NPD – exploration drilling result

19/05/2016 The Norwegian Petroleum Directorate has granted Faroe Petroleum Norge AS a drilling permit for well 31/7-1, cf. Section 8 of the Resource Management Regulations.

Well 31/07-01 will be drilled from the *Transocean Arctic* drilling facility at position 60°25'31.56"N and 3°1'28.26"E in production licence 740.

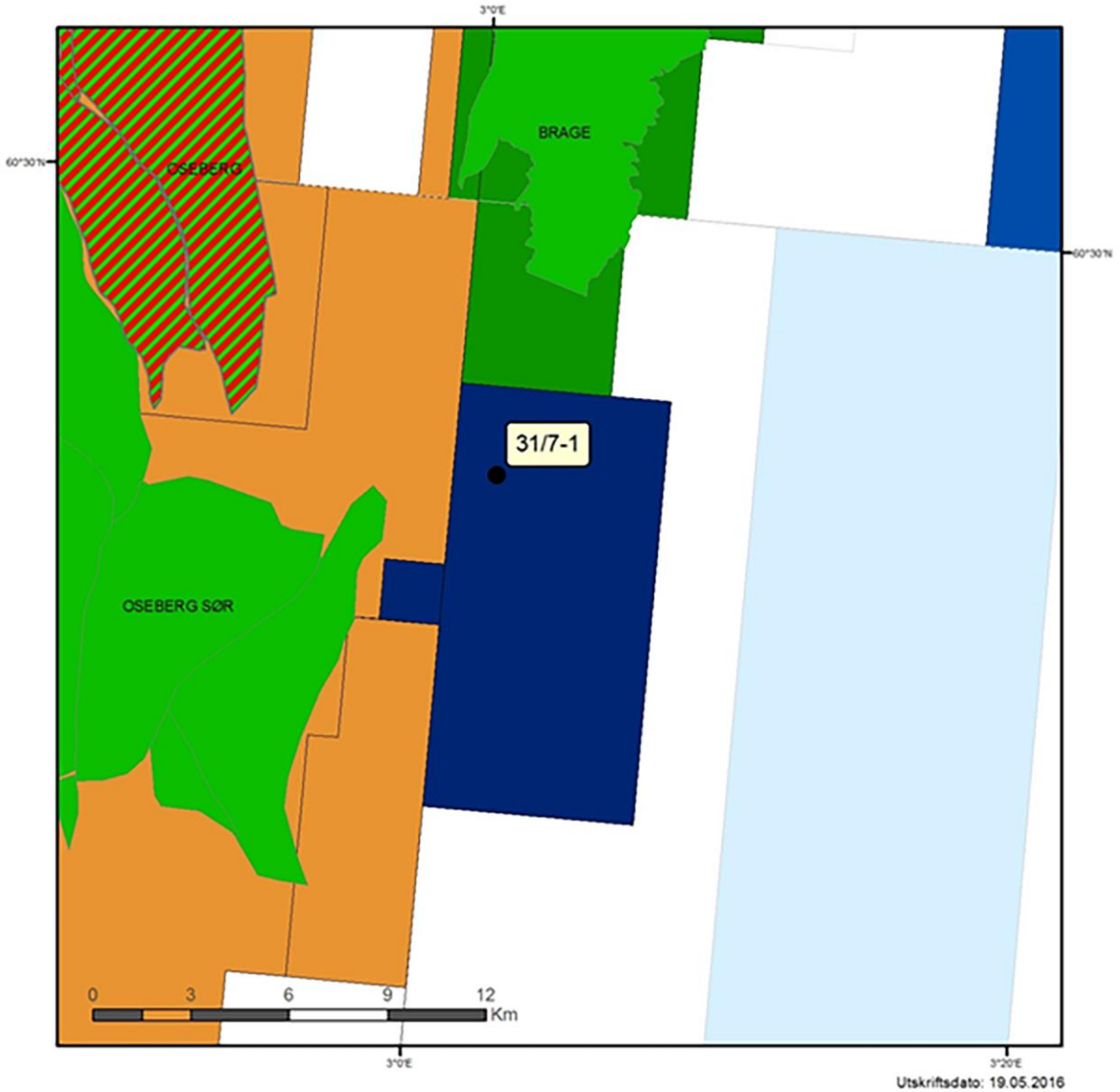
The drilling programme for well 31/7-1 concerns drilling of a wildcat well. Faroe Petroleum Norge AS is the operator and has an ownership interest of 50 per cent, while Core Energy AS is a licensee with a 50 per cent interest.

The area in this licence is part of blocks 31/7 and 30/9. Production licence 740 was awarded in APA 2013, 7 February 2014. This is the first well 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 Factpages for more information about this wellbore.

Undersøkelsesbrønn/Well
31/7-1
Utvinningsløyve/PL 740



31/7-1 og 31/7-1 A

13/07/2016 Faroe Petroleum Norge AS, operator of production licence 740, has concluded the drilling of wildcat well 31/7-1 and appraisal well 31/7-1 A.

31/7-1 proved oil and gas and 31/7-1 A delineated the discovery.

The wells were drilled 13 kilometres south of the Brage field in the North Sea.

The primary exploration target for the wells was to prove and delineate petroleum in Middle Jurassic reservoir rocks (the Fensfjord formation). The secondary exploration target was also in Middle Jurassic reservoir rocks (the Brent group) and the third exploration target was in the Lower Jurassic (the Cook formation and the Statfjord group).

31/7-1 encountered a gas column of about 18 metres and an oil column of about 21 metres in sandstone in the Middle Jurassic Fensfjord formation. Reservoir quality is good.

Well 31/7-1 A, which delineated the discovery, encountered a gas column of 6 metres and an oil column of 25 metres at levels equivalent to those of the discovery well.

The secondary and third exploration targets were dry.

Preliminary estimates indicate that the size of the discovery is between 6.8 and 12.7 million standard cubic metres (Sm^3) of recoverable oil equivalents.

The wells were not formation-tested, but extensive data acquisition and sampling have been carried out.

The licensees will assess tie-in of the discovery to existing infrastructure on the Brage field.

The wells are the first and second exploration wells in production licence 740, which was awarded in APA 2013.

Well 31/7-1 was drilled to a vertical depth of 2750 metres below the sea surface, and was terminated in the Statfjord group in the Lower Jurassic. Well 31/7-1A was drilled to a vertical depth of 2270 metres below the sea surface, and was terminated in the Fensfjord formation in the Middle Jurassic.

Water depth at the site is 140 metres. The wells will now be permanently plugged and abandoned. The wells were drilled by the *Transocean Arctic* drilling facility, which will now drill wildcat well 36/7-4 in production licence 636 in the North Sea, where ENGIE E&P Norge AS is the operator.

Undersøkelsesbrønn og avgrensningsbrønn/ Wells 31/7-1 og 31/7-1 A
Utvinningsløyve/ PL 740