



PETROLEUM FUNDS

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**

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GENERAL INFORMATION

Fund Managers	Stephen Opata (Head of Financial Markets, Bank of Ghana) Nana Aba Ashun (Head of Petroleum Funds Secretariat, Financial Markets Department, Bank of Ghana) Samuel Anin (Petroleum Unit, Bank of Ghana)
Registered Office	Bank of Ghana 1 Thorpe Road P. O. Box GP 2674 Accra, Ghana
Independent auditor	PricewaterhouseCoopers Chartered Accountants PwC Tower A4 Rangoon Lane Cantonments City PMB CT42 Cantonments Accra
Bankers	Federal Reserve Bank of New York Euroclear SA/NV

REPORT OF THE FUND MANAGERS

The Fund Managers submit their report together with the audited financial statements of the Petroleum Funds (the "Funds") for the year ended 31 December 2018, which disclose the state of affairs of the Funds.

Statement of Fund Managers' Responsibilities

The Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) requires the managers of the Petroleum Funds (Bank of Ghana) to prepare financial statements that give a true and fair view of the state of affairs of the Petroleum Funds as at the end of the year and of its receipts, disbursements, investments and withdrawals for the period then ended. The Fund Managers are required to ensure that proper accounting records are kept that disclose with reasonable accuracy, the petroleum receipts, distributions, investments and withdrawals from the Petroleum Funds for each year.

The Fund Managers accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies in conformity with the "International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting".

The Fund Managers further accept responsibility for the proper maintenance of accounting records that may be relied upon in the preparation of these financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements.

Principal activities

The Fund Managers are mandated to collect and distribute Petroleum Funds to various stakeholders and to undertake investment activities with the funds (Ghana Petroleum Funds) based on the provisions of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

Financial results

The results of the year and position of the Petroleum Funds are set out on pages 7 to 11. The Petroleum Funds received a total of US\$964.72 million as petroleum revenue during the year under review. The total funds received for the year and the 2017 undistributed receipts of US\$12.64 million were distributed as follows:

	US\$'million
Ghana National Petroleum Corporation (GNPC)	305.28
Annual Budget Funding Amount (ABFA)	235.10
Ghana Stabilisation Fund	305.72
Ghana Heritage Fund	<u>131.02</u>
	<u>977.12</u>

Undistributed funds in the Petroleum Holding Fund (PHF) as at 31 December 2018 was US\$0.23 million (31 December 2017: US\$12.64 million).

REPORT OF THE FUND MANAGERS (continued)

Financial results (continued)

Investment income earned on the Ghana Heritage Fund and the Ghana Stabilisation Fund during the year was US\$9.38 million and US\$6.41 million respectively.

Transfers to the Annual Budget Funding Amount (ABFA)

Paragraph 197 of the 2018 National Budget set the ABFA benchmark for the year at US\$235.10 million with a benchmark price of US\$65.85 per barrel and benchmark revenue of \$335.86 million. Total transfers to the ABFA in the year was US\$235.10 million.

After the ABFA benchmark was achieved, petroleum revenues were transferred to the Ghana Petroleum Funds in accordance with section 23 (1) of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

Withdrawals from the Ghana Stabilisation Fund

The 2018 National Budget set a cap on the Ghana Stabilisation Fund at US\$300 million. As at 31 December 2018, the excess of US\$283.97 million had been withdrawn. The ABFA allocation was fully met, therefore there were no transfers from the Ghana Stabilisation Fund.

Fund managers

The names of the Fund Managers are disclosed on page 1.

Name of Fund Manager: *Stephen Opare*

Signature: *[Signature]*

Date: *February 6, 2020*

Name of Fund Manager: *Nana Ama Ashun*

Signature: *[Signature]*

**INDEPENDENT AUDITOR'S REPORT
TO THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Petroleum Funds as at 31 December 2018, and of its financial performance, receipts and disbursements, and deposits and withdrawals for the year then ended in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of accounting and in the manner required by the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

What we have audited

We have audited the financial statements of the Petroleum Funds for the year ended 31 December 2018.

