



OLJE- OG ENERGIDEPARTEMENTET

Ministry of Petroleum and Energy

Norway's E&P policies and challenges

Mr. Oluf Ulseth

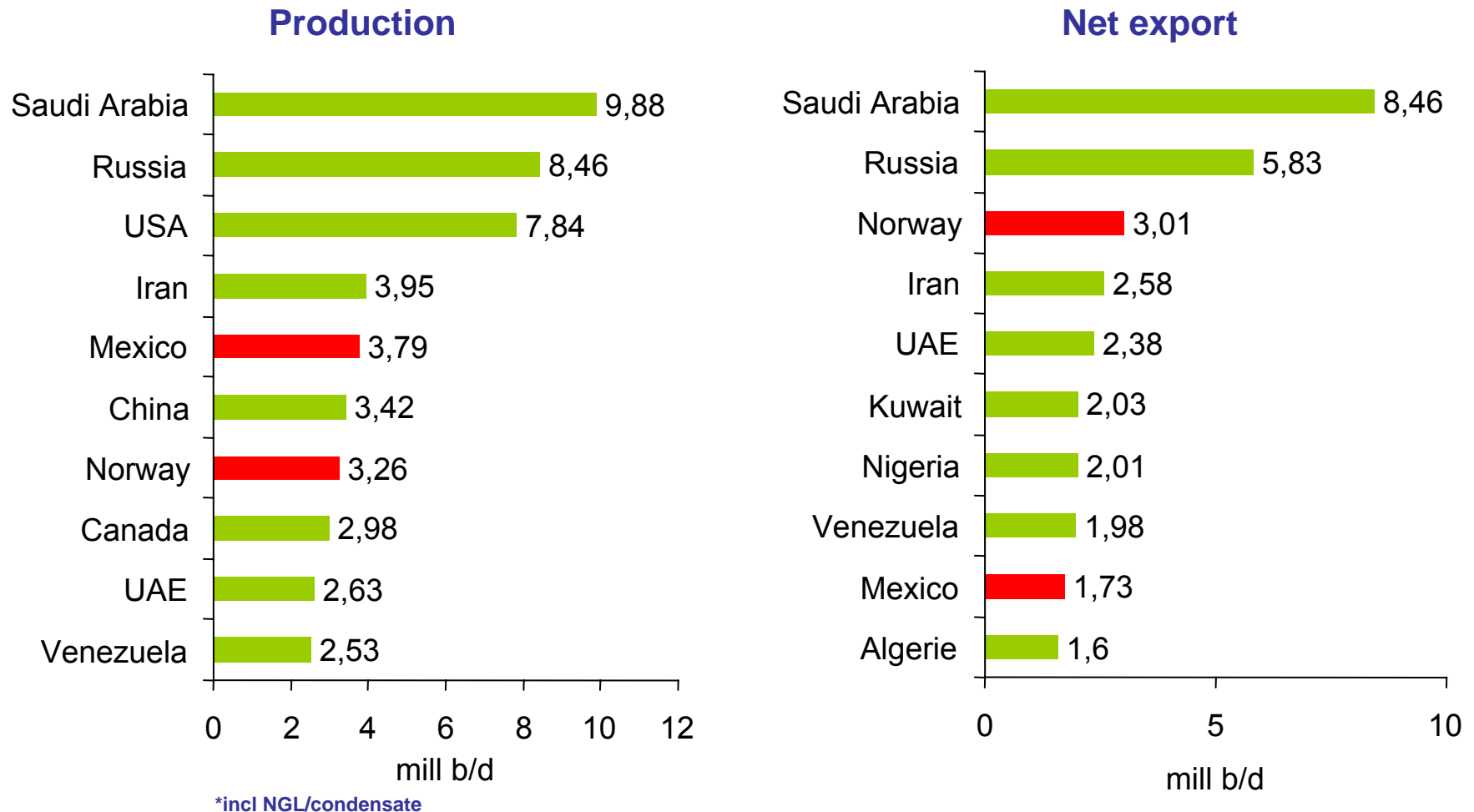
Norwegian Deputy Minister of Petroleum and Energy

Wednesday 24 November 2004

Villahermosa, Mexico

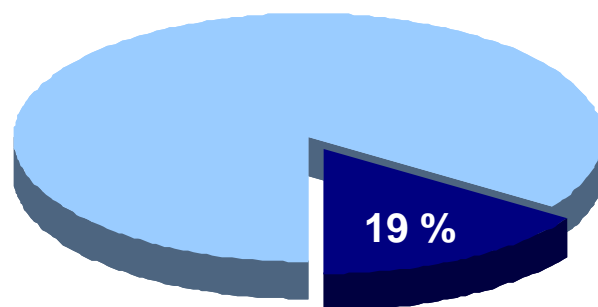
A strong position in world oil ...

Production and net export of crude oil* 2003

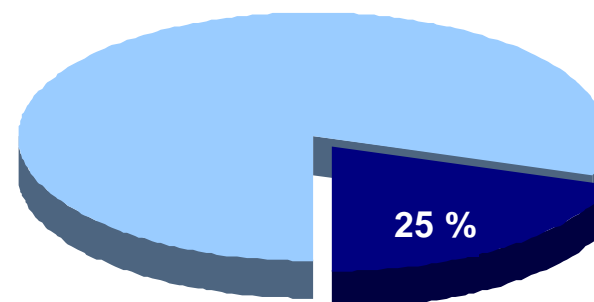


... and in the Norwegian economy

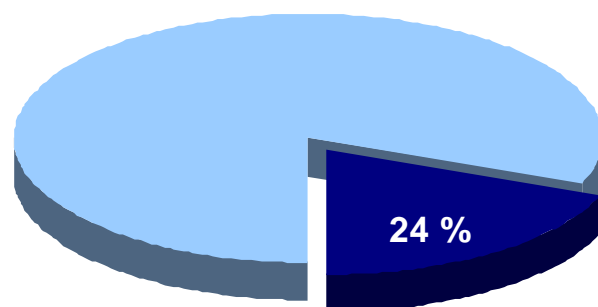
The petroleum sector in Norway (2003)



