PL 637 & PL 637 B
Relinquishment Report

Blocks: 33/3, 6 & 34/1, 2

GDF SUEZ

TALISMAN ENERGY

SUNCOR

PL 637 & PL 637 B Relinquishment Report

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1 Key license history

Summary
PL 637 was awarded as part of the APA 2011 on the 3rd February 2012, with an initial period of 7 years (2+2+2+1) of which the first decision, a drill or drop, was due on the 3rd August 2014. The PL 637 B license extension was awarded as part of the APA 2013 on the 7th February 2014, (Figure 1.1). These licenses were relinquished effective 3rd August 2014.

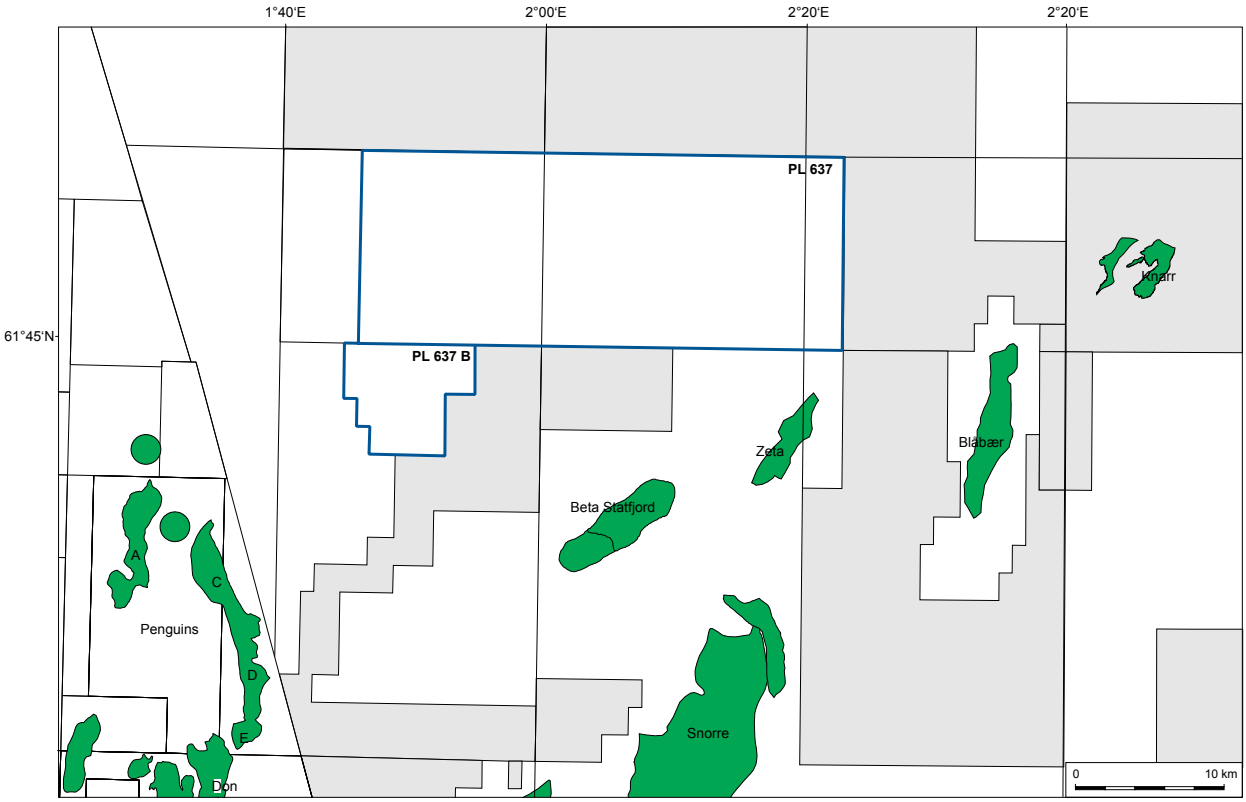

Figure 1.1 PL 637 and PL 637 B location map. Northern North Sea, Blocks: 33/3, 6 and 34/1, 2.

Particpants:
Suncor Energy Norge AS (50%, operator) with partners Talisman Energy Norge AS (30%) and GDF SUEZ E&P Norge AS (20%).

Work Commitment:
The work commitment was fulfilled by purchasing 735 km^2 of the TGS EOTW12 multi-client 3D survey, for more details see APA 2013 Application Extension PL 637.

Meetings held:
MC meetings were held at least once a year in accordance with JOA article 2.1. Below is a list of EC and MC meetings held during the licence term.
1. ECMC meeting on 06/03/2012
2. ECMC meeting on 12/11/2012
3. ECMC meeting on 19/06/2013
4. ECMC meeting on 05/11/2013

5. ECMC meeting on 20/05/2014

Reason for relinquishment:
Prospectivity was identified within the licence area, but geological risk was seen as too high to support a drill decision. The drop decision was unanimous amongst partners.

2 Database

Seismic database

The seismic database consisted of all publically available data, part of a multi-client 3D seismic survey and an Induced Polarization (IP) survey (Figure 2.1). The purchased part of the EOTW12 3D seismic survey was the main seismic dataset used for the license evaluation.

