

**Decree no. 9471 dated 24 June 2022**

**Petroleum Register System and Rules and Procedures for Mortgaging and  
Transfer of Petroleum Rights**

(Unofficial Translation)

**The President of the Republic:**

Considering the Lebanese Constitution,

Considering the Law no. 132 dated 24/8/2010 (Offshore Petroleum Resources Law), Articles 10 (h), 50, 51, 52, 53 and 70 in particular,

Considering the Law no. 84 dated 10 October 2018 (Enhancing Transparency in the Petroleum Sector) Articles 9 and 10 in particular,

Considering the Decree no. 7968/2012 dated 7/4/2012 (Petroleum Administration), Article 9 in particular,

Considering the Decree no. 10289/2013 dated 30/4/2013 (Petroleum Activities Regulation), Articles 4 and 22 in particular,

Considering the Decree no. 43/2017 dated 19/1/2017 (Tender Protocol and Exploration and Production Agreement for Petroleum Activities), amended by Decree no. 4918 dated 6/6/2019, Articles 34 and 36 of the Model Exploration and Production Agreement in particular,

Considering the proposal of the Minister of Energy and Water,

And after reviewing the opinion of the Ministry of Finance as per article 52 of the Offshore Petroleum Resources Law,

And considering the opinion of the Petroleum Administration based on its Board Minutes of Meeting no.7/2021 dated 3/3/2021,

And after consulting the State Council (Opinion no. 232/2021-2021 dated 15/12/2020),

And following the approval of the Council of Ministers dated 23/03/2022,

Enacts the following:

## **Chapter 1 – Introductory provisions**

### **Article 1: Definitions**

In addition to definitions included in the Offshore Petroleum Resource Law, the following definitions shall apply unless the context otherwise requires:

**“Right Holder”** means any joint-stock company which in participating in Petroleum Activities pursuant to the Law no. 132/2010 through an Exploration and production Agreement or a Petroleum License that permits it to work in the petroleum sector.

**“Exclusive Petroleum Right”** means a Petroleum Right (as such term is defined in the Law no. 132/2010 Offshore Petroleum Resources Law) awarded pursuant to the Offshore Petroleum Resources Law Article 12, and includes construction, placement and operation of Transportation or storage Facilities pursuant to the Offshore Petroleum Resources Law Article 31, paragraph 1.

**“Participating Interest”** means the undivided percentage portion of each Right Holder in the assets, rights, privileges, duties, obligations and liabilities derived from this EPA.

**“Facility License”** means a license awarded for the construction, placement and operation of Transportation and storage Facilities pursuant to the Offshore Petroleum Resources Law Article 31, paragraph 2;

**“Reconnaissance License”** means a license awarded by the Minister to conduct reconnaissance activities pursuant to Article 11 of the Offshore Petroleum Resources Law and Article 13 of the Decree no. 10289/2013;

**“Registrable Petroleum Right”** means every Exclusive Petroleum Right, or Participation Interest in this right or Reconnaissance License or Facility License:

**“Registrar”** means the member of the board of directors of the Petroleum Administration acting as the Head of the Legal Department at the Petroleum Administration;

**“Entity”** means any partnership, joint stock company, corporation, company or any other legal entity or association, whether incorporated or unincorporated, and all references to an ‘Entity’ shall include such Entity’s successors and permitted assigns;

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"**directly**" means, without limitation, with respect to (i) a Person's ownership or Control of a Petroleum Right, Entity or other asset, ownership or Control held or exercised in such Person's own name or (ii) any action, right or obligation exercised or undertaken by a Person, the exercise or undertaking of such action, right or obligation in such Person's own name, and the term "direct" shall be construed accordingly;

"**indirectly**" means, without limitation, with respect to (i) a Person's ownership or Control of a Petroleum Right, Entity or other asset, ownership or Control held or exercised by or on behalf of such Person through one or more intermediaries or (ii) any action, right or obligation exercised or undertaken by or on behalf of a Person, the exercise or undertaking of such action, right or obligation through one or more intermediaries, and the term "indirect" shall be construed accordingly;

"**Owner**" means, with respect to any Entity, any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares:

- (i) voting power with respect to the Entity, which includes the power to vote, or to direct the voting of, any shares or other similar rights or interests in the Entity; and/or
- (ii) investment power with respect to the Entity, which includes the power to dispose, or to direct the disposition of, any shares or other similar rights or interests in the Entity;

and the terms "**owns**" and "**ownership**" shall be construed accordingly; provided, however, that:

- (iii) any Person who creates or uses a fiduciary contract, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose or effect of divesting such Person of the ownership of shares or other similar rights or interests in an Entity or preventing the vesting of such ownership as part of a plan or scheme to evade the reporting requirements of this Decree shall be deemed an owner of such shares or other similar rights or interests; and
- (iv) a Person shall be deemed to be the owner of any shares or other similar rights or interests in an Entity if such Person has the right to acquire, directly or indirectly, ownership of such shares or other similar rights or interests within sixty (60) days, including but not limited to any right to acquire: (A) through the exercise of any option, warrant or right; (B) through the conversion of shares or other similar rights or interests in the form of debt or otherwise; (C) pursuant to the power to revoke a fiduciary contract, discretionary account, or similar arrangement; or (D) pursuant to the automatic termination of a fiduciary contract, discretionary account or similar arrangement;

**"Beneficial Owner"** means, with respect to an Entity, a natural person who ultimately directly or indirectly:

- (i) owns in the aggregate 5 % (five percent) or more of the shares, voting rights or other ownership interests in such Entity; or
- (ii) Controls such Entity;

provided that where no single natural person meets the criteria in (i) or (ii) of this definition, the 5 (five) natural persons holding the greatest percentage of direct or indirect ownership of the Entity shall each be considered a Beneficial Owner of such Entity;

