

Maersk Oil activities around the world

Greenland

Maersk Oil got its first license in Greenland in 2010.

With exploration activities a few years away, the focus of 2012 will be to get a better understanding of the underground and environment by amongst other things acquiring highly detailed 3D seismic data.

GREENLAND

UNITED KINGDOM

27,000
BARRELS

United Kingdom

In 2005, Maersk Oil entered the UK, which last year contributed 27,000 barrels a day to the daily production.

In 2012, Maersk Oil expects the Gryphon production unit to come back on station with a 20,000 boed expected plateau production - after being taken out by a storm in February, 2011.

The field development plan for Golden Eagle has been approved, and production is expected to begin in 2014, which will add 20,000 barrels of oil per day to Maersk Oil's daily production.

United States of America

Maersk Oil entered the Gulf of Mexico in 2006, and in 2010 bought a 25% interest in the Jack development project.

Production from Jack, which is operated by Chevron, is expected to commence in 2014 and will add about 8,000 barrels of oil to Maersk Oil's daily production.

UNITED STATES OF AMERICA

ALGERIA

25,000
BARRELS

Algeria

Maersk Oil entered in Algeria in 1990, where it is partner with Anadarko and Sonantach as operator.

Maersk Oil's share of production was 25,000 boed in 2011.

The development of the El Mersk fields will be finalized in 2012 after which Maersk Oil will add additional 10,000 barrels to its daily production.

Brazil

Maersk Oil started out in Brazil in 2001, and in 2010 sealed one of its largest deals when it acquired SK Energy's Brazil assets.

That included an interest in the producing Polvo Field, which in 2011 contributed about 8,000 barrels a day to Maersk Oil's daily production in 2011.

Also in 2011, Maersk Oil acquired a 20% non-operated interest in a block, where BP and Petrobras are partners.

BRAZIL

8,000
BARRELS

BY ERICKSON ENRIQUEZ

The road to 400,000 barrels

INCREASING OIL PRODUCTION | The ambition for Maersk Oil is clear. The business needs to control its declining production and increase its share of the daily production to 400,000 barrels a day. And Maersk Oil is well underway to doing just that.

Norway

Maersk Oil has been in Norway since 2005, and is active both as partner and operator.

This year, further drilling is also expected to appraise the Johan Sverdrup discovery, believed to be one of the biggest discoveries in the Norwegian North Sea, and where Maersk Oil is a partner with Lundin and Statoil.

NORWAY

DENMARK

113,000
BARRELS

Denmark

Maersk Oil started in 1962 to look for oil in the Danish North Sea, with first oil in 1972.

Maersk Oil as part of the Danish Underground Consortium operates in the main concession granted to the Group in 1962. In addition to that, Maersk Oil is operator in a license, and conducting exploration activities in two additional licenses.

Share of production was 113,000 boed in 2011.

Amongst the activities planned in the Danish North Sea in 2012, are 14 new production wells and 14 well work overs, which will stem the decline in the production.

KAZAKHSTAN

3,000
BARRELS

Kazakhstan

Maersk Oil has been in Kazakhstan since 2000 and operates the Dunga field.

Daily production was 3,000 barrels in 2011.

In 2012, Maersk Oil continues its USD 1 billion expansion of the Dunga field with about 30 new wells to be drilled. First oil from the new wells is expected at the end of 2012 and over the coming years, Maersk Oil will add 20,000 barrels a day to its daily production.

IRAQ

Iraq

Maersk Oil entered Iraq in 2011, when it acquired a stake in HKN Engery. It subsequently raised its shareholding to 30% earlier this year. HKN Energy has drilled one well, which is expected to be brought into minor production in 2012, and is currently drilling another one.

QATAR

157,000
BARRELS

Qatar

Maersk Oil entered Qatar in 1992, when it became operator of the Al Shaheen area on behalf of the Qatari government.

In 2011, Maersk Oil finished the USD 6.5 billion development of Al Shaheen, which consisted of 15 platforms, 169 wells and 230 kilometers of pipeline.

Share of production was 157,000 boed in 2011.

In 2012, Maersk Oil will be gathering data on how to extend the lifespan on the oil fields such as how enhanced oil recovery could work.

Angola

Maersk Oil entered Angola in 2005.

