WRITTEN STATEMENT TO PARLIAMENT

JOHN HAYES MP: MINISTER OF STATE FOR ENERGY

25TH OCTOBER 2012

ANNOUNCING THE OFFER OF AWARDS IN THE 27TH OFFSHORE OIL AND GAS LICENSING ROUND

After thorough consideration of the applications made in the 27th offshore oil and gas licensing round, I am very pleased to be able to announce an initial tranche of offers of 167 production licences. The number of licence offers is a very good result for from this latest licensing round, continuing the trend in recent years of encouraging results.

This demonstrates the continuing attractiveness both of the United Kingdom Continental Shelf as an oil and gas producing province. Oil is a global business and the companies are deciding where to allocate their capital in a very competitive environment. The UK remains a favoured destination, with the industry clearly seeing lots of potential and new opportunities.

These new licences will help us to continue to make the most of our indigenous energy resources.

As required by the Habitats Directive, my officials have carried out a screening assessment of the blocks applied for. As a result, licences for 61 of those blocks, those which are close to, or in, certain Special Areas of Conservation (SACs) and Special Protection Areas (SPAs), will be subject to environmental assessments before any offer is made. The EU Habitats Directive requires that “appropriate assessments” be conducted where proposed activities are likely to have significant effects on any SACs and SPAs. The assessments will examine the implications for these protected nature conservation areas of awarding oil and gas licences, and will be subject to appropriate consultation, before any decision is made on whether to offer any of these blocks.

Details of the offers that have been made can be viewed on the DECC Oil and Gas website at www.og.decc.gov.uk