

**AN ACT
ADOPTING THE NEW PETROLEUM LAW
OF
THE REPUBLIC OF LIBERIA**

WHEREAS, Chapter II Ara

appropriate agreements, loans financing, and exploration arrangements with potential investors and other relevant parties, entities, corporations, or foreign governments, in collaboration with the relevant ministries and agencies of the Government of Liberia. All such agreements and arrangements shall require the final approval of the President of Liberia.

WHEREAS, cognizant of the above, the National Legislature hereby promulgates these Codes of Law to govern, direct and regulate Hydrocarbon of Petroleum operations in Liberia and to implement the intent and purposes of the laws of the Republic of Liberia.

NOW THEREFOR;

It is hereby enacted by the Senate and the House of Representatives of the Republic of Liberia in Legislature Assembled:

SECTION I: Part I of Title 23 of the Liberian Code of Laws Revised, and an Act Adopting a New Minerals and Mining Law, which repealed chapter 5 and chapter 6 of Title 24 volume II of the Liberian Code of Laws of 1956; and chapter 6 of Title 14 of the Liberian Code of Laws Revised and all amendatory Acts thereto are hereby amended to provide for An Act adopting the New Petroleum Code of the Republic of Liberia. Also, An Act to Regulate the Operation of Petroleum Industry in Liberia and all amendatory Acts thereto are hereby repealed. In lieu thereof, there is enacted a new Code to be known and called; An Act Adopting the New Petroleum Code of the Republic of Liberia; as Part II Title 23 of the Liberia Code of Laws Revised.

CHAPTER 1 GENERAL PROVISIONS

SECTION 1.1 Title

SECTION 1.2 Short Title

SECTION 1.3 Definition of Terms

SECTION 1.4 General Rules

Section 1.1 - Title: This Act is and shall be called An Act Adopting The New Petroleum Law of The Republic of Liberia.

Section 1.2 – Short Title: This Act shall be cited as The New Petroleum Law of Liberia.

Section 1.3 – Definition of Terms: Unless otherwise required or unless a different definition is expressly provided in a given case, the following definitions for the purposes of this law shall apply as follows:

1.3.1 “Agent” – means an employee of NOCAL or any entity, who is directly responsible for the negotiation of Hydrocarbon contacts as fiduciary of the National Oil Company of Liberia, the Liberia Petroleum Refining Company

1.3.18 “Natural Gas” – means all gaseous hydrocarbons, which may occur in association with oil accumulation; or the residue gas remaining after extracting of liquid hydrocarbons from wet gas.

1.3.19 “Petroleum Agreement” – shall mean the agreement between the Licensee and NOCAL, which shall be substantially in conformity with the Model Petroleum Agreement set forth in the Annex of this Law. It is a contract between the National Oil Company and one or more petroleum companies granting the company an exclusive right to explore and develop hydrocarbons within a defined area.

1.3.19(a) “Petroleum Contract” A Petroleum Contract may be a contract, which include a production-sharing contract, a hydrocarbon exploration permit for the development and exploitation of hydrocarbon deposits within the territory of Liberia.

1.3.20 “Petroleum Company” – any legal entity having demonstrated the requisite technical, financial, and legal capacity to successfully carry out petroleum operations.

1.3.21 “Petroleum Operation” includes each of the following activities; prospecting, exploration, assessment, development, production transportation or marketing of hydrocarbons, including the processing of natural gas, but excluding refining and the distribution of petroleum products.

1.3.22 “Petroleum products” Means any finished or semi-finished product derived from petroleum by any process.

1.3.23 “President/CEO” means the President and Chief Executive Officer of the National Oil Company of Liberia responsible for the administration of petroleum operations in Liberia.

1.3.24 “Production sharing contract” – a petroleum contract which grants the contracting party a share of production, as provided for the present law. It is a service contract whereby the holder is entitled to a portion of the production of hydrocarbons derived from the pertinent contract area.

1.3.25 “Reconnaissance” – Preliminary activities of detection of indicators of the existence of hydrocarbons, particularly by geologic, geo-chemical or geophysical means, but not to include the drilling of exploration wells at depths greater than 300 meters, unless otherwise specifically provided for in the reconnaissance permit.

