

Corporate Presentation

November 2019

Lundin
Petroleum



Lundin Petroleum

A Leading European Independent E&P Company

> **9** Bn USD
Market Cap

> **1** Bn boe
Resource base

Production targeting
> **200** Mboepd

Industry Leading
Low Opex
~4 USD/bbl

~ **1** Bn USD
Free cash
flow/year

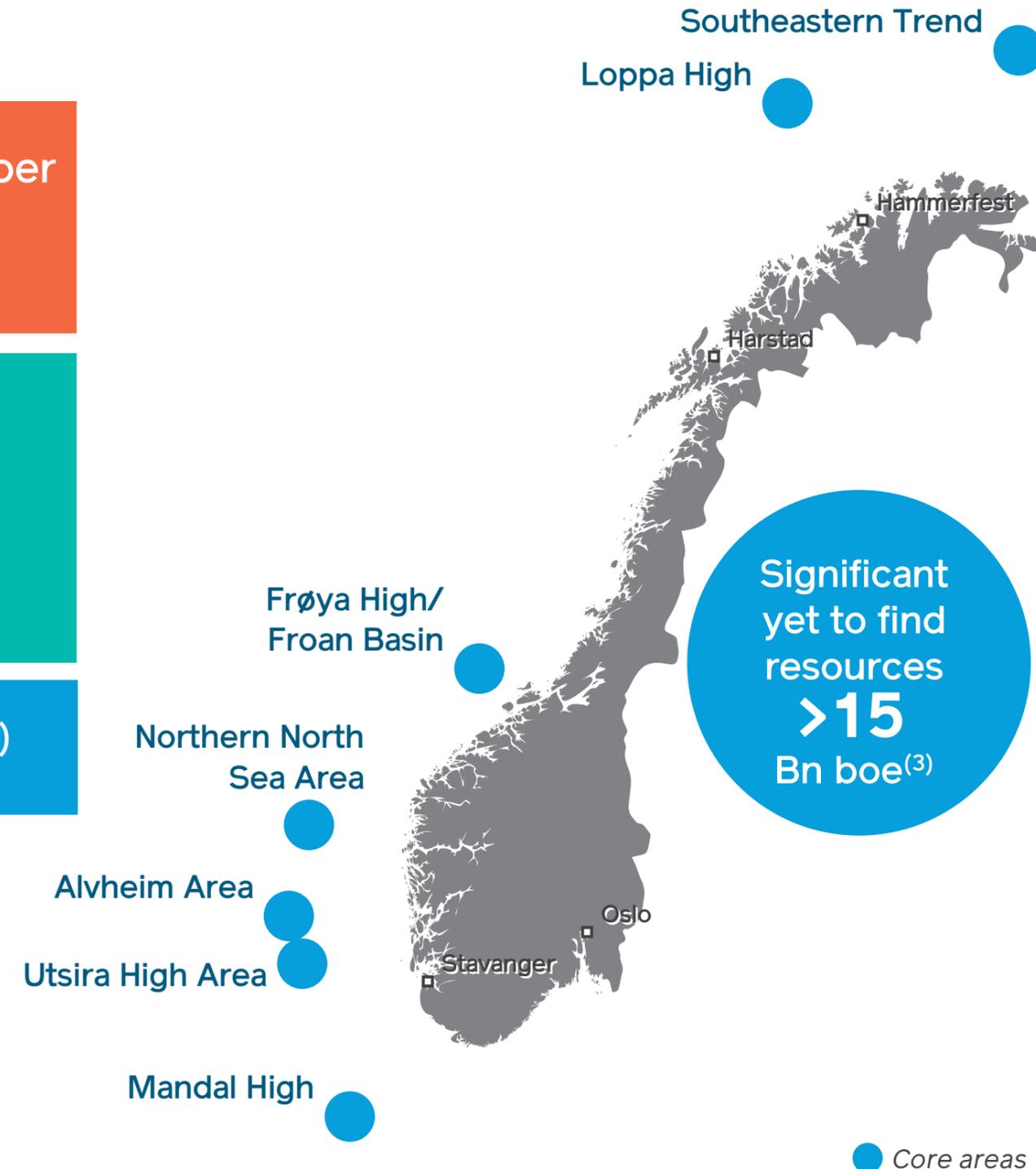
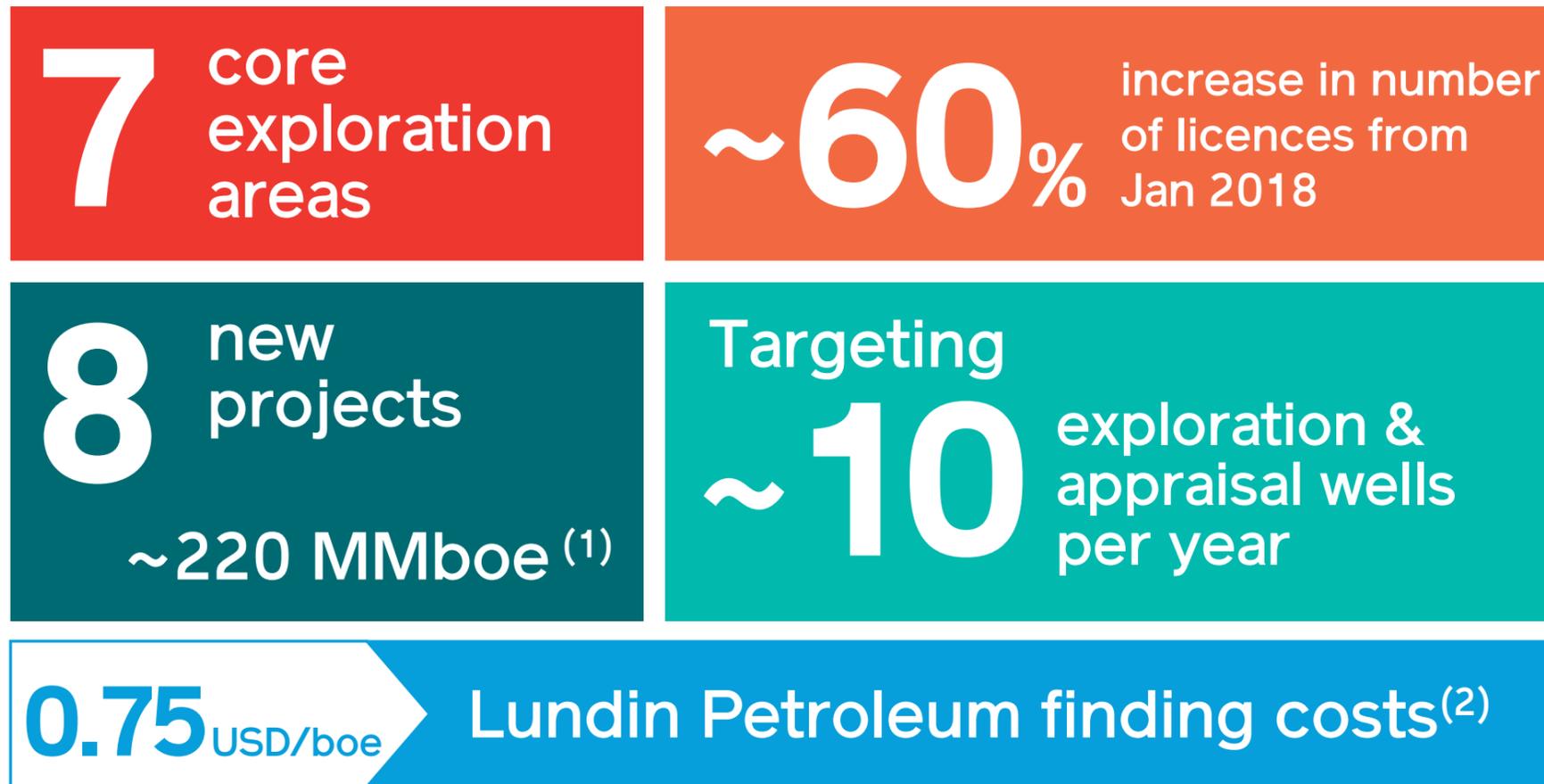
1.48
USD/share
dividend 2019

Low Carbon footprint
approximately quarter of world average



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Successful Organic Growth Strategy



⁽¹⁾ Net contingent resources

⁽²⁾ Post tax

⁽³⁾ NPD estimate end 2018 (excludes Barents Sea North East)

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ESG Performance

- Industry leading low carbon intensity per barrel produced
- Direct investment in offset/replacing electricity usage
 - currently 20% of power from shore offset through a hydro project
- Desire to invest further to replace and offset power usage
- Investment in new technologies and innovative approaches to carbon reduction
- Ambition to become one of the most carbon efficient offshore producers

ESG Ratings 2018



Top 10 ESG in Europe
Top 5 on human rights globally



Prime Status



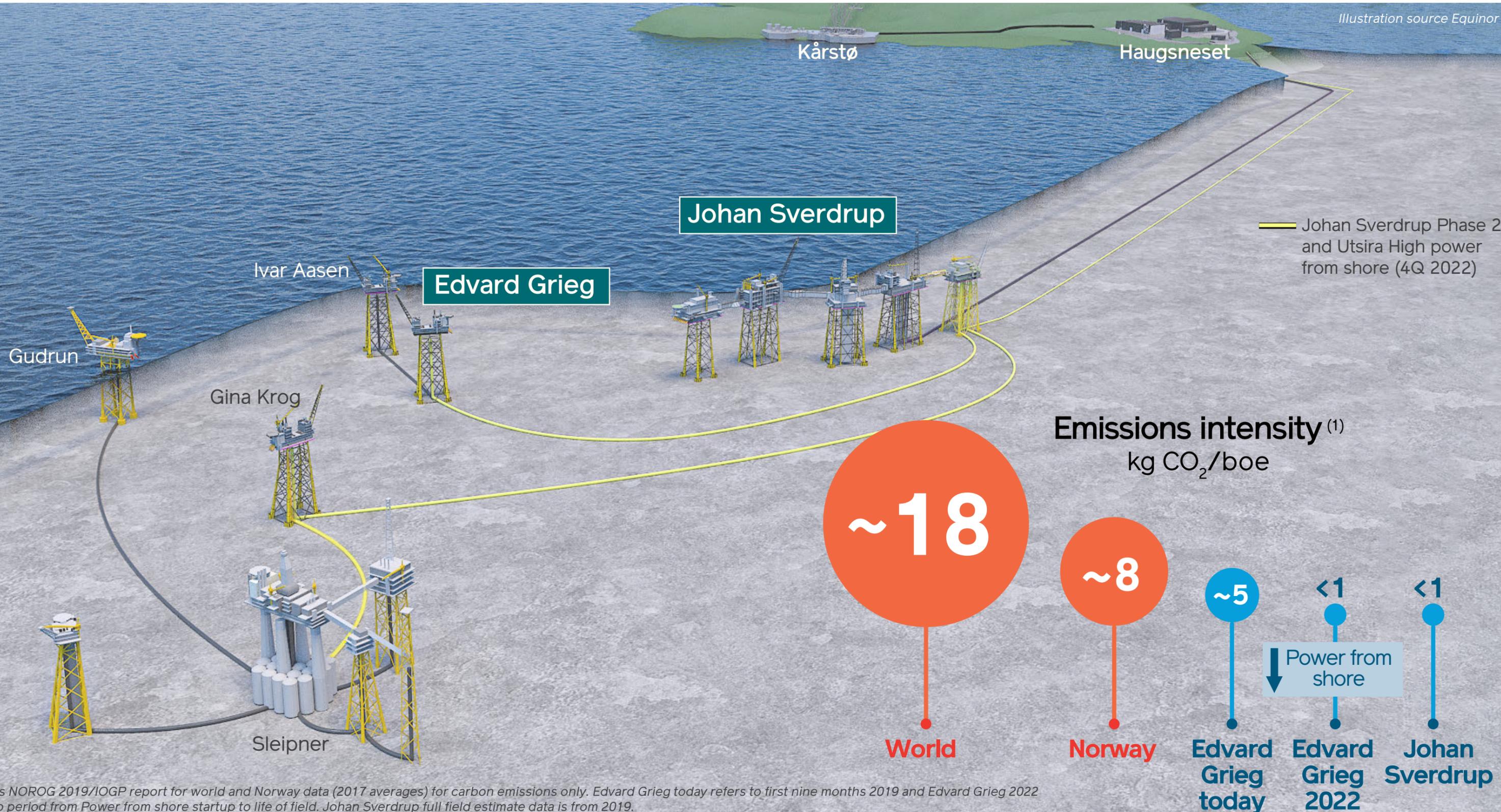
Outperformer



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Utsira High Full Electrification - Industry Leading Low Carbon Intensity

Illustration source Equinor



⁽¹⁾ Sources NOROG 2019/IOGP report for world and Norway data (2017 averages) for carbon emissions only. Edvard Grieg today refers to first nine months 2019 and Edvard Grieg 2022 refers to period from Power from shore startup to life of field. Johan Sverdrup full field estimate data is from 2019.

