MOORE

PETROLEUM LAW

LAW NO. 8/2026

OF 3 JUNE



TABLE OF CONTENTS

CHAPTER I – GENERAL PROVISIONS 1

ARTICLE 1 – (Definitions) 1

ARTICLE 2 – (Purpose) 1

ARTICLE 3 – (Principles) 1

ARTICLE 4 – (State Property and Public Domain over Petroleum and Energy Resources) ..1

ARTICLE 5 – (Principle of Legality) 1

ARTICLE 6 – (Principle of Defense of National Sovereignty and Public Interest) 1

ARTICLE 7 – (Principle of Economic Sovereignty and Energy Security) 2

ARTICLE 8 – (Principle of Benefit to Local Communities) 2

ARTICLE 9 – (Principle of State Participation) 2

ARTICLE 10 – (Principle of Respect for the Rights of Local Communities) 2

ARTICLE 11 – (Principle of Environmental Sustainability) 2

ARTICLE 12 – (Principle of Transparency) 2

ARTICLE 13 – (Principle of Publicity) 2

ARTICLE 14 – (Principle of Value Addition in the Country and Industrialization) 2

ARTICLE 15 – (Principle of Priority and Requirements) 3

ARTICLE 16 – (Scope) 3

ARTICLE 17 – (Role of the State) 3

ARTICLE 18 – (Evaluation and promotion of access to petroleum resources) 4

ARTICLE 19 – (Defense of national interests) 4

ARTICLE 20 – (Fair compensation) 4

ARTICLE 21 – (Content of fair compensation) 4

ARTICLE 22 – (Distinction of rights) 5

ARTICLE 23 – (Non-overlapping of rights) 5

ARTICLE 24 – (Involvement of communities) 5

ARTICLE 25 – (Workforce and Leadership Development in Petroleum Operations) 5

ARTICLE 26 – (Promotion of the national business community) 6

CHAPTER II – RIGHTS, DUTIES AND GUARANTEES 7

ARTICLE 27 – (General Rights of Data Subjects) 7

TABLE OF CONTENTS

ARTICLE 28 – (General duties of the holders of rights) 7

ARTICLE 29 – (Guarantees of the holders of rights) 8

ARTICLE 30 – (Conditions for the exercise of petroleum operations) 9

ARTICLE 31 – (Recognition License) 9

CHAPTER III – OWNERSHIP AND CONTROL OF PETROLEUM RESOURCES **10**

ARTICLE 32 – (Ownership of petroleum resources) 10

ARTICLE 33 – (Administration of petroleum operations) 10

ARTICLE 34 – (Promotion of economic sovereignty and energy security) 10

ARTICLE 35 – (State participation) 10

ARTICLE 36 – (Public Tender) 11

ARTICLE 37 – (Petroleum Regulatory Authority) 11

ARTICLE 38 – (Attributions of the Petroleum Regulatory Authority) 11

ARTICLE 39 – (National Hydrocarbons Company) 12

ARTICLE 40 – (ENH's Competences) 12

ARTICLE 41 – (Taxes) 13

CHAPTER IV – PETROLEUM OPERATIONS **14**

ARTICLE 42 – (General regime of contracts) 14

ARTICLE 43 – (Subjects) 14

ARTICLE 44 – (Powers of the Government) 15

ARTICLE 45 – (Types of concession contracts) 16

ARTICLE 46 – (Research and production concession contract) 16

ARTICLE 47 – (Concession contract for the construction and operation of an oil or gas pipeline system) 17

ARTICLE 48 – (Infrastructure concession contract) 17

ARTICLE 49 (Construction of infrastructure) 17

ARTICLE 50 – (Production sharing agreement) 17

ARTICLE 51 – (Service Contract) 17

ARTICLE 52 – (Liquefaction and regasification of natural gas) 17

ARTICLE 53 – (Oil and gas for national development) 18

TABLE OF CONTENTS

ARTICLE 54 – (Marketing and commercialization) *18*

ARTICLE 55 – (Capitalization of revenues) *18*

ARTICLE 56 – (Unitization of petroleum deposits) *18*

ARTICLE 57 – (Burning of oil and natural gas) *19*

ARTICLE 58 – (Capture, storage and use of carbon dioxide) *19*

ARTICLE 59 – (Obligations to carry out petroleum operations) *19*

ARTICLE 60 – (Acquisition of goods and services) *20*

ARTICLE 61 – (Resettlement) *20*

ARTICLE 62 – (Overlapping and incompatibility of rights) *21*

CHAPTER V – DIRECT INVESTMENT **22**

ARTICLE 63 – (Form of investment) *22*

ARTICLE 64 – (Guarantees) *22*

ARTICLE 65 – (Provision of guarantees) *23*

ARTICLE 66 – (Reserved oil areas) *23*

ARTICLE 67 – (Local development) *23*

ARTICLE 68 – (Development of industrial activity) *23*

ARTICLE 69 – (Extractive Transparency Initiative) *23*

ARTICLE 70 – (Right to use infrastructures) *23*

ARTICLE 71 – (Infrastructure at sea) *24*

ARTICLE 72 – (Force majeure) *24*

ARTICLE 73 – (Ownership of data) *25*

ARTICLE 74 – (Transmission) *25*

CHAPTER VI – LAND AND ENVIRONMENT **26**

ARTICLE 75 – (Use and Exploitation of Land and Easement of Passage) *26*

ARTICLE 76 – (Environmental management of petroleum activity) *26*

ARTICLE 77 – (Environmental inspection) *26*

ARTICLE 78 – (Liability for damages) *27*

ARTICLE 79 – (Protection of natural resources) *27*

ARTICLE 80 – (Total and partial protection zone) *27*

TABLE OF CONTENTS

CHAPTER V II – EXPLOSIVES, RADIOACTIVE MATERIAL AND CHEMICALS 28

ARTICLE 81 – (Use of explosives and chemical substances) 28

ARTICLE 82 – (Explosives and chemical materials permitted in petroleum operations) .. 28

ARTICLE 83 – (Acquisition, transport and use of explosives and chemical materials) 28

ARTICLE 84 – (Radioactive material) 28

ARTICLE 85 – (Inspection) 28

ARTICLE 86 – (Supervision and audits of petroleum operations) 28

ARTICLE 87 – (Demobilization Fund and Plan) 29

ARTICLE 88 – (Access to Maritime Jurisdiction Zones) 29

ARTICLE 89 – (Environmental protection and safety) 29

CHAPTER V III – INFRINGEMENTS 30

ARTICLE 90 – (Infringements) 30

CHAPTER IX – FINAL PROVISIONS 31

ARTICLE 91 – (Contracts in execution) 31

ARTICLE 92 – (Dispute Resolution) 31

ARTICLE 93 – (Regulation of petroleum operations) 31

ARTICLE 94 – (Revocation) 32

ARTICLE 95 – (Entry into force) 32

ANNEXES 33

WHY MOORE? 37

MOORE IN THE WORLD 37

MOORE MOZAMBIQUE 39

OUR SERVICES 39

Expert Consulting Services 39

Auditing 39

Accounting Services 40

Taxation 40

CHAPTER I – GENERAL PROVISIONS

ARTICLE 1 – (Definitions)

The definitions and meanings of the terms and expressions used are set out in the attached Glossary, which is an integral part of this Law.

ARTICLE 2 – (Purpose)

This Law establishes the regime for the allocation of rights to carry out petroleum operations in the Republic of Mozambique and beyond its borders, to the extent that it is in accordance with international law.

ARTICLE 3 – (Principles)

The right of access, use and exploitation of petroleum and energy resources is guided by the following principles:

a) State ownership and public domain over petroleum and energy resources;

b) legality;

c) defense of national sovereignty and the public interest;

d) economic sovereignty and energy security;

e) benefits for local communities;

f) participation of the State;

g) respect for the rights of local communities;

h) environmental sustainability;

i) transparency;

j) publicity;

k) value addition in the country and industrialization;

l) priority and requirements.

ARTICLE 4 – (State Property and Public Domain over Petroleum and Energy Resources)

Petroleum and energy resources belong to the State and are part of the public domain, being inalienable, imprescriptible and intended for the pursuit of the public interest, and the State is responsible for managing, regulating and using them for the benefit of the community.

ARTICLE 5 – (Principle of Legality)

The exercise of the activities of petroleum operations is subject to authorization by the competent authorities.

ARTICLE 6 – (Principle of Defense of National Sovereignty and Public Interest)

1. Areas of strategic relevance to the sovereignty and security of the State dedicated to petroleum operations are subject to a special protection and supervision regime, in accordance with specific legislation.

2. The action of the State and public entities must be aimed at defending, promoting and safeguarding the collective interests of society, ensuring that the exploitation of oil and energy resources contributes to the economic and social development of Mozambique.

ARTICLE 7 – (Principle of Economic Sovereignty and Energy Security)

The State ensures economic sovereignty and energy security as essential foundations of national independence, institutional stability and the protection of the State's strategic interests.

ARTICLE 8 – (Principle of Benefit to Local Communities)

The gains and benefits resulting from the exploitation of petroleum and energy resources should be distributed among the State, companies and affected local communities, ensuring that the exploitation of petroleum and energy resources promotes the social and economic inclusion of local communities and revenues from petroleum operations and contributes to sustainable community development.

