

**IN THE FIRST SESSION OF THE SIXTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA**

REPORT OF THE COMMITTEE ON MINES AND ENERGY

ON THE



**PETROLEUM AGREEMENT AMONG THE GOVERNMENT OF
THE REPUBLIC OF GHANA, GHANA NATIONAL PETROLEUM
CORPORATION (GNPC), GNPC EXPLORATION AND
PRODUCTION COMPANY LIMITED AND AGM PETROLEUM
GHANA LIMITED**

IN RESPECT OF THE

SOUTH DEEPWATER TANO CONTRACT AREA

DECEMBER, 2013

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1.0 INTRODUCTION

- 1.1 The Petroleum Agreement among the Government of the Republic of Ghana, the Ghana National Petroleum Corporation (GNPC), the GNPC Exploration and Production Company Limited and the AGM Petroleum Ghana Limited in respect of the South Deepwater Tano Contract Area was laid in Parliament on Tuesday, 3rd December, 2013 in furtherance of Article 268 of the 1992 Constitution.
- 1.2 Pursuant to Order 188(2) of the Standing Orders of the House, the Draft Agreement was subsequently referred to the Committee on Mines and Energy for consideration and report.

2.0 DELIBERATIONS

The Committee met with the Hon. Minister for Energy and Petroleum, Hon. Emmanuel Armah-Kofi Buah and his Deputy, Hon. Benjamin Dagadu to consider the Agreement. Officials of the Ministry of Energy and the Ghana National Petroleum Corporation (GNPC) were in attendance to assist in the deliberations.

The Committee is grateful to the Hon. Minister and the Officials for assisting the Committee in its deliberations.

3.0 REFERENCE DOCUMENTS

The Committee was guided by the following documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana;
- ii. The Standing Orders of Parliament;
- iii. The Ghana National Petroleum Corporation Law, 1983 (PNDCL 64);

- iv. The Petroleum (Exploration and Production) Law, 1984 (PNDCL 84);
- v. The Petroleum Income Tax Law, 1987 (PNDCL 188);
- vi. The Petroleum Commission Act, 2011 (Act, 821);
- vii. The Environmental Protection Agency Act, 1994 (Act 490);
- viii. The Environmental Impact Assessment Regulations, 1999 (LI 1652);
and
- ix. The Petroleum (Local Content and Local Participation) Regulations 2013 (L.I 2204).

4.0 BACKGROUND INFORMATION

The exploration of oil and gas in Ghana commenced in 1896. To accelerate the pace of exploration of the hydrocarbon resources, the GNPC was established through the passage of the Ghana National Petroleum Corporation Law, 1984 (PNDCL 64).

These efforts culminated in the discovery of oil in commercial quantities in the Mahogany 1, Mahogany 2 and Hyedua 1 in the year 2007. Commercial production of oil commenced in 2010. After this, a number of concessions have been granted to Exploration and Production companies for exploration and production of Oil and Gas in other areas by Government in a bid to fully explore and exploit the country's petroleum resources.

In furtherance of this objective, the Government seeks to grant concession to AGM, the GNPC and GNPC Exploration and Production Company Limited an exploration and production licence to undertake petroleum operations at the South Deepwater Tano Contract Area.

The Draft Agreement which was negotiated within the framework of the Model Petroleum Agreement as amended is subject to all applicable laws as in effect from time to time. The Contractor shall also comply with all directives and guidelines of the Petroleum Commission.

Article 268 of the 1992 Constitution requires that all Agreements or Leases involving natural resources shall be ratified by Parliament.

It is in fulfillment of the constitutional imperative that the Hon. Minister for Energy and Petroleum laid in Parliament the Petroleum Agreement among the Government of the Republic of Ghana, the Ghana National Petroleum Corporation (GNPC), the GNPC Exploration and Production Company Limited and the AGM Petroleum Ghana Limited in respect of the South Deepwater Tano Contract Area for its ratification.

