

II. — LIBYE

1. — Remaniements ministériels et nouveaux gouvernements

Le gouvernement en place au début de l'année 1965 est celui du 29 octobre 1964. Cf. *Annuaire de l'Afrique du Nord* (III) 1964 : 592-593.

Le 18 mars 1965 le premier ministre Mahmoud MOUNTASSIR offre sa démission au Roi Idriss I^{er} qui l'accepte. Le Roi procède alors par un décret royal de la même date au remaniement ministériel; le nouveau gouvernement est composé comme suit :

Premier Ministre	MM. Hussein MAZIQ
Ministre des affaires étrangères	Wahbi BOURI
Ministre du développement et de la planification	Hamed OBEIDI
Ministre de la défense	Abdessalam BSIKRI
Ministre du travail et des affaires sociales	Abdelmoula LANGUI
Ministre de l'industrie	Abdelqader BADRI
Ministre des affaires du pétrole	Fouad QAABAZI
Ministre de l'agriculture et du patrimoine zootechnique	Mohammed Bey DERNA
Ministre des finances	Omar BAROUNI
Ministre des communications	Sanoussi al-ATAYOUICH
Ministre de la justice	Abdelhamid BACCOUCH
Ministre de l'éducation	Mounir BABA'A
Ministre de l'information et de l'orientation	Khalifa TILLISSI
Ministre d'Etat	Abdallah SIKTA
Ministre d'Etat	Mahdi BOUZOU
Ministre de l'intérieur	Fadil AMIR
Ministre de la santé	Moustafa BEN ZIKRI
Ministre de l'économie	Mansour KOBAR
Ministre des travaux publics	Mohammed MANSOURI

Remaniement ministériel le 2 octobre 1965 : le nouveau cabinet est composé comme suit :

Premier Ministre	MM. Hussein MAZIQ
Ministre des finances	Salem Loutfi el-QADI
Ministre de la justice	Aboubakr NAAMA
Ministre des travaux publics	Hamed OBEIDI
Ministre de l'intérieur	Ahmed OUNSOUF
Ministre de l'industrie	Abdelqader BADRI
Ministre des affaires étrangères	Ahmed BICHTRI
Ministre de l'éducation	Taher BAKIR
Ministre du plan et développement	Ouanis QAABAZI
Ministre des affaires pétrolières	Fouad QAABAZI
Ministre des communications	Sanoussi al-ATAYOUICH
Ministre de l'agriculture et du patrimoine zootechnique	Mohammed Bey DERNA
Ministre de l'information et de la culture	Khalifa TILLISSI
Ministre d'Etat chargé des affaires civiles	Abdallah SIKTA
Ministre d'Etat chargé des affaires parlementaires	Mahdi BOUZOU
Ministre de la défense	Mohammed MANSOURI

Ministre du travail et des affaires sociales	Taher OQBI
Ministre de la santé	Omar JOUDA
Ministre de l'économie et du commerce	Ahmed SOUADEK
Ministre de l'industrie	Yousef YASSIN.

2. — Elections du 8 mai 1965 :
liste des députés de la V^e législature (1)

Tripoli

<i>Circonscriptions</i>	<i>Candidats élus</i>	<i>Observations</i>
Circ. 1 (5 candidats)	Souleimane Saïd KAAL	Elu, bat M. Chouiref, Ministre du Cabinet Fekini.
Circ. 2 (6 candidats)	Abdelmajid Omar TACHANI	Elu, bat M. Mohamed Ali Mesri Tabbal, député sortant.
Circ. 3 (2 candidats)	Hadj Aboubaker SAAD	Elu, bat M. Ourayet, jeune avocat progressiste, directeur d' <i>Al Balagh</i> , hebdomadaire interdit en mars 1964.
Circ. 4 (3 candidats)	Dhaoui Arabi M'SALEM	Elu.
Circ. 5 (2 candidats)	Abdelhamid BACCOUCHE	Réélu, Ministre de la Justice.
Circ. 6 (5 candidats)	Mohamed el MAEZI	Elu, bat M. Abdelmajid Khalifa Henchiri, M. Touchani, du journal nationaliste modéré <i>Al Hourria</i> , M. Nachnouch et le Chaikh Sobhi, ultra-nationalistes (deux des douze députés à la III ^e législature ayant demandé la dénonciation, éventuellement unilatérale, des traités avec la Grande-Bretagne et les Etats-Unis).
Circ. 7 (6 candidats)	Ali Mohamed GUEDHIMA	Elu, bat M. Abdoussalem Mohamed El Waer, député sortant.
Circ. 8 (3 candidats)	Abdoussalem TOUHAMI	Elu, un des « douze ».
Circ. 9 (8 candidats)	Abdoussalem SOUSSI LAAJILI	Elu, bat M. Salem Omar El Maghrebi, député sortant.
Circ. 10 (5 candidats)	Mohamed Aboubaker BIRMA	Elu.
Circ. 11 (2 candidats)	Salem CHITA	Réélu, leader des syndicats gouvernementaux (s'était présenté à Ben Gashir en octobre 1964), bat M. Mahmoud Fathallah, un des « douze », député sortant.
Circ. 12 (6 candidats)	Hadj Abdourahmane AJILI	Elu.

(1) Cf. pour la liste des députés de la précédente législature l'*Annuaire de l'Afrique du Nord* (III), 1964 : 592 et sv.

Souk el Jomaa

Circ. 1 (3 candidats)	Mokhtar el ALEM	Réélu.
Circ. 2 (4 candidats)	Mohamed Sadeg GAMMOUDI	Elu.
Circ. 3 (3 candidats)	Abdalfattah BEN ZAHRA	Réélu.
Circ. 4 (4 candidats)	Mazougmi Hammouda BEN FEKIH	Réélu.

