

Our date
2013-02-08

Our reference
AU-EXP NOR ELN-00070

Your date

Your reference

Oljedirektoratet
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Licence Relinquishment Report PL 594

Reference is made to the letter sent to MPE dated 29.01.2013 (our ref. AU-EXP NOR ELN-00045) regarding relinquishment of production licence 594 (PL 594).

1 INTRODUCTION

PL 594 was awarded on 4th February 2011 with Statoil Petroleum AS (40%) as operator and OMV (Norge) AS (20%), North Energy ASA (20%), and Wintershall Norge AS(20%) as partners.

Work obligations were to acquire 3D seismic data and decide on drill or drop within two years.

2 BACKGROUND AND LICENCE HISTORY

PL 594 is located in the eastern part of the Hammerfest basin in block 7123/5 (Fig. 1&2). The licence area is 195.879km². Two prospects, the Bikko and Sinnatagen, have been mapped within the licence (Fig. 4&5). Bikko is regarded as the main prospect.

The closest discovery to PL594 is the Tornerose gas and oil discovery located west of the licence. In addition, the Goliat discovery to the south-west and Nucula oil and gas discovery to the north-east are regarded important data points for the PL 594 evaluation.

Our date
2013-02-08

Our reference
AU-EXP NOR ELN-00070

Your date

Your reference

3 TECHNICAL WORK AND MEETINGS

New 3D seismic survey (OMV1004) was acquired in 2010 (Fig. 3). The survey was acquired by the neighbouring licence PL 564 and traded by PL 594. Seismic interpretation took place in 2011 and 2012. The seismic data is regarded of good quality.

The following Management and Exploration committee meetings have been held in the licence:

- MC meeting No.1 31.05.11
- EC/MC meeting No. 2 05.12.11
- EC/MC meeting No. 3 14.11.12

In addition, the following work meetings have been arranged:

- EC work meeting No. 1 12.06.12

4 PROSPECT EVALUATION

The Bikko structure is a well-defined tilted fault block with the main reservoir level in the Jurassic Realgrunnen subgroup (Fig. 5). Secondary reservoir is defined in the Triassic Snadd Formation.

A full evaluation of the prospect has been performed. The evaluation includes:

- Processing and interpretation of new 3D seismic
- AVO analyses
- Fault seal studies
- Basin modelling

The main risk for the Bikko prospect is related to leakage along fault planes. Faults bisect the structure at all reservoir levels. The maximum column height is estimated to be 200 meters and the total prospect area is 5.8 km². An uncertainty is related to hydrocarbon phase. A mixed phase of gas and oil is regarded the most plausible filling model. However, a pure gas or oil case cannot be ruled out.

The Sinnatagen prospect is a 3-way closure down faulted against the Finnmark Platform (Fig. 5). The reservoir levels are the same as for Bikko prospects. In addition, a closure with potential Hekkingen reservoir is identified in Sinnatagen. No volumes have been calculated for this reservoir level.

A hydrocarbon AVO response is expected for the main reservoir. A depth conform AVO anomaly is observed on both Bikko and Sinnatagen (Fig. 6). AVO modelling shows that it is difficult to differentiate between oil and gas in this area. The AVO anomaly is therefore interpreted as either gas or oil indicator.

Additional upside potential has been investigated through mapping the Early Cretaceous syn-rift sequence. No stratigraphic or structural closures have been identified.

Our date
2013-02-08

Our reference
AU-EXP NOR ELN-00070

Your date

Your reference



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3 of 9

5 RESOURCES

A summary of the estimated resources and risk in PL 594 is shown in figure 7.

Bikko is regarded as the main prospect in the license with a P(g) of 40% for a mixed case and an estimated mean recoverable volumes of 1.12 MSm² oe for the main reservoir and 0.62 MSm² oe for the secondary Snadd Formation.

6 TECHNICAL / ECONOMICAL EVALUATIONS

As the volume potential in PL 594 is very small there are not seen any positive economical outcomes. Therefore, no formal technical economical evaluation has been performed.

7 SUMMARY AND CONCLUSIONS

The work programme for the initial period of PL 594 has been fulfilled. Seismic data has been acquired and a detailed technical evaluation has been performed.

