NL-EITI
Extractive Industries Transparancy Initiative
The Netherlands

The Netherlands Extractive Industries Transparency Initiative (NL-EITI)

Report 2018

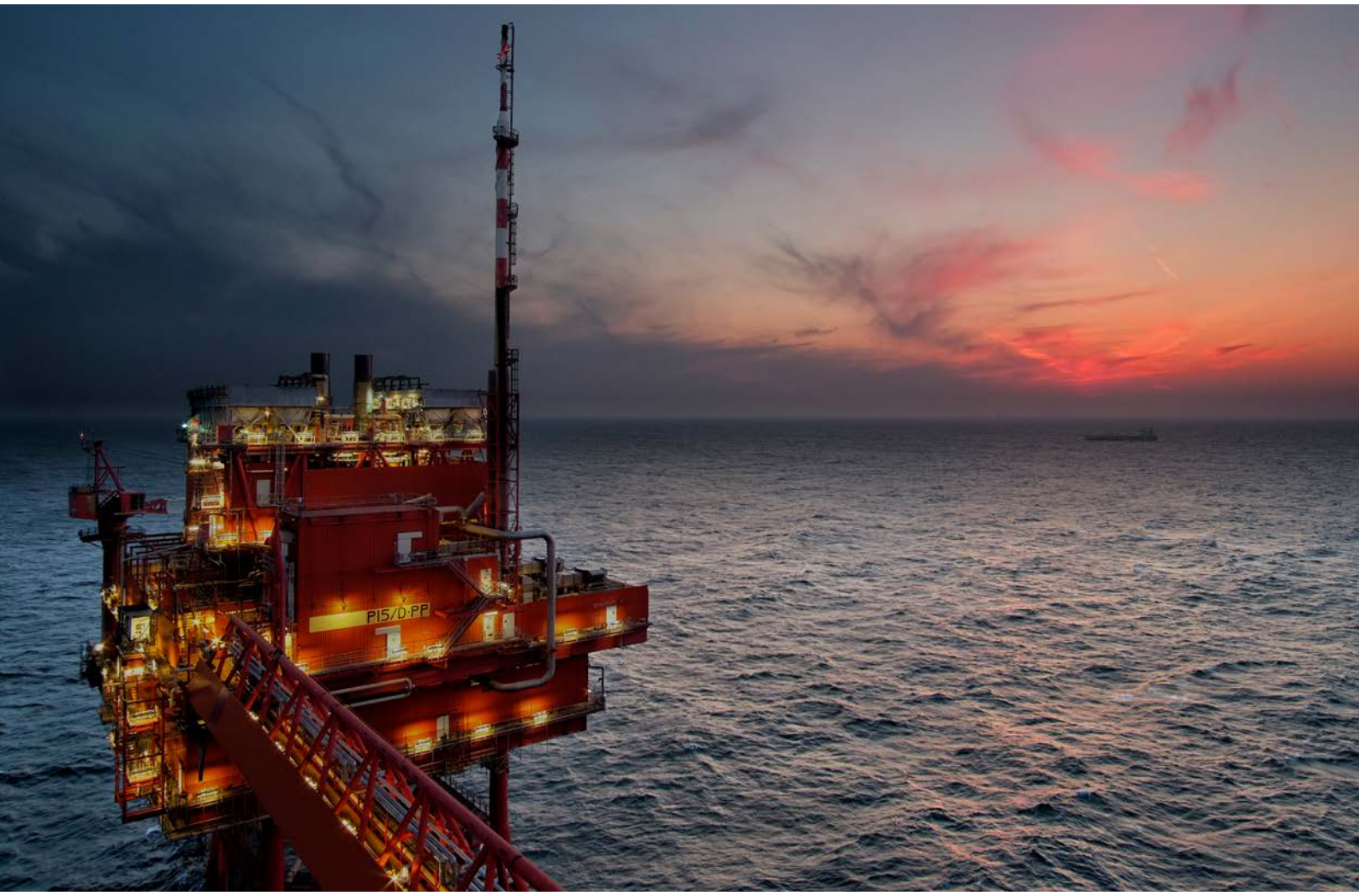

Photo: Marcel te Buck

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This report has been prepared by the multi-stakeholder group, the NL-EITI MSG, which is responsible for the implementation of the EITI in the Netherlands, in collaboration with the independent auditor. It has been drafted in line with the 2019 EITI Standard and is being published for informational purposes only. The report frequently refers to information from external sources. The NL-EITI MSG has not verified the accuracy of this information and is therefore not responsible for this information.

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Foreword

Minerals have been produced in the Netherlands for centuries. These are our soil treasures. It all started with the production of coal, which was followed by the production of salt, oil and natural gas. Geothermal energy can be referred to as the most recently produced mineral resource.
The word 'soil treasure' is perhaps most appropriate when we refer to natural gas. Since the 1960s, natural gas has been of great importance for our energy supply, economic growth and employment. It has also generated a total of more than €400 billion for the government, which has made a significant contribution to our welfare and prosperity.
Just as we stopped mining coal in the last century, we are currently in the process of phasing out the production of oil and natural gas. Firstly, because we want to make our energy supply sustainable and mitigate the negative effects of fossil fuels on the climate and the environment. Secondly, our experiences in Groningen have shown us that mineral production can lead to soil movement, which can cause serious damage and endanger public safety.

The production of minerals and how they are used is an ongoing subject of political and social debate. The question as to how society benefits from its mineral resources is central to this, certainly in times of great change.
For example, the current discussion is about how to best achieve the transition to a fossil-free economy. All scenarios describing the path to achieving the 2050 climate targets still assign a prominent role to oil and gas, for example, for maintaining the security of our energy supply until sufficient renewable energy sources are available. Hence, the question that arises is: how can we use Dutch mineral resources for this and how do we want to use them?
In this discussion, it is essential that reliable and comprehensible information on mineral production is available: who are the producers, what are the benefits and how does society get a share of the revenues? This report aims to provide this information and present the available data within their context.

The report has been drawn up by a group of representatives from the minerals sector, social organisations and the government. This so-called multi-stakeholder group works within the framework of the Extractive Industries Transparency Initiative (EITI), which is the global standard for the good governance of oil, gas and mineral resources. This initiative is expected to contribute to greater transparency and accountability regarding the distribution of revenues.
This is the second Dutch report and relates to 2018. With this report, the multi-stakeholder group hopes to be able to contribute to the public debate on the production of minerals in the Netherlands and how this can help bring about the transition to a sustainable economy.
I would like to thank everyone who has contributed to this report for their efforts and commitment.

Joost Haenen
Chairman of the Multi-Stakeholder Group

Executive summary

The Extractive Industries Transparency Initiative (EITI) is the global standard for the good governance of oil, gas and mineral resources. At the end of 2020, 55 countries were members of the EITI, including the Netherlands. The EITI Standard calls for openness of information throughout the extractive industry value chain, from mineral production to how this benefits society.

The Dutch government has been closely involved with the EITI since its inception in 2002. The EITI Standard is implemented in the Netherlands by a multi-stakeholder group (hereinafter: NL-EITI MSG). This group consists of representatives from the Dutch government, oil and gas companies and civil-society organisations.

This is the second Dutch EITI report, covering the year 2018. The Netherlands has drawn up this report in line with the 2019 EITI Standard. This report describes mineral production activities in the Netherlands and also provides a clear insight into the financial flows between oil and gas industries and the Dutch government in 2018. The companies that supplied the figures for this did so on a voluntary basis. This includes 17 companies (or groups), including all operators, who together account for the vast majority of oil and gas production in the Netherlands. The NL-EITI MSG is very grateful to them for their contribution. Ultimately, the intention is to involve all the relevant companies in the NL-EITI process in the Netherlands.

The Netherlands is implementing the EITI Standard to make factual and comprehensible information available about mineral production in the Netherlands and the financial flows between the extractive industries and the Dutch government. By doing this, it wishes to contribute to a well-informed debate about the extractive industry value chain in the Netherlands.

Mining sector in the Netherlands

The mining sector in the Netherlands has a long history. Coal production from mines in the south of the Netherlands began in 1893. From the twentieth century, the country started to produce salt, petroleum and natural gas as well. In 1965, following the discovery of the vast Groningen gas field, the government decided to phase out coal mining activities. The last mine closed in 1974.

This report focuses primarily on the oil and gas industry and the salt industry. Rock salt (cooking salt) has been known in the Netherlands since 1886. The first licence for producing salt was granted in Twente in 1918. In the Netherlands, salt is produced at five locations by three companies. This involves an annual amount of more than 6 million tonnes of rock salt and about a quarter of a million tonnes of magnesium salt. In 2019, the amount of salt produced was 5.9 million tonnes, and in the years before that, between 6 and 7 million tonnes.

Production of petroleum started from about the middle of the previous century. In 1986, Dutch petroleum production peaked at 5.2374 million Sm^3 [1]. Thereafter, production gradually decreased.

The Groningen gas field was discovered in 1959. Following the discovery of the large gas field at Groningen, production also started at many small (compared to the Groningen gas

1 Volumes of petroleum and condensate are displayed in standard cubic metres (Sm^3). Here, 'standard' relates to the reference conditions of 15°C and 101.325 kPa (source: Annual Report 2018 - Natural Resources and Geothermal Energy in the Netherlands (*Delfstoffen en Aardwarmte in Nederland*), www.nlog.nl).

field) onshore and offshore gas fields in the Netherlands. Mineral production in general - and gas production in particular - have been and continue to be very important for the Dutch economy, mainly because of their contribution to our energy supply, economic growth and employment. Since 1965, the State has received, in total, more than €400 billion in gas revenues.
However, as a result of the earthquakes in Groningen, the total volumes of natural gas production decreased significantly after 2013. Since 2014, the maximum production level at the Groningen gas field has been stipulated by decision of the Minister of Economic Affairs and Climate Policy. The Dutch government has decided to reduce gas production in Groningen as soon as possible and to stop this entirely by 2026 or even earlier if possible. In view of the developments surrounding the phase-out of gas production from the Groningen gas field, the government has decided to dismantle the Gasgebouw partnership. This is a public-private partnership that was set up at the time. The dismantling of the Gasgebouw partnership will lead to a change in GasTerra's position as a sales office for most of the gas produced in the Netherlands. "On 1 July 2020, GasTerra adopted the phase-out plan for the company. The phase-out plan is aimed at terminating GasTerra's business activities. These activities will end on 31 December 2024."[2]

Legal and institutional framework
The legal framework for the mining industry in the Netherlands is set out in the Mining Act (*Mijnbouwwet*) of 1 January 2003. This Act integrates all previous legislation on onshore and offshore mining. The Mining Act lays down the rules for the prospecting, exploration and production of geothermal energy, storage of minerals and mining-related activities.
Licences issued under the Mining Act grant licence holders the exclusive right to carry out activities in a certain area.
Government policy aims at ensuring the highest level of transparency possible. Hence, the granted licences are published in the Government Gazette and also listed in the Licence Register at www.nlog.nl.Besides this, the Dutch Tax and Customs Administration levies mining payments that are subject to the financial payment provisions set out in the Mining Act.

The Groningen gas field was not covered by the Mining Act until recently. At the time, a number of agreements had been entered into between the parties concerned with regard to the Groningen gas field. Together, these agreements form the basis for the present Gasgebouw partnership. A number of these agreements, or parts of them, have been published and explained in Parliamentary Papers over time. The Mining Act was recently amended, as a result of which - with effect from 1 January 2018 - the financial regime set out in Chapter 5 of the Mining Act also applies to the production licence granted in 1963 for the Groningen gas field. Only the four production licences granted prior to 1962 are still subject to the taxation regime set out in a private-law agreement concluded between the State and the licence holder the NAM. This agreement was last amended in 2018 (see Government Gazette 2018, 54377).

The Ministry of Economic Affairs and Climate Policy has also developed a number of websites to provide citizens with better information about the role of gas production from small gas fields in the Netherlands as part of the energy transition (see § 3.3. of this report).

The Minister of Economic Affairs and Climate Policy is the competent authority for all activities involving the exploration and production of minerals and geothermal energy and the storage of mineral resources. The Minister also represents the State as a shareholder

2 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/09/24/afbouwplan-gasterra

in Energie Beheer Nederland (EBN), a State-owned company that is involved in virtually every gas production operation in the Netherlands. Just like any other company, EBN is required to pay corporate income tax to the State. It also distributes profits/dividends to the State.

Financial figures for 2018

The value added by mineral production in 2018 was €7.3 billion or 0.9% of the gross domestic product (GDP). Employment in the mining sector in the Netherlands in 2018 represented 0.11% of total employment, i.e. approximately 8,000 jobs, with a male-female ratio of 7,000 men to 1,000 women. This was, respectively, 87.5% and 12.5% of the total employment in the mineral production sector, and respectively, 0.16% and 0.03% of the total employment in the Netherlands. In 2018, natural gas revenues amounted to €2.7 billion, which represents 0.8% of total government revenue.

This report accounts for the payment flows of 17 companies (or groups) that together paid more than €1,814 million to the government. The most important payment flows relate to corporate income tax (over €390 million), payments based on the surplus revenues generated in Groningen (over €760 million) and the dividend paid by EBN to the State (more than €610 million).

As a consequence of the decreased level of gas production in the Netherlands, natural gas imports - from Norway and Russia in particular - have increased in recent years. In 2018, the Netherlands became a net importer of natural gas for the first time.

Results of the reconciliation of payment flows

As instructed by the NL-EITI MSG, the accountancy firm BDO has gathered information about payment flows between oil and gas companies and the Dutch government and made a comparison of the reported payments and revenues. The tables below summarise the results of this reconciliation of the payment flows. All the reconciled differences have been discussed and approved by the parties concerned.

Aggregated payments	Initial reporting (million EUR)	Resolved discrepancies (million EUR)		Adjusted reporting (million EUR)
		Companies	Government	
Companies	1,820.24	(6.63)	-	1,813.61
Government	1,758.98	-	54.63	1,813.61
Discrepancy	**61.26**	**(6.63)**	**(54.63)**	**-**

No.	Company	Extractive companies (million EUR)	Government (million EUR)	Difference (million EUR)
1	Nederlandse Aardolie Maatschappij B.V. (NAM)	998.87	998.87	-
2	Energie Beheer Nederland (EBN)	800.16	800.16	-
3	Wintershall Noordzee B.V. (BASF)	24.01	24.01	-
4	NGT (Noordgastransport B.V.)	18.13	18.13	-
5	Dana Petroleum Netherlands B.V.	13.55	13.55	-
6	Vermilion Energy Netherlands B.V.	12.76	12.76	-
7	NOGAT B.V.	10.58	10.58	-
8	TAQA Energy B.V.	1.26	1.26	-
9	Petrogas E&P Netherlands B.V.	0.97	0.97	-

No.	Company	Extractive companies (million EUR)	Government (million EUR)	Difference (million EUR)
10	Tulip Oil Netherlands B.V.	0.49	0.49	-
11	Hansa Hydrocarbons	0.29	0.29	-
12	Jetex Petroleum	0.27	0.27	-
13	Spirit Energy	0.12	0.12	-
14	ONE-Dyas	(3.51)	(3.51)	-
15	Neptune Energy Netherlands B.V.	(3.33)	(3.33)	-
16	RockRose Energy	(15.36)	(15.36)	-
17	Total E&P Nederland B.V.	(45.65)	(45.65)	-
	Total payments	**1,813.61**	**1,813.61**	**-**

Recommendations to the NL-EITI MSG

In the first NL-EITI report for 2017, BDO made a number of recommendations for improvements in the reports for subsequent years. Most of the recommendations have since been followed up by the multi-stakeholder group. For example, the salt industry has also been included in this report and payment flows have been reconciled, where possible, at the level of individual licences.

1. Introduction

What is the EITI?
The Extractive Industries Transparency Initiative (EITI) is the global standard for the good governance of oil, gas and mineral resources. In 2020, 55 countries were member of the EITI[3], including the Netherlands. The EITI Standard calls for openness of information throughout the extractive industry value chain[4], from mineral production to how this benefits society. The EITI focuses on the extractive industries. Extractive companies are those that are involved in the exploration and production of minerals. This defines the scope of this report.

The EITI in the Netherlands
The creation of the EITI was first announced at the World Summit on Sustainable Development in Johannesburg in 2002 and it was officially launched in London in 2003.
The Dutch government has been actively involved in the EITI right from the start in 2002. Appendix 1 sets out the Dutch involvement in the EITI in chronological order.

The EITI Standard is implemented in the Netherlands by a multi-stakeholder group, the NL-EITI MSG. This group is made up of representatives of the Dutch government, oil and gas companies and civil-society organisations (see Appendix 2 for a list of members of the NL-EITI MSG). EBN has been participating in the NL-EITI MSG meetings as an observer since January 2020. The Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland, RVO*) serves as the secretariat of the NL-EITI on behalf of the Government of the Netherlands, with the Ministry of Economic Affairs and Climate Policy as secretary. The NL-EITI MSG is responsible for delivering the annual NL-EITI report on time.

This second Dutch EITI report relates to 2018. The Netherlands has drawn up this report in line with the 2019 EITI Standard. This Standard specifies, in the form of the EITI Requirements, the information to be published by the member countries each year. See Appendix 3 for an overview of the EITI Requirements and the parts of this report in which the required information can be found.
The Standard is managed by the international EITI Secretariat based in Oslo, Norway. Changes to the Standard are decided on by the international EITI Board consisting of representatives of government bodies, extractive industries and civil-society organisations.

The present report contains information about the extractive industry value chain: it describes mineral production activities in the Netherlands and provides insight into the financial flows between the Dutch extractive industries and the Dutch government. These financial flows have been identified by the NL-EITI MSG and audited by an independent accountancy firm, BDO Tunisia Consulting.[5] In addition, BDO Tunisia Consulting - under the instructions of the NL-EITI MSG - explains any discrepancies that may be present and makes recommendations to the NL-EITI MSG. The companies that take part in the reconciliation of financial flows do so on a voluntary basis.
This report focuses primarily on the oil and gas industry and the salt industry. In addition, sustainable energy options such as geothermal energy and wind energy will also be discussed briefly in the contextual information.

3 https://eiti.org/who-we-are
4 https://eiti.org/eiti-value-chain
5 BDO Tunisia Consulting was appointed for two years by order of the NL-EITI MSG at the beginning of April 2020, with the option of two one-year extensions of the contract (European call for tender by the Netherlands Enterprise Agency).

The first NL-EITI report, covering the year 2017, extensively discussed the history and the legal and institutional framework of the mineral industry in the Netherlands. This report offers a brief summary of this in Chapters 2 and 3; for more information, see the 2017 NL-EITI report. New developments in 2018 are explained in § 2.2. and § 3.3. This report also elaborates in detail the role of EBN in mineral production in the Netherlands (see § 3.4. and § 3.5.) and § 2.2.2. devotes attention to the role of gas in the current and future energy system. Moreover, the salt industry's participation in this report has resulted in the inclusion of more information about this sector.

Purpose of the NL-EITI report

The purpose of the implementation of the EITI Standard by the Netherlands - and of this report - is to provide factual and comprehensible information about mineral production in the Netherlands and the financial flows between the extractive industries and the Dutch government. The ultimate goal is to contribute to a well-informed debate on the extractive industry value chain in the Netherlands.

Much of the information contained in this report is publicly available but spread across multiple organisations and sources. These sources will be frequently referred to in this report. The added value of this report is that all this information is presented together in one document.

Last but not the least, EBN, the Netherlands Organisation for Applied Scientific Research (*Nederlandse Organisatie voor toegepast- natuurwetenschappelijk onderzoek, TNO*) and Statistics Netherlands (*Centraal Bureau voor de Statistiek, CBS*) have actively contributed to parts of this report. The NL-EITI MSG is very grateful to these organisations for their contribution. Furthermore, various responsible government bodies, including the Ministry of Economic Affairs and Climate Policy, Tax and Customs Administration, Ministry of Justice and Security, Ministry of Finance and the Netherlands Enterprise Agency have delivered or reviewed texts. All of the information in this report is also available online at www.eiti.nl.

Contents of the report

This NL-EITI report consists of the following six chapters:

1. Introduction
2. Extractive industries in the Netherlands
3. Rules and parties in the mining sector
4. Key data on mineral production in the Netherlands in 2018
5. Revenues and reconciliation of extractive companies in 2018
6. Independent Administrator's recommendations to the NL-EITI MSG

2. Extractive industries in the Netherlands

2.1. Introduction

In this report, we focus on the minerals that fall within the scope of the Mining Act[6]. The Mining Act regulates the exploration, production and storage of minerals in the Netherlands. The Act focuses on activities involving natural gas, petroleum and salt that take place at a depth of more than 100 metres below the surface of the earth and activities involving geothermal energy that take place at a depth of more than 500 metres below the surface of the earth[7]. Coal also falls under the Mining Act, but the production of coal was discontinued in 1965.
Below is a brief overview of the history of coal, salt, petroleum and natural gas production in the Netherlands. See the 2017 NL-EITI report[8] for more details.

Apart from this, other minerals that are produced in the Netherlands are surface minerals. In many cases, these are produced from surface water. Raw materials that are classified as surface minerals are sand, gravel and shells. A licence is required for producing surface minerals under the Earth Removal Act (*Ontgrondingenwet, OW*).[9] The State, represented by the Ministry of Infrastructure and Water Management, is the competent authority for issuing this licence. The 2017 NL-EITI report displays the 2015-2016 figures for these surface minerals taken from the Monitoring of Construction Raw Materials Report (*Rapportage monitoring bouwgrondstoffen*[10]), which was last published in 2017.

2.1.1. Brief history of minerals in the Netherlands

Coal
Coal mining used to be carried out in the Netherlands. Mining activities started in 1893 in Limburg and was discontinued in the period 1965-1974 by decision of the government.

Worldwide, coal currently provides for 30% of the energy demand. In the Netherlands, this was 9 and 11% respectively in 2018 and 2019.[11] Coal is still an important energy carrier for our energy supply and economy.

In 2020, the Netherlands has four active coal-fired power stations that produce approximately 30% of Dutch electricity. The government has announced a ban on coal-fired electricity production in the Netherlands with effect from 2030. With this, the government is fulfilling a commitment made in the 2017 Coalition Agreement to close coal-fired power stations by 2030 at the latest. The ban on coal will significantly contribute to the government's ambition to reduce CO2 emissions by 49% by 2030.
The oldest power station, the Amercentrale, must stop producing electricity from coal by the end of 2024. The three newest power stations at the Port of Rotterdam and Eemshaven must stop using coal to produce electricity by 31 December 2029. In the lead-up to these deadlines, the owners can prepare their power stations for electricity production using other fuels such as sustainable biomass.

6 https://wetten.overheid.nl/BWBR0014168/2020-07-01
7 See Section 2 of the Mining Act.
8 www.eiti.nl
9 https://www.helpdeskwater.nl/onderwerpen/gebruiksfuncties/delfstoffenwinning/
10 https://www.bodemplus.nl/onderwerpen/wet-regelgeving/bbk/publicaties/rapportage/
11 https://opendata.cbs.nl/#/CBS/nl/dataset/83140NED/table?ts=1596704165205 https://kennisbank.ebn.nl/infographic-2020/

In 2017, approximately 15 million tonnes of coal were imported into the Netherlands. In 2018 and 2019, this was 13.0 and 10.3 million tonnes respectively[12].

Salt

Rock salt (sodium chloride: kitchen salt) was discovered in the Netherlands in 1886 when it was accidentally produced while drilling for drinking water at the Twickel estate in Twente. To reduce dependence on salt imports from Germany, the first licence for the production of rock salt was granted in Twente in 1918 (the Buurse licence). Traditionally, Dutch salt comes from this area. The rock salt is located at a shallow depth (350 to 500 m) and dates from the Triassic period, which lasted from about 251 to 200 million years ago. Seismic survey in the period 1950-1980 led to the discovery of even more salt accumulations. In the province of Groningen, rock salt has been produced at Heiligerlee and Zuidwending since 1954, and magnesium salt (magnesium chloride) has been produced at Veendam since 1972. The salt is found here in salt domes or salt pillows in the Zechstein rock layers. Since 1996, salt production is also carried out in the vicinity of Harlingen in Friesland at a depth of 2500 to 3000 m. Here too, the rock salt originates from the Zechstein period, which lasted from about 271 to 251 million years ago.

Image 1 - Salt production sites in the Netherlands[13]

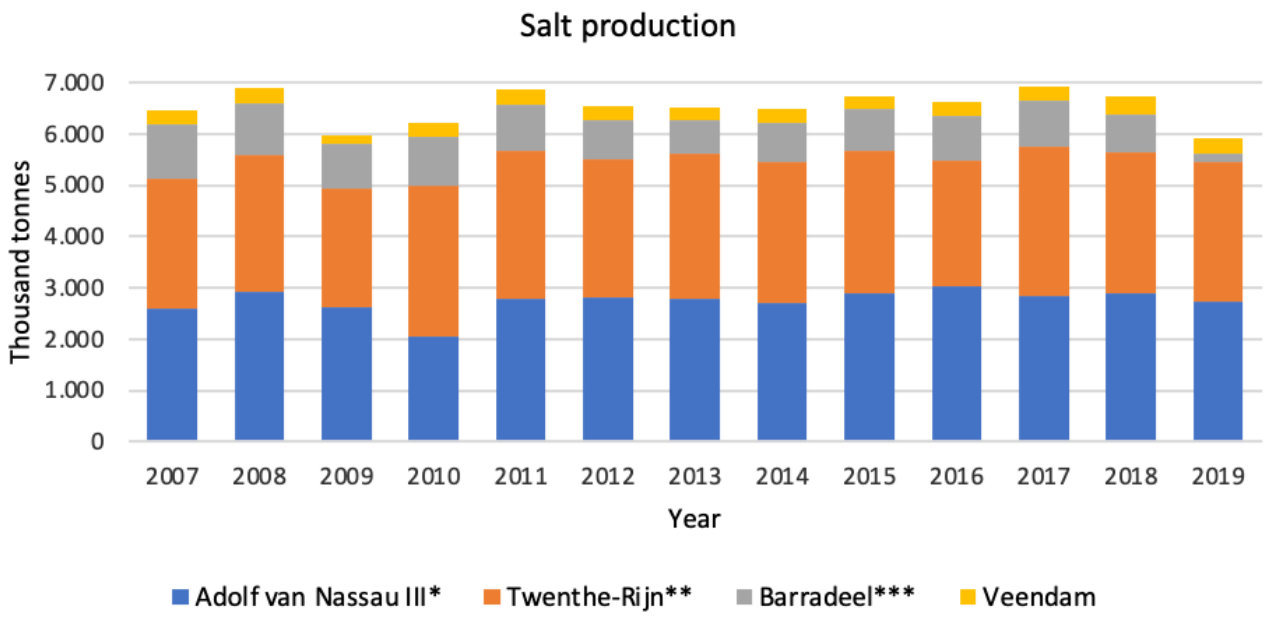
Source: www.nlog.nl/zout

12 https://opendata.cbs.nl/#/CBS/nl/dataset/84472NED/table?searchKeywords=steenkool

13 Basic data for all salt fields and production plans (public versions) of the developed fields are available. On https://www.nlog.nl/vragen-zout, go to *Selectiescherm zout* (Salt selection screen) and select *steenzout* (rock salt) in the field labelled *Delfstof* (Mineral).

Every year, more than 6 million tonnes of rock salt and about a quarter of a million tonnes of magnesium salt are produced in the Netherlands.[14] In 2019, salt production amounted to 5.9 million tonnes, and this was between 6 and 7 million tonnes in previous years (see Figure 1).

Figure 1 - Salt production 2007-2018 (in thousand tonnes)



Source: Annual Report 2018 - Natural Resources and Geothermal Energy in the Netherlands

In the Netherlands, salt is produced via solution mining. For this, one or more wells are first drilled into the salt layer. In order to produce rock salt, lukewarm water is pumped into the well to reach the salt deposits. The salt dissolves in the water, after which this brine is transported to the processing site. There, the raw brine is cleaned in a brine purification plant. Subsequently, the water is expelled in an evaporation unit and salt is formed. The space created by the production of rock salt (salt cavern) is filled up by the brine, unless the cavern is used for storage. Thereafter, the stored substance replaces the brine. This prevents the creation of a vacuum in the ground. A purification step is not required in the processing of magnesium chloride brine into an end product. During the production of magnesium salt, no hollow space is created: liquid, undissolved salt and rock remain behind in the cavern. The produced salt is intended for the chemical industry and for use in food for humans and animals. Salt is also used for softening the water supply and de-icing the road surface in winter conditions. It is possible to dimension the rock salt caverns in such a way that they can be used for the storage of other substances after the salt production is complete. No storage is possible in the caverns created during the production of magnesium salt. Since 2011, a number of former salt caverns at Zuidwending have been used for storing natural gas (the Aardgasbuffer Zuidwending storage facility). In case of high demand for gas, for example, on cold winter days, gas stored in the caverns is supplied to the gas network. Since 2012, a cavern at Heiligerlee has been used for the storage of nitrogen (the Stikstofbuffer Heiligerlee storage facility). Gas with a different composition can be made suitable for Dutch households by adding nitrogen. A number of salt caverns are in use in Enschede for the storage of diesel oil. The Netherlands strives to maintain strategic 90-day oil reserves in order to deal with a possible oil crisis. The storage of diesel oil started at the end of 2015.[15]

14 https://www.nlog.nl/zout
15 https://www.nlog.nl/zout

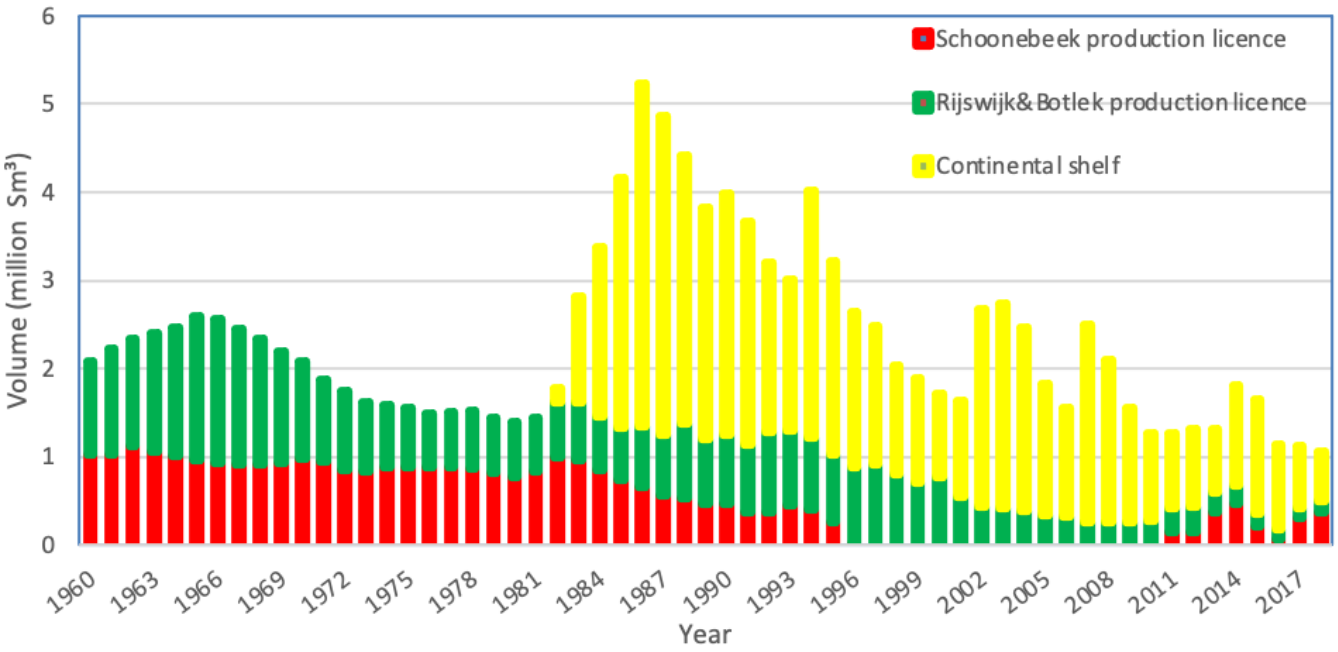
Two companies produce kitchen salt (sodium chloride) in the Netherlands. The first of these, Nouryon, operates in Twente and Groningen. The second company, Frisia (part of ESCO), is established in Harlingen and produces kitchen salt in Friesland. The company Nedmag (Veendam) produces magnesium salt (magnesium chloride).

Petroleum

In the Netherlands, petroleum is produced in Schoonebeek, in the area of Rijswijk and in the Dutch part of the continental shelf. Petroleum production started about halfway through the previous century. In 1923, 240 litres of oil were produced during a coal drilling operation in the Achterhoek region. This was the first oil find in the Netherlands.
In 1943, Bataafse Petroleum Maatschappij (BPM) discovered the Netherlands' biggest oil reserve near the village of Schoonebeek in Drenthe, which was the biggest oil field on the northwestern European mainland at the time. Exploitation of this oil field started after the war.
Petroleum is also being produced at offshore sites (the continental shelf) since the early 1980s.

In 1986, Dutch petroleum production peaked at 5.2374 million standard cubic metres (Sm^3)[16]. Thereafter, production levels gradually decreased (see Figure 2).

