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

25/08/2015 Lundin Norway AS, operator of production licence 338, is in the process of completing the drilling of appraisal well 16/1-23 S on the Edvard Grieg oil field in the central section of the North Sea.

Appraisal well 16/1-23 S is drilled 2.4 kilometres southeast of the Edvard Grieg platform.

The field was proven in the autumn of 2007 and consists of Cretaceous, Jurassic and Triassic reservoir rocks. Prior to well 16/1-23 S being drilled, the operator's resource estimate for the field was 29.8 million standard cubic metres of recoverable oil.

The purpose of the well was to investigate reservoir rocks, reservoir properties and the oil/water contact as regards delineating the south-eastern section of the Edvard Grieg field. In addition, the purpose was to optimise the drainage strategy for the best possible location of production wells in this area.

The well 16/1-23 S encountered a total oil column of 67 metres in conglomorate sandstone with moderate to good reservoir quality. The oil/water contact was encountered 1933.5m below the sea surface, which is 5.5 metres shallower than the contact in the rest of the field.

Extensive data acquisition and sampling have been carried out. A total of five small-scale formation tests (mini DSTs) have been carried out in the oil and water zone, with test production of one-metre intervals through the drilling string. The tests in the oil zone showed good flow properties, whereas the flow rate was moderate in the water zone.

Preliminary calculations show that the results from the well may result in an increase of between 1 and 8 million standard cubic metres recoverable oil in this section of the Edvard Grieg field. Further work is expected to reduce the uncertainty of this estimate.

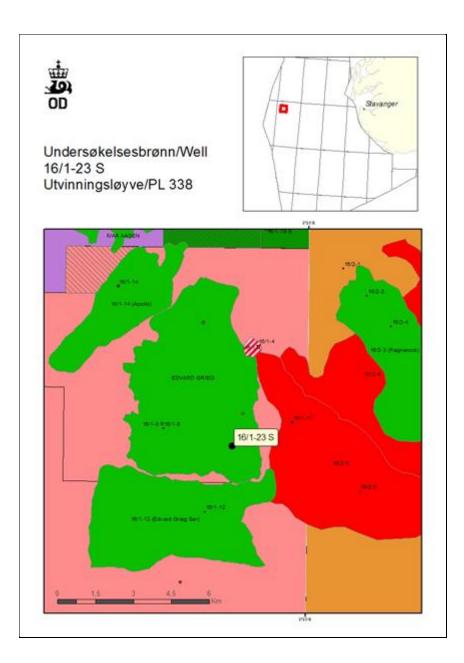
This is the tenth exploration well in production licence 338 and the seventh exploration well on the Edvard Grieg field. The licence was awarded in APA 2004.

A Plan for Development and Operation (PDO) for the Edvard Grieg field was submitted to the Ministry of Petroleum and Energy on 16 January 2012.

Appraisal well 16/1-23 S is drilled to a measured and vertical depth of 2130 and 2043 metres respectively below the sea surface and terminated in granite bedrock. The well will be permanently plugged and abandoned. Water depth at the site is 108 metres.

The well was drilled by the drilling facility *Rowan Viking*, which now will continue to drill production and injection wells on the Edvard Grieg field.

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



16/1-23 S

10/06/2015 The Norwegian Petroleum Directorate has granted Lundin Norway AS a drilling permit for well 16/1-23 S, cf. Section 8 of the Resource Management Regulations.

Well 16/1-23 S will be drilled from the *Rowan Viking* drilling facility at position 58°49'47.04" north 02°16'56.00" east in production licence 338.

The drilling programme for well 16/1-23 S relates to the drilling of an appraisal well in production licence 338. Lundin is the operator with a 50 per cent ownership interest. The other licensees are OMV (Norge) AS with 20 per cent, Statoil Petroleum AS and Wintershall Norge AS, each with 15 per cent.

The area in this licence consists of parts of block 16/1. The well will be drilled to the southeast of the **Edvard Grieg field** in the central part of the North Sea.

Production licence 338 was awarded on 17 December 2004 (APA 2004). This is the tenth exploration well to be drilled within the area of this licence.

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

