

Lundin Petroleum - Capital Market Day 2012



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Agenda



- **Introduction**
 - ➔ Ashley Heppenstall, President and CEO
- **2011 Financial Performance**
 - ➔ Geoff Turbott, Vice President Finance and CFO
- **Resources and Production**
 - ➔ Chris Bruijnzeels, Senior Vice President Operations
- **Norway**
 - ➔ Alex Schneider, Executive Vice President and COO
 - ➔ Torstein Sanness, General Manager Norway
 - ➔ Hans Christen Rønnevik, Exploration Manager, Norway
 - ➔ Dag Mustad, Project Manager, Luno Project
 - ➔ Arild Jorstad, Senior Geophysicist
- **South East Asia**
 - ➔ Mike Nicholson, Managing Director, SE Asia
- **Other Countries**
 - ➔ Chris Bruijnzeels, Senior Vice President Operations
- **2012 Financial Overview**
 - ➔ Geoff Turbott, Vice President Finance and CFO
- **2012 Summary**
 - ➔ Ashley Heppenstall, President and CEO

- **Exploration success in Norway**
 - ➔ Johan Sverdrup - A new giant in Norway

- **Strong Production Growth**
 - ➔ Production at upper end of guidance - 33,200 boepd

- **Strong Reserves Growth**
 - ➔ Reserves replacement ratio 260%
 - ➔ Total reserves plus contingent resources > 1 billion barrels recoverable

- **Solid Cash Flow**
 - ➔ EBITDA > USD 1 billion

➤ **Exploration to Continue**

- ➔ 24 exploration/appraisal wells - MUSD 460 budget
- ➔ Norway/South East Asia main focus

➤ **Development Activity Increasing**

- ➔ Gaupe onstream shortly
- ➔ Luno PDO submitted
- ➔ Production to double by 2015

➤ **Balance Sheet Strong**

- ➔ Growth funded from cash flow and borrowing capacity

2011 Financial Performance

Lundin



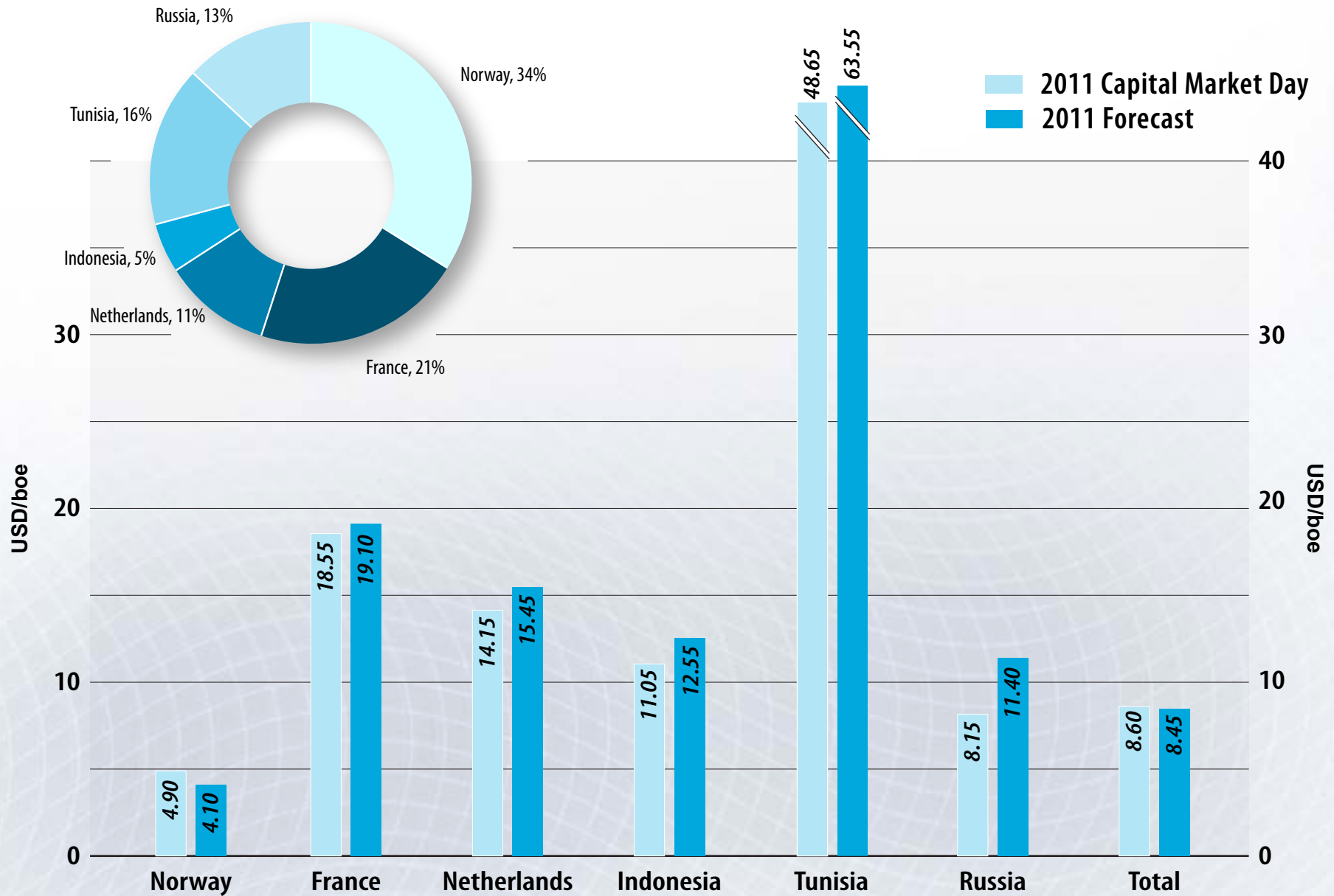
*Capital Market Day
January 2012*

2011 Forecast Cash Margin Netback [USD/boe]



	Forecast 2011	Capital Market Day Jan 11
<i>Brent Oil Price</i>	111.25	90.00
Revenue	104.50	80.50
Cost of Operations	-8.45	-8.60
Tariffs	-1.90	-1.80
Production Taxes	-4.30	-4.40
Stock Movement	-1.10	0.35
Other	-0.20	-0.20
Cash Margin Netback	88.55	65.85

2011 Forecast Cost of Operations



2011 Forecast Quarterly Operating Cost



Operating Cost (USD per boe)	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Forecast	2011 Forecast
Cost of Operations	7.70	8.96	8.20	8.90	8.45
Tariff and Transportation Expenses	1.98	2.28	1.67	1.65	1.90
Royalty and Direct Taxes	3.86	4.87	4.53	4.00	4.30
Other	0.19	0.20	0.18	0.20	0.20
Total Production Costs	13.73	16.31	14.58	14.75	14.85
Changes in Inventory/Overlift	-0.62	4.32	0.89	0.00	1.10
Total Operating Cost	13.11	20.63	15.47	14.75	15.95

2011 Forecast Exploration Costs



		2011 Forecast MUSD	Q4 2011 Forecast MUSD	Q4 2011 Forecast after Tax MUSD
Norway:	EARB well + licence relinquishments	74	8	2
Congo (Brazzaville):	2 wells + associated costs	51	51	51
Malaysia:	1 well	11	0	0
Others:		4	1	0
Exploration Costs		140	60	53

➤ AOC Shares (Q1/Q2)

- ➔ 23.8 MUSD convertible loan converted to AOC shares at CDN 0.90/share
- ➔ 15.6 MUSD (Q1) and 14.3 MUSD (Q2) profit realised (non-taxable)

2011 Forecast Taxation



	2011 Forecast USD/boe	Q4 2011 Forecast USD/boe
Current Tax Charge	32.95	58.55
Deferred Tax Charge	14.35	(9.25)
	47.30	49.30

2011 Forecast Operating Cash Flow Netback [USD/boe]



	2011 Forecast	
Cash Margin Netback	88.55	
Cash Taxes	-32.95	
Operating Cash Flow Netback	55.60	
		MUSD
Development Capex	18.65	225
Exploration Capex	35.85	435

2011 Forecast EBITDA [USD/boe]



	2011 Forecast
Cash Margin Netback	88.55
General & Administrative	-5.50
EBITDA	83.05

General & Administrative

Cash	1.70
Non-cash LTIP	3.80
	<hr/> 5.50
Depreciation	0.20
	<hr/> 5.70

Effective Forecast Tax Rate Reconciliation



- **2011 Effective Tax Rate:** → **79%**
 - + Gain on AOC Shares
 - Exploration Costs - Congo (Brazzaville), Malaysia

- **2011 Effective Tax Rate excluding One-off Items:** → **75%**
 - General & Administrative
 - Financial Items

- **2011 Operational Tax Rate:** → **69%**

Fourth Quarter 2011 Summary Items



		Q4 2011 Forecast MUSD
➤ Exploration Costs ⁽¹⁾	➔	60
➤ General & Administrative ⁽¹⁾	➔	35

⁽¹⁾ Minimal tax credits

Liquidity [MUSD]



→ at 31 December 2011

Debt Outstanding	207
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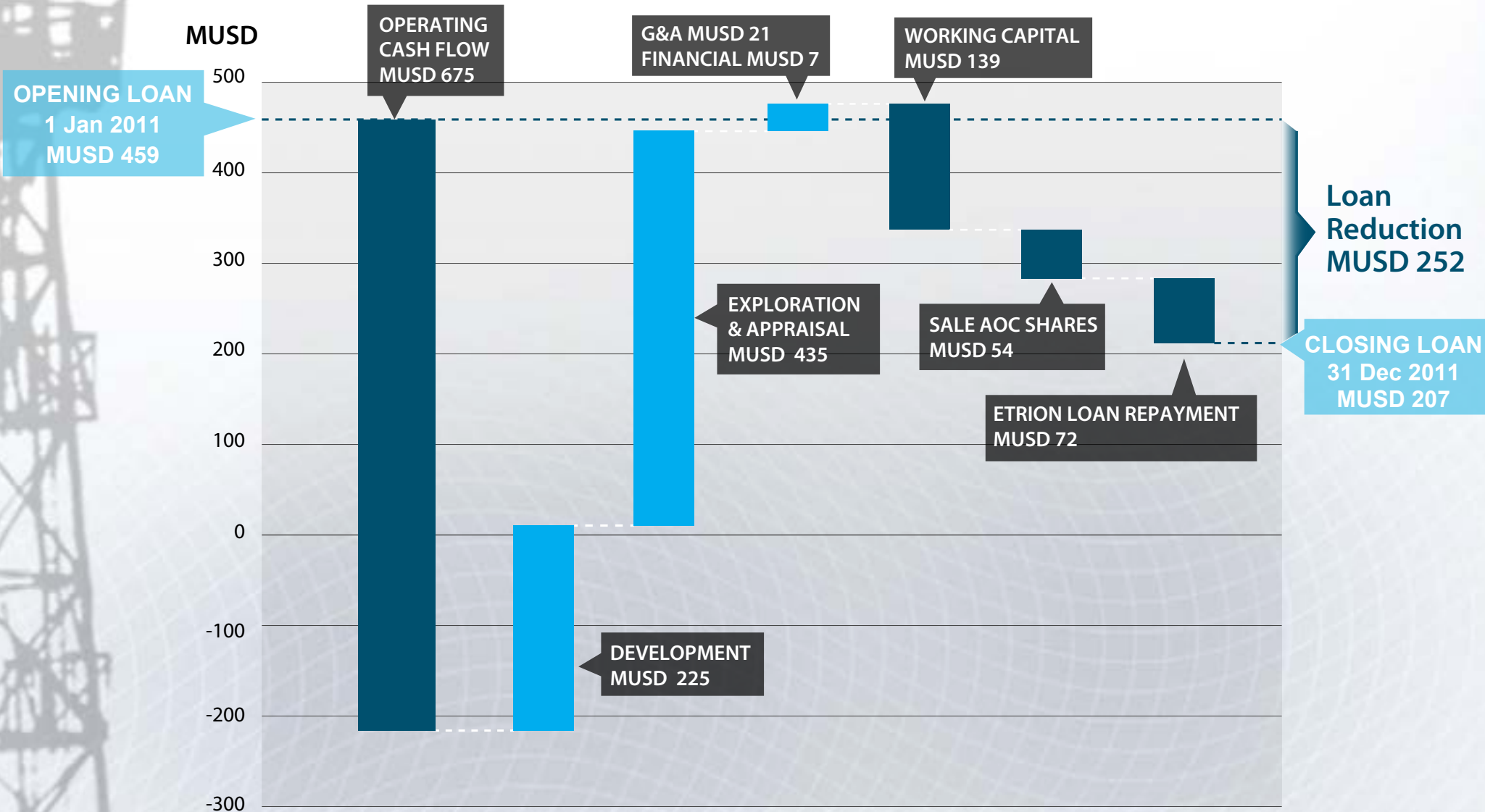
Cash Balances	75
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Net Debt Position	132
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Availability Under Credit Facility⁽¹⁾	630
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⁽¹⁾ Loan facility MUSD 850 with reducing availability to 2014

Debt Position - Forecast End 2011



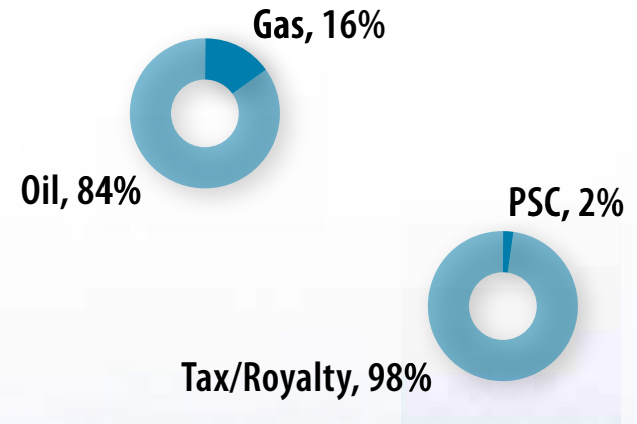
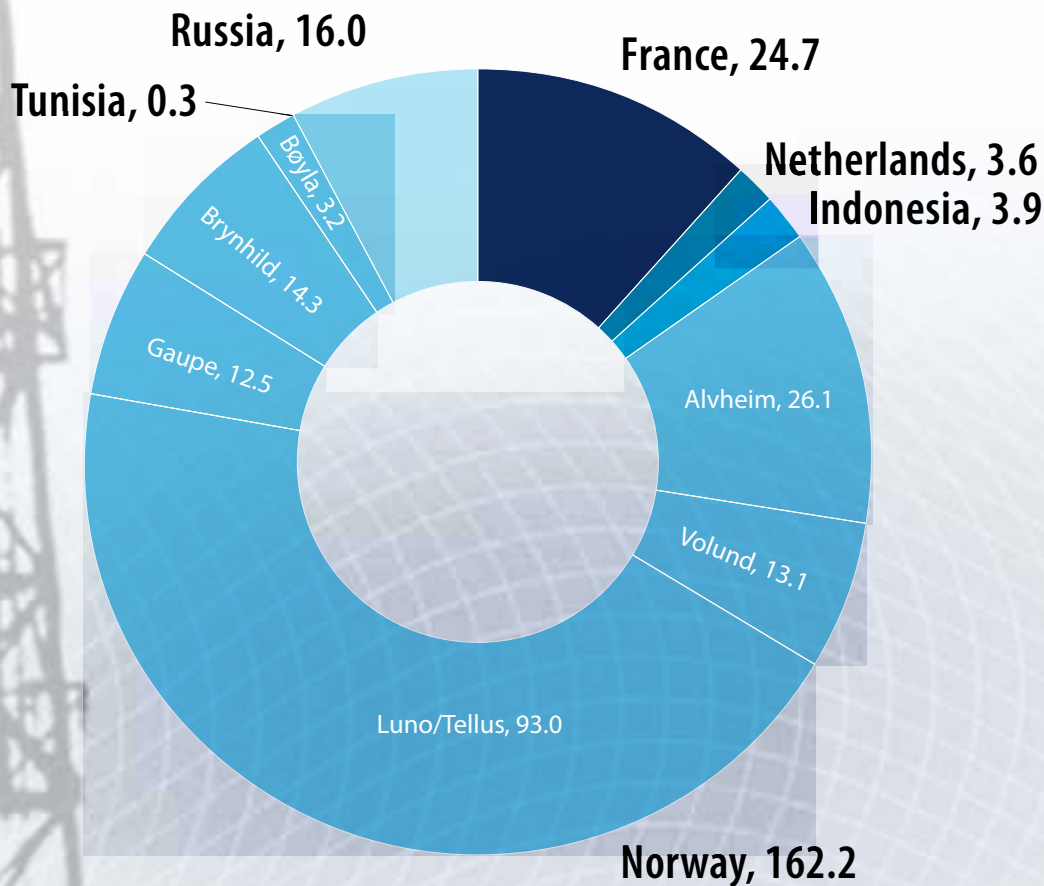
Resources and Production



1 January 2012 2P Reserves



Total 210.7 MMboe



	MMboe
End 2010	186.7
- Produced (excl sales & acquisitions)	-12.1
+ new reserves (excl sales/acquisitions)	32.0
- Sales / + Acquisitions	+4.1
End 2011	210.7

Reserves Increase 21%

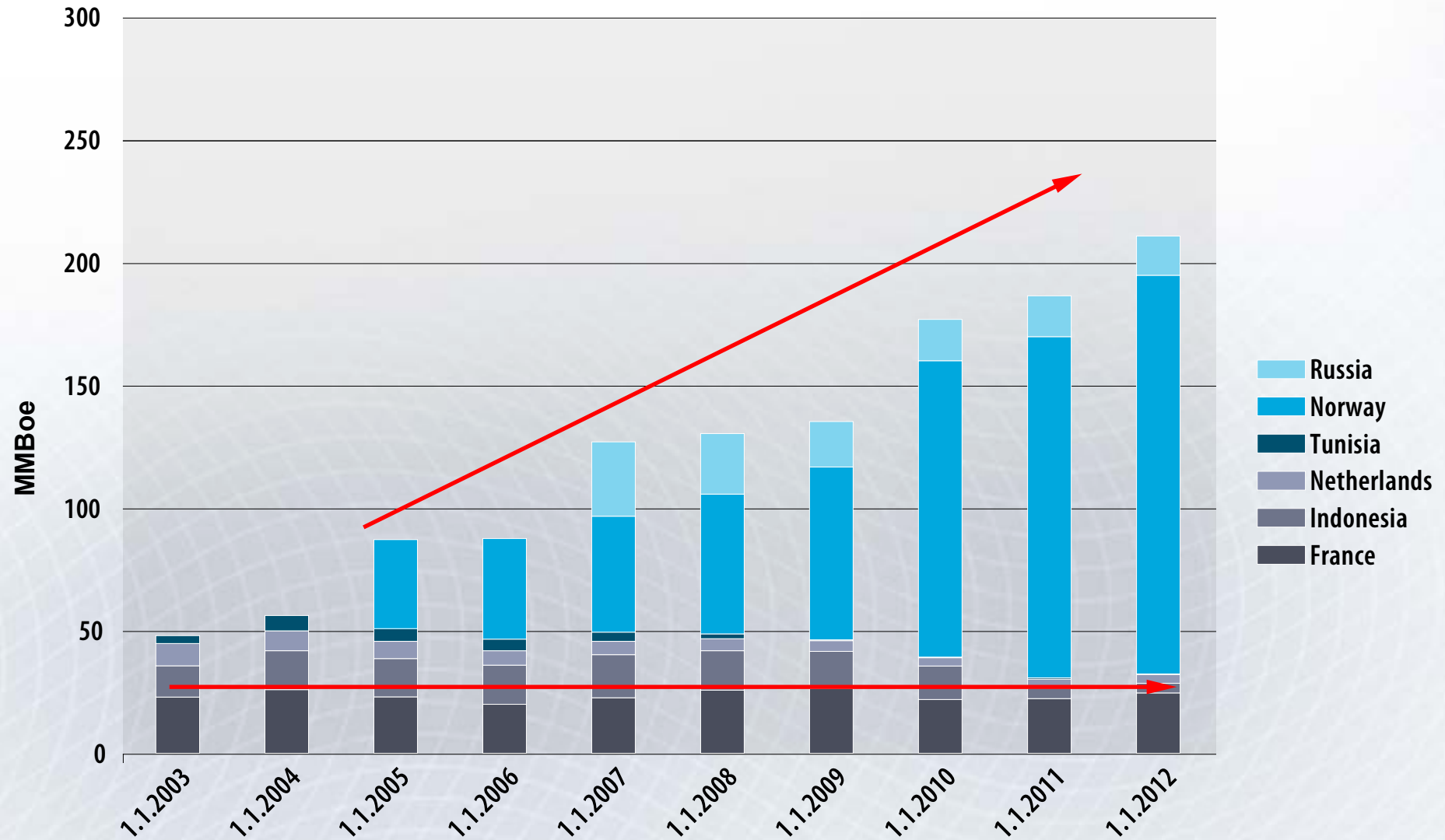
Reserves Replacement 264%

Reserves Growth

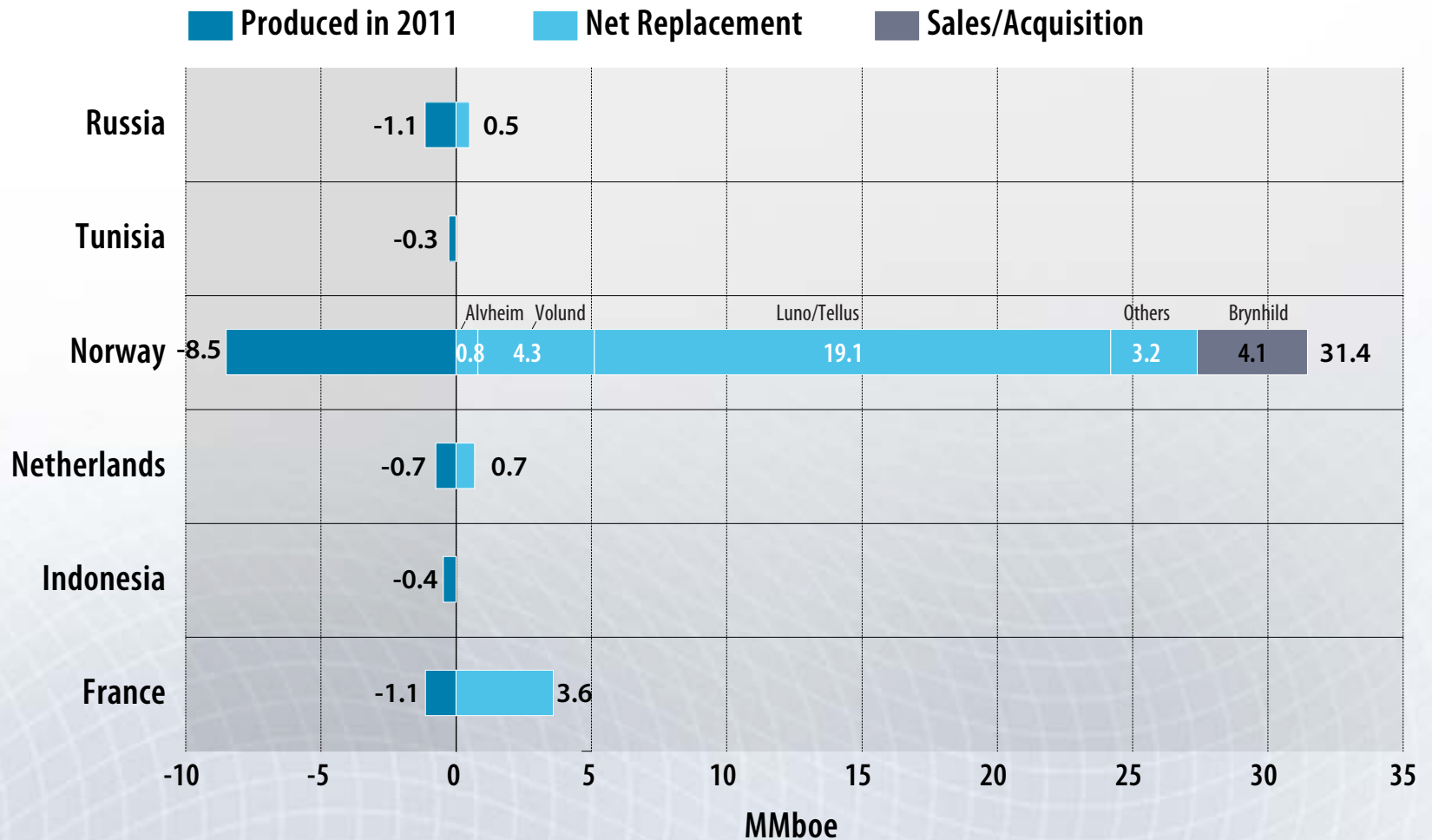


➔ 347% reserves increase in Norway

➔ No decline in French reserves

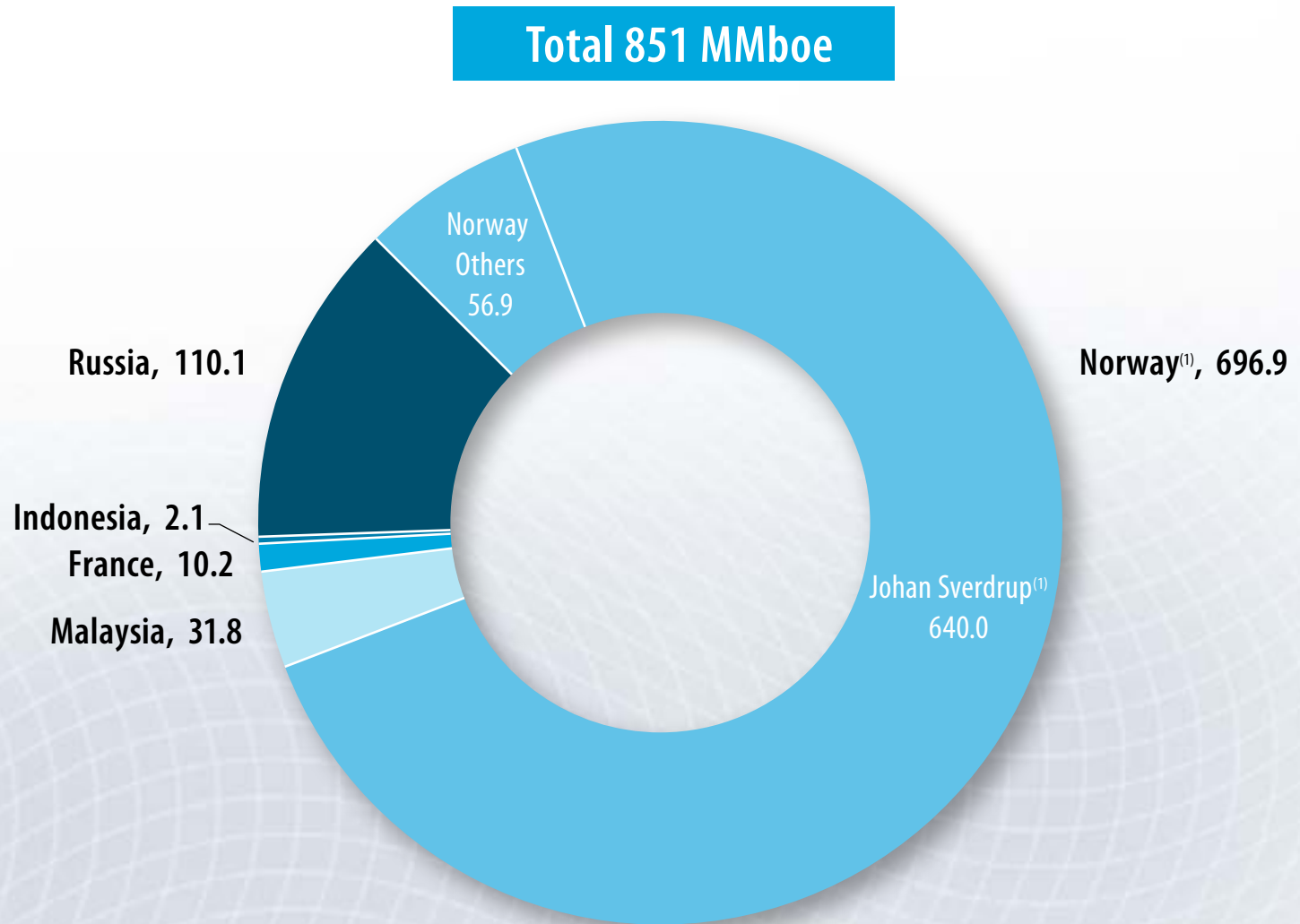


Reserves Changes



- **Acquisition:** Brynhild interest increase
- **Norway:** Luno/Tellus reserves upgrade, Volund infill, Bøyla into reserves
- **France:** Vert La Gravelle development plan

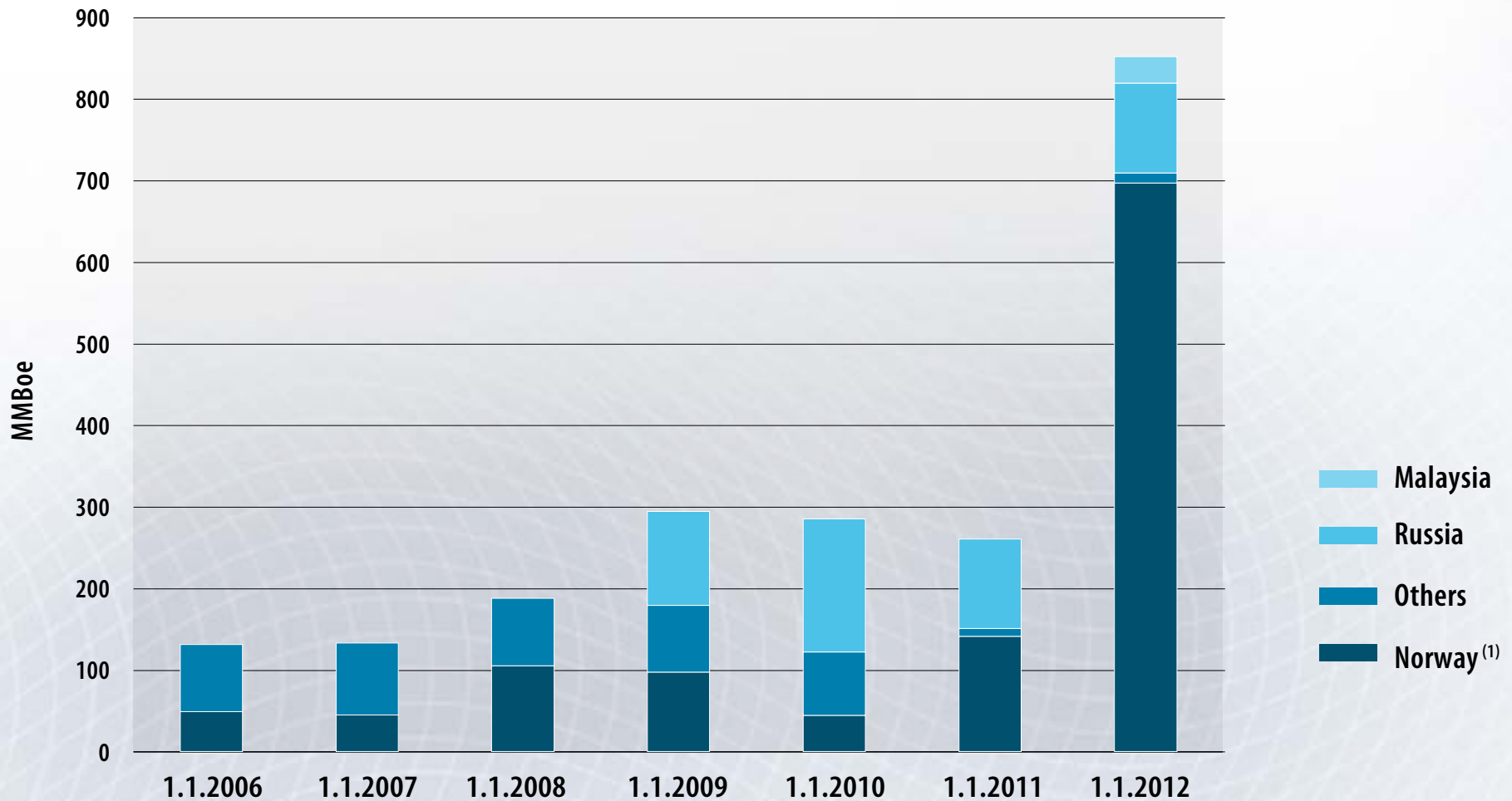
1 January 2012 Contingent Resources



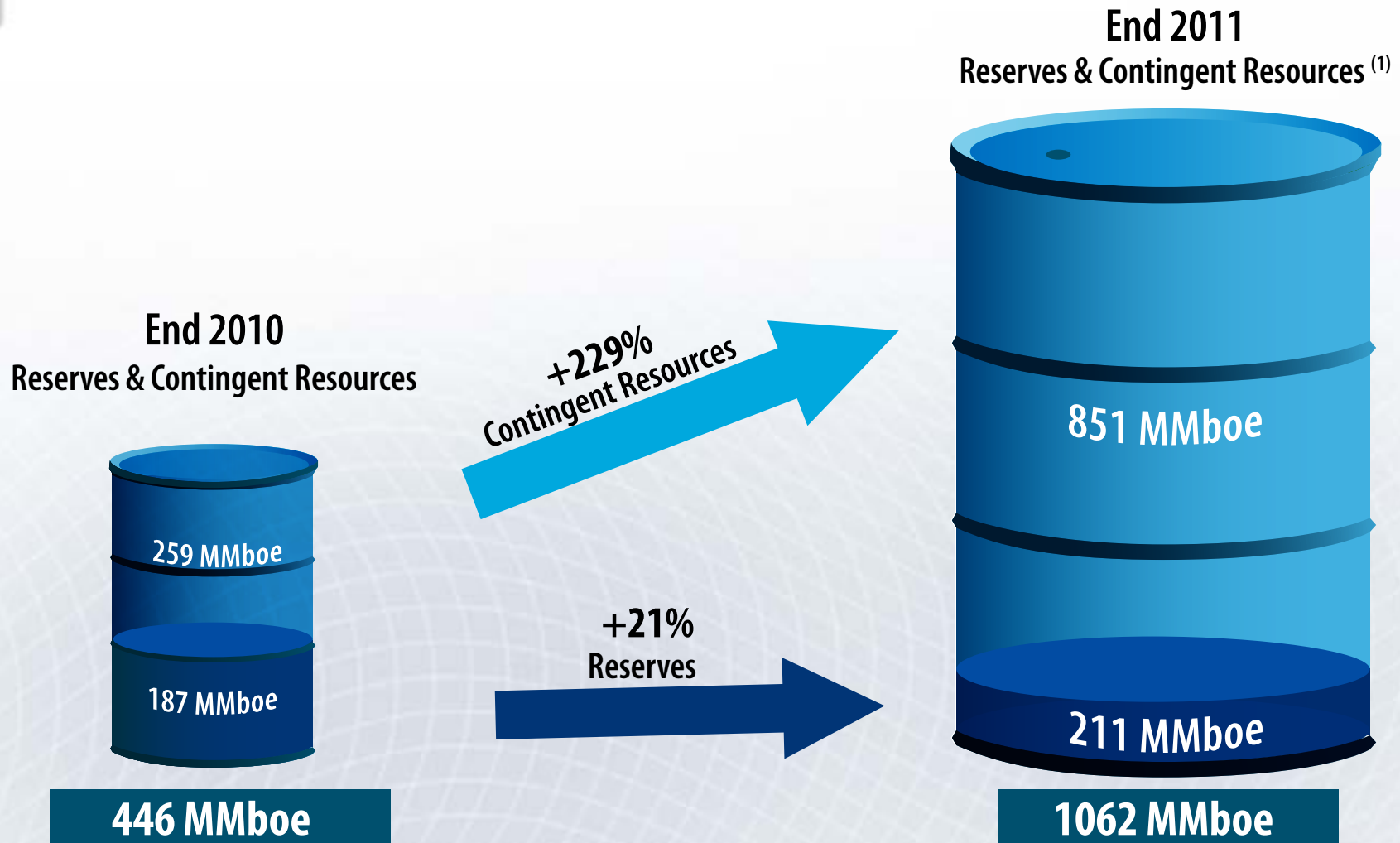
Contingent Resource Growth



➔ More than ten times resources increase in Norway



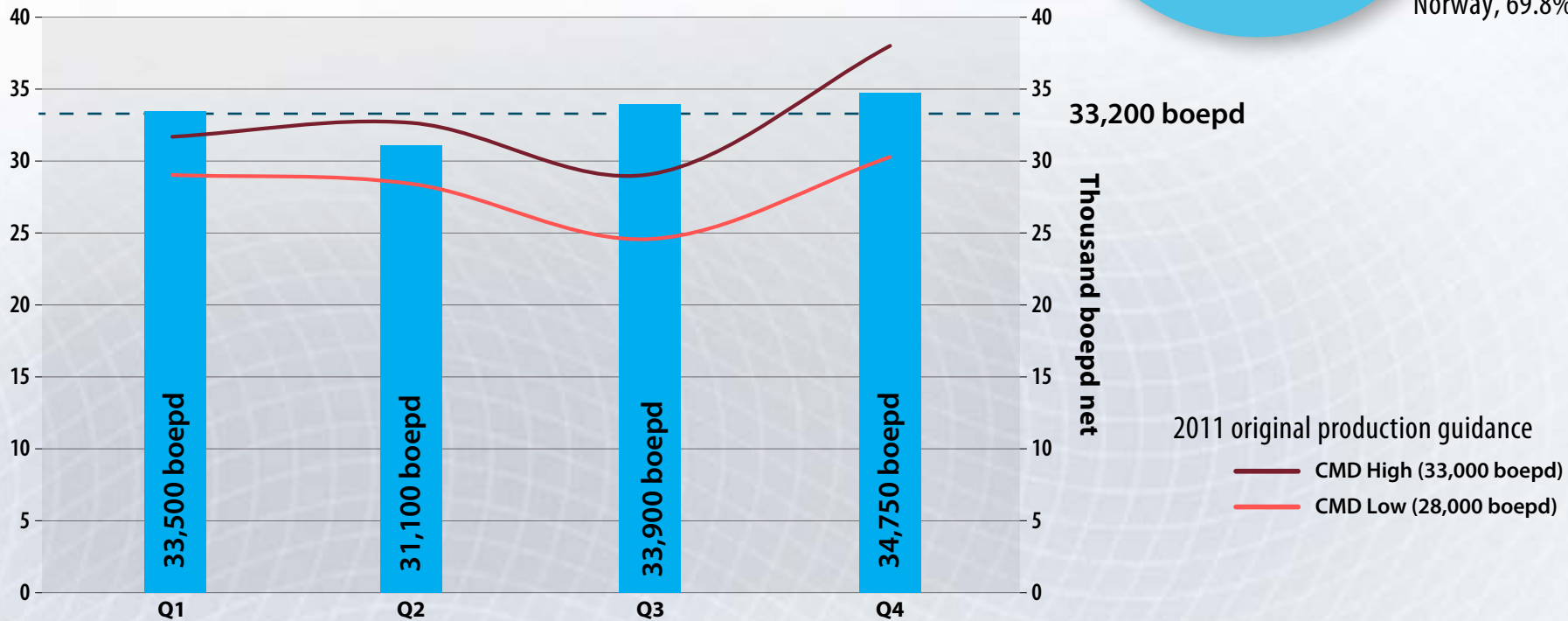
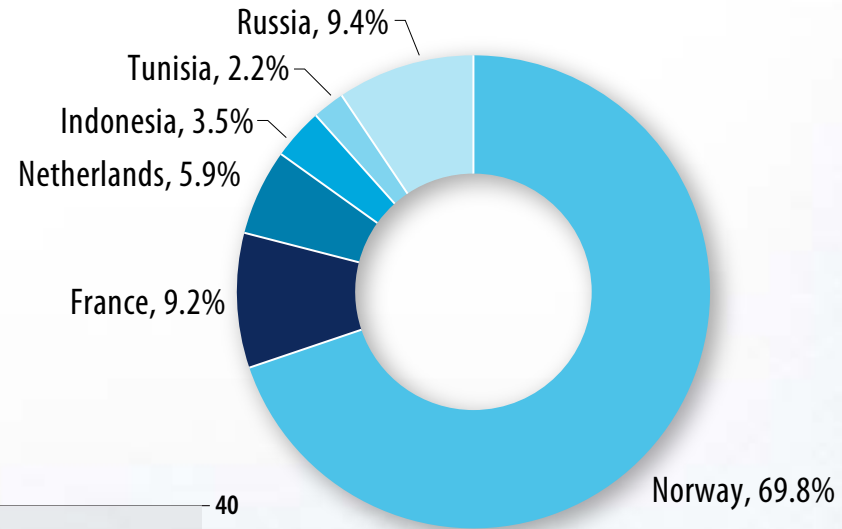
Reserves and Resources Increase



2011 Production Performance



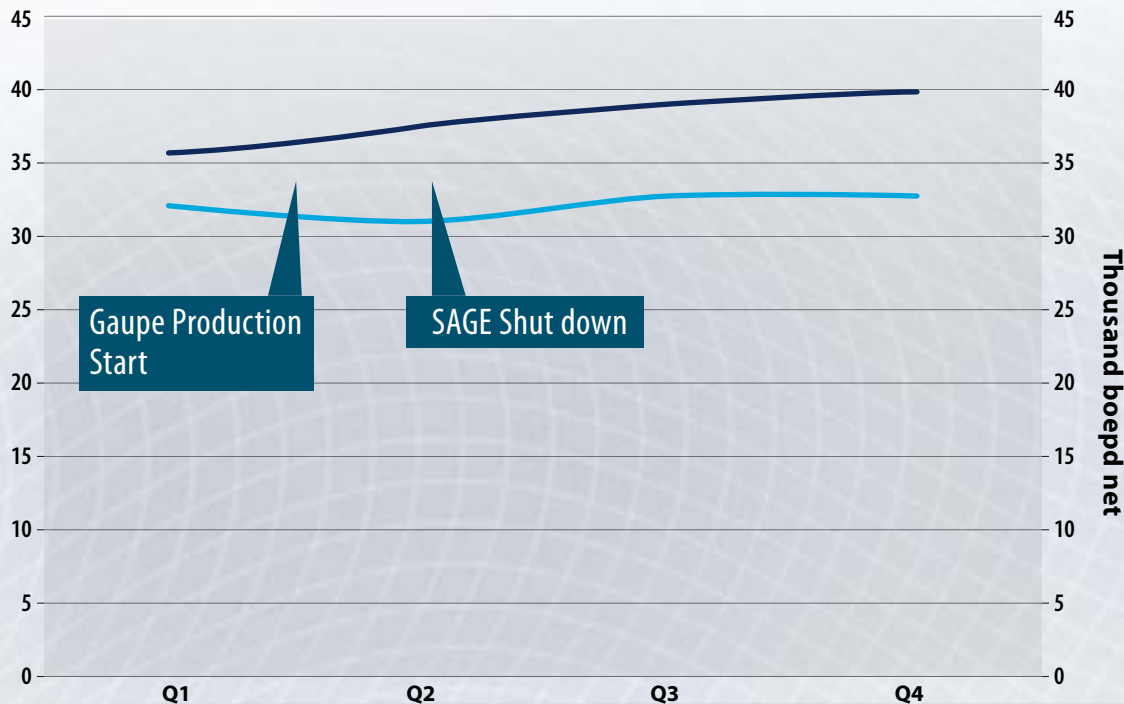
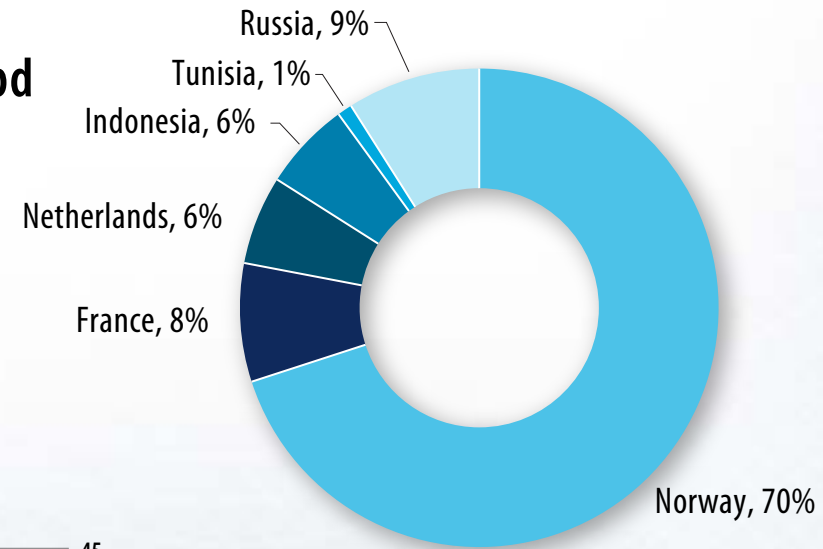
➤ **2011 production forecast: 33,200 boepd**



2012 Production Guidance



- 2012 production guidance: 32,000 - 38,000 boepd
- Mid range equals 5% increase from 2011
- Norway - production factors
 - ➔ FPSO uptime
 - ➔ Gaupe startup end Q1
 - ➔ SAGE shutdown
 - ➔ Volund reservoir performance



2012 Production guidance

— High
— Low

Norway



Norway - An Opportunity for Independents



- **Historically controlled by majors**

- **Higher tax rates than UK**

- ↓

- **Lower drill density in same geological area**

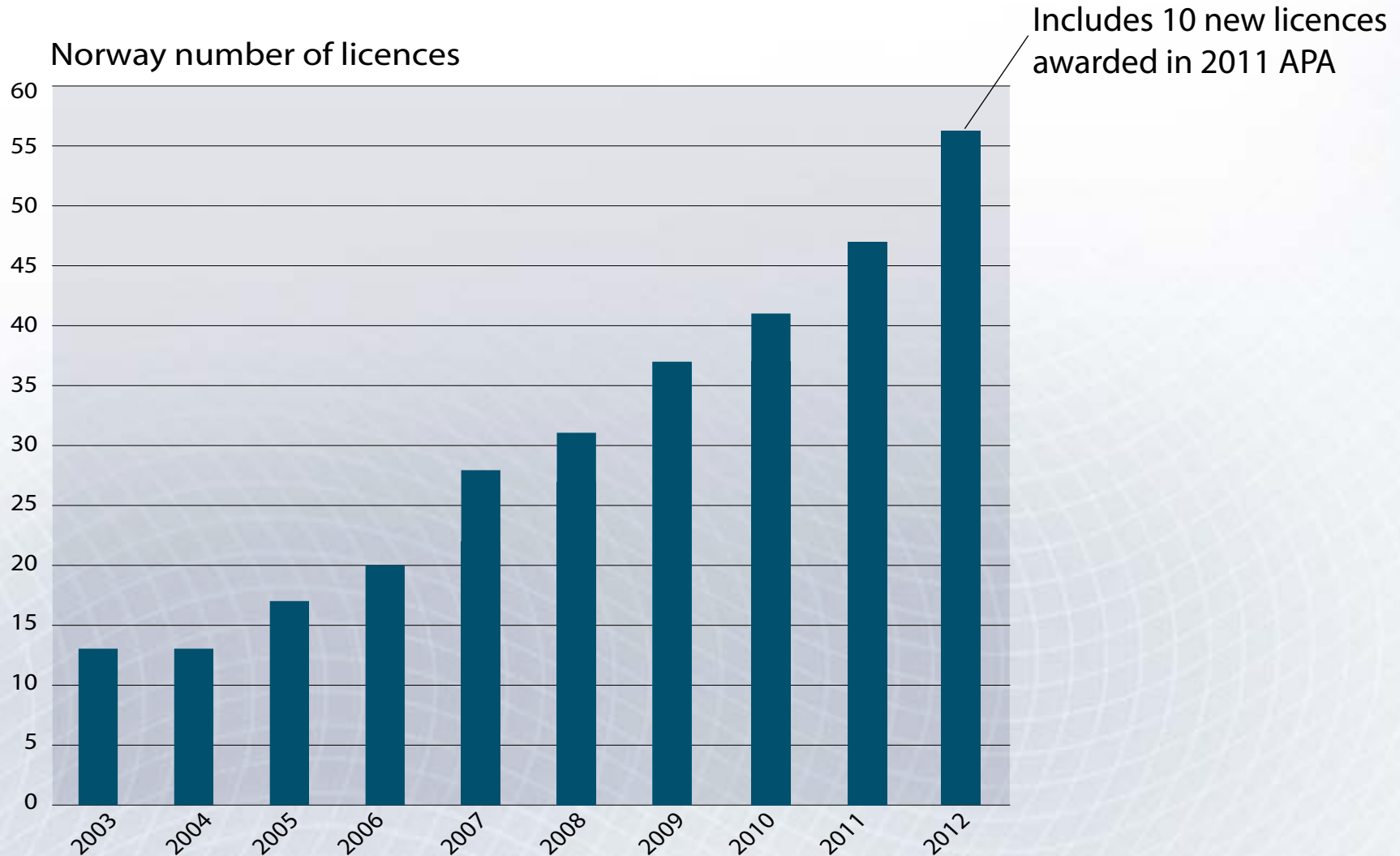
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- **Opportunity for independents**

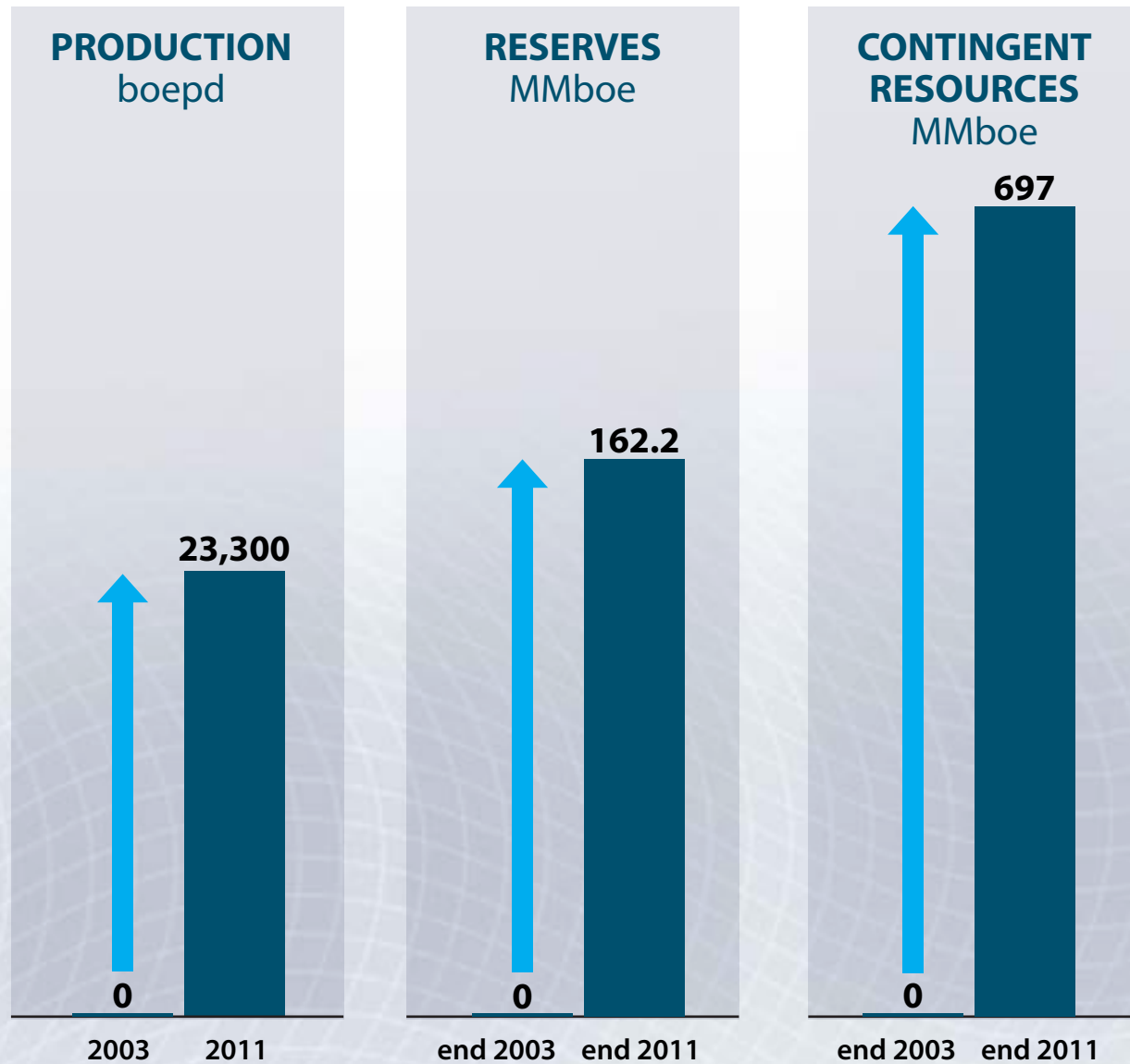
Exploration in Norway - Organic Growth



➤ Major position built through organic growth



Norway - Successful Organic Growth



Norway - Finding Costs



- ➔ Finding Cost⁽¹⁾ (Pre Tax) ⇒ 1.04 USD/boe
- ➔ Finding Cost⁽¹⁾ (Post Tax) ⇒ 0.23 USD/boe

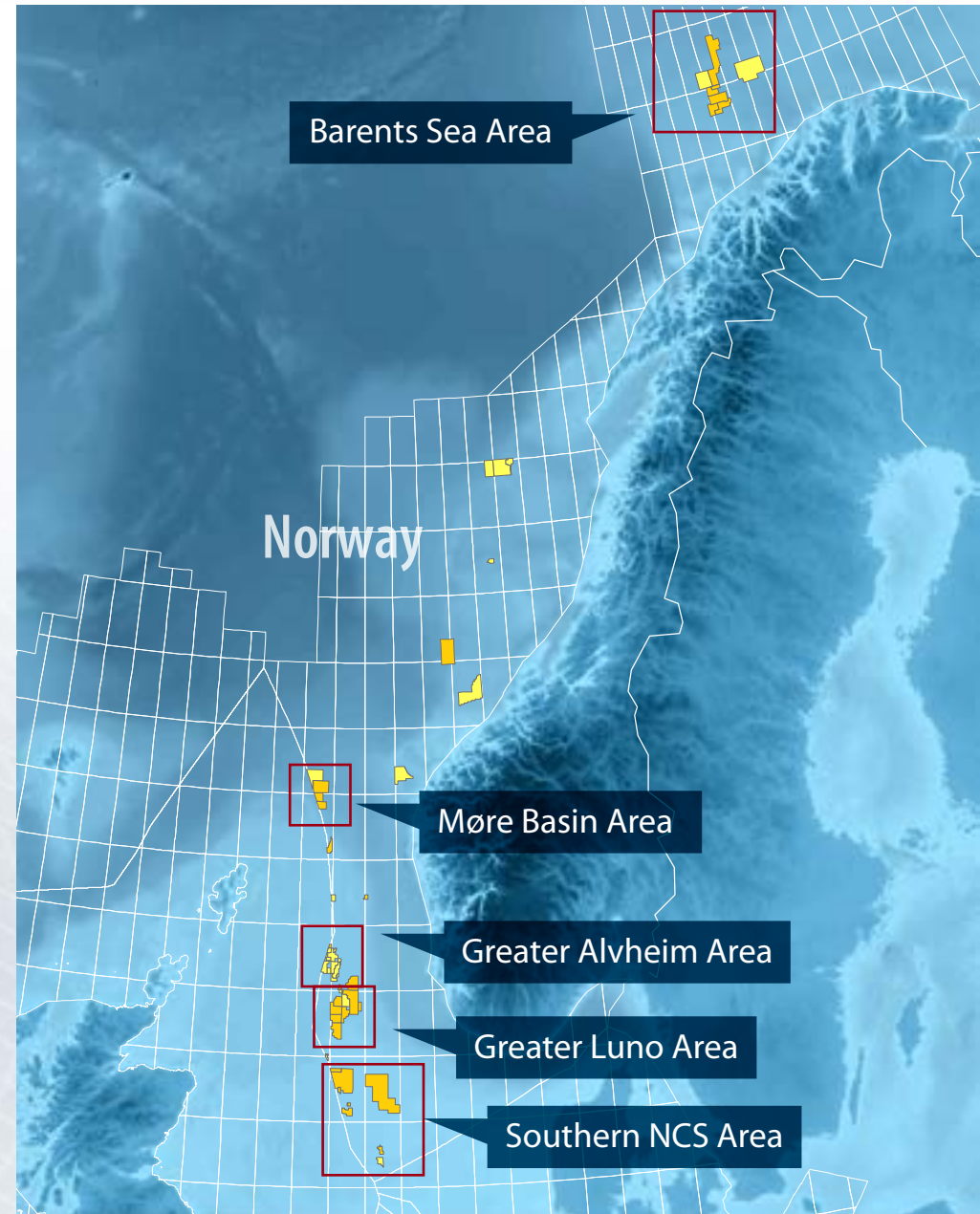


⁽¹⁾ Exploration costs (excl. appraisal costs) since inception and up to 31.12.11 divided by total (net Lundin) 2P reserves + Johan Sverdrup contingent resources.

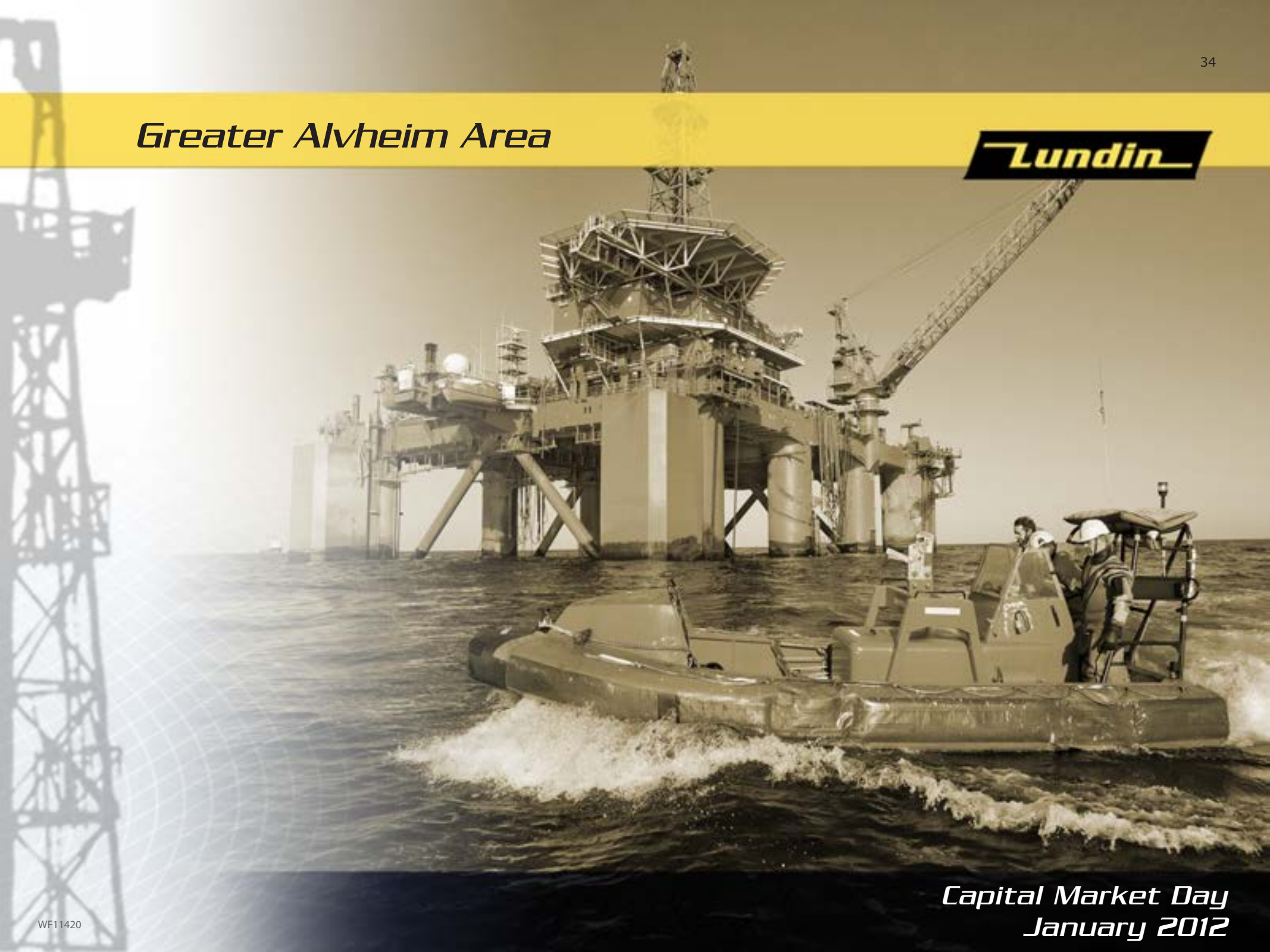
Norway - 5 Key Growth Areas



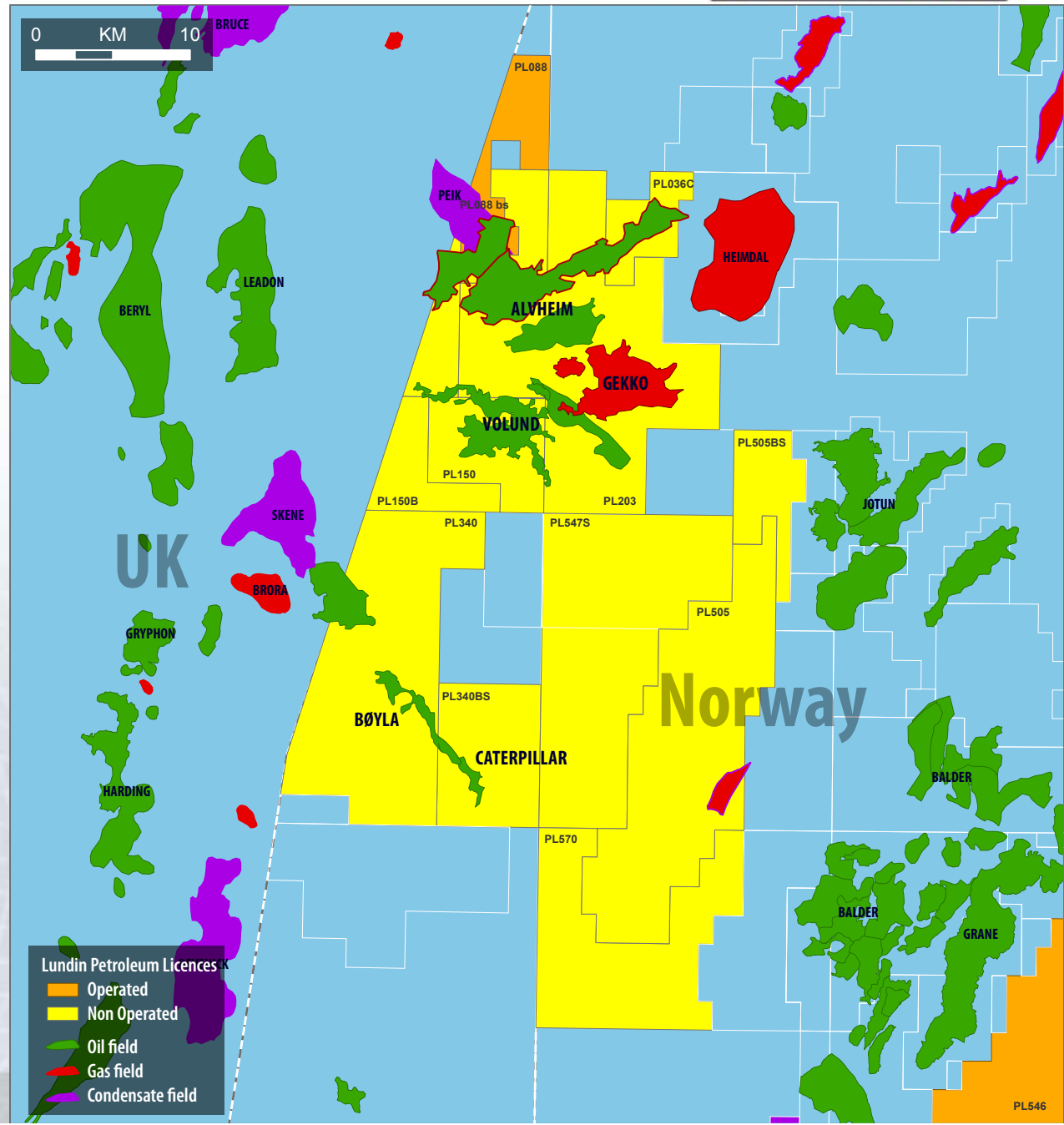
- ➔ Greater Alvheim Area
- ➔ Greater Luno Area
- ➔ Møre Basin Area
- ➔ Southern NCS Area
- ➔ Barents Sea Area



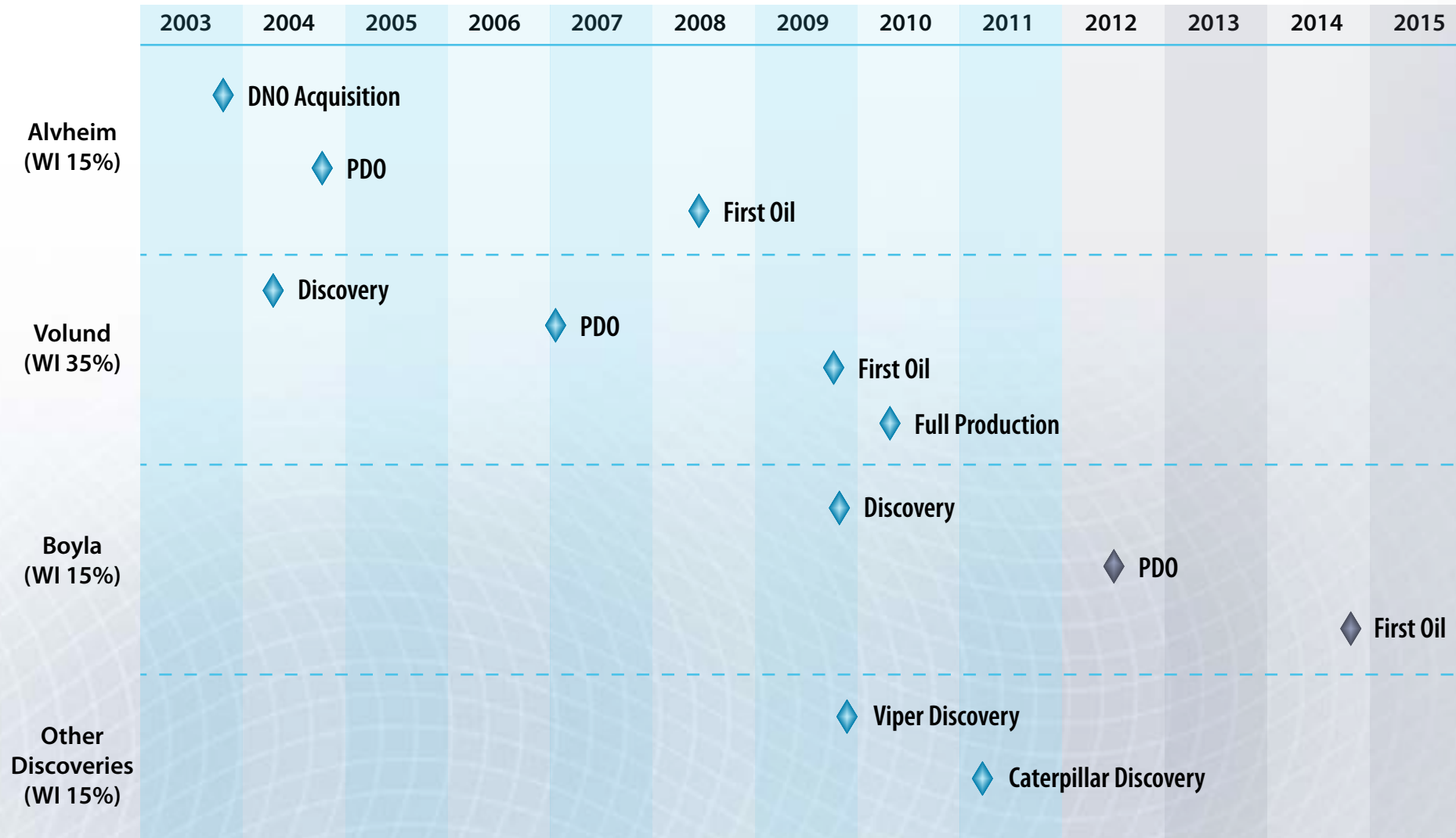
Greater Alvheim Area



Greater Alvheim Area



Greater Alvheim Area Moving On

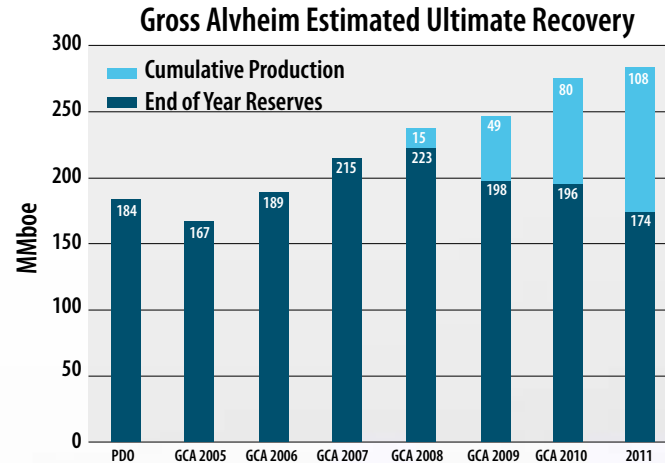


Greater Alvheim Area - Alvheim Growth



➔ PDO

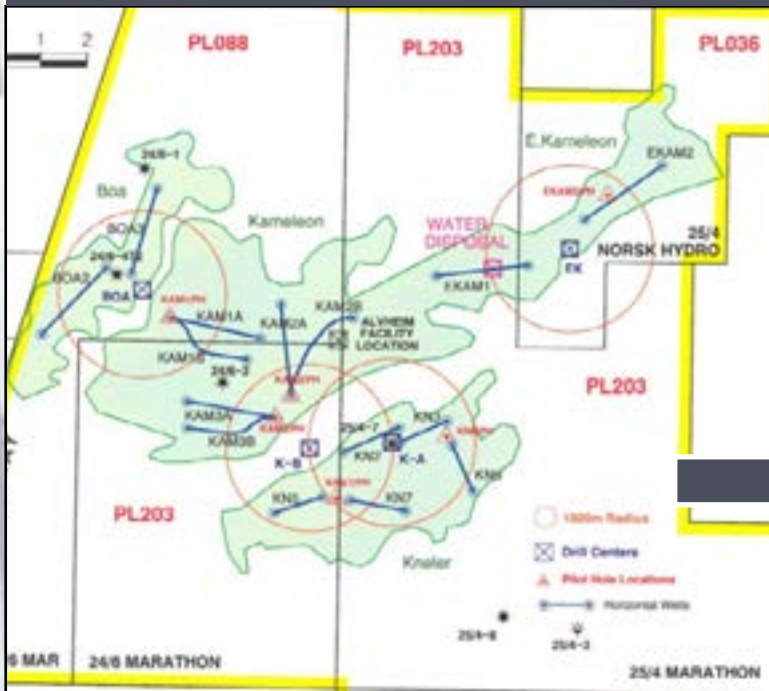
- ➔ 12 Producers
- ➔ 3 Multilaterals
- ➔ 184 MMboe recovery
- ➔ Design capacity 124 Kbpod



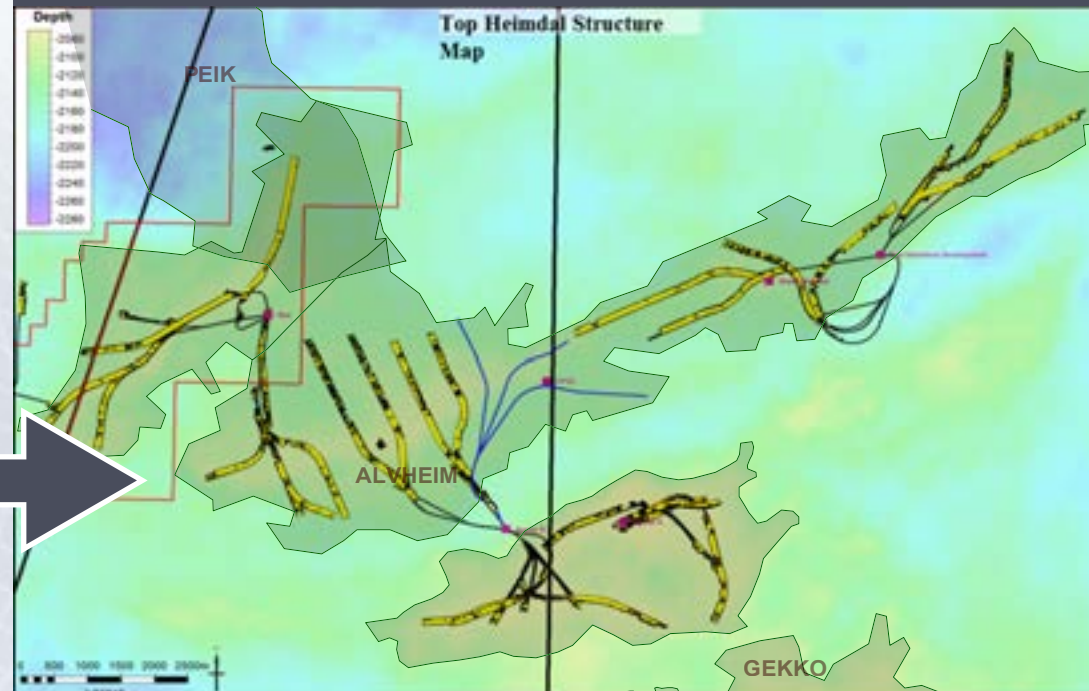
➔ Now

- ➔ 15 Producers
- ➔ 8 Multilaterals
- ➔ 282 MMboe recovery
- ➔ Capacity greater than 150 Kbpod

Alvheim - PDO (Oct 2004)



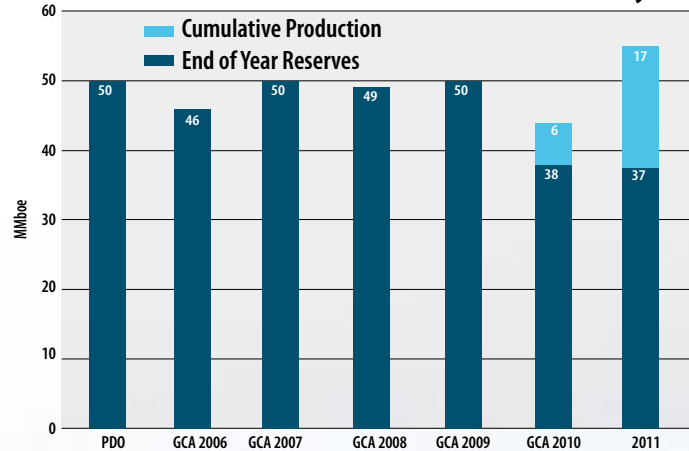
Alvheim - Phase III (Nov 2011)



Greater Alvheim Area And Volund as well



Gross Volund Estimated Ultimate Recovery



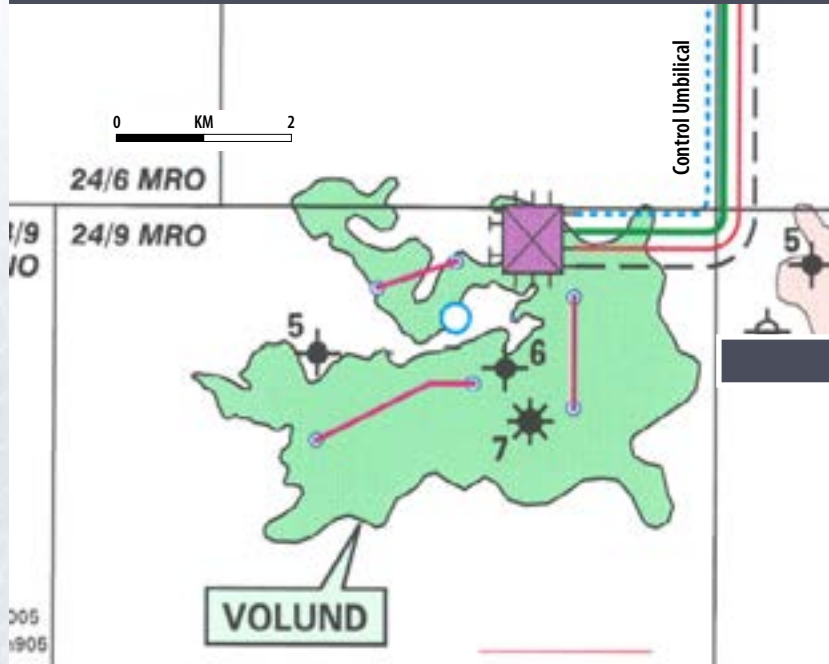
➔ PDO

- ➔ 3 Producers
- ➔ No Multilaterals
- ➔ 50 MMboe recovery

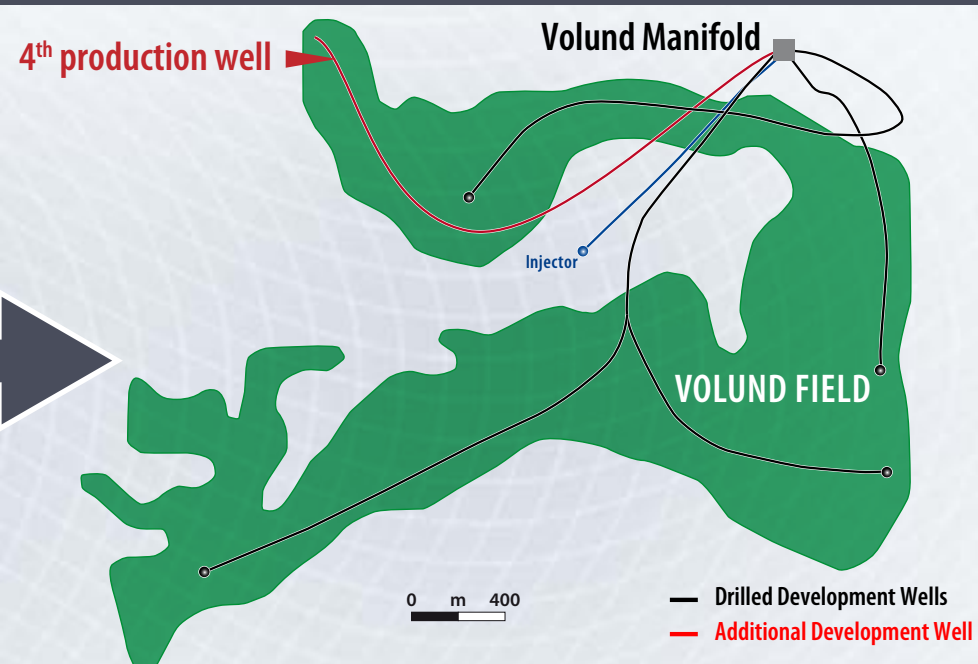
➔ Now

- ➔ 4 Producers
- ➔ 1 Multilaterals
- ➔ 54 MMboe recovery

Volund - PDO (Jan 2007)



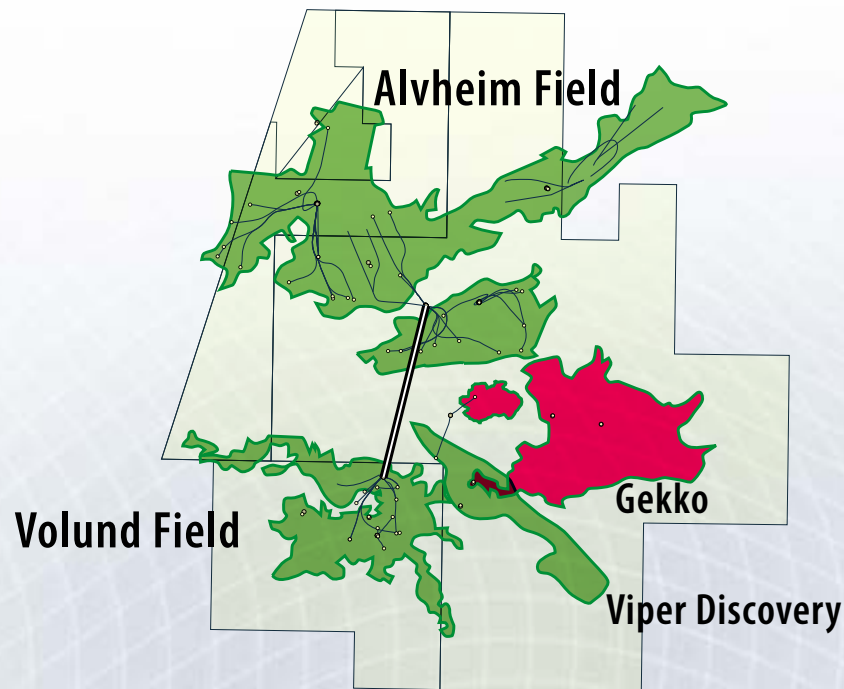
Volund - (Nov 2011)



Norway - Solid Production Fuels Growth



Norway average production 2011: 23,300 boepd



Alvheim Field

- **Lundin Petroleum 15%**
 - ➔ Marathon 65%, ConocoPhillips 20%
- **Gross 2P reserves: 174 MMboe**
- **2011 Production at 11,200 boepd net**
- **Alvheim cost of operations ~USD 5/boe for 2011**
- **2012 Kameleon multilateral infill well**

Volund Field

- **Lundin Petroleum 35%**
 - ➔ Marathon 65% (operator)
- **Gross 2P reserves: 37 MMboe**
- **2011 net production of 12,100 boepd**
- **Operating cost**
 - ➔ Cost of operations 3.2 USD/boe
 - ➔ Tariff to Alvheim 3.2 USD/boe
- **2012 North-West Volund infill well**

Greater Alvheim Area - Exploration

Discoveries

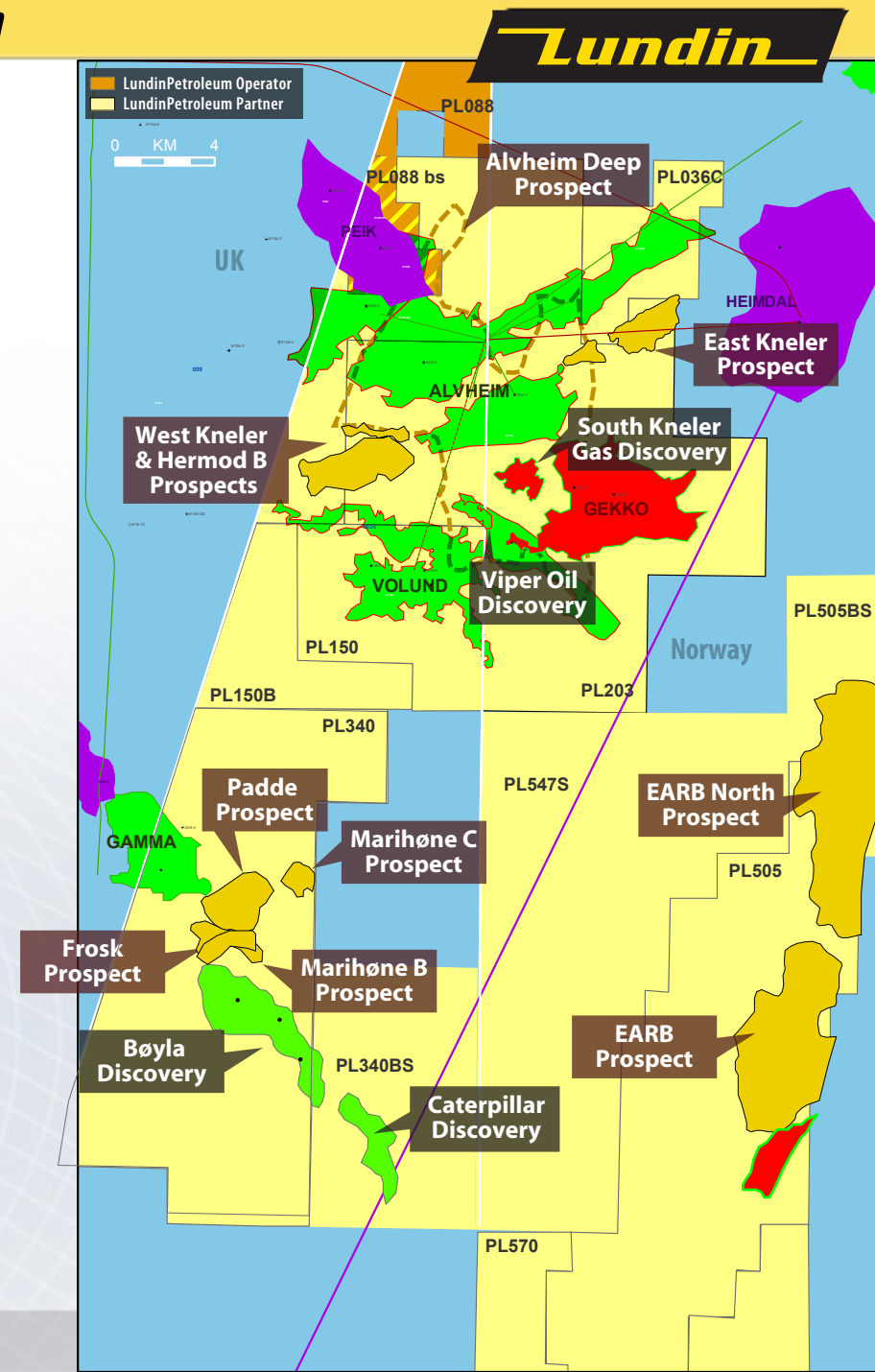
- **PL340 & PL340BS (15%)**
 - ➔ Bøyla oil discovery 20-30 MMboe
 - ➔ Caterpillar oil discovery 5-10 MMboe

- **PL203 (15%)**
 - ➔ Viper oil discovery 5-10 MMboe
 - ➔ Tie back to Alvheim FPSO
 - ➔ South Kneler gas discovery

- **PL505 (30%)**
 - ➔ Earb South discovery - sub commercial
 - ➔ G & G work ongoing

Further Exploration

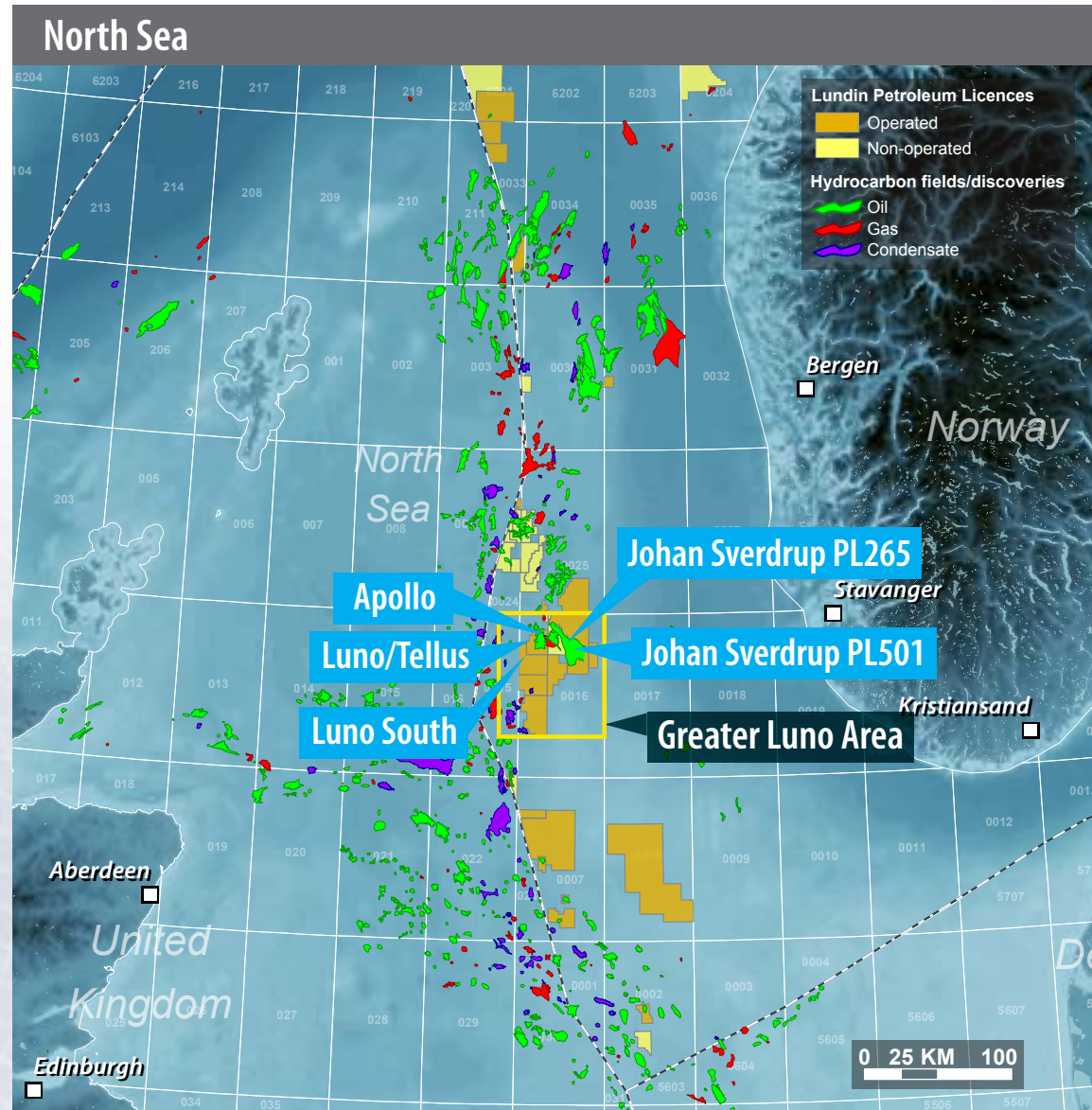
- **PL150B (15%)**
 - ➔ Volund play extension. Work in progress
- **PL203 (15%)**
 - ➔ Alvheim Deep prospect
 - ➔ West Kneler & Hermod B prospects
 - ➔ East Kneler prospect



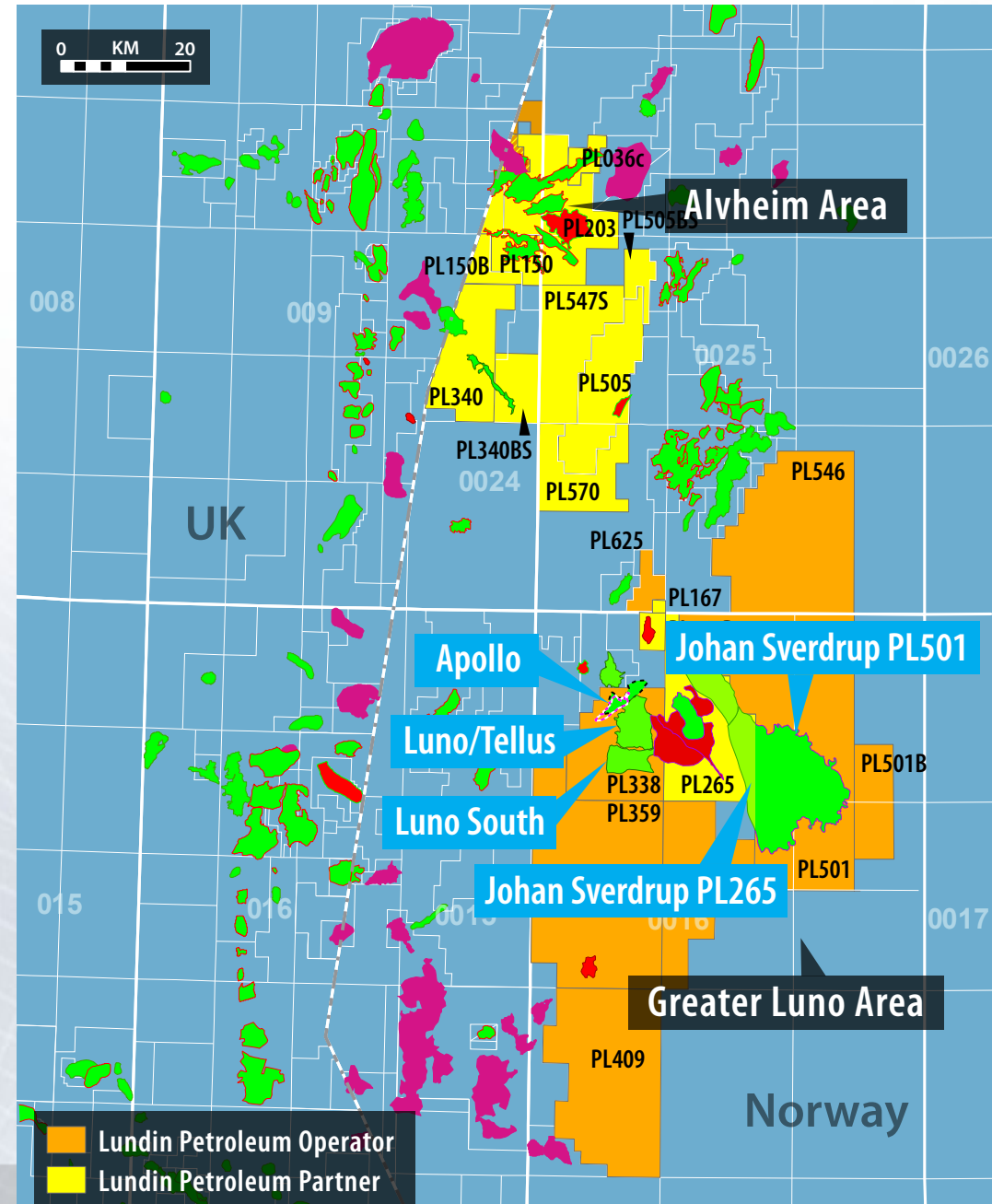
Greater Luno Area



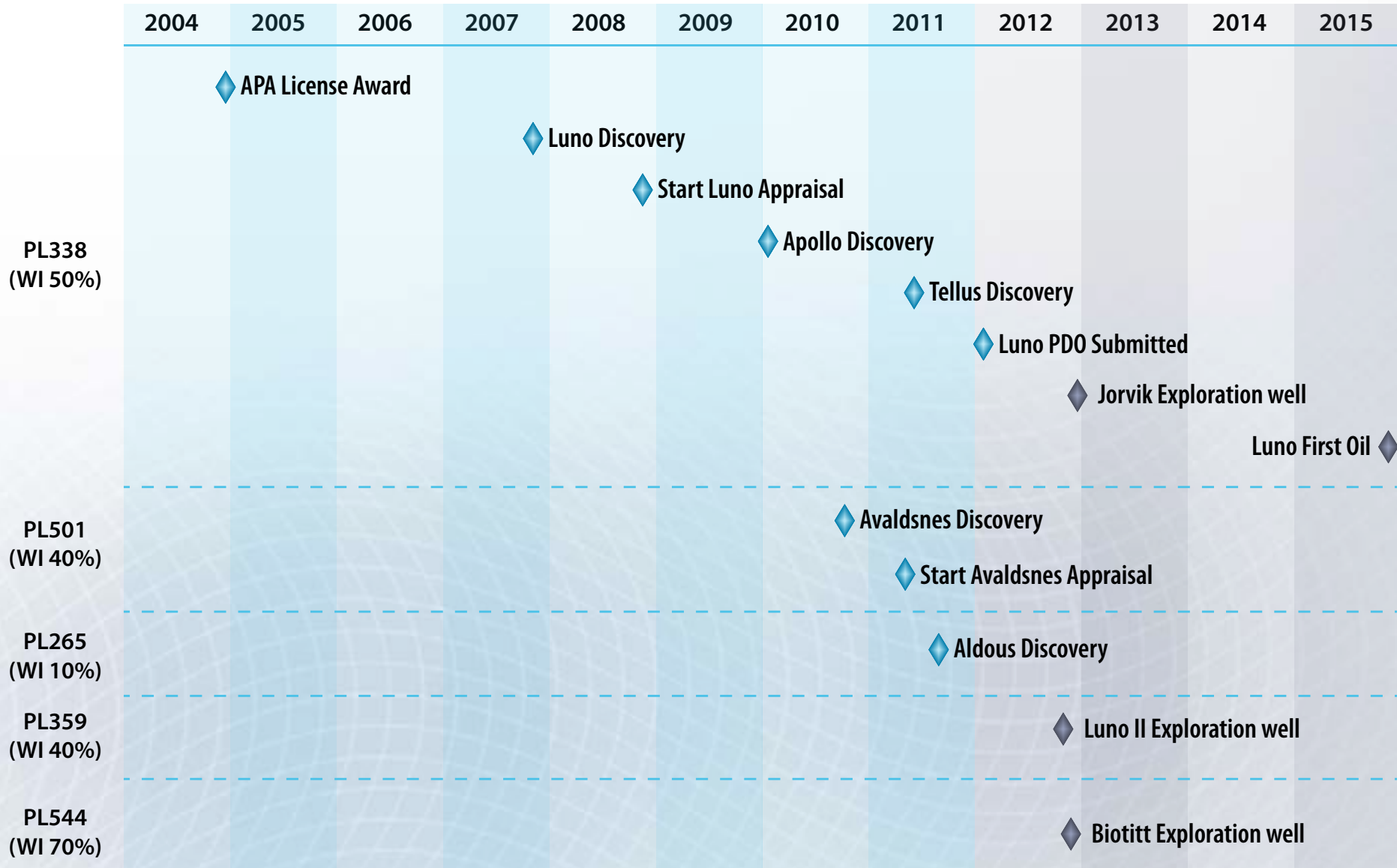
Greater Luno Area



Greater Luno Area - An Exploration Success Story

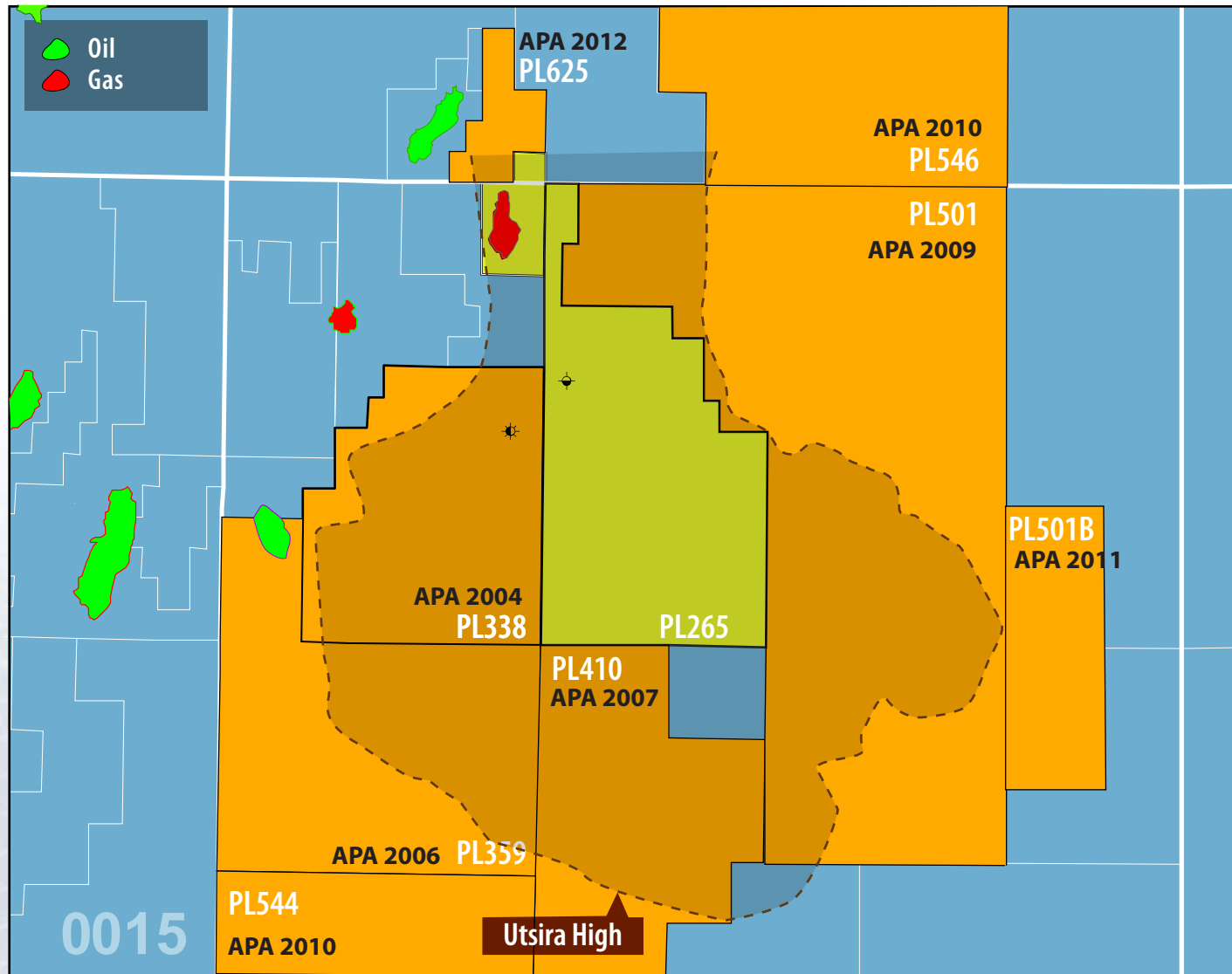


Greater Luno Area - A Bit of History



Avaldsnes / Aldous has now been renamed Johan Sverdrup

The Southern Utsira High - A Sleeping Giant



- ➔ A 4th generation exploration and a major oil province 45 years after the first award: PL001 in 1965
- ➔ Major acreage position built by Lundin Petroleum since 2004

