

## Successful appraisal well and extended production test on Alta

**Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that its wholly owned subsidiary Lundin Norway AS (Lundin Norway) has successfully completed the Alta appraisal well 7220/11-5 and extended production test in PL609 in the southern Barents Sea.**

### Highlights:

- Results were better than expected, demonstrating excellent reservoir productivity and connectivity to a large volume
- Successfully completed 700 metres horizontal appraisal well through karstified and fractured carbonate reservoir, a first on the Norwegian Continental Shelf
- Two month flow period with a maximum production of 18,000 bopd constrained by the surface production facilities with a total of approximately 675,000 barrels of oil produced
- Results expected to increase the Alta resource estimate and reduce the uncertainty range

The appraisal well is located approximately 4 km south of the original Alta discovery well and is the fifth well drilled on the Alta discovery. The main objectives of the appraisal well and extended production test was to prove sustainable production rates and reduce the uncertainty around the recovery mechanism in the Permian-Triassic karstified and fractured carbonate reservoirs to provide the basis to progress development studies.

The semi-submersible drilling rig Leiv Eiriksson was used for the drilling and testing at Alta. The well was tested through the rig and the produced volumes were flowed via a flexible flowline to the Teekay Scott Spirit tanker. The oil produced to the tanker will be delivered to the Mongstad oil terminal on the west coast of Norway and will be subsequently sold.

The well was drilled 700 metres horizontally in the oil zone, encountering all targeted reservoir intervals and with reservoir properties better than prognosis. As anticipated fluid losses were encountered while drilling the well, which were successfully managed, demonstrating the technical viability of developing the Alta field with horizontal wells.

The extended production test duration was over a period of about two months, with 30 days at a constrained rate of around 7,500 barrels of oil per day (bopd) and the second period totalling 25 flowing days of up to 18,000 bopd constrained by the surface production facilities. A total of approximately 675,000 barrels of oil was produced during the test. Extensive data acquisition and sampling have been carried out during the test, including production logging. The results were better than expected, demonstrating excellent reservoir productivity with contribution from all reservoir intervals and connectivity to a large volume.

Prior to the extended production test the combined gross resource range for the Alta and Gohta discoveries was estimated at between 115 and 390 million barrels of oil equivalent (MMboe). These positive results are expected to increase the Alta resource estimate and reduce the uncertainty range. Once all new data gathered from the well, combined with the recently available latest generation 3D seismic survey (TopSeis) that covers the entire Alta and Gohta area, has been processed the resource range for the Alta and Gohta discoveries will be updated in early 2019 with the Company's year-end 2018 reserves process.

Studies for commercialising Alta will now be progressed to determine additional appraisal drilling requirements and the optimal development concept. The current development concept for Alta is a subsea field development connected to a standalone floating production and storage vessel. The adjacent Gohta discovery located in PL492 is considered a possible joint development opportunity together with the larger Alta discovery.

Lundin Norway is the operator of PL609 with a 40 percent working interest. The partners are DEA Norge and Idemitsu Petroleum Norge with 30 percent working interest each.

### **Commencement of second half 2018 exploration drilling campaign**

The Leiv Eiriksson rig will next proceed to drill exploration well 6307/1-1S on the Silfari prospect in PL830 located in the Froan Basin area of the Norwegian Sea. This is a play opening well on the undrilled Frøya High/Froan Basin area where Lundin Norway has secured a significant acreage position through recent licensing rounds. The well is located approximately 40 km south of the Draugen and Njord fields and 30 km southeast of the Fenja field. The main objective of the well is to test the reservoir properties and hydrocarbon potential of the Permian and Jurassic formations and on success there are multiple follow-on drilling opportunities. The Silfari prospect is estimated to contain gross unrisked prospective resources of 193 MMboe. Drilling operations are expected to take approximately 100 days.

Lundin Norway is the operator of PL830 with a 40 percent working interest. The partners are Equinor, VNG Norge and Petoro with 20 percent working interest each.

### **Alex Schneider, President and CEO of Lundin Petroleum comments:**

*"I am very pleased to announce the successful completion of the appraisal well and extended production testing at Alta. The results exceeded our expectations, demonstrating sustainable flow rates and exceptional reservoir productivity, which we expect will result in lifting our resource estimate for the Alta discovery. We have significantly advanced our understanding of this complex carbonate reservoir, the development of which would be a first for Norway. We will now concentrate our efforts on further defining the route to commercialisation and progressing development concept studies.*

*"Our exciting organic growth programme is delivering results with five successes out of six wells drilled so far this year. We now have a pipeline of five appraisal projects moving towards development, creating the opportunity for upside beyond our "do nothing" production growth outlook."*

*Lundin Petroleum is one of Europe's leading independent oil and gas exploration and production companies with operations focused on Norway and listed on NASDAQ Stockholm (ticker "LUPE"). Read more about Lundin Petroleum's business and operations at [www.lundin-petroleum.com](http://www.lundin-petroleum.com)*

For further information, please contact:

Edward Westropp  
VP Investor Relations  
Tel: +41 22 595 10 14  
[edward.westropp@lundin.ch](mailto:edward.westropp@lundin.ch)

Sofia Antunes  
Investor Relations Officer  
Tel: +41 795 23 60 75  
[sofia.antunes@lundin.ch](mailto:sofia.antunes@lundin.ch)

Robert Eriksson  
Manager, Media Communications  
Tel: +46 701 11 26 15  
[robert.eriksson@lundin-petroleum.se](mailto:robert.eriksson@lundin-petroleum.se)

## **Forward-Looking Statements**

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading "Risks and Risk Management" and elsewhere in the Company's annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.