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

27/02/2018 The Norwegian Petroleum Directorate (NPD) has granted Lundin Norway AS a drilling permit for well 7220/11-5 S, cf. Section 15 of the Resource Management Regulations.

Well 7220/11-5 S will be drilled from the *Leiv Eiriksson* drilling rig in position 72°01' 21.08" north and 20°29' 21.15 east.

The drilling programme for well 7220/11-5 S relates to the drilling of an appraisal well in production licence 609. Lundin Norway AS is the operator with an ownership interest of 40 per cent. The other licensees are Idemitsu Petroleum Norge AS (30 per cent) and DEA Norge AS (30 per cent).

The area in this permit consists of the blocks/parts of blocks 7220/6, 7220/9, 7220/11, 7220/12 and 7221/4. The well will be drilled 4.5 km southwest of the discovery well, 7220/11-1.

Production licence 609 was awarded on 13 May 2011 in the 21st licensing round on the Norwegian shelf.

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

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



7220/11-5 S

25/09/2018 Lundin Norway AS, operator of production licence 609, has concluded drilling and test production on appraisal well 7220/11-5 S on the 7220/11-1 (Alta) oil and gas discovery in the southwestern part of the Barents Sea.

The well was drilled about 4 kilometres south-southwest of the discovery well, and about 190 kilometres northwest of Hammerfest.

The discovery was proven in carbonate rocks from the Permian Age (the Ørn formation in the Gipsdalen group) in 2014. Before well 7220/11-5 S was drilled, the operator's resource estimate for the discovery was between 15 and 41 million Sm³ of recoverable oil equivalents.

The objective of well 7220/11-5 S was to test the oil production rates over a longer time period in various carbonate rocks without significant breakthrough of water and/or gas.

The well encountered a 118-metre gas column in the Falk formation from the Carboniferous Age in the Gipsdalen group, and a 720-meter horizontal section was drilled in the Falk and Ørn formation. The horizontal section is situated 32 metres under the gas-oil contact, and 12 metres over the presumed oil-water contact. The reservoir consists of a mix of siliciclastic and carbonate rocks in the Falk formation and carbonate rocks in the Ørn formation from the Late Carboniferous to Early Permian period. The reservoir quality is considered to be good to very good.

Preliminary estimates place the size of the discovery within the range of uncertainty for the resource estimate prior to drilling the well. The resource estimate for the discovery is expected to grow and the uncertainty will be reduced when a new resource estimate is finally available.

A successful long-term test with around two months of test production has been conducted in well 7220/11-5 S. The first flow period of 30 days gave a production rate of up to 1200 Sm³/day through a 60/64-inch nozzle opening. The second flow period of 35 days gave a production rate of up to 3000 Sm³/day through a 118/64-inch nozzle opening. The test revealed good and very good reservoir properties and production rate without significant breakthrough of water or gas. About 110000 Sm³ of liquid in total was produced during the test production.

The licensees in production licence 609 will continue to work on a development solution for the discovery.

This is the 9th exploration well in in production licence 609, which was awarded in the 21st licensing round in 2011.

Appraisal well 7220/11-5 S was drilled to a vertical depth of 1912 metres below the sea surface, measured depth of 3032 metres, and was terminated in the Ørn formation from the Carboniferous-Permian period. Water depth is 385 metres. The well will now be permanently plugged and abandoned.

The well was drilled by the *Leiv Eiriksson* drilling facility, which will now drill wildcat well 6307/1-1 S in production licence 830 in the southern part of the Norwegian Sea, where Lundin Norway AS is operator.

