



www.oljan.fo

Jan Müller

18 - 09 - 2011

Iceland ponders national oil company

On the 3rd of October, Iceland will once again offer oil companies to explore for oil and gas on the Dreka prospect area. The last time this happened interest was very low, but since the Iceland Parliament, Altingið, some time ago made it quite simpler for companies to participate in exploration and production, the hopes are that more applications will arrive. The question is if a national Iceland oil company will participate. The Iceland Ministry for Trade and Industry in Reykjavik is currently looking into how to establish a national oil company. The ministry has been in contact with several parties to try and establish what the correct thing to do is, but no final decision has yet been taken, say people from the ministry. It is understood that the Norwegian company Petoro is a model, which Iceland is looking at. Could increase interest The international consultancy company PriceWaterhouseCoopers has investigated what it would take to establish a national oil company and according to sources in Reykjavik they believe the idea is a good one. -There is no need to re-invent the wheel. Such companies have been a success in other countries, which we normally like to compare ourselves with, said Mr Hallór Torkelsson, who works for PriceWaterhouseCoopers in Iceland, to the national radio in Iceland. He believes a national company would increase interest levels for the Icelandic area. The Ministry for Trade and Industry says that although the idea of a national oil company may not be executed, Iceland will benefit from the Dreka prospect, in the event oil or gas is discovered there, as the current legislation ensures the public would collect tax revenues and production fees.