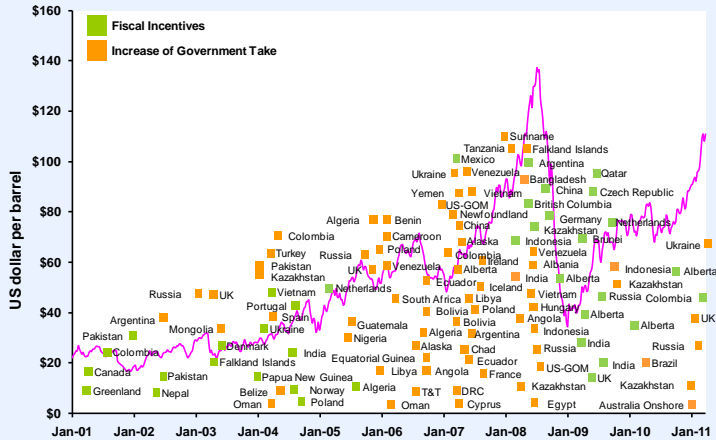


Comparative assessment of the federal oil and gas fiscal systems for the US Department of the Interior



Government Action Reflecting Commodity Prices



Source: IHS CERA

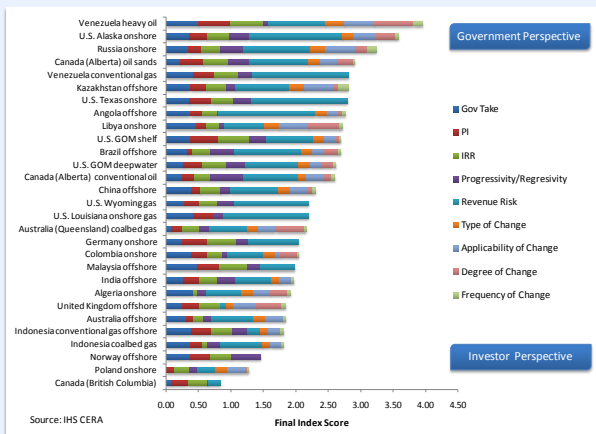
Situation

- In 2008 the United States GAO published a report, which suggested that the U.S. government's return on federal oil and gas leases was lower than the returns of other resource owners, calls for a reassessment of the federal oil and gas fiscal systems. GAO, *Oil and Gas Royalties*.
- Bureau of Ocean Energy Management (BOEM) and Bureau of Land Management (BLM) commissioned this IHS CERA study to compare the oil and gas fiscal systems that apply on federally owned offshore and onshore lands with oil and gas fiscal systems adopted by other countries that compete with the United States for investments in the oil and gas upstream industry.

What IHS did

- This report compares the oil and gas federal fiscal systems against a selected peer group of jurisdictions that compete for investment in the upstream oil and gas industry.
- Developed a composite index that compares fiscal systems on government take as well as measures of profitability, revenue risk, and fiscal stability in relation to the relative prospectivity and policy objectives.

Composite Index of Global Rating and Ranking



Source: IHS CERA

Impact

- Informed the US department of Interior and other branches of the US government about the competitive position of the US federal fiscal systems, and ultimately influenced their policy decisions related to royalties on federal lands.