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4th Session Second Parliament Trinidad and Tobago  
18 Elizabeth II

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TRINIDAD AND TOBAGO  
**Act No. 46 of 1969**

[L.S.]

AN ACT to consolidate and amend the law relating to petroleum so as to make better provision for the exploration for, and the development and production of, petroleum, and for matters consequential or incidental thereto.

*[Assented to 30th December, 1969]*

BE IT ENACTED by the Queen's Most Excellent Majesty, Enactment  
by and with the advice and consent of the Senate and  
House of Representatives of Trinidad and Tobago, and  
by the authority of the same, as follows:—

**1.** This Act may be cited as the Petroleum Act, 1969. Short title

## PRELIMINARY

## Interpretation

## 2. (1) In this Act—

- (a) “company” means any body corporate or unincorporated association, including a partnership;
- (b) “licence” means a licence to engage in petroleum operations granted in accordance with the provisions of this Act and of any Regulations;
- (c) “licensed area” means, subject to subsection (2), the area (whether a submarine area or on land) that is described by any Exploration Licence or any Exploration and Production Licence;
- (d) “licensee” means any person to whom a licence is granted, and includes his agents, representatives and assignees;
- (e) “Minister” means the member of the Cabinet to whom the responsibility for the subject of petroleum and mines is assigned;
- (f) “natural gas” means petroleum in the gaseous state;
- (g) “non-resident company” subject to paragraph (a) has the meaning assigned to that expression in the Finance Act, 1966.
- (h) “Order” means an Order made by the Minister under the authority of this Act or the Regulations;
- (i) “person” includes a company;
- (j) “petrochemical” means such a chemical compound or a mixture of such compounds manufactured from petroleum or petroleum products as is prescribed by Order made by the Minister;
- (k) “petroleum” means any mixture of naturally occurring hydrocarbons and hydrocarbon compounds;

- (l) "petroleum operations" means the operations related to the various phases of the petroleum industry, and includes exploring for, producing, refining, transporting and marketing petroleum or petroleum products or both, and manufacturing and marketing of petrochemicals; but does not include mining operations involving the extraction of petroleum from bituminous shales, tar sands, asphalt or other like deposits;
- (m) "petroleum product" means any finished or partly finished product derived from petroleum by any refining process;
- (n) "private petroleum rights" means rights to petroleum that are not public petroleum rights;
- (o) "public petroleum rights" means rights to petroleum in its natural condition in strata existing in—  
(i) Crown Lands;  
(ii) submarine areas;
- (p) "Regulations" mean Regulations made under this Act;
- (q) "Rules" mean Rules made by the Minister under the authority of this Act or the Regulations;
- (r) "submarine area" means land underlying the sea waters surrounding the coast of Trinidad and Tobago below the high water mark of the sea at ordinary spring tides, including the seabed and subsoil situated beneath the territorial waters and the continental shelf of Trinidad and Tobago. ("continental shelf" here having the same meaning as in the Continental Shelf Act, 1969).

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(2) A reference to a licensed area shall be read and construed, where such is the case, so as to refer to such part or parts thereof as remain at the disposal of the licensee from time to time in accordance with the terms of such licence.

(3) In this Act a reference to Crown Lands shall be read and construed as including a reference to the mineral rights in all lands by whomsoever possessed, the subject of a grant by the Crown after the 30th January, 1902.

(4) Any coastal marine swamp lands or marshes shall in no case be deemed to form part of the submarine area; except that where there are such swamp lands or marshes, a line fixed by the Director of Surveys shall be the high water mark line.

Public  
Petroleum  
Rights

3. Public Petroleum Rights are hereby vested in the Crown in right of Trinidad and Tobago and are exercisable by the Governor-General.

Private  
Petroleum  
rights

4. Private Petroleum Rights are exercisable by the owner thereof, subject to such provisions of this Act and any Regulations, or Rules and Orders made under this Act or the Regulations, as relate thereto.

Responsibility  
of Minister and  
delegation by  
him

5. (1) Subject to this Act, the Minister is charged with the general administration of this Act, and in the exercise of his powers and the performance of his duties he shall conform with any general or special directions given to him by the Cabinet. Any decision made or action taken by the Minister in the exercise of his powers and the performance of his duties in accordance with this Act and the Regulations shall be deemed to be made or taken by the Government and shall be binding thereon.

(2) The Minister may, in relation to any particular matter or class of matters by writing under his hand delegate to any public officer or Agency of the Government any of his powers or functions under this Act, except this power of delegation, so that the delegated powers or functions may be exercised by such officer or Agency with respect to the matters or class of matters specified in the instrument of delegation.

(3) Every delegation under this section shall be revocable at will, but any delegation shall not prevent the exercise of any power or function by the Minister.

(4) Any delegation under this section and any act done in pursuance of a delegation, may be made subject to a power of review and alteration by the Minister, and the decision given upon such review or alteration shall be deemed to be that of the Minister.

## PART I

### PETROLEUM OPERATIONS

#### *Licences*

6. (1) Subject to this Act, no person shall engage in <sup>Licences</sup> petroleum operations on land or in a submarine area, unless he first obtains a licence as provided for in this Act, or the Regulations.

(2) A person who contravenes the provisions of this section is guilty of an offence and liable on summary conviction to a fine of ten thousand dollars and in the case of a continuing offence, to a further fine of five hundred dollars for every day during which the offence continues.

7. (1) Subject to section 10, applications for licences <sup>Applications for licences</sup> shall be made to the Minister in accordance with the Regulations and notice thereof shall be published in the *Gazette* and in at least one daily newspaper circulating in Trinidad and Tobago.

(2) An application for a licence may be made by two or more persons jointly, if the agreement between the parties thereto as to the proposed joint operation is submitted with such application to the Minister.

8. (1) Any person may object to the issue of a licence <sup>Objections to licences</sup> on the ground that it is inconsistent with, or would interfere with rights held by him under this Act.

(2) All objections shall be lodged with the Minister within thirty days of the publication of the notice referred to in section 7 (1).

(3) Objections shall be made in the form prescribed by Order made by the Minister and shall be considered and dealt with by the Minister in accordance with the Regulations.

Grant of  
licences

9. (1) Where the Minister, after considering any objections, decides to grant a licence, he shall grant the licence in accordance with this Act and the Regulations and upon such terms and conditions as he considers appropriate.

(2) Upon granting a licence the Minister shall as soon as possible cause notice thereof to be published in the *Gazette*, stating the name of the licensee, the general nature of the licence and the location of the area concerned.

Competitive  
bidding

10. The Governor-General may determine that the grant of licences respecting any public petroleum rights, shall be subject to a procedure of competitive bidding in accordance with the Regulations.

Certain conditions  
to be included  
in licences

11. Without prejudice to any other terms and conditions upon which a licence may be granted by the Minister, the financial obligations to which licensees are to be committed by the terms of licences shall include—

- (a) royalties in respect of any petroleum won and saved;
- (b) minimum payment in respect of the exclusive right to explore for and produce petroleum from the licensed area;
- (c) petroleum impost as a levy intended to cover the expenses of the public administration of the petroleum industry;
- (d) the payment of surface rent in respect of the lease of any part of the licensed area which the licensee may require for exclusive occupation;
- (e) the payment, in accordance with any law, of—
  - (i) import duties;
  - (ii) other payments, including income tax, corporation tax, excise duties, charges and fees for services rendered and fees of general application,

as may be appropriate to the licence.

Conditions as  
to furnishing  
returns

12. (1) Without prejudice to any other conditions upon which a licence may be granted by the Minister, it shall be a condition inserted in each licence for the licensee to furnish to the Minister, at such times and in such manner as the

Minister may require, full information concerning his operations. Provision shall also be made for the inspection of the plant, operations, records and accounts of the licensee by persons authorised in that behalf by the Minister.

(2) In relation to information to be submitted to the Minister under subsection (1), such information as may be agreed shall be treated as confidential for such period as may be specified in the licence.

13. A licence shall not, either directly or indirectly, be granted to a member of Parliament or to a public officer while holding office, or within three years of such person ceasing to be such member of Parliament or to hold such office.

Special restrictions on grant of licences

14. The grant of an Exploration Licence confers upon the licensee the non-exclusive right in respect of the licensed area to carry out the operations provided for by the licence.

Exploration Licence confers non-exclusive rights

15. The grant of an Exploration and Production (Public Petroleum Rights) Licence confers upon the licensee the exclusive right in respect of the licensed area to search for, drill and get petroleum therein and to dispose of petroleum so gotten, in accordance with the terms of the licence, but so, however that nothing in this section shall be taken to confer ownership of any petroleum in strata or to confer any other rights in land within the licensed area.

Rights under an exploration and production licence

16. Within two months after the expiration or sooner determination of any Exploration and Production (Public Petroleum Rights) Licence, as provided for in the Regulations or the surrender of any part of the licensed area, whichever event first occurs, and without payment of any compensation in respect thereof, the licensee shall—

Duty of licensee to deliver up facilities upon determination of licence

- (a) deliver up to the Minister in good order, repair and condition, and fit for further utilisation (fair wear and tear excepted) all buildings, works, pipe-lines, other articles used in the licensed area, productive boreholes or wells (unless ordered by the Minister to plug them) together with all casings, engines, tubings and fixtures below surface level;

- (b) fill up or fence all holes and excavations made in the licensed area or the surrendered part thereof to such extent, if any, as the Minister may require; and
- (c) to the like extent restore, so far as may be possible, to their natural and original condition the surface of the licensed area or the surrendered part thereof and all buildings and structures thereon that the licensee may have damaged in the course of prospecting or producing,

and for such purposes the licensee shall have power during that period to enter on such area subject to the rights of the surface owners or other persons.

#### *Default and Disputes*

Failure to fulfil obligations, &c., consequences of

17. (1) A licence shall contain appropriate sanctions including the revocation of the licence, in case of failure by a licensee to fulfil the obligations undertaken by him.

(2) The cases in which revocation of a licence are to be provided for therein in accordance with subsection (1) may include cases in which—

- (a) there is failure on the part of an Exploration and Production Licensee to fulfil the work obligations concerning commencement of exploration operations and drilling as specified in the Regulations or failure to meet expense obligations within two consecutive three-year periods;
- (b) there is failure on the part of an Exploration and Production Refining, Pipeline, Marketing or Petrochemical Licensee to execute such work obligations as shall have been undertaken by him, under the terms of his licence, within the time limits prescribed therein;
- (c) there is breach of other terms and conditions contained in the licence in a material particular, the Minister being sole judge of such materiality;

- (d) there is failure on the part of the licensee to make the payments stipulated as Minimum Payment, Rent, Royalty, Petroleum Impost or Taxes within three calendar months of the date on which such payments fall due;
- (e) there is failure on the part of the licensee to pay any sum which may have been awarded against him in arbitration proceedings carried out in accordance with this Act within three months of the date fixed in the award, provided that notice shall have been duly given to him of his obligation to make such payment;
- (f) the licensee becomes bankrupt or goes into voluntary or involuntary liquidation; or
- (g) there is wilful misrepresentation by a licensee in any material particular in the process of applying for the licence.