**"Ultimate Parent Entity"** means, in relation to a group of Affiliated Entities, the Entity within such group that is not itself subject to Control by any other Entity

**"Control" means**, for the purposes of applying this Decree only, with respect to an Entity:

- (i) the direct or indirect ownership of in an aggregate 50 % (fifty percent) or more of the voting shares or voting rights of the Entity or the entitlement to, directly or indirectly, appoint a majority of the directors or equivalent management body of, or to direct the policies or operations of, the Entity; or
- (ii) the power to direct, administer and dictate, directly or indirectly, the policies or operations of the Entity even where the voting shares or voting rights held by the Person exercising such power is less than 50 % (fifty percent);

and the term **"Controlled by"** shall be construed accordingly;

**"Change of Control"** means, for the purposes of applying this Decree only, with respect to a Right Holder, any direct or indirect change of (i) the Ultimate Parent Entity that owns or Controls such Right Holder or (ii) any Beneficial Owner of such Ultimate Parent Entity, through a single transaction or a series of related transactions.

**"Affiliated Company"** means a company that Controls the legal person to which it is directly or indirectly related, or that is subject, whether directly or indirectly, to the Control of this latter, or that is under common Control with such specified company, to a third company

**"Signing Affiliate"** means an Affiliate formed by a Right Holder that is awarded a Petroleum Right to enter into an Exploration and Production Agreement; provided, that any such Affiliate must be:

- (i) directly or indirectly Wholly-Owned by the Right Holder, or Wholly-Owned by the Right Holder pursuant to the exception stipulated in Article 25 of this Decree, or partly owned by the Right Holder pursuant to Article 25 of this Decree.
- (ii) under the Control of the Right Holder.

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**"Wholly-Owned"** or "means with respect to any Entity", if a Person owns all of the shares or other similar rights or interests in such Entity, with the exception of any shares required to be held by directors of the owned Entity or by a minimum number of other shareholders, in both cases in accordance with the company law of the jurisdiction in which such owned Entity is organized, but only to the extent strictly required by such law and only to the extent such shares do not represent more than 1 % (one percent) of the capital of the owned Entity.

**"Wholly-Owned Affiliate"** means, with respect to an Entity (referred to in this definition as the first Entity), an Affiliate of such first Entity that directly or indirectly: (i) is Wholly-Owned by that first Entity, (ii) Wholly Owns that first Entity, or (iii) is Wholly-Owned by a second Entity that also Wholly Owns such first Entity, subject to the requirement for the total shares contained in the definition of "wholly owned" or "wholly owned".

**"Registered Affiliated Entity"** means, with respect to a Right Holder, an Affiliated Entity registered pursuant to this Decree that (i) is a Wholly-Owned Affiliate or a Signing Affiliate and (ii) through which the Ultimate Parent Entity directly or indirectly owns an interest in such Right Holder;

**"Area"** shall have the same meaning as in the Law no. 132/2010 Offshore Petroleum Resource Law; provided, however, that a 'Block' as such term is defined in the Exploration Production Agreement for Petroleum Activities shall constitute an 'Area' for purposes of this Decree;

**"Commercial Register"** means the register established in each court of first instance under the Code of Commerce, in which foreign companies and branches are registered.

**"Person"** means a natural person or an Entity;

**"Executive"** means, with respect to an Entity, a director or executive officer (or equivalent thereof) of such Entity;

**"Politically Exposed Person"** means any natural person assigned to him in the past or currently holding senior public duties in the State or in any of its institutions or entities emanating from it, or in any foreign country. This definition includes heads of State or Government, senior politicians, or government officials or Parliament officials or judicial officials or military officials or diplomats or senior executives. and members of the boards of directors of state-owned companies and their supervisory bodies and prominent officials of the parties, political associations and international organizations, and anyone who has any personal, family, legal or practical close relationship with these persons and anyone who is acting on their behalf as a reality or officially or any person or group of persons is determined by a Council of Ministers Decree made on the basis of a proposal by the Minister based upon the opinion of the Petroleum Administration.

**"Minister"** means the Minister of Energy and Water;

**"LPA"** means the Lebanese Petroleum Administration;

**Article 2: The Petroleum Register**

1. The Petroleum Register is a register to record Registrable Petroleum Rights and any direct or indirect changes related to these Registrable Petroleum Rights or such additional information as may otherwise be required by the Minister based upon the opinion of the Petroleum Administration when required
2. The information contained in the Petroleum Register shall be publicly available, including electronically via internet, and any Person may request a printout certificate of records from the Petroleum Register.
3. The Petroleum Register shall be established and maintained at the Petroleum Administration.

**Article 3: Data Registration**

1. The Petroleum Register shall be maintained by means of electronic data processing. A journal shall be kept by taking a hard-copy printout at the end of each work day, if one or more registrations have been made to the Petroleum Register during such day. The hard-copy printouts of the journal shall be kept together. In addition, copies of all supporting documentation submitted pursuant to this Decree and related correspondence to and from the Petroleum Administration shall be filed both electronically and physically.
2. The Registrar shall be responsible for setting the establishment underway and maintenance of the Petroleum Register.
3. In order to be registered electronically in the Petroleum Register, all data submitted or produced pursuant to this Decree shall be prepared by designated staff members of the Petroleum Administration for review and approval by the Registrar before the data is officially entered on the Petroleum Register and made accessible for third parties. If the Registrar is absent, the board of directors through a decision according to articles 13 and 14 of the Decree no. 7968/2012 (Petroleum Administration), shall assign the review and supervision task to another member of the board of directors for a designated period; provided that the Registrar may, upon his return from such absence, revoke any such assignment prior to the end of such designated period.
4. The Registrar shall at all times keep the board of directors of the Petroleum Administration informed of relevant and material issues pertaining to the Petroleum Register, according to monthly reports submitted to the Chairman of the Board of Directors who, in turn, must include these reports on the agenda of the first meeting of the Board of Directors to be held after the date of his notification of the report. Articles

13 and 14 the Decree no. 7968/2012 (Petroleum Administration) shall remain applicable.

