



Overview

The Oil and Gas Processing Investment Incentive (OGPII) offers transferable crown royalty and freehold production tax credits for qualified greenfield or brownfield projects at a rate of 15 per cent of eligible project costs. OGPII is open to value-added projects across all segments of Saskatchewan's oil and gas sectors as well as chemical fertilizer facilities. Eligible projects include:

- Refineries/upgrading facilities (i.e., partial upgraders, asphalt production and sulphur removal units);
- Petrochemical facilities (i.e., methanol, ammonia, polypropylene, olefins and ethylene);
- Associated gas commercialization projects (i.e., processing facilities, waste-gas-to-power etc.);
 - Regional gas-gathering projects and projects with multiple phases may also be considered under a single project application.
- Carbon capture, utilization and storage for enhanced oil recovery;
- Commercialization of oil and gas production byproduct and waste products; and,
- Chemical fertilizer facilities.

Enabling infrastructure that is directly linked and dedicated to an eligible project may also be considered. Examples of this include:

- Gas-gathering pipeline systems
- Transmission pipeline
- Rail loading facilities and rail spur lines

Eligibility

1. Must be a value-added project in any segment of Saskatchewan's oil, gas, or chemical fertilizer industry.
2. Must result in a significant increase to processing capacity (for brownfield projects).
3. Must include at least CAD\$10 million in eligible costs.
4. It has not become operational before the eligible project application is submitted.

Program Highlights

- The credits are fully transferable; non-producers/non-royalty payers have the ability to transfer credits to oil, gas and helium crown royalty and freehold production tax payers. Also, OGPII encourages multi-company projects as costs can be incurred by a firm other than the principal applicant.
- OGPII has a project-specific awarded credit cap of CAD \$75 million (i.e., a CAD\$500 million project).
- Credits can be claimed at a rate of 20 per cent of total credits in the first calendar year of operations, 30 per cent in the second calendar year and 50 per cent in the third calendar year.
- OGPII can be used alongside other incentive and grant programs available in Saskatchewan.
- Costs incurred from January 1, 2018, onward, may be recognized as eligible.

For more information, contact:

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