Ghana Launches its Maiden Licensing Round

Ghana’s Fiscal Regime

The OCTP ORF Project at Atuabo

Ghana’s Hydrocarbon Prospects - a Catalyst for Investment
What We Do

- Promote Ghana’s hydrocarbon potential
- Promote sustainable and cost efficient petroleum activities for the overall benefit and welfare of Ghanaians
- Monitor and ensure compliance with national policies and laws related to upstream petroleum activities
- Promote local content and local participation
- Ensure compliance with Health, Safety, And Environmental (HSE) standards in petroleum activities
- Issue permits to companies seeking to operate in Ghana’s upstream petroleum industry

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Petroleum Commission
In its bid to deepen local participation in the upstream petroleum industry, the Petroleum Commission, regulator of Ghana’s upstream oil and gas industry has identified PSC Tema Shipyard as a strategic national asset with the capacity to support offshore construction and fabrication activities in the industry.

Speaking at a strategic meeting between the Commission and the Shipyard, the Chief Executive Officer of the Commission, Mr. Egbert Faibille Jnr noted that although, the Shipyard does not currently have the technical and financial capability to build a complete FPSO from scratch, the Commission believes that the Shipyard has the potential to develop into a world-class construction and fabrication centre to support upstream petroleum activities not only in Ghana but also the sub region, with the right support and partnership from industry.

“The ultimate vision is that, in the short to medium term, the shipyard would be repositioned to provide dry docking, ship repair and maintenance to support various vessel (i.e platform supply vessels, patrol vessels, barges anchor handlers, drilling rigs and FPSOs) in Ghana’s oil and gas industry”, Mr. Faibille Jnr said.

The Shipyard is currently being repositioned as a focal point for the development of local fabrication and in-country scope of works in relation to FPSO construction and maintenance works. The Shipyard has a design capacity to roll out about 20,000 tonnes of steel fabrication annually and the capacity to undertake significant portions of FPSO components such as piles, anchors, buoys, top structures, module construction, components of subsea installations and onshore receiving facilities among others.

According to the Chief Executive Officer of Tema Shipyard, Capt. Francis Micah, with the support of Ghana Ports and Harbours Authority (GPHA), steps are being taken to invest in information technology, new tools and equipment, Health, Safety and Environment (HSE) and management systems, welding and NonDestructive Test (NDT) and other technical certifications and capacity development as part of the repositioning agenda. “We need to be aware of the infrastructure we have and position this national asset to offer services that will strengthen the local content development in the upstream petroleum industry”, Capt. Micah stated.
Built in 1965 on a 48-acre land, the Shipyard is equipped with two graving docks of 100,000dwt and 10,000dwt capacity and a slipway. It is capable of servicing vessels of various sizes. Essentially, the docks are able to accommodate larger vessels of up to 277m in length and medium sized vessels of up to 107m.

Capt. Micah said that the gross potential of the facility needs to be tapped to assert itself as a Strategic National Asset to bring in income for the nation from the oil and gas projects as well as position itself to cater for the numerous maintenance and dry dock requirements of the vast marine traffic in the sub region and beyond.

The support from the Commission is geared towards the Government’s goal of promoting accelerated capacity development in the oil and gas sector and the realisation of local content objectives in the Petroleum (Local Content and Local Participation) Regulations, (L.I 2204); as well as supporting national economic development efforts through sectoral linkages.
The National Commission for Civic Education (NCCE), has expressed its readiness to support community relations activities of the Petroleum Commission to create awareness on constitutional matters and reinforce civic duties in the interest of the Commission and frontline communities within the oil and gas operational areas.

Deputy Commissioner for National Commission for Civic Education (NCCE), Ms. Kathleen Addy made these remarks when she paid a courtesy call on the Petroleum Commission (PC).

According to Ms. Addy, NCCE has officers stationed across the country who have built strong relationships with chiefs, opinion and community leaders over the years.

“Our officers are well trained in the art of community engagement through role plays, community durbars among others to support the Commission’s educational campaigns and information dissemination in the Western Region and various communities,” Ms. Addy said.

She further proposed that the Commission trains NCCE staff on its (Commission’s) operations to enable the NCCE have a better appreciation of the Commission’s mandate to effectively promote its community engagement campaigns.

The CEO of the Commission, Mr. Egbert Faibille Jnr. thanked Ms. Addy for the courtesy call and assured that the Petroleum Commission on its part, will put in place measures to ensure that the recommendations discussed are implemented.
Following the launch of Ghana’s first oil and gas licensing round by H.E. President Nana Addo Dankwa Akufo-Addo in October 2018, the Minister for Energy, Hon. John-Peter Amewu and his Deputy in charge of Petroleum, Hon. Amin Adam led a delegation to Cape Town, South Africa to participate in the 25th Africa Oil Week. This formed part of efforts to promote six blocks available in the Western / Tano-Cape Three Points Basin with the view to highlight investment and licensing opportunities to investors at the event.

Out of the six blocks ranging in sizes from about 1000sq.km to 1900sq.km, three will be awarded through competitive bidding rounds, and one to Ghana’s National Oil Company, Ghana National Petroleum Corporation (GNPC). The remaining two, in ultra-deep water, will be awarded through direct negotiations to potential investors that have the technical and financial capacities to operate within such water depths.

In July 2007, Kosmos Energy and Tullow Oil discovered oil in commercial quantities in the Tano Basin, located offshore the Western Region of Ghana. This discovery gave birth to the renowned Jubilee Field which began production in 2010. Subsequently, two additional fields were discovered and developed: Tweneboah, Enyenra & Ntomme (TEN) & Sankofa-Gye Nyame Fields.

With a current total output of approximately 200,000 barrels of oil per day (bopd) and 260 million cubic feet of gas per day, Ghana is recognised as an emerging petroleum nation within the West African sub-region.

Prior to the discovery of Jubilee, Ghana aggressively marketed and promoted its hydrocarbon potential in a bid to attract International Oil Companies (IOCs) to invest millions of dollars in the search for hydrocarbons in her basins. Since Ghana’s Basins had not been adequately de-risked with the discovery of oil in commercial quantities at that time, most IOCs had a considerable advantage in the negotiation of Petroleum Agreements. Ghana had little leverage during negotiations since her basins, after the drilling of over a hundred (100) wells, had encountered no commercial quantities of oil.

