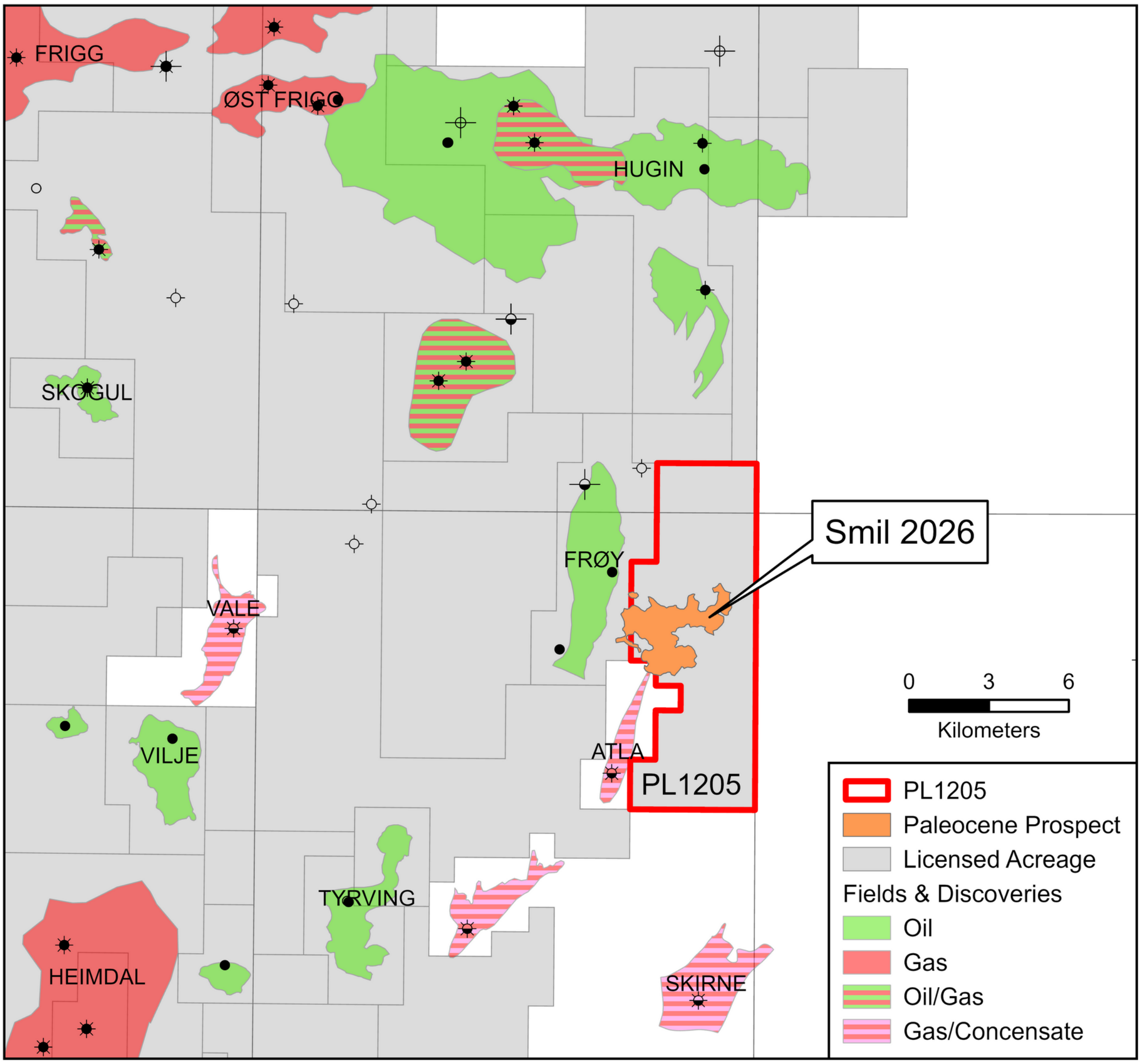
Status Report

PL1205



ConocoPhillips | DNO EST 1971

Table of Contents

List of Figures

List of Tables

1 Key License History

Production license 1205 is located in the North Sea, 38 km North-east of the Alvheim field centre and approximately 1 km east of the Frøy field as shown in Fig. 1.1. The license was awarded March 15th 2024 and consists of parts of blocks 25/2 and 25/5. The main prospect within the license is Smil which is shown on the map in Fig. 1.1. The license work obligation was to preform a CSEM feasibility study, acquire CSEM and CSEM inversion and geology and geophysics studies over a period of two years. A drill or drop decision is required by March 15th 2026. The work program has been fulfilled by the operator and a decision to relinquish the license has been taken by the partnership. The partnership in the PL1205 license is listed in Table 1.1 .

