

Oil and gas regulation in Oman: overview

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DOMESTIC SECTOR

1. Describe the domestic sector and policy for onshore and offshore oil and gas, including liquefied natural gas (LNG) and unconventional/shale oil and gas.

Domestic industrial production

Oman is the largest oil and natural gas producer in the Middle East outside the Organization of the Petroleum Exporting Countries (OPEC). As of January 2014, Oman has 5.5 billion estimated proved oil reserves and 950 billion cubic metres of proved natural gas reserves.

Daily average production of crude oil and condensate has been hovering around 950,000 barrels per day (b/d), but is projected to increase to 970,000 b/d in 2015.

Oman aims to produce an average of 120 million cubic metres per day of gas over the next five years (2014 to 2018). In 2014, production was about 98 million cubic metres per day.

Enhanced oil recovery techniques have been fundamental in driving the recent increases in crude production, from a low of 714,000 b/d in 2007. Oman uses a significant portion of its natural gas production in oil extraction.

Oil and gas remains crucial to Oman's economy. In 2014, Oman's hydrocarbons sector accounted for about 79% of government revenues.

The import/export market

Oil. Oman exports most of its crude oil to the Far East. Oman exported 292 million barrels of crude oil in 2014 (about 4% down from 2013), with over half going to China. Oman is not a major exporter of refined petroleum products.

Oman does not import any crude oil, although it imports some refined petroleum products for use in the domestic market (about 130,000 b/d in 2013). Oman does not have any international oil pipelines: exports are shipped out of the country.

Gas. Oman exports LNG through liquefaction facilities based near Sur, a coastal town about 200km south-east of Muscat, with the majority of LNG exports going to Japan and South Korea. The liquefaction facilities are owned by Oman LNG and Qalhat LNG (the two companies have recently merged) and have a capacity of 10.4 million tonnes per year. Oman is a member of the Gas Exporting Countries Forum, an international government organisation comprised of the world's leading gas producers.

Oman currently imports 5 to 7 million cubic metres per day of natural gas from Qatar through the Dolphin pipeline, which runs from Qatar to Oman via the United Arab Emirates, with a plan to phase out such imports when the Kazzan tight gas field commences production in 2017.

Domestic market structure

State-owned companies produce the majority of Oman's oil and gas, although private sector participation is actively encouraged by the government.

State companies. There are the following state companies:

- Petroleum Development Oman (PDO) is the major player in Oman, producing the majority of the country's crude oil. It is 60% owned by the government and 40% owned by a consortium of international oil companies: Shell (34%), Total (4%) and Portugal's Partex (2%). PDO also accounts for nearly all of Oman's natural gas supply.
- Oman Oil Refineries and Petroleum Industries Company (ORPIC) controls Oman's refining sector. It owns both of Oman's operating refineries at Mina Al Fahal (in Muscat) and Sohar.
- Oman Gas Company is responsible for the country's natural gas transmission and distribution systems.
- Oman LNG operates Oman's three liquefaction trains near Sur. It is owned by a consortium composed of the government, Shell, Total and other investors.
- Oman Oil Company is responsible for pursuing investments in the energy sector both inside and outside of Oman. It has invested in a wide range of projects, including upstream oil and gas developments and power plants.

International oil companies. International oil companies play a major role in the petroleum industry in Oman, Occidental Petroleum being the second largest oil producer in Oman. Other major players with oil and gas interests in Oman include Shell, Total, Partex, BP, CNPC, KoGas and Repsol.

Government policy objectives

Oman has adopted and is implementing the Vision 20-20 plan. The plan is aimed at reducing the country's reliance on oil and gas production by diversifying the economy in the services, industrial and financial sectors. Promoting new industries outside the oil industry sector, expanding downstream oil capabilities such as petrochemicals, and developing new talent are key aspects of Oman's aim to cut the economy's US\$73 billion reliance on the hydrocarbon sector and to create new jobs. Vision 20-20 aims to shift crude oil contribution to below 10% of GDP, and increase natural gas and industrial sector contribution to above 10% and 20% respectively.