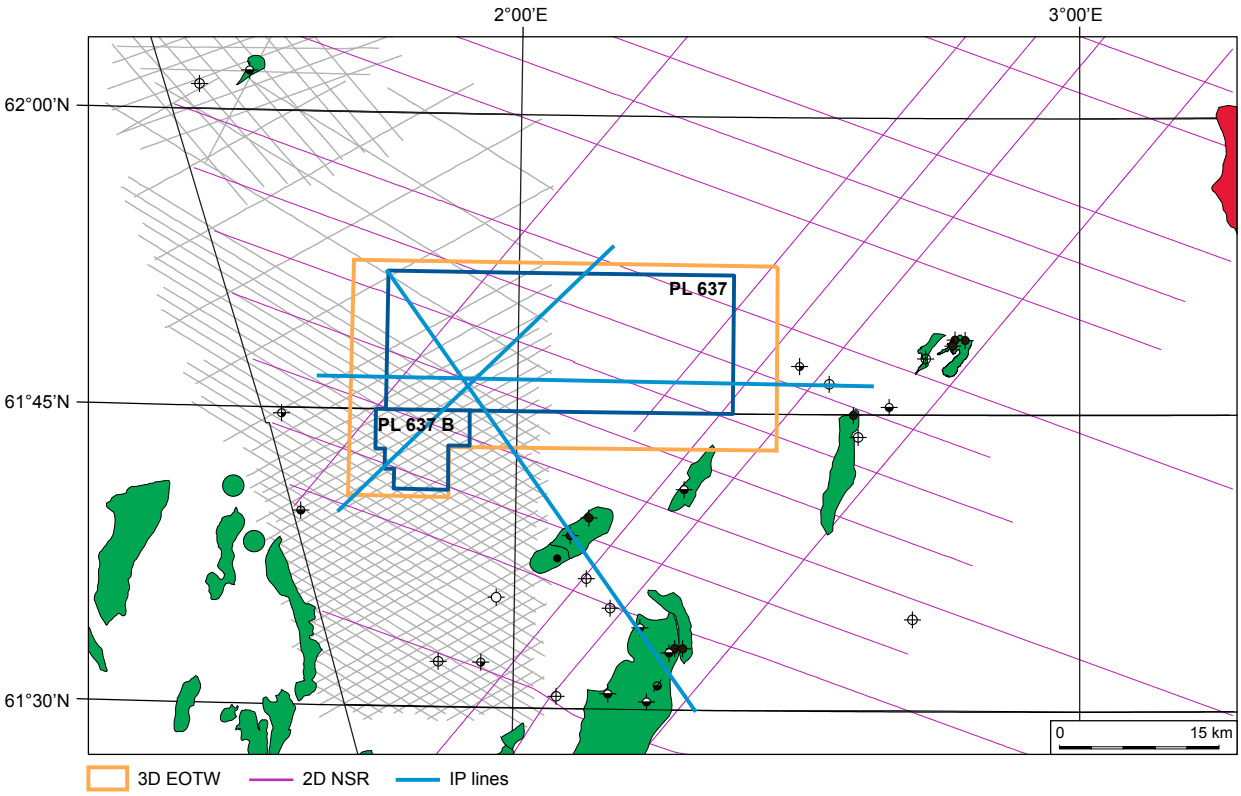

Figure 2.1 Key seismic data and common well database. Database map highlights new data to PL 637 following the APA 2011 application.

The EOTW12 3D survey gave some improvement in the data quality over the older 3D and 2D surveys, both in improved resolution and imaging. The general uplift in data quality helped to better define the structures, improve definition of the faults and highlight evident closures of the Delta, My and Lambda prospects, and the Sigma and Gausa leads. However, residual interbed multiple energy along with lateral frequency variations caused challenges for the full use of the data. The AVO work was especially affected by these data quality issues; the gathers were too noisy for a reliable amplitude study, in particular at the main reservoir target.

The final deliverables from the new survey were full stack data, 4 angle stack cubes, and gathers. The fast-track full offset cube was received mid-March 2013, while the final data did not arrive until end August the same year. Angle stacks and velocity cubes were received late November 2013.

An IP survey was acquired in order to help de-risk the prospects, this consisted of three 2D lines which totalled 139 km of data . The orientation of the lines was chosen to cover the main prospects, to tie the Snorre field (well 34/4-6), the Beta Discovery (wells 34/4-11 & -13 S) and a dry well (34/2-2) for calibration. The data showed a low anomaly response in the vicinity of both

the Delta and My prospects, but due to the sparseness of the 2D lines these results were considered inconclusive and therefore were not included in the prospect evaluations.

Well database

The wells included in the common database are listed in Table 2.1 below; key wells are highlighted.

Table 2.1 Well common database

Well name	Well name
33/5-1	34/4-4
33/5-2	34/4-5
33/6-1	34/4-6
33/6-2	34/4-7
33/6-3 S	34/4-8
34/2-2	34/4-9S
34/2-3	34/4-12S
34/2-4	34/4-12A
34/3-1A	34/4-10R
34/3-1 ST2	34/4-11
34/3-1S	34/4-13S
34/3-3S	34/5-1S
34/3-3A	34/5-1A
34/4-1	34/6-1S
34/4-2	6201/11-1
34/4-3	6201/11-2

3 Review of geological framework

The bulk of the technical work was based on the seismic interpretation of the multi-client EOTW12 3D seismic dataset and on the key wells (Table 2.1). A number of internal and contractor studies were conducted and are listed below. The Late Triassic-Early Jurassic Statfjord Group was the main focus for the license with the Late Jurassic and Early Cretaceous intervals providing additional potential within the license area.

Studies Conducted

Contractor studies acquired by the license group

1. Basin Modelling of the Marulk Basin. Applied Petroleum Technology AS, 2012. On License to share: PL637/Subsurface/Geology and geophysics
2. Reservoir quality assessment of the Statfjord Gp - Phases I & II. Robertson A CGG Company, 2013. On License to share: PL637/Subsurface/Geology and geophysics
3. Early Jurassic heavy mineral provenance study - Phases I & II. University of Oslo, 2013. License to share: PL637/Subsurface/Geology and geophysics

Internal studies performed by Suncor Energy

1. An Early Jurassic geological review of the northern North Sea, 2011. APA 2011 part blocks 33/3, 34/1 and 34/2.
2. Petrophysical analyses of 48 wells that include 32 Norwegian and 16 UK wells.
3. Depth conversion utilising 12 wells within the area.

Geological Summary

The Marulk Basin is a NE-SW oriented sub-basin of the North Viking Graben which tilts northwards. The potential target reservoirs are: the fluvial sandstones of the Statfjord Gp (Delta, My and Lambda prospcts); the deep-water turbidites of the Intra-Draupne Fm (Sigma lead); and the debris flow sediments of the Cromer Knoll Gp (Gausa lead).

Statfjord Gp

The sediments of the Statfjord Gp were deposited during the Triassic post-rift thermal subsidence, in the Late Triassic-Early Jurassic. The reservoir distribution, effectiveness and diagenetic studies performed by Suncor Energy and Robertson show that reservoir quality is mainly controlled by fluvial facies distribution such as coarse-grained sandstones which lack K-feldspar. Higher porosities are interpreted to be linked to high levels of clay cutan development, significant reservoir over-pressures and early hydrocarbon emplacement. These factors are interpreted to have inhibited quartz overgrowth cementation and occlusion of detrimental clay development, whilst allowing for secondary porosity development. The seismic interpretation on the EOTW12 survey is tied to wells within PL 375 licence using the SUN13001 survey due to lack of wells within PL 637 (Figure 3.1).

Additional prospectivity was identified in the Late Jurassic Draupne Fm and Early Cretaceous Cromer Knoll Gp. Seismic interpretation of the EOTW12 3D revealed a large wedge-shape stratigraphic trap which became the Sigma lead, and another large pinch-out stratigraphic trap was defined as the Gausa lead (Figure 4.1).