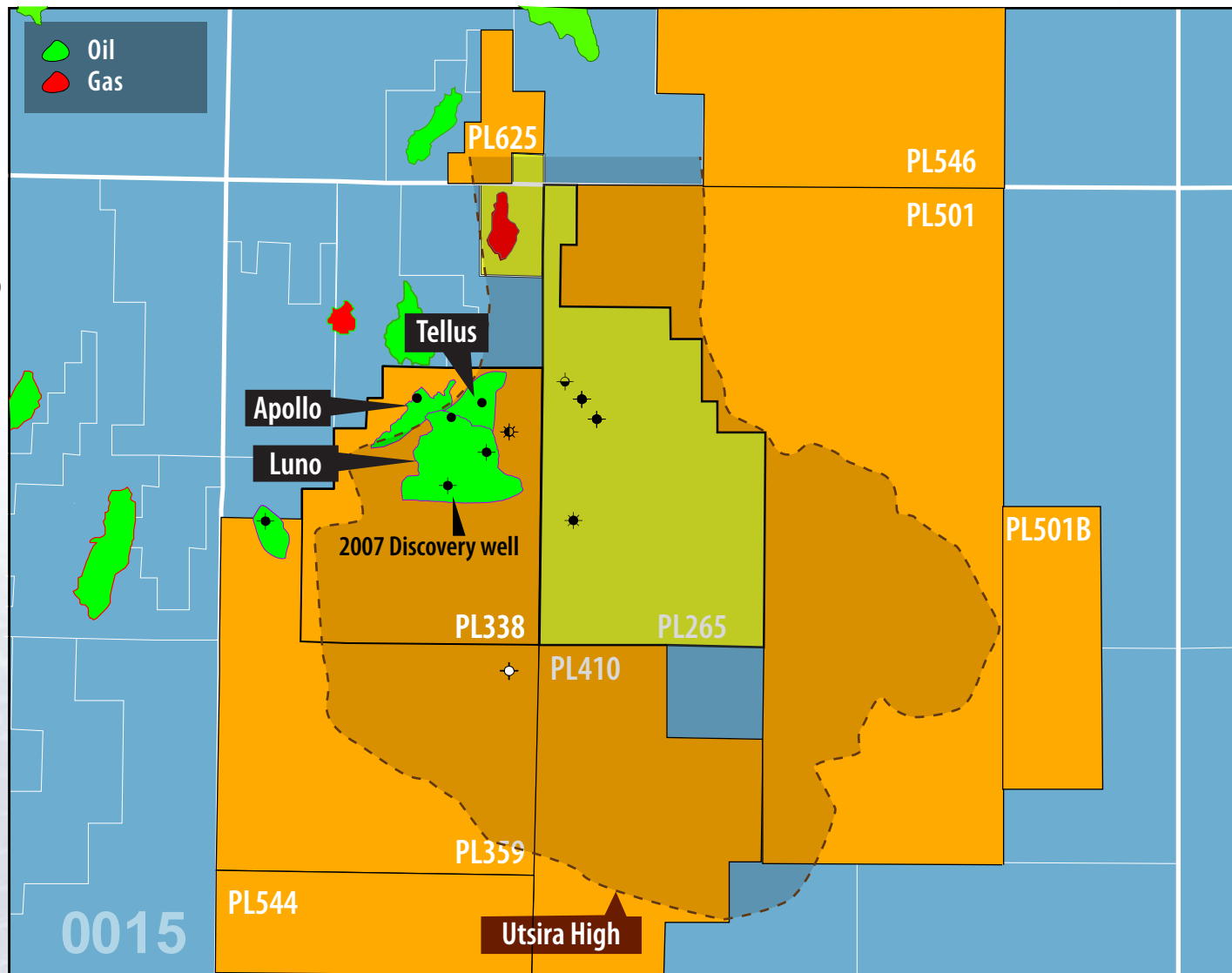
Southern Utsira High Area → over 900km²

- LundinPetroleum Operator
- LundinPetroleum Partner

The Luno/Apollo Discoveries - PL338



0 KM 20



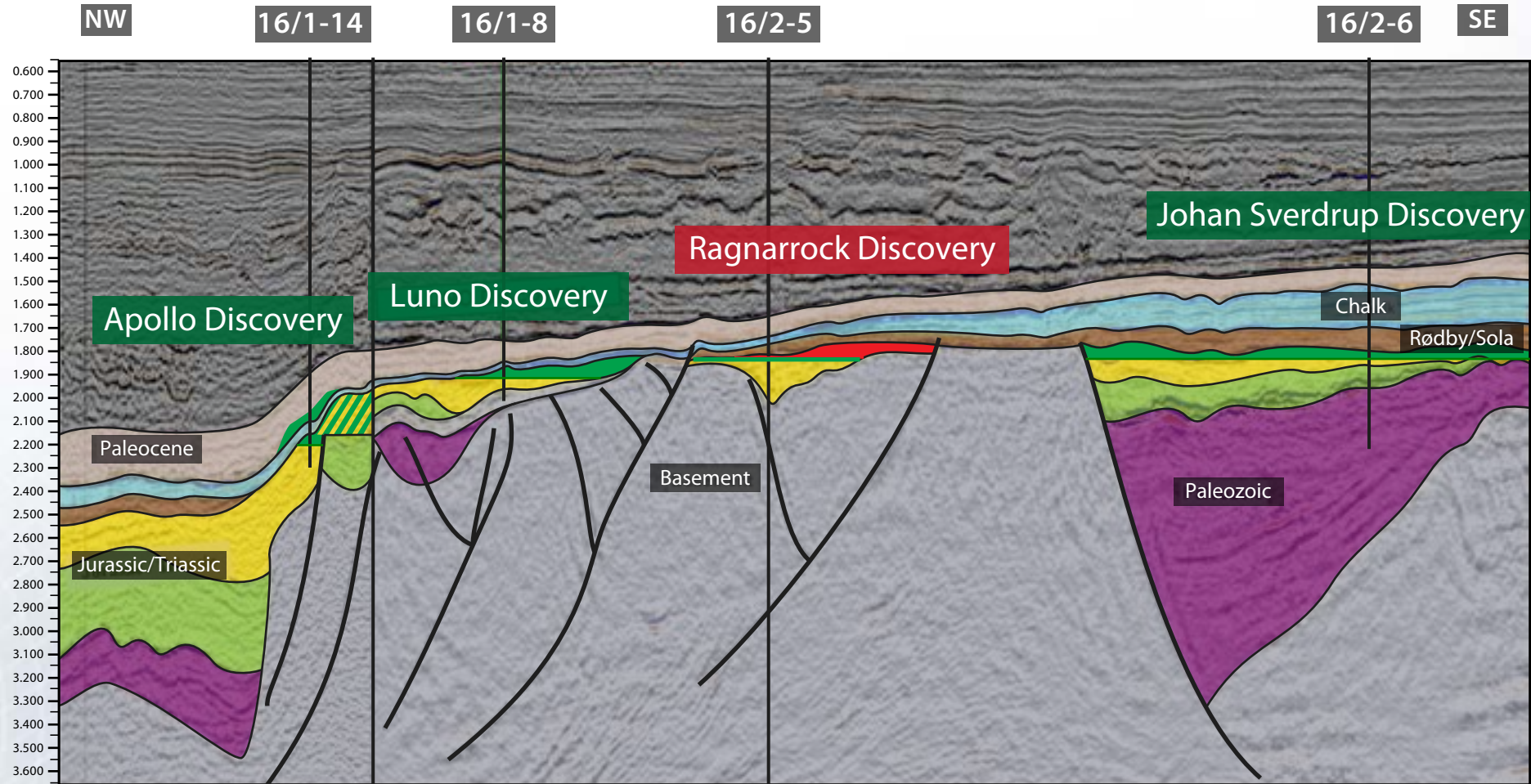
Lundin Petroleum 50% (operator)
Partners: RWE Dea 20%, Wintershall 30%

- **Luno/Tellus discoveries:**
Gross reserves: 186 MMboe
- PDO submission January 2012
- First Oil: Q4 2015

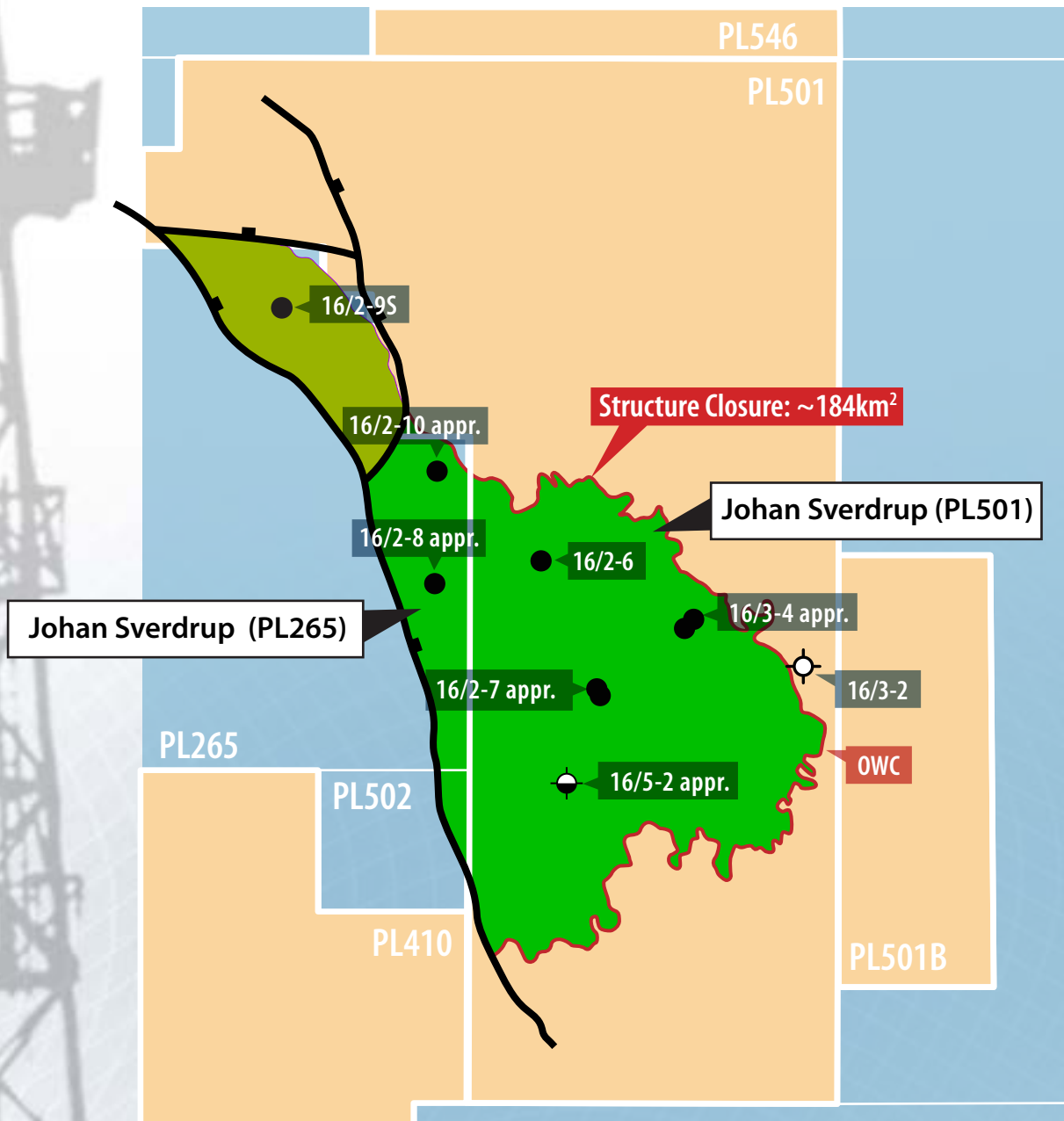
- Apollo discovery:**
- 15-65 MMboe gross
- Appraisal planned in 2012

LundinPetroleum Operator
 LundinPetroleum Partner

NW to SE Line Over the Southern Utsira High



Johan Sverdrup - A New Giant in Norway



Johan Sverdrup PL501 (40% operator)

- Avaldsnes Discovery 2010 (16/2-6)
- ➔ 1st appraisal (16/3-4) & sidetrack completed
- ➔ 2nd appraisal (16/2-7) & sidetrack completed

➔ **Gross contingent resources on block 800 - 1,800 MMbo**

- 3rd appraisal (16/5-2) completed

Johan Sverdrup PL265 (10%)

- Aldous Major South Discovery
- ➔ 16/2-8, 65 metre oil column, excellent quality reservoir
- ➔ 1st appraisal (16/2-10) completed: 60 metre column
- Aldous Major North
- ➔ Requires further appraisal

➔ **Gross contingent resources on block 900 - 1,500 MMbo⁽¹⁾**

Johan Sverdrup - A World Class Reservoir



- **Excellent reservoir quality**
 - High porosity & permeability sands
 - Normal pressure & temperature

- **Easily producible oil**
 - Oil dripping out of the cores
 - 2 full scale production tests completed
 - Highly mobile & low viscosity oil
 - 28° API oil
 - Low gas/oil ratio

- **Resources easily accessible**
 - Water depth: 115m
 - Reservoir depth: ~1900m
 - 35km to Grane pipeline



Latest Appraisal Well (16/S-2 S) Results

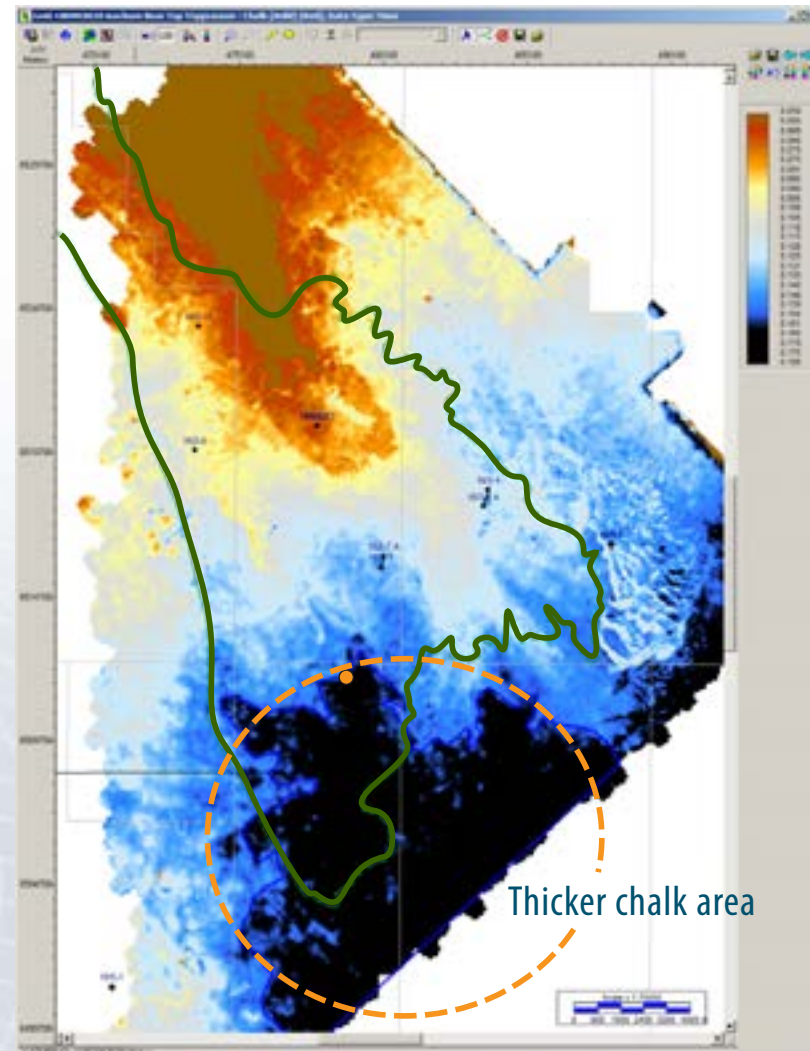


- Good upper Jurassic reservoir encountered
- Deeper than expected
- Same hydrocarbon system



Chalk isochore map

- 16/5-2 S is located on edge of thick massive chalk
- Depth shift experienced requires investigation in the velocity model towards the south - influenced by thicker chalk
- Consequences of well 16/5-2S must be investigated before top reservoir map is reconstructed (in particular towards the southern area of 16/5-2S)



Depth Conversion

- Has been accurate on prognosis in previous wells
- Velocity model will be investigated and refined post 16/5-2S results
- Source for velocity estimates: well and seismic data

2012 Appraisal Programme

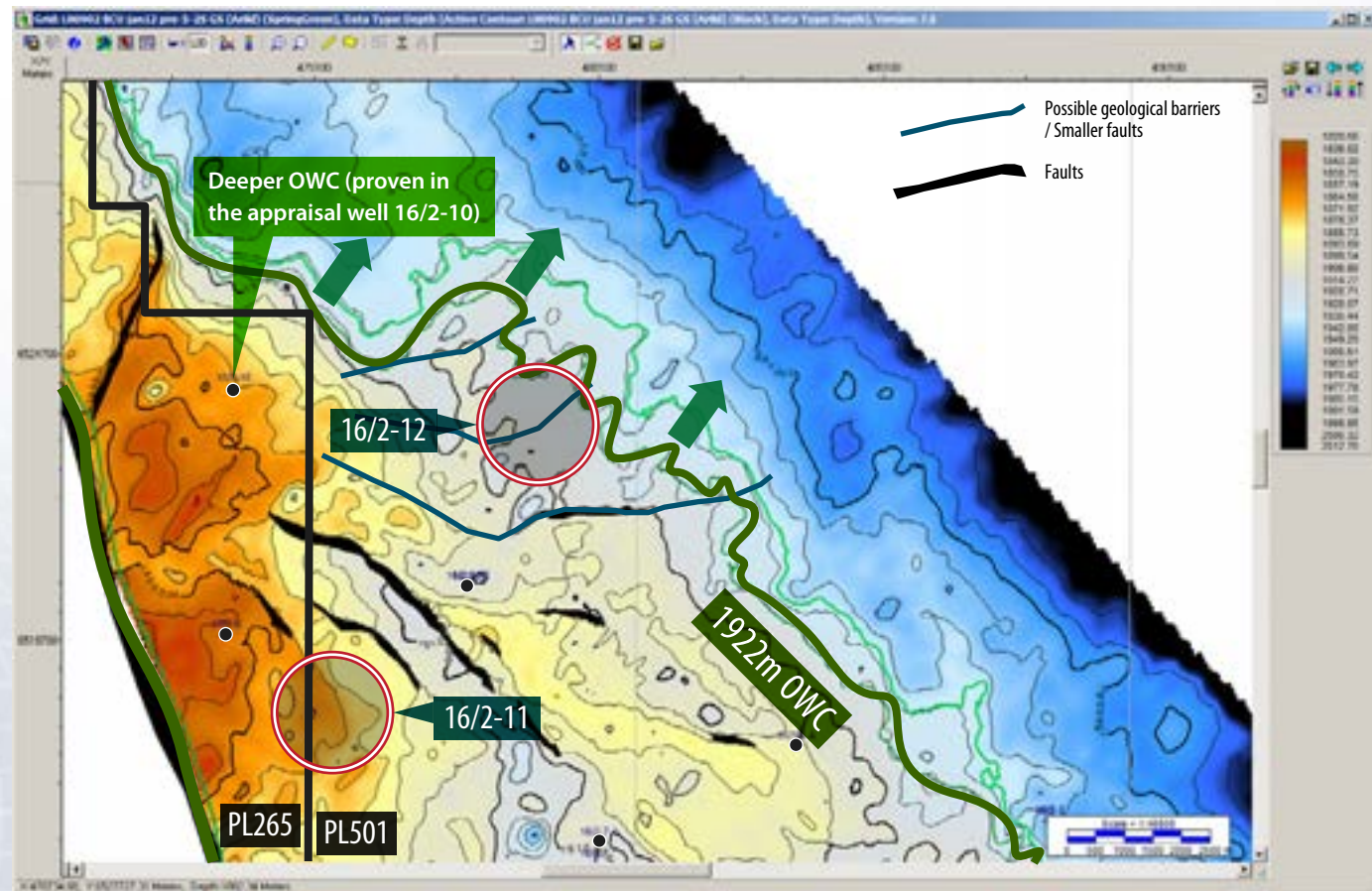


➤ Appraisal 4 (16/2-11)

- ➔ ~ 2.5 km SE from the Johan Sverdrup (PL265) discovery well
- ➔ Provide a further data point for Draupne sandstone

➤ Appraisal 5 (16/2-12)

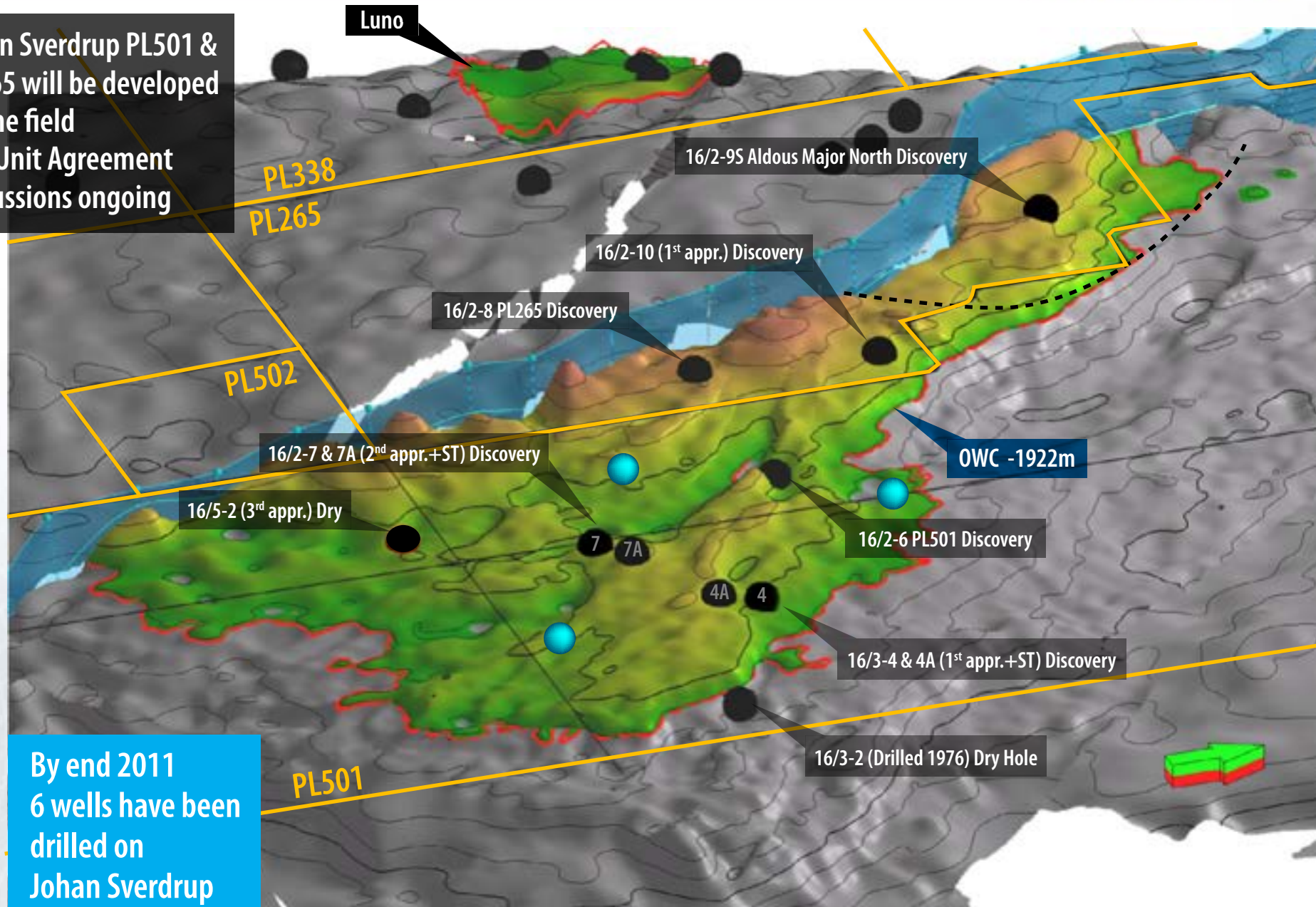
- ➔ ~ 2.5 km NE from the Johan Sverdrup (PL501) discovery well
- ➔ Prove the extension of a deeper OWC proven in the Johan Sverdrup (PL265) first appraisal well



Johan Sverdrup Further Appraisal Programme



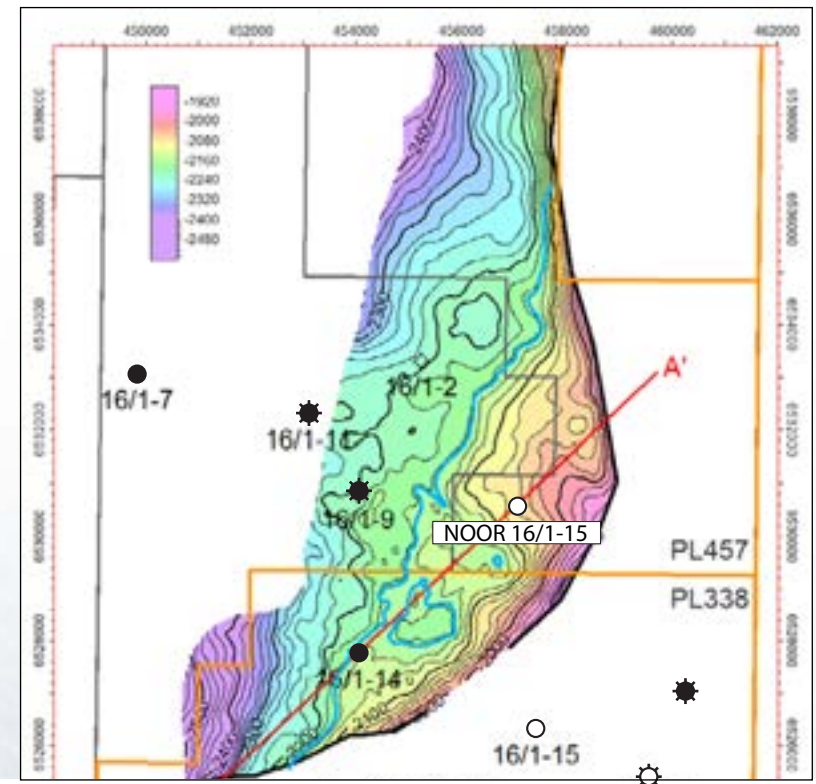
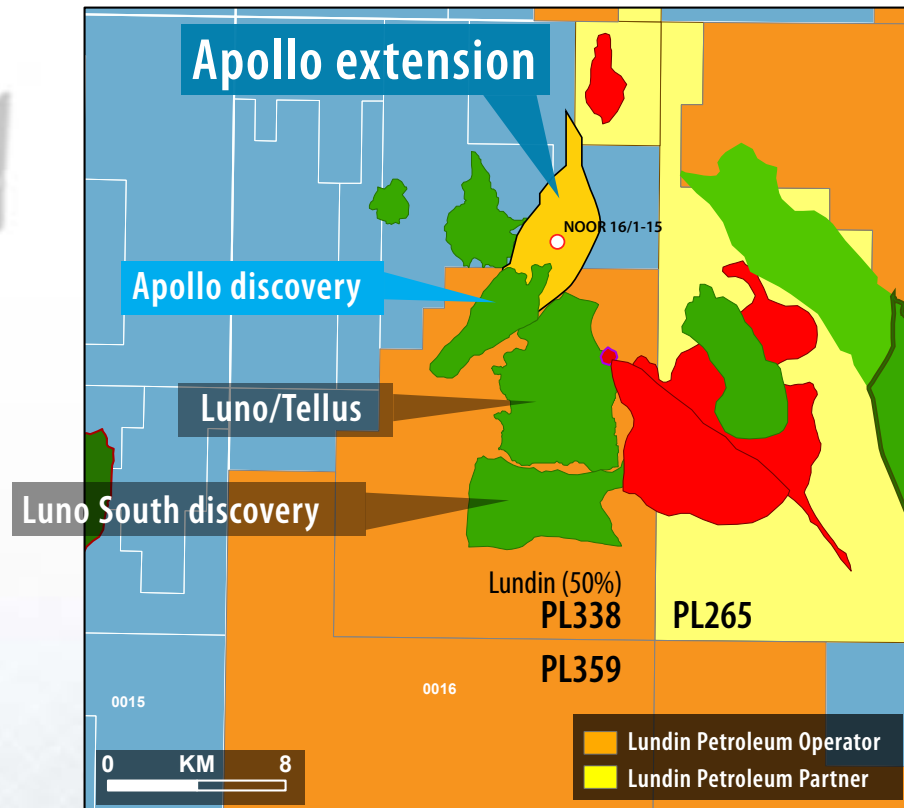
- ➔ Johan Sverdrup PL501 & PL265 will be developed as one field
- ➔ Pre-Unit Agreement discussions ongoing



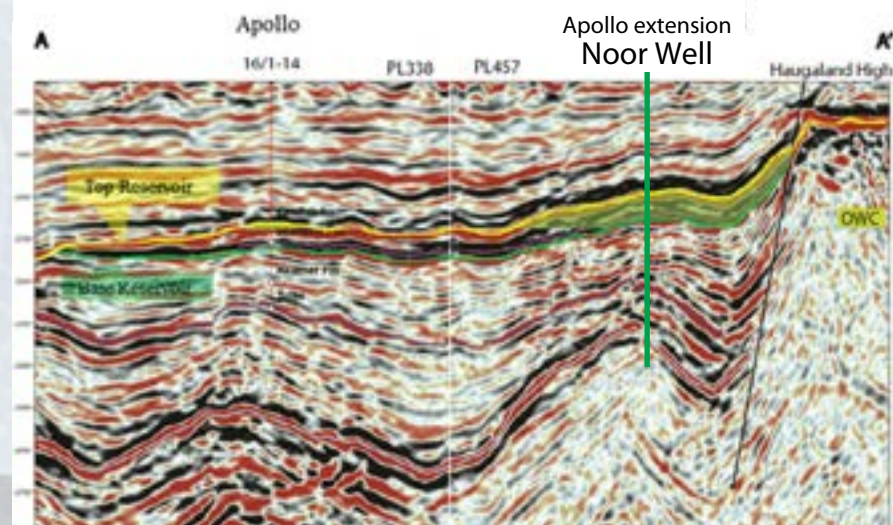
By end 2011
6 wells have been drilled on
Johan Sverdrup

● 2012 preliminary appraisal wells

2012 Further Appraisal - Apollo



- Located next to the Luno field
- Contingent resources: 33 MMboe gross in Paleocene
- Drilling: 4Q 2012
- Apollo extension in PL457 will be drilled in 2Q 2012
 - ➔ Lower Cretaceous - Upper Jurassic play
- Lower Cretaceous - Upper Jurassic prospective resources in PL338: 47-127 MMboe

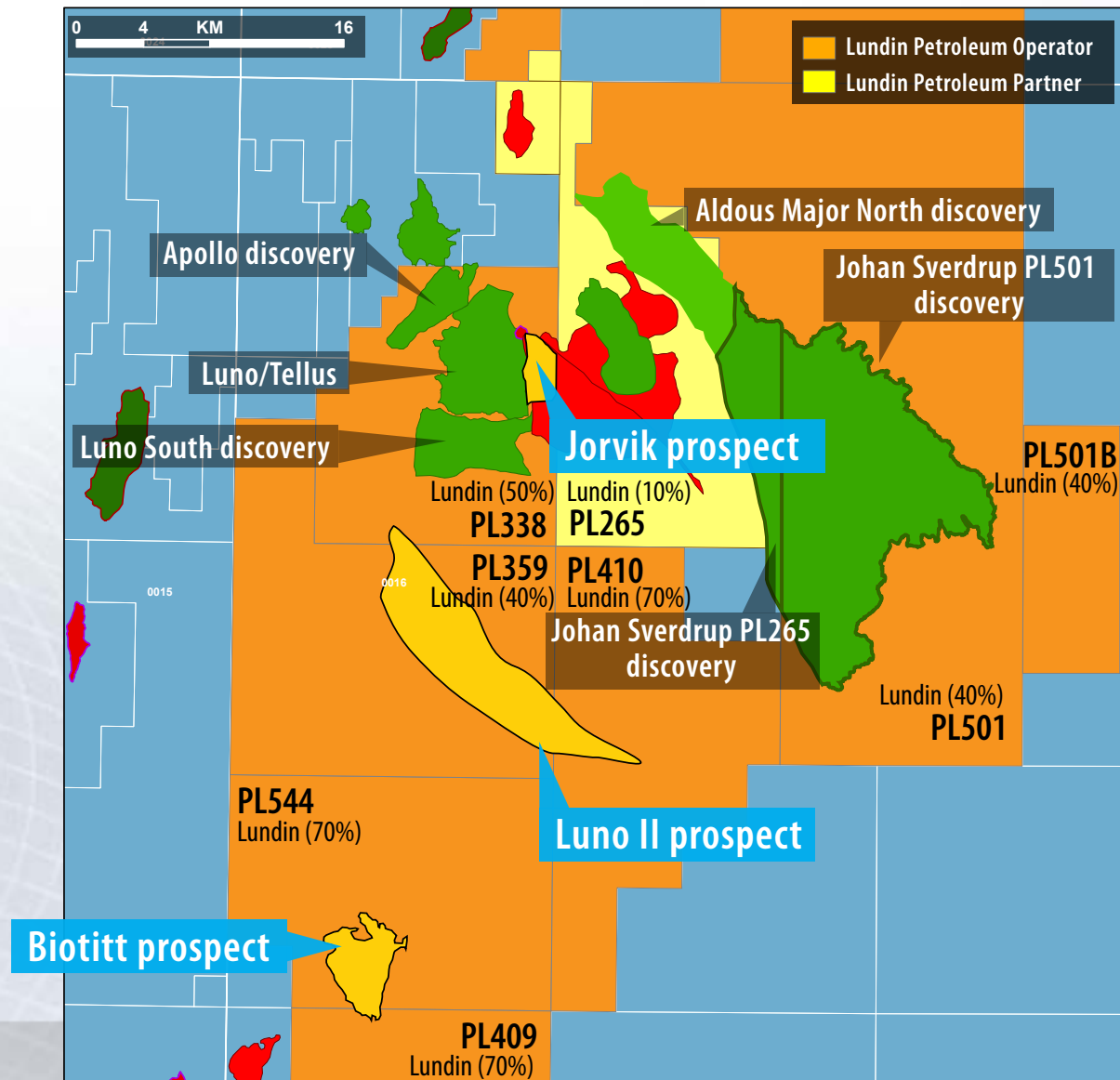


Greater Luno Area Exploration

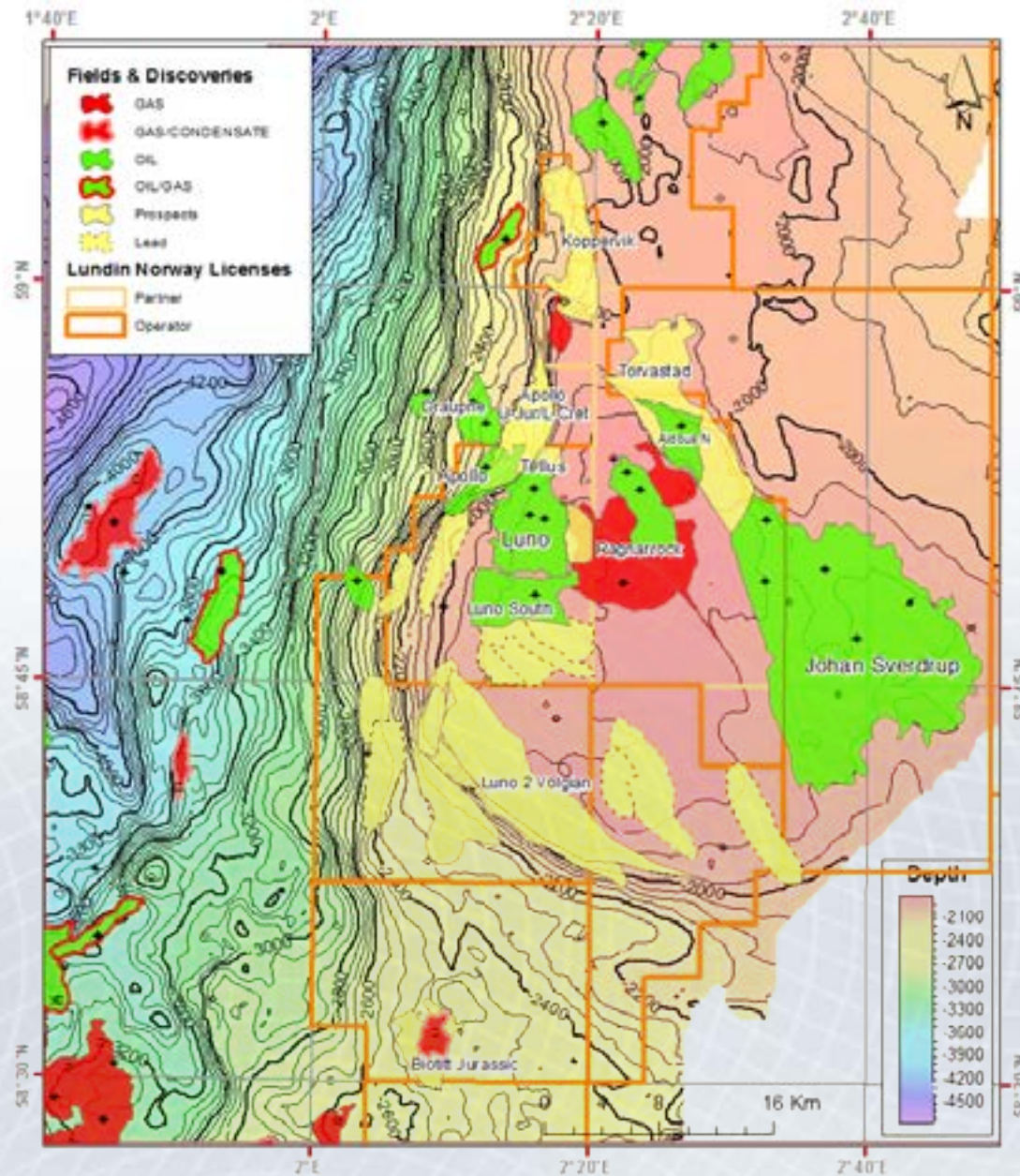


2012 Exploration Drilling

- ➔ **PL359 (Lundin 40% operated)**
Luno II prospect
→ Gross unrisked prospective resources: 139 MMboe
- ➔ **PL544 (Lundin 70% operated)**
Biotitt prospect
→ Gross unrisked prospective resources: 124 MMboe
- ➔ **PL338 (Lundin 50% operated)**
Jorvik prospect
→ Gross unrisked prospective resources: 46 MMboe
- ⇒ **Targetting a total of 166 MMboe net unrisked prospective resources**



Greater Luno Area Prospectivity

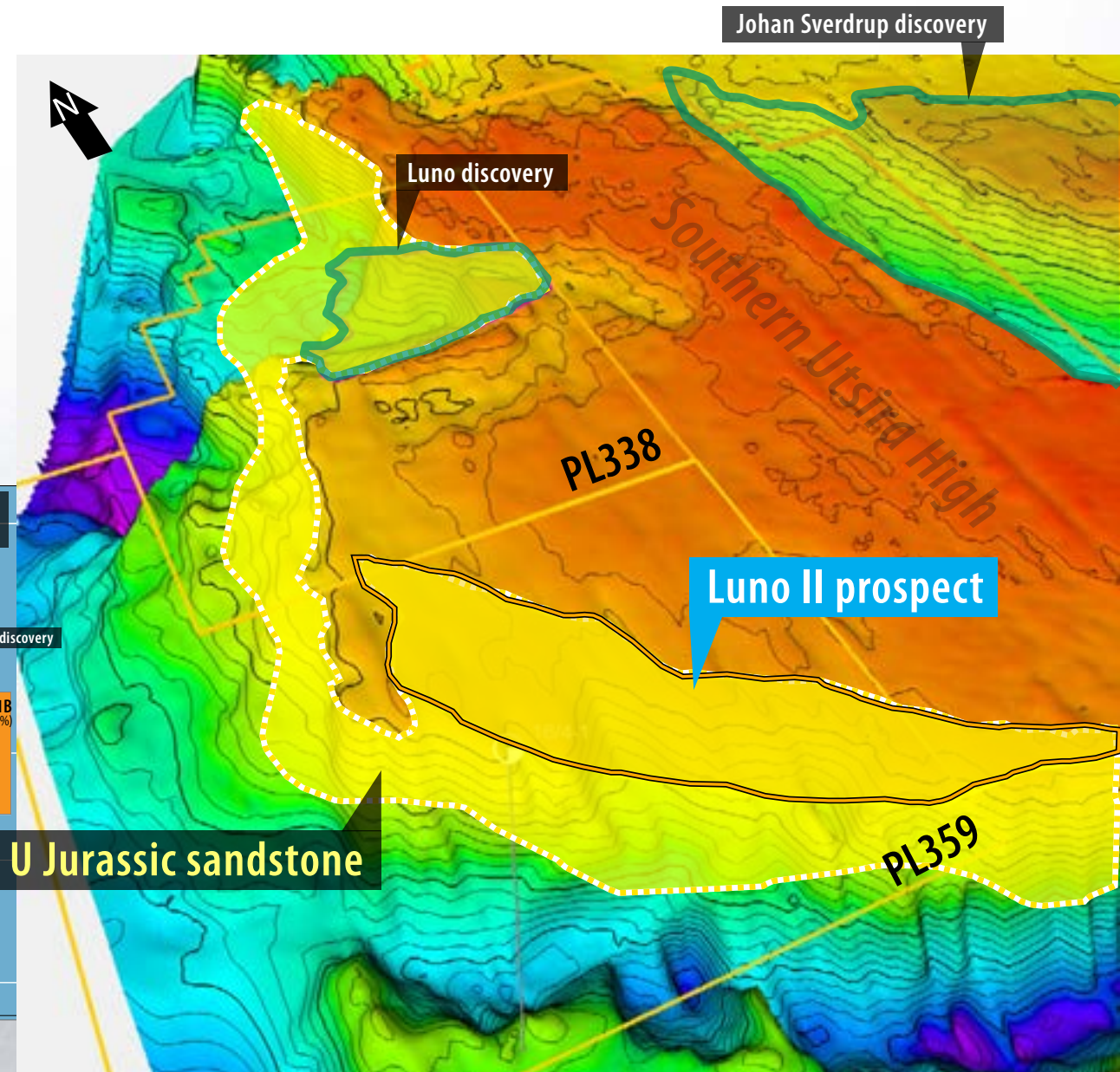
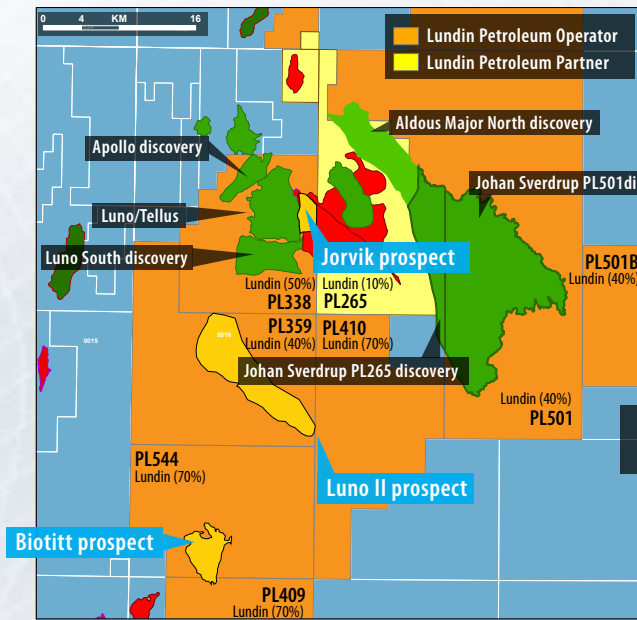


