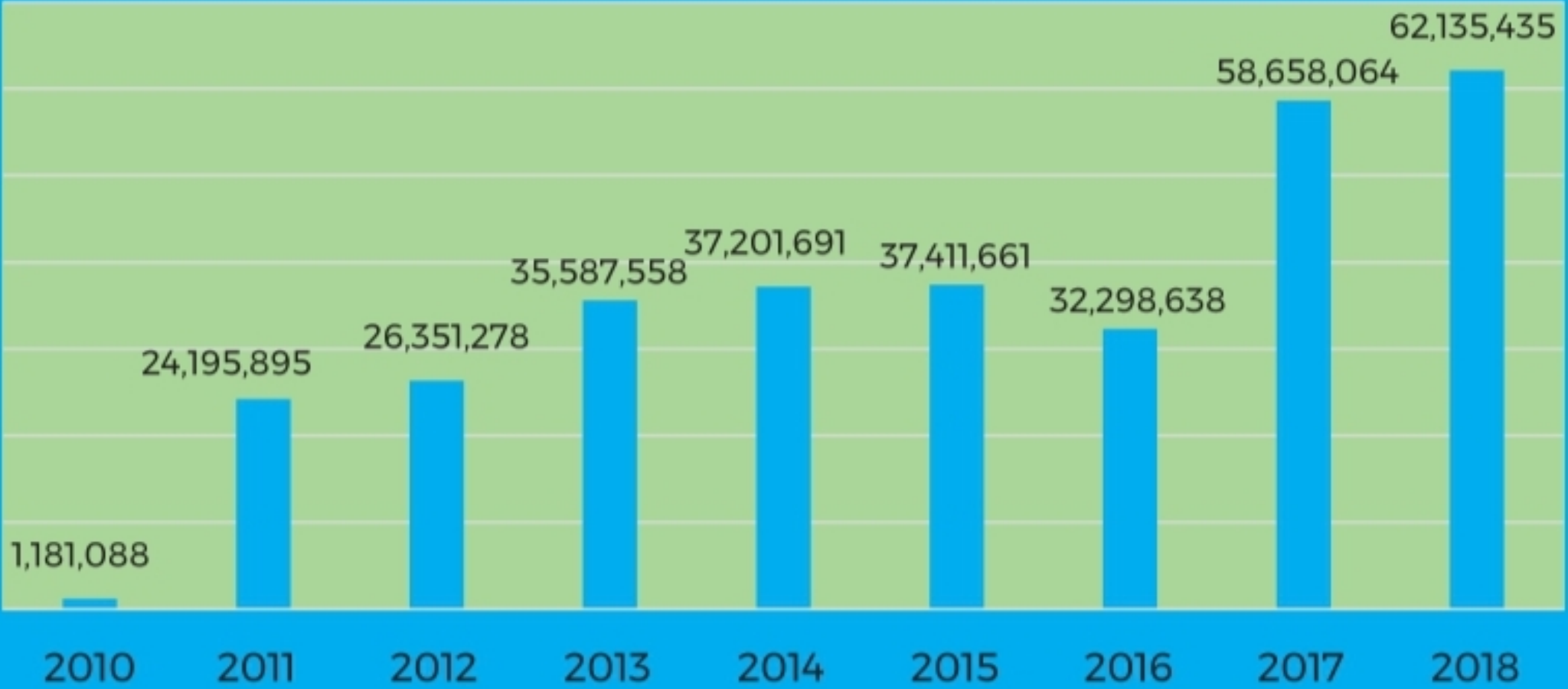


Figure 11: SGN Field JV Partners
Source: PIAC's Construct, 2018.



PICTURES:
**FPSOs Kwame
Nkrumah, Atta Mills
& John Kuffuor**

Annual Crude Production (2010 - 2018)



