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Summary

PETROLEUM RESOURCES

Petroleum resources in the order of 9.6 bn scm oe have been discovered on the Norwegian continental shelf (NCS). This figure includes an expected adjustment of about one bn scm oe to the recovery levels from fields and discoveries.

Of the total, 76 per cent has been proven in the North Sea, 20 per cent in the Norwegian Sea and four per cent in the Barents Sea. Production to 31 December 1998 totalled 2.7 bn scm oe. In addition, about 3.7 bn scm oe is expected to be found through further exploration. This gives a total resource estimate of 13.2 bn scm oe.

At 31 December 1999, remaining reserves on the NCS totalled 1.5 bn scm of oil, 1.2 bn scm oe gas and 0.2 bn scm oe of NGL/condensate. The net increment in remaining discovered petroleum resources from 1998 to 1999 was about 90 mill scm oe.

EXPLORATION

Twenty-eight exploration wells, including 18 wildcats and 10 for appraisal, were completed or temporarily abandoned on the NCS in 1999. Of these, 15 were in the North Sea and 13 in the Norwegian Sea. By 31 December 1999, 967 exploration wells had been completed or temporarily abandoned off Norway, including 621 wildcats and 346 for appraisal. Oil or gas were discovered in five of the 18 wildcats in 1999. Discoveries totalled some 45-60 mill scm of oil and 45-75 bn scm of gas.

DEVELOPMENT

Government approval was given in 1999 for the Tune, Borg and Sygna developments. Investment in exploration, field development and pipeline transport totalled about NOK 67 bn in 1998.

OIL AND GAS PRODUCTION

Norwegian offshore petroleum production in 1999 totalled 227 scm oe, including 168.6 mill scm oe of oil (2.9 mill barrels per day), 45.4 mill scm oe of gas and 12.9 mill scm oe of NGL/condensate.

Oil and gas production was roughly on a par with 1998, while NGL/condensate sales rose by 19 per cent. The Balder, Gullfaks South, Jotun, Oseberg East, Visund and Åsgard projects came on stream during 1999. At present rates of production, Norway's remaining discovered oil resources – including improved recovery measures – will last for about 17 years. The equivalent figure for gas is roughly 93 years.

PROCEEDS FROM OIL AND GAS SALES

The estimated value of Norwegian petroleum exports in 1999 was NOK 168 bn, or about 36 per cent of the country's total earnings from foreign sales. Petroleum production and pipeline transport accounted for 14.6 per cent of Norway's gross domestic product.

Net government revenues from taxes and royalties on petroleum operations (excluding the state's direct financial interest – SDFI – in the petroleum business) is put at NOK 19.2 bn. Net revenues from the SDFI amounted to NOK 26 bn. These two figures add up to about 10 per cent of overall government revenues. Investment associated with the SDFI came to roughly NOK 30 bn in 1999.