

*Capital Market Day 2013*

**Lundin**

*Lundin Petroleum Capital Market Day  
12 February 2013*

# *Introduction*



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- **Introduction** → Ashley Heppenstall, President and CEO
- **Financial Results 2012** → Geoff Turbott, Vice President Finance and CFO
- **Production & Resource Overview** → Chris Bruijnzeels, Senior Vice President Operations
- **Norway**
  - Alex Schneider, Executive Vice President and COO
  - Norwegian management
- **South East Asia** → Mike Nicholson, Managing Director, SE Asia
- **Other Assets** → Chris Bruijnzeels, Senior Vice President Operations
- **Financial Guidance 2013** → Geoff Turbott, Vice President Finance and CFO
- **CSR** → Ashley Heppenstall, President and CEO
- **Summary** → Ashley Heppenstall, President and CEO

## Lundin Petroleum

### ➔ An organic growth success story

Raised cash equity ~USD 50 million in 2001



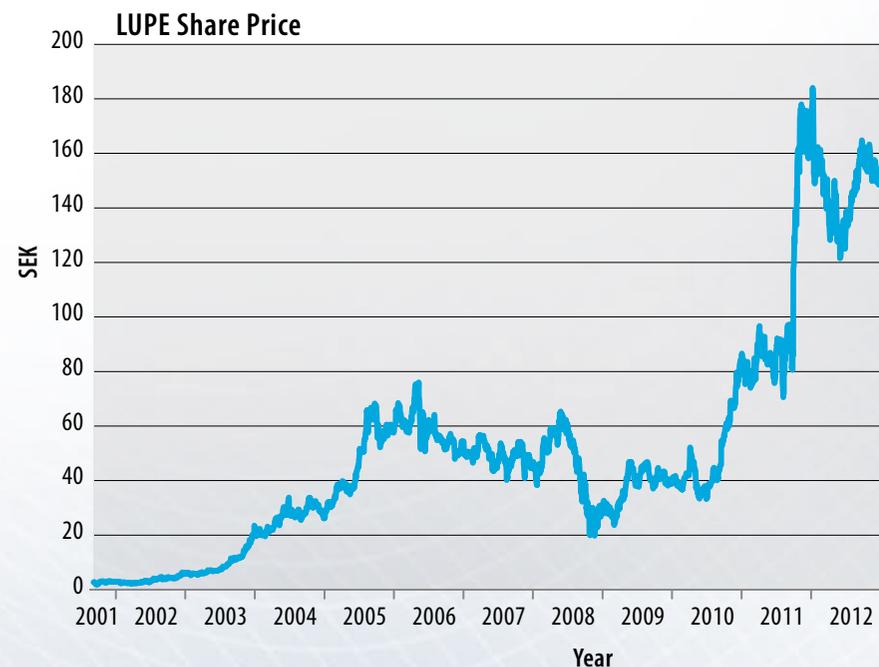
No cash equity raised since



Market Cap ~USD 8 bn + Distribution (UK) ~ USD 0.7 bn



Resource Base (2P + 2C) at YE 2012 > 1bn bbls



## *Lundin Petroleum - Strategy Remains Unchanged*



- **Value creation through access to hydrocarbon resources**
- **An exploration driven growth strategy**
- **Major geographical focus on Norway and South East Asia**
- **Long term perspective and focus on local technical knowledge**
- **Focus on oil versus gas**

## 2012 - Another successful year

- **Record production 35,700 boepd**
  - ➔ Met guidance for fourth consecutive year
  
- **Record EBITDA and operating cashflow generation**
  - ➔ EBITDA USD 1.14 bn
  - ➔ Operating cashflow USD 0.83 bn
  
- **Underleveraged balance sheet and solid liquidity**
  - ➔ Net debt YE 2012 USD 335 million
  - ➔ Secured 7 year credit facility USD 2.5 bn
  
- **Good progress operationally**
  - ➔ 5 appraisal wells drilled on Johan Sverdrup + 3 sidetracks
  - ➔ 4 discoveries – 2 Norway and 2 Malaysia
  - ➔ 2 Field Development Plans approved in Norway

## 2013 and beyond

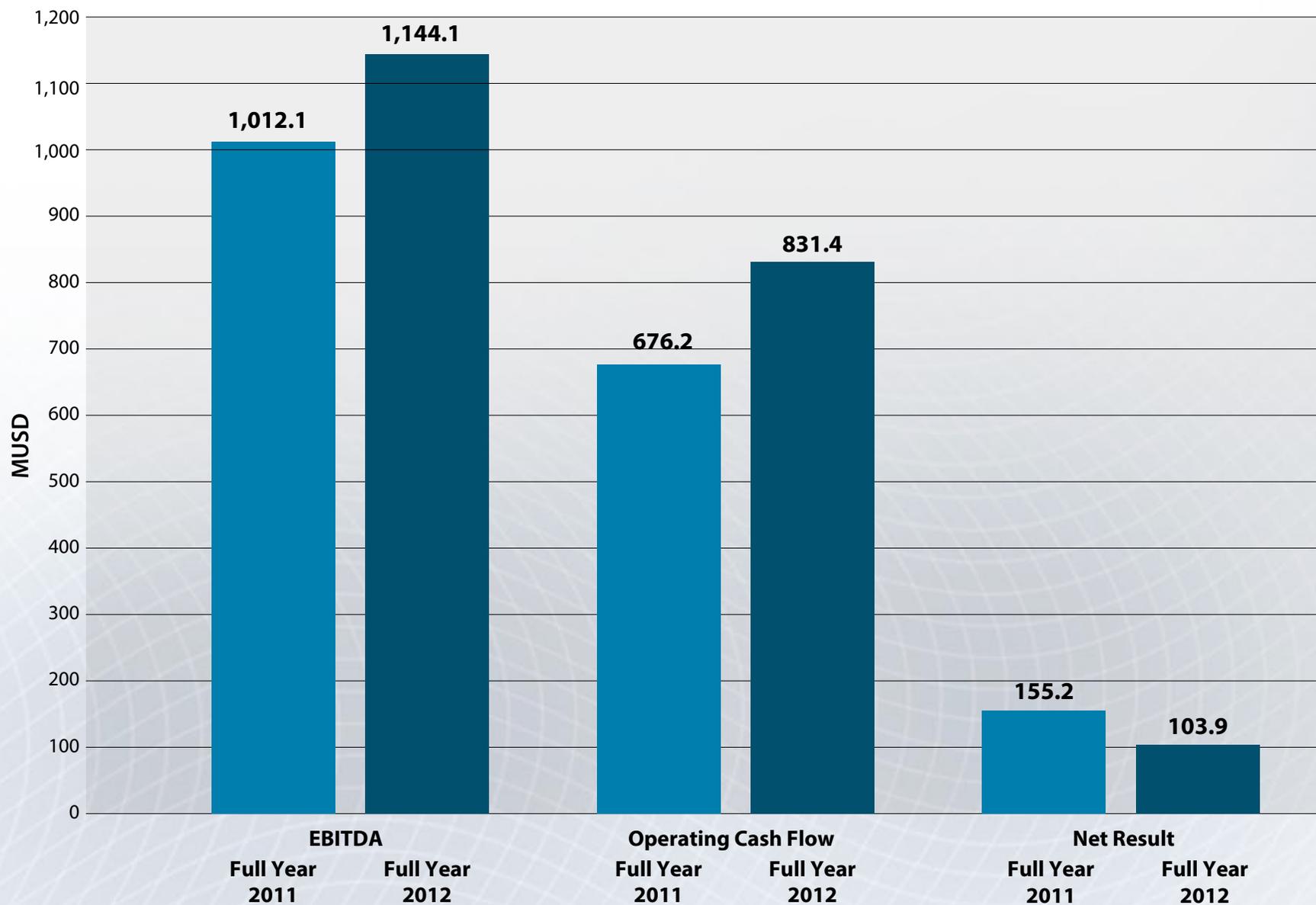
- **Production guidance of 33,000 – 38,000 boepd**
  - ➔ Anticipated 2013 exit rate of > 40,000 boepd
  - ➔ Remain on schedule to double production by end 2015 and quadruple production when Johan Sverdrup reaches plateau
  
- **Development projects**
  - ➔ Brynhild field in Norway onstream by Q4 2013
  - ➔ Final investment decision on the Bertam discovery in Malaysia
  
- **Appraisal Programme**
  - ➔ At least 4 additional wells on Johan Sverdrup
  
- **Exploration programme – 18 wells in 2013. Record budget USD 460 million**
  - ➔ 10 wells in Norway with 6 drilled on the Utsira High
  - ➔ 5 wells in SE Asia
  - ➔ Also drilling in France and Netherlands
  - ➔ Secured Norwegian rig capacity for exploration/appraisal drilling up to 2016

*Financial Results 2012*

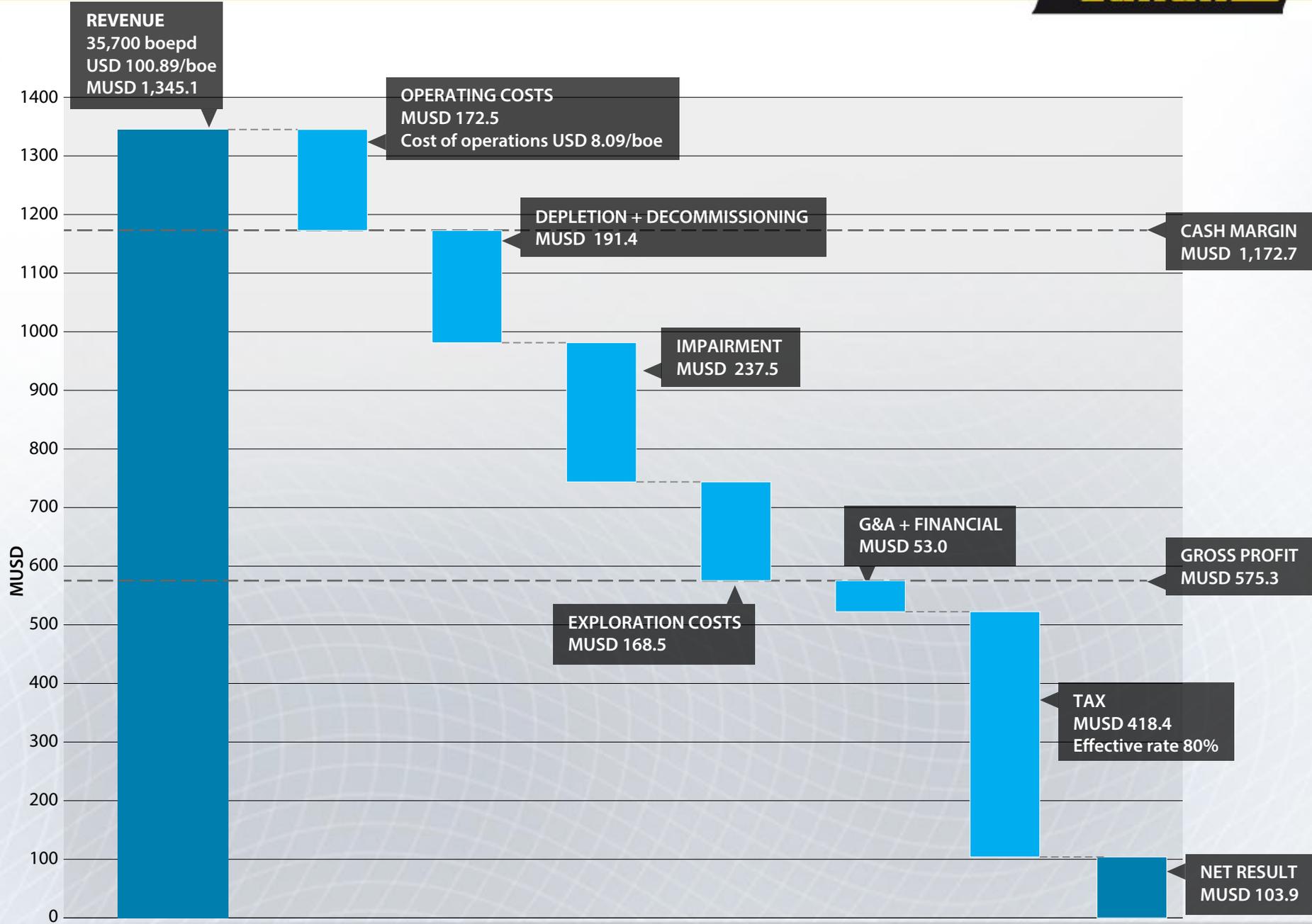


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## Financial Results - Full Year 2012



# Financial Results - Full Year 2012



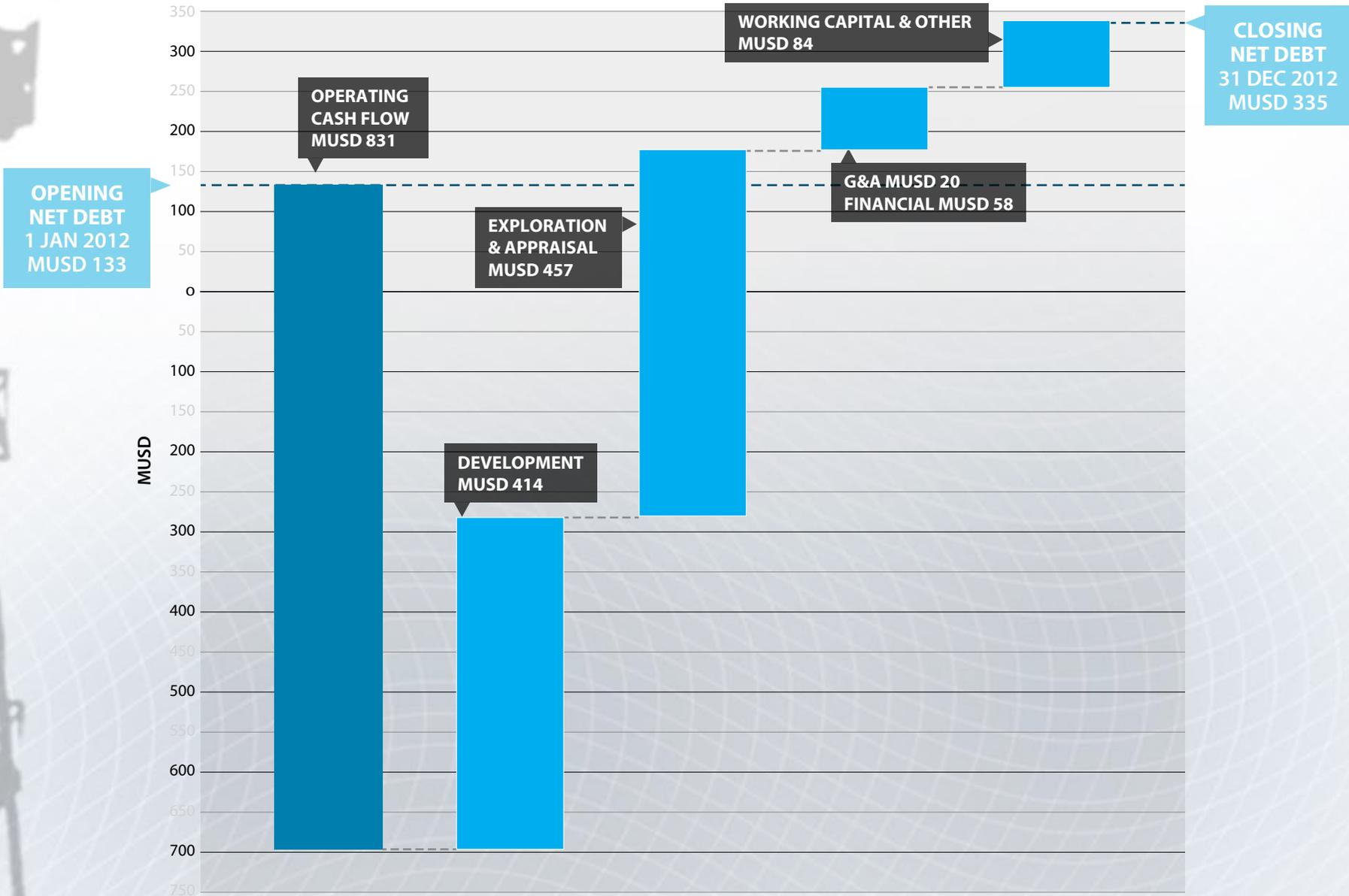
## Financial Results - 2012 Netback [USD/boe]



	Full Year 2012	CMD 2012
<i>Average Brent oil price USD/boe</i>	111.67	115.00
Revenue	103.07	99.30
Cost of operations	-8.09	-9.35
Tariffs	-2.27	-2.05
Production taxes	-3.93	-4.50
Stock movement	1.22	0.20
Other	-0.14	-0.20
Cash Margin	89.86	83.40
Cash taxes	-26.15	-20.85
Operating Cash Flow	63.71	62.55
General and administration costs <sup>(1)</sup>	-2.19	-3.00
EBITDA	87.67	80.40

<sup>(1)</sup> Adjusted for depreciation

# Financial Results - Debt Position End 2012



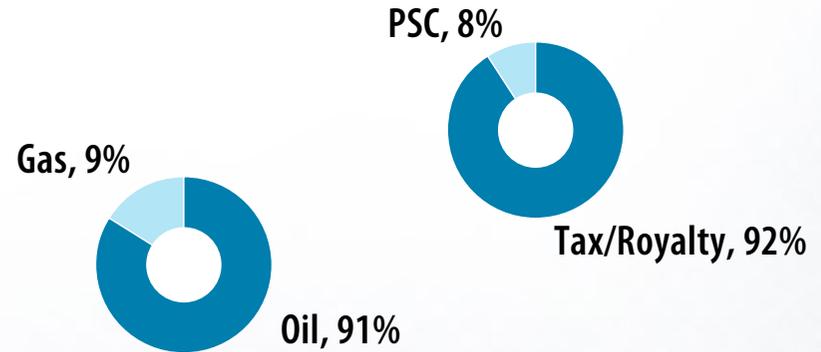
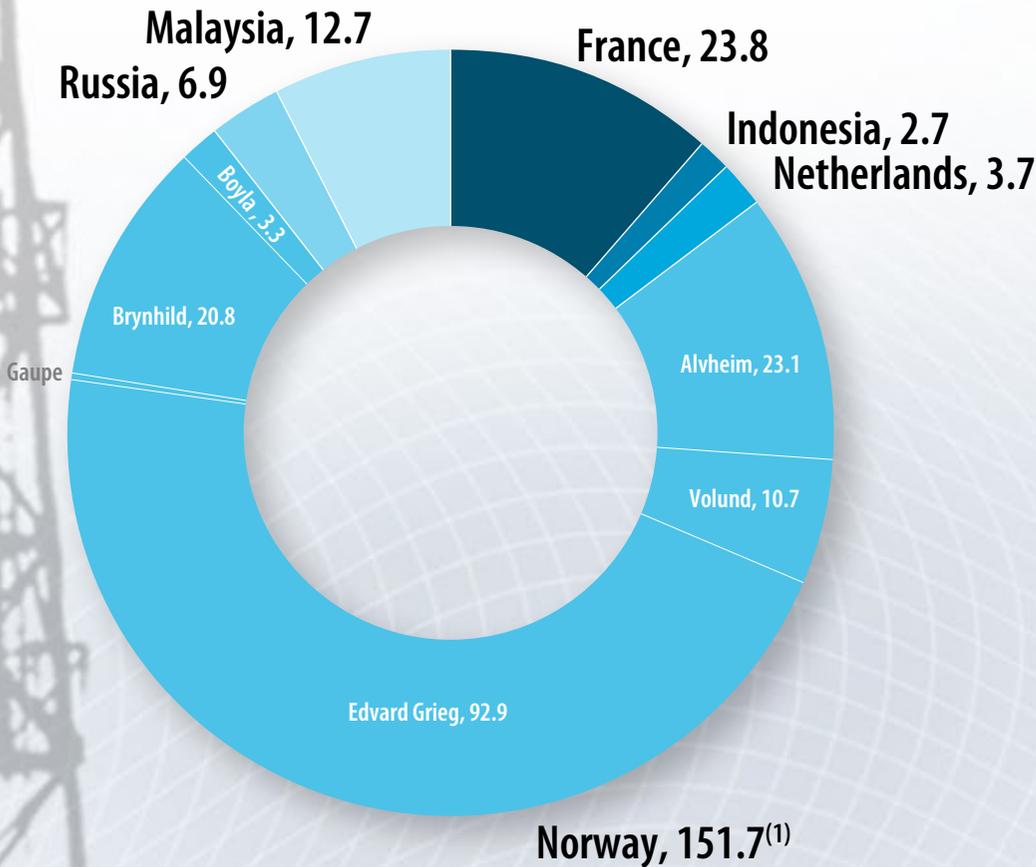
*Resources & Production*



# 1 January 2013 2P Reserves



**Total 201.5 MMboe**



	MMboe
<b>End 2011</b>	<b>210.7</b>
- Produced (excl sales & acquisitions)	-13.0
+ new reserves (excl sales/acquisitions)	-0.2
- Sales / + Acquisitions	+4.1
<b>End 2012</b>	<b>201.5</b>

**Reserves Increase +2%**

**Reserves Replacement -2%**

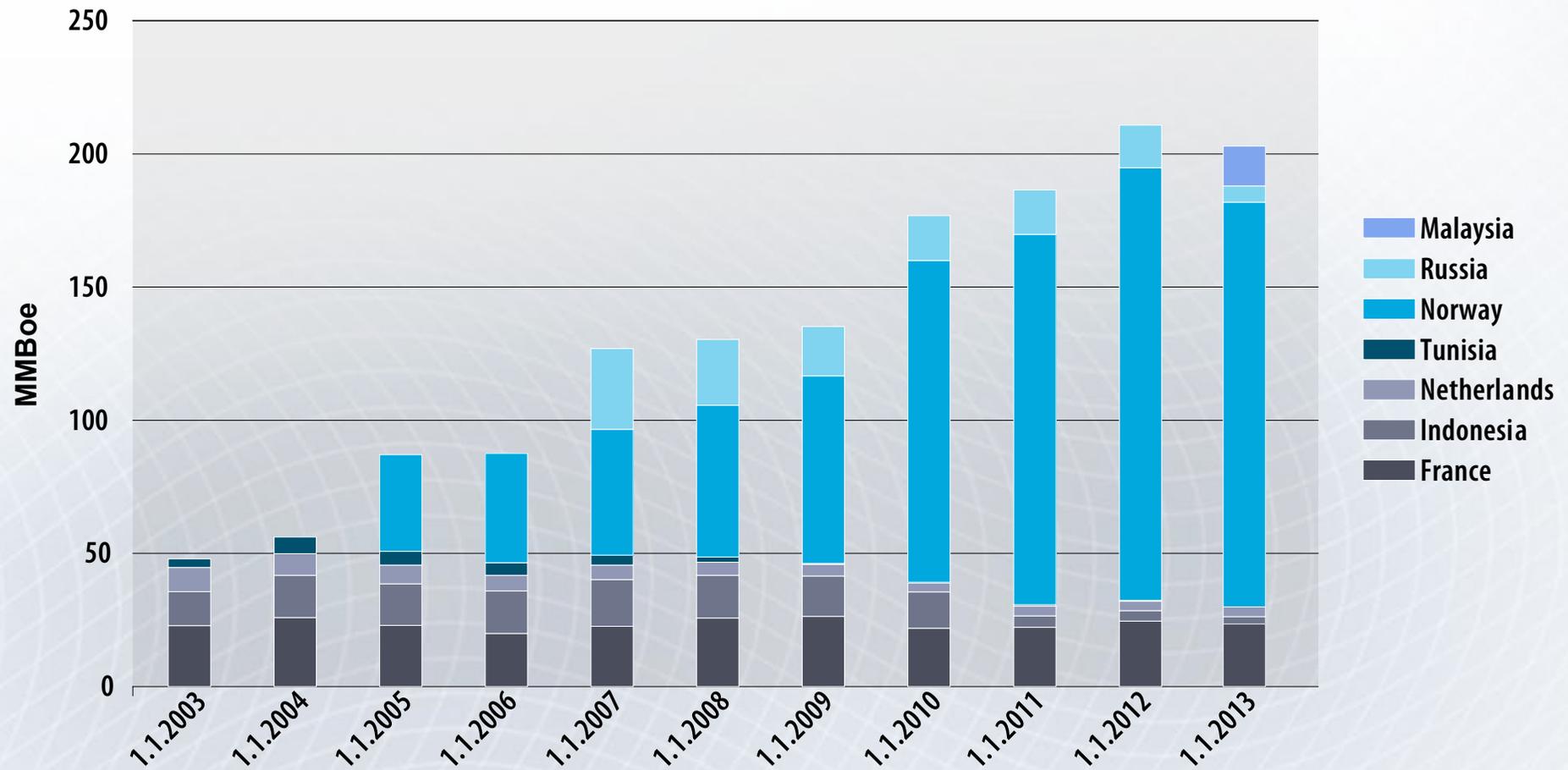
<sup>(1)</sup> Brynhild (WI: 90%)

Oil Price (Brent) USD 100/bbl + 2% escalation on oil price and costs

## 2P Reserves Growth

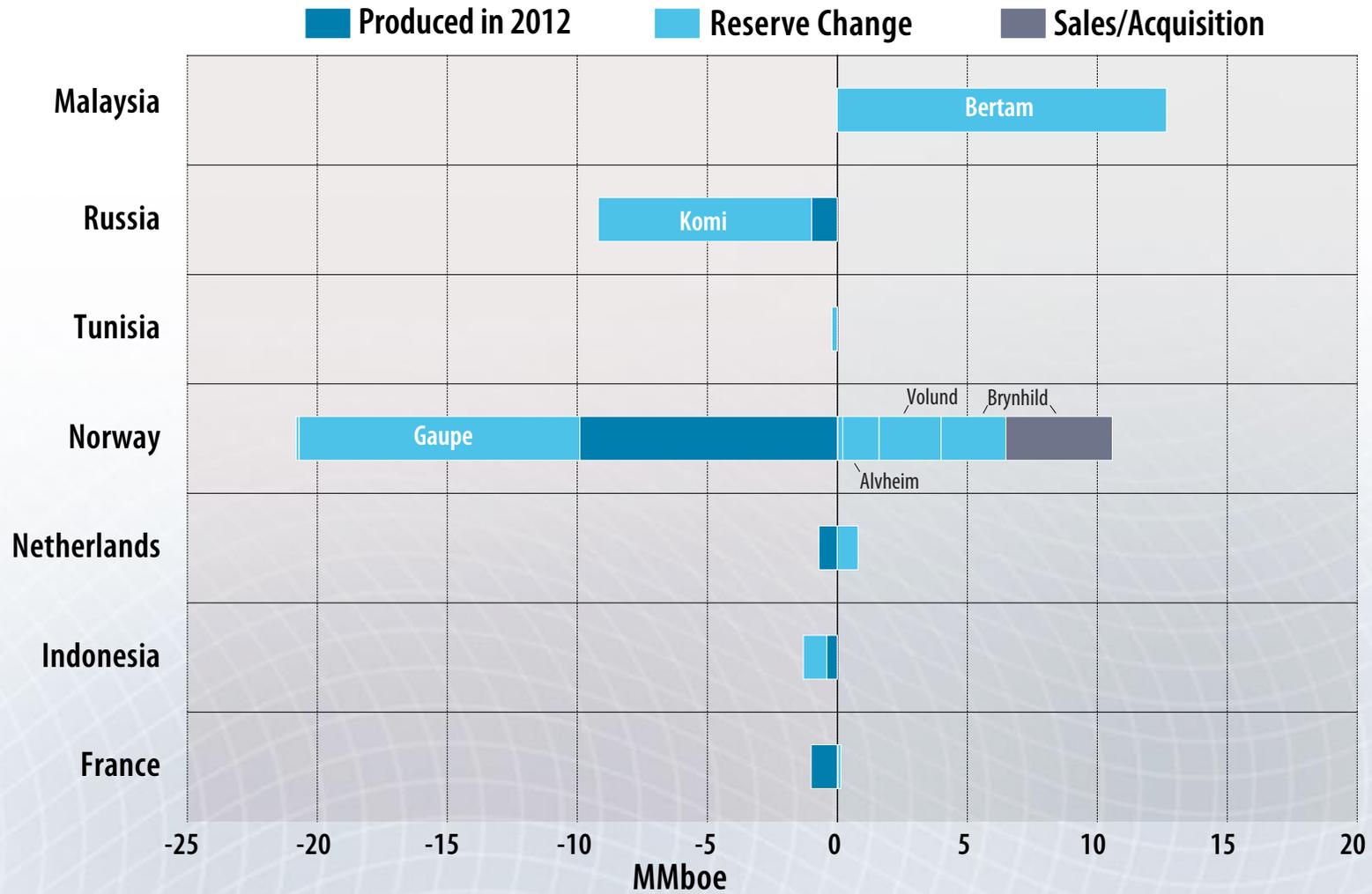


- ➔ New reserves from Malaysia (12.7 MMboe)
- ➔ No decline in French reserves



Excludes divested assets

# Reserves Changes



➤ Acquisition: Brynhild interest increase

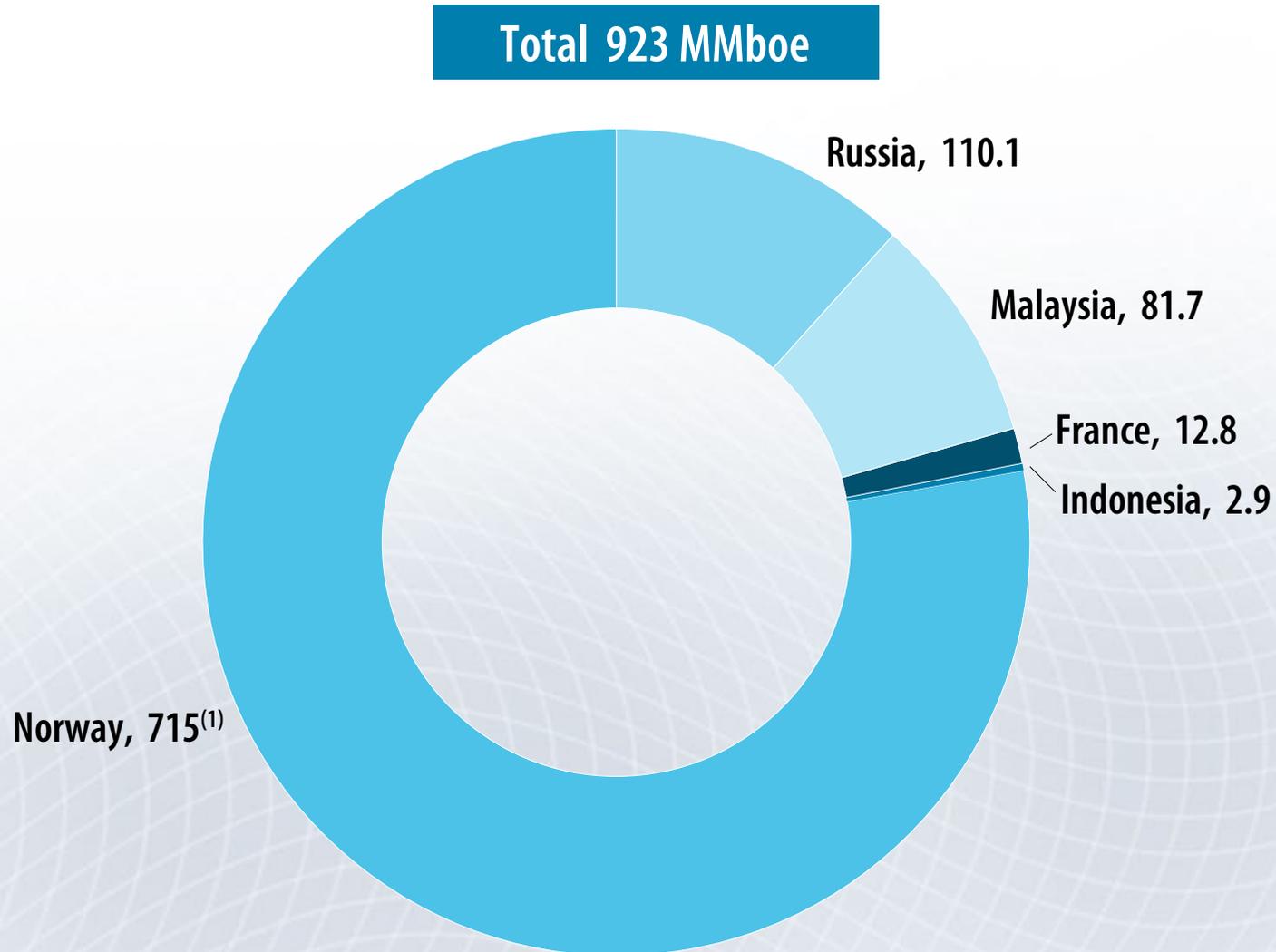
➤ Norway: Alvheim & Volund infill, Gaupe reservoir connected volume reduced

➤ Russia: Poor infill results

➤ Tunisia: Field production terminated

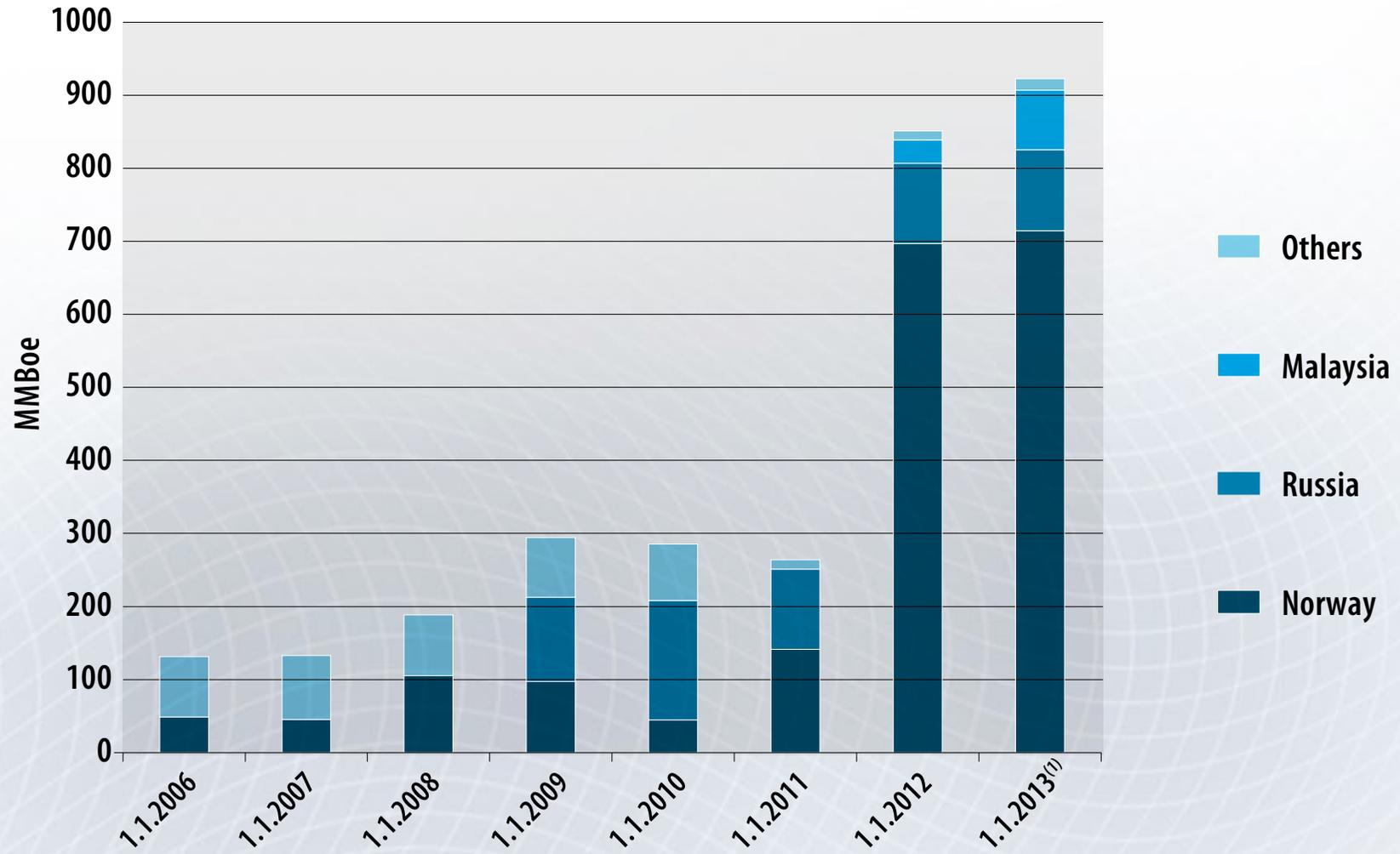
➤ Malaysia: Bertam resources moved into reserves

# 01 January 2013 - Contingent Resources



<sup>(1)</sup> PL501 mid range of previously guided 800-1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Getungen discovery

## Contingent Resource Growth



<sup>(1)</sup> PL501 mid range of previously guided 800-1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Geitungen discovery

# Development Activity 2013



## NORWAY – USD 1,080 million

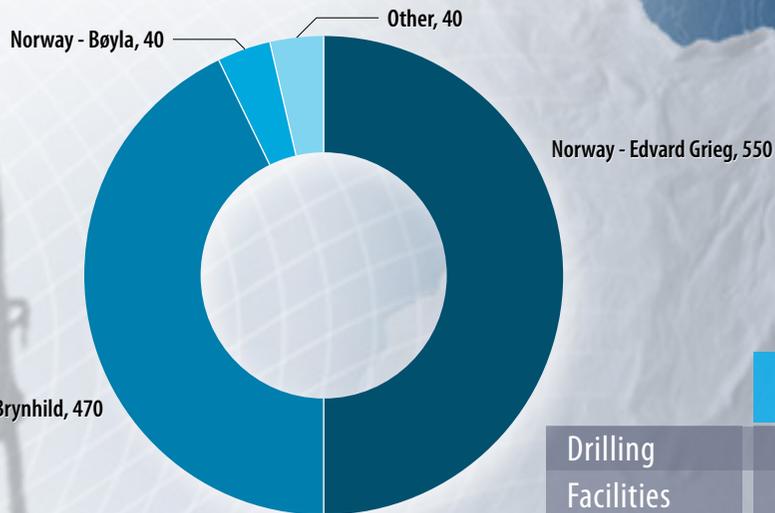
- **Edvard Grieg USD 550 million**
  - Jacket
  - Topside
  - Export pipelines
- **Brynild USD 470 million**
  - Drilling production and injection wells
  - Topside modification on FPSO
  - Subsea Facilities
- **Bøyla USD 40 million**
  - Topside equipment
  - Subsea facilities
  - Development drilling

## NETHERLANDS

- Infill drilling
- Facilities

## FRANCE

- **Villeperdue**
  - Coiled Tubing drilling
  - Maintenance



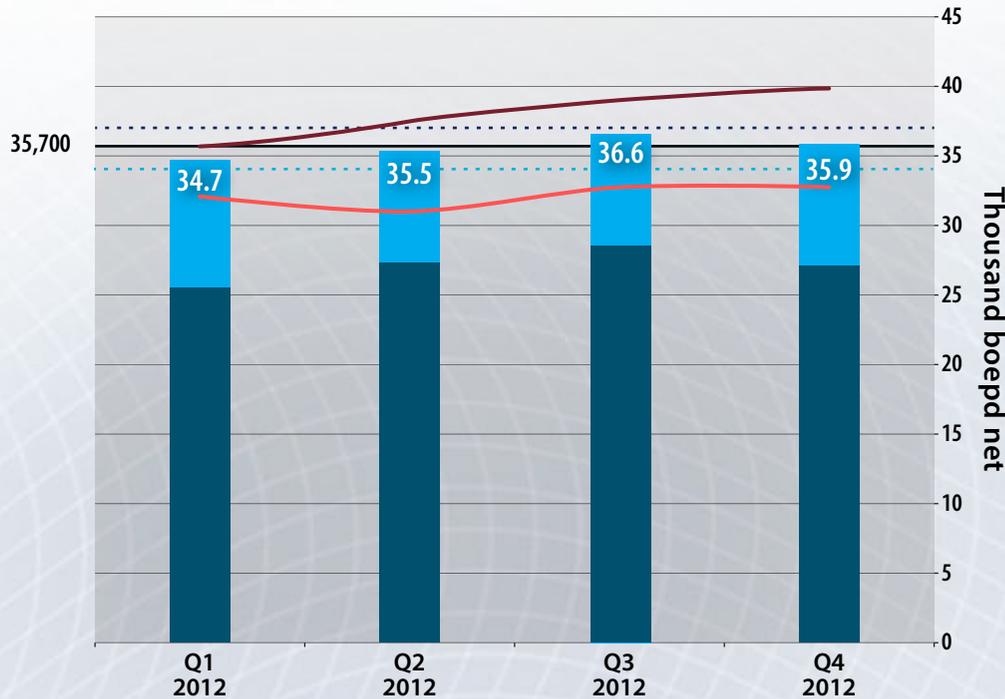
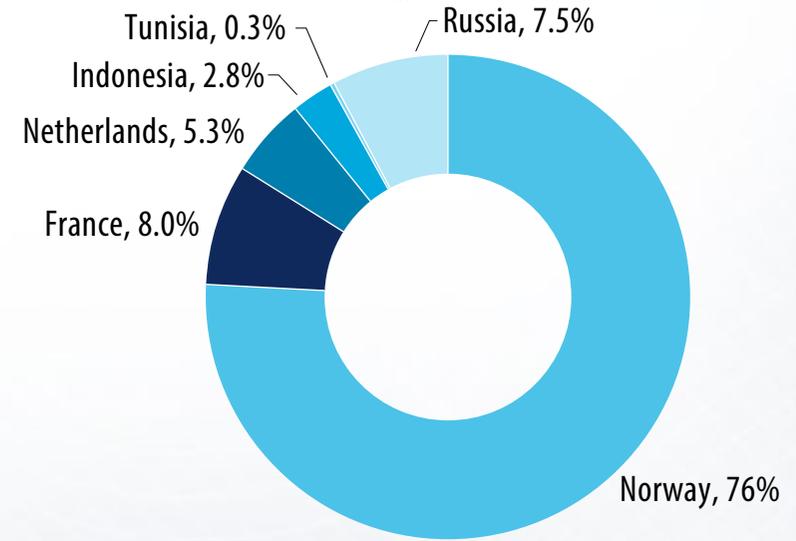
	Forecast 2013
Drilling	175
Facilities	925
<b>Total</b>	<b>1,100</b>

→ **Development Budget 2013 USD 1,100 million**

# 2012 Production Performance



2012 production: 35,700 boepd



Revised production guidance

- ..... High (37,000 boepd)
- ..... Low (34,000 boepd)

Capital Market Day 2012 original production guidance

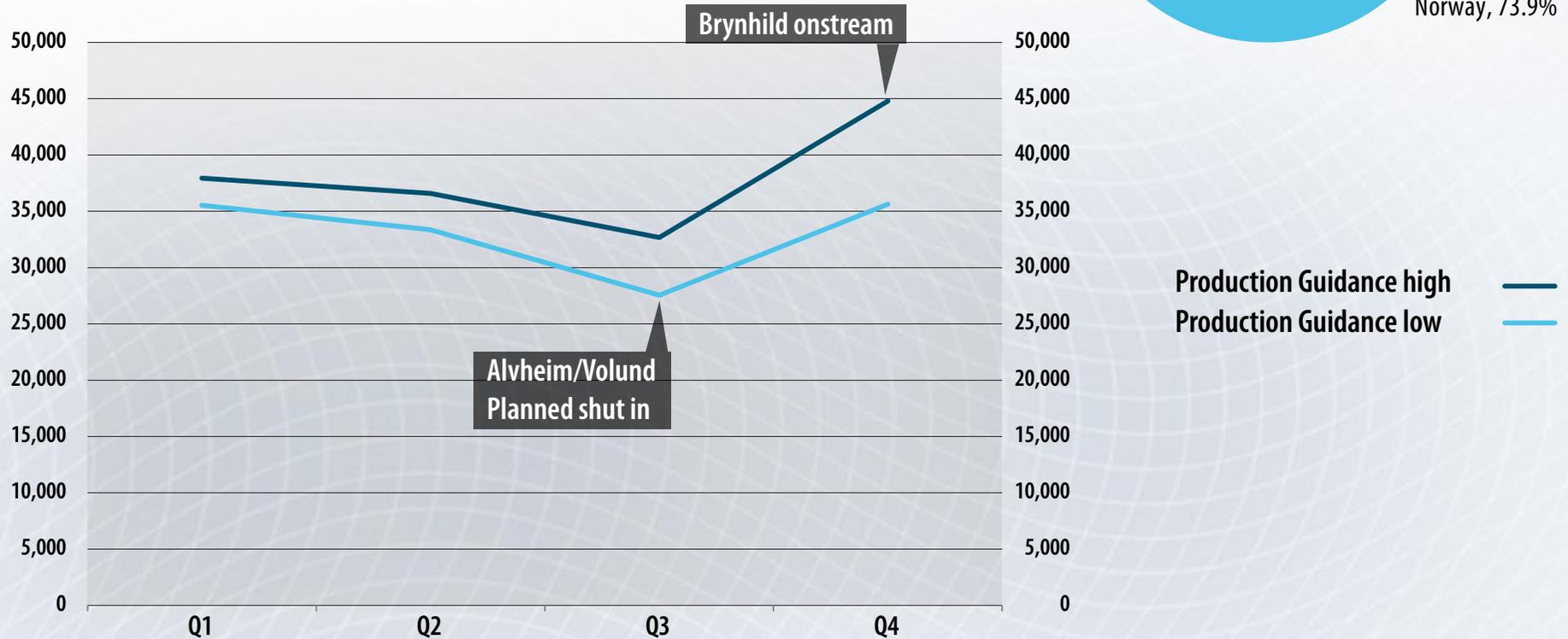
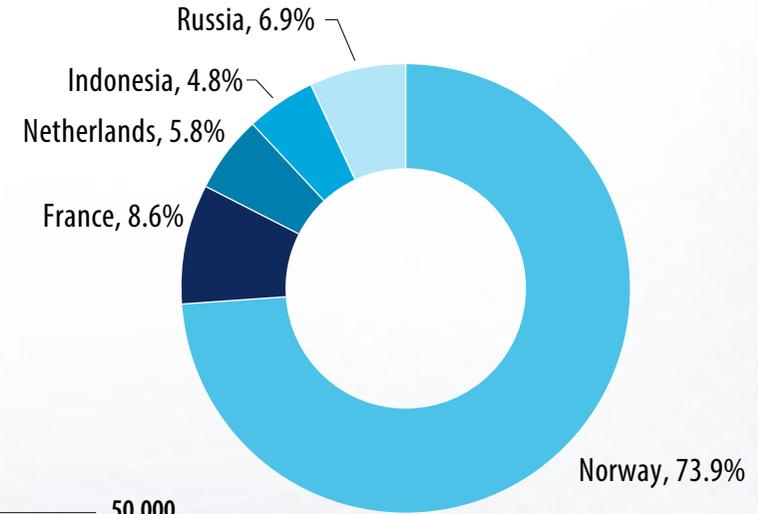
- High (38,000 boepd)
- Low (32,000 boepd)

- Other countries' production
- Norway production

# 2013 Production Guidance



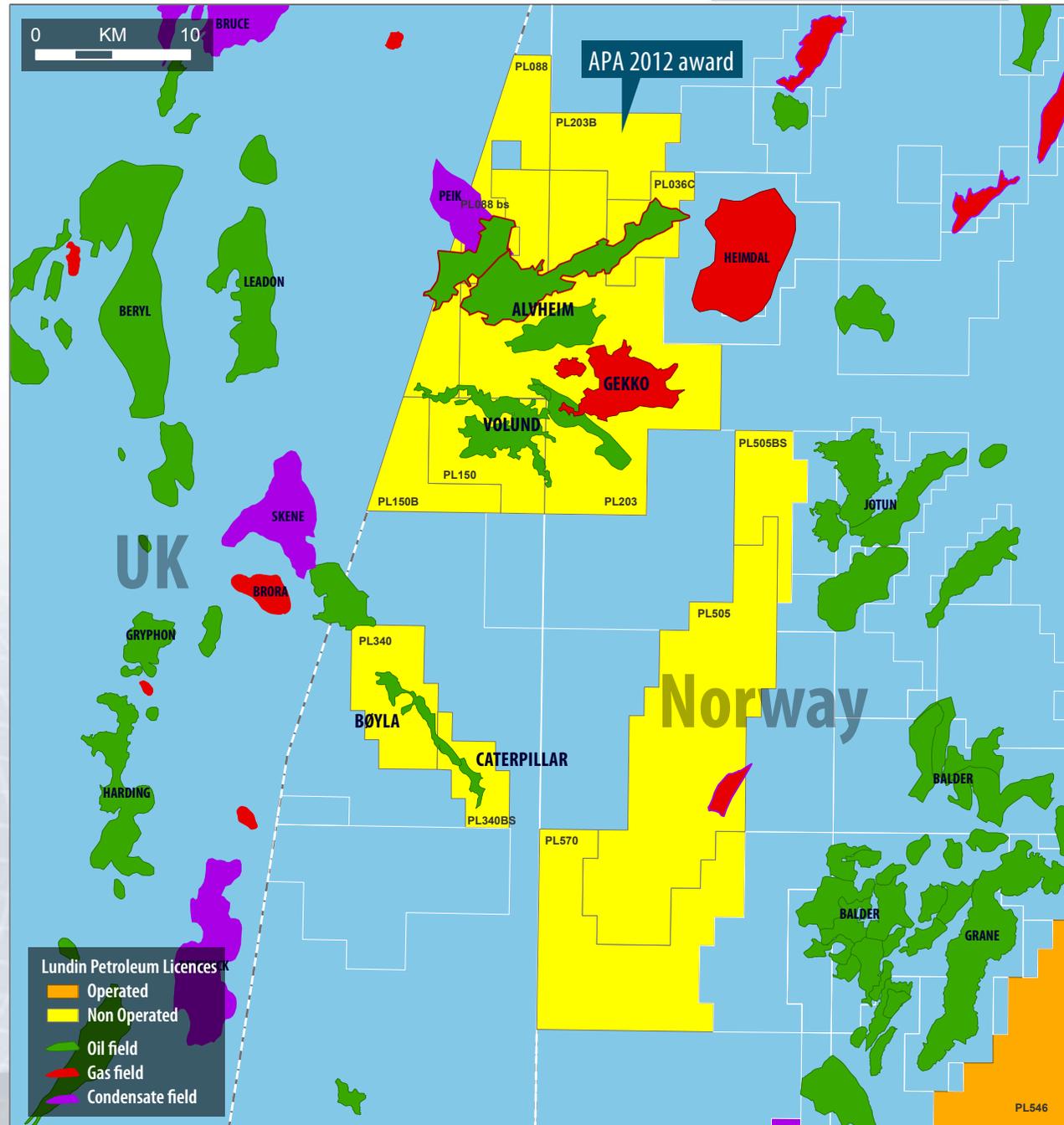
- 2013 production guidance: 33,000 - 38,000 boepd
- Forecast exit rate 2013 at 40,000 boepd
- Norway - production factors
  - ➔ Alvheim FPSO uptime
  - ➔ Alvheim/Volund reservoir performance
  - ➔ Brynhild first oil



# Greater Alvheim Area - Overview



- Main producing assets
- 19 producing wells
- High quality crude oil
- Satellite tie-in potential



## Norway - Continued Solid Production



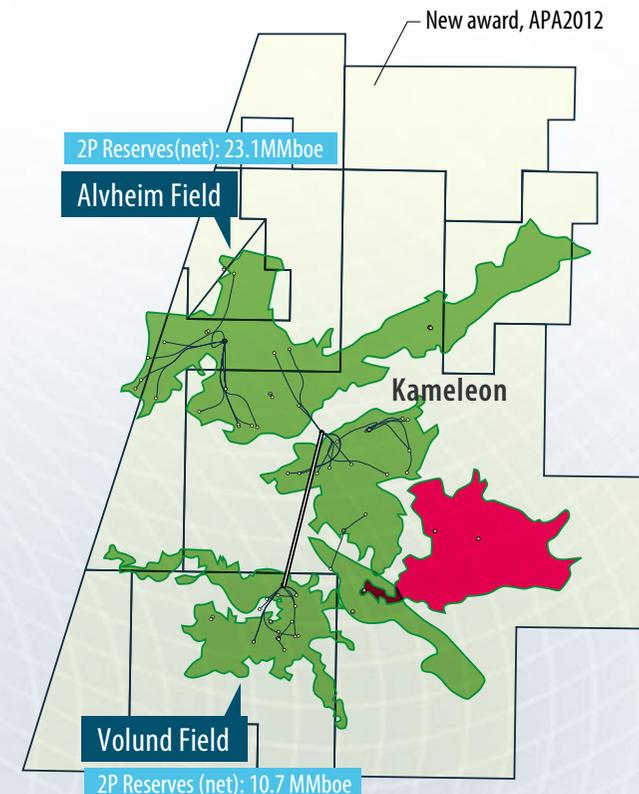
### Alvheim Field

- **Lundin Petroleum 15%**
  - ➔ Marathon 65% (operator), ConocoPhillips 20%
- **Gross 2P reserves: 154 MMboe**
- **Full year 2012 net production: 11,800 boepd**
- **Alvheim cost of operations<sup>(1)</sup> <5 USD /boe**
- **Kameleon Infill development well onstream in October 2012**
- **Additional development drilling locations under review**

### Volund Field

- **Lundin Petroleum 35%**
  - ➔ Marathon 65% (operator)
- **Gross 2P reserves: 31 MMboe**
- **Full year 2012 net production: 13,100 boepd**
- **Operating cost 2012**
  - ➔ Cost of operations < 2.0 USD/boe
  - ➔ Tariff to Alvheim < 3.0 USD/boe
- **New production well onstream January 2013**

**2012 production (Alvheim/Volund): 24,900 boepd**

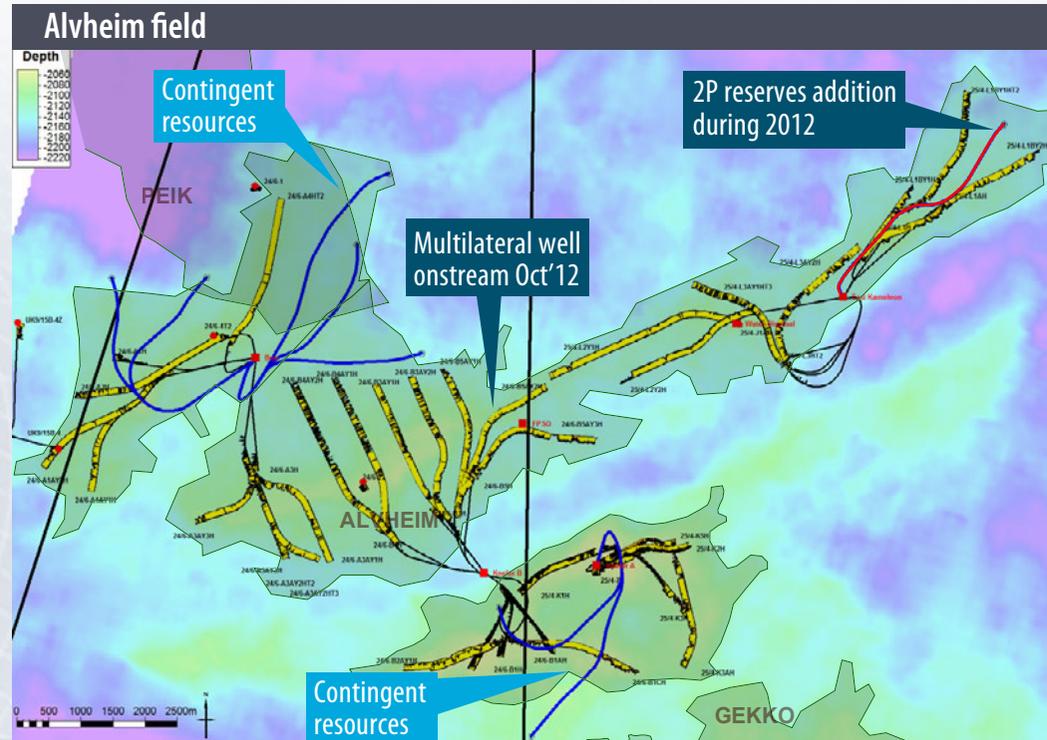
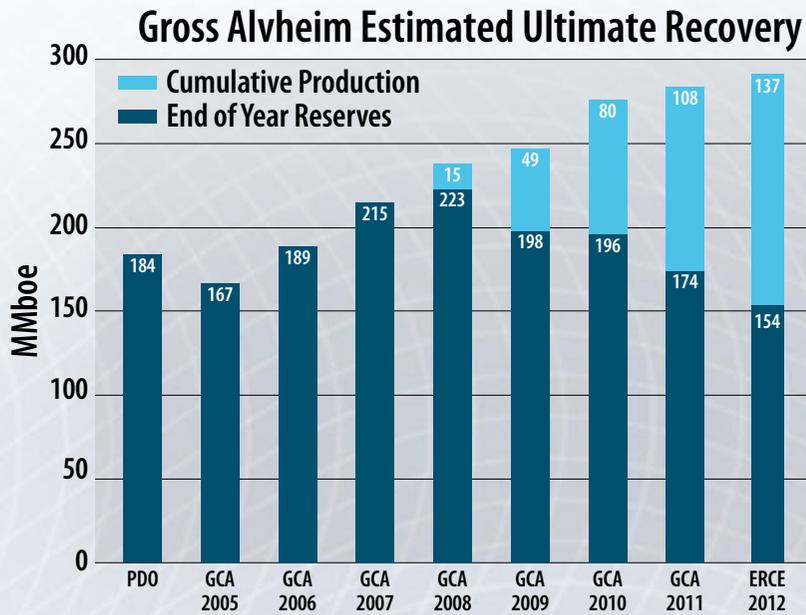


<sup>(1)</sup> Excluding well intervention cost

# Greater Alvheim Area - Alvheim Field



- **Alvheim field (WI 15%)**
  - ➔ 15 Producers
  - ➔ 8 Multilaterals
  - ➔ 291 MMboe ultimate recovery
  - ➔ Gross 2C contingent resources: 52 MMboe



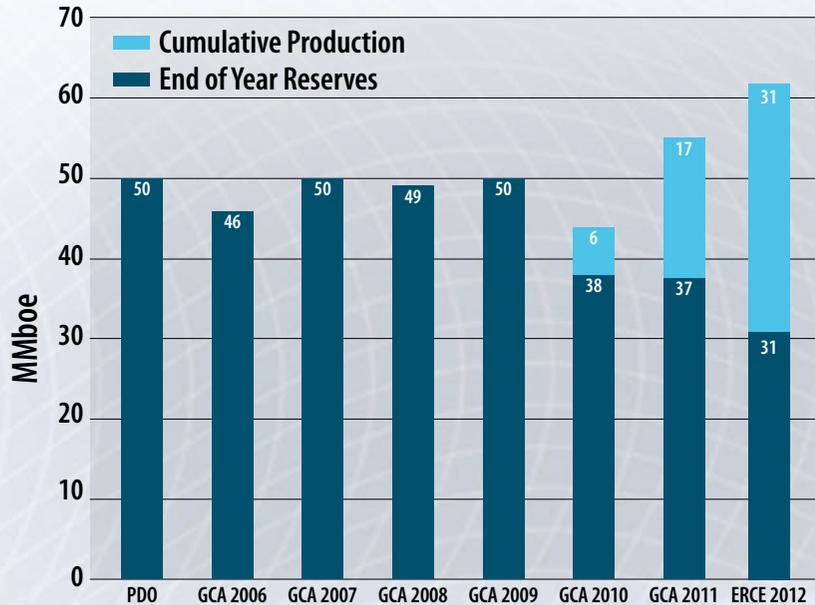
# Greater Alvheim Area - Volund Field



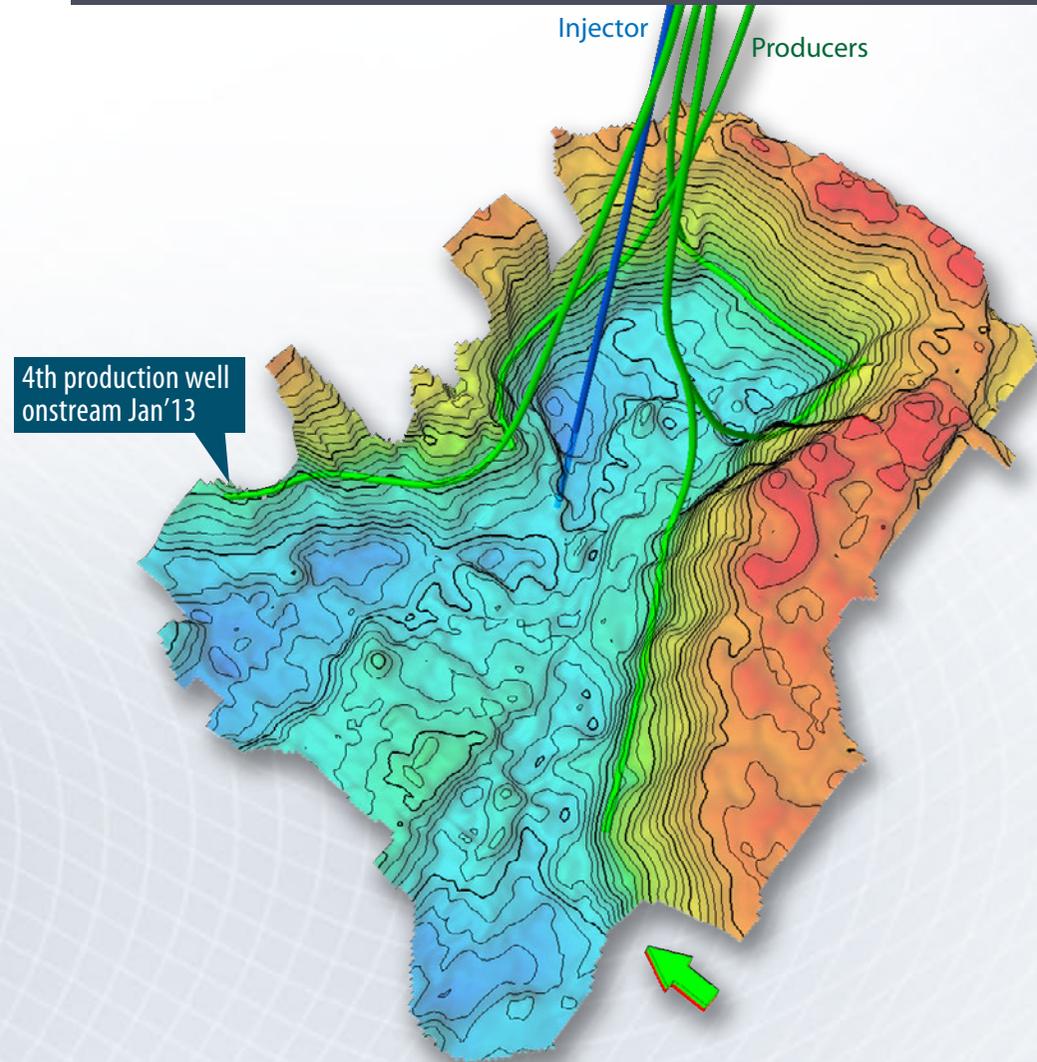
## ➤ Volund field (WI 35%)

- ➔ 4 Producers
- ➔ 1 Multilaterals
- ➔ 62 MMboe ultimate recovery
- ➔ Upside to the West

Gross Volund Estimated Ultimate Recovery



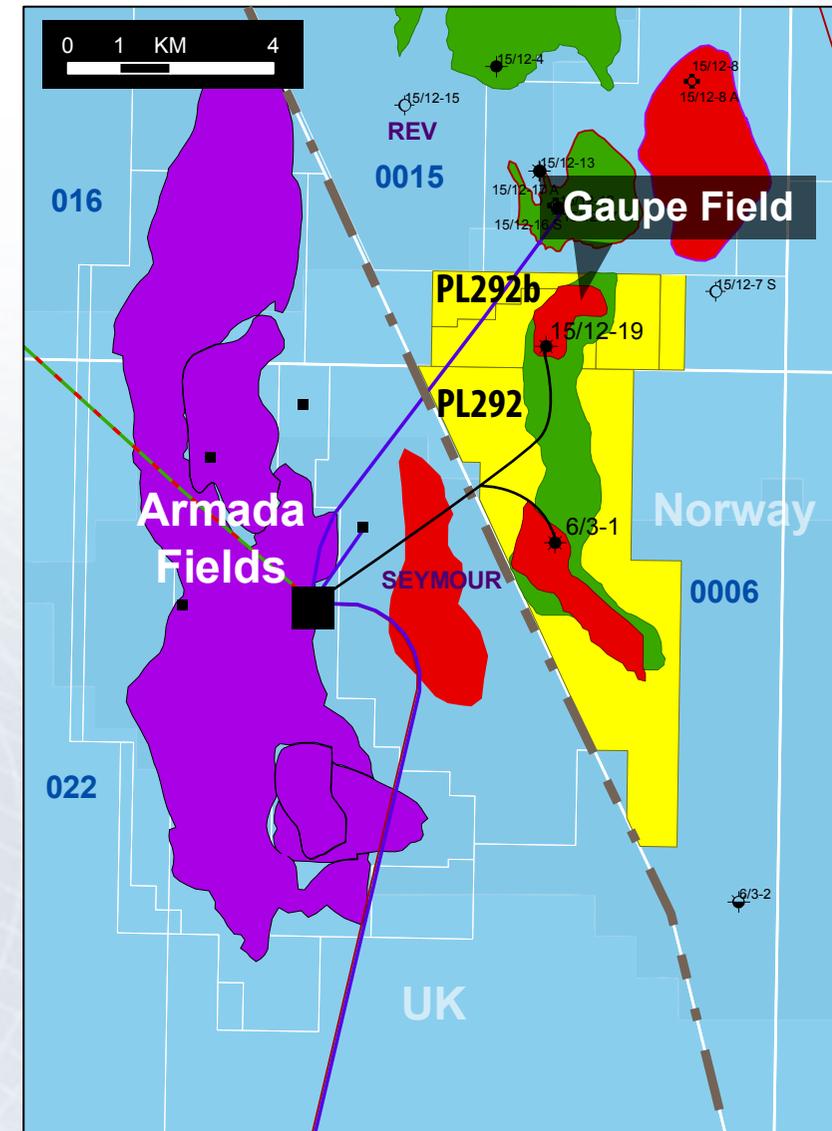
Volund field



## Norway - Gaupe



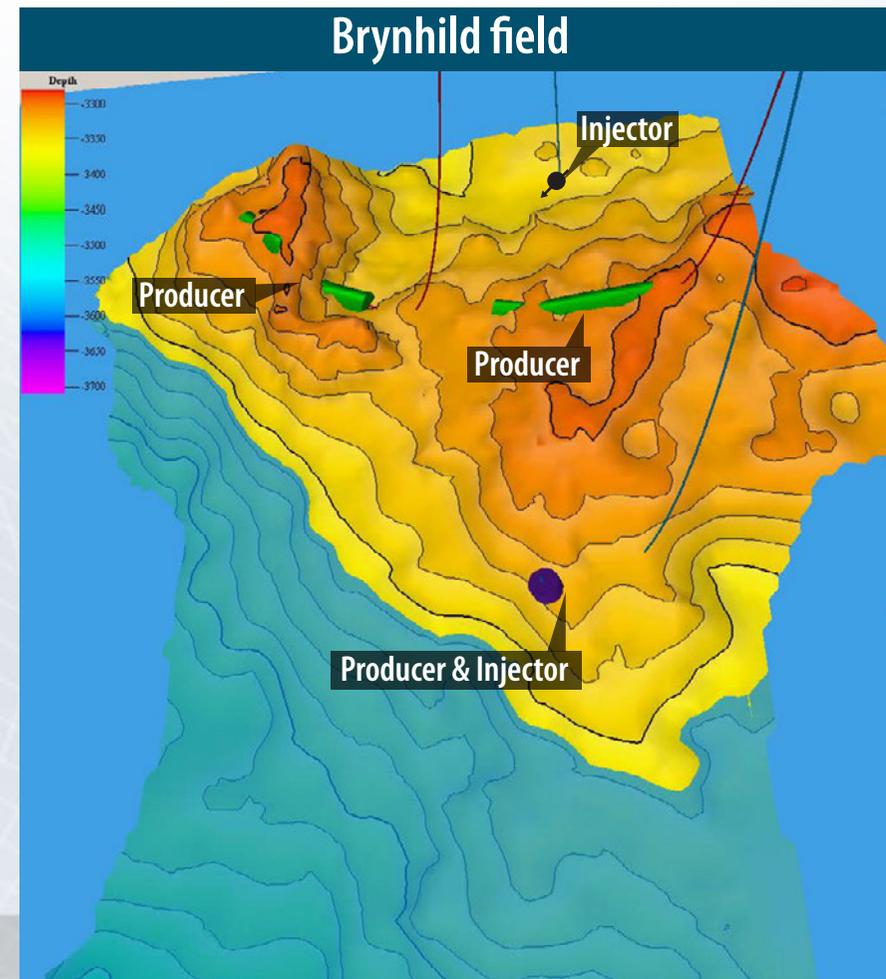
- **Lundin Petroleum 40%**  
**BG Norge 60% (operator)**
- **2P gross remaining reserves of 2.3 MMboe**  
→ Assumes no further development drilling or well intervention
- **Two subsea wells tied back to Armada fields**
- **2012 net production 2,300 boepd**
- **Reservoir performance below forecast**  
→ more compartmentalised



## Norway - Brynhild Subsurface



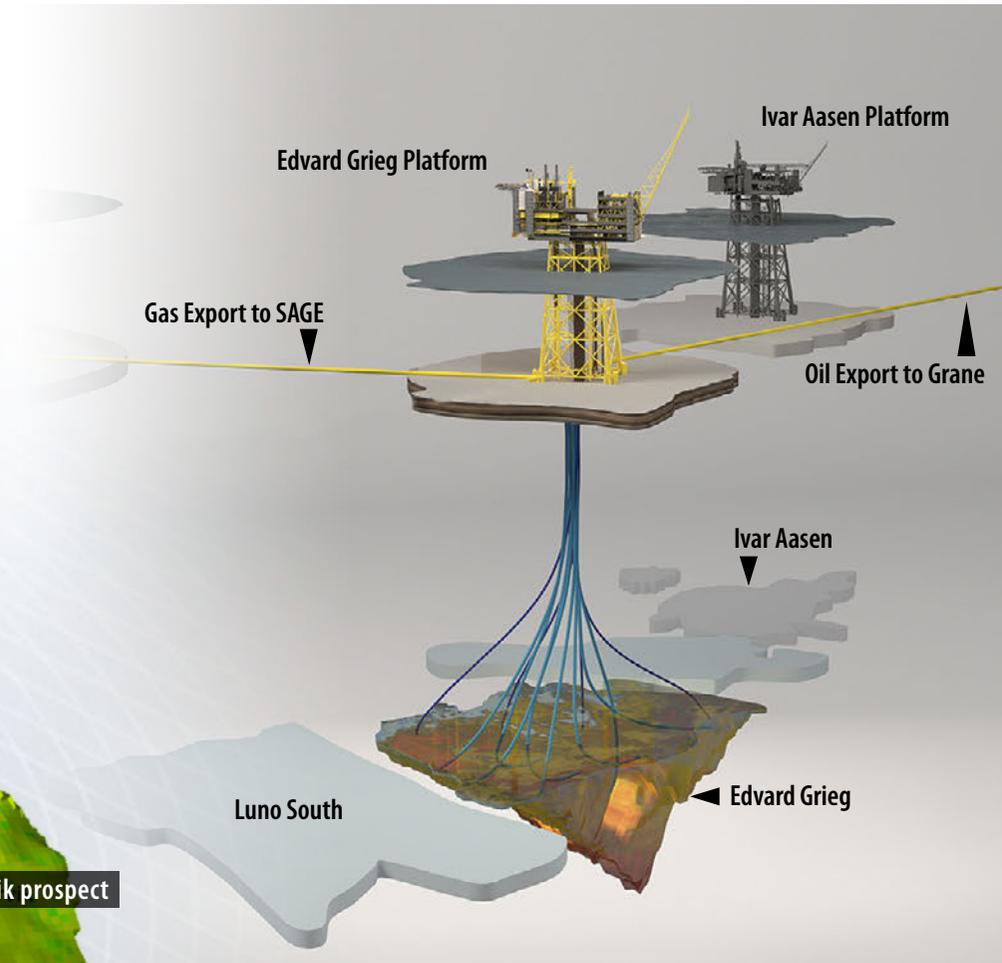
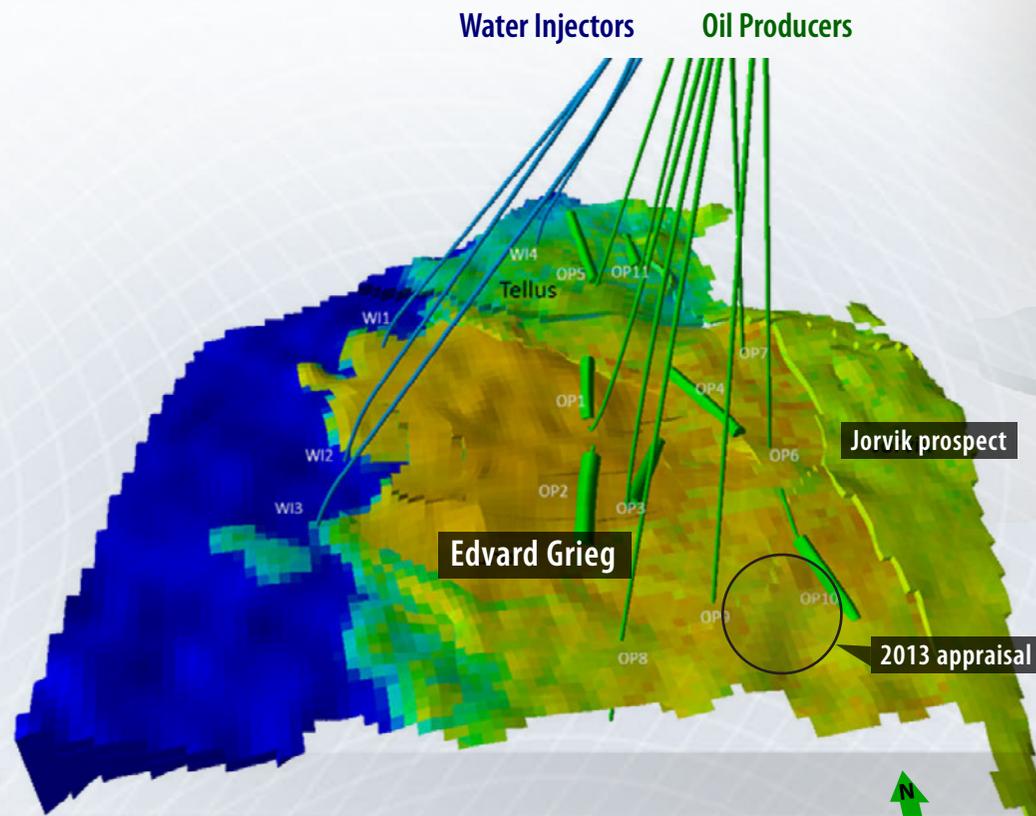
- 2P reserves gross: 23 MMboe
- Late Jurassic reservoir
- 3 exploration/appraisal wells drilled
  - ➔ 9m interval perforated and flow tested at ~ 5,000 boepd
- Development wells
  - ➔ 2 producers
  - ➔ 1 injector
  - ➔ 1 producer/injector



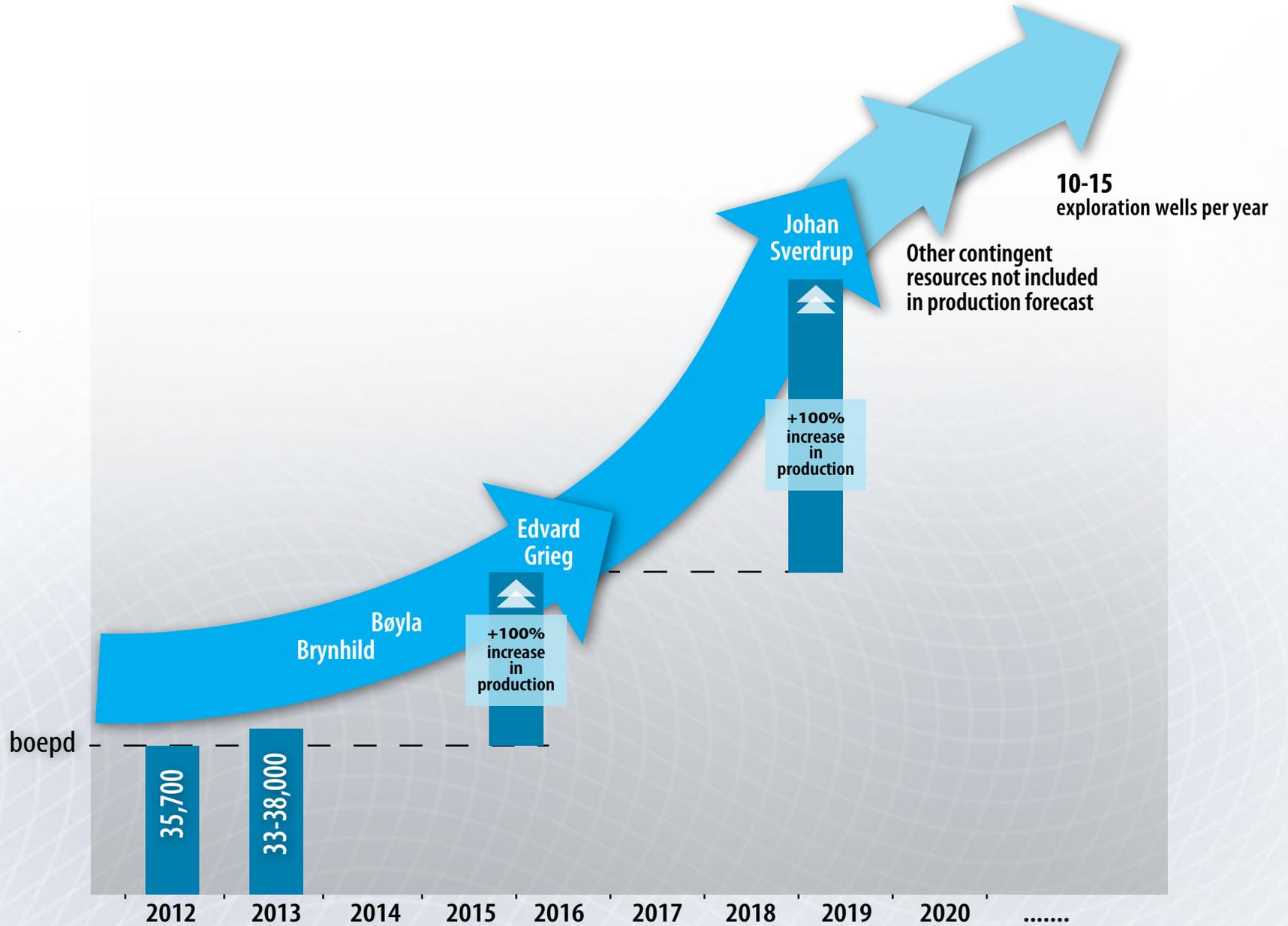
## Norway - Edvard Grieg Reservoir



- 2P reserves gross: 186 MMboe
- Majority of 2P reserves in high permeable sandstone
- 50 MMboe upside reserves in SE  
→ 2013 appraisal
- 15 development wells



# Production to Quadruple from Ongoing Developments



# Norway Overview



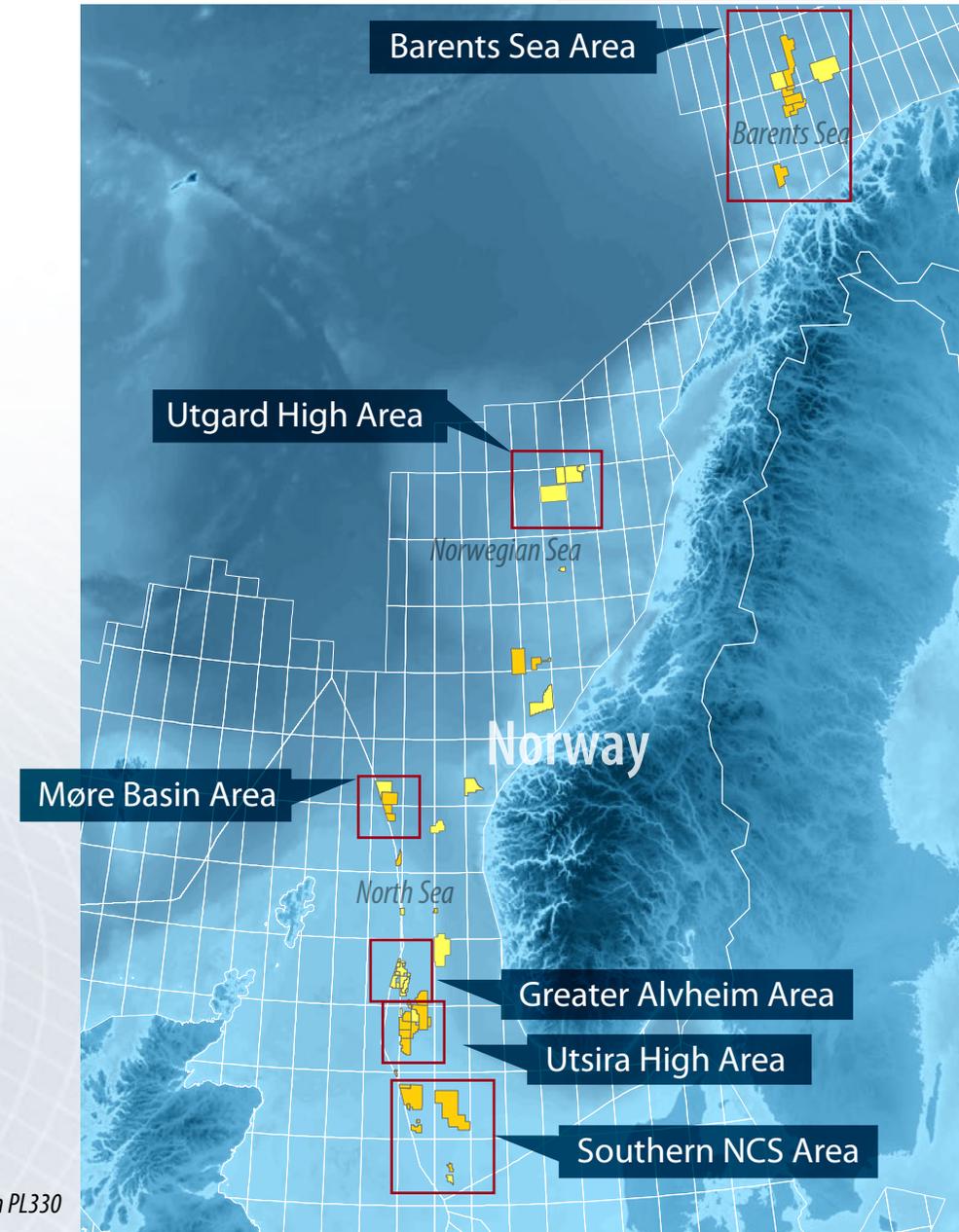
## *Norway Overview*



- **Alex Schneider, Executive Vice President and COO**
- **Chris Bruijnzeels, Senior Vice President Operations**
- **Torstein Sanness, Managing Director, Lundin Norway**
- **Hans Christen Rønnevik, Exploration Manager, Lundin Norway**
- **Anders Henriksson, Edvard Grieg Project Manager, Lundin Norway**
- **Bjørn Sund, Project Director, Lundin Norway**

# Norway

- 2012 net production 27,200 boepd
- 2P reserves net 151.7 MMboe
- 2C contingent resources net 715<sup>(1)</sup> MMboe
- 62 licences – operated acreage 14,500 km<sup>2</sup> (gross)
- 10 exploration wells in 2013
- Targeting 490<sup>(2)</sup> MMboe unrisks net prospective resources in 2013



<sup>(1)</sup> PL501 mid range of previously guided 800–1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Geitungen discovery

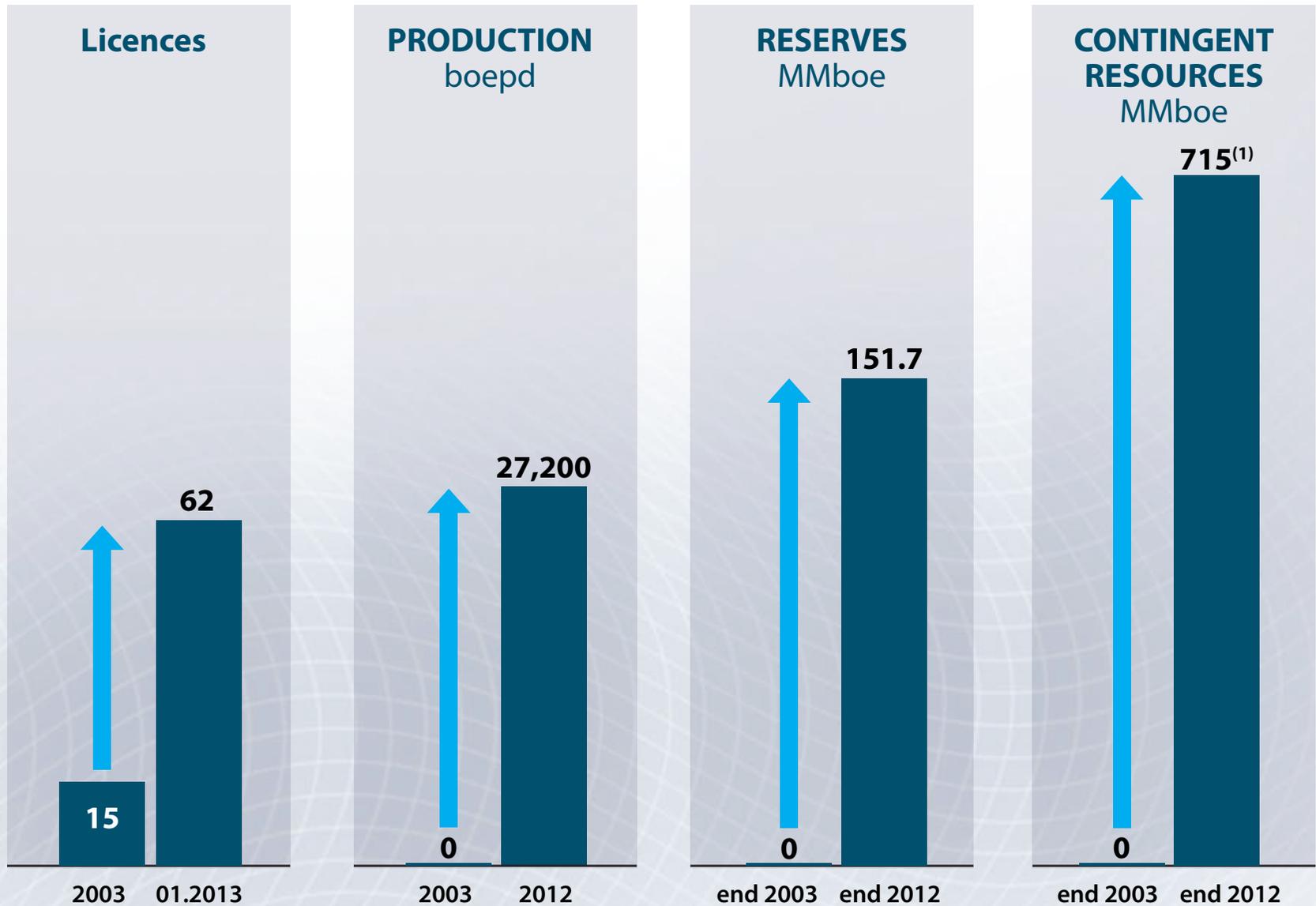
<sup>(2)</sup> excludes Torvastad & PL410 (dependent on Luno II), assumes mid-point prospective resource on PL330

## Norway - An Opportunity for Independents



- **Historically controlled by majors**
  
- **Higher tax rates than UK**
  
- ↓
  
- **Lower drill density in same geological area**
  
- ↓
  
- **Opportunity for independents**

# Norway - Successful Organic Growth

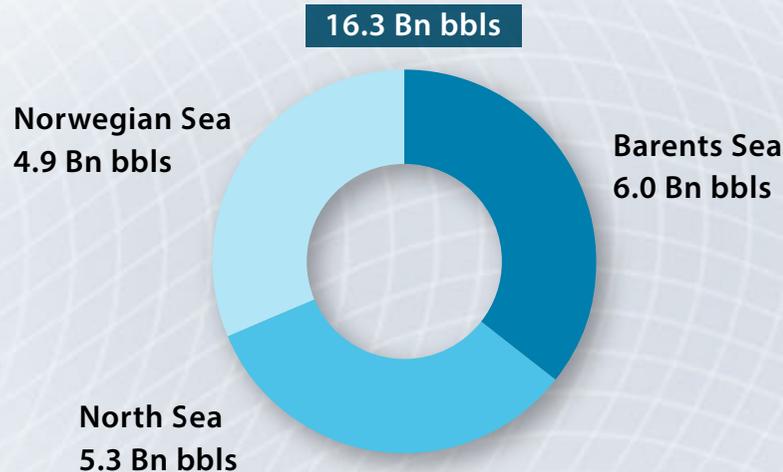


<sup>(1)</sup> PL501 mid range of previously guided 800-1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Geitungen discovery

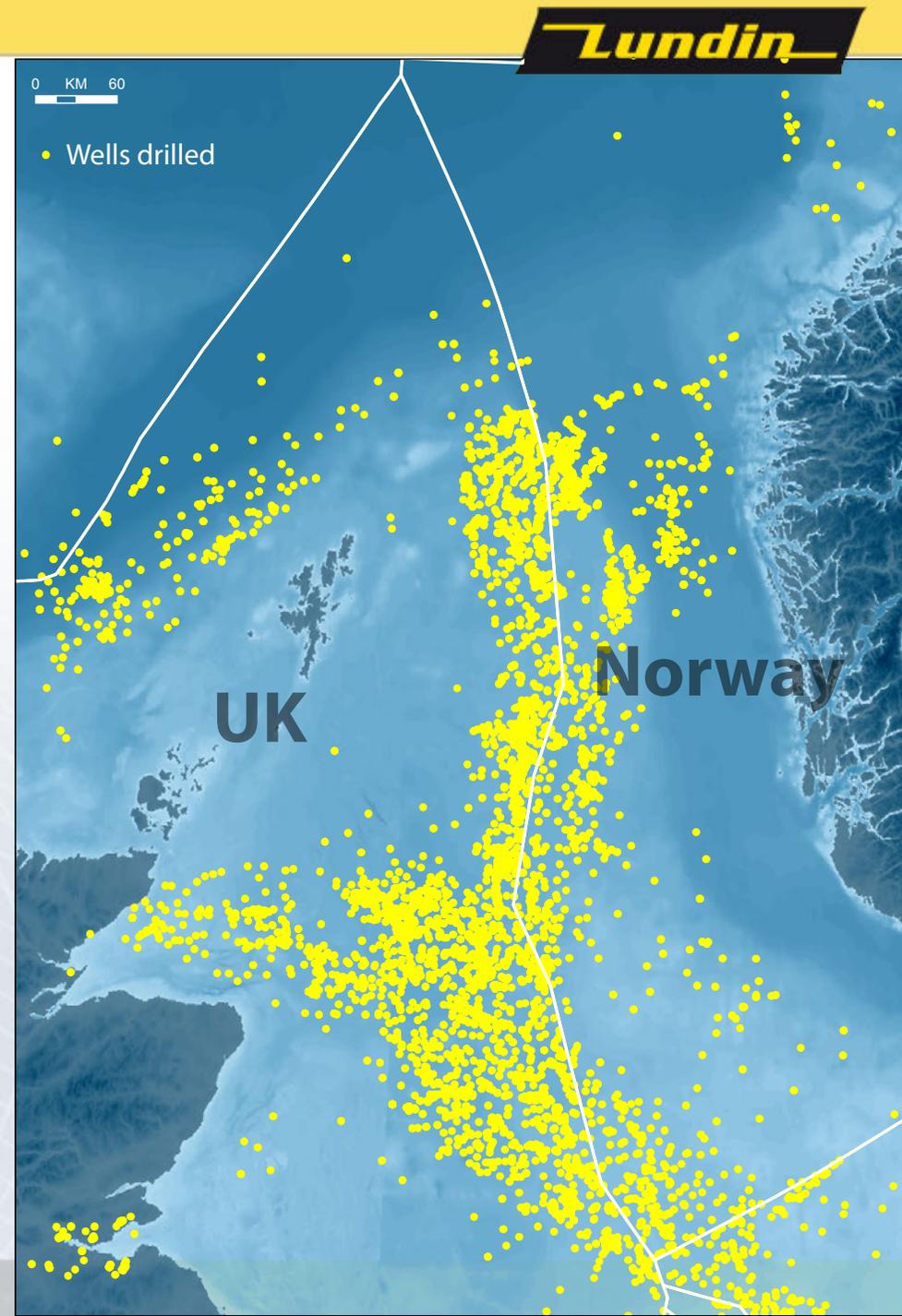
## Why Invest in Norway?

- **Excellent exploration potential remains**
  - ➔ No independents until recently
  - ➔ Lower drilling density than UK
  - ➔ Close to existing infrastructure
- **Stable and attractive fiscal regime**
  - ➔ 78% tax rate (effective rate ~73% with capital uplift)
  - ➔ 93% tax deduction on development expenditures due to tax uplift

### UNDISCOVERED RESOURCES ON THE NCS



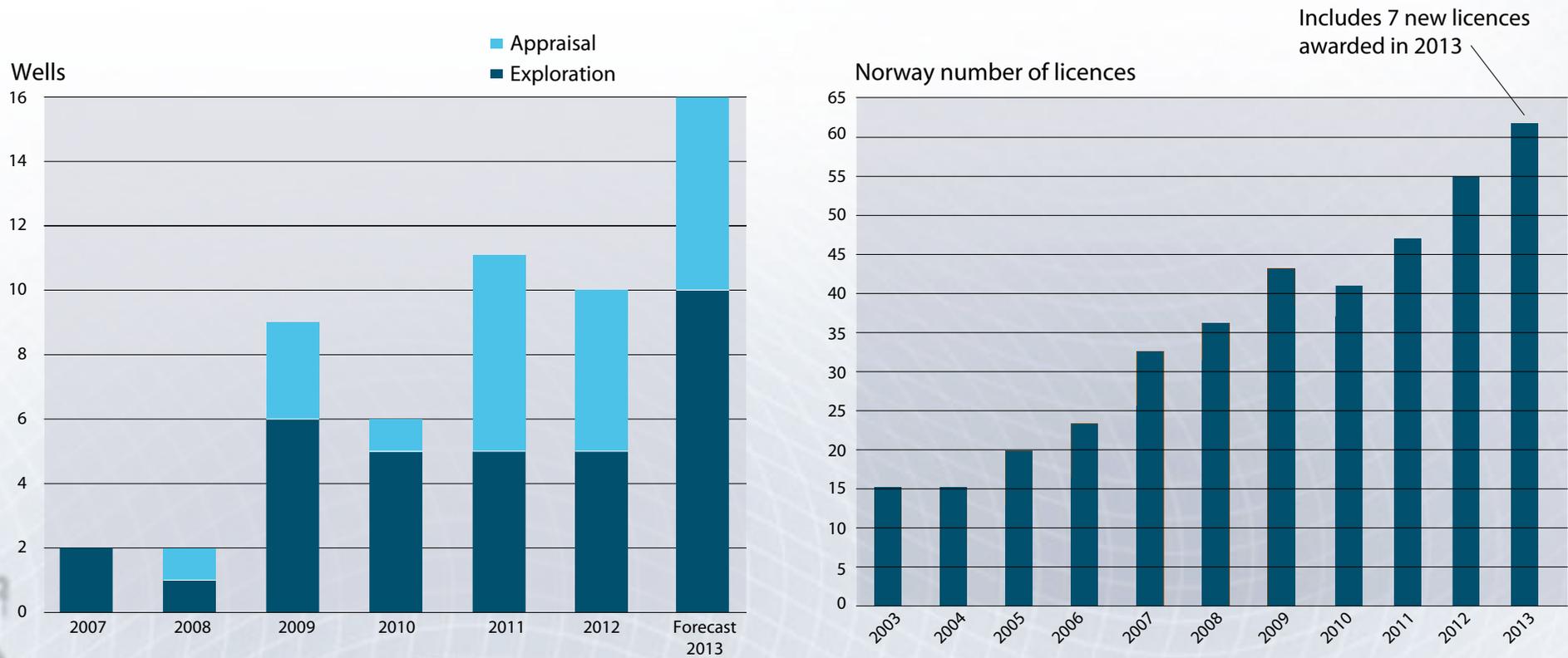
Source: NPD



## Norway - Exploration/appraisal Organic Growth

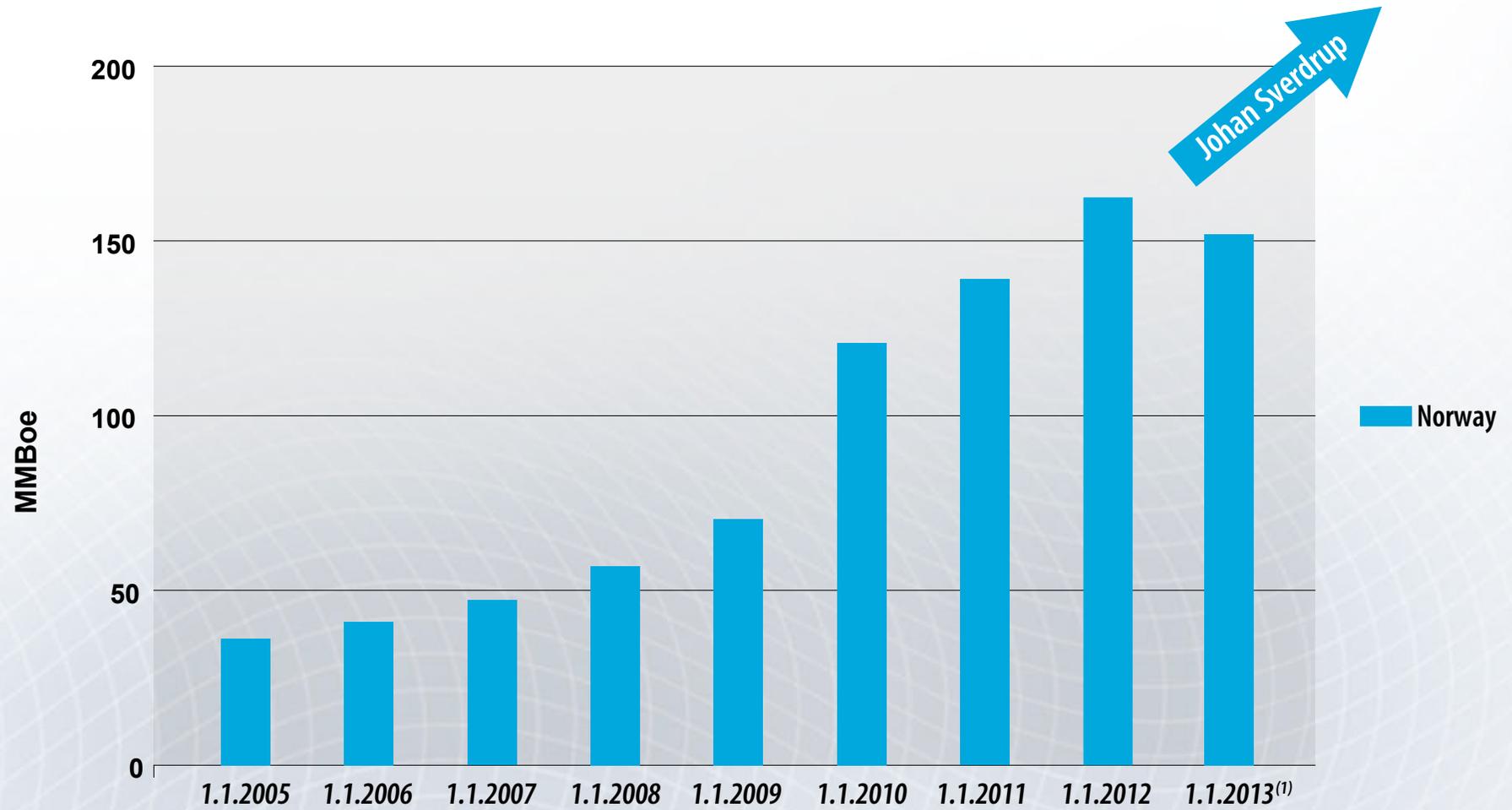


### ➔ Major position built through organic growth

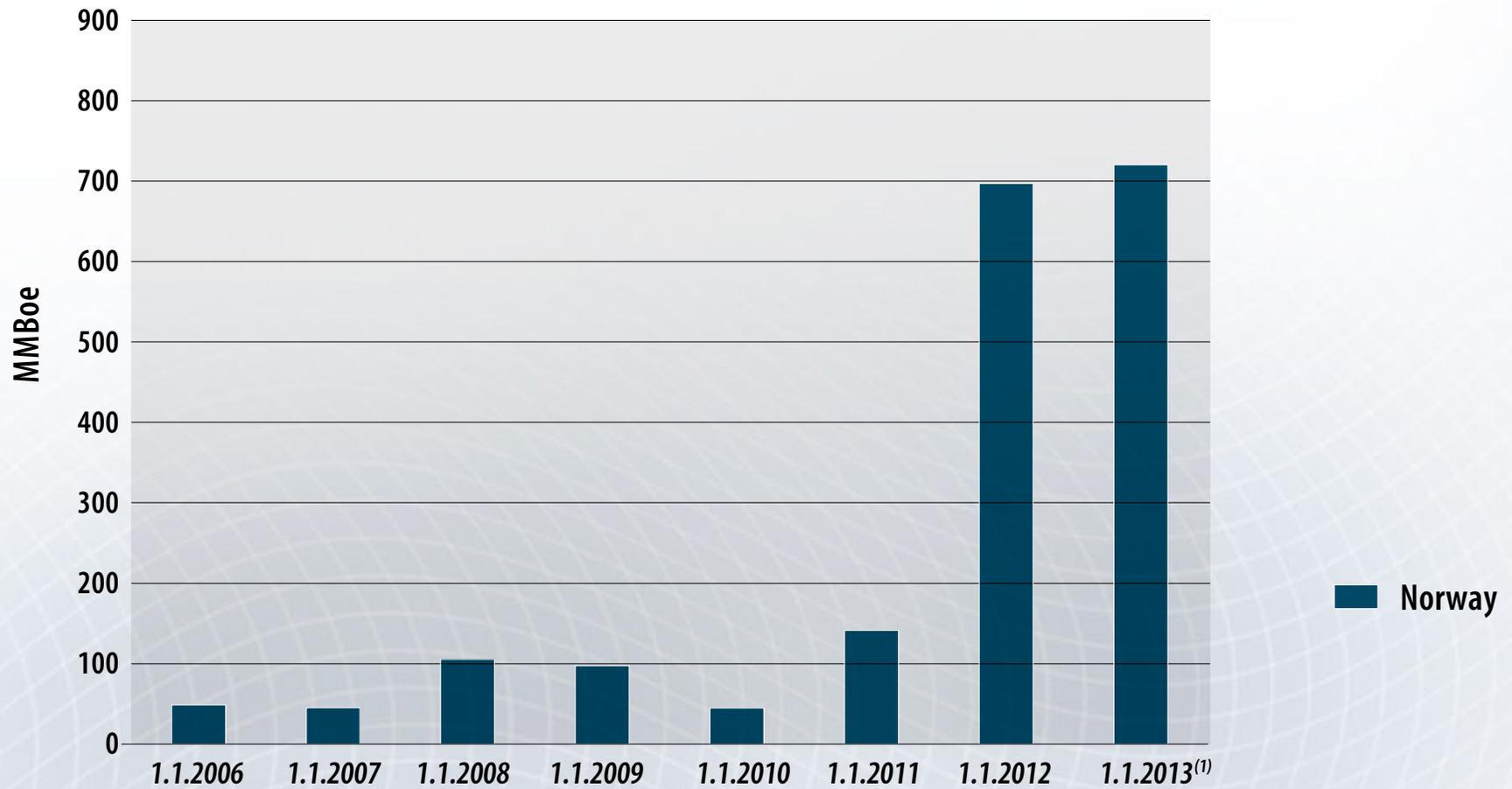


➔ *Lundin Petroleum No 2 operated acreage holder (NCS) after Statoil*

# Norway - Reserves



## Norway - Contingent Resource Growth



## Norway - Low Finding Costs



### 2P Reserves & Johan Sverdrup resources

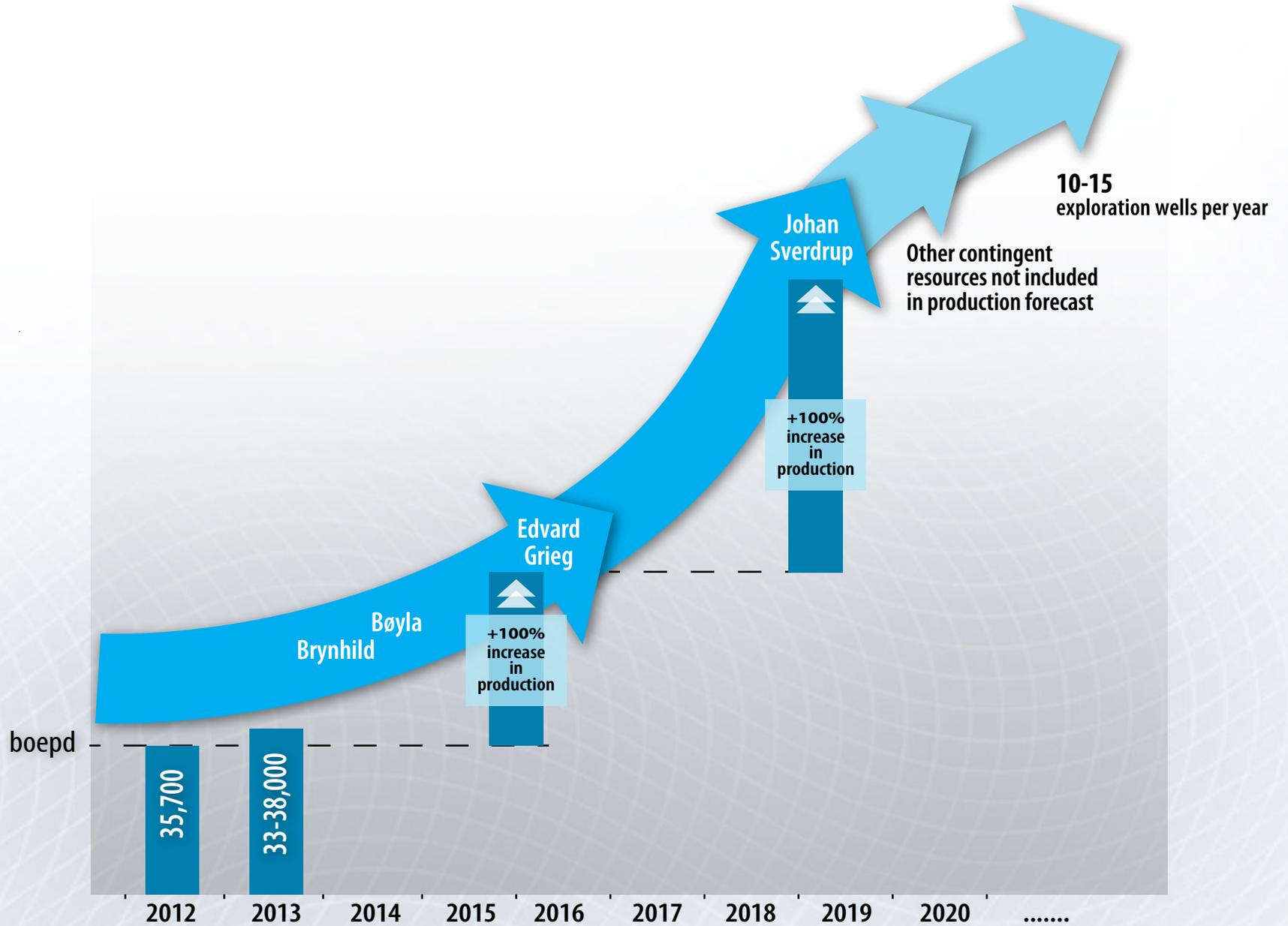
- Finding Cost<sup>(1)</sup> (Pre Tax) ⇒ 1.53 USD/boe
- Finding Cost<sup>(1)</sup> (Post Tax) ⇒ 0.34 USD/boe



*Costs include cumulative exploration and appraisal costs since inception up to 31.12.2012. Discovered resources assume year end 2012 remaining 2P reserves for Edvard Greig, Volund, Gaupe, Bøyla and Brynhild. For Gaupe and Volund cumulative production up to 31.12.2012 is also included in reserves. Brynhild 2P reserves have been adjusted for 50% ownership at the time of making the discovery. Johan Sverdrup & Geitungen contingent resources are included at the operators guided mid-point resource estimate*



# Production to Quadruple from Ongoing Developments



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## *Norway - Development Projects*



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## Norway Developments



### ➤ Brynhild Development (Lundin 90% operator)

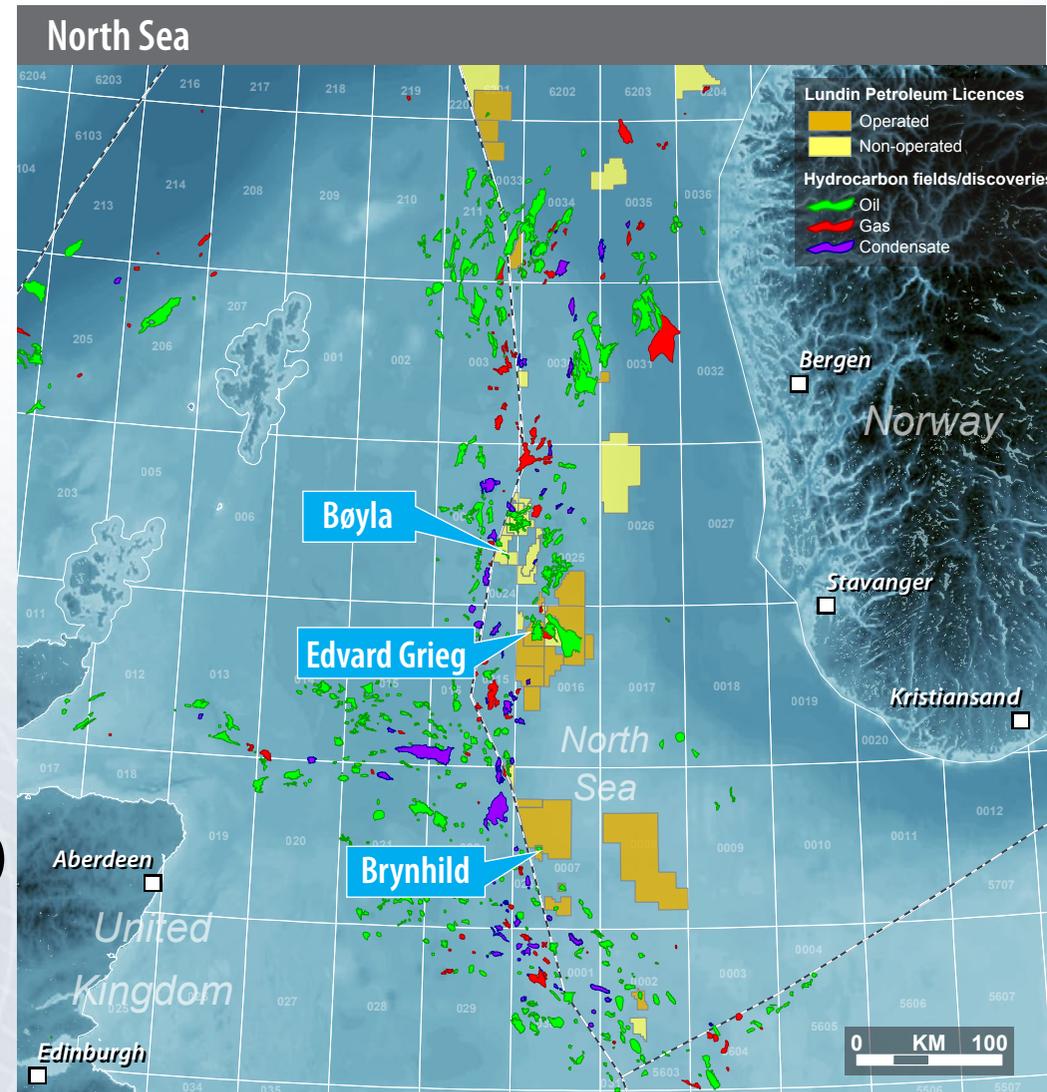
- ➔ PDO approved
- ➔ Tie-back to Haewene Brim FPSO located at Shell Pierce field in the UK
- ➔ 2P reserves 23.1 MMbo gross
- ➔ Plateau production: 12,000 boepd gross
- ➔ First oil Q4 2013

### ➤ Bøyla Development (Lundin 15%)

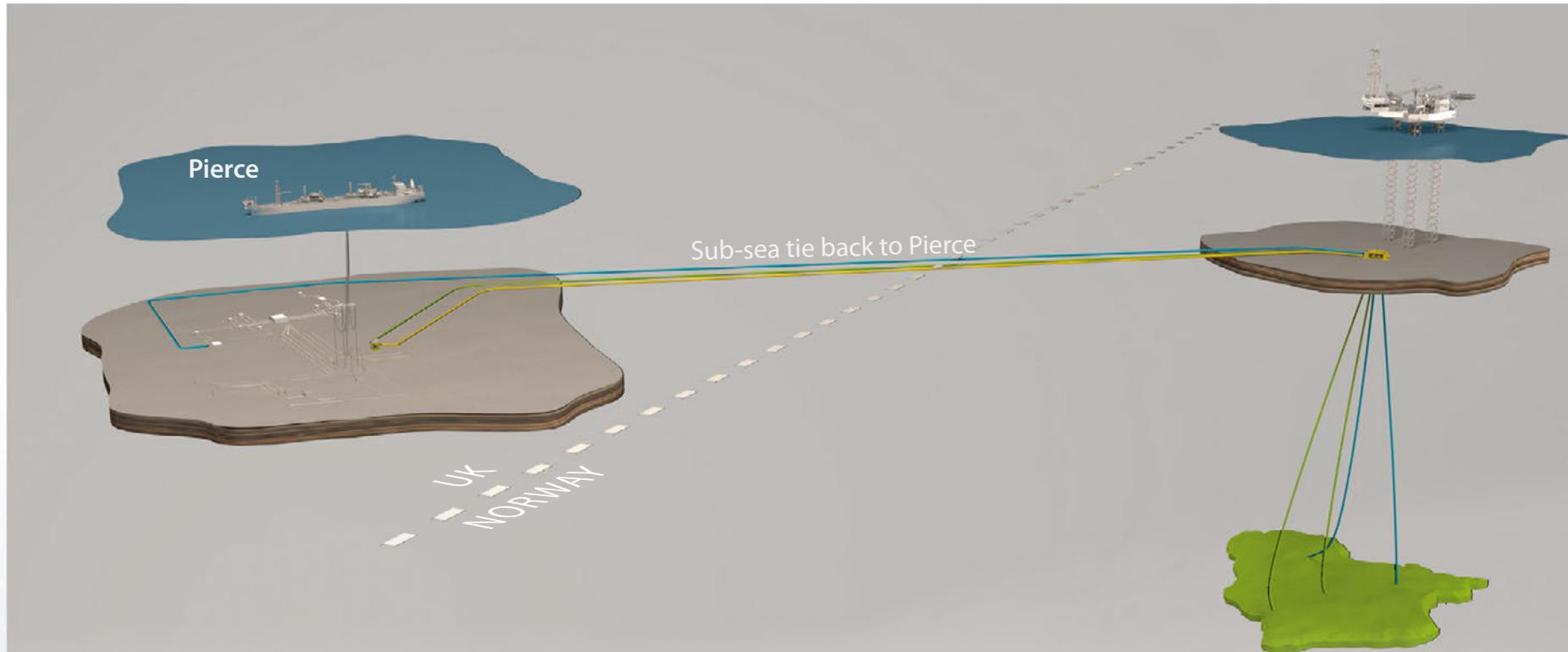
- ➔ PDO approved
- ➔ Tie-back to Alvheim FPSO
- ➔ 2P reserves: 22 MMboe gross
- ➔ Plateau production: 19,000 boepd gross
- ➔ First oil Q4 2014

### ➤ Edvard Grieg Development (Lundin 50% operator)

- ➔ PDO approved
- ➔ 2P reserves: 186 MMboe gross
- ➔ Plateau production: 100,000 boepd gross
- ➔ First oil Q4 2015



# Norway - Brynhild Development Project



## ➤ Main contractors:

- ➔ Aker solutions: Subsea Production System (SPS)
- ➔ Technip (pipelines)
- ➔ Maersk Drilling: development wells
- ➔ Shell: FPSO modifications

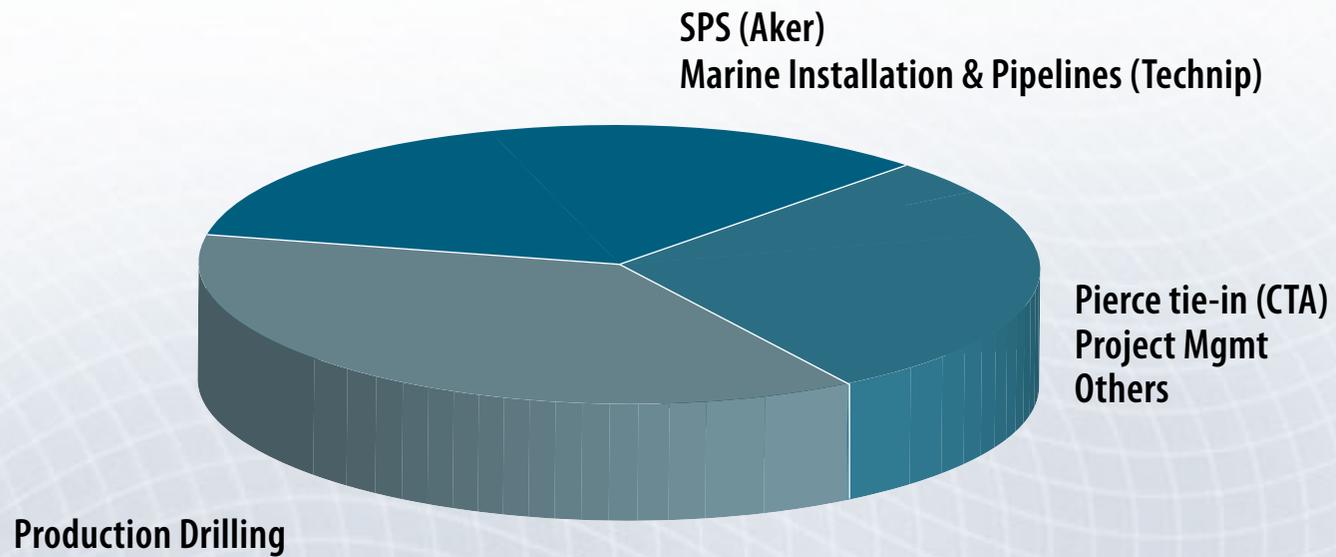
Lundin Petroleum Interest: 90%  
 PDO approved  
 2P reserves gross: 23 MMboe  
 Plateau production gross: 12,000 boepd  
 First Oil: 4Q13

2013 net budget: MUSD 470

## Brynhild - Capex Split

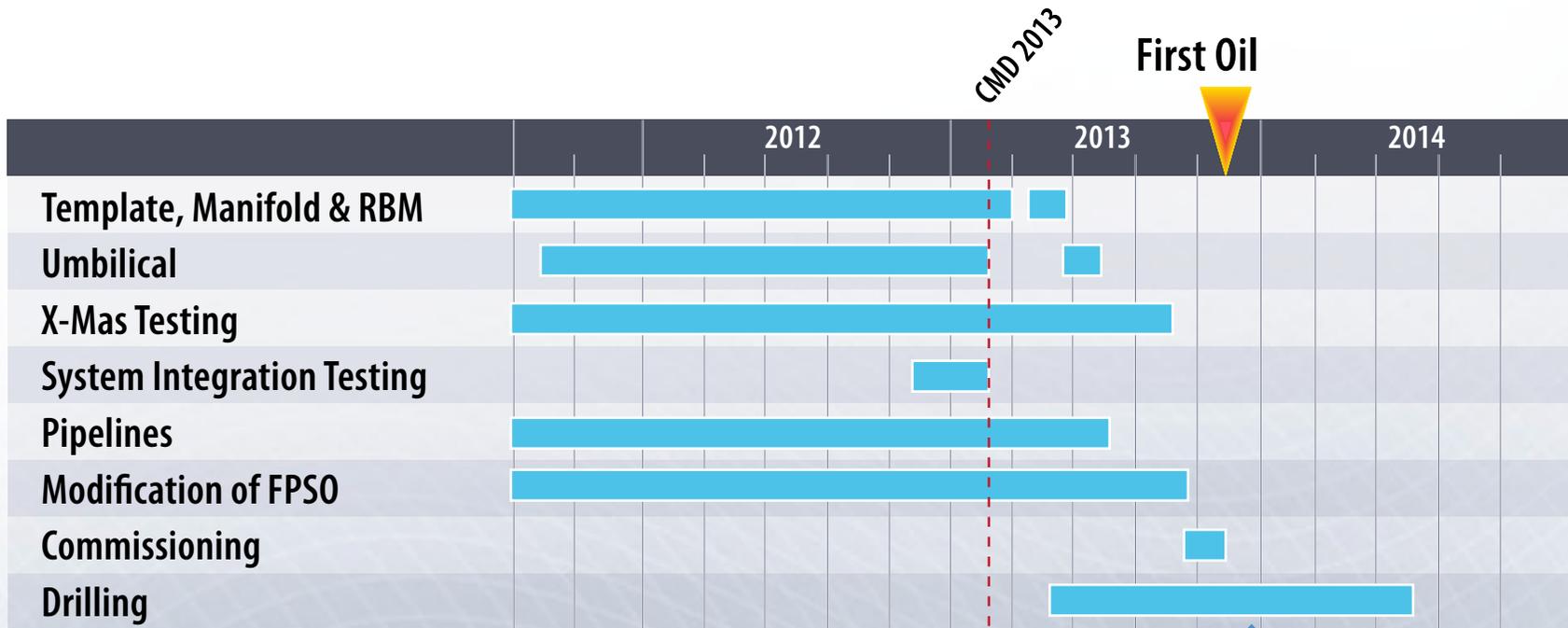


**CAPEX – 890 MUSD<sup>(1)</sup>**



<sup>(1)</sup> Project include 4<sup>th</sup> well optimisation (PDO project based on 3 wells)

# Norway - Brynhild Project Schedule



## Drilling programme

- 2 producers
- 1 combined producer/injector
- 1 water injector



## Norway - Brynhild Project Status



### ▣ Subsea Production System (Aker)

- System Integration Test with template/manifold/subsea trees and controls commencing in Egersund
- Delivery of template/manifold in March

### ▣ Pipeline (Technip)

- Pipe In Pipe production ongoing at Evanton
- Installation of template/manifold in April

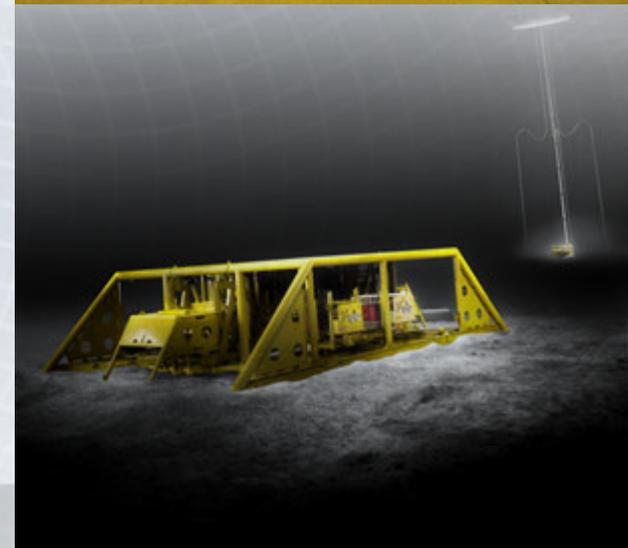
### ▣ FPSO modification (Shell)

- Minor modifications ongoing offshore
- The FPSO will be brought to shore early July for remaining modifications

### ▣ Drilling (Maersk Guardian)

- Currently drilling on Ognå (PL453S), then proceed to Carlsberg (PL495)
- Brynhild drilling commencing May/June

Manifold Template

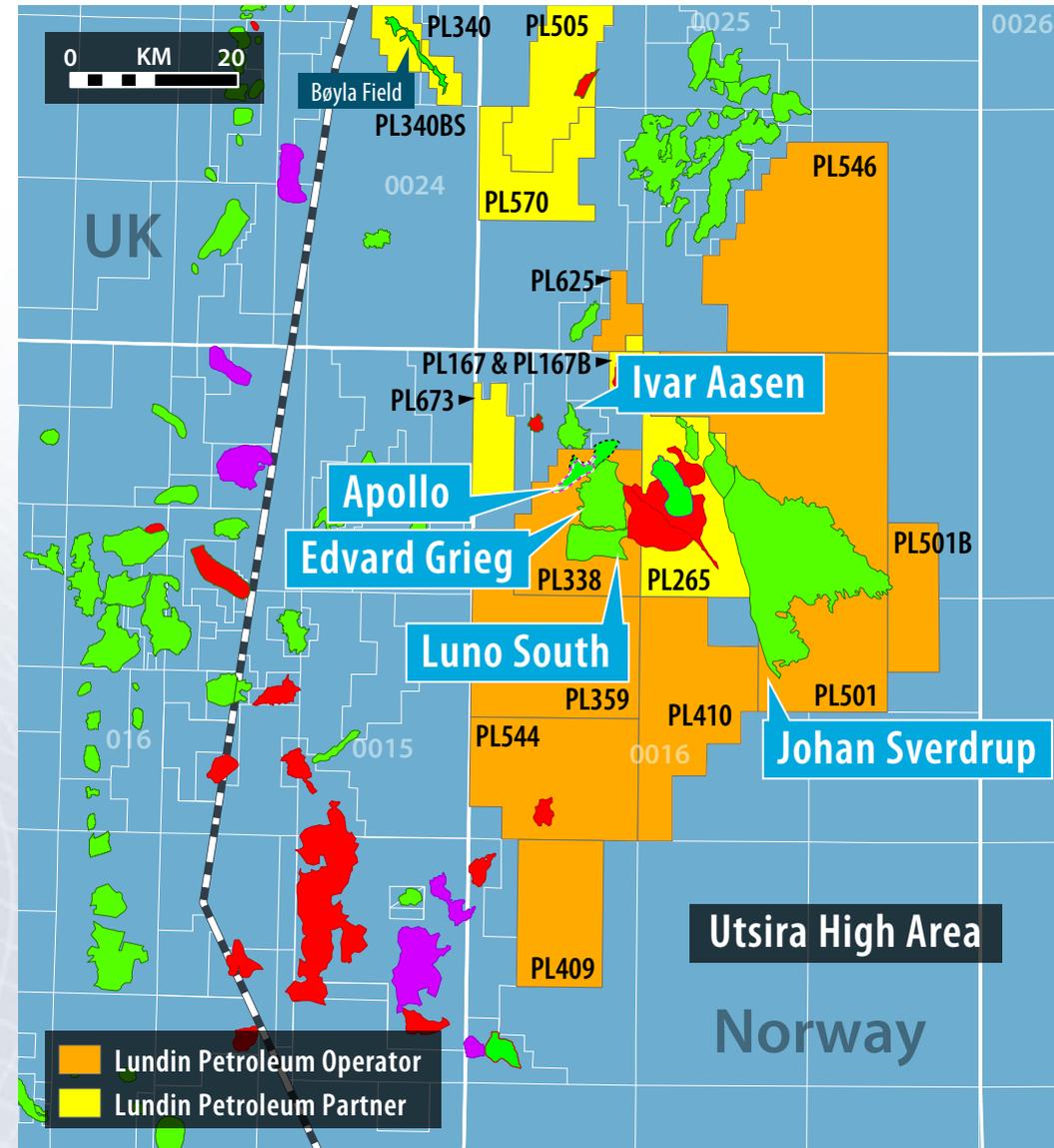


# Norway - Utsira High Area - Edvard Grieg



- **Lundin Petroleum interest: 50% (operator)**
  - ➔ OMV 20%, Wintershall 15%<sup>(1)</sup>, Statoil 15%<sup>(1)</sup>
- **Plan of Development approved**
- **2P reserves: 186 MMboe gross**
- **Plateau production: 100,000 boepd gross**
- **Commercial agreement for coordinated development with Ivar Aasen**

➔ **2013 Net Budget: MUSD 550**



<sup>(1)</sup> Subject to Government approval

# Norway - Edvard Grieg Development Project



- **Production startup Q4 2015**
- **Drilling 15 wells from jack-up rig**
  - ➔ 11 producers and 4 water injectors
  - ➔ Contract award to Rowan companies
- **Platform PdQ**
  - ➔ Jacket construction commenced
  - ➔ Jacket and Topsides - Kværner
  - ➔ Marine installations - Saipem
  - ➔ Design capacity
    - Oil: 90 000 bopd (with Ivar Aasen<sup>(1)</sup>: >120 000 bopd)
    - Gas: 2 MSm<sup>3</sup>/d (with Ivar Aasen<sup>(1)</sup>: 4 MSm<sup>3</sup>/d)
  - ➔ Designed for coordinated development with Ivar Aasen<sup>(1)</sup>
- **Export pipelines**
  - ➔ Oil export pipeline to Grane
  - ➔ Gas export pipeline to UK – SAGE Beryl



**Jacket: 13,000 tonnes**  
**Topsides: 21,000 tonnes**

<sup>(1)</sup> formerly Draupne

# Norway - Edvard Grieg Development Cost Overview



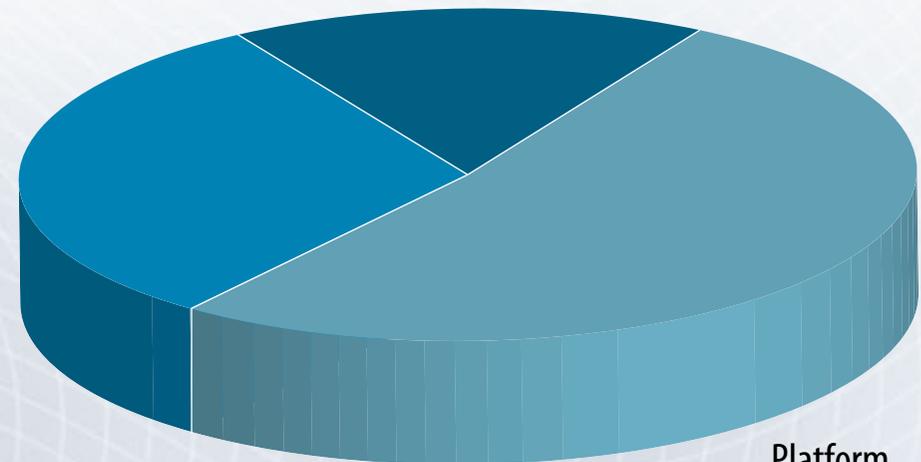
## Capex assumes

- 100% ownership in pipelines
- No capital contribution from Ivar Aasen

**CAPEX – Total 24 BNOK**

Production drilling

Export pipelines, project management

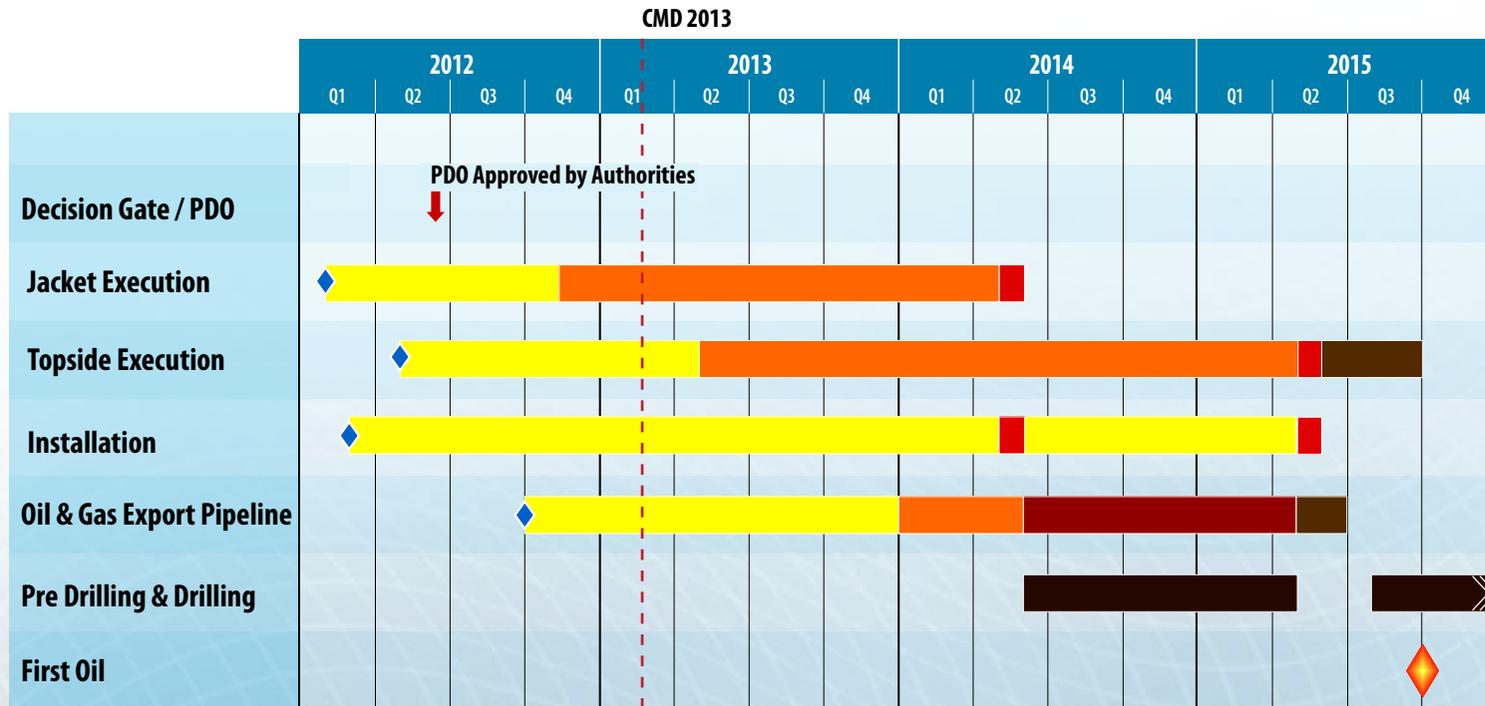


Platform

# Norway - Edvard Grieg Project Schedule



## ➤ Project on schedule



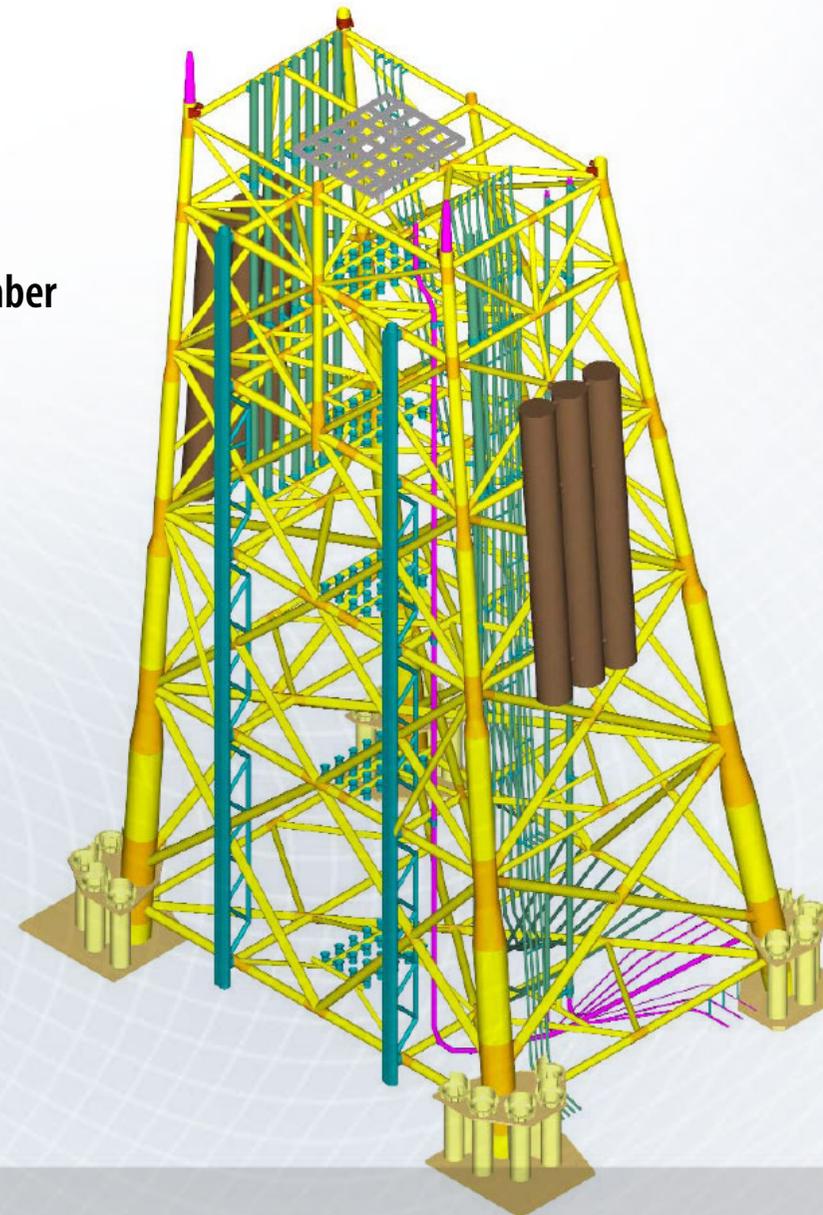
- Engineering/Procurement
- Construction/Assembly
- Load out/Seafastning & Marine Operations
- Pipelaying
- Offshore Hook-up/Commissioning
- Drilling
- Contract Award

