

Relinquishment Report for PL 350/ PL 350B

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17. September 2012

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1 Key Licence History

Introduction

E.ON E & P, as operator for the PL 350 and PL 350B, have together with the licence partners, decided to relinquish the licences after drilling the exploration wells 6507/6-4 S (Triassic- Sindbad Prospect) and 6507/6-4 A (Permian-Sesam Prospect). The wells were finalised 29. January 2012 and both proved to be dry. The partnership consider any remaining prospectivity to be low and the small gas discovery in well 6507/6-1 (Åre Formation) to be uneconomic.

Key Licence History

Summary of award and participants:

PL 350 was originally granted on 17th December 2004 as part of the award in APA2004 to Statoil (55%, Operator), Norsk Hydro (35%) and E.ON Ruhrgas (10%). After the merger of Statoil and Norsk Hydro and following transfer of owners interest and operatorship, the licence PL 350 equity split is currently E.ON (40%, Operator), Statoil (30%) and PGNiG (30%). The PL 350B licence was granted on 3. February 2012 as part of the award in APA2011 to E.ON E & P (40%, Operator), Statoil (30%) and PGNiG (30%). PL 350B was applied for as additional acreage to the existing PL 350.

Initial work obligations and work periods (PL350):

Within 3 years of the award (by 17th December 2007):

- Acquisition of SBL data
- Performance of relevant geological and geophysical studies
- Decide to drill or drop licence

Within 5 years of the award (by 17th December 2009):

- Make a BOV (Beslutning om videreføring) or drop licence.

Within 7 years of the award (by 17th December 2011)

- Submit PDO (Plan for Development and Operations) or drop licence.

There are no specific work obligations attached to the awards of additional acreage to PL 350 in APA2011 (PL 350B).

Any applications and grants for extension of deadlines:

The initial 3 year period for a drill or drop decision was extended first by one year followed by a further 3 month extension until 17. March 2009. A final drill decision was made by the licence in December 2008. After extensions granted, the initial licence period expires on 17. December 2014.

Overview of meetings held:

Until the transfer of the operatorship to E.ON in 2009, Statoil/StatoilHydro arranged combined Exploration and Management Committee Meetings no. 1-5. E.ON as operator from March 2009 arranged the combined Exploration and Management Meetings no. 6-9 in addition a series of Exploration Committee Workmeetings covering specific issues were held in connection with prospectivity and well preparations. During the licence period field trips and workshops on rifting in general and Permian thematics have also been arranged in Corinth, East Greenland, Polen and Durham. See list below for meetings during the E.ON operatorship period.

- EC/MC #6_April_2009
- EC/MC #7_Nov_2009
- EC/MC #8_Nov_2010
- EC/MC #9_Nov_2011
- EC Work Meeting Well Results_May_2012
- EC Work Meeting Application for Consent_July_2011
- EC Work Meeting Concept Selection_1_March_2011
- EC Work Meeting Concept Selection_2_April_2011

- EC Work Meeting Final Drilling Preparations_Sept_2011
- EC Work Meeting Hvalross Update_April_2010
- EC Work Meeting Pressure Prognosis_Feb_2011
- EC Work Meeting Well Design Discussion_June_2011
- EC Work Meeting Data Acquisition_Dec_2010
- EC Work Meeting Post Well Review_Feb_2012
- EC Work Meeting Real Time Biostratigraphy_Feb_2011
- EC Work Meeting PGNiG Interpretation Workshop_Aug_2010
- EC Work Meeting Warsaw PGNiG Workshop_Dec_2009
- EC Work Meeting Prospectivity Meeting_Dec_2009
- EC Work Meeting Durham_Workshop_Fieldtrip_May_2010

Reason for relinquishment:

After drilling the exploration wells 6507/6-4 S (Triassic- Sindbad Prospect) and the 6507/6-4 A (Permian-Sesam Prospect), both proved to be dry, the partnership has decided to relinquish the licences. The partnership consider any remaining prospectivity to be low and the small gas discovery in well 6507/6-1 (Åre Formation) to be uneconomic.

2 Database

Work on the license data base

The latest mapping of the licence including the main prospects (Sesam and Sindbad) was based on the EO09M02 PSDM 3D cube. This cube, which is a merge of the ANO9403, ANO9606 and ST0511 surveys, was created as part of the licence work in 2009. EO09M02 exists in both Kirchoff and Beam versions. The outline of the seismic coverage is show in Fig. 2.1 on a map showing the outlines of the Sesam and Sindbad Prospects.

