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Dong regards Shetland-Faroes as one oil province

-We regard the area between the Faroes and Shetland as one area in an oil industry context, and therefore there must exist opportunities of making a discovery in the Faroes part of the Faroe/Shetland trough, says the Dong Exploration Manager, Mr Søren B. Andersen. He also points out that Dong has been involved in several commercial oil and gas discoveries on the UK side of the border. Through their latest Faroe exploration licenses, they intend to repeat their good results west of Shetland. -We have applied for this area for two reasons. It is ten years since we last drilled in this area and the technology of the seismic sector has improved immensely since then - to a stage where we believe we can now map possible oil pockets more accurately. The wells drilled in this area in the early part of this century, were all drilled in a short period and not much time was allowed for the calibration of the seismic data accumulated from the new well drillings. We have now developed a special seismic technology to assist in the mapping of possible oil and gas reserves, which has met with success in the UK sector of the Faroe/Shetland basin. We intend to compare this seismic data with existing well drilling results and thereby map the oil potential in the area more accurately over the next three years, before we take any decision to drill a well. Regarding the second reason for acquiring these licenses, Mr Andersen says that since the Marjun discovery was made, production technology has been developed substantially and the market price conditions equally so. We are now in a position to utilise a three year period to completely revamp and revise the Marjun discovery based upon the new production technology and market price conditions and test the discovery with this new technology. Mr Andersen points out that Dong is involved in several discoveries on the UK side of the border and they can use this valuable knowledge to map the

potential and also their options in these new Faroe exploration licenses:-We regard the whole area as one oil province and there ought to exist opportunities of making discoveries in the Faroe sector of the Faroe/Shetland basin. Upon the question of why they are alone on this new task, the Dong manager says they have decided not to involve other partners at this initial stage as they are able to work quicker and with more flexibility: -We will try to involve other oil companies before we finally decided to drill, as a drilling operation in this area is very costly. Mr Andersen adds that there is no comparability between these new licenses and the other licenses of which Dong has been a partner for many years. These are two completely different licenses, where Statoil is the operating company and where one will be drilled next year. Dong has to be regarded as very active in the Faroes area and is highly important in the process of accumulating more knowledge on the Faroe subsoil. Picture: Johan Dahl, Minister of Trade and Industry together with Søren Andersen, Dong Exploration Manager Faroes