

A BILL

FOR

AN ACT TO AMEND THE DEEP OFFSHORE AND INLAND BASIN PRODUCTION SHARING CONTRACTS ACT, 1999, TO REVIEW THE SHARE OF THE GOVERNMENT OF THE FEDERATION IN THE ADDITIONAL REVENUE UNDER THE PRODUCTION SHARING CONTRACTS AND FOR RELATED MATTERS

Sponsored by Hon. Mohammed Tahir Monguno

[] Commencement

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

1 1. The Deep Offshore and Inland Basin Production Sharing
2 Contracts Act, 1999 (in this Act referred to as "the Principal Act") is
3 amended as set out in this Act. Amendment of
the Deep Offshore
and Inland Basin
Production Sharing
Contracts Act, 1999

4 2. Section 16 of the Principal Act is amended by adding a new
5 subsection (3) immediately after subsection (2) as follows: Amendment of
Section 16 of the
Principal Act

6 "16. (3) In accordance with the provisions of subsection (1) of this
7 section:

8 (a) a royalty rate by price of 50% shall apply for the additional
9 revenue in the contract area of the production sharing contracts under this
10 Act; and

11 (b) the additional revenue shall be determined by the product of the
12 volume of crude oil or condensate sold and the difference between the actual
13 nominal sales price of the oil or condensate and the nominal value of \$20 per
14 barrel, (1993 real terms), at the time of sales, provided that the value of \$20
15 per barrel, (1993 real terms) shall be determined based on relevant US All
16 items Consumer Price Index (CPI) as published by the US Bureau of Labor
17 Statistics".

18 3. This Bill may be cited as the Deep Offshore and Inland Basin Short title
19 Production Sharing Contracts (Amendment) Bill, 2019.

EXPLANATORY MEMORANDUM

(This Explanatory Memorandum does not form part of this Act but is intended to explain its purport)

This Bill seeks to amend the Deep Offshore and Inland Basin Production Sharing Contracts Act, 1999, to review the share of the Government of the Federation in the additional revenue under the production sharing contracts.