

PL 778 Relinquishment Report

December 2017

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1. Summary and Conclusion

The evaluation of PL 778 resulted in a prospect portfolio consisting of the two prospects; Vea and Selen.

The calculated volumes for the prospect are too small to justify drilling and hence the decision to relinquish the license was made by the partnership in October 2017.

2. Introduction

PL 778 comprises 126 km² of blocks 15/6. The license is located on the Gudrun Terrace to the west of the Utsira High. (Fig. 1).

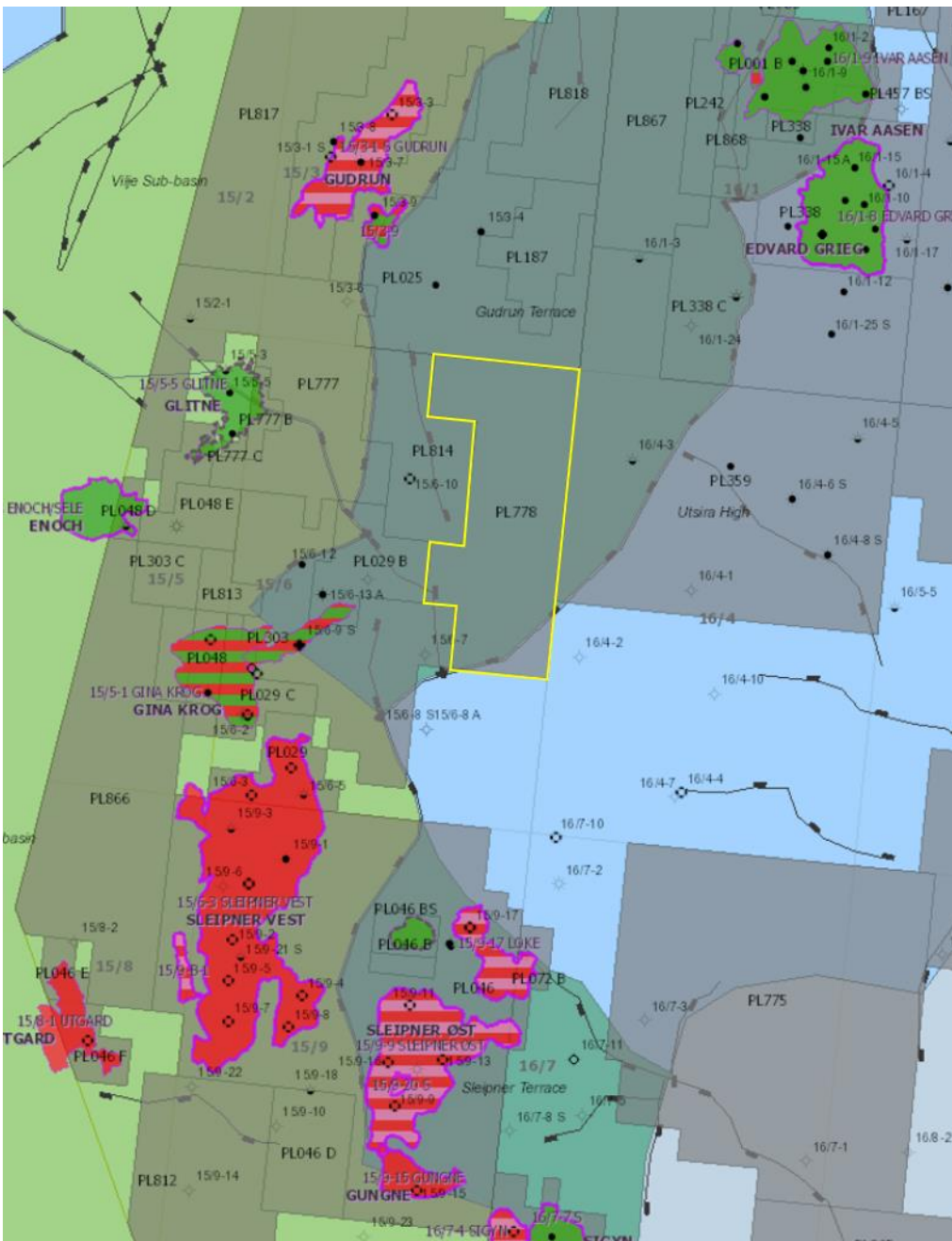


Figure 1: Location of PL 778 with structural elements.

3. License award and license history

PL 778 was awarded as part of TFO 2014 on 6th February 2015, with a seven years initial license period to (40% and operator), Centrica (20%), Wintershall (20%) and Det norske (20%). On the 30th September 2016 Det norske changed name to Aker BP. From 31st March 2017 Lundin farmed out 10% of their share to Engie.

