

A BILL

FOR

AN ACT TO AMEND THE DEEP OFFSHORE AND INLAND BASIN SHARING CONTRACT CAP D3 LFN 2004 AND FOR RELATED MATTERS

Sponsored by Hon. Samuel Ikon

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

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| 1 | 1. The Deep Offshore and Inland basin Contract Act CAP D3 LFN | Amendment of |
| 2 | 2004 (in this Act referred to as "the Principal Act") is amended as set out in | Principal Act |
| 3 | this Act. | |
| 4 | 2. Section 5 of the Principal Act is amended by substituting the | Amendment of |
| 5 | existing section as set out below: | Section 5 |
| 6 | 5.(1) The payment of royalty in respect of Deep Offshore | Royalty payable |
| 7 | Production Sharing Contracts shall be graduated as follows that is: | in respect of Deep |
| 8 | (a) In areas from 201 to 500 20 percent; | Offshore production |
| 9 | (b) From 501 to 800 water depth 16 percent; | sharing contract |
| 10 | (c) From 801 to 1000 water depth 8 percent; | |
| 11 | (d) In areas in excess of 1000 meters deep 5 percent. | |
| 12 | (2) The royalty payable under the production sharing contract in | |
| 13 | the inland basin shall be 18 percent. | |
| 14 | 3. This Bill may be cited as the Deep Offshore and Inland Basing | Citation |
| 15 | Production Sharing Contract Act (Amendment) Bill, 2017. | |

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Deep Offshore and Inland Basin Sharing Contract Cap. D3, LFN 2004.