

9. Applicants will be judged against the background of the continuing need for expeditious, thorough, efficient and safe exploration to identify oil and gas resources of the UK Continental Shelf, with due regard to environmental considerations. The financial and technical capacity of each applicant will be established as far as possible before competing applications are evaluated. Applicants must also meet a threshold of acceptability for other criteria, including technical competence, health and safety and environmental policies. Once these threshold criteria have been met, applications will be evaluated on the basis of the following technical criteria:

- the quality of geological analysis related to the block or tranche being applied for and the identification of prospects (including whether work done was innovative);
- the quality of the work programme submitted for evaluating the full potential of the block or tranche;
- the experience or technical databases (e.g. of relevant seismic data) of applicants in each applicant group.

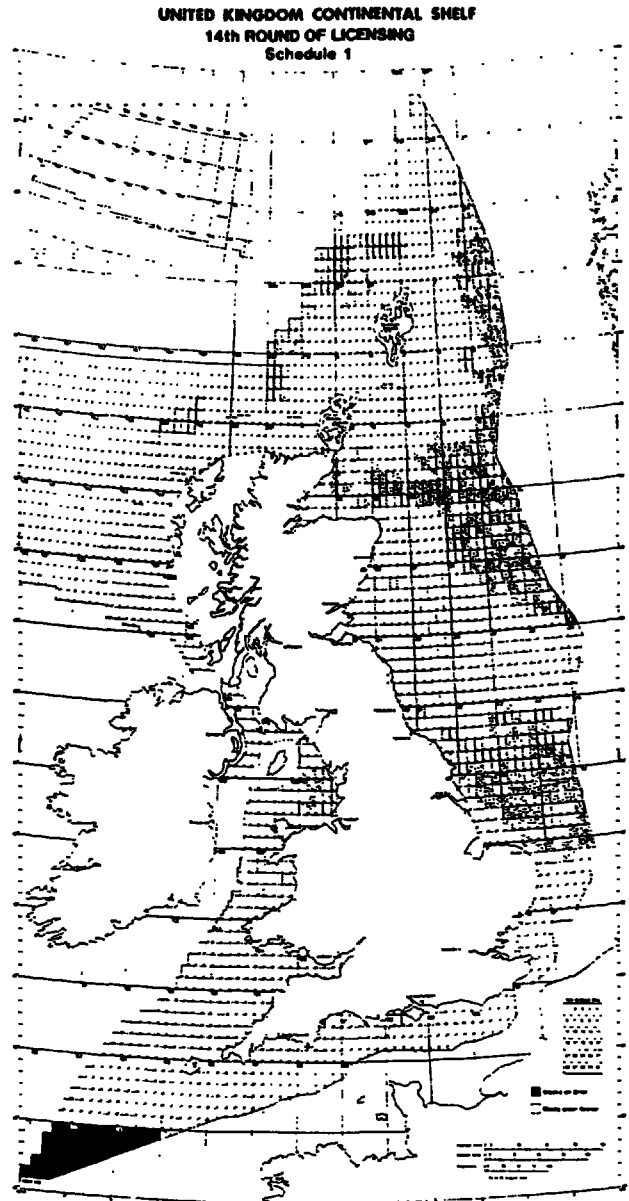
The first two of these criteria are particularly important. Where applicants hold or have held licences, their overall record on exploration and exploitation may also be taken into account, but no preference will be given to such licensees as a result of holding or having held a licence.

10. Following examination of all applications the Secretary of State will select the applicants to whom he is prepared to award licences. If there are two or more applicants for a block or tranche of blocks who would be equally acceptable to the Secretary of State as licensees for that block or tranche of blocks he may suggest that the licence should be held jointly by some or all of such applicants.

11. The selected applicants will be offered licences on condition that within 14 working days of the date on which the Secretary of State makes the offer of an award:

- (a) they confirm acceptance of a work programme proposed by the Secretary of State following discussion with the applicants concerned;
- (b) they remit to the Secretary of State the appropriate payment referred to in paragraph 3(a) above; and
- (c) they confirm in writing that they accept any special conditions or restrictions of the sort referred to in paragraph 4 above.

12. Unsuccessful applicants will be notified in writing.



SCHEDULE 2

Frontier licence terms will apply to all the blocks listed below. Details of special conditions which may apply will be made available by the Department of Trade and Industry as soon as possible.

South-West Approaches

72/4	73/1	74/1
5	2	2
8	3	3
9	4	4
10	5	5
13	6	6
14	7	7
15	8	8
17	9	9
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