The technical evaluation of PL 594 concluded that the volume potential of the two identified prospects in the licence is too small to justify a positive drill decision. The licence is therefore fully relinquished.

Our date
2013-02-08
Your date

Our reference
AU-EXP NOR ELN-00070
Your reference

8 Figures

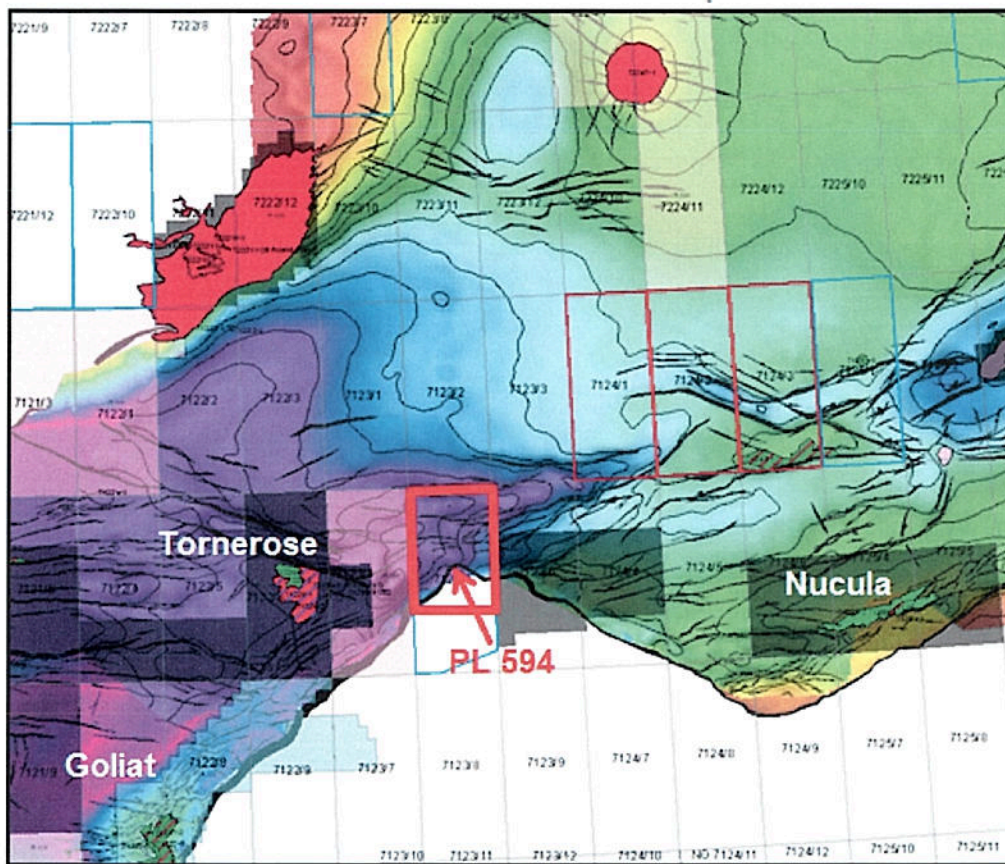


Figure 1 Licence map showing the location of PL 594

