

Unofficial translation of Danish Executive Order No. 1032 of August 23, 2007. In case of discrepancy, the original Danish text shall prevail.

Executive Order on Reimbursement of Expenses related to the Authorities' Administration in connection with Hydrocarbon Activities, etc.

Pursuant to section 25(3) of Act on the Use of the Danish Subsoil, see Consolidated Act No. 889 of 4 July 2007, section 65(2) of Act No. 1424 of 21 December 2005 on Safety, etc. for Offshore Installations for Exploration, Extraction and Transport of Hydrocarbons (Offshore Safety Act), section 4d(3) of Act on the Continental Shelf, see Consolidated Act No. 1101 of 18 November 2005, as amended by Act No. 548 of 6 June 2007, and section 1(5) of Act on the Establishment and Use of a Pipeline for Transport of Crude Oil and Condensate, see Consolidated Act No. 1100 of 18 November 2005, the following provisions are hereby laid down, by virtue of authority granted:

1. The authorities' expenses related to administration, including supervision, in connection with hydrocarbon activities, etc. pursuant to the Subsoil Act, the Offshore Safety Act, the Continental Shelf Act and the Pipeline Act shall be reimbursed by the parties liable to pay pursuant to section 2.

2. For the purposes of this Executive Order, the parties liable to pay are:

- (i) licensees and concessionaires covered by the Subsoil Act,
- (ii) licensees, operators, the operating companies and other companies covered by the Offshore Safety Act,
- (iii) owners and users of the pipeline covered by the Pipeline Act and any other party with a share in a field that has been granted an exemption pursuant to section 2(3) of the Pipeline Act, and
- (iv) applicants and holders of permits pursuant to the Subsoil Act, Offshore Safety Act, Continental Shelf Act or the Pipeline Act who are not covered by paras. (i)-(iii) above.

3.-(1) The authorities' expenses related to administration, including supervision, shall be calculated on the basis of a statement of the number of hours registered as spent in connection with performance of the individual tasks, but see subsection (3) below.

(2) The hourly rate shall be fixed on the basis of the average payroll costs for the employees who take part in the administrative procedure, plus a proportionate share of the other administrative costs connected with administration in the accounting year in question.

(3) The authorities' expenses related to surveys, consultancy services, including services from other authorities, publication pursuant to section 28a(1) of the Subsoil Act, publication pursuant to section 4a(1) of the Continental Shelf Act and official trips, etc. which, according to vouchers submitted, can be attributed to the individual task, shall be paid on the basis of a statement of such expenses prepared by the authorities.

4.-(1) Before the end of every year, the authorities shall inform the parties liable to pay pursuant to section 2, paras. (i)-(iii), if the authorities expect that the extent of administration in the following year will considerably exceed the amount of work usually resulting from the planned activities.

(2) If, during the year, substantial changes occur compared to the information given pursuant to subsection (1), or if the extent of administration considerably exceeds the amount of work usually resulting from the planned activities, the parties liable to pay shall be informed hereof as soon as possible.

5.-(1) In order that the parties liable to pay can fulfil the payment obligations calculated pursuant to section 3, the authorities shall send out provisional demand notes after the end of every quarter for the expenses related to administration.

(2) In connection with the demand note for the first quarter in the payment year, the authorities shall state the hourly rate to be used in the year in question for provisional payments. The provisional hourly rate shall be fixed on the basis of the hourly rate calculated for the closed accounting year, adjusted to include budgeted changes in costs.

6. After the expiry of an accounting year, the authorities shall prepare a statement of the amounts to be paid for the relevant year, on the basis of the final hourly rate; see section 3(2). These amounts shall be adjusted by the amounts paid provisionally pursuant to section 5 above. The final statement shall be sent to the parties liable to pay no later than four months after the expiry of the accounting year.

7. The expenses payable pursuant to this Executive Order shall be paid no later than 30 days after a demand note has been submitted.

8.-(1) This Executive Order shall come into force on 1 September 2007 with retroactive effect to 8 June 2007.

(2) Executive Order No. 689 of 22 June 2006 on Reimbursement of Expenses related to the Authorities' Administration in connection with Hydrocarbon Activities, etc. shall be repealed.

The Danish Energy Authority, 23 August 2007

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