

Annual Report 2008





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INTRODUCTION



Gulbrand Wangen
Managing Director INTSOK

Norway has an oil and gas industry that is among the best in the world. We have been able to create an internationally competitive driven petroleum industry, delivering advanced products and systems. The industry's international turnover has almost doubled in the last two years, reaching a level of NOK 95 billion (USD 14.6 billion) in 2007, according to a Ministry of Petroleum and Energy study. The industry had targeted NOK 80 billion (USD 12.3 billion) in 2010, but the international expansion has been faster and more successful than anyone had hoped for.

The opportunities internationally are promising. The world will need to produce more energy to meet the continued growing demand from countries like China and India. The world will also have to manage climate change challenges better, developing new technologies that can be part of the future. Capital expenditures in the energy sector will therefore over time remain high. Some projects have been put on ice as a result of the world economic crisis and lower oil prices. New technological solutions may be more difficult to finance for a while, but the hydrocarbon industry has a long-term perspective and has emerged more competitive and efficient after past crises.

Cover photos courtesy of: Aker Solutions, iStockphoto, Sevan Marine, StatoilHydro and Thermtech.

MAIN MARKETS

Angola
Brazil
China
Mexico
Russia
UK
USA/GoM

PRIORITY MARKETS

Australia
Canada
India
Indonesia
Kazakhstan
Malaysia
Nigeria
Middle East

MARKETS UNDER OBSERVATION

Algeria
Korea, South
Libya
Singapore
Venezuela

The Board of INTSOK has therefore set a new ambitious target of NOK 120 billion (USD 18.4 billion) in international turnover in 2012. This goal entails that the international turnover should be similar in size to the petroleum cluster's turnover on the Norwegian Continental Shelf.

We know the industry has the potential to grow; this was clearly illustrated in a study of eight regional clusters in the Norwegian petroleum sector in 2008. "KonKraft Report no. 4 on Internationalisation" documented that we are on the way to meet our targets. Norwegian companies are global market leaders in seismic services, sub sea systems, drilling, drilling equipment, floating production and offshore supply services. The Norwegian Continental Shelf has been a breeding ground for innovation and technological development. Internationalisation has created new jobs and added more value to society.

The NODE drilling cluster in the southern part of Norway is one of the country's major success stories. The number of employees in the cluster has more than tripled since 2001. The indirect impact on the region's economy is substantial. The same pattern can be seen further north on the west coast where the maritime industry leads the world in advanced vessels for use in the offshore industry. The companies there have more than doubled their turnover and increased their number of employees by almost 70% since 2002.

The high international growth has not been at the expense of activity on the Norwegian shelf where the activity level has been at a record high.

Norway has succeeded in establishing a culture where oil companies, suppliers and research institutions interact. Many of the regional petroleum clusters have been able to build on the same formula for success; collaboration, sharing years of experience

and developing new products and systems that meet the needs of their clients.

INTSOK's partnership growth in recent years has been strong from small and medium-sized enterprises. We have therefore increasingly expanded our assistance to the SMEs to help them enter new markets.

INTSOK has strengthened its strategy towards national oil companies over the course of last year. They control more than 70% of proven oil and gas reserves in the world. They are quickly moving out of their home market and becoming international players, like StatoilHydro. Building closer relations with the national oil companies will be important for the future growth of the Norwegian petroleum cluster.

The Norwegian oil and gas industry is well positioned for the future challenges, including carbon management. The Norwegian Continental Shelf will continue to be a technological laboratory, but international challenges will have to be incorporated into this laboratory to ensure that Norway will maintain a leading international position.





INTERNATIONALISATION OF THE NORWEGIAN PETROLEUM INDUSTRY

In 2008 INTSOK was responsible for a study on the internationalisation of eight Norwegian petroleum clusters. MENON Business Economics and several regional research organisations contributed to the study which covered a substantial part of the value chain in the Norwegian petroleum cluster.

KonKraft report no. 4 showed that internationalisation has contributed towards strengthening the Norwegian petroleum industry and has created new opportunities for the industry outside the Norwegian Continental Shelf. Several regional petroleum clusters are already among the world leaders in their field and concentrate the bulk of their activities outside the Norwegian Continental Shelf.

The study showed that the Norwegian home market has been important for the success internationally. The willingness to test new technological solutions on the NCS has been vital. A demanding home market is still necessary for Norway to retain a leading role. The report concluded, however, that the Norwegian technology companies and R&D institutions increasingly would have to turn their attention to international challenges to remain at the forefront.

More than 50% of global oil and gas production takes place in the 15 countries where INTSOK is active. The markets represent a very large part of the world oil and gas expenditure. In the market report for 2009-2012, developed for INTSOK by Douglas-Westwood, total expenditure in the targeted offshore markets will grow from USD 156 billion in 2008 to USD 190 billion in 2012. The level of expenditure in modification, maintenance and operations will grow steadily. Investments in onshore projects in the same markets are anticipated to increase from USD 237 billion in 2008 to USD 300 billion in 2012. The report is available to partners and provides in-depth insights into all priority markets.

The current financial crisis and lower oil prices may lead to delays in the investment programmes. INTSOK continues to assist companies' international expansion by providing advice, market and project information to partners and by communicating the capabilities of the Norwegian petroleum cluster to key clients in overseas markets. The database containing priority projects has detailed information on close to 100 major projects around the world and is updated continuously.

