



ONE NORTH SEA

Joint Ministerial Statement on Climate Change and Energy Security

The Norwegian Minister for Petroleum and Energy and the UK Minister of State for Energy reaffirm their commitment to a strong partnership between the UK and Norway on energy and climate issues.

They set out a shared vision for our work in the North Sea and beyond which emphasises both the on-going importance of petroleum production and the need to maximise the use of our shared resources, and the importance of promoting low emission growth at home and abroad, including through renewables and carbon capture and storage (CCS).

Building on this close collaboration, the Ministers agree the following priorities for UK and Norway cooperation in the year ahead:

Overall Relationship

- Strengthen our cross-departmental approach to energy and climate issues by holding the next meeting of the <u>UK-Norway High Level Officials' Dialogue</u> in London during the second half of 2014.
- Share information on policy analysis and planning for our <u>long-term energy</u> <u>future</u> to 2050, given the need to meet our ambitious emissions reduction targets.

Oil and Gas

As neighbours linked by a common sea, the United Kingdom and Norway have long enjoyed strong economic ties underpinned by trade and investment in the oil and gas sector. Norway is by far the largest foreign supplier of oil and gas to the UK. Over the years Norway has proven to be a reliable natural gas supplier. We have developed numerous projects in the North Sea including the world's most sophisticated gas transportation network.

We remain fully committed to support industry in the future development of our oil and gas resources in the North Sea using the best technology available to manage emissions, protect the environment and maximise recovery of resources.

Natural gas has a crucial role to play in the future low-emissions energy mix. We share a common view of the benefits of gas including for long-term security of supply and lower emissions relative to other fossil fuels. Norwegian gas will continue to

cover a significant part of UK energy demand for many_years to come. A continuing major role for gas into the 2020s is consistent with UK emissions targets. Fossil fuels will continue to be an important part of the energy mix, thus it is vital to succeed with carbon capture and storage to create a decarbonised electricity sector. Norwegian gas could also help to manage intermittency from the growing UK renewable energy sector and could complement new nuclear build for base-load power. We agree to give priority to further develop the valuable relationship between Norway as gas supplier and the UK as an important gas consumer. Further priorities for joint oil and gas sector co-operation include:

- Exchange information and co-operate in <u>promoting Enhanced Oil Recovery</u> to maximise production from mature fields.
- Continue to support <u>co-operation between our gas system operators</u>, with particular regard to information-sharing mechanisms in the case of emergency gas supply disruptions.
- Pursue the <u>development of fields close to the median line</u> in the co-operative spirit laid down in agreements between our two countries.
- Work jointly with industry to explore barriers to the <u>use of existing</u>
 <u>infrastructure</u> whichever side of the median line it is located to help bring
 forward field developments in both countries and maximise resource recovery
 from the North Sea.

Renewables and interconnection

- Support continued close engagement with industry in order to <u>promote further</u> <u>investment in renewables projects</u> in the North Sea.
- Work together to encourage renewables scale-up in developing countries, including through <u>IRENA</u>, <u>REEP</u>, the continued development of the <u>Energy+</u> framework, and <u>bilateral projects</u> in India and South Africa.
- Support the efforts to develop <u>electricity interconnection</u> between the UK and Norway. This includes efforts to find a way, compatible with the internal energy market, to include interconnected capacity in the GB Capacity Market.
- Continue our co-operation within the <u>North Seas Countries' Offshore Grid</u> Initiative.

CCS

- Share information on our domestic CCS demonstration programmes.
- Take forward and further develop the work of the North Sea Basin Task Force.
- Continue to work through the Clean Energy Ministerial CCUS Action Group to address global barriers to CCS deployment and feed key messaging on CCS to energy ministers.

- Work together through the Carbon Sequestration Leadership Forum to maintain international ambition on CCS and effective use of the Capacity Building Fund to support CCS in developing countries.
- Work together through the 4 Kingdoms Initiative and shape the future direction of the Forum.

Multilateral energy fora

- Extend our officials' dialogue on enhancing our bilateral co-operation in the <u>IEA</u>, including on energy security, low carbon, outreach, and budget sustainability.
- Work together in international fora, including the <u>IEF and IEA</u>, to improve transparency in the international oil market to help ensure the world economy has secure access to the oil supplies it needs.
- Collaborate in the <u>EU/EEA</u> by exploring ways to collaborate to promote green growth in the region, following up on the low carbon initiative of the UK Nordic Baltic summit.

FOR THE

UK DEPARTMENT OF

ENERGY AND CLIMATE CHANGE

FOR THE

ROYAL NORWEGIAN MINISTRY

PETROLEUM AND ENERGY