# Norway - Edvard Grieg Project Status



## CONTRACTS AWARDED

- ▶ **Jacket**
  - Started rolling tubulars in November
  - Started fabricating pile clusters
  - Jacket fabrication at Kværner Verdal started December
  
- ▶ **Topside**
  - Detailed engineering ongoing
  - Fast track procurement programme ongoing
  - Living quarter design completed
  
- ▶ **Marine Operations**
  - Engineering for transport and installation
  
- ▶ **Pipelines**
  - Oil to Grane, Gas to Sage Beryl
  - Statoil operator
  - Participation Agreements with Ivar Aasen finalised



# Norway - PL338 Resource Base & Opportunities



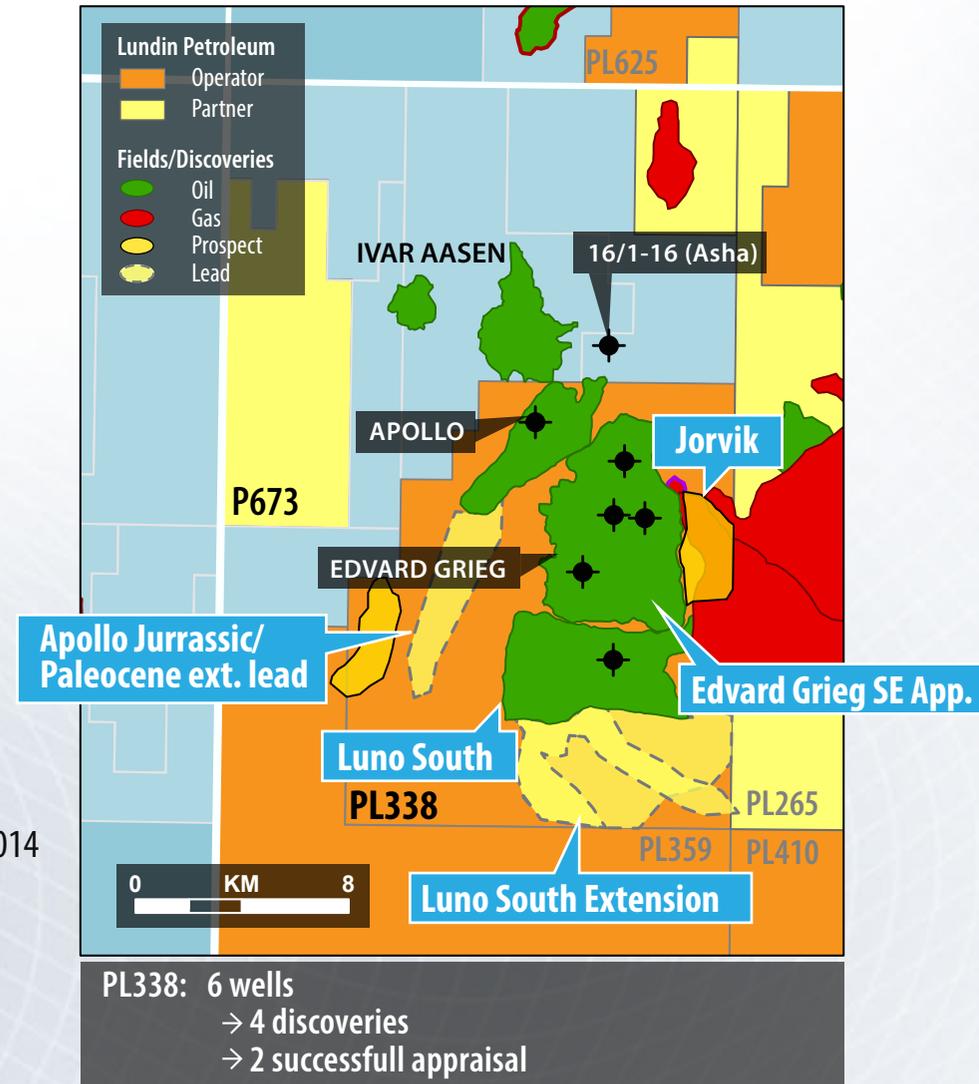
## RESOURCE BASE

- ➔ **Edvard Grieg**  
2P Reserves: 186 MMboe gross

## OPPORTUNITIES

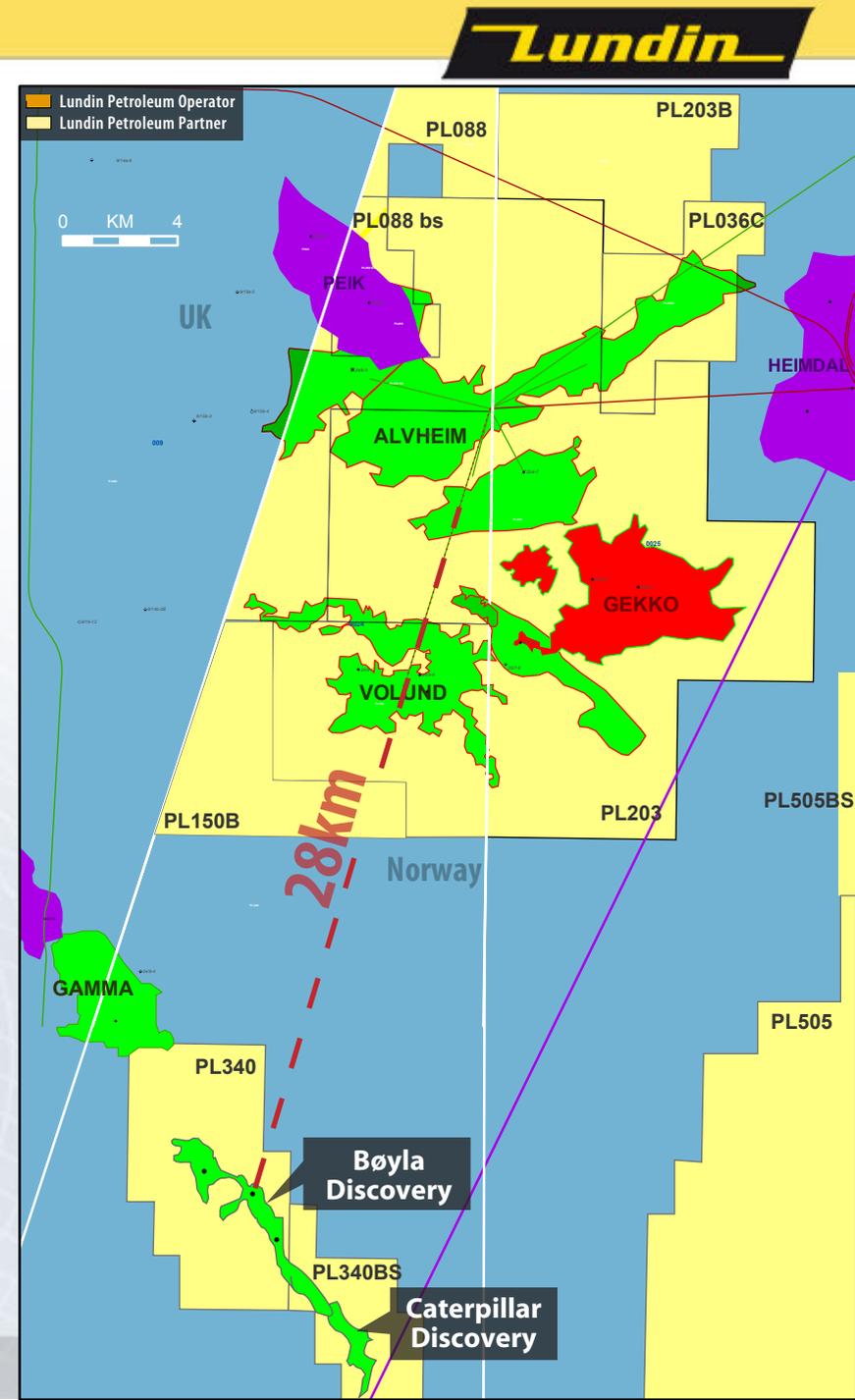
- ➔ **Jorvik**  
Gross Prospective Resources: 46 MMboe  
➔ Drilling ongoing
- ➔ **Edvard Grieg SE appraisal well**  
Potential to move 50 MMboe gross from 3P to 2P  
Development drilling optimisation  
Drilling 3Q13
- ➔ **Apollo appraisal well**  
Resources estimate available in 2013  
Planned appraisal well in 2013 potentially delayed to 2014
- ➔ **Luno South**  
No contingent resources carried - potential long-term production test once Edvard Grieg onstream
- ➔ **Luno South Extension**  
Resources estimate available in 2013.  
Potential additional prospective resources

Mature discovery/prospect based  
on latest broad seismic survey



## Norway - Bøyla Development

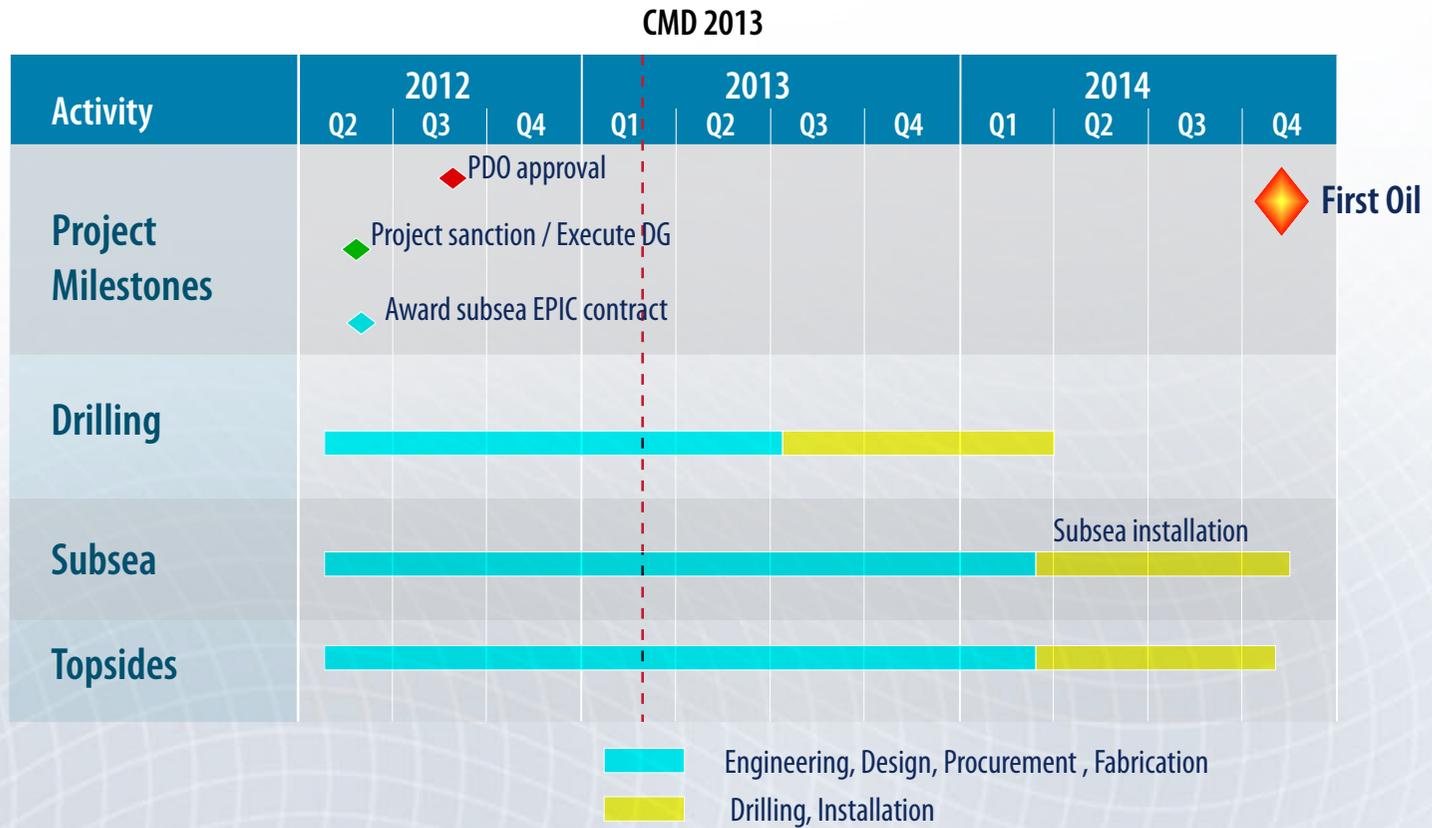
- ➔ **Lundin Petroleum interest: 15%**
  - ➔ Marathon 65% (Operator), ConocoPhillips 20%
- ➔ **2P gross reserves of 22 MMboe**
- ➔ **Subsea Tie-back to Alvheim**
  - ➔ 2 producers, 1 injector
- ➔ **PDO approved in October 2012**
- ➔ **First oil end 2014**
- ➔ **Plateau rate 19,000 boepd gross**
- ➔ **2013 Net Budget: MUSD 40**



# Norway - Bøyla Schedule



➤ Gross project costs MUSD 867



➤ Project schedule forecast: according to plan

*Norway - Johan Sverdrup*

**Lundin**



*Lundin Petroleum Capital Market Day  
12 February 2013*

# Appraisal Activity 2013

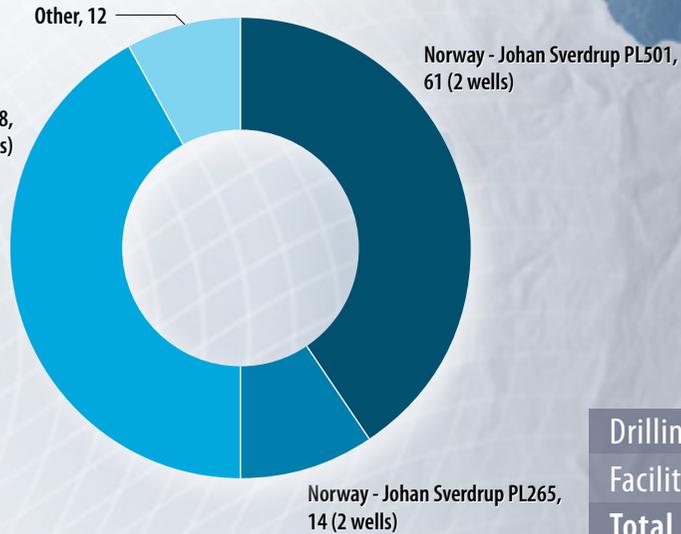


## NORWAY – USD 140 million

- **Johan Sverdrup**
  - 2 appraisal wells on PL501
  - 2 appraisal wells on PL265
- **PL338**
  - 1 appraisal well on Edvard Grieg
  - 1 appraisal well on Apollo

## MALAYSIA – USD 10 million

- **PM307 Peninsular Malaysia**
  - Bertam Field Development studies



	Forecast 2013
Drilling	105
Facilities	45
<b>Total</b>	<b>150</b>

➔ **Appraisal Budget 2013 USD 150 million**

## Norway - Utsira High - Johan Sverdrup



### ➤ Located in the southern Utsira High In the heart of the North Sea

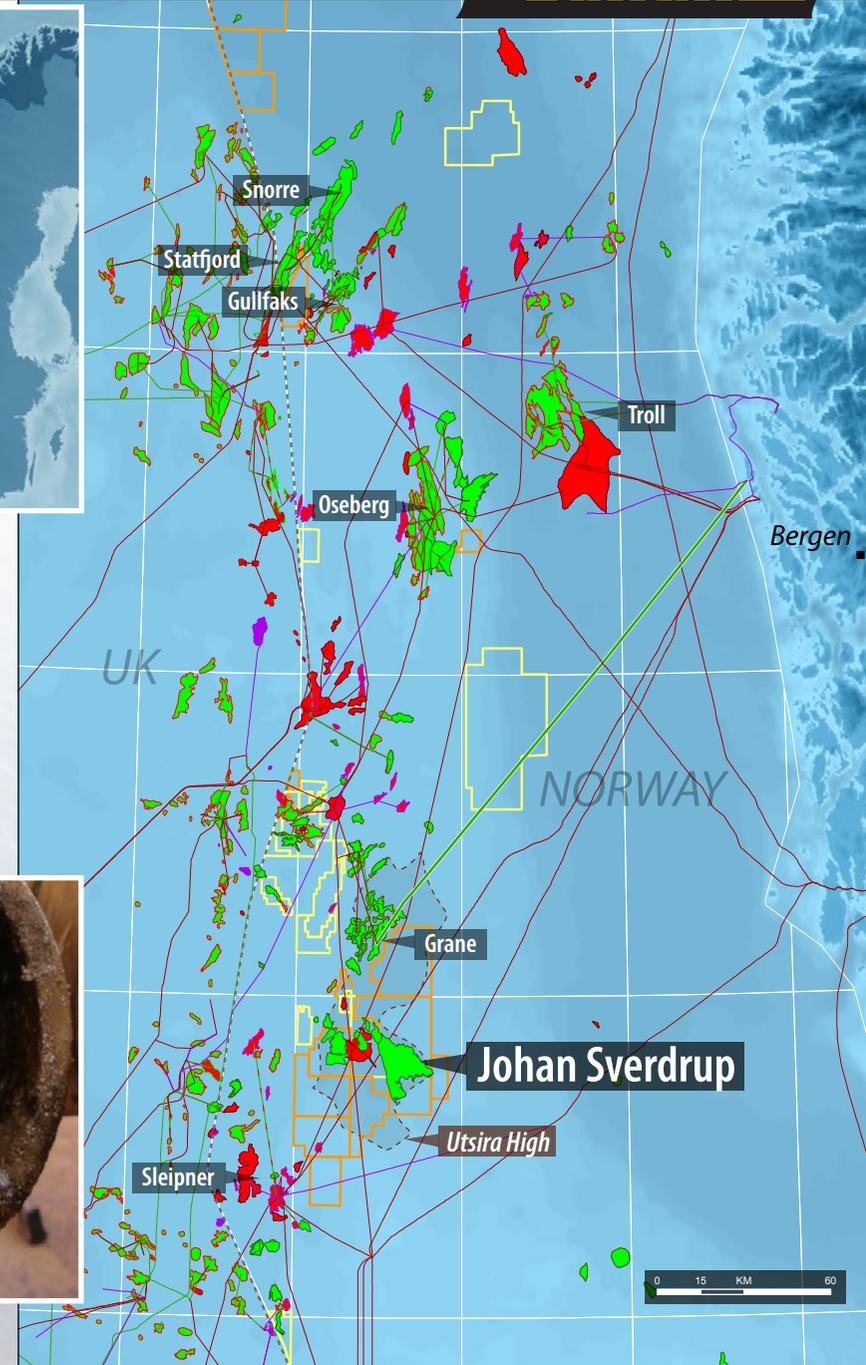
- Close to existing infrastructure
- Water depth: 115m
- Reservoir depth: ~1900m

### ➤ Excellent reservoir quality

- High porosity and permeability sands
- Normal pressure and temperature

### ➤ Easily producible oil

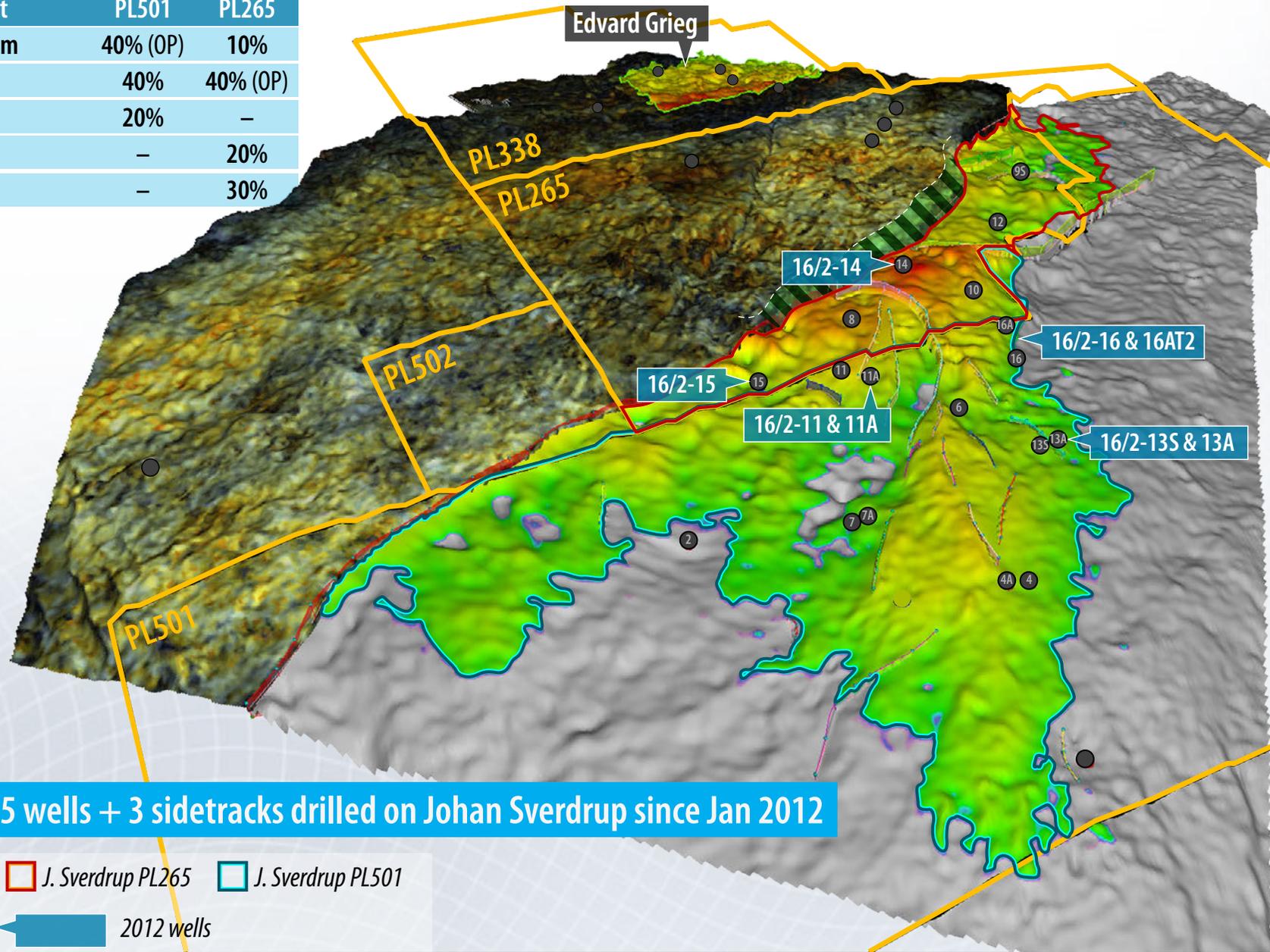
- Oil dripping out of the cores
- Highly mobile and low viscosity oil
- 28° API oil
- Low gas/oil ratio



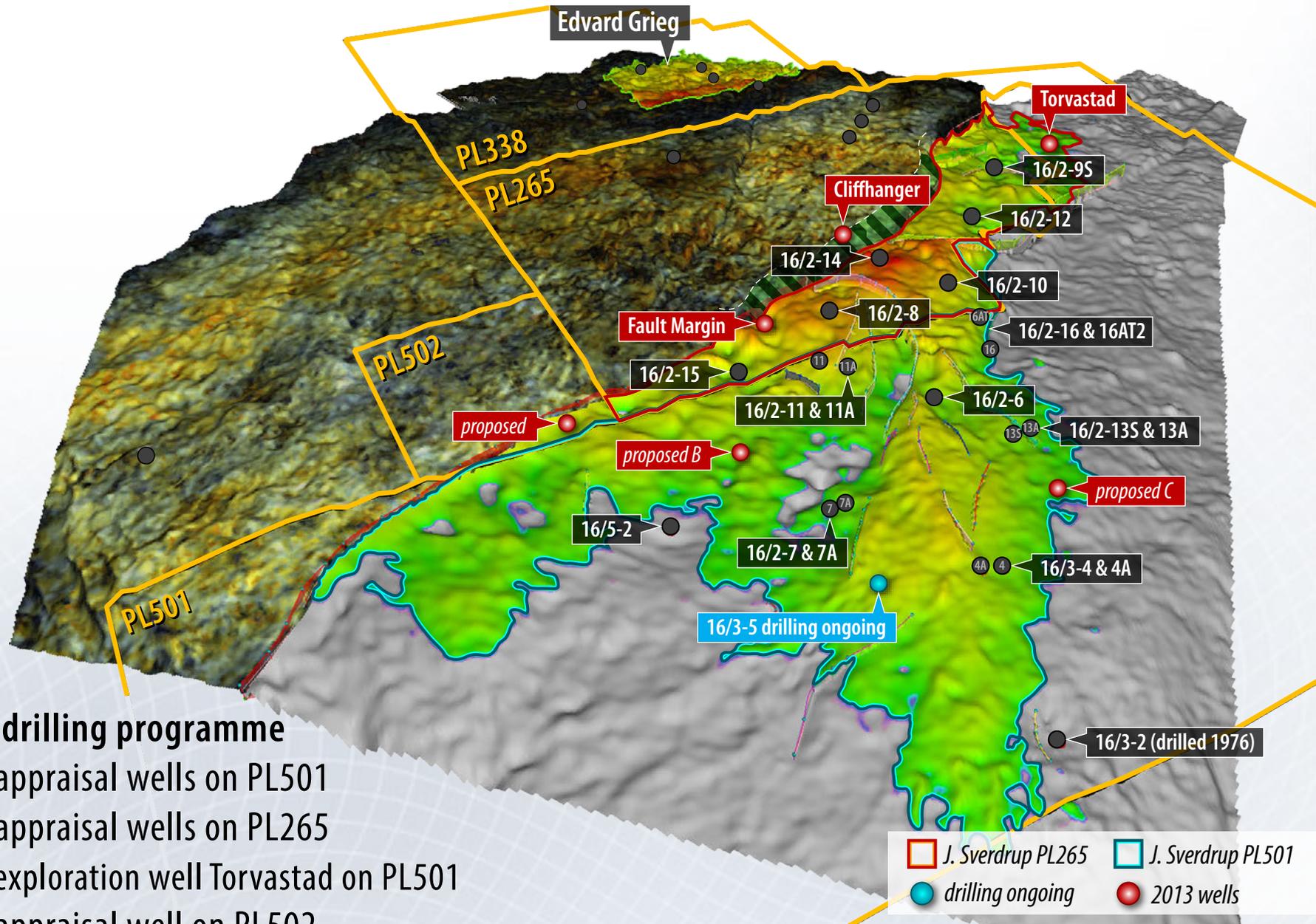
# Norway - Johan Sverdrup 2012 Appraisal Programme



Working Interest	PL501	PL265
Lundin Petroleum	40% (OP)	10%
Statoil	40%	40% (OP)
Maersk	20%	-
Det norske	-	20%
Petoro	-	30%



# Norway - Johan Sverdrup 2013 Appraisal Programme



## 2013 drilling programme

- 2 appraisal wells on PL501
- 2 appraisal wells on PL265
- 1 exploration well Torvastad on PL501
- 1 appraisal well on PL502

J. Sverdrup PL265
  J. Sverdrup PL501  
● drilling ongoing
 ● 2013 wells

# Norway - Johan Sverdrup Appraisal Strategy



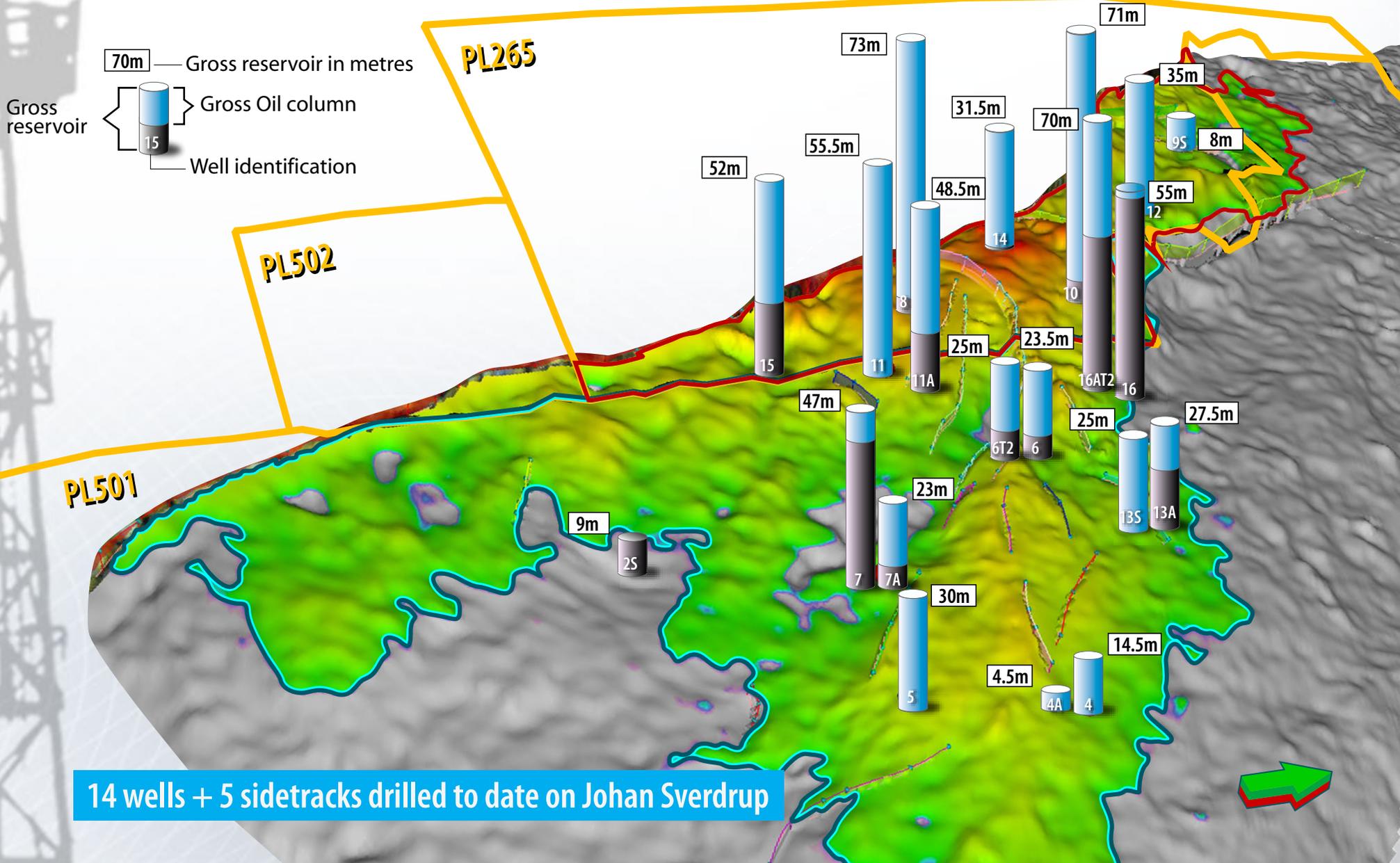
Concept  
Selection

2013												
Lundin Petroleum	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>BREDFORD DOLPHIN</b>												
PL501 16/3-5	ongoing											
PL501 proposed B												
PL501 proposed C												
<b>ISLAND INNOVATOR</b>												
PL501 Torvastad												

2013												
Statoil	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>RIG</b>												
PL265 Fault Margin												
PL265 Cliff Hanger												
PL502												

- **In total 15 exploration/appraisal wells drilled on Johan Sverdrup**
  - ➔ 9 in PL501 (incl 1976 well) plus 5 sidetracks
  - ➔ 6 in PL265 (incl Aldous Major North/Geitungen)
  
- **At least 4 more wells planned during 2013 in PL501 & PL265 (excluding Torvastad)**
  
- **1 well planned in PL502**
  
- **Significant increased understanding**
  - ➔ Large area ~200 km<sup>2</sup>
  - ➔ Low relief structure
  - ➔ Variable sand distribution thickness in oil column

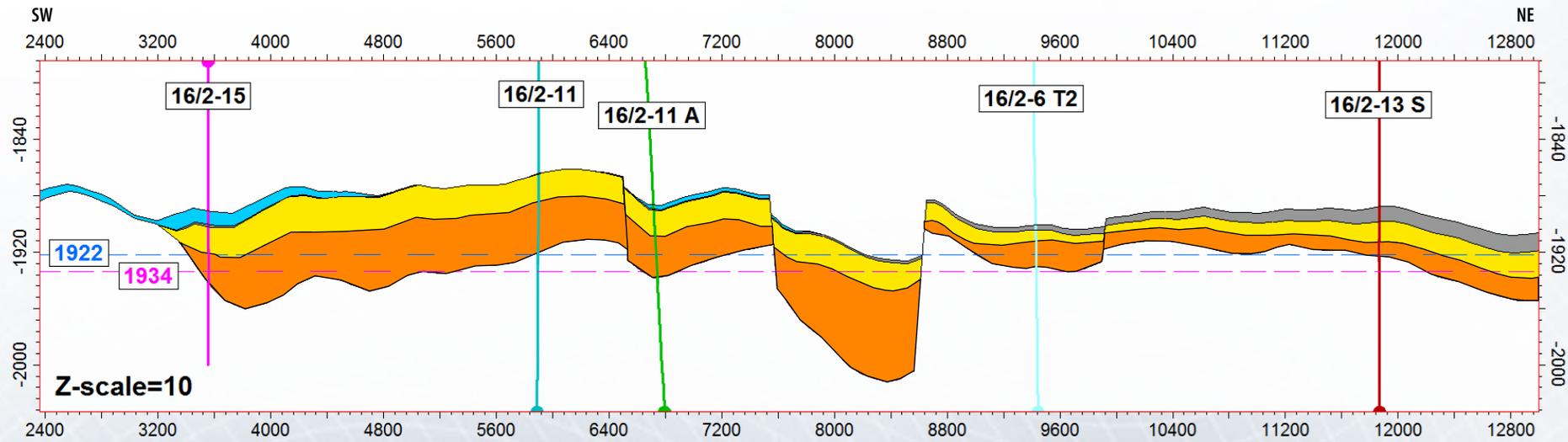
# Norway - Johan Sverdrup Appraisal Summary



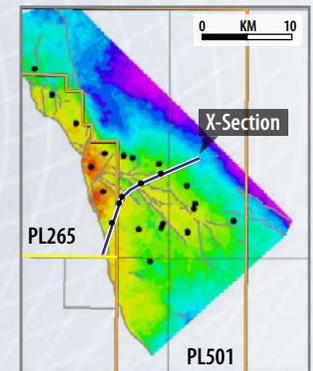
# Johan Sverdrup Geological Settings



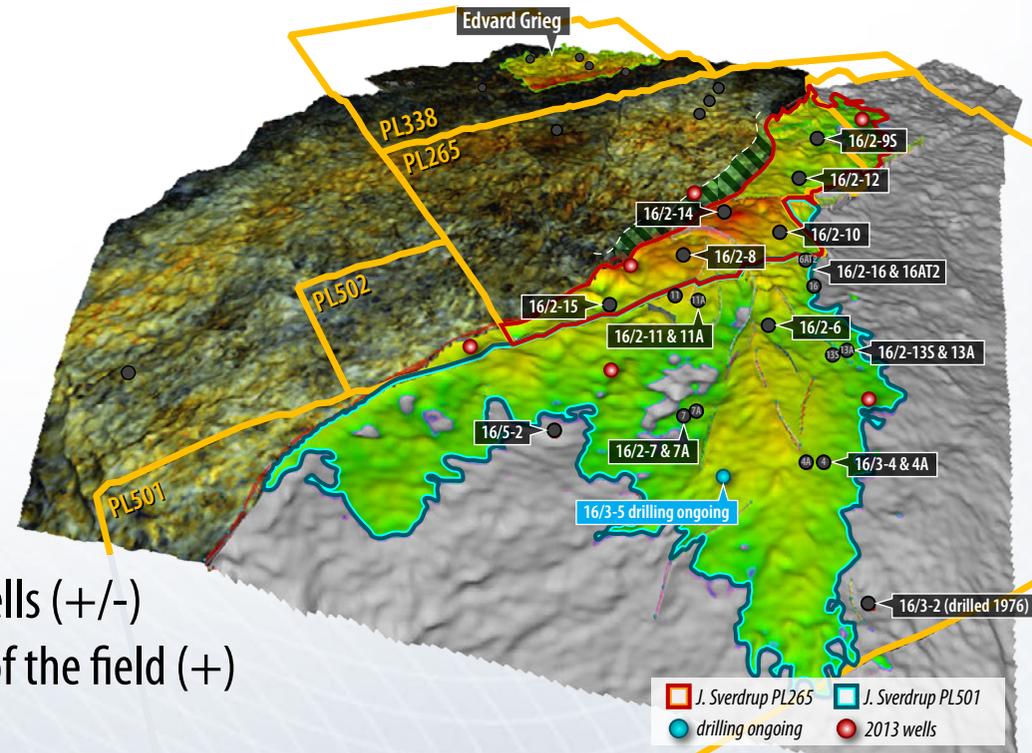
## West to East X-section of Johan Sverdrup calibrated to various wells



- Zones**
- Spiculite
  - Draupne Shale
  - Draupne Sand / Volgian
  - Vestland Group



# Johan Sverdrup - PL501 Appraisal Findings



- Reservoir tops close to prognosis in most wells (+/-)
- Deeper Oil Water Contact in the North East of the field (+)
  - (1934 mTVDss vs 1922 mTVDS)
- Excellent Sand Quality (+/-)
- Well 16/5-2 deeper than prognosed (-)
- Variable distribution – Draupne (Volgian) and Vestland Sandstones (-)

