

**A/S Norske Shell**

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Hearing – Proposal on blocks to be announced in the 20th licensing round

A/S Norske Shell welcomes the opportunity given by the Ministry of Petroleum and Energy to comment on the proposed blocks to be announced in the 20th licensing round (*ref.* letter of 10th April 2008).

The 20th licensing round is considered by A/S Norske Shell to be of importance in mitigating future production decline as it has the potential to offer opportunities with material impact. In this context, A/S Norske Shell refers to the OLF consultation memo on the 20th licensing round sent to the Ministry of Petroleum and Energy and which it supports.

Further to the points raised by the OLF consultation memo, A/S Norske Shell would like to put emphasis on the following:

- **License to operate**

A/S Norske Shell considers the responsibility to operate to the highest standard as a prerequisite in all our activities undertaken on the Norwegian continental shelf. A/S Norske Shell's local experience in operating exploration licenses, the Draugen and Ormen Lange fields, combined with the ability to use global experience from operations in the Arctic and other environmental areas such as the Dutch Waddenzee ensures that these standards will be met for the full project life cycle activities.

- **Frontier exploration**

Large areas of the Norwegian continental shelf can be classified as frontier exploration acreage where relatively little is known of their petroleum potential. Much of these areas are not licensed today and the 20th round plays a vital role in making these available to the petroleum industry. However, the efforts to reverse declining hydrocarbon production needs to be executed in co-existence with other stakeholders. In addition, A/S Norske Shell believes that realising the full petroleum potential of these areas also needs to be done as cost effective as possible. A/S Norske Shell has played an active role in frontier exploration since the start on the Norwegian continental shelf, more recently in the 17th through 19th licensing rounds, and believes that this past experience is an essential basis for the 20th round to ensure optimal resource management.

- **Global experience from operations in sensitive areas**

A/S Norske Shell is a strong advocate in the need for good dialogue with all interested parties and global experience from the Shell Group stresses the importance of listening and learning when considering the impact of petroleum related activities. A/S Norske Shell believes that specific experiences from Brent Spar, the Dutch Waddenzee and more recently, Sakhalin in Russia and Corrib in Ireland, has created a company culture of dialogue which it intends to apply in the context of the 20th licensing round and beyond.

A/S Norske Shell believes that these additional points need to be considered in the hearing for the proposed blocks to be announced in the 20th licensing round.

Yours faithfully,
for A/S Norske Shell



Nick van Ooyen
Exploration Manager Atlantic Margin
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