1.3.26 “Service Contract” is the risk service contract for the exploration and exploitation of hydrocarbons whereby the National Oil Company of Liberia or such other State owned Company grants to a qualified entity, exclusive rights for the exploration

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CHAPTER II PROVISIONS COMMON TO ALL PETROLEUM CONTRACTS

Section 2.1 – Binding Effective: In collaboration with the Hydrocarbon Technical Committee, all petroleum contract, shall be negotiated by the National Oil Company of Liberia pursuant to the Act establishing the national Oil Company of Liberia. A Petroleum Contract, pursuant to its terms, shall become effective and binding on the parties thereto, their principals, successors and assignees, upon signing of same by the Parties, attested by the Minister of Justice and approved by the President of the Republic of Liberia.

Section 2.2 – Content of Petroleum Contract: All Petroleum Contracts, without limiting their contents, shall specifically contain, in addition to other terms and conditions, the following:

- 2.2.1 The work obligations for each of the exploration periods, with the corresponding guarantees;
- 2.2.2 The conditions under which the exploration and the exploitation are carried out;
- 2.2.3 The provisions regarding the cancellation of the exploration permit or the withdrawal of an exploitation concession;
- 2.2.4 The financial and fiscal provision;
- 2.2.5 The work program and obligations for each period and phase of the petroleum operation or permit;
- 2.2.6 The rules pertaining to the assignment or transfer of the rights and obligations of the holder;
- 2.2.7 The provision pertaining to the participation of the State Company, in all or part of the petroleum operations;
- 2.2.8 The delivery of the information, documents and samples pertaining to the exploration permit;

- 2.2.12 The duration of the contracts and the different periods of validity of the exploration permits, the appraisal permits, and development permits, as well as the conditions for periodic review, renewal and extension, including the surface rights;
- 2.2.13 The investment obligations for each of the period of the various permits and validity of the exploration permit;
- 2.2.14 The conditions establishing the operation programs and budgets, and control of their execution, the presentation of reports, data, and information related to petroleum operations to the National Oil Company of Liberia;
- 2.2.15 The reciprocal rights and obligations of the contracting Parties;
- 2.2.16 Obligations relative to a commercial discovery and the development of a commercial field as well as the3 methods of granting a developmeTj-0.24 Tc (n) Tj-0.108 Tc (s) Tj0.H

2.2.25 An environmental impact study.

When circumstances so require, the object of a petroleum contract may be limited to the development of one or more hydrocarbon fields already discovered and demarcated, without being linked to the grant of any exploration permit.

Section 2.3 – Assignment or Transfer of Interest – Pursuant to the terms and conditions of the contract, the provisions of law and regulations, the rights and obligations may be assigned or transferred, upon the prior written approval of the National Oil Company of Liberia. The assignment or transfer of the whole or a part of any petroleum contract or related hydrocarbon exploration and development permit, must be submitted to the National Oil Company of Liberia for prior written approval, Leopl w Tj0.0.456 Tc (i) Tj0.4

- iv. The Law of the Regulation shall prescribe the requisite procedure and content of each application for the petroleum contract.
- v. Each petroleum contract, pursuant to its terms, shall provide the terms and conditions and method of renewal, right to transfer and the nature of the agreement whether petroleum operations, exploration or exploitation.

2.4.7 A petroleum contract or hydrocarbon exploration and/or exploitation permit which accompany the Contract as well as the reconnaissance permit may only be granted to a commercial enterprise or jointly to several commercial enterprises, of either Liberian or foreign nationality; provided,

- i. If said companies are foreign nationals they shall be required to maintain, during the entire period of validity of the petroleum contract, a permanent representative in the Republic of Liberia.

The Representative, who may be either a Liberian Company or a subsidiary, shall be required to register in the Commerce Registry.

- ii. No person or company may hold a hydrocarbon exploitation license or a service contract without demonstrating the technical and financial capabilities required to successfully carry out the petroleum operations.
- iii. No party may be the holder of a petroleum contract, or related exploration permit or license, a reconnaissance permit, unless he demonstrates that he has the requisite technical, financial, and legal capacity to successfully carry out the petroleum operations.

2.4.8 Excluding state own corporation, no Public Official or a contracting party or an agent of a stat owned corporation shall hold a direct or indirect interest in the petroleum operations, nor may he/she be the title holder or beneficiary of a petroleum operation or contract.