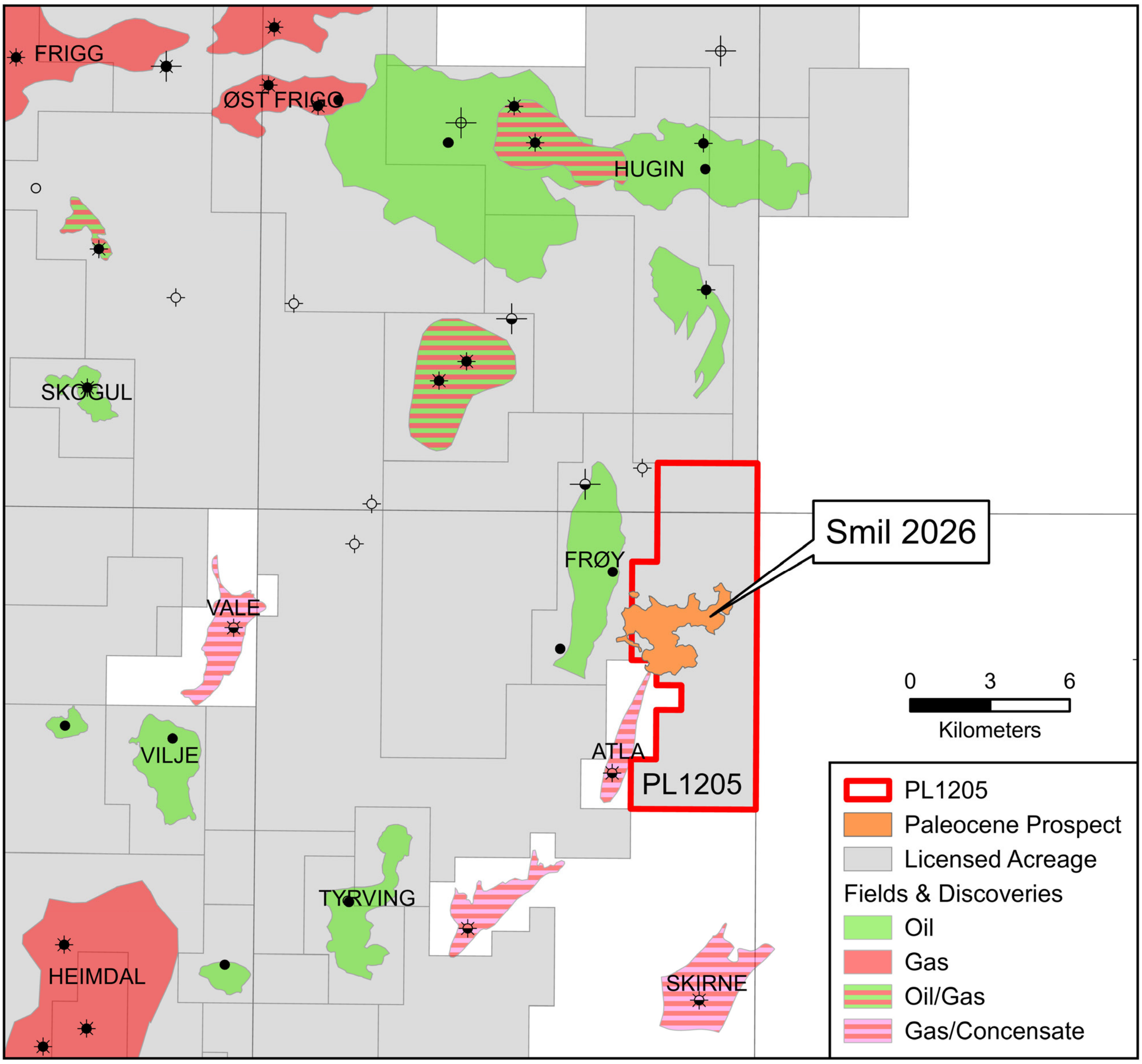


Fig. 1.1 PL1205 Location Map

Table 1.1 PL1205 Partnership

PL1205 Partnership	
ConocoPhillips Skandinavia AS (Operator)	60%
DNO Norge AS	40%

Based on the integrated prospect mapping, CSEM results, volume estimation, and risking, ConocoPhillips and its partners have concluded that the risked volumes in the Smil prospect are not commercially attractive and that the associated risk is too high to justify drilling an exploration well. The PL1205 partnership has therefore agreed to surrender the license. The estimated recoverable volumes for the Smil prospect range from 5 to 81 mmboe (P100-P0) with a mean estimate of 27 mmboe. The high side of the volume estimation was reduced due to the absence of an EM anomaly associated with the prospect. As the lack of an EM anomaly only constrains the upper end of the volume range, the geological risk was not adjusted based on the EM results. The overall risk is considered high, with an estimated probability of success is 14%. The PL1205 work obligations and license milestones are listed in Table 1.2 .

Table 1.2 PL1205 Milestones

Work obligation	Decision	Deadline
Drill or Drop	Not to drill	15.03.2026
Drill exploration well	Decision to concretize (BoK)	15.03.2028
Conceptual studies	Decision to continue (BoV)	15.03.2030
Prepare plan for development	Submit plan for development (PDO)	15.03.2031

A total of five meetings were held in the license including EC work meetings and ECMC meetings, as listed in Table 1.3.

Table 1.3 PL1205 License Meetings

Meeting Date	Purpose	Committee
April 22nd 2024	Start up meeting	ECMC
August 28th 2024	Work meeting	EC
November 27th 2024	Year end	ECMC
June 19th 2025	Mid year	ECMC
November 20th 2025	Year end	ECMC

