Alex Schneiter

CEO and President of Lundin Petroleum AB

AGM SPEECH, MAY 3, 2018

SLIDE 1

A very good afternoon to everybody and welcome to Lundin Petroleum’s 2018 AGM. Great to see you all again here in Stockholm. Another year has already passed and so much has happened. It’s hard to believe that it has been almost three years since I took over as

CEO of Lundin Petroleum. The journey so far has been both a remarkable and exciting one. Whilst it’s always very motivating to look ahead to Lundin Petroleum’s bright and exciting future, I would like to pause for a moment and reflect on what has been achieved in the recent past.

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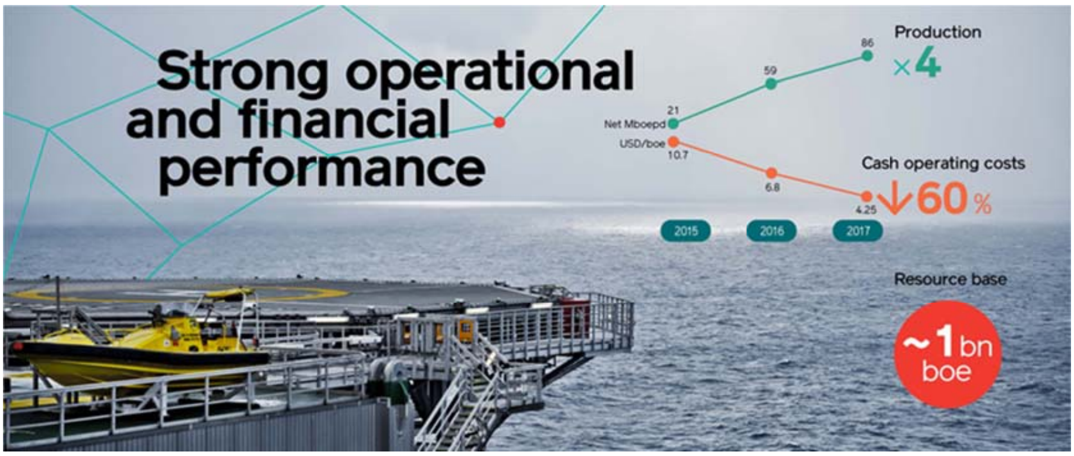

In the last three years we have seen our yearly average production increase by over four times, whilst our operating costs have decreased by a remarkable 60% to reach cost levels as low as USD 4 per barrel. These are industry leading operating costs, at levels better than all our peers. Higher production and lower operating costs have of course resulted in significantly higher profitability and our Company has a solid balance sheet despite the turmoil from the downturn in our industry. Over the last three years we have consistently delivered above expectations, a trend that we are proud of and will strive to continue. At an oil price of USD 70 we are guiding operating cash flow in excess of USD 1.7 billion this year. Meanwhile our resource base continues to increase and is now close to a billion barrels of oil equivalent. Production growth has been impressive with 2017 delivering a record year for the Company. Such strong performance has allowed us to accelerate our cash dividend plans and I am pleased to propose to the AGM an inaugural cash dividend of SEK 4 per share.

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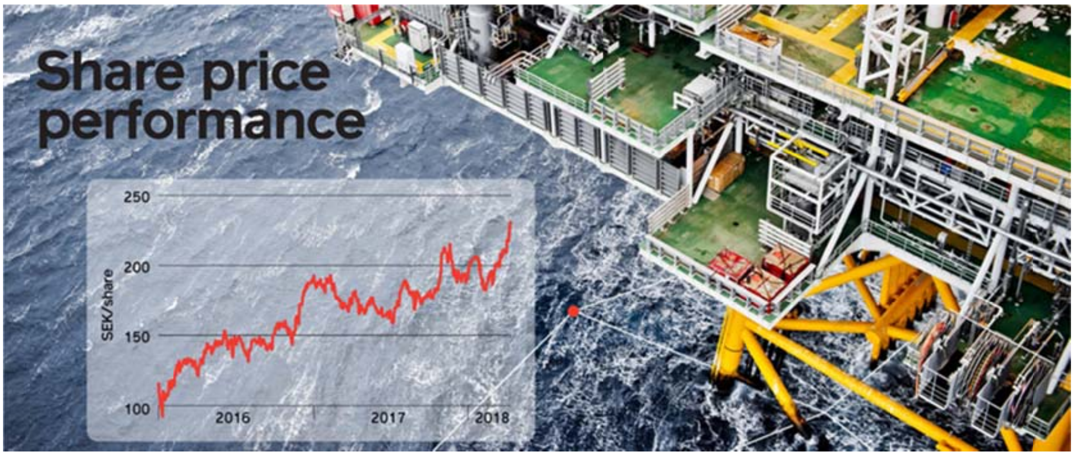
We should all feel proud of our 2017 performance, with production reaching a record high combined with record low operating costs and a good safety record. Perhaps, one of the most remarkable achievements since we last met was the strong reserves additions we delivered thanks to the significant reserves upgrade in the Edvard Grieg field, an impressive 47% increase in reserves since the Plan of Development was submitted. We say in our industry that “big fields get bigger” and this could not be more true for Edvard Grieg. I am confident that this field will one day exceed the 300 million barrels of oil mark! Between the time the Edvard Grieg Plan of Development was approved and today, the field full cycle breakeven have decreased significantly and today stand at USD 34 per barrel.

