

**AN ACT TO AMEND THE EXECUTIVE LAW OF 1972
TO PROVIDE FOR THE ESTABLISHMENT OF THE
NATIONAL OIL COMPANY OF LIBERIA
(“NOCAL”)**

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**IT IS ENACTED BY THE SENATE AND THE HOUSE OF
REPRESENTATIVES OF THE REPUBLIC OF LIBERIA IN
LEGISLATURE ASSEMBLED:**

Section 1. Section 2, Sub-section K or PRC Decree Number 55 and all Amendatory Acts thereto are hereby repealed.

Section 2. Corporation Established: There is created and established a wholly owned Government corporation with the name and style, THE NATIONAL OIL COMPANY OF LIBERIA (NOCAL), which shall be an agency and instrumentality of the Liberian Government with its principal office in the City of Monrovia, and with additional offices in such other places within and without the Republic of Liberia as the Board of Directors may deem necessary.

Section 3. Powers of the Corporation: The Corporation shall have the following powers:

- (a) To sue and be sued, plead and be impeached.**
- (b) To adopt a corporate seal.**
- (c) To have succession in its corporate name**
- (d) To enter into, perform and modify contracts, leases, agreement or other transactions on such terms as may be deemed appropriate with any agency or instrumentality of the Republic of Liberia, with any foreign governmental agency, or with any other person, partnership, association, corporation, organization or other entity, public or private, singly or in combination.**
- (e) To borrow or raise money for any legitimate or lawful purpose of the corporation**
- (f) To collect or compromise any obligations assigned or held by and any legal and any equitable rights accruing to the Corporation.**
- (g) To take any and all actions determined by the Board of Directors to be necessary or desirable to carry out the functions of the Corporation.**
- (h) To have all powers, rights and privileges specifically granted or conferred upon corporations by the laws of the Republic of Liberia now or hereinafter in force. The powers herein enumerated are not intended to be a waiver of any of the**

powers, rights and privileges specifically granted to our conferred upon corporations by the laws of the Republic of Liberia now or hereafter in force. The Corporation is granted the power to do any and all things legally necessary and appropriate in carrying out these powers.

Section 4. Purpose: The Corporation is established for the purpose of holding all of the right, title and interest of the Republic of Liberia in the deposits and reserves of liquid and gaseous hydrocarbons within the territorial limits of the Republic of Liberia, whether potential, proven, or actual with the aim of facilitating the development of the oil and gas industry in the Republic of Liberia.

Section 5. Function: To implement the purpose for which the Corporation is established, the Corporation shall have the following functions:

(a) To organize, conduct, arrange, and supervise all relevant research and exploration for liquid and gaseous hydrocarbons in Liberia, and to delineate, establish, and issue licenses for particular areas, fields, and block, as the case may be, on such terms and conditions as shall be deemed appropriate, subject to the approval of the Board of Directors and final ratification by the President of Liberia.

(b) To undertake and/or facilitate the exploration of established deposits of liquid and gaseous hydrocarbons in Liberia, where economically feasible, through the negotiation and conclusion, subject to approval as otherwise herein provided, or appropriate agreements, loans financing, and exploitation arrangements with potential investors and other relevant parties, entities, corporation, or foreign governments, in collaboration with the relevant ministries and agencies of the Government of Liberia. All such agreements and arrangements shall require the final approval of the President of Liberia.

(c) To conduct research and undertake planning for the orderly, rational, and optimized development of the petroleum and energy requirements of the Republic of Liberia.

Section 6. Capitalization: The Corporation is authorized to issue a maximum of one hundred (100) shares of stock, all of which shall be no par value. All of the Corporation's shares shall be owned by the Republic of Liberia.

The Corporation shall have an initial capital of two hundred and fifty thousand United States Dollars (US\$250,000). This amount shall be advanced out of monies in the public treasury.

The President of Liberia is authorized to increase the capital of the Corporation from time to time, as may be deemed necessary. Such amounts as actually appropriated shall be paid to the Corporation by the Minister of Finance in the manner provided by law.

Operational and development funds for the Corporation shall be raised by the Corporation through its normal corporate activities including licensing fees, loans, financial and capital market strategies, and other appropriate arrangement.

Section 7. Board of Directors and Management: The management of the Corporation shall be vested in and exercised by the Board of Directors consisting of not less than three (3) or more than seven (7) members, all of whom shall appointed by the President of Liberia. The President of Liberia shall appoint the Chairman of the Board of Directors and the President and Chief Executive Officer of the Corporation. Members of the Board shall serve at the pleasure of the President of Liberia.

Directors to be appointed shall include persons knowledgeable in the fields of hydrocarbons, finance, economics and management.

Section 8. Power of the Board: In Furtherance and not in limitation of the powers conferred by statute, the Board of Directors shall have the following powers:

(a) To make, approve, alter, amend and repeal the By-laws of the Corporation:

(b) Subject by the By-Laws of the Corporation, the Board of Directors shall have the power to set apart, from time to time, out of any funds of the Corporation, a reserve or reserves for any purposes and to abolish and such reserves.

(c) The Board of Directors shall have power to hold its meetings at such places within the Republic of Liberia as from time to time shall be designated by the Board of Directors.

(d) The Board of Directors shall, by an affirmative vote of a majority appoint one of more Vice Presidents and other executive officers and from time to time, such other officials of the Corporation as may be deemed necessary.

(e) To set the stipend to be received by the members of the Board of Directors.

(f) To set the salaries, benefits and other compensation to be received by management of the Corporation.

(g) The President and Chief Executive Officer of the Corporation shall not be a member of the Board, but shall nevertheless be amenable to the Board and shall be responsible for the day-to-day operations of the Corporation.

(h) The Corporation shall indemnify and all of its Directors, Officers or former Directors or Officers, or any person who may have served at its request as a Director or Officer of another corporation in which it owns shares or capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they,

or any of them, are made parties, or a party, by reason of being or having been Directors of Officers or a Director or Officers of the Corporation, except in relation to matter as to which any action, suit or proceeding they are held to be liable for negligence or misconduct in performance of duty. Such indemnification shall not be deemed exclusive or any other rights to which those indemnified may be entitled under and bylaw agreement, vote of stockholders, or otherwise.

Section 9. Severability: If any provision of this Act or the application of any provision to any circumstances to persons natural or corporation shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances, persons, individuals or corporations shall not be affected thereby.

Section 10. Effective Date: The Act shall become effective immediately upon publication in handbills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING