

Stena Carron and West Phoenix

With course towards the

With no less than the world's newest and most advanced deepsea drilling vessel, the Stena Carron and the new drilling platform West Phoenix, a new and very exciting chapter will open for Faroe oil exploration

FIRST OIL!

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After six "dry" wells since the year 2000, an active hydrocarbon system has been detected in the Faroe subsoil, although a commercial discovery still remains to be found. The seventh and eighth well will, judging by all accords, be drilled in 2009, which therefore is set to become a decisive crossroads for the young Faroe oil history. This has to be compared with the fact that West of Shetland, over the past thirty years, possibly 200 wells have been drilled. The result from this large activity are three producing oilfields and probably several commercial oil- and gasfields, awaiting a development.

Headed by an Italian oil company, a group of oil companies will in early 2009 spud the Anne Marie prospect in license no. 005, a prospect, which many very experienced and expert geologists predict will become the first commercial Faroe discovery. It will be the brand new Seadrill drilling platform, West Phoenix, which will undertake this exciting task.

And hopefully – we will be told shortly – the brand new flagship of the world's fleet of drilling vessels, the Stena Carron, will in 2009, set sail across the border, from the Rosebank/Lochnagar area West of Shetland into Faroe territory for the very first, but hopefully not the last time, if we are to believe the large plans the operating company Chevron and its partners, StatoilHydro, Dong and OMV have for the next five years.

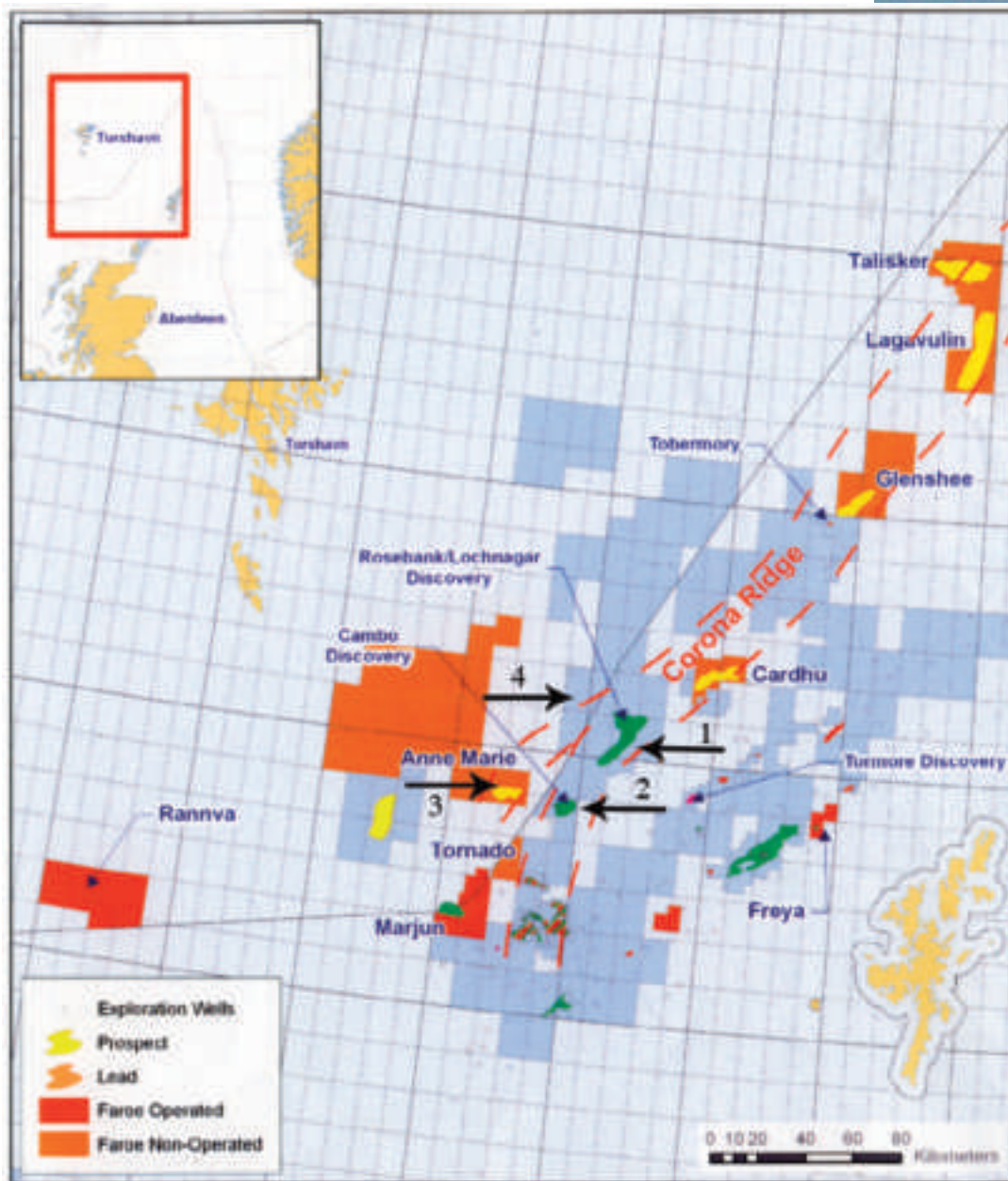
The large American oil company Chevron will depend upon the Stena Carron over the coming years in our part of the world, a company which is pioneering the exploration for oil and gas in the weather beaten North Atlantic margin area. The company has signed a five year contract with Stena Drilling, to charter the worlds most advanced drilling vessel to work in deep waters West of Shetland, in the Faroes and in Norwegian waters, and with an option on extend the lease.

Chevron, which has already made significant investments in the exploration of the Atlantic margin area, has no doubts high expectations of finding oil and gas in this area. The large

discovery, Rosebank/Lochnagar, close to the Faroe border, has hit the jackpot and has prioritised their exploration investment strategy correctly. Chevron representatives told Sosialurin recently, that a decision will be taken in the last quarter of 2008, if the group will drill in the Faroes in 2009. If so decided, this will be the very first Chevron well in the Faroes. Bearing in mind the extensive Chevron charter-hire agreement with Stena Drilling, the indicators suggest that Chevron is working towards a plan, if a discovery is made in Faroe waters close to the Rosebank well, to undertake a large collective development plan on both sides of the border, which would minimise the cost of the whole project, by utilising the same infrastructure.

"With a five year contract and extension options with Stena Drilling for the Stena Carron, Chevron Upstream Europe plans to use it to support its potential exploration, appraisal, and development drilling programs West of Shetland, the North Sea and the Faroe Islands."

(Quote from the August edition of Insight, the Chevron magazine)



2008 and 2009 could become important crossroads for oil exploration efforts between Shetland and the Faroes. As we can see on the map, (an accidental map of Faroe Petroleum licenses), no less than four wells are to be drilled on both sides of the border between the UK and the Faroes this year and next. Arrow number one points to the Rosebank prospect area, where the Stena Carron later this year or by early next year, will drill new appraisal- and estimation wells for Chevron. Arrow number two, points to the Cambo prospect area, where again the Stena Carron will drill an estimation and appraisal well for Amerada Hess. If we move into Faroe territory, we see arrow number three, where the West Phoenix will drill an exploration well on the Anne Marie prospect area in the spring of 2009 for ENI. Further to the North, we see arrow number four, which is the Súlu prospect area, where Chevron most likely will drill an exploration well in 2009. International oil companies are quite optimistic of making an oil discovery on the Anne Marie prospect area and also on the Súlu prospect area. Discoveries, made on the Cambo- and the Rosebank prospect areas, just across the border, are fuelling this optimism.