Luno II Prospect - PL359

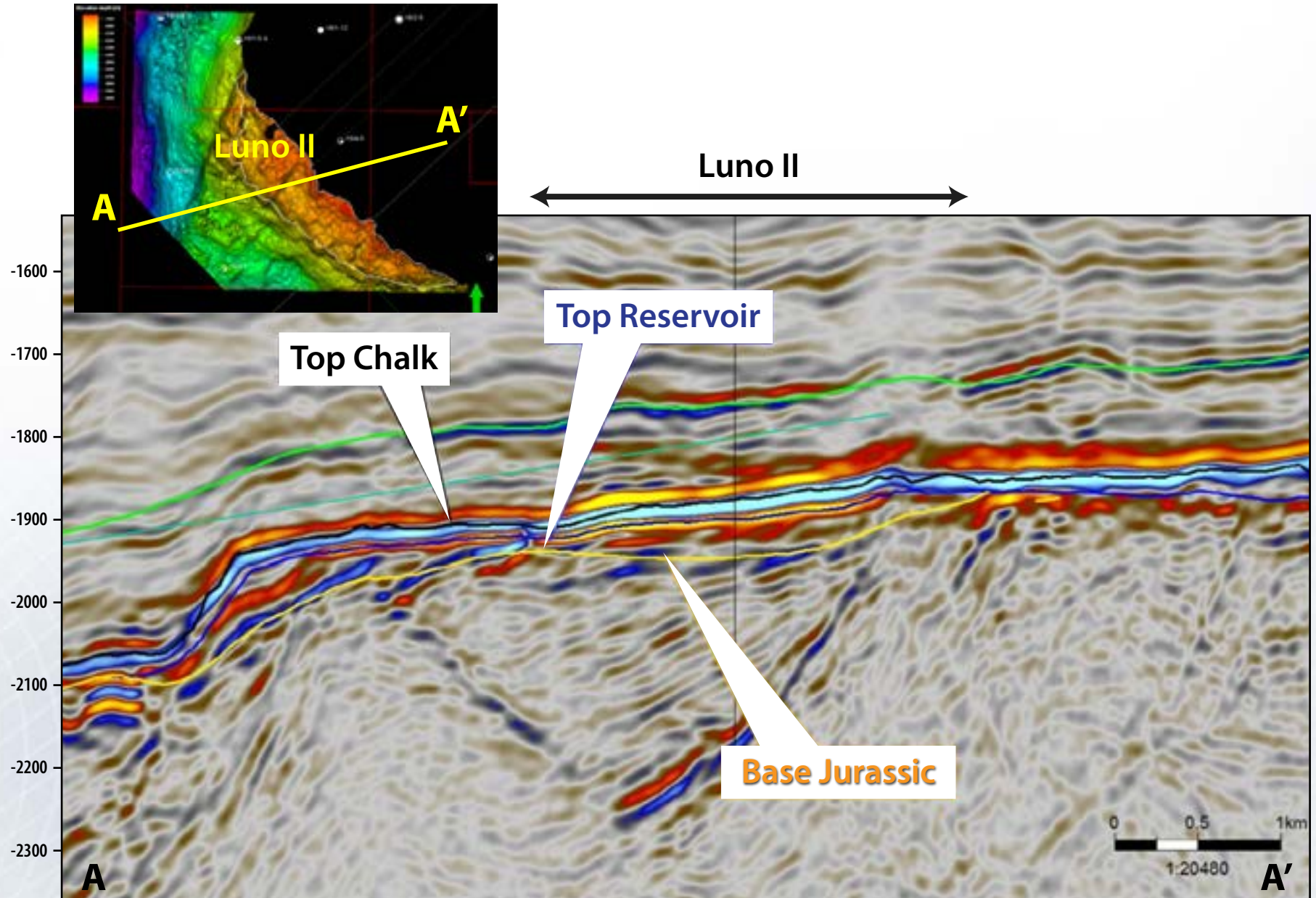


2012 Exploration Drilling

- ➔ PL359 (Lundin 40% operated)
Luno II prospect
- ➔ Avaldsnes play type
- ➔ Reservoir: Upper Jurassic
- ➔ Gross unrisked prospective resources: 139 MMboe
- ➔ Drilling: 3Q 2012



East-West Trending Line Across Luno II

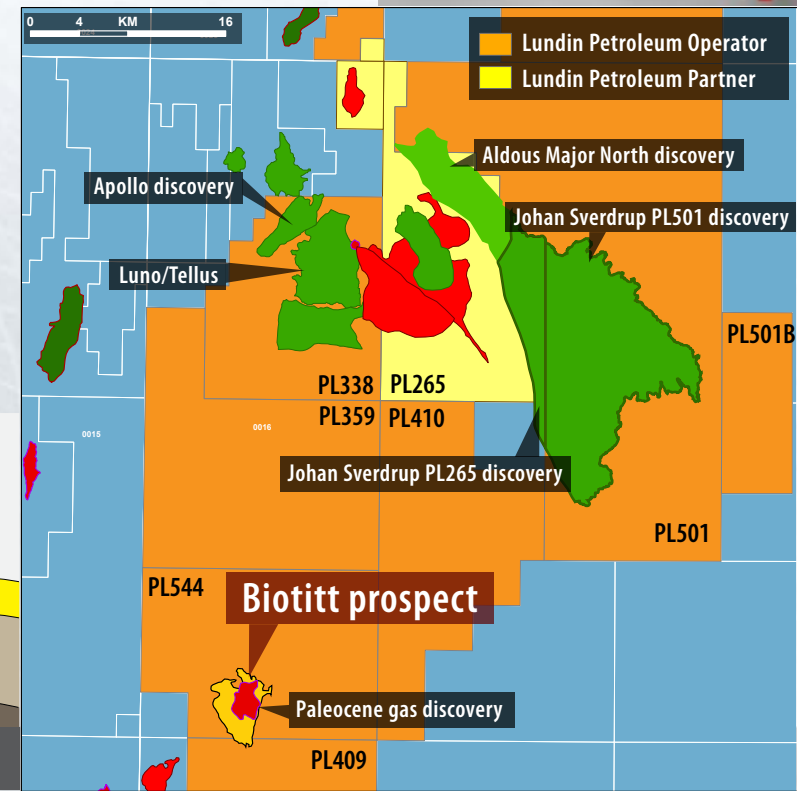
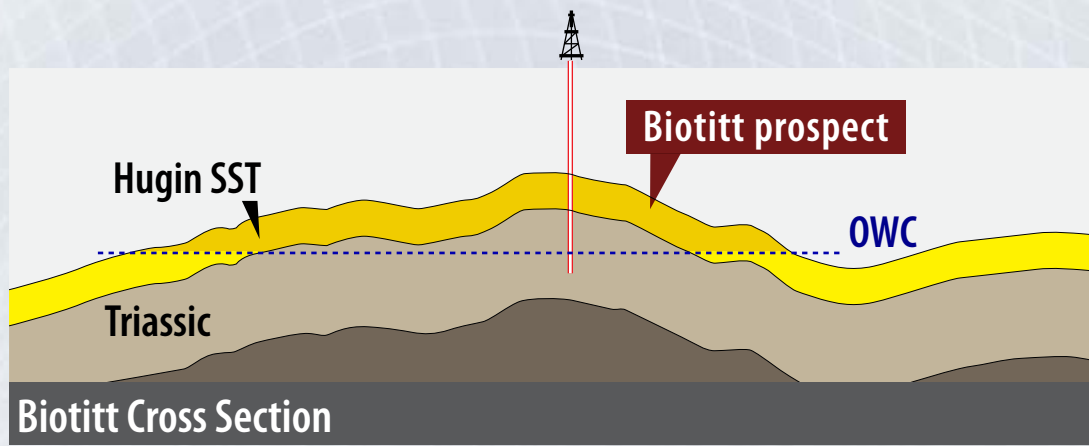
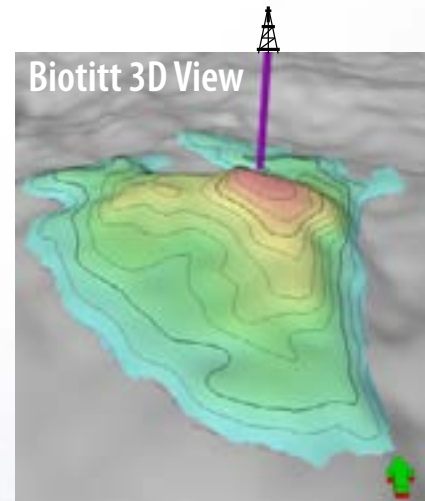


Biotitt Prospect - PL544



2012 Exploration Drilling

- ➔ PL544 (Lundin 70% operated)
Biotitt prospect
- ➔ Trap: 4-way dip closure
- ➔ Seal: Upper Cretaceous chalk/shales
- ➔ Reservoir: Jurassic Hugin fm
- ➔ Gross unrisked prospective resources: 124 MMboe
- ➔ Drilling: 4Q 2012

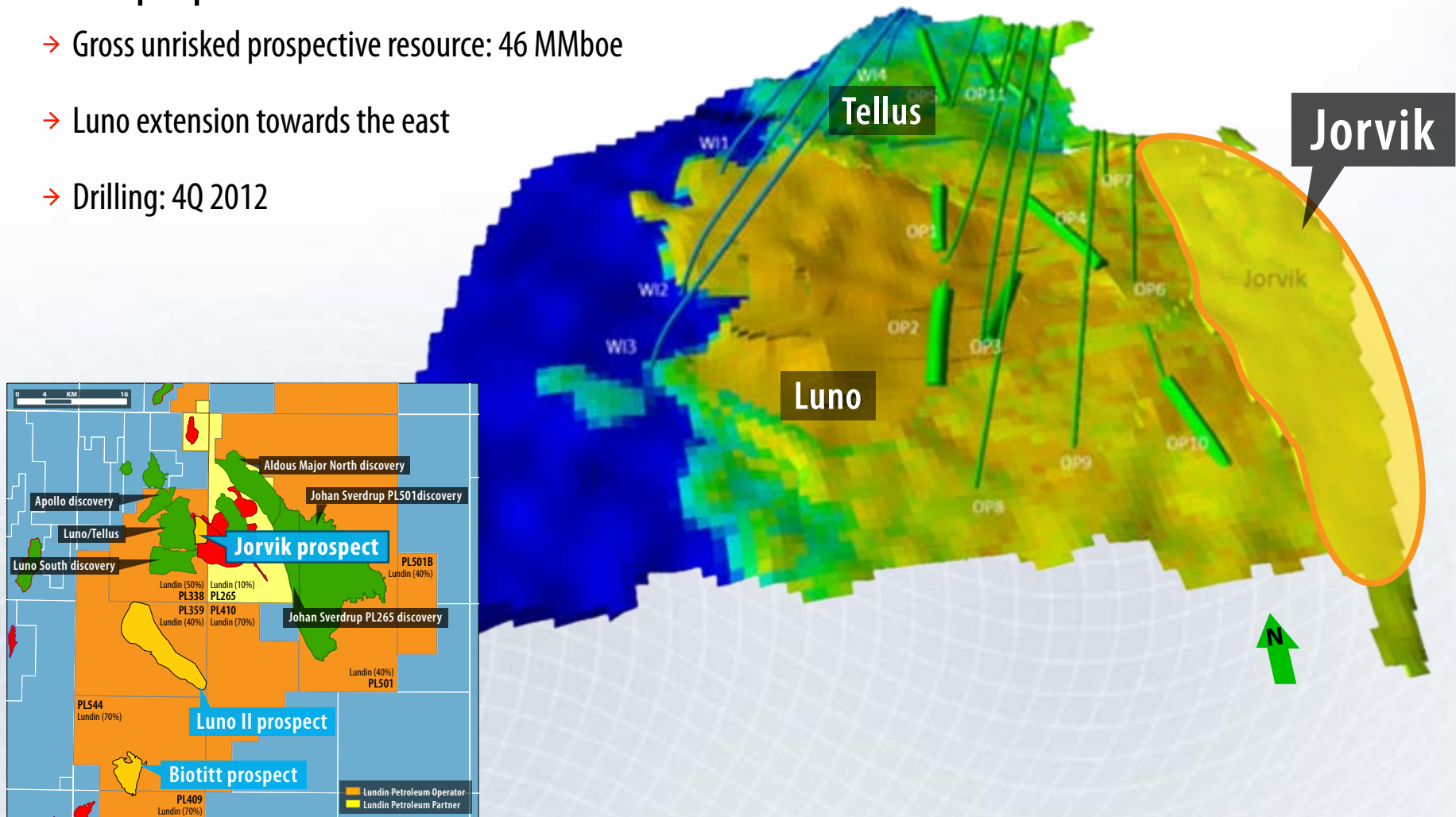


Jorvik Prospect - PL338

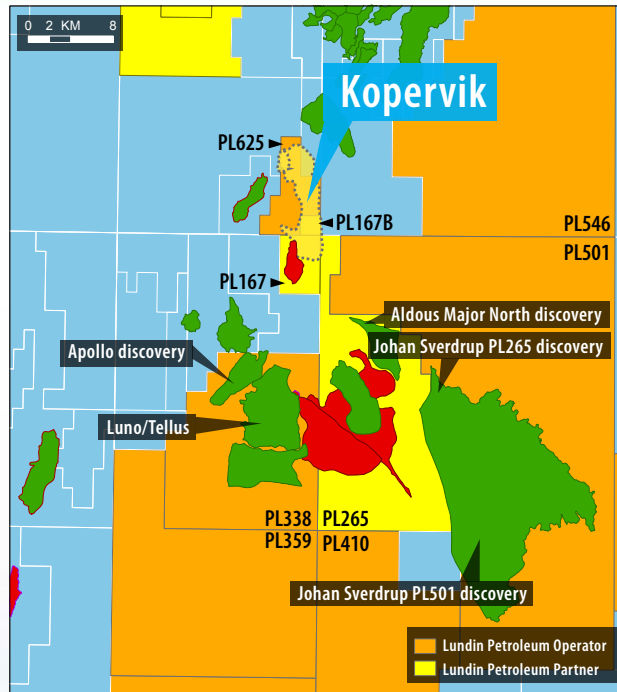


2012 Exploration Drilling

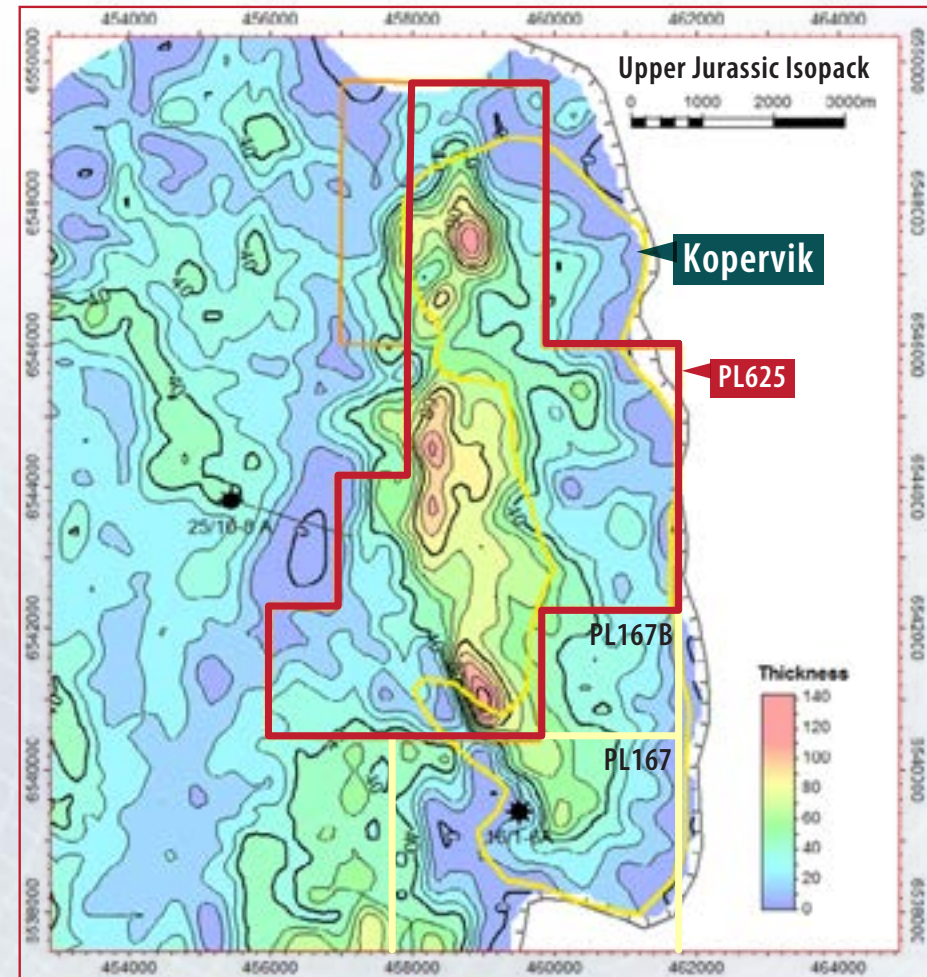
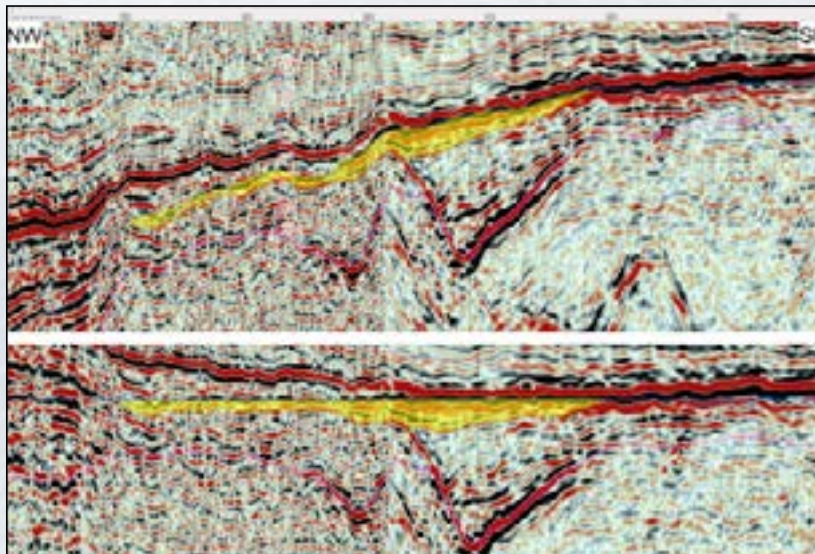
- ➔ PL338 (Lundin 50% operated)
Jorvik prospect
- ➔ Gross unrisked prospective resource: 46 MMboe
- ➔ Luno extension towards the east
- ➔ Drilling: 4Q 2012



Additional Prospectivity in Greater Luno Area



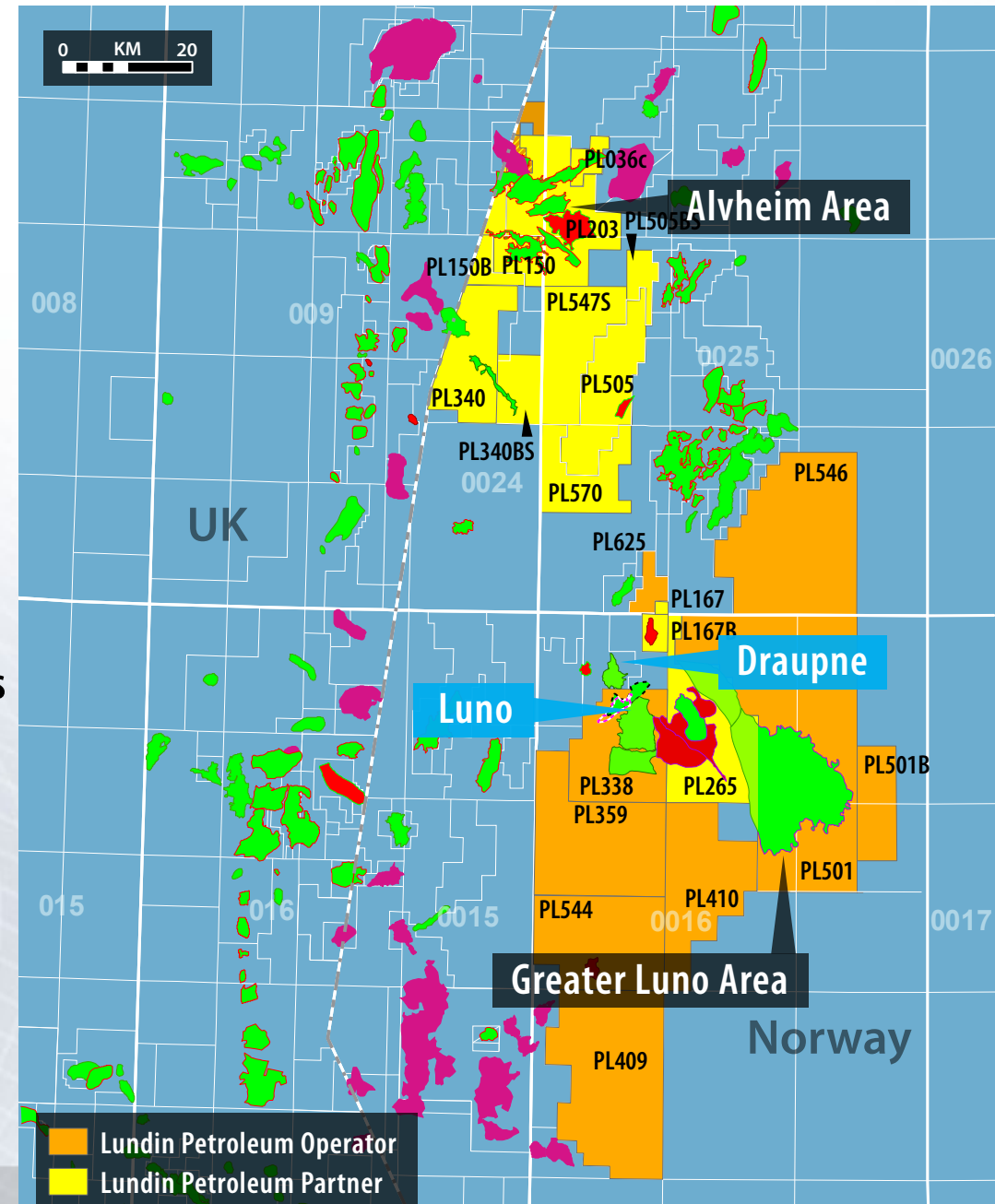
- Kopervik prospect
- Lundin Petroleum interest: 40% (operator)
- New 2011 APA award



Greater Luno Area - Luno Development



- ➔ **Lundin Petroleum interest: 50% (operator)**
 - ➔ Wintershall 30%, RWE Dea 20%
- ➔ **Development Plan submitted**
 - ➔ First oil 2015
- ➔ **Luno 2P reserves: 186 MMboe gross**
- ➔ **Luno Plateau production rate 90,000 bopd gross**
- ➔ **Draupne development to be coordinated with Luno**



Greater Luno Area - Luno Development

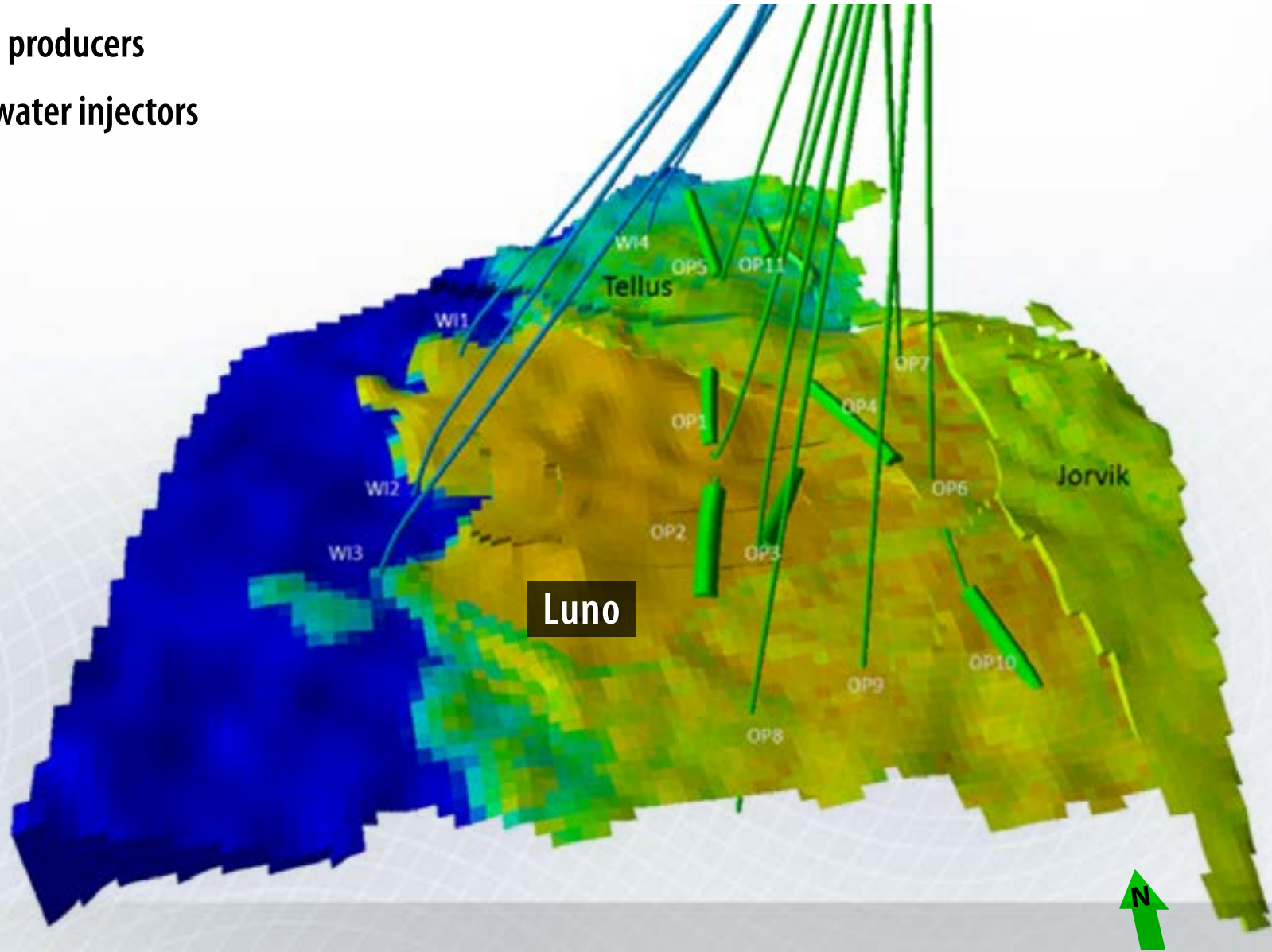


Luno Development

- 11 producers
- 4 water injectors

Water Injectors

Oil Producers



Luno Development Project



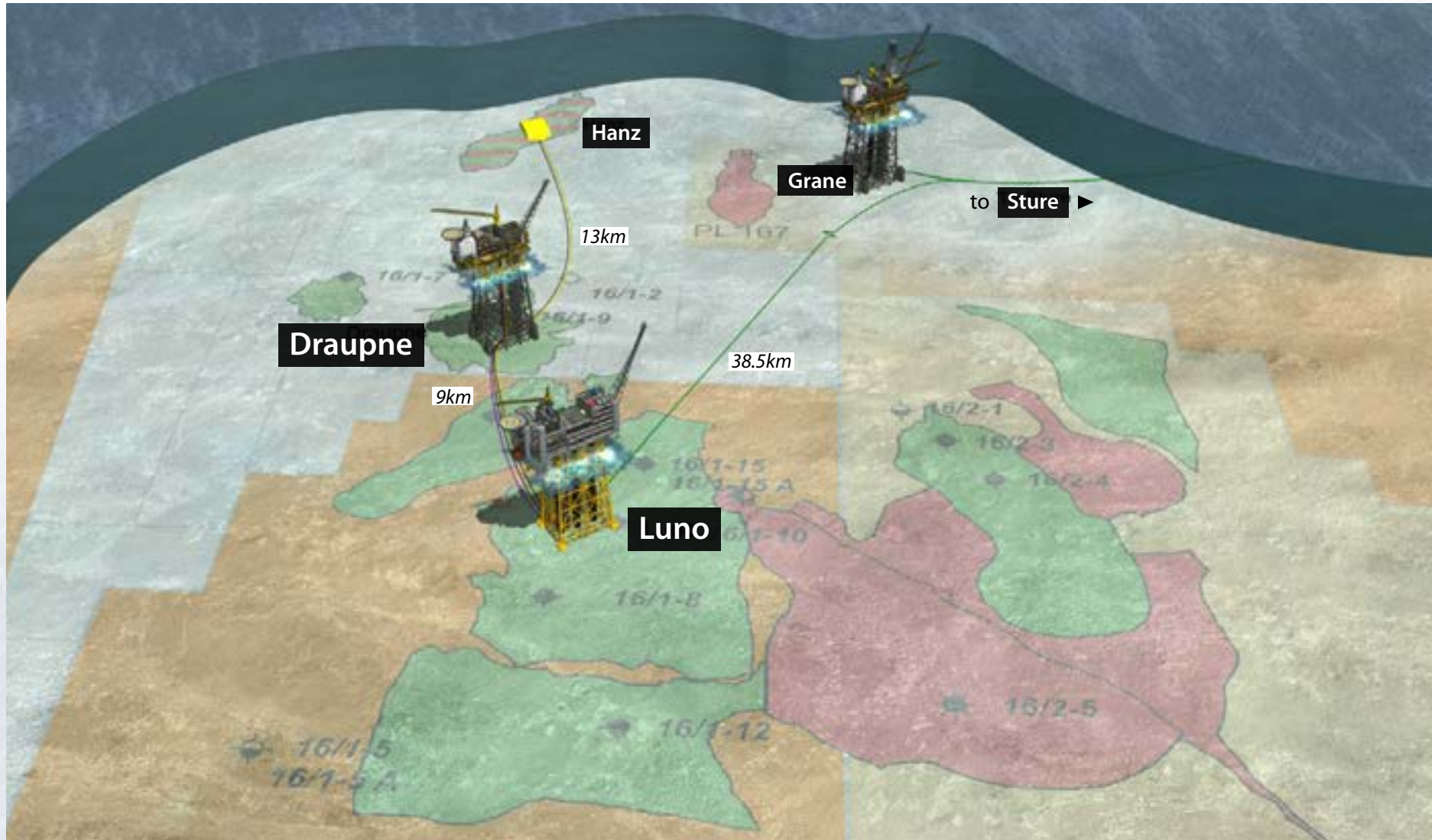
- Execution starting Jan 2012
- Production startup Oct 2015
- Capital costs: 24 NOK billion
- Drilling 15 wells from jack-up rig
 - ➔ 11 producers and 4 water injectors
 - ➔ Contract award to Rowan companies
- Platform PdQ
 - ➔ Jacket for platform - contract awarded to Kvaerner
 - ➔ Marine installations
 - ➔ Topside
 - ➔ Design capacity
 - Oil: 90 000 bopd (with Draupne: > 120 000 bopd)
 - Gas: 2 MSm³/d (with Draupne: 4 MSm³/d)
 - ➔ Prepared for coordinated development with a Draupne platform development
- Export pipelines
 - ➔ Oil export pipeline to Grane
 - ➔ Gas export pipeline



Greater Luno Area - Luno Development



- Draupne/Luno coordinated development under negotiation



Møre Basin Area



Møre Basin Area - A New "Core" Area

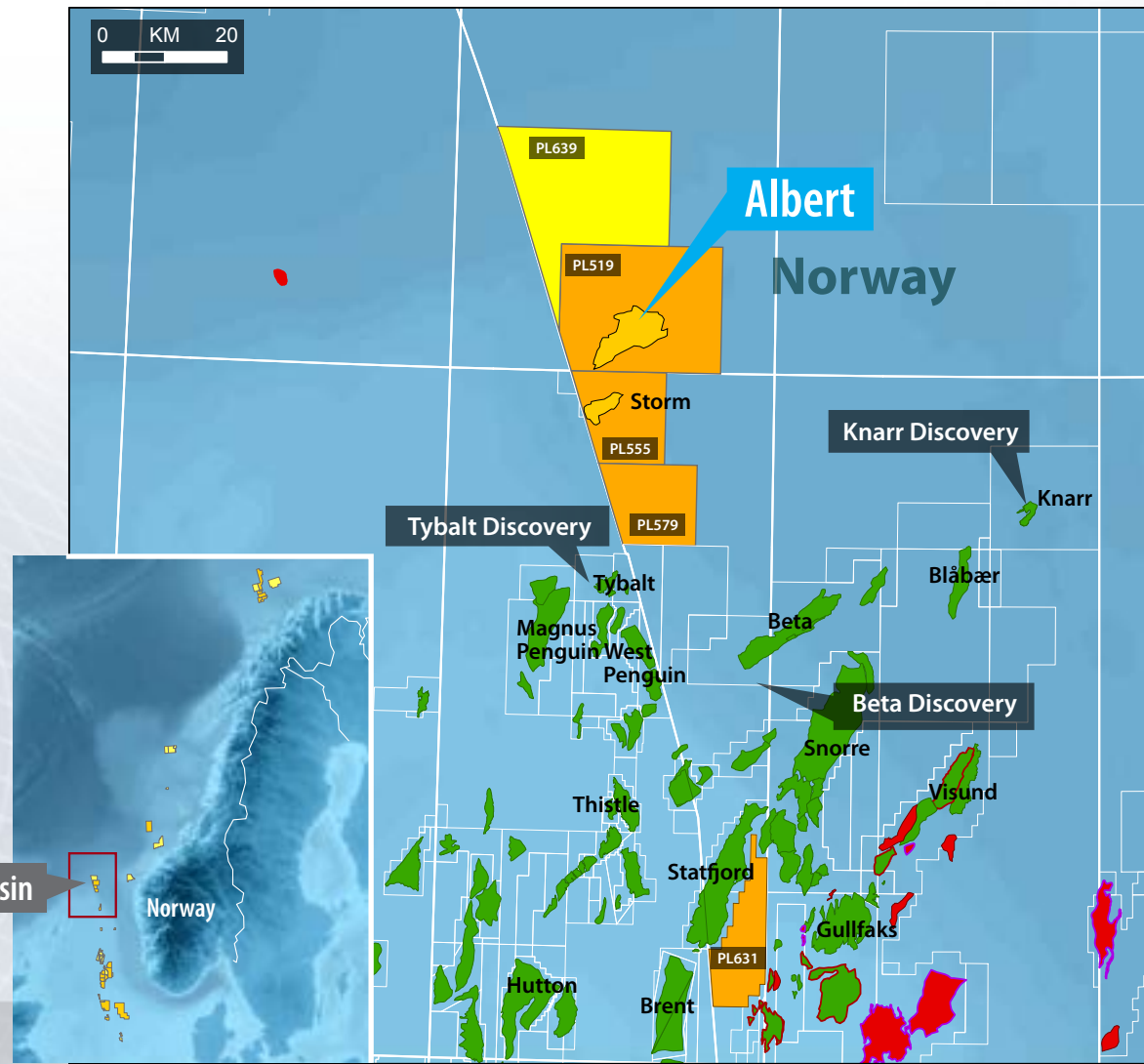


2012 Exploration Drilling

- ➔ **PL519 (Lundin 40% operated)**
Albert prospect
 - ➔ Gross unrisked prospective resources: 177 MMboe
 - ➔ Drilling: 2Q 2012

- ➔ **Further prospectivity identified for 2013 drilling campaign**
 - ➔ Storm prospect

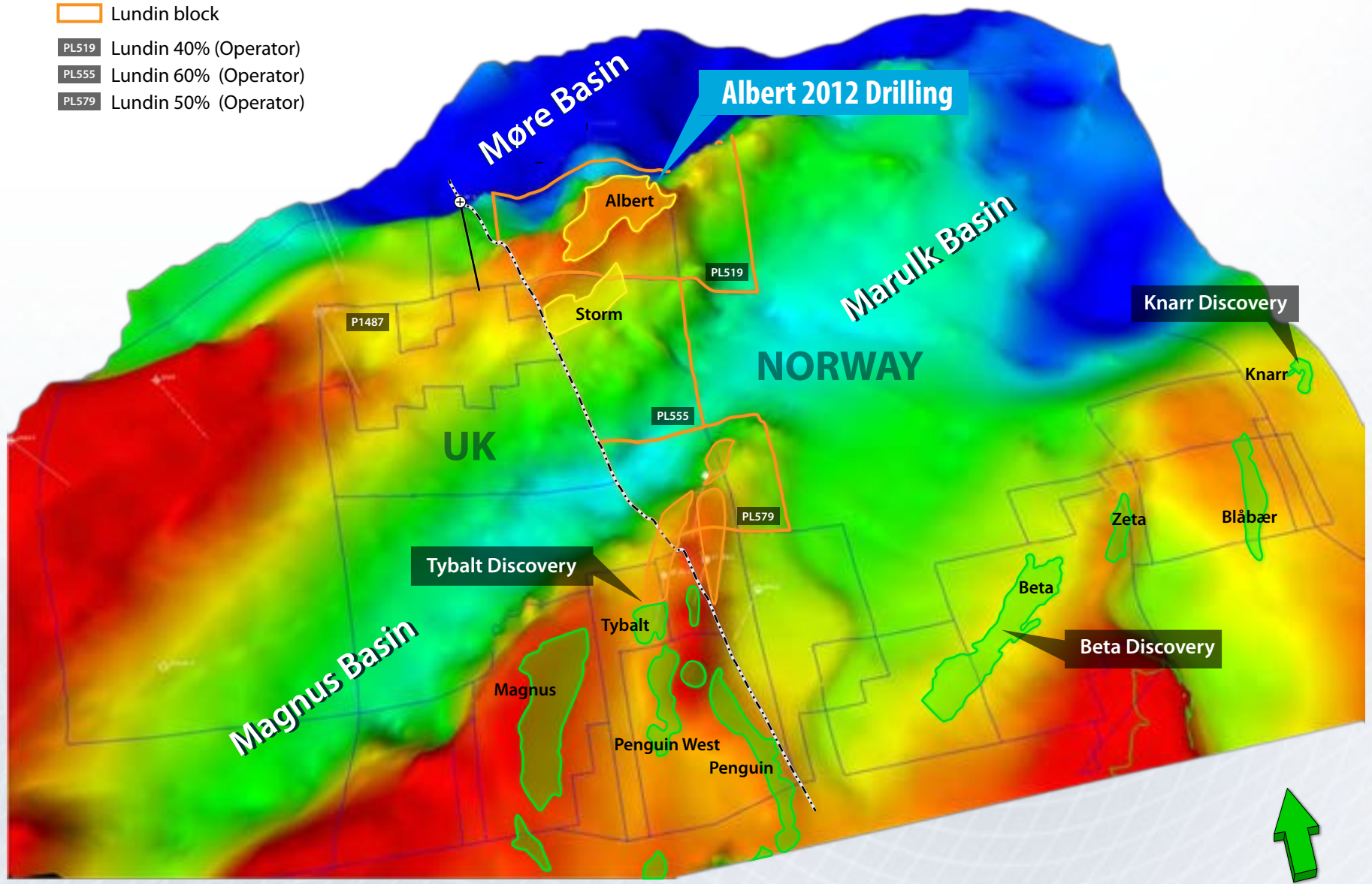
- Lundin operated block
- Lundin non-operated block
- PL519 Lundin 40% (Operator)
- PL555 Lundin 60% (Operator)
- PL579 Lundin 50% (Operator)
- PL631 Lundin 60% (Operator) - APA2011
- PL639 Lundin 20% (Partner) - APA2011



Møre Basin - A New "Core" Area



- Lundin block
- PL519 Lundin 40% (Operator)
- PL555 Lundin 60% (Operator)
- PL579 Lundin 50% (Operator)



Southern NCS Area & Norwegian Sea (PL330)



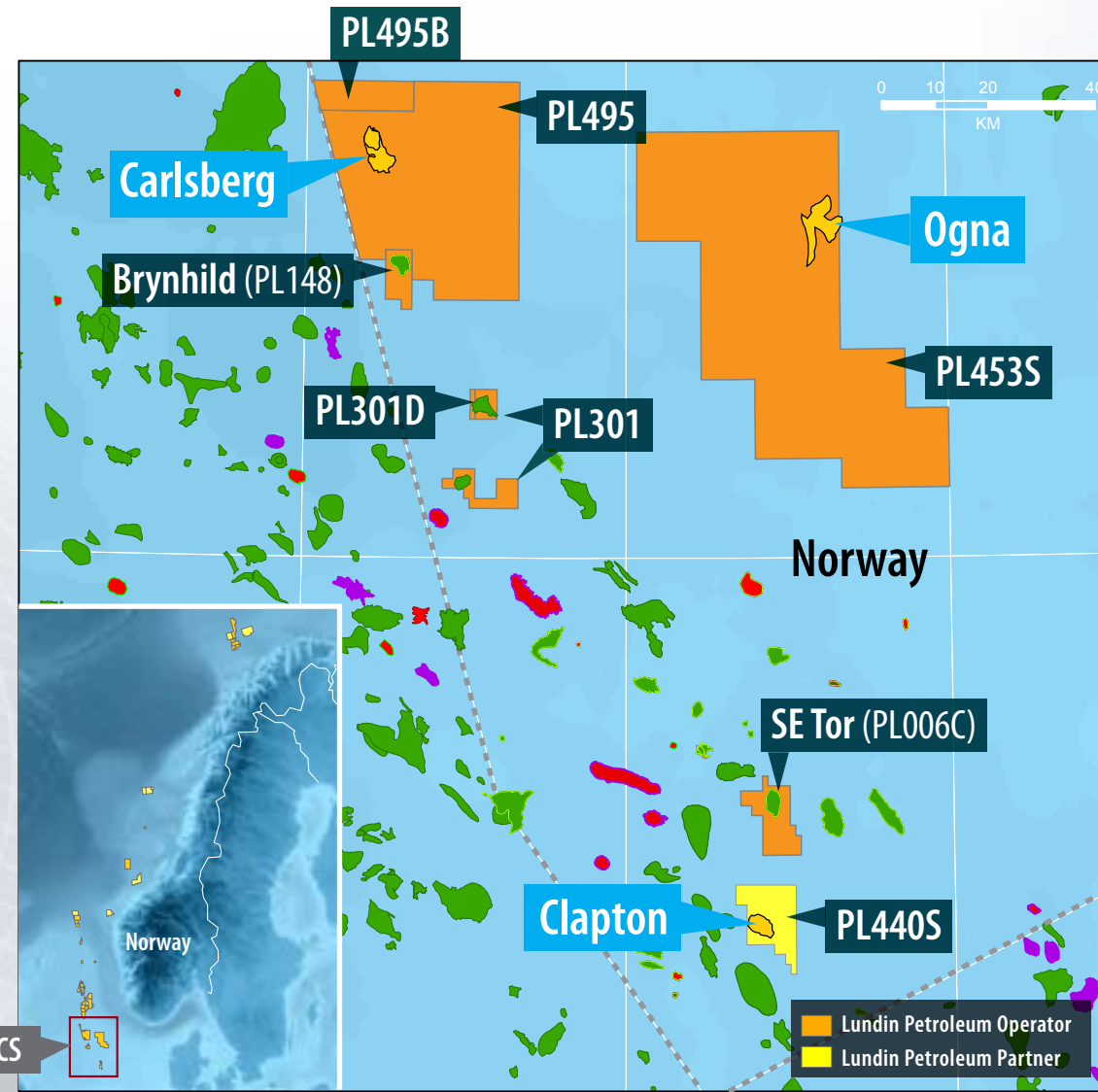
2012 Exploration Drilling

- **PL495 (Lundin 60% operated)**
Carlsberg prospect
 - ➔ Gross unrisks prospective resources: 67 MMboe
 - ➔ Drilling: 4Q 2012

- **PL453 (Lundin 35% operated)**
Ogna prospect
 - ➔ Gross unrisks prospective resources: 156 MMboe
 - ➔ Drilling: 3Q 2012

- **PL440S (Lundin 18%, Faroe operated)**
Clapton prospect
 - ➔ Gross unrisks prospective resources: 65 MMboe
 - ➔ Drilling: 2Q 2012

- ⇒ **Targetting a total of 106.5 MMboe net unrisks prospective resources**

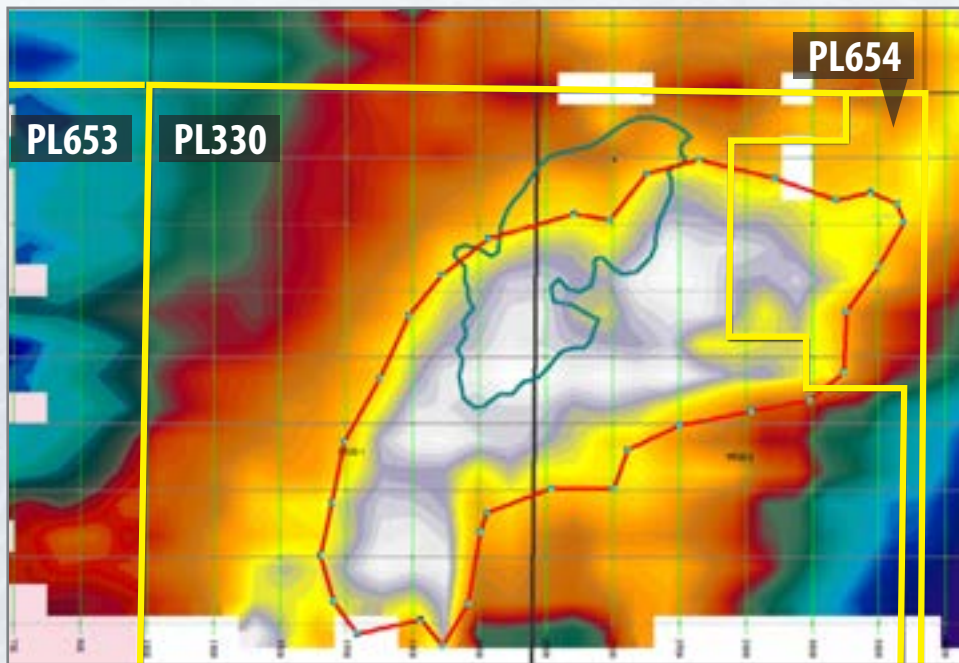


More Elephants in Norway?

