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## State revenue from North Sea oil exceeded DKK 25 billion in 2012

Press Release:

**Declining oil and gas production meant lower revenue from North Sea activities. Large drop in energy consumption on the platforms and lowest CO<sub>2</sub> emissions in ten years.**

In 2012 the Danish state generated revenue of about DKK 25.2 billion from oil and gas production, equal to about 65 per cent of total profits from activities in the North Sea. This is a decline of about 15 per cent from 2011, when state revenue totalled DKK 30.3 billion. These figures appear from the DEA's annual report "[Denmark's Oil and Gas Production and Subsoil Use 2012](#)", which has just been published.

The fall in state revenue is partly attributable to the fact that production is declining as the Danish fields age. Thus, oil production decreased to 11.7 million m<sup>3</sup> last year, a 9 per cent drop on 2011, while sales gas production fell by about 14 per cent to 4.9 billion Nm<sup>3</sup> in 2012. Oil production has halved since production peaked in 2004.

Amounting to about USD 110 per barrel in 2012, the average oil price remained at the 2011 level. However, in terms of DKK, the oil price rose by slightly more than 11 per cent due to the higher dollar exchange rate.

Based on an oil price of USD 125 per barrel, total state revenue from North Sea production is estimated at DKK 24-30 billion per year for the next five years.

## **Denmark to remain a net exporter of oil through 2020**

On the basis of the forecasts presented in the report, Denmark is expected to remain a net exporter of oil through 2020, while gas production is estimated to exceed domestic gas consumption through 2025. This is three years longer than estimated one year ago and is due to the expected decline in future domestic gas consumption.

Hibonite-1, an exploration well drilled in 2012, resulted in a new oil discovery in the Danish sector of the North Sea. Thus, the success rate for wells drilled under the 6th Round licences remains high at 80 per cent.

The DEA is currently preparing a new licensing round in the western part of the North Sea. The aim is to open the 7th Round later this year, which may lead to new discoveries and maintain a high investment level on the Danish continental shelf.

## **New forecast and resource assessment in 2014**

With effect from this year, the DEA has adjusted the frequency for preparing forecasts. This means that in future the DEA will prepare a five-year forecast for the production of oil and natural gas every spring. Every other year, the DEA will prepare its assessment of Danish oil and gas resources and its long-term 20-year forecast. This year's report includes an updated five-year forecast from spring 2013 and an unchanged long-term forecast from autumn 2012. For more details, please see the [attached fact sheet](#).

## **Lowest CO<sub>2</sub> emissions in the past ten years**

In April 2012 the Minister for Climate, Energy and Building agreed on a new action plan for the period 2012-2014 with the Danish operators, aimed at reducing energy consumption offshore. A preliminary estimate shows that energy consumption was reduced by about 20 per cent in 2012, and the target for 2012 was thus achieved. The targeted efforts to reduce energy consumption on the North Sea installations brought the total CO<sub>2</sub> emissions down to about 1.7 million tons in 2012, the lowest level in the past ten years.

## **Drop in the number of work-related accidents**

In 2012 the DEA carried out a total of 40 inspections of installations in the North Sea and onshore, with the aim of ensuring high health and safety standards for the almost 3,000 people who have their workplace on North Sea installations. In 2012 the DEA registered 12 reports concerning work-related accidents on offshore installations and mobile accommodation units. The accident frequency - defined as the number of accidents per million working hours - has dropped by 70 per cent since 2004, and is far lower than the average accident frequency for all onshore industries.

The report “Denmark’s Oil and Gas Production and Subsoil Use 2012” is available at the DEA’s website [www.ens.dk](http://www.ens.dk). The report is available in a Danish and an English version. The report will not be published in a printed version.

See [key figures for oil and gas activities](#) in Denmark.

**Further information is available from:**

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[The DEA’s annual report “Denmark’s Oil and Gas Production and Subsoil Use 2012”](#)

[Fact sheet: The DEA’s forecasts](#)

[Key Figures for Oil and Gas Activities in Denmark](#)

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The Danish Energy Agency is responsible for tasks linked to energy production, supply and consumption, as well as Danish efforts to reduce carbon emissions. The Agency is also responsible for supporting the economical optimisation of utilities that in addition to energy includes water, waste and telecommunication.

We are also responsible for user conditions, supply obligation and telecommunication statistics, as well as water supply and waste management.

The Danish Energy Agency was established in 1976, and is an agency under the Ministry of Climate, Energy and Utilities.

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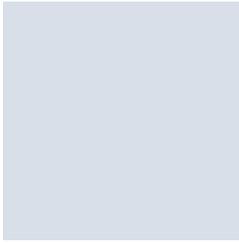
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