ARTICLE 9 – (Principle of State Participation)

The State has the right and duty to intervene actively and strategically in all phases of activities of petroleum operations, namely, prospecting and research, exploration, management, inspection and monitoring of petroleum and energy resources, ensuring that these resources are used for collective benefit and in accordance with national development objectives.

ARTICLE 10 – (Principle of Respect for the Rights of Local Communities)

The exploitation of petroleum and energy resources is conducted in a way that recognizes, protects, preserves and promotes the rights of local communities, especially those directly covered by the activities of petroleum operations.

ARTICLE 11 – (Principle of Environmental Sustainability)

Prospecting and research, exploration and use of oil and energy resources must be carried out in a sustainable and ecologically responsible manner, ensuring a balance between economic development, environmental preservation and the well-being of present and future generations.

ARTICLE 12 – (Principle of Transparency)

The process of granting and withdrawing concession rights, rendering accounts and public access to relevant information on the production and management of revenues generated by the exploration of oil and energy resources is subject to publication.

ARTICLE 13 – (Principle of Publicity)

Decisions and acts relating to the allocation of concession rights must be publicised.

ARTICLE 14 – (Principle of Value Addition in the Country and Industrialization)

Oil and energy resources should promote the industrialization of the country and broaden the tax base with a view to boosting economic sovereignty.

ARTICLE 15 – (Principle of Priority and Requirements)

Concession rights are granted in accordance with the order of priority and precedence of the entry of the respective application and approval of the requirements required under the terms to be regulated, with the competent authority.

ARTICLE 16 – (Scope)

1. This Law shall apply to petroleum operations and any infrastructures owned or held by the rightholder or third parties, used in connection with petroleum operations, subject to Mozambican jurisdiction, including foreign-flagged mobile infrastructures for the purpose of conducting or assisting petroleum operations, unless otherwise provided for by law.

2. It shall also apply to the use or consumption of petroleum where such use is necessary or constitutes an integral part of production or transport operations at a pressure above 16 bar.

3. The activities of capture, use and storage of carbon dioxide (CCSU) and control of greenhouse gas emissions, when related to petroleum operations, are covered by the scope of this Law.

4. The activities of refining, industrial use, distribution and marketing of petroleum products are excluded from the scope of application of this Law.

ARTICLE 17 – (Role of the State)

1. The State exercises control over the activities of prospecting, research, development, production, transportation, marketing, refining, and transformation of liquid and gaseous hydrocarbons and their derivatives, including petrochemical activities, Liquefied Natural Gas (LNG), Gas to Liquids (GTL), including unconventional hydrocarbons and Carbon Dioxide Capture, Use and Storage (CCSU) activities.

2. The State may also engage directly or indirectly in activities complementary to or ancillary to those referred to in paragraph 1 of this article.

3. The State, its institutions and other legal persons governed by public law have a decisive role in promoting the assessment of the existing oil potential, in order to allow access to the benefits of oil production and contribute to the economic and social development of the country.

4. The Government disseminates the potential of existing natural resources and promotes the involvement of national entrepreneurs in oil projects.

5. The State shall ensure that part of the national petroleum resources is destined to the promotion of national development.

6. The Government promotes the financing of the National Hydrocarbons Company, Public Company (ENH, EP), its exclusive representative, to invest in the improvement and stabilization of its participation in the oil and gas business.

7. The State shall adopt policies and measures that encourage and guarantee investment in petroleum operations, ensuring legal predictability, fiscal stability, regulatory transparency and environmental protection, in accordance with the applicable legislation.

ARTICLE 18 – (Evaluation and promotion of access to petroleum resources)

1. The State, institutions and other legal persons governed by public law have a decisive role in promoting the assessment of the existing oil potential, in order to allow access to the benefits of oil production and contribute to the economic and social development of the country.

2. In its action, the Government encourages investments in petroleum operations.

ARTICLE 19 – (Defense of national interests)

In the allocation of rights for the exercise of petroleum operations under this Law, the State shall ensure respect for national interests, in relation to:

a) national defense and state security;

b) labour rights, ensuring fair conditions for Mozambican workers in the oil sector;

c) navigation, scientific research and conservation of marine ecosystems;

d) protection of existing economic activities, especially those of local and national relevance, which may be impacted by petroleum operations;

e) food and nutritional security of communities impacted by oil operations, ensuring that they are not harmed in their living conditions and food production;

f) protection of the environment with an emphasis on the responsible management of natural resources, the mitigation of environmental impacts and the promotion of sustainable development practices.

ARTICLE 20 – (Fair compensation)

1. The State guarantees fair compensation, paid by the holders of the rights to carry out petroleum operations, to the persons or communities that hold, in any capacity, rights to use and exploit the land, as well as territorial water, of the concession area covered.

2. When the concession area covers in part or in whole spaces occupied by families or communities that imply their resettlement, the concessionaire is obliged to compensate those covered in a fair and transparent manner, in a manner to be regulated by the Council of Ministers.

3. The fair compensation shall be signed in a binding agreement between the holder of the exercise for petroleum operations and the holder of the pre-existing right or community of the concession area covered, and the respective process shall be accompanied by a competent entity of the Government and, whenever necessary, by a community-based organization.

ARTICLE 21 – (Content of fair compensation)

1. The fair compensation referred to in Article 20 of this Law shall include:

a) resettlement in decent housing, by the concession holder, in better conditions than the previous ones;

b) the payment of the value of the improvements under the terms of the Land Law and other applicable legislation;

c) the implementation of socio-economic activities to ensure life, well-being, food and nutritional security, as well as the protection of the human rights of the communities concerned;

d) the preservation of the historical, cultural and symbolic heritage of families and communities, in modalities to be agreed upon by the parties.

2. Resettlement can only take place when the research confirms the availability of oil resources, and must take place within the development and production area, under a contract for oil operations activities for the purpose of starting production, in accordance with principles defined by the Council of Ministers and once all issues related to fair compensation have been resolved

ARTICLE 22 – (Distinction of rights)

The right to carry out petroleum operations is distinct from the right to use and exploit land or other pre-existing rights under the law.

ARTICLE 23 – (Non-overlapping of rights)

1. The attribution of the right to carry out petroleum operations does not presuppose the attribution of the right to use and exploit the land or other pre-existing rights.

2. The Government shall decree the extinction of the right to carry out petroleum operations, in cases of revocation of the license, expiry of the concession contract, exhaustion of the remedy or violation of the law.

3. Once the end of the right to carry out petroleum operations has been declared, the holders of pre-existing rights, or their heirs, shall enjoy preference in the attribution of the renounced rights, or they shall revert to the State, under the terms to be regulated.

ARTICLE 24 – (Involvement of communities)

1. It is mandatory to inform communities in advance about the start of oil operations activities, including possible socio-environmental impacts and, when necessary, about the resettlement process, in accordance with the applicable legislation.

2. Prior consultation with the communities is mandatory in order to obtain authorisation for the commencement of petroleum operations, and the respective minutes must be attached to the file, in accordance with the terms to be regulated.

3. The Government must create mechanisms for involvement and ensure the organization and participation of communities in the areas where oil projects are located.

ARTICLE 25 – (Workforce and Leadership Development in Petroleum Operations)

of rights for the exercise of petroleum operations must:

a) To fill its staff with Mozambican citizens in all categories and functions, unless there are no Mozambican citizens in the national market with the required qualifications and experience;

(b) to ensure a harmonious working environment, respecting the principles of good industrial relations;

c) To guarantee employment, professional and technical-professional training/training and the progressive integration of Mozambicans in oil management and operations;

d) To promote and ensure the socio-economic integration of the local communities around the place where the project is implemented;

e) Adopt measures to ensure safety and hygiene at work, in accordance with Mozambican legislation and international good practices.

2. The recruitment of personnel for companies holding rights to carry out petroleum operations, contracted and subcontracted companies, must be widely published through newspapers with the largest circulation in the country, radio, television and Internet, Government employment portals, indicating the deadline and place of submission of the tender documents, and the publication of results is mandatory.

3. Holders of rights to exercise petroleum operations shall adopt the following elements in their Local Content Plan:

a) Workforce plans and succession plans that ensure the hiring, training and progressive promotion of Mozambican citizens and foreigners to be hired at each stage of petroleum operations under the terms of specific legislation;

b) training plans with a view to the gradual increase of Mozambicans involved in petroleum operations under the terms of the specific legislation.

ARTICLE 26 – (Promotion of the national business community)

1. The Government shall create and implement mechanisms that promote national entrepreneurship along the entire value chain of the oil industry, ensuring its effective participation, in accordance with the specific legislation.

2. The exclusive representative of the State shall have the right of preference in the allocation of rights in areas that have reached the end of their term of validity or have been renounced, and may establish partnerships with Mozambican or foreign legal persons that meet the requirements, under the terms of the applicable legislation.

3. The Government shall guarantee the participation of national companies in the acquisition of research and production areas, which have been the object of previous rights, extinguished, by any of the forms provided for in this Law.

4. The Government shall ensure the participation of Mozambican individuals and legal entities in the chain of services associated with research, development and production in the oil industry.

5. Whenever part of the shares of the entities held by the State companies is opened for subscription of share capital through the Mozambique Stock Exchange, the participation of Mozambican individuals and legal entities shall preferably be ensured.