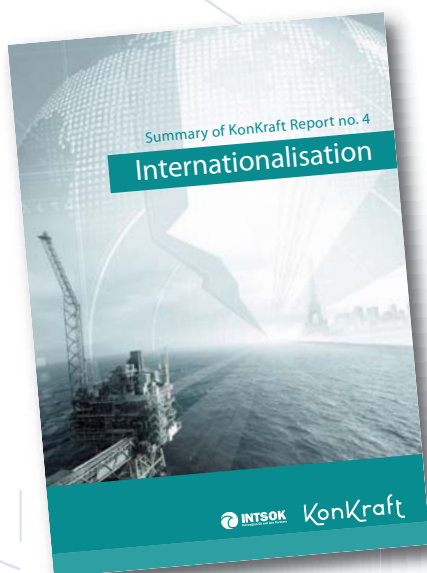




Photo: INTSOK

It is a priority for INTSOK to use the experience of the local advisors and the regional directors to contribute with more direct market advice and guidance to individual partners. The partnership programme in Russia has become an important tool for new entrants to the Russian market and an efficient way to evaluate potential Russian business partners.

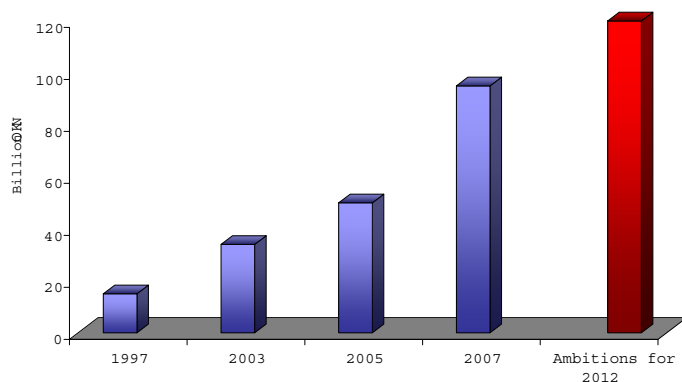
The Houslton Entry Programme is another example of tailor-made consulting services to companies that wish to establish and develop a business in the U.S

In addition to reports, partners are able to meet key clients in customer meetings and workshops. INTSOK organised 27 seminars and workshops in 2008, meeting more than 50 key clients. The events attracted more partners than ever before.

INTSOK's annual International Oil and Gas Business Day has become a traditional meeting place for partners and clients. The 2008 event was organised as part of the large and successful Offshore Northern Seas (ONS) conference and exhibition in Stavanger. High-level representatives from 11 markets attended INTSOK's business day and updated the 300 participants on progress in their countries.

Network meetings for partners are an important arena to present opportunities in the main markets and to exchange experience and insights from the markets. Eight meetings were held in 2008, increasingly in the market themselves. Anti-corruption issues remain an important issue on the agenda in the network meetings. INTSOK is also offering partners access to anti-corruption advisors as well as an anti-corruption hotline.

High ambitions for further growth



The Norwegian petroleum cluster's ambition was to reach an international turnover of 80 billion NOK by 2010. In 2007 a turnover of 95 billion NOK was achieved. The goal for 2012 is 120 billion NOK.



STRENGTHENING THE PARTNERSHIP WITH RUSSIA

The Russian oil and gas market attracts considerable interest from the Norwegian petroleum cluster. The market is huge and future opportunities in Arctic waters are exciting. The oil companies are investing billions of dollars in new projects and in the modification and maintenance of existing fields.

The global financial crisis, coupled with declining oil prices and tough fiscal terms, have posed problems, but the Government has improved the tax regime and given substantial financial support to the industry to avoid substantial decline in the domestic investment level.

Several world-class projects are under way in the Arctic, in the Caspian and in Sakhalin. Gazprom's giant project in Yamal aims to deliver more than 300 billion cubic metres of gas annually at peak production.

The decision to move forward with the development of the Shtokman field is adding further interest. Gazprom, Total and StatoilHydro will make their decision on the first phase of the developments in 2010. INTSOK is closely monitoring progress and developing its relationship to the project organisation. A first workshop was held together with the Shtokman Development Company in Paris in 2008 to present the capabilities and capacity of 35 INTSOK partners to the project team and to the companies involved in front-end engineering. The workshop was well received by the Shtokman team.

INTSOK's activities in Russia attract significant interest from partners and from Russian companies. The Partnership Programme between Russia and Norwegian Oil and Gas Industry was launched in 2005 in close collaboration with the industry and governmental institutions and has become a success. A special website has been developed for the project in Russian and English. Introducing partners to key clients and potential Russian partners has high priority and business-to-business meetings have become an excellent platform for companies to develop closer relations.

The objective of this is to support increased partnership between the Russian and Norwegian oil and gas industries with a focus on



the Arctic region, support the Russian ambition of increasing the involvement of local industries and support the internationalisation of Norwegian and Russian technologies and services.

Some 240 Russian companies were mapped in the first phase of the project and became the basis for the first Russian cluster map ever to be developed. The project has also enabled INTSOK to offer assistance to partners looking to enter the market through the systematic use of a matchmaking workshop, and advice on how to enter Russia by assisting in the firms' strategy process. More than 30 companies have been – or are – part of the programme which provides market overview, business culture, legal framework, anti-corruption issues and experience transfer. A new group of companies will participate in the programme in 2009 and 2010.

The Russia-Norway Oil and Gas Conference was held in Kaliningrad in January. Kaliningrad is an important fabrication site for the Russian oil companies. Close to 200 people attended the event and 40 INTSOK partners used the opportunity to experience an important part of the Russian industry through a visit to Lukoil's fabrication yard where the living quarter platform for the Yury Korchagin field in the Caspian is being built. Close to 20 business-to-business meetings were organised between Russian and Norwegian firms during the visit.

INTSOK has also used events in Murmansk and Arkhangelsk, as well as the ONS conference in Stavanger, for meetings to strengthen the partnership between companies in the two countries. Key representatives from Rosneft visited some 15 INTSOK partners in Norway with a high focus on technologies of critical importance to Rosneft, like increased oil and gas recovery, drilling technologies as well as corporate strategies.

Håkon Skretting
Regional Director,
Australia, China, Russia and South Korea



Petter Birkeland
Advisor, Project for Partnership between
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INTSOK Oil and Gas Advisor, Moscow



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INTSOK Oil and Gas Advisor, St. Petersburg



Norwegian Prime Minister Jens Stoltenberg opens INTSOK's
"Brazil-Norway Strategic Partnership" seminar in Rio de Janeiro. Photo: Scanpix



BRAZIL – THE NEW INDUSTRY HOTSPOT

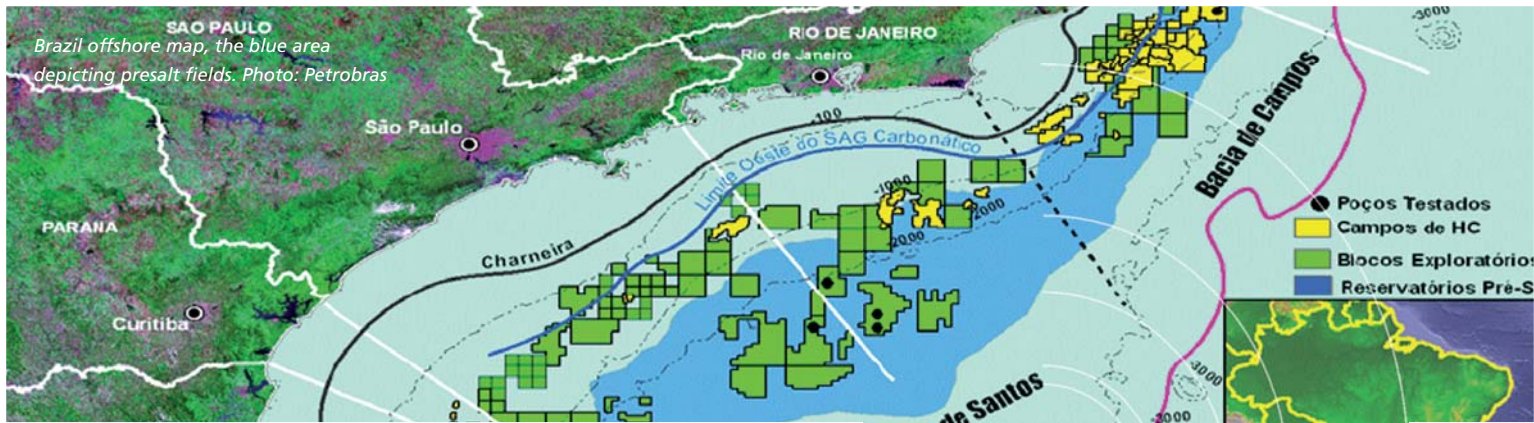
During the last two years Brazil has discovered the largest oil deposits in the country's history. This has put Brazil well on its way to becoming a major producer in the future. The dialogue between Brazilian and Norwegian firms has become more extensive than ever before and the interest for the Brazilian oil and gas sector has grown considerably among INTSOK partners.

The new finds are located in the Santos basin, 300 kilometres from the coast at Rio de Janeiro in south-eastern Brazil. The reserves are in the so-called "pre-salt" area (below the thick salt layer and more than 4,000 metres below the sea bed, under a series of layers of rock and salt). The first discovery, the Tupi field, was made in November 2007. Potential reserves are estimated by Petrobras at 5-8 billion barrels of oil equivalent (boe). The Tupi discovery was followed by other large finds. The initial production at Tupi is estimated at 100,000 barrels/day under a pilot project scheduled to start in 2010.

Petrobras is the largest deepwater producer in the world and has a number of large projects under development, in Brazil as well as in the Gulf of Mexico. The company's vision is to become one of the five leading integrated oil and gas companies in the world by 2020. The company is investing substantially in new technology for deep and ultra-deep waters. Many of the new projects are based on FPSO solutions. Petrobras' five-year strategic plan is very ambitious and calls for investments of around USD 174.4 billion, a 55% increase from the 2008-12 investment plan.

The Norwegian oil industry has established good relations with Petrobras during the last decade. Norwegian research institutes and DEMO 2000 are exchanging knowledge and experience with their Brazilian counterparts. Some 50-60 Norwegian companies are active in the Brazilian market.