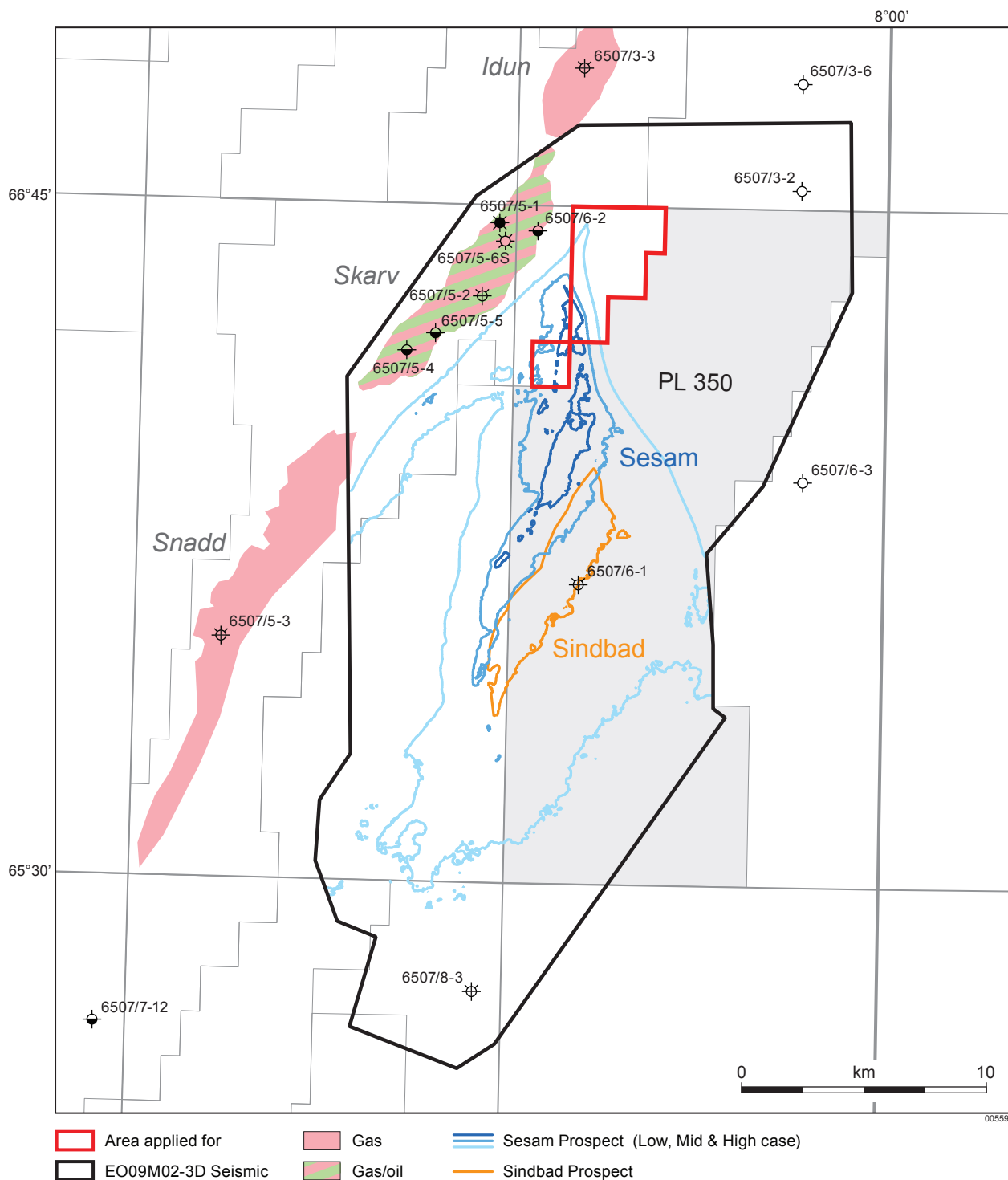


Fig. 2.1 Seismic database. Including key wells, discoveries and the outlines of the Sesam and Sindbad Prospects

Being partners in the Skarv development, the PL350 licence holders had access to all recent wells drilled in the vicinity of the block 6507/6, in addition to the relevant public wells. The licence also had access to other wells which were key for the Permian prospectivity (6607/9-1 & 6608/8-1) in addition to published data from the shallow IKU boreholes, 6611/9-U-1 and 6611/9-U-2.

The key offset wells for the Permian (Sesam Prospect) were discussed thoroughly in the Application Report for part of the Block 6507/6 in the APA2011. Special emphasis was also put on studying wells in the northern Norwegian Sea with deep Triassic penetrations for documentation of the Triassic Sindbad Prospect. The complete well database consisted of approximately 40 wells in the northern part of the Norwegian Sea.

Any new seismic data acquired and interpreted

No new seismic were acquired specifically for the licence.

Any new wells drilled

The well-bore 6507/6-4 S was spudded on 26th of October at 21.00 hrs and reached TD at 1339m MD RKB on 11th of November at 14.45 hrs. The purpose of the well was to test a Triassic Grey Beds Gp. objective (Sindbad Prospect). The well was classified as dry and was plugged back to the 20" casing before kicking off to drill the 6507/6-4 A. The well-bore 6507/6-4 A was kicked off from 753m MD RKB of the well-bore 6507/6-4 S on 16th of November at 15.45 hrs and reached TD at 4957m MD RKB on 14th of January at 20.30 hrs. The purpose of this well-bore was to test an Upper Permian objective (Sesam Prospect). The expected reservoir was reached 2nd of January 2012 at 21.45 hrs. A planned core was cut and wireline runs were performed in the reservoir before drilling to TD in the ?Lower Permian-Carboniferous. The 6507/6-4 A was permanently plugged and abandoned (P&A) and is classified as a dry hole. The P&A operation of the 6507/6-4 A was finished on 28th of January 2012.

3 Review of Geological Framework and Results of Wells

Studies performed

In connection with the licence work for PL 350 and the preparation of the exploration wells 6507/6-4 S and A a series of relevant studies were performed. Of special interest for the Permian Sesam Prospect were field studies of possible analogues on Jameson Land, East Greenland (2008) and Durham, England (2010). In addition, a field trip was arranged in Corinth area in 2007 to study rift basins in general. A workshop covering the subject of drilling in Permian carbonates was hosted by PGNiG in Warsaw in December 2009.

A list of the most important special studies from the last few years, to support the normal licence work, is given in Table 3.1. The last couple of year most of the work was focusing on preparation of the wells with the "Application of Consent" and the "Drilling Programme" being issued in August 2011.

Table 3.1 Selection of special studies performed in PL350

Year	Study	Author
2007	SBL-EMGS	Statoil
2008	Structural restoration study	StatoilHydro
2008	Basin modelling	StatoilHydro
2008	AVI Attribute analysis	ffa
2009	Fracture modelling	Midland Valley
2009	Well based pressure study	GPT
2010	Pressure modelling	SINTEF
2010	AVO Analysis for Sindbad Prospect	Statoil & ERN

Apart from routine studies performed in connection with drilling the wells following special studies were finalised Table 3.2

Table 3.2 Selection of special studies performed post-drilling of wells 6507/6-4 S and A

Year	Study	Author
2011-2012	Petrophysical Study	E.ON E & P
2012	Micropaleontology and palynology	Fugro Robertson
2012	Geochemical evaluation	Fugro Robertson
2012	Sedimentology and structural geology of Permian sediments	Fugro Robertson
2012	Sed. study of Permian/?Carb. in well and comparison with E. Greenland and Helgeland Basin	Lars Stemmerik, Univ. Of Copenhagen
2012	Feasibility Study for improvement of image logs data	Eriksfiord
2012	VSP Study	BakerHughes

Results of block evaluation and the drilling of the wells

The work during the licence period (at least since the E.ON take over as operator) has been focused on the evaluation of the potential of the small gas discovery in the Åre Formation in well 6507/6-1, and the evaluation of the Triassic and Permian potential. This led to the drilling of the Sindbad and Sesam Prospects.

