

2007 Margin Analysis

Lundin



Capital Market Day Presentation
30th January 2007

2007 Margin Netback USD/boe



	2006 Forecast @65.15 USD/boe	2007 Forecast @55.00 USD/boe
Production (MMboe)	10.8	15.4
Revenue	55.05	49.15
Cost of operations	-17.15	-14.55
Tariffs	-1.90	-1.60
Production & sales taxes	-1.65	-3.15
Stock movements	1.10	-0.25
	35.45	29.60
Depletion	-9.75	-10.75
Margin Netback	25.70	18.85

2007 foreign exchange rates assumption: USD/Euro 1.30, USD/GBP 1.90, NOK/USD 6.25

2007 Revenue Netback USD/boe



	2007 Forecast
Revenue	55.00
Sales differential Russia	-3.15
Government take	-2.65
Quality differential UK	-0.70
Gas price differential	-0.75
Inventory movement	0.65
Tariff receipts and other income	1.15
Other	-0.40
Effective sales price per barrel	49.15

2007 Cost of Operations

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Country	Cost USD/boe	% Contribution
UK	26.35 *	34%
France	12.30	9%
Netherlands	10.85	5%
Indonesia	14.40	7%
Tunisia	5.95	14%
Norway	6.95	15%
Russia	7.35	16%
Total	14.55	100%

** Before Broom tariff contribution (24.55 USD/boe after Broom tariff contribution)*

2007 Cost of Operations



2007 Production & Sales Taxes

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Country	Cost USD/boe	%
Russia	17.65 *	88%
France	3.40	9%
Tunisia	0.55	3%
Total	3.15	100%

* Mineral Resource Extraction Tax	9.00
Export Duty	<u>8.65</u>
	17.65

Assume Russia sales split: 42% Export
58% Domestic

- **MRET**
 - ➔ Sliding Scale Coefficient
 - ➔ $419 \text{ RUR/tonne} \times [(\text{Urals USD/bbl} - 9) \times \text{RUR/USD}/261]$
 - ➔ Set Monthly

- **Export Duty**
 - ➔ $(\text{Oil Urals Price} - 25) \times 0.65 + 4 \text{ USD/bbl}$
 - ➔ Set for two month terms based on the first two months of the previous three months

- **Corporate Tax** ➔ 24%

2007 Depletion Analysis



Country	2007		2006	
	USD/boe	Contribution	USD/boe	Contribution
UK	12.70	34%	9.53	57%
France	7.04	9%	6.62	13%
Netherlands	12.44	5%	10.69	7%
Indonesia	5.49	7%	3.79	8%
Tunisia	16.21	14%	20.79*	4%
Norway	9.99	15%	11.16	3%
Russia	6.49	16%	6.32	7%
Venezuela	-	-	56.85	1%
	10.75	100%	9.75	100%

** Includes 10.82 USD/boe of Isis additional depletion*