GASSCO

Annual report 2014

Contents

Stick with the long term

Gassco had a good year in 2014, if we draw a ring around our own operations and look at the results achieved. Although uncertainty and growing pessimism characterise our industry, there is no need to turn off the lights. Instead, we must stick with the long-term development trajectory for the Norwegian continental shelf (NCS).

As the operator of the gas transport system, we delivered in 2014. We su ered no serious personal injuries and only one critical incident, compared with four the year before. Regularity was also high. A facility like Kårstø can boast a plant availability of 97.46 per cent, well above its performance target for the year. Overall, we achieved an availability of 99.92 for gas deliveries in the transport system during 2014. It would be di cult to do much better than that. These good results are obviously only possible with a solid commitment and important contribution from many people, both in our own ranks and at our partners.

Development of new areas north of the existing pipeline network will call for additional gas infra-structure. Through our responsibility for integrated development of the gas transport system, we have been authorised by the government to nance studies of new infrastructure.

The Barents Sea gas infrastructure (BSGI) study was presented during the summer. This work had broad support, with 26 oil and gas companies participating along with Statnett, the Norwegian Petroleum Directorate (NPD) and representatives from the Norwegian Oil and Gas Association. The purpose of the study was to assess the potential for new cost-e ective gas infrastructure to handle resources from the Barents Sea. By its very nature, this work is long term. Developments in the far north unquestionably involve substantial complexity and uncertainty. But the resources are there. According to the NPD, 55 per cent of the overall oil and gas resources on the NCS remain in place. A high level of exploration activity and a number of discoveries con rm that the Barents Sea probably represents the most promising petroleum province o Norway.

These remaining resources will provide the basis for activity and value creation over many years. I am therefore eager to see that we stick with the long-term development trajectory for the NCS – particularly at a time with quick changes of scenery and we when face uncertainty along several dimensions.

Where Norwegian gas is concerned, this is a matter of credibility. Norway's gas resources only have a future as a reliable and long-term contribution to European security of supply. In other words, we have an obligation to search for new opportunities in line with the long-term development trajectory. Gratifyingly, 2014 o ered several examples which show that this pays o .

Just before the end of the year, the decision was taken to land gas and condensate from Gullfaks/Rimfaksdalen through existing pipelines for processing at Kårstø. The rst light oil owed earlier in the year from Gudrun to the same facility, largely thanks to the opportunities for combining a new eld development with the use of existing infrastructure.

Cost cuts and a decline in oil prices made their mark on 2014. Reducing costs is not only necessary here and now, but can also contribute to more robust pro tability in the longer term. Our job at Gassco is to operate the gas infrastructure safely and as cost-e ectively as possible, even if the throughput of gas goes down as a result of declining production. Forecasts indicate that such a reduction could occur by some time into the next decade. It could then quickly become very expensive to maintain transport capacity which is no longer required.

In other words, we can see the outline of changes which could prove more fundamental. Even if they are not exactly imminent, we must start adjusting our mindset now. And it remains the case, as always, that the best predictions of the future are made by those who take an active part in creating it.

Brian D Bjordal
President and CEO

"These good results are obviously only possible with a solid commitment and important contribution from many people, both in our own ranks and at our partners."

Kollsnes

Directors' report 2014

Introduction

Gassco is a limited company owned by the Norwegian state, which operates the integrated gas transport system from the NCS to European countries. This system comprises pipelines, process facilities, platforms and gas terminals in continental Europe and the UK.

The company's head o ce is at Bygnes in Karmøy local authority. It also has branches in Germany, Belgium, France and the UK, which are responsible for day-to-day operation of the receiving terminals.

Framework conditions for Gassco are determined by the government. The company's primary roles are furthermore de ned as the exercise of special and normal operator responsibilities. The special operatorship refers to the exercise as a government authority of duties allocated to Gassco pursuant to the Norwegian Petroleum Act and associated regulations. It relates to system operation, capacity management and infrastructure development. The normal operatorship refers to the technical operation of process plants, pipelines, platforms and terminals pursuant to the Norwegian Petroleum Act's provisions on operator responsibility. These duties are further regulated by operator agreements, including those with the Gassled joint venture, which owns the vast majority of the infrastructure for transporting gas from the NCS.

Gassco itself is directly responsible for day-to-day operation of the receiving terminals in continental Europe and the UK, and for the Gjøa Gas Pipe and Norpipe (from February 2015) pipelines. The company has entered into extensive agreements with Statoil, ConocoPhillips and Total on the purchase of technical operating services for other pipelines, receiving facilities, platforms and process plants.

Gassco does not make a pro t or a loss from its operations. Its costs are met by the joint venture, the users and third parties. This means that its economic and nancial risks are very limited. Consequently, the annual accounts, balance sheet, equity and liquidity are not speci cally discussed.

Gassco's strategic goals are

- to represent best practice for health, safety and the environment
- to be responsible for rst class operation, maintenance and development of transport and process facilities
- to be perceived as a professional, neutral and independent system operator and administrator of capacity in the transport system
- to ensure value creation through integrated development of the gas transport system
- to be characterised by leading-edge expertise in its core areas
- to relate actively to changes in its operating parameters and new business areas.

The management system manual describes the company's corporate governance. Risk assessments are conducted and the most hazardous activities at any given time identi ed in order to ensure safe operation of the business. Gassco's management system and associated control routines ensure e cient and acceptable operation in accordance with applicable legislation and speci ed goals.

