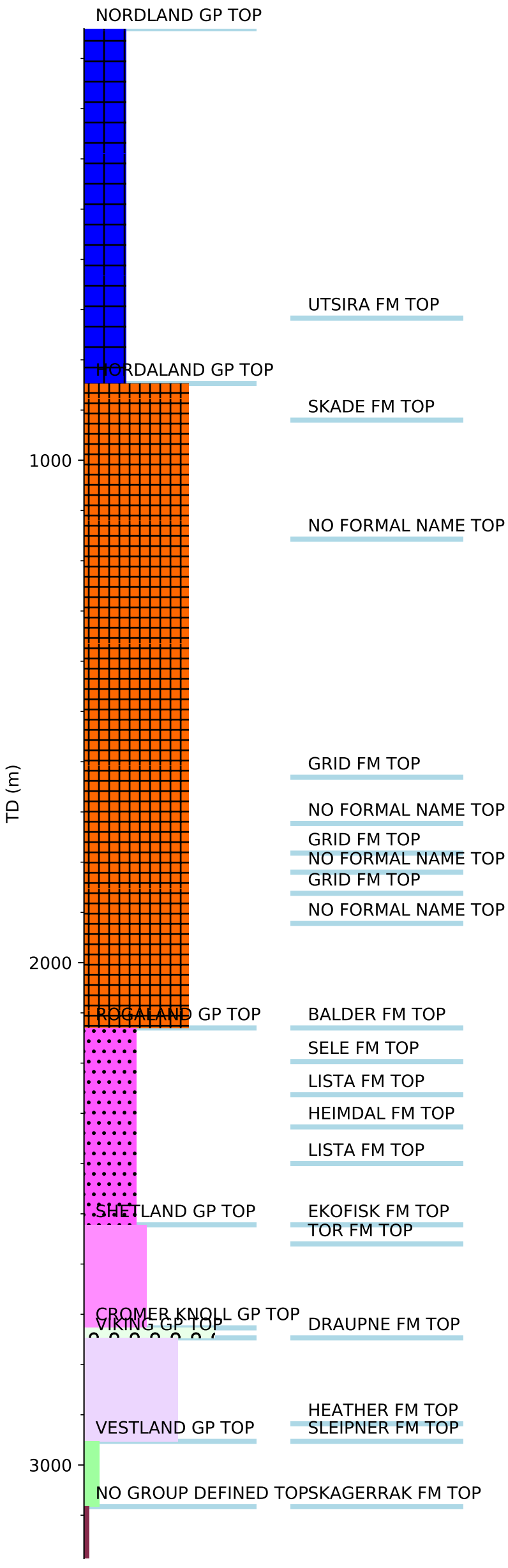

Wellbore History

GENERAL

The primary objective of well 16/1-7 was to test the hydrocarbon potential of the West Cable prospect. The prospect was located on the eastern margin of the South Viking Graben southwest of the Utsira High in the North Sea, approximately 35 km southwest of the Balder Field. The main objective of the well was to test the hydrocarbon potential of the Sleipner Formation coastal plain sandstone reservoir of Callovian and Bathonian age. The hydrocarbon potential of the Late Jurassic Heather and Draupne Formations, and the Tertiary Lista and Våle Formations were considered as secondary objectives. The anticipated hydrocarbon type was light oil. Planned TD was 50 m into Triassic sediments.

OPERATIONS AND RESULTS

Well 16/1-7 was spudded with the semi-submersible installation Deepsea Delta on 29 April 2004 and drilled to TD at 3186 m 103 m into in the Late Triassic Skagerrak Formation. No significant problems were reported from the operations. The well was drilled with seawater + high viscosity polymer sweeps down to 1286 m and with Versavert oil based mud from 1286 m to TD. No shallow gas was observed.

A 73 m thick Heimdal Formation (Meile Member) was encountered at 2327 m. The Formation was water wet with no shows. No sands were developed in the Late Jurassic. The well discovered a 14.0 m (11.0 m net) oil bearing sand between 2955.5 and 2969.4 m (logging depth) in the Sleipner Formation. The RCI tool was used to take pressures and samples. The reservoir was normally pressured. Four 840 cc and two 4 litre samples were taken in the oil zone at 2965 m, 2964.1 m and two 840 cc samples were taken in the water zone at 2977.5 m, 2976.5 m. The interpreted Free Water Level was at 2969.9 m. No conventional coring was performed in the well.

The well was permanently abandoned on 28 May 2004 as an oil Discovery.

TESTING

The discovery was tested using RCI straddle packer assembly (also called mini drill stem tests) at 2975 m, 2964.5 m and 2959.5 m (logging depth).

LITHOSTRATIGRAPHY & HISTORY FOR WELL: 16/1-7