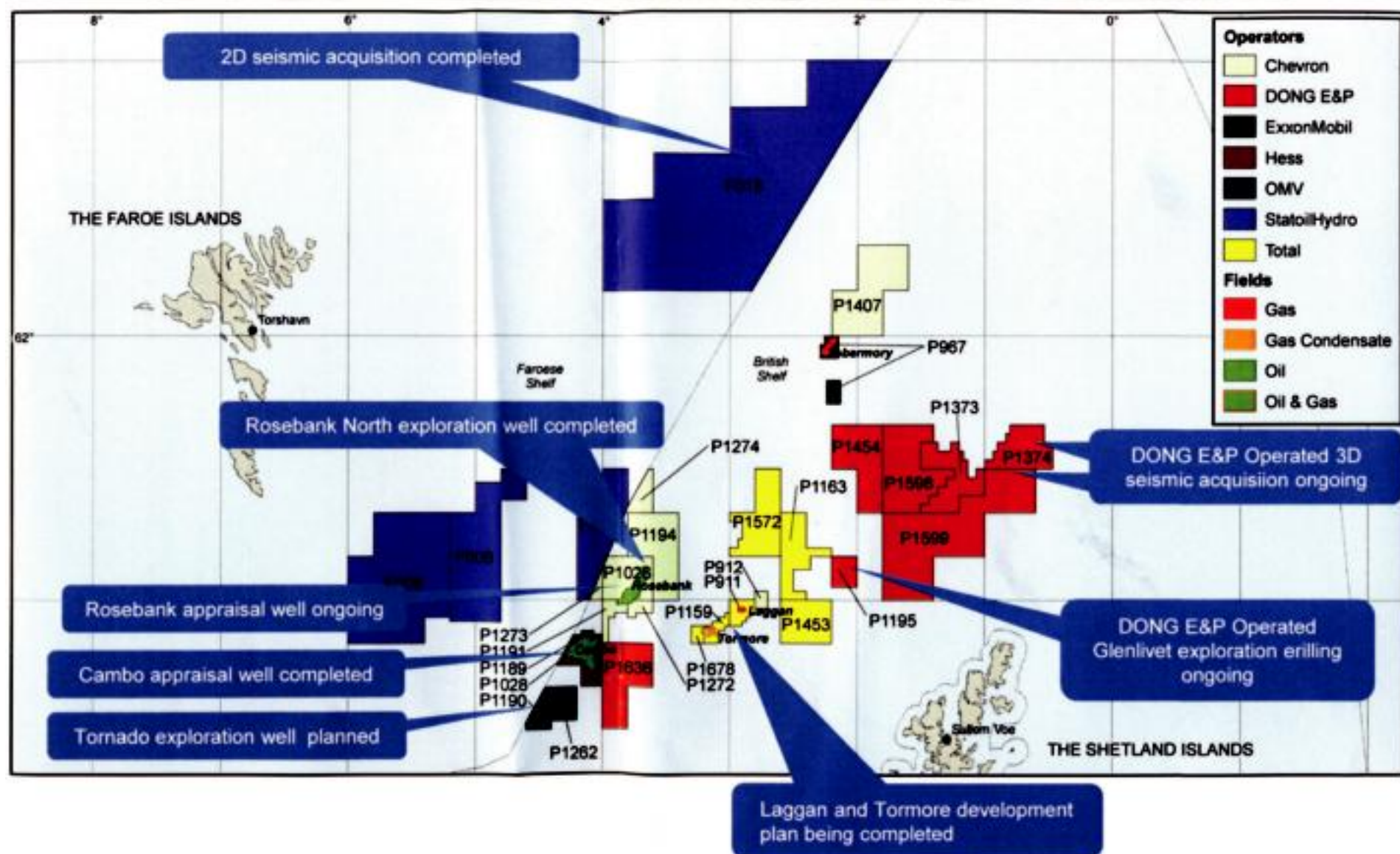


DONG E&P – 2009 Activities West of Shetland



Although Dong is reckoned as one of the smaller to middle-sized oil companies, the exploration manager sees no reason to believe they cannot handle the task of being an operator - also in a project where no large oil company is participating. They have drilling and production experience from the North Sea.

“We regard ourselves as a “little big company”. Compared to StatoilHydro and Chevron we are a small company, but our portfolio shows that we are participating in many very exciting projects. We are a partner to most of the discoveries made since 2000, so even if you are a small company you can make a difference. Here he makes a parallel to the Faroe oil companies: “The same can be said about the Faroe oil companies, although they are very small compared to Dong, they have already proved they can make a difference”.

The whole area as a cohesive region

Mr Andersen is among those who regard the area between Shetland and the Faroes as a cohesive area. This is also why they have elected to gamble upon this area west of Shetland and the Faroes plateau. The more oil and gas discovered in UK waters the higher the chance of discovering oil and gas in Faroe waters, is Mr Andersen's estimation. A development in UK waters could make smaller discoveries economically more feasible in Faroe waters.

Working on the Atlantic Margin presents many large-scale challenges. “The time-frame allotted when it is possible to shoot seismic is short, e.g. from app. April to

September. Everything also takes more time and it is much more expensive to work here. Here it is very important one of the large oil companies is participating as a locomotive. For example StatoilHydro in Faroe waters, Chevron and Total west of Shetland, not to mention BP and Shell, who are leading the existing production in the area. It is very important for all exploration in the Faroes that a company like StatoilHydro is the locomotive, as it is large enough to be able to have the option to have the patience required for such an area. As mentioned previously, when it comes to oil exploration both large and small count”.

Mr Andersen is of the opinion that it is important that Faroe oil companies are participating in the exploration of the Faroes, as they know the local terms and conditions best. They have participated from the very beginning and other companies can learn much from them. “We at Dong are very happy to cooperate with the Faroe companies”.

Dong has its own office in Tórshavn, with Mr Regin Hammer as their representative. He also works for Dong in Denmark by co-ordinating fiscal budgets for the whole exploration side of the company. Dong has many relations to the Faroes and Faroese and has participated in the education of several Faroese within the oil industry and has employed several of them. Recently they employed a Faroe geologist, who is now working on the areas west of Shetland and the Faroes. “We take them in as students and they complete their education while with us. Our experience is good with this type of cooperation and we intend to continue to have our doors open for other Faroese. We very often offer them a job with us afterwards, but many decide to return home.

Søren Andersen, exploration team leader together with Regin Hammer, Dong office manager in Tórshavn

Photo: Jan Müller