

173/1999.

**PETROLEUM (ROYALTIES)
(ONSHORE CRUDE OIL) REGULATIONS**

made under section 29(1)(n)

Citation and
Commencement.

1. These Regulations may be cited as the Petroleum (Royalties) (Onshore Crude Oil) Regulations and shall be deemed to have come into effect on 1st November 1998.

Royalty
formula.

2. (1) The new royalty formula for onshore crude oil production is as follows:

$$\text{Royalty rate} = \frac{(\text{Production} - 5)}{\text{Production}} \times \frac{(\text{Price} - 5)}{5} \times 16\%$$

where—

- (a) “production” is the production per well for the respective field;
- (b) the production formula $\frac{(\text{Production} - 5)}{\text{Production}}$ would not be less than 0; and
- (c) the price formula $\frac{(\text{Price} - 5)}{5}$ would not be less than 0.

(2) The total formula would be subject to a cap of 10%.