Allocation of Petroleum Revenue 2011 - 2018

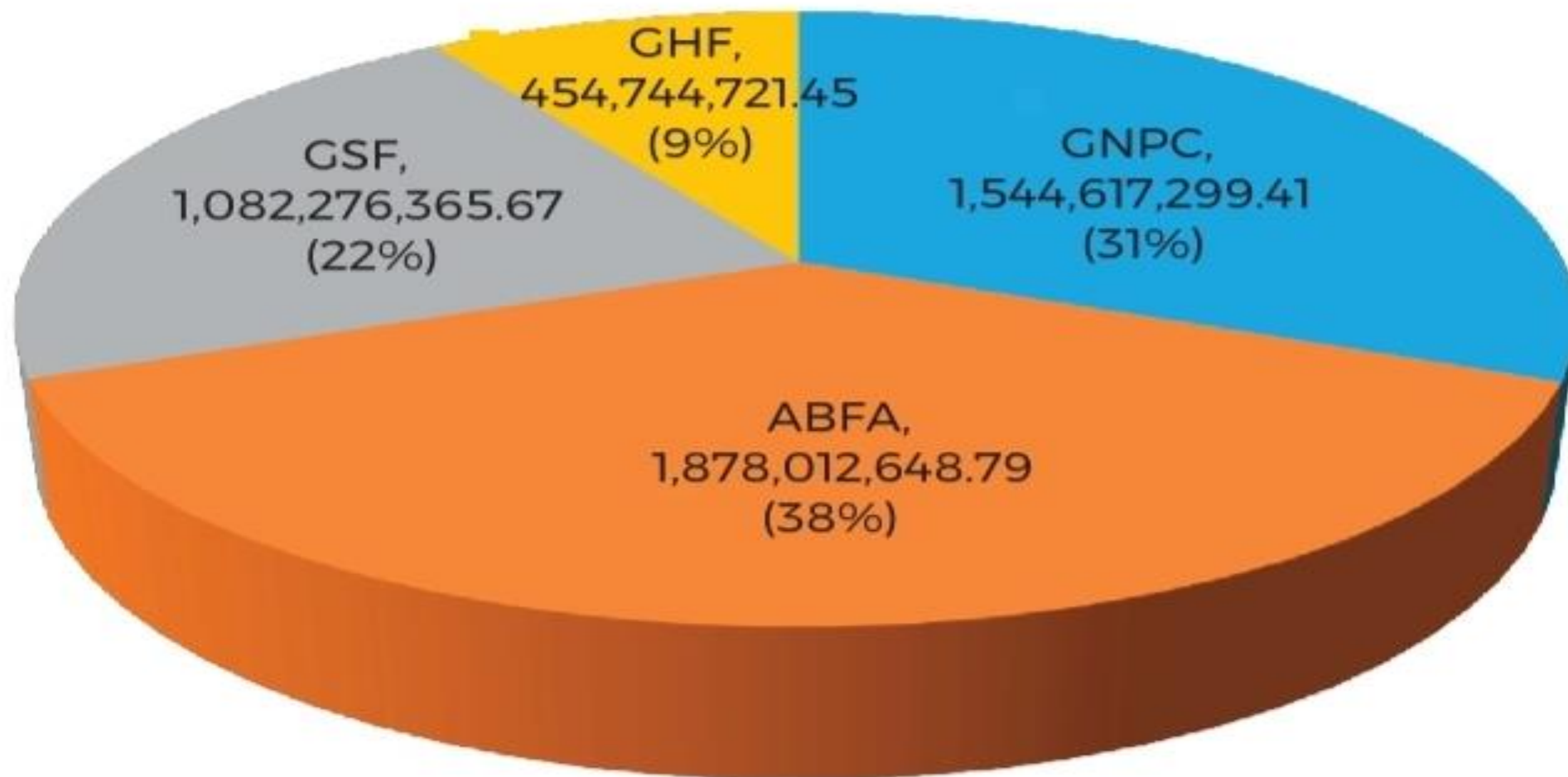


Figure 22: Allocation of Petroleum Revenue 2011 - 2018

ATUABO GAS PLANT



► IMPACT OF NDC POLICIES AND PROGRAMMES IN THE OIL AND GAS SECTOR



BENEFITS FROM ATUABO GAS

- ▶ **Savings of over \$350 million every year**
- ▶ **Produces about 50% of Ghana's domestic LPG**
- ▶ **Ensures fuel supply reliability**
- ▶ **Creates employment for Ghanaian artisans and businesses through the Local Content Law**
- ▶ **Over 61% reduction in Light Crude Oil (LCO) Imports**
- ▶ **Currency stability**