In 2011, Maersk Oil and its partners declared Chissonga for commercially viable, and this year Maersk Oil is working on a field development plan for Chissonga.

Maersk Oil has also discovered oil in the deep-water pre-salt Azul well, the first confirmation that Angola may have the same potential as the prolific Santos/Campos area offshore Brazil.

ANGOLA

INDICATORS



OIL PRODUCTION
IN 2011



EXPLORATION

BY MARIE-LOUISE MØLLER

▶ Finding, developing and producing oil and gas is how Maersk Oil makes its money, operating fields in places like Denmark and Qatar and exploring in areas like Angola and Norway.

Yet, like many other oil companies, Maersk Oil faces a challenge in replacing its reserves, and as a result its share of the oil it produces around the world will in 2012 drop to 265,000 barrels a day from 333,000 in 2011.

Maersk Oil has invested in oil and gas fields in all the right regions of the world, which should enable it to reach the target of

400,000 barrels a day. So the focus now is on getting the oil and gas out of these fields.

This is why the Group spent USD 1 billion on exploration in the past year, and will spend more than USD 1 billion this year. It is vastly more than in previous years, and demonstrates the Group's commitment to reverse the trend of declining production.

"We are really stepping up our exploration efforts this year, with about 30 wells being drilled around the world. We have in the last four years become better and better at finding oil and at ▶

competitive unit costs, and we want to continue to build on that success," says Jakob Bo Thomasen, CEO of Maersk Oil.

As a result of its exploration efforts as well as field developments coming online, Maersk Oil is expected to mature by around 80,000 barrels a day in the next years, before reaching its target of 400,000 barrels.

Maersk Oil could expand its portfolio through acquisitions, and will do so when the right opportunities arise. However the main focus for the business will be to continue to explore to find oil and produce it when commercially viable.

Maersk Oil's share of production

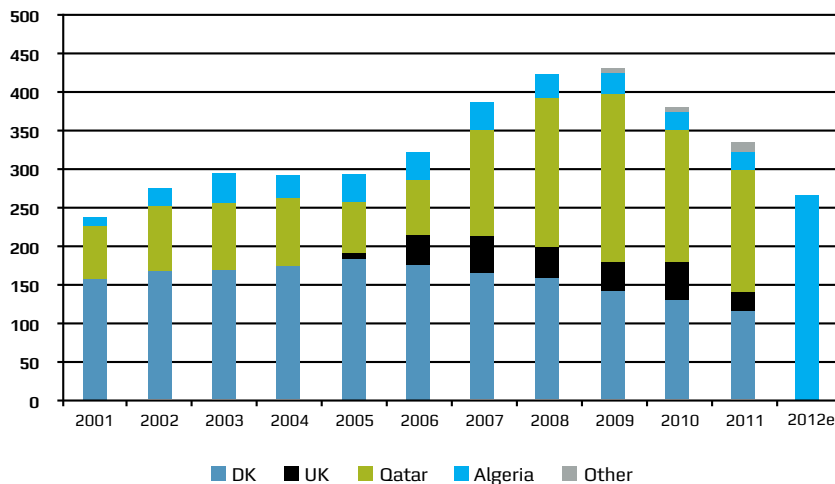


Photo: Maersk Oil

Maersk Oil has invested in oil and gas fields in all regions of the world.



Geologists examine seismic data.

The **search** for oil

BY MARIE-LOUISE MØLLER

➤ Maersk Oil has around 290 geologists and geophysicists around the world, who spend all their working hours hunting for oil by carefully analysing the composition of the underground to see whether the conditions are in place for oil and gas to be present.

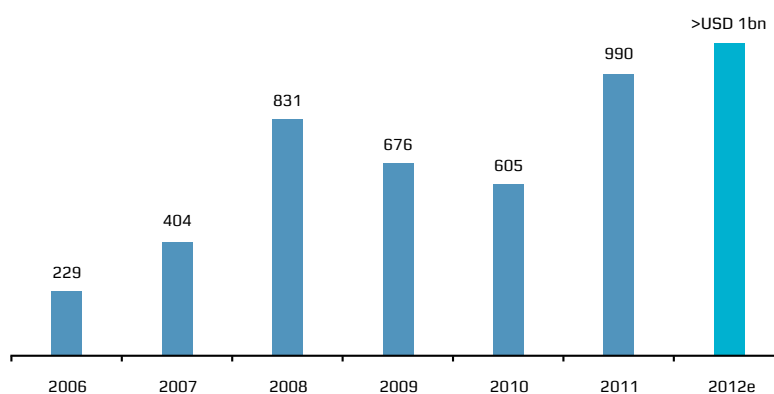
Together with other specialists such as drilling engineers, they then plan where to drill exploration wells to determine whether oil and gas is in fact present.

