

2009 LICENSING ROUND – ROCKALL BASIN

1. The Minister for Communications, Energy and Natural Resources (“the Minister”) invites applications for Frontier Exploration Licences, to be granted under the Petroleum and Other Minerals Development Act, 1960, covering the blocks listed in the schedule to this Notice and shown on the attached map (Attachments I and II).
2. Applications for Licences must be received not later than 12 noon on 22 April, 2009.
3. Any Licence granted on the basis of an application pursuant to this Notice will be subject to the [Licensing Terms for Offshore Oil and Gas Exploration, Development and Production 2007](#) (“the Licensing Terms”) issued by the Minister together with the provisions detailed in this Notice.
4. **Specific Terms for 2009 Licensing Round**

4.1 Area of Licence Application

The blocks available are specified in the attached schedule (**Attachment I**). The area in the Round are shown on the attached map (**Attachment II**).

Applications for Licences should be principally for regular-shaped, continuous areas in the acreage covered by the Round. Licence applications should comprise areas that are equivalent to not less than two and not more than eight complete blocks.

4.2 Duration of Licence

Licences will be valid for a period of sixteen years divided into four years per phase.

4.3 Exploration Obligations

Each Licence shall be subject to the following exploration obligations:-

- (a) During the first phase of the Licence, the licensee must undertake in respect of the whole licensed area, a work programme which shall be agreed with the Minister before the issue of the Licence. The work programme to be undertaken shall generally include 250 kilometres of 2D seismic data acquisition per block. In areas where existing 2D seismic data coverage is adequate, it is expected that the work programme would include additional 3D seismic acquisition. Where exploration

drilling is not included in the work programme for this phase, licensees will be required to commence logistical planning for drilling, as soon as practicable.

- (b) Licensees will be required to undertake site-specific environmental studies as may be appropriate to their work programmes.
- (c) In all phases, the licensee will incur an obligation to rapidly and prudently appraise any potentially commercial discovery.

5. Work Programme

5.1 Licences will be awarded on the relative strength of the work programmes offered, with particular emphasis on a programme's appropriateness for evaluating hydrocarbon prospectivity and preparing the acreage for exploration drilling. Applicants are required to demonstrate that, if granted a licence, they will have the technical competence to undertake the work programme associated with that licence along with the financial capacity to fund the work programme

5.2 Each application should include:

- (a) A statement describing the area(s) to which the application applies;
- (b) Information as to the geological, geophysical and other data upon which the application is based, accompanied by a comprehensive technical assessment of this data;
- (c) A detailed description of the work programme which the applicant proposes to carry out for the first phase of the Licence including timelines and a budget
- (d) An outline plan for the second phase of the licence including details of how this plan would be financed, along with an outline description of evaluation programmes that would be conducted in an exploration well/wells;
- (e) A summary environmental assessment which shows that the applicant is aware of any issues of sensitivity relevant to the area for which the licence is being sought and has taken account of the Strategic Environmental Assessment (IOSEA3) undertaken on behalf of the Department of Communications, Energy and Natural Resources ("the Department");

- (f) A statement as to the applicant's organisational and operational structures for effecting the proposed work programme; and
- (g) The order of preference of each block sought.

6. **Award Criteria**

- 6.1 In considering an application the following scoring system will apply:
 - (a) The overall approach to the proposal to undertake an offshore exploration programme – 15 Marks
 - (b) The quality of the work programme proposed by the applicant (marks will only be awarded for firm commitments made) – 40 Marks
 - (c) The level of technical competence and offshore experience of the team that will manage and conduct the exploration programme – 30 Marks
 - (d) Evidence of the financial capacity to fund the work programme proposed – 15 Marks
- 6.2 Where relevant, previous performance by the applicant under any authorisations to which the applicant has been a party may be taken into account.
- 6.3 Applicants must achieve a pass mark of 50% in the case of a, b and c at 6.1 above and must also demonstrate that, at a minimum, they have the financial capacity to fund the work programme for Phase 1 of any licence offered.

7. **Competing Applications**

Where competing applications of an acceptable quality are received for the same area, the Minister reserves the right to suggest moving forward on the basis of the two applicants coming together to perform a single work programme to be agreed with the Minister, or to offering both applicants a licence over a revised area.

8. **Timelines**

Applicants may be called for interview by the Department to clarify their proposals, prior to any decision to award Licences. Interviews will commence on the week beginning 4 May 2009. The aim is to make decisions on applications by end June 2009.

9. **Applications**

9.1 Applications should be marked '2009 Licensing Round – Rockall Basin' and should be addressed to, "The Secretary General, Department of Communications, Energy and Natural Resources, Petroleum Affairs Division, 29-31 Adelaide Road, Dublin 2, Ireland".

- (a) Each application should be submitted in two parts, corresponding to the information to be provided under Section 9.2 (two copies required) and Section 5.2 (three copies required) respectively of this notice. (A total of two copies of material under Section 9.2 will suffice where more than one application is being made by the same participant).
- (b) The receipt of an application will not create an obligation on the part of the Minister to grant a Licence in respect of part or all of the area that is the subject of the application.