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Industry Leading Operating Performance

Production Efficiency

98% Edvard Grieg ⁽¹⁾

97% Alvheim Area ⁽¹⁾

Sustained Low Opex

~4 USD/boe

Third of North Sea average

Carbon Intensity

~5 kg CO₂/boe today

<1 kg CO₂/boe in 2022

Top Tier HSE Performance

Zero ⁽¹⁾

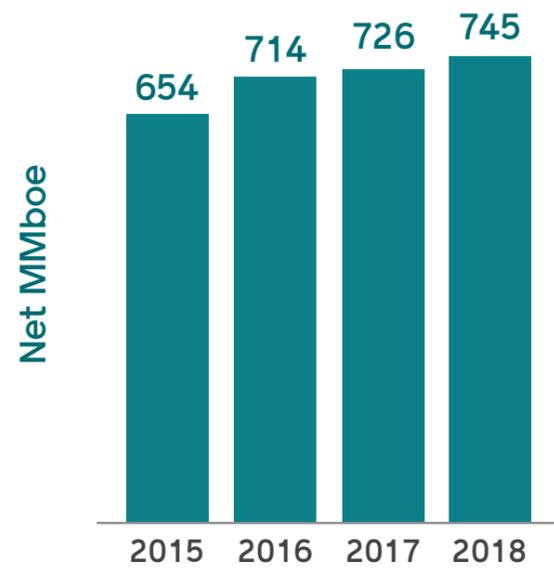
material incidents



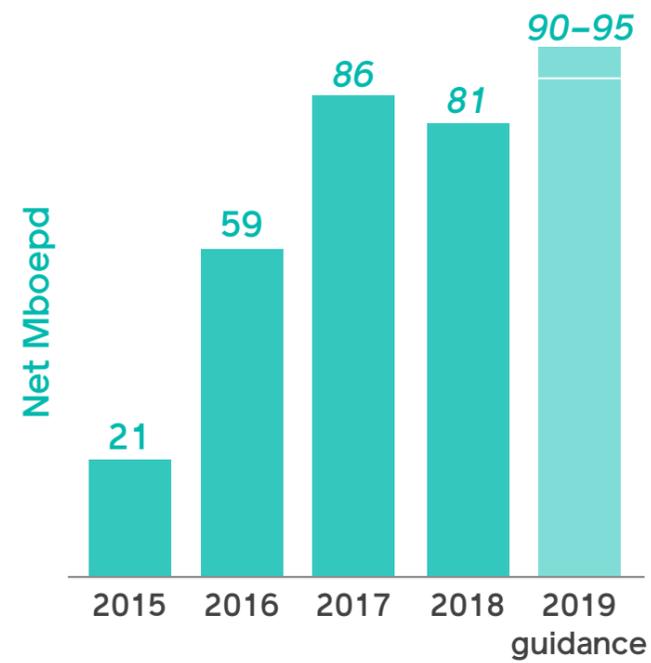
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Strong Track Record

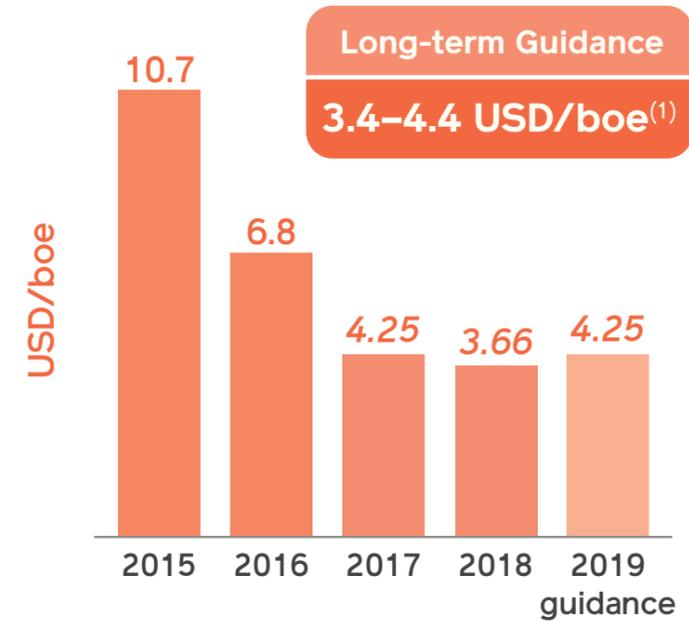
2P Reserves



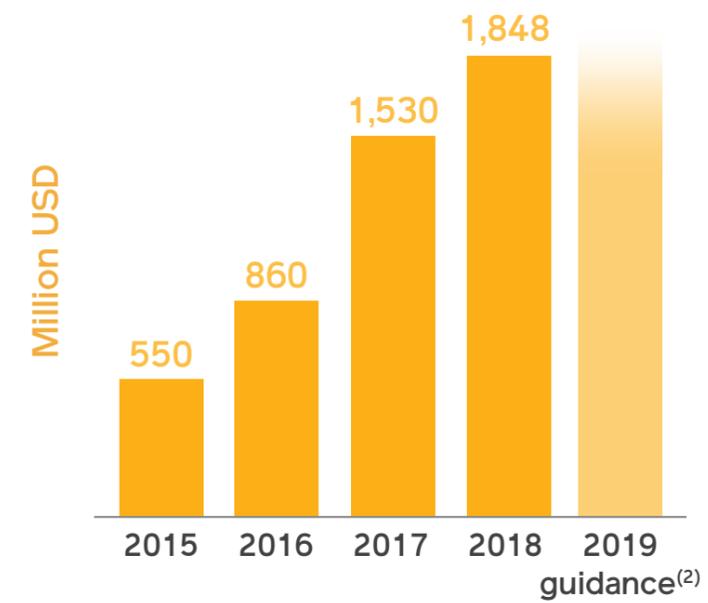
Production



Operating Costs



Operating Cash Flow

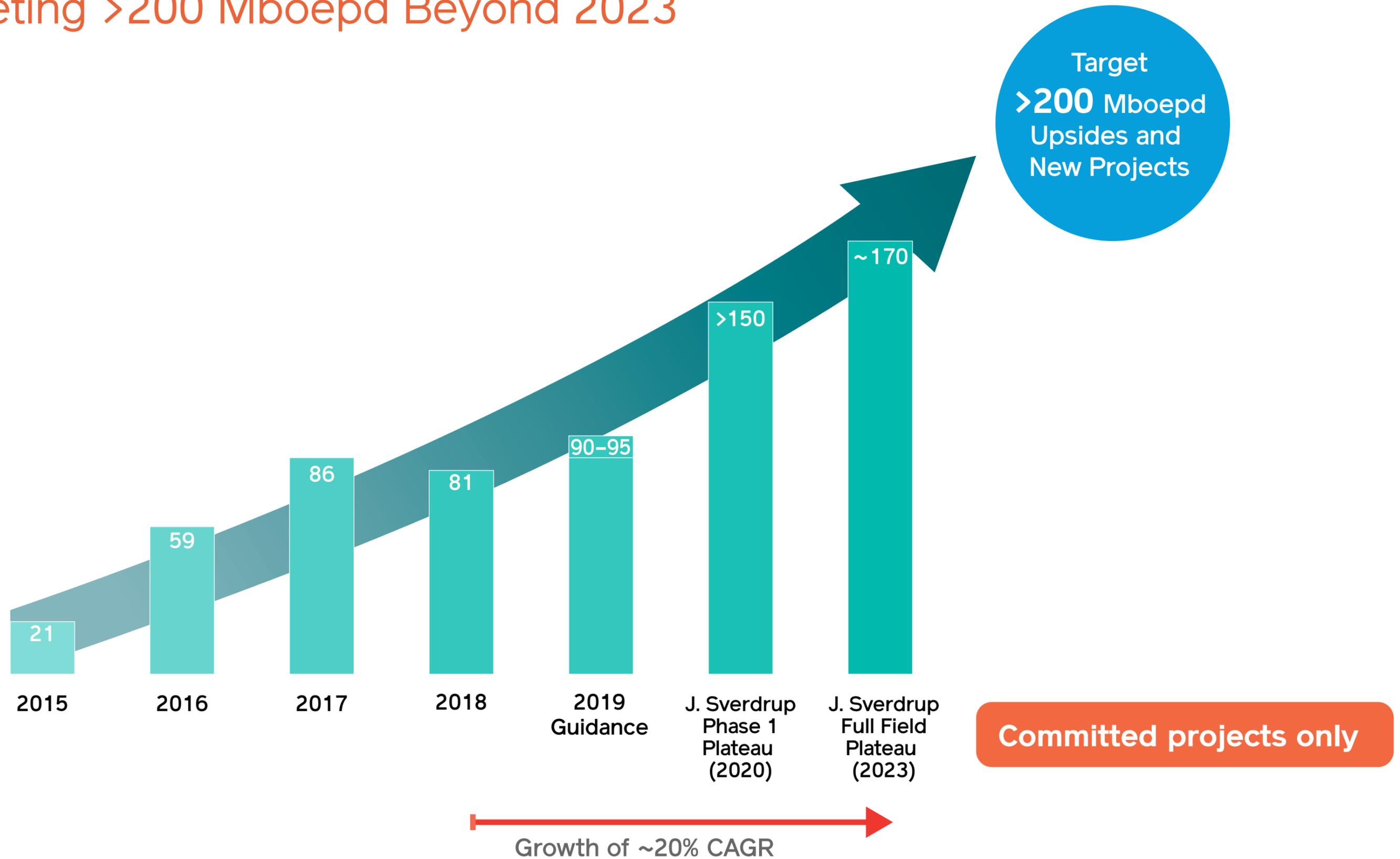


⁽¹⁾ 2020 onwards

⁽²⁾ Oil price range 45 to 75 USD/bbl

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Targeting >200 Mboepd Beyond 2023

