Relinquishment Report PL398S

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1 Key license history

PL 398S was awarded in APA2006 and comprises parts of block 2/8 in the Feda Graben, west of the Piggvar Terrace and east of the Ekofisk, Eldfisk and Valhall Fields. See Fig. 1 for License location and main structural elements as applied for in APA2006. The PL398S licence was awarded 16 February 2007 with the following area and partnership Fig. 2 and PL398S applies for the stratigraphic levels below Base Shetland Group.

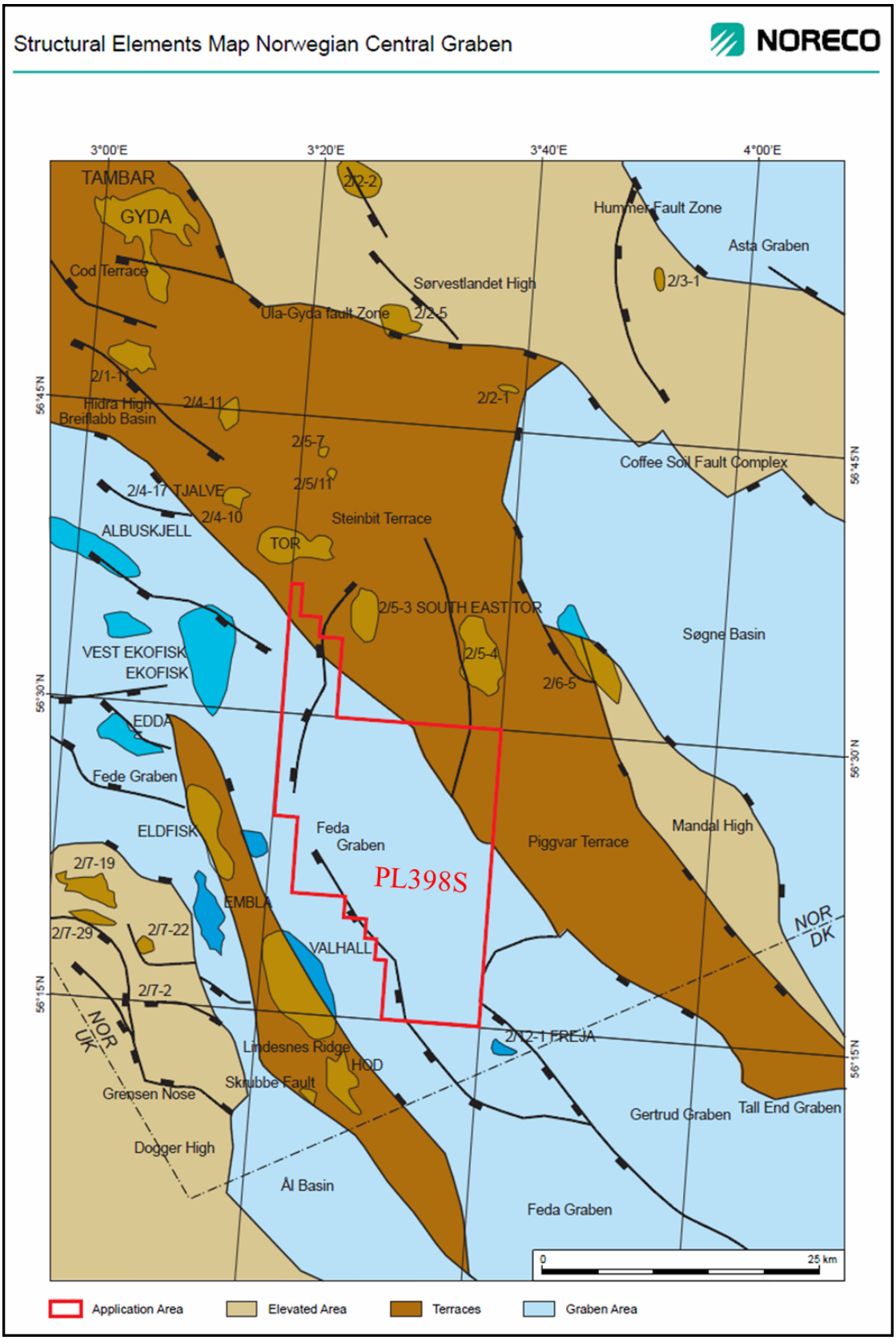

Fig. 1 Structural elements around PL398S from APA 2006 application

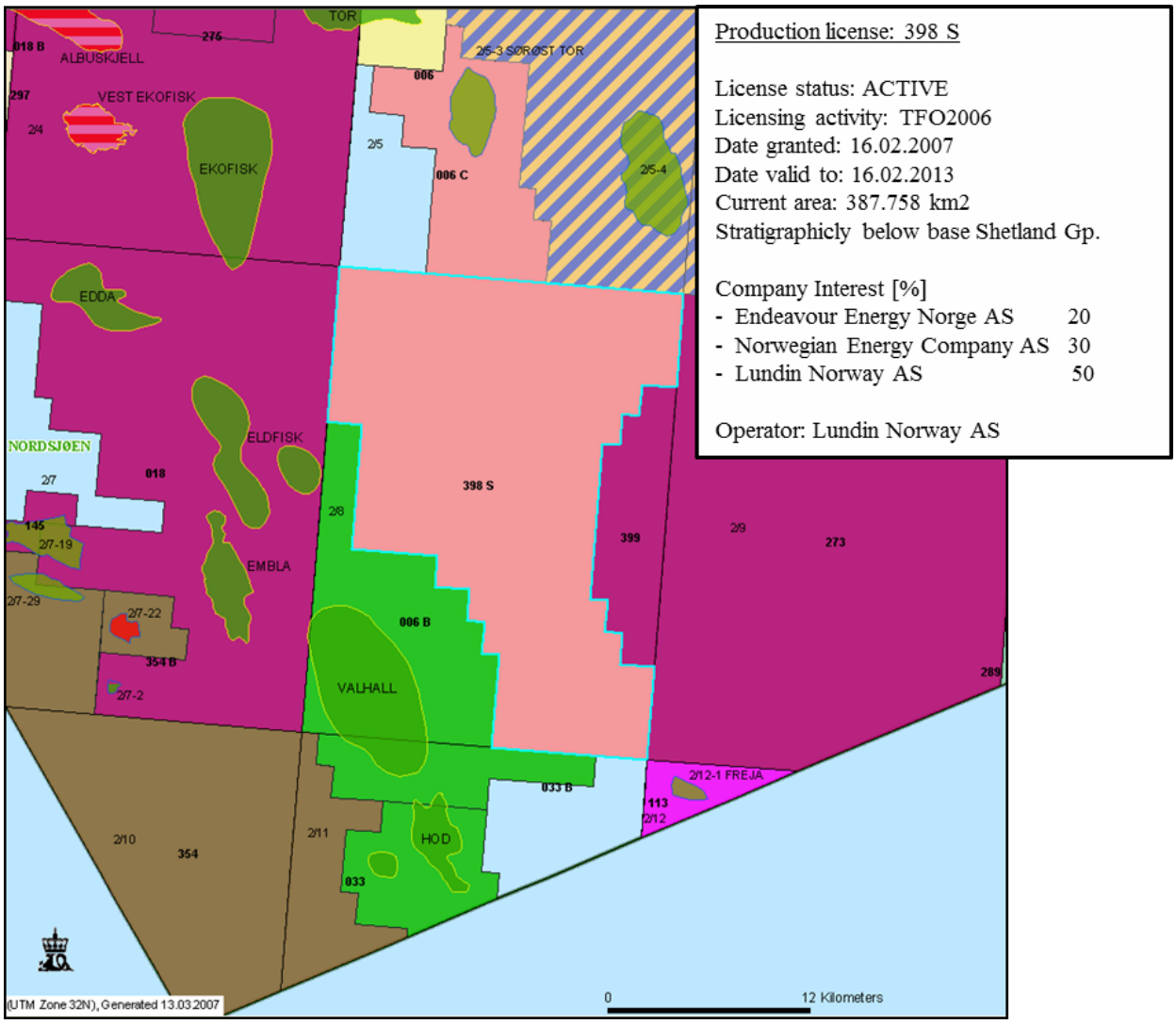

Fig. 2 APA 2006 award of PL398S

License award

PL398S was awarded as part of APA 2006 on 16th February 2007, with a 6 years initial license period, to Lundin Norway AS (Lundin, operator and 50%), Norwegian Energy Company AS (Noreco, 30%) and Endeavour Energy Norge AS (Endeavour 20%). Lundin and Noreco had applied jointly for the acreage with a prospect portfolio consisting of 2 prospects and four leads, Fig. 3. The prospects were named the Briggen-Triassic Prospect and the Briggen-Jurassic Prospect with potential reservoirs in the the Skagerrak Fm and the Heno Fm respectively. The leads were named Leads A-D with potential reservoirs of Triassic Skagerrak Fm, Late Jurassic Heno Fm, Early Cretaceous Tuxen Fm and the Late Cretaceous-Danian Chalk sequence. The trap of the Briggen prospects are formed as an easterly dipping fault block with fault closure to the south, west and north and located on the eastern flank of the Lindesnes Ridge. The Briggen Prospects were covered by 3D. The 4 leads, Lead A, Lead B, Lead C and Lead D respectively, partly extended outside the application area.