The financial statements set out on pages 7 to 26 comprise:

- the income and expenditure account for the year ended 31 December 2018;
- the statement of affairs as at 31 December 2018;
- the Petroleum Holding Fund statement of cash receipts and disbursements for the year then ended;
- the Ghana Stabilisation Fund statement of deposits and withdrawals for the year then ended;
- the Ghana Heritage Fund statement of deposits and withdrawals for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Petroleum Funds in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Fund Managers are responsible for the other information. The other information is the Report of the Fund Managers, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA (continued)

Other information (continued)

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Fund Managers for the financial statements

The Fund Managers are responsible for the preparation of financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of accounting and with the requirements of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) and for such internal control, as the Fund Managers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Managers are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Managers either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Fund Managers are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Managers;

**INDEPENDENT AUDITOR'S REPORT
TO THE AUDITOR-GENERAL OF THE REPUBLIC OF GHANA (continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Fund Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Petroleum Funds to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Fund Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Fund Managers with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) in our opinion, proper books of accounts have been kept in managing the Petroleum Funds as far as appears from our examination of those books;
- ii) payments due to and disbursements from the Petroleum Funds have been duly made; and
- iii) the Petroleum Funds have been managed in accordance with the provisions of the Act (Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893)).

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAG/P/1138).



PricewaterhouseCoopers (ICAG/F/2020/028)

Chartered Accountants

Accra, Ghana

6 February 2020



PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2018

INCOME AND EXPENDITURE ACCOUNT

(All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2018	2017	2016
Investment income	9	15,790,458	9,327,020	5,794,058
Bank charges	10	<u>(34,354)</u>	<u>(27,447)</u>	<u>(23,595)</u>
Surplus income for the year		<u>15,756,104</u>	<u>9,299,573</u>	<u>5,770,463</u>

INCOME RESERVE

Balance brought forward	25,379,299	16,079,726	10,309,263
Surplus income for the year	15,756,104	9,299,573	5,770,463
Withdrawal from Ghana Stabilisation Fund	<u>(8,573,271)</u>	<u>-</u>	<u>-</u>
	<u>32,562,132</u>	<u>25,379,299</u>	<u>16,079,726</u>

The notes on pages 12 to 26 are an integral part of these financial statements.



PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2018

STATEMENT OF AFFAIRS
 (All amounts are in US Dollars)

ASSETS	Note	At 31 December		
		2018	2017	2016
Investment	11	637,430,128	454,267,714	254,768,499
Bank balances	12	<u>229,172,010</u>	<u>256,212,561</u>	<u>257,499,006</u>
Total Assets		<u>866,602,138</u>	<u>710,480,275</u>	<u>512,267,505</u>
FINANCED BY:				
Accumulated fund	13	834,040,018	685,100,976	496,187,779
Income reserve		<u>32,562,132</u>	<u>25,379,299</u>	<u>16,079,726</u>
Total accumulated fund and reserve		<u>866,602,138</u>	<u>710,480,275</u>	<u>512,267,505</u>

The notes on pages 12 to 26 are an integral part of these financial statements.

The financial statements on pages 7 to 26 were approved by the Fund Managers on February 6, 2020 and signed on its behalf by:

Name of Fund Manager: Stephen Oparik Name of Fund Manager: Nerna Aba Ashun
 Signature:  Signature: 

PETROLEUM HOLDING FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

(All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2018	2017	2016
Opening balance		12,635,576	27,556,550	9,414,557
Total funds received	3	<u>964,715,824</u>	<u>540,411,436</u>	<u>247,175,394</u>
Total funds available		<u>977,351,400</u>	<u>567,967,986</u>	<u>256,589,951</u>
Distributions:				
Transfers to GNPC equity finance	4	(201,104,903)	(103,439,007)	(58,114,054)
Transfers to GNPC carried and participating interest	5	(104,168,994)	(78,600,558)	(30,383,038)
Transfers to Annual Budget Funding Amount (ABFA)	6	(235,103,316)	(169,458,674)	(98,375,416)
Transfers to Ghana Stabilisation Fund	7	(305,723,401)	(142,683,920)	(29,512,625)
Transfers to Ghana Heritage Fund	8	(131,024,315)	(61,150,251)	(12,648,268)
Total distributions		<u>(977,124,929)</u>	<u>(555,332,410)</u>	<u>(229,033,401)</u>
Undistributed receipts		<u>226,471</u>	<u>12,635,576</u>	<u>27,556,550</u>

The notes on pages 12 to 26 are an integral part of these financial statements.

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2018

GHANA STABILISATION FUND
STATEMENT OF DEPOSITS AND WITHDRAWALS
 (All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2018	2017	2016
Opening balance		353,052,035	207,748,661	177,396,124
Total funds received from the Petroleum Holding Fund	7	<u>305,723,401</u>	<u>142,683,920</u>	<u>29,512,625</u>
		658,775,436	350,432,581	206,908,749
Interest received	9	6,409,693	2,625,276	845,150
Bank charges	10	<u>(9,048)</u>	<u>(5,822)</u>	<u>(5,238)</u>
		665,176,081	353,052,035	207,748,661
Total funds withdrawn	14	<u>(283,972,852)</u>	-	-
Accumulated fund		<u>381,203,229</u>	<u>353,052,035</u>	<u>207,748,661</u>

The notes on pages 12 to 26 are an integral part of these financial statements.

