

# DONG REINFORCES COMMITMENT TO FAROES

*A partner in the Sula Stelkur prospect which will be drilled this summer, DONG Energy increases its acreage on the Faroese Continental Shelf to become a major player on both sides of the Faroe-Shetland Basin.*

INCREASING its acreage in the Faroes by two licenses last year (2013), Denmark's DONG Energy believes strongly that a commercial oil or gas find in the area is plausible in the near future. With interests in a total 31 licenses near the Faroe Islands and the West of Shetland area, DONG Energy's oil and gas exploration and production unit DONG E&P has become a leading player in the region.

Together with OMV and operator Statoil, DONG E&P is a partner in the Sula Stelkur prospect, which will be spudded in the second half of this year. The company also holds an interest in the Marjun discovery of 2001, now the subject of renewed interest and revaluation based on cutting-edge technology.

In June 2013 the Faroe Islands' Ministry of Trade and Industry awarded six blocks in two exploration licenses to DONG E&P under the 'Open Door' license round, with DONG as operator holding a 100-percent interest in both licenses. Adding to two further licenses already held in the Faroes, the company now has four exploration licenses on the Faroese Continental Shelf.



"The awarded blocks in the Faroes are located in an area where we have identified a number of attractive prospects close to production fields Foinaven and Schiehallion," DONG E&P Senior Vice President Jan Terje Edvardsen noted. "We are looking forward to become more acquainted with the potential of this area through the aid of new 3D seismic data and special processing technologies."

**MINISTER'S VISIT:** Since the First Licensing Round back in 2000, DONG E&P has actively participated in exploration in a number of licenses offshore the Faroes, including Marjun, the first find.

"The latest licenses that we have been awarded are the result of our longterm exploration strategy with the Atlantic Margin playing an important role for future growth," Mr. Edvardsen said. "Our persistence in this strategy has earned us a leading position in the region."

Mr. Edvardsen added: "Together with the recent license award in the UK 27th Licence Round, the awards in the Faroes confirm our position as a major player in the Faroe Islands and in the UK West of Shetland area, and it also confirms that DONG E&P is the company with most license interests in this prospective region."

Recognizing its prominent position in the Faroese exploration effort includ-

## MAKING POWER SUPPLY SYSTEMS SMARTER

**DONG Energy joins forces with utility company SEV in a Power Hub project aimed at minimizing power outages.**

NOBODY WILL DISPUTE that the Faroe Islands has to be one of the world's best locations for wind farms. Make no mistake, the islanders are well aware of the advantages that can be gained from utilizing renewable sources of energy—and what better resource than wind to have a closer look at in such a windswept place in the quest to reduce dependency on oil for heating, fuel and power.

In line with the European Union's drive to go green, the Faroese are looking to have about one-quarter of their power usage to originate from wind turbines by the end of this year.

However, in a climate characterized by frequent rain and gail force winds—and with no power cable connections to other countries—integrating renewable energy into the existing grid is easier said than done. What to expect: oft-occurring and large power outages.

In late 2012 DONG Energy and the Faroe Islands' utility SEV cut the power supply to a power station block

through an emergency stop, killing more than one-tenth of the total power supply to the island community. Within only one to two seconds, the Power Hub system had restored the grid's balance by temporary shutting down two selected users, a large cold store and a fish farm.

According to Evert den Boer, DONG Energy Senior Vice President, the focus of the Power Hub project is now to realize its commercial value.

"What is ground-breaking is that we can now prove that a Power Hub system can play a vital role in the integration of Europe's ever-increasing amounts of renewable energy," Mr. den Boer said. "It can enable many of our clients to reduce or increase their power consumption according to changes in prices and production rates."

*DONG E&P Senior Vice President Jan Terje Edvardsen (main); Wind turbines at the southern end of Eysturoy, Faroe Islands (below); The Saipem 7000 crane vessel in the DONG-operated Nini oilfield in the Danish sector of the North Sea; (opposite bottom).*

ing this year's drilling campaign on the Sulan Stelkur prospect, Faroese Minister of Trade and Industry Johan Dahl paid a visit to DONG Energy during a scheduled trip to Copenhagen in early 2014. As he met with DONG Energy CEO Henrik Poulsen and Mr. Edvardsen, the Minister discussed oil and gas exploration as well as the ongoing Power Hub project, a smart grid joint venture between DONG C&M and Faroese utility company SEV.



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DONG Energy is one of the leading energy groups in Northern Europe. Our business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. DONG Energy has around 6,500 employees and is headquartered in Denmark. The Group generated 73 billion dkk (9.8BN eur) in revenue in 2013.

DONG E&P is the oil and gas exploration and production unit of DONG Energy.

We have explored for and produced oil and natural gas since 1984. Our activities are focused in the waters around Denmark, Norway, the United Kingdom (West of Shetland area), the Faroe Islands and Greenland.

DONG E&P has approximately 80 exploration and production licenses in total in Denmark, Norway, United Kingdom, Greenland, and Faroe Islands. Interests in four licenses in the Faroe Islands, including the Marjun discovery. Partner in the Sula Stelkur prospect, to be drilled in the summer of 2014.

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