

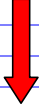




		FISCAL REGIME TO END OF 2000 (1)			FISCAL REGIME TO END 2002 - TAXATION REVIEW (2)			FISCAL INCENTIVES AS AT 1 JANUARY 2003 (3a)		FISCAL REGIME AS AT 1 JANUARY 2003 (3b)	
		OIL TERMS	GAS TERMS	FRONTIER TERMS	OIL TERMS	GAS TERMS	FRONTIER TERMS	OIL TERMS	GAS TERMS	OIL TERMS	GAS TERMS
Royalties	% Well Head Value	2.0%	2.0%	2.0%	2.0%	2.0%	ABOLISHED IN	2.0%	2.0%	EXISTING	EXISTING
Development levy	% Well Head Value			2.0%	2.0%	2.0%	2001 FOLLOWING	2.0%	2.0%	OIL	GAS
Tax Credit Scheme	% Assessable Income	2.0%	2.0%	2.0%	0.75%	0.75%	THE TAXATION	2.0%	0.75%	PROJECTS	PROJECTS
Import Duty				Per TRP	Per TRP	Per TRP	REVIEW	Per TRP	Per TRP	(PPLs & PDLs)	(PPLs & PDLs)
VAT		0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	DO NOT	DO NOT
Fiscal Stability		-	-	-	-	20 Years		-	20 Years	QUALIFY FOR	QUALIFY FOR
Income Tax										THE FISCAL	THE FISCAL
Existing projects to 2000	Rate	50.0%			50%	-		-	-	INCENTIVES	INCENTIVES
New projects	Rate		30.0%	35%	45%	30.0%		30%	30.0%		
						1st Tier 2nd Tier					
Additional Profits Tax	Rate of Return	27.0%	20.0%	20.0%	2 tier system as in Gas	15% 20%		ABOLISHED			
	Tax rate	50.0%	30.0%	35.0%	only for new projects	20% 25%					
State Participation	Up to	22.50%	22.50%	22.5%	22.5%	22.5%		22.5%	22.5%		
Past Exploration Expenditure	Carry Forward	11 years	20 years	11 years	20 years	20 years		20 years	20 years		
	Depreciation Type	4 Yr DB	4 Yr DB	4 Yr DB	4 Yr DB	4 Yr DB		4 Yr DB	4 Yr DB		
Current Exploration Expenditure	Current year write-off	10%	10%	10%	10%	25% (But must not reduce tax payable by > 10%)		10%	25% (But must not reduce tax payable by > 10%)		
Capital Expenditure	Depreciation Type	8 years DB	10 years SLD	8 Year DB	10 Yr Strt Line	LL, 10% and SL 4year DB		10% SLD	10% SL Depr		
Accelerated Depreciation		Yes	No	Yes	No	No		No	No		
Debt: Equity Ratio		2:1	3:1	2:1	3:1	3:1		3:1	3:1		
Tax Loss Carry Forward		7 years	7 years	7 years	7 Years	20 years		7 Years	20 years		

Royalty - Fully creditable against income tax if Development Levy is payable

Development levy - Fully deductible against income tax

APT = Additional Profits Tax

TRP = Tariff Reform Program (Phased reduction of duties)

ITA = Income Tax Act

DB = Declining Balance

LL = Long Life

SL = Short Life

SLD = Straight Line Depreciation