

Barents Pipeline to Be Private

By [The Moscow Times](#)

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OSLO — A \$4.2 billion pipeline into Norway's Arctic to bring natural gas to European markets must be funded by the private sector, and the government does not intend to take a financial role, the oil minister said Thursday.

A treaty signed between Russia and Norway last year delineating boundaries of the Barents Sea have encouraged oil companies such as Statoil to explore in the region.

The commercial viability of the proposed 1,000-kilometer pipeline, which could cost about 25 billion crowns (\$4.2 billion) according to pipeline operator Gassco, also needs more thought before any decision can be made, Minister of Petroleum and Energy Ola Borten Moe told reporters.

"This region will be the next oil and gas province in Norway. ... Hopefully there is a lot more to be discovered there," Borten Moe said.

These future discoveries are a key plank in Norway's plan to keep the combined oil and gas

output broadly steady "for decades to come," Borten Moe added.

"But it is not the government that is going to spend money on this infrastructure project, it is private investors," he said.

Earlier this week, Gassco said a pipeline from the Barents Sea, where several major discoveries were made over the past year, could be in service in 2020 and should have a relatively large capacity to accommodate new volumes.

Before the pipeline plan can go ahead, questions regarding commercial viability have to be answered and investors must also examine whether a pipeline is a better option than liquefied natural gas, Borten Moe said.

"We have to find the resources first, there's no sense in debating the strategy before [that]," Borten Moe added.

Finding oil in the western Barents Sea had proved difficult, and only a handful of exploration wells have been hits over the past 30 years.

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