## **Chapter 2 – Registration of Petroleum Rights**

### **Article 4: Registration of Exclusive Petroleum Rights, Facility Licenses and Reconnaissance Licenses**

1. The holders of registrable petroleum rights shall initiate the registration of their rights within a period of sixty days from the date of granting them the right.
2. All Exclusive Petroleum Rights and Facility Licenses awarded shall be registered in the Petroleum Register. Each Exclusive Petroleum Right and Facility License shall constitute a separate register unit with separate sequential referencing for the two categories.
3. All Reconnaissance Licenses awarded shall be registered in the Petroleum Register for information and transparency purposes. Each Reconnaissance License shall be referenced sequentially and shall have a separate register unit.
4. The Registrar shall register each new Exclusive Petroleum Right, Facility License and Reconnaissance License following award of the petroleum rights and upon receipt of all documentation required pursuant to this Decree, at to pursue the Registrar functionally in the event that the legal conditions are met.

### **Article 5: Information of the Petroleum Register**

1. The Petroleum Register shall contain the following information for each Exclusive Petroleum Right and Facility License awarded:
  - a) The Exclusive Petroleum Right or Facility License according to Article 4 paragraph 1 of this Decree; and the sequential references to register those rights.
  - b) date of award of the Exclusive Petroleum Right or Facility License and its duration;
  - c) present Area and previous Area of the Exclusive Petroleum Right, including the coordinates of each Area;
  - d) the coordinates for identifying the location of Transportation or storage Facilities or other Facilities related to an Exclusive Petroleum Right or a Facility License;

e) information regarding the identity of present and previous Right Holders Right or Facility License, including if such Right Holders are Signing Affiliates, and the present and previous percentage of the participating interests of each Right Holder in an Exclusive Petroleum Right or for the ownership of a Facility License for the owners of this license.

f) identification of each participating interest classified as a State Participation interest pursuant to Offshore Petroleum Resources Law Article 6, if any, and the size of any such participating interest;

g) information regarding:

(i) the identity of the Ultimate Parent Entity of each Right Holder of an Exclusive Petroleum Right, each Affiliated Entity through which the Ultimate Parent Entity directly or indirectly owns interests` in the aforementioned Right Holder, and the corresponding nature and percentage of ownership of each Affiliated to the Right Holder;

(ii) the identity of each Beneficial Owner of a Right Holder and the nature or amount of ownership or Control held by such Beneficial Owner of such Right Holder;

(iii) the identity of each Executive of each Entity referenced in Paragraph (i) (g) of this Article and the nature and percentage of ownership of the Right Holder, if any, held by such Executive;

(iv) the identity of each Politically Exposed Person who directly or indirectly owns benefits in the Right Holder and the corresponding nature and percentage of ownership;

provided that, with regards to any natural person, such information shall include the name, nationality and country of residence, national identity number, date of birth, address for service and means of contact for such person, as well as a declaration as to whether or not such person is a Politically Exposed Person;

h) name of the Operator;

i) any mortgage registered over the Exclusive Petroleum Right or Facility License or a participating interest in these Registrable Petroleum Rights, including the amount, the mortgagee and the date and time of the registration of the mortgage; and

j) any notice or warning issued pursuant to Article 11 of this Decree;

2. The Petroleum Register shall contain the following information for each Reconnaissance License awarded:

- a) information regarding the identity of the holder of the Reconnaissance License and the management of the operations;
- b) the date of award of the Reconnaissance License and its duration;
- c) the vessel or craft used for the Reconnaissance activity and information required by the Petroleum Administration to fulfil the information duty pursuant to Article 19 of the Decree no. 10289/2013 (Petroleum Activities Regulations);
- d) area and timing of any planned or ongoing Reconnaissance activity; and
- e) any notice or warning issued pursuant to Article 11 of this Decree.

3. In the case of an Entity listed on a stock exchange or other regulated market that maintains disclosure requirements concerning ownership or other information that are (i) consistent with the requirements of this Article and (ii) publicly available on the official website maintained by or on behalf of such exchange or other regulated market, the Minister may, after requesting the opinion of the Petroleum Administration, permit a Right Holder or other Person to satisfy the information requirements of this Article by reference to the disclosures on such website, including a link to the filing or source document or material where the required information appears. The above-mentioned provisions shall be applicable in the event that such change occurred as a result of the acquisition of shares in an Entity listed on a public stock exchange or the merger or union of any Entity listed on a public stock exchange with any other Entity.

4. The Minister may, from time to time and after requesting the opinion of the Petroleum Administration, determine that further information shall be required to be included in the Petroleum Register, as well as the particular form in which information to be included.

**Article 6: Registration certificate**

The registration certificate related to an Exclusive Petroleum Right or to a Facility License shall be delivered to the person specified in the Petroleum Registry as Right Holder or the owner of a Facility License. In the event an Exclusive Petroleum Right of A Facility License have been awarded to a group of Right Holders or Facility License owners, the registration certificate related to this right or to this License shall belong to the group, while the Registrar gives each Right Holder in his personal capacity an independent certificate related to his participation interest in the Exclusive Petroleum Right or in the Facility License.