Also, the progress we have made with our world class project, the Johan Sverdrup field, is outstanding. Last year was the most capital intensive year for the project and we continue to see further capital costs reductions. 2018 will be an exciting year in terms of offshore activity, with the installation of three jackets, two platforms and two pipelines. The project is on track to achieve first oil in late 2019 and I am convinced Johan Sverdrup will continue to exceed everybody's expectations. I will expand further on Johan Sverdrup later in my speech, for 2017 was not just a year of excellent operational and production performance. It was also a year when great progress was achieved in expanding and maturing our organic growth portfolio. Four ongoing appraisal projects from existing discoveries and a significant exploration programme have already been announced. These programmes will together target around 800 million barrels of unrisked net resources. Remarkably last year, through licensing rounds and other commercial transactions, we managed to increase our Norwegian acreage position by 50% and added two new core exploration areas in the process. Maintaining a strong balance sheet through the downturn has allowed us to take advantage of the cyclical nature of our industry. We have built an enviable acreage position on the

Norwegian Continental Shelf and have entered into very competitive drilling and service contracts. The seeds were planted some time ago and we are making sure that the trees are growing bigger and stronger so that they can bear fruit for years to come!

SLIDE 4



It’s fair to say that the market and our shareholders seem to agree with us, given Lundin Petroleum’s share price performance over the last few years.

But before moving on to talk about what motivates us the most, the future of Lundin Petroleum, I will briefly touch upon the oil market.

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Oil prices started to strengthen during the third quarter of 2017 on the back of a healthy demand growth, decreasing oil inventories and the prospect of an extended OPEC quota. Today we continue to see a very strong oil demand growth led by the emerging economies and generally strong and synchronized growing world economies. For the very first time in history, world oil demand is set to reach a record level in 2018 of up to 100 million barrels per day. The growth for this year alone is now forecasted to be around 2 million barrels per day. Meanwhile, crude inventories have continued to gradually decline to reach today's five year average inventory level. In other words, the oil surplus is gone and crude stocks are relatively low, despite a strong rebound from the US shale industry. The reality is that US shale will continue to grow but the market can easily accommodate such growth with a current tight supply and demand balance, and assuming OPEC members continue to maintain their quota discipline. But we should keep in mind that only a few OPEC countries are today able to produce above their quota. I also believe we will see further upward pressure on the oil price as the supply side further tightens due to significant under investments in our industry in recent years. Over the last few years we have moved from double digit numbers of major project sanctions to just a few during the low oil price environment. We have also seen in the past years a significant reduction in exploration activity. A situation, in my view, that will further impact and squeeze the lack of supply growth for the years to come. It is estimated that the market will need in excess of 10 million barrels of oil per day incremental of non-OPEC crude and condensate supply by 2020…and this despite all the technological breakthroughs that we see today. Johan Sverdrup will definitely play its part on the supply growth side but more is needed! So yes, I am optimistic when it comes to the oil price and its growth potential for the years to come.

Hydrocarbons will continue to play an important role in our economies but the main challenge is how to provide this energy source in the most efficient and responsible way possible? It is essential to ensure that the world meets its commitment to tackle climate change, and other environmental challenges, while providing the world with the energy it requires to drive future growth. The transition to a low carbon economy has begun but it will take some time to transition to a fully renewable energy system. Until this happens, it is critical that we source the world's limited energy resources in the most sustainable and carbon efficient way possible. Not every barrel of oil produced in the world is the same!

