



**COMMITMENT BY GHANA AND CÔTE D'IVOIRE TO BE BOUND BY THE
DECISION OF THE ITLOS IS HIGHLY COMMENDABLE – ACEP**

Accra, 25th September 2017

The Africa Centre for Energy Policy (ACEP) congratulates both Ghana and Côte d'Ivoire for committing to a peaceful process of addressing the boundary dispute between the two countries. The independent ruling by the International Tribunal for Law of the Sea (ITLOS) was a choice of peace over conflict which is necessary for the amical coexistence of the neighboring countries. ACEP commends the legal teams and industry experts who committed time and resources on both sides to see the dispute to a successful end.

This decision by ITLOS provides clarity and certainty of the delimitation between Ghana and Côte d'Ivoire. The boundary dispute had negative implications on upstream activities in both countries. In Ghana, for instance, Statoil preferred a portion, instead of the whole, of the South Deep Water Tano which extended to the disputed area. Ghana, unwilling to grant this request in an attempt to defend its sovereignty lost investments from this major global oil industry player. Tullow and Hess also halted drilling activities. ITLOS' decision therefore provides comfort for investment attraction to the Tano Basin straddling both sides of the border, which has lower exploration risk after discoveries by Tullow and Hess in Ghana, and Total in Côte d'Ivoire.

Given the discoveries that have been made on both sides of the boarder, there is the possibility of future discoveries that could straddle both countries which may require joint field development and operation. The joint agreement by both parties to be bound by the decision of the ITLOS, which is highly commendable, is a step in the right direction towards peaceful co-existence between Ghana and Côte d'Ivoire which is necessary for possible future partnerships in the upstream oil and gas sector.

The boundary dispute between Ghana and Côte d'Ivoire serves as a wakeup call for all African countries to properly define, document and sign all boundary agreements most of which were inherited from the colonial era to prevent future disputes. The clarity on boundary delimitation provides certainty and could improve investment attraction.

ACEP commends Tullow, Hess and their Joint Venture partners for their patience throughout the dispute resolution period. The outcome of the decision provides Ghana and Tullow the opportunity to increase production and revenues while Hess can proceed to develop the Deep Water Tano Cape Three Points fields.

ACEP expects that companies that have been unable to carry out their contractual duties as a result of the moratorium can quickly move to site and comply with their minimum work obligations or relinquish their interests.

Signed

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