

MEMORANDUM OF UNDERSTANDING

ON

THE EXCHANGE OF INFORMATION ON SAFETY RELATED MATTERS

AND

PROCEDURES FOR CONSULTATION

BETWEEN

THE NORWEGIAN PETROLEUM DIRECTORATE

AND

THE BELGIAN MINISTRY OF ECONOMIC AFFAIRS

(MINISTERIE VAN ECONOMISCHE ZAKEN (MEZ)/

MINISTERE DES AFFAIRES ECONOMIQUES (MAE))

CONCERNING

THE NORFRA NATURAL GAS TRANSPORTATION SYSTEM

INTRODUCTION

It has been decided to construct, install and operate a pipeline system for the transportation of natural gas from Norway to France (the NorFra pipeline system). Since this pipeline enters French territory, where the terminal and distribution facilities will be set up, the relations between Norway and France have been established by terms of a special Agreement. The relationship between Norwegian and French regulatory authorities have been established in a Memorandum of Understanding (MOU), which sets out mutually agreed arrangements for the exchange of information and consultations between the regulators.

The pipeline system crosses the continental shelves of the Kingdom of Denmark, the Federal Republic of Germany, the Kingdom of the Netherlands and the Kingdom of Belgium. The Norwegian authorities are ready to inform these nations' statutory authorities about any matter of relevance to the safe operation of the pipeline system.

The Government of the Kingdom of Norway and the Government of the Kingdom of Belgium have entered into an agreement dated 20th. December 1996 concerning the laying of the gas transportation pipeline "NorFra" on the Belgian Continental Shelf.

In accordance with provisions of Norwegian national law, the operator of the pipeline (Statoil) will keep the Norwegian authorities duly informed about matters, which concern the safe construction, installation and operation of the pipeline system. However, there is also a need for the Norwegian authorities to have access to information on possible incidents or activities, which occur or will be conducted on the shelves of the nations which the pipeline system crosses, and which may affect the safety of the pipeline system or operations.

Acknowledging this, The Norwegian Petroleum Directorate (NPD) and The Belgian Ministry of Economic Affairs (MEZ/MAE) have mutually

agreed on arrangements for the exchange of information and procedures for consultation in matters relating to the safety of the part of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf.

This MoU sets out these arrangements and procedures, as well as important premises, which they are based upon.

PRINCIPLES AND PREMISES

The Norwegian regulatory system is based on the principle that anyone who conducts or participates in petroleum activities has a duty to ensure compliance with legal provisions, including regulatory requirements which are made pursuant to the law. The operator has an overall responsibility to ensure that all statutory provisions are complied with at all times in all phases of the activities. To accomplish this, the operator must establish the necessary management systems, including control systems, to actively investigate to assess adherence to legal provisions, bring identified discrepancies into compliance and bring the operation of the pipeline to an immediate cessation, or take other immediate actions as appropriate, to avert an imminent danger.

Other premises of particular relevance to the arrangements of this MoU are, among other things, that:

- | Change of an operator must be approved by the Ministry of Industry and Energy; and
- | the licensee (the operator) is liable for damages, regardless of fault of his own, as a result of pollution or waste from the petroleum industry and for expenses for reasonable measures to avert or limit such damage or loss, in addition to damage or loss such measures may entail.

By Royal Decree of June 28, 1985, Appendix 2 to this Memorandum, NPD has a co-ordinating function in matters relating to safety and environmental protection, i.a. in connection with the safe construction, laying and operation of the NorFra pipeline. It is in this capacity that NPD has entered into this MoU. Further details on the Norwegian law and system for regulatory supervision are given in Appendix 2 of this MoU.

AGREED ARRANGEMENTS

1. NPD and MEZ/MAE shall keep each other duly informed on all matters of importance to the safe construction, installation and operation of the part of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf.
2. NPD and MEZ/MAE shall copy each other respectively of relevant correspondence with the operator, which concerns the safe construction, installation and operation of the part of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf.
3. NPD and MEZ/MAE shall duly notify each other prior to carrying out supervisory activities with regard to the part of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf. This with a view to allow the other party to suggest joint supervisory activities.
4. MEZ/MAE will, in each individual case and well in advance inform NPD about their defined needs for supervisory activities with respect to the safe construction, installation and operation of the part of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf. NPD will include the needs of MEZ/MAE when planning NPDs supervisory activities and take appropriate measures towards the operator in consultation with MEZ/MAE. NPD will inform MEZ/MAE about relevant results of NPDs supervisory activities and measures taken towards the operator.
5. MEZ/MAE will inform NPD about the results of its own supervisory activities of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf.
6. NPD and MEZ/MAE will, when special safety related circumstances arise which may result in a altered safety level of the NorFra pipeline system situated on and crossing the Belgian Continental Shelf, arrange meetings in order to obtain a unified view on the circumstances and agree on appropriate measures. The operator may be called upon for such meetings to inform about the circumstances and action taken or in progress. In addition, meetings will be arranged when MEZ/MAE might find this necessary.
7. MEZ/MAE may, when deemed to be a reasonable measure,

request NPD to order a cessation of the NorFra pipeline system operations, or take other appropriate action, to avert an imminent and serious danger of pollution from the pipeline. NPD will give full co-operation to the execution of such request. If time permits, MEZ/MAE will consult with NPD before such request is being made.

8. NPD will consult with MEZ/MAE prior to giving its recommendation to the relevant Norwegian authorities with regard to decisions on possible changes in the operatorship of the NorFra pipeline system.
9. NPD will consult with MEZ/MAE prior to consenting to a possible application for decommissioning of the part of the pipeline system situated on and crossing the Belgian Continental Shelf.
10. NPD and MEZ/MAE will keep each other duly informed in emergency situations, and have both appointed contacts to ensure that information is exchanged without delay. These contacts are listed in Appedix 1 of this MoU.

The arrangements provided for in this MoU shall not be construed as affecting any of the rights or obligations provided for in national law, nor do they exempt the NPD or MEZ/MAE from their obligations under national law. If it appears that activities under this MoU contradict such obligations, NPD and MEZ/MAE will consult with a view to rectifying the matter.

Brussels:

Stavanger:

Fernand Sonck
Director General
Energy Administration

Gunnar Berge
Director General
The Norwegian Petroleum Di

The Belgian Ministry of Economic Affairs

APPENDIX 1

Arrangements for exchange of information in case of emergencies

For exchange of information in case of emergencies, the following points of contact should be used:

In The Kingdom of Belgium:

Zee Reddings- en Coördinatie-Centrum (ZRCC)

Sea Rescue Coordination Center (SRCC)

van het Zeewesen te Oostende

Tel.: 32 59 70 11 00 or 59 70 10 00

In the Kingdom of Norway:

During office hours: The Norwegian Petroleum Directorate

Head of Supervisory Activities for Statoil

or

Head of Marine Technology Section

Tel.: 47 51 87 60 00

Fax: 47 51 55 15 71

After office hours: The Norwegian Petroleum Directorate

Switch board

Tel.: 47 51 87 60 00

Fax.: 47 51 55 15 71