



GHANA OIL COMPANY LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

2007



GHANA OIL COMPANY LIMITED

FINANCIAL STATEMENTS

2007





Produced *for that Special Engine Performance*



Sharing good things in business

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BOARD OF DIRECTORS



HONOURABLE FREDDIE BLAY
CHAIRMAN



MR. YAW AGYEMANG-DUAH



HON. (MRS.) CECELIA G. AMOAH



MR. GABBY NSIAH NKETIAH



MR. GOTTFRIED MARTIN SARPONG



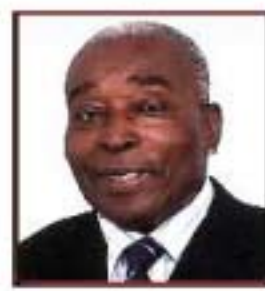
DR. A. K. OFOSU-AHENKORAH



DR. AL-HASSAN EMIL ABDULAI



MR. FRED ANTOH



DR. FRANCIS POKU

Our Vision

To be a world-class provider of goods and services in the petroleum and other areas of the energy industry.

GOIL *sharing good things in business*

GHANA OIL COMPANY LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS:

Hon. Freddie W. Blay - Chairman
Dr. AL-Hassan Emil Abdulai
Dr. A.K. Ofori-Ahenkorah
Hon. (Mrs) Cecilia G. Amoah
Mr. Gabby Nsiah Nketiah
Mr. Gottfried Martin Sarpong
Mr. Fred Antoh
Dr. Francis A. Poku
Mr. Yaw Agyemang-Duah - Managing Director

SECRETARY:

Mr. S. Y. Gyaben

AUDITORS:

Pannell Kerr Forster
Chartered Accountants
Farrar Avenue
P. O. Box 1219
Accra

REGISTERED OFFICE:

D 659/4, Kojo Thompson Road,
P. O. Box GP 3183,
Accra.

BANKERS:

Ghana Commercial Bank
Standard Chartered Bank
Barclays Bank of Ghana Limited
Ecobank Ghana Limited
Merchant Bank Ghana Limited
Agricultural Development Bank Limited
Prudential Bank Limited
Zenith Bank Ghana Limited
1st Atlantic Merchant Bank Ghana Limited

NOTICE OF 39TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of the Shareholders of Ghana Oil Company Limited will be held at the Accra International Conference Centre, on Wednesday, 16th July, 2008 at 11.00 a.m. for the transaction of the following business:

AGENDA

1. To receive and consider the reports of the Directors and the Auditors and the Financial Statements of the Company for the year ended December 31, 2007.
2. To declare a dividend.
3. To approve the appointment of Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To fix remuneration of the Directors.

NOTE

A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. Completed proxy forms should be deposited at the Registered Office, P O Box GP 3183, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the 48 hours deadline will result in the Proxy not being admitted to or participating in the meeting

A Form of Proxy to be used is enclosed herewith.

DATED THE 3RD DAY OF JUNE 2008.

BY ORDER OF THE BOARD

S. Y. GYABEN
SECRETARY

REGISTERED OFFICE
D 659/4, KOJO THOMPSON RD

THE MANAGEMENT TEAM OF GOIL

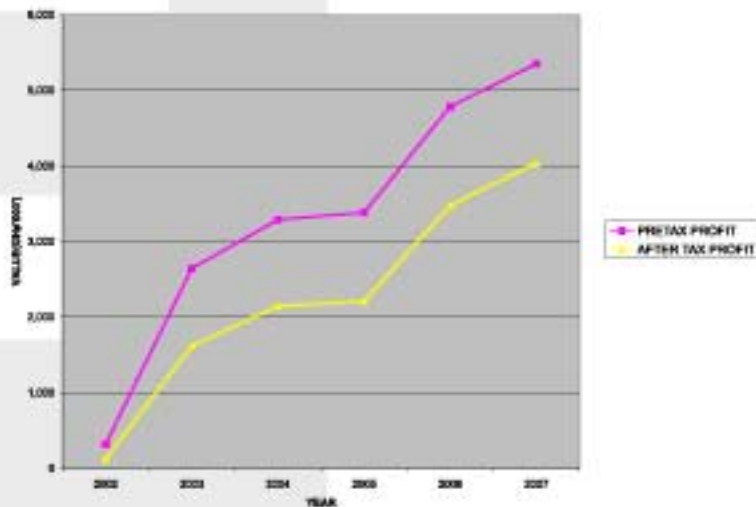


Our Mission

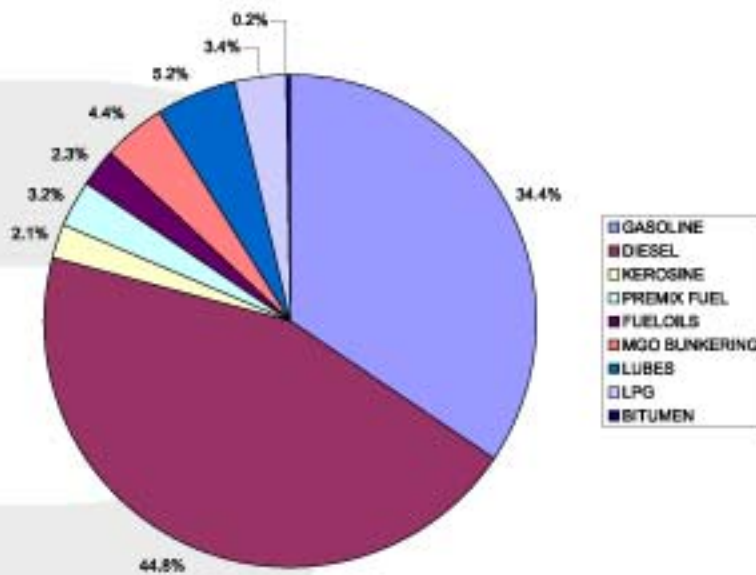
- *Market quality petroleum and other energy products and services in all its branches in a healthy, safe, environmentally friendly and socially responsible manner.*
- *Produce and manufacture goods or provide services which enhance or support market distribution and sale of the company's products and services.*

PERFORMANCE AT A GLANCE (2007)

