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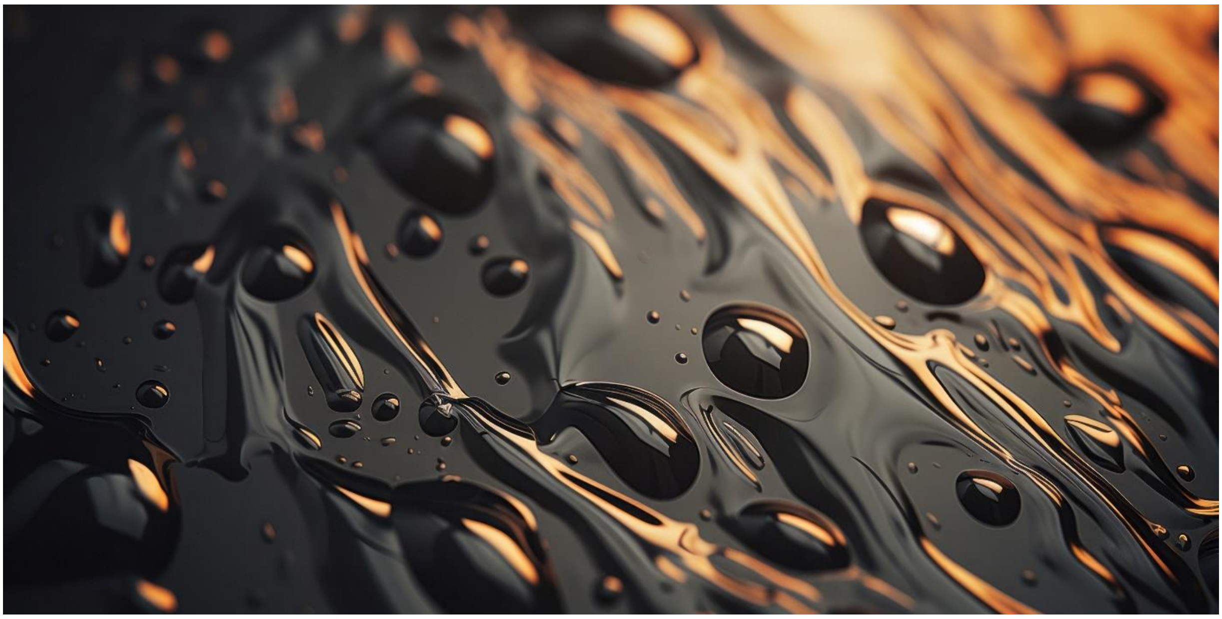
Lookback at 2024 and Outlook for 2025



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2024 AT A GLANCE

A. NIGERIA

Oil and Gas

- **Divestments in the Nigerian Oil and Gas Sector**

  In 2024, Nigeria's oil and gas sector saw the completion of long-running divestments by international oil companies (IOCs) such as TotalEnergies, ExxonMobil, Eni, and Equinor, which are shifting focus from onshore to offshore assets. ***TEMPLARS advised on four of the five approved divestments***: details of the transactions can be accessed here.

- **Nigeria Introduced Fiscal Incentives to Boost Nigeria's Oil and Gas Sector**

  The Minister of Finance, on 2 October 2024, unveiled two major fiscal incentives for the sector; the ***(i) Value Added tax (VAT) Modification Order 2024; and (ii) Notice of Tax Incentives for Deep Offshore Oil and Gas Production***, in accordance with the Oil and Gas Companies (Tax Incentives, Exemption, Remission etc.) Order 2024. An analysis of these incentives is set out in our November Digest.

- **Dangote Refinery Began Production; Port Harcourt and Warri Refineries Resumed Operations**

  The Dangote Refinery began production in early 2024 with capacity to produce premium motor spirit (petrol), automotive gas oil (AGO), dual purpose kerosene (DPK), liquefied petroleum gas (LPG), and aviation fuel (Jet A-1). Currently, the refinery supplies the Nigerian market and exports to Saudi Arabia, Cameroon, Ghana, Angola, South Africa, and European countries.Additionally, in late 2024, both the Warri Refinery and Port Harcourt Refinery resumed operations.