The initial work program was defined to be:

- Reprocess 3D seismic covering the entire license area within the first 2 years (by 16.02.2009)
- Drill or drop decision within the first 2 years (by 16.02.2009)
- BOV decision or relinquishment within the first 4 years (by 16.02.2011)
- Submit PDO within first 6 years

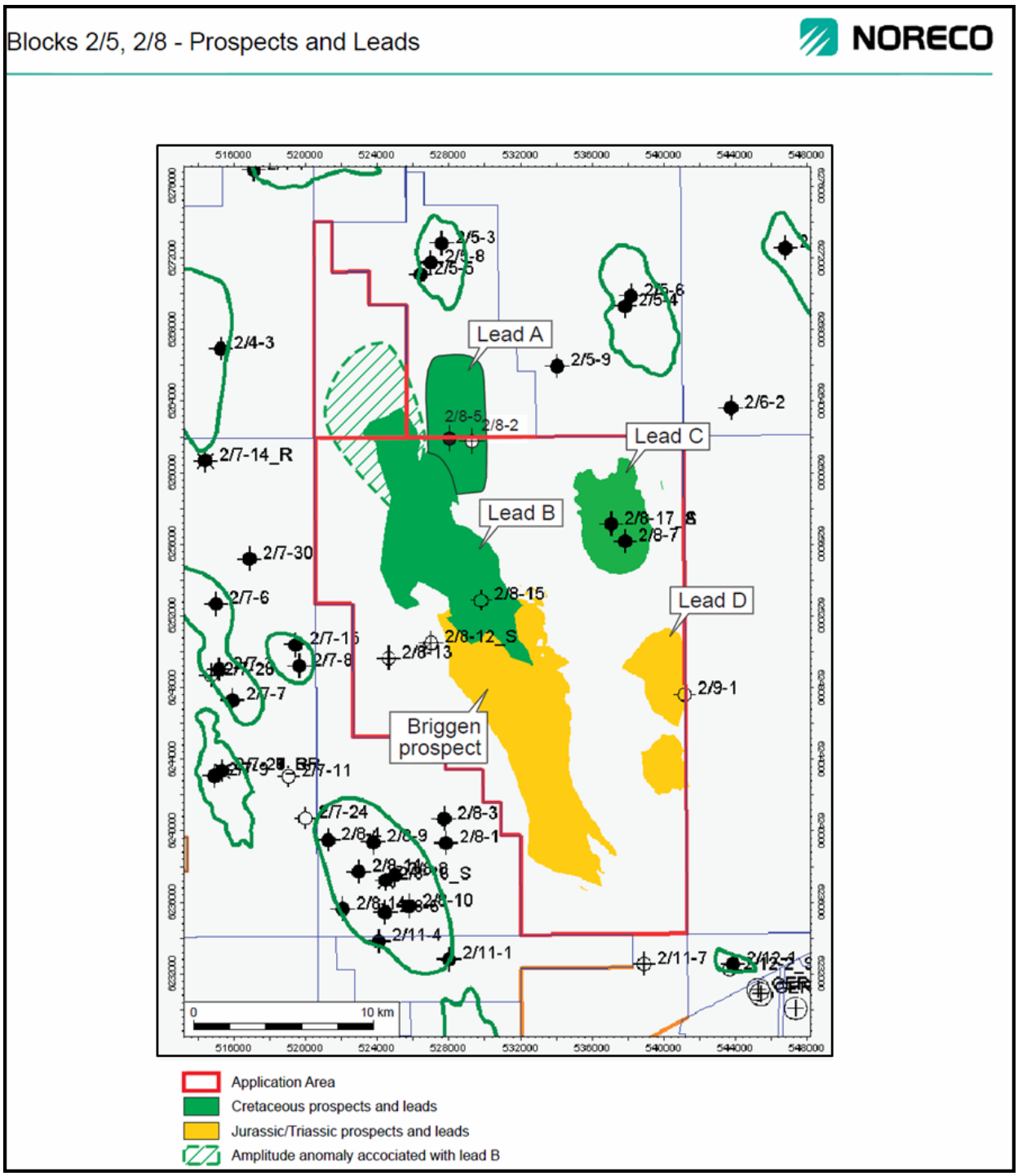

Fig. 3 Summary of Prospects & Leads from APA 2006 application

Completed work program

The work commitment comprised the reprocessing of existing 3D seismic within the awarded acreage. This commitment has been fulfilled through the reprocessing of the 3D seismic survey GA-3D-93 and and parts of STT94 covering the PL398S licence area, see 2 Database

In addition to the work commitment, special studies have been performed, see 3 Review of geological framework

Extension of deadlines, applications or grants

An agreement on co-operation between the stratigraphic licences PL398S and PL440S was signed 14 January in 2009, according to Item 5 in the Production Agreements for the 2 licences. In this co-operation agreement the 2 licenses agreed on the rights and conditions to perform activities covering the 2 license areas and to inform each other about planned activites and to share data.

No applications for extension of deadlines or other applications or grants have been applied for.

Meetings

The following combined Exploration & Management Committee (ECMC) and Work Meetings (WM) have been held in PL398S:

ECMC Kick-off meeting 27.03.2007
ECMC meeting 25.06.2008
ECMC meeting 02.12.2008
WM meeting 09.02.2009

The Meeting handouts and Minutes of meetings are located on License to Share (L2S)

Relinquishment

A letter from the Operator Lundin to the partners of PL398S following the WM of 9 February 2009 summarised the prospectivity of the license as follows: "A summary of the prospectivity given in the work meeting (9 february 2009) indicates that the risk is too high and resource potential is too small to support a positive drilling decision." Fig. 23.

A letter from the Operator Lundin relinquishing the PL398S license by 16 february 2009, was submitted to OED on 11 February 2009, see Fig. 24

2 Database

For the original APA 2006 application a post-stack merge of all released 3D surveys for the entire Norwegian part of the Central Graben had been carried out. The timeslice Fig. 4 shows the total coverage of this merge. Fig. 5 shows the total well database used in the evaluation of blocks 2/5 and 2/8 for APA 2006. In addition the four Danish wells Gert1, Lone1, Rita1x and Kim1 were included in the licence well database in the evaluations after the license award of PL398S.

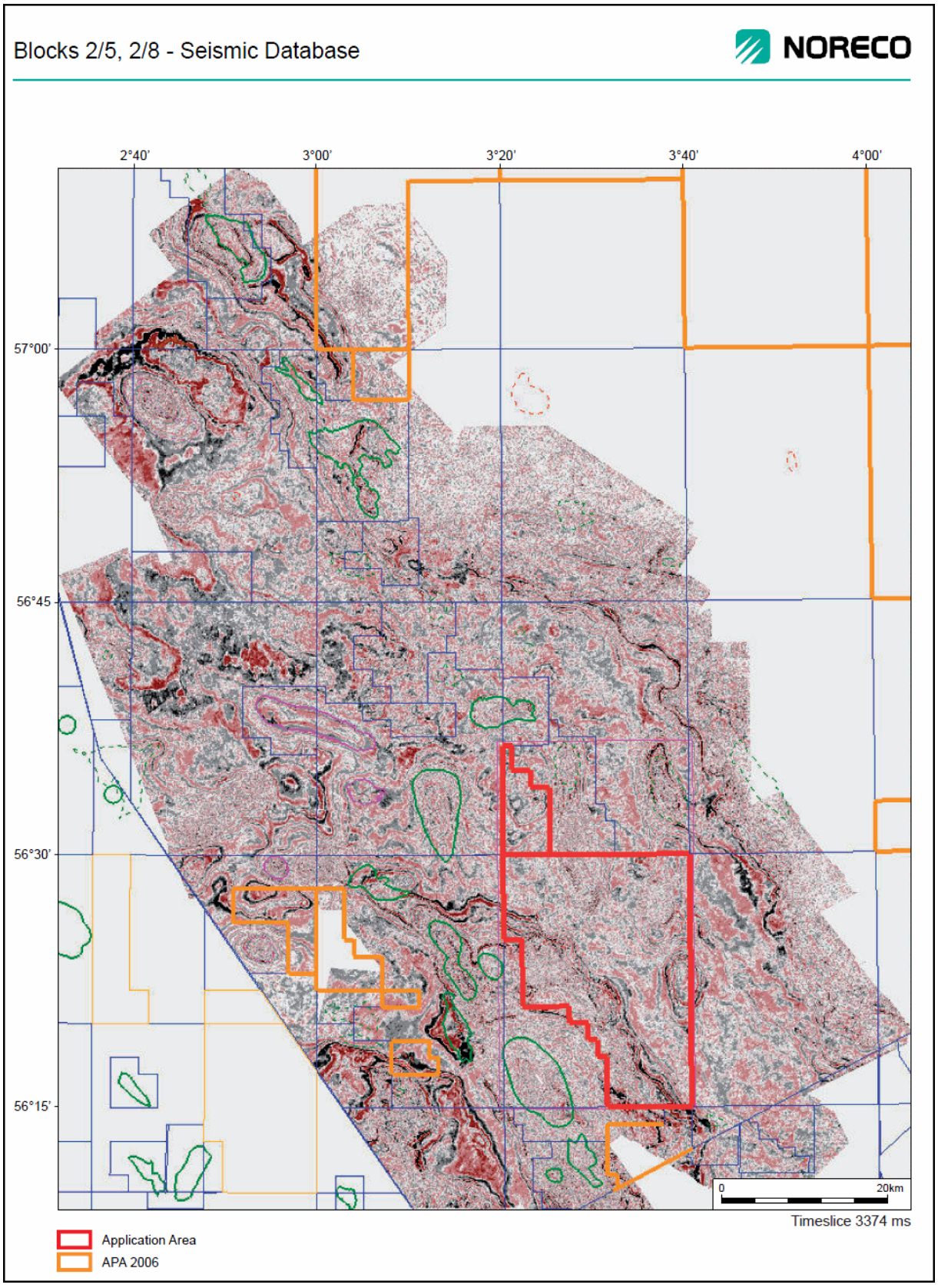

Fig. 4 Seismic coverage for PL 398S in the APA 2006 application (PGS Megamerge)

