EFTA SURVEILLANCE AUTHORITY


Announcement of invitation to apply for petroleum production licences on the Norwegian Continental Shelf — Awards in Predefined Areas 2010


Production licences will be awarded to joint stock companies registered in Norway or in another state party to the Agreement on the European Economic Area (the EEA Agreement), or to natural persons domiciled in a state party to the EEA Agreement. The joint stock company shall have a minimum equity share capital of NOK 1 million or an amount equivalent to this in the currency of the country of registration.

Companies which are not presently licensees on the Norwegian Continental Shelf may be awarded production licences if they are prequalified as licensees on the Norwegian Continental Shelf.

Companies submitting individual applications and companies applying as part of a group will be treated on equal terms by the Ministry. Applicants submitting an individual application, or applicants being part of a group submitting a joint application, will all be considered as an applicant for a production licence. The Ministry may, on the basis of applications submitted by groups or individual applicants, determine the composition of the licence groups and appoint the operator for such groups.

The award of a participating interest in a production licence will be subject to the licensees' entering into an Agreement for Petroleum Activities, including a Joint Operating Agreement and an Accounting Agreement. If the production licence is stratigraphically divided, the licensees of the two stratigraphically divided licences will also be required to enter into a specific Joint Operating Agreement, regulating the relationship between them in this respect.

Upon signing the said agreements the licensees will form a joint venture in which the size of their participating interest will at all times be identical to their participating interest in the production licence.

The licence documents will mainly be based on relevant documents from the Awards in Predefined Areas 2009. The aim is to make the main elements of any adjustments to the framework available to the industry prior to the time of application.

Criteria for the award of a production licence

To promote good resource management and rapid and efficient exploration for and production of petroleum on the Norwegian Continental Shelf, including the composition of licence groups to ensure this, the following criteria shall apply to the award of participating interests in production licences and to the appointment of operator:
(a) the relevant technical expertise of the applicant, including expertise related to development work, research, safety and the environment, and how this expertise may actively contribute to cost-effective exploration and, as appropriate, the production of petroleum from the geographical area in question;

(b) that the applicant has the satisfactory financial capacity to carry out exploration for and, as appropriate, production of petroleum in the geographical area in question;

(c) the applicant's geological understanding of the geographical area in question, and how the licensees propose to perform efficient exploration for petroleum;

(d) the applicant's previous experience on the Norwegian Continental Shelf or equivalent relevant experience from other areas;

(e) the Ministry's experience regarding the applicant's petroleum activities;

(f) where applicants apply as part of a group, the composition of the group, the operator recommended and the collective competence of the group will be taken into account;

(g) production licences will mainly be awarded to a joint venture where at least one participant has drilled at least one exploration well on the Norwegian Continental Shelf as operator, or has equivalent relevant operational experience outside the Norwegian Continental Shelf;

(h) production licences will mainly be awarded to two or more participants, where at least one of them has experience as mentioned under (g);

(i) the appointed operator for production licences in the Barents Sea must have drilled at least one exploration well on the Norwegian Continental Shelf as operator or have equivalent relevant operational experience outside the Norwegian Continental Shelf;

(j) the appointed operator for production licences in deep waters must have drilled at least one exploration well on the Norwegian Continental Shelf as operator or have equivalent relevant operational experience outside the Norwegian Continental Shelf;

(k) the appointed operator for production licences in which the drilling of exploration wells implies high pressure and/or high temperatures (HPHT), must have drilled at least one exploration well on the Norwegian Continental Shelf as operator or have equivalent relevant operational experience outside the Norwegian Continental Shelf.

Blocks available for application

The geographical area for which applications may be submitted is the area on the Norwegian Continental Shelf predefined for this licensing round. Applications for participating interests in production licences may be submitted for the blocks that are not licenced within the predefined area, and for blocks or parts of blocks that have been relinquished within the predefined area before the expiry of the deadline for submission of applications.

Updated maps showing the available blocks may be found on the web page of the Norwegian Petroleum Directorate (Fact maps: http://www.npd.no/apa2010), or by contacting the Ministry of Petroleum and Energy, tel. +47 22246209.

Applications for petroleum production licences shall be submitted to:

Ministry of Petroleum and Energy
PO Box 8148 Dep.
0033 Oslo
NORWAY
Deadline: 12.00 noon on 15 September 2010.

The award of petroleum production licences in the Awards in Predefined Areas 2010 on the Norwegian Continental Shelf will take place no less than 90 days after the date of publication of the invitation to submit applications and is planned for end of 2010/early 2011, but no later than 30 January 2011.

The full text of the announcement, including detailed maps of available areas may be obtained by visiting http://www.npd.no/apa2010 or by contacting the Ministry of Petroleum and Energy, tel. +47 22246209.