

Imbert: Govt invested in Heritage

RYAN HAMILTON-DAVIS

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Colm Imbert -

MINISTER OF FINANCE Colm Imbert, in a release, sought to correct information used in a local newspaper on Monday that suggested the Government favoured state-owned Heritage Petroleum Ltd over private companies by waiving oil taxes, specifically the supplemental petroleum tax.

The minister said Government did not waive the taxes but re-invested in the company to assist with exploration costs.

“The editorial also erroneously suggested that because Heritage Petroleum Ltd was not required to pay supplemental petroleum tax in fiscal 2020, this may have prevented the auditors from questioning whether Heritage Petroleum Ltd was a going concern. That is simply untrue and misleading in the extreme.”

Imbert explained, as part of the restructuring of Heritage’s predecessor, Petrotrin, and the refinancing of its bond, Government gave an undertaking to make equity investments in Heritage Petroleum to finance the exploration and production of oil, in sums equal to the amount of supplemental petroleum tax that would be due and payable over the period July 2019 to June 2021.

“As any oil producer will know, investment in exploration and production, specifically the drilling of new wells, the work over of

existing wells and the maintenance and upgrade of ageing infrastructure, such as pipelines, pumps, tanks and machinery is critical to the maintenance of oil production volumes.”

He added that the former Petrotrin had trouble investing in exploration and production which led to reductions in oil production.

“Government is entitled to make any investment in this important state-owned company that is appropriate and necessary. It is also basic business common sense for the Government to ensure that the national oil company has sufficient cash flow to maintain its oil production volumes.”