(3) In cases falling under subsection (2)(c) the licence may provide that, if in the opinion of the Minister the breach committed is capable of remedy, the Minister shall, in giving notice require the licensee to remedy the breach and pay compensation therefor, within such time as the Minister may specify.

(4) Subject to subsection (5) where a licence is revoked under any provision contained therein, all rights, licences, privileges and powers conferred upon the licensee by that licence, and all grants and leases of Crown Lands held for the purpose of carrying out petroleum operations under that licence shall determine, if in each case other than that at subsection (2) (f) the Minister has given notice of non-compliance to the licensee reasonably in advance of such revocation specifying the particular ground of the excise of the right of revocation.

(5) Such determination shall not affect any obligation or liability that may have been incurred by the terms of the licence.

(6) In the case of serious and repeated violations of any of the terms and the conditions of his licence or of any law or directions of the Minister, the Governor-General may order such of the operations provided for in the licence as he may think fit to be temporarily discontinued.

(7) For the purposes of this section the Minister may authorise public officers and other persons to inspect and carry out studies regarding the manner in which operations provided for in any licence are being carried out, and to report to him thereon.

Arbitration  
in certain  
cases of  
revocation  
of licences

18. (1) Where in the case of revocation under a provision in the licence made in accordance with section 17 (2) (c) or (g) but no other, a licensee is aggrieved by the decision of the Minister to revoke the licence he may have recourse to arbitration in accordance with this Act.

(2) The licence may provide that in any particular case where it may be revoked and recourse to arbitration is had under subsection (1), revocation of the licence shall be of no effect, unless confirmed by the award of such arbitration, except that where it does not so provide the revocation shall take effect and all petroleum operations authorised by the licence shall cease, subject to the award.

*Force majeure—*  
Effect of

19. (1) Where a licensee fails to fulfil an obligation undertaken by him because of *force majeure*, such failure shall not be treated as a failure to comply with the provisions of the licence, if it is proved to be the necessary consequence of such *force majeure*.

(2) In this section *force majeure* means any event beyond the licensee's reasonable control and includes war, insurrection, civil commotion, strike, storm, tidal wave, flood, epidemic, explosion, fire, lightning, or earthquake or any enactment.

(3) Subject to subsection (4), where failure to fulfil an obligation under a licence is proved to have been the necessary consequence of *force majeure*, the period during which the fulfilment of such obligation is rendered impossible shall be added to the period fixed by the licence for the fulfilment of such obligation.

(4) Nothing in subsection (3) shall apply if the period during which the fulfilment of the obligation is rendered impossible exceeds the period, if any, stipulated in the licence as the period that is to be agreed as reasonable in all the circumstances.

20. (1) Any difference or dispute between licensees or between a licensee and the Minister that under any provision of this Act or the Regulations is required to be settled by arbitration (not being a difference or dispute concerning any matter the settlement of which is by some other provision of this Act or the Regulations otherwise provided for) shall be determined and assessed by arbitration and in no other way.

General as to  
arbitration of  
differences

(2) Where a licensee proceeds otherwise than is in this Act provided, the Minister or a licensee may, at any time after appearance and before delivering any pleadings or taking any other steps in the proceedings, apply to a Judge of the High Court to stay the proceedings, and such Judge shall thereupon stay such proceedings.

(3) Arbitration shall be conducted by two arbitrators, one to be chosen by the Minister and the other by the licensee, save that in case of disagreement, an umpire shall be appointed by the Chief Justice on application to him by either party. In the case of a dispute or difference between licensees, the provisions of this section shall apply *mutatis mutandis*.

21. Arbitration resorted to as provided for in the preceding section shall be held in Trinidad and Tobago and shall be deemed a submission to arbitration under the provisions of the Arbitration Ordinance.

Conduct of  
arbitration

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22. (1) Except with the consent of the Governor-General the activities which have given rise to arbitration shall be discontinued, until the issue of any award.

Cesser of  
operations during  
arbitration

(2) If the award recognises that the complaint was justified, provision shall be made therein for any necessary reparation in favour of the complainant.

(3) In section 12 and sections 17 to 20 "obligation" includes undertakings by a licence as to terms, periods, years or the manner or circumstances in which the operations provided for in his licence is to be carried out by him.

#### *Non-Resident Companies*

23. (1) Where a non-resident company is an applicant for a licence, it shall be a condition precedent to the grant of such licence and thereafter a condition for its continuance that the company establishes and maintains

Licensing of  
non-resident  
companies

during the existence of such licence an office, place of business, branch or agency in Trinidad and Tobago for the purpose of conducting such petroleum operations as are authorised by the licence.

(2) The business of a non-resident company to which a licence is granted shall be conducted through its office, place of business, branch or agency which shall be in the charge of an individual who is resident and ordinarily resident in Trinidad and Tobago and such individual is hereby authorised to accept on behalf of the licensee service of process and any notices required to be served on the licensee under or in accordance with the laws of Trinidad and Tobago. The name and address of such person, shall be communicated in writing to the Minister.

