



PRESS RELEASE

NEW RESEARCH CENTRE TO EXTEND THE DANISH OIL JOURNEY

A billion kroner fund from the Danish Underground Consortium (DUC) will target future oil and gas production from the Danish North Sea and potentially create research opportunities for up to 100 scientists.

Based at Denmark's Technical University (DTU) in Lyngby, the new Hydrocarbon Research and Technology Centre will be headed by Bo Cerup-Simonsen, a former DTU academic and career engineer. For over a decade, Cerup-Simonsen has led research and industry integration efforts, most recently as the head of Maersk Maritime Technology, the company behind the world's most energy efficient container vessel, the Triple E.

"Every additional barrel of oil that can be recovered from the North Sea creates more tax revenue for Denmark. At the same time, it can help to prolong Denmark's energy supply independence for a longer period than previously anticipated. There is great potential in the Danish North Sea, but the subsurface is complex and therefore innovative thinking is needed to help increase the recovery factor," says Cerup-Simonsen, who assumes the position as head of the centre on 1 July this year.

The subsurface in the Danish sector of the North Sea consists of tight chalk layers that make it difficult to extract oil and gas. It is these complex geological challenges, combined with the effects of 40 years of production, which is driving the need for better understanding and developing new technology to increase the overall volumes of oil and gas that can be brought on stream. The reward for increasing production: for every percentage point increase in hydrocarbon recovery, DKK 70 billion of value is created.

Today, recovery rates in the Danish sector of the North Sea are anticipated to a level of around 26 per cent of the total volume of oil in place. The comparable rates in Norway and the UK, where the oil-bearing layers in the subsurface predominantly consist of sandstone, are respectively 41 and 46 percent.

"With a budget of DKK 1 billion, Denmark will get a unique research centre which is truly world class. It's great that we will now have the opportunity and the facilities to gather all relevant research and education under one roof, thereby creating a whole new research dynamics. It will not only benefit the oil and gas industry, but will also attract graduate researchers and professors at the highest level, which contributes to the quality of teaching DTU students receive, as well as raising the level of debate for graduate researchers. The centre will create quite a stir, and help cement DTU as a genuine centre of excellence in this area, increasing its attractiveness as partner for companies and top flight international universities," says DTU President Anders Overgaard Bjarklev.

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DUC, which consists of AP Moller - Maersk (operator with 31.2%), Shell (36.8%), Chevron (12%) and the state-owned North Sea Fund (20 %), has committed DKK 1 billion, which will be distributed over 10 years. The longer time horizon enables a coherent, integrated approach to research.

"The centre is an investment in extending production from the Danish sector of the North Sea. We have already produced oil for over 40 years, and there is a need for innovation to continue for many more years to come. By providing security for the researchers via a long grant period, and close cooperation with industry, we wanted to create the best conditions for achieving results that can come into practise. If we managed to find new methods which will increase recovery, it will be beneficial to both the industry and the Danish government," says Troels Albrechtsen, Head of Corporate Technology and Projects in Maersk Oil and chairman in Danish Underground Consortium - Operations Committee.

The new research centre will be based at DTU in Lyngby and maintain a close research collaboration with among others the University of Copenhagen, Aarhus University, Aalborg University and GEUS (Geological Survey of Denmark and Greenland).

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