For this reason, the ‘Open Door’ system of block licensing was adopted as a means of attracting investment on a rolling basis. Even though there are no laws in Ghana that clearly govern the Open-Door system, it became a practice for the award of petroleum licenses. Under the Open-Door system, unsolicited Expression of Interests were submitted to the Minister of Energy as a preliminary step to the process. After applications had been evaluated, negotiations would commence between the applicant and the government in relation to the area of interest. The Model Petroleum Agreement serves as a template for this process: to keep investors and
negotiators on an even keel for equitable negotiation governed by all the laws of Ghana, including the now repealed PNDC Law 84 (Petroleum Exploration and Production Law, 1984).

Since the discovery of Jubilee, the country has progressively put in measures to increase the overall benefits to the nation from subsequent Petroleum Agreements in terms of taxes, royalties and local content. By 2016, the nation had brokered 16 Petroleum Agreements.

The passage of the new Petroleum (Exploration and Production) Act, 2016 (Act 919) marked a major overhaul of Ghana's Oil and Gas industry. For the first time in the nation’s history, the Minister of Energy has the option to offer Petroleum Licenses either by Direct Negotiations or by a Tender Process.

Over the years, the Open-Door system became increasingly problematic. Several non-performing Exploration and Production (E&P) licenses had been awarded and to further compound the issue, oil prices dipped to a record low ($15 per barrel) for several years. As a result, exploration activities slowed down during the low oil price era in 2014. The system was also criticised for its lack of transparency, insufficient competition and its perceived potential for corruption.

Under the preferred Licensing Rounds Tender Process, E&P licenses are awarded by way of administrative processes based on set criteria in accordance with the Petroleum (Exploration and Production)(General) Regulations 2018, L.I. 2359. The Government has ample control over whatever criteria it would want to include in line with its policy objective(s). In this system, E&P licenses are awarded purely based on merit through an open and transparent evaluation system based on technical and financial capability, proposed work programme, and past experience in similar Basin settings.

Ghana can leverage on the new licensing rounds to further achieve the objectives of its local content Law Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I. 2204) by promoting its local petroleum service industry, increase levels of technical expertise and rapidly increase her petroleum resource base. The inclusion of bonus payment provisions under Act 919, also gives the country an advance on resource rent before any oil is discovered.

On Monday, April 30, 2018 Hon. Boakye Agyarko, the former Minister of Energy, announced at the annual Offshore Technology Conference (OTC) in Houston, Texas, that by the close of 2018, Ghana would conduct its first Licensing Round for the allocation of new acreages in line with the nation’s aggressive exploration drive.

The decision to allocate E&P licenses through a tender process will attract world class Operators with high levels of exploration expertise and a proven track record to work in Ghana.

The successful launch of Ghana’s maiden Licensing Round gives the much-needed boost to Ghana's emerging oil and gas industry and with that, sends a message to the world that Ghana is ready and willing to do business with investors whose business strategies are aligned with our national developmental objectives.

PETROLEUM AGREEMENTS: OPEN DOOR POLICY VS. LICENSING ROUNDS

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GHANA OIL AND GAS LICENSING ROUND

Current Status -
Ecolution of Expression of Interest and Pre-Qualification

16 Companies that applied
- ExxonMobil
- British Petroleum
- Talisman Ghana Limited
- Total
- ENI Ghana
- Vital
- Kosmos Energy
- Aker Energy
- China National Offshore Oil Corporation
- Cairn Energy
- Qatar Petroleum
- Global Petroleum Group
- Fist E&P
- Sasol
- Eni
- Harmony Oil and Gas Corporation

No. of Bids per Block

The Way Forward

Modalities for direct negotiation will be communicated in due course

Source: Ministry of Energy
Prepared by the Communications Unit

GHANA LICENSING ROUND
PRE - QUALIFICATION

Submitted Expressions of Interest and bid for Pre-qualification

16 Companies
1 Disqualified
1 Unsuccessful
14 Advance

Have been pre-qualified and will be invited to submit bids to tender for Blocks 2, 3, & 4

For not satisfactorily meeting criteria for Pre-qualification

Having applied for the block reserved for GNPC (Block 1)

Source: Ministry of Energy
Available Acreage

Available Blocks

Block GH_WB_1
Size: 1900 sq. km
Water depth range: 0 – 100 m
Existing discoveries in block: none
Existing wells in block: 1
Available data: 2D seismic, 3D seismic, well reports and cuttings

Block GH_WB_2
Size: 1110 sq. km
Water depth range: 50 – 1100 m
Existing discoveries in block: none
Existing wells in block: 1
Available data: 2D seismic, 3D seismic, well reports and cuttings

Block GH_WB_3
Size: 1380 sq. km
Water depth range: 800 – 2800 m
Existing discoveries in block: none
Existing wells in block: 1
Available data: 2D seismic, 3D seismic, well reports and cuttings

Block GH_WB_4
Size: 1340 sq. km
Water depth range: 100 – 1700 m
Existing discoveries in block: 1 (Dzata)
Existing wells in block: 2
Available data: 2D seismic, 3D seismic, well reports and cuttings

Block GH_WB_5
Size: 1360 sq. km
Water depth range: 1600 – 4800 m
Existing discoveries in block: 1 (Dzata)
Existing wells in block: 1
Available data: 2D seismic, 3D seismic, well reports and cuttings

Block GH_WB_6
Size: 1800 sq. km
Water depth range: 2200 – 4300 m
Existing discoveries in block: none
Existing wells in block: 1 ODP site
Available data: 2D seismic
The importance of the associated benefits of a well-developed upstream petroleum industry in a nation cannot be understated. Not only does it bring in varied economic benefits to a nation such as Foreign Direct Investment (FDI), increased revenue and foreign exchange, but also offers employment opportunities to citizens. However, these benefits can be accompanied by devastating effects on human lives, properties, marine life and/or wildlife if adequate measures are not put in place to manage Health, Safety and Environmental (HSE) related issues across the value chain. To this end, one of the critical elements (which is rarely discussed) in HSE, is the ability of stakeholders to effectively manage and mitigate the impact of emergency situations when they occur. Thus, the actions taken at the initial stage of any emergency situation are crucial.

A well-planned response to an upstream petroleum industry emergency can minimise the escalation of an incident and prevent or reduce the occurrences of major incidents; and should they occur, their impacts mitigated. The recently passed Petroleum (Health, Safety and Environment) Regulations, 2017 (L.I 2258) governs upstream petroleum operations and requires Operators and stakeholders to establish systems that seek to mitigate adverse occurrences. The regulations require Operators to submit a “Safety Case” for major petroleum activities and operation of petroleum installations/facilities. The Safety Case is to document and demonstrate how the operator intends to ensure safe and prudent management of risks through systematic hazard and risk assessments.

Flowing from these stakeholder engagements, the Commission subsequently engaged the upstream operators with the view of ensuring that the emergency response plans for their respective operations were adequate and fit-for-purpose.

