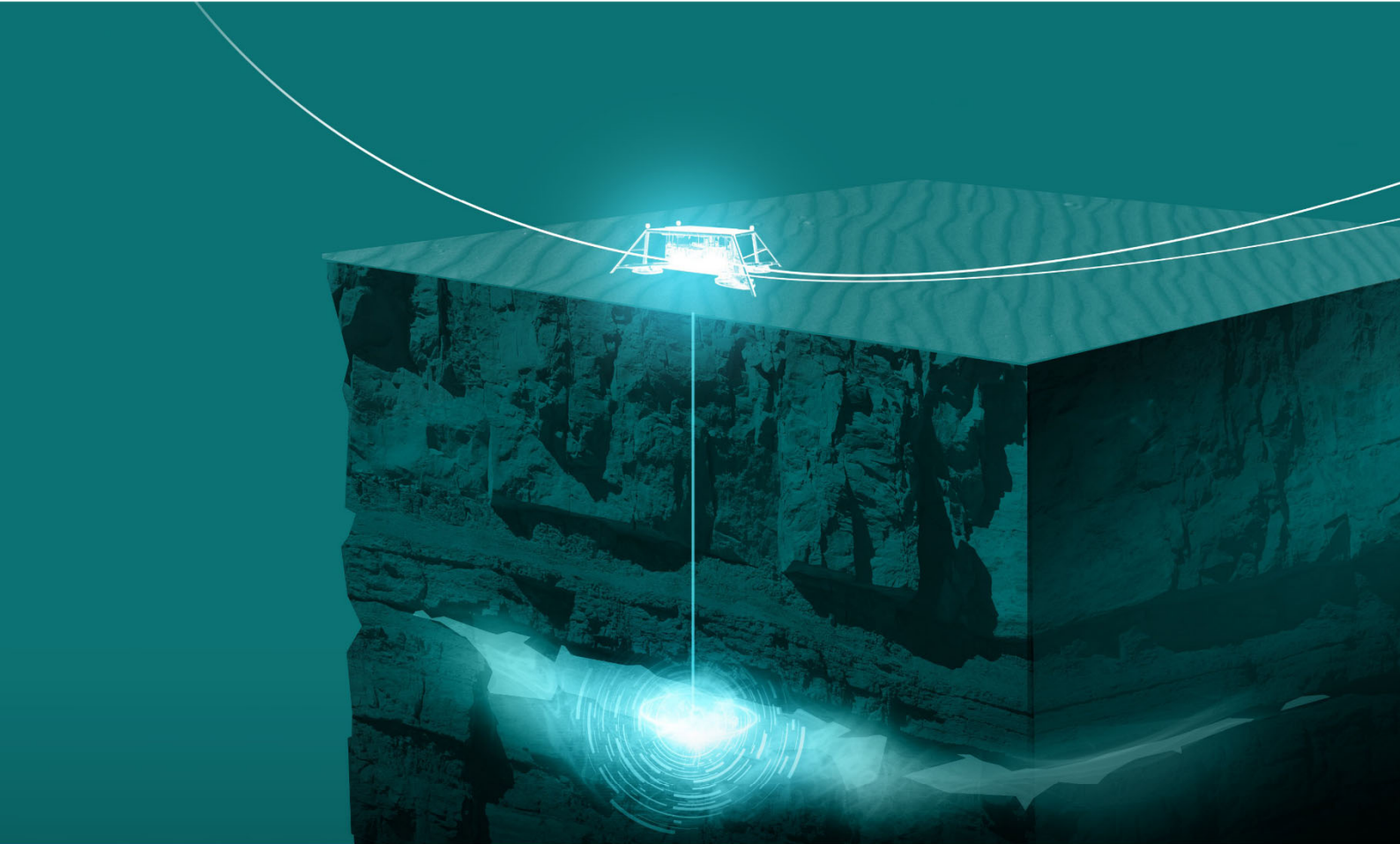


Guidelines for application letter and company information



Award of area for storage of CO₂-2 on the
Norwegian continental shelf 2021



NORWEGIAN PETROLEUM
DIRECTORATE

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Submission of application letter and company information

All applicants must submit a formal application letter with an overview of all applications the company participates in, both individually and as a group. The application letter must be sent together with the company information and receipt(s) for paid application fee, to both the Ministry of Petroleum and Energy (MPE) and to the Norwegian Petroleum Directorate (NPD). Upon deliver via L2S Authority Communication, both the MPE and the NPD can be added as recipients in the same submission

The Norwegian Petroleum Directorate

The files must be saved in one folder named *CO2-2-"companyname"-applicationletter* and the folder must subsequently be compressed ("zipped"). The folder must not contain subfolders and the file must not be protected by password.