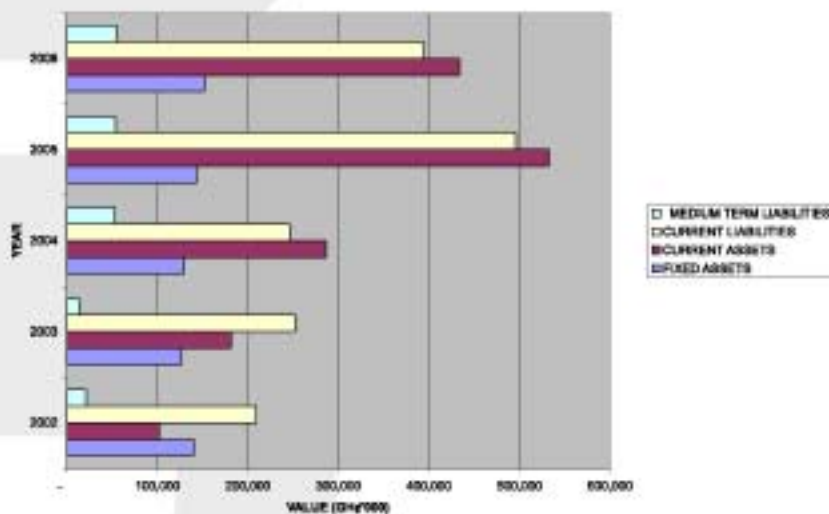
TREND OF PROFIT



PERCENTAGE TURNOVER CONTRIBUTION BY PRODUCT



MAJOR ASSETS & LIABILITIES



FIVE YEAR FINANCIAL REVIEW 2003-2007

	2007 GH¢	2006 GH¢	2005 GH¢	2004 GH¢	2003 GH¢
PROFIT & LOSS ACCOUNT					
Gross Sales	306,492,356	256,485,900	203,943,900	158,455,500	140,690,400
Customs Duties and Levies	(66,831,552)	(64,326,300)	(65,864,700)	(59,639,800)	(43,740,600)
Net Sales	239,660,804	192,159,600	138,079,200	98,815,700	96,949,800
Sundry Income	1,929,042	768,000	525,900	1,666,100	891,900
Total Income	241,589,846	192,927,600	138,605,100	100,481,800	97,841,700
Operating Expense	(236,234,136)	(187,968,700)	(135,180,300)	(96,781,900)	(95,193,800)
Exceptional (charges)/credits	-	(169,600)	(35,900)	(406,900)	85,800
Profit before Tax	5,355,710	4,789,300	3,388,900	3,293,000	2,733,000
Taxation	(1,311,195)	(1,307,400)	(1,174,500)	(1,144,500)	(1,109,500)
Net Profit After Tax	4,044,515	3,481,900	2,214,400	2,148,500	1,624,200
INCOME SURPLUS ACCOUNT					
Balance at 1 January	3,053,556	2,656,500	1,242,000	102,300	(2,971,900)
Prior year adjustment		(1,454,400)	307,700	-	1,450,000
Net Profit after Tax	4,044,515	3,481,900	2,214,400	2,148,500	1,624,200
Dividend	(676,826)	(1,630,500)	(1,107,600)	(1,008,800)	-
Balance at 31 December	6,421,245	3,053,500	2,656,500	1,242,000	102,300
BALANCE SHEET					
ASSETS					
Non Current Assets	18,098,573	14,574,200	14,344,700	12,945,200	12,625,300
Trade Investment	647,260	647,300	647,300	233,300	11,000
Stocks	6,282,661	4,128,100	3,696,100	3,655,100	2,112,000
Accounts Receivables	47,821,460	36,133,500	41,913,600	18,980,800	12,519,100
Short Term Investment	1,355,545	1,230,600	1,085,000	11,053,700	-
Cash & Bank Balance	7,152,569	1,907,100	6,583,000	4,994,100	3,503,700
Total Assets	81,358,068	58,620,800	68,269,700	41,862,200	30,771,100
LIABILITIES					
Medium Term Loans	13,661,541	5,434,500	5,357,800	5,325,400	1,328,300
Short Term Loans	2,571,080	5,162,300	-	-	10,166,800
Bank Overdraft	7,986,141	8,559,600	11,797,500	6,916,600	3,142,900
Accounts Payable	34,750,072	25,539,100	38,517,900	17,467,800	11,836,600
Dividend	-	-	-	307,700	-
Deferred Tax	206,571	336,400	-	-	-
Taxation	83,370	(142,700)	(738,100)	(75,400)	75,400
Total Liabilities	58,258,775	44,889,200	54,835,100	29,942,100	26,550,000
SHAREHOLDERS' FUNDS					
Stated Capital	11,809,263	6,759,300	6,759,300	6,759,300	200,000
Income Surplus	6,250,245	3,053,500	2,656,500	1,242,000	102,300
Capital Surplus	3,906,785	3,906,800	3,906,800	3,906,800	3,906,800
Building Fund	133,000	12,000	12,000	12,000	12,000
Total	22,099,293	13,731,600	13,334,600	11,920,100	4,221,100
Total Liabilities & Shareholders' funds	81,358,068	58,620,800	68,269,700	41,862,200	30,771,100

THE CHAIRMAN'S STATEMENT



**HONOURABLE FREDDIE BLAY
CHAIRMAN**

Ladies and Gentlemen, it is a pleasure to welcome you to the 39th Annual General Meeting of your company, Ghana Oil Company Limited (GOIL) and to present to you the 2007 Annual Report and Financial Statement. I am pleased to inform you that the company's performance in 2007, the year the IPO was launched and the company's shares listed on the Ghana Stock Exchange was good.

ECONOMIC ENVIRONMENT

The year under review was marked by stiff competition within various sectors of the economy among which was the oil industry. This phenomenon is expected to continue in view of the liberalization policy of Government and its effort at stabilizing the economy.

Ghana celebrated its 50th independence anniversary during the year and it was a considerable pride to mark the event against a backdrop of a stable economy, gearing itself for a brighter future.

Crude oil prices however continued to increase during the year climbing from an average of nearly \$55 per barrel in January 2007 to over \$95 per barrel by the end of the year.

Despite the high crude oil prices and the energy crisis for most of 2007, the country managed to maintain some level of macroeconomic stability. Inflation and interest rate declined steadily, whilst GDP grew to 6.5 per cent. The cedi remained relatively stable against major currencies and the country registered a success in the re-denomination of the currency.

The persistent increase in the world market price of crude oil and its attendant increases in the ex-pump prices, resulted in high cost of running our business. However, the margin per litre of products accruing to Oil Marketing Companies (OMC) remained constant since May 2006. The margins to the OMC's are in Ghana cedis per litre, and bear no linkage to the cost, contrary to the general impression that price increases are favorable to oil marketing companies.

OPERATING RESULTS AND FINANCIAL POSITION

Dear shareholders, I am pleased to report that, we remained committed to enhancing profitability and creating value for your investment in the company.

The company achieved a pre-tax profit of GH¢ 5.36 million for 2007 representing 8% increase over the 2006 figure of GH¢ 4.96 million. The net after tax profit was GH¢ 4.04 million compared to GH¢ 3.48 million in 2006 representing a 16 % increase. The net after tax profit compared favorably with the projection of GH¢ 3.99 million for the year which formed the basis for the IPO and the eventual listing of your company shares on the Ghana Stock Exchange.

The earnings per share (EPS) for 2007 was GH¢ 0.019 compared to GH¢ 0.113 in 2006. This drop is against the background that, the earnings per share was diluted due to the increase in the number of shares from the pre IPO figure of 30,764,830 in 2006 to the post IPO figure of 210,186,240 in 2007.

FINANCIAL CONTRIBUTIONS TO GOVERNMENT

The company paid a total amount of GH¢ 0.668 million in Custom Duties and Levies in 2007 (2006-GH¢ 0.643 million) representing about 22% of Gross Sales. The company also paid an amount of GH¢ 0.795 million as Value Added Tax and National Health Insurance Levy for the year 2007 (2006 – GH¢ 0.780 million)

DIVIDEND

In line with the International Financial Reporting Standards (IFRS) you will recognize that the dividend which was actually paid for 2006 in 2007 has been re-stated in the 2007 accounts.