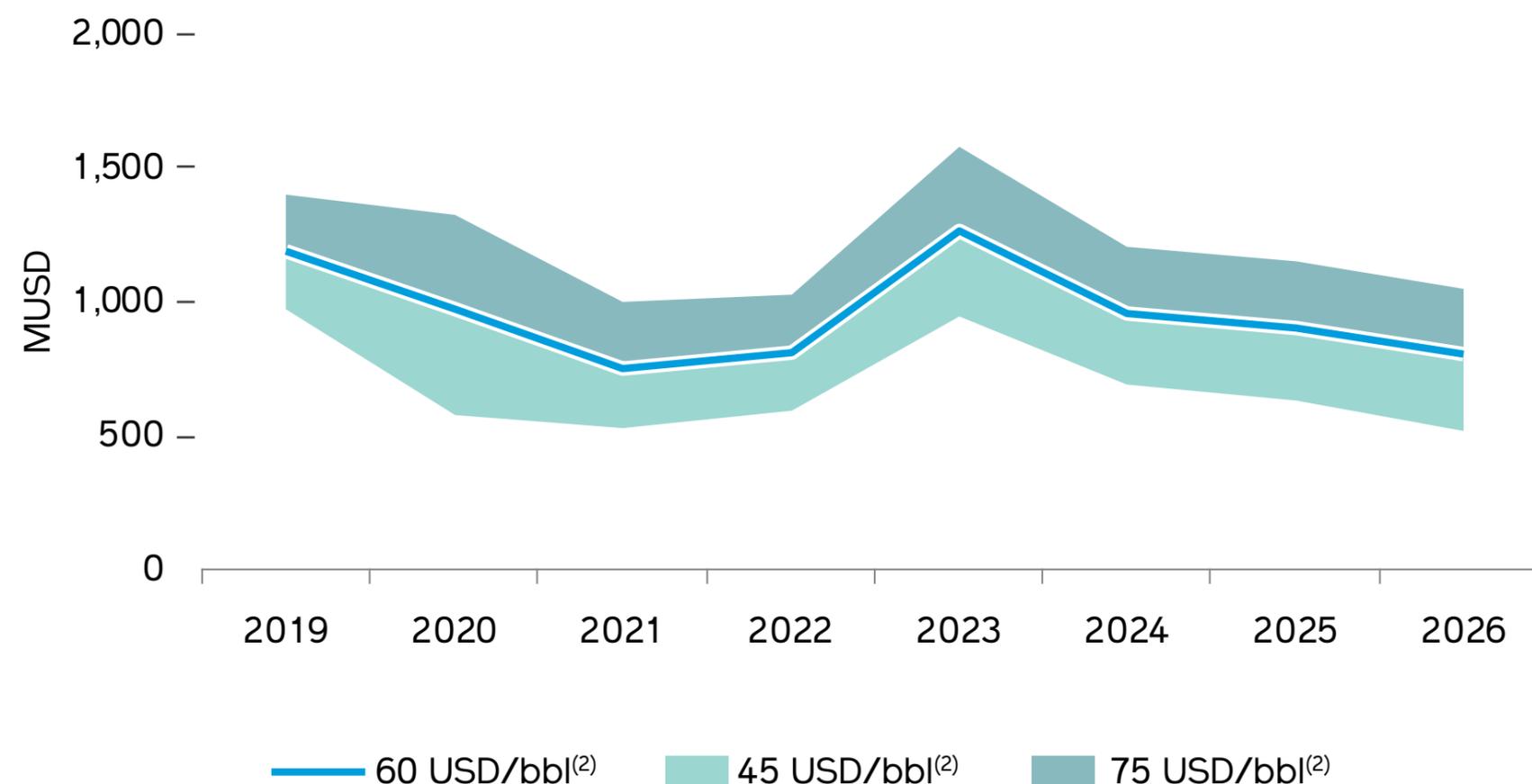


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Sustainable Free Cash Flow

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

Free Cash Flow (Pre-Dividend)⁽¹⁾



Dividend Strategy

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

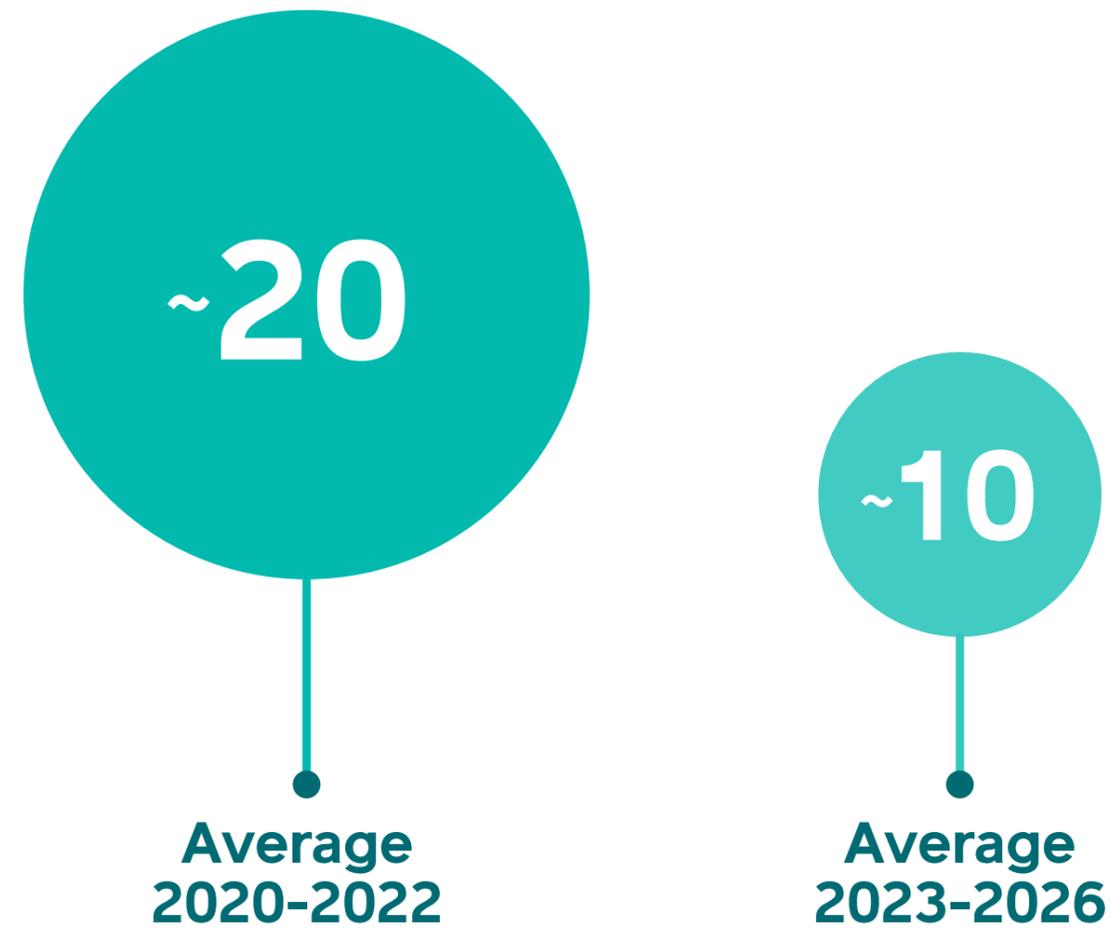
⁽¹⁾ Free Cash Flow before dividends and excluding working capital movement, except for cash taxes (50/50 in year N and N+1) and based with JS working interest at 20% from 01.01.2019 / Based on 2P reserves at end 2018 + Solveig + Rolvsnes EWT + Edvard Grieg Infills

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

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Industry Leading Free Cash Flow Breakeven

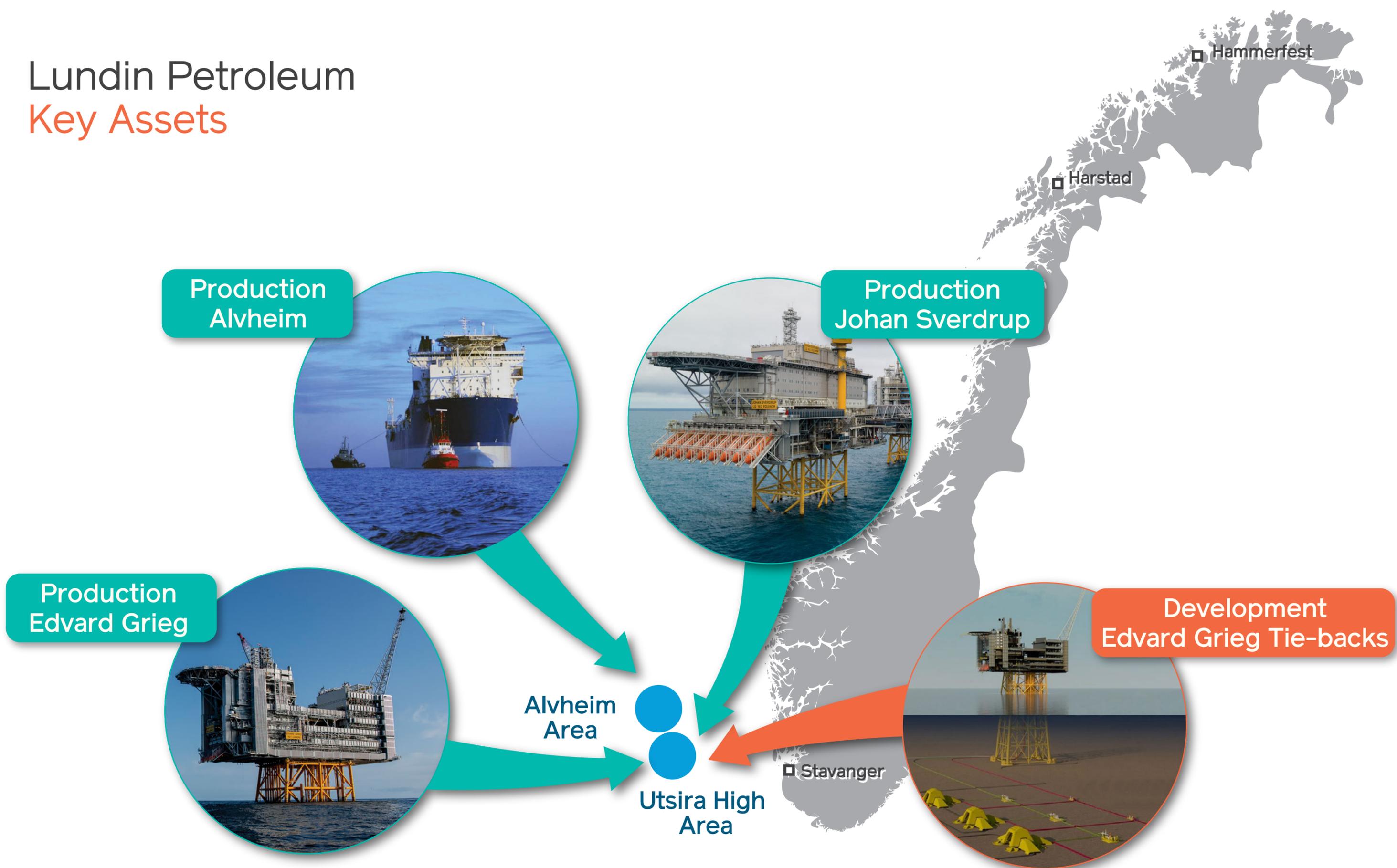
Free Cash Flow (Pre-Dividend) Breakeven (USD/bbl)



JS working interest at 20% from 01.01.2019 / Based on 2P reserves at end 2018 + Solveig + Rolvsnes EWT + Edvard Grieg Infills

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Key Assets



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Greater Edvard Grieg Area - Keeping the Facilities Full

Edvard Grieg

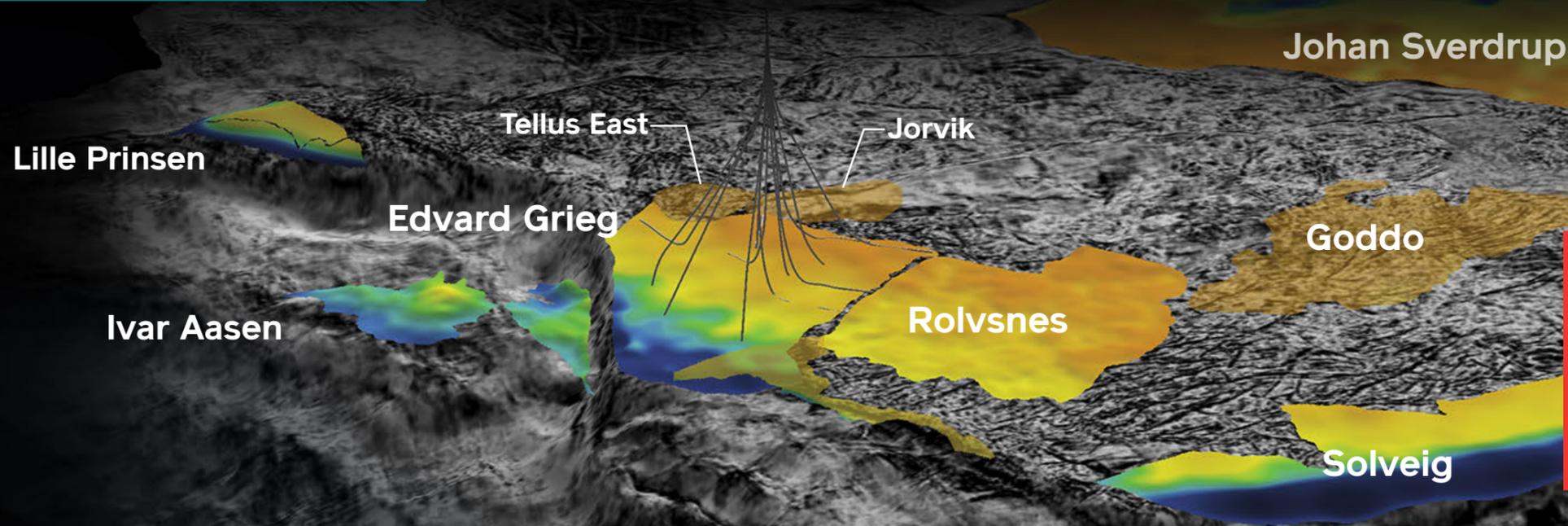
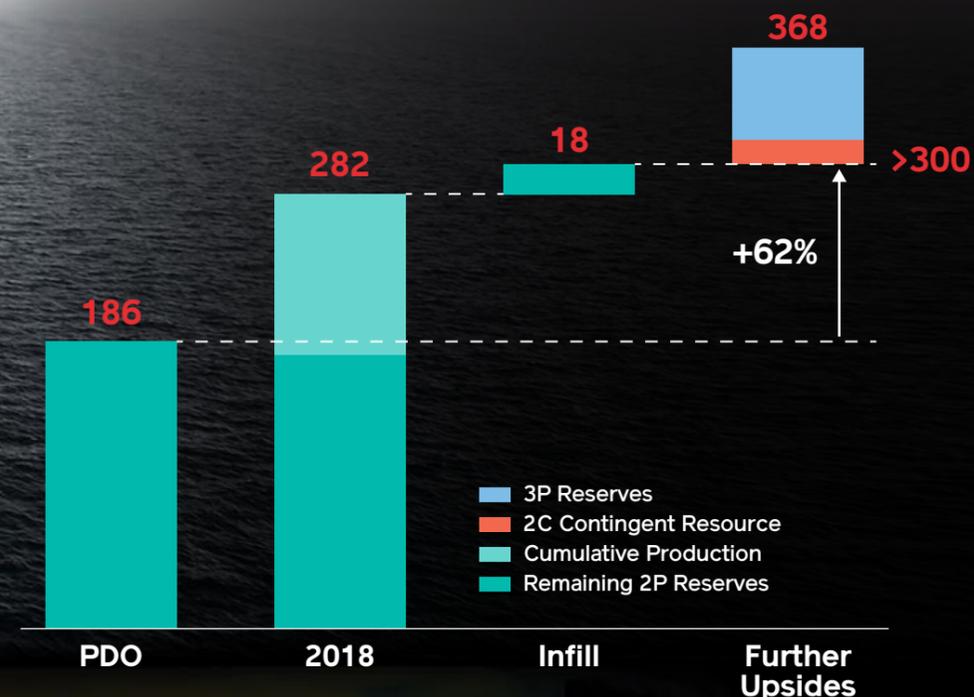
- 3 firm infill wells sanctioned
- Further reserves upside

Extended Plateau Production to around end 2022 from mid-2020

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



Edvard Grieg
Gross Reserves/Resources (MMboe)