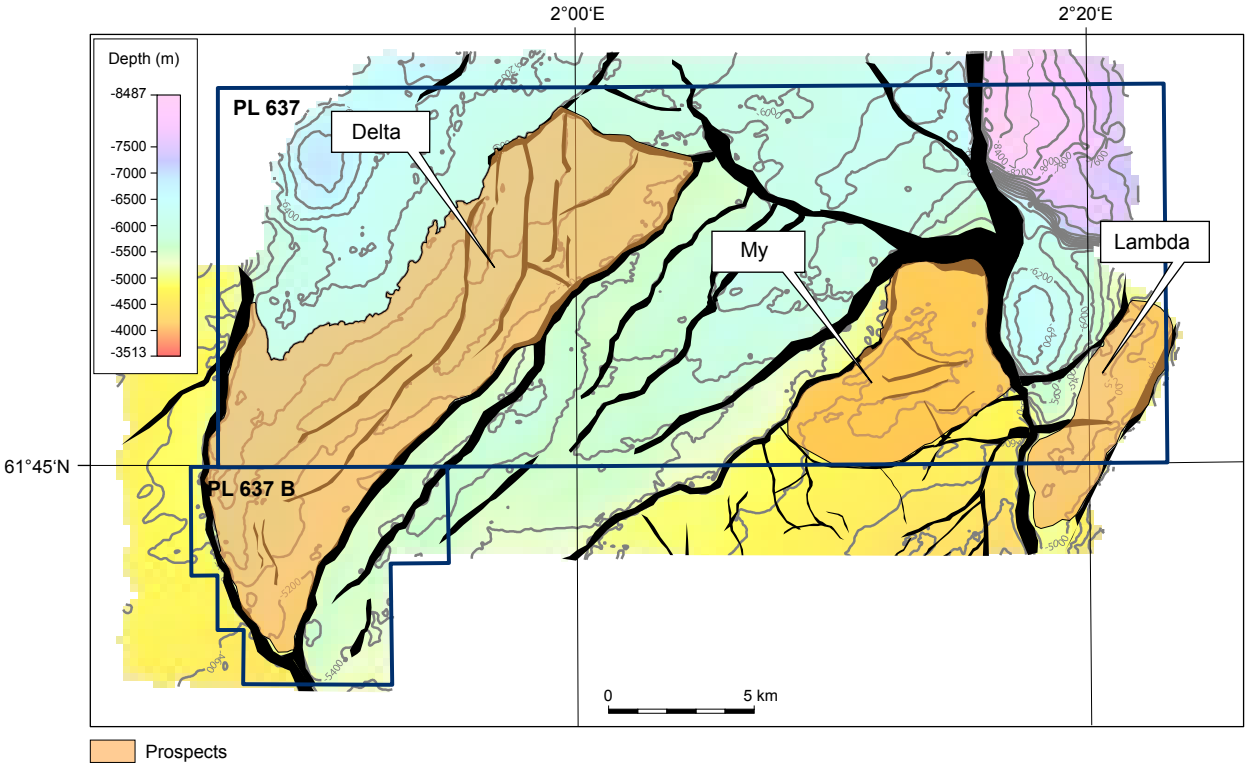

Figure 3.1 Top Statfjord depth map. Top Statfjord structure map. The P1 outline of the 3 prospects at this level is displayed. The main prospect Delta is a rotated fault-block structure, dependant on two faults to the west and the south-east. The crest of Delta is at 5060 meters, and the P1 OWC is at 6000 meters.

Intra-Draupne Fm

The Sigma lead resulted from the syn-depositional system during Late Jurassic rifting on the eastern flank of the Penguin Ridge. This depositional model was proposed according to the presence of the Late Jurassic Magnus Sandstones on the western flank of the Penguin Ridge, which represents the most likely analogue for the Sigma lead.

The sandstones likely correspond to sediment gravity flows deposited in deep marine environment conditions during the Late Jurassic rift along the graben margins. The potential turbiditic fans are adjacent to point-source sediment supply and are frequently inter-fingered with the shale-prone Draupne Fm. Diagenetic studies suggest that secondary porosity could generate an enhanced porosity in the Upper Jurassic sediments due to overpressure and grain dissolution (Burley, S.D., 1993).

Cromer Knoll Gp

The Gausa lead is formed from Early Cretaceous debris flows along the eastern margin of the Penguin Ridge. At this time, low angle seafloor relief and low sedimentation rates allowed for the generation of submarine fan systems along the gently inclined slope extending to the basin deeps. An analogue for this depositional environment is the Agat discovery on the Måløy Slope.

4 Prospect update

Prospect Summary

Three prospects and two leads were identified and evaluated within the licence (Figure 4.1). One lead in the Late Jurassic interval, Sigma, was identified during the licence evaluation processs. The remaining four had been identified as part of the APA application process.

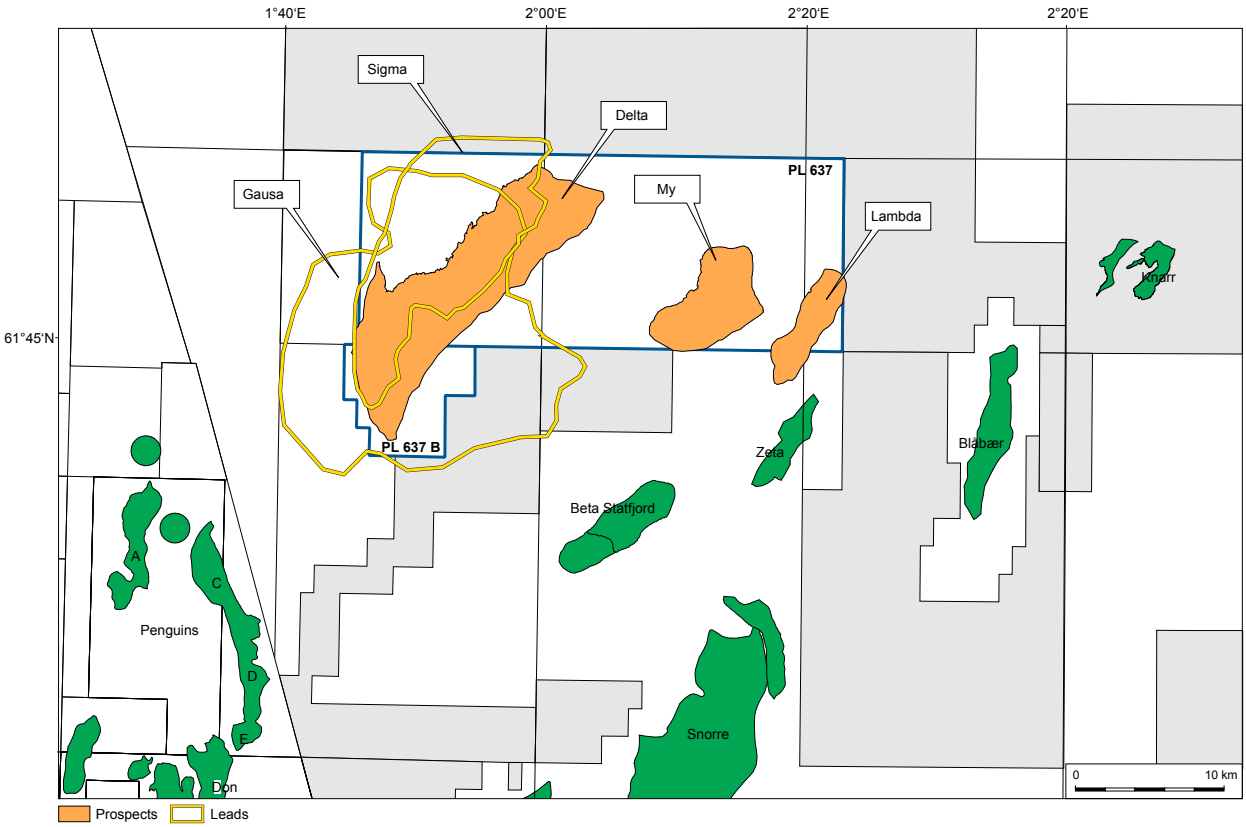

Figure 4.1 PL 637 prospect map. Base map shows the license and the final prospect outlines.

