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UK looking at the Atlantic Margin area

Not that many years ago, the area west of Shetland was not exactly the area geologists and politicians were focusing most of their attention upon. Today the situation is reversed and the Atlantic Margin area, as the area between Shetland and the Faroes has become known, has suddenly become one of the main core focus areas for the future UK exploration and production of oil and gas. This state of affairs emerged recently at the international oil and gas exhibition/conference in Aberdeen, Offshore Europe 2011. The main focus area for the conference was exactly the area West of Shetland. Last Tuesday and Wednesday another large oil industry conference was held in London, where again the same area was in focus and geologists presented their latest knowledge on this large area and the area all along the UK/Faroe borderline. High hopes and opportunities The UK oil industry has together with the Norwegian oil industry, over forty years on its back. Generally speaking this has been a sunshine story, but over the past few years, both the UK and Norway have placed their faith in drilling for new and in all probability large oil and gas deposits, as these have been in very short supply over the years. Recently, however one large such discovery has been made in Norwegian territory and this has prompted both oil companies and the authorities to revise their hopes for the Norwegian oil industrys future. How then is the UK situation may one ask? After several large-scale oil and gas discoveries have been made west of Shetland, several of them quite close to the Faroe border, the UK has now begun in earnest to take an interest in the area between Shetland and the Faroes. This area has for a long time been estimated to hold large deposits of both oil and gas, but the area is still classified as a frontier area, where few wells have yet been drilled and the associated risk is still very high. UK oil production on the wane UK newspaper, The Guardian writes

that the UK oil and gas production for the next quarter will show a decrease of 25%, compared to the same quarter last year. At the same time the import of coal has grown significantly. Wind energy production however has risen from 6,3% to 9,6%, during the same period. The CEO for the oil companies association in the UK, Mr Malcolm Webb, told the Guardian that the situation is serious and that the UK government must be careful not to scare oil companies off, by imposing sudden tax increases. Companies, willing to invest in exploration and production, are the companies most likely to make new oil and gas discoveries and thereby increase production once again. The most recent tax increases imposed by the UK government, has made several oil companies think again about development plans for the southern part of the North Sea. Having said this however, it looks like the interest for the Atlantic margin area is on the increase. Several large discoveries have been made and development plans for over 100 billion kroner are in the pipeline. The large conference in London has no doubt also debated the Faroe geology and the opportunities of making large discoveries there.