2 Database

2.1 Seismic Database

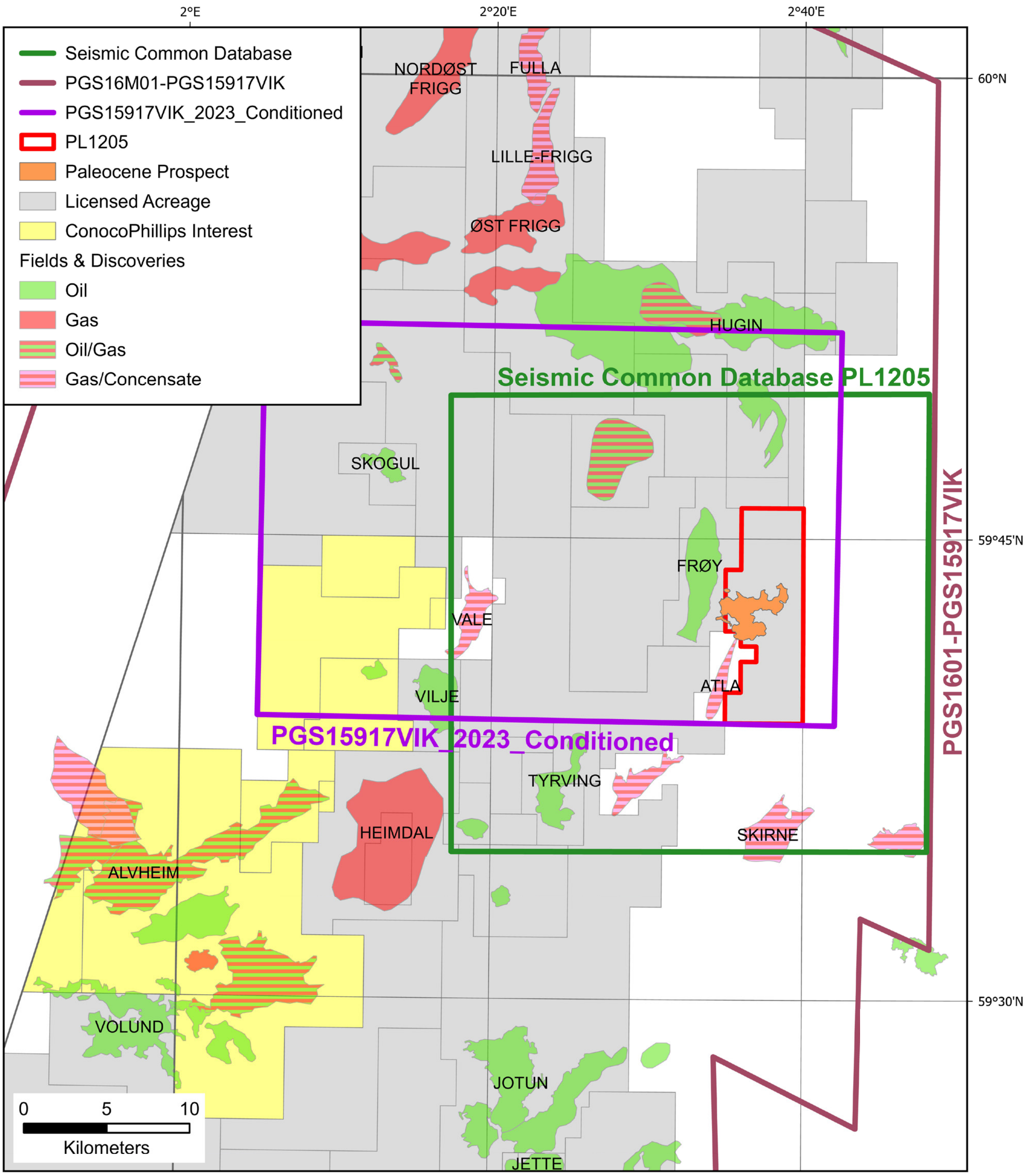


Fig. 2.1 Seismic Common Database PL1205

PGS16M01-PGS15917VIK is a regional multi-client pre-stack merge and reprocessing of several 3D seismic surveys covering the South Viking Graben, with the survey outline shown in burgundy in Fig. 2.1. Smil is covered by both PGS and CGG broadband data. The ConocoPhillips area evaluation is based on **PGS15917VIK** which was conditioned in 2023 and is shown in purple in Fig. 2.1. This in-house conditioning of the PGS dataset included residual moveout correction and trim statics to improve gather flatness, as well as high-resolution Radon demultiple to attenuate multiple energy.

Additional seismic conditioning of the PGS dataset (PGS15917VIK_2023_Conditioned) was carried out over a semi-regional area covering Tertiary prospectivity, with the objective of further enhancing gather flatness and noise suppression, mainly through residual moveout correction, noise attenuation and gather alignment. The CGG data does not cover the full Smil closure, sand fairway and potential migration routes, and was therefore not included in PL1205 seismic common database.

The seismic common database, highlighted in green in Fig. 2.1, comprises the PGS15917VIK with a minimum radius of 8 km around the Smil prospect. This coverage was required to enable adequate interpretation of overburden and underburden and formed the basis for the CSEM feasibility study with EMGS (see 2.2 EM database and 3 Results of Geological and Geophysical studies).

Table 2.1 Seismic Database

Seismic Survey	Original Data	NPDID	Status	Comments
MC3D SVG2011	Unique	7378	Available	
PGS16M01-PGS15917VIK	MC3D SVG2011	-	Available	Merged and reprocessed seismic
PGS15917VIK_2023_Conditioned	MC3D SVG2011	-	Not available	ConocoPhillips in-house seismic gather conditioning

2.2 EM database

Fig. 2.2 shows the CSEM dataset acquired and optimized for the Smil prospect (NorthSea2501). The selected survey layout is a 2 x 2 km, 9 line E-W grid, acquired by EMGS in August 2025 as part of a multi-client campaign. Final inversion products were delivered in November 2025 and incorporated into the common database. Further details on the feasibility study and NorthSea2501 results are provided in 3 Results of Geological and Geophysical studies.

