



CENTRE FOR NATURAL RESOURCES AND ENVIRONMENTAL MANAGEMENT (CNREM)

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SEVEN YEARS OF OIL PRODUCTION IN GHANA- INDEPENDENT REPORT

Seven years of oil production in Ghana has successfully come to an end and Ghanaians as Sovereign owners of the oil resources have every democratic right to know what has transpired over the period.

The Fair Trade Oil share-PSA/Campaign Team in Ghana now operating under the banner of Centre for Natural Resources and Environmental Management has the pleasure to present their Independent operations Results of the commercial oil production in Ghana over the seven years.

Our Independent Report is an analysis of amounts as reported in the Petroleum Receipts and Distribution Reports released quarterly by the Ministry of Finance from 2011-2017. However our analysis is limited to operational results of the core product, the volume of oil extracted and distributed between Ghana and the Contractor Parties for export and Corporate taxes paid so far by the Contractor Parties. Other incomes such surface rentals in the reports have not been taken into account because they are totally insignificant to our debate. Also proceeds from Gas are scanty in the Quarterly Reports, therefore we are unable to make an adequate assessment on the Gas produced.

Below are Summary of tables of our findings.

A

Table of Volume of Oil Extracted 2010-2017

	Barrels	Value US\$
Jubilee Field	219,486,549	18,307,592,538
Ten	19,255,830	1,134,166,072
Sankofa	996,383	45,408,162
	<u>239,738,762</u>	<u>19,487,166,772</u>

B

Allocation to Ghana

	Barrels	US\$
Jubilee	39,624,879	3,305,150,782
Ten	4,027,452	198,666,094
Sankofa	-	-

Sub Total	<u>43,652,331</u>	<u>3,503,816,876</u>
Taxes Paid to date		<u>523,304,893</u>
Total		<u>4,027,121,769</u>
C		
Contractor Parties	<u>196,086,431</u>	<u>15,460,045,003</u>

Table A shows that a total of 239,738,762 barrels of oil worth US\$ 19,487,166,772 were extracted and exported by 31st December, 2017 from the three fields currently in operations.

Table B shows the total allocation to Ghanaians the sovereign owners was 43,652,331 barrels of oil worth US\$ 3,503,816,876 representing 17.90% of the total production revenue. However, if Corporate taxes paid by the Contractor Parties per our findings are added, Ghana earned US\$ 4,027,121,769 representing 21% of total production revenue from crude oil.

The contractor Parties earned 196,086,431 worth US\$ 15,460,045,003 representing 71% of total production revenue from crude oil. Earnings from Gas by Contractor Parties are difficult to come by.

However, Gas proceeds earned by Ghana were reported in the 4th Quarter of 2015 and 1st Quarter of 2016 Reports totaling US\$ 9,856,621. If added to the revenue from the crude oil and taxes, Ghana earned a total of US\$ 4,036,978,390 per our findings from both crude oil and Gas.

If Ghana had adopted Production sharing Agreement currently the World standard and equitable and fair fiscal regime which PNDC Law 84 supported Ghana would have earned US\$ 11,692,300,063 at little or no cost to Ghana.

In the meantime the Contractor Parties have under paid Ghana a total of US\$ 902.45 million in Royalties and Corporate Taxes over the last six years under the Royalty Tax/Hybrid System which is acclaimed to be better and superior to Production Sharing Agreement by our political leaders.

The under payment matter is currently before the Council of State and the Commissioner General of the Ghana Revenue Authority and Ghanaians are waiting eagerly to see how they deal with this important national issues which borders on our economic survival and stability.



By Solomon Kwawukume

Executive Director

CNREM