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PRESIDENT MAHAMA MUST INVESTIGATE THE ROLE OF THE MINISTRY OF ENERGY AND PETROLEUM IN THE ALLEGED SIGNATURE FRAUD CASE AGAINST MIURA PETROLEUM MATTERS RELATING TO IT - ACEP

Press release

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The Africa Centre for Energy Policy (ACEP) is pleased that Ghanaians have shown much interest in how oil blocks are awarded following allegations of forgery by the Ministry of Energy and Petroleum against Miura Petroleum and its Canadian partner Gondwana Oil, majority owner of Miura Petroleum, over the South Block Offshore West Cape Three Points.

We take this allegation serious particularly coming from the Ministry of Energy and for the grave implications it has for Ghana's oil and gas industry. We however expect that the on-going investigations into the matter will go beyond the alleged signature forgery to cover the processes for the award of petroleum licenses including alleged insider deal by some officials of the Ministry.

ACEP's investigation shows that there is more to the issue than what is reported by the Ministry of Energy and Petroleum. We know that the suspect for the alleged forgery is on investigation by the Ghana Police; but we also know that the Ministry of Energy was economical with the truth on the entire application for a block by Miura Petroleum and its partner. Indeed, we find the Ministry very unprofessional in the role it played by putting out a press release which contains information contrary to the truth as established by us.

First, in the statement by the Ministry of Energy, the Ministry stated that the applicant (Miura Petroleum) was unknown to the Ministry and that they were told the block in question was not available. However, we are curious how an application for a block which was not available was referred to the Petroleum Commission and then to the GNPC in line with established procedure for petroleum licensing in Ghana.

Second, the Ministry claimed in its statement that Miura Petroleum (the applicant) did not enter the GNPC data room to review seismic data on the block in contention. However, we can confirm that Miura had access to the data room in response to a Data Review Letter issued to them.

Third, the Ministry's statement also indicated that the block in question was being processed for approval for another company. The Ministry neither provided the name of the company nor its owners. Our research has revealed however that the company being favored (name with-held) is

one which one of the Deputy Ministers of Energy and Petroleum worked for over a decade. Another Senior Official (a Director) at the Ministry who is facilitating for the company was also a former worker of the company.

We suspect therefore that some officials of the Ministry are engaged in insider dealing with some oil companies and we are at pains to know how the Ministry can be fair to other companies when important players in the Ministry have interests. This raises serious conflict of interest situation which must not be allowed in the country's oil and gas industry. It is for this reason the Ministry of Energy and Petroleum must halt its internal investigations into the matter. Rather, we call on the President of the Republic to investigate the potential role of the Ministry's officials including potential conflict of interest and the abuse of established procedure.

The issue about the oil block in question is even more serious because there is substantial data on the block based on three exploration drilling conducted by Hess Petroleum which later relinquished the block. However, with a recent discovery in an adjacent block by Hess, it is highly probable that the block in contention has significant reserves or at best the Hess discovery straddles the block. This in our opinion makes the block the juiciest one so far and our suspicion of insider dealing is not surprising.

These and many other reasons are the bases for our call for an open and competitive bidding process in the award of oil concessions. With the draft Petroleum Exploration and Production bill reportedly approved by Cabinet and soon to be considered by Parliament, we again urge the government to halt oil licensing until an open and competitive bidding system for oil and gas licenses is put in place. This will help increase returns to the State and also help avoid situations such as the one now at hand.

Finally, we are also worried that oil companies holding Ghana's Petroleum Agreements face serious risks of raising capital to finance oil operations in Ghana. The president must therefore launch an open, transparent and fair investigation into the matter and bring finality to it, to renew the faith of the investor community in Ghana's oil and gas industry as further delays could further damage Ghana's reputation as investment destination.

Signed

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