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Faroe involvement in Norway-Russia deal

The agreement, which Statoil has signed with the public Russian oil company Rosneft, and widely publicised by the international media, is also linked to the Faroes. A large part of the arctic region covered by the agreement belongs under the portfolio of the newly erected Statoil arctic division, which is lead by the Faroe Statoil manager, Mr Rúni M. Hansen. Stoltenberg and Putin To fully understand the magnitude of this agreement, we can point out that the Norwegian media report the two countries Presidents discussed the agreement during a telephone conversation yesterday. They discussed the importance the agreement will have for all future cooperation. Stoltenberg, who is set to visit the Faroes in ten days time, says this strategic agreement is very positive for both parties as the two countries are commonly interested in extracting oil from the arctic region in the most sensitive manner possible. Faroese responsible for the Arctic division -We always try to be at the forefront in areas where we believe the opportunities of finding hydrocarbons in large quantities are present. This agreement is completely in line with this strategy. This can only be achieved through good cooperation with other companies, the authorities and other on-site people, says Mr Hansen. Statoil has made substantial oil discoveries over the past year and a staggering six of their latest discoveries are classed worldwide as large-scale discoveries. Access to exploration areas -The very first precondition for making such discoveries is access to good exploration areas and this latest agreement is a link in this strategy, says the Faroe Statoil manager. Two of the aforementioned six discoveries are in Norwegian waters located in the Barents Sea, i.e. the Skrugaard and Havis prospects - -Statoil has extensive experience from operating in northern waters and this is all part of strengthening this work and using the experience the company has in these

areas. The Arctic division covers a large area. Apart from Russia, the division encompasses USA/Alaska, Canada, Greenland and the Norwegian part of the Barents Sea. The Faroes also belong under the Arctic division of Statoil.

Experience from Brazil The agreement with Russia permits Statoil to explore for hydrocarbons in an area in the Barents Sea, which is far larger than the area of the North Sea, where Statoil has explored for hydrocarbons to date. Apart from shooting seismic, Statoil has been mainly tasked with drilling six exploration wells. In addition to the sea-based area, the companies have agreed to include a large land-based area in western Siberia. In a press release the companies say Statoil will use their experience from Brazil and the USA, regarding exploration for oil, which is extracted differently compared to offshore operations. Rosneft will be handed shares in Statoils Norwegian licenses. Statoil in the Faroes Statoil is very active in the Faroes. The company will in approximately two months time commence a drilling operation in Faroe territory. The Chinese platform, the Cosl Pioneer will drill this very expensive well, estimated to cost in the region of one billion Danish kroner. Apart from Statoil the worlds largest oil company ExxonMobil is also a partner to this well. The minute private Faroe oil company Atlantic Petroleum is also partner to the project. If all goes according to plan, the first initial results ought to be ready by late October or early November. Picture Rúni M. Hansen here together with Helge Lund, CEO of Statoil. Picture [oljan.fo/Jan Müller](http://oljan.fo/Jan_Müller)