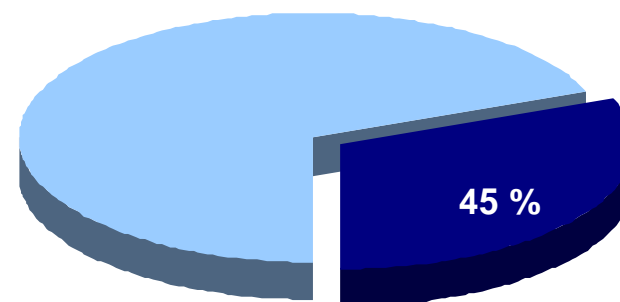
The petroleum sector's share of GDP



The petroleum sector's share of State revenues



The petroleum sector's share of total investment

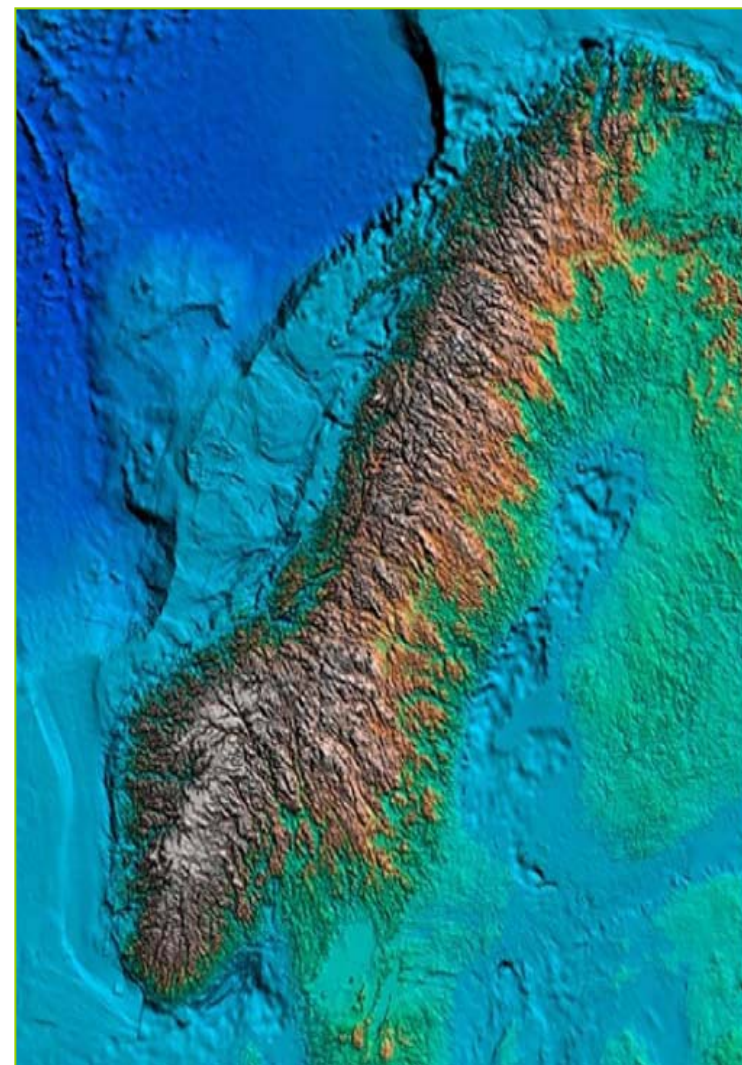


The petroleum sector's share of total exports

Three decades of experience...

Main principles of Norwegian petroleum policy

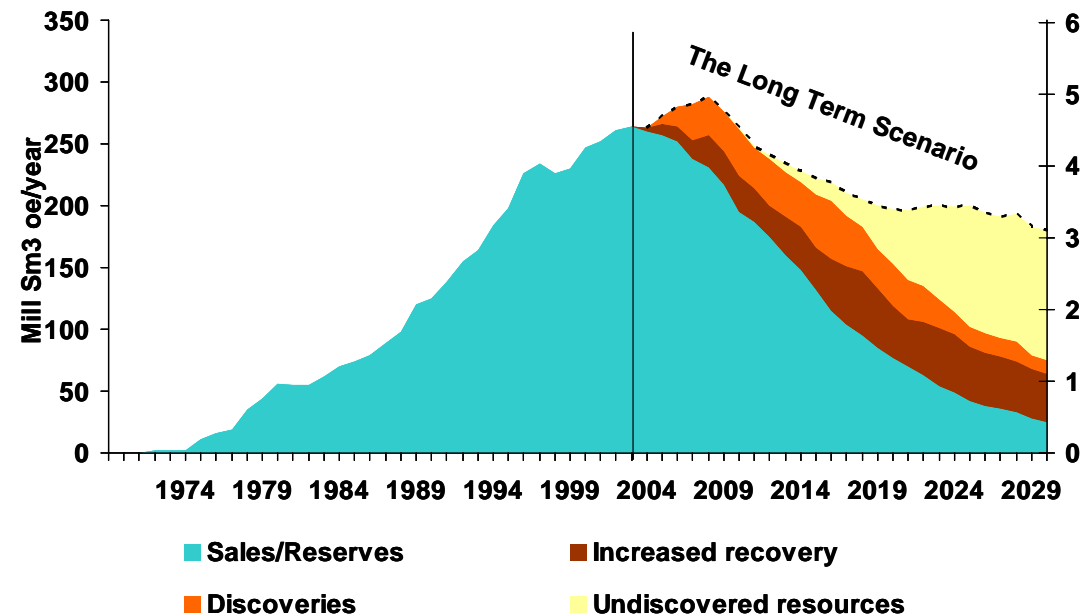
- Maximize value creation
- The right to subsea petroleum resources is vested in the State
- Annual and biannual licencing rounds
- Drawing on global petroleum competence
- Government take through taxes and direct ownership interest



.. of developing petroleum resources..