For the year 2007, the directors of your company have proposed a final dividend of GH ¢1.471 million or ¢0.007 per share.

BUSINESS DEVELOPMENT

The company's performance in 2007 gives indication of a promising business in 2008. The company is poised to strengthen its marketing strategies to achieve its growth and profitability.

LISTING ON THE STOCK EXCHANGE

Once again, it is my pleasure to re-state a major milestone achievement; that is, the final listing on the Ghana Stock Exchange in November 2007 of the company as the 32nd listed company, which brings to an end the achievement of a major vision. During the initial IPO, shares were over subscribed attesting to how attractive the company is to investors. We are thankful to the Government, the then sole shareholder in this regard for its decision to share the fortunes of the company with the general public.

CONCLUSION

The Board of Directors, Management and Staff of the company wish to extend their appreciation, to you the shareholders and other stakeholders for supporting GOIL to achieve a successful year. We trust that with continuation of your support, the company will continue to grow and see more positive results in the ensuing years.



Some guests at the Launch of the GOIL I.P.O

THE MANAGING DIRECTOR'S REPORT



MR. YAW AGYEMANG-DUAH

INTRODUCTION

In the year 2007 crude oil prices on the international market increased dramatically from an average of nearly \$55 per barrel in January 2007 to over \$95 per barrel by the end of the year resulting in an annual average of about \$72 per barrel.

In spite of this trend, the oil industry business in Ghana continued to grow, registering a growth of 11.5 % in volume with the bulk of the increase being taken up by the mining companies and the power sector due to the power crises.

The number of new entrants continued to increase bringing the total number of Oil Marketing Companies to over 40.

A major development which occurred in the upstream sector of the oil industry was the announcement of a major oil discovery in the country, a development which will open up several opportunities for the players and will have very far reaching positive impact on the oil marketing business in the country, when the oil is produced. The deepening of the deregulation process will certainly foster this especially if local content participation is strongly enshrined in the post production programmes.

HIGHLIGHTS OF PERFORMANCE

Regarding your company, the listing of the company on the Ghana Stock Exchange which followed a successful initial public offer in November, 2007 was concluded during the year. The shares were oversubscribed with total applications received worth GH¢37.8 million but only GH¢ 20.6 million could be accepted, with the bulk of this amount going to the then single shareholder and the company retaining GH¢ 5.0 million for its operations. It concluded a very bold initiative to reposition your company to face the new challenges within the downstream business and subsequently the upstream oil business in Ghana. With the listing, many benefits that are open to publicly-listed companies will accrue to you the shareholders when we begin to avail ourselves of the opportunities that the presence on the exchange provide your company. We thank you for your understanding and cooperation during the implementation of the process and do hope that the same understanding and cooperation will continue to prevail.

The volume of products marketed during the year showed an increase of 5.7% from 300,152 metric tons in 2006 to 317,205 metric tons in 2007 despite the closure of 12 stations for refurbishment and the increase in competition particularly from the new entrants. The increase in volume was across board for all products.

The turnover of sales was GH¢ 306.49 million compared to GH¢ 256.48 million for 2006, this represented an increase of 19.5%. Gross margin of GH¢ 18.23 million was realized during the year compared to GH¢ 17.68 in 2006, an increase of 3.1% despite stagnation of margins over the past couple of years.

The overall positive performance was reflected in the net income after tax which was GH¢ 4.04 million for 2007 compared to GH¢ 3.48 million recorded in 2006, an increase of 16.1%.

REVIEW OF MARKETING AND OPERATIONS

During the year a high octane gasoline under the brand name G Plus was introduced by the company into the Ghanaian market. G-Plus is

an unleaded gasoline with the research octane number 95 or higher, which is formulated to protect and maintain engines at peak conditions to give more power and responsiveness, thus giving users value for their investment and driving pleasure. The product has since been well received by users of gasoline throughout the country.

Sales efforts were intensified at all fronts with greater emphasis on the unregulated new product G-Plus. The result has been very positive. Efforts were also made to improve upon the outlook of the stations by re-branding them to enhance their visual identity. Quarterly training for dealers and forecourt attendants in customer service, product knowledge and handling, health and safety standards and basic book-keeping continued during the year.

The company improved on its bunkering business in 2007 including an expansion of the lubricant product range.

One major change in strategy was the enhancement of customer service at all fronts and reinforced and monitored by the newly created Customer Service Unit. That enabled improvement in the relationship between the company and its customers.

FINANCE

Due to the impact of the increases in the world market prices of crude oil on domestic prices, without any change in margins for the oil marketing companies for the past couple of years, requirements for more working capital became pressing. Indeed, as a result of this, upward review of the ex-pump prices became frequent thus causing instability in financing arrangements by the company and its customers leading to modifications in the terms of trade to sustain the company's business. Acceleration of collections was however intensified during the year to ensure quicker funds inflows to mitigate the impacts of the price instability. In addition to accelerated collections, there is the need to restructure the working capital of the company by raising equity capital to reduce the amounts being paid as interest and bank charges to redirect such

amounts to shareholders by way of dividends. Additional capital will also be required to finance some capital developments in the fuel storage and aviation fuel businesses. Efforts in this area will be made by considering the use of the opportunities the stock exchange offers to the company such as rights issue among others to address this. You will be kept well-informed of developments in this area should efforts be made in that direction.

HUMAN RESOURCE DEVELOPMENT, HEALTH, SAFETY & ENVIRONMENTAL ISSUES

Training of staff and auxiliary personnel was intensified. Courses to improve the knowledge of staff particularly in the bitumen and aviation markets were organized both locally and internationally. Refresher courses to improve the skills of staff from all departments were also organized.

The welfare of staff was not neglected. All staff were encouraged to register for the National Health Insurance Scheme (NHIS). A top-up medical insurance scheme was also put in place to bridge the gap between the provisions of the NHIS, and GOIL's contractual obligations. Staff and dependants were in this regard screened for Hepatitis B and vaccinations administered to them.

Health, Safety, Security, Environment and quality issues in general continued to be our prime focus. In this respect the company is striving towards achieving the ISO 9001 compliant status. This will enhance customer service, productivity, staff morale, the company's image and competitiveness.

PROSPECTS

The major developments expected to impact on the oil industry in the future include the unstable international crude oil and petroleum products prices.

This will continue to have wide-ranging effect on local prices and possibly intermittent products unavailability. The economy is however expected to continue its growth and with it, upward demand for petroleum products enhanced by activities related to the oil find and its development. We will continue with the re-branding in 2008.

The industry will continue to witness tough competition with more new entrants emerging. However, it is our view that the deregulation programme will continue to improve availability of products and delivery from the loading points. In line with this, the company is pursuing its plans to rehabilitate its storage facilities for petroleum products. The takeover and control of the GOIL Takoradi Fuel Depot will be concluded in 2008 to enable the company to benefit from the competitive advantage it has to address fuel demand in the Western and Central Regions. Rehabilitation of the Kumasi depot will also commence for it to serve important customers in the Middle Belt and to some extent the North.

The rehabilitation of stations will also continue whilst more new stations will be constructed

CONCLUSION

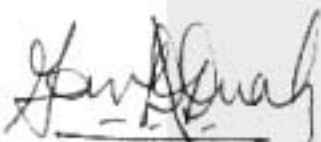
The marketers margin which has since May 2006 not been increased remains the biggest challenge. It is our view however that the company will implement adequate strategies to ensure improvement in profit and dividend to you the shareholders.

