

LAW No.4001/2011

For the operation of Electricity and Gas Energy Markets, for Exploration, Production and transmission networks of Hydrocarbons and other provisions

(published in the Government Gazette No.179, Part One, 22 August 2011)

CHAPTER B

AMENDMENTS TO PROVISIONS OF LAW 2289/1995 ON "PROSPECTING, EXPLORATION AND EXPLOITATION OF HYDROCARBONS AND OTHER PROVISIONS»

Article 154

1. Where the provisions of Law 2289/1995 refer to "Minister of Industry, Energy and Technology", hereinafter is defined as "Minister of Environment, Energy and Climate Change ", "Minister of Trade Shipping" now means "Minister of Development, Competitiveness and Shipping", " Minister of Environment, Planning and Public Works" and "Minister of Transports and Communications" now means "Minister of Infrastructure, Transport and Communications" .

2. Where the Law 2289/1995 refers to DEP-EKY, now means the Company established in accordance with paragraph 1 of Article 145, which from entry into force of the Presidential Decree referred in this paragraph, all competences and rights assigned to companies DEP and DEP-EKY SA, according to Law 468/1976 and Law 2289/1995 in conjunction with paragraph.11 of the second article of Law 2593/1998 and the delegated presidential decrees and ministerial decisions issued, related to the purposes of the newly established Hellenic Hydrocarbon Resources Management SA (H.H.R.M. S.A), are vested exclusively in this and exercised in accordance with the provisions of Law 2289/1995 as well as the provisions of this law.

Article 155

1. Paragraph 6 of Article 1 of Law 2289/1995 is replaced as follows:

"6. Lessor: The State on whose behalf the H.H.R.M. S.A concludes with a third party lease agreement»

2. Paragraph 7 of Article 1 of Law 2289/1995 is replaced as follows:

"7. Employer: The State on whose behalf the H.H.R.M. S.A concludes with a third party a production sharing agreement"

3. Paragraph 8 of Article 1 of Law 2289/1995 is replaced as follows:

"8. Contractor: Any party concluding either a lease agreement or a production sharing agreement with H.H.R.M. S.A and any assignee appointed by such party, in accordance with the provisions of paragraphs 4 to 8, inclusive, of article 7 hereof."

Article 156

1. Paragraph 1 of Article 2 of Law 2289/1995 is replaced as follows:

1. The rights of prospecting, exploration and exploitation of hydrocarbons that exist in onshore areas, sub lake and submarine areas, where the Hellenic Republic has respectively sovereignty or sovereign rights, in accordance with provisions of the United Nations Convention on the Law of the Sea (UNCLOS), as ratified by Law 2321/1995, belong exclusively to the State and their exercise is always for the public benefit. The management for State account of the rights of this paragraph shall be exercised by the H.H.R.M. S.A.

"Submarine areas" means the seabed and the subsoil of the internal waters, the territorial sea, the continental shelf and the exclusive economic zone (once declared), to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured.

In the absence of a delimitation agreement with neighbouring States, whose coasts are opposite or adjacent to the coasts of the Hellenic Republic, the outer limit of the continental shelf and of the exclusive economic zone (once declared) is the median line, every point of which is equidistant from the nearest points on the baselines (both continental and insular) from which the breadth of the territorial sea is measured. "

2. Paragraph 2 of Article 2 of Law 2289/1995 is replaced as follows:

"2. The right of prospecting of hydrocarbons is granted by decision of H.H.R.M. S.A, while the rights of exploration and exploitation are granted by agreement, according to the procedures provided in paragraph 17 of Article of Law 2289/1995."

3. Paragraph 3 of Article 2 of Law 2289/1995 is replaced as follows:

"3. By joint decision of the Minister of Environment, Energy and Climate Change and the competent by case Minister, conditions for national security reasons can be imposed to any stage, for the exercise of rights of prospecting, exploration and exploitation of hydrocarbons, in an area or areas mentioned to next paragraph.