5.0 THE SELECTION PROCESS

- 5.1 The Ministry of Energy and Petroleum and the GNPC fully exhausted partnership options through a data room process to select the preferred partner. On the basis of clear and industry standard data room processes, the rules and procedures for submission of proposals, the remote viewing of the 3D seismic data was set up.
- 5.2 All companies that had previously expressed interest in the block including companies that had exhibited a general interest in West Africa were invited to that data room. Interested companies were required to submit separate technical and commercial proposals.
- 5.3 In all, ten (10) companies visited and reviewed the data. However, only three of the companies submitted proposals within the period earmarked for submission of proposals. They are the Statoil, the AGM Petroleum, and the White Rose Energy Ventures.
- 5.4 A preliminary evaluation was conducted on the bids and all three bidders were invited to a meeting in Accra to clarify certain aspects of their bids. Following the clarification meetings, the bids were evaluated and the AGM Petroleum was selected.
- 5.5 The AGM was selected on the basis of its relatively stronger technical competence and financial capabilities. The Consortium has the technical and financial competence required to meet its obligations with respect to the block based on the financial standing of the parent companies of the Consortium. Hence, the AGM was seen as more capable of raising the necessary funds to implement the proposed work programme in Ghana on a continuous basis.
- 5.6 The Petroleum Agreement was negotiated by a Government Negotiating Team which is inter-ministerial in nature and made up of representatives from the Ministry of Energy and Petroleum, the Ghana Revenue Authority (GRA), the Attorney-General's Department and the GNPC. The terms of

the Petroleum Agreement were thoroughly discussed and agreed among the collaborating institutions.

The terms are a major improvement over the previous Agreements.

6.0 THE APPLICANTS

The applicants for the block are the AGM, the GNPC and the GNPC Exploration and Production Company, a Subsidiary of GNPC.

6.1 The AGM

The AGM was formed in Ghana on 21st May, 2012. It is a Consortium comprising the AGR Energy (49.5%), the Minexco (OGG) Inc. (48.0%) and MED Songhai Developers Limited, a local company (2.5%).

The AGR Energy which is the exploration and production arm of the AGR Group will play the lead role in the operations of the South Deepwater Tano Block (SDWT). The Company's objects are to acquire oil and gas licences.

It currently operates eight (8) offshore exploration licenses in Israel including the Arie, Gulliver and Yitsakh. The AGR Group is engaged in the provision of global services and technology solutions to operators in the oil and gas industry. It has drilled almost 500 wells in 22 countries for 100 clients over the last decade. It has also studied over 1,000 reservoirs in the last five years across West Africa, the Middle East, Europe, North and South America and Asia.

In 2007, the Group also operated seven rigs under full well project management contracts which comprised three rigs in UK, two rigs in Australia and Norway/Denmark. The Group again operated thirteen rigs simultaneously worldwide and managed eight projects on behalf of oil companies between 2009 and 2010. It further operated five rigs in 2011 which included the facilitation of the rig contract, project management and well operations.

The AGR Group has chalked a world record of drilling 33,000 feet (10,057m) Blackbeard Well in the Gulf of Mexico.

6.2 The GNPC

The GNPC is a statutory body established in 1983 by the PNDCL 64 and charged to undertake the exploration, development, production and disposal of petroleum in Ghana. Also, Section 2 (3) of the law empowers the GNPC to enter into petroleum exploration and production agreements either alone or in association with other exploration and production companies. Thus, its partnership with AGM for the Block is in line with the enabling law.

6.3 The GNPC Exploration and Production Company Limited (Explorco)

The GNPC Exploration and Production Company Limited (Explorco) was incorporated under the Companies Act, 1963 (Act 179) as a wholly owned indigenous company of the GNPC. The Explorco was established in pursuance of the objects of the GNPC under PNDCL 64. All obligations of the Company are to be guaranteed by the GNPC. The purpose of the Company is to serve as one of the vehicles to help transform the GNPC into a full commercial entity in which Ghanaians could wholly hold commercial interests in exploration and production asset. It is also to serve as the medium to empower GNPC to be an operator instead of its present status as a non-operator partner in blocks.