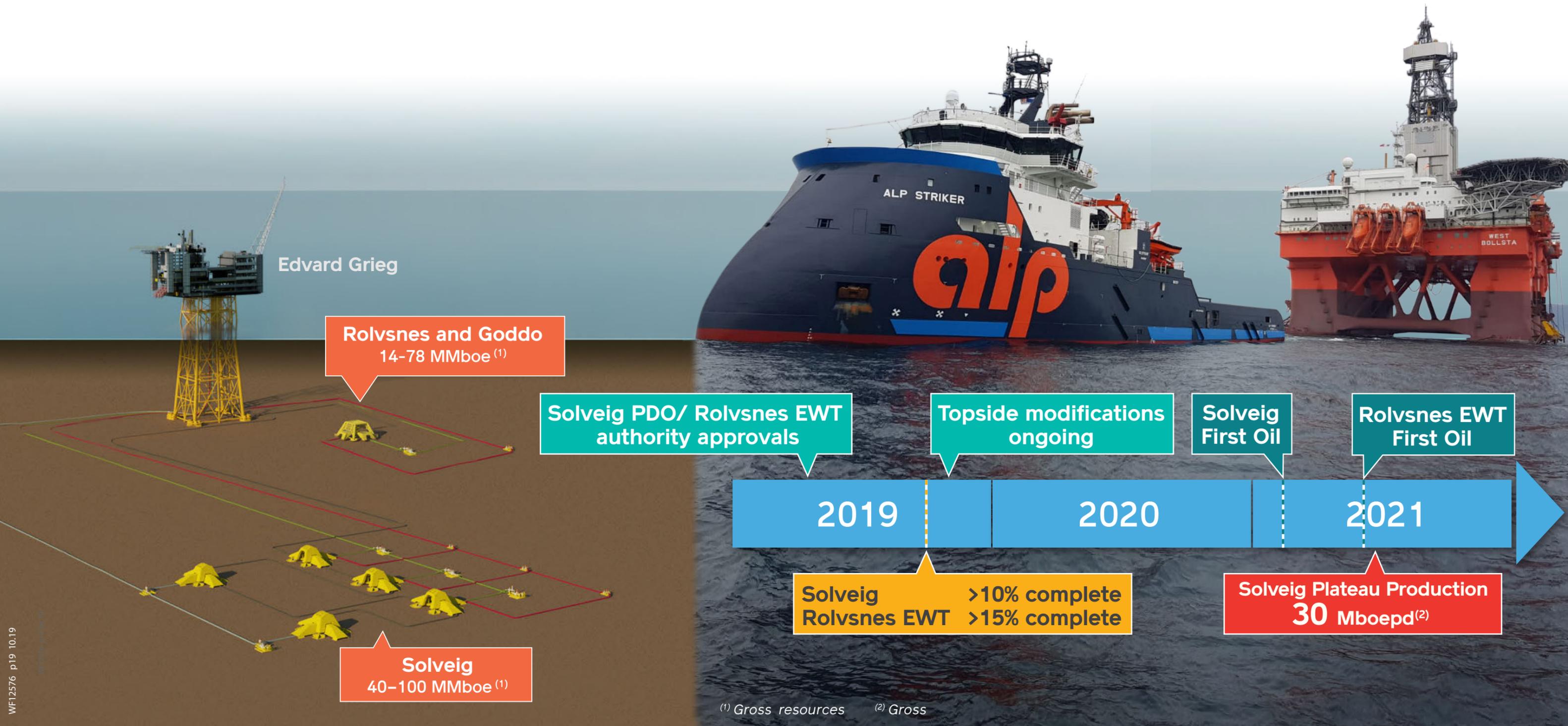


Tie-backs

Solveig, Rolvsnes, Lille Prinsen and exploration opportunities

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Greater Edvard Grieg Area - Solveig Phase 1 and Rolvsnes EWT



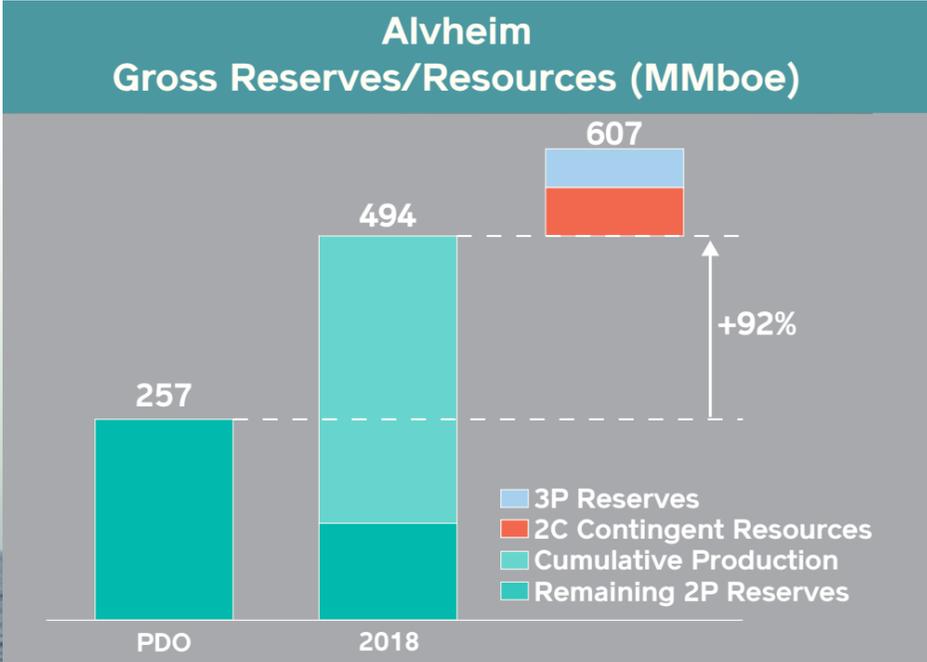
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Alvheim Area - Continuous Reserves Growth

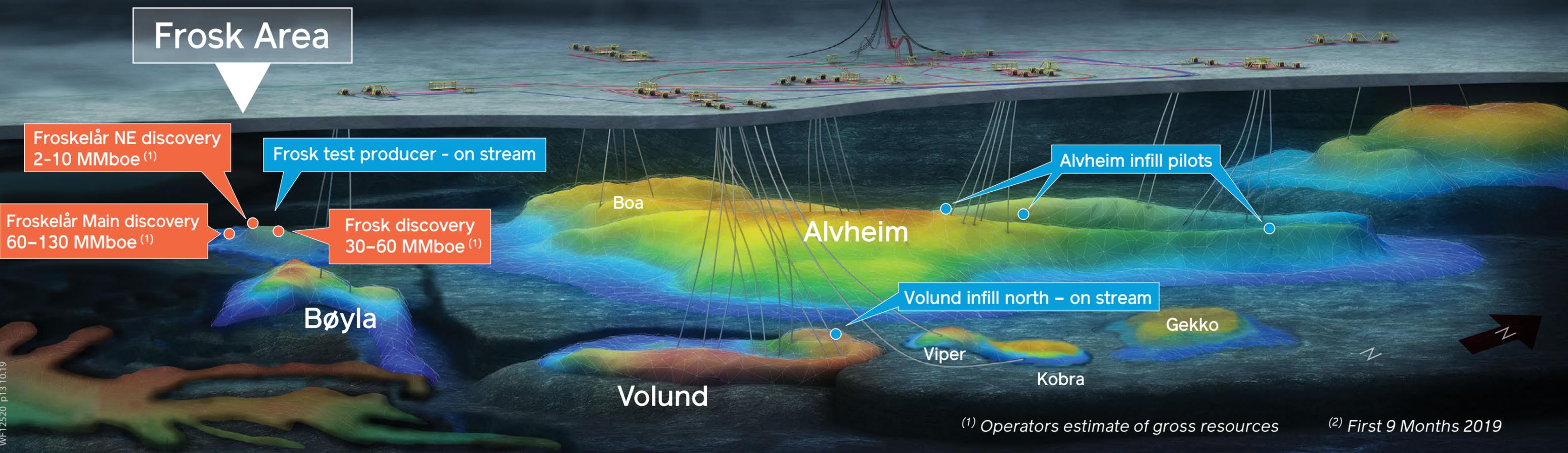
- Frosk test producer on stream
- Alvheim infill pilots successful
- Maturing new infill wells for 2020

Alvheim FPSO



Frosk Area

- Froskelår NE discovery 2-10 MMboe ⁽¹⁾
- Froskelår Main discovery 60-130 MMboe ⁽¹⁾
- Frosk test producer - on stream
- Frosk discovery 30-60 MMboe ⁽¹⁾



Volund infill north - on stream

Alvheim infill pilots

⁽¹⁾ Operators estimate of gross resources

⁽²⁾ First 9 Months 2019

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Johan Sverdrup Phase 1 - First Oil Ahead of Schedule and Below Budget

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 ⁽¹⁾

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

↓ Phase 2
PDO 85 Bn NOK ⁽²⁾
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%

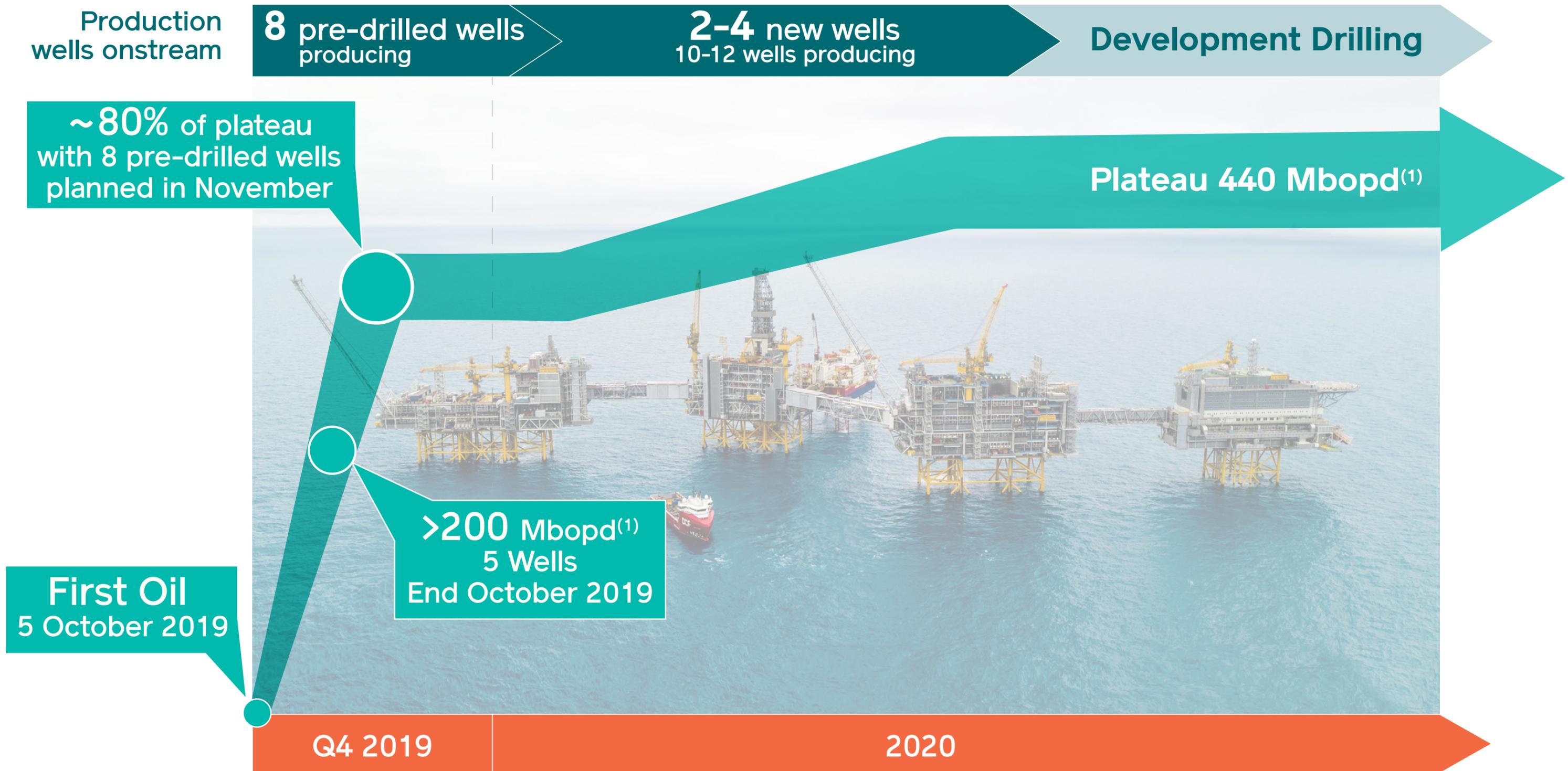
OPEX
<2 USD/bbl
from Phase 1
plateau

Carbon
Footprint
0.7
kg CO₂/boe⁽³⁾

⁽¹⁾ Nominal, fixed currency ⁽²⁾ Original PDO ⁽³⁾ Life of field

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Johan Sverdrup Phase 1 - Production Ramp-up



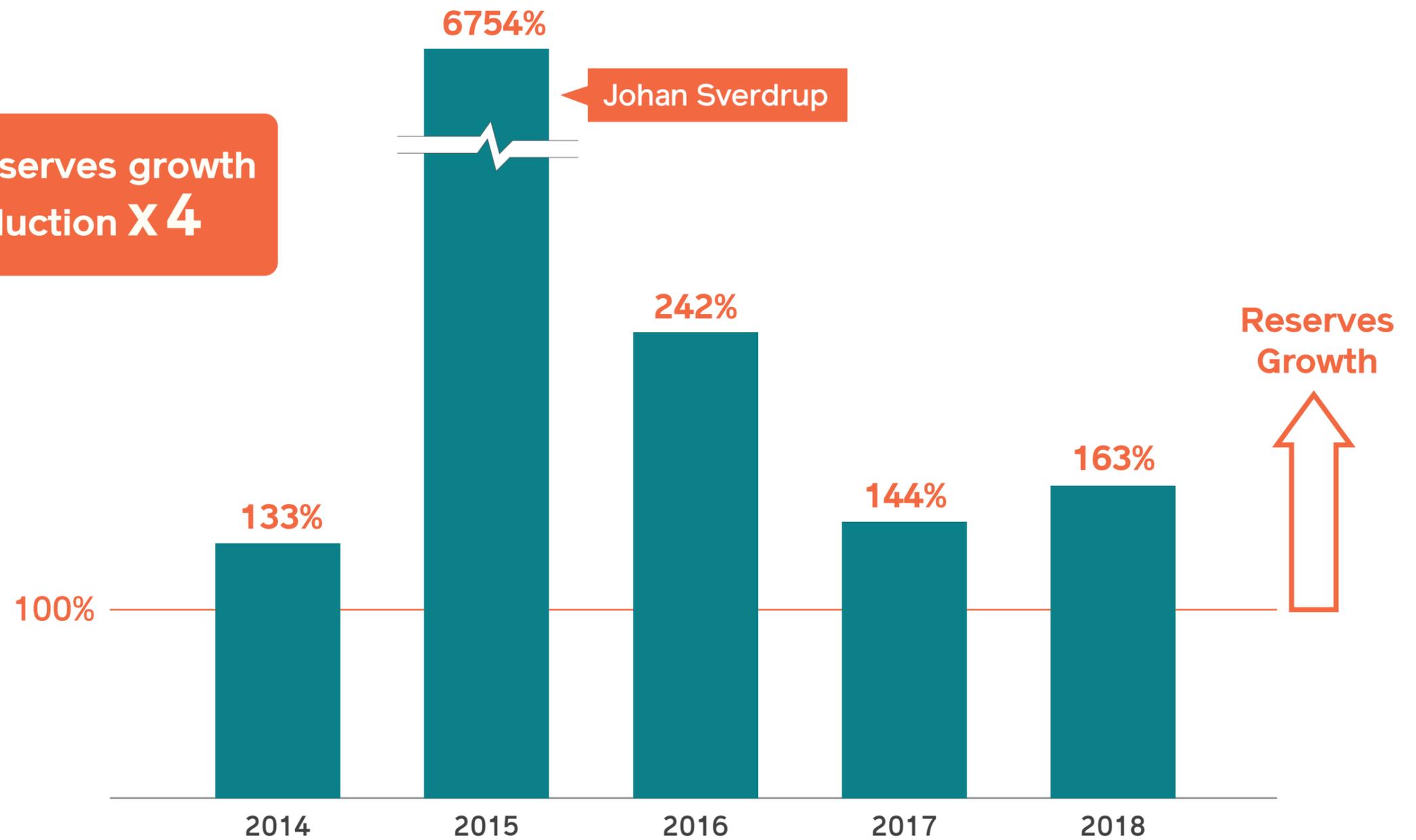
⁽¹⁾ Gross

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Track Record of Growing Reserves