The combined Sindbad and Sesam Prospects are located in block 6507/6 (PL 350). Structurally the prospects are located on the Sør High of the Nordland Ridge in the Norwegian Sea. The distance to the Skarv Field immediately to the west is 10 km and to the Heidrun Field (to the SSW) approximately 30 km. Both prospects are bounded immediately to the west by the Revfallet Fault Complex and to the east by the Trøndelag Platform/Helgeland Basin. The Sesam Prospect (Fig. 3.1, Fig. 3.2), drilled by well 6507/6-4 A, is a tilted fault block striking north-east to south-west and dipping to the south-east. The prospect outline is mapped on a reasonably well defined hard reflector. Well 6507/6-1, drilled by Saga Petroleum in 1986, did not reach the Permian reflector and is believed to TD approximately 500 m above that marker. The structure is limited to the north-east by an important north-west south-east trending crossing fault within in the Nordland Ridge. The structure is covered by good quality 3D seismic and has a maximum areal closure of at least 190 km². The well is located downflank to the south-east from the structural crest.

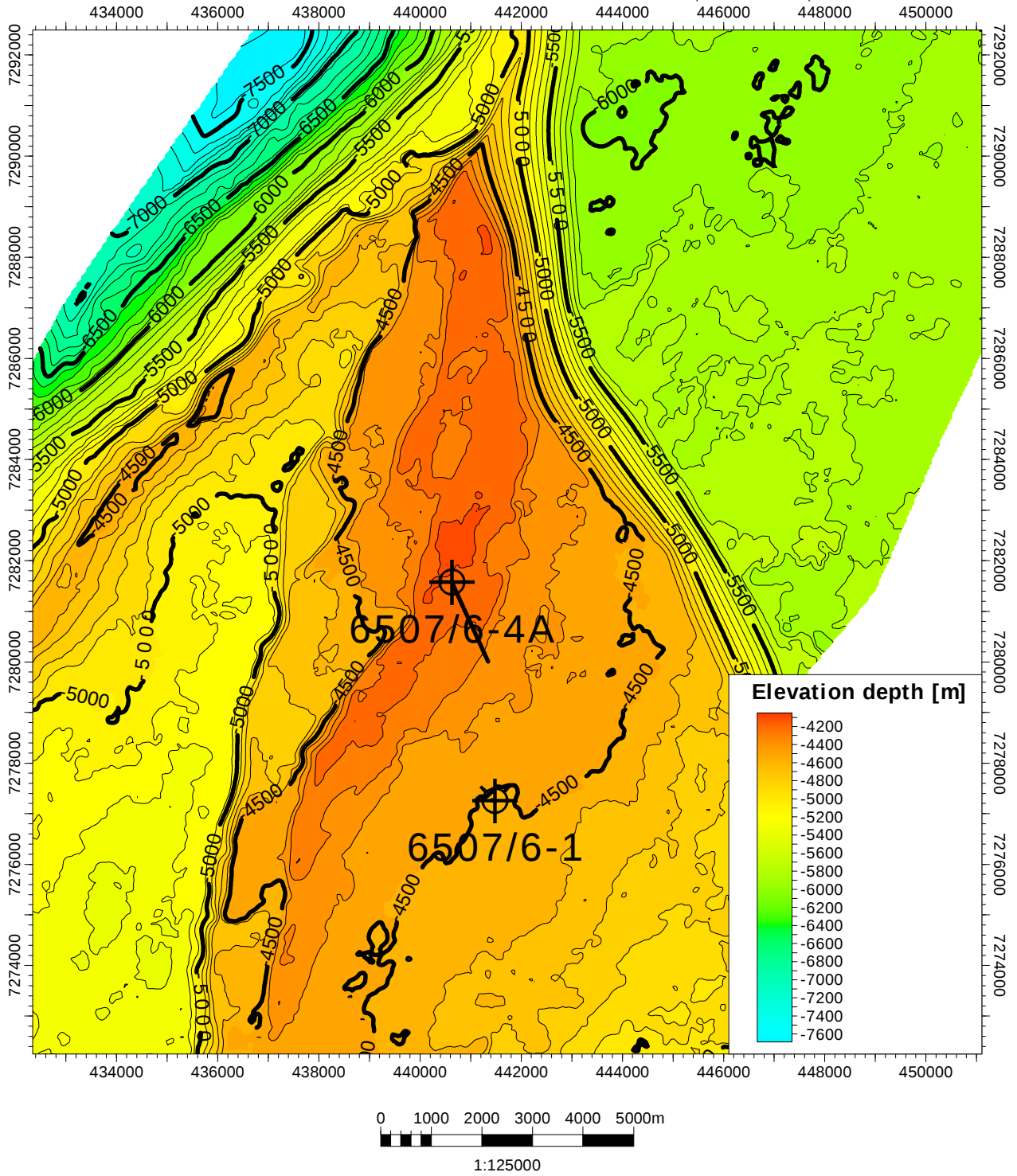


Fig. 3.1 Sesam post drill depth map. Map correlates to the top Wegener Halvø Formation marker in the well 6507/6-4 A. The well penetrated the marker close to the apex of the structure.

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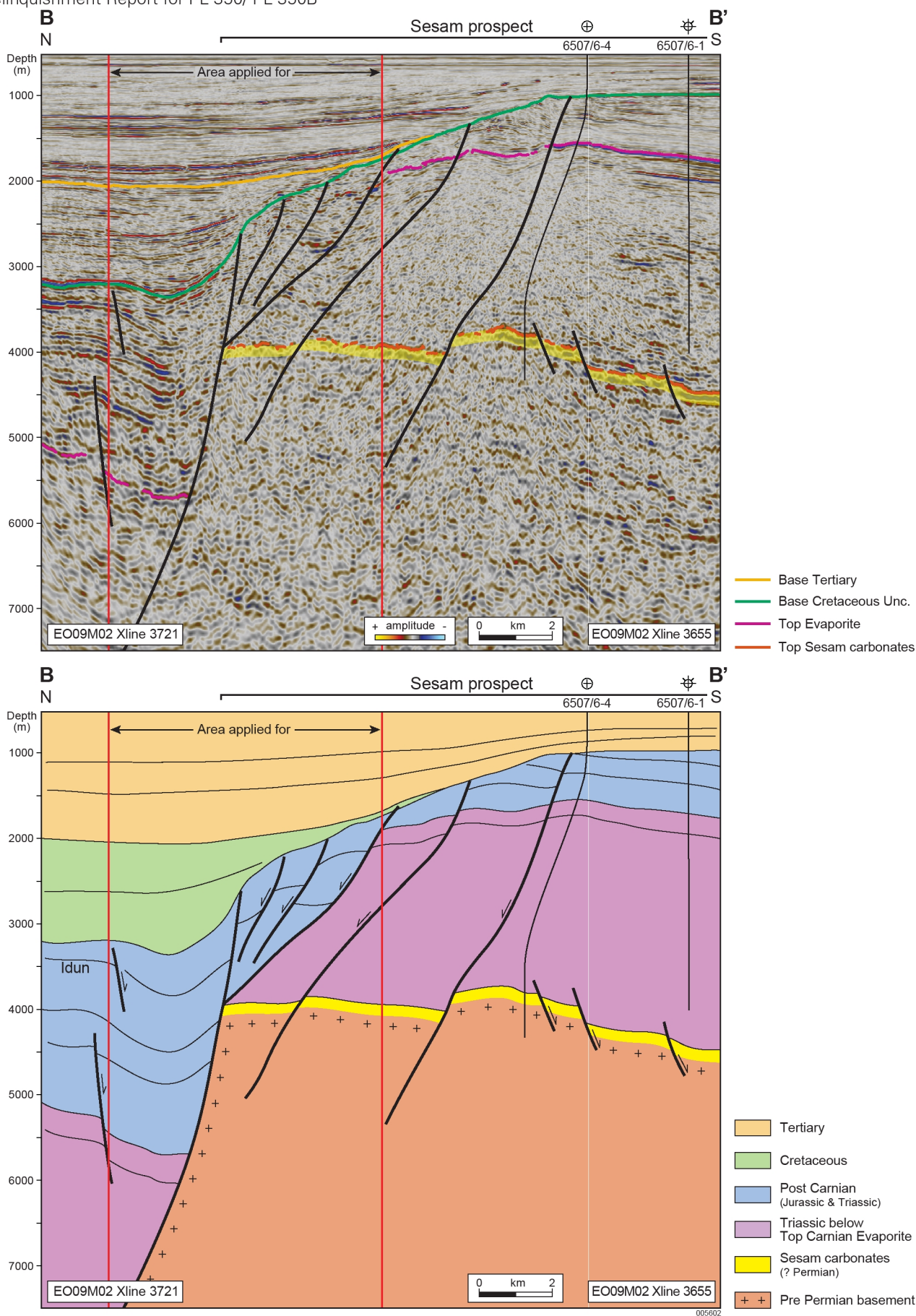


Fig. 3.2 N-S seismic section (PSDM Kirchoff depth). Section is located across the northernmost part of the Sesam Prospect. Please note that the S-shaped wellpath for 6507&-4 A was deviated to the north-west. See structural depth map.

The analogue for the expected late Permian development on the Nordland Ridge is found in the East Greenland Basin, which is more than 400 km long and at least 80 km wide, extending from Jameson Land in the south over Scoresby Land, Traill Ø to Clavering Ø in the north. The Permian sediments make up the Foldvik Creek Group which rest unconformably on Carboniferous-lower Permian rocks (see field example from East Greenland) Fig. 3.3. The stratigraphy in the Sesam Prospect was expected to consist of the Karstryggen and Wegener Halvø Formations of the Foldvik Creek Group platform carbonate reefs/build ups, corresponding to the NPD NHPP, RR-1 play model pre-Jurassic play. The presence of Permian carbonates of a turbiditic/pelagic origin was proven by the well 6507/6-4 A. The prospect was expected to be charged from Permian source rocks (possibly a Ravnefjeld Formation equivalent) in the Helgeland Basin. No hydrocarbons were found in the well, however, the presence of a Ravnefjeld Formation equivalent hotshale was proven for the first time on the Norwegian Continental shelf.