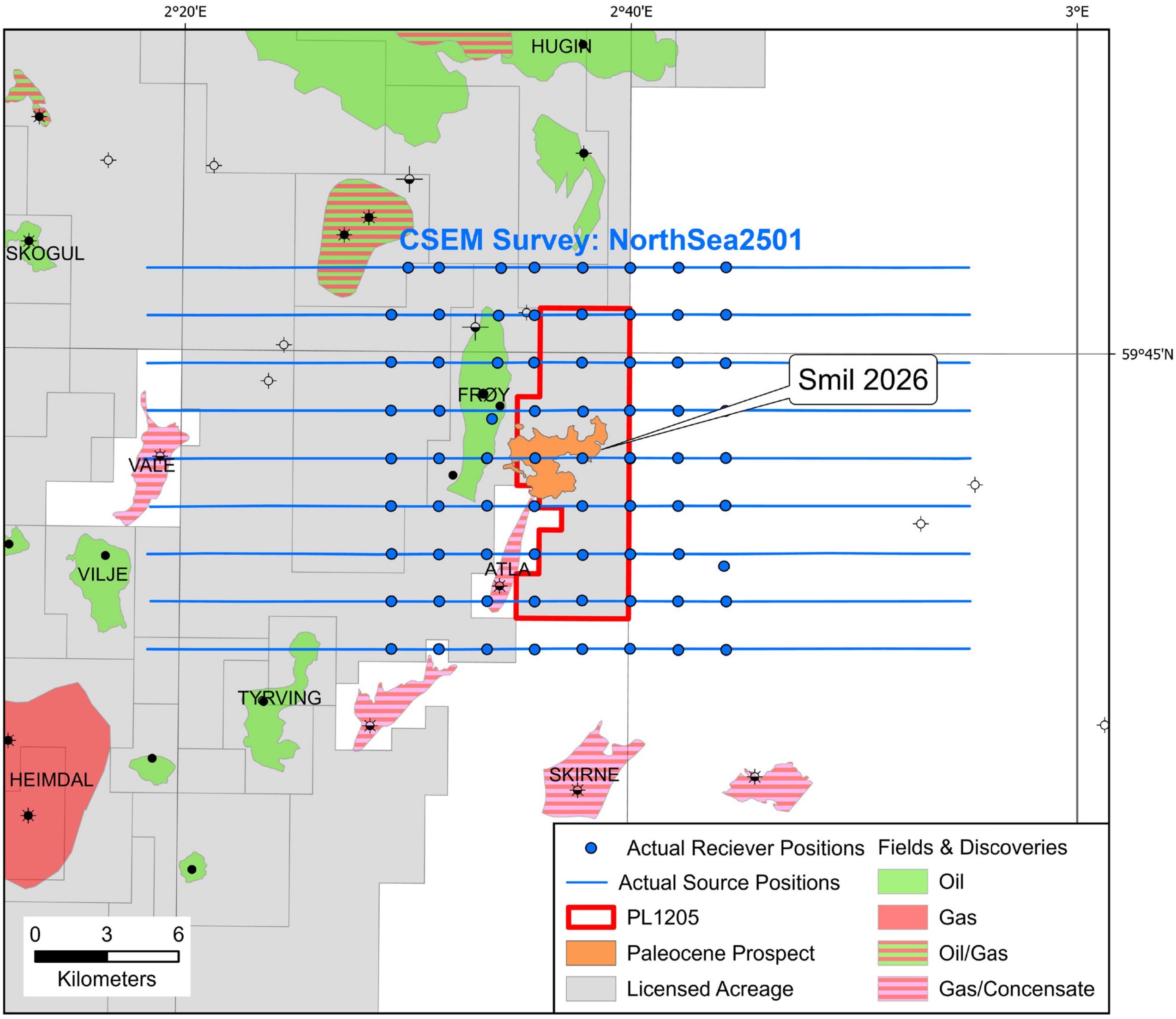


Fig. 2.2 Common EM database PL1205 NorthSea2501 data with 2x2 reciever grid optimized for Smil prospect.

2.3 Well database

The wells included in the common database are listed in Table 2.2, and labelled on the map in Fig. 2.3. Key wells are identified with an asterisk in the table and in bold on map. All wells are released.

Table 2.2 Common Well Database *key wells

Well	NPDID	Drilling Year	NPD Status	TD Age	Field/ Discovery	Relevance/Use
25/1-8 SR4	1644	1991	Gas	Paleocene	Frigg	GDE
25/1-13	8658	2019	Dry	Paleocene		GDE, Reservoir Properties
25/2-3	355	1974	Dry	Late Cretaceous		GDE, Reservoir Properties
25/2-14 (*)	1712	1991	Dry	Ealry Jurassic		GDE, Reservoir Properties, Rock Physics
25/2-16 S	4385	2001	Dry	Early Jurassic		GDE, Reservoir Properties
25/4-6 ST2	4819	1991	Gas/Condensate	Early Jurassic	Vale	GDE, Reservoir Properties, Rock Physics
25/4-9 S	4278	2003	Oil	Paleocene	Vilje	GDE, Seal Evaluation
25/5-1	884	1987	Oil	Triassic	Frøy	GDE, Rock Physics
25/5-1 A (*)	1131	1987	Oil	Early Jurassic	Frøy	GDE
25/5-A-1	2138	1993	Oil	Early Jurassic	Frøy	Basin Model
25/5-2 T3 (*)	1346	1989	Oil	Early Jurassic	Frøy	GDE, Reservoir Properties, Rock Physics
25/5-6 (*)	6167	2009	Dry	Paleocene		GDE, Reservoir Properties, Rock Physics, Seal Evaluation, Basin Model
25/5-7	6423	2010	Gas/Condensate	Late Triassic	Atla	GDE
25/6-3 (*)	3885	1999	Dry	Late Cretaceous		GDE, Rock Physics, Basin Model
25/6-4 S (*)	6507	2012	Dry	Early Jurassic		GDE, Rock Physics
26/4-1	1046	1987	Dry	Triassic		GDE

