

15.12.2017

Ærfugl project in motion

Plan for Development and Operation submitted

DEA Norge and its joint venture partners submitted the final Plan for Development and Operation (PDO) for the gas condensate field Ærfugl (former Snadd) in the Norwegian Sea to the Ministry of Petroleum and Energy.



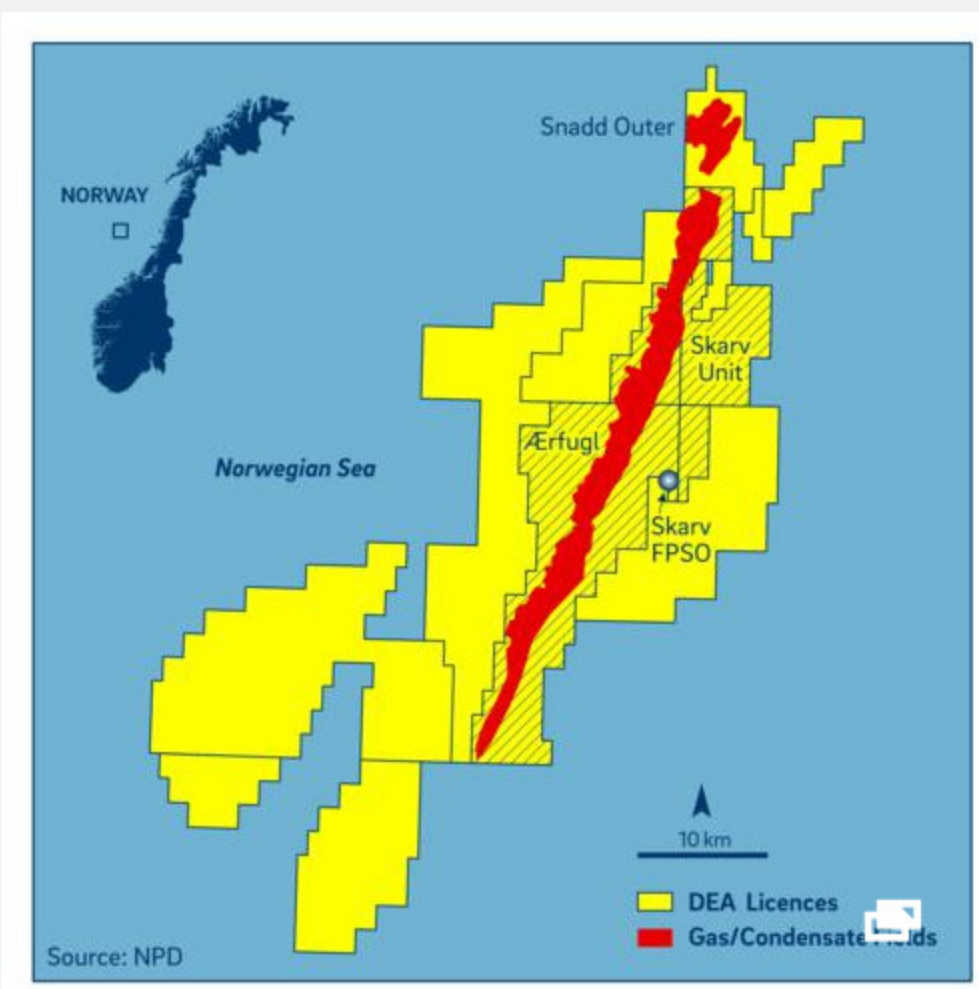
The field development includes the resources in both, the Ærfugl and Snadd Outer fields, and comprises of six new subsea production wells tied into the Skarv FPSO. The first phase includes three production wells in the southern part of the field. AkerBP is operator of the field development.

DEA Norge Managing Director, Hans-Hermann Andreae says:

“The Ærfugl PDO submission is an important milestone for DEA Norge and the partnership. The development project also proves that the industry is willing to invest in projects that will extend production from the Skarv area and the Norwegian Sea. DEA Norge is proud to be part of a partnership that actively contributes to value creation from the Norwegian Continental Shelf”.

Total investments in the Ærfugl project are estimated at around 1 billion Euros (gross). This represents a reduction of approximately around 240 million Euros compared to earlier estimates, and is primarily driven by more efficient drilling operations.

The project will be developed in two phases to optimise utilisation of spare capacity at the Skarv FPSO. The first phase of the development includes three production wells, which will be drilled in the southern part of the field and tied back to the Skarv FPSO via a trace heated pipe-in-pipe flowline. Production is planned to begin in late 2020.



The Ærfugl development represents a significant opportunity with highly attractive and robust economics. In addition the Ærfugl development will extend the economic field life of the Skarv FPSO and allow for increased recovery from the Skarv field itself.

Background Ærfugl field:

- Gas condensate field, nearly 60 km long and just 2-3 km wide.
- Situated close to the Aker BP operated Skarv FPSO, approximately 210 km west of Sandnessjøen.
- Phased subsea development tied back to Skarv:
 - Phase 1: Three production wells with production start in Q4 2020.
 - Phase 2: Three additional production wells with production start in 2023.
- After PDO approval the current test producer, A-1H, will become a normal Ærfugl producer.
- The development plan includes both, Ærfugl, which is in the Skarv Unit, and Snadd Outer located north of Ærfugl in PL212E.

Joint Venture partners in Ærfugl (Skarv Unit) are DEA Norge AS (28.0825%), Aker BP ASA (operator, 23.835%), Statoil Petroleum AS (36.165%) and PGNiG Upstream Norway AS (11.9175%).

Partners in Snadd Outer (PL 212 E) are DEA Norge AS (25%), Aker BP ASA (operator, 30%), Statoil Petroleum AS (30%), and PGNiG Upstream Norway AS (15%).

Further information

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Background information

DEA Norge has a solid and promising licence portfolio with assets in all major phases in the North Sea, the Norwegian Sea as well as in the Barents Sea. DEA operates the Dvalin development, is partner in 11 producing fields as well as in promising discoveries, like Alta, Snadd, Bauge or Skarvfjell. Furthermore, DEA holds interests in attractive exploration licences as operator and partner on the NCS. DEA has been present in Norway via its subsidiary DEA Norge for more than 40 years.

DEA Deutsche Erdoel AG is an international operator in the field of exploration and production of crude oil and natural gas based in Hamburg. Its focus is on safe, sustainable and environmental conscious exploitation of oil and gas. DEA has 118 years of experience working along the whole upstream value-chain as operator or project partner. With a staff force of 1,150 employees DEA has shares in production facilities and concessions in, among others, Germany, Norway, Denmark, Egypt, Algeria and Mexico.