About every fourth to fifth exploration well leads to a discovery, and pending that the decision is taken to drill appraisal wells to obtain an indication of the size of a discovery.

Based on this the business then decides whether it is worthwhile to invest in developing the necessary infrastructure to produce oil and gas.

The entire process can take between seven and ten years, and wells can cost as much as USD 200 million if for example the exploration takes place in deep water.

Maersk Oil's exploration costs* (USDm)



The aim of Maersk Oil's transformation is to ensure that the company is able to handle the transition from operating mainly in Denmark and Qatar to managing exploration and production across the world.

Can Maersk Oil deliver?

BY MARIE-LOUISE MØLLER

➤ This is the most frequent question that the Group's Investor Relations department hears when presenting the Group's results to investors around the world.

"Our investors express confidence in the Group's strategy for Maersk Oil, which is to invest in stabilising and increasing the daily production. They are also confident that we have the right assets. The key issue for them is whether Maersk Oil is able to deliver," says Henrik Lund, head of Investor Relations.

Another key question for investors is transparency regarding investments in the oil business. At the Group's Annual General Meeting in April, Danish pension fund ATP requested more information to better evaluate the Group's investments in the oil business.

The answer to these questions lies in the transformation of Maersk Oil, which was initiated in mid-2010, led by Maersk Oil CEO Jakob Thomasen together with Group CEO Nils S. Andersen, and which continues to be a top priority for the Group.

The aim of the transformation is to ensure that Maersk Oil is able to handle the transition from operating mainly in Denmark and Qatar to managing exploration and production across the world from Brazil to Kazakhstan, and delivering consistent and strong results across the board. Also on the agenda is more transparency to better support investment decisions.

"So our answer to investors is that not only do we have a plan for Maersk Oil, but we also have the means to deliver on it," says Lund.

Henrik Lund, head of Investor Relations: "Our investors express confidence in the Group's strategy for Maersk Oil."



Photo: Maersk Oil



Lars Seidler, petroleum engineering manager: "Chissonga is the first field we will operate outside of Denmark through each step of the exploration and production value chain. That is, from finding the oil to appraising it and eventually developing and producing it."

Approaching the **first oil** in Angola

BY MARIE-LOUISE MØLLER

➤ Last year, Maersk Oil and its partners declared that it would be commercially viable to develop the Chissonga oil discovery offshore Angola. So how do you go from declaring a find as commercial to actual production?

The answer lies in Houston, where Lars Seidler heads the 25-man-strong petroleum engineering team working on the Field Development Plan (FDP) for Chissonga.

"This is an incredibly exciting project for me to be part of, as I was one of the geologists who back in 2006 mapped Block 16 and decided where to place the exploration well, which led to the Chissonga discovery," says Lars Seidler.

"In addition, Chissonga is the first field we will operate outside of Denmark through each step of the exploration and production value chain. That is, from finding the oil to appraising it and eventually developing and producing it," he says.

As petroleum engineering manager, Lars Seidler is responsible for ensuring that a number of technical disciplines, looking at everything from where to drill wells to extracting the oil out of the wells and onshore, are working together on the FDP, which aims to set out how Maersk Oil and its partners will develop Chissonga for future production.

What is an Field Development Plan?

In essence, an FDP is the final decision basis for any large-scale project, aimed at developing an oil discovery into production. It describes the reservoir data available; the work done to understand the reservoir and its contents, how the field can best be developed and with what facilities; what it will cost to develop it and how long it will take to develop it.

Like any FDP, the one being drafted for Chissonga is confidential, and therefore Lars Seidler cannot comment in any

detail on what is in the plan. Instead, he explains the process which goes into drafting the document.

"To obtain all the data you need for an FDP, you need input from a number of highly specialised teams within the big project team. My role is to tie all of that together," he says.

