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## **Faroe Petroleum expands activities west of Shetland**

Faroe Petroleum has announced that the company has acquired a 10% stake in the East Foinaven production facility and a 0,5% stake in the West of Shetland Pipeline System, from Marubeni Oil & GAS (North Sea) Limited. The acquisition price is US \$32 million corresponding to app. D.kr 184 million. The final price will be somewhat lower after the updating procedures are completed. The production facility is located on the Atlantic Margin area, 190 kilometres west of Shetland and 7 kilometres in a southwest direction from the main Foinaven production facility. BP is the operating company. East Foinaven was discovered in 1995 and a production commenced in 2001. The production facility has been developed through three production wells and two injection wells and is tied back into the main Foinaven production unit through a subsea pipeline. Independent experts estimate the Faroe Petroleum share of the hydrocarbon assets at East Foinaven as of the 1st of January 2012, are 1,55 million barrels of oil and gas equivalent. The gross daily production for 2012 has been estimated to be 3.500 barrels of oil and gas equivalent, corresponding to a daily net production for Faroe Petroleum of 350 barrels. The reservoir rock is estimated to be of good quality. Surveys the company has conducted indicate the estimated oil reserves could increase and that a production period could exceed 2022. The company is very pleased to announce the expansion of the company's activities through the acquisition of a share in East Foinaven. By utilising a transferred tax loss in the UK, the company has ensured, through the East Foinaven acquisition a tax effective production, which will facilitate the continued funding of exploration activities by the company