9.2 An application shall provide (in the case of an application made by a group of companies, in respect of each participant):

- (a) The full company name, registered address, billing address, and contact details of the applicant including details of the person who will serve as liaison with the Irish authorities;
- (b) A copy of the charter or constitution of the applicant;
- (c) Information concerning the applicant's place of registration, its principal place of business, its board of directors, its share capital and shareholdings;
- (d) Information as to the form of the organisation, including, details of parent, subsidiary and group companies;
- (e) Annual reports for the past two years together with copies of annual accounts including balance sheets and the profit and loss accounts for the same period;
- (f) Information as to the manner in which exploration and development activities are to be financed and performance guaranteed;

- (g) Confirmation that the applicant is chargeable, in accordance with the laws of Ireland, to tax in respect of profits and gains arising from, or connected with, exploration or exploitation activities carried out in a designated area or from exploration or exploitation rights;
- (h) Information concerning the applicant's previous experience in exploration for and exploitation of petroleum;
- (i) Information concerning any authorisation previously issued by the Minister to the applicant or to which the applicant was a party;
- (j) A statement detailing the applicant's policy towards health and safety; and
- (k) A statement detailing the applicant's policy towards the environment.

For applications with more than one participant, the percentage interests must be clearly outlined.

10 **General Provisions**

10.1 In advance of submitting an application, applicants are required to have purchased a copy of the Department's 2006 special Publication 3/06 entitled "Petroleum Systems Analysis of the Rockall and Rockall Basins Offshore Ireland".

10.2 Section 7 of the Licensing Terms provide for a non-refundable fee, payable with each application for a Licence. The applicable fee will be updated in line with the Consumer Price Index (CPI) and published on the Department's website in January 2009.

11 **Request for clarification**

Until 31 March 2009, prospective applicants may request clarification on aspects of this invitation by email to Des.Byrne@dcenr.gov.ie. A copy of all questions asked and the Department's responses will be posted on the Department's website on a weekly basis commencing on 5 December 2008 and concluding on 3 April 2009. Details of the party seeking the clarification will not be posted on the website.

12. **Petroleum Research Fund**

The holders of Frontier Exploration Licences shall pay annual contributions to petroleum research programmes as directed by the

Minister to support the funding of research and applied research projects that have the aim of developing knowledge of the Irish offshore with a view to assisting in promoting exploration and development activity. These contributions shall include an annual contribution^{*} per licence to the Irish Shelf Petroleum Study Group (ISPSG) or its successor along with a single annual contribution[†] per company to the Expanded Offshore Support Group (EOSG) or its successor. Contributions will be subject to annual increase in line with CPI.

13. **Rental Fees**

Annual rental fees, which will be revised periodically in line with the Consumer Price Index, are payable on issue of the Licence and thereafter on the anniversary date of the issue of the Licence.

14. **Freedom of Information**

Applicants are advised that commercially sensitive information included with applications such as financial forecasts and proprietary data, will be dealt with by the Department in accordance with the Freedom of Information Acts 1997 – 2003.

^{*} Rate of contribution to the ISPSG (€83,920 in October 2008) will be revised in January 2009 in line with the Consumer Price Index.

[†] Rate of contribution to the EOSG (€16,784 in October 2008) will be revised in January 2009 in line with the Consumer Price Index.

Attachment I:

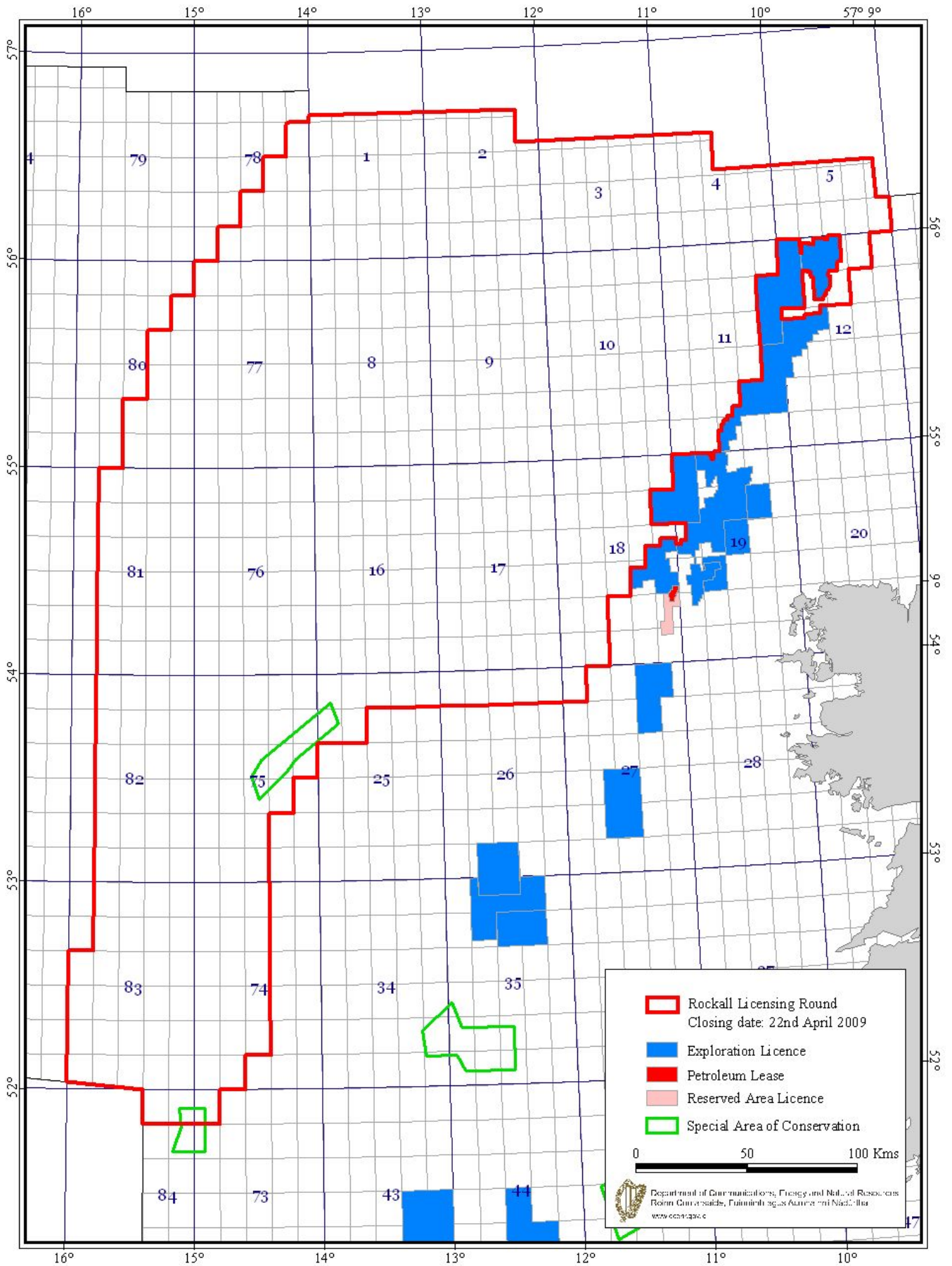
Block Listing for 2009 Licensing Round

477 Full Blocks, 44 Part Blocks, area approx. 117,200 km².

1/6 (p), 1/7 (p), 1/8 (p), 1/9 (p), 1/10 (p), 1/11, 1/12, 1/13, 1/14, 1/15, 1/16, 1/17, 1/18, 1/19, 1/20,
1/21, 1/22, 1/23, 1/24, 1/25, 1/26, 1/27, 1/28, 1/29, 1/30
2/6 (p), 2/7 (p), 2/8 (p), 2/9 (p), 2/11, 2/12, 2/13, 2/14, 2/15 (p), 2/16, 2/17, 2/18, 2/19, 2/20, 2/21,
2/22, 2/23, 2/24, 2/25, 2/26, 2/27, 2/28, 2/29, 2/30
3/11(p), 3/12(p), 3/13(p), 3/14(p), 3/15 (p), 3/16, 3/17, 3/18, 3/19, 3/20, 3/21, 3/22, 3/23, 3/24, 3/25,
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4/11(p), 4/12(p), 4/13(p), 4/16, 4/17, 4/18(p), 4/19(p), 4/20(p), 4/21, 4/22, 4/23, 4/24, 4/25, 4/26,
4/27, 4/28, 4/29, 4/30
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83/18, 83/19, 83/20, 83/21, 83/22, 83/23, 83/24, 83/25, 83/26(p), 83/27(p), 83/28(p), 83/29, 83/30
84/4, 84/5

Attachment II:

ROCKALL 2009 FRONTIER LICENSING ROUND



Attachment III:

Useful website addresses

Department of Communications, Energy and Natural Resources:

<http://www.dcenr.gov.ie>

Petroleum Affairs Division Homepage:

<http://www.pad.ie>

Licensing Terms for Offshore Oil and Gas Exploration, Development and Production 2007:

<http://www.dcenr.gov.ie/NR/rdonlyres/9DA12EC6-C3E5-4DC3-AA45-7CCB3620364A/0/LicensingTerms2007.pdf>

2009 Licensing Round (Rockall Basin) Homepage

<http://www.dcenr.gov.ie/Natural/Petroleum+Affairs+Division/Rockall+2009+Frontier+Licensing+Round>

Special Publications page:

<http://www.dcenr.gov.ie/Natural/Petroleum+Affairs+Division/PAD+Special+Publications>

Information Sheet on Special Publication 3/06: Petroleum Systems Analysis of the Rockall and Porcupine Basins Offshore Ireland

http://www.dcenr.gov.ie/NR/rdonlyres/BABC6ED0-4CD5-4FB4-952C-519346994421/0/INFORMATION_SHEET_3_06.PDF

Online Map Viewer

http://gis3.dcmnronline.ie/imf5104/imf.jsp?site=PAD_Seismic