Tajoura

(3 candidats)	Mohamed Jomaa BOUGLILA	Réélu, bat M. Felfel, un des « douze », et M. Milad Hadj Tarhouni, élu en octobre 1964 à Tajoura (2 ^e circ.).
---------------	---------------------------	--

Garaboulli

(2 candidats)	Hadj Abdallah Milad M'RABEH	Réélu.
---------------	--------------------------------	--------

Ben Gashir

Circ. 1 (5 candidats)	Hadj Salah BEN RABHA	Elu, bat M. Ayad Mohamed Lafi, député sortant.
Circ. 2 (2 candidats)	Hadj Omrane BESSIR	Elu, un des « douze ».

Azizia

(6 candidats)	Ali Miloud SOUSSI	Elu, bat M. Sounni Khalifa Salem, député sortant.
---------------	-------------------	---

Zavia

Circ. 1 (6 candidats)	Elections annulées et reportées au 15 juin.	
Circ. 2 (4 candidats)	Hadj Ali Salem CHIBANI	Réélu.
Circ. 3 (2 candidats)	Mahmoud Ahmed AOUN	Elu, bat M. Hadj Khalifa Akra, député sortant.

Sorman

Meftah al-REGUIB	Elu par tezkia (1), Président de la III ^e législature.
------------------	---

Zanzour

Circ. 1 (5 candidats)	Mohamed Hadj OUNIS	Elu.
Circ. 2 (6 candidats)	Ali Ahmed OTHMAN	Elu.

Sabratha

(2 candidats)	Abdoussalem BEN MEFTAH	Elu.
---------------	------------------------	------

(1) On remarquera que 14 députés sont élus par *tezkia* c'est-à-dire sans scrutin parce que sans concurrents.

Zouara

Circ. 1 (3 candidats)	Abdallah Messaoud IDRISSI	Elu, bat M. M'Hamed Abouajila Zelmat, député sortant.
Circ. 2 (3 candidats)	Omar Aboukassem TAGGAZ	Elu, bat Mohamed Messaoud Mer- nagui, député sortant.
Circ. 3 (3 candidats)	Ahmed HADJ ALI	Réélu.

Agilat

(3 candidats)	Hamed ABOUSRIOUL	Elu.
---------------	------------------	------

Département de Homs

Homs (3 candidats)	Mohamed Tahar HENIDI	Elu.
Souk El Khemis (4 candidats)	Abdoussalem Ali CHERTAA	Elu, bat M. Bechir Ei Mekki Dib, député sortant.
Kasr Khair (2 can- didats)	Abdoussalem BEN AMER	Elu, bat M. Anbi Mohamed Kha- lil, député sortant.
Koussoubat (3 can- didats)	Khalifa Mohamed DIAB	Réélu.

Tarhouana

Circ. 1 (2 candidats)	Missaoui MAATOUG	Elu.
Circ. 2	Abdessalem M'RAIEDH	Elu par tezkia.
Cir. 3 (2 candidats)	Abdelati Khalifa TEBIB	Réélu.

Benlouid

(2 candidats)	Mohamed CHIBANI	Réélu.
---------------	-----------------	--------

Département de Misurata

Misurata 1	Salem Lotfi el QADI	Réélu par tezkia, Président de la IV ^e législature, ancien ministre des Finances.
Misurata 2 (2 can- didats)	Abdallatif MOHAMED Fekih MOUNTASSIR	Elu, bat M. Hacine. Elu.
Misurata 3 (2 can- didats)	Abdallah Tayeb BOUNINA	Elu, bat M. Hadj Ahmed Ali Me- hichi, député sortant.
Misurata 4	Abdallah Abou el KASSEM	Elu par tezkia.
Zliten 1 (2 candidats)	Mohamed Othman BETH	Elu.
Zliten 2 (4 candidats)	Mohamed Meftah SEMET	Elu.
Zliten 3 (2 candidats)	Meftah Mohamed el TIR	Elu, bat M. Makhzoum Ali Ham- mouda, député sortant.
Syrte	Mohamed Mahmoud CHAOUCH	Réélu par tezkia.

Département de Gariane

Gariane 1 : (5 candi- dats)	Hadj Hedi GAUD	Réélu, s'était présenté en octobre 1964 dans la 3 ^e circ., bat M. Ka- mel Ali Yacoubi, député sortant.
--------------------------------	----------------	---

Gariane 2 (4 candidats)	Mokhtar Mohamed MOUSBAR	Elu.
Gariane 3 (2 candidats)	Omar Khalifa ZOUILA	Elu, bat M. Abdallah Ali Shiri, député sortant.
Gariane 4 (5 candidats)	Ali Mohamed Abdourahmane MENNIE	Elu.
Mizda	Mohamed el CHARH	Elu par tezkia.
Noufila	Senousis el ATTIOUCH	Réélu par tezkia. Ministre des Communications.

Yefren

Circ. 1 (4 candidats)	Ali HASSOUMI	Elu, bat M. Aref Mana, député sortant.
Circ. 2 (3 candidats)	Ahmed Mohamed HADIBA	Elu, bat M. Mohamed Aboukassam el Tir, député sortant.
Circ. 3 (4 candidats)	Ali Saïd BIALA	Réélu.
Nalout 1 (3 candidats)	Salem Saïd MABROUK	Elu, bat M. Lassouad El Hadj Robei, député sortant.
Nalout-Ghadamès (2 candidats)	Salem Omar CHALBAK	Elu, bat M. Yaha Messaoud Moqadhmi, député sortant.

