

# Corporate Presentation

October 2019

**Lundin**  
Petroleum

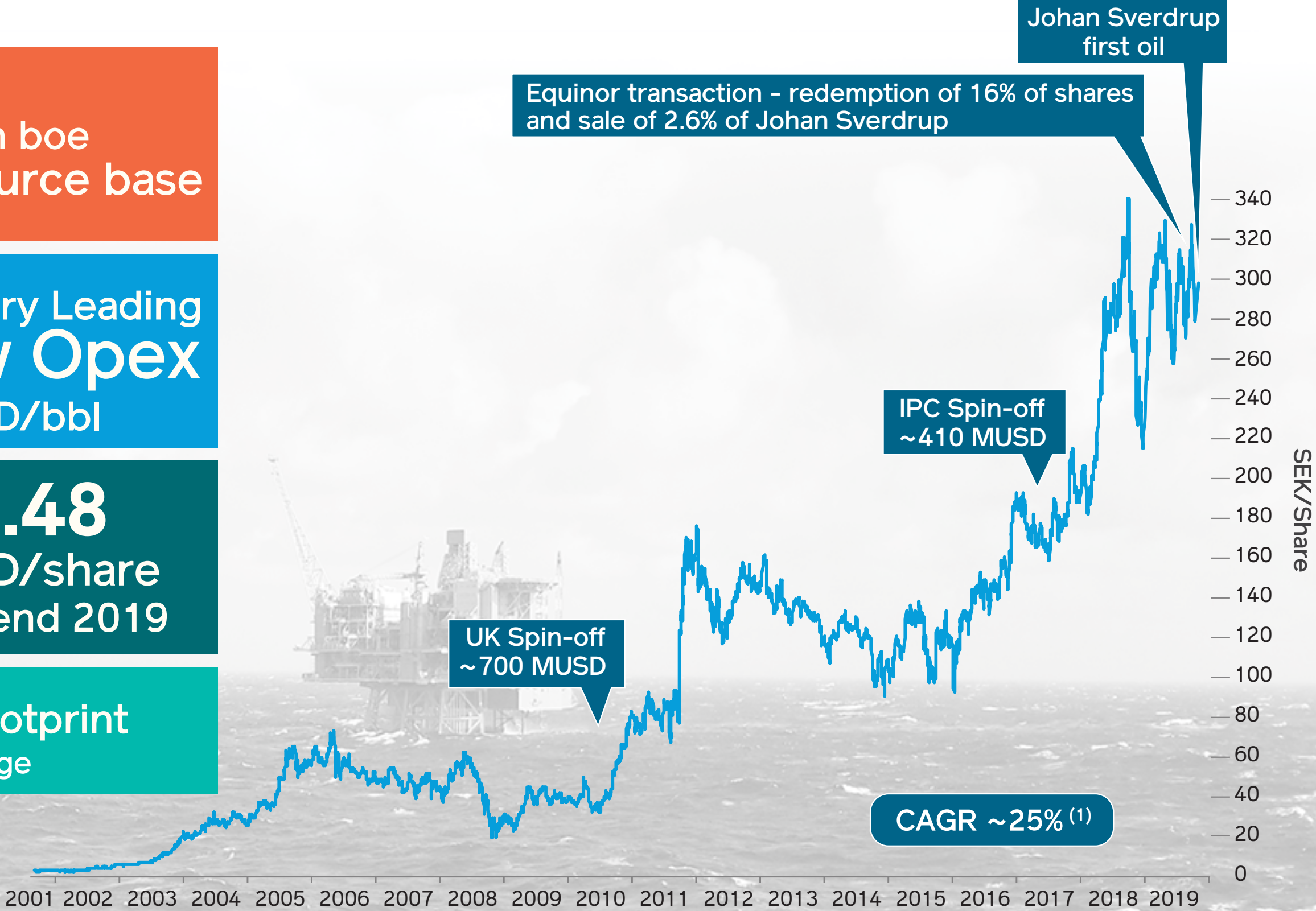




# Lundin Petroleum

## A Leading European Independent E&P Company

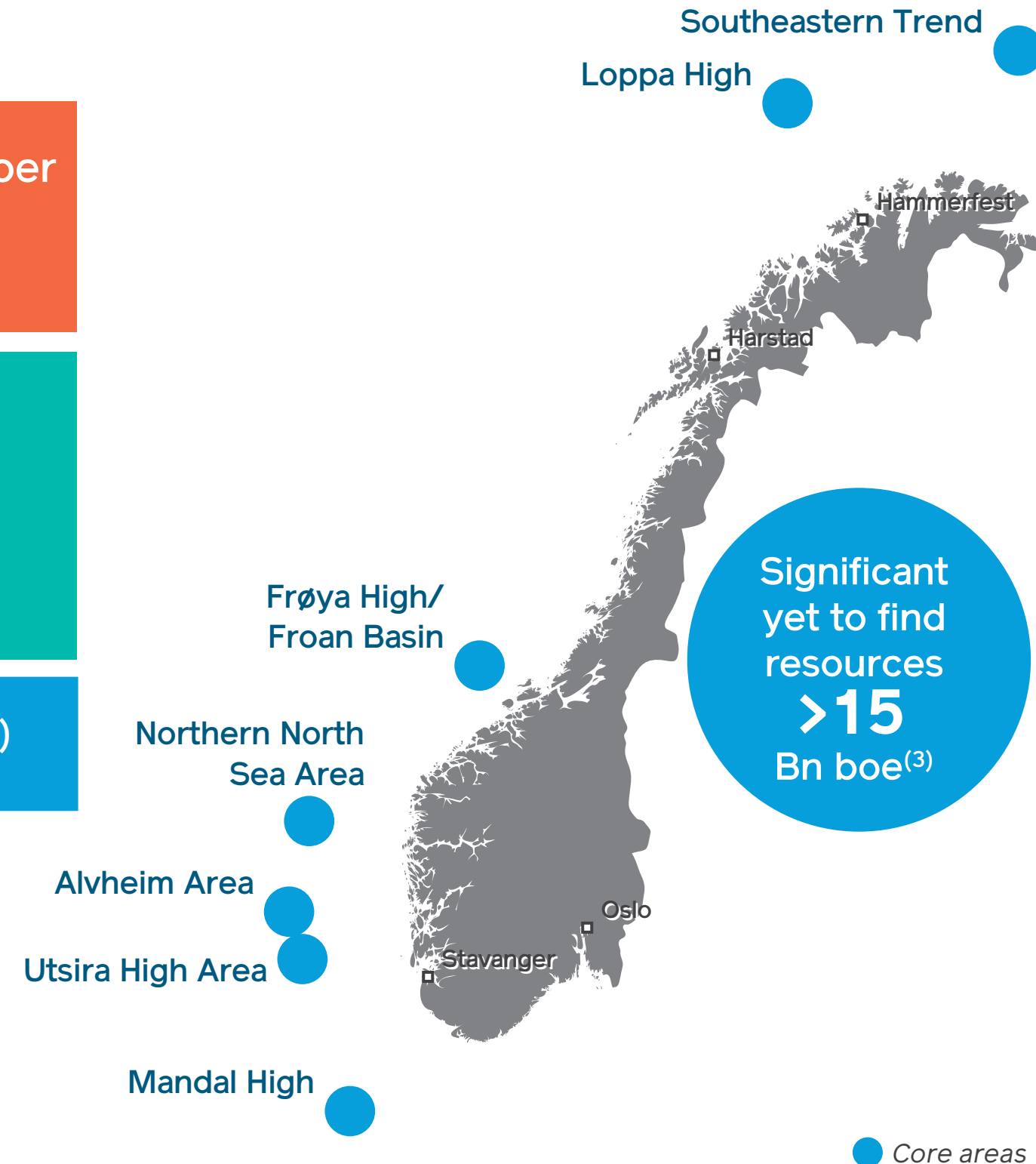
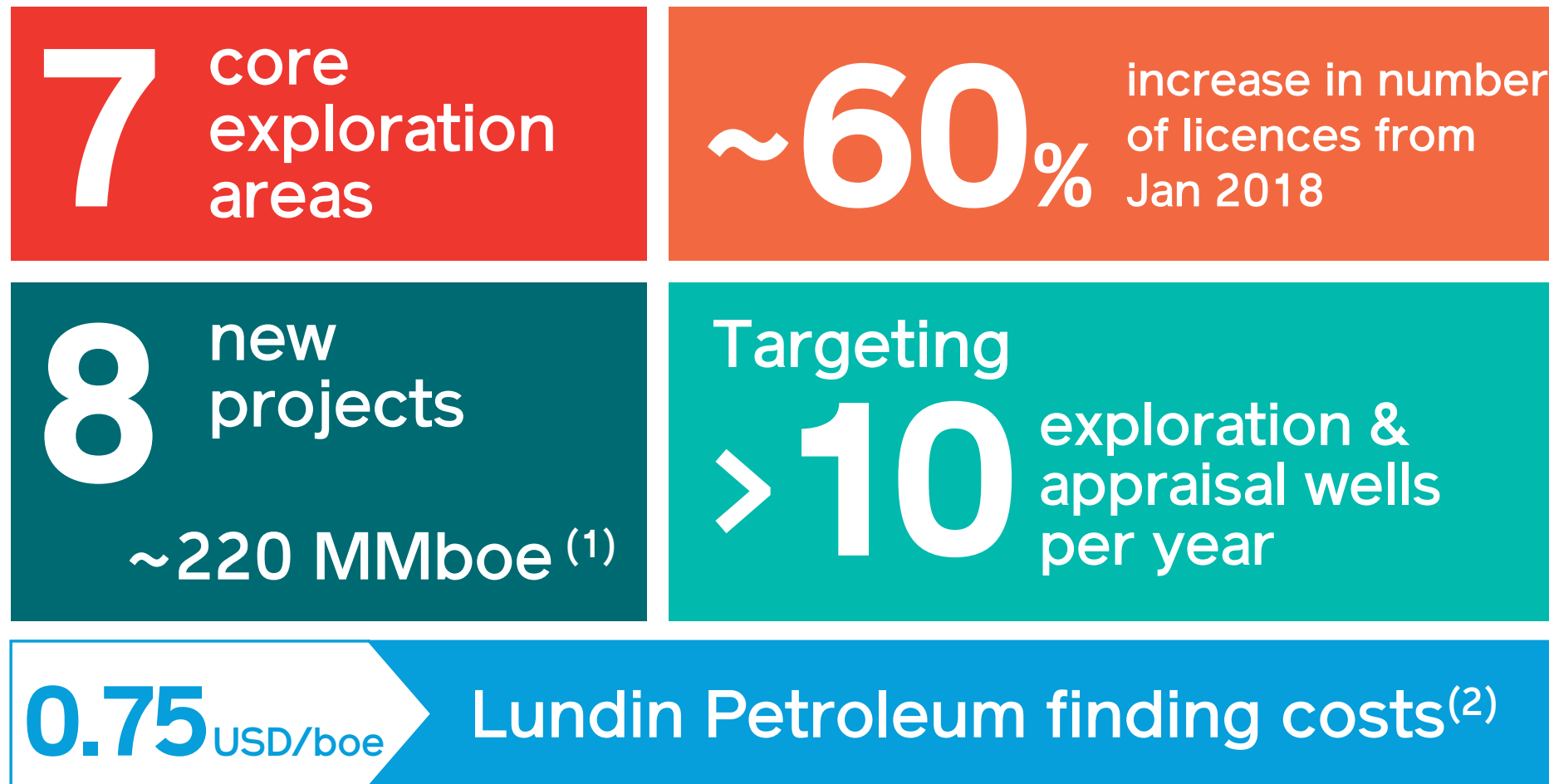
~ <b>9</b> Bn USD Market Cap	> <b>1</b> Bn boe Resource base
Production targeting > <b>200</b> Mboepd	Industry Leading <b>Low Opex</b> ~4 USD/bbl
~ <b>1</b> Bn USD Free cash flow/year	<b>1.48</b> USD/share dividend 2019
<b>Low Carbon</b> footprint quarter of world average	



<sup>(1)</sup> Excludes dividends

# Lundin Petroleum

## Successful Organic Growth Strategy



<sup>(1)</sup> Net contingent resources

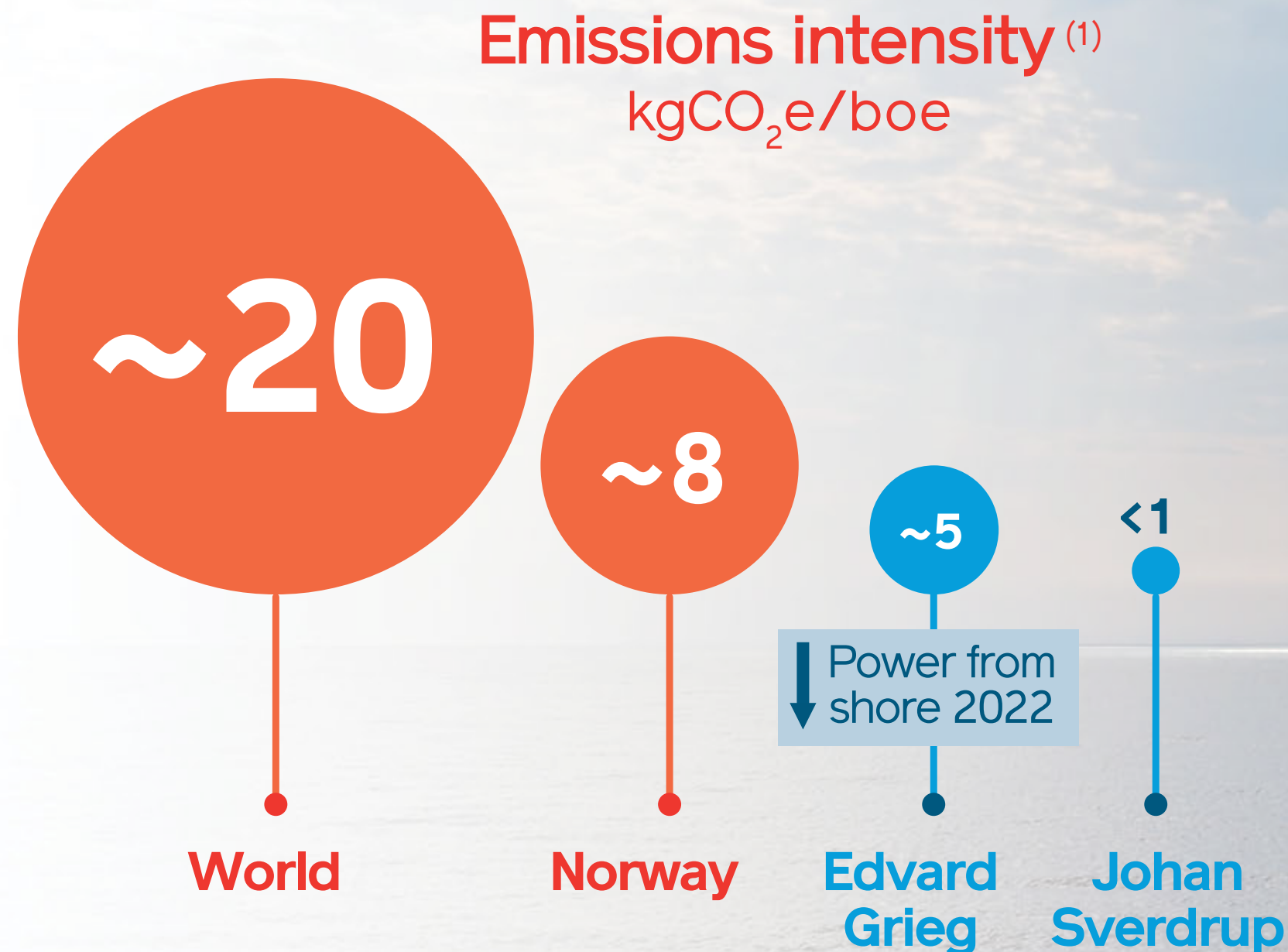
<sup>(2)</sup> Post tax

<sup>(3)</sup> NPD estimate end 2018 (excludes Barents Sea North East)



