



The drill floor on *Ocean Vanguard*  
Photo: Øyvind Hagen/Statoil

# HIGHLIGHTS 2012

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## **ADDITIONAL VOLUMES IN EARLIER OIL FINDS**

Substantial discoveries were made in 2012, with hydrocarbons proven in seven wells representing a total recoverable volume of 470-580 million barrels of oil equivalent (boe). All the finds during the year were oil. The most positive exploration results were made in Geitungen adjacent to Johan Sverdrup, and by appraisal wells on the latter field as well as on Skrugard and Maria.

## **DEVELOPMENT OF JOHAN SVERDRUP**

Petoro worked to establish unitisation principles for Johan Sverdrup which will safeguard the government's interests in this field, extending as it does across several production licences with different sets of licensees. The company entered into a collaboration agreement with Det Norske Oljeselskap ASA, and secured earmarked funds for an extra commitment on Johan Sverdrup.

## **DRILLING AND WELLS IN MATURE AREAS**

Petoro's commitment during the year was directed at long-term development of the Gullfaks, Snorre and Heidrun oil fields to ensure the recovery of their resource potential within their producing lives. The partners on Gullfaks approved an overall further development plan for this area in June.

The commitment to Snorre focused on continued development of a new wellhead platform for the field, so that the licence can assess this option as well as a subsea installation up to the choice of concept in the summer of 2013. On Heidrun, Petoro developed an alternative field development plan which includes a new platform.

No sign can be seen of an improvement in the pace of drilling from fixed installations on the mature fields. During 2012, Petoro pressed for additional wells on Heidrun, assessed the use of a lightweight rig to supplement the existing drilling installation on Gullfaks, and evaluated opportunities for new platforms to secure a substantial increase in the drilling pace.

**INVOLVED OFF ICELAND**

The Norwegian government resolved in December 2012 to participate in two production licences on the Icelandic continental shelf (ICS). Through its newly established subsidiary, Petoro Iceland AS, Petoro will manage the Norwegian participatory interest of 25 per cent in both licences. The Icelandic subsidiary will have no employees, with all the work being done by Petoro under a management contract. The fact that the Norwegian regulatory model has also been chosen as the basis for the ICS will be a big advantage.

**MARKET DEVELOPMENTS**

Oil prices are expected to fluctuate considerably during 2013. They will be balanced by uncertainty on the supply side related to low reserve capacity and persisting unrest in the Middle East, as well as demand uncertainties related to global economic trends.

Norwegian gas sales hit a record at 38.5 billion cubic metres in the 2011 gas year. Structural changes in gas markets, increased supplies of liquefied natural gas (LNG) and weak demand have reduced gas prices compared with oil, and put pressure on prices in the long-term gas sales contracts. Viewed overall, great uncertainty prevails about the development of the balance between supply and demand in Europe. Statoil adopted a new gas sales model in 2012 which takes account of the most important structural changes in this market.

**GOOD HSE RESULTS, BUT DROPPED OBJECTS STILL A CHALLENGE**

Health, safety and environmental results for facilities in the portfolio were on a par with 2011. No fatal accidents occurred in the SDFI portfolio during 2012. Dropped objects and incidents related to mechanical handling continued to dominate the statistics.

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Heidrun  
Photo: Øyvind Hagen / Statoil