2.4.9 Notwithstanding the above, a corporation which existed five (5) years prior to the Effective Date of this Law shall not be denied the rights to hold interest in a petroleum operations or contract. This exception remains valid and applicable provided that said corporation becomes a successful bidder in keeping with the international standards for the awarding of petroleum contract. However, the public official, a contracting party of the State, or an agent of the State owned corporation should not be simultaneously involved in the management of the corporation which has signed the Petroleum Agreement during his/her tenure in office.

2.4.10 The validity of a petroleum contract, in a given area, shall not prohibit the issuance of a Hydrocarbon Development or Exploration Permit for the whole or part of said area to another person who may explore and develop such other mineral substances other than hydrocarbons. Likewise, the validity of such permits for other substances other than Hydrocarbons shall not prevent the formation of a petroleum contract or the issuance of a reconnaissance permit for all or a part of the area concerned. In the event that multiple rights are granted to the same area or to different areas in the same area, the provisions of this Law shall apply to the area concerned.

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rate; to be agreed upon between the National Oil Company of Liberia and the licensee.

2.4.15 In the event that there shall be more than one production licensee, the National Oil Company of Liberia shall apportion the quantity of petroleum needed for domestic purposes, in such manner that no inequity shall be exercised toward a particular licensee.

2.4.16 When production of crude oil and any type of hydrocarbon shall commence and become available, giving rise to the National Oil Company of Liberia to exercise the rights prescribed in this law, all persons engaged in refining operations in Liberia shall be required to use Liberian crude oil. The President/CEO may however, grant dispensation from this requirement if the refiner can prove to his/her satisfaction that the use of such crude oil would, for any reason, not be suitable for its plant or equipment.

2.4.17 Each and every license shall contain provisions to ensure that, at the expiration of the term of the license, all fixed installation, assets and properties of the licensee appropriated to the conduct of petroleum operations, shall revert gratuitously to the National Oil Company of Liberia.

2.4.18 Each license shall provide for adequate sanctions for failure by the licensee to fulfill the obligations undertaken by him. The regulation to be promulgated and issued by the National Oil Company in keeping with the relevant laws of Liberia, shall provide for penalties in the event of a breach of certain provisions and conditions laid down in the license. When such breach occurs, a fine

commensurate with the nature of the breach shall be levied.

- 2.5.5 All such reports submitted to the National Oil Company of Liberia are considered confidential and may not be made public except as provided for in the petroleum contract, consistent with the applicable provisions of the administrative regulations and the present law.
- 2.5.6 The holder of a petroleum contract may, at his own risk, subcontract with qualified companies for petroleum operations for which he is responsible, but without prejudice to the National Interest.
- 2.5.7 All subcontractors shall assume and have the same rights and obligation held by the holder of a petroleum contract to the extent and limits of the rights and operation entrusted to them. The National Oil Company of Liberia must be served a copy of the subcontract for its consent and approval.
- 2.5.8 The holder of a petroleum contract, as well as his subcontractors, shall give preference to Liberia companies for construction, supply, and service contracts, provided they offer equal quality, price, quantity, time or performance and payment conditions.
- 2.5.9 The holder of a petroleum contract, as well as his subcontractors, shall give preference to Liberians in the hiring of qualified personnel, provided the Liberians meet the need and requirements of the operations. To this end, from the outset of the petroleum operations, the holder of a petroleum contract must establish and finance a program for the training of Liberian personnel for all positions and qualifications, and in accordance with the terms established in the petroleum contract and the Labor Law of Liberia.
- 2.5.10 The holder of a petroleum contract shall comply with the safety and health standards in use in the international petroleum industry, and make certain that his subcontractors likewise comply with said measures. All accidents shall be immediately reported to the competent authorities.
- 2.5.11 The holder of a petroleum contract shall, in the case of commercial production by hydrocarbons, give priority to meeting the needs of the internal Liberian market, with a part of the production obtained by the market. The condition and methods of this requirement shall be specified in the petroleum contract, including the price of assignment once the internal consumption needs of the country have been met, the holder of a petroleum contract shall freely dispose of the part of production of hydrocarbons, in accordance with the terms of the contract.

manner. The agreement, as well as the plan of joint development, shall be presented to the National Oil Company of Liberia.