Regarding the emerging activities in the upstream sector, the company is positioning itself to play important roles to the benefit of the company in particular and the country in general.

APPRECIATION

My greatest appreciation goes to the customers, suppliers, business partners and other stakeholders for their contributions during the year under review. I wish to thank the Board and shareholders for their support. I wish also to thank the Management and staff for their dedication to work during the year. I look forward to your continued support in the years ahead.

Thank You.



YAW AGYEMANG-DUAH

MANAGING DIRECTOR

CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible company, Goil realizes the importance of involvement in helping to turn deprived neighbourhoods into strong communities. As such GOIL continues to play a key role in giving support to worthwhile causes. Several fields including education, sports, environmental and social activities were supported by the company.

To help promote education, GOIL supported the Greater Accra Regional Science, Technology and Mathematics Education Clinic, and some tertiary and deprived secondary educational institutions.

In addition to supporting sports patronized by the youth, we supported the senior citizens who have contributed so much to building our nation, by sponsoring the flagship 19th Seniors Golf Competition.

Other sporting events including the National Table-Tennis Championship received our support as well.

On the environment, the company embarked on a greening Ghana initiative by donating 3,000 seedlings and 5,000 T-shirts to the Kassena Nankena District Assembly for planting, as part of a re-forestation programme in the area during the year.

The company also supported some strategic institutions in the course of their service delivery. Notable amongst them were the Ghana Journalists Awards (Best Feature Story on the environment); the Ghana National Fire Service during the National Bush Fire Prevention Campaign; Accra Golden Lions Club for their outreach programme; and the Motor Traffic Unit of the Ghana Police Service in the Western Region.

The arts and culture of our country also engaged our attention. Major festivals which enhance cultural cohesion like the Homowo and Akwasidae festivals were supported. Arts productions like "The Lost Fisherman" were also supported.

CORPORATE GOVERNANCE

1.0 DIRECTORATE

The company was governed by nine- member Board of Directors during the 2007 financial year. Eight of the Board members were non-executive in addition to the Managing Director.

The Board of Directors conducted regular meetings and extraordinary meetings to consider corporate issues requiring approvals and specific decisions, especially matters relating to the listing of the company on the stock exchange.

The Board was assisted by the under mentioned Committees, which met in between Boards to deliberate on various aspect of business matters.

1.1 Apex Committee

This committee composed of the Chairman, The Managing Director and one other member of the Board, met to take various decisions for ratifications by the full Board.

1.2 Finance, Audit and Remuneration Committee

The Finance, Audit and Remuneration Committee met on a number of times to review and ensure that the financial and operational control system were working effectively as well as previewed and deliberated on budgets, audited financial statements and dividend recommendations of the Management.

1.3 Operational and Marketing Committees

The Committee assisted Management to consider policies on marketing and operations strategies of the company to stay on top of competition.

2.0 GENERAL INTERNAL CONTROL

The company upholds the importance of good corporate governance by investing in a well-structured Internal Audit department. The department has an independent appraisal function which encompasses the examination and evaluation of the adequacy and effectiveness of the company's system of internal controls.

The function of the department include review of the reliability and integrity of the financial and operating reports as well as to ensure compliance with approved company policies, plans, procedures and regulations. The department undertakes pre and post audits and also review systems of safeguarding assets, verifies the existence of such assets and carries out value for money audits before and after expenditure transactions.

The Finance and Audit Sub-Committee of the Board has direct access to Internal Audit files and reports, which are regularly reviewed.

3.0 PERFORMANCE MONITORING & EVALUATION

There is a monthly performance review process during which actual corporate performance, especially in the areas of marketing, operations and finance, is compared with budgets and targets. Regarding marketing performance, the corporate actual results are compared also to industrial competition. The reports of such reviews are considered by the full Board and or its sub committees.



At the listing of GOIL on the Ghana Stock Exchange

GHANA OIL COMPANY LIMITED
REPORT OF THE DIRECTORS ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

In accordance with the requirements of section 132 of the Companies Code 1963 (Act 179), we the Board of Directors of Ghana Oil Company Limited, present herewith the annual report on the state of affairs of the company for the year ended 31 December, 2007.

RESULTS OF OPERATIONS

	2007	2006
	GH¢	GH¢
Gross Sales	306,492,356	256,485,900
Customs Duties and Levies	<u>(66,831,552)</u>	<u>(64,326,300)</u>
Net Sales	<u>239,660,804</u>	<u>192,159,600</u>
Profit for the year	5,355,710	4,789,300
From which is deducted:		
Provision for estimated income tax	<u>(1,311,195)</u>	<u>(1,307,395)</u>
Leaving a Net Profit of	4,044,515	3,481,905
To which is added the Income Surplus		
Brought forward from previous year of	3,053,556	2,656,551
Prior Year Adjustment	<u>0</u>	<u>(1,454,400)</u>
	7,098,071	4,684,056
Less:		
Final Dividend paid; for 2006 at GH¢0.02 per share (2005 at GH¢0.01 per share)	<u>(676,826)</u>	(615,300)
Interim Dividend paid; for 2006 at GH¢0.03 per share	0	(1,015,200)
Transfer to Building Fund	<u>(121,000)</u>	0
Transfer to Stated Capital	<u>(50,000)</u>	0
	<u>6,250,245</u>	<u>3,053,556</u>

NATURE OF BUSINESS

There was no change in the principal activity of the Company as detailed in Section 2 of the Company's Regulations during the year.

OWNERSHIP

The Company was listed on the Ghana Stock Exchange during the year. Government of Ghana owns 51% of the total shares while the other 49% are owned by individuals and other corporate bodies.

DIRECTORS

The Directors of the Company who held office during the year are as follows

NAME	POSITION	DATE OF APPOINTMENT
Hon. Freddie W. Blay	Chairman	06/08/01
Dr. AL-Hassan Emil Abdulai		06/08/01
Dr. A.K. Oforu-Ahenkorah		06/08/01
Hon. (Mrs) Cecilia G. Amoah		06/08/01
Mr. Gabby Nsiah Nketiah		06/08/01
Mr. Gottfried Martin Sarpong		06/08/01
Mr. Fred Antoh		06/08/01
Dr. Francis A. Poku		10/05/07
Mr. Yaw Agyemang-Duah	Managing Director	06/08/01

DIVIDEND

Final dividend of GH¢0.033 per share amounting to GH¢676,826 was paid to the Government of Ghana during the year.

A final dividend of GH¢0.007 per share amounting to GH¢1,471,304 has been proposed for the year ended 31 December 2007.

POST BALANCE SHEET EVENTS.

The Directors confirm that no matters have arisen since 31 December 2007, which materially affect the financial statements of the Company for the year ended on that date.

..........Director

..........Director

ACCRA

.....
27th March, 2008
.....



Accountants &
business advisers

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GHANA OIL COMPANY LIMITED ON THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2007**

Report on the Financial Statements

We have audited the accompanying financial statements of Ghana Oil Company Limited which comprise the balance sheet as of December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana National Accounting Standards and in the manner required by the Companies Code, 1963 (Act 179), Securities and Exchange Commission Regulations 2003 LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ghana Oil Company Limited as of December 31, 2007, and of its financial performance and its cash flows for the year then ended in accordance with Ghana National Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179), Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991 LI 1510 as amended.