The pre-salt discoveries were a main theme during the official visit to Brazil by the Norwegian Prime Minister Jens Stoltenberg in 2008. Mr. Stoltenberg addressed a pre-salt seminar hosted by INTSOK in partnership with the Norwegian Consulate General in Rio de Janeiro. Leading Petrobras executives attended it together with around 170 representatives from Norwegian and Brazilian industry.



StatoilHydro is underway with the development of the Peregrino oilfield. The Norwegian company is the operator for the project and now has 100% stake in the field which is located in the Campos Basin. Expected reserves in this heavy oil field are estimated at approximately 500 million barrels, excluding identified upsides. The field is expected to come on stream in 2010.

Thematic workshops and seminars to exchange experience and knowledge have been important elements in the discussions between Petrobras and INTSOK partners in recent years. The technology workshops in 2008 looked at subsea processing systems and heavy oil requirements as well as new deepwater technologies. The workshops enabled INTSOK partners to meet with relevant contacts in Petrobras. A seminar on Research and Development Cooperation between Brazil and Norway was organised during the visit to Brazil by the Norwegian Minister for Research and Higher Education, Ms. Tora Aasland.

Innovation Norway, in cooperation with INTSOK, has established an incubator office (NBIO) to assist Norwegian companies looking to establish themselves in Brazil. The facilities allow Norwegian firms to gain insight into the Brazilian markets more quickly and cost efficiently.

<p>Rune Norseng Regional Director, Brazil and Canada</p>	
<p>Johnar Olsen INTSOK Oil and Gas Advisor, Brazil</p>	



US GULF OF MEXICO - THE WORLD'S LARGEST OFFSHORE MARKET

The US Gulf of Mexico remains the largest offshore market in the world. More than 100 Norwegian companies are present in Houston and others are looking at establishing a presence in the market. Many world-class projects are of interest to the Norwegian petroleum cluster, which is able to deliver the advanced technological solutions that are well-suited for the challenges in the Gulf of Mexico.

INTSOK has maintained its high activity level, focusing on the leading oil companies and contractors. The Gulf of Mexico has become one of StatoilHydro's core areas with several fields like Tahiti, Jack, St. Malo, Knotty Head, Big Foot and Sturgis under development with StatoilHydro as partner.

Houston also plays a major role as a centre for development in other parts of the world since most of the major oil companies are based in the city which hosts 3,600 energy-related firms and 550 companies engaged in the upstream sector. It is therefore an ideal place for networking, and INTSOK is therefore organising network meetings for partners based in Houston, not only looking at the opportunities in the Gulf of Mexico, but also in other markets like Mexico.

An entry programme has assisted partners who would like to explore whether they should establish themselves in the market. New entrants can benefit from the experience of others that have tried to establish their businesses in a very competitive environment. INTSOK's aim has been, as a facilitator, to guide new entrants step by step through the market entry process by advising and providing local access to appropriate network and business services. The second programme had six new entrants, whilst the third programme launched in 2008 had five members.

INTSOK's annual Houston conference is important for relationship building and for partners to present their capabilities to key clients in

the major oil and contractor companies. The tenth annual event in 2008 focused on "Brownfield rejuvenation and subsea tiebacks" and attracted 250 participants, providing an opportunity for more than 40 INTSOK partners to meet all key US-based key clients.

INTSOK also organised a technology Workshop on Integrity Management in cooperation with Rice University in Houston. The event brought together leading US and Norwegian experts to address key aspects of integrity management and corrosion of offshore installations. The annual Subsea Umbilical Riser and Flowline workshop has also become an important venue for discussing key developments and solutions for deepwater projects.

INTSOK coordinated a round table discussion with a selection of Houston-based suppliers and the Norwegian Deputy Minister of Petroleum and Energy during the OTC Exhibition and Conference in May.

Werner G. Karlsson
Regional Director,
Middle East, North Africa and USA



John L. Hurter
INTSOK Oil and Gas Advisor, USA





MEXICO – MOVING INTO DEEPER WATERS

INTSOK has upgraded Mexico to a main market because of the growing opportunities as the national oil company, Pemex, expands its exploration efforts in the deeper parts of the Gulf of Mexico to maintain reserves and production.

Pemex has a monopoly in the E&P sector, but the Mexican Congress approved reforms in 2008 which may allow the company to build alliances with experienced international oil companies and contractors with deepwater competence and technologies. Pemex is planning to present the potential structure of future cooperation with international players in late 2009 or early 2010.

Oil production has dropped to its lowest level since 1995. The huge Cantarell field has been Mexico's crown jewel for years, delivering more than 60% of the country's oil, but output has slumped by nearly two thirds since its peak in 2004 of more than 2 million barrels per day.

The market is significant as Pemex needs to increase its investments to stop the production decline. Its 2009 budget has increased more than 10% to some USD 21 billion, mostly in the upstream sector, but also in expanding the country's refining capacity as well.

INTSOK has developed good relations with Pemex over the last few years. The 5th annual Mexico – Norway seminar on offshore petroleum production was held in June with a focus on health, safety and environmental issues. The theme was prioritized by Pemex and gave more than 10 INTSOK partners an opportunity to present their capabilities, state-of-the art solutions and equipment for safe operations.

Preparation for the official visit to Mexico by the Norwegian Crown Prince and Crown Princess was a priority in 2008 since the visit offered new opportunities to deepen the relationship between the countries and present the Norwegian petroleum cluster's strong

deepwater technology position and experience. Senior Pemex executives have met with INTSOK partners frequently in recent years to present the opportunities for Norwegian companies in Mexico.

