



LECTURE

Arve Johnsens lecture – transcribed:

So today I will reflect on actions, from actions to archives. We are being moved into the archives during the first 50 years. Towards the end of my presentation I will give you an indication of what is my opinion about what is going to happen over the remaining part of this century and way into the next one.

By combining politics, technology, geology and research we will be in this industry for generations. There were ten oil commandments or petroleum commandments made in 1971/1972 by a decision in the Norwegian Parliament. And the fifth commandment reads like this, and is often forgotten. It says that the Industrial committee would support that flaring of exploiter gas on the Norwegian Continental shelf must not be accepted except during brief periods of testing. No other petroleum nation globally has ever had such a commandment. And each time when we discuss climate and climate change and the attitude towards as clean production as possible we should include this commandment. It is there and it is going to be there for ever.

Now then, with these reflections and with the sea as the background, what is it that we can say for certain after these 50 years which we did not know anything about 50 years ago. Events and activities in the Norwegian petroleum sector over the last 50 years. They have for ever, underline forever, changed Norwegian lifestyle and the global role of the country.

Gradually the petroleum reserves are produced and transformed into petro-crowns (Norwegian currency) our new and everlasting, financial resource and wealth.

It is like this, you know. We talk about the earth – we should have been talking about the ocean. Two thirds of this globe is water. And what is the situation as per today as far as the Norwegian continental shelf is concerned. It is a fascinating picture. This area is six times as large as the land area. And we have been given the authority to have a look and develop this area for eternity. What kind of a nation! What kind of a perspective! And so far we have drilled in the southern parts, and all together some 1500 wells, 100 of them up in the Barents Sea, only 100. And we can only assume what is likely to happen when we have, let us say, hundred times two or hundred times ten. There will be further discoveries and further developments.



But the most important principle is that the right to these natural resources belongs to the state, it belongs to us. And then, on basis of that, there has been petroleum acts passed, the last one in 1996. And then we took the concessionary system related to waterfalls from 1917 and applied that to the continental shelf. That means that the ownership is never transferred, it is the right to explore and develop, transport and use for a limited time.

Now then, between 1969 when Ekofisk was made, and 1972, Norwegian authorities decided to establish a state owned company. I have always been for that. Because I believe, and I know, I know for certain, that national companies they are more interested in the interest of the country than any other countries' companies. We should have them, because we need competition. But you may see, and you have already seen that some companies withdraw from Norway continental shelf in our time because they don't find it profitable enough. Short term, but medium and long term, in my opinion, it is going to be the most profitable and stable place where to be.

Considerations for the environment have always been an integrated part of our petroleum activity. Emissions are regulated by the petroleum act, the CO2 tax act, and the special tax act. There is no place on this globe where the companies pay that much in form of taxes related to emissions as in Norway. And each ton or cubic metre produced here contains as far as emissions are concerned roughly 50 percent of the global average. And each time when someone says we have to sort of gradually phase out this activity, I say no thank you. If anything is going to be phased out, according to CO2-emissions it ought to be in this country as the least relevant place and the last country where to stop producing oil and gas. That is my opinion. And it is going to be that to my dying day.

Now then, by this description I wanted to tell you about the perspectives how, why and in which manner, did the Norwegian petroleum story evolve over these 50 years.

And the speed at which the technical, economic, social, environmental and political development has taken place within this industry has been exceptional. Nothing similar has ever before happened in Norwegian history. An important part of the work with these archives will be to be the collective memory that can give the future generations a good basis for relevant understanding of the facts.

In July 1969 Neil Armstrong landed on the moon with the space ship Apollo. And later that year Phillips Petroleum Company discovered oil and gas on the Norwegian continental shelf. When Neil Armstrong stepped down on the surface of the moon he said: "That is one small step for a man, one giant leap forward for mankind". When platform manager Ed Seaburn called Ed (Alfred) Crump in Stavanger 19. September 1969 he said (citation): "Please be seated." The answer from Crump was: "I now am sitting". Then came the following message: "Crump, I have oil all over the North Sea, but the well is under control and I have a number of samples that I will bring ashore."



In Norway, however, it was the start of an exceptional development that has led to an eternal wealth on more than 7000 billion Norwegian kroner in the petroleum fund as per today. If you take five million that we have. If you take 7 divided by 5, that is 1,4. Behind each of you here sitting here, there is a wealth fund of 1,4 million Norwegian kroner (appr. 150.000 euros). Behind every inhabitant, this is going to be administered long term for eternity.