Report on Other Legal and Regulatory Requirements

The Ghana Companies Code, 1963, (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion proper books of accounts have been kept by the company, so far as appears from our examination of those books, and
- iii. The company's balance sheet and profit and loss account are in agreement with the books of accounts.

Farrar Avenue, Accra

27th March, 2008



PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS



At the Western Regional launch of the GOIL IPO

GHANA DIL COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 GH¢	2006 GH¢
GROSS SALES		306,492,356	256,485,900
Customs Duties and Levies		<u>(66,831,552)</u>	<u>(64,326,300)</u>
NET SALES		239,660,804	192,159,600
COST OF SALES		(221,427,819)	<u>(174,474,500)</u>
GROSS PROFIT		18,232,985	17,685,100
OPERATING EXPENSES			
Depot and Station Expenses	2a.	(3,454,788)	(2,998,600)
Selling & Administrative Expenses	2b.	(11,351,529)	<u>(10,495,600)</u>
TOTAL OPERATING EXPENSES		(14,806,317)	<u>(13,494,200)</u>
OPERATING PROFIT		3,426,668	4,190,900
Sundry Income	3	1,929,042	<u>768,000</u>
PROFIT BEFORE EXCEPTIONAL ITEMS		5,355,710	4,958,900
EXCEPTIONAL ITEMS	4	0	<u>(169,600)</u>
NET PROFIT BEFORE TAXATION		5,355,710	4,789,300
Provision for Taxation	5	(1,311,195)	<u>(1,307,395)</u>
NET PROFIT AFTER TAXATION TRANSFERRED TO INCOME SURPLUS ACCOUNT		4,044,515	<u>3,481,905</u>


INCOME SURPLUS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

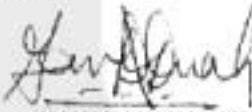
Balance at 1 January		3,053,556	2,656,551
Prior Year Adjustment	19(ii)	0	(1,454,400)
Balance at 1 January Re-stated		3,053,556	<u>1,202,151</u>
Net Profit for the Year		4,044,515	3,481,905
Final Dividend paid:	19(i)	(676,826)	(615,300)
Interim Dividend	19(i)	0	(1,015,200)
Transfer to Building Fund		(121,000)	0
Transfer to Stated Capital		(50,000)	0
Balance at 31 December		6,250,245	<u>3,053,556</u>
Earning per share	23	GH¢0.019	GH¢0.113
Dividend per share	23	GH¢0.0007	GH¢0.055

GHANA OIL COMPANY LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 GH¢	2006 GH¢
NON CURRENT ASSETS			
Property, Plant and Equipments	7	18,098,573	14,574,246
Trade Investments	8	<u>647,260</u>	<u>647,260</u>
		<u>18,745,833</u>	<u>15,221,506</u>
CURRENT ASSETS			
Stocks	9	6,282,661	4,128,078
Accounts Receivable	10	47,821,460	36,133,526
Short Term Investment	11	1,355,545	1,230,633
Cash and Bank Balances	12	<u>7,152,569</u>	<u>1,907,071</u>
		<u>62,612,235</u>	<u>43,399,308</u>
CURRENT LIABILITIES			
Bank Overdraft	13	7,986,141	8,559,488
Accounts Payable	14	34,750,072	25,539,142
Short Term Loan	15	2,571,080	5,162,301
Deferred Tax	6b	206,571	336,500
Taxation	6a	<u>83,370</u>	<u>(142,711)</u>
		<u>45,597,234</u>	<u>39,454,720</u>
NET CURRENT ASSETS		<u>17,015,001</u>	<u>3,944,588</u>
		<u>35,760,834</u>	<u>19,166,094</u>
TERM LOAN	15	<u>(13,661,541)</u>	<u>(5,434,490)</u>
NET ASSETS		<u>22,099,293</u>	<u>13,731,604</u>
REPRESENTED BY:			
Stated Capital	16	11,809,263	6,759,263
Building Fund	17	133,000	12,000
Income Surplus		6,250,245	3,053,556
Capital Surplus	18	<u>3,906,785</u>	<u>3,906,785</u>
		<u>22,099,293</u>	<u>13,731,604</u>

Approved by the Board on.....27th March.....2008


.....Director


.....Director

GHANA OIL COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007

2007	Stated Capital	Building Fund	Income Surplus	Capital Surplus	Totals
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	6,759,263	12,000	3,053,556	3,906,785	13,731,604
Net profit for the year	0	0	4,044,515	0	4,044,515
Transfer to Stated Capital	50,000	0	(50,000)	0	0
Transfer to Building Fund	0	121,000	(121,000)	0	0
Dividend paid	0	0	(676,826)	0	(676,826)
Capitalisation issuance	5,000,000	0	0	0	5,000,000
Balance at 31 December	<u>11,809,263</u>	<u>133,000</u>	<u>6,250,245</u>	<u>3,906,785</u>	<u>22,099,293</u>

2006

Balance at 1 January	6,759,263	12,000	2,656,551	3,906,785	13,334,599
Prior year adjustment	0	0	(1,454,400)	0	(1,454,400)
Net profit for the year	0	0	3,481,905	0	3,481,905
Transfer to Stated Capital	0	0	0	0	0
Dividend paid	0	0	(1,630,500)	0	(1,630,500)
Balance at 31 December	<u>6,759,263</u>	<u>12,000</u>	<u>3,053,556</u>	<u>3,906,785</u>	<u>13,731,604</u>

GHANA OIL COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
Cash flow from operating activities		
Operating Profit	<u>5,355,710</u>	<u>4,789,300</u>
Adjustment for:		
Depreciation Charges	2,013,139	1,772,100
Prior Year Adjustment	0	(593,900)
National Reconstruction Levy adjustment	0	4,800
Exchange Loss on IDA Loan	0	76,700
Profit on sale of tangible fixed assets	(37,508)	(84,800)
Interest and Dividend Received	(391,542)	(378,300)
Interest Paid	<u>2,468,623</u>	<u>3,042,100</u>
	<u>4,052,712</u>	<u>3,838,700</u>
Operating Profit Before Working Capital Changes	9,408,422	8,628,000
(Increase) in Stocks	(2,154,583)	(432,000)
(Increase)/Decrease in Debtors	(11,687,866)	5,780,000
Increase/(Decrease) in Creditors	9,210,930	(12,978,748)
Cash generated from operations	<u>4,776,903</u>	<u>997,252</u>
National Reconstruction Levy Paid	0	(4,622)
Company Tax Paid	<u>(1,215,043)</u>	<u>(1,236,210)</u>
	<u>(1,215,043)</u>	<u>(1,240,832)</u>
Net Cash Inflow from Operating activities	3,561,860	(243,580)
Cash flows from Investing activities		
Interest and Dividend Received	391,542	378,300
Interest paid	(2,468,623)	(2,889,794)
Acquisition of Tangible Fixed Assets	(5,539,500)	(2,028,139)
Receipt from sale of Tangible Fixed Assets	39,574	111,300
	<u>(7,577,007)</u>	<u>(4,428,333)</u>
Net Cash Outflow Before Financing	(4,015,147)	(4,671,913)
Cash flows from Financing Activities		
Term Loan Paid	(5,000,000)	(152,306)
Medium Term Loan	10,635,830	5,162,301
Increase in Stated Capital	5,000,000	0
Dividend paid	(676,826)	(1,630,500)
	<u>9,959,004</u>	<u>3,379,495</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	5,943,857	(1,292,418)
Cash and Cash Equivalents at 1 January	(5,421,884)	(4,129,466)
Cash and Cash Equivalents at 31 December	<u>521,973</u>	<u>(5,421,884)</u>
Cash and Cash Equivalents		
Cash at Bank and in Hand	7,152,569	1,907,071
Short Term Investment	1,355,545	1,230,633
Bank Overdraft	(7,986,141)	(8,559,588)
	<u>521,973</u>	<u>(5,421,884)</u>