6. The Area Licensing Strategy contemplates the reservation of areas exclusively dedicated to the performance of petroleum operations by national operators with technical and financial capacity, through the creation of specific procedures for areas with previously developed or abandoned deposits with a view to the development of the national economy.

CHAPTER II – RIGHTS, DUTIES AND GUARANTEES

ARTICLE 27 – (General Rights of Data Subjects)

The holders of the right to exercise petroleum operations enjoy, among others, the following rights:

a) consult with the competent authorities the geological information available in the Concession Contract;

b) to obtain the collaboration of the administrative authorities for the carrying out of field work and for the constitution of easements of passage, under the terms of the law;

c) To build and implement the infrastructures and facilities necessary for the execution of petroleum operations, and must previously obtain the necessary rights of use and exploitation of the land, special licenses on special protection zones and titles for the use of maritime space, under the terms of this Law and other applicable legislation;

d) to use, under the relevant legal and regulatory conditions, the areas demarcated for the implementation of the oil installations of the buildings and equipment;

e) To carry out the geological activities necessary for the execution of the approved plans, without any limitations other than those arising from the legal norms, the concession contract or the order of the entity that supervises the oil area;

f) extract, export and benefit from the petroleum resources object of the concession contract, under the terms of the law.

ARTICLE 28 – (General duties of the holders of rights)

1. The holders of the right to carry out petroleum operations have, among others, the following duties:

a) To ensure jobs and technical training for national citizens, preferably those residing in local communities residing in the area of development and production, under the terms to be regulated by the Council of Ministers;

(b) to apply the methods most suitable for obtaining the highest yield, compatible with the economic conditions of the market, with the protection of the environment and with the rational use of petroleum resources;

c) To register all activities, including those carried out;

(d) to allow the competent authorities to control and supervise their activities, including access to the register of technical, economic and financial data relating to petroleum operations;

e) Progressively release the initial area covered by the allocation of petroleum operations, under the terms and conditions of this Law and the respective regulations;

f) to comply with the approved work plans and budgets, in accordance with each phase of the petroleum operations, always respecting the legal and regulatory provisions and the best methodology for carrying out the petroleum operations;

g) to comply with the deadlines for the execution of the petroleum operations and the production programme established, keeping the exploration in activity, except in cases of authorised or imposed suspension, or when determined for reasons of Force Majeure;

h) to comply with the duties and obligations related to the Environmental Impact Assessment (EIA) process and to adopt damage mitigation measures, under the terms of the applicable legislation;

i) implement environmental protection measures in accordance with the Environmental Impact Assessment (EIA) study approved by the competent authorities;

j) To promote public safety, health, hygiene and health, in accordance with the national and international regulations applicable in the Republic of Mozambique;

k) To inform the competent authorities of the effects of petroleum operations on land cover, maritime space and environmental characteristics;

l) to repair, under the terms of the law, the damages caused to third parties by the exercise of petroleum operations;

m) Adopt effective measures and present a plan to ensure prompt response to emergencies in petroleum operations;

n) to comply with the obligations, tax and pecuniary charges under the applicable legislation and the concession contracts;

o) to carry out a regular inventory of resources under the terms to be regulated;

p) certify the oil reserves, including the volumes to be supplied to the domestic market and submit them to the regulatory entity prior to the submission of the Development Plan, under the terms to be regulated;

q) Deliver a minimum quota of 25% of oil and natural gas, including in the form of liquefied natural gas, produced in the respective project;

r) to deliver, free of charge, to the point of delivery, all the condensate produced in the petroleum operations, which is the subject of the respective contract;

s) Adopt corporate corporate social responsibility policies and practices with respect to human rights and socio-economic development, in accordance with the applicable legislation;

t) Submit a periodic report on the observance of human rights and report the results achieved to the competent authorities;

u) To allow monitoring of the human rights situation in the area of implementation of petroleum operations under the terms to be regulated;

v) to comply with the instructions and recommendations of the petroleum regulatory authority and other competent entities within the scope of the exercise of petroleum operations.

2. Comply with local content legislation, established in specific legislation.

ARTICLE 29 – (Guarantees of the holders of rights)

The holders of the right to carry out petroleum operations are granted the following legal guarantees:

a) to transmit rights and obligations arising from the concession contracts, having obtained the competent authorization;

b) support for the execution of petroleum operations and respect for the rights inherent therein;

c) freely dispose of and trade oil and gas, in compliance with the rules and procedures established in this Law and in complementary legislation on the matter;

d) resort to international arbitration for the resolution of disputes, after exhausting alternative means of resolution.

ARTICLE 30 – (Conditions for the exercise of petroleum operations)

1. Petroleum operations shall be carried out by means of a concession contract resulting from a public tender, simultaneous negotiation or direct negotiation.

2. The allocation of rights for the exercise of petroleum operations under this Law shall always respect national interests in relation to the defence, navigation, research and conservation of marine resources, existing economic activities, the rights of local communities and the environment in general.

3. Without prejudice to the provisions of paragraphs 1 and 2 of this article, the reconnaissance activity shall be granted by means of a licence to carry out preliminary prospecting work in the authorised area, and this right to carry out aerial, terrestrial and other surveys, including geophysical, geochemical, palaeontological, geological and topographic studies up to a depth of 100 metres below the earth's surface or seabed, non-exclusive, approved by the Council of Ministers.

ARTICLE 31 – (Recognition License)

The reconnaissance activity is carried out on an exclusive basis by national companies, through a license to carry out preliminary prospecting work in the authorized area, and this right to carry out aerial, terrestrial and other surveys, including geophysical, geochemical, paleontological, geological and topographic studies up to the depth of 100 meters below the land surface or the seabed, non-exclusive, approved by the Council of Ministers, under the terms to be regulated.

CHAPTER III – OWNERSHIP AND CONTROL OF PETROLEUM RESOURCES

ARTICLE 32 – (Ownership of petroleum resources)

Petroleum resources located on the ground and in the subsoil, in inland waters, in the territorial sea, on the continental shelf and in the exclusive economic zone, are the property of the State.

ARTICLE 33 – (Administration of petroleum operations)

The Government should implement policies that ensure the conduct of petroleum operations, including the formulation of regulations necessary for their implementation.

ARTICLE 34 – (Promotion of economic sovereignty and energy security)

1. Economic sovereignty is guaranteed by the rational and strategic management of natural resources, by the promotion of national industrialization and by the defense of the internal value chain, ensuring that the wealth produced contributes primarily to the sustainable development and financial autonomy of the country.

2. Energy security shall be ensured by:

a) the diversification of the exploration of sources of geological-mining resources associated with the energy resource and the promotion of energy production;

b) the establishment of strategic reserves and crisis response mechanisms;

c) the protection and supervision of critical infrastructures of the geological-mining sector associated with energy resources;

d) the guarantee of continuous and sustainable supply for citizens and productive sectors.

3. The Government shall create regulation, inspection and traceability mechanisms that prevent excessive external dependencies, ensure transparency and efficiency, and consolidate the defence of national interests.

4. The exploration and use of energy and economic resources shall always comply with the public interest, environmental sustainability and the strengthening of national sovereignty, in accordance with the specific legislation.

ARTICLE 35 – (State participation)

1. The State reserves, through its exclusive representative, the right to participate in petroleum operations in which any legal entity is involved.

2. The State's participation may occur at any stage of petroleum operations, under the terms and conditions to be established by contract.

3. The State reserves the right to hold a minimum interest of 15% non-dilutable in a "free carry" regime, without prejudice to higher percentages in areas of high geological prospectivity.

4. The costs related to the additional participation of the State must be financed by the concessionaires to a maximum of 40% of participatory interest until the start of production under a "free carry" regime.

5. The terms of the financing referred to in the preceding paragraphs shall enable the State's participation in oil and gas projects.

6. The costs must be financed by the other concessionaires on a "free carry" basis.

ARTICLE 36 – (Public Tender)

1. The Government shall hold a public tender for the allocation of rights to carry out petroleum operations.

2. The procedures for holding a public tender shall be defined in the Petroleum Operations Regulations.

ARTICLE 37 – (Petroleum Regulatory Authority)

1. The National Petroleum Institute, hereinafter referred to as INP, created by Decree No. 25/2004 of 20 August, is the Petroleum Regulatory Authority, under the terms of this Law.

2. The INP is a legal person governed by public law, endowed with the nature, legal personality and administrative, financial and patrimonial autonomy, as well as functional and technical independence specialized in the protection of the State's strategic interests in the Petroleum area, including decision-making and sanctioning in the exercise of its attributions and competences, under the terms of the law.

3. The INP, under the terms of this Law, shall maintain the totality of its rights and obligations, including assets, personnel, contracts, processes, sources of income including production bonuses, assets and liabilities.

4. The earmarked revenues shall be channelled to the Treasury Single Account, in accordance with the applicable legislation.

5. The INP is responsible for defining the guidelines for the participation of the public and private sectors, licensing, regulation, supervision, supervision and control of activities in petroleum operations.

6. The INP is under the supervision of the Minister who supervises the Petroleum area, under the terms of the applicable legislation.