(3) Where such individual is for any reason unable to act as such representative or is absent from Trinidad and Tobago, the licensee shall forthwith appoint another such person as his representative and notify the Minister of his name and address.

Service of  
documents

24. Any document may be served on such non-resident company either personally upon such individual or by leaving it at or by sending the same by registered post to the address of the office place of business, branch or agency or of the said individual.

## PART II

### ANCILLARY RIGHTS

Licensee to  
negotiate for  
ancillary rights

25. Where a licence is granted and ancillary rights are required by the licensee, he shall, in accordance with any other enactment relating to landholding, negotiate with—

- (a) in the case of Crown Lands [other than Crown Lands that consist only of mineral rights in lands referred to in section 2(3)], the Minister who is hereby authorised to act on behalf of the Governor-General for such purpose;
- (b) in any other case, the person entitled to grant the rights for a grant of such rights.

26. (1) Where any facility, right, or privilege is required in order that petroleum operations may be properly and conveniently carried out by a licensee, and the proper and efficient carrying out of petroleum operations is unduly hampered by the inability or failure of the licensee to obtain such right, facility, or privilege (in this Part referred to as an ancillary right), such ancillary right may, in the manner and subject to the provisions hereinafter appearing, be conferred on the licensee who is working or desirous of working them either by himself or through his lessees or assignees.

Power to grant ancillary rights

(2) In particular, but without prejudice to the generality of the foregoing provision, such ancillary rights include:—

- (a) a right to cut timber, rights of way and other easements including a right to get gravel, sand, limestone and other building materials;
- (b) a right to use and occupy the surface for exploration, drilling, erecting, installations and constructing buildings for the purpose of petroleum operations, including dwellings for persons employed in connection with the working of petroleum or with any such works as aforesaid;
- (c) a right to obtain a supply of water or other substances in connection with the working of petroleum;
- (d) a right to dispose of water or other liquid matter obtained from petroleum operations or any by-product works,

as well as all such ancillary rights in any Crown Land or land in respect of which there are public petroleum rights by virtue of section 2 (3).

(3) Without prejudice to the generality of subsection (2), the ancillary rights therein mentioned shall include a right to enter upon land and to sink boreholes therein for the purpose of searching for and getting petroleum, and a right to use and occupy land for the erection of such buildings, the laying and maintenance of such pipes, and the construction of such other works as may be required for the purpose of searching and boring for and getting, carrying away and processing petroleum: save that, where a right to lay and maintain pipes under a highway is granted by virtue of this subsection, paragraphs 10 to 16

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and paragraph 21 of the Third Schedule and paragraph 20 of the Fourth Schedule of the Water and Sewerage Act, 1965, shall be deemed to be incorporated in the Order granting the right, subject to any modifications or adaptations specified in the Order.

Limitation on  
power of  
granting rights

27. (1) No ancillary right shall be granted or acquired by a compulsory purchase Order under this Act unless it is shown that it is not reasonably practicable to obtain the right in question by private arrangement for any of the following reasons:—

- (a) that the persons with power to grant the right are numerous or have conflicting interests;
- (b) that the persons with power to grant the right, or any of them cannot be ascertained or cannot be found;
- (c) that the persons from whom the right must be obtained, or any to them, have not the necessary powers of disposition, whether by reason of defect in title, legal disability or otherwise;
- (d) that the person with power to grant the right unreasonably refuses to grant it or demands terms which, having regard to the circumstances, are unreasonable.

(2) For the purposes of this Part, a person whose concurrence is necessary for the exercise of an ancillary right shall be deemed to be a person having power to grant the right, or a person from whom the right must be obtained as the case may be.

Applications  
for rights

28. (1) A licensee who is desirous of carrying out petroleum operations, and who considers that the circumstances are such that an ancillary right can be granted under this Part, may deliver to the Minister an application for the grant of such a right.

(2) A licensee who, for the purpose of or in connection with the better carrying out of petroleum operations already carried on by him, is desirous of obtaining an ancillary right, and who considers that the circumstances are such that such an ancillary right can be granted under this Part, may deliver to the Minister an application for the grant of such a right.

(3) An application under this section shall set forth the circumstances alledged to justify the grant of the right, and shall be in such form, and accompanied by such information verified in such manner, as the Minister may direct.

(4) When the application relates to a right to obtain a supply of water, or a right to dispose of water or other liquid matter, or any other right which appears to the Minister to affect the Water and Sewerage Authority, the Minister shall send a copy thereof to the Water and Sewerage Authority in order to enable them to take such steps as they think fit for placing their views before the Minister.

(5) The Minister shall consider the application, and if satisfied that the requirements of this Part are complied with in the case of the applicant, and that it is expedient in the public interest that the right applied for should be granted to him, may, by means of a compulsory purchase Order, grant the right on such terms and subject to such conditions, and for such period, as the Minister may think fit, and upon such an Order being made, the right specified in the Order shall, subject to the provisions hereinafter contained, vest in the applicant.

(6) The provisions of the Second Schedule to the Water and Sewerage Act, 1965, with such modifications and adaptations as are necessary or expedient shall have effect with respect to compulsory purchase Orders made under this section. Act 16—1965

(7) For the purposes of this Part the acquisition of ancillary rights is hereby declared to be a public purpose.

