

2011 LICENSING ROUND – ATLANTIC MARGIN

1. The Minister of State at the Department of Communications, Energy and Natural Resources (“the Minister”) invites applications for Licensing Options over Ireland’s Atlantic Margin, to be granted under the Petroleum and Other Minerals Development Act, 1960 covering blocks listed in the schedule to this Notice and shown on the attached map (Attachments I and II).
2. Applications for Licensing Options must be received not later than 12 noon on Tuesday 31st May 2011
3. Any Licensing Option 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. **Rights of Licensing Option Holder**

Each Licensing Option will confer upon the Option Holder the first right, exercisable at any time after one year from the date of the award of the Licensing Option up to the date the Licensing Option expires, to an Exploration Licence or Licences up to a maximum of 75% of the acreage covered by the Licensing Option.

5. **Specific Terms for 2011 Licensing Round**

5.1 **Area of Licensing Option Application**

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

Applications for Licensing Options should be principally for regular-shaped, continuous areas in the acreage covered by the Round. Licensing Option applications should comprise areas that are equivalent to not less than one and not more than six complete blocks.

5.2 **Duration of Licensing Option**

Any Licensing Options awarded will be valid for a period of up to a maximum of 2 years and may not be extended. Subject to this maximum period the actual period of the Licensing Option will be determined by the quality of the work programme agreed with the Minister.

Option-holders will be required to hold a Petroleum Prospecting Licence for the full duration of the Licensing Option.

5.3 **Exploration Obligations**

Each Licensing Option shall be subject to the performance of a work programme agreed with the Minister, which shall include in respect of the area covered by the Option:-

- (a) Procurement of all available and relevant technical data and studies.
- (b) New geological/geophysical studies and data acquisition projects, as considered necessary. The work programmes will not include the drilling of exploration, appraisal or development wells, but may include the application of geological groundtruthing techniques such as seabed coring and shallow drilling.
- (c) The option-holders will submit, no later than three months prior to the expiry of the Option, an integrated assessment of the petroleum resource potential of the area.
- (d) The option-holders will propose, no later than three months prior to the expiry of the Option, a detailed work programme for any follow-up Frontier Exploration Licence, for the approval of the Minister.
- (e) Applications for Frontier Exploration Licences will only be considered after a minimum of one year has lapsed since the date of award of the Licensing Option.

In considering any application by an option-holder for a follow-up authorisation, the Minister will have particular regard to the work programme, the resources available to the applicant at that time and the quality and conclusions of the integrated assessment at 5.3 (c) above. It should not be interpreted that the award of an Option will automatically entitle the option-holder to an Frontier Exploration Licence without adequate technical and financial competence being displayed, or an adequate work programme being proposed, or entitle the option-holder to a single Frontier Exploration Licence over the full area of the Option.

5.4 **Follow-on Authorisations**

Frontier Exploration Licences arising from Licensing Options granted under this round will be granted for up to a maximum of 75% of the area covered by the Licensing Option and will be for a period of 15 years, with a first phase of 3 years, followed by three phases of 4 years each.

6. **Content of Application / Work Programme**

- 6.1 Licensing Options will be awarded on the basis of the award criteria specified at paragraph 7.1, 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 Licensing Option they will have the technical competence to undertake the work programme associated with that Option along with the financial capacity to fund the work programme.

6.2 Each application shall include:

- (a) A statement describing the area to which the application applies, accompanied by a suitably scaled location map.
- (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 including timelines and a budget;
- (d) A summary environmental assessment which shows that the applicant is aware of any issues of sensitivity relevant to the area for which the Licensing Option is being sought and has taken account of Strategic Environmental Assessments undertaken on behalf of the Department of Communications, Energy and Natural Resources (“the Department”);
- (e) The order of preference of each block sought.
- (f) A statement as to the applicant's organisational and operational structures for effecting the proposed work programme; and
- (g) A statement of the applicant's policies on health, safety and the environment.

