

CEO Letter to Shareholders

Alex Schneider, President and CEO of Lundin Petroleum AB (Lundin Petroleum) has written an open letter to shareholders in regard to current market conditions, measures taken to mitigate any impact from the current Covid-19 pandemic on operations and the resilience of the Company's strategy and business model to low commodity prices.

A full copy of the letter can be accessed through this link to the Company's website:
<https://www.lundin-petroleum.com/investors/letter-to-shareholders/>

Key excerpts:

The Company remains resilient against low oil prices:

- Average breakeven oil price to achieve free cash flow neutrality before debt repayment and dividends for the next seven years is c. USD 17 per barrel of oil equivalent¹ (boe). This is a result of our world class producing fields having one of the lowest Operating Costs in our industry (long term guidance of USD 3.2 to 4.2 per boe). Our remaining capital spend to produce out our proven plus probable reserves is less than USD 3 per boe.

Swift action taken to mitigate any potential impact from the Covid-19 pandemic to production operations:

- We are part of a coordinated industry response, that focusses on minimising the risk of coronavirus infected personnel travelling offshore, and, in the case of a suspected infection offshore, to isolate and transport to shore as soon as possible. The Norwegian authorities have introduced certain exceptional measures to help deal with the situation.
- To minimise risk to our production operations, we are down-manning offshore personnel in order to maintain a minimum level of activity allowing us to produce, maintain and plan the anticipated and most important activities on the platforms.
- Edvard Grieg personnel will be kept at the minimum level required, whilst preserving the infill drilling programme. Installation of the Solveig/Rolvsnes subsea equipment has commenced and currently the first oil date in 2021 is being maintained. Should we see slippage in the Edvard Grieg Area projects it will not impact 2021 production guidance as we have excess well capacity on the Edvard Grieg field. Similar actions are being taken at Alvheim and Johan Sverdrup, preserving key activities and reorganising the phasing of the activities.

Clear opportunities identified to support near term cash flow and liquidity position:

- Cost reductions of approximately MUSD 170 (including G&A) are already being implemented for 2020. Other measures to further strengthen our liquidity position are being identified such as deferring further non-committed projects.
- Low cash operating costs means our production generates free cash flow at low oil prices and together with our existing BUSD 5.0 reserves based lending facility (RBL), provides the Company with good liquidity to fund our committed projects. The RBL is currently drawn at approximately BUSD 3.8
- The Board of Directors announced on 23 March 2020 the decision to amend its dividend proposal from USD 1.80 to USD 1.0 per share, in order to maintain financial prudence and provide us with further liquidity flexibility in this challenging market. This will further strengthen our balance sheet and give us more flexibility in how we deploy our capital.

¹ Based on 2P profile

Alex Schneider, President and Chief Executive Officer of Lundin Petroleum, said:

“Whilst we remain vigilant and prepared for many different eventualities, today our strategy remains broadly unchanged and our firm intention is to deliver on our 2020 work programme as presented at our Capital Market Day in January 2020 whilst deferring non-committed projects. We will, along the way, continue to apply a very strict capital discipline on the business, to preserve our liquidity position and further reduce and re-phase our capital spend without disrupting our business plans. Although the dividend proposal has been amended, our ability to distribute cash to our shareholders in a sustainable way will continue to be based upon our Free Cash Flow generation, debt gearing levels and the medium to long-term macroeconomic outlook. Overall, I am very pleased with how our organisation has responded to these challenging times and our team is focused on swiftly adapting to this changing environment.”

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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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 “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.