Benghazi

Circ. 1 (4 candidats)	Mustapha Khaled el OUMAMI	Elu, bat M. Abdallah Mohamed Smiou, député sortant.
Circ. 2 (2 candidats)	Fredj Youssef FITOURI	Elu.
Circ. 3 (2 candidats)	Saad Abou QUAIQUIS	Elu.
Circ. 4 (4 candidats)	Omrane Othman BAHHA	Elu.
Circ. 5	Rajeb BEN KATOU	Réélu par tezkia.
Circ. 6 (2 candidats)	Mohamed Salem JATLAOUI	Réélu, bat M. Mohamed Bechir Magherbi, un des « douze ».
Circ. 7	Mohamed Ali HANICH	Réélu par tezkia.
El Abiar	Abdelkader el BADRIA	Réélu par tezkia, Ministre de l'Industrie.
Quemines (2 candidats)	Ali Meftah MANSOUR AGOURI	Réélu.
Sidi Khalifa (4 candidats)	Senoussi el ARIBI	Elu.
Benina	Abdourtabah el ABBAR	Réélu par tezkia.
Tocra (3 candidats)	Soleimane el ABDALLI	Elu.
Solouq (3 candidats)	Mohamed Salhine Qadr el-SAITI	Réélu.
Agadabia 1 (2 candidats)	Abdallah Mohamed Fadil el-DIFAR	Elu.
Agadabia 2	Hassan Omar NACHAD	Réélu.
Agadabia 3 (4 candidats).	Résultats non publiés.	

Beida

Circ. 1 (4 candidats)	Mohamed Ayad el-LAFI	Elu, bat M. Hacine Tahar Khalifa, député sortant.
Circ. 2	Mohamed el-SIFAT BOUFEPWA	Réélu par tezkia, ancien Président de la Commission du pétrole.
Circ. 3 (2 candidats)	Salah Mohamed Saïd BOUARGOUB	Réélu.
Merdj 1 (2 candidats)	Salah Moussa Saïd el-MESMARI	Réélu.

Merdj 2	Saïd GOURBAY	Elu par tezkia.
Merdj 3	Meftah Abdallah el-CHELMANI	Elu par tezkia.

Derna

Circ. 1 (4 candidats)	Salem el-ATRACH	Réélu, bat M. Ibrahim Sassi, élu en octobre 1964 dans la 2 ^e circ.
Circ. 2 (2 candidats)	Mohamed MOUSSA MANSOURI	Réélu, s'était présenté en octobre 1964 dans la 3 ^e circ.
Circ. 3 (3 candidats)	Hamed Ali el-ABEIDI	Réélu, Ministre du Plan, s'était présenté en octobre 1964 dans la 4 ^e circ.

Tobrout

Circ. 1 (5 candidats)	Abd Rbah Khir el-LAH SALIH	Elu.
Circ. 2 (2 candidats)	El Hadj Salem HAMZA KATANI	Réélu.

Sebha

(2 candidats)	Seif el-Nasser ABDELJELLIL	Elu, ancien ministre de la Défense, connu pour ses tendances pro-nassériennes, membre d'une famille traditionnellement puissante au Fezzan.
---------------	----------------------------	---

Chatti

(2 candidats)	Mohamed Ali SALHIN	Elu, bat M. Mabrouk Ahmed Essid, proche parent de M. Ben Othman el-Saïd (ancien Premier ministre qui ne se représentait pas).
---------------	--------------------	---

Joffra

(8 candidats)	Ali Ahmed ZEIDANE	Réélu.
---------------	-------------------	--------

Mourzouk

	Mehdi Hafez BACHIR	Réélu par tezkia.
--	--------------------	-------------------

Oubari

	Mahdi Bouzou	Réélu par tezkia, Ministre d'Etat.
--	--------------	------------------------------------

3. — Décret-loi amendant la loi sur le pétrole (de 1955)

WE IDRIS THE FIRST, King of the Kingdom of Lybia,

Having seen :

Article 64 of the Constitution and Petroleum Law No. 25 of 1955 and the amendments thereto;

And acting on the presentation of the Minister of Petroleum Affairs and the concurrence of the Council of Ministers,

DO HEREBY DECREE AS FOLLOWS :

ARTICLE 1

The expression « with the exception of 12,5 % of the value of the crude oil exported as defined hereinafter » shall be added after the word « royalties » given in Article 14 (1) (a) and (b) and (9) of Petroleum Law No. 25 of 1955 and in Clause 8 of the Second Schedule appended thereto.

ARTICLE 2

The following sub-paragraphs (c) and (d) shall be added to paragraph (1) of Article 14 of the said Petroleum Law No. 25 of 1955 :

(c) For the purposes of paragraphs (1), (2) and (9) of this Article the expression « 12,5 % of the value of the crude oil exported » means 12,5 % of the amount calculated on the basis of the prevailing prices applied to the crude oil exported by the concession holder in any full year for which the royalty is payable by the concession holder in that year.

(d) For the purposes of this Law the crude oil sold by a concession holder with the object of exportation from Libya, whether exportation was made before or after sale, is considered to be crude oil exported by the concession holder. As for the crude oil received in kind by the Libyan Government from the concession holder under this Law as full or partial payment of the royalty herein prescribed, this oil shall be considered as crude oil exported by the concession holder if it has been delivered to the Libyan Government by the concession holder with the object of exportation.

ARTICLE 3

The expression « as also shall the amount prescribed in sub-paragraph (c) be deducted » shall be added after the word « Libya » given at the end of the definition of « profits » in paragraph (2) of Article 14 of the Petroleum Law No. 25 of 1955 and in Clause 8 of the Second Schedule appended thereto, and the following sub-paragraph (c) shall be added to that paragraph of the said article and clause :

(c) 12,5 % of the value of crude oil exported as defined in the said paragraph (1) (c).

ARTICLE 4

Sub-paragraph (a) of paragraph (5) of Article 14 of Petroleum Law No. 25 of 1955 shall be amended as follows :

(a) Regarding the crude oil exported by the concession holder :

Total of the gross income derived by the concession holder from such exportation.

ARTICLE 5

The following new paragraph shall be added to Article 15 of Petroleum Law No. 25 of 1955 :

The total income due to the Ministry of Petroleum or to any other Libyan Government authority or to the municipalities or any other authority, central or local, consequent upon the production, processing and disposal of petroleum, the rights correlated

thereto, and the transportation, sale, exportation, shipping and profits resulting therefrom and the distribution of such profits in relation to the crude oil produced by the concession holder in Libya or sold by the concession holder for exportation from Libya, shall be equal in respect of any full year to the amount payable to the Libyan Government for that year calculated according to the concession agreements (concluded with the concession holder) as amended under this Law amending the said Petroleum Law. In the event of any difference or dispute arising in connection with this paragraph, the difference or dispute shall be referred to arbitration according to the concession agreements concluded with the concession holder.

