

CHAPTER 156

PETROLEUM (PRODUCTION) ACT

To vest in the Government of Malta the property in petroleum and natural gas within Malta and to make provision with respect to the searching and boring for and getting of petroleum and natural gas, and for purposes connected with the matters aforesaid.

8th March, 1958

ACT IV of 1958, as amended by Emergency Ordinance VI of 1958; Ordinances: VI of 1959, XXV of 1962; Act XV of 1965; Legal Notice 46 of 1965; Acts: XXXV of 1966, XX of 1969, LVIII of 1974 and XIII of 1983.

1. The short title of this Act is the Petroleum (Production) Act. Short title.

2. In this Act unless the context otherwise requires -

"licence" means a licence granted pursuant to this Act and includes a petroleum mining concession;

Interpretation.
Amended by:
XV.1965.2;
XXXV. 1966.10;
XXV. 2000.36.

"Malta" means the Island of Malta, the Island of Gozo, the other islands of the Maltese Archipelago, and the land underlying territorial waters;

"Minister" means the Prime Minister of Malta and includes such other Minister, public officer or authority as may be authorised by him from time to time for any of the purposes of this Act;

"petroleum" means all natural hydrocarbons liquid or gaseous including crude oil, natural gas, asphalt, ozokerite and cognate substances and natural gasoline.

3. (1) The property in any petroleum in its natural condition in strata wheresoever existing in Malta is hereby vested in the Government of Malta and the right of searching and boring for and getting such petroleum shall be subject to a licence granted under the provisions of this Act.

Vesting of property
in petroleum in
Government of
Malta.
Amended by:
VI. 1958.2;
XXV.1962.2,5;
XV.1965.3;
XIII.1983.5;
XXV. 2000.36.

(2) Any person, who, without a licence granted under this Act searches or bores for or gets petroleum on, under or from any lands in Malta shall be guilty by reason merely of having done so and without prejudice to prosecution under any other provision of law, of an offence and shall be liable on conviction to a fine (*multa*) of not less than two hundred liri but not exceeding five hundred liri for each day during which the offence continues, which fine (*multa*) shall also be applicable for the purposes of article 377(3) of the Criminal Code and in addition all petroleum so gotten shall be forfeited to the Government of Malta. Nothing in this Act, however shall be construed as imposing any penalty on any person where in the course of lawful boring in search of water or of other lawful operations, petroleum is set free.

Cap. 9.

Cap. 16.

Licences to search
for and get petro-
leum.

Amended by:
VI. 1958.2;
XXV. 1962.2,5;
XV. 1965.4;
XXV. 2000.36.

(3) The prohibitions imposed by or under this Act and the rights by and under this Act vested in the Government of Malta, in the Minister, in any officer of the Government, and in any holder of a licence under this Act shall have full effect notwithstanding the provisions contained in article 323 of the Civil Code or in any law which may be incompatible with such prohibitions and rights:

Provided that nothing in this Act shall be construed as conferring, or as enabling the Minister to confer, on any person, whether acting on behalf of the Government of Malta or not, any right which he does not enjoy apart from this Act, to enter on or interfere with land.

4. (1) The Minister shall have the power to grant to the successful applicant, a licence to search and bore for and get petroleum on, under or from any lands in Malta including petroleum mining concessions.

(2) Any such licence shall be granted for such consideration (by way of royalty and/or otherwise) as the Minister may determine, and over such areas, for such periods and upon such other terms and conditions as may be stipulated in the call for applications.

(3) Without prejudice to the generality of the last preceding subsection, the terms and conditions of any such licence may in particular include provision for the following matters:

- (i) the rates of royalties to be paid in respect of any petroleum won in the exercise of the rights conferred by the licence, the method of calculation of the amount of such royalties and the manner of payment thereof;
- (ii) the surface rents to be charged in respect of the areas of the licence;
- (iii) the working obligations attaching to the licence;
- (iv) the division between the Government of Malta and the licensee of profits derived from the sale or disposal of petroleum won in the exercise of the rights conferred by the licence;
- (v) the supply from time to time of information by way of returns, reports, notices, records of operations or otherwise;
- (vi) such other terms and conditions as may be specified in the call for applications.

(4) The Minister shall as soon as may be after granting a licence under this section, cause a notice of the fact to be published in the Government Gazette, and in any such other manner as may be required under international obligations entered into by the Government, stating the name of the licensee and the situation of the area in respect of which the licence has been granted.

(5) The public call for applications referred to in this article shall be published in the Government Gazette and in any such other manner as may be prescribed, at least ninety days prior to the

closing date for such applications.