Several Norwegian suppliers are well established in the market. BW Offshore has won the contract to operate the FPSO producing the Ku-Maloob-Zaap field. The field has become the leading producing field in the country, delivering around 800,000 barrels per day.

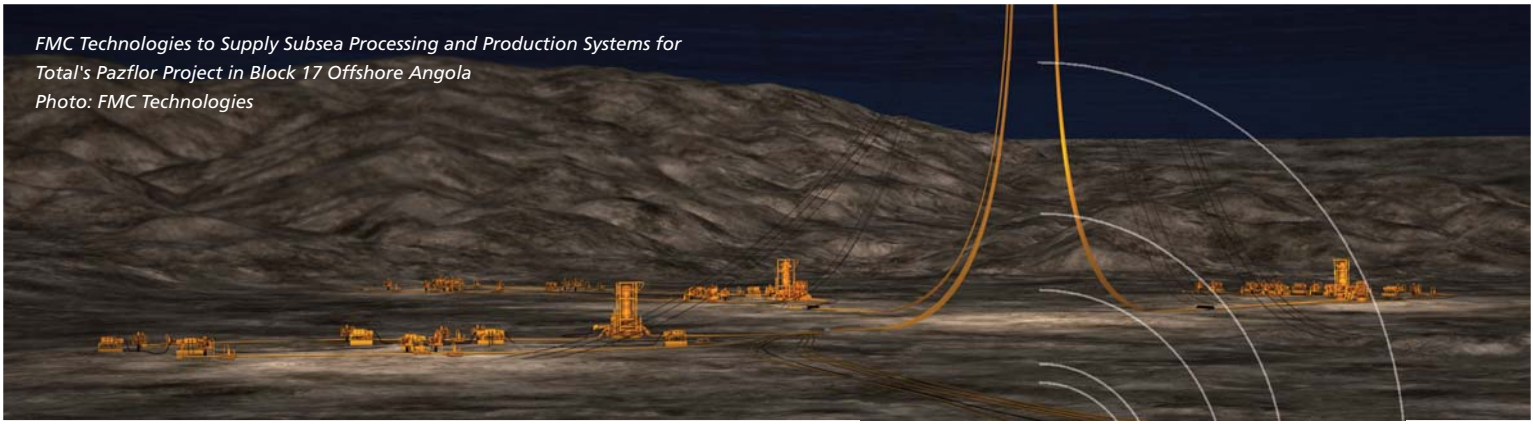
Per Hagen
Regional Director,
Mexico, Nigeria, Malaysia and Indonesia



Javier Estrada Estrada
INTSOK Oil and Gas Advisor, Mexico



FMC Technologies to Supply Subsea Processing and Production Systems for Total's Pazflor Project in Block 17 Offshore Angola
Photo: FMC Technologies



NORWAY'S SUBSEA TECHNOLOGIES A SUCCESS STORY IN WEST AFRICA

West Africa plays an important role in world oil markets, contributing more than 10 million barrels per day to the world's oil supply. Nigeria's reserve potential is significant, both in oil and gas, but the security situation in the Niger Delta has become a major hurdle for oil companies and contractors. Angola became the region's largest oil producer in 2008 when production topped 2 million barrels per day.

INTSOK maintains a high focus on Angola where the Norwegian subsea cluster continues to secure new major contracts in new deepwater fields. FMC Technologies secured the large contract to supply deepwater subsea processing and production systems to the Pazflor project operated by Total. It marks the first ever deployment of subsea processing in West Africa.

StatoilHydro has a strong participating interest in many of the deepwater discoveries made in the last 10 years. Angola is a core area for StatoilHydro. The leading Norwegian contractors, Aker Solution, FMC Technologies and GE Oil and Gas, have been winning major subsea contracts in the deepwater projects. Sonangol, with support from StatoilHydro, is developing the Gimboa prospects in block 4.

INTSOK continues to organise technical seminars in Angola in cooperation with the Ministry of Petroleum and Sonangol. The 2008 seminar addressed increased oil recovery from existing fields and attracted more than 100 participants from the Angolan oil industry, providing an excellent networking place for 10 INTSOK partners. The seminar was partly funded by NORAD through the Norwegian Oil for Development Program.

Mr. Carl Williams, the Project Manager from RKK, among some of the INP teachers participating at the Sumbe training programme. Photo: RKK



Phase 2 of the “train-the-trainer” project was launched in 2008 at the National Petroleum Institute in Sumbe, south of Luanda. The programme began in 2004 and has offered training to future subsea technicians.

Nigeria is in the midst of a major reform programme of its national oil company and its regulatory structures. Nigeria has also launched a Master Gas Plan which aims to utilise more of the gas resources in the domestic market. The 2008 INTSOK seminar looked at how to realise the potential of Nigeria’s large natural gas reserves. The seminar attracted more than 220 people.

StatoilHydro and a few INTSOK partners are well established. FMC Technologies is expanding its presence as a result of being awarded the Agbami subsea contract. The Agbami field was brought on stream in 2008, providing StatoilHydro with its first production from Nigeria.

INTSOK is also engaged in capacity building to enable seven local fabricators to become suppliers to the deepwater projects. The Fabrication Project was kicked off in 2008, using a local training centre in Lagos for the project. Norwegian fabricators met with the participating Nigerian firms and shared their experience with them.