Statfjord Group Prospects

Expected reservoir and hydrocarbon phase of the Statfjord Group prospects

Fluvial sandstones of the Statfjord Gp form the principal reservoir for these prospects. These are interpreted to be a continuation of the same system penetrated by the wells in the Beta Statfjord discovery. Uncertainty of facies distribution and preservation of reservoir quality at burial depths greater than 4500 meters TVDSS lead to a critical risk of reservoir effectiveness for all these prospects. Results of the AVO analysis to predict Statfjord reservoir were inconclusive due to poor data quality of the seismic gathers.

The source rock is the Draupne Fm proven in nearby wells, which attained maturity for oil in the Marulk basin by the end of the Late Cretaceous (Applied Petroleum Technology AS, 2012). The prospects lie within the migration pathway to the Beta discovery and thus charge is seen as low risk, with an expected hydrocarbon phase of oil for all prospects.

Delta prospect

Delta is a large, robust structural trap defined as a rotated fault block, dependent on two main faults. Figures 4.2 and 4.3 are seismic lines through the Delta prospect. The final prospect area was reduced in size when compared to the initial evaluation which was based partly on 3D and 2D seismic mapping. The P50 base case area was reduced by more than 40%, which resulted in a substantial reduction in reserve volumes. The top of the structure is at 5060 meters TVDSS, OWC for the P90-10 cases are 5335-5800 meters TVDSS respectively.

The Pmean reserves calculated as 19.2 x 10^6 Sm^3 with a geological chance of success (COS) of 16% (Table 4.1). Critical risk for the Delta prospect is reservoir effectiveness.

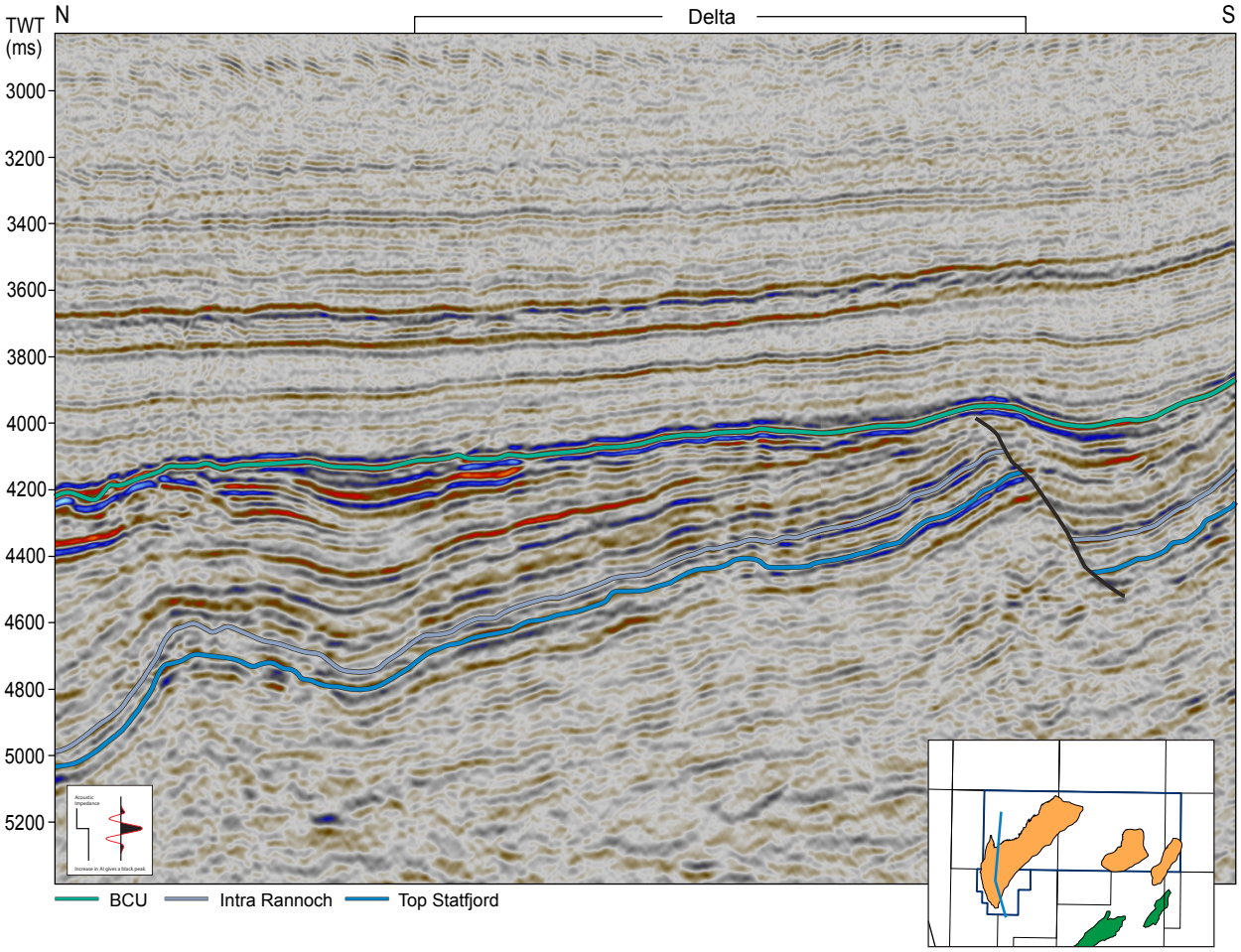

Figure 4.2 Seismic line N-S through the Delta prospect. The north-south oriented dip line through the Delta prospect illustrates the robustness of the sealing fault to the south. There is a large throw on the top Statfjord event, leaving the top of the structure juxtaposed against Upper Jurassic shales. No thiefsands are believed to be present in the sealing inteval.