AGM / AKER AGREEMENT

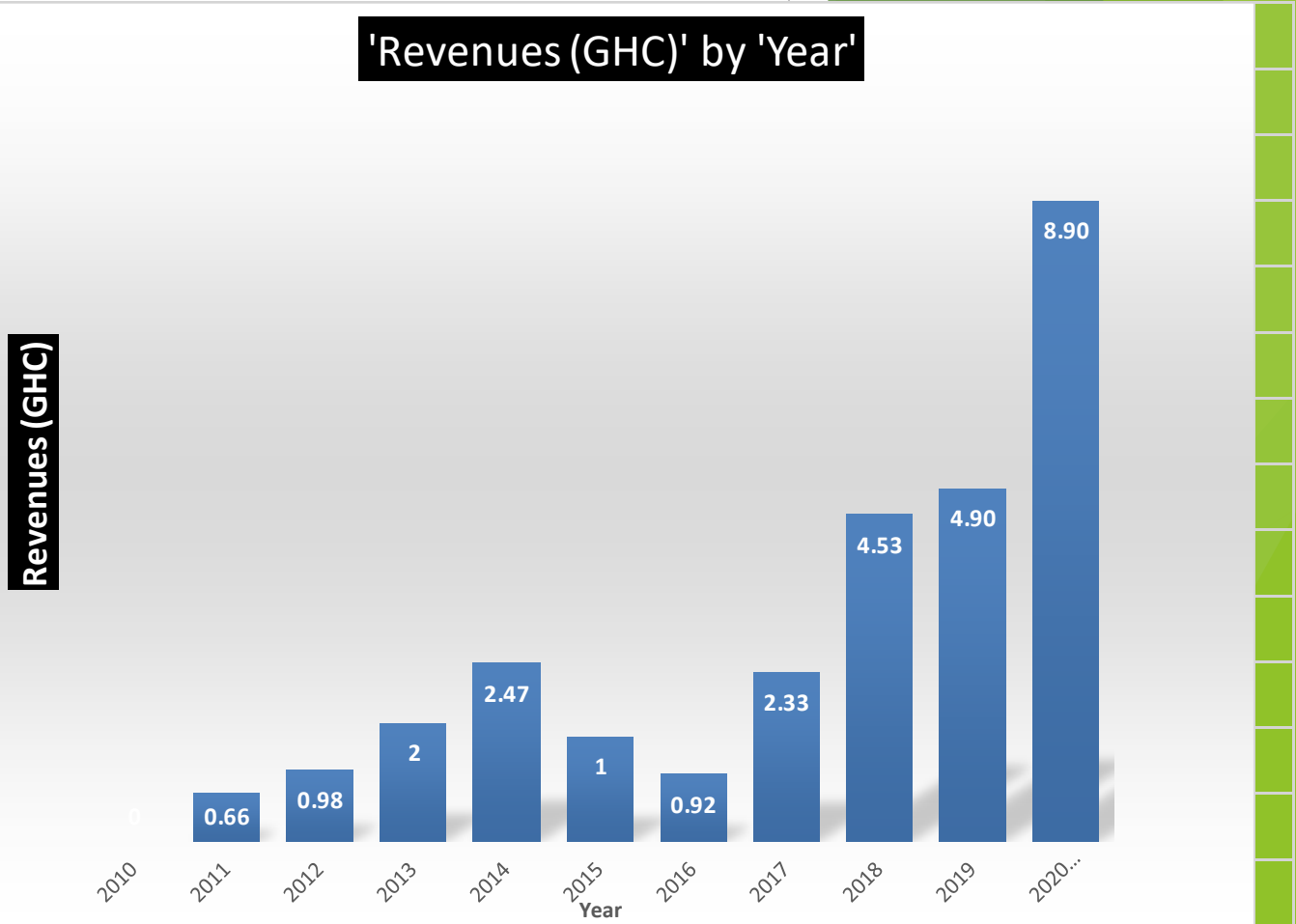
- ▶ **GNPC secured 10% free carried interest**
- ▶ **Additional 15% of Participating interest**
- ▶ **Explorco also secured 24% of the remaining shares**
- ▶ **Ghana's stake in AKER was reduced from 32% to 18% Nana Akufo Addo**

DESCRIPTION



ESLA	GH¢ 3 Billion	GH¢ 12Bilion
PETROLEUM REVENUES	GH¢ 6.4Billion	GH¢ 20.6Billion
TOTAL REVENUES & GRANTS (3 YEARS)	GH¢ 71Billion	GH¢ 141Billion

Year	Revenues (GHC)
2010	0
2011	662,000,000.00
2012	979,324,000.00
2013	1,645,585,763
2014	2,465,925,675.67
2015	1,449,000,000
2016	920,681,450.78
2017	2,334,120,000.00
2018	4,529,680,000.00
2019	4,900,000,000.00
2020*****	8,900,000,000.00
Total	19,886,316,889.68



(ESLA) Act 899, 2015

MANAGEMENT OF ESLA FOR THE YEAR 2016

(BY KEN OFORI-ATTA)

- ▶ Paragraph 32. (Page 13) “For the period under review, GH¢787.03 million was utilised for the payment of power utility debts.
- ▶ Paragraph 36. “In summary, total lodgements into the established accounts amounted to GH¢1,645.98 million as against total utilisation of GH¢1,411.37 million.
- ▶ This leaves an unutilised balance of GH¢234.61 million as at the end of December 2016.

The Budget Speech of the Government of Ghana for the 2019 Financial Year Presented to Parliament on Thursday, 15th November 2018

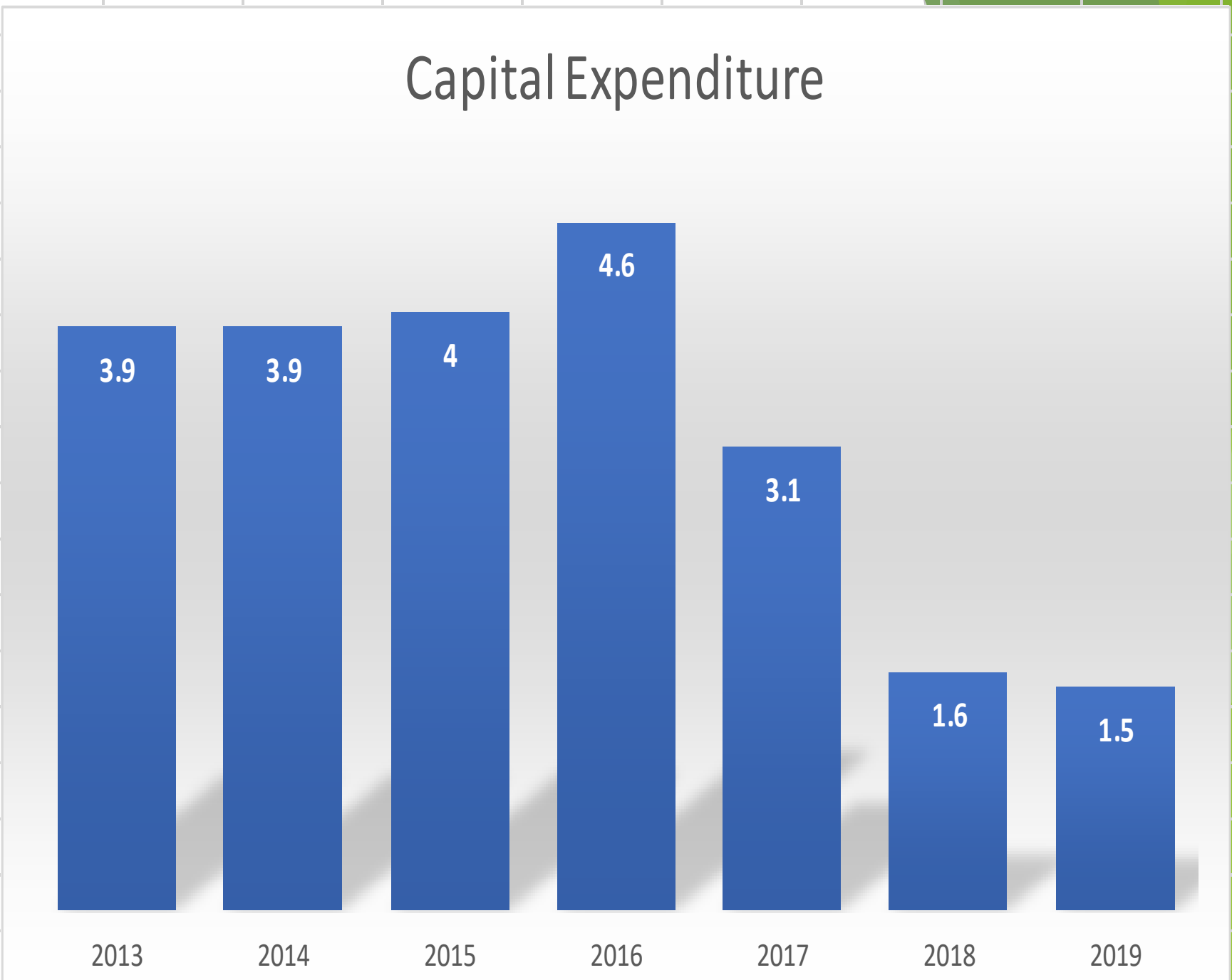
By Ken Ofori-Atta, Minister for Finance



-
- ▶ **In 2018 Ghana exported over \$2.8 billion worth of crude oil in 2017, and imported \$1.7 billion of refined petroleum products. Resulting in a Positive Net balance of \$1.1Billion**



<u>Year</u>	<u>Percentage of GDP</u>
2013	3.9
2014	3.9
2015	4
2016	4.6
2017	3.1
2018	1.6
2019	1.5



ROAD FUND

- ▶ **In 2016, GH¢1,001,964,487.00 was collected under the road fund GH¢1,040,684,193 was released to the Road Fund.**
- ▶ **From 2017 to end of 2019 about 2 billion cedis was not released to the Road Fund for critical road projects.**

SECTORAL ANALYSIS

DESCRIPTION

2016

2019/2020

CONSTRUCTION

8.4%

-8.5%

ELECTRICITY ACCESS

4%

0.5%

NATIONAL DEBT

120 billion

225 billion

DEBT TO GDP

56.8%

62.2%

DEBT SERVICING

11.5 billion

21.6 billion

MANUFACTURING

7.9%

6.5%

Currency Depreciation

-\$-9.9%

12.7%

Financial and Insurance

8%

1.8%

Private Sector Credit Growth

14.4%

12%

CURRENCY DEPRECIATION

2017 Budget Paragraph 90.

- ▶ The Ghana cedi recorded a cumulative depreciation of 9.6 percent and 5.3 against percent against the US dollar and the euro, respectively, but appreciated by 10.0 against the Pound.

Bank of Ghana MPC 2020

- ▶ Ghana cedi depreciated by 12.9 percent against the US dollar in 2019, against the British pound and Euro, the Ghana cedi cumulatively depreciated by 15.7 and 11.2 percent respectively,

Mahama deserves no credit for fixing dumsor – Bawumia

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Dr. Mahamudu Bawumia

Running mate of the New Patriotic Party (NPP), Dr. Mahamudu Bawumia has said that President John Dramani Mahama and the National Democratic Congress (NDC) administration deserve no credit for ‘solving’ the energy crisis, known in local parlance as ‘Dumsor’.

The former deputy Governor of the Bank of Ghana, speaking on Joy FM, said he sees no reason why President Mahama would want the whole world to praise him for solving a problem he created.

“This government inherited an economy without dumsor. It is their own financial mismanagement which caused it...so we see no reason why they deserve credit for fixing a problem they created,” Dr. Bawumia said.

President Mahama during the 2016 State of the Nation Address (SONA) in Parliament called on Ghanaians to pat the government on the back for embarking on what he called the fastest mobilisation of resources to fix the crisis, which crippled the country’s economy for well over three years.

“I stood before this very august house and promised to fix the power sector deficit that at the time had become a significant constraint to the economic growth and a distraction to Ghanaians both home and at work.

“This was a time of considerable national anxiety. The deficit brought about a severe power rationing and I was very much concerned. Ghanaians had to sleep in darkness or spend money to fuel

generators. Businesses faced challenges, and I expressed my full regret to the nation and I took full responsibility as President and leader of this nation and commander in Chief...,” he said.

The President added that he was able to fix the power outage because he put in place plans that “made us achieve the fastest mobilization of emergency power in the history of Ghana.”

But Dr. Bawumia insists the government deserves no credit for fixing a problem they created themselves.



A man with glasses and a dark suit jacket over a light blue shirt is speaking into a microphone. He is in a radio studio, with a microphone boom in front of him. In the background, there are signs for 'Joy 99.7' and 'Joy 99.9'.

“This government inherited an economy without dumsor. It is their own financial mismanagement which caused it... so we see no reason why they deserve credit for fixing a problem they created,”