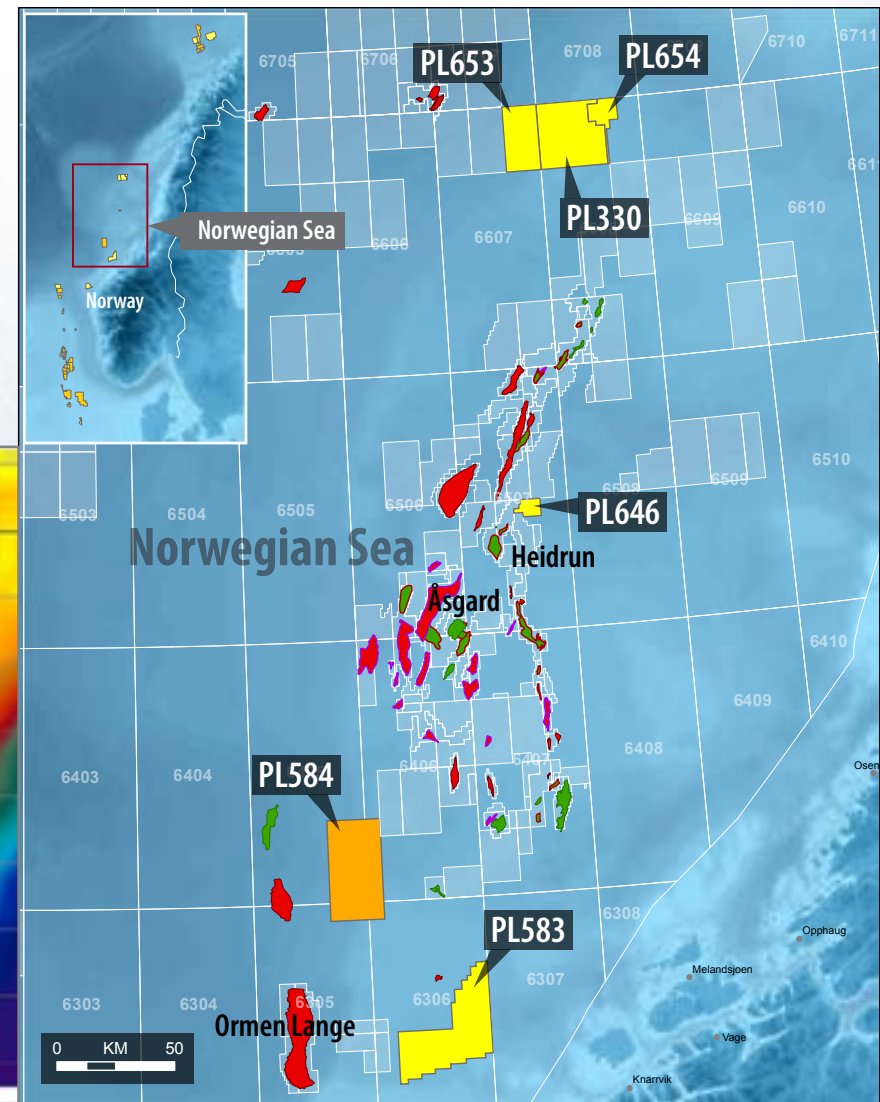


New area with large potential

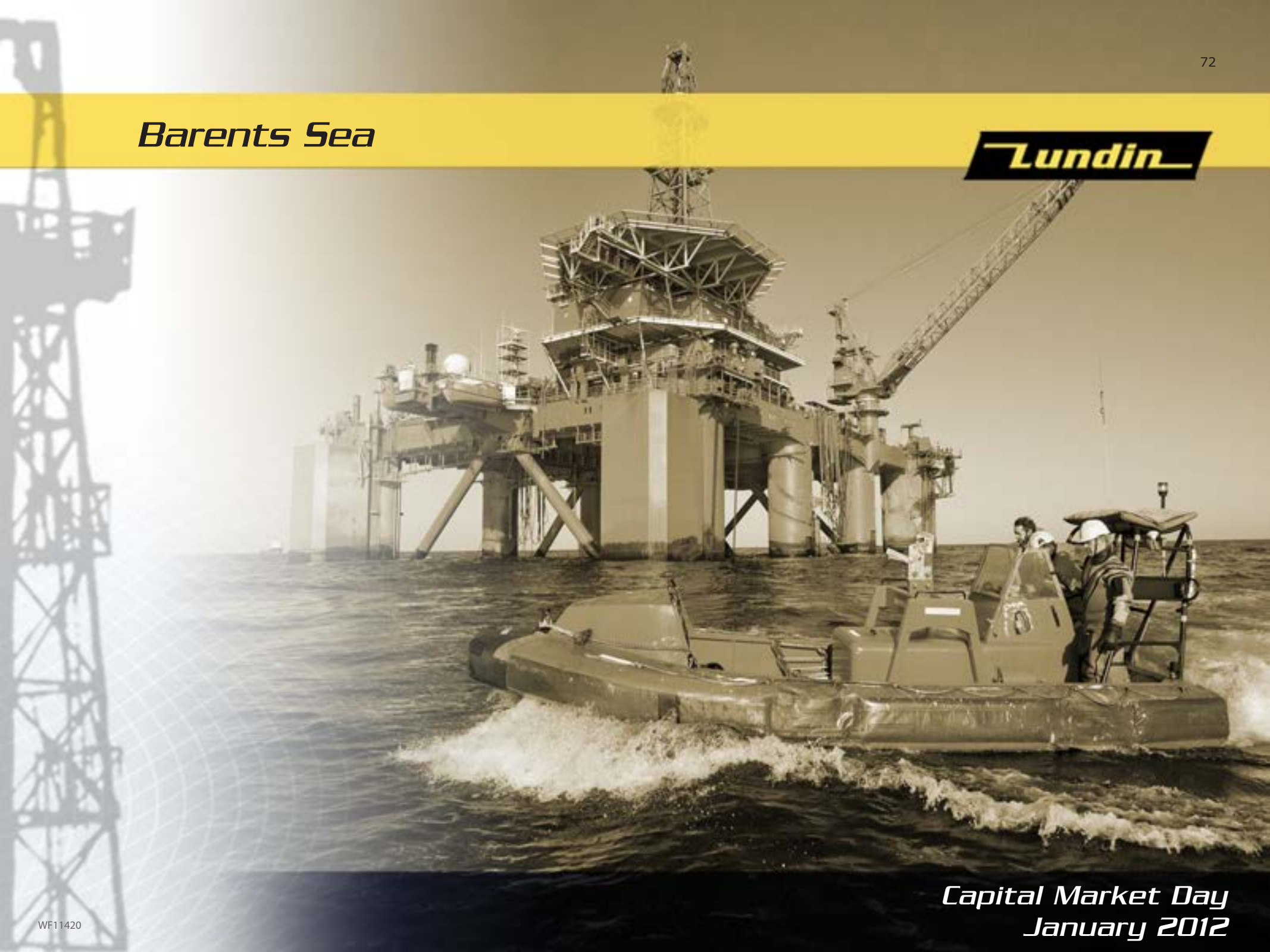
- ➔ PL330, PL653 & PL654 (Lundin 30%)
 - ➔ Rwe Dea 40% (Operator), Marathon 30%
- ➔ Potential drilling in 2013



- Lundin operated block
- Lundin non-operated block



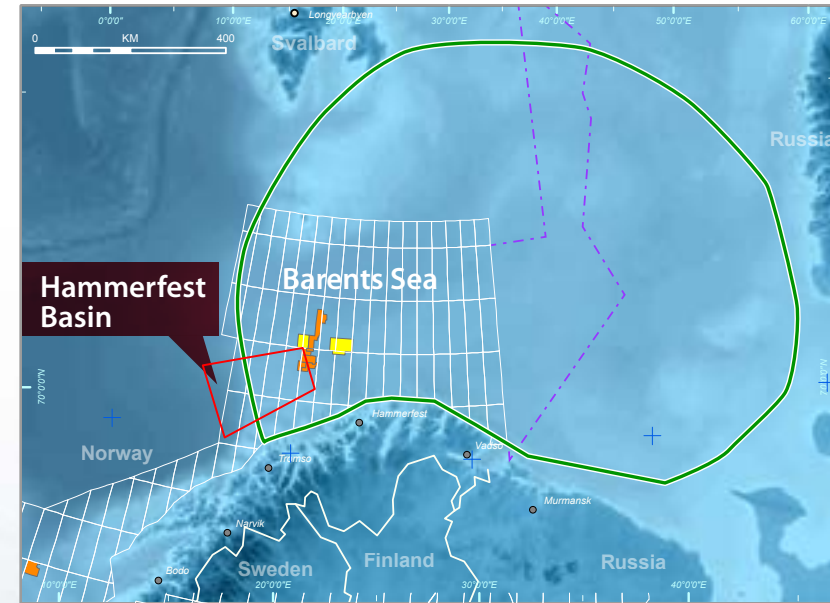
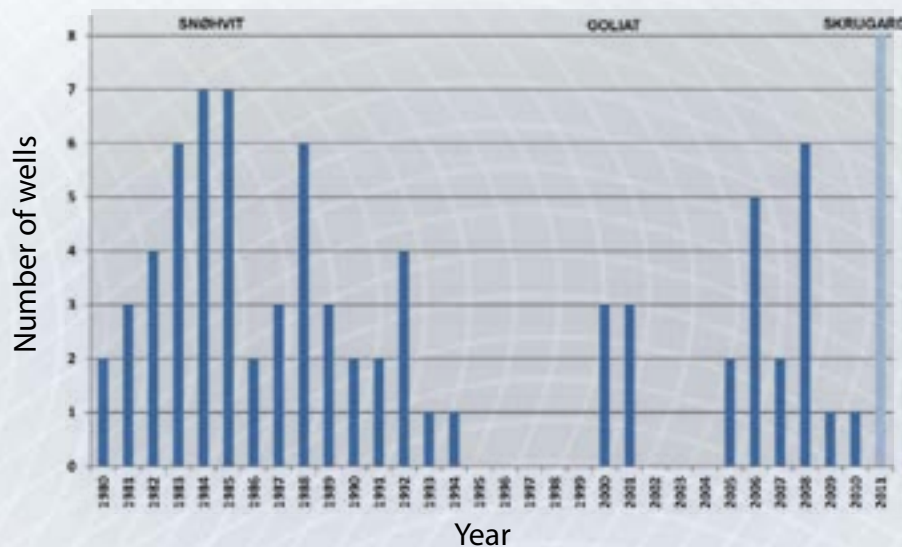
Barents Sea



Barents Sea - The Exploration History









- Norwegian side: Some 80+ wells drilled since 1980
- Most wells drilled in the Hammerfest Basin
- NPD:
 - ➔ 23 play models identified
 - ➔ 7 confirmed by drilling
 - ➔ 3 proven commercial so far
 - ➔ 2 new significant oil discoveries (Skrugard & Havis)
- Large geographical area - comparable to the North Sea (thousands of wells).
- Underexplored

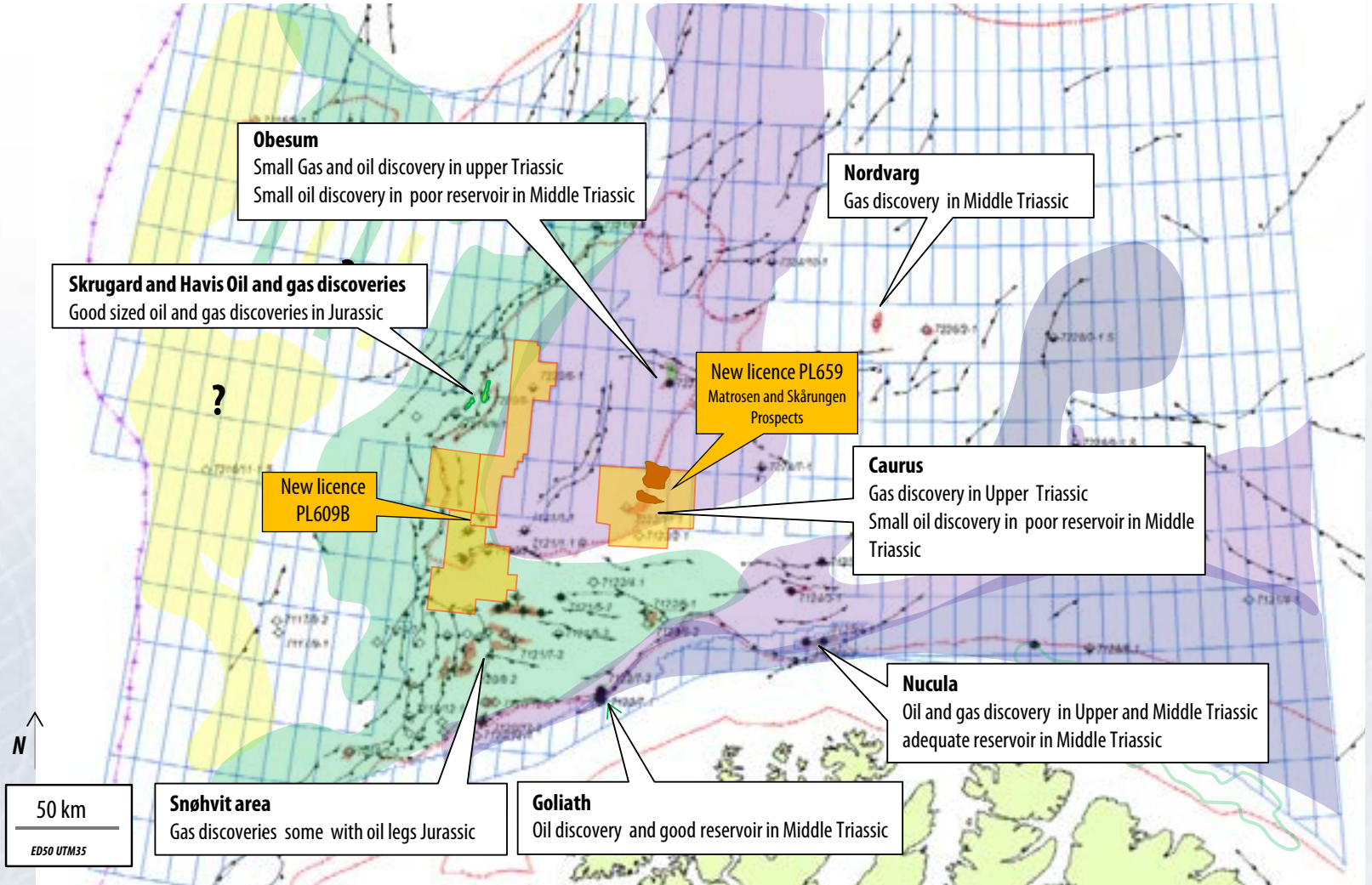


Lundin Acreage on Trend with Known Oil Plays



Lundin Licence acreage in relation to proven and potential oil plays in the western Barents Sea

 Carboniferous – Permian	 Possible Triassic – Jurassic	 Base Tertiary oil mature
 Lower – Middle Triassic	 Jurassic – Cretaceous	 Lundin acreage



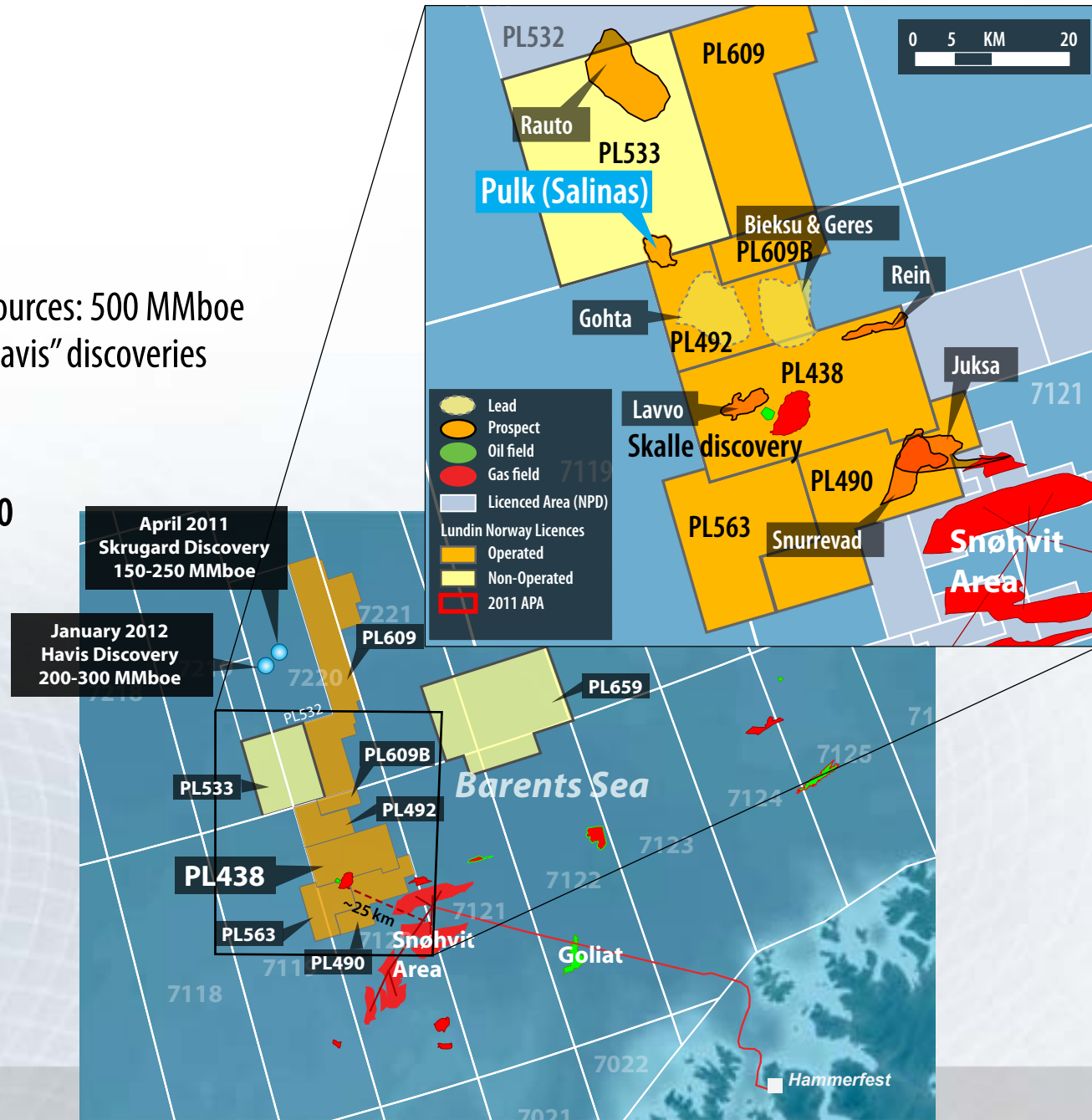
Barents Sea Area



2012 Exploration Drilling

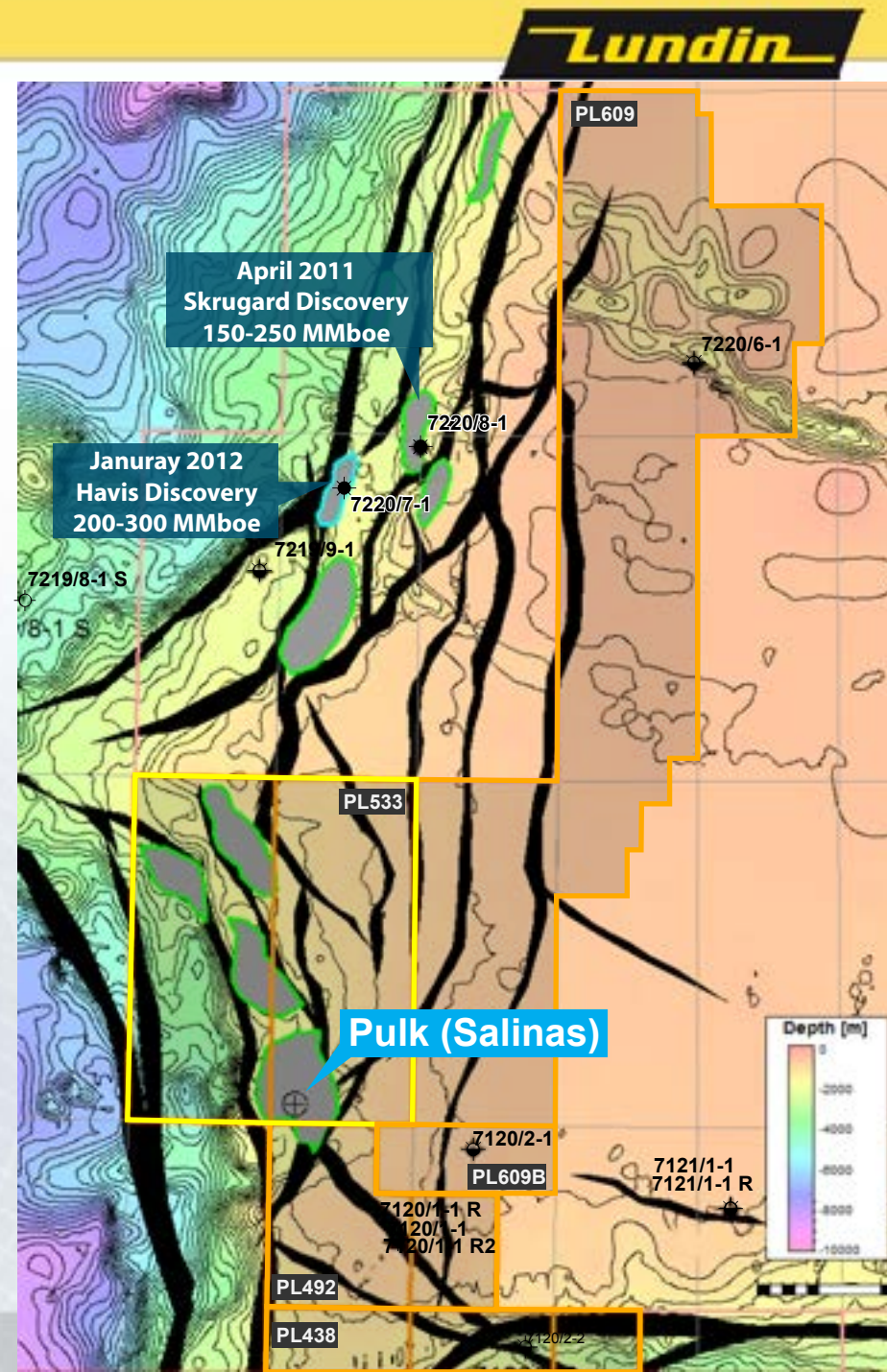
- **PL533 (Lundin 20%)**
Pulk (Salinas) prospect
 - ➔ Gross unrisked prospective resources: 500 MMboe
 - ➔ On trend with "Skrugard and Havis" discoveries play type

- **Further drilling in 2013 in PL490**

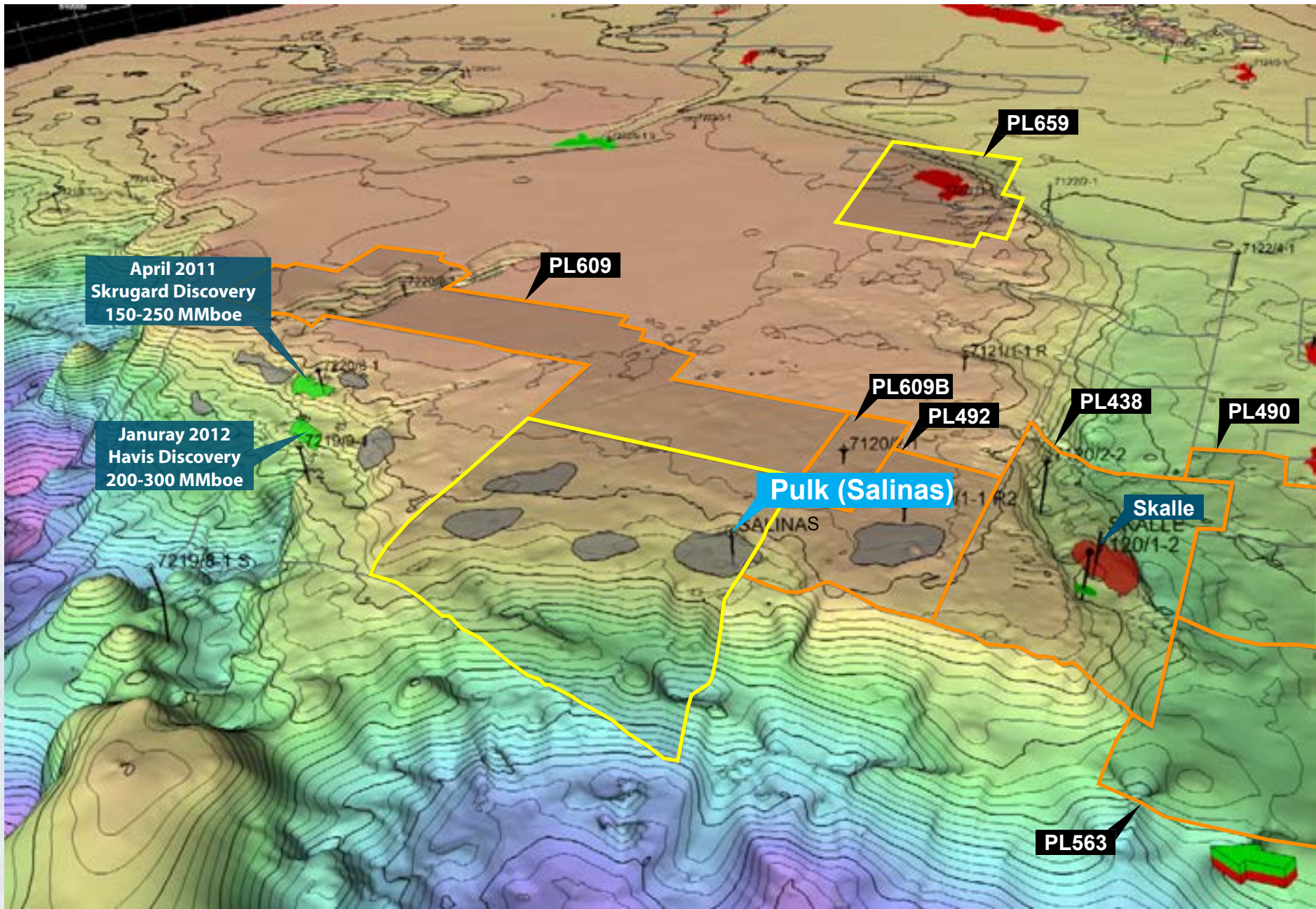


Pulk on Trend with Discoveries

- **Pulk (Salinas)**
 - ➔ on trend with latest oil discoveries (Skrugard & Havis)
- **Further prospectivity within PL533 in the event of a Pulk (Salinas) discovery**
- **Other licences being matured for further exploration drilling. Aiming for a 1-2 exploration wells per year.**



Barents Sea

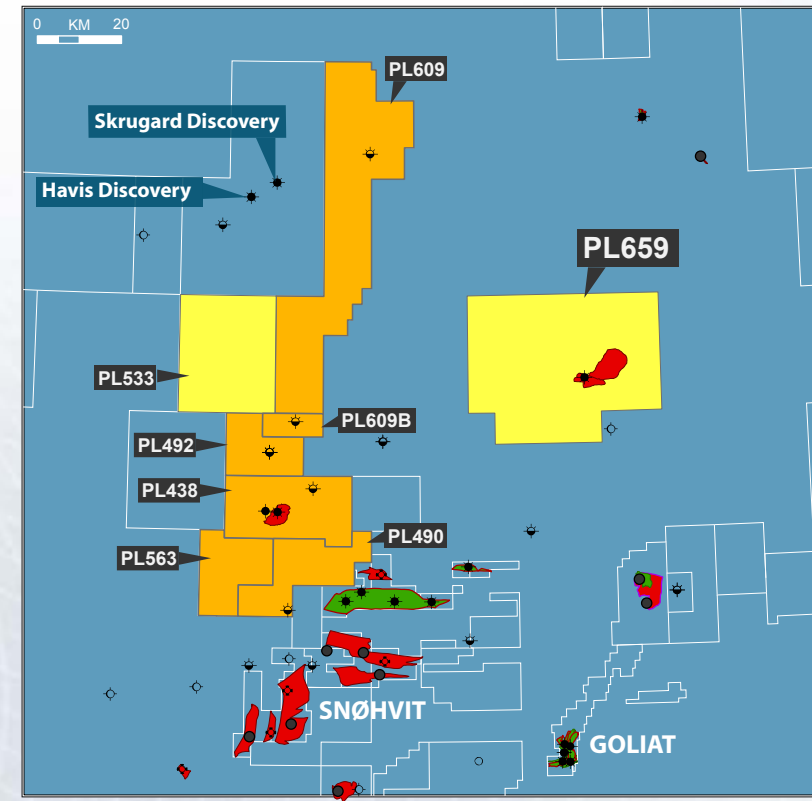
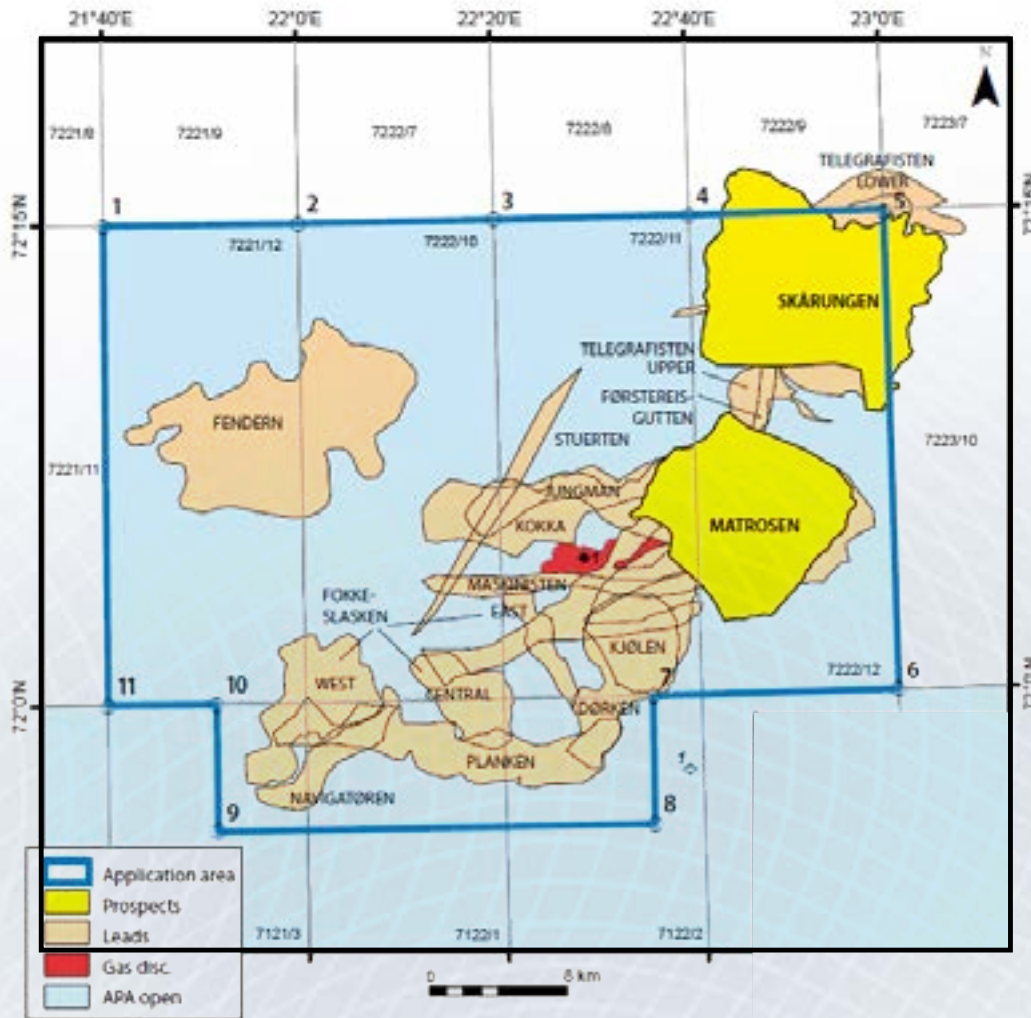


Barents Sea - PL659 - APA 2011 Award

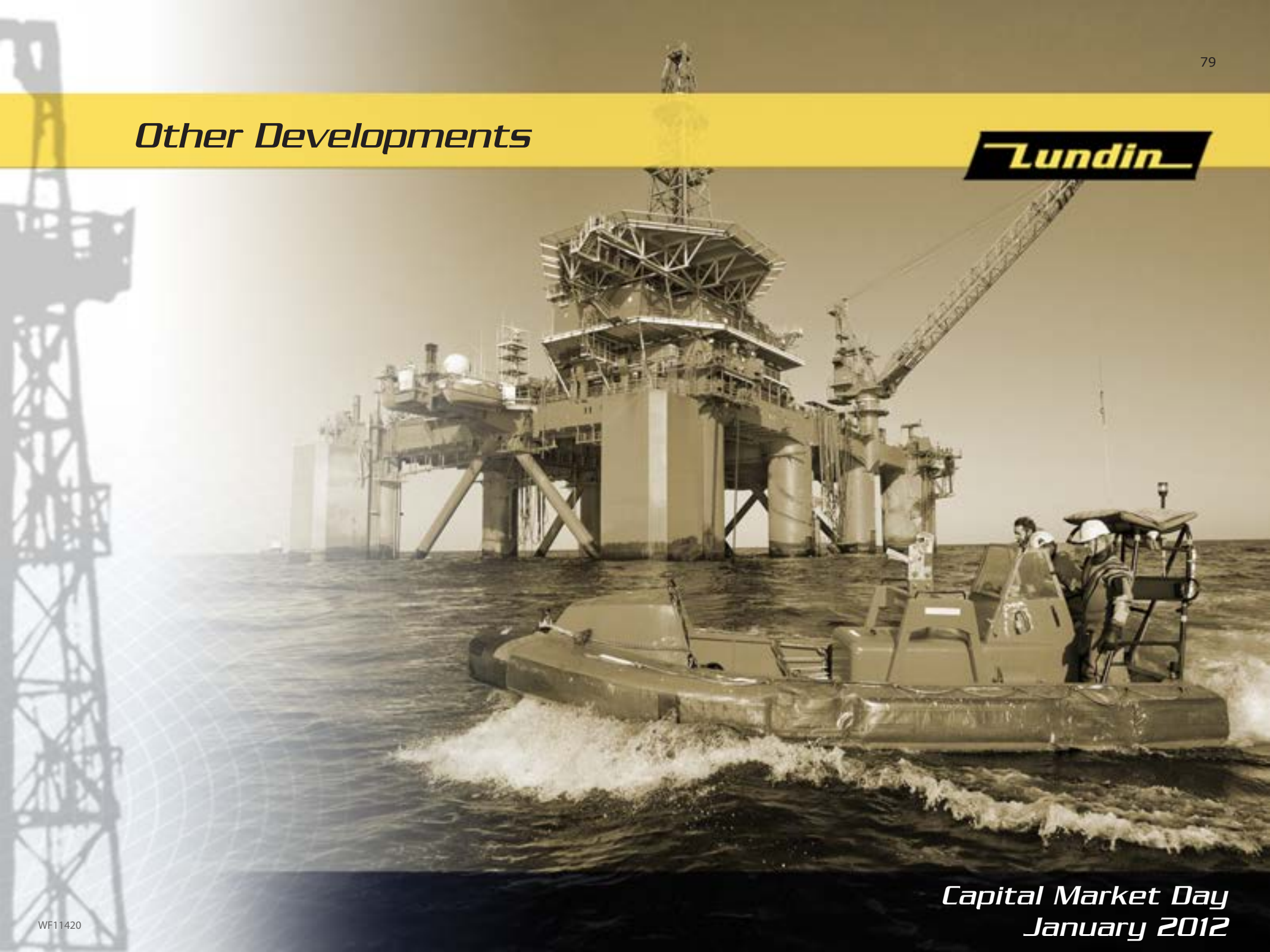


➔ PL659

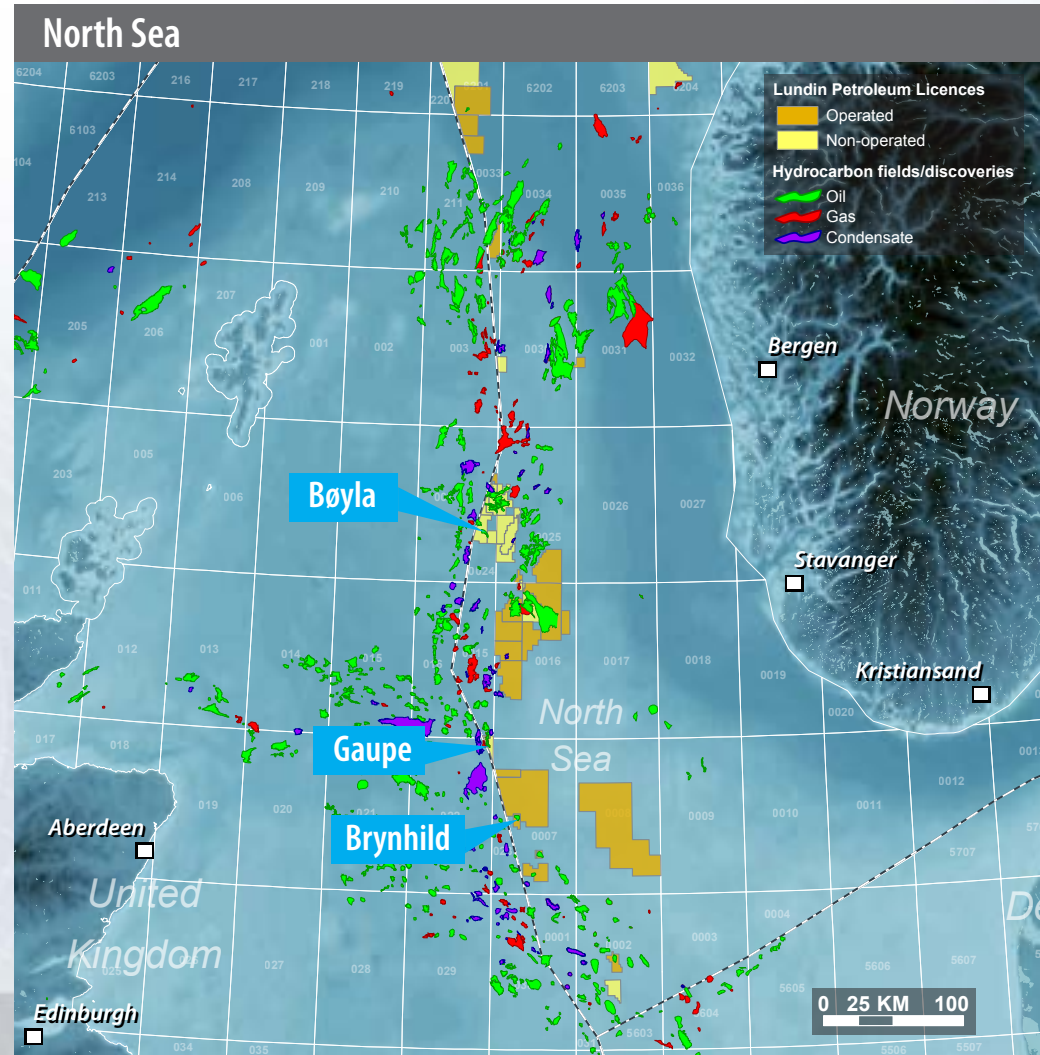
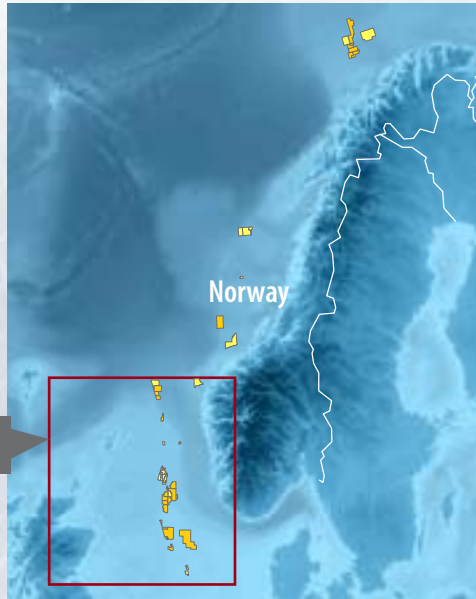
Lundin Petroleum 20%



Other Developments



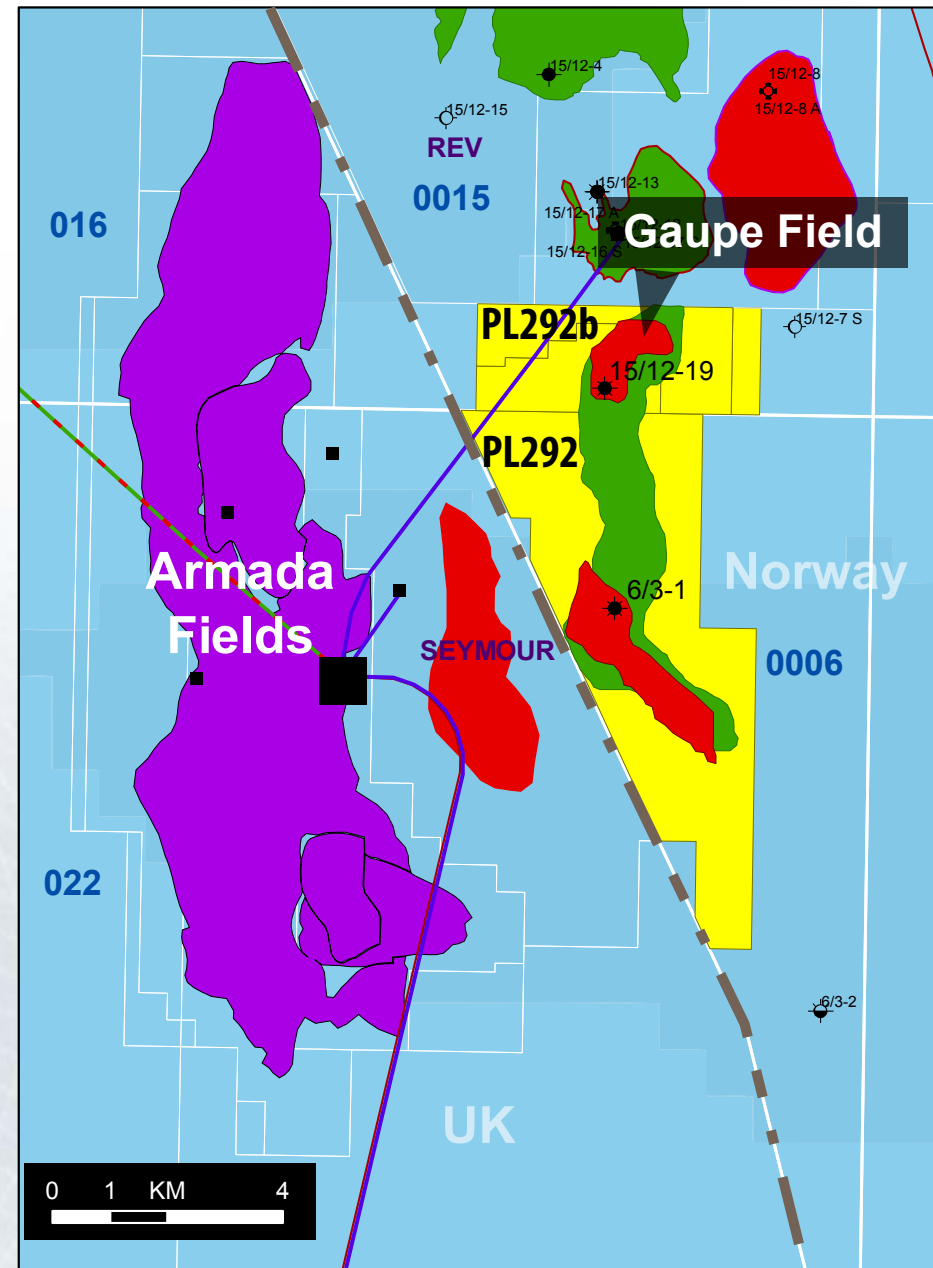
Norway - Other Development



Gaupe - Development



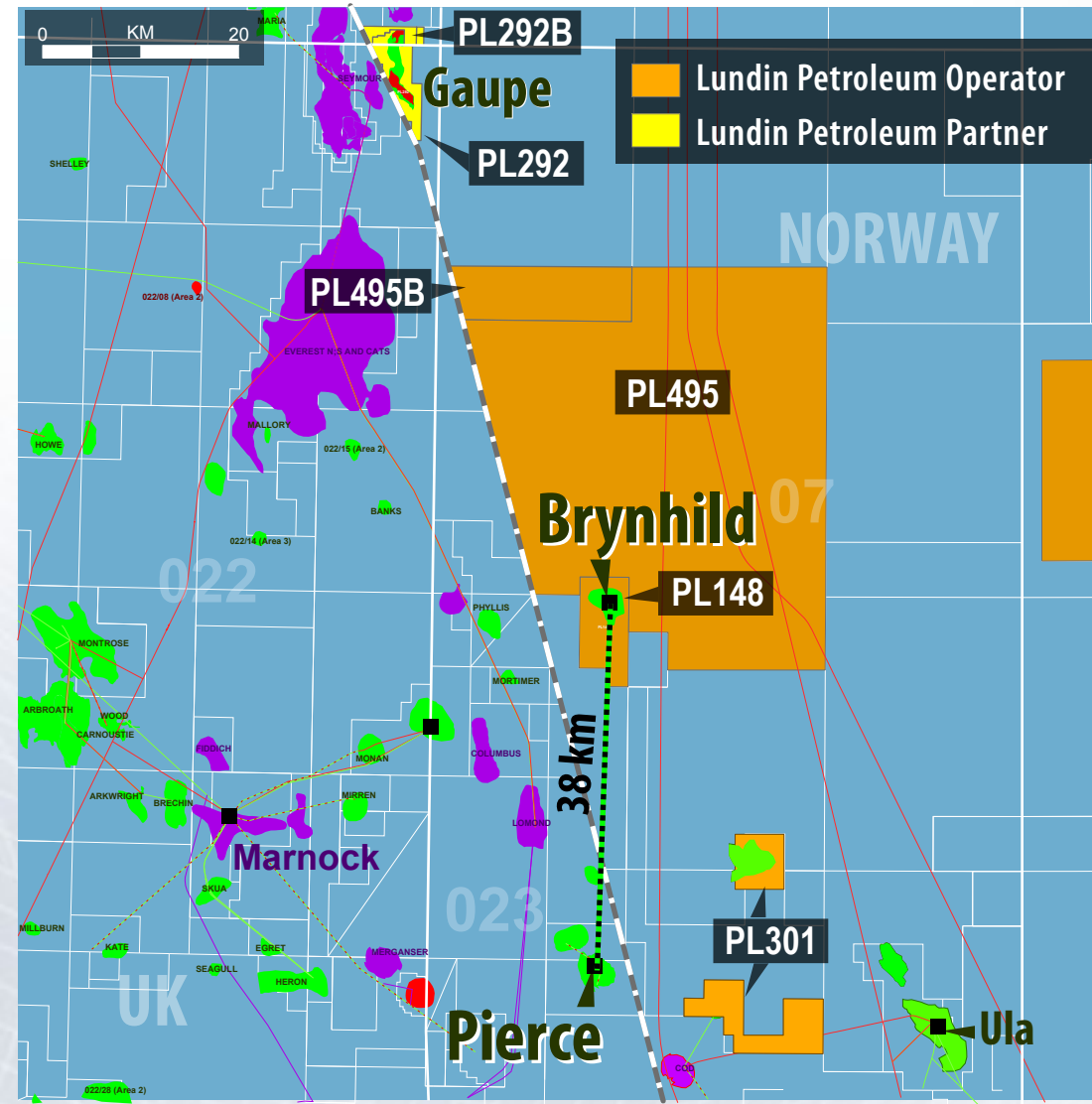
- ➔ Lundin Petroleum 40%
BG Norge 60% (operator)
- ➔ 2P gross reserves of 31.3 MMboe
➔ 27% Oil
- ➔ PDO approved in June 2010
- ➔ Development substantially completed
- ➔ Two subsea wells tied back to Armada fields
- ➔ First production Q1 2012
➔ Delayed pipe laying vessel
- ➔ Plateau production ~ 5,000 boepd net



Brynhild - Development



- Lundin Petroleum interest: 70% (operator)
 - ➔ Talisman 30%
- PDO approved in November 2011
- Tie-back to Haewene Brim FPSO located at Shell Pierce field in the UK
- 2P gross reserves 20.4 MMbo
- Plateau production: 8,400 boepd net
- First oil end 2013

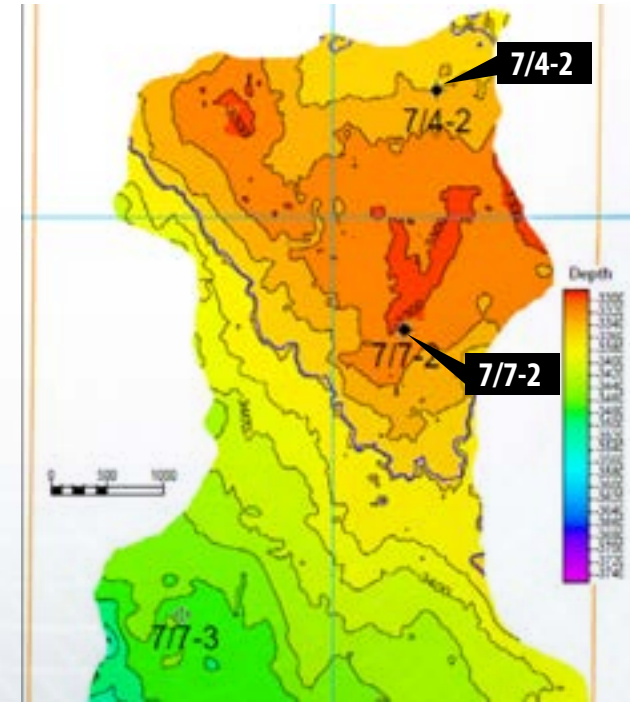
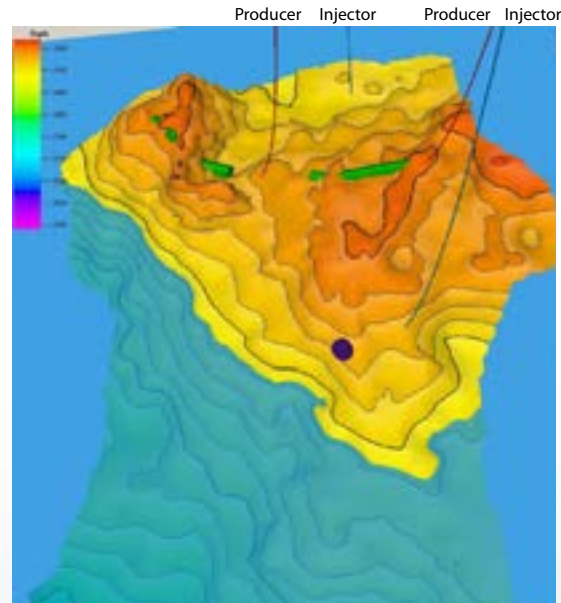