Despite the significant fall in the global oil prices, the 2015 budget demonstrates the government's continued commitment towards critical infrastructure projects such as Duqm and the Sohar - Al Buraimi section of the national railway project. In the oil and gas sector, Oman continues its investment in developing a port and industrial area (including a refinery and petrochemical complex) in the strategically located town of Duqm, on the Arabian Sea. Oman Oil Company intends to invest US\$15 billion into projects based in Duqm. In Sohar, the state-owned refining company Oman Oil Refineries and Petroleum Industries Company (ORPIC) is expanding its existing refinery. ORPIC is developing a US\$3.6 billion new steam cracker and petrochemicals project in Sohar.



called the Liwa Plastics Industry Complex. The major contracts work was awarded in March 2014 and is expected to be completed in 2018. This project will enable Oman to produce polyethylene for the first time. In December 2014, ORPIC signed an engineering, procurement and construction contract and financing agreement for a 280km long Muscat Sohar Product Pipeline Project (MSPP). The construction of the two-way multi-product pipeline connecting the Mina Al Fahal and Sohar refineries is due to be commissioned in 2016.

The government is also trying to maximise the indirect benefits of oil and gas projects for the local economy. In 2012, the Ministry of Oil and Gas (MOG) set up the In-Country Value (ICV) initiative. The ICV initiative is aimed at enhancing the role of Omani suppliers and increasing the capability of Omani employees (*see Question 9*).

Current market trends

Gas. The government is very keen to secure additional gas reserves to meet rising domestic consumption. Gas consumption in Oman is expected to grow at 6% for the next five years driven by increased use of gas in oil recovery, together with higher demand from the industrial sector and power producers.

The government is, therefore, seeking to develop major gas projects. The biggest of these is BP's Khazzan development in Block 61 onshore Oman. The field is a tight gas formation with large recoverable resources and is anticipated to come on-stream in 2017, with a total initial investment targeted at US\$16 billion.

In March 2014, Oman and Iran signed an agreement for Oman to import 10 billion cubic metres of gas per year from Iran. However, this three-year project has been delayed over disagreement on the route of a 260 kilometre underwater pipeline.

In January 2015, Oman Oil Company Exploration and Production (OOCEP) announced the commercial export of Block 60 tight gas and condensate from the Abu Tabul Field. Abu Tabul, a 1,500 square kilometre concession, is wholly owned and operated by OOCEP.

Oil. The Ministry of Oil and Gas (MOG) has indicated that it aims to increase production to an average of 970,000 b/d in 2015 with an aim to further increase to 1 million b/d.

In the context of the region, Oman is particularly open to investment by smaller explorers as well as international oil companies. In November 2014, MOG signed a concession agreement with Medco Arabia and Intaj for exploring and developing block 56, which has crude oil and natural gas deposits.

In August 2014, MOG invited petroleum companies with experience in upstream hydrocarbon projects to participate in the Oman Bid Round 2014 under which the government offered two offshore and three onshore blocks. The two offshore acreages offered for bidding were Blocks 18 and 59, while the three onshore Blocks were 43A, 54 and 58. These blocks have yet to be awarded.

Subsidies. The government has been considering rolling back some of the government subsidies given to domestic oil and gas consumption. Two possible options being considered include gradual implementation and special programmes like a voucher system to assist the needy. Officials have recently indicated that no urgent action is required and, in fact, the 2015 budget released in January 2015 did not highlight a reduction of any subsidies.

2. What percentage of domestic energy needs is met by oil and gas?

All of Oman's domestic energy needs are currently met by oil and gas. In 2013 natural gas accounted for about 82% of Oman's generation capacity, with waste heat (15%), diesel/distillate (2%) and oil (1%) making up the rest.

3. Are there specific government policies and/or incentives in place to encourage the exploration and production of unconventional/shale gas and/or oil?

While unconventional gas resources are a major area of focus (for example, Blocks 60 and 61) there do not appear to be any specific government policies or incentives to encourage the exploration of unconventional hydrocarbons. Each exploration and production sharing agreement (EPSA) is individually negotiated with the Ministry of Oil and Gas (MOG), including the fiscal terms.