- **Upstream Sector Reforms advanced with NUPRC Growth Plan, Host Community Trust Forum and Dispute Resolution Centre**

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) launched a comprehensive action plan in February 2024 to revitalize Nigeria's oil and gas sector. To achieve this, the NUPRC began the implementation of several strategic initiatives including, automation and transparency, a carbon credit framework, and enforcing domestic crude oil supply obligations. This was reported in the TEMPLARS Digest in February and May 2024.

Furthermore, NUPRC established the Host Community Development Trust Board to enhance community engagement and compliance with the Petroleum Industry Act 2021 (PIA) provisions, incorporating 103 Trusts for development projects. Read the full report here.

Additionally, the NUPRC introduced the Body of Neutrals for Alternative Dispute Resolution to address legal disputes efficiently and improve relationships between producers and host communities as further detailed in our Digest report here.

- **Midstream Sector Witnessed Increased Regulatory Oversight and Policy Implementation**

The midstream sector experienced a significant regulatory shift, aimed at ensuring compliance and operational efficiency. The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) published the ***Midstream and Downstream Petroleum Fees Regulations on 4 November 2024***, outlining licensing requirements and associated fees for midstream and

downstream operations, and this was examined in our Digest available here.

To continue to protect the interest of host communities, the NMDPRA released the ***Midstream Petroleum (Host Communities Development Trust) Regulations 2024 (the Host Communities Regulations)*** which took effect on 30 October 2024. The Host Communities Regulations mandates midstream oil companies to create host community development trusts, to facilitate social and economic developments within host communities.

On 16 July 2024, the NMDPRA issued a circular to natural gas suppliers to ensure that the 0.5% levy on the wholesale price of natural gas sold is remitted to the Midstream and Downstream Gas Infrastructure Fund (MDGIF). This levy is intended to support investments in critical infrastructure, driving the growth and development of Nigeria's midstream and downstream gas sector. More information was provided in our Digest reported here and our detailed analysis here.

- **The Presidential Compressed Natural Gas Initiative (PCNGI) secured Concessionary Pricing for Mobility CNG from the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)**

The Presidential Compressed Natural Gas Initiative (PCNGI) announced that it secured concessionary pricing for mobility Compressed

Natural Gas (CNG) from the NMDPRA. As examined in our Digest here, under this arrangement, mobility CNG received a special designation within the Gas-to-Commercial (GTC) framework, qualifying it for Gas-Based Industry pricing. This status was granted for an initial five -year term, with the option for a five-year extension.

Power

The Nigerian electricity market underwent significant transformation in 2024: Following constitutional amendments in 2023 and the enactment of the revised Electricity Act, several states implemented autonomous electricity governance, transitioning regulatory authority from the Nigerian Electricity Regulatory Commission (NERC) to state-level oversight. Key developments included the formation of the Nigerian Independent System Operator (NISO) and the withdrawal of the Nigerian Bulk Electricity Trading Company (NBET) from the Nigerian Electricity Supply Industry (NESI). However, the sector confronted ongoing challenges, particularly recurring national grid failures and escalating tariffs due to the implementation of new electricity bands.

Below are some of the notable occurrences in the power sector during 2024.

- **State Power Projects and Regulatory Independence**

  NERC transferred regulatory oversight of electricity markets in Enugu, Ekiti, Ondo, Imo, Oyo, Edo, and Kogi states to their respective state regulatory bodies in line with the decentralization mandates in the constitutional amendments and the Electricity Act 2023 (as amended). In December 2024, the Governor of Lagos State signed the Lagos Electricity Bill 2024 into law.[1]

- **Issuance of Power Generation and Distribution Licences**

  NERC granted power generation and distribution licences to various operators, including Alaro Connect Free Zone Enterprise (Alaro) in Alaro City, Lagos State. The licenses granted to Alaro empowered it to generate and distribute electricity within its designated Free Zone. The generation licence allowed for embedded electricity generation with a capacity of 10MW at Alaro City, while the distribution licence allowed for independent electricity distribution within the same locality. Click here to read more on this development. Other companies like Golden Penny Power Limited, Havenhill Synergy and MTN Communications Nigeria Limited also received permits for mini-grid electricity generation. NERC issued nine (9) off-grid generation licenses, three (3) electricity trading licenses in Q1 of 2024 alone.

