

World's first certified, carbon neutrally produced oil sold

Lundin Energy AB (Lundin Energy) is pleased to announce that it has sold the world's first ever certified carbon neutrally produced¹ oil to Saras S.p.A (Saras), from its Edvard Grieg field, offshore Norway.

Highlights

- First ever certified carbon neutrally produced crude oil sold to Saras' refinery in Sarroch, Sardinia
- Transparent pathway to carbon neutrality:
 - Edvard Grieg certified as a low-carbon field, at 3.8 kg CO₂ per boe
 - 600,000 barrels of Edvard Grieg crude supplied
 - Resulting 2,302 tonnes residual CO₂ emissions captured using high quality, nature-based solutions
- Independent testing and certification specialist Intertek, certified full life of field CO₂ emissions of every barrel as carbon neutral
- From 2025, all barrels produced by Lundin Energy will be carbon neutral in their production

Lundin Energy's Edvard Grieg field is the first oil field in the world to be independently certified by Intertek Group plc (Intertek), under its CarbonClear™ certification. The field is certified as low carbon at 3.8 kg of CO₂ per barrel of oil equivalent (boe) for full life of field emissions, including exploration, development and production, five times less than the world average². In order to supply a fully carbon neutral barrel to Saras, residual emissions of 2,302 tonnes CO₂ were compensated through a high quality, nature-based carbon capture project, certified by the Verified Carbon Standard (VCS). In addition, the entire trade was independently certified as carbon neutral by Intertek under its CarbonZero™ standard. As a result, there were no net emissions released during the production of each barrel delivered to Saras.

As one of the elementary feedstocks of the global economy and energy system for decades to come, it is imperative that the provenance of every barrel of oil is accounted for, thereby beginning the decarbonisation of the entire value chain in line with the Paris Agreement goals. As the energy transition continues to accelerate, providing certified, low emission produced barrels to our customers ensures that they can continue the decarbonisation pathway, delivering a differentiated product to their end users. From 2025, every barrel produced by Lundin Energy, will be produced as carbon neutral.

Saras is a leading independent player in the Mediterranean refining industry, with a production capacity of about 15 million tons per year and represents a reference model in terms of efficiency and environmental sustainability, thanks to the know-how developed in almost 60 years in the business. With its purpose to be innovative, sustainable and a reference point among energy providers, Saras is actively seeking and developing various projects aimed at minimising its environmental footprint.

Nick Walker, President and CEO of Lundin Energy, commented:

"We were the first company to have one of its field's carbon emissions independently certified as low carbon, and this certified carbon neutral transaction with Saras, is the next stage in what we believe will become a key value differentiator for Lundin Energy. The provenance of a barrel and how it is produced is increasingly important, as society and industry require lower carbon feedstocks to achieve emission reduction targets and meet the goals of the Paris Agreement. This trade has been enabled by our industry leading decarbonisation strategy and offers a proof point of where the crude market is heading and the potential value that can be realised through efficient, industry leading emissions reductions.

"I am very pleased to have been able to do this industry first with Saras in Italy; their progressive low-carbon strategy is aligned with ours and through this first certified sale of crude they will be able to clearly differentiate the refined product to their own customer base."

Dario Scaffardi, CEO and General Manager of Saras, commented:

“We are very proud to be one of the first refining companies in taking this innovative opportunity. The purchase from Lundin of certified carbon neutral produced crude oil, demonstrates the continuous and increasing attention that our Group gives to the environmental sustainability of its activities and goes along with various other projects that we have implemented to support our low-carbon strategy. In particular, at this stage, most of our efforts have been aimed at reducing and offsetting the direct carbon footprint of the refinery with a number of projects, from scaling-up on biofuels production, to energy efficiency initiatives, the development of renewable power production and also green hydrogen.”

Lundin Energy is an experienced Nordic oil and gas company that explores for, develops and produces resources economically, efficiently and responsibly. We focus on value creation for our shareholders and wider stakeholders through three strategic pillars: Resilience, Sustainability and Growth. Our high quality, low cost assets mean we are resilient to oil price volatility, and our organic growth strategy, combined with our sustainable approach and commitment to decarbonisation, firmly establishes our leadership role in a lower carbon energy future. (Nasdaq Stockholm: LUNE). For more information, please visit us at www.lundin-energy.com or download our App www.myrapp.com/lundin

The Saras Group, founded by Angelo Moratti in 1962, is a leading independent player in the European refining industry. Its industrial site, based in Sarroch, on the South-Western coast of Sardinia, contains one of the largest refineries in the Mediterranean Sea and a 575 MW IGCC (Integrated Gasification Combined Cycle) power plant. Through the parent Company Saras S.p.A., and its subsidiaries, Saras Trading SA, based in Geneva, and Saras Energia SAU, based in Madrid, the Group sells and distributes oil products in the domestic and international markets. The Group also operates in the production and sale of electricity, through its subsidiaries Sarlux Srl (IGCC plant) and Sardeolica Srl (Wind plant). Moreover, the Group provides industrial engineering and research services to the oil, energy and environment sectors through its subsidiary Sartec Srl. The Group has about 1,690 employees and total revenues of about 5.3 billion Euros as of 31st December 2020 (about 9.5 billion Euros as of 31st December 2019). For more information, please visit us at www.saras.it

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- (1) Carbon neutral across full life of field, including exploration, development and Scope 1 and 2 emissions from production.
- (2) According to the latest data available from the International Association of Oil and Gas Producers.

Forward-looking statements

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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.