

It is easy to realize that most of the equipment that will be needed for the exploration will be largely bought by the Netherlands and the U.K. companies.

We will now look at each one of the stages in the production of oil and natural gas in the European Community.

1st stage: Exploration and production of crude oil and natural gas

- In 1987, 93% of the total crude oil production and 49% of the natural gas output were covered by offshore activities. Currently, there is increasing competition for the awarding of exploration permits, with smaller surfaces being granted to more numerous entities, including minor independents. This has been especially marked for North Sea operations, for activities off Denmark and in the Paris Basin.
- On the average, crude oil proven reserves for the Community is down to a 6 year supply. Even proven and probable reserves are falling for the Community as a whole. In fact, only Norway has sizeable reserves in Western Europe.
- On the other hand, proven natural gas reserves are increasing slightly in the Community, even though there has been a decrease in the U.K. In fact, they went from 17 years in 1980 to 18.5 years in 1987. This also reflects the increase exploration efforts throughout the Community.
- Due to R and D programs and because of deep and severe conditions in the North Sea, European Oil companies as well as service and equipment industry have gained unique experience in offshore operations and continue to play a leading role worldwide in some advanced technologies or oilfield practices. Sectors in which European have a technological advantage are: