

Sankofa Gye Nyame Oil Field in Ghana to commence operation in 2017

Written by Administrator

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Oil production from the Sankofa Gye Nyame Oil Field, is expected to begin in the second quarter of 2017 while production of gas is expected start in second quarter of 2018. The oil field is the third producing asset after Jubilee and the TEN fields.

Currently, the implementation of the Sankofa Gye Nyame Gas Project is about 54% complete, while the Floating, Production and Storage and Offloading (FPSO) Vessel is almost 80% complete.

Alex Mould, Ghana National Petroleum Corporation (GNPC) Chief Executive Officer, revealed during the signing of the OCTP/Sankofa-Gye Nyame Gas Project Security Package that took place in Accra.

Speaking during the signing ceremony Finance Minister, Seth Terkper, said that, the project is Ghana's First gas-to-power Project, with a capacity to supply 180 million standard cubic feet of natural gas. He added that the project is expected to generate up to 1,100MW of power and, together with the Jubilee and TEN Oil Fields, contribute significantly to Ghana's energy security needs.

According to World Bank Country Director in Ghana, Henry Kerali, in the 20-year history of World Bank guarantees, the project is one of the Bank's largest private sector investments being undertaken in sub-Saharan Africa and the largest Guarantee operation.

However, the gas supply from the project is expected to be stable and secure, much cleaner and serve as a local source of fuel not subject to the fluctuations of rainfall or the global price of oil. Additionally, the project will help in reducing greenhouse gas emissions resulting from power generation from crude oil. The OCTP/Sankofa-Gye Nyame Oil Field holds an estimated 1.1

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trillion standard cubic feet of natural gas and proven hydrocarbon reserve of 204 million barrels of oil.

The World Bank has contributed in supporting the project with US\$ 7.9 bn through a combination of International Development Assistance (IDA) payment guarantee and the International Bank for Reconstruction and Development (IBRD) (Enclave) loan guarantees.

GNPC with its partners, VITOL Upstream Ghana Limited and ENI Ghana, private gas suppliers are developing the oil discoveries as integrated oil and gas project with shared facilities on FPSO. The suppliers will develop, produce and sell gas to GNPC.

Eni Ghana, operator of the oil block, holds a 47.2% participating interest while VITOL holds 37.8% interest, and GNPC holding has 15% carried interest and 5% additional participating interest.

Under the project, five agreements have been signed namely the IDA Guarantee Support Agreement, IDA Project Agreement, IDA Co-operation Agreement, IDA Indemnity Agreement, and the Reimbursement & Credit Agreement.