

REPORT OF THE HOUSE COMMITTEE ON PETROLEUM RESOURCES (UPSTREAM) ON A BILL FOR AN ACT TO AMEND THE DEEP OFFSHORE AND INLAND BASIN PRODUCTION SHARING CONTRACTS AND FOR OTHER RELATED MATTERS.

1.0 PREAMBLE:

The Bill For An Act to Amend the Deep Offshore and Inland Basin Production Sharing Contracts And For Other Related Matters was referred to the House Committee on Petroleum Resources (Upstream) on Wednesday, 5th October 2016.

2.0 OBJECTIVES OF THE BILL:

The Bill seeks to extend the royalty regime for petroleum and gas to areas in excess of 1,000 metres water depth. This amendment would ensure increase in revenue flows to the Government from oil and gas exploration and production activities. These activities are in those areas which before now were non-existent as a result of the current zero royalty regimes applicable to deep water operations exceeding 1,000 metres water depth.

3.0 COMMITTEE ACTION PLAN:

In the course of the Committee's work on the Bill; a Public Hearing was held on 12 January 2017. This was done with a view to generating input from stakeholders and the public necessary to further articulate the provisions of the Bill.

4.0 OBSERVATION AND FINDINGS:

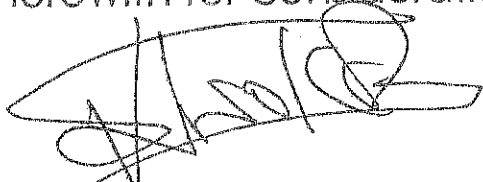
We found support for the Bill from stakeholders and the public. The support stemmed from the desire to increase revenues accruing to the Government from

exploration and production activities in the oil and gas sector.

5.0 RECOMMENDATION:

In view of the above, the Committee recommends that the Bill for An Act to Amend the Deep Offshore and Inland Basin Production Sharing Contracts Act be passed into law.

The recommendations of the Committee are tabulated herewith for consideration by the House.



Hon. Victor Nwokolo
Chairman.



Uchendu Okannah
Clerk to the Committee

A BILL FOR AN ACT TO AMEND THE DEEP OFFSHORE AND INLAND BASIN PRODUCTION SHARING CONTRACTS ACT, CAP D3, LAWS OF THE FEDERATION OF NIGERIA 2004 HB. 708

Provisions of the Principal Act	Provisions of the Bill	Committee Recommendations
	<u>Amendment of Cap. D3 LFN 2004</u> 1. The Deep Offshore and Inland Basin Production Sharing Act (hereinafter referred to as "the Principal Act") is amended as set out in this Bill.	
Royalty payable in respect of Deep Offshore production sharing contracts 5(d). In areas in excess of 1000 metres depth..... 0 percent	<u>Amendment of Section 5</u> 2. Section 5 of the Principal Act is amended by deleting paragraph (d) and substituting with a new paragraph (d) as follows: (d) "In areas in excess of 1,000 metres depth.... 3 percent"	Approved.
	<u>Citation</u> 3. This Bill may be cited as the Deep Offshore and Inland Basin Production Sharing Contracts Act (Amendment) Bill, 2016.	
	<u>Explanatory Memorandum</u> This Bill seeks to amend the Act to enable the Federal Government start earning revenue from oil and gas produced beyond the 1,000 metres depth offshore.	