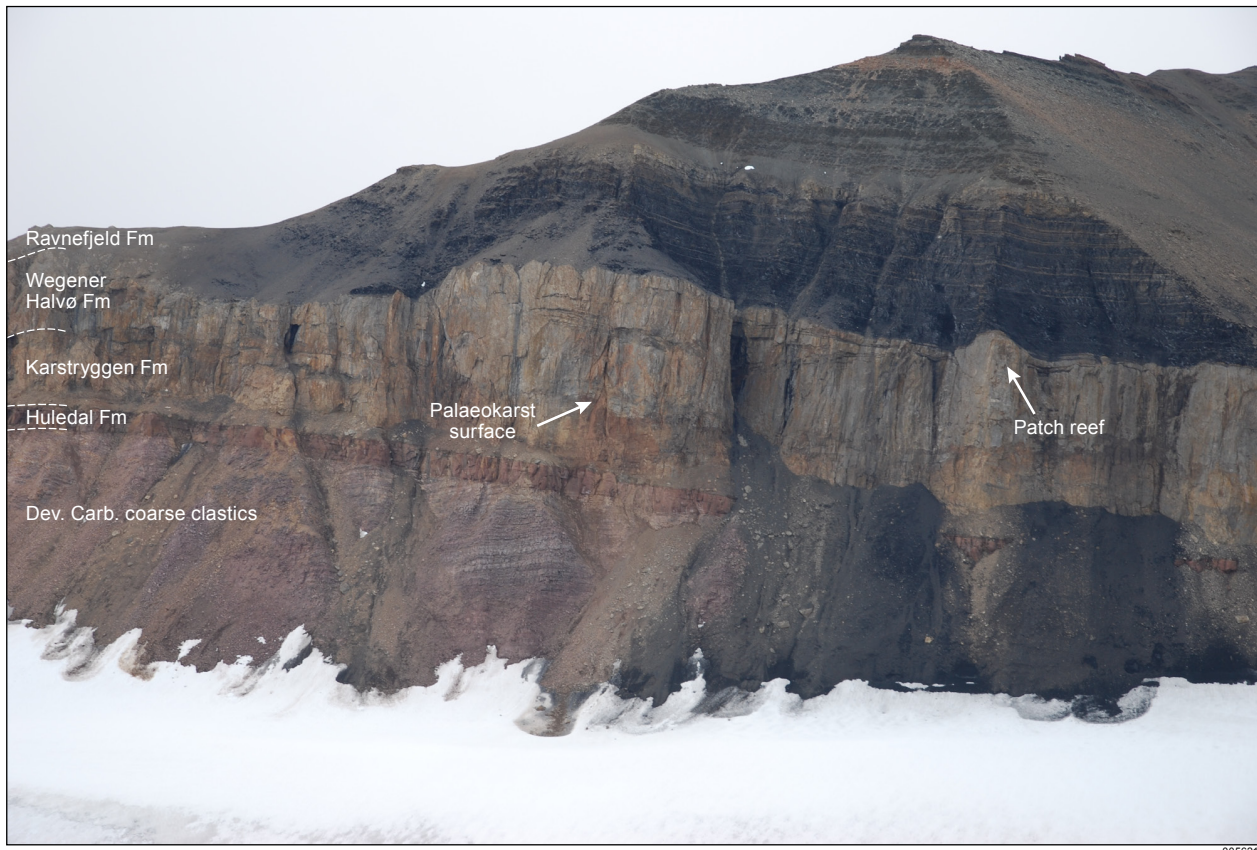


Fig. 3.3 Foldvik Group development on Wegener Halvø, East Greenland. Foldvik Group sediments directly deposited on Devonian/Carboniferous clastics in this location. Foto by E.ON 2008.

The Sindbad Prospect, drilled by well 6507/6-4 S, overlies a small part of the Sesam structure. It sits in the same tilted fault block as the Sesam Prospect and is supported by an amplitude anomaly which shows conformance near the base of a sand package identified in the offset well 6507/6-1 (Fig. 3.4). The reservoir was expected to be Grey Beds Group fluvial sandstone reservoir of Norian to Rhaetian age possibly also corresponding to the NHPP, RR-1 play model for pre-Jurassic. Hydrocarbons were expected to be sourced from a hypothetical/unproven pre-Jurassic source rock or from the Dønna Terrace to the west and up along the Revfallet fault zone. The well 6507/6-4 S, drilled downflank to the south of the crest of the structure, proved the presence of the anticipated reservoir model. Hydrocarbons were not encountered and it was concluded that the amplitude anomaly is the result of carbonate cemented layers.

A post drill seismic correlation between the wells 6507/6-4 S & A and 6507/6-1 are shown in Fig. 3.5. Fig. 3.6 and Fig. 3.7 show the geological results of the wells.

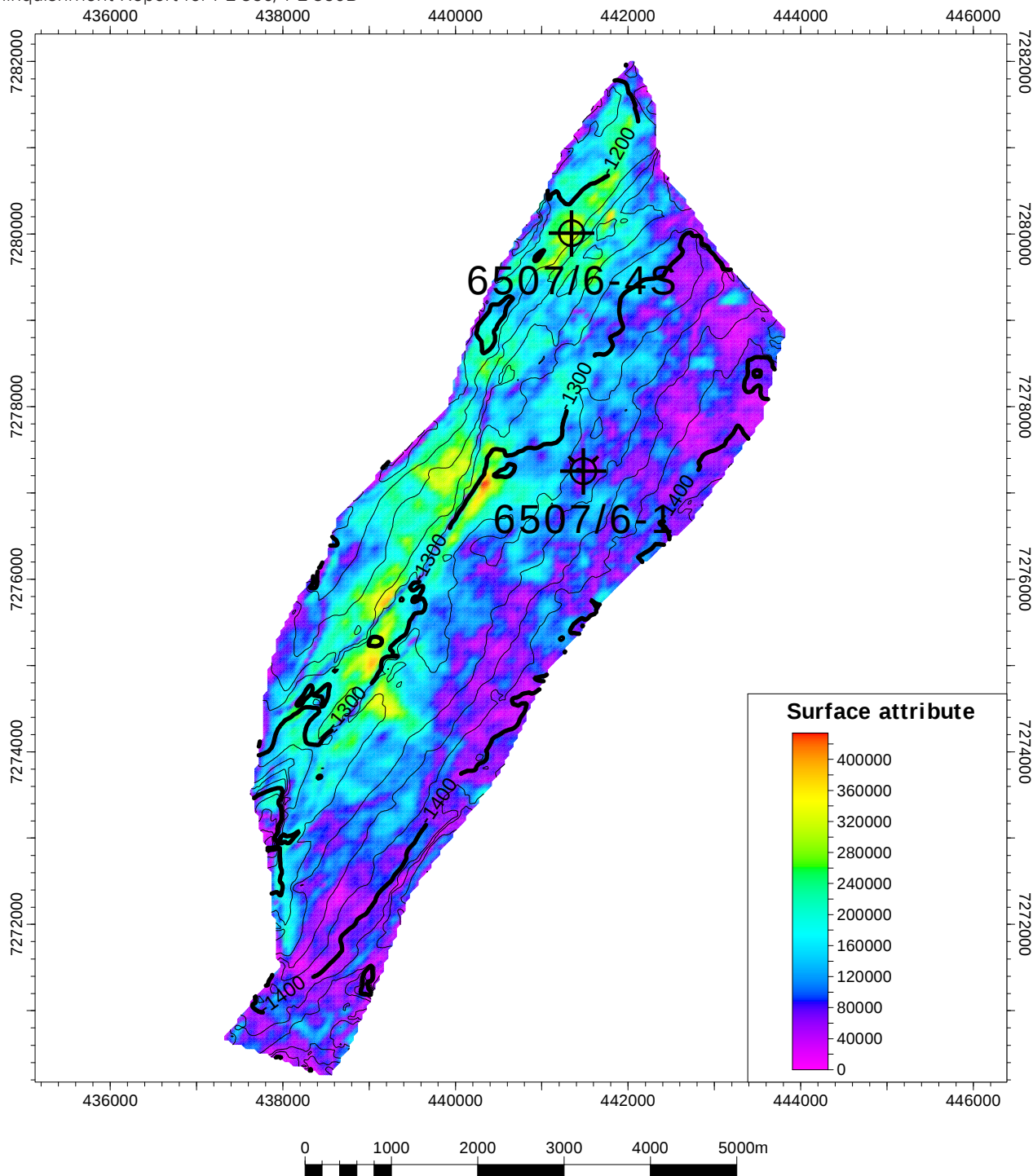


Fig. 3.4 Sindbad depth map. Attribute map highlighting the "soft" part of the Sindbad amplitude anomaly. The 6507/6-4S well penetrated the structure within the brightest part of the anomaly, and close to the crest of the structure.

