



NOCO

Norwegian Oil Consortium A/S & Co.

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NOCO was established in 1965 and is owned by 19 Norwegian companies in industry, shipping and insurance.

NOCO participates in the Amoco/NOCO group, which is comprised of the American companies Amoco Norway Oil Company, Amerada Petroleum Corporation of Norway and Texas Eastern Norwegian, Inc., with Amoco as operator.

The group, which had originally been awarded concessions in 12 blocks, has retained its licenses in 5 blocks east of the Ekofisk area. Since 1968 the Amoco/NOCO group has drilled 25 wells, which has resulted in the discoveries of the Tor, South East Tor, Valhall and Hod fields.

TOR

The Tor field is located on the border between the Phillips group's block 2/4 and the Amoco/NOCO group's block 2/5. The field is part of the phase 3 development of the Ekofisk area, with Phillips as operator.

Drilling of production wells began early 1977 and production was started from the first four wells in June 1978. The oil is transported to Teesside for further shipment. When the NGL-facilities in Teesside become operative, the NGL is committed to Noretyl I.S. at Rafnes.

The gas is sold under a contract with the Ruhrgas group (Ruhrgas AG, N.V. Nederlandse Gasunie, Le Gaz de France and Distrigaz S.A.).

Recoverable reserves are estimated at about 180 million barrels oil and about 630 billion cu.ft. gas, of which NOCO's share is approximately 4%.

The Tor Platform, North Sea



SOUTH EAST TOR

The South East Tor field is too small for commercial development at the present time.

VALHALL/HOD

In 1976, the Amoco/NOCO group applied to the Ministry of Industry for an Export Licence for production from the Valhall and Hod fields based on deliveries through Norpipe's existing pipelines from Ekofisk to Emden (gas) and Teesside (oil). In this connection the group entered into a sales agreement for gas with the Phillips group as well as the necessary agreements with the Phillips group and Norpipe to secure the use of these companies' facilities for transportation and processing. In June, 1977, the Norwegian Storting approved the Amoco/NOCO group's plan for development and landing of production. Engineering began in August, 1977, after the Norwegian Petroleum Directorate approved the development concept. The first stage of the development comprises the central area of Valhall, where the proven recoverable reserves are approximately 240 million barrels oil and 800 billion cu.ft. gas. The plans call for the installation of three steel platforms — a living quarters platform, a drilling platform and a production platform. The platforms are scheduled to be installed on the field in 1979 and 1980. Production start is planned for 1981.

Production from the central area will be 5 million tons oil equivalents per year during the years of peak production in 1983 — 1986. Further drilling of Valhall and Hod is underway to evaluate the reserves outside the central area, for possible additional development.

FINANCING

NOCO has, thus far, spent approximately N.kr. 140 million on exploration activities through contributions from its participants.

To finance NOCO's 15% share of the Valhall development costs, NOCO has entered into a Heads of Agreement with the state owned Swedish company Svenska Petroleum AB for a \$100 million loan facility. The money will be raised on the international market on the basis of a Swedish government guarantee and made available to NOCO as a long term project loan. As

part of the agreement, NOCO's share of the crude oil from Tor and Valhall will be sold to Svenska Petroleum AB, which also will obtain a 10% interest in license 032 (block 2/9).

THE RELATIONSHIP NOCO/SAGA PETROLEUM

Interesting prospects still exists in the Amoco/NOCO license area, and the NOCO partners have continued their participation for new ventures through Saga Petroleum a.s. & co.

It was NOCO's Board of Directors which in 1972 took the initiative to establish Saga Petroleum. 18 of the NOCO owners are also participants in Saga Petroleum and, together, account for approximately 40% of Saga's ownership interests. NOCO and Saga are organized with their own Board of Directors and Presidents. Below this level, the companies have a joint organization.

PARTICIPANTS IN NOCO

A/S Akers mek. Verksted
Sig. Bergersen d.y. & Co.
Borregaard A.S
Elkem-Spigerverket a/s
A/S Ganger Rolf (Fred. Olsen & Co.)
A/S Kosmos
Kværner Brug A/S
A/S J. Ludwig Mowinckels Rederi
Aksjeselskapet Norcem
Norgas AS
Platou Incentive A/S
A/S Selvaagbygg
Smedvigs Tankrederi A/S
Forsikringsaksjeselskapet Storebrand
A/S Union (Union Co.)
Forsikringsaktieselskapet Vesta
Viking-Askim A/S
Westfal-Larsen & Co. A/S
Wilhelmsen-gruppen

BOARD OF DIRECTORS

Fred. Olsen, Chairman
Dag Schartum, Vice Chairman
Einar Falck
Carl Røtjer
Wilhelm Wilhelmsen

MANAGEMENT

Carl Wilhelm Carstens, President

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