6.4 The Applicant have agreed to incorporate a Joint Operating Company (JOC) made up of the AGM secondees, the GNPC secondees, the Explorco secondees and other Ghanaian employees with the sole purpose of conducting petroleum operations. The AGM has committed to facilitate the transfer of skills, processes and procedures from AGM to GNPC, in keeping with GNPC's vision of attaining operating capability in the short to medium term. The JOC equity ownership will be 34% and 66% respectively for the Explorco and the AGM. The Agreement provides for GNPC taking up operatorship in ten years.

7.0 THE INTEREST STRUCTURE

7.1 The interest structure of the Partners under the Agreement is as follows:

| | | | |
|-----|------|-----|--|
| i. | AGM | 66% | Participating Interest and will be the operator of the project |
| ii. | GNPC | 10% | Carried Interest |

iii. Explorco 24% Participating Interest

Additionally, the GNPC will have the option to acquire additional paying interest of 15% upon commercial discovery of oil.

8.0 THE CONTRACT AREA

The area applied for lies within the offshore Tano basin which is located in the western part of Ghana's Offshore Sedimentary Basin. The Basin has an onshore extension that covers an area of about 2,500 km². The offshore area is in excess 26,000 km². The contract area, with a size of about 3,482 km² lies in a water depth ranging from 2,000 metres to 3,500 meters.

The block is located south of the Hess Deepwater Tano Cape Three Points Block within the same petroleum fairway as the discoveries in Tallow's Deepwater Tano Block and Vanco/Lukoil's Deepwater Cape Three Points Block. The map is attached as appendix I.

The area was originally granted to Aker SA of Norway.

9.0 KEY TERMS OF THE AGREEMENT

9.1 The Draft Agreement will become effective for twenty-five (25) years if commercial discovery is made (Article 23.1 of the Draft Agreement). However, if no commercial discovery is made, the Agreement stands to expire after seven years or less.

The seven year exploration period is divided into three phases as follows:

- i. Initial Period of 3½ years;
- ii. First Extension Period of 1½ years; and
- iii. Second Extension Period of 2 years.

9.2 During the initial exploration period, the Applicant will be required to acquire, process and interpret 750,000km² of 3D seismic data and drill a minimum of two (2) exploration wells. The minimum expenditure to be expended by the Contractor at this phase is Two Hundred and Fifty-Nine Million United States Dollars (US\$259,000,000.00).

- 9.3 For the first extension period, the Contractor will continue to reprocess existing data and drill one (1) Exploration well at a cost of One Hundred and Twenty-Six Million United States Dollars (US\$126,000,000.00).
- 9.4 In the second extension period, the applicant will further reprocess existing data as may be required and will also drill one exploration well. A total of One Hundred and Twenty-Six Million United States Dollars (US\$126,000,000.00) will be spent by the Contractor within the period.

10.0 FISCAL TERMS

The following will accrue to the State in an event of commercial discovery of oil:

10.1 General Benefits

Upon discovery and commercial production of oil under the Agreement, the State will benefit from the agreed percentages for royalty oil, domestic and export gas as well as a corporate income tax of 35%. The GNPC will also have a carried interest of 10% and an additional participating interest of 15%. The details are as shown in Table 1 below.

Table 1: General Benefits to the State and the GNPC

| SN | Benefit | Agreed Percentage |
|----|-----------------------------|-------------------|
| 1. | Royalty - Oil | 10% |
| 2. | Royalty – Domestic Gas | 5% |
| 3. | Royalty – Export Gas | 10% |
| 4. | GNPC Carried Interest | 10% |
| 5. | GNPC Participating Interest | 15% |
| 6. | Corporate Income Tax | 35% |

10.2 Additional Oil Entitlements

The State will also receive Additional Oil Entitlements in the event of discovery of oil in commercial quantities as shown in Table 2.