Reserve Replacement Ratio (%) ⁽¹⁾

5th consecutive year of reserves growth while growing production X 4

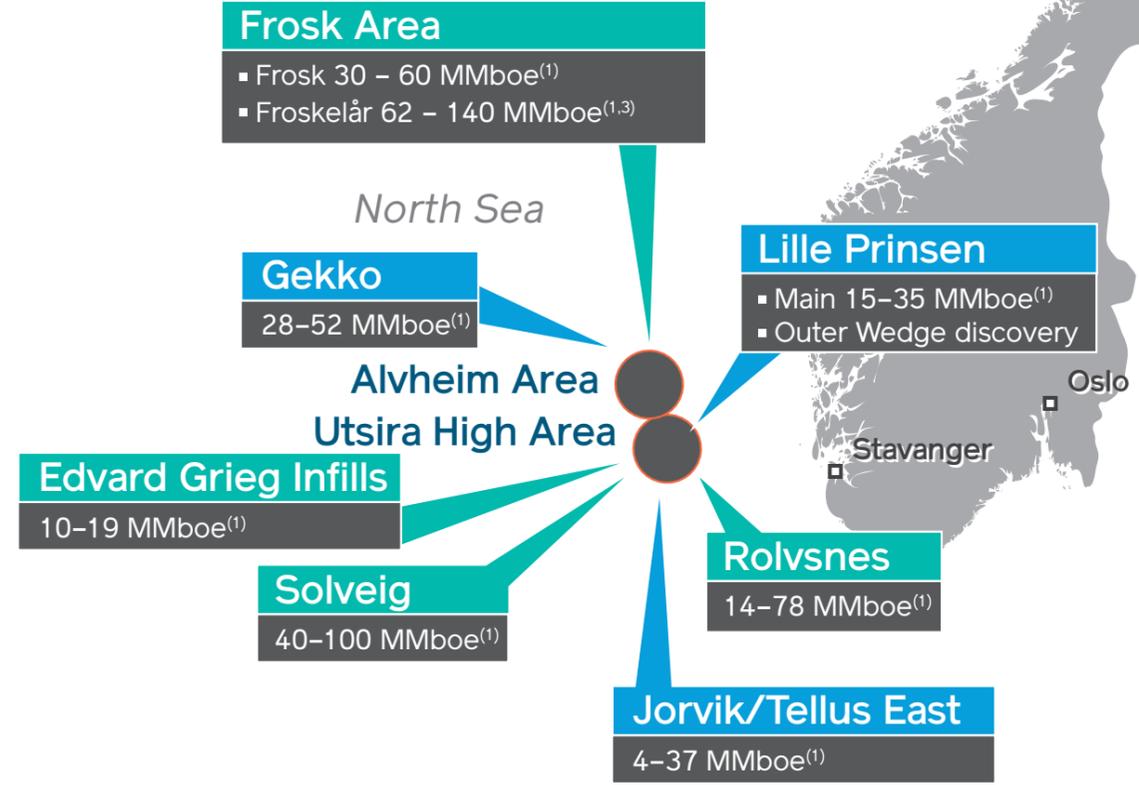
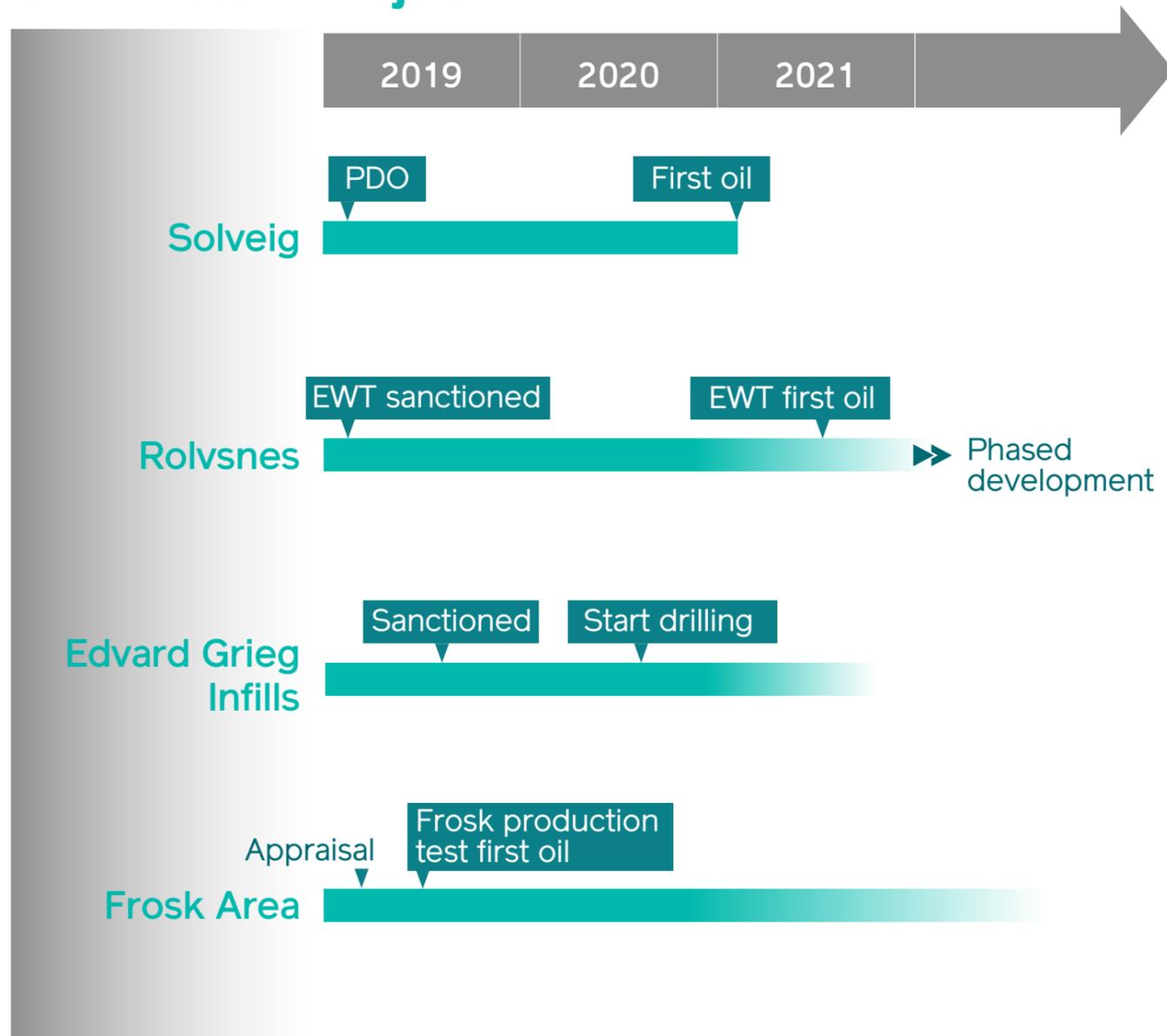


⁽¹⁾ 2P reserves

Lundin Petroleum Pipeline of New Projects

8 potential new projects
targeting **110–370 MMboe**
net resources ⁽²⁾

Committed Projects



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

Committed projects
Appraisal phase

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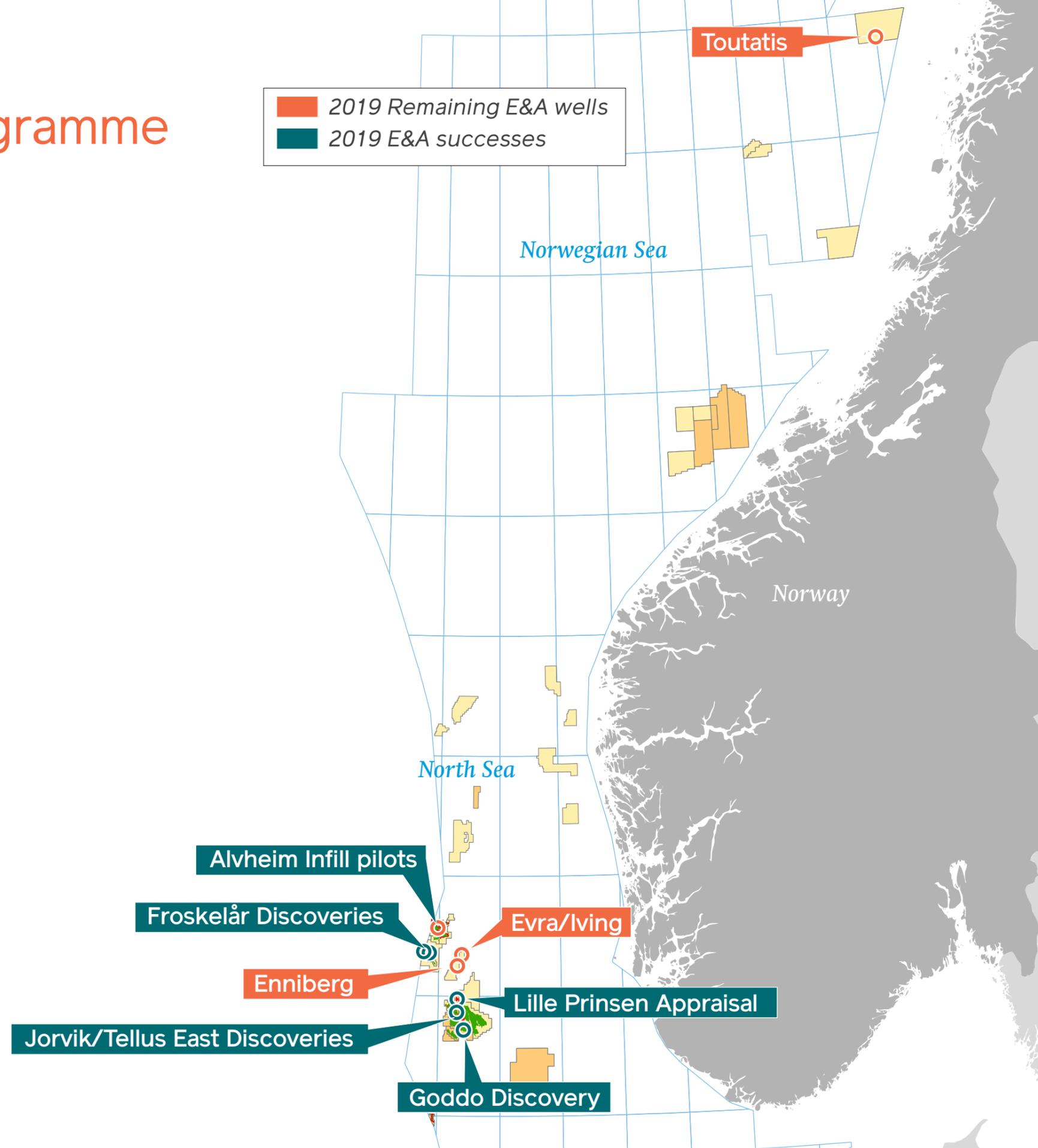
Lundin Petroleum 2019 Exploration & Appraisal Programme

15 wells drilled
5 discoveries
2 appraisal success

10 – 50 MMboe
net resource additions

3 wells remaining

Targeting **~130** 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 ⁽¹⁾
~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