Example for company "CCS AS": CO2-2-CCS AS-applicationletter.zip

The submission must be named *CO2-2-"companyname"-applicationletter* and submitted via L2S Authority Communication or via Altinn to the Norwegian Petroleum Directorate.

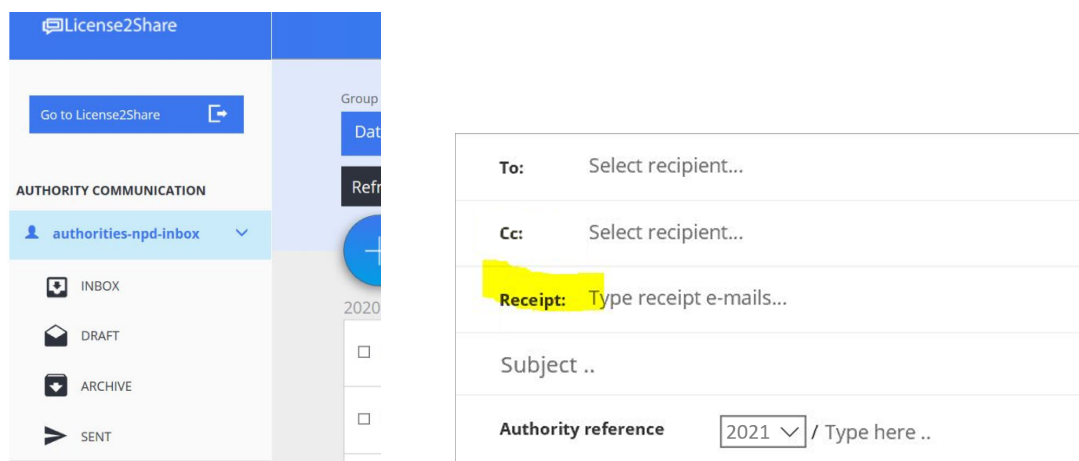
Ministry of Petroleum and Energy

The files shall be sent to the MPE via L2S or Altinn.

The deadline for submission is 12:00 noon on 9 December 2021.

Applicants are encouraged to submit well in advance.

A receipt for the received application will be provided. Please allow for some handling time. You will immediately receive a receipt from L2S if you include your own e-mail address in the field "Receipt":



The image shows a screenshot of the License2Share application interface. On the left, there is a navigation pane with a 'Go to License2Share' button and a list of folders under 'AUTHORITY COMMUNICATION': INBOX, DRAFT, ARCHIVE, and SENT. The 'INBOX' folder is selected. On the right, there is an email composition form with the following fields: 'To: Select recipient...', 'Cc: Select recipient...', 'Receipt: Type receipt e-mails...' (highlighted in yellow), 'Subject ..', and 'Authority reference' (with a dropdown menu showing '2021' and a text input field for 'Type here ..').

Files must be named as follows:

Name of file	Format	Description
Application letter_"Company name"	.pdf	Application letter
Company information_"Company name"	.pdf	Company information
CompanyInformation	.xlsx	Excel workbook "CompanyInformation"
Application fee_"block number"	.pdf	Receipt of paid application fee
Annual report_"company name"	.pdf	Annual report
Quarterly statement_"date"	.pdf	Latest quarterly financial report

1. Application letter

A formal application letter containing an overview of all applications submitted by the company, both individually and as a participant in group applications, must be delivered by the application deadline.

The application letter must contain the following:

1.1 Applicant and contacts

State the company name, address and nationality, as well as the name, title, telephone number and email address of the contact person(s). At least two contacts should be available in Norway for Norwegian authorities throughout the application period until the award.

1.2 Application list

The applications must be listed in prioritised order, with information about the proposed operator and distribution of preferred ownership interests. Find Table 5 in the Excel workbook "CompanyInformation" on the NPD's website at: <https://www.npd.no/en/permits-for-carbon-storage/>.

