

JOINT DECLARATION OF 27 SEPTEMBER 1995

COOPERATION OVER OFFSHORE ACTIVITIES IN THE SOUTH WEST ATLANTIC

Comment - AGREEMENT - Side Letters - Proclamation

1. The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Argentine Republic agreed that the following formula on sovereignty, based on that contained in the Joint Statement issued at Madrid on 19 October 1989, applies to this Joint Declaration and to its results:

(1) Nothing in the content of the present Joint Declaration or of any similar subsequent Joint Statements and meetings shall be interpreted as:

(a) a change in the position of the United Kingdom with regard to sovereignty or territorial and maritime jurisdiction over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas.

(b) a change in the position of the Argentine Republic with regard to sovereignty or territorial and maritime jurisdiction over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas.

(c) recognition of or support for the position of the United Kingdom or the Argentine Republic with regard to sovereignty or territorial and maritime jurisdiction over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas.

(2) No act or activity carried out by the United Kingdom, the Argentine Republic or third parties as a consequence and in implementation of anything agreed to in the present Joint Declaration or in any similar subsequent Joint Statements and meetings shall constitute a basis for affirming, supporting, or denying the position of the United Kingdom or the Argentine Republic regarding the sovereignty or territorial and maritime jurisdiction over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas. The areas subject to the controversy on sovereignty and jurisdiction will not be extended in any way as a consequence of this Joint Declaration or its implementation.

This Joint Declaration does not apply to the maritime areas surrounding South Georgia and the South Sandwich Islands.

2. The two Governments agreed to cooperate in order to encourage offshore activities in the South West Atlantic in accordance with the provisions contained herein. Exploration for and exploitation of hydrocarbons by the offshore oil and gas industry will be carried out in accordance with sound commercial principles and good oil field practice, drawing on the Governments' experience both in the South West Atlantic and in the North Sea. Cooperation will be furthered:

(a) by means of the establishment of a Joint Commission, composed of delegations from both sides;

(b) by means of coordinated activities in up to 6 tranches, each of 3,500 square kilometres, the first ones to be situated within the sedimentary structure as identified in the Annex.

3. The Commission will be composed of a delegation from each of the two states, and will meet at least twice a year. Recommendations shall be reached by mutual agreement.

4. The Commission will have the following functions:

(a) to submit to both Government recommendations and proposed standards for the protection of the marine environment of the South West Atlantic, taking into account relevant international conventions and recommendations of competent international organisations.

(b) to coordinate activities in the tranches referred to in paragraph 2(b) above, as areas for special cooperation. This will be done by the establishment of a subcommittee which shall meet regularly, subordinate to the Commission, charged with:

(i) encouraging commercial activities in each tranche by means such as joint ventures and consortia from the two sides;

(ii) seeking nominations from companies for each tranche, to be offered upon terms appropriate for a challenging environment;

(iii) making recommendations on proposals made to the two Governments by companies for development projects in each tranche, including the limits of the tranches;

(iv) seeking close coordination in regard to all aspects of future operations, including the overall level of fees, royalties, charges and taxes, the harmonisation of timing, commercial terms and conditions, and compliance with the recommended standards;

(v) recommending on the basis of geological data known to both sides, additional tranches either within the sedimentary structure referred to in the Annex or in a further area to be agreed by the Governments on the recommendation of the Commission;

(c) to promote the exploration for and exploitation of hydrocarbons in maritime areas of the South West Atlantic subject to a controversy on sovereignty and jurisdiction, and to this end:

(i) to promote cooperation between industry on both sides, including the formation of joint ventures and the elaboration of joint projects for exploration, production and use of infrastructure;

(ii) to receive from both sides and from operating companies the available information on scientific research, development of activities and commercial operations relating to the seabed, whilst respecting commercial confidentiality;

(iii) to propose to both Governments coordinated research work by commercial undertakings;

(iv) to submit to both Governments recommendations for standards for offshore activities in safety, health and monitoring;

Both Governments will take the appropriate measures in order to ensure that the companies will keep the Commission informed on the development of their activities;

(d) on the basis of geological data known to both sides, to propose to the two Governments at the appropriate time further areas of special cooperation, on terms similar to those contained in paragraph 4(b) above;

(e) to consider and submit recommendations to the two Governments on any related matter which may arise in the future, including the possible need to agree on the unitisation of any discoveries in accordance with good oil field practice, on pipeline operations and on the efficient use of infrastructure.

5. The arrangements regarding search and rescue set out in the Joint Statements of 25 September 1991 and 12 July 1993 or any future arrangements between the Parties on the same subject will apply to offshore activities. Civilian helicopter traffic will be the subject of future discussion.

6. Each Government will take the appropriately related administrative measures in accordance with this Joint Declaration for the exploration for and exploitation of hydrocarbons in the areas referred to in paragraph 4 above. They agreed that such measures regulating the activities of the companies would be subject to the formula on sovereignty in paragraph 1 above. The Parties will create the conditions for substantial participation in the activities by companies from the two sides. The Parties will communicate to each other relevant information relating to the conduct of exploration and exploitation activities in the areas. Both Parties agreed to

abstain from taking action or imposing conditions designed or tending to inhibit or frustrate the possibility of carrying out hydrocarbons development in the areas.

7. In order to implement the different arrangements in this Joint Declaration, which form an interdependent whole, the two Governments agreed to cooperate throughout the different stages of offshore activities undertaken by commercial operators, including the regime for the eventual abandonment of installations.

For the United Kingdom For the Argentine Republic

New York, 27 September 1995

(Signed by The Right Honourable Malcolm Rifkind MP for Britain
and His Excellency Dr. Guido Di Tella for the Argentine Republic)

**ANNEX TO JOINT DECLARATION
DATED 27 SEPTEMBER 1995**

Special Area

The Area is bounded by line of the type described in Column 2 joining the points defined to the nearest minute of arc by coordinates of latitude and longitude on WGS 72 Datum specified in Column 1.

Column 1

Coordinates of Latitude and Longitude

1. 52° 00'S, 63° 36'W
2. 53° 10'S, 63° 36'W
3. 53° 10'S, 62° 48'W
4. 53° 25'S, 62° 48'W
5. 53° 25'S, 61° 48'W
6. 53° 40'S, 61° 48'W
7. 53° 40'S, 61° 00'W
8. 53° 00'S, 61° 00'W
9. 53° 00'S, 62° 00'W
10. 52° 30'S, 62° 00'W
11. 52° 30'S, 62° 36'W
12. 52° 00'S, 62° 36'W
13. 52° 00'S, 63° 36'W

Column 2

Line Type

- 1 - 2 meridian
- 2 - 3 parallel of latitude
- 3 - 4 meridian
- 4 - 5 parallel of latitude
- 5 - 6 meridian
- 6 - 7 parallel of latitude
- 7 - 8 meridian
- 8 - 9 parallel of latitude
- 9 - 10 meridian
- 10 - 11 parallel of latitude
- 11 - 12 meridian
- 12 - 13 parallel

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Comment - Agreement - **SIDE LETTERS** - Proclamation

Both the Argentine and British Governments made separate public declarations at the time of the signing of the Joint Declaration in New York. The Argentine declaration was in Spanish, and appears here as it was translated "unofficially" by the Argentine Government. The Falkland Islands Government also issued a letter of response to the Joint Declaration. All three documents are reproduced here.

Declaration of the British Government with regard to the Joint Declaration signed by the British and Argentine Foreign Ministers on Cooperation over Offshore Activities in the South West Atlantic

The British Government welcomes the understanding reached with Argentina on cooperation over offshore activities in the South West Atlantic.

The understanding will facilitate mutually beneficial cooperation, promoting the development of hydrocarbons. It will further improve relations with Argentina since the Madrid Joint Statement of February 1990 [which reestablished diplomatic relations]. At the same time, it will offer commercial opportunities to British companies, as well as to the Falkland Islands which will launch a licensing round in October.

The Joint Declaration safeguards British sovereignty and jurisdiction over the Falkland Islands and the surrounding maritime areas. HMG have no doubts about the sovereignty and jurisdiction of the UK.

HMG are aware that Argentina proposed to enact legislation purporting to impose charges on companies working in maritime areas surrounding the Falkland Islands. HMG do not accept any Argentine claim to impose such charges on companies by reason only of their activities on the continental shelf around the Falkland Islands under Falklands licence. HMG will be working with the Falkland Islands Government in development of the forthcoming licensing round. We welcome the understanding as a beneficial factor which will reassure the oil industry and improve the climate for exploration for and exploitation of hydrocarbons in a frontier area.

Appropriate legislation will be introduced in order to take account of the Joint Declaration, including a new Ordinance in the Falkland Islands.

Statement by the Argentine Government with regard to the Joint Declaration signed by the Foreign Ministers of Argentina and the United Kingdom on Exploration and Exploitation of Hydrocarbons

The Argentine Government welcomes the achievement of an understanding with the United Kingdom on matters concerning cooperation over exploration and exploitation of hydrocarbons in the maritime areas subject to a dispute of sovereignty in the South West Atlantic.

That understanding will preserve the cordial relations existing between the two countries at the current high level. At the same time, it will offer commercial opportunities to Argentine companies, and it will contribute to the economic prosperity of the country, particularly in the Patagonian region.

The understanding safeguards the imprescriptible rights of the Argentine Republic over the Malvinas Islands, South Georgia and South Sandwich Islands and their surrounding maritime areas, as it emerges from the text of the declaration, and as it shall be reflected by the implementation of its dispositions. As both parties have convened, it shall not be interpreted in any way as recognition or support of the position of the United Kingdom in respect of sovereignty over the referred Islands or the surrounding maritime areas.

On the basis of this understanding, the Argentine Republic shall benefit, without prejudice to its legitimate rights, of the activities to be carried out in the areas subject to the dispute of sovereignty, through a provisional *modus vivendi* until both parties resolve that dispute by the peaceful means established by international law. The benefits to be perceived shall be related to the exploration areas or the volumes of hydrocarbons produced. In accordance with paragraph 6 of the Joint Declaration, the Executive Power shall introduce in the Honourable

National Congress non discriminatory legislation which will impose charges on national and foreign companies operating in the area to the benefit of the nation. The understanding and its implementation do not imply and shall not be interpreted in any way as an acceptance of a claimed right to call a licensing round for the development of hydrocarbons in the maritime areas surrounding the Malvinas Islands.

The Executive Power considers that the assistance of the Honourable National Congress is absolutely necessary in order to make the present Declaration operative. To this end it will introduce the pertinent bills for their legislative consideration.

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Comment - Agreement - Side Letters - PROCLAMATION

PROCLAMATION

No. 1 of 1997

In the name of Her Majesty Elizabeth II, by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith,

By Richard Peter Ralph, Commander of the Royal Victorian Order, Governor of the Falkland Islands,

Whereas it was declared in a Joint Declaration issued on 27 September 1995 by the British and Argentine Governments ("the Joint Declaration") that they would cooperate in order to encourage offshore activities in the South West Atlantic and, in particular, would coordinate activities in tranches situated within an area for special cooperation ("the Special Area"),

Whereas parts of the Special Area lie beyond the designated areas of the continental shelf around the Falkland Islands, as described in Proclamation No.1 of 1991 and Proclamation No.1 of 1994 ("the previous Proclamations"),

And whereas there is a need to make further provision for the regulation of activities in the Special Area in accordance with the terms of the Joint Declaration,

Now therefore I, Richard Peter Ralph, acting in pursuance of instructions given by Her Majesty through a Secretary of State, do hereby Proclaim as follows:-

1. For the purpose of implementing the terms of the Joint Declaration (including agreed recommendations and decisions made by the Joint Commission established thereby) relating to the Special Area, Her Majesty will, in accordance with the rules of international law, exercise jurisdiction, in addition to that specified in the previous Proclamations, over the exploration and exploitation of the non-living resources of the seabed and subsoil of the Special Area, subject to such provision as may hereafter be made by law for such matters.

2. The Special Area is bounded by lines of the type described in Column 2 below, joining the points defined to the nearest minute of arc by coordinates of latitude and longitude on WGS 72 Datum specified in Column 1

Column 1		Column 2	
Coordinates of Latitude and Longitude		Line Type	
1.	52° 00' S, 63° 36' W	1-2	meridian
2	53° 10' S, 63° 36' W	2-3	parallel of latitude
3	53° 10' S, 62° 48' W	3-4	meridian
4	53° 25' S, 62° 48' W	4-5	parallel of latitude
5	53° 25' S, 61° 48' W	5-6	meridian
6	53° 40' S, 61° 48' W	6-7	parallel of latitude
7	53° 40' S, 61° 00' W	7-8	meridian
8	53° 00' S, 61° 00' W	8-9	parallel of latitude
9	53° 00' S, 62° 00' W	9-10	meridian
10.	52° 30' S, 62° 00' W	10-11	parallel of latitude
11.	52° 30' S, 62° 36' W	11-12	meridian

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|-----|----------------------|-------|----------------------|
| 12. | 52° 00' S, 62° 36' W | 12-13 | parallel of latitude |
| 13. | 52° 00' S, 63° 36' W | | |

3. This Proclamation will become effective on 17th February 1997.

Given under my hand and the Public Seal of the Falkland Islands at Government House, Stanley, Falkland Islands, this 12th day of February in the year of Our Lord One Thousand Nine Hundred and Ninety-Seven

R P Ralph CVO
Governor

GOD SAVE THE QUEEN