Corporate social responsibility (CSR) is an integral part of the company's organisational culture, strategy, operational activities and ethical conduct towards the world at large. The company's ethical guidelines conform with the UN's Global Compact and the OECD's guidelines for multinational companies. Gassco exercises its CSR in part through support for clubs and organisations in the region where its head o ce is located and in other local communities in which the company pursues activities. Culture and sport are Gassco's selected areas for collaboration, and particular emphasis is given to supporting activities and measures for children and young people. Gassco's tendering process clari es whether the supplier has established its own policy and guidelines for CSR, and whether it has been involved in incidents related to corruption, child labour or breaches of human rights or the rights of employees to unionise. Information on such matters is obtained from the suppliers themselves, from internet searches and from the Achilles supplier network. Information obtained will be a signi cant factor when qualifying a supplier for participation in the tendering process.

Organisation

Gassco has a functionally structured organisation, with business units for system operation, asset management, and business development and nance. In addition come ve technical support departments – technology, projects, HSE&Q, public relations and human resources – as well as a controller function.

Some sta , support and service units are also organised as part of the business units. ICT is placed under system operation, while nance and legal services are incorporated in business development and nance. The Gassco organisation is characterised by highly competent personnel with their attention concentrated on operations.

The company's vision and values base

- Gassco's vision is "Norwegian gas transport to Europe – reliable and forward-looking".
- Gassco's job is to ensure maximum value creation from the resources on the NCS.
- Gassco will conduct its business in an ethical, sustainable and socially responsible manner.
- Gassco does its work professionally and with a high level of integrity.
- Gassco takes an integrated approach, and its employees help each other to achieve their full potential.
- Gassco looks ahead and nds solutions.
- All behaviour in Gassco must accord with its values. Managers have a special responsibility.

Gassco had 359 permanent employees at 31 December 2014, including 146 at the gas terminals in continental Europe and the UK. The company currently has two o ce trainees in Norway and three apprentice electricians in Germany.

Gassco uses a number of systems and tools to ensure systematic employee, management and organisational development. The company prepares an annual organisational development plan, which provides an overall presentation of the measures to be implemented during the coming year. The company has pursued a management development programme over the past year which builds further on work done earlier.

The Vision, values and leadership in Gassco document was revised in 2014, and a dedicated process for its implementation will continue into 2015. A decision was also taken in 2014 on a new annual plan for employee development, which will be implemented with e ect from 2015.

Continuous organisational development with the emphasis on the expertise required to meet forthcoming challenges will continue to occupy a key place.

The company has a relatively restrictive employment policy. Increased resource requirements are largely met by personnel on temporary contracts if the new work is not permanent in nature.

Equal opportunities and anti-discrimination

The company's human resources policy is gender-neutral and meets its goals for equality of opportunity, diversity and continuous organisational development. Job advertisements manifest the company's desire for a good gender balance, age spread and diversity in the workforce. Candidates with di erent ethnic backgrounds are urged to apply for vacancies. Quali ed candidates from a minority background will be called for interview.

Women account for 24 per cent of Gassco's workforce. Recruiting more women graduates is a priority for the company. In determining and negotiating pay, Gassco pays special attention to equal treatment of men and women.

Gassco has ensured good physical access to its buildings, so that all facilities are also available to people with disabilities. Workplaces are individually customised for employees with repetitive strain injuries.

Health, safety, the environment and quality (HSE&Q)

Gassco has a philosophy of zero accidents and no harm to people, the environment or material assets. This is based on a conviction that all harm can be prevented by systematic and purposeful HSE&Q work. No incidents in Gassco's operator area resulted in loss of life during 2014.

The working environment in Gassco is good. The company's target for a number of years has been an overall sickness absence below three per cent. That goal was met again in 2014. Sickness absence during the year was 2.31 per cent for the whole business (including Gassco and providers of technical services). Gassco conducted a survey of the safety climate in the company during 2014. Carried out in cooperation with Studio Apentura at NTNU Samfunnsforskning AS, this con rmed that Gassco has a strong safety culture.

The company's management system covers such aspects as reporting, investigating and following up incidents and non-conformities. This work is important for achieving continuous improvement in the HSE&Q area. The company has de ned key performance indicators (KPIs) which show how HSE&Q results are developing over time. That helps to identify trends in order to ensure that improvement initiatives are measurable and as e ective as possible.

Experience transfer and durable learning from incidents are followed up systematically through analyses and purposeful action. A group was appointed in 2014 precisely to identify, follow up and implement purposeful measures. The frequency of incidents de ned as critical declined from 2013 to 2014, when one such event occurred. That compared with four the year before and two in 2012. The critical incident in 2014 did not cause any serious personal injury, but it has been classi ed as critical because insigni cant changes in the circumstances could have led to more serious injuries. In other words, the potential of the incident was regarded as serious and probable. To achieve continuous improvement, the board wants to see that experience transfer and durable learning occupy a key place in continued work during 2015.

The personal injury frequency for Gassco's operator area in 2014 was 2.1, which represented a marked decline from 5.4 in 2013. The board takes the view that the purposeful measures adopted to reduce the number of personal injuries have had the desired e ect. It is pleased with the positive trend for the personal injury frequency during 2014.

No gas leaks larger than 0.1 kilograms per second were recorded in 2014, when Gassco registered three res within its operator area. None of these res was serious in nature and they were quickly extinguished. A total of ve accidental discharges of chemicals occurred in 2014, two of which were classi ed as less serious and three as moderately serious. These discharges were largely caused by technical failures in equipment and by human error. All the accidental discharges have been reviewed in order to prevent similar escapes in future. Identi ed faults in technical facilities have been corrected, while procedures and routines for safe working have been reviewed in those cases where the failure was the result of human error.

Supervision in the form of audits, veri cations and management inspections plays an important role in Gassco's follow-up of its business. Similarly, the company is subject to checks by o cial regulators and the Gassled joint venture. Such supervision provides lessons for further improvement, but by and large con rmed in 2014 that the business is conducted in a positive way.

An important component in Gassco is its emergency response organisation. The response organisation at Bygnes held and participated in 10 exercises during 2014. Some of these were conducted in cooperation with companies responsible for technical operation of assets on Gassco's behalf, and others with employees at its terminals. Local exercises were also staged at the facilities. These drills provide the organisation with good training and experience as the basis for further improvements. The exercises in 2014 demonstrated that Gassco's emergency response organisation functions well.

The company will continue its e orts to achieve HSE&Q improvements. These will also be sought at companies carrying out operating assignments on Gassco's behalf. Particular attention is paid to all conditions with a major accident potential, with special emphasis given to the safety of processes and people.

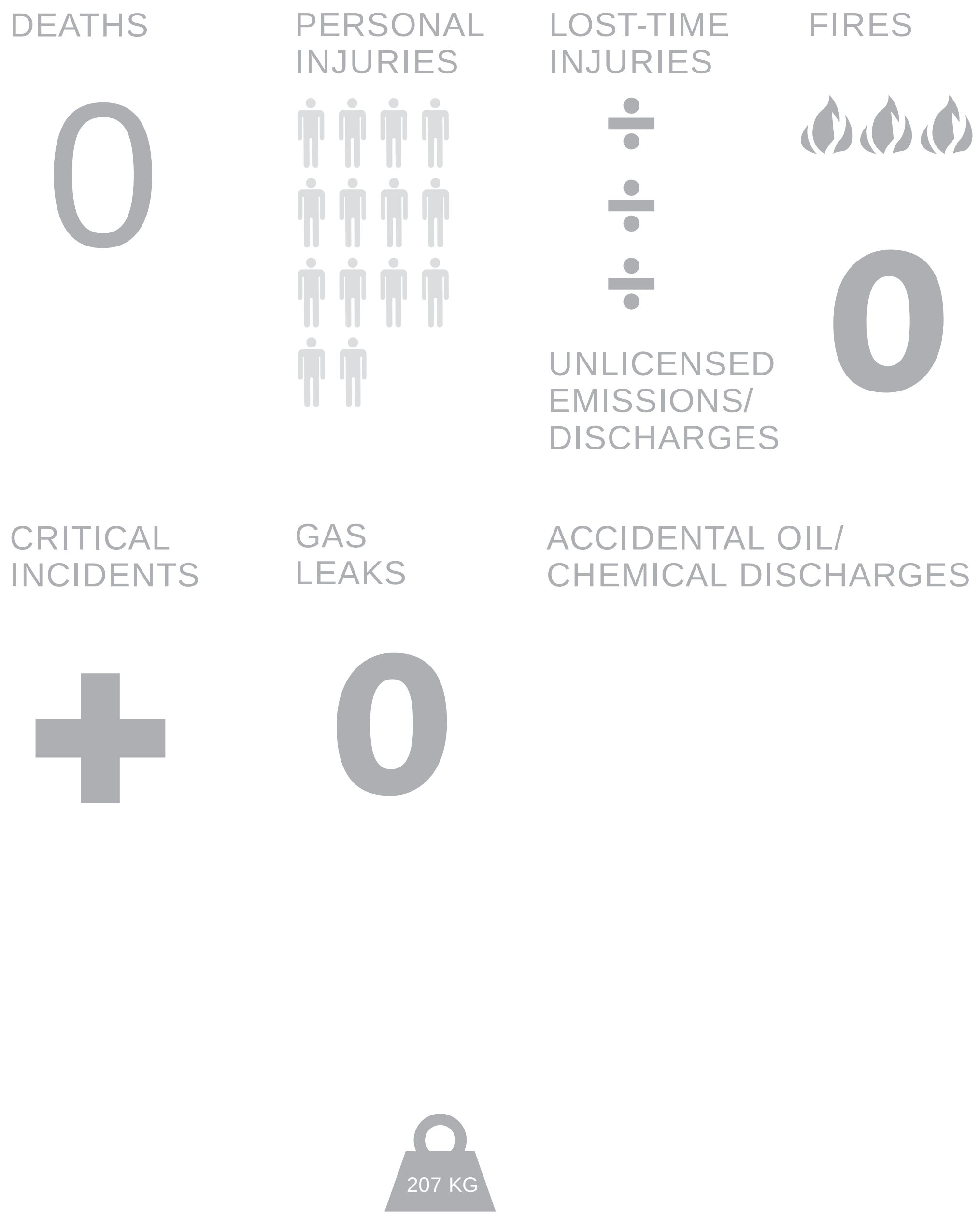
Gassco operated all process plants, pipelines and platforms in accordance with applicable emission/discharge permits in 2014.