TARIFF RECKONER EFFECTIVE 1ST JULY, 2016

Residential							Non-Residential						
Units (kWh)	Energy Charge	Street Light	Nat'l Elect Levy	Service Charge	TOTAL THIS MONTH	Net Charge after Re-alignment	Energy Charge	Street Light	Nat'l Elect Levy	Service Charge	VAT & NHIL	TOTAL THIS MONTH	Net Charge after Re-alignment
0	0.00	-	-	2.13	2.13	2.13	0.00	-	-	10.55	1.85	12.40	12.40
1	0.34	0.02	0.02	2.13	2.51	1.85	0.97	0.05	0.05	10.55	2.01	13.63	13.58
2	0.67	0.03	0.03	2.13	2.86	2.16	1.94	0.10	0.10	10.55	2.17	14.86	14.76
3	1.01	0.05	0.05	2.13	3.24	2.49	2.90	0.15	0.15	10.55	2.33	16.08	15.93
4	1.34	0.07	0.07	2.13	3.61	2.81	3.87	0.19	0.19	10.55	2.49	17.29	17.09
5	1.68	0.08	0.08	2.13	3.97	3.13	4.84	0.24	0.24	10.55	2.65	18.52	18.27
10	3.36	0.17	0.17	2.13	5.83	4.78	9.68	0.48	0.48	10.55	3.45	24.64	24.14
15	5.03	0.25	0.25	2.13	7.66	6.36	14.52	0.73	0.73	10.55	4.26	30.79	30.04
20	6.71	0.34	0.34	2.13	9.52	7.98	19.36	0.97	0.97	10.55	5.06	36.91	35.91
25	8.39	0.42	0.42	2.13	11.36	9.59	24.20	1.21	1.21	10.55	5.86	43.03	41.78
30	10.07	0.50	0.50	2.13	13.20	11.20	29.04	1.45	1.45	10.55	6.67	49.16	47.67
35	11.75	0.59	0.59	2.13	15.06	12.83	33.88	1.69	1.69	10.55	7.47	55.28	53.54
40	13.42	0.67	0.67	2.13	16.89	14.43	38.72	1.94	1.94	10.55	8.27	61.42	59.43
45	15.10	0.76	0.76	2.13	18.75	16.06	43.56	2.18	2.18	10.55	9.08	67.55	65.31
50	16.78	0.84	0.84	2.13	20.59	17.66	48.40	2.42	2.42	10.55	9.88	73.67	71.18
51	17.45	0.87	0.87	6.33	25.52	23.13	49.36	2.47	2.47	10.55	10.04	74.89	72.35
60	23.51	1.18	1.18	6.33	32.20	29.09	58.07	2.90	2.90	10.55	11.49	85.91	82.92
70	30.25	1.51	1.51	6.33	39.60	35.69	67.25	3.39	3.39	10.55	13.09	98.17	94.68
80	36.98	1.85	1.85	6.33	47.01	42.30	77.43	3.87	3.87	10.55	14.70	110.42	106.44
90	43.71	2.19	2.19	6.33	54.42	48.90	87.11	4.36	4.36	10.55	16.31	122.69	118.21
100	50.45	2.52	2.52	6.33	61.82	55.50	96.79	4.84	4.84	10.55	17.91	134.93	129.95
110	57.18	2.86	2.86	6.33	69.23	62.11	106.47	5.32	5.32	10.55	19.52	147.18	141.70
120	63.91	3.20	3.20	6.33	76.64	68.71	116.15	5.81	5.81	10.55	21.13	159.45	153.47
130	70.64	3.53	3.53	6.33	84.03	75.30	125.83	6.29	6.29	10.55	22.73	171.69	165.22
140	77.38	3.87	3.87	6.33	91.45	81.92	135.51	6.78	6.78	10.55	24.34	183.96	176.99
150	84.11	4.21	4.21	6.33	98.86	88.52	145.19	7.26	7.26	10.55	25.95	196.21	188.74
151	84.78	4.24	4.24	6.33	99.59	94.17	146.15	7.31	7.31	10.55	26.11	197.43	189.91
160	90.84	4.54	4.54	6.33	106.25	100.48	154.86	7.74	7.74	10.55	27.55	208.44	200.47
170	97.58	4.88	4.88	6.33	113.67	107.51	164.54	8.23	8.23	10.55	29.16	220.71	212.24
180	104.31	5.22	5.22	6.33	121.08	114.53	174.22	8.71	8.71	10.55	30.77	232.96	224.00
190	111.04	5.55	5.55	6.33	128.47	121.53	183.90	9.20	9.20	10.55	32.37	245.22	235.76
200	117.78	5.89	5.89	6.33	135.89	128.56	193.58	9.68	9.68	10.55	33.98	257.47	247.51
210	124.51	6.23	6.23	6.33	143.30	135.58	203.26	10.16	10.16	10.55	35.59	269.72	259.26
220	131.24	6.56	6.56	6.33	150.69	142.58	212.94	10.65	10.65	10.55	37.19	281.98	271.02
230	137.97	6.90	6.90	6.33	158.10	149.60	222.62	11.13	11.13	10.55	38.80	294.23	282.78
240	144.71	7.24	7.24	6.33	165.52	156.63	232.30	11.62	11.62	10.55	40.41	306.50	294.55
250	151.44	7.57	7.57	6.33	172.91	163.63	241.98	12.10	12.10	10.55	42.01	318.74	306.29
260	158.17	7.91	7.91	6.33	180.32	170.66	251.65	12.58	12.58	10.55	43.62	330.98	318.03
270	164.91	8.25	8.25	6.33	187.74	177.69	261.33	13.07	13.07	10.55	45.23	343.25	329.80