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This is why I want to talk about Lundin Petroleum and our commitment to produce these resources in the most carbon efficient and sustainable way possible. During last year's speech I highlighted how Norway is a world leader in this area. This is achieved through a combination of robust and stringent environmental legislation, the highest carbon tax of any oil producing country, the use of power from shore for fields such as Johan Sverdrup and a strong commitment to research and development to drive innovation. Measured in carbon dioxide emission intensity per barrel produced, Norway's oil and gas industry produces about half of the emissions compared to the world average. It gets even better if you look at our Edvard Grieg facilities which, last year, achieved a carbon intensity level that was only a quarter of the world average. Or if you prefer, half of the Norwegian average, already best in class. Through targeted investments, an ongoing commitment and continuous innovation we are challenging ourselves to further reduce our emissions from these already low levels. When the Johan Sverdrup field comes on stream by late 2019 it will set a new world record of low carbon intensity with close to zero carbon emissions for each barrel produced. This will be achieved primarily through powering the facility from shore using hydropower.

Definitely, not every barrel of oil produced in the world is the same! We are committed to further reduce our emissions through increased energy efficiency and improved technology. The same approach is firmly anchored in our minds when it comes to waste management. As always it’s not just what we do but also, as importantly, how we do it.

I would now like to focus on the exciting future that lies ahead for our Company and the significant growth opportunities we have through the development of existing projects, new projects and our organic growth strategy.

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This year we are expecting production levels close to last year on the back of the continued strong performance from the Edvard Grieg field which, today, accounts for around 75% of the Company's total production. We have just released our results for the first quarter and I am pleased to report another set of record numbers. Our operating cost was for the first time in

Lundin Petroleum's history below USD 4 per barrel. This is an outstanding achievement from of our operational team. We have also generated record operating cash flow of USD 462 million and free cash flow of USD 170 million for the first quarter. These results set the tone for what we believe will be another very profitable and successful year. Beyond the production and the cash flow generation, three further key pillars will shape the future of the Company: firstly the successful development and execution of Johan Sverdrup, secondly our organic growth activities and thirdly and finally, the proposed long term and sustainable dividend policy.

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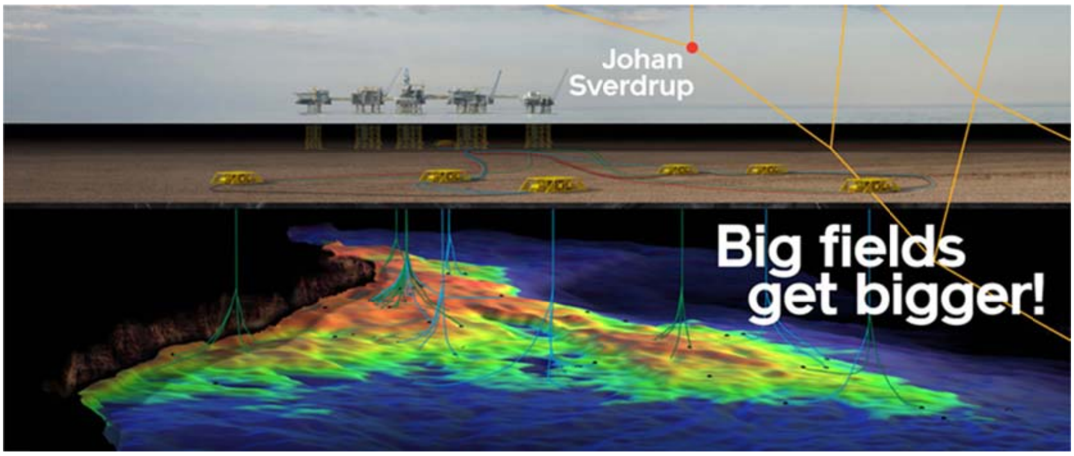

So, firstly, Johan Sverdrup: since the AGM last year we have seen significant project savings for both Phase I and II. Compared to the initial Plan of Development submission, costs have come down by an impressive 50%, including foreign exchange savings.

This has a direct impact on the full field break-even price which today is below USD 20 per barrel. We have also seen further resource increases in the field with the latest resources estimated to between 2.1 and 3.1 billion barrels of oil equivalent. I will once again repeat myself, “big fields get bigger”! 2018 will also see the submission of the Phase II Plan of Development with already several major contracts being awarded. But, more importantly, with 70% now complete, Phase I is solidly on track to achieve first oil in late 2019. By then Johan Sverdrup will be producing 440,000 barrels of oil per day and will step up to 660,000 by the time Phase II comes on stream in 2022. Statoil, the operator of the Johan Sverdrup field, is doing a great job in the execution and delivery of this world class project as well as the many suppliers and contractors that are engaged throughout the world. Last week, the first platform was successfully installed on the field and already by the end of this summer, all four jackets, the drilling and the riser platforms will have been installed offshore, as well as the oil and gas pipelines. Johan Sverdrup is simply in a league of its own and will lead to phenomenal value creation for years to come. It is also a remarkable testimony of first class engineering, integration, innovation and a solid HSE culture. It is the culmination of the passion and hard work of thousands of people across the world who have dedicated their careers to proudly deliver Johan Sverdrup Phase I significantly under budget and on schedule. But images are worth a thousand words and I hope you will enjoy the movie we are about to see now:

SLIDE 9 & MOVIE

What a privilege, and how exciting to be part of such a phenomenal story!