Our date
2013-02-08
Your date

Our reference
AU-EXP NOR ELN-00070
Your reference

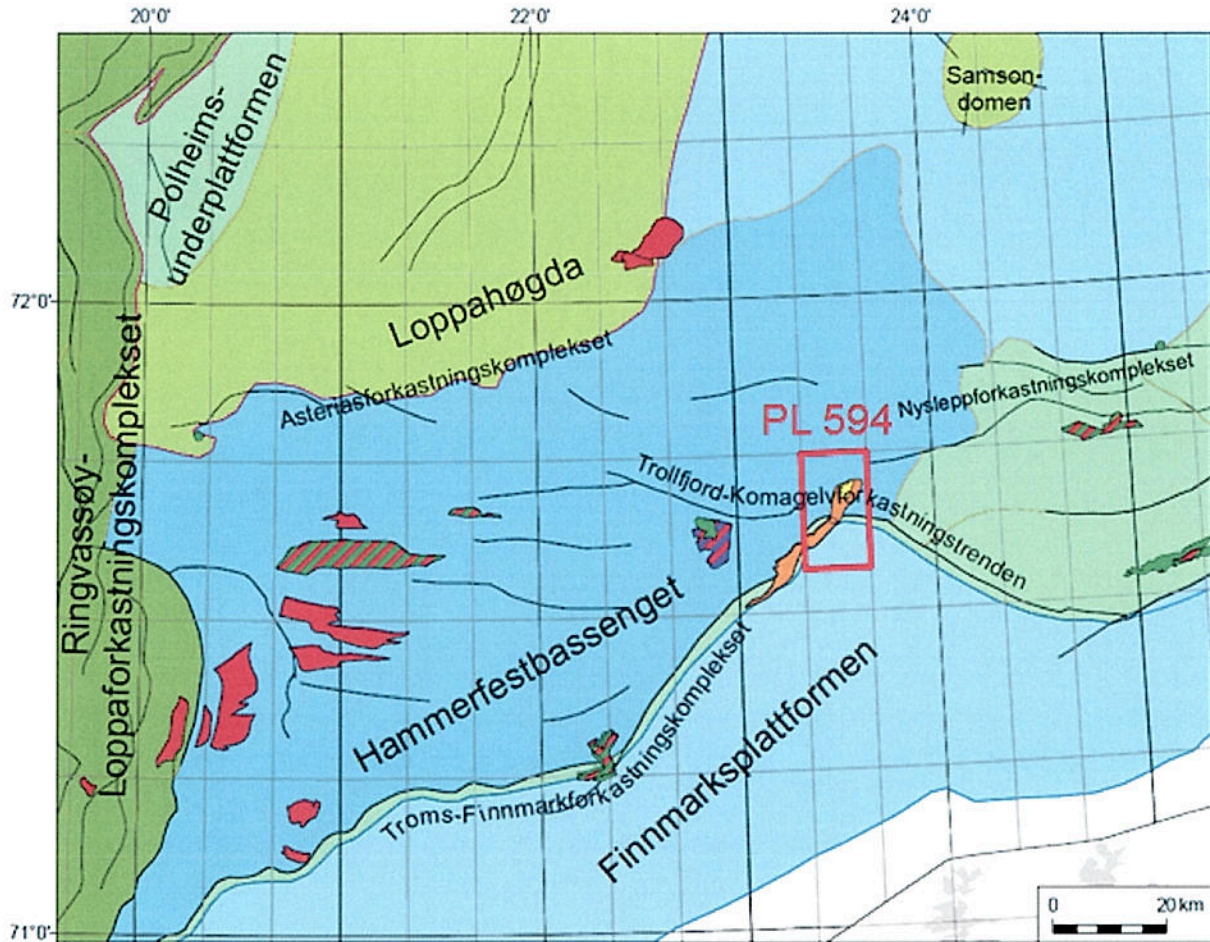


Figure 2 A map showing the structural setting of PL 594

Our date
2013-02-08
Your date

Our reference
AU-EXP NOR ELN-00070
Your reference

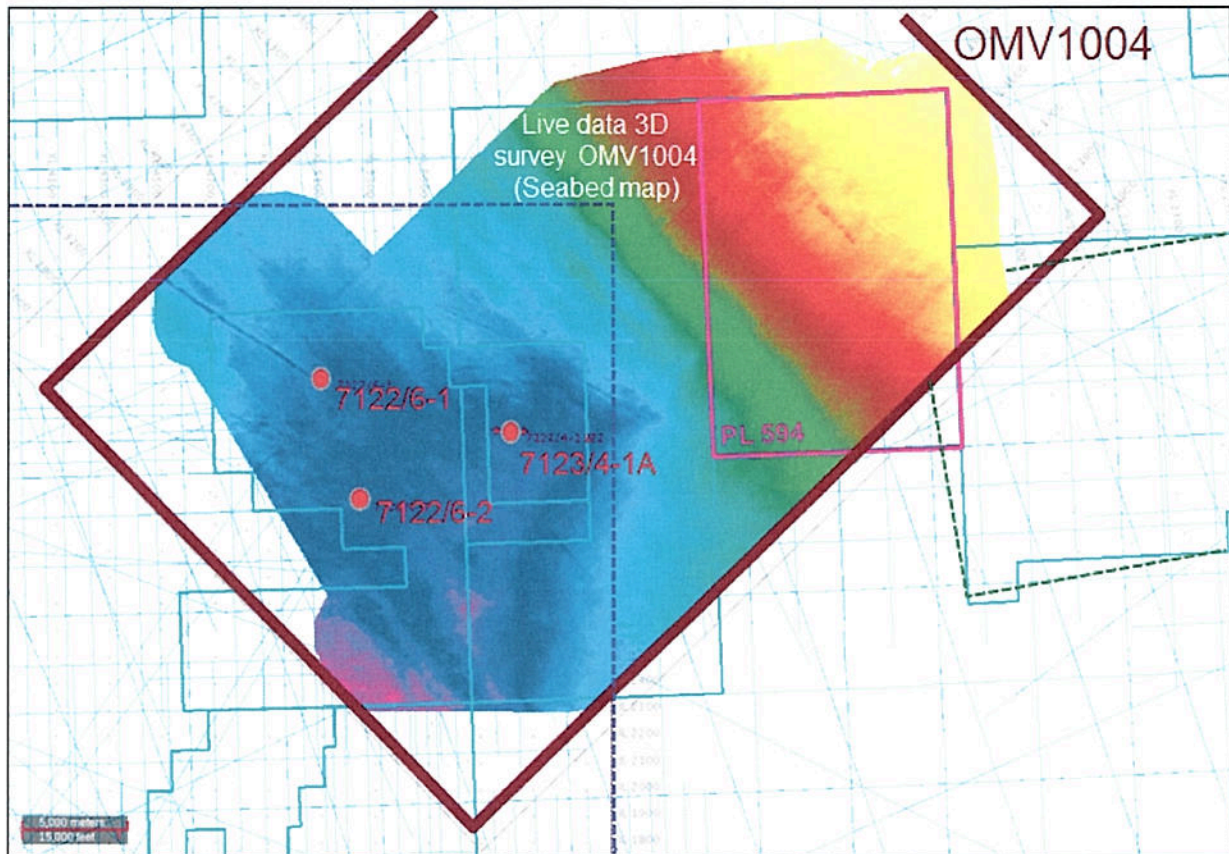


Figure 3 Outline of the 3D seismic survey (OMV1004)