4. Paragraph 4 of Article 2 of Law 2289/1995 is replaced as follows:

"4. By decisions of the Minister of Environment, Energy and Climate Change, issued following the opinion of H.H.R.M. S.A and published in the Government Gazette, the regions of paragraph 1 shall be divided either in whole or in part in areas on one hand for the exercise of the rights of prospecting, exploration and exploitation and on the other hand placed for the exercise of such activities.

These areas are if possible rectangular and specified by geographic or parallel meridians and by the borderline of the land frontier of the mainland and island beaches or lines that are close to the borderline."

5. Paragraph 5 of Article 2 of Law 2289/1995 is replaced as follows:

"5. The H.H.R.M. S.A issues invitation for submission of applications for prospecting of hydrocarbons that is approved by the Minister of Environment, Energy and Climate Change, is published in the Government Gazette and is sent for publication in the Official Journal of the European Union. The submission of applications deadline is specified in the invitation and can not be less than ninety (90) days from the last publication. In the invitation, which may also be issued following the submission of application by an interested party the following information shall be set forth: the area which shall be subject to prospecting, the terms and obligations of the licensee, the criteria for the selection, the amount of the fee payable and the amount of the good performance letter of guarantee issued by a bank legally operating in a member-state of the European Union, the deadline for the granting of the license, and any other relevant information.

The H.H.R.M. S.A applies the above procedure also in the case of execution of non-exclusive seismic survey by specialized companies, applying seismic or other geophysical and geological methods, with specific commercial terms pooling of survey results. The licensee performs seismic programs at his own expense and has the right to sell to third parties the results of the survey."

6. Paragraph 6 of Article 2 of Law 2289/1995 is replaced as follows:

6. Within the time limit set out in the invitation, H.H.R.M. S.A shall grant by its decision the license for prospecting, which is approved by the Minister of Environment, Energy and Climate Change and shall be valid up to eighteen (18) months. The area for prospecting can not exceed 4,000 square kilometers in the case of onshore areas and 20,000 square kilometers in the case of offshore areas. These limits do not apply in case of executing seismic and other geophysical and geological survey method of non-exclusive use. "

7. After point c of paragraph 7 of article 2 of Law 2289/1995 the following subparagraph is added:

"The Minister of Environment, Energy and Climate Change, by notice that is published in Government Gazette and sent to publication in the Official Journal of the European Union shall notify the available areas, and any further relevant information on these areas. For any significant change of this information an additional notice shall be published."

8. In paragraph 8 of Article 2 of Law 2289/1995 the term "The Ministry of Industry, Energy and Technology "is replaced by " H.H.R.M. S.A. "

9. The paragraph 16 of Article 2 of Law 2289/1995 is replaced as follows:

'16. The agreements, referred to in paragraph 10 of this Article, signed with third parties by H.H.R.M. S.A on behalf of the State are concluded by the procedures set out in the next paragraph. "

10. Paragraph 17 of Article 2 of Law 2289/1995 is replaced as follows:

'17. The H.H.R.M. S.A. grants on behalf of the State the right of hydrocarbon exploration and exploitation in accordance with the following procedures:

- a) Either after an invitation to tender, for the areas of paragraph 4, that is approved by the Minister of Environment, Energy and Climate Change, published in the Government Gazette and sent for publication in the Official Journal of the European Union. The deadline for the submission of the offers is defined in the invitation and can not be less than ninety (90) days from the day of the last publication.
- b) Or after submission of application by an interested party for an area which is not included in the invitation to tender according to case a. The H.H.R.M. SA, if the application is accepted, issues invitation to tender, approved by the Minister of Environment, Energy and Climate Change, published in the Government Gazette and sent for publication in the Official Journal of the European Union. The deadline for the submission of offers by other interested parties is at least ninety (90) days from the day of the last publication.
- c) Or after an open invitation (open door) for expression of interest, when the area for which the concession is requested is available on a permanent basis or has been the subject of a previous procedure which has not resulted in the conclusion of a lease agreement or a production sharing agreement or has been abandoned by contractor, in the case that he has withdrawn from the agreement or has terminated it. The Minister of Environment, Energy and Climate Change, by notice, published in the Government Gazette and sent for publication in the Official Journal of the European Union shall notify the above areas with the minimum basic terms of the concessions as well as any other relevant information. Interested parties may tender for a concession in more than one area. The offers are submitted until the last day of the first and second semester of each calendar year.