Eva Ljosland
Regional Director, Angola and Kazakhstan



Emilio M. Grion
INTSOK Oil and Gas Advisor, Angola



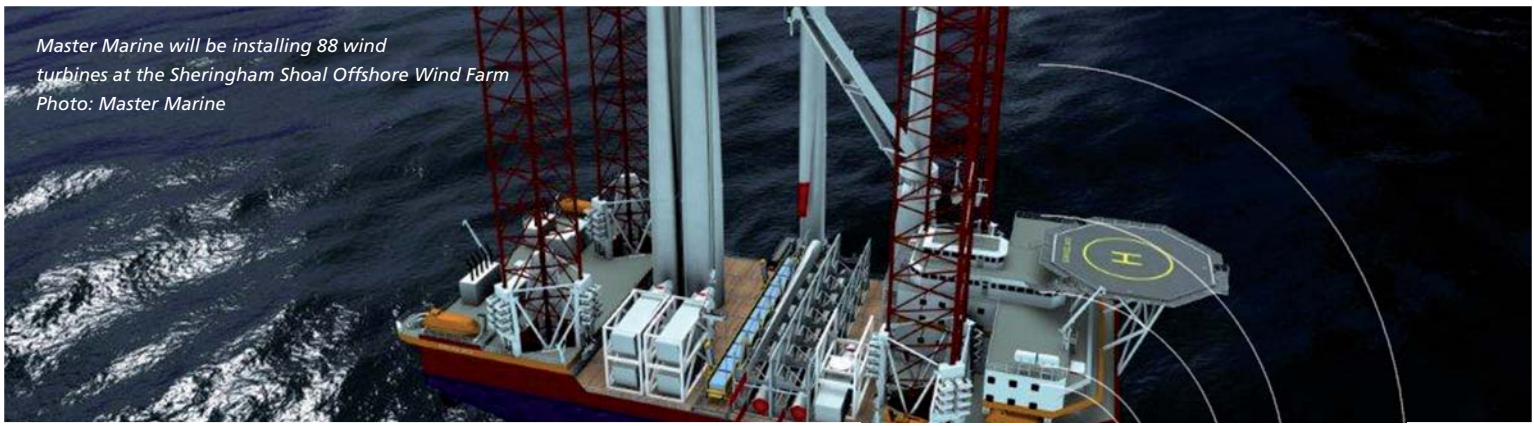
Per Hagen
Regional Director,
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Moses O. Kragha
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Master Marine will be installing 88 wind turbines at the Sheringham Shoal Offshore Wind Farm
Photo: Master Marine



UKCS – IMPORTANT FOR THE NORWEGIAN PETROLEUM CLUSTER

The UKCS market has been for many years one of the largest and most important markets internationally for the Norwegian oil industry. More Norwegian companies are engaged in activities on the UKCS than in any other international market. Many small and medium-sized companies are successful in the UK.

The UKCS is now a mature market, but there is significant expenditure on maintenance, modification and operations. The investment level is still substantial, but the financial crisis and the current oil price are seriously affecting exploration in the UKCS. The UK oil industry association, Oil & Gas UK, expects investments in new and existing fields will fall from USD 7.1 billion in 2008 to around USD 6 billion in 2009. Several discoveries west of Shetland are scheduled to be developed in the next five years. StatoilHydro is working on a plan to develop its first field on the UKCS, the Bressay and Mariner heavy oil project. Over the next 15 years, the abandonment market on the UKCS will also grow considerably and could be worth as much as USD 25 billion, according to new research by Oil & Gas UK.

The cross-border cooperation between Norway and the UK has found its form with mentoring schemes and the UK & Norway Share Fair. The mentoring scheme is seen as a major success and a third programme will start in 2009. The mentee companies have especially highlighted the network opportunities which the programme provides.

The London week and the Aberdeen week provide INTSOK partners with an opportunity to develop their relations with key clients like BP, BG, Kellogg, Amec, Wood Group, Talisman, Nexen, ConocoPhillips, Marathon and Chevron. The theme of the London event in 2008 was "Subsea to beach" and turned out to be a perfect networking arena for the INTSOK partners.

Einar Holmefjord
Advisor and Regional Director, UK



Loadout of the drillfloor from Nymo yard in Norway for transportation to Cosco Nantong Shipyard in China.

Photo: Sevan Marine



CHINA – EXTENSIVE HUNT FOR RESOURCES

China is accelerating exploration and development of the domestic resources as well as expanding its international upstream expansion. The domestic reserve potential is still significant.

The Chinese oil and gas industry is expressing strong interest in developing closer relations to the Norwegian petroleum cluster. The three largest oil and gas companies, CNPC/PetroChina, Sinopec and CNOOC are becoming important customers for the Norwegian petroleum cluster; and this is not only in China, but also in international markets as well. Chinese shipyards are working closely with many Norwegian partners and INTSOK has therefore organised a visit to Chinese shipyards.