GHANA HERITAGE FUND
STATEMENT OF DEPOSITS AND WITHDRAWALS
 (All amounts are in US Dollars)

	Note	<u>Year ended 31 December</u>		
		2018	2017	2016
Opening balance		344,792,659	276,962,289	259,383,470
Total funds received from the Petroleum Holding Fund	8	<u>131,024,315</u>	<u>61,150,251</u>	<u>12,648,268</u>
		475,816,974	338,112,540	272,031,738
Interest received	9	9,380,765	6,701,744	4,948,908
Bank charges	10	<u>(25,306)</u>	<u>(21,625)</u>	<u>(18,357)</u>
Accumulated fund		<u>485,172,433</u>	<u>344,792,659</u>	<u>276,962,289</u>

The notes on pages 12 to 26 are an integral part of these financial statements.

NOTES

1. Mandate

The Bank of Ghana is responsible for the day-to-day operational management of the Petroleum Holding Fund and the Ghana Petroleum Funds in accordance with the terms of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

1.1 Funds

(a) Petroleum Holding Fund (Section 2 of Act 815 as amended by Act 893)

The Petroleum Holding Fund is the designated public fund at the Bank of Ghana that receives and disburses petroleum revenue due the Republic of Ghana. Petroleum revenues are deposited into this fund for subsequent transfers in accordance with the provisions of Section 11 of Act 815 as amended by Act 893.

(b) Ghana Petroleum Funds (Section 11 of Act 815 as amended by Act 893)

The Ghana Petroleum Funds comprise the Ghana Stabilisation Fund and the Ghana Heritage Fund. The Ghana Stabilisation Fund (Section 9 of Act 815 as amended by Act 893) is a fund established to cushion the impact on or sustain public expenditure capacity during periods of unanticipated petroleum revenue shortfalls.

The Ghana Heritage Fund (Section 10 of Act 815 as amended by Act 893) is a fund established to provide an endowment to support development for future generations when petroleum reserves have been depleted.

Prior to the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893), the Ghana Petroleum Funds were to receive from the Petroleum Holding Fund, petroleum revenue in excess of the Annual Budget Funding Amount (Section 11 of Act 815).

Per the amendment (Act 893) which was assented to by the President on 31 July 2015, the Ghana Petroleum Funds receive from the Petroleum Holding Fund:

- not less than 30% of the Benchmark revenue for the year where the actual petroleum revenue net of allocation to the Ghana National Petroleum Corporation (GNPC) is greater than or equal to the benchmark revenue.
- not less than 30% of the actual petroleum revenue net of allocation to GNPC where the actual petroleum revenue is less than the Benchmark revenue.
- any excess of the actual petroleum revenue over the Benchmark revenue for the year.

NOTES (continued)

1. Mandate (continued)

1.2 Transfers

Apart from transfers made from the Petroleum Holding Fund to the Ghana Petroleum Funds, transfers are also made to the Ghana National Petroleum Corporation and the Consolidated Fund (Annual Budget Funding Amount).

The transfers made to the Ghana National Petroleum Corporation are for its equity financing and carried and participating interest.

The transfers made into the Consolidated Fund (Annual Budget Funding Amount) are in support of the national budget.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of accounting (cash basis IPSAS) as issued by International Public Sector Accounting Standards Board. The financial statements also comply with the requirements of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

2.2 Income recognition

Income is recognised when cash is received.

2.3 Expenditure recognition

Expenses are recognised when payments are made.

2.4 Investments

Investments are shown at the actual amount paid for securities purchased. Changes in the market value of investments are not recognised until the investment is sold. Gains or losses are recognised in the income and expenditure account as investment income or expense.

2.5 Bank balances

Bank balances consist of balances held in approved bank accounts for the Ghana Petroleum Funds and the Petroleum Holding Fund.

