NPD – exploration drilling result

03/02/2011 Norwegian Energy Company ASA (Noreco), operator of production licence 545, is in the process of completing the drilling of wildcat well 17/6-1. The well was drilled approximately 100 kilometres southeast of the Grane field in the central part of the North Sea.

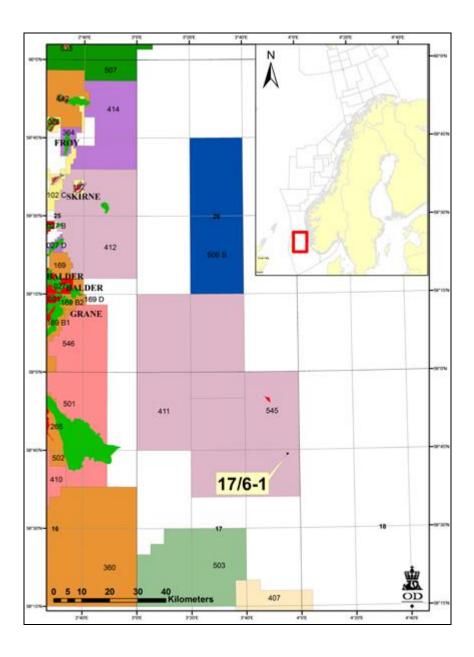
The objective of the well was to prove petroleum in Middle Jurassic reservoir rocks (Sandnes and Bryne formations). The well encountered oil in a five-metre thick sandstone layer with low reservoir quality in the Sandnes formation. Pressure measurements indicate a possible oil column of 45 metres. The underlying Bryne formation was water-bearing, with good reservoir quality.

The well was not formation tested, but data acquisition has been carried out. Preliminary estimates of the size of the discovery range between 0.05 and one million standard cubic metres (Sm³) recoverable oil. The find is not commercially interesting.

The well is the first exploration well in <u>production licence 545</u>, which was awarded on 19 February 2010 (APA 2009). The well was drilled to a vertical depth of 3065 metres below sea level and terminated in the Skagerrak formation in the Upper Triassic. The water depth is 272 metres. The well will now be permanently plugged and abandoned.

Well 17/6-1 was drilled by the drilling facility *West Alpha*, which will now proceed to production licence 159 B in the Norwegian Sea to carry out completion work on production well 6507/3-L-4-AH, where Statoil Petroleum AS is the operator.

See Factpages for more information about this wellbore.



17/6-1

08/11/2010 The Norwegian Petroleum Directorate (NPD) has granted Norwegian Energy Company (Noreco) ASA a drilling permit for well 17/6-1, cf. Section 8 of the Resource Management Regulations.

Well 17/6-1 will be drilled from the *West Alpha* drilling facility at position 58° 44′ 15.46″ north 03° 55′ 34.93″ east, after the facility completes the drilling of appraisal well 34/4-13 S for Petro-Canada Norge AS in production licence 375.

The drilling programme for well 17/6-1 relates to drilling a wildcat well in production licence 545. Noreco is the operator with a 50 per cent ownership interest. The other licensees are Spring Energy Norway AS (30 per cent) and Petoro AS (20 per cent). The area in this licence consists of block 17/3, as well as parts of blocks 17/2, 5 and 6. The well was drilled about 100 kilometres southeast of the Grane field in the central part of the North Sea.

Production licence 545 was awarded on 19 February 2010 (APA2009). This is the first well to be drilled within the licence area.

This permit is contingent on the operator securing all other consents and permits required by other authorities before the drilling activity commences.

