



PAPUA.



No. 8 of 1929.

AN ORDINANCE

To Amend the "*Mineral Oil and Coal Ordinance, 1923-1926.*"

[RESERVED 18TH JULY, 1929;
ASSENTED TO 21ST OCTOBER, 1929.]^(a)

BE it enacted by the Lieutenant-Governor of the Territory of Papua with the advice and consent of the Legislative Council thereof as follows:—

1. (1) This Ordinance may be cited as the *Mineral Oil and Coal Ordinance, 1929.* Short title and citation.

(2) The *Mineral Oil and Coal Ordinance, 1923-1926*, is in this Ordinance referred to as the Principal Ordinance.

(3) The Principal Ordinance as amended by this Ordinance may be cited as the *Mineral Oil and Coal Ordinance, 1923-1929.*

(a) Assent notified in *Gazette* No. 16 of 4th December, 1929.

Cf. N.G.
*Mineral Oil
and Coal
Ordinance,*
1928, s. 4.

2. Section four of the Principal Ordinance is amended by inserting therein immediately after the definition "Director of Mines" the following new definition:—

"Gross value of crude oil" means the market value of crude oil at the bore."

3. Subsection 1 (c) of Section five of the Principal Ordinance is amended by repealing the word "four" therein and substituting the word "eight" in lieu thereof.

Payable
mineral oil
or coal.
Cf. *Id.* s. 20.

4. The Principal Ordinance is amended by inserting immediately after Section five thereof the following new section:—

"5A. (1) On the receipt of a report from a licensee of the discovery of mineral oil or coal the Lieutenant-Governor shall decide whether the mineral oil or coal is payable within the meaning of Section four of the Principal Ordinance.

(2) If the licensee is dissatisfied with the Lieutenant-Governor's decision he may appeal in the prescribed manner and time to a Warden's Court for the determination of the question and the Court may determine the question.

(3) In the event of a dispute as to whether payable mineral oil or payable coal has been discovered by a licensee the date of the commencement of the period of six months within which application for a mineral oil lease a mineral oil reward lease or a coal lease must be made in accordance with the provisions of Section five of the Principal Ordinance shall be deemed to be the date on which the Warden's Court decides that the mineral oil or coal as the case may be is payable."

5. Subsection (1) of Section 6 thereof is amended by inserting immediately after the word "company" therein the following words "incorporated or registered under the provisions of the law relating to companies in force in the Territory."

6. Subsection (5) of Section nineteen of the Principal Ordinance is amended by repealing the word "four" therein and substituting the word "eight" in lieu thereof.

7. Subsection (6A) of Section nineteen of the Principal Ordinance is amended—

Cf. N.G.
Mineral Oil
and Coal
Ordinance,
1928, s. 21 (8).

- (1) by omitting the word "four" first occurring and substituting the word "eight" in lieu thereof;
- (2) by adding at the end thereof the following: "and in sixteen separate blocks of an area of one hundred and sixty acres each which need not be contiguous."

8. Subsection (d) of Section twenty-nine of the Principal Ordinance is amended by adding at the end thereof the following further proviso:—

Cf. Ib. s. 26 (d)

"Provided further that a royalty shall not be charged on oil which the lessee satisfies the Lieutenant-Governor was used by the lessee for production purposes or was unavoidably lost."

9. The amendment of Subsection (g) of Section twenty-nine of the Principal Ordinance made by Subsection (b) of Section six of the *Mineral Oil and Coal Ordinance, 1925* (1925 No. 17), shall be taken to have been effected as though the words "where first occurring" had appeared after the words "Lieutenant-Governor" where first occurring in the said amending subsection.

10. The Principal Ordinance is amended by adding after Section twenty-nine thereof the following new section:—

Market value
of crude oil.
Cf. Ib. s. 27.

"29A. In the event of a dispute as to the market value at the bore of crude oil won by a lessee the dispute shall be determined by the Warden sitting in open Court."

