NPD – exploration drilling result

13/11/2015 The Norwegian Petroleum Directorate has granted Lundin Norway AS a drilling permit for well 7130/4-1, cf. Section 8 of the Resource Management Regulations.

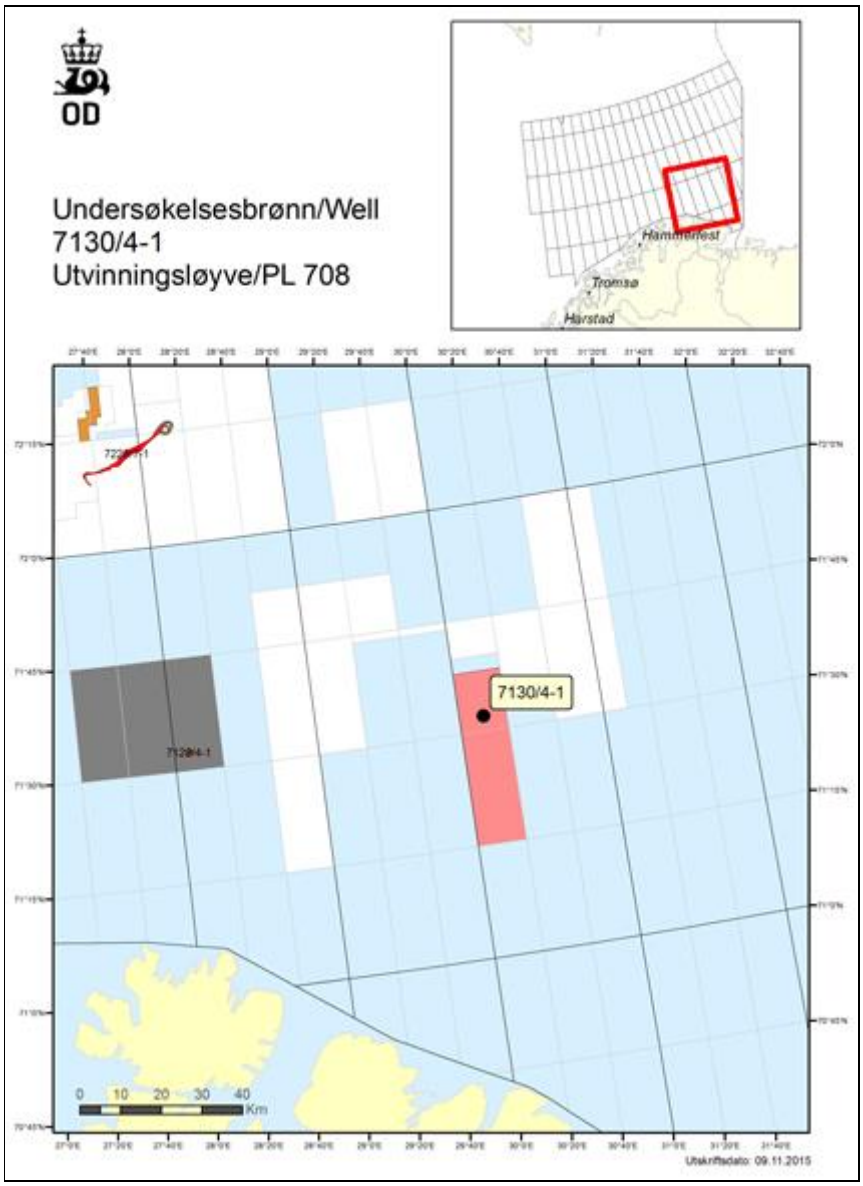
Well 7130/4-1 will be drilled from the *Transocean Arctic* drilling facility in position 71°31'55.66" north and 30°10'07.90" east, after completing the drilling of wildcat well 6406/12-5 S in production licence 586 for VNG Norge AS.

The drilling programme for well 7130/4-1 relates to the drilling of an exploration well in production licence 708 where Lundin Norway AS is the operator with an ownership interest of 40 per cent. The other licensees are Lukoil Overseas North Shelf AS (20 per cent), Edison Norge AS (20 per cent), Lime Petroleum Norway AS (10 per cent) and Pure E&P Norway AS (10 per cent). The area in this licence consists of block 7130/7 and the southern half of block 7130/4. The well will be drilled about 85 kilometres north of Berlevåg in Finnmark.

Production licence 708 was awarded on 21 June 2013 (22nd licensing round). This is the first well to be drilled in the licence.

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

See Factpages for more information about this wellbore.



7130/4-1

31/12/2015 Lundin Norge AS, operator of production licence 708, is in the process of concluding the drilling of wildcat well 7130/4-1. The well is being drilled about 85 kilometres north-east of Berlevåg.

The primary exploration target for the well was to prove petroleum in carbonate and spiculite reservoir rocks (the Røye formation) in the Upper Permian. The secondary exploration target was to prove petroleum in underlying carbonates and sandstones (the Ørn formation and the Soldogg formation) in the Permian and Carboniferous Ages.

In the primary exploration target, well 7130/4-1 encountered an approx. 40 metre thick aquiferous spiculite reservoir in the Røye formation, with poor reservoir quality.

In the secondary exploration target, the well proved traces of petroleum in the Ørn formation. The formation is about 180 metres thick, but is mainly tight. In the Soldogg formation, the well encountered a 5 metre thick gas column in a sandstone reservoir with moderate reservoir quality. In total, the well encountered about 85 metres of reservoir in the Soldogg formation. The gas/water contact was encountered. The assessment of the size of the discovery is unclear at this time, but indications are that it is too small to be commercial.

The well was not formation-tested, but extensive data acquisition and sampling have been carried out, with cores from the primary exploration target, and lateral cores in the secondary exploration target (the Soldogg formation).

This is the first exploration well in production licence 708. The licence was awarded in the 22nd licensing round in 2013.

Well 7130/4-1 was drilled to a vertical depth of 3184 metres below the sea surface and was terminated in the Soldogg formation in the Lower Carboniferous. Water depth at the site is 288 metres. The well will now be permanently plugged and abandoned.

Well 7130/4-1 was drilled by the Transocean Arctic, which will now drill wildcat well 7224/2-1 in production licence 611 in the Barents Sea, where Wintershall Norge AS is the operator.

Licensees in production licence 708

- Lundin Norway AS 40 %
- LUKOIL Overseas North Shelf AS 20 %
- Edison Norge AS 20 %
- Lime Petroleum Norway AS 10 %
- Pure E&P Norway AS 10 %

OD

Undersøkelsesbrønn/Well 7130/4-1 Utvinningsløyve/PL 708