



Det Kongelige Olje- Og Energidepartement
Ekspedisjonssjef Gunnar Gjerde

Postboks 8148
0033 Oslo

OLJE- OG ENERGIDEPARTEMENTET	
08/ 202 - 70	
DATO	23 MAI 2008
AN	EKSP.

OMV Exploration & Production

20 May 2008

Hearing – 20th Licensing Round

Peter Krois
General Manager

Tel. +47 52 97 70 00
Fax +47 52 97 70 10

OMV (Norge) AS
Jåttåvågveien 7 B
N-4020 Stavanger, Norway

Registered at:
Brønnøysundregisteret
Company Registration No. 98840025
Registered Office: Stavanger

www.omv.com

Reference is made to the letter dated 10th April 2008 where the Ministry of Energy and Petroleum (MPE) announced that the proposals for 20th Round blocks are out on public hearing.

We applaud the MPE's initiatives to open up the Norwegian Continental Shelf and to include all stakeholders in the decision making process.

We fully support that environmental considerations have to have priority in the process but we would expect activities like commercial shipping and fisheries to be treated with equal priority as the oil and gas industry.

OMV (Norge) AS is one of the new companies in Norway who are keen to explore and develop oil and gas prospects through an active exploration programme. Licence Rounds are an important vehicle in the expansion of our portfolio. Our comments are therefore focussed on these aspects.

OMV has a very positive view on the remaining hydrocarbon potential of the Norwegian Continental Shelf and has participated in a number of groups during the nomination process.

The Government has successfully incentivised exploration over the last few years and has attracted a large number of new entrants to the Norwegian Continental Shelf. Access to prospective acreage is the foundation to any successful E&P business. The overall number of blocks that have passed into the current stage of evaluation is significant. But this has to be seen in the context of the increased number of active companies. After further reduction following the public hearings the remaining number of blocks is not likely to satisfy their quests for new acreage.

We are concerned by the fact that blocks nominated by only one or two companies have been eliminated from the Round. If a single company has a new idea in an area, then they should be given the incentive to develop their theories and not be restricted because they have not been considered by any other companies. In our view this strongly limits the flow of new ideas to the Norwegian Continental Shelf.

We were also surprised that in some basins / sub basins no blocks were included at all. Similarly to limit the number of blocks within one structural area can limit the overall geological understanding. Moreover, it may need several wells on one structure / play before hydrocarbons found. Thus the exploration process could be slowed down considerably by restricting opportunities.

Many blocks around or close to the APA areas have not been included. History shows that development is a long term process in frontier areas. There is a need to explore in areas close to existing infrastructure to ensure that these facilities are still there when it comes to development. The same can be said about blocks close to existing, sub-economic discoveries, where potential additional volumes might be needed to make an area economic.

In summary, limiting access to prospective exploration acreage will slow down the exploration effort and might eventually have a negative impact on Norway as a prime hydrocarbon producing country.

Best regards,

A handwritten signature in black ink, appearing to read 'Peter Krois', written in a cursive style.

Peter Krois
General Manager