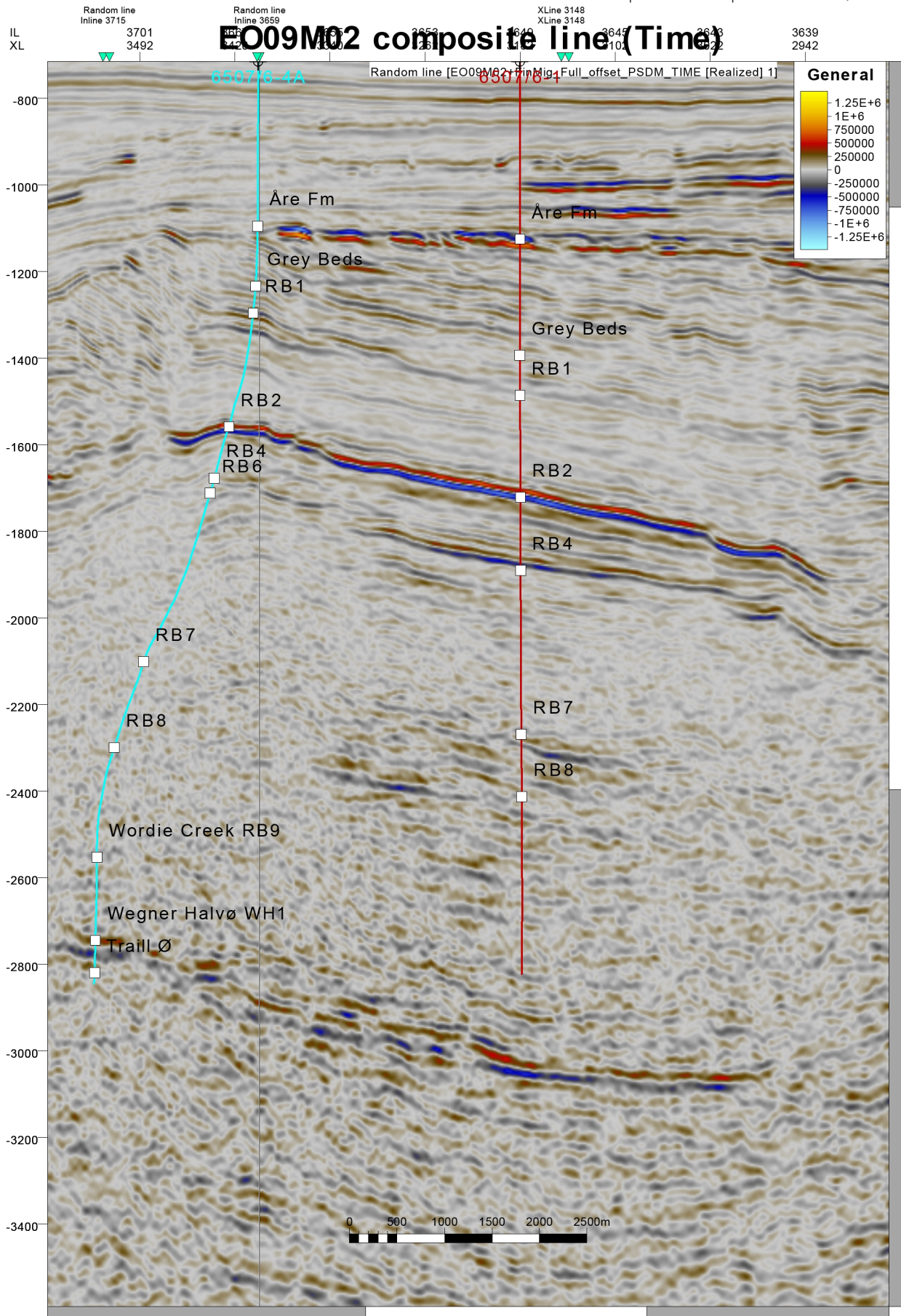


Fig. 3.5 Seismic section between well 6507/6-1 and the newly drilled 6507/6-4S & A. The Sindbad target is located close to the top of the Red Beds (RB1). The Sesam (top Wegner Halvø Formation) reflector lies below the TD of 6507/6-1. Intra Red Beds Gp. tops for well 6507/6-1 are speculatively correlated from the new biostratigraphic zonation in well 6507/6-4A.

Final Well Report
Well 6507/6-4 S
 PL 350







RKB: 31,2m		Geological Summary				Rev.: 0	
Water depth: 364m		Well 6507/6-4 S				Date: 23.07.2012	
Stratigraphy				Lithology	Casing	Depth m	Lithological Descriptions and Comments
Period	Epoch	Group	Formation/Tops MD RKB/TVD SS				
			Seabed 395/-364			200	395m CLAYSTONE: olive grey to light grey, soft to firm, sub-blocky, silty, occasionally sandy, trace Glauconite, trace dark carbonaceous material, rare Pyrite, non calcareous.
NEOGENE	Pleistocene	Nordland			30° 461	400	SANDSTRINGERS
			T. Kai 853/-822		20° 743	600	733m CLAYSTONE: olive grey to light grey, soft to firm, sub-blocky, silty, occasionally sandy, trace Glauconite, trace dark carbonaceous material, rare Pyrite, non calcareous.
	Late Mioc. - Pliocene		T. Are 1042/-1011			800	853m CLAYSTONE: olive grey to light grey, soft to firm, sub-blocky, silty, trace Glauconite, trace dark carbonaceous material, non calcareous.
JUR.	Early	Båt	T. Grey Beds 1208/-1174		9 5/8° 1198	1000	1042m SILTSTONE: light to medium grey, firm, blocky, argillaceous, rare carbonaceous, slightly calcareous, trace Pyrite.
TR.	Late	Grey B.	T. Sindbad 1256/-1221 T. Red Beds 1287/-1251			1200	CLAYSTONE: olive black, brownish black, brownish grey, dark grey, sub-blocky, occasionally blocky, firm, non silty to very silty.
			TD 1339/-1302				SANDSTONE: translucent, transparent Quartz, medium to coarse, subangular, occasionally subrounded, occasionally angular, well sorted, occasionally silica cemented aggregates, occasionally calcareous cemented aggregates, rare Pyrite cement.
							1208m SILTSTONE: light to medium grey, argillaceous, rare carbonaceous, calcareous, trace pyrite. CLAYSTONE: medium grey to light grey, brownish grey, firm, blocky, silty, trace Pyrite, non calcareous. SANDSTONE: translucent, transparent Quartz, fine to predominantly medium grained, round to subround, subspherical, well sorted, loose, good inferred porosity. COAL: black brown to black, argillaceous, subvitreous to dull, blocky, grading to Claystone.
							1287m CLAYSTONE: light to dark grey to brown grey, red brown, occasionally green grey, yellow brown, firm, micaceous, calcareous SANDSTONE: clear to light grey, loose, predominantly fine grained, subangular to subround, subspherical, well sorted, calcareous to very calcareous, occasionally argillaceous, moderate inferred porosity LIMESTONE: white to light grey, hard, blocky, microcrystalline, very argillaceous grading to calcareous fine grained Sandstone.