### PART III

#### MISCELLANEOUS AND GENERAL

29. (1) The Governor-General may make any such Regulations regulations as he considers necessary or expedient for the execution of this Act, and in particular—

- (a) for determining the types of licences and the procedure for issuing those licences;
- (b) for fixing the fees chargeable in respect of licences and the amount to be deposited by the licensee as a guarantee of due performance;

- † (c) for laying down the conditions to be observed by licensees;
- (d) for regulating the assignment or transfer of licences;
- (e) for licensing the transport, discharging and landing of petroleum and petroleum products by aircraft, vessels, other vehicles and pipelines;
- (f) for regulating and licensing the construction and operation of warehouses and tanks for the storage of petroleum and petroleum products;
- (g) for prescribing the manner in which tests and measurements may be applied to petroleum and petroleum products for any purposes;
- × (h) for ordering safety measures to be adopted, including measures for the prevention and extinction of fires, avoidance of accidents, and protection of premises adjacent to the sites of authorized operations;
- (i) for fixing petroleum conservation rules;
- × (j) for the prevention of pollution of land, water or air and for compensation therefor;
- (k) for prescribing standards with respect to the erection of installations required for the purpose of carrying out petroleum operations;
- (l) for determining the manner in which inspection on behalf of the Government shall be made of petroleum operations;
- (m) for ensuring that a Register of all licences issued and any orders, judgments or awards relating thereto, is maintained in the appropriate Department or Departments;
- (n) for fixing the Royalty, Minimum Payment, Surface Rents and Petroleum Impost;
- (o) for the making of Rules and Orders by the Minister respecting matters not otherwise provided for by this Act or the Regulations; and
- (p) for prescribing anything by this Act required to be prescribed (other than things required to be prescribed by the Minister).

(2) Regulations may provide for the grant of licences to persons for engaging in one or more of the petroleum operations either as general contractors or as agents. Such licences shall contain such terms and conditions as the Minister shall deem appropriate in each case, including the licensee's financial, technical, working and general obligations, the manner in which such obligations are to be carried out and the supervision and control thereof by the Minister, the description and the extent of the area of operations, and the period for which the licence is granted.

(3) The rights and duties pertaining to each kind of petroleum operation shall be determined by regulations and each licence shall specify such particular rights, in conformity with this Act and the regulations, as relate to that licence.

(4) Regulations may be made so as to determine the procedure whereby the several items mentioned in section 16 (a) shall, at the time of the termination or expiry of a licence, revert gratuitously to the Crown.

(5) Regulations may provide for the safety and health of persons engaged on installations concerned with petroleum operations in submarine areas and in particular may provide for—

- (a) the registration and certification of such installations;
- (b) the imposition of duties on owners and licensees to ensure *inter alia* that there is in respect of such installations—
  - (i) a valid certificate of insurance;
  - (ii) a duly appointed Master;
  - (iii) equipment prescribed by such regulations.

(6) Regulations made by the Governor-General under this section shall be subject to negative resolution of the House of Representatives and the Senate.

(7) Such regulations may contain provisions for imposing on any person contravening the regulations or the Rules made thereunder, a fine recoverable on summary conviction of five thousand dollars in respect of each offence and, in the case of a continuing offence, a further fine of one hundred dollars for each day during which the offence continues after conviction therefor.

Power in Minister  
to make Orders

30. The Minister may make Orders for the purpose of prescribing anything by this Act required to be prescribed by Order made by the Minister, and such Orders shall be published in the *Gazette*

Offences and  
penalties

31. A person who contravenes or fails to comply with any of the provisions of this Act is guilty of an offence, and any person guilty of an offence against this Act, except where the provision by or under which the offence is created provides the penalty to be imposed, is liable on summary conviction to a fine of five thousand dollars, and in the case of a continuing offence to a further fine of one hundred dollars for each day during which the offence continues after conviction therefor.

Other powers

32. (1) Except as may be otherwise provided for by the licence, any permission, consent or authority granted under this Act and the regulations or any Rules or Orders made thereunder—

- (a) may be either general or specific;
- (b) may be revoked or varied by the Minister;
- (c) may be absolute or conditional;
- (d) may be limited so as to expire on a specified date, unless renewed; and
- (e) shall except as otherwise provided in this Act or the regulations, be published in such a way as in the opinion of the Minister, to give any person entitled to the benefit of it an adequate opportunity of getting to know of it, unless in his opinion publication is not necessary for that purpose.

(2) Any specific directions given under any provision of this Act or the Regulations, or any Rules or Orders made thereunder shall be given to such persons and in such manner as the Minister thinks appropriate, and where so given shall be valid for all purposes, and any directions—

- (a) may be either general or specific;
- (b) may be revoked or varied by subsequent directions.

(3) Notwithstanding anything contained in subsection (2) a person shall not by virtue of any direction given by the Minister under this Act not being a direction published by Order or Notice in the *Gazette* be convicted of an

offence against this Act or the Regulations unless the direction was served on him or he knew, or avoided getting to know, of the giving thereof, except that where reasonable steps were taken for the purpose of bringing the purport of the direction to his notice, it shall be for him to show that he neither knew nor avoided getting to know of the giving thereof.

(4) Any document stating that any permission, consent, authority or direction is given under any of the provisions of this Act or the Regulations by the Minister, and purporting to be signed by him, or where section 5(2) applies, by his delegate, shall be evidence of the facts stated in the document.

33. Any expense incurred under or by virtue of this Act by the Minister or any Government department shall be a charge on the Consolidated Fund and any sums received under or by virtue of this Act by the Minister or any Government department including the petroleum impost levied under the regulations shall be paid into the Exchequer Account and shall form part of the Consolidated Fund. Financial provisions

34. (1) No person who obtains information by virtue of the provisions of this Act shall disclose that information otherwise than in the discharge of his functions under this Act or for the purposes of any criminal proceedings. Restriction on disclosure on information

(2) Any person who contravenes the provisions of this section is guilty of an offence and liable on summary conviction thereof to a fine of five thousand dollars or to imprisonment for a term of one year.