7. The INP is governed by the provisions of this Law and the respective Organic Statute, approved by the Council of Ministers

ARTICLE 38 – (Attributions of the Petroleum Regulatory Authority)

1. The duties of the Petroleum Regulatory Authority are:

a) to regulate and supervise the activity of research, development, production and transportation of petroleum;

b) to manage the activity of research, development, production and transportation of petroleum;

c) to propose policies and standards regarding petroleum operations;

d) to prepare and implement the processes for the assignment of rights to carry out petroleum operations;

e) to proceed with the licensing of petroleum infrastructures and operations;

(f) to preserve the public interest by defining appropriate technical, economic and environmental conditions for the efficient use of resources;

g) To organise, maintain and consolidate the collection of technical and scientific information and data relating to the activities of the petroleum industry, national petroleum reserves and information resulting from petroleum operations;

h) to launch tenders for the acquisition of data for the verification of the petroleum potential in the sedimentary basins;

i) to ensure compliance with concession contracts, purchase and sale agreements and other contractual instruments inherent to petroleum operations;

j) to approve budgets by concession area and oil enterprise;

k) to ensure the reception, verification and harmonization of the annual reports on the execution of the costs arising from each concession area and/or enterprise;

l) To ensure the efficient management and implementation of information technology tools for the monitoring and analysis of production data;

m) To develop institutional actions and create equal conditions for investment in research, development and production in accordance with the good practices of the oil industry;

n) To ensure compliance in contracts, licenses, development plans and other legal instruments applicable to petroleum operations, include provisions provided for in the applicable local content legislation, in coordination with the competent entity;

o) To ensure that the development plans include the best alternatives in the field of technology, market and price;

p) Verify and approve the measurement systems installed in wells, platforms and production facilities.

2. The Petroleum Regulatory Authority is also responsible for regulating and supervising the conditions for the Capture, Storage and Use of Carbon Dioxide (CCSU), as well as proposing development policies and standards in this regard.

ARTICLE 39 – (National Hydrocarbons Company)

1. Empresa Nacional de Hidrocarbonetos, E.P (ENH, E.P.) is the exclusive representative of the State, responsible for prospecting, research, development, production and marketing of petroleum products, taking into account the nature, public and strategic interest of the State in the preservation, conservation and management of resources in petroleum operations.

2. ENH, E.P., as the exclusive representative of the State, is the mandatory partner of any investor with an interest in carrying out petroleum operations.

ARTICLE 40 – (ENH's Competences)

1. ENH, E.P. is responsible for participating in all petroleum operations and in the respective phases of activities from the research, exploration, production, refining, transportation, storage and marketing of oil and gas and its derivatives, including LNG, LPG and the GTL process inside and outside the country.

2. ENH, E.P. is also responsible for the marketing and commercialization of the oil and gas quota for the development of the national market and the industrialization of the country.

ARTICLE 41 – (Taxes)

1. Holders of rights to carry out petroleum operations shall be subject to the payment, in addition to specific taxes, of the following taxes:

a) Income Tax;

b) Value Added Tax;

c) Municipal Tax when applicable;

d) other taxes established by law.

2. Special purpose entities created to carry out petroleum activities shall be subject to the same tax regime applicable to holders of rights resulting from contracts for the performance of petroleum operations.

3. The specific regime for the taxation of petroleum operations shall be established by law.

CHAPTER IV – PETROLEUM OPERATIONS

ARTICLE 42 – (General regime of contracts)

1. The performance of petroleum operations is subject to the prior conclusion of the following types of contracts:

a) Concession Agreement;

b) Production Sharing Contract;

c) Service Agreement.

2. In addition to the contracts provided for in paragraph 1 of this article, the Government may create or adopt other types or models of contracts in accordance with the national interest.

3. The attribution of rights to carry out petroleum operations must observe the principles of national sovereignty, legality, transparency, publicity, defense of the public interest and environmental sustainability.

4. The transfer or offsetting of rights granted and obligations constituted under a given contract for the performance of petroleum operations in other areas not foreseen or covered by the object of the respective contract is prohibited.

5. The Petroleum Regulatory Authority shall issue an opinion prior to the approval by the Council of Ministers of the contracts for the performance of petroleum operations, with a view to ensuring the pursuit of the national strategic interest, the financial and technical capacity, as well as the appropriate environmental conditions, in accordance with its duties.

6. Without prejudice to the safeguarding of the confidentiality of strategic and competitive commercial information, contracts for the performance of petroleum operations are subject to the supervision and approval of the Administrative Court, as well as to the publication of the respective contract.

ARTICLE 43 – (Subjects)

1. National or foreign legal persons who prove that they have the competence and technical and financial capacity appropriate to the effective conduct of petroleum operations may be holders of the right to carry out petroleum operations.

2. The foreign legal persons referred to in paragraph 1 of this article shall, after the approval of the contract by the Government and the obtaining of the Visa, constitute in Mozambique an entity to hold the right to carry out petroleum operations, in accordance with the applicable legislation.

3. Foreign legal entities which directly or indirectly have under their control other legal entities holding rights under concession contracts shall be incorporated or registered and administered through a transparent jurisdiction.

4. Applicants for rights to carry out petroleum operations, incorporated in the form of a commercial company, must, at the time of submission of the application, deposit the document proving the incorporation of the company, including the identification of the shareholders and the respective subscribed value, in accordance with the applicable legislation.

5. All things being equal, Mozambican persons or foreign legal entities that associate with Mozambican persons shall enjoy the right of first refusal in the award of concession contracts.

ARTICLE 44 – (Powers of the Government)

1. The Government shall be responsible for approving the regulation of petroleum operations, which shall include, among other matters, the following:

(a) arrangements for the allocation of rights, terms and conditions of contracts for petroleum operations;

(b) petroleum operations practices, including resource management, safety, health and environmental protection;

c) submission of plans, reports, data, samples, information and accounts to be submitted by the rights holders, under the terms of the respective contracts or contracts for petroleum operations activities;

d) rules for access and use of infrastructures by third parties;

e) procedures for tenders for the acquisition of materials, goods and services;

f) rules on the abandonment of areas in contracts for petroleum operations activities;

g) terms and conditions on the participation of the State in any contract for petroleum operations activities.

2. It is also incumbent within the scope of the management of petroleum operations:

a) To regulate the modalities of contracts for petroleum operations activities and the rules of tenders for the allocation of rights for petroleum operations;

b) to approve the execution of concession contracts for research and production, oil or gas pipeline systems and infrastructure;

c) to approve contracts for services with risk, to be entered into with the national hydrocarbons company, under the terms to be regulated;

(d) approve development plans, oil or gas pipeline system development plans, infrastructure development plans and decommissioning plans and any significant amendments thereto;

e) approve unitization agreements and any significant changes thereto;

f) to define the competences regarding the execution of other contracts within the scope of this Law;

g) To define the competences regarding the authorisation of the transfer of rights and subsequent amendments to the contracts for petroleum operations activities;

h) To issue decisions in relation to contracts for petroleum operations activities under the terms of this Law;

i) Inspect any infrastructure or places where petroleum operations are being carried out;

j) to determine the rules, approve the contracts relating to third-party access to infrastructures and the methodology for setting tariffs;

k) to approve the methodology for determining oil prices;

l) to inventory the revenues resulting from petroleum operations and to advertise periodically;

m) to define the forms and content of the guarantees to be provided by the holders of rights in the performance of petroleum operations;

n) to grant extension of the period of contracts for petroleum operations under terms and conditions, as is more advantageous to the national interest;

o) to approve the transfer of ownership of infrastructures or the right to use infrastructures;

p) to approve regulations relating to petroleum operations and to exercise the other duties assigned to it by this Law and other applicable legislation;

q) to regulate the acquisition of goods and services for the oil industry;

r) any other matters within the scope of its competences.

ARTICLE 45 – (Types of concession contracts)

Concession contracts are entered into to carry out the following oil operations:

a) research and production;

b) construction and operation of oil or gas pipeline systems;

c) construction and operation of infrastructures.

ARTICLE 46 – (Research and production concession contract)

1. The Research and Production Concession Agreement grants the exclusive right to conduct petroleum operations, as well as the non-exclusive right to construct and operate oil and gas production and transportation infrastructure, from a concession contract area, unless access to an oil or gas pipeline system or other existing infrastructure is available under acceptable commercial terms and conditions.

2. Agreements entered into between legal entities for the submission of applications for rights or for the conduct of petroleum operations shall be subject to approval by the Government.

3. The exclusive right to search for petroleum under a research and production concession contract shall not exceed eight years and shall be subject to the provisions on the abandonment of areas.

4. In the case of a discovery, the holder of the research and production right may retain the exclusive right to complete the work begun within a specified area, in relation to the research period, for the fulfilment of work obligations and the assessment or determination of commercial value and to enable the development and production of oil.

5. In the event of discovery, the holder of the right to carry out petroleum operations shall, within two years from the date of completion of the commercial appraisal, submit the development plan.

6. The holder of the right to carry out petroleum operations may maintain, in accordance with the Development Plan approved by the Government, the exclusive right to develop and produce oil in the area of development and production, for a maximum period of 30 years, after the approval of the respective plan, subject to renewal, as it is more advantageous for the national interest, presents economic advantages for the country and is subject to approval by the Council of Ministers.

ARTICLE 47 – (Concession contract for the construction and operation of an oil or gas pipeline system)

1. The Oil or Gas Pipeline System Concession Agreement shall grant the right to construct and operate oil or gas pipeline systems for the purpose of transporting crude oil or natural gas, in cases where these operations are not covered by a research and production concession agreement.

