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Ms Elizabeth M Murphy
Secretary
US Securities and Exchange Commission
100 F Street, NE
Washington
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USA

Mr Michel Barnier
Commissioner Internal Market and Services
European Commission
200 Rue de la Loi
1049 Bruxelles
Belgium

11 July 2011

Dear Ms Murphy and Commissioner Barnier,

Further to our letters to the Securities and Exchange Commission, dated 25 October 2010, 28 January 2011, 17 May 2011, and the questionnaire we submitted to the European Commission on 9 January 2011 on "Country-by-Country Reporting by Multinational Companies", we would like to re-emphasize our support for revenue transparency due to the benefits that this brings in terms of improved governance in the countries in which we operate.

Our commitment is evident from our role as supporters of the Extractive Industries Transparency Initiative (EITI), our support for EITI programmes in countries in which we conduct business and the contributions that representatives from our company have made as EITI board members.

We believe that mandatory revenue transparency regulations will be most effective if they complement the multi stakeholder approach of EITI by adopting the EITI disclosure methodology. This would best be achieved by the development of a common standard that requires companies to disclose, by country, payments to governments broken down along the lines of the commonly recognised revenue streams laid out in the EITI rules. Such disclosure standard would need to be respectful of the sovereignty of the host countries, by providing companies with an exemption from disclosure where such disclosure is prohibited under law or contract. Users of the data will benefit due to the greater level of consistency in the data reported irrespective of the country of listing of the extractive industry company; preparers

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would benefit by minimizing the administrative burden, and cost, of complying with multiple reporting methodologies; and the adoption of the EITI disclosure model by respected regulators could encourage more countries to join EITI.

Furthermore, the regulatory burden on extractive industry companies, and the risk of competitive disadvantage based on country of listing, would both be minimized if regulators adopted a common disclosure standard. The converging timelines of the SEC rule making process and the work of the European Commission in developing a directive on revenue transparency provides an excellent opportunity for the US and European regulators to meet to discuss the development of such a common disclosure standard.

It remains our view that the interests of the users of the data that extractive industry companies will be required to disclose will be best served through the reporting of the same type and level of information rather than different versions of the same payment data that would exist for companies that need comply with different regulatory requirements. We therefore believe that such a common standard would deliver benefits for regulators, extractive industry companies, investors, governments and civil society.

As noted above, we firmly believe that the interests of all stakeholder groups will be best served by the adoption of a common standard requiring the disclosure, by payment type, of payments to governments on a country by country basis, as opposed to a project by project basis. Indeed we have serious concerns with regard to project level disclosure because we do not believe there is any uniform definition for the term 'project'. If, however, the EU Commission and the SEC decide to require project level disclosure, then we would urge both the EU Commission and the SEC to limit such disclosure to *material projects.* We believe the SEC definition of *materiality* is appropriate. The SEC stated in its Staff Accounting Bulletin 99 that "a matter is 'material' if there is a substantial likelihood that a reasonable person would consider it important." If a reasonable person does not consider disclosure of payments associated with a particular project important, because it is not a material project, why would the EU Commission or the SEC want to impose costs of tens of millions of Dollars or Euros and potentially much more for disclosure of unimportant information?

We believe the Securities and Exchange Act of 1934 provides sufficient regulatory flexibility to enable the SEC to come to a common standard as described above with the EU Commission. An alternative approach to a global standard would be for the SEC and EC to introduce 'foreign issuer' or 'home country' exemptions that would apply in situations where regulations in the other territory require the disclosure of payments to government in a broadly similar manner that is based on EITI principles. We believe that this would address the potential for confusion that would exist if companies are required to comply with multiple and different reporting methodologies. A foreign issuer exemption would therefore be the most effective way of dealing with this concern unless, or until, regulators agree a common reporting template. We note that similar proposals were included in a comment letter to the SEC from Talisman Energy Inc dated 23 June 2011.

Yours sincerely

Simon Henry

Chief Financial Officer