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ExxonMobil increases Faroe ties

The world's largest oil company, ExxonMobil has taken another step into the Faroe exploration effort. The company has just acquired a share of the very large 016 license block, located to the north in Faroe territory. Through this latest acquisition the American oil company is now a partner in no fewer than four of six exploration licenses, where Statoil is the operating company. ExxonMobil has bought a 20% share in license no. 016. Statoil now holds 40%, Dong 30% and Atlantic Petroleum 10%. Originally, Faroe Petroleum held a 20% stake in the license, but elected to sell out approx. one year ago. Statoil took over the 20% Faroe Petroleum share and has now sold it on to ExxonMobil. Licensed blocks in Faroe territory ExxonMobil is a quite new company in the Faroe exploration adventure and is now a partner in license nos 006, 009, 011 and 016. Mr Petur Joensen the Jarðfeingi CEO says he regards this as a very positive development for Faroe exploration, when such a large strong company like ExxonMobil farms-into Faroe exploration licenses. This latest development in license 016, will not change the work programme other than there will be more companies to share the burdens. That ExxonMobil has enacted a cooperation with Statoil in no fewer than four licenses, may be interpreted as the two companies are sharing the same or a very similar strategy, e.g. enter a new virgin area early, participate actively in exploration and select licenses where there is a possibility of making a large discovery. Statoil, which is the operating company, has led the seismic shooting operations and the thus accumulated data is currently being interpreted. The work programme extends until 2015, which means the companies have until 2015 to decide if they wish to continue and possibly undertake a well drilling operation. It is also quite possible that the rumours maintaining that ExxonMobil has farmed-into yet another Faroe

license, may be linked to the Brugdan 2 well drilling, which to date has cost the involved oil companies over a billion Danish kroner to penetrate through the basalt and into the underlying layers. Although Brugdan 2 is located much further south compared to license no 016, it is quite evident that the information from the Brugdan well will assist the oil companies in their interpretation of the geology further north. There can be no doubt that this latest ExxonMobil decision, to expand their cooperation with Statoil, must be interpreted as a breakthrough in relation to the Faroe oil and gas exploration effort.