

No. 18 of 2001.

*Mineral Resources Development Company Pty Limited
(Privatization) (Amendment) Act 2001*

Certified on: 18 FEB 2002



INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2001

***Mineral Resources Development Company Pty Limited (Privatization)
(Amendment) Act 2001.***

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

AN ACT

entitled

***Mineral Resources Development Company Pty Limited (Privatization)
(Amendment) Act 2001,***

Being an Act to amend the *Mineral Resources Development Company Pty Limited (Privatization) Act 1996,*

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State acting with, and in accordance with, the advice of the Minister.

PART 1. – PRELIMINARY

1. COMPLIANCE WITH CONSTITUTIONAL REQUIREMENTS.

- (1) This Act, to the extent that it regulates or restricts a right or freedom referred to in Subdivision III.3.C (*qualified rights*) of the *Constitution*, namely –
- (a) the right to privacy conferred by Section 49 of the *Constitution*;
and
 - (b) the right to freedom of information conferred by Section 51 of the *Constitution*, and
 - (c) the right to freedom of movement conferred by Section 52 of the *Constitution*,

is a law that is made for the purpose of giving effect to the public interest in public order and public welfare.

2. INTERPRETATION.

- (1) Unless otherwise defined in this Act, words and expressions which are given a certain meaning in Principal Act are used in this Act with the same meanings.

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(2) In this Act, unless the contrary intention appears, "Termination Date" has the meaning given to it in Section 3.

PART II. – AMENDMENTS TO THE PRINCIPAL ACT.

3. INTERPRETATION (AMENDMENT OF SECTION 2).

Section 2 of the Principal Act is amended by inserting after the definition of "share" the following new definition:–

"Termination Date" means the date of commencement of the
*Mineral Resources Development Company Pty
Limited (Privatization) (Amendment) Act 2001.*

4. NEW PART IVA.

The Principal Act is amended by inserting after Part IV the following new Part:–

"PART IVA. – APPLICATION OF PROVISIONS.

"28A. TERMINATION OF OPTION AGREEMENT, ETC.,

Notwithstanding any other provision of this or any other Act, on the Termination Date –

- (a) the Option Agreement terminates; and
- (b) the provisions of Part II of the Act cease to have any force or effect."

"28B. AMENDMENTS TO VARIOUS ACTS.

On the Termination Date, the amendments to various Acts specified in Part III of this Act are repealed."

"28C. REPEAL OF PART IV.

On the Termination Date –

- (a) Part IV of this Act is repealed; and
- (b) any provision in the constitution of the Company giving effect to the provisions set out in Part IV are of no force or effect."

"28D. MANAGING DIRECTOR, ETC., OF COMPANY.

On the Termination Date, any provision in the constitution of the Company requiring that the managing director or any other directors of the Company be a citizen of Papua New Guinea or ordinarily resident in Papua New Guinea is of no force or effect."

"28E. VALIDITY OF PRIOR ACTS, ETC.,

Nothing in this Part IVA affects the validity of any matter or thing done under the Act prior to the Termination Date."

PART III. – CONSEQUENTIAL AMENDMENTS TO OIL AND GAS ACT 1998.

5. INTERPRETATION (AMENDMENT OF SECTION 3).

On the Termination Date, Section 3 of the *Oil and Gas Act 1998* is amended –

- (a) by repealing the definitions of “the Company”, “option”, “option agreement” and “Orogen option project”; and
- (b) by repealing the definition of “petroleum project” and replacing it with the following definition:-

“petroleum project” means a project in Papua New Guinea for the production of petroleum, and includes, if they are part of the same project or developed in conjunction with the petroleum production development, the construction and operation pursuant to a license of facilities for the recovery, processing or transportation of petroleum;”.

6. FORM OF APPLICATION FOR PETROLEUM DEVELOPMENT LICENCE (AMENDMENT) OF SECTION 54).

On the Termination Date, Section 54(2)(c) of the *Oil and Gas Act 1998* is repealed and is replaced with the following:-

- “(c) such information and proposals, or information and proposals in addition to or by way of alteration to information and proposals already supplied, relating to the acquisition by the State or its nominee of a participating interest in the petroleum in respect of which the application is made.”.

7. REPEAL OF SECTION 55.

On the Termination Date, Section 55 of the *Oil and Gas Act 1998* is repealed.

8. GRANT OR REFUSAL OF PETROLEUM DEVELOPMENT LICENCE (AMENDMENT OF SECTION 57).

On the Termination Date, Section 57(10) of the *Oil and Gas Act 1998* is amended by repealing Subsection 10.

9. STATE EQUITY ENTITLEMENT (AMENDMENT OF SECTION 165).

On the Termination Day, Section 165 of the *Oil and Gas Act 1998* is amended –

- (a) by repealing Subsection (2) and replacing it with the following:-

“(2). Subject to Section 179, the right referred to in Subsection (1) may be exercised by the State at the time of the grant of the licence or licences pursuant to which the petroleum project is conducted.”; and

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(b) by repealing Subsection (5) and replacing it with the following:-

“(5). The State shall exercise its right under Subsection (1) in respect of a petroleum project to the extent necessary to ensure that any equity benefit required to be granted under Section 167 can be granted in accordance with that section.”; and

(c) by repealing Subsection (6) and replacing it with the following:-

“(6). Subject to –

(a) Section 167; and

(b) the terms of any written agreement between the State and the vendor of the participating interest in a petroleum project acquired by the State pursuant to the State equity entitlement,

the State or the nominee of the State which acquires a participating interest in a petroleum project in accordance with this section shall be free to deal with that participating interest as it sees fit.”.

10. REPEAL OF SECTION 166.

On the Termination Date, Section 166 of the *Oil and Gas Act* 1998 is repealed.

11. VALIDITY OF ACTS NOT AFFECTED.

Nothing in this Part III affects the validity of any matter or thing done under the *Oil and Gas Act* 1998 prior to the Termination Date.

I hereby certify that the above is a fair print of the *Mineral Resources Development Company Pty Limited (Privatization) (Amendment) Act 2001* which has been made by the National Parliament.



Clerk of the National Parliament.

18 FEB 2002

I hereby certify that the *Mineral Resources Development Company Pty Limited (Privatization) (Amendment) Act 2001* was made by the National Parliament on 11 December 2001 by an absolute majority in accordance with the *Constitution*.



Speaker of the National Parliament.

18 FEB 2002