

EXISTING FINANCIAL CONDITIONS

	Sole Concession at 1 Jan. 2004	Licences granted before 1 Jan. 2004	Licences granted after 1 Jan. 2004								
Corporate income tax	25 per cent Deductible from the hydrocarbon tax base.	25 per cent Deductible from the hydrocarbon tax base.	25 per cent Deductible from the hydrocarbon tax base.								
Hydrocarbon tax	52 per cent Allowance of 5 per cent over 6 years (a total of 30 per cent) for investments. Transitional rules for investments and unutilized field losses made before 1 January 2004.	70 per cent Allowance of 25 per cent over 10 years (a total of 250 per cent) for investments.	52 per cent Allowance of 5 per cent for 6 years (a total of 30 per cent) for investments.								
Royalty	No	2nd Round licences pay royalty as follows: <table border="0"> <tr> <td>1,000 bbl/day</td> <td>Rate</td> </tr> <tr> <td>0 - 5</td> <td>2 per cent</td> </tr> <tr> <td>5 - 20</td> <td>8 per cent</td> </tr> <tr> <td>20 -</td> <td>16 per cent</td> </tr> </table> Deductible from the corp. income tax and hydrocarbon tax bases.	1,000 bbl/day	Rate	0 - 5	2 per cent	5 - 20	8 per cent	20 -	16 per cent	No
1,000 bbl/day	Rate										
0 - 5	2 per cent										
5 - 20	8 per cent										
20 -	16 per cent										
Oil pipeline tariff/compensatory fee	5 per cent until 8 July 2012, after which no tariff/fee is payable. The oil pipeline tariff/compensatory fee can be offset against hydrocarbon tax, but not against the corporate tax and hydrocarbon tax bases.	5 per cent The oil pipeline tariff/compensatory fee is deductible from the royalty base and the corporate income tax and hydrocarbon tax bases.	5 per cent until 8 July 2012, after which no tariff/fee is payable. The oil pipeline tariff/compensatory fee can be offset against hydrocarbon tax, but not against the corporate tax and hydrocarbon tax bases								
State participation	20 per cent from 9 July 2012	20 per cent 1st, 2nd and 3rd Rounds: State participation with carried interest in the exploratory phase. A paying interest, depending on the size of production, in the development and production phases. 4th and 5th Rounds and Open Door procedure: fully paying interest.	20 per cent								
Profit sharing	From 1 January 2004 to 8 July 2012 20 per cent is payable on the taxable profit before tax and before net interest expenses.	No	No								