**Chapter 3 – Notification duty**

**Article 7: Notification duty for Exclusive Petroleum Rights and Facility Licenses**

1. The Holder of an Exclusive Petroleum Right (Right Holder) or the owner of a Facility License shall submit a notification in writing to the Registrar upon the occurrence of any of the following events:
  - a) change of Operator pursuant to Articles 20 and 31 (g) of the Law no. 132/2010 (Offshore Petroleum Resources Law) and;
  - b) extension of the Exclusive Petroleum Right pursuant to Article 21 of the Law no. 132/2010 (Offshore Petroleum Resources Law);
  - c) surrender of the Exclusive Petroleum Right to the state pursuant to Article 25 of the Law no. 132/2010 (Offshore Petroleum Resources Law);
  - d) mortgaging of an Exclusive Petroleum Right or a Facility License or participating interest in these Registrable Petroleum Rights pursuant to Article 50 of the Law no. 132/2010 (Offshore Petroleum Resources Law) or any transfers, re-mortgaging or establishment of other encumbrances as listed in Article 53, paragraph 2 of the Law no. 132/2010 (Offshore Petroleum Resources Law);
  - e) any direct or indirect issuance, transfer, sale, assignment, encumbrance, hypothecation, pledge, disposal, or other creation of rights relating to all or part of an Exclusive Petroleum Right or Facility License or participating interest in these Registrable Petroleum Rights, including to a Wholly-Owned Affiliate, and other arrangements directly or indirectly changing the distribution of the Right Holders' participating interest in the Right Holder concerning an Exclusive Petroleum right pursuant to Article 70 paragraph 1 of the Law no. 132/2010 (Offshore Petroleum Resources Law) or the assignment of any right in a company holding a Petroleum Right pursuant to Article 70 paragraph 2 of the Law no. 132/2010 (Offshore Petroleum Resources Law), for an Exclusive Petroleum Right, and in accordance with applicable provision(s) concerning any direct or indirect assignment in the relevant Exploration and Production Agreement for Petroleum Activities, including any direct or indirect change in ownership of such Right Holder;
  - f) any approval by Council of Ministers of any assignment to all or part of of an Exclusive Petroleum Right and approval by Council of Ministers of any assignment of any right in a company holding an Exclusive Petroleum Right pursuant to Article 70 paragraphs 1 and 2 of the Law no. 132/2010 (Offshore Petroleum Resources Law) any Change of Control which is an assignment of any right in any Entity holding an Exclusive Petroleum Right or participating interest thereof pursuant to Article 70 paragraph 2 of

the Offshore Petroleum Resources Law) and in accordance with applicable provision(s) concerning any direct or indirect assignment in the relevant Exploration and Production Agreement for Petroleum Activities Law and in accordance with applicable provision(s) concerning the assignment in the relevant Exploration and Production Agreement;

- g) any direct or indirect change in the Beneficial Owners in the Right Holders including nature and percentage of the ownership or the Control or otherwise of the Ultimate Parent Entity of the Right Holder, if any, or any Affiliated Entity of such Ultimate Parent Entity included in the Petroleum Register;
- h) any direct or indirect change in (i) the Beneficial Owners of a Right Holder, including any change in the nature or amount of ownership or Control held by a Beneficial Owner of the Right Holder or (ii) a Politically Exposed Person's ownership of a Right Holder, including any change in the nature or amount of such Person's ownership interest in the Right Holder;
- i) any direct or indirect transfer of ownership or right of use of a Facility pursuant to Article 70 paragraph 3 of the Law no.132/2010 (Offshore Petroleum Resources Law);
- j) the revocation of the Exclusive Petroleum Right or Facility License pursuant to Article 71 of the Law no.132/2010 (Offshore Petroleum Resources Law);
- k) a change of name or location of head office of any Entity having rights or obligations registered in the Petroleum Register;
- l) a change, including any appointment, removal or resignation, of an Executive of the Right Holder, its Ultimate Parent Entity, if any, or any Affiliated Entity registered in the Petroleum Register;
- m) any changes in the Area covered by an Exclusive Petroleum Right pursuant to Article 24 of the Law no.132/2010 (Offshore Petroleum Resources Law); and
- n) such other events as the Minister may determine and after requesting the opinion of the administration

2. In the case of change of the name or location of head office of any Entity having rights or obligations registered in the Petroleum Register or the head office of the initial Right Holder or the Wholly-Owned Affiliated Company, the Registrar shall be notified promptly following the completion date of the procedures related to the change of name or location of head office at the Ministry of Economy and Commerce and the Commercial Register.

3. the Registrar shall be notified with any transfer or (surrender) of a Registrable Petroleum Right as stated in 7.1(e) of this Article after the transfer or surrender has been entered into and signed by the parties involved and completed all necessary actions and approvals required pursuant to the Law no. 132/2010 (Offshore Petroleum Resources Law) and the provisions for transfer and assignment of the relevant Exploration and Production Agreement.

4. Events subject to notification regarding a Registrable Petroleum Right, other than those specified in paragraphs 2 and 3 of this article, shall be notified to the Registrar within seven (7) business days following the date of the relevant event giving rise to such notification obligation, or within seven (7) business days following the date of the correspondent notification of any required approval obtained by relevant authorities related to such an event. The date shall be used as a starting point for these deadlines.

5. Any changes regarding a Registered Petroleum Right that are subject to the notification duty under this Article shall be registered in the Petroleum Register. Such change shall not be effective towards third parties until the said registration has been made.