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

The significant accounting policies adopted and used by the Company in preparing these financial statements are as follows:

a. Basis of Accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets.

b. Fixed Assets

Assets other than Capital Work-in-Progress are depreciated by a fixed annual rate applied to the value of the assets as follows:

Freehold Land and Buildings	2%
Leasehold Land and Buildings	2.5%
Plant, Machinery and Equipment	20%
Furniture and Equipment	10%
Motor Vehicle - Tanker and Trucks	20%
Motor Vehicle - Others	25%

Exchange alignment is amortised over the remaining payment period of the Government of Ghana Loan.

c. Trade Investments

These are stated at cost.

d. Stocks

Stocks are stated at cost or net realisable value. Cost includes a proportion of overheads incurred in bringing the stock to its appropriate location.

e. Debtors

These are shown at face value less provision for doubtful debts expected to be irrecoverable.

f. Assets and Liabilities

Assets and liabilities in foreign currencies are translated into Ghana cedis at the rate of exchange ruling at the Balance Sheet date. Transactions denominated in foreign currencies are translated into Ghana Cedis at the rate of exchange ruling at the date of transactions.

g. Dividend

Dividend declared are treated as an appropriation of profits in the year of approval, whilst dividend proposed are disclosed as a note to the financial statements.

h. Deferred Income Tax

Deferred Income Tax is provided, using balance sheet liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the balance sheet. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilised. Deferred income tax assets are also recognised for unutilised capital allowance carried forward only to the extent that realisation of the related tax benefit is probable.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

2.a DIRECT, DEPOT AND STATION EXPENSES

Includes depreciation -GH¢1,619,450 (2006 - GH¢1,429,000)

b. SELLING AND ADMINISTRATION EXPENSES

	2007 GH¢	2006 GH¢
Depreciation	393,689	343,100
Directors' Fees & Expenses	220,251	189,200
Auditors' Remuneration	34,000	25,000
Donations	75,980	67,300
	<u> </u>	<u> </u>

3. SUNDRY INCOME

Throughput Income	519,188	55,800
Exchange Gain	54,666	2,800
Contractors Registration	1,560	22,100
Miscellaneous Income	399,324	98,800
Interest and Dividend Received	391,542	378,300
Various Rent	430,333	109,700
Sale of Materials	33,017	2,900
LPG Compensation Claim	0	12,800
Penalties on Customers Dishonoured Cheques	61,904	0
Profit on Sale of Fixed Assets	37,508	84,800
	<u>1,929,042</u>	<u>768,000</u>

4 EXCEPTIONAL ITEMS

Early Voluntary Retirement Payment	<u> 0</u>	<u>169,600</u>
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GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

5. TAXATION EXPENSES

	2007 GH¢	2006 GH¢
Current Tax	1,441,124	1,367,398
Deferred Tax	<u>(129,929)</u>	<u>(60,003)</u>
	<u>1,311,195</u>	<u>1,307,395</u>

6a. TAXATION

	Balance at 1 January GH¢	Tax Paid/ Refund GH¢	Charge P & L GH¢	Balance at 31 December GH¢
Income Tax				
1992 - 2005	(397,800)	0	0	(397,800)
2006	131,189	0	0	131,189
2007	0	(1,215,043)	1,441,124	226,081
Sub Total	<u>(266,611)</u>	<u>(1,215,043)</u>	<u>1,441,124</u>	<u>(40,530)</u>
Rent Tax				
2001-2005	32,600	0	0	32,600
2006	0	0	0	0
2007	0	0	0	0
Sub Total	<u>32,600</u>	<u>0</u>	<u>0</u>	<u>32,600</u>
Capital Gains Tax				
1994-2005	91,300	0	0	91,300
2006	0	0	0	0
2007	0	0	0	0
SubTotal	<u>91,300</u>	<u>0</u>	<u>0</u>	<u>91,300</u>
Grand Total	<u>(142,711)</u>	<u>(1,215,043)</u>	<u>1,441,124</u>	<u>83,370</u>

The amount provided for Income Tax is calculated at the rate of 22% of the Adjusted Profit and is subject to agreement with Internal Revenue Service.

6b DEFERRED TAXATION

	2007 GH¢	2006 GH¢
Balance at 1 January	336,500	396,503
Charge to P & L for the year	<u>(129,929)</u>	<u>(60,003)</u>
Balance at 31 December	<u>206,571</u>	<u>336,500</u>

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 22% (2006 - 25%).

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

7. PROPERTY, PLANT AND EQUIPMENTS

	F'HOOLD LAND & BUILDINGS	L'SEHOLD LAND & BUILDINGS	PLANT MACH. & EQUIP.	MOTOR VEHICLES	FURN. & EQUIP.	CAPITAL WORK IN PROGRESS	TOTAL
COST / VALUATION	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 01.01.07							
Cost	6,462	5,193,911	14,636,526	1,729,938	968,247	2,114,761	24,649,845
Revaluation	6,542	3,883,074	125,199	0	37,912	0	4,052,727
Additions during the year	0	439,483	465,061	682,247	115,659	3,837,050	5,539,500
Transfers during the year	0	931,683	56,717	0	0	(988,400)	0
Disposals during the year	0	0	0	(211,962)	(3,095)	0	(215,057)
Balance at 31.12.07	<u>13,004</u>	<u>10,448,151</u>	<u>15,283,503</u>	<u>2,200,223</u>	<u>1,118,723</u>	<u>4,963,411</u>	<u>34,027,015</u>
DEPRECIATION							
Balance at 01.01.07							
Cost	2,213	664,292	10,781,206	1,503,558	472,022	0	13,423,291
Revaluation	2,345	553,552	125,199	0	23,907	0	705,003
Charges during the year	260	250,267	1,368,923	298,274	95,415	0	2,013,139
Disposal during the year	0	0	0	(211,962)	(1,029)	0	(212,991)
	<u>4,818</u>	<u>1,468,111</u>	<u>12,275,328</u>	<u>1,589,870</u>	<u>590,315</u>	<u>0</u>	<u>15,928,442</u>
Net Book Bal at 31.12.07	8,186	8,980,040	3,008,175	610,353	528,408	4,963,411	18,098,573
Net Book Bal at 31.12.06	<u>8,446</u>	<u>7,859,141</u>	<u>3,855,320</u>	<u>226,380</u>	<u>510,230</u>	<u>2,114,729</u>	<u>14,574,246</u>