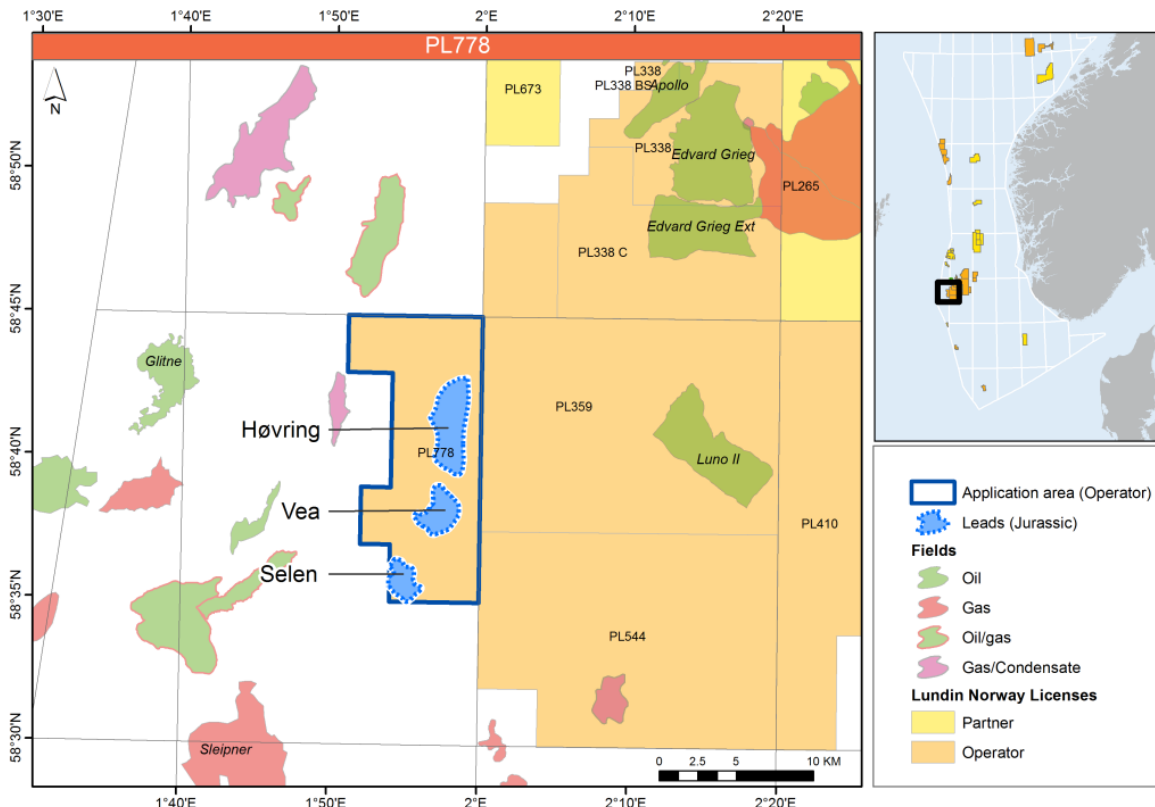


Figure 2: Prospectivity portfolio at TFO 2014.

4. Completed work program and special studies

The work program was to acquire 3D seismic and decide to Drill or Drop within 6th February 2017. CGG's 2016 reprocessing of the LN12m02 seismic dataset fulfilled this commitment.

In May 2017 the partnership was granted a nine month extension of Drill or Drop decision to 6th November 2017, to await the evaluation of CGG reprocessing of the LN12M02 survey. In addition, Lundin had processed several versions of the data set with emphasis on improving resolution and imaging.

The PL778 license was participating in an ORG survey sampling the seabed in the Utsira high area seeking traces of hydrocarbon leakage. Unfortunately, any correlation between the distribution of anomalous points and the underlying geology was not found so this survey failed to raise the prospectivity.

