

Lundin Petroleum announces increased reserves for sixth consecutive year

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that as at 31 December 2019, its proved plus probable net reserves (2P reserves) are 693 million barrels of oil equivalent (MMboe), its proved plus probable plus possible net reserves (3P reserves) are 858 MMboe and its best estimate net contingent resources (contingent resources) are 185 MMboe. The 2P reserves replacement ratio for 2019 is 150 percent and this is the sixth consecutive year that Lundin Petroleum has more than replaced production.¹

Lundin Petroleum's 2P reserves as at 31 December 2019 are 693.3 MMboe and reflect a positive revision of 52.1 MMboe, excluding asset transactions. The 3P reserves as at 31 December 2019 are 857.5 MMboe and reflect a positive revision of 73.4 MMboe, excluding asset transactions.^{2,3}

	2P Reserves	3P Reserves
End 2018	745.4	900.9
- Disposal of 2.6% interest in Johan Sverdrup	- 69.6	- 82.0
End 2018 adjusted	675.9	818.8
- Produced ⁴	- 34.7	- 34.7
+ Revisions	+ 52.1	+ 73.4
End 2019	693.3	857.5
Reserves Replacement Ratio⁵	150%	212%

The increase in reserves relates to project sanctions for Solveig Phase 1, the Rolvsnes Extended Well Test and the Edvard Grieg infill well programme, with the contingent resources associated with these projects being promoted to reserves. Oil accounts for 93 percent of Lundin Petroleum's 2P reserves and the majority of the reserves are associated with fields in production.

Edvard Grieg production performance continues to exceed expectations with significantly slower build-up of water production than anticipated. With the sanction of the Edvard Grieg infill well programme, the best estimate gross ultimate recovery from Edvard Grieg as at 31 December 2019, which is cumulative production plus 2P reserves, is increased to 300 MMboe, representing a 60 percent increase from the original PDO. With the increased reserves at Edvard Grieg, combined with Solveig Phase 1 and the Rolvsnes Extended Well Test, which will be produced through the Edvard Grieg facilities, the production plateau will be maintained at the contractually available facilities capacity until at least the end of 2022, representing a four-year extension compared to the original Edvard Grieg PDO.

First oil from the Johan Sverdrup field occurred in October 2019 and production has ramped up quickly from the eight pre-drilled production wells, to reach around 350 Mbopd gross, which is about 80 percent of Phase 1 facilities capacity of 440 Mbopd. The drilling of two new production wells will be required to achieve Phase 1 plateau, which is expected in the summer of 2020. Initial Johan Sverdrup reservoir performance is excellent and well productivities are above expectations. Further production experience is needed to justify an update to the reserves estimate.

Lundin Petroleum's contingent resources as at 31 December 2019 are 185 MMboe, a reduction of 40 MMboe from year end 2018, primarily due to the projects which were promoted to reserves. New discoveries on Jorvik and Tellus East, the addition of an improved recovery project at Edvard Greig involving water alternating gas injection

¹ Relates to Lundin Petroleum's portfolio in Norway.

² BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent the value equivalency at the wellhead.

³ The reserves were calculated using ERCE's forecasted nominal Brent oil price of USD 66 per barrel in 2020, 68 in 2021, 70 in 2022, 72 in 2023, 74 in 2024, 75 in 2025, 77 in 2026, 78 in 2027, 80 in 2028, 81 in 2029 and increasing by 2 percent per year thereafter.

⁴ Reserves are measured in salable quantities (saleable oil, natural gas liquids and dry gas converted to oil equivalents), which may differ from production volumes provided in corporate reports which are given in wellhead production quantities (oil and rich gas converted to oil equivalents).

⁵ As per industry standards the reserves replacement ratio is defined as the ratio of reserves additions to production during the year, excluding the effect of acquisitions and dispositions.

(WAG), as well as the acquisition of an additional 30 percent interest in the Rolvsnes discovery have contributed to increases.

The contingent resource estimate for the Alta discovery has been adjusted downwards based on evaluation of the high specification 3D seismic survey (Topseis) acquired over the area, combined with the extensive data and analysis from the well drilled for the extended well test conducted in 2018. A standalone development of the Alta and nearby Gohta discoveries is no longer considered to be commercial, and a subsea tie-back development to either Johan Castberg or another future host development in the area is considered the most viable option. Lundin Petroleum is drilling several large prospects in the Loppa High area in 2020, which if successful could change the dynamic of commercial options for this area.

The reserves estimates have been audited by ERCE, a third party independent reserves auditor, and have been calculated using the 2018 Petroleum Resource Management System (SPE PRMS) Guidelines of the Society of Petroleum Engineers (SPE), World Petroleum Congress (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE). The contingent resource estimates associated to the Edvard Grieg, Alvheim area, Johan Sverdrup, Solveig and Rolvsnes assets have been audited by ERCE. For the other assets, the contingent resource volumes are based on management estimates.

Nick Walker, COO of Lundin Petroleum commented:

“This has been the sixth consecutive year in which we have more than replaced our produced barrels, whilst in the same period production has increased by four times; which is a testament to the quality of the asset base and organic growth model. In 2019, we increased reserves by moving three new projects in the Edvard Grieg area from the appraisal phase into development, adding high value barrels that significantly extend the Edvard Grieg production plateau. I am confident we will see further reserves and resources growth as we continue to mature the portfolio and kick off another busy year with the drill bit in 2020.”

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

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This is information that Lundin Petroleum AB is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out above, at 08:00 CET on 13 January 2020.

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