11. The Principal Ordinance is amended by inserting after Section thirty-five thereof the following new section:—

Control of
prospectus.
Cf. Ib. s. 35.

"35A. (1) In this section the term "prospectus" includes any prospectus notice circular advertisement or other document or writing prepared with a view to induce or that may have the effect of inducing any person to advance money to or towards or to invest money in any project business or enterprise for the grant or acquirement of a permit

or lease or the commencement or carrying on of prospecting or mining operations in or under any land the subject of a permit or lease or proposed so to be.

(2) Every prospectus directly or indirectly issued or published by or on behalf of a company or by or on behalf of any person who is or has been engaged or interested in the formation of a company shall be dated and signed by every director of the company or every person who is named therein as a proposed director or by his agent authorized in writing and also by every promoter and vendor.

(3) It shall not be lawful for any person to issue or publish any prospectus unless or until the following conditions have been complied with:—

- (a) Before being issued or published the prospectus shall be submitted to the Lieutenant-Governor for approval and upon being so approved a copy shall be filed with the Director of Mines, Port Moresby;
- (b) On being submitted to the Lieutenant-Governor it shall if so required by the Lieutenant-Governor be accompanied by the report of a geologist approved by the Lieutenant-Governor;
- (c) It shall state the names descriptions and addresses of the directors or proposed directors and the minimum subscription upon which the directors may proceed to allotment and the amount payable on application and allotment of each share;
- (d) It shall state the number and amount of shares and debentures issued or agreed to be issued as fully or partly paid up otherwise than in cash and in the latter case the extent to which they are so paid up (including any shares or debentures to be issued as a consideration to the permittee lessee promoter or vendor) and in every case the consideration for which these shares or debentures have been issued or

are proposed or intended to be issued and the Lieutenant-Governor may direct that such fully paid-up or partly paid-up shares shall not be offered for sale or transferable until the first bore on the area covered by the permit or comprised in the lease is sunk and completed;

- (e) It shall state the names and addresses of the vendors of any property purchased or acquired by the company or proposed to be so purchased or acquired setting out in full the consideration for the purchase or proposed purchase and distinguishing between cash shares and debentures;
- (f) Money or consideration to be paid to the promoter shall be clearly and truly set out in the prospectus;
- (g) It shall if so directed by the Lieutenant-Governor contain such statement relating to the area as the Lieutenant-Governor deems to be necessary;
- (h) Without the express consent of the Lieutenant-Governor it shall not contain any statement made in or any extract from any official document prepared by the authority of or furnished to the Lieutenant-Governor or Warden or other officer;
- (i) It shall not contain any statement to the effect that the prospectus or the proposals of the permittee or lessee or directors or promoters or any person proposing to apply for a permit or lease have received the approval or sanction of the Lieutenant-Governor; and
- (j) Such other conditions as the Lieutenant-Governor may think proper.

(4) In the event of non-compliance with any of the requirements of this section every person who is knowingly a party to the issue or publication of the prospectus shall be liable to a penalty not exceeding Five pounds per day for every day from

the date of the prospectus or the day on which the prospectus should have been dated until an approved copy thereof is filed with the Director of Mines, Port Moresby.

(5) The Lieutenant-Governor may institute appropriate proceedings for the recovery of the penalty by complaint in accordance with the provisions of the *Justices Ordinance, 1912-1920*, but this provision shall not be construed to prevent the exercise by the Lieutenant-Governor or any person aggrieved of any other remedy he may have by way of forfeiture injunction mandamus damages or otherwise.

(6) The provisions of this section shall be in addition to and not in substitution for the provisions of Sections sixty-three and sixty-four of the *Companies Ordinance, 1912-1926*."

Provisions of
*Companies
Ordinance,
1912-1926*, to be
complied with.

Passed in Council this eighteenth day of July, in the year of Our Lord One thousand nine hundred and twenty-nine.

Assented to by His Excellency the Governor-General, with the advice of the Executive Council of the Commonwealth of Australia, on the twenty-first day of October, One thousand nine hundred and twenty-nine.