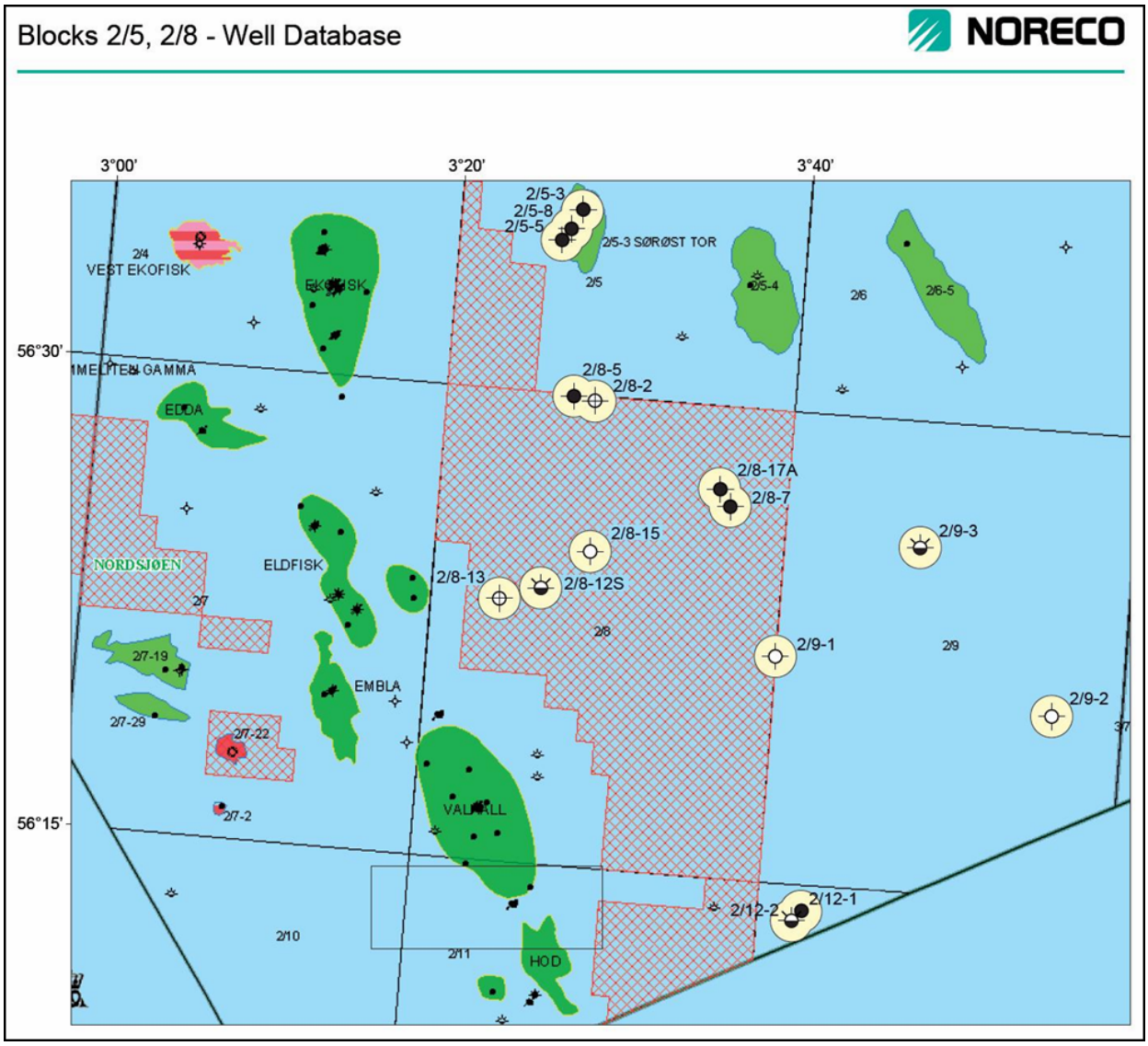

Fig. 5 Well database for the APA 2006 application

The 3D seismic survey GA-3D-93 and and parts of STT94 covering the licence area has since the award been reprocessed by GDC producing the GA-3D-M08 and LN07M01 3D merge, see Fig. 6. In addition 13 relevant 2D seismic lines from TGS, NSR-04 (9 lines), NSR-05 (2 lines) and NSR-06 (2 lines) were bought by the license.

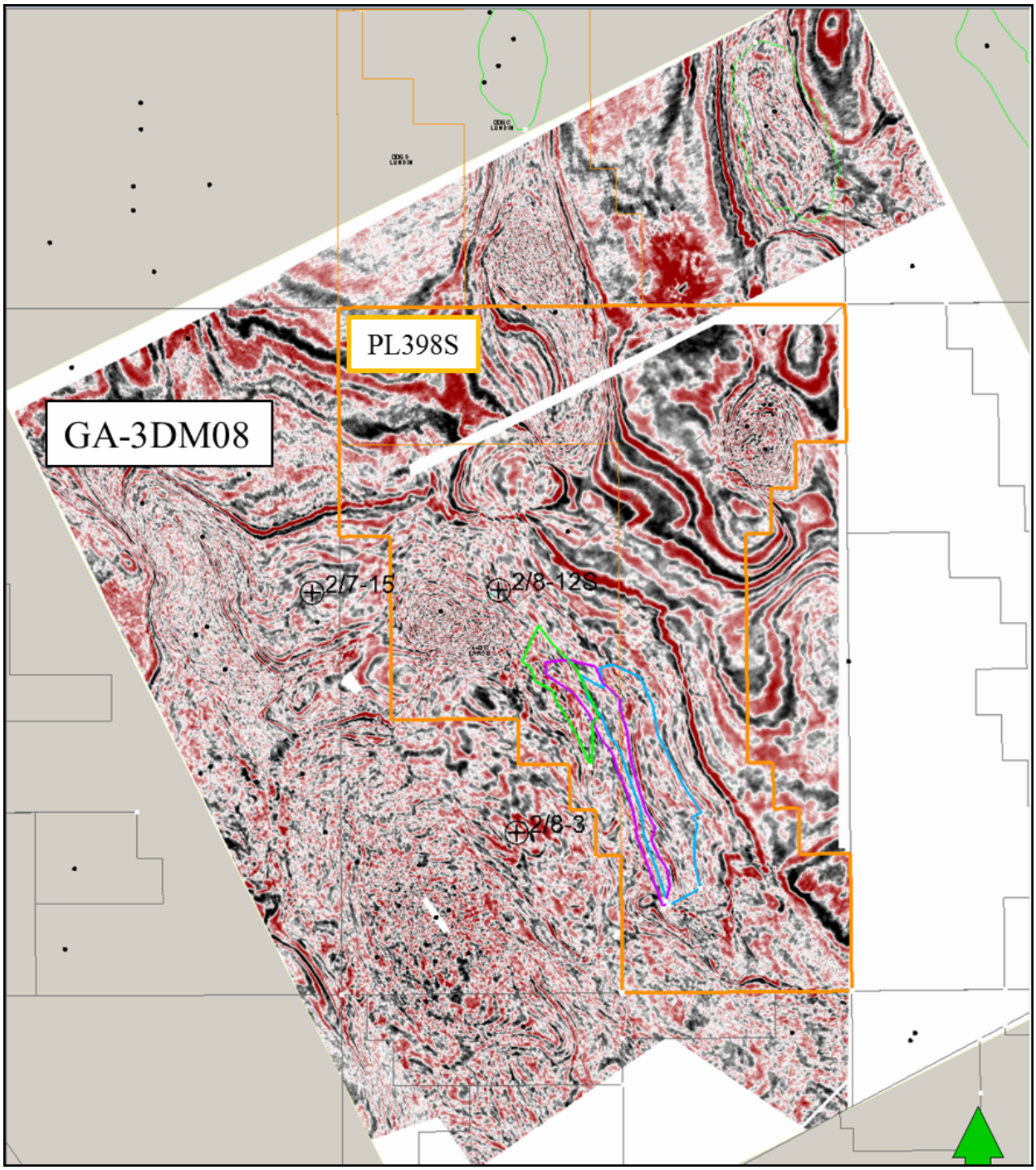

Fig. 6 Seismic Database PL398S after reprocessing

3 Review of geological framework

The PL398S has performed the following Studies and acquired the following Reports:

- Geochemistry Data Report - Wells 2/8-3, 2/8-12S and 2/8-13 (PL398S Study by APT, Jan 2009)
- Re-zonation of Jurassic-Triassic interval Subregional reservoir study of wells by Ingar Trondsen (APT Study) : 2/7-3, 2/7-15, 2/7-24, 2/7-29, 2/8-3, 2/8-12S, 2/9-2, 2/9-3, 2/10-2, 2/11-7, 2/12-1, GERT-1

- Petrophysical CPI evaluation of wells: 2/8-3, 2/8-12S, 2/9-2, 2/9-3, 2/11-7, 2/12-1, 2/12-2, GERT-1 (In-house study by Lundin, 2008)
- Bought the Ichron Biostrat study 2007 (PL398S & PL354 joint Study) : Depositional modelling and stratigraphic correlation of upper jurassic strata from the Norwegian and Danish continental shelf. Norway Quadrants 1 and 2; and Denmark Quadrants 5503 and 5603. Ref: 06/1032/S
- Bought the Ichron Biostratigraphy Study, 2007 (PL398S & PL354 joint Study) : Stratigraphic review of Paleozoic Strata from the Norwegian and danish continental shelf. Norway Quadrants 1 and 2; and Denmark Quadrants 5503 and 5603. Ref: 06/1032c/S
- Seismic wedge-type modeling of sand and fluid-fill to illustrate different expected seismic responses to potential Jurassic reservoir zones (In-house study)
- Petroleum Systems integration and basin modelling of the area in Trinity Basin modelling program (In-house)

During 2008 and early 2009 the licence evaluations concentrated on maturing a potentially drillable prospect and the Upper Jurassic age sequences were regarded as the most promising. Presence and quality of Upper Jurassic sands within the Briggen Prospect area was considered the most crucial parameter. Compared to the interpretation for the APA2006 application the results of the seismic mapping and re-evaluation of wells indicated that the Triassic Skagerak Fm and the Upper Jurassic J56 reservoirs as seen in Well 2/12-1 and Gert-1 would be located too deep to be prospective within the Briggen Prospect area and these levels were therefore ruled out as prospective targets. See Fig. 12

4 Prospect update

APA2006 Prospects and Leads

Within Blocks 2/5 and 2/8 two prospects and four leads were identified in the original APA2006 application, See Fig. 3

The prospects were named the Briggen-Triassic Prospect and the Briggen-Jurassic Prospect with potential reservoirs in the the Skagerrak Fm and the Heno Fm respectively. The leads were named Leads A-D with potential reservoirs of Triassic Skagerrak Fm, Late Jurassic Heno Fm, Early Cretaceous Tuxen Fm and the Late Cretaceous-Danian Chalk sequence.

The trap of the Briggen prospects are formed as an easterly dipping fault block with fault closure to the south, west and north and located on the eastern flank of the Lindesnes Ridge. The structure was formed as a result of Mid-Campanian to Miocene inversion of the Feda Graben along the Skrubbe Fault. The location of the crest of the large domal structure created by this inversion is shifting with depth, positioning the crest of the Jurassic and Triassic sequence 10 km northeast relative to the crest at top Cretaceous level.

The reservoir in the Briggen-Triassic Prospect is considered to be the Joanne and Judy Sandstone Mbrs. of the Skagerak Fm. The overall sedimentation pattern for the Skagerak Fm was controlled by a distant supply and progradation of axial fluvial systems and the development of accommodation space created by local halokinesis and fault movements. Based on the UK Jade Field analogue, including the similar depth to top of the structure, a gas/condensate case are used.

The reservoir in the Briggen-Jurassic Prospect is the shelf/shoreface deposits, the upper and lower members of the Heno Fm, i.e. the transgressive and prograding sequences of this formation as seen along quiet basin margins such as the Gertrud and Heno plateau in the Danish area.

The organic rich unit of the Farsund Fm is regarded as the source rock for the prospects and leads. Claystones above the mapped reservoirs are regarded as adequate seals for the prospects and the leads.

The reserves for the Briggen Triassic Prospect were calculated to be 80 x 10^9 Sm^3 gas. The reserves for the Briggen Jurassic Prospect were calculated to be 19 x 10^6 Sm^3 oil. Total probability of success was calculated to be 30 %.

Leads A, B and C are all seismic amplitude anomalies detected within the chalk section believed to represent hydrocarbon filled reservoirs. Lead D is a four-way -dip closure with a potential Early Cretaceous Tuxen Fm reservoir and deeper Jurassic and Triassic reservoir.

A summary of the prospects and Leads for the APA2006 application are summarised in Fig. 7 , Fig. 8 and Fig. 9

Table 1-2 Block 2/5,2/8 Summary

Block(s):	P/L [2]	Unrisked recoverable resources [3]						Prob. of dis-covery[4]	Reservoir		Distance to infra-structure [6] (km)
Prospect/ lead name[1]		Oil (10^6Sm^3)			Gas (10^9Sm^3)				Strati-graphic level [5]	Res. depth (m MSL)	
		Low	Base	High	Low	Base	High				
Briggen-Jurassic		*9*	*19*	*51*	*1,35*	*2,85*	*7,65*	*30%*	*Heno Fm*	*4130*	*12*
Briggen-Triassic		*1,3*	*2,5*	*9,6*	*40*	*80*	*302*	*30%*	*Skagerak Fm*	*4380*	*12*

Fig. 7 Block Summary of Prospects in the APA2006 application

APA 2006 11.04.12

Table 2-3: Prospect Summary Briggen Jurassic Prospect

Block	Prospect name	Disc/Prosp/Lead	Prosp ID (or New!)	
2/8	Briggen Jura	Prospect	NPD will insert data	NPD will insert data
Play (name / new)		Struct. Element	Company reported by / Ref. Doc. / Year	
NPD will insert data		Feda Graben	Application	2006

O/G. case						
GIIP	Main phase			Ass. Phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3	31	47	126			
Gas 10^9 Sm^3						
Reserves	Main phase			Ass. Phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3	9	19	51			
Gas 10^9 Sm^3				1,35	2,85	7,65

Prob. Discovery: -Technical			-Prob for oil/gas case	
30%				
		Which fractiles are used as Low & High?	Low: P90	High: P10

Type of trap	Waterdepth (m)	Reservoir Chrono (from – to)	Reservoir Litho (from – to)
Structural	70	Mid-Upper Jurassic	Heno Fm.

SourceRock, Chrono	SourceRock, Litho	Seal, Chrono	Seal, Litho
U. Jurassic	Mandal Fm.	Upper Jurassic shales	Haugesund Fm.

Seismic database (2D/3D):	3D super survey-merge		
Prob – Reservoir (P1)	- Charge (P3)	- Trap (P2)	- Retention (P4)
60%	100%	100%	50%

Parametres:	Low	Base	High
Depth to top of prospect (m)		4130	
Area of closure (km^2)	27	27	71
Gross rock vol. (10^9 Sm^3)	0,687	0,687	1,850
HC column in prospect (m)	300	300	670
Reservoir thickness (m)	27	27	75
Net / Gross	0,65	0,75	0,825
Porosity (fraction)	0,15	0,17	0,17
Water Saturation	0,35	0,25	0,25
Bg. NB !(fraction)			
1/Bo. NB !(fraction)	0,71	0,71	0,71
Recovery factor, main phase	0,30	0,40	0,40
Recovery factor, ass. Phase			
GOR, free gas (Sm^3 /Sm^3)			
GOR, oil (Sm^3 /Sm^3)	150	150	150
Temperature, top res (deg C) :	140	Pressure, top res (bar) :	800

Fig. 8 Prospect Summary for Briggen Jurassic prospect in APA2006 application

Table 2-4: Prospect Summary Briggen Triassic Prospect

Block	Prospect name	Disc/Prosp/Lead	Prosp ID (or New!)			
2/8	Briggen Trias	Prospect	NPD will insert data		NPD will insert data	
Play (name / new)		Struct. Element	Company reported by / Ref. Doc. / Year			
NPD will insert data		Feda Graben	Application			2006
O/G. case						
GIIP	Main phase			Ass. Phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3						
Gas 10^9 Sm^3	66	115	431			
Reserves	Main phase			Ass. Phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3				1,3	2,5	9,6
Gas 10^9 Sm^3	40	80	302			
Prob. discovery: -Technical				-Prob for oil/gas case		
	30%					
Which fractiles are used as Low & High?				Low: P90		High: P10
Type of trap	Waterdepth (m)	Reservoir Chrono (from – to)		Reservoir Litho (from – to)		
Structural	70	Triassic		Skagerak Fm.,		
SourceRock, Chrono	SourceRock, Litho	Seal, Chrono		Seal, Litho		
U. Jurassic	Mandal Fm.	Upper Jurassic shales		Haugesund Fm.		
Seismic database (2D/3D):	3D super survey-merge					
Prob – Reservoir (P1)	- Charge (P3)	- Trap (P2)		- Retention (P4)		
60%	100%	100%		50%		

Parametres:	Low	Base	High
Depth to top of prospect (m)		4380	
Area of closure (km^2)	30,6	30,6	68,5
Gross rock vol. (10^9 Sm^3)	5,3	5,3	19,5
HC column in prospect (m)	360	360	670
Reservoir thickness (m)	1166	1166	1166
Net / Gross	0,44	0,50	0,50
Porosity (fraction)	0,13	0,17	0,17
Water Saturation	0,28	0,16	0,16
Bg. NB !(fraction)	300	300	300
1/Bo. NB !(fraction)			
Recovery factor, main phase	0,60	0,70	0,70
Recovery factor, ass. Phase			
GOR, free gas (Sm^3 /Sm^3)			
GOR, oil (Sm^3 /Sm^3)			
Temperature, top res (deg C) :	160	Pressure, top res (bar) :	830

Fig. 9 Prospect Summary for the Briggen Triassic prospect in the APA2006 application

Prospects and Leads after new interpretation

During 2007, 2008 and early 2009 the 3D seismic database was reprocessed and interpreted, the well database was re-evaluated, reservoir models were generated and risked and a Petroleum

System Basin Model was generated. This work is documented in the MC and WM handouts located on L2S of which the WM dated 09.02.2009 is the most important. The prospect evalutions concentrated on maturing a potentially drillable prospect within the licence of which the two Briggen prospects of Upper Jurassic age were regarded as the most promising. Presence and quality of Upper Jurassic sands within the Briggen Prospect area was considered one of the most important and crucial parameters, see Fig. 10. The prospect evaluations ended up with a recommendation to relinquish the licence as no commercial drillable prospects could be defined.

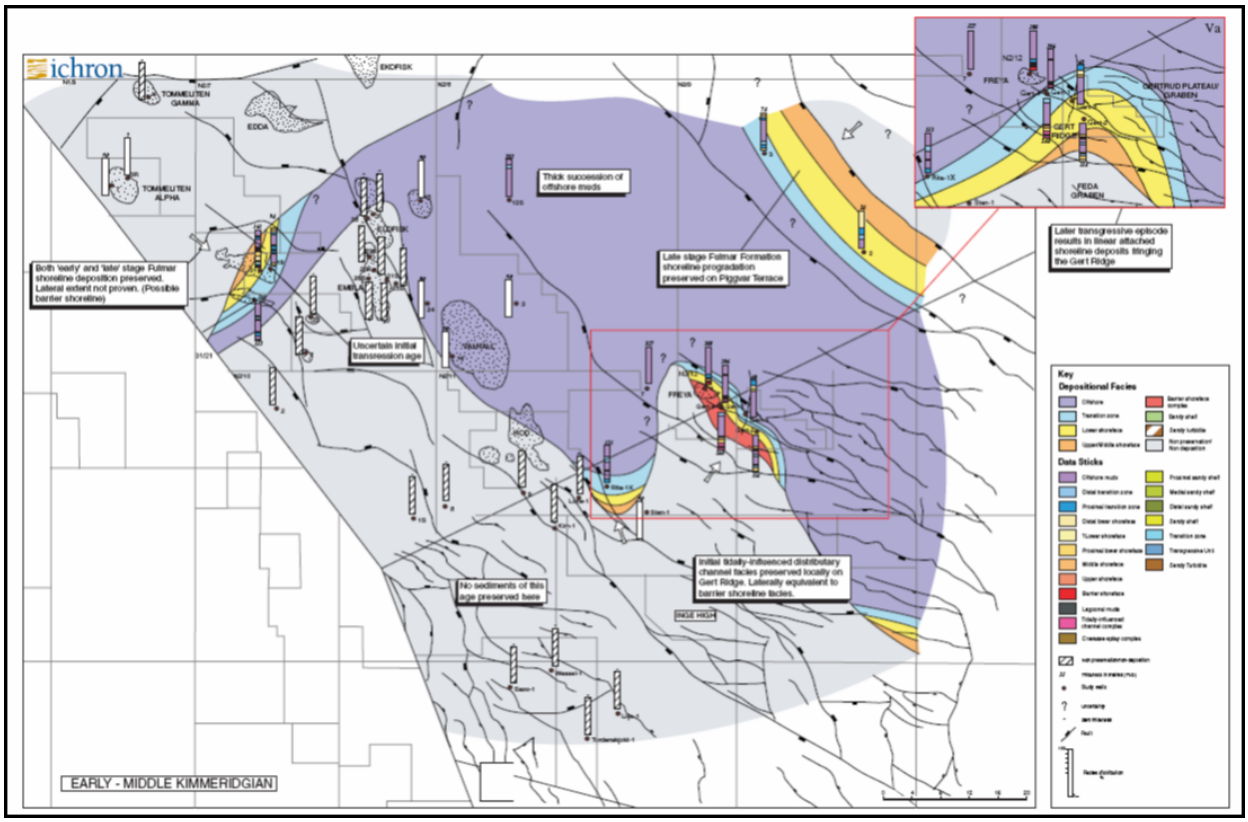

Fig. 10 Upper Jurassic reservoir distribution summary , Ichron Study 2007

In the evaluations 3 Jurassic prospects were defined based on the main seismic grids: Base Chalk, BCU, J66, J65-64 and J63. See Fig. 11 and Fig. 12 and based on the APT Reservoir sand correlation study, See Fig. 13

Compared to the original APA2006 interpretation the results of the seismic mapping and re-evaluation of wells indicated that the Triassic Skagerak Fm and the Upper Jurassic J5g reservoir as seen in Well 2/12-1 and Gert-1 would be too deep to be prospective and were ruled out as prospective levels.