- **Regulation of Metering**

  In 2024, the NERC officially deregulated meter prices under the Meter Asset Providers (MAP) scheme for end-user customers and emphasized that competitive market forces would now determine meter prices. As discussed in our May Digest, the MAP scheme introduced a competitive bidding process for determining these prices. NERC also issued an order to operationalize the Meter Acquisition Fund (MAF), which established a framework for funding, and the eligibility criteria for manufacturers and MAPs.

- **Nigerian Government Unveiled a New 300KWp Power Project**

  The Nigerian government commissioned a 300KWp solar photovoltaic (PV) pilot project in Kainji, Niger State, in alignment with the President's initiative to improve electricity supply, as detailed in our Digest here. This project was strategically designed to augment power generation capacity, lower electricity costs, and foster collaboration, in accordance

[1] Watch out for our investor-focused analysis on the Lagos State Electricity Law, which will be published shortly.

with the national renewable energy and energy efficiency policy.

- **Stricter Regulatory Oversight on Electricity Distribution**

In February 2024, NERC announced sanctions against 11 power distribution companies for non-compliance with the capping of estimated bills for unmetered customers. NERC is estimated to have deducted over ₦10 billion (approx. US$6.5 Million) from the annual allowed revenues of the affected companies. NERC also ordered credit adjustments for overbilled customers and directed the power distribution companies to publish the lists of relevant beneficiaries.

- **Divestment of Power Plants**

In July 2024, NERC initiated the divestment of Kaduna Electricity Distribution Plc after designating it a 'failing licensee' due to substantial debt obligations, leading to the dissolution of its board. In parallel, the Nigerian Government moved to privatize five power plants under the National Integrated Power Projects (NIPP) portfolio, including the Geregu II and Olorunshogo II plants, in a transaction valued at over $1 Billion as examined in our Digest here.

- **NERC Issued an Order on the Transition to Bilateral Electricity Trading in the Nigerian Electricity Supply Industry**

In August 2024, we reported that NERC issued an Order for a transition to a bilateral trading system in the power sector, *eliminating the Nigerian Bulk Electricity Trading Company's role as the sole intermediary for electricity transactions between generation and distribution companies*. This market restructuring aims to strengthen sector discipline by reducing government exposure to electricity offtake risks.

- **Metering Finance for Distribution Companies (DisCos)**

The National Mass Metering Programme (NMMP) of the Central Bank of Nigeria provided significant financial support to 11 DisCos, amounting to ₦53.3 billion (approximately $31.7 million) in credit facilities. The NMMP aimed to eliminate estimated billing practices and enhance accountability within the power sector, as analysed in our Digest here.

Renewable Energy

- **Nigeria Pledged $3.1trn for Energy Transition**

Nigeria unveiled a comprehensive plan to transition from fossil fuels to cleaner and renewable energy sources, committing a substantial $3.1 trillion investment, at the 54th Annual Meeting of the World Economic Forum, as reported in our Digest.

The plan comprises two major components: $1.9 trillion dedicated to implementing an energy transition plan, focusing on diversifying energy sources, improving efficiency, and developing alternative energy infrastructure, and an additional $1.2 trillion dedicated to renewable energy development by 2060, emphasizing solar, wind, and geothermal power sources.