ARTICLE 6

The following sub-paragraphs (c) and (d) shall be added to paragraph (1) of Clause 8 of the Second Schedule appended to Petroleum Law No. 25 of 1955 :

(c) For the purposes of paragraphs (1), (2) and (9) of this Clause the expression « 12,5 % of the value of the crude oil exported » means 12,5 % of the value calculated on the basis of the prevailing prices applied to the crude oil exported by the concession holder in any full year for which the royalty is payable by the concession holder in that year.

(d) For the purposes of this concession the crude oil sold by the company with the object of exportation from Libya, whether the exportation is made before or after the sale, is considered to be crude oil exported by the company. As for the crude oil received in kind by the Libyan Government from the company under this concession and the Law as whole or partial payment of the royalty prescribed in this concession and the Law, this crude oil shall be considered as crude oil exported by the company if it has been delivered to the Libyan Government by the company for the purpose of exportation.

ARTICLE 7

Sub-paragraph (a) of paragraph (5) of Clause 8 of the Second Schedule appended to Petroleum Law No. 25 of 1955 shall be amended as follows :

(a) Regarding the crude oil exported by the company :

Total of the gross income derived by the company from such exportation, provided that such income should not be less than the amount resulting from the product of the multiplication of the number of barrels of this crude oil exported at the prevailing price applicable to each barrel of this crude oil exported less the amounts prescribed in the following two paras (1) and (2) :

(1) Marketing expenses equal to $\frac{1}{2}$ c (half an American cent) for every barrel of this crude oil exported multiplied by the number of exported barrels of this crude oil; the marketing expenses are confined to this limit.

(2) An allowance, hereinafter referred to as « allowance », for each barrel of this crude oil exported; this allowance shall apply to each kind and specific gravity of all the crude oil exported and shall have the maximum limit shown hereinafter. The Company may, from time to time, change the allowance applicable to any kind and specific gravity of the crude oil exported to any percentage it chooses by notifying the Ministry of Petroleum Affairs of such change in writing provided that the percentage so chosen at any time should not exceed the rates applied as shown hereinafter. The percentage notified as aforesaid shall remain in operation until changed by further notification to the Ministry of Petroleum Affairs.

1. The maximum limit of the percentage of allowance chosen by the Company in conformity with the provisions of the preceding paragraph shall be as follows :

a. For 1965, the maximum cash allowance for every kind and specific gravity of crude oil exported shall be equal to $7\frac{1}{2}$ % of the prevailing price of crude oil plus \$ 0.0013235 per barrel for each complete degree over and above 27 degrees A.P.I.

b. For 1966, the maximum cash allowance for each kind and specific gravity of crude oil exported shall be equal to $6\frac{1}{2}$ % of the prevailing of crude oil plus \$ 0.0026470 per barrel for each complete degree over and above 27° A.P.I.

Regarding the crude oil to be exported after 1966, the allowance for each kind and specific gravity shall not exceed the said maximum limit. Where a concession contract

is granted after 1966, the maximum cash allowance shall be that allowance agreed by both contracting parties to the contract at the time of granting the concession.

2.

a. Any reduction in the rate of allowance applicable to each kind and specific gravity of the crude oil exported by the Company for the year or years following 1966 shall be made in the light of the competition, economic circumstances and condition (states) of the market in respect of each kind and specific gravity of that Libyan crude oil exported, which allowance is expected (calculated) at the time of reduction to be prevailing in the future foreseeable in comparison with the state of competition, the economic circumstances and the condition of the market in respect of the crude oil of that kind and specific gravity exported from Libya during the year when this concession has been granted. If crude oil of that kind and specific gravity is not exported in that year, then the comparison shall be made with the state of competition, the economic circumstances and the condition of the market in that year in respect of the Libyan crude oil exports in general. The Company agrees to cancelling the allowance at the time and in the case where such cancellation is justified the changes in the state of competition, the economic circumstances and the market condition since the year during which the concession was granted, with due regard to the condition specified in sub-paragraph (b) of this para 2. If the rate of allowance applicable to any kind and specific gravity of crude oil is amended, the Company may not, after such amendment, change the rate of allowance to a percentage higher than that applicable to that kind and specific gravity of crude oil immediately prior to the introduction of the said amendment.

b. If the Company reduces the rate of the allowance applicable to any kind and specific gravity of crude oil as the result of circumstances deemed by the Company to be irregular, with due notification of such reduction to the Ministry of Petroleum Affairs and with due reference to this condition, the Company may, when seeing that these irregular circumstances no longer exist, raise the rate of the allowance applicable to that kind and specific gravity of crude oil to a percentage not exceeding that which had been in operation immediately before this reduction, despite any other provision of sub-paragraph (2) of this sub-paragraph (a).

3. If the Ministry of Petroleum Affairs requests that a change be introduced into the allowance applicable in respect of the year or years following 1966 to any kind or specific gravity of the crude oil exported by the Company, then the Company shall consult with the said Ministry and shall study the statements and views submitted by the Ministry to this effect relevant to the comparison hereinafter referred to (in this sub-paragraph 3). The Company shall notify the Ministry of its opinion regarding the change required, if any, in the light of the competition, economic circumstances and market condition for that kind specific gravity of crude oil expected to be prevailing during the said year or years in comparison with the state of competition, economic circumstances and market condition of that kind and specific gravity of the crude oil exported from Libya in that year during which this concession was granted. If crude oil of that kind and specific gravity is not exported in that year, then the comparison shall be made with the state of competition, the economic circumstances and the market condition in that year in respect of the Libyan crude oil exports in general.

