https://www.og21.no/strategi-og-analyser/og21-strategien-2021/the-need-for-new-technology-to-improve-competitiveness/what-makes-an-oil-and-gas-province-competitive/?downloadChapter=true

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OG21 Strategy - A New Chapter

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What makes an oil and gas province competitive?

The prospect of attractive returns is fundamental for attracting investments. Traditionally Net Present Value (NPV) and similar economical metrics have been used to ass return of petroleum projects. If high commodity prices are expected/assumed, this may cause a drive for adding volumes as we saw from 2005 and until the oil price slu 2013. Enterprises in the petroleum industry reacted to the oil price fall by requiring robustness against low oil prices, putting more emphasis on reducing costs. New pro had to demonstrate low break-even prices, in terms of $/bbl, in addition to high NPV to become sanctioned.

The advent of shale oil in North America has highlighted the importance of yet another metric – the lead-time from investment decision to production. Motivated by the uncertainty about future oil prices and CO_2-costs, investors now are looking for faster returns in addition to high value (high NPV) and robustness (low break-even).

More recently investors and enterprises have become increasingly concerned about the carbon footprint of their investments and operations. This is partly driven by an expectation of rising CO_2-emission costs, and partly by stakeholders concerns for climate change and expectations for action.

A fundamental premise for operations is the acceptance in the society. This "license-to-operate" is fragile and is dependent upon the sector's ability to operate safely wi major accidents and spills, and the ability to deliver on a credible roadmap for the industry's role in the energy transition.

Going forward we therefore believe that the competitiveness of the NCS depends on the ability to find, develop and deliver cost-efficient resources faster and with lowe emissions.

The NCS competitiveness and the need for improvements is discussed over the next sub-sections for the following competitiveness contributors:

- Improved safety
- Reduction of GHG emissions
- Finding and maturing new resources (volumes)
- Attractive costs
- Lead times

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Meldinger ved utskriftstidspunkt 23. november 2026, kl. 00.51 CET

> Det ble ikke vist noen globale meldinger eller andre viktige meldinger da dette dokumentet ble skrevet ut.