Figure 2 – Petroleum production 1960-2018



Source: Annual Report 2018 - Natural Resources and Geothermal Energy in the Netherlands

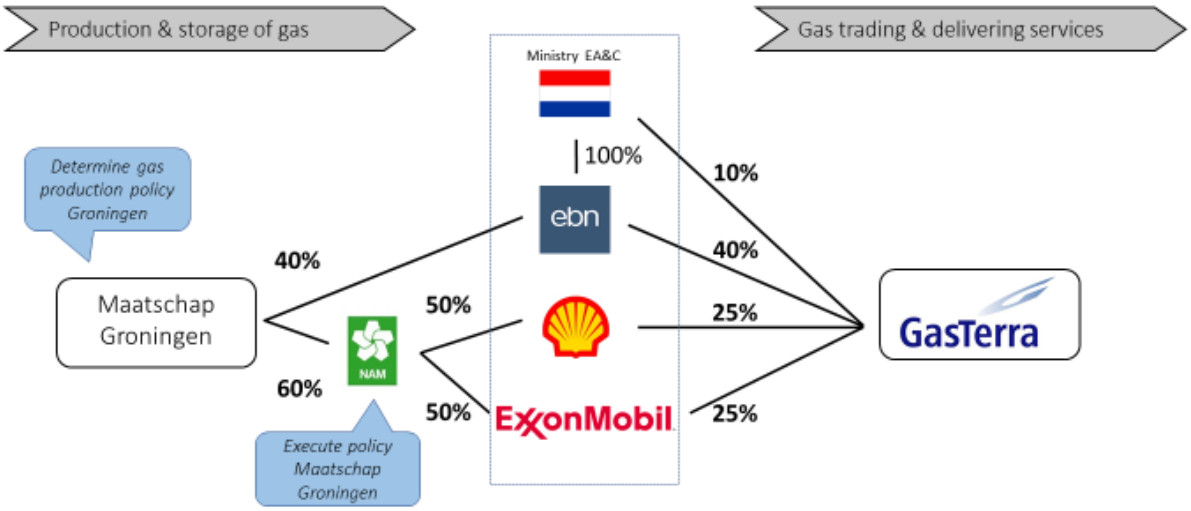
Natural gas

Until the beginning of the 1960s, only moderate volumes of natural gas had been produced in the Netherlands. In fact, at the time, exploration activities were focused on petroleum

16 The 2018 Annual Report entitled 'Natural Resources and Geothermal Energy in the Netherlands' displays natural gas volumes in normal cubic metres (Nm^3), where "normal" relates to the reference conditions 0°C and 101.325 kPa:1 Nm^3 = 0.9475 Sm^3.
In some cases, natural gas volumes are displayed in Groningen natural gas equivalents (m^3 Geq) of 35.17 Megajoules gross calorific value per m^3 at 0°C and 101.325 kPa.
These instances are explicitly indicated in the text.
Volumes of petroleum and condensate are shown in standard cubic metres (Sm^3). Here, "standard" relates to the reference conditions 15°C and 101.325 kPa.

rather than natural gas. When Nederlandse Aardolie Maatschappij (the NAM) – a joint venture between Shell (Bataafse Petroleum Maatschappij at the time) and ExxonMobil (Standard Oil Company at the time) – discovered the first volumes of economically recoverable gas in the Netherlands in 1948, even the most optimistic estimates indicated that this gas would only be able to meet a very limited part of the Dutch energy demand. This changed when the Groningen gas field was discovered in 1959. It soon became clear that this was the biggest gas field in the world at that time. The licence (called a 'concession' at the time) for the Groningen gas field was granted to the NAM by the Royal Decree of 30 May 1963, on the condition that the State would have an equal say in the development of the gas field and the sale of the natural gas. With this in mind, a partnership called Maatschap Groningen was established that would be responsible for the exploitation and management of the Groningen gas field. At the same time, a new public limited company was set up for the purchase, transport and sale of the natural gas produced under the Groningen licence: N.V. Nederlandse Gasunie. All the agreements entered into between the State and the private companies in question, i.e. Shell and ExxonMobil, together form the basis for the Gasgebouw partnership[17]. The parties regulated the ownership and control structures within the Maatschap Groningen partnership and Gasunie based on the Cooperation Agreement (*Overeenkomst van Samenwerking, OvS*) (see Figure 2). The agreements also set out the payments due to the State on gas production revenues.

Image 2 – Structure and division of ownership in the current Gasgebouw partnership



Source: EBN

The Gasgebouw partnership has been regularly updated over the last century as required based on developments in prices, supply and demand, but the basis had remained unchanged. However, this basis was no longer possible once the European gas market started being liberalised from 1997.
Therefore, the Gasgebouw partnership was restructured in 2005, whereby Gasunie was split up into a transport company (which retained the name of Gasunie and became the property of the State) and a trading company called GasTerra for which the original ownership and control structures were retained. See the 2017 NL-EITI report for a detailed explanation of the Gasgebouw and Maatschap Groningen partnerships and the parties involved.

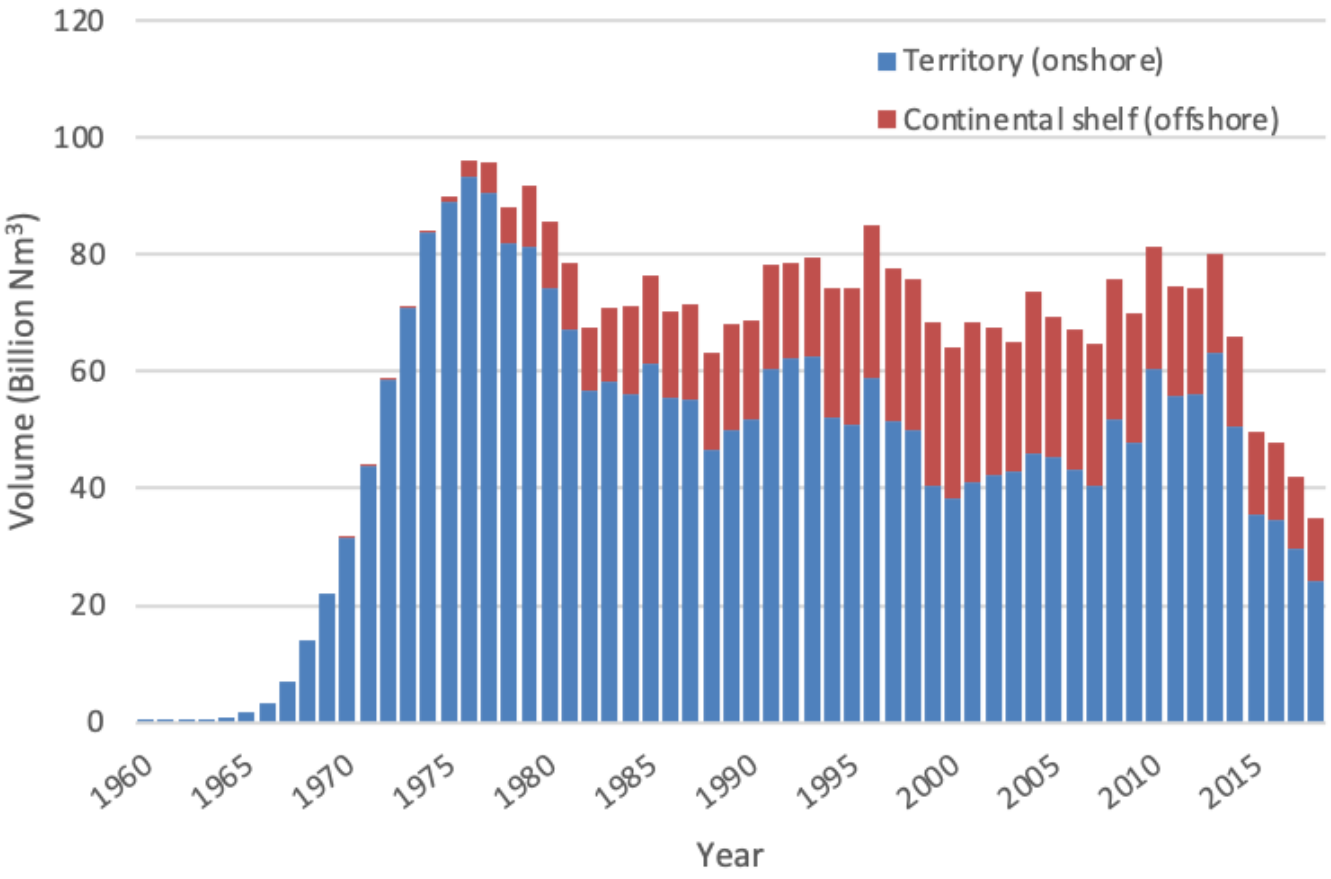
17 For an overview of these agreements, see the 2017 NL-EITI report.

Groningen gas field

The NAM estimates the original volume of recoverable gas reserve at the Groningen gas field to be approximately 2,900 billion cubic metres (m^3). Of this, approximately 2,227 billion Nm^3 was produced in the period up to 2019[18].

The Groningen gas field occupies an exceptional position in the Netherlands because it has been used to promote the development of other, smaller gas fields. Gas production in Groningen was increased if required due to a harsh winter or reduced in case of a limited demand for natural gas. This is clearly visible in Figure 3 that displays the total natural gas production.

Figure 3 - Natural gas production 1960-2018[19]



Source: Annual Report 2018 - Natural Resources and Geothermal Energy in the Netherlands

Figure 3 also shows that volumes have fallen sharply after 2013. This was because of earthquakes in Groningen. The earthquake that struck the Huizinge area on 16 August 2012 prompted a change in policy regarding production at the Groningen gas field. Research has shown that increased seismicity in the area (leading to more frequent and heavier quakes) was caused by gas production activities.[20]

Since 2014, the maximum production level at the Groningen gas field has been laid down by decision of the Minister of Economic Affairs and Climate Policy. See Table 1 for an overview of the actual and permitted production per gas year[21] in the period 2014-2019.

18 See www.nlog.nl and the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for the production figures for the Groningen gas field.
19 Territory: onshore. Continental shelf: offshore.
20 https://www.cambridge.org/core/journals/netherlands-journal-of-geosciences/issue/induced-seismicity-in-the-groningen-gas-field-the-netherlands/5AD5EE9E8EF77A8DE50D6D60963AFFBB
21 The gas year runs from 1 October to 30 September.

Table 1 – Actual and permitted production at the Groningen gas field 2014-2019

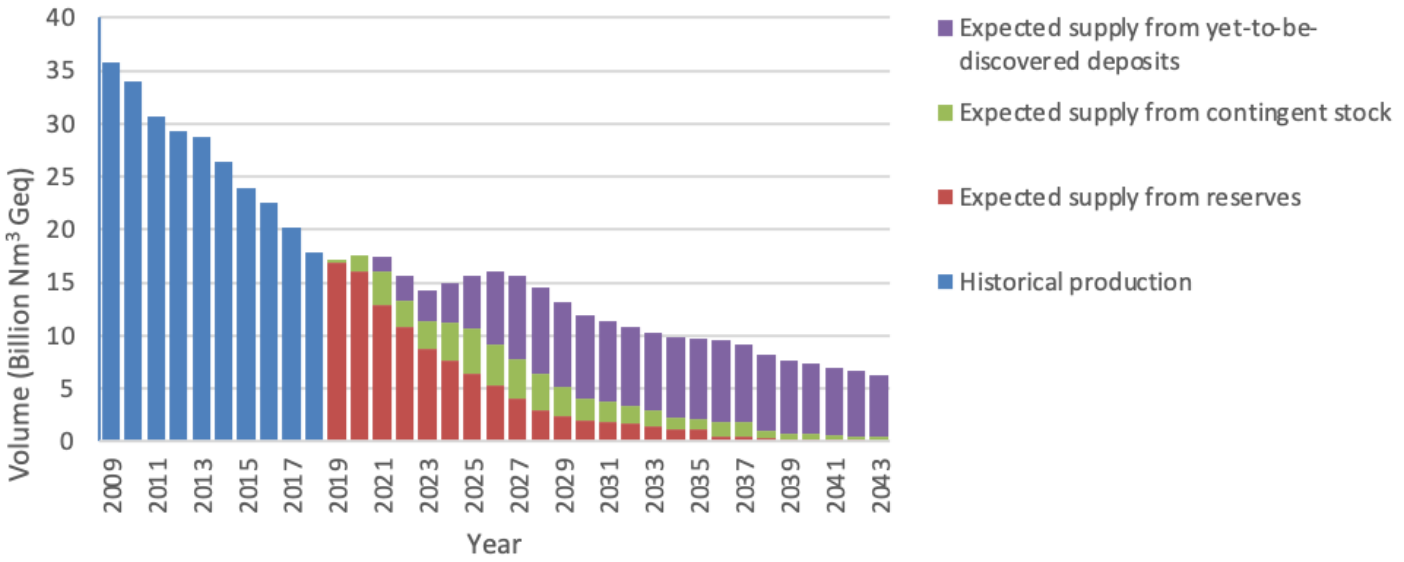
Natural gas year	Actual production (billion Nm³)	Permitted production (billion Nm³)
2014-2015	35	
2015-2016	27	27
2016-2017	24	24
2017-2018	20,1	21,6
2018-2019	17,5	17,5

Source: https://www.nam.nl/feiten-en-cijfers.html

Small gas fields

Besides the large Groningen gas field, the Netherlands also has many smaller onshore and offshore gas fields. Following the energy crisis in the early 1970s, the Dutch government developed its Small Fields Policy (*Kleineveldenbeleid*) in 1974 to promote gas production at the smaller (compared to the Groningen gas field) gas fields. Through this, the government wanted to make the best possible use of Dutch mineral resources[22].
Production from the small fields has gradually decreased over the past decade to less than 20 billion Nm³ Geq[23] per year. Over the next 25 years, total production (including the gas fields yet to be discovered) is expected to gradually decrease to approximately 6 billion Nm³ Geq in 2043 (see Figure 4).

Figure 4 – Actual and expected natural gas production from the small fields in the period 2008-2042. The Groningen gas field is not included in these figures.



Source: Annual Report 2018 - Natural Resources and Geothermal Energy in the Netherlands

More information about the production forecast for the small fields can be found in Chapter 1.6. of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands[24].

22 For more information about the usefulness and necessity of gas production from small gas fields, take a look at the video on: https://www.rijksoverheid.nl/onderwerpen/gaswinning-uit-kleine-gasvelden/documenten/videos/2020/04/28/ waarom-wint-nederland-gas-uit-kleine-gasvelden

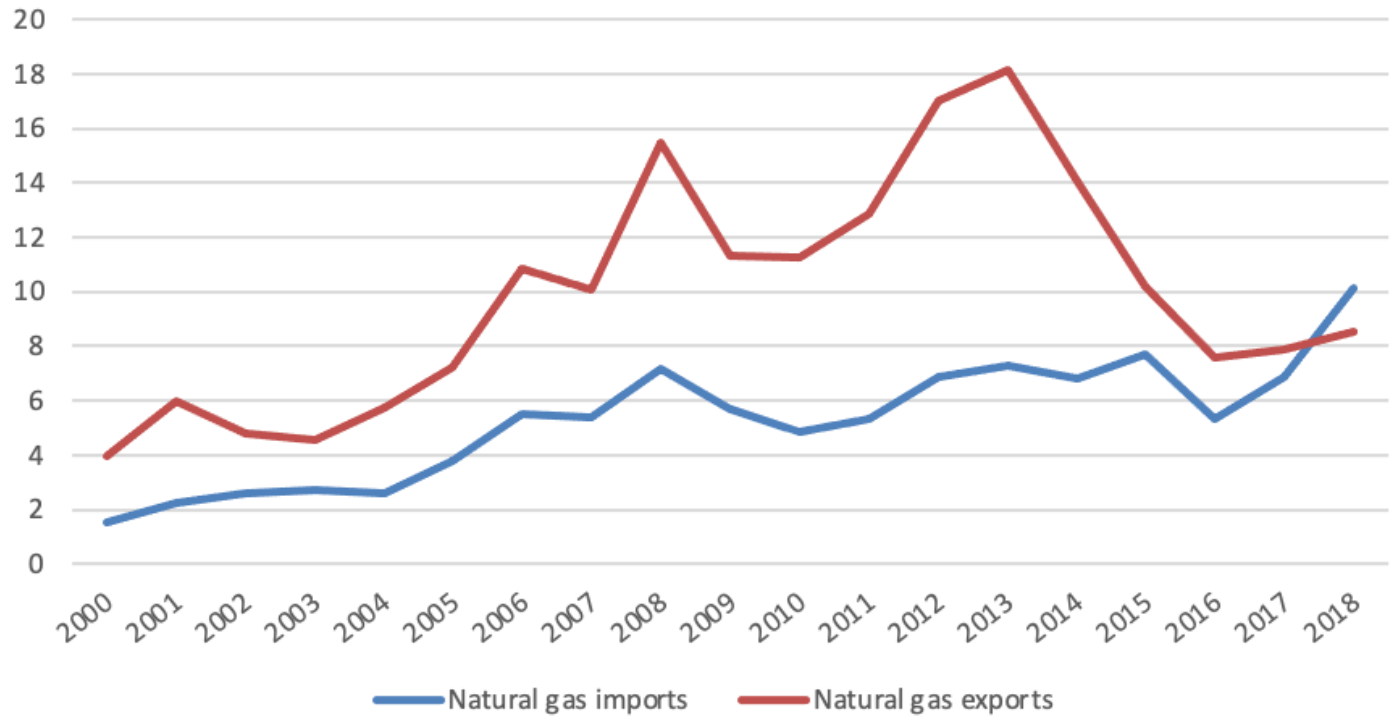
23 The quantities have been converted into Groningen natural gas equivalents; see page 6 of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands or Note 15.

24 https://www.nlog.nl/jaarverslagen

Import and export of natural gas

The Netherlands has been exporting natural gas since the late 1960s. Given the decrease in gas production in the Netherlands, the import of gas - primarily from Norway and Russia - has increased in recent years. A total of €10.1 billion worth of gas was imported in 2018, more than double the volume imported in 2011. Also in 2018, €8.5 billion worth of gas was exported. This made the Netherlands a net importer of natural gas for the first time in 2018 (see Figure 5).

Figure 5 – Import and export of natural gas (in billion euros)



Source:CBS

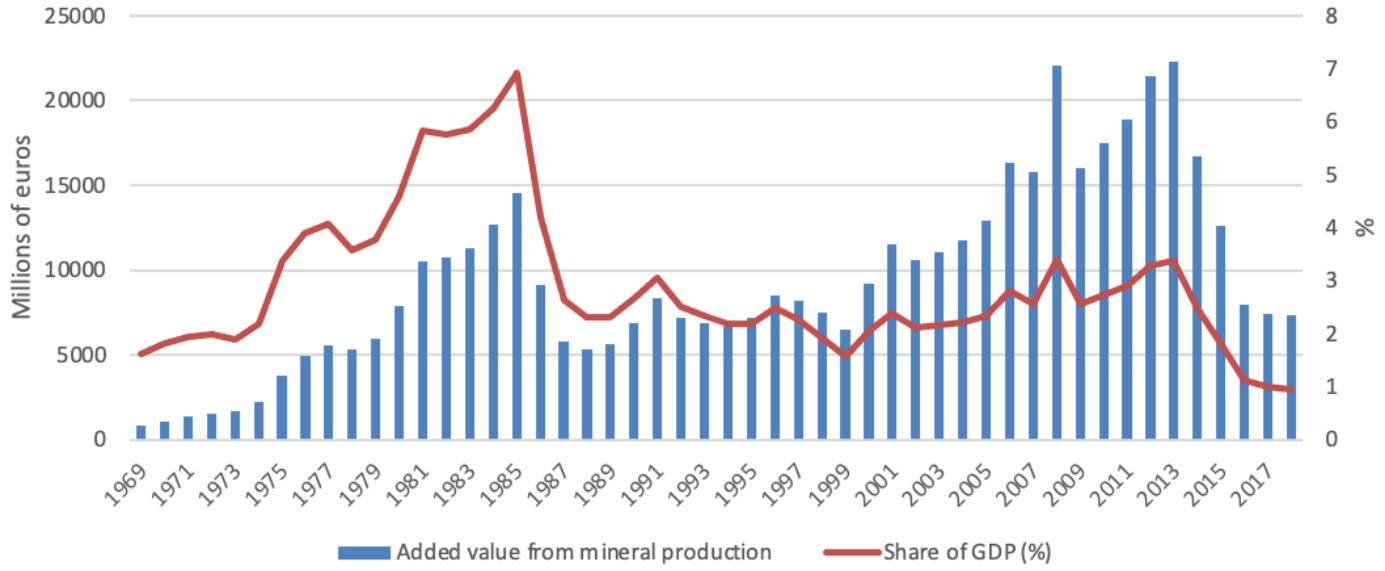
2.1.2. Economic significance of mining and quarrying in the Netherlands[25]

Mining and quarrying in general - and gas production in particular - have been and continue to be of great significance to the Dutch economy primarily because of their contribution to national energy supply, economic growth and employment. Firstly, gas has accounted for more than 50% of the energy consumption in the Netherlands since the 1970s.[26] Compared to other fossil fuels, it is a less polluting energy source and it helped to make The Netherlands less dependent on other countries. Secondly, mining and quarrying has contributed strongly to economic growth in the Netherlands. Finally, the contribution to the economy is mainly thanks to natural gas revenues and the value added generated by natural gas extraction. Since the mid-1970s, the added value of mining and quarrying has fluctuated between €5 billion and more than €12 billion per year, a value that is largely generated through gas extraction. Following a peak of 7% in 1985, mining and quarrying contributed between 2% and 4% to GDP (see Figure 6).

Figure 6 – Importance of mining and quarrying for the Dutch economy

25 Statistics Netherlands (*Centraal Bureau voor de Statistiek, CBS*) breaks down mining and quarrying as follows in the graphs below: 1) extraction of crude petroleum and gas (NACE Code 06); 2) mining and quarrying (no oil and gas), including salt and surface minerals (NACE Code 08); and 3) mining support activities (NACE Code 09). This concerns service companies that explore new oil and gas reserves for the industry.

26 The 1973 oil crisis was the immediate reason for the introduction of the Small Fields Policy, which was aimed at enabling the Netherlands to meet its energy demand independently, as far as possible, in the longer term.



Source: CBS

After 2013, the added value of gas extraction fell sharply as a result of the limitations placed on production from the Groningen gas field.

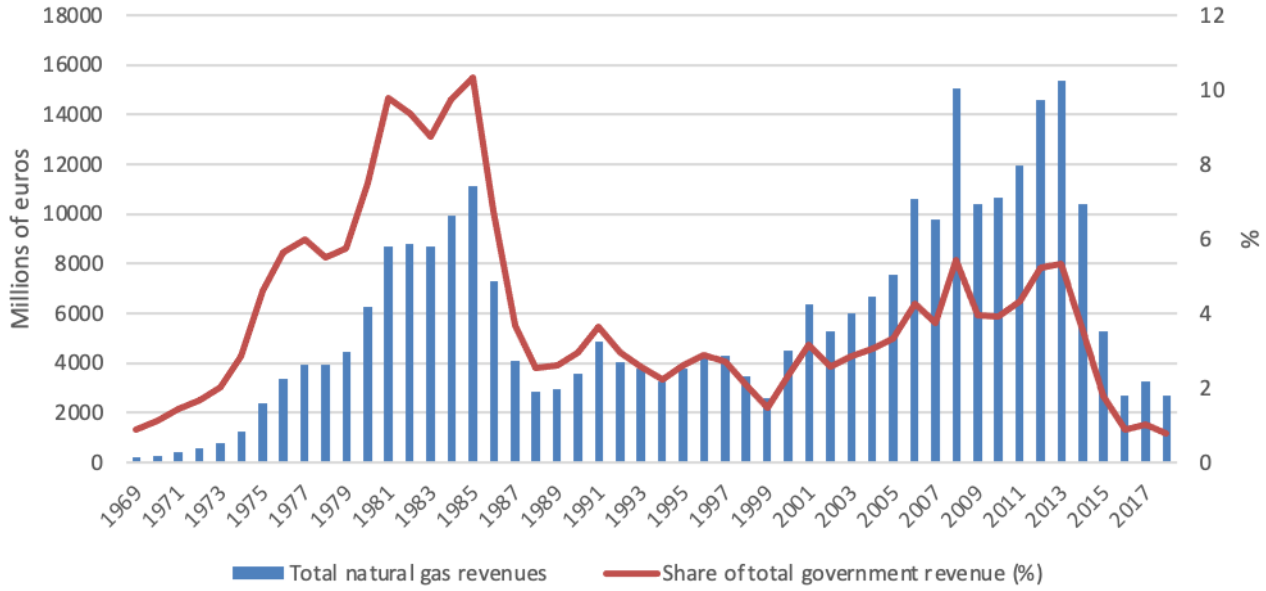
The Netherlands does not have any activities in the informal sector such as in the area of artisanal and small-scale mining.

Natural gas revenues

Besides contributing to economic growth, gas production has made another positive contribution to the Dutch economy: the State benefits from natural gas production via mining levies, corporate income tax and dividends[27], referred to jointly as the natural gas revenues. In the early 1980s and at the start of the current century, these natural gas revenues were approximately €10 billion per year. However, significant revenues were recorded outside these peaks as well, generally representing between 5% and 10% of total government revenues. Since 1965, the government has received a total of €416.8 billion in natural gas revenues (expressed in 2018 prices). Fluctuations in natural gas revenues were primarily due to variations in the price of natural gas.[28]

27 EBN pays dividends to the State.
28 https://www.cbs.nl/nl-nl/nieuws/2019/22/aardgasbaten-uit-gaswinning-bijna-417-miljard-euro

Figure 7 – Natural gas revenues for the Government of the Netherlands

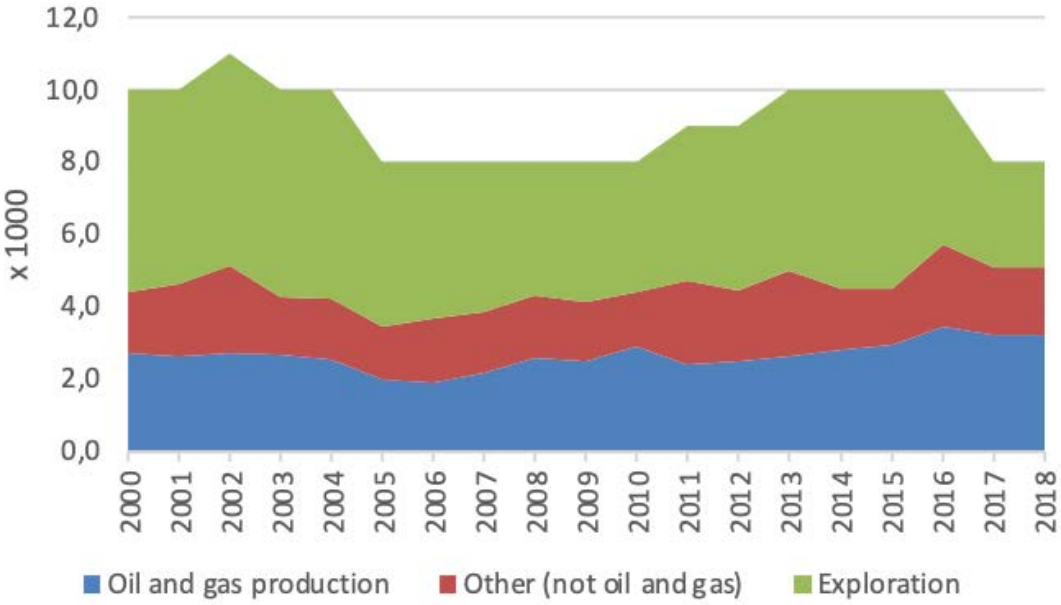


Source: CBS

Since the production phase-out at Groningen, natural gas revenues[29] have fallen dramatically.

Thirdly, mining and quarrying activities have helped create the necessary jobs. In 2018, the mining and quarrying provided for approximately 8,000 jobs (full-time equivalents). At the time, this represented 0.11% of total employment (see Figures 8 and 9). In contrast to the value added, this is a very modest percentage of the total labour market.

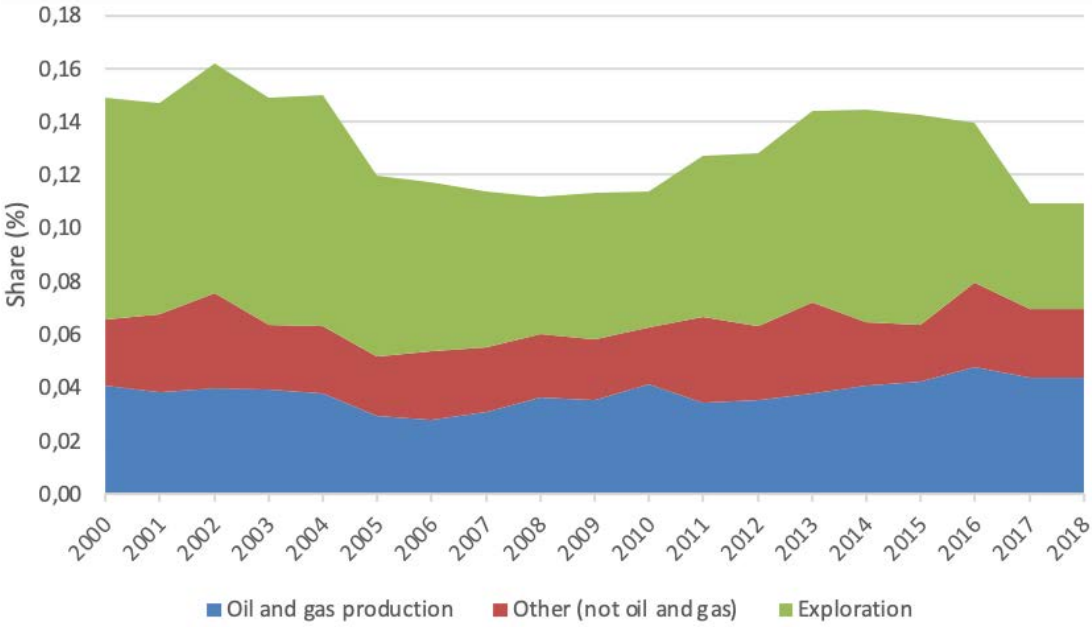
Figure 8 – Total employment (volume of labour) in mining and quarrying



Source: CBS

29 Natural gas revenues are government revenues derived from the exploration and production of natural gas in the Netherlands. These revenues mainly consist of licence fees paid for the exploitation of natural gas and petroleum fields and the profits from the sale of mineral resources. In addition, the Dutch government also receives corporate income tax from the companies that exploit the natural gas and petroleum fields.

Figure 9 – Total employment from mining and quarrying, as a share of total employment



Source: CBS

2.2. Developments in 2018

2.2.1. Introduction

The most important developments in 2018 were determined by the consequences of the earthquakes in Groningen and the transition to a sustainable energy supply. For example, the Dutch government has announced more measures for the accelerated phase-out of gas production from the Groningen gas field. It is essential that the phasing out of the production and use of natural gas in the Netherlands goes hand in hand with the development of sustainable alternatives.

As part of the current Coalition Agreement, ambitious plans have been announced in the area of climate and energy. Two important pillars of the national ambition are a Climate Act (*Klimaatwet*) and a Climate and Energy Agreement (*Klimaat- en Energieakkoord*).[30] On 6 September 2013, more than 40 organisations - including government bodies, employers, trade unions, nature and environmental organisations, civil-society organisations and financial institutions - committed themselves to the Energy Agreement for Sustainable Growth (*Energieakkoord voor duurzame groei*[31]). On 28 June 2019, the government presented the Climate Agreement (*Klimaatakkoord*[32]) and started implementing it.

This section will first focus on the process of ending gas production in Groningen, including the gradual phasing out of GasTerra. Secondly, attention will be devoted to the transition to a sustainable energy supply, especially in relation to the production of minerals, wind energy and geothermal energy. Thirdly, the role of gas in the present and future energy system will be examined. By providing this information, the NL-EITI MSG wants to stimulate the public debate on the use of minerals for society, especially in the transition to a sustainable society.

30 https://zoek.officielebekendmakingen.nl/kst-32813-157.html
31 https://www.energieakkoordser.nl/energieakkoord.aspx
32 https://www.klimaatakkoord.nl

2.2.2. End of gas production in Groningen and gradual phasing out of GasTerra

End of gas production in Groningen

In 2018, the Dutch government decided to put a complete stop to gas production from the Groningen gas field as soon as possible.[33] The figures from Gasunie Transport Services (GTS) show that, from mid-2022, gas production in Groningen could be nil, provided there is no severe winter or other exceptional circumstances. Based on the GTS advisory report, complete closure of the gas field is expected to be feasible at the latest by 2026, and possibly even earlier.[34] According to the government, this is "the best way to guarantee safety and the perception of safety in Groningen". After all, the phase-out of gas production activities in the Groningen gas field is the best way to tackle the earthquake-related problems at the source.[35] The Minister of Economic Affairs and Climate Policy has therefore submitted a bill to amend the Gas Act (*Gaswet*) and Mining Act[36]. The legislative amendment came into effect on 1 October 2019 and in line with this the Groningen gas field is only allowed to produce the amount of gas necessary to ensure security of supply[37]. The Minister has requested the GTS to advise him on the minimum required volume of gas to be produced from the Groningen gas field, so that he can accordingly instruct the NAM to produce this amount[38]. The Minister will also ask Dutch State Supervision of Mines (SSM) (*Staatstoezicht op de Mijnen, SodM*) for advice regarding this process.[39] For more information about the measures, see the Letter to Parliament of 29 March 2018.[40]

In the Letter to Parliament of 30 May 2018 regarding gas production from small fields as part of the energy transition[41], the Minister of Economic Affairs and Climate Policy makes a distinction between safety and the perception of safety: "Every gas production operation, even at a small field, entails certain risks, no matter how minor. However, the risks of gas production from small fields are not comparable in size and impact to those of gas production in Groningen. This means that it is appropriate to pursue a different policy for gas production from the small fields than for the Groningen gas field." The Minister has opted for a gradual phase-out, where gas is produced as long as and insofar as this gas is still needed and only where this can be done safely and responsibly. Where this is not possible, the Minister wishes to terminate production. The Minister is also looking at how the lessons learnt from Groningen can be applied to the small fields.[42]

For new onshore gas fields and in case of essential changes in production at existing onshore gas fields, the consequences and risks will be identified in detail prior to the start of or change in the production. A fixed method known as the Seismic Risk Analysis (SRA) will be used for this. If this analysis shows that gas production at a particular field could lead to earthquakes, specific conditions will be attached to the production decision in order to minimise the risk. The conditions will relate to the areas of monitoring, surveys and control measures.[43]

33 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/03/29/kamerbrief-over-gaswinning-groningen
34 https://zoek.officielebekendmakingen.nl/kst-33529-678.html
35 https://zoek.officielebekendmakingen.nl/kst-33529-678.html
36 https://zoek.officielebekendmakingen.nl/kst-34957-47.html
37 https://zoek.officielebekendmakingen.nl/kst-34957-47.html
38 The Mining Act had stipulated that "once a production level has been set, this volume could be produced irrespective of whether or not this volume is genuinely needed in a given year".
39 See: https://www.rijksoverheid.nl/documenten/kamerstukken/2020/02/21/kamerbrief-over-raming-gaswinning-groningen-2020-2021-en-verder and https://www.nam.nl/nieuws/2019/productie-groningen-gasveld-gasjaar-2018-2019.html
40 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/03/29/kamerbrief-over-gaswinning-groningen
41 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/05/30/Kamerbrief-over-gaswinning-uit-kleine-velden
42 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden
43 The Mining Act has been amended to this effect as of 1 January 2017, i.e. the social preconditions for production have been made more stringent.