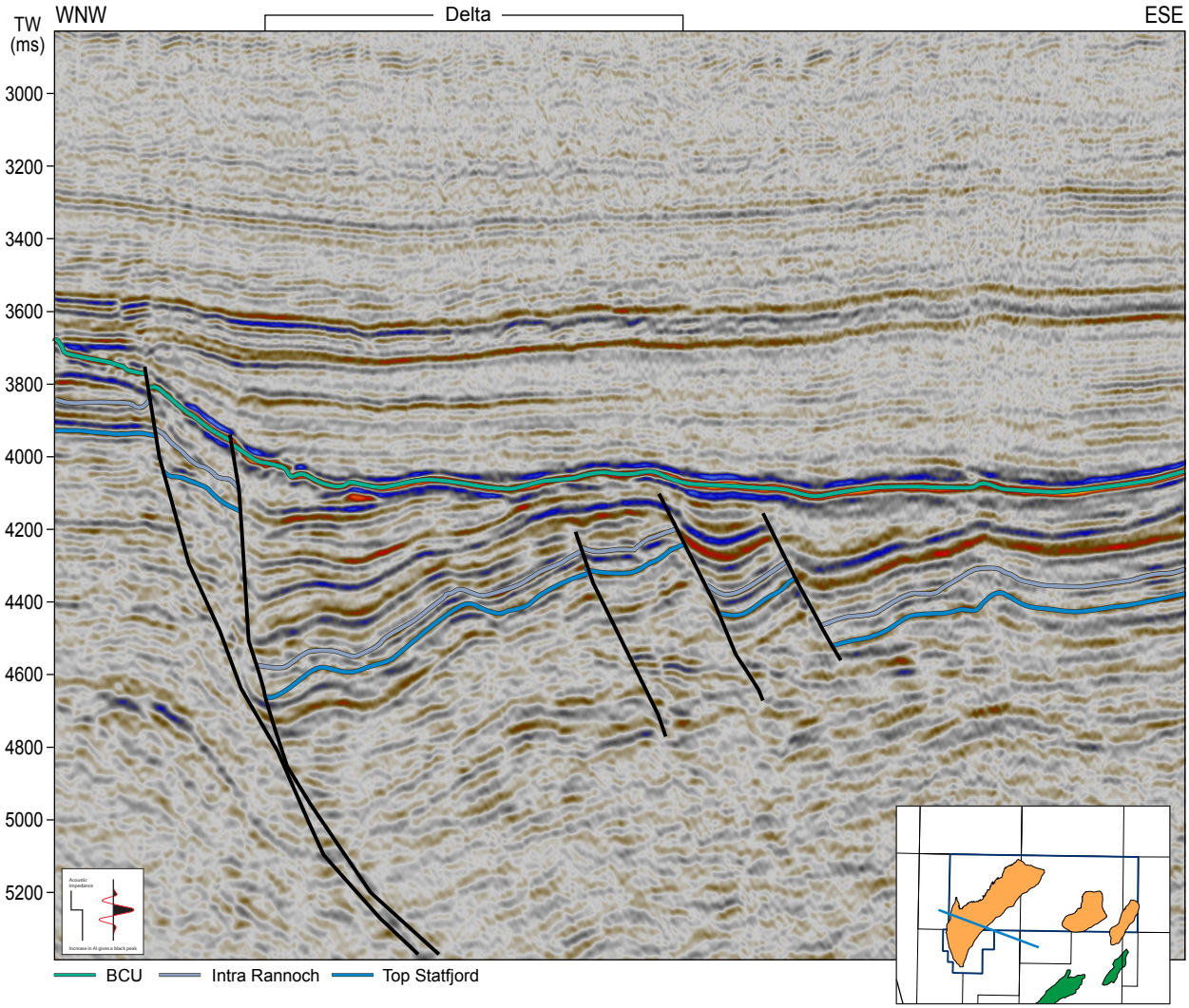

Figure 4.3 Seismic line W-E through the Delta prospect. The west-east oriented strike line across the Delta prospect shows the geometry of the rotated fault block structure. To the west the prospect is sealed of against Triassic or older tight sediments, while the sequence to the east is of Upper Jurassic shales.

My prospect

My is a structural trap dependent on fault closure on all sides, situated north of the Beta discovery (Figure 4.4). The prospect area decreased by approximately 10% in the P50 case following the 3D interpretation. The top of the structure is at 4645 meters TVDSS and the P90-10 OWC are 4750-4930 meters TVDSS respectively.

The Pmean reserves are 7.25 x 10^6 Sm^3 with a COS of 20% (Table 4.2). Critical risks of the My prospect are reservoir effectiveness, and seal (due to small fault displacement of the southern bounding fault).

Lambda prospect

Lambda is a three-way dip, one-way fault closure bounded by the large Zeta fault to the east. The prospect area was significantly reduced from the initial evaluation, with a reduction in area of about 60% in the P50 case. Poor seismic imaging over the Lambda prospect has resulted in low confidence of the interpretation. The top of the structure is at 4710 meters TVDSS and the P90-10 OWC are 4935-5330 meters TVDSS respectively.

The Pmean reserves are 3.3 x 10^6 Sm^3 with a COS of 6% (Table 4.3). Critical risks of the Lambda prospect are reservoir effectiveness, trap and seal.

