

# Offshore Cape Three Points (OCTP) Ghana

**Sectors:** Oil and Gas Extraction

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[Project website](#)

<b>Sector</b>	Oil and Gas Extraction
<b>Location</b>	
<b>Status</b>	Planning Design Agreement Construction <b>Operation</b> Closure Decommission
<b>Website</b>	<a href="https://www.eni.com/en-IT/operations/ghana-octp.html">https://www.eni.com/en-IT/operations/ghana-octp.html</a>
	This project has been identified as an <a href="#">Equator Project</a>

## About Offshore Cape Three Points (OCTP)

Offshore Cape Three Points (OCTP) is an integrated oil and gas project located in the Tano Basin, about 60 kilometres off Ghana's coast. OCTP is owned by [majority stakeholder ENI](#), alongside Vitol and Ghana National Petroleum Corporation. Launched in 2015, the project encompasses the Sankofa Main, Sankofa East and Gye Nyame gas fields and the Sankofa East Cenomanian and Sankofa East Campanian oil fields. Production began with the delivery of gas from the Sankofa field in 2018. Infrastructure includes a 63-kilometre pipeline and a floating storage and offloading (FPSO) unit. Covering 694 square kilometres, the fields' estimated [1.5 trillion cubic feet of gas and 500 million barrels of oil](#) are projected to fuel Ghana's thermal power plants until the late 2030s. Discoveries of gas at Cape Three Points Block 4 in 2019 and [oil at ENI's Eban-1x](#) exploration area in 2021 have triggered [expansion plans](#).

## Latest developments

### ENI announces significant offshore oil discovery in Ghana

Jul 6 2021

### OCTP expansion proposed following gas and condensate discovery

May 11 2019

## Why this profile?

The Offshore Cape Three Points project has already impacted a large number of people in Ghana, including fishermen and Indigenous communities. These impacts include the displacement of communities, a decrease in food and livelihood resources

for local fishermen, air pollution and seawater degradation. These impacts are expected to worsen if OCTP is expanded.

## What must happen

In order to mitigate OCTP's negative impacts, banks and other financial institutions must refrain from financing the planned expansion of this project.

# Impacts

## Impact on human rights and communities

**Community displacement and the subsequent destruction of local economies** took place as OCTP acquired approximately 257 acres of land for its operations. A [July 2015 ENI Environmental Impact Statement](#) states that “the households of [Sanzule](#) will be proportionally the most vulnerable to loss of livelihoods due to loss of access to 213 acres of farmland used by approximately 180 farmers”.

Meanwhile, the region's fishermen have reported [a severe decline in catch](#), describing how the [lights from OCTP's oil vessels draw fish towards them](#); the fishermen cannot follow due to a 500-metre, police-patrolled perimeter around these assets. Fishermen have also watched several species go extinct, while their nets fill up with the seaweed that is [cut free during seabed drilling](#).

**Living costs have risen** as economic migrants arrive to take advantage of the new power plants. This rise has added [extra financial pressure to locals](#) who have lost their livelihoods.

## Impact on climate

**The exacerbation of global heating** is an unavoidable outcome of Offshore Cape Three Points, due to [the project's greenhouse gas emissions](#). The sources of OCTP's operational emissions include the generation of power for construction, non-routine gas flaring, the use of marine support vessels and helicopters, and the filling, offloading and operation of export tankers.

Global heating is driving climate change, which is raising Ghana's temperatures, shrinking and disrupting its rainfall patterns, increasing extreme weather events and fueling related disasters in the country, such as floods. More than 30 years of climate records show that the prevailing [climatic conditions in Ghana](#) have severely deteriorated and are likely to worsen, with increasingly severe and frequent droughts and floods predicted. Ghana is particularly vulnerable because its economy relies upon agriculture, forestry and energy production, which are all sensitive to changes in the climate.

## Impact on nature and environment

**A significant rise in local air pollution** has been a consequence of OCTP's construction. Released pollutants include [nitrous oxide, carbon dioxide, sulphur dioxide and particulate matter](#), which were particularly attributed to earth moving, excavation and transportation. The project will continue polluting the air to run its floating storage and offloading unit.

**The deterioration of marine ecology** near the project's drills is harming local sea life and therefore fishermen. Along with the movement of its vessels, OCTP's seabed drilling can cause [seawater turbidity](#), which negatively impacts the food supplies, spawning beds and gill function of fish. It is also likely that contaminants such as zinc and arsenic are seeping into the water.

