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Statoil top brass visiting Faroe PM - Drilling result in 4-6 weeks time

On August the 17 it was two months since Statoil spudded the eighth Faroe well. The Statoil President for Exploration International, Mr Tim Dodson, has in connection with a team leader meeting in Tórshavn met the Faroe PM. He explained that all is going according to plan and the first initial drilling results may be forthcoming in 4-6 weeks time. Highly regarded Statoil boss visiting It was a smiling and very satisfied Mr Dodson oljan.fo met at Tinganes last Thursday after the Statoil team had visited the Faroe PM, Mr Kaj Leo Johannesen. This is Mr Dodson's first ever visit to the Faroes, and we of course asked how it was to visit these islands in the North Atlantic, which his ancestors a 1000 years previously had found - -It is good to be here and you feel welcomed in the Faroes. I must say I am quite surprised and captivated by how well you have organised yourselves as a society. It was excellent to meet your PM. The meeting was good and constructive. We are both excitedly waiting for the result from the Brugdan 2 well and hopefully we will be able to return quite soon with very positive news. Drilling results in 4-6 weeks Q - Do you believe we as a society, will be capable of accepting this huge challenge, which an oil industry could represent? A - -I am convinced you will manage this huge task and I also believe your rich maritime history represents a huge value in itself, and not least your pragmatic manner. The very open dialogue I have held with your authorities is also good evidence that you will manage this challenge. Mr Dodson hurries to add - -If all goes according to plan we may have something to tell you in 4-6 weeks time. The years exploration manager Mr Dodson has been responsible for quite many of the newspaper headlines in both Norway and the international media over the past year and not without good reason. He has been announced as the world's best exploration manager this year. He has led Statoil's new

exploration strategy, which is to drill for oil and gas in new high risk areas round the world but at the same time there is always the chance of making large scale discoveries. One after the other, Statoil under Mr Tim Dodson has made large scale discoveries in the Barents Sea, the North Sea, Brazil and East Africa. The Faroes are now facing this challenge, and Mr Dodson is quite excited, but also vaguely optimistic, when oljan.fo asks if his success will continue in the Faroes? A We hope so. This is the eighth well here and the Faroes are still a high risk area. The companies not prepared to go for high risk areas promising a high return will never find the large oil and gas fields. Good to have ExxonMobil onboard Mr Dodson is very pleased that ExxonMobil took the decision to become part of the exploration effort in the Faroes together with Statoil. -It is very good that ExxonMobil are a partner to this project that there are companies with vast knowledge and experience, willing to share the risk with us and thereby also the benefits of a possible large discovery. Mr Dodson adds that ExxonMobil is a very good cooperation partner. It has been very active in this project, ever since they became a partner to the exploration of the Faroes. Cautiously optimistic Q - How high are the possibilities of making a Brugdu discovery? A - -The possibility of making a discovery in such a prospect is one in five or one in six or seven. Of course it is also possible to say drilling a dry hole is an eight or nine out of ten possibility. However if we did not believe hydrocarbons are present here we would not be here. So we are cautiously optimistic. Oljan.fo asked Mr Dodson, who is part of the large management team that is Statoil, who it is to cooperate with a Faroese, e.g. Mr Rúni M. Hansen? A - -Rúni is doing a very good job for us in the Faroes. It is of great importance to us to have a local person in on this important project. I am also very pleased to have him in my team, in connection with international exploration, where he has been chosen to head the Statoil Arctic Division Much spinoff activities after a discovery - Q - Does Mr Dodson believe there will be much work for Faroese if an oil or gas discovery is made? A - -It is always difficult to answer such questions, as this depends upon if it is oil or gas that is found. It is also a question of which development method is employed, e.g. if it is a land-based development or a FPSO solution is opted for. It is also a question what requirements will be for supply bases, supply vessels and helicopter transportation. One should definitely not however underestimate, irrespective of which development solution is employed, the requirements for assist functions. Let me underline however, that of course a discovery and development will have a huge impact for all the activities in the Faroes, but to quantify this is very difficult to determine today. Infrastructure and local industry important During the short visit, the trip also included a visit to Rúnávik to see the supply base there. -This was just a very short visit, but I got the impression the harbour and the associated activities are functioning satisfactory. I have a positive impression from my visit and can only say the circumstances are good. It is very nice to see you already have the infrastructure in place and a local industry capable of servicing the fishing industry. These two form a very good foundation to build upon, if a discovery

should be made. Q - This is your first visit to the Faroes. Your boss Mr Heig Lund has never been here. What will you tell him about your Faroe visit, when you meet up again? A - I will tell him how well this society is functioning with a well developed infrastructure and thereafter I will explain to him the good very constructive dialogue I have had with the authorities here. Apart from Mr Tim Dodson, the entourage also included Mr Nick Maden, Senior Vice President for Exploration International and Mr Carlon Gil, Senior Geologist. Photos Tim Dodson, Statoil and Faroese Primeminister, Kaj Leo Johannessen discussing the Brugdan 2 drilling and future cooperations. Here together with Runi M. Hansen, MD for Statoils operations in The Faroes and Statoils Artic operations Statoil people visit the Prime Ministers office in Tinganes Photos oljan.fo/Jan Müller