

The Bangladesh Oil, Gas and Mineral Corporation Ordinance, 1985

(Ordinance NO. XXI OF 1985)

An Ordinance to provide for the establishment of the Bangladesh Oil, Gas and Mineral Corporation.

WHEREAS it is expedient to provide for the establishment of the Bangladesh Oil, Gas and Mineral Corporation and for matters incidental thereto;

NOW, THEREFORE, in pursuance of the Proclamation of the 24th March, 1982, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

Short title

1. This Ordinance may be called the Bangladesh Oil, Gas and Mineral Corporation Ordinance, 1985.

Definitions

2. In this Ordinance, unless there is anything repugnant in the subject or context,-

(a) “Board” means the Board of Directors of the Corporation;

(b) “Corporation” means the Bangladesh Oil, Gas and Mineral Corporation established under section 3;

(c) “Chairman” means the Chairman of the Corporation;

(d) “Director” means a Director of the Corporation;

(e) “mineral” means all minerals, whether in a solid, liquid or gaseous state and rock resources, metal or non-metal, including coal, lime-stone, clay, sand, metalliferous ore and non-metallic mineral and any other naturally occurring substance which may be used either in its original form or after processing for economic purposes;

(f) "prescribed" means prescribed by rules or regulations made under this Ordinance.

**Establishment
of the
Corporation**

3. (1) There shall be established a Corporation to be called the Bangladesh Oil, Gas and Mineral Corporation for carrying out the purposes of this Ordinance.

¹[(1A) The Corporation may also be called PETROBANGLA.]

(2) The Corporation shall be a body corporate, having perpetual succession and a common seal with power to acquire, hold and dispose of property, both movable and immovable, and shall by the said name sue and be sued.

**Authorised
capital**

4. The authorised capital of the Corporation shall be taka two hundred crore to be subscribed by the Government, in the manner determined by the Government from time to time, according to the requirements of the Corporation.

**General
direction**

5. (1) Subject to rules and regulations made under this Ordinance, the general direction and administration of the affairs and business of the Corporation shall vest in a Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the Corporation.

(2) The Board in discharging its functions shall act on commercial considerations having due regard to public interest generally and shall be guided on questions of policy by such instructions as may be given to it by the Government from time to time, and, if any question arises as to whether any question is a question of policy or not, the decision of the Government shall be final.

Board

²[6. (1) The Board shall consist of the following Directors, namely:-

(a) a Chairman to be appointed by the Government;

(b) an officer not below the rank of a Joint Secretary of the Ministry or Division dealing with energy and mineral resources to be nominated by

(c) an officer not below the rank of a Joint Secretary of the Ministry or Division dealing with finance to be nominated by that Ministry or Division;

(d) an officer not below the rank of a Joint Secretary of the Ministry or Division dealing with planning to be nominated by that Ministry or Division;

(e) not more than five other Directors to be appointed by the Government.

(2) The Chairman shall be the chief executive officer of the Corporation.

(3) The Chairman and the appointed Directors shall be whole-time officers of the Corporation and shall serve on such terms and conditions as the Government may determine.

(4) The Chairman and other Directors shall exercise such powers and perform such functions as may be prescribed or as may be assigned to them by the Government from time to time.]

Meeting of the Board

7. (1) The meetings of the Board shall be held at such times and places as may be prescribed:

Provided that, until so prescribed, such meetings shall be held at such times and places as may be determined by the Chairman.

(2) To constitute a quorum at a meeting of the Board, not less than three Directors shall be present.

(3) All meetings of the Board shall be presided over by the Chairman, and in his absence, by a Director elected for the purpose.

(4) At a meeting of the Board, each Director shall have one vote, and in the event of equality of votes, the person presiding shall have a second or casting vote.

(5) No act or proceeding of the Board shall be invalid merely on the ground of existence of any vacancy in, or any defect in the Constitution of, the Board.

Committees

8. The Board may appoint such committee or committees as it thinks fit to assist it in the efficient discharge of its functions.

**Functions
of the
Corporation**

9. (1) The functions of the Corporation shall be-

- (a) to undertake research in the field of oil, gas and minerals;
- (b) to prepare and implement programmes for the exploration and development of oil, gas and mineral resources;
- (c) to produce and sell oil, gas and mineral resources; and
- (d) to perform such other functions as the Government may, from time to time, assign to the Corporation.

(2) Without prejudice to the generality of the foregoing provisions, the Corporation shall, in particular, have power-

- (a) to undertake research for alternative use of natural gas;
- (b) to carry out geological, geophysical and other surveys for the exploration and development of oil, gas and mineral resources;
- (c) to carry out drilling and other prospecting operations to prove and estimate the reserves of oil, gas and mineral resources and collect all data required for adopting the most suitable extraction and mining method;
- (d) to set up mining industries and to continue production and sale of the mined commodities;
- (e) to plan, promote and develop cement industries in the country;
- (f) to take up, execute and operate any project on mining and mineral development;
- (g) to contribute towards the cost of any studies, experiments or technical research connected with the functions of the Corporation and undertaken or done in the interest of the Corporation by any other person, body or agency;
- (h) to undertake, assist or encourage the collection, maintenance and publication of statistics, bulletins and monograph.

**Formation
of
Companies**

10. The Corporation may, with the previous approval in writing of the Government, sponsor the formation of subsidiary companies for

exploration and exploitation of oil, gas and mineral resources and may hold an interest therein and may also, subject to the general policy of the Government regarding foreign investment, permit any foreigner to hold an interest in such companies.

Power to hold shares or interest in any company

³[10A. The Corporation may hold shares or interest in any company formed for the purpose of exploration and exploitation of oil, gas and mineral resources.]

Head Office

11. (1) The Head Office of the Corporation shall be at Dhaka.

(2) The Corporation may establish such regional office or other offices, branches and agencies as the Board may think fit.

Appointment of officers, etc.

12. The Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions on such terms and conditions as may be prescribed.

Delegation of powers

13. The Board may, by general or special order in writing, direct that such of its powers shall, in such circumstances and under such conditions, if any, as may be specified in the order, be exercisable also by the Chairman or any other Director or by an officer of the Corporation as may be so specified:

Provided that no power to make regulations under section 23 shall be delegated under this section.

Annual Budget Statement

14. The Corporation shall, by such date each year as may be prescribed, submit to the Government for approval a statement to be called the Annual Budget Statement in the prescribed form for each financial year showing the estimated receipts and expenditure during that year.

Bank Account

15. The Corporation may open and operate any account with any scheduled bank.

Investment of funds