Our date
2013-02-08

Our reference
AU-EXP NOR ELN-00070

Your date

Your reference

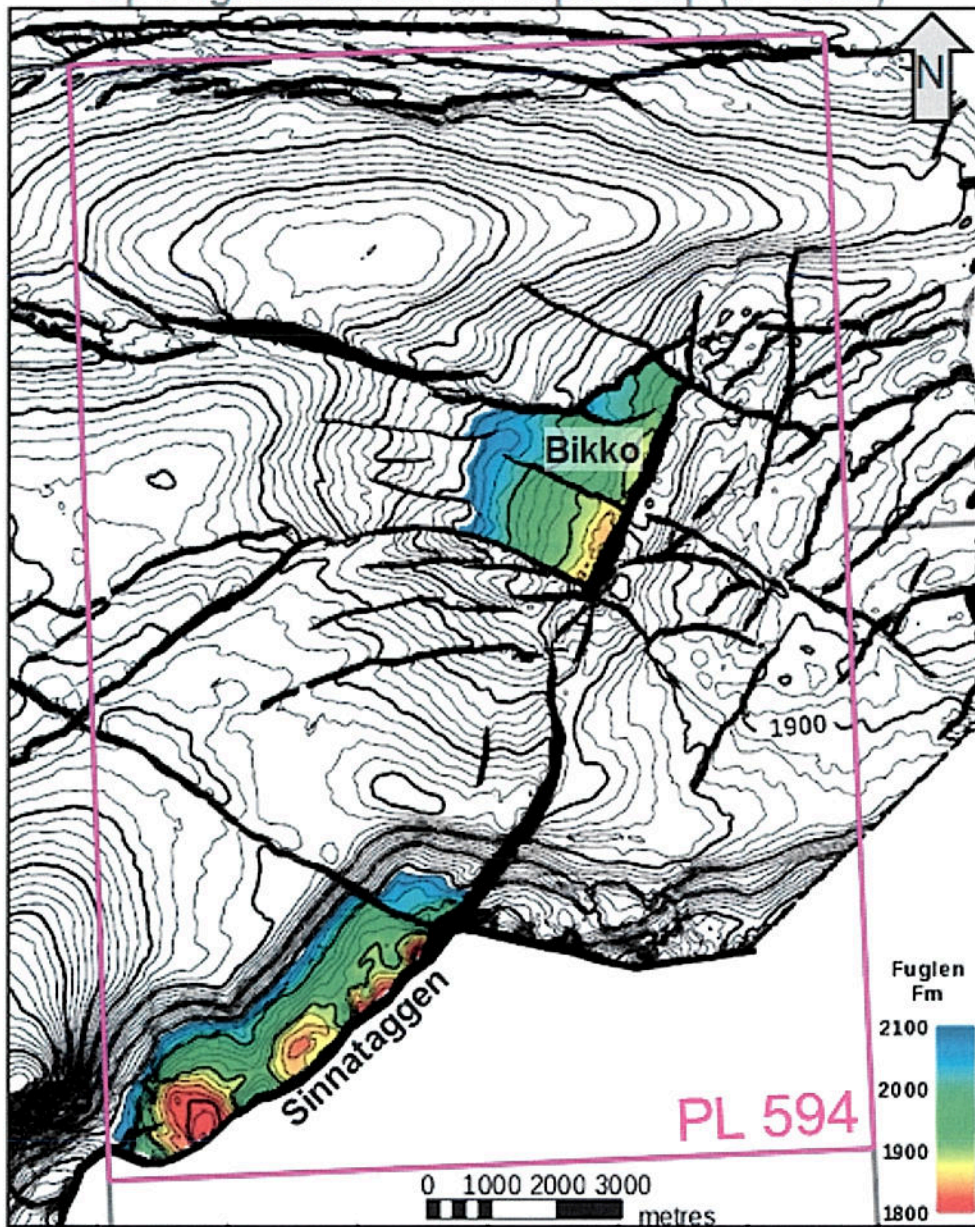


Figure 4 Top Realgrunnen (CI = 20m) depth