NPD – exploration drilling result

05/03/2014 The Norwegian Petroleum Directorate has granted Lundin Norway AS a drilling permit for well 7120/1-4 S, cf. Section 8 of the Resource Management Regulations.

Well 7120/1-4 S will be drilled by the *Island Innovator* drilling facility at position 71°56'18.21" north and 20°10´08.61" east.

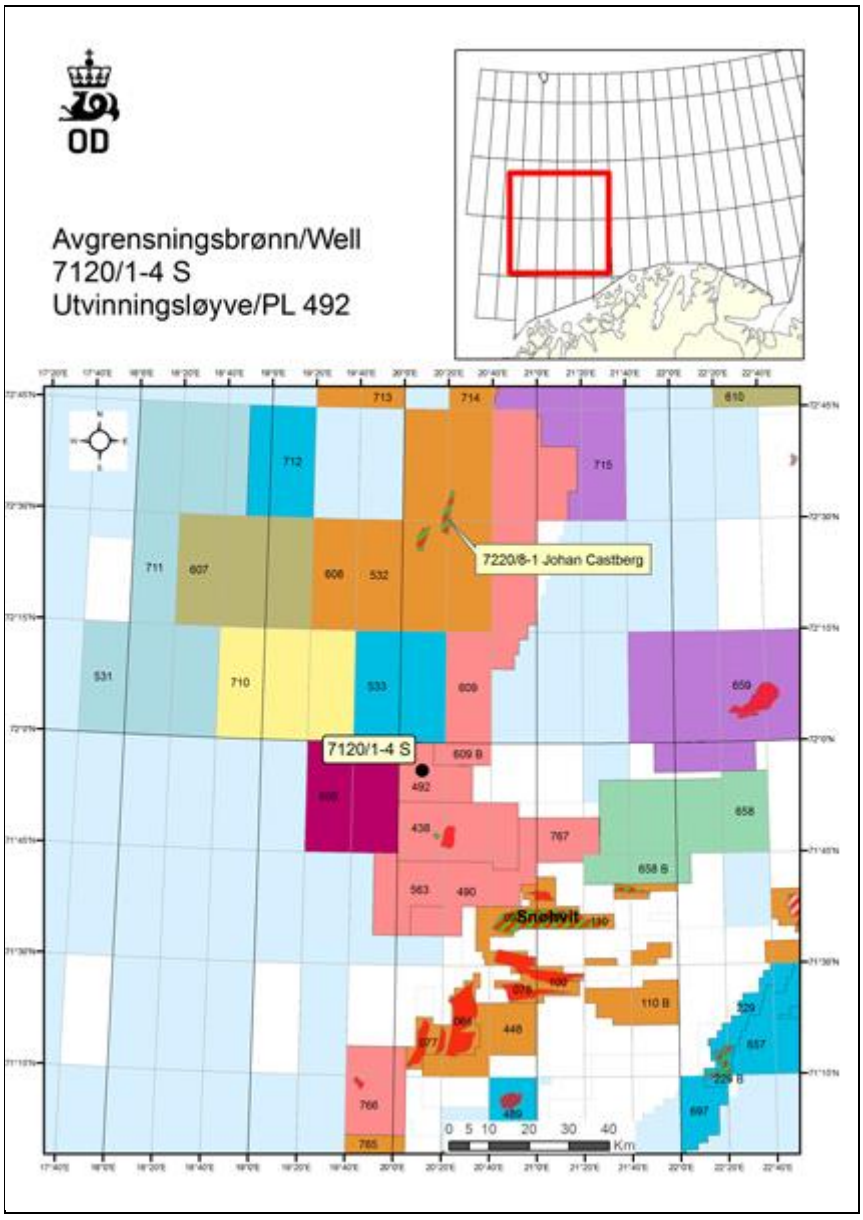
The drilling programme for well 7120/1-4 S relates to drilling of an appraisal well in production licence 492. Lundin Norway AS is the operator with an ownership interest of 40 per cent. The other licensees are Det norske oljeselskap ASA with 40 per cent and Noreco Norway ASA with 20 per cent.

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

Wildcat well 7120/1-4 S is the second exploration well in production licence 492.

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

See Factpages for more information about this wellbore.



7120/1-4 S

22/07/2014 Lundin Norway AS, operator of production licence 492, is about to complete drilling of appraisal well 7120/1-4 S on the 7120/1-3 oil discovery (Gohta).

The discovery was proven in 2013 in Permian reservoir rocks and was drilled about 35 kilometres northwest of the Snøhvit field in the Barents Sea. Before well 7120/1-4 S was drilled, the operator's resource estimate for the discovery

was between 10 and 23 million Sm^3 recoverable oil and between 8 and 15 billion Sm^3 of recoverable gas.

The objective of well 7120/1-4 S was to delineate the 7120/1-3 discovery. The well encountered ten metres of Permo-Triassic carbonate conglomerate with good reservoir quality over fractured carbonates with limited reservoir quality. The conglomeratic zone contained gas and condensate. There were traces of oil in the tight carbonates. In terms of depth, the oil traces in the appraisal well correspond with the oil zone in discovery well 7120/1-3.

Extensive data acquisition and sampling were carried out. Two formation tests were also conducted. Attempts were first made to test a 50-metre zone 23 metres below the assumed gas/oil contact, then in the 10-metre thick gas zone. During the test in the oil zone, 170 000 Sm^3 of gas was produced per day. The pressure build-up showed drainage from a porous reservoir. This was due to the lack of a seal between the gas and oil zone on the outside of the casing. The test in the oil zone is therefore not conclusive.

The test in the 10-metre thick gas and condensate zone gave a production of 700 000 Sm^3 gas and 140 Sm^3 oil per day corresponding to a GOF of 5000 m^3/m^3. The pressure build-up shows that the production test drained from an area which extends a minimum of 1000 metres in radius out from the well. The DST test confirmed good production properties in the carbonate conglomerate.

The preliminary calculation of the size of the discovery is still between 10 and 23 million Sm^3 recoverable oil and between 8 and 15 billion Sm^3 recoverable gas.

This is the second exploration well in production licence 492. The licence was awarded in APA 2007.

The appraisal well was drilled to a vertical depth of 2490 metres below the sea surface, and was terminated in the Røye formation in the Upper Permian. Water depth is 331.5 metres. The well will now be plugged and abandoned.

The well was drilled by the *Island Innovator* drilling facility, which will now proceed to production licence 609 in the Barents Sea to drill wildcat well 7220/11-1, also with Lundin Norway AS as the operator.

OD

Avgrensningsbrønn/Well
7120/1-4 S
Utvinningsløyve/PL 492