7. Award Criteria

7.1 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
- 7.2 Where relevant, previous performance by the applicant under any authorisations to which the applicant has been a party may be taken into account.
- 7.3 Applicants must achieve a pass mark of 50% in the case of a, b and c at 7.1 above and must also demonstrate that they have the financial capacity to fund the work programme offered.

8. 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 Licensing Option over a revised area.

9. Timelines

Applicants may be called for interview by the Department to clarify their proposals, prior to any decision to award Licensing Options. Interviews will commence on the week beginning 20th June 2011. The aim is to make decisions on applications by end July 2011.

10. Submission of Applications

- 10.1 Applications should be marked '2011 Licensing Round – Atlantic Margin' 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 10.2 (two copies required) and Section 6.2 (three copies required) respectively of this notice. (A total of two copies of material under Section 10.2 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 Licensing Option in respect of part or all of the area that is the subject of the application.

10.2 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.

11. General Provisions

- 11.1 In advance of submitting an application, applicants are required to familiarise themselves with the availability of geological and geophysical data, as well as technical studies including the Department's special publications (ref. Attachment III).
- 11.2 A commitment to purchase non-released speculative/multiclient seismic data within the area of the Licensing Round will be considered as 'data acquisition' in the context of the work programme at 5.3 (b) above.
- 11.3 Section 7 of the Licensing Terms provide for a non-refundable fee of €1,520, payable with each application for a Licensing Option.

12 Request for clarification

Until 6th May 2011, prospective applicants may request clarification on aspects of this invitation by email to PADadmin@dcenr.gov.ie. A copy of all questions asked and the Department's responses will be posted on the Department's website. Details of the party seeking the clarification will not be posted on the website.

13. Acreage

The Department will publish an updated acreage map on the first working day of each month.

14. Rental Fees

Annual rental fees, which will be increased periodically in line with the Consumer Price Index, are payable on issue of the Licensing Option and thereafter on the anniversary date of the issue of the Option. The current rental fee is €29 per square kilometre

15. 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.

Attachment I:

2011 LICENSING ROUND – ATLANTIC MARGIN

996 Full Blocks, 58 Part Blocks, area approx. 252,500 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, 3/26, 3/27, 3/28, 3/29, 3/30

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5/16(p), 5/19(p), 5/20(p), 5/21, 5/24, 5/25(p), 5/26, 5/29, 5/30

6/26, 6/27(p), 6/28(p), 6/29(p)

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85/3, 85/4, 85/5, 85/9, 85/10, 85/14, 85/15, 85/20

SAC Blocks

There are four SACs in the licensing area covering part blocks as follows:

NW Porcupine Bank: 25/1, 25/6, 75/9, 75/10, 75/13, 75/14, 75/15, 75/18, 75/19

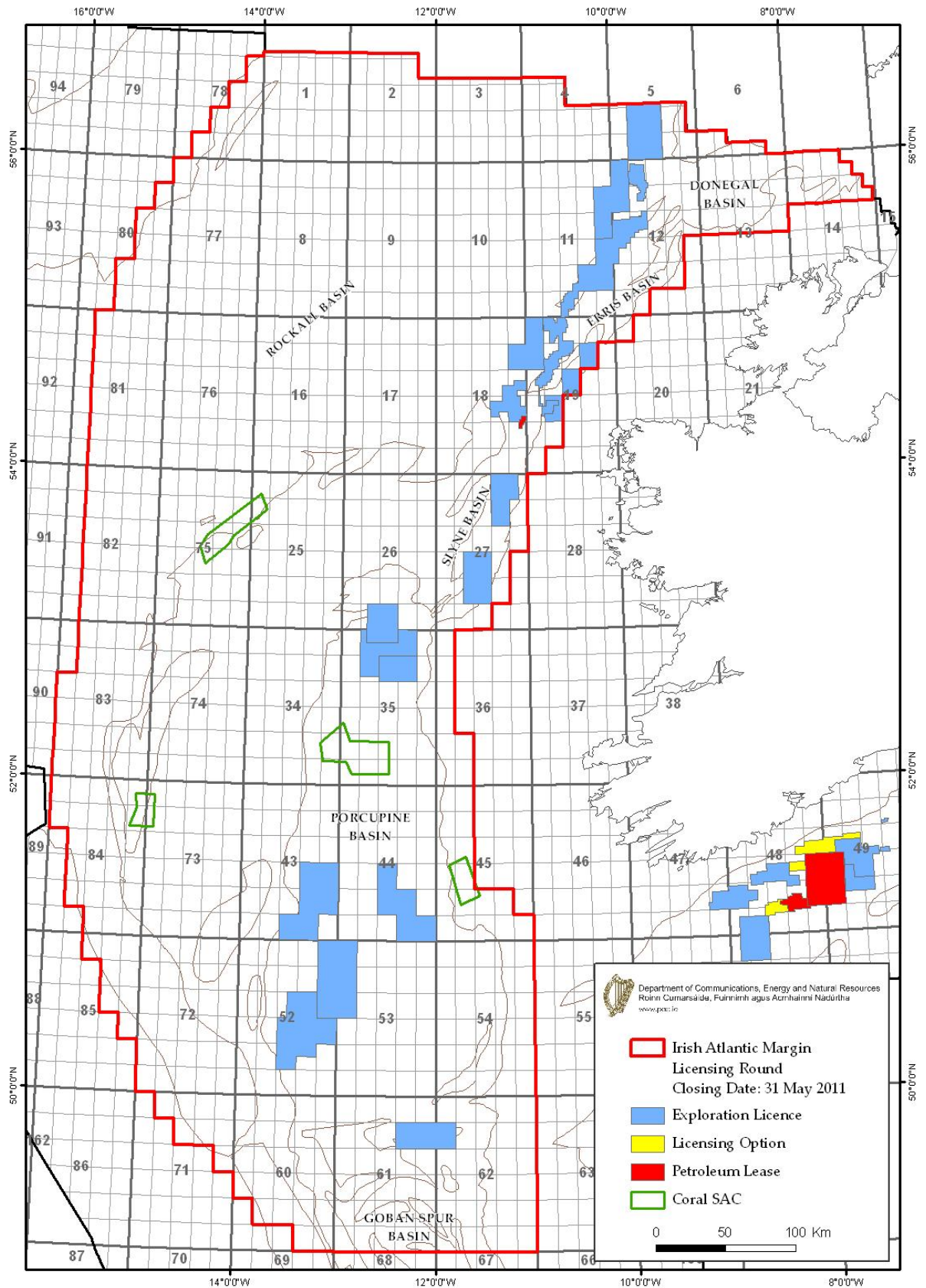
Hovland Mound Province: 34/20, 34/24, 34/25, 34/30, 35/16, 35/21, 35/22, 35/23, 35/26, 35/27, 35/28

Belgica Mound Province: 45/11, 45/12, 45/16, 45/17, 45/22, 45/23

SW Porcupine Bank: 73/1, 73/6, 84/5, 84/10

Attachment II:

IRISH ATLANTIC MARGIN 2011 LICENSING ROUND



Attachment III:

Useful website addresses

Department of Communications, Energy and Natural Resources:

www.dcenr.gov.ie

Petroleum Affairs Division homepage:

<http://www.pad.ie>

Online access to information relating to Petroleum Authorisations, Wells, Potential Field and Seismic Surveys:

www.pad.ie/ipas

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

www.dcenr.gov.ie/NR/ronlyres/9DA12EC6-C3E5-4DC3-AA45-7CCB3620364A/0/LicensingTerms2007.pdf

2011 Licensing Round (Atlantic Margin) Homepage

www.dcenr.gov.ie/Natural/Petroleum+Affairs+Division/2011+Atlantic+Margin+Licensing+Round.htm

Special Publications page:

www.dcenr.gov.ie/Natural/Petroleum+Affairs+Division/PAD+Special+Publications

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

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

Information Sheet for Special Publication 1/05: Petroleum Systems Analysis of the Slyne, Erris and Donegal Basins Offshore Ireland

www.dcenr.gov.ie/NR/ronlyres/0D72937A-0894-4388-8E51-7EAB2ECCFB66/0/INFORMATION_SHEET_1_05.PDF