"To understand and know the reservoir you have a subsurface team, which looks at the underground. That team consists of geologists, geophysicists, reservoir engineers and production technologists, and the aim is to understand the reservoir and how much oil it is possible to recover from it," says Lars Seidler.

"Then there is the drilling team, the drilling and completion engineers who together with the production technology experts look at how best to drill the wells needed. There are the facilities engineers, who look at what hardware you may need in the form of pipes and production facilities, and so on. And then there is the implementation team, which is responsible for ensuring that subcontractors can deliver all that hardware," he adds.

The authorities have to approve

Once the FDP is finalised, Maersk Oil will submit it to its parent, the A.P. Moller - Maersk Group, and its partners Sonangol and Odebrecht Oil and Gas for approval. It will then have to be approved by the Angolan authorities before any development can take place.

While it is still too early to say when that will happen, Lars Seidler already knows that he will soon be somewhere else, taking on new projects for Maersk Oil. As of 1 June, he is heading back to Denmark to work for Maersk Oil in the Danish North Sea.



Photo: Rene Strandbygaard

The boundaries are all in your mind

CAREER DEVELOPMENT |

Chinthaka Jayaweera is the new Head of Group Internal Audit at A.P. Moller - Maersk. He has strong ambitions, a long Maersk history and a great fondness for Denmark.

BY NINA SKYUM-NIELSEN

➤ "I used to be extremely structured when I was younger. In fact, I had my entire career planned when I was 18 – drawn up on an exact timeline and everything," says 40-year-old Sri Lankan national Chinthaka Jayaweera, who was recently appointed Head of Group Internal Audit at A.P. Moller - Maersk.

The career plan covered 15 years, including which education he wanted to pursue and which jobs he wanted to take on. Unusually ambitious, but how did reality match his initial youthful aspirations?

A career with international exposure

"It actually went much faster," Jayaweera says with the big smile that underlines the way he has taken his massive career leaps calmly in his stride. Trained as a chartered marketer and a chartered management accountant, Jayaweera started his career in Maersk as Assistant General Manager - Finance in Sri Lanka in 1997, and 15 years later finds himself in the heart of Copenhagen settling into a new and prominent position.

However, Copenhagen is no longer an unfamiliar place for Jayaweera, who had already left Sri Lanka in 2004 to continue his career with Maersk in Denmark. Despite the massive geographical and cultural distance from Sri Lanka, staying in Copenhagen has never felt outlandish to Jayaweera.

Pursuing a career abroad was on the cards early on.

"The main reason for me to join Maersk in 1997 was to get a career with international exposure and that was also what drove me to apply for my first position in Copenhagen," Jayaweera says. "It was more than just a question of getting the international scope onto my resume; it was in line with my vision for the future."

Massive support

Prior to joining Maersk, Jayaweera had Maersk Line as a client in his position as an accountant with KPMG, and knew Maersk as a

company which could satisfy his appetite for challenges, responsibility and versatility. Jayaweera feels his ambitions have been greatly encouraged by the Maersk organisation.

"I have always felt massive support, which has given me the drive to move forward."

In his own perception he has never encountered any obstacles or limitations during his professional development, and even though he is now part of the 3% of top executives with non-Western backgrounds, he has never encountered problems due to his ethnicity.

"Absolutely not. I have never considered it an issue. The way I see it, the boundaries are all in your mind. In any given situation, you can see boundaries everywhere if you wish to, but instead you should just focus on what you want to achieve."

Room for improvement

Although he has seen significant changes for the better during his time in the company, Jayaweera still feels there is room for improvement at Maersk when it comes to diversity.

"In my experience it adds tremendous value if you have a team with very different backgrounds. What people carry with them culturally has a huge impact, and the power of local knowledge and insight is significant," says Jayaweera.

When asked what his aspirations are for Group Internal Audit, which counts 15 employees located in four countries, Jayaweera clearly states that one of the goals is to share his vision of Group Internal Audit as a stronger value-adding entity. Jayaweera is looking forward to taking on the challenges of his new job and his vast experience will come in handy.

"Every time I have started in a new position it has looked very challenging and difficult at times, but every time I have worked my way through it and have grown with the responsibilities. Overcoming challenges is what makes work very satisfying."