35. In the event of a war or emergency involving Trinidad and Tobago (of the existence of which the Governor-General shall be the sole judge)— Special provisions for emergencies

- (a) the Governor-General shall have the right of pre-emption of all petroleum, petroleum products and petrochemicals produced under the licence and shall have the right to require the licensee to manufacture petroleum products and petrochemicals, for the duration of the decreed emergency;
- (b) the licensee shall use his utmost endeavour to increase the supply of petroleum, petroleum products and petrochemicals for the Government to the extent required by the Governor-General;

- (c) the licensee shall with every reasonable expedition convey the petroleum, petroleum products or petrochemicals purchased by the Governor-General under this section to such point of shipment or place of storage in Trinidad and Tobago as the Governor-General shall determine;
- (d) the price to be paid by the Governor-General for the petroleum, petroleum products or petrochemicals taken as provided for in this section shall be the fair market price at the time and at the point of delivery;
- (e) the Governor-General shall be at liberty to take control of the works, plants and premises of the licensee, who shall conform to and obey all directions issued by or on behalf of the Governor-General; provided that compensation shall be paid to the licensee for any loss or damage sustained by him by reason of the exercise of the powers conferred by this subsection, the amount of such compensation to be fixed by agreement between the parties, or failing agreement by arbitration as is provided for herein.

Act binds  
the Crown

36. This Act binds the Crown.

*Transitory Provisions*

Licences of  
existing petroleum  
licensees

37. (1) Where at the commencement of this Act a person is carrying on petroleum operations—

- (a) under or by virtue of a licence, grant or lease to carry on such petroleum operations; or
- (b) in respect of which he was not required by any law to be licensed or to hold a grant or lease so to do, but in respect of which a licence is required under this Act or the regulations, such person shall, for a period of twelve months, but no longer, be deemed to be a licensee in respect of such petroleum operations for the purposes of this Act, unless he is, before the expiration of such period of twelve months or any further period not exceeding one year, as the Minister, if he thinks fit, may by Order provide, licensed as such under this Act and the Regulations.

(2) Upon an application made by a person referred to in subsection (1), the Minister shall issue a licence to carry on petroleum operations under this Act, notwithstanding anything herein contained to the contrary, upon terms and conditions appropriate to and as reasonably close as possible to those contained in the licence, grant or lease, if any, under or by virtue of which he previously carried on or was entitled to carry on the petroleum operations, or appropriate to and as reasonably close as possible to those terms and conditions applicable to the circumstances referred to in subsection (1)(b), respectively.

(3) All existing grants or leases held for the purpose of carrying out petroleum operations by a person to whom a licence is issued under subsection (2) shall be deemed to have been granted or made for the purposes of this Act and shall continue to have full force and effect until lawfully determined.

(4) Where ancillary rights are held under licence that by virtue of subsection (1) ceases to have effect, by reason of the issue of a licence under subsection (2), but for no other reason, such rights shall be deemed to have been granted by the Minister under section 25(a), or in the cases referred to in section 25(b), by the person entitled to grant the rights or the Minister in accordance with the other provisions of Part II, as the case may be, without any charge or fee.

38. (1) Subject to subsection (2), upon the commencement of this Act the several enactments mentioned in the first column of the First Schedule are repealed to the extent respectively set out in the second column thereof.

Repeal and  
revocations.  
First  
Schedule

(2) Until Regulations are made under section 29 with respect to any matter contained in the Pipelines Ordinance, the Oil and Water Board Ordinance and the Oilfields Fires Control Ordinance, but no longer, the provisions of those enactments shall continue to operate in relation to petroleum operations, as if this section had not been enacted.

Savings  
Ch. 26. No. 9  
Ch. 26. No. 6  
Ch. 26. No. 8

39. The enactments mentioned in the first column of the Second Schedule are amended to the extent provided in the second column thereof.

Enactments  
amended.  
Second  
Schedule

40. This Act shall come into operation on a date to be fixed by the Governor-General by Proclamation published in the *Gazette*.

Commencement

## FIRST SCHEDULE

(Section 38)

## ENACTMENTS REPEALED

FIRST COLUMN	SECOND COLUMN
The Oil Rights (Alien Control) Ordinance, Ch. 21. No. 2	The whole Ordinance
The Land (Oil Mining) Regulations, contained in the Appendices to Volume IX of the Laws of Trinidad and Tobago, 1950	The whole of the Regulations
The Submarine (Oil Mining) Regulations, contained in the Appendices to Volume IX of the Laws of Trinidad and Tobago, 1950	The whole of the Regulations
The Petroleum Department and Conservation Board Ordinance, Ch. 26. No. 1	The whole Ordinance
The Petroleum Ordinance, Ch. 26. No. 2	The whole Ordinance
The Oil Mining and Refining Ordinance, Ch. 26. No. 3	The whole Ordinance
* The Oil and Water Board Ordinance, Ch. 26. No. 6	The whole Ordinance
The Oil-Bearing Sands (Water Control) Ordinance, Ch. 26. No. 7	The whole Ordinance
* The Oilfields Fires Control Ordinance, Ch. 26. No. 8	The whole Ordinance
* The Pipe-Lines Ordinance, Ch. 26. No. 9	The whole Ordinance, but only in its application to petroleum operations
The Nitrogenous Fertilizer Ordinance, 1958. No. 3—1958	A. Sections 6, 7 and 8 are repealed. B. In section 9 thereof substitute for the words "subsection (7) of section 6 of this Ordinance" occurring in line four thereof, the words "Part II of the Petroleum Act, 1969".