Fig. 3.6 Geological summary Well 6507/6-4 S

Final Well Report
Well 6507/6-4 A
PL 350



RKB: 31,2m		Geological Summary				Rev.: 0	
Water depth: 364m		Well 6507/6-4 A				Date: 23.07.2012	
Stratigraphy				Lithology	Casing	Depth m	Lithological Descriptions and Comments
Period	Epoch	Group	Formation/Tops				
			MD RKB/TVD SS		MD RKB	MD RKB	
			Seabed 395/-364			200	753m (kick-off point) CLAYSTONE: Olive black to greenish black, firm to moderately hard, sub-blocky, silty, trace of dark carbonaceous material, rare Pyrite, calcareous in part
						400	852m CLAYSTONE: Olive black to greenish black, firm to moderately hard, sub-blocky, silty, trace of dark carbonaceous material, rare Pyrite, calcareous in part
						600	1040m SILTSTONE: Medium grey, soft, friable, very fine sand, grading to Sandstone, non to slightly argillaceous CLAYSTONE: Medium dark grey to olive grey to brownish black, light greenish grey to greenish black, firm to moderate hard, sub-blocky to blocky, non silty to very silty, non sandy to sandy, occasionally Coal SANDSTONE: Loose translucent Quartz, medium to coarse, subrounded, occasionally rounded, occasionally subangular, rare angular, well sorted, occasionally silica cement, rare Pyrite cement LIMESTONE: Yellowish grey, soft, argillaceous laminated
			KICK-OFF POINT 753m			800	1209m CLAYSTONE: Medium dark grey to dark grey to olive black, blocky, firm, slightly silty to very silty, in part grading to siltstone, non sandy to very sandy, in part grading to Sandstone SANDSTONE: Predominantly dark grey to medium dark grey, very fine to fine, well sorted, silty, very argillaceous and grading to Claystone COAL: Brownish black to black, argillaceous, subvitreous to dull, blocky, grading to Shale LIMESTONE: Very light grey, olive grey, yellowish brown, soft, occasionally firm, sub-blocky to blocky
NEO.			T. Åre 1040/-1009			1000	1289m CLAYSTONE: Dark greenish grey, light olive grey, medium light grey to dark grey, moderate brown, firm to moderate hard, blocky, sub-blocky, predominantly non to slightly silty, in part grading to Limestone SILTSTONE: Med. dark grey, occasionally moderate brown, firm, argillaceous, grading to Claystone, calcareous cemented SANDSTONE: Light olive grey, very fine grained quartz, well sorted, silty and grading to Siltstone LIMESTONE: White to very light grey, occasionally light grey, soft to firm, blocky, slightly argillaceous
JUR.	Early	Båt	T.GreyBeds 1209/-1176 T.Sindbad 1255/-1220 T.Red B. Unit 1 1289/-1252			1200	1733m ANHYDRITE: White to light grey to light olive grey, soft to firm, blocky, in part grading to Claystone, locally slightly dolomitic 1761m CLAYSTONE: Olive black, dark grey, olive grey to light olive grey, occasionally brownish grey, moderate brown, occasionally slightly to moderate calcareous, slightly dolomitic, slightly silty, in part anhydritic DOLomite: White to light grey, soft, sub-blocky, calcitic, micro to cryptocrystalline ANHYDRITE: White to light grey to light olive grey, soft to firm, blocky, in part grading to Claystone, locally slightly dolomitic LIMESTONE: Light olive grey, yellowish brown, occasionally light grey to very light grey, white, firm, blocky, predominantly argillaceous
		Late	T.Red B. Unit 2 1733/-1612 T.Red B. Unit 3 1761/-1634			1600	1972m LIMESTONE: White to light grey, light olive grey, firm, blocky, predominantly argillaceous, in places grading to Claystone ANHYDRITE: White to light grey to light olive grey, blocky, soft to firm, non argillaceous to argillaceous
			T.Red B. Unit 4 1972/-1796 T.Red B. Unit 5 2025/-1836			2000	2025m SANDSTONE: Very light grey, predominantly aggregates, moderate hard to hard, very fine, rounded, well sorted, in part grading to Siltstone, occasionally friable
						2200	2042m SANDSTONE: Very fine to coarse, very light grey to light grey, occasionally yellowish grey, yellowish orange, subrounded to subangular, friable, calcareous cemented, occasionally pyritic SILTSTONE: Medium light grey, friable, calcareous cemented CLAYSTONE: Moderate brown to dusky brown, occasionally greenish grey, light greenish grey, olive black, olive grey, dark grey, firm to moderately hard, blocky in part grading to Sandstone, in part grading to Siltstone LIMESTONE: white, very light grey, soft to firm, cryptocrystalline, black (carbonaceous?) lamination, occasionally anhydritic
						2400	3141m CLAYSTONE: predominately light olive grey, greenish grey, dark greenish grey, olive grey, sub-blocky, non to slightly calcareous, occasionally calcareous, also moderate brown, firm to moderately hard SILTSTONE: very dark grey, light grey, light brown grey, very light brownish grey, firm to moderately hard, sub-blocky to blocky, argillaceous, slightly calcareous, micaceous in parts Trace SANDSTONE DOLomite: white, light grey, firm, hard, blocky, argillaceous in parts, microcrystalline, cryptocrystalline Possible ANHYDRITE Trace LIMESTONE
TRIASSIC		Early - Late	T.Red B. Unit 7 3141/-2696			2600	3627m CLAYSTONE: dark brown, dark yellowish brown, soft to firm, sub-blocky to blocky, in part grading to siltstone, slightly to moderately calcareous SILTSTONE: dark grey, dark brown, firm, occasionally moderately hard, sub-blocky to blocky, non to slightly calcareous, in parts grading to very fine Sandstone SANDSTONE: dark grey, soft to firm, occasionally very hard aggregates, very fine, round to spherical, well sorted, argillaceous matrix. Calcite cement in parts, occasionally micaceous LIMESTONE: very light grey to medium light grey, sub-blocky to blocky, firm to moderately hard, cryptocrystalline, very argillaceous, grading to Marl in parts, locally sandy, dolomitic in parts
			T.Red B. Unit 8 3627/-3071			3000	4248m MARL: light greenish grey to greenish grey, becoming light grey to medium dark grey, occasionally light bluish grey to medium bluish grey, soft to firm, occasionally hard, grading to Claystone, grading to Limestone LIMESTONE: white to light grey, soft to hard, blocky to sub-blocky, cryptocrystalline to crystalline, non argillaceous to very argillaceous and in part grading to marl, locally anhydritic? CLAYSTONE: medium grey to dark grey, brownish black, occasionally light grey to medium light grey, soft to firm, locally moderate hard ANHYDRITE: medium dark grey to medium grey, moderately hard to hard, blocky, crystalline
		Early	T.Wordie Creek 4248/-3651			3600	4652m MARL: medium grey to light grey, soft, to blocky, grading to Limestone DOLomite: olive black to olive grey, occasionally med. grey, moderately hard to hard, microcrystalline to cryptocrystal. 4673m CLAYSTONE: olive black, greyish black to black, medium dark grey to dark grey in part, blocky to sub-blocky, firm to soft, calcareous to very calcareous and grading to Marl, slightly waxy, carbonaceous material, traces micropyrrite, slightly micromicaceous LIMESTONE: white to light grey, soft and amorphous, blocky and firm to hard, non argillaceous to very argillaceous, in part grading to Marl, microcrystalline to cryptocrystalline, traces Anhydrite? MARL: medium dark grey, soft, locally blocky, occasionally subplaty, in places grading to Limestone
						4000	4716m LIMESTONE: dark grey-greyish black, hard-very hard, argillaceous, trace marl, common micromicaceous, very homogenous and massive, thin claystone lamina, shiny slickensided fractured surfaces, rare pyrite ANHYDRITE: white, soft, sticky, non calcareous
						4200	4790m LIMESTONE: predominantly very light grey-medium dark grey, trace grayish black, soft-moderately firm, trace moderately hard, sub-blocky, argillaceous Traces ANHYDRITE
						4400	4838m CLAYSTONE: dark reddish brown to red brown, blocky, in parts silty, non to slightly calcareous MARL: light yellowish brown to light reddish brown, soft to firm, blocky, crumbly, cryptocrystalline, microcrystalline, very argillaceous, in parts silty
PERM.	E: - Late	Fodvik Creek	T.Schuchert Dal 4652/-4058 T.Wegener Halvø 4716/-4116 T.Karstrvggen 4790/-4193 T.Heigel. Sst. Eq. 4838/-4241 T.Hultedal 4885/-4288			4600	4885m CONGLOMERATE/SANDSTONE: Loose quartz grains/fragments, transparent to translucent, trace light reddish brown, fine to very coarse grained, rare pebbly, angular to subangular, poorly sorted MARL: moderately orange pink, light brown, very light brown, white to very light grey, soft to firm, very argillaceous
			T.Gurreholm 4895/-4298			4800	4895m QUARTZITE: Aggregates: dark reddish brown-light brown, moderately orange pink, dark brown, light greenish grey, light grey, clear, very fine grained-very coarse, locally pebbly, angular grains, poor sorting, extremely hard, CLAYSTONE/SHALE: medium dark grey-greyish black, firm-moderately hard, fissile, slightly calcareous
Carb.?		Trail Ø	TD 4957/-4360			5000	