# Lundin Petroleum

## Industry Leading Low Carbon Intensity



### ESG Ratings 2018



Top 10 ESG in Europe  
Top 5 on human rights globally



Prime Status



Outperformer



AA



A-

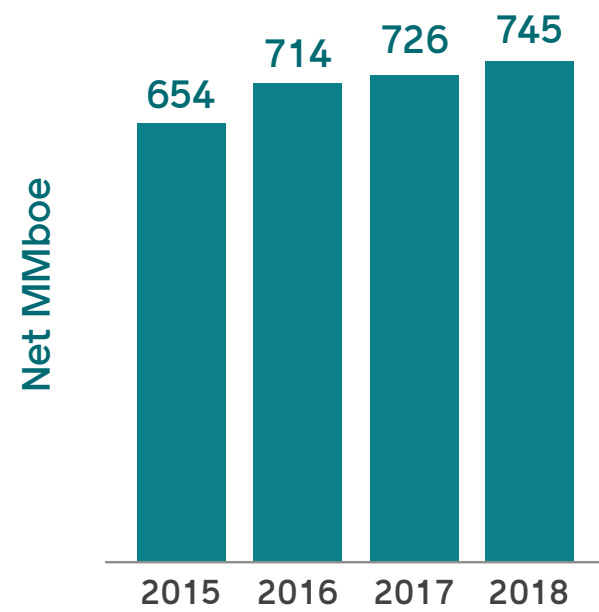
<sup>(1)</sup> Sources NOROG/IOGP for world and Norway data (2017 averages). Edvard Grieg's data is from 2018.  
All data is in kgCO<sub>2</sub>e/boe (incl. methane). Johan Sverdrup full field estimate data is in kgCO<sub>2</sub>/boe, data updated August 2018.



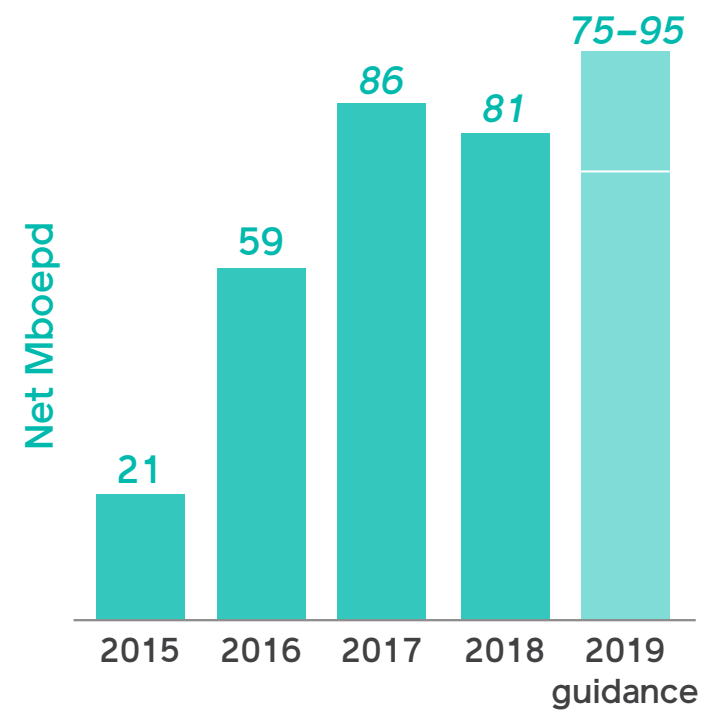
# Lundin Petroleum

## Strong Track Record

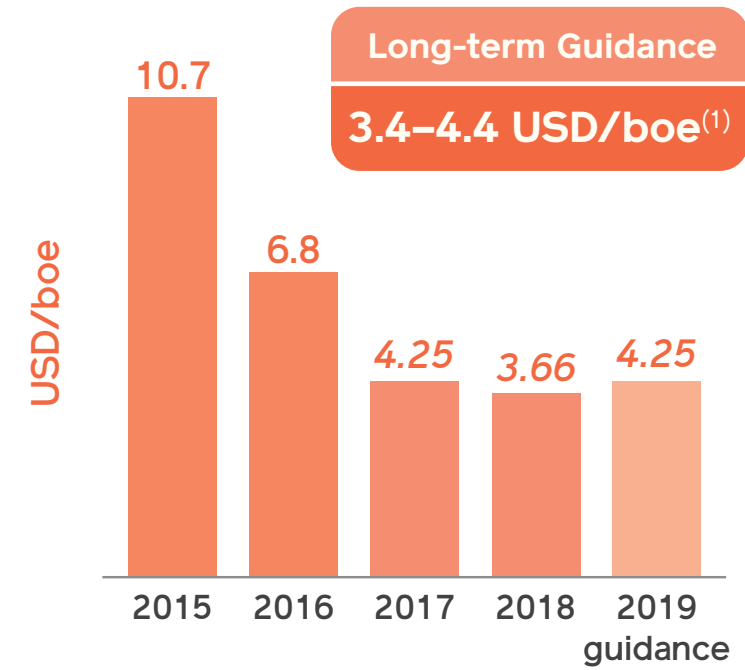
### 2P Reserves



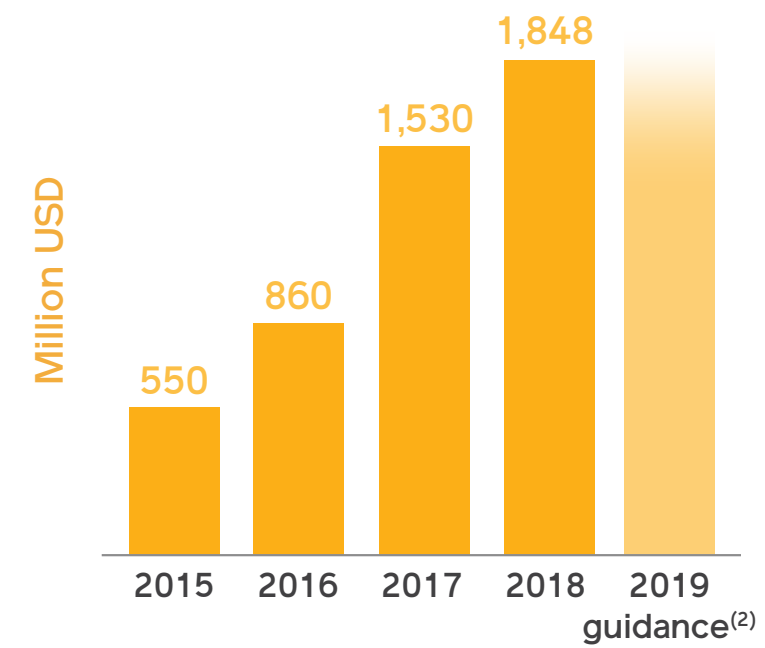
### Production



### Operating Costs



### Operating Cash Flow



<sup>(1)</sup> 2020 onwards

<sup>(2)</sup> Oil price range 45 to 75 USD/bbl



# Lundin Petroleum

## 2019 - A Transformational Year

### Production

**75–95** Mboepd

### Sustained Low Opex

**4.25** USD/boe

### Johan Sverdrup first oil

5 October 2019

### Equinor Transaction

Redeem **16%** of shares  
Sale 2.6% of Johan Sverdrup

### Organic Growth

**4** projects under way

**5** discoveries **6** wells to drill

### Dividends

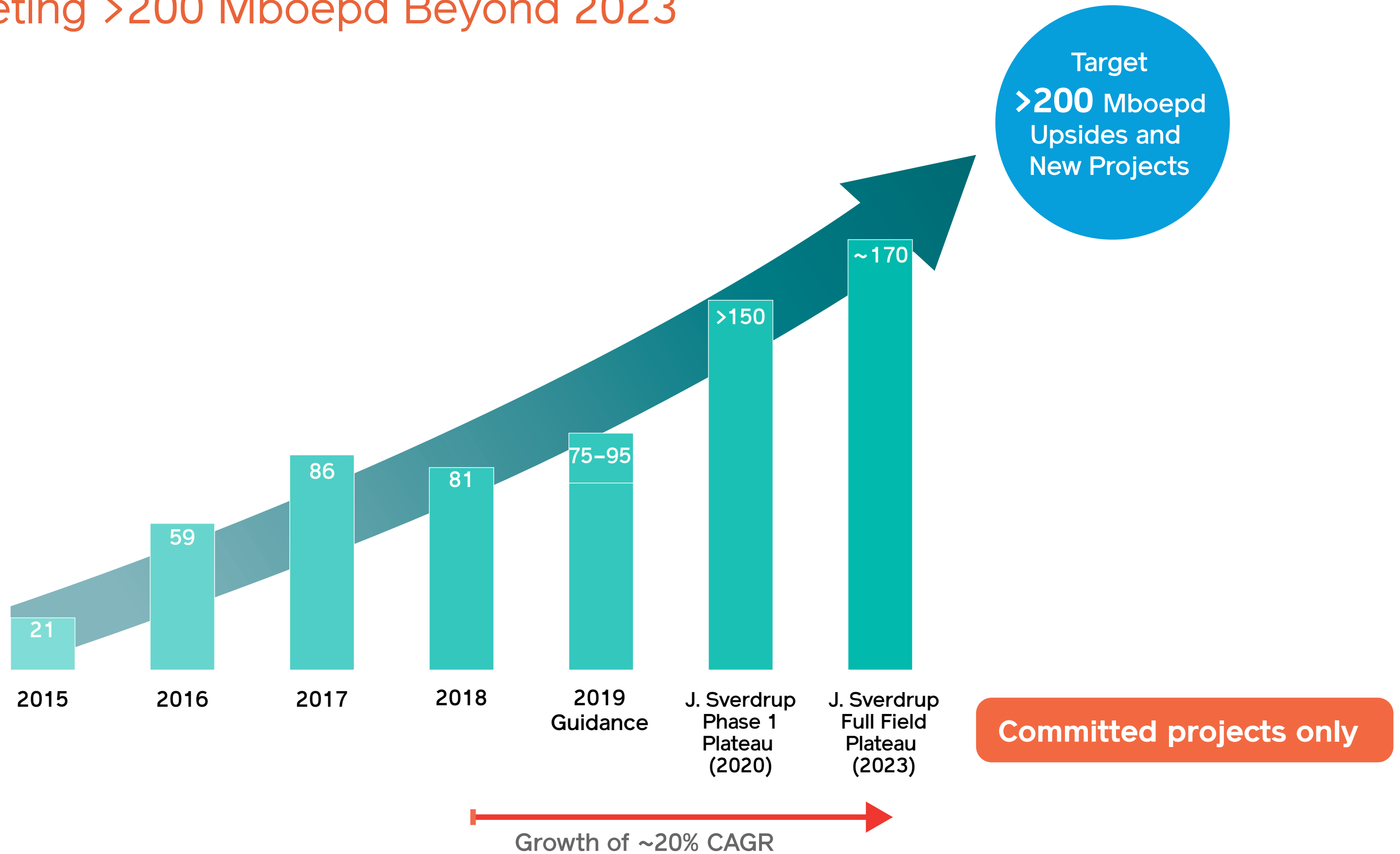
**1.48** USD/share

Sustainable below 50 USD/boe



# Lundin Petroleum

## Targeting >200 Mboepd Beyond 2023



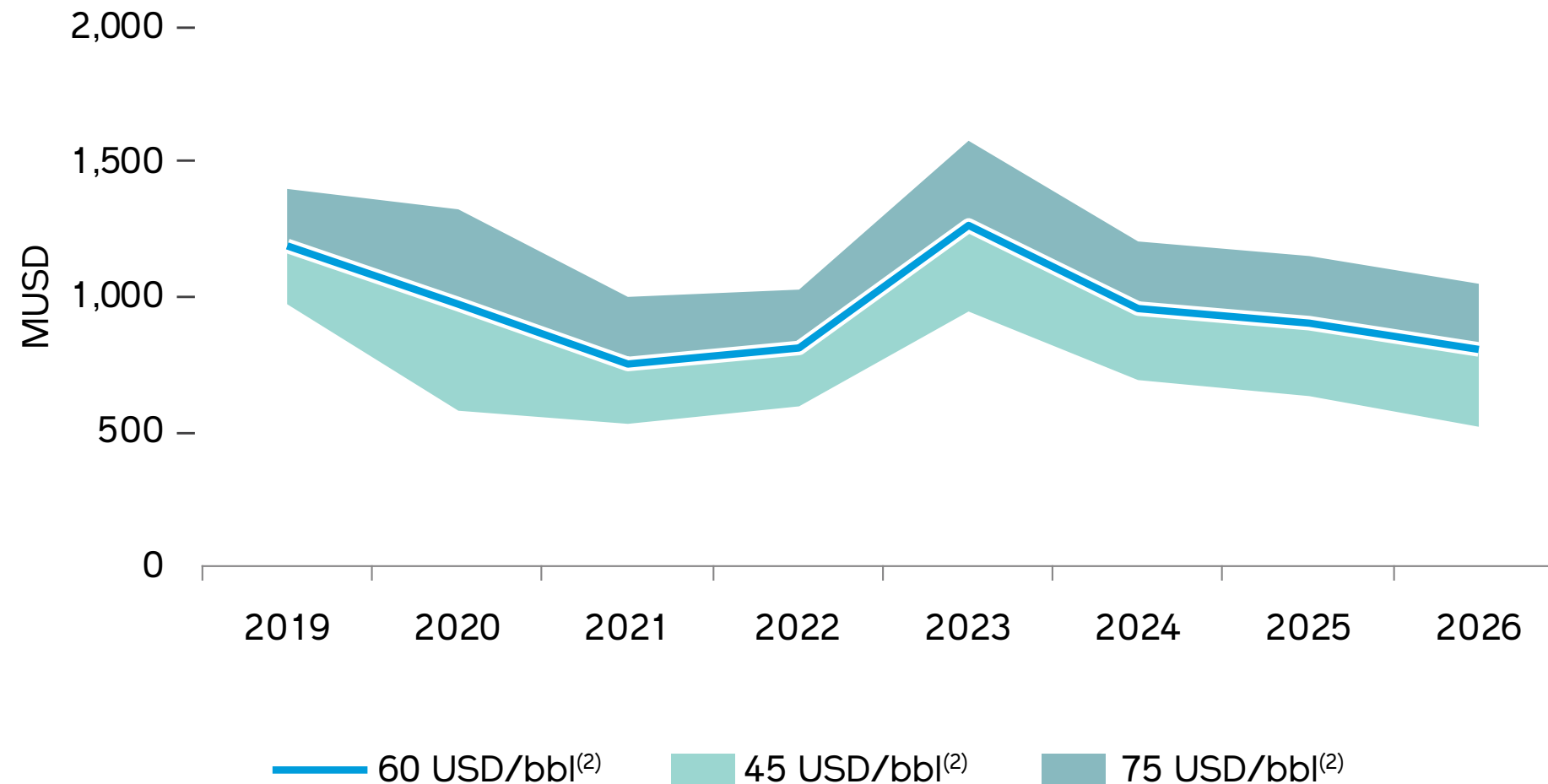


# Lundin Petroleum

## Sustainable Free Cash Flow

Brent <sup>(2)</sup>	Average Annual FCF	E&A spend per annum
60 USD/bbl	~1 billion USD	250 MUSD

Free Cash Flow (Pre-Dividend)<sup>(1)</sup>



**Dividend Strategy**

Annual dividends of **1.48 USD per share** to grow over time sustainable below **50 USD/bbl**

<sup>(1)</sup> Free Cash Flow before dividends and excluding working capital movement, except for cash taxes (50/50 in year N and N+1) and based with JS working interest at 20% from 01.01.2019 / Based on 2P reserves at end 2018 + Solveig + Rolvsnes EWT + Edvard Grieg Infills

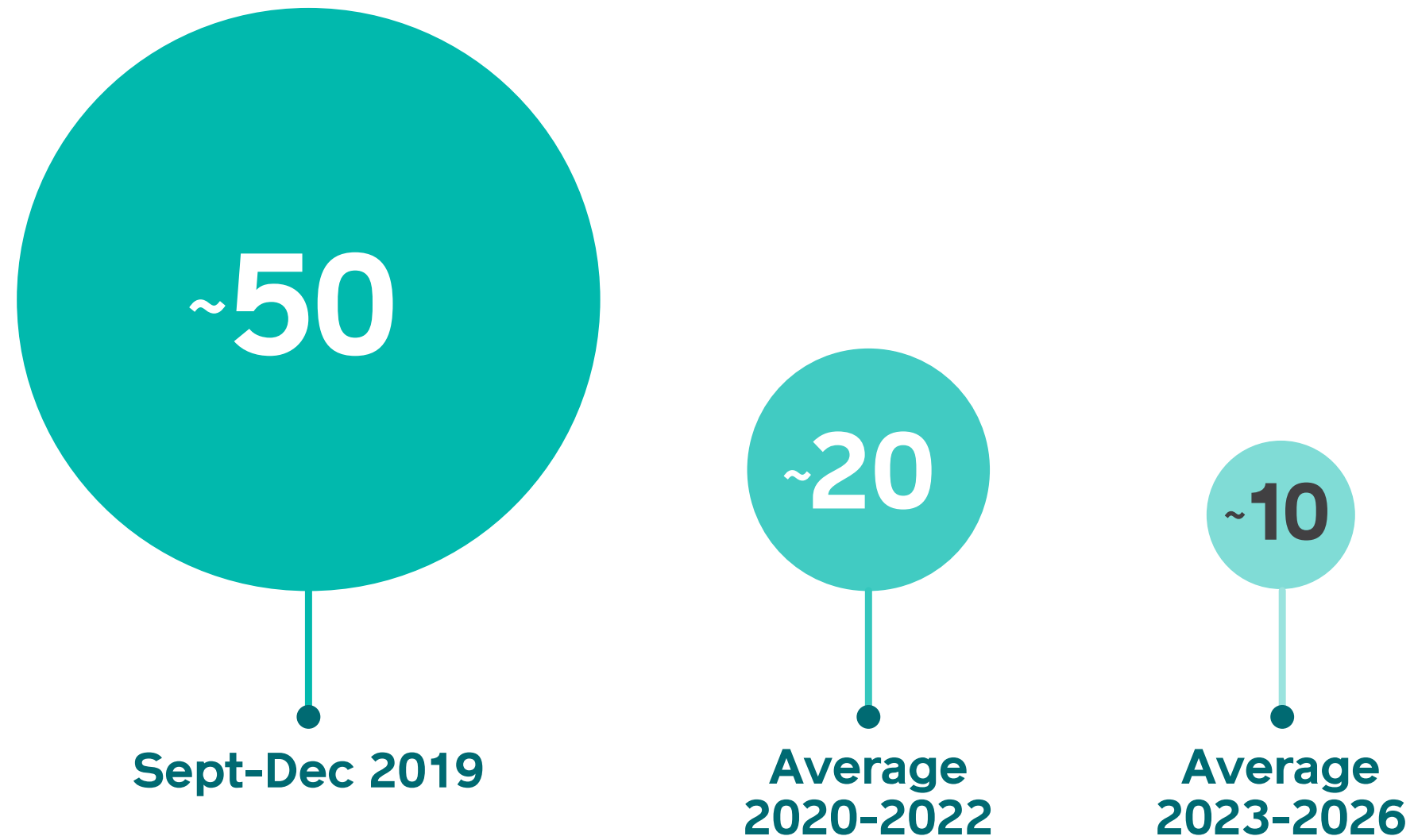
<sup>(2)</sup> Brent: actuals until 31.07.2019, 2019 with 2% inflation per annum thereafter



# Lundin Petroleum

## Industry Leading Free Cash Flow Breakeven

Free Cash Flow (Pre-Dividend) Breakeven (USD/bbl)

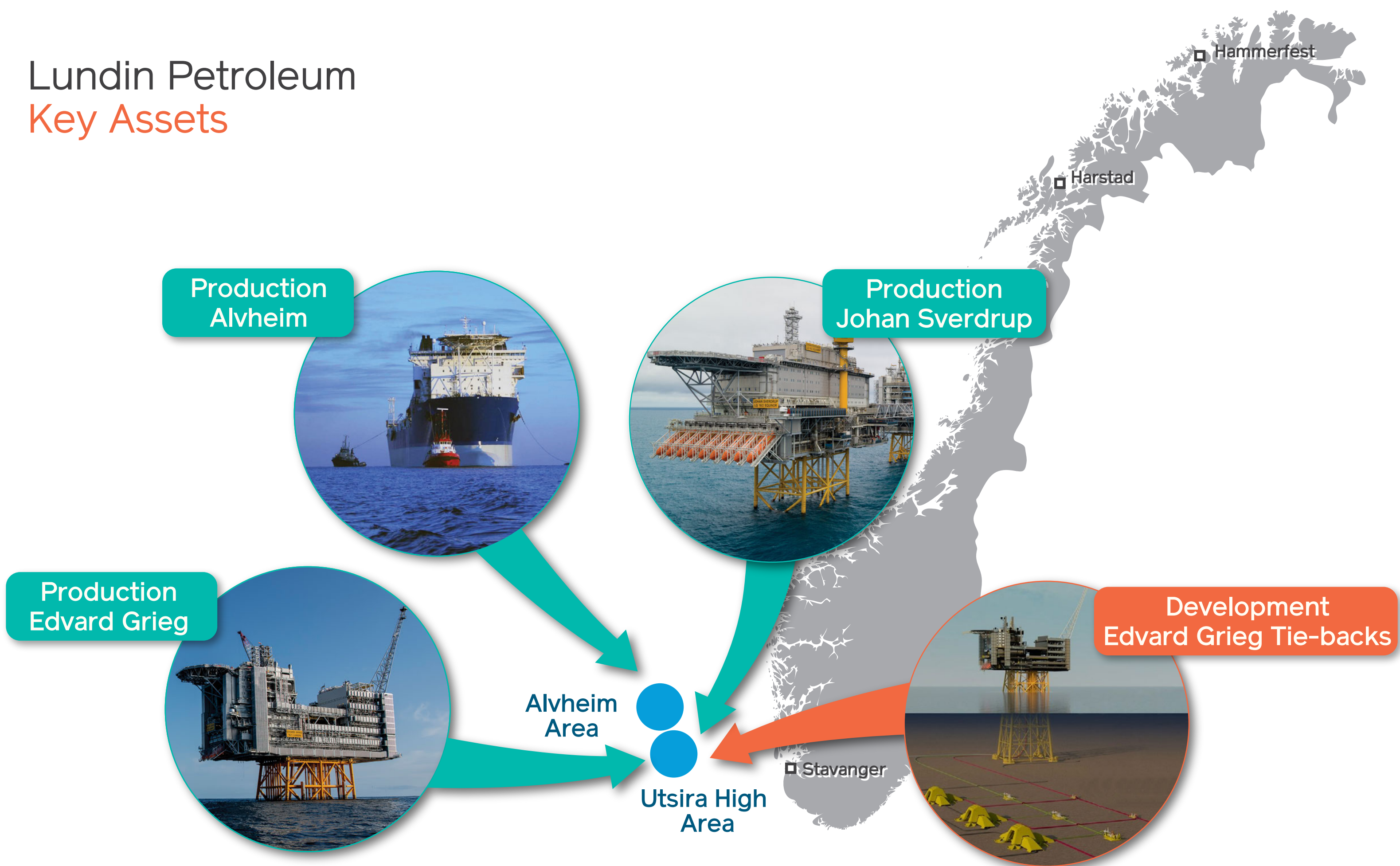


2019: Breakeven over September-December 2019 (post Equinor transaction) / with JS working interest at 20% from 01.01.2019 / Based on 2P reserves at end 2018 + Solveig + Rolvsnes EWT + Edvard Grieg Infills



# Lundin Petroleum

## Key Assets





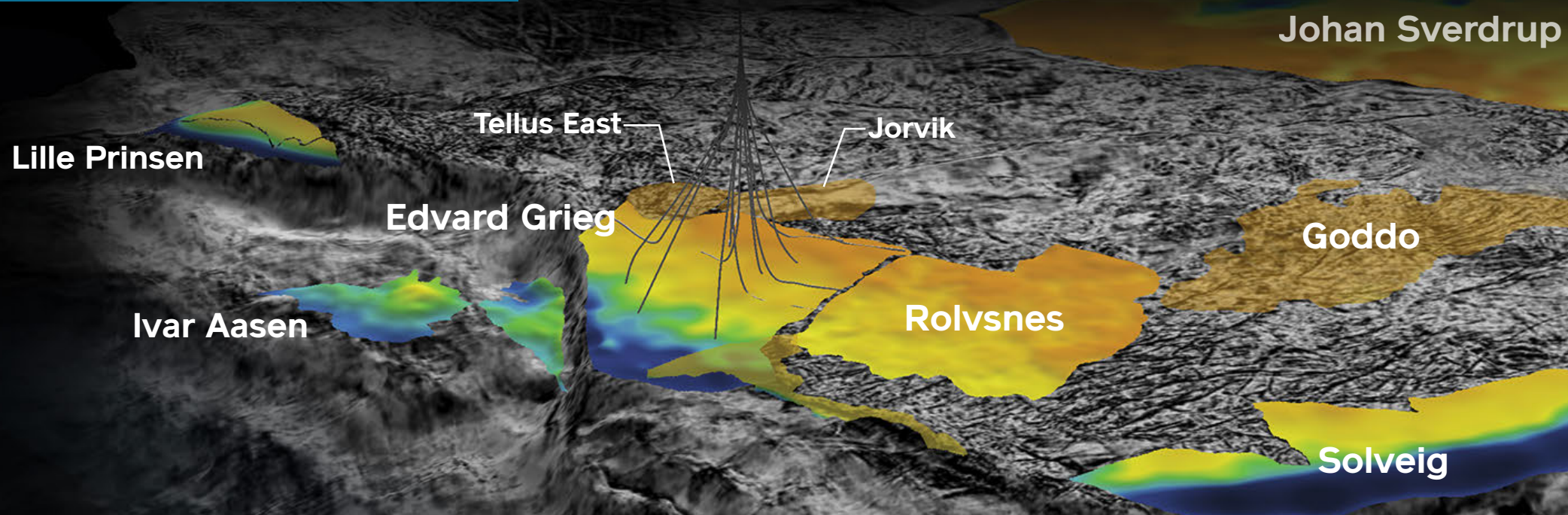
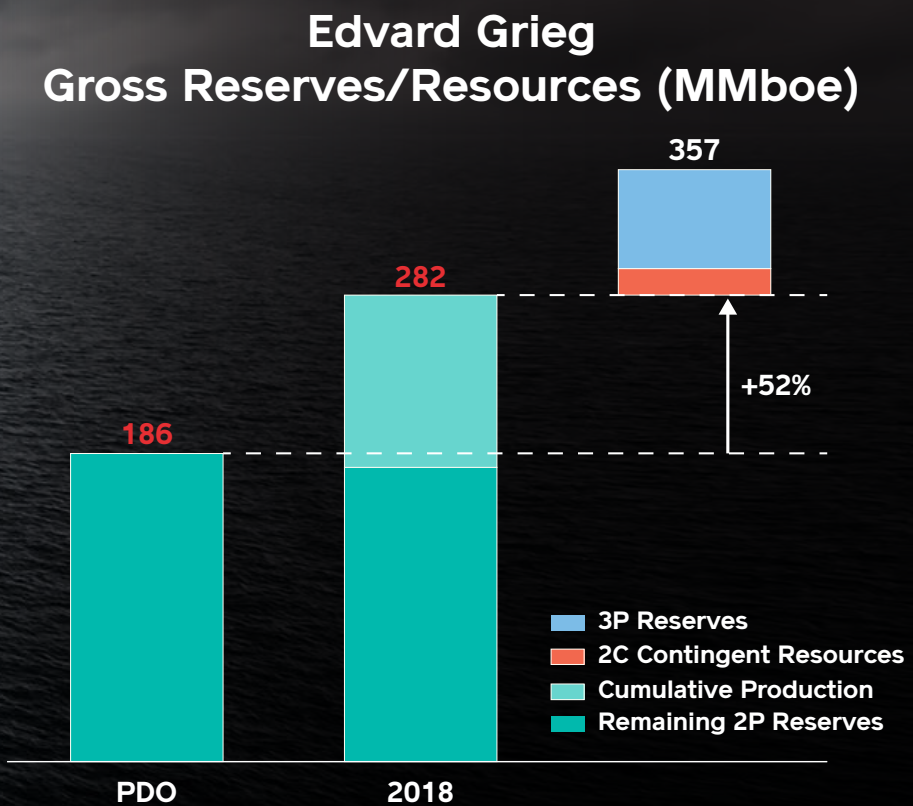
# Lundin Petroleum

## Greater Edvard Grieg Area - Keeping the Facilities Full

**Edvard Grieg**  
Reserves upside and  
infill opportunities

**Extended Plateau Production**  
to around end 2022 from  
mid-2020

- Edvard Grieg out performance plus Solveig/Rolvsnes tie-back projects

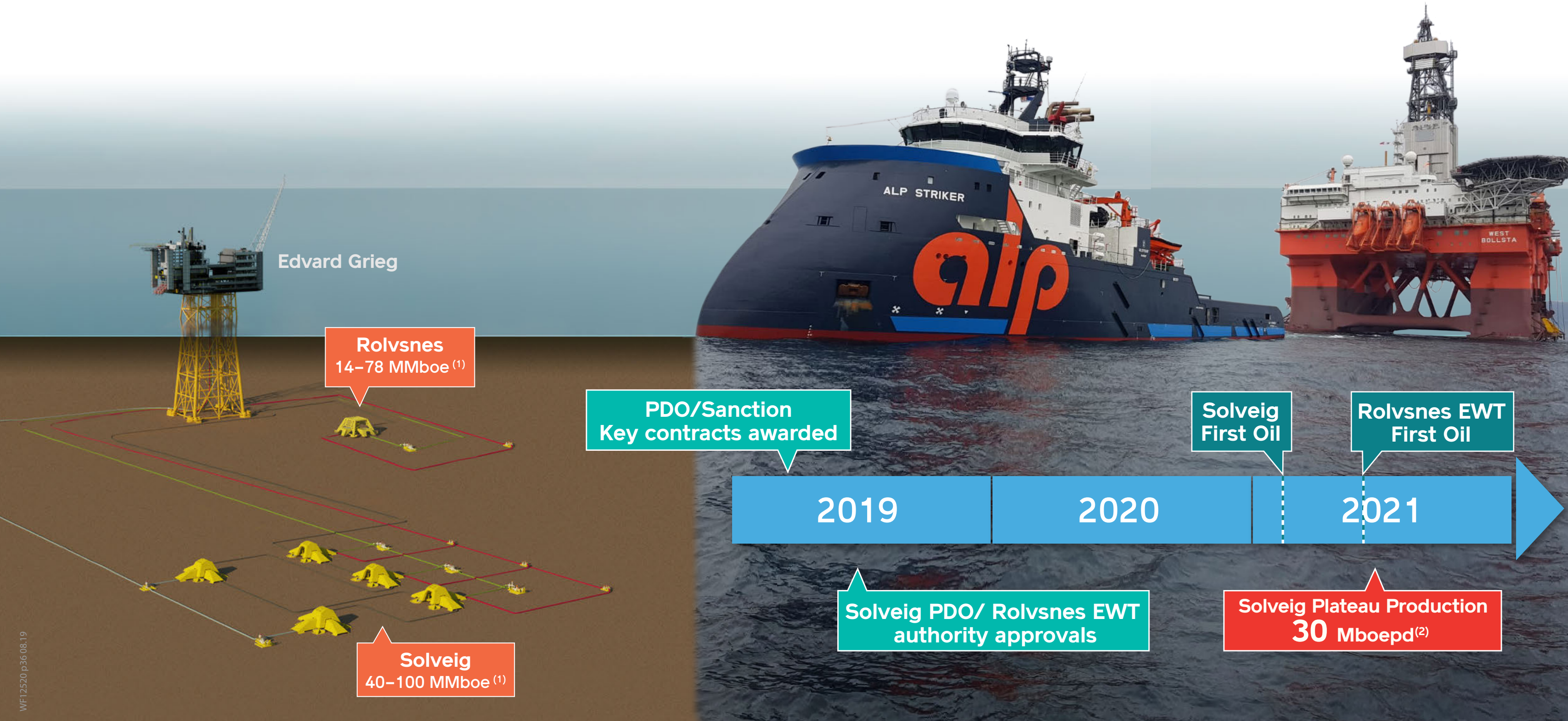


**Tie-backs**  
Solveig, Rolvsnes,  
Lille Prinsen and  
exploration opportunities



# Lundin Petroleum

## Greater Edvard Grieg Area - Solveig Phase 1 and Rolvsnes EWT



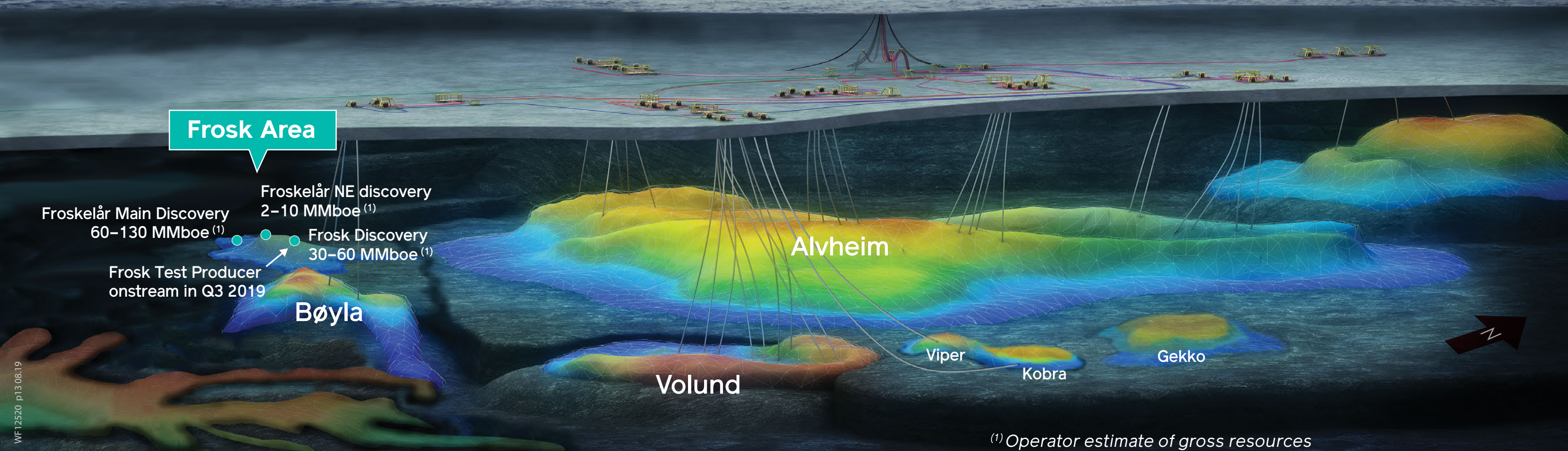
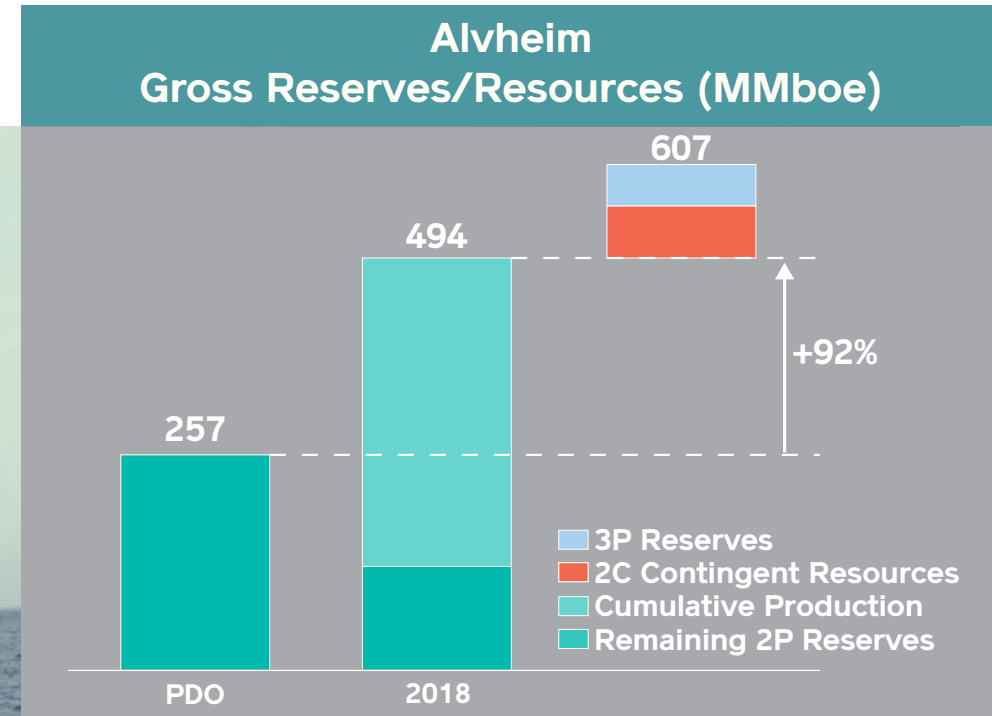
<sup>(1)</sup> Gross resources

<sup>(2)</sup> Gross



# Lundin Petroleum

## Alvheim Area - Continuous Reserves Growth



<sup>(1)</sup> Operator estimate of gross resources



# Lundin Petroleum

## Johan Sverdrup - World Class Project

### GROSS RESOURCES

↑ **2.2–3.2** billion boe  
(PDO 1.7 – 3.0 billion boe)

### PRODUCTION CAPACITY

Phase 1  
First oil 5 Oct 2019  
**440** Mbopd

Full Field  
First oil Q4 2022  
**660** Mbopd

### BREAK EVEN PRICE

Full Field  
**<20** USD/boe

### GROSS CAPEX <sup>(1)</sup>

↓ Phase 1  
PDO 123 Bn NOK  
Current **83** Bn NOK

↓ Phase 2  
PDO 85 Bn NOK <sup>(2)</sup>  
Current **41** Bn NOK

### Working Interest – Johan Sverdrup Unit

Equinor	42.6267%
Lundin	20.0000%
Petoro	17.3600%
Aker BP	11.5733%
Total	8.4400%

<sup>(1)</sup> Nominal, fixed currency

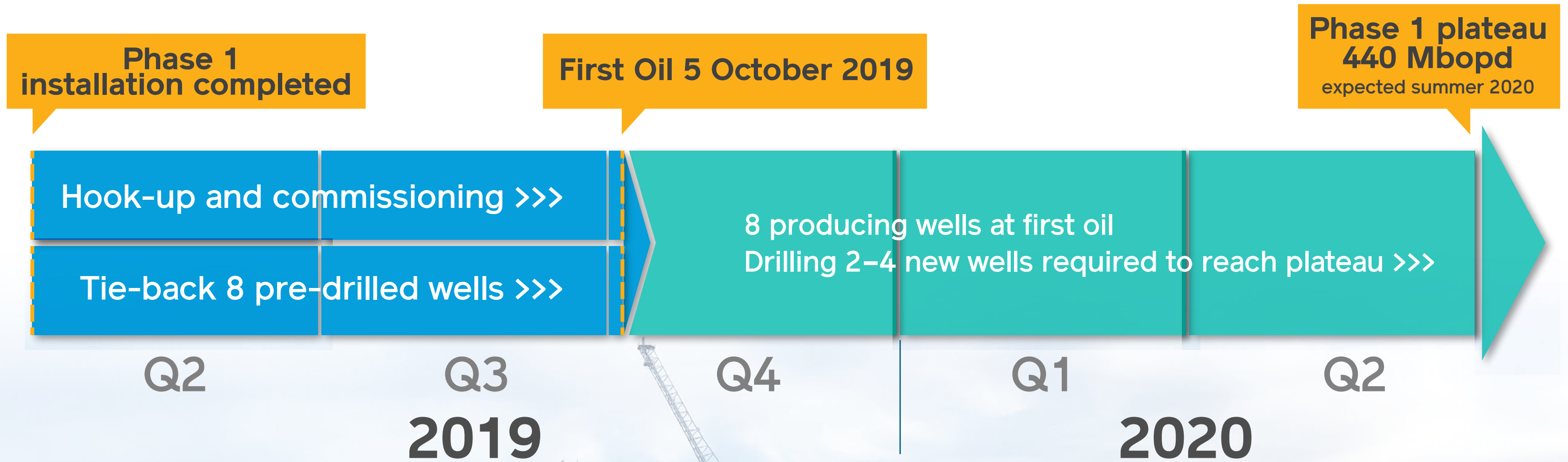
<sup>(2)</sup> Original PDO

OPEX  
**<2** USD/bbl  
from Phase 1  
plateau



# Lundin Petroleum

## Johan Sverdrup Phase 1 First Oil Ahead of Schedule



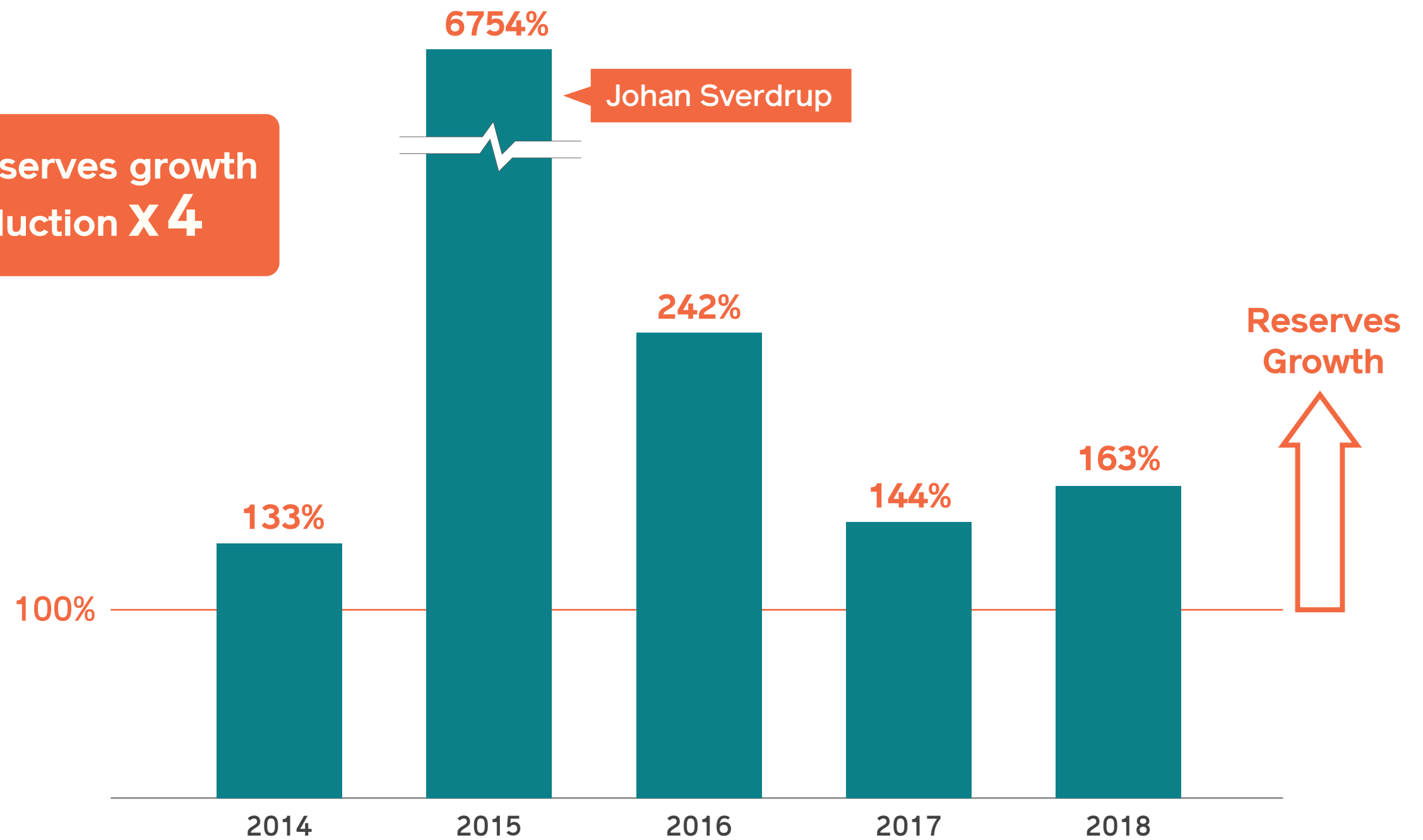


# Lundin Petroleum

## Track Record of Growing Reserves

Reserve Replacement Ratio (%) <sup>(1)</sup>

**5<sup>th</sup>** consecutive year of reserves growth while growing production X 4

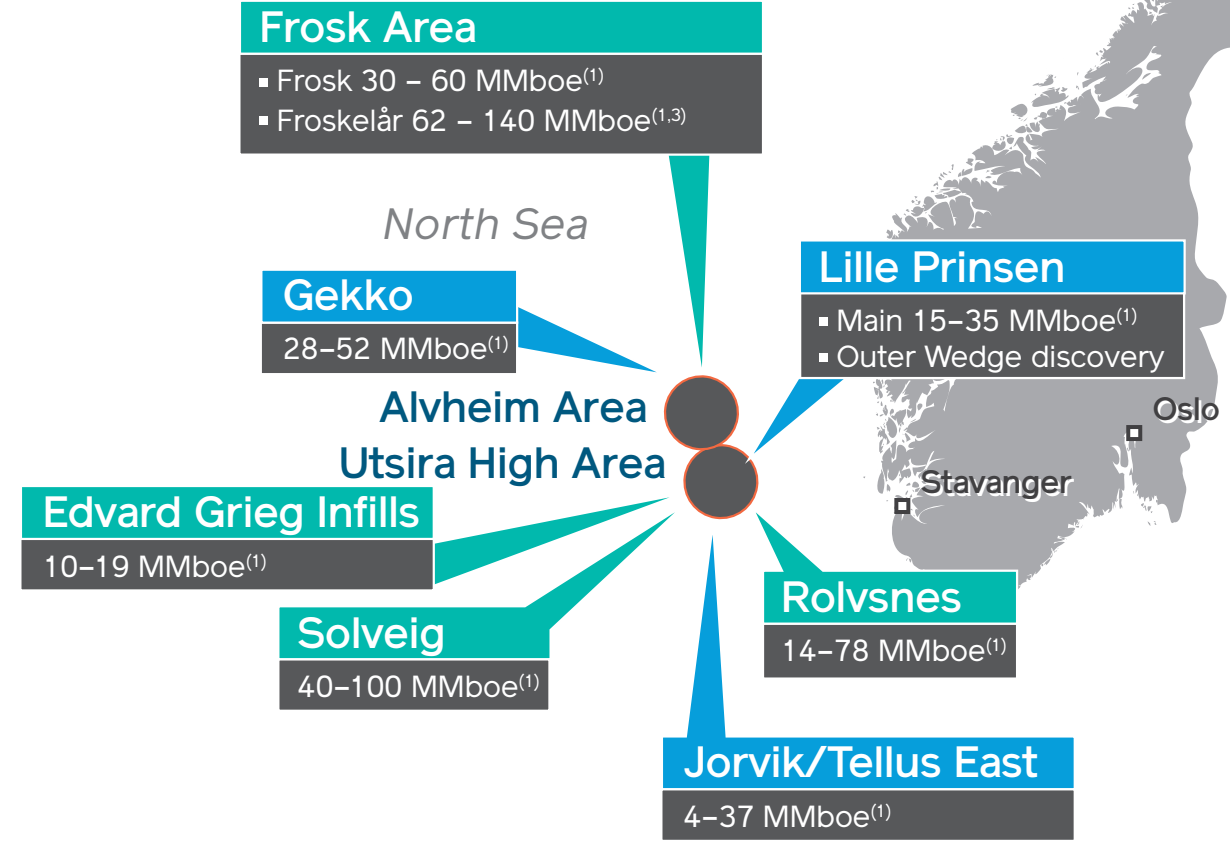
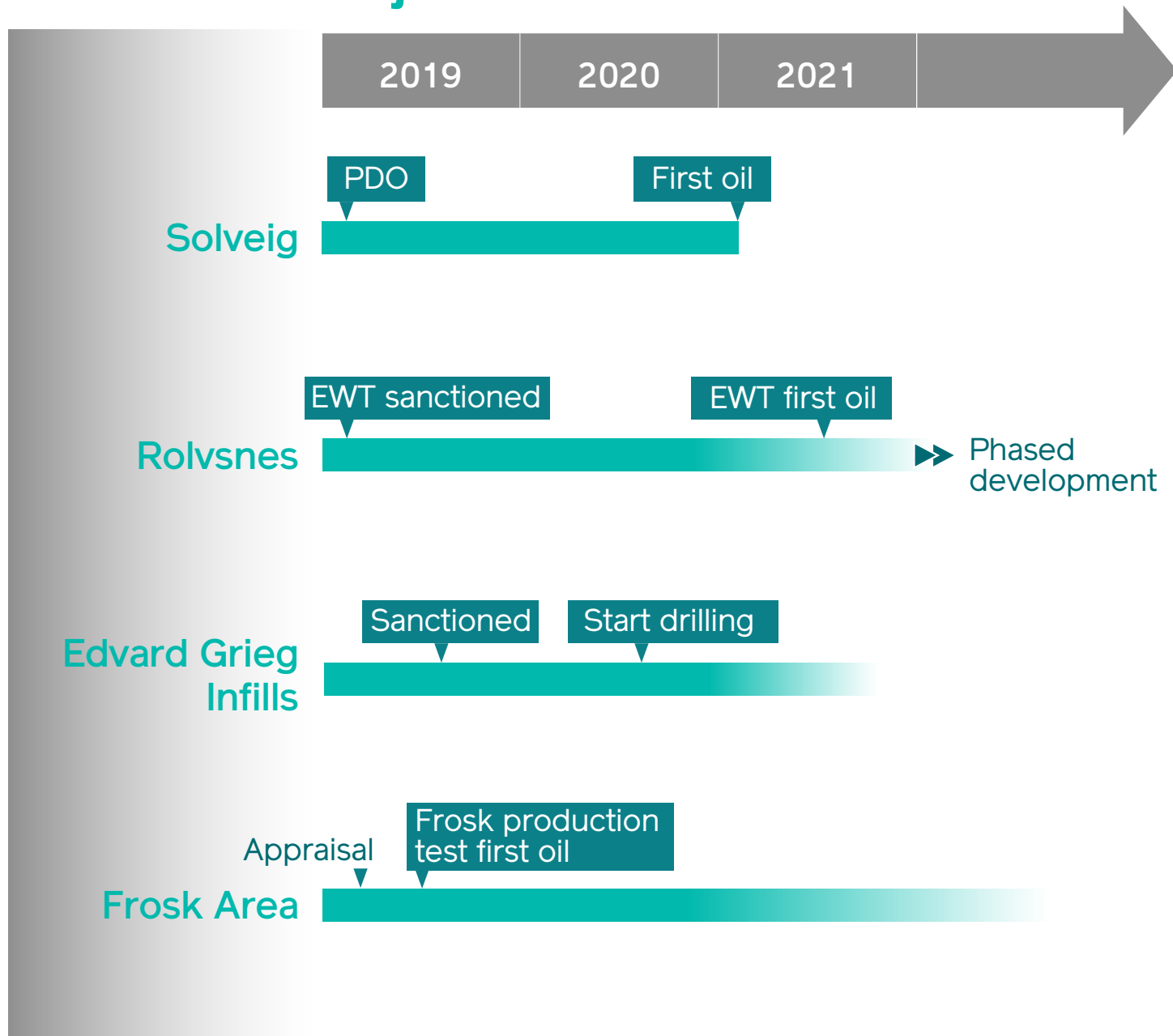


<sup>(1)</sup> 2P reserves

# Lundin Petroleum Pipeline of New Projects

**8 potential new projects**  
targeting **110–370 MMboe**  
net resources <sup>(2)</sup>

## Committed Projects



<sup>(1)</sup> Operator estimate of gross resources <sup>(2)</sup> Net contingent resources plus prospective resources <sup>(3)</sup> Includes Froskelår and Froskelår NE discoveries

Committed projects  
Appraisal phase

WF12520 p17 07.19



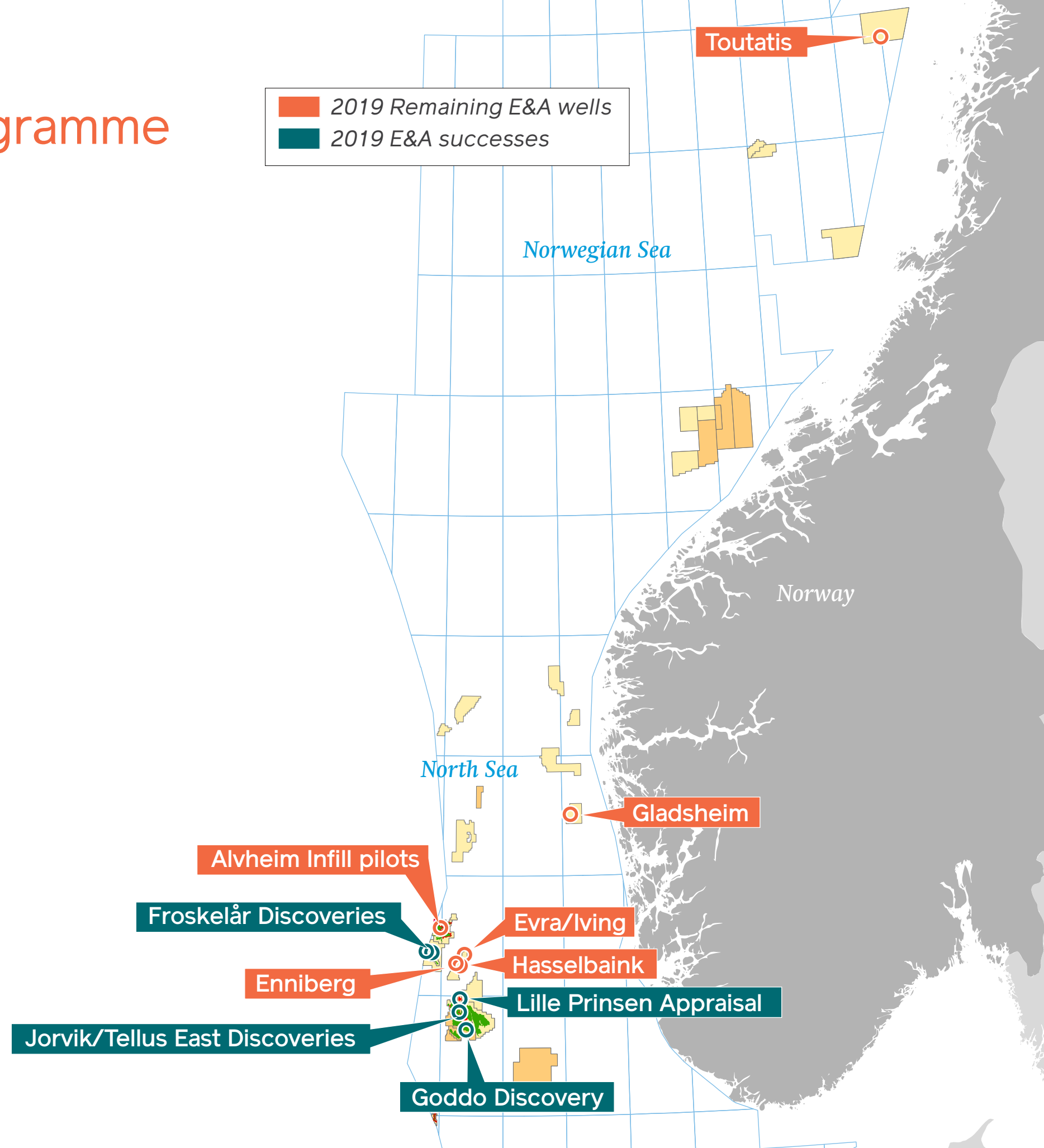
# Lundin Petroleum 2019 Exploration & Appraisal Programme

**13** wells drilled  
**5** discoveries  
**1** appraisal success

**10 – 50** MMboe  
net resource additions

**6** wells remaining

Targeting **~150** MMboe  
net unrisked resources





# Long-term value creation

**1.48** USD/share  
dividend in 2019  
~5% yield

**~1** Bn USD  
average free cash flow per year <sup>(1)</sup>  
~11% yield

**Sustainable dividends**  
below 50 USD/bbl

**~4** USD/boe  
industry leading low opex

**~170** Mboepd  
by 2023

Targeting  
**>200 Mboepd**  
+ organic growth  
upside

**Industry leading low carbon footprint**

<sup>(1)</sup> From 2019–2026 at 60 USD/bbl



# Lundin Petroleum

## Appendices



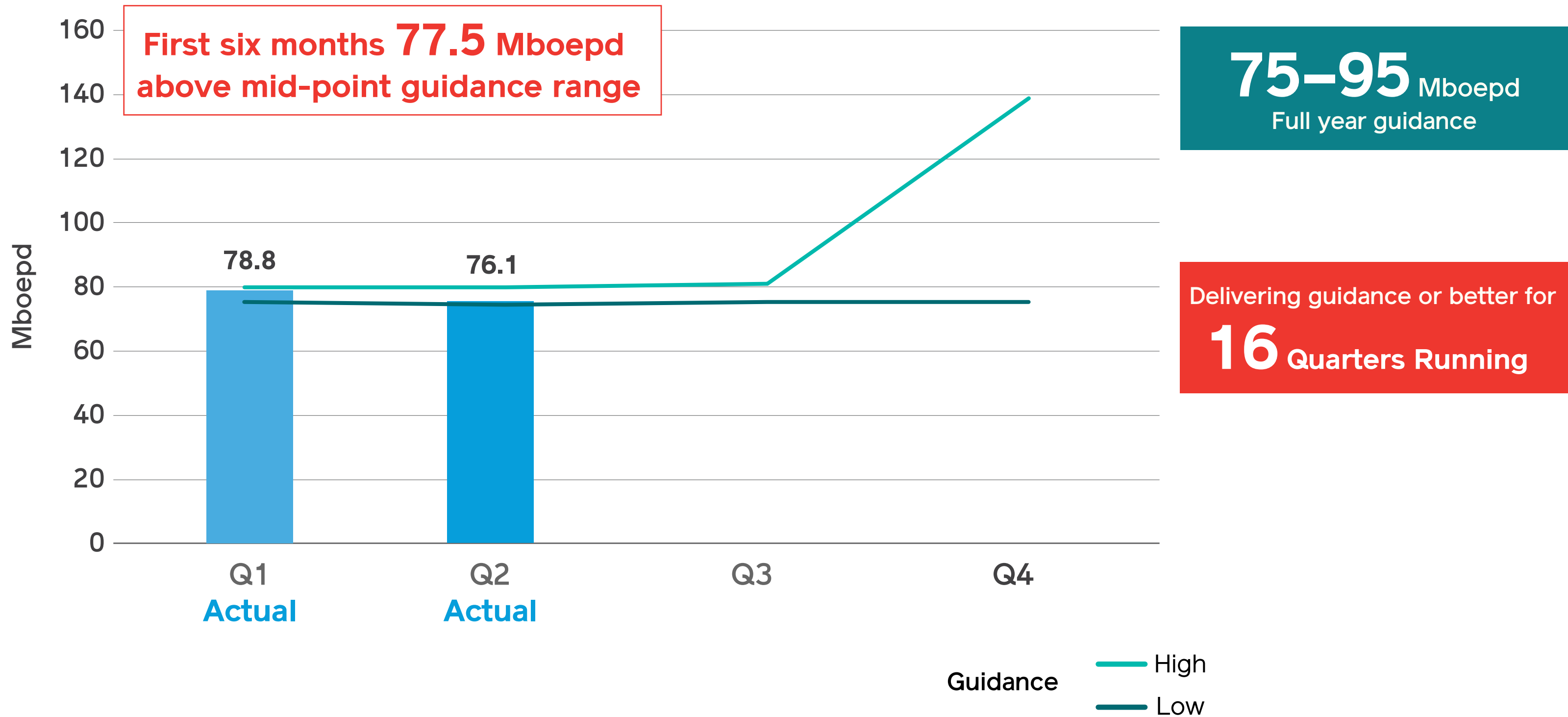
# 2019 Latest Guidance Compared to CMD

	CMD	Latest Guidance (Post Equinor deal)
Production Guidance (Mboepd)	75–95	75–95
Operating costs (USD/boe)	4.25	4.25
CAPEX (MUSD)	930	785
E&A Expenditure (MUSD)	300	325
Johan Sverdrup First Oil	Nov 2019	Oct 2019 <sup>(1)</sup>
<b>Long Term Guidance</b>		
Production J. Sverdrup Phase 1 Plateau (2020)	>150 Mboepd	>150 Mboepd
Production J. Sverdrup Phase 2 Plateau (2023)	>170 Mboepd	~170 Mboepd
Operating cost from 2020 onwards	3.2–4.2 USD/boe	3.4–4.4 USD/boe

<sup>(1)</sup> First oil on 5 October 2019



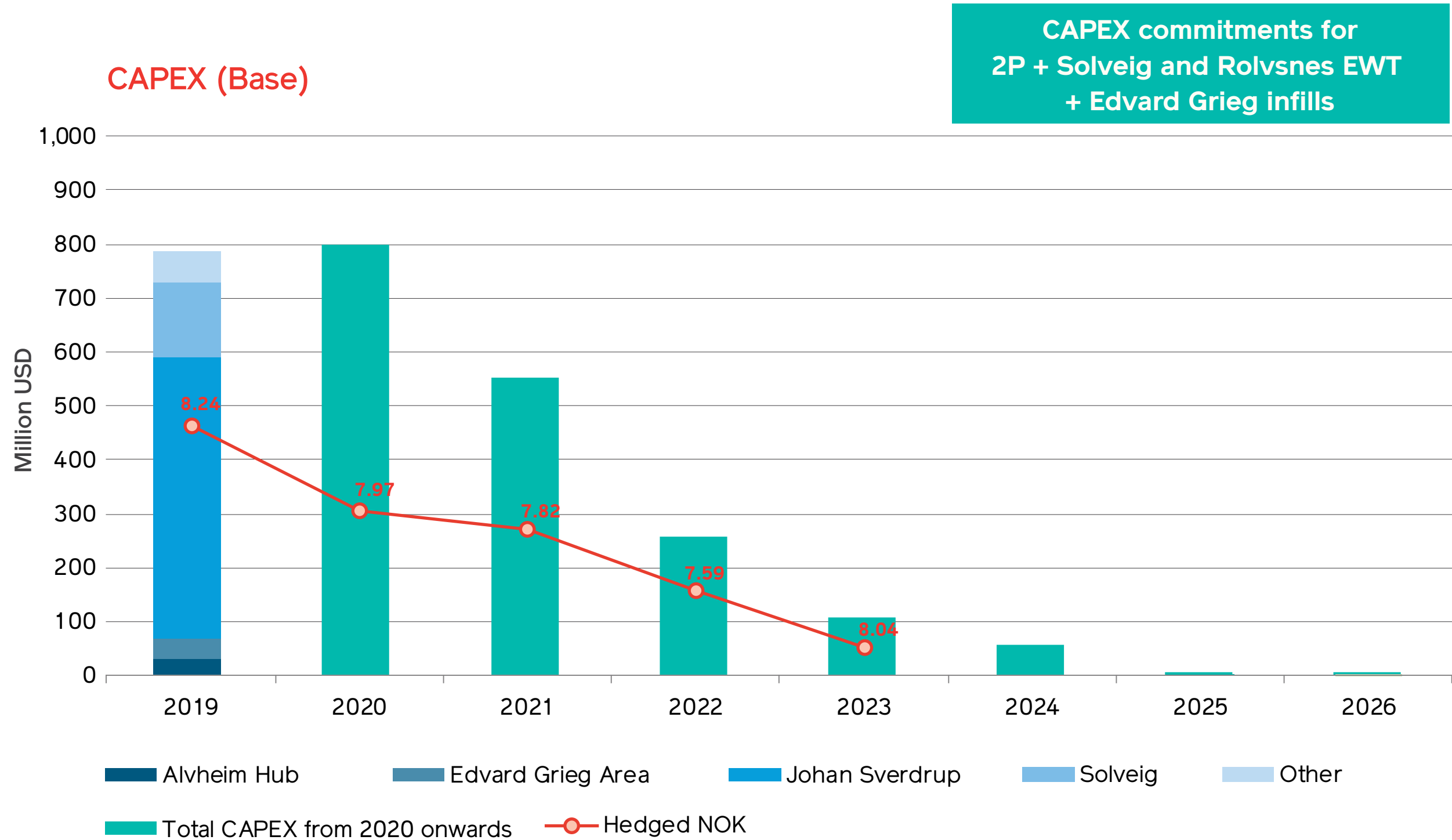
# Lundin Petroleum 2019 Production





# Lundin Petroleum

## CAPEX

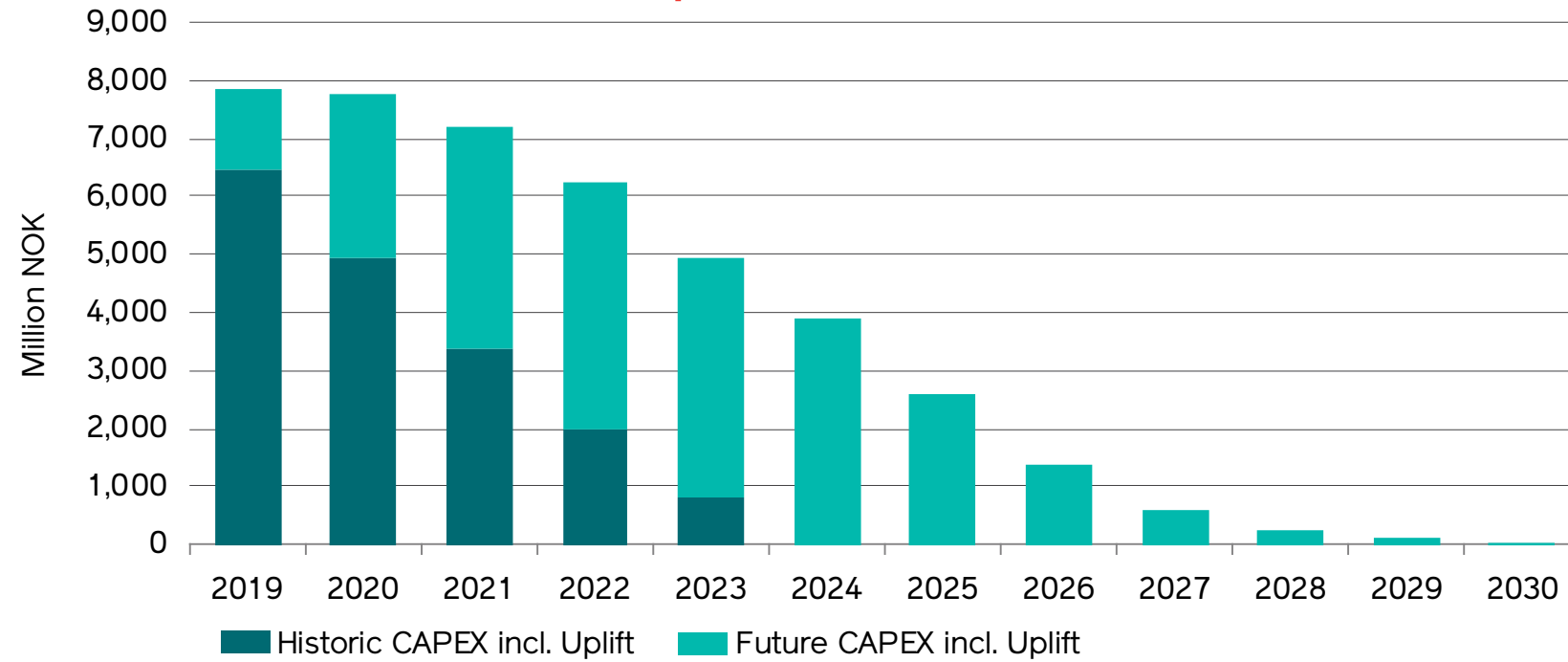


With J.Sverdrup working interest at 20% from 01.01.2019  
 NOK/USD: actual until 31.07.2019, 8.50 thereafter

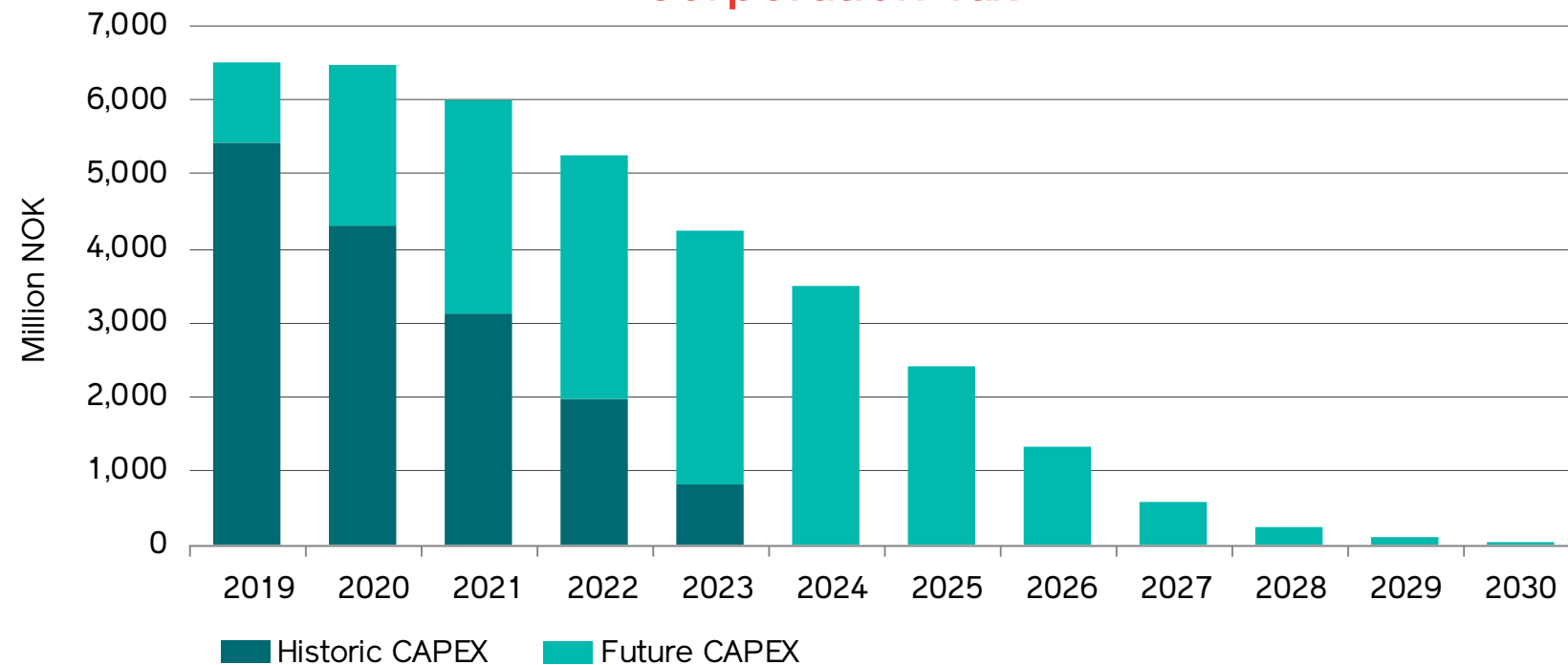
Nominal with 2% inflation  
 Based on 2P reserves at end 2018 + Solveig + Rolvsnes EWT + Edvard Grieg Infills

# Lundin Petroleum Tax Depreciation<sup>(1)</sup>

## Special Petroleum Tax



## Corporation Tax



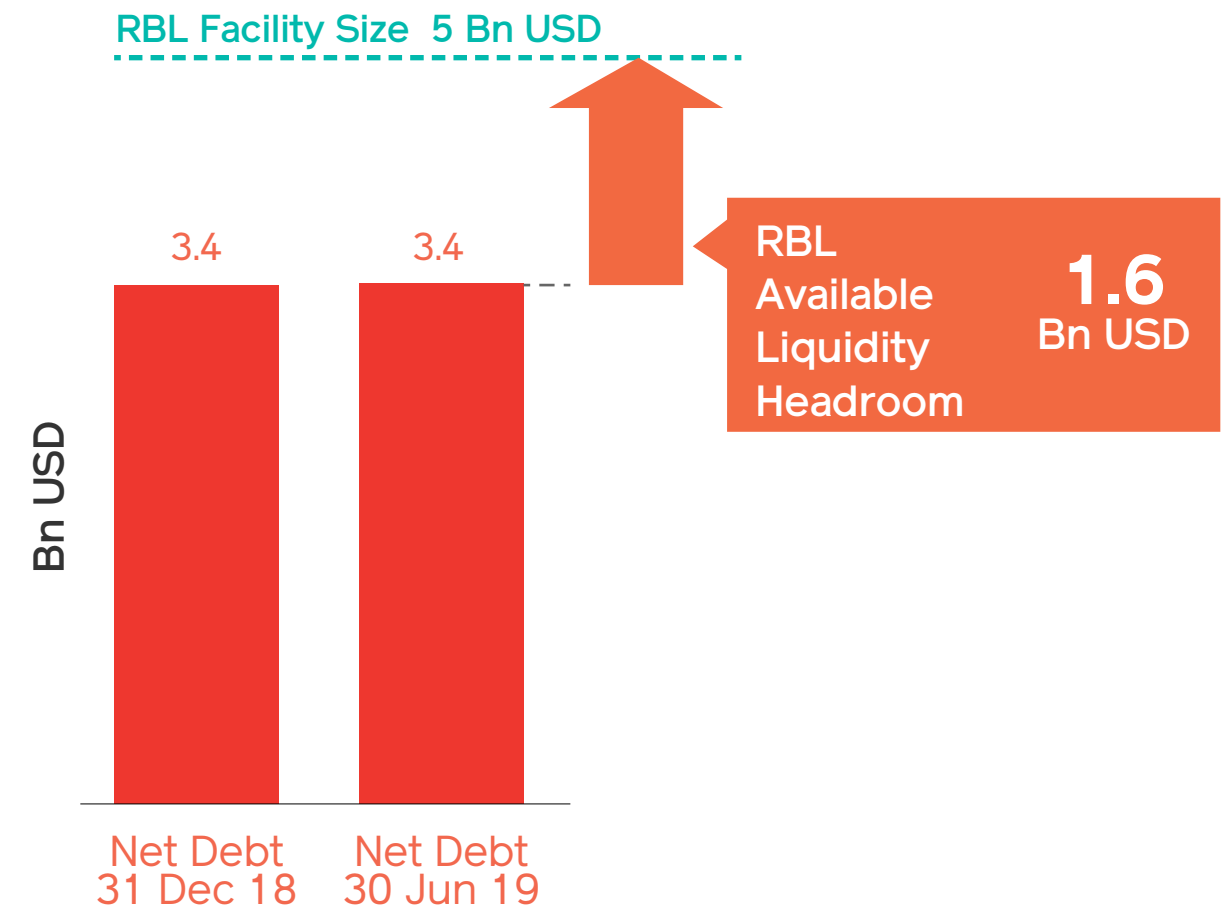
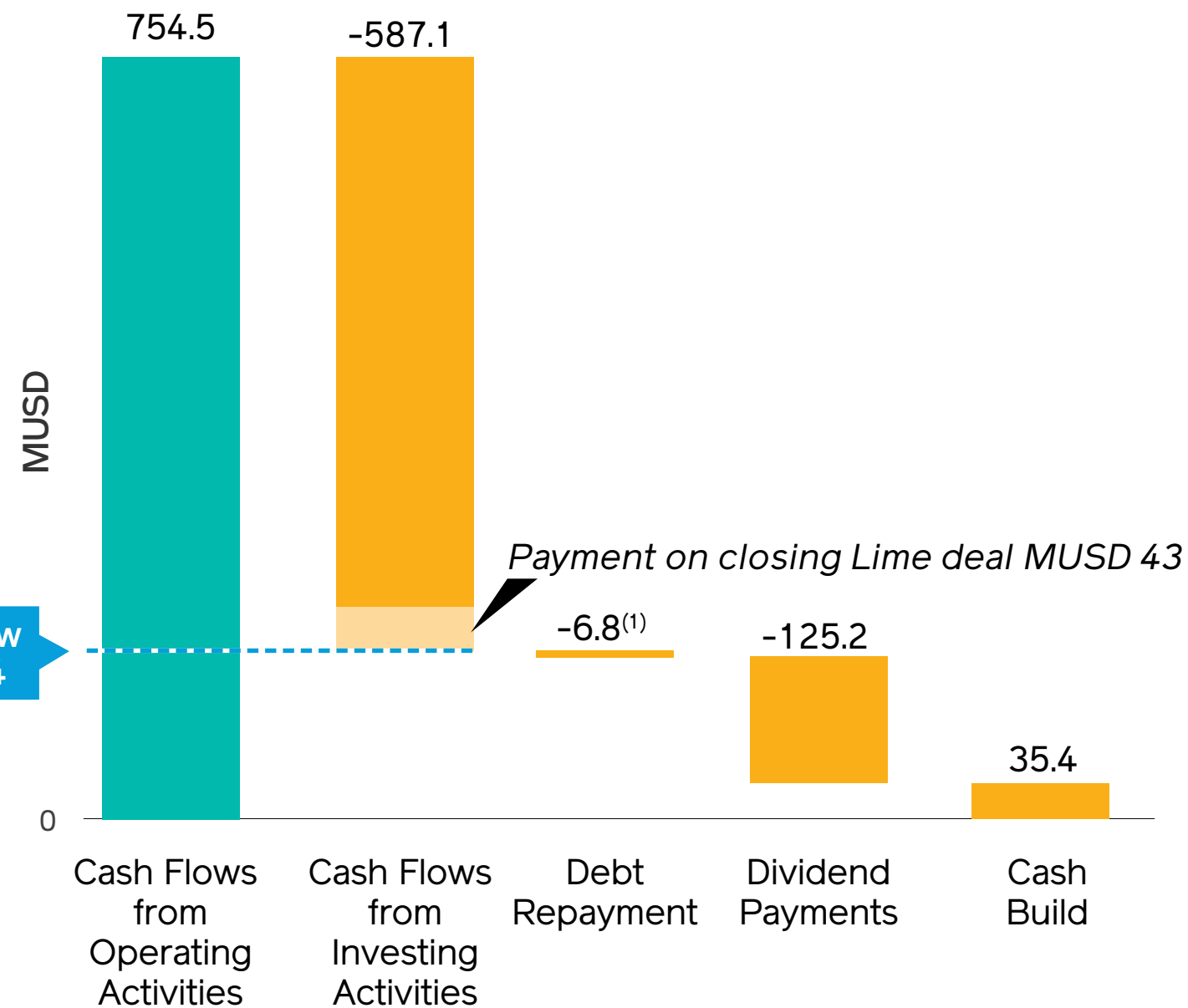
Brent price at 60 USD/bbl	2019	2020-22	2023-26
Cash Tax Due as % EBITDA	~5-10%	~45-55%	~60-65%

1) With Johan Sverdrup interest of 20% from 01.01.2019



# Lundin Petroleum

## First Six Months 2019 - Cash Flow, Debt Position and Liquidity

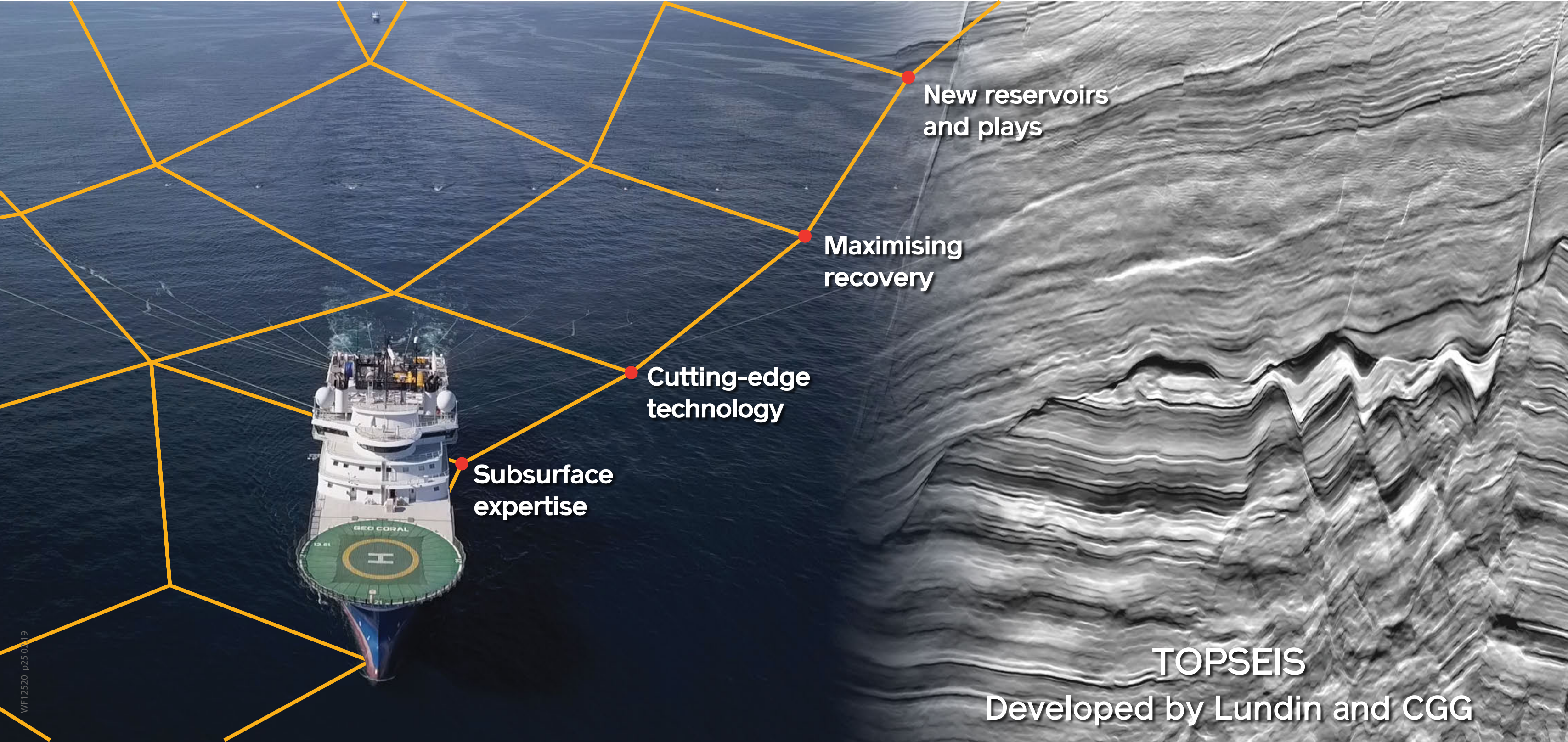


<sup>(1)</sup> Includes MUSD 1.8 reduction in lease commitments



# Lundin Petroleum

## Organic Value Creation Through Innovation



TOPSEIS

Developed by Lundin and CGG

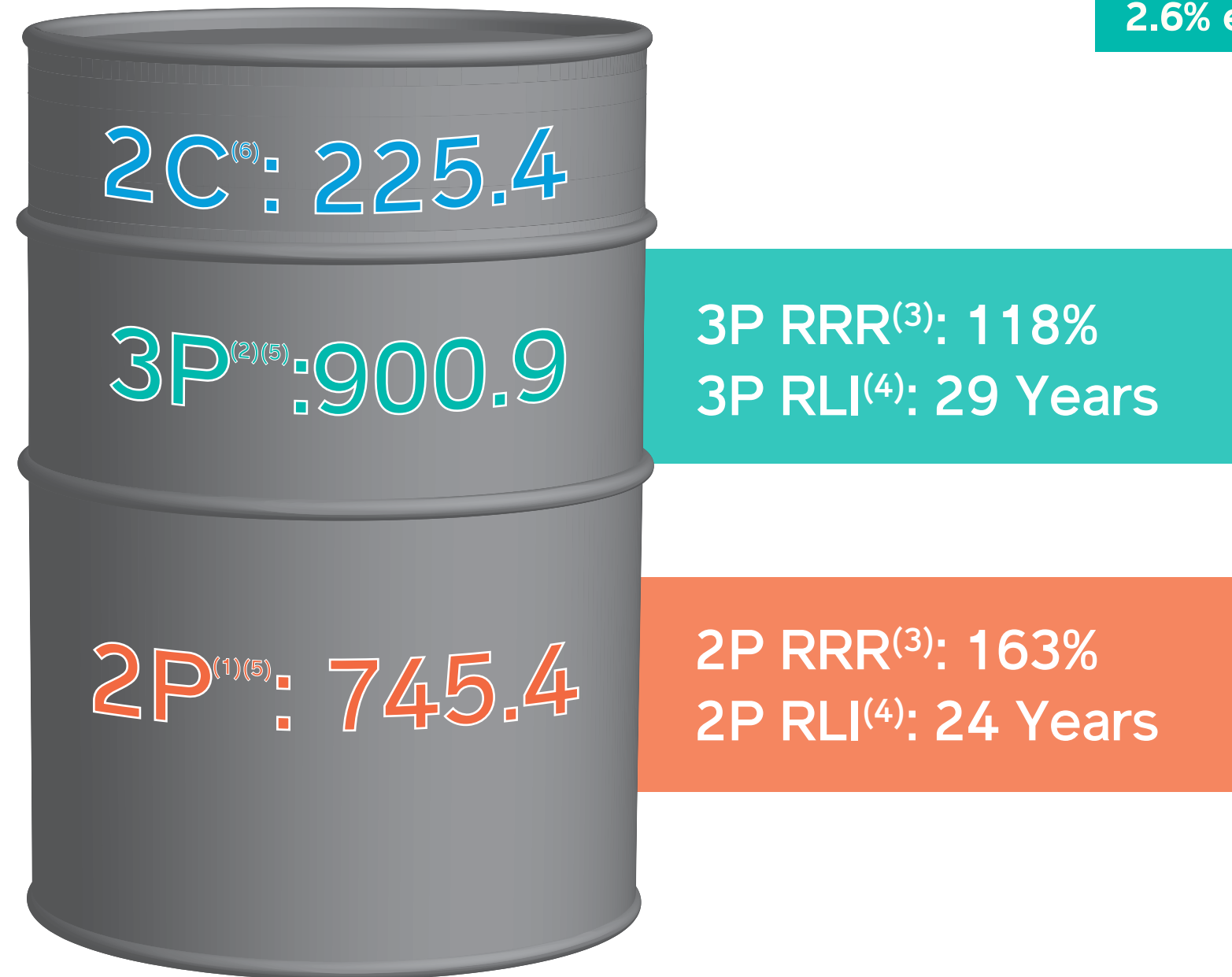
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# Lundin Petroleum

## Year-end 2018 Net Reserves and Resources (MMboe)

Does not reflect sale of  
2.6% equity in Johan Sverdrup



<sup>(1)</sup> 2P Reserves is Proved plus Probable remaining reserves

<sup>(2)</sup> 3P Reserves is Proved plus Probable plus Possible remaining reserves

<sup>(3)</sup> As per industry standards the reserve replacement ratio (RRR) is defined as the ratio of reserves additions to production during the year, excluding acquisitions and sales

<sup>(4)</sup> Reserve life index (RLI) is the ratio of remaining reserves and the current annual production forecast

<sup>(5)</sup> Independently audited by ERC Equipoise Ltd (ERCE)

<sup>(6)</sup> 2C Contingent Resources

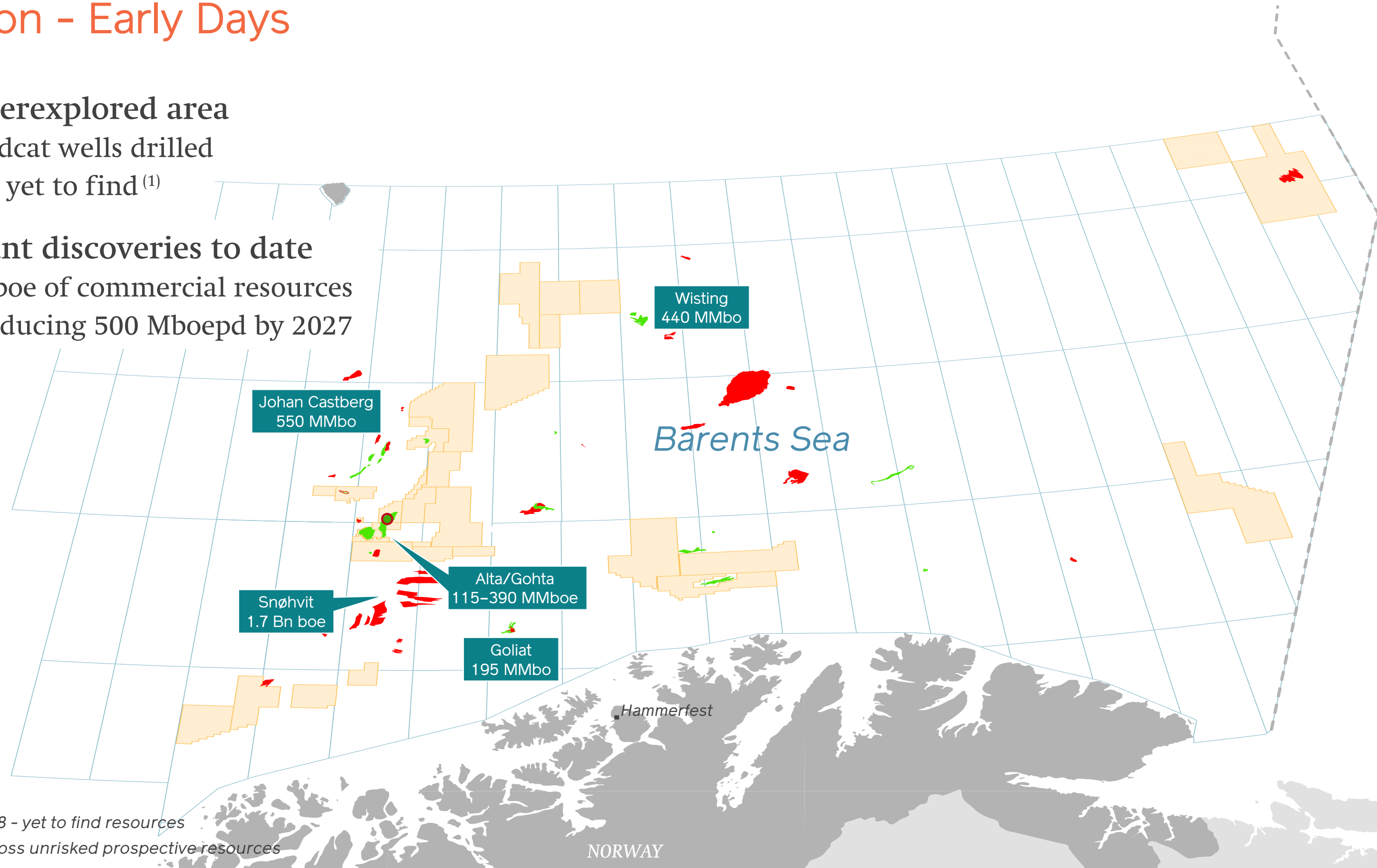
# Southern Barents Sea Exploration - Early Days

## ➤ Large underexplored area

- ➔ ~120 wildcat wells drilled
- ➔ 7 Bn boe yet to find <sup>(1)</sup>

## ➤ 5 significant discoveries to date

- ➔ >2.5 Bn boe of commercial resources
- ➔ Area producing 500 Mboepd by 2027



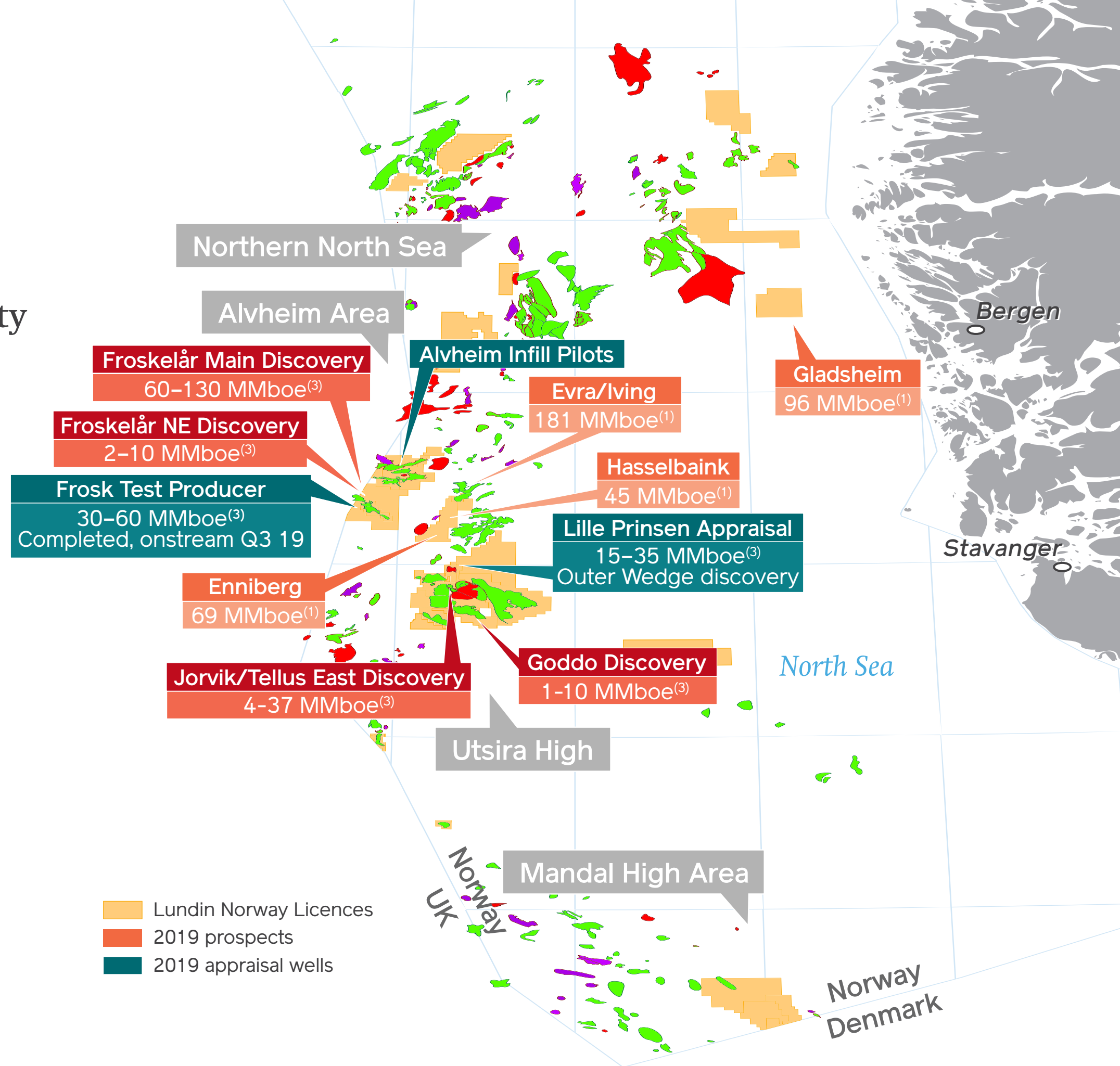
<sup>(1)</sup> NPD estimate end 2018 - yet to find resources

<sup>(2)</sup> Lundin estimates of gross unrisks prospective resources



# North Sea Exploration Significant Potential

- ➔ Significant remaining prospectivity  
→ 4.4 Bn boe yet to find<sup>(2)</sup>
- ➔ Continue to build position
- ➔ New exploration core area  
– Northern North Sea



<sup>(1)</sup> Lundin estimates of gross unrisks prospective resources

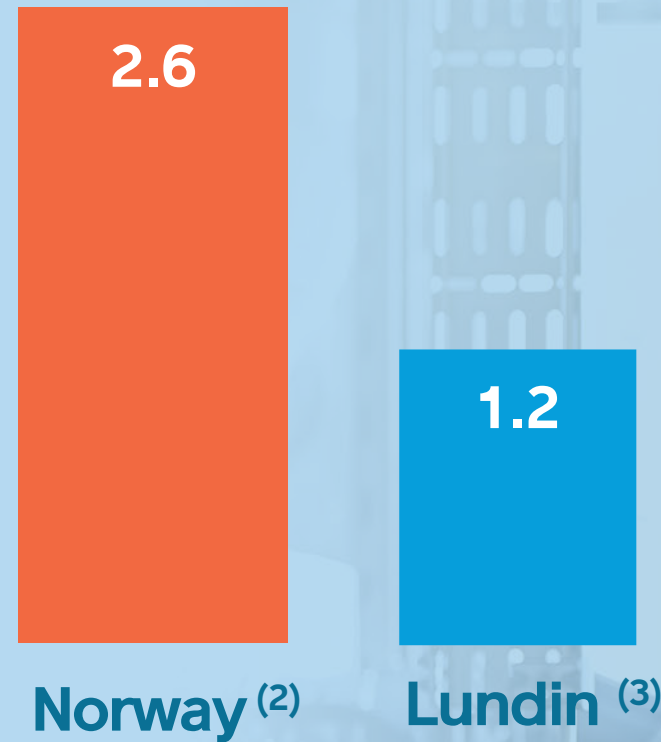
<sup>(2)</sup> NPD estimate end 2018 - yet to find resources

<sup>(3)</sup> Operator estimates of gross resources



# Lundin Petroleum Safe Operations

## Total Recordable Incident Rate (TRIR) <sup>(1)</sup>



**Zero** serious injuries <sup>(3)</sup>

**Zero** process safety incidents <sup>(3)</sup>

**No** material environmental incidents <sup>(3)</sup>

<sup>(1)</sup> Per million manhours

<sup>(2)</sup> Norway industry average 2018 (IOGP)

<sup>(3)</sup> First six months 2019





# Lundin Petroleum

## ESG Supported Initiatives

### Global Reporting Initiative (GRI)

Reporting according to the GRI G4 Guidelines.

### Extractive Industry Transparency Initiative

Support and promotion of EITI's efforts to combat corruption.



### United Nations Sustainable Development Goals

Promotion of Sustainable Development Goals (SDGs) throughout the value chain.



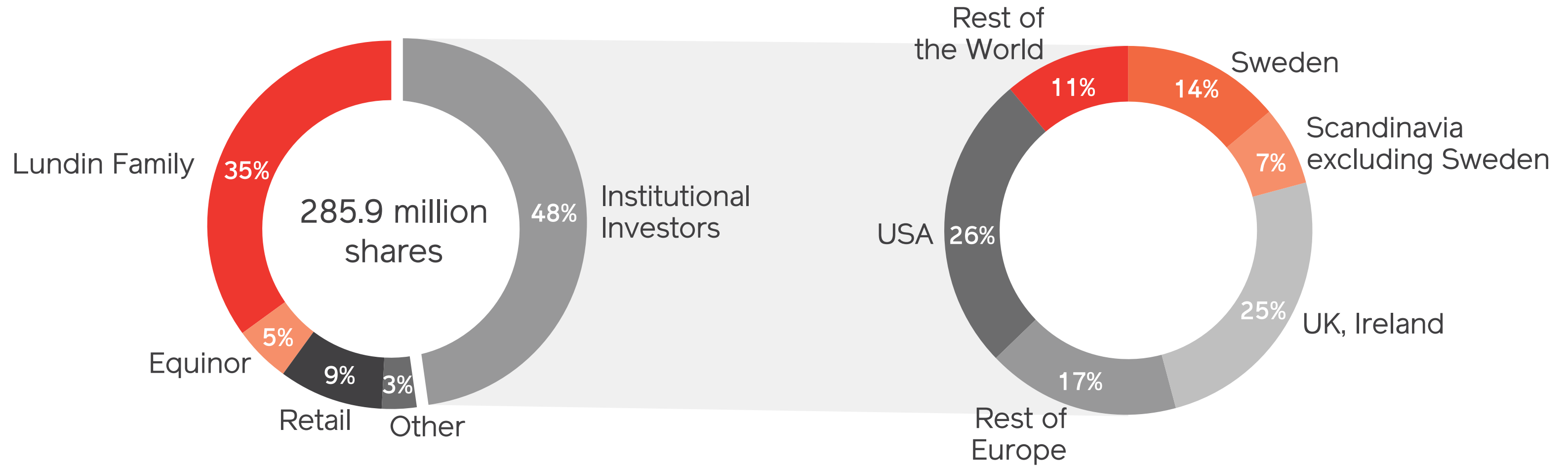
### Our Global Compact commitment

We support the 10 United Nations Global Compact Principles



# Lundin Petroleum Shareholder Structure

- ➔ Listed on Nasdaq Stockholm
- ➔ Shares in free-float approx. 60%
- ➔ Tickers: LUPE.SS, LUPE.ST, ADR: LUPEY



Source: Q4 inc.



# Disclaimer

## 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 Lundin Petroleum'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 Lundin Petroleum 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 Lundin Petroleum'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.

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