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

29/04/2014 The Norwegian Petroleum Directorate has granted VNG Norge AS a drilling permit for well 6406/12-3 B and A, cf. Section 8 of the Resource Management Regulations.

Well 6406/12-3 B & A will be drilled from the *Transocean Arctic* drilling facility at position 64°01'52.37" north and 6°45'17.46" east after completing drilling of wildcat well 6406/12-3 B and appraisal well 6406/12-3 A for VNG Norge AS in the same production licence.

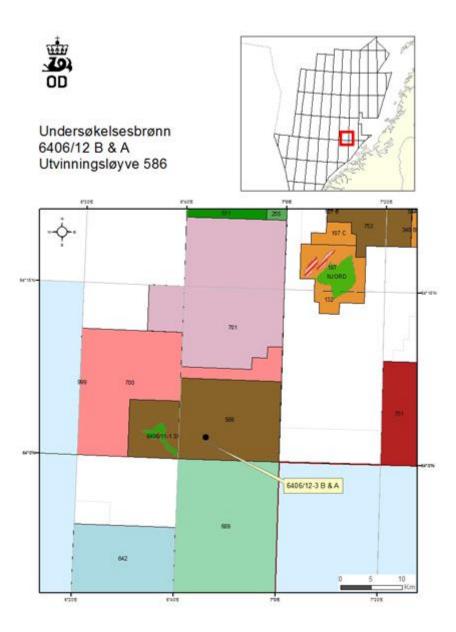
The drilling programme for well 6406/12-3 B relates to drilling of an appraisal well and the drilling programme for well 6406/12-3 A relates to drilling of a wildcat well, both in production licence 586. VNG Norge AS is the operator with an ownership interest of 30 per cent. The other licensees are Spike Exploration Holding AS (30 per cent), Faroe Petroleum Norge AS (25 per cent) and Rocksource Exploration Norway AS (15 per cent).

The area in this licence consists of part of block 6406/11 and part of block 6406/12. The well will be drilled about 8 kilometres east of the 6406/11-1 S discovery and about 33 kilometres southwest of the Njord field.

Production licence 586 was awarded on 4 February 2011 (APA 2010). These are the second and third wells to be drilled in the licence.

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

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



6406/12-3 B and 6406/12-3 A

11/07/2014 VNG Norge AS, operator of production licence 586, is about to complete drilling of appraisal well 6406/12-3 B on the 6406/12-3 S ("Pil") oil and gas discovery, as well as the 6406/12-3 A wildcat well on the "Bue" prospect.

The discovery was proven in Upper Jurassic reservoir rocks in the spring of 2014. The 6406/12-3 B appraisal well and 6406/12-3 A wildcat well were drilled 1.7 and 2.1 kilometres, respectively, northwest of the discovery well 6406/12-3 S. Before 6406/12-3 B was drilled, the operator's resource figures for the discovery were between 6 and 21 million standard cubic metres (Sm³) of recoverable oil and between 2 and 6 billion Sm³ of recoverable gas.

The objective of 6406/12-3 B was to delineate the discovery in "Pil" to the northeast with regard to spread, thickness and reservoir properties of Upper Jurassic reservoir rocks (Melke and Rogn formations), as well as to determine the oil/water contact. The well encountered an 82-metre oil column in sandstone in the Melke formation with good reservoir quality. The oil/water contact was encountered somewhat deeper than expected. The resource estimate for the oil and gas discovery in 6406/12-3 S ("Pil") has now been adjusted to between 8.8 and 21.1 million Sm³ of recoverable oil and condensate, as well as between 2.7 and 6.1 billion Sm³ of recoverable gas.

The objective of 6406/12-3 A was to examine the spread, thickness and reservoir properties of Upper Jurassic reservoir rocks (Rogn formation) in the "Bue" prospect, as well as to determine the pressure and petroleum/water contact. The well encountered an 18-metre oil column in sandstones from the Rogn formation, with reservoir quality varying from good to very good.

Pressure data indicates no communication between the discoveries in "Pil" and "Bue" and the well has therefore proven a separate discovery in "Bue". Preliminary calculation of the size of the discovery in "Bue" is between 1 and 4 million Sm³ of recoverable oil and condensate.

Extensive data acquisition and sampling have been carried out, including fluid samples.

These are the second and third exploration wells in <u>production licence 586</u>. The licence was awarded on 4 February 2011 (APA 2010).

Wells 6406/12-3 B and A were drilled to vertical depths of 3967 and 3656.5 metres below the sea surface, respectively. Both wells were terminated in the Melke formation in the Upper Jurassic. The water depth is 324 metres. The wells will be permanently plugged and abandoned.

Wells 6406/12-3 B and A were drilled by the *Transocean Arctic* drilling facility, which will now proceed to production licence 555 in the northern part of the North Sea to drill wildcat well 33/2-1, where Lundin Norway AS is the operator.