## Other impacts

**Disappointing economic returns** caused by excessive supplies of Ghanaian gas are a concern. Most of Ghana's LNG and energy projects have been contracted without accurate estimates for future demand, which is under threat. Ghana may have to slash its gas prices, which will cause rapid debt accumulation. Due to its so-called Take-or-Pay arrangements, Ghana National Petroleum Corporation must pay the private sector for any supplies that are not sold. This cost the corporation [USD 168 million](#) in 2019.

# Governance

## Bank policies

The following bank investment policies apply to this project:

## Bank of China

### Environmental and social responsibilities

Sep 14 2021 | Bank of China

## HSBC

### Energy policy

Apr 23 2020 | HSBC

## ING

### Stance on climate

Date listed represents date as accessed on website

Feb 15 2021 | ING

### Environmental and social risk framework

Jun 30 2021 | ING

## Mitsubishi UFJ Financial Group (MUFG)

### Revision of the MUFG Environmental and Social Policy Framework

Apr 28 2021 | MUFG

### Carbon neutrality declaration

May 17 2021 | MUFG

## Mizuho Financial Group

### Environmental and social management policy for financing and investment activity

Jun 3 2020 | Mizuho Financial Group

### Policies on specific industrial sectors: Weapons, Coal-fired power generation, Coal mining, Oil and gas, Palm oil, lumber and pulp

[page 58 of Annual 2020 report]

Mar 31 2021 | Mizuho Financial Group

## Natixis

### ESR sector policy oil & gas industry

Apr 7 2021 | Natixis

## Société Générale

### Climate strategy

Oct 28 2020 | Société Générale

### Thermal power sector policy

Nov 30 2021 | Société Générale

### Mining sector policy

Nov 30 2021 | Société Générale

## Standard Chartered

### Extractive industries position statement

Apr 29 2021 | Standard Chartered

### Interim targets and methodology for pathway to net zero by 2050

Oct 28 2021 | Standard Chartered

## Net zero approach

Methodological white paper

Oct 28 2021 | Standard Chartered

## Prohibited activities

Date listed represents date as accessed on website

Feb 14 2022 | Standard Chartered

## UK Export Finance

### Policy and practice on Environmental, Social and Human Rights due diligence and monitoring

Aug 26 2020 | UKEF

### Note on Human Rights and Social Risks and Impacts

Nov 5 2020 | UK Export Finance

## Applicable norms and standards

Equator Principles

IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts

IFC Performance Standard 4: Community Health, Safety, and Security

IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement

Principles for Responsible Banking (PRB)

The Paris Agreement

World Bank Safeguard Policies

## Timeline

### ENI announces significant offshore oil discovery in Ghana

Jul 6 2021

The Ghanaian division of Italian energy giant [ENI has discovered a large oil deposit](#) at its Eban well in CPT-Block 4, 50 kilometres off Ghana's coast. ENI has been exploring Block 4 as it develops the Offshore Cape Three Points oil and gas project. Eban's production is estimated at 5,000 barrels of oil per day. The announcement follows ENI's discovery of gas and condensate at Block 4's Akoma well in 2019. Preliminary studies estimate that the Eban-Akoma complex would yield approximately 600 million barrels of oil.

### OCTP expansion proposed following gas and condensate discovery

May 11 2019

A considerable [gas and condensate reserve](#) has been discovered at the Offshore Cape Three Points (OCTP) project's Akoma-1X exploratory well, near Ghana's coast. The reserve's estimated volume is 550-650 billion cubic feet of gas and 18-20 million barrels of condensate. This discovery is a result of the CPT-Block 4 venture, a joint enterprise between ENI Ghana, Vitol Upstream Tano, Ghana National Petroleum Corporation, Woodfields Upstream and Explorco. OCTP stakeholders now anticipate an expansion of the project.

### OCTP project commences gas production

Jul 4 2018

Gas production has started at Ghana's Offshore Cape Three Points project, sourced from the Sankofa gas field. Majority stakeholder ENI expects the field to produce [180 million cubic feet of gas every day for 15 years](#).

## Oil production begins at OCTP

May 22 2017

Production at Ghana's Offshore Cape Three Points has begun, 30 months after the approval of the oil and gas facility's development plan. Majority stakeholder ENI says the project is [three months ahead of schedule](#).

## OCTP construction begins

May 4 2016

Ghana's president John Mahama [broke ground at the Offshore Cape Three Points project today](#), which is expected to begin producing an estimated 80,000 barrels of oil per day from 2017; gas production is planned from 2018 onwards.

