

Acquisition of Barents Sea portfolio from Idemitsu Petroleum Norge

Lundin Energy AB is pleased to announce that its wholly-owned subsidiary, Lundin Energy Norway AS (together Lundin Energy), has entered into an agreement with Idemitsu Petroleum Norge AS (IPN) to acquire interests in a portfolio of licences in the Barents Sea, including a 10 percent working interest in the Wisting oil discovery and a further 15 percent working interest in the Alta oil discovery.

Highlights

- Strengthens Lundin Energy's position in one of its core exploration areas and provides an interest in a major commercial oil discovery, currently being matured towards development
- 10 percent working interest in the major Wisting oil discovery and a further 15 percent working interest in the Alta oil discovery (taking Lundin Energy's working interest to 55 percent)
- Strategic acquisition of pre-development resources contributing to sustaining long-term production profile
- Adds estimated net contingent resources of approximately 70 MMboe, for a cash consideration of MUSD 125
- Lundin Energy commences programme of material exploration wells in the Barents Sea, targeting gross unrisks prospective resources of over 800 MMboe

The transaction gives Lundin Energy a 10 percent working interest in the major Wisting oil discovery (licences PL537 and PL537B) with estimated gross resources of 500 million barrels of oil (MMbo), scheduled to be one of the next Barents Sea production hubs. Equinor, the operator of Wisting in the development phase, is targeting a PDO by end 2022, to benefit from the temporary tax incentives established by the Norwegian Government in June 2020.

The transaction also provides Lundin Energy with a further 15 percent working interest in licences PL609, PL609B and PL609D, increasing the Company's working interest in the operated Alta oil discovery, from 40 percent to 55 percent. The potential to accelerate the development of Alta is being assessed, with the aim to benefit from the temporary tax incentives.

Additionally, Lundin Energy increases its working interests in licences PL609C and PL851, raising the Company's working interest in the operated Polmak exploration well from 40 percent to 47.5 percent. Polmak is the first of three high impact exploration prospects to be drilled by the Company in the Barents Sea during the fourth quarter of 2020, which are targeting gross unrisks prospective resources of over 800 MMbo. Polmak will be drilled by the West Bollsta semi-submersible drilling rig, with spud expected in early October 2020.

This strategic transaction builds on the Company's already substantial acreage position in the Barents Sea core exploration area and provides a material interest in the major Wisting oil discovery, expected to contribute to sustaining the Company's production in the long-term.

The transaction, which is effective from January 2020, adds estimated net contingent resources of approximately 70 MMboe for a cash consideration of MUSD 125, and is subject to approval of the Board of Directors of Idemitsu Kosan Co.,Ltd. (the parent company of IPN) and usual Norwegian regulatory approvals.

Alex Schneider, President and CEO of Lundin Energy:

"I am very pleased to announce this strategic acquisition which strengthens Lundin Energy's position in one of our core exploration areas and provides an interest in a major commercial oil discovery, as well as increasing our working interest in the operated Alta oil discovery. As we have always maintained, we will look to supplement our successful organic growth strategy with value-add, bolt-on acquisitions which add high quality, commercial resources and importantly, also complement our low cost and low carbon emissions production portfolio. With the high impact Polmak well due to spud shortly, I am excited at the opportunity and position we have built in the Barents and look forward to reporting on our progress in the months ahead."

- Audiocast details -

Lundin Energy will be hosting a live audiocast at 14:00 CEST today, 5 October 2020, where Nick Walker, COO and Teitur Poulsen, CFO, will be commenting on the IPN transaction, as well as the resumption of the exploration programme and the recent reserves increase at the Edvard Grieg field.

Follow the presentation live on www.lundin-energy.com, use the below web link or dial in using the following telephone numbers:

Link : <https://edge.media-server.com/mmc/p/bfs90a3v>

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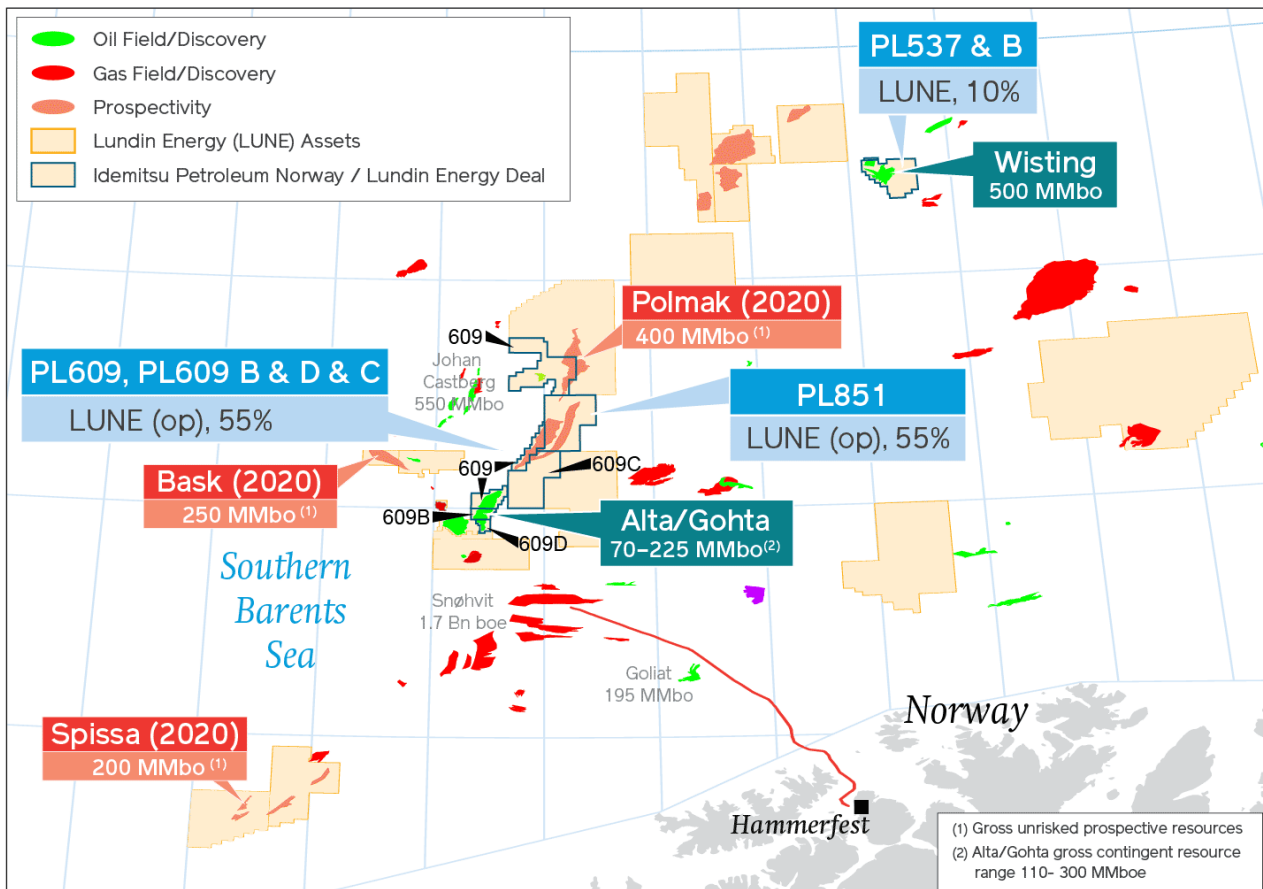
Lundin Energy has grown from an oil and gas exploration company into an experienced Nordic energy developer and operator. We continue to explore new ideas, new concepts and new solutions to maintain our position as an industry leader in production efficiency, sustainability and decarbonisation. (Nasdaq Stockholm: LUNE). For more information, please visit us at www.lundin-energy.com or download our App www.myirapp.com/lundin

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***Map of certain Lundin Energy Barents Sea licences, including the post IPN transaction interests**



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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 Energy 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 Energy’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.