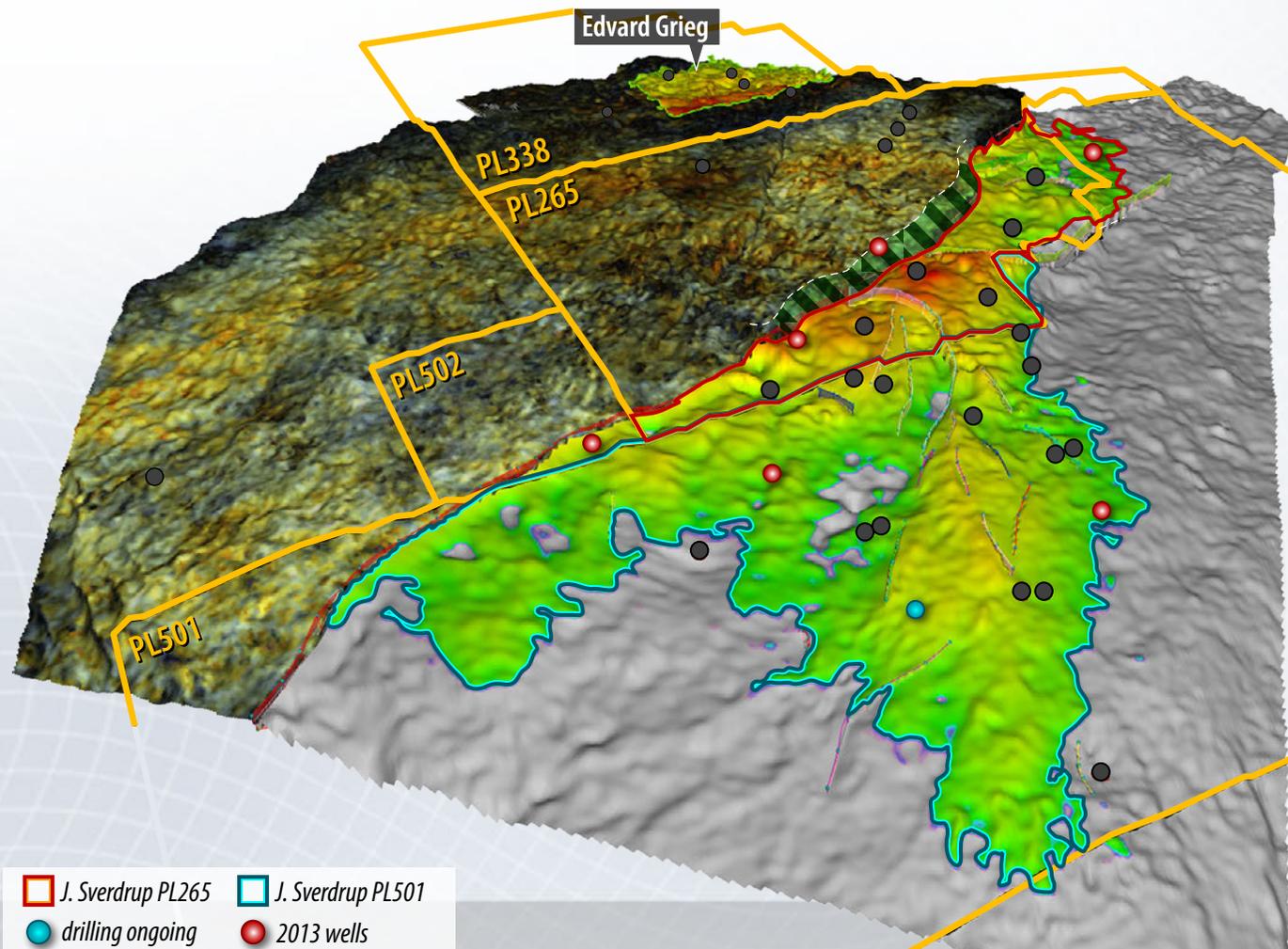


**Johan Sverdrup Geological Model in progress**

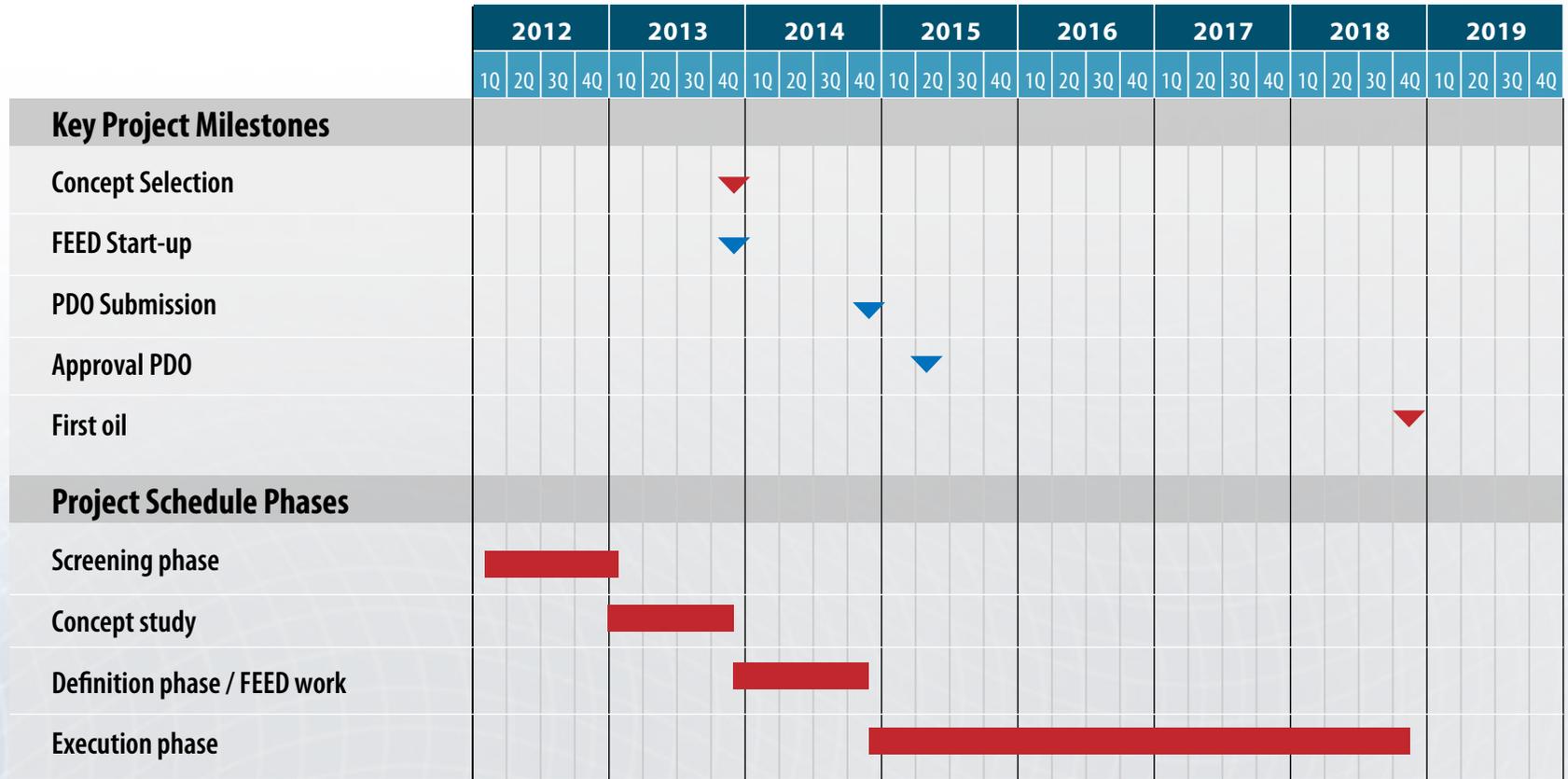
2012 appraisal findings

- (+/-) Neutral
- (+) Positive
- (-) Negative

- Working operator Statoil delayed resource update to Q4 2013
- Several important wells to be drilled during 2013



# Norway - Johan Sverdrup Project Schedule



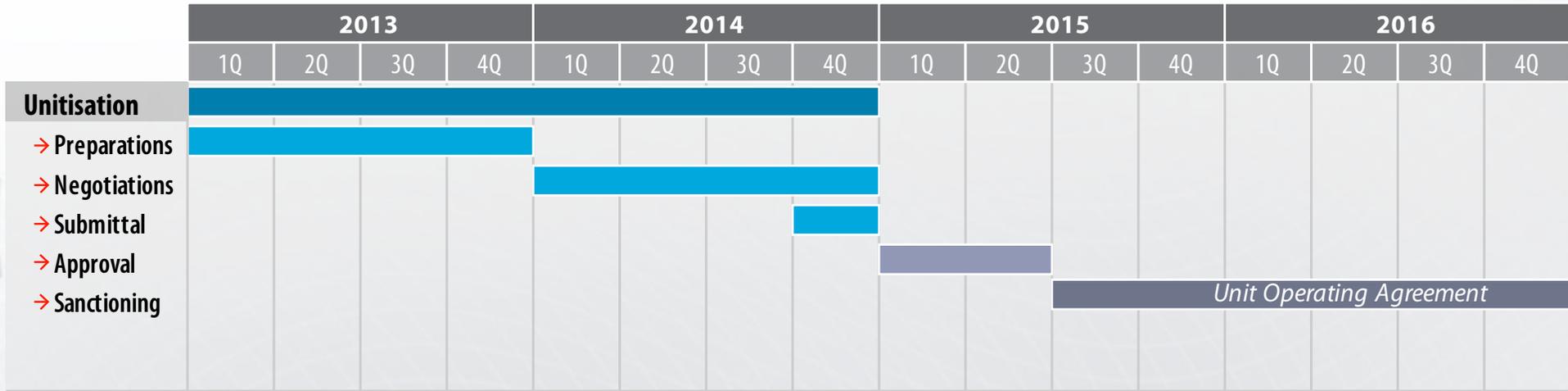
## ➤ Pre-Unit Agreement

- ➔ Signed agreement between the two licensees PL 501 (Lundin Operator) & PL 265 (Statoil Operator), March 2012
- ➔ Duration until entry of DG3 decision
- ➔ Statoil nominated as Working Operator
- ➔ 50/50 Cost share principle

## ➤ Main Objectives

- ➔ Preparation of joint Plan for Development and Operation (PDO)
- ➔ A Unitised Unit Operating Agreement
- ➔ PDO Submittal to the authorities by 4Q 2014

# Norway - Johan Sverdrup Unitisation Process



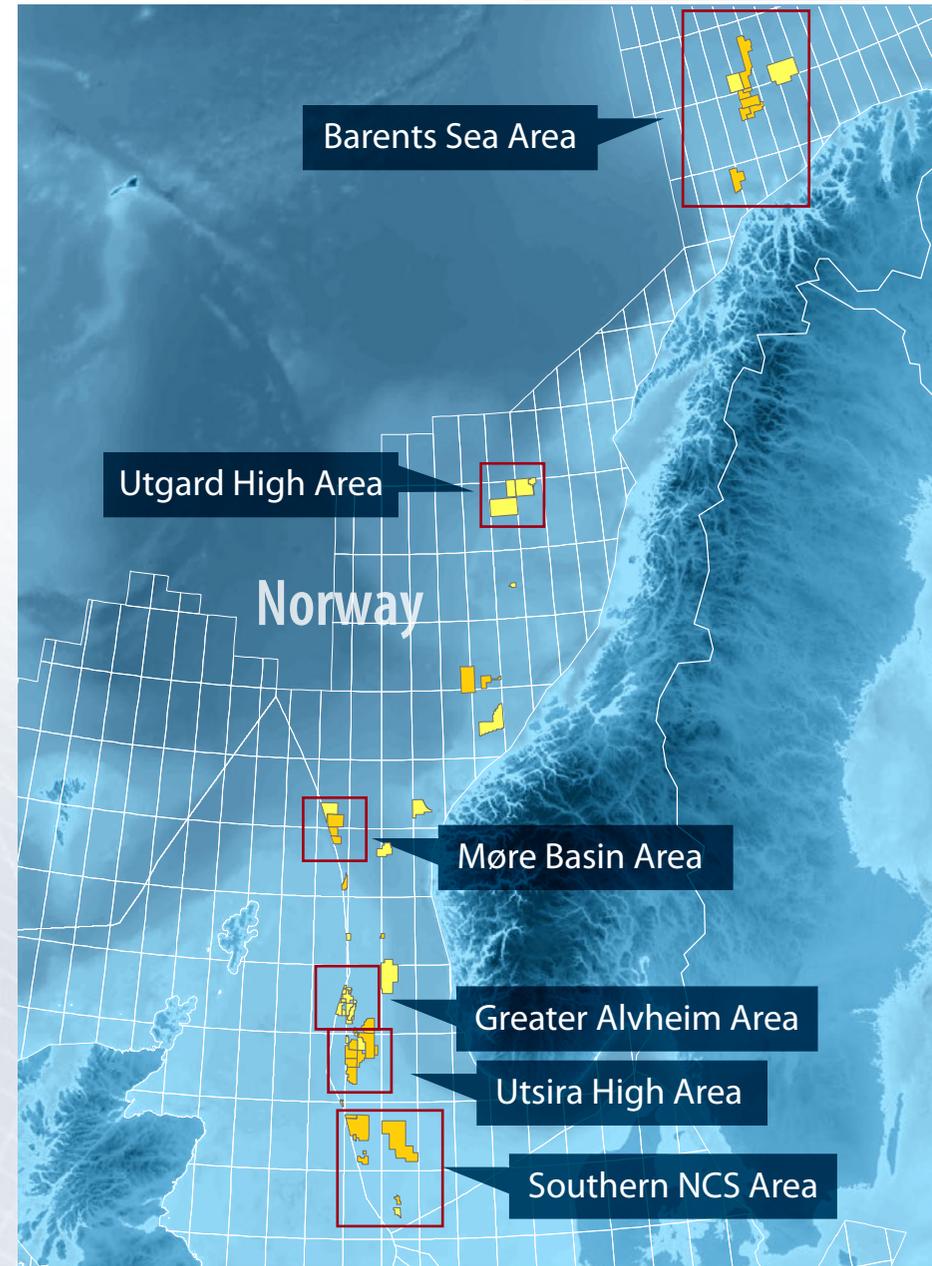
*Norway - Exploration*



# Norway Organic Growth Strategy



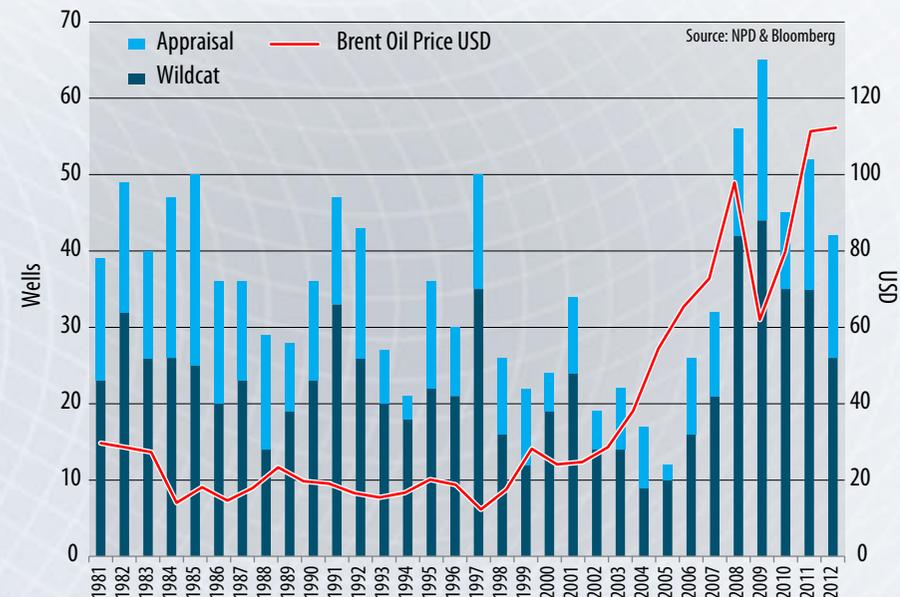
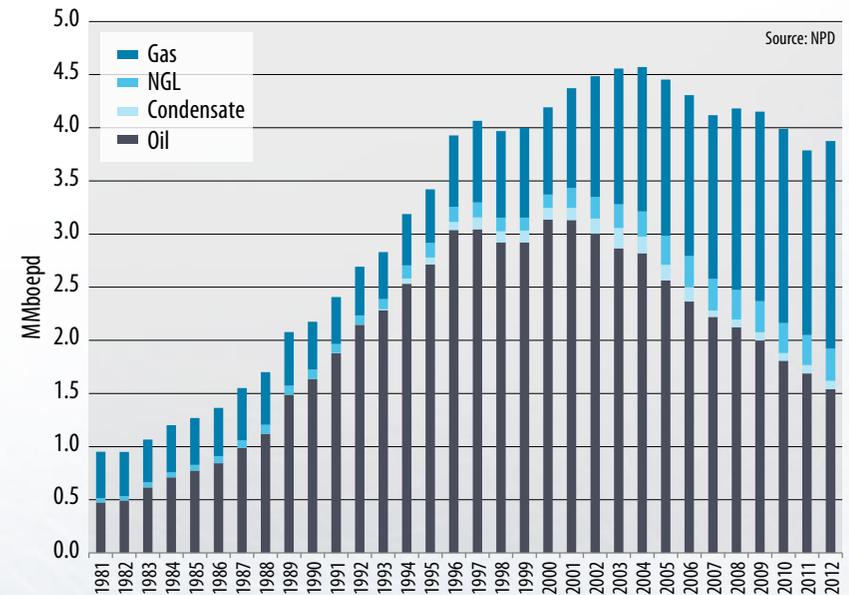
- ➔ Organic growth (find oil by the drill bit)
- ➔ Leverage on organizational knowledging
- ➔ Portfolio synergy in relation to improved exploration and development
- ➔ Design yearly balanced drilling portfolios in relation to
  - ➔ Frontier breakthrough exploration
  - ➔ Growth exploration
  - ➔ Mature tie-in exploration
- ➔ Maintain production from existing and emerging developments
- ➔ Applying and developing data and fact driven subsurface models, based on appreciation of the limitations of Data, Tools, Methods and Theories available at any time
- ➔ Applying new emergent technology and methods



## Activity Change on the NCS

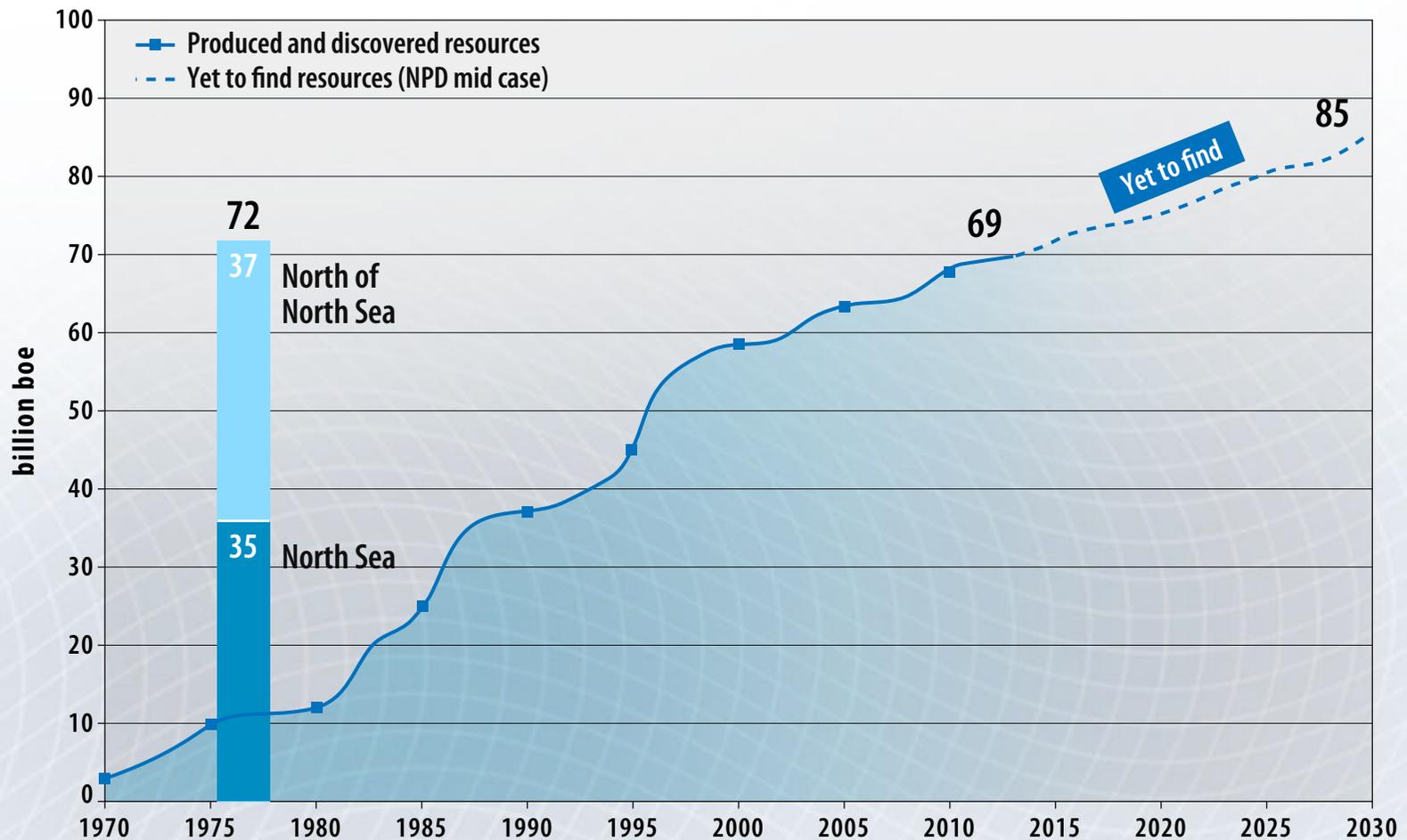


- ➔ **The production fall on NCS is a fact but:**
  - ➔ Does not reflect the subsurface potential
  - ➔ Production fall is related to reduced exploration drilling over time
  - ➔ Companies that explored found hydrocarbons
  
- ➔ **The reduction in exploration wells was caused by:**
  - ➔ Reduced number and diversity of companies
  - ➔ Accelerated fall as a result of the merger of the three companies that had 80% of the activity
  
- ➔ **New government policy in 2000 has successfully:**
  - ➔ Increased diversity of new companies
  - ➔ Increased exploration drilling
  
- ➔ **The result of increased drilling:**
  - ➔ One giant oil discovery
  - ➔ Several significant stand alone discoveries
  - ➔ Many small commercial tie in discoveries

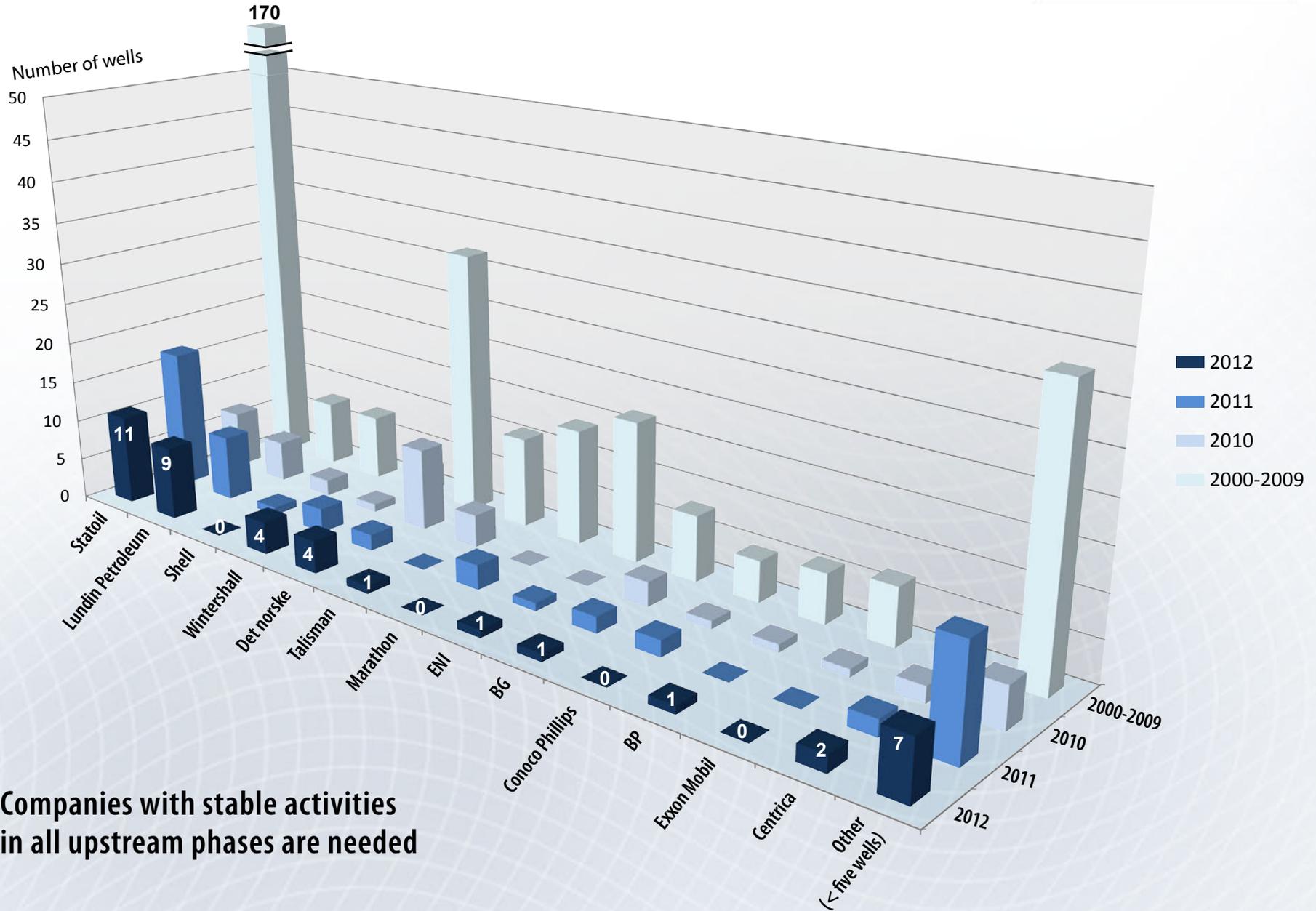


# Lundin View on the Remaining Resources on the NCS

- ➔ With an exploration level of 40-50 wells per year it will take at least 20-30 years with exploration to unfold the resource potential of 20-40 billion boe (NPD 16.3 billion boe)

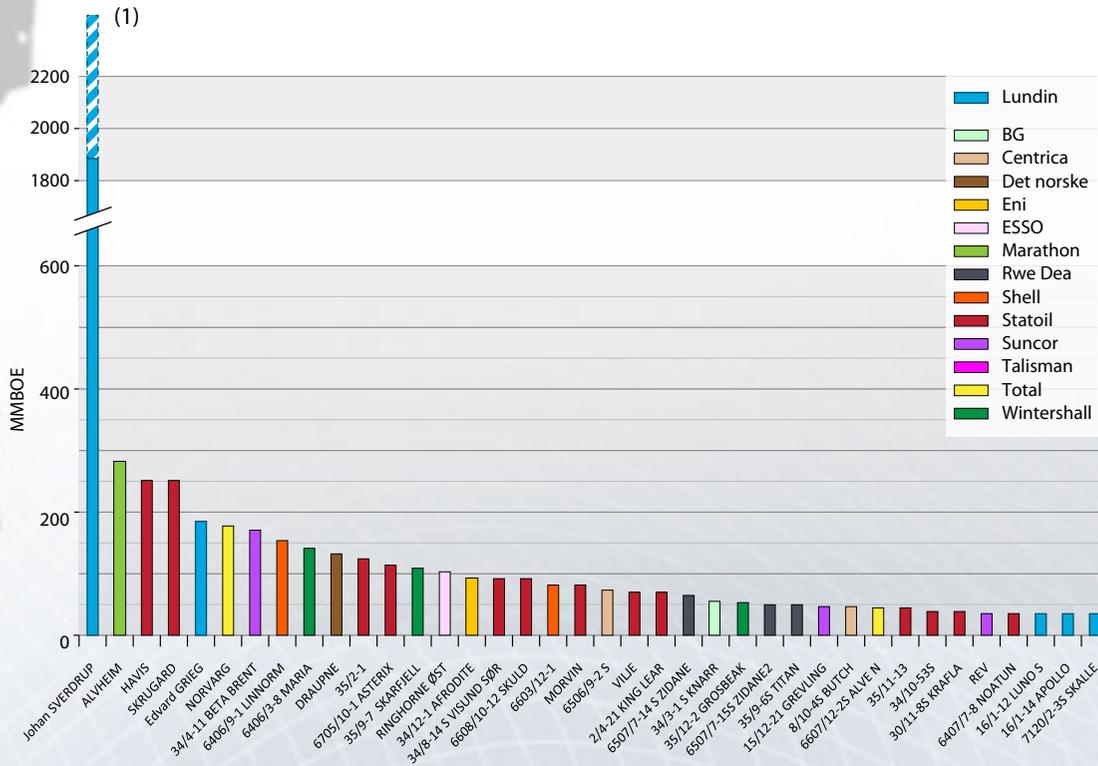


# Companies and Discoveries on the NCS

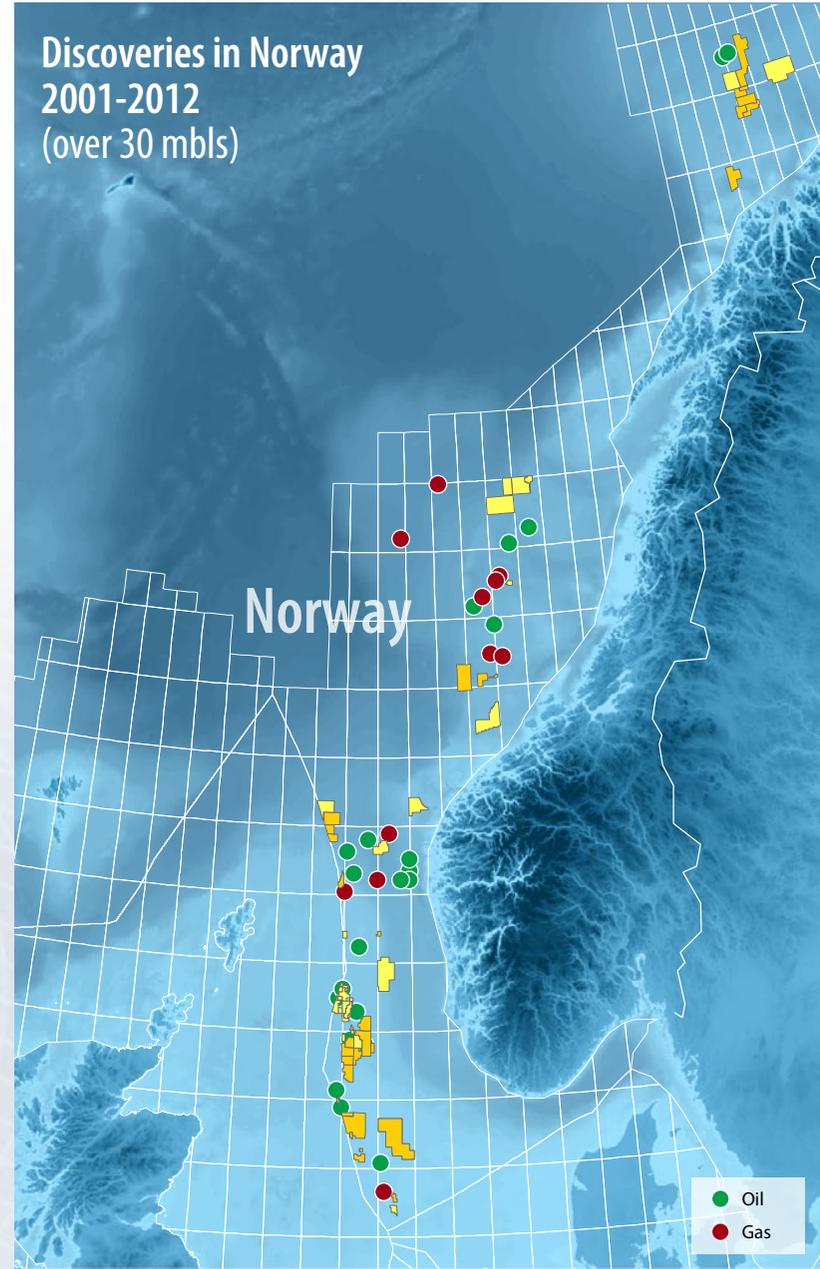


➔ Companies with stable activities in all upstream phases are needed

# Discoveries in Norway 2001-2012



- Lundin Petroleum has participated in 3 of the top 5 discoveries on the NCS over the last decade
  - ➔ 2 operated by Lundin Petroleum
  - ➔ 1 operated by Marathon



(1) Current mid-point as estimated by Johan Sverdrup operators

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# Exploration Activity 2013



## NORWAY – USD 330 million

- 10 exploration wells
  - 6 wells Utsira High
  - 1 well in Barents Sea
  - 1 well in Norwegian Sea
  - 2 wells in Southern North Sea
- 3D seismic

## NETHERLANDS

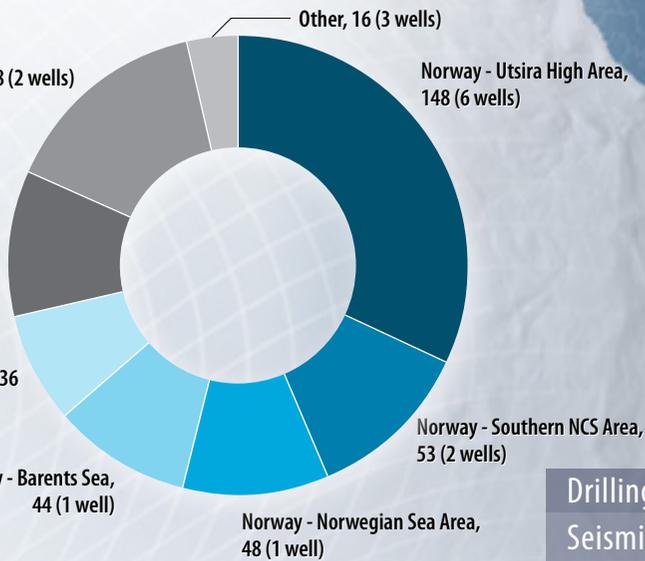
- 2 exploration wells

## FRANCE

- 1 exploration well

## SE ASIA – USD 115 million

- Offshore Peninsular Malaysia - 2 wells
- Offshore Sabah - 1 wells
- Offshore Indonesia - 2 wells



	Forecast 2013
Drilling	340
Seismic/G&G	120
<b>Total</b>	<b>460</b>

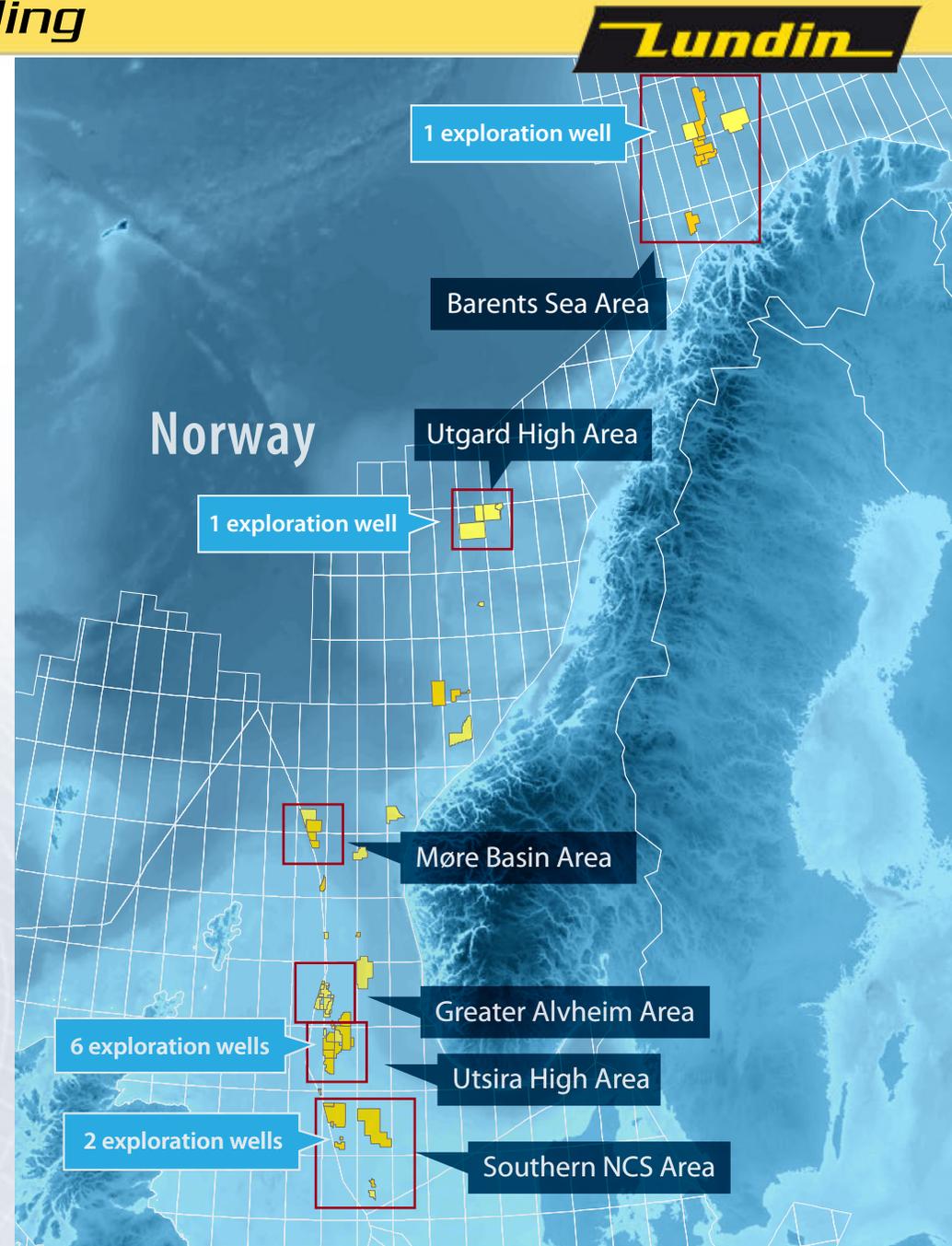
➤ **Exploration Budget 2013 USD 460 million**

## Norway - 2013 Exploration Drilling

### ➤ 10 exploration wells

- ➔ 6 wells on the Utsira High Area
- ➔ 1 well in the Barents Sea
- ➔ 2 wells in the Southern NCS Area
- ➔ 1 well in the Utgard High Area

2013 Exploration Budget  
330 MUSD



# Norway - The Southern Utsira High History



## ➔ Basic concept in 2004

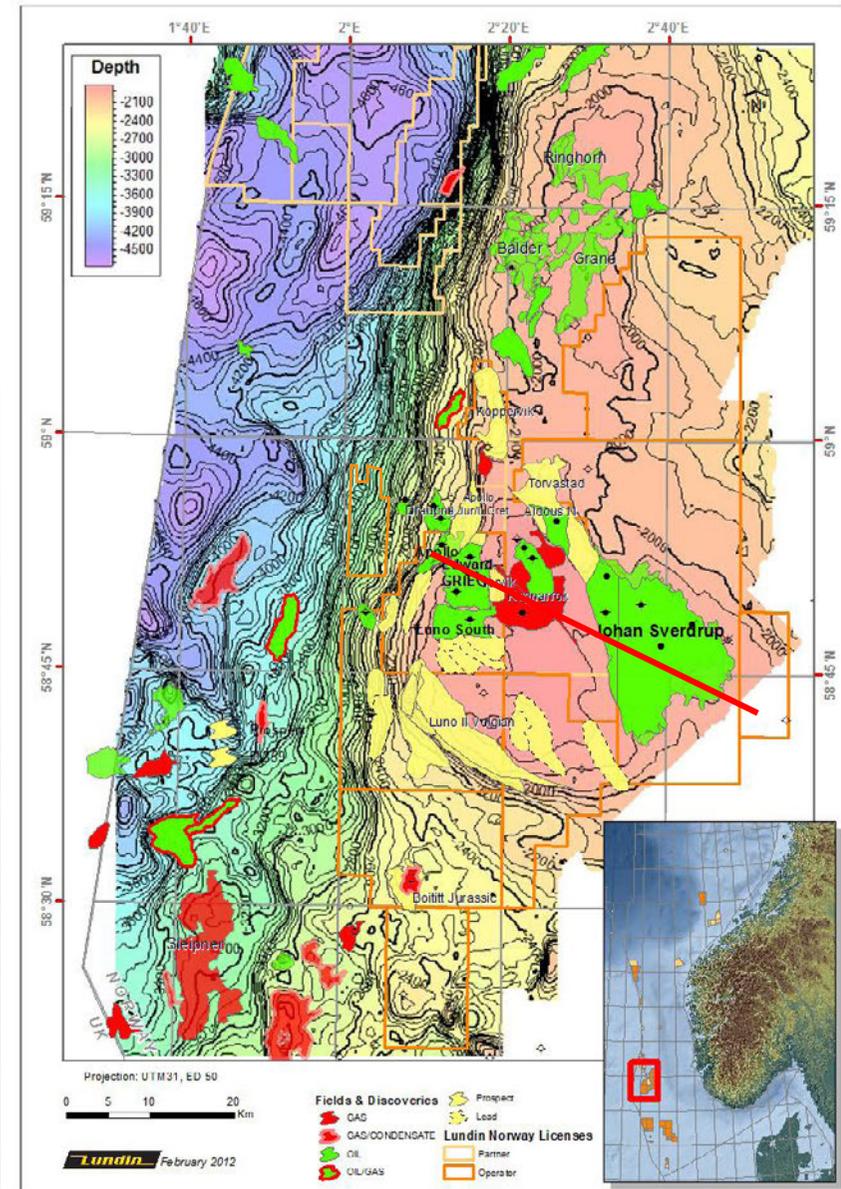
- ➔ Thin Jurassic sands over inlier basins and basement with a saturated system with a 40-50 m oil leg and a common OWC over the whole high
- ➔ Potential stratigraphic traps fringing the high in the west and south west

## ➔ Results in 2012

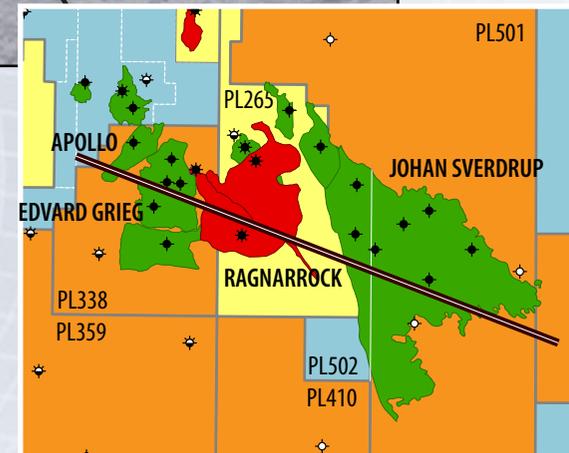
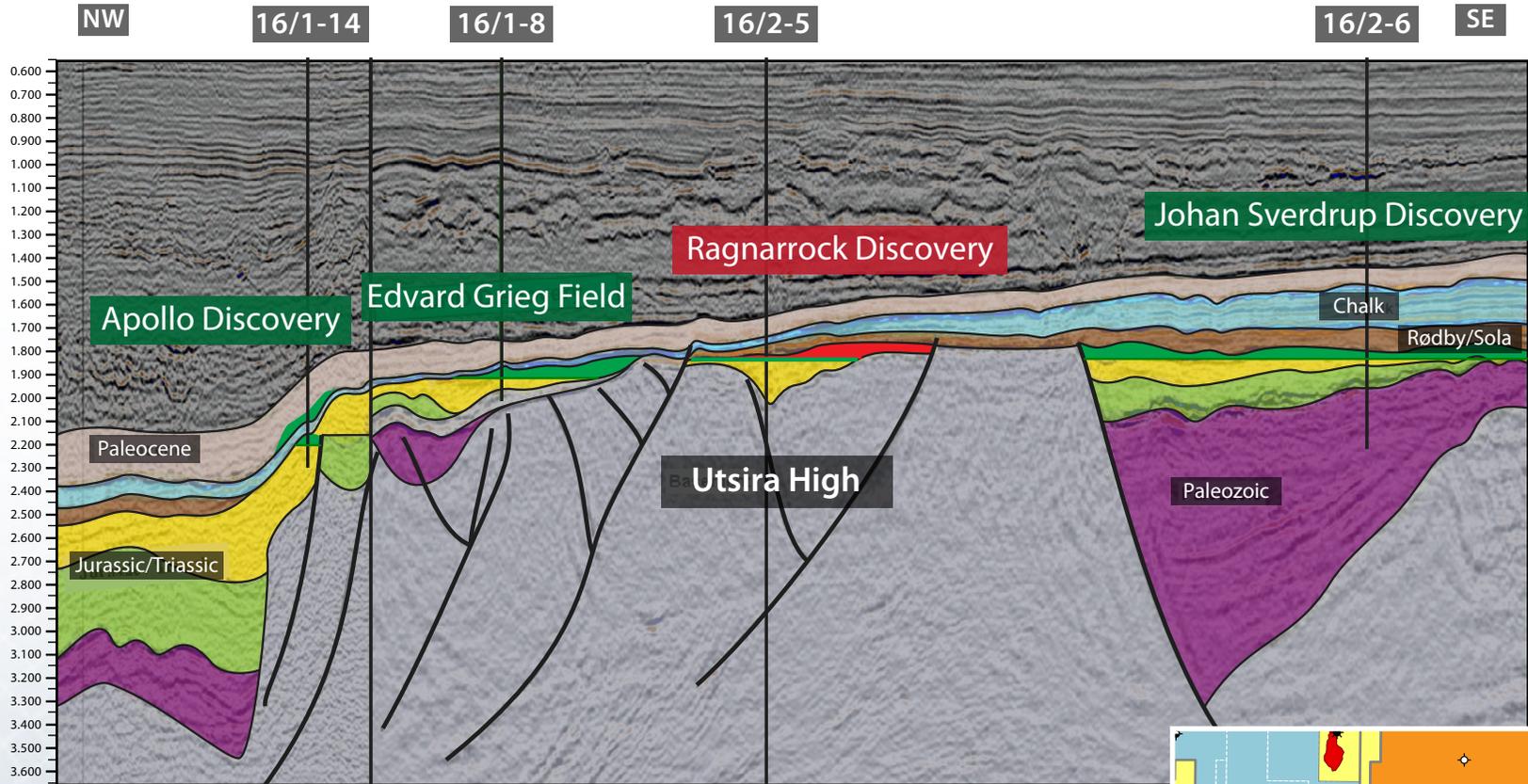
- ➔ Edvard Grieg proved the concept in 2007 and converted Johan Sverdrup to a low risk prospect (P45%)
- ➔ Results cannot be modeled in hindsight

## ➔ Main learning

- ➔ Light under saturated oil flanking saturated oil and gas discovery
- ➔ Late migration of oil into Edvard Grieg and Johan Sverdrup
- ➔ Extreme to very good reservoir quality of the Upper Jurassic sands
- ➔ Producing oil in weathered basement in Tellus and Luno South



