Petroleum Act 1998

1998 CHAPTER 17

PART V

MISCELLANEOUS AND GENERAL

47 **Loans for development**

(1) Where it appears to the Secretary of State expedient to do so for the purpose of facilitating or maintaining the development of the petroleum resources of the United Kingdom, he may with the approval of the Treasury—

    (a) make loans to an oil company on terms determined by him; or

    (b) guarantee on such terms the repayment of the principal of and the payment of interest on loans made to an oil company by another person.

(2) The aggregate amount for the time being outstanding in respect of the principal of loans made under subsection (1)(a) shall not exceed £50,000,000.

(3) The aggregate amount of—

    (a) the principal sums in respect of which guarantees under subsection (1)(b) are for the time being in force; and

    (b) the payments on account of principal sums which have been made by the Secretary of State under such guarantees and not recovered by him,

shall not exceed £600,000,000.

(4) Immediately after making a loan or giving a guarantee under subsection (1), the Secretary of State shall lay a statement relating to it before each House of Parliament.

(5) Where any sum is issued for fulfilling a guarantee given under subsection (1) the Secretary of State shall, as soon as possible after the end of each financial year (beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.

(6) In subsection (1) "oil company" means a body corporate which in the opinion of the Secretary of State has as its principal object—

(a) the production of petroleum;

(b) the refining of petroleum;

(c) the production and refining of petroleum; or

(d) the supplying of petroleum in a case where any of its other objects is one of those mentioned in paragraphs (a) to (c).