

## UK-NORWAY NORTH SEA CO-OPERATION WORK GROUP

Work Group	
UK	Norway
Iain Todd, DTI Scott Urban, BP Tom Botts, Shell Sir Ian Wood, Wood Group	Gunnar Gjerde, MPE Johan Nic Vold, Shell Henrik Carlsen, Statoil Sverre Skogen, Aker

Support Group	
UK	Norway
Angela Latta, DTI (Secretary) Andrew Hogg, BP Fiona MacLeod, Shell Bill Murray, Amec	Erik Johnsen, MPE Erik Talleraas, Shell Svein Roar Engelsen, Statoil Kjell Erik Drevdal, Prosafe

### Cross Border Transportation & Infrastructure

#### Sponsors

Scott Urban, BP  
Johan Nic Vold, Shell

#### Lead

UK: Simon Bennett, BP  
N: Erik Talleraas, Shell

### UK / Norway Operational Synergies

#### Sponsors

Henrik Carlsen, Statoil  
Tom Botts, Shell

#### Lead

UK: Mark Carne, Shell  
N: Svein Roar Engelsen, Statoil

### Mutual Open Market Access for Contractors and Suppliers

#### Sponsors

Sir Ian Wood, Wood Group  
Sverre Skogen, Aker

#### Lead

UK: Bill Murray, Amec  
N: Kjell Erik Drevdal, Prosafe

### PILOT / KON-KRAFT Experience and Information Exchange

#### Sponsors

Gunnar Gjerde, MPE  
Iain Todd, DTI

#### Lead

UK: Angela Latta, DTI  
N: Kjell Arne Oppeboen, KON-KRAFT

## NEXT STEPS

Look out for a number of events promoting further UK-Norway Co-operation:

### August 2002

Report Launch by Brian Wilson, UK Minister for Energy and Construction and Einar Steensnaes, Minister for Petroleum and Energy, at the Offshore North Seas Conference, Stavanger.

### September 2002

Energy Breakfast Events in the UK and Norway  
Safety Trading Seminar

### November 2002

Anglo- Norway Conference, London, 28 and 29th November 2002.

### 2003

Framework Treaty and Industry Guidelines  
UK and Norway Share Fairs

**The report and full details of other activities can be found on the following websites:**

[www.pilottaskforce.co.uk](http://www.pilottaskforce.co.uk)   [www.oed.dep.no](http://www.oed.dep.no)

**For further information please contact:**

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**KON-KRAFT**

# Unlocking Value *Through* Closer Relationships

**Report of the  
UK-Norway  
North Sea Co-operation  
Workgroup**



## UK AND NORWAY WORKING TOGETHER

The nature and structure of business in the global oil and gas marketplace is changing. Partnerships and alliances are becoming increasingly more important and never more so than in the challenging environment of the North Sea.

Historically, the UK and Norwegian oil and gas industries have largely evolved as two independent systems. Although both systems are now well established, there remains significant potential for unlocking value through increased co-operation.

**The UK-Norway North Sea Co-operation Workgroup was established to meet these challenges and work to:**

Enhance commercial co-operation between UK and Norway on all aspects of the oil and gas industry by:

- Developing a greater level of understanding at government, industry and contractor level of how cross-border co-operation can enable the optimum development of the North Sea in the near term;
- Improved understanding of any barriers acting to inhibit the optimum development of the UK-Norway North Sea in the near term; and by
- Making practical recommendations to address any such barriers, including the sponsorship of joint activities

***"Our ultimate vision is to promote safe, timely, economic and sustainable development of oil and gas resources across the North Sea."***

Through this work we are creating the framework to enhance the efficient operation of the market between our two countries. The benefits will be to promote the development of new reserves, enhance the life of existing developments as well as ensure optimal use of new and existing infrastructure.

### Workgroup Focus Areas:

Drawing widely on the advice and expertise from across the Industry and Governments in both countries the Workgroup jointly looked at the key issues and barriers in the areas of:

- Transportation and Infrastructure
- Operational Synergies
- Mutual Open Market Access
- PILOT and KON-KRAFT Liaison

**The Workgroup has identified that closer co-operation will bring new value through saved capital, operating and decommissioning costs and accelerated developments of as much as \$2 billion**

## SUMMARY of WORKGROUP RECOMMENDATIONS

RECOMMENDATIONS
<b>R1)</b> Governments and Industry to maintain the good relations created during the course of this work and maintain the momentum in progressing the agreed recommendations in this report; PILOT and KON-KRAFT will establish an implementation group and continue to share good practice and experience in areas such as maximising recovery, economic analysis, technology, and skills.
<b>R2)</b> Formalise and deepen co-operation between PILOT and OLF safety groups to facilitate improvements in safety.
<b>R3)</b> Governments to support freedom of movement of all hydrocarbons across the median line, to maximize value creation on the principle of best available commercial solution.
<b>R4)</b> Create a new Framework Treaty within the timeframe required to facilitate cross-border opportunities which recognize Norway's supply and UK demand-side drivers.
<b>R5)</b> In parallel with the new Treaty, create a set of guidelines, which will set out in practice how the articles of both the new and existing Treaties will apply.
<b>R6)</b> Assess the impact of the UK fiscal regime on the competitiveness of infrastructure systems in promoting optimal hydrocarbon resource development.
<b>R7)</b> Industry to promote the required investment in the National Transmission System, particularly the connection from St Fergus, to ensure sufficient capacity and to reduce the uncertainty of cost and availability of NTS capacity. This will provide greater confidence for Norwegian producers and benefit UK security of supply.
<b>R8)</b> Promote the need for improved compatibility of UK, Norwegian and continental gas sales specifications by dialogue between respective Ministries and stakeholders.
<b>R9)</b> Establish a mechanism to manage efficiently the UK and Norwegian environmental impact assessment and approval processes as they affect cross-border developments.
<b>R10)</b> Expand the range of opportunities available to the UK and Norway Supply Chains through delivering Mutual Share Fairs, cross-border business to business mentoring and seminars.
<b>R11)</b> Assess the need for a common Code of Practice for access to cross-border (non-regulated) infrastructure, based on the principles of the existing UK and Norwegian codes.
<b>R12)</b> Simplify the processes to give mutual access to the UK and Norwegian markets by creating guidelines to advise the Supply Chain on regulatory compliance.
<b>R13)</b> Work to improve mutual open market access across the North Sea by creating a single pre-qualification system for UK and Norwegian contracts and an integrated business directory of suppliers for the UK and Norway.
<b>R14)</b> Assess the practicalities around realising the benefits of cross-border sharing of standby vessels and ground aviation facilities.

Importance as an opportunity to deepen cross-border co-operation.

High

Medium

Low