4. If the Company is in possession of an oil concession granted prior to the operation of this Law according to which the text of this sub-paragraph 4 has been introduced into the Second Schedule of the Law, and that concession has been amended in conformity with the terms and provisions of the Law amended by this Law, then the expression « the year during which this concession was granted » given in sub-paragraphs 2 and 3 shall be superseded and substituted by the expression « the year during which the concession was amended as aforesaid ».

ARTICLE 8

The following new paragraph 10 shall be added to Clause 8 of the Second Schedule of the said Petroleum Law No. 25 of 1955 :

(10) The Ministry of Petroleum Affairs may purchase from the Company crude oil

in the quantity the maximum limit of which is shown hereunder, at the sea terminal used by the Company in Libya and from which the Company normally ships this oil. The purchase shall be on the basis of f.o.b. the sea terminal at the following buying price :

The prevailing price applicable to each barrel, at the sea terminal, of the kind and specific gravity of that crude oil so purchased and effective on the date of commencement of each delivery less the following :

- (i) Marketing expenses at the rate of $\frac{1}{2}$ c per barrel of crude oil so purchased; and
- (ii) The allowance applicable to each barrel of crude oil so purchased as referred to in para (5) (a) (2) of this Clause and operative on the date of commencement of each delivery.

The maximum quantity of that crude oil which the Ministry of Petroleum Affairs is entitled to purchase from the Company in any complete Gregorian year shall be the difference between the following two quantities :

(i) Quantity of crude oil which, at the aforementioned purchase price, amounts to $12\frac{1}{2}$ % of the value calculated on the basis of the prevailing prices of the crude oil exported by the Company in that year in respect of the kind and specific gravity purchased by the Ministry of Petroleum on which a royalty is payable by the Company in that year less $12\frac{1}{2}$ % of the value of crude oil so purchased by the Ministry calculated on the basis of the prices prevailing and in force.

(ii) Quantity of crude oil taken by the Ministry of Petroleum Affairs in that year as a royalty in kind under all of the Company's concessions in Libya.

The Ministry of Petroleum Affairs shall notify the Company in writing of the quantity, kind and specific gravity of that crude oil which will be purchased by the Ministry in that year. This notification shall be made 120 days before the commencement of each Gregorian year in which the Ministry of Petroleum Affairs wishes to exercise its right to purchase crude oil from the Company as aforesaid. Shipments shall be evenly distributed among the 3-month periods in the Gregorian year. The Ministry shall furnish the Company with prices 45 days before the arrival of the tankers nominated by the Ministry for hauling these shipments. Haulage of the shipments at each sea terminal shall be proportionate as to quantity, kind and specific gravity with the total quantity of crude oil delivered f.o.b. at the sea terminal by the Company during the said three-month period. The Ministry of Petroleum Affairs shall pay to the Company the value of that crude oil so purchased in the currency of the Company's country of origin or the equivalent thereof in Libyan pounds negotiable (transferable) on the date of payment. Payment shall be made within 30 days after the expiry of the Gregorian month during which the delivery of that oil to the Ministry commenced. If payment is not effected as aforesaid, then the Company shall be entitled to make clearance between the amounts in arrears due to the Company and any amounts payable on the part of the Company to the Ministry of Petroleum Affairs under the Law and the concessions of the Company. The Company may also suspend further deliveries until these amounts have been paid by the Ministry of Petroleum Affairs or until the relevant obligation in the Clearance (account) has elapsed and (in which case) the Company shall be deemed to have paid these amounts to the Ministry in as much as the clearance has been made.

ARTICLE 9

1. Clause 9 (1) of the Second Schedule of the said Petroleum Law No. 25 of 1955 shall be amended as follows :

(1) The Company shall pay to the State's general Treasury, through the Ministry of Petroleum Affairs, all fees, surface rents, royalties and surtaxes payable under this Law and income taxes. The collection of such sums shall be subject to the procedure provided by the Financial Laws and Regulations of Libya.

2. The following two paragraphs (3) and (4) shall be added to Clause 9 of the said Second Schedule :

(3) The total income due to the Ministry of Petroleum Affairs or to any other Libyan Government authority or to the municipalities or any other authority, central or local, regarding the production, processing and disposal of petroleum and the rights

relevant thereto and the transportation, sale, exportation, shipping and profits resulting therefrom as well as the distribution of such profits, in regard to the crude oil produced by the Company in Libya or sold by the Company for exportation from Libya, shall be equal in respect of any complete year to the amount payable to the Libyan Government for that year calculated according to the Company's concession contracts as amended under this Law by virtue of which this paragraph was introduced into the concession contracts. In the event of any difference or dispute arising in connection with this paragraph, the difference or dispute shall be referred to arbitration under Clause 28 hereinafter given.

(4) If the Company is in possession of an oil concession granted prior to the operation of this Law under which the text of this para 4 has been introduced into the Second Schedule of the Law and the concession has been amended, then the terms and provisions of Clause 9 (4) of the concession contract amended by Article 12 of this Law shall be amalgamated herewith and become an integral part thereof and shall have the same force and effect as if it has been fully stated herein.

ARTICLE 10

Clause 28 of the Second Schedule of the Petroleum Law No. 25 of 1955 shall be amended as follows :

Clause 28

Arbitration

(1) Should there arise at any time during the period of this contract or after the expiry thereof any difference or dispute between the Government and the Company in connection with the interpretation or implementation of the provisions of this contract or its appendixes or the rights or obligations of any of the parties contracting thereunder and the two parties fail to agree to a solution to this difference or dispute, then this difference or dispute should be referred, in case no other method is agreed, to two arbitrators each of whom shall be appointed by each of the two parties, and an umpire shall be appointed by these two arbitrators immediately after their appointment. Should the two arbitrators fail to agree to an umpire within sixty days from the date of appointment of the second arbitrator, then any of the two parties might request the President of the International Court of Justice or the Vice-President, if the President is a national of Libya or of the country in which the Company was originally registered, to make the appointment.

(2) The institution of proceedings shall take place upon the receipt by one party from the other of a written request for arbitration, provided that this request shall show the question for which arbitration has been requested and the name of the arbitrator appointed by the party requesting arbitration.

