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Skálafjord suitable as an oil industry hub -

In the event oil or gas should be discovered in commercial quantities in the Faroes area this year and a true oil industry emerges in its wake, then Skálafjord is a good bid for a future oil industry hub, says Mr Mouritz Mohr the CEO at the shipyard Mest, formerly Tórshavnar Skipasmiðja. Breakthrough 2012 could be the year when oil finally makes a breakthrough in the Faroes. This is how hopeful and optimistic the Government Cabinet Minister for hydrocarbon affairs, Mr Johan Dahl was, when interviewed by Oljan.fo, on his predictions for 2012. He was referring to the upcoming drilling in Faroe waters. This will be the eighth Faroe well and although no commercial discovery has been made yet, the whole procedure has unveiled a mass of very important information on our subsoil, not least the presence of an active hydrocarbon system. Quayside All these wells, together with other surveys, have created quite a considerable amount of activity in the Faroes, partly due to Faroese legislation demanding that all goods and services destined for this industry pass over a Faroe quayside. This has provided work for the oil industry supply base at Rúnavík, for aircraft and helicopters at Atlantic Airways and for wholesalers and other service providers. Should a commercial discovery be made this year, the question will once again arise where future oil industry activities should be located. It is no big secret that the municipality of Rúnavík is actively working to prepare Skálafjord for a future role as the oil industry hub of the Faroes. Last year, work begun to determine which areas of the fjord would be best suited for the various commercial aspects linked to an oil industry. New supply base It has been rumoured that the area between the villages of Skála and Skálabotn will no doubt be the best candidate for the location of a new future supply base. The current supply base is large enough for the existing exploration

activities, but it has its limitations. Should a discovery be made and a production development agreed upon, the requirement for considerable more upland and quayside metres become an immediate requirement. We have been hearing lately of Faroese companies hiring skilled tradesmen abroad to work on various projects. Oljan.fo has in this connection asked some of the individuals involved in these activities, how they regard a development of an oil industry in the Faroes could proceed. At the forefront is the shipyard Mest and they have discussed this scenario. Huge opportunities Mr Mouritz Mohr the CEO for Mest and its daughter company PAM Offshore, sees huge opportunities for Skalafjord, should an oil industry emerge - -We have Skalafjord, which is both very deep and wide and has a large upland, which combined are well suited for an oil industry. Port facilities and depth are essential if we are to receive a drilling platform. Skalafjord ensures this. It is rumoured that the authorities in the area are working on a project whereby the area between the villages of Skála and Skálabotn will be reserved for exactly such a purpose. I can only welcome this and I imagine so do all the other companies in the area.