2.5.13 In order to ensure their best use, from an economic and technical perspective, the National Oil Company of Liberia may impose on holders of petroleum contracts, conditions of realization and development of their operations and installations referred to in this law affecting the transportation of hydrocarbons by pipelines. Provided, however, that these conditions do not harm the normal economic operations of the contracts holders. In the event of a disagreement between the interested developers regarding the modalities of said association, the National Oil Company may proceed to impose them as provided for in the petroleum contracts.

2.5.14 Consistent with the duration and the nature of their operations, the holders of reconnaissance permits shall have the benefit of the same rights and assume the same obligation as holders of petroleum contracts for similar operations, as provided for in this law or other regulationidtiP9 (w) Tj0.12 Tc Tj-0.048 Tc (r) Tj0.24 Tc (p) Tj-0.048 Tc (

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CHAPTER IV
ADMINISTRATION OF THE NEW PETROLEUM LAW

Section 4.1 Administration - Subject to, and in keeping with the provisions of this Law, the President/CEO of the National Oil Company of Liberia shall be responsible for the administration, implementation and enforcement of this Law. Consistent with this law, the President/CEO shall promulgate or institute such other rules and regulations necessary for the achievement of the purposes and promotions of the policies set forth in the Act establishing the National Oil Company of Liberia.

Section 4.2 Authority to Investigate – The President/CEO or the company’s designee or iamor iamor oee n

4.4.8 Ministry of Planning and Economic Affairs.

4.4.9 The President of Liberia may, from time to time, designate, not more than three (3) such other persons, who shall not be officials of Government, to serve as member of the Hydrocarbon Technical Committee.

Section 4.5 - Power of the Committee: The Hydrocarbon Technical Committee shall have the power, under the chairmanship and direction of the President/CEO of NOCAL, or his/her designee, to negotiate and conclude agreements with all applicants for hydrocarbon development and exploitation rights and such related permits. The agreement so negotiated and concluded, shall become effective and binding upon the parties and the Republic of Liberia, when signed by the applicants, the National Oil Company, the Minister of Finance, the Minister of Lands, Mines and Energy, the Chairman of the National Investment Commissions; attested by the Minister of Justice approved by the President of Liberia.

Section 4.6 – Enforcement Power: The National Oil Company of Liberia shall superintend and enforce the application of this law and shall promulgate

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**CHAPTER V
HYDROCARBONS
RECONNAISSANCE, SEISMIC SUREVEY DATE
& TECHNICAL EVALUATION AGREEMENTS**

Section 5.1 – Seismic Survey, Reconnaissance and Technical Evaluation Agreement for Hydrocarbon Deposits: A seismic survey, reconnaissance, and technical evaluation shall comprise all aspects of exploration, which include reconnaissance seismic survey or data collection, processing, evaluation, and interpretation of data, including experimental and exploratory drilling for hydrocarbons. A seismic Survey and Technical Evaluation Agreement for Hydrocarbons Deposit anywhere within the territory of the Republic of Liberia shall form a part of work obligations in all petroleum agreements or permits. The seismic survey and Technical Evaluation agreement shall precede the granting of any other petroleum agreement or permits; except if combined in a single contractual document. In such a case, seismic work must be concluded to the satisfaction of the National Oil Company of Liberia prior to the commencement of any other phase of hydrocarbon or petroleum operation, provided such survey and evaluation have not been done. In the event the survey and evaluation have been concluded, the data must be purchased from NOCAL, if the Licensee chooses not to, at its own cost, conduct a re(e) Tj-048 Tc (e) Tj0.C0.12 Tc () Tj0.048 Tc (

5.1.7 A permit with respect to reconnaissance, and seismic data collection so granted, does not give the holder any right to conclude a petroleum contract except where such privilege is expressly granted in keeping with relevant provisions of this Law or the permit.

5.1.8 Where such privilege is granted, the disposal of the products found and extracted during the process of reconnaissance or seismic operations shall be in keeping with the relevant provision of this law.