280	171.64	8.58	8.58	6.33	195.13	184.69	271.01	13.55	13.55	10.55	46.83	355.49	341.55
290	178.37	8.92	8.92	6.33	202.54	191.71	280.69	14.03	14.03	10.55	48.44	367.74	353.30
300	185.11	9.26	9.26	6.33	209.96	198.74	290.37	14.52	14.52	10.55	50.05	380.01	365.07
310	193.84	9.69	9.69	6.33	219.55	219.55	300.67	15.03	15.03	10.55	51.80	393.08	377.67
320	202.58	10.13	10.13	6.33	229.17	229.17	310.97	15.55	15.55	10.55	53.56	406.18	390.71
330	211.32	10.57	10.57	6.33	238.79	238.79	321.27	16.06	16.06	10.55	55.31	419.25	403.51
340	220.06	11.00	11.00	6.33	248.39	248.39	331.57	16.58	16.58	10.55	57.07	432.35	416.35
350	228.80	11.44	11.44	6.33	258.01	258.01	341.87	17.09	17.09	10.55	58.83	445.43	429.16
400	272.49	13.62	13.62	6.33	306.06	306.06	393.37	19.67	19.67	10.55	67.61	510.87	493.28
450	316.18	15.81	15.81	6.33	354.13	354.13	444.87	22.24	22.24	10.55	76.39	576.29	557.37
500	359.87	17.99	17.99	6.33	402.18	402.18	496.37	24.82	24.82	10.55	85.17	641.73	621.49
550	403.56	20.18	20.18	6.33	450.25	450.25	547.87	27.39	27.39	10.55	93.95	707.15	685.58
600	447.25	22.36	22.36	6.33	498.30	498.30	599.37	29.97	29.97	10.55	102.73	772.59	749.70
650	495.79	24.79	24.79	6.33	551.70	551.70	680.63	34.03	34.03	10.55	116.77	876.01	852.07
700	544.34	27.22	27.22	6.33	605.11	605.11	761.88	38.09	38.09	10.55	130.80	979.41	954.43
750	592.88	29.64	29.64	6.33	658.49	658.49	843.14	42.16	42.16	10.55	144.84	1,082.85	1,056.82
800	641.43	32.07	32.07	6.33	711.90	711.90	924.39	46.22	46.22	10.55	158.88	1,186.26	1,159.19
850	689.97	34.50	34.50	6.33	765.30	765.30	1,005.65	50.28	50.28	10.55	172.91	1,289.67	1,261.55
900	738.52	36.93	36.93	6.33	818.71	818.71	1,086.90	54.35	54.35	10.55	186.95	1,393.10	1,363.94
950	787.06	39.35	39.35	6.33	872.09	872.09	1,168.16	58.41	58.41	10.55	200.99	1,496.52	1,466.31
1000	835.61	41.78	41.78	6.33	925.50	925.50	1,249.41	62.47	62.47	10.55	215.02	1,599.92	1,568.67
1050	884.15	44.21	44.21	6.33	978.90	978.90	1,330.67	66.53	66.53	10.55	229.06	1,703.34	1,671.04
1100	932.70	46.64	46.64	6.33	1,032.31	1,032.31	1,411.92	70.60	70.60	10.55	243.10	1,806.77	1,773.43
1200	1,029.79	51.49	51.49	6.33	1,139.10	1,139.10	1,574.43	78.72	78.72	10.55	271.17	2,013.59	1,978.16
1300	1,126.88	56.34	56.34	6.33	1,245.89	1,245.89	1,736.94	86.85	86.85	10.55	299.24	2,220.43	2,182.91
1400	1,223.97	61.20	61.20	6.33	1,352.70	1,352.70	1,899.45	94.97	94.97	10.55	327.32	2,427.26	2,387.65
1500	1,321.06	66.05	66.05	6.33	1,459.49	1,459.49	2,061.96	103.10	103.10	10.55	355.39	2,634.10	2,592.40
2000	1,806.51	90.33	90.33	6.33	1,993.50	1,993.50	2,874.51	143.73	143.73	10.55	495.76	3,668.28	3,616.13
2500	2,291.96	114.60	114.60	6.33	2,527.49	2,527.49	3,687.06	184.35	184.35	10.55	636.13	4,702.44	4,639.84
3000	2,777.41	138.87	138.87	6.33	3,061.48	3,061.48	4,499.61	224.98	224.98	10.55	776.49	5,736.61	5,663.56
3500	3,262.86	163.14	163.14	6.33	3,595.47	3,595.47	5,312.16	265.61	265.61	10.55	916.86	6,770.79	6,687.29
4000	3,748.31	187.42	187.42	6.33	4,129.48	4,129.48	6,124.71	306.24	306.24	10.55	1,057.23	7,804.97	7,711.02
4500	4,233.76	211.69	211.69	6.33	4,663.47	4,663.47	6,937.26	346.86	346.86	10.55	1,197.60	8,839.13	8,734.73
5000	4,719.21	235.96	235.96	6.33	5,197.46	5,197.46	7,749.81	387.49	387.49	10.55	1,337.96	9,873.30	9,758.45
10000	9,573.71	478.69	478.69	6.33	10,537.42	10,537.42	15,875.31	793.77	793.77	10.55	2,741.64	20,215.04	19,995.69