- **Embedded Generation, Renewable Energy Target for Distribution Companies**

Through a Supplementary Order to the Multi Year Tariff Order 2024, NERC directed all eleven Distribution Companies (DisCos) to secure embedded generation capacity of at least 10% of their load allocation. Half of this capacity must derive from renewable energy sources, advancing the sector's sustainability objectives. DisCos are expected to meet these targets by April 2025. Read more in our Digest here.

B. GHANA

Oil and Gas

Notable events in the oil and gas sector for 2024 included the continuous implementation of the Gold for Oil (G4O) policy, the commencement of construction of the Petroleum Hub Project, and the commissioning of the Sentuo Oil Refinery.

- **Gold for Oil Policy**

  In [insert year], the Gold for Oil (G4O) policy was launched by the Government of Ghana to address depleting foreign reserves and the high demand for United States Dollars by oil importers. In 2024, the Bank of Ghana indicated that it had plans of phasing out the G4O policy, considering that the policy had achieved its purpose and was no longer necessary. However, the Bank of Ghana later indicated that it had every intention of continuing with the G4O policy, despite its previous statement, as discussed here.

- **Commencement of construction of the Ghana Petroleum Hub Project**

  The Ghanian government announced the commencement of the construction of a 300,000 barrel per day oil refinery in the Western Region, as part of the Petroleum Hub Project.

  The Petroleum Hub Project, upon completion, will comprise 3 refineries, 5 petrochemical plants, 10 million cubic meter storage facilities, jetties, port infrastructure

and other ancillary infrastructures. This project represents a critical step towards the Government's plan to position Ghana as a regional hub for petroleum refining, storage and distribution in Africa. Read more in our July 2024 Digest and September 2024 Digest.

Power

The power and infrastructure sector in Ghana faced certain constraints in 2024 resulting from the compounding debt owed to various industry players and stakeholders.

Below are some of the notable occurrences in the power sector during 2024.

- **Nuclear Cooperation Agreement with Regnum Technology Group**

  The government of Ghana in October 2024 executed a Nuclear Cooperation Agreement (NCA) with Regnum Technology Group during the Africa Nuclear Energy Summit held in Nairobi, Kenya. The execution of the NCA was a significant step towards strengthening energy security in West Africa, by positioning Ghana as a regional training hub and centre for Small Modular Reactors (SMRs) in West Africa.

- **Energy Sector Reforms**

  The government of Ghana introduced reform bills to streamline its energy sector. The plan aimed to merge several agencies responsible for hydroelectric power and regulation into a single entity, the Ghana Hydro Authority. Additionally, it proposed the creation of a new thermal authority to oversee certain thermal assets. However, the plans have been met with opposition from stakeholders, leading the Ministry of Energy to request that Parliament suspend consideration of the bills. Read more in our Digest here.

- **World Bank approved a $250 million to Implement Energy Sector Review Programme**

  The World Bank approved a $250 million credit facility from the International Development Association (IDA) and a $10 million grant from the Energy Sector Management Assistance Programme for a 4-year Energy Sector Recovery Programme (ESRP), aimed at achieving optimum results in the energy sector. This financing is intended to support Ghana's ESRP, to improve financial viability of electricity distribution and increase access to clean cooking solutions.

- **Commissioning of the Bridge Power Project**

  The Ghanian government commissioned the Bridge Power Project, owned and developed by Endeavor Energy (a wholly owned Ghanaian energy company) and Andaris Energy Limited (a leading US independent power producer focused on Africa). The Bridge Power Station is projected to deliver up to 200MW of power to commercial and residential customers.

Renewable Energy

Notable events that occurred in the renewable energy space include:

- **Launch of the Green Finance Taxonomy**

  Ghana launched the first phase of its Green Finance Taxonomy at the 2024 Annual SDG Investment Fair. This event marked the crucial move towards aligning the country's financial investments with sustainable development and climate goals. The Green Finance Framework is geared to support the nation's climate action commitments under the Paris Agreement, as further discussed in our Digest here.