ENACTMENTS REPEALED—*Continued*

FIRST COLUMN	SECOND COLUMN
The Lubricating Oils and Greases Industry Development Ordinance, 1961. No. 44 of 1961.	A. Sections 8, 9 and 10 are repealed. B. In section 11 thereof substitute for the words "subsection (8) of section 8" occurring in line four thereof, the words "Part II of the Petroleum Act, 1969".
The Petrochemicals Industry Development Act, 1962. No. 4 of 1962.	A. Sections 9, 10 and 11 are repealed. B. In section 12 thereof substitute for the words "subsection (8) of section 9" occurring in line four thereof, the words "Part II of the Petroleum Act, 1969".

## SECOND SCHEDULE

(Section 39)

## ENACTMENTS AMENDED

FIRST COLUMN	SECOND COLUMN
The Income Tax Ordinance, Ch. 33. No. 1	Add the following new subsection at the end of section 5 thereof:  (5) Notwithstanding anything in this Ordinance or any other rule of law to the contrary, where income arises to a person from any activities on the continental shelf (this expression here having the same meaning as in the Continental Shelf Act, 1969) such income shall for all the purposes of this Ordinance be deemed to have accrued in or to have been derived from Trinidad and Tobago.
The Income Tax Ordinance, Ch. 33. No. 2	A. By inserting immediately after section 25 thereof (In Aid of the following new section:— Industry) "Land production allowance in certain cases" 25A. (1) Subject to this section in ascertaining the chargeable profits for a year of income of a company that carries on approved petroleum production during that year there shall be allowed to such company, in addition to any other allowance and

## FIRST COLUMN

## SECOND COLUMN

deductions provided for in the Corporation Tax Acts, a deduction (in this section called a "land production allowance" or "allowance") of an amount equal to the royalty paid on petroleum won from approved petroleum production.

(2) Subject to subsections (3) and (4), the land production allowance shall be allowed from the profits of the accounting period of the company ending in the year of income in which approved petroleum production commences and, subject as aforesaid, shall continue to be made for the three years of income next following, but no longer.

(3) For the purposes of subsection (2), the period during which the land production allowance is to be allowed shall be reckoned—

(a) in the case of petroleum production referred to in subsection (5) (a), from the completion of the discovery well;

(b) in any other case, from the commencement of approved petroleum production whereby petroleum is obtained in the circumstances mentioned in subsection (5) (b).

(4) Where the land production allowance is such that it cannot wholly be allowed against the company profits derived from its petroleum operations (this expression here and in subsection (5) having the same meaning as in the Petroleum Act, 1969) the amount of such allowance shall, to the extent to which it is not allowed against such profits for the same year, be carried forward and shall be allowed in ascertaining the chargeable profits of such company from its petroleum operations in the next year of income and so on for succeeding years of income.

(5) In this section "approved petroleum production" means petroleum production from petroleum operations carried out on land and approved by the Minister, whereby petroleum is obtained—

(a) from any geological formation within a licensed area where no petroleum has been produced;

## FIRST COLUMN

## SECOND COLUMN

(b) in proven areas, from any older and deeper geological formation than those from which petroleum has been produced within the licensed area.

(6) In this section the expression "licensed area" has the same meaning as in the Petroleum Act, 1969."

B. By inserting immediately after the words "submarine well allowance" wherever that expression occurs in Part III thereof, the words "submarine production allowance".

C. In section 26A of the Income Tax (In Aid of Industry) Ordinance (hereinafter referred to as "the Ordinance") as follows:—

(a) by deleting the definition of "company" occurring therein;

(b) by deleting the definition of "submarine area" and by substituting the following definition thereof—

" 'submarine area' means land underlying the sea waters surrounding the coast of Trinidad and Tobago below the high water mark of the sea at ordinary spring tides including the seabed and subsoil situated beneath the territorial waters and the continental shelf of Trinidad and Tobago ("continental shelf" here having the same meaning as in the Continental Shelf Act, 1969).";

(c) by deleting in the definition of "submarine well" the words "the Submarine (Oil Mining) Regulations" and substituting thereof the words "the Petroleum Act, 1969 and the Regulations made thereunder";

(d) by inserting in its appropriate alphabetical order the following new definition—

" 'crude oil' or 'oil' means petroleum in the liquid state.".

## FIRST COLUMN

## SECOND COLUMN

D. In section 26B of the Ordinance as follows:—

(a) in subsection (1) thereof, by substituting for the words “twenty per centum” occurring therein the words “ten per centum”;

(b) by inserting immediately after subsection (1) thereof the following new subsections:—

“(1A) Nothing in subsection (1) shall apply in relation to the production of oil or gas from any submarine well, situated in a submarine area, the licence to explore for and win oil or gas in which is granted after the 31st December, 1960.”;

“(1B) In ascertaining the chargeable profits of a company that carries on a trade which consists of or includes the exploration for or the production of oil or gas, and to which a licence is granted after the 31st December, 1960, but before the 1st January, 1969, there shall be allowed a deduction (in this Part and in Part III called a “submarine production allowance” or an “allowance”) of an amount equal to the royalty paid on that portion (specified in subsection (1c)) of the total production of oil won from a submarine well.”.