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2018

NOTES (continued)

(All amounts are in US Dollars)

3. Total funds received

	Year ended 31 December		
	2018	2017	2016
Ghana Group Oil Lifting Proceeds (Note 3a)	813,941,122	501,300,433	207,787,586
Corporate tax payments (Note 3b)	148,563,611	36,957,622	29,546,823
Surface rental fees (Note 3c)	689,396	1,569,828	465,030
Other receipts (Note 3d)	<u>1,521,695</u>	<u>583,553</u>	<u>9,375,955</u>
Total funds received	<u>964,715,824</u>	<u>540,411,436</u>	<u>247,175,394</u>

(a) Ghana Group Oil Lifting Proceeds

30th Lifting - Jubilee	-	-	35,736,463
31st Lifting - Jubilee	-	-	30,490,829
32nd Lifting - Jubilee	-	-	48,173,318
33rd Lifting - Jubilee	-	-	46,486,771
34th Lifting - Jubilee	-	-	46,900,205
35th Lifting - Jubilee	-	52,660,594	-
36th Lifting - Jubilee	-	51,400,467	-
37th Lifting - Jubilee	-	45,721,393	-
38th Lifting - Jubilee	-	44,335,440	-
39th Lifting - Jubilee	-	53,956,558	-
40th Lifting - Jubilee	-	54,559,886	-
41st Lifting - Jubilee	63,387,364	-	-
42nd Lifting - Jubilee	63,038,306	-	-
43rd Lifting - Jubilee	76,676,505	-	-
44th Lifting - Jubilee	69,543,490	-	-
45th Lifting - Jubilee	74,960,392	-	-
46th Lifting - Jubilee	55,820,554	-	-
1st Lifting - TEN	-	51,008,736	-
2nd Lifting - TEN	-	49,020,171	-
3rd Lifting - TEN	-	45,175,945	-
4th Lifting - TEN	-	53,461,243	-
5th Lifting - TEN	62,326,724	-	-
6th Lifting - TEN	61,556,443	-	-
7th Lifting - TEN	73,011,377	-	-
8th Lifting - TEN	71,515,068	-	-
9th Lifting - TEN	79,074,297	-	-
1st Lifting - Sankofa	<u>63,030,602</u>	<u>-</u>	<u>-</u>
Total proceeds from oil lifting	<u>813,941,122</u>	<u>501,300,433</u>	<u>207,787,586</u>

NOTES (continued)

(All amounts are in US Dollars)

3. Total funds received (continued)

(b) Corporate tax payments

	<u>Year ended 31 December</u>		
	2018	2017	2016
Kosmos Energy	35,934,289	36,957,622	2,232,550
Tullow Oil Ghana Limited	52,000,000	-	27,314,273
Petro SA	10,426,829	-	-
Anadarko Petroleum	50,202,493	-	-
Total corporate tax payments	148,563,611	36,957,622	29,546,823

(c) Surface rental fees

Tullow Oil Ghana Limited	59,261	59,261	135,699
Kosmos Energy	18,464	17,797	17,797
Petrogulf Limited	47,200	141,570	-
Hess Ghana Exploration Limited	150,750	150,750	219,310
ENI Ghana EP Limited	78,950	141,999	-
Blue Star Exploration Ghana Limited	-	17,475	-
GNPC Operating Services (GOSCO)	3,913	111,950	-
PETRICAS	174,100	522,300	-
Springfield Exploration and Production Limited	64,534	33,650	-
Erin Energy	-	150,400	-
UB Group	-	130,472	-
AMNI Petroleum Dev. Co. Limited	13,974	13,974	13,974
Medea Development International Limited	78,250	78,230	78,250
Total Surface rental fees	689,396	1,569,828	465,030

(d) Other receipts

Interest earned on Petroleum Holding Fund (Note 15)	1,521,695	579,279	73,149
Interest on TEN 3 Late Payment	-	4,274	-
Gas Receipts	-	-	9,302,806
Total Other Receipts	1,521,695	583,553	9,375,955

NOTES (continued)

(All amounts are in US Dollars)

4. Transfers to GNPC Equity Finance

	<u>Year ended 31 December</u>		
	2018	2017	2016
30th Lifting - Jubilee	-	-	9,153,737
31st Lifting - Jubilee	-	-	2,892,619
32nd Lifting - Jubilee	-	-	15,543,330
33rd Lifting - Jubilee	-	-	24,084,087
34th Lifting - Jubilee	-	-	6,440,281
35th Lifting - Jubilee	-	4,339,801	-
36th Lifting - Jubilee	-	-	-
37th Lifting - Jubilee	-	17,849,899	-
38th Lifting - Jubilee	-	4,678,490	-
39th Lifting - Jubilee	-	3,571,995	-
40th Lifting - Jubilee	-	4,173,017	-
41st Lifting - Jubilee	2,750,120	-	-
42nd Lifting - Jubilee	6,831,653	-	-
43rd Lifting - Jubilee	45,656,157	-	-
44th Lifting - Jubilee	-	-	-
45th Lifting - Jubilee	18,562,369	-	-
46th Lifting - Jubilee	9,413,265	-	-
1st Lifting - TEN	-	15,103,886	-
2nd Lifting - TEN	-	14,515,064	-
3rd Lifting - TEN	-	18,376,773	-
4th Lifting - TEN	-	20,830,082	-
5th Lifting - TEN	23,455,185	-	-
6th Lifting - TEN	23,227,103	-	-
7th Lifting - TEN	26,618,953	-	-
8th Lifting - TEN	21,175,890	-	-
9th Lifting - TEN	23,414,208	-	-
1st Lifting - Sankofa	-	-	-
Total Transfers	<u>201,104,903</u>	<u>103,439,007</u>	<u>58,114,054</u>

