

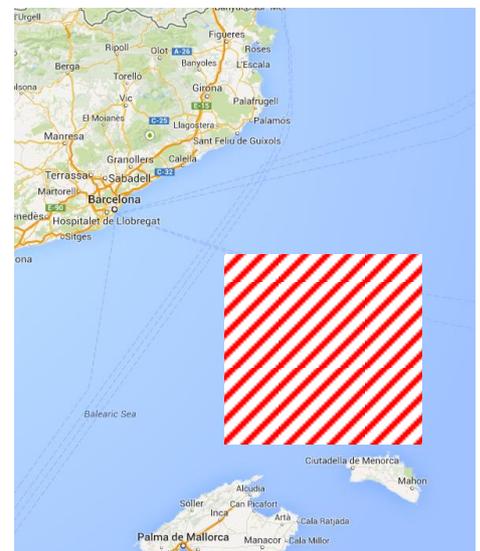
Impact of E&P Business on the Economy of Spain | 2013

Spectrum ASA

Dundas scope: Macro Economics, Petroleum Economics
 Cost Benefit Analysis, Production Modelling
 Cost Estimation

PROJECT DESCRIPTION

Spain has an existing oil and gas exploration and production industry, developing oil and gas fields both onshore and offshore. The discovery of very large gas fields in Mediterranean waters in recent years has increased interest in the potential for Spanish waters to yield major finds in as-yet unexplored geological plays. Spectrum ASA has recently been experiencing strong demand for its seismic data associated with deep water Mediterranean waters off the Spanish coast. Partly in response to this demand, Spectrum wishes to increase the size of its seismic data portfolio for this exciting region. Indications thus far are that the licensing and approvals process that is the required precursor to the proposed seismic survey programme could take several years. A number of reasons behind these potential delays have been identified. Spectrum recognises that the hydrocarbon prospects in the region of interest hold enormous potential economic benefits for the people of Spain. Spectrum has engaged Dundas Consultants to quantify and describe the potential economic benefits in order that they may be communicated to the relevant regional and national authorities.



DUNDAS ROLE

Spectrum provided a high level description of the gas field prospects. Based on these data, Dundas estimated a full lifecycle development programme for the projects that could follow exploration success. The project estimates include assessments of expenditure by the associated oil and gas industry over a period of decades. In addition, the taxation receipts for the people of Spain were forecast in detail. The substantial potential employment benefits were quantified as was the major positive impact on the dependence of Spain on imported gas to meet its energy requirements. The balance of trade implications are presented along with the benefits to Spain in terms of infrastructure.