- **Ghana National Gas Company Limited acquired Ghana Cylinder Manufacturing Company after GHS4 million [Approx. US$ 650,408] loss**

  The Ghana National Gas Company acquired ownership of the Ghana Cylinder Manufacturing Company (GCMC). The GCMC had been considered a struggling entity after recording a loss of GHS4m in 2021. The Government of Ghana indicated that the acquisition was authorized to facilitate the efficient production of cylinders by the GCMC to meet growing market demand. The acquisition also aligned with the country's goal of transitioning to a low-carbon economy. Read more here.

Outlook for 2025

A. NIGERIA

Oil and Gas

Nigeria's oil and gas sector is poised for significant growth in 2025, driven by shifting global trends towards energy security. Amidst a divestment trend by IOCs, the Nigerian government is taking proactive steps to promote domestic production and attract foreign investments, leveraging government incentives and support to enhance local operators' operational capabilities.

The sector is also expected to witness a resurgence in exploration and production, refining capacity, a focus on monetizing gas resources, and strategic initiatives to improve the upstream sector, all of which are set to reshape the country's energy landscape and drive economic growth.

a. Potential Opportunities Amid IOC Divestments

The ongoing divestment trend continues as IOCs restructure their global portfolios in response to the transition toward sustainable and green energy initiatives. Nigeria seeks to leverage this shift by implementing policies that promote domestic production while attracting foreign investment.

Indigenous oil companies are emerging as key players in the sector, strategically acquiring assets to strengthen their market position. These companies are utilizing government incentives to enhance their operational capabilities and establish a stronger presence in the global market.

These market dynamics are evidenced by the 2024 oil licence bid rounds and the upcoming 2025 oil licence bid rounds which industry participants.

As indigenous oil companies acquire new assets, the formation of joint ventures will be crucial for optimizing the performance and value of these assets. Further, we envisage that new operators will stimulate drilling and production activity leading to an increase in demand for oil field services and creating opportunities for indigenous oil companies which operate in the oil service industry.new operators will stimulate new drilling and production activity leading to an increase in demand for oil field services and creating opportunities for indigenous oil companies which operate in the oil service industry.

b. Revitalization of Nigeria's Refining Sector

The revitalization of Nigeria's refining capacity, spearheaded by the Dangote refinery and the state-owned facilities in Warri, Port Harcourt, and Kaduna, is expected to reshape the country's downstream oil and gas sector in2025. The increased refining capacity will help moderate price volatility in the domestic market and Nigeria's reliance on imports has and will continue to decrease, reducing exposure to international market fluctuations and preservation of needed foreign exchange.

Competition between state-owned refineries and the Dangote refinery will possibly foster a more stable pricing environment. However, regulatory oversight will remain critical to ensuring fair practices and protecting consumers from potential price manipulation.

c. Strategic Focus on Gas Commercialization

We see more gas utilization projects progressing and completing in 2025 driven by the incentivization of gas utilization, cheaper exploration and production of gas driven by technology and an increased demand for gas in the domestic and international markets. As the country strives to reach an ambitious production target of 3 million bpd by 2025, the convergence of strategic efforts by the NUPRC, government-backed enhancements to production capacity, and a heightened emphasis on security will be pivotal in determining the feasibility of this goal.

Furthermore, the NUPRC has officially announced its intentions to hold a licensing round in 2025, focused on tapping into underexplored and undeveloped oil and gas fields.

d. More Growth in the Presidential CNG Initiative

The Presidential CNG Initiative has already attracted substantial private investments in 2024, aimed at developing the CNG sector and related infrastructure. This influx of capital is expected to continue as the government promotes CNG usage, potentially leading to further investments in vehicle conversions and refuelling stations.

With CNG priced at $1.57/MMBTU—substantially below rates for power generation and commercial users—this initiative is expected to reduce transportation costs across consumer and business sectors. Additionally, investments in CNG infrastructure-such as mother and daughter stations—are underway, which will facilitate widespread adoption of CNG vehicles.