GNPC did not have any equity financing obligation on the 36th and 44th liftings of the Jubilee field; and the 1st lifting of the Sankofa field.

NOTES (continued)

(All amounts are in US Dollars)

5. Transfers to GNPC carried and participating interest

	<u>Year ended 31 December</u>		
	2018	2017	2016
Crude Oil			
30th Lifting - Jubilee	-	-	4,989,946
31st Lifting - Jubilee	-	-	5,732,730
32nd Lifting - Jubilee	-	-	5,765,342
33rd Lifting - Jubilee	-	-	2,838,019
34th Lifting - Jubilee	-	-	8,220,659
35th Lifting - Jubilee	-	10,097,786	-
36th Lifting - Jubilee	-	11,126,940	-
37th Lifting - Jubilee	-	4,542,590	-
38th Lifting - Jubilee	-	8,193,988	-
39th Lifting - Jubilee	-	10,608,672	-
40th Lifting - Jubilee	-	10,558,971	-
41st Lifting - Jubilee	12,896,773	-	-
42nd Lifting - Jubilee	11,596,750	-	-
43rd Lifting - Jubilee	2,901,734	-	-
44th Lifting - Jubilee	15,054,459	-	-
45th Lifting - Jubilee	10,658,374	-	-
46th Lifting - Jubilee	9,259,800	-	-
1st Lifting - TEN	-	6,796,748	-
2nd Lifting - TEN	-	6,531,778	-
3rd Lifting - TEN	-	4,519,548	-
4th Lifting - TEN	-	5,623,537	-
5th Lifting - TEN	6,804,834	-	-
6th Lifting - TEN	6,702,196	-	-
7th Lifting - TEN	8,228,529	-	-
8th Lifting - TEN	9,529,152	-	-
9th Lifting - TEN	10,536,393	-	-
1st Lifting - Sankofa	-	-	-
Gas			
32nd Lifting	-	-	2,836,342
Total Transfers	<u>104,168,994</u>	<u>78,600,558</u>	<u>30,383,038</u>

There were no gas liftings during the year.

NOTES (continued)

(All amounts are in US Dollars)

6. Transfers to Annual Budget Funding Amount (ABFA)

	<u>Year ended 31 December</u>		
	2018	2017	2016
30th Lifting - Jubilee	-	-	21,565,136
31st Lifting - Jubilee	-	-	23,500,483
32nd Lifting - Jubilee	-	-	17,023,898
33rd Lifting - Jubilee	-	-	13,712,121
34th Lifting - Jubilee	-	-	22,573,778
35th Lifting - Jubilee	-	2,848,051	-
36th Lifting - Jubilee	-	28,439,260	-
37th Lifting - Jubilee	-	-	-
38th Lifting - Jubilee	-	11,176,499	-
39th Lifting - Jubilee	-	28,155,478	-
40th Lifting - Jubilee	-	14,209,190	-
41st Lifting - Jubilee	42,123,233	-	-
42nd Lifting - Jubilee	11,184,532	-	-
43rd Lifting - Jubilee	-	-	-
44th Lifting - Jubilee	31,853,650	-	-
45th Lifting - Jubilee	54,769,186	-	-
46th Lifting - Jubilee	-	-	-
1st Lifting - TEN	-	39,516,618	-
2nd Lifting - TEN	-	13,925,408	-
3rd Lifting - TEN	-	31,188,170	-
4th Lifting - TEN	-	-	-
5th Lifting - TEN	16,652,596	-	-
6th Lifting - TEN	47,591,297	-	-
7th Lifting - TEN	26,922,179	-	-
8th Lifting - TEN	-	-	-
9th Lifting - TEN	4,006,643	-	-
1st Lifting - Sankofa	-	-	-
Total Transfers	<u>235,103,316</u>	<u>169,458,674</u>	<u>98,375,416</u>

NOTES (continued)

(All amounts are in US Dollars)

6. Transfers to Annual Budget Funding Amount (ABFA) (continued)

The total allocation to the ABFA for the year is split evenly into four quarters. Where the allocation for a quarter is achieved, no more transfers are made into the ABFA for that quarter.