map showing the Bikko and Sinnataggen prospects

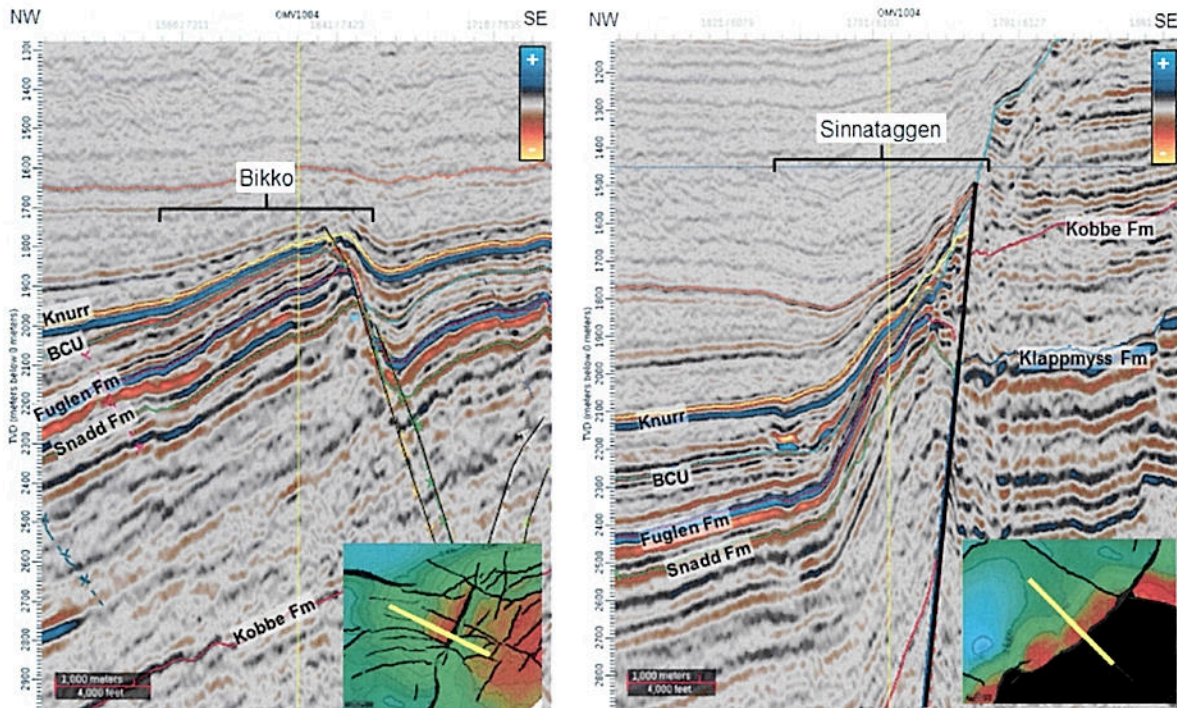


Figure 5 Seismic depth sections Bikko (left) and Sinnatagen (right)