Power

a. Improved Bilateral Contracting Regime Post-NBET

The NERC issued the Order on the Transition to Bilateral Trading in 2024, terminating the NBET's role in the electricity supply industry. NBET, established in 2011 as a temporary bulk trader, had served as an intermediary between Generation Companies (GenCos) and Distribution Companies (DisCos) until the latter could achieve sufficient creditworthiness for direct Power Purchase Agreements (PPAs).

The order established a 60-day transition period for GenCos to novate their PPAs to DisCos, while maintaining NBET's interim management of agreements with specific generators, including Azura Power West Africa Ltd and Shell Petroleum Development Company of Nigeria. These continuing agreements are governed by minimum 'take-or-pay' capacities or 2023 average plant availability.

Key transition challenges remain unresolved:

- The mechanism for settling NBET's outstanding payments to GenCos.
- Potential establishment of a dedicated liability management entity, similar to

- NEMCO's role in the 2013 power sector privatization.
- NBET's license renewal status and its continued capability to serve as offtaker for exempted GenCos.

This market restructuring signals a shift toward direct bilateral contracting, though additional regulatory guidance is anticipated to address these outstanding operational considerations.

b. Grid Expansion and Efficiency

In May 2024, the NERC issued the Order on the Establishment of the Independent System Operator (the NISO Order), which led to the unbundling of the Transmission Company of Nigeria (TCN) into two distinct entities: the NISO and the Transmission Service Provider (TSP).

This restructuring effectively delineated the previously merged functions of electricity transmission and system operations, both of which had been managed by the TCN. While the TCN continues to fulfil its role as the transmission provider, the NISO Order established a new entity, NISO, as a public company limited by shares responsible for system operation functions. Moreover, the NISO Order envisions the eventual transfer of system operator-related assets, liabilities, and personnel from TCN to NISO under conditions that remain no less favourable than prior to the transfer.

Based on the above, we anticipate a surge in public-private partnership (PPP) initiatives between the government and private enterprises specializing in grid management solutions. These collaborations hold the potential to unlock substantial private sector funding necessary for the expansion of the grid, along with streamlining the efficient operation and maintenance of grid infrastructure.

Furthermore, this unbundling is seen as a critical step towards revitalizing Nigeria's power sector by addressing the operational inefficiencies that have historically affected the TCN. A clear separation of responsibilities is expected to enhance the management of the national grid, reduce occurrences of grid failures, and improve regulatory compliance.

c. Issuance of More Trading Licences

With the gradual phasing out of the NBET regime and the introduction of enhanced bilateral arrangements, we anticipate that the NERC will issue additional trading licences in 2025 for projects connected to or reliant on the grid. Trading licensees will play a vital role in the bilateral trading framework, as they will assume some of the offtake obligations that were previously managed by the NBET.

This forthcoming wave of licences would be a promising continuation of the several trading licences granted in 2024.

The issuance of more trading licences is expected to expand the electricity market, attract new participants, and ultimately enhance the benefits received by consumers.

d. Increased State Regulatory Autonomy

In 2024, we witnessed the transfer of regulatory oversight from the NERC to the electricity authorities in ten (10) Nigerian states including; Enugu, Ekiti , Ondo, Imo, Oyo , Edo, Kogi , Lagos , Ogun and Niger. This transition was triggered by constitutional amendment and the enactment of the Electricity Act 2023 (as amended), which granted states the authority to enact their own electricity laws and establish independent regulatory bodies to oversee their respective electricity markets.

Under the Electricity Act, once a state has enacted its electricity law, established a regulatory body, and satisfied requisite legal and administrative requirements, the responsibility for regulating the electricity sector within that state is devolved from the NERC to the newly formed state regulator. As this process unfolds, the electricity market is expected to become increasingly decentralized, with multiple sector players emerging in this year, as additional states pursue regulatory autonomy.

e. Expected Outcomes from the Deregulation of Metering and Metering Pricing Regime

As previously noted, the MAP Order now allows permit holders to offer their services across all DisCos in Nigeria, provided they adhere to the quality specifications set out by NERC. This development broadens the choices available to end-user customers, who can now select from a diverse array of authorized meter vendors and enjoy a variety of meter types and quality options.

