

**Presidential Legislative Decree No. 5/17
of May 18**

Considering that the Angolan Government, through the National Concessionaire, intends to increase the level of knowledge on the petroleum blocks located in the Angolan geological basins, thus promoting the additional development of discovered petroleum resources, whether in large or in small accumulations;

Taking into account that, for such purposes, it is necessary to set up mechanisms for expanding the aforesaid geological knowledge on the Angolan basins and, as a result, increasing the production levels of the Country, without prejudice to the provisions of Law No. 10/04, of 12 November 2004, the Petroleum Activities Law, and ancillary legislation;

The President of the Republic, pursuant to the legislative authorization granted by Parliament pursuant to law 7/18 of May 10 on Legal Regime applicable to Additional Exploration Rights in Development Areas of Petroleum Concessions, and pursuant to Articles 125.1 (d), 161 and 171 of the Constitution of the Republic of Angola, decrees the following:

**ARTICLE 1
(Purpose)**

This Presidential Legislative Decree sets forth the terms and conditions applicable to Additional Exploration Activities within Development Areas of Petroleum Concessions.

**ARTICLE 2
(Scope)**

1. This Presidential Legislative Decree applies to additional exploration activities to be carried out within Development Areas where the exploration of additional resources is possible.
2. This diploma constitutes an exception to the General Regime of Petroleum Activities, and must be interpreted with the appropriate adaptations.

**ARTICLE 3
(Definitions)**

For purposes of this diploma, the terms and expressions used herein shall have the meaning ascribed to them in the Legislation in force, notably the Petroleum Activities Law 10/04 of November 12, the Law on Taxation of Petroleum Activities 13/04 of December 24, and Decree 1/09 of January 27 on Regulation of Petroleum Operations, save as defined below:

- (a) «**Area**» means the surface area determined by the geographical coordinates of a Development Area or a Field within a Concession Area, as applicable, without vertical and/or stratigraphic limitations, in respect of which studies show that they have exploitation potential, as described in Article 2 of this diploma;

- (b) «**Agreement**» means the Production Sharing Agreement, the Association Contract or the Risk Services Agreement;

ARTICLE 4 **(Exploration within Areas)**

1. The purpose of Exploration in Areas is to foster the discovery of additional resources with a view to maximizing the Production levels.
2. The resources discovered within the Areas shall be aggregated to the existing Development Area. If the aggregation of such resources is not commercially viable pursuant to the terms of the Agreement, the National Concessionaire and the Contractor Group shall, by agreement, endeavour the necessary efforts so that such resources are explored pursuant to the existing legal and/or contractual terms.
3. If part of the resources discovered in one or more deposits extends beyond the Area within the Concession Area, then the existing Development Area must be re-demarcated in order to include all the resources discovered, provided that such resources are not covered by another Agreement in force. If the aggregation of such resources is not economically viable pursuant to the Agreement, the National Concessionaire and the Contractor Group shall, by agreement, endeavour the necessary efforts so that such resources are explored pursuant to the existing legal and/or contractual terms.

ARTICLE 5 **(Cost recovery and deduction)**

1. All the expenses incurred in connection with petroleum exploration activities within the Areas are deemed exploration costs and shall be recovered from existing and/or future petroleum Production in any Development Area, pursuant to the terms of the relevant Agreement, provided that new resources are discovered.
2. If there is no cost oil available to recover the aforesaid expenses, then the National Concessionaire and the Contractor Group or Consortium shall, by agreement, endeavour the necessary efforts to enable the full recovery of the exploration expenses in the relevant Concession, during the term of the Agreement and in accordance with applicable law.

ARTICLE 6 **(Production sharing)**

1. The sharing of profit oil in Production Sharing Agreements, or the FEE payment in Risk Service Agreements, shall be made in accordance with the respective Agreement.
2. Notwithstanding the preceding paragraph, the National Concessionaire and the Contractor Group or Consortium shall endeavour the necessary efforts to enable commercial development of any new discoveries.

**ARTICLE 7
(Procedures)**

1. The operator must submit to the National Concessionaire a request for carrying out exploration activities in a given Area.
2. The National Concessionaire shall be responsible for submitting to the Head of the Ministerial Department responsible for the Petroleum Sector, for approval, the duly grounded report determining the Area(s) proposed by the Contractor Group or Consortium.
3. The Head of the Ministerial Department responsible for the Petroleum Sector shall, within thirty (30) days, approve the carrying-out of exploration activities in the Area.
4. Exploration activities carried out in Areas under this statute are not subject to any minimum or fixed work obligations requirements, nor to the payment of any bonus or contribution.

**ARTICLE 8
(Tax, foreign exchange and customs regime)**

1. The Tax, Foreign Exchange and Customs Regime set forth in the applicable legislation and in the respective Agreements shall apply to the activities carried out pursuant to this Statute.
2. In the event of marginal discoveries, the specific legislation on this matter is applicable.

**ARTICLE 9
(Repeal)**

All legislation contrary to the provisions of this Statute, notably Presidential Legislative Decree No. 211/15, of 2 December, is hereby repealed.

**ARTICLE 10
(Doubts and omissions)**

Any doubts and omissions resulting from the interpretation and application of this Statute shall be resolved by the President of the Republic.

**ARTICLE 11
(Entry into force)**

This Presidential Legislative Decree shall enter into force on the date of its publication.

Reviewed by the Council of Ministers, in Luanda, on February 8, 2017.

Be it published.

Luanda, 17 May 2017.

The President of the Republic, JOÃO MANUEL GONÇALVES LOURENÇO.