

Law No. 3 of 2007 On the Exploitation of Natural Resources

We, Tamim Bin Hamad Al-Thani, Deputy Emir of the State of Qatar;
Having perused the Constitution;
Law No. 2 of 1962 on the regulation of the general fiscal policy in Qatar, as amended by Decree Law No. 19 of 1996;
Decree Law No. 10 of 1974, pertaining to the establishment of Qatar Petroleum and amending laws thereof;
Decree-Law No. 4 of 1977 in respect of the conservation of petroleum resources, as amended by Decree-Law No. 35 of 2002;
Law No. 23 of 2005 in respect of the regulation of the Ministry of Municipal Affairs and Agriculture, pursuant to regulation of the Ministry of Municipal Affairs and Agriculture and the terms of reference thereto, as amended by Law No. 10 of 2006;
Decree No. 40 of 1992 on the determination of the State of Qatar's Territorial Waters and the adjacent region thereof;
The United Nations Convention on the Law of the Sea (UNCLOS) of 1982, ratified by Decree No. 41 of 2003;
The proposal of the Second Deputy Prime Minister, Minister of Energy and Industry;
The draft law submitted by the Council of Ministers; and
Having consulted the *Shura* Council;
Hereby promulgate the following Law:

• Article 1

In the **application** of the provisions of this Law, **unless** the context requires **otherwise, the following words and expressions shall have the meaning assigned** to each of **them**:

“The Ministry” means the Ministry of Energy and Industry;

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“Natural resources” means all natural, non-living materials, whether metallic or non-metallic, occurring on, in or beneath the soil surface, territorial waters, continental shelf, or exclusive economic zone of the State. Such materials include all minerals and substances thereof, precious stones, similar stones, and stones used for decorative purposes, soil, sand, mares and the material used in building construction, road construction and filling;

“Petrol” means all natural hydrocarbon material in its solid, liquid or gaseous state, or any material that can be produced from or beneath the surface of the

soil, including natural gas;

“Petroleum operations” means petroleum exploration and prospection; development of petroleum fields; drilling and maintenance of wells; petroleum production, treatment, refining, storage, transportation, and shipment; the construction of the necessary utilities for energy, water, accommodation and camps as well as the installation and operation of utilities, in addition to any other utilities, installations or equipment required for the abovementioned purposes, including all facets of administrative or supplementary activities, and activities necessary in achieving the aforementioned purposes;

“Executor of petroleum operations” means any natural or legal person who is authorized legally to conduct any of the petroleum operations;

“Reconnaissance” means the aerial, terrestrial and sea survey of or search in any area for purposes of verification of the existence of natural resources therein.

This survey includes all aspects of exploration such as economic, technical and geological studies;

“Minerals” means all raw minerals that have economic value, with the exception of petrol;

“Exploration” means any activity pursuant to the search for and reconnaissance of petroleum, minerals and mare resources in order to verify their existence and identify their quantity and quality. This activity includes the necessary drilling, analysis and detailed studies;

“Discovery” means notification of the existence of minerals or minerals with exploitable quantities. This notification shall be submitted to the Minister by the discoverer. The location shall be identified on the specific technical maps.

“Mining operations” means any necessary activity aimed at exploring and extracting minerals and mare materials, or their extracted substances, or any procedure relating thereto, including drilling, constructing of tunnels, water-wells, dams, sewage facilities and water tanks, as well as the installation of railways, pipelines, assembly of equipment and construction of buildings for exploration or the housing of staff. It also includes investment in manufacturing and the preparation of minerals for marketing;

“Mine” means any place wherein any mining operation is conducted for the purpose of exploration for minerals;

• **Article 2**

All of the natural wealth and resources shall be deemed to be owned by the State, and no exploitation, transfer or trade of these resources shall be permitted unless within the scope of this Law.

• **Article 3**

Concession rights to exploit natural resources, with the exception of petrol, soil,

sand, mare material and its substances that are used in activities of construction, road construction and filling, and any amendment of the conditions of such concession, scope and royalty thereof, shall be granted through a decision issued by the Minister and approved by the Council of Ministers. Royalties shall only be granted for a limited period.

- **Article 4**

Qatar Petroleum shall have the general exclusive concession rights of reconnaissance, exploration and production of oil and natural gas, together with other hydrocarbon materials and its substances. It shall have the right to invest and develop resources therein. Qatar Petroleum is authorized to grant licenses to any natural or legal person for the conduct of any petroleum operations pursuant to regulating provisions of Qatar Petroleum.

- **Article 5**

The Ministry of Municipal Affairs and Agriculture is mandated, in coordination with the relevant authorities, to grant a license to any natural or legal person to explore, transport or exploit soil, sand, mare materials and its substances that are used in building construction, road construction and filling, pursuant to conditions and procedures issued by the Minister of Municipal Affairs and Agriculture.

- **Article 6**

Exploration, transfer or exploitation of soil, sand, mare materials and its substances that are used in building construction, road construction and filling is prohibited without a license issued by the Ministry of Municipal Affairs and Agriculture. The licensee shall commit to abide by the conditions specified in the license.

- **Article 7**

The Minister is entitled, on behalf of the government, to grant a license to natural or legal persons for reconnaissance and exploration of natural resources, other than petrol, in accordance with the rules and conditions stipulated by the Council of Ministers.

- **Article 8**

Licenses for reconnaissance, exploration, production and mining rights for natural or legal persons shall not be granted to non-Qatari citizens unless pursuant to special agreements concluded by the Minister in accordance with

the rules and conditions specified by the Council of Ministers.

- **Article 9**

Discovery certificate shall be granted by the Minister to whosoever discovers a mineral, or minerals of exploitable quantities, after fulfilling the condition of specifying the location of discovery on the technical maps.

- **Article 10**

Rights to exploit minerals existing in the area for which the license of exploration is granted and the mining right is given, shall be restricted to minerals existing within the boundaries of this area. These rights shall not include the remainder of these minerals, their roots or extensions beyond these boundaries.

- **Article 11**

Activities pertaining to the exploitation of minerals shall include the following:

1. Reconnaissance;
2. Exploration;
3. Mining.

A decision by the Council of Ministers shall be issued to determine the necessary conditions and procedures to be fulfilled by those who are entitled to receive these licenses.

- **Article 12**

A decision shall be issued by the Council of Ministers to determine fees applicable to licenses for exploration and discovery, certificates of exploration, mining rights and the proceeds of mining production. The Minister of Municipal Affairs and Agriculture shall issue a decision to determine fees applicable to licenses for production, shipping, soil and sand exploitation, rare materials and their substances that are used in building construction, road construction and filling.

- **Article 13**

Upon the grant of an exploration license, the licensee shall have the right to explore within the boundaries of the area specified by the license. The licensee shall be permitted to do the following:

1. To enter the area, accompanied by agents and workers, to verify the existence of minerals or for purposes of topographical or geological survey in the area.

2. To drill for and take samples necessary for analysis and testing.
3. To construct roads and install equipment necessary for exploration activities.
4. To construct and maintain buildings necessary for use by the licensee, his workers and agents.
5. To collect explored and produced materials from mining operations in areas agreed upon by the Ministry.
6. To build water pipes, sewage facilities and water tanks, as well as to provide all necessary means of transport.

- **Article 14**

The Minister may grant mining rights to any natural or legal person who acquired a discovery certificate and submitted an application for such rights within a period of two years of being granted a license, in accordance with the conditions stipulated by the Council of Ministers.

- **Article 15**

Where the discovery certificate holder fails to submit an application to be granted mining rights within the aforementioned two-year period, the Minister may grant this right to another natural or legal person, and financially compensate the certificate holder pursuant to the rules specified by the Council of Ministers.

- **Article 16**

The owner of mining rights, in addition to the rights of exploration, is entitled to exploit minerals in his/her area, according to the rules specified by a decision of the Council of Ministers.

- **Article 17**

The owner of mining rights shall agree to submit to the Ministry plans, drawings and sketches showing the technical working methods according to the conditions and procedures specified by a decision of the Minister. The owner shall also agree to submit to the Ministry two reports, one technical and one financial, on the progress of the licensed work during the month of March each year, containing the following data:

1. The amount and value of the minerals extracted during the previous year.
2. The number of workers, technicians and administrators who were employed during that year.
3. The programme and action plan for the next year.
4. The profit and loss account, the detailed and total cost of unit production,

and all technical, administrative and financial aspects of the project.

