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Statoil preparing for largest ever Faroe investment

The oil company Statoil has now begun in earnest to prepare for next years two drillings in Faroe waters. This project will be the largest ever single investment in the history of the Faroes and is estimated to be in the region of D.kr 1,5 billion, oljan.fo understands. Statoil is the operating company for both the exploration wells planned for 2014. One of the wells will be a continuation of the Brugdan 2 well, which was stopped last year due to a combination of poor weather and technical problems and therefore postponed. The other well is a new exploration well. The intention is to commence the drilling project in the spring of 2014 and it goes without saying, that a huge amount of preliminary planned is required to drill two wells one after the other. Jarðfeingi visited Representatives from Statoil and ExxonMobil, who together with Atlantic Petroleum will drill and complete the Brugdan 2 well. They have just held a meeting at the Statoil premises in Tórshavn and they paid Jarðfeingi a visit, where the CEO Mr Petur Joensen welcomed them and explained the work being conducted by Jarðfeingi. The two ExxonMobil representatives are high standing people within this worlds largest oil company. They are, Mr Kevin Biddle the Exploration Manager for Europa and the Caspian region and Mr Tristan Aspray, the Exploration Manager for Great Britain and the Faroes. Both have come to the Faroes to acquaint themselves with the conditions here and speak to the Statoil management, both in respect to the pending Faroe drilling projects, but also regarding other mutual worldwide projects. Platform secured Statoil has secured a larger drilling platform to drill the two wells. They have also begun their preparations to send various materials to the Faroe oil industry, which they will be given the opportunity to tender for, in connection with the two drillings. Last year Statoil endeavoured to utilise so many Faroe

subcontractors as possible, presuming their bids were competitive, compared to the other tenders involved. The Statoil Faroe manager, Mr Rúni M. Hansen says they have no intention of changing this routine, more likely they would like to see as many tasks as possible being executed in the Faroes. This does however impose very stringent demands upon the Faroe subcontractors to retain their competitive edge. Drill Brugdan 2 well first It is understood the Brugdan 2 well will be first in line to be drilled. When this well is completed, the drilling rig will be moved to the Súlan/Stelkur prospect, close to the border. Apart from Statoil as the operating company, Dong and OMV are also involved with this project. The aforementioned wells are number 8 and 9 in the thirteen year-long Faroe oil industry saga. All five of the licensed oil companies in the Faroes area will be involved with this project. The remaining licensed sixth oil company in the Faroes area is Faroe Petroleum and their geologists are currently interpreting seismic data, data and results from previous well drillings in an attempt to locate new interesting prospects, worth investigating in more detail.