The company purchased 354 000 allowances to cover its carbon emissions in 2014. Gassco only buys EU allowances (EUAs) in the EU's allowance market. The allowances purchased in 2014 covered about 26 per cent of its total emissions during the year. The remainder was covered by 1 026 000 free allowances, which each correspond to the emission of one tonne of carbon dioxide. The third phase of the allowance system runs from 2013 to 2020. All assets subject to Gassco's operatorship participate in the allowance system.

PERMANENT EMPLOYEES IN 2014 **359**

Health and safety results	Results 2014	Results 2013
Deaths	0	0
Total personal injuries	14	37
Lost-time injuries	3	14
Fires	3	2
Gas leaks	0	1
Critical incidents	1	4
Unlicensed emissions/discharges	0	0
Accidental discharges, oil/chemicals	5	6

Emissions/discharges to the natural environment		Emissions 2014		Emissions 2013	
To the air	Nitrogen oxides	898.1	tonnes	842.1	tonnes
	Carbon dioxide	1 381	kilotonnes	1 321	kilotonnes
	Safety flaring	21.6	kilotonnes	22.9	kilotonnes
To water	Oil	207	kilograms	158	kilograms
	Phenol	18	kilograms	29	kilograms
	TOC	13 149	kilograms	7 492	kilograms
To soil/ water	Accidental discharges, oil/chemicals	689	litres	5 310	litres


DEATHS
0
PERSONAL INJURIES
LOST-TIME INJURIES
FIRES
UNLICENSED EMISSIONS/ DISCHARGES
0
CRITICAL INCIDENTS
GAS LEAKS
0
ACCIDENTAL OIL/ CHEMICAL DISCHARGES
207 KG

System operation

Deliveries from the Norwegian gas transport system to Europe came to 101.1 billion scm in 2014, compared with 102.5 billion scm the year before. Gas exports are stable at a high level. Total deliverability was 99.92 per cent, compared with 99.69 in 2013. Deliveries were high in 2014 and regularity very high.

Preparations were made in 2014 for gas deliveries from Gudrun, Valemon and Knarr, and two new shippers began transporting gas through the transport system. Additional quantities of condensate are now arriving from Gudrun under the Gudrun Blend designation.

These fields and shippers are now incorporated in Gassco's systems and form part of operational gas transport.

The Gassco board is pleased with the development of Norwegian gas exports, and continuous efforts are being made to safeguard the competitiveness of Norwegian gas.

Vessel traffic with natural gas liquids (NGL) from Kårstø calls for careful coordination with daily gas transport to avoid full product stores and field shutdowns. A total of 711 ship calls were recorded at Kårstø during the year, without giving rise to any incidents of significance for gas transport.

The transport network has a built-in flexibility which makes it possible to compensate for production disruptions on fields, at process plants and on riser platforms. This flexibility can be utilised through the management exercised by Gassco's control room, which operates around the clock. As the transport system has become increasingly complex, with more fields tied in and a larger number of gas qualities, the ambition is to deliver with almost 100 per cent availability in the market.

DELIVERABILITY

99.92%

GAS TRANSPORT	2014	2013
Deliverability (%)	99.92	99.69
Quality (%)	99.99	99.99
Gas delivered to receiving terminals in Europe (billion scm)	101.1	102.5
Highest delivery per day (million scm)	352.4	345.2
Average gross calorific value (kWh/scm)	10.91	10.94
Total volume other products delivered from Kårstø (million tonnes)	8.11	7.29

Capacity management

Gassco is responsible for allocating transport capacity in the gas transport system. This is done both on a daily basis and through booking rounds. Two booking rounds were conducted during the year, involving the sale of medium- and long-term capacity.

Provision has been made in the booking system for two new transport systems – the Knarr Gas Pipeline and the Valemon Rich Gas Pipeline. The latter became operational at the beginning of January 2015, with Knarr expected to follow during March.

Asset management and development

Operation of the gas transport system was by and large extremely good during 2014.

The Kårstø process plant was operated with high regularity and relatively high utilisation. Annual available capacity was 97.46 per cent, 0.96 percentage points above target. Statpipe train 100 and train 300 (the Sleipner facility) had turnarounds during the year, with particular attention paid to dealing with internal corrosion. Regularity for the process plant at Kollsnes was also high in 2014 – production availability was no less than 99.56 per cent, 0.71 percentage points above target. As in 2013, capacity at the Kollsnes facility was not fully utilised.

A production availability of 99.56 per cent (target 99.95 per cent) was achieved for platforms and 99.99 per cent (target 99.99 per cent) for pipelines in the transport network. Gassco carried out the first pigging operation (on the Gjøa gas pipeline) where both pig launcher and catcher were located subsea.

The pipeline receiving facilities achieved 100 per cent production availability in 2014. The board is extremely satis ed with the high level of production availability and regularity achieved throughout the gas transport system in 2014.

The gas transport system must be safe and reliable, and large resources are therefore devoted to maintenance, testing and inspection. Operation of the system is cost-e cient, and systematic e orts are made through improvement programmes to improve safety and reliability and to reduce costs. The Gassled improvement programme for 2010-14 came to an end, with the gains made summed up in a separate publication. Ambitious new targets, covering such areas as HSE, regularity and costs, have been set for the next ve-year period. Emphasis was given in 2014 to the importance of cost reductions.

