



Faroe energy minister welcomes OMV

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Austria and the Faroes have been adversaries on the football pitch several times, but they will now cooperate to achieve joint common goals. It has just been announced that the Austrian oil company OMV has elected to pool its knowledge with such formidable partners such as Statoil, Dong and ExxonMobil, in their attempt to find hydrocarbons in the Faroes subsoil.

OMV, which is the largest company in Austria, has long traditions in the exploration for oil and gas, and has been a partner to the exploration effort in the Faroes for several years now. The company has now in earnest entered the very front row, together with the other leading oil companies.

OMV has farmed-in to no fewer than five Faroe exploration licenses, where Statoil is the operating company. The Norwegian company, which has held a significant part of all the issued licenses, has now sold a part to OMV and the same occurred when ExxonMobil entered the Faroe area a few years ago.

The Faroe Energy Minister, Mr Johan Dahl is very pleased to see this Austrian oil company so active in the Faroes: -“It is good to see several oil companies contributing to reduce the exploration risk, which is very high in the Faroes. The more companies to share this risk the more probability of something being done, which otherwise would not have been done. If this was to result in a well being drilled all the better - but these are just thoughts - we know nothing of any such plans”.

The Energy minister points out that OMV, prior to the agreement with Statoil, was partner to only one Faroe license. It is now a partner in five of the seven Faroe licences issued: - “The more licenses they are part of, the more it can be reckoned with the company has established roots in the Faroes”, says Mr Dahl.

He also believes this is a good signal to send to the rest of the world, that there is an interest to explore the Faroes.

-“To see Statoil reduce their commitment may seem to others the exact opposite, but this need not be the case. In this instance the OMV agreement is due to the large success Statoil has had lately and they need to finance these developments - hopefully these future developments will also encompass the Faroes.

This is the result of a long-term development, where we over at least the past two years have detected an interest from OMV for the Faroe area. -“Things take time”, says Mr Dahl and points out that the Statoil/OMV agreement also encompasses large parts of Statoil assets in the North Sea and west of Shetland.

The Statoil/OMV agreement has been approved by the relevant authorities and the agreement encompasses the sale of 19% of Gullfaks- and 24% of the Gudrun oilfields in Norwegian waters and 30% of Rosebank- and 5,88% of Scheihallion west of Shetland in UK waters. The sale has a value of app. D.kr 15 billion.

Statoil has recently reached an agreement with the German oil company Wintershall, regarding some Norwegian assets and will use the money generated for the development of the large Johan Sverdrup oilfield, a gasfield in Austria and an oilfield in Canada, just to mention a few of the projects in the pipeline. Statoil is also committed to a busy exploration drilling programme over the coming years