In the reduction phase of the energy transition, the government prefers to produce gas from small fields - insofar as this can be done safely and responsibly - rather than import gas. "The government prefers to produce gas from onshore and offshore small fields in the Netherlands because this is better for the climate, employment and for preserving knowledge of the deep subsurface and the existing infrastructure.[44] At the same time, domestic production reduces the increasing dependence on imports from other countries."[45]
The government is making every effort to maintain an economic perspective for the gas sector to prevent gas production, and in particular production from the small fields on the Dutch part of the continental shelf, from being discontinued within the short term due to the poor investment climate. Partly for this reason, the government submitted a bill on 19 May 2020 to the House of Representatives to amend the Mining Act.[46] This bill proposes to replace the existing investment tax credit of 25% for investments in the exploration and production of natural gas from certain marginal gas fields in the North Sea with a generic investment tax credit of 40% for investments that promote the exploration and production of hydrocarbons. In addition, this bill clarifies, updates and supplements the provisions of the Mining Act regarding the removal, and in the context of the energy transition, reuse of the oil and gas infrastructure as well as the financial guarantees to be provided in this context.[47]
The government is also working on a different approach to the social preconditions for gas production from small fields along the following lines:

1. Area restrictions for the production of natural gas;
2. Handling of damage claims;
3. Involvement of the local community;
4. Decommissioning and removal of obsolete infrastructure.

For more information on this, see the Letter to Parliament of 30 May 2018.

In view of the termination of gas production in Groningen and following intensive discussions with Shell and ExxonMobil, the Minister entered into a General Agreement (*Akkoord op Hoofdlijnen*) in 2018 regarding the future of the Gasgebouw partnership[48]. "The State is taking control of gas production from the Groningen gas field in all areas. At the same time, Shell, ExxonMobil and the NAM will fulfil their responsibilities. The Agreement stipulates that the NAM will continue to pay for all damage to and reinforcement of buildings. Shell and ExxonMobil guarantee this. The NAM will provide €500 million as part of a government contribution to the future prospects for the region. Moreover, it has been agreed that Shell and ExxonMobil will waive any claims regarding the remaining gas reserves in the Groningen gas field that will no longer be produced." A number of arrangements from the General Agreement need to be elaborated further via agreements: "1) Shell and ExxonMobil's guarantees relating to building damage and reinforcement; 2) the change in the payment system for Groningen and the four older the NAM licences (see also § 3.3 and Appendix 4); and 3) confirmation that the suspensive conditions have been met for the waiver of a possible claim for the remaining gas reserves." For more information on this, see Parliamentary Paper 33529, no. 525.[49]

44 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden
45 See the Letter to Parliament of 19 February 2020 answering questions about the article entitled 'The Netherlands will have to import gas much earlier and in much greater volumes than previously envisioned' and the Letter to Parliament of 6 March 2020 answering questions about the message that 'Discontinuing gas actually leads to more CO_2'.
46 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/03/30/kamerbrief-over-de-rol-van-gas-in-het-energiesysteem-van-nu-en-in-toekomst
47 https://www.tweedekamer.nl/kamerstukken/wetsvoorstellen/detail?id=2020Z08961&dossier=35462
48 https://www.tweedekamer.nl/kamerstukken/wetsvoorstellen/detail?id=2020Z08961&dossier=35462, see: Explanatory Memorandum, Chapter 1, §1.
49 https://zoek.officielebekendmakingen.nl/kst-33529-493.html and https://zoek.officielebekendmakingen.nl/kst-33529-525.html

In the Letter to Parliament of 21 February 2020[50], the Minister confirms that "the analyses show that gas production from the Groningen gas field will no longer be necessary in an average year from mid-2022 onwards. To end gas production as quickly as possible in a responsible manner is contingent on a number of necessary preconditions: 1) the timely completion of the Zuidbroek nitrogen plant; 2) sufficient progress in reducing the demand for low-calorific gas; 3) the continued availability of the Norg gas storage facility; and 4) a sufficient supply of high-calorific gas."

Phase-out of GasTerra

In the Letter to Parliament of 7 October 2019[51], the Minister writes to the House that the developments surrounding the phasing out of gas production from the Groningen gas field make the dismantling of the Gasgebouw partnership inevitable. "Stopping gas production from Groningen heralds the end of the public-private partnership in GasTerra[52], which acts as the Groningen gas sales office and forms the core of the Gasgebouw." "GasTerra is a trading company based in Groningen with approximately 150 employees. It is a private limited company whose shareholders include the State (50% shareholding of which 10% is held by Ministry of Economic Affairs and Climate Policy and 40% by EBN), Shell (25%) and ExxonMobil (25%). The core of this public-private partnership - as outlined in the Cooperation Agreement of 1963 - concerns the sale by GasTerra of the Groningen gas produced by the NAM. This role of GasTerra is legally enshrined in Section 54 of the Gas Act.[53]

With the accelerated phasing out of gas production from the Groningen gas field and the near termination of this activity in 2022, GasTerra's core activity as a sales office for Groningen gas will end. The preferred scenario for the shareholders is a gradual phasing out of the GasTerra company in the foreseeable future. At the General Meeting of Shareholders of 4 October 2019, the shareholders asked the Management Board to submit a draft phase-out plan[54] for this. The shareholders consider it important that this plan is designed with the greatest care and with due consideration for employees. On 1 July 2020, GasTerra adopted the plan for the phasing out of the company. The phase-out plan works towards terminating GasTerra's business activities. These activities will end on 31 December 2024[55].

"During the phase-out process, GasTerra will continue to perform its statutory tasks, i.e. not only the aforementioned task pursuant to Section 54 of the Gas Act but also its task with respect to the small fields, i.e. to make an offer in line with market conditions at the request of the producers. The Minister will consider to what extent these statutory tasks are still necessary in the future, and if so, whether they can be assigned to other parties."

Mining Damage Committee

In the context of the handling of damage caused by mining, Minister Wiebes informed the House in the Letter to Parliament of 9 June 2020 that the Mining Damage Committee (*Commissie Mijnbouwschade*) has been operational since 1 July 2020. With the establishment of this Committee, there is now a national desk for reporting mining damage.

"From 1 July 2020, people who suspect any damage as a result of mining activities may contact the Mining Damage Committee. From 1 July onwards, the Committee is authorised to issue an opinion regarding any damage caused by gas production from small gas fields and gas storage. Citizens with damage to their home and micro-businesses with damage

50 https://zoek.officielebekendmakingen.nl/kst-33529-493.html
51 https://www.rijksoverheid.nl/documenten/kamerstukken/2019/10/07/kamerbrief-geleidelijke-afbouw-gasterra
52 For more information about GasTerra, see also: https://www.rijksoverheid.nl/documenten/kamerstukken/2020/06/16/jaarverslag-beheer-staatsdeelnemingen-2019
53 https://wetten.overheid.nl/BWBR0011440/2020-02-01
54 For more details about the GasTerra phase-out plan, see: https://www.rijksoverheid.nl/documenten/kamerstukken/2019/10/07/kamerbrief-geleidelijke-afbouw-gasterra
55 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/09/24/afbouwplan-gasterra

to their premises may report the damage to the Committee. Reporting salt production damage to the Committee is also expected to be possible in the foreseeable future. Finally, talks are underway with the geothermal energy sector and discussions are being initiated with the legal successors to the former coal mining industry. These discussions should lead to the Committee also being able to issue an opinion, by the end of 2020, regarding possible damage as a result of mining activities in these sectors. Until then, the Committee can provide guidance regarding the correct procedure for reporting these types of damage."

2.2.3. Energy transition

Government policy aims to phase out the use of fossil energy sources such as oil and gas. However, it is clear that natural gas will continue to play an important role during the transition to a sustainable energy supply. The government believes that, as long as we have natural gas reserves in the Netherlands and this gas can be produced safely and responsibly, it is the preferred option to imported gas. This is important for the economy and employment as well as for the geopolitical position of the Netherlands. It also helps in preserving knowledge about the deep subsurface. Last but not least, it is better for the climate because production in the Netherlands is cleaner than in most countries from which gas is imported (Policy Letter on the Reassessment of Gas Extraction at Small Fields (*Beleidsbrief Herijking Gaswinning Kleine Velden*), May 2018).[56]

The transition to a carbon-neutral energy system in 2050 is a key focus area for the oil and gas industry. There are still considerable reserves of natural gas under the North Sea as well as onshore that can be produced safely and responsibly and can be used in the coming decades to supply the Netherlands with energy. In total, gas production from the small fields over the period 2018 to 2050 can still lead to the production of a gas volume of 232 to 335 billion m³ per year, of which approximately 60% will come from offshore reserves.[57] Over the period from 2018 to 2050, this will generate natural gas revenues of €10 to €38 billion.[58] At present, between 10 and 15 billion Nm³ of natural gas is produced at sea. The domestic demand for natural gas is 35 billion Nm³ per year. Now that the Netherlands has become a net gas importer since 2018, the importance of domestic production has become even more prominent.

Moreover, NOGEPA[59] is working with its members to further reduce the climate footprint of gas production in the Netherlands, for example, by investing in a substantial reduction in methane emissions by 50% in 2021 (120,000 tonnes of CO2 equivalent).

Sustainable energy

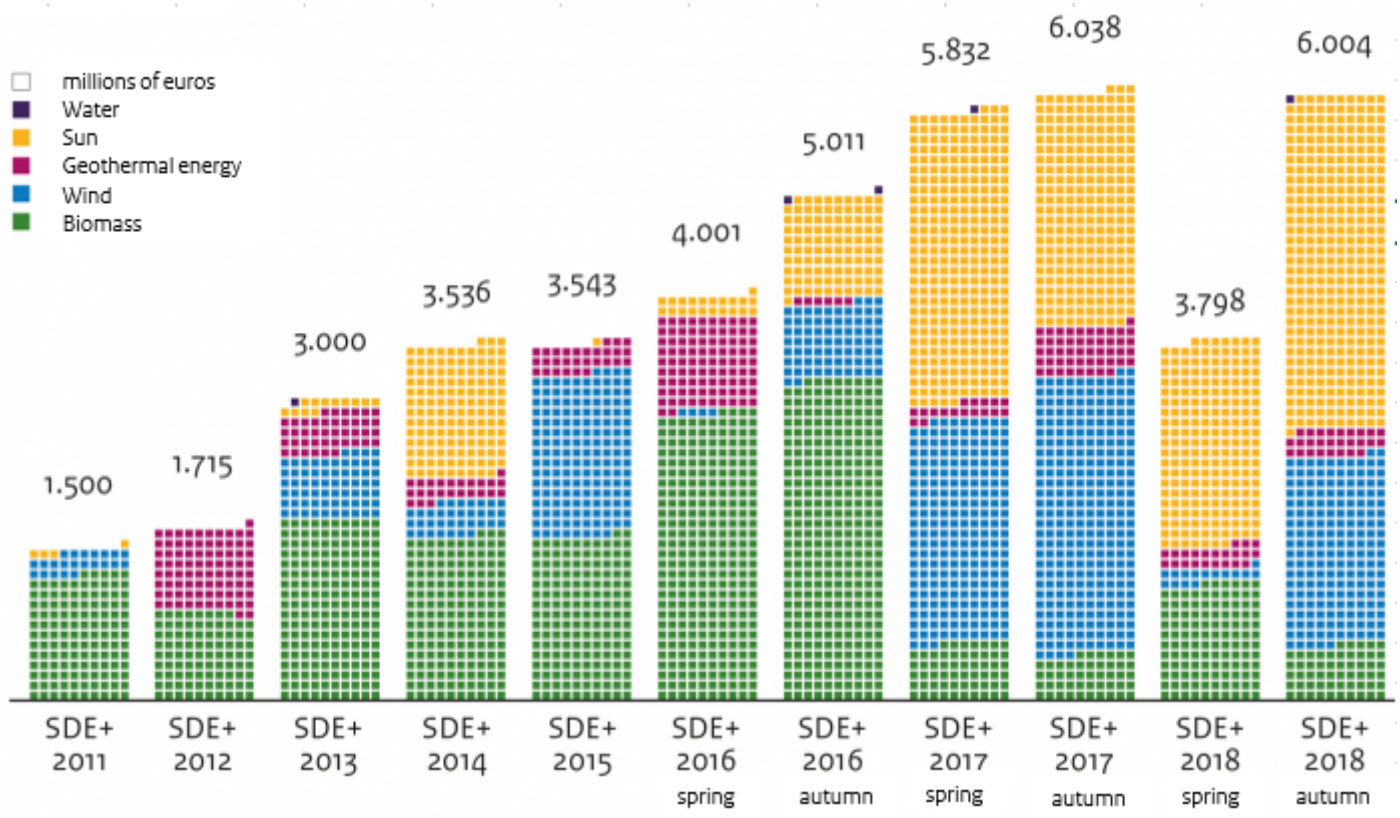
Promoting sustainable energy is an important pillar of the government's climate policy. The Ministry of Economic Affairs and Climate Policy promotes the development of a sustainable energy supply in the Netherlands through the Stimulation of Sustainable Energy Production (*Stimulering Duurzame Energieproductie*, *SDE+*) subsidy. The SDE+ focuses on companies and non-profit or other institutions that want to produce sustainable energy.[60] A budget

56 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/09/24/afbouwplan-gasterra
57 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden
58 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden
59 NOGEPA is the Netherlands Oil and Gas Exploration and Production Association. It represents the interests of companies that have licences to explore or produce natural gas in the Netherlands.
60 The cost price of sustainable energy is higher than that of grey energy. The SDE+ compensates the difference between the cost price of grey energy and that of sustainable energy over a period of 5, 8, 12 or 15 years, depending on the technology.

of €12 billion was made available for 2018. Of this, €9.8 billion was ultimately allocated to the commitments undertaken (see Figure 10). This included more than €2 billion in onshore wind projects[61] and €486 million in geothermal energy projects.
Figure 10 shows the budget allocated to various technologies for the generation of sustainable energy. The energy to be generated by the project is not yet being produced at the time of allocation (i.e. the time at which the commitment is entered into following a decision thereto), so payment is made on the basis of actual production.

The Netherlands Enterprise Agency website[62] contains an overview of all SDE projects with an associated subsidy decision. For each project, the installation capacity and the amount of subsidy granted are indicated.

Figure 10 – Commitment budget per technology in various SDE+ rounds (in millions of euros)

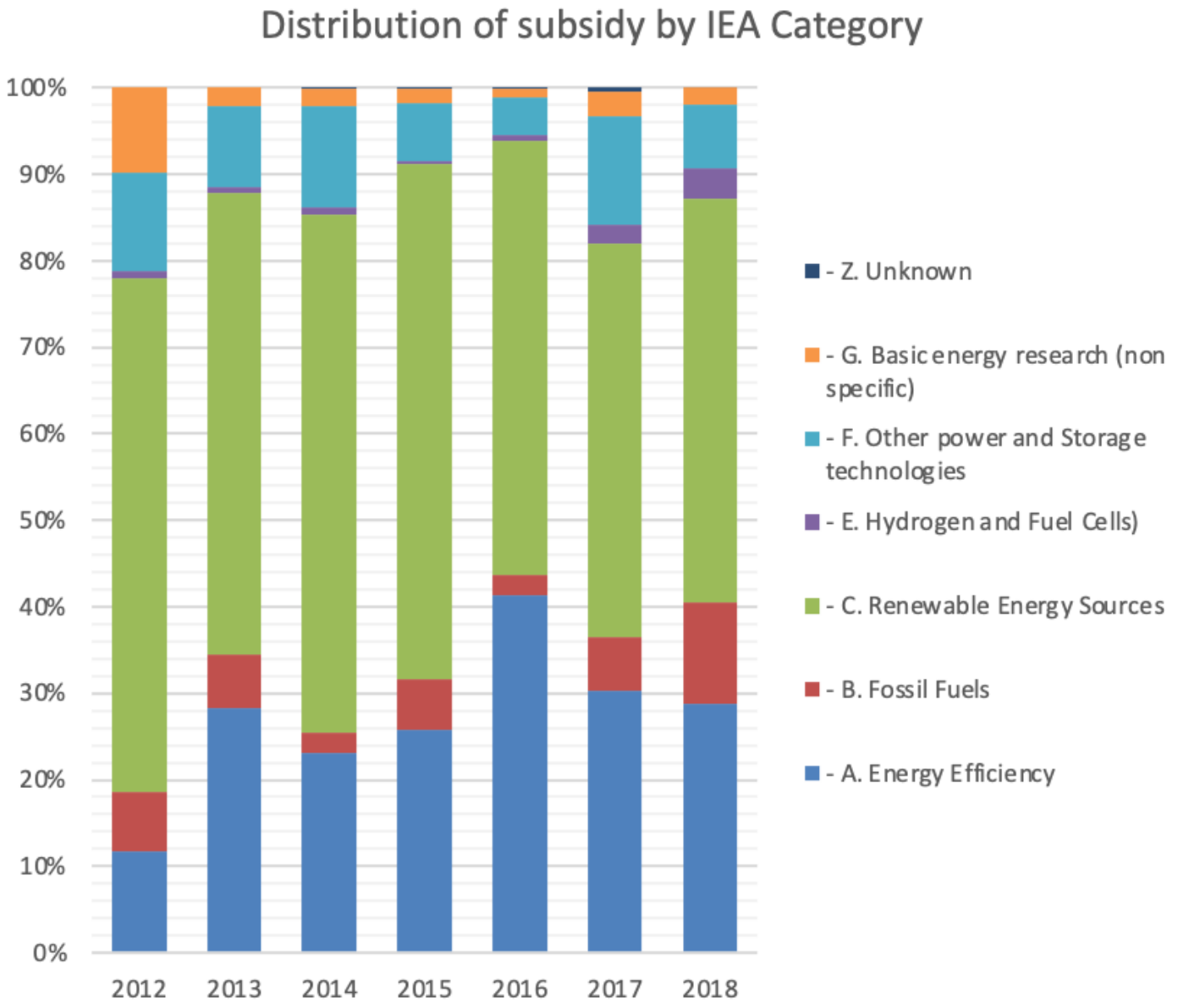


Source: RVO[63]

Besides the subsidy for generating sustainable energy, funds are also made available for energy research and innovation (see Figure 11). "In 2018, the Government of the Netherlands invested €225 million in energy research and innovation. Out of this total investment, more than 43% (€97 million) was spent on research on energy generation from renewable energy sources. Approximately 29% (€50 million) was spent on energy savings, which is comparable to previous years with the exception of a peak in 2016. There is a noticeable increase in investments in research in the field of hydrogen and fuel cells. About 5% (€11 million) was invested in this in 2018."[64]

61 The last large-scale offshore wind energy tender to set up wind farms (Borssele Wind Farm Zone, Sites II + IV) with an SDE+ subsidy was issued in 2016. The tenders for offshore wind energy in 2017 (Hollandse Kust (Zuid) Wind Farm Zone, Sites I + II) and 2018 (SDE Hollandse Kust (Zuid) Wind Farm Zone, Sites III + IV) were issued without SDE+ subsidies, since these wind farms could be built without a subsidy.
62 https://www.rvo.nl/subsidie-en-financieringswijzer/sde/feiten-en-cijfers/feiten-en-cijfers-sde-algemeen
63 For more information, see: https://www.rvo.nl/subsidie-en-financieringswijzer/sde/feiten-en-cijfers-sde-algemeen
64 https://www.rvo.nl/sites/default/files/2019/08/Publiek%20gefinancierd%20onderzoek%202018_0.pdf

Figure 11 - Distribution of public expenditure on energy research and innovation based on IEA themes[65]



Source: Netherlands Enterprise Agency, Publicly Funded Energy Research Monitor (Monitor publiek gefinancierd energieonderzoek) 2018

For more information about the subsidies implemented by the Netherlands Enterprise Agency in the context of the energy transition, see https://www.rvo.nl/zoeken?query=energietransitie&f%5B0%5D=categorie%3A2982

65 The abbreviation 'IEA' stands for the International Energy Agency.

Wind energy

In his letter to the House of Representatives on 28 June 2019[66], Minister Wiebes of Economic Affairs and Climate Policy addressed the results of the Onshore Wind Monitor (*Monitor Wind op Land*) for 2018: "At the end of 2018, the Netherlands had 3,382 MW of operational onshore wind energy capacity. That is good for more than 56% of the national target for 2020. Compared to the 2017 Monitor[67], the net operational onshore wind energy capacity has increased by 133 MW. The Netherlands Enterprise Agency has concluded that it is almost certain that 4,726 MW of wind power will be operational in the Netherlands by the end of 2020. By the end of 2020, an additional 516 MW will be produced in whole or in part, but this may be affected by issues that put pressure on the actual production process, which I will explain later in this letter. These conclusions from the 2018 Onshore Wind Monitor are in line with the expected installed capacity by 2020 according to the Netherlands Environmental Assessment Agency (PBL). The Monitor also indicates that the total project capacity for the coming years has increased to 7,188 MW, almost 20% higher than the target. This increase is largely due to the increase in the power generated per turbine.[68]

For more information, see the 2018 Onshore Wind Monitor[69] and https://www.rvo.nl/onderwerpen/duurzaam-ondernemen/duurzame-energie-opwekken/windenergie-op-land

Geothermal energy

Deep below the ground, warm water is stored in porous sand and rock layers. The deeper into the ground we go, the warmer it gets. The energy stored in this warm water is referred to as geothermal energy. For activities starting from a depth of 500 metres, it is the SSM's responsibility to supervise the production of geothermal energy.[70]

The letter of 8 February 2018 from Minister Wiebes to the House of Representatives[71] and the Climate Agreement[72] lists the measures necessary for promoting the further development of geothermal energy. According to the Minister, "geothermal energy has the potential to play an important role in making the heat supply more sustainable and therefore aiding the transition to a low-carbon energy supply." With the help of all these measures, the government wants to ensure that the production of geothermal energy continues to become cheaper, so that more geothermal energy projects are initiated and 15 petajoules of sustainable energy can be generated from geothermal energy by 2030. That is equal to the average gas and electricity consumption of 2.2 million households[73].
The geothermal energy sector itself has also prepared a plan to organise the development of geothermal energy in the Netherlands: the Geothermal Master Plan (*Masterplan Aardwarmte*)[74].

66 https://www.rijksoverheid.nl/documenten/kamerstukken/2019/06/28/kamerbrief-over-monitor-wind-op-land-2018
67 https://www.rijksoverheid.nl/documenten/rapporten/2018/03/31/monitor-wind-op-land-2017
68 https://www.rijksoverheid.nl/documenten/kamerstukken/2019/06/28/kamerbrief-over-monitor-wind-op-land-2018
69 https://www.rijksoverheid.nl/documenten/rapporten/2019/04/30/monitor-wind-op-land-2018
70 https://www.sodm.nl/jaarverslag2019/geothermie
71 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/02/08/kamerbrief-over-geothermie
72 https://www.klimaatakkoord.nl/documenten/publicaties/2019/06/28/klimaatakkoord
73 https://www.rijksoverheid.nl/onderwerpen/duurzame-energie/aardwarmte
74 https://www.geothermie.nl/images/Onderzoeken-en-rapporten/20180529-Masterplan-Aardwarmte-in-Nederland.pdf

The Dutch geothermal sector has experienced strong growth in recent years. More new projects are also expected in the future[75]. In the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands, more information can be found about licences (Chapters 8 and 10) and about drilling, production plants and the production of geothermal energy in 2018 (Chapter 5).

More information about geothermal energy in the Netherlands can be found on the following websites:

- https://www.geothermie.nl
- https://www.nlog.nl/geothermie
- https://www.dago.nu/nl/geothermie
- https://www.sodm.nl/sectoren/geothermie
- https://www.sodm.nl/actueel/nieuws/2017/07/13/staat-van-de-sector-geothermie-ook-aardwarmte-moet-veilig-gewonnen-worden
- https://mijnbouwvergunningen.nl/cms/view/57979465/mijnbouwactiviteiten/57979491

Other relevant links are:

- EBN energy value chain: https://www.ebn.nl/energietransitie/
- EBN Infographic 'Energy in the Netherlands 2019': https://kennisbank.ebn.nl/infographic-2020/
- SSM report 'Future of Energy Transition' (*Toekomstbeelden energietransitie*): https://www.sodm.nl/documenten/rapporten/2019/01/7/toekomstbeelden-energietransitie
- Study conducted by the Netherlands Court of Audit (planned publication date Q2 2021): https://www.rekenkamer.nl/actueel/lopend-onderzoek/de-rol-van-staatsdeelnemingen-in-de-energietransitie
- IEA The Netherlands Energy Policy Review 2020: https://www.iea.org/reports/the-netherlands-2020
- Letter to Parliament containing a review of Dutch energy policy: https://www.rijksoverheid.nl/documenten/kamerstukken/2020/09/29/kamerbrief-over-review-nederlandse-energiebeleid
- Policy Document on Climate Change 2020 (*Klimaatnota*): https://www.rijksoverheid.nl/actueel/nieuws/2020/10/30/kabinet-vastbesloten-klimaatdoelen-te-halen
- IEA report on renewable energy: https://www.iea.org/reports/renewables-2020

2.2.4. Role of gas in the current and future energy system

Gas in general - and natural gas in particular - plays an important role in the planned transition to a fully sustainable energy supply by 2050. On 30 March 2020, Minister Wiebes sent three letters regarding this to the House: one about hydrogen[76], one about green gas[77] and one about the overall "role of gas in the present and future energy system"[78]. In this last letter, the Minister explains the current and future role of gaseous energy carriers in the Netherlands.

75 https://www.rijksoverheid.nl/onderwerpen/duurzame-energie/documenten/kamerstukken/2018/02/08/kamerbrief-over-geothermie
76 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/03/30/kamerbrief-over-kabinetsvisie-waterstof
77 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/03/30/kamerbrief-routekaart-groen-gas
78 https://www.rijksoverheid.nl/documenten/kamerstukken/2020/03/30/kamerbrief-over-de-rol-van-gas-in-het-energiesysteem-van-nu-en-in-toekomst

Energy system: "In view of their unique characteristics, gaseous energy carriers play an irreplaceable role in the sustainability challenge facing Dutch society and will continue to be important in all sectors. It is essential to develop carbon-neutral gases[79] as an alternative to natural gas in order to meet our future demand for gas in a sustainable manner. (…) Green gas and sustainable hydrogen are gaseous energy carriers that serve largely the same function within the energy system. Both can be utilised via the existing gas infrastructure. (…) Given the high demand for gaseous carriers (30-50% of the final energy consumption in the Netherlands by 2050), a significant upscaling of the production of both gases is necessary."
In addition, the Minister emphasises the role of natural gas in a gradual transition: "because natural gas is of essential importance until we have sufficient sustainable alternatives. (…) As a result, natural gas, green gas and sustainable hydrogen are together the gaseous energy carriers for today and the future, where each energy carrier has its own role. For example, natural gas is expected to fulfil the existing gas demand up to 2050."

A debate is still ongoing on how - and how quickly - the Netherlands can 'get rid of gas'; in other words, how - and how quickly - the Netherlands can phase out the use of natural gas in the economy, and in particular within the energy supply. This is all about effectiveness (is it the best way to reduce CO2 emissions?) and efficiency (is it the cheapest way to give shape to the transition?). Important factors that play a role in this are the availability of renewable energy sources and the question of how the rising demand for electricity will be met. After all, the trend is 'all-electric', with heat pumps (instead of gas-fired central heating boilers), induction hobs and electric driving. Moreover, with the rapid closure of the coal-fired power stations, roughly one-third of the current electricity production capacity is expected to disappear.

On the website www.onsaardgas.nl, the oil and gas sector focuses its attention on the transition to a sustainable energy supply. In the Energy Agreement (*Energieakkoord*), it has been agreed that sustainably generated energy must represent at least 16% of the total Dutch energy supply by 2023. This means that, even then, we will still have to get 84% of our energy from existing sources. In 2020, our primary energy consumption will consist of 41% of energy generated from natural gas, 38% from oil and 11% from coal. Only 7% of our energy currently comes from renewable sources.[80] "This percentage will have to increase dramatically to meet the 2050 target. In the meantime, in order to meet Dutch energy needs, Dutch natural gas - considered the cleanest fossil fuel - is preferred to imported natural gas, oil and coal[81]."
In this gradual transition to a fully sustainable energy supply by 2050, the sector is working on ways to reduce and store CO2.

The gas sector also has valuable infrastructure that can be used for the energy transition. In some cases, a new purpose can be found for production infrastructure, for example, in connection with the rise of offshore wind farms. A limited number of platforms and some of the pipelines could be of value in the production and transmission of hydrogen produced with wind energy. Furthermore, existing infrastructure could be used for CCS (Carbon Capture and Storage; the storage of CO2). Onshore mining sites and pipelines could be used for the cost-effective generation and transport of sustainable energy (geothermal energy, renewable gases, solar energy and wind energy).
In recent decades, substantial infrastructure has been developed in the Netherlands for the production and transport of oil and gas. However, many of the oil and gas fields are

79 In this letter, 'carbon-free gases' refer to green gas and sustainable hydrogen.
80 https://kennisbank.ebn.nl/infographic-2020/
81 https://www.onsaardgas.nl/energietransitie/

nearing the end of their economic life. To promote the reuse of the infrastructure and encourage collaboration in the task of decommissioning the oil and gas infrastructure in the Netherlands, EBN has joined forces with the Dutch oil and gas industry (represented by NOGEPA) to set up Nexstep (www.nexstep.nl).
Nexstep publishes an annual report[82] that provides insight into the expected oil and gas infrastructure to be decommissioned in the Netherlands over the next 10 years and outlines what has been done so far for reusing the infrastructure. Nexstep facilitates, promotes and accelerates the reuse and decommissioning of the oil and gas infrastructure in the Netherlands. In 2017, the total cost of decommissioning the infrastructure was estimated at €7 billion. Nexstep aims to reduce these costs by 30%.[83]

The knowledge and expertise of the oil and gas industry can also be used for developing geothermal energy as an energy source: for example, for drilling safely for geothermal energy without unintentionally touching groundwater layers or possible gas layers. Here too, the natural gas sector, together with the geothermal sector, can make an important contribution to the energy transition[84].

Furthermore, the oil and gas industry is gearing itself for the large-scale production of hydrogen[85]. In 2017, 2018 and 2019, the Netherlands Enterprise Agency issued a call for tender for R&D activities involving hydrogen, which has also given rise to a feasibility study[86] on the use of an offshore platform as a site for electrolysis. The parties are currently working on the preparations and trying to secure funding for the pilot[87].
Hydrogen is suitable for use as fuel for industrial processes and transport, and possibly also for residential use. It is easy to store in large quantities. Therefore, hydrogen can be a good substitute in the future energy mix. Gasunie can set up a national infrastructure for the use of hydrogen as a replacement for fossil fuels by as early as 2030[88].

82 https://www.nexstep.nl/publications/
83 https://www.nexstep.nl/wp-content/uploads/2020/07/Re-use-decommissioning-rapport-2020-ENG_final.pdf
84 https://www.onsaardgas.nl/energietransitie/
85 See, for example, this news article: https://www.nam.nl/nieuws/2018/gzi-next-plan-voor-bouw-waterstoffabriek.html
86 https://projecten.topsectorenergie.nl/projecten/pre-pilot-power-to-gas-offshore-00031694
87 See this news article: https://www.rvo.nl/actueel/praktijkverhalen/poshydon-eerste-pilot-voor-groene-waterstofproductie-op-zee
88 https://www.gasunie.nl/energietransitie/waterstof

For the government's Green Gas Road Map (*Routekaart Groen Gas*), see: https://www.rijksoverheid.nl/documenten/kamerstukken/2020/03/30/Kamerbrief-routekaart-groen-gas

For more information about hydrogen, see the following links:
General:

- Government's opinion concerning hydrogen
- Climate Agreement

Implementation including subsidies:

- www.rvo.nl/waterstof
- https://www.topsectorenergie.nl/tki-nieuw-gas/subsidies
- Innovation Roadmap for New Gas Top Sector for background information

Other relevant links are:

- https://www.iea.org/commentaries/the-clean-hydrogen-future-has-already-begun
- https://www.dewereldvanwaterstof.nl/gasunie/het-verhaal-van-waterstof/
- https://www.gasunie.nl/energietransitie/waterstof

3. Rules and players in the mining sector

3.1. Legal and institutional framework

Legal framework for the mining industry
The legal framework for the Dutch mining industry is set out in:

- the Mining Act;
- the Mining Decree (*Mijnbouwbesluit*); and
- the Mining Regulations (*Mijnbouwregeling*).

The Dutch Mining Act came into force on 1 January 2003 when it replaced the Mining Act 1810, Mining Act 1903, Minerals Exploration Act (*Wet opsporing delfstoffen*) and Continental Shelf Mining Act (*Mijnwet continentaal plat*). The current Mining Act has integrated all of the above-mentioned acts into a single act applicable to both Dutch territory (onshore) as well as the Dutch part of the continental shelf (offshore). The Mining Act sets out the rules for the prospecting, exploration and production of minerals and geothermal energy, storage of minerals and mining-related activities. The Act focuses on activities involving mineral resources such as natural gas, petroleum and salt that are carried out at a depth of more than 100 metres below the surface of the earth as well as activities involving geothermal energy that are carried out at a depth of more than 500 metres below the surface of the earth[89].
Besides the legal framework of the Mining Act, the industry is also subject to other legislation and general administrative orders such as implementing regulations relating to the surrounding areas, spatial planning, the environment, nature, water and external safety.

For an overview of the legislation of the mining industry and up-to-date links to this legislation, see the Dutch Oil and Gas Portal (https://www.nlog.nl/wetgeving-en-procedures) and the 2017 NL-EITI report.

Licensing process
"Various licences are required for the exploration and production of minerals and geothermal energy or the storage of gases. The first step towards carrying out these activities is to apply for the appropriate licence, i.e. exploration licence, production licence or storage licence, under the Mining Act.[90]
The Minister of Economic Affairs and Climate Policy is the competent authority in the matter of these licences. The licences in question are similar in nature to a concession, in that they grant the licence holder the exclusive right to carry out a certain activity in a certain area[91]." For example, the holder of an exploration licence has the exclusive right to carry out exploration activities in a certain area. The production licence grants the licence holder the exclusive right to carry out certain production activities in a certain area.

For more information about the licensing process, see the Dutch Oil and Gas Portal (www.nlog.nl)[92], the 2017 NL-EITI report and www.mijnbouwvergunningen.nl. For more information about the legal framework for mining activities, see also Appendix 2 of the Subsurface Policy Strategy (*Structuurvisie Ondergrond*).[93]

89 See Section 2 of the Mining Act.
90 The general and specific provisions pertaining to the application for licences for the exploration and production of minerals and geothermal energy are outlined in Chapter 2 of the Mining Act (Sections 6-24a). The general provisions pertaining to the application for licences for the storage of substances and the exploration of CO2 storage complexes can be found in Chapter 3 of the Mining Act (Sections 25-31).
91 https://www.rijksoverheid.nl/documenten/rapporten/2018/06/11/structuurvisie-ondergrond
92 https://www.nlog.nl/administratieve-procedures
93 https://www.rijksoverheid.nl/documenten/rapporten/2018/06/11/structuurvisie-ondergrond

In the Netherlands, an open round for applications is organised, which means that licence applications can be submitted at any time. Specific technical and financial criteria for the assessment of an application can be found in the Mining Act (Sections 9 and 9a). As part of the assessment, the Minister requests advice from the SSM, EBN (for oil and gas) and TNO's Economic Affairs Advisory Group (Energy Transition Unit) (see the institutional framework for the mining industry described below).

Licence Register

The licences granted by the Ministry of Economic Affairs and Climate Policy to mining companies in the Netherlands can be found at www.nlog.nl/vergunningen.
The Ministry of Economic Affairs and Climate Policy publishes new licences in the Government Gazette[94]. An overview of the licences issued in 2018 can be found in the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands, Overviews 2, 3, 4, 9 and 10. These overviews contain information about the licence holders, dates, duration and name of the licence, the companies that form part of the licence consortium and the relevant Government Gazette publication number. Chapters 3, 4 and 5 (oil and gas) and 12 (salt) of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands also indicate any modifications made to the licences in 2018.

Institutional framework for the mining industry

Role and responsibility of the government

The Minister of Economic Affairs and Climate Policy represents the State in all activities concerning the exploration and production of minerals and geothermal energy and the storage of substances and minerals. In other words, the Minister is the competent authority. Parties must apply to the Minister for exploration, production and storage licences. The Minister will grant a licence if the relevant legal conditions are met. The Minister may refuse to grant a licence or may change or revoke an earlier-granted licence, but this may only be done on the basis of the grounds set out in the Mining Act.

As far environmental and planning law is concerned, the Minister is the competent authority for the environmental licences required for the construction of a mining site, drilling activities and the construction of necessary installations for the production of geothermal energy, gas, oil or salt. Under the Environmental Permitting (General Provisions) Act (*Wet algemene bepalingen omgevingsrecht, Wabo*)[95], the Minister is also the competent authority for notifications and/or other activities subject to an environmental permit (such as tree felling notifications or construction activities), if these are necessary for the construction of the mining site. Finally, the Minister is also the competent authority for notifications under the General Mining Industry (Environmental Rules) Decree (*Besluit algemene regels milieu mijnbouw, Barmm*[96]) and for the Mining Environmental Permit (*Mijnbouwmilieuvergunning*). Sometimes, multiple administrative authorities may have been designated as competent authorities. In such situations, the various administrative authorities usually agree that coordination of the environmental permit (and, where applicable, the Environment Impact Assessment (EIA) (*Milieueffectrapportage, m.e.r.*[97]*)* will be performed by a single competent authority. Based on the National Coordination Scheme (*Rijkscoördinatieregeling*), this is often the Minister.

94 https://www.officielebekendmakingen.nl/
95 https://wetten.overheid.nl/BWBR0024779/2018-07-28
96 https://wetten.overheid.nl/BWBR0023771/2017-05-01
97 http://www.commissiemer.nl/onze-diensten/wat-is-mer

Advisers and supervisory body

Under the Mining Act, the Minister of Economic Affairs and Climate Policy is assisted by various advisers in matters pertaining to mineral production in the Netherlands. These advisers are:

- EBN (for oil and gas);
- Mining Council (*Mijnraad*);
- Technical Committee on Ground Movement (*Technische commissie bodembeweging, Tcbb*);
- TNO - Economic Affairs Advisory Group (Energy Transition Unit);
- SSM.

The role and responsibilities of EBN as an advisor and participant in oil and gas production are discussed in detail in § 3.4.

The SSM (State Supervision of Mines) is the independent supervisory body for mineral and energy production in the Netherlands. It ensures safety and environmental protection with respect to mining activities, the gas network and offshore wind energy. The SSM exercises supervision not merely from a technical perspective but by also explicitly taking the social interests into account. The tasks of the SSM are laid down in the Mining Act[98] and the Gas Act[99]. The SSM supervises compliance with laws and regulations. If necessary, it can enforce compliance. In addition, the SSM is tasked with providing the Minister advice regarding mining activities on request or otherwise. The SSM has specialised in-house knowledge and a good overview of the various sectors.[100]

The following organisations have been established specifically for the Groningen gas field and the Wadden Sea:

- Groningen Soil Subsidence Committee (*Commissie Bodemdaling Groningen*)[101]; and
- Audit Committee for Gas Production in the Wadden Sea (*Auditcommissie gaswinning onder de Waddenzee*).

For the roles and responsibilities of the above-mentioned organisations (with the exception of EBN) see the 2017 NL-EITI report.

Social expenditure

Voluntary expenditure

Social expenditure (in cash and/or in kind) is not a legal or contractual requirement for mining companies in the Netherlands. Mining companies in the Netherlands incur expenditure of this kind voluntarily by using their knowledge and resources to benefit local initiatives of citizens and communities in the areas of employment, education, quality of life and sustainability.

Quasi-fiscal expenditure

In the Netherlands, no quasi-fiscal expenditure outside the national budget, such as expenditure on social services or public infrastructure, is incurred by State-owned companies.

98 https://wetten.overheid.nl/BWBR0014168/2020-07-01
99 https://wetten.overheid.nl/BWBR0011440/2020-07-10
100 https://www.sodm.nl/over-ons
101 https://www.commissiebodemdaling.nl/

3.2. Tax regulations

3.2.1. Natural gas and petroleum

Just like other legal entities that carry out activities in the Netherlands, companies that are active in oil and/or gas exploration and production activities (hereinafter: E&P companies) are required to pay corporate income tax on profits made from their activities. Besides corporate income tax, E&P companies are also required to pay three other levies, i.e. the mining levies. These levies are designed to ensure that E&P companies pay what the Dutch government considers to be a fair share of the revenue obtained from the production of the natural resources present in the subsurface of the Netherlands since these resources are, after all, property of the State. In view of this, the government wishes to collect a part of the so-called mineral rent, i.e. the difference between the oil or gas revenues and production costs.

The first mining levy is profit share, which, just like corporate income tax, is based on the profit obtained by companies. The other two mining levies are royalty (*cijns*), a turnover-based levy, and surface rent based on the surface area for which a production licence or an exploration licence for activities offshore has been granted.

The three mining levies were initially (for licences granted between 1965 and 2003) included as part of the licence conditions in the exploration or production licence granted to companies. The rules governing the levies were laid down in a Royal Decree enacted under the Mining Act 1810 and later also under the Continental Shelf Mining Act. Since 2003, the three levies have been laid down in Chapter 5 of the Mining Act 2003, a chapter that sets out the financial provisions for the exploration and production of natural gas and petroleum. This chapter also stipulates a once-only payment to be paid by E&P companies to the province in which they carry out their activities.

In the case of production licences granted before 1965, the levy regime was laid down in civil-law agreements concluded between the Dutch State and the licence holder. These are referred to as the so-called pre-1965 levies. Hence, this also applies to the Groningen gas field since the licence for this field was granted in 1963. Until 1 January 2018, the pre-1965 levies consisted of:

1. the State Share levied at 10% of the profit obtained;
2. the Supplementary Payment levied since 1984 that made the total tax revenue on profit approximately 50%; and
3. the Additional Revenue Scheme (*Meeropbrengstregeling, MOR)* introduced in 1972 that increased government revenue from the Groningen gas field to 85% of the profit. This was prompted by a strong increase in these revenues as a result of high oil prices. This agreement was modified in 1975 to increase State revenue to 95% on a part of the MOR.

In addition to the aforementioned levies, the State also earns revenue through State participation in oil and gas production. The Mining Act grants the State - represented by the Ministry of Economic Affairs and Climate Policy - the right to participate in the exploration and production of oil and gas via EBN (see § 3.4.). EBN pays corporate income tax and dividends to the State.

Finally, E&P companies are subject to the same taxes imposed on other companies in the Netherlands, including value added tax, wage tax, dividend tax, and where applicable, environmental levies.[102]

A total of approximately 34 E&P companies, whether or not established in the Netherlands, own an interest in a Dutch exploration or production licence.

In the Netherlands, the Ministry of Finance is responsible for policy relating to the implementation of tax regulations. The task of implementation is assigned to the Netherlands Tax and Customs Administration that is part of the Ministry of Finance. However, policy relating to the Mining Act falls under the responsibility of the Ministry of Economic Affairs and Climate Policy since this is a wide-ranging act that also includes a financial chapter.
The Ministry of Economic Affairs and Climate Policy has assigned the responsibility of levying and collecting the mining levies provided for in the Mining Act to the Netherlands Tax and Customs Administration (Section 71 of the Mining Act 2003). To this end, the general provisions relating to the levy and collection of taxes in the State Taxes Act (*Algemene wet inzake rijksbelastingen*) and the Collection of State Taxes Act 1990 (*Invorderingswet*) also apply mutatis mutandis (Sections 72 and 73 of the Mining Act 2003).
The execution of the payments to the provinces in the Mining Act is assigned to the Provincial Executive of each province (Section 79 of the Mining Act 2003).

The tax regime to which E&P companies are subject is discussed in more detail in Appendix 4. The overview specifically includes the regulations for corporate income tax, mining levies, pre-1965 levies and regional payments to the province, municipality and water board. The regime for the other taxes referred to above is described briefly as well.

3.2.2. Salt

Just like other companies that carry out activities in the Netherlands, companies that produce salt are also required to pay corporate income tax to the Dutch State on the profits they make from their activities. Besides corporate income tax, the salt companies are also required to make certain other payments to the State. These payments are based on the Mining Act and stipulated in the regulations attached to the production licences granted to these companies. They include a profit-related share of the profit or a payment based on the amount of salt produced.

3.3. Developments in 2018

Pre-1965 levies
A recent amendment of the Mining Act states that, with effect from 1 January 2018, the financial regime set out in Chapter 5 of the Mining Act also applies to the production licence granted in 1963 for the Groningen gas field. This means that only the four production licences granted prior to 1962 remain subject to the taxation regime set out in a private-law agreement between the State and the licence holder the NAM. This agreement was last amended in 2018 (see Government Gazette 2018, 54377). The State Share is applicable to these licences. It amounts to 10% of the profit (the profit part) and a surface area-based part in accordance with the rates specified in the Mining Act. For more details, see Appendix 4.

102 This enumeration is not exhaustive. Where applicable, there will also be an obligation to pay insurance premium tax, property tax and certain fees to the SSM. Appendix 4 only focuses on the most important taxes.

Involvement of the local community

In the Letter to Parliament of 30 May 2018 about the role to be played by gas production from small gas fields in the energy transition[103], Minister Wiebes discusses the involvement of the local community. This involvement stems from the fact that residents living in the vicinity of small gas fields are usually concerned about possible damage to their homes and how this will be dealt with. Citizens also sometimes wonder why gas production is still necessary while the government states that it is focusing on the development of a sustainable energy supply.[104] With a view to the safety of citizens, the Mining Act was amended on 1 January 2017 to ensure that the decision-making process pays more attention to these aspects, for example, by introducing the obligation to carry out a representative baseline measurement for buildings. The Ministry of Economic Affairs and Climate Policy has also created websites to better inform citizens. These websites are:

- https://mijnbouwvergunningen.nl/: this website provides information about mining activities and licensing procedures;
- https://www.rijksoverheid.nl/onderwerpen/gaswinning-uit-kleine-gasvelden:
- on this page, you will find information about the policy on gas production from small fields and why this is useful and necessary.

Information regarding this can also be found on the Dutch Oil and Gas Portal (www.nlog.nl). The Dutch Oil and Gas Portal provides information about minerals and geothermal energy in the Netherlands and the Dutch part of the continental shelf. The objective is to present the information provided by the Government of the Netherlands in a simple and clear manner to make it more accessible to the general public. Under the instructions of the Ministry of Economic Affairs and Climate Policy, the portal is managed by the Geological Survey of the Netherlands (*Geologische Dienst Nederland, GDN*) that is part of the TNO.

Due to the local commotion surrounding various gas production projects, the mining sector has taken the initiative to carry out discussions with municipalities, provinces, civil-society organisations, water companies, water boards, knowledge institutions and neighbourhood organisations to find out how to better involve the local community. This has led to the drafting of the Code of Conduct for Gas Production from Small Fields (*Gedragscode gaswinning kleine velden*) by the sector[105]. A part of the Code states that, during the investment phase, the mining company in question will make resources available to compensate for the inconvenience experienced by the local community. For this, the mining company will set up a project coordination programme for each project in collaboration with interested parties. Based on an evaluation of this sectoral Code of Conduct, which was completed in mid-2018, the Minister wants to assess whether it needs to be improved in any way.[106] For this, NOGEPA conducted a round of evaluation from the end of 2018 to the beginning of 2019 with the help of local residents, interest groups and municipalities. The Code of Conduct has been revised based on this evaluation. Both EBN and the Ministry of Economic Affairs and Climate Policy have agreed to this new version of the Code of Conduct. For more information, see: https://www.onsaardgas.nl/evaluatie-gedragscode-gaswinning-kleine-velden/

103 https://www.rijksoverheid.nl/onderwerpen/gaswinning-uit-kleine-gasvelden/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden
104 https://www.rijksoverheid.nl/onderwerpen/gaswinning-uit-kleine-gasvelden/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden
105 https://www.nogepa.nl/gedragscode/
106 https://www.rijksoverheid.nl/onderwerpen/gaswinning-uit-kleine-gasvelden/documenten/kamerstukken/2018/05/30/kamerbrief-over-gaswinning-uit-kleine-velden

3.4. Energie Beheer Nederland

Introduction

On the basis of the Mining Act[107] and in the public interest, EBN is committed to the systematic management and effective exploration and production of Dutch petroleum and natural gas resources. It is a private limited company with the Dutch State as its sole (100%) shareholder. The shares are managed by the Minister of Economic Affairs and Climate Policy[108]. The State Mines Department (*Staatsmijnen*), the predecessor of EBN, was tasked almost 60 years ago with representing the economic and social interests of the Dutch State within the Gasgebouw partnership and more generally in the exploration and production of - initially - natural gas and petroleum in the Dutch subsurface. This task is now enshrined in the Mining Act and performed by EBN. In addition, EBN advises the Minister of Economic Affairs and Climate Policy with respect to parts of the energy policy.

EBN's public tasks

The Mining Act stipulates the manner in which the State participates in the exploration and production of natural gas and petroleum. For this, the Act confers a number of public tasks on EBN. EBN is a policy-oriented participation (*beleidsdeelneming*) which means that it plays a role in the implementation of government policy. The State has no other interests in E&P companies.

EBN's public tasks are set out in Section 82(1) of the Mining Act. These include:

1. participating in petroleum and natural gas exploration and production;
2. performing its tasks with respect to the Gasgebouw partnership, which includes the 40% share ownership in GasTerra and the participation in the Maatschap Groningen partnership between the NAM and EBN; and
3. advising the Minister of Economic Affairs and Climate Policy.

As far as the first task is concerned, Part 5.2.3, Sections 93 to 97b of the Mining Act state that EBN may participate in the production activities unless the Minister believes this will lead to a financial disadvantage for the State. The interest of the licence holders in production activities has been fixed at 60% and that of EBN at 40%. In the case of some of the older licences, this is 50% for the licence holders and 50% for EBN. The participation is set out in a Cooperation Agreement entered into between EBN and the licence holder. These agreements must be approved by the Minister of Economic Affairs and Climate Policy. The agreements state that EBN must pay 40% of the costs incurred for mining activities and that it owns 40% of the produced gas, oil and condensate (a by-product of oil and gas production) and the entire installed infrastructure. Therefore, EBN participates based on a contractual collaboration with the licence holder but does not become a licence holder or operator. Similarly, EBN participates in exploration activities if the licence holder so requests. This is provided for in Sections 87 to 92 of the Mining Act.

In practice, for individual participations, this means that the operator (i.e. the party in the licence that carries out the actual activities) draws up a plan for the development of the gas or oil field and estimates the budget needed for carrying out the activities. Once approved by EBN and any co-licence holders, the operator may proceed to carry out the proposed activities.

107 https://wetten.overheid.nl/BWBR0014168/2019-04-10
108 See also: https://www.rijksoverheid.nl/documenten/kamerstukken/2020/06/16/jaarverslag-beheer-staatsdeelnemingen-2019

The costs of exploration and production are covered by the co-licence holders and EBN in proportion to their participation, where this is usually 40% for EBN. EBN finances its investments by borrowing money from external lenders. EBN does not receive any subsidy or other contributions from the government for its participation in oil and gas production.

In 2018, EBN had a turnover of more than €2.6 billion, primarily from the sale of natural gas. In that same year, the operational costs of EBN participations were almost €1.4 billion and depreciation amounted to more than €400 million. In 2018, EBN paid an amount of almost €962 million to the State. EBN's annual report, which can be consulted at www.ebn.nl, describes its results and financial position in detail.

In 2018, EBN had 195 participations (see Appendix 5 for an overview of these participations). Via its subsidiary EBN Capital B.V., it also has a participation of 45% in NOGAT B.V., an offshore gas transport pipeline system operator. Via this same subsidiary, EBN also participates in a number of other offshore pipeline systems: WGT (40%), WGT Extension (40%), NOGAT Extension (40%) and NGT Extension (12%). Unlike in the case of NOGAT B.V., these participations are contractual partnership arrangements. These pipelines are used to transport natural gas from the North Sea to land.
Finally, EBN also participates in gas storage via PGI Alkmaar (40%), UGS Norg (40%) and UGS Grijpskerk (38.8%) and it has a 38% participation in the UGS Bergermeer via EBN Capital B.V.

With respect to its second task, EBN has a 40% interest in the Maatschap Groningen partnership and a 40% interest in GasTerra B.V. Thanks to this position within the Gasgebouw partnership, EBN is able to safeguard the public interests involved. For more information about the Gasgebouw partnership and the associated agreements, see § 2.1. and the 2017 NL-EITI report.

EBN's third task under the Mining Act is to provide, on request, the Minister of Economic Affairs and Climate Policy with the information necessary for assessing the feasibility of the proposed energy policy, particularly in relation to the exploration and production, management and sale of petroleum and natural gas. For the granting of exploration and production licences, EBN mainly offers advice regarding the economic aspects of the application. It also provides advice regarding the effect of State participation (by EBN) and the effect on State revenue. If new companies are involved, EBN gives advice regarding the financial capabilities of the companies in question. On request, EBN also advises the Ministry about licence transfers, extensions and changes.

<u>Role of EBN in the energy transition</u>
EBN plays a pioneering role in the decommissioning of the oil and gas infrastructure and the possible reuse of this infrastructure for sustainable energy production and storage, for example, in the context of CO_2 storage, hydrogen and green gas. It contributes to the costs of clearing the relevant infrastructure in proportion to its interest. In order to encourage the reuse of infrastructure and collaboration in the decommissioning of the oil and gas infrastructure in the Netherlands, EBN - together with the Dutch
oil and gas industry (represented by NOGEPA) - has set up Nexstep (www.nexstep.nl). As the National Platform for Re-use & Decommissioning, Nexstep facilitates the sharing of knowledge and experience about the decommissioning of infrastructure and helps promote collaboration, innovation and effective laws and regulations in this area (see also § 2.2.2.).

EBN is also a partner in collaborations in various CO_2 storage projects (Porthos and Athos).

In the public interest, EBN acts as a binding force and promotes the formation of public-private partnerships in energy production in the Netherlands. As an organisation, it feels that it has a role and responsibility to make an essential contribution to the social ambitions with regard to the climate. Moreover, attention is shifting away from the gas value chain to a more sustainable energy value chain in which various options are integrated.
For example, EBN focuses on accelerating the development of sustainable heat sources such as geothermal energy and the exploration of other sustainable alternatives such as green gas, hydrogen and energy storage. In 2019, the Ministry of Economic Affairs and Climate Policy announced that it was granting a mandate to EBN for participation in geothermal projects, through which EBN could devote its energy to accelerating the development of sustainable heat and strengthening the geothermal sector. Since 2019, EBN has been taking concrete steps in identifying, in a structured manner, the potential of geothermal energy in the Dutch subsurface via the Netherlands Seismic Campaign for Geothermal Energy (*Seismische Campagne Aardwarmte Nederland*, *SCAN*) programme.

Agreement between the State and EBN regarding financial payments
Just like other companies, EBN is required to pay corporate income tax to the State. In addition, it annually pays out a special profit distribution to the State. The calculation method for the special profit distribution is regulated in Article 20.1 of EBN's Articles of Association. Further arrangements regarding the payment dates for this special profit distribution are set out in an agreement between the State and EBN concluded on 7 September 2016.

Pursuant to Article 20(2) of EBN's Articles of Association, its net profit - after deduction of the legal reserves and the special profit distribution to the State - is at the disposal of the general meeting of shareholders. This essentially means that it is at the disposal of the State, since it is the sole shareholder.

The agreement between the State and EBN of 7 September 2016 states that, from the 2016 financial year onwards, 60% of the annual net result remaining after payment of the special profit distributions will be added to shareholders' equity, and 40% will be paid out as dividends to the shareholder. In addition to this, it was agreed at the general meeting of shareholders, in which the 2018 financial statements were adopted, that the net profit for 2018 would be added in full to shareholders' equity and not used for paying out dividends. This was done to further strengthen EBN's equity capital.

General system of EBN's gas sales to GasTerra
EBN sells all the gas produced from small fields (i.e. gas not produced under the Groningen production licence) to GasTerra via Natural Gas Sales Agreements (NGSAs). Section 54(1)(b) of the Gas Act stipulates that GasTerra will purchase gas at the request of the holder of a production licence under reasonable conditions and against payment of a fee determined in line with market conditions. In accordance with Section 56(1) of the Gas Act, GasTerra has reported the following for 2018:

- GasTerra offers producers the Seller's Nomination Regime (SNR), under which the producer nominates its daily production volume;
- The producers of gas from small fields in the Netherlands receive a fee from GasTerra, determined in line with market conditions, known as the Standard Purchase Price (*Norm Inkoop Prijs, NIP*). The NIP is based on the prices on the virtual trading point known as the Title Transfer Facility (TTF). The gas is priced using a combination of 60% TTF Month-ahead and 40% TTF Day-ahead.

A different regime applies to the Groningen production licence, where EBN does not become the owner of the gas but receives its share of the sales proceeds. In Section 54(1) (a) of the Gas Act, GasTerra has been designated as the legal entity that is responsible for purchasing the gas produced under the Groningen production licence. On behalf of the Maatschap Groningen partnership and under the Technical Supply Contract (*Technische Leveringscontract, TLC*) the NAM sells the gas at a transfer price to GasTerra. The transfer price is calculated by dividing the transfer amount (GasTerra's trading result minus operating costs minus a fixed profit) by the volume supplied to GasTerra by the NAM on behalf of the Maatschap Groningen partnership.

3.5. Contract transparency

In some countries, the conditions under which mining companies can operate are negotiated directly between the company in question and the government and the agreed conditions are set out in contracts. This is done differently in the Netherlands: licences are granted based on legal provisions giving the licence holder the exclusive right to carry out activities in a certain area (see § 3.1.).

Government policy aims to ensure the highest level of transparency possible. The granted licences are published in the Government Gazette and can also be found in the Licence Register on www.nlog.nl. Hence, the Register is public and accessible to everyone. The relevant licence details and Government Gazette publication numbers can be found in the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands (see also § 3.1.).

The Dutch Tax and Customs Administration receives the licence from the Ministry of Economic Affairs and Climate Policy and levies the mining payments based on this. The financial payment provisions laid down in the Mining Act since 1 January 2003 are applicable to this, replacing the existing legal regulations. Chapter 5 of the Mining Act[109] describes the payments to be made by the mining companies to the State for the exploration and production of hydrocarbons.[110] The above applies to all licences granted after 1965, and since 2018, this also applies to the Groningen production licence. For the other four licences[111] that were granted prior to 1965, the payments to the government are still stipulated in contracts. These licences were published in the Government Gazette at the time[112].

For the Groningen production licence - and specifically for the Groningen gas field - a number of agreements were entered into at the time between the parties involved. These agreements together form the basis of the Gasgebouw partnership. A number of these agreements – or parts of them – have been published over the course of the years: see the 2017 NL-EITI report for an overview of these agreements.
In the context of the phase-out of gas production in the Groningen gas field, the State and the NAM have agreed that the statutory payments set out in the Mining Act are applicable to the revenue and costs of the Groningen gas field with effect from 1 January 2018.

109 https://wetten.overheid.nl/BWBR0014168/2019-04-10
110 The Mining Act provides for the payment of a surface rent (Section 53), turnover-based levy (Section 60) and profit share (Section 65).
111 Schoonebeek (Royal Decree 3 May 1948, no. 19 (Government Gazette 1948, no. 10), Rijswijk (Royal Decree 3 January 1955, no. 69 (Government Gazette 1955, no. 21), Tubbergen (Royal Decree of 11 March 1953, no. 14 (Government Gazette 1953, no. 80) and Rossum-De Lutte (Royal Decree 12 May 1961, nos. 37 and 38 (Government Gazette 1961, no. 116).
112 With the exception of Groningen, these licences do not involve any State participation.

This stems from the General Agreement with Shell and ExxonMobil on the phasing out of production in the Groningen gas field. The Minister of Economic Affairs and Climate Policy has said that he strives for maximum transparency with respect to new agreements. For example, the General Agreement (with company-sensitive information removed) and the 1963 Cooperation Agreement are enclosed as an appendix to the Letter to Parliament entitled 'General Agreement with Shell and ExxonMobil'[113]. This is further elaborated in the Letter to Parliament of 1 October 2018[114]. In this letter, the Minister of Economic Affairs and Climate Policy says: "Given my wish to achieve maximum transparency, I am enclosing the agreements concluded as appendices. However, certain passages contain company confidential information, which means I am unable to publish these sections. For example, the redacted passages[115] in the guarantee agreements pertain to the nature and scope of the guarantees, while the passages from the financial agreement that are not meant for publication pertain to the ending of the old payment system."
Since 2005, the government has also more explicitly defined its policy with regard to EBN and the agreements with EBN. EBN's role as a partner of both the government and the mining companies (see also § 3.4) has been agreed upon in three different ways.

Firstly, EBN's tasks have been set out in the Mining Act since 2008 (Section 82). Secondly, EBN has Articles of Association that have been approved by the State. These Articles have been filed by EBN with the Chamber of Commerce and are therefore public. Thirdly, Subsections 5.2.2. and 5.2.3. of the Mining Act set out the provisions to be included in the Cooperation Agreements between EBN and licence holders (Sections 87-92 relate to the exploration agreement and Sections 93-97b to the production agreement).

Cooperation Agreements
These Cooperation Agreements between EBN and licence holders are private agreements. They regulate the manner of operational and financial cooperation between EBN and the licence holder. The most important parts of these Cooperation Agreements are the agreements regarding the following:

- designation of the operator (operational foreman) and the execution of the tasks;
- control within the partnership;
- budget cycle such as multi-annual plans and annual plans;
- method of funding;
- insurance policies;
- liabilities;
- periodic reports;
- accounting procedures;
- method of handling drilling proposals;
- property rights relating to mining works;
- property rights relating to hydrocarbons;
- method of sale of the hydrocarbons;
- clearing of the mining installations.

The provisions in the Cooperation Agreement are the same for all participating parties.

113 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/06/25/kamerbrief-akkoord-op-hoofdlijnen-met-shell-en-exxonmobil
114 https://www.rijksoverheid.nl/documenten/kamerstukken/2018/10/01/kamerbrief-uitwerking-akkoord-op-hoofdlijnen-met-shell-en-exxonmobil
115 The redacted passages are based on the rules formulated in the context of the Government Information (Public Access) Act (*Wet Openbaarheid van bestuur*) procedures, see: https://wob.nl/alles-over-de-wob/

3.6. Ultimate Beneficial Owner (UBO)

The abbreviation 'UBO' stands for 'ultimate beneficial owner'. This is the party who is the ultimate owner or has ultimate control of a company or legal entity established in the Netherlands. The definition of a UBO is further elaborated in Article 3 of the Wwft Implementation Decree[116] 2018[117].

Pursuant to the amended Fourth European Anti-Money Laundering Directive, all EU Member States are required to set up a UBO Register for companies and other legal entities.[118] This Directive is aimed at preventing the use of the financial system for money laundering or terrorist financing.

In the Netherlands, the Ministry of Finance, Ministry of Justice and Security and Ministry of Economic Affairs and Climate Policy have been working jointly on the implementation of national UBO legislation since 2015.

The Implementation Act[119] regulating the creation of the UBO Register entered into force on 27 September 2020[120].

All legislative documents relating to the UBO implementation can be found at https://www.eerstekamer.nl/wetsvoorstel/35179_implementatiewet_registratie. The Explanatory Memorandum discusses the stakeholders involved, the responses to the consultation and the recommendations of advisory bodies. The consultation with regard to the Act and the decision containing the responses can be found at: https://www.internetconsultatie.nl/implementatiewetregistratieuiteindelijkbelanghebbenden/details and https://www.internetconsultatie.nl/ubo.

The UBO Register will become an integral part of the commercial register and will therefore be managed by the Chamber of Commerce. A part of the UBO information, such as name and state of residence, is publicly accessible via the register.[121] Guarantees have been drawn up to protect the privacy of UBOs.

Legal entities are responsible for maintaining and registering their UBOs. For this, the necessary documents must be submitted for inclusion in the UBO Register, see Section 15a of the Commercial Register Act 2007 (*Handelsregisterwet*). Incomplete or incorrect statements of UBOs are subject to administrative (under the Commercial Register Act 2007) as well as criminal (under the Economic Offenses Act (*Wet op de economische delicten*)) sanctions. In addition, Wwft institutions (the gatekeepers) are obliged to consult the UBO Register in the context of their client screening process and to report any discrepancies discovered between their screening and the UBO Register data. A feedback obligation also rests with the competent authorities, if and insofar as such feedback does not unnecessarily interfere with the exercise of the legal task or authority.

116 Money Laundering and Terrorist Financing (Prevention) Act (*Wet ter voorkoming van witwissen en financieren van terrorisme*, *Wwft*).
117 https://wetten.overheid.nl/BWBR0041193/2020-05-21
118 Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.
119 https://www.eerstekamer.nl/wetsvoorstel/35179_implementatiewet_registratie en https://zoek.officielebekendmakingen.nl/stb-2020-231.html
120 https://zoek.officielebekendmakingen.nl/stb-2020-232.html
121 In October 2019, the Minister of Finance, also acting on behalf of the Minister of Justice and Security, formally requested the Dutch Data Protection Authority (Autoriteit Persoonsgegevens) to advise whether access to the UBO information contained in the private part of the UBO Register should be provided not just to the competent authorities and FIU-the Netherlands but also to the Wwft institutions.

The UBO Register includes natural persons with shares, voting rights or ownership interest of more than 25%. The interests owned by these persons are displayed in bandwidths: greater than 25%-50%, greater than 50%-75% and greater than 75%-100%.