⁽¹⁾ From 2019–2026 at 60 USD/bbl

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Appendices

2019 Latest Guidance Compared to CMD

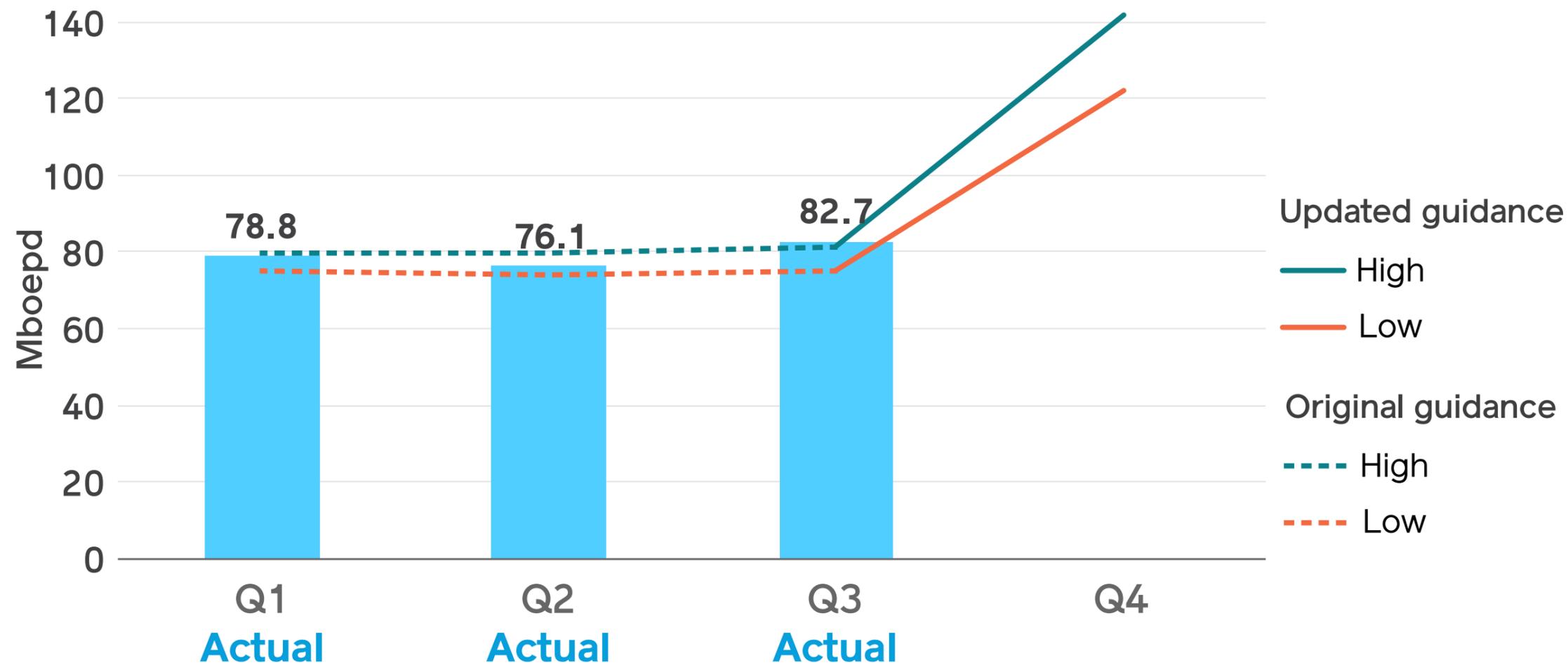
	CMD	Latest Guidance
Production Guidance (Mboepd)	75–95	90–95
Operating costs (USD/boe)	4.25	4.25
CAPEX (MUSD)	930	730
E&A Expenditure (MUSD)	300	325
Johan Sverdrup First Oil	Nov 2019	Oct 2019 ⁽¹⁾
Long Term Guidance		
Production J. Sverdrup Phase 1 Plateau (2020)	>150 Mboepd	>150 Mboepd
Production J. 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

⁽¹⁾ First oil on 5 October 2019

Lundin Petroleum 2019 Production

First nine months **79.2 Mboepd**
towards upper end of guidance range

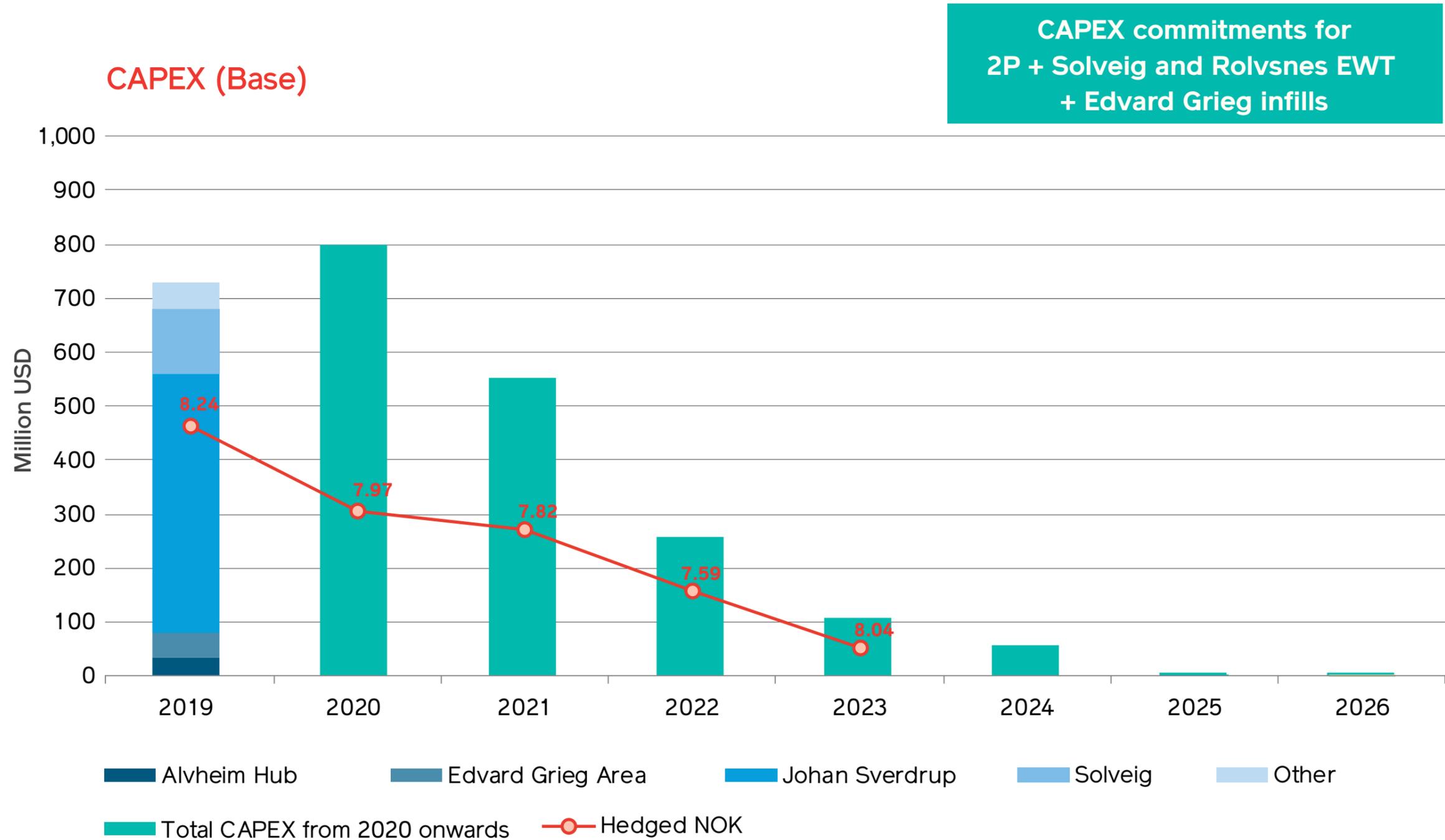
Increased full year guidance
90–95 Mboepd
(Previously 75–95 Mboepd)



Delivering guidance or better for **17** Quarters Running

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CAPEX

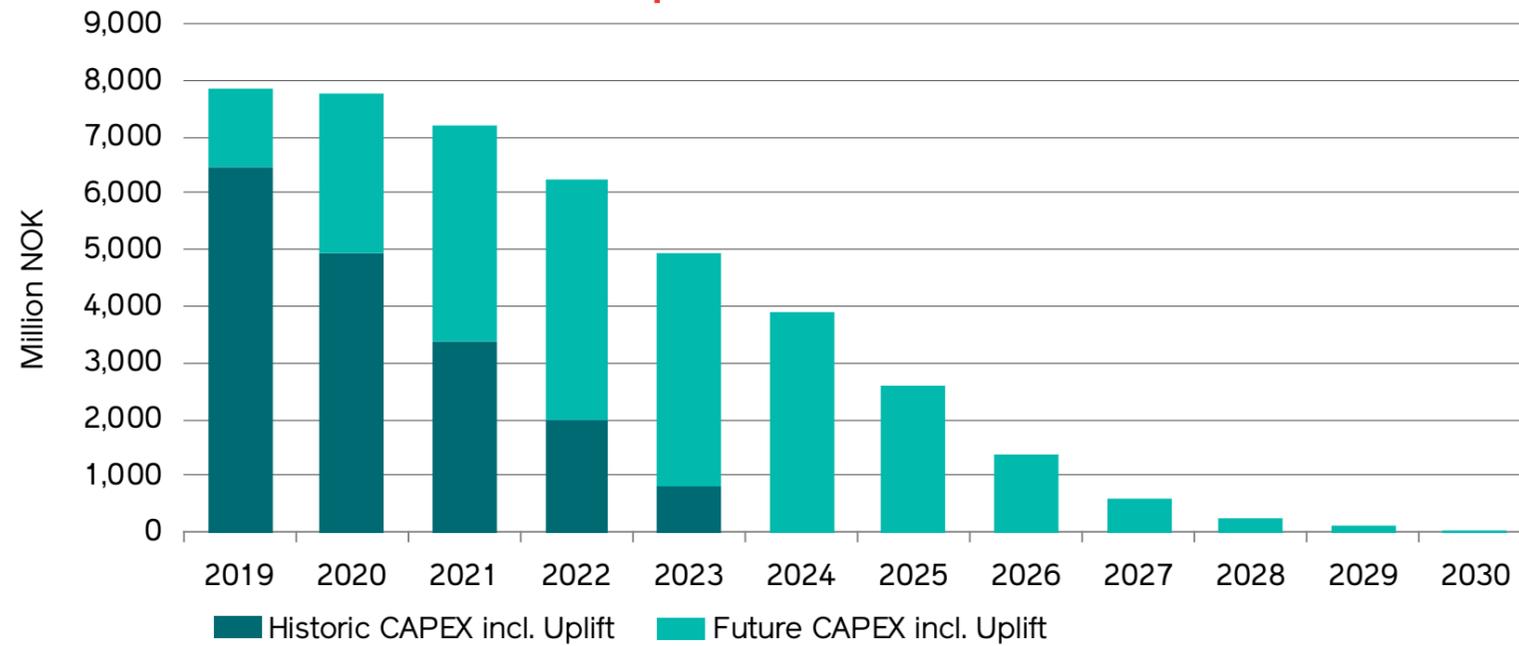


With Johan Sverdrup working interest at 20% from 01.01.2019
 NOK/USD: actual until 31.07.2019, 8.50 thereafter

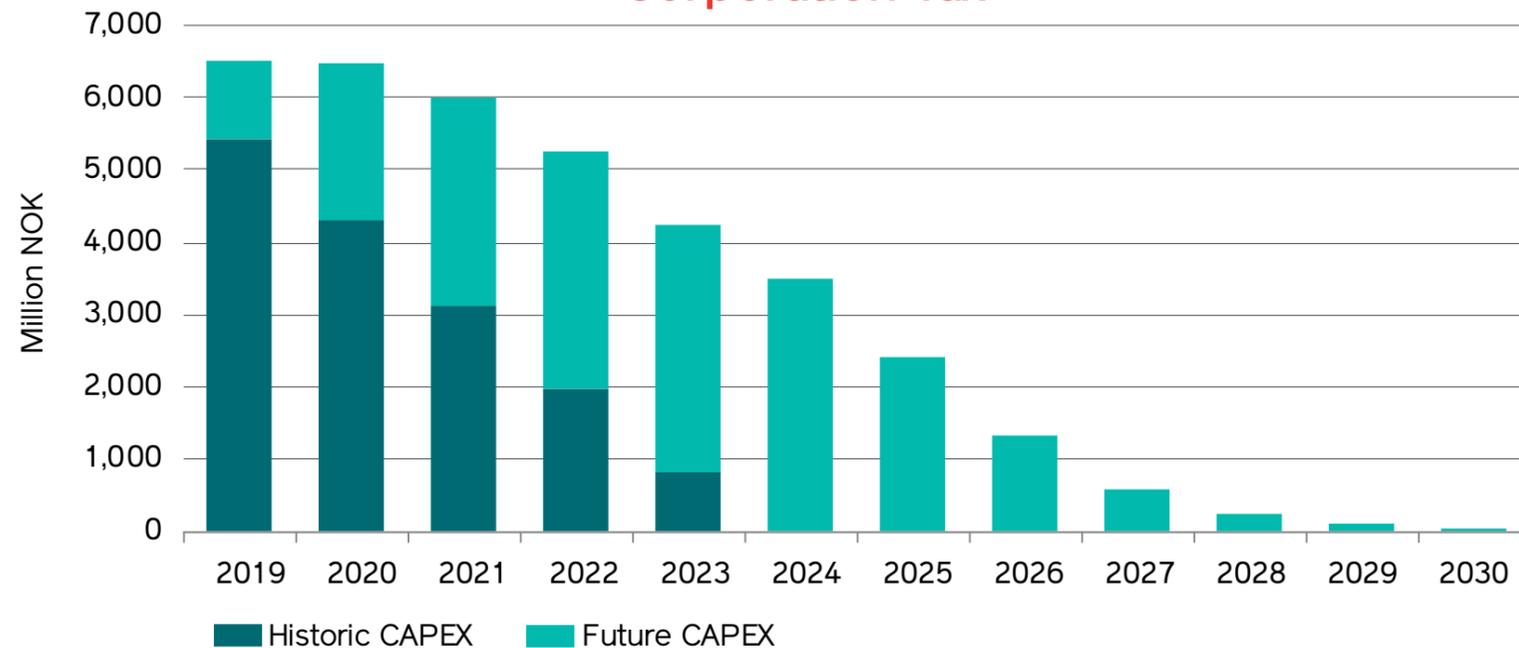
Nominal with 2% inflation
 Based on 2P reserves at end 2018 + Solveig + Rolvsnes EWT + Edvard Grieg Infills

