



OLJE- OG ENERGIDEPARTEMENTET

Building a sustainable petroleum industry

The Norwegian experience

Mr. Odd Roger Enoksen

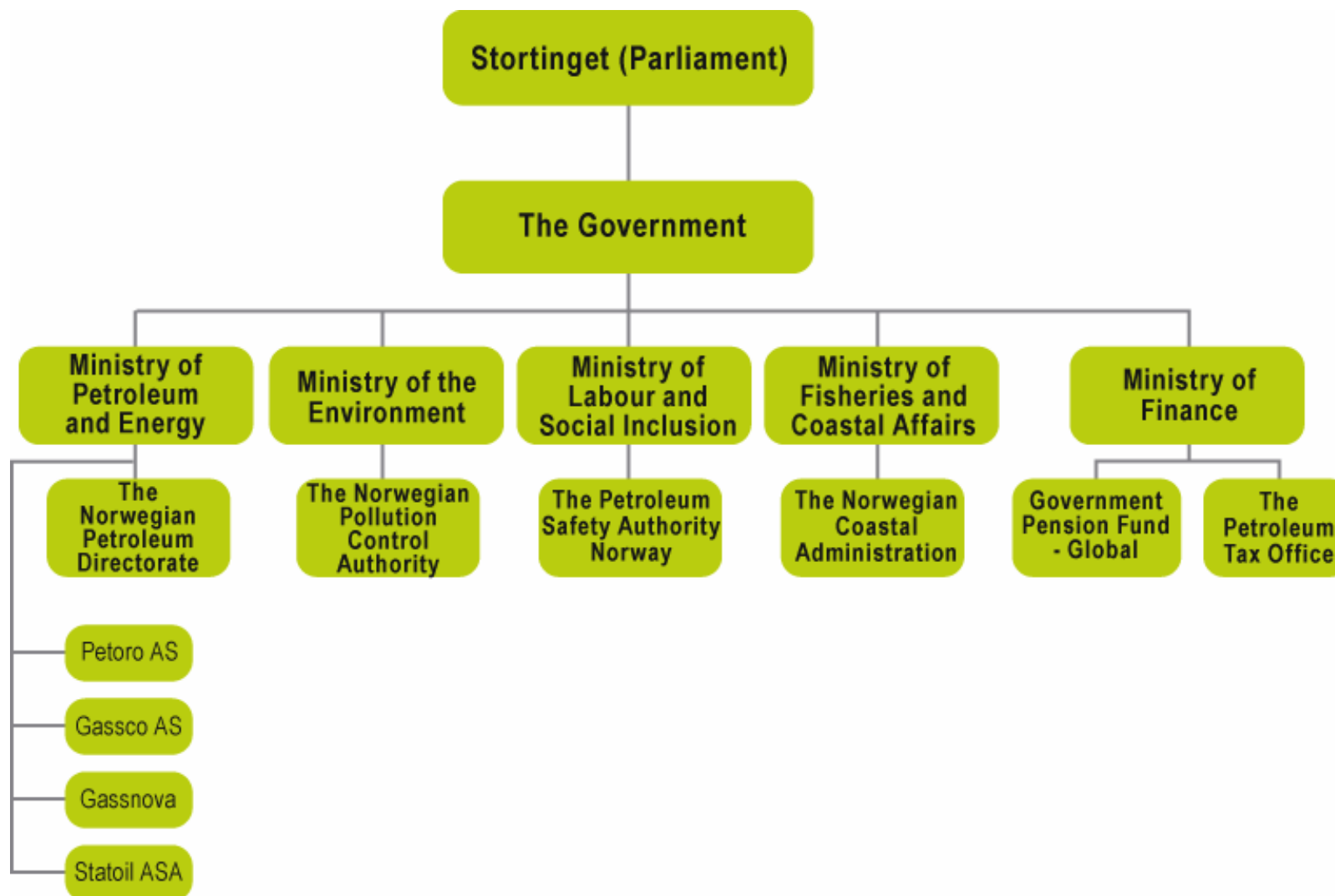
Minister of Petroleum and Energy

# Industry development -building a petroleum industry

- Open to international companies
- Technology agreements to fund R & D
- Considerations to Norwegian Supply industry

**Openness towards international companies combined with a strong focus on national value creation**

# National organisation of the petroleum sector



# Petroleum policy

- The petroleum resources shall be managed for the benefit of the Norwegian society as a whole
- The right to sub sea petroleum deposits is vested in the State
- Focus and continuous attention to the environment and HSE.
- Goal:  
Maximize value creation through:
  - **legal / licensing system**
  - **resource management policy**
  - **R&D and industrial development**

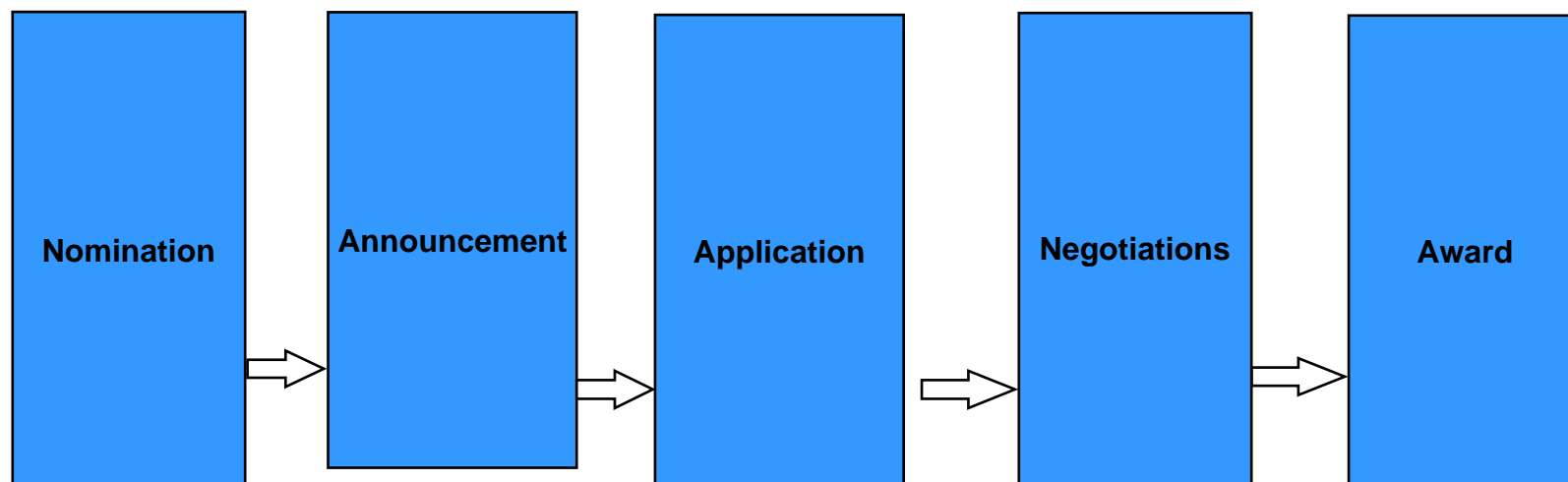


# Key principles of the Norwegian resource management system

- Predictability, transparency and stability
- Clarity of the state's different roles (resource owner, regulator and shareholders)
- Striking the right balance between attracting international E&P companies and building domestic industry
- Sustainable development

# The Norwegian licensing system

- The licensing system is a discretionary system where a group of companies get an exclusive right for exploration for petroleum.
- The licensees share risks, costs and profit according to their share in the block.



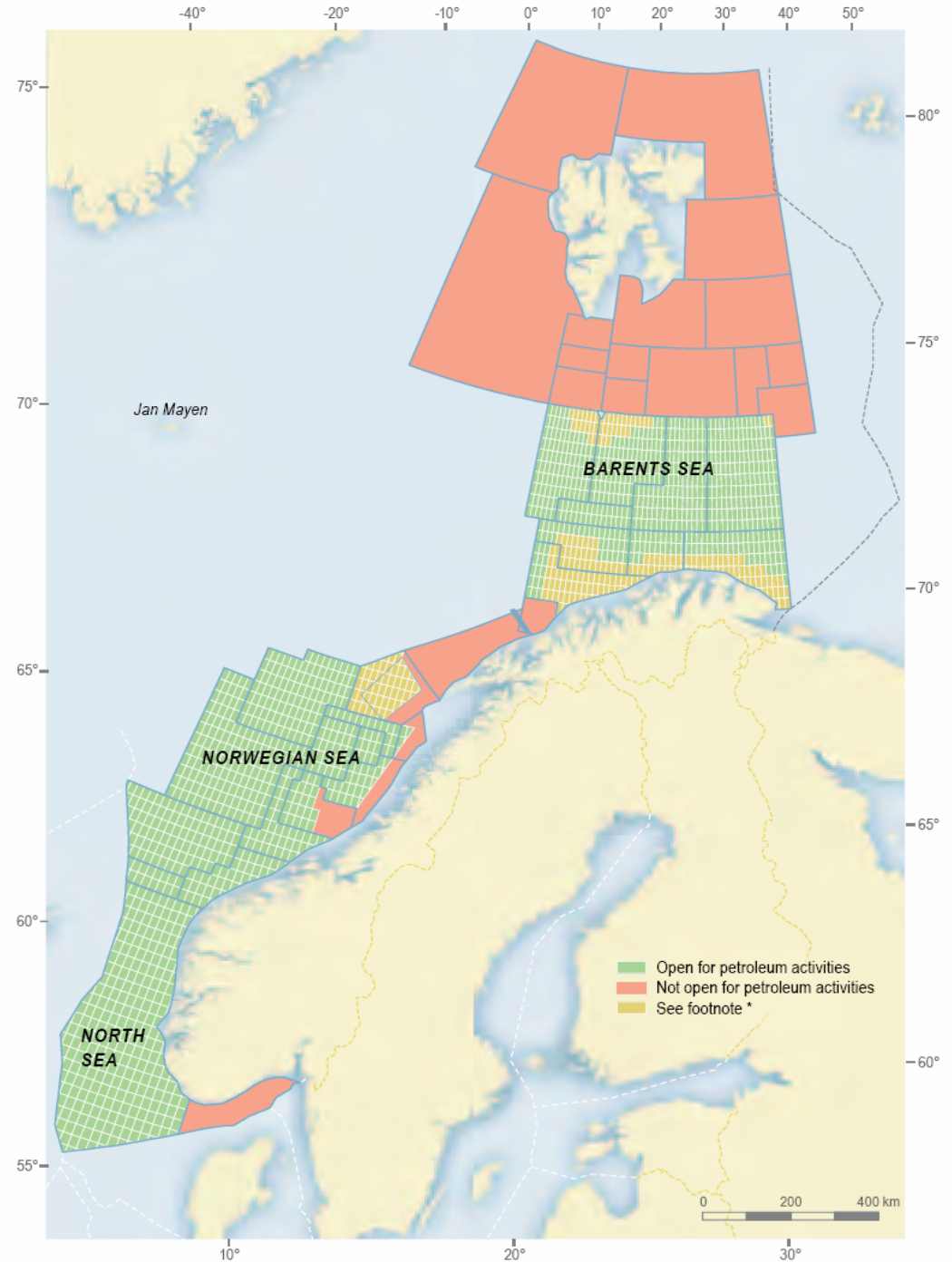


# Licensing system

## results

Gradual opening up and development from the south to the north since 1965

19. concession rounds + 4 rounds of APA



# Resource management – depletion policy

- Depletion and development policy to secure optimal management of the natural resources
- Approval from authorities required at all stages of the petroleum activity – to ensure the values are maximized (ex. plans for development/investments)
- Issue production permits
- Approval of abandonment plans





# Petroleum Research and Technology



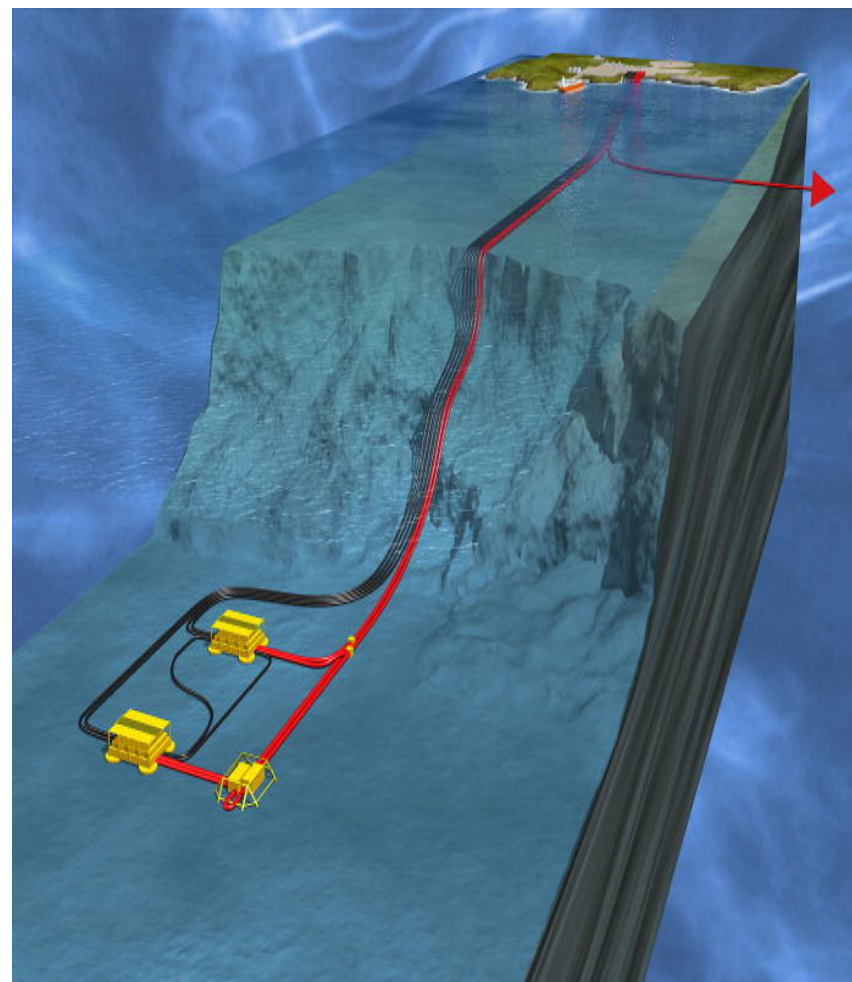
PETROMAKS

 The Research Council of Norway  
Basic research and  
development

DEMO  
2000

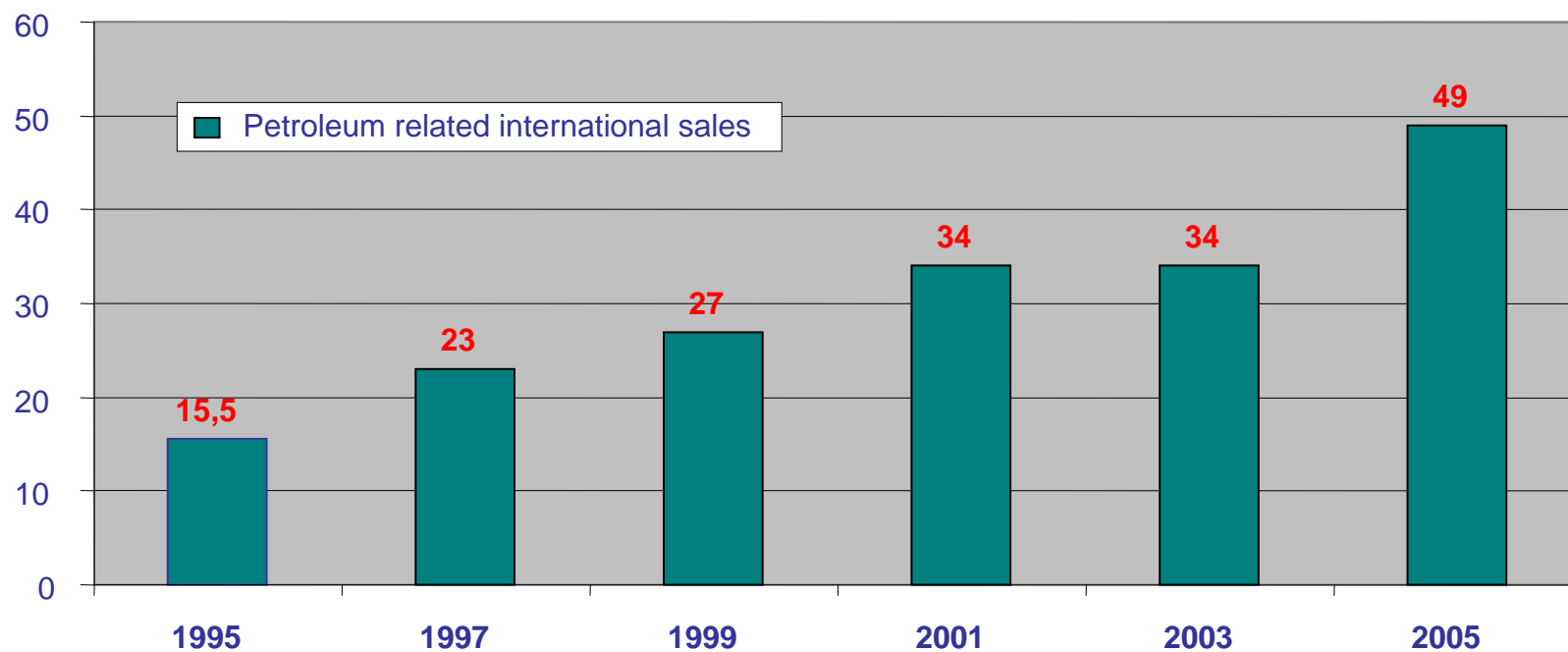
 The Research Council of Norway  
Demonstration and pilot

# Technology development: Snøhvit and Ormen Lange



# Norwegian industry – competent and competitive

International sales (billion NOK)



Source: SNF.  
There is relative large uncertainty attached to the estimates for 1997, 1999 and 2001 because of low response rate

# Merger and internationalisation

a merged company

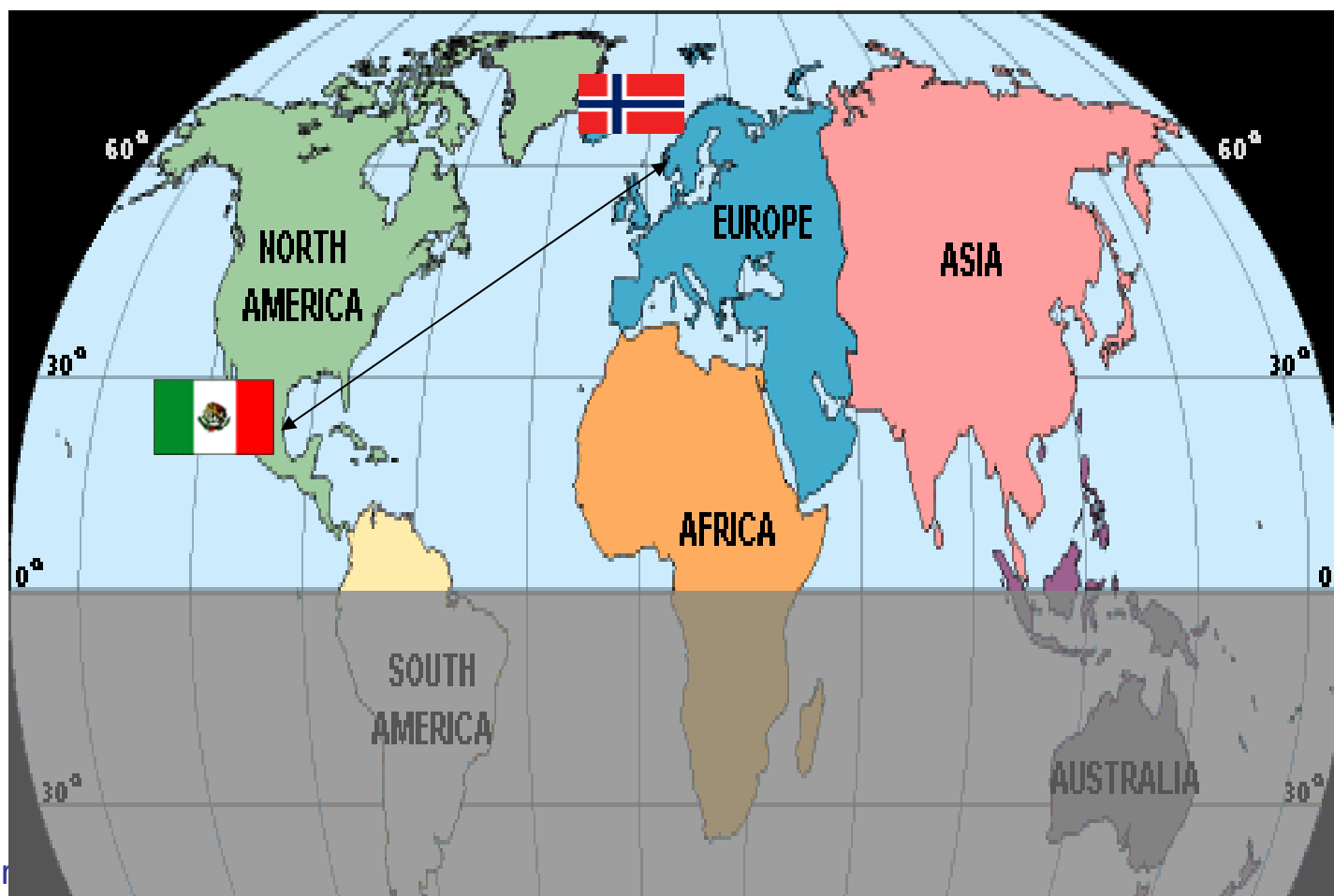


HYDRO



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# Industry cooperation between Mexico and Norway





**Thank you for your attention**