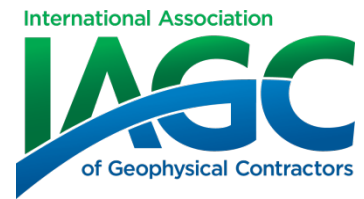


Statement of Principles

Confidentiality of Multi-Client Data

(Release of Multi-Client Data to the Public Domain)
(Confidentiality of Government Held Multi-Client Data)



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This document includes the Statement of Principles, a description of the issues (with examples) and contractual language.

Statement of Principles

Key Words:

- Contractor
- Data Owner
- IAGC
- Multi-Client Data

Terms that are in bold type are defined in the Glossary of Terms which forms part of this family of Statements of Principles.

1. Host governments should establish reasonable confidentiality periods for **Multi-Client Data** collected in their countries or jurisdictions consistent with the anticipated commercial life of these **Multi-Client Data** and the time frame needed by **Data Owners** to recoup costs and generate a reasonable profit.
2. Once established, such a confidentiality period should be maintained.
3. Should any changes to the confidentiality period be considered, such changes should only be made on a prospective "go forward" basis for permits not yet issued.
4. A model based on a 25-year confidentiality period for processed **Multi-Client Data** and a 50 year confidentiality period for raw field tape **Multi-Client Data** should be adopted as "industry standard" for **Multi-Client Data**.

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Commercial Context

Geophysical **Contractors** ("**Data Owners**") have invested billions of dollars in the creation of **Multi-Client Data** throughout the world that have dramatically improved the success rate and lowered the cost of finding and developing new oil and gas supplies. The continued viability of this business depends on the **Data Owner's** ability to earn a reasonable economic return through licensing of the **Multi-Client Data** to multiple E & P companies over a period of time.

Prior to acquiring **Multi-Client Data**, geophysical **Contractors** typically obtain a permit from the host government stipulating the terms of acquisition, the terms related to the ownership of the **Multi-Client Data**, and a time frame related to the government's potential release of **Multi-Client Data** to the public domain. **Data Owners** create financial models for **Multi-Client Data** projects based on these permit terms, as well as estimates of the number of oil companies likely to license the **Multi-Client Data** within the confidentiality period. If the permit terms are changed after the **Multi-Client Data** have been acquired and licensed to exploration companies, especially as regards the confidentiality period, the **Data Owner's** ability to generate additional licenses necessary to recoup costs or to generate a return on the investment is severely damaged. More importantly, with a unilateral decision to adversely modify permit terms, host governments risk undermining confidence in the regulatory process. Any such action makes operating under the multi-client business model unworkable in a particular country.

The United States Government, through the Bureau of Ocean Energy Management, provides for 25 years confidentiality from the date of submission to the federal agency for processed **Multi-Client Data** and 50 years confidentiality from the date of submission for raw field tape **Multi-Client Data** collected on America's outer continental shelf (OCS). Other national governments have found a shorter confidentiality period to be reasonable. In these cases, it was recognized that significant advances in computer processing technology are continuing to expand the "shelf life" of this one-of-a-kind **Multi-Client Data**, often triggering new activity in previously explored areas.

Increasingly, governmental agencies outside of the United States seek to release this **Multi-Client Data** to the public domain while such **Multi-Client Data** retains significant commercial value. In some cases, this occurs before the **Data Owners** have recouped their investment costs. If this situation persists, geophysical **Contractors** will have no option but to discontinue non-exclusive geophysical surveys, seriously disadvantaging both exploration companies and host governments dependent on these **Multi-Client Data** to increase interest in licensing of acreage and to significantly reduce exploration costs.

Contractual Language

The **IAGC Model MASTER GEOPHYSICAL NON-EXCLUSIVE DATA-USE LICENSE** addresses **Multi-Client Data** ownership, confidential treatment, and terms governing the confidential use of the **Multi-Client Data**.

Specific terms relevant to the Confidentiality of Government Held Multi-Client Data can be found in Section 2-Data Ownership/Confidential Treatment; Section 3.2-Governmental Agencies; and Section 7.1-Term.