The first line of approach is to ensure that operators put necessary measures in place. This is to prevent or reduce the occurrences of major incidents; and should they occur, their impacts mitigated. The recently passed Petroleum (Health, Safety and Environment) Regulations, 2017 (L.I 2258) governs upstream petroleum operations and requires Operators and stakeholders to establish systems that seek to mitigate adverse occurrences. The regulations require Operators to submit a “Safety Case” for major petroleum activities and operation of petroleum installations/facilities. The Safety Case is to document and demonstrate how the operator intends to ensure safe and prudent management of risks through systematic hazard and risk assessments.

The Commission, in collaboration with the Environmental Protection Agency (EPA) and other stakeholders also updated the National Oil Spill Contingency Plan (NOSCP) which would ensure that in the event of an oil spill, which is beyond the capability of an Operator (Tier 3), the national plan is activated to manage the spill and minimise pollution.

With respect to other emergencies (aside oil spill which is covered under the NOSCP), the Commission is in the process of developing a framework for a National Emergency Response Plan to deal with all plausible emergency situations that may occur in the upstream petroleum industry.
The development of a National Emergency Response Plan process would involve the following:

a. identifying potential incidents or emergency situations (aside oil spill) that might require the support of national agencies,
b. taking stock of available emergency response resources in-country,
c. identifying possible sources of emergency response resources/equipment (if not available in-country),
d. allocating roles and responsibilities to relevant authorities/agencies,
e. establishing the structure and procedures for organisation and coordination of the various emergency activities.

The Commission will be engaging the industry and key stakeholder institutions in the coming months to finalise the framework for the National Emergency Response Plan for Ghana’s upstream petroleum industry.
The Petroleum Commission has reiterated its resolve to maintain and ensure a conflict free oil and gas industry. This was made known at an orientation for the Metropolitan, Municipal and District Chief Executives (MMDCEs) of the six coastal districts of the Western Region organised by the Community Relations Department of the Commission.

The orientation which was held in Accra was to apprise the MMDCEs of activities in the oil and gas industry.

In a welcome address, Deputy CEO of Petroleum Commission, Mr. Prince Benjamin Aboagye expressed gratitude to the MMDCEs for honouring the invitation of the Commission in recognition of the critical role they play in the offices they occupy.

He emphasised the Commission’s commitment to engaging stakeholders with a view of making them understand the nuances of the industry. According to him, such an approach to policy implementation and regulation always produces desirable outcomes. “We want you to feel part and parcel of the work we do so that together we can move the industry forward avoiding both major and minor conflicts” he said.

Director for Local Content, Mr. Kwaku Boateng indicated the Commission’s desire to ensure that stakeholders are kept abreast with relevant issues in the industry.

In a presentation, Community Relations Manager of the Petroleum Commission, Ms. Judith Blay stressed that the Commission is committed to encouraging innovative community relations programming through cross-functional partnerships among industry, government and the local communities.

The Chief Executives for Ellembele, Jomoro, Nzema East, Ahanta West and Shama respectively through the Metropolitan Chief Executive of Sekondi-Takoradi Metropolitan Assembly (STMA), Mr Anthony K.K. Sam expressed satisfaction for the courtesy shown them by the Petroleum Commission and assured that they will support the Commission in pursuit of its mandate.
The Deputy Minister for Energy In-charge of Petroleum, Dr. Mohammed Amin has lauded the Petroleum Commission for coming out with guidelines that will promote human capital development in the industry. According to him, the move will ensure local participation in terms of human resource development in the upstream sector.

He was optimistic that Oil and Gas industry having contributed to Ghana’s revenue will continue to contribute to Ghana’s GDP growth in the years ahead. The Deputy Minister made these remarks at the first Localisation Workshop for the Oil and Gas industry in Accra organised by Petroleum Commission. Organised by the Commission’s Localisation Department, under the theme “Job Creation and Human Resource Development in Ghana’s Upstream Petroleum Sector,” the workshop formed part of a series of planned workshops and conferences to educate stakeholders as well as launch and explain guidelines needed to promote human resource development in Ghana’s upstream sector.
The one-day Workshop brought together over 200 participants to roll out guidelines regarding employment in the upstream petroleum industry.

It featured technical presentations by International Oil Companies and Contractors who are key stakeholders in the oil and gas industry. These included Tullow, Modec, ENI, Yinson, Sri Emas and Technip among others.

In a presentation, the Ghana Immigration Service (GIS) explained the process of acquiring work permits and business visas to participants highlighting its legal framework. GIS also explained the partnership between the Service and the PC.

The Chief Executive Officer of the Petroleum Commission, Egbert Faibille Jnr. in his opening remarks highlighted the steps being taken by the Commission to promote compliance with local content and local participation provisions and urged all stakeholders to do what is expected of them.

“He Commission in collaboration with institutions and industry partners will facilitate technological development and skills transfer to Ghanaians through investment in research and development among others,” he stated.

He emphasised that the Commission will continue to work with institutions, major operators and contractors to maximize local content in all aspects of the petroleum value chain.

Deputy CEO of the Commission, Mr. Prince Benjamin Aboagye in his closing remark thanked participants for their contributions and urged all stakeholders to assist the Commission promote Ghana’s localisation and local content drive in the upstream industry.
The Petroleum Commission has established an Oil and Gas Press Corps in its efforts to ensure that Ghanaians are accurately informed and updated about activities in the industry. Since its establishment in 2011, the Commission has received tremendous support from the media in its public education efforts. However, misconceptions about the role of the upstream petroleum industry persist.

In a bid to clear these misconceptions and simplify some technicalities associated with the industry, the Commission organised a two-day workshop for some journalists representing 25 media houses. The workshop, the first of a planned series of media capacity building programmes, forms part of efforts to further improve the media’s understanding of the industry.

Acknowledging the media as a strategic partner in its public education efforts, in-house resource persons at the Commission, took turns to walk participants through the fundamentals of block licensing and exploration, the current energy policy, the regulatory framework and institutional capacity of the upstream sector.

Participants were also taken through the Commission’s strategies to promote local content and local participation, the indices to measure social performance, the Plan of Development (PoD) review process, status of key upstream projects and economic analysis of Ghana’s fiscal system.

Expressing their appreciation for the establishment of an Oil and Gas Press Corps, participating journalists welcomed the initiative and the opportunity to be part of the team. “I have personally been waiting for an opportunity like this to learn about key updates within the industry. I appreciate this gesture and hope that the Commission will engage us more often”, said Ekow Dontoh, a participant at the workshop.

