NPD – exploration drilling result

27/08/2018 Lundin Norway AS, operator of production licence 338C, has concluded the drilling of appraisal well 16/1-28 S.

The well was drilled about one kilometre northeast of the discovery well, 16/1-12, and around 190 kilometres west of Stavanger. The 16/1-12 (Rolvsnes) discovery is located just south of the Edvard Grieg field. The discovery was proven in basement rocks in 2009 and delineated by well 16/1-25 S in 2015. Prior to the drilling of 16/1-28 S, the operator's resource estimate for the discovery was between 0.4 and 2.2 million standard cubic metres (Sm³) of recoverable oil and between 0.3 and 0.4 billion Sm³ of recoverable gas.

Appraisal well 16/1-28 S was drilled with a horizontal reservoir section towards the southwest, to about one kilometre north of 16/1-25 S. The objective of the well was to investigate whether a horizontal well, drilled in fractured and weathered basement rocks, could deliver production rates that are commercially interesting, as well as to assess the reservoir quality.

In the horizontal section, the well encountered 2500 metres of granitic basement rock with poor reservoir quality. Preliminary estimates place the size of the discovery between 2 and 11 million Sm³ of recoverable oil and between 0.1 and 2 billion Sm³ of recoverable gas. The licensees will assess the discovery with a view toward a potential application to conduct test production, probably by tying in the appraisal well to existing infrastructure on the Edvard Grieg field.

The well was formation-tested (DST) for ten days, and extensive data acquisition and sampling have been carried out, including production logging. The production rate from DST was 1100 Sm³ oil per flow day through a 52/64" nozzle opening. The main flow period of 5 days was held with a rate of 700 Sm³ of oil per flow day through a 52/64" nozzle opening. The oil is undersaturated with a gas/oil ratio of 110 Sm³/Sm³. The formation test showed good productivity.

This is the third exploration well to be drilled in production licence PL338C. The licence was carved out from production licence 338 (awarded in APA 2004) and awarded on 16 December 2014.

Well 16/1-28 S was drilled to respective vertical and measured depths of 1894 and 4855 metres below the sea surface, and was terminated in granitic

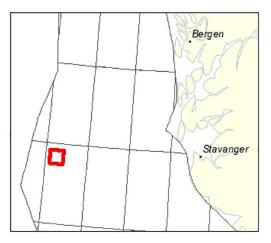
basement rock. Water depth at the site is 108 metres. The well will now be temporarily plugged and abandoned.

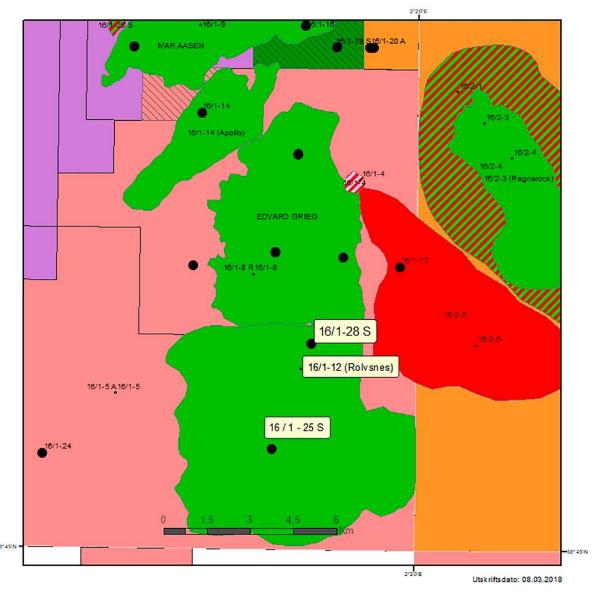
The well was drilled by the *COSL Innovator* drilling facility.

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



Avgrensingsbrønn/Appraisal Well 16/1-28 S Utvinningsløyve/PL 338 C





16/1-28 S

08/03/2018 The Norwegian Petroleum Directorate has granted Lundin Norway AS a drilling permit for well 16/1-28 S, cf. Section 15 of the Resource Management Regulations.

Well 16/1-28 S will be drilled from the *COSLInnovator* drilling facility at position 58°48′51.49″ north, 02°16′14.20″ east in the central part of the North Sea. *COSLInnovator* are now drilling the appraisal well 16/4-11 for Lundin in production licence 359.

The drilling programme for well 16/1-28 S relates to the drilling of an appraisal well in production licence 338 C, where Lundin is the operator with an ownership interest of 50 per cent. The other licensees are Lime Petroleum AS (30 per cent) and OMV (Norge) AS (20 per cent).

The area in this licence consists of a southern part of block 16/1 and a northeastern part of block 16/4. The well was drilled horizontally, about two kilometres through reservoir rocks to the southwest, starting from approx. one kilometre northeast of the discovery well 16/1-12 (Rolvsnes) and terminated about one kilometre north of appraisal well 16/1-25 S.

Production licence 338 C was awarded on 16 December 2014 (APA 2004). This is the third well to be drilled within the licence area.

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



Avgrensingsbrønn/Appraisal Well 16/1-28 S Utvinningsløyve/PL 338 C