6. Any direct or indirect issuance, transfer, sale, assignment, encumbrance, hypothecation, pledge, disposal or creation of other rights relating to all or part of the shares (or equivalent thereof) or any rights therein, including, without limitation, any of the type of rights conferred to the holder of such shares described in Article 105 of the Lebanese Code of Commerce (such as such holder's right to receive payment of dividends, or of pre-emption in the event of a capital increase, or to receive a return of the nominal amount paid on a share and to the apportionment of company's assets, or to vote at general meetings, and or of transfer of share's ownership, or any direct or indirect change in ownership of a Right Holder and Signing Affiliate, shall only be registered pursuant to this Decree after obtaining the approval of the Council of Ministers granted on the basis of a proposal by the Minister based after requesting the opinion of the Petroleum Administration. In the event of the absence of such approval, such Registered Affiliated Company shall remain a Wholly-Owned Affiliate or a Wholly-Owned Signing Affiliate (as applicable) for the duration of the term of the relevant Exploration Production Agreement for Petroleum Activities

**Article 8 Required documentation for registration**

The Right Holder shall submit the following documentation together with the notifications pursuant to Article 7 of this Decree:

- a) Upon notification given pursuant to Articles 7.1(a) (change of operator) and 7.1(b) (extension of an Exclusive Petroleum Right) of this Decree: documentation of the approval of such change or extension by the Council of Ministers.
- b) Upon notification given pursuant to Article 7.1(c) (surrender) of this Decree: documentation from the Petroleum Administration and the Ministry of Finance evidencing that all financial obligations due to the State in respect of the Exclusive Petroleum Right to be surrendered, including all taxes, have been paid.
- c) Upon notification given pursuant to Article 7.1(k) (change of name or head office) of this Decree: a certified extract of the Commercial Register or a certified certificate from this register, certificate of registration, certificate of incorporation or other relevant constituent document from that Entity's jurisdiction of incorporation evidencing the change of that Entity's name.
- d) Upon notification given pursuant to Article 7.1(d) (mortgaging):
  - (1) an original mortgage document and a copy thereof, and, concerning transfer of a mortgage, an original of the transfer of mortgage document and a copy thereof;
  - (2) document evidencing that the mortgage contract and transfer of mortgage has been signed by an authorised signatory of the mortgagor; provided that all document(s) evidencing such authority shall be formalised in accordance with the requirements of Lebanese law;
  - (3) a certified extract of the Commercial Register or a certified certificate from this register, certificate of registration, certificate of incorporation or other relevant constituent documents from the relevant jurisdiction of incorporation for the mortgagor; and
  - (4) documentation evidencing that the approval from the Minister in respect of the event under Article 7.1(d) giving rise to such notification obligation has been obtained.
- e) Upon notification given pursuant to Articles 7.1(e), or (g), or (h) or (i) (transfers of ownership or other changes):
  - (1) Transfers of ownership:
    - i. in the case of a private transfer, a copy of the share purchase agreement or other documentation evidencing the transfer, or in the case of a transfer effected on a

stock exchange or other regulated market by means of a broker, documentation evidencing the price and terms of transfer;

ii. a certified extract of the Commercial Register or a certified certificate from this register, certificate of registration, certificate of incorporation or other relevant constituent document from the relevant jurisdiction of incorporation for the transferor;

iii. evidence that the transfer has been approved by an authorised Person of each of the transferor and transferee; provided that the document(s) evidencing the authority of such Persons shall be formalised in accordance with the requirements of Lebanese law; and

iv. the approval by the Council of Ministers granted on the basis of a proposal by the Minister based upon the opinion of the Petroleum Administration to such transfer; or

(2) Documentation attesting to any changes to the information required to be presented in respect of a natural person pursuant to Article 5(g).

f) Upon notification given pursuant to Article 7.1(f) (surrender) of this Decree:

(1) a copy of the share purchase agreement regulating the surrender of shares;

(2) a copy of the share register or equivalent relevant for the transaction including the names of all Beneficial Owners;

(3) a copy of any relevant shareholder's agreement that has an effect on the Control of the Right Holder; and

(4) documentation evidencing that the approval from the Council of Minister to such Change of assignment has been obtained.

(g) Upon notification given pursuant to Article 7.1(j) of this Decree (revocation): a copy of the decision by Council of Ministers to revoke the Exclusive Petroleum Right or Facility License, as applicable.

(h) Upon notification given pursuant to Article 7.1(m) (change of Executive):

(1) a copy of the register of directors and officers of the Right Holder or its Ultimate Parent Entity, if any, including the names of all Executives; and

(2) a certified copy of any filing made with the relevant jurisdiction of incorporation for the Right Holder or its Ultimate Parent Entity, if any, in connection with such change of Executives.

(i) Upon notification given pursuant to Article 7.1(n) (Area change) of this Decree:

(1) A copy of relinquishment notification given to the Petroleum Administration;

(2) coordinates of the Area before and after relinquishment; and

(3) a map of the remaining Area after relinquishment in a format acceptable to the Registrar.

The Minister may require any additional documentation by a decision based on the opinion of the Petroleum Administration.

(4)

**Article 9: Notification duty for Reconnaissance License**

1. The holder of a Reconnaissance License shall submit a notification in writing to the Registrar upon the occurrence of any of the following events:

a) the extension of the duration of the Reconnaissance License;

b) identification of the vessel or crafts that will carry out the Reconnaissance at any time;

c) information regarding details of how the Reconnaissance activity will be carried out at least seven (7) business days prior to the commencement of such activity, including:

(i) Exact time and place of operations to be performed;

(ii) The name and speed of vessel or craft performing the activity;

(iii) length of any towed equipment, including seismic survey cables; and

(iv) size and location of any placed equipment;

d) information when any Reconnaissance activity specific in paragraph (c) above has continued beyond the original time schedule or when such activity is completed;

e) cancellation of the Reconnaissance License; and

f) such other information as the Minister may determine when required after requesting the opinion of the Petroleum Administration.

