

STATSMINISTER ODVAR NORDLI'S BESØK I USA

LUNJTALE I HOUSTON 14. JUNI 1979.

- 1 -

Ladies and gentlemen, friends.

May I first of all thank you for the kind words of welcome that you have just addressed to my delegation and myself. I would like to add in this connection that Texas is well known for its hospitality and I can assure you that we have greatly appreciated the very warm reception we have been given in Houston.

The relations between Norway and Texas were established many, many years ago, when Texas was still an independent State, while Norway, was not. I know that a Norwegian settlement was established a little to the east

of Houston already in 1845. Later, the well-known Norwegian pioneer emigrant Cleng Peerson, who organized the first group of emigrants from Norway, moved to Texas and established his colony in Bosque county in 1850. I have been told that Bosque county is a beautiful place and that when you visit the old redbrick church and the graveyard you will find the inscription of Cleng Peerson on a small memorial. If you look closer, more than half of the markstones of the graveyard bear Norwegian inscriptions and names.

I know that the early emigrants found Texas a good place to live. Many of them were farmers, and farmland was as plentiful in Texas as it was scarce in Norway. The Norwegian immigrants adopted the customs, habits and language that characterize a person not only as an American,

but as a Texan. The differences between Norway and Texas are many and apparent, but there may be some similarities. The environment has an impact on man. Perhaps the common experience of struggling with the elements and the nature is one reason why Texans and Norwegians go well together and understand each other easily.

Norway and Texas today have a common interest, I would say a keen interest, in everything connected with exploration and exploitation of oil. While Texas is nearly the birthplace of the oil industry, Norway did not enter the oil-age until a decade ago. Most of you are aware of the activities taking place on the Norwegian continental shelf.

Our common interest has created new strong ties between Norway and Texas. Many Americans visit the oil-city of Stavanger in Norway, and you have received many Norwegian delegations in Houston. Maybe oil has put ideas in our heads. But it sure is useful to test one's ideas with the people who have the experience.

The Norwegian continental shelf is by far the largest in Europe. So far, we have only started exploration and production in an area covering 20% of the shelf. In an area covering less than 5% of the total continental shelf we have found oil and gas which far exceed our own domestic needs.

As regards our petroleum policy, the Government plays an important role working out the rules and regulations and at the same time controlling all phases of the petroleum activity on the shelf. Within this framework both private and national enterprises are engaged in exploration, development and production.

We feel that the extraction of oil and gas should be kept at a moderate level. An unrestricted production could have undesirable effects. For one thing, it might upset our present economic structure. Secondly, we should avoid exhausting these natural resources in course of a few years. We have therefore decided that the resources should be

developed at a moderate pace. As an illustration of a moderate production the level 1,8 million barrels per day of oil equivalents has been indicated. This is about 10 times our present domestic requirements which illustrates our intention to cooperate with other countries in the energy field.

This year production will be about 800.000 barrels per day of oil equivalents, a production that will increase to 1,2 million barrels per day in two years' time. This production level will be kept throughout most of 1980's unless new discoveries are put into production.

I take it that you will understand that the development of our oil-resources has been a great challenge to the Norwegian society. Without the assistance of foreign

oil companies this development could not have taken place. I would like to make a reference to the fact that one US oil-company, Phillips Petroleum Company, has been a driving force in the development of the Ekofisk-project, which is a major producing area in the North Sea. Both American and other foreign companies are important partners in the development of new promising oil and gas fields, for example the giant Statfjord-field, where Mobil is the operator.

Many foreign oil companies have expressed their interest for further participation on the continental shelf. A short time ago our Ministry of Petroleum and Energy concluded the first part of the so-called fourth concession round for which foreign companies had filed many applications.

When we decided about concession rights, we took into consideration, apart from technical and financial strength and experience, the extent to which companies had been willing to enter into joint projects with Norwegian enterprises.

So far, the oil and gas exploration and production has been confined to areas south of the 62nd parallel. We are now prepared to open up two new areas on the northern part of the continental shelf for exploratory drillings next year. I must say that we consider the possibilities for oil and gas discoveries in these areas to be fairly good.

The petroleum has created new opportunities for Norway's economy and the Norwegian society. The new resources have made it possible for the government to

maintain a high level of employment in a period with very high unemployment trends in other countries.

I would like to use this opportunity to emphasize that Norway has an interest in common both with the petroleum exporting countries and the industrialized petroleum importing countries. With our high degree of dependence on the economy of the rest of Europe, we cannot be led by price considerations alone. We hope that our special position might make it possible for us to contribute actively to a better understanding and a broader cooperation between the consumers and the producers.

Closely tied to the developments on the continental

shelf, has been the rapid advance of off-shore technology in Norwegian industry. This is not surprising, considering that Norway has the worlds fifth largest merchant marine and vast maritime experience. I think it is fair to say that today, only a few years after the first major discovery off-shore, our industry can offer an almost complete package of engineering, construction, maintenance and management services in the petroleum field. With experience gained from the challenging conditions on the Norwegian continental shelf, the Norwegian companies in the off-shore industry are looking for world-wide markets for their know-how, products and services.

As regards the production fields in the North Sea like Ekofisk, Frigg and Statfjord enormous constructions have

been engineered and designed, and then built as some of the largest man-made structures ever produced. Some of them are already secured to the seabed and in operation, others are under construction.

As you know, pipelines are now crisscrossing the Norwegian and international seabed bringing oil to Great Britain and gas to both Great Britain and Western Germany. More pipelines and trunklines may be laid in the future. The laying of pipelines, digging them into the seabed, servicing them and controlling them are other special tasks which to some extent are mastered by Norwegian enterprises.

The petroleum resources also **form** the basis for down-stream activities in Norway. We are now completing a modern petro-chemical complex based on NGL from Ekofisk as raw-material. In other words, we have an interesting spin-off from the petroleum resources. Oil and gas have added to our industrial image abroad. By offering participation in the North Sea activities, it is possible to incite non-Norwegian industries to cooperation with Norwegian industries.

And, the oil has led us to Houston. For a number of years Norwegian enterprises and firms have presented their products and services at the yearly Offshore Technology Conferences. Many of the manufacturers have become quite familiar with the city and its oil environment.

There is one impression I would hope to leave with you today, and that is, that Norway, in spite of being tucked away in the northern-most corner of the world, is a modern, fully industrialized country with a number of interesting industries, many of which can offer highly advanced and sophisticated products. We are striving to earn a reputation for being small but good.

Thank you very much for your attention, ladies and gentlemen.