



Recommended Proposal for the Merger of

TOTAL PETROLEUM GHANA LIMITED

(FORMERLY MOBIL OIL GHANA LIMITED)

and

TOTAL GHANA LIMITED

by means of a Business Transfer Method

under section 230 of the Ghana Companies Code, 1963

(Act 179), as amended

This document is dated September 20, 2006

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you have sold or otherwise transferred all your shares in TPGL or TGL, please send this document as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

No person is authorised to give any information or to make any representation not contained in this document and any information or representation not contained in this document must not be relied upon as having been authorised by TPGL, TGL, Strategic African Securities Ltd or any of their advisors. Neither the delivery of this document, nor any disposal made hereunder, will under any circumstances, create any implication that the information contained in this document is correct as at any time subsequent to its date. TPGL and TGL shareholders will be given notice, published in a national daily newspaper, of any event that occurs during the notice of meeting period that materially affects the accuracy of the information contained in this document.

This document has been sent to all TPGL and TGL shareholders on the registers of members as at **September 20, 2006**.

This document has been reviewed and approved by the Securities and Exchange Commission (SEC) in accordance with Section 9 of the Securities Industry Law (P.N.D.C.L. 333), as amended and schedule 5 of the Securities and Exchange Commission Regulations, L.I 1728 In its review, the SEC examined the contents of this document to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of this merger proposal, TPGL and TGL shareholders are advised to consult a dealer, investment adviser or other professional for appropriate advice.

This document has also been reviewed and approved by the Ghana Stock Exchange (GSE). The GSE has granted permission to list any additional TPGL shares issued under the Merger on the First Official List of the GSE. The GSE assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed or contained in this document.

This document does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale or distribution of the new TPGL shares to be issued pursuant to the Merger in any jurisdiction in which such offer or sale is not permitted.

TOTAL PETROLEUM GHANA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that an Extra-Ordinary General Meeting of the Shareholders of Total Petroleum Ghana Limited will be held at the Osu Ebenezer Presbyterian Church Hall, Lokko Road, Osu, Accra on Friday the 27th day of October, 2006 at 10 O'clock in the forenoon.

AGENDA

1. To consider and approve a merger between the company and Total Ghana Limited in accordance with Section 230 of the Companies Code, whereby the company will purchase the entire assets or undertaking of Total Ghana Limited, upon the liquidation of Total Ghana Limited, in consideration of which the shareholders of Total Ghana Limited will receive, in accordance with their respective rights in liquidation, 9,259,259 fully paid up ordinary shares of no par value in the company.
2. To increase the company's issued shares from 4,725,000 to 13,984,259 to facilitate the proposed merger between the company and Total Ghana Limited and to have the new shares listed on the Stock Exchange.
3. To increase the number of Directors of the company from eight (8) to eleven (11).
4. To authorize the Directors to perform any and all acts legally required and necessary to perfect and complete the merger.

BY ORDER OF THE BOARD
ACCRA NOMINEES LIMITED
COMPANY SECRETARIES

Dated this 19th day of September, 2006

REGISTERED OFFICE
TOTAL HOUSE
25 LIBERIA ROAD
P.O. BOX 450
ACCRA

A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the Registered Office, P.O. Box 450, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the **48 hour deadline** will result in the Proxy not being admitted to, or participating in, the meeting. A Form of Proxy is provided in the Circular.

This Circular has been seen and approved by the Directors of the TPGL and TGL and we collectively and individually accept full responsibility for the accuracy of the information given and that after making all reasonable inquiries and to the best of our knowledge and belief there are no facts the omission of which would make any statement in the document referred to above misleading.

This Circular has been reviewed and approved by the Securities and Exchange Commission (SEC) in accordance with Section 9 of the Securities Industry Law (P.N.D.C. Law 333), as amended. In its review, the Commission examined the contents of the Circular to ensure that adequate disclosures have been made. To decide whether to vote for or against the merger, investors are advised to consult a dealer, investment adviser, or other professional for appropriate advice.

Recommended Proposal for the Merger of

TOTAL PETROLEUM GHANA LIMITED
and
TOTAL GHANA LIMITED

by means of a Business Transfer Method
under section 230 of the Ghana Companies Code, 1963
(Act 179), as amended

The GSE has given approval for the listing of the said shares on the First Official List. The GSE assumes no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in this Circular. The Company has not authorised any person to give any information or to make any representation other than those contained in this document, and if given or made, such information or representation must not be relied upon as having been authorised.

Strategic African Securities Limited (SAS) are acting as financial advisors and sponsoring brokers for the merger. To the best of its knowledge and belief this document constitutes full and fair disclosure of all material facts about the merger.

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CORPORATE INFORMATION ON TOTAL PETROLEUM GHANA LTD

Directors:	Jean-Denis Royere- Board Chairman Felix Majekodunmi - Managing Director Alain Champeaux Francois de Ligniville Emmanuel De-Fournas Edward P L Gyampoh John Sackah Addo Rexford Adomako-Bonsu
Registered Office:	Mobil House 25 Liberia Road PO Box 450 Accra
Auditors:	PricewaterhouseCoopers Chartered Accountants Gulf House, 4 th Floor PMB CT 42 Accra Tel: +233 21 5033201 Contact: Micheal Aseidu-Antwi Email: micheal.aseidu-antwi@gh.pwc.com
Company Secretary:	Accra Nominees 2 nd Floor, Cedar House No 13, Samora Machel Road, Asylum Down PO Box GP 242, Accra Tel/Fax: +233 21 270231 Contact: Annie Chinebuah Email: AccraNominees@yahoo.com
Company Solicitors:	Gyampoh & Co Solicitors Cedar House PO Box 5897, Accra Tel/Fax: +233 21 251830 Contact: Edward P L Gyampoh Email: gyampoh@ghana.com
Registrars:	Merchant Bank (Ghana) Limited 57 Examination Loop, North Ridge PO Box 401, Accra Tel/Fax: +233 21 251131 – 3 / 251138 Contact: V.C. Kojo Sallah Email: sallahv@merbangh.com

CORPORATE INFORMATION ON TOTAL GHANA LTD

Directors: Jean-Denis Royere – Board Chairman
Felix Majekodunmi
Daniel Charles Gyimah
Kofi Ampim

Registered Office: 95 Kojo Thompson Road
PO Box 553
Accra

Auditors: KPMG
Chartered Accountants
25 Liberia Road
PO Box GP 242, Accra
Tel/Fax: +233 21 664881 - 4
Contact: R B Perbi
Email: rperbi@kpmg.com.gh

Company Secretary: Mercy Samson
Total Ghana Limited
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Tel/Fax: +233 21 221445
Contact: Mercy Samson
Email: samson@total-gh.com

Company Solicitors: Peasah Boadu & Co
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Airport West
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Tel/Fax: +233 21 506214
Contact: Peasah Boadu
Email: boadu@africaonline.com.gh

Registrar: NTHC Limited
Registrar Services
Martco House
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Tel/Fax: +233 21 235817
Contact: John M Hagan

ADVISORS TO THE MERGER

**Financial Advisors &
Sponsoring Brokers:**

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PO Box KA 16446, Accra, Ghana
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Legal Advisors:

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Contact: Joyce L. Darko/Merene Botsio-Phillips
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Reporting Accountants:

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Registrars:

Merchant Bank (Ghana) Limited
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Tel/Fax: +233 21 251131 – 3 / 251138
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DEFINITIONS

The following definitions apply in this document, unless the context requires otherwise:

“Board” or “Boards”	The Board or Boards of Directors of TPGL and/or TGL
“BOST”	The Bulk Oil Storage Limited
“Companies Code”	The Ghana Companies Code 1963 (Act 179) as amended
“Effective Date”	The Effective Date of the Merger is November 1, 2006
“EGM”	Extraordinary General Meeting
“Ghana”	The Republic of Ghana
“GSE”	The Ghana Stock Exchange
“MOGL”	Mobil Oil Ghana Ltd. The shareholders of MOGL passed a special resolution at the Annual General Meeting held on September 6, 2006 to change the name of the company to TPGL.
“TPGL”	Total Petroleum Ghana Limited (formerly called Mobil Oil Ghana Ltd (MOGL)). All References in this document to MOGL shall read TPGL unless otherwise stated.
“TPGL Board” or “TPGL Directors”	The Directors of TPGL
“TPGL shares”	TPGL ordinary shares currently in issue
“new TPGL shares”	The new TPGL shares to be issued pursuant to the Merger
“the Notice”	Bank of Ghana Notice to Banks, Stockbrokers and the Public (BG/EC/93/1) dated June 22, 1993.
“NPA”	National Petroleum Authority
“OMC” or “OMCs”	Oil marketing company or companies
“Record Date”	September 20, 2006
“SEC”	Securities and Exchange Commission

“SAS”	Strategic African Securities Ltd
“The Exchange”	Ghana Stock Exchange
“The Merger Candidates”	TPGL and TGL
“Total”	Total S.A., the ultimate holding company
“TOM”	Total Outre Mer S.A.
“TGL”	Total Ghana Ltd
“TGL Board” or “TGL Directors”	The directors of TGL
“TUC”	Trades Union Congress of Ghana

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Date
Merger Candidates send out Notices for EGM	September 28,2006
Latest time for receipt of Proxy Forms for EGMs	October 25, 2006
TPGL holds EGM	October 27, 2006
TGL holds EGM	October 27, 2006
Former TGL shareholders are issued TPGL share certificates	November 1, 2006
Listing of the new shares on the GSE	November 6, 2006

LETTER FROM THE CHAIRMAN OF TPGL AND TGL

September 5, 2006

To all Total Petroleum Ghana and Total Ghana Shareholders

Dear Shareholder,

RECOMMENDED MERGER OF TPGL AND TGL

The Boards of MOGL and TGL are proposing a merger (the “Merger”) of the two companies to shareholders. At separate board meetings of MOGL and TGL held on May 3, 2006 and a joint board committee meeting of MOGL and TGL held on August 9, 2006, your directors unanimously agreed to jointly recommend the merger of the two companies to shareholders. I am now able to provide you with the documents that set out the terms of the Merger and provide information about the resulting combined company, to be named “Total Petroleum Ghana Limited”. These documents also advise of the steps that you, as shareholders of MOGL and TGL, need to take in order to exercise your vote as part of the process to implement the Merger or otherwise.

The Merger represents a very important stage in the continuing lives of both of these companies. In putting together the distribution and retailing assets, people and financial capabilities of MOGL and TGL, the Merger creates a premier oil marketing company in Ghana.

The Merger has the unanimous support and recommendation of the Boards of both MOGL and TGL. It is your Boards’ firm conviction that this is a very positive development for MOGL and TGL, their shareholders, employees and business associates. You should carefully consider the documents presented to you and the proposition they describe. I urge you to support the Merger and to vote in favour of the resolutions to be proposed at the Extraordinary General Meetings. I look forward to welcoming you as a shareholder of the new merged company, Total Marketing Ghana Limited.

Yours sincerely,

Jean-Denis Royere
Chairman
Mobil Oil Ghana Ltd & Total Ghana Ltd

PART 1 – OVERVIEW & KEY TERMS OF THE MERGER

1 Introduction

On September 30, 2005, Total Outre Mer S.A. (TOM), a subsidiary of Total S.A. bought a 60% stake in Total Petroleum Ghana Ltd (TPGL) on the floor of the Ghana Stock Exchange (GSE) in furtherance of Total S.A.'s goal to increase its market share in Ghana. The acquisition gave TOM a single majority stake in TPGL beyond twenty five per cent (25%) of TPGL's issued shares, and thus triggered a mandatory takeover under the GSE's Rules on Takeovers and Mergers. TOM made a tender offer to the remaining shareholders of TPGL from February 1 to February 28, 2006, during which TOM acquired additional 360,521 TPGL shares, bringing TOM's shareholding in TPGL to 67.63%. Total S.A owns (directly and indirectly) 81.39% of the issued shares of Total Ghana Limited (TGL). Thus, two operating companies, TPGL and TGL, have TOM as the controlling shareholder.

The Boards of TPGL and TGL are proposing a merger of TPGL and TGL to create a single company to be renamed "Total Petroleum Ghana Limited". It is expected that the combined new company will be the premier marketer in the oil marketing industry in Ghana, accounting for 29% of all petroleum products distributed in the country and providing enhanced value for both its customers and shareholders.

This document seeks to provide shareholders of TPGL and TGL with an overview and key terms of the Merger, an overview of the new combined company and background information on the merger candidates, TPGL and TGL. It is expected that this information will assist shareholders of both TPGL and TGL to make informed decisions as to whether or not to vote in favour of the Merger.

2 Legal Structure of the Merger

The Merger will be effected by way of a Business Transfer under Section 230(7) of the Ghana Companies Code 1963 (Act 179), as amended. Under this method, TGL will be put into members' voluntary liquidation and the whole of its undertaking and assets will be sold to TPGL in consideration for fully paid ordinary shares of the same class already listed on the GSE in TPGL. TPGL will thus issue new shares to TGL shareholders in exchange for their rights in the liquidation.

The steps to be taken to effect the Merger would include the following:

- TPGL and TGL shareholders meet at separate meetings to consider and approve all the resolutions to be placed before them at the Extraordinary General Meeting (EGM) to be held on October 27 2006.
- On approval of resolutions, TGL commences the liquidation process and assigns the whole of its undertaking (assets and liabilities) in exchange for the approved new ordinary shares in TPGL;
- The Registrars of TPGL issue new share certificates reflecting the new name of the combined company to the former TGL shareholders,; and
- The new shares are listed on the GSE.

3 Key Terms and Conditions of the Merger

The Merger is subject to the following key terms and conditions:

a Consideration

TPGL will issue nine million two hundred and fifty-nine thousand, two hundred and fifty-nine (9,259,259) new ordinary shares to TGL shareholders in consideration for TGL shareholders assigning all their rights in liquidation to TPGL. The new TPGL shares would be distributed among TGL shareholders in proportion to their rights in liquidation of TGL.

The consideration was determined following financial valuations of TPGL and TGL carried out by the financial advisors, Strategic African Securities Ltd (SAS), verified by the reporting accountants, Deloitte & Touche, and agreed by the Boards of TPGL and TGL. The financial advisors recommended a valuation range of ₵237bn to ₵255bn (US\$25.9 million to US\$28.0 million) for TPGL and ₵381bn to ₵500bn (US\$41.9 million to US\$54.9million) for TGL. The directors of TPGL and TGL negotiated final valuations of ₵255 billion (US\$28.0 million) for TPGL and ₵500 billion (US\$54.9 million) for TGL.

The relative valuations took into account the current and potential future market positions of TPGL and TGL. The valuation methods used were the discounted cash flow analysis, which were based in part on observed trends in the past performances of the companies and their business plans, and market comparable analysis.

Following from the negotiated final valuations of TPGL and TGL, an indicative share exchange ratio for the companies was determined. TPGL has a total of 4,725,000 ordinary shares outstanding whilst TGL has 210,492,000 outstanding ordinary shares. The adopted valuation of ₵255 billion for TPGL and ₵500 billion for TGL resulted in a share exchange of 1 new TPGL share for 22.73 existing TGL shares and thus TPGL to issue 9,259,259 new shares for all of TGL shareholders rights in liquidation.

The directors of TPGL and TGL believe this valuation presents best value and is fair to the shareholders of both TPGL and TGL.

b Resolutions for TPGL Shareholders' Approval

The approval of the following resolutions by TPGL shareholders at the EGM to be held on October 27, 2006.

- (i) approve the merger;
- (ii) authorise the directors to issue and allot nine million two hundred and fifty nine thousand, two hundred and fifty-nine (9,259,259) new TPGL shares to TGL shareholders and to have the new shares listed on the GSE;
- (iii) approve the increase of the total number of TPGL directors from eight (8) to eleven (11); and
- (iv) approve the appointment of Kofi Ampim and Daniel Charles Gyimah to the board of TPGL.

c Resolutions for TGL Shareholders' Approval

The approval of the following resolutions by TGL shareholders at the EGM to be held on October 27, 2006.

- (i) approve the merger; and
- (ii) approve the liquidation of TGL, the appointment of Mr R B Perbi of KPMG, 25 Liberia Road, Accra as liquidator and the assignment of all TGL assets and undertakings to TPGL in consideration of nine million two hundred and fifty nine thousand, two hundred and fifty nine (9,259,259) new TPGL shares.

d Ghana Stock Exchange Approval

TPGL receiving no formal notification of any decision of the GSE (i) not to agree to the listing of the nine million two hundred and fifty nine thousand, two hundred and fifty nine (9,259,259) new TPGL shares to be issued to TGL shareholders on the First Official List of the GSE and/or (ii) to impose special conditions in connection with such listing which TPGL or TGL, acting reasonably, considers to be unduly onerous.

e Other Authorisations

All other authorisations, clearances, undertakings, approvals and notifications necessary to implement the Merger having been obtained from each appropriate third party and all such authorisations, clearances, undertakings, approvals and notifications remaining in full force and effect and there being no intimation of any intention to revoke, withhold or modify the same.

f Material Legal Proceedings

Except as disclosed below, there are no legal or arbitration proceedings in which any member of either TPGL or TGL is or has been engaged, including any such proceedings which are pending or threatened of which either TPGL or TGL are aware, which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position of either TPGL or TGL or prevent either part from entering into this transaction or following the merger, the combined group.

4 Boards' Recommendation

The Boards of TPGL and TGL consider the terms of the Merger to be in the best interests of shareholders of the two Merger Candidates. The Boards are fully convinced about the positive synergies to be derived from merging the operations of the two companies to provide quality service to customers and deliver superior returns to shareholders.

The Boards therefore recommend that all TPGL and TGL shareholders vote in favour of the resolutions to be proposed at the EGMs, as the Directors intend to do in respect of their own respective beneficial holdings, which amounts in aggregate to 3,652 TPGL shares.

TOM, which holds 67.63% of the issued shares of TPGL, intends to vote in favour of the resolutions at the TPGL EGM. TOM and Total Africa Limited, which together holds 81.39% of the issued shares of TGL also intend to vote in favour of the resolutions at the TGL EGM.

PART 2 – OVERVIEW OF THE PROPOSED MERGED COMPANY

1. Introduction

The new merged company will be growth focused and the leading oil marketing company in Ghana with an estimated market share of 29%. The combined assets, product range diversification and distribution network system of the new entity will help maximise organic growth. The new merged entity is expected to meet all challenges to ensure sustained operations and grow shareholder value.

2. Name Change

MOGL shareholders at their Annual General Meeting of September 6, 2006 passed a special resolution to change their company name to “Total Petroleum Ghana Limited” following the acquisition of a majority stake in the company by TOM and the fact that the company could no longer use the brand name “Mobil” effective September 30, 2006.

TPGL will operate as a member of the prestigious, international and highly successful Total S.A. Group benefiting from the technical, product and management support of this world-class entity. Total S.A. is France’s largest company and the world’s 4th largest oil and gas company by market capitalisation. Total S.A. operates in more than 130 countries across the oil industry chain, from oil and gas exploration and production to the gas downstream and refining, marketing, trading and shipping. Total S.A. is listed on the Paris Stock Exchange, the New York Stock Exchange and other exchanges in Brussels and London. Total S.A. brings the vast experience and knowledge that has enabled it to develop its positions in Africa to improve service and marketing approach in order to maximize market penetration for the new merged company.

The Registrar of Companies in Ghana has reserved the use of the name “Total Petroleum Ghana Limited” for MOGL.

3. Stock Exchange Listing

Application was made to the GSE for the new TPGL shares to be issued under the merger to be listed on the First Official List of the GSE and TPGL has received the GSE’s approval for such listing.

Following approval of the Merger, TPGL will trade on the GSE with a ticker symbol of **TOTAL**. It is expected that trading in the new shares will commence by November 6, 2006

4. Benefits of the Merger and Prospects of the Merged Company

The Directors of both TPGL and TGL believe the Merger will allow the shareholders of both companies to benefit from the establishment of a premier oil marketing company with the following attributes:

- **Leading Market Position** – With TPGL and TGL having market share of 13% and 19% respectively, the merger of the two companies will create a single entity with an estimated market share of 29%. The new company will become the premier oil marketer in the country.

It is anticipated that the new company will have a combined balance sheet worth ¢560.3 billion as at December 31, 2006. Under the current competitive operating environment, an entity of the combined assets and network positions of the merged company will be able to meet new challenges to assure sustained operations and maintain shareholder value.

- **Synergies and Cost Savings** – Synergies from merging depots and administrative operations will bring cost savings necessary to increase efficiency, reduce depot-operating costs and consequently increase profitability and shareholder value. Consolidation of depot and branch operations (in particular logistics realisation) will further promote efficiency and cost savings will accrue by the elimination of redundant activities.

Further savings will accrue from selling and administrative costs. Distribution and marketing activities will be harnessed under the optimal use of a sales force and duplicated administrative positions will be eliminated. The use of a single head office building will result in income to be derived from redundant office buildings. Consolidation of depot and branch operations will result in surplus assets which could be divested or used in generating additional income.

- **Investment Appeal** – It is anticipated that the new merged company will have the growth potential, size and dividend potential to enhance appeal to the investment community. The new company is expected to have market capitalisation of approximately ¢755.15 billion (based on the closing price of one TPGL share on the GSE on September 6, 2006 the last practicable trading day prior to the publication of this document, and the issued ordinary shares of TPGL together with the new TPGL shares to be issued pursuant to the Merger).
- **Prospects** – It is expected that the merged company will have very good prospects. Turnover is expected to total ¢3,600 billion in 2006, increasing to ¢3,751 billion in 2007. Earnings per share is expected to almost double from 2005 level of ¢2,894 to ¢4,138 by December 31 2006. Investors are expected to enjoy higher returns from the merged company, over and above any increase the individual companies could generate.

5. Corporate Governance of the Merged Company

Following the Merger, Jean-Denis Royere, the current Chairman of both TPGL and TGL, will become Chairman of the new merged company. Felix Majekodunmi, the current Managing Director of TPGL, will continue as Managing Director of the new merged company.

All the remaining directors of TPGL and TGL will continue as directors of the new merged company. The other members of the Total Petroleum Ghana Ltd Board following the Effective Date and shareholders' approval will be:

John Sackah Addo	Non-executive director
Rexford Adomako-Bonsu	Non-executive director
Kofi Ampim	Non-executive director
Alain Champeaux	Non-executive director
Emmanuel De-Fournas	Non-executive director
Edward P L Gyampoh	Non-executive director
Daniel Charles Gyimah	Non-executive director
Francois de Ligniville	Non-executive director

TPGL will also have an audit committee which will comprise five (5) non-executive members and one (1) executive member whose names are set out below:

Rexford Adomako-Bonsu	Non-executive member
John Saka Addo	Non-executive member
Edward P L Gyampoh	Non-executive member
Joseph A Biney	Non-executive member
Charles Gyimah	Non-executive member
Jonas A Ayi	Executive member

6. Employees

It is envisaged that a total of forty (40) employees of both companies will be made redundant as a result of the Merger following the consolidation and rationalisation of depots and administration operation. The Boards of TPGL and TGL intend to moderate the impact of the redundancies by organising courses and seminars for affected employees. Employees affected by redundancies will be adequately compensated in accordance with agreed severance packages. The Ministry of Labour, Manpower and Employment is assisting the management and employees of TPGL and TGL in this process. The Labour Department approved the redundancy exercises of TPGL and TGL on August 10, 2006 and August 21, 2006 respectively. Management estimates that the total cost of redundancy for the merger candidates will amount to €26 billion.

7. Top Shareholders

Total S.A, through its subsidiaries TOM and Total Africa, will become the largest shareholder of the new merged company, controlling 76.74% of the issued shares of the merged company. The Top 5 shareholders of the new company following the merger would be as follows:

Name	Number of Shares	% Holding
Total Outre Mer S.A.	6,100,320	43.62
Total Africa	4,630,949	33.12
National Investment Bank	1,244,879	8.90
SSNIT	365,443	2.61
Total Staff Provident Fund	348,566	2.49
Others	1,294,102	9.25
TOTAL	13,984,259	100.00

8. Parent Company

The ultimate parent company of the merged company will be Total S.A., the company that owns 100% of the issued shares of TOM. Today's Total S.A. was created by two successive mergers - first of Total and Belgium's PetroFina to create Totalfina, then of Totalfina and Elf Aquitaine to create TotalFinaElf. As such, the Group, renamed Total S.A. in May 2003, is the proud heir to a prestigious oil and gas legacy dating back to the 1920s. The new Total S.A. is a vibrant blend of the cultures and expertise of all three companies, whose vast technological and human capital is being leveraged to maintain its position as a top-tier global energy supplier.

- **Mission, Goals & Objectives** – As France's largest corporation and the world's fourth-ranked oil and gas company, Total S.A. is committed to meeting growing energy demand while consistently acting as a responsible corporate citizen. As at December 31, 2004, Total S.A. was the world's fourth largest oil and gas company by market capitalisation. Total S.A. operates in more than 130 countries across the oil industry chain, from oil and gas exploration

and production to the gas downstream and refining, marketing, trading and shipping. It is also a world-class chemicals player.

- **Skilled Work Force** - The technical skills and expertise of the company's 111,401 employees are its most important competitive advantage. United by a shared culture, these exploration, production, refining, marketing and chemicals specialists have made Total S.A. a sound, resilient enterprise, focused on its core businesses and enjoying unmatched growth opportunities.
- **Ownership Profile** – Total SA is listed on the Paris Stock Exchange, the New York Stock Exchange and other exchanges in Brussels and London. It's shares are held by the public.
- **Business & Operations** – Total S.A.'s global businesses are divided into three segments:
 - The upstream segment encompasses oil and natural gas, exploration and production operations, along with our gas and power activities.
 - The downstream segment covers trading and shipping, refining and the marketing of Total and Elf brand petroleum products, automotive and other fuels, and specialties such as LPG, aviation fuel and lubricants, through both the retail network and other outlets worldwide.
 - Chemicals include petrochemicals, specialties, fertilizers and elastomer processing and Arkema, a new entity including vinyl products, industrial chemicals and performance products.

9. Selected Financial Information Relating to TPGL

The selected financial information relating to TPGL set forth below for the years ended and as at 31 December 2001 to 2005 should be read in conjunction with TPGL's financial statements and the notes thereto prepared in accordance with financial accounting GAAPs. The selected financial information for these years has been extracted without material adjustment to TPGL's audited financial statements.

The financial statements of TPGL are set out in Part 4 of this document.

	2001	2002	2003	2004	2005
Turnover (¢'m)	789,085	705,773	903,646	853,970	1,222,824
Gross Profit (¢'m)	67,130	81,270	104,938	92,998	99,148
Non Trading Income (¢'m)	8,681	12,612	13,940	16,144	23,956
Profit After Tax (¢'m)	13,694	12,423	18,507	(4,756)	13,673
Total Assets (¢'m)	158,284	177,521	232,044	248,553	266,197
Total Liabilities (¢'m)	98,089	115,231	166,030	197,298	213,575
Shareholders' Funds (¢'m)	60,195	62,290	66,014	51,255	52,622
Net Profit per Share (¢)	3,381	3,067	4,570	(1,007)	2,894
Net Assets per Share (¢)	14,863	15,380	16,300	10,848	11,137
Dividend per Share (¢)	2,536	2,550	3,650	2,117	2,604
Issued shares ('000)	4,050	4,050	4,050	4,725	4,725

10. Selected Financial Information Relating to TGL

The selected financial information relating to TGL set forth below for the years ended and as at 31 December 2001 to 2005 should be read in conjunction with TGL's financial statements and the notes thereto prepared in accordance with financial accounting GAAPs. The selected financial information for these years has been extracted without material adjustment to TGL's audited financial statements.

The financial statements of TGL are set out in Part 5 of this document.

	2001	2002	2003	2004	2005
Turnover (¢'m)	819,262	722,116	1,049,168	1,129,912	1,678,386
Gross Profit (¢'m)	75,690	76,614	109,614	120,888	142,795
Non Trading Income (¢'m)	11,482	18,123	22,634	23,831	17,991
Profit After Tax (¢'m)	2,536	10,812	38,455	36,821	44,084
Total Assets (¢'m)	198,941	179,382	238,348	291,853	404,781
Total Liabilities (¢'m)	150,563	124,992	177,959	231,464	339,983
Shareholders' Funds (¢'m)	48,378	54,390	60,389	60,389	64,798
Net Profit per Share (¢)	12	51	183	175	209
Net Assets per Share (¢)	230	258	287	287	308
Dividend per Share (¢)	4	23	154	175	188
Issued shares ('000)	210,492	210,492	210,492	210,492	210,492

11. Risk Factors

This paragraph describes some of the risks that could materially affect the merged company. Additional risk factors not presently known to the Merger candidates or that the Merger candidates currently deem immaterial could later turn out to be material to the merged company.

- **Risks related to failure to implement or delay in implementing the Merger** – The Merger is subject to a number of conditions, including the approval by the requisite majority of TPGL and TGL shareholders of all the special resolutions proposed at the Extraordinary General Meeting and the receipt of certain regulatory approvals. There is no guarantee that the conditions to the Merger will be fulfilled and the Merger will be completed.
- **Risks related to the oil marketing industry** – A major risk which could impact on the projected earnings is the non-availability of petroleum products due to supply disruptions. Additionally, any adverse change in the international supply and price of fuel could negatively affect the projected earnings.
- **Risks related to the shares of the merged company** – The sales of large amounts of TPGL or TGL shares, or the perception that these sales may occur, could adversely affect the prevailing market price of such shares.

PART 3 – THE PETROLEUM MARKETING INDUSTRY

1 Overview

The petroleum industry is a major driver of the Ghanaian economy. Ghana meets its petroleum needs by either importing crude oil, which is refined by Tema Oil Refinery (TOR) or finished petroleum products. Currently, seventy percent (70%) of Premium and Gasoil consumed in the country is refined locally, while the remaining thirty percent (30%) is imported as finished products. Refined petroleum products are distributed throughout the country by road using haulage trucks, backed by pipe and barge (water transport) to the northern parts of Ghana.

2 The Regulatory Environment

- **Energy Commission** – The industry is regulated by the Energy Commission, which is required by law to regulate, manage and develop the utilisation of energy resources in Ghana. The Commission provides the legal and regulatory framework for the licensing, wholesale, supply, distribution and sale of electricity and natural gas as well as the refining, storage, distribution and sale of petroleum products. The coming into force of the National Petroleum Authority (NPA) Act has seen the shifting of the roles played by the Energy Commission to the NPA.
- **National Petroleum Authority (NPA)** – The NPA is tasked with the responsibility of monitoring world oil prices and reviewing local prices of petroleum products. The Agency is also responsible for the evaluation of bids for the award of contracts by TOR for the purchase of crude oil and the importation of refined petroleum products.

3 Major Players

The major players in the industry are the Energy Commission, the National Petroleum Authority, Tema Oil Refinery (TOR), Bulk Oil Storage & Transport Company (BOST) and the Oil Marketing Companies (OMCs).

OMCs are companies that distribute and market petroleum products in Ghana. Currently, there are about thirty (30) OMCs operating in the country compared to seventeen (17) in 2001. Four (4) OMCs- Ghana Oil Company (GOIL), TPGL, Shell Ghana (Shell), and TGL dominate all product segments (with the exception of LP Gas) with a combined percentage of the industry ranging from 61% to 100%. The table below shows the market share of the top-four OMCs as a percentage of the entire industry as at December 2005:

Product	Volume Sold, Top Four	Volume Sold, Industry	Top Four as % of Industry
LP Gas (kg)	14,929,996	69,291,775	21.55
Premium (litres)	405,686,011	615,849,287	65.87
ATK (litres)	147,674,710	147,672,710	100.00
Gasoil (litres)	486,701,494	771,754,342,	63.06
Gasoil (GBS) (litres)	26,725,229	44,063,858	60.65
Fuel Oil (litres)	36,987,300	53,128,550	69.62
Gasoil Mines (litres)	125,642,150	127,535,850	98.52

4 Market Share Analysis

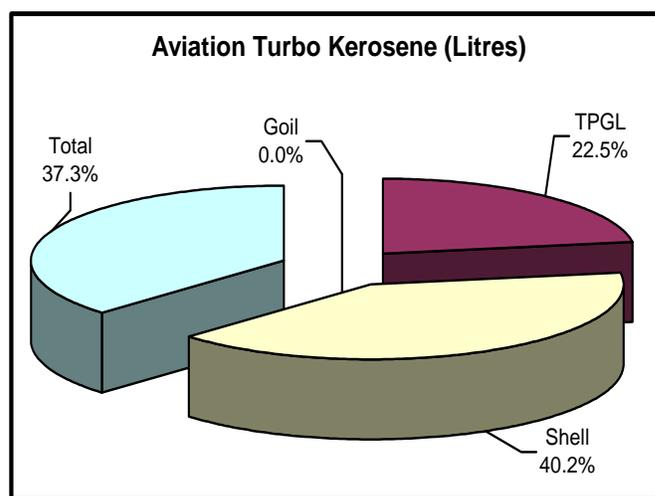
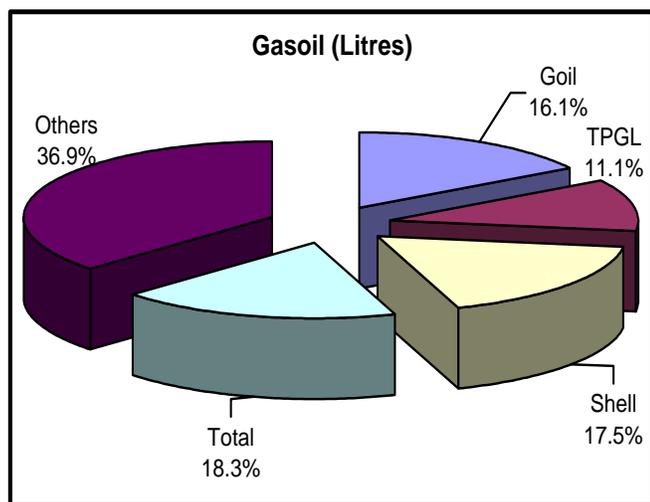
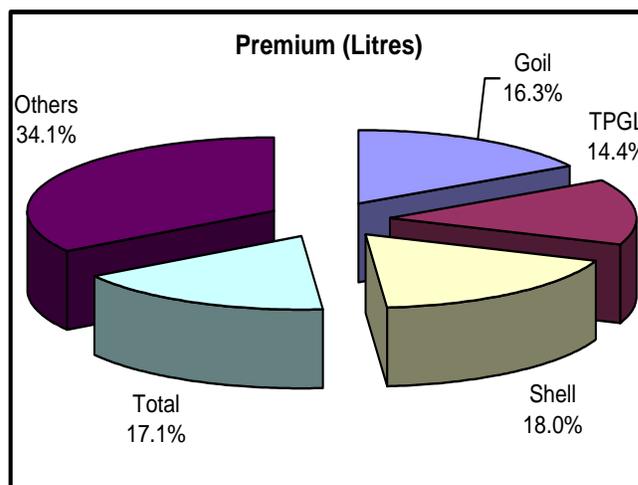
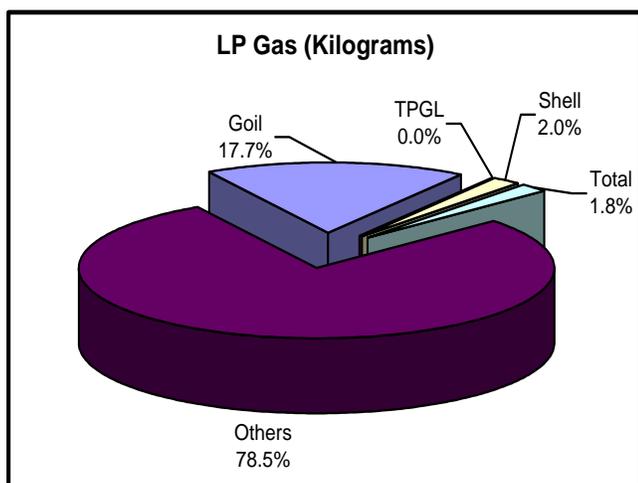
As discussed earlier, GOIL, TPGL, Shell and TGL dominate the oil marketing industry in Ghana with combined values in key segments ranging from 61% to 100%. However, the “top-four” OMCs have consistently lost market share in all product segments (with the exception of Aviation Turbo Kerosene (ATK)) since 2003. The table below shows market share of the “top four” OMCs for various product segments from 2003 to 2005:

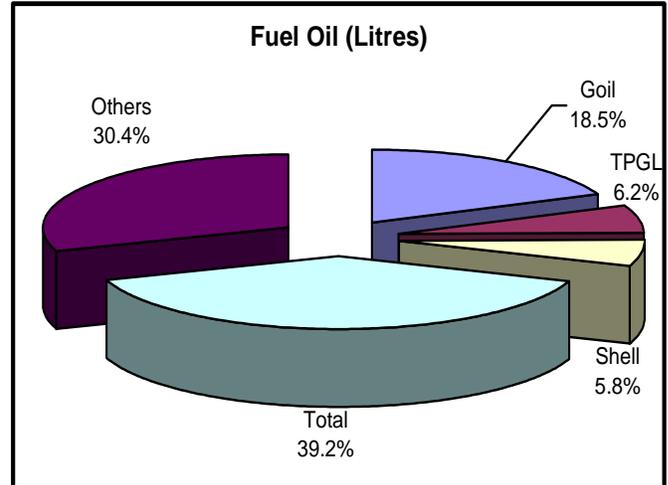
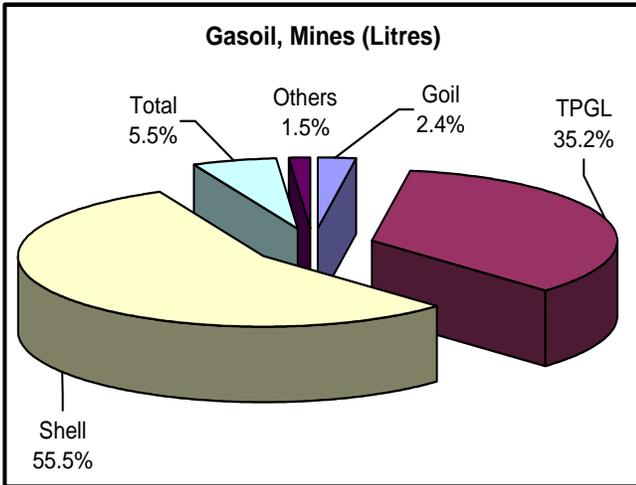
Top Four OMC's Market Share of Key Segments in Petroleum Industry, %

Year	Premium	ATK	Gasoil	Gasoil (Bunkering Serv.)	Fuel Oil	Gasoil Mines
2005	65.87	100.00	63.06	60.65	69.62	98.52
2004	69.14	100.00	68.74	70.12	76.88	98.74
2003	75.66	100.00	76.82	92.79	80.86	99.96

Source: TOR Mkt Ghana

The graphs below show market share as at December 31 2005 for various petroleum products:





Source: TOR Mkt Ghana

5 Outlook

Competition within the industry is set to intensify with the planned full deregulation of the industry and new OMCs implementing strategies that enable them gain market share at the expense of the major players. OMCs are responding to the increasing competition by quoting prices (especially for Premium and Gasoil) a few cedis below the recommended ex-pump price set by the NPA. It is also common to find different prices for the same products being quoted by OMCs in an effort to increase volumes.

The planned introduction of natural gas to the Ghanaian market following the completion of the West African Gas Pipeline Project would lead to some industries converting to natural gas (because it is a cheaper alternative) resulting in lower sales in the fuel oil segment.

It is evident from the preceding analysis that OMCs have to trim their cost in order to remain profitable. Overall industry profitability is expected to grow steadily as the NPA gradually adjusts OMC margins upwards.

PART 4 - GENERAL INFORMATION ON TOTAL PETROLEUM GHANA

1 History and Background

Mobil Oil Ghana Ltd (now TPGL) was incorporated on December 31, 1951 in accordance with the provisions of Companies Cap 193 of the Laws of Gold Coast under the name of Socony-Vacuum Oil Company (Gold Coast Limited), as a wholly owned subsidiary of Socony-Vacuum Oil Company, a company incorporated under the Laws of the State of New York in the United States of America. In 1955, the parent company, Socony-Vacuum Oil Company was renamed Socony Mobil Oil Company Inc, and renamed again in 1965 as Mobil Oil Corporation.

The name of the Ghanaian subsidiary was thus changed to Mobil Oil Gold Coast Limited in 1955 and subsequently to Mobil Oil Ghana Limited in 1957 on attainment of independence by the Gold Coast. The shareholders of Mobil Oil Ghana Limited again approved a name change to Total Petroleum Ghana Ltd (TPGL) at an Annual General Meeting held on September 6, 2006. TPGL has therefore operated in Ghana for about fifty-three (53) years, during which time it became one of the major players in the oil marketing industry. TPGL enjoyed strong support and assistance from its parent company, Mobil Holdings UK. On September 30, 2005 Mobil Holdings UK sold its stake in TPGL to Total Outre Mer, a subsidiary of Total S.A.

2 Share Issue History

The table below summarises TPGL's share issue history as at May 31, 2006:

Financial Year	Description	No. of Shares	Cumulative Issued Shares	Stated Capital (c'000)
1966	Issued for cash b/f	70,000	70,000	1,400
1976	Bonus issue	830,000	900,000	1,808
1987	Bonus Issue	1,800,000	2,700,000	10,808
1990	Other than cash	810,000	3,510,000	110,867
1990	Issued for cash	281,499	3,791,499	145,641
1991	Issued for cash	50,000	3,841,499	160,641
1992	Issued for cash	292	3,841,791	160,677
1993	Issued for cash	208,209	4,050,000	331,109
2004	Bonus Issue	675,000	4,725,000	386,275

3 Shareholders

The table below shows the Top 20 shareholders of TPGL as at May 31, 2006:

Shareholders	No. of Shares	Holdings (%)
Total Outre Mer S.A	3,195,521	67.63
Social Security and National Insurance Trust	365,443	7.73
Mobil Oil Ghana Ltd Employees Share Trust	47,250	1.00
Mr A N Kwabi	31,750	0.67

Shareholders	No. of Shares	Holdings (%)
Dr J A Blankson	25,249	0.53
AFRI GHA Tech & Mech Constructions	23,196	0.49
BBGN/Unilever Ghana Managers Fund	23,083	0.49
BBGN/Unilever Ghana Provident Fund	20,628	0.44
NTHC Limited	19,035	0.40
SSNIT SOS Fund	12,669	0.27
Dr E E Sackey	7,438	0.16
Mad K A Otoo	7,438	0.16
Mr P C N Adumua	7,438	0.16
Mr P K Poku	6,738	0.14
Mr C A Clotey	3,518	0.07
Mrs E Quansah	3,123	0.07
Mr J K Taylor	2,678	0.06
Estate of the Late Cephas W Y Asamoah	2,651	0.06
Mr E P L Gyampoh	2,625	0.06
Council for Scientific and Industrial Research	2,573	0.05
Others	914,956	19.36
Total	4,725,000	100.00

4 Products

TPGL's core operation is the marketing of petroleum products, automotive and other fuels, and specialties such as Liquefied Petroleum Gas (LPG), aviation fuel and lubricants, through both a retail network and other outlets. The following constitutes products and services offered by TPGL:

Product/Service	Features
Aviation	Aviation products includes aviation fuel (jet fuel) and aviation lubricating oil and greases for aircraft piston engines, aircraft gas turbines and general lubrication of aircraft parts.
Black Products	Refers to Residual Fuel Oil (RFO) sometime referred to as Fuel Oil is a heavy fuel generally used for firing of boilers.
Bunkering	An industrial term that refers to the supply of Fuel (Marine Diesel) and lubricating oil to vessels at the port or harbours.
Fuel Oil	An industrial term that refers to the supply of Fuel (Marine Diesel) and lubricating oil to vessels at the port or harbours.
Lubricants	A combination of base stock and additives. Base stocks are derived from crude oil that has been processed through a refinery. The primary function of a lubricant is to reduce friction between two moving parts.
White Products	This refers to light products such as Gasoline, Premium and Kerosene.

5 Directors

The TPGL Board is composed of eight (8) directors who assume complete responsibility for activities of TPGL. One (1) of the board members is an executive while the remaining seven (7) are non-executive directors. We present below a brief profile of the current Board members:

Jean-Denis Royere [55 years, French] Chairman of the Board: Jean-Denis is the Executive Vice-President of the West Africa Region, Total Outre-Mer S.A. Jean-Denis is also the Chairman of all the Total subsidiaries in West Africa. He graduated from Ecole Supérieure de Commerce De Paris (E.S.C.P) in 1973 and INSEAD, UK in 1996. Since 1984, Jean-Denis has held various Finance positions in the Total Group both in France and overseas. Currently, he is the Executive Vice-President for West Africa overseeing Total's operations in fifteen (15) countries namely Benin, Burkina Faso, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

Felix Majekodunmi [56 years, Nigerian] Managing Director: Felix is currently the Managing Director of TPGL. He holds a Bachelor of Science Degree (BSc Hon) in Mechanical Engineering and Certified Diploma in Accounts and Finance, London C dip.AF. Felix has a wide and varied working experience in petroleum marketing. From June 1970 to 1978, he worked with British Petroleum (BP) in the UK and also BP Nigeria plc in various managerial positions. He worked with Total Nigeria plc from July 1, 1985 to 1997 rising to senior management position. He also worked briefly in Total Tanzania Ltd from 1998 to 2001 as the Managing Director and Chief Executive Officer. Felix was transferred to become the Managing Director of TGL in 2001, a position he held until August 2005. Following the acquisition of TPGL by TOM, he was appointed Managing Director and Chief Executive Officer of TPGL in September 2005. He is a member of the Institute of Mechanical Engineers of UK MIMechE, Chartered Mechanical Engineer UK and Member of Nigerian Institute of Engineers. Felix is also a non-executive director of TGL and the Chairman of Tema Lube Oil Company Limited.

Alain Champeaux [56 years, French] Non-executive Director: Alain joined the Total group in 1976 and worked in various marketing positions in France and Germany till 1990. From 1990 to 1995 he was Retail Manager in France and rose thereafter to Senior Vice-President of European Marketing activities. He was appointed Senior Vice-President of Refining and Marketing Overseas in 2002. He is a member of the Total Group Management Committee and Board member of several Total subsidiaries. Alain has an engineering degree from Ecole Nationale Supérieure des Mines de Paris (France, 1972) and a Masters of Arts in Economics from the Stanford University (USA, 1975).

Mr. Francois de Ligniville [56 years: French] Non-executive Director: François joined the Total Group in 1972 and held various positions as Finance Manager in Refining and Marketing subsidiaries in Ethiopia, Zambia, Kenya, South Africa and Cote d'Ivoire till 1990. From 1990 to 2002 he was Business Analyst and then Finance Manager of Total Refining and Marketing Worldwide. Since 2002, he has held the position of Vice-President Finance for Refining and Marketing Overseas Worldwide. He serves on the boards of several Total subsidiaries. François graduated from the Ecole Supérieure de Commerce De Paris (E.S.C.P) in 1971. He is a director of Total Outre Mer and Total Africa SA and also represents Total's interest in Senegal, Gabon and Guinea Conakry. Francois is also a permanent representative of Elf Aquitaine in SIR.

Emmanuel De-Fournas [39 years, French] Non-executive Director: Emmanuel is currently the Financial Controller, Total Refining & Marketing S.A., France. He has also served Total Group in various capacities in the UK and Spain. Emmanuel holds a Bachelor of Law (1988) and a business degree (1990) from Ecole Supérieure de Commerce De Paris (E.S.C.P). Prior to joining Total he worked in External Audit at Arthur Anderson from 1992 to 1996. Since 1996, Emmanuel has held

various Finance positions in the Total Group both in France and overseas. Currently, he is the Financial Controller for Total's refining and marketing business in West Africa and Asia. He is also a director of Elf Gas India.

Edward P.L. Gyampoh [73 years, Ghanaian] Non-executive Director: Edward is a Legal Practitioner by profession and was appointed to the TPGL Board on April 25, 1980. Mr. Gyampoh runs his own legal firm in Accra and is the Corporate Solicitor for TPGL. He holds a Bachelor of Arts (Law) from the University of Southampton, UK and is a member of the Ghana Bar Association. Edward is a distinguished legal consultant and a fellow of the International Bankers Association, Washington DC. He also serves on Boards of other companies including Maersk (Ghana) Limited and Enterprise Fund. Edward is also a fellow of the Economic Development Institute of the World Bank. He was Chairman and Managing Director of National Investment Bank Ltd (NIB) between 1965 & 1973. He was also Chairman of Ecobank Ghana Ltd between 1997 and 2006.

John Sackah Addo [76 years, Ghanaian] Non-executive Director: John is an Economist and a Fellow of the Institute of Bankers. He is currently the Chairman of Prudential Bank Limited. John joined the Bank of Ghana after graduating from the University of Ghana in 1958 with a Bachelors Degree in Economics. He was appointed Governor of the Bank of Ghana in 1983, a position he held until 1987. Between 1973 and 1978 he was the Chairman and Managing Director of the National Investment Bank. John is the Chairman of J. S. Addo Consultancy Limited, Social Security and National Insurance Trust and Donewell Insurance Company Limited. John is also a member of the National Council of State, an advisory body to the President of the Republic of Ghana.

Rexford Adomako-Bonsu [55 years, Ghanaian] Non-executive Director: Rexford is currently the Executive Director of Worldwide Investments Company Limited (Economic, Management & Financial Business Consultants). Rexford is an ex-employee of TPGL. He was employed in August 1984 as a Planning Associate. He served the company in various positions including Planning Manager (October 1986) and Marketing Manager in 1996. He was appointed to the TPGL Board in June 1995. He was also posted to Mobil Cameroon as the General Manager. In November 1997 he retired from the company but is still a member of the Board.

6 Senior Management

TPGL's senior management team also includes the following:

Jonas Ayiquaye Ayi [48 years, Ghanaian] Accounting & Finance Manager: Prior to joining TPGL in 1993 as the Audit Manager, Jonas worked as an Assistant Audit Manager with Coopers & Lybrand, Accra. From 1994 to April 2000, he was the Accounting Manager of TPGL. He moved to Abidjan as the Controls Advisor responsible for the West African cluster of 14 countries from April 2000 till October 2002. In November 2002, he was appointed Accounting & Finance Manager for Mobil Burkina Faso and Niger and was based in Ouagadougou, a position he held until May 2004. He has been the Accounting & Finance Manager of TPGL since June 2004 and until September 2005 a director of the company. Jonas is an associate member of the Institute of Chartered Accountant of Nigeria and a member of the Institute of Chartered Accountants, Ghana. He holds certifications from the Institute of Professional Financial Managers, UK and the Institute of Internal Auditors, USA.

Kwame Nyame-Essilfie [49 years, Ghanaian] Human Resource & Legal Manager: Kwame joined TPGL in August 1984 as a Computer Programmer and rose to become the Information Technology Manager in 1996. From May 1997 to May 2001, he moved to the Mobil Africa IT Centre of Expertise in Abidjan where he was the Application Specialist for Africa & the Middle East.

In June 2001 he was appointed the Customer Service Manager for Ghana. He moved on to become the Controls Manager for Ghana, Togo, Liberia & Sierra Leone, then the Order to Cash Manager for the West African Cluster of 14 countries which included Ghana, Cameroon, Gabon, Cote d'Ivoire and Senegal. He has been the Human Resource Manager since May 2004 and took on additional responsibility for Legal from October 2005. Kwame holds a BSc. Hons degree in Computer Science and Mathematics from the University of Ghana.

Richard Bijou Doe [49 years, Ghanaian] Business Planning & Analysis Manager: Richard joined TPGL in 1992 as the Purchasing Supervisor after working with Ras Lanuf Oil and Gas Processing Complex, in Libya (Gulf of Sirt), as a Materials Analyst from October 1986 to December 1990. He was the Purchasing Supervisor of the company from January 1992 to 1996. He became the Marketing Support Manager in 1996. In the same year, he set up the Customer Services Department and was the Customer Services Manager from 1996 to 1998. He was appointed Area Manager, North in 1998 a position he held till December 2001. He moved to Monrovia, Liberia as the Area Manager, Liberia (General Manager) from January 2002 to October 2002. In November 2002, he was appointed Business Planning and Analysis Manager for the Ghana Sub-Cluster responsible for Ghana, Liberia, Sierra-Leone and Togo, based in Accra. He holds a BSc. degree in Electrical Engineering.

Kwabena Agyei-Boahene [43 years, Ghanaian] Customer Service & Logistics Manager: Kwabena joined TGPL in May 1992 as Territory Manager. Prior to joining Mobil, he worked as Administrative Officer with the Ministry of Justice in Accra. From 1992 to 1993, he was the Territory Manager for Kumasi South in the Retail Department covering Nkawkaw in the Eastern Region to Sefwi Asawinso in the Western Region. He moved to Tamale in 1993 as Territory Manager responsible for all retail sites in the Upper East, Upper West and Northern Regions. In 1995, Kwabena moved to Accra as Territory Manager responsible for the Accra North territory covering Eastern Region and parts of Greater Accra. In 1997 he was appointed the LPG/Lubricants Co-ordinator for the Company. From 1999 to January 2000 he was the LPG/Aviation Manager for the Company. He was appointed Business Planning Analyst for the West African Cluster of 14 countries and moved to Abidjan from February 2000. In October 2002, he moved with the cluster to Dakar and returned to Ghana in February 2003 as the Customer Services Logistics Manager, a position he holds to date.

Barbara Easmon [37 years, Ghanaian] Retail Manager: Prior to joining TPGL in 1998, Babara worked as a Guest Relations Officer with the Golden Tulip Hotel. Until 2003, she held various positions in the Fuels Marketing Department for the Southern Area. In 2003, she was assigned the responsibility of managing the Northern Area, a position she held until November 2004. In December 2004, she was appointed the Retail Manager responsible for the Sub-Cluster of 3 countries: Ghana, Togo and Sierra-Leone. Barbara holds a Masters Degree in Communication Studies.

Peter Asante: [45 years, Ghanaian] Acting New Business Manager: Before joining TPGL in 1992 as Territory Manager, Peter worked in various regions in Ghana as Area Manager for RESIGHA Limited, a purchasing company. Within TPGL, he worked as Territory Manager in various territories in the Northern and Southern Areas. He was appointed Retail Training Manager in July 1999 and Marketing Services Manager a year later. In August 2002, when the TPGL decided to place special emphasis on Retail lubricants he was transferred to the Lubes Department as Retail Lubes Manager. Peter held this position until January 2006 when he was appointed Acting New Business Manager. Peter holds a BA (Hons) -Social Science degree from the Kwame Nkrumah University of Science & Technology.

Christopher Kwaku Appiagyei [48 years, Ghanaian] SHE/Security Coordinator: Before joining TPGL in 1994 as the Facilities Engineer, Chris worked with Ghana Ports and Harbours Authority, Takoradi as a Service Engineer and John Bitar Company, Sekondi as a Workshop Engineer. From 1994 to 2001, he was the Facilities Engineer for TPGL. Christopher was also the Facilities Manager between 2001 to January 2005. He was appointed Safety Health Environment (SHE)/Security Manager since February 2005. He is a member of the America Society of Mechanical Engineers (ASME).

James Reynolds Hagan [46 years, Ghanaian] Lead Engineer and Asset Manager: James joined TPGL in August 1989, having worked with the Volta River Authority as a National Serviceman/Assistant Engineer and then the Ghana Railway Corporation as the District Engineer, Tarkwa District. From August 1989 to September 1993 he worked as a Project Engineer, planning and executing the company's engineering projects. From September 1993 to June 1995, he was the Facilities Supervisor, managing the company's Real Estates. Between June 1995 and August 1996, he worked as the Engineering Supervisor, supervising the Company's engineering programs. In September 1996, he was appointed the Operations Manager for MobilTogo, based in Lome, a position he held until September 1999 when he was appointed the Fuels Operations Manager for Total PetroleumGhana. In 2002 he was appointed the Engineering Manager, for the Ghana sub Cluster, responsible for Ghana, Togo, Sierra Leone and Liberia. He was also responsible for the development of the Innscor Projects in the West Africa Cluster that is in Ghana, Senegal and la Cote d'Ivoire. In March, 2004 he was appointed the Lead Engineer for the West Cluster responsible for eight countries within the Cluster, a position he held until October 2005 when he became the Lead Engineer and Asset Manager for Ghana.

Albert Tetteh Nyakotey [40 years, Ghanaian] Consumer Sales Manager: Before joining TPGL in March 1993 as Marketing Representative, Albert worked as a Sales Co-ordinator for Network Sales Ltd., Accra. From March 1996 to June 1998, he was the Co-ordinator for Lubricants Distributor Business for the Company. He took responsibility for Premix and Kerosene Distributor Business from July 1998 to February 2000. In February, 2000 he was appointed the LPG and Aviation Marketing Co-ordinator till March 2002, when he was appointed the Industry and Wholesale Manager. In June 2004, he was nominated as the Subject-Matter-Expert (SME-Mining) in Mining Business and given extensive training in mining. He has been the Consumer Sales Manager since November 2005. Albert holds a Bachelors Degree in Social Sciences from the University of Ghana, and has attended several courses in Marketing, Management and Journalism.

7 Corporate Governance and Board Practices

TPGL recognises the importance of good corporate governance to sustain the long-term viability of the business and the Board and Management is strongly committed to the attainment of its business objectives.

- **Role of the Board** - TPGL has eight (8) directors, seven (7) of whom are non-executive directors. The board meets once every quarter and where necessary additional meetings are arranged to discuss or review the Company's operations. The non-executive directors (including three (3) Ghanaians) complement the Company's objective of having people with independent but objective ideas on deliberations in decision-making. The number of directors should not be less than five (5) or more than twelve (12) and shall be appointed by members in an annual general meeting. Non-executive directors derive no benefits other than the fees approved for them by the shareholders.

- **Audit Committee** - TPGL has an Audit Committee made up five (5) members, namely :

Rexford Adomako-Bonsu	Chairman
John Saka Addo	Non-executive member
Edward P L Gyampoh	Non-executive member
Joseph A Biney	Non-executive member
Jonas A Ayi	Executive member

- **Internal Control** - TPGL has over the years evolved a system of management control to ensure effective, efficient and proper utilisation of its resources in pursuit of corporate objectives with due regard to shareholders and public interest. As part of its responsibility for the exercise of control, management requires the maintenance of financial records, which fairly reflect the assets, and liabilities of the Company. The integrity and objectivity of accounting records are supported by a system of internal accounting controls. There is periodic physical inventory of assets, which is verified against accounting and custodial records. This gives further assurance that accounting records are in conformity with generally accepted accounting principles and auditing standards.

8 Employees

The table below is a breakdown of TPGL's staff strength over the past three years:

Category	2003	2004	2005
Management	10	10	10
Supervisors	18	15	12
Non-supervisors	70	54	49
Total	98	79	71

As at the date of this document, TPGL had three (3) of its staff belong to labour unions, mainly the General Transport and Chemical Workers Union of the TUC.

9 Investment and Subsidiaries

TPGL holds investments in several companies either directly or indirectly. Its major investment holdings as reported in its annual report of 2005 include:

- **Ghana Bunkering Services Ltd (GBSL)** – GBSL is incorporated in Ghana to provide bunkering services using both main and fishing harbours at Tema to petroleum marketers in Ghana. TPGL owns 30% of the issued shares of GBSL.
- **Road Safety Limited (RSL)** – RSL was incorporated in Ghana in September 1999 with its principal business as the provision of driver education and maintenance services for the haulage of petroleum products. TPGL owns 50% of the issued shares of RSL.

10 Branch Offices

TPGL currently operates three (3) branch offices in Tema, Kumasi and Takoradi in addition to its head office.

11 Indebtedness and Funds

The table below shows the indebtedness and funds of TPGL over the past five (5) years:

	2001	2002	2003	2004	2005
Bank Overdraft	49,300	60,986	20,843	15,138	30,992
Cash & Bank Balances	2,934	11,942	9,009	7,902	1,891

According to its audited accounts, TPGL had no long-term loans or liabilities during the period.

12 Material Contracts

Save for the transactions referred to and described below, no contract, not being a contract entered into in the ordinary course of business, has been entered into by TPGL within the two years immediately preceding the date of this document and which is material or contains provisions under which TPGL has an obligation or entitlement which is material as at the date of this document.

1. **Marketing Licence Contracts:** TPGL has entered into contracts with independent contractors for the management and operation of its petrol filling/service stations. There are two types of stations namely the Company Owned Dealer Operated Stations (CODO) and Dealer Owned Dealer Operated Stations (DODO).
 - i. **CODO** - Under this system, TPGL has appointed an independent contractor as a Dealer to manage and operate TPGL's own station in return for a commission, which is calculated, based on the volume of products sold at the station.
 - ii. **DODO** - Under this system, TPGL has appointed an independent contractor as a Dealer to manage and operate the Dealer's own station in return for a commission, which is calculated based on the volume of products sold at the station. As an incentive for owning the station, the commission paid to this Dealer is higher than what is paid to the Dealer under the CODO system.
2. **Transport, Maintenance, Supply Agreements:** TPGL has signed agreements with various companies and individuals for the transportation of its products, for the provision of security and temporal labour services, catering services, courier services, maintenance of plumbing and the supply of lubricant plastic bottles amongst others.
3. **Technical Assistance Agreements:**
 - a. TPGL has entered into an agreement with TOM which provides TPGL with all the necessary technical assistance and support in selected areas including Commercial Assistance and Marketing, Information Technology, Human Resource, Technical, Quality Control of Products, Research and Development. The fee for services provided by TOM under this agreement is up to 5% of the net sales of TPGL.

- b. TPGL also has a Multi-Services Agreement with Aviation Total International (ATI) which provides TPGL with Technical Assistance in aviation matters. Fees for services provided by ATI under this agreement are up to 5% of the net sales of TPGL.

13 Litigation

The following summarises pending litigation as at May 31, 2006 in matters with a minimum claim value of US\$50,000:

- **Legal Proceedings Filed Against TPGL**

There are eighteen (18) cases currently being prosecuted against TPGL. TPGL is vigorously defending the claims. Although TPGL cannot give any assurances regarding the ultimate outcome of these cases, based on its current knowledge, TPGL believes that the outcome of these cases will have no material adverse effect on its financial position.

- **Legal Proceedings TPGL has Filed Against Third Parties**

TPGL's cases are essentially for the recovery of debt on account of the non-payment of petroleum products supplied to the company's clients. With the exception of these cases, there are no legal or arbitration proceedings in which TPGL is or has been engaged, including such proceedings which are pending or threatened of which TPGL is aware, which may have or have had during the 12 months preceding the date of this circular, a significant effect on the financial position of TPGL.

14 Disclosure of Interests by Directors

As at September 6, 2006 (the last practicable date prior to the posting of this document), the interests of TPGL directors and their immediate families in Total Ghana shares were as follows:

Name	Shares Held in TPGL	Debenture Holdings in TPGL
Jean-Denis Royere	Nil	Nil
Felix O. Majekodunmi	Nil	Nil
Alain Champeaux	Nil	Nil
Francios De Ligniville	Nil	Nil
Emmanuel De-Fournas	Nil	Nil
Edward P L Gyampoh	2,625	Nil
J S Addo	Nil	Nil
Rexford Adomako-Bonsu	1,027	Nil

15 Disclosure of Interests by Advisors

As at the date of this document, Strategic African Securities (Financial Advisor & Sponsoring Broker) held 603 TPGL shares. None of SAS's subsidiaries, Strategic Initiatives Limited and SAS Investment Management Ltd, held any TPGL shares. No employee or principal of any of the firms held or had interest in TPGL shares.

As at the date of this document, JLD&MB Legal Consultancy Services (Legal Advisors) did not hold any TPGL shares. No employee or principal of the firm or any of its associated persons held or had interest in any TPGL shares.

As at the date of this document, Deloitte and Touche (Reporting Accountants) did not hold any TPGL shares. No employee or principal of the firm or any of its associated persons held or had interest in any TPGL shares.

16 Other Disclosures

- ***Relationships Among Directors*** – There are no family relationships among the Directors.
- ***Bankruptcy Petitions*** – No petition under any bankruptcy law has been filed against any director, or any partnerships of which such persons were partners, or of any company in which such persons were directors.
- ***Criminal Proceedings or Convictions for Fraud or Dishonesty*** – No person who is a director or has been nominated to become a director has been convicted in a criminal proceeding or is a named subject of any pending criminal proceeding relating to an offence involving fraud or dishonesty.
- ***Prohibition against Financial Advisory or Capacity to Hold Office*** – No person who is a director or has been nominated to become a director has been subject of any judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment advisor, dealer in securities, director or employee of a corporate body or engaging in any type of business practice or activity or profession.
- ***Materiality of Management Interest in the Company's Business and Affairs*** – No member of management or any other persons related to them have any material interest in the company either directly or indirectly.
- ***Directors Powers to Borrow and Charge the Company's Assets*** – The directors may exercise all the powers of the company to borrow money and to mortgage or charge its property and undertaking or on any part thereof, and to issue debentures. Such powers can be varied by amending the Company's Regulations.
- ***Affiliations and Affiliated Companies and Businesses*** – TPGL has affiliations with Total S.A. Total S.A. through its subsidiary Total Outre Mer currently holds 67.63% of TPGL's issued shares. It is the responsibility of TPGL to recruit and appoint the senior level executives of TPGL, among others.
- ***Technical Assistance Agreement with TOM*** - The Agreement is to provide specific services spelt out under paragraph 12 above to TPGL.

17 Risk Factors

Risks related to the oil marketing industry – A major risk which could impact on the projected earnings is the non-availability of petroleum products due to supply disruptions. Additionally, any

adverse change in the international supply and price of fuel could negatively affect the projected earnings.

18 Additional Information

- Deloitte & Touche, reporting accountants, have given and have not withdrawn their written consent to the issue of this circular with the inclusion herein of their reports in Parts 4, 5 and 6 of this document and the references thereto in the form and context in which they appear.
- Save as disclosed in this circular, there has been no material change in the financial or operating position of TPGL other than in the ordinary course of business since December 31, 2005 the date to which the last audited accounts of TPGL were prepared.
- TPGL has not engaged in any litigation or arbitration of material importance to affect its financial position, and the Directors are not aware of any such litigation or arbitration.

19 Historical Financial Statements



a. Independent Reporting Accountants' Opinion

The Board of Directors
Total Petroleum Ghana Limited
Mobil House
PO Box 450
Accra

[date]

Dear Sirs,

MERGER OF TOTAL PETROLEUM GHANA LIMITED AND TOTAL GHANA LIMITED

We have examined the audited financial statements of Total Petroleum Ghana Ltd (TPGL) for the five years ended 31 December 2001 to 2005.

PricewaterhouseCoopers have acted as Auditors of Total Petroleum Ghana Limited throughout the period covered by our examination. For each of the relevant years, the Auditors issued an unqualified audit opinion on TPGL's financial statements.

No audited financial statements have been prepared for submission to shareholders for any period subsequent to 31 December 2005.

The audited financial statements have been prepared on the basis of the accounting policies set out in the financial statements that follow. For all the accounting periods dealt with in our report, the financial statements have been, in all material respects, prepared in accordance with the Ghana National Accounting Standards. The financial information set out in our report is based on the audited financial statements and management accounts of TPGL after effecting adjustments considered necessary by us.

Our work has been carried out in accordance with the Auditing Guidelines: "Prospectuses and the Reporting Accountant".

In our opinion, the financial information set out below gives a true and fair view of the profits and cash flows of TPGL for each of the five (5) years ended 31 December 2001 to 2005 and of the state of affairs of TPGL at the end of each of those years, in accordance with Ghana National Accounting Standards.

Yours faithfully

Deloitte and Touche

b. Statement of Adjustments

The Board of Directors
Total Petroleum Ghana Limited
Mobil House
Accra.



The Board of Directors
Total Ghana Limited
Accra

[Date]

Gentlemen,

Statement of Adjustments

The following significant changes have been made:

Total Petroleum Ghana Limited turnover for 2001 to 2005 has been reclassified to bring it in line with Total Ghana Limited's turnover as follows:

	2001	2002	2003	2004	2005
Turnover per audited accounts	941,505	1,015,356	1,407,192	1,353,618	1,848,679
Less taxes	(152,420)	(309,583)	(503,546)	(499,648)	(625,855)
Turnover per report	789,085	705,773	903,646	853,970	1,222,824
Cost of sale per audited accounts	(874,375)	(934,086)	(1,303,254)	(1,260,620)	(1,749,531)
Less taxes	152,420	309,583	503,546	499,648	625,855
Cost of sales per report	(721,955)	(624,503)	(799,708)	(760,972)	(1,123,676)
	941,505	1,015,356	1,407,192	1,353,618	1,848,679
	(152,420)	(309,583)	(503,546)	(499,648)	(625,855)
Total Ghana Limited account was adjusted to reflect the documentation on stated capital as follows:					
Stated capital per audited accounts	1,501	1,501	1,501	502	502
	1	1	1	-	-
Stated capital per audited accounts	1,999	1,999	1,999	2,999	2,999
	3,501	3,501	3,501	3,501	3,501
Issued for cash					
Consideration other than cash	502	502	502	502	502
Transfer from income surplus	2,999	2,999	2,999	2,999	2,999
	3,501	3,501	3,501	3,501	3,501

The review was for the purpose of our Accountants' Report to be included in the circular relating to the Merger of Total Petroleum Ghana Limited and Total Ghana Limited.