Bohai Bay, the leading offshore area, is growing in importance and within the next decade may become the most important oil producing area in the country. CNOOC is working on some 20 offshore projects and is driving the country's deepwater developments. INTSOK organised a deepwater gas field seminar in cooperation with CNOOC in May. The focus was on the CNOOC/Husky Liwan 3-1 project in 1480 metres of water depth and close to 20 partners had an opportunity to present their capabilities and develop ties to CNOOC. The Chinese offshore operator has close to 200 petroleum contracts, partnering near 80 international oil companies. CNOOC's subsidiary, China Oilfield Services (COSL), has developed extensive links to the Norwegian petroleum cluster and completed the acquisition of the Norwegian drilling company Awilco Offshore in 2008.

The three leading Chinese national oil companies are maintaining their high investment level, backed by governmental financial support. Substantial growth is expected to continue in the drilling segment onshore, in onshore modification, maintenance and operations and not in the least in the development of the gas infra-structure, LNG plants and pipelines.

Climate change and carbon capture is emerging as an area for business opportunities for INTSOK partners.

Håkon Skretting
Regional Director,
Australia, China, Russia and South Korea



Guo Jian
INTSOK Oil and Gas Advisor, China



Aker Solutions will deliver a complete subsea production system, including umbilicals, to Reliance Industry's MA-D6 development.
Photo: Aker Solutions



INDIA – LOOKING FOR DEEPWATER RESERVES

India is increasingly focusing its attention on its deepwater and ultra-deepwater to increase oil and gas production. The Indian oil and gas industry has expressed strong interest in developing closer relations to the Norwegian petroleum cluster.

INTSOK's response has been to increase its focus on the market and on the Indian national oil company, ONGC, and the fast growing Indian oil and gas company Reliance, which has made a major deep-water gas discovery in India. Aker Solutions has developed close relations to Reliance and has delivered a complete subsea system and the floating production vessel to the deepwater project. The Norwegian Guarantee Institute for Export Credits, GIEK, has provided guarantees for the project.

Several members of the Norwegian petroleum cluster see a potential in the Indian offshore sector. INTSOK is therefore working closely with Innovation Norway in supporting their activities. More than 50 people attended a joint seminar in Oslo in 2008 where the Indian representatives presented the opportunities in the oil and gas sector. Many of the 20 INTSOK partners used the event for business-to-business meetings.

Gulbrand Wangen
Managing Director and
Regional Director, India





AUSTRALIA IS BECOMING A MAJOR MARKET

Many Norwegian companies have been active in the Australian market for years. INTSOK has strengthened its own activities and has provided more market information and project information to its partners. Australia is fast becoming one of the world's top three LNG exporters with a number of new giant projects moving forward.

A local oil and gas advisor is now available to the INTSOK partners. In April, INTSOK organised a workshop in Perth focussing mainly on technologies in connection with the large APEEA oil and gas conference. Some 20 partners used the workshop to develop relations to key clients like Woodside and Inpex, who are developing large gas fields and LNG projects. INTSOK partners are also building working relationships with major local engineering service companies such as Worley Parsons and Clough.

Asia Pacific is a growth area for subsea development and Western Australia is keen to become a future subsea hub for the region. Opportunities exist for Norwegian companies to increase their presence and establish themselves as service providers to the region.

Håkon Skretting
Regional Director,
Australia, China, Russia and South Korea



Rob Parker
INTSOK Oil and Gas Advisor, Australia





Dr. Ir. Djadjang Sukarna, Director, Geological Research and Development Center, at INTSOK's seminar in Bandung, Indonesia. Photo: Petrad



GROWING INTEREST IN MALAYSIA AND INDONESIA

INTSOK has increased its attention towards Malaysia and engaged a local oil and gas advisor through Innovation Norway in 2007. New discoveries in deep waters have revitalised the oil and gas sector. Malaysia also has aspirations to become a technology deepwater hub for the region. Aker Solutions and FMC Technologies are aligning to this strategy.

PETRONAS, one of the most successful national oil companies, is expanding internationally. Technology development is an important part of the company's strategy. Petronas asked INTSOK and Petrad to organise a strategic R&D Forum in 2008 where some 10 R&D projects could be developed in partnership between Malaysian and Norwegian companies. INTSOK also organised a visit for medium-sized and small partners to meet with the leading oil companies, contractors and shipyards and allow them to present their capabilities and expand relations with potential clients.

