

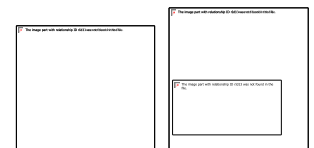
Unlocking The Gambia's Potential

Legislative Petroleum Framework in The Gambia



Introduction

- The Gambia's petroleum sub-sector is at a critical and exciting phase in its development.
- The Ministry is finalizing the regulatory and licensing frameworks for the entire value chain of the sector.
- Ministry departments and satellite institutions have been reviewed, reorganized and strengthened.



Introduction

- The initiatives on the previous slide are aimed at putting in place **fiscal**, **social** and **environmental** provisions that will ensure The Gambian petroleum resources will be diligently explored and optimally exploited;
- The Government is committed to promoting the oil and gas opportunity in The Gambia in a transparent fashion; and
- developing a process that creates the most benefit for the public and the people of The Gambia

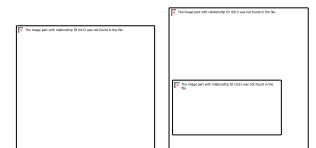


Summary of Presentation

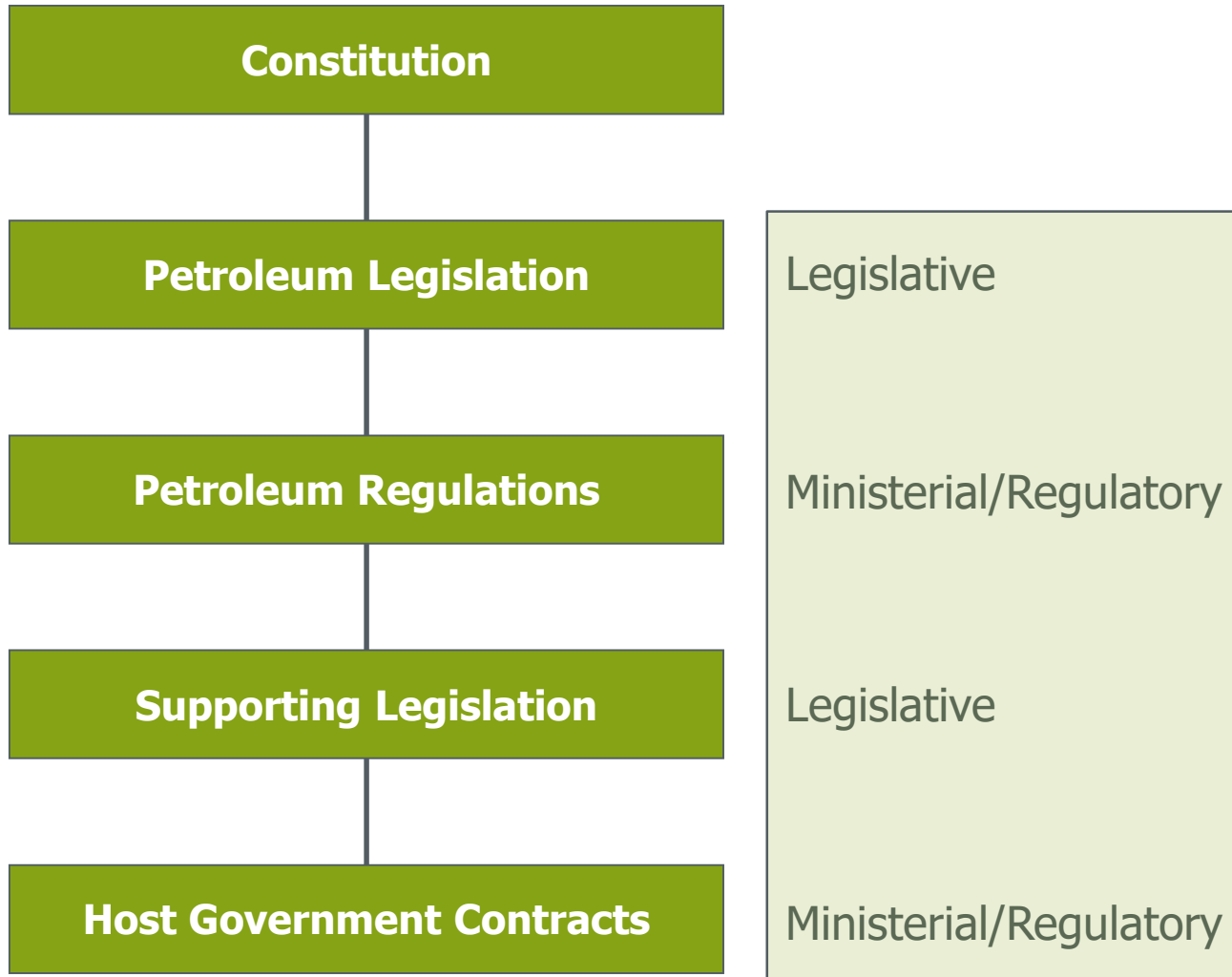
1. Primary Legislation
2. Governance and Competent Authority
3. Model Petroleum Licence
4. Accessibility for foreign investors



