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# The Gazette of the Democratic Socialist Republic of Sri Lanka EXTRAORDINARY

අංක 2313/47 - 2023 ජනවාරි මස 05 වැනි බ්‍රහස්පතින්දා - 2023.01.05  
No. 2313/47 - THURSDAY, JANUARY 05, 2023

(Published by Authority)

## PART I : SECTION (I) — GENERAL

### Government Notifications

L.D.-B. 5/2021

#### PETROLEUM RESOURCES ACT, No. 21 OF 2021

REGULATIONS made by the Minister of Power and Energy under Section 48 of the Petroleum Resources Act, No. 21 of 2021.

**KANCHANA WIJESEKERA,**  
Minister of Power and Energy.

At Colombo,  
04th January, 2023.

#### REGULATIONS

1. These regulations may be cited as the Petroleum Resources (Joint Study Agreements) Regulations No. 01 of 2023.
2. (1) The Petroleum Development Authority of Sri Lanka (hereinafter referred to as the “Authority”) may call for Expressions of Interest from any person for joint studies within the designated area defined and demarcated by the Authority.  
(2) Any person who wishes to submit the Expressions of Interest shall submit to the Director-General of the Authority (in these regulations referred to as the “Director - General”) a proposed work program and expected time frame for the completion of work.



3. Upon the receipt of Expression of Interest and, the proposed work program and expected time frame for the completion of work, the Director - General shall refer such documents to the Board of Directors (in these regulations referred to as the "Board") together with a report expressing the suitability, experience, reputation and financial capability of the person who has submitted Expression of Interests.
4. (1) Upon the receipt of the documents and the report under regulation 3, the Board may, on the consideration of the matters contained in the report and any recommendations, if any, grant approval to the Director - General to issue Request for Proposals including the Model Joint Study Agreement for joint Study Proponents.  
(2) The Director - General shall call for proposals from the Joint Study Proponents upon the approval of the Board under sub regulation (1).
5. (1) Upon the receipt of the proposals from the Joint Study Proponents, the Board shall evaluate them considering the experience, reputation, and financial capability of the Joint Study Proponents to conduct the joint study.  
(2) The Board, being satisfied with the proposal after the evaluation done under sub regulation (1), shall initiate discussions on terms and conditions of the Joint Study Agreement with the Joint Study Proponents.
6. (1) The Joint Study Proponent shall purchase all mandatory petroleum data, if any relevant to the acreage.  
(2) It shall be the duty of the Authority to issue such petroleum data to the Joint Study Proponent upon requests.  
(3) The Joint Study Proponent may negotiate the price of any non-exclusive multi-client data directly with the service company that acquired the data under a license from the Authority.
7. (1) Where two or more Joint Study Proponents are interested in the same block within a period in which the acreage under question is open, the Authority may connect the relevant Joint Study Proponents and request them to consolidate their individual proposals into a single joint proposal.  
(2) If the Joint Study Proponents are unable to reach a mutual agreement, the Authority may take decision to assign the acreage to the most suitable Joint Study Proponent. The decision of the Authority which shall be taken after considering the proposed scopes of work and any other material factors shall be considered as final.
8. Upon selecting a suitable Joint Study Proponent, the Board shall submit the proposed Joint Study Agreement for the consideration of the Minister.
9. The Joint Study shall be subjected to guidelines and any other regulations including drilling, geotechnical, environmental, local content, and data confidentiality as applicable to the proposed scope of work. Applicable rules, guidelines and regulations shall be provided to the Joint Study Partner by the Authority, which shall also be notified the Joint Study Partner of changes to the same.
10. Once started the work program according to the Joint Study Agreement, if the Joint Study Partner finds -
  - (a) that the commercial hydrocarbon within any part of the acreage covered by the Joint Study Agreement, the Joint Study Partner shall, by written notice to the Authority request to commence exclusive negotiations on a resource sharing contact subject to such conditions as specified in the Joint Study Agreement in respect of the specific area. These discussions shall be concluded within one year, unless extended by mutual agreement ; and
  - (b) any other energy potential or mineral potential within the area covered under the Joint Study Agreement, the Joint Study Partner shall by a written notice inform the Authority regarding such finding, and the Authority shall inform regarding such finding to the relevant regulatory entity. The relevant regulatory entity shall independently take its decision pertaining to such energy potential or mineral potential which shall be final.

11. (1) The Authority and the Joint Study Partner shall endeavour to enter into a Petroleum Resources Agreement for the specified acreage within the period during which the Joint Study Agreement is in force.

(2) Where the Authority and the Joint Study Partner fails to come to an agreement under paragraph (a) of regulation 10, the Authority may call for an international licensing round for all or any part of such acreage.