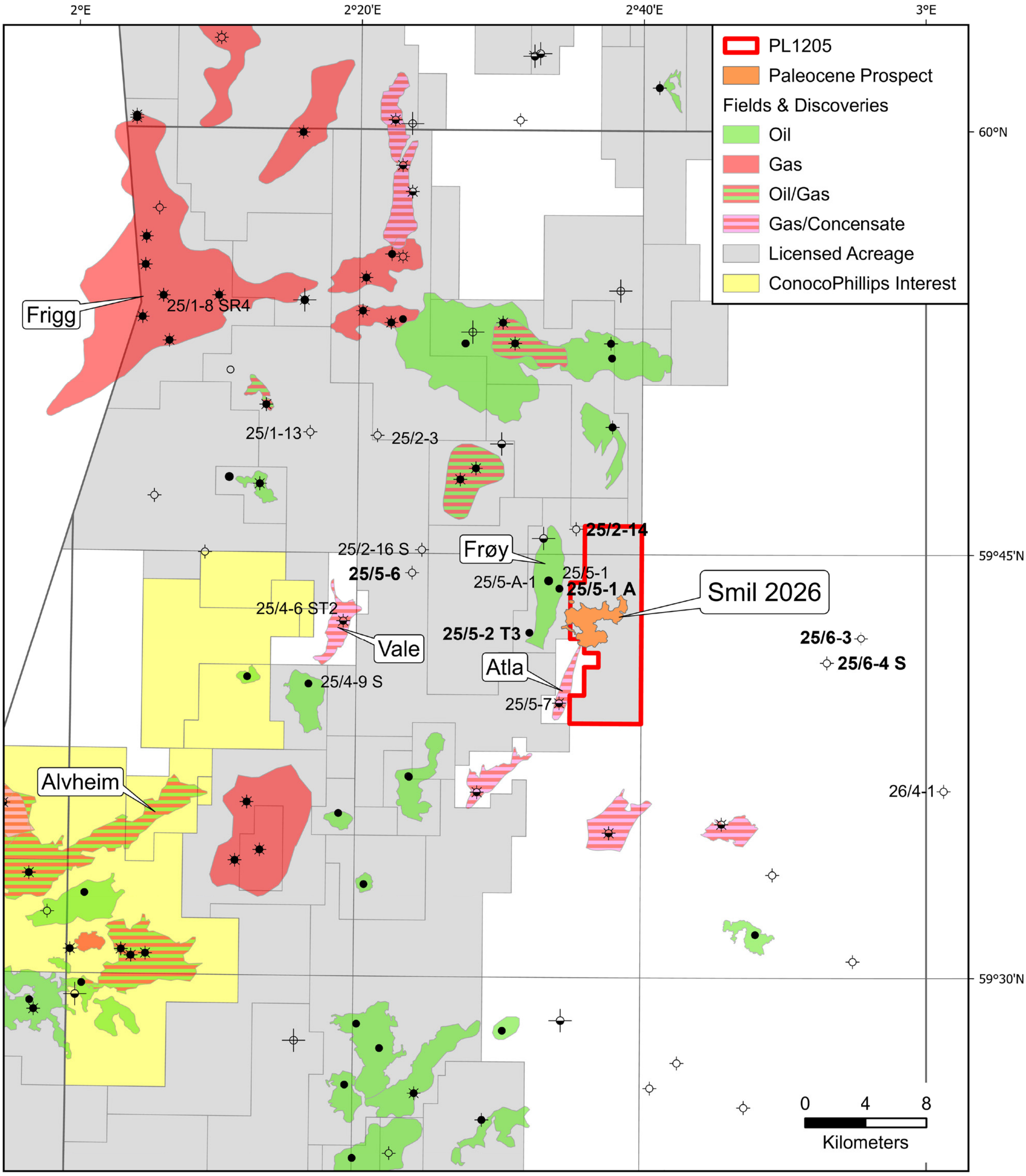


Fig. 2.3 Common Well Database PL1205 Wells in common database are highlighted in map. Bold wells are key wells.

3 Results of Geological and Geophysical studies

The license work obligation comprised acquisition of CSEM data, CSEM inversion, and geology and geophysics studies over a two-year period.

[redacted]

Depth Uncertainty Study

Smil is a 4-way closure with relatively low relief (67m from crest to spill). Uncertainties in well ties, seismic interpretation, and the velocity model therefore have a material impact on volume estimates. To address this, the following work was undertaken:

- Tie nearby wells and estimate uncertainty in Top Sele pick.
- Evaluate uncertainty in the Top Sele seismic interpretation.
- Apply different velocity models and assess depth uncertainty.
- Use the Estimages uncertainty cube to quantify depth uncertainty around Smil.
- Create isopach maps and estimate GRV using different surfaces.

The study shows that the well ties are of good quality in the 3 closest wells (25/5-1, 25/5-7 and 25/5-2 T3). Seismically, the trough at top Sele Fm. often appears as a doublet, and well picks vary between the first and second troughs, corresponding to an uncertainty of about 20 m. The first trough of the doublet represents the actual top Sele Fm, but in some areas the doublet is not seismically resolved, increasing the interpretation uncertainty to around 30 m at a regional scale. Locally, this uncertainty can be mitigated by detailed manual interpretation.

The Estimages V9 uncertainty cube (standard deviation volume based on hundreds of simulated velocity models) was also used. As expected, uncertainty is lowest near to wells, where PSDM velocities are available, and in the shallowest section. At Smil, located ~3500 m from the nearest wells, Estimages V9 indicates a depth uncertainty of approximately 20–22 m, similar to the seismic interpretation uncertainty.

Isopach maps and GRVs from three different velocity models were used to quantify GRV uncertainty. After well ties, the resulting spill-point differences are within ±1.5 m and GRV differences within ± 0.5

Bm^3 between the three models. In conclusion, spill point and volume differences between the tied cases are small, with larger differences only observed in untied scenarios. The structural shape is consistent across models, and the thickest part of the closure remains thick in all cases, supporting the robustness of the Smil 4-way structure.

Gradient Interpretation

The trap definition for Smil is based on the Top Sele horizon, mapped regionally as a trough representing a drop in acoustic impedance from the Balder Formation to the Sele Formation. In the prospect area, the upper Sele shale is relatively thin, so the Top Hermod reflector is close to and tuned with the Top Sele (base Balder Fm.) reflector. The top reservoir map was therefore constructed from the Top Sele interpretation by applying a 10 ms downward shift and tying this surface to Hermod tops in the available wells.

To validate the robustness of the Smil 4-way closure, a gradient interpretation was performed during the work program. The gradient volume is sensitive to sand presence, though it may not fully capture poorer-quality sands; however, it is suitable for delineating gross rock volumes of economic interest to the license. The resulting depth map (Estimages V9 velocity model) from the gradient interpretation shows an outline that is nearly identical to the shifted Top Sele map, with crest–spill height differences well within the depth uncertainty.

Based on the gradient interpretation, the license team concluded that the shifted Top Sele interpretation is as valid as the gradient-based interpretation, and that the Smil trap definition is robust and validated by the study.

4 Prospect Updates

The Smil prospect is a 4-way structural closure in Hermod Mb. Paleocene turbidite reservoir, sealed by the overlying Balder Formation. The key risk is charge, as the prospect relies on lateral migration from the west/north and lies beyond the proven easterly limit of Paleocene hydrocarbon migration. At the time of application, Smil was characterized by recoverable resources of 10–73 mmboe (P90–P10) with a probability of success of 14%. CSEM was considered an appropriate tool to de-risk the prospect, and firm CSEM acquisition was included in the license work program.

The burgundy outline in Fig. 4.2 shows the Smil outline at time of APA application and represent a fill-to-spill scenario. Integration of the CSEM data indicates that a fill-to-spill scenario is less likely, and the updated outline therefore reflects lower column heights that remain consistent with the CSEM feasibility work and survey results. The updated outline is based on an assumed OWC at 2140 m, which could still be present without a detectable EM response, as illustrated on the dip line in Fig. 4.1 and the depth map in Fig. 4.2 . Although such a column could exist without an EM anomaly, the geological expectation is that, if Smil is charged, it would most likely be filled to spill; however, this outcome is now considered less likely in light of the CSEM results (see 4.1 Risking).