1. The Bark Prospect, with assumed intra Mandal Fm reservoir as seen in 2/11-7 mapped on a seismic anomaly and closure of 18 km2 just below the BCU horison, See Fig. 14 and Fig. 15

2. The Briggen 1 Prospect, with assumed Intra Farsund Fm / Ula reservoir mapped on closure of 9 km2 below the J66 horison, See Fig. 16 and Fig. 17

3. The Briggen 2 Prospect, with assumed Upper Haugesund Fm / Henø Fm reservoir mapped on a closure of 6 km2 below the J63 horison, See Fig. 18 and Fig. 19

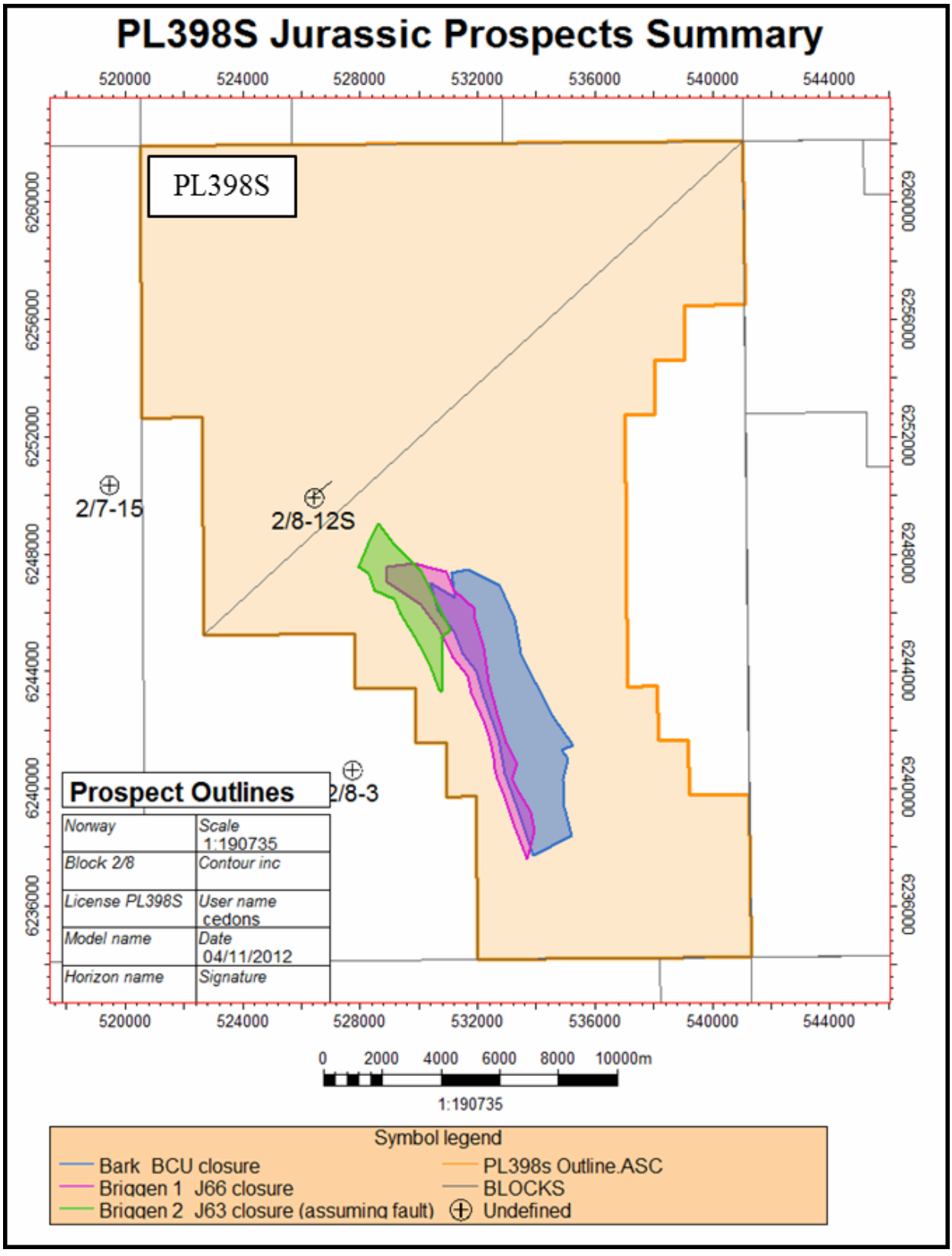

