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**TO**           **The Honorable Lisa Murkowski**  
                  **Committee on Energy and Natural Resources**  
                  **United States Senate**

**Attention: Tristan Abbey**

**FROM**       **Kelly Buchanan**  
                  **Chief, Foreign, Comparative, and International Law Division I**

**SUBJECT**   **Export of Oil and Gas from Offshore Facilities**

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The information contained in this memorandum is being provided in response to your request of November 7, 2014, concerning whether the laws of Australia, Canada, Denmark, Norway, and the United Kingdom allow for oil and gas produced offshore to be exported directly from the production platforms.

**A. Australia**

In Australia, offshore oil and gas exploration and production in coastal waters up to a three-nautical-mile limit is regulated by the relevant state or territory, while activities in areas beyond the three-mile limit up to the limits of Australia's territorial sea are regulated by federal (Commonwealth) legislation. (A list of Commonwealth and state/territory legislation is provided on the website of the National Offshore Petroleum Safety and Environmental Management Authority, <http://www.nopsema.gov.au/legislation-and-regulations/>, and on the website of the Department of Industry, <http://www.industry.gov.au/resource/UpstreamPetroleum/OffshorePetroleumRegulatoryRegime/Pages/OffshorePetroleumLegislationRegulationandGuidelines.aspx> (both last visited Nov. 24, 2014). A description of the regulatory setting is provided in: MINTER ELLISON, OIL AND GAS IN AUSTRALIA AND NEW ZEALAND: AN INVESTOR'S GUIDE TO THE SECTOR AND ITS REGULATIONS 11–27 (2013), [http://www.minterellison.com/files/Uploads/OilandGas\\_FB/index.html](http://www.minterellison.com/files/Uploads/OilandGas_FB/index.html).) No legislative requirements for oil and gas produced offshore to be brought onshore prior to export were located.

In May 2014, a Western Australia parliamentary committee reported on the impact on the state's economy of the approval of floating liquid natural gas (FLNG) processing operations in Commonwealth waters off Western Australia. The report states that, historically, "Australia's offshore petroleum resources have been processed onshore." (1 ECONOMICS AND INDUSTRY STANDING COMMITTEE, THE ECONOMIC IMPACT OF FLOATING LNG ON WESTERN AUSTRALIA, Chairman's Foreword (Report No. 2, May 2014), [http://www.parliament.wa.gov.au/publications/tailedpapers.nsf/displaypaper/3911622a5dd072199f87835d48257cd9002ca8ca/\\$file/1622.pdf](http://www.parliament.wa.gov.au/publications/tailedpapers.nsf/displaypaper/3911622a5dd072199f87835d48257cd9002ca8ca/$file/1622.pdf).) It states that, in December 2013, the federal government approved the removal of conditions on leases related to particular offshore fields that required processing of natural gas at a specified onshore facility, opening the way for FLNG development of the fields. (*Id.*) According to a news report, the federal Resources Minister had previously said that it was "extraordinary and unusual" for the conditions to have been imposed in the first place. (Angela MacDonald-Smith, *Floating Plan Takes Off for Browse LNG*, FINANCIAL REVIEW (Aug. 23, 2013), [http://www.misaustralia.com.au/p/australia2-0/floating\\_plan\\_takes\\_off\\_for\\_browse\\_MhnmZGC8LJTsuc5HCIIBIP](http://www.misaustralia.com.au/p/australia2-0/floating_plan_takes_off_for_browse_MhnmZGC8LJTsuc5HCIIBIP). For general information on the FLNG projects and related policies and debate see Alex St. John, *Western Australia's Gas Hopes Float Away*, FLAGPOST (Aug. 29, 2013), [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/FlagPost/2013/August/Western\\_Australias\\_gas\\_hopes\\_float\\_away](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2013/August/Western_Australias_gas_hopes_float_away).)

## **B. Canada**

No Canadian laws or regulations that restrict the direct export of oil or gas that is produced from offshore platforms (i.e., requiring the oil to be brought ashore prior to export) were located. (A list of relevant legislation and regulations is provided on the website of Natural Resources Canada, <http://www.nrcan.gc.ca/energy/offshore-oil-gas/5837> (last updated Oct. 10, 2014), and on the website of the National Energy Board, <https://www.neb-one.gc.ca/bts/ctrg/lstctrg-eng.html> (last updated Sept. 26, 2014).)