The allocation for the second quarter was achieved on the 42nd lifting for Jubilee while the allocation for the third quarter was achieved on the 7th lifting for TEN. Therefore, there were no transfers to ABFA out of the 43rd Jubilee lifting and the 8th TEN lifting respectively as provided for under section 23(1) of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

7. Transfers to Ghana Stabilisation Fund

	<u>Year ended 31 December</u>		
	2018	2017	2016
30th Lifting - Jubilee	-	-	6,469,541
31st Lifting - Jubilee	-	-	7,050,145
32nd Lifting - Jubilee	-	-	5,107,169
33rd Lifting - Jubilee	-	-	4,113,636
34th Lifting - Jubilee	-	-	6,772,134
35th Lifting - Jubilee	-	24,762,469	-
36th Lifting - Jubilee	-	8,531,778	-
37th Lifting - Jubilee	-	16,528,874	-
38th Lifting - Jubilee	-	14,200,525	-
39th Lifting - Jubilee	-	8,446,644	-
40th Lifting - Jubilee	-	19,972,480	-
41st Lifting - Jubilee	12,636,970	-	-
42nd Lifting - Jubilee	23,481,360	-	-
43rd Lifting - Jubilee	38,502,367	-	-
44th Lifting - Jubilee	39,169,603	-	-
45th Lifting - Jubilee	16,430,756	-	-
46th Lifting - Jubilee	26,085,527	-	-
1st Lifting - TEN	-	11,854,985	-
2nd Lifting - TEN	-	9,833,544	-
3rd Lifting - TEN	-	9,356,451	-
4th Lifting - TEN	-	19,196,170	-
5th Lifting - TEN	10,812,028	-	-
6th Lifting - TEN	14,277,388	-	-
7th Lifting - TEN	8,076,654	-	-
8th Lifting - TEN	28,567,018	-	-
9th Lifting - TEN	36,552,527	-	-
1st Lifting - Sankofa	51,131,203	-	-
Total Transfers	305,723,401	142,683,920	29,512,625

NOTES (continued)

(All amounts are in US Dollars)

8. Transfers to Ghana Heritage Fund

	<u>Year ended 31 December</u>		
	2018	2017	2016
30th Lifting - Jubilee	-	-	2,772,660
31st Lifting - Jubilee	-	-	3,021,491
32nd Lifting - Jubilee	-	-	2,188,787
33rd Lifting - Jubilee	-	-	1,762,987
34th Lifting - Jubilee	-	-	2,902,343
35th Lifting - Jubilee	-	10,612,487	-
36th Lifting - Jubilee	-	3,656,476	-
37th Lifting - Jubilee	-	7,083,803	-
38th Lifting - Jubilee	-	6,085,939	-
39th Lifting - Jubilee	-	3,619,990	-
40th Lifting - Jubilee	-	8,559,634	-
41st Lifting - Jubilee	5,415,844	-	-
42nd Lifting - Jubilee	10,063,440	-	-
43rd Lifting - Jubilee	16,501,014	-	-
44th Lifting - Jubilee	16,786,973	-	-
45th Lifting - Jubilee	7,041,753	-	-
46th Lifting - Jubilee	11,179,512	-	-
1st Lifting - TEN	-	5,080,708	-
2nd Lifting - TEN	-	4,214,376	-
3rd Lifting - TEN	-	4,009,908	-
4th Lifting - TEN	-	8,226,930	-
5th Lifting - TEN	4,633,726	-	-
6th Lifting - TEN	6,118,881	-	-
7th Lifting - TEN	3,461,423	-	-
8th Lifting - TEN	12,243,008	-	-
9th Lifting - TEN	15,665,369	-	-
1st Lifting - Sankofa	<u>21,913,372</u>	-	-
Total	<u>131,024,315</u>	<u>61,150,251</u>	<u>12,648,268</u>

9. Investment income

	<u>Year ended 31 December</u>		
	2018	2017	2016
Ghana Stabilisation Fund	6,409,693	2,625,276	845,150
Ghana Heritage Fund	<u>9,380,765</u>	<u>6,701,744</u>	<u>4,948,908</u>
Total	<u>15,790,458</u>	<u>9,327,020</u>	<u>5,794,058</u>

NOTES (continued)

(All amounts are in US Dollars)