Fig. 11 Prospects Summary PL398S

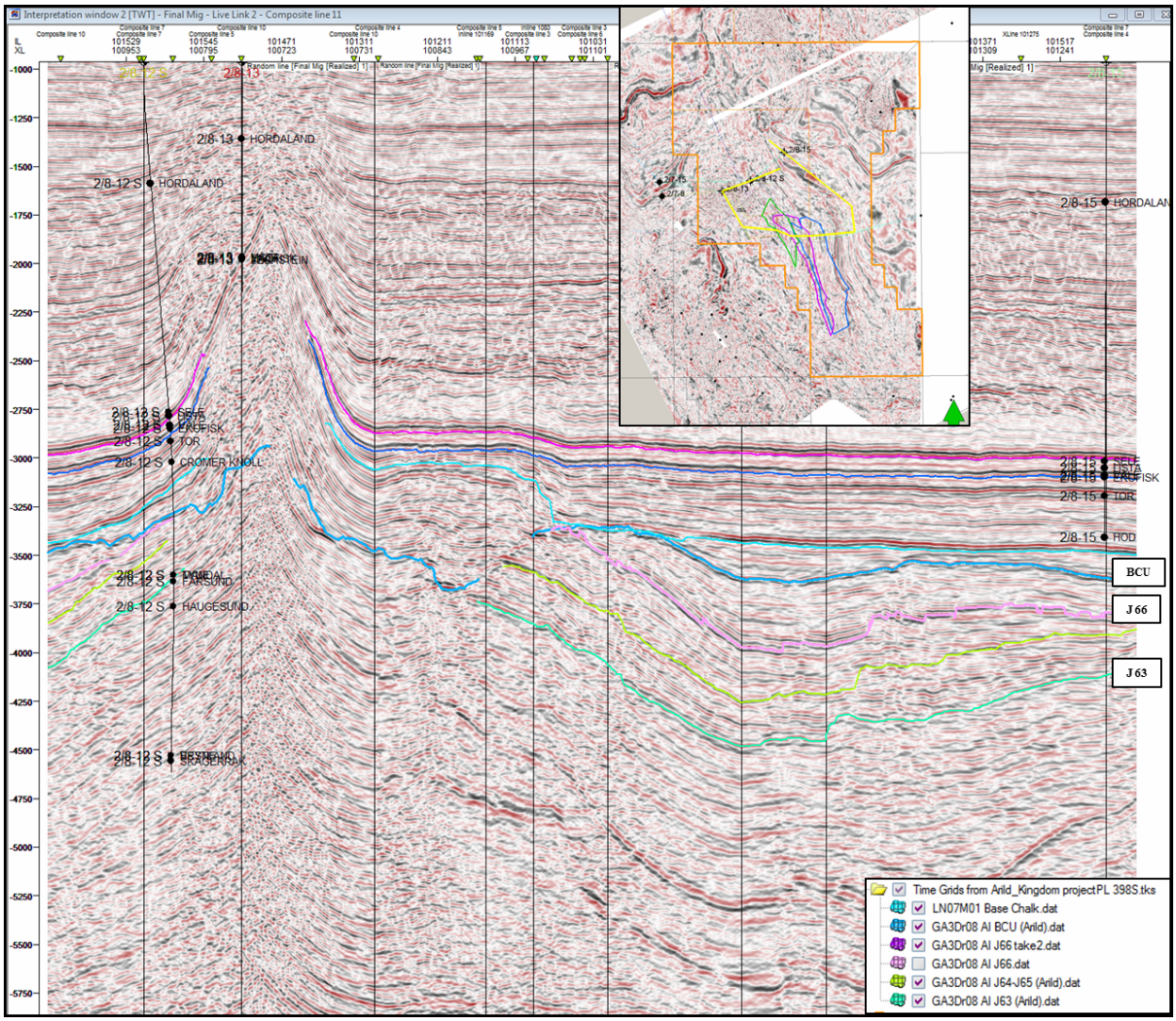

Fig. 12 Interpreted main horisons int he PL398S area

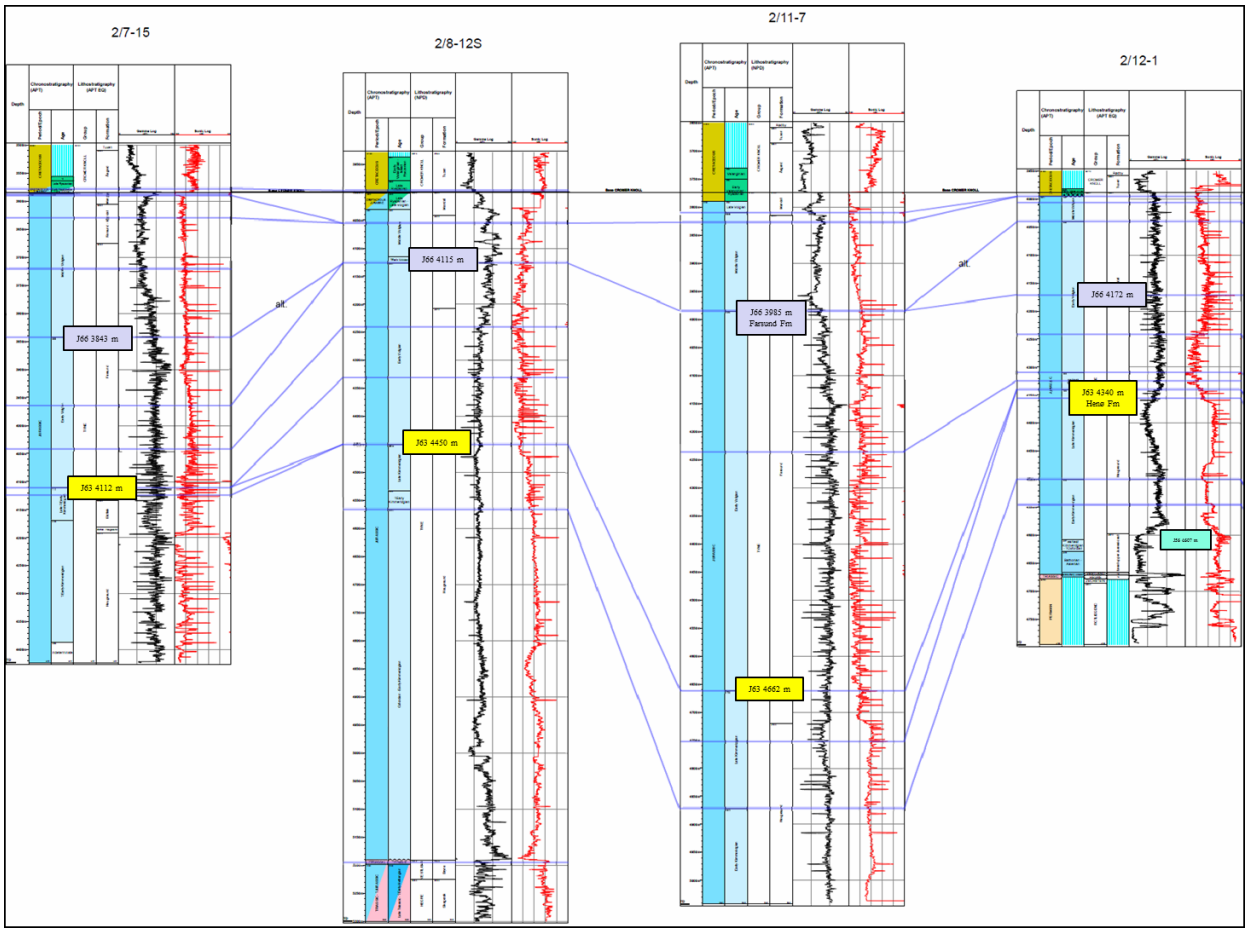

Fig. 13 APT Correlation panel for the Aseca Jurassic zonations J 63 and J 66

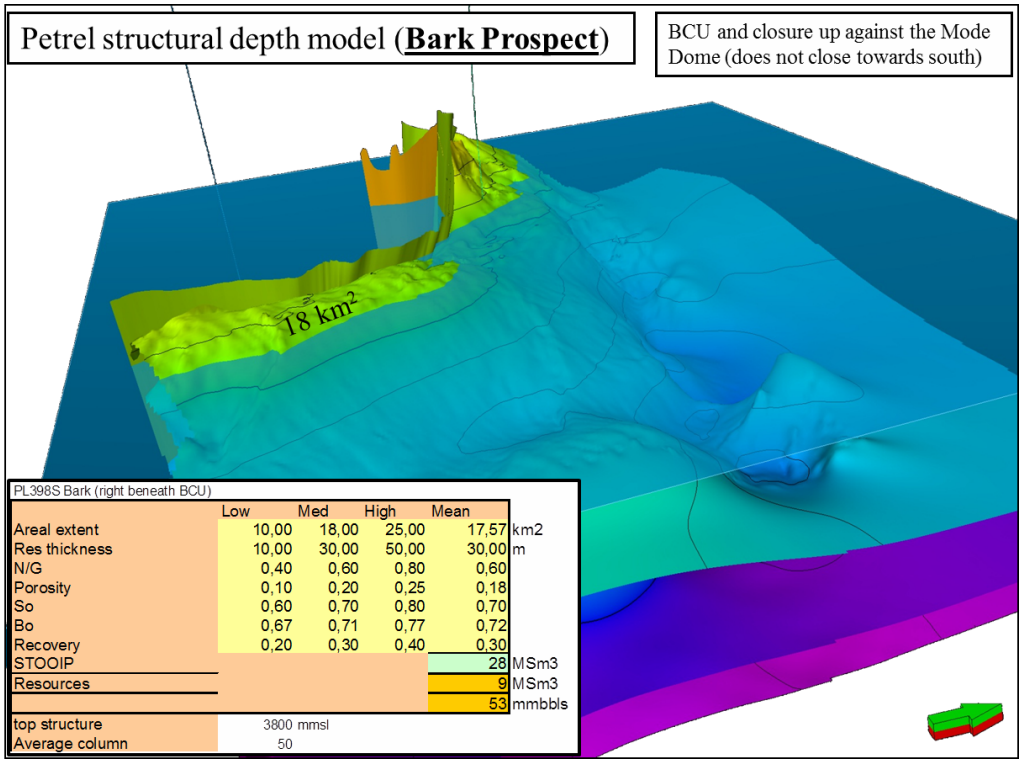

Fig. 14 Bark Prospect Summary

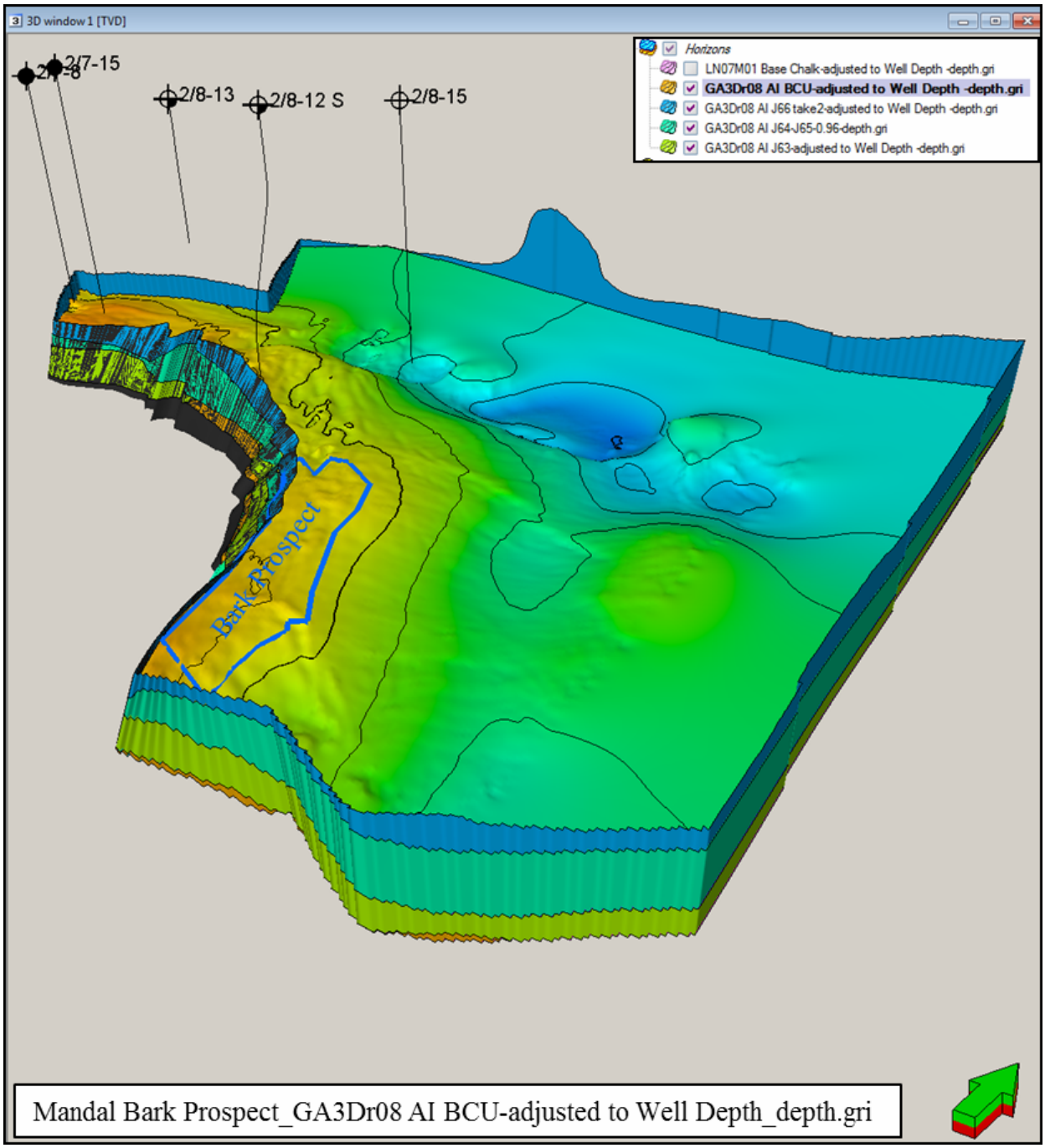

Fig. 15 Bark Prospect Petrel Model

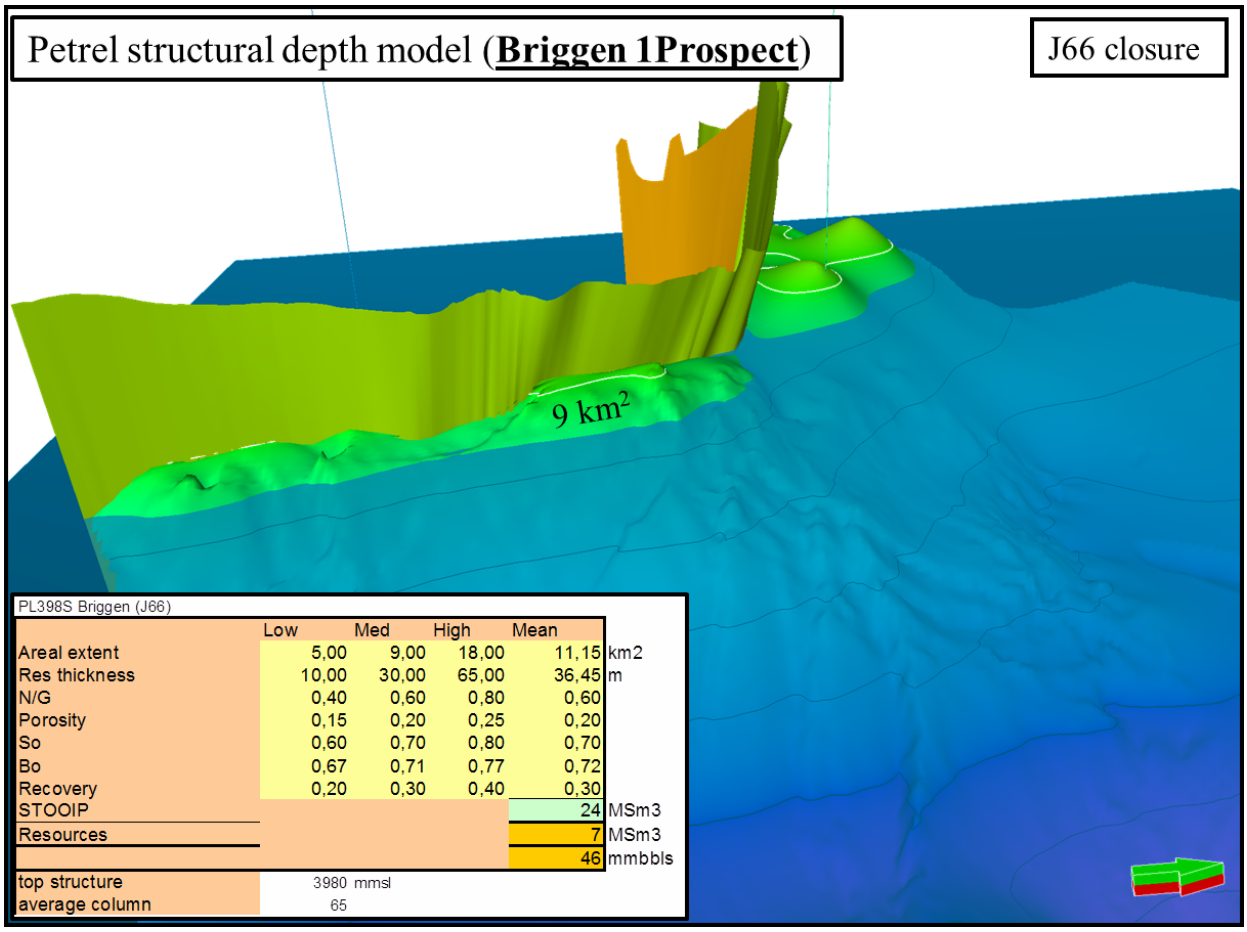

Fig. 16 Briggen 1 Prospect Summary (J66 closure)

