



Dong visiting the Government – still have faith in the Faroes area

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-“We have informed the Government Cabinet Minister for hydrocarbon affairs, Mr Johan Dahl on our intentions for the Faroes and have thanked him for the two licences we have been awarded”, says Mr Søren Gath Hansen, the Dong CEO for international exploration.

He visited the Faroes last week together with two of his colleagues, Mr Søren B. Andersen and Mr Jan Terje Edvardsen, the latter being in charge of the geological aspect of Dong operations.

Earlier this year, Dong applied for two exploration licences, according to the recently implemented “Open Door” policy, whereby the Faroe authorities may award licences without first having to proceed through the Parliament. This is the first attempt according to this new system and it is understood that both the oil industry and the Faroe authorities are very satisfied with the system, as it permits oil companies a fast access to exploration.

Mr Søren Gath Hansen is not new to the Faroes, as he was one of the first to come to the Faroes in the mid-90ies, to participate in the preliminary preparations for oil exploration in the Faroes. He is pleased to have returned and is satisfied to see there are still other oil companies taking an interest in the Faroes plateau and are prepared to drill wells: - “Although we have hopes of finding oil and gas in the Faroes, I can only repeat what I said almost fifteen years ago, e.g. that it will be a long and hard road to prepare for oil and gas discoveries in the Faroes. It takes time, but most of all, it is important to keep exploration alive, which we still want to be a part off. Fortunately, there are other oil companies harbouring the same hopes that we have”.

Mr Hansen says the meeting he held with Mr Dahl was very positive and open: -“I believe the Government Minister was very pleased to see Dong beginning once again to take an interest in the so-called “Golden Corner” and the Marjun prospect in particular, as we were a partner to this discovery in 2001. That we are taking a renewed interest in Marjun and other prospects, I think the Minister believes this is very important for Faroe exploration in general”.

Dong is currently in the process of interpreting seismic, which has previously been shot on the area. The seismic covers a much wider area, where Dong has recognised several other prospects. These prospects have been named and have been given the names of the first settlers to the islands and they include names such as; Naddoddur, Grani, Angantyr, Kamban, Gerda, Gøtuskeggi and Marjun.

It is understood that Dong will now spend much energy on investigating seismic and other related surveys, before any decision is taken to drill a well sometime in the not too distant future. That the company has paid the government a visit with such prominent people in their delegation, can only signal that the Danish energy company is seriously meaning business and now as an operating company.

With Dong as an operating company, the Faroe exploration effort has experienced a further lift. The other operating company in the Faroes is Statoil and it may be worth noting that Statoil and Dong are set to drill a well together next year.

Mr Johan Dahl welcomes Dong

-“I had a very good and informative meeting with Dong Energy representatives and they are most welcome to explore for oil and gas in the “Golden Corner”, says Mr Dahl. Dong, which has just been awarded two new exploration licences, 018 and 019, says it recognises large opportunities in the region between the Faroes and Shetland. Dong regards this area as one continual oil province, which it estimates in the future will become very important.

When referring to the “Golden Corner”, this is the area where oil companies drilled the very first wells in Faroe territory in the mid-90ies. Dong together with other oil companies drilled the Marjun prospect and made a discovery, but at the time it was not estimated to be commercially viable. New surveys now however seem to indicate the discovery may be more interesting than at first perceived.

That Dong is now casting a light upon this same area, the Government Minister likens to opening old doors again, as the area is far too large to abandon completely, just because a few wells there were dry holes.

-“We have seen developments in the North Sea, where even areas regarded as dry areas, suddenly yield new discoveries to new courageous geologists applying new thinking. So I wish Dong all the very best of luck in their role as operator. We are very pleased with Statoil as an operating company in the Faroes, but it is always good to induce “new blood” and have Dong as a new operating company”.

Mr Dahl says he seemed to sense a certain degree of optimism emanating from the Dong people last week: -“They were very positive and explained their work to better understand the “Golden Corner” and find answers to if the oil already discovered is of a good enough quality and also if the conditions in the subsoil may be of such a nature that it could harbour oil and gas deposits”.

The Minister also explained to the Dong representatives the Government’s plans to market the Faroe plateau more: -“I think this was well received by the guests. They are interested in seeing more oil companies taking an interest in the Faroes area, especially if Dong is to look for partners if they decide to drill a well”.

The meeting with the Dong representatives was also attended by Mr Petur Joensen, the Jarðfeingi CEO.

Mr Søren Gath Hansen and Mr Johan Dahl