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Oil exploration important for Vagar Airport -

Flight activity over Vagar Airport continues to increase and the current oil exploration activity in the Faroes is responsible for a large chunk of this increase, says Vagar Airport in a press release. The current well drilling activity in the Faroes is having a positive impact upon our figures and it is estimated they represent app. 2,5% to 3% of the total annual growth. To the extent the drilling activity is continuing the positive impact is set to continue. Atlantic Airways has signed a contract with Statoil, whereby they are bound to transfer all staff between the airport to the drilling platform, vice-versa and further on between the Faroes and Norway. When drilling commenced it was estimated the whole drilling operation would last for between 4 to 5 months. So far the operation has lasted for four months and three weeks and there are no indications that drilling activity is set to cease. This means that drilling could continue for the rest of this month and possibly extend into December. This would certainly be very good news for both Atlantic Airways and Vagar Airport. Oil exploration also has the added bonus of many people travelling from abroad to the Faroes, to work in the Statoil office in Tórshavn and for the foreign subcontractor companies residing in Tórshavn. 10% growth Over the month of October, the increase in passengers through Vagar Airport was a staggering increase of 32,1% compared to October of last year. To date the total growth has been recorded as 10%, or an increase of 17.877 actual passengers. There is considerable activity taking place within Faroe aviation at the moment, says Vagar Airport. In December of 2011 the extended runway came into operation; in March 2012 the new Atlantic Airways airbus plane landed for the first time; in June oil exploration begun and in October the construction company Articon commenced upon the work to build a new terminal and other service buildings. All this combined

and together with the increase in passenger numbers, makes for a very promising future. The increase in passengers has been recorded on almost all the Atlantic Airway routes and all the indicators are that this increase is set to continue for the remainder of the year. The amount of airfreight has also experienced a considerable increase as has the number of flights utilising the airport as an intermediate or stopover airport. -If this positive trend is sustained, Vagar Airport expects 2012 to become a record breaking year, says Mr Jákup Sverri Kass, the CEO for Vagar Airport. The record was set in 2008, when 221.942 passengers came through the airport. The tourist- and oil industry A passenger survey conducted at the airport shows that it is a mixture of various interest groups, which are responsible for the increase. The number of foreign tourists is increasing and Faroese are also travelling more and the ever growing activity within the offshore industry is positively affecting the figures. Price affects travel desire Polls which Gallup has conducted on behalf of Vagar Airport, shows that price is the deciding factor, if people wish to travel or not. Referring to the latest poll, this shows that if the airline ticket price was lower, Faroese would be inclined to travel more. The poll also showed that people had paid less for their airline ticket in 2012 compared to 2011. Vagar Airport, which together with Atlantic Airways made an attempt to boost ticket sales in November, by Atlantic Airways reducing ticket prices considerably, while Vagar Airport reduced operational tariffs by 50% for the corresponding period. The result of this campaign will become known ultimo November. Vagar airport is interested in assisting in the boosting of traffic through Vagar Airport and is very pleased to see the Dept. of Trade & Industry has decided to prioritise a development of aviation through investments made over the past few years, not least by the allotment of D.kr 16 million intended to market the Faroes abroad as a tourist destination. Through steady and targeted marketing, Vagar Airport has to a certain extent contributed towards disseminating knowledge about the Faroes as a tourist destination, through press releases and selected pamphlets. The airport has participated at Vest Norden Travel Mart in October in order to promote the interest of tourists to travel to the Faroes.