

Law No. 1 of 2007 on the Tax Dealings of Gulf Drilling International Ltd. 1 / 2007

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We, Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar;
Having perused the Constitution;
Decree-Law No. 11 of 1993 on the income tax;
The Resolution of the Minister of Economy and Commerce No. 53 of 2004 on the establishment of a Qatari shareholding company under the name "Gulf Drilling International Ltd.";
The joint venture agreement signed on 22/3/2004 between Qatar Petroleum and Japan Drilling Company Ltd;
The proposal of the Minister of Finance;
The draft law submitted by the Council of Ministers;
And having consulted the *Shura* Council;
hereby decide the following:

Articles

Article 1

In applying the provisions of this law, the following words and phrases shall have the meanings assigned thereto, unless the context requires otherwise:

"The Company" means Gulf Drilling International Ltd, a Qatari Shareholding Company;

"The non-Qatari partner" means the non-Qatari partner in the Gulf Drilling International Ltd., which is Japan Drilling Company Limited (JDCL) and others that replace or join the JDCL in the project;

"Subsidiary company" means a corporate person, other than the company, which controls, or is controlled by, or is under common control with the person concerned, directly or indirectly. For the purposes of this definition, "control" means:

1. Ownership or control, directly or indirectly, of more than 50 percent of the ordinary capital shares, or a capital that qualifies for vote, or anything similar in the controlled person.
2. Control or authority to control the formation, or the power to appoint more than 50 percent of the members of the Board of Directors or senior management, or other entity or equivalent or standard in the controlled person.
3. The right to receive more than 50 percent of any, but not necessarily all, of the distribution of income or capital by the controlled person at the announcement of dividends, or dissolution, liquidation, expiry or otherwise.

"Joint Venture Agreement" means the agreement signed on the 22nd of March 2004 between Qatar Petroleum and Japan Drilling Company Limited.

"Project" means owning, letting, operating and maintaining a number of onshore and offshore drilling rigs.

"Project Agreements" means the Joint Venture Agreement and the agreements referred to therein.

"Start Date" means the date of publication (20/5/2004) of the decision to establish the company in the *Official Gazette*.

"Third party" means any person who is not a party to the Joint Venture Agreement, or a subsidiary of such party, or the company.

Article 2

The Company shall be exempt from income tax in force in the State of Qatar for a period of ten years from the date of its inception. After the expiration of this period the Company shall be subject to income tax in accordance with the segments and percentages set forth in Decree-Law No. 11 of 1993.

Article 3

Profits of Japan Drilling Company Limited and other amounts payable by the Company to it or any of its affiliates under any of the Project Agreements between the Company on the one hand and Japan Drilling Company Limited or any of its affiliates on the other shall be exempted from tax withholding at source. This exemption shall continue for the duration of the project and any extension thereof under the Joint Venture Agreement referred to.

Article 4

Except as provided for in this Law, the Company and the non-Qatari partner or any of its affiliates shall be exempted from any taxes or duties applicable in the State of Qatar for the Company's operations, or capital or other property of the Company or of any cash dividend or other allocation payable to the Qatari partner or any of its subsidiaries.

Article 5

Without prejudice to the provisions of Article 10 (3), (5) of the Joint Venture Agreement referred to, the Company is entitled to import into the State of Qatar any goods, materials, supplies, equipment and spare parts required for maintenance or repairs related to the project or for any future investments. It may also re-export these materials that are no longer needed for the project.

Article 6

All competent authorities, each within its own jurisdiction, shall implement this Law, which shall come into force as of the date of its publication in the *Official Gazette*.