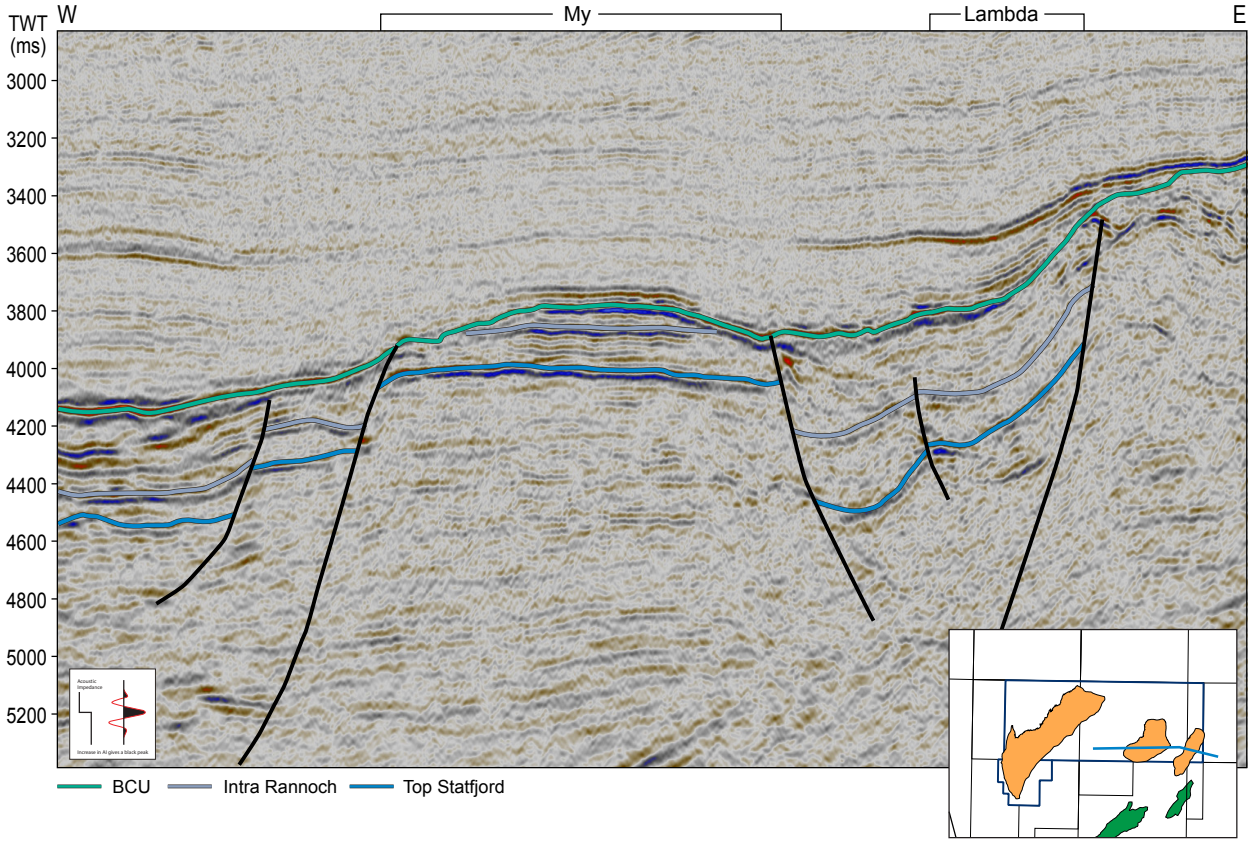

Figure 4.4 Seismic line W-E through the My and Lambda prospects. This seismic section is a strike line across both the My and the Lambda prospects. My is defined on a separate horst block, while Lambda is situated up against the Zeta high. The data quality over Lambda was poor due to its location along a large fault zone.

Additional potential

Sigma lead

Sigma was identified on the EOTW12 3D seismic survey as a stratigraphic trap with a well defined wedge-shaped termination and a structural component. The prospect is bounded by a fault to the west and pinching-out to the NNE. The Base Cretaceous Unconformity reflector was picked to define the top of the prospect. The Sigma lead is associated with high amplitude stacked seismic reflectors overlying the Delta prospect.

The seismic mapping of Sigma represents the extension and expression of these multiple reflectors. The internal seismic geometries within the trap may indicate the presence of several stacked sandstone sequences believed to consist of Magnus equivalent reservoir. The structure is charged directly from the Draupne Fm source rock.
The Pmean reserves are 14.4 x 10^6 Sm^3. The critical risks are associated to trap and reservoir (both presence and effectiveness).

Gausa lead

Gausa is a basin-slope stratigraphic pinch-out trap, defined by a wedge-shaped geometry. The reservoir is interpreted to be sediment debris flows, equivalent to the Agat reservoir, deposited during the Early Createous along the eastern margin of the Penguin high. The reservoir is interpreted to be sealed by the tight sediments of the Penguin Ridge to the west and pinching-out to the east. Charge is related to the second peak of hydrocarbon expulsion during the Plio-Pleiostocene age from the Draupne Fm shales (Applied Petroleum Technology AS, 2012). The prospect is dependent on vertical migration through fault conduits along the terrace of the Penguin Ridge.

The prospect is amplitude driven; seismic interpretation of the top and base prospect defines a package that contains bright internal seismic reflectors which are interpreted to relate to facies distribution. The geometries of these reflectors indicate prograding features, that suggest the presence of sandstones within the trap.
The Pmean reserves are 32.3 Sm^3 x 10^6. The critical risks are trap, seal and reservoir.

Table 4.1. Delta prospect volumes and risk. All parameters have been updated based on the new evaluation of the license.

Block	33/3, 33/6 & 34/1	Prospect name	Delta	Discovery/Prosp/Lead	Prospect	Prosp ID (or New!)	NPD will insert value	NPD approved (Y/N)	Yes
Play name	NPD will insert value	New Play (Y/N)	No	Outside play (Y/N)	Yes				
Oil, Gas or O&G case:	Oil	Reported by company	Suncor Energy	Reference document	APA 2011 Production License Application Blocks 33/3, 34/1 and 34/2			Assessment year	2014
This is case no.:	1 of 1	Structural element	Marulk Basin	Type of trap	Structural	Water depth [m MSL] (>0)	390	Seismic database (2D/3D)	3D
Resources IN PLACE and RECOVERABLE		**Main phase**				**Associated phase**			
Volumes, this case		Low (P90)	Base, Mode	Base, Mean	High (P10)	Low (P90)	Base, Mode	Base, Mean	High (P10)
In place resources	Oil [10^6 Sm^3] (>0.00)	9.27	46.70	63.90	138.00				
	Gas [10^9 Sm^3] (>0.00)								
Recoverable resources	Oil [10^6 Sm^3] (>0.00)	2.54	13.30	19.20	42.70				
	Gas [10^9 Sm^3] (>0.00)					0.34	1.96	2.99	6.78
Reservoir Chrono (from)	Rhaetian	Reservoir litho (from)	Statfjord Gp	Source Rock, chrono primary	Kim - Ryazanian	Source Rock, litho primary	Draupne Fm	Seal, Chrono	Sinem - E. Pliensbach
Reservoir Chrono (to)	Sinemurian	Reservoir litho (to)	Statfjord Gp	Source Rock, chrono secondary	Bathonian - Kim	Source Rock, litho secondary	Heather Fm	Seal, Litho	Amundsen Fm
Probability [fraction]									
Technical (oil + gas + oil & gas case) (0.00-1.00)	0.16	Oil case (0.00-1.00)	1.00	Gas case (0.00-1.00)	0.00	Oil & Gas case (0.00-1.00)	0.00		
Reservoir (P1) (0.00-1.00)	0.40	Trap (P2) (0.00-1.00)	0.80	Charge (P3) (0.00-1.00)	0.70	Retention (P4) (0.00-1.00)	0.70		

Parametres:	Low (P90)	Base	High (P10)	*Comments*
Depth to top of prospect [m MSL] (> 0)		5060		
Area of closure [km^2] (> 0.0)	12.0	48.0	80.0	
Reservoir thickness [m] (> 0)	30	65	125	
HC column in prospect [m] (> 0)	275	500	740	
Gross rock vol. [10^9 m^3] (> 0.000)	0.540	2.400	6.065	
Net / Gross [fraction] (0.00-1.00)	0.15	0.30	0.45	
Porosity [fraction] (0.00-1.00)	0.12	0.15	0.18	
Permeability [mD] (> 0.0)				
Water Saturation [fraction] (0.00-1.00)	0.15	0.28	0.40	
Bg [Rm3/Sm3] (< 1.0000)				
1/Bo [Sm3/Rm3] (< 1.00)	0.74	0.66	0.59	
GOR, free gas [Sm^3/Sm^3] (> 0)				
GOR, oil [Sm^3/Sm^3] (> 0)	95	155	215	
Recov. factor, oil main phase [fraction] (0.00-1.00)	0.20	0.30	0.40	
Recov. factor, gas ass. phase [fraction] (0.00-1.00)				
Recov. factor, gas main phase [fraction] (0.00-1.00)				
Recov. factor, liquid ass. phase [fraction] (0.00-1.00)				For NPD use:

Temperature, top res [°C] (>0)	180			Innrapp. av geolog-init:	NPD will insert value	Registrert - init:	NPD will insert value	Kart oppdatert	NPD will insert value
Pressure, top res [bar] (>0)	950			Dato:	NPD will insert value	Registrert Dato:	NPD will insert value	Kart dato	NPD will insert value
Cut off criteria for N/G calculation	1. Vshale <=0.4	2. Porosity >=0.1	3.					Kart nr	NPD will insert value

Table 4.2. My prospect volumes and risk. All parameters have been updated based on the new evaluation of the license.

