

# RESOURCE REPORT 2017

## Big opportunities

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Significant value remains to be extracted from the Norwegian continental shelf (NCS). Overall resources, including the estimate for those as yet undiscovered, have increased by more than 40 per cent since 1990. In fact, proven resources are now larger than the expected total in 1990 and much still remains to be discovered. To extract all the value, the industry must collaborate on utilising existing infrastructure and adopt available technology.

The Norwegian Petroleum Directorate (NPD) plays an important role in communicating facts about and knowledge of Norway's petroleum sector. This report has been prepared on the basis of the NPD's unique fact base and integrated perspective to highlight the competitiveness of the NCS. It identifies the big remaining resources in discoveries and fields, and the opportunities these offer for a continued high level of value creation to the benefit of society over many years to come.

### **Long-term perspective**

The downturn currently being experienced by the industry has encouraged increased awareness of costs and more efficient operation. Over the past couple of years, the NPD has registered a shift in company behaviour towards greater short-term thinking in its decisions. It is nevertheless important that the companies continue to take a long-term approach to their work on the NCS.

They must think beyond their own production licences, take an integrated view of a wider area and collaborate more across licence and company boundaries

### **Large resources expected to be produced**

The discovery portfolio at 31 December 2016 contained 77 discoveries with combined resources of 700 million scm oe. In addition, almost 850 million scm oe could be produced through improved recovery. That corresponds to total output from the Statfjord field since it came on stream in 1979. This assumes that the companies take investment decisions on projects already identified

### **New technology could yield extra volumes**

On top of this, the NPD has identified a technical potential for substantial quantities of oil and gas. These could be accessed by adopting enhanced oil recovery (EOR) methods and taking

opportunities for efficient production of tight reservoirs. Such petroleum would not be produced under current plans, but could be recovered by applying new technology.

In addition come 145 discoveries where recovery is regarded as unlikely. But the possibility cannot be excluded that some of these might be developed if infrastructure and technology change.

The industry needs to seize its opportunity. Meanwhile, the government will accept its share of the responsibility by applying pressure and following up the companies in order to contribute to good solutions.

### **Cultivate specialists – take the lead**

The government expects all resources which can create value for society to be produced, not simply the “easy barrels”. That requires the industry to maintain strong specialist teams and to develop and apply new technological advances.

Norway’s petroleum industry has been a global front-runner in developing offshore technology. Its technological achievements reflect a petroleum cluster founded on mutual trust and close collaboration, with ambitious engineers and visionary leaders who have displayed great stamina.

The NCS has been a laboratory for testing new technology. Norway must now become a front-runner in adopting the solutions which have been developed. The country has a strong offshore technology community. It needs to ensure that this is also maintained in the future

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