12. In this regulations unless the context otherwise requires -

“Exploration Block Map of Sri Lanka” means the map which describes the area demarcated by the Petroleum Development Authority of Sri Lanka for the purposes of exploration, development and production of hydrocarbons and revised from time to time, which shall be used as the source of demarcation of areas in which agreements covering hydrocarbon exploration and other integrated energy projects conducted between the State and one or more operators or service providers or scientific institutions entered into, with the objective of studying and evaluating the energy potential of a defined area ;

“Joint Study Agreement” shall have the meaning assigned to it by the Petroleum Resources Act, No. 21 of 2021 ;

“Joint Study Proponent” means the applicant who has been shortlisted and submitted Joint Study Proposal in response to the Request for Proposal;

“Joint Study Partner” means the entity with whom the Authority enters into the Joint Study Agreement ;

“Petroleum Resources Agreement” shall have the meaning assigned to it by the Petroleum Resources Act, No. 21 of 2021.

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L.D.B. 5/2021

## **PETROLEUM RESOURCES ACT, No. 21 OF 2021**

REGULATIONS made by the Minister of Power and Energy under Section 48 read with Section 23 of the Petroleum Resources Act, No. 21 of 2021.

**KANCHANA WIJESEKERA,**  
Minister of Power and Energy.

At Colombo,  
04th January, 2023.

### **REGULATIONS**

1. These regulations may be cited as the Petroleum Resources (Service Provider Licensing) Regulations No. 2 of 2023.
2. A person shall not carry on business as a service provider, except under authority of a license issued in that behalf by the Petroleum Development Authority of Sri Lanka (hereinafter referred to as the “Authority”).
3. Any person who wishes to carry on business as a service provider shall make an application to the Director - General of the Authority substantially be in the Form set out in the Schedule I hereto. The Director - General may where necessary, require an applicant to furnish any further information.

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4. Upon the receipt of an application, the Director - General shall on consideration of the matters contained in the application and the documents submit a report to the Board of Directors of the Authority (in these regulations referred to as the "Board").
5. Upon the receipt of the report under regulation 4, the Board shall on the consideration of the matters in the application and documents, either instruct the Director General, to issue a license upon the payment of annual license fee specified in Schedule II hereto or refuse to issue license. The Director General shall in writing inform the applicant of the decision of the Authority and in a case of a refusal to grant a license, it shall state its reasons therefor.
6. Every license shall, unless revoked earlier, be valid for a period of one year from the date of issue and shall be subjected to terms and conditions specified therein.
7. The Authority may revoke a license issued under regulation 5, if the Authority is satisfied that the licensee has violated any of the terms and conditions of the license.
8. A license issued under regulation 5 shall be renewable on annual basis upon a written request made to the Director General not later than thirty days before the expiry date of the license and payment of the annual license fee.
9. The annual license fee shall be paid to the Authority in the same currency in which the service provider receives the payment from the contractor.

#### SCHEDULE I

(regulation 3)

#### Application for the Service Provider License

Name of the Applicant			Local/Resident Foreign/Non-resident	<input type="checkbox"/> <input type="checkbox"/>
Address				
E-mail				
Telephone No.			Fax	
Name and address of Proprietors/Parties				
Company incorporated No. or National Identity Card				
Business Registration No.				
Goods or Services to be provided (Title of the Contract)				

Contract Number and the Value (US\$)	
Name of the Principal Contractor	
Signature and details of Authorized Representative	
Signature	: .....
Name	:
Designation	:
Telephone	:
Fax	:
E-mail	:
Date	:
Name and Contact details of the Sri Lankan Agent if any :	
Application form must be accompanied by the following documents :	
<p>(a) Detailed company or individual profile, including contact details;</p> <p>(b) Quality, Health, Safety and Environment statement, along with policies or records if applicable;</p> <p>(c) Copy of Certificate of Incorporation or National Identity Card;</p> <p>(d) Copy of Letter of Award issued by the Contractor, listing the proposed scope of work.</p>	
Please note that all documents need to be submitted in English.	
Application together with payment shall be made as per the directions of the Director General of the Authority, on dg@pdasl.gov.lk or postal address :	
<p>Director General, Petroleum Development Authority of Sri Lanka, Level 6, Ceylinco House, Janadhipathi Mawatha, Colombo 01, Sri Lanka.</p>	
Tel : 94 11 2332002 Fax : 94 11 2332003	
Email : <a href="mailto:dg@pdasl.gov.lk">dg@pdasl.gov.lk</a>	

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SCHEDULE II

(regulation 5)

The annual fee payable for the issuance of a license shall be as follows :-

Contract Value	Applicable License Fee/per Year
Up to US\$ 100,000	US\$ 100
>US\$ 100,000 and<= US\$ 500,000	US\$ 500
>US\$ 500,000 and<= US\$ 1000,000	US\$ 1000
Above US\$ 1000,000	US\$ 2500

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