Table 2: Additional Oil Entitlements to the State

| Rate of Return | Additional Oil Entitlements |
|---------------------|-----------------------------|
| RoR < 12.5% | - |
| RoR > 12.5% | 10% |
| 17.5% ≤ RoR < 22.5% | 12.50% |
| 22.5% ≤ RoR < 27.5% | 20% |
| RoR ≥ 27.5% | 30% |

10.3 Surface Area Rentals

The State will again receive surface area rental values ranging from US\$50 to US\$200 per square kilometer per annum depending on the phase of operation. The details are as shown in Table 3 below:

Table 3: Surface Area Rental Values the Agreement

| No. | Phase | Rentals Per Annum |
|-----|---|--------------------------|
| 1. | Initial Exploration Period (0 -3 years) | US\$50/km ² |
| 2. | First Extension Period (3 -5 years) | US\$100/km ² |
| 3. | Second Extension Period (5 -7 years) | US\$100/km ² |
| 4. | Dev. and Prod. Period (Beyond 7 years) | US\$200 /km ² |

11.0 TRAINING AND TECHNOLOGY TRANSFER

11.1 To facilitate the establishment of programmes to train Ghanaian personnel to work in petroleum operations and to ensure transfer of management and technical skills required for the efficient conduct of petroleum operations, the Contractor has committed to pay to the GNPC at the beginning of each Contract Year, an amount of One Million United States Dollars (US\$1,000,000.00).

11.2 Additionally, the Contractor is required by Article 21.2 of the Agreement to pay to the Explorco an amount of Fifteen Million United States Dollars (US\$15,000,000) to support capacity building at the tertiary level as agreed between the Committee and the GNPC during consideration of the Draft Agreement. The said provision had intended that the amount be used to finance the establishment of a petroleum university. The Committee was of the view that the broad tertiary sector will benefit from this in the specialized areas of Oil and Gas.

12.0 FINANCIAL OBLIGATIONS OF THE PARTIES

Under the Draft Agreement, the Contractor will bear the entire cost of the petroleum operations until commencement of productions. The AGM will also bear the Explorco's 26.7% share of the cost of two exploration wells to offset previous work done by and for the GNPC. The GNPC will also be required to pay for the development and production costs associated with its 15% additional participating interest.

In recognition of the risk taken by the GNPC in carrying prior geological and geophysical works leading to the enhanced value of the block, the AGM

will also pay to Explorco a cash premium of Twenty Million United States Dollars (US\$20,000,000.00) within ninety (90) days after the coming into effect of the Agreement.

Furthermore, the AGM has undertaken to provide to the Explorco, an advance of Eight Million United States Dollars (US\$8,000,000.00) to assist with the subsidiary's corporate development. The advance is to be secured by a standby letter of credit in favour of the Company drawable on presentation. Should there be no discovery of oil, no liability would fall on GNPC and Explorco.

13.0 SPECIAL PROVISIONS FOR NATURAL GAS

- 13.1 Per Article 14 of the Draft Agreement, all natural gas produced by the Contractor shall be the property of the GNPC except for non-associated gas which the contractor shall have the right to commercialize. The Contractor shall also have the right to use the gas for reinjection for maintenance of pressure and for power generation purposes.
- 13.2 The flaring of gas is restricted to the extent provided for in the approved Development Plan, operational safety and safety of personnel or as authorized by the Minister.

14.0 DOMESTIC SUPPLY REQUIREMENTS OF CRUDE OIL

By Article 15 of the Draft Agreement, crude oil for domestic consumption shall be supplied by the Contractor to the State and the GNPC from their respective entitlements. Provisions have also been made to govern the procedure and conditions for accessing the oil.

15.0 RELINQUISHMENT

- 15.1 The Agreement mandates the Contractor to relinquish portions of the Contract Area if on or before the expiration of the initial exploration period, the Contractor elects to enter into the first extension period.
- 15.2 At the commencement of the first extension period, the area retained shall not exceed seventy percent (70%) of the Contract Area.
- 15.3 On the expiration of the Second extension period, the Contractor shall subject to Article 5.2 of the Draft Agreement, relinquish the remainder of the retained Contract Area if no discovery is made.

15.4 Where the Contractor elects not to enter into the first or second extension periods, the entire contract area will be relinquished.