Closing the two-day workshop, Chief Executive of the Commission, Mr. Egbert Faibille Jnr. expressed gratitude to the media for accepting the Commission’s proposal to be its partner to accurately educate the public on key issues in the industry.

“Be assured that this two-day workshop is the beginning of planned engagements that will further strengthen the working relationship between you and the Commission. We hope we can count on you to support us to manage and regulate the activities of the upstream petroleum industry”, he said.
In 2007, Ghana’s Jubilee Partners discovered oil in commercial quantities and commenced production in the Jubilee Field in 2010, with an average daily production of 110,000 bbl/d. Seven years into oil production, revenue accruing to the Ghana government was about $3.4 billion compared with an estimated revenue (2016) of $4.3 billion. However, even before production began in 2010, some critics of Ghana’s fiscal regime had been saying that the Government would have been better off financially under a Production Sharing Agreement (PSA) instead of the current fiscal regime adopted by Ghana i.e. Ghana’s Fiscal Regime.

This paper evaluates the current fiscal regime of Ghana, its advantages and shortfalls, and makes recommendations. In this regard, a comparison of government revenue received since the inception of oil production has been made with revenue that might have accrued to the government had it adopted a PSA fiscal regime. The paper also attempts to assess the validity of the claims made by critics, using the same data from the Jubilee Project and comparing the results under the terms of the PSA of Equatorial Guinea and Gabon with that of Ghana’s Fiscal Regime.

Due to limited space, the paper will be broken into three parts. Part one will give an overview of Ghana’s Fiscal Systems, part two will be on Ghana’s Fiscal Systems and the final part will compare Ghana’s Fiscal Regime with other PSAs.

The first part provides an overview of Ghana’s Fiscal System and opens up a discussion on the controversy that surrounds its adoption. It will discuss what a Fiscal Regime is, the objectives and types. Why Ghana adopted a Hybrid type of system (Royalty Tax System) instead of a Production Sharing Agreement? Part one also describes what the “Hybrid” entails and describes some of the different types of Fiscal Systems being used throughout the world.

Overview of Fiscal Regime

What is a Fiscal Regime? It is the set of laws, regulations, and agreements which govern the exploitation and production of petroleum natural resources. Generally, a fiscal regime is influenced by the macroeconomic objectives of the state; such as the attraction of investment, technology, optimum local content participation, etc.

In this regard, it is important to note that generally, the interest and objectives of the International Oil Companies (IOCs) and that of the State are different. For example, the IOCs have the maximisation of returns on investment in the shortest possible time as an important objective, whereas that of the resource owner is to obtain maximum value for the state by ensuring a longer term sustainable production plateau for its “depletable” asset. Thus, the right design of a fiscal regime will enable the host country to achieve its objectives through effective cost monitoring and tax administration while ensuring a win-win situation for both the state and the IOCs.
For the state to attain this optimum objective, complementary institutional structures, such as revenue collection agencies and the regulatory authority must be strengthened. Thus, the design of the various elements of the fiscal regime ought to be within the administrative and audit capacity of the country and they must be simple to administer, progressive, equitable, stable and market efficient.

Notwithstanding the above, there could be situations during the tenure of the contract when certain amendments to the nation’s taxation and other laws may affect the economic equilibrium of the IOC when compared with the economics under the terms of the original petroleum agreement.

Thus, stability clauses need to be introduced in the contracts to curb frequent and unpredictable changes, which could negatively affect returns on investment. These stability clauses could be either ‘freezing’ or ‘equilibrium.’

Freezing clauses hold the terms of the contract fixed throughout the contract period or for a certain period, while equilibrium clauses allow adjustment to be made to the existing contractual terms by protecting parties to the contract so that a change in circumstances does not benefit one party more than the other.

### Types of Fiscal Regimes

Traditionally, there are two main types of petroleum fiscal regimes adopted by governments to address the rights and obligations of parties to a contract. These are grouped as Concession and Contractual Regimes.

#### 1. Concession Regime

Under a Concession Regime, the IOC is awarded exclusive rights to the concession for exploration and production of oil and gas for a given period and the title to hydrocarbons passes to the investor at the wellhead.

The IOC typically pays royalties and corporate income tax in addition to other payments such as bonuses, surface rentals, special petroleum or windfall profit taxes, etc. to the state as compensation for the exploitation of the resource.

Title to or ownership of equipment and other installations permanently affixed to the ground used for exploration and production of hydrocarbons are usually transferred to the state when the contract expires or is terminated. This Regime is favoured and is popular among developed countries, including Australia, Canada and Norway.
Royalties

The royalty is levied on production volumes as ad-valorem tax. It is simple to administer and guarantees the government an upfront minimum revenue when production commences. However, it is a regressive instrument as there is a negative correlation between profits and royalty payment. Due to its regressive nature, it may lead to premature abandonment, discourages investment in marginal fields and deters additional investment in existing fields.

Given the regressive nature of royalty, sliding scale royalty rates have been introduced by some countries to mitigate the shortfalls of one high single royalty rate. The sliding scale method of royalty payment is based on factors peculiar to the field, such as water depth, production volume, well depth, the size of the reserves and crude oil quality.

Tax

Taxation on profit earned by oil and gas companies is a medium by which governments capture a share of the economic rents from the project. The taxation rate used is mostly higher for the oil and gas industry compared to the rate for other industries. There are various taxes, but common ones include income tax and windfall tax. The income tax system usually consists of a single tax rate, which is levied on the tax base after petroleum cost has been deducted.

While most countries allow the petroleum costs incurred (wholly, exclusively and necessary in the production of petroleum) to be deducted, usually expenditures incurred as petroleum cost are recovered over a period. It should be noted, however, that gold plating, transfer pricing and manipulation of thin capitalisation reduce the economic rent accruing to the state. Thus, countries may often place limits on the use of debt financing, caps on selected expenditure items and ring fence blocks to prevent tax avoidance practices.

Production Sharing Agreements:

The first PSA was drafted by the government of Indonesia in 1967 and various versions have become an acceptable pattern for petroleum exploration and exploitation agreements between host governments and private oil companies. PSA is typically favoured by developing countries including Angola, Azerbaijan, Iraq and Nigeria. The oil company finances and carries out all E&P operations and receives a certain percentage of oil or gas for cost recovery and profit share. Cost recovery limits or cost recovery ceilings typically range from 30% to 60%. Some PSAs have elements such as bonuses, royalties, corporate income tax, windfall profit taxes, etc. According to Kemp, production sharing contracts are most prevalent in developing countries as they are simple to administer and easier to monitor and control.