9. Investment income (continued)

Investment income earned in the year was derived from the following instruments:

	<u>Year ended 31 December</u>		
	2018	2017	2016
(a) Ghana Stabilisation Fund			
Bonds	1,962,933	818,200	319,786
Treasury Bills	2,406,114	-	-
Repurchase agreements/overnight income	<u>2,040,646</u>	<u>1,807,076</u>	<u>525,364</u>
Total	<u>6,409,693</u>	<u>2,625,276</u>	<u>845,150</u>
(b) Ghana Heritage Fund			
Bonds	8,556,599	6,107,752	4,725,231
Treasury Bills	36,526	-	-
Repurchase agreements/overnight income	<u>787,640</u>	<u>593,992</u>	<u>223,677</u>
Total	<u>9,380,765</u>	<u>6,701,744</u>	<u>4,948,908</u>

10. Bank charges

	<u>Year ended 31 December</u>		
	2018	2017	2016
Ghana Stabilisation Fund Euroclear Bank Charges	9,048	5,822	5,238
Ghana Heritage Fund Euroclear Bank Charges	<u>25,306</u>	<u>21,625</u>	<u>18,357</u>
Total	<u>34,354</u>	<u>27,447</u>	<u>23,595</u>

11. Investment

	<u>Year ended 31 December</u>		
	2018	2017	2016
Ghana Stabilisation Fund	231,085,752	169,606,890	36,437,358
Ghana Heritage Fund	<u>406,344,376</u>	<u>284,660,824</u>	<u>218,331,141</u>
Total Investment	<u>637,430,128</u>	<u>454,267,714</u>	<u>254,768,499</u>

NOTES (continued)

(All amounts are in US Dollars)

11. Investment (continued)

An analysis of the type of instruments invested in and the investment banks used are provided below:

(a) Type of investment instrument:

	Bonds	US Treasury	Total
Ghana Stabilisation Fund	101,675,027	129,410,725	231,085,752
Ghana Heritage Fund	<u>406,344,376</u>	<u>-</u>	<u>406,344,376</u>
Total	<u>508,019,403</u>	<u>129,410,725</u>	<u>637,430,128</u>

(b) Investment bank used:

	Euroclear	Federal Reserve	Total
Ghana Stabilisation Fund	47,661,621	183,424,131	231,085,752
Ghana Heritage Fund	<u>186,297,048</u>	<u>220,047,328</u>	<u>406,344,376</u>
Total	<u>233,958,669</u>	<u>403,471,459</u>	<u>637,430,128</u>

PETROLEUM FUNDS
Financial statements
for the year ended 31 December 2018

NOTES (continued)
(All amounts are in US Dollars)

11. Investment (continued)

Type of Security	Duration	Cost of investment			Nominal value of investment			Coupon range %	Accrued interest at 31 Dec. 2018			
		Heritage Fund	Stabilisation Fund	Total	Heritage Fund	Stabilisation Fund	Total		Heritage Fund	Stabilisation Fund	Total	Total
T-Bills	91 days	-	129,410,725	129,410,725	-	130,000,000	130,000,000	1.76 - 2.25	-	-	-	-
Bonds	2 years	10,002,344	35,997,323	45,999,667	10,000,000	36,000,000	46,000,000	1.125 - 2.25	-	17,024	17,024	17,024
Bonds	3 years	997,470	35,475,300	36,472,770	1,000,000	35,500,000	36,500,000	1.125 - 2.25	-	19,962	19,962	19,962
Bonds	5 years	89,669,794	24,027,048	113,696,842	90,000,000	24,000,000	114,000,000	1.125 - 2.375	26,903	58,978	85,881	85,881
Bonds	6 years	24,931,422	-	24,931,422	25,000,000	-	25,000,000	2.75 - 2.875	10,088	-	10,088	10,088
Bonds	7 years	79,143,629	2,013,261	81,156,890	79,500,000	2,000,000	81,500,000	1.50 - 4	130,614	8,448	139,062	139,062
Bonds	10 years	156,630,778	4,162,095	160,792,873	156,500,000	4,000,000	160,500,000	1.625 - 5.25	416,683	31,694	448,377	448,377
Bonds	12 years	2,000,000	-	2,000,000	2,000,000	-	2,000,000	4.3	-	-	-	-
Bonds	30 years	42,968,939	-	42,968,939	37,000,000	-	37,000,000	2.25 - 6.25	348,957	-	348,957	348,957
Total		406,344,376	231,085,752	637,430,128	401,000,000	231,500,000	632,500,000		933,245	136,106	1,069,351	1,069,351