Moreover, the deregulation of meter supply and installation presents an attractive opportunity for private investors, motivated by the anticipated returns arising from market liberalization.

As a result, we expect increased investor participation in this sector in 2025, accompanied by a rise in both the quantity and quality of meters introduced into the market. Collectively, these factors should foster greater assurance in metering and billing for end-user customers or in bilateral energy projects.

f. More Regulatory Certainty in the Nigerian Carbon Market

In 2024, we saw a significant surge in stakeholder engagement, workshops, and the issuance of regulatory frameworks by the National Council on Climate Change (NCCC), all aimed at shaping the Nigerian carbon market.

This momentum followed the NCCC's release of its Regulatory Guidance on Nigeria's Carbon Market Approach in 2023, which established a requirement for entities seeking to issue or transfer carbon credits to obtain a "*no* an "*emission levy*" targeted at generation plants exceeding prescribed emission standards.[2] *objection*" letter from the NCCC. The vibrant alignment with the NCCC's objectives, some states, including Lagos State, have implemented stakeholder engagement of 2024 serves as a precursor to the establishment of a regulated carbon market that will facilitate the sale, transfer, and issuance of carbon credits while contributing to emissions reduction efforts.

In This year, we anticipate clearer regulatory direction which will hopefully lead to policies and legislation concerning the Nigerian Carbon Market and eventually in the medium term, establishment of this market at both national and state levels.

However, we foresee potential regulatory oversight challenges, particularly as certain states, such as Lagos, have already implemented emission levies on generation companies. This precedent may inform the NCCC's approach to regulation, potentially leading to similar measures on the same generation companies once its framework is fully established. We will be closely monitoring the market's progression as these developments unfold.

[2] Section 118(4) of the Lagos State Electricity Law 2024.

Renewable Energy

a. **Nigeria may face increasing global pressure to decarbonize while needing oil revenues**

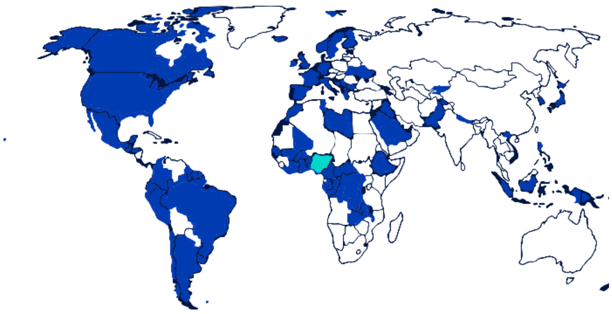
This year, Nigeria is likely to face global pressure to decarbonize, propelled by international climate commitments and evolving domestic policies. The nation has pledged to attain net-zero carbon emissions by 2060, aligning with the worldwide commitment to curtail greenhouse gas emissions.

Nevertheless, Nigeria faces considerable obstacles in achieving this goal, particularly due to its dependence on fossil fuels, notably natural gas, which it has designated as its transition fuel for industrialization. This commitment to net-zero emissions resonates with the aims of the Paris Agreement, which seeks to restrict global warming to well below 2°C above late 19th century pre-industrial levels.

At COP29, held in November 2024, Nigeria reaffirmed its objective of achieving net-zero emissions by 2060 and joined over 100 countries in the global methane pledge, aiming for a reduction of methane emissions by at least 30% by 2030. The President, represented by the Minister of Environment, also announced that Nigeria is developing a national carbon registry to reduce its carbon footprint.

However, the journey towards decarbonization is laden with difficulties, particularly in terms of revenue generation and infrastructure investment, which are expected to be funded through the proceeds of fossil fuel (oil and gas) exploration. Thus, while Nigeria has established ambitious decarbonization targets and is taking commendable steps to realize them, its significant reliance on fossil fuels poses substantial challenges. The forthcoming years will be pivotal as Nigeria strives to balance these challenges while addressing both domestic demands and international climate obligations.