16.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee made the following observations and recommendations during the consideration of the Agreement.

16.1 Financial Support for Capacity Building

The Committee noted under Article 21 of the Draft Agreement that the amount of Fifteen Million United States Dollars (US\$15,000,000.00) will be paid by the Contractor to the GNPC to support capacity building at the tertiary level. According to the GNPC, the proposal was in line with its capacity development programmes.

To ensure that the programmes taught by the universities meet the manpower needs of the GNPC, the Corporation was urged to liaise with relevant tertiary institutions to help modify their programmes to reflect the manpower needs of the petroleum industry especially competence in subsea engineering, building of Floating Production Storage and Offloading (FPSOs) etc.

It is hoped that the utilization of the facility would go a long way to augment the capacities of tertiary institutions offering petroleum related programmes such as the Kwame Nkrumah University of Science and Technology, the University of Ghana, the University of Natural Resources and Energy.

16.2 Improved Fiscal Benefits

The Committee again noted with satisfaction the improved fiscal benefits procured under the Draft Agreement. For example, the Draft Agreement grants to the State a 24% of the commercial interest as percentage of Contractor's share to the State. Besides this, the proposed Agreement makes provision for training allowance of One Million United States Dollars (US\$1,000,000.00) to be provided by the contractor every year. Again, the rental values in respect of the same contract area under the Draft Agreement have improved significantly compared to those agreed under previous Agreements. The comparative analysis of the benefits under the Draft Agreement and the previous Agreements are attached as Appendix II.

16.3 Development of the South Deepwater Tano Area

The Committee was informed by the Officials of the GNPC that the coming into effect of the Agreement will help to further develop the South Deepwater Tano area. They indicated that ratification of the Draft Agreement by the House would facilitate further exploration of the deep water basin particularly in ensuring that the ultra deepwater portions are covered with the requisite data. Again, the Committee was informed that in the event of oil discovery, it would stimulate more exploration and production activities in the area.

This will invariably increase the national oil and gas reserves and also lead to employment creation and promote the setting up of ancillary businesses by Ghanaians.

16.4 Local Content Provisions

It was further noted that the Agreement makes ample provisions for local content in line with the country's Petroleum Policy and the Petroleum (Local Content and Local Participation) Regulations, 2013 (L.I 2204). In furtherance of this, it was noted that an indigenous Company, the MED Songhai has secured equity participation of 2.5% in AGM Consortium in addition to Explorco. Additionally, the Contractor will be bound to procure goods and services produced or provided in Ghana by an indigenous Ghanaian company where the quality of the commodities are the same or approximately the same quality as foreign goods and services (Article 20 of the Draft Agreement). This will enhance Ghanaian participation in the upstream sector and support the local content aspirations.

It however observed that due to the relatively smaller amount of resources required for work programme in the shallow waters, the Ministry of Energy and Petroleum and the Petroleum Commission should roll out sensitization programmes to inform Ghanaians about prospects in the upstream petroleum industry to increase the Ghanaians interest in line with the aspirations of the L.I 2204.

Even though the Committee considers the local content provision in the Draft Agreement to be satisfactory it was of the opinion that more promotion must be made by the relevant stakeholders to encourage Ghanaians to participate in the industry, especially with respect to petroleum activities within the shallow waters.

16.5 Assignment of Interest

The Committee finally noted that satisfactory provision has been made in the Agreement to provide conditions and procedures for assignment of interest and assets (Article 25 of the Agreement). Except transfers to entities wholly owned by the Contractor, any assignment of interest will be subject to prior written consent of the GNPC and the Minister for Energy and Petroleum.

The Contractor is also required to provide an undertaking in an event of assignment to ensure that the assignee assumes all the obligations of the Contractor under the Agreement. The GNPC is further given the first option to acquire the interest in an event of assignment of interest by the Contractor under the proposed terms of the transfer.

In the event of a transfer under the terms of the Agreement, the assignor will pay capital gains tax at a rate to be determined by the applicable law at the time of the disposition (Article 12.1 of the Agreement).

