



Irish Offshore  
Operators'  
Association

## Irish Offshore Operators' Association

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### **IOOA Statement on Oil and Gas Exploration Fiscal Terms**

**18<sup>th</sup> June 2014** - The Irish Offshore Operators' Association (IOOA) today responded to the announcement by Minister for Communications, Energy and Natural Resources Pat Rabbitte TD on the fiscal terms for oil and gas exploration in the Irish offshore.

Commenting, Professor Pat Shannon, Chairman of IOOA said,

*"These amended fiscal terms for oil and gas exploration should provide certainty to the oil and gas companies currently operating, or seeking to explore in the Irish offshore. This is of vital importance if Ireland is to encourage oil and gas exploration and to develop a competitive edge in attracting exploration investment.*

*The success of exploration in the Irish offshore – which is currently in an embryonic state – is dependent on a fair, attractive, transparent and robust fiscal regime to encourage drilling and hopefully field development. This stable and clear fiscal regime is needed in order to help balance the significant geological and commercial risks and geographical difficulties associated with exploration in Irish waters.*

*The new terms introduce a new additional minimum payment when production commences, as well as an increase in the maximum tax rate compared to the current fiscal regime. However, while this new stable fiscal regime is less favourable than that which currently operates, it should still help to attract industry and convince companies that, by investing in offshore exploration in Ireland, they are making a sound commercial decision. The statement by the Minister that no change to terms will apply to existing licences or licensing options is welcome. I am hopeful that these amended terms will provide companies, both existing participants and potential new entrants, with the certainty and confidence they need to invest in the Irish offshore.*

**ENDS**

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