



# MINORITY CAUCUS

## Parliament House - Accra (Ghana)



*In case of reply, the number and date of this letter should be quoted.*

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FOR IMMEDIATE RELEASE

### MINORITY IN PARLIAMENT REACTS TO INTENDED DIVESTMENT OF GHANA'S STAKE IN JUBILEE OIL HOLDINGS LIMITED TO THE PETROLEUM OIL AND GAS CORPORATION OF SOUTH AFRICA (PetroSA)

The issue of the divestment of part of Ghana's stake in the Jubilee Oil Holdings Limited (JOHL) has been a matter of intense discussions in the media these past few days. The Minority in Parliament has observed various exchanges among key government functionaries, notably the Energy Minister, and Board Chairman of the GNPC and hereby wish to make clear our position on this important subject.

It has been alleged by the Minister of Energy, Hon. Dr. Matthew Opoku Prempeh that GNPC under the Chairmanship of Mr. Freddie Blay is working on a transaction to relinquish about 50% of the shares of JOHL to PetroSA, the state-owned oil company of South Africa.

This action sounds at odds with the value of the JOHL assets to the State and does not advance the interest of the Ghanaian people. We therefore call on the GNPC to give a clear and urgent explanation of the situation and what the thinking behind the happenings is. As a matter of fact, the Minority will upon the resumption of Parliament file an urgent question for a clarification of this whole saga.

However, of far more greater concern to us in the Minority is the manner in which the JOHL assets are held and managed. The JOHL assets were acquired by the Republic of Ghana and thus belong to the people of Ghana. The late President John Evans Atta Mills, may he rest in peace, enacted the Petroleum Revenue Management Act, 2011 (Act 815) which provided regulation over how revenue from Ghana's oil and gas resources are to be managed.

As required by the Act, Revenues from the assets are accrued to or disbursed from the Petroleum Holding Fund. It is therefore concerning to note that the JOHL assets are not currently subject to PRMA provisions nor are JOHL revenues remitted to the Petroleum Holding Fund.

The question then arises, if the JOHL asset is as valuable as reported and revenues from it are not remitted to the Petroleum Fund, where are the revenues lodged, how are they used and under which governance structure are they managed? Does the Auditor-General get to see accounts?

It is our contention that the JOHL revenues are currently being used as a “slush fund” to pursue all manner of business that has not been approved by Parliament under the usual GNPC budget approval process. The recent lodgment of \$100 million of oil revenues in the accounts of JOHL which sparked concerns about the state being deprived of taxes accruing from those revenues lends credence to our concern.

But even more troubling is the fact that the Minister references, in his letter to the Executive Secretary to the President, an attempt to try to refinance GNPC’s current debts by using JOHL’s assets to do so with LITASCO. We can only presume that the intent here is to forward sell JOHL’s production share to raise this money.

One of the key tenets of the PRMA is to limit the government of the day on how much “forward selling” of its oil and gas assets, it can do, so as not to mortgage off Ghana’s future. Such an act would lack transparency, add debt to an already debt distressed country that is under an IMF program and may indeed be unconstitutional.

By this statement, the Minority calls on the Akuffo-Addo/Bawumia NPP government to transfer the shares held by JOHL to GNPC without delay, in order that Ghanaians can be assured that appropriate oversight is being exercised on these assets by Parliament and other stakeholders. This will only go a long way to ensure proper accountability and effective monitoring of the revenues accruing from our petroleum resources.

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