These provisions will help in resolving some of the controversies that characterize assignment of interests in the past and protect the State from potential revenue leakages.

17.0 CONCLUSION

- 17.1 Having diligently discharged its mandate as required by the Standing Orders of the House and being mindful of the need to maximize benefits from the exploitation of the country's petroleum resources, the Committee is satisfied with the terms of the Agreement.
- 17.2 The Committee wishes to recommend to the House to adopt its Report and ratify the Petroleum Agreement among the Government of the Republic of Ghana, the Ghana National Petroleum Corporation (GNPC), the GNPC Exploration and Production Company Limited and the AGM Petroleum Ghana Limited in respect of the South Deepwater Tano Contract Area in accordance with Article 268 of the 1992 Constitution.

Respectfully submitted.



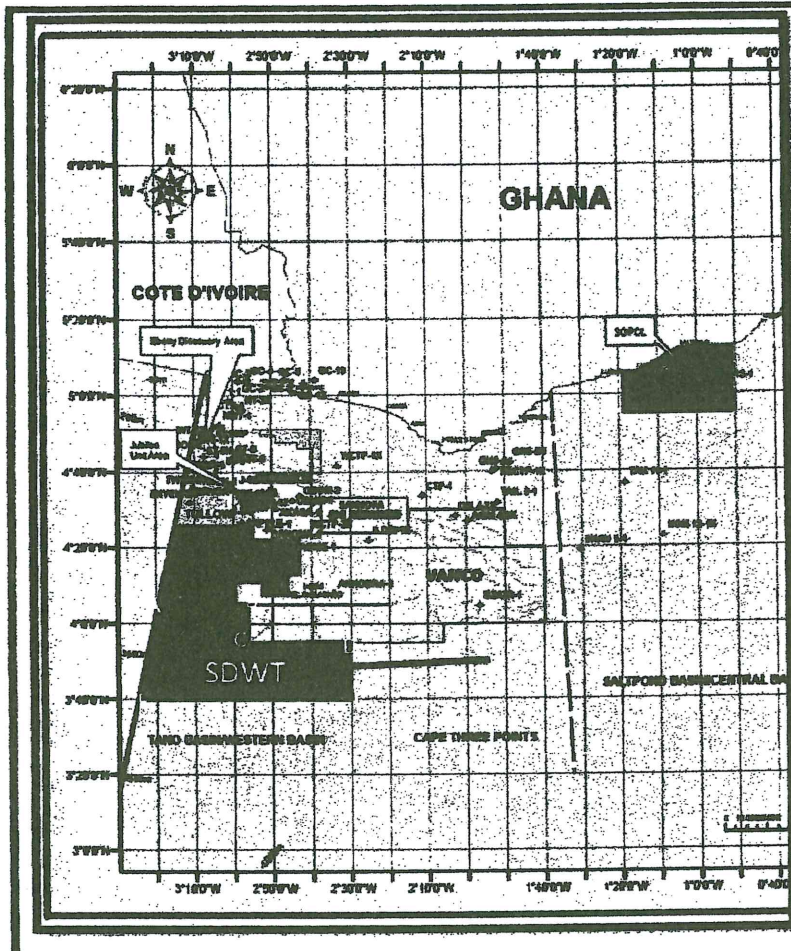
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HON. KWABENA DONKOR (DR.)
CHAIRMAN, COMMITTEE
ON MINES & ENERGY



.....
PEACE FLAWOYIFE (MS.)
CLERK TO THE COMMITTEE

DECEMBER, 2013

APPENDIX I



South Deepwater Tano Block (SDWT)

| Vertices | Latitude | Longitude |
|----------|-----------|-----------|
| A | 04 05 00N | 02 19 00W |
| B | 04 05 00N | 02 56 30W |
| C | 03 55 00N | 02 56 30W |
| D | 03 55 01N | 02 30 00W |
| E | 03 40 00N | 02 30 00W |
| F | 03 40 15N | 02 23 51W |

