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THE PETROLEUM ACT,

(CAP. 392)

REGULATIONS

(Made under section 258)

THE PETROLEUM (RECONNAISSANCE AND TENDERING) (AMENDMENT) REGULATIONS,
2023

Citation

1. These Regulations may be cited as the Petroleum (Reconnaissance and Tendering) (Amendment) Regulations, 2023 and shall be read as one with the Petroleum (Reconnaissance and Tendering) Regulations, 2019 hereinafter referred to as the “principal Regulations”.

GN. No.
958 of 2019

Amendment of
regulation 4

2. The principal Regulations are amended in regulation 4 by deleting subregulations (2) and (3) and substituting for them the following:

“(2) An application for a reconnaissance permit shall be made to the Authority in a manner prescribed in the Guidelines and shall be accompanied by evidence of payment of prescribed fee.

(3) An application for the g reconnaissance permit shall contain-

- (a) in case of an individual person, full name and nationality, physical and postal address;
- (b) in the case of a body corporate, its corporate name, place of incorporation, names and nationality of directors accompanied by necessary documents and certificates;
- (c) in case of more than one person, particulars referred in paragraph (a) of each of those persons;
- (d) the size of the area to which the application relates;
- (e) the reconnaissance work programme proposed to be carried out and expected expenditure in respect of the area to which the application relates;
- (f) the proposed duration for which the permit is

sought which shall not exceed three years unless otherwise determined by the Authority;

- (g) an assessment of the impact which the proposed reconnaissance operations may have on the society and environment and their mitigation plans;
- (h) a description of capacity including financial and technical resources available to the applicant.”.

Deletion and substitution of regulation 10

3. The principal Regulations are amended by deleting regulation 10 and substituting for it the following:

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10.-(1) Where the Authority contracts and grants a reconnaissance permit to a Geophysical Company to undertake reconnaissance activities using the Company’s own funds, such company shall, within thirty days from the effective date of the permit, provide a commitment letter or in case of a subsidiary or special purpose vehicle, a parent company guarantee, for fulfilment of the

obligations under the permit and reconnaissance work programme.

(2) Where the Authority contracts and grants a reconnaissance permit to a Geophysical Company to undertake reconnaissance activities using Authority's funds, such company shall, within thirty days from the effective date of the permit and in a form approved by the Authority, provide to the Authority a performance guarantee for fulfilment of the obligations under the permit and reconnaissance work programme.

(3) The performance guarantee provided under subregulation (2) shall be-

- (a) in a form of unconditional bank guarantee equivalent to ten percent of the estimated expenditure for the reconnaissance work programme and shall remain effective sixty days after

expiration of the permit; and

- (b) returned to the holder of the reconnaissance permit by the Authority upon completion of the reconnaissance work programme.

(4) Where a holder of a reconnaissance permit fails to complete the reconnaissance work programme within the stipulated period, the Authority may revoke the permit and the holder shall pay to the Authority the part of the expenditure obligation which is equivalent to the uncompleted part of the reconnaissance work programme.”.

Petroleum (Reconnaissance and Tendering) (Amendment) Regulations

GN. No. 270 (Contd)

Amendment of
regulation 14

4. The principal Regulations are amended in regulation 14 by adding immediately after subregulation (3) the following:

“(4) The Authority shall audit the revenue and costs relating to reconnaissance activities undertaken and the transactions relating to the permit.”.

Dodoma,
....., 2023

JANUARY YUSUF MAKAMBA
Minister for Energy