

No. **7** of 2015.

Oil and Gas (Amendment) Act 2015.

Certified on: **12 AUG 2015**



No. of 2015.

Oil and Gas (Amendment) Act 2015.

ARRANGEMENT OF SECTIONS.

1. Interpretation (Amendment of Section 3).

2. New Section 175A.

**“175A. RIGHT OF KUMUL PETROLEUM HOLDINGS TO BE STATE
NOMINEE.”**

3. National Gas Corporation (Amendment of Section 179).



No. of 2015.

AN ACT

entitled

Oil and Gas (Amendment) Act 2015,

Being an Act to amend the ***Oil and Gas Act 1998*** as a consequence of the ***Kumul Petroleum Holdings Limited Act 2015*** and for related purposes,

MADE by the National Parliament.

1. INTERPRETATION (AMENDMENT OF SECTION 3).

Section 3 of the Principal Act is amended by inserting the following new subsections after Subsection (5) as follows:

“(6) Any word or phrase used in this Act and which is not given another definition or meaning in this section but which is defined in or given meaning in the ***Kumul Petroleum Holdings Limited Authorisation Act 2015*** shall have the same meaning in this Act unless the context otherwise requires.

- (7) Without limiting the preceding subsection, this Act binds -
- (a) Kumul Petroleum Holdings and each other Kumul Petroleum Company; and
 - (b) the Kumul Petroleum Trustee as trustee of the Kumul Petroleum Share Trust.”.

2. NEW SECTION 175A.

The Principal Act is amended by inserting a new section after Section 175 as follows:

“175A RIGHT OF KUMUL PETROLEUM HOLDINGS TO BE STATE NOMINEE.

(1) Neither the State nor the Minister shall exercise any rights or powers under Subsections 165(1), 165(2) and 165(6) in a manner that -

- (a) is not in compliance with the provisions of Section 14 of the ***Kumul Petroleum Holdings Limited Authorisation Act 2015***; or
- (b) is not in compliance with the provisions and intent of this section.

(2) The provisions of this section shall only apply for so long as all of Kumul Petroleum Holdings shares are held by the Kumul Petroleum Trustee under the provisions of the Kumul Petroleum Trust Deed.

(3) The Minister shall, between 90 and 120 days prior to the time the State is entitled by Subsection 165(2) to exercise a nomination right under Subsection 165(1), give notice to Kumul Petroleum Holdings of that pending nomination and shall in that notice -

- (a) provide full details of the participating interest and petroleum project concerned; and

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- (b) advise Kumul Petroleum Holdings of the equity benefit in the petroleum project to be dealt with in accordance with Section 167; and
- (c) advise Kumul Petroleum Holdings that in accordance with Section 165, the Minister shall nominate a Kumul Petroleum Company as proposed by Kumul Petroleum Holdings as the exclusive nominee of the State in respect of the participating interest.

(4) The participating interest under Subsection (3) shall be the maximum participating interest the State is entitled to nominate for under Section 165 after the State has met its obligations to the project area landowners and the relevant Provincial and Local-level Governments, if any, under Section 167.

(5) Within 60 days of such notice being given under Subsection (3), Kumul Petroleum Holdings may notify the Minister –

- (a) confirming that the requirements of Subsection (2) are satisfied; and
- (b) providing the name of the Kumul Petroleum Company it proposes as nominee, and if more than one, their respective participating interests in the relevant petroleum project; and
- (c) advising the participating interest that the State is to nominate for.

(6) The Kumul Petroleum Company or Kumul Petroleum Companies named under Paragraph 5(b) shall be wholly owned subsidiaries of Kumul Petroleum Holdings, subject only to the provisions of Subsection 8(5) of the *Kumul Petroleum Holdings Limited Authorisation Act 2015*.

(7) The notification under Subsection (5) shall be conclusive as to the matters stated therein and shall not be disputed by the Minister.

(8) Kumul Petroleum Holdings shall be responsible for the payment of the costs required for the State to meet its obligations under Subsection 167(2).

(9) In the event that Kumul Petroleum Holdings gives a notice as referred to in Subsection (5) within the 60 day notice period, the Minister and the State shall do all that is required to transfer or direct the transfer of or effect a nomination in respect of the participating interest to the Kumul Petroleum Company concerned as proposed in that notice as soon as permitted to do so under Paragraph 165(2)(b).

(10) In the event that the State, through the Minister, effects a transfer or direction to transfer or effects a nomination, the Minister may by written notice direct any person to –

- (a) provide to the Minister and Kumul Petroleum Holdings all such assistance as may be required by the Minister to give effect to that transfer, direction to transfer or nomination; and
- (b) provide to the Minister and Kumul Petroleum Holdings with full details of the licences or applications for licences to which such transfer, direction to transfer or nomination relates; and
- (c) give to the Minister or at the direction of the Minister, Kumul Petroleum Holdings or any person, all certificates or other evidence or indicia of title to those licences or applications for licences; and
- (d) sign or execute any such transfer of those licences or applications for licences to the Kumul Petroleum Company concerned and a person receiving any such notice of direction shall duly and promptly comply with same in all respects.