For more information, see:
https://www.rijksoverheid.nl/onderwerpen/financiele-sector/ubo-register

4. Key data on mineral production in the Netherlands in 2018

4.1. Introduction

The Annual Report - Natural Resources and Geothermal Energy in the Netherlands is compiled by the TNO each year under the instructions of the Ministry of Economic Affairs and Climate Policy. This annual report is a good source of key data on the minerals and geothermal energy sector in the Netherlands. The digital version of this report is available on the Dutch Oil & Gas Portal, under 'Publications' (https://www.nlog.nl/publicaties). The information in this chapter has been taken from this Annual Report. Therefore, many references will be made to this report as a source for further details.
The Dutch Oil and Gas Portal also has a data centre where data on the exploration and production of energy and minerals from deep subsurface can be searched and downloaded: https://www.nlog.nl/datacenter/.
Besides the data referred to in this chapter, the above-mentioned Annual Report also contains detailed information about natural gas reserves, petroleum reserves and the future domestic supply of natural gas (Chapters 1 and 2), production of gas, oil and condensate (Chapter 3), underground storage (Chapter 4) geothermal energy (Chapter 5), rock salt (Chapter 6)[122], coal (Chapter 7), licences (Chapter 8, 9 and 10), seismic surveys (Chapter 11), termination of oil and gas drilling operations in 2018 (Chapter 12) and about platforms, pipelines and the Dutch continental shelf (Chapter 13). The Annual Report also contains various overviews of the above-mentioned subjects, natural gas revenues and authorities involved in mining (A-Z).
Furthermore, the Dutch Oil and Gas Portal offers an interactive map displaying information about the exploration and production of energy and minerals from the deep subsurface: https://www.nlog.nl/kaart-boringen.

4.2. Petroleum and natural gas

Petroleum and natural gas fields
As of 1 January 2019, the Netherlands had 54 proven petroleum fields and 486 natural gas fields had been discovered. See Figure 1.2. (p. 15) and Overview A of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for an overview of these fields.

Natural gas and petroleum reserves
Natural gas reserves on 1 January 2019 have been estimated at 246 billion Nm³. Of this, 73 billion Nm³ is located in the Groningen gas field. The large decrease compared to 1 January 2018 is attributable to the write-down of the Groningen reserves. The small onshore fields in the Netherlands contain 70 billion Nm³ of natural gas and the Dutch part of the continental shelf has 103 billion Nm³. Petroleum reserves on 1 January 2019 amounted to 28.6 million Sm³, 16.8 million Sm³ of which is located in onshore oil fields and 11.8 million Sm³ in fields on the continental shelf.

Natural gas production
In 2018, 35.1 billion Nm³ of natural gas was produced from Dutch gas fields. Offshore gas fields produced 23.9 billion Nm³. Of this, 5.1 billion Nm³ came from small fields and 18.8 billion Nm³ from the Groningen gas field. The gas fields on the continental shelf produced 11.1 billion Nm³. Therefore, total production in 2018 was 16.2% lower than in 2017. See

122 Chapter 6 deals with both rock salt and magnesium salt.

Chapter 3 of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for details.

Petroleum production

In 2018, a total of 1.06 million Sm³ of petroleum was produced, 5.3% less than in 2017. Onshore fields produced 0.51 million Sm³, an increase of 21.3% compared to 2017. Production on the continental shelf was 0.56 million Sm³, a decrease of 21.1%. The average oil production in 2018 amounted to 2,916 Sm³ per day. See Chapter 3 of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for details.

Exploration and production licences for natural gas and petroleum in 2018

Table 2 – Overview of exploration and production licences for natural gas and petroleum in 2018

Type of license	Onshore		Offshore	
Exploration licence	Being processed	5	Being processed	17
	Granted		Granted	1
	Extension	1	Extension	9
	Reduced		Reduced	
	Expired	1	Expired	
Production licence	Being processed	2	Being processed	5
	Granted		Granted	1
	Extension		Extension	4
	Reduced		Reduced	1
	Expired		Expired	

Source: Annual Report 2018 - Natural Resources and Geothermal Energy in the Netherlands

See Chapters 8 and 9 of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for details.

Drilling for hydrocarbons

In 2018, 13 drilling operations for oil and gas were carried out onshore and on the continental shelf (offshore). That is three less than in 2017. Of the six exploration wells, three have found gas and one has found oil, which implies a technical success rate of 67%. Seven production wells have also been drilled. See Chapter 12 of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for details.

Export and import of natural gas

In 2018, natural gas imports amounted to €10.1 billion, representing 1.8% of total imports in 2018. In 2018, natural gas exports amounted to €8.5 billion, representing 1.3% of total exports in 2018. The volume of natural gas imported in 2018 amounted to 57.739 million m³. The volume of natural gas exported in 2018 amounted to 51.649 million m³.

4.3. Salt

One production licence application was submitted in 2018. As of 1 January 2019, there were 16 production licences and no exploration licences in effect. Rock salt production in 2018 amounted to 6.7 million tonnes (table salt and magnesium salt).[123] Of this, 2.7 million tonnes were produced by AkzoNobel Hengelo, 3.0 million tonnes by AkzoNobel Delfzijl, 0.7 million tonnes by Frisia and 0.3 million tonnes by Nedmag.[124] About 2.9 million tonnes of salt were used in our country.[125] See Chapter 6 of the 2018 Annual Report - Natural Resources and Geothermal Energy in the Netherlands for more details.[126]

Approximately 790 people are employed in the Dutch salt industry. Indirect employment is estimated at 2,000 jobs (full-time equivalents).[127]

According to the CBS, 0.4 million tonnes of salt products were imported into the Netherlands in 2018. Approximately 4.5 million tonnes were exported in 2018.

4.4. Social and economic significance of the extractive industries in the Netherlands

Added value[128]
In 2018, the total value added by mineral production activities was €7.3 billion or 0.9% of the GDP.

Natural gas revenues
In 2018, natural gas revenues were €2.7 billion or 0.8% of total government revenue.

Employment
In 2018, mineral production activities accounted for 0.11% of total employment, i.e. approximately 8,000 jobs (full-time equivalents), with a male-female ratio of 7,000 men to 1,000 women. This was, respectively, 87.5% and 12.5% of the total employment in the mineral production sector, and respectively, 0.16% and 0.03% of the total employment in the Netherlands.

We find a comparable male-female distribution in the NL-EITI MSG. The NL-EITI MSG has 18 members, 13 of whom are men and 5 are women. Naturally, this depends on who the member companies and institutions delegate to the NL-EITI MSG. At the end of 2020, the MSG decided to consider the diversity aspect when appointing new members.

The 2019 EITI Standard requires data relating to employment in the extractive sector to be broken down by gender, and where available, by company and professional level. In this report, the data has been broken down by gender because these figures are available to the CBS. In the next report, NL-EITI MSG aims to include the male-female ratio in the mineral industry for each company operating in the Netherlands.

123 https://nlog.nl/archief
124 https://nlog.nl/archief
125 www.cbs.nl
126 https://www.nlog.nl/jaarverslagen
127 www.cbs.nl
128 The CBS calculates economic growth on the basis of the GDP. The GDP is the total added value of all final goods and services produced in a country. The added value is the total value of the goods and services produced minus the value of what is consumed during production (the so-called intermediate consumption).

Government policy regarding women in top positions

In the Netherlands, the proportion of women in top positions is still considerably lower than the proportion of men, especially in the business sector. The proportion of women holding top positions has increased considerably in the past decade, and within the group of listed companies, the Netherlands scores higher than average in Europe. In the Government of the Netherlands and other non-profit organisations, the proportion of women at the top - with an average of 34% and 40% respectively - is considerably higher than the average of 15% at the 5,000 largest companies. Women appear to be better represented in senior management positions (i.e. the first hierarchical layer below the top). There seems to be sufficient potential for a further increase in the proportion of women at the top.[129]

On a wider stage, among listed companies, the Netherlands has a higher than average proportion of women on supervisory boards compared to Europe, but as of now it scores only average in terms of the proportion of women on management boards. With respect to the proportion of female managers across all management layers - from the management of a company to the management of a department - the Netherlands scores far below the European average.[130]

On 3 December 2019, a majority of the House of Representatives approved the proposal of the Social and Economic Council of the Netherlands (SER)[131] presented on 20 September 2019[132] to introduce a binding quota of at least 30% women on the supervisory boards of listed companies. The House of Representatives voted on this in response to a motion submitted by two MPs in which they requested the government to adopt the measures from the SER advisory report aimed at increasing the proportion of women at the top of the business sector.

In short, in its advice, the SER argues for the introduction of a binding quota of at least 30% women and 30% men on supervisory boards. The quota will apply to listed companies. If these listed companies fail to meet the quota, any subsequent appointment that does not contribute to achieving the quota will be void. As a result, no new director will be appointed and the position will remain empty until a woman is appointed. It is not yet known when this quota will be introduced[133].[134]

129 https://www.cpb.nl/sites/default/files/omnidownload/cpb-notitie-vrouwen-aan-de-top.pdf
130 https://www.cpb.nl/sites/default/files/omnidownload/cpb-notitie-vrouwen-aan-de-top.pdf
131 The Social and Economic Council of the Netherlands is the most important advisory body to the government and Parliament on social and economic issues. Employers, employees and independent Crown-appointed members work together in the SER.
132 https://www.ser.nl/-/media/ser/downloads/adviezen/2019/diversiteit-in-de-top.pdf
133 In the meantime, the Bill for a Balanced Distribution of Seats (*Evenwichtige verdeling van de zetels*) has been submitted to the House of Representatives.
The quota will enter into effect once the act is adopted by the Senate. This is expected to take place in the course of 2021 (source: SER). For more information, see: https://www.rijksoverheid.nl/actueel/nieuws/2020/11/05/wet-moet-betere-man-vrouw-verhouding-in-top-bedrijfsleven-regelen.
134 https://www.nyenrode.nl/nieuws/n/vrouwenquotum-aangenomen-door-de-tweede-kamer

5. Revenues and reconciliation of extractive companies in 2018

5.1. Approach and methodology of the NL-EITI reconciliation exercise in 2018

5.1.1. Materiality analysis

The EITI Standard defines materiality as follows: "Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report". The NL-EITI MSG decided to implement a threshold by application of the "Decree on Disclosing Payments to Government Entities (Besluit rapportage van betalingen aan overheden) of 10 November 2015" and the 2013 EU Accounting Directive.[135] The materiality threshold for the reconciliation scope is set at 100,000 euro and should be applied to each payment type at a company or a fiscal unity level.[136]

This means that if the company or the fiscal unity pays more than 100,000 euro or receives more than 100,000 euro by way of repayment, in relation to any of the individual payment streams that will be included in the published EITI report, it should include all of the payments or repayments of that type made in the year notwithstanding any individual payment may fall below that threshold.

Due to the data protection regulation and the lack of detailed financial information by company, it was not possible to determine the reconciliation scope for companies based on their payments to the government. Consequently, knowing the major operators in the oil & gas sector in The Netherlands, the NL-EITI MSG decided to include all NOGEPA member companies and EBN in the reconciliation exercise. Furthermore, the NL-EITI MSG decided to send invitations to participate in the EITI process to non-NOGEPA members. In addition, the NL-EITI MSG has decided to include unilateral disclosure from the Tax and Customs Administration and EZK with regard to the payments by the salt companies in 2018.

Following the reconciliation exercise, the Independent Administrator (IA)[137] selected the payments to NTCA as most relevant criteria to calculate the coverage rate for the companies included in the reconciliation scope as compared to the total payments received from the entire sector. The payments to NTCA reported for the in-scope companies represents 85% of the total payments collected by NTCA from the entire sector. Therefore, the IA concludes that the reconciliation is sufficiently representative.

The table below sets out the calculation of the coverage rate. As a result, the EITI report covered all important operators and all revenues identified and generated by the oil & gas sector in The Netherlands.

135 Directive 2013/34/EU of the European Parliament and the European Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain business forms.

136 Fiscal unity regime: A group of Dutch resident companies, and in certain cases also Dutch permanent establishments of foreign companies, can file a single tax return and calculate the Dutch corporate income tax on a consolidated basis by forming a fiscal unity.

137 The Independent Administrator who reviews on behalf of the NL-EITI MSG the payment flows between exploration & production companies and the Dutch government, and compared the payments reported by the companies and those reported by the government.

Table 3 – Coverage of the reconciliation exercise 2018

Description	Amount (million EUR)
Total receipts by NTCA from all companies	593.31
Total receipts by NTCA from in-scope companies (after adjustments)	504.27
Coverage of the reconciliation exercise	**85%**

Source: BDO

Exploration and Production companies

There is specific legislation which prevents the tax authority from disclosing taxpayer confidential information[138]. Due to the NL-EITI adopting a voluntary approach, the government will not provide data relating to tax payments received from the extractive companies without the consent of the parties. Consequently, and in order to prepare the EITI report, the NL-EITI MSG decided to request specific authorisation from Exploration & Production companies (hereafter: E&P companies) to have access to their payments made to the Netherlands Tax and Customs Administration (NTCA), the Ministry of Economic Affairs and Climate Policy (EZK) and the state-owned enterprise (SOE) Energie Beheer Nederland (EBN). The authorisations were sent to all NOGEPA members as they represent the major companies operating in The Netherlands. Authorisations were also sent to non-NOGEPA members willing to participate in the EITI process, namely Jetex Petroleum Ltd, NGT (Noordgastransport B.V.) and NOGAT BV (Northern Offshore Gas Transport).

NOGEPA members

NOGEPA is an association representing currently the interests of 13 companies holding licenses to explore for and produce gas. NOGEPA is part of the NL-EITI MSG and is involved on behalf of its members in the EITI process. The NOGEPA members are the following companies (groups):

Table 4 – List of NOGEPA members included in the reconciliation scope 2018

No.	Operator (*)	In scope
1	Nederlandse Aardolie Maatschappij BV (NAM)	√
2	Total E&P Nederland BV	√
3	Wintershall Noordzee BV (BASF)	√
4	RockRose	√
5	Neptune Energy Netherlands BV	√
6	Spirit Energy Nederland BV	√
7	Hansa Hydrocarbons Ltd	√
8	Vermilion Energy Netherlands BV	√
9	TAQA Energy BV	√
10	Petrogas E&P Netherlands BV	√
11	Tulip Oil Netherlands BV	√
12	Dana Petroleum Netherlands BV	√
13	ONE-Dyas BV	√

(*) The list above excludes companies from the same group. Only one company is listed from the group.
Source: BDO

138 Publication from the government side of tax payments that are traceable to individuals or individual companies is prohibited by law (General Law on State Tax Article 67 - AWR).

Non-NOGEPA members

The NL-EITI MSG decided to include Energie Beheer Nederland (EBN) and the two (2) gas transport companies NGT (Noordgastransport B.V.) and NOGAT B.V. (Northern Offshore Gas Transport) in the reconciliation scope. Furthermore, Jetex Petroleum Ltd was also included in the reconciliation scope 2018.

Table 5 – List of non-NOGEPA members included in the reconciliation scope 2018

No.	Company	In scope
State-Owned Enterprise		
1	Energie Beheer Nederland (EBN)	√
Oil & Gas Transportation		
2	NGT (Noordgastransport B.V.)	√
3	NOGAT BV (Northern Offshore Gas Transport)	√
E&P companies		
4	Jetex Petroleum Ltd	√

Source: BDO

5.1.2. Payment flows

In preparation for The Netherlands' second EITI report, the multi-stakeholder group (the NL-EITI MSG) considered which revenue streams should be included within the scope of the reconciliation. The Independent Administrator (IA) has carried out a preliminary analysis for the purpose of reviewing the scope of the reconciliation exercise for the year ended 31 December 2018. This preliminary analysis covers the oil & gas extraction in The Netherlands.

Following the review of the taxation system for mining activities in The Netherlands, the table below presents a summary of the taxes and payments made to the Dutch government by E&P companies.

Table 6 – Payments by E&P companies to the Dutch government

Revenue stream	Paid to	Definition	In scope
Corporate Income Tax (CIT)	NTCA	Pursuant to the 1969 Corporate income tax Act, all joint stock companies (NVs), limited liability companies (BVs) and comparable legal entities established in the Netherlands are subject to corporate income tax for their entire profits. Legal entities established outside of The Netherlands, are subject to corporate income tax for the profits that arise form activities in The Netherlands. The CIT rate is 20% on the first 200,000 euro in profit, and 25% on profits exceeding 200,000 euro.	√
SPS - Profit share (Winstaandeel)	NTCA	Profit Share is a mining levy foreseen in section 5.1.1 of the Mining Act and charged to the holder a production license. The rate of the Profit Share is 50% calculated on the basis of the result of the profit and loss account of the production license.	√

Revenue stream	Paid to	Definition	In scope
Surface rental (Oppervlakterecht)	NTCA	Surface Rental is a mining levy foreseen in section 5.1.1 of the Mining Act. It is charged annually to the holder of an offshore exploration license or a production license. The levy is calculated and paid on the basis of the surface area of the license.	√
Royalties (Cijns)	NTCA	Cijns is a mining levy foreseen in section 5.1.1 of the Mining Act. It is charged to the holder of a production license. Theoretically Cijns applies to both production licenses offshore and onshore, but for offshore licenses there is a 0% rate. Cijns is calculated and paid on the basis of the turnover in the year on which the tax is levied.	√
SA - State Share (Staatsaandeel) *NAM specific*	EZK	State Share is based on a private agreement between the Dutch government, Shell, ExxonMobil and the NAM. It is charged at a rate of 10% on the profits made with certain pre-1965 concessions.	√
AB - Additional Payment (Aanvullende Betaling) *NAM specific*	EZK	Additional Payment was agreed with the Dutch government on the basis of a private law agreement, as a result of which the tax revenues (including private law taxes) in total would be based on a composite rate of around 50%.	√
MOR - Extra Income Scheme (Meeropbrengstregeling) *NAM specific*	EZK	The Extra Income Scheme (MOR) is a levy pursuant to 1972 agreement between the Dutch government, Shell, ExxonMobil, DSM and the NAM. It was designed to increase government share to 85% over revenues from Slochteren gas from the Groningen concession. This agreement was amended in 1975 and the State Share was increased to 95%.	√
Dividends *EBN specific*	EZK	As a state-owned enterprise, EBN pays dividends on the profits realised and following decision of the board of directors.	√
Retributions (Retributies)	EZK/ SodM	Retributions are introduced by Article 133 of the Mining Act. The retribution is a payment for services to Oil & Gas companies. At EZK it concerns payments for work in the context of licensing, transfer of permits, approval of extraction plans and similar services. SodM charges mining companies for the performance of its supervisory duties with these companies under the Mining Act.	

Revenue stream	Paid to	Definition	In scope
State Participation (Receipts by EBN related to sales of hydrocarbons)	EBN	The Dutch government is usually involved in all oil and gas projects in the Netherlands. Its interest in these activities is either 40 or 50%. EBN, 100% State Owned Enterprise, acts on behalf of the Dutch Government as a joint holder of a license or as a financial beneficiary. State Participation represents the EBN share of the hydrocarbons sold to the operators, GasTerra or other customers.	
Reimbursement of EBN costs share	EBN	Cash out relating to reimbursement of EBN to operators for EBN's share in the cost of oil and gas licenses	

Source: BDO

Environmental taxes

The Netherlands has a number of environmental taxes, which are levied on the basis of the Environmental Taxes Act ('Wet belastingen op milieugrondslag'). The purpose of these levies is to tax the use and consumption of energy and environmentally damaging goods and services. The payment relevant to the E&P companies is the energy tax (including the surcharge for renewable energy "ODE"), which is levied on the supply of gas or electricity to consumers. The rate is set at a decreasing amount per cubic metre (gas) or kilowatt hour (electricity).

In general, the energy tax and ODE are not paid to the government by the E&P companies themselves, but by the energy companies – the suppliers of gas and electricity. These companies then pass the energy tax on in the prices of gas and electricity. In the case the E&P companies supply gas and/or electricity to customers themselves, the energy tax and ODE are also passed on in the prices to the customers. Therefore, the energy tax and ODE are not included in the reconciliation.

However, in case of self-generation of electricity for use at the location where it is generated, the user must pay the energy tax and ODE himself. This is occasionally the case with E&P companies and salt extraction companies. In that case the E&P and salt companies are the actual taxpayers. Due to a large number of exceptions to the above, payments of energy tax and ODE by E&P companies and salt companies to the government themselves are not material and are therefore excluded from the reconciliation scope.

Social payments

There are no mandatory social payments foreseen in the Mining Act. This was confirmed by the different stakeholders during the preliminary analysis carried out by the IA.

However, several companies undertake voluntary social activities in The Netherlands. As a result, companies were requested to report their social projects. These payments are detailed further below in section 5.2.7.

5.1.3. Government agencies

The Government Agencies required to report for 2018 NL-EITI were:

NTCA	Netherlands Tax and Customs Administration ('Belastingdienst')
EZK	Ministry of Economic Affairs and Climate Policy

Also, EBN has been required to report for the NL-EITI report 2018 as part of the Dutch government. EBN is to be considered a state-owned enterprise (SOE) according to the definition foresee at Requirement 2.6 of the EITI Standard. The profits of EBN are an – indirect – income for the Dutch government as it is the sole shareholder of the company.

5.1.4. Project level reporting

It is required that the EITI data is presented by individual company, government entity and revenue stream. Furthermore, the NL-EITI MSG has decided to implement the content and scope of the project reporting concept by the application of the legal regulation "Decree on Disclosing Payments to Government Entities ('Besluit rapportage van betalingen aan overheden') of 10 November 2015" and the EU Directive 2013/34/EU. According to these regulations, "A project should be defined as the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities to a government. Nonetheless, if multiple such agreements are substantially interconnected, this should be considered a project".
Moreover, the EU Directive 2013/34/EU stipulates that "Undertakings active in the extractive industry or the logging of primary forests should not be required to disaggregate and allocate payments on a project basis where payments are made in respect of obligations imposed on the undertakings at the entity level rather than the project level. For instance, if an undertaking has more than one project in a host country, and that country's government levies corporate income taxes on the undertaking with respect to the undertaking's income in the country as a whole, and not with respect to a particular project or operation within the country, the undertaking would be permitted to disclose the resulting income tax payment or payments without specifying a particular project associated with the payment".

Therefore, all payment flows included in the reconciliation scope 2018 will be disaggregated by project except the following:

- Corporate Income Tax (CIT), Profit share (SPS), State Share (SA) and Additional Payment (AB): These taxes are paid at entity level and not at project level and therefore cannot be disclosed by project;
- Dividends: The dividends paid by EBN to EZK are calculated on the basis of the annual profit and cannot therefore be disclosed by project;
- State participation and reimbursements of EBN cost share: The revenues from the hydrocarbons sales received from GasTerra, the operators and other customers as well as the reimbursements of EBN costs share to the operators cannot be disclosed by project. In fact, this information is not actually available through the information system of EBN. However, for the receipts and reimbursements made with the NAM, it was agreed that the following level of disaggregation will be disclosed by EBN and the NAM and will be used for the reconciliation:
  - Groningen: Receipts related to EBN's share in the gas revenues from the Groningen field;
  - Pre-1965 licenses (Schoonebeek): Receipts related to oil, condensate, sulfur, other

hydrocarbons revenues or revenues from underground storages.; and
- Post 1965 licenses: Receipts related to oil, condensate, sulfur, other hydrocarbons revenues or revenues from underground storages.

For the payment flows that should be disclosed by project, specific information were added in the reporting templates to indicate the field name and the licence number. The table below sets out the payments to be disclosed at project level:

Table 7 – List of payment streams to be disclosed by project

Payment flow	Paid to	Disclosed at project level
Corporate Income Tax (CIT)	NTCA	✗
SPS - Profit share ('Winstaandeel')	NTCA	✗
Surface rental ('Oppervlakterecht')	NTCA	√
Royalties ('Cijns')	NTCA	√
SA - State Share ('Staatsaandeel')	EZK	✗
AB - Additional Payment ('Aanvullende Betaling')	EZK	✗
MOR - Extra Income Scheme ('Meeropbrengstregeling')	EZK/ NAM	√
Dividends	EZK	✗
Retributions ('Retributies')	EZK/SodM	√
State Participation ('Staatsdeelneming')	EBN	✗
Reimbursement of EBN costs share	EBN	✗

Source: BDO

5.1.5. Data reliability and credibility

To ensure the completeness and accuracy of the data, the NL-EITI MSG has decided that all reporting templates submitted by extractive companies and Government agencies should be signed off by an authorised officer. All reporting templates received from the reporting entities were signed off by an authorised officer except for the following entities:

Government agencies
EZK

5.1.6. Reconciliation methodology

The Independent Administrator (IA) has performed his work in accordance with the International Auditing Standards applicable to related services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information). The procedures performed were those set out in the Terms of Reference and approved by the NL-EITI MSG on 3 December 2019.

The reconciliation procedures carried out were not designed to constitute an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result the IA does not express any assurance on the transactions beyond the explicit statements set out in this report. Had the IA performed additional procedures other matters might have come to the IA's attention that would have been reported.

The reconciliation process consisted of the following steps:

- collection of payment data from government agencies and E&P companies which provide the basis for the reconciliation;
- comparison of amounts reported by government agencies and E&P companies to determine if there were discrepancies between the two sources of information; and
- contact with government agencies and E&P companies to resolve the discrepancies.

The acceptable margin of error for the reconciliation differences (after adjustments), between payments from E&P companies and revenues from the government, is set at 1% of total extractive revenues as reported by the government agencies.

5.2. Reconciliation of reported payments to the government by E&P companies in 2018

The total receipts from E&P companies as reported by NTCA and EZK amounted to 1,902.65 million euro in 2018. The receipts from the companies included in the reconciliation scope amount to 1,813.61 million euro while the receipts from the other companies amount to 89.04 million euro.

Table 8 – Total Government receipts from the E&P companies

		Payments from in-scope companies (million EUR)	Payments from other companies (million EUR)	Total payments (million EUR)	Reconciliation coverage (%)
	NTCA	**504.27**	**89.04**	**593.31**	**85%**
1	Corporate Income Tax (CIT)	394.37	69.24	463.61	
2	Profit Share	77.11	17.10	94.21	
3	Surface Rental	24.75	-	24.75	
4	Cijns (Royalty)	8.04	2.70	10.74	
	EZK	**1,308.14**	**-**	**1,308.14**	**100%**
5	Surface Rental	2.33	-	2.33	
6	State Share	(7.10)	-	(7.10)	
7	Additional Payment	(65.72)	-	(65.72)	
8	Extra Income Scheme (MOR)	764.43	-	764.43	
9	Dividends	613.72	-	613.72	
10	Retributions	0.48	-	0.48	
	SoDM	**1.20**	**-**	**1.20**	**100%**
11	Retributions	1.20	-	1.20	
	Total payments	**1,813.61**	**89.04**	**1,902.65**	**95%**

Source: BDO

The breakdown of the payments from other companies (out of reconciliation scope) is not provided in this report because of the data protection regulation. The list of the other companies is presented in Appendix 6.

5.2.1. Results of the reconciliation work

Reporting templates were received from all 17 companies (or group of companies) and 2 government agencies. The table below presents aggregated cash flows as declared by the reporting entities. A company by-company overview is presented in Appendix 7.

- the companies initially reported payments of 1,820.24 million euro to the government. The payments reported by the companies were 61.26 million euro higher than the payments reported by the government;
- out of these discrepancies, (6.63 million euro) is explained discrepancies from companies, while 54.63 million euro is explained discrepancies from the government.

Table 9 – Results of the reconciliation work

Aggregated payments	Initial reporting (million EUR)	Resolved discrepancies (million EUR)		Adjusted reporting (million EUR)
		Companies	Government	
Companies	1,820.24	(6.63)	-	1,813.61
Government	1,758.98	-	54.63	1,813.61
Discrepancy	**61.26**	**(6.63)**	**(54.63)**	**-**

Source: BDO

All resolved discrepancies have been discussed and approved by the concerned reporting entities.

5.2.2. Payments by company

The detailed results of the reconciliation exercise per company are presented in the following table with post-reconciliation differences noted between amounts reported as paid by in-scope extractive companies and amounts reported as received by Government agencies.

Table 10 – Results of the reconciliation exercise per company

No.	Company	Extractive companies (million EUR)	Government (million EUR)	Difference (million EUR)
1	Nederlandse Aardolie Maatschappij B.V. (NAM)	998.87	998.87	-
2	Energie Beheer Nederland (EBN)	800.16	800.16	-
3	Wintershall Noordzee B.V. (BASF)	24.01	24.01	-
4	NGT (Noordgastransport B.V.)	18.13	18.13	-
5	Dana Petroleum Netherlands B.V.	13.55	13.55	-
6	Vermilion Energy Netherlands B.V.	12.76	12.76	-
7	NOGAT B.V.	10.58	10.58	-
8	TAQA Energy B.V.	1.26	1.26	-
9	Petrogas E&P Netherlands B.V.	0.97	0.97	-
10	Tulip Oil Netherlands B.V.	0.49	0.49	-
11	Hansa Hydrocarbons	0.29	0.29	-
12	Jetex Petroleum	0.27	0.27	-

No.	Company	Extractive companies (million EUR)	Government (million EUR)	Difference (million EUR)
13	Spirit Energy	0.12	0.12	-
14	ONE-Dyas	(3.51)	(3.51)	-
15	Neptune Energy Netherlands B.V.	(3.33)	(3.33)	-
16	RockRose Energy	(15.36)	(15.36)	-
17	Total E&P Nederland B.V.	(45.65)	(45.65)	-
	Total payments	**1,813.61**	**1,813.61**	**-**

Source: BDO

The table including consolidated figures per company based on the reporting templates prepared by each extractive company and Government agency and adjustments made by the IA following the reconciliation work is presented in Appendix 7.

5.2.3. Payments by revenue stream

The detailed results of the reconciliation exercise per revenue stream are presented in the following table.

Table 11 – Results of the reconciliation exercise per revenue stream

No.	Revenue stream	Extractive com-panies	Government	Differences
		(million EUR)	(million EUR)	(million EUR)
	NTCA	504.27	504.27	-
1	Corporate Income Tax (CIT)	394.37	394.37	-
2	Profit Share	77.11	77.11	-
3	Surface Rental	24.75	24.75	-
4	Cijns (Royalty)	8.04	8.04	-
	EZK	**1,308.14**	**1,308.14**	**-**
5	Surface Rental	2.33	2.33	-
6	State Share	(7.10)	(7.10)	-
7	Additional Payment	(65.72)	(65.72)	-
8	Extra Income Scheme (MOR)	764.43	764.43	-
9	Dividends	613.72	613.72	-
10	Retributions	0.48	0.48	-
	SoDM	**1.20**	**1.20**	**-**
11	Retributions	1.20	1.20	-
	Total payments	**1,813.61**	**1,813.61**	**-**

Source: BDO

The table including consolidated figures per revenue stream based on the reporting templates prepared by each extractive company and Government agency and adjustments made following the reconciliation work is presented in Appendix 8.

5.2.4. Project level reporting

In-scope companies were requested to disclose the payments detailed by project when the taxes are levied by project. The payments detailed by project by represent 99.88% of the total payments required to be detailed by project:

Table 12 – Payments by project reported by the E&P companies

		Required to be disclosed by project	Payments from in-scope companies (million EUR)	Payments disclosed by project by in-scope companies (million EUR)	%
	NTCA		**32.79**	**32.79**	**100%**
1	Surface Rental	√	24.75	24.75	100%
2	Cijns (Royalty)	√	8.04	8.04	100%
	EZK		**767.24**	**767.03**	**99.97%**
3	Surface Rental	√	2.33	2.33	100%
4	Extra Income Scheme (MOR)	√	764.43	764.43	100%
5	Retributions	√	0.48	0.27	56.25%
	SoDM		**1.20**	**0.47**	**39.17%**
6	Retributions	√	1.20	0.47	39.17%
	Total payments		801.23	800.29	99.88%

Source: BDO

All payments reported by the companies were disaggregated by project when required except for the Retributions. Since the entry into force of the Retributions Regulation (1 January 2018), as included in the Mining Regulation, the Ministry of Economic Affairs and Climate Policy has asked for compensation for the costs incurred by the Minister for granting, changing or revoking a permit, exemption or with regard to mining, or the assessment of a notification for an action with a mobile installation, for which the fixed amounts are included in the Mining Regulation (Mining Act, Bulletin of Acts and Decrees 2016, no. 552, Mining Decree, Bulletin of Acts and Decrees 2016, no. 557, Mining Regulations Government Gazette 2017, No. 70222).

The Government agencies were also requested to disclose the payments detailed by project when the taxes are levied by project. All the payments reported by the Government agencies were disaggregated by project when required except for the Retributions. EZK did not disclose the breakdown by individual payment and by project for Retributions.

The breakdown of the payments reported by the companies by individual payment stream, by company and by project is presented in Appendixes 9.1 – 9.4.

5.2.5. EBN receipts from hydrocarbons sales and payments by EBN for costs and capex

As a non-operating partner, EBN is involved in nearly all oil and gas projects in The Netherlands. Its interest in these activities is 40 or 50%.

EBN is playing a double role in the oil & gas sector:

- as a state-owned enterprise (SOE), EBN is managing the interests of the Dutch State in the oil & gas projects; and
- as a company, undertaking its business and paying taxes to the government. It also pays dividends on the profits realised.

Although EBN is a SOE, it is run like a private corporation with an independent management and a financial autonomy. All revenues collected, including the sales of the government share in the production, are incorporated in its financial statements. The Dutch government receives dividends out of the profits after taxation.

In order to not double count the revenue generated by the Dutch State in the oil & gas projects, only payments made by EBN to NTCA and EZK were considered as direct revenues from the sector as presented in Section 5.2.3. Revenues received by EBN from E&P companies for its participation in the different oil & gas projects and payments made by EBN to the operators for its share in the operating and capitalised expenses are detailed separately in this section for information purposes and not considered as additional revenues/charges for the government.
According to data obtained from EBN, the revenues received from the state participation in the different oil & gas projects and the payments to operators for costs and capex in 2018, broken down by operator, are as follows.