Brynhild - Subsurface

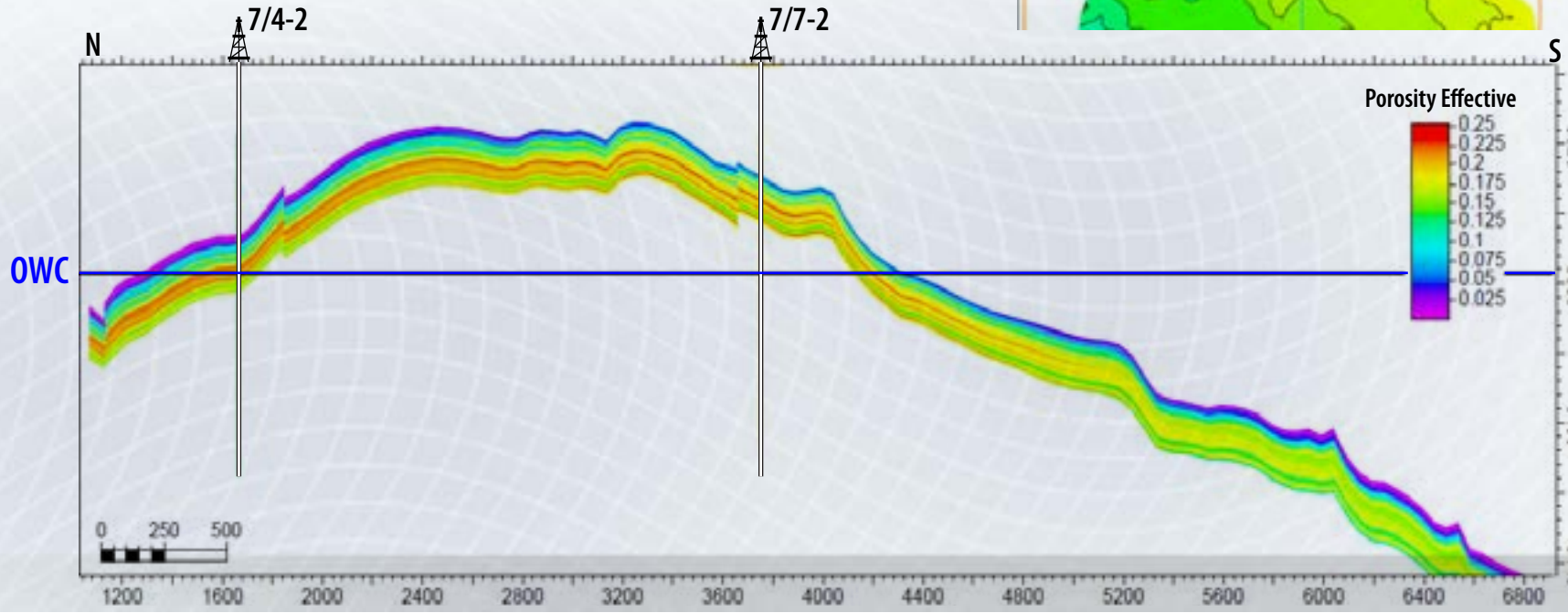


Development Plan

- 2 producers
- 2 injectors

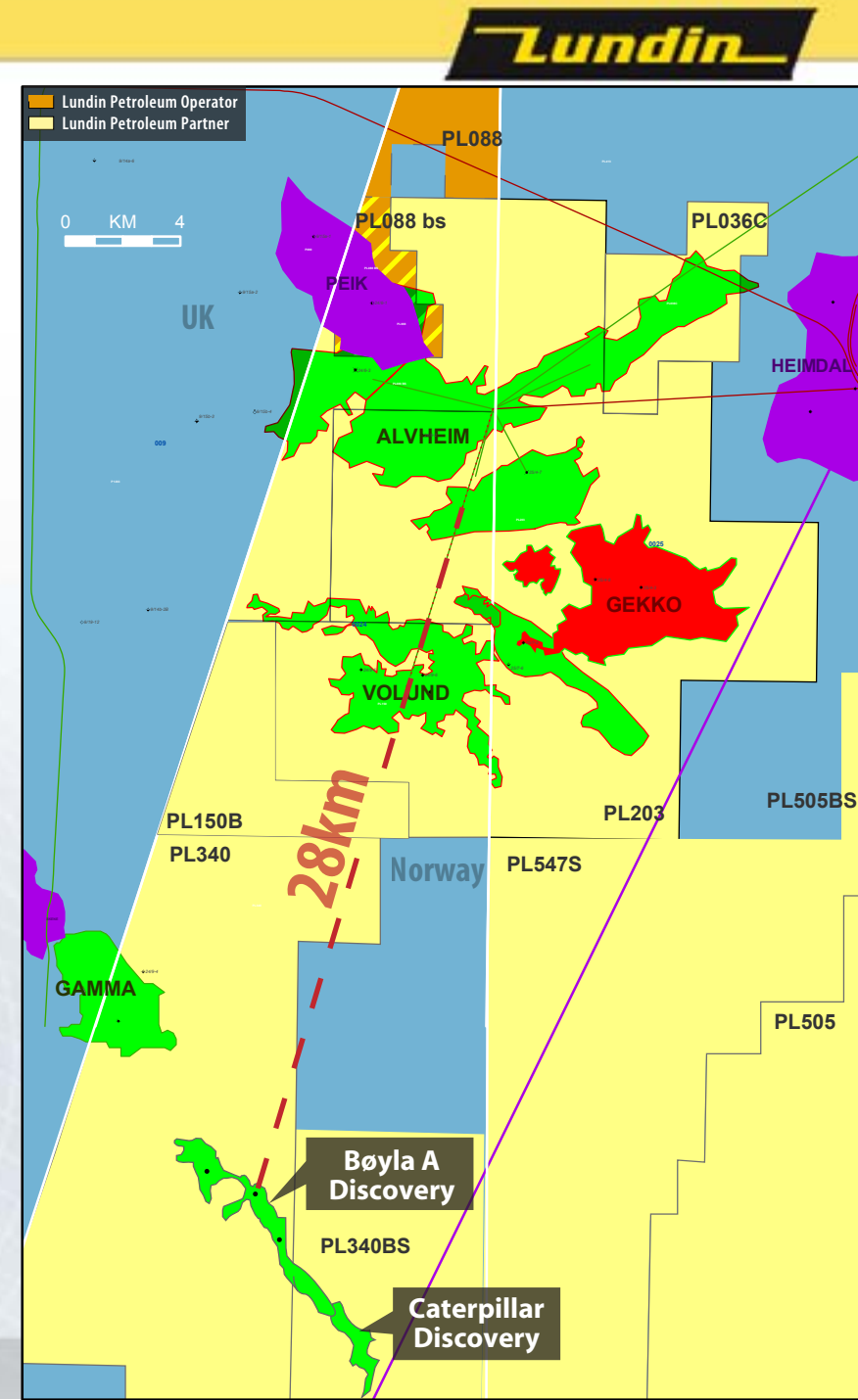


Cross Section N-S OWC 3357m SSTVD



Bøyla - Development

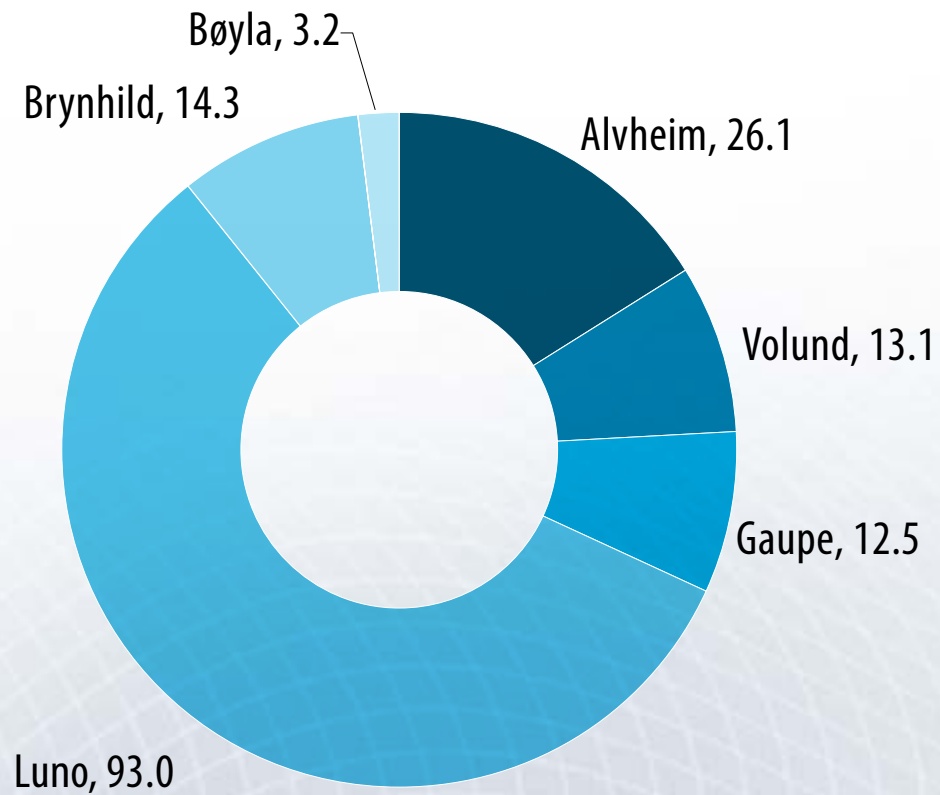
- ➔ Lundin Petroleum interest: 15%
 - ➔ Marathon 65% (Operator), ConocoPhillips 20%
- ➔ 2P gross reserves of 21.1 MMboe
- ➔ Subsea Tie-back to Alvheim
 - 2 producers, 1 injector
- ➔ PDO to be submitted 2012
- ➔ First oil end 2014
- ➔ Plateau rate ~3,000 boepd net



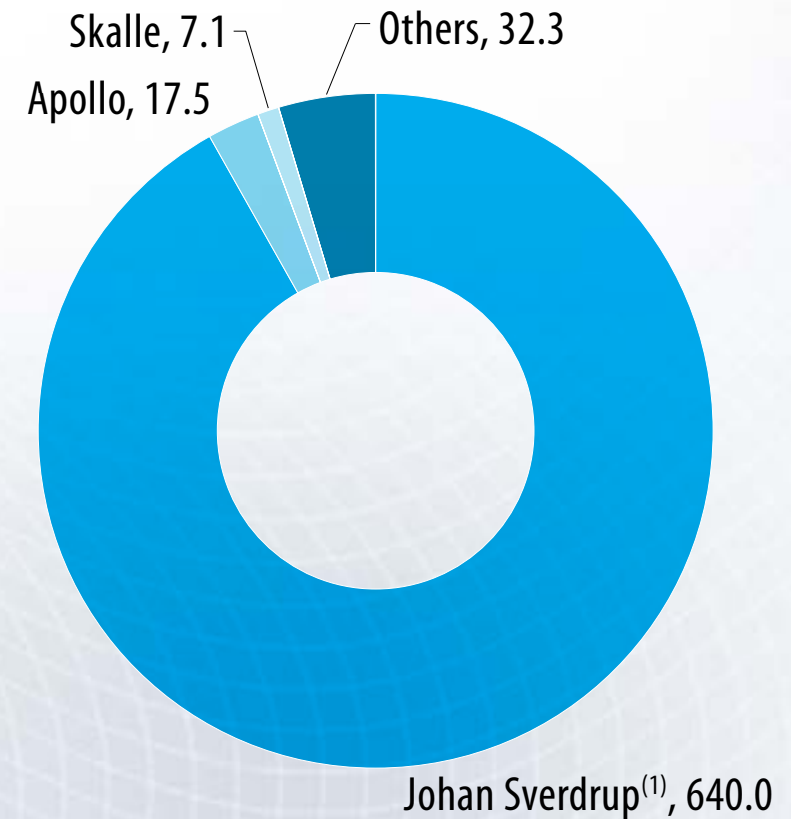
Norway Summary



Norway Resources - 01.01.2012

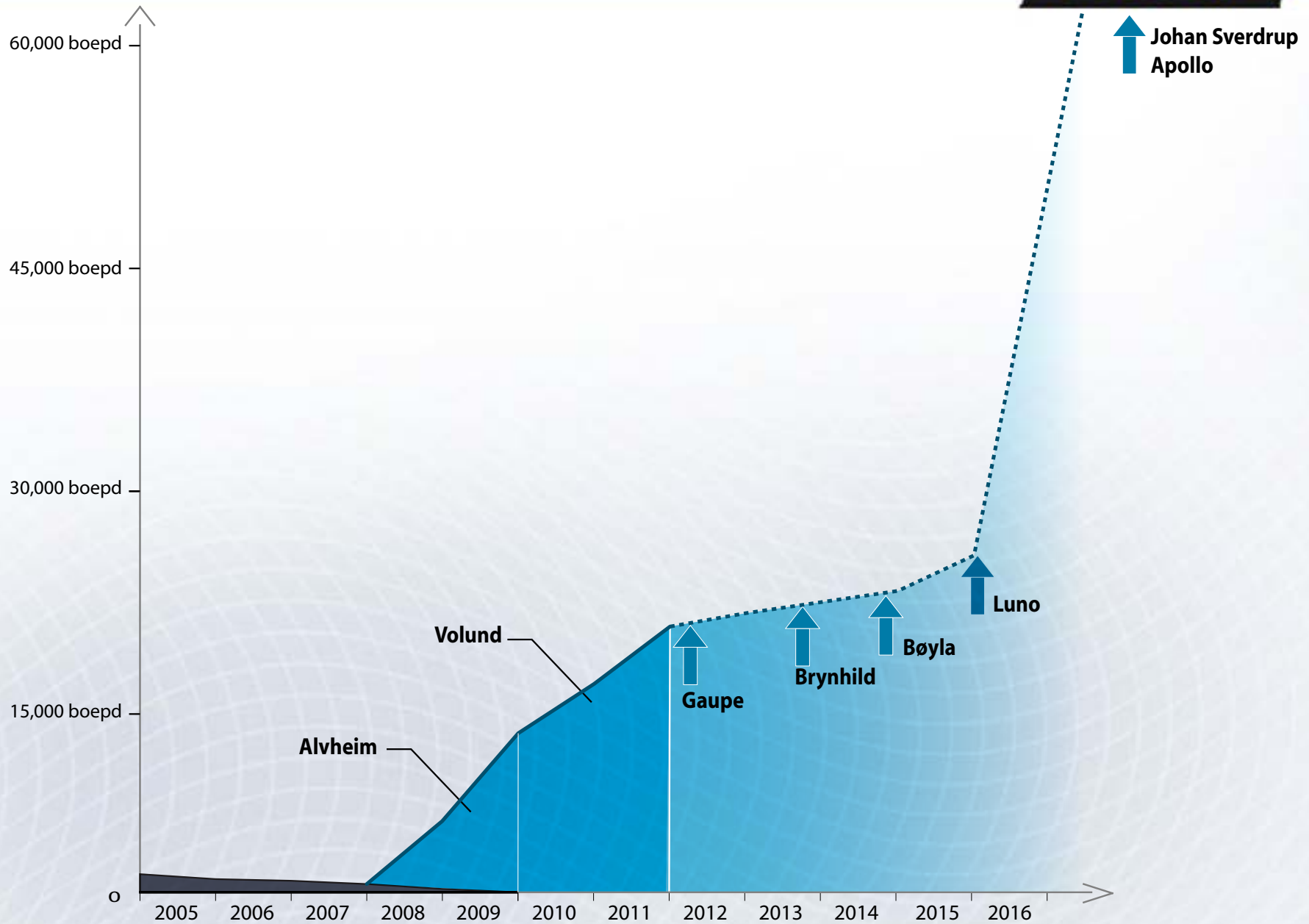


Reserves 162.2

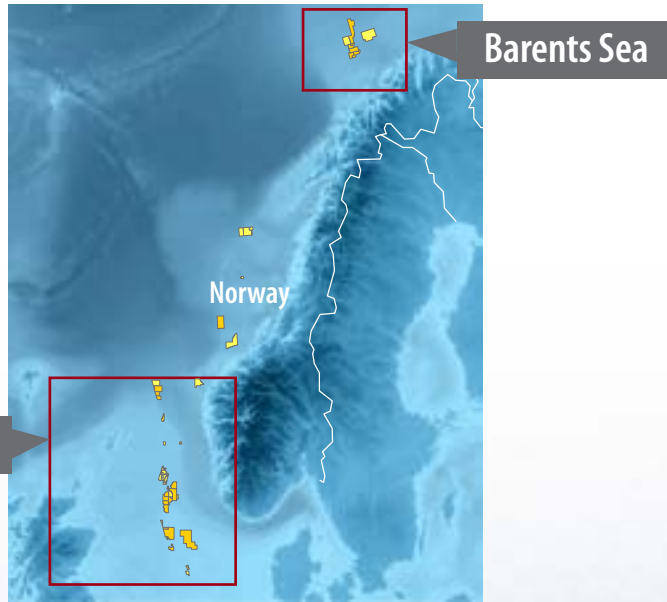


Contingent Resources 696.9

Norway - Production Growth



Norway 2012 Drilling Programme



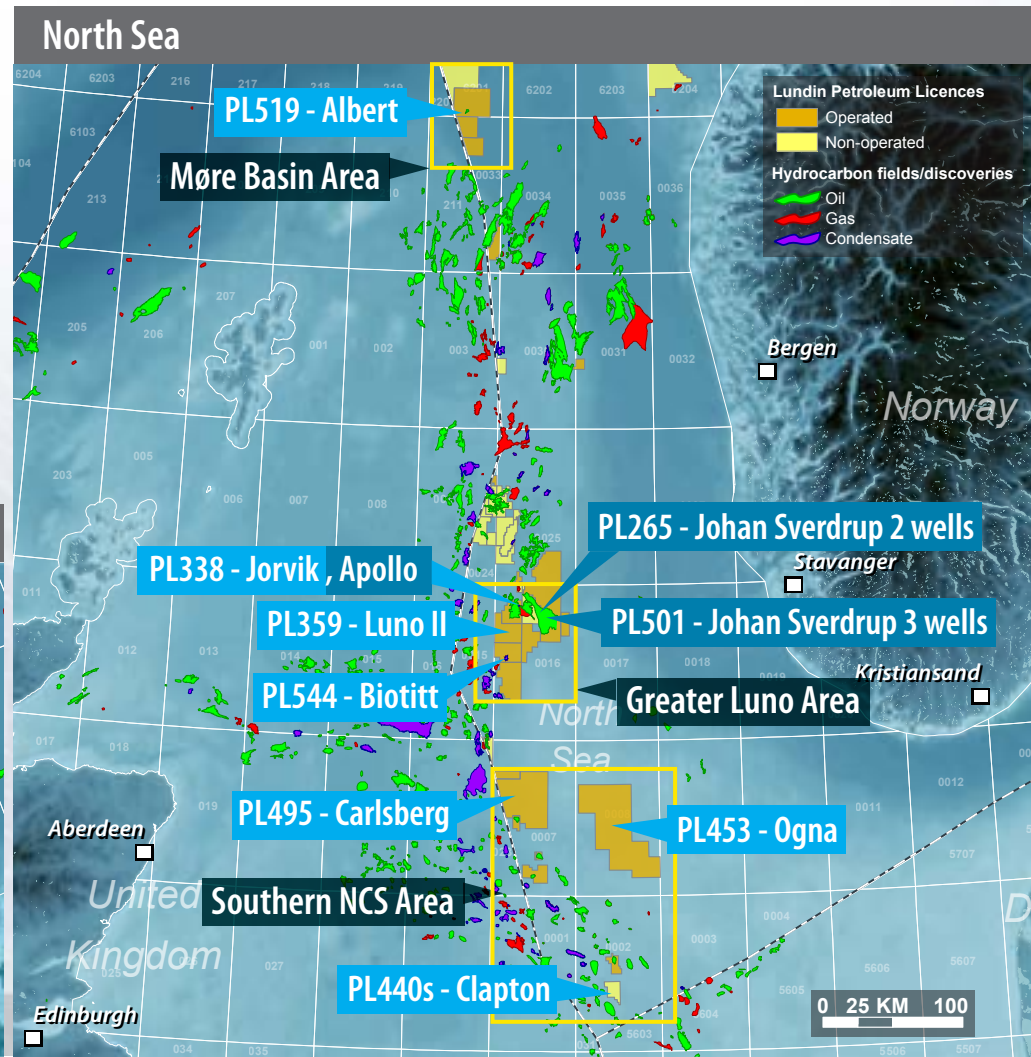
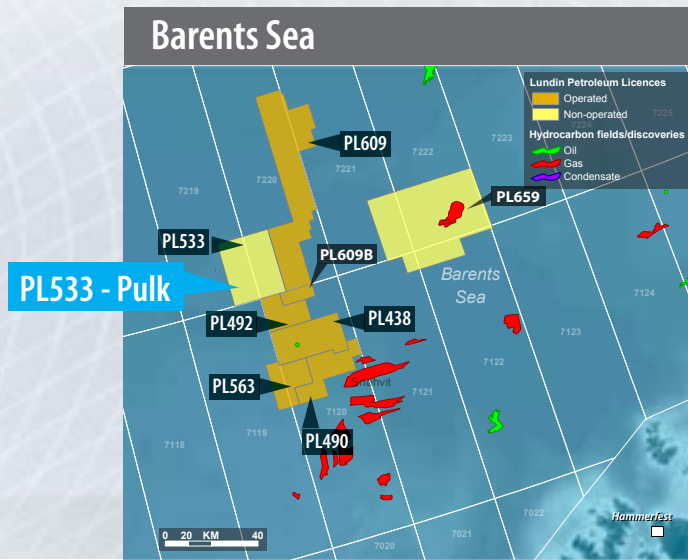
- 2012 Norway exploration budget: MUSD 364
- 8 exploration & 6 appraisal wells in 2012 in 4 core areas
- 2012 net unrisked prospective resources: 446 MMboe
- 2012 net risked prospective resources: 112 MMboe

North Sea

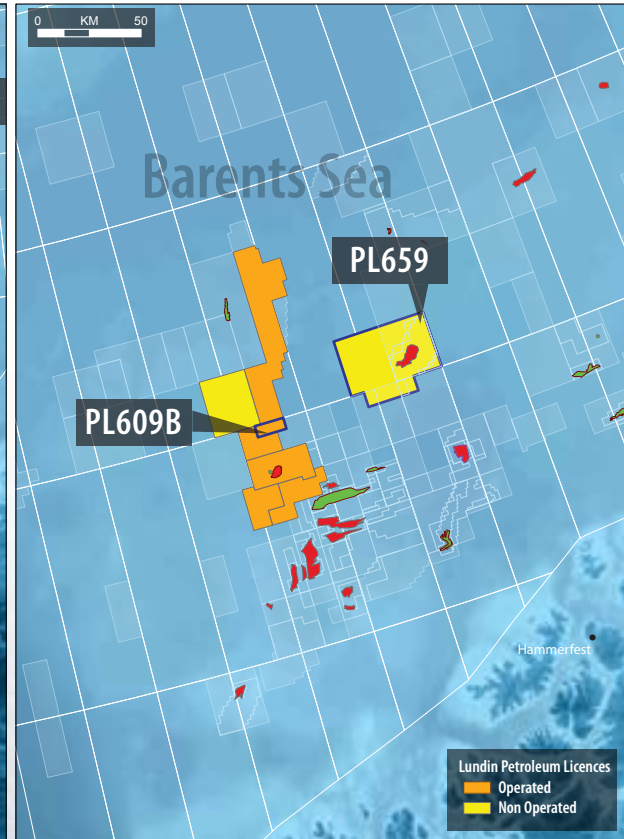
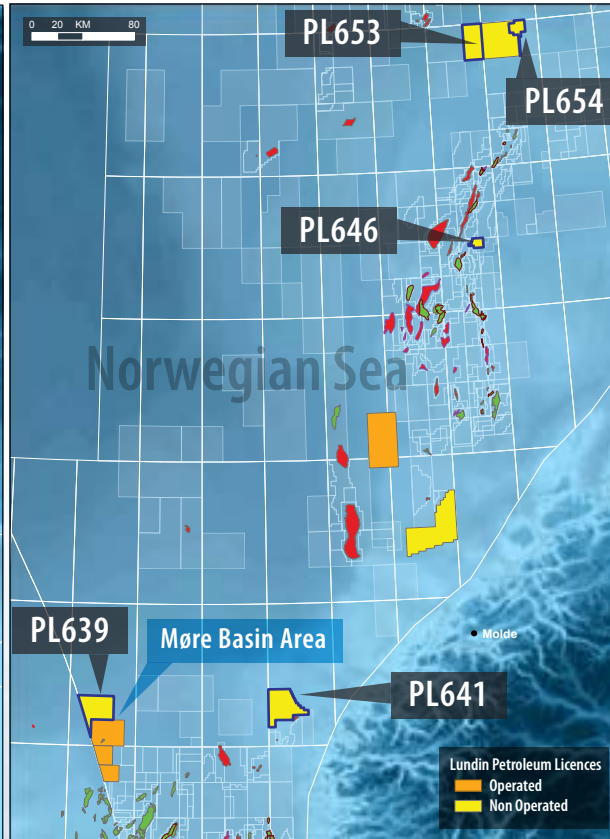
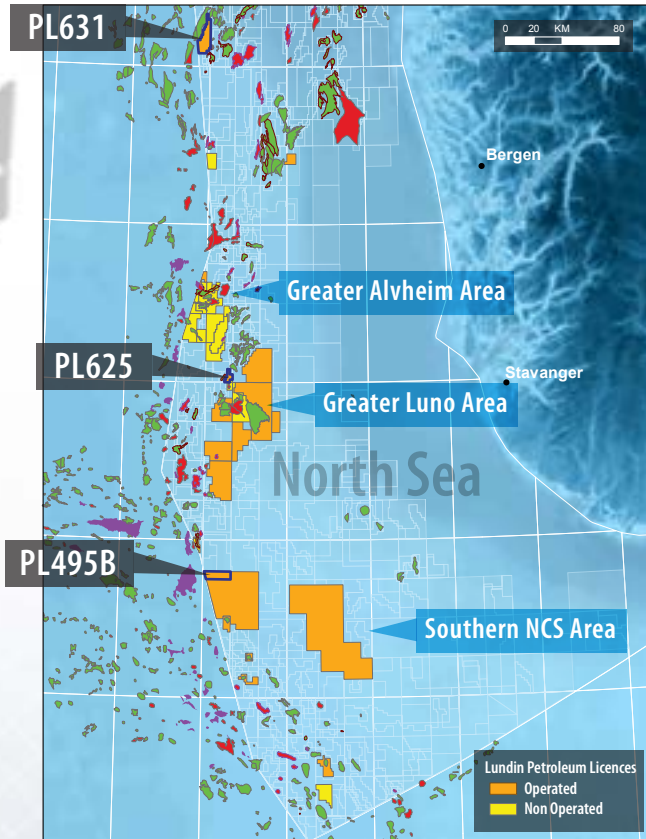
Barents Sea

2012 Exploration (Drilling)

2012 Appraisal (Drilling)



Norway - New APA 2011 Award



Frontier
PL653
PL654
PL639
PL646

Protection
PL609B
PL495B

Proven Plays
PL659
PL625
PL631
PL641

➔ 10 Licences awarded - 4 operated

SIDETRACK



Smooth operator: Swedish junior Lundin has lofty dreams of taking the lead role on the giant Avalsnes project

RYTIS DALIKANTAS

2012 South East Asia



Why South East Asia?



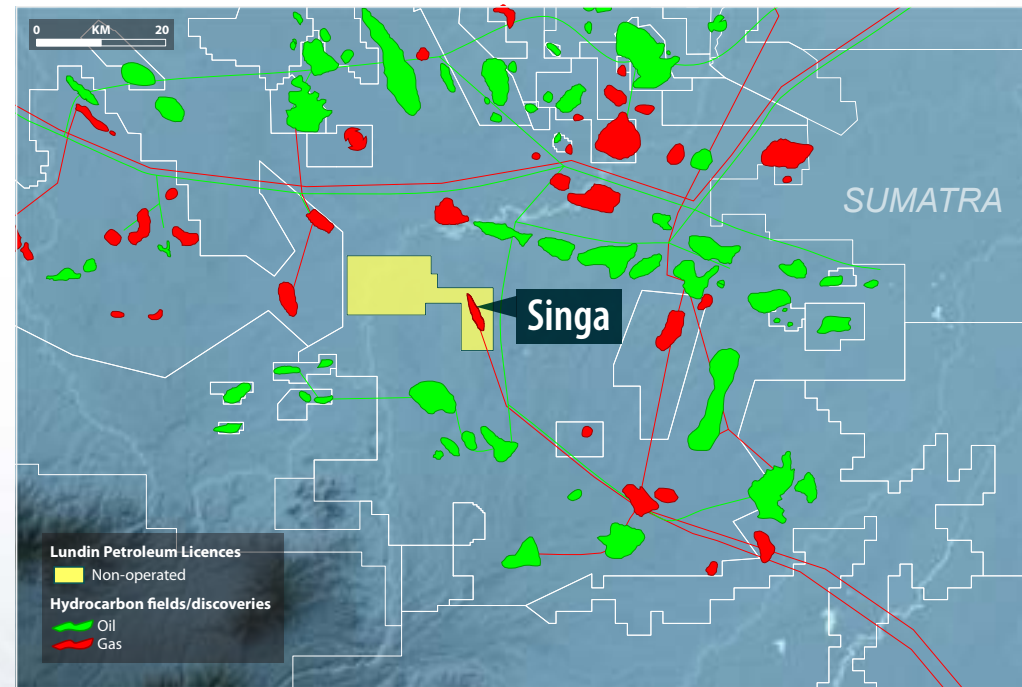
- **Opportunity to access resources**
 - ➔ Open bidding for blocks
 - ➔ Foreign investment encouraged
- **Prospective**
 - ➔ Proven petroleum systems
 - ➔ Potential to open new plays
- **Scale**
 - ➔ Large contract areas
- **Ability to leverage the power of 3D seismic technology**
 - ➔ Historically explored on 2D data
 - ➔ Sparse 3D coverage
- **Competitive advantage for Lundin**
 - ➔ Malaysia track record (1990's success)
- **Reasonable & stable fiscal terms**
 - ➔ Production maturing > possible improvement

Production: Singa Field



Indonesia

- Singa gas field: 25.88% (non-operated)
- Onshore South Sumatra
- Gas sales to PGN
- Production: 2.0 Mboepd
- 2P reserves: 3.9 MMboe
- Contingent resources: 2.1 MMboe
- Licence expires 2017
 - Extension discussion ongoing
 - Opportunity to move contingent resources into reserves



South East Asia Core Areas



- Significant expansion of core areas
- 2008 (5 Blocks), 2010 (2 Blocks), 2011 (3 Blocks)

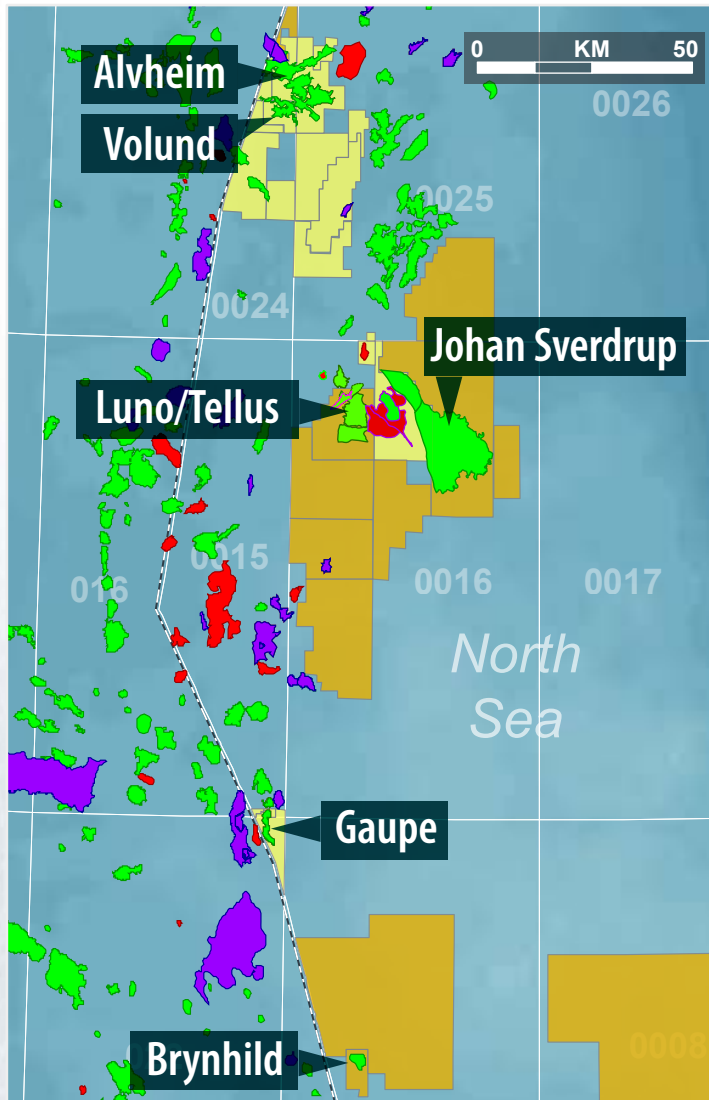


Malaysia - Penyu Basin Core Area

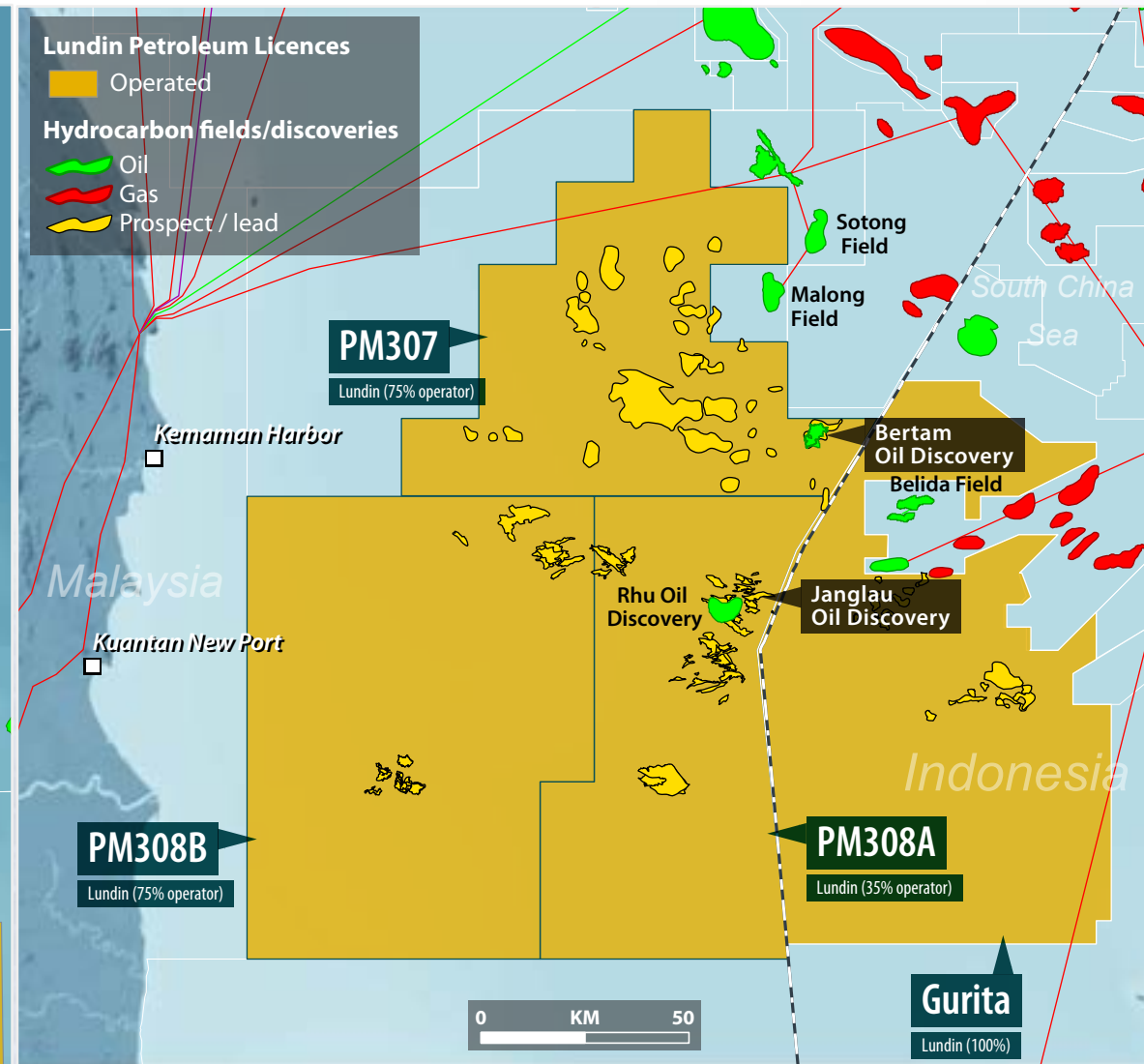


Same Scale

Greater Alvheim & Luno Core Areas



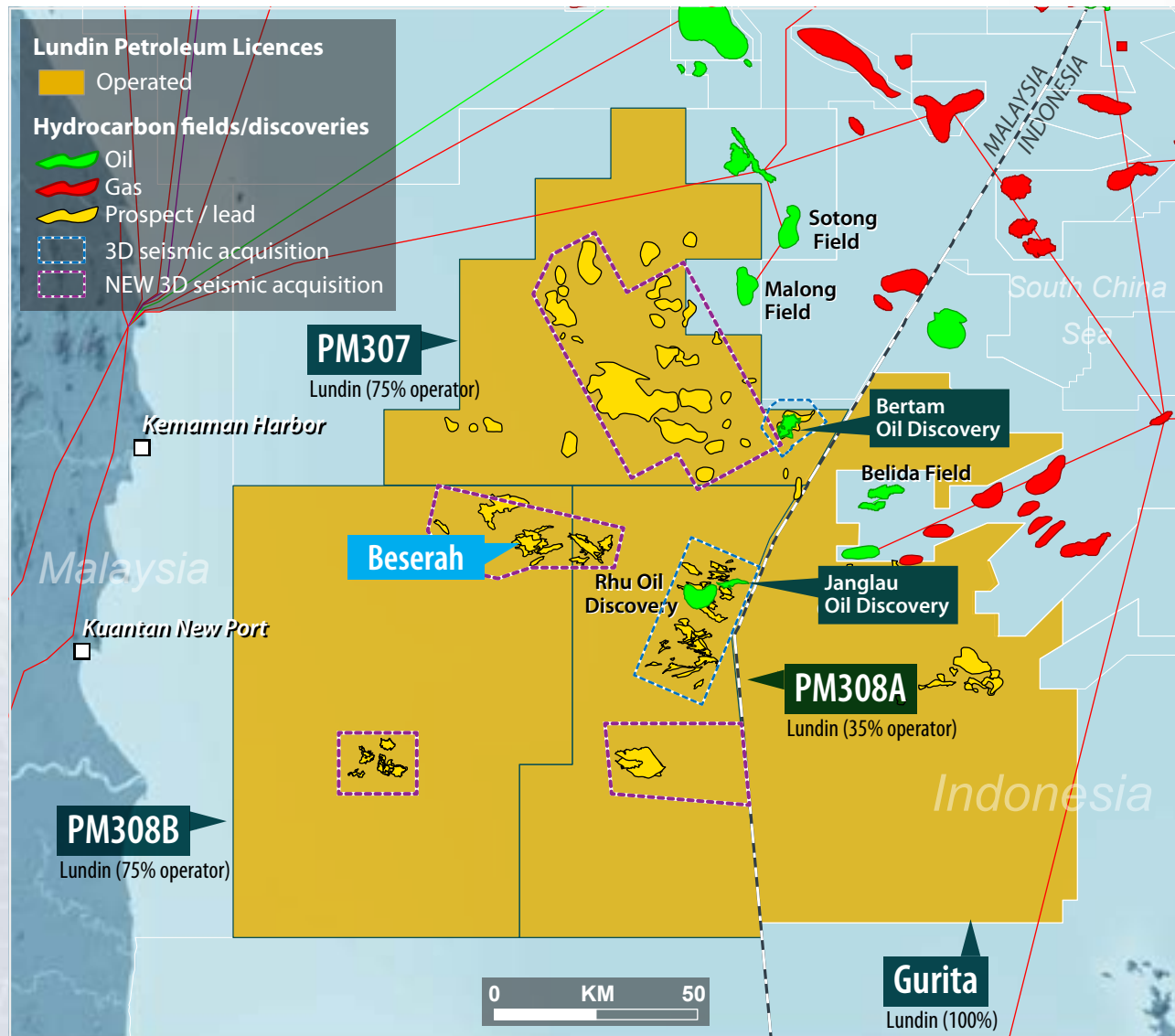
Penyu Basin



Malaysia - Penyu Basin Prospectivity



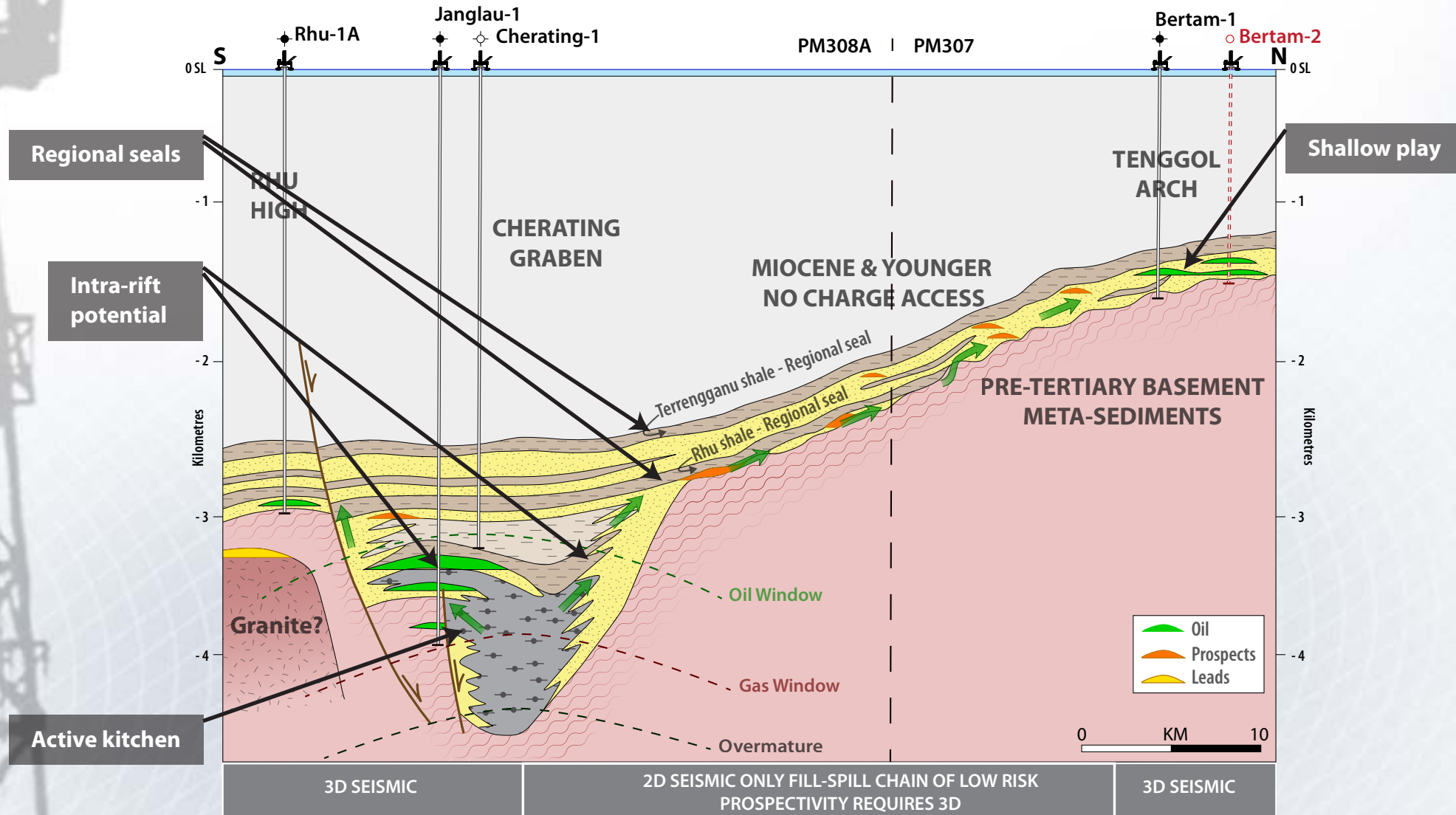
- Contains the Bertam and Rhu oil discoveries (proven petroleum systems)
- Multiple prospects and leads identified on 2D seismic
- Have shot (2009-2011) 3,700 km² 3D seismic
- Successful exploration and appraisal drilling in 2011: Janglau and Bertam
- Unlocks deep and shallow play potential
- Janglau appraisal required
- Bertam – evaluate feasibility for fast track development
- Gurita
 - Intra-rift emerging play
 - Shallow simple low relief closures – proven play



