



The Danish state realized almost DKK 24 billion from North Sea production in 2010

Until 2015, the state is expected to generate annual revenue of DKK 23–30 billion from the North Sea.

State revenue from the North Sea activities totalled about DKK 23.7 billion in 2010. This is a decline of close to 4 per cent compared to revenue in 2009, partly due to lower oil production in 2010, which was not offset by a higher oil price. With an oil price of about USD 110/barrel, the Danish state can expect to generate revenue from the North Sea of DKK 23–30 billion in the years until 2015. This appears from the DEA's annual report "[Denmark's Oil and Gas Production and Subsoil Use 2010](#)", which has just been published. Based on the year of income, the Danish state received 61 per cent of total profits from oil and gas activities in the North Sea in 2010.

With a total production figure of 14.2 million m³, oil production in 2010 was down 6 per cent on the previous year. The production of sales gas also declined, decreasing by almost 3 per cent to 7.1 billion Nm³.

Although oil production has dropped by about one-third since 2004 and the production of sales gas by about 25 per cent since 2005, Denmark can expect to maintain its position as a net exporter of oil and natural gas for about ten more years. The DEA's updated 20-year forecast, based on assessed reserves and risk-weighted contingent resources, projects that Danish oil production will exceed estimated consumption through 2019. Similarly, the production of gas is expected to exceed domestic consumption through 2021.

Together with contributions from more efficient recovery methods, such as the injection of CO₂ in mature oil fields, new discoveries may help Denmark maintain its position as a net exporter of oil and gas for the next 20 years.

After almost 50 years of exploration in the Danish sector of the North Sea, new discoveries are still being made. In 2010, two exploration wells led to

new oil discoveries - Sara and Solsort. To stimulate exploration that may lead to further discoveries in the Danish sector of the North Sea, the Minister for Climate and Energy has asked the DEA to begin preparations for inviting applications for new licences. This work has been initiated, with the aim of inviting applications for unlicensed areas in 2013.

The action plan to improve the energy efficiency of oil and gas production that the Minister for Climate and Energy and the operators agreed on in April 2009 has proved a success. The amount of flaring was reduced by about 35 per cent from 2008 to 2009. If special circumstances on a few installations are disregarded, total flaring was further reduced by more than 25 per cent in 2010.

Only a few work-related accidents occur on the offshore installations. Therefore, even a small number of accidents may affect the trend from one year to another. However, viewed in a more long-term perspective, the efforts made by the operators in the Danish sector of the North Sea have had a significant positive impact on the accident frequency.

From 2002 to 2010, the accident frequency dropped from 9.15 to 2.28 accidents per million working hours. The number of accidental hydrocarbon gas releases has undergone a similar positive development. From 2004 to 2010, the total number of accidental releases fell from 36 to two, and, on this basis, the DEA concludes that the companies' efforts to reduce accidental hydrocarbon gas releases have been effective.

The DEA carried out 32 offshore inspections in 2010, of which three inspections were unannounced, viz. two on the fixed installations Dan E and Tyra West and one on Mærsk Reacher, a mobile unit. Three of the inspections were part of the extraordinary supervisory efforts initiated in the wake of the Deepwater Horizon incident in the Mexican Gulf on 20 April 2010. One immediate inspection was made to follow up on the lifting accident on the mobile unit ENSCO 71.

In addition to offshore inspections, the DEA carried out eight onshore inspections, primarily to review the companies' health and safety management systems. The companies' follow-up on the work-related accidents in 2010 is considered satisfactory, and the DEA did not observe any highly safety-critical conditions during its inspections. The report "[Denmark's Oil and Gas Production and Subsoil Use 2010](#)" is available at the DEA's website www.ens.dk. Supplementary articles dealing with oil and gas

activities in Denmark in 2010 have also been placed on the website.

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[Denmark's Oil and Gas Production and Subsoil Use 2010](#)



[Annex: Denmark's producing fields](#)

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