Service Contracts

Under a Service Contract, the IOC is paid a fee, which can be either in cash or in kind, for conducting petroleum operations. The IOC is typically not permitted to recover more than the originally agreed Front End Engineering Design (FEED) cost.

The next issue of the PC’s Newsletter will discuss the legal framework of Ghana’s Fiscal Regime and its advantages and disadvantages.
Petroleum Data - a critical element in the identification of upstream petroleum potential

Across all industries, data is an essential asset used by many institutions to evaluate options available and ultimately make informed choices/decisions. In the upstream petroleum industry, the situation is no different and may be even more relevant in an industry which relies on large data to locate, categorise, and forecast potential hydrocarbon resources and their associated commerciality.

This background underscored the organisation of the Third African Petroleum Data Management Workshop which brought together participants from five other African countries – Uganda, Kenya, Mozambique, Somalia and Sudan in Accra, Ghana.

The 3rd African Petroleum Data Management Workshop was held under the auspices of the Petroleum Commission, Ghana, with support from the Norwegian Petroleum Directorate (NPD) through the Oil for Development (OfD) Programme.

The OfD Programme was established by the Norwegian government in 2005 following several requests from countries that sought to learn from Norway’s petroleum management experience. The programme offers technical assistance to participating countries in their efforts to manage petroleum resources in a sustainable manner.
Ghana, soon after the discovery of oil, benefited from technical assistance from Norway’s OfD programme. Specifically, in 2009, Ghana received support to build a National Data Centre. This was further supplemented with some financial assistance from the World Bank in 2010 under the Oil and Gas Capacity building Project (OGCP).

Being an Africa-focused event, participants were chosen from the OfD beneficiary countries to share experiences with the aim of consolidating the African Petroleum Data Management front in the spirit of South-South co-operation.

The workshop was essentially to stimulate technical discourse that will bring to the fore the challenges participants face in their respective countries in relation to petroleum data collection, storage and management and more importantly, learn about how some major petroleum producing countries are surmounting these challenges.

The workshop also discussed on a broader scale, Resource Management issues, ongoing petroleum data management activities within an African context and regional perspectives on Data Management Capacity and competence building.

According to the Data Management Department of the Petroleum Commission and the NPD, the workshop was designed for management and technical personnel involved in Petroleum Data at the ministerial and intergovernmental agency levels. “We want to address personnel that have an impact on decisions at the management level” Mr. Gunnar Soiland of the NPD said in a media interaction.

In a welcome address to formally open the workshop, Deputy Minister for Energy in charge of Petroleum, Dr. Mohammed Amin Adam, highlighted the importance of Petroleum Data to the upstream petroleum industry, drawing participants’ attention to relevant laws of Ghana particularly, the Petroleum Commission Act, Act 821 and the Petroleum Exploration and Production Act 2016, Act 919.

These stipulate that all Exploration and Production Data belong to the state and the Petroleum Commission must operate a National Data Repository Recovery (NDR) that would receive, store and manage data assets.

The three-day workshop featured presentations by participating countries where each country shed light on its geo-political and economic landscape, petroleum activity, information management challenges, ICT challenges and support, pricing of licensed data among others.
He assumed office as the CEO of the Commission a little over a year and already made positive strides with affairs at Ghana’s Upstream Regulator. He is optimistic of expanding the Commission’s vision during his tenure. GH Upstream News caught up with Mr. Egbert Faibille Jnr, CEO of Petroleum Commission, Ghana and brings you excerpts of his interview.

Gh-UN: Well said, but you will agree with me that could be a tall order. How do you intend to achieve the PCs vision of becoming “A world class regulator”?

EFJ: I think that each of my predecessors Dr. Kwabena Donkor, Nii Adzei Akpor and Theophilus Ahwireng did their best. They all in their own way left behind a very strong Commission and I intend to make it even stronger. I will do it with a different leadership approach, different leadership skill, collective responsibilities particularly among my Directors, a lot of dynamism and most importantly making the laws that regulate the upstream petroleum sector work. I do not want to go into details, but I think that if this Commission wants to deliver on its mandate for the Government and the people of Ghana, then we need to apply our laws.

Gh-UN: On your role as the CEO of the Commission, would you say that the magnitude of this job has hit you yet?

EFJ: I am essentially a hard-working person. If you ask my associates, my private firm and people I have worked with in the media they will most likely say that when I have a task to execute I do not look left or right. I do it and ensure that it is done well. I must also thank particularly my Directors I came to meet at the PC; their level of cooperation has enhanced my work and every staff deserves to be commended. I must say that nothing has been denied me with respect to capacity to work with my own ideas. I have brought some innovations with respect to how things are done. I am very much focused on my role and I hope that by the time I leave here it will be said that I was a very good leader.
Interview with the CEO contd.

Gh-UN: Let me take you back to 2007. You recall the general feel of expectations 10 years ago in the country, following the discovery of oil and gas in commercial quantities. It seems there is a general sense of despondency over the years. Can you confidently say that we have somewhat met expectations of Ghanaians?

EFJ: So, the question is, what do the people of Ghana expect and what do our laws as a nation permit the Regulator and Government to give? I am of the view that as much as it is legitimate for the people of Ghana (stakeholders) to have such high expectations, we as owners and managers of the petroleum resource need to manage these expectations as well. We need to develop a constant engagement framework with identifiable groups with chiefs, fishermen, Parliament etc. to let them understand the structures of Petroleum Agreements that the Government has signed.

When you mention oil, everyone looks up to the accruals from the oil that has been found. Everybody’s hackles go up because they think rightly or wrongly that it means money. But money that is regulated by good governance is what will ensure that the people of Ghana benefit from the oil resource; not taking petroleum money or funds and placing it into individuals’ hands to go and spend it. We owe a duty to generations yet unborn to have some accruals. So, I will plead with all Ghanaians to lower our expectations and let us all think about Ghana and the future and not make too many demands, some of which may not even be backed by law.

Gh-UN: Again, on expectation management it appears that people are not satisfied with the progress of local content in the industry. What are your thoughts?

EFJ: I want to say that local content is an article of faith of the Commission and since I assumed office, there have been various engagements where I have insisted on L.I.2204 being made to work. In L.I.2204 lies our salvation as far as local content is concerned and I have made a pledge with the support of the Board that we will go all out with respect to L.I.2204. In the coming months you will see all kinds of initiatives to ensure that indigenous Ghanaian companies registered with the Commission are better positioned to play key roles in the oil and gas industry.

Gh-UN: On your words of encouragement to our stakeholders, some have said that Petroleum Commission hasn’t been the regulatory body it should be and many haven’t believed in our vision of becoming “A world class regulator” on that front. What can you say to encourage both staff and stakeholders?

EFJ: I will disagree with anyone who says the Petroleum Commission hasn’t done well, I think that the Petroleum Commission has done well even within its limitations, I blame a certain lack of understanding on the part of our stakeholders. A lot of people think that because there is a concept of local content and just because one owns a company it automatically means one must win a contract. Companies need to understand that there are international giants in the industry which have their own strictures that they follow.

It is that niche and strictures that the local companies must understand and strive to attain in order to be competitive in the industry and the Petroleum Commission needs to facilitate that process of understanding. The Board has looked at this recently and so we are going to hold a number of seminars especially in the area of procurement. We will bring the industry together and map out the procurement processes and the standards that we want companies to meet. So that by the time we all leave these seminars we will be on the same page as to what is expected from both sides – such as bidding procedures and processes etc.

Gh-UN: Let’s move away from your role as the CEO of the Commission and give us peak into how your typical day looks?

EFJ: My typical day starts at about 4:30am by which time I am awake, I read my Bible, have my quiet time, say my prayers and then sometimes have my breakfast or not depending on how I feel, after which I set off to work. At the office, I look at what is in my in-tray, have meetings with my Directors and other staff on critical issues. Sometimes I need to report at the Ministry of Energy with respect to the Commission’s key activities. It’s really a busy schedule but I try to do all that within a reasonable turnaround time so that what is expected from my
office is cascaded for people to activate their mandates and deliver on their roles for Ghana.

**Gh-UN:** I was trying to draw you away from the Commission but it looks like the Commission takes a lot of your time (laughs). Can you give us insight about how your weekends are?

**EFJ:** (laughs) On weekends I relax, I go out with friends, I visit people and others also visit. Also, I like to read a lot, so often, I am locked up during the early part of Saturday mornings reading and that is where I catch up on magazines like Newsweek, The Economist, and all kinds of magazines and any good material I can lay my hands on.

**Gh-UN:** Did you always aspire to be a journalist and a lawyer; was that always your passion?

**EFJ:** When I was growing up I had this mentality that in this life one has to make a case for everything he/she deserves, so even freedom we had to fight for freedom as a nation and so I took my history lessons in preparatory school very seriously. I found out that the struggle for Ghana’s independence involved a lot of people who were lawyers and journalists. So, you can name Dr. J.B Danquah, Attoh Ahoma, Dr. F.V. Nanka Bruce who was a medical doctor but owned a newspaper and several others who were running newspapers and were also lawyers. As a result, I said to myself “this is the way to go”. I knew where I was going as early as about class two or three in preparatory school, because the teachers used to tell us stories about these great men who led the fight for Ghana’s independence and nationhood from the British and I was like “this is the route to go” and that is how come I ended up as a journalist and eventually a lawyer, I like advocacy.

**Gh-UN:** Over the years practicing as a lawyer and journalist is there any remarkable or unforgettable experience you will like to share with us?

**EFJ:** Well a lot

**Gh-UN:** Can you share anyone that stands out in particular?

**EFJ:** About four to five years ago I was sitting in court and there was this woman who had come from prison to pursue an appeal. She had been convicted by a Cape Coast Circuit Court and the reason was that she took money from some traders to supply them with salted fish locally known as “kako” from Nigeria and later gave the money to a man who promised to supply her with the “kako” from the Gambia at a cheaper price; but the gentleman ended up not supplying the “kako” so both of them were arrested by the Police and sent to Cape Coast Circuit Court. The lady was the first accused on the charge sheet and the gentleman was the second accused. The Police told her that when she is asked in court whether she is guilty or not guilty of the charges, she should plead guilty. So, when she was asked at the court whether she is guilty or not guilty she pleaded guilty on about nine counts—the money involved was about GH¢30,000.

Immediately, the Judge convicted and jailed her for the offence of fictitious trading and she was sent to the Nsawam Prison. When she was going to prison she had a one-year old child strapped at her back. Ironically, on the same charge sheet, the gentleman she gave the money to had been charged with defrauding the woman by false pretences but because he had pleaded not guilty. Sadly, any time the case was called she could not be brought to court by the police as a prosecution witness to testify against the man. Eventually he was discharge and granted bail. When I found out the facts, I opted to take up the case for free. I did it and the trial Judge found wisdom in what I was saying and freed her. She still calls me every now and then to say thank you.

**Gh-UN:** That’s inspiring…and a good note to end this interview… Before that, can you tell us about three key personalities you would like to meet and why?
Interview with the CEO contd.

EFJ: I want to meet Barack Obama not because he was once the President of the United States, but for his advocacy, manner of speech and convictions. I also want to meet Julius Malema of the Economic Freedom Party of South Africa and one-time ANC youth leader. I am just fascinated by his understanding of matters and some of his positions. And the last person I would like to meet is Mariama Issah from Nigeria. I have read about her and I think she is really a beacon for African women with the height she has attained.

Gh-UN: I cannot end this interview without asking which football team is your favourite and if you play football yourself?

EFJ: I am a very good footballer or used to be and I have a number of football teams I support. In Ghana, Accra Hearts of Oak, (I am a Phobian), in England, Chelsea, Spain, Real Madrid and in Germany, Bayern Munich.

Gh-UN: Thank you for your time.

EFJ: My pleasure
In line with efforts to promote Ghana as one of the preferred destinations for upstream petroleum investments on the continent, the Petroleum Commission in partnership with the Scottish Development International (SDI), UK Ghana Chamber of Commerce (UKGCC) and Norwegian Energy Partners (NORWEP) respectively organised two Trade Missions to Scotland and Norway last year. These Trade Missions are part of efforts to create strategic platforms for Indigenous Ghanaian Companies to sharpen and improve upon their upstream operations in key areas such as Front-End Engineering Design (FEED), fabrication, construction, technological solutions and other detailed engineering designs for the upstream industry.

This is to ensure indigenous Ghanaian companies relate with companies from more matured jurisdictions with rich oil and gas experience such as Scotland and Norway; eventually leading to the formation of potential strategic and joint venture partnerships with their foreign counterparts.

Over 70 Petroleum Commission registered companies participated in both Trade Missions hosted by 30 and 40 Scottish and Norwegian companies respectively. The companies participated in corporate and networking events including business seminars, ‘speed networking’ events to pitch their services to their foreign counterparts and a tour of selected company facilities.
Aberdeen Trade Mission

Aberdeen, known to be home to some of the world’s leading oil and gas service companies and often referred to as the centre for offshore solutions in Europe was an apt choice for Ghana’s maiden upstream petroleum Trade Mission. Aberdeen has an established oil and gas industry that has provided numerous services for oilfield services across the globe. This presents an opportunity for companies from emerging oil and gas producing countries to build the needed capacity and strategic partnerships for effective development for Ghana’s upstream petroleum sector.