(3) The party receiving the request for arbitration shall, within ninety days from the date of receipt of the request, appoint an arbitrator and notify his name to the other party, otherwise the other party may request the President of the International Court of Justice or his Vice-President in the case referred to in para (1) above to appoint a sole arbitrator. The decision of the sole arbitrator so appointed shall be binding upon the two parties.

(4) Should the two arbitrators appointed by the two parties fail to reach an agreement during six months from the date of the institution of the proceedings, or should either or both parties fail or dislike to discharge his or their duties at any time, then shall the umpire intervene in the arbitration and the decision of the two arbitrators or the decision of the umpire, in the case of disagreement of the two arbitrators, shall be binding upon the two parties. Should the umpire or the sole arbitrator, as the case may be, fail or dislike to intervene in or settle the arbitration, and unless the two parties otherwise agree, the President of the International Court of Justice (or his Vice-President in the case referred to in para 1 above) shall be appointed substitute at the request of any of the said two parties.

(5) Neither the umpire nor the sole arbitrator, no matter how appointed, may be a national of Libya or of the country in which the Company was originally registered or

any other company directly or indirectly supervising the Company, nor may he be an employee of any of the two parties or of the government of the aforementioned country. Application of the provisions of this Clause and prescription of the proceeding to be adopted in the arbitration shall be by resolution to be issued by the two arbitrators or the umpire, in case the two arbitrators fail to reach an agreement during sixty days from the date of appointment of the second arbitrator, or by the sole arbitrator, in case a sole arbitrator has been appointed.

When the resolution has been taken, the two arbitrators or the umpire or the sole arbitrator, as the case may be, shall give sufficient notice in order that the party against whom the decision has been taken may implement such decision; this party shall not be considered violator should he implement this decision before the lapse of the said notice.

(6) The place of arbitration shall be as agreed upon by the two parties; if they fail to agree to the place of arbitration within 120 days from the date of the institution of the proceedings as outlined in para 1 above, then this shall be determined by the two arbitrators; if the two arbitrators fail to agree to such place within 60 days from the appointment of the second arbitrator, then this shall be determined by the umpire. In the event of a sole arbitrator being appointed, it shall then be the duty of this sole arbitrator to determine the place of arbitration.

(7) This Concession shall be governed by and interpreted in accordance with the legal principles of Libya which are compatible with the principles of international law; in the absence of such principles, the general legal principles shall be applied, including those principles applied by international courts.

(8) The expenses of the arbitration shall be borne by the two parties in such proportion and manner as may be provided in the award.

ARTICLE 11

(1) No oil concession may be granted to a person already granted an oil concession prior to the operation of this Law unless such person makes a written application to the Ministry of Petroleum Affairs as provided for in Article 12 of this Law, in which he gives approval of the amendment of that concession previously granted and undertakes to conform with this amendment according to the terms and provisions of the said Petroleum Law No. 25 of 1955 as amended by this Law.

(2) No oil concession may be granted to —

1. a person who directly or indirectly supervises a holder of a concession granted prior to the operation of this Law;

2. a person who is directly or indirectly supervised by a holder of a concession granted prior to the operation of this Law;

3. a person who directly or indirectly supervises a holder of such concession, unless the concession holder makes a written application to the Ministry of Petroleum Affairs under Article 12 of this Law in which he agrees to amending that concession and undertakes to make that amendment according to the terms and provisions prescribed in the said Petroleum Law No. 25 of 1955 as amended by this Law.

(3) In the application of paragraph (1) and (2) of this Article, no amendment may be introduced into any of the obligations or undertakings given by concession holders as per agreements concluded between them and the Petroleum Commission (which was established according to the original version of Article 2 of Petroleum Law No. 25 of 1955) or made between them and the Ministry of Petroleum Affairs or as per the letters exchanged between the two parties and appended to the contracts of concessions granted to them, should this lead to diminishing any rights, advantage or privilege due to the Libyan Government under the said Petroleum Law No. 25 of 1955 as amended by this Law.

(4) For the purposes of Article 11 and 12 of this Law any person having a share in a petroleum concession granted prior to the operation of this Law shall be considered as holder of a concession granted prior to such date; such a person *may amend* his share in the said concession according to the terms and provisions and in the manner provided

for in Articles 11 and 12 of this Law *independently from* the owners of the remaining shares of such concession.

(5) If the concession holder has more than one concession granted prior to the operation of this Law and wishes to amend one or more of his concessions under the provisions of Articles 11 and 12 of this Law, he shall amend all of his concessions simultaneously.

(6) Applicants for oil concessions whose applications were opened on July 31st, 1965, may send a written notification to the Minister of Petroleum Affairs, confirming their determination to keep their applications valid and operative without alteration or requesting that certain provisions be deleted from these applications or certain conditions more favourable to the Libyan Government be added thereto. This notification shall be sent within 45 days from the date of operation of this Law (when it is published in the Official Gazette of the Kingdom of Libya), and in this case, these applications shall only be considered as applications for the grant of oil concessions submitted under the provisions of the said Petroleum Law No. 25 of 1955 and its Second Schedule, as amended by this Law, and the provisions of the regulations in force prior to the sending of the said notification. If this notification is not sent by the applicant within 45 days in respect of all his applications for new concessions, he shall be deemed to have withdrawn all of his said applications, in which case these applications shall become null and void.

(7) Concession holders or applicants for new oil concessions shall not pay any fee when conforming to the provisions of Articles 11 and 12 of this Law.