REGULATION

Regulatory bodies

4. Who regulates the extraction of oil and gas?

Subject to the ultimate oversight of His Majesty the Sultan, the Ministry of Oil and Gas (MOG) co-ordinates the government's role in the oil and gas sector. MOG oversees all oil and gas exploration and production activities carried out in concession areas in Oman. It is also the government counterparty to exploration and production sharing agreements (EPSAs) under which rights to explore for and produce hydrocarbons are awarded.

The Ministry of the Environment and Climate Affairs (MECA) is the regulatory authority for environmental aspects of upstream operations in Oman.

See box, *The regulatory authorities*.

The regulatory regime

5. Describe the regulatory regime that applies to onshore and offshore oil and gas exploration and production, including the key legislation and features of the regime.

The key legislation relating to onshore and offshore oil and gas exploration and production is the Oil and Gas Law, promulgated by Sultan Decree 8/2011 (Oil and Gas Law).

All minerals in situ are owned by the state. Under the Oil and Gas Law, the rights to explore, prospect for, appraise, develop and exploit oil and gas are granted on the basis of a concession agreement, executed in the form of an exploration and production sharing agreement (EPSA). The Ministry of Oil and Gas (MOG) is the authorised authority, acting on behalf of the Government of the Sultanate of Oman, to negotiate and execute EPSAs with selected oil and gas exploration and production companies. An EPSA can only take effect after a Sultan Decree approving it has been promulgated.

The Oil and Gas Law only very generally sets out the obligations of the concessionaire (the "right-holder"). The EPSA establishes:

- The concession area.
- The term of the agreement.
- Bonuses and other payments to the government.
- Minimum work obligations.
- The conditions for:
 - exploration;
 - appraisal;
 - commercial discovery;
 - development;

- production;
 - cost recovery and production sharing;
 - reclamation; and
 - relinquishment of the concession area.
- Other rights and obligations of the parties.

Rights to import, export, transport, store, distribute, process, or market petroleum substances are subject to a separate licence granted by the MOG. The MOG therefore has broad authority to negotiate the commercial terms of the EPSA with the right-holders.

RIGHTS TO OIL AND GAS

Ownership

6. How are rights to oil and gas held, and who holds those rights?

Petroleum substances in their natural state and wherever they are found in Oman are the property of the state. The Oil and Gas Law states that an exploration and production sharing agreement (EPSA) will not grant ownership rights to right-holders. Further, right-holders are prohibited from assigning or transferring any of their rights or obligations specified in the EPSA, unless approved by the Ministry of Oil and Gas (MOG) and a Sultani Decree is promulgated regarding the transfer (*see Question 7*).

Nature of oil and gas rights

7. What are the key features of the leases, licences or concessions which are issued under the regulatory regime? Can these rights be leased by the right-holder?

Lease/licence/concession term

Exploration and production sharing agreements (EPSAs) are typically awarded for a short initial term, usually one to four years, for exploration. If the right-holder (referred to as the contractor under the EPSA) has complied with certain obligations, it will have the option of extending the exploration term. In addition, the term will be extended on a declaration of commerciality by the right-holder. The production term is usually between 20 to 25 years, with the right-holder having a right of renewal for a further period if it is still producing hydrocarbons at the end of the term.

A concessionaire or right-holder cannot lease its rights to a third party.

Fees

Fees are open to negotiation. Typically, EPSAs specify that various bonuses are payable by the right-holder on the occurrence of certain events (typically signature and commercial discovery bonuses), together with payment of annual rental and training payments to the government. Profit oil is split between the government and the right-holder. There are separate cost recovery and production sharing regimes for natural gas and condensate and for crude oil.

Liability

Under the Oil and Gas Law, the right-holder is required to implement operations with due care, according to good oilfield practice and in such a manner that guarantees the protection of the environment.

The EPSA usually provides that the right-holder will indemnify the government in respect of claims relating to damage to property or personnel belonging to the government or to third parties that was caused by the right-holder's wrongful or negligent act. Liability for consequential loss is usually excluded. The right-holder is obliged

to maintain insurance in respect of various risks, including civil liability arising from damage to the environment, under the EPSA.