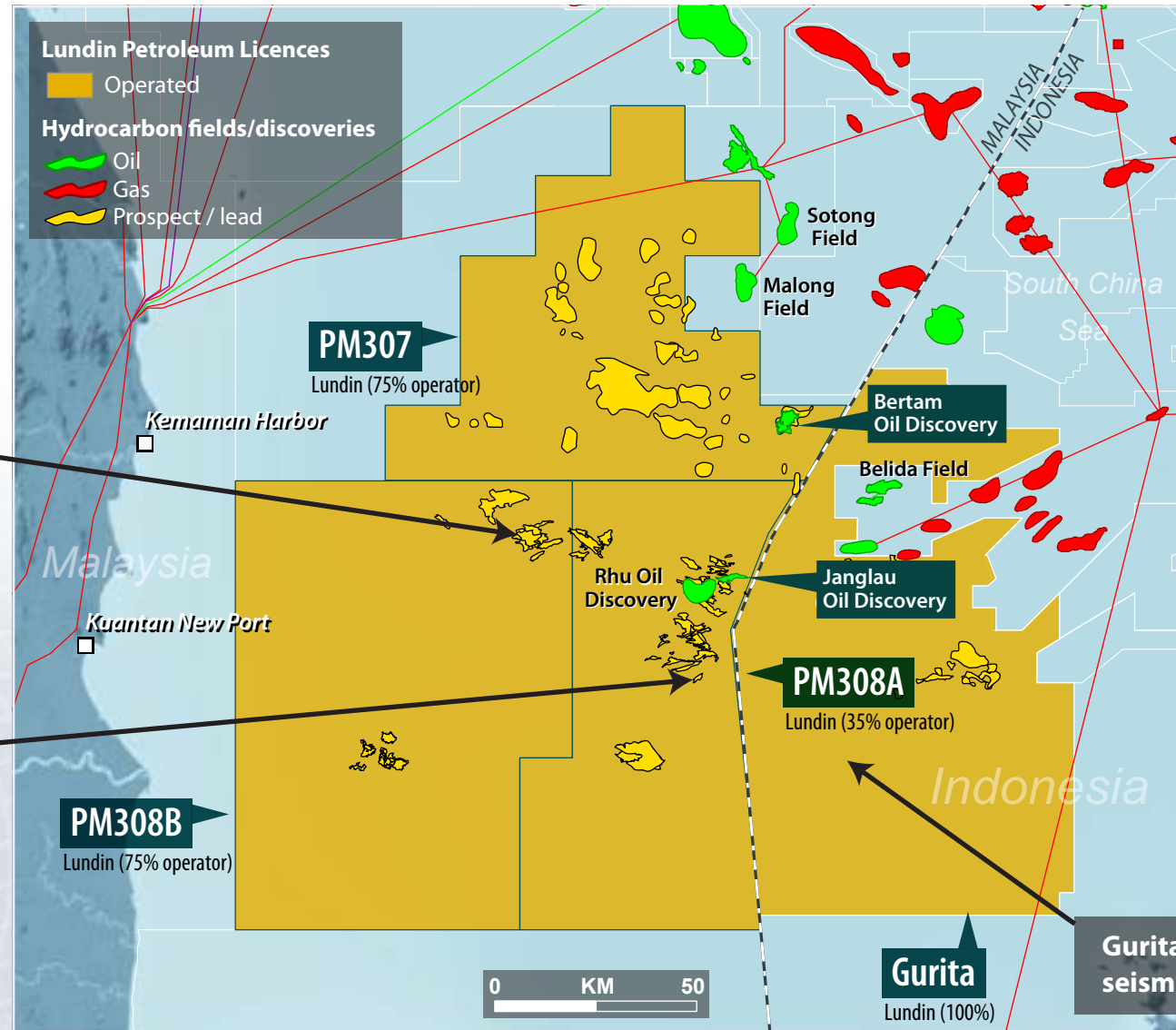
Malaysia - Penyu Basin Prospectivity



North-South Play Cross-section, Rhu-Cherating-Tenggol



Malaysia - Penyu Basin Exploration: 2012



**Beserah: 46mbo (Gross)
Janglau lookalike prospect
– tests westward play
extension**

**PM308A: 2 wells – final
selection ongoing**

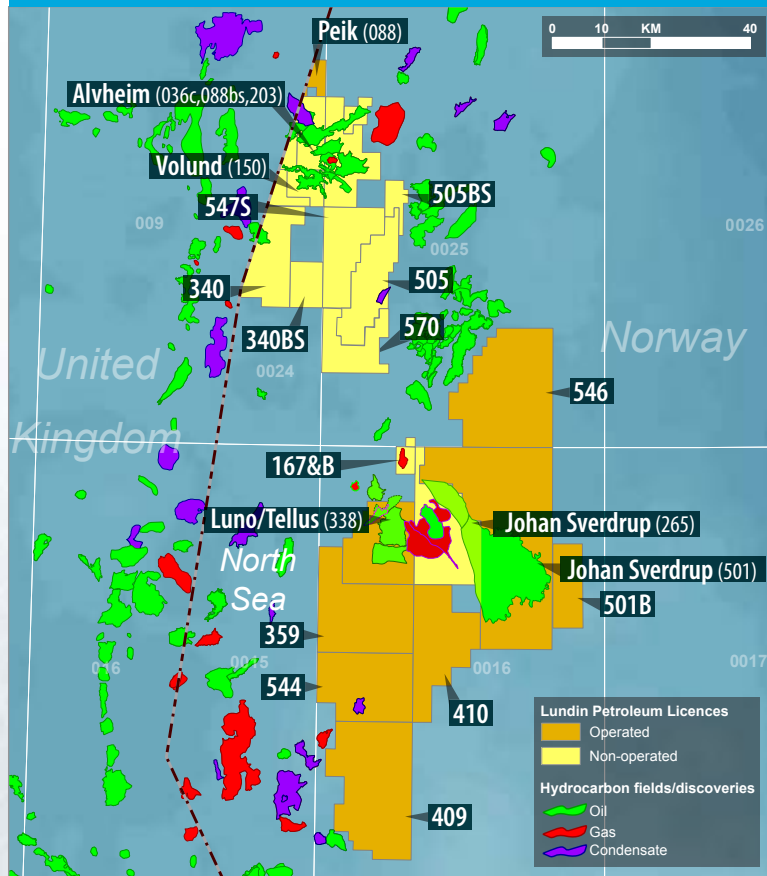
**Gurita: Potential 3D
seismic acquisition**

Malaysia - Sabah Core Area Scale

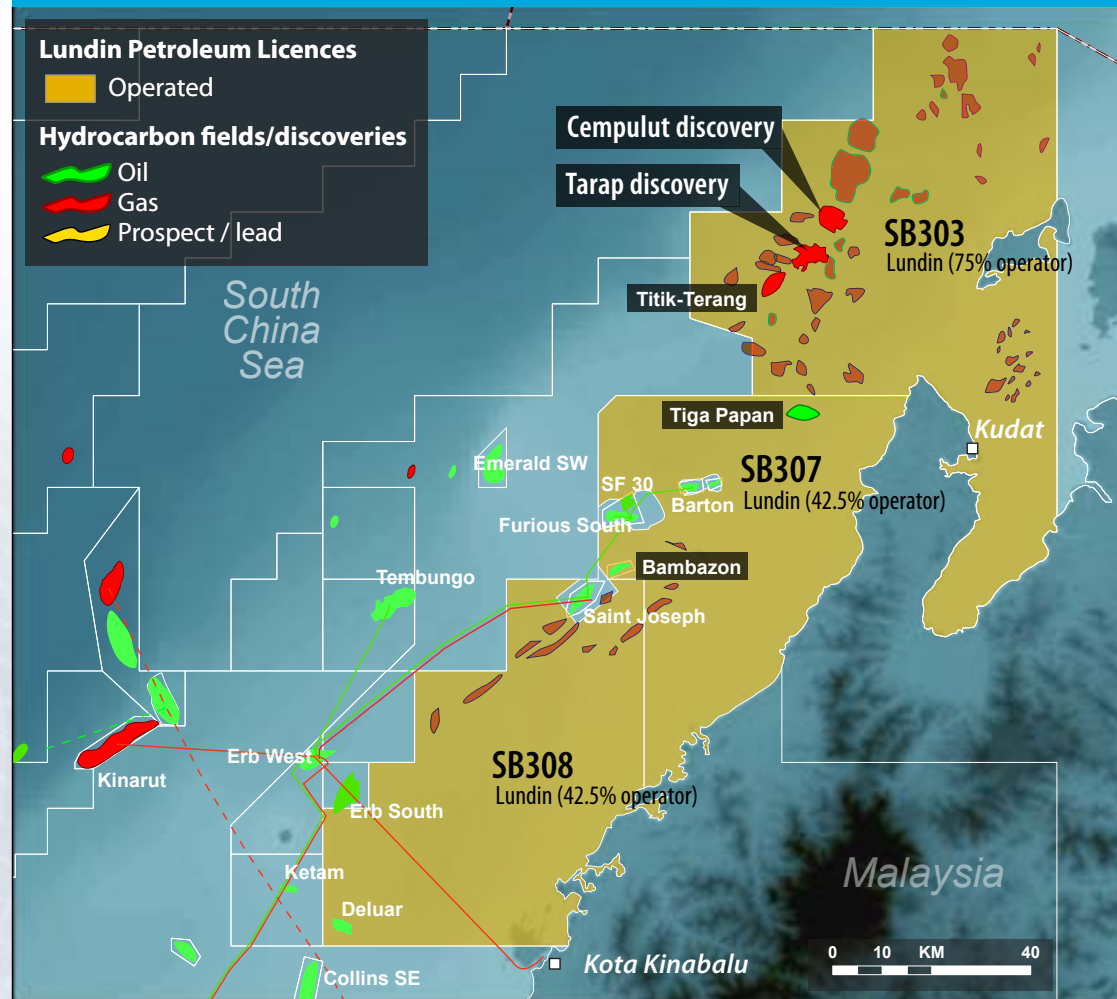


Same Scale

Greater Alvheim & Luno Core Areas



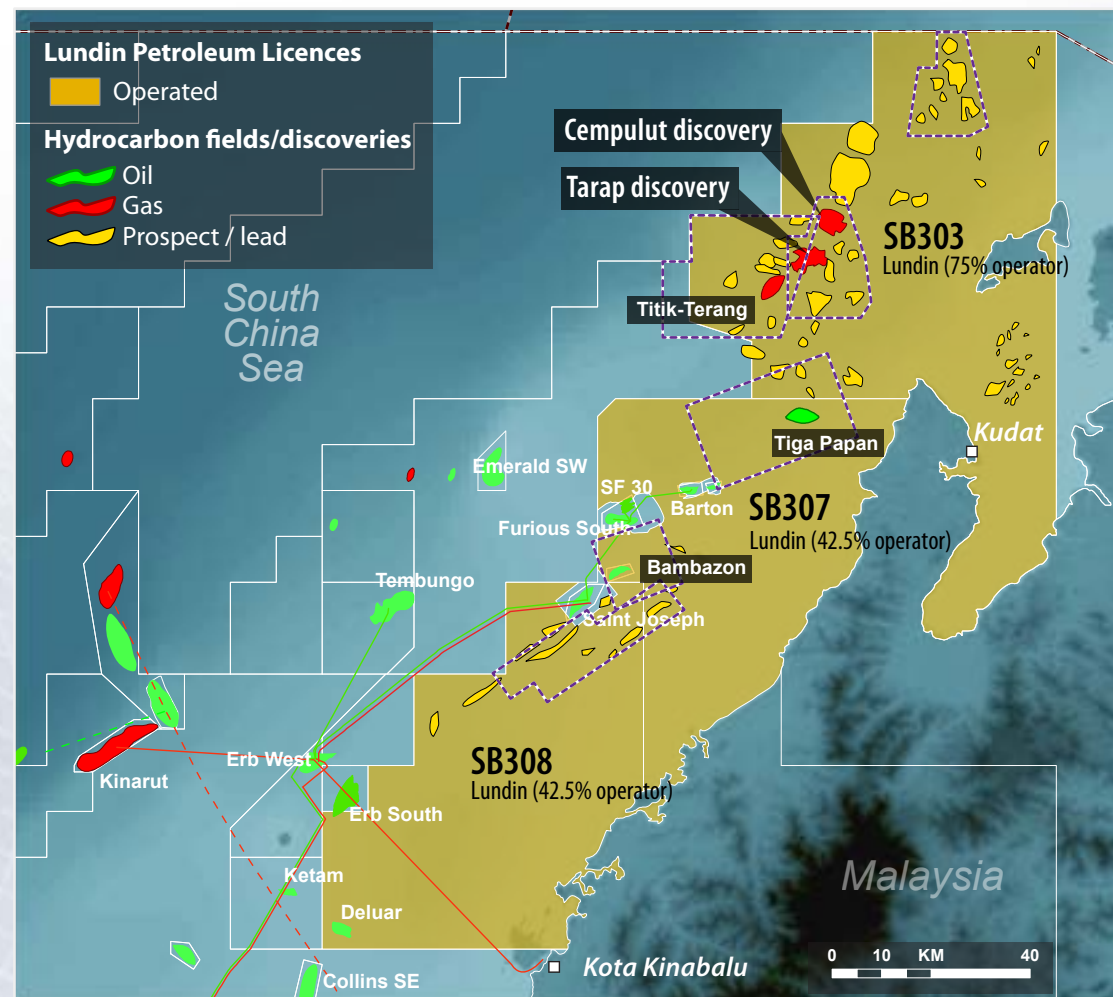
Sabah Shelf



Malaysia - Sabah Core Area Prospectivity



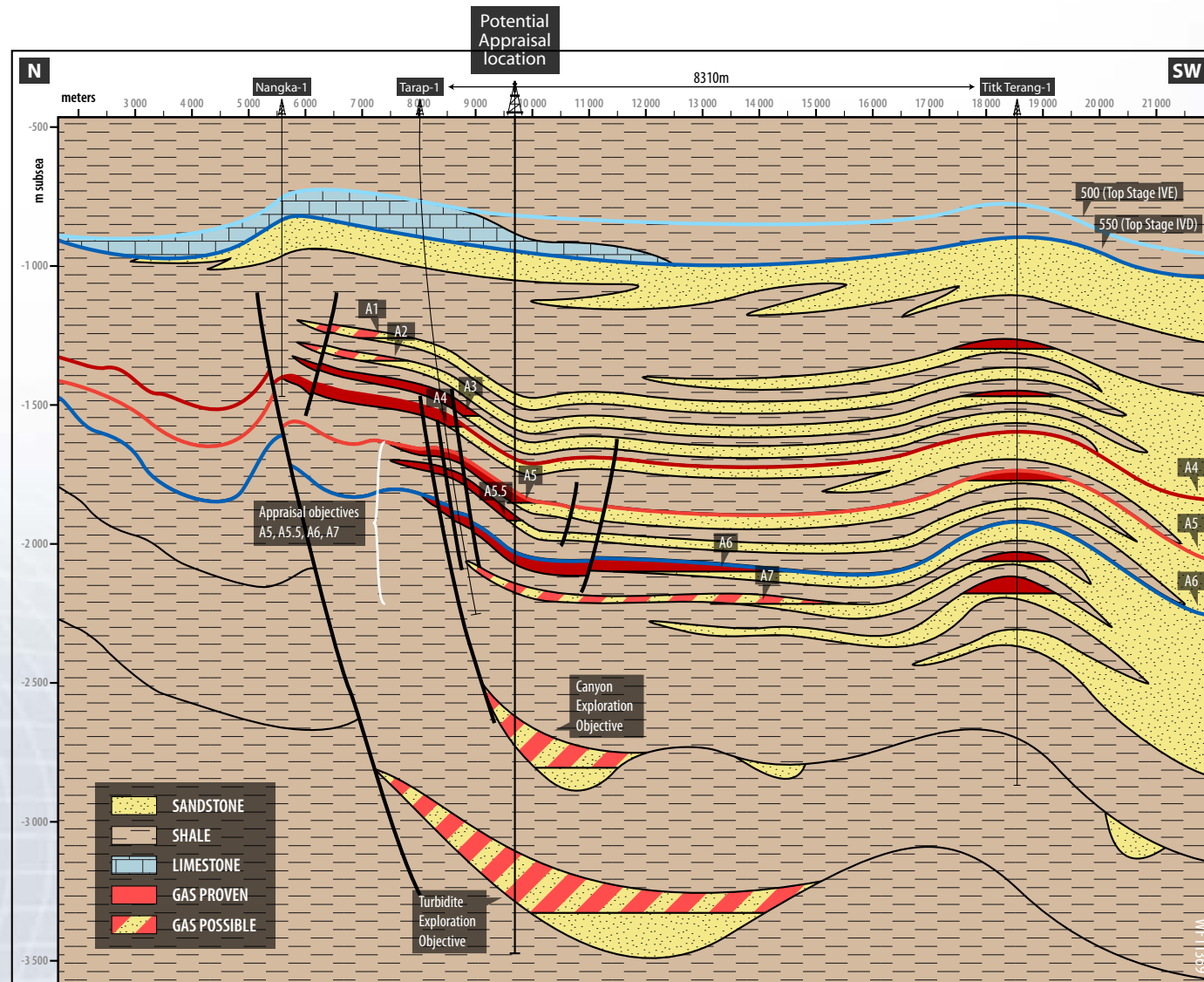
- ➔ Lundin operates large shelf position (SB303 & SB307/308)
- ➔ SB307/308 surrounds major Shell producing fields, ~500mmbbo (proven petroleum system)
- ➔ Multiple undeveloped discoveries: Titik Terang, Tiga Papan & Bambazon
- ➔ 875 km² of new 3D acquired
- ➔ Successful exploration drilling in 2011: 2 gas discoveries in SB303



Malaysia - Sabah Core Area Prospectivity



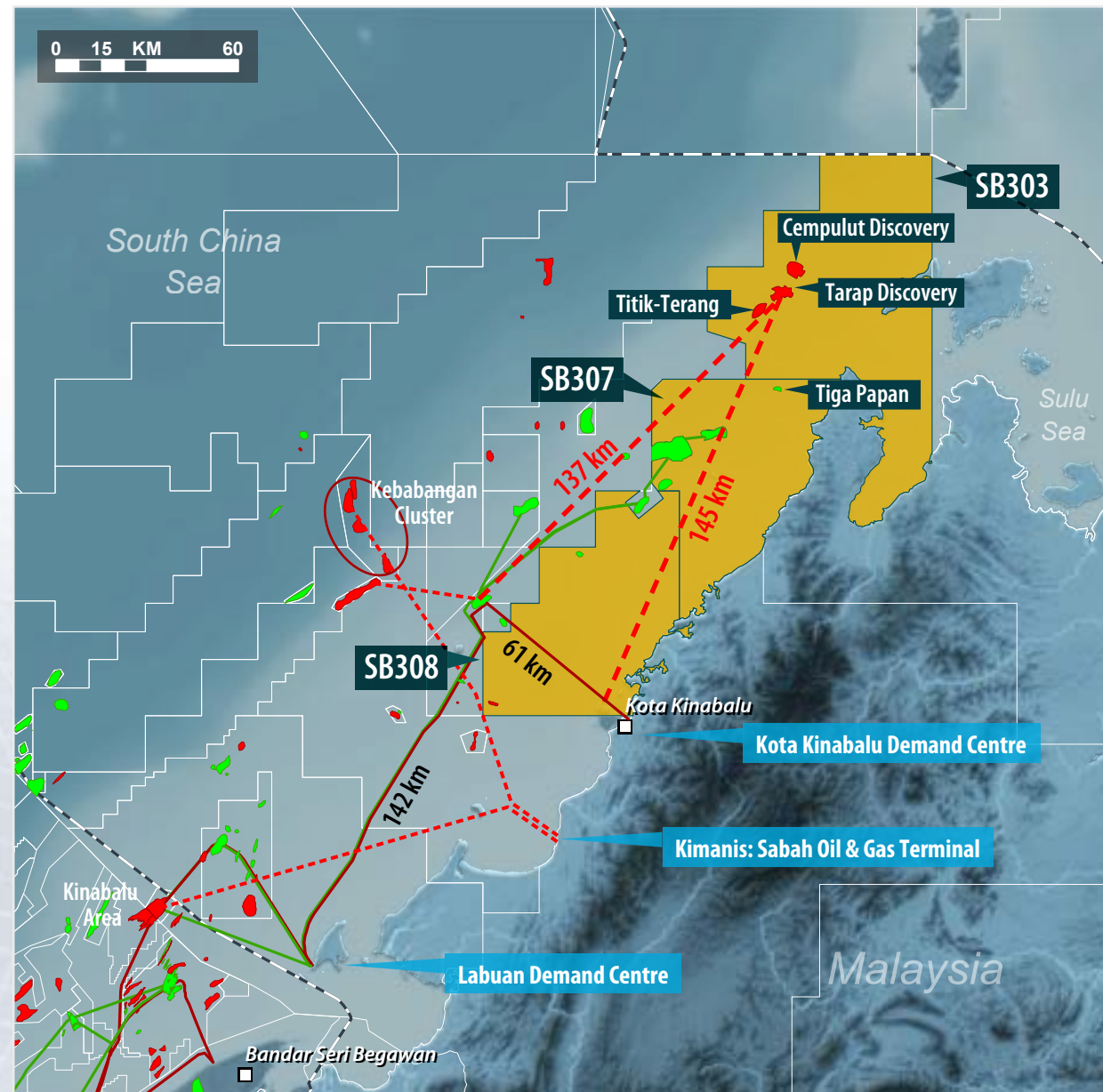
- ➔ Discovered 2C resources ~250bcf
- ➔ Potential for cluster development
- ➔ Appraisal opportunity to define lateral and deep upside potential to yield ~700bcf



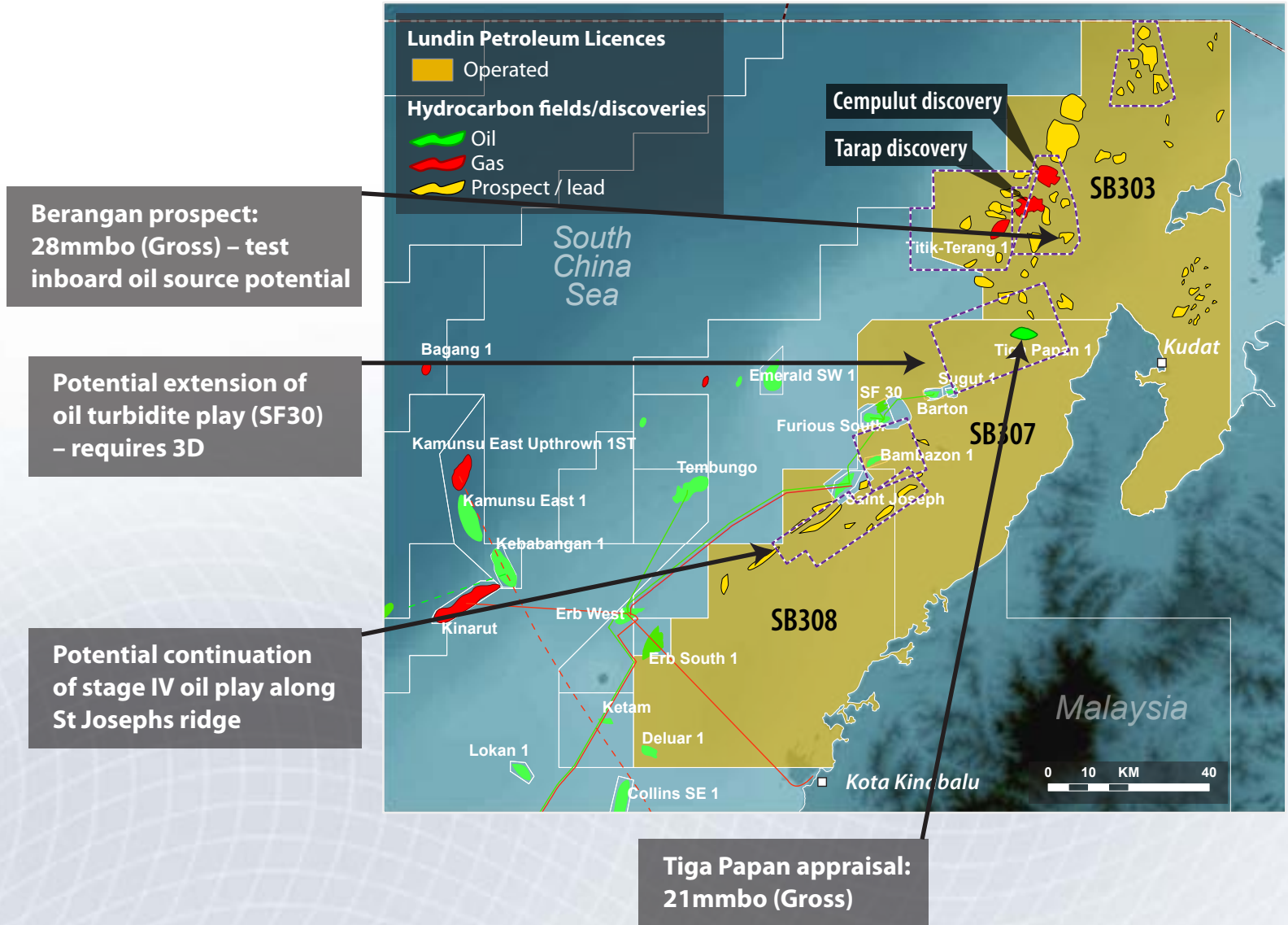
Developing Gas Market in East Malaysia



- 2 established demand centres
- Labuan & Kota Kinabalu
- New oil and gas terminal (SOGT) and pipeline to Sarawak under construction (195km)
- Strong growth expected to continue to drive energy demand
- Supply decline from existing fields
- Multiple options for commercialisation of gas discoveries



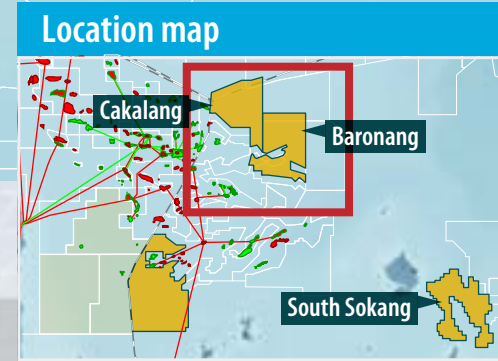
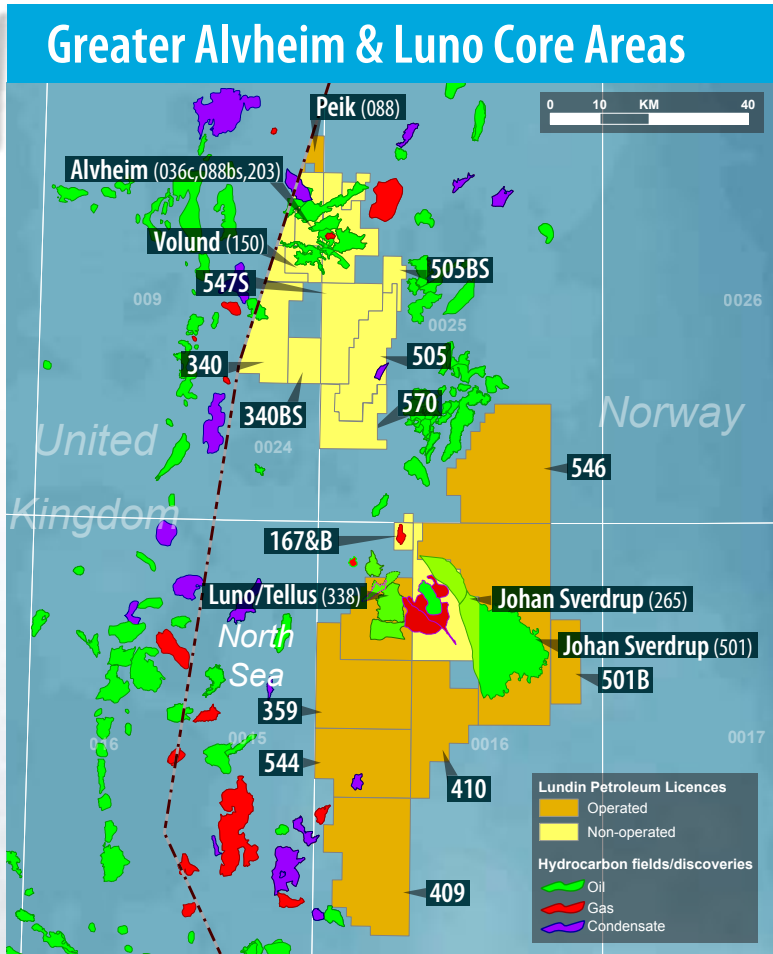
Malaysia - Sabah Core Area Exploration: 2012



Indonesia - Natuna Core Area Scale



Same Scale



Indonesia - Natuna Sea Core Area

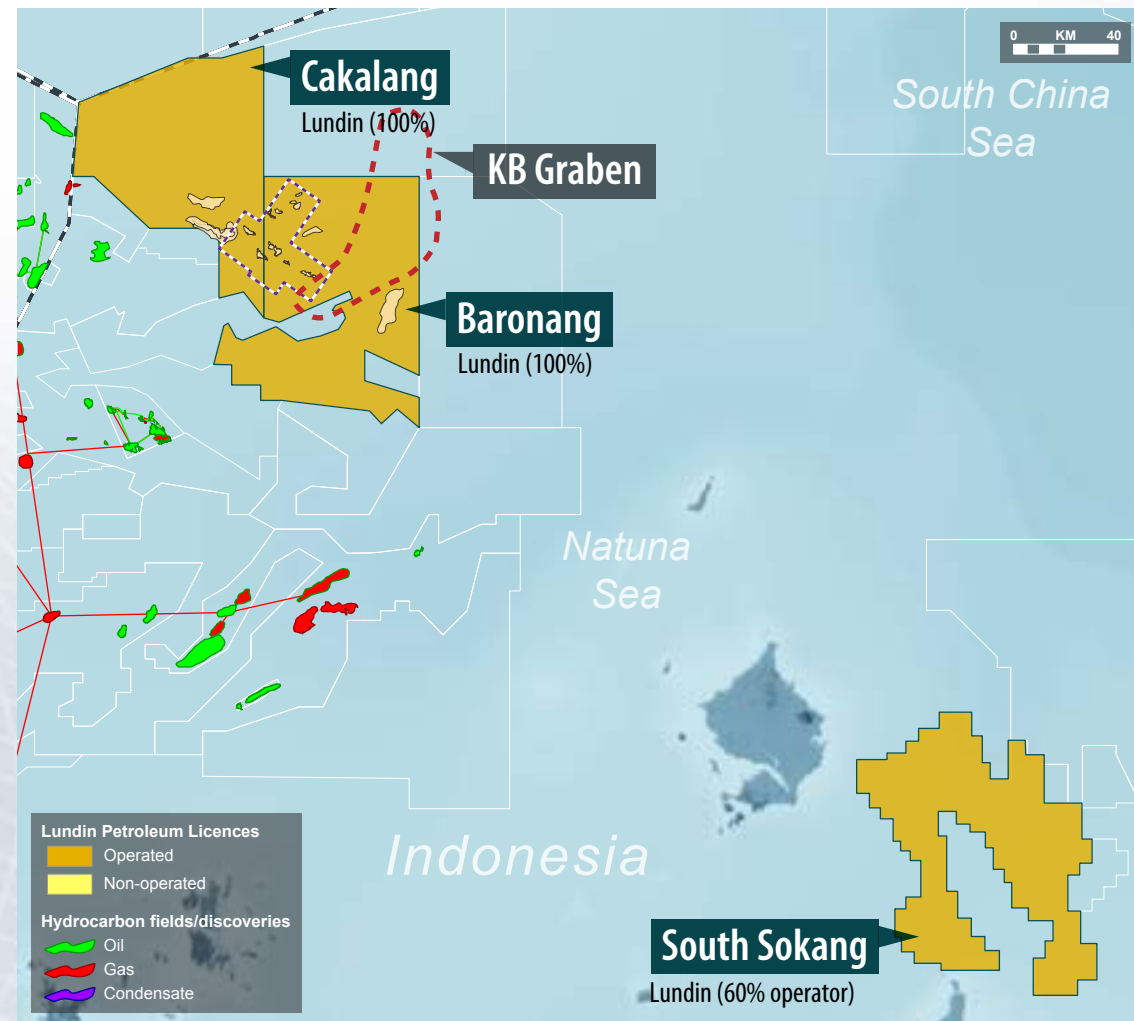


➔ **Baronang and Cakalang** (WI 100%)

- ➔ 974 km² 3D & 1,500 km 2D seismic acquired
- ➔ Drilling to commence in 2013
- ➔ Finalizing selection of prospects identified on 2D+3D seismic
- ➔ Multiple follow up in success case

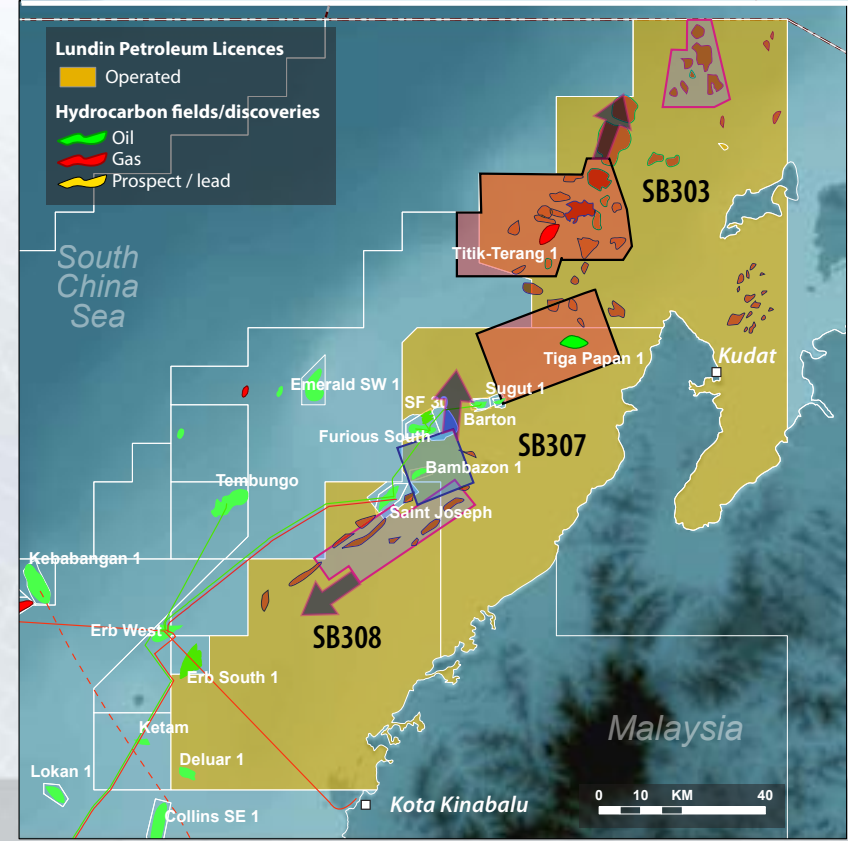
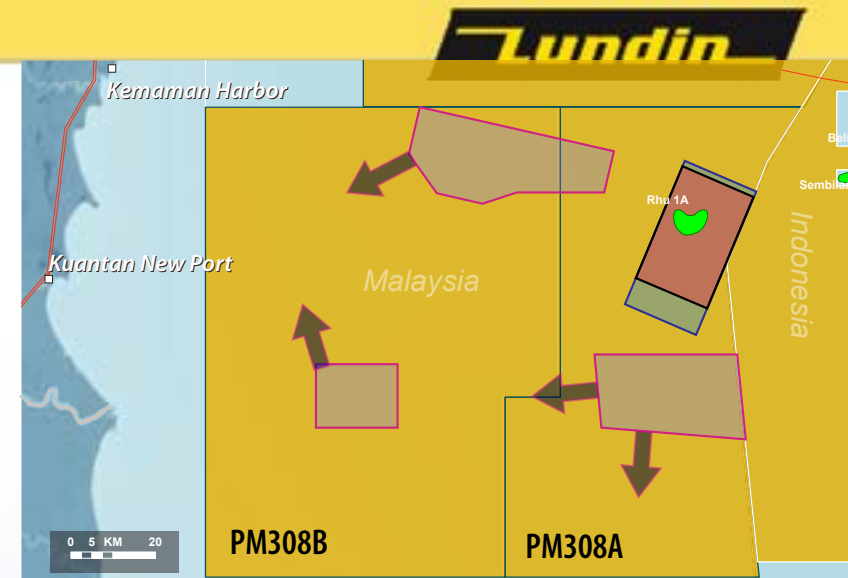
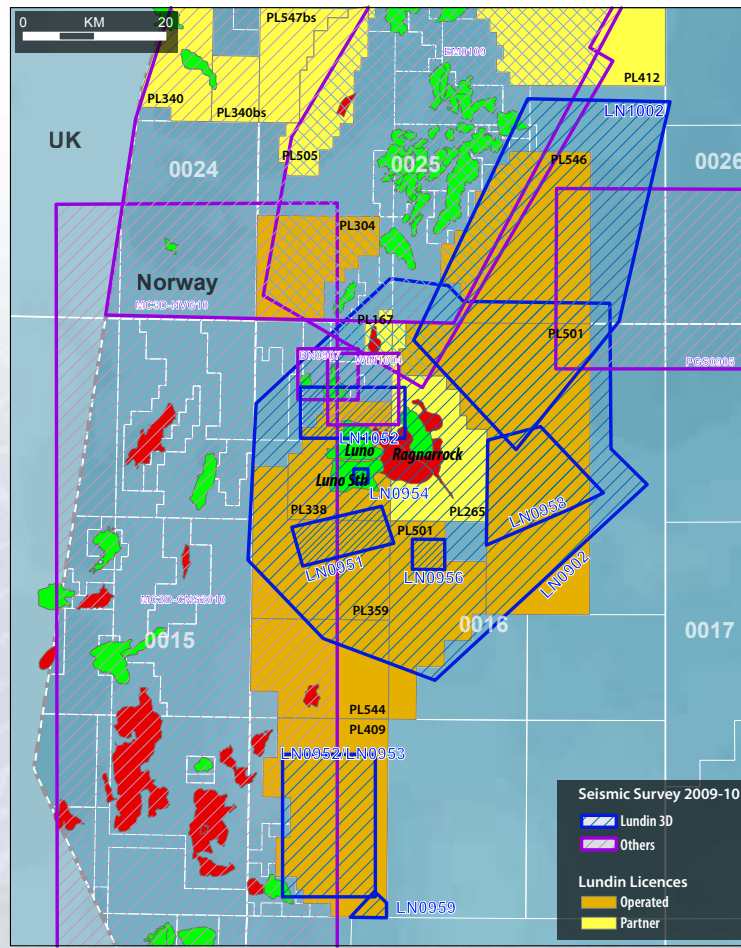
➔ **South Sokang** (WI 60% operator)

- ➔ Deep basin potential
- ➔ 2,400 km 2D data acquired in 2011
- ➔ Multiple plays identified on 2D
- ➔ 3D commitment only (500 sq km)
- ➔ Frontier area



3D Coverage: Norway Example

- ➔ Multiple 3D 's of varying vintage covering Norwegian core areas
- ➔ Sparse coverage in South East Asia by comparison
- ➔ Room to extend 3D areas in success case



Positive Changes to Fiscal Terms



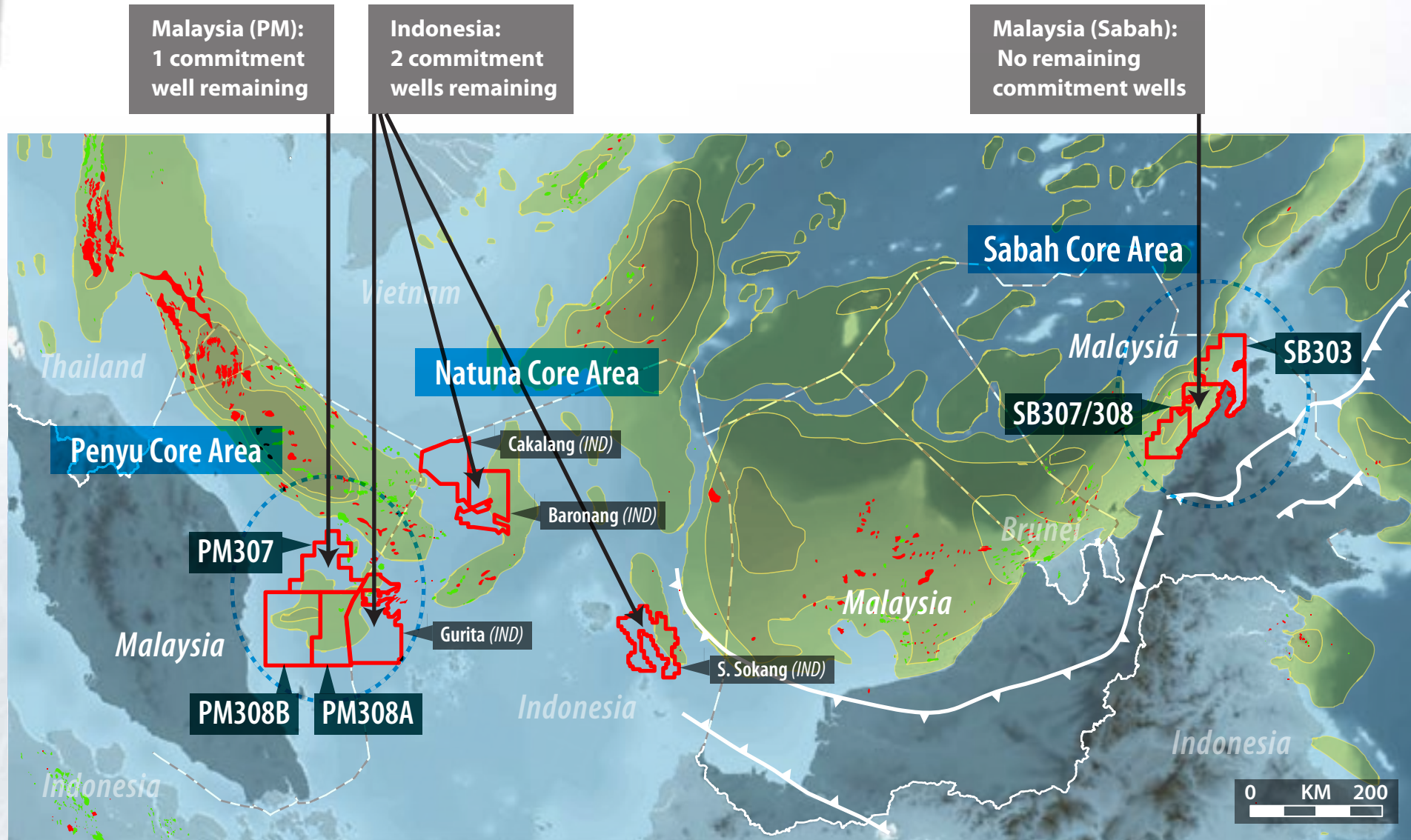
➤ **Malaysia – Tax incentives announced November 2010**

- Tax ring fence for exploration widened
- Taxes reduced and capital allowances accelerated for small fields <30mmbo

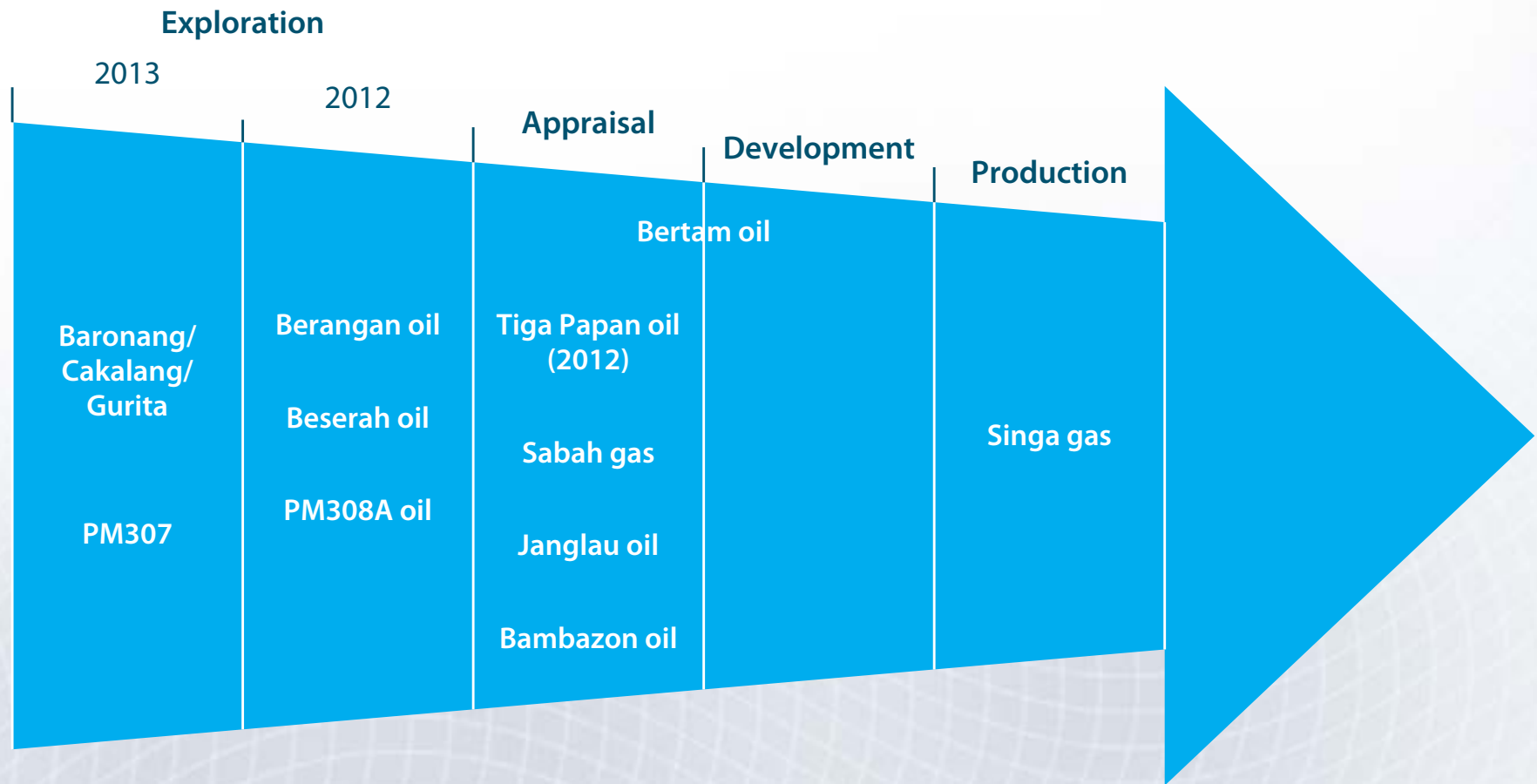
➤ **Indonesia – Improving PSC terms**

- Gurita & South Sokang: 65:35 post tax profit splits

2013+ Exploration Drilling Activity



South East Asia Portfolio Summary



South East Asia Highlights



- **Accumulated a leading core area position in Malaysia and Indonesia**
- **Excellent start to drilling campaign**
 - PM307: Appraisal success (Bertam) > fast track development > huge 3D follow up area
 - PM308A: New intra-rift play opened with Janglau-1
 - SB303: New gas play discovered > potential hub for cluster development
- **5 well program in 2012 with a balance between appraisal and exploration opportunities**
- **Continue application of 3D seismic as an exploration tool**
- **Improving fiscal environment adds to value proposition**
- **Commence Indonesian drilling in 2013 to open up new plays**
- **Positioned for future resource growth and value creation**

Other Countries

Lundin

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January 2012*

France - Growth Potential

➤ Major operated portfolio

- ➔ 2011 production: 3,000+ boepd
- ➔ 2P Reserves: 25 MMboe
- ➔ Stable low decline production

➤ Attractive fiscal regime

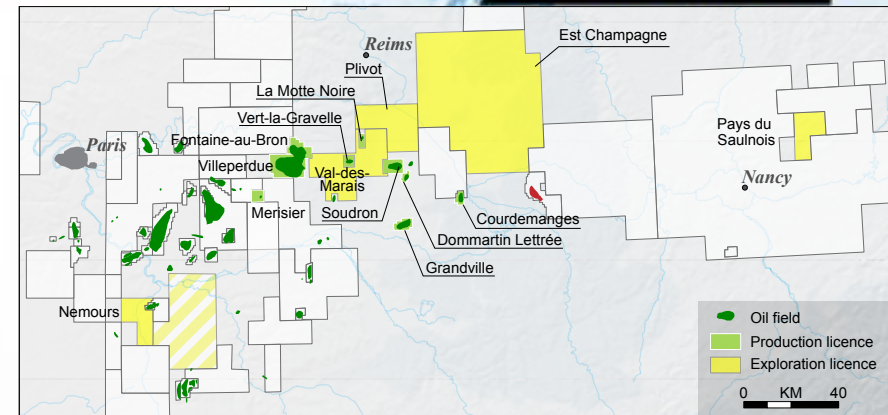
- ➔ 33% corporation tax

➤ 2012 Contingent Resources 10 MMboe

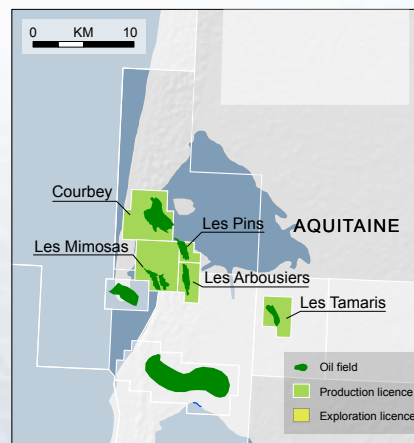
➤ Large acreage position

- ➔ Paris Basin 1.1 million net acres
- ➔ Plaines du Languedoc 0.6 million net acres