Table 13 – EBN receipts from hydrocarbons sales, pipeline fees and gas storage fees and payments for costs and capex in 2018[139]

		Receipts by EBN related to hydrocarbons sales, pipeline fees and gas storage fees (million EUR)	Payments by EBN related to costs and capex in licenses (million EUR)	Net Cash (million EUR)	Reconciled
1	Hansa Hydrocarbons	-	(0.77)	(0.77)	√
2	Wintershall Noordzee B.V. (BASF)[140]	8.11	(59.75)	(51.64)	√
3	Spirit Energy	-	(15.01)	(15.01)	√
4	NAM	1,412.81	(507.33)	905.48	√
	Groningen	1,212.69	(321.54)	891.15	√
	Pre-1965 licenses (Schoonebeek)	45.96	(31.38)	14.58	√
	Post 1965 licenses	154.16	(154.41)	(0.25)	√
5	ONE-Dyas	-	(44.22)	(44.22)	√
6	RockRose Energy	-	-	-	√

139 The receipts from the sale of hydrocarbons are related to the sale of natural gas (14 billion Nm3) and of oil and condensate (2.3 million barrels). The receipts from other customers are related to the sale of oil and condensate by EBN to customers who are not operators, such as chemical companies or oil traders. As can also be seen in Appendix 5, EBN participates in most production licenses with an interest of 40%. As indicated in chapter 4.1, the production per production license is included in the 2018 annual report Mineral and Geothermal Energy in the Netherlands, which can be found at https://www.nlog.nl/jaarverslagen. The operator of the relevant license is also indicated. The production and discharge figures can be consulted per permit, as well as at field, well or mining work level, in the data centre of the Netherlands Oil & Gas Portal: https://www.nlog.nl/datacenter/. The relevant operator is also mentioned here.

140 The receipts from Wintershall Noordzee B.V. (BASF) relate to Northsea pipeline fee revenues paid to EBN Capital BV.

		Receipts by EBN related to hydrocarbons sales, pipeline fees and gas storage fees (million EUR)	Payments by EBN related to costs and capex in licenses (million EUR)	Net Cash (million EUR)	Reconciled
7	*TAQA Energy B.V.141*	34.85	(33.38)	1.47	√
8	Total E&P Nederland BV	-	(72.34)	(72.34)	√
9	Dana Petroleum Netherlands BV	18.27	(14.83)	3.44	√
10	Vermilion Energy Netherlands BV	0.04	(18.42)	(18.38)	√
11	Neptune Energy Netherlands BV	-	(118.72)	(118.72)	√
12	Petrogas E&P Netherlands B.V.	-	(28.51)	(28.51)	√
13	Tulip Oil Netherlands BV	-	(25.09)	(25.09)	√
14	Jetex Petroleum	-	(0.45)	(0.45)	√
15	GasTerra	1,235.87	-	1,235.87	✗
16	Other customers of EBN	27.27	-	27.27	✗
	Total	**2,737.22**	**(938.82)**	**1,798.40**	

Source: BDO

All the above payments received from and made to the operators have been reconciled with no discrepancies (after reconciliation adjustments).

Furthermore, the receipts relating to hydrocarbons sales to GasTerra and other EBN customers were unilaterally disclosed by EBN.

As shown in the table below, the receipts collected by EBN from the hydrocarbons sales, pipeline fees and gas storage fees reached 2,737.22 million euro in 2018 while the disbursements for costs and capex, dividends, CIT and MOR reached together 2,044.75 million euro making a net cash surplus of 692.47 million euro.

Table 14 – Summary of EBN transactions in 2018

		Cash in (million EUR)	Cash out (million EUR)	Net Cash (million EUR)
Receipts				
Receipts by EBN related to hydrocarbons sales, pipeline fees and gas storage fees	GasTerra, operators and other customers	2,737.22		2,737.22
Payments				

141 The receipts and payments made with TAQA Energy include gas storage revenues and payments for costs and capex relating to gas storage services for 34.61 million euro and 16.5 million euro respectively.

		Cash in (million EUR)	Cash out (million EUR)	Net Cash (million EUR)
Payments for costs and capex in licenses	Operators		(938.82)	(938.82)
Dividends	EZK		(613.72)	(613.72)
Extra Income Scheme (MOR)	NAM		(305.77)	(305.77)
Corporate Income Tax (CIT)	NTCA		(186.44)	(186.44)
Total		**2,737.22**	**(2,044.75)**	**692.47**

Source: BDO

5.2.6. Social payments

Although there are no mandatory social payments in the Netherlands, almost all E&P companies carried out voluntary social payments in 2018. However, only TAQA Energy BV, Wintershall Noordzee B.V. and ONE-Dyas reported voluntary social payments in 2018 for an amount of 144,450 euro.

Table 15 – Social payments in 2018

Legal entity name	Location	Description of payment	Payment (EUR)
TAQA Energy BV	Alkmaar	Support of local cultural activities	100,000
Wintershall	Utrecht/Delft	Sponsoring	3,000
ONE-Dyas		Sponsoring, bio child rehabilitation and contribution to Clingendael 2018	41,450
Total			**144,450**

Source: BDO

5.2.7. Environmental payments

The total payments for energy tax amounted to 2,455,173 euro in 2018 while payments for surcharge for renewable energy (ODE) amounted to 453,733 euro.

These payments are made by the E&P companies to NTCA.

5.2.8. Payments from salt companies

The NL-EITI MSG decided to include unilateral disclosure from NTCA and EZK with regards to the payments made by the salt companies in 2018.

The total CIT repayments made by NTCA to the salt companies amount to 20,224 euro in 2018.

Furthermore, EZK reported payments received from salt companies in 2018 for levies attached to the quantities produced for 2,599,101 euro.

5.3. National budget

In the Netherlands, all revenues from the mining activities are recorded in the national budget. The revenues are recorded according to Article 5 of the budget of the Ministry of Economic Affairs and Climate Policy. Afterwards, the revenues flow into the State treasury. For more information, please see: https://www.rijksbegroting.nl/2018/voorbereiding/begroting.

In the Netherlands, there is no transfer of funds to other governmental authorities than the State.

6. IA recommendations to the NL-EITI MSG

6.1. Recommendation from 2018 exercise

6.1.1. Gender balance in the NL-EITI MSG representation

In accordance with Requirement 1.4 of the 2019 EITI Standard, "The multi-stakeholder group and each constituency should consider gender balance in their representation to progress towards gender parity".

The details of membership of the NL-EITI MSG, as disclosed in the Annual Progress Report 2019, show that the NL-EITI MSG includes 5 women out of 18 MSG members.

It is recommended that the multi-stakeholder group should discuss with all the representatives in order to ensure gender parity.

6.1.2. Increase the participation and involvement of companies in the EITI reporting process

Despite the continuous effort of the NL-EITI MSG to involve more E&P companies in the reporting process, the scope of NL-EITI 2018 included only one non-NOGEPA member. Furthermore, the coverage of the reconciliation exercise decreased from 95,34% in 2017 to 85,00% in 2018.

It is worth noting that some E&P companies expressed willingness to participate to NL-EITI for future reports.

It is recommended to continue the efforts and actions performed to increase the participation of E&P companies in the NL-EITI reporting process. In addition, the inclusion of salt companies in the reconciliation is highly recommended. Inclusiveness may be increased by communicating directly to the licensees the latest developments of the EITI process in the Netherlands and worldwide. The NL-EITI MSG could consider establishing a direct information exchange mechanism between the E&P companies and the NL-EITI Secretariat.

6.2. Follow-up of 2017 report recommendations

Recommendation in NL-EITI Report 2017	Imple-mentation	Comments
1. Lack of EITI Database		
It is recommended that, in the first instance, the NL-EITI Secretariat should create its database following the current reconciliation exercise. The NL-EITI Secretariat should then liaise with the government agencies to ensure it obtains adequate information regularly and updates its database accordingly. To this end, it is vital that any new entrants to the extractive sector are registered with the NL-EITI Secretariat as part of the process before or at the same time as they obtain their operating licence. A regular review with the government agencies of the list of extractive companies licenced to operate in the sector is also recommended. Each extractive company and government agency previously included in the reconciliation work must appoint a single point of contact to take responsibility for comprehensive EITI reporting and the company and government entity should notify the NL-EITI Secretariat of the name and contact details of that focal person.	On going	A list of E&P companies participating to the EITI process is held by the NL-EITI Secretariat. The list includes the identity of the focal persons and their contacts.
2. Limited authorisation from extractive companies for data disclosure		
It is recommended that the confidentiality waiver should be extended to all government agencies involved in the collection of revenues from extractive companies. The extension should also cover all types of payment streams covered by the EITI process.	Yes	For the 2018 reconciliation exercise, 3 different authorisations were issued to the companies (NTCA, EZK and EBN).
3. Lack of Reporting Templates and assurance procedures for the Government agencies for EITI reporting		
It is recommended that future government reporting process is discussed and that separate templates are developed for the 2018 EITI Report. In particular, it should be clarified whether EBN should report both incoming and outgoing payments. The level of details in the reporting should also be specified. Additionally, further clarification is needed on whether GasTerra are required to report payments relating to the sale of the state's gas. The NL-EITI MSG should also agree the assurances to be provided to the IA by government entities. For instance, these reporting templates could me signed off by an official from the government entity.	Yes	Soft copies, in Excel, of the Reporting Templates were sent directly to companies and to the government agencies.

Recommendation in NL-EITI Report 2017	Imple-mentation	Comments
4. Sale of the state's share of production		
It is recommended that in future NL-EITI reports, the NL-EITI MSG includes the required data relating the sale of the state's share of production. GasTerra should be approached to report the volume sold and revenues received disaggregated by individual buying company. It is also worth noting that EITI Standard 2019 introduced new requirements on commodity trading transparency. The implementing countries should report on revenues from the sale of the state's share of production of oil, gas, and/or mineral resources disaggregated by sales contract (rather than by buyer). Implementing countries are also encouraged to disclose the process of selecting buyers. Consequently, involving GasTerra in the EITI process is highly recommended.	Yes	The requirement on commodity trading transparency is not applicable in the Netherlands.
5. Reporting at project level		
To further strengthen EITI implementation, the NL-EITI MSG is encouraged to work with the government agencies and start early discussions on availability of government data for project-level reporting. As per the EITI Board decision of 8 March 2018, the NL-EITI MSG should agree on a definition of the term 'Project' that is consistent with relevant national laws and systems as well as international norm. The NL-EITI MSG should be able to disaggregate data by project in the 2018 NL-EITI report.	Yes	Refer to section 5.2.4 and Appendixes 9.1 – 9.4 of this report.
6. Overall coverage of the EITI Report		
In view of the current legislation with regard to disclosure of confidential information, it is recommended that the NL-EITI MSG focuses on enhancing the communication aspects of the EITI process in order to encourage more companies to join the reporting process, notwithstanding the significant efforts already made in this respect. The NL-EITI MSG should introduce the EITI to extractive companies through a strong awareness campaign such as conferences, meetings, workshops, etc.	On going	Despite the continuous effort made to include more non-NOGEPA companies and salt companies in the EITI reporting process, only one non-NOGEPA company joined the process for the NL-EITI Report 1018.
7. Reconciliation issues: Interests paid/repaid		
It is highly recommended that before dispatching the reporting template, a workshop should be planned in order for the IA to present the reporting template and provide guidance to the different reporting entities in order to avoid any misunderstanding of the reporting requirements. The workshop will also be beneficial to both the IA and companies to exchange on practical aspects of the reporting process and agree on adequate approach for a successful and smooth reporting.	Yes	A power point presentation and a training session was held to explain to each participant how to fill the template.

Recommendation in NL-EITI Report 2017	Imple-mentation	Comments
8. Late submission of reporting templates		
It is recommended that the NL-EITI MSG considers the options available in order to try to achieve 100% on time submission by the reporting entities. The following options are to be considered: • raising the awareness of the EITI programme and its importance; • extend the reporting deadline in order to provide the companies enough time to prepare the reporting template; • schedule the reporting template preparation in periods were companies have availabilities of staff (avoid holiday seasons and accounting closure periods).	On going	The reporting templates were in general submitted on time without achieving the target of 100%.

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Appendix 1: The steps taken by the Netherlands regarding the EITI in chronological order

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List of abbreviations

Barmm	General Mining Industry (Environmental Rules) Decree *(Besluit algemene regels milieu mijnbouw*)
GDP	Gross Domestic Product
CBS	Statistics Netherlands (*Centraal Bureau voor de Statistiek*)
EBN	Energie Beheer Nederland
EITI	Extractive Industries Transparency Initiative
E&P	Exploration and production
EU	European Union
GTS	Gasunie Transport Services
IEA	International Energy Agency
EIA	Environmental Impact Assessment
MOR	Additional Revenue Scheme *(Meeropbrengstregeling*)
MSG	Multi-stakeholder group
NAM	Nederlandse Aardolie Maatschappij B.V.
NGT	Noordgastransport
NL-EITI	EITI in the Netherlands
NOGAT	Northern Offshore Gas Transport
NOGEPA	Netherlands Oil and Gas Exploration and Production Association (*Nederlandse Olie en Gas Exploratie en Productie Associatie*)
OvS	Cooperation Agreement (*Overeenkomst van Samenwerking*)
PGI	Peak Gas Installation in Alkmaar (*Piekgasinstallatie*)
RVO	Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland*)
SBI	Dutch standard industrial classification (*Standaard Bedrijfsindeling*)
SDE+	Stimulation of Sustainable Energy Production scheme (*Stimulering Duurzame Energieproductie*)
SRA	Seismic Risk Analysis (*Seismische Risico Analyse*)
SSM	State Supervision of Mines (*Staatstoezicht op de Mijnen, SodM*)
TAQA	Abu Dhabi National Energy Company
Tcbb	Technical Committee on Ground Movement *(Technische Commissie bodembeweging*)
TNO	Netherlands Organisation for Applied Scientific Research (*Nederlandse Organisatie voor toegepast-natuurwetenschappelijk onderzoek*)
UBO	Ultimate Beneficial Owner
Wabo	Environmental Permitting (General Provisions) Act (*Wet algemene bepalingen omgevingsrecht*)
WGT	Westgastransport
Wwft	Money Laundering and Terrorist Financing (Prevention) Act (*Wet ter voorkoming van witwissen en financieren van terrorisme*)

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APPENDIX 1

The steps taken by the Netherlands regarding the EITI in chronological order

- 2003: The Netherlands declares its support for the EITI at the first EITI conference.

- 2005: The Netherlands provides USD 1.5 million in funding to the Multi-Donor Trust Fund managed by the World Bank. In addition, the Netherlands becomes a member of the "supporting countries" group on the EITI board.

- 2010: The Dutch government commissions the consultancy firm Roland Berger to write the Extractive Industries Transparency Initiative (EITI) Feasibility Study *(Haalbaarheidsonderzoek Extractive Industries Transparency Initiative [EITI]*), which examines the advantages and disadvantages of EITI implementation in the Netherlands.

- 2011: The Dutch government sends the Raw Materials Memorandum (*Grondstoffennotitie*) to the House of Representatives, in which it specifies that:
  - "it will provide financial support to the EITI";
  - "based on the predicted international developments with regard to various transparency initiatives, including those initiated by the EU, the Netherlands will adopt the EITI or a similar initiative in due course";
  - "it will lobby international financial institutions to give preference to companies that demonstrably adhere to EITI rules when it comes to tendering procedures, with a further advantage given to those companies that provide technical assistance and expertise during contract negotiations with developing nations about the exploitation of raw materials";
  - "it will encourage developing nations who have implemented the EITI successfully to support other African nations".

- 2011–2015: The Dutch government provides USD 250,000 in funding to the EITI secretariat annually.

- 2012–2013: The Netherlands is an active member of the EITI board in a donor support group, together with France, Germany, Switzerland, Italy and the European Commission.

- 2012–2015: A member of staff of the Ministry of Foreign Affairs is on secondment to the EITI secretariat in Oslo.

- 2014: The Dutch government commissions the consultancy firm Roland Berger to update his 2010 study to reflect the actual state of affairs.

- 2015: The Dutch government sends two letters to the House of Representatives, in which it states its intention to implement the EITI in the Netherlands. The Dutch government commissions Royal HaskoningDHV to carry out a scoping study for the EITI implementation in the Netherlands.

- 2016: The Ministry of Foreign Affairs tasks the Netherlands Enterprise Agency (RVO) with making preparations for EITI implementation in the Netherlands (NL-EITI).

- 2016–2018: Prof. Dirk-Jan Koch, the Ministry of Foreign Affairs' special representative for raw materials, is an active member of the EITI board.

- 2017: The then Minister of Economic Affairs and the then Minister for Foreign Trade and Development Cooperation appoint Prof. Dirk-Jan Koch as the champion for NL-EITI. In late 2017, those same minsters establish the multi-stakeholdergroup for the NL-EITI (the NL-EITI MSG).

- 2018: On 16 April, the NL-EITI MSG submitted the Dutch Candidature application to the EITI Board. On 28 June, the EITI Board admitted the Netherlands as a Candidate country at its Board meeting in Berlin. This implied that the Netherlands was required to publish the first EITI Report, in accordance with the EITI Standard, before the end of 2019.

- 2019/2020: The first NL-EITI Report was ready and approved by the NL-EITI MSG in December 2019 and published on 14th January 2020 on the NL-EITI website. The Report has been set up in accordance with the EITI standard 2016 and covers the fiscal year 2017.

- 2020/2021: The second NL-EITI Report was ready in December and approved by the NL-EITI MSG and published on the NL-EITI website in January 2021. The Report has been set up in accordance with the EITI standard 2019 and covers the fiscal year 2018.

APPENDIX 2

Overview of NL-EITI MSG Members

Name	Title	Organisation	Membership
Ruud Cino	Mr.	Ministry of Economic Affairs and Climate Policy	MSG-member
Hans van Gemert	Mr.	Ministry of Economic Affairs and Climate Policy	Alternate MSG-member
Carmen Hagenaars	Mrs.	Ministry of Foreign Affairs	MSG-member
Taco Westerhuis	Mr.	Ministry of Foreign Affairs	Alternate MSG-member
Dorris Raijmann	Mrs.	Tax and Customs Administration	MSG-member
Marco van Driel	Mr.	Tax and Customs Administration	Alternate MSG-member
Jo Peters	Mr.	NOGEPA	MSG-member
Marieke van den Akker	Mrs.	NOGEPA	Alternate MSG-member
Martijn van der Deijl	Mr.	NAM B.V.	MSG-member
Joost Kutsch Lojenga	Mr.	Shell International B.V.	Alternate MSG-member
Tijmen Zaal	Mr.	TAQA Energy B.V.	MSG-member
Joris Hengeveld	Mr.	Vermilion Energy Netherlands B.V.	Alternate MSG-member
Gerno Kwaks	Mr.	Open State Foundation	MSG-member
Serv Wiemers	Mr.	Open State Foundation	Alternate MSG-member
Lotte Rooijendijk	Mrs.	Transparency International NL	MSG-member
Paul Vlaanderen	Mr.	Transparency International NL	Alternate MSG-member
Joosje de Lang	Mrs.	FNV	MSG-member
Henk Korthof	Mr.	FNV	Alternate MSG-member

November 2020

APPENDIX 3

Overview of EITI Requirements[1] applicable to the NL-EITI report 2018

Part	Subject	EITI Requirement
	Foreword	
	Management summary	
1.	**Introduction**	
2.	**Extractive industries in the Netherlands**	
2.1	Introduction	
2.1.1.	Brief history of minerals in the Netherlands	
2.1.2.	Economic significance of of mining and quarring in the Netherlands	6.3a, b and d Social and economic expenditures
2.2.	Developments in 2018	
2.2.1.	Introduction	
2.2.2.	End of gas production in Groningen and gradual phasing out of GasTerra	
2.2.3.	Energy transition	
2.2.4.	Role of gas in the current and future energy system	
3.	**Rules and players in the mining sector**	
3.1.	Legal and institutional framework	2.1 Legal framework and fiscal regime 2.1a Description of the legal framework and fiscal regime 2.1b Document reforms 2.2a.i The licensing process 2.2a.ii Technical and financial criteria used 2.2a.iii Information about the licence holder(s) 2.3 Register of licenses 2.4 c/d/e Definition of the requirments of a license/contract 6.1 and 6.2 Social and economic expenditures
3.2.	Tax regulations	2.1a Description of the legal framework and fiscal regime
3.3.	Developments in 2018	
3.4.	Energie Beheer Nederland	2.6 State participation 4.5 Transactions relating to state-owned enterprises (SOEs) 6.2 Quasi-fiscal expenditures
3.5.	Contract transparency	2.4c/d Government policy on the disclosure of contracts
3.6.	Ultimate Beneficial Owner (UBO)	2.5 UBO: as of 2020 information about the ultimate beneficial owner
4.	**Key data on mineral production in the Netherlands in 2018**	3.1 Exploration 3.2 Production 3.3 Exports 6.3c/d/e Social and economic expenditures
4.1.	Introduction	
4.2.	Petroleum and natural gas	

1 EITI Standaard 2019

Part	Subject	EITI Requirement
4.3.	Salt	
4.4.	Social and economic significance of the extractive industries in the Netherlands (incl. gender)	Gender: 1.4. Multi-stakeholder group 6.3d Social and economic expenditures 7.1. Public debate 7.4. Review the outcome and impact of EITI implementation
5.	**Revenues and reconciliation of extractive companies in 2018**	
5.1.	Approach and methodology of the NL-EITI reconciliation exercise in 2018	4.1 Comprehensive disclosure of taxes and revenues 6.1.b Disclosure of material payments by companies related to the environment that are mandated by law, regulation or contract that governs the extractive investment
5.1.1.	Materiality analysis	
5.1.2.	Payment flows	
5.1.3.	Government agencies	
5.1.4.	Project level reporting	4.7. Level of disaggregation
5.1.5.	Data reliability and credibility	
5.1.6.	Reconciliation methodology	
5.2.	Reconciliation of reported payments to the government by E&P companies in 2018	4.1c Reconciliation of government revenues and company payments 4.1d Aggregated information about the amount of total revenues received 4.2 Sale of the state's share of production or other revenues collected in-kind 4.3 Infrastructure provisions and barter arrangements 4.4. Transportation revenues 4.5 Transactions related to EBN 4.6 Sub-national payments 4.7. Level of disaggregation 4.9 Data quality and assurance
5.3	National budget	5.1a Indicate which extractive industry revenues are recorded in the national budget 5.2 Subnational transfers
6	**IA recommendations to the NL-EITI MSG**	
	Appendixes	
	List of abbreviations	
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APPENDIX 4

Tax regime in the Netherlands

Introduction
The tax regime imposed on Exploration & Production (E&P) companies is discussed in more detail in this Appendix. The overview specifically refers to the regulations for corporate income tax, mining levies, pre-1965 levies and for the regional payments to be made to the province, municipality and water board. In addition, the regime applicable to the E&P companies for the other taxes will also be briefly described.

Corporate income tax
Under the Corporate income tax Act 1969 (*Wet op de vennootschapsbelasting*), all public limited companies (NVs), private limited companies (BVs) and comparable entities established in the Netherlands are required to pay corporate income tax on their total profit. Associations, foundations and comparable legal entities are also liable for corporate income tax but only insofar as they conduct a business.

Legal entities established in the Netherlands are those that have been incorporated under Dutch law – usually the above-mentioned public limited companies and private limited companies – as well as those that have been incorporated under foreign law but are effectively managed in the Netherlands. Therefore, E&P companies established in the Netherlands have to pay corporate income tax on their entire profit.

Legal entities not established in the Netherlands are also liable to corporate income tax in the Netherlands, insofar as they conduct a business in the Netherlands via a permanent establishment or if they own immovable property in the Netherlands. Under Dutch tax law, possession of an exploration or production licence is deemed to show that business is being conducted in the Netherlands or that immovable property is owned in the Netherlands. This means that legal entities that are not established in the Netherlands but own an interest in a Dutch exploration or production licence are liable to corporate income tax in the Netherlands, regardless of whether they are acting in the capacity of operator or non-operating partner in the licence in question.

Corporate income tax is charged at the rate of 20% on the first €200,000 of profit and 25% on any amount over €200,000. Losses sustained in a certain year may be offset against the profits of the previous year and subsequently against the profits of the nine years after the loss-making year. Pursuant to a legislative amendment, loss carry-forward has been limited to six years for losses incurred from financial year 2019.

The profit subject to corporate income tax is determined based on the so-called concept of sound business practice as set out in the Income Tax Act 2001 (*Wet op de inkomstenbelasting*). These profit determination rules also apply to the levy of corporate income tax. The concept of sound business practice has been developed based on Dutch tax court case law and consists chiefly of a number of principles that a sound business operator is expected to observe: the principles of reality, realisation, matching and prudence. In addition, the Income Tax Act 2001 provides for a number of specific rules, for example, concerning the depreciation of buildings and goodwill and the valuation of work in progress and pension provisions.

The Income Tax Act 2001 also imposes certain restrictions on the deduction of costs that are both of a business and private nature and provides for a number of incentives to stimulate investments. These incentives consist of an investment allowance for investments up to

a certain amount as well as for specific investments in environmental-friendly or energy-saving operating assets or in sustainable energy. All of these provisions from the Income Tax Act 2001 also apply to the levy of corporate income tax.

The Corporate income tax Act 1969 also provides for a number of facilities, specifically for legal entities that are subject to corporate income tax. One of these facilities is the participation exemption for gains from subsidiaries (dividends and changes in value). Other examples are facilities where the tax levied on profit obtained from a merger, split-off, division or reinvestment may be carried forward, whereby corporate income tax is levied at the time when a company effectively obtains the profit in respect of a certain transaction (Sections 14 to 14b of the Corporate income tax Act).

One final example is the concept of the fiscal unity based on which various companies that are part of a group may submit a joint corporate income tax return for the consolidated group profit. As a consequence of this fiscal unity, transactions between the companies within the group are not visible for tax purposes and it is possible to offset the profits and losses in a financial year within the group. Approximately half of the 34 E&P companies are part of a fiscal unity for corporate income tax purposes.

A corporate income tax return must be submitted once a year, within five months of the end of the financial year. However, it is possible to request an extension of this period. Corporate income tax is subsequently levied based on an assessment for the year in question, which may be preceded by one or more provisional assessments.

Mining levies

While corporate income tax is levied under a tax law and the ensuing revenues are paid into the treasury, mining levies are imposed under the Mining Act 2003. Besides the provision concerning mining levies, this Act also includes provisions pertaining to all aspects of hydrocarbon exploration and production: the granting of licences, requirements imposed when granting licences, State participation in licences and measures relating to working conditions, the environment and safety and the supervision thereof. The mining levies are provided for in Part 5.1.1 of the Mining Act (Sections 53 to 74) in Chapter 5 on the financial provisions.

Revenues from both mining levies and taxes are paid into the treasury but are accounted for in Article 5 of the budget of the Ministry of Economic Affairs and Climate Policy. The Netherlands Tax and Customs Administration is responsible for levying and collecting the mining levies. It has a nation wide operating team based in Rotterdam that levies, checks and collects both the corporate income tax[1] and mining levies from E&P companies.
There are three mining levies: 1) profit share, 2) surface rental and 3) royalty (*cijns*).

1 It also performs the above actions with respect to other taxes not discussed in greater detail in this section: income tax, wage tax, turnover tax and excise duties.

1. Profit share

Profit share is levied from the holder of a production licence.
The amount is based on a profit and loss account to be prepared by the licence holder. In principle, this result is determined per production licence but the Mining Act offers licence holders the option to submit a consolidated profit and loss account for all its licences, including its exploration licences. All E&P companies avail of this option.

The profit share rate is 50%. Losses may be offset against profits for the three previous years and subsequently for all years following the loss-making year. The profit share return, containing the profit and loss account referred to above, is submitted at the same time as the corporate income tax return. As is the case for corporate income tax, the profit share is levied by means of an assessment, which may be preceded by one or more provisional assessments.

The profit for profit share purposes is determined largely in the same way as the profit for corporate income tax purposes. However, the result that is taxed is limited to that obtained from the production of hydrocarbons - this is the so-called ring-fence of the production business. Thus, any result achieved from other activities, such as the leasing of mining installations to third parties and holding of participations, is not taken into consideration when calculating profit share. The Mining Act contains a mutatis mutandis provision in which a number of sections of the Income Tax Act 2001 and the Corporate income tax Act 1969 have been declared applicable mutatis mutandis when levying the profit share.

Furthermore, for a few categories of revenue and expenditure, the Mining Act itself determines whether or not these will be included in the result based on which profit share is calculated. The result will include in any event:

- the value of the hydrocarbons extracted from the production business other than through sale;
- the differences between the valuation of initial and closing stock in accordance with sound business practice;
- the result obtained from the sale of a production licence (the result obtained from the sale of an exploration licence is excluded from the result);
- the costs of a reconnaissance or exploratory survey carried out pursuant to an exploration licence, provided these costs have not yet been charged to another profit and loss account;
- depreciation on costs incurred before the production licence was granted, again provided these costs have not yet been charged to another profit and loss account; and
- results obtained via instruments for hedging price or exchange rate risks in respect of the hydrocarbons produced, provided the licence holder submits a request to this end to the Netherlands Tax and Customs Administration before using the instrument in question.

The Mining Act also stipulates that the following are not included in the result:

- depreciation of the purchase price of an exploration licence, except where the seller of the licence has not yet charged the associated costs to a profit and loss account; and
- the value of the hydrocarbons produced and used in the production activities itself.

In addition, the Mining Act grants licence holders a cost uplift of 10%: in addition to the costs incurred, an extra 10% of these costs may be charged to the result. This applies to

all costs, with the exception of taxes due to the State and other Dutch public-law charges, including depreciations of the purchase price of a production licence and additions to a decommissioning provision for an acquired production licence, insofar as the associated costs of the last two exceptions have been charged to a profit and loss account by the seller.

The Mining Act sets out its own incentive for investments in marginal offshore gas fields. Within the meaning of the investment allowance, a marginal natural gas field is a gas field that, at the licence holder's request, has been designated as such by the Minister of Economic Affairs and Climate Policy and that meets certain criteria based on the expected volume of gas that can be produced, the expected productivity and the distance from the gas field to existing infrastructure. The basis for the above criteria is set out in Section 68a of the Mining Act and further elaborated on in the Investment Tax Credit Scheme for Marginal Gas Fields on the Continental Shelf (*Regeling investeringsaftrek marginale gasvoorkomens continentaal plat*)[2]. If the Ministry of Economic Affairs and Climate Policy has designated the gas field as a marginal field, the licence holder may apply an investment allowance equal to 25% of the investment amount for installations and wells in that field. A bill[3] is currently being prepared under which this investment tax credit for production licences will become generic – i.e. no longer linked to investments in a marginal field – and will be increased to 40%.
This legislative amendment is aimed at promoting the production of gas from offshore fields but is also applicable to onshore gas production, in order to prevent any conflict with the EU prohibition on state aid. The aim is to establish, via a covenant with the E&P companies, how the measure for onshore gas production will be handled.

An amount, known as the creditable amount, that embodies the flat-rate corporate income tax due on the result, may be offset against the profit share payable. This amount is calculated by applying the corporate income tax rate to the result of the profit and loss account for profit share purposes, adding the cost uplift and deducting the profit share payable. If the creditable amount is higher than the profit share payable, the surplus may be offset against the profit share payable in the next year. If the creditable amount is negative – in the event of a loss – this negative creditable amount must be deducted from the creditable amount for the next year.

As a result of this creditable amount and the deductibility of the profit share for corporate income tax purposes, E&P companies are required to pay a combined corporate income tax and profit share rate of approximately 50% of their profit.

See the next page for a fictitious example of the calculation.

2 https://wetten.overheid.nl/BWBR0028103/2010-09-16
3 The bill was presented to the House of Representatives at the end of May 2020.

State Profit Share (SPS) calculation		
Licensc holder	**(name licence holder)**	
	SPS return	
Turnover gas	10.000.000	
Turnover oil	0	
Turnover condensate	500.000	
Stock movements	0	
Interest income	20.000	
FX income	0	
Profits out of trasfer of assets	0	
Other income	0	
	0	
Total income	10.520.000	
Depresiation fixed assets	300.000	
Amortisation purchased licences	0	
Decommisioning costs	0	
Exploration costs	30.000	
Interest charges	0	
FX losses	0	
Production costs	0	
General costs	10.000	
Overhead costs	0	
Write down of pre-production costs	0	
Other costs	0	
	0	
Total costs with 10% uplift	340.000	
Royalty	0	
Surface rental	35.000	
Depreciation bonus	0	
Other public law charges	11.000	
Write down of pre-production costs without 10% uplift	0	
Depresiation without 10% uplift	0	
Decommisioning costs without 10% uplift	0	
Total costs without 10% uplift	46.000	
10% uplift	34.000	10% x 340.000
Result SPS	10.100.000	Income - costs - uplift
Investment allowance	0	
Profit	10.100.000	
Offsettable losses	0	
Taxable amount	10.100.000	
Rate	50%	
SPS due	5.050.000	
Result for CIT purposes (before deduction of SPS)	10.134.000	Result SPS + uplift
CIT rate first bracket	20,0%	
Maximum first bracket	200.000	
CIT rate second bracket	25,0%	
Result for CIT purposes (after deduction of SPS)	6.765.333	Result fpr CIT purposes - SPS
		↑
Creditable amount fiscal year	1.681.333	CIT rate on ↑
Exces creditable amount previous fiscal year	0	
Creditable amount	1.681.333	
SPS due	5.050.000	
Creditable amount	1.681.333	
SPS to be paid	3.368.667	

2. Surface rental

Once a year, surface rental is levied form holders of a licence for either offshore exploration or offshore and onshore production as on 1 January of that year. If a licence is held by more than one company, the surface rental is levied from the operator.

Surface rental is calculated on the basis of the surface of the licence area in square kilometres on 1 January of the year in question. The rate is an amount per square kilometre, indexed on an annual basis.
The following rates apply for 2020:

For an exploration licence:

Period	**Amount per km2**	**(Rate for 2018)**
Periods 1 to 6	€274	€261
Periods 7 to 9	€551	€523
Subsequent periods	€825	€784
For a production licence:	€825	€784

The surface rental payable per licence is declared via a return, which must be submitted no later than by 1 April of the year in question. The surface rental due must be paid simultaneously with the submission of the above-mentioned return.

3. Royalty (cijns)

Royalty is levied from the holder of a production licence. If a licence is held by a number of companies, royalty is levied from each of them. Each company is required to pay royalty on its accrued turnover.

Royalty is calculated based on the turnover achieved in the relevant year for which the royalty is being charged. The turnover is the number of units produced, multiplied by the price for which they are sold. When determining the number of units produced, certain units must be disregarded. These are the units that have been used for:

- exploration or production in the area from which these units have been produced; and
- processing the units in question prior to their delivery and transport to the place where this processing takes place.

Moreover, units that accrue to the State participation (EBN) are not taken into account.

The calculation of the royalty rate is quite complex. The rate is determined based on the number of units produced (determined at a specific pressure and temperature set out in the Mining Act). Subsequently, it is calculated according to a bracket system (see Table 1) by:

a. determining the quantity falling within each bracket and multiplying it by the percentage applicable to that bracket;
b. adding these results; and
c. dividing this figure by the aggregate number of units produced from the licence area.

Table 1 – Bracket system for turnover-based levy

Petroleum		
Quantities produced by the holder or co-holders jointly, in thousands of m^3	*Breakdown of this bracket*	
	Onshore production	*Offshore production*
Bracket 1: 0 to 200	0%	0%
Bracket 2: 200 to 600	2%	0%
Bracket 3: 600 to 1200	3%	0%
Bracket 4: 1200 to 2000	4%	0%
Bracket 5: 2000 to 4000	5%	0%
Bracket 6: 4000 to 8000	6%	0%
Bracket 7: 8000 and more	7%	0%

Natural gas		
Quantities produced by the holder or co-holders jointly, in millions of m^3	*Breakdown of this bracket*	
	Onshore production	*Offshore production*
Bracket 1: 0 to 200	0%	0%
Bracket 2: 200 to 600	2%	0%
Bracket 3: 600 to 1200	3%	0%
Bracket 4: 1200 to 2000	4%	0%
Bracket 5: 2000 to 4000	5%	0%
Bracket 6: 4000 to 8000	6%	0%
Bracket 7: 8000 and more	7%	0%

The zero rate for offshore licences is prompted by the desire to improve the offshore mining climate (Small Fields Policy).

The rate is increased by 25% (of that rate) if the weighted average value of crude oil imported into the Netherlands in any year is higher than €25 per barrel. The rate is increased by 100% (in other words, doubled) for licences that do not involve any State participation.

Royalty to be paid per licence is declared via a return that must be submitted no later than by 1 April of the year following that for which the levy is calculated. Royalty due must be paid simultaneously with the submission of the above-mentioned return.

Levies for licences granted prior to 1965

For all licences granted before 1965, the levy regime had been laid down in civil-law agreements concluded between the Dutch State and the licence holder, i.e. the NAM. These levies are referred to as the pre-1965 levies. These levies have been substantially modified with effect from 1 January 2018. Until 2017, there were three levies: 1) the State Share, 2) a Supplementary Payment and 3) the MOR.

1. State Share

the State Share is based on a private-law agreement concluded between the State and the NAM and is levied at a rate of 10% of the profit. Corporate income tax and the Supplementary Payment are deductible for the calculation of the State Share.

2. Supplementary Payment

In 1984, the rate of corporate income tax was reduced. To avoid a consequent decrease in State tax revenues for pre-1965 concessions, a Supplementary Payment was agreed on between the State and the NAM via a private-law agreement. Under this agreement, the total tax revenue (including the levies imposed under private law) was based on a composite percentage of approximately 50%.

3. MOR

The MOR is a levy imposed under an agreement concluded in 1972 between the State, Shell, Esso, DSM B.V. (now EBN) and the NAM. It was introduced in order to increase government revenue to 85% of the revenues from the Groningen gas field. This was prompted by a strong increase in these revenues as a result of high oil prices.

This agreement was modified in 1975 to increase State revenue to 95% on a part of the MOR.

In 2018, the NAM still made payments relating to the State Share, Supplementary Payment and MOR on the basis of the agreements as they were in effect prior to 1 January 2018.

As a result of the financial arrangements made in the General Agreement of 25 June 2018, these private-law agreements have been radically amended with effect from 1 January 2018. With retroactive effect, the Supplementary Payment and the MOR agreement have lapsed and the agreement for the State Share has been modified.

In anticipation of an amendment to the Mining Act, the payments for the Groningen production licence have been set out in a private-law agreement, where the payments are identical to those in the Mining Act (Government Gazette 2018, 54375). This means that profit share, surface rental and royalty are also due on the results from the Groningen production licence.
With the entry into force of the Temporary Groningen Act (*Tijdelijke Wet Groningen*) in March 2020, the financial chapter of the Mining Act is now also applicable to the Groningen production licence with retroactive effect from 1 January 2018 and the private-law agreement concluded in 2018 has been terminated. Payments by the NAM for the Groningen production licence made under the agreement concluded in 2018 will also be regarded as payments under the Mining Act pursuant to Section 167d of the Mining Act.

As a result, a private-law agreement for payments continues to apply only for licences granted before 1962. This concerns the State Share, the content of which has also changed with effect from 1 January 2018. The payment of 10% on the profit (the profit part) is supplemented with a surface-area part based on a per-square-kilometre rate (see Government Gazette 2018, 54377)[4].

Regional payments

Besides national payments, a number of regional payments are also applicable in the Netherlands. These payments are collected by regional and local authorities and are provided for partly in the Mining Act and partly in other acts. The rates for these payments are often determined at a local level.

4 This modified State Share had not yet been paid by the NAM in 2018 since the first payment only took place in 2019.

1. Payment to the province

As soon as a party holding an onshore production licence starts operating a site in one of the 12 provinces in the Netherlands and the installations necessary for production are present on that site, it is required to make a once-only payment to the province (Part 5.1.2, Sections 75 to 80 of the Mining Act). The criterion for this payment is the surface area of the site used, measured in square kilometres. The rate is an amount per square kilometre, indexed on an annual basis. The rate for 2020 is €825/km2.

2. Payment to the water board

Water boards collect various levies, including the water system levy, purification levy and pollution levy. The taxes paid by a company depend on its specific situation. For more information, see: https://wetten.overheid.nl/BWBR0005108/2018-07-01 (Water Boards Act (*Waterschapswet*) and https://www.waternet.nl/zakelijk/waterschapsbelasting-voor-bedrijven/kosten-waterschapsbelasting-voor-bedrijven/.

3. Payment to the municipality

Companies are also required to pay property tax to the municipality in which they own immovable property. The rates for this are determined per municipality by the municipal council. The property tax is based on the value for the purposes of the Valuation of Immovable Property Act (*Wet waardering onroerende zaken, WOZ*), i.e. the so-called WOZ value (*WOZ-waarde*).

The Valuation of Immovable Property Act sets out rules for the valuation of immovable property. Immovable property includes houses, garages, business premises, installations such as wind turbines and transmission towers as well as land. Municipalities value all immovable property in the Netherlands on an annual basis and assign the WOZ value to the property. The Netherlands Tax and Customs Administration, water boards and municipalities levy tax based on the WOZ value:

- Netherlands Tax and Customs Administration: income tax, corporate income tax, inheritance and gift tax and landlord levy;
- Water boards: water-board system levy for built areas;
- Municipalities: property taxes and sometimes sewerage charges and commuter tax for business improvement zones.

For more information, see:
https://www.rijksoverheid.nl/onderwerpen/waardering-onroerende-zaken-woz.

Other taxes

Finally, a brief summary of the other important taxes imposed on E&P companies in the Netherlands is included. The information has been provided only in brief either because these taxes do not relate to the profits of E&P companies or because they do not apply solely to E&P companies but to all companies in the Netherlands.

Turnover tax

The Dutch turnover tax system is based on value-added tax. In other words, a company charges turnover tax on products it supplies to other parties and deducts any turnover tax charged to itself. This effectively means that it only pays turnover tax on the value it adds to the product supplied. Companies pass on the turnover tax in the prices they charge customers for their products, so that this tax does not reduce their revenue.

Turnover tax is payable on the supply of goods, the provision of services, import of goods (from outside the European Union) and intra-Community acquisitions (goods acquired from other Member States of the European Union).
For the purpose of turnover tax, the Dutch continental shelf is not considered part of the Netherlands. As a result, the landing of oil or gas onshore is deemed to be a supply of goods to be taxed or exempted depending on the circumstances[5]. The sale of oil or gas in the Netherlands is deemed to be a supply of goods subject to turnover tax.

The standard turnover tax rate is 21%, but rates of 9% and 0% apply to a number of supplies and services; the 0% rate applies to supplies of goods that leave the Netherlands (exports). In the Netherlands, turnover tax is provided for in the Turnover Tax Act 1968 (*Wet op de omzetbelasting*) but in particular also in European Union directives.

Wage tax
Just like other companies that are established or have a permanent establishment in the Netherlands and that employ staff, E&P companies are also required to withhold wage tax on the salaries paid to their employees and pay this to the tax authorities. This is done in accordance with the Wages and Salaries Tax Act 1964 (*Wet op de loonbelasting*).
Wage tax is an advance levy in respect of income tax due from the employees of E&P companies in the Netherlands. Employees may offset the wage tax withheld from their wages against the income tax due from them. For this reason, the wage tax rates are the same as the income tax rates on wages.
Therefore, wage tax is a tax levied on a company's employees and not on the company itself. Companies withhold tax on the wages paid to their employees and pay this to the Netherlands Tax and Customs Administration.

Dividend tax
If a company with a capital divided into shares or a cooperative society distributes profits to its shareholders (dividend), dividend tax must be withheld on these amounts and paid to the Netherlands Tax and Customs Administration. This is done in accordance with the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting*). In the Netherlands, shareholders may offset the dividend tax withheld from their dividends against the income tax or corporate income tax due from them.

The standard dividend tax rate is 15%, but this is reduced to 0% under specific circumstances in case of subsidiaries (where the shareholder has a participation of 5% or more). The rate may also be reduced to 0%, 5% or 10% on the basis of treaties concluded by the Netherlands with other countries in order to avoid double taxation or under the EU Parent-Subsidiary Directive.

Environmental taxes
The Netherlands also levies a number of environmental taxes under the Environmental Taxes Act (*Wet belastingen op milieugrondslag*). The aim is to tax the use and consumption of energy and environmentally harmful goods and services. Of these taxes, the most relevant for E&P companies is the energy tax (including the Surcharge for Sustainable Energy (*Opslag Duurzame Energie, ODE*) that is levied on the supply of gas or electricity to consumers. The rate is determined based on a decreasing amount per cubic metre (gas) or kilowatt-hour (electricity).
The energy tax and the Surcharge for Sustainable Energy are passed on by the electricity suppliers in the prices they charge for electricity. These suppliers pay the tax to the

5 A description of these circumstances is beyond the scope of this report.

Netherlands Tax and Customs Administration.
In the case of self-generation of electricity for use at the location where it is generated, the user itself is required to pay the energy tax and Surcharge for Sustainable Energy. This applies occasionally to E&P and salt production companies.

Excise duties and import duties

In the Netherlands, excise duties are levied under the Excise Duty Act (*Wet op de accijns*). The purpose of charging excise duties is to tax the consumption of a number of products, including mineral oils. The mineral oils on which excise duty is levied are end products, which means that these products may be used as engine fuel or heating fuel. Crude oil is not subject to excise duty. As a result, excise duty is not levied on E&P companies themselves. However, E&P companies do use end products in their E&P activities that are subject to excise duty, for example, the gas oil used on offshore platforms within the 12-mile zone. In principle, excise duty is not levied on natural gas, but it is subject to energy tax (see above).

Import duties are levied on the basis of the Union Customs Code, Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code. Crude oil and natural gas produced outside the customs territory[6] of the European Union is subject to customs formalities and the levy of import duty upon arrival in the customs territory. An import duty of 0% is levied on crude oil and natural gas.

6 The Netherlands' 12-mile zone is part of the customs territory of the European Union, but the other production areas (e.g. the continental shelf) are not part of this territory.

APPENDIX 5

ACTIVE EBN PARTICIPATIONS ON 31/12/2018

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
A12a	Cooperation Agreement Extraction	27/10/2005	Petrogas E&P Netherlands B.V.	50	50	0	Yes
A12b/B10a	Cooperation Agreement Exploration	17/01/2008	Petrogas E&P Netherlands B.V.	50	50	0	Yes
A12d	Cooperation Agreement Extraction	27/10/2005	Petrogas E&P Netherlands B.V.	40	40	0	Yes
A15a	Cooperation Agreement Extraction	01/01/2013	Petrogas E&P Netherlands B.V.	40	40	0	Yes
A18a	Cooperation Agreement Extraction	27/10/2005	Petrogas E&P Netherlands B.V.	40	0	0	Yes
A18c	Cooperation Agreement Extraction	27/10/2005	Petrogas E&P Netherlands B.V.	40	40	0	Yes
AKKRUM	Cooperation Agreement Exploration	09/08/2013	Vermilion Energy Netherlands B.V.	40	40	0	Yes
AKKRUM 11	Cooperation Agreement Extraction	25/05/2012	Tulip Oil Netherlands B.V.	40	40	0	Yes
ALKMAAR	Cooperation Agreement Extraction	10/03/2009	TAQA Piek Gas B.V.	40	0	0	Yes
ALKMAAR UGS	Cooperation Agreement + Sl Storage	08/10/1996	TAQA Piek Gas B.V.	0	0	40	Yes
ANDEL Va	Cooperation Agreement Extraction	05/08/2015	Vermilion Energy Netherlands B.V.	40	40	0	Yes
ANDEL Vb	Cooperation Agreement Extraction	05/08/2015	Vermilion Energy Netherlands B.V.	40	40	0	Yes
B10c/B13a	Cooperation Agreement Extraction	27/10/2005	Petrogas E&P Netherlands B.V.	50	50	0	Yes
B16a	Cooperation Agreement Exploration	16/03/2001	Petrogas E&P Netherlands B.V.	50	50	0	Yes
B18a	Cooperation Agreement Extraction	02/12/2008	Spirit Energy Nederland B.V.	50	50	0	Yes
BEIJERLAND	Cooperation Agreement Extraction	30/09/1998	Nederlandse Aardolie Maatschappij B.V.	40	40	0	Yes
BERGEN II	Cooperation Agreement Extraction	05/03/2009	TAQA Onshore B.V.	40	0	0	Yes
BERGERMEER	Cooperation Agreement Extraction	05/03/2009	TAQA Onshore B.V.	40	0	0	Yes
BERGERMEER UGS	Cooperation Agreement + Sl Storage	20/08/2009	TAQA Onshore B.V.	0	0	38	Yes
BOTLEK II	Cooperation Agreement Extraction	04/03/2014	Nederlandse Aardolie Maatschappij B.V.	50	50	0	Yes
BOTLEK MAAS	Cooperation Agreement Extraction	22/04/2014	ONE-Dyas B.V.	50	50	0	Yes
D09 & E07	Cooperation Agreement Exploration	10/12/2015	Neptune Energy Netherlands B.V.	40	40	0	Yes
D12a	Cooperation Agreement Extraction	29/01/1997	Wintershall Noordzee B.V.	50	50	0	Yes
D12b	Cooperation Agreement Extraction	17/01/2018	Wintershall Noordzee B.V.	40	40	0	Yes
D15a/D15b	Cooperation Agreement Extraction	06/12/1996	Neptune Energy Netherlands B.V.	50	50	0	Yes
D18a	Cooperation Agreement Extraction	04/02/2014	Neptune Energy Netherlands B.V.	50	50	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
DE MARNE	Cooperation Agreement Extraction	07/06/1996	Nederlandse Aardolie Maatschappij B.V.	50	50	0	Yes
DONKERBROEK	Cooperation Agreement Extraction	25/05/2012	Tulip Oil Netherlands B.V.	40	40	0	Yes
DONKERBROEK-WEST	Cooperation Agreement Extraction	10/11/2011	Tulip Oil Netherlands B.V.	40	40	0	Yes
DRENTHE IIa	Cooperation Agreement Extraction	04/03/2013	Vermilion Energy Netherlands B.V.	40	0	0	Yes
DRENTHE IIb	Cooperation Agreement Extraction	23/11/2012	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
DRENTHE IIIa	Cooperation Agreement Extraction	04/03/2013	Vermilion Energy Netherlands B.V.	50	0	0	Yes
DRENTHE IV	Cooperation Agreement Extraction	02/02/2009	Vermilion Energy Netherlands B.V.	40	0	0	Yes
DRENTHE V	Cooperation Agreement Extraction	20/06/2015	Vermilion Energy Netherlands B.V.	40	0	0	Yes
DRENTHE VI	Cooperation Agreement Extraction	20/06/2015	Vermilion Energy Netherlands B.V.	40	0	0	Yes
E10	Cooperation Agreement Exploration	05/08/2008	Neptune Energy Netherlands B.V.	40	40	0	Yes
E11	Cooperation Agreement Exploration	13/07/2009	Neptune Energy Netherlands B.V.	40	40	0	Yes
E15a	Cooperation Agreement Extraction	21/05/2003	Wintershall Noordzee B.V.	40	40	0	Yes
E15b	Cooperation Agreement Extraction	05/03/2009	Wintershall Noordzee B.V.	40	40	0	Yes
E15c	Cooperation Agreement Exploration	05/08/2008	Neptune Energy Netherlands B.V.	40	40	0	Yes
E16a	Cooperation Agreement Extraction	07/10/2008	Neptune Energy Netherlands B.V.	40	40	0	Yes
E17a/E17b	Cooperation Agreement Extraction	27/03/2008	Neptune Energy Netherlands B.V.	50	50	0	Yes
E18a/E18c	Cooperation Agreement Extraction	21/05/2003	Wintershall Noordzee B.V.	50	50	0	Yes
ENGELEN	Cooperation Agreement Exploration	22/03/2010	Vermilion Energy Netherlands B.V.	40	40	0	Yes
F02a	Cooperation Agreement Extraction	13/05/2009	Dana Petroleum Netherlands B.V.	40	0	0	Yes
F03a	Cooperation Agreement Extraction	25/11/2008	Spirit Energy Nederland B.V.	40	0	0	Yes
F03b	Cooperation Agreement Extraction	13/12/2007	Neptune Energy Netherlands B.V.	40	0	0	Yes
F06a	Cooperation Agreement Extraction	17/01/2002	Total E&P Nederland B.V.	40	0	0	Yes
F06b	Cooperation Agreement Exploration	08/01/2010	Dana Petroleum Netherlands B.V.	40	40	0	Yes
F10	Cooperation Agreement Exploration	02/11/2015	Wintershall Noordzee B.V.	40	40	0	Yes
F11a	Cooperation Agreement Exploration	02/11/2015	Wintershall Noordzee B.V.	40	40	0	Yes
F13a	Cooperation Agreement Extraction	21/05/2003	Wintershall Noordzee B.V.	40	40	0	Yes
F15a	Cooperation Agreement Extraction	06/05/1991	Total E&P Nederland B.V.	50	50	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
F15d	Cooperation Agreement Extraction	29/06/1994	Total E&P Nederland B.V.	50	50	0	Yes
F16a/F16b	Cooperation Agreement Extraction	21/05/2003	Wintershall Noordzee B.V.	40	40	0	Yes
F17a-deep	Cooperation Agreement Extraction	31/05/2017	Wintershall Noordzee B.V.	40	40	0	Yes
F17a-shallow	Cooperation Agreement Exploration	30/12/2009-	ONE-Dyas Energie Resources B.V.	40	40	0	Yes
F17c	Cooperation Agreement Extraction	08/06/1998	Nederlandse Aardolie Maatschappij B.V.	40	40	0	Yes
F18b-deep	Cooperation Agreement Exploration	30/12/2009	Wintershall Noordzee B.V.	40	40	0	Yes
FOLLEGA	Cooperation Agreement Exploration	24/04/2013	Vermilion Energy Netherlands B.V.	40	40	0	Yes
G14/G17b	Cooperation Agreement Extraction	26/11/2007	Neptune Energy Netherlands B.V.	40	40	0	Yes
G16a	Cooperation Agreement Extraction	06/01/1992	Neptune Energy Netherlands B.V.	40	0	0	Yes
G16b	Cooperation Agreement Extraction	29/06/2005	Neptune Energy Netherlands B.V.	40	40	0	Yes
G17a	Cooperation Agreement Extraction	20/07/2007	Neptune Energy Netherlands B.V.	40	40	0	Yes
G17c/G17d	Cooperation Agreement Extraction	31/05/2002	Neptune Energy Netherlands B.V.	50	50	0	Yes
G18	Cooperation Agreement Exploration	21/01/2013-	ONE-Dyas B.V.	40	40	0	Yes
GasTerra	Other	04/04/1963		0	0	40	Yes
GORREDIJK	Cooperation Agreement Extraction	02/11/1993	Vermilion Energy Netherlands B.V.	50	50	0	Yes
GRIJPSKERK	Cooperation Agreement + Sl Storage	18/12/1995	Nederlandse Aardolie Maatschappij B.V.	0	0	38.8	Yes
GRONINGEN	Cooperation Agreement Extraction	04/04/1963	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
H16	Cooperation Agreement Exploration	21/01/2013-	ONE-Dyas B.V.	40	40	0	Yes
HARDENBERG	Cooperation Agreement Extraction	17/11/1992	Nederlandse Aardolie Maatschappij B.V.	50	50	0	Yes
HEMELUM	Cooperation Agreement Exploration	09/07/2013	Vermilion Energy Netherlands B.V.	40	40	0	Yes
IJmuiden Terminal	Cooperation Agreement Extraction	01/01/2012	Wintershall Noordzee B.V.	0	0	40	Yes
IJSSELMUIDEN	Cooperation Agreement Exploration	17/07/2014	Vermilion Energy Netherlands B.V.	40	40	0	Yes
J03a	Cooperation Agreement Extraction	12/01/1996	Total E&P Nederland B.V.	50	50	0	Yes
J03b/J06	Cooperation Agreement Extraction	06/11/1992	Spirit Energy Nederland B.V.	50	50	0	Yes
J09	Cooperation Agreement Exploration	18/12/2014	Nederlandse Aardolie Maatschappij B.V.	40	40	0	Yes
K01a	Cooperation Agreement Extraction	12/11/1997	Total E&P Nederland B.V.	40	40	0	Yes
K01b/K02a	Cooperation Agreement Extraction	17/07/2010	Total E&P Nederland B.V.	40	40	0	Yes
K01c	Cooperation Agreement Exploration	06/04/2012	Neptune Energy Netherlands B.V.	40	40	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
K02b	Cooperation Agreement Extraction	21/02/2006	Neptune Energy Netherlands B.V.	50	50	0	Yes
K02c	Cooperation Agreement Extraction	19/10/2004	Total E&P Nederland B.V.	40	40	0	Yes
K03a	Cooperation Agreement Extraction	23/12/1999	Neptune Energy Netherlands B.V.	40	0	0	Yes
K03b	Cooperation Agreement Extraction	04/09/2001	Total E&P Nederland B.V.	40	40	0	Yes
K03c	Cooperation Agreement Extraction	18/04/2006	Neptune Energy Netherlands B.V.	40	40	0	Yes
K03d	Cooperation Agreement Extraction	04/09/2001	Total E&P Nederland B.V.	40	40	0	Yes
K04a	Cooperation Agreement Extraction	04/09/1995	Total E&P Nederland B.V.	50	50	0	Yes
K04b/K05a	Cooperation Agreement Extraction	01/06/1993	Total E&P Nederland B.V.	50	50	0	Yes
K05b	Cooperation Agreement Extraction	04/07/1997	Total E&P Nederland B.V.	50	50	0	Yes
K06/L07	Cooperation Agreement Extraction	20/06/1975	Total E&P Nederland B.V.	40	0	0	Yes
K07	Cooperation Agreement Extraction	08/07/1981	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
K08/K11a	Cooperation Agreement Extraction	26/10/1977	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
K09a/K09b	Cooperation Agreement Extraction	11/08/1986	Neptune Energy Netherlands B.V.	40	0	0	Yes
K09c	Cooperation Agreement Extraction	18/12/1987	Neptune Energy Netherlands B.V.	50	50	0	Yes
K12	Cooperation Agreement Extraction	18/02/1983	Neptune Energy Netherlands B.V.	40	0	0	Yes
K14a	Cooperation Agreement Extraction	16/01/1975	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
K15	Cooperation Agreement Extraction	14/10/1977	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
K17	Cooperation Agreement Extraction	19/01/1989	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
K18a	Cooperation Agreement Extraction	15/03/2007	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
K18b	Cooperation Agreement Extraction	15/03/2007	Wintershall Noordzee B.V.	40	0	0	Yes
L01a	Cooperation Agreement Extraction	08/07/1998	Total E&P Nederland B.V.	40	0	0	Yes
L01d	Cooperation Agreement Extraction	15/04/1998	Total E&P Nederland B.V.	40	40	0	Yes
L01e	Cooperation Agreement Extraction	08/01/1998	Total E&P Nederland B.V.	40	40	0	Yes
L01f	Cooperation Agreement Extraction	19/03/2004	Total E&P Nederland B.V.	40	40	0	Yes
L02	Cooperation Agreement Extraction	15/03/1991	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
L03	Cooperation Agreement Exploration	19/10/2016	Neptune Energy Netherlands B.V.	40	40	0	Yes
L04a	Cooperation Agreement Extraction	30/12/1981	Total E&P Nederland B.V.	40	0	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
L04c	Cooperation Agreement Extraction	22/10/1996	Neptune Energy Netherlands B.V.	50	50	0	Yes
L05a	Cooperation Agreement Extraction	15/03/1991	Neptune Energy Netherlands B.V.	40	0	0	Yes
L05a-Oil	Cooperation Agreement Extraction	01/01/2013	Neptune Energy Netherlands B.V.	0	40	0	Yes
L05b	Cooperation Agreement Extraction	23/08/2003	Wintershall Noordzee B.V.	40	40	0	Yes
L05c	Cooperation Agreement Extraction	16/12/1997	Wintershall Noordzee B.V.	40	40	0	Yes
L06a	Cooperation Agreement Extraction	02/09/2011	Wintershall Noordzee B.V.	40	40	0	Yes
L06b	Cooperation Agreement Extraction	29/08/2003	Wintershall Noordzee B.V.	40	40	0	Yes
L08a	Cooperation Agreement Extraction	19/07/1988	Wintershall Noordzee B.V.	40	0	0	Yes
L08b/L08d	Cooperation Agreement Extraction	28/04/1994	Wintershall Noordzee B.V.	50	50	0	Yes
L09	Cooperation Agreement Extraction	15/04/1996	Nederlandse Aardolie Maatschappij B.V.	50	50	0	Yes
L10/L11a	Cooperation Agreement Extraction	01/01/1976	Neptune Energy Netherlands B.V.	40	0	0	Yes
L11b	Cooperation Agreement Extraction	29/05/1984	ONE-Dyas B.V.	40	0	0	Yes
L11c	Cooperation Agreement Extraction	21/12/2018	ONE-Dyas B.V.	40	40	0	Yes
L11d	Cooperation Agreement Extraction	21/12/2018	ONE-Dyas B.V.	40	40	0	Yes
L12a	Cooperation Agreement Extraction	22/03/2010	Neptune Energy Netherlands B.V.	40	0	0	Yes
L12b/L15b	Cooperation Agreement Extraction	22/03/2010	Neptune Energy Netherlands B.V.	50	50	0	Yes
L12c	Cooperation Agreement Extraction	06/08/2008	ONE-Dyas B.V.	50	50	0	Yes
L12d	Cooperation Agreement Extraction	25/09/2008	ONE-Dyas B.V.	40	0	0	Yes
L13	Cooperation Agreement Extraction	26/10/1977	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
L15c	Cooperation Agreement Extraction	07/09/1990	Neptune Energy Netherlands B.V.	50	50	0	Yes
L15d	Cooperation Agreement Extraction	06/08/2008	ONE-Dyas B.V.	50	50	0	Yes
L16a	Cooperation Agreement Extraction	17/01/2002	Wintershall Noordzee B.V.	40	0	0	Yes
LEMSTERLAND	Cooperation Agreement Exploration	24/04/2013	Vermilion Energy Netherlands B.V.	40	40	0	Yes
M01a	Cooperation Agreement Extraction	25/07/2007	ONE-Dyas B.V.	50	50	0	Yes
M02a	Cooperation Agreement Exploration	23/03/2012	ONE-Dyas B.V.	40	40	0	Yes
M03	Cooperation Agreement Exploration	21/01/2013	ONE-Dyas B.V.	40	40	0	Yes
M04a	Cooperation Agreement Exploration	22/04/2011	ONE-Dyas B.V.	40	40	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
M07	Cooperation Agreement Extraction	15/07/2002	ONE-Dyas B.V.	50	50	0	Yes
M09a	Cooperation Agreement Extraction	10/04/1990	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
M10a/M11	Cooperation Agreement Exploration	27/02/2008	Tulip Oil Netherlands B.V.	40	40	0	Yes
MARKNESSE	Cooperation Agreement Extraction	20/08/2010	Tulip Oil Netherlands B.V.	40	40	0	Yes
MIDDELIE	Cooperation Agreement Extraction	01/01/2012	Nederlandse Aardolie Maatschappij B.V.	40	40	0	Yes
N01	Cooperation Agreement Exploration	21/01/2013	ONE-Dyas B.V.	40	40	0	Yes
N04	Cooperation Agreement Exploration	26/05/2015	ONE-Dyas B.V.	40	40	0	Yes
N05	Cooperation Agreement Exploration	26/06/2015	ONE-Dyas B.V.	40	40	0	Yes
N07a	Cooperation Agreement Extraction	06/04/2005	Nederlandse Aardolie Maatschappij B.V.	50	50	0	Yes
N07b	Cooperation Agreement Extraction	14/02/2015	Neptune Energy Netherlands B.V.	50	50	0	Yes
N07c	Cooperation Agreement Extraction	26/05/2015	ONE-Dyas B.V.	50	50	0	Yes
N08	Cooperation Agreement Exploration	26/05/2015	ONE-Dyas B.V.	40	40	0	Yes
NGT Extension	Other	17/11/1997	Neptune Energy Holding Netherlands B.V.	0	0	12	Yes
NOGAT B.V.	Other	27/12/2001	Neptune Energy Holding Netherlands B.V.	0	0	45	Yes
NOGAT Extension (A6/F3 pipeline)	Other	01/10/1998	Wintershall Noordzee B.V.	0	0	40	Yes
NOORD-FRIESLAND	Cooperation Agreement Extraction	30/03/1969	Nederlandse Aardolie Maatschappij B.V.	40	0	0	Yes
NORG	Cooperation Agreement + Sl Storage	18/12/1995	Nederlandse Aardolie Maatschappij B.V.	0	0	40	Yes
OOSTEREND	Cooperation Agreement Extraction	14/07/1988	Vermilion Energy Netherlands B.V.	50	50	0	Yes
OOSTERWOLDE	Cooperation Agreement Exploration	22/03/2010	Vermilion Energy Netherlands B.V.	40	40	0	Yes
OPMEER	Cooperation Agreement Exploration	07/05/2013	Vermilion Energy Netherlands B.V.	40	40	0	Yes
P04, P07 & P08b	Cooperation Agreement Exploration	19/11/2016	Jetex Petroleum Ltd	40	40	0	Yes
P06	Cooperation Agreement Extraction	14/04/1982	Wintershall Noordzee B.V.	40	0	0	Yes
P09a/P09b/P09d	Cooperation Agreement Extraction	29/06/1993	Wintershall Noordzee B.V.	40	0	0	Yes
P09c/P09e/P09f	Cooperation Agreement Extraction	05/08/2008	Wintershall Noordzee B.V.	50	0	0	Yes
P10a	Cooperation Agreement Extraction	28/04/2006	Dana Petroleum Netherlands B.V.	40	40	0	Yes
P10b	Cooperation Agreement Extraction	16/12/2009	Dana Petroleum Netherlands B.V.	40	40	0	Yes
P10c	Cooperation Agreement Exploration	01/09/2016	Jetex Petroleum Ltd	40	40	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
P11a	Cooperation Agreement Extraction	24/12/2015	ONE-Dyas B.V.	40	40	0	Yes
P11b	Cooperation Agreement Extraction	04/11/2004	Dana Petroleum Netherlands B.V.	50	50	0	Yes
P12a	Cooperation Agreement Extraction	08/03/1990	Wintershall Noordzee B.V.	50	50	0	Yes
P15a/P15b	Cooperation Agreement Extraction	31/07/2008	TAQA Onshore B.V.	40	0	0	Yes
P15c	Cooperation Agreement Extraction	27/11/1991	TAQA Onshore B.V.	50	50	0	Yes
P18a	Cooperation Agreement Extraction	28/11/1991	TAQA Onshore B.V.	50	50	0	Yes
P18b	Cooperation Agreement Extraction	18/12/2018	ONE-Dyas B.V.	40	40	0	Yes
P18c	Cooperation Agreement Extraction	27/11/1991	TAQA Onshore B.V.	50	50	0	Yes
P18d	Cooperation Agreement Extraction	05/11/2013	ONE-Dyas B.V.	40	40	0	Yes
PAPEKOP	Cooperation Agreement Extraction	28/08/2007	Vermilion Energy Netherlands B.V.	40	40	0	Yes
Q01a-shallow/ Q01b-shallow	Cooperation Agreement Extraction	23/12/2017	Petrogas E&P Netherlands B.V.	40	0	0	Yes
Q01-deep	Cooperation Agreement Extraction	23/12/2017	Wintershall Noordzee B.V.	40	0	0	Yes
Q02c	Cooperation Agreement Extraction	22/12/1993	Petrogas E&P Netherlands B.V.	50	50	0	Yes
Q04	Cooperation Agreement Extraction	21/12/1999	Wintershall Noordzee B.V.	40	40	0	Yes
Q05d	Cooperation Agreement Extraction	18/06/2002	Wintershall Noordzee B.V.	50	50	0	Yes
Q07/Q10a	Cooperation Agreement Extraction	26/10/17	26/10/17 Tulip Oil Netherlands Offshore B.V.				Yes
Q13a	Cooperation Agreement Extraction	29/09/2008	Neptune Energy Netherlands B.V.	40	40	0	Yes
Q16a	Cooperation Agreement Extraction	12/06/1995	ONE-Dyas B.V.	50	50	0	Yes
Q16b/Q16c-deep	Cooperation Agreement Extraction	14/05/2013	ONE-Dyas B.V.	40	40	0	Yes
S03a	Cooperation Agreement Extraction	08/08/2013	ONE-Dyas B.V.	40	40	0	Yes
S03b	Cooperation Agreement Exploration	21/11/2017	ONE-Dyas B.V.	40	40	0	Yes
SCHAGEN	Cooperation Agreement Exploration	04/05/2010	Tulip Oil Netherlands B.V.	40	40	0	Yes
SCHOONEBEEK	Cooperation Agreement Extraction	18/01/2008	Nederlandse Aardolie Maatschappij B.V.	0	40	0	Yes
STEENWIJK	Cooperation Agreement Extraction	02/09/1997	Vermilion Energy Netherlands B.V.	50	50	0	Yes
T01	Cooperation Agreement Extraction	07/02/2013	ONE-Dyas B.V.	40	40	0	Yes
TERSCHELLING	Cooperation Agreement Exploration	16/09/2013	Tulip Oil Netherlands B.V.	40	40	0	Yes
TWENTHE	Cooperation Agreement Extraction	12/05/1981	Nederlandse Aardolie Maatschappij B.V.	50	50	0	Yes

Name of participation	Type of participation	Date	Input name operator	EBN% Gas	EBN% Oil	EBN% Other	Active
UTRECHT	Cooperation Agreement Exploration	22/03/2010	Vermilion Energy Netherlands B.V.	40	40	0	Yes
WAALWIJK	Cooperation Agreement Extraction	17/07/1989	Vermilion Energy Netherlands B.V.	50	50	0	Yes
WGT	Other	04/04/1984	Wintershall Noordzee B.V.	0	0	40	Yes
WGT Extension	Other	01/01/1991	Wintershall Noordzee B.V.	0	0	40	Yes
ZUID-FRIESLAND III	Cooperation Agreement Extraction	09/07/2013	Vermilion Energy Netherlands B.V.	40	40	0	Yes
ZUIDWAL	Cooperation Agreement Extraction	02/08/1986	Vermilion Energy Netherlands B.V.	50	50	0	Yes

APPENDIX 6

List of E&P companies not included in the reconciliation scope

N°	Company Name
1	Aceiro Energy B.V.
2	AU Energy BV
3	Centrica Nederland BV
4	ExxonMobil Global Holding Investment BV
5	Faroe Petroleum (UK) Ltd.
6	Gas Plus International BV
7	Gas Storage Ltd.
8	Gas-Union Gmbh
9	Gazprom EP International BV
10	Hague and London Oil BV
11	International Petroleum BV
12	Overseas Gas Storage Ltd
13	Parkmead (E&P) Ltd.
14	Petro Ventures (Netherlands) B.V.
15	Production North Sea Netherlands Ltd.
16	Rosewood Exploration Ltd
17	SHV Holdings NV
18	Tullow Netherlands Holding Coöperatief UA
19	XTO Netherlands Ltd.