Gassco's job is to ensure that the transport system continues to be operated and developed in an e ective manner in order to contribute to the highest possible value creation on the NCS. To help achieve this, it worked during 2014 to improve collaboration with the Gassled owners through the “e cient licence management in Gassled” activity.

The company completed the second in a series of three years involving platform removals. H7 was removed in 2012, followed by the support structure for the 2/4-S tripod in 2014. Plans call for B11 to be removed in 2015. The total bill for these projects will be around NOK 2.4 billion.

It was resolved in 2012 to implement the Gassco Emden Project (GEP), with the contract for building the new terminal awarded to Linde in March 2013. Construction got well under way in 2014, and will be completed in 2015. The GEP is costed at around NOK 4.4 billion. Through this upgrade, Gassco will lay the basis for cost-e cient, reliable and safe operation over many years to come.

A decision was taken in 2014 on upgrading Kalstø, where the Statpipe, Sleipner Condensate and Åsgard Transport pipelines come ashore. The Kalstø robustness project is expected to be completed by 2017. Important tie-ins will be carried out in conjunction with a turn-around at Kårstø during 2016.

Agreements and the management model were revised in 2014 for the Pipeline Repair System (PRS), which provides emergency preparedness for the transport net work. The PRS and diver preparedness have now been merged under the name Pipeline Repair and Subsea Intervention (PRSI). A new diverless repair vessel – Remote PRS – completed in 2014 can operate in water depths beyond the permitted limit for diving. That contributes to a signi cant improvement in repair preparedness for the gas pipelines.

The Draupner platforms represent an important hub in the gas transport system. An application to extend the operational life of one of these two riser installations, Draupner S (Statpipe), until 2028 was approved in 2014.

The Petroleum Safety Authority Norway (PSA) has renewed its safety requirements for lifeboats on all NCS platforms. A safe and cost-e cient solution in this area was installed on Draupner in 2014.

Systematic risk and emergency preparedness analyses are conducted for the individual assets in the gas transport system and for the system as a whole. These show that the level of risk is low, while also identifying sensible upgrades which would help to reduce risk even further. The security of the facilities is also the subject of risk analyses and improvement measures. The onshore gas security project for the land-based assets in Norway has been initiated and is due for completion in 2015.

Upgrades costing almost NOK 10 billion have been carried out at Kårstø over the past seven years. Work on upgrading two steam boilers at the facility is continuing, and will last until 2015. The scope of such activity is expected to be somewhat smaller in coming years. Conceptual studies were carried out in 2014 for upgrading the re water and blowdown systems and the two boilers installed in 2000.

GAS QUALITY

99.99%

Kårstø

Conceptual studies for upgrading the control systems and other electrical facilities at Kollsnes have been completed. This project is expected to be nished in 2016. Gassco was responsible during 2014 for readying the expansion project at Nyhamna for operation in connection with the Aasta Hansteen development. The company will take over the operatorship at Nyhamna from Shell when Polarled becomes operational. Plans call for that to happen in 2017.

Gassco became the operator for the Valemon Rich Gas Pipeline in 2014. Plans are being laid for several tie-ins to the gas transport system. A decision was taken in 2014 on a hot-tap tie-in of the Mariner eld to Vesterled. The actual work will be done in the spring of 2015. Preliminary design also began during 2014 for the tie-in of Gina Krog to Zeepipe IIA. This is due to take place in 2016.

The process facilities in Norway are heavily dependent on stable electricity supplies, and power supply failures will often cause operating disruptions. A great deal of work has been devoted to making Gassco's own assets more robust to interruptions in the power grid. The company is involved in e orts to improve the quality of electricity supplies.

Infrastructure development

Continuous and coherent development of the gas infrastructure is an important instrument for securing e ective resource management on the NCS. Gassco prepares annual transport plans, which assess future requirements for developing transport capacity based on analyses of user needs. The 2014 transport plan indicates that utilisation of the gas infrastructure will be good over the next few years. However, the forecast reveals a declining trend in the longer term.

The company sees less need for capacity expansions in parts of the system up to 2020. Opportunities for cost-e ective capacity increases from 2016 are being studied at Kårstø and with the Kvitebjørn gas pipeline. Work is also under way on initiatives to improve functionality at the assets on the basis of changed transport requirements. Permitting possible reinjection of ethane in dry gas and removal of trace substances in rich gas from Area A at Kårstø both represent examples of such improvements.

The Barents Sea gas infrastructure (BSGI) study was presented in June to the government and in relevant fora. This work has had broad support, and no less than 26 oil and gas companies on the NCS have participated in addition to Statnett, the NPD and representatives from the Norwegian Oil and Gas Association.

This study has aimed to assess the potential for new cost-e ective gas infrastructure covering resources from the Barents Sea, including the question of whether expected discoveries in the drilling programme for the next three-four years will provide the basis for such infrastructure. The work shows that planned exploration activity over the next three-four years is expected to identify recoverable gas resources. Together with existing trapped gas reserves in the area, they could provide the basis for a new gas infrastructure solution from the Barents Sea.

A number of small gas discoveries are being assessed for development in the more mature part of the NCS. Gassco has evaluated future gas transport solutions for the resources in the Heimdal area, such as Kra a, Frigg Gamma Delta and Fulla.

Gassco has also worked on gas transport solutions for the Tommeliten Alpha, Fogelberg, Trestakk, Butch, Alpha Central, Skar ell and Astero discoveries.