The five-day event in Aberdeen, according to the Chief Executive Officer of the Petroleum Commission, Mr. Egbert Faibille Jnr is in fulfilment of the Commission’s mandate under L.I.2204 to promote Ghanaian participation in the upstream petroleum industry. He urged the delegates to seize the opportunity to build business alliances that would
ultimately benefit their enterprises. The Trade Mission was supported by SDI and the UKGCC.

Targeting the 2018 ONS Conference and Exhibition which brought together over 60,000 visitors and 1,200 exhibitors under one roof, the Commission in partnership with NORWEP created a unique platform for business to business engagements between Ghanaian and Norwegian companies.

The Stavanger Trade Mission was organised in the wake of the recent approval by Ghanaian authorities of Aker Energy’s takeover of HESS’s stake in the DWTCP Block as the Operator. The rationale was to position Ghanaian companies to explore partnership opportunities ahead of the appraisal and development of the DWTCP Block.

Dr. Gulbrand Wangen, Director, Africa Midstream, NORWEP stated that the Ghanaian delegation is the largest delegation in 20 years to have worked with the NORWEP, adding that it is a potential for a great collaboration between Ghana and Norway.

“35 companies have already expressed interest in working in Ghana and 25 of them held meetings with some of the delegates during the B2B meetings and NORWEP is ready to support in this regard”, he said.

He expressed his confidence in the relationship between Ghana and Norway adding that NORWEP would support and promote local content and local participation in Ghana’s oil and gas industry.
The OCTP ORF Project at Atuabo

By Fiifi Otoo & Josephine Essien

Located at Sanzule, about 10 km east of the Ghana National Gas Company’s (GNGC) Processing Plant near Atuabo in the Western Region is Ghana’s first Onshore Receiving Facility (ORF). The ORF has the capacity to process a total of 405 million standard cubic feet of gas from both the OCTP field and the Gas Processing Plant (GPP).

The ORF will receive gas from the Offshore Cape-Three Points (OCTP) Field and gas processed from the GPP by Ghana National Gas Company. The two streams would be combined (co-mingled) and then compressed for export through the existing Ghana National Gas Company (GNGC) pipeline for delivery to power national thermal plants in the Aboadze and later on Tema/Kpong enclaves. Non-Associated Gas (NAG) produced from the OCTP field will be transported through a 63 km long subsea pipeline from the FPSO to the onshore facility at Sanzule.

The development of the Sankofa and Gye Nyame gas fields, which is located within the OCTP block will provide domestic gas supply to national thermal power plants for more than 15 years. This will serve as the pillar for enhancing Ghana’s balance of payments and powering the growth of the economy by helping to address the energy requirements in both urban and rural areas.

The main structures at ORF consist of a compression station, accommodation camp, firefighting station, vent system and a 20-inch pipeline tie-in to the existing GNGC sales gas pipeline.

The facility will receive and compress gas from the OCTP field and GNGC plant to the required ‘export pressure’ through the existing GNGC pipeline from Atuabo to Aboadze for onward delivery to the thermal power producing plants.

Operations
The ORF has been designed for three operating modes:

I. Initial operation: - ORF compresses 190 MMscfd from FPSO and 130 MMscfd from GNGC

II. Design case: - ORF compresses 202.5 MMscfd from FPSO and 202.5 MMscfd form GNGC

III. Future case: - ORF compresses 320 MMscfd from FPSO and 85 MMscfd from GNGC

For gas compression of 300 MMscfd, 140 MMSCFD will be consumed by the Western Gas Generation facilities and the remaining 160 MMscfd to be transported to the Eastern Gas Generation Facilities in Tema through the WAPCo pipeline.

To ensure that final gas meets export and sales requirement, gas from both streams will go through compression and metering components located at the ORF.
There are three compressor trains: Trains 1, 2 & 3. Two out of the three trains have two stages of compression. Each of the compressors has various components for its operations.

Trains 1 & 2 consist of two stages (first and second stages) of compression and their purpose is to compress gas arriving from the FPSO John Agyekum Kufuor. Train 3 has one stage of compression for gas from GNGC plant. Train 2 can also compress gas from GNGC through the second stage in case of unavailability of Compressor Train 3.

For the two stage compressors, gas is compressed from 38 barg to 65 barg (1st stage compression) and finally to 103 barg (2nd stage compression). GNGC gas is compressed from 43.5 barg to 103 barg. OCTP and GNGC fuel gas are tapped after 1st stage compression and inlet of GNGC line respectively for turbine and power generation. Discharge coolers are used to reduce the temperature of the compressed gas after each stage and Knock-Out (KO) drums to reduce the liquid content of the compressed gas.
There are four metering skids and analysers on the ORF:

I. sales gas metering skids and analysers for OCTP
II. sales gas metering skids and analysers for GNGC
III. fuel gas metering skids and analysers for OCTP
IV. fuel gas metering skids and analysers for GNGC

GNGC and OCTP compressed gas are then exported from the ORF through the GNGC and OCTP Sales Gas Metering Skid respectively. GNGC and OCTP fuel gas are metered by the GNGC and OCTP fuel gas metering skid respectively.

There is a vent system which provides for the safe disposal of hydrocarbon fluids (gases and liquids) from pressure safety devices and blowdown valves during process upsets, emergencies, blowdown, maintenance activities and shutdown conditions.

The Vent Stack includes a water seal to exclude oxygen from the vent headers and nitrogen flushing within the header system. Though, the facility will only undertake cold venting, it is instructive to note that the design of the vent system took into account the health and safety of personnel within the facility, communities within the operational zone as well as safeguarding the environment.

The OCTP Field is located approximately 60 km offshore Ghana’s west coast, holding approximately 41 billion cubic meters of Non-Associated Gas (NAG). ENI Ghana Exploration and Production Limited is the Operator of the OCTP Block with Vitol Upstream Ghana and Ghana National Petroleum Cooperation (GNPC) as partners.
A nine-member Audit Committee has been inaugurated in Accra with the mandate to ensure effective corporate governance through efficient internal control mechanisms and to generally steer the auditing affairs of the Petroleum Commission.

According to the Chief Executive Officer, Mr. Egbert Faibille Jnr., inauguration of the Committee serves as an assurance of the Board and Management of the Commission to ensure the proper administration of public funds. “With the inauguration of this Committee, we are confident that we can work together as a team to ensure the efficient and effective use of public funds in line with global trends in accounting and in compliance with the Public Financial Act, Act 921,” he said.