Within thirty (30) days from the end of the semester, the Minister of Environment, Energy and Climate Change announces that the area is excluded from the areas which are available as above, in case the area is on an ongoing process of concession. The offers are evaluated and among them is selected the one most advantageous to the State, following negotiations with the interested parties and based on the selection criteria of the open invitation.

11. Paragraph 18 of Article 2 of Law 2289/1995 is replaced as follows:

"18. During the application of the procedures a and b of the previous paragraph, the invitation to tender for the submission of offers should specify the geographical areas that define wholly or partially the subject of the concession, the type of agreement as in paragraph 14, the terms and criteria of participation such as the minimum financial capability, the technical expertise of the tender, prior experience in exploration and exploitation of hydrocarbons, the successful implementation of such projects under a previous concession, as well as any other necessary term and condition."

12. Paragraph 19 of Article 2 of Law 2289/1995 is replaced as follows:

"19. In the invitation to tender, the criteria for participation and the points open to competition shall be set out in detail and such criteria and points shall include the royalty being offered by the interested parties in the case of a lease agreement and the participation interest in the hydrocarbons to be produced being offered to the Employer by the interested parties in the case of a production sharing agreement, the signature bonus and the production bonus. The Invitation to tender may also provide for a payment by the Contractor to the Lessor or the Employer of an amount of indemnity per annum which may be determined on a by surface basis to be paid during the exploration and exploitation stage. "

13. Paragraph 20 of Article 2 of Law 2289/1995 is replaced as follows:

"20. The Invitation to tender shall specify the method for submitting the offers, the necessary data that must accompany them, the amount of fee payable for the participation in the tender, fee for training the related to the field human resources of public administration, as well as any other necessary detail for the conduction of the tender and the selection of the Contractor"

14. In paragraph 25 of Article 2 of Law 2289/1995, in the third line, the phrase "in paragraph 9 of Article 5 " is replaced with the phrase" in the paragraph 8 of Article 5" and in the last line the phrase "1 to 3 of this Article" is replaced with phrase "1 to 2 of this Article."

15. In paragraph 32 of Article 2 of Law 2289/1995 in the fourth line, the words "paragraphs 8 to15 Article 5 "are replaced with 'paragraphs 8 to 14 of Article 5" and in the ninth line the words "Article 9 Paragraph 2 cases a to j of this Article" are replaced by "in Article 9 paragraph 5".

16. In case b of paragraph 35 of Article 2 of Law 2289/1995 in the second line, the phrase "in Article 9 paragraph 2, cases a to j " is replaced with the phrase "Article 9 paragraph 5"

17. In Article 2 of Law 2289/1995, a new paragraph 39 is added which reads as follows:

"39. The Agreements of paragraph 10 are signed by H.H.R.M. S.A and the Contractor and submitted to Ministry of Environment, Energy and Climate Change for approval by the Minister. Without approval, the agreements are absolutely void these and produce no legal effect. "

Article 157

In the paragraph 1 of Article 3 of Law 2289/1995 a new sentence is added after the last one as follows:

"The right of State participation cannot be exercised by H.H.R.M. S.A"

Article 158

Paragraph 1 of Article 5 of Law 2289/1995 is replaced as follows:

"1. The duration of the exploration stage is determined by the agreement, cannot exceed seven (7) years for onshore areas and eight (8) years for offshore areas and starts with the entry into force of the agreement. The exploration stage is divided into phases specified in the agreement."

2. Paragraph 13 of Article 5 of Law 2289/1995 is replaced as follows:

"13. The duration of the exploitation phase can be extended up to two five years periods, following a proposal of H.H.R.M. S.A, when it is justified that the anticipated duration is insufficient for the completion of these activities, subject to renegotiation of the terms of the agreement and signing of a new agreement, after request of the Contractor that is submitted before expiry of the duration.

The Contractor is required to substantiate the request also in relation to the duration of the extension. "

3. Paragraph 15 of Article 5 of Law 2289/1995 is replaced as follows:

"15. If a hydrocarbon deposit extends beyond the limits of the Contractor's Contract Area into the contract area of another Contractor and it would be advisable, for the better and more profitable exploration and exploitation thereof, to proceed with a joint program for the performance of the relevant operations, the Lessor or Employer invites contractors to submit for approval within a specified time limit a joint program of exploration and exploitation of the deposit.

If the area to which the deposit extends has not been granted to a third party, then that area is granted in accordance with the provisions of this law.

If the Contractors do not submit joint program within the above time limit, the Lessor or Employer may terminate the related agreements. "

4. In paragraph 18 of Article 5 of Law 2289/1995 the words "under paragraph 16" are replaced by the words "under paragraph 15."

Article 159

1. Paragraph 8 of Article 6 of Law 2289/1995 is replaced as follows:

"8. The Contractor, as well as the contractors or subcontractors employed by the Contractor shall be entitled to employ in Greece foreign personnel, nationals of third countries, for operations requiring special expertise."

2. In paragraph 9 of Article 6 of Law 2289/1995, the words "shall issue permits for their entry, residence, movement and work" are replaced with "visas and residence and work permits"

Article 159

1. Paragraph 8 of Article 6 of Law 2289/1995 is replaced as follows:
"8. The Contractor and its contractors or subcontractor, may employ foreigners in Greece, nationals of third countries in projects that require specialized expertise."
2. In paragraph 9 of Article 6 of Law 2289/1995, the words "provide entrance permit in the country, residence permit, movement and work permits are replaced with' visas and residence permits and work."

Article 160

1. Paragraph 4 of Article 7 of Law 2289/1995 is replaced as follows:
"4. The Contractor may transfer, in whole or in part, its contractual rights and obligations to an independent third party, solely upon written consent of Lessor and Employer and approval by the Minister of Environment, Energy and Climate Change. The Lessor or Employer may refuse consent, provided that the grounds of paragraph 2 of Article 4 apply, as well as provided that the independent third party does not meet the criteria referred to in paragraph 18 of Article 2. The Lessor or Contractor may set any conditions on the Contractor to safeguard his own interests.
The State may exercise a preemption right in case of substitution or rates transfer from the Contractor.
The aforementioned consent shall also be required whenever any affiliate enterprise which controls the Contractor is to be transferred."
2. The first sentence of paragraph 5 of Article 7 of Law 2289/1995 is replaced as follows:
"The Contractor may transfer, in whole or in part, upon written consent of Lessor or Employer and approval from the Minister of Environment, Energy and Climate Change, its contractual rights and obligations to an affiliate enterprise, provided that the Contractor shall continue to be, vis-à-vis the Lessor or the Employer, fully and jointly responsible with the transferee affiliate enterprise, for the performance of all obligations under the agreement. The consensus and approval may not be granted provided that the grounds of paragraph 4 of Article 2 apply, as well as provided that the affiliate does not meet the criteria referred to in paragraph 18 of Article 2. "
3. Paragraph 6 of Article 7 of Law 2289/1995 is replaced as follows:
"6. Where the Contractor is a joint venture of natural persons or legal entities, each participant in such joint venture is entitled to transfer its rights and obligations under the agreement to any other participant in the joint venture, upon written consent of the Lessor or the Employer and approval by the Minister of Environment, Energy and Climate Change.
The State may exercise a preemption right in case of substitution or rates transfer from the Contractor."
4. The second sentence of paragraph 11 of Article 7 of Law 2289/1995 is replaced as follows:

"The Lessor or the Employer through its competent representatives or through other persons specifically authorised thereof, shall audit and approve the work programs and any expenses and supplies of materials and services that deem necessary for their implementation. Also shall audit the accounting books and records of the Contractor to certify the accuracy of the entries made therein and the justification of expenses incurred according to the rules of sound business practice. The procedures of auditing and approval, the consequences of approval or disapproval of the related programs and expenditures as well as any other relevant matter are set out in detail in the agreement."