Methane Push



B. GHANA

Oil & Gas

This year, Ghana is set to enhance its oil and gas infrastructure, boost production capacities, and reinforce its stature as a pivotal player in the regional energy landscape. It is anticipated that key projects, including the Pecan Phase I Project, the Atuabo II Gas Processing Plant, and the Tema LNG Plant, will commence operations this year. Furthermore, the Ghana National Petroleum Corporation (GNPC) has announced its intention to initiate its inaugural exploration well in the Voltaian Basin within the year. Spanning over 100,000 square kilometers, this onshore basin offers a remarkable opportunity for large-scale onshore exploration and development.

The recent change in government in November 2024 and the subsequent transition in leadership at the GNPC, the National Petroleum Authority and other sector Agencies and State of Enterprises are likely to usher in considerable modifications to policies and operations within the oil and gas sector.

a. **Tullow Oil's Drilling**

Ghana's energy sector is set for a significant growth in 2025, with Tullow Oil announcing plans to resume drilling operations in the Jubilee field. This development follows the resolution of a tax arbitration with the Government of Ghana, which removed a $320 million contingent liability and reaffirmed the stability of Tullow's petroleum agreements in the country.

Tullow Oil's drilling programme is scheduled to commence in May 2025, utilising the Noble Venturer rig to drill a producer and an injector well in the Jubilee field. These wells are expected to come on stream in the third quarter of 2025, reinforcing Ghana's upstream oil production capacity.

b. Ghana-ENI Partnership

In February 2025, Ghana's new President, H. E. John Dramani Mahama met with Eni's Chief Executive Officer, Claudio Descalzi, to discuss Ghana's energy sector and Eni's ongoing investments. The meeting highlighted the success of the Offshore Cape Three Points (OCTP) project, which remains Ghana's largest private energy investment, supplying approximately 70% of the country's domestic gas needs.

Discussions also covered new exploration and development opportunities, reinforcing Eni's long-term commitment to Ghana. In a strategic policy move, President Mahama has directed the Ministry of Energy to expedite the resolution of ongoing unitisation dispute between Eni and Springfield Exploration and Production Limited.

Ghana's energy outlook for 2025 is set to be shaped by these efforts, alongside broader plans to expand renewable energy, attract investment, and drive economic diversification. The government's facilitation of strategic partnerships reflects its commitment to a sustainable and resilient energy sector.

Power

Given the looming power crisis aggravated by unsustainable debt and insufficient infrastructure, the government is likely to prioritize the implementation of the Energy crisis, it may also focus on effective debt Sector Recovery Plan (ESRP) by its target date of June 2025. To mitigate the impending power management and the stabilization of key entities, such as the Electricity Company of Ghana, through debt restructuring and improved revenue collection.

Renewable Energy

Ghana's renewable energy sector is poised for significant growth in 2025, building on the achievements of the previous year. By addressing investment and infrastructure challenges, refining policy frameworks, and leveraging international partnerships, Ghana can solidify its position as a regional leader in renewable energy. These efforts will not only stimulate economic growth but also advance the nation's sustainability and climate objectives.

Green Energy Transition

The newly elected government of Ghana has announced the integration of a Green Transition framework within the Ministry of Energy to drive sustainable energy development. This initiative aligns with global decarbonisation efforts and aims to position Ghana as a leader in Africa's energy transition.

As part of its broader energy transition strategy, the government plans to augment thermal and hydro power production with nuclear energy and other renewable sources, including solar, wind, biogas, and waste-to-energy projects. Furthermore, off-grid energy systems such as mini-hydropower production in locations like Juale, Pwalugu, and Pra will be optimised to enhance the flexibility and adaptability of the national power system. These efforts aim to support planned special production zones while simultaneously reducing Ghana's carbon footprint and ensuring a stable and diversified energy supply.