ARTICLE 12

The Ministry of Petroleum Affairs shall accept from a holder of an oil concession granted prior to the operation of this Law a written undertaking regarding the amendment of the said Petroleum Law No. 25 of 1955 as amended by this Law; this undertaking may be on the condition that the Petroleum Law and regulations in force to be applicable to the said concession holder who has undertaken to amend his concession, on signing the amendment agreement, are the Petroleum Law and regulations in force as published in the Official Gazette of the Kingdom of Libya before this undertaking has been submitted. The Minister of Petroleum Affairs shall sign the Amendment Agreement with the concession holder for amending his concession as shown hereinafter. Apart from the provisions of section (3) of this Article, the Amendment Agreement shall become effective as from the first of January preceding the 12-month period expiring on 26th January during which the Amendment Agreement is signed and the concession contract is amended (under the said Amendment Agreement) by amending its preface and Clauses 8, 9, 13, 16, 21 and 28 of the Second Schedule of the said Petroleum Law No. 25 of 1955 as amended by this Law, with the exception of the following :

a) In sub-paragraph (b) of paragraph (5) (a) (2) (1) of Clause 8 of this contract as amended, the expression « grant of this concession » becomes « amendment of this concession » and the expression « at the time of granting this concession » becomes « at the time of this amendment ».

b) The expression « the year in which this concession was granted » as mentioned in sub-paragraphs (2) and (3) of paragraph (5) (a) (1) of Clause 8 of the amended concession shall be superseded and substituted by the expression « the year in which this concession was amended as aforesaid ».

c) Paragraph (4) of Clause 9 and paragraph (2) of Clause 16 of the Concession amended as aforesaid shall be amended as follows :

« Should it become necessary under the terms given in section (2) of this Article, paragraph (5) shall be added to Clause 6 of the Concession amended as aforesaid so that this paragraph (5) becomes as shown hereinafter. The provisions of the Concession shall otherwise (i.e. apart from this) be wholly operative. »

The rights and arrangements prescribed for the Libyan Government and the concession holder under any of the said amendments shall be considered added to the other rights and arrangements enjoyed by any of the said parties under the Petroleum Law and the concession contracts.

1. Paragraph (4) of Clause 9 of the amended concession shall read of follows :

(4) (a) For the purposes of this para (4) the following expressions shall have the meanings given herebelow :

1. « applied agreements » means all concession of the Compagny as recently amended by the Amendment Agreement according to which this para (4) was introduced into this Concession.

It also means all other relevant agreements.

2. « arrangement or other arrangements » means any arrangement or arrangements applicable to any one project or more engaged in the production or exportation of crude oil in any area subject to the jurisdiction of the Libyan Government (other than the projects undertaken by the Compagny); this expression includes the agreements, the Petroleum Law and the rates of discounts, deduction and allowances applicable to such other projects from time to time.

3. « area subject to the jurisdiction of the Libyan Government » includes the areas of the sea bottom and the underground adjoining the Libyan shores which are subject to this jurisdiction for purposes related to the production and exportation of crude oil.

b) (1) In acknowledgement of the Compagny's preparedness to amend this Concession according to the Amendment Agreement under which this para (4) has become part of the Concession, and with due regard to the provisions of sub-paragraph (4) of this sub-paragraph (b), the Company shall not be requested to pay to the Libyan Government in respect of any complete year concerning the crude oil exported by the Compagny payments exceeding in total the total amounts which the Company would have to pay concerning this crude oil had any arrangement or other arrangements more advantageous to the Company been applied to the Company in respect of that year. It is understood that the said total payments include the value calculated on the basis of the prevailing prices applied to any crude oil taken in kind by the Libyan Government in that year under the Law and the Concession.

2. At the request of the Company the Ministry of Petroleum Affairs shall exchange information with the Company and make discussion concerning the facts pertaining to the said arrangement or other arrangements, their provisions and relevant circumstances.

3. (1) With a view to making a fair comparison between the amounts payable by the Company, without the implementation of the provisions of this paragraph (4), and the amounts payable by the Company under the said arrangement or other arrangements, the amounts so payable shall be fairly settled in the account to be made for the purposes of this comparison. In making this fair settlement, the Ministry of Petroleum Affairs and the Company shall take into consideration the basic difference between the provisions of the agreements applied including the provisions of the Petroleum Law applied to the Company and the provisions of the said arrangement or other arrangements, as well as the basic difference between the circumstances associated with the Company's operations and activities and the said other projects, as the case may be. This shall include any obligations directly or indirectly related to or resulting from these operations or activities.

(2) The Ministry of Petroleum Affairs shall consult with the Company about the necessary and fair settlements under this paragraph (4) for achieving a fair comparison between the amounts payable according to the agreements applied and the amounts payable according to any arrangement or other arrangements. The Ministry of Petroleum Affairs shall exchange with the Company the information necessary for achieving the purposes of this comparison.

(3) Without prejudice to the general provision of the preceding sub-paragraph and the other provisions of this paragraph (4), the Ministry of Petroleum Affairs and the Company shall take the following points into consideration :

(a) For the purpose of verifying the profits which the Company could have earned from its operations in Libya in any complete year had any arrangement or other arrangements been applied, the « average percentage amended according to the quantities » of the discounts from the prevailing prices shall be calculated on the basis

of the total crude oil exported under the said other arrangement or arrangements in the complete year under review; this percentage shall be applied and deducted from the total value of the crude oil exported by the Company in that year at the prevailing rates (prices) applied. In the absence of a prevailing price for produced crude oil under such other arrangement or arrangements, there shall be considered, for the purposes of calculating « the average percentage amended according to the quantities » of the above discounts, that there has been a prevailing price for this crude oil consistent with the other prices prevailing in Libya. « Discounts » given in this sub-paragraph shall include all other allowances, reductions and deductions from the prevailing price allowed by the Libyan Government according to the said other arrangement or arrangements for the calculation of the income account with the object of determining the amounts payable to the Libyan Government including the income tax payments.

(b) When the amounts payable by the Company under any other arrangement or arrangements have been verified, both the Ministry of Petroleum Affairs and the Company shall take into consideration the manner and percentages according to which the fixed capital and the operating capital have been allocated under the said other arrangement or arrangements as well as the amounts of interest on the capital which may be included in the operation expenses under such other arrangement or arrangements.