Lundin Petroleum Tax Depreciation⁽¹⁾

Special Petroleum Tax



Corporation Tax

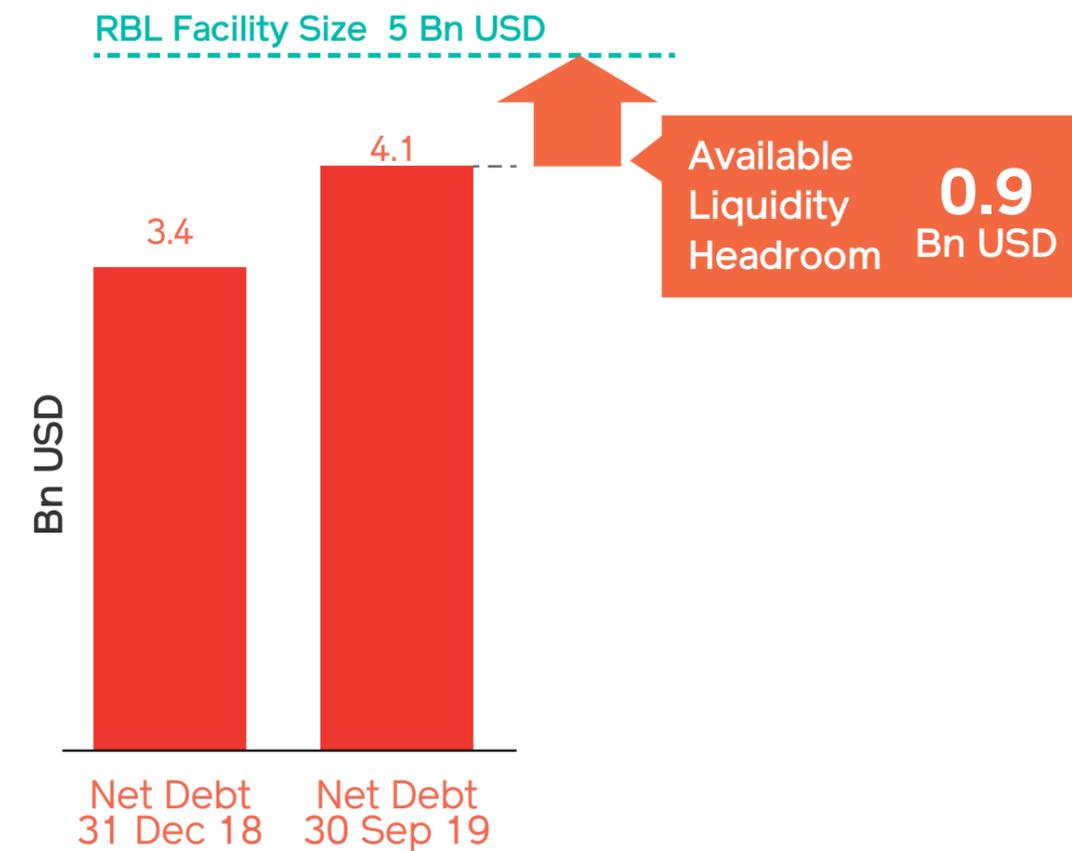
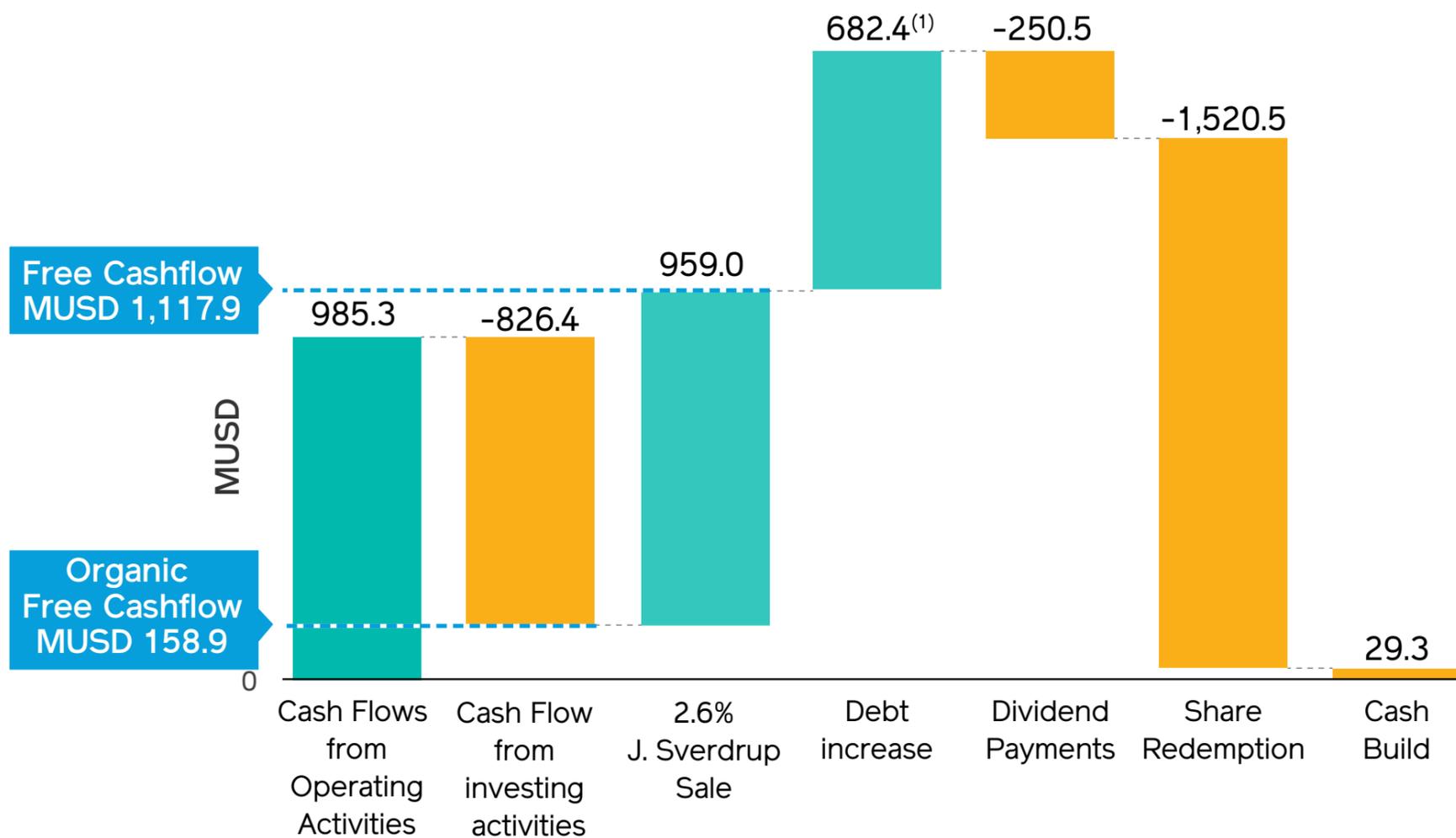


Brent price at 60 USD/bbl	2019	2020-22	2023-26
Cash Tax Due as % EBITDA	~5-10%	~45-55%	~60-65%

1) With Johan Sverdrup interest of 20% from 01.01.2019

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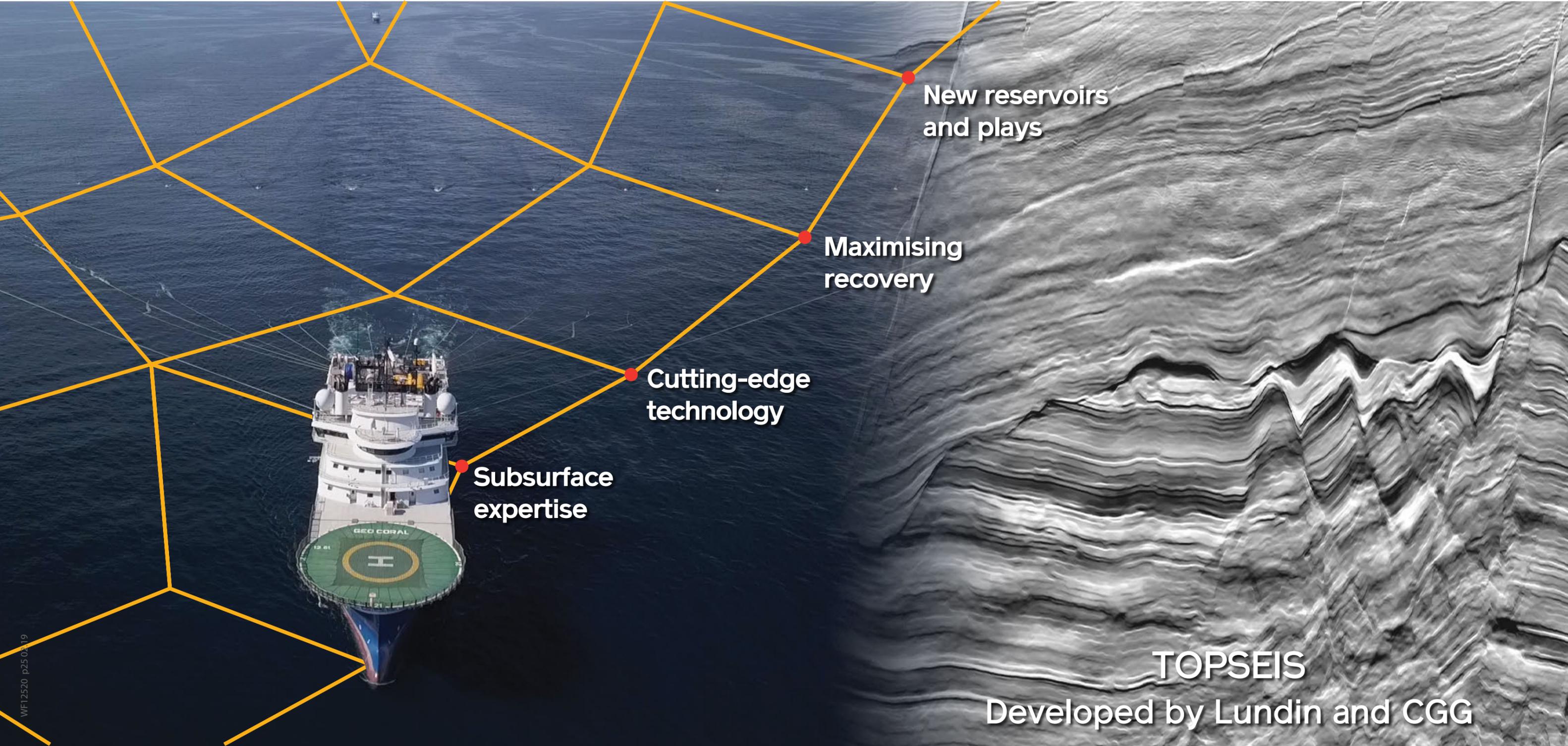
First Nine Months 2019 - Cash Flow, Debt Position and Liquidity



⁽¹⁾ Includes MUSD 2.6 reduction in lease commitments

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Organic Value Creation Through Innovation



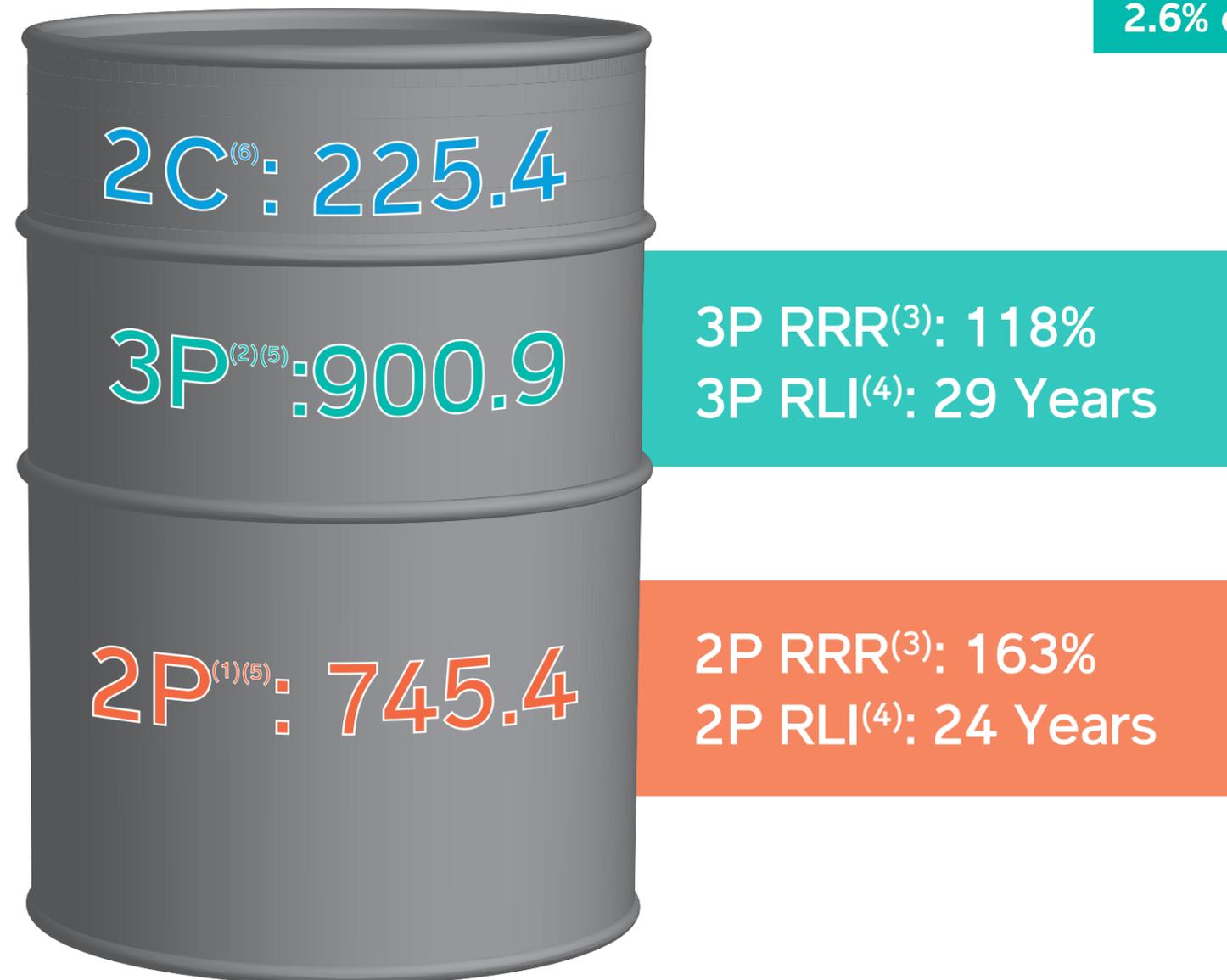
TOPSEIS
Developed by Lundin and CGG

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Year-end 2018 Net Reserves and Resources (MMboe)

Does not reflect sale of
2.6% equity in Johan Sverdrup



⁽¹⁾ 2P Reserves is Proved plus Probable remaining reserves

⁽²⁾ 3P Reserves is Proved plus Probable plus Possible remaining reserves

⁽³⁾ 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

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

⁽⁵⁾ Independently audited by ERC Equipoise Ltd (ERCE)

⁽⁶⁾ 2C Contingent Resources

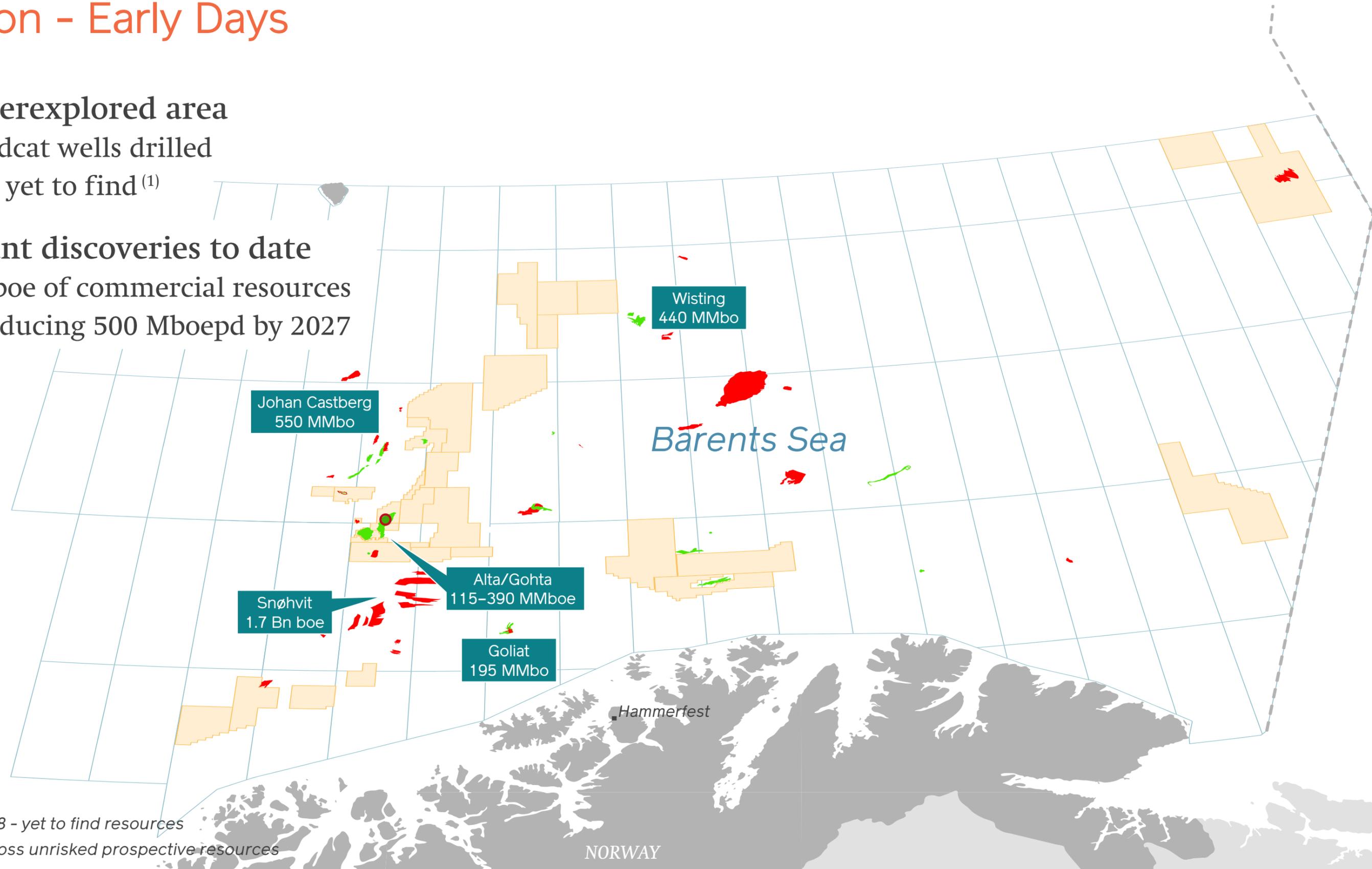
Southern Barents Sea Exploration - Early Days

➤ Large underexplored area

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

➤ 5 significant discoveries to date

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

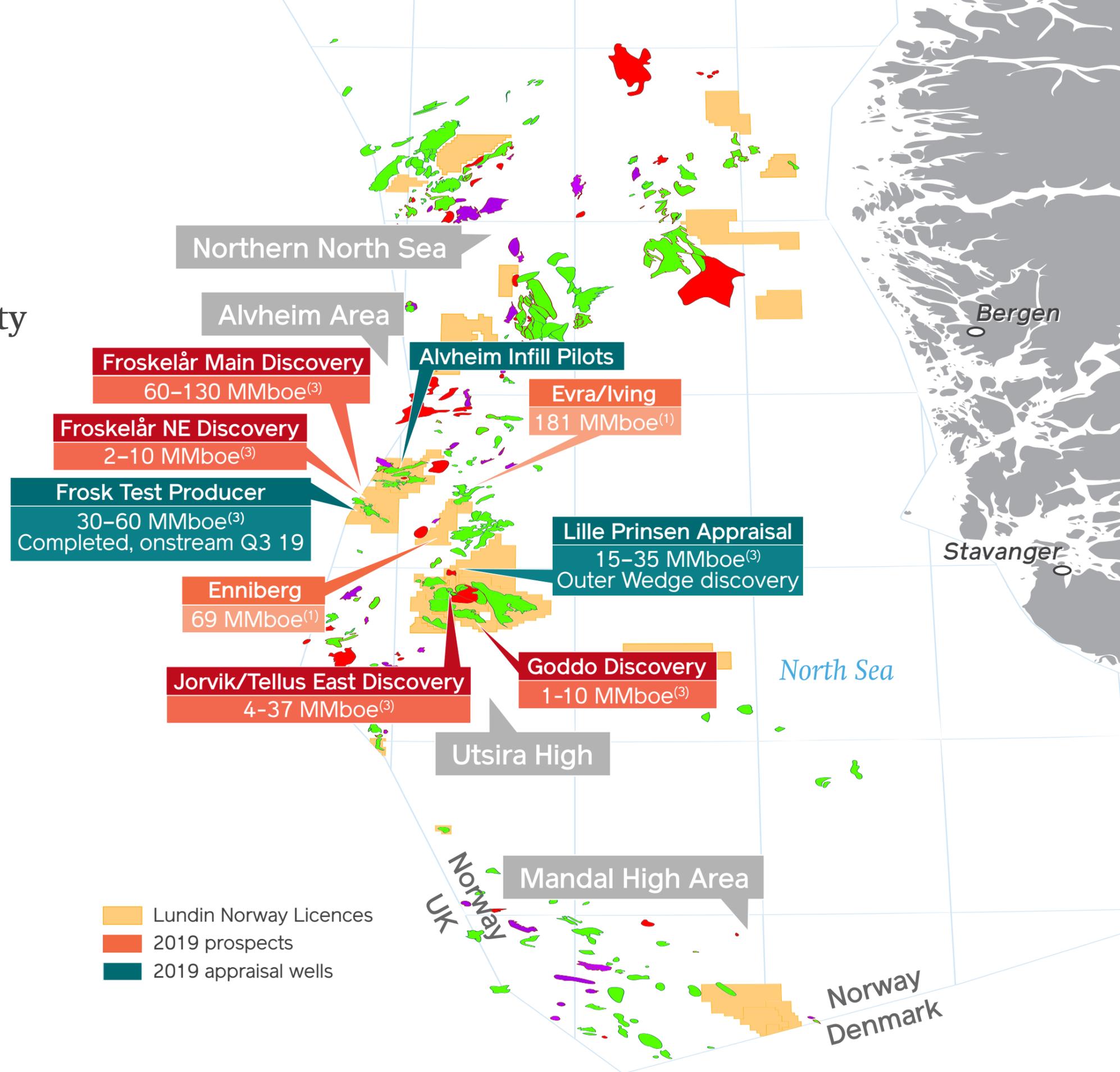


⁽¹⁾ NPD estimate end 2018 - yet to find resources

⁽²⁾ Lundin estimates of gross unrisks prospective resources

North Sea Exploration Significant Potential

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



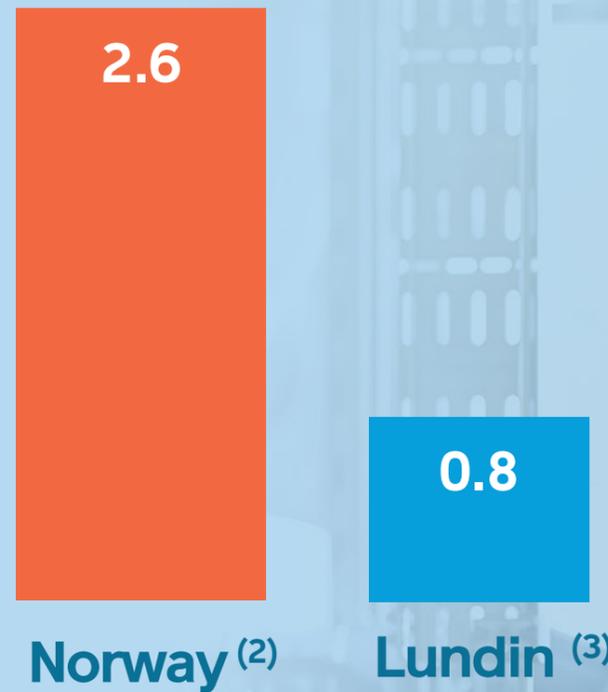
⁽¹⁾ Lundin estimates of gross unrisks prospective resources

⁽²⁾ NPD estimate end 2018 - yet to find resources

⁽³⁾ Operator estimates of gross resources

Lundin Petroleum Safe Operations

Total Recordable Incident Rate (TRIR) ⁽¹⁾



Zero serious injuries ⁽³⁾

Zero process safety incidents ⁽³⁾

No material environmental incidents ⁽³⁾

⁽¹⁾ Per million manhours

⁽²⁾ Norway industry average 2018 (IOGP)

⁽³⁾ First nine months 2019



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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.



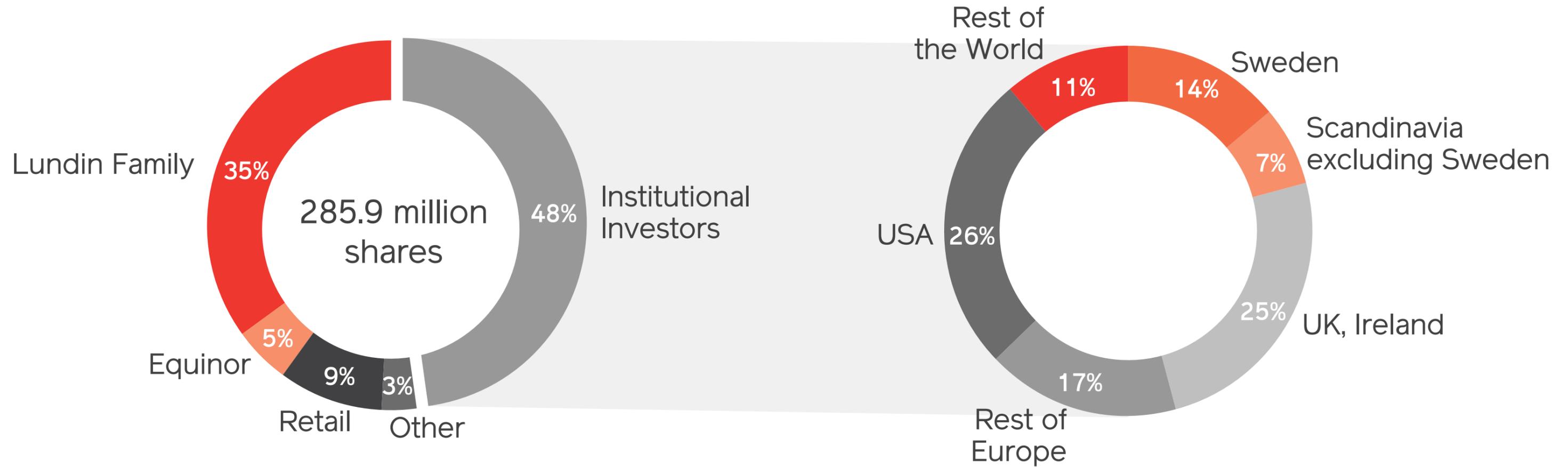
Our Global Compact commitment

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.

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