# Norway - Discoveries on the Utsira High

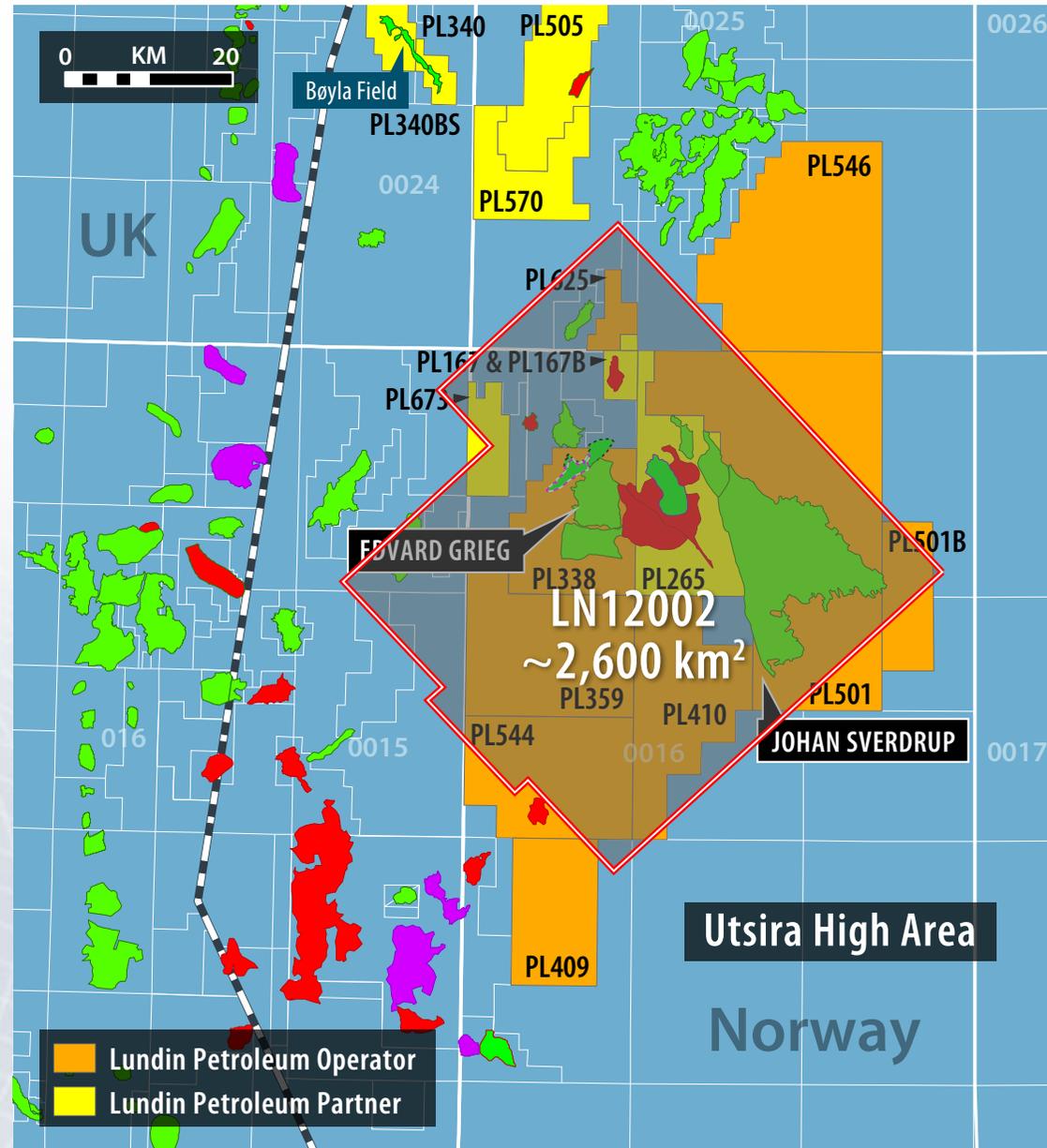


# Norway - Utsira High Broadseis Acquisition



- Joint acquisition (area operators) completed in August 2012
- Joint fast-track processing (Statoil/Lundin) completed in December 2012
- Final (pre-stack depth migration) processing completed in summer 2013
- Improved subsurface image

**New Prospect Maturation  
2013 - 2014**

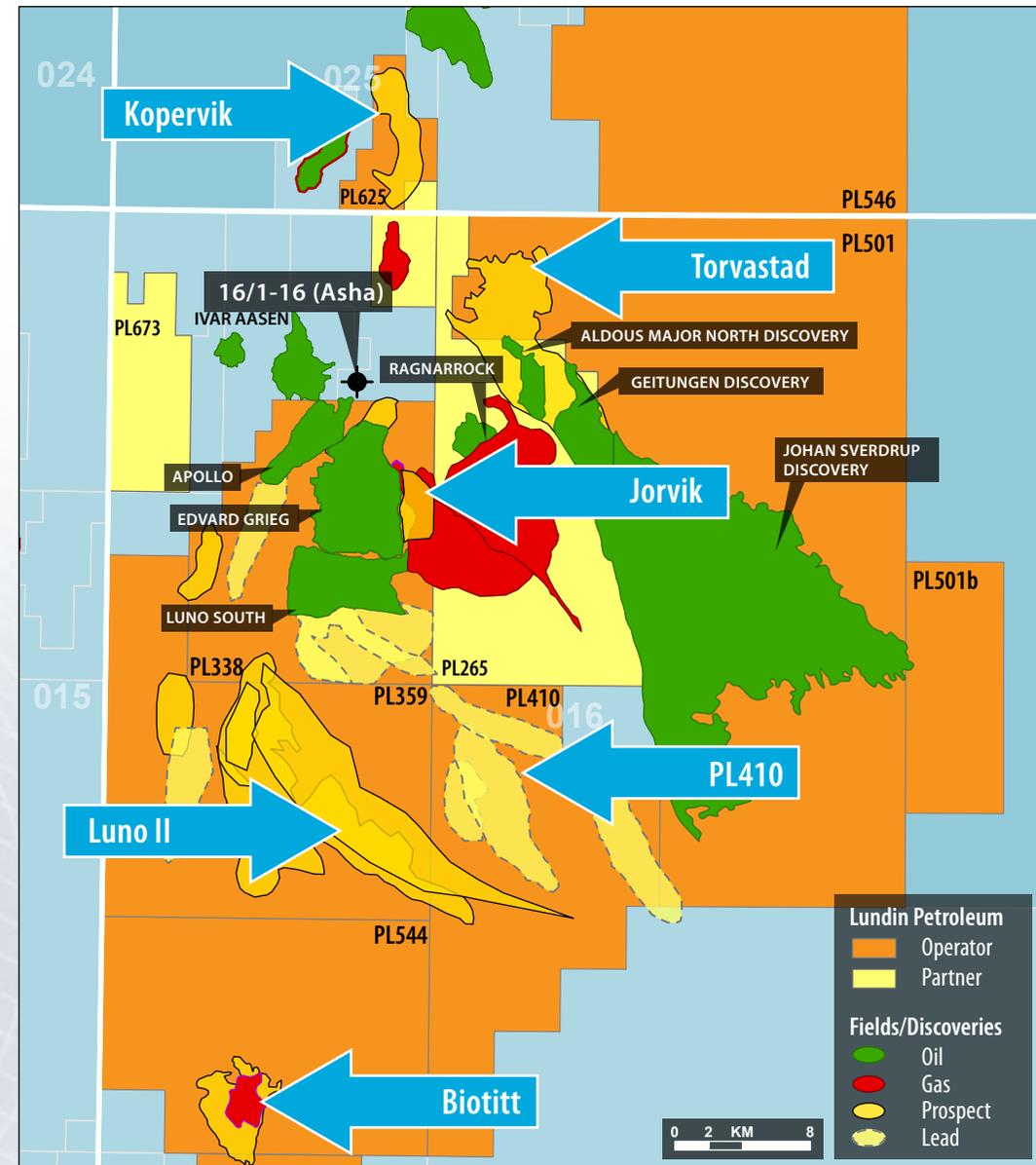


# Norway - Utsira High Exploration 2013



## 6 exploration wells to be drilled

- **PL359 Luno II (40%)**  
Gross Prospective Resources: 139 MMboe
- **PL625 Kopervik (40%) <sup>(1)</sup>**  
Gross Prospective Resources: 163 MMboe
- **PL544 Biotitt (40%)**  
Gross Prospective Resources: 124 MMboe
- **PL338 Jorvik (50%)**  
Gross Prospective Resources: 46 MMboe in PL338
- **PL501 Torvastad (40%)**
- **PL410 (70%)**  
Location dependent on Luno II PL359 result

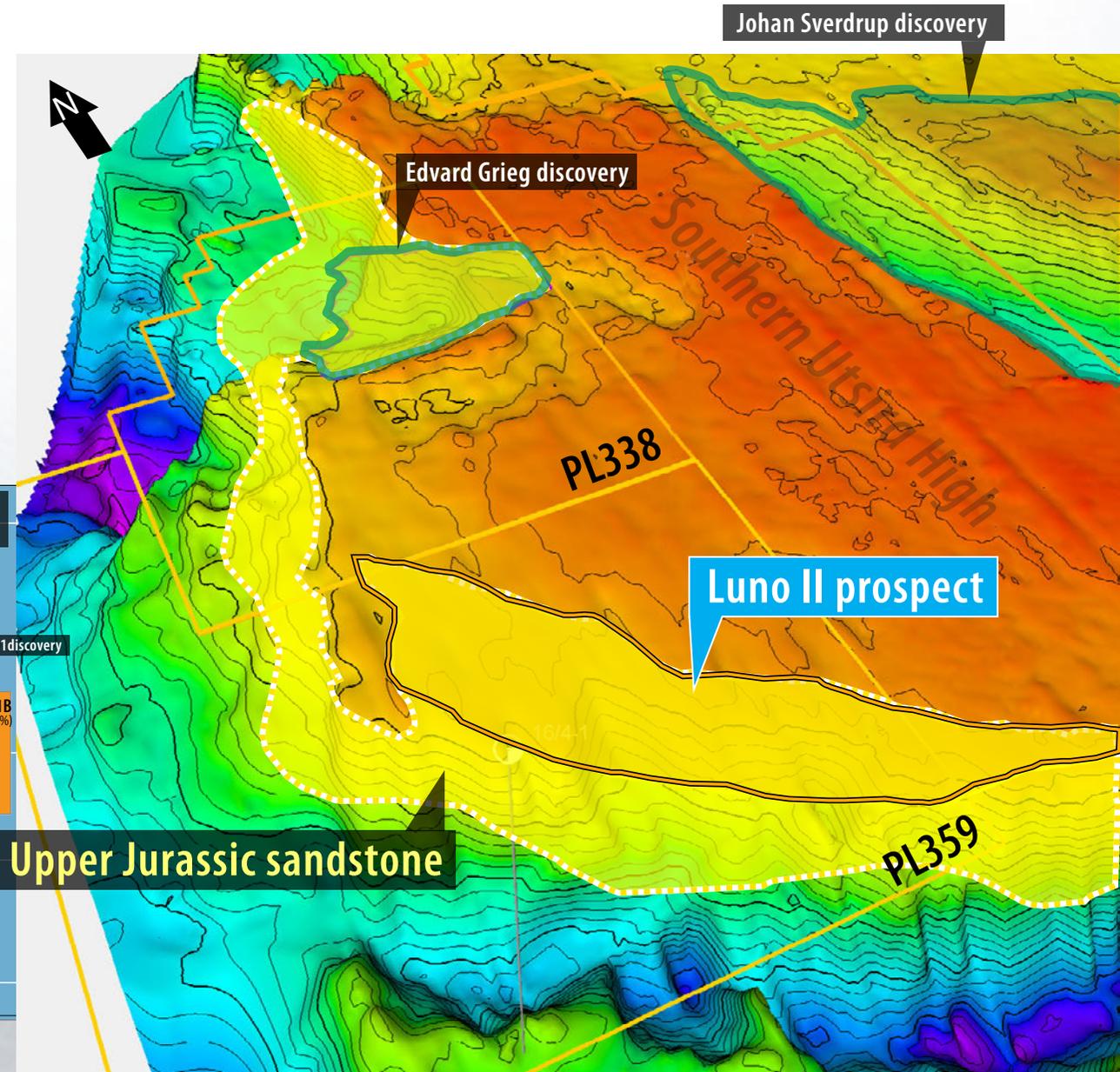
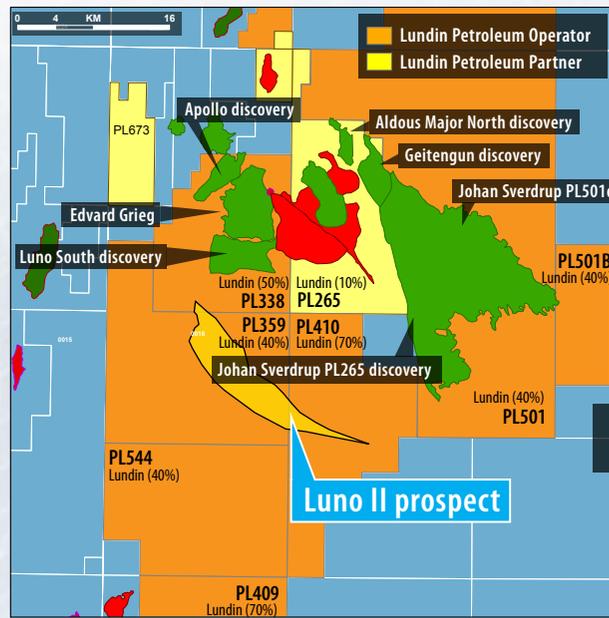


<sup>(1)</sup> includes prospective resources on PL167 (20% W.I.)

# Utsira High 2013 Exploration - Luno II



- PL359 (Lundin 40% operated)  
Luno II prospect
- ➔ Johan Sverdrup or E. Grieg play type
- ➔ Reservoir: Upper Jurassic
- ➔ Gross unrisked prospective resources: 139 MMboe
- ➔ Drilling Q1 2013

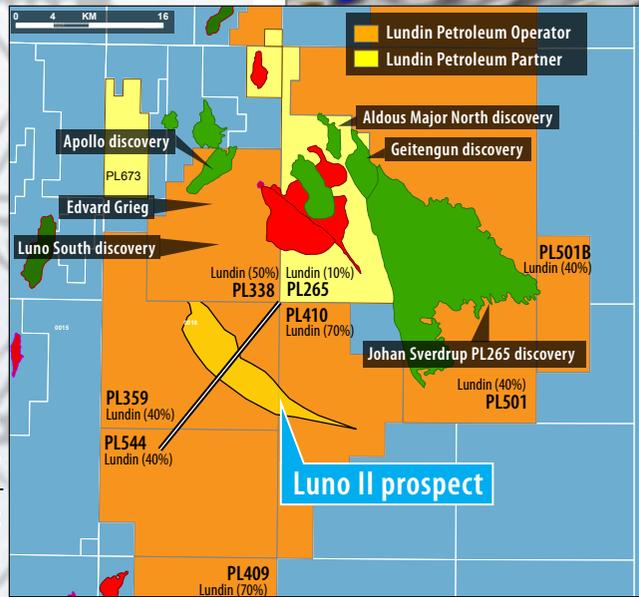
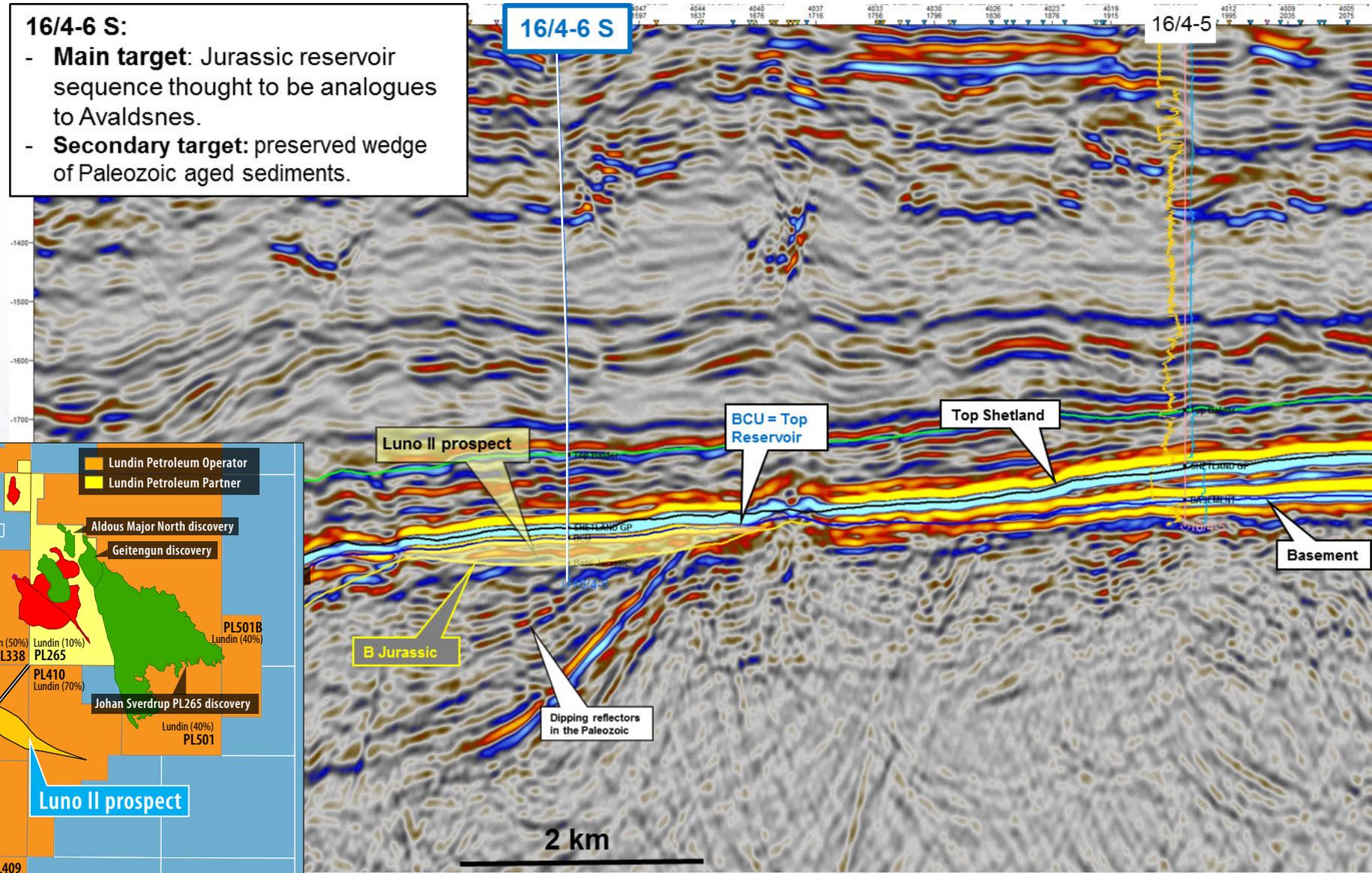


# Norway - Utsira High 2013 Exploration - Luno II



**16/4-6 S:**

- **Main target:** Jurassic reservoir sequence thought to be analogues to Avaldsnes.
- **Secondary target:** preserved wedge of Paleozoic aged sediments.

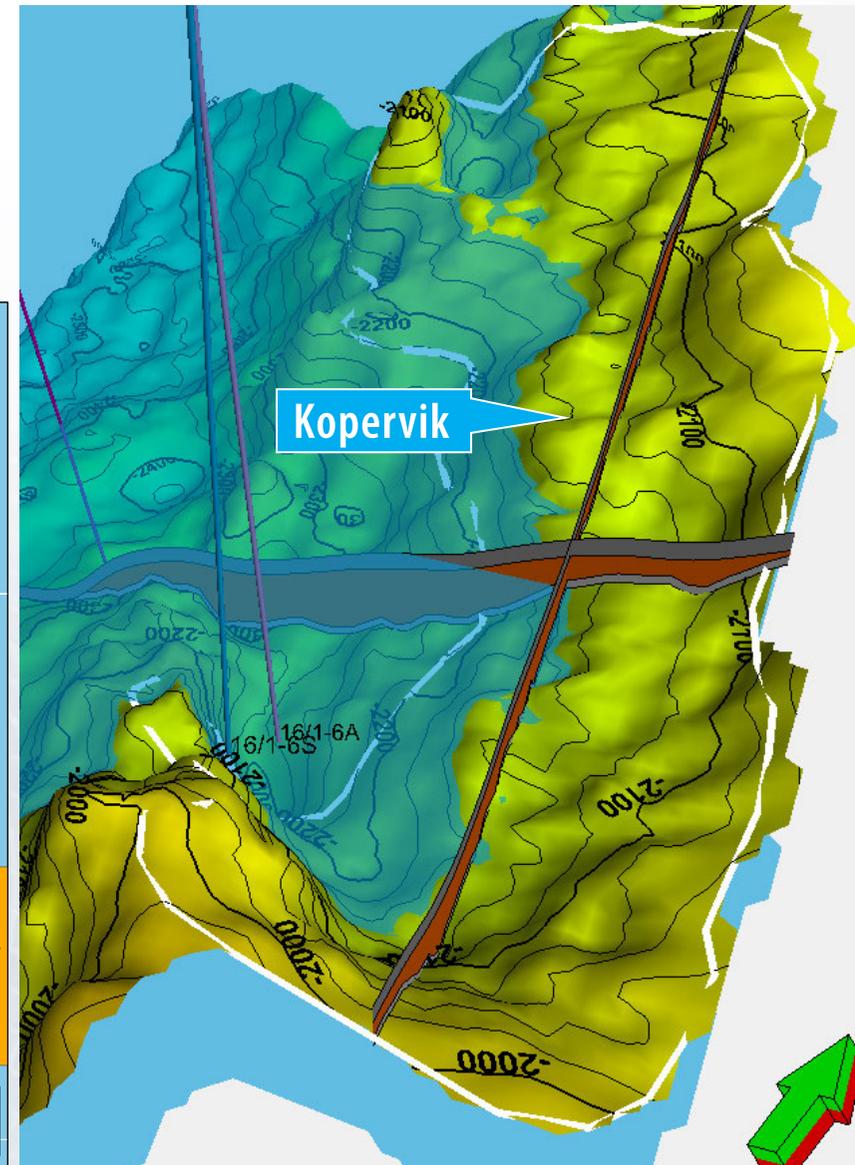
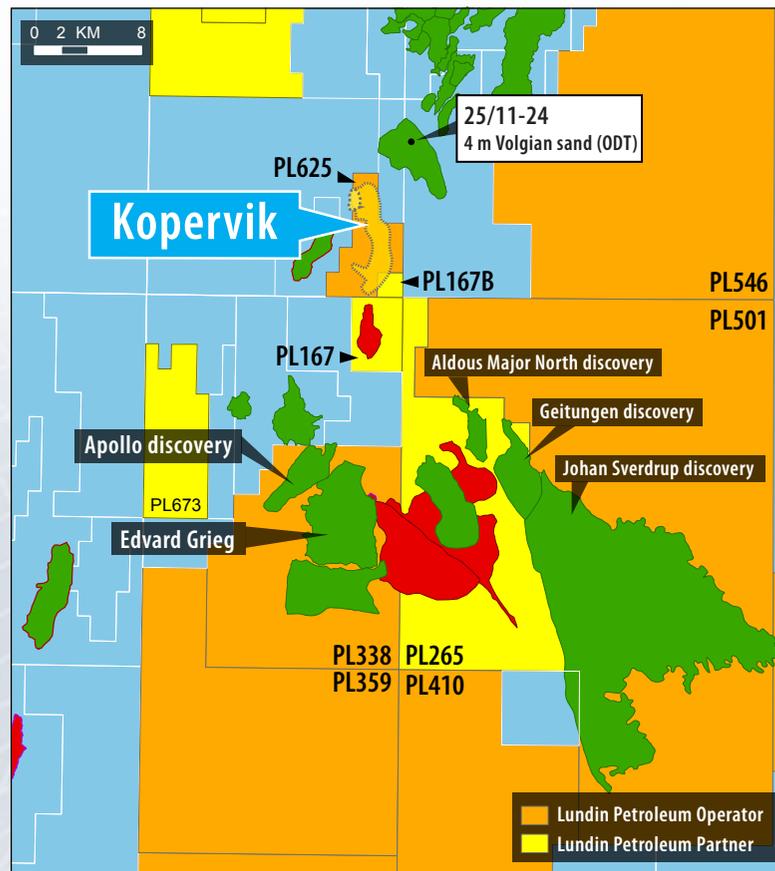


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# Norway - Utsira High 2013 Exploration - Kopervik

## ➤ PL625 (Lundin 40% operated) Kopervik prospect <sup>(1)</sup>

- ➔ Gross unrisked prospective resources: 163 MMboe
- ➔ Stratigraphic pinchout
- ➔ Targeting Jurassic sands
- ➔ Drilling: Q3 2013

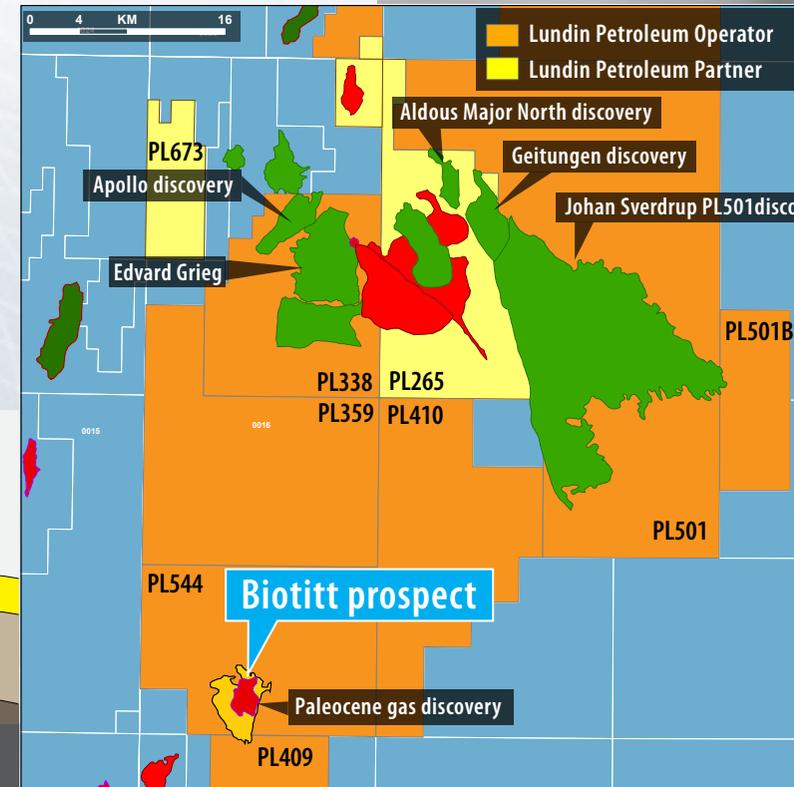
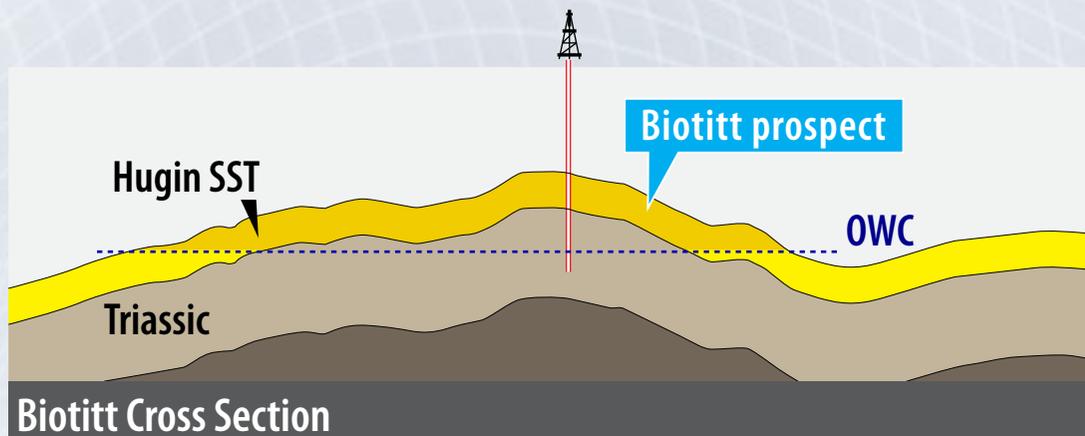
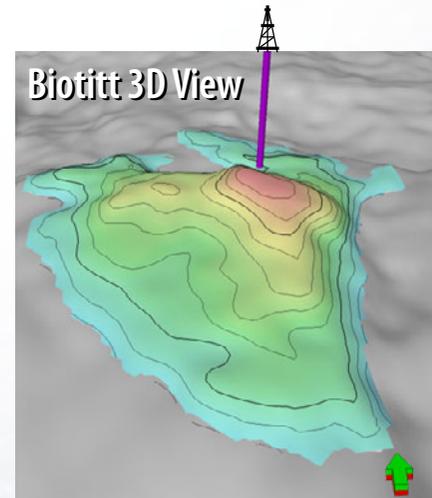


<sup>(1)</sup> includes prospective resources on PL167 (20% W.I.)

# Norway - Utsira High Exploration - Biotitt



- **PL544 (Lundin 40% operated)**  
**Biotitt prospect**
- ➔ Trap: 4-way dip closure
- ➔ Seal: Upper Cretaceous chalk/shales
- ➔ Reservoir: Jurassic Hugin fm
- ➔ Gross unrisked prospective resources: 124 MMboe
- ➔ Drilling: Q3 2013

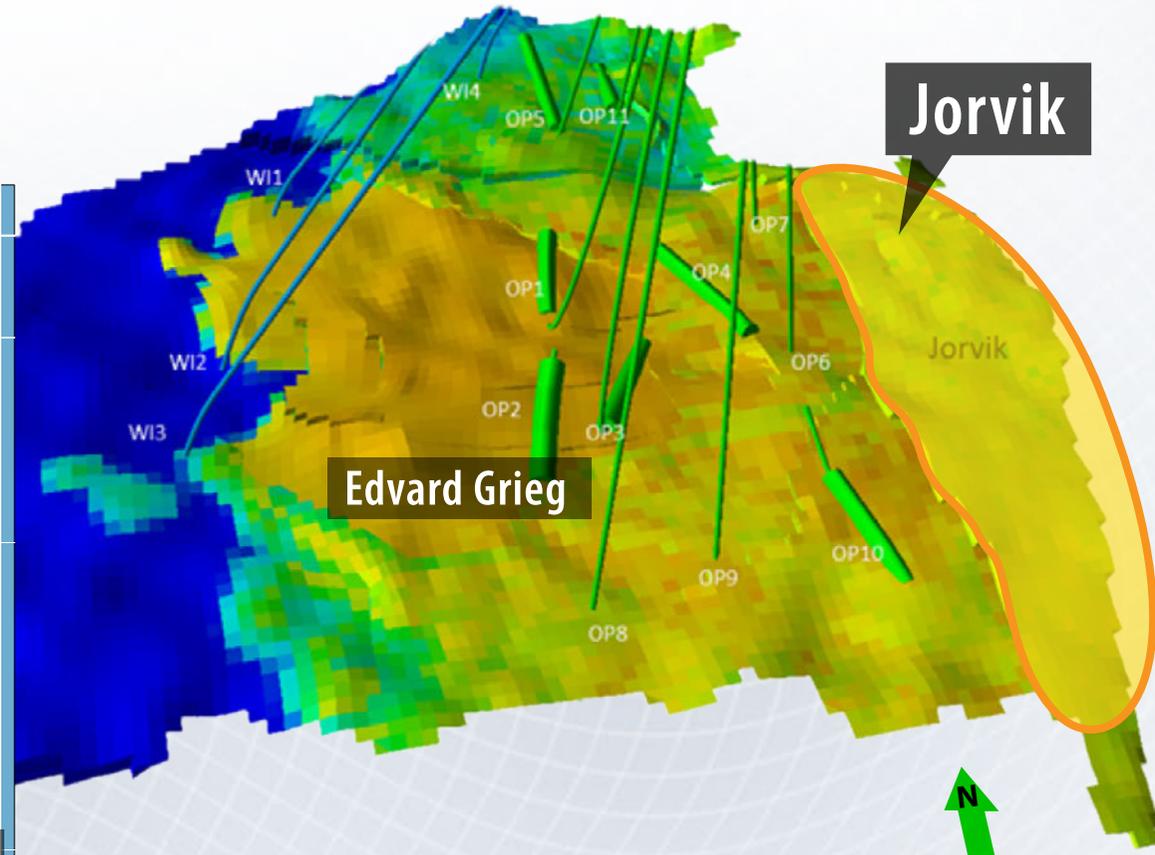
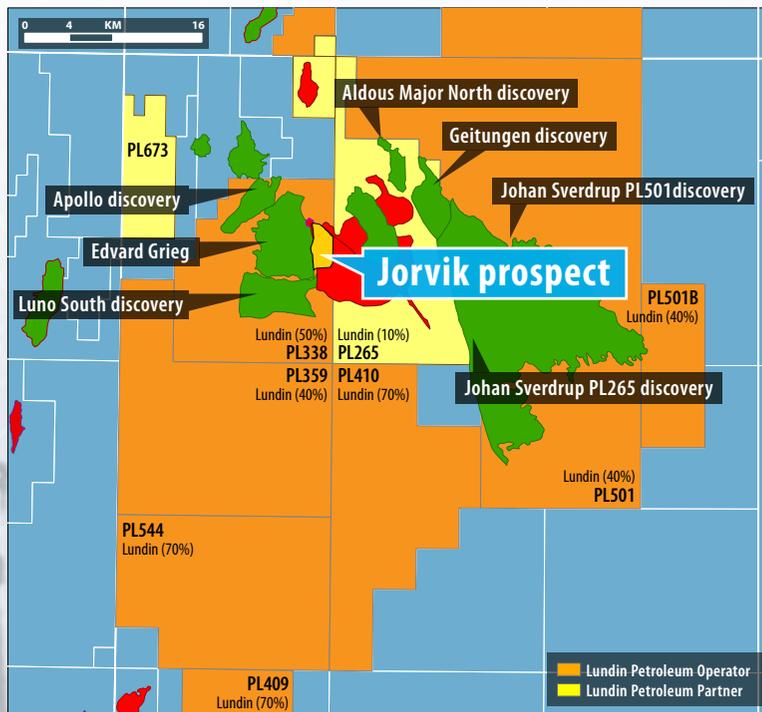


# Utsira High 2013 Exploration – Jorvik



## 2012 Exploration Drilling

- ➔ PL338 (Lundin 50% operated) Jorvik prospect
  - ➔ Gross unrisked prospective resource: 46 MMboe
  - ➔ Edvard Grieg extension towards the east
  - ➔ Drilling ongoing

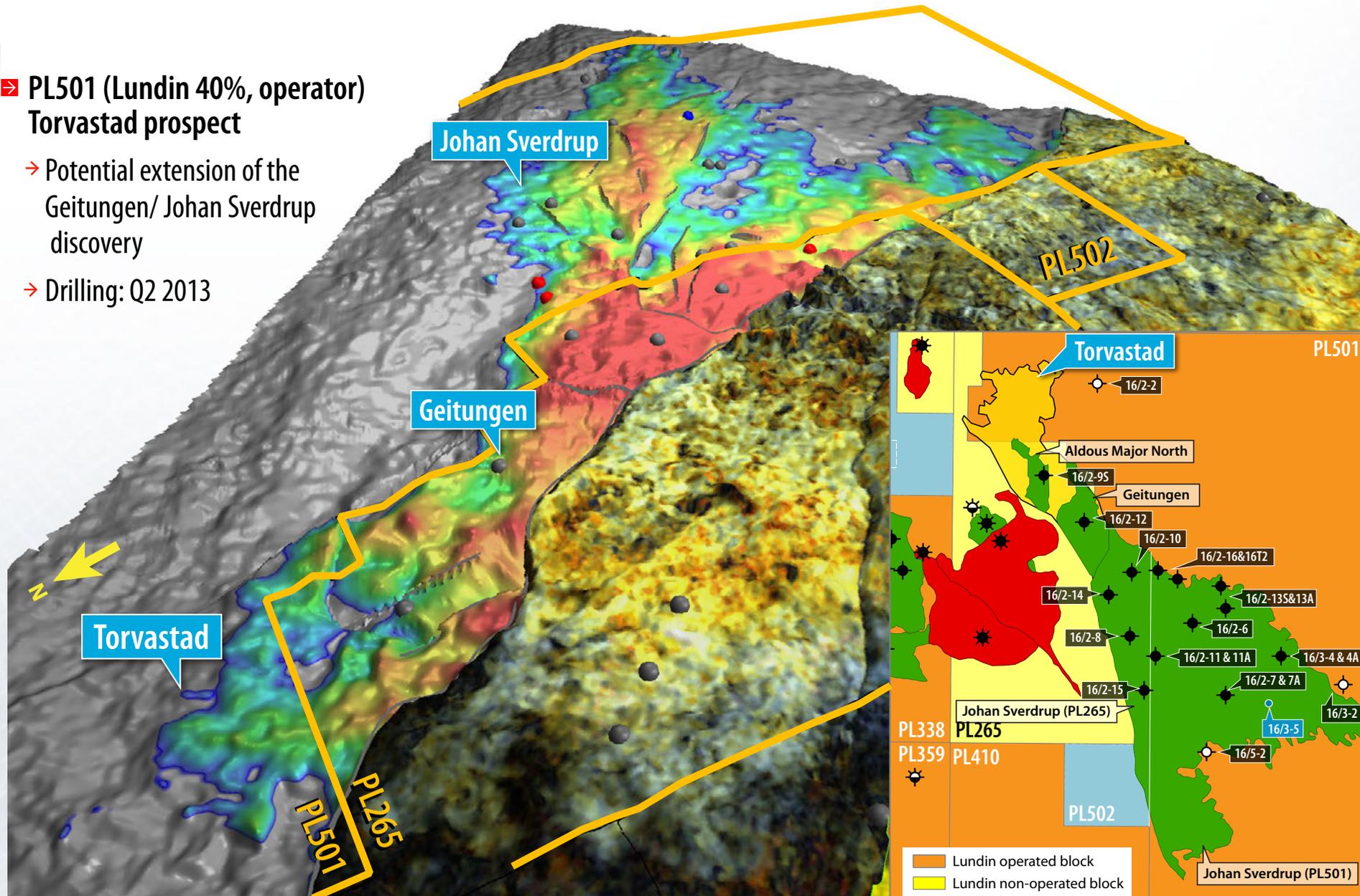


# Norway - Utsira High 2013 Exploration - Torvastad



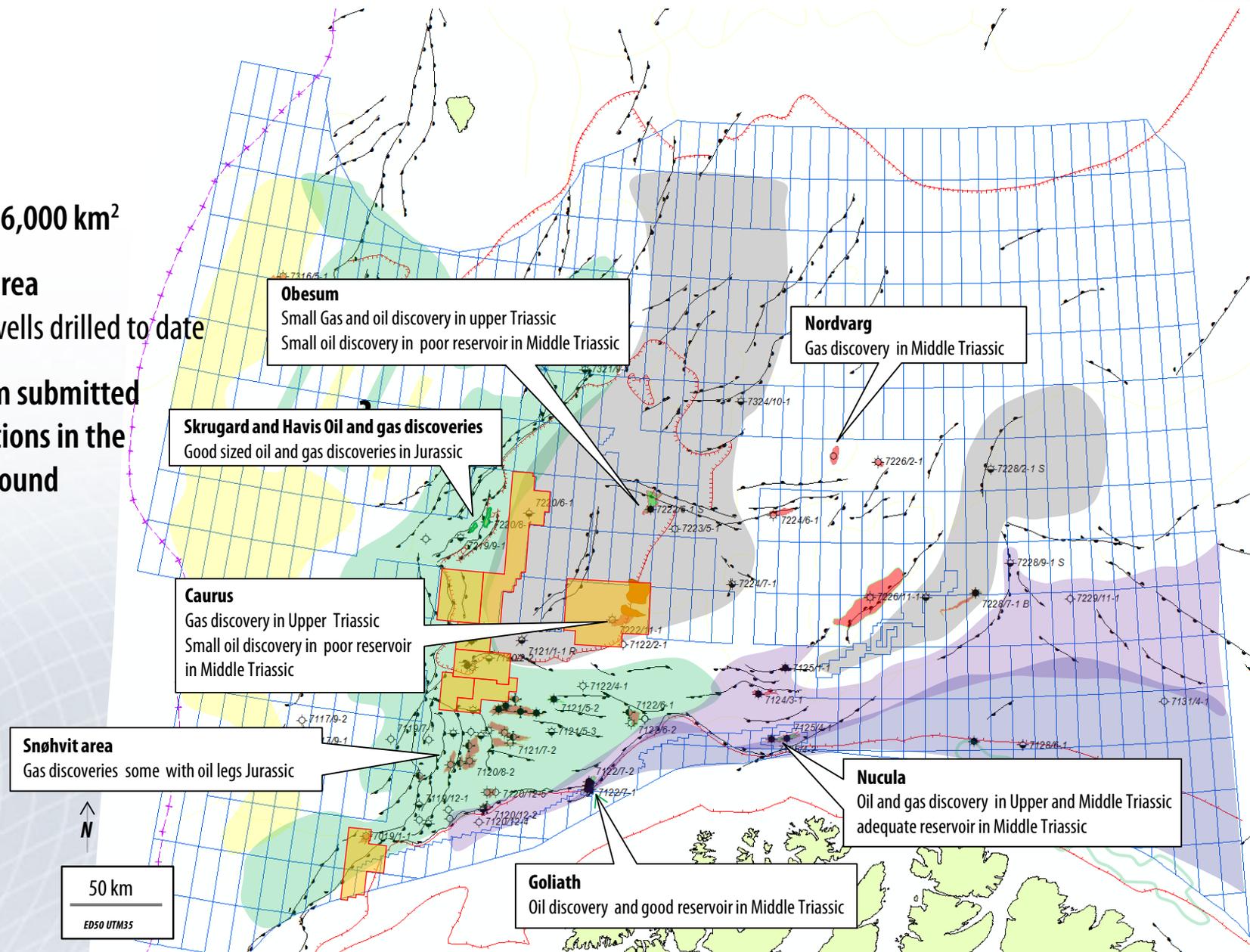
## ➔ PL501 (Lundin 40%, operator) Torvastad prospect

- ➔ Potential extension of the Geitungen/ Johan Sverdrup discovery
- ➔ Drilling: Q2 2013



# Norway - Barents Sea Acreage on Trend with Known Oil Plays

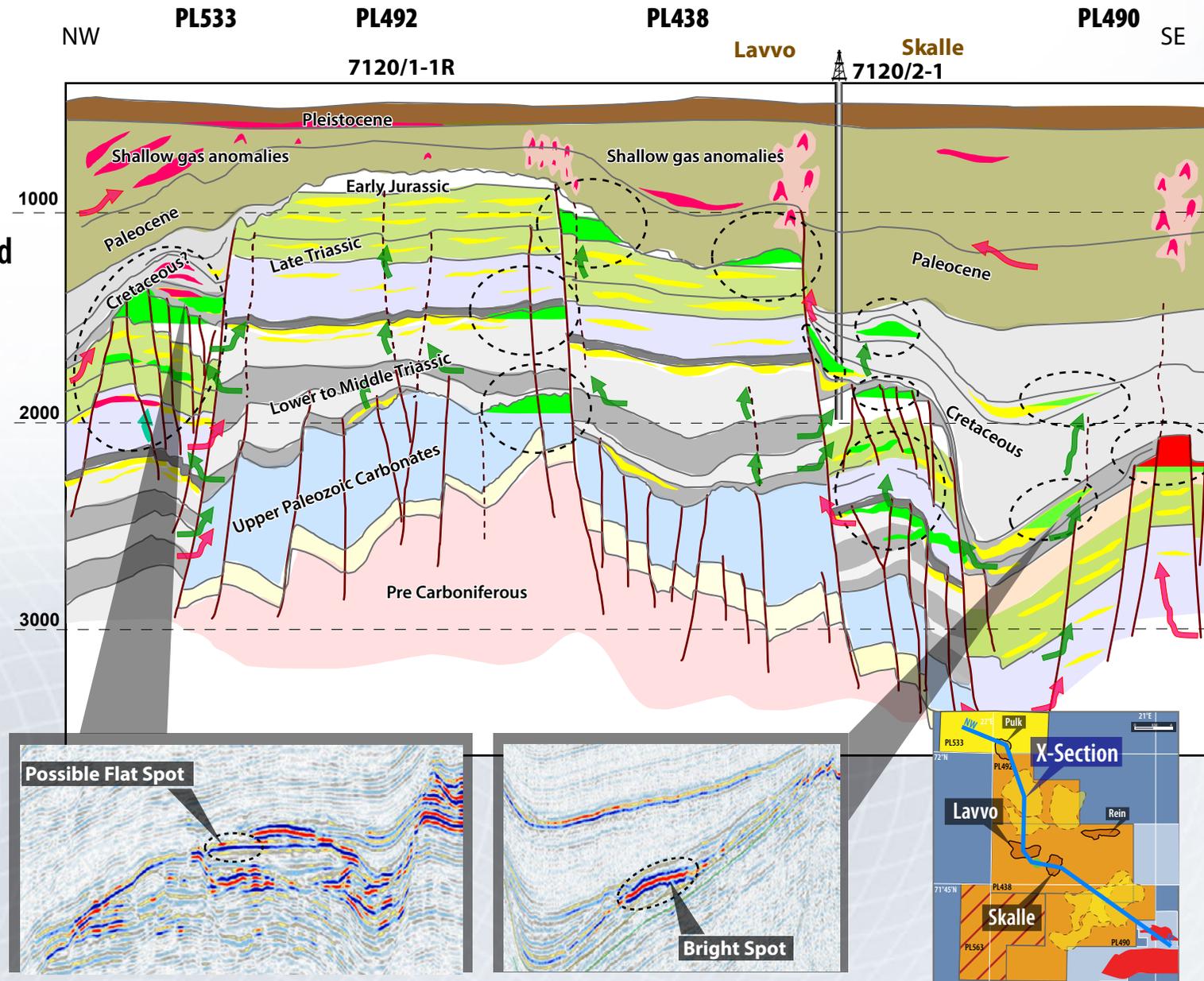
- ➔ Total area size 236,000 km<sup>2</sup>
- ➔ Under explored area
  - ➔ 75 exploration wells drilled to date
- ➔ Lundin Petroleum submitted multiple applications in the 22nd Licensing Round