2. Events and changes subject to notification regarding a Reconnaissance License, other than those specified in Paragraph 8.1(c) , shall be notified to the Registrar within seven (7) business days following the date of the relevant event or change giving rise to such notification obligation, or within seven (7) business days following the date on which any required approval by relevant authorities in respect of such event or change has been obtained legally and realistically enforceable.

3. Changes regarding a Reconnaissance License which are subject to the notification duty under this Article shall be registered by the Registrar in an electronic register and be made publically available via the internet.

4. Any changes regarding a Registrable Petroleum Right or registered in the Petroleum Register that are subject to the notification duty under this Article 8 shall be registered in the Petroleum Register. Such change shall not be effective towards third parties until the said registration has been made.

**Article 10: Required documentation for Reconnaissance License**

The holder of a Reconnaissance License shall fill out the forms approved by the Petroleum Administration and submit the following documentation together with the notifications pursuant to Article 9 of this Decree:

- a) Upon notification given pursuant to Article 9.1(a) of this Decree: documentation of the decision by the Minister to extend the duration of the Reconnaissance License:
- b) Upon notification given pursuant to Articles 9.1(b), (c) and (d) of this Decree: a copy of the form(s) approved by the Petroleum Administration; and
- c) Upon notification given pursuant to Article 9.1(e): copy of letter whereby the Reconnaissance License is cancelled by the Licence Owner or the relevant authorities, as applicable.

The documentation required to be provided pursuant to this Article may be updated when required by the Minister after requesting the opinion of the Petroleum Administration

**Article 11: Breach of the notification duty**

1. In the event that the Registrar becomes aware that the holder of a Registrable Petroleum Right is in breach of the notification duty pursuant to the provisions of this Decree, the Registrar shall send a notice to him allowing fifteen (15) business days to fulfil the notification duty. If the holder of this right does not fulfil its notification duty by the end of such fifteen (15) business day period, the Registrar shall send the holder of this right a warning granting him another seven (7) business days to fulfil the notification duty with an indication of the consequences of violating this obligation.
2. If the holder of a Registrable Petroleum Right does not fulfil its notification duty by the end of such seven (7) business day period stipulated in paragraph 1 of this article, such failure shall constitute a repeated violation for purposes of Article 71 of the Law 132/2010 (Offshore Petroleum Resources Law).
3. In the event of a breach of the notification duty by the holder of a Registrable Petroleum Right, the Registrar shall register information subject to the notification duty. The Petroleum Administration shall provide written notification of such registration to If the holder of a Registrable Petroleum Right.

**Chapter 4 – Registration of rights and mortgaging in specified Petroleum Rights**

**Article 12: Registration of document content** Documents content purporting to establish, change, transfer, encumber or repeal a right pertaining to an Exclusive Petroleum Right or Facility License or a participating interest in these Registrable Petroleum Rights shall be registered in the Petroleum Register.

**Article 13: Registration terms**

1. The rights established under the legal dispositions stipulated in Article 12 of this Decree shall not be registered in the Petroleum Register unless the person requesting the registration or the signatory of the document relating to the right to be registered is the legal representative of the Right Holder or the owner of the Facility License, or has the capacity or has obtained approval written by the Right Holder or owner of the Facility License.
2. No document may be registered before obtaining the necessary governmental approvals issued by the competent authority or authorities in accordance with Law No. 132/2010 (Offshore Petroleum Resources Law) and Decree No. 10289/2013 (Petroleum Activity Regulations).

**Article 14 – Mortgage document**

1. In the case of mortgaging of an Exclusive Petroleum Right or Facility License or participating interest in these Registrable Petroleum Rights, the mortgage document shall contain, at a minimum the following information:

- a) the type of Registrable Petroleum Right;
- b) the serial reference of the Registrable Petroleum Right;
- c) the size of the mortgagor's participating interest in the Registrable Petroleum Right;
- d) the name of the mortgagee and information regarding the debt obligations secured by the mortgage, including the purpose of said debt;
- e) the definite amount or maximum amount for the claim under the mortgage;
- f) the rights linked with the Registrable Petroleum Right and activities carried out pursuant to the Registrable Petroleum Right, that are comprised by the mortgage;
- g) the relevant rights, arising out of agreements entered into in connection with the Registrable Petroleum Right, that are comprised by the mortgage;
- h) in the event of mortgaging of a participating interest in a Registrable Petroleum Right, the size of the participating interest; and
- i) such other information that the Minister may, after requesting the opinion of the Petroleum Administration, require to be included in the mortgage document.

2. The mortgage of an Exclusive Petroleum Right or Facility License or a participating interest in these Registrable Petroleum Rights shall not be registered in the Petroleum Register only if the mortgage document is governed by Lebanese law and in accordance with the provisions of relevant Lebanese laws relating to the establishment of mortgage rights, and subject to the issuance and grant of all necessary Government approvals and consents by the relevant authority or authorities pursuant to Law no. 132/2010 (Offshore Petroleum Resources Law), Decree no. 10289/2013 (Petroleum Activities Regulations) or the Exploration and Production Agreement.

3. The absence of registration of a mortgage of an Exclusive Petroleum Right of Facility License or participating interest in the Petroleum Rights pursuant to this Decree shall not have any effect for the validity of the mortgage between the parties to the mortgage.

