



MINISTRY OF PETROLEUM
REPUBLIC OF GHANA

PRESS RELEASE

NPP ALLEGATION ABOUT GAS OFFER TO CHINA UNTRUE

Accra, 28th October, 2016: The Ministry of Petroleum has observed with concern media reports on false allegations made by the New Patriotic Party (NPP) suggesting that:

1. In 2017 gas supply from the Jubilee Fields will stop as the FPSO is expected to shut down for a period of six months and therefore this will plunge the country into power supply challenges;
2. Ghana plans to export all its gas to China in return for \$2 billion.

The Ministry views these statements as reckless, untrue and are calculated at best to create fear amongst Ghanaians. The Ministry therefore, wishes to clarify these issues.

- 1. In 2017 gas supply from the Jubilee Fields will stop as the FPSO is expected to shut down for a period of six months and therefore this will plunge the country into power supply challenges.**

This is not true. In Ghana, gas supply is routed to our power plants through the gas plant in Atuabo. Gas Supply shutdowns are part of normal maintenance regimes on fields. Thanks to the hard work of the NDC Government, under the able leadership of President John Mahama, gas supply in 2017 will no more be from one field but from both the Jubilee and the TEN Field. Therefore, any shutdowns on one field would be substituted by Gas supply from the other field. Due to diligent planning, any shutdowns for maintenance on the Jubilee field would be more than compensated for by supply of gas from the TEN Field.

- 2. Ghana plans to export all its gas to China in return for \$2 billion.**

There is no basis for the assertion that Ghana's gas would be exported for \$2 billion. All of Ghana's gas are being used and would continue to be used in Ghana for power

generation. We should not confuse the use of proceeds or revenues from the sale of gas or its derivatives to support financing arrangements with the actual sale of lean natural gas and liquids. It is ridiculous to say that Ghana's gas would be sold to China.

The CDB facility simply anticipates the use of revenues from the sale in Ghana to power plants of lean natural gas to support financing. No natural gas would be sold to Chinese to facilitate the financing. Any excess lean gas which is not sold to power plants in Ghana would be dedicated to petrochemical industry development including fertilizer production to support Agriculture in Ghana. Any excess LPG or other natural gas liquids not used in Ghana can also be exported either to our neighbours or to any potential buyer.

The Ministry therefore entreats Ghanaians to disregard these reports as they do not represent the facts.

We once again assure Ghanaians that our offices are opened to all persons who genuinely seek information on the happenings in the sector.

Signed:

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