

My fellow shareholders, humanity is going through an unprecedented period of stress and uncertainty, not known in most of our lifetimes. The COVID-19 pandemic is at different stages of its evolution, depending on which part of the world you find yourself in.

My heart goes out to all the people who have become critically ill, and to those families who have lost loved ones and not even been able to say their goodbyes in person. It is a tragic situation which thousands of people around the world are living through. We have to show strength and resilience for the next generations. We must also make the necessary changes in order to ensure that future pandemics can be better controlled and have less impact on the lives of so many people and our economies.

Meanwhile, and partly as a result of the pandemic, the oil and gas industry is going through a crisis of a scale not seen for more than 30 years. The oil price has dipped below the levels last seen in 2003, as a combination of ballooning supplies and a collapse in demand. The failure of OPEC+ to stabilise the market in this period of economic crisis is inexcusable and has put into question the very reason for the existence of this organization. However, I am confident that the market will eventually stabilise itself as producers shut-in their fields, which are sub-economic in the current price environment, and as a result of massive capex reduction in our industry. Demand will also slowly come back close to normal levels as the pandemic reaches its end.

Our immediate focus at Lundin Petroleum (soon to become Lundin Energy) is the safety and well-being of our employees and our stakeholders. All the operators on the Norwegian Continental Shelf, including of course Lundin Norway, have already implemented strict measures to minimize the risk of contagion. In this regard I am confident that the Company has the necessary resources to maintain effective and safe day-to-day operations. I am very impressed at how the authorities, the unions, the companies and our employees are all dealing with the situation.

We continue of course to monitor the situation and to evaluate the risk and potential impact of the pandemic on the Company and local communities. The management is working hard to keep the Company financially sound, maintain its liquidity and its resilience to a low oil price environment. I am pleased to say we remain in a strong position to weather this storm and come out stronger than ever. However, we all have to make sacrifices during times of hardship.

This is why the Board of Directors has proposed to reduce the dividend by 80 cents a share to one US dollar; a 45% reduction. We are also taking measures to reduce our capital expenditures and cut operating costs further, including implementing a salary freeze for executives and senior management.

On a final note I would like to emphasize that although the market's short-term outlook is negative, as before, the global energy markets will re-balance and prices will recover. Furthermore, I am confident that the recovery, once underway, will have a strong momentum. I am cautiously optimistic that demand and supply dynamics will improve significantly during 2021. It is important to reiterate that our Company has some of the most efficient, low-cost producing assets with one of the lowest offshore carbon footprints in the world.

On behalf of the Board of Directors I extend our best wishes for good health to you and your families.

Ian H. Lundin

Chairman of the Board