In addition, Gassco provided support during 2014 for the Ministry of Petroleum and Energy in work on new tari s for future agreements.

GAS DELIVERED TO THE EUROPEAN RECEIVING TERMINALS IN 2014

(BILLION SCM)

101.1

Research and development

Gassco devoted NOK 71.5 million to R&D activities in 2014. Attention focused on pipeline technology, the process and receiving facilities, gas quality and capacity.

Key projects

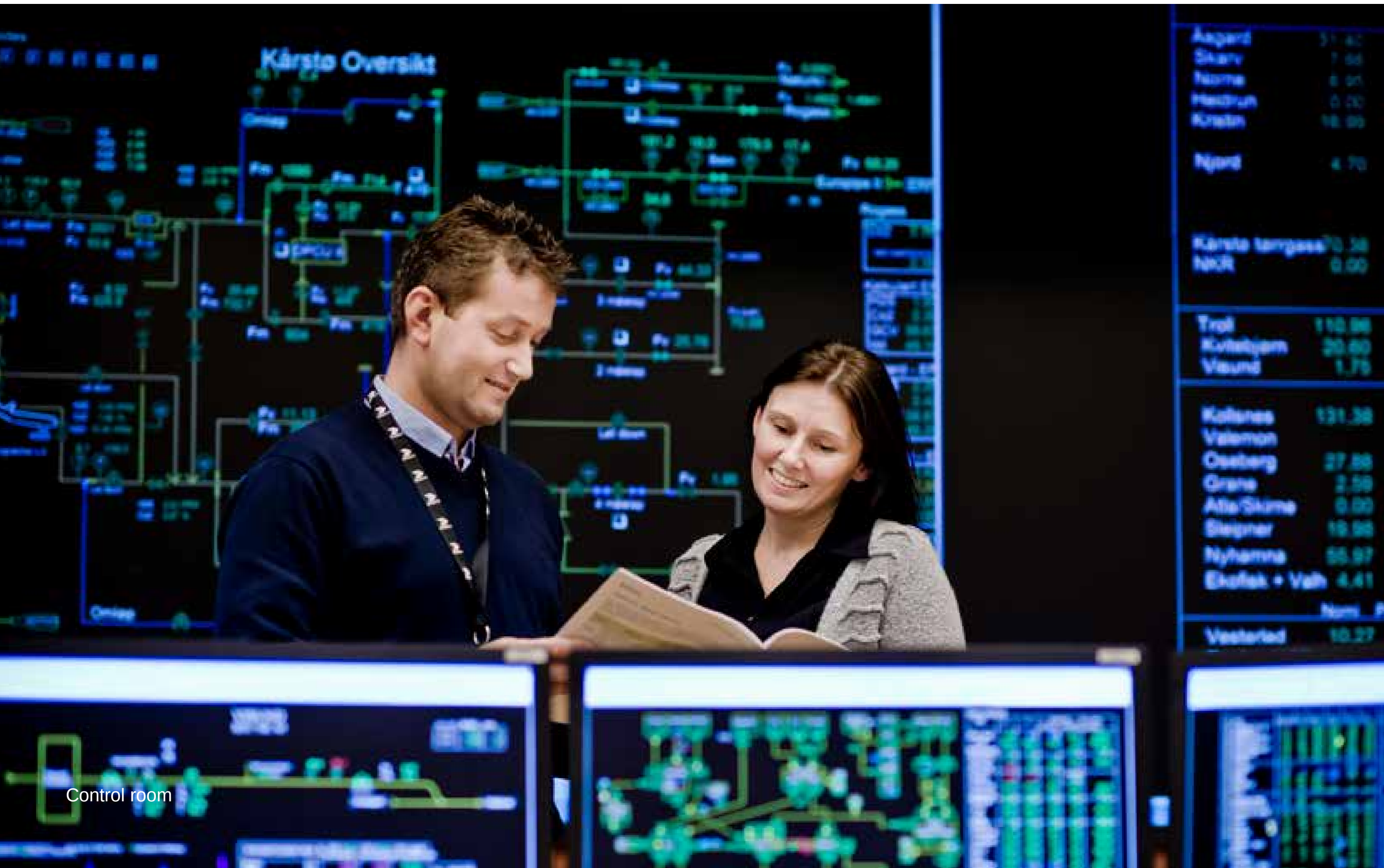
- Internal inspection of pressure vessels and large storage tanks using robot technology. Plans call for an inspection robot to be tested in the spring of 2015.
- Completion of the acoustic resonance technology (ART) pig project for internal inspection of pipelines, and delivery to the operations organisation.
- Development and testing of Surveyor, a new type of remotely operated vehicle (ROV) for external inspection of undersea pipelines.
- First use of the PhaseOpt technology to increase capacity in Åsgard Transport is under way at Kårstø.
- Establishment of a test laboratory at the Norwegian University of Science and Technology (NTNU) and installation of equipment at Kollsnes to improve the availability and reliability of electrically driven export compressors.
- Measurement of subsea gas leaks and boiling zones at the sea surface during pigging of the Gjøa Gas Pipeline. The results will help to improve models and tools for simulating and calculating subsea leaks.

Share capital and shareholders

The company's share capital at 31 December 2014 was NOK 10 million, divided between 10 000 shares. All the shares are owned by the Ministry of Petroleum and Energy on behalf of the Norwegian government.