Source: NTCA

APPENDIX 7

Cash flow reconciliation by company

million EUR

N°	Company	Templates originally lodged			Adjustments			Final amounts		
		Company (a)	Govt (b)	Difference (a-b)	Company (d)	Govt (e)	Difference (d-e)	Company (f) (a+d)	Govt (g) (b+e)	Difference (f-g)
1	Hansa Hydrocarbons	0.29	0.40	(0.11)	-	(0.11)	0.11	0.29	0.29	-
2	Wintershall	24.05	24.01	0.04	(0.04)	-	(0.04)	24.01	24.01	-
3	Spirit Energy	0.12	(7.33)	7.45	-	7.45	(7.45)	0.12	0.12	-
4	NAM	998.15	947.93	50.22	0.72	50.94	(50.22)	998.87	998.87	-
5	ONE-Dyas	(3.51)	(3.62)	0.11	-	0.11	(0.11)	(3.51)	(3.51)	-
6	RockRose Energy	(11.49)	(3.33)	(8.16)	(3.87)	(12.03)	8.16	(15.36)	(15.36)	-
7	TAQA	1.87	1.26	0.62	(0.62)	-	(0.62)	1.26	1.26	-
8	TOTAL	(45.65)	(60.91)	15.26	-	15.26	(15.26)	(45.65)	(45.65)	-
9	Dana Petroleum	13.55	13.97	(0.42)	-	(0.42)	0.42	13.55	13.55	-
10	Vermilion Energy	12.86	12.12	0.73	(0.10)	0.64	(0.74)	12.76	12.76	-
11	Neptune Energy	(3.51)	4.18	(7.68)	0.18	(7.50)	7.68	(3.33)	(3.33)	-
12	Petrogas	0.98	0.68	0.30	-	0.30	(0.30)	0.98	0.98	-
13	Tulip Oil	0.49	0.49	-	-	-	-	0.49	0.49	-
14	Jetex Petroleum	-	0.27	(0.27)	0.27	-	0.27	0.27	0.27	-
15	NGT	18.13	18.13	-	-	-	-	18.13	18.13	-
16	NOGAT	10.58	10.58	-	-	-	-	10.58	10.58	-
17	EBN	803.34	800.16	3.18	(3.18)	-	(3.18)	800.16	800.16	-
	Totaal	**1,820.24**	**1,758.98**	**61.26**	**(6.63)**	**54.63**	**(61.27)**	**1,813.61**	**1,813.61**	**-**

Source: BDO

APPENDIX 8

Cash flows reconciliation by revenue stream

million EUR

N°	Description of payment	Templates originally lodged			Adjustments			Final amounts		
		Company (a)	Govt (b)	Difference (a-b)	Company (d)	Govt (e)	Difference (d-e)	Company (f) (a+d)	Govt (g) (b+e)	Difference (f-g)
	NTCA	**512.06**	**451.97**	**60.10**	**(7.79)**	**52.31**	**(60.10)**	**504.27**	**504.27**	**-**
1	Corporate Income Tax (CIT)	401.47	355.00	46.47	(7.10)	39.37	(46.47)	394.37	394.37	-
2	Profit Share	78.08	63.43	14.65	(0.97)	13.68	(14.65)	77.11	77.11	-
3	Surface Rental	24.48	25.45	(0.98)	0.27	(0.70)	0.98	24.75	24.75	-
4	Cijns (Royalty)	8.04	8.08	(0.05)	-	(0.05)	0.05	8.04	8.04	-
	EZK	**1,308.17**	**1,305.81**	**2.36**	**(0.04)**	**2.33**	**(2.37)**	**1,308.14**	**1,308.14**	**-**
5	Surface Rental	2.33	-	2.33	-	2.33	(2.33)	2.33	2.33	-
6	Profit Share	(7.10)	(7.10)	-	-	-	-	(7.10)	(7.10)	-
7	Additional Payment	(65.72)	(65.72)	-	-	-	-	(65.72)	(65.72)	-
8	Extra Income Scheme (MOR)	764.43	764.43	-	-	-	-	764.43	764.43	-
9	Dividends	613.72	613.72	-	-	-	-	613.72	613.72	-
10	Retributions (Retributies)	0.51	0.48	0.04	(0.04)	-	(0.04)	0.48	0.48	-
	SoDM	**-**	**1.20**	**(1.20)**	**1.20**	**-**	**1.20**	**1.20**	**1.20**	**-**
11	Retributions (Retributies) SoDM	-	1.20	(1.20)	1.20	-	1.20	1.20	1.20	-
	Total	**1,820.24**	**1,758.98**	**61.26**	**(6.63)**	**54.63**	**(61.27)**	**1,813.61**	**1,813.61**	**-**

Source: BDO

APPENDIX 9.1

Breakdown of the Surface Rental reported by companies by project

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Hansa Hydrocarbons Limited	Surface Rental	NTCA	Block G18	4 Quads	30/04/2018	105,627		105,627
Hansa Hydrocarbons Limited	Surface Rental	NTCA	Block H16	4 Quads	30/04/2018	18,959		18,959
Hansa Hydrocarbons Limited	Surface Rental	NTCA	Block M3	4 Quads	30/04/2018	106,070		106,070
Hansa Hydrocarbons Limited	Surface Rental	NTCA	Block N1	4 Quads	30/04/2018	56,507		56,507
Wintershall Noordzee B.V.	Surface Rental	NTCA	D12a		25/04/2018	167,776		167,776
Wintershall Noordzee B.V.	Surface Rental	NTCA	D12b		25/04/2018	32,144		32,144
Wintershall Noordzee B.V.	Surface Rental	NTCA	E15a		25/04/2018	30,576		30,576
Wintershall Noordzee B.V.	Surface Rental	NTCA	E15b		25/04/2018	16,464		16,464
Wintershall Noordzee B.V.	Surface Rental	NTCA	E18a		25/04/2018	59,584		59,584
Wintershall Noordzee B.V.	Surface Rental	NTCA	F10		25/04/2018	104,661		104,661
Wintershall Noordzee B.V.	Surface Rental	NTCA	F11		25/04/2018	20,880		20,880
Wintershall Noordzee B.V.	Surface Rental	NTCA	F13a		25/04/2018	3,136		3,136
Wintershall Noordzee B.V.	Surface Rental	NTCA	F14		25/04/2018	135,980		135,980

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Wintershall Noordzee B.V.	Surface Rental	NTCA	F16		25/04/2018	141,120		141,120
Wintershall Noordzee B.V.	Surface Rental	NTCA	F18 Deep		25/04/2018	16,213		16,213
Wintershall Noordzee B.V.	Surface Rental	NTCA	K18b		25/04/2018	121,520		121,520
Wintershall Noordzee B.V.	Surface Rental	NTCA	L16a		25/04/2018	186,592		186,592
Wintershall Noordzee B.V.	Surface Rental	NTCA	L5b		25/04/2018	185,808		185,808
Wintershall Noordzee B.V.	Surface Rental	NTCA	L5c		25/04/2018	6,272		6,272
Wintershall Noordzee B.V.	Surface Rental	NTCA	L6a		25/04/2018	260,288		260,288
Wintershall Noordzee B.V.	Surface Rental	NTCA	L6b		25/04/2018	47,040		47,040
Wintershall Noordzee B.V.	Surface Rental	NTCA	L8a		25/04/2018	166,992		166,992
Wintershall Noordzee B.V.	Surface Rental	NTCA	L8b		25/04/2018	65,072		65,072
Wintershall Noordzee B.V.	Surface Rental	NTCA	P12		25/04/2018	75,264		75,264
Wintershall Noordzee B.V.	Surface Rental	NTCA	P6		25/04/2018	326,928		326,928
Wintershall Noordzee B.V.	Surface Rental	NTCA	F17a Deep		25/04/2018	305,239		305,239
Wintershall Noordzee B.V.	Surface Rental	NTCA	Q4		25/04/2018	326,928		326,928
Wintershall Noordzee B.V.	Surface Rental	NTCA	Q5d		25/04/2018	15,680		15,680
Wintershall Noordzee B.V.	Surface Rental	NTCA	Q1		25/04/2018	326,144		326,144

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Spirit Energy Nederland B.V.	Surface Rental	NTCA	B18a		24/04/2018	5,927		5,927
Spirit Energy Nederland B.V.	Surface Rental	NTCA	F3a		24/04/2018	13,806		13,806
Spirit Energy Nederland B.V.	Surface Rental	NTCA	J3b & J6		24/04/2018	98,000		98,000
NAM B.V.	Surface Rental	NTCA	Beijerland		30/04/2018	109,760		109,760
NAM B.V.	Surface Rental	NTCA	Botlek II		30/04/2018	181,888		181,888
NAM B.V.	Surface Rental	NTCA	De Marne		30/04/2018	4,704		4,704
NAM B.V.	Surface Rental	NTCA	Drenthe IIb		30/04/2018	1,474,704		1,474,704
NAM B.V.	Surface Rental	NTCA	Hardenberg		30/04/2018	126,224		126,224
NAM B.V.	Surface Rental	NTCA	Middelie		30/04/2018	740,880		740,880
NAM B.V.	Surface Rental	NTCA	Noord-Friesland		30/04/2018	1,248,128		1,248,128
NAM B.V.	Surface Rental	NTCA	Tietjerksteradeel		30/04/2018	322,224		322,224
NAM B.V.	Surface Rental	NTCA	Twente		30/04/2018	215,600		215,600
NAM B.V.	Surface Rental	NTCA	F17c		30/04/2018	14,112		14,112
NAM B.V.	Surface Rental	NTCA	J9		30/04/2018	4,698		4,698
NAM B.V.	Surface Rental	NTCA	K7		30/04/2018	319,872		319,872
NAM B.V.	Surface Rental	NTCA	K8*		30/04/2018	321,440		321,440
NAM B.V.	Surface Rental	NTCA	K11*		30/04/2018	322,224		322,224
NAM B.V.	Surface Rental	NTCA	K14		30/04/2018	185,808		185,808
NAM B.V.	Surface Rental	NTCA	K15		30/04/2018	323,792		323,792
NAM B.V.	Surface Rental	NTCA	K17		30/04/2018	324,576		324,576
NAM B.V.	Surface Rental	NTCA	K18a		30/04/2018	28,224		28,224
NAM B.V.	Surface Rental	NTCA	L2		30/04/2018	318,304		318,304
NAM B.V.	Surface Rental	NTCA	L9		30/04/2018	321,440		321,440
NAM B.V.	Surface Rental	NTCA	L13		30/04/2018	323,792		323,792
NAM B.V.	Surface Rental	NTCA	M9a		30/04/2018	166,992		166,992
NAM B.V.	Surface Rental	NTCA	N7a		30/04/2018	110,544		110,544
NAM B.V.	Surface Rental	EZK	Groningen		30/11/2018	2,328,480		2,328,480
ONE-Dyas B.V.	Surface Rental	NTCA	L11b		27/04/2018	36,848		36,848

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
ONE-Dyas B.V.	Surface Rental	NTCA	L11c		27/04/2018	140,336		140,336
ONE-Dyas B.V.	Surface Rental	NTCA	Botlek-Maas		27/04/2018	2,352		2,352
ONE-Dyas B.V.	Surface Rental	NTCA	L12d		27/04/2018	176,400		176,400
ONE-Dyas B.V.	Surface Rental	NTCA	L12c		27/04/2018	23,520		23,520
ONE-Dyas B.V.	Surface Rental	NTCA	M4a		27/04/2018	213,384		213,384
ONE-Dyas B.V.	Surface Rental	NTCA	L15d		27/04/2018	47,824		47,824
ONE-Dyas B.V.	Surface Rental	NTCA	M2a		27/04/2018	70,082		70,082
ONE-Dyas B.V.	Surface Rental	NTCA	M7		27/04/2018	320,656		320,656
ONE-Dyas B.V.	Surface Rental	NTCA	M1a		27/04/2018	166,992		166,992
ONE-Dyas B.V.	Surface Rental	NTCA	N07c		27/04/2018	68,051		68,051
ONE-Dyas B.V.	Surface Rental	NTCA	P11a		27/04/2018	164,640		164,640
ONE-Dyas B.V.	Surface Rental	NTCA	P18b		27/04/2018	245,392		245,392
ONE-Dyas B.V.	Surface Rental	NTCA	P18d		27/04/2018	1,568		1,568
ONE-Dyas B.V.	Surface Rental	NTCA	S3b		27/04/2018	87,957		87,957
ONE-Dyas B.V.	Surface Rental	NTCA	S3a		27/04/2018	1,568		1,568
ONE-Dyas B.V.	Surface Rental	NTCA	Q16b/c-diep		27/04/2018	62,720		62,720
ONE-Dyas B.V.	Surface Rental	NTCA	T1		27/04/2018	784		784
ONE-Dyas B.V.	Surface Rental	NTCA	Q16a		27/04/2018	66,640		66,640
ONE-Dyas B.V.	Surface Rental	NTCA	N04		27/04/2018	99,441		99,441
ONE-Dyas B.V.	Surface Rental	NTCA	N05		27/04/2018	3,654		3,654
ONE-Dyas B.V.	Surface Rental	NTCA	N08		27/04/2018	9,135		9,135
ONE-Dyas B.V.	Surface Rental	NTCA	F17a		27/04/2018	202,896		202,896
ONE-Dyas B.V.	Surface Rental	NTCA	F18a		27/04/2018	89,128		89,128
TAQA Energy BV	Surface Rental	NTCA	Bergen Consessie		31/03/2018	173,264		173,264
TAQA Energy BV	Surface Rental	NTCA	Bergen Consessie		31/03/2018	9,408		9,408
TAQA Energy BV	Surface Rental	NTCA	Bergen Consessie		31/03/2018	14,896		14,896
TAQA Energy BV	Surface Rental	NTCA	P15c		27/03/2018	158,365		158,365

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
TAQA Energy BV	Surface Rental	NTCA	P18a		27/03/2018	82,320		82,320
TAQA Energy BV	Surface Rental	NTCA	P15ab		31/03/2018	172,480		172,480
TAQA Energy BV	Surface Rental	NTCA	P18c		27/03/2018	4,704		4,704
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	J3a		30/04/2018	56,604		56,604
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K2c		30/04/2018	36,456		36,456
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K3b		30/04/2018	5,566		5,566
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K1a		30/04/2018	64,836		64,836
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K3d		30/04/2018	19,913		19,913
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	F15a		30/04/2018	182,985		182,985
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K4b/K5a		30/04/2018	238,963		238,963

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	F15d		30/04/2018	3,136		3,136
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K6/L7		30/04/2018	640,449		640,449
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	F6		30/04/2018	6,585		6,585
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	L1a		30/04/2018	23,912		23,912
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K5b		30/04/2018	159,622		159,622
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	L1d		30/04/2018	5,566		5,566
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	L1e		30/04/2018	9,564		9,564
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	L4a		30/04/2018	245,235		245,235

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K4a		30/04/2018	240,374		240,374
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	L1f		30/04/2018	13,641		13,641
Total Holdings Nederland BV / Total E&P Nederland BV	Surface Rental	NTCA	K1b/K2a		30/04/2018	58,408		58,408
Dana Petroleum Netherlands BV	Surface Rental	NTCA	F02a		26/04/2018	240,688		240,688
Dana Petroleum Netherlands BV	Surface Rental	NTCA	F06b		26/04/2018	135,980		135,980
Dana Petroleum Netherlands BV	Surface Rental	NTCA	P10a		26/04/2018	3,920		3,920
Dana Petroleum Netherlands BV	Surface Rental	NTCA	P10b		26/04/2018	78,400		78,400
Dana Petroleum Netherlands BV	Surface Rental	NTCA	P11b		26/04/2018	164,640		164,640
Vermilion Energy	Surface Rental	NTCA	Gorredijk		27/04/2018	492,352		492,352
Vermilion Energy	Surface Rental	NTCA	Leeuwarden		27/04/2018	480,592		480,592
Vermilion Energy	Surface Rental	NTCA	Oosterend		27/04/2018	71,344		71,344

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Vermilion Energy	Surface Rental	NTCA	Slootdorp		27/04/2018	126,224		126,224
Vermilion Energy	Surface Rental	NTCA	Steenwijk		27/04/2018	76,832		76,832
Vermilion Energy	Surface Rental	NTCA	Zuidwal		27/04/2018	58,016		58,016
Vermilion Energy	Surface Rental	NTCA	Drenthe IIa		27/04/2018	4,704		4,704
Vermilion Energy	Surface Rental	NTCA	Drenthe IIIa		27/04/2018	784		784
Vermilion Energy	Surface Rental	NTCA	Drenthe IV		27/04/2018	5,488		5,488
Vermilion Energy	Surface Rental	NTCA	Drenthe V		27/04/2018	19,600		19,600
Vermilion Energy	Surface Rental	NTCA	Drenthe VI		27/04/2018	283,808		283,808
Vermilion Energy	Surface Rental	NTCA	Papekop		27/04/2018	49,392		49,392
Vermilion Energy	Surface Rental	NTCA	Andel Va		27/04/2018	47,824		47,824
Vermilion Energy	Surface Rental	NTCA	Andel Vb		27/04/2018	127,792		127,792
Vermilion Energy	Surface Rental	NTCA	Waalwijk		27/04/2018	145,824		145,824
Vermilion Energy	Surface Rental	NTCA	Zuid Friesland III		27/04/2018	81,536		81,536
Neptune Energy	Surface Rental	NTCA	00164910 3I118ODT	D09 & E07	18/04/2018	143,289		143,289
Neptune Energy	Surface Rental	NTCA	00164910 3I118ODT	D09 & E07	14/06/2018		261	(261)
Neptune Energy	Surface Rental	NTCA	00164910 3I1180DB	D15	18/04/2018	193,648		193,648

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Neptune Energy	Surface Rental	NTCA	001649103I118ODC	D18a	18/04/2018	45,472		45,472
Neptune Energy	Surface Rental	NTCA	001649103I118OEN	E10	18/04/2018	209,723		209,723
Neptune Energy	Surface Rental	NTCA	001649103I118OES	E11	18/04/2018	209,723		209,723
Neptune Energy	Surface Rental	NTCA	01649103I118OEO	E14	18/04/2018	210,769		210,769
Neptune Energy	Surface Rental	NTCA	001649103I1180EQ	E15c	18/04/2018	148,166		148,166
Neptune Energy	Surface Rental	NTCA	001649103I118OEH	E16a	18/04/2018	22,736		22,736
Neptune Energy	Surface Rental	NTCA	001649103I118OEB	E17a, E17b	18/04/2018	89,376		89,376
Neptune Energy	Surface Rental	NTCA	001649103I118OFR	F3b	18/04/2018	262,640		262,640
Neptune Energy	Surface Rental	NTCA	001649103I118OGJ	G14 & G17b	18/04/2018	345,744		345,744
Neptune Energy	Surface Rental	NTCA	001649103I118OGB	G16a	18/04/2018	175,616		175,616
Neptune Energy	Surface Rental	NTCA	001649103I118OGH	G16b	18/04/2018	3,920		3,920
Neptune Energy	Surface Rental	NTCA	001649103I118OGC	G17a	18/04/2018	185,808		185,808
Neptune Energy	Surface Rental	NTCA	001649103I118OGD	G17c & G17d	18/04/2018	101,920		101,920
Neptune Energy	Surface Rental	NTCA	001649103I118OKD	K12	18/04/2018	322,224		322,224
Neptune Energy	Surface Rental	NTCA	001649103I118OKA	K1c	18/04/2018	71,514		71,514
Neptune Energy	Surface Rental	NTCA	001649103I118OKY	K2b	18/04/2018	86,240		86,240

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Neptune Energy	Surface Rental	NTCA	00164910 3I118OKM	K3a	18/04/2018	65,072		65,072
Neptune Energy	Surface Rental	NTCA	00164910 3I118OZD	K3c	18/04/2018	25,088		25,088
Neptune Energy	Surface Rental	NTCA	00164910 3I118OKV	K9a&K9b	18/04/2018	165,424		165,424
Neptune Energy	Surface Rental	NTCA	00164910 3I118OKW	K9c	18/04/2018	156,016		156,016
Neptune Energy	Surface Rental	NTCA	00164910 3I118OLA	L10 & L11a	18/04/2018	467,264		467,264
Neptune Energy	Surface Rental	NTCA	00164910 3I118OLC	L12a	18/04/2018	93,296		93,296
Neptune Energy	Surface Rental	NTCA	00164910 3I118OLD	L12b & L15b	18/04/2018	72,128		72,128
Neptune Energy	Surface Rental	NTCA	00164910 3I118OLG	L15c	18/04/2018	3,136		3,136
Neptune Energy	Surface Rental	NTCA	00164910 3I118OLN	L4c	18/04/2018	9,408		9,408
Neptune Energy	Surface Rental	NTCA	00164910 3I118OLO	L5a	18/04/2018	127,792		127,792
Neptune Energy	Surface Rental	NTCA	00164910 3I118OND	N7b	18/04/2018	68,208		68,208
Neptune Energy	Surface Rental	NTCA	00164910 3I1180QO	Q13A	18/04/2018	23,520		23,520
Neptune Energy	Surface Rental	NTCA	00164910 3I1180QA	Q13b	18/04/2018	123,742		123,742
Neptune Energy	Surface Rental	NTCA	00164910 3I1180LA	L3	18/04/2018	212,338		212,338
Neptune Energy	Surface Rental	NTCA	00164910 3I1180LA	L3	14/06/2018		106,372	(106,372)
Tulip Oil	Surface Rental	NTCA	Akkrum 11		2018	4,704		4,704
Tulip Oil	Surface Rental	NTCA	Donkerbroek		2018	17,248		17,248
Tulip Oil	Surface Rental	NTCA	Donkerbroek - West		2018	784		784

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Tulip Oil	Surface Rental	NTCA	M10a & M11		2018	85,456		85,456
Tulip Oil	Surface Rental	NTCA	Marknesse		2018	14,112		14,112
Tulip Oil	Surface Rental	NTCA	Q7		2018	327,712		327,712
Tulip Oil	Surface Rental	NTCA	Q10a		2018	41,552		41,552
Petrogas	Surface Rental	NTCA	A12a	A12a	29/06/2018	152,880		152,880
Petrogas	Surface Rental	NTCA	A12d	A12d	29/06/2018	25,872		25,872
Petrogas	Surface Rental	NTCA	A15a-p	A15a	29/06/2018	52,528		52,528
Petrogas	Surface Rental	NTCA	A18a	A18a	29/06/2018	179,536		179,536
Petrogas	Surface Rental	NTCA	A18c	A18c	29/06/2018	36,848		36,848
Petrogas	Surface Rental	NTCA	B10c & B13a	B10c & B13a	29/06/2018	197,568		197,568
Petrogas	Surface Rental	NTCA	A12b & B10a	A12b & B10a	29/06/2018	61,152		61,152
Petrogas	Surface Rental	NTCA	B16a-e	B16a	29/06/2018	52,528		52,528
Petrogas	Surface Rental	NTCA	P9ab	P09a, P09b & P09d	29/06/2018	70,560		70,560
Petrogas	Surface Rental	NTCA	P9c	P09c, P09e & P09f	29/06/2018	79,184		79,184
Petrogas	Surface Rental	NTCA	Q/1a ondiep	Q/1a ondiep	29/06/2018	25,088		25,088
Petrogas	Surface Rental	NTCA	Q/1b ondiep	Q/1b ondiep	29/06/2018	7,840		7,840
Petrogas	Surface Rental	NTCA	Q2	Q02c	29/06/2018	25,088		25,088
Vermilion Energy	Surface Rental	NTCA	Drenthe IIa			771		771
Vermilion Energy	Surface Rental	NTCA	Drenthe IIa			862		862
Vermilion Energy	Surface Rental	NTCA	Drenthe IIa			744		744
Vermilion Energy	Surface Rental	NTCA	Drenthe IIa			734		734
Vermilion Energy	Surface Rental	NTCA	Drenthe IIIa			757		757
Jetex Petroleum Ltd	Surface Rental	NTCA	P10c		04/04/2018	64,989		64,989

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Payment (EUR)
Jetex Petroleum Ltd	Surface Rental	NTCA	P4,P7&P8b		24/04/2018	204,885		204,885
							Total	**27.078.876**

Source: BDO

APPENDIX 9.2

Breakdown of Cijns (Royalty) reported by companies and by project

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Pay-ment (EUR)
NAM B.V.	Cijns (Royalty)	NTCA	Middelie		31/03/2018	828,891		828,891
NAM B.V.	Cijns (Royalty)	NTCA	Noord Friesland		31/03/2018	6,220,800		6,220,800
NAM B.V.	Cijns (Royalty)	NTCA	Drenthe II		31/03/2018	696,193		696,193
NAM B.V.	Cijns (Royalty)	NTCA	Botlek		31/03/2018	175,034		175,034
Vermilion Energy	Cijns (Royalty)	NTCA	Drenthe VI	Diever	27/04/2018	161,040		161,040
Vermilion Energy	Cijns (Royalty)	NTCA	Refund Cijns 2012		01/06/2018		23,370	(23,370)
Vermilion Energy	Cijns (Royalty)	NTCA	Refund Cijns 2012		01/06/2018		22,910	(22,910)
							Total	**8,035,678**

Source: BDO

APPENDIX 9.3

Breakdown of Extra Income Scheme (MOR) reported by companies and by project

Company/ Fiscal Unity	Payment stream	Government Agency	Licence Number	Date	Payment (EUR)	Repayment (EUR)	Net Payment (EUR)
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	15/05/2018	310,584,236	124,233,694	186,350,542
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	15/06/2018	310,584,236	124,233,694	186,350,542
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	03/12/2018	198,717,345	79,486,938	119,230,407
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	03/12/2018	565,716,178	226,286,471	339,429,707
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	03/12/2018	(621,168,472)	(248,467,388)	(372,701,084)
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	15/05/2018	124,233,694		124,233,694
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	15/06/2018	124,233,694		124,233,694
NAM B.V.	Extra Income Scheme (MOR)	EZK	Groningen	03/12/2018	57,306,021		57,306,021
						Total	**764,433,523**

Source*: BDO*

APPENDIX 9.4

Breakdown of Retributions reported by companies and by project

Retribution to EZK

Company/Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repayment (EUR)	Net Payment (EUR)
NAM B.V.	Retributions	EZK	Not provided		-	197,240		197,240
Vermilion Energy	Retributions	EZK	Tietjerkseradeel		07/10/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Zuidwal		29/06/2018	4,300		4,300
Vermilion Energy	Retributions	EZK	Nijega		07/10/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Middelburen		07/10/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Eernewoude		17/07/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Nijensleek		23/07/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Waalwijk		16/07/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Eesveen		30/07/2018	38,200		38,200
Vermilion Energy	Retributions	EZK	Nijensleek		22/11/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Leeuwarden		22/11/2018	38,200		38,200
Vermilion Energy	Retributions	EZK	Brakel		22/11/2018	1,920		1,920
Vermilion Energy	Retributions	EZK	Leeuwarden		14/11/2018	38,200		38,200
Vermilion Energy	Retributions	EZK	Waalwijk		14/11/2018	38,200		38,200
Vermilion Energy	Retributions	EZK	Loon op Zand		22/11/2018	38,200		38,200
Vermilion Energy	Retributions	EZK	Waalwijk		12/10/2018	1,920		1,920
Neptune Energy	Retributions	EZK	E11		29/06/2018	4,300		4,300
Neptune Energy	Retributions	EZK	E14		29/06/2018	4,300		4,300
Neptune Energy	Retributions	EZK	E10		29/06/2018	4,300		4,300
Neptune Energy	Retributions	EZK	K1C		29/06/2018	4,300		4,300
Neptune Energy	Retributions	EZK	K1C		29/06/2018	4,300		4,300
Neptune Energy	Retributions	EZK	E15C		29/06/2018	4,300		4,300
Neptune Energy	Retributions	EZK	L10O		15/10/2018	5,200		5,200
Neptune Energy	Retributions	EZK	G14C		23/10/2018	5,200		5,200
Neptune Energy	Retributions	EZK	L10A		16/10/2018	5,200		5,200
Neptune Energy	Retributions	EZK	D18a		16/10/2018	5,200		5,200
Neptune Energy	Retributions	EZK	D15a		15/10/2018	5,200		5,200
Neptune Energy	Retributions	EZK	K9c		16/10/2018	5,200		5,200

Company/Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repayment (EUR)	Net Payment (EUR)
Neptune Energy	Retributions	EZK	L3		21/11/2018	4,300		4,300
							Total	**471,120**

Source: BDO

Retribution to SodM

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Pay-ment (EUR)
Vermilion Energy	Retributions	SodM	Middelburen		27/11/2018	84,092		84,092
Vermilion Energy	Retributions	SodM	Middelburen		27/11/2018	6,140		6,140
Neptune Energy	Retributions	SodM	D15		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	E17		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	F3		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	G14		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	G16		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	G16		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	G17		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	K9		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	K9		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	K9		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	L12/15		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	Q13		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	D18a		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	F3		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	G14		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	K2b		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	L4/L5		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	L5		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	1,236		1,236
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	1,236		1,236

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Pay-ment (EUR)
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	1,236		1,236
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	3,089		3,089
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	15,280		15,280
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	G16		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	G16		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L5		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	G14		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L4/L5		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K9A		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K9A		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	D15		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	G14		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	Q13		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K9C		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	D18a		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	F3B		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	F3B		21 Dec 2018	4,300		4,300

Company/ Fiscal Unity	Payment stream	Gov. Agency	Licence Number	Field name	Date	Payment (EUR)	Repay-ment (EUR)	Net Pay-ment (EUR)
Neptune Energy	Retributions	SodM	F3B		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	G17		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	G17		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K2B		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K2B		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	K12		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	E17		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	8,580		8,580
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	3,564		3,564
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,752		4,752
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	1,188		1,188
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,752		4,752
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,160		4,160
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,160		4,160
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	1,020		1,020
Neptune Energy	Retributions	SodM	L5A		21 Dec 2018	1,020		1,020
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	2,500		2,500
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	2,500		2,500
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	6,178		6,178
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	4,300		4,300
Neptune Energy	Retributions	SodM	L10		21 Dec 2018	1,020		1,020
NAM B.V.	Retributions	SodM	Not provided					735,530
							Total	**1,202,360**

Source: BDO

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