



CENTURION

Lawyers and Business Advisors

GHANA
SPOTLIGHT

www.centurionlg.com

GHANA

IN NUMBERS



Proven oil reserves : 5 – 7bn barrels
6th largest proven reserves in Africa.



Oil Production: 195,000 bpd



Exploration Blocks: 2019 Bidding round
Blocks 2, 3, 4 (Competitive bidding)
Blocks 5, 6 (Direct negotiations)

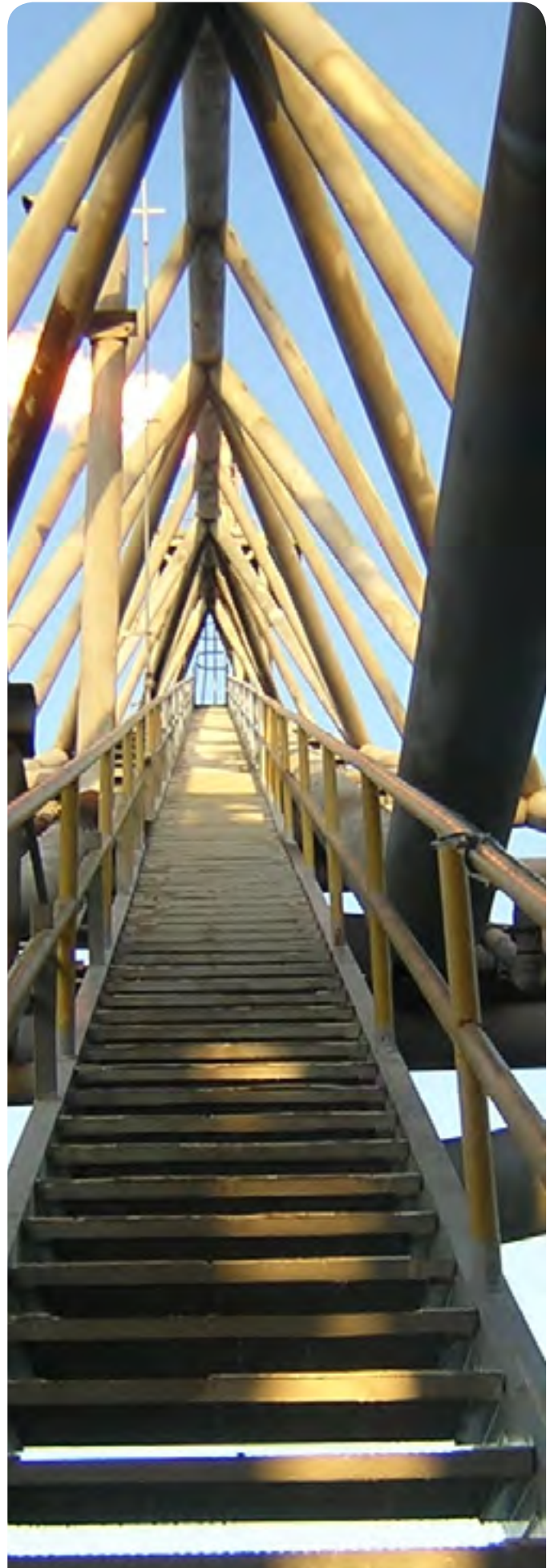


Refineries:

Tema Oil Refinery – 45,000 bbl/d
Platon Oil & Gas – 3,000-5,000 bbl/d



Major players include: Kosmos Energy
Eni, Tullow Oil, Aker Energy, Vitol, ExxonMobil and
Anadarko Petroleum Corporation



OVERVIEW:

In less than a decade, Ghana went from producing no oil to becoming sub-Saharan Africa's fourth largest oil producer. The country's oil and gas industry has seen a significant increase, especially in the country's production capabilities, moving from 1,400 bbl/d in 2009/10 to 214,000 bbl/d in 2019, with current production averaging approximately 195,000 bopd. The Ministry of Energy has noted its intent to increase exploration by increasing the number of bidding rounds in the coming years. The Ghana oil and gas industry, although smaller in scale in comparison to its West African neighbors, is regarded as one of the most advanced, transparent and well-regulated industries in Africa. Ghana's regulatory environment has evolved over the past decade, with the Petroleum Commission Act of 2011 establishing a Petroleum Commission to regulate all upstream petroleum activities, and the Petroleum Exploration and Production Act of 2016 establishing Hybrid Petroleum Agreements and stipulating an open and competitive tender process for acquisition of petroleum licenses in a bid to increase market transparency. To date, all petroleum agreements in Ghana have been granted through direct negotiation.

Downstream, deregulation of industry in 2005 led to a deep transformation of the market, which included 132 oil marketing and 29 import companies in 2014, up from only 81 marketing companies and 9 import companies in 2010. Ghana consumes about 3.5MMT of petroleum products a year (2016) and supplies neighboring markets such as Burkina Faso, Togo and Cote d'Ivoire. Its 45,000 bpd refinery, built in 1963, does not process domestically produced crude oil.

The local content regulation gives Ghanaian companies priority in the tender process and requires the employment of local workers, if available. In November 2017, Ghana established the (AOGC) with the intent to enhance Ghanaians' abilities to work in the oil and gas sector. The program will be in effect for five years and aims to train individuals in various technical and vocational areas, build the capacity of educational institutions to train students and provide internationally recognized training certificates, provide business and management training for SMEs and ensure the continuous professional development of the employees of various public institutions connected to the oil and gas industry.

REGULATIONS

- The Petroleum (Exploration and Production) Act 2016
- The Petroleum Income Tax Law 1987
- The Petroleum Commission Act 2011
- The Petroleum Commission (Fees and Charges) Regulation 2015
- The Petroleum (Local Content and Local Participation) Regulations 2013
- The Petroleum Revenue Management (Amendment) Act 2015



HOW CAN WE HELP YOU?

Exploration is also increasing, with the signing of a deal with ExxonMobil in early 2018 to explore the Deepwater Cape Three Points Block, and with an ongoing bidding round that was announced on October 15th 2018 by President Nana Addo Dankwa Akufo-Addo. Major bidders include Tullow Ghana Limited, Total, Eni Ghana, Vitol, Kosmos Energy, Aker Energy and the China National Offshore Oil Corporation. Others include Cairn Energy, Qata Petroleum, the Global Petroleum Group, First E&P, Sasol, Equinox and the Harmony Oil and Gas Corporation.

Production is expected to increase to 420,000 bpd by 2023 once Aker's fields come onstream in 2020-2021 from the Deepwater Tano Cape Three points block. The country's output could even reach the half a million barrels a day threshold by 2025.

CONTACT US TODAY

Glenda Irvine-Smith

Director of Business Development
and International Relations

glenda.irvine-smith@centurionlg.com



BRING YOUR **A**-GAME IF YOUR **A**-GAME IS AFRICA

Centurion Law Group is a **pan-African corporate law conglomerate**, with a specialised focus on cross-border business and energy law. We are a stand out firm for investors that are starting a new business or looking to expand their footprint across **Africa**.

We provide a full-scope **legal, tax, government relations and management advice for clients and regular advice** on some of the most complex and market-first deals.



CENTURION
Lawyers and Business Advisors

Suite 24 Katherine & West 114 West Street Sandton, Johannesburg +27 11 245 5900

centurionlg.com