Fixed Assets were valued in 1985 and 1988. Landed properties, Furniture and equipment, Plant, machinery and equipment were again revalued in December 1999 and in December 2000 on Open Market basis by Owusu Adjapong and Company and Messrs Propicon.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	GH¢	GH¢
8 TRADE INVESTMENTS		
Ghana Bunkering Services Ltd.	222,278	222,278
Ghana Fertilizer Company	2	2
Total (Ghana) Ltd.	26	26
Tema Lube Oil Company Ltd.	10,954	10,954
Metro Mass Transit Company Limited	414,000	414,000
	<u>647,260</u>	<u>647,260</u>
9 STOCKS & GOODS IN TRANSIT		
Trading : Gas Cookers & parts	305,157	130,408
Fuel	57,711	69,726
Lubricants	2,960,931	1,761,884
L.P. Gas	145,189	87,994
	<u>3,468,988</u>	<u>2,050,012</u>
Non Trading : Materials	2,766,174	1,956,508
	<u>6,235,162</u>	<u>4,006,520</u>
Goods in Transit	47,499	121,558
	<u>6,282,661</u>	<u>4,128,078</u>
10 ACCOUNTS RECEIVABLE		
Trade Receivable	38,624,001	28,329,897
Oil Marketing Companies	70,788	70,788
Other Receivable	7,768,807	7,719,739
Staff Receivable	703,866	500,165
Fixed Coupons	1,153,930	0
Prepayments	252,784	206,661
	<u>48,574,176</u>	<u>36,827,250</u>
Less: Provision for Bad & Doubtful Debts	(752,716)	(693,724)
	<u>47,821,460</u>	<u>36,133,526</u>
The maximum amount owed by the staff did not at one particular time exceed : 2007 GH¢703,866 (2006: GH¢500,165)		
11 SHORT TERM INVESTMENT		
This represents Investment in HFC Unit Trust.		
Balance at 1 January	1,230,633	1,084,986
Add ; Interest Earned during the year	124,912	145,647
Balance at 31 December	<u>1,355,545</u>	<u>1,230,633</u>
12 CASH AND BANK BALANCES		
Current Account	7,122,418	1,884,815
Cash and Cheques for collection	0	6,100
Cash in Hand	30,151	16,156
	<u>7,152,569</u>	<u>1,907,071</u>
13 BANK OVERDRAFT		

The overdraft facilities offered by the bankers of the company has been secured by a negative pledge over the company's assets.Total facility offered was GH¢ 21 million

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
14 ACCOUNTS PAYABLE		
Trade Payable	28,491,089	22,532,942
Other Payable	4,942,177	1,401,603
Accruals	<u>1,316,806</u>	<u>1,604,597</u>
	<u>34,750,072</u>	<u>25,539,142</u>
15 TERM LOAN		
Balance as at 1 January	10,596,791	5,357,803
Interest due for the year	387,460	314,343
Interest paid during the year	0	(152,306)
Exchange Loss	248,370	76,951
Additions for the year	10,000,000	5,000,000
Loan repayment	<u>(5,000,000)</u>	<u>0</u>
	<u>16,232,621</u>	<u>10,596,791</u>
LONG TERM PORTION		
Medium Term Loan	8,000,000	0
Exchange Loss	227,051	0
Government of Ghana	<u>5,434,490</u>	<u>5,434,490</u>
	<u>13,661,541</u>	<u>5,434,490</u>
SHORT TERM PORTION		
Balance as at 1 January	5,162,301	0
Payment during the year	<u>(5,000,000)</u>	<u>0</u>
Interest due for the year on GOG Loan	387,460	162,301
Exchange Loss on GOG Loan	21,319	0
Medium Term Loan	2,000,000	0
Merban Investment Holding Limited	<u>0</u>	<u>5,000,000</u>
	<u>2,571,080</u>	<u>5,162,301</u>

- a The Government of Ghana Loan (GOIL Subsidiary Loan) is rescheduled and repayable in seven (7) years with four (4) years grace period commencing 2004. Interest is payable on the principal amount at a rate equal to 1.1 times the prevailing interest rate applicable to Bank (IBRD) Loan. Interest is payable semi-annually on May 15 and November 15 in each year.
- b The Company has been granted a Medium Term Loan of GH¢10,000,000 by Barclays Bank and Ghana Commercial Bank of GH¢5,000,000 each, to finance the construction of new service stations, rehabilitate existing stations and construct new LP Gas plants. Both facilities are payable over a period of 60 months from date of disbursement with 12 months moratorium on both principal and interest. The interest rate is at Base rate minus 3.25% and 16% respectively for the Banks, and the facilities are secured by Negative Pledge over all assets of the company.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
16 STATED CAPITAL		
Number of authorised shares	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Total number of issued shares	<u>210,186,240</u>	<u>30,764,830</u>
	GH¢	GH¢
Issued for Cash	5,000,200	200
issued on consideration other than cash	6,559,263	6,559,263
Issued on Transfer from Surplus	<u>249,800</u>	<u>199,800</u>
	<u>11,809,263</u>	<u>6,759,263</u>

There is no unpaid liability on any share and there are no shares in treasury.

17 BUILDING FUND

This is an amount set aside from profits for the construction of Head Office Building.

	2007	2006
	GH¢	GH¢
Balance at 1 January	12,000	12,000
Transfer from Income Surplus	<u>121,000</u>	0
Balance at 31 December	<u>133,000</u>	<u>12,000</u>

18 CAPITAL SURPLUS

This is surplus arising from the revaluation of fixed assets in 1985, 1988 and 2000 by Owusu-Adjapong and Company and Messrs Propicon.

19(i) DIVIDEND

	2007	2006
	GH¢	GH¢
Final Dividend for 2006 GH¢0.022 per Share (2005 GH¢0.020 per Share)	676,826	615,300
Interim Dividend (2006 GH¢0.033 per Share)	0	1,015,200
Payments during the year	<u>(676,826)</u>	<u>(1,630,500)</u>
	<u>0</u>	<u>0</u>

Final dividend of GH¢0.007 per share amounting to GH¢1,471,304 has been proposed for the year ended 31 December 2007.

19(ii) PRIOR YEAR ADJUSTMENT

- This represents the effect of a change in accounting policy during the year in relation to post balance sheet events (proposed dividend). International Accounting Standards (IAS 10) states that if an entity declares dividends after the balance sheet date, the entity shall not recognise those dividends as a liability at the balance sheet date. Such dividends are disclosed in the notes to the financial statements.
- This represents company tax charges arising from tax audit conducted by Internal Revenue Service and Value Added Tax Offices in 2006.