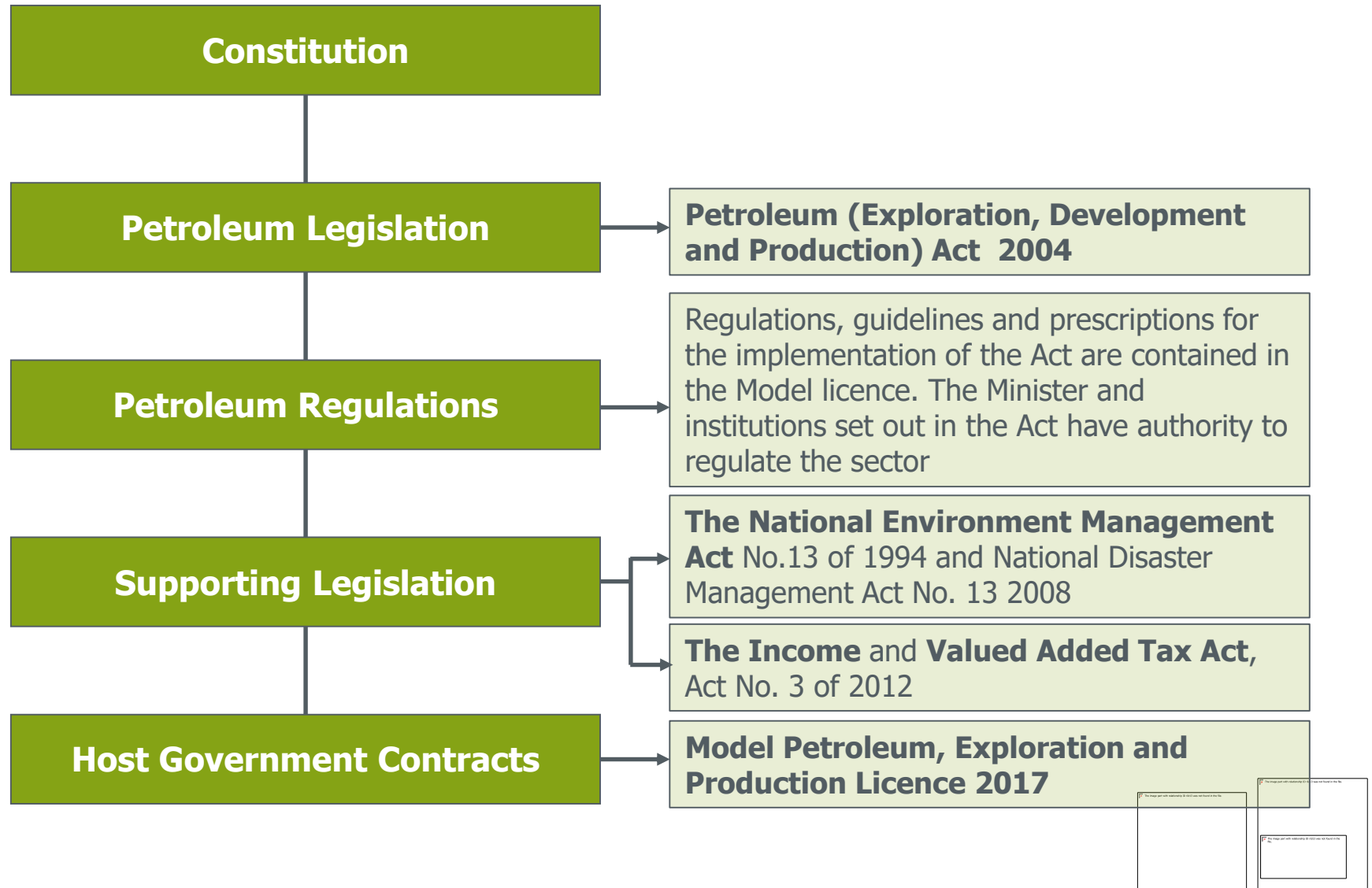
Legislative and Regulatory Framework



Framework of a typical Petroleum Regime



Framework in The Gambia



Petroleum Legislation

Petroleum (Exploration, Development and Production) Act 2004

- All rights in relation to the ownership, exploration, development, production and disposal of petroleum existing in its natural state in The Gambia are vested in the State.
- No person other than the Government shall engage in petroleum operations except by licence or permit.
- The government is currently in the process of updating the existing Model Petroleum, Exploration and Production Licence 2014.



Regulations

- The regulations, guidelines and prescriptions for petroleum operations for the implementation of the Act are contained in licence.
- The Minister and the institutions set out in the Act have authority to regulate the sector.
- The Model licences also prescribes the terms and conditions based upon which the licence is issued.