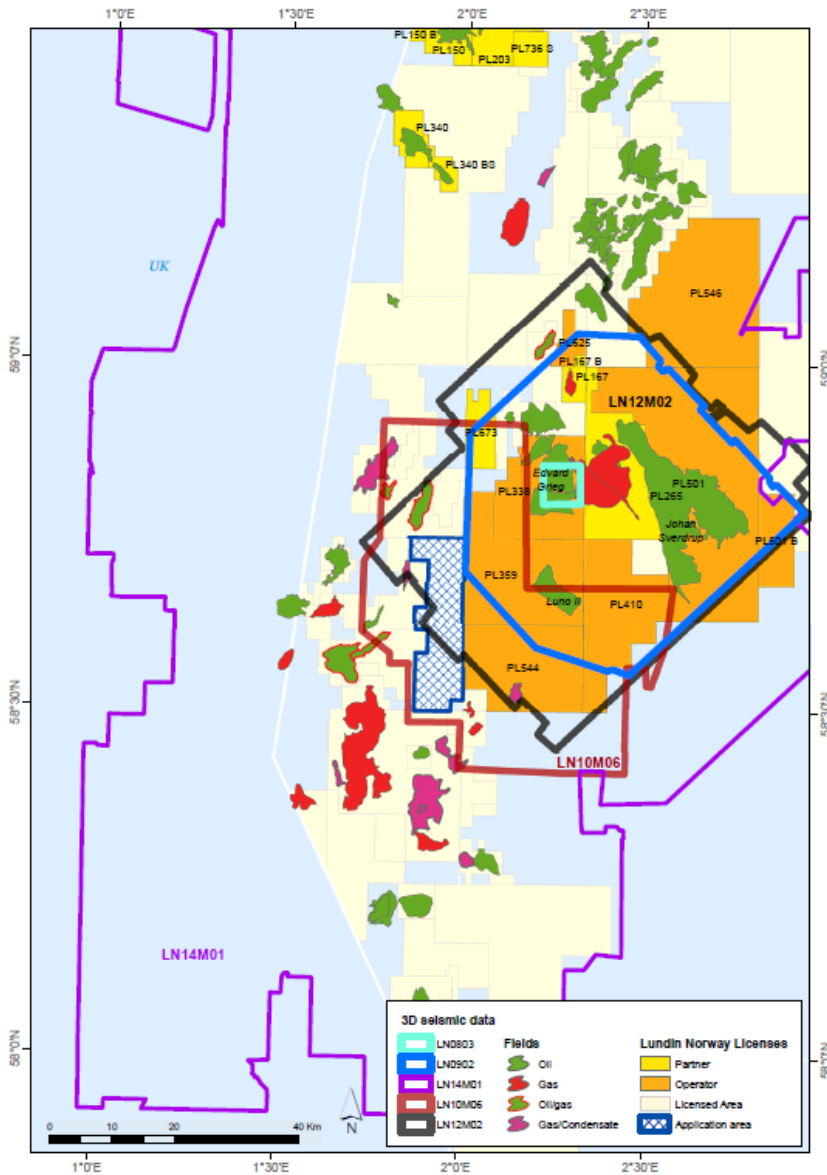


Figure 3: PL778 seismic data base, the Broadseis survey LN12M02 in black.

5. Prospectivity evaluation

Due to the volume potential, the Høvring lead was considered as the most interesting lead in the APA2014 application. Further mapping showed that the subcrop edge delimiting the updip edge of the Høvring continues updip to the east of the license, effectively removing the lead as a valid trap.

The remaining Veia and Selen prospects (Fig. 5) were evaluated to have a good chance of success, respectively 0.33 and 0.2. The prospects have approximately similar reservoir quality and GRV, therefore the calculations are the same for the both (fig. 6). Unfortunately the volumes are too small to justify drilling and the upside volumes in these are restricted by limited GRV.

Due to this, the decision to relinquish the license has been made unanimously by the partnership.

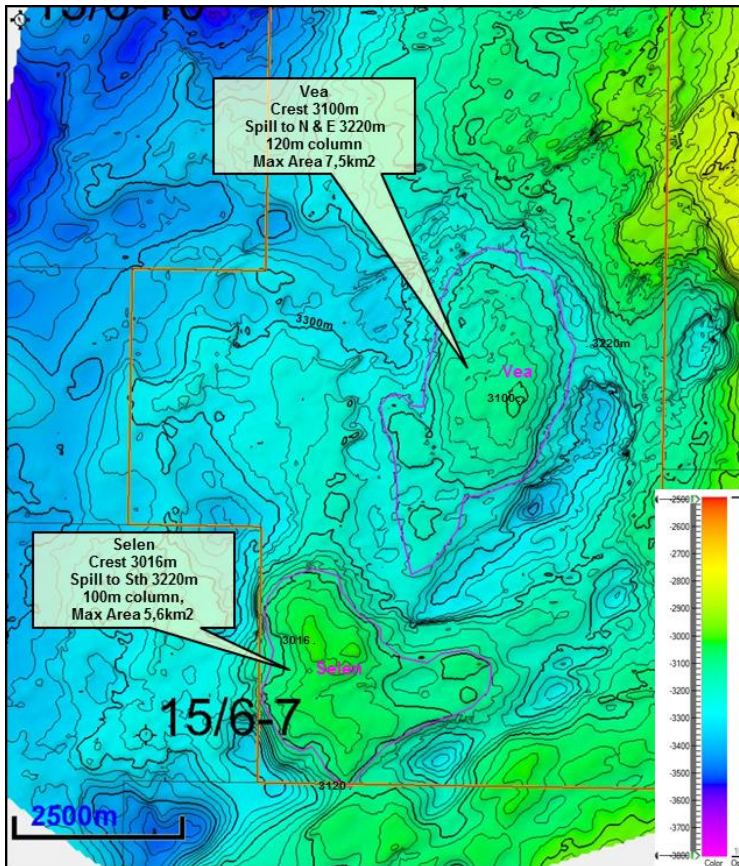


Figure 5: Veia and Selen depth structures

	Area sq km	Gross Thickness m	GRV 106m3	N:G	Ø	Sh	1/Bo	Rf	STOIP		Rec Oil	
									106m3	mmbbls	106m3	mmbbls
low	4	45	180	0.2	0.15	0.65	0.55	0.4	2	12	1	5
Med	5	65	325	0.27	0.17	0.75	0.65	0.4	7	46	3	18
High	6	85	510	0.35	0.2	0.85	0.7	0.4	21	134	8	53

Fig. 6. Deterministic volumes in table are the same for Veia and Selen.