5. In the second sentence of paragraph 13 of Article 7 of Law 2289/1995 on the fourth line the words "Paragraph 2 of Article 9 cases a through i" are replaced by the words "Article 9 paragraph 5"

Article 161

1. The first sentence of paragraph 1 of Article 8 of Law 2289/1995 is replaced as follows:

"The Contractor shall be subject to a special income tax, at a rate of twenty percent (20%) and to a regional tax, at a rate of five percent (5%), without any additional ordinary or extraordinary contribution, duty or other encumbrance of any kind, in favour of the State or any other third party. "

2. In paragraph 5 of Article 8 of Law 2289/1995 a new paragraph is added as follows: "By joint decision of the Ministers of Finance, Interior Decentralisation and E-government and Environment, Energy and Climate Change the method of payment of the Regional tax, the process of assessment and tax collection as well as any other related to that detail is determined."

Article 162

1. In case of (a) paragraph 2 of Article 9 of Law 2289/1995 the words "as well as the compensation per stremma paid in accordance with paragraph 3 of Article 5 hereof." are deleted.

2. In paragraph 7 of Article 9 of Law 2289/1995 in the second line, the words "and paragraphs 4, 5 and 6 of this Articles" are replaced with words "in paragraphs 1 through 6 include of this Article ...".

3. In paragraph 8 of Article 9 of Law 2289/1995 in the eighth line, the words "in paragraphs 9.10 and 11 of Article 7 ... " are replaced by " in paragraphs 4 through 8 of Article 7 ... "

4. Paragraph 10 of Article 9 of Law 2289/1995 replaced as follows:

"10. Fees of public notaries pertaining to any legal instrument required by the Contractor for the purpose of this law, as well as the dues of mortgage registrars, whether stipendiary or not, for the registration or conveyance recording of such instruments shall not exceed, in any case, the amount of two thousand (2,000€) euro. The amount can be readjusted by joint decision of Ministers of Justice and Finance. "

5. Paragraph 13 of Article 10 of Law 2289/1995 is replaced as follows:
"13. All disputes among the Parties arising by the present Law, related to the performance of the terms of the agreement or tort or delict, shall be settled through arbitration, according to Law 2735/1999 for international commercial arbitration or any other internationally recognized arbitration system, such as the International Chamber of Commerce (ICC)), the London Court of International Arbitration, the Arbitration Institute of the Stockholm Chamber of Commerce, excluding ordinary proceeding of the Greek courts or other court jurisdictions.
Such decision shall be rendered through three arbitrators, two of whom are appointed by the Parties with the umpire being appointed by them. The place of arbitration proceedings shall be Athens and the language applied will be the Greek. All claims in conjunction with this Law shall be governed by the Greek Law."

Article 163

1. In the title of Chapter III the words "Provisions on the DEP - EKY" are deleted.

2. The title of Article 12 of Law 2289/1995 is replaced as follows:
"Compulsory Expropriation – Grant of the right to State-owned lands, foreshore and sea areas – Offshore Installations and Constructions – Exploitation of hydrocarbons of the continental shelf or of the exclusive economic zone - Installations within territorial waters. "

3. At the end of the second sentence of paragraph 4 of Article 12 of Law 2289/1995, after the word "islet", the following sentence is added: "in accordance with the provisions of Law 2971/2001 (A 285) "Coastal, foreshore areas and other provisions."

4. In paragraph 8 of Article 12 of Law 2289/1995 the words "or DEP - EKY" are deleted.

5. Paragraph 12 of Article 12 of Law 2289/1995 is replaced as follows:
12. Around the permanent or temporary installations or floating structures located on the continental shelf or exclusive economic zone or above them, which are destined for exploration and exploitation of hydrocarbons, a safety zone five hundred (500) metres will be created, calculated from the outermost points of such installations or structures. The safety zone, together with the installations or structures located therein, the airspace above and the sea waters below it, shall be an inviolable space. By joint decision of the Ministers of Environment, Energy and Climate Change, Development, Competitiveness and Shipping, and Citizen Protection, published in the Government Gazette, the extent of the safety zone may