## **C. Denmark**

Offshore drilling in Denmark is regulated by the Offshore Sikkerhedsloven (Offshore Security Act). (Offshore Sikkerhedsloven, LBK nr 520 af 13/05/2013 [Act No. 520 of May 13, 2013].) Oil and gas exploration is regulated more generally by the Undergrundsloven (Subsoil Act) (Undergrundsloven LBK nr 960 af 13/09/2011 [Act No. 960 of Sept. 13, 2011]) and the Kontinentalsokkeloven (Continental Shelf Act) (Kontinentalsokkeloven LBK nr 1101 af 18/11/2005 [Act No. 1101 of Nov. 18, 2005]). The legislation does not contain restrictions on exporting directly from offshore platforms.

Danish production of oil and gas is described in annual reports published by the Danish Energy Agency. For example, the 2013 report explains how oil and gas is exported directly from the Halfdan and Tyra West production fields in the North Sea using pipelines. (DANISH ENERGY AGENCY, OIL AND GAS PRODUCTION IN DENMARK 2013, at 69 & 95 (June 2014), [http://www.ens.dk/sites/ens.dk/files/energistyrelsen/Nyheder/2014/oil\\_and\\_gas\\_production\\_in\\_denmark\\_2013\\_uk.pdf](http://www.ens.dk/sites/ens.dk/files/energistyrelsen/Nyheder/2014/oil_and_gas_production_in_denmark_2013_uk.pdf).) From other fields in the North Sea, oil and gas is first transported to an onshore processing plant, or to an offshore processing plant and then transported to shore, before

being exported. (*See, e.g., id.* at 64, 72, 75 & 77.) Oil and gas is also transported to shore from other fields using tankers. (*See id.* at 79.) For more information on Danish gas production see *Denmark*, ENERGY DELTA INSTITUTE, <http://www.energydelta.org/mainmenu/energy-knowledge/country-gas-profiles/country-gas-profile-denmark#t42739> (last visited Nov. 18, 2014).

#### **D. Norway**

Oil and gas exploration and production, as well as transportation, are regulated by the *Petroleumsløven* (Petroleum Activities Act). (§1-6c *Petroleumsløven* (Lov 29 november 1996 nr. 72 om petroleumsvirksomhet) [Act of November 29, 1996, No. 72 on Petroleum Activities], copy available in English on the website of the Norwegian Petroleum Directorate, <http://www.npd.no/en/Regulations/Acts/Petroleum-activities-act/> (last translated Nov. 23, 2012).) Norway does not have export control laws that prohibit direct export of oil or gas from offshore platforms. According to a government report from 2014, oil and gas is transported from the North Sea and the Norwegian Sea platforms using ships or pipelines to England and Norway. (OLJE- OG ENERGIDEPARTEMENTET, FAKTA 2014: NORSK PETRELEUMSVERKSEMD 17–19 (2014), [http://www.regjeringen.no/upload/OED/pdf%20filer/Faktaheftet/Fakta2014OG/Fakta\\_2014\\_NO\\_net.pdf](http://www.regjeringen.no/upload/OED/pdf%20filer/Faktaheftet/Fakta2014OG/Fakta_2014_NO_net.pdf) (in Norwegian).) The gas from the Barents Sea, on the other hand, is transported to Norwegian shores only using the “Snow White” pipeline, and from there it is then distributed to the market. (*Id.* at 20.)

#### **E. United Kingdom**

There are no specific regulatory requirements for the import and export of oil in the UK. The only applicable laws appear to be those that provide for the payment of customs duties and taxes. (Geoffrey Picton-Turbervil & Julia Derrick, *United Kingdom – Oil & Gas Regulation 2014*, ¶ 5.1, INTERNATIONAL COMPARATIVE LEGAL GUIDES, <http://www.iclg.co.uk/practice-areas/oil-and-gas-regulation/oil-and-gas-regulation-2014/united-kingdomgas> (by subscription).) There are some regulations that apply to the export of natural gas. Any person who participates in the operation of a gas interconnector must hold a Gas Interconnector License that is issued in accordance with the provisions of the Gas Act. (Gas Act 1986, c. 44, § 7, <http://www.legislation.gov.uk/ukpga/1986/44/contents>.) There appear to be no laws or regulations that require oil or gas to be brought ashore in the United Kingdom prior to export. (*Oil, Gas, Refining and Petrochemicals: International Trade Regulations*, DEPARTMENT FOR BUSINESS, INNOVATION & SKILLS AND UK TRADE & INVESTMENT (Aug. 8, 2012), <https://www.gov.uk/oil-gas-refining-and-petrochemicals>.)

The above information was prepared by foreign law specialists, consultants, and analysts in the Law Library of Congress’s Global Legal Research Center.

If you have further questions concerning this issue, please call me at (202) 707-6711 or email me at [kbuc@loc.gov](mailto:kbuc@loc.gov). We hope this information is helpful.