

Overview

The petroleum sector is still a key driver for the Norwegian economy. It is the country's single largest industry. The sector accounts for 15% of GDP, 26% of total investments, 20% of state revenues, and 40% of total exports. Norway is the world's 3rd largest exporter of natural gas, and the 10th largest exporter of oil. Indirectly, it has been estimated that the petroleum sector contributes around 250,000 jobs throughout Norway, but over the past year, around 30,000 jobs have been lost. Norway's oil production peaked in 2001 at 3.4 million barrels per day and has declined to the current level of around 1.9 million bpd.

Norway has had several significant oil and gas discoveries in the past few years, including the giant Johan Sverdrup field, which will require major investments and create new jobs in the industry. In May 2016, the Norwegian Ministry of Petroleum and Energy announced awards in the 23rd licensing round in frontier areas, awarding ten new licenses, consisting of 40 blocks in total.

Largest Oil Fields

- | | |
|------------------|---------------|
| • Aasta Hansteen | • Ekofisk |
| • Albatross | • Gudrun |
| • Asgard | • Frigg |
| • Askeladd | • Froy |
| • Balder | • Norne |
| • Bream | • Ormen Lange |
| • Brynhild | • Oseberg |
| • Dagny | • Knarr |

Oil & Gas Fields

Since production started in 1971, oil and gas have been produced from a total of 107 fields on the Norwegian shelf. At the end of 2017, 85 fields were in production: 66 in the North Sea, 17 in the Norwegian Sea and two in the Barents Sea. Five new fields started producing in 2017, while a further nine were still under development at the end of the year.

Many of the producing fields are ageing, but some of them still have substantial remaining reserves. Moreover, the resource base in these fields increases when small discoveries in the area are tied in to existing infrastructure.

Proven Hydrocarbon Reserves

6.61 MMBbl

Investment in Oil & Gas

\$18 Billion (2017)

Total Production of Oil and Condensate

1.58 MMBbl/day
(Feb - 2018)

Major Produced Crude Type

>10 types **37-40 ° API**

Fiscal Regime

A company involved in extractive (i.e., upstream) activities within the geographic areas described in Section 1 of the Norwegian Petroleum Tax Act is subject to a marginal tax rate of 78% (24% ordinary corporate income tax and 54% resource rent tax) on the net operating profits derived from its extractive activities. The area covered, generally, is the area within Norwegian territorial borders or on the Norwegian continental shelf (NCS).

The tax basis for calculating taxes on extractive activities is essentially the same as for ordinary taxes except for the treatment of interest costs and uplift allowances. Overall tax rates are as shown in the table below.

	Oil and gas companies (offshore tax regime)	Other companies (onshore tax regime)
Ordinary tax	24%	24%
Special tax	54%	None
Total tax	78%	24%

Transportation and extractive activities (including related activities) performed outside Norwegian territorial borders may be subject to Norwegian tax if the Norwegian authorities have the right to impose tax on these activities under international law or bilateral agreements.

Major Oil Companies

Equinor is the national oil company

BP is the largest foreign oil company