

Bigger stake for state proposed in oil and gas Bill

A draft Bill dealing with the regulation of the oil and gas sector proposes that the state get a 20% free-carry share in these enterprises, [BusinessLIVE](#) reports. The state interest in these projects will be held by a state-owned enterprise and the **state will also have representation on the boards of petroleum companies**. Provision is also made for the state to have reserve blocks for national development imperatives. The draft Bill also introduces a production bonus payable on the granting of a production right and proposes that this production bonus be 0.07% of the total recoverable petroleum resources at the prevailing oil price, and 0.35% for gas. Deputy DG in the Department of Mineral Resources & Energy Ntokozo Ngcwabe noted in a briefing to Parliament's Mineral Resources & Energy Committee on the department's legislative programme on Friday that the average production bonus internationally is 0.1%. A petroleum resource rent tax is also envisaged. The department anticipates that the Bill will be introduced into Parliament in the first three months of 2020.