

AUTHORIZING THE SECRETARY OF ENERGY TO ENTER INTO AND CONCLUDE SERVICE CONTRACTS, OR RE-NEGOTIATE AND MODIFY EXISTING CONTRACTS SUBJECT TO CERTAIN LIMITATIONS

PRESIDENTIAL DECREE NO. 1459, June 08, 1978

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WHEREAS, it is the declared policy of the State to promote an accelerated exploration, development, and production of indigenous petroleum resources;

WHEREAS, there is need to re-examine existing contracts and propose modifications thereto under certain conditions in the light of current international developments in oil exploration and development in order to further induce the active participation of service contractors, particularly, foreign companies with management and financial capabilities and technical expertise.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following:

SECTION 1. Any provision of law to the contrary notwithstanding, the Secretary of Energy is hereby authorized to enter into petroleum service contracts, or re-negotiate and modify existing ones, upon the approval of the President of the Philippines, subject to the following conditions:

- The share of the Government, including all taxes, shall not be less than sixty per cent of the difference between the gross income and the sum of operating expenses and such allowances as the Secretary of Energy may deem proper to grant;
- The service contractor must be technically competent and financially capable to undertake the petroleum operations required in the contract; and
- The Secretary of Finance shall be consulted on all matters involving revenue.

SEC. 2. This Decree shall take effect immediately.

DONE in the City of Manila this 8th day of June, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE

Presidential Executive Assistant

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