Block	34/1	Prospect name	My	Discovery/Prosp/Lead	Prospect	Prosp ID (or New!)	NPD will insert value	NPD approved (Y/N)	Yes
Play name	NPD will insert value	New Play (Y/N)	No	Outside play (Y/N)	Yes				
Oil, Gas or O&G case:	Oil	Reported by company	Suncor Energy	Reference document	APA 2011 Production License Application Blocks 33/3, 34/1 and 34/2			Assessment year	2014
This is case no.:	1 of 1	Structural element	Marulk Basin	Type of trap	Structural	Water depth [m MSL] (>0)	390	Seismic database (2D/3D)	3D
Resources IN PLACE and RECOVERABLE		**Main phase**				**Associated phase**			
Volumes, this case		Low (P90)	Base, Mode	Base, Mean	High (P10)	Low (P90)	Base, Mode	Base, Mean	High (P10)
In place resources	Oil [10^6 Sm^3] (>0.00)	2,21	18,00	24,10	53,30				
	Gas [10^9 Sm^3] (>0.00)								
Recoverable resources	Oil [10^6 Sm^3] (>0.00)	0,62	5,11	7,25	16,50				
	Gas [10^9 Sm^3] (>0.00)					0,08	0,70	1,05	2,43
Reservoir Chrono (from)	Rhaetian	Reservoir litho (from)	Statfjord Gp	Source Rock, chrono primary	Kim - Ryazanian	Source Rock, litho primary	Draupne Fm	Seal, Chrono	Sinem - E. Pliensbach
Reservoir Chrono (to)	Sinemurian	Reservoir litho (to)	Statfjord Gp	Source Rock, chrono secondary	Bathonian - Kim	Source Rock, litho secondary	Heather Fm	Seal, Litho	Amundsen Fm
Probability [fraction]									
Technical (oil + gas + oil & gas case) (0.00-1.00)	0,20	Oil case (0.00-1.00)	1,00	Gas case (0.00-1.00)	0,00	Oil & Gas case (0.00-1.00)	0,00		
Reservoir (P1) (0.00-1.00)	0,50	Trap (P2) (0.00-1.00)	0,80	Charge (P3) (0.00-1.00)	0,70	Retention (P4) (0.00-1.00)	0,70		

Parametres:	Low (P90)	Base	High (P10)	*Comments*
Depth to top of prospect [m MSL] (> 0)		4645		
Area of closure [km^2] (> 0.0)	3,5	22,5	30,0	
Reservoir thickness [m] (> 0)	30	65	125	
HC column in prospect [m] (> 0)	105	195	285	
Gross rock vol. [10^9 m^3] (> 0.000)	0,120	0,800	2,000	
Net / Gross [fraction] (0.00-1.00)	0,15	0,30	0,45	
Porosity [fraction] (0.00-1.00)	0,14	0,17	0,20	
Permeability [mD] (> 0.0)				
Water Saturation [fraction] (0.00-1.00)	0,15	0,28	0,40	
Bg [Rm3/Sm3] (< 1.0000)				
1/Bo [Sm3/Rm3] (< 1.00)	0,77	0,69	0,63	
GOR, free gas [Sm^3/Sm^3] (> 0)				
GOR, oil [Sm^3/Sm^3] (> 0)	90	145	200	
Recov. factor, oil main phase [fraction] (0.00-1.00)	0,20	0,30	0,40	
Recov. factor, gas ass. phase [fraction] (0.00-1.00)				
Recov. factor, gas main phase [fraction] (0.00-1.00)				
Recov. factor, liquid ass. phase [fraction] (0.00-1.00)				For NPD use:

Temperature, top res [°C] (>0)	160		Innrapp. av geolog-init:	NPD will insert value	Registrert - init:	NPD will insert value	Kart oppdatert	NPD will insert value
Pressure, top res [bar] (>0)	860		Dato:	NPD will insert value	Registrert Dato:	NPD will insert value	Kart dato	NPD will insert value
Cut off criteria for N/G calculation	1. Vshale <=0.4	2. Porosity >=0.1	3.				Kart nr	NPD will insert value

Table 4.3. Lambda prospect volumes and risk. All parameters have been updated based on the new evaluation of the license.

Block	34/1	Prospect name	Lambda (Statfjord)	Discovery/Prosp/Lead	Prospect	Prosp ID (or New!)	NPD will insert value	NPD approved (Y/N)	Yes
Play name	NPD will insert value	New Play (Y/N)	No	Outside play (Y/N)	Yes				
Oil, Gas or O&G case:	Oil	Reported by company	Suncor Energy	Reference document	APA 2011 Production License Application Blocks 33/3, 34/1 and 34/2			Assessment year	2014
This is case no.:	1 of 1	Structural element	Marulk Basin	Type of trap	Structural	Water depth [m MSL] (>0)	390	Seismic database (2D/3D)	3D
Resources IN PLACE and RECOVERABLE		**Main phase**				**Associated phase**			
Volumes, this case		Low (P90)	Base, Mode	Base, Mean	High (P10)	Low (P90)	Base, Mode	Base, Mean	High (P10)
In place resources	Oil [10^6 Sm^3] (>0.00)	0.90	7.13	11.00	25.80				
	Gas [10^9 Sm^3] (>0.00)								
Recoverable resources	Oil [10^6 Sm^3] (>0.00)	0.25	2.03	3.31	7.91				
	Gas [10^9 Sm^3] (>0.00)					0.03	0.28	0.48	1.16
Reservoir Chrono (from)	Rhaetian	Reservoir litho (from)	Statfjord Gp	Source Rock, chrono primary	Kim - Ryazanian	Source Rock, litho primary	Draupne Fm	Seal, Chrono	Sinem - E. Pliensbach
Reservoir Chrono (to)	Sinemurian	Reservoir litho (to)	Statfjord Gp	Source Rock, chrono secondary	Bathonian - Kim	Source Rock, litho secondary	Heather Fm	Seal, Litho	Amundsen Fm
Probability [fraction]									
Technical (oil + gas + oil & gas case) (0.00-1.00)	0.06	Oil case (0.00-1.00)	1.00	Gas case (0.00-1.00)	0.00	Oil & Gas case (0.00-1.00)	0.00		
Reservoir (P1) (0.00-1.00)	0.50	Trap (P2) (0.00-1.00)	0.40	Charge (P3) (0.00-1.00)	0.70	Retention (P4) (0.00-1.00)	0.40		

