



European Investment Bank

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EIB HELPS TO FINANCE EKOFISK OIL AND GAS DEVELOPMENT IN THE NORTH SEA

The European Investment Bank - the EEC's long term finance institution - is to help finance development of the Ekofisk oil and gas fields off the coast of Norway through a loan equivalent to 15,240 million lire (18.9 million units of account) to Norsk Agip A/S, a Norwegian subsidiary of Agip S. p. A. (ENI group) and a member of the Ekofisk exploration and production consortium ^(x).

Recoverable reserves of Ekofisk total 200 million tonnes of crude oil and 230,000 million m³ of natural gas, but capital outlay on production facilities for the first four deposits, to which this loan contributes, is currently estimated at \$ 845 million, with Norsk Agip's share at \$ 110 million.

The EIB loan, which is for a term of seven years at an interest rate of 10.5 %, will help to finance, amongst other work, construction of production and treatment platforms and a huge concrete oil storage reservoir on the sea bed.

Most of the construction programme is scheduled for completion during the next year, although certain parts will not be finished until 1978.

A 220-mile oil pipeline is being laid linking Ekofisk with Teesside in Britain and also a 268-mile gas pipeline to Emden on the German coast, from which natural gas will be distributed by a consortium of companies including Ruhrgas (Germany), Gasunie (Netherlands), Distrigaz (Belgium) and Gaz de France.

(x) The Ekofisk consortium comprises, the Phillips Petroleum Company and a number of European oil companies, among which is Norsk Agip A/S with a 13.04 % stake.

IMPORTANCE TO THE COMMUNITY

Ekofisk is of considerable importance to the diversification and security of the Community's energy supplies. On current expectations it could furnish the EEC with around 5 % of its oil and about 7 % of its natural gas consumption towards the end of the decade.

However, because the project is situated outside the EEC, in Norwegian waters, the Board of Governors of the European Investment Bank had to give special authorisation for the Bank's involvement, under powers contained in Article 18 of the EIB's Statute.

MARINE OIL AND GAS RESOURCES

The European Investment Bank has already contributed to the financing of other projects concerning development of marine oil and gas resources.

Last year an 18,000 million lire loan was granted to a subsidiary of the ENI group to help finance two semi-submersible drilling platforms ; in July this year the Bank granted a £ 10.4 million loan to a consortium of British based companies for production facilities at the Frigg gas field in the North Sea ; in September a 5,000 million lire loan was made to ENI to help finance development of the "Campo di Luna" gas field in the Ionian sea, and in October a loan of Dkr 55.3 million was granted to a Danish based company to help the purchase of a vessel, and its subsequent conversion into a specialised drillship.