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NSPM at the state

AT 8/8

FCS/84/129SECRETARY OF STATE FOR ENERGYSleipner Gas

with AT?

1. Thank you for your letter of 26 April and for the paper on Sleipner. I find it cogent and convincing. I support your recommendation that we should buy Sleipner gas subject to the changes you would propose to negotiate.
2. So far as specific international aspects are concerned, I endorse paragraphs 2(t) and 2 (u) of the paper about the consequences of not buying Sleipner for our relations with Norway, and concerning the issue of Western European energy security. Such a purchase would avoid UK dependence for the foreseeable future on unreliable or politically unacceptable supplies of gas (I note that you believe the purchase of Soviet gas may be unattractive for commercial as well as political reasons). The course you advocate would also help preserve our good relations with the Norwegians, with whom we have extensive and vital links over North Sea exploration and development and who are important NATO partners. And it would demonstrate to the US and others our readiness to play our part in developing indigenous energy resources and, I hope, put to rest the pipeline issue so far as the UK is concerned.
3. I hope we can now move ahead quickly. As you know, the Norwegians wanted to have our answer on the Sleipner purchase in time for an agreement between BGC and Statoil to be considered by the Storting in its Spring session. This, they have told us, would entail our final endorsement of an agreement by mid-May, which is clearly impossible. There are

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indications that they may be willing to put an agreement to the Autumn session of the Storting, but clearly the sooner we can get back to them, even with the conditional answer you suggest, the better. They are anxious to know where they stand, and the longer we delay the greater the risk that, as they have hinted, they may decide to withdraw the Sleipner offer and concentrate on developing their oil reserves first.

4. I am copying this minute to the other recipients of your letter.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

8 May 1984