

LICENSE to prospect for hydrocarbons

Orkustofnun, the National Energy Authority of Iceland, hereafter referred to as the NEA, having consulted with the Ministry of Fisheries and Agriculture, and the Ministry for the Environment, hereby grants TGS-NOPEC Geophysical Company ASA, Hagaløkkveien 13, N-1383 Asker, Norway, hereafter referred to as the licensee, a license to prospect for hydrocarbons. The license is granted on the basis of Act No. 13/2001 on prospecting, exploration and production of hydrocarbons, with later amendments, Regulation No. 38/2009 on the same topic, and Rules No. 351/2009 on the same topic. The license is restricted to the area designated in Article 2 of this license and bound by the conditions set out in abovementioned Act, regulations and rules and the conditions set out in this license.

This license is subject to the laws and regulations mentioned above, as well as other laws and regulations that at any time apply to prospecting for hydrocarbons.

Article 1

License period

The license is valid from the date of signature by the NEA through 8 September 2012.

The licensee may surrender the license at any time with notice in writing to the NEA.

Article 2

License area

The license covers prospecting for hydrocarbons within Icelandic territorial waters and economic zone and on the Icelandic continental shelf in accordance with Act No. 13/2001.

The license is not valid in areas for which an exclusive exploration or production license has been granted or may be granted at a later date under Act No. 13/2001, unless permission is obtained from the holder of the exclusive license and the NEA.

The license covers an area bounded on the south by 66°N, on the west by 12°W, and on the north and east by the boundary of the Icelandic economic zone, cf. the attached map.

Article 3

Scope of license

The license entitles the holder to prospect for hydrocarbons using the following methods:

1. Magnetic methods.
2. Electromagnetic resistivity methods.
3. Seismic methods.
4. Gravimetric methods.
5. Heat-flow methods.
6. Radiometric methods. Geochemical methods.
7. Geological sampling of the seabed without drilling.
8. Drilling for samples from the seabed to a depth of 25 meters below the seafloor.

The license includes a permission to drill for the purpose of obtaining information about general conditions for the formation and conservation of hydrocarbons. If prospecting includes drilling to a depth greater than 25 meters below the seafloor, a separate application shall be sent to the NEA with such information as the authority deems necessary.

The license does not give the licensee a right to drill for hydrocarbons, produce hydrocarbons nor a priority for obtaining such a license later.

14/9 '2011
