

24 April 2024

Chevron Australia responses to the questions on notice received during the public hearing of 9 April 2024 for the Senate Economics Legislation Committee's Inquiry into *Treasury Laws Amendment (Tax Accountability and Fairness) Bill 2023*:

- 1. Based on the current oil price, what would you pay in terms of PRRT if this legislation was passed?**

Based on our current pricing, production, and foreign exchange rate assumptions, we expect to pay A\$850 million to A\$950 million in Petroleum Resource Rent Tax (PRRT) in relation to the four years starting 1 July 2024, noting that the Wheatstone project commences having a liability under the legislation from 1 July 2025.

- 2. What would you pay in terms of PRRT if this legislation was passed on the basis of a low, medium and high oil price scenario?**

Based on low, medium and high oil price scenarios, we would expect to pay A\$840 million, A\$970 million or A\$1.2 billion, respectively, in relation to the four years starting 1 July 2024. Our modelling is based on the low, medium and high West Texas Intermediate oil prices referenced by the Treasury in its final report to the Treasurer and converting those prices to LNG prices. We note that the quantum of PRRT paid depends on a range of factors including price, production levels and foreign exchange rates.

- 3. How much do you currently hold in PRRT uplift credits?**

Under the *Petroleum Resource Rent Tax Assessment Act 1987* (the PRRT Act), credits are carried forward at cost until they are required to be used to offset income. The applicable augmentation rate cannot be determined until the time a deduction is utilised because the rate is dependent on factors such as which project uses the deduction, the grant date of the production licence using the deduction, and whether PRRT projects are combined under the PRRT Act.

For completeness, we note that our 2023 audited financial statements include a PRRT deferred tax asset of US\$1.1 billion and unused PRRT credits of US\$3.5 billion (tax-effected).