- i. The results of the reconnaissance operations shall be communicated to the National oil Company of Liberia in keeping with the provisions set forth in the reconnaissance permit or agreement.**
- ii. The National Oil Company of Liberia may call for reconsideration of the permit granted, upon the issuance of appropriate notice that may affect the whole or a part of the area for which the reconnaissance permit has been issued;**
- iii. Where a termination becomes necessary, the said permit shall cease to have any legal effect as to the affected area, but this will not give the party holding the contract the right to any damages.**

Notwithstanding the provisions of the above chapter, under exceptional circumstances, and particularly in the case of deep-water areas, a reconnaissance permit may provide for its holder, the oppos Tc (s) Tj0.024 TTj-0.024 Tc (w) Tj0.024 Tc (i) Tj0.084j-0.1

6.1.1 The holder of a Petroleum Agreement for Exploration p

consecutive terms of two (2) years each, may not exceed the total of seven years for continental shelf, nor more than ten years for deep-water ocean zones.

The extension so granted may be necessary in order to allow for the completion of the exploration of the wells and the appraisal and demarcation of a hydrocarbon discovery; particularly if such discovery includes natural gas not associated with a discovery in the deep-water zones. Accordingly:

- 6.4.1 On the date of each renewal, the surface area covered by the permit may be reduced in keeping with the terms for the petroleum contract.
- 6.4.2 The period of validity of the permit may be extended according to the conditions fixed in the contact by the Parties.

Section 6.5 – Work Program and Related Requirements: The petroleum contract shall prescribe the minimum work program and budget for exploration, which the exploration permit holder shall be required to carry out during the initial term of the validity of the permit, as well as during each extension or renewal term.

- 6.5.1 If the holder does not meet the operational work program or obligations during the time periods provided, he must pay the National Oil Company of Liberia a reasonable compensation as shall be provided pursuant to the terms established in the contact.
- 6.5.2 If a discovery during exploration suggests the existence of a commercially exploitable field, the holder is required with due diligence, to carry out the necessary operations for appraisal and demarcation of such a field. As the conclusion of said operations, the holder must determine whether the discovery is commercially exploitable or now.
- 6.5.3 The Petroleum contact may provide that said operations shall be carried out pursuant to a hydrocarbon appraisal permit covering the presumed area of the discovery within the exploration perimeter. The grant of an appraisal permit, by an order of the National Oil Company of Liberia, shall allow for the exploration permit to be maintained within the appraisal perimeter.

Section 6.6 – Discovery under Exploration Permit: The exploration permit holder must immediately report any discovery of hydrocarbons to the National Oil Company of Liberia and conform or comply with the following:

- 6.6.1 The hydrocarbon exploration permit may confer on its holder, in keeping with regulation, the right to dispose of a part or a specified quantity of the hydrocarbons, which might eventually be extracted in the course of the exploration operation and production testes.

must perform and complete the work program described by the petroleum contract and the regulations. The holder must likewise furnish NOCAL with all the information and petroleum data in the holder's possessions concerning the affected area.

Section 6.11 – Provisional Development Permit: During the period of validity of a hydrocarbon exploration permit the hold may, upon request, by authorized by the National Oil Company of Liberia to provisionally develop the productive wells, Such authorization shall last for a maximum period of two years, which shall be required to carry out the appraisal and demarcation of the field in question, according to the provisions of this law.

- 6.11.1 A hydrocarbon exploration permit may be withdrawn or terminated in the even the holder fails to adhere to the provisions of this law.
- 6.11.2 The exploration permit shall terminate at its expiration date, unless the holder requests for a development permit, which request shall not be unreasonably denied.
- 6.11.3 The procedure for the preliminary examination for a request for a provisional development permit, or for the extension for the permit to new ones, and the removal o the permit are fixed by law.

Section 6.12 – Condition for the Granting of Permit: The holder of a hydrocarbon exploration permit who presents proof of the existence of a commercially exploitable hydrocarbon field within his perimeter after he has concluded the appraisal and demarcation shall, upon request, have the right to obtain a Development Permit.

- 6.12.1 The request for Development Permit shall be accompanied by the projected development and production plan for the field.
- 6.12.2 Such request shall be submitted to the National Oil Company of Liberia, and shall specially indicate the information concerning the recoverable hydrocarbon reserves, the estimated quantities of productions, the scheme and calendar for developing the field.
- 6.12.3 Additionally, the request shall also show the plan and schedule of relinquishment, the environmental impact study, the estimated investment costs as well as the study of justifying or showing the commercial feasibility of the field.
- 6.12.4 The request must also clearly designate or name the petroleum company which shall act as the operator and which shall have to prove its technical, financial, and legal capacity, as well as prove that it has the requisite previous experience satisfactory to the National Oil Company of Liberia.
- 6.12.5 The holder shall show its ability to and shall assume the obligation of carrying out as diligently as possible, all the requisite operations for the development of the

commercial field in keeping with the development plan or any subsequent modifications.