Net pro t and its allocation

Net pro t was NOK 123 508. This will be transferred to other equity, which amounted to NOK 5 950 321 at 31 December 2014. Pursuant to section 3, sub-section 3a of the Norwegian Accounting Act, the board con rms that the accounts have been prepared on the assumption that the company is a going concern.



Control room

Prospects

A higher level of costs and falling oil prices meant that the industry was concerned with cutting costs in 2014. Maintaining a cost-e ective gas infrastructure will be even more important for Gassco in coming years in order to safeguard the competitiveness of Norwegian gas in the European market.

Europe’s energy market is characterised by a high pace of development for renewable electricity generation in the form of wind and solar power. At the same time, coal consumption has increased while gas has experienced a marked decline in the power generation segment. On the other hand, declining domestic gas production in the EU countries means that demand for Norwegian deliveries is expected to be maintained. Unrest in certain areas means that requirements for security of supply in Europe are even greater.

Gassco works continuously to enhance the robustness of its assets, so that their good delivery history can be sustained. Interruptions in the power grid have caused undesirable operating disruptions at the process facilities. Safeguarding reliable electricity supplies for these assets – both those already in operation and planned extensions – is therefore important. Getting started early on studying power supply alternatives has proved important for securing opportunities to develop gas operations in new areas.

Gas deliveries from Norway now meet more than 25 per cent of Europe’s total gas consumption, on a par with Russian gas exports to the European market. Norwegian gas will continue to play an important role in Europe’s energy portfolio in the future.

From a climate perspective, Norwegian gas is expected to be able to contribute to a substantial improvement in European carbon emissions. Producing and exporting Norwegian natural gas provides the industry with long-term assignments.

Expectations for discoveries in the Barents Sea are great. Exploration activity in these waters has been and is expected to remain at a high level. Coordinated development is important in the Barents Sea in order to realise its resource potential.

Delivering Norwegian natural gas on competitive terms to the European market remains important. Gassco’s role will be to ensure high availability in the existing infrastructure while keeping costs at a low level.

At the end of the year, Gassco was given an expanded mandate to study transport solutions for full-scale demonstration facilities for carbon capture and storage in Norway on behalf of the Ministry of Petroleum and Energy.

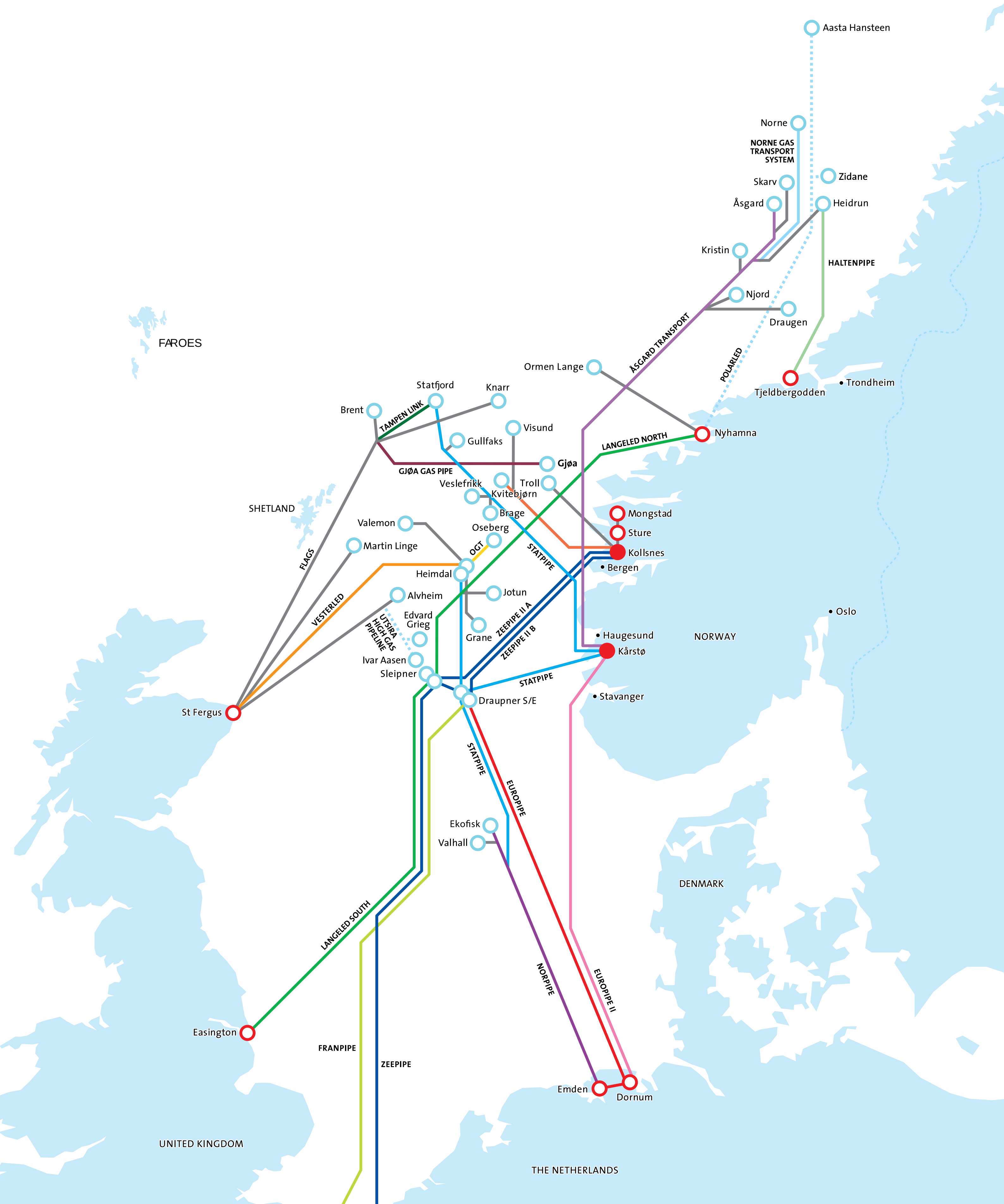
Gassco will contribute expertise and insight to ensure that both gas infrastructure and new petroleum activities based on electricity as their power source meet expectations for cost-e ciency and regularity.

