

 **Oil & Gas Independents' Association**

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**HM Treasury Proposed
Increase to Ring Fenced Expenditure Supplement**

OGIA welcomes the Governments proposals to increase in Ring Fenced Expenditure Supplement (RFES) as part of an ongoing dialogue to reach fit-for-purpose North Sea tax regime.

The Oil and Gas Independents' Association ("OGIA") welcome the proposals announced today, which outlined the increase in RFES from 6% to 10%.

This will provide incentive for a number of non tax-paying companies exploring and developing new hydrocarbon resources on the United Kingdom Continental Shelf ("UKCS").

RFES is offset against Corporation Tax and Supplementary Charge and when taken in conjunction with Field Allowance will contribute to securing future activity in the region, safeguarding jobs, improving energy security and ensuring foreign direct investment continues.

Steve Jenkins, Chairman of the OGIA, commented:

"We see this as a positive first step and feel it will generate confidence for companies wishing to develop new fields in the UK.

Overall the OGIA are encouraged by the constructive engagement between HMG and the Industry. As stated by HM Treasury today "Government will continue to engage with the oil and gas companies on the case for new categories of field qualifying for field allowance". We look forward to being involved in this process, addressing other aspects of the fiscal regime and issues of national importance regarding security of energy supply."

For further information please contact:

Oil and Gas Independents' Association

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