ELECTRICITY TARIFF RECKONER EFFECTIVE 1ST OCTOBER, 2019

Oct-19	RESIDENTIAL						NON-RESIDENTIAL							
	Units (kWh)	Energy Charge	Street Light	Nat'l Elect Levy	Service Charge	TOTAL THIS MONTH	Net Charge	Energy Charge	Street Light	Nat'l Elect Levy	Service Charge	VAT & NHIL	TOTAL THIS MONTH	Net Charge
0	0.00	-	-	-	2.13	2.13	2.13	0.00	-	-	12.43	2.18	14.61	14.61
1	0.33	0.01	0.01	0.01	2.13	2.48	2.48	0.80	0.02	0.02	12.43	2.32	15.59	15.59
2	0.65	0.02	0.02	0.01	2.13	2.81	2.81	1.60	0.05	0.03	12.43	2.46	16.57	16.57
3	0.98	0.03	0.02	0.02	2.13	3.16	3.16	2.39	0.07	0.05	12.43	2.59	17.53	17.53
4	1.30	0.04	0.03	0.03	2.13	3.50	3.50	3.19	0.10	0.06	12.43	2.73	18.51	18.51
5	1.63	0.05	0.03	0.03	2.13	3.84	3.84	3.99	0.12	0.08	12.43	2.87	19.49	19.49
10	3.26	0.10	0.07	0.07	2.13	5.56	5.56	7.98	0.24	0.16	12.43	3.57	24.38	24.38
15	4.89</													

In 2007 Installed Capacity was 1,985MW against a peak demand of 1,274MW leaving excess capacity of 711MW.

YEAR	INSTALLED CAPACITY
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2008	1981MW
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2008	1981MW
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2016	4,132MW
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2016	4,132MW
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SO CALLED FLAGSHIP PROGRAMMES

- ▶ **Ghana is so broke we have to borrow 2.4 billion to finance SHS**
- ▶ **One District one Factory**
- ▶ **One village one Dam**
- ▶ **Zongo Development Fund**
- ▶ **One village one Dam**

ZONGO DEVELOPMENT FUND OUTURNS

The financial performance in 2017 is as depicted below:

	FUND SOURCE	APPROVED BUDGET (Gh¢)	AMOUNT RECEIVED (Gh¢)	%	EXPENDITURE (Gh¢)	
Status of 2017 Budget Implementation as at August, 2017	COMPENSATION (GOG)	0.00	0	0%	0.00	
	GOODS AND SERVICES (GOG)	1,000,000.00	580,000.00	58%	580,000.00	
	CAPEX (GOG)	0.00	0	0%	0.00	
	TOTAL GOG	1,000,000.00	580,000.00	58%	580,000.00	
	DEVEVOPMENT PARTNERS	0.00	0.00	0%	0.00	
	GRAND TOTAL		1,000,000.00	580,000.00	58%	580,000.00

ZONGO DEVELOPMENT FUND OUTURNS

plan, even though recruitment could not be done for Zongo Development Fund.

Status of 2018 Budget Implementation as at September, 2018 is as depicted below:

ECONOMIC CLASSIFICATION	APPROVED BUDGET (Gh¢)	RELEASED (Gh¢)	UTILIZED (Gh¢)	VARIANCE (Gh¢)	%
Compensation for Employees	350,000.00	210,153.09	210,153.09	139,846.91	40
Use of Goods & Services	16,409,972.00	7,226,987.00	6,226,987.00	9,182,985.00	56
Capital Expenditure	85,500,000.00	0	0	85,500,000.00	100
TOTAL GoG	102,259,972.00	7,437,140.09	6,437,140.09	94,822,831.91	93
DEVEVOPMENT PARTNERS					
GRAND TOTAL	102,259,972.00	7,437,140.09	6,437,140.09	94,822,831.91	93

ZONGO DEVELOPMENT FUND OUTURNS

Table 1: Budget outturn as at September, 2019

ECONOMIC CLASSIFICATION	APPROVED BUDGET	RELEASED	UTILISED	VARIANCE	%
Compensation for Employees	4,940,000	404,380.61	404,380.61	4,535,619.39	8
Use of Goods & Services	59,972,000	33,759,642.00	32,298,700.00	26,212,358.00	56
Capital Expenditure	45,030,000	7,721,248.87	<u>7,621,248.87</u>	37,308,751.13	17
Total	109,942,000	41,885,271.48	40,324,329.48	68,056,728.52	37



God Bless Ghana.... God Bless the NDC

THANK YOU