Environment

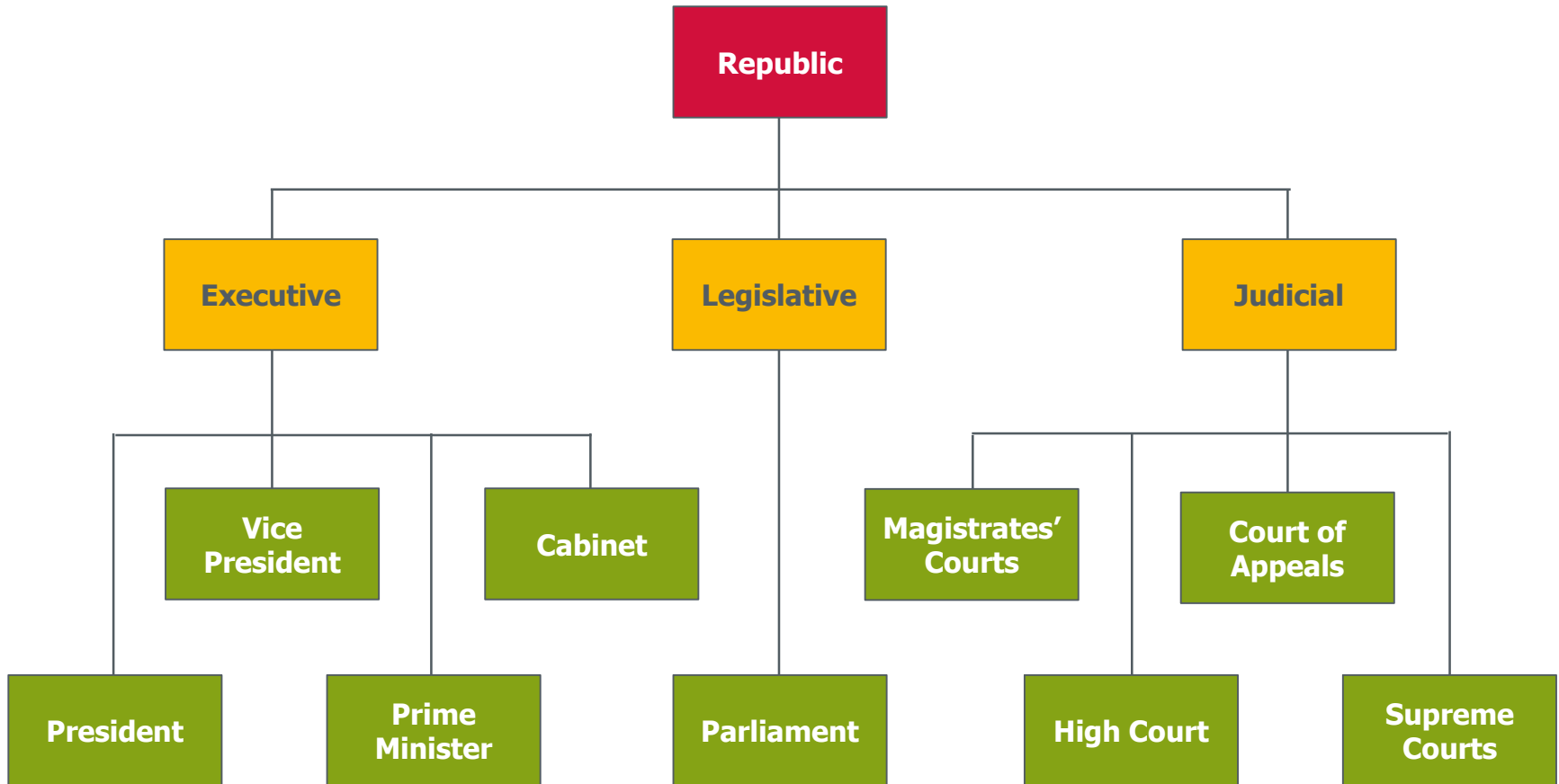
- The National Environment Management Act, No.13 of 1994 as amended by the National Disaster Management Act No: 13 of 2008 is the main legalisation that regulates the control and management of the environment.
- It contains sector specific provisions relating to petroleum operations and establishes relevant and robust institutions that regulate its environmental impact.