2. The concession contract for the oil or gas pipeline system shall be accompanied by the respective Oil or Gas Pipeline Development Plan, which is an integral part.

ARTICLE 48 – (Infrastructure concession contract)

The concession contract for the construction and operation of infrastructure grants the right to construct and operate infrastructure for oil production, such as processing, conversion, storage, liquefaction and regasification, which is not covered by an approved Development Plan.

ARTICLE 49 (Construction of infrastructure)

The construction and operations of the oil or gas pipeline system and also the concession and operation of infrastructures are carried out through a concession contract resulting from a public tender, direct or simultaneous negotiation.

ARTICLE 50 – (Production sharing agreement)

1. The Production Sharing Agreement grants the exclusive right to conduct exploration and production operations, at the expense and risk of the contracted entity, as well as the non-exclusive right to build and operate oil production and transportation infrastructures, while the State retains ownership of the resources.

2. The provisions of the research and production concession contract shall apply to the production sharing contract, in everything that does not contradict the nature of its regime, under the terms to be regulated.

ARTICLE 51 – (Service Contract)

The service contract confers the right to provide services of petroleum activities of research, development and production for previously established remuneration, with the State maintaining the exclusive right of ownership over the petroleum resources produced.

ARTICLE 52 – (Liquefaction and regasification of natural gas)

1. The concessionaire that has discovered natural gas shall submit to the Government for project approval, design, construction, installation, ownership, financing, operation, maintenance, use of wells, facilities and related equipment, whether on land or at sea for

the production, processing, liquefaction, regasification, delivery and sale of natural gas in the domestic market and for export.

2. The Government may authorize entities other than concessionaires to develop the natural gas liquefaction and regasification projects referred to in paragraph 1 of this article.

ARTICLE 53 – (Oil and gas for national development)

1. The Government shall ensure that in the approved development plan, a minimum quota of 25% of the oil and gas, including in the form of liquefied natural gas produced, is allocated to the domestic market, exclusively for domestic consumption.

2. The Government shall regulate the acquisition, price definition and other matters inherent to the use of the oil quota referred to in paragraph 1 of this article.

3. The price of domestic oil and gas should be adjustable and below the value determined in the international market in order to make industrialization projects viable.

4. The holder of the oil business year shall allocate to the State representative, free of charge until the point of delivery, all the condensate produced under the respective contract.

ARTICLE 54 – (Marketing and commercialization)

1. The Government shall ensure that ENH, the State's representative in the petroleum business, takes the lead in the marketing and marketing of petroleum products.

2. The Government should promote the massification of the use of natural gas for the development of the national market and industrialization of the country.

ARTICLE 55 – (Capitalization of revenues)

Matters relating to the sustainable and transparent management of revenues from the exploration of the country's petroleum resources are subject to specific legislation, taking into account the satisfaction of present needs and those of future generations.

ARTICLE 56 – (Unitization of petroleum deposits)

1. An oil deposit that is located partly in a concession contract area and partly in another concession contract area shall be jointly developed and operated under a unitisation agreement subject to approval by the Government.

2. If there is sufficient evidence that one or more of the oil deposits covered by the commercial development of a discovery extend into neighbouring exploration and production areas, the rights holders concerned shall, within six months after the declaration of commerciality, reach an agreement on the most rational form of development and unitised production of such oil and gas deposits, in accordance with the Master Depletion Plan drawn up jointly by the concessionaires and approved by the Minister supervising the oil area.

3. In cases where the oil deposit is located between a concession contract area and another non-concession area, the non-concession area shall be assigned to the exclusive representative of the State, who shall enter into a unitization agreement with the area that already held a concession.

4. If the exclusive representative of the State intends to assign part of its participating interest in the area concessioned by the Government under the terms of paragraph 3 of this article, it shall give preference to national companies.

5. The Government, after the expiry of paragraph 4 of this article, without any agreement having been presented between the rights holders, shall decide and notify them of the form for the unitization and joint development of the oil deposits covered, in the public interest and rational and sustainable management of petroleum resources.

6. In situations of unitization that occur with a neighboring country, the responsible Ministry, upon proposal of the Petroleum Regulatory Authority, must submit to the Government for approval the strategy to be adopted with a view to defining the terms of negotiation to be carried out with the country in reference for oil production.

ARTICLE 57 – (Burning of oil and natural gas)

1. The burning of oil is only permitted under the terms to be defined by the Council of Ministers when it is demonstrated that all alternative methods on the destination of oil are unsafe or unacceptable to the environment.

2. The burning of oil intended for testing, verification and operation of infrastructures or for safety or emergency reasons is subject to the authorization of the Council of Ministers.

3. Without prejudice to the provisions of paragraph 1 of this article, the holder of the right to search for and produce oil that opts for mechanisms for burning oil and gas must apply for authorization, subject to the payment of a fee, under the terms to be regulated.

ARTICLE 58 – (Capture, storage and use of carbon dioxide)

1. The exercise of Carbon Dioxide Capture, Storage and Use (CCSU) activities is carried out with the authorization of the Minister who supervises the Petroleum sector, upon recommendation of the petroleum regulatory authority.

2. The execution of carbon dioxide capture, storage and use activities shall comply with the principles of efficiency, economic sustainability, adoption of methods and techniques, in accordance with the good practices of the oil industry.

ARTICLE 59 – (Obligations to carry out petroleum operations)

1. The holder of the right to petroleum operations undertakes, to the extent applicable to him and mutatis mutandis, to:

a) to carry out petroleum operations in accordance with this Law, the Petroleum Operations Regulation, as well as other applicable legislation and good practices of the petroleum industry;

b) report to the Government on any discovery in the area of the concession contract within 24 hours;

(c) in the case of a commercial discovery, to prepare and submit to the Government the Development Plan for the oil deposit, as well as any subsequent significant amendments;

d) set up a fund for the closure and decommissioning of infrastructures;

e) to submit to the Council of Ministers a demobilization plan, before the time foreseen for the end of the production period, the use of the infrastructures or the concession contract;

f) To compensate the injured parties due to losses or damages resulting from petroleum operations, in accordance with the law;

g) to publish all tenders related to main contracts for the acquisition of products, materials and services, in the media with the largest circulation in the country and on the website of the respective holder;

h) when the national interest so requires, give preference to the Government in the acquisition of oil produced in the concession contract area, under the terms of the specific legislation;

i) revert to the State free of charge the infrastructures, including all equipment, instruments, installations and any other assets acquired to carry out oil operations, as well as all elements of technical and economic information prepared during the execution of those operations;

j) to submit to the Regulatory Authority the acquisition plan approved under the terms of the Local Content Law;

k) pay a retention fee for the development and production area, under the terms to be regulated.

2. In the cases referred to in paragraph *1(k)* of this article, if the retention exceeds a period of one year from the date of commencement of payment of the withholding fee, the area excluded from the development shall revert to the State.

ARTICLE 60 – (Acquisition of goods and services)

1. The acquisition of goods and services by the holders of rights for the conduct of petroleum operations must be made by tender and this must be published in the media with greater incidence for the newspapers with the largest circulation in the country, and on the website of the respective holder, under the terms of the specific legislation.

2. Foreign natural or legal persons who provide services to petroleum operations must associate themselves with Mozambican natural or legal persons.

3. Foreign legal persons must prove in the association with nationals the economic substance of the association so that the object of the association results in the effective contribution to the production or creation of value of goods and services in Mozambican territory and with the involvement of Mozambicans.

4. Holders of rights to carry out petroleum operations shall give preference to local products and services where comparable, quality terms, to international products, materials and services, which are available in time and in the quantities required under the specific legislation.

ARTICLE 61 – (Resettlement)

1. The holder of the right to carry out petroleum operations must guarantee the costs of resettlement of the populations after prior consultation with them, in accordance with the specific legislation.

2. In addition to the representatives of the persons concerned, the local authorities of the State and the Community authorities shall be involved in the consultation process.

3. Those covered by the resettlement must be guaranteed decent living conditions superior to those they have in the area where they live, through fair compensation.

ARTICLE 62 – (Overlapping and incompatibility of rights)

1. The allocation of rights relating to the exercise of petroleum operations is incompatible with the prior or subsequent attribution of rights for the exercise of activities relating to other natural resources or uses for the same area.

2. In the event of incompatibility in the exercise of the rights referred to in paragraph 1 of this article, the Government shall decide which of the rights shall prevail and under what conditions, without prejudice to the compensation due to the holders.

3. The allocation of rights for the exercise of petroleum operations must be carried out in a manner that safeguards national interests in terms of defence, safety, environment, navigation, research, management and preservation of natural resources, in particular living and non-living aquatic biologicals, and the sectorally competent entities must be consulted, in accordance with the specific applicable legislation.