- **Article 18**

The Minister may, in case of violation of the provisions of the preceding Article, order the suspension of the authorization or license for a period specified by him.

- **Article 19**

Royalties or mining rights, exploration permits or licenses and discovery certificates granted in accordance with the provisions of this Law may not be assigned to others, unless with the consent of the granting authority.

- **Article 20**

The Minister may prohibit prospecting or mining in any area of the State, for considerations of public interest, whether permanently or for a specified period, and the decision issued in respect thereof shall be published in the *Official Gazette*.

- **Article 21**

Where the owner of mining rights breaches any of the conditions attached to such rights and, after being ordered in writing to rectify the breach within the period specified by the Ministry, fails to do so, the Minister may cancel the said mining rights. The owner of such rights may appeal to the Council of Ministers against the Minister's decision within two months from the date of the cancellation, and the decision by the Council of Ministers on the appeal shall thereafter be final.

- **Article 22**

In case of cancellation of the mining rights, the owner of such rights may not transfer or dispose of any of the assets of the mine, disclose or alter the condition of the mine, particularly with respect to any preventive measures or maintenance of the facilities, without prior written permission from the Ministry.

- **Article 23**

The employees of the Ministry who shall be assigned the functions of the judicial police shall, pursuant to an order of the Attorney-General and with the consent of the Minister, investigate and provide evidence on offences

committed in violation of the provisions of this Law and its implementing decisions. To facilitate their functions, these employees shall be empowered as follows:

1. To gain access to any place utilized for mining and exploration-related activities, and to monitor and inspect it.
2. To investigate and verify the condition of the mines, their ventilation and all other aspects relating to the safety and health of the persons working therein.
3. To evaluate the conditions of storage of dynamite and to issue orders on its proper and safe storage and use.
4. To examine the external components of the machines used in the exploration and mining, and the condition of all the works and roads.
5. To examine receipt books, accounts, maps and documents relating to prospecting or mining operations and all other transactions, and to make copies or summaries thereof.
6. To exercise all powers necessary to monitor the proper execution of the provisions of this Law and its implementing decisions.

Such employees who are assigned the functions of the judicial police shall, pursuant to an order of the Attorney-General and with the consent of the Minister, also investigate and provide evidence on offences committed in violation of the provisions of Article 6 of this Law. To facilitate their functions, these employees shall have access to monitor and inspect any place used for the extraction, transfer or exploitation of soil, sand and stone materials, together with their derivatives used in works of construction, paving and dumping.

• **Article 24**

1. Without prejudice to any severer penalty provided for by law, any person who violates the provisions of Articles 2, 6, 10 , 19 or 22 of this Law shall be punished with imprisonment for a term not exceeding one year and/or a fine not exceeding fifty thousand (50.000) Riyals;
2. The said punishment shall be compounded in the case of recidivism. An offence shall be deemed repeated if a person commits a similar offence before five years have elapsed from the date on which the sentence for the first offence ended; or b within the period of prescription running from the date of commission of the first offence. All offences contemplated in this Law are considered similar in cases of recidivism;
3. Where a legal person commits an offence, and without prejudice to the responsibility of a natural person, such legal person shall be punished by a fine not exceeding two hundred thousand Riyals, and may also be punished by the temporary or permanent cancellation of its permit, license or right.

- **Article 25**

Upon the proposal of the Minister, the Council of Ministers may decide that the State bears some of the tax burden on behalf of the concessionaire or the authorized person or licensee, or the holder of the mining rights.

- **Article 26**

Rights of concession and mining, prospecting permits, exploration licenses and certificates of discovery granted prior to the validity of this Law or its implementation in accordance with previous agreements shall continue to be valid until the end of the periods specified, and can only be renewed in accordance with the provisions of this Law.

- **Article 27**

The Minister shall issue the necessary decisions to implement the provisions of this Law.

- **Article 28**

Any provision contrary to the provisions of this Law shall be deemed null and void.

- **Article 29**

All concerned parties, each in their respective jurisdictions, shall implement this Law, which shall be published in the *Official Gazette*.