Restrictions

There are special conditions for natural gas. Natural gas must be used, in the priority and subject to approval by the Ministry of Oil and Gas (MOG), for use in petroleum operations, commercial exploitation, injection for enhancing extraction rates, storage and other purposes as decided by the MOG. Moreover, all gas produced must be sold to the government, whereas crude oil can usually be sold in the open market. Assignment of any rights or obligations specified in the EPSA is prohibited without the approval of the government (*see Question 7*).

8. How are such leases, licences or concessions awarded?

Concessions are awarded by the Ministry of Oil and Gas (MOG). MOG launches bid rounds from time to time on its website. Oil and gas companies interested in bidding must submit their offer to the Department of Petroleum Concessions at MOG.

To participate, the bidding company must provide MOG with a letter of intent and the company profile. The bidder must also pay a non-refundable deposit into a nominated government bank account and sign a confidentiality agreement in order to receive a package containing geological information about the relevant block.

Transfer of rights

9. How are oil and gas rights transferred? Are there any restrictions on the disposal of interests?

The transfer of rights granted under an exploration and production sharing agreement (EPSA) is prohibited under Article 19 of the Oil and Gas Law unless the assignment or transfer is approved by the Ministry of Oil and Gas (MOG) and a Sultani Decree is promulgated approving it. However, the EPSA usually provides an exception to this prohibition for assignments or transfers to a majority-owned affiliate.

TAX

10. What payments, such as taxes or royalties, are payable by oil and gas interest holders to the government?

Oil and gas companies operating in Oman pay income tax at 55% of their taxable income (in accordance with Sultani Decree 28/2009 promulgating the Income Tax Law). This tax is deductible from the government's oil production share under the exploration and production sharing agreement (EPSA).

In addition, the EPSA will provide for various payments to be made by the right-holder to the government. These include a signature bonus, annual rental payments and a bonus on the first commercial discovery of oil. None of these are deductible as cost oil.

11. Does the government derive any other economic benefits from oil and gas exploration and production?

The main economic benefit derived from oil and gas exploration and production is the government's share of profit oil under the exploration and production sharing agreement (EPSA). The amount of the share is negotiated based on the scale and economies of the project.

In terms of indirect economic benefits, the Oil and Gas Law requires right-holders to employ Omani nationals and to set up annual training programmes aimed at qualifying Omani nationals for professional and technical jobs.

In addition, in 2012 the Ministry of Oil and Gas (MOG) introduced the In-Country Value (ICV) initiative. ICV aims at promoting the employment and training of Omanis, investments in fixed assets in Oman and the local sourcing of goods and services. As a result of the ICV initiative, oil and gas companies are prioritising employment and training of local personnel and sourcing of local goods, works and services into their business plans.

12. What taxes and duties apply on import and export of oil and gas?

A 5% duty applies on the import of crude oil, gas and other petroleum products. There are no export taxes on the export of oil and gas or other petroleum products.

TRANSPORTATION BY PIPELINE

13. What regulatory requirements apply to the construction and operation of pipelines?

The establishment of land and pipeline corridor rights is provided for under Omani law. Rights to use the land for a pipeline are usually granted by the government to the owner or operator of the pipeline by way of a usufruct agreement, which grants a land right similar to absolute title but limited in time and subject to certain terms of use.

The Oil and Gas Law establishes setback zones around oil and gas pipelines. Setback zones must extend for 25 metres on each side of the pipeline. Construction and other activities within setback zones are prohibited, with the exception of activities exercised by the pipeline owner or operator.

An environmental permit is required to operate an oil or gas pipeline (*see Questions 15 and 17*).

14. Is there a system of third party access to pipelines and other infrastructure?

We are not aware of any statutory regulations governing third party access to pipelines and other infrastructure. There are contractual arrangements in place between the various oil and gas operators that provide for third party access, for example on the basis of a deed of adherence to existing contracts.

HEALTH, SAFETY AND THE ENVIRONMENT

Health and safety

15. Describe the health and safety regime that applies to oil and gas exploration and extraction, and transportation by pipeline.