- 6.12.6 During the period of validity of a hydrocarbon exploration permit, only the holder may obtain a permit for development within the perimeter of the authorized exploration.

CHAPTER VII HYDROCARBON EXPLOITATION & PRODUCTION SHARING AGREEMENTS

Section 7.1 – Production Sharing Contract: A Production Sharing Contract is a petroleum contract, which grants the contracting party a share of production, as provided for in the law.

- 7.1.1 The National Oil Company of Liberia, on behalf of the Government, may contract the services of a petroleum company in order to carry out, on its behalf, the production and development activities, in the commercially exploitable hydrocarbon reserves exclusively within a defined area.
- 7.1.2 The holder of the contract shall assume, among other risks, the risk of financing said operations.
- 7.1.3 In the production-sharing contract, production is shared amongst the Government, the National Oil Company of Liberia and the holder of the contract in keeping with the terms of the production-sharing contract.
- 7.1.4. The holder of the production sharing contract shall receive a part of the production sufficient to reimburse his/her cost of production and to pay for such additional cost according to the following methods:
- i. A part of the total hydrocarbon production shall be designated and allocated for the reimbursement of the petroleum costs, which are borne outright by the contract holder in carrying out the petroleum operations.
 - ii. This part of production which, in the industry, is usually called “cost oil” may not be greater than the percentage of the production fixed in the contract, which defines the recoverable petroleum costs as well as the conditions and methods for their recovery by withholding this part from production.
 - iii. The balance of the total production of hydrocarbons, after the deduction of the portion under paragraph (i) above, which in the

Section 7.5 – Relinquishment: The holder of a development permit shall have the right to relinquish, in whole or in part, the area covered by the permit upon serving written notice on the National Oil Company of Liberia, six months prior to relinquishment; provided he meets the obligations due under the contract.

- 7.5.1 The relinquishment shall not take effect until the statutory and regulatory requirements are met.
- 7.5.2 In the case of partial relinquishment the statute and/or the regulation shall define the perimeter or area to be kept by the holder.
- 7.5.3 Total relinquishment the perimeter or area, which is the object of the petroleum contract, shall give rise to the lapse or termination of said contract.
- 7.5.4 At anytime the Licensee may relinquish his rights subject to the requirements of notice as laid down in the License and to the fulfillment of any obligations, which were incurred with reference to the period up the date of relinquishment.,
- 7.5.5 Unless otherwise provided in a license, the Licensee shall be set at liberty to terminate his License, wholly or in part, on giving to NOCAL not less than 160 days notice in writing provided he fulfills all his obligations up the date of termination.
- 7.5.6 Not less than the end of the third and fifth years after the Effecting Date, the Licensed Area (less any area covered by a Production License) which pertains to the Shelf Area, shall be reduced by not less than 30% each time. Not later than fourth and seventh year after the Effective Date, the Licensed Area (less and area covered by a Production License) which pertains to the deep Water Area shall be reduced by not less than 30% each time.
- 7.5.5 Unless otherwise provided in a License, the Licensee shall designate the area to be surrendered and shall notify NOCAL thereof not less than ninety (99) days in advance of the date. The area to be surrendered shall consist of blocks the average length of which shall not exceed three times their average width. If this shall not prove practicable, the shape and size of the blocks shall be mutually agreed upon between NOCAL and the licensee.

Section 7.6 – Effect of Force Majeure: If a field of hydrocarbons for which development permit has been granted remains undeveloped for six months or more, as a consequence of the event of force majeure, the permit may be withdrawn by National Oil Company of Liberia, after formal written notice is given to the holder, to recommence development operations within a maximum time period of six months.

Failure to comply with the notice to recommence development operation after the event of force majeure has expired and the formal notice has gone into effect without result, the National Oil Company of Liberia shall terminate or withdraw the permit so granted.

