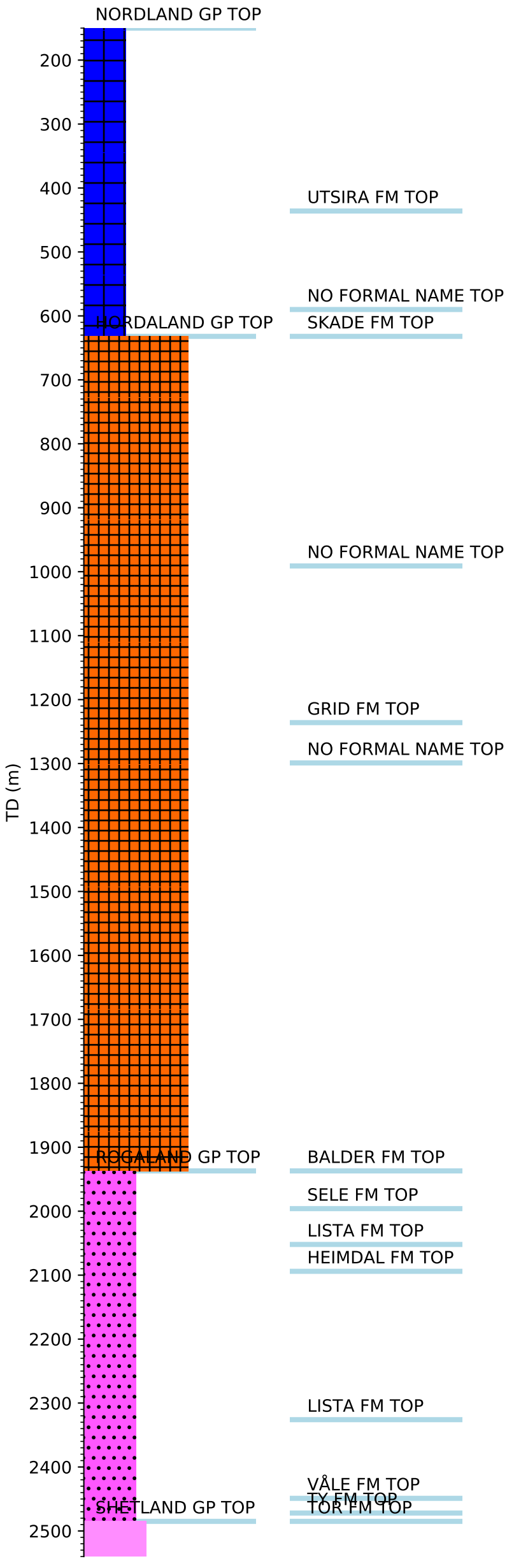

Wellbore History

GENERAL

Well 25/7-3 was a discretionary exploration well approximately 3 km south-south west of well 25/8-5 S which discovered oil in the Elli structure. Block 25/7 is situated in the South Viking Graben on the western side of the Utsira High, a basement high that tilts slightly towards the east. The South Viking Graben has an asymmetrical profile bounded in the west by the Brae/Crawford Fault Zone and the Utsira High to the east. The Elli structure is located on a basement terrace stepping up to the Utsira High from the Graben area.

The primary objective of well 25/7-3 was to prove commercial reserves in Elli South by testing the hydrocarbon potential of the Paleocene Upper Heimdal Formation. Secondary objectives were to define fluid contacts within the Heimdal Formation, to provide sufficient data for development planning start-up, find a possible point of production should the results be positive, and to obtain a good well tie to the top Cretaceous and top Balder seismic reflectors.

OPERATIONS AND RESULTS

Exploration well 25/7-3 was spudded with the semi-submersible installation "Deepsea Bergen" on 27 July 1995 and drilled to TD at 2540 m in the Late Cretaceous Tor Formation. The AFE estimated time for the well was 28.1 days dry hole plus 10.5 days to DST. Actual estimated drilling time was 23.6 days, and testing was 9.8 days. The well was drilled with bentonite spud mud down to 1186 m and with "ANCO 2000" mud with ANCO 208 glycol additive from 1186 m to TD. Top Lista Formation came in at 2052 m, ca 20 shallower than prognosed. Top Heimdal Formation was found at 2094 m. The Heimdal Formation was hydrocarbon bearing with an OWC at 2114.5 m.

Two cores were cut in the Heimdal Formation, both with full recovery. The first core was cut 2099-2110.6 m, and the second at 2111-2130.2 m. Shows were described in the cores down to a depth of 2117 m. A total of 20 FMT pressure tests were taken, with 19 successfully recorded. An FMT oil sample was taken at the depth of 2112 m. The fluid was described as medium to dark brown with moderate viscosity and dull to intermediate white to pale yellow direct fluorescence. The well was permanently abandoned on 28 August 1995 as an oil discovery, named the 25/7-3 Jotun Discovery.

TESTING

One drill stem test was performed in the Heimdal Formation sandstones (2096.4-2107.4 m). Final oil flow was 739 Sm3/day and final gas flow was 29207 Sm3/day.

LITHOSTRATIGRAPHY & HISTORY FOR WELL: 25/7-3