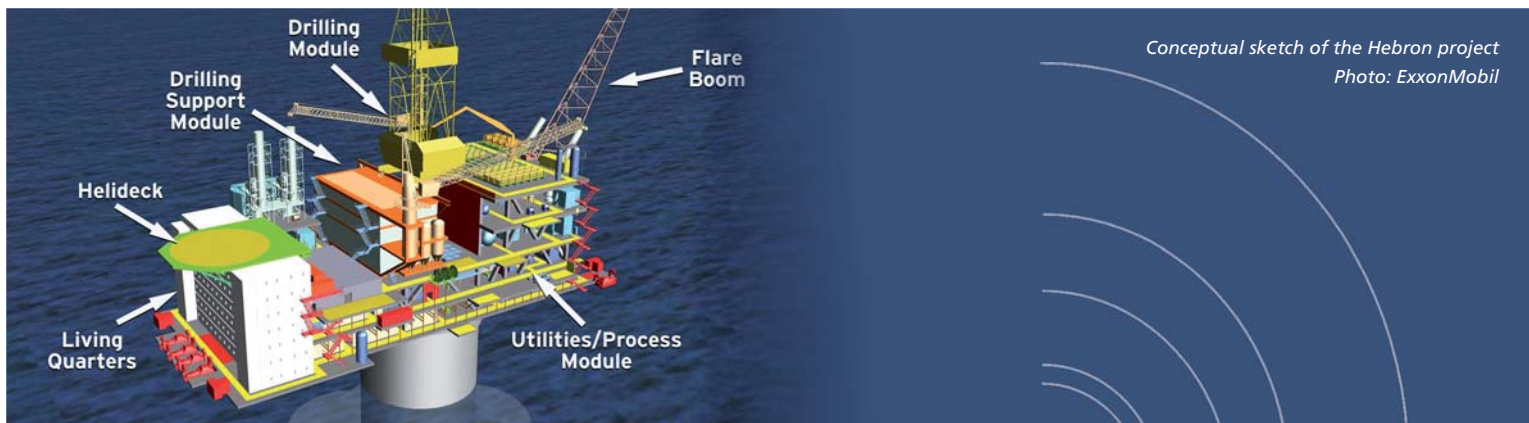
INTSOK has also intensified its activities towards Indonesia. The Government, through BP Migas, and Pertamina, the national oil company, has expressed an interest in developing closer ties to the Norwegian petroleum cluster. INTSOK, in cooperation with Petrad, organised seminars on mature field rejuvenation as well as drilling and well services. Approximately 150 people attended both seminars. The seminar addressed issues like technology transfer and capacity building, which is high on the Indonesian agenda.

Per Hagen
Regional Director,
Nigeria, Malaysia and Indonesia



Tuan Hai Ewe
INTSOK Oil and Gas Advisor, Malaysia





CANADA - LOOKING FORWARD TO HEBRON

The Canadian market has been upgraded as a result of increased activities in the offshore areas off Newfoundland and Labrador. Plans for the development of the Hebron field is moving forward with ExxonMobil scheduled to submit its Development Plan Application by the end of 2009.

INTSOK organised a workshop in the management of emissions to air and water in 2008. More than 90 people attended this successful workshop, including the major clients in the region. The workshop focused on new technologies related to environmental impacts of emissions, including monitoring, reporting and emission control. The workshop looked at Norway's experience in dealing with reductions to air and water.

INTSOK has engaged a local oil and gas advisor for its partners.



Rune Norseng
Regional Director, Brazil and Canada

Tor Naess
INTSOK Oil and Gas Advisor, Canada

(A) Island- Kashagan
Photo: Agip KCO



EXPANDING THE TIES TO KAZAKHSTAN

Kazakhstan is emerging as a major international oil and gas producer. The Kashagan discovery in the shallow waters in the North Caspian is one of the largest oil discoveries in the world. This multibillion dollar project has recently been restructured with several of the partners taking on responsibilities for different activities.

The national oil company, KazMunaiGaz (KMG), is playing an increasingly important role in the country's oil and gas sector, and is also looking to expand internationally. KMG has applied to become pre-qualified for activities on the Norwegian Continental Shelf.

Norway will strengthen its relationship with Kazakhstan further in 2009 when a Norwegian embassy is opened in the capital, Astana. Several INTSOK partners are actively involved in the large oil and gas projects in the country. INTSOK has organised a "Norwegian Day" during the annual KIOGE Oil and Gas Conference in Almaty as a way to expose the Norwegian petroleum cluster to potential clients. The operating company for the Karachaganak oil and gas field visited Norway in 2008 looking for environmental technologies on reducing emissions to air and discharges to soil and water.

Eva Ljosland
Regional Director, Angola and Kazakhstan



Aidyn Tumyshev
INTSOK Oil and Gas Advisor, Kazakhstan





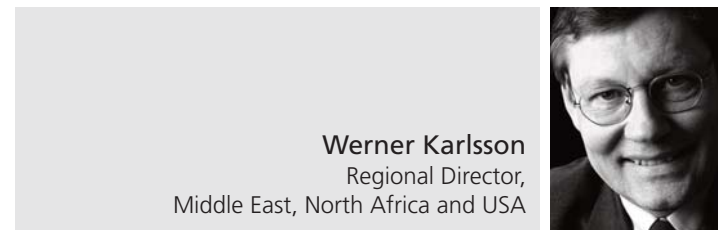
NEW MIDDLE EAST FOCUS

INTSOK has engaged a new oil and gas advisor in the Middle East based in Dubai/Abu Dhabi through Innovation Norway. The new appointment reflects INTSOK's new Middle East strategy which will address the opportunities for the Norwegian petroleum cluster throughout the region and not only in individual countries as in the past.

Priority areas for future cooperation may be clean production of energy and energy efficiency, reservoir management and well construction as well as integrity management. The Middle East has the world's largest oil and gas reserves and a number of world-class projects are under way in many of the countries. The investment level is high both upstream and downstream. Iraq is on the verge of signing contracts with international oil and gas companies.

Partners have shared information on how to do business in the region in network meetings. Saudi Aramco and the Zamil Group attended a network meeting in Oslo and presented potential opportunities for cooperation. Several INTSOK partners were also present at the large ADIPEC conference and exhibition in Abu Dhabi in November.

INTSOK has also continued to contribute to the competence building programme for Iraq, organised by the Ministries of Petroleum in the two countries.



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PROMOTING NORWEGIAN OIL AND GAS CAPABILITIES IN INTERNATIONAL MARKETS

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