# Norway - Barents Sea Geological Play Types



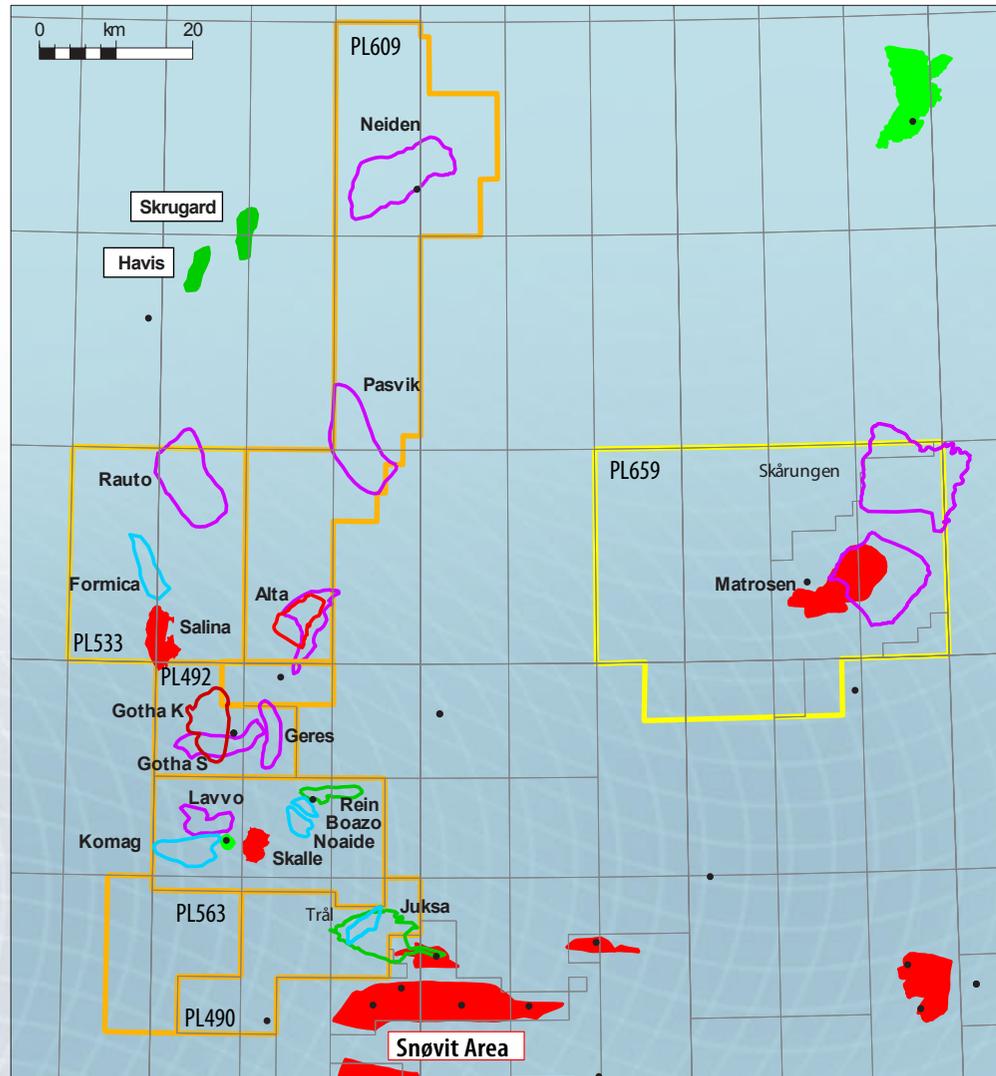
- Numerous structural and stratigraphic play types
- Potential for stacked reservoirs, as seen at other discoveries in the region
- Oil and gas potential in proven good quality reservoirs



# Norway - Barents Sea Prospects & Leads



- Lundin Petroleum acreage  
~ 5,000 km<sup>2</sup>
- Multiple prospects mapped



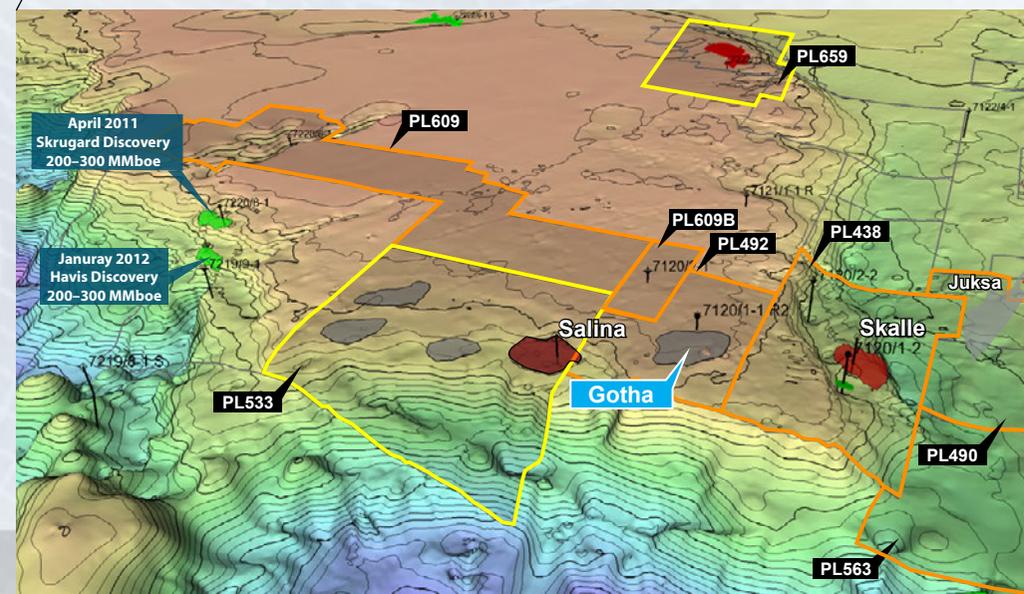
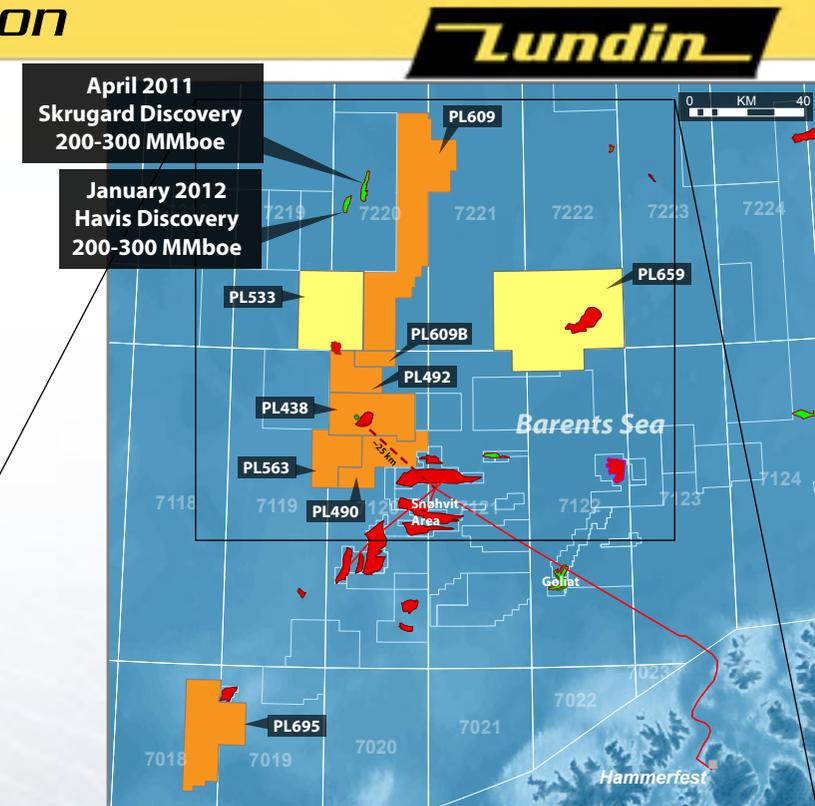
# Norway - Barents Sea Area Exploration

- **PL438 (Lundin 25%, operated)**  
**Skalle gas discovery**
  - ➔ Gross contingent resources: 15-50 MMboe
- **PL533 (Lundin 20%)**  
**Salina gas discovery**
  - ➔ Gross contingent resources: 29-41 MMboe<sup>(1)</sup>
- **PL490 (Lundin 50%, operated)**  
**Juksa**
  - ➔ Indication of thin oil bearing sands
  - ➔ Further studies required

## 1 exploration well to be drilled in 2013

- **PL492 (Lundin 40%, operated)**  
**Gotha prospect**
  - ➔ Gross prospective resources: 226 MMboe
  - ➔ Drilling in Q3 2013

<sup>(1)</sup> NPD Estimates

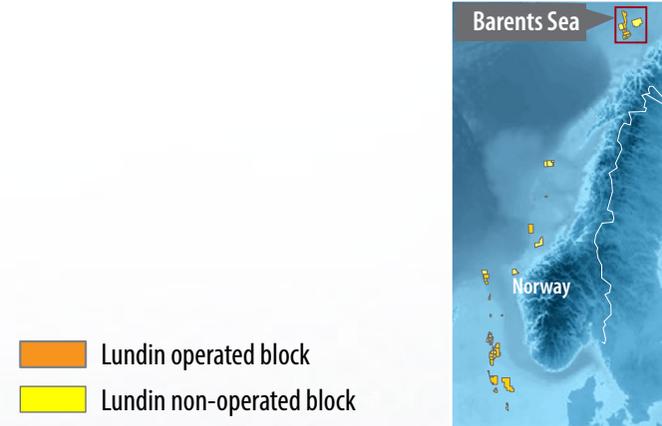


# Norway - Barents Sea 2013 Exploration - Gotha

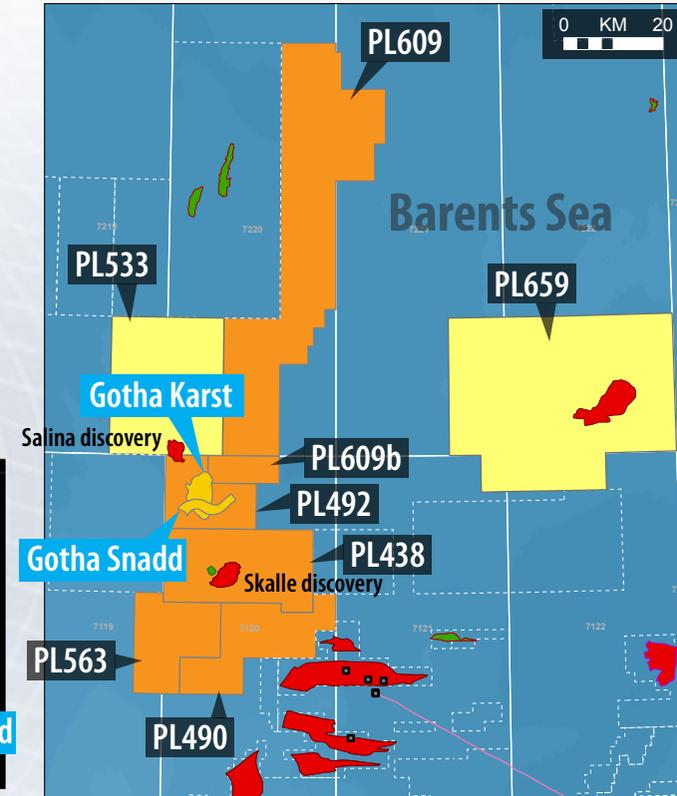
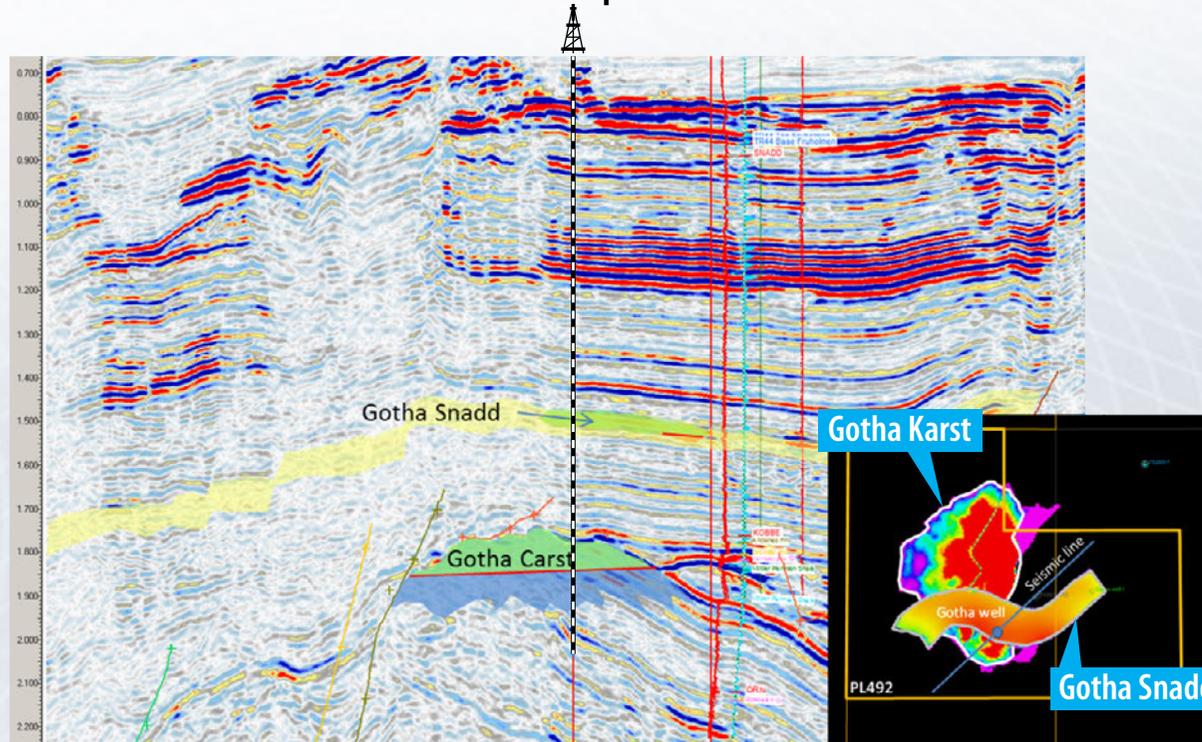


- **PL492 Lundin 40% Operator**
  - ➔ Det norske 40%, Noreco 20%
- **Drilling: Q3 2013**
- **Stacked Prospects**

Gotha Snadd in Triassic: 108.5 MMboe<sup>(1)</sup>  
 Gotha Karst in Carboniferous: 117.7 MMboe<sup>(1)</sup>



**Gotha Well Proposed Location**



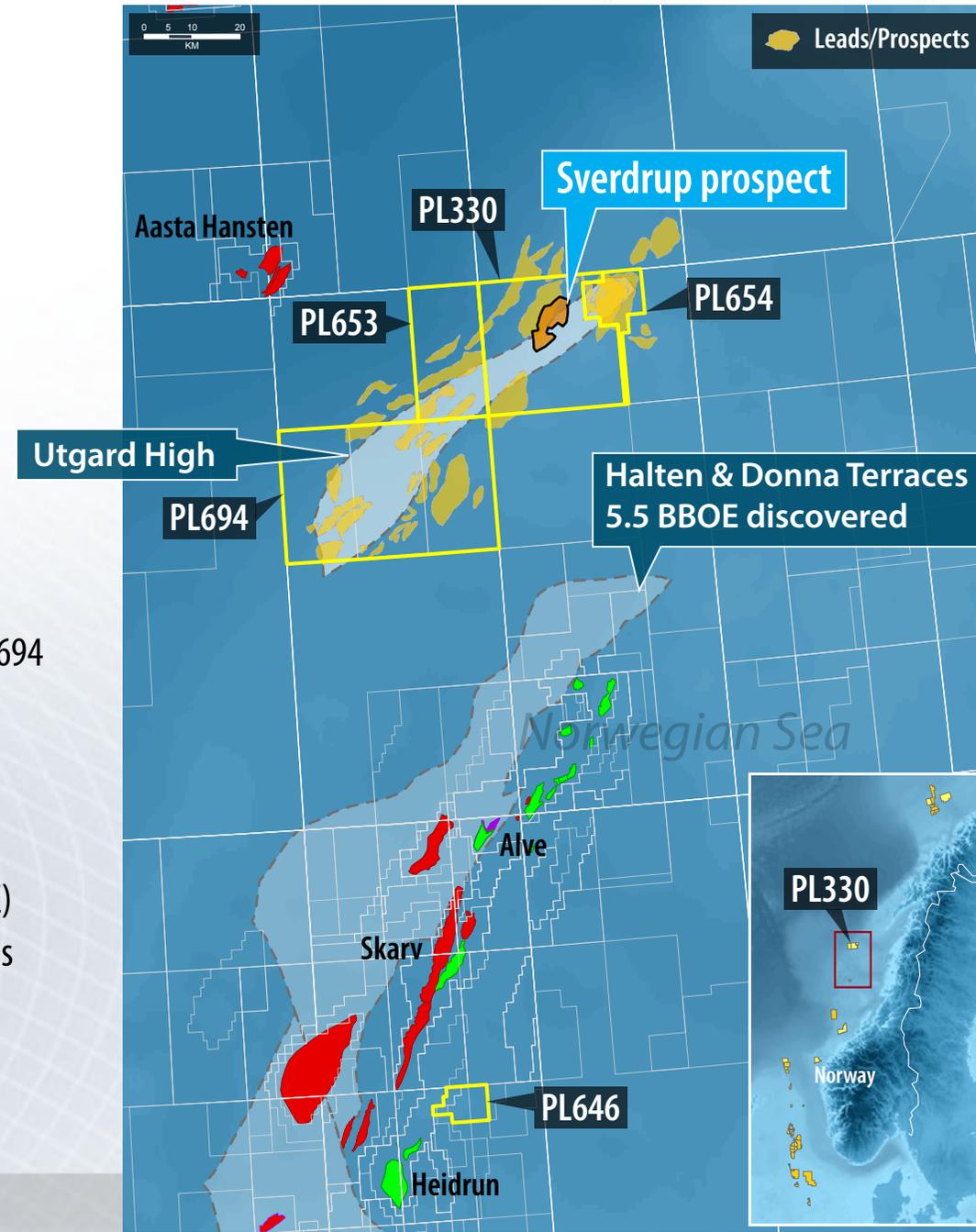
<sup>(1)</sup> Gross Prospective Resources

# Norway - Norwegian Sea Exploration - Utgard High



## New area with large potential

- ➔ **PL330 (Lundin 30% ) Sverdrup prospect**  
Partners: RWE Dea 40% (OP), Marathon 30%
  - ➔ Drilling in 2013
  - ➔ Gross prospective resource 200-600 MMboe<sup>(1)</sup>
  - ➔ Cretaceous/Jurassic reservoir
  - ➔ Under explored area
  - ➔ Additional acreage position in PL653, PL654 & PL694
  
- ➔ **Potential new high impact area**
  - ➔ Utgard High is adjacent to, and an analog of the proven prolific Halten & Donna Terraces (5.5 BBOE)
  - ➔ Multiple large prospects in Jurassic and Cretaceous targets, upside in Miocene

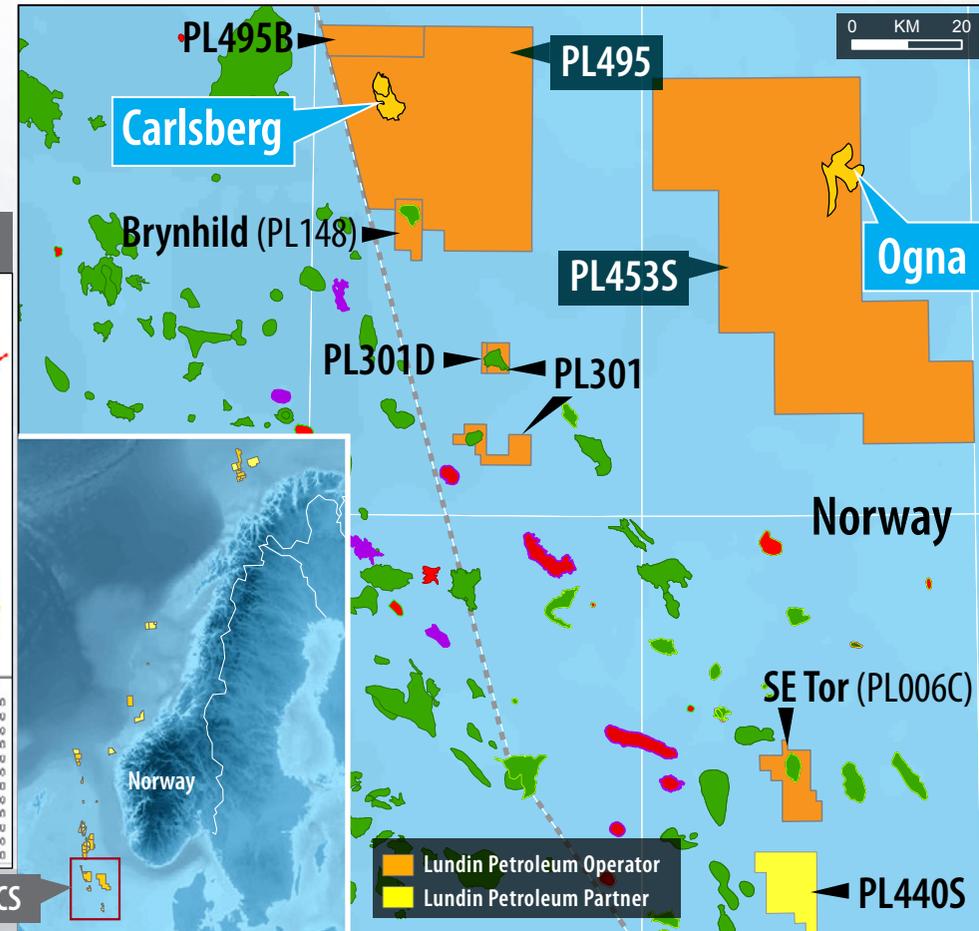
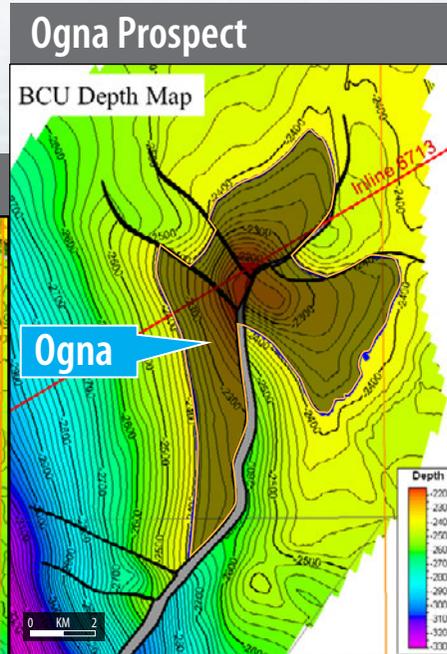
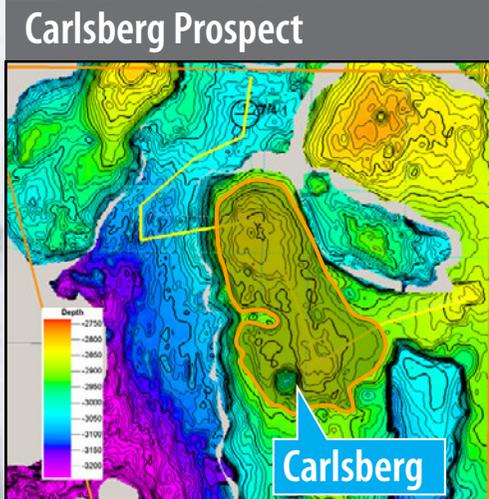


# Norway - Southern North Sea 2013 Exploration



- PL453s (Lundin 35%, operator)  
Ogna prospect
  - ➔ Gross unrisked prospective resource: 156 MMboe
  - ➔ Drilling ongoing

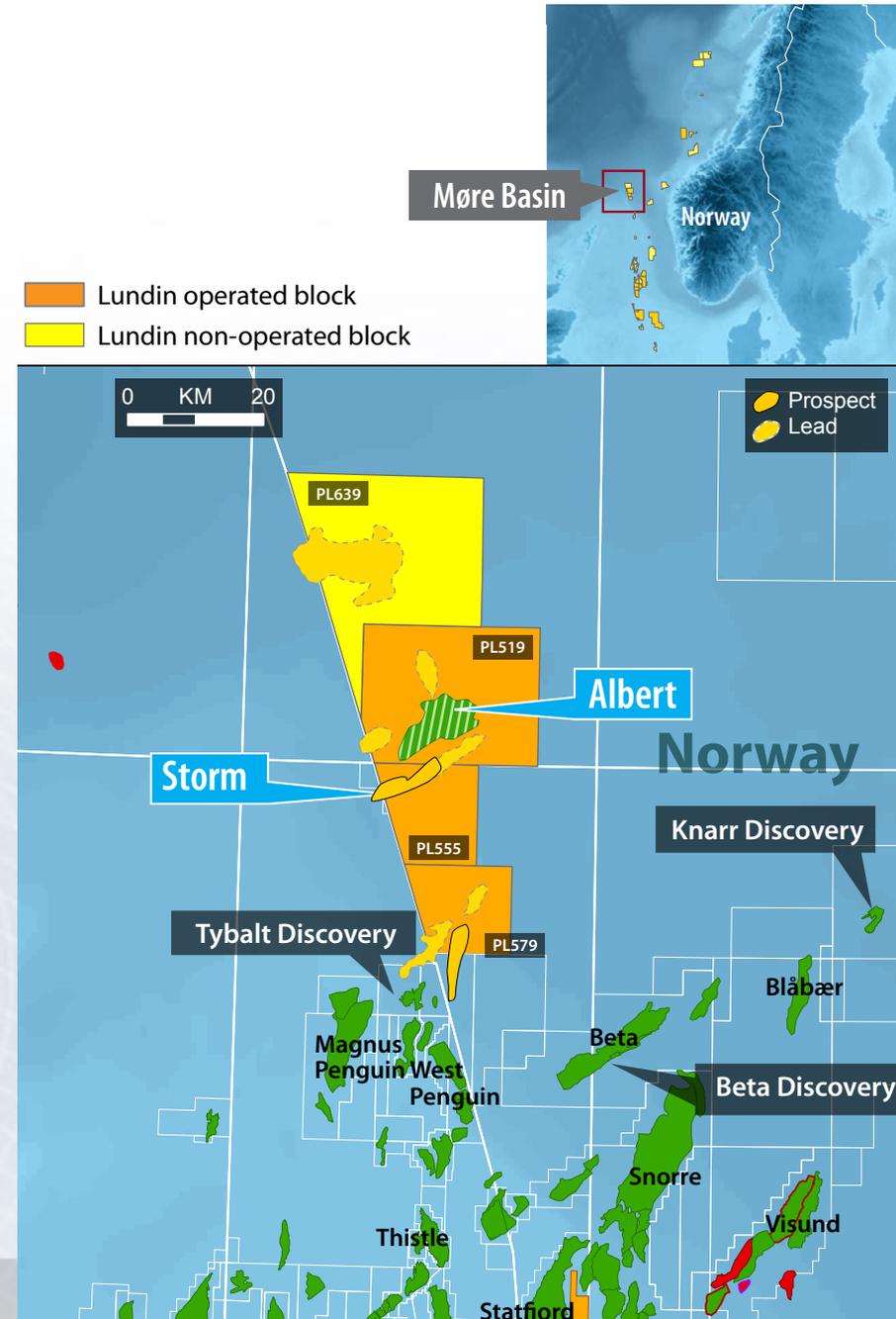
- PL495 (Lundin 60%, operator)  
Carlsberg prospect
  - ➔ Gross unrisked prospective resource: 67 MMboe
  - ➔ Drilling Q1 2013



# Norway - Møre Basin Area

**Lundin**

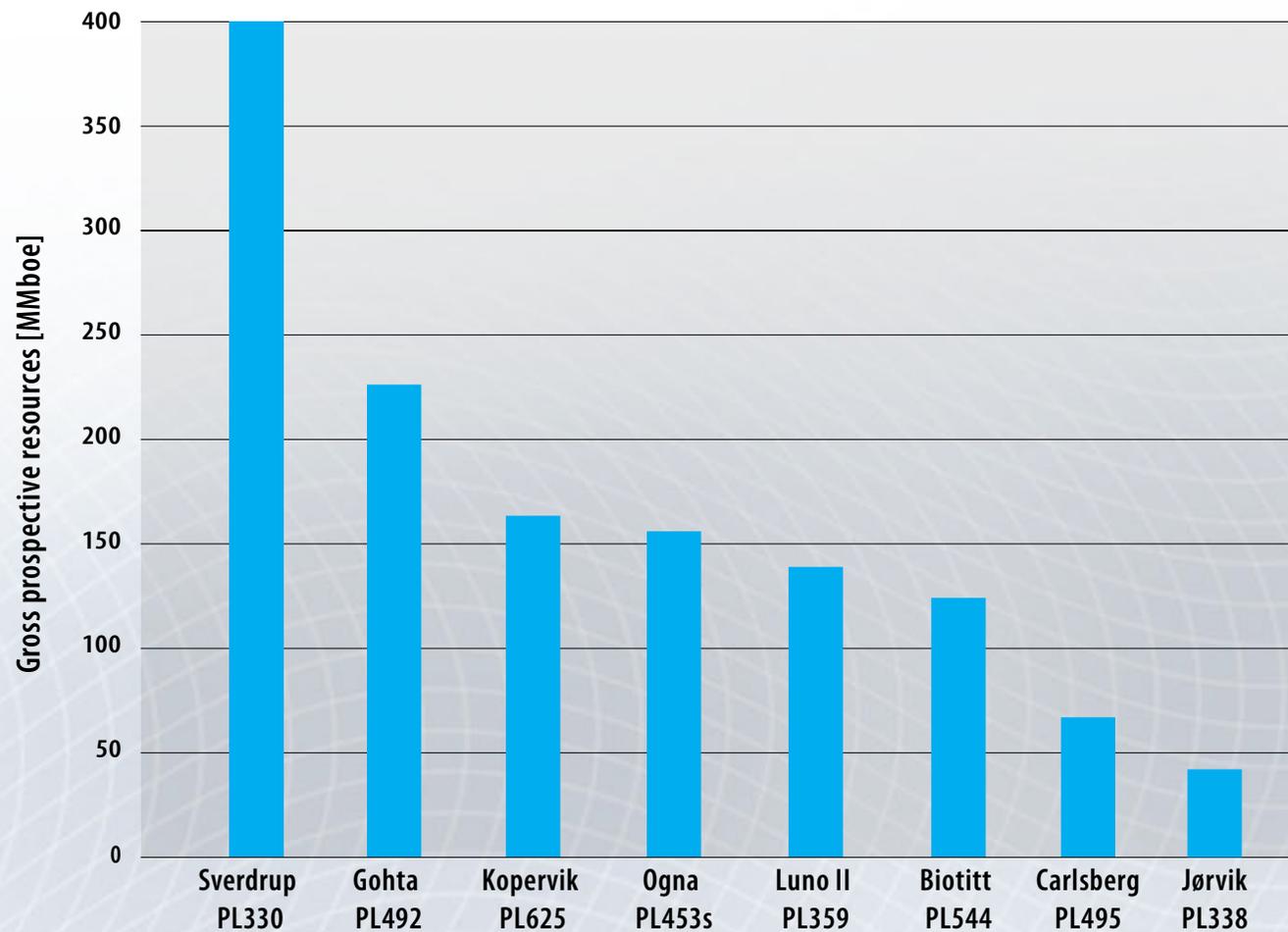
- ➔ **PL 555** (WI 60% OP)
  - ➔ Storm prospect 2014 drilling
  
- ➔ **PL579** (WI 50% OP)
  - ➔ New seismic data
  - ➔ G&G work ongoing
  - ➔ 2015 Drilling ?
  
- ➔ **PL 639** (WI 20%)
  - ➔ Final prospect definition
  - ➔ G&G work ongoing
  
- ➔ **PL 519** (WI 40% OP)
  - ➔ Albert encountered oil in thin Cretaceous reservoir sequence
  - ➔ G&G work ongoing



## Norway - 2013 Prospects (Gross Unrisked Resources)



➤ Targeting net unrisked prospective resources: ~490 MMboe<sup>(1)</sup>



<sup>(1)</sup>Exclude PL410 & Torvastad

# Norway - APA 2012 Award

## 7 new Licences

### Greater Alvheim Area

- PL203B
  - Lundin Petroleum 15%
  - Marathon Oil 65% (OP), ConocoPhillips 20%

### Utsira High Area

- PL673
  - Lundin Petroleum 60%
  - VNG Norge 40% (OP)

### Barents Sea

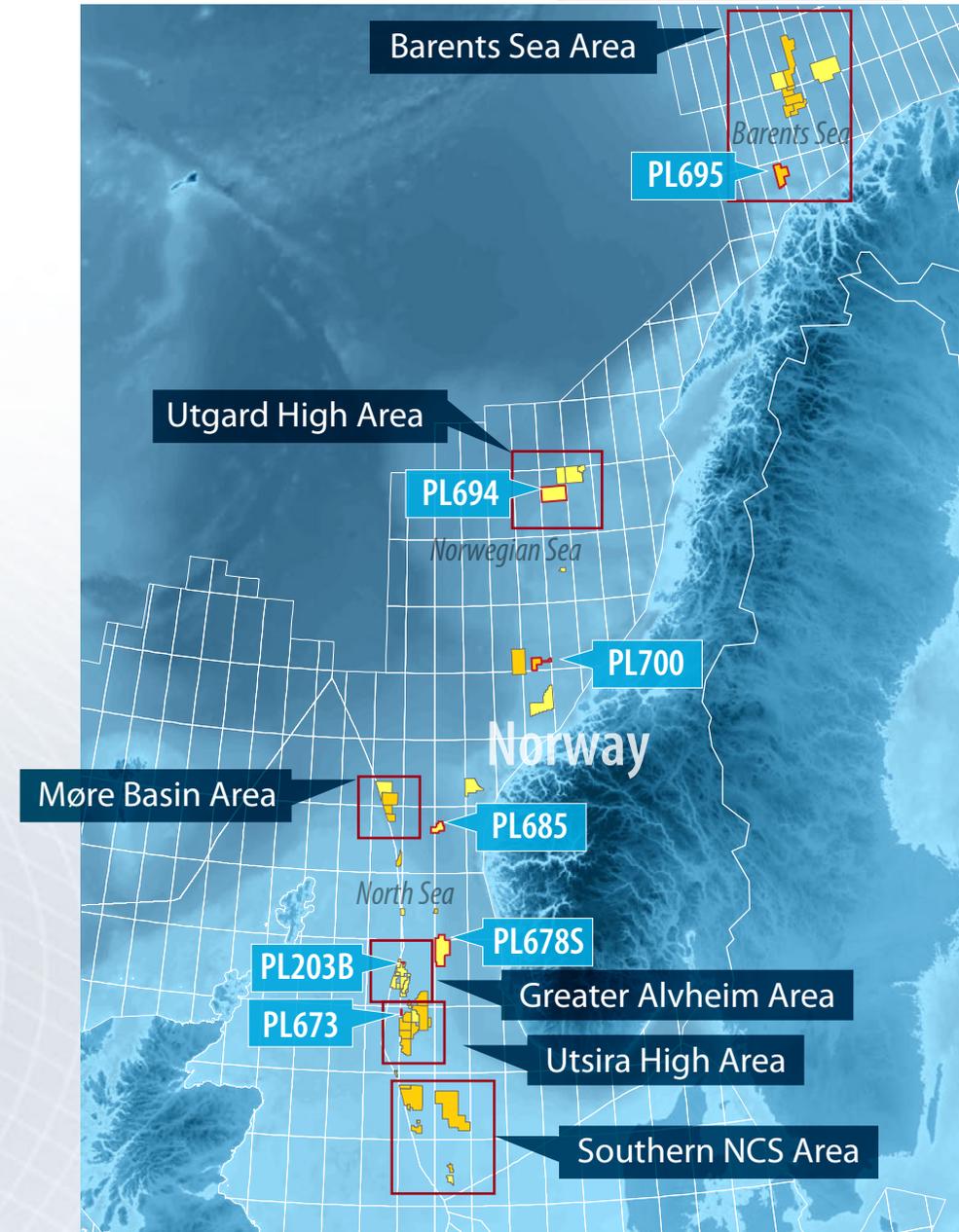
- PL695
  - Lundin Petroleum 40% (OP)
  - Spring Energy 40%, Peto 20%

### Norwegian Sea

- PL694
  - Lundin Petroleum 20%
  - RWE Dea 40% (OP), Marathon Oil 20%, Peto 20%
- PL700
  - Lundin Petroleum 40% (OP)
  - Bayengas Norge 20%, GDF SUEZ 20%, VNG Norge 20%

### Others

- PL678S
  - Lundin Petroleum 20%
  - Wintershall 35% (OP), Det norske 25%, Fortis 20%
- PL685
  - Lundin Petroleum 20%
  - Total 40% (OP), Bayengas Norge 20%, Peto 20%



# Norway Exploration - Rig Capacity 2013 & Beyond



		2013				2014				2015				2016				2017
		Q1	Q2	Q3	Q4													
NORWAY	Transocean Winner	1																
	Bredford Dolphin	5				1	1		1	1		3		2		1		
	Transocean Artic		1					1			1							
	Maersk Guardian	2																
	Island Innovator			4		6				2		3		6				3
	Rowan Drilling Rig											2						
	<b>Total slots</b>	13				10				12				9				3

*Excludes rigs for development drilling*

Contracted Rig Slots      Optional Rig Slots

# Norway 2013 Exploration & Appraisal Drilling Schedule



Country	Licence - Prospect	Operator	LUPE%	NUPR <sup>(1)</sup>	CoS %	NRPR <sup>(2)</sup>	2012	2013				
							Q4	Q1	Q2	Q3	Q4	
1 Norway	PL501 - Johan Sverdrup 16/3-5 App. 6	Lundin	40.00	–	–	–		Ongoing				
2 Norway	PL359 - Luno II 16/4-6S	Lundin	40.00	60	35%	21						
3 Norway	PL501 - Johan Sverdrup App. 8	Lundin	40.00	–	–	–						
4 Norway	PL501 - Johan Sverdrup App. 9	Lundin	40.00	–	–	–						
5 Norway	PL544 - Biotitt	Lundin	40.00	50	29%	14						
6 Norway	PL338 - Apollo Appraisal	Lundin	50.00	–	–	–						
7 Norway	PL492 - Gohta	Lundin	40.00	90	19-21%	18						
8 Norway	PL501 - Torvastad	Lundin	40.00	–	–	–						
9 Norway	PL338 - E. Grieg SE App.	Lundin	50.00	–	–	–						
10 Norway	PL625 - Kopervik	Lundin	40.00	54	43%	23						
11 Norway	PL410 - Exploration well	Lundin	70.00	–	–	–						
12 Norway	PL501 - Johan Sverdrup 16/2-16 App. 7	Lundin	40.00	–	–	–	Discovery					
13 Norway	PL338 - Jorvik 16/1-17	Lundin	50.00	23	49%	11		Ongoing				
14 Norway	PL453 - Ogna	Lundin	35.00	55	22%	12		Ongoing				
15 Norway	PL495 - Carlsberg	Lundin	60.00	40	15-24%	9						
16 Norway	PL265 - Johan Sverdrup Fault Margin	Statoil	10.00	–	–	–						
17 Norway	PL265 - Johan Sverdrup Cliff Hanger	Statoil	10.00	–	–	–						
18 Norway	PL330 - Sverdrup prospect	RWE Dea	30.00	60-180 <sup>(3)</sup>	–	–						

■ operated    ■ non operated

*South East Asia*



*Lundin Petroleum Capital Market Day  
12 February 2013*

## South East Asia Overview



### Malaysia

- ➔ 6 PSC's (all operated)
- ➔ ~40,000 km<sup>2</sup> of gross acreage
- ➔ 12.7MMboe of net 2P reserves
- ➔ 81.7MMboe of net 2C contingent resources

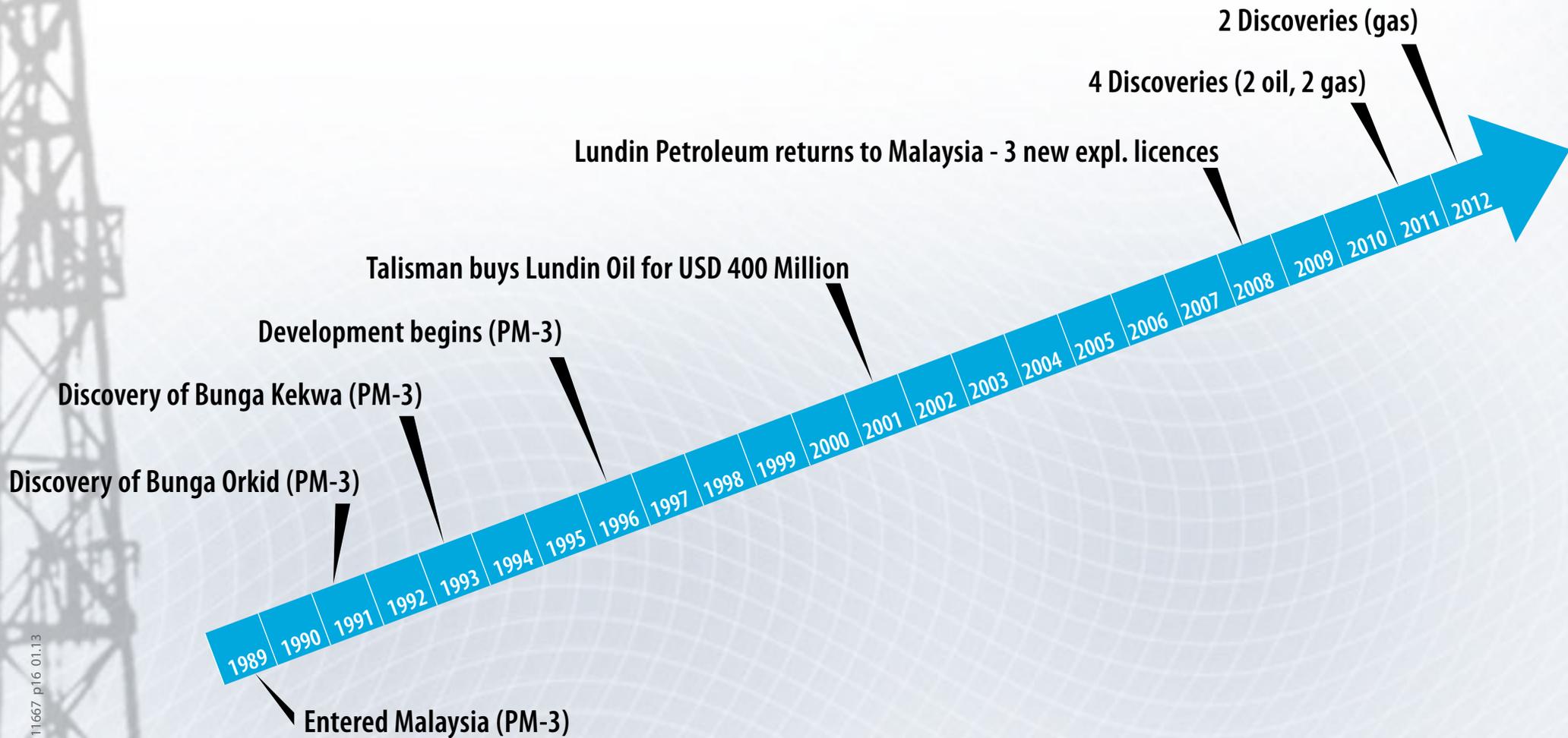
### Indonesia

- ➔ 6 PSC's (5 operated)
- ➔ ~23,000 km<sup>2</sup> of gross acreage
- ➔ 2.7MMboe of net 2P reserves
- ➔ 2.9MMboe of net 2C contingent resources

### 2011 - 2012 Drilling Campaign



# Lundin's history in Malaysia



## Organic Exploration Growth

- Build core areas
- Where petroleum systems are de-risked
- Use 3D in areas where the majors have retreated

## General Operational Overview

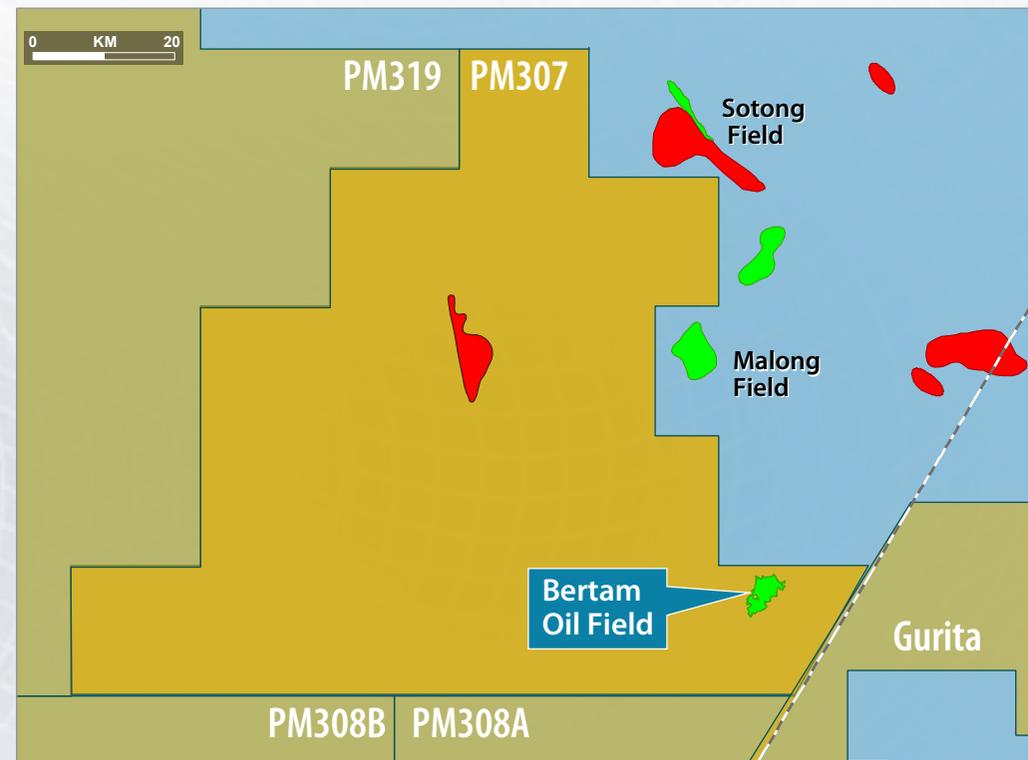


- ❑ **Consolidated leading acreage position in Malaysia: PM319**
- ❑ **Significant further investment in new 3D in 2012**
  - Malaysia 3,700 sq km
  - Indonesia 950 sq km
  - Since 2009 > 10,000 sq km of new 3D has been acquired
- ❑ **Continued exploration success in 2012 (80% in 2011)**
  - 4 exploration wells drilled (well 5 in progress)
  - 2 discoveries
  - 50% success rate in 2012
  - 67% success rate from 2011-12 (9 wells – one remaining)
- ❑ **Commenced development studies**
  - Bertam fast track development
  - 100% of FPSO Ikdam secured as a potential fast track option
- ❑ **Preparing to commence exploration drilling in Indonesia in 2013**
- ❑ **Continuous maturation of the portfolio to deliver ongoing activity**

## Development: Bertam (PM307)



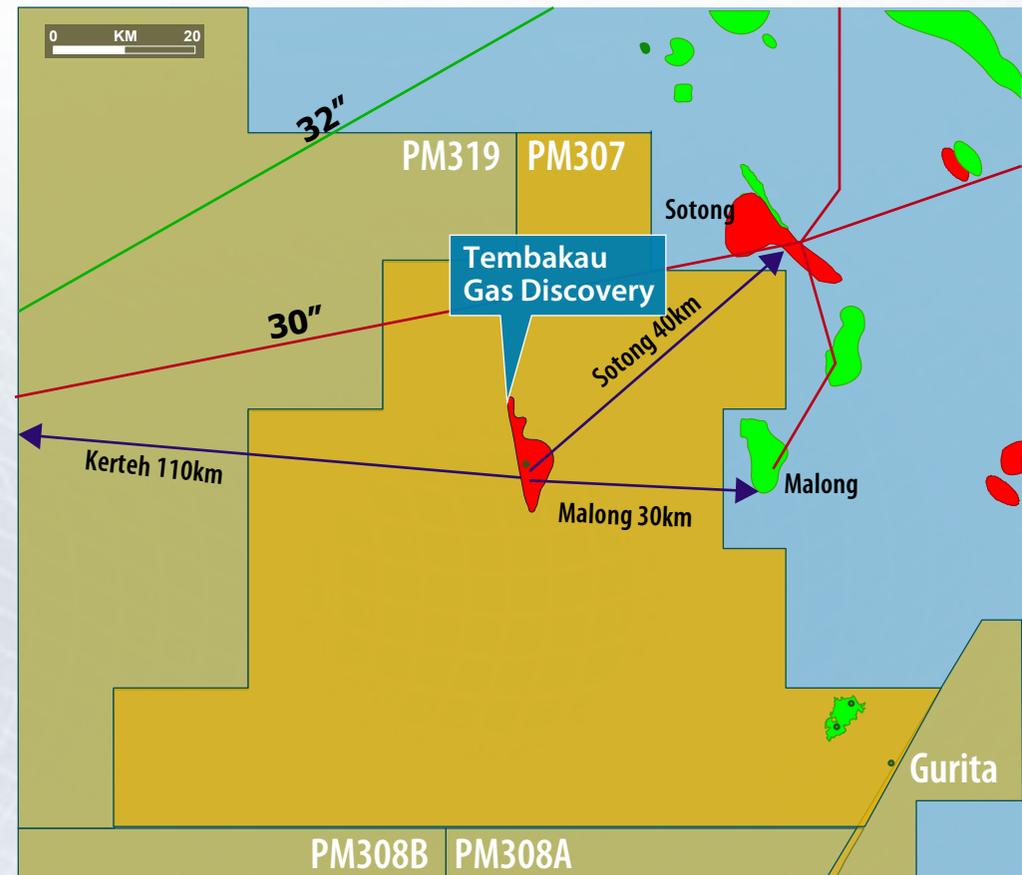
- Lundin Petroleum 75% operator (Petronas Carigali 25%)
- FEED studies ongoing
- PDO submission in 2013
- 2P gross reserves: 17.0 MMbo
- Estimated gross plateau production: 15,000 bopd
- First oil: 2015
- Development plan
  - ➔ Concept selected: Wellhead platform & FPSO
  - ➔ 14 horizontal wells with ESP's
- Enhanced fiscal terms
  - ➔ Cost Pool at year end 2012: MUS\$ 154



## Appraisal: Tembakau (PM307)



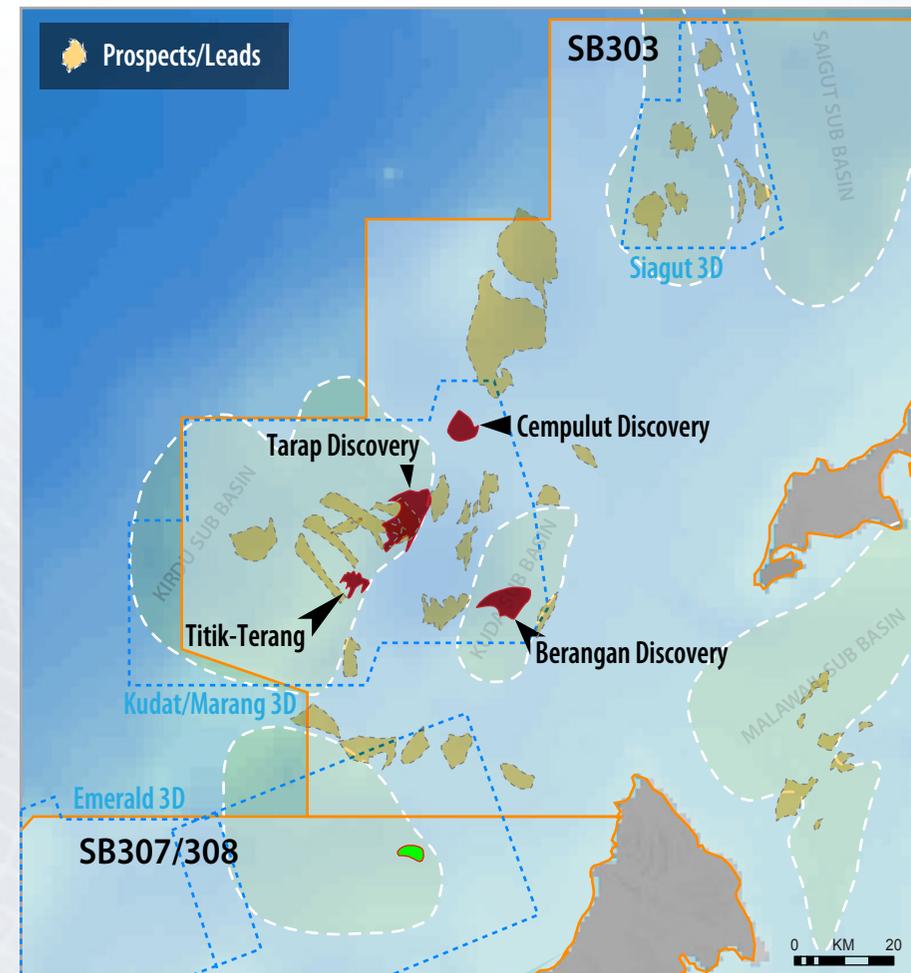
- Lundin Petroleum 75% operator (Petronas Carigali 25%)
- Discovered November 2012
- Gross 2C contingent resources: 306 Bcf
- New gas play in this area
- Further appraisal drilling planned
- Large area identified for follow up
- Close to infrastructure and Kerteh gas plant



## Appraisal: SB303 Gas



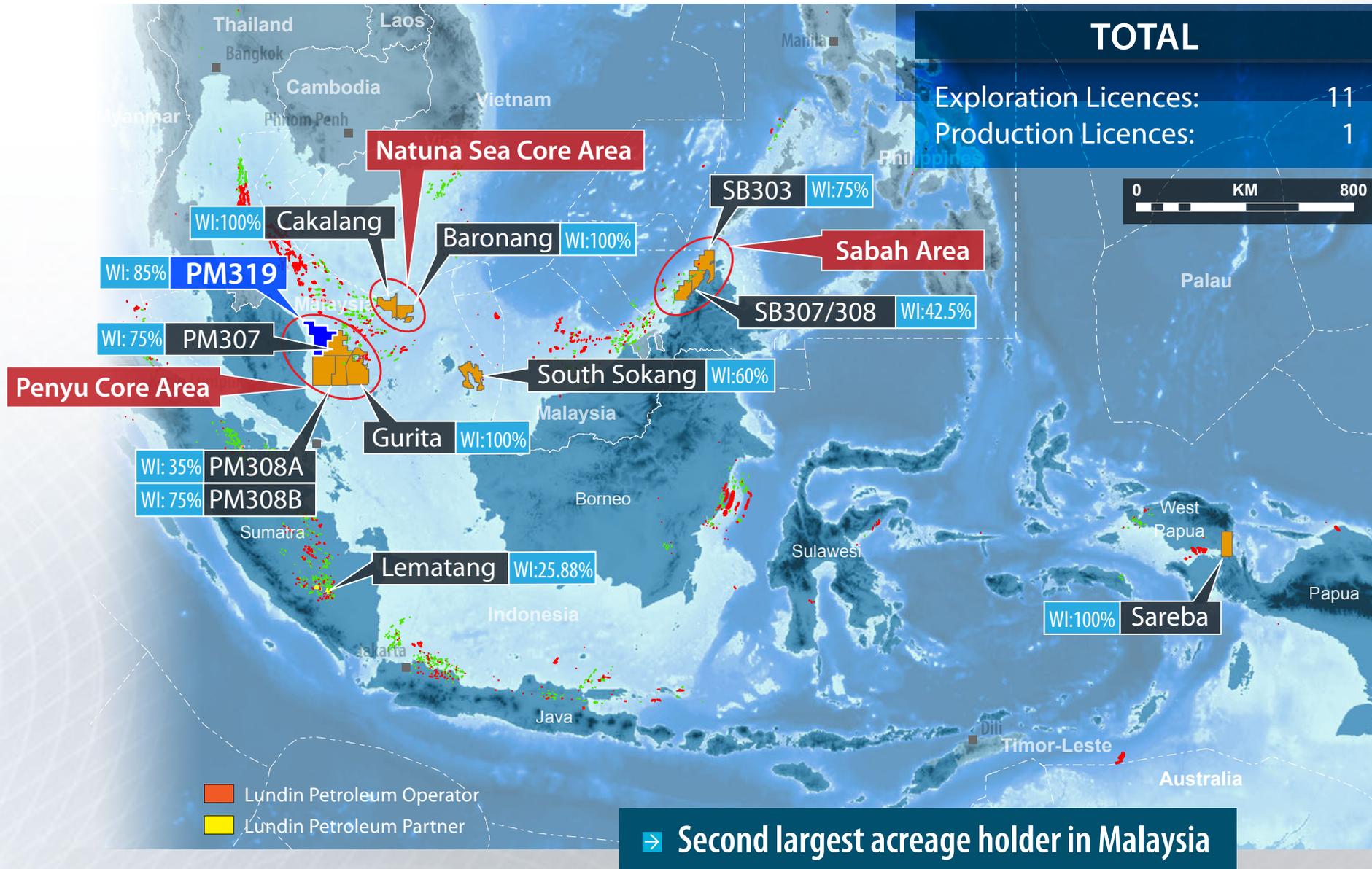
- Lundin Petroleum 75% operator (Petronas Carigali 25%)
- 4 gas discoveries
- Gross 2C contingent resources: 347 Bcf
- Significant upside identified in deeper turbidite prospects mapped on 3D
- Rights to hold gas for 5 years under PSC
- Feasibility study planned to assess commercialisation
- Options include:
  - ➔ Tie in to existing infrastructure
  - ➔ New pipeline to SOGT
  - ➔ Floating LNG



# South East Asia Acreage Position



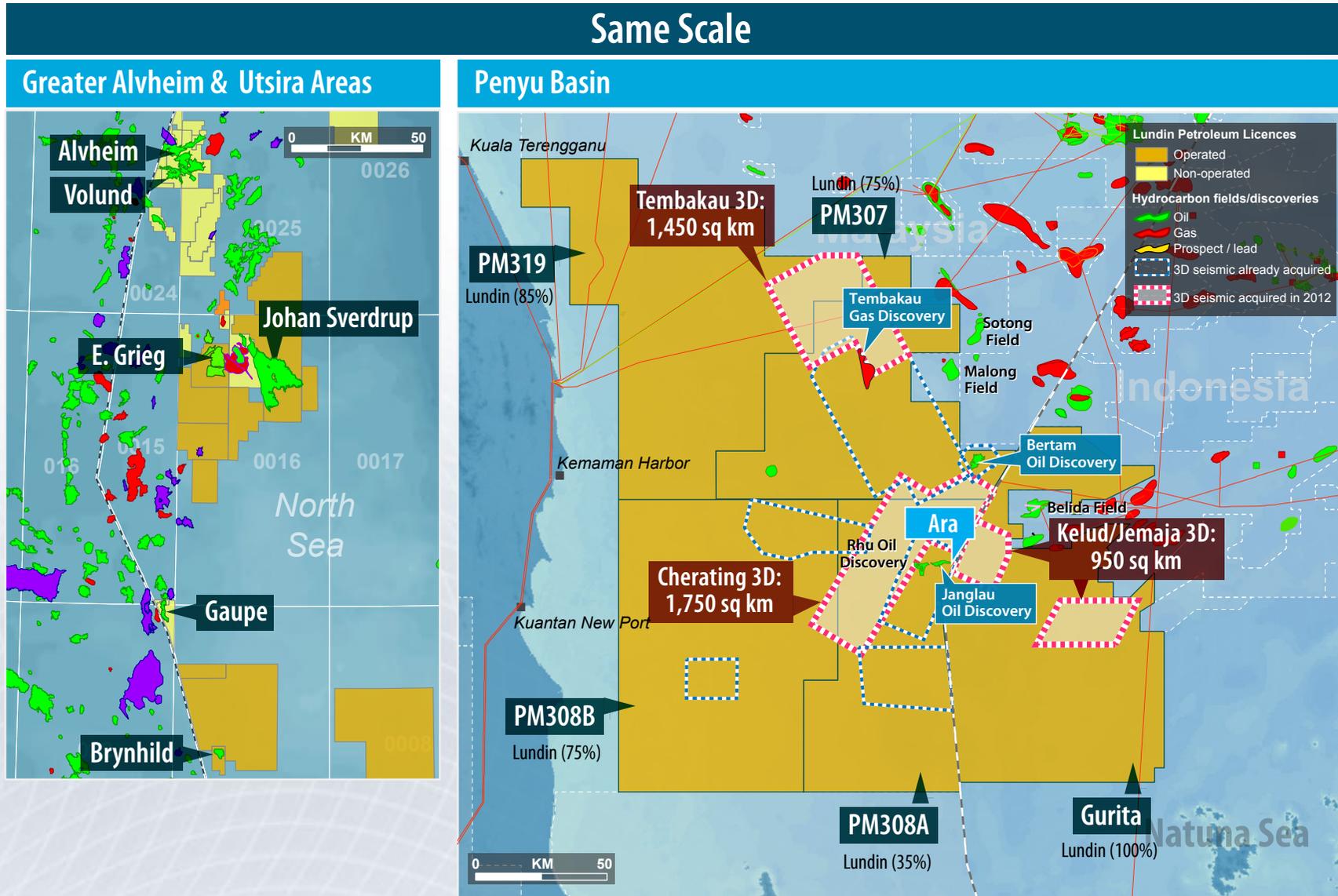
## "Consolidated leading acreage position in Malaysia"



# Penyu / Natuna Core Area 3D



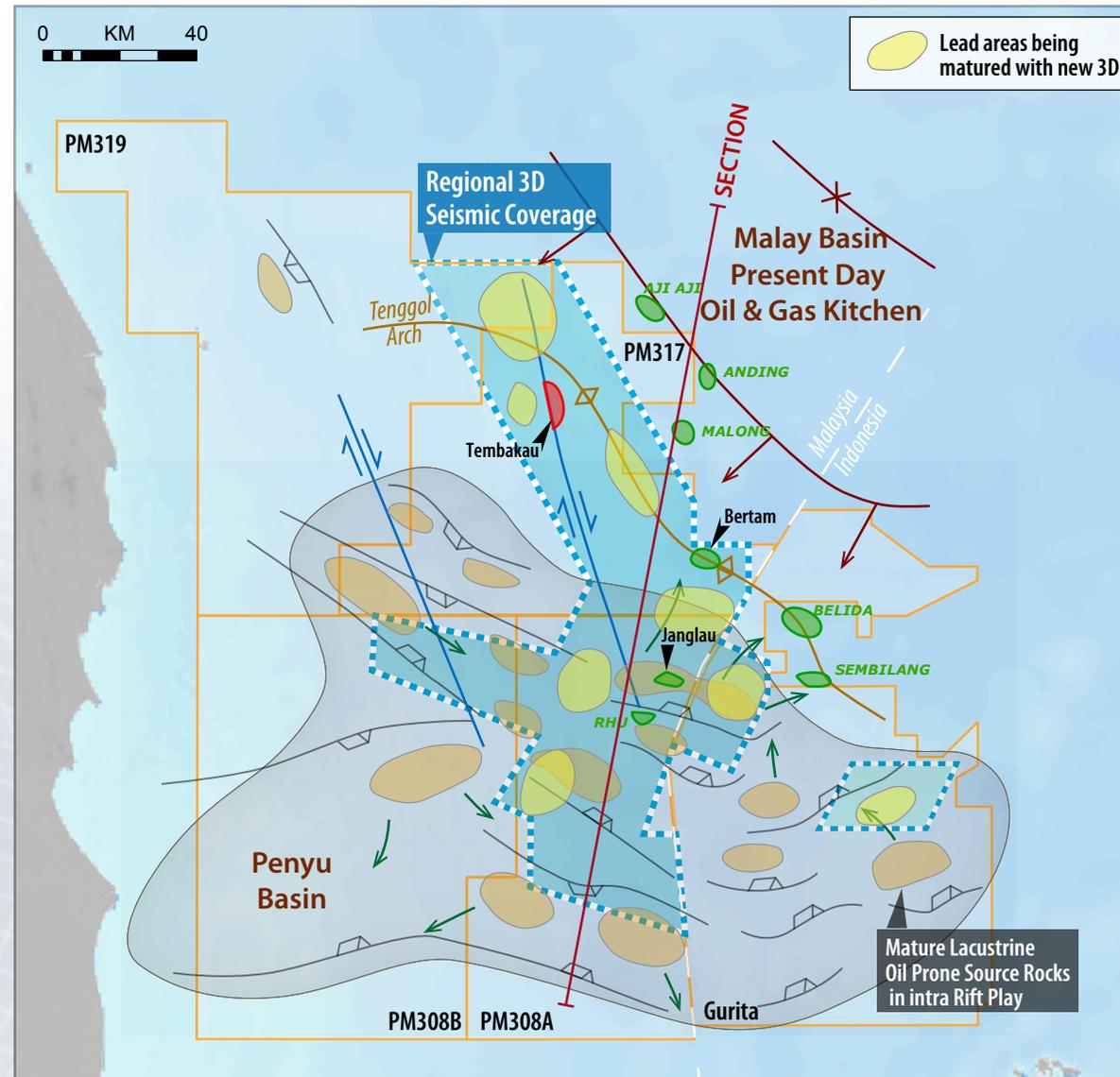
## "4,150 sq km new 3D acquired in Penyu/Natuna Core Area"



# Malaysia - Penyu Core Area Play Map



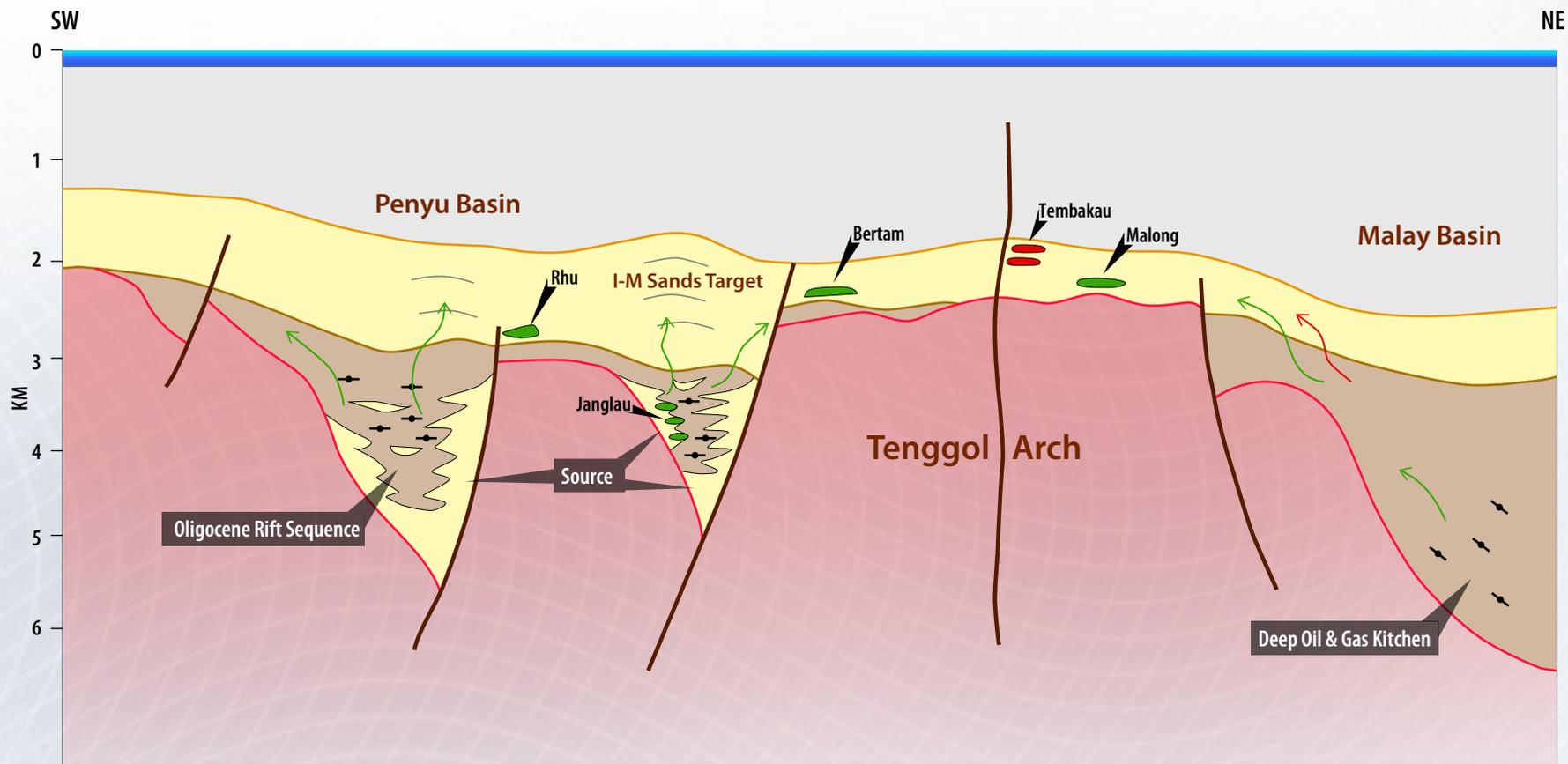
- **Multiple discoveries from 2011/12 exploration campaign**
  - ➔ Bertam (Basin Margin Upper Oligocene Oil Play)
  - ➔ Janglau (Intra-rift deep oil play)
  - ➔ Tembakau (Miocene gas)
- **Large regional 3D**
- **Maturing next phase of exploration**
- **2 wells planned for 2013**
- **Huge area and play diversity to continue beyond 2013**



# Malaysia - PM Play Concept



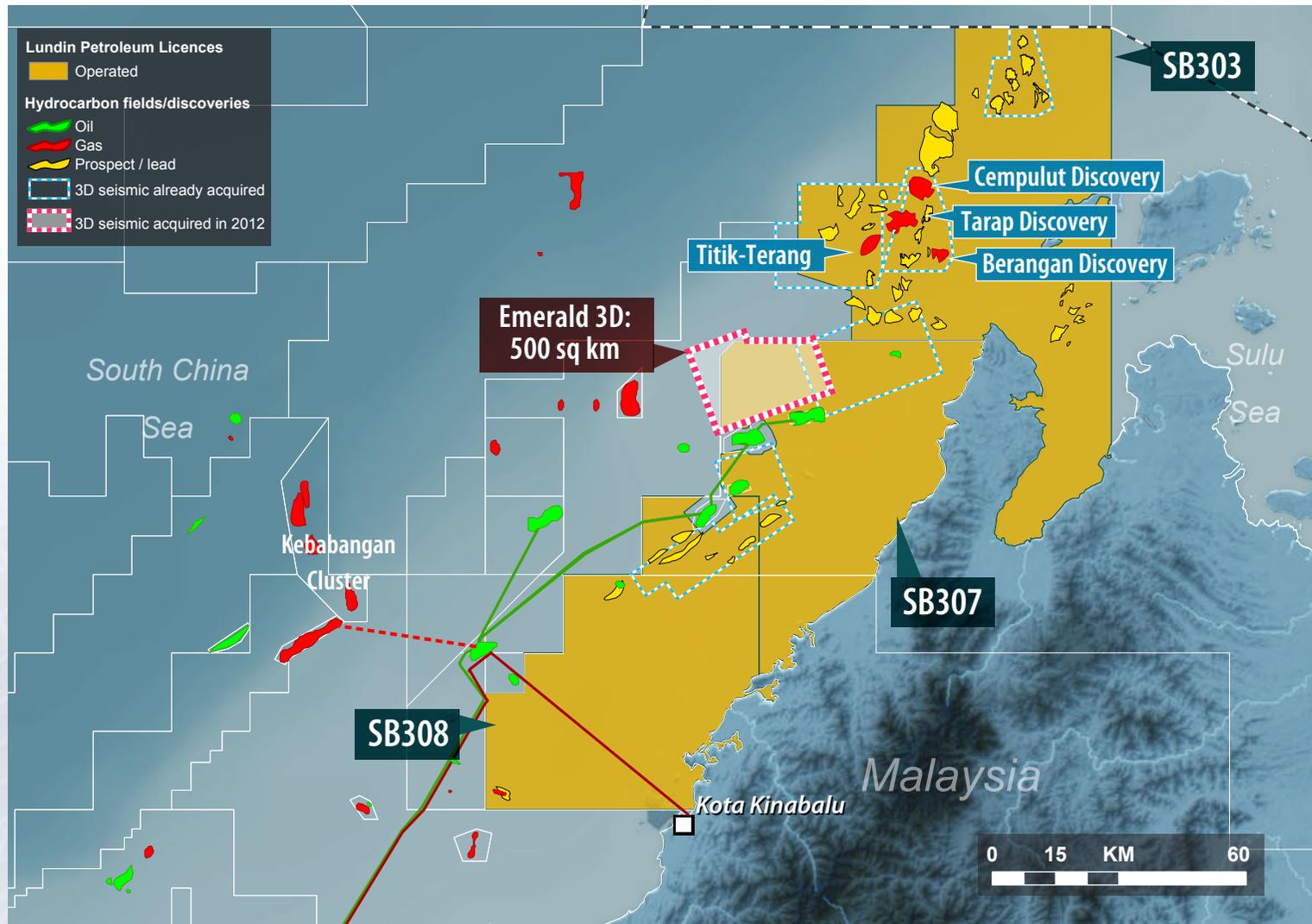
- Mature oil prone Oligocene source plumbed directly into intra-rift sands
- Vertical and lateral migration into both Oligocene and Miocene sands



## Sabah Core Area 3D



- Shell producing fields contains in excess of 400 MMboe<sup>(1)</sup>
- "500 sq km new 3D acquired in Sabah Core Area"

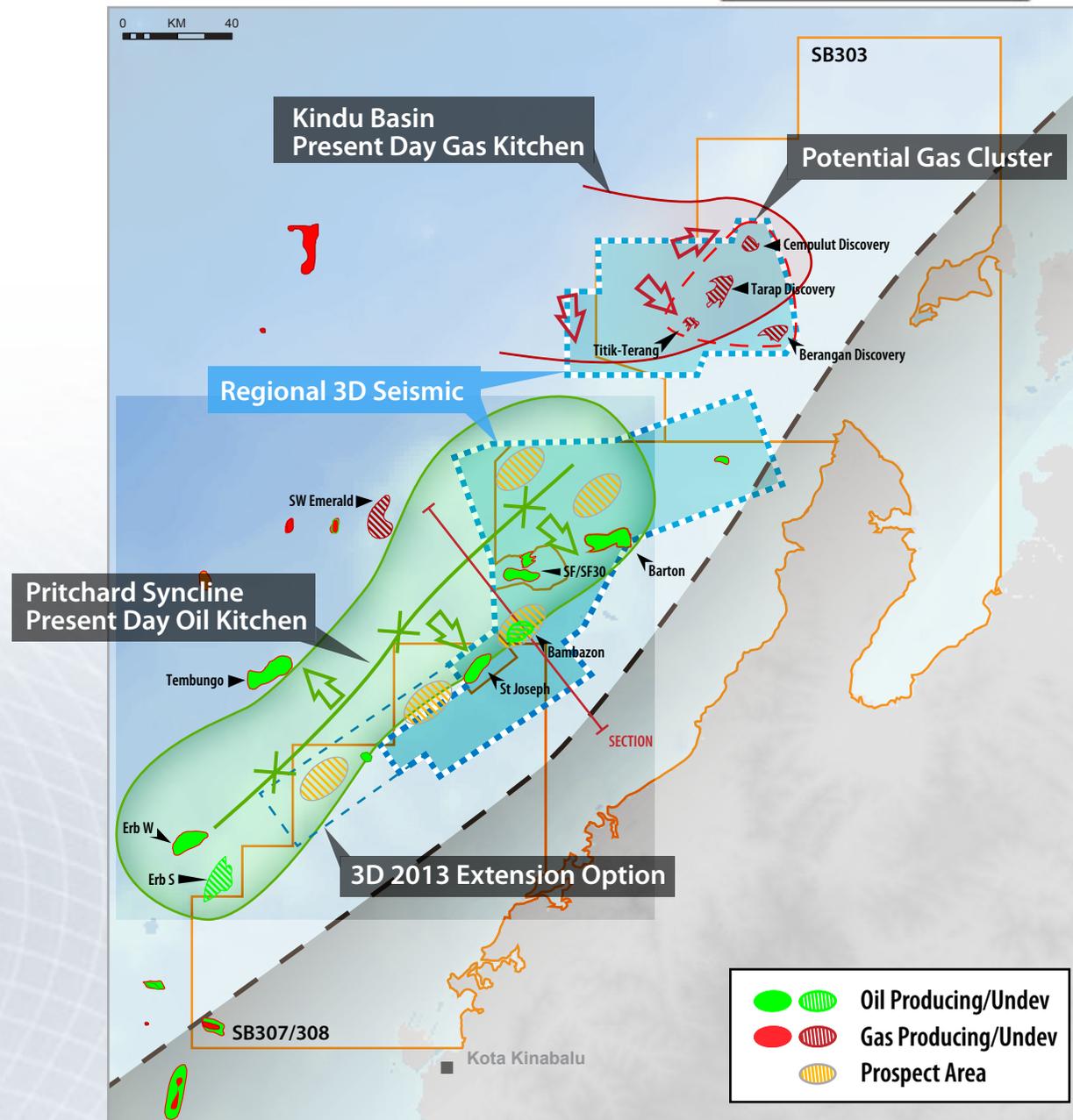


<sup>(1)</sup>Source Woodmac

# Malaysia - Sabah Core Area Play Map



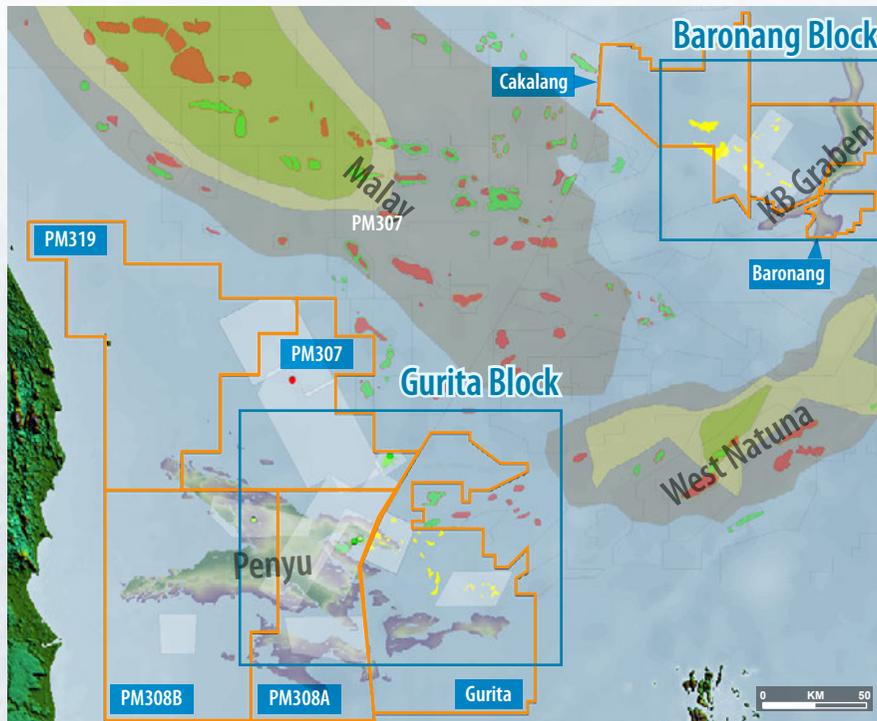
- SB303 exploration delivers a cluster of gas discoveries
- Large regional 3D in SB307/8
- Multiple play types identified in a very oily address
  - ➔ Mid Miocene shelf & deltaic play [St Joseph/S. Furious]
  - ➔ Turbidite Play [SF30]
- 1 well planned for 2013 with a portfolio to support multi well programme



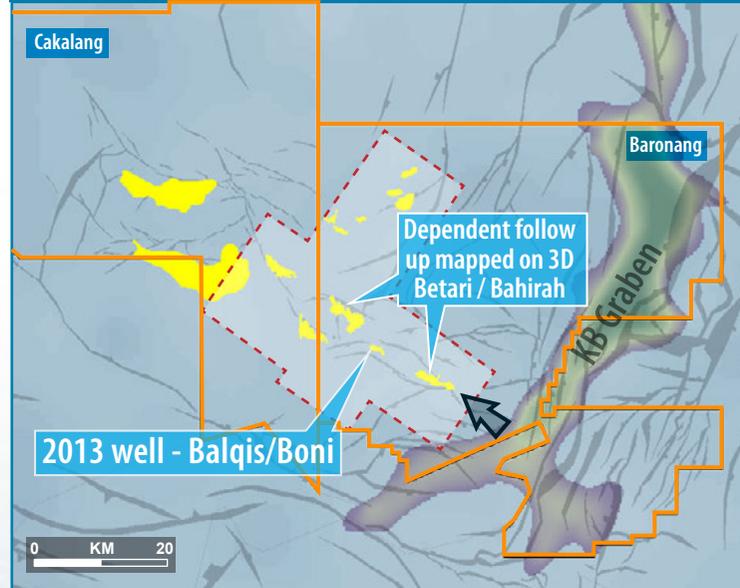
# Indonesia Exploration



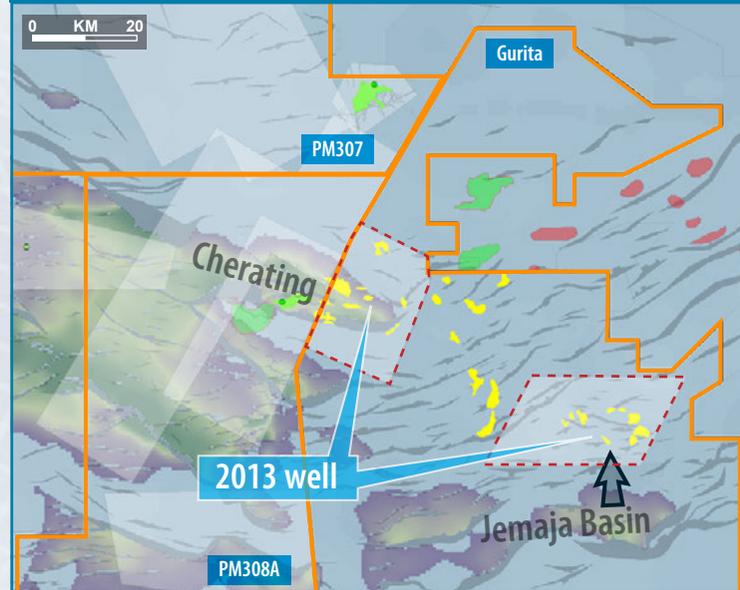
- ▣ **Baronang Block (WI 100%)**
  - One well in 2013: Balqis/Boni
  - Balqis, basin margin play opener: 47 MMbo
  - Boni, stratigraphic prospect sidetrack: 55 MMbo
  - Follow up prospects & leads identified
  
- ▣ **Gurita Block (WI 100%)**
  - One well in 2013
  - Cherating syn-rift prospect or,
  - Jemaja basin margin prospect
  - Maturing lowest risk / highest reward target



## Baronang Block



## Gurita Block



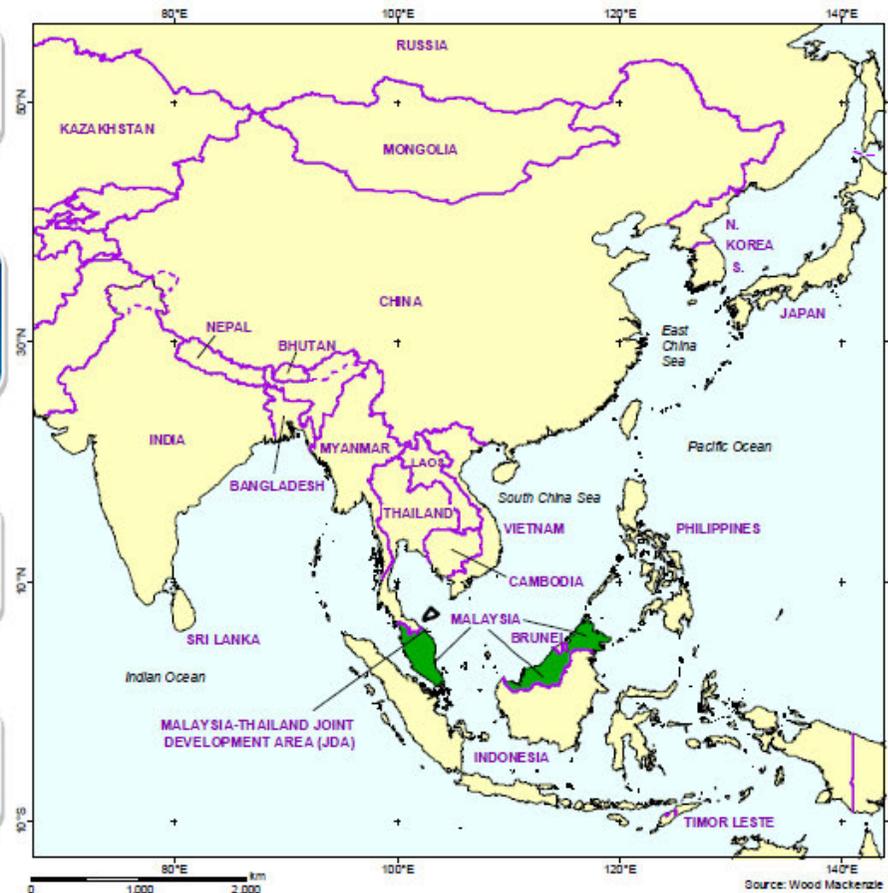
## Malaysia – key issues

Maturing hydrocarbon province, but with remaining deepwater frontier potential

Liquids output has fallen from 1995 peak – but will be bolstered by new developments in Sabah

Marginal field fiscal incentives – opportunities for smaller players?

ExxonMobil and Shell involved in major EOR projects



Gas output to peak in 2016 at 6.5 bcf/d – but LNG imports required to meet growing demand in Peninsular Malaysia

PETRONAS considering expansion of Bintulu LNG facilities following recent exploration success

Pipeline under construction to transport Sabah gas to Bintulu LNG

PETRONAS pursuing floating LNG technology to accelerate gas development

Source: Wood Mackenzie PathFinder

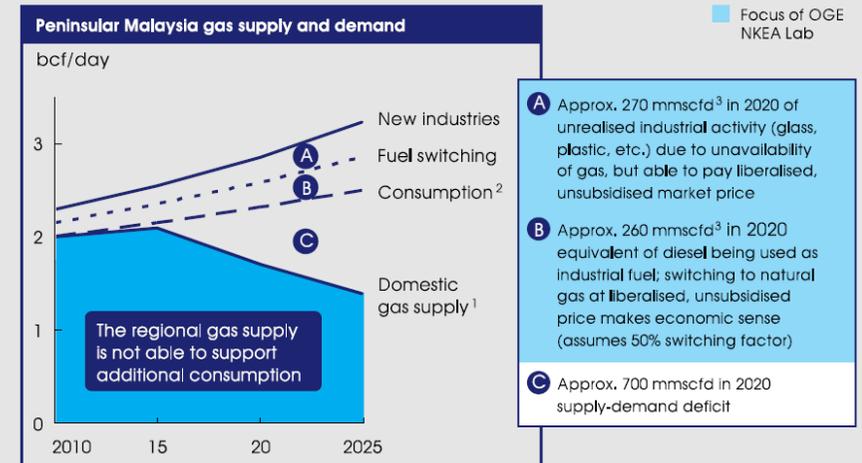
## Gas Market: Peninsular Malaysia



- Peninsular Malaysia gas supply dominated by associated gas
- Limits supply flexibility
- Fields are in decline as are incremental supplies from Indonesia & JDA
- Inert gas is an issue for undeveloped gas
- LNG imports planned to provide security of supply
- Tembakau area gas well positioned to address a number of these challenges

### Supply & Demand

About 500 mmscfd of latent high-value gas demand in Peninsular Malaysia can be served with imported LNG



SOURCE: FACTS Global Energy

## PSC Fiscal Terms



	Govt Take	NPV USD/bbl @ current oil price	
		Low	High
Malaysia 30 MMbo	73-78%	8.0	12.0
Malaysia 50 MMbo	84-85%	6.0	9.0

- Assumed 30 & 50 MMbo model field sizes with wellhead platform & FPSO solution

## *Concluding Remarks*



- Focus on continued organic growth via new block acquisition
- Continue to search for areas to leverage 3D seismic
- Commence exploration drilling in Indonesia
- Mature Sabah oil play in SB307/8
- Leverage 2011/12 exploration success in Peninsular Malaysia
- Progress options for gas commercialisation in Sabah & Peninsular Malaysia
- Maintain high level of exploration activity ~5 well per annum
- Appraisal of existing discovered resources to mature into reserves
- Target early first oil for Bