

**Joint Statement by the British Prime Minister David Cameron  
and Norwegian Prime Minister Jens Stoltenberg**

**NORWAY AND THE UNITED KINGDOM:  
ENERGY PARTNERSHIP FOR SUSTAINABLE GROWTH**

7 June 2012

Oslo, Norway

The strong bilateral relationship between Norway and the United Kingdom is vital for our energy security and green growth. We have worked closely with business to create durable energy solutions for the future of the North Sea region to underpin sustainable economic development and prosperity of our citizens. We will establish a **Business Advisory Group** to support work of our officials and ministers to deliver our shared North Sea vision.<sup>i</sup>

In January 2011, we agreed on **energy and climate change priorities**, including safe oil and gas extraction and supply, offshore wind, Carbon Capture and Storage (CCS), development of a North Sea power grid and UK-Norway electricity interconnection. Since then, we have achieved excellent results on these priorities.<sup>ii</sup>

We look forward to the conference on the achievements and future priorities of the UK-Norway energy partnership, to be held at London's Royal Geographical Society in September, with the participation of representatives of our two governments and the British and Norwegian energy industries, as well as the academic community and the media.

Petroleum exploration on the Norwegian and UK Continental Shelves will continue to provide substantial energy supplies for the coming decades. We recognise the mutual interest of British and Norwegian companies in **oil and gas** exploration on both Shelves, with the latest licensing rounds attracting unprecedented levels of interest and offering significant opportunities. We note the development of technology to improve hydrocarbon recovery from mature fields and to enable sustainable development of **Arctic energy**. This is a great opportunity for the supply chain, and is based on the safest national environmental regulatory regimes in the world.

**Natural gas** has a vital role to play in the UK's future energy mix, and Norway will continue to be a trusted, reliable supplier. The UK government will continue to actively support industry in agreeing new and enhanced long-term gas supply contracts, building on the £13bn long term supply contract signed between Centrica and Statoil in 10 Downing Street in November 2011, equivalent to 5% of annual UK gas demand.

We recognise the importance of such contracts in underpinning enhanced investments in pipeline and liquefied natural gas capacity, which diversify gas supplies and improve energy security. The UK is currently developing a gas generation strategy, setting out the role for gas-fired power in delivering a secure and affordable route to a low-carbon economy. CCS will enable gas to provide substantial electricity consistent with our climate change agenda.<sup>iii</sup>

We will promote **green growth** by developing policies to encourage clean energy technologies and projects. The UK's Electricity Market Reform will create an enduring framework for investment in the UK with over £200bn in energy project opportunities. Similarly, Norwegian policies are creating new commercial opportunities for companies, particularly in the High North. The Norwegian-Swedish Green Certificate Scheme also offers incentives for British investors in renewable energy.

The UK is a leading world hub for **offshore wind**, and we are looking forward to the September opening of the Sheringham Shoal wind farm – 100% financed by Norwegian companies. We are committed to developing the Dogger Bank – the world’s largest offshore wind project with huge potential to drive business and technology development across the supply chain in our two countries.

It is a high priority for both our governments to support the development of **electricity interconnection**. This linkage will enable us to share renewable resources (hydro in Norway; wind in the UK) and thereby help us meet to our ambitious climate change targets. Interconnection will also deliver valuable benefits for society by supporting mutual security and flexibility of energy supply and by contributing to greater integration of the European electricity grid.

We are committed to bringing forward a diverse, low carbon energy mix to ensure energy security and meet our **climate change** targets in a sustainable way. The UK and Norway will work together to build on outcomes of the Rio+20 Conference, including further development of the Energy+ Initiative to increase clean energy access for developing countries. We will continue to coordinate our diplomatic initiatives and work for a successful COP18 in Doha. We look forward to completing the design of the Green Climate Fund to provide long-term finance for developing countries to make low-carbon transitions and adapt to climate change.

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<sup>i</sup> The informal Business Advisory Group will enable further dialogue around the Norwegian and UK Government energy and climate change priorities, agreed by the Prime Ministers and elaborated by the Energy Ministers in the One North Sea Joint Ministerial Statement of October 2011. The UK and Norway have also established a cross-departmental Senior Officials’ Dialogue to ensure progress on the priorities. The Business Advisory Group will contribute to the work of officials and ministers to deliver our shared North Sea vision for sustainable growth and energy security.

<sup>ii</sup> Results:

We have increased our gas supply and demand relationship, with a £14 billion 10 year deal signed between Centrica, owners of British Gas, and Statoil in November 2011 and a 10 year contract agreed in June 2011 for Statoil to supply SSE with 5 billion cubic metres of gas and investment in gas storage at Aldborough. Both deals strengthen energy security by guaranteeing long-term supply from Norway to the UK.

Statoil and Centrica have agreed a new strategic partnership to strengthen collaboration in gas exploration and supply. This builds on the 10 year deal agreed between the two companies in 10 Downing Street last November, providing UK consumers with secure, low-cost gas supplies from Norway equivalent to 5% of current gas demand.

Statoil will invest a further £12 billion over the lifetime of the UK's Mariner-Bressay North Sea oil fields, in addition to the £6 billion they have already announced. This massive investment will create 800-1,000 new jobs in the UK, including 200-300 jobs at a new operations centre in Aberdeen.

Oslo-based oil services group Aker Solutions are expanding their presence in the UK by creating 1,300 new jobs in London in addition to 1,000 new jobs it has already created in the UK over the past two years.

The Norwegian Government awarded production licenses for mature areas in the North Sea, Norwegian and Barents Sea to Shell, Centrica, Dana Petroleum and Premier Oil in January 2012. There was extraordinary industry interest in the UK's 27th licensing round with a record number of applications in May 2012, which confirms the UK Continental Shelf remains an attractive place to invest.

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BP has invested about £10bn gross on the Norwegian Continental Shelf over the past 5 years and plan further investments in the coming decade. One of the upcoming projects is the Greater Valhall programme at about £2.5bn gross.

Shell and Gassco reached a deal in April 2012 that strengthens UK energy security of supply by providing British customers with more gas from Norway. By making better use of spare capacity in the UK gas transport system, Norwegian gas owners and transporters, including Shell, will be able to transport more gas from Norwegian fields via the Tampen Link to the FLAGS pipeline into St Fergus.

Norway's Statoil and Statkraft, together with their partners in the Forewind Consortium, the UK's SSE and RWE Innogy from Germany, have reaffirmed their ambition to develop the 9GW Dogger Bank offshore wind energy project. Potentially up to 13GW this project, if fully developed, Dogger Bank could require a total investment in the order of £30 billion. It will be one of the largest energy generation projects in the world with the potential to create many thousands of jobs and provide more than 10 percent of UK electricity needs.

Statoil and Statkraft are co-owners of the 317MW Sheringham Shoal offshore wind farm, which is already generating power and will be completed in September 2012. It will provide power to 220,000 UK homes when fully operational. This £1bn Norwegian investment involved 500 workers in the field during peak construction and it provides significant secondary employment related to the construction of the local base, transport services, accommodation, etc.

Two projects are in development to build the world's longest subsea electricity interconnectors between the UK and Norway. A seabed survey is underway for one of these. Combined value of the projects is well over £2bn.

Norway has opened the world's largest facility for testing CCS technology in Mongstad, and the UK has launched its new comprehensive CCS programme to enable cost-competitive CCS in the 2020s.

<sup>iii</sup> The UK and Norway are committed to the further development and deployment of CCS technology, as demonstrated by the recent opening of a CO<sub>2</sub> technology centre at Mongstad and the UK's newly launched CCS competition, which has £1 billion of upfront capital funding available, together with additional support through UK Electricity Market Reforms. We will continue to work closely together to drive forward CCS development in Europe and beyond. We will deliver the pledges we have made as part of the Clean Energy Ministerial process, including through the provision of £60m to support the development of institutional capacity and policies to accelerate the deployment of CCS in developing countries.