

APPENDIX 1 – SUMMARY OF APPLICATION

Guidelines for information to be included in Appendix 1 of the application.

1. General information

- a. Application area, defined by geographical coordinates of whole minutes of latitude and longitude, and with reference to block numbers.
- b. Electronic file, in a format readable by ArcGIS software (e.g. a shape file), that depicts the boundary of the application area
- c. Name and address of each participating company, participating interest (%), and the role of each company (operator and/or participant).
- d. Name and address of the person who will serve as liaison in the Iceland towards Icelandic authorities in connection with the handling of the application.

2. Work programme

A brief summary is to be outlined for each application on the following subjects (maximum one page of text):

- a. Proposal on duration of license term.
- b. Proposed work programme.

3. Description of the application area

- a. A brief descriptive summary of the application area (maximum one page of text for each area), and a map, illustrating the location of prospects and leads.
- b. A table giving the following information (for format use *Form 1*):

Geographical coordinates of appl. area + name of prospect/leads.	¹ Estimated reserves with range of uncertainty (P90, P50, P10). Oil: 10 ⁶ Sm ³ Gas: 10 ⁹ Sm ³	Hydrocarbon type	Probability of discovery	Reservoir (stratigraphic level)

¹ For leads a single reserve estimate is sufficient, where possible.

APPENDIX 2 – GEOLOGICAL EVALUATION

Guidelines for information to be included in Appendix 2 of the application.

In this Appendix the applicant shall provide a detailed geological evaluation of the areas applied for. Recommended page limits are given for the different sections of the evaluation (do not include figures and tables).

Evaluation

1. A review of the geological and geophysical data and database used in the application. Text should be limited to a maximum of 10 pages.
2. A petroleum geological analysis of the areas applied for. The analysis shall include information concerning source rock potential, maturation and migration history, reservoir, the formation of traps, seal and retention of hydrocarbons. The analysis should emphasise those factors critical for the evaluation of identified prospects and leads and should include interpreted geophysical, geological and geochemical data and maps that support the petroleum geological evaluation. Text should be limited to a maximum of 20 pages for each block/combination of blocks.
3. An evaluation of each of the identified prospects applied for. The prospect evaluation shall be limited to a maximum of 10 pages of text for each prospect (or combination of prospects where this is appropriate) include e.g. the following:
 - a. Time and depth maps with method of depth determination, together with a prognosed geological column, in meters and twt.
 - b. Anticipated hydrocarbon type, gas/oil ratio, formation volume factor, recovery factor, rock volume, and rock-dependent reservoir parameters, etc.
 - c. Estimated recoverable hydrocarbon volumes in metric units. Ranges of uncertainty should be specified for all resource estimates (P90, P50, P10).
 - d. Probability of discovery (risk) together with an explanation of how this factor is determined.

For leads the evaluation shall include similar information to the extent possible.

4. A description of exploration strategy. If the application for any given area is based only on the identification and mapping of leads, the applicant shall give a detailed description of the data acquisition and investigation necessary to ascertain whether the lead may later be classified as a prospect. Text should be limited to a maximum of 5 pages of text.

Definitions

- An *application area* may consist of prospects or leads. It is defined geographically by contiguous blocks or parts of blocks and their corresponding coordinates in whole minutes of latitude and longitude.
- A *prospect* is a possible hydrocarbon trap with a clearly defined and mappable rock volume.
- A *lead* is a possible hydrocarbon trap for which available data coverage and quality is not sufficient to permit the clear definition and mapping of the trap volume.

Data formats

- General
 - Formats, mentioned below, shall be considered as minimum requirements. In addition, the applicant may submit different products and/or use different formats and scales in order to illustrate specific points of relevance for the application.
 - All digital data shall be supplied on clearly labelled RO CDs and in clearly labelled CD-cases. The CDs shall be easily readable in ordinary CD-drives.
 - All maps must be presented with clear coordinates and/or block outline.
 - All navigation and map projection shall be in WGS84, UTM zone 29.
 - All written documents shall be included in a format easily readable by Microsoft Office.
 - The applicant shall name a contact individual that can aid with possible problems in reading the supplied electronic media and assist in solving any questions that the NEA may have regarding the application, etc.
- Maps
 - Hardcopy (no larger than A3)
 - Minimum one prospect or lead map shall be included.
 - Minimum one regional map shall be included.
 - Digital
 - Maps shall be included as TIF, JPG or CGM files.
- Seismic data
 - Minimum one time line through each prospect or lead shall be included
- Expected drilled geological columns shall be included.

APPENDIX 3 – COMPANY INFORMATION

The following requested information shall be provided on an individual licensee basis.

1. Company Structure

Icelandic entity	Name and address of the Icelandic entity. Applicants with no subsidiary company nor a registered branch in Iceland have a 3-month notice following the license award to make the proper arrangements.
Legal form	Legal form of the Icelandic entity.
Manager/head and board	Name and address of the manager/head of the Icelandic entity. If the entity is a limited company the names and addresses of the respective members of the board shall also be provided.
Parent company	Name, address and place of registration.
Parent company's board and management	Name of parent company's board members and management.
Shareholders	Shareholders or groups of shareholders with 10% or more of the share capital and/or with significant influence on the company. The share's ratios shall be provided.
Group	Graphical illustration and a brief written description of the group, including associated companies. An overview of the individual companies' activities shall be submitted.

2. Financial matters

Credit rating	Applicants and their parent companies that are credit rated by international credit rating companies, e.g. Standard & Poor's shall provide their credit ratings from year 2005 and onwards.
Accounting issues	The latest annual accounts for the applicant and for the group that the applicant is part of shall be submitted. The latest public interim accounts shall also be submitted if they are of a later date than the annual accounts.

APPENDIX 4 – EXPERTISE AND EXPERIENCE: TECHNICAL COMPETENCE AND HSSE

This enclosure shall include an overview of the applicant's expertise and experience with respect to technological competence, health, safety, working environment, and environmental matters. The text for the enclosure shall be restricted to a maximum of 20 pages.

The required documentation shall reflect the actual conditions of the offshore area covered by the application. The applicant should refer to how their expertise could contribute to cost effective exploration of, and possible development of the block(s) applied for.

1. Operational organisation, including resources, expertise and experience
2. Technical competence, previous offshore performance, research and development.
3. Guiding principles regarding safety, working environment and environmental-related matters.
4. Management systems employed to ensure optimum safety and working environment conditions, together with those employed to ensure the protection of the environment, for those activities the applicant wishes to participate as operator in Iceland. These should include provisions for the ongoing improvement of these.
5. The applicant's view on challenges and key issues regarding operations in Icelandic waters.
6. A general description of the environment in the area covered by the application.
7. A demonstration of the applicant's knowledge of the Icelandic legislation relevant to the planned operations.
8. A description of the impact the planned activity may have on the environment.