Yours faithfully

Deloitte and Touche

c. Historical Profit & Loss Accounts for the five years ended December 31

Profit & Loss Account (¢'m)						
	Note	2001	2002	2003	2004	2005
Turnover		789,085	705,773	903,646	853,970	1,222,824
Cost of sales		721,955	624,503	798,708	760,972	1,123,676
Gross profit		67,130	81,270	104,938	92,998	99,148
Selling and distribution expenses	1(a)	55,121	75,991	89,095	93,644	101,003
Restructuring costs	1(b)	-	-	-	4,330	-
Operating profit /(loss)		12,009	5,279	15,843	(4,976)	(1,855)
Other income	2	8,681	12,612	13,940	16,144	23,956
Profit before finance charges & exceptional items		20,690	17,891	29,783	11,168	22,101
Finance charges		2,028	1,047	1,408	5,821	8,231
Profit before exceptional items		18,662	16,844	28,375	5,347	13,870
Exceptional items	3	-	-	-	12,880	-
Profit/(Loss) before tax & NRL		18,662	16,844	28,375	(7,533)	13,870
National reconstruction levy	4	455	421	709	-	208
Taxation	5	4,513	4,000	9,159	2,777	11
Profit after tax		13,694	12,423	18,507	(4,756)	13,673
Income Surplus Account						
At January 1		56,375	59,798	61,893	65,617	50,803
Profit for the year		13,694	12,423	18,507	(4,756)	13,673
Transfer to stated capital		-	-	-	55	-
		70,069	72,221	80,400	60,806	64,476
Dividend proposed	15	10,271	10,328	14,783	10,003	12,306
At December 31		59,798	61,893	65,617	50,803	52,170

c. Historical Balance Sheets for the five years ended December 31

Balance Sheets (¢'m)						
	Notes	2001	2002	2003	2004	2005
Non-current Assets						
Intangible assets	6(a)	-	365	3,724	3,168	2,800
Plant, property & equipment	6(b)	38,502	63,518	88,572	88,266	93,085
Investments	7	554	554	554	554	554
		39,056	64,437	92,850	91,988	96,439
Current Assets						
Stock	8	29,294	27,615	34,576	35,818	17,573
Amounts due from group companies	19(a)	14,195	4,895	16,731	11,009	7,837
Accounts receivable	9	70,164	66,016	74,505	93,877	129,996
Tax	5(b)	2,641	2,616	4,373	7,959	8,380
Cash & bank balances	17	2,934	11,942	9,009	7,902	5,972
		119,228	113,084	139,194	156,565	169,758
Current liabilities						
Bank overdrafts	10	7,248	8,086	20,843	15,138	30,992
Accounts payable	11	49,300	60,986	85,222	130,781	169,862
Amount due to group companies	19(b)	30,579	35,567	41,382	40,353	-
Tax		-	41	-	-	-
Dividend payable	15	10,271	10,328	14,783	10,003	12,306
		97,398	115,008	162,230	196,275	213,160
Net current assets/(liabilities)		21,830	(1,924)	(23,036)	(39,710)	(43,402)
Deferred taxation	12	(691)	(223)	(3,800)	(1,023)	(415)
Net assets		60,195	62,290	66,014	51,255	52,622
Stated Capital	13	331	331	331	386	386
Capital Surplus Account	14	66	66	66	66	66
Income Surplus Account		59,798	61,893	65,617	50,803	52,170
Shareholders Fund		60,195	62,290	66,014	51,255	52,622
Net assets per share (¢)	18	14,863	15,380	16,300	10,848	11,137

d. Historical Cash Flow Statements for the year ended December 31

Cash Flow Statement (¢'m)						
	Notes	2001	2002	2003	2004	2005
Cash flows from operating activities						
Cash generated from operations	16	(12,110)	47,850	35,131	35,278	11,314
Interest received		2,113	5,097	1,736	548	1,070
Interest paid		(2,028)	(1,047)	(1,408)	(5,821)	(8,231)
Tax paid	5	(8,613)	(4,607)	(7,339)	(3,586)	(1,018)
National reconstruction levy paid		-	(216)	(766)	(370)	(110)
Net cash generated from operating activities		(20,638)	47,077	27,354	26,049	3,025
Investing activities						
Additions to intangible assets	6(a)	-	-	-	(210)	-
Purchase of property, plant & equipment	6(b)	(13,551)	(29,297)	(32,930)	(9,155)	(15,180)
Proceeds from sale of property, plant & equipment	6(c)	810	661	214	2,697	4,374
Net cash used in investing activities		(12,741)	(28,636)	(32,716)	(6,668)	(10,806)
Financing activities						
Dividend paid to shareholders	15	(6,318)	(10,271)	(10,328)	(14,783)	(10,003)
Net cash used in financing activities		(6,318)	(10,271)	(10,328)	(14,783)	(10,003)
Increase/(decrease) in cash & cash equivalents		(39,697)	8,170	(15,690)	4,598	(17,784)
Cash & cash equivalents at beginning of the year		35,383	(4,314)	3,856	(11,834)	(7,236)
Cash & cash equivalents at the end of the year	17	(4,314)	3,856	(11,834)	(7,236)	(25,020)

e. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of leasehold properties and in accordance with Ghana Accounting Standards.

(b) Property, plant and equipment

Leasehold properties are shown at fair value. All other property, plant and equipment is stated at historical cost less depreciation. Additions during the year are included at cost.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset, or the revalued amount, to its residual value over its estimated useful life as follows:

Leasehold properties	20-50 years
Distribution and service stations plants	10-20 years
Furniture, equipment and motor vehicles	5-20 years

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit. On disposal or revalued assets, the revaluation amounts are transferred to retained earnings.

(c) Investments

Investments intended to be held for an indefinite period of time are stated at cost.

(d) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost includes all direct expenditure incurred in bringing the goods to their current state under normal operating conditions. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(e) Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

(f) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts.

(g) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(i) **Revenue recognition**

Turnover represents the value of products invoiced to customers during the year, net of Value Added Tax and trade discounts. Sales are recognised upon delivery of products and customer acceptance.

(j) **Foreign currencies**

Foreign currency transactions are translated into cedis at exchange rates prevailing on the dates of the transactions; gains and losses resulting from the settlement of such transactions, are recognised in the profit and loss account.

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into cedis at rates of exchange ruling on the date. The resulting exchange differences are brought to account in determining the profit and loss for the year.

(k) **Intangible assets**

Intangible assets are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write-off the cost of the intangible assets over 10 years.

f. Notes to the financial statements

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
1(a) Selling General & Administrative Expenses					
Emoluments of directors:					
- Fees	20	24	63	72	90
- Remuneration	2,374	3,413	4,492	4,489	2,501
Staff Costs	11,435	17,269	21,680	14,580	16,175
Auditors' remuneration	91	101	116	158	164
Depreciation and amortisation	2,482	3,441	4,346	9,092	8,910
Donations	354	42	87	13	65
Net exchange loss	(1,032)	2,074	711	203	34

1(b) Restructuring Costs

During 2004, management reviewed the staffing requirements of the company base on the level of operations. This resulted in redundancies. The affected employees have been duly paid off after successful negotiations with the affected employees and labour department.

2. Other Income

Rent	4,596	5,394	5,998	7,469	9,584
Interest Income	2,113	5,097	1,736	548	1,070
Profit on disposal of property, plant & equipment	693	186	43	1,563	2,555
Fees for Mgt of Mining Fuel Depo	-	-	-	-	1,580
Sundry income	1,279	1,935	6,163	6,564	9,167
	8,681	12,612	13,940	16,144	23,956

3. Exceptional items

Cost of products adjustments	-	-	-	6,417	-
Unrecoverable transportation claims	-	-	-	6,463	-
	-	-	-	12,880	-

Cost of products adjustment

During 2004 management reviewed the product costing process of the company. Management identified certain instances where previously reported product costs were lower than actual which was a result of inaccurate application of exchange rate factors. The effect of the above was corrected in the 2004 financial statements.

Write Back of transportation claims

In 2004, the company completed a reconciliation of transportation costs with the Bulk Oil Storage and Transportation (BOST). The exercise resulted in a write-off of certain claims that were deemed receivable from BOST amounting to ¢6.5 billion.

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
4. National Reconstruction Levy					
Balance at 1 January	-	(164)	41	(16)	(386)
Charge for the year	455	421	709	-	208
Payment	(619)	(216)	(766)	(370)	(110)
Balance at 31 December	(164)	41	(16)	(386)	(288)

National reconstruction levy is assessed under the National Reconstruction Levy Act 2001 (Act 597) at 1.5% of accounting profit before tax in 2005. The balance at the end of the year has been included in accounts receivable.

5. Tax					
(a) The tax in the profit & loss account comprises					
Current tax	4,156	4,468	5,582	-	597
Deferred tax	357	(468)	3,577	(2,777)	(608)
	4,513	4,000	9,159	(2,777)	(11)
(b) Current tax					
Balance at 1 January	1,361	(2,477)	(2,616)	(4,373)	(7,959)
Payments during the year	(8,613)	(4,607)	(7,339)	(3,586)	(1,018)
Charge for the year	4,611	4,468	5,582	-	597
Balance at 31 December	(2,641)	(2,616)	(4,373)	(7,959)	(8,380)

The tax charge in the profit and loss account comprises:

Tax Charge as Above	4,611	4,468	5,582	-	597
Deferred Tax	357	(468)	3,577	(2,777)	(608)
	4,968	4,000	9,159	(2,777)	(11)

6. Intangible Assets, Property, Plant & Equipment					
(a) Intangible assets					
At 1 January	-	-	374	3,888	3,685
Additions	-	374	3,515	210	-
Disposal	-	-	-	(413)	-
Balance at 31 December	-	374	3,889	3,685	3,685
Accumulated depreciation					
At 1 January	-	-	9	165	517
Charge for the year	-	9	156	374	368
Disposal	-	-	-	(22)	-
Balance at 31 December	-	9	165	517	885
Net book value at 31 December	-	365	3,724	3,168	2,800

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
6. Property, Plant & Equipment and Intangible Assets (cont'd)					
(b) Property, Plant & Equipment Cost					
At 1 January	36,467	49,599	77,527	105,315	112,451
Additions	13,551	29,297	32,930	9,155	15,180
Transfers	(419)	(995)	(1,627)	(2,019)	-
Disposals	-	(374)	(3,515)	-	(4,189)
At 31 December	49,599	77,527	105,315	112,451	123,442
Comprising:					
Cost of assets revalued	2	2	2	2	2
Surplus arising on revaluation	66	66	66	66	66
At revaluation	68	68	68	68	68
At cost	49,531	77,459	105,247	112,383	123,374
	49,599	77,527	105,315	112,451	123,442
Accumulated depreciation					
At 1 January	8,917	11,097	14,009	16,743	24,185
Charge for the year	2,482	3,432	4,190	8,719	8,542
Release on disposals	(302)	(520)	(1,456)	(1,277)	(2,370)
At 31 December	11,097	14,009	16,743	24,185	30,357
Net book value at 31 December	38,502	63,518	88,572	88,266	93,085

Leasehold properties were last valued in September and October 1983 by Mr Humphrey M Adams, Valuation Surveyor and Estate Development Consultant at replacement cost. All assets are stated at cost.

(c) Profit on disposal of property, plant and equipment

Gross book value	419	995	1,627	2,432	4,189
Accumulated depreciation	(302)	(520)	(1,456)	(1,298)	(2,370)
Net book value	117	475	171	1,134	1,819
Proceeds from sale	(810)	(661)	(214)	(2,697)	(4,374)
Profit on disposal	693	186	43	1,563	2,555

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
7. Investments at Cost					
Ghana Bunkering Services Ltd	-	-	-	-	-
Road Safety Ltd	554	554	554	554	554
	554	554	554	554	554

Ghana Bunkering Services Limited

The investment in Ghana Bunkering Services Ltd represents shares, held by the company, conferring the right to exercise 30% of the votes exercisable at general meetings. Ghana Bunkering Services Ltd is a company incorporated under the laws of Ghana to provide bunkering services to petroleum marketers in the country.

The cost of investment is stated in the books at ¢360 which by reason of it being less than ¢1 million is shown in the balance sheet as nil.

Road Safety Limited (RSL)

The company has a 50% interest in RSL (formerly Petroleum Road Transport Safety Limited), a company incorporated in September 1999 under the laws of Ghana. Its principal business is to provide driver education and maintenance services for the Haulage of petroleum products.

8. Inventories					
Oil Products	21,894	22,023	29,920	32,272	16,173
Materials and supplies	7,349	5,371	182	632	1,378
Miscellaneous merchandise	51	221	4,474	2,914	22
	29,294	27,615	34,576	35,818	17,573
9. Accounts receivable					
Trade receivables	55,855	56,046	61,241	59,880	81,974
Other receivables	8,919	5,824	8,897	26,219	39,687
	64,774	61,870	70,138	86,099	121,661
Provision for doubtful debts	-	(1,672)	(2,316)	(2,950)	(4,874)
	64,774	60,198	67,822	83,149	116,787
Amount due from employees	2,726	3,269	3,755	3,748	3,180
Prepaid expenses	2,664	2,549	2,928	6,980	9,641
Withholding taxes	-	-	-	-	388
	70,164	66,016	74,505	93,877	129,996

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
10. Bank Overdraft					
The bank has the following unsecured overdraft facilities with the following banks as at 31 Dec 2005					
Barclays Bank Ghana Ltd					
An amount not exceeding ¢15 billion and documentary credit of US\$1 million					
Ecobank Ghana Ltd					
An amount not exceeding ¢15 billion					
Standard Chartered Bank Ghana Ltd					
An amount not exceeding ¢15 billion and bid bonds and payment guarantees of US\$8 million					
Merchant Bank (Ghana) Ltd					
An amount not exceeding ¢15 billion.					
11. Accounts Payable					
Trade accounts payable	20,921	27,566	37,617	61,777	74,683
Sundry accounts payable	24,026	24,471	43,371	57,200	82,080
Accruals payable	4,353	8,949	4,234	11,804	13,099
	49,300	60,986	85,222	130,781	169,862
12. Deferred Tax					
Exchange difference	(215)	(1,251)	(254)	(130)	(9)
Property, plant and equipment	906	1,474	4,054	1,153	424
	691	223	3,800	1,023	415
13. Stated Capital					
Authorised ordinary shares of no par value: 50 million					
No. of shares issued ('000)	4,050	4,050	4,050	4,725	4,725
Proceeds					
Issued for cash	222	222	222	222	222
Consideration other than cash	100	100	100	100	100
Transfer from income surplus acct	9	9	9	64	64
	331	331	331	386	386
14. Capital Surplus Account					
These arose as a result of the revaluation of the company's leasehold properties in 1983.					

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
15. Dividend Payable					
Unpaid at 1 January	6,318	10,271	10,328	14,783	10,003
Payment during the year	(6,318)	(10,271)	(10,328)	(14,783)	(10,003)
Dividend proposed	10,271	10,328	14,783	10,003	12,306
	10,271	10,328	14,783	10,003	12,306
Dividend payment is subject to a deduction of 10% withholding tax					
16. Cash generated from operations					
Profit before tax & national reconstruction levy	18,662	16,844	28,375	(7,533)	13,870
Depreciation & amortisation	2,482	3,441	4,346	9,093	8,910
Profit on disposal of property, plant & equipment	(693)	(186)	(43)	(1,563)	(2,555)
Decrease/(increase) in inventories	(2,717)	1,679	(6,961)	(1,242)	18,245
Decrease in amts due from group companies	(14,195)	9,300	(11,836)	5,722	3,172
Increase in accounts receivable	(12,532)	4,148	(8,489)	(19,002)	(36,217)
Increase in accounts payable	(9,794)	11,686	24,252	45,559	39,081
Decrease in amt due to group companies	6,762	4,988	5,815	(1,029)	(40,353)
Interest expense	2,028	1,047	1,408	5,821	8,231
Interest income	(2,113)	(5,097)	(1,736)	(548)	(1,070)
Cash generated from operations	(12,110)	47,850	35,131	35,278	11,314
17. Cash and Cash Equivalents					
Cash and bank balances	2,934	11,942	9,009	7,902	5,972
Bank overdrafts	(7,248)	(8,086)	(20,843)	(15,138)	(30,992)
	(4,314)	3,856	(11,834)	(7,236)	(25,020)
18. Number of Shares in Issue					
Earnings per share, dividend per share and net assets per share are based on the following number of shares in issue ('000)					
	4,050	4,050	4,050	4,725	4,725
19. Inter-Company Balances					
Outstanding balances arising from the purchase of goods/services and other inter-company transactions are as follows:					
(a) Amounts due from group Co's					
ExxonMobil Corporation	14,195	4,895	16,731	11,009	-
Total Outre Mer	-	-	-	-	7,837
	14,195	4,895	16,731	11,009	7,837

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
19. Inter-Company Balances (Cont'd)					
(b) Amounts due to group Co's					
ExxonMobil Corporation	30,579	35,567	41,382	40,353	-

Inter-company transactions arise primarily from purchase of lubricants and service charges. Effective 1st October 2005, the company is no longer a member of ExxonMobil Corporation Group and balances due to ExxonMobil and its affiliates in 2005 have therefore been reclassified under accounts payable.

