

## SCHEDULE 1

*regulation 5(1)*

### FORM OF APPLICATION FOR A PRODUCTION LICENCE (to be submitted in duplicate)

#### PART I

1. Name of each applicant in full.

--

2. If the application is made by more than one person and the applicants have agreed on the manner in which benefits resulting from the exploitation of the licence should be shared between them, the share which each applicant would be entitled to take.

Name of applicant	Share of benefits

3. Name of proposed operator.

--

#### PART II

4. Number(s) of the block(s) in respect of which the application is made.

--

#### PART III

5. In respect of each applicant who is an individual —

Name in full	Usual residential address	Nationality

6. In respect of each applicant who is a body corporate<sup>1</sup> —

(a) Name of applicant in full	(b) Place of incorporation	(c) Principal place of business	(d) In the case of a company, its registered office	(e) Place of central management and control

<sup>1</sup> If there is more than one applicant or proposed operator all the information relating to each operator which is required in this Part should be grouped together. The groups should appear in the order in which the applicants and proposed operator are named in Part I. Where any of the applicants for a production licence is a subsidiary the assets of which might not indicate sufficient financial strength to undertake its share of the costs of financing the work programme, the applicant may wish to submit with the application suitable evidence of financial support, e.g. from the group of companies of which it forms part. An applicant which has not a substantial cash flow and does not submit evidence that a corporate parent or other connected company is willing to finance the cost, or the applicant's share of the cost, of the work programme will need to submit with the application evidence (e.g. in a satisfactory form from bankers or professional advisers) that the applicant will be able to meet that cost and the source of the funds.

(f) Particulars of each member of the board of directors or other governing body of the body corporate, as follows —

(1) Full name	(2) Usual residential address	(3) Nationality

7. In respect of each applicant which is a body corporate<sup>2</sup> —

(a) Particulars of the capital authorised and issued as follows —

(1) Class of capital	(2) Amount authorised	(3) Amount issued	(4) <sup>3</sup> Voting rights of each class

(b) Particulars of all holdings of not less than 5 per cent in number or value of any class of capital which has been issued by the body corporate as follows —

(1) Name of holder or names of joint holders, in full	(2) Nationality of holders	(3) Class of holding	(4) Amount

(c) Particulars of all capital issued to bearer, as follows —

(1) Class of capital	(2) Total amount issued	(3) Amount issued to bearer

8.—(1) In the case of an application for a production licence, for each applicant which is a body corporate there shall accompany the application two<sup>4</sup> copies of the most recent audited accounts of each such applicant and two copies of the audited accounts of any body corporate having control of such applicant<sup>5</sup>. Subsections (2) and (4) to (6) of section 416 of the Income and Corporation

<sup>2</sup> If a body corporate does not possess a capital structure, any comparable information concerning the items listed should be furnished.

<sup>3</sup> Column 4 of sub-paragraph (a) need not be completed if a copy of the memorandum and articles of association, or other document setting out or defining the constitution of the body corporate accompanies the application.

<sup>4</sup> Where the audited accounts are in a foreign language they should be accompanied by two copies of a certified translation of them into English. The audited accounts should also be accompanied by (a) a copy of any Chairman's Statement or like document accompanying the accounts and circulated to shareholders or stockholders, (b) any Notes forming part of the accounts and (c) the auditor's Report on the accounts. If the audited accounts relate to a period ending more than six months before the closing date for submission of the application, the applicant may on receipt of the application be asked to submit further financial statements in respect of the intervening period ending not earlier than three months before the closing date. It would be helpful if applicants would, where appropriate, anticipate such a requirement. Any such financial statements should be certified by the signatory to the application as being true and correct to the best of his information, knowledge and belief.

<sup>5</sup> Applicants should also provide two copies of any published information in relation to the applicant in respect of any period after the period to which the audited accounts relate.

Taxes Act 1988 of the United Kingdom shall apply<sup>6</sup>, for the purposes of determining whether for the purposes of this paragraph a body corporate has control of another body corporate, with the following modifications —

(a) for the words “greater part” wherever they occur in the said subsection (2) there shall be substituted the words “one third or more”;

(b) in the said subsection (6), for the word “may” there shall be substituted the word “shall”, the words from “and such attributions” onwards shall be omitted, and in the other provisions of that subsection any reference to the associate of a person shall be construed as including only a relative of his (as defined by section 417(4) of that Act), a partner of his and a trustee of a settlement (as defined by section 681(4) of that Act) of which he is a beneficiary.

(2) There shall accompany the application a list of the bodies corporate whose accounts are submitted pursuant to sub-paragraph (1) of this paragraph.

9. Where the proposed operator is not an applicant, the proposed operator shall comply with paragraphs 6 to 9 above as if he were an applicant.

10. In the case of an application for a production licence, there shall be annexed a Technical Summary prepared in such a manner as best illustrates the rationale underlying the application. As a minimum the Technical Summary must contain the information required by any Notice to Applicants issued by the Department of Mineral Resources and for time being in force.

11. An application for a production licence shall be accompanied by a work programme which must contain at the minimum one or more of the following elements —

(a) proposals for the acquisition of an extensive and intensive geochemical “sniffer-type” survey;

(b) acquisition of an extensive and intensive aeromagnetic survey;

(c) acquisition of an extensive set of sea-bed cores testing the stratigraphy of the feather edges of the presently unexplored basins or sub-basins;

(d) acquisition and processing of two dimensional or three dimensional seismic data;

(e) the drilling of one or more exploration wells.

Desk studies and the acquisition of presently available data sets, whether proprietary or non-exclusive will not be regarded as acceptable work commitments.

12. Name and address of proposed Agent of the applicant in the Falkland Islands<sup>7</sup>.

---

<sup>6</sup> The provisions are applied only for the purpose of determination, for the purposes of these Regulations, of the question as to whether a body corporate has control of another body corporate. The Income and Corporation Taxes Act 1988 of the United Kingdom does not form part of the law of the Falkland Islands, which have their own laws on taxation of personal and corporate income.

<sup>7</sup> See model clause 40 for production licences. There is a similar requirement in the Model Clauses relating to exploration licences.

PART IV

13. Details of the fees which accompany the application (cheques should be crossed “not negotiable A/C Payee only” and made payable to “Falkland Islands Government”).

PART V

I/We hereby declare that the information given in Parts I, II, III and IV or annexed to or accompanying this application is correct<sup>8</sup>.

Date

---

<sup>8</sup> The applicant may annex any information or particulars additional to those required by this form which the applicant wishes to be considered in connection with the application.