CHAPTER V – DIRECT INVESTMENT

ARTICLE 63 – (Form of investment)

1. National and foreign direct investment may take the following forms, separately or cumulatively, provided that they are subject to pecuniary valuation:

a) the amount paid in freely convertible currency for the total or partial acquisition of shares in a company incorporated in Mozambique or for the authorisation of petroleum activity, in cases of partial or total transfer, provided that the amount is paid in a bank registered in Mozambique or in an external account authorised under the terms of the Foreign Exchange Law;

b) equipment and respective accessories, materials and other imported goods;

c) in the case of national direct investment, infrastructures, facilities and the assignment of rights relating to land use, concessions, licenses and other rights of an economic, commercial or technological nature;

d) assignment, in specific cases and under the terms agreed and sanctioned by the competent authorities, of the rights to use patented technology and registered trademarks, in accordance with the applicable legislation;

e) amount spent on geological studies or other activities within the scope of the obligations provided for in this Law.

2. The value of direct investment shall include expenses, duly accounted for and confirmed by a recognized reputable auditing company, incurred in petroleum operations.

3. State investment is covered through the valorization of existing resources and other forms to be defined by the Council of Ministers.

ARTICLE 64 – (Guarantees)

of ownership over the assets and rights of concession holders, including industrial property rights included in the scope of investments authorized and carried out in petroleum operations.

2. Expropriation may only take place exceptionally and on the grounds of the public interest and shall be subject to the payment of fair compensation.

3. The amount of compensation provided for in paragraph 2 of this article shall be determined within 90 days, by mutual agreement, by a committee of recognised repute and competence.

4. The payment of the compensation referred to in the preceding paragraphs shall be made within 190 days, or another agreed period, from the date of the decision being taken or the report being considered.

5. The time for decision-making on the evaluation carried out and submitted to the competent organ of the State shall not exceed 180 days from the date of receipt of the evaluation file.

ARTICLE 65 – (Provision of guarantees)

1. In order to comply with the terms and conditions contained in the concession contract, the holders of rights to carry out petroleum operations must provide a financial guarantee and a guarantee from the parent company, under the terms to be regulated.

2. Holders of a recognition licence shall provide a financial guarantee, in accordance with the terms to be regulated.

3. In the event of non-compliance with the obligations, the Petroleum Regulatory Authority is responsible for activating the guarantee and applying the necessary measures to carry out studies or works that have not been implemented.

ARTICLE 66 – (Reserved oil areas)

In the public interest, the Government may preserve the national land and maritime space for the exercise of petroleum operations by specifying the types of incompatible activities.

ARTICLE 67 – (Local development)

1. Of the tax revenues generated by the Tax on Petroleum Production, 10% is allocated to the development of the province, district and local communities where the respective petroleum projects are implemented.

2. The percentage referred to in paragraph 1 of this article shall be allocated to the implementation of structuring projects in the province, district and local communities where the undertakings are located, the management of which shall be carried out by an Account Fund, under the terms to be regulated.

ARTICLE 68 – (Development of industrial activity)

1. Petroleum resources shall be used, where necessary, as raw material for the manufacturing industry.

2. The State may requisition oil for its use in the local industry, whenever the commercial interests of the country require it at fair and reasonable prices that guarantee economic and financial balance, without affecting the provisions of the contract, under the terms to be regulated.

3. The activity of industrial processing of raw materials from oil exploration shall be regulated by specific legislation.

ARTICLE 69 – (Extractive Transparency Initiative)

The holders of the right to carry out petroleum operations must publish their results, the amounts paid to the State, as well as the charges related to corporate social responsibility subject to inspection.

ARTICLE 70 – (Right to use infrastructures)

1. The owner of an infrastructure and the holder of the right to use an infrastructure under this Law shall have the obligation to grant to third parties the right to use the infrastructures related to petroleum operations, without discrimination and on commercially reasonable terms, provided that:

(a) there is available capacity in the infrastructure;

(b) there are no insurmountable technical problems that could prevent the use of the infrastructure to satisfy the requests of third parties.

2. If the available capacity of the infrastructure is insufficient to accommodate the requests of third parties, the owner of the infrastructure shall be required to increase the capacity so that, on commercially reasonable terms, the requests of third parties can be satisfied, provided that:

a) third parties demonstrate needs to increase capacity, supported by adequate certificates of reserves, in accordance with the good practices of the oil industry;

(b) such an increase does not cause an adverse effect on the technical integrity or safe operation of the infrastructure;

(c) third parties have secured sufficient funds to cover the costs of the request for capacity increase.

3. Any dispute between the owner of the infrastructure or the holder of the right to use the infrastructure and third parties, regarding the use of the infrastructure, shall be resolved by agreement and, if there is none, by an independent entity, under the terms to be regulated.

ARTICLE 71 – (Infrastructure at sea)

1. Fixed or floating infrastructure used at sea shall be designed and equipped in such a way as to have stability or a foundation that enables it to operate safely and to withstand the intended loads in accordance with good oil industry practice and acceptable maritime standards.

2. For the purposes of registration, fixed or floating infrastructures shall not be treated as marine vessels.

ARTICLE 72 – (Force majeure)

1. For the purposes of this Law, force majeure is considered to be any unforeseeable, unavoidable event or circumstance beyond the control of the Government or the concessionaire, which prevents, in whole or in part, the fulfilment of the contractual obligations assumed under the concession contracts or petroleum operations.

2. During the period in which a force majeure event is in force:

(a) each party bears its own costs, and the State is not responsible for compensating or reimbursing expenses incurred by the concessionaire;

b) if one year has elapsed since the declaration of the event without it having been fully resolved, the Government and the concessionaire shall meet to:

i. analyze the situation;

ii. agree on measures that minimize the impacts on both parties;

iii. to resolve on the resolution, modification or revision of the contract, in a consensual manner.

3. Force majeure events, as well as their legal effects, including the exclusion of the State from any financial burdens, shall be provided for in the concession contracts, in accordance with this Law.

ARTICLE 73 – (Ownership of data)

1. All data obtained under any contract or concession contract provided for in this Law shall be the property of the State.

2. The Petroleum Regulatory Authority is responsible for managing the national petroleum database.

3. The terms and conditions for the exercise of data rights shall be laid down in regulations and in the respective contract or concession contract.

ARTICLE 74 – (Transmission)

1. The direct transfer of rights and obligations granted under a concession contract to an affiliate or third parties must be made in accordance with Mozambican law and is subject to prior approval by the Government.

2. This provision shall also apply to other direct or indirect transfers of participating interests in concession contracts, including the transfer of shares, quotas or other forms of participation, of the entity holding rights under the concession agreement.

3. The direct or indirect transfer of rights, obligations or participatory interests constituted under the contracts provided for in this Law is subject to the monitoring and authorization of the competent authorities.

4. The State, through ENH, EP, shall have the right of pre-emption in the direct or indirect transfer of rights, obligations or participatory interests constituted under the contracts provided for in this Law.

5. The transfer operations provided for in the previous paragraphs of this article may not result in a reduction in the mandatory minimum participation of the State, nor in prejudice to the fiscal, environmental and social obligations already established.

CHAPTER VI – LAND AND ENVIRONMENT

ARTICLE 75 – (Use and Exploitation of Land and Easement of Passage)

1. The use and exploitation of land for petroleum operations shall be governed by land legislation.

2. For the purpose of carrying out petroleum operations, the duration of the right to use and exploit land is compatible with that established in the respective concession contract.

3. Areas surrounding infrastructure within a range of 50 metres shall be considered partial protection zones.

4. The area designated as the infrastructure security zone shall be defined by regulation.

5. The holder of the right to carry out petroleum operations who, by virtue of the exercise of his rights in the area of the concession contract, causes damage to crops, soils, buildings, equipment or improvements, incurs the obligation to compensate the holders of such assets, in accordance with the applicable legislation.

6. If petroleum operations cause environmental damage or pollution, the holder of rights to carry out petroleum operations shall incur the obligation to compensate the affected party for the loss or damage caused, regardless of fault.

7. Without prejudice to the payment of the compensation due, the holder of the right to carry out petroleum operations may require the establishment of easements of passage, in accordance with the legislation in force, for access to the places where petroleum operations are carried out.

ARTICLE 76 – (Environmental management of petroleum activity)

1. All petroleum operations shall be subject to a mandatory environmental management regime, and the concessionaires shall prepare and implement environmental management plans approved by the competent authority.

2. The licensing of petroleum operations depends on the prior approval of the Environmental Impact Study and the Environmental Compliance Report, in accordance with the applicable legislation.

3. The concessionaires are responsible for the rehabilitation of the exploited areas and for compensating for the environmental and social damage caused.

4. The State shall ensure the continuous supervision and participation of local communities in environmental monitoring processes.

5. Failure to comply with environmental obligations shall entail administrative, civil and criminal sanctions, including the suspension or revocation of petroleum rights.

ARTICLE 77 – (Environmental inspection)

The Government ensures strict compliance with environmental protection and rehabilitation standards, in accordance with the law, conventions and good international practices.

ARTICLE 78 – (Liability for damages)

1. The holders of the right to carry out petroleum operations shall be held liable, regardless of fault, for damage to infrastructure, the environment, territorial waters and public health in the exercise of petroleum operations, in accordance with the applicable legislation.

2. Liability for damages extends to all entities that, not having the right to carry out petroleum operations, carry out petroleum operations on behalf of the concessionaires, regardless of fault.

ARTICLE 79 – (Protection of natural resources)

1. The Government shall establish a plan for the protection of natural resources, in particular with regard to the control of piracy, oil spills and protection of the exclusive economic zone.

