

The Faroes are offering oil companies new exploration areas

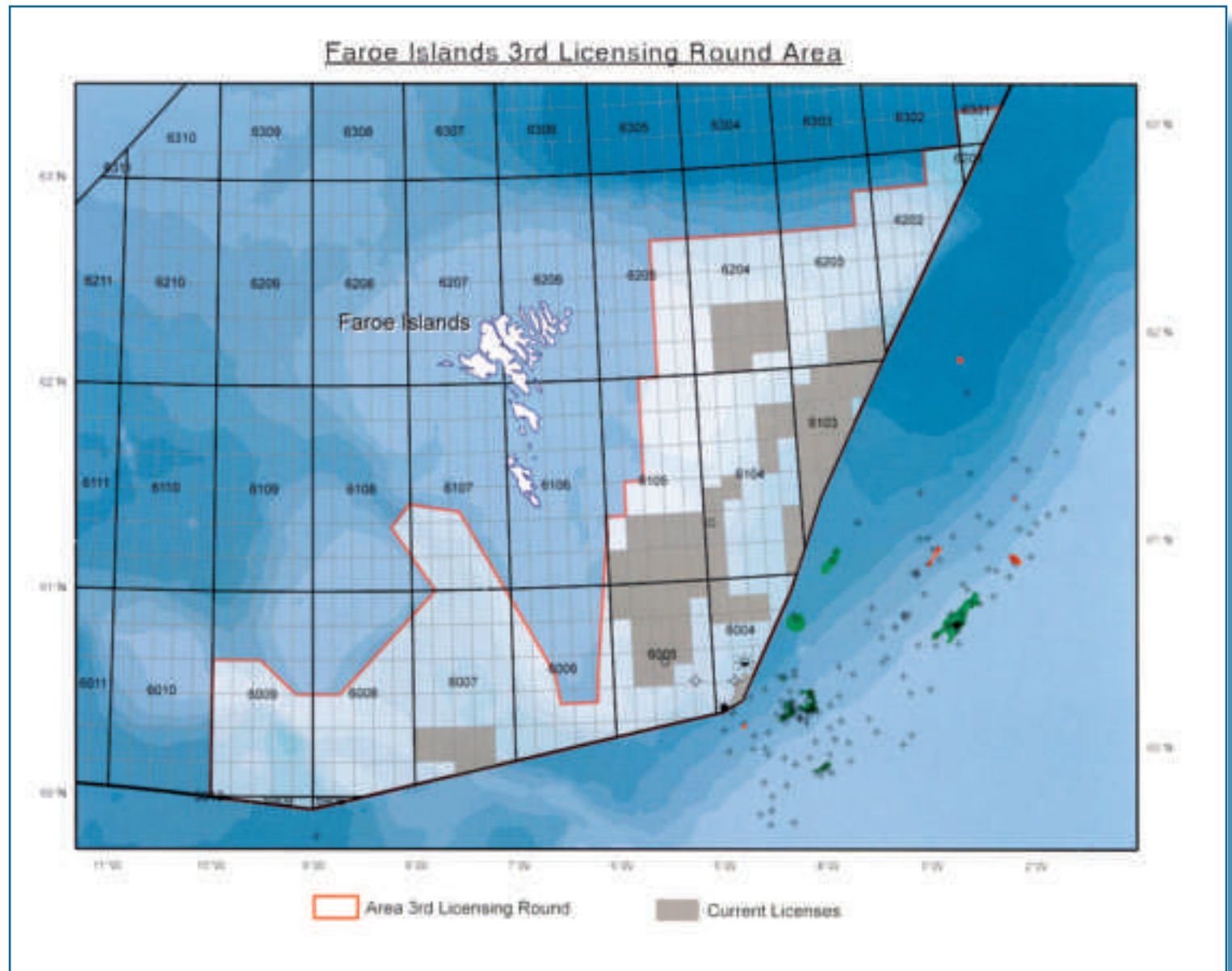
These lie close to promising oil discoveries made in UK waters, e.g. the Cambo and Rosebank/Lochnagar

THIRD BIDDING ROUND

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The Faroes are reckoned among the worlds newest exploration areas. It is just eight years ago since the Faroe authorities opened the doors for foreign oil companies. The result was a first bidding round and some years later a second round. Over the intermittent years, six wells have been drilled in the area. These wells proved an active hydrocarbon system is present in the Faroe subsoil. The many oil companies, which have taken an interest in the Faroes as a new unexplored area, now have the option to seek completely new areas. A third round is underway and by the end of the year, licensees will be awarded. The Jarðfeingi CEO together with the minister for hydrocarbon affairs, have high hopes for this bidding round. Several oil companies have taken an interest. The application deadline expires in November.

The number of oil companies, which applied in 2000 was quite large, when over twenty companies applied. In addition, the second round attracted many oil companies, probably affected by the Rosebank- and the Cambo discoveries just on the other side of the border. As Chevron will embark upon a massive drilling program, just on the other side of the border (Rosebank) and Amerada Hess will also drill an appraisal well in the area (Cambo), thereby signalling there could be a development of these oil discoveries so close to the Faroe border, it is estimated this could have a very positive effect upon the interest to apply for a Faroe license in a third round. Several of the blocks included in this round, will be located close to discoveries in UK territory.



The map shows the areas where international oil companies can apply for exploration licenses



Mr Petur Joensen, the Jarðfeingi CEO, and Mr Torbjørn Jacobsen, the minister for Hydrocarbon Affairs, both have high expectations for a third Faroe bidding round.