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(11) A direction given under Subsection (10) shall not oblige a person to provide assistance that the person is not reasonably able to provide.

(12) The Kumul Petroleum Company notified under Subsection (5) shall pay the consideration payable under Subsections 165(3) and (4) in the manner provided for in those subsections in respect of the participating interest transferred to the Kumul Petroleum Company in accordance with Section 175A.

(13) The State shall not exercise its rights under Subsection 165(1) in favour of any nominee other than Kumul Petroleum Holdings and its subsidiaries notwithstanding that Kumul Petroleum Holdings has -

- (a) failed to give a notice under Subsection (5) within the 60 day notice period; or
- (b) notified the Minister that it will not be nominating itself or proposing another Kumul Petroleum Company for nomination under Subsection (5),

but nothing in this Subsection shall apply to prevent the State from exercising its rights of nomination under Subsection 165(1) in favour of a corporate trustee which is wholly owned by Mineral Resources Development Company in order to meet its obligations under Subsection 165(5) and Section 167.

(14) The Minister shall -

- (a) promptly notify Kumul Petroleum Holdings of all requests for the State to enter into or resume negotiations in respect of any petroleum agreement or gas agreement and in respect of any or all of the blocks the subject of any application for any licence in respect of which the State has not exercised the nomination right under Subsection 165(1) and of the terms of any such petroleum agreement or gas agreement when finalised and provide Kumul Petroleum Holdings with all information that the Minister has in respect of those matters; and
- (b) ensure that the exercise of any discretion under this Act and the conditions of the grant of licences under this Act are not inconsistent with this section; and
- (c) ensure that -
 - (i) reasonable prior notice is given to Kumul Petroleum Holdings of all meetings to be attended by the State with the holders of licences or applications for licences under this Act to which Paragraph (a) applies, including all technical and commercial meetings and meetings to develop and agree on any petroleum agreement or gas agreement; and
 - (ii) representatives of a Kumul Petroleum Company designated by Kumul Petroleum Holdings are entitled to attend all such meetings and are afforded full representation on any negotiating team appointed by the State to lead negotiations on behalf of the State with such holders; and
 - (iii) Kumul Petroleum Holdings receives all information from the holders of licences or applications for licences as the State is entitled to.

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(15) At any meeting attended by Kumul Petroleum Holdings or a representative of a Kumul Petroleum Company designated by Kumul Petroleum Holdings as provided in Subparagraphs (14)(c)(i) and (ii), Kumul Petroleum Holdings or the designated representative shall -

- (a) provide to the State and to the holders of the licences or applications for licences concerned, or their respective representatives, written undertakings to keep confidential on reasonable terms any confidential information disclosed to them in respect of those assets in the course of or as a consequence of those meetings; and
- (b) be entitled to participate in all discussions at those meetings as the potential transferee, transferee by direction or nominee of the State under this Act, but nothing in this subsection shall oblige either the State or any of the persons holding the licences concerned to give effect to any request or requirement of Kumul Petroleum Holdings.

(16) Nothing in the confidentiality undertaking shall preclude Kumul Petroleum Holdings from divulging confidential information to the Minister or to the Kumul Petroleum Trustee or to any Kumul Petroleum Company or, subject to the execution by them of a confidentiality undertaking on terms reasonably required by the holders of the licences, to any bona fide potential acquirer of part or all of the participating interest which has been notified under Subsection (5) or any financier of the acquisition of part or all of the participating interest.

(17) The provisions of Subsections (14), (15) and (16) shall not apply in respect of licences in respect of which Kumul Petroleum Holdings has no nomination rights due to application of the provisions of Subsection (2) or in respect of which its nomination rights have already been exercised or have otherwise expired or terminated under this section.

(18) Section 149 shall not apply to, or preclude, any disclosure of information made in accordance with Subsections (15) and (16).”

3. NATIONAL GAS CORPORATION (AMENDMENT OF SECTION 179).

Section 179 of the Principal Act is amended in Subsection (5) by deleting the words “and the rights and entitlements of the Company under this Act or the option agreement”.

I hereby certify that the above is a fair print of the *Oil and Gas (Amendment) Act 2015* which has been made by the National Parliament.

Acting Clerk of the National Parliament.

12 AUG 2015

I hereby certify that the *Oil and Gas (Amendment) Act 2015* was made by the National Parliament on 5 June, 2015.

Speaker of the National Parliament.

12 AUG 2015