Section 7.7 – Demobilization Cost Related to Termination: At the expiration of the development permit, either at the conclusion of its normal term, or as a result of surrender or withdrawal of the permit, this holder shall, in the absence of a contrary agreement granted by the National Oil Company of Liberia, undertake at its own cost, the process of withdrawing, removing and terminating its operations and/or the relevant provisions of the permits or petroleum contract. At termination, all installations, fixed assets, material, materiel, lands and other related items, which are necessary for continuation and pursuit of the development of hydrocarbons, shall escheat and inure at no cost, to the benefit of the National Oil Company of Liberia.

CHAPTER VIII TRANSPORTATION OF HYDROCARBONS

Section 8.1 – The Right to Transport: The holders of petroleum contracts, or each of their co-holders shall have the right to transport hydrocarbons within their own installations within the territory of the Republic of Liberia, their territorial sea, their exclusive economic zone, during the period of validity of the contract, in accordance with the conditions set forth in this Law without prejudice.

- 8.1.1 The holders or their co-holders shall have the right to transport hydrocarbon or the products resulting from their development activities or their portion of said products, toward sites for collection, treatment, storage, loading and marketing.
- 8.1.2 The authorization provided herein may be transferred or assigned while the holders still maintain ownership of the means of transport including the associated liability and indemnity.
- 8.1.3 The rights to assign such authorization or rights of transport granted herein, to a third party, are subject to the prior written approval of the National Oil Company of Liberia.
- 8.1.4 The beneficiaries of the above mentioned assignments must meet the conditions stipulated in the present law and its administrative regulations for the construction and development of pipelines and concerned installations.

Section 8.2 – TTj0.12 Tc () 0.24 T92 Tc (a) TjTc (o) Tj-0.396 Tc (f) Tj0.24 Tc (p) Tj0.192 Tc () Tj-0.048

8.2.2 All agreements or contracts made between the interested part

In the event the Parties fail to amicably agree on the value or price to be paid, the State through the Natieeee v456 Tc (i) Tj

9.2.3 Land declared by the State as national parks, protected areas, or comparable Reserves.

Section 9.3 – Requirements for the Use of Land: The occupation and utilization of land for the exercise of the rights referred to in this law, are subject to mutual agreements between the holder of a petroleum contract and the owners of the land or the beneficiaries. Provided that:

9.3.1 In the absence of an amicable agreement, the National Oil Company of Liberia may intervene so as not to delay the normal course of petroleum operations without prejudice to the rights of legitimate owners of the land or the beneficiaries. Prow0.24 Tc (o) Tj-0.024 Tc (w) Tj-0.24 Tc (n) Tj-0.048 Tc (t) 0.24 Tc (h) Tj-0.048 Tc (P) Tj0.084 Tc a

Section 9.4 – Eminent Domain/Public Purpose: In order to facilitate that realization of petroleum operations, installations and related activities, the State may bllaer Tj-0.456 Tc (l) 048 Tc (e) Tj0.

CHAPTER X
FISCAL REGIMES, CUSTOMS PROVISIONS AND EXCHANGE
REGULATIONS

Sections 10.1 – Fiscal Regime – Law of General Application: All holders of petroleum contracts and their partners shall be subject to the payment of taxes and fees in accordance with the Revenue Code of Liberia Act of 2000 or the Tax Law of General Application.

Section 10.2 - Transfer & Withdrawal Fees: Requests for assignment, renewals, termination, transfer or withdrawal from petroleum contracts and the related permits are subjects to the payment of fixed fees. The fees so charges shall be as are specified within the provisions of the Revenue Code of Liberia Act of 2000, or such other relevant and applicable regulations.

Section 10.3 – Surface Rental: Holders of petroleum contracts shall pay an annual surface rental to the Republic of Liberia in an amount specified within the applicable regulations and relevant provisions of the Contract.

Sections 10.4 – Production Fees: Holders of production sharing or petroleum operations contract specified in the present law, are required to pay a monthly fee proportional to production in keeping with the rate specified in the respective agreement. The rate for said fee, as well as the basic rules and regulations for the collection and payment, which may be different from liquid hydrocarbons and for gaseous hydrocarbons, shall be specified in the agreement.

10.4.1 The collection may be made in kind or in case, according to the procedure or modality established in the agreement.

