

Acquisition of a further 25 percent working interest in the Wisting development, Norway

Lundin Energy AB is pleased to announce that its wholly-owned subsidiary, Lundin Energy Norway AS (together Lundin Energy or the Company), has entered into an agreement with OMV (Norge) AS (OMV) to acquire their entire 25 percent working interest in the Wisting development in the southern Barents Sea, for USD 320 million. The acquisition takes Lundin Energy's working interest to 35 percent in the 500 million barrel oil (MMbo) development.

Highlights

- Transaction increases Lundin Energy's working interest in the Wisting development from 10 percent to 35 percent
- Strengthens Lundin Energy's position in a core area with significant remaining prospectivity and meaningfully contributes to the Company's long-term production outlook
- Adds net 130 million barrels of oil equivalent (MMboe) fully appraised contingent resources at an acquisition price of approximately 2.5 USD/boe
- Targeting to submit a Plan for Development and Operation (PDO) by end of 2022 to qualify for the temporary Norwegian tax incentives
- Wisting's development concept is in line with Lundin Energy's decarbonisation strategy with a power from shore solution being matured
- Addition of Wisting resources alone delivers total resource replacement ratio for the Company of approximately 190 percent in 2021

The acquisition of an additional 25 percent working interest in the Wisting oil development solidifies the Company's position in the Wisting area, which will become a core production area for Lundin Energy. In addition to the 35 percent stake in Wisting, Lundin Energy also holds surrounding acreage which is estimated to hold gross unrisked prospective resources of a further 500 MMbo. Wisting will be one of the largest development projects in Norway over the next few years, becoming the next Barents Sea production hub. Concept selection is anticipated shortly and the submission of the PDO is targeted by end 2022, in order to qualify for the temporary tax incentives established by the Norwegian Government in June 2020.

With first oil scheduled to be in 2028, the acquisition of a further 25 percent working interest provides a material contribution to sustaining the Company's production in the long-term. The Wisting development is also planned to have power supplied from shore, which is firmly aligned with the Company's decarbonisation strategy and the commitment to becoming carbon neutral by 2023.

The transaction, which has an effective date of 1 January 2021, is subject to the customary Norwegian regulatory approvals, and is expected to complete during the fourth quarter of 2021. The other partners in Wisting are Equinor with a 35 percent working interest, Petoro with a 20 percent working interest and Idemitsu with a 10 percent working interest. Equinor is the operator during the development phase and operatorship is planned to transfer to OMV for the operations phase. Prior to completion of the transaction, the Company will work with the Ministry of Petroleum and Energy and licence partners, to clarify arrangements for the operations phase.

Nick Walker, President and CEO of Lundin Energy:

"The acquisition of a further stake in the high quality Wisting development, is a perfect example of how we look to supplement our organic growth strategy with opportunistic acquisitions, fitting our ambition to sustain the Company long term. With strong project economics, Wisting will be powered from shore and will be a significant contributor to sustaining our long-term production profile. I am excited to have increased our position in Wisting, at a price which I believe is very value accretive to the business."

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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.myirapp.com/lundin

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