Governance and Competent Authority

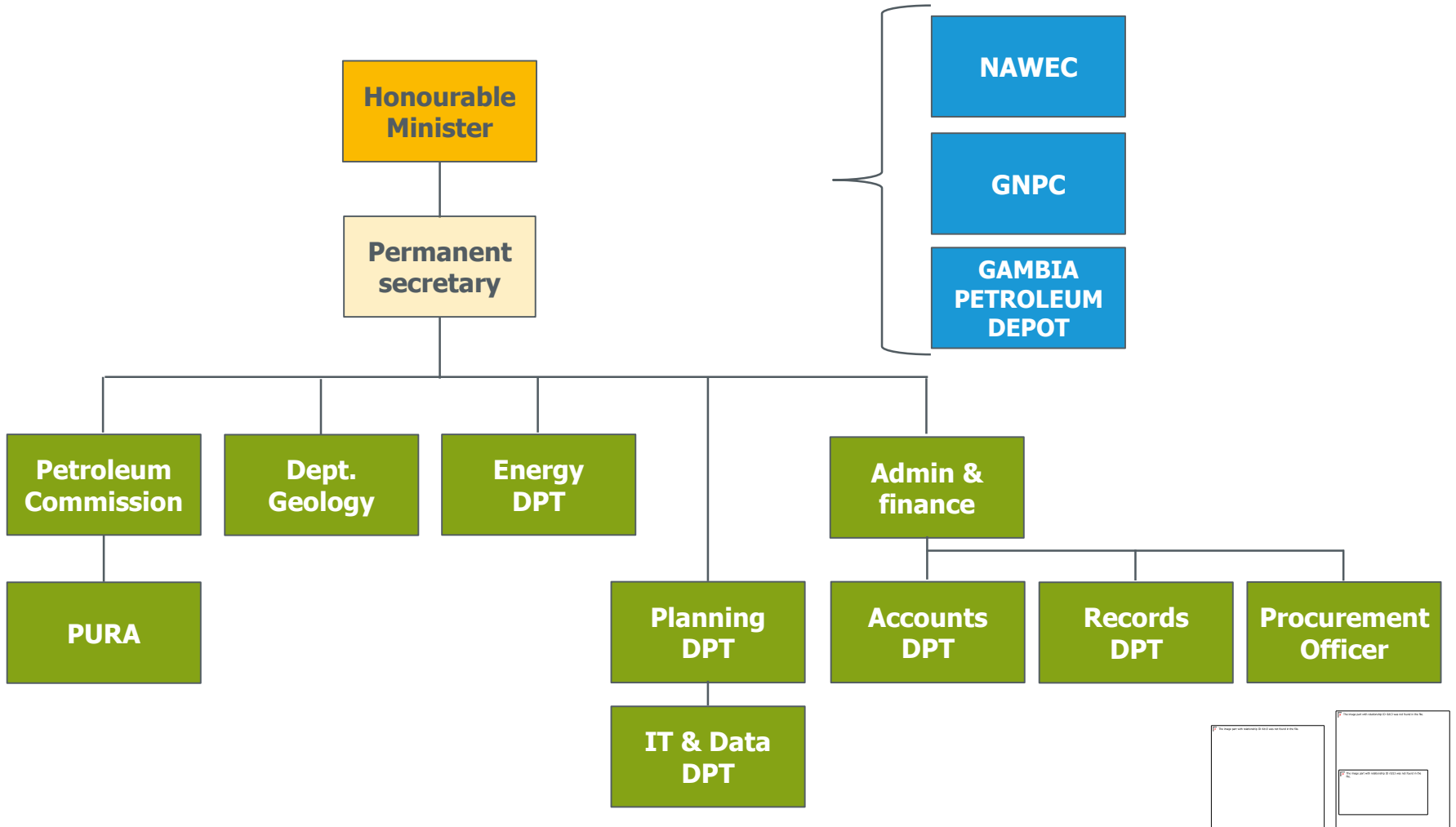


The Gambia Constitutional set up

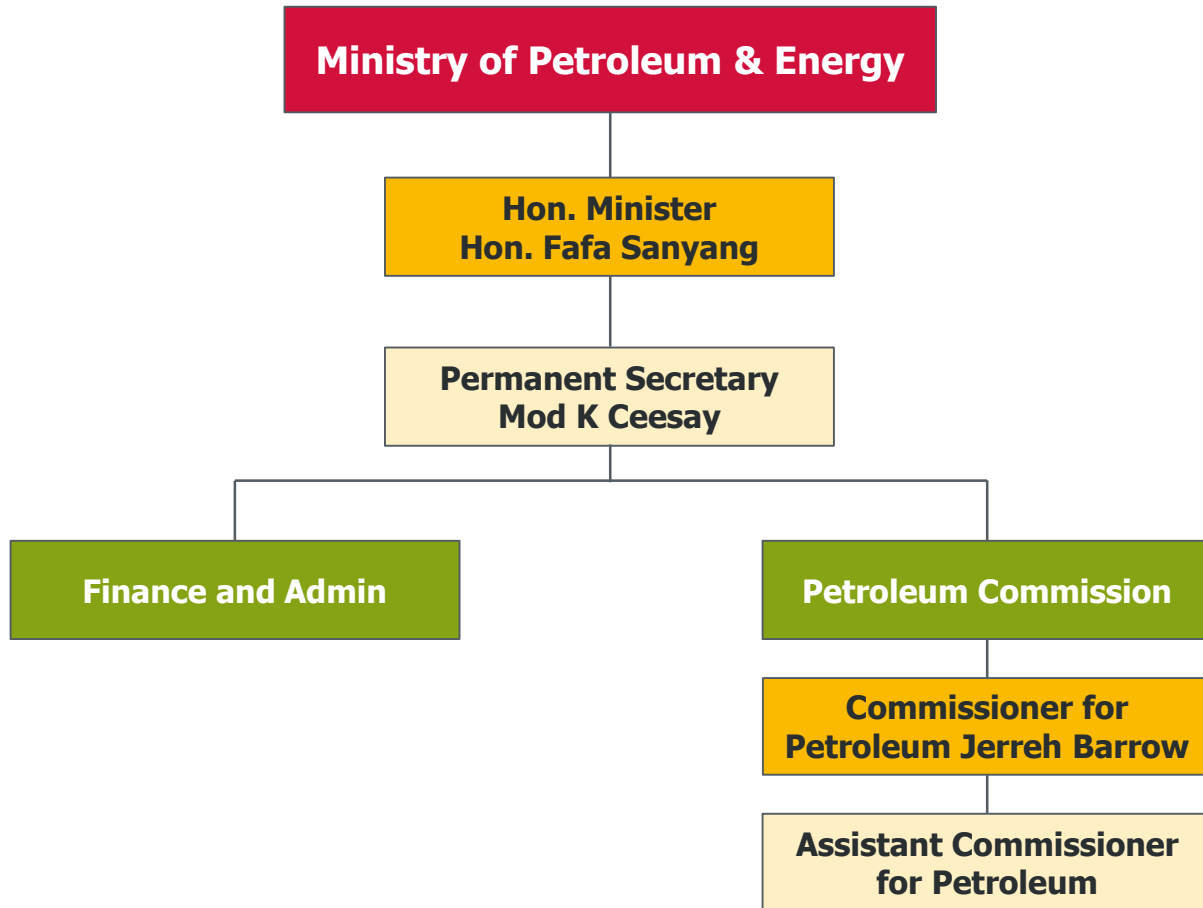


Ministry of Petroleum & Energy

Ministry of Petroleum & Energy



Ministry of Petroleum & Energy



Responsibilities of the Minister

- Implementation of the Act.
- Granting licenses and permits; compliance; costs recovery; inspection and audit; ensuring that the financial guarantee is maintained in an adequate amount.
- Empowered to close or redefine the boundaries of an existing block which are not covered by a licence or permit.
- The Minister is also empowered to open a new block.



Responsibilities of the Commissioner

- Administration of the implementation of the Act, the regulations, licences and permits.
- Receiving applications from owners or occupiers of land claiming compensation from licensees, permit holders or sub-contractors for damage caused to their land as a result of petroleum operations and arranging for the payment of the compensation.
- Limited logistical support to licensees and permit holders.
- Preparation of a reference map within the Gambia divided into numbered blocks.



Gambia National Petroleum Corporation

- The GNPC is a petroleum products distribution company selling petrol, gasoil, car oil and related products.
- It represents the business arm of the Gambia Government within the downstream petroleum sector.
- As part of GNPC's business plan and following the approval of the Board of Directors, GNPC shall be working on constructing Petroleum service stations in key growth centres in the GBA and provincial towns nation-wide.
- The Corporation's vision is to become market leader in the downstream sector and take greater ownership and control of our national hydrocarbon resources for commercialization and monetization.
- GNPC has reserved participating interest up to 15% in all Gambia's oil blocks.