Parametres:	Low (P90)	Base	High (P10)	*Comments*
Depth to top of prospect [m MSL] (> 0)		4710		
Area of closure [km^2] (> 0.0)	1.2	6.9	15.7	
Reservoir thickness [m] (> 0)	30	65	125	
HC column in prospect [m] (> 0)	226	420	620	
Gross rock vol. [10^9 m^3] (> 0.000)	0.047	0.335	1.070	
Net / Gross [fraction] (0.00-1.00)	0.15	0.30	0.45	
Porosity [fraction] (0.00-1.00)	0.13	0.16	0.19	
Permeability [mD] (> 0.0)				
Water Saturation [fraction] (0.00-1.00)	0.15	0.28	0.40	
Bg [Rm3/Sm3] (< 1.0000)				
1/Bo [Sm3/Rm3] (< 1.00)	0.77	0.69	0.63	
GOR, free gas [Sm^3/Sm^3] (> 0)				
GOR, oil [Sm^3/Sm^3] (> 0)	90	145	200	
Recov. factor, oil main phase [fraction] (0.00-1.00)	0.20	0.30	0.40	
Recov. factor, gas ass. phase [fraction] (0.00-1.00)				
Recov. factor, gas main phase [fraction] (0.00-1.00)				
Recov. factor, liquid ass. phase [fraction] (0.00-1.00)				For NPD use:

Temperature, top res [°C] (>0)	170			Innrapp. av geolog-init:	NPD will insert value	Registrert - init:	NPD will insert value	Kart oppdatert	NPD will insert value
Pressure, top res [bar] (>0)	880			Dato:	NPD will insert value	Registrert Dato:	NPD will insert value	Kart dato	NPD will insert value
Cut off criteria for N/G calculation	1. Vshale <=0.4	2. Porosity >=0.1	3.					Kart nr	NPD will insert value

5 Technical evaluations

A technical and economic evaluation was conducted for the Delta prospect only, using the P50-10 volume range of 13.3-42.7 x 10^6 Sm^3 respectivlely with a prospect COS of 16%. The P90 case was modelled as failure due to low volume (Figure 5.1). The P50 and P10 scenarios were modelled as tie-backs to Snorre platform. The field would be developed as a High Pressure-High Temperature field with a dedicated wellhead and partial processing platform. Onward processing and export were assumed from the Snorre platform approximately 35 km away.

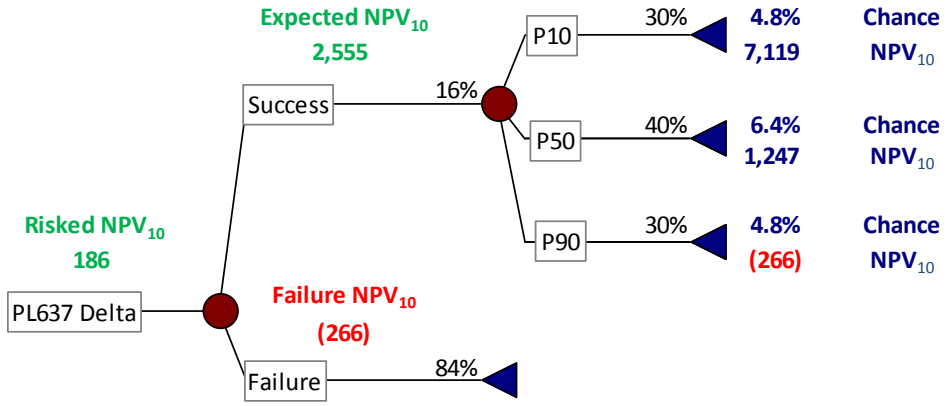

Figure 5.1 Delta economics model. P90 case modelled as failure due to low volume (16 mmbbl).

Economic assumptions:

- Discounting to 1st January 2014. Discount Rate: 10%
- Business environment as at 31st March, 2014.
- Oil priced at BRENT
- Gas priced at NBP
- Inflation: 1.5% per annum
- Exchange rates:
  - NOK 5.00 / US$ 1.00

Table 5.1 Delta economics summary table. Delta 2014 Go forward economic summary (NOK) Gross 100%. Chance of Geological Success: 16%.

	2014 Go Forward						
PL637 Delta Gross 100% WI (Tie-back)	Gross Economic Reserves Oil (10^6Sm^3)	Gross Max Daily Rate Oil (10^3Sm^3)	Total Gross Nominal Capex (excl. Abex) (NOKMM)	Total Gross Nominal Abex (NOKMM)	NPV 10 1 Jan 2014 (NOKMM)	IRR (%)	DPI
Base Case							
Unrisked P10	42.7	18.4	36,630	6,190	7,119	22%	0.39
Unrisked P50	13.3	5.7	15,514	2,244	1,247	15%	0.15
Unrisked P90 / Failure Case	0	0	1,159	0	(266)	N/A	(0.29)
Expected	18.1	7.8	17,542	2,754	2,555	19%	0.28
Risked	2.9	1.3	3,780	441	186	13%	0.08

The results of the economic analysis show that the risked economic profile gives and Internal Rate of Return of 13%. Overall the results were too low to support a drill decision.

6 Conclusions

The evaluation of the EOTW12 3D seismic survey showed the original prospects to be valid with additional prospectivity also identified. However, final reserve estimates were significantly reduced and none of the prospects could be sufficiently de-risked to meet the licence group's drill criteria.

Three prospects have been identified and evaluated within the license in the Early Jurassic stratigraphic section. The prospects are deeply buried (+4500 meters TVDSS) with a common key risk of reservoir effectiveness, which cannot be de-risked further at this stage due to the lack of deeper well penetrations of the reservoir sections in the surrounding area.

Additional prospectivity was identified in the Late Jurassic and Early Cretaceous, however these stratigraphic intervals were also considered too deep for commercial purposes, and were not able to be de-risked due to lack of data in the area.

The main prospect, Delta, has the structural crest at 5060 meters TVDSS, with a critical risk of reservoir presence and effectiveness. The base case volume estimates have been reduced by more than 50% from the initial evaluation, with a final reserve range of P90-50-10, 2.5-13.3-42.7 x 10^6 Sm^3 and COS 16%.

Given that the geological risk remains high and results from the economic analysis are too low to support a drill decision, the partnership unanimously voted for a drop decision and to relinquish the licence.