(6) The issue of the call for applications and the granting of a licence under this article shall also be subject to the following criteria:

- (a) the technical and financial capability of an applicant;
- (b) the manner in which an applicant proposes to prospect, explore or to bring into production the geographical area which is the subject of the call for applications; and
- (c) economic and financial considerations.

(7) The issue of a public call for applications and the granting of a licence under this Act shall comply to any provision of law regulating procurement and competition rules which may from time to time be in force.

5. (1) Subject to the provisions of this Act and to any international obligation entered into by Government, the Minister may make regulations generally for regulating the exploration, prospecting and mining for petroleum in Malta, including the drilling for and production of petroleum and the conservation of the petroleum resources of Malta, and for carrying out any of the provisions of this Act, and in particular, but without prejudice to the generality of the foregoing, such regulations may prescribe -

Power to make regulations.
Amended by:
VI.1958.2;
XXV.1962.2;
XV.1965.5;
L.N. 46 of 1965;
XX.1969.2;
XIII.1983.5;
XXV. 2000.36.

- (a) the manner in which and the persons by whom applications for licences under this Act may be made;
- (b) the fees to be paid on any such application;
- (c) the conditions as to the size and shape of areas in respect of which licences may be granted;
- (d) model clauses which shall, unless the Minister thinks fit to modify or exclude in any particular case, be incorporated in any such licence,
- (e) anything which is required or may be prescribed under this Act,

and may provide for establishing the penalties for the breach of any of their provisions, which penalties may include a fine (*multa* or *ammenda*) not exceeding one thousand liri or in the case of a continuing offence not exceeding five hundred liri for each day during which the offence continues; and different regulations may be made for different kinds of licence. Any penalty established by the regulations in respect of a continuing offence shall be applicable also for the purposes of article 377(3) of the Criminal Code.

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(2) Any regulations made under this section shall be laid before the House of Representatives as soon as may be after they are made, and if the House of Representatives, within the next twenty-eight days after any such regulations are laid before it, resolves that the regulations shall be annulled, the regulations shall thenceforth be void, but without prejudice to anything previously done thereunder or to the making of new regulations:

Provided that there shall not be included in the computation of the said twenty-eight days any period of eight or more consecutive days intervening between any two consecutive sittings of the House of Representatives.

Acquisition of
land.
Amended by:
VI.1959.3;
L.N. 46 of 1965;
LVIII.1974.68.

Cap. 88.

6. (1) Any person to whom a licence is granted under this Act may apply to the President of Malta for permission to examine any specified area of land with a view to its possible acquisition on behalf and for the use of such applicant and if in the opinion of the President of Malta the examination of such land with a view to its possible acquisition is necessary to enable the applicant to exploit the licence or to exploit it fully, the President of Malta may declare it desirable that the land should be examined. When a declaration is so made the Accountant General may grant, under section 8(1) of the Land Acquisition (Public Purposes) Ordinance or any other law amending or substituted for that subsection, such authorisation as may reasonably be required by the applicant.

(2) If, as a result of any such examination as is mentioned in the foregoing paragraph, it shall appear to him desirable that such land should be acquired on behalf or for the use of the applicant, the President of Malta may declare that the land is required for a public purpose within the meaning of the Land Acquisition (Public Purposes) Ordinance or of any law amending or substituted for that Ordinance, and when a declaration is so made the Accountant General may in due course proceed to acquire the land under the provisions of that Ordinance or of any other law as aforesaid.

(3) Before authorisation of examination is granted and before land is acquired on behalf or for the use of any person under the provisions of this section, the Accountant General shall require such person to enter into an agreement with him providing to the satisfaction of the Accountant General for the following matters, namely:

- (a) the payment to the Accountant General of the cost of the acquisition including all incidental expenses and the deposit with the Accountant General of any sum fixed by the Accountant General on account of the payment so to be made;
- (b) the transfer, on such payment, of the land to such person;
- (c) the terms on which the land shall be held by such person;
- (d) when the acquisition is required for the construction of any work or works, the time within which and the conditions subject to which the work or works shall be initiated, executed and maintained, and the terms (if any) on which the public shall be entitled to use or to acquire the work or works; and
- (e) in any case where anything has been done or may be done under the provisions of of section 8(1) of the Land Acquisition (Public Purposes) Ordinance or under any provision of law amending or substituted for

that subsection, by or on behalf of the Accountant General, the payment to the Accountant General of all damages, to be assessed in accordance with the provisions of subsection (2) of that section.

(4) Words and phrases used in this section shall, unless the context otherwise requires, have the same meaning as in the Land Acquisition (Public Purposes) Ordinance or in any law amending or substituted for that Ordinance.