10.4.2 All Petroleum Contracts shall also specify that the National Oil Company of Liberia is subject to pay the taxes on its share of profit oil in accordance with the Tax Law of General Application in keeping with the Revenue Code of Liberia.

10.4.3 The contractor shall calculate and pay the amount of taxes due and payable on its share of the profit oil, in accordance with the Law of General Application as provided in the Revenue Code of Liberia. The Contractor shall pay all taxes due and payable on its share of profit oil, directly to the Government of Liberia through the Ministry of Finance. Thereafter, the contractor shall deliver a copy of the tax receipt to the National Oil Company of Liberia for its file.

Section 10.5 – Tax on Net Profit & Accounting Methods: Holders of petroleum contracts or companies referred to herein, shall be subject to a direct tax on their industrial and commercial profits. The tax so imposed shall be on the net profit earned from the total activities of the hydrocarbon exploration and development in the territory of the Republic of Liberia. The territory referred to herein shall apply to the territorial waters, the exclusive economic zone, and the continental shelf in accordance with the

- 10.7.4 If applicable, and as regards concession contracts, the total amount due from production paid to the National Oil Company of Liberia, either in kind or cash, in the course of applying the provision of the law.
- 10.7.5 Reasonable fees incurred in the course of losses or charges specifically charged and which the then circumstances rendered likely;
- 10.6.6 Subject to contrary contractual stipulations, all other losses or charges directly linked to petroleum operations, with the exception of the amount of company taxes referred to above, and other charges and losses which are not deductible according to provisions of the General Revenue Code.

Section 10.8 – Deduction for edu-0.24 Tc (n) Tj0 Tc (d) Tjnnaoffr j0.048 Tc (n) Tj0.1.048 Tc(c) Tj-0.

10.8.4 Business Interest. A taxpayer is permitte

10.12.3 Value added tax, the tax on services c.216 Tc (i) Tj-0.048 Tc (c) Tj0.192

Section 10.25 – Conditions for Administration: The conditions for administration of the present chapter shall be as provided herein and or by the application of the relevant laws of Liberia and the Petroleum

to be inconsistent with this Law or provisions hereof. Accordingly, other than the Act establishing the National Oil Company of Liberia (N.O.C.A.L), all Regulations, Decrees, Acts or Laws that are inconsistent with this Law, are hereby repealed and declared null and void, to the extent of such inconsistency.

CHAPTER XII MISCELLANEOUS PROVISIONS

Section 12.1- Application of the Law of NOCAL: The National Oil Company of Liberia shall enjoy the same benefits and rights and be subject to the same obligations which apply to a holder of a petroleum contract. Particularly, The National Oil Company of Liberia like, all holders of hydrocarbon contracts or permits shall be subject to the fiscal regime, customs and exchange provisions of the present law and the administrative regulations.

Section 12.2 – Recession: Recession of a contract by a holder shall not become ec
m48 48 Tc (ece) Tj-0.108 TRf.05hroa he c c cldehdæ tæc ooe ob

12.3.2 All holders, including NOCAL, shall undertake environmental impact assessment programs.

12.3.3 All holders, including NOCAL, shall undertake measure to reduce emission and effluents caused by energy production and use.

12.3.4 All holders, including NOCAL, shall undertake measures to curtail wasteful use of energy without compromising energy efficiency and where appropriate, introduce a conservation ethic.

12.3.5 All holders, including NOCAL, shall undertake measures to facilitate energy research, technology development and its wider diffusion and shall promote the development and use of environmentally friendly energy

12.3.11 The NOCAL shall determine the areas in which petroleum operations shall not be allowed for reasons of environmental, and national interest and security, such as, but not limited to cities, cemeteries, aqueducts and other public facilities.

Section 12.4 – NOCAL’s Ancillary and Collateral Right and Powers: In addition to all other rights and powers granted herein this law to NOCAL, NOCAL shall or may at its sole option and discretion, exercise the rights and power to construct establish, operate and manage any number of petroleum refinery and or petrochemical plant and associated industry either along or in conjunction with any other entity, locally or externally.

**THIS LAW SHALL TAKE EFFECT IMMEDIATELY UPON PUBLICATION
IN HANBILLS**

ANY LAW TO THE CONTRARY NOTWITHSTANDIND