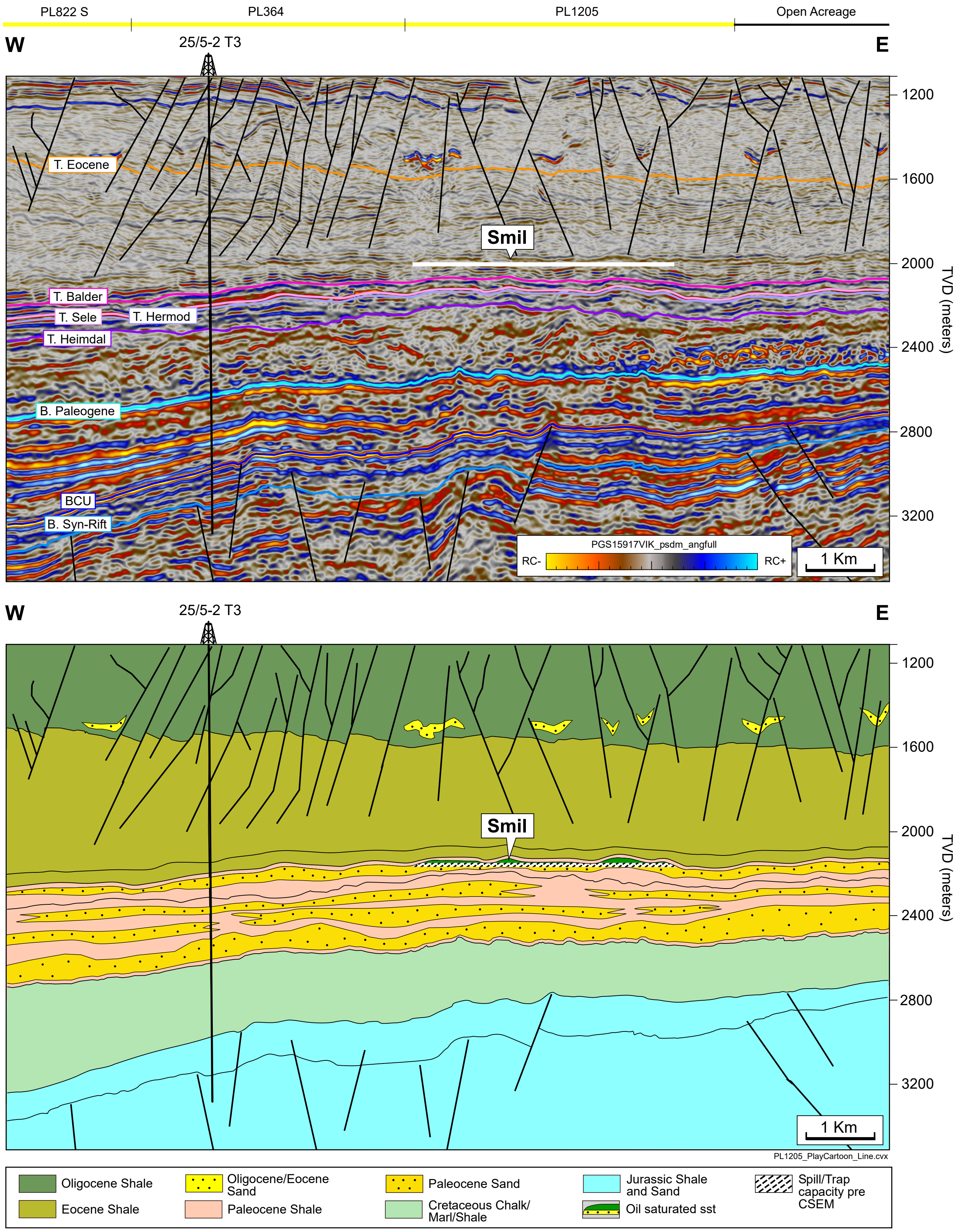


Fig. 4.1 Dip Line Across Smil - APA vs 2026 Seismic depth section and play cartoon shows the changes in the Smil prospect definition at APA and in 2026. Changes are due to CSEM results and lower expected columns. Location of the line and difference in areal extent is shown in <broken cross-reference>