➤ Exploration potential

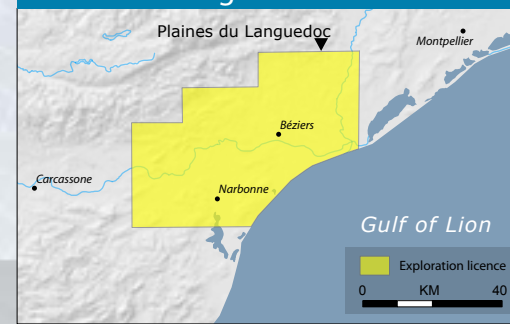


Paris Basin



Aquitaine Basin

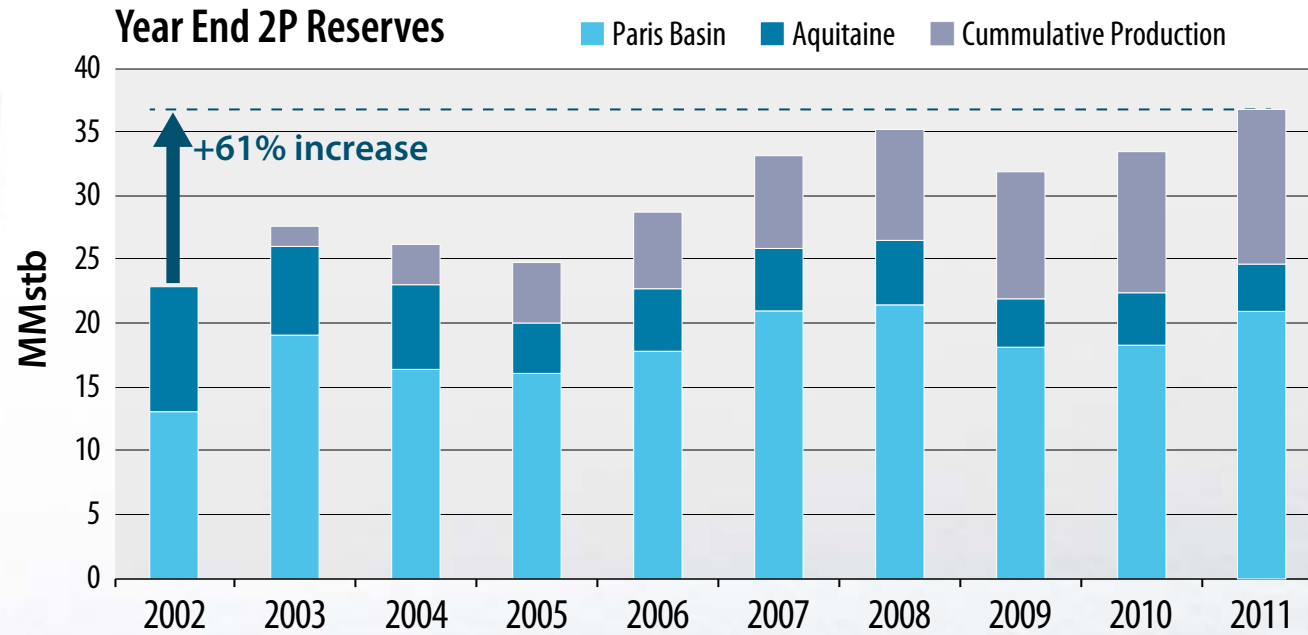
Plaines du Languedoc



Gulf of Lion

0 KM 40

France Resource History

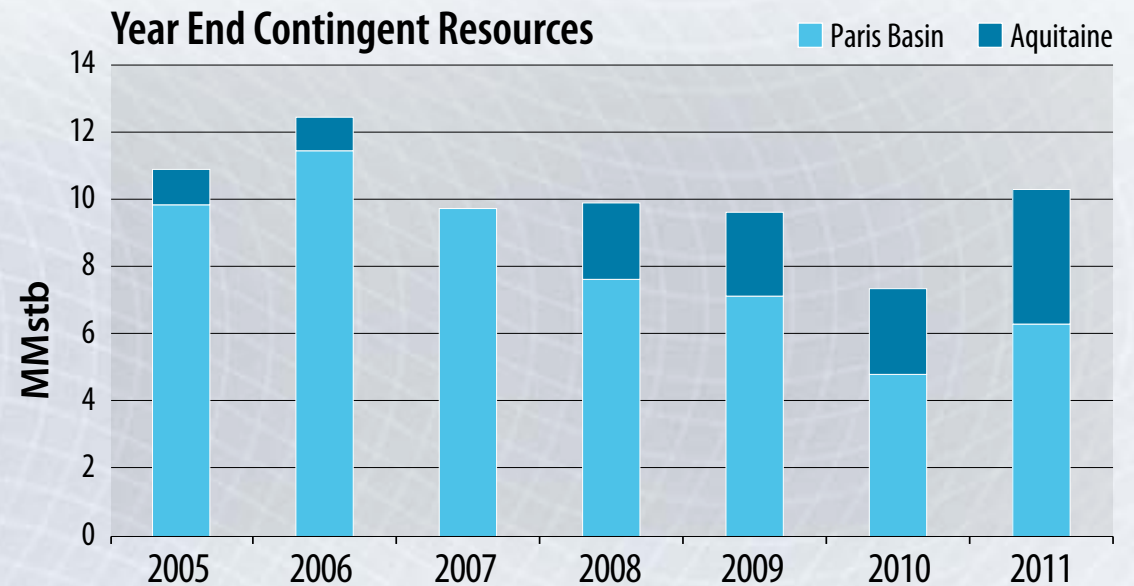


➤ 6 Grandville development wells

➤ 2 exploration wells

➔ Val des Marais

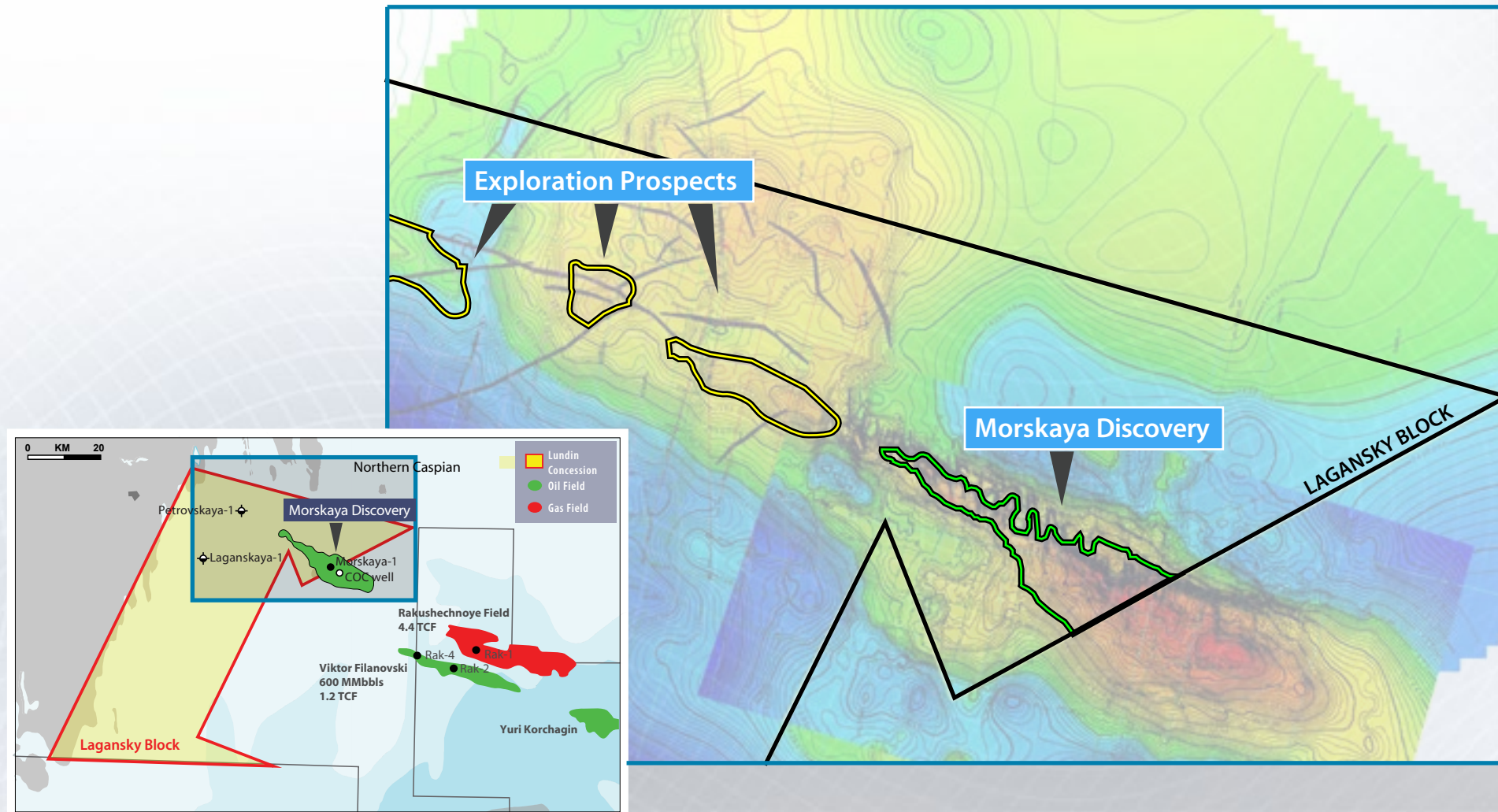
➔ Est Champagne



Russia - Lagansky



- ➔ Lundin Petroleum working interest 70% - Gunvor 30%
- ➔ Drilled 3 exploration wells
- ➔ Morskaya discovery in 2008
 - ➔ 3D seismic in 2009 2010
 - ➔ 157 MMboe gross contingent resources on block
- ➔ Discussions with state owned companies ongoing to fulfil Foreign Strategic Investment Law



2012 Financial Overview



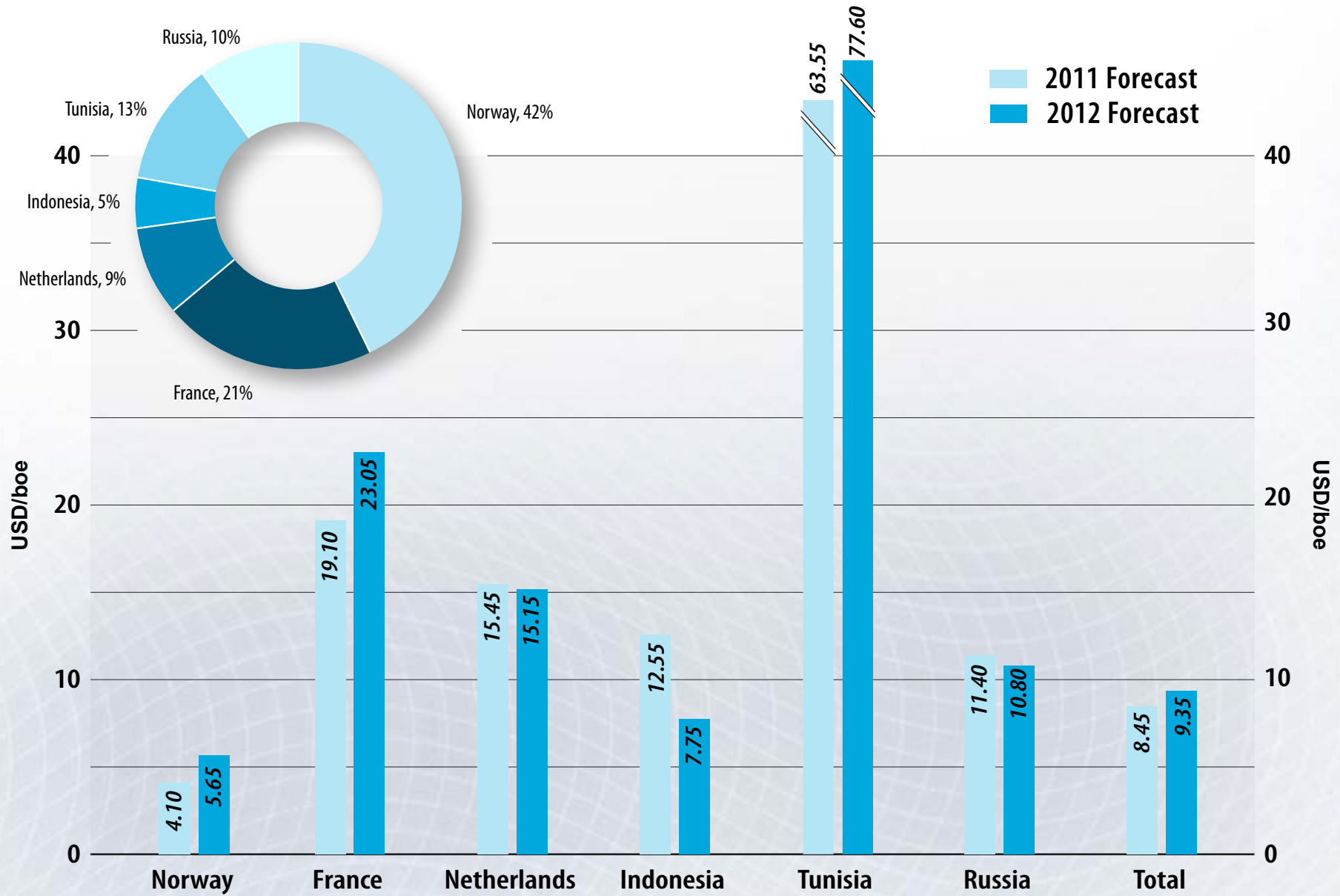
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2012 Forecast Margin Netback [USD/boe]

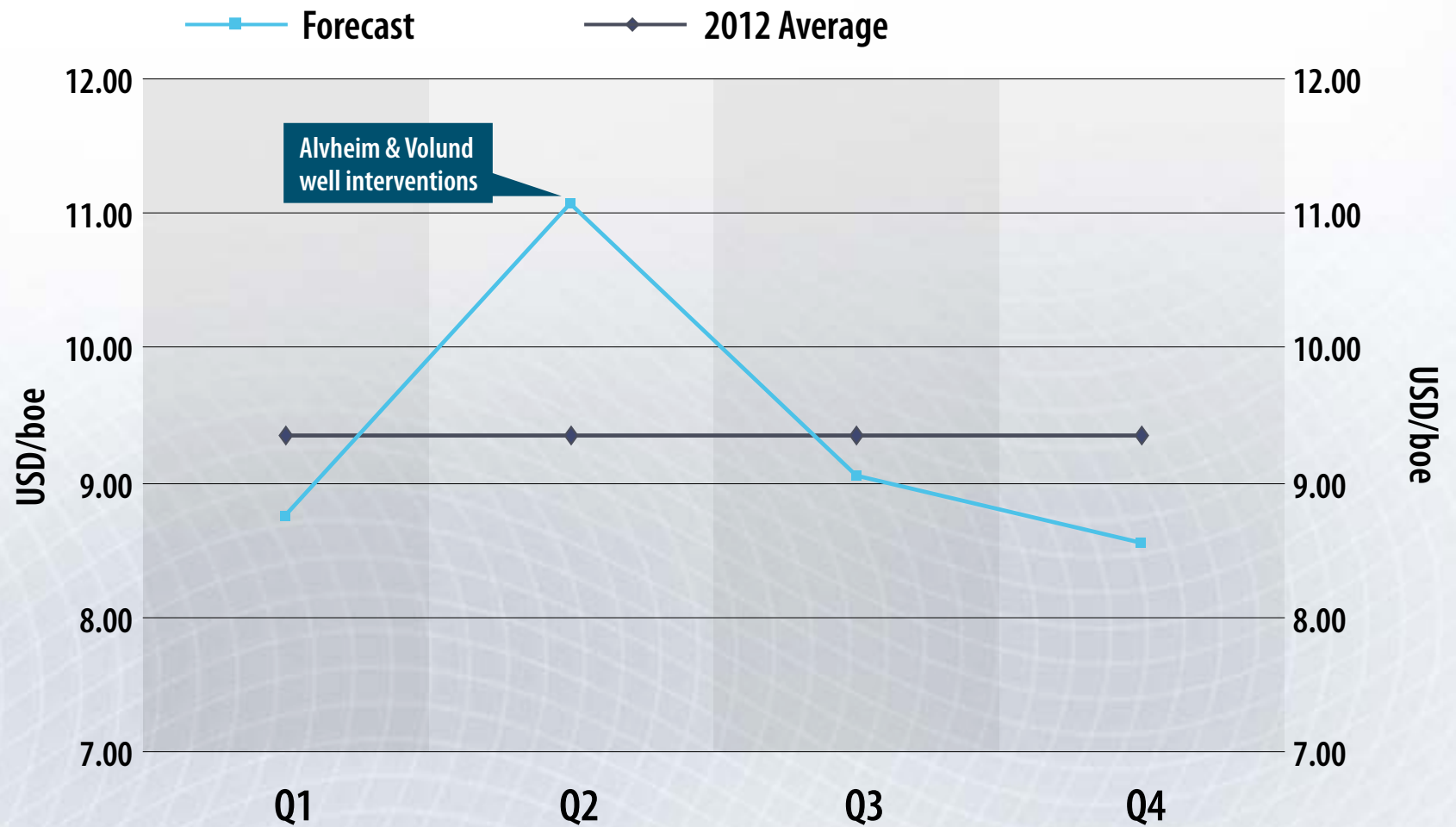


	Forecast 2012	Forecast 2012	Forecast 2011
<i>Brent Oil Price</i>	95.00	115.00	111.25
Revenue	83.90	99.30	104.50
Cost of Operations	-9.35	-9.35	-8.45
Tariffs	-2.05	-2.05	-1.90
Production Taxes	-3.70	-4.50	-4.30
Stock Movements	0.20	0.20	-1.10
Other	-0.20	-0.20	-0.20
Cash Margin Netback	68.80	83.40	88.55

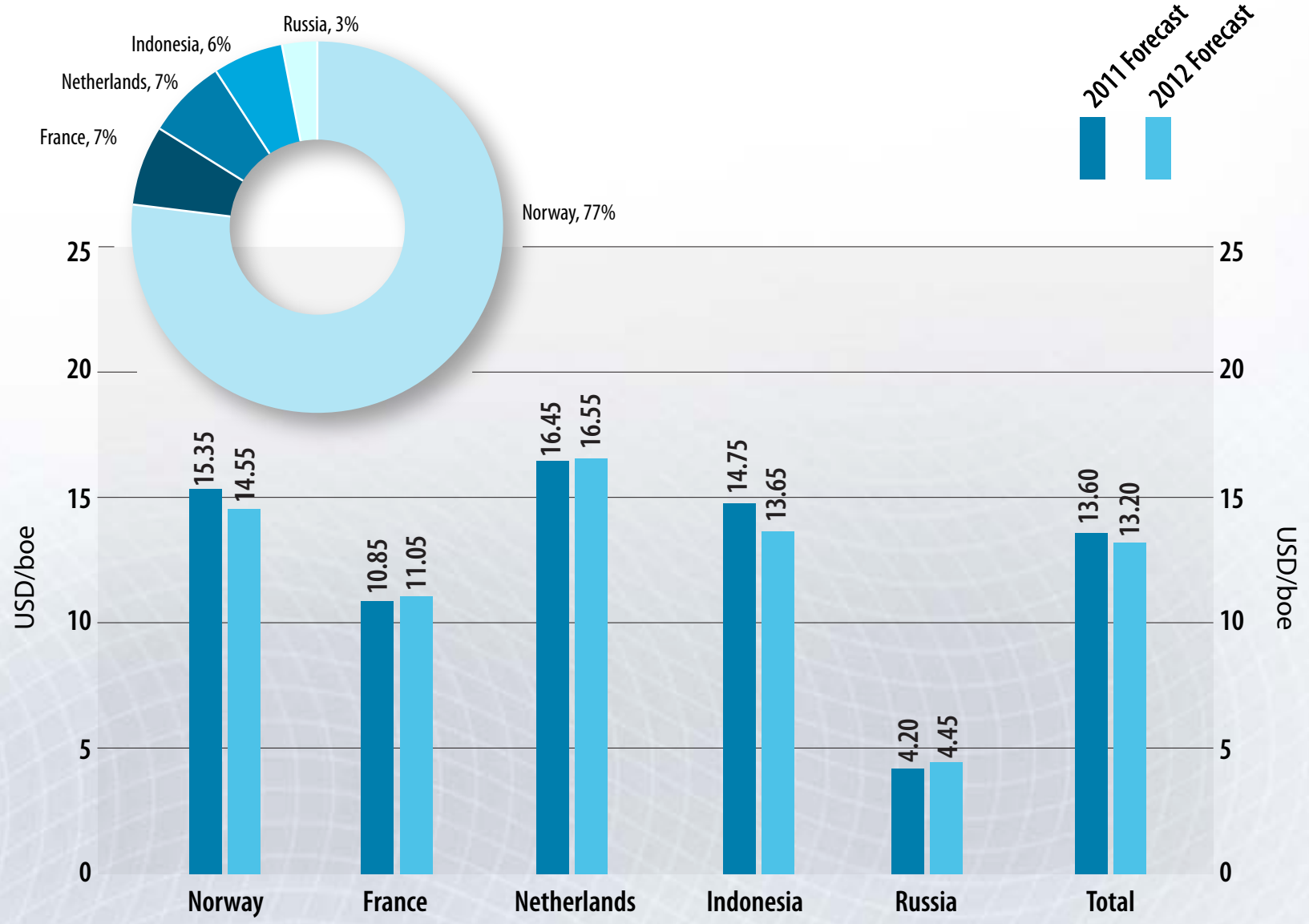
2012 Forecast Cost of Operations



2012 Cost of Operations - Quarterly



2012 Forecast Depletion



2012 Forecast Profit Netback [USD/boe]



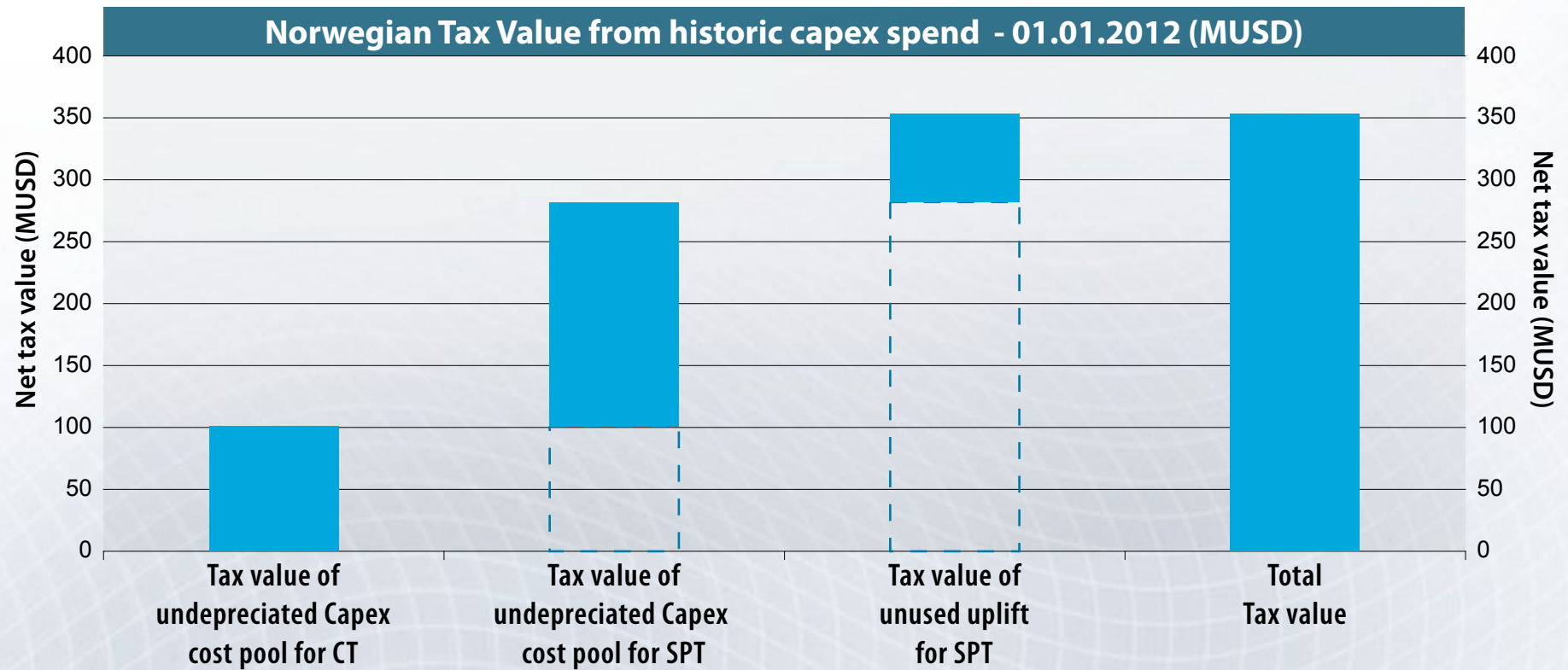
	Forecast 2012	Forecast 2012
<i>Brent oil price</i>	95.00	115.00
Cash Margin Netback	68.80	83.40
Depletion	-13.20	-13.20
G&A	-3.30	-3.30
Financial Items, net	-0.95	-0.85
Profit Before Tax	51.35	66.05
Tax	-37.45	-47.75
Profit After Tax	13.90	18.30

2012 Forecast Taxation [USD/boe]



	Forecast 2012	Forecast 2012
<i>Brent Oil Price</i>	95.00	115.00
Current Tax Charge	10.60	20.85
Deferred Tax charge	26.85	26.90
	37.45	47.75
Effective Tax Rate	73%	72%
Operational Tax Rate	67%	68%

Norwegian Tax Value



2012 Forecast Operating Cash Flow Netback [USD/boe]



	Forecast 2012	Forecast 2012
<i>Brent Oil Price</i>	95.00	115.00
Cash Margin Netback	68.80	83.40
Cash Taxes	-10.60	-20.85
Operating Cash Flow Netback	58.20	62.55

2012 Forecast EBITDA Netback [USD/boe]



	Forecast 2012	Forecast 2012
<i>Brent Oil Price</i>	95.00	115.00
Cash Margin Netback	68.80	83.40
General & Administrative	-3.00	-3.00
EBITDA	65.80	80.40

General & Administrative

Cash	1.35
Non-cash LTIP	1.65
	<hr/> 3.00
Depreciation	0.30
	<hr/> 3.30

2012 Forecast Cash Flow Available for Investment [USD/boe]



	Forecast 2012	Forecast 2012
<i>Brent Oil Price</i>	95.00	115.00
Operating Cash Flow Netback	58.20	62.55
General & Administrative	-1.35	-1.35
Cash Financial Items	-0.65	-0.50
Cash Flow available for Investment	56.20	60.70

			MUSD
Development Capex	39.00	39.00	500
Exploration Capex	35.90	35.90	460

➤ ShaMaran (Q1 2012)

- ➔ 50 Million shares held in ShaMaran
- ➔ Booked at CND 0.63/share (2009)
- ➔ Currently trading around CND 0.25/share
- ➔ Approx. MUSD 20 non-cash expense

	MUSD
➤ Development cost to be funded ⁽¹⁾	➔ 2,500 (over 4 years)
➤ Current exploration spend	➔ 300 - 400 (per annum)
➤ Operating cash flow generated 2011	➔ 675
➤ Existing asset base ⁽¹⁾ supports borrowings	➔ ~ 2,500
➤ New reserve base lending facility to be arranged in 2012	

⁽¹⁾ Excluding Johan Sverdrup

Share Capital 31 December 2011



- Shares issued 317.9 million
- Shares in circulation 311 million
- Treasury shares 6.9 million

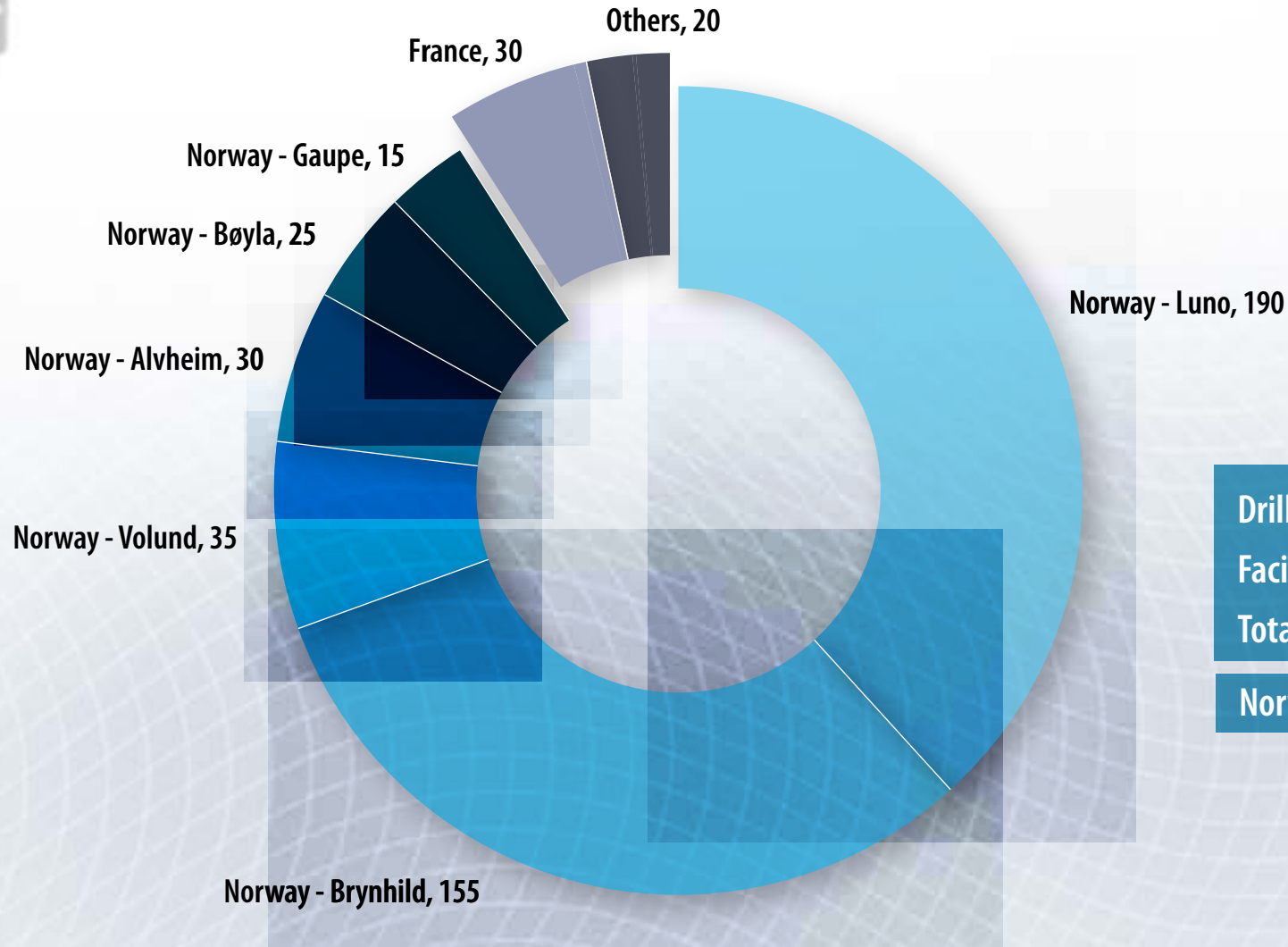
- Listed on Stockholm and Toronto stock exchanges

2012 Summary



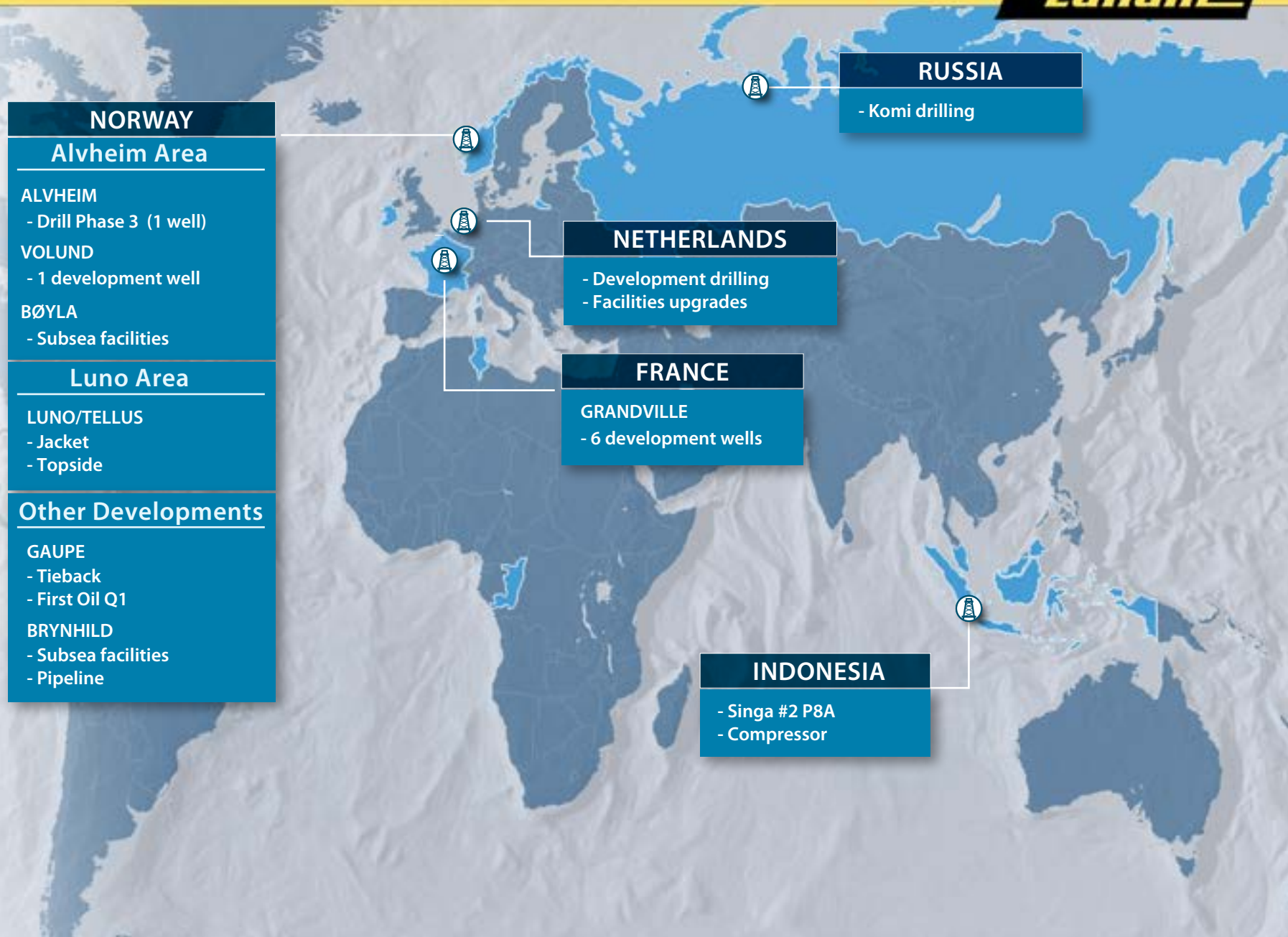
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2012 Budget Development Expenditure MUSD



	2012
Drilling	100
Facilities	400
Total	500
Norway	90%

2012 Development Work Programme



NORWAY

Alvheim Area

- ALVHEIM
 - Drill Phase 3 (1 well)
- VOLUND
 - 1 development well
- BØYLA
 - Subsea facilities

Luno Area

- LUNO/TELLUS
 - Jacket
 - Topside

Other Developments

- GAUPE
 - Tieback
 - First Oil Q1
- BRYNHILD
 - Subsea facilities
 - Pipeline

RUSSIA

- Komi drilling

NETHERLANDS

- Development drilling
- Facilities upgrades

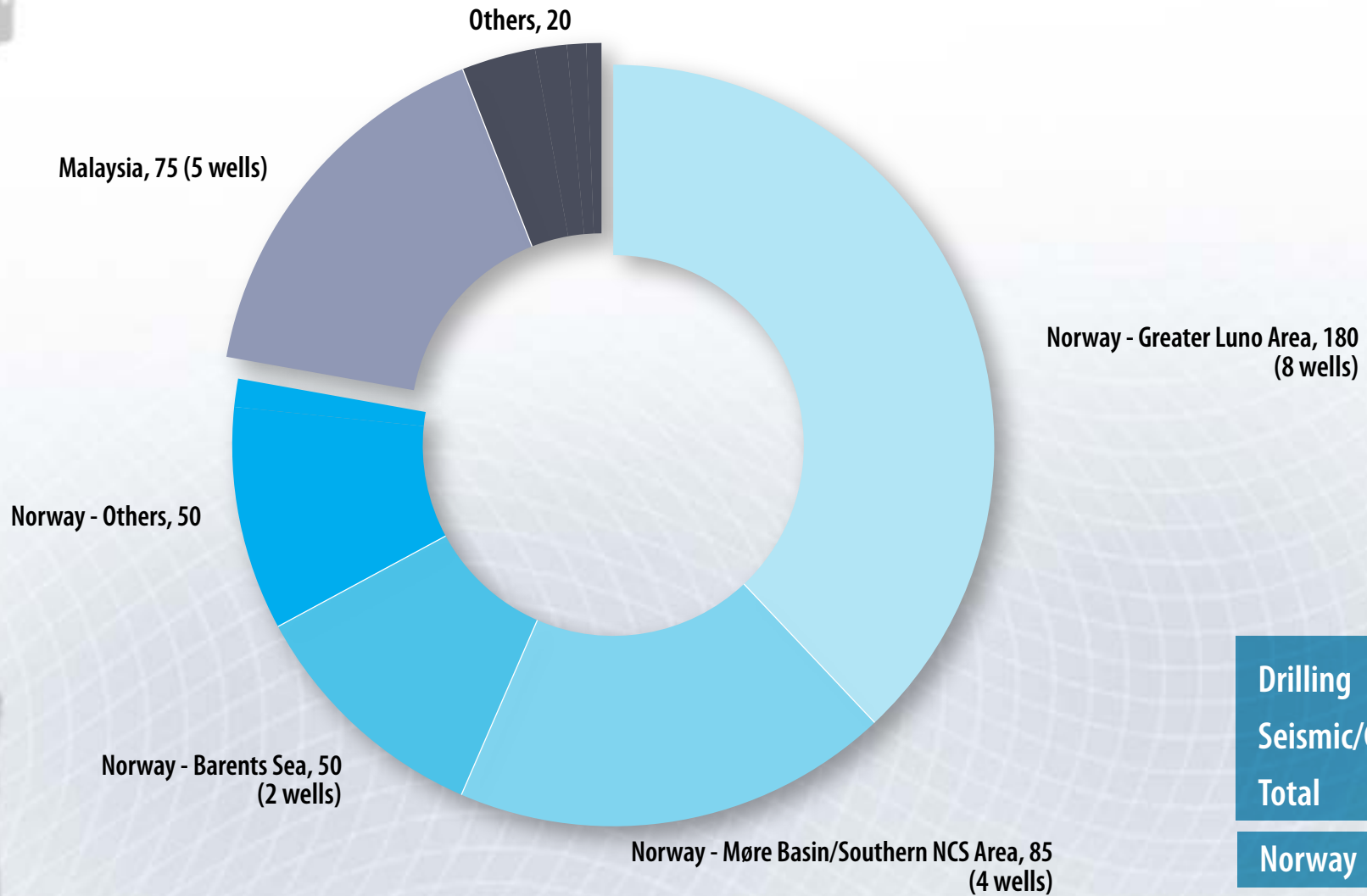
FRANCE

- GRANDVILLE
 - 6 development wells

INDONESIA

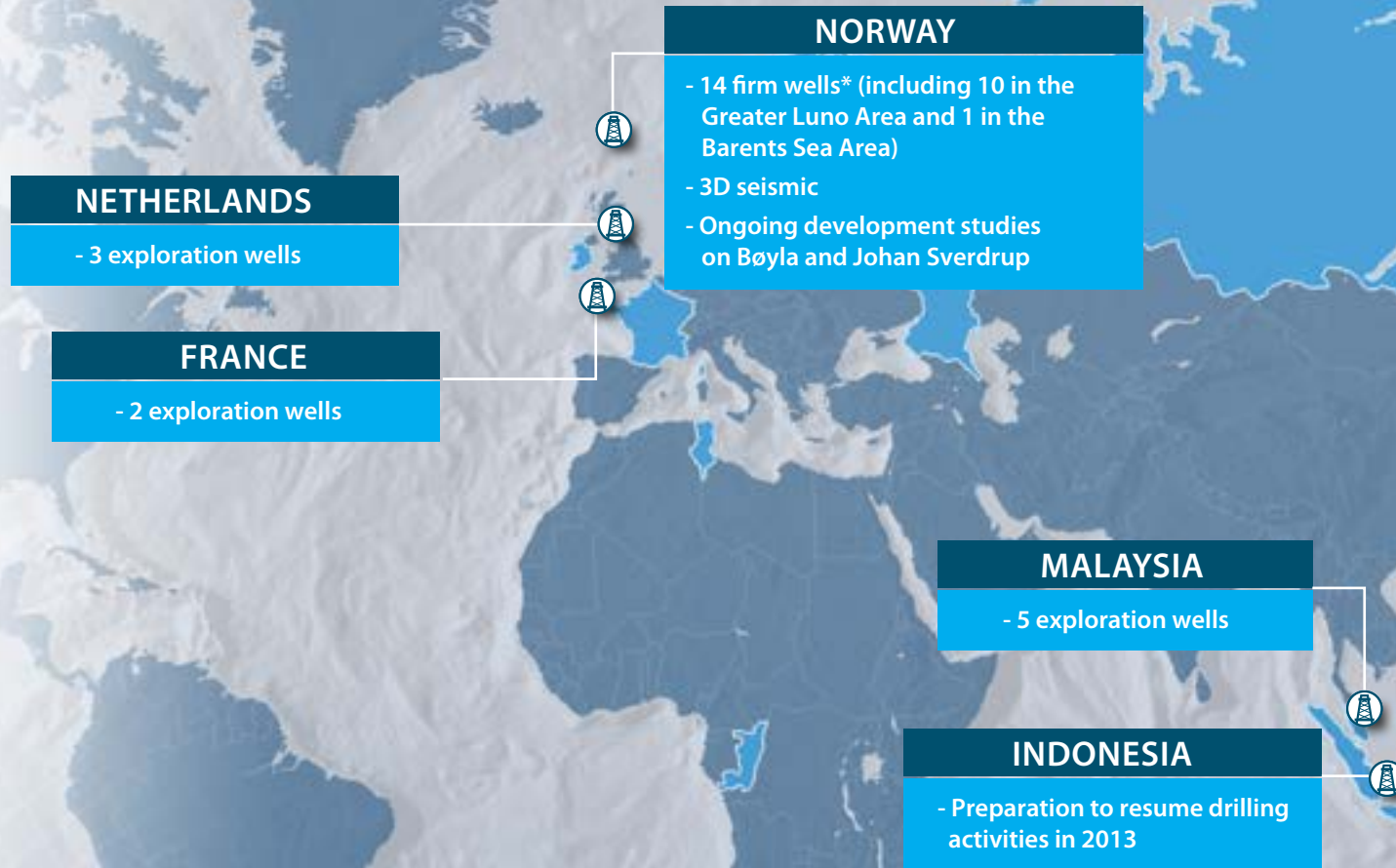
- Singa #2 P8A
- Compressor

2012 Budget Exploration Expenditure MUSD



	2012
Drilling	320
Seismic/G&G	140
Total	460
Norway	79%

Exploration Licence Activity 2012



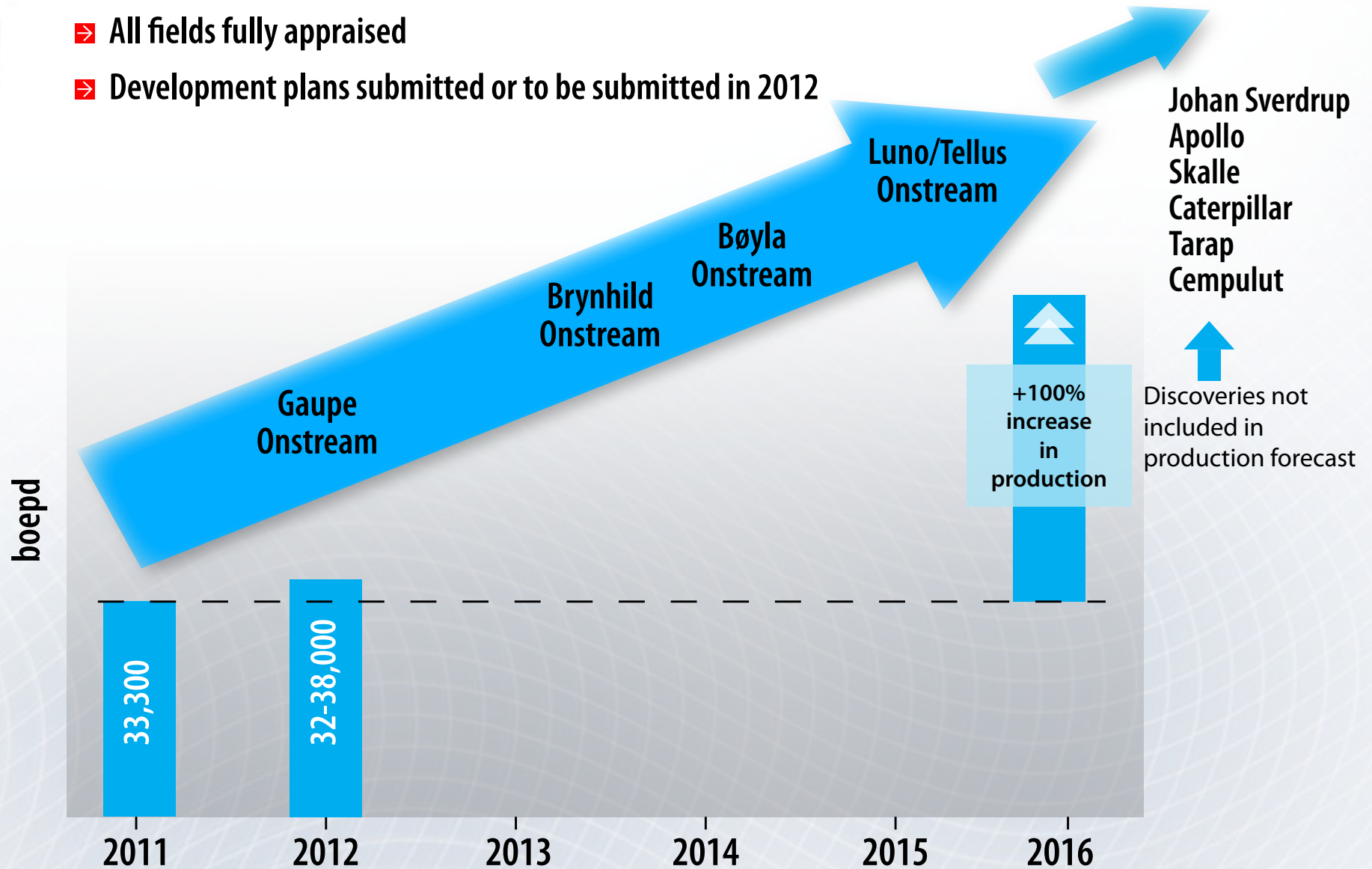
18 exploration + 6 appraisal wells targeting potential net unrisked resources of 522 MMboe

* includes 3 appraisal wells in Johan Sverdrup PL501, 2 appraisal wells in Johan Sverdrup PL265 & 1 appraisal well in Apollo

Increase of North Sea Production



- All fields fully appraised
- Development plans submitted or to be submitted in 2012



2012 Drilling Schedule



Country	Licence - Prospect	Operator	LUPE%	NUPR ⁽¹⁾	CoS %	NRPR ⁽³⁾	2012			
							Q1	Q2	Q3	Q4
1 Norway	PL501 - Johan Sverdrup 16/2-11 App.	Lundin	40.00	–	–	–	■			
2 Norway	PL519 - Albert 6201/11-3	Lundin	40.00	71	26%	18		■		
3 Norway	PL265 - Johan Sverdrup App2.	Statoil	10.00	–	–	–			■	
4 Norway	PL265 - Johan Sverdrup App3.	Statoil	10.00	–	–	–				■
5 Norway	PL501 - Johan Sverdrup 16/5-3 App.	Lundin	40.00	–	–	–			■	
6 Norway	PL359 - Luno II	Lundin	40.00	56	35%	19				■
7 Norway	PL544 - Biotitt	Lundin	70.00	87	29%	25				■
8 Norway	PL338 - Jorvik	Lundin	50.00	23	49%	11				■
9 Norway	PL501 - Johan Sverdrup 16/2-12 App.	Lundin	40.00	–	–	–			■	
10 Norway	PL453 - Oгна	Lundin	35.00	55	22%	12				■
11 Norway	PL495 - Carlsberg	Lundin	60.00	40	15-24%	9				■
12 Norway	PL338 - Apollo App.	Lundin	50.00	–	–	–				■
13 Norway	PL440S - Clapton	Faroe	18.00	12	29%	3		■		
14 Norway	PL533 - Pulk	ENI	20.00	102	14-19%	15			■	
15 Malaysia	SB307/308 - Tiga Papan-5	Lundin	42.50	9	50%	4			■	
16 Malaysia	SB303 - Berangan-1	Lundin	75.00	21	23%	5				■
17 Malaysia	PM308B - Beserah-1	Lundin	75.00	35	24%	8				■
18 Malaysia	PM308A - PM308A-3	Lundin	35.00	– ⁽²⁾	– ⁽²⁾	– ⁽²⁾				■
19 Malaysia	PM308A - PM308A-4	Lundin	35.00	– ⁽²⁾	– ⁽²⁾	– ⁽²⁾				■
20 France	Val des Marais - Pierre Morains	Lundin	100.00	2	50%	1			■	
21 France	Est Champagne - Contault	Lundin	100.00	9	27%	2			■	
				522		132				

■ operated

■ non operated

⁽¹⁾ Net Unrisked Prospective Resources (MMboe) ⁽²⁾ Awaiting completion of ongoing prospect analysis and results of current well

⁽³⁾ Net Risked Prospective Resources (MMboe)