APPENDIX II

TABLE 1: FISCAL REGIME

| COMPARISON OF THE ECONOMIC ANALYSIS OF DEEPWATER BLOCKS | | | | | | | |
|---|-------|------------------|---------|---------|---------------|-----------|-----------|
| FISCAL PACKAGE & ANALYSIS | AKE R | KOSMOS | TULLO W | HESS | VANCO/LUK OIL | ENI/AFREN | AGM |
| ROYALTY (OIL) | 10.0% | 5.0% | 5.0% | 4.0% | 10.0% | 10.0% | 10.0% |
| ROYALTY (GAS) | 5.0% | | | | | | 5.0% |
| INITIAL GNPC PARTICIPATION | 10.0% | 10.0% | 10.0% | 10.0% | 15.0% | 10.0% | 10.0% |
| ADDITIONAL PARTICIPATION | 15.0% | 2.5% | 5.0% | 3.0% | 5.0% | 15.0% | 15.0% |
| COMMERCIAL INT AS PERCENT OF CONTRACTOR SHARE | - | | | | | | 24.0% |
| INCOME-TAX | 35.0% | 35.0% | 35.0% | 35.0% | 35.0% | 35.0% | 35.0% |
| ADDITIONAL OIL ENTITLEMENT: | | | | | | | |
| Rate of Return Thresholds <12.5% | 0.0% | | | | | 0.0% | 0.0% |
| >12.5% | 10.0% | | | 5.0% | | 12.5% | 10.0% |
| 14.0% | | | | | | | |
| 15.0% | | | | | | | |
| 17.5% | | | | 10.0% | | 16.0% | 12.5% |
| 18.0% | | | | | | | |
| 19.0% | | | 5.0% | | | | |
| 20.0% | | | 10.0% | | 7.5% | | |
| 22.5% | 20.0% | | | 15.0% | | 22.0% | 20.0% |
| 23.0% | | | | | | | |
| 25.0% | | 7.5% | 15.0% | | 12.5% | | |
| 27.5% | 30.0% | | | 20.0% | | 28.0% | 30.0% |
| 28.0% | | | | | | | |
| 30.0% | | 15.0% | | | | | |
| 32.0% | | | | | | | |
| 32.0% | | | | | | | |
| 32.5% | | | | | | | |
| 33.0% | | | | | | 33.0% | |
| 35.0% | | | | | 25.0% | | |
| 37.5% | | | | | | | |
| 38.0% | | | | | | | |
| 40.0% | | 25.0% | | | 30.0% | | |
| TRAINING ALLOWANCE (\$)/p.a. | | | | | | | |
| Exploration | | 75,000 - 125,000 | 250,000 | 200,000 | 200,000 | 1,000,000 | 1,000,000 |
| Development/Production | | 100,000 | 250,000 | 200,000 | 300,000 | 1,000,000 | |
| TECHNOLOGY ALLOWANCE (\$) | | | 400,000 | 200,000 | | 2,000,000 | |
| SURFACE RENTALS (\$/km squared) | | | | | | | |
| Initial Exploration period | 30 | 20 | 30 | 30 | 30 | 40 | 75 |
| First Extension period | 50 | 25 | 50 | 50 | 75 | 40 | 100 |
| Second Extension period | 75 | 30 | 75 | 75 | 75 | 75 | 100 |
| Devpt./Production Period | 100 | 100 | 100 | 100 | 100 | 100 | 200 |
| Economic Impact on State Share* | | | | | | | |
| Base (80) | 70.1% | 52.1% | 58.7% | 58.9% | 62.8% | 71.4% | 79.7% |
| Mid (100) | 74.1% | 55.1% | 63.1% | 63.8% | 65.6% | 74.9% | 82.4% |
| High (120) | 76.8% | 56.4% | 65.8% | 65.6% | 67.8% | 77.9% | 84.2% |

*Percentage share of Net Cash flow (Net Oil) that accrues to GoG + National Oil Company at assumed price levels
This includes Royalty, Income Tax, Additional Oil Entitlement plus Share of oil or net cash flow attributable to the economic Interest held by National Oil Company

** Ultradeepwater terms are in recognition of higher risk