

ENCLOSURE TO EXPLORATION AND  
PRODUCTION LICENCE NO. x

SECOND LICENSING ROUND

**AGREEMENT**

**CONCERNING**

**EXPLORATION AND PRODUCTION OF HYDROCARBONS**

**AGREEMENT CONCERNING EXPLORATION AND PRODUCTION OF  
HYDROCARBONS PURSUANT TO LICENCE  
NO. X**

**SPECIAL PROVISIONS**

**1 Background**

[COMPANY X]

[COMPANY Y]

[COMPANY Z]

[Petoro AS Norwegian Subsidiary (to be named), Icelandic Branch, Reg. no., address, Iceland, as a Partner\*];

[\* Petoro AS Norwegian subsidiary (to be named), Icelandic Branch, is Licensee on behalf of the Norwegian State, in accordance with the Agreement of 1981 between Norway and Iceland on the Continental Shelf between Iceland and Jan Mayen and the Agreed Minutes of 3 November 2008 concerning the Right of Participation pursuant to Articles 5 and 6 of the Agreement from 1981.

Petoro AS Norwegian subsidiary (to be named), Icelandic Branch, assumes all liabilities and obligations of the Norwegian State as a Licensee and Party to this Agreement.]

have jointly been awarded Exploration and Production Licence ..... concerning hydrocarbon exploration and production activities (the Licence) covering block(s) [.....]

Pursuant to Section 19 of the Licence, the Parties to the Exploration and Production Licence are today entering into the following agreement for hydrocarbon exploration and production ("the Agreement").

The Agreement comprises:

- a) Special provisions
- b) Enclosure A - Joint Operating Agreement ("Enclosure A")
- c) Enclosure B - Accounting Agreement ("Enclosure B")

Under this Agreement, the Parties hereby establish a joint venture for the purpose of engaging in petroleum activities in accordance with the Licence.

In the event of any discrepancies between the provisions of the Special provisions, Enclosure A and Enclosure B, the Special provisions shall supersede the provisions of Enclosure A and Enclosure B, and Enclosure A shall supersede the provisions of Enclosure B. The provision in item 2.3.5 in Enclosure B is an exemption from and supersedes the general provisions on disputes in Enclosure A.

**2 The Parties and Participating interests**

The Parties to this Agreement and their Participating interest are as follows:

[A	x%
B	y%
C	z%

D

x%]

The Parties' interests in the joint venture shall at all times be identical to the Parties' interests in the Licence.

### **3 Voting rules**

- 3.1 Unless otherwise specified in this Agreement, each Member casts vote in accordance with the Participating interest of his Party.
- 3.2 Unless otherwise specified in this Agreement, a decision by the management committee is adopted when at least y of the Members representing at least x % of the Participating interests have voted in favour of a proposal.

[In accordance with the Agreement of 1981 between Norway and Iceland on the Continental Shelf between Iceland and Jan Mayen and the Agreed Minutes of 3 November 2008 concerning the Right of Participation pursuant to Articles 5 and 6 of the Agreement from 1981, under which voting rules shall be balanced and reflecting participating interest and minority protection.

The management committee shall make no decision which could render an unreasonable advantage to certain Parties or others to the detriment of other Parties or the joint venture. Agreement(s) between the joint venture and a Party or Parties (directly or indirectly) can only be adopted provided that all Parties agree.

- 3.3 Matters concerning the relinquishment of acreage within the licence area or surrender of the Licence require a unanimous decision by the management committee.
- 3.4 In case of changes in the joint venture, be it a change in the number of participants or of the Participating interests, the joint venture shall propose new voting rules. The voting rules are subject to the NEA's approval. The new voting rules shall be formulated so as to influence each Party's proportional voting right as little as possible.

### **4 The Operator**

Y has been appointed and assumed the position of operator ("the Operator") for the Exploration and Production Licence.

### **5 Definitions**

The definitions included in Enclosure A shall also apply to the Special provisions as far as they are suitable.

### **6 Duration**

This Agreement shall be binding for the Parties until expiry of the Licence and, in addition, for the time required to prudently discontinue the operations and the execution of abandonment decisions according to Article 30 of Enclosure A.

### **7 Approval**

Amendments to, exceptions from or supplements to this Agreement shall be submitted to the NEA for approval.

### **8 Icelandic law**

This Agreement shall be governed by Icelandic law.

This Agreement has been signed in ..... originals, one of which is to be retained by the Parties and the NEA each.

[Place], ..... [year]

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x

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x

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x

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