<u>NPD</u> – exploration drilling result

24/06/2013 The Norwegian Petroleum Directorate has granted Lundin Norway AS a drilling permit for well 7120/1-3, cf. Section 8 of the Resource Management Regulations.

Well 7120/1-3 will be drilled from the *Transocean Arctic* drilling facility at position 71 54`10.37" north and 20 16´11.59" east.

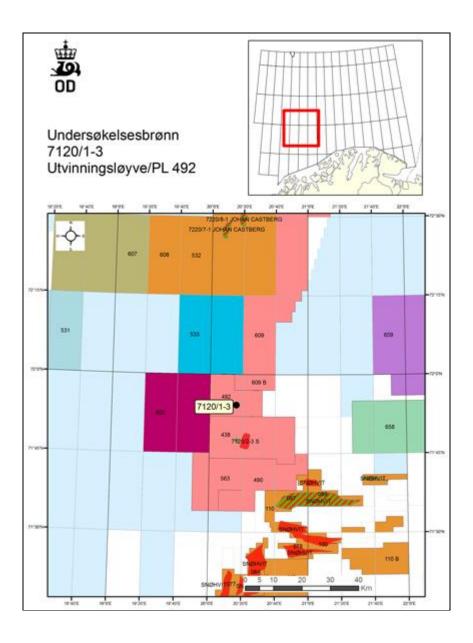
The drilling program for well 7120/1-3 relates to drilling of a wildcat well in production licence 492. Lundin Norway AS is the operator with an ownership interest of 40 per cent. The other licensees are Det norske oljeselskap ASA with 40 per cent and Noreco Norway ASA with 20 per cent.

The production licence consists of parts of blocks 7120/1 and 7120/2. The licence was awarded in APA 2007.

Wildcat well 7120/1-3 is the first exploration well in production licence 492.

The permit is contingent upon the operator securing all other permits and consents required by other authorities before commencing drilling activities.

See <u>Factpages</u> for more information about this wellbore.



7120/1-3

02/10/2013 Lundin Norway AS, operator of production licence 492, has completed drilling of wildcat well 7120/1-3. The well was drilled about 35 kilometres northwest of the Snøhvit field.

The primary exploration target for the well was to prove petroleum in Middle and Early Triassic sandstone rocks (Snadd formation) and in Permian carbonates (Røye formation). The secondary exploration target was to prove petroleum in Middle Triassic reservoir rocks (Kobbe formation).

In the primary exploration target, the well encountered a gross oil column of about 75 metres and a gross gas column of about 25 metres in carbonate rocks in the Røye formation. The reservoir quality was better than expected. The reservoir rocks encountered in the Snadd formation are of expected reservoir quality, but the formation was aquiferous.

Preliminary calculations of the size of the discovery are between 10 and 23 million standard cubic metres (Sm³) of recoverable oil and between 8 and 15 billion standard cubic metres of recoverable gas. The results confirm for the first time recoverable oil and gas in a Permian play in the Norwegian part of the Barents Sea. Further delineation of the discovery is planned.

A successful formation test has been carried out in the Røye formation. The maximum production rate was 683 Sm³ oil and 222300 Sm³ associated gas per flow day through a 44/64 inch nozzle opening. The gas/oil ratio is 190 Sm³/Sm³. This is the first successful test in Permian carbonate rocks on the Norwegian shelf.

The well is the first exploration well in <u>production licence 492</u>. The licence was awarded in APA 2007.

The well was drilled to a vertical depth of 2515 metres below the sea surface, and was terminated in the Røye formation in Permian. Water depth is 342 metres. The well will now be permanently plugged and abandoned.

Well 7120/1-3 was drilled by the *Transocean Arctic* drilling facility which will now proceed to production licence 418 in the North Sea to drill appraisal well 35/9-10 S where Wintershall Norge AS is the operator.

