UNIVERSITY OF COLOMBO, SRI LANKA FACULTY OF LAW

DEGREE OF MASTER OF LAWS BY COURSEWORK 2024/25

2nd SEMESTER EXAMINATION

(Energy Law - TLLM 2310)

(Three Hours)

Total number of questions: 04

Answer any <u>Three</u> (03) questions only.

(Candidates will be penalized for illegible handwriting.)

Question 01

The Republic of Teylan, an island nation, has recently completed a series of geological surveys and offshore prospecting exercises, funded by an international development bank, which indicate several significant 'proven' oil reserves in the Kantar Basin, located approximately 20 nautical miles from the mainland. In preparation for commercial development, Teylan is in the process of enacting the Petroleum Resources Management Act, intended to be consistent with the best practices and internationally recognised legal principles followed by established oil and gas producing states. Under the proposed petroleum policy, the government is considering one of three main contractual frameworks for granting exploration and production rights to investors. Within the Cabinet, divergent views have emerged regarding the appropriate legal and policy framework for the upstream petroleum sector. On one hand, some ministers advocate for maintaining state ownership of hydrocarbon resources up to the point of production, citing concerns related to national sovereignty and energy security. On the other hand, the Ministry of Finance argues that stability, regulatory simplicity, and alignment with internationally familiar investment models would be more effective in attracting major international oil companies. Several foreign missions have issued formal reminders of Teylan's obligations under bilateral investment treaties to ensure non-discrimination in awarding licences. The Ministry of Justice has further emphasised that, under the Constitution, the government retains a right to refuse licensing even after bids have been submitted. Meanwhile, environmental activist groups have staged nationwide protests demanding the inclusion of a regulatory mechanism to prevent major accidents in offshore operations.

You have been retained as the in-house legal Counsel to the National Petroleum Authority. Prepare a comprehensive legal analysis, drawing on relevant examples from petroleum legislation of two other jurisdictions of your choice.

(20 Marks)

Question 02

"Sri Lanka's energy law landscape has been shaped by a gradual evolution of legislative enactments. Over time, and in response to global transformations in the energy sector, Sri Lankan law has adapted and continues to evolve."

Critically discuss above statement, providing examples with legislative provisions from the Sri Lankan energy sector, while assessing them in light of established energy law principles.

(20 Marks)

Question 03

The Paris Agreement, adopted under the UNFCCC, seeks to limit global temperature rise while recognising the principle of sustainable development. Given that the energy sector is a major contributor to greenhouse gas emissions, climate change mitigation requires profound legal reforms in energy production, distribution, and consumption.

Critically analyze the interplay between sustainable development, the Paris Agreement, and the transformation of the energy sector, with reference to relevant legal principles, international commitments, and national legislation.

(20 Marks)

Question 04

Write notes on any Two (2) of the following:

- (a) Energy Security;
- (b) Energy Regulation;
- (c) Ownership Unbundling Models;
- (d) Transboundary Hydrocarbon Transportation; and
- (e) Affordable and Clean Energy.

(20 Marks)