The Chairman elect of the Audit Committee of the Commission and Member of the Institute of Chartered Accountants, Mr. Yaw Nimo Baffour indicated that the Committee has been established to augment the good works that the Commission has begun; to strengthen corporate governance and internal controls at the Commission.

“The Committee was not established to witch-hunt but is here to serve its purpose as in section 88, sub section 1 & 2 of Act 921. “We would work with the necessary professionalism that we need bring to bear”, he said.

The Director General of the Internal Audit Agency (IAA), Ransford Agyei, who officiated the ceremony tasked the members to lead, direct and ensure that the Petroleum Commission has a well-structured risk management operating procedure by establishing a corporate risk register. “You should open what we call a Risk Register to document all the risks that you face at the divisional levels and analyse them as to the impact and whether it is likely to happen or occur. When that is done, you must open a Petroleum Commission Risk Register wherein you estimate all the risks that have been identified to that level and try as much as possible to generate solutions to first prevent those risks from crystalising,” he advised.

The Commission’s Audit Committee is the first in the history of the institution. Members of the Committee include two members of the IAA-Mr. Usman Abdul Razak and Isaac Amartey; two Board Members of the Petroleum Commission, Hon. Mohammed Hardi Tufeyru and Hon. Mahami Salifu. The rest are the CEO of the Commission Mr. Egbert Faibille Jnr., Deputy CEO of the Commission, Mr. Prince Benjamin Aboagye; Director of Finance Petroleum Commission, Mr. Vincent Yankey and Internal Audit Manager, Mr. Richard Anane who are all co-opted members.
Potential investors looking for opportunities in the country’s upstream petroleum industry can now access the results of a study which gives detailed and clearer information on reservoirs and seals in Ghana’s offshore sedimentary basins. A regional reservoirs and seals study undertaken by the Petroleum Commission (PC) in collaboration with Core Laboratories, UK has revealed that oil and gas exploration along the country’s basins have seen an upsurge.

Addressing a workshop on the final presentation of the study, the Director, Operations of the Petroleum Commission, Mr. Francis Ackah, said the study presented a regional geological evaluation of reservoirs, source rocks, hydrocarbon fluids and potential seal from the Equatorial Atlantic transform margin basins of Ghana.

“The study was sanctioned to provide further understanding of the challenges with seals presence and efficiency within the marginal sedimentary basins, especially within campanian targets in the Jubilee and TEN Fields,” he said.
Firoze Din, Vice President of Integrated Reservoir Solutions, Core Laboratories added that the study was to assist with understanding the production challenges encountered in some fields including fines migrations and scale formation which resulted in lower than expected production rates from reservoirs.

“The analysis was also to provide sedimentological description and interpretation of depositional facies and environments for the entire study sections, in both the cored and uncored intervals, integrating detailed lithological descriptions and interpretation of wireline logs,” he said.

Pursuant to Section 3(g) of the Petroleum Commission Act, 2011 (Act 821), the Commission is mandated to receive and store petroleum data and manage the National Petroleum Repository and at the request of the Minister for Energy undertake reconnaissance exploration including data acquisition.

In the agreement between the Commission and Core Laboratories, the Commission and the nation stands to derive from the study a systematic, interpretative geological and petrophysical database from archive rock material; a world class protected systematic data archival and retrieval database in Ghana for future generations.

Representatives of various International Oil Companies (IOCs) including ExxonMobil, Total, Hunt Oil and Murphy Petroleum; all of whom have signed on to the study, were in attendance. Other participants were AGM Petroleum, Tullow Oil and EcoAtlantic Oil and Gas.
The annual Local Content Conference and Exhibition for the nation’s upstream oil and gas industry organised by the Petroleum Commission ended in Takoradi in November last year. The three-day conference, brought together over 600 participants to discuss the achievements and challenges during the five-year local content journey in the upstream petroleum industry.

Following the passage of the Petroleum Local Content and Local Participation Regulations in 2013 (L.I. 2204) and after five years of implementation of the law, it seemed only prudent to take stock of collective performances by all industry players to assess progress and gaps regarding the promotion of local content and local participation in the industry.

Given that the event was also aimed at promoting local content and participation, the Commission introduced an additional feature—dedicating the third day of the conference to a Procurement Workshop. The workshop was to enable local companies receive first-hand information about 2019 procurement plans and upcoming tenders from major international companies. This is to ensure that indigenous companies are adequately prepared to bid for and win contracts in the industry.
In line with its vision to ensure a conflict free Oil and Gas industry, the Petroleum Commission held its Annual Engagement with the Western Regional House of Chiefs in December last year. The workshop which was held in Takoradi was aimed at providing the traditional leaders with updates on the upstream petroleum sector relating to completed and ongoing activities and to create a platform for the House to share their concerns with the Commission.

In his welcome address, the Chief Executive Officer of the Commission, Mr. Egbert Faibille Jnr stated the Commission’s resolve to ensure an enduring partnership with the Regional House of Chiefs and other stakeholders in the Western Region is in the interest of both parties.

“For this partnership to be sustained and yield positive results, it would require our institutions to work together on trust, openness, engagement, participation and accountability,” he said.

Presentations on the current updates in the Upstream sector, Report on the Petroleum Commission-Western Regional House of Chiefs (PC-WRHC) Working Group and safety implications of the fishing incursion were made by Directors of the Commission with representation by Dr. Patrick Ofori, Manager, Sustainability of the Ghana National Petroleum Corporation (GNPC).

Ms. Judith Blay, the Commission’s Community Relations Manager, gave a report on Upstream Petroleum Industry’s Social Investments (SI) projects that have been undertaken in the Region.

“The Commission is very involved in the supervision of Corporate Social Initiatives (CSI) projects undertaken by IOCs. The Commission requires companies to interact with the communities to identify their needs before embarking on a CSI project. Beyond this, there is also an evaluation stage where the
The Petroleum Commission has relocated its Western Region office from New Amanful to Airport Ridge. The new office will seat a larger number of staff to serve the needs of stakeholders in the Region and serve as a first point of call in addressing issues within the sector in the Region before referral to the head office in Accra.

Mr. Alfred Ayah, the Western Region Manager will supervise all operations at the new office. The opening of an office in the Western Region is in fulfillment of the Petroleum Commission Act, 2011 (Act 821) which enjoins the Commission to open an operational office in any region where petroleum is found in commercial quantities.

The office is located at Plot No. 62, Wilson Avenue, Takoradi about two minutes’ drive from the Kwesimintsim Police Station at Airport Ridge.
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