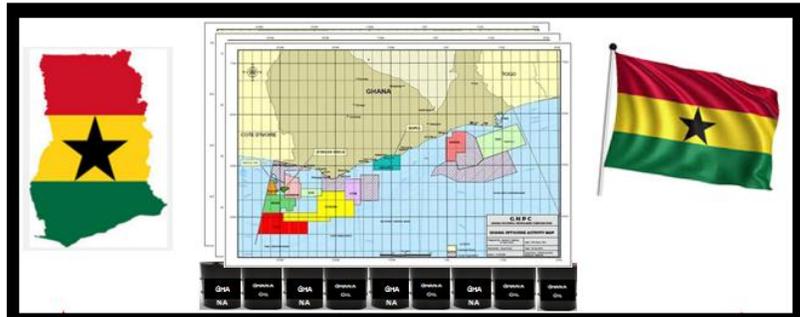


Petroleum Commission's "Overview: Ghana's Oil and Gas Fiscal Regime"



The FTOS-Ghana (FTOS-Gh) Petition/Campaign Perspective (Part 1)

We, of the Fair-Trade Oil Share-Ghana (FTOS-Gh/PSA) Petition/Campaign, including GIGS, with the sole mission of ensuring Ghana receives a fairer share of its oil revenues, have reviewed the PowerPoint presentation titled, "Overview: Ghana's Oil and Gas Fiscal Regime: Clarification Meeting with Parliament". Dated 20th February, 2016, the document was issued by the staff of the Ghana Petroleum Commission. That document was a point of discussion at a meeting held at Ada, Greater Accra Region, 20 Feb 16.

(Find copy at http://ghanahero.com/FTOS_GH_Campaign.html).

1. GIGS and the FTOS-Gh/PSA Petition/Campaign Team are grateful to the Parliamentary Committee on Energy for the invitation to listen in to the presentation by the Staff of the Petroleum Commission, and to make yet another pitch for adoption of the PSA for Ghana's Oil and Gas.
2. Even so, we recognize that it is still the responsibility of Government of Ghana and its officials, politicians and bureaucrats, to ensure all perspectives are fully heard and documented not only for Ghanaians, but as well, for all funding partners and sponsors including those spearheading the "revenue management" initiatives.

3. As some others who attended the meeting at Ada, we left more confused as ever about what the staff of the Petroleum Commission were intending to communicate given that they did not present actual oil production and sales data even though they have had more than 1 year to prepare. We see the difficulties not only as the result of communications and analytical failures, but also persistence in validating actions taking in the past that did not adequately protect the interest of Ghana, and belief by certain bureaucrats that they can build a mouse trap that is better than the World Standard.

4. As a result of these failures, here are "12 Jubilee Oil Barrel (JOB) Questions" for the Ghana Petroleum Commission and their Staff:

1. What does "Sovereign Control", the basic characteristic of the PSA, mean to you, and how does it relate to "Accountability" and "Transparency", and all the important things you do at the Petroleum Commission?
2. How much in total did Government of Ghana/GNPC pay to the oil companies during 2010-2015, for oil "development and production costs"?
3. What is the total revenue paid to Government of Ghana/GNPC regardless of source (royalty, tax, oil, etc.)?
4. What is the total revenue kept by the Oil Companies as profit, after exploration and production costs were deducted?
5. What is the total Oil Companies exploration and production costs considered Petroleum Commission (and the GNPC)? (Is it still \$8.9 billion?)
6. How many barrels of Oil were lifted at Jubilee during that period?
7. Why is GNPC paying for oil "development and production cost" when the Petroleum Commission admits Ghana does not have enough money to train sufficient number of engineers, accountants, and oil and gas professionals, when those payments are not required under the PSA?
8. Knowing that Tullow is based in the UK, and Kosmos is based in the US, how is the Petroleum Commission (and their staff) neutral parties when (1) the Ghana Petroleum Commission is being funded by UK's DFID in the amount of £1,900,000 (USD 2,650,000, and DFID has thus far paid at least

£22,000 (USD 30,5000) to the Ghana Petroleum Commission, and (2) Ghana is the sovereign owner of the oil.

9. Why and how can Ghanaians trust that the Petroleum Commission and its politician-benefactors, given the conflict(s) of interest, can, and will in fact fight for a Fair-Share of Oil and Gas revenues for Ghana directly from Tullow and Kosmos, a Fair-Trade Oil share that would also allow those Oil Companies to "Take" their fair/economic share, in profit?

10. Even if "Government Take" was 50% (which is doubtful because the Commission Staff also did not present any numbers proving that), what is wrong with a "Take" of 69.3% (Louisiana, USA) or a "Take" of 89.4 (Malaysia)?

11. Why are "accountability" and "transparency" so unimportant to Petroleum Commission staff that the 48-page PowerPoint presentation neglected to address those sovereign, democratic values and principles?

12. If some Ghanaians are smart enough to develop for Ghana, Ghana own "Type of Petroleum Fiscal System - The Hybrid System", the World Standard PSA for Ghana's Oil and Gas be damned, how is it that Ghana does not now have Team(s) of "highly professional negotiators", which the Commission Staff proposes is a "Main Disadvantages" of the Government of Ghana? (Relatedly, does the Staff seriously think there are no other, better, or more "professional negotiators" outside the Petroleum Commission who can be of service to Ghana at low cost, even pro bono?).

5. THEREFORE, in the absence of full and complete answers to those 12 basic and essential questions, given the low price of oil currently in the world market, and failure to adopt the World Standard Oil and Gas Fiscal System (PSA) that will better protect Sovereign Ghana, maybe it is time Ghana stopped the development, production, and sales of Ghana's oil until the Mahama-NDC administration causes:

(1) Answers to our 12-JOB questions truthfully, completely, and timely, in a Fair-Trade Oil Share-Ghana (FTOS-Gh) fashion

(2) Introduction of "Transparency", "Accountability", and "Sovereign Control" as bedrock "Oil and Gas Development and Production" principles to better achieve for Ghana Total, Full Maximum Benefits (TFMB), in pursuance of Ghana's development goals and objectives.

(3) By directive, immediate adoption by Ghana of the World Standard Production Sharing Agreement (PSA) as the preferred form of contract for all of Ghana's Oil and Gas resources, without any adulterations, in the interest of Fair Trade/Fair Share Oil.

NOTE: This call to cease development, production, and sales of Ghana' oil until the 3 specified conditions are met, is also provided as an update to all those who have already signed, contributed, and/or are otherwise supporting the Fair-Trade Oil Share Ghana (FTOS-Gh/PSA) Petition/Campaign for Ghana's Oil and Gas.

(In Part II, we will provide our perspective on other matters referenced in the Petroleum Commission Power Point presentation, "Overview: Ghana's Oil and Gas Fiscal Regime: Clarification Meeting with Parliament", dated, 20 Feb 16).

GhanaHero.Com Interest Items:

1. Fair-Trade Oil Share-Ghana (FTOS-GH/PSA Petition/Campaign):
Read about it, join it, sign it: <https://www.change.org/p/ghana-fair-trade-oil-share-psa-campaign-ftos-gh-psa>).
2. http://www.GhanaHero.Com/FTOS_Gh_Campaign for more information.
(Join the action! Read mo! Listen mo! See mo! Reflect mo!).

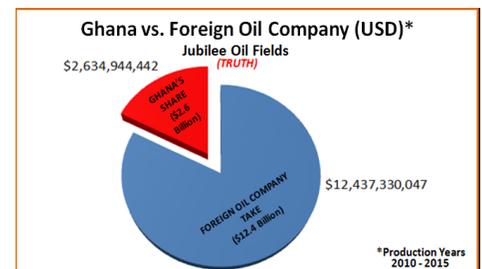
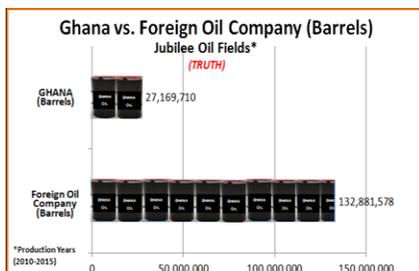
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Prof Lungu is based in Washington DC, USA.

Subj: Petroleum Commission's Overview - Ghana's Oil and Gas Fiscal Regime -
The FTOS-Gh Petition_Campaign Perspective(1)

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Fair-Trade Oil Share – Ghana (FTOS-Gh)