The worksheet can be completed in Norwegian or English where a selection does not have to be made from a drop-down menu. Additional rows can be added to the form.

1.3 Map of the applied area(s)

The area applied for and an overview of the storage locations that have been mapped must be shown on a map with geographical coordinates, block numbers and a scale for applications submitted by the company itself.

When applying for a stratigraphic licence, please specify the stratigraphic interval being applied for.

A company that is part of an application submitted by another company does not need to submit the information mentioned above.

1.4 Summary of application(s)

A brief text which provides the background for what each application includes, with comments on priority, ownership interests and operator requests, as well as other issues the applicant wishes to emphasize, for example strategic considerations.

1.5 Attachment - receipt for paid application fee

A scanned copy of the receipt must be enclosed as a separate file with the application letter. The file should be named "Application fee". If the company is participating in an application as part of a group, and the fee is paid by one of the other group members on behalf of the group, this must be indicated by marking an X in the application form.

2. Company Information

Each individual company that applies shall submit information concerning the company to the authorities by the application deadline. Companies that submit applications on behalf of a group shall ~~inform the other companies in the group~~ ensure that each company ~~must~~ submit such information to the authorities.

Forms with company information:

The Excel workbook "CompanyInformation" can be found on the NPD's website at <https://www.npd.no/en/permits-for-carbon-storage/> and contains all tables mentioned below. The form can be completed in Norwegian or English where a selection does not have to be made from a drop-down menu.

Table 6: The company's size and experience

Table 7: The company's financial situation

Table 8: The company's projected cash flow (only for companies without financial credit rating)

2.1 The company's ownership structure, organization and experience

An overview of the company's ownership structure with a list of the principal owners/owner groups and their ownership interest must be provided. Information on where the company is registered, the company's headquarters and the composition of the board, specifying the board members' place of residence and nationality are also requested.

Furthermore, an updated status regarding the company's organisation in Norway at the time of application must be provided. The overview must document the company's organisation with regard to expertise and capacity. The information must be accompanied by an organisation chart showing the company's own employees. Only company personnel in positions that are actually occupied should be included. Consultants should also be listed in the overview.

Information on the company's size and experience with CO₂ storage in Norway or equivalent relevant experience from other areas, including experience in developing and operating storage sites for CO₂, oil and gas fields or geological gas storage reservoirs.

It is recommended that the information be limited to a maximum of three pages.

2.2 The Company's planned business model

Profitability calculations and economic assumptions must be presented for the various concepts, including plans and status of agreements for access to CO₂ for storage. Describe briefly defined risks and plans for any commercial negotiations.

2.3 The company's financial statement

Give a description of the company's financial capacity. The reporting is differentiated for the following types of companies:

a) Companies with financial credit rating

Companies with a financial credit rating from an international credit rating agency must state this in the form "*Table 7: Financial status*" together with financial key figures. The form must be submitted as part of the Excel spreadsheet "*Company Information*".

b) Companies without financial credit rating

Companies without a financial credit rating from an international credit rating agency must fill out the form "*Table 7: Financial status*" together with financial key figures. The form must be submitted as part of the Excel spreadsheet "*Company Information*".

In addition:

- Explain how the company plan to fulfill the financial obligations that are assumed to follow from a possible award of acreage, including the annual report and the latest quarterly accounts in .pdf format. If applicable, there must be an annual report for both the Norwegian company and the parent company.
- If the company has a significant share of its operations on the Norwegian shelf, it must also:
 - account for the total planned financial obligations and how these will be covered for the next three years
 - describe other obligations the company has in its portfolio related to CCS
 - provide additional comments on the capital structure. This statement should include the source of debt (bank, bonds, parent company, etc.) and the source of any new equity (parent company, stock exchange, etc.). The term of the company's loan should be stated
 - fill in the form "*Table 8: Projected cash flow*" in the Excel spreadsheet "*Company Information*" showing the expected cash flow in the period 2022 to 2024 for the Norwegian company

It is recommended that the information is limited to a maximum of five pages

If the company is part of an international company, information in "*Table 7: Financial status*" should refer to the entire company group. Please specify whether the information in the form applies to company figures or for the entire company group in the comments field under "*Table 7: Financial status*". The statement should include any special circumstances that may affect the company's financial ability to meet its current or future obligations regarding the business on the Norwegian continental shelf.