20. Finance Charges

Finance charges comprise interest expense on bank overdrafts

21. Capital commitments

The company's authorised and/or contracted capital commitments for property, plant and equipment at the balance sheet date which have not been recognised in the financial statements are as follows:

Authorised but not contracted	-	3,908	3,103	1,434	-
Contracted	-	11,786	2,303	2,578	-
	-	15,694	5,406	4,012	-

23. Post Balance Sheet Events

There are no post balance sheet events, which would have had a material effect on the state of affairs of the company as at 31 December 2005 and on the results for the year then ended which have not been provided for.

PART 5 - GENERAL INFORMATION ON TOTAL GHANA LIMITED

1 Background

Total Ghana Limited (TGL) was initially registered under the Companies Code of 1963 as BP Ghana Limited on December 30, 1964. By a Special Resolution dated August 3, 1992 the company name was changed to Elf Oil Ghana Limited following the acquisition of BP Ghana Limited by Elf Aquitaine. By another Special Resolution dated December 21, 1999 the company's name was changed to TotalFinaElf Ghana Limited following the merger of the parent companies of TGL and Elf Aquitaine on international markets. On August 1, 2003 the company's name was again changed to Total Ghana Limited following the renaming of the TotalFinaElf Group as Total S.A.

2 Share Issue History

At incorporation TGL was registered with 1,500,000 ordinary shares of no par value of which 500,000 were issued to the founding members for capital of ₵999,000. The table below shows TGL's share issue history from 1964 to May 31, 2006:

Financial Year	Company	Description	No. of Shares	Cumulative Issued Shares	Stated Capital(₵)
1964	B P Ghana	Issued for Cash`	500,000	500,000	999,000
1964	B P Ghana	Other than Cash	1,000,000	1,500,000	1,000,000
1986	B P Ghana	Issued for Cash	34,000,000	35,500,000	35,000,000
1991	Elf Oil Ghana	Issued for Cash	105,000,000	140,500,000	140,000,000
1995 (a)	Elf Oil Ghana	Capitalisation	0	140,500,000	2,000,000,000
1995 (b)	Elf Oil Ghana	Issued for Cash	1,000,000	141,500,000	3,000,000,000
2001	TotalFinaElf Ghana	Other than Cash	68,992,000	210,492,000	3,501,200,000

3 Shareholders

The table below shows the shareholders of TGL as at May 31, 2006:

Shareholders	No. of Shares	Holdings (%)
Total Africa Limited	105,276,000	50.01
Total Outre Mer S.A.	66,035,200	31.38
National Investment Bank	28,300,000	13.45
Total Staff Provident Fund	7,924,000	3.76
Ghana Oil Company Limited	2,956,800	1.40
Total Issued Shares	210,492,000	100.00

4 Products

TGL's core operation is the marketing of Total and Elf brand petroleum products, automotive and other fuels, and specialties such as Liquefied Petroleum Gas (LPG), aviation fuel and lubricants, through both the retail network and other outlets. The following constitutes the core products and services offered by TGL:

Product/Service	Features
Aviation	Aviation products includes aviation fuel (jet fuel) and aviation lubricating oil and greases for aircraft piston engines, aircraft gas turbines and general lubrication of aircraft parts.
Bitumen	Also referred to as asphalt, is generally used in the construction industry for asphaltting of roads.
Black Products	Refers to Residual Fuel Oil (RFO) sometime referred to as Fuel Oil is a heavy fuel generally used for firing of boilers.
Bunkering	An industrial term that refers to the supply of Fuel (Marine Diesel) and lubricating oil to vessels at the port or harbours.
Fuel Oil	An industrial term that refers to the supply of Fuel (Marine Diesel) and lubricating oil to vessels at the port or harbours.
LPG	Liquefied Petroleum Gas also referred to as Natural Gas. Widely used for power generation, industrial, automotive and domestic. Popular usage is for domestic heating and cooking.
Lubricants	This refers to a combination of basestock and additives. Base stocks are derived from crude oil that has been process through a refinery. The primary function of a lubricant is to reduce friction between two moving parts.
White Products	This refers to light products such as Gasoline, Premium and Kerosene.

5 Directors

The TGL Board is responsible for setting strategic goals, approving long-term planning and monitoring the activities of the executive management. The board has four (4) members comprising one (1) non-executive Chairman, the Managing Director and two (2) non-executive directors. The board members have the requisite experience and knowledge to make valuable contributions to the progress of TGL.

The number of directors of TGL according to its Regulations should not be more than five (5), with the majority shareholder nominating three (3) persons and the remaining shareholders nominating the other two (2) members. If a director is removed from office or ceases to hold office, his place is filled by a person nominated by the member who had nominated the out-going director. A brief profile of TGL's directors follows:

Jean-Denis Royere [55 years, French] Chairman of the Board: Jean-Denis is the Director of the West Africa Region, Total Outre-Mer S.A. Jean-Denis is also the Chairman of all the Total subsidiaries in West Africa. For his full profile, please see under profile of TPGL directors in Part 4 of this document.

Felix Majekodunmi [56 years, Nigerian] Non-executive Director: Felix is the Managing Director of TPGL, the immediate past Managing Director of TGL and a representative of Total Africa and TOM's interest on the TGL Board. He holds a Bachelor of Science Degree (BSc Hon) Mechanical Engineering, Certified Diploma in Accounts and Finance London C dip. AF. For a full profile, please see under profile of TPGL directors in Part 4 of this document.

Daniel Charles Gyimah [56 years, Ghanaian] Non-executive Director: Charles is an Engineer by profession and is currently the Managing Director of National Investment Bank Limited. He was appointed to the Board of Total Ghana Limited in March 2002. Currently, he also chairs the following companies: Nestle Ghana Limited, Metro Mass Transit Company Limited, University of Development Studies, First Ghana Building Society and Ayensu Company Limited. He is also a member of the Ghana Railways Corporation Board and a senior member of the Ghana Institute of Engineers.

Kofi Ampim [60 years, Ghanaian] Non-executive Director: Kofi is a private businessman and the President of Pan-African Resources Development Company Ghana Limited, a financial advisory and investment services firm with a focus on Africa. Kofi is a Banker by profession and has in the past held a managerial position with Chase Manhattan Bank in New York. Kofi has provided financial advise to several international banks and various African governments. In 1996, he successfully arranged a US\$100 million financing facility for the Government of Ghana with Societe Générale Bank in London. In 2004, he was one of the Financial Advisors to the Government of Ghana for the merger of Ashanti Goldfields Company and AngloGold. He was appointed as a Director to the Board of TGL in September 2001. Kofi currently also serves on the Board of SG-SSB Limited.

6 Senior Management

TGL's senior management team also includes the following:

Emmanuel Menyah-Hughes [46 years, Ghanaian] Acting Managing Director: Emmanuel is a Chartered Accountant and a member of the Institute of Chartered Accountants, Ghana. He also holds an MBA Finance and a BSc Administration (Finance) from the University of Ghana. He joined Elf Oil Ghana in 1998 as a Chief Internal Auditor and was appointed Audit Manager when Elf and Total merged in 2001. Prior to joining Elf Oil, he worked briefly as a teaching assistant at the University of Ghana, Legon and was the Chief Collector at the Customs Exercise and Preventive Services from 1986 to 1998.

Johnny Crosby Blagogee [50 years, Ghanaian] Marketing Manager: Johnny joined Elf Oil Ghana in October 1980 as Operations Assistant. He has held various positions including Tema Oil Refinery (TOR) Representative [1983-1986], Aviation Representative [1986-1991], Warehouse Superintendent [1991-1992] and Sales Manager [1994-1995]. He holds a certificate in passenger and cargo handling.

Samuel Asare-Bediako [45 years, Ghanaian] Operations Manager: Samuel joined Elf Oil Ghana in January 1999 as the Maintenance Engineer. He was appointed the New Works and Maintenance Engineer following the merger between Elf Oil Ghana and Total Ghana Limited in 2001. In 2003, he was elevated to the position of Operations Manager. Prior to joining Elf, he held the position of Factory Manager at Benso Oil Palm Plantation, a division of Unilever Ghana Limited. He holds a BSc degree in Mechanical Engineering from the University of Science and Technology, Kumasi.

Naa Odarley Bortei-Doku [41 years, Ghanaian] Human Resource Manager: Prior to joining TGL, she worked as the Management Development and Training Manager of Unilever Ghana from 1994 to 2001. Naa Odarley holds a BA Degree in Economics from the University of Sussex, UK and a Masters Degree in Development Economics from the University of Kent at Canterbury UK. She is also a member of the Institute of Human Resource Management Practitioners, Ghana.

Mercy Samson [43 years, Ghanaian] Legal Manager: she is currently the Legal Manager and Company Secretary of Total Ghana, a position she has held since January 2003. Prior to working with Elf Oil Ghana (now TGL), Mercy worked as a legal assistant with Powell Spencer & Partners (UK) which was engaged in criminal and civil proceedings. She holds an LLB (hons) degree from Leicester Polytechnic now DeMontford University in the UK.

7 Corporate Governance & Board Practises

TGL is committed to the principles of good corporate governance and their implementation. The company appreciates the valuable contribution this makes to the long-term prosperity of the business. The main goal of the Board and management is to manage TGL in a way that maximises the long-term value for shareholders.

Role of the Board

The TGL Board comprises four (4) directors who assume complete responsibility for the activities of company, including the total risk management framework. The powers of the Board, its functions and responsibilities are governed by the Companies Code, and the Regulations of the Company. The Regulations of TGL stipulate that the number of directors shall not be more than five (5).

Regulation 65(2) of TGL's Regulations provides that each director shall continue to hold office until he vacates office under regulation 67 and the company may at any time by special resolution increase the number of directors so however that the total number shall not exceed ten (10). Any director may be removed from office in accordance with section 185 of the Companies Code.

Regulation 67 (2) of the regulations provide that the office of director shall be terminated or vacated automatically on (a) the seventieth date of his birth, in the case of the Chairman, (b) the sixty-fifth anniversary of his birth, in the case of the Managing Director and (c) the seventieth anniversary of his birth, in the case of any other director.

Internal Control

TGL has an internal audit department headed by a senior manager who reports to the Managing Director. His duties include the monitoring of activities, safety, operations and administration to ensure that procedures and limits of authority are respected. The department also makes recommendations for improvement in the procedures for internal control.

TOM's internal control team also undertakes audits of TGL twice (2) a year while the parent company, Total S.A.'s audit team also conducts group audits once every four (4) years to ensure that procedures and internal controls are adequate and respected.

8 Employees

The table below is a breakdown of TGL's staff strength over the past three (3) years:

Category	2003	2004	2005
Management	31	32	32

Category	2003	2004	2005
Non-Management	77	76	76
Total	108	108	108

Relations between TGL and their staff are generally governed by the Collective Bargaining Agreement (CBA) between TGL and the General Transport, Petroleum and Chemical Workers Union of the Trade Union Congress (TUC). The latest CBA is valid until December 31 2007.

9 Distribution Network

TGL operates 117 stations throughout the various regions in Ghana. These are made up of eighty-three (83) Company Owned Dealer operated (CODO) and thirty-four (34) Dealer Owned Company Operated (DODO) stations. The stations are categorised into thirty-one (31) filling stations and eighty-six (86) service stations.

10 Investments

- **Tema Lube Oil Company Ltd (TLOC):** TLOC was incorporated on October 9, 1990. TLOC primarily blends engine oils, hydraulic oils and gear oils under franchise for distribution by the major oil marketing companies. TGL currently holds 1.5% of the issued shares of TLOC.
- **Ghana Bunkering Services (GBS):** GBSL is incorporated in Ghana to store and dispense petroleum products to all vessels using both main and fishing harbours at Tema. TGL owns 18.5% of the issued shares of GBSL.

11 Indebtedness and Funds

The table below shows the indebtedness and funds of TGL over the past five years:

	2001	2002	2003	2004	2005
Bank Overdraft	52,674	5,503	39	29,009	67,006
Cash & Bank Balances	18,001	23,043	27,694	24,379	47,332

According to its audited financial statements, TGL had no long-term loans or liabilities during the past five years.

12 Material Contracts

Except for the transactions referred to and described below, no contract, not being a contract entered into in the ordinary course of business, has been entered into by TGL within the two years immediately preceding the date of this document and which is material or contains provisions under which TGL has an obligation or entitlement which is material as at the date of this document.

i. Marketing Licence Contracts

TGL has entered into contracts with independent contractors to manage and operate its filling/service stations. There are two types of stations, namely the Company Owned Dealer Operated Stations (CODO) and Dealer Owned Dealer Operated Stations (DODO).

CODO - Under this system, TGL has appointed independent contractors as Dealers to manage and operate TGL's own stations in return for a commission, which is calculated based on the volume of products sold at the station.

DODO - Under this system, TGL has appointed independent contractors as Dealers to manage and operate the Dealer's own station in return for a commission, which is calculated based on the volume of products sold at the station. As an incentive for owning the stations, the commission paid to such Dealers is higher than what is paid to the Dealers under the CODO system.

ii. Technical Assistance Agreements

- a. TGL has entered into an agreement with TOM which provides TGL with all the necessary technical assistance and support in selected areas including Commercial Assistance and Marketing, Information Technology, Human Resource, Technical, Quality Control of Products, Research and Development. The fee for services provided by TOM under this agreement is up to 5% of the net sales of TGL.
- b. TGL also has a Multi-Services Agreement with Aviation Total International (ATI) which provides TGL with Technical Assistance in aviation matters. Fees for services provided by ATI under this agreement are up to 5% of the net sales of TGL.

iii. Transport Agreements

TGL has signed agreements with various companies and individuals who transport TGL's products from the Tema Oil Refinery to its customers nationwide. The remuneration for the transporters of lubricants is fixed by TGL whilst that of other products such as AGO, kerosene and super, are fixed by the Government of Ghana.

iv. Maintenance Agreements

TGL has engaged contractors with expertise who maintain the equipment and electrical systems at the various filling/service stations. Such equipment includes generators, air conditioners, grease/oil pumps and air compressors. Under the terms of these agreements, TGL pays the service providers maintenance and faults fixing fees in exchange for system support and fault-rectification services.

v. Insurance Agreements

TGL has insurance contracts with various insurance companies. These are mainly contracts to cover filling stations, petroleum products in transit within Ghana, liability arising from the supply and sale of defective products, group life insurance for permanent staff, marine cargo, building and office equipment and employees' occupational injury. All these contracts are renewable in January 2007.

vi. Supply Agreement

TGL has a contract with Qualiplast Ghana Limited for the exclusive supply of high quality standard plastic containers including cans and caps for the packaging of Total lubricants.

13 Litigations

The following summarises pending litigation as at May 31, 2006 in matters with a minimum claim value of US\$50,000:

i. Legal Proceedings Filed against TGL:

Moukarzel & Sons Limited Vrs Total Ghana Limited - This suit is an allegation of wrongful termination of contract. The Plaintiff sued Elf Oil Ghana (now TGL) for damages for wrongful termination of Haulage Contract. TGL won the case at the Appeal Court. The Plaintiff has filed notice of appeal, which is currently pending.

This case is vigorously being defended by TGL. Although TGL cannot give any assurances regarding the ultimate outcome of this case, based on its current knowledge, TGL believes that the outcome will have no adverse material effect on its financial position.

ii. Legal Proceedings TGL has Filed Against Third Parties:

a. Total Ghana Vrs Freightall & Co. - This is a debt recovery case against the Defendant for products supplied on credit basis and for which payment is outstanding. Final judgement was obtained on November 25, 2004. Some assets of the Defendant have been seized and the court has ordered the sale of these assets at agreed valuations. The auctioneer is yet to confirm sale of these assets.

b. Total Ghana Limited Vrs. KAI Ventures Limited - This is a debt recovery against the Defendant for products supplied on credit basis and for which payment is outstanding. Judgement was won for a total sum of ₵973,912,292 on January 25, 2006. The Defendant's property has been attached for auction sale to satisfy the judgement debt and a valuation report will be submitted to the court for an order for sale.

c. Total Ghana Limited Vrs. Banlaw Africa Limited - This is a debt recovery against the Defendant for the sum of ₵3,228,128,133 together with interest and cost. The Defendant made part payment of the sum of ₵1,800,000,000 as at August 31, 2006. The Defendant has proposed to pay ₵300,000,000 every 14 days thereafter with effect from September 15, 2006.

Save as disclosed above there are no legal or arbitration proceedings in TGL is or has been engaged, including such proceedings which are pending or threatened of which TGL is aware, which may have or have had during the 12 months preceding the date of this circular, a significant effect on the financial position of TGL.

14 Disclosure of Interests by Directors

As at September 6, 2005 (the last practicable date prior to the posting of this document), the interests of TGL directors and their immediate families in TGL shares were as follows:

Name	Shares Held in TGL	Debenture Holdings in TGL
Jean-Denis Royere	Nil	Nil
Felix Majekodunmi	Nil	Nil
Kofi Ampim	Nil	Nil
Daniel Charles Gyimah	Nil	Nil

15 Disclosure of Interests by Advisers

As at the date of this document, neither Strategic African Securities (Financial Advisor & Sponsoring Broker) nor its subsidiaries, Strategic Initiatives Limited and SAS Investment Management Ltd, held any TGL shares. No employee or principal of any of the firms held or had interest in TGL shares.

As at the date of this document, JLD & MB Legal Consultancy Services (Legal Advisors) did not hold any TGL shares. No employee or principal of the firm or any of its associated persons held or had interest in any TGL shares.

As at the date of this document, Deloitte and Touche (Reporting Accountants) did not hold any TGL shares. No employee or principal of the firm or any of its associated persons held or had interest in any TGL shares.

16 Other Disclosures

- I. **Relationships Among Directors** – There are no family relationships among the Directors.
- II. **Bankruptcy Petitions** – No petition under any bankruptcy law has been filed against any director, or any partnerships of which such persons were partners, or of any company in which such persons were directors.
- III. **Criminal Proceedings or Convictions for Fraud or Dishonesty** – No person who is a director or has been convicted in a criminal proceeding or is a named subject of any pending criminal proceeding relating to an offence involving fraud or dishonesty.
- IV. **Prohibition against Financial Advisory or Capacity to Hold Office** – No person who is a director or has been nominated to become a director has been subject of any judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment advisor, dealer in securities, director or employee of a corporate body or engaging in any type of business practice or activity or profession.
- V. **Materiality of Management Interest in the Company's Business and Affairs** – No member of management or any other persons related to them have any material interest in the company either directly or indirectly.
- VI. **Directors Powers to Borrow and Charge the Company's Assets** – The directors may exercise all the powers of the company to borrow money and to mortgage or charge its property and undertaking or on any part thereof, and to issue debentures. Such powers can be varied by amending the Company's Regulations.
- VII. **Affiliations and Affiliated Companies and Businesses** – TGL has affiliations with Total S.A. through its subsidiaries TOM and Total Africa Limited, currently holds 81.39% of TGL's issued shares. It is the responsibility of TOM to recruit and appoint the senior level executives of the TGL, among others.
- VIII. **Technical Assistance Agreement with TOM** - The Agreement is to provide specific services spelt out under paragraph 12 above to TGL.

17 Risk Factors

Risks related to the oil marketing industry – A major risk which could impact on the projected earnings is the non-availability of petroleum products due to supply disruptions. Additionally, any adverse change in the international supply and price of fuel could negatively affect the projected earnings

18 Additional Information

- a. Deloitte and Touche, Reporting Accountants, have given and have not withdrawn their written consent to the issue of this circular with the inclusion herein of their reports in Parts 4, 5 and 6 of this document and the references thereto in the form and context in which they appear.
- b. Save as disclosed in this document, there has been no material change in the financial or operating position of TGL other than in the ordinary course of business since December 31, 2005 the date to which the last audited accounts of TGL were prepared.
- c. TGL has not engaged in any litigation or arbitration of material importance to affect its financial position, and the Directors are not aware of any such litigation or arbitration.

19 Historical Financial Statements



a. Independent Reporting Accountants' Opinion

The Board of Directors
Total Ghana Limited
95 Kojo Thompson Road
Tudu, Accra

[date]

Dear Sirs,

MERGER OF TOTAL PETROLEUM GHANA LIMITED AND TOTAL GHANA LIMITED

We have examined the audited financial statements of Total Ghana Ltd (TGL) for the five years ended 31 December 2001 to 2005.

KPMG have acted as Auditors of Total Ghana Limited throughout the period covered by our examination. For each of the relevant years, the Auditors issued an unqualified audit opinion on TGL's financial statements.

No audited financial statements have been prepared for submission to shareholders for any period subsequent to 31 December 2005.

The audited financial statements have been prepared on the basis of the accounting policies set out in the financial statements that follow. For all the accounting periods dealt with in our report, the financial statements have been, in all material respects, prepared in accordance with the Ghana National Accounting Standards. The financial information set out in our report is based on the audited financial statements and management accounts of TGL after effecting adjustments considered necessary by us.

Our work has been carried out in accordance with the Auditing Guidelines: "Prospectuses and the Reporting Accountant".

In our opinion, the financial information set out below gives a true and fair view of the profits and cash flows of TGL for each of the five (5) years ended 31 December 2001 to 2005 and of the state of affairs of TGL at the end of each of those years, in accordance with Ghana National Accounting Standards.

Yours faithfully

Deloitte and Touche

b. Historical Profit & Loss Account for the five years ended December 31

Profit & Loss (¢'m)						
	Note	2001	2002	2003	2004	2005
Turnover	3	819,262	722,116	1,049,168	1,129,912	1,678,386
Cost of Sales		743,572	645,502	939,554	1,009,024	1,535,591
Gross Profit		75,690	76,614	109,614	120,888	142,795
Selling & Admin Expenses		76,969	72,848	72,151	88,802	105,159
Trading Profit/Loss	4	(1,279)	3,766	37,463	32,086	37,636
Non Trading Income	5	11,482	18,123	22,634	23,831	27,991
Profit Before Excep. Items		10,203	21,889	60,097	55,917	65,627
Exceptional Items		3,859	-	-	-	-
Profit Before Taxation		6,344	21,889	60,097	55,917	65,627
Tax	6	3,808	11,077	21,642	19,096	21,543
Profit After Tax		2,536	10,812	38,455	36,821	44,084
Income Surplus (¢'m)						
Balance at 1 January		43,185	44,731	50,743	56,742	56,742
Prior year Adjustment		(102)	-	-	-	-
Profit for the Year		2,536	10,812	38,455	36,821	44,084
		45,619	55,543	89,198	93,563	100,826
Dividend		888	4,800	32,456	36,821	39,675
Balance at 31 December		44,731	50,743	56,742	56,742	61,151

c. Historical Balance Sheets for the five years ended December 31

Balance Sheets as at Dec 31 (¢'m)						
	Notes	2001	2002	2003	2004	2005
Property, Plant & Equipment	7	50,413	53,160	55,195	60,006	68,264
Investments	8	16	16	16	16	16
		50,429	53,176	55,211	60,022	68,280
Current Assets						
Stocks	9	23,425	24,101	32,635	46,486	54,331
Debtors	10	96,484	76,506	119,599	155,998	229,607
Taxation	6	10,518	2,135	2,721	4,425	4,784
Associated Company Bal	21	37	421	488	543	447
Short- term Investment		47	-	-	-	-
Cash and Bank Bal		18,001	23,043	27,694	24,379	47,332
		148,512	126,206	183,137	231,831	336,501
Total Assets		198,941	179,382	238,348	291,853	404,781
Current Liabilities						
Bank Overdraft	11	52,674	5,503	39	29,007	67,066
Associated Company Bal	21	16,718	21,974	11,548	11,136	31,076
Creditors	12	74,771	86,281	146,085	168,333	222,938
Dividend Payable	13	1,146	4,800	14,011	18,169	13,588
		145,309	118,558	171,683	226,645	334,668
Net Current Assets		3,203	7,648	11,454	5,186	1,833
Deferred Taxation	14	(5,254)	(6,434)	(6,276)	(4,819)	(5,315)
Net Assets		48,378	54,390	60,389	60,389	64,798
REPRESENTING						
Stated Capital	15	3,501	3,501	3,501	3,501	3,501
Capital Surplus	16	146	146	146	146	146
Income Surplus		44,731	50,743	56,742	56,742	61,151
		48,378	54,390	60,389	60,389	64,798

d. Historical Cash Flow Statements for the five years ended December 31

Cash Flow (¢'m)	Notes	2001	2002	2003	2004	2005
Net Cash Inflow from Operating Activities	17	5,803	54,621	35,114	10,757	44,077
Cash Flow from Investing Activities						
Proceeds from Sale of Assets		63	-	230	-	-
Purchase of Property, Plant & Equip.		(10,704)	(7,266)	(8,173)	(11,457)	(15,410)
Interest Received		1,902	5,828	5,975	726	315
Dividend Received		16	129	214	354	168
Net Cash Used in Investing Activities		(8,723)	(1,309)	(1,754)	(10,377)	(14,927)
Cash Flow from Financing Activities						
Dividend Paid		(283)	(1,146)	(23,245)	(32,663)	(44,256)
Net Decrease in Cash & Cash Equivalent		(3,203)	52,166	10,115	(32,283)	(15,106)
Analysis of Changes in Cash and Cash Equivalents During the Year						
Opening Cash and Bank Balance		(31,423)	(34,626)	17,540	27,655	(4,628)
Net Cash Outflow		(3,203)	52,166	10,115	(32,283)	(15,106)
Balance at 31 December		(34,626)	17,540	27,655	(4,628)	(19,734)
Analysis of Balances of Cash and Cash Equivalents During the Year						
Cash & Bank Balances		18,001	23,043	27,694	24,379	47,332
Short-term Investments		47	-	-	-	-
Bank Overdraft		(52,674)	(5,503)	(39)	(29,007)	(67,066)
		(34,626)	17,540	27,655	(4,628)	(19,734)

e. Notes Forming Part of the Financial Statements

1. BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain property, plant & equipment in accordance with Ghana Accounting Standards.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

a. Depreciation

Depreciation is provided for on a straight-line basis at rates calculated to write off the gross value of each property, plant & equipment over its estimated useful life. The annual rates generally in use are as follows:

Leasehold Land and Buildings	Over the Life of Lease
Operational Equipment	7.5% - 10%
Motor Vehicles	15% - 25%
Office Equipment	20%

b. Stocks

Stocks are stated at the lower of costs or net realisable value. Cost is determined primarily on first in first out basis.

c. Debtor

Debtors are provided for specific debts considered to be doubtful.

d. Turnover

Turnover represents the value of goods invoiced to customers during the year net of taxes.

e. Deferred Tax

Provision is made deferred tax liabilities using the liability method on material temporary differences. Deferred tax asset is recognised to the extent that it is realisable.

f. Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effect is material.

g. Foreign Exchange

Transactions denominated in foreign currencies are translated into cedis and recorded at the rates of exchange ruling at the dates of the transactions.

Balances denominated in foreign currencies are translated into cedis at the exchange rates ruling on the balance sheet date. The resultant gains and losses are recognised in the profit and loss account.

h. Assets Financed by Lease Agreements

Assets financed by lease agreements which give rise to ownership (finance lease) have been capitalised at the amount equal to the original cost of asset to the lessor and depreciated in accordance with the company's depreciation policy. The capital elements of future obligations under the finance leases are included as liabilities in the balance sheet.

i. Investment

Investments are stated at cost.

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
3. Turnover					
Gross Sales	949,765	964,167	1,539,577	1,720,994	2,397,174
<i>Less: Customs Duty & Levies</i>	(130,503)	(242,051)	(490,409)	(591,082)	(718,788)
	819,262	722,116	1,049,168	1,129,912	1,678,386
4. Trading Profits					
<i>Trading Profit is stated after charging the following:</i>					
Director Emoluments	238	239	244	263	261
Depreciation	4,992	5,245	6,067	6,646	7,155
Auditors' Remuneration	110	130	150	182	255
Donations	45	25	41	37	99
Interest Paid	23,009	8,419	794	1,550	5,221
5. Non-trading Income					
Profit on Disposal of Fixed Assets	63	-	159	-	-
Interest Income	1,902	5,828	5,975	726	315
Rental Income	847	844	847	852	1,134
Dealership Fee	1,986	2,971	4,973	5,721	9,869
Gain on Exchange	3,892	4,237	3,044	1,412	285
Bad Debts Recovered	85	798	847	-	-
Dividend Income	16	129	214	354	168
Dealers License Fees	-	-	2,623	2,742	2,985
Boutique Income	-	-	327	2,615	2,603
Others	2,691	3,316	3,625	9,409	10,632
	11,482	18,123	22,634	23,831	27,991
6. Taxation					
(i) Income Tax Payable					
Balance as at 1 January	(805)	(10,518)	(2,135)	(2,721)	(4,425)
Payment During the year	(10,811)	(1,514)	(22,386)	(22,257)	(21,406)
Charge for the Year	1,098	9,897	21,800	20,553	21,047
Balance at 31 December	(10,518)	(2,135)	(2,721)	(4,425)	(4,784)
(ii) Income Tax Expense					
Corporate Income Tax	1,098	9,897	21,800	20,553	21,047
Deferred Taxation Released (Note 14)	2,710	1,180	(158)	(1,457)	496
Total	3,808	11,077	21,642	19,096	21,543

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
7. Property, Plant & Equipment					
Gross Value as at 1 January	56,061	66,790	74,724	82,581	94,038
Prior Year Adjustment	1,060	-	-	-	-
Additions	9,807	7,266	8,173	11,457	15,410
Transfers	-	-	-	-	-
Disposal	(138)	-	(316)	-	-
Write-backs/Releases	-	668	-	-	-
At 31 December	66,790	74,724	82,581	94,038	109,448
Comprising					
Cost of Assets Revalued	2	2	2	2	2
Surplus Arising on Revaluation	72	72	72	72	72
At Revaluation	74	74	74	74	74
At Cost	66,716	74,650	82,507	93,964	109,374
Depreciation					
At 1 January	11,258	16,377	21,564	27,386	34,032
Prior Year Adjustment	265	-	-	-	-
Charge for the year	4,992	5,245	6,067	6,646	7,152
Released on Disposal	(138)	-	(245)	-	-
Write-back/Releases	-	(58)	-	-	-
Balance at 31 December	16,377	21,564	27,386	34,032	41,184
Net Book Value as at Dec 31	50,413	53,160	55,195	60,006	68,264
Leasehold Land and Building, Plant, Machinery, Furniture and Fittings were professionally revalued on December 1, 1988 by Chinbuah, Owusu-Adjepong and Partners, Surveyors, Valuers and Consultants in property development based on their net current replacement costs.					
8. Investments	16	16	16	16	16
This represents equity investments in unquoted companies					
9. Stocks					
Trading Stocks	17,192	18,752	25,618	37,127	45,991
Other Stocks	6,081	5,349	7,017	9,359	8,340
Goods in Transit	152	-	-	-	-
	23,425	24,101	32,635	46,486	54,331
10. Debtors					
Trade Debtors	87,077	66,144	112,050	136,902	200,913
Sundry Debtors	8,417	8,944	6,522	16,975	25,302

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
10. Debtor (Cont'd)					
Prepayments	394	11	11	11	110
Staff Debtors	596	1,407	1,016	2,110	3,282
	96,484	76,506	119,599	155,998	229,607
11. Banking Facilities					
Total Facilities	62,000	62,000	26,500	35,000	70,000
Amount Utilised	(52,674)	(5,503)	(39)	(29,007)	(67,066)
	9,326	56,497	26,461	5,993	2,934
The above facilities were secured by corporate guarantee and inter-bank indemnity					
12. Creditors					
Trade Creditors	28,312	23,665	28,992	60,155	99,404
Sundry Creditors	32,791	39,779	78,812	63,272	88,186
Accruals	13,668	22,837	38,281	44,906	35,348
	74,771	86,281	146,085	168,333	222,938
13. Dividend					
Balance as at 1 January	541	1,146	4,800	14,011	18,169
Proposed for the year	888	4,800	32,456	36,821	39,675
	1,429	5,946	37,256	50,832	57,844
Payments during the year	(283)	(1,146)	(23,245)	(32,663)	(44,256)
Balance as at 31 December	1,146	4,800	14,011	18,169	13,588
14. Deferred Taxation					
Balance as at 1 January	2,544	5,254	6,434	6,276	4,819
Charge/ (Released) to Profit and Loss	2,710	1,180	(158)	(1,457)	496
	5,254	6,434	6,276	4,819	5,315
15. Stated Capital					
Authorised Shares of no par value 250 million					
Issue for Cash	502	502	502	502	502
Consideration other than cash	-	-	-	-	-
Transfer from Income Surplus	2,999	2,999	2,999	2,999	2,999
	3,501	3,501	3,501	3,501	3,501
Issued	210	210	210	210	210

	2001	2002	2003	2004	2005
	¢'m	¢'m	¢'m	¢'m	¢'m
16. Capital Surplus					
Balance as at 31 December	146	146	146	146	146
This represents revaluation surplus on valuation of some of the company's property, plant & equipment in 1988, the value of the computers donated to the company and loan balance of ø82 million from Total Africa Limited written-off for future share issue.					
17. Net Cash Inflow From Operating Activities					
Profit before Taxation	6,344	21,889	60,097	55,917	65,627
Adjusted for:					
Depreciation	4,992	5,245	6,067	6,646	7,153
Profit on Disposal of Fixed Assets	(63)	-	(159)	-	-
Dividends Received	(16)	(129)	(214)	(354)	(168)
Interest Expense	21,107	2,591	(5,181)	824	4,906
	32,364	29,596	60,610	63,033	77,518
Increase in Stocks	3,079	(676)	(8,534)	(13,851)	(7,845)
increase in Debtors	16,937	19,978	(43,093)	(36,399)	(73,609)
Increase,(Decrease) in Associated Company Balances	3,843	4,872	(10,493)	(467)	20,035
Fixed Asset Write Back	-	(726)	-	-	-
Increase in Creditors	(16,600)	11,510	59,804	22,248	54,605
Cash Generated from Operations	39,623	64,554	58,294	34,564	70,704
Interest Paid	(23,009)	(8,419)	(794)	(1,550)	(5,221)
Income Taxes Paid	(10,811)	(1,514)	(22,386)	(22,257)	(21,406)
Net Cash Inflow from Operating Activities	5,803	54,621	35,114	10,757	44,077
18. Exchange Control					
All remittances from Ghana are subject to exchange control regulations					
19. Contingent Liabilities					
Pending Legal Suits	100	2,000	1,050	1,050	1,100
20. Capital Commitments					
There were no commitments for capital expenditure not provided for at each balance sheet date.					
21. Associated Company Balance					
These balances result from transactions with Air Total International and Total Outre Mer.					

