

24th licensing round: Environmental, HSE and fishery terms and conditions

Terms and conditions of award, cf. Item 4 b of the announcement text.

The following terms and conditions apply to blocks awarded in the 24th licensing round, cf. Item 3(2) of the announcement text. Note that there may be changes to these terms.

General requirements

Particular consideration must be given to the fishery activities and presence of marine organisms when planning the drilling activity. Measures must be implemented to inform affected interests prior to conducting exploration drilling operations.

When planning seismic activities, licensees must give particular consideration to the fishery activities and presence of critical stages of marine organisms when the programs are designed.

The licensees are required to carry out necessary mapping of potential coral reefs and other valuable benthic ecosystems, including important sandeel habitats that could be affected by petroleum activity in the relevant blocks, and to ensure such potential assets are not damaged through mud-build up or otherwise harmed by the petroleum activity. Special requirements can be stipulated to prevent damage to such assets. Reference is made to Mareano [www.mareano.no] for information on proven coral reefs on the Norwegian continental shelf.

The licensees are required to map and report any findings of shipwrecks and other cultural artefacts that could be affected by activity in the relevant blocks and, in cooperation with the cultural heritage authorities, ensure potential cultural artefacts are not damaged by the petroleum activity.

On behalf of the joint venture, the operator must apply to the Norwegian Environment Agency for a licence well in advance of planned activity.

In accordance with the zero discharge goal as defined in Report No. 28 (2010-2011) to the Storting, substances that are harmful to the environment generally cannot be discharged to sea. Furthermore, there is a goal to minimise the risk of environmental harm caused by discharge of other chemical substances. The zero discharge goal applies to all offshore operations, drilling and well operations, production and discharges from pipelines. For each field, there must be a comprehensive assessment of several factors when selecting measures to achieve the zero discharge goal, including environmental consequences, safety concerns, reservoir conditions and cost. For such an assessment, reference is made to the impact assessment, which must be carried out as part of the Plan for Development and Operation in accordance with the Petroleum Act.

Requirements relating to preparedness against acute pollution are stipulated in compliance with the Pollution Control Act and underlying regulations and the HSE regulations when there are concrete plans to carry out drilling and well activities. Consent for implementing these activities depends on factors such as emergency preparedness requirements. The scope of emergency preparedness requirements is determined in part through proximity to shore, particularly environmentally sensitive areas and other commercial interests. In accordance

with current regulations, more extensive emergency preparedness measures are required in the areas closest to the coast in the event of exploration or production activities.

In order to be able to deal with all types of challenges, regardless of natural and operational factors, the authorities and parties in the industry and business sector have developed extensive HSE regulations, stipulating safety and management requirements. To ensure responsible petroleum activities, it is important that relevant operational uncertainty and risk factors are well-understood and safeguarded before exploration drilling and development take place.

Through the risk analysis, cf. the Management Regulations of 3 September 2001, the operator must highlight the environmental assessments which form the basis for dimensioning of preparedness against acute pollution, cf. the Activities Regulations of 3 Sept. 2001 and for implementation of probability-reducing measures. The environmental assessment must also contain an assessment of the consequences of the operational discharges during exploration drilling

In line with Report No. 38 (2001-2002) to the Storting, the industry is still expected to contribute to the biological monitoring of living marine organisms to map possible effects of the petroleum activities.

Updated knowledge about the presence of seabirds in areas that could be affected by discharges from the petroleum activity is available, and the government sees a continued need to expand the knowledge base. Updated knowledge is always used in the planning and regulation of the activity, which contributes to ensuring decisions are always made on the best possible factual basis and founded on current cost/benefit assessments. It is expected that the industry will contribute to the mapping of seabirds in the North Sea and Norwegian Sea in connection with impact assessments which accompany potential plans for development and operation for new independent developments in this area.

A traffic separation system has been established on the Norwegian continental shelf, approved by the UN's shipping organisation, IMO. In the event of petroleum activity in or near such geographically determined traffic separation systems, licensees must clarify the planned activity with the Norwegian Coastal Administration well before the activity takes place to ensure maritime safety is safeguarded.

Special requirements for the Norwegian Sea

For the Trøndelag platform: (6408/4, 7)

- No exploration drilling in oil-bearing layers during spawning periods (1 Feb. to 1 June)
- No seismic in spawning migration and spawning periods (1 Jan. to 1 May)
- No exploration drilling in oil-bearing layers during periods for fish eggs and larvae (1 April – 15 June)

The following terms apply for other areas in the Norwegian Sea that are announced in the 24th licensing round:

- Within the 500-metre contour line, there shall be no seismic surveys in the exploration phase during the period 1 Jan – 1 April. This time restriction does not apply for drill site surveys.

In special areas with areas with occurrences of vulnerable benthic fauna or areas that are central spawning areas for fish that spawn on the seabed, there could be requirements to use technology to handle cuttings and drilling fluid to prevent mud build-up.

The authorities will exercise flexibility in the application of environmental and fishery terms.

Special requirements for the Barents Sea

The following terms and conditions shall apply for the announced blocks in the Barents Sea.

- Drilling in oil-bearing layers will not be permitted in areas closer than 50 km from the actual/observed ice edge during the period 15 December – 15 June.

The coastal zone along Troms and Finnmark (7018/1, 4, 5; 7130/9, 12; 7131/10, 11, 12)

- Drilling in oil-bearing layers will not be permitted in the area between 35 km and 65 km from the baseline during the period 1 March – 31 August.

Tromsøflaket (7018/1)

- Exploration drilling in oil-bearing layers will not be permitted outside 65 km during the period 1 March – 31 August.

Eggakanten outside Tromsøflaket (7116/6; 7117/4, 5)

- Particularly follow up the general requirement that new production licences must map potential coral reefs and other valuable benthic ecosystems that could be affected by petroleum activity in the relevant blocks, and ensure they are not damaged by the activity. Special requirements may be stipulated in vulnerable areas to prevent damage.

For blocks 7116/6 and 7117/4, which overlap with the spawning area for haddock, seismic acquisition and exploration drilling in oil-bearing layers are not permitted during the period 1 March – 31 March. However, this does not apply to drill site surveys.