## Ghana gives green light to OCTP project

Jan 27 2015

The Italian energy giant [ENI has signed an agreement with Ghana's Minister of Petroleum](#) to commence work on the Offshore Cape Three Points oil and gas project. ENI, which has operated in Ghana since 2009, has partnered with Vitol and Ghana National Petroleum Corporation. Extraction will take place at depths ranging from 600-1,000 metres across a 694-square-kilometre area.

## Financiers

OCTP required [USD 7.3 billion](#) in financing to develop the Sankofa oil field and the Sankofa Main, Sankofa East and Gye Nyame gas fields. Finance was provided by UK Export Finance, the International Finance Corporation (IFC) and commercial banks. OCTP's commercial debt financing was provided by Standard Chartered, HSBC, ING, Société Générale, Mizuho, MUFG, Natixis and Bank of China. Standard Chartered is financial advisor for the project and financial close was achieved in March 2017.

There has been no confirmation of finance for the project's expansion yet.

### Banks

#### [Bank of China](#) China [profile](#)

[Details](#) ▼

Debt – project finance	USD 84 million	10 March 2017 - 10 March 2027
Provided a USD 84 million loan. <i>source: IJGlobal.</i>		

#### [HSBC](#) United Kingdom [profile](#)

[Details](#) ▼

Debt – project finance	USD 135 million	10 March 2017 - 10 March 2027
Provided a USD 135 million loan. <i>source: IJGlobal.</i>		

#### [ING](#) Netherlands [profile](#)

[Details](#) ▼

Debt – project finance	USD 84 million	10 March 2017 - 10 March 2027
Provided a USD 84 million loan. <i>source: IJGlobal.</i>		

#### [Mitsubishi UFJ Financial Group \(MUFG\)](#) Japan [profile](#)

[Details](#) ▼

Debt – project finance	USD 84 million	10 March 2017 - 10 March 2027
Provided a USD 84 million loan. <i>source: IJGlobal.</i>		

#### [Mizuho](#) Japan [profile](#)

[Details](#) ▼

Debt – project finance	USD 84 million	10 March 2017 - 10 March 2027
Provided a USD 84 million loan. <i>source: IJGlobal.</i>		
<b>Natixis</b> France <a href="#">profile</a> <span style="float: right;">Details ▼</span>		
Debt – project finance	USD 84 million	10 March 2017 - 10 March 2027
Provided a USD 84 million loan. <i>source: IJGlobal.</i>		
<b>Société Générale</b> France <a href="#">profile</a> <span style="float: right;">Details ▼</span>		
Debt – project finance	USD 100 million	10 March 2017 - 10 March 2027
Provided a USD 100 million loan. <i>source: IJGlobal.</i>		
<b>Standard Chartered</b> United Kingdom <a href="#">profile</a> <span style="float: right;">Details ▼</span>		
Debt – project finance	USD 84 million	10 March 2017 - 10 March 2027
Provided a USD 84 million loan. <i>source: IJGlobal.</i>		
Advisor Financial advisor for the project. <i>source: IJGlobal</i>		

## Export credit agencies

<b>UK Export Finance</b> United Kingdom <a href="#">profile</a> <span style="float: right;">Details ▼</span>		
Uncategorised	USD 90 million	10 March 2017 - 10 March 2029
Provided guarantees for USD 90 million worth of loans. <i>source: IJGlobal</i>		
Debt – project finance	USD 310 million	10 March 2017 - 10 March 2025
Provided a USD 310 million loan. <i>source: IJGlobal.</i>		

## Multilateral development banks

<b>International Finance Corporation (IFC)</b> <span style="float: right;">Details ▼</span>		
Debt – project finance	USD 300 million	10 March 2017 - 10 March 2029
Provided a USD 300 million loan. <i>source: IJGlobal.</i>		

## Related companies

Italy's [ENI](#) holds the majority stake in the project at 44%, followed by Switzerland's [Vitol](#) with 36% and [Ghana National Petroleum Corporation](#) (GNPC) with 20%.

Following the [discovery of further gas reserves](#) at Cape Three Points Block 4 in 2019, the [CTP-4 joint venture](#) was formed. [ENI Ghana](#) holds the majority stake in the project at 42.5%, followed by Vitol Upstream Ghana with 34%, GNPC with 10%, Woodfields Upstream with 9.5% and the GNPC subsidiary Explorco with 4%.

## Project sponsor

**ENI** Italy [show profile](#)

Oil and Gas Extraction

Eni holds a 44% stake in the project