(1c) Subject to subsections (1D) and (1E) the submarine production allowance shall be allowed from the profits of the accounting period of such a company as is referred to in subsection (1B), that ends in the year of income in which the production of oil first commences and subject as aforesaid shall continue to be made for the five years of income next following but no longer, as follows—

(a) for the first year of income, the royalty on the production up to and including 2,000 b/d from each well producing in that year;

## FIRST COLUMN

## SECOND COLUMN

- (b) for the second year of income, the royalty on the production up to and including 2,000 b/d from each well producing in that year;
- (c) for the third year of income, the royalty on production up to and including 1,500 b/d from each well producing in that year;
- (d) for the fourth year of income, the royalty on production up to and including 1,500 b/d from each well producing in that year;
- (e) for the fifth year of income, the royalty on production up to and including 1,000 b/d from each well producing in that year;
- (f) for the sixth year of income, the royalty on production up to and including 500 b/d from each well producing in that year.

(1D) For the purpose of subsection (1c) the period during which the submarine production allowance is to be allowed shall be reckoned from the date of the commencement of commercial production as determined in accordance with the terms of the licence.

(1E) Where the submarine production allowance is such that it cannot wholly be allowed against the company's profits derived from its petroleum operations (this expression here having the same meaning as in the Petroleum Act, 1969), the amount of such

## FIRST COLUMN

## SECOND COLUMN

allowance shall, to the extent to which it is not allowed against such profits for the same year, be carried forward and shall be allowed in ascertaining the chargeable profits of such company from its petroleum operations in the next year of income and so on for succeeding years of income.

(1F) In subsection (1A) and (1B) "licence" means a licence granted under the Submarine (Oil Mining) Regulations repealed by the Petroleum Act, 1969.";

(c) by repealing and replacing subsection (3) thereof as follows:—

"(3) The gross value of the production of oil and gas in respect of any submarine well for the purposes of this section shall be taken to be the value thereof calculated for the purpose of the payment of royalties thereon under and in accordance with the Petroleum Regulations, 1969."

E. (a) The amendment made by paragraph D (a) above shall be deemed to have come into force on the 1st January, 1969, and shall have effect for the years of income 1969 to 1982.

(b) The amendment made by paragraph D (b) above shall be deemed to have come into force on the 1st day of January, 1961.

F. In section 26D (1) of the Ordinance, by deleting the words "(including companies to which this Part of the Ordinance is applied by section 26E thereof)".

G. By repealing section 26E of the Ordinance and by re-numbering section 26F thereof as section 26E.

The Finance Act, 1966  
No. 29 of 1966

A. By inserting immediately after section 44 (2) thereof the following new subsection:—

"(2A) Notwithstanding anything in this Act or any other rule of law to the contrary, where profits arise to a company from any activities on the continental shelf (this expression here

## FIRST COLUMN

## SECOND COLUMN

having the same meaning as in the Continental Shelf Act, 1969) such profits shall for all the purposes of this Act be deemed to have accrued in or to have been derived from Trinidad and Tobago.”.

B. By inserting immediately after section 47 thereof the following new sections:—

“Special provisions  
for computing  
income of  
petroleum  
companies

47A. (1) The provisions of this and the two next following sections shall have effect for the purpose of computing the chargeable profits of a company accruing or derived from the conduct of petroleum operations under the Petroleum Act, 1969; and such a company as is herein referred to as a “petroleum company”.

“(2) In this section and in the two next following sections—

- (a) “crude oil” means petroleum in the liquid state; and
- (b) “petroleum operations” has the same meaning as in the Petroleum Act, 1969.”;

(3) For the year of income 1969 and subsequent years of income, a petroleum company shall, in respect of any refining operations in which it may be engaged, submit to the Board together with its return required by section 36 of the Ordinance as applied by this Act, and at any other time the Board so requires a statement containing:—

- (a) a complete list of the crude oils processed for the year of income and their corresponding deemed yields,
- (b) any modification of those deemed yields,
- (c) the bases for determining each processing fee,
- (d) any other information in respect of such refining operations as the Board may require.

## FIRST COLUMN

## SECOND COLUMN

(4) For the purposes of subsection (3) (a), (b) and (c) the deemed yields are the yields of petroleum products agreed upon between the Minister of Petroleum and Mines and a licensee as resulting from a process of refining of a given amount of crude oil.

(5) In determining the price of crude oil, natural gas, petroleum products and petrochemical products (these expressions in this section and in section 47C having the same meaning as in the Petroleum Act, 1969) for the purpose of ascertaining the chargeable profits of a petroleum company, the Board shall consult with the Minister of Petroleum and Mines.

Price of natural  
gas

47B. The price of natural gas shall be the same price used for calculating the payment of royalty thereon, under and in accordance with the Petroleum Regulations, 1969.

Price of  
petrochemical  
products, &c.

47C. The prices of crude oil, petroleum products and petrochemical products shall be the best prices available. Such prices shall substantially reflect—

- (a) prices historically reported in Trinidad and Tobago;
- (b) prices currently existing in the Caribbean area and in the international market;
- (c) all other relevant considerations.

Passed in the House of Representatives this 16th day of December, 1969.

G. R. LATOUR  
*Clerk of the House*

Passed in the Senate this 18th day of December, 1969.

J. E. CARTER  
*Clerk of the Senate*