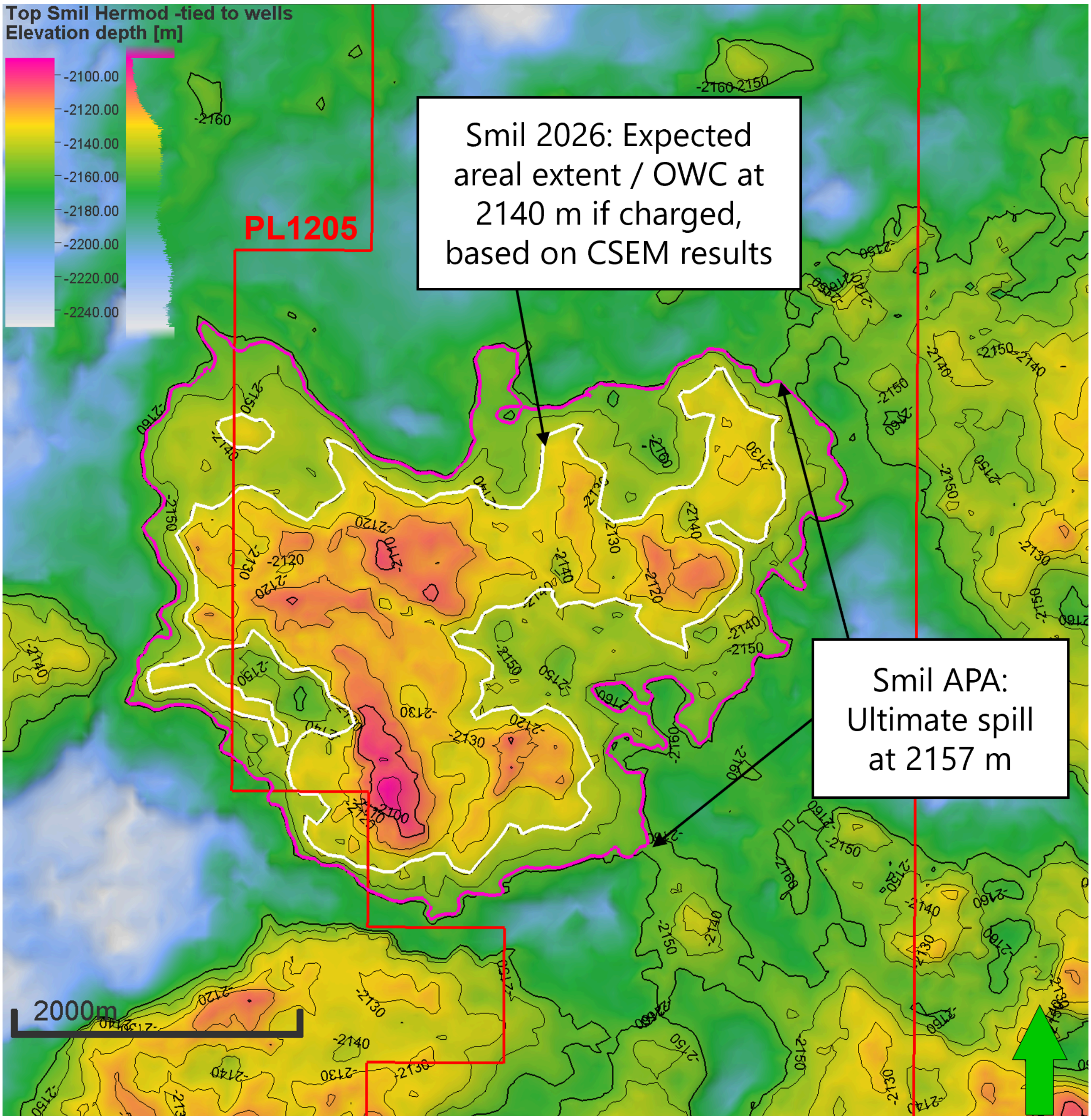


Fig. 4.2 Depth Map Smil Depth map of Smil show the ultimate spill at 2157 m which corresponds to the APA outline of Smil (purple). CSEM did not show any anomaly at Smil level, hence lower columns are expected. The 2026 outline of Smil (white) shows the areal extent of Smil for an expected column at 2140 m, this column can still be present with no EM response.

4.1 Risking

Reservoir Presence and Quality: The reservoir for the Smil prospect comprises sandstones of the Paleocene Hermod Formation. Regional seismic mapping, in combination with seismic attributes and spectral decomposition, indicates that Hermod sandstones in this part of the basin were deposited in a marine turbidite system sourced from the west and extending from the Frigg Ridge to the western edge of the Stord Basin. Numerous wells have penetrated this turbidite complex and confirm both presence and good quality of sandstones. Smil is one of a series of mounded features located close to the southern limit of the Hermod fairway. An example of increased sandstone thickness within such mounds is seen in the structure immediately to the west, drilled by well 25/5-2 T3. Although minor facies variations and local sand evacuation are observed (e.g. 25/5-1 A), the Hermod Fm. reservoir is considered a low-risk element for Smil.

Trap Geometry and Prospect Definition: The Smil prospect is a structurally defined 4-way dip closure with a crest at 2090 m TVDSS and two equal spill points located to the north-east and south-east at 2157 m TVDSS (Fig. 4.2). he structure is interpreted to have formed through mounding related to post-depositional sand remobilisation, with its relief later enhanced by differential compaction. The top reservoir surface, and thereby the trap definition, is derived by shifting the Top Sele interpretation downward by 10 ms and tying the resulting horizon to Hermod tops in nearby wells. With a relief of 67 m, Smil is considered a robust structure. This is supported by the depth uncertainty work (see Depth Uncertainty Study in 3 Results of Geological and Geophysical studies), which shows that reasonable ranges in mapping resolution and depth conversion have no material impact on trap presence.

Seal and Retention: Top seal for Smil is provided by marine shales of the Sele Formation. Seal capacities were calculated using Sele shale properties from offset wells 25/4-9 S (Vilje) and 25/5-6. The Sele shales are expected to be normally pressured, while the Hermod reservoir is most likely slightly depleted by ~20–25 bar at the crest. Under these conditions, application of the Yang & Aplin (2010) model suggests that the Sele shales can retain an oil column of 500–750 m before capillary leakage, significantly exceeding the maximum structural relief of Smil (67 m from crest to spill). From a seal perspective, the trap would therefore be expected to fill to spill, provided sufficient charge is available. Mounding of the Smil structure by post-depositional sand remobilisation has led to drape folding of the overlying Sele and Balder shales, and the same folding is expected to affect the younger Odin Fm. turbidite sandstones. The southernmost Odin penetration, well 25/5-1 A, is located ~500 m north-west of Smil. Given this proximity and assuming Odin comprises turbiditic sandstones, it is possible that Odin sands extend across the Smil structure. With Sele shales expected to be thin (5 m observed in 25/5-2 T3) or locally absent above Smil, Odin sandstones could be in direct contact with the underlying Hermod reservoir. Consequently, there is some risk that Odin sands act as potential thief sands.

Charge: Smil is situated east and south-east of the mapped and modelled Upper Jurassic thermally mature kitchen and relies on long-distance migration from the migration front via the Langfjellet discovery, and then along a south-west–trending fault towards Smil. Although this represents a tortuous migration pathway, basin modelling indicates that it is feasible. However, the general lack of hydrocarbon shows in the Hermod Formation suggests that charge is the critical risk element for Smil. The work program therefore aimed to address charge risk through a CSEM feasibility study followed by CSEM acquisition and inversion (3 Results of Geological and Geophysical studies). As the final inversion shows no resistive anomaly at Hermod level, a fill-to-spill scenario at Smil is not supported. It is believed that, if the charge route were effective, Smil would most likely be filled to spill. Smaller accumulations cannot be excluded based on the EM data, but charge cannot be considered de-risked. Accordingly, the recoverable volume range for Smil has been revised to no longer assume a fill-to-spill scenario (4.2 Volumes).

[redacted]

Table 4.1 Smil Prospect Risking Table

Smil Prospect	Probability
Reservoir	0.90
Trap	0.90
Charge	0.25
Seal and Retention	0.70
Ps	0.14
Ps_{EM}	**0.14**

4.2 Volumes

The estimated recoverable volumes for the Smil prospect range from 10 mmboe (P90) to 47 mmboe (P10), with a mean of 27 mmboe. The upside volume has been reduced relative to the APA 2023 application due to lower expected column heights, and thus smaller areal extent, reflecting the absence of an EM anomaly at the target location.