Fig. 3.7 Geological Summary Well 6507/6-4 A. Well results

Any major changes in understanding and expectations based on new data and evaluations, compared to original license application.

Initially, at the time of the award of PL350 (APA2004), the focus was on the Jurassic 6507/6-1 Isbjørn discovery and prospectivity (Isbjørn Discovery, Hvalross, Sildepisker and Spekkhogger Prospects). However, with the inconclusive results of the EM/SBL, data the focus shifted to the Permian and Triassic prospectivity. The merge and reprocessing of the seismic database supported this change in exploration strategy. After a new evaluation in 2010 it was concluded that the drilling of the Sesam Prospect should not be compromised in order to appraise the Isbjørn Discovery. At the same time an evaluation of the Åre Formation Hvalross Prospect showed negative economy.

4 Prospect Update

Review of prospect and/or leads originally presented in license application, after new interpretation/ mapping and after any drilling

A good pre-drill tie into the 6507/6-4 location was achieved for the Triassic evaporate sequence, and above, from the 6507/6-1 well. Below this, the seismic showed limited reflectivity down to the top Sesam reflector, which was not penetrated by any wells within the seismic cube.

Pre-drill depth prognoses were based on the PSDM depth cube, except for Sesam where a geo-statistical study, also incorporating up-going wave VSP information from 6507/6-1 was also used. Significant pre-drill depth prognosis uncertainty remained for the Sesam reflector (estimated to be +/- 170 m). The depth prognosis for Sindbad was very good (within c. 10 m), while deeper horizons were found to be deeper than prognosed (up to c. 260 m, or c. 6%, at Sesam Prospect level). The post drill structural depth map of the Sesam Wegener Halvø Formation reflector was adjusted accordingly.

Changes in resource volumes and probability estimates and revised prospect data (table 1)

Revised Prospect Data sheets for the Sindbad and Sesam Prospects are not relevant for this report since both were proven dry.

5 Technical Evaluations

Technical evaluations performed and concluded regarding possible development of any discovery or remaining prospects

Not relevant after drilling.

6 Conclusions

Comments on the remaining petroleum potential in the area and reason for relinquishment.

During the long evaluation period from 2004 until 2012 the partnership of PL350/350B has evaluated, what is believed to be all the remaining potential of the block. After drilling the only prospects with a economic potential the licence partners have therefore unanimously decided to relinquish the licences.