2. The investor shall ensure coexistence with marine fauna and other ecosystems, especially in areas of conservation and development of fishing activity.

ARTICLE 80 – (Total and partial protection zone)

The exercise of petroleum operations in total and partial protection zones shall comply with the provisions of the applicable legislation.

CHAPTER V II – EXPLOSIVES, RADIOACTIVE MATERIAL AND CHEMICALS

ARTICLE 81 – (Use of explosives and chemical substances)

1. The use of explosive and chemical substances in petroleum operations is subject to specific legislation.

2. In all phases of petroleum operations, the adoption of techniques and safety measures on the planning, execution and monitoring of the use of explosives and chemical substances shall be included, subject to approval by the competent authorities.

ARTICLE 82 – (Explosives and chemical materials permitted in petroleum operations)

The chemical and explosive substances permitted in petroleum operations are only those that are legally included in the legislation in force in Mozambique.

ARTICLE 83 – (Acquisition, transport and use of explosives and chemical materials)

The acquisition, transport, handling, storage and use of explosive products and chemical materials, gunpowder and initiation devices must be carried out by personnel and a duly licensed entity, with authorization.

ARTICLE 84 – (Radioactive material)

1. In addition to the provisions of paragraph 2 of article 81 of this Law, petroleum operations must also be carried out in accordance with the rules in force for protection against exposure to ionizing radiation.

2. Petroleum operations are subject to prior authorization by the Atomic Energy Regulatory Authority, when they involve the exposure of people, property and the environment to ionizing radiation.

ARTICLE 85 – (Inspection)

1. Petroleum operations shall be subject to inspection, in order to ensure the rational and sustainable use and exploitation of petroleum resources.

2. The General Inspectorate of the Ministry that supervises the petroleum area is responsible for inspecting compliance with this Law and other legal provisions applicable to petroleum operations.

3. The Government may also appoint a committee to carry out the inspection.

ARTICLE 86 – (Supervision and audits of petroleum operations)

1. The Petroleum Regulatory Authority may at any time carry out inspection and audit activities in coordination with other relevant entities, the infrastructures and places where petroleum operations are being carried out.

2. The competent authorities shall audit the recoverable costs declared by the rights holders for the operation of petroleum operations.

3. The holder of the right to carry out petroleum operations shall periodically update the recoverable cost reports in accordance with the established regulatory standards and make them available for inspection.

4. Inspection and auditing may also be carried out by a committee set up by the Government or by an independent entity appointed by the Government.

ARTICLE 87 – (Demobilization Fund and Plan)

1. Until the date of the start of oil production or use of infrastructures for oil operations, the concessionaire must constitute a Demobilization Fund, under the terms to be regulated.

2. The holder of the right to exercise petroleum operations must submit a Demobilization Plan to the Ministers who supervise the areas of oil, land and environment in accordance with the requirements of the Development Plan approved by the Government.

ARTICLE 88 – (Access to Maritime Jurisdiction Zones)

Access to sites or infrastructures for petroleum operations located in inland waters, territorial sea, continental shelf and exclusive economic zone and other areas of maritime jurisdiction is defined in accordance with the applicable legislation.

ARTICLE 89 – (Environmental protection and safety)

1. In addition to carrying out petroleum operations in accordance with applicable environmental and other legislation, rights holders shall conduct petroleum operations in accordance with good petroleum industry practice in order to:

a) To ensure that there is no damage or ecological destruction caused by petroleum operations and that, where unavoidable, measures for the protection of the environment are in accordance with internationally accepted standards, and for this purpose it must carry out and submit to the competent authorities, for approval, studies relating to the environmental impacts, including measures to mitigate this impact;

b) to control the flow and prevent the leakage or loss of oil;

c) to avoid damage to the oil deposit;

(d) avoid the destruction of groundwater, rivers, lakes, flora and fauna, crops, buildings or other infrastructure and property;

(e) clean up sites after leaks or discharges, cessation of use of infrastructure or termination of petroleum operations and comply with environmental restoration requirements;

f) To ensure the safety of personnel in the planning and conduct of petroleum operations;

g) report to the Government on the number and quantities of operational and accidental discharges or leaks, spills and waste and losses resulting from petroleum operations.

CHAPTER V III – INFRINGEMENTS

ARTICLE 90 – (Infringements)

1. The following shall constitute, among others, violations of the provisions of this Law and subject to sanctions:

a) the exercise of petroleum operations without the respective concession contract, license or necessary approvals;

b) withholding of information obtained in the exercise of petroleum operations or improper disclosure of information;

c) failure to provide any guarantees required by law;

d) non-compliance with specific administrative orders and instructions issued by the Government;

e) non-compliance with the laws and regulatory standards in force, regarding its activity, as well as the good practices of the oil industry.

2. Without prejudice to the civil or criminal proceedings and other measures provided for in special legislation that may be applicable, the violation of the provisions of this Law and of contractual obligations is subject to the application of sanctioning measures ranging from mere warning, fines, suspension of work and revocation of the concession or license contract, under the terms to be regulated.

CHAPTER IX – FINAL PROVISIONS

ARTICLE 91 – (Contracts in execution)

1. The rights acquired under contracts and concession contracts in execution entered into under Law No. 3/2001 of 21 February and Law No. 21/2014 of 18 August 2014 relating to petroleum operations shall remain valid.

2. The application of the provisions of this Law to contracts in execution in relation to matters of economic sovereignty, defence and national security, energy security, transparency, regulation and inspection, environmental protection, public health, human rights and in everything aimed at the protection of the national public interest shall be safeguarded.

3. The provisions of this Law shall cover the amendments, extensions, amendments, additions or any modifications to the contracts referred to in paragraph 1 of this article.

ARTICLE 92 – (Dispute Resolution)

1. Disputes arising from concession contracts and contracts shall be resolved by agreement between the parties.

2. If the dispute cannot be resolved by agreement in accordance with the preceding paragraph, the matter may be referred to arbitration or to the competent judicial authorities, under the terms and conditions established by the concession agreement or, if there is no arbitration clause in the concession agreement, to the competent judicial authorities.

3. The arbitration between the Mozambican State and foreign investors shall be conducted in accordance with:

a) the law governing arbitration, conciliation and mediation as alternative means of conflict resolution;

(b) rules of the International Centre for the Settlement of Investment Disputes between States and Nationals of Other States (ICSID), adopted in Washington on 15 March 1965, or in accordance with the Convention on the Settlement of Disputes between States and Nationals of Other States;

(c) rules laid down in the Supplementary Mechanism Regulations, approved on 27 September 1978 by the Board of Directors of the International Centre for the Settlement of Investment Disputes, if the foreign entity does not fulfil the nationality conditions laid down in Article 26 of the Convention;

d) rules of other international bodies of recognized reputation in accordance with what the parties have agreed in the concession contracts provided for in this Law, provided that they have expressly specified the conditions for their implementation, including the form of appointment of arbitrators and the deadline for decision-making.

ARTICLE 93 – (Regulation of petroleum operations)

It is incumbent upon the Government to regulate the matters contained in this Law within 90 days from the date of its publication.

ARTICLE 94 – (Revocation)

Law no. 21/2014, of 18 August, and Law no. 16/2022, of 19 December, are hereby repealed.

ARTICLE 95 – (Entry into force)

This Law shall enter into force on the date of its publication. Approved by the Assembly of the Republic, on 7 May 2026.

The President of the Assembly of the Republic, Margarida Adamugi Talapa.

Promulgated, on June 3, 2026.

Publish yourself.

The President of the Republic, Daniel Francisco Chapo.

ANNEXES

Glossary

A

Development and production area – the part of the concession contract area that, following a commercial discovery, has been outlined.

Concession contract area – area within which the rights holder is authorized to conduct petroleum operations.

B

Good practices of the petroleum industry – all those practices and procedures that are generally employed. In the international petroleum industry, aiming at the optimal management of petroleum resources and prudent petroleum operations, including pressure conservation, ensuring regularity of petroleum operations and observing aspects of health, safety, environmental preservation, technical and economic efficiency.

C

Carbon Dioxide Capture, Storage and Use (CCSU) – is the process of capturing carbon dioxide (CO2) from electrical and/or industrial installations and storing it underground or using it for other products or processes.

Concessionaire – any Person who holds the right to carry out petroleum operations under a concession contract or any other legal instrument through which the Government has granted a right to carry out petroleum operations.

Concession contract – administrative contract whereby the State grants a Mozambican person or foreign legal entity registered in Mozambique the right to carry out petroleum operations.

Risky service contracts – a contract in which a contracted entity provides services related to petroleum operations, assuming, in whole or in part, the exploration and/or development risk, and its remuneration is dependent on the success of the operations and/or the production obtained, under the terms contractually established.

D

Declaration of commerciality - report notifying the Government concluding, based on the evaluation of all data, carried out by the Concessionaire, that an oil deposit is or is not commercially viable.

Petroleum deposit - an accumulation of petroleum in a geological unit bounded by characteristic rocks, structural or stratigraphic, with contact surfaces between the petroleum and water in the formation, or a combination of these in such a way that all the petroleum is in communication under pressure through liquid or gas; or part of a geological unit, such as oil shales or coal, containing petroleum, which has been delineated for the purpose of petroleum exploration and production.

Discovery - first oil found in a geological structure through drilling, which is recoverable to the surface by methods employed in the oil industry.

