

Lundin Energy AB

Report for the six months ended 30 June 2021

- Record quarterly revenue of USD 1.3 billion with a realised oil price of USD 68 per barrel for the second quarter
- Record free cash flow generation of MUSD 949 for the six month period, operating costs below guidance at USD 2.8 per boe and net debt reduced to below USD 3.2 billion
- Completed USD 2 billion inaugural investment grade bond issuance
- Record quarterly production above guidance at 190 Mboepd and full year production guidance increased to between 180 to 195 Mboepd
- Johan Sverdrup Phase 2 planned offshore installations completed on schedule and full field production capacity increased to 755 Mbopd gross when Phase 2 comes on line in the fourth quarter of 2022
- Key projects on track to deliver growth to over 200 Mboepd by 2023 and Kobra East/Gekko project sanctioned
- Decarbonisation plans on track to achieve carbon neutrality from 2025, with around 60% of production already independently certified as carbon neutrally produced

	1 Jan 2021- 30 Jun 2021 6 months	1 Apr 2021- 30 Jun 2021 3 months	1 Jan 2020- 30 Jun 2020 6 months	1 Apr 2020- 30 Jun 2020 3 months	1 Jan 2020- 31 Dec 2020 12 months
Production in Mboepd	186.4	189.8	157.7	162.9	164.5
Revenue and other income in MUSD	2,384.7	1,272.8	1,097.7	402.5	2,564.4
CFFO in MUSD	1,487.9	737.7	898.1	259.8	1,528.0
<i>Per share in USD</i>	5.23	2.59	3.16	0.91	5.38
EBITDAX in MUSD	2,078.0	1,059.6	916.2	335.1	2,140.2
<i>Per share in USD</i>	7.31	3.73	3.23	1.18	7.53
Free cash flow in MUSD	949.1	422.9	381.5	-25.2	448.2
<i>Per share in USD</i>	3.34	1.49	1.34	-0.09	1.58
Net result in MUSD	234.6	165.7	-131.8	178.8	384.2
<i>Per share in USD</i>	0.82	0.58	-0.46	0.63	1.35
Adjusted net result in MUSD	308.4	158.6	117.3	51.3	280.0
<i>Per share in USD</i>	1.08	0.56	0.41	0.18	0.99
Net debt in MUSD	3,189.4	3,189.4	3,796.1	3,796.1	3,911.5

Comment from Nick Walker, President and CEO of Lundin Energy:

“I’m pleased to report record production and financial results in the second quarter, backed by strong operating performance and the further strengthening of oil prices. Whilst certain challenges of the COVID-19 crisis will remain for the foreseeable future, we’ve normalised the management of these and continue to deliver on our main business priorities.

“Our world class producing assets continue to outperform with excellent production efficiency, along with industry leading low operating costs, delivering production in the quarter above the mid-point of the guidance range, leading us to increase our full year production guidance.

“Johan Sverdrup keeps on delivering above expectations. Phase 1 production ramped up to 535 Mbopd gross ahead of schedule and the full field production guidance has been lifted to 755 Mbopd. Phase 2 of the project is making good progress, with key offshore installations completed on schedule, and the project remains firmly on track for first oil in the fourth quarter of 2022.

“At the Greater Edvard Grieg Area we continue to deliver on the projects that support the long-term plateau extension, with excellent results so far from the Edvard Grieg infill well programme and the Solveig and Rolvsnes

projects on track for first oil in the coming weeks. There's lots more to come and we'll see the results from two exciting exploration wells in the area in the second half of the year.

“Our key projects remain on track to deliver growth to over 200 Mboepd by 2023. We've a strong track record of growing resources and I'm confident that we can continue to sustain the business at these production levels. We have a pipeline of potential new projects, the first of which has just been sanctioned, and an exciting exploration programme, targeting material resources.

“The business delivered record financial results, with free cash flow of MUSD 949 for the first six months and net debt reduced to below USD 3.2 billion. This demonstrates the quality of our strong cash generative business, allowing us to fund growth, cover dividends and deleverage. On the back of attaining three investment grade credit ratings, the Company successfully completed a USD 2 billion inaugural bond issuance, the proceeds of which were used to pay down existing corporate credit facilities.

“We continue to make good progress on our decarbonisation plans, with around 60% of our production today carbon neutrally produced, and we're on target for the business as a whole to be carbon neutral from 2025. We've already made several certified carbon neutrally produced crude sales, which I believe will become a key value differentiator for Lundin Energy.

“We've delivered record results in the first half of the year, our key business priorities are on track and looking forward I'm confident the business will continue to deliver resilient sustainable growth.”

Audiocast presentation

Listen to Nick Walker, President and CEO, and Teitur Poulsen, CFO, commenting on the report and the latest developments in Lundin Energy at a live audiocast held today, at 14:00 CEST. Follow the presentation live on www.lundin-energy.com or dial in using the following telephone numbers:

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This information is information that Lundin Energy AB is required to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07.30 CEST on 28 July 2021.

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

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