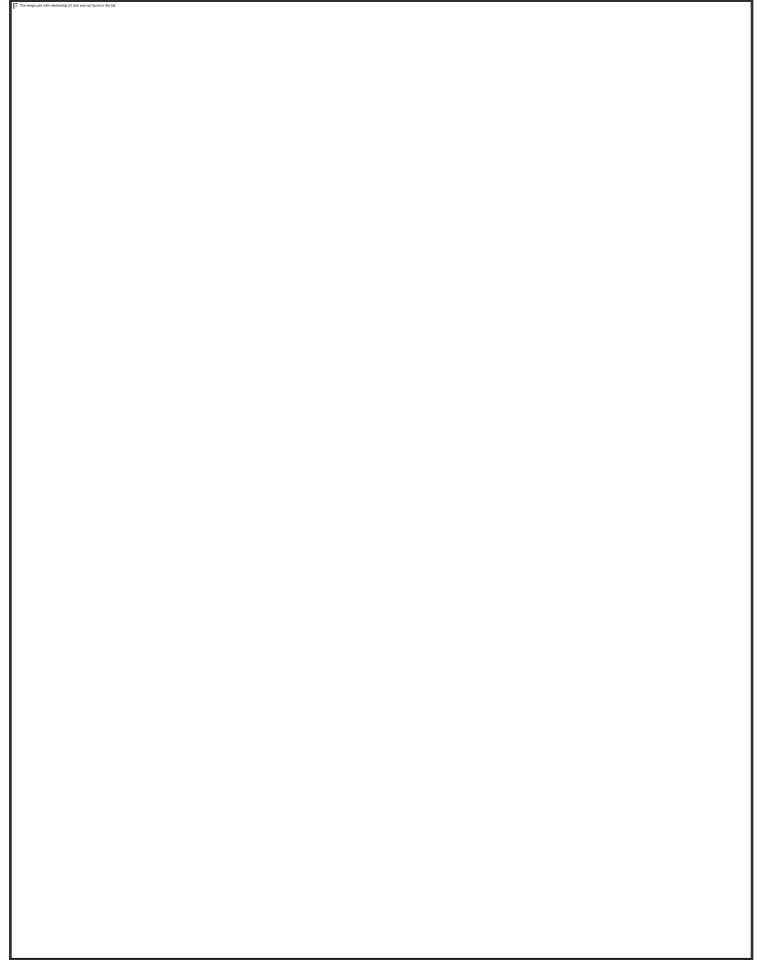


Model Petroleum, Exploration and Production Licence



Progress

- The Government of The Gambia instructed a team of legal, financial and technical experts in August 2017 to review the existing Model Petroleum, Exploration and Production Licence 2014 “**PEPLA**”.
- The team of experts have updated the PEPLA having carried out a high-level benchmarking exercise.
- The new PEPLA is robust, fit for purpose, and has been brought in line with modern international standards .
- The new PEPLA shall form the basis of all licences granted under the Act.



The Gambia's Advisors on Model Licence

Legal

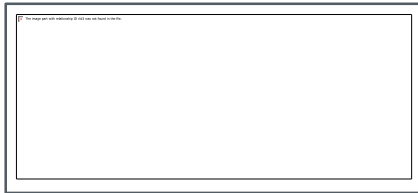
African Legal Support Facility

Amie Bensouda & Co

Berwin Leighton Paisner LLP

Technical

OpenOil



Accessibility for International Investors



Accessibility for International Investors in The Gambia

- The Gambia operates a highly accessible and simple regulatory regime.
- The Gambia has operated a single window registration system that allows companies to be formed in one day.
- The synchronised registry allows business to register for tax, corporate matters and social security simultaneously.
- The Gambia Investment & Export Promotion Agency offers a series of investment incentives and ease of entry initiatives such as tax holidays and import waivers.
- Geographically, the country is strategically placed to allow investors easy access to neighbouring markets.



Restrictions placed on IOCs under the Act

- In order to be granted a license an IOC must either form a local subsidiary or set up a local branch.
- There are currently no nationality or residency requirements to set up a local entity.
- IOCs may also form local branches with no restrictions on the domicile of the parent entity.
- There are no exchange control requirements.
- IOCs must use local goods, services and personnel where available on a competitive basis.



THANK YOU