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Our existing production, and the successful execution of the Johan Sverdrup project, will allow Lundin Petroleum to reach over 130,000 barrels of oil equivalent per day by the time Johan Sverdrup Phase I is on stream, and over 160,000 by 2022 when Phase II is on line. This will double our current production levels. On a relative basis, this is undoubtedly one of the best growth stories you can find today in the oil and gas industry, coupled with a sustainably low operating cost and a minimal environmental footprint. This is what we call “our do nothing case” since it “only” takes into account our existing production and the ongoing Johan Sverdrup

development. This nicely leads me to our second pillar,

Organic growth activities …..Or if you prefer "beyond

our do nothing case"!

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Firstly, it is about progressing our discovered resources

to commercial reserves. This year we will be very active

on three fronts: the "Luno II" discovery, a potential subsea tie-back to the Edvard Grieg platform, the fractured basement discovery called “Rolvsnes”, where appraisal drilling is currently ongoing and may also include a potential subsea tie-back to the Edvard Grieg platform and finally, the large “Alta Gotha” discoveries in the southern Barents Sea, where we will be conducting an extended well test and look forward to see the results later this year. The excellent news is that we are off to a very good start with the great results of the Luno II appraisal well that we announced in March. These results have increased the Luno II estimated resources by about 30%. There is no question in our minds that Luno II is now a commercial project and we are aiming to submit a Plan of Development for approval around year end. This year's appraisal programme is targeting over 200 million barrels of oil equivalent of net resources from three different projects, and we know that one of them, the Luno II discovery, is already moving towards development.

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Secondly, it is about the Company's ability to continue to find new resources through a targeted and proactive exploration strategy. Over the years we have been very active in renewing and diversifying our exploration portfolio. This was achieved through licensing rounds, new deals and the ability of our exploration team to be at the forefront of exploration technology. This has resulted in the Company increasing its acreage foot print by 50%, now covering six core exploration areas and being one of the most active explorers on the Norwegian Continental Shelf. Our updated exploration programme for 2018 comprises ten wells, targeting around 600 million barrels of net unrisked resources. We firmly believe in the potential to find significant new resources and in our ability to grow organically. The Norwegian Continental Shelf ranks in the top 10 exploration areas in the world with significant yet to find resources in excess of 16 billion barrels according to the Norwegian

Petroleum Directorate. Exploration is a long-term game and the Company has continuously proven its ability to make new discoveries with an excellent track record at a finding cost well below one USD per barrel. There will be disappointments along the way but, ultimately, I have no doubt in our ability to find new resources. The future beyond “the do nothing case” is as exciting and promising as ever with a clear and active organic growth strategy going forward.

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Lundin Petroleum has, over the years, gone through a remarkable growth story that will continue with the execution of the giant Johan Sverdrup field and an active organic growth strategy. Recently, we have also seen the Company generating a record low operating cost, achieving significant capital expenditure savings and continuing to deliver above guidance. This, coupled with oil prices recovering, has led the Company to generate significant free cash flow ahead of Johan Sverdrup's first oil. It is thus not a surprise that we are proposing today to redistribute some of the cash to you shareholders and propose this year a first cash dividend payment of SEK 4 per share. What we are proposing is a long-term and sustainable dividend policy which is set to at least double next year and then likely to increase again with the commencement of production from Johan Sverdrup.

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Our Norwegian journey continues to be nothing but an extraordinary one. We have an absolutely fantastic and enthusiastic team of people across the organisation with a strong HSE culture but also with a great entrepreneurial and leadership spirit. I am very grateful and honoured to work with such a great team and an immense thank you to you all for your support and for what you have achieved. There is absolutely no doubt in my mind that Lundin Petroleum is firmly on track to continue to exceed expectations. The future beyond “the do nothing case” is as promising and exciting as ever.

A big thank you to the Board, the Lundin family and to you, fellow shareholders, for your confidence and continued support. To my colleagues, you are simply the best and one simple question to you: “how can we do *even* better?”

Our journey and the future of the Company have never been as clear and exciting as it is today.

Full steam ahead!

Thank You.

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Alex Schneiter
President and CEO of Lundin Petroleum