

SOVEREIGN OIL & GAS LTD

Copenhagen, 17th March, 1982

Dear Sirs,

We would like to express our gratitude to the committee for receiving a deputation from Sovereign Oil & Gas Ltd. on 12th March, 1982 when we had the opportunity to explain our general views on the impact of taxation on exploration. We appreciated the sympathetic hearing given and the fact that we were allowed to address the meeting in english.

We have subsequently translated the key points of the address given by Dr. Biggins to the members and a copy of this is enclosed for your information. In addition, we also attach a revised translation of our original

submission of 4th March 1982 which we believe more accurately represents the views we wished to express.

During the meeting of 12th March, a question was posed by one of the members as to whether Sovereign would be prepared to accept an increase in the Hydrocarbon Tax rate on field revenues where royalty remission was granted, as outlined in Sovereign's proposal A. To clarify Sovereign's reply, a supplementary answer is also attached, with a Danish translation.

Once again, may we thank you for considering our proposals, and assure you of our attention if you require further information.

Yours sincerely

D. BIGGINS
General Manager

Til folketingets skatte- og afgiftsudvalg, Mr. Mogens Lykketoft og Mr. Gudmund Jensen

Attachments:

- 1) Revised Danish translation of submission to folketingets skatte- og afgiftsudvalg of 4th March, 1982.
- 2) Danish translation of reply to question by member of folketinget on the subject of royalty remission allied to increased Hydrocarbon Tax rate
- 3) Danish translation of transcript of D. Biggins' address to folketingets skatte- og afgiftsudvalg of 12th March, 1982