be reduced in certain cases, in accordance with the relevant provisions of the United Nations Convention on the Law of the Sea (1982), ratified by Law 2321/1995 (A 136). The entry of vessels or other floating craft into the safety zone is prohibited without a special permit granted by the designated authorities, with regard to the vessels or floating craft these authorities shall be designated, by a joint decision of Ministers of Environment, Energy and Climate Change, Citizen Protection and Development, Competitiveness and Shipping and with regard to aircraft shall be designated by joint decision of Ministers of Environment, Energy and Climate Change Infrastructure, Transport and Communications. Breach of the abovementioned prohibition shall be punishable by imprisonment for up to six (6) months and by a pecuniary penalty. "

6. In paragraphs 16, 18 and 19 of Article 12 of Law 2289/1995, the words "maritime economic zone of the country are replaced with the words "exclusive economic zone of the country".

7. Paragraph 17 of Article 12 of Law 2289/1995 is replaced as follows: "17. Police surveillance in offshore areas of the continental shelf or the exclusive economic zone, in the permanent or temporary installations or floating structures located on the continental shelf or exclusive economic zone or above them, which are destined for exploration and exploitation of, is exercised by the Coast Guard. Upon request by the Minister of Citizen Protection, the Minister of National Defence shall make available the armed force necessary to reinforce the Coast Guard personnel."

Article 164

After Article 12 of Law 2289/1995 new Article 12A is added as follows:

"Article 12A

Safety Regulations - Protection of the Environment - Criminal and Administrative Penalties - Social Insurance

1. By joint decision of the Minister of Environment, Energy and Climate Change and the competent by case Minister, upon recommendation of H.H.R.M SA, regulations shall be enacted for the performance of operations and projects of any kind, storage tanks and pipelines, the carrying out of drilling operations and the plugging of wells, and such regulations shall be aimed at the adoption of safety measures of any kind for persons or things; the prevention of pollution or contamination of the environment; the protection of flora and fauna, fishing, the navigation, antiquities in general, historic sites and sites of special natural beauty as well as other activities within the Exploitation Areas. The Agreement shall provide that until such regulations referred to in the present Article are issued, the exploration and exploitation operations shall be carried out in accordance with the analogous regulations in force in Member States of the European Union.

2. Each Contractor shall conduct the hydrocarbons' activities in appropriate and safe manner, in accordance with international best practices and comply with the Regulations

and any relevant legislation regulating health and safety of workers and environmental protection. In particular, it must, among others,

- a) Ensure that materials, supplies, machinery, constructions, equipment and installations used by him or by his subcontractors, are in accordance with generally accepted standards of international oil industry and are duly made, maintained in good working condition.
- b) Use in sustainable manner the natural resources of the area included in the granted licence.
- c) Prevent the damage to productive formations and ensure that discovered oil discovered, sludge or any other liquid or substances do not leak or be rejected.
- d) Prevent damage to hydrocarbon layers and a aquifer that are adjacent to productive formation or formations and prevent water from entering any hydrocarbon layers, except where are used methods of water injection for operations of secondary extraction or where the water injection is applied for any other reason, in accordance with generally accepted international practices of oil industry.
- e) Storage properly the oil in containers manufactured for this purpose and does not storage crude oil in earthen tank, unless, temporarily, for emergency cases
- f) Implement the legislation on Solid and Hazardous Waste in relation to the waste of hydrocarbons.
- g) Ensure that the activities of hydrocarbons are conducted in an environmentally acceptable and safe manner that is compatible with existing environmental legislation and good practice of the international oil industry and carry for this purpose effective control.

3. The Contractor shall also take all necessary measures to minimize any environmental pollution or damage to waters, to soil or to the atmosphere that may occur in connection with the activities of hydrocarbons. Where the Lessor or Contractor considers that any works or installations erected or any activities carried out may endanger persons or property of another person or pollute or cause harm to the environment, fauna, flora or the marine organisms, he shall require from the Contractor to take corrective measures within a reasonable period and to repair any damage to the environment. The Lessor or Contractor may also suspend its contractual rights of the Contractor, until it has taken all the corrective measures and restore environmental damage.