NOTES (continued)

(All amounts are in US Dollars)

12. Bank balances

	Year ended 31 December		
	2018	2017	2016
Petroleum Holding Fund (Note 13)	226,471	12,635,576	27,556,550
Ghana Stabilisation Fund	150,117,479	183,445,148	171,311,305
Ghana Heritage Fund	<u>78,828,060</u>	<u>60,131,837</u>	<u>58,631,151</u>
Total	<u>229,172,010</u>	<u>256,212,561</u>	<u>257,499,006</u>

The Petroleum Holding Fund is a designated public fund to receive and disburse petroleum revenues under the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2011 (Act 893). The balance in the Petroleum Holding Fund is yet to be disbursed in line with the requirements of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by the Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

13. Accumulated fund excluding interest and charges

	2018	2017	2016
Petroleum Holding Fund	226,471	12,635,576	27,556,550
Ghana Stabilisation Fund	379,068,812	348,744,992	206,061,072
Ghana Heritage Fund	<u>454,744,723</u>	<u>323,720,408</u>	<u>262,570,157</u>
At 31 December	<u>834,040,018</u>	<u>685,100,976</u>	<u>496,187,779</u>

An analysis of petroleum receipts and disbursements is presented below:

	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Year ended 31 December 2018			
Balance at 1 January 2018	12,635,576	348,744,992	323,720,408
Total receipts	<u>964,715,824</u>	<u>305,723,401</u>	<u>131,024,315</u>
	977,351,400	654,468,393	454,744,723
Total disbursements	<u>(977,124,929)</u>	<u>(275,399,581)</u>	<u>-</u>
Balance at 31 December 2018	<u>226,471</u>	<u>379,068,812</u>	<u>454,744,723</u>

NOTES (continued)

(All amounts are in US Dollars)

13. Accumulated fund (continued)

	Petroleum Holding Fund	Ghana Stabilisation Fund	Ghana Heritage Fund
Year ended 31 December 2017			
Balance at 1 January 2017	27,556,550	206,061,072	262,570,157
Total receipts	<u>540,411,436</u>	<u>142,683,920</u>	<u>61,150,251</u>
	567,967,986	348,744,992	323,720,408
Total disbursements	<u>(555,332,410)</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2017	<u>12,635,576</u>	<u>348,744,992</u>	<u>323,720,408</u>
Year ended 31 December 2016			
Balance at 1 January 2016	9,414,557	176,548,447	249,921,889
Total receipts	<u>247,175,394</u>	<u>29,512,625</u>	<u>12,648,268</u>
	256,589,951	206,061,072	262,570,157
Total disbursements	<u>(229,033,401)</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2016	<u>27,556,550</u>	<u>206,061,072</u>	<u>262,570,157</u>

Fund Accounts represents the petroleum receipts and disbursements and excludes interest and charges incurred on the fund balances. Interest income earned on the Ghana Stabilisation Fund and the Ghana Heritage Fund together with interest charges are recognised in the Income reserve on page 7.

14. Withdrawals from the Ghana Stabilisation Fund

	Year ended 31 December		
	2018	2017	2016
Transfers to Annual Budget Funding Amount	-	-	-
Transfers to Contingency Fund	-	-	-
Transfers to Sinking Fund	<u>283,972,852</u>	<u>-</u>	<u>-</u>
Total withdrawals	<u>283,972,852</u>	<u>-</u>	<u>-</u>

Paragraph 199 of the 2018 National Budget capped the Ghana Stabilisation fund at US\$300 million. There were withdrawals under section 23 of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893).

The withdrawal from the Ghana Stabilisation Fund that was transferred to the Sinking Fund is made up of US\$8,573,271 representing interest withdrawn from income reserve and US\$275,399,581 representing lifting proceeds withdrawn from the accumulated fund.

NOTES (continued)

(All amounts are in US Dollars)

14. Withdrawals from the Ghana Stabilisation Fund (continued)

The ABFA target of US\$235.10 million was fully met as provided for under section 12 of the Petroleum Revenue Management Act, 2011 (Act 815) as amended by Petroleum Revenue Management (Amendment) Act, 2015 (Act 893). No withdrawals were therefore made from the Ghana Stabilisation Fund.

15. Petroleum Holding Fund Interest

	<u>Year ended 31 December</u>		
	2018	2017	2016
Interest distributed	1,495,225	436,397	60,807
Interest undistributed	<u>26,470</u>	<u>142,882</u>	<u>12,342</u>
Total interest	<u>1,521,695</u>	<u>579,279</u>	<u>73,149</u>