PART 6 –FORECAST & UNAUDITED PROFORMA FINANCIAL INFORMATION ON MERGED COMPANY

1 Reporting Accountants' Report on Forecast and Projections

The Board of Directors
Total Petroleum Ghana Limited
Mobil House
PO Box 450
Accra



The Board of Directors
Total Ghana Limited
95 Kojo Thompson Road
Tudu, Accra

June 29, 2006

Gentlemen,

REPORTING ACCOUNTANTS' REPORT ON FORECAST AND PROJECTIONS

We have examined the accounting policies and calculations for the profit forecast and projections, and the unaudited proforma financial information of the Merged Company for the five years ending 31 December 2006 to 2010, set out in Pages 56 to 58 of this document in accordance with the Listing Rules of the Ghana Stock Exchange (GSE), the Company's Code, Act 179 as amended and L.I. 1728 of the Securities and Exchange Commission applicable to the examination of prospective financial information. The directors are responsible for the forecast and projections, including the assumptions set out on Page 55 on which it is based.

The forecasts and projections have been prepared for inclusion in this Circular to shareholders for the purpose of the Merger. These forecasts and projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that these assumptions may not be appropriate for purposes other than those described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projections. In our opinion, the forecast financial statements, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors of the Companies, and are presented on a basis consistent with the accounting policies normally adopted by the Companies.

We do not express an opinion as to whether the actual results for the forecast period will approximate the forecast because events and circumstances do not frequently occur as expected, and those differences may be material.

Yours faithfully

Deloitte and Touche

2 Assumptions Underlying Forecast and Projections, 2006 to 2010

The profit forecast provided in this document has been stated by the directors after due and careful enquiry. Below are the key assumptions underlying the profit forecast:

- a) The financial projections have been developed on the assumptions that government's monetary and fiscal policies will continue to be geared towards increased revenue generation, increased government expenditure and maintenance of GDP Growth.
- b) The overall economic climate currently prevailing will not change significantly during the projected period.
- c) The current stable political climate existing in the country will remain unchanged in the forecast period.
- d) There will be no legislation having an adverse effect on the profitability of oil marketing companies.
- e) A more stable foreign exchange regime is anticipated with cedi depreciation against the dollar of about 2% from 2007.
- f) Interest rates are expected to stabilise around 16% by the end of 2009 with declining Bank of Ghana Prime rate from current 14.5% to 10% in 2009.
- g) It is envisaged that the petroleum sector will continue to experience further changes in terms of deregulation. It is also envisaged that Tema Oil Refinery (TOR) will continue to play a major role in product supplies.
- h) It is projected that product supplies will be met 70% by TOR and 30% by the private sector with a complete set of ground rules to regulate the deregulation.
- i) We envisage an increase in the retail network market share by local entrepreneurs from the current 34% to 38% within the next five years due mainly to favourable conditions for growth in the energy and petroleum sector.
- j) National demand or consumption of petroleum products is expected to increase by 3% per annum from 2006 to 2009 and marginally by 1% in 2010.
- k) Dividend payout is expected to be consistent with prior years. A dividend payout ratio of 80% has been assumed for the five years.
- l) Investment programmes will be geared towards enhancing the earnings capacity of the company for the next five years. Capital investment is envisaged in the first two years of the projected period to be earmarked to retail network and general trading segments of our business.

3 Projected Trading Profit and Loss Account (¢'m)

	2006	2007	2008	2009	2010
Turnover	3,600,393	3,751,315	4,091,143	4,456,744	4,770,309
Cost of Sales	3,361,962	3,519,201	3,836,361	4,178,000	4,470,678
Gross Profit	238,431	232,114	254,782	278,744	299,631
Selling & Admin Expenses	143,546	141,553	151,250	163,984	177,849
Trading Profit/Loss	94,885	90,561	103,532	114,760	121,782
Non Trading Income	25,030	25,255	25,996	26,778	27,607
Profit Before Interest & Tax	119,915	115,816	129,528	141,538	149,389
Financial Charges	12,859	13,899	14,177	14,460	14,750
Profit Before Taxation	107,056	101,917	115,351	127,078	134,639
Tax	41,465	26,049	29,410	32,356	34,262
Profit After Tax	65,591	75,868	85,941	94,722	100,377
Income Surplus (¢'m)					
Balance at 1 January	52,170	59,887	75,061	92,250	111,194
Profit for the Year	65,591	75,868	85,941	94,722	100,377
	117,761	135,755	161,002	186,972	211,571
Dividend	57,874	60,694	68,752	75,778	80,302
Balance at 31 December	59,887	75,061	92,250	111,194	131,269
Issued Shares	13,984,259	13,984,259	13,984,259	13,984,259	13,984,259
Earnings per Share (¢)	4,690	5,425	6,146	6,773	7,178
Dividend Per Share (¢)	4,139	4,340	4,916	5,419	5,742

4 Projected Balance Sheets for the Year Ending December 31 (¢'m)

	2006	2007	2008	2009	2010
Intangible	24,435	24,435	24,435	24,435	24,435
Property, Plant & Equipment	587,703	595,231	607,976	616,482	625,337
Investments	570	570	570	570	570
	612,708	620,236	632,981	641,487	650,342
Current Assets					
Stocks	75,914	69,887	64,080	53,728	56,338
Amount Due from Group Co.	1,880	1,918	1,956	1,995	2,035
Accounts Receivable	353,921	352,575	325,961	351,859	336,725
Tax	5,500	3,500	-	-	-
Cash and Bank Balance	21,620	22,052	22,493	2,993	8,242
	458,835	449,932	414,490	410,575	403,340
Current Liabilities					
Bank Overdraft	58,079	40,583	20,246	12,306	-
Accounts Payable	356,051	366,849	338,322	324,384	315,504
Amount Due Group Co.	37,700	25,029	21,449	20,949	18,655
Dividend Payable	57,874	60,694	68,752	75,778	80,302
Tax	-	-	4,500	5,500	6,000
	509,704	493,155	453,269	438,917	420,461
Net Current Assets	(50,869)	(43,223)	(38,779)	(28,341)	(17,121)
Deferred Taxation	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Net Assets	560,339	575,513	592,702	611,646	631,721
REPRESENTING					
Stated Capital	500,386	500,386	500,386	500,386	500,386
Capital Surplus	66	66	66	66	66
Income Surplus	59,887	75,061	92,250	111,194	131,269
	560,339	575,513	592,702	611,646	631,721

5 Projected Cash Flow Statement for the Year Ending December 31 (¢'m)

	2006	2007	2008	2009	2010
Cash Flow from Operating Activities					
Profit (Loss) Before Tax	107,056	101,917	115,351	127,078	134,639
Depreciation	17,237	18,569	19,497	19,929	20,383
Net Interest Expense	12,859	13,899	14,177	14,460	14,750
Change in Operating Assets & Liab:					
– (Increase) Decrease in Inventory	(4,010)	6,027	5,807	10,352	(2,610)
– (Increase) Decrease in due from Group Company	6,404	(38)	(38)	(39)	(40)
– (Increase) Decrease in Accounts Rec	5,682	1,346	26,614	(25,898)	15,134
– Increase (Decrease) in Accounts Paybl	(70,627)	10,798	(28,527)	(13,939)	(8,879)
– Increase(Decrease) in due from Group Company	6,624	(12,671)	(3,580)	(500)	(2,294)
Cash Flow from Operations	81,225	139,847	149,301	131,443	171,083
Interest Paid (net)	(12,859)	(13,899)	(14,177)	(14,460)	(14,750)
Tax Paid	(37,476)	(24,049)	(21,410)	(31,356)	(33,762)
	(50,335)	(37,948)	(35,587)	(45,816)	(48,512)
Net Cash Generated from Operating Activities	30,890	101,899	113,714	85,627	122,571
Cash Flow from Investing Activities					
Purchase of Tangible Fixed Assets	(30,023)	(26,097)	(32,242)	(28,435)	(29,238)
Net Cash Used in Investing Activities	(30,023)	(26,097)	(32,242)	(28,435)	(29,238)
Cash Flow From Financing Activities					
Dividend Paid to Shareholders	(12,306)	(57,874)	(60,694)	(68,752)	(75,778)
Net Cash Used in Financing Activities	(12,306)	(57,874)	(60,694)	(68,752)	(75,778)
Increase (Decrease) in Cash and Cash Equivalents	(11,439)	17,928	20,778	(11,560)	17,555
Cash and Cash Equivalent as at Jan 1	(25,020)	(36,459)	(18,531)	2,247	(9,313)
Cash and Cash Equivalent as at Dec 31	(36,459)	(18,531)	2,247	(9,313)	8,242

6 Unaudited Combined Profit and Loss Accounts for TPGL and TGL (¢' m)

	Full Yr 2005	6-mnth's '06
Turnover	3,527,065	1,664,233
Cost of Sales	3,285,122	1,532,776
Gross Profit	241,943	131,457
Selling General and Admin Expenses	206,162	100,674
Trading Profit	35,781	30,783
Non-Trading Income	43,716	21,538
Profit Before Taxation	79,497	52,321
Taxation	21,740	12,134
Profit after Tax	57,757	40,187
Income Surplus Account		
Balance at January 1	107,545	113,321
Profit for the year	57,757	40,187
	165,302	153,508
Proposed Dividend	51,981	-
Balance at December 31	113,321	153,508

PART 7 – ADDITIONAL INFORMATION

1 Responsibility

This Circular has been seen and approved by the Directors of the TPGL and TGL and we collectively and individually accept full responsibility for the accuracy of the information given and that after making all reasonable inquiries and to the best of our knowledge and belief there are no facts the omission of which would make any statement in the document referred to above misleading.

Strategic African Securities Limited (SAS) are acting as financial advisors and sponsoring brokers for the merger. To the best of its knowledge and belief this document constitutes full and fair disclosure of all material facts about the merger.

2 Costs

The costs, charges and expenses of, and incidental to, the Merger, including fees payable to professional advisors, the costs of regulatory approval and listing of additional shares on the GSE, and printing and publishing expenses are shown in the table below:

Item	Amount c'm
Direct Advisory Cost (legal advisors, financial advisors, stockbrokers, fixed asset valuers, reporting accountants, media consultants)	3,149
Other Direct Cost	
- GSE	3,427
- SEC	250
Indirect Cost (Media publicity, marketing, printing, logistics etc)	100
Total Estimated Cost	6,926

3 Share Certificates

Following approval of the Merger by both shareholders of TPGL and TGL, the directors will approve the issue of 9,259,259 new TPGL shares to shareholders of TGL. The registrars, Merchant Bank Registry, will issue share certificates bearing the new name to all shareholders of the new Merged Company. It is expected that all existing share certificates in the names of MOGL and TGL will effectively be cancelled.

The new share certificates are expected to be mailed out to all shareholders by November 1, 2006 and trading in the new shares would commence on the GSE November 6, 2006

4 Working Capital

The Directors are of the opinion that the working capital available to Total Petroleum Ghana Limited, is sufficient for its present requirements, that is, for at least the next 12 months from the date of this document.

5 Exchange Control Restrictions

a. Exchange Control Act 1961, Act 71

Exchange control is currently governed by the Exchange Control Act 1961, Act 71, as amended, (ECA) which imposes restrictive measures on the dealings in, and transfers of foreign currency, as well as the issue of securities to external residents.

b. Restriction on Foreign Share Ownership of Listed Securities

External residents are required to obtain the consent of the Minister for Finance for shares to be issued to them in a Ghana resident company. Further, the consent of the Bank of Ghana is required for the transfer of shares if either the transferee or the transferor is an external resident. However, general consent was granted by a notice BG/EC/93/1 dated July 22, 1993 ("the Notice") by the Minister of Finance and Economic Planning and the Bank of Ghana for securities listed on the Ghana Stock Exchange to be issued to, and dealt in by, external residents through the Exchange.

Under the Notice, the holdings of a single external resident portfolio investor are limited to 10% of the shares of a listed company. The consent of the Minister of Finance is therefore required for any issue of more than 10% of the shares of a listed company to an external resident and in the case of a transfer to or from an external resident of over 10%, the consent of the Bank of Ghana is required. The total holdings of external residents (both individuals and institutions) in a listed security shall not exceed 74%. External resident Ghanaians and non-Ghanaians resident in Ghana may freely purchase and transfer listed shares without regulatory consent.

The Notice provides that the following may be fully and freely remitted by external residents in relation to listed securities:

- i. Original capital or principal amounts
- ii. Any capital gains
- iii. Dividend or interest payments
- iv. Related earnings and refunds

The Bank of Ghana has granted, in respect of the Merger, a waiver of paragraphs 2 and 3 of the Notice per Bank of Ghana letter addressed to Strategic African Securities and dated October 25, 2005. The total non-resident foreign ownership of TPGL and thereby the new merged company following completion of the Merger may therefore exceed 74%.

6 Post Merger Taxation

a. Withholding Tax on Dividend

Under current Ghanaian tax law, all dividend payments are subject to a dividend withholding tax of 10%. No further tax is payable on dividends received.

b. Capital Gains

The securities of a company listed on the GSE are currently exempt from capital gains tax in Ghana until 2010. No capital gains tax would therefore be payable on any realisation of capital gain from the sale of shares in the new merged company until 2011.

c. Gift Tax

Liability to gift tax may arise by gift of shares in the merged company if the open market value of the shares at the time of the gift exceeds ₵500,000.00 (subject to certain exemptions). The tax is payable by the recipient of the gift. The applicable statutory rate varies as follows:

- i. Not exceeding ₵500,000.00 – Nil
- ii. Exceeding ₵500,000.00 – 10% of excess over ₵500,000.00

d. Stamp Duty

Under the Stamp Duty Act, 2005 (Act 689), transfer of shares is exempt from stamp duty.

e. Corporate Tax

The Internal Revenue Act 2000, Act 592, prescribes a corporate tax of 25% for all listed companies.

7 Dividends and Payment Agents

Dividends are payable at the discretion of the Board of Directors. Dividends are paid only to the extent of available profits which can lawfully be distributed. The payment of dividends would be made by the registrars, Merchant Bank Registry Services. All payments in respect of dividends will be made net of withholding taxes imposed under Ghanaian tax laws in force at the time of the payment of the dividend. As at the date of this document, the applicable tax rate is 10%.

8 Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of TPGL during normal business hours up to and including October 27, 2006.

- a. The Regulations of TPGL and TGL
- b. The Reports and Accounts of TPGL and TGL for the past five (5) years ending December 31, 2005
- c. Financial Valuation Reports for TPGL and TGL
- d. Details of Material Contracts referred to in Parts 4 and 5 of this document.
- e. The Accountants' Reports referred to in this document.
- f. Board and shareholder resolutions passed in connection with the Merger.

PROXY FORM FOR USE AT THE EXTRA-ORDINARY GENERAL MEETING TO BE HELD AT THE OSU EBENEZER PRESBYTERIAN CHURCH HALL, LOKKO ROAD, OSU, ACCRA ON FRIDAY THE 27TH DAY OF OCTOBER, 2006 AT 10 O'CLOCK IN THE FORENOON

I/We _____ being member(s)
of **TOTAL PETROLEUM GHANA LIMITED** hereby appoint _____ or failing
him/her the Chairman as my/our Proxy to vote for me/us, and on my/our behalf at the Extra-
Ordinary General Meeting of the company to be held on Friday the 27th day of October, 2006 and
at any and every adjournment thereof.

This form to be used:-

1. . *in favour of
Against the Special Resolution to consider and approve a merger between the company and Total Ghana Limited in accordance with Section 230 of the Companies Code, whereby the company will purchase the entire assets or undertaking of Total Ghana Limited, upon the liquidation of Total Ghana Limited, in consideration of which the shareholders of Total Ghana Limited will receive, in accordance with their respective rights in liquidation, 9,259,259 fully paid up ordinary shares of no par value in the company.

2. *in favour of
Against the Resolution to increase the company's issued shares from 4,725,000 to 13,984,259 to facilitate the proposed merger between the company and Total Ghana Limited and to have the new shares listed on the Stock Exchange.

3. *in favour of
Against the Resolution to increase the number of Directors of company from eight (8) to eleven (11).

4. *in favour of
Against the Resolution to authorize the Directors to perform any and all acts legally required and necessary to perfect and complete the merger.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 5 or the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

* **Strike out whichever is not desired.**

Signed this _____ day of _____ 2006.

Signature of Shareholder

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBER WILL BE ATTENDING THE MEETING.

1. A member (Shareholder) who is unable to attend the Extra-Ordinary General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for MR. JEAN-DENIS ROYERE, the Chairman of the meeting to act as your Proxy but if you so wish, you may insert in the blank space the name of any person whether a member of the company or not who will attend the meeting and vote on your behalf instead of MR. JEAN-DENIS ROYERE.
3. In case of joint holders, each joint holder must sign.
4. If executed by a Corporation, the Proxy Form must bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 4.00 p.m. on Tuesday the 24th day of October, 2006.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.