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

20 TWENTY LARGEST SHAREHOLDERS

Shareholders	Number of Shares	Percentage Holding (%)
1 GOVERNMENT OF GHANA	107,408,019	51.10
2 SOCIAL SECURITY & NATIONAL INSURANCE TRUST	38,916,529	18.52
3 GOIL EMPLOYEE SHARE OWNERSHIP PLAN	9,259,312	4.41
4 BBN/BARCLAYS RE AFRICAN ALLIANCE	1,956,238	0.93
5 MR. D. OFORI	1,190,561	0.57
6 STANDARD AFRICA EQUITY FUND EXSA	1,070,561	0.51
7 EDC STOCKBROKERS	816,032	0.39
8 BBN / BARCLAYS MAURITIUS	600,000	0.29
9 BBN / BARCLAYS MAURITIUS	576,435	0.27
10 MERBAN INVESTMENT HOLDINGS	508,579	0.24
11 MRS. E. FRIMONG	485,404	0.23
12 BBN / ELAC POLICY HOLDERS	426,641	0.20
13 MERBAN STOCKBROKERS LIMITED	413,250	0.20
14 SSNIT STAFF	395,488	0.19
15 SIC LIFE BUSINESS	367,877	0.18
16 DR. R. H. M. NANKA-BRUCÉ	325,867	0.16
17 DONEWELL LIFE COMPANY LIMITED	320,156	0.15
18 MERBAN STOCKBROKERS LIMITED	284,601	0.14
19 INTERNATIONAL CONSILIUM	272,362	0.13
20 INTERNATIONAL HOLDING UK. LIMITED	272,362	0.13
	165,866,274	78.94

GHANA OIL COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

21 SHAREHOLDING DISTRIBUTION

Category	Numbers of Shareholding	Total Holding	Percentage Holding (%)
1 - 1,000	11,020	6,361,416	3.03
1,001 - 5,000	4,072	11,306,774	5.38
5,001 - 10,000	653	5,777,661	2.75
10,001 - 50,000	614	13,816,408	6.57
50,001 - 999,999,999	92	<u>172,923,981</u>	<u>82.27</u>
		<u>210,186,240</u>	<u>100.00</u>

22 DIRECTORS SHAREHOLDING

NAME	NUMBER OF SHARES
MR. GOTTFRIED MARTIN SARPONG	5,000
DR. A. K. OFOSU-AHENKORAH	29,402
DR. AL-HASSAN EMIL ABDULAI	25,000
MR. GABBY NSIAH NKETIAH	25,000
MRS. CECILIA GYAN AMOAH	5,000
DR. FRANCIS APPIAGYEI POKU	1,000
MR. YAW AGYEMANG-DUAH	<u>5,000</u>
	<u>95,402</u>

23 NUMBER OF SHARES IN ISSUE

Earning, Dividend per share are based on 210,186,240, (2006; 30,764,830)

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
GROSS SALES	306,492,356	256,485,900
Customs, Duties and Levies	<u>(66,831,552)</u>	<u>(64,326,300)</u>
NET SALES	239,660,804	<u>192,159,600</u>
COST OF SALES		
Stock - 1 January	2,050,012	2,850,300
Purchases	<u>222,502,619</u>	<u>173,674,200</u>
	224,552,631	176,524,500
Less ; Stock at 31 December	<u>(3,124,812)</u>	<u>(2,050,000)</u>
	221,427,819	<u>174,474,500</u>
GROSS PROFIT	18,232,985	<u>17,685,100</u>
DEPOT AND STATION EXPENSES		
Ground Rent	83,851	106,200
Maintenance of Installations	849,604	627,500
Survey fees	270	1,900
Vehicle Maintenance	856,359	796,100
Water and Electricity	35,254	37,900
Depreciation;		
Plant and Machinery	1,368,923	1,202,200
Leasehold Land	250,267	226,600
Freehold Land	260	200
TOTAL DEPOT AND STATION EXPENSES	3,454,788	<u>2,998,600</u>

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
SELLING AND ADMIN. EXPENSES		
FINANCE COST		
Bank Charges	479,321	602,000
Financial Charges	218,823	92,100
Bank Interest	1,383,019	2,020,000
Long Term Interest Payable (IDA-Loan)	387,460	314,300
	<u>2,468,623</u>	<u>3,028,400</u>

STAFF COST

Salaries and Wages	3,476,018	3,037,600
Social Security Fund	402,305	354,900
Senior Staff Saving Scheme	0	500
Acting Allowance	20,058	43,000
Overtime	47,467	50,000
Trip Bonus	61	100
Casual Labour	28,829	55,000
Annual Bonus	225,274	197,200
Canteen Subsidy	150,571	135,100
Incentive Bonus	261,450	237,000
End of Service Benefit	318,584	284,000
Other Allowances	49,987	70,000
Training Expenses	35,652	33,400
Medical Expenses	154,857	186,700
Out of Station Expenses	99,920	94,900
Long Service Award	28,580	16,300
Staff Welfare	41,466	14,700
	<u>5,341,079</u>	<u>4,810,400</u>
Balance c/f	<u>7,809,702</u>	<u>7,838,800</u>

GHANA OIL COMPANY LIMITED
SCHEDULE TO THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 GH¢	2006 GH¢
Balance b/f	7,809,702	7,838,800
Postage & Telephones	204,856	230,800
Advertising & Sales Promotion	601,932	567,000
Subscription	28,944	25,800
Printing & Stationery	56,663	73,500
Uniforms	4,243	2,300
Legal & Professional Charges	201,376	212,500
Audit Fees	34,000	25,000
Directors' Fees and Expenses	220,251	189,200
Security Services	136,391	126,000
Entertainment	6,992	6,400
Donations	75,980	67,300
Repairs & Cleaning	200,308	188,700
Electricity	79,318	89,300
Exchange Loss	15,895	700
Water	5,234	9,700
Various Toll and Licences	103,776	72,400
Sundry Expenses	431	700
Equipment Hiring	3,909	1,400
Depreciation - Furniture & Motor Vehicle	393,689	343,100
Exchange Loss on IDA Loan	248,370	77,000
Provision for Bad Debts	58,992	22,700
Industry Coordination Fees	3,592	2,600
Floatation Expenses	439,512	92,300
Rent and Rates	62,541	49,300
Interest Payable to Third Parties	18,239	13,700
Insurance	290,217	116,800
Overseas/Air Travel	46,176	50,600
SELLING & ADMINISTRATIVE EXP.	11,351,529	10,495,600
TOTAL EXPENSES	14,806,317	13,494,200
TOTAL OPERATING PROFIT	3,426,668	4,190,900

PROXY FORM

I/We

of

being a member/members of the above-mentioned Company hereby appoint.....
or failing him/her the Chairman as my/our proxy to vote for me/us on my/our behalf at The Annual General Meeting of the Company to be held at the Accra International Conference Centre, on Wednesday, the 16th day of July, 2008 at 11: 00 a.m. and at any adjournment thereof.

This form is to be used;

1	*in favour of against	The Resolution to adopt the Reports of the Directors and the Financial Statements of the Company for the year ended December 31, 2007.
2	*in favour of against	The Resolution to declare a dividend with respect to the year ended December 31 as recommended by the Directors
3	*in favour of against	The Resolution approving the appointment of Directors
4	*in favour of against	The Resolution to authorize the Directors to fix the remuneration of the Auditors
5	*in favour of against	The Resolution to fix the remuneration of the Directors

On any other business transacted at the meeting and unless otherwise instructed in Paragraphs 1 to 5 above, 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 2008.
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 an Annual 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 HON. FREDDIE W. BLAY, 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 HON. FREDDIE W. BLAY.
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 Friday, the 11th day of July, 2008.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.



GOIL



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