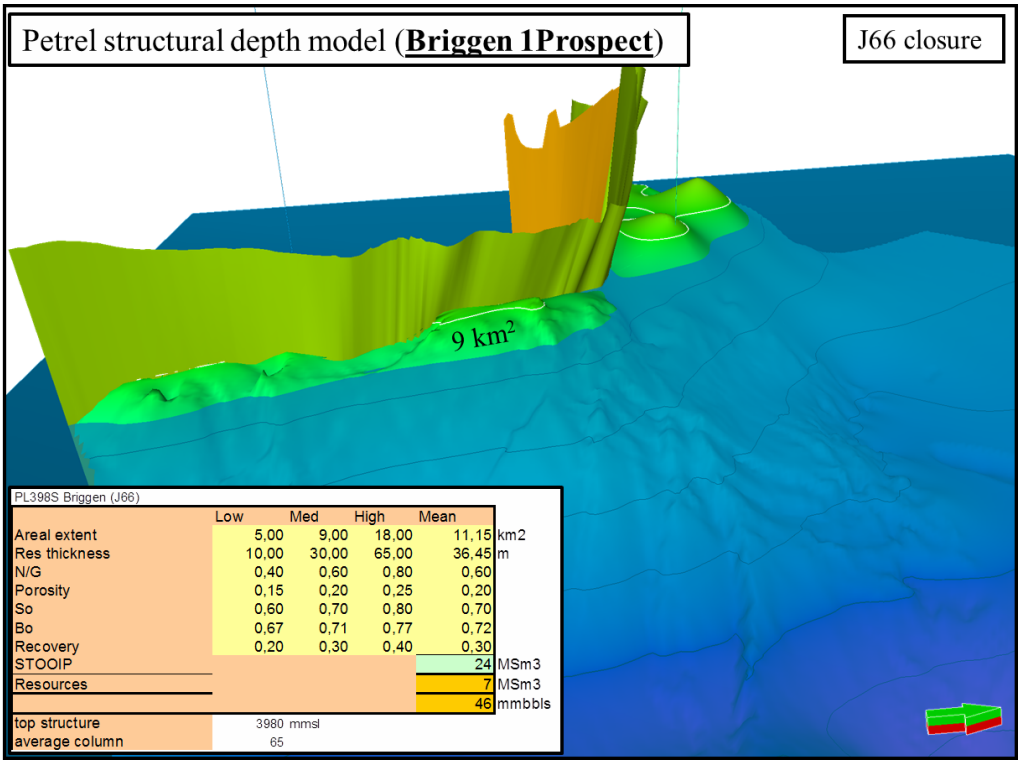

Fig. 17 Briggen 1 Prospect Petrel Model

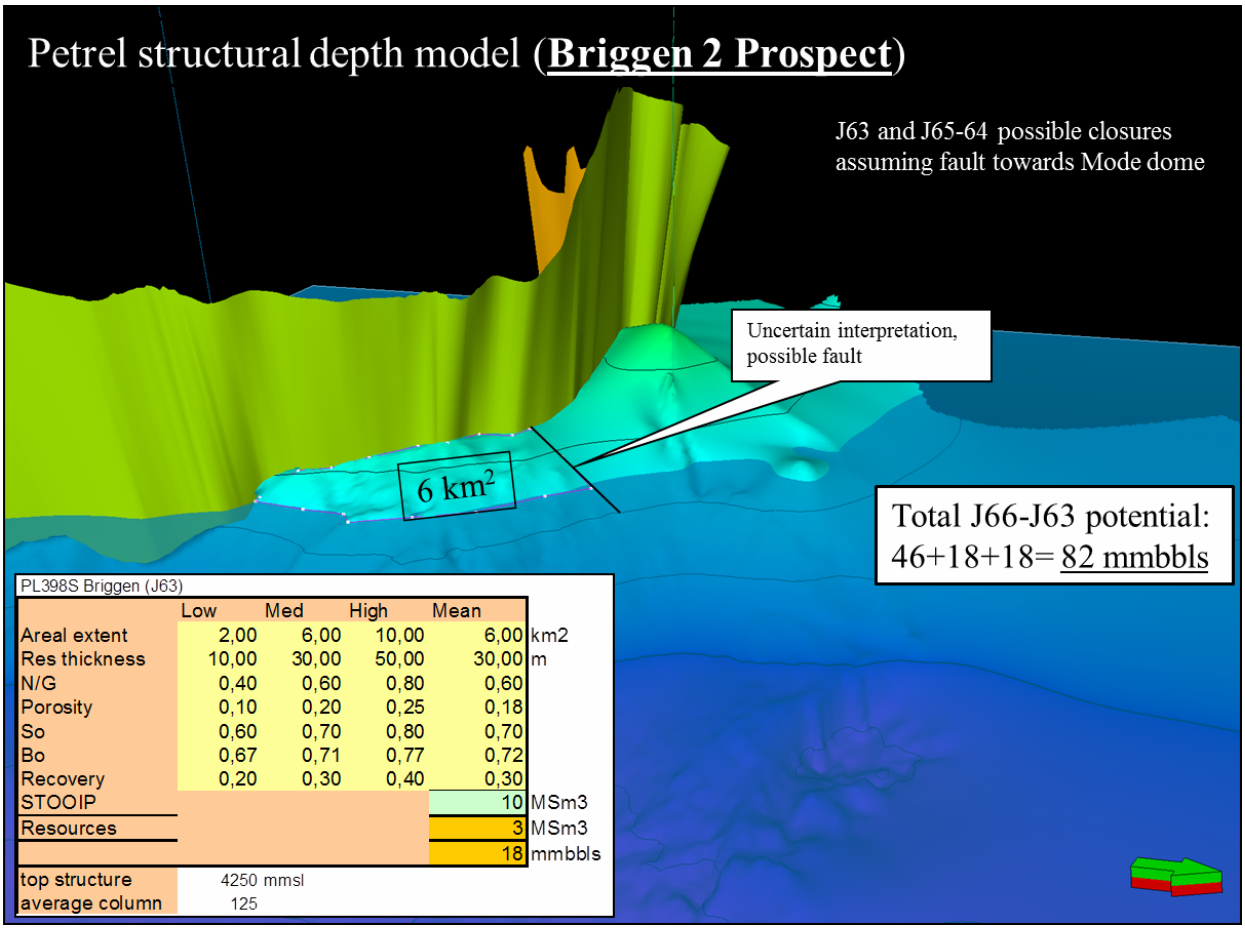

Fig. 18 Briggen 2 prospect Summary (J63 closure)

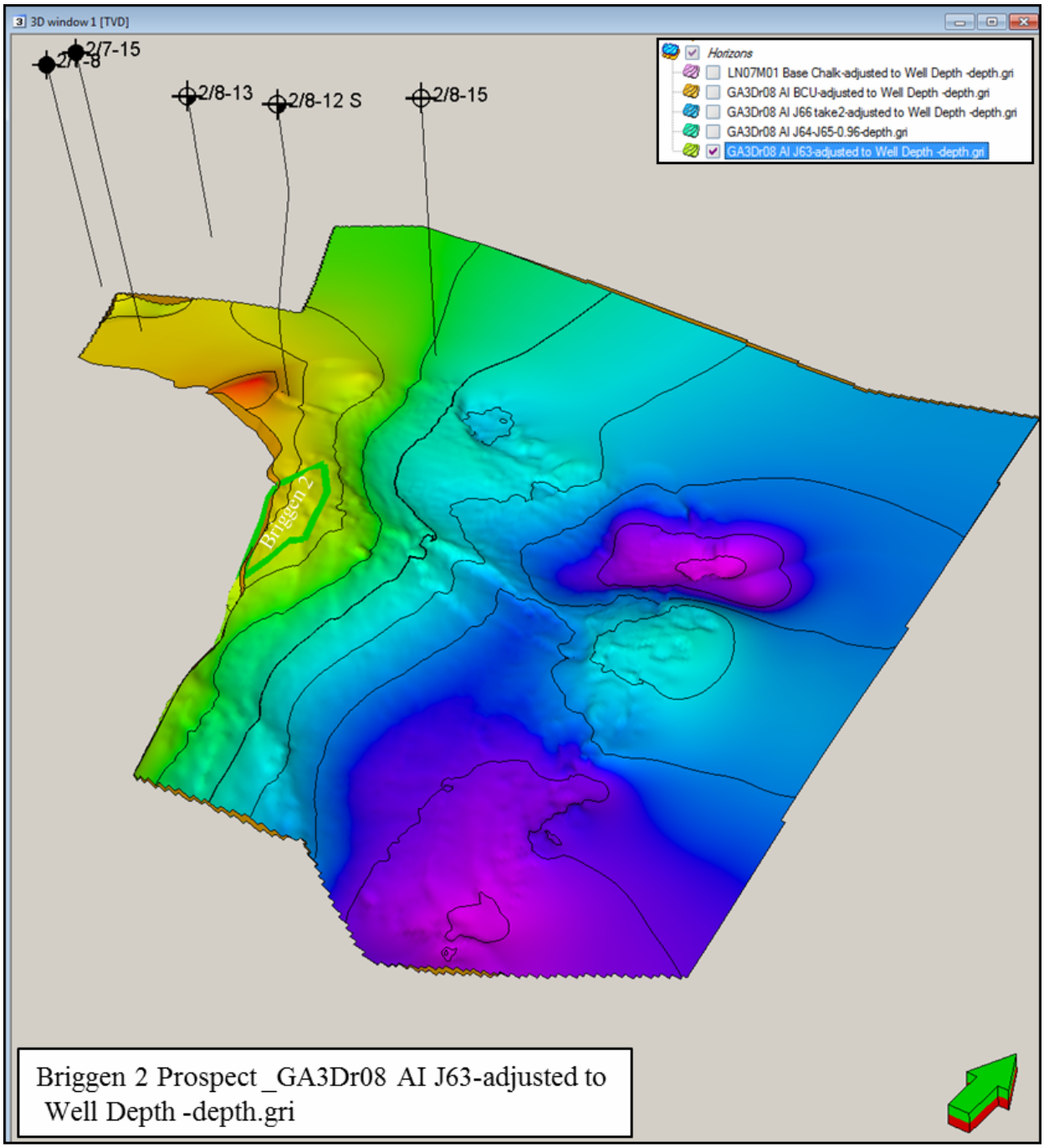

Fig. 19 Briggen 2 Prospect Petrel Model

Tables Fig. 20, Fig. 21 and Fig. 22 summarise the volumes, parameters and risk for the 3 prospects Bark, Briggen 1 and Briggen 2.

Table 4: Prospect data

Block	Prospect name	Discovery/Prosp/Lead	Prosp ID (or New!)	NPD approved?
2/8	Bark Prospect	Prospect	NPD will insert data	NPD will insert data
Play (name / new)	Structural element	Company/ reported by / Ref. doc.		Year
NPD will insert data	Feda Graben	Lundin Norway		2012

Oil/Gas case	Resources IN PLACE					
	Main phase			Ass. phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3		28.0				
Gas 10^9 Sm^3						

	Resources RECOVERABLE					
	Main phase			Ass. phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3		9.0				
Gas 10^9 Sm^3						

Which fractiles are used as:		Low:	P10	High:	P90
Type of trap	Water depth (m)	Reservoir Chrono (from - to)		Reservoir Litho (from - to)	
4-way dip + Fault sea	70 m	Volgian		Intra Mandal Fm	
Source Rock, Chrono	Source Rock, Litho	Seal, Chrono		Seal, Litho	
Upper Jurassic	Mandal / Farsund Fms.	Volgian + Lower Cretaceous		Mandal Fm + Cromer Knoll Gp	
Seismic database (2D/3D):	GA-3DM08				

Probability of discovery:				
Technical (oil+gas case)	0.19		Prob for oil/gas case	1
Probability (fraction):	Reservoir (P1)	Trap (P2)	Charge (P3)	Retention (P4)
	0.3	0.7	0.9	1.0

Parametres:	Low	Base	High	Comments
Depth to top of prospect (m)		3800		
Area of closure (km^2)		18		
Reservoir thickness (m)		30		
HC column in prospect (m)		50		
Gross rock vol. (10^9 m^3)		0.54		
Net / Gross (fraction)	0.40	0.60	0.80	
Porosity (fraction)	0.10	0.20	0.25	
Water Saturation (fraction)	0.40	0.30	0.20	
Bg. (<1)				
Bo. (>1)	1.49	1.40	1.30	
GOR, free gas (Sm^3 /Sm^3)				
GOR, oil (Sm^3 /Sm^3)				
Recovery factor, main phase	0.20	0.30	0.40	
Recovery factor, ass. phase				
Temperature, top res (deg C) :	120	Pressure, top res (bar) :		760

For NPD use:						
Innrapp. av geolog:		Registrert:		Map OK:		Nr:
Dato:		Dato:		Dato:		

Fig. 20 Prospect Data - Bark prospect PL398S

Table 4: Prospect data

Block	Prospect name	Discovery/Prosp/Lead	Prosp ID (or New!)	NPD approved?
2/8	Briggen 1 Prospect	Prospect	*NPD will insert data*	*NPD will insert data*
Play (name / new)	Structural element	Company/ reported by / Ref. doc.		Year
NPD will insert data	Feda Graben	Lundin Norway		2012

Oil/Gas case	Resources IN PLACE					
	Main phase			Ass. phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3		24.0				
Gas 10^9 Sm^3						

	Resources RECOVERABLE					
	Main phase			Ass. phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3		7.0				
Gas 10^9 Sm^3						

Which fractiles are used as:		Low:	P10	High:	P90

Type of trap	Water depth (m)	Reservoir Chrono (from - to)	Reservoir Litho (from - to)
4-way dip + Fault seal	70 m	Kimeridgian-Volgian	Intra Farsund Fm
Source Rock, Chrono	Source Rock, Litho	Seal, Chrono	Seal, Litho
Upper Jurassic	Mandal / Farsund Fms.	Volgian + Lower Cretaceous	Mandal Fm + Cromer Knoll Gp

Seismic database (2D/3D):	GA-3DM08

Probability of discovery:

Technical (oil+gas case)	0.11	Prob for oil/gas case	1

Probability (fraction):	Reservoir (P1)	Trap (P2)	Charge (P3)	Retention (P4)
	0.20	0.60	0.9	1.0

Parametres:	Low	Base	High	Comments
Depth to top of prospect (m)		3980		
Area of closure (km^2)		9		
Reservoir thickness (m)		30		
HC column in prospect (m)		65		
Gross rock vol. (10^9 m^3)		0.27		
Net / Gross (fraction)	0.40	0.60	0.80	
Porosity (fraction)	0.15	0.20	0.25	
Water Saturation (fraction)	0.40	0.30	0.20	
Bg. (<1)				
Bo. (>1)	1.49	1.40	1.30	
GOR, free gas (Sm^3 /Sm^3)				
GOR, oil (Sm^3 /Sm^3)				
Recovery factor, main phase	0.20	0.30	0.40	
Recovery factor, ass. phase				
Temperature, top res (deg C) :	130	Pressure, top res (bar) :		780

For NPD use:						
Innrapp. av geolog:		Registrert:		Map OK:		Nr:
Dato:		Dato:		Dato:		

Fig. 21 Prospect Data - Briggen 1 prospect PL398S

Table 4: Prospect data

Block	Prospect name		Discovery/Prosp/Lead		Prosp ID (or New!)	NPD approved?
2/8	Briggen 2 Prospect		Prospect		*NPD will insert data*	*NPD will insert data*
Play (name / new)	Structural element		Company/ reported by / Ref. doc.			Year
NPD will insert data	Feda Graben		Lundin Norway			2012
Oil/Gas case	**Resources IN PLACE**					
	Main phase			Ass. phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3		10.0				
Gas 10^9 Sm^3						
	Resources RECOVERABLE					
	Main phase			Ass. phase		
	Low	Base	High	Low	Base	High
Oil 10^6 Sm^3		3.0				
Gas 10^9 Sm^3						
	Which fractiles are used as:		Low:	P10	High:	P90
Type of trap	Water depth (m)		Reservoir Chrono (from - to)		Reservoir Litho (from - to)	
4-way dip + Fault seal	70 m		Kimmeridgian		Intra Haugesund Fm	
Source Rock, Chrono	Source Rock, Litho		Seal, Chrono		Seal, Litho	
Upper Jurassic	Mandal / Farsund Fms.		Volgian		Mandal Fm + Farsund Fm	
Seismic database (2D/3D):	GA-3DM08					
Probability of discovery:						
Technical (oil+gas case)	0.11			Prob for oil/gas case		1
Probability (fraction):	Reservoir (P1)	Trap (P2)	Charge (P3)	Retention (P4)		
	0.20	0.60	0.9	1.0		
Parametres:	Low	Base	High	Comments		
Depth to top of prospect (m)		4250				
Area of closure (km^2)		6				
Reservoir thickness (m)		30				
HC column in prospect (m)		125				
Gross rock vol. (10^9 m^3)		0.18				
Net / Gross (fraction)	0.40	0.60	0.80			
Porosity (fraction)	0.10	0.20	0.25			
Water Saturation (fraction)	0.40	0.30	0.20			
Bg. (<1)						
Bo. (>1)	1.49	1.40	1.30			
GOR, free gas (Sm^3 /Sm^3)						
GOR, oil (Sm^3 /Sm^3)						
Recovery factor, main phase	0.20	0.30	0.40			
Recovery factor, ass. phase						
Temperature, top res (deg C) :	150	Pressure, top res (bar) :		810		
For NPD use:						
Innrapp. av geolog:		Registrert:		Map OK:		Nr:
Dato:		Dato:		Dato:		

Fig. 22 Prospect Data - Briggen 2 prospect PL398S

5 Technical evaluations

No technical evaluations related to Field development have been performed for the PL398S license post award of the license, as the license took a negative 'Drill or Drop' decision and relinquished the license as of 16 February 2009.

6 Conclusions

PL398S prospectivity has been evaluated after the APA 2006 award. The re-evaluation of PL 398S has resulted in a prospect portfolio consisting of 3 prospects with mean recoverable resources and Pdiscovery ranging between 3.0 to 9.0 MSm3 oil and 11 % to 19 %, respectively.

The work program is fullfilled after reprocessing and merging of 3D data covering the license. The overall conclusion after analysing the seismic data, stratigraphic redating of wells, petroleum system analysis and seismic modeling is that the risk is to high for reservoir not being present, that the resource potential is to low and the well cost is to high (Est. 650MNOK). In addition high pressure and high temperature conditions are expected. The Operator was for these reasons not willing to recommend drilling an exploration well in PL398S. The Operator Lundin therefore recommended to drop license PL398S.

All prospects are considered uneconomical to drill and a decision to relinquish the license was made by the partnership, 9 th February 2009 Fig. 23. In a letter dated 11 February Fig. 24 the partnership informed OED that they had decided to relinquish the PL398S licence by 16 February 2009. In a return letter Fig. 25 dated 19 March 2009 OED has found that the work commitment on PL398S has been fulfilled and that PL398S is relinquished as of date 16 February 2009.

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Website: www.lundin-petroleum.com

Date : February 9 , 2009

PL 398S MC

Endeavour Energy Norge : Idar Kjørlaug, Sverre Petlund
Norwegian Energy Company: Gerrard Michel-Noel, Torben Olsen

Proposal to drop license PL398S

Reference is made to the PL398S work meeting of February 9, 2009.
According to the presentation given in the meeting, Lundin, as operator of PL398S, recommends to drop the license within the 2 year limit.

Lundin has matured the license after the APA 2006 award, February 16, 2007. A summary of the prospectivity given in the work meeting indicates that the risk is too high and resource potential is too small to support a positive drilling decision. The work program is fulfilled having reprocessed 3D seismic data over the entire license area.

Lundin asks Noreco and Endeavour as PL398S partners to endorse this strategy no later than February 11, 2009. The drill-or-drop decision is a simple majority decision and the licensees may take over the operatorship and continue the license according to "PL398S utvinningstillatelse".

In the case PL398S licensees support the drop-decision, Lundin will immediately issue a letter to the OED with copy to OD.

The 2009 budget will be revised according to the decision taken.

Best Regards

Arild Jørstad
Lundin Norway AS

Fig. 23 Lundin proposal and recommendation to PL398S license to relinquish license

Lundin Norway AS

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4003 Stavanger

Lysaker, 11. Februar 2009

Underrettelse om tilbakelevering av lisens PL398S

Styringskomiteen for lisens PL 398S, bestående av Lundin Norway 50%, Norwegian Energy Company 30% og Endeavour Energy Norge AS 20% har tatt en negativ "Drill or drop" beslutning og tilbakeleverer lisensen pr. 16 Februar 2009.

Arbeidsprogrammet i 2 års perioden fra tildeling var å reprosessere 3D seismikk over hele lisensområdet. Dette er fullført.

En modning av lisensen er gjennomført. Volumpotensialet og funnsannsynligheten i lisensområdet er for lavt til at en beslutning om boring i lisensen kan rettferdiggjøres. Styringskommiteen har derfor enstemmig besluttet å droppe lisensen pr 16 februar 2009.

Med vennlig hilsen
Formann i styringskomiteen i PL 398S.

Arild Jørstad

Lundin Norway AS
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Org.no NO 986209409 MVA

Fig. 24 Letter to OED on Relinquishment of PL398S

DET KONGELIGE
OLJE- OG ENERGIDEPARTEMENT

MOTTATT 20 MAR 2009

Lundin Norway AS
Strandvn. 50D
1366 Lysaker

Deres ref	Vår ref	Dato
	09/00357-4	19.3.2009

Vedrørende tilbakelevering av utvinningstillatelse 398S

Det vises til brev av 11.02.2009 fra Lundin Norway på vegne av rettighetshaverne vedrørende tilbakelevering av utvinningstillatelse 398S.

Olje- og energidepartementet har vurdert henvendelsen, og finner at arbeidsforpliktelsene i utvinningstillatelse 398S er oppfylt. Olje- og energidepartementet meddeler med dette at utvinningstillatelse 398S anses som bortfalt fra 16.02.2009, jf utvinningstillatelsens punkt 4b.

Med hilsen

Gunnar Hognestad (e.f.)
avdelingsdirektør

Anbjørn Norenes
seniorrådgiver

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Fig. 25 Letter from OED on relinquishment of PL398S and fulfillment of obligatory work program