Development - activities of planning, preparation, construction, installation of one or more infrastructures for oil production, including the drilling of wells for the conduct of oil operations.

Decommissioning - activities of planning, preparation and implementation of the activities of closure-of petroleum operations, including the termination of the use of infrastructure and the removal and disposal.

F

Demobilization Fund is the Fund created to cover the costs associated with the preparation and implementation of Demobilization operations.

G

Natural gas - oil that under normal atmospheric conditions is in a gaseous state, as well as unconventional gas, including methane gas associated with coal and oil shale gas.

I

Infrastructure - facilities, including platforms, liquefaction facilities, factories or boats and other equipment intended to carry out petroleum operations, excluding supply and support vessels, ships and vehicles carrying bulk oil. Unless otherwise defined, infrastructure also includes cables or oil and gas pipelines.

J

Transparent jurisdiction - is understood to be those jurisdictions in which the Government can independently verify the ownership, management and control, tax status of such foreign legal entity that intends to participate or participates in petroleum operations.

L

Reconnaissance license - geoscientific and geotechnical activities including drilling at limited depths, which allow the preliminary assessment of the oil potential of an area, including acquisition and interpretation of information, samples and data.

O

Petroleum Operations - planning, preparation and implementation of reconnaissance, research, development, production, liquefaction, storage, transportation, regasification, cessation of such activities or termination of the use of Infrastructure, including the implementation of the Plan for the decommissioning, sale or delivery of Oil or liquefied natural gas to the stipulated point of export or supply, for consumption, use or loaded as a commodity, including Carbon Dioxide Capture, Storage and Use (CCSU) activities.

P

Exploration - reconnaissance activities, as well as other petroleum operations and use of infrastructures to the extent that such use is for the discovery of petroleum and the evaluation of the discovery, including drilling.

National legal person - one that is registered in Mozambique and has its head office and effective management in national territory, whose capital is majority.

Mozambican person - any legal entity incorporated and registered under the terms of Mozambican law, headquartered in the country, and in which the respective share capital

belongs to more than fifty-one percent or controlled by national citizens or Mozambican companies or institutions, private or public.

National natural person - natural person of Mozambican nationality.

Petroleum - crude oil, natural gas or other natural concentrations of hydrocarbons, in their physical state in the subsoil, produced or capable of being produced from or in association with crude oil, natural gas, bitumen and asphalts.

Crude oil - crude mineral oil, asphalt, ozokerite and all types of petroleum and bitumen, in their natural state whether solid or liquid, or obtained from natural gas by condensation or extraction, excluding coal or any substance capable of being extracted from coal.

Development plan - a document containing the options for the development of an oil deposit, the schedule of activities and the cost forecast for the production of oil discovered in a concession contract area and the construction, implementation and operation of necessary infrastructure.

Infrastructure Development Plan – document containing the schedule of activities and the cost forecast for the construction, implementation and operation of infrastructures, when such activities and cost forecasts are not covered by a Development Plan.

Oil or gas pipeline development plan - document containing the schedule of activities and the forecast of costs for the construction, implementation and operation of an oil or gas pipeline system.

Decommissioning plan - document containing the options for closing oil operations, reusing or removing and collecting infrastructure, including the schedule of activities and cost forecasts.

Production - activities of extracting oil from underground oil deposits, including drilling for oil production, injection for improved recovery, separation and treatment including liquefaction, storage, metering, preparation for loading and transportation of bulk oil, and operation and use of infrastructure for oil production.

Petroleum Products - are the derivatives and residues of the refining or processing of petroleum, such as: propane, butane and their mixtures, also known as liquefied petroleum gases (LPG), auto gasoline, aviation gasoline (avgas), naphtha, lighting petroleum, aviation oil, diesel, fuel oils, oils and greases, paraffins, solvents, bituminous products and any other analogous products with other names and origins that may have the same use, including synthetic products, and also compressed natural gas (CNG) and other gaseous fuels intended exclusively for use as fuel, excluding pure biofuels.

R

Reconnaissance - preliminary prospecting activities carried out with the aim of obtaining geological, geophysical, geochemical, paleontological, geological and topographic information up to a depth of one hundred meters below the earth's surface or the seabed, non-exclusive or other relevant, aimed at identifying and evaluating the oil potential of a given area, without drilling wells.

Regasification - is the process of converting liquefied natural gas (LNG) to the gaseous state, through controlled heating, allowing its injection into pipelines and subsequent distribution and consumption.

S

Oil or gas pipeline system - oil or gas pipeline(s), including valve stations, compressor or pumping stations and any aggregate infrastructure, constructed for the transportation of petroleum, excluding well flow collection pipelines or distribution pipelines for crude oil, natural gas or petroleum products.

T

Transport - activities related to the transport of oil through an oil or gas pipeline system, in bulk by ships or vehicles from the production infrastructure, to a specified point of delivery.

WHY MOORE?

Moore in the world

Founded in London in 1907, Moore is a leading international accounting and consulting group, with a network of 558 firms. Our goal is not only to meet clients' needs in the most effective and cost-effective way, but also to help them develop and achieve future success. We seek to establish the necessary trust in our client relationships, ensuring that we are their first choice for their business needs.

As one of the top 10 international accounting firms, Moore is growing rapidly, taking a modern and dynamic approach. The firm prioritizes client needs over mere expansion, fostering a unique culture through organic growth. This client-centric philosophy is based on strong relationships and highly personalized service.

Among our main strategic objectives is the construction of a competitive and quality group, with a strong international customer base, focused on profitability and strengthening each region. Customers have access to a wide range of essential services, including:

- Auditing
- Corporate Secretariat
- Business Finance
- Accounting
- Recruitment and Training
- Tax Consulting
- Taxation
- Payroll
- Risk Management, Corporate Governance and Internal Audit

Member firms offer a wide range of professional services and specialist skills to support clients' cross-border objectives while maintaining high standards of service at the local level. They adhere to common terms of membership, objectives and auditing standards, with the quality of services being regularly assessed to maintain Moore's tradition of excellence.

As a global network, we are at the heart of communities around the world. We help you better understand your country, industry and local community – to plan for the present and prepare for the future.


US$ 5.1 Billions
37,000 people
114+ countries
558+ offices

MOORE MOZAMBIQUE

Moore Mozambique, aligned with the global network, is an auditing and consulting firm recognized for innovation, quality and commitment to the future. Present in Mozambique since 1999, it was initially associated with the BDO network.

We have a team of approximately 100 highly qualified professionals, dedicated to offering solutions adapted to the needs of our customers.

We believe in a personalized service, in which each client is accompanied by a "Client Service Partner", ensuring proximity, efficiency and excellence in the provision of services. By combining technical expertise, experience and innovation, we create value for our clients.

In recent years, Moore Mozambique has recorded significant growth, consolidating its position in the market and continuously investing in the development of solutions that anticipate the challenges of the future

Our Services

Expert Consulting Services

Moore Mozambique has qualified consultants to develop solutions that add value to companies and other entities that seek our services. Our extensive experience allows us to offer functional and practical solutions, designed by our team with the use of advanced technological tools and always considering the particularities of each business.

Our services include:

- Company valuation
- Feasibility studies
- Investments and financing
- Restructuring of companies and organizations
- Strategic and business plans
- Information systems consulting, focusing on the implementation and development of integrated systems
- Human Resources Consulting
- Specific training

Auditing

In addition to validating financial information from companies and institutions, we analyze not only the correct application of standards and legislation, but also the internal control system and the continuity of operations.

Our professional performance in this area includes, in particular:

- Full audit of financial statements
- Review of internal control
- Limited review of financial statements
- Examination of forward-looking financial information

- Specific audits (incentives, due diligence, accounting, research, statistics)
- Internal audit, management, information technology, taxation and others

Accounting Services

Moore Mozambique is the largest accounting service provider in the country, with more than 30 technicians and several client companies.

We offer the ideal solution for entrepreneurs and institutions that want to focus on their core business, delegating specialized administrative tasks to experienced and qualified professionals.

Our main services include:

- IFRS transition and implementation
- Accounting Services
- Accounting outsourcing
- Payroll services
- Account consolidation
- Education

Taxation

Moore Mozambique monitors the compliance with tax obligations of companies, institutions and individuals, reviewing strategies to optimize tax solutions and minimize tax risks.

Our services include:

- Monitoring compliance with tax obligations and charges
- Mergers and acquisitions
- Insolvency proceedings
- Complete diagnosis of the fiscal situation
- Tax planning and prevention
- Studies on the tax framework
- Support in the taxation of expatriates
- Preparation of the Transfer Pricing Dossier
- Advice on capital transfer

MOORE

CONTACTS:

Avenida 25 de Setembro, nº 1230, 3º
Andar, Bloco 5, CP 4200

Maputo

Republic of Mozambique

Tel.: +258 21 300720

Email: eferreira@mooremz.co.mz

Moore Global is an association of independent firms of which Moore – Sociedade de Contabilistas e Auditores Certificados, Lda is part as an independent company, with legal authorization to carry out Audit and Certification of Accounts activities, by order of 27/10/99 of the Vice-Minister of Planning and Finance.

Copyright © Moore – Sociedade de Contabilistas e Auditores Certificados, Lda. All rights reserved.

Please think about the environment before printing this document.