**Article 15 – Enforcement – forced sale**

1. A mortgage in an Exclusive Petroleum Right or a Facility License or a participating interest in these Petroleum Rights may only be enforced in accordance with Law no. 132/2010 (Offshore Petroleum Resources Law) Article 53 and the Lebanese rules of civil procedure. A decision by a competent tribunal to open a forced sale or an enforced receivership pending forced sale shall be registered on the register unit of the Exclusive Petroleum Right or Facility License or participating interest in these Petroleum Rights in accordance with Article 53 of Law no. 132/2010 (Offshore Petroleum Resources Law).

The Council of Ministers may pre-qualify any joint stock company (According to the meanings of Articles 1 and 15 of Law No. 132/2010) which expresses interest to purchase an Exclusive Petroleum Right or a Facility License or a participating interest in these Petroleum Rights.

2. Unless the forced sale results in a qualified joint stock company obtaining an Exclusive Petroleum Right or a Facility License or a participating interest therein, the following shall apply:

a) In the event of an enforced receivership of an Exclusive Petroleum Right or a Facility License or a participating interest in these Petroleum Rights pending forced sale, the competent tribunal shall appoint the receiver.

The rules regarding registration of Registrable Petroleum Rights stipulated in this Decree shall apply to the receivership, but shall be duly marked as a forced use or an enforced receivership. The forced use or enforced receivership shall not exceed two (2) years.

b) In the event that no qualified joint stock company purchases the Exclusive Petroleum Right or a participating interest thereof, and neither of the remaining Right Holders elects to acquire and assume the Exclusive Petroleum Right or participating interest thereof, then provisions of the related Exploration and Production Agreement concerning early termination and forced assignment shall apply.

**Chapter 5 – Registration procedures and effects of registration**

**Article 16: Registration Procedures**

1. Documents to be registered shall be submitted to the Petroleum Register during the official business hours of the Petroleum Administration. The documents shall be provided in both the Arabic and English language, and any translation of a document shall be performed by a sworn translator pursuant to Lebanese regulations. The time and date of receipt of any document for the Petroleum Register shall be noted.

2. The requesting person or his legal representative shall sign the application of registration and enclose the documents specified in Article 8 or Article 10. The documents should not contain more than that which can be registered. For certain registration categories or documents.

The Registrar may issue mandatory or optional forms in connection with certain registration categories or documents.

3. Documents received at the Petroleum Register shall be registered prior to 1200 noon on the same day the registration application is submitted. Documents arriving after 1200 noon may be registered at the beginning of the next business day

4. The Registrar shall register an extract of the document in the Petroleum Register in the register unit pertaining to the relevant Registrable Petroleum Right. The registration shall include the document serial reference given by the Registrar, the time and date of registration and which rights or changes in the Registrable Petroleum Right the document represents.

The provisions of Articles 5, 7, 9 and 18 of this Decree shall also apply.

5. The original documents submitted to be registered shall be endorsed with a confirmation of the registration and returned to the requesting person. Copies of the original document submitted and associated correspondence shall be kept at the Petroleum Register.

6. If requested, the Registrar shall give the requesting person a certificate evidencing the registration of the document in the Petroleum Register, such certificate shall include the document serial reference, the date of registration, the type of right registered and which right or change in the Registrable Petroleum Right the document represents.

7. If the Registrar finds that a document cannot be registered, the document shall be returned to the requesting person without registration and with a certificate and the decision of the Registrar shall be justified.

**Article 17: Legal effect of registration**

1. The records of the Petroleum Register have a probative force and such records constitute evidence of the authenticity of the documents and the rights contained therein towards third parties.

2. The records of the Petroleum Register prove the rights of the holders of Registrable Petroleum Rights registered therein as well as the rights of any other legal person holding any legal rights registered therein.

3. A right registered in the Petroleum Register relating to an Exclusive Petroleum Right or a Facility License or a participating interest in these Petroleum Rights shall have priority over any right that is not registered in the Petroleum Register.

If more than one right is registered on the same Exclusive Petroleum Right or Facility License or a participating interest in these Petroleum Rights, then the order of priority between them shall be determined by the time and date of registration, and the registration with the earliest date and time will take precedence over taking priority over any later registration.

The priority of a right registered in the Petroleum register may be changed by the holder of a Registrable Petroleum Right of a right in the Petroleum Register conceding priority to a right of lower priority pursuant to the applicable Lebanese laws and regulations.

**Chapter 6 – Deletion**

**Article 18: Deletion**

1. When the Registrar receives written notification from the holder of this right or relevant authority that a Registrable Petroleum Right has expired, is surrendered or revoked, the Registrable Petroleum Right shall be deleted from the Petroleum Register. The Registrar shall issue a certificate of deletion and the reason for its deletion shall be stated.

2. Deletion according to the first paragraph of this Article entails that any security or encumbrances over that Exclusive Petroleum right or participating interest in that registered Exclusive or Facility License are deleted.

3. If an Exclusive Petroleum Right or a Facility License or a participating interest in these Petroleum Rights is subject to a registered mortgage, the Registrar shall give the mortgagee notice in writing of revocation or surrender of the relevant registered Petroleum Right or participating interest therein as decided by the Council of Ministers, stating that the mortgage will be deleted if the mortgagor does not request a forced sale of the relevant Petroleum Right or participating interest therein within 15 (fifteen) working days from the date of registration of the revocation or surrender in the Petroleum Register.

If a forced sale is requested within the deadline specified in this paragraph, the Exclusive Petroleum Right or Facility License or a participating interest in these Petroleum Rights shall not be be revoked or surrendered and a new Exclusive Petroleum Right or Facility License or participating interest in such Petroleum Rights shall not be granted to the detriment of the mortgagee's rights.

4. The Registrar may exclusively, and other than what is stated in Paragraphs 1, 2 and 3 of this Article, delete the mortgage of an Exclusive Petroleum Right or Facility License or a participating interest in any of these rights, upon the requesting person providing evidence of the mortgagee's consent to the deletion, or satisfactory evidence, in the form of a res judicata court decision or otherwise, that the debt relating to the mortgage has been irrevocably paid.

5. Taking into account the provisions of paragraph (4) of "Owner's" definition" stipulated in Article 1 of this Decree, the Registrar shall delete the Petroleum Right that is registered in the Petroleum Register in accordance with the cases specified in Paragraph (4) of "Owner's" definition, in case it is not proven by the person who has the right registered in the Petroleum Register in his benefit the transfers of ownership of shares or other similar benefits in an Entity within a period of 90 (ninety) days from the date of registration in the Petroleum Register

**Chapter 7 – General provisions**

**Article 19: Registration errors**

1. A holder of a Registrable Petroleum Right, in case of a registration error in the records related to its rights, submit a correction request to the Registrar. If the Registrar agrees that there is a clear and manifest registration error, the records in the Petroleum Register shall be corrected and the Registrar shall issue a corrected registration certificate.
2. Promptly after becoming aware of any incorrect entry or other error made during registration in the Petroleum Register, the Registrar shall correct the error on his own initiative. The Registrar shall, within seven (7) working days of the correction, inform the affected holder of a Registrable Petroleum right in writing.

**Article 20: Records in violation of registration procedures**

A record that is registered with incorrect data or otherwise entered into the Petroleum Register in violation of the registration procedures pursuant to this Decree may be subjected to an objection, by any aggrieved person, pursuant to Article 21 of this Decree.

**Article 21: Objection**

- 1- The Registrar may be requested to reconsider his decisions, within a period of 7 (seven) working days from the date of notification

In the event that five working days have passed since the date of submitting the request for reconsideration without the aforementioned request being decided upon, an implicit decision of rejection is formed that is subject to objection before the board of directors of the Petroleum administration within five working days from the date of expiry of the five-day period specified for issuing the decision.

Explicit decisions issued by the Registrar regarding the application submitted to him are subject to objection before the Board of Directors of the Authority, within five working days from the date of notification.

- 2- The board of directors shall settle the objections submitted to it within a period of fifteen (15) working days, which shall be effective from the date of receiving the objection.

The board of directors of the Petroleum Administration may decide to accept or reject all or part of the objection

In the event that the Authority's Board of Directors does not take any position regarding the objection submitted to it, within the period specified above, an implicit decision to reject the objection is formed as a result.

3- Other than the written comments to the objections, the acting Registrar shall abstain from participating in the deliberations of the board of directors of the Petroleum Administration concerning such objections.

**Article 22: Appeal**

Explicit and implicit decisions of the board of directors of the Petroleum Administration may be appealed to the State Council in accordance with the provisions of Article 68 and 69 of the State Council's regulations.

**Article 23: Liability of the State**

The liability of the State for errors in registration is established on the basis of the general principles and rules governing the liability of public law persons.

**Article 24: Changes in Law**

Any reference to a law, decree, regulation, agreement or other document, including, without limitation, Law no. 132/2010 (Offshore Petroleum Resources Law), Decree no. 10289/2013 (Petroleum Activities Regulations), an Exploration and Production Agreement, shall mean ( Refer to these documents) as the same may be supplemented, amended or modified from time to time in accordance with its terms, and references to a specific article or section of such law, regulation, agreement or other document shall be construed as references to the relevant successor article or section of such supplemented, amended or modified law, regulation, agreement or other document.

**Article 25: Provisions regarding the ownership's shares of the Signing Affiliate**

The shares of the Signing Affiliate must be either:

1. Directly or indirectly wholly owned by an Individual Company. A company is deemed to be directly wholly owned by the Individual Company if the Individual Company owns directly 100% of the shares of the owned company. As an exception to the foregoing, if required by the law of the jurisdiction in which the owned company is organized, some of the owned company's shares may also be held by:

(a) the owned company's directors (pursuant to the legal requirement that a director also be a shareholder of the owned company) and/or

(b) such minimum number of other shareholders as are required for the owned company to be properly formed under the law of its jurisdiction of organization, in which case the owned company shall be deemed to be wholly owned by the Individual Company, but only if the shares held pursuant to paragraphs (a) and (b) represent the strict minimum number of shares required to meet the legal requirements in the owned company's jurisdiction of organization and do not represent more than 1% of the owned company's share capital.

2. A company is deemed to be indirectly wholly owned by the Individual Company if all of its shares are owned by the Individual Company or companies directly or indirectly owned by the Individual Company (subject to the limited exception set forth in paragraph 1 of this Article) or partly owned by the Individual Company, with all of the remaining shares in the Signing Affiliate owned by the state under whose laws the Individual Company is organized or agencies or instrumentalities of such State, or companies wholly owned by such state.

**Article 26: Other obligations of Rights Holders**

The requirement of registration in the register stipulated in this Decree does not exempt the Rights Holders from any other obligations stipulated by the applicable laws and regulations and any Exploration and Production Agreement.

**Article 25: Pre-Existing Petroleum Rights**

Any Registrable Petroleum Right existing prior to date on which this Decree comes into force shall be subject to this Decree and the holder of such Registrable Petroleum Right shall comply with the provisions of this Decree, including Articles 4 and 5, promptly following this Decree coming into force.

**Article 27: Entry into force**

This Decree shall come into force as of the date of its publication in the Official Gazette.

Baabda, the 24th of June 2022

Signature: Michel Aoun

Issued by the President of the Republic

Prime Minister

Signature: Mohamed Najib Mikati

Minister of Finance

Signature: Hsasan Khalil

Minister of Energy and Water

Signature: Walid Fayad