
EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made for the purposes of section 5 of the Petroleum Act 1998 (c. 17) and comes into force on the commencement of that Act, that it to say on its commencement in accordance with section 52 (see section 48(2)), referred to below as “the appointed day” (15th February 1999).

Subsection (1) of section 5 defines the “current model clauses”, in relation to any paragraph of Schedule 1 to the Act, as the model clauses which, immediately before the appointed day, would be incorporated in a licence granted under section 2 of the Petroleum (Production) Act 1934 (c. 36) (“a 1934 Act licence”) if the licence, when granted, had incorporated the model clauses mentioned in that paragraph. The Order reproduces the current model clauses in relation to each paragraph of Schedule 1.

Subsections (5) and (6) of section 5 provide (subject to subsections (7) and (8)) that any 1934 Act licence which is in force immediately before the appointed day and which, when granted, incorporated any of the model clauses mentioned in any paragraph of Schedule 1 to the 1998 Act shall, on the appointed day, have effect as if it incorporated the current model reproduced in the Order in relation to that paragraph in place of the model clauses incorporated in the licence immediately before the appointed day (other than a model clause which was incorporated in the licence when it was granted and is not within any paragraph of Schedule 1).