Bygnes, 26 March 2015

Ottar Inge Rekdal Chair	Mimi K Berdal Deputy chair	Nina Schieldrop Lie Director	Johan Einar Hustad Director
Terje Aven Director	Henny May Justad Director*	Roar Bøe Director*	Hilde Berge Kringstad Director*

*Elected by the employees

Brian D Bjordal
President and CEO


Aasta Hansteen
Norne
NORNE GAS TRANSPORT SYSTEM
Zidane
Skarv
Åsgard
Heidrun
Kristin
HALTENPIPE
Njord
Draugen
FAROES
ÅSGARD TRANSPORT
POLARLED
Ormen Lange
Tjeldbergodden
Trondheim
Statfjord
Knarr
Brent
TAMPEN LINK
Visund
Nyhamna
Gullfaks
LANGELED NORTH
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SHETLAND
Mongstad
Brage
Valemon
Sture
Oseberg
Martin Linge
STATPIPE
Kollsnes
OGT
Bergen
Heimdal
FLAGS
Jotun
Alvheim
VESTERLED
Edvard Grieg
ZEEPIPE II A
Oslo
UTSIRA HIGH GAS PIPELINE
Grane
Haugesund
NORWAY
ZEEPIPE II B
Kårstø
Ivar Aasen
Sleipner
STATPIPE
Stavanger
St Fergus
Draupner S/E
STATPIPE
EUROPIPE
Ekofisk
Valhall
DENMARK
LANGELED SOUTH
NORPIPE
EUROPIPE II
Easington
FRANPIPE
ZEEPIPE
Emden
Dornum
UNITED KINGDOM
THE NETHERLANDS

Board of directors 2014

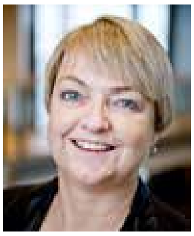
Ottar Inge Rekdal
Chair (born 1949).
He has worked for Statoil since 1975, holding a number of management positions. These include head of gas development and market for ve years, the development division, and technology. Over the past 12 years, Rekdal has worked exclusively on international operations – including responsibility for Statoil's activities in West and North Africa, Europe and the Middle East as well as on international gas operations. He is a director of Linjebygg O shore and Ocean Installer. Rekdal has been chair since 2012.

Mimi K Berdal
Deputy chair (born 1959).
She works today as a lawyer with her own law practice. Berdal previously served as a legal advisor with Total Norge, and as an associate and partner in the Arntzen de Besche law rm. She holds a number of directorships in listed and private companies covering various sectors. Berdal has been a director since 2007.

Director (born 1962).
She graduated from the Norwegian School of Economics (NHH) and also has an executive MBA in nancial management and leadership from the same institution. She is senior adviser at DNB Konserninvesteringer. She has previously served as regional manager responsible for DNB's operations in the Stavanger region and as a vice president for Accenture Rogaland. She has been a CFO in the oil industry, including at oil company Petoro AS, Aker Drilling ASA and Navis ASA. Lie holds a number of directorships in such sectors as nance, technology and energy. She has been a director since 2012.

Johan Einar Hustad
Director (born 1954).
He is professor and pro-rector at the Norwegian University of Science and Technology (NTNU) with responsibility for innovation. Hustad has headed the department of energy and process technology at the NTNU and has occupied several management posts at the university and at Sintef. He was also head of the centre for renewable energy, Nordic research professor for Nordic energy research, and guest professor at Stanford University in the USA. He has served on a number of national and international committees and technical bodies. Hustad has been a director since 2012.

Director (born 1956).
He is professor of risk management at the University of Stavanger, and has previously served as an adjunct professor at the Norwegian Institute of Technology (NTH) and the University of Oslo. He was with Statoil for several years. Aven has worked on various projects related to the gas transport network, directed at such aspects as risk, regularity, operation and maintenance. He has been a director since 2013.



Worker director (born 1962).
She is a special consultant at Gassco AS and head of the Gassco branch of the IndustryEnergy (IE) union. Justad has been a director since 2012.

Worker director (born 1977).
He is a principal engineer in Gassco AS, and heads the company branch of the Norwegian Society of Graduate Technical and Scienti c Professionals (Tekna). Bøe has been a director since 2014.

Worker director (born 1977).
She is a transport engineer at Gassco AS and head of the Gassco branch of the Norwegian Society of Engineers and Technologists (Nito). Kringstad has been a director since 2014.