NPD – exploration drilling result

09/09/2015 The Norwegian Petroleum Directorate has granted Lundin Norway AS a drilling permit for well 16/1-25 S, cf. Section 8 of the Resource Management Regulations.

Well 16/1-25 S will be drilled from the *Bredford Dolphin* drilling facility in position 58°46'57.096" north 02°15'17.386"east.

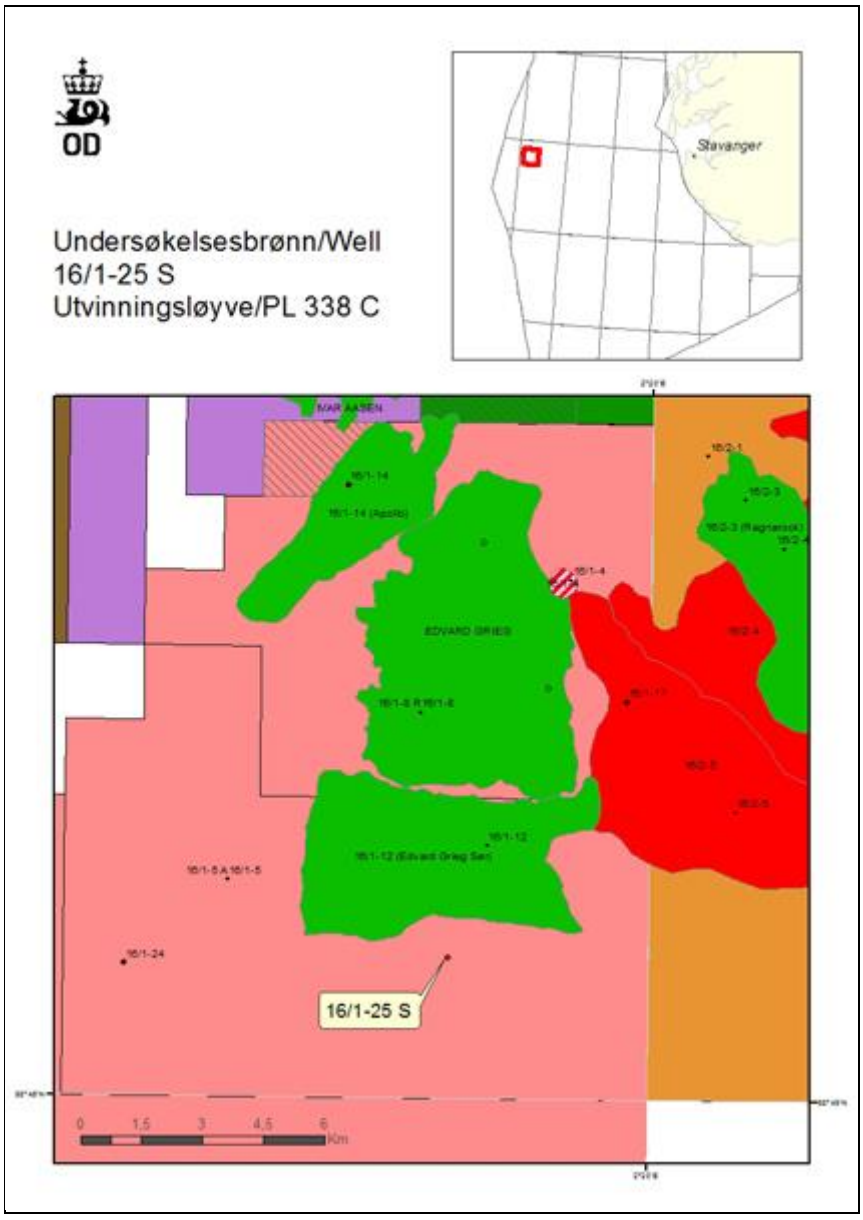
The drilling program for well 16/1-25 S concerns the drilling of a wildcat well in production licence 338 C. Lundin is the operator with an ownership interest of 80 per cent. The other licensee is OMV (Norway) AS with 20 per cent.

The area in this licence consists of part of block 16/1. The well is being drilled south of the **Edvard Grieg field** in the central part of the North Sea.

Production licence 338 C was separated from production licence 338 and awarded on 16 December 2014. This is the second exploration well to be drilled within the area covered by the permit.

The permit is contingent upon the operator having secured all other permits and consents required by other authorities before the drilling starts.

See Factpages for more information about this wellbore.



16/1-25 S

23/12/2015 Lundin Norway AS, operator of production licence 338 C, has completed the drilling of exploration well 16/1-25 S.

The well was initially classified as a wildcat well, but will now be reclassified as an appraisal well.

The well was drilled about six kilometres south of the Edvard Grieg field in the central part of the North Sea, about three kilometres south of the 16/1-12 discovery, 190 km west of Stavanger. The discovery was proven in basement

rocks in 2009. After drilling the discovery well, the operator's resource estimate for the discovery was between three and eight million standard cubic metres (Sm^3) of recoverable oil.

The objective of the well was to prove oil in thin sandstone layers in Upper Jurassic / Lower Cretaceous reservoir rocks, and in the underlying jointed, porous granitic basement rock.

Upper Jurassic/Lower Cretaceous reservoir rocks were not present. The well encountered an oil column of about 30 metres in jointed, porous basement rock, with reservoir quality varying from poor to moderate, depending on the degree of fracturing. The oil/water contact was encountered at 1927 metres below the sea surface. Collected pressure data shows communication with the 16/1-12 oil discovery, with approximately the same oil/water contact. Preliminary estimates place the size of the discovery between two and seven million Sm^3 of recoverable oil. The licensees will assess the discovery with a view towards a tie-in to the Edvard Grieg field.

Extensive data acquisition and sampling have been carried out. Several formation tests (a DST, 5 mini-DSTs and a fracture/injection test) have been conducted. The production rate from DST was 42 Sm^3 of oil per flow day through a 36/64-inch nozzle opening. The oil is under-saturated with a gas/oil ratio of 180 Sm^3/Sm^3. The formation tests (DST and mini-DST) mainly revealed moderate production and flow properties. Due to poor communication from the well to the porous, fractured basement rock, paraffin was injected in a minor fracturing and injection test, which yielded stable rates of 1000 Sm^3 per day.

This is the second exploration well to be drilled in production licence 338 C, which was carved out of production licence 338 and awarded on 16 December 2014.

Well 16/1-25 S was drilled to respective vertical and measured depths of 2096 and 2185 metres below the sea surface, and was terminated in granitic basement rock. The well will be permanently plugged and abandoned. Water depth at the site is 106 metres.

The well was drilled by the *Bredford Dolphin* drilling facility.

OD

Avgrensningsbrønn/Well
16/1-25 S
Utvinningsløyve/PL 338 C