- Finding new resources
 - Active exploration policy
 - Favourable tax scheme for new players
 - Equity oil
- Enhanced oil recovery
 - Developing new technology
 - Strong domestic competence base
 - Cost position

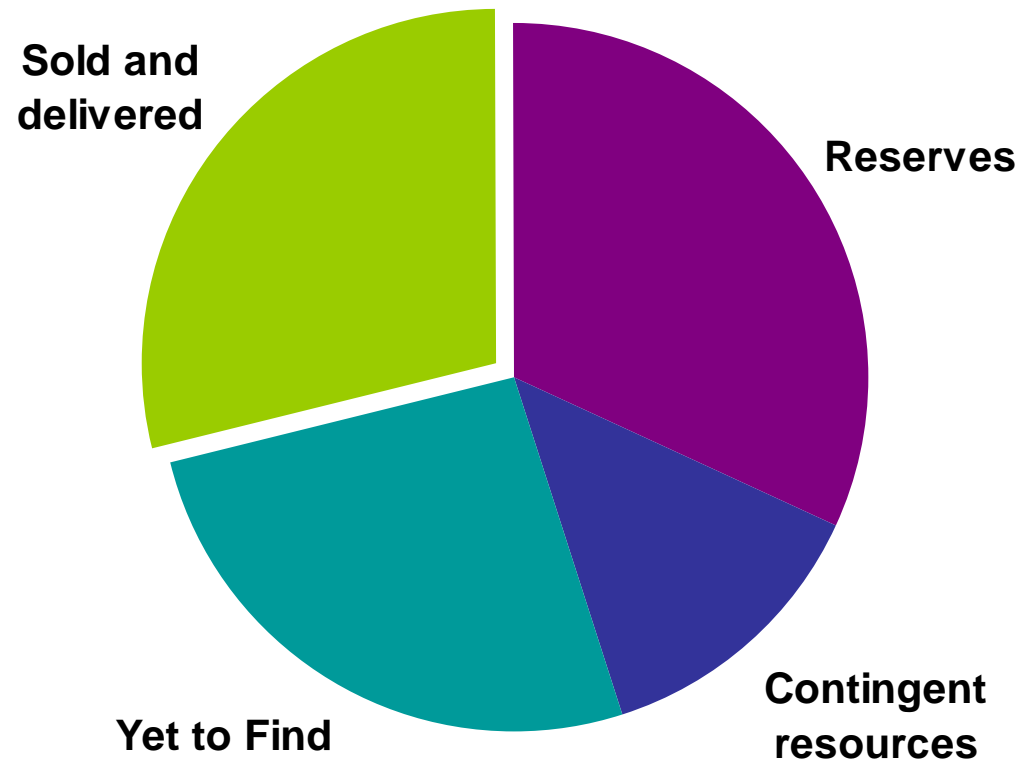
Norwegian production profile



Source: OED/OD NB 05

.. with large untapped potentials

Petroleum resources on the Norwegian Continental Shelf (NCS)



Kilde: OD

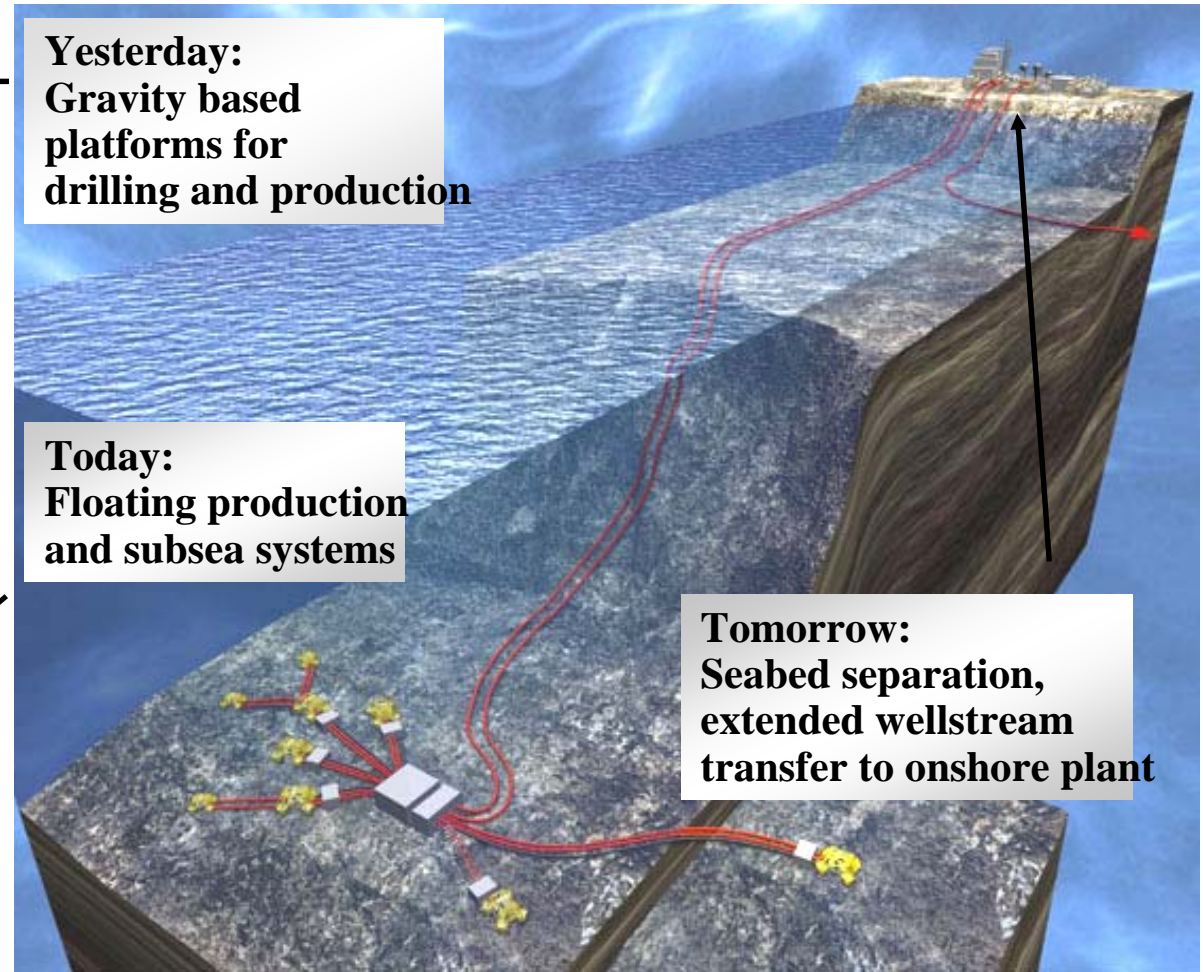
A long tradition of innovation and new technology..



**Yesterday:
Gravity based
platforms for
drilling and production**



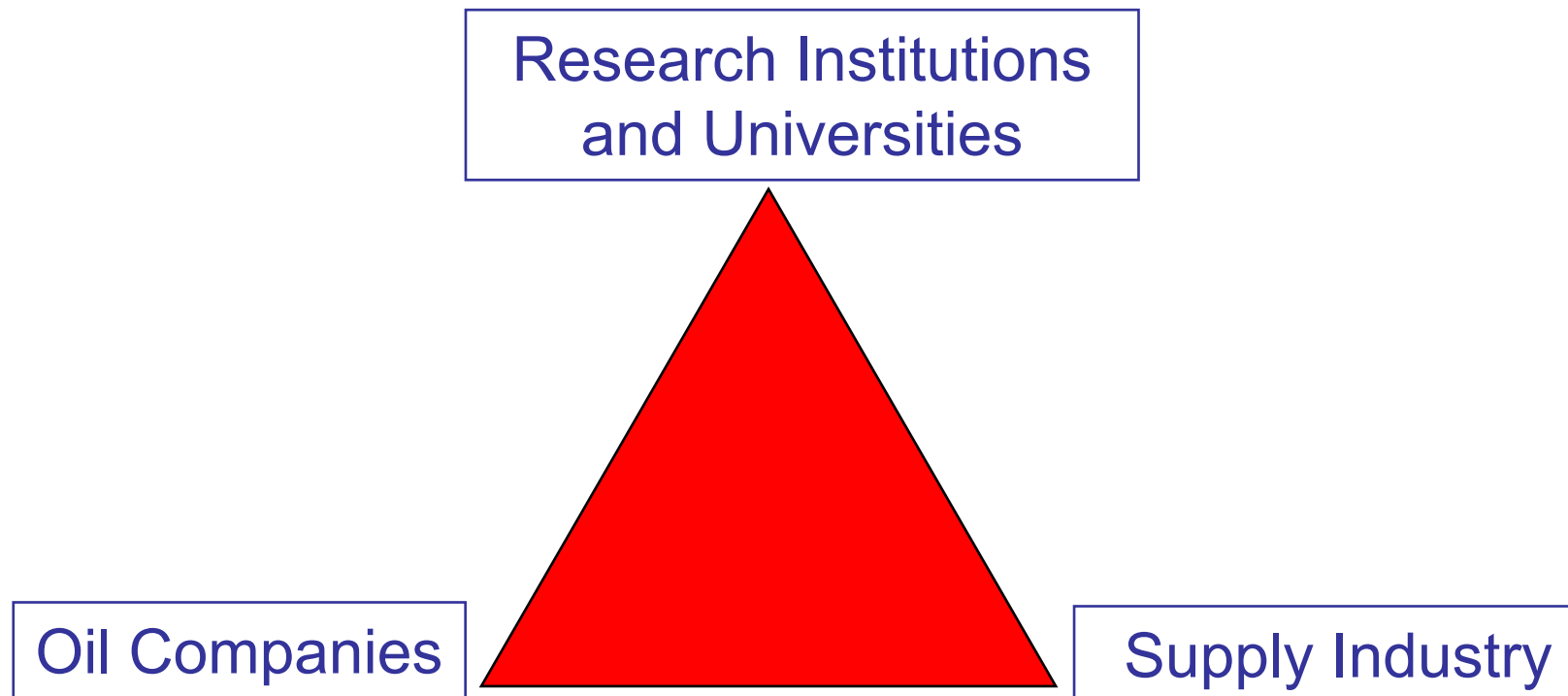
**Today:
Floating production
and subsea systems**



**Tomorrow:
Seabed separation,
extended wellstream
transfer to onshore plant**

.. based on R&D and a broad cluster..

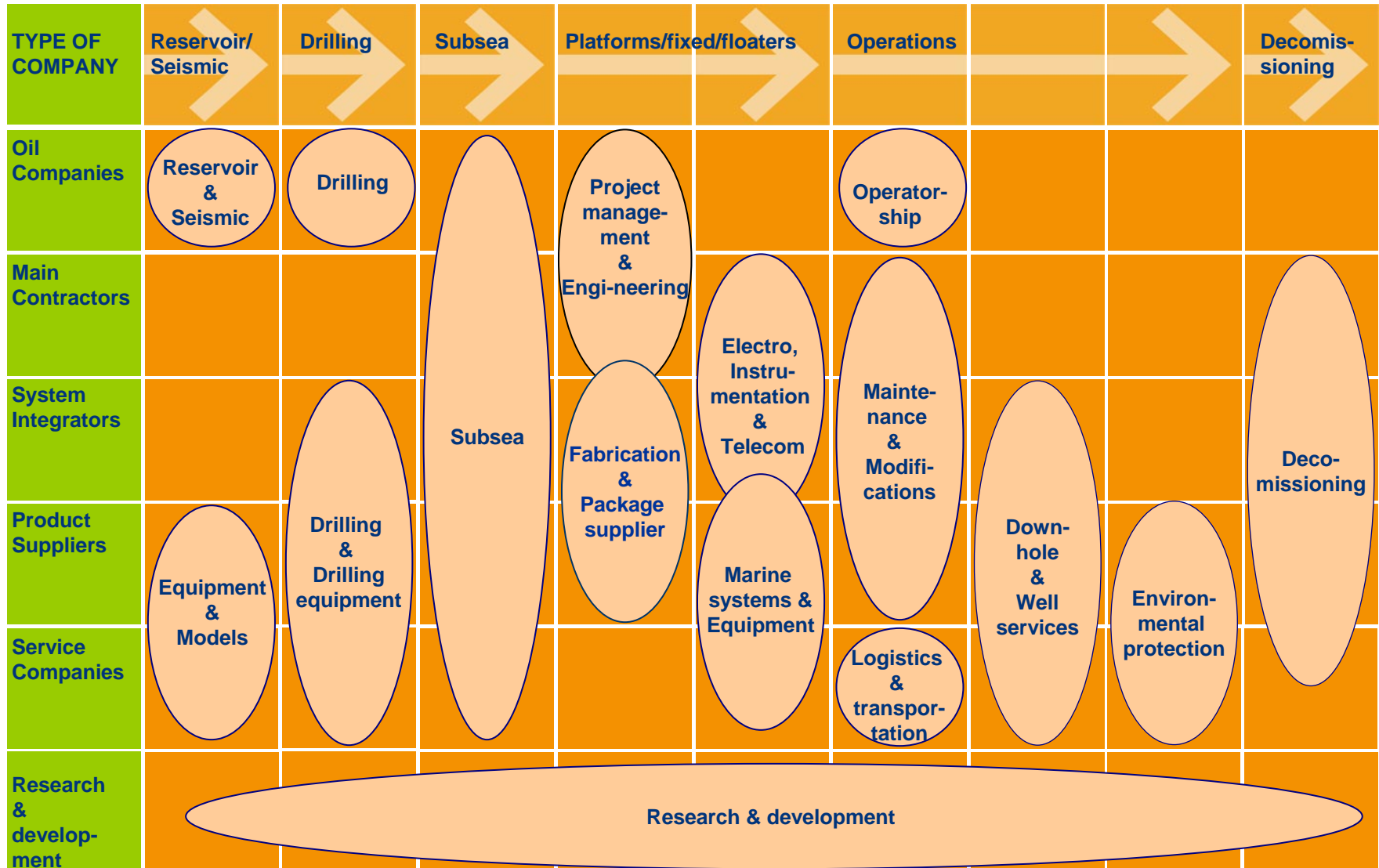
- Forging links
- Developing networks
- Creating synergies
- Co-funding



.. of Norwegian oil & gas competence

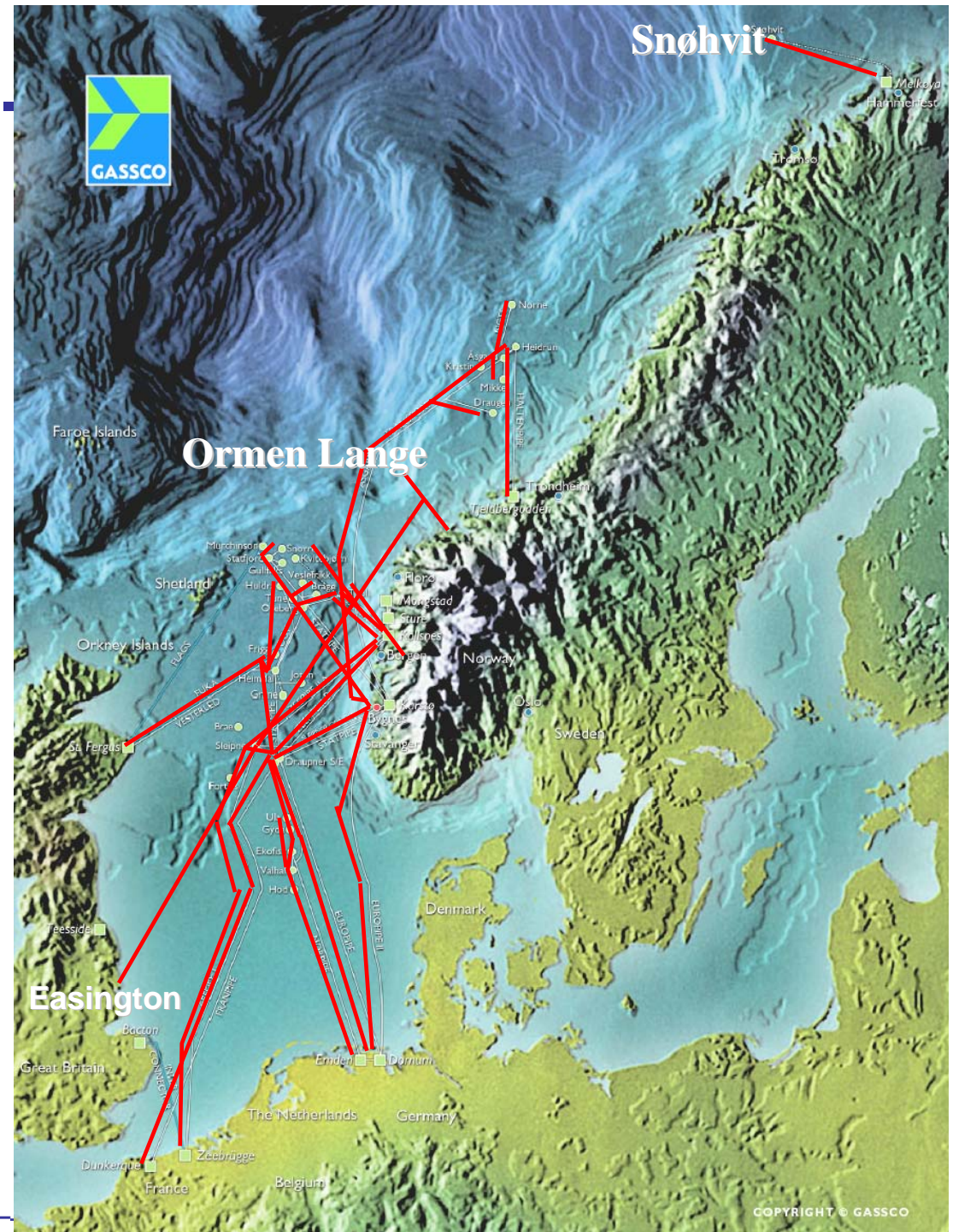
Value Chain

Supply Chain

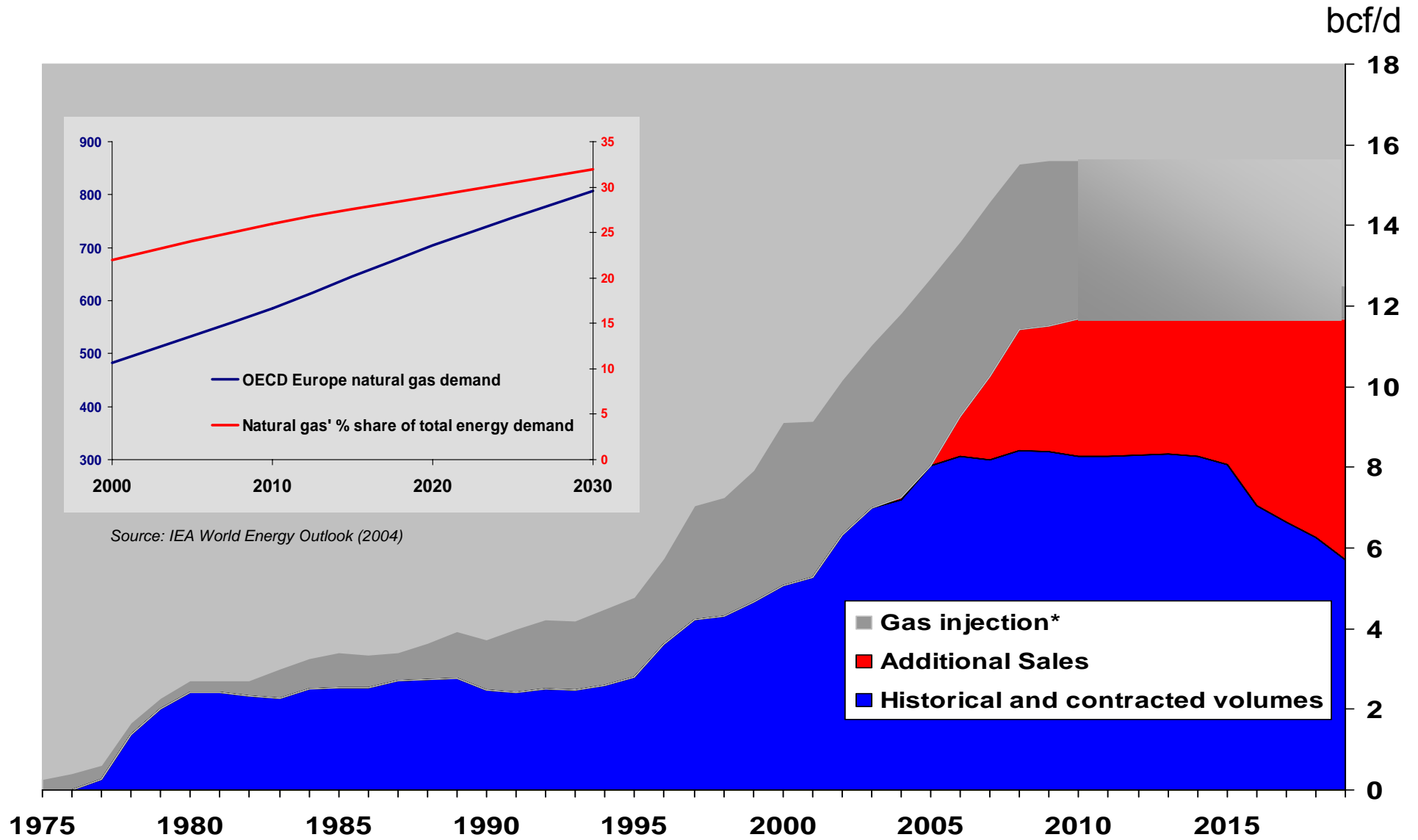


The Norwegian gas sector..

- 50 fields producing gas
- More than 6000 km of large offshore pipelines
- Two of the larger gas processing plants in the world
- Supplies about 14% of European gas consumption



... increasing in the coming years..



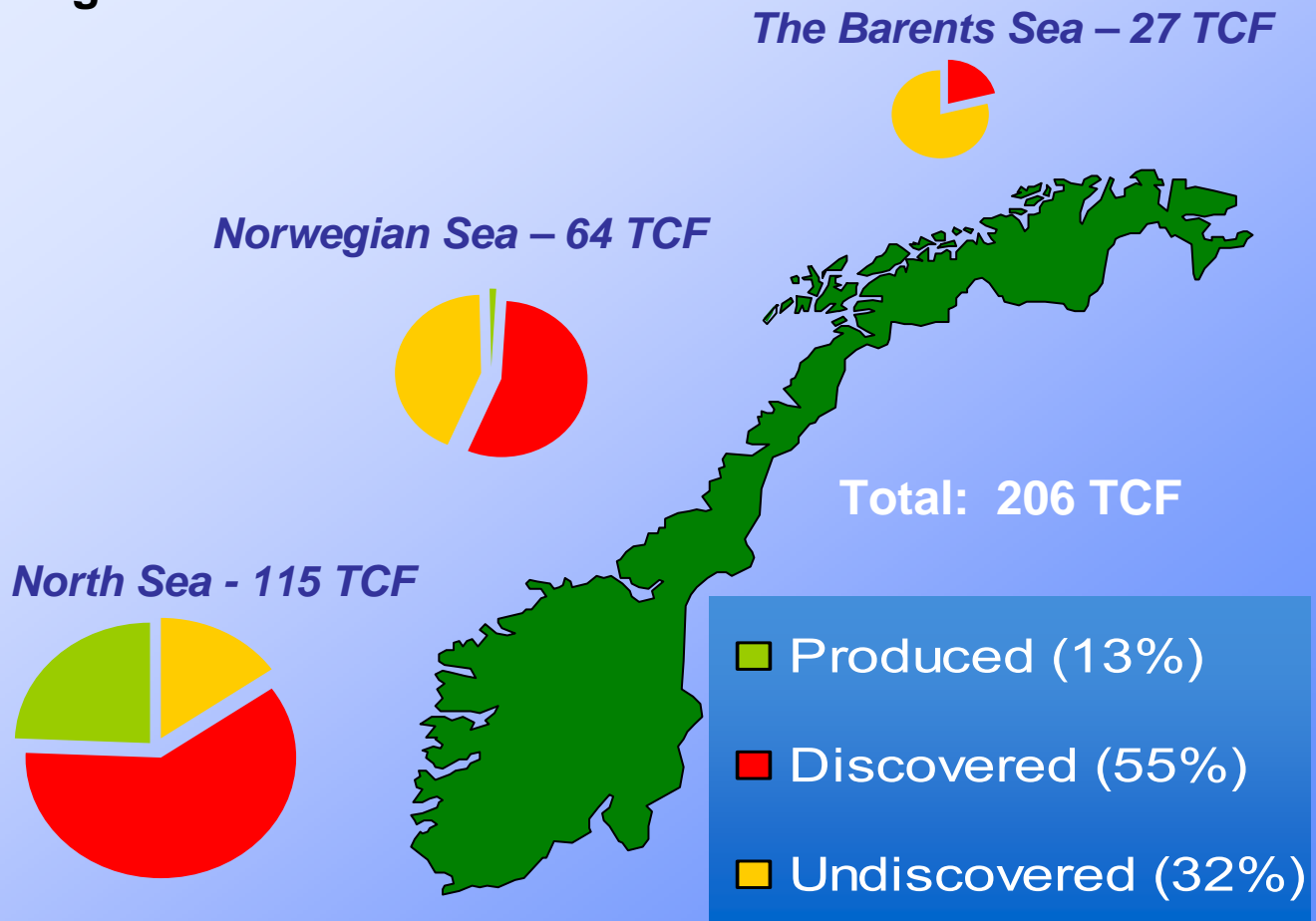
Source: IEA World Energy Outlook (2004)

■ Gas injection*
■ Additional Sales
■ Historical and contracted volumes

*Including fuel and flaring

.. with still more to come

Norwegian Gas Resources



Snøhvit - a landmark LNG project

- Recoverable reserves:
 - 6,7 TCF gas
 - 133 MMbbls condensate
- Production start: 2006
- Investment costs: 6 bill. USD
- Gas production 0,55 bcf/d
 - Destinations: USA and Europe
- Import capacity acquired at Cove Point
- Statoil – main gas marketer



Norwegian LNG Technology

Aker Kværner Offshore LNG terminals

→ Northern Baja California.

ChevronTexaco

→ North Adriatic Sea.

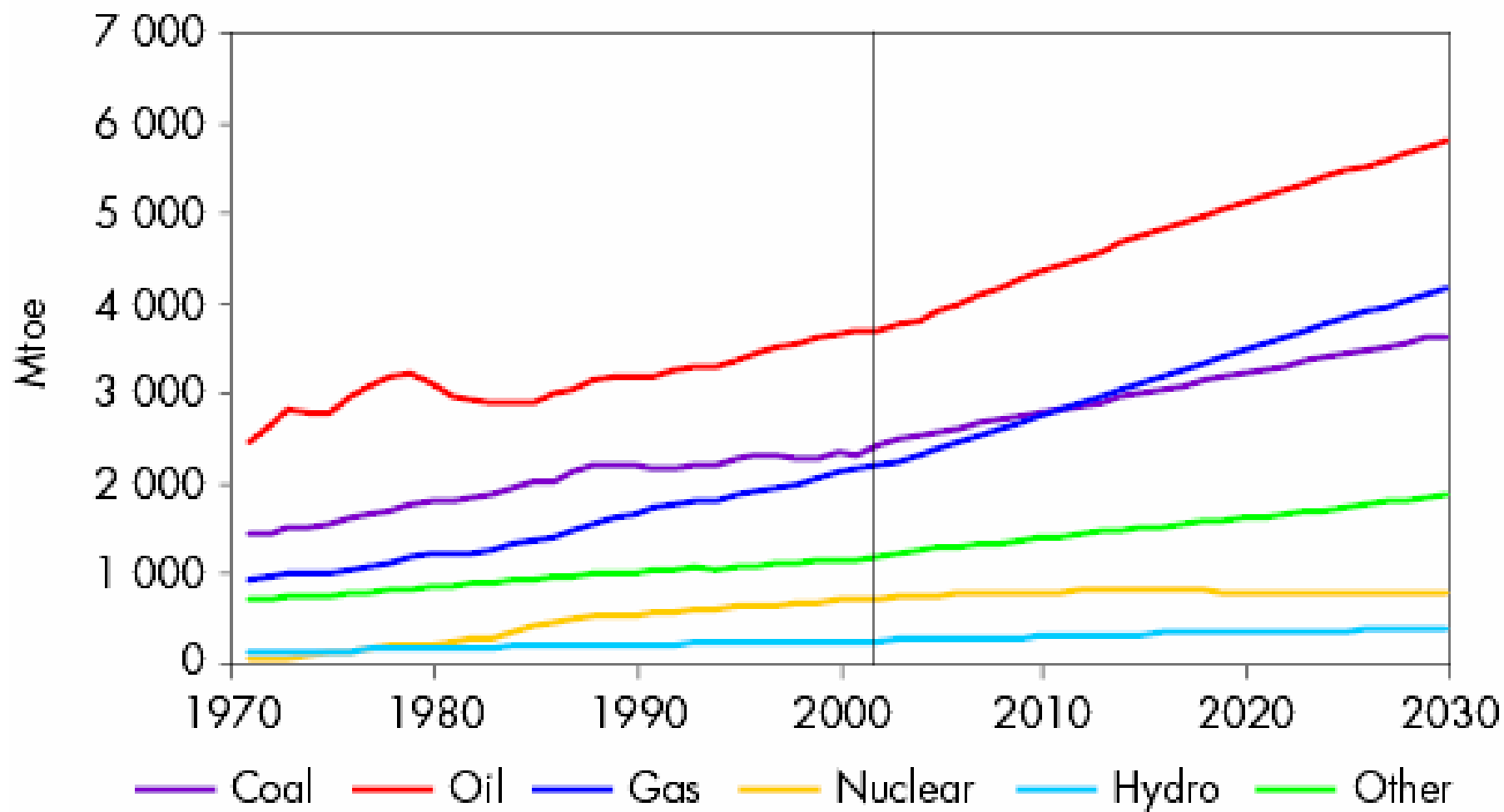
ExxonMobil



The Kværner group developed LNG carriers with spherical tanks in the early 1970s.

This design now dominates the market, accounting for about 50 percent of the world fleet.

In a world of growing energy demand ..



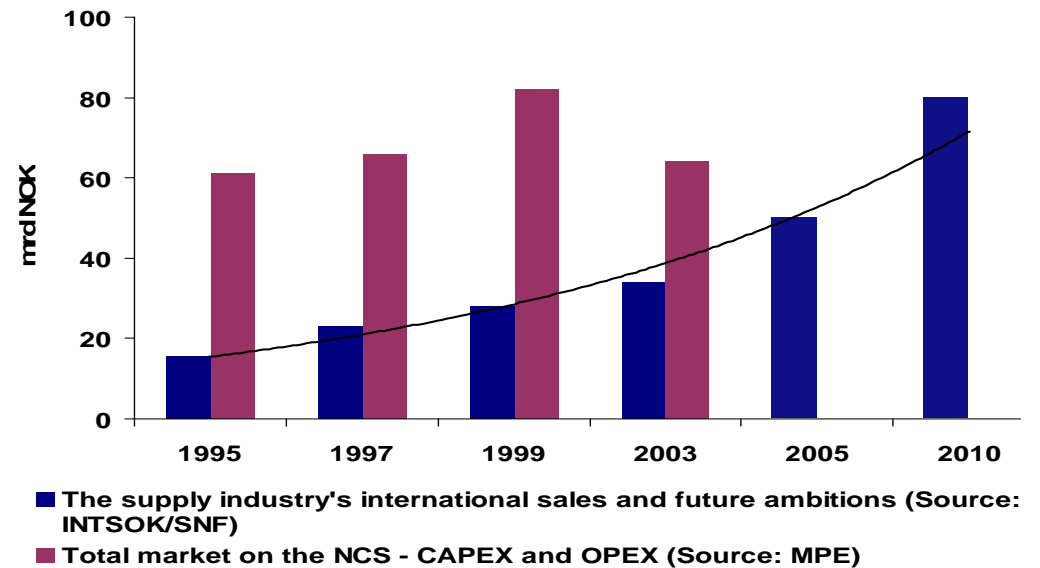
Source: IEA

.. there is solid foundation for cooperation



.. partnering with Norway

- Norway is a stable long-term source of supply of oil and gas.
- Strong Norwegian petroleum R&D and industry clusters
- Operators and suppliers at NCS are innovative, and have low barriers to new technology
- Gas and LNG increasingly important





**.. as Mexicans and Norwegians
make excellent business partners!**