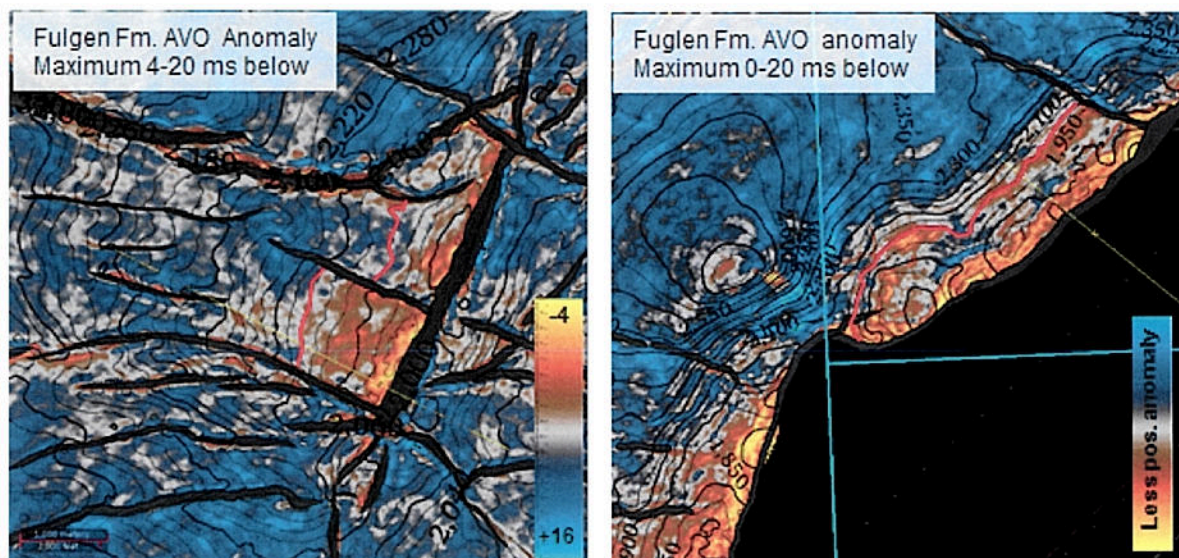


Figure 6 Top Fuglen/Top reservoir AVO anomaly with mean HCWC contact in red. Bikko (left), Sinnatagen (right).

Our date
2013-02-08

Our reference
AU-EXP NOR ELN-00070

Your date

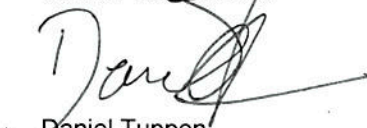
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	Prospect/discovery name:			Bikko			
Prospect segments	In-place res. (MSm ³ oe) 100%, Total Structure			Recoverable res. (MSm ³ oe) 100%, Total Structure			Pg
	P90	Mean	P10	P90	Mean	P10	%
Realgrunnen	0.94	3.95	8.06	0.36	1.12	2.06	40
Snadd (Norian)	0.36	1.98	4.22	0.15	0.62	1.27	25

	Prospect/discovery name:			Sinnatagen			
Prospect segments	In-place res. (MSm ³ oe) 100%, Total Structure			Recoverable res. (MSm ³ oe) 100%, Total Structure			Pg
	P90	Mean	P10	P90	Mean	P10	%
Realgrunnen	2.04	8.04	16.63	0.60	2.54	5.54	20
Snadd (Norian)	0.46	2.44	5.64	0.15	0.72	1.60	12

Figure 7 Prognosed resources for Bikko (above) and Sinnatagen (below)

Kind regards
Statoil Petroleum AS



Daniel Tuppen
Leder PL 594 styringskomite