

APPENDIX II

MODEL AGREEMENT:

Agreement between the Government of ... [where applicable: and the Government of the Faroes], of the one part, and the Government of ..., of the other part, concerning the delimitation of the continental shelf beyond 200 nautical miles in the area between the Faroe Islands, Iceland, Mainland Norway and Jan Mayen

The Government of ... [where applicable: and the Government of the Faroes], of the one part, and the Government of ..., of the other part,

Desiring to maintain and strengthen the good neighbourly relations between ... and ..., and

Referring to the *Agreed Minutes* of ... between Denmark/the Faroe Islands, Iceland and Norway,

Have agreed as follows:

Article 1

Beyond 200 nautical miles from the baselines from which the breadth of the territorial sea of each Party is measured, the boundary line delimiting the continental shelf in the area between ... and ... has been determined as straight lines connecting the following points in the order specified below:

Point 1:

Point 2:

...

...

All straight lines are geodetic lines.

The points listed above are defined by geographical latitude and longitude in accordance with the World Geodetic System 1984 (WGS84).

By way of illustration, the boundary line and the points listed above have been drawn on the chart annexed to this Agreement.

Article 2

If the existence of a mineral deposit in or on the continental shelf of one of the Parties is established and the other Party is of the opinion that the said deposit extends to its continental shelf, the latter Party may notify the former Party accordingly, through submitting the data on which it bases its opinion.

If such an opinion is submitted, the Parties shall initiate discussions on the extent of the deposit and the possibility for exploitation. In the course of these discussions, the Party initiating them shall support its opinion with evidence from geophysical data and/or geological data, including any available drilling data, and both Parties shall make their best efforts to ensure that all relevant information is made available for the purposes of these discussions. If it is established during these discussions that the deposit extends to the continental shelf of both Parties and that the deposit on the continental shelf of the one Party can be exploited wholly or in part from the continental shelf of the other Party, or that the exploitation of the deposit on the continental shelf of the one Party would affect the possibility of exploitation of the deposit on the continental shelf of the other Party, agreement on the apportionment of the deposit between the Parties and on the unitised exploitation shall be reached at the request of one of the Parties, including as to the appointment of a unit operator, the manner in which any such deposit shall be most effectively exploited and the manner in which the proceeds relating thereto shall be apportioned.

The Parties shall make every effort to resolve any disagreement as rapidly as possible. If, however, the Parties fail to agree, they shall jointly consider all of the options for resolving the impasse.

If the Parties fail to agree on unitised exploitation of a transboundary deposit, the disagreement shall be resolved by negotiation. If any such dispute cannot be resolved in this manner

or by any other procedure agreed to by the Parties, the dispute shall be submitted, at the request of either Party, to an ad hoc arbitral tribunal composed as follows:

Each Party shall designate one arbitrator, and the two arbitrators so designated shall elect a third arbitrator, who shall be the Chairman. The Chairman shall not be a national of or habitually reside in ... or If either Party fails to designate an arbitrator within three months of a request to do so, either Party may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within one month of the designation or appointment of the second arbitrator, the third arbitrator has not been elected. The tribunal shall determine its own procedure, save that all decisions shall be taken, in the absence of unanimity, by a majority vote of the members of the tribunal. The decisions of the tribunal shall be binding upon the Parties.

If the Parties fail to agree on the apportionment of the deposit between themselves, they shall appoint an independent expert to determine the apportionment. The decision of the independent expert shall be binding upon the Parties. The Parties may, however, agree that the deposit shall be reapportioned between themselves according to specified conditions.

Article 3

This Agreement is without prejudice to the respective Parties' views on questions that are not governed by this Agreement, including questions relating to their exercise of sovereign rights or jurisdiction over the seabed and its subsoil.

Article 4

This Agreement enters into force when the Parties have notified each other in writing that the necessary internal procedures have been completed.

Done at ... on the ... day of in duplicate in the ... and ... languages, both/all three texts being equally authentic.

[Place], [Date],

For the Government of ...

For the Government of ...

[Where applicable: For the Government of Denmark and
the Government of the Faroes]