(c) For the purposes of verifying the profits which would have been obtained by the Company from the operations in Libya had there any other arrangement or arrangements been applied, the Company's expenditures, coats, etc., shall be deducted from its discounts applied in the complete year under review with due regard to the appropriate and fair settlements.

(4) *The total amounts payable for any complete year under the provisions of the agreements applied and the provisions of the Petroleum Law applicable to the Company regarding to the crude oil exported by the Company as the result of the application of the provisions of this paragraph (4) may not be less than the total amounts which the Company should have paid to the Libyan Government for that year in respect of that crude oil, calculated under the provisions of the Company's concession or concessions in force at the time immediately preceding the operation of the Amendment Agreement according to which the provisions of this paragraph (4) have been introduced into the concession or concessions.*

(5) Any payments or amounts payable in respect of natural gas or refinery operations shall be excluded from any computation made in compliance with the provisions of this paragraph (4).

(6) If, after conducting the talks referred to in sub-paragraph (b) (2) of this paragraph (4), it is found that the total amount paid to the Libyan Government by the Company for any complete year in respect of the crude oil exported by the Company exceeds the maximum amount payable as defined by the other provisions of this paragraph (4), then the Company shall be entitled to deduct this excess from the income tax and the other imposts and surtaxes due in that year or the following years.

2. Paragraph (2) of Clause 16 of the amended concession shall be amended as follows :

(2) The interpretation of this Concession during the period of its operation shall be according to the provisions of the Petroleum Law and the regulations made thereunder at the time of signing the Amendment Agreement according to which this paragraph (2) has been introduced into the Concession. Any amendment to or cancellation of these regulations shall not apply to the contractual rights of the Company without its approval.

3. Should the concession holder submit to the Ministry of Petroleum Affairs before 15 December 1965 a written undertaking to the effect that he would sign the Amendment Agreement net later than 26 January 1966 in accordance with the provisions of this Article 12 with a view to amending all his concessions in Libya granted prior to the operation of this Law, under the provisions of the said Petroleum Law No. 25 of 1955 as amended by this Law, then a notice regarding the service of this undertaking on the part of the concession holder shall be published in the first issue of the Official Gasette of the

Kingdom of Libya appearing after the date of such service. Should the Amendment Agreement be signed not later than 26 January preceding the 12-month period expiring on 26 January during which the last agreement to the Amendment was signed by the concession holder who had implemented the provisions of this section No. (3). The following new para (5) shall be added in virtue of the said Amendment Agreement to Clause 9 of each concession belonging to the concession holder :

(5) (a) The basis used by the Company, including the level of the prices prevailing, the discounts, reductions and allowances, in calculating the amount of payments from the Company to the Government, including the royalty, is considered a sound basis for determining the obligations of the Company to the Government regarding all periods preceding the date of operation of the Amendment Agreement according to which this paragraph (5) has been introduced into the concession contract. This text shall not apply to the basis used by the Company for determining the costs of operation and administration as defined in the Petroleum Regulations No. 6 effective as from the date of operation of the Amendment Agreement, for the purposes of calculating the income tax and surtax; each of the Government and the Company shall reserve their rights and attitude to the said basis.

(b) The Amendment Agreement according to which this sub-paragraph (5) (b) has been introduced into this contract (concession) is considered to be satisfactory settlement at all times regarding :

(1) (a) All matters relating to the amount of the royalty referred to in sub-paragraph (a) of para (1) of Article 13 of the Petroleum Law as operative and effective on the date of signing the Amendment Agreement according to which sub-paragraph (b) (1) of this para (5) has been introduced into this contract (concession), as referred to in para (1) of Clause 7 of this Concession.

(b) All matters regarding the treatment of this royalty for the purpose of the income tax and surtax referred to in Article 14 (1) of the Law and in Clause 8 (1) of this Concession.

(c) All matters related to any other negotiations, correspondence or contacts between the Libyan Government and the Company as regards all matters referred to in this sub-paragraph (b) (1).

(2) All matters related to the « marketing expenses of the crude oil to be exported from Libya and the negotiations, correspondence and all other contacts between the Libyan Government and the Company as regards all of the said matters. « Marketing expenses » means the expenses on the sale of such oil and the arrangements made regarding its haulage. For the purposes of this paragraph, these expenses shall not exceed $\frac{1}{2}$ c (half an American cent) per barrel of crude oil exported, as from the date of the coming into force of the Amendment Agreement. The settlement, for the purposes of this sub-paragraph (b) (2), shall not include the reductions and discounts (from the prevailing price) allowed by the Company.

(c) The Amendment Agreement according to which this paragraph (5) has been introduced into this Concession shall be operative as from the first of January preceding the 12-month period expiring on 26 January during which the last amendment agreement was signed and in virtue of which the provisions of this paragraph (5) was introduced into any oil concession in Libya.

ARTICLE 13

The Minister of Petroleum Affairs shall implement this Law which shall come into force as from the date of publication in the *Official Gazette*.

(IDRIS)

Issued at Dar Essalam Palace on 26 Rajab, 1385 H.,
corresponding to 20th November, 1965 G.

By order of the King

HUSSEIN MAZEGH
Prime Minister.
Fuad KABASI

Minister of Petroleum Affairs

Companies which have agreed to the amendment	Payments under the present Law and the present system of discounts in millions of pounds	Payments under the amended Law « OPEC's Equation » in millions of pounds
ESSO (STANDARD and SIRTE)	56	68
AMERADA	7	17
MOBIL	2	4
GELSENBERG	1	2
CALIFORNIA ASIATIC	1	1.5
TEKACO OVERSEAS	1	1.5
B.B. (additional rents)	0.2	0.2
Companies which showed reserve or did not give final approval of the amendment		
MARATHON	9	19
CONTINENTAL	7	17
SINCLAIR (Libyan American)	1.5	2.5
GRACE PETROLEUM	1.5	2.5
PHILIPS	0.1	0.1
PAN AMERICAN	0.1	0.1
BUNKER HUNT (Additional rents) ..	0.2	0.2
TOTAL	87.5	135.5