4. The Contractor must ensure that the design of drilling and the conduction of drilling operations, including the shield, the trim, the cementing, the work of sealing and setting distances between wells, are consistent with generally accepted practices of international oil industry and the legislation on maritime safety.

5. To comply with the provisions hereof, the Minister of Environment, Energy and Climate Change may require from the Lessor or Contractor a deposit guarantee, the amount of which is to be determined by the Minister, upon the recommendation of H.H.R.M SA, or, alternatively, an insurance contract with an international firm against all risks.

6. An amount equal to twenty percent (20%) per annum from the royalty of production sharing which H.H.R.M earns by virtue of the agreements hereunder shall be deposited in

the special account of the 'Green Fund', with the Bank of Greece. The return on such account shall be disposed to finance programs concerning the prevention of marine pollution caused by exploration and exploitation of hydrocarbons and the protection of the environment from activities related to any kind of exploitation or use of energy sources or resources.

7. The exercise of the rights of prospecting, exploration and exploitation of Hydrocarbons without a licence or such right being granted in accordance with the provisions hereof, is punishable by imprisonment for a minimum of two (2) months and by the payment of a pecuniary penalty ranging one hundred thousand (100,000) euro up to one and a half million (1.5 million) euro. The ownership of illegally extracted hydrocarbons devolves ipso jure to the State.

8. An administrative fine, ranging from one hundred thousand (100,000) euro up to and one and a half million (1.5 million) euro, shall be imposed irrespective of any other applicable administrative, civil or criminal penalty, on any person carrying out the prospecting, exploration and exploitation of hydrocarbons in breach of the regulations issued pursuant to paragraph 1. The pecuniary penalties shall be imposed by the Minister of Environment, Energy and Climate Change, issued after call and hearing of the person concerned. In cases of breaches which result in the pollution or contamination of the sea, in damage to the sea flora and fauna or to the fishing or in the case of breaches of the safety measures relating to navigation and under water installations, the above mentioned penalties shall be imposed by decisions of the competent port authorities, in accordance with the relevant legislation on the protection of the marine environment.

9. The above mentioned decisions are subject to appeal before the competent Administrative Courts, such appeal must be lodged within a time limit of sixty (60) days from the day of notification of the Decision. The amounts of the pecuniary penalties shall be collected in accordance with the procedures set forth in accordance with the Public Revenues Collection Code.

10. The Minister of Environment, Energy and Climate Change, by decision duly justified, issued after call and hearing of the interested party, may order the cessation of the operations of prospecting, exploration and exploitation of hydrocarbons carried out in breach of the provisions of this law or of the regulations issued pursuant to paragraph 1. Such decisions are administratively enforced by the police or the port authorities or any other authority.

11. The work rendered in exploitation installations of hydrocarbons by personnel employed there shall be deemed, for the purposes of applying the relevant social insurance legislation work rendered within the nearest insurance area of the respective social insurance organisation where such exploitation installations are located outside the local insurance competence of the Institute or any other social insurance organisation.

12. The following provisions governing reduced employer's contributions to the Institute of Social Insurance or any other social insurance organisation shall not apply to the personnel employed by the Contractor and its contractors or sub-contractors for the purposes of the agreements concluded pursuant to paragraph 22 to 39 inclusive, of Article 2 and 3 and paragraphs 3 to 5, inclusive, of Article 3 of this Law:

a) Article 6 of Law 3213/1955 'regarding amendment and supplement of the provisions governing measures for the protection of the provincial industry'

- b) Article 5 of Law 2861/1954 "regarding measures for the promotion of export of industrial and other domestic products"
- c) Article 16 of Legislative Decree 1312/1972 "regarding new measures for the promotion of regional development", as amended by Article 10 of Legislative Decree 1377/1973 and
- d) Article 10 of Law 289/1976 "regarding the granting of incentives for the development of borderline areas and the settlement of relevant matters."