4.3 Coviche Lead

At the time of application, Coviche was identified as a lead, defined as a structural trap bounded by faults to the south, east and west and by dip closure to the north. Middle Jurassic Hugin and Sleipner sandstones constitute the reservoir. Fault seal is required due to sand-against-sand juxtaposition, while top seal is provided by marine shales of the Upper Jurassic Heather and Draupne formations. Heather and Draupne also act as source rocks for the lead but are immature at the Coviche location; hydrocarbons would therefore need to migrate from mature equivalents in the deeper kitchen areas to the west within the South Viking Graben. Seal was considered the main risk element for Coviche, which was modelled with gas condensate as the likely hydrocarbon phase.

During the work program, Coviche was matured with a particular focus on fault seal risk. The main conclusion is that no valid trap exists at the crestal part of the structure to the south. The main southern fault tips out before linking to the bounding faults to the west and east. Minor faults are present but create open relay zones that cannot trap hydrocarbons. Further down-dip, several zero-offset areas occur where faults link and change polarity (hanging wall to footwall and vice versa). Internal structural specialists recognise that Jurassic faults can be sealing where sufficient offset is present. However, in the Coviche case, fault geometries do not provide effective closure. In summary, the Coviche trap seal is not considered valid.

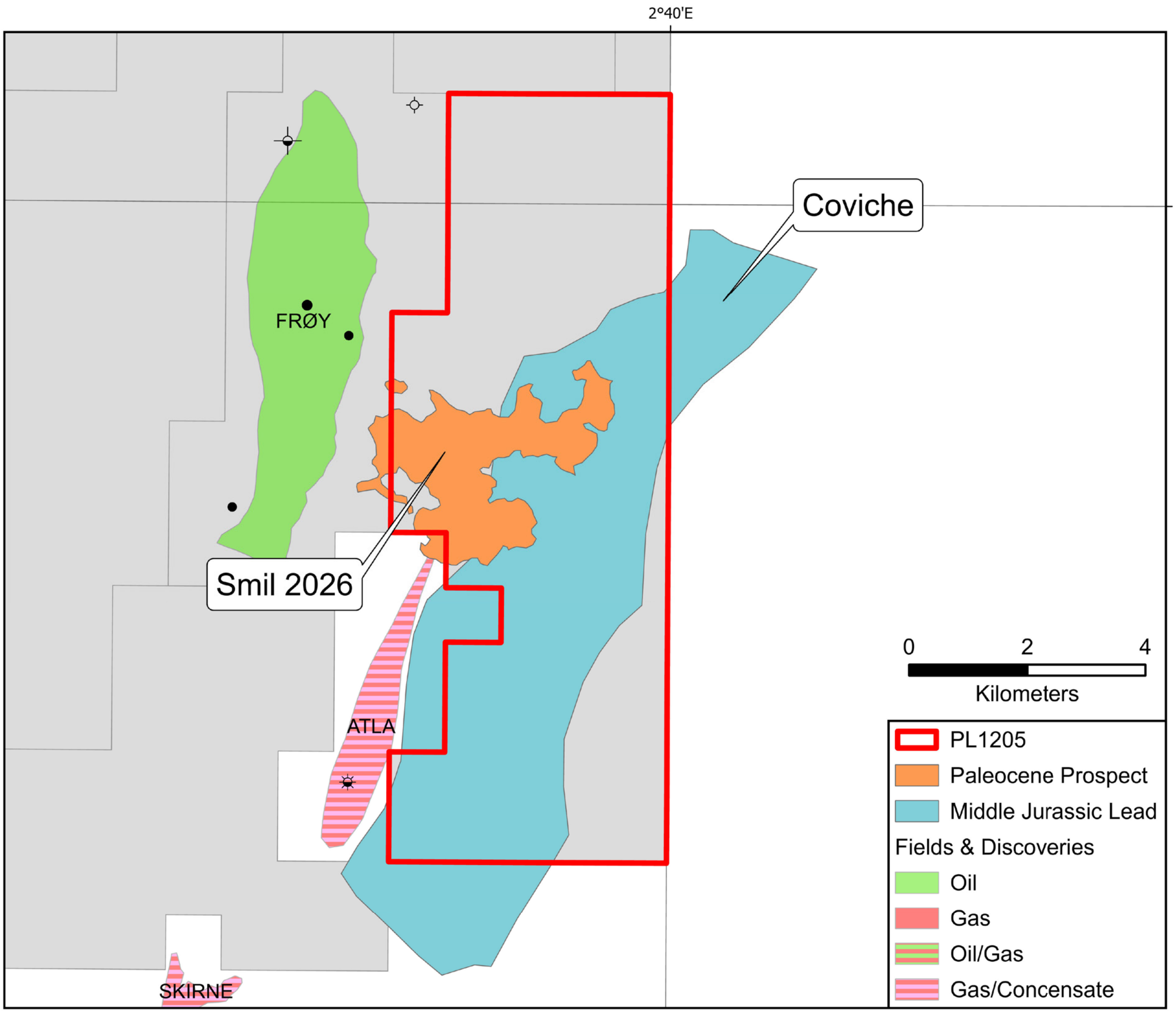


Fig. 4.3 Leads and Prospects PL1205

5 Technical Evaluations

The water depth and field size range for Smil indicate a base case development concept of subsea wells in a template or clustered arrangement, tied back via a multiphase production flowline to a host facility. A direct tie-back to the Yggdrasil Hugin A facility has been considered as the primary development option, with Hugin A planned as an area hub capable of providing lift gas, processing, and redelivery of produced fluids. Alternative concepts include a tie-back to the Alvheim facility, either directly or via existing satellite infrastructure (e.g. Vilje or Tyrving). A short-distance tie-back to the planned Frøy redevelopment, as part of Yggdrasil, could also be feasible subject to fluid compatibility, pipeline capacity and back-pressure constraints. However, given the reduced volume expectations and high geological risk, no economic evaluation of these development scenarios has been undertaken.

6 Conclusions

The PL1205 work program has been fulfilled, and the integrated EM and seismic interpretation results demonstrate that the risk associated with the Smil prospect is too high to justify drilling. The Management Committee has therefore decided not to drill an exploration well in PL1205 and to surrender the license in 2026.