

Norway opens new Arctic zones to oil exploration

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Norway awarded Arctic drilling licenses to 13 oil companies Wednesday, including in a hitherto unexplored part of the Barents Sea, provoking condemnation from environmental groups.

It is the first time since 1994 that the country has opened a new sector to the oil industry, and comes as Norway's output has halved since 2000 and a collapse in crude prices has slashed state revenues.

Three of the 10 licenses, which consist of 40 blocks in total, are in the immediate vicinity of the maritime border with Russia, in an area that



the two countries long disputed before an accord was concluded in 2010.

The exploitation of two of them was awarded to state oil giant Statoil, and the third to another Norwegian group, Det Norske, with Russia's Lukoil taking a major stake.

"Today, we are opening a new chapter in the history of the Norwegian petroleum industry," Petroleum and Energy Minister Tord Lien said in statement.

"For the first time in 20 years, we offer new acreage for exploration. This will contribute to employment, growth and value creation in Norway. Northern Norway is now in the forefront of further developing the Norwegian petroleum industry."

Ice-free thanks to the Gulf Stream, the areas that are open for exploration, in particular those close to Russia, are considered promising, but the decision has upset environmental groups.

"We cannot risk another Deepwater Horizon in the Barents Sea," an area with a rich but fragile ecosystem, said Truls Gulowsen, the head of the Norwegian branch of Greenpeace.

The US government estimated that 4.9 million gallons of oil spilled from the seabed after the BP-leased Deepwater Horizon oil platform in the Gulf of Mexico suffered an explosion on April 20, 2010 that killed 11 people.

The spill is widely viewed as one of the worst environmental disasters in history

Gulowsen noted that at the COP21 climate change conference in Paris in December, "leaders from the whole world committed to maintaining the



rise in temperatures to under 1.5 degrees.

"If we want to achieve that objective we cannot look for oil and natural gas in the Arctic."

Among the other companies awarded licenses are Sweden's Lundin, which is represented in five of the 10 licences, US groups Chevron and ConocoPhillips and Britain's Centrica.

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