Exploration

There is no specific law governing health and safety in the petroleum industry. Instead, health and safety requirements derive from a number of legislative acts, notably:

- The Oil and Gas Law, which requires the right-holder to have a policy for maintaining the environment and the health, security and safety of employees. It also provides for setback zones around pipelines (*see Question 12*). Furthermore, the Oil and Gas Law provides that a right-holder must set out "a

comprehensive security plan" once a commercial discovery is announced, and must liaise with the Royal Oman Police (ROP) in this respect. This requirement expressly applies to exploration and production sharing agreements (EPSAs) in existence prior to the promulgation of the new Oil and Gas Law.

- Sultani Decree No. 29/2013 promulgating the Omani Civil Code (Civil Code) sets out the obligations of the employer towards its employees. In particular, it provides that the employer will provide everything necessary to ensure the safety and security of its employees, and to ensure that employees' tools and equipment are fit for purpose and cause no harm.
- Sultani Decree 35/2003 promulgating the Labour Law and subsequent amending legislation sets out various provisions regarding employee working hours and overtime.
- Other laws regulating health and safety issues include the Environmental Law and Ministerial Decision 686/2008 Occupational Health and Safety Measures.

Extraction

See above, *Exploration*.

Transportation

See above, *Exploration*.

Environmental impact assessments (EIAs)

16. Is an EIA required before extracting or processing onshore or offshore oil and gas?

The principal environmental legislation in Oman is Sultani Decree 114/2001 promulgating the Law on Conservation of the Environment and Prevention of Pollution (Environmental Law). Under Article 9 of the Environmental Law, no "source" (that is, process or activity that may directly or indirectly cause environmental pollution) or "area of work" is to be established before obtaining an environmental permit confirming its environmental soundness. An application for a permit must be made to the Ministry of the Environment and Climate Affairs (MECA) (*see Question 18*).

The Oil and Gas Law and the exploration and production sharing agreement (EPSA) also impose various environmental obligations on the right-holder.

Before the application for the environmental permit, a detailed environmental impact assessment (EIA) may be required. The question of whether an EIA is required is a matter to be determined through liaison with MECA (*Article 16, Environmental Law*). As a matter of practice, an EIA is required at virtually every stage of an upstream or downstream project.

Where an EIA is required, the "owner" of a source/area of work (widely defined and would include the operator of an oil or gas concession) must procure a qualified company approved by MECA to prepare the EIA.

17. What are the different stages of the EIA?

The process is carried out in the following two stages.

Scoping report

Right-holders must submit a scoping report to the Ministry of the Environment and Climate Affairs (MECA). The report must include:

- A high level description of the project.
- A description of the general activities and locations at which such activities are anticipated to take place.

- A summary of applicable legislation.
- An initial view of likely environmental impacts.
- A statement of the work needed to complete the full EIA.

MECA usually takes between four to six weeks to review and comment on the scoping report.

Full EIA

A baseline survey must be conducted. The final EIA must then be submitted to MECA on its standard form in hard copy. The EIA is reviewed by MECA's permitting department in the context of the application for an environmental permit (*see Question 18*).

It can take several months to prepare and submit the EIA to MECA depending on the complexity and size of the project.

Environmental permits

18. Is there a permit regime for environmental damage or emissions produced during the extraction or processing of oil and gas?

Right-holders are required to obtain an environmental permit under Article 9 of the Environmental Law (*see Question 16*). In addition, the handling of hazardous substances (widely defined, and includes oil and gas) is prohibited unless an environmental permit is obtained (*Article 19, Environmental Law*). Consequently, the extraction and processing of oil and gas requires an environmental permit.

Ministerial Decision 187/01 and subsequent amending legislation states that the environmental permit is issued in two stages:

- A preliminary environmental approval (valid for one year), which allows the project to proceed.
- A final environment permit (valid for two years), which is issued once it has been shown that all of the conditions set out in the environmental approval have been satisfied.

As a guideline, it usually takes about two months from submission of the EIA to the Ministry of the Environment and Climate Affairs (MECA) for the preliminary environmental approval to be granted.

Fees are payable in respect of both an environmental approval and an environmental permit. The applications for both permits must be made to MECA on the prescribed form.

Environmental concerns

19. Are there any specific government policies and/or incentives aimed at meeting the environmental concerns associated with the exploration and production of oil and gas, particularly unconventional/shale oil and/or gas? Are there other non-environmental concerns which inhibit the development of the sector?

Project development and safe-guarding the environment and conservation of natural resources are both high policy priorities of the country. The Ministry of Environment and Climate Affairs (MECA) is directly responsible for the protection of the environment, in co-operation with other state authorities. MECA has three special divisions responsible for formulating policies on climate, nature conservation and environmental protection.

Oman has adopted a number of laws and Sultani decrees that are aimed at protection of the sea, water, land, natural resources and wild life. With respect to oil and gas exploration and production,

the Oil and Gas Law dictates specific requirements for the right-holder to undertake to protect the environment, ranging from waste disposals, gas utilisation, mediation measures to control blowouts and other accidents, to handling of hazardous substances. The Law on Conservation of the Environment and Prevention of Pollution requires companies, engaged in the exploitation of natural resources, to set up controls to ensure their conservation. Generally, rights-holder are required to implement operations with due care and in accordance with the technical standards provided for in the concession agreement and in international agreements to which the Sultanate is a party and in such manner that guarantees the protection to the environment.

Oman is also a member of a number of conventions aimed at protection of the environment, such as the United Nations Framework Convention on Climate Change. It is also worth noting that by virtue of Sultani Decree (SD 57/1994) Oman ratified accession to the two 1992 protocols of the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage respectively. These conventions provide for ship owners to be liable for oil spills, and responsible for maintaining mandatory insurance. They also provide for an international fund to be established to provide compensation for oil pollution damage. These conventions have now become Oman law, and generally, principles enshrined in them are likely to take precedence over conflicting provisions (if any) of Oman law.

All businesses operating in Oman must adhere to both the local legislation and international conventions signed by Oman on the protection of the environment.

Waste

20. What are the regulations on the disposal of waste products resulting from oil or gas extraction or processing?

Omani law regulates the disposal of waste products into the environment. The following regulations are particularly relevant to oil or gas extraction or processing:

- Ministerial Decision 18/93: Regulations for Management of Hazardous Waste. These regulations govern the management of hazardous waste, a broad definition that includes any waste arising from commercial, industrial, agricultural or any other activities hazardous or potentially hazardous to the environment. This is likely to cover waste generated in oil or gas extraction and processing activities. A hazardous waste licence is required from the Ministry of the Environment and Climate Affairs (MECA) to discharge hazardous waste or to mix it with any other waste.
- Ministerial Decision 145/93: Regulations for Wastewater Re-use and Discharge. Article 2 of these Regulations prohibits the discharge of wastewater or sludge into the environment without a permit from MECA.
- Ministerial Decision 17/93 regulates the management of solid non-hazardous waste.

Flares and vents

21. Are flare and vent regulations in place?

Ministerial Decision 118/2004 issued by Ministry of the Environment and Climate Affairs (MECA) controls the level of air pollutants released from stationary sources. The Annexure to the Ministerial Decision provides numerical standards for emissions to air relating to flaring in refineries and petroleum fields.

Decommissioning

22. What are the decommissioning obligations and liabilities that arise?

At the expiry of the exploration and production sharing agreement (EPSA), the right-holder will, at its own cost, restore the concession area to its normal condition, within a period specified by the Ministry of Oil and Gas (MOG), by removing any facilities, equipment or any other material, except for materials that MOG decides are not to be removed. If the right-holder fails to restore the concession area and remove such items, MOG will perform this task and cause the right-holder to bear the costs and expenses resulting from the removal, plus an additional 10% of the cost.

The EPSA will also set out decommissioning obligations. The EPSA usually provides that the right-holder will have a decommissioning plan and account for the plan annually in accordance with International Financial Reporting Standards. The decommissioning plan must be updated every calendar year and actual costs relating to the decommissioning plan are treated as recoverable costs. In addition, the right-holder must open and thereafter maintain a decommissioning fund with an international bank of good standing and repute.

SALE AND TRADE

23. How is trade in oil and gas usually completed?

Marketing of petroleum substances can only be conducted under a licence from the Ministry of Oil and Gas (MOG) after co-ordination with the Financial Affairs and Energy Resources Council, a branch of the government responsible for drafting Oman's fiscal policy and the development of Oman's energy resources. Generally, produced oil can be freely marketed.

Producers of natural gas are required to allocate their gas production, excluding gas used for operations, to satisfy the local market demand as dictated by the MOG. This means that right-holders are obliged to sell their natural gas production as a priority to the local markets, as determined by the MOG.

24. Are oil and gas prices regulated?

The Oman crude oil prices are benchmarked at the Dubai Mercantile Exchange. Gas prices are set by the government on long term gas or LNG sales contracts.

ENFORCEMENT OF REGULATION

25. What are the regulator's enforcement powers?

Orders

The Ministry of Oil and Gas has general authority to supervise the activities of the rights-holder under the EPSA and the Oil and Gas

Law. The Ministry of Justice, pursuant to Article 6 of the Oil and Gas Law, has general judicial powers of enforcement and implementation of the Law. Chapter 8 of the Oil and Gas Law sets out the level of punishment (which can include fines and/or imprisonment) for those found to be in contravention of certain articles of the Oil and Gas Law. Such fines are in addition to any other fines or penalties that may be imposed by other laws, including the Omani Criminal Law.

Fines and penalties

See above, *Orders*.

Other

See above, *Orders*.

26. Is there a right of appeal against the regulator's decisions?

Sultani Decree 91/99 creating the Administrative Court and promulgating its law (as amended) provides a right of appeal against administrative decisions.

The appeal must be made within 60 days from the date of notification to the interested party of the decision, or of such party's knowledge of the decision.

The administrative court has competence to adjudicate over issues including:

- Employment-related issues of public employees (that is, salaries, pensions and allowances).
- Actions submitted by interested parties for review of final administrative decisions.
- Actions relating to administrative contracts (that is, contracts to which a public body is a party).

REFORM

27. Are there plans for changes to the legal and regulatory framework?

The current Oil and Gas Law was adopted in 2011, after a two-year consultative process. This Law replaced the prior Petroleum and Minerals Law adopted in 1974. We are not aware of any specific plans for changes to the Oil and Gas Law.

In 2013, the government adopted the Civil Code, a comprehensive piece of new legislation that impacts all aspects of doing business in Oman. The provisions of the Civil Code must be borne in mind when conducting any type of commercial activity in Oman.

There are plans for a new Labour Law which will include a chapter specific to oil and gas workers. However, concrete details about its content and when it will be promulgated have not been announced yet.

THE REGULATORY AUTHORITIES

Ministry of Oil and Gas (MOG)

Address. Al Khuwair
Ministry Streets
PO Box 551
PC 100
Muscat
Sultanate of Oman
T +968 2464 0555
F +968 2469 1046
E info@mog.gov.om
W www.mog.gov.om

Main responsibilities. Oversees all oil and gas exploration and production activities in Oman.

Ministry of Environment and Climate Affairs (MECA)

Address. Al Khuwair
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PO Box 323
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F +968 2469 2462
E environment_oman@meca.gov.om
W www.moeca.gov.om (Arabic only)

Main responsibilities. Sets general policies, plans and programmes required for environment protection, and ensuring the safety and preservation of various environmental systems in Oman.

ONLINE RESOURCES

Oman Ministry of Legal Affairs

W www.mola.gov.om

Description. The Ministry of Legal Affairs' website contains copies of Sultani Decrees (the primary, first-ranking legislation in Oman), together with copies of some Ministerial Decisions. Most of the legislation is provided in Arabic only, but there are some English translations.

There are no official English translations of Omani legislation. The Arabic text is always binding.

All Omani legislation is published in the *Official Gazette*. This is only available in hard copy and is written in Arabic.

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Publications

- *Energy Multi-jurisdictional Guide, European Reference Lawyer Series.*
- *Minerals and Mining (Kazakhstan): A Practical Global Guide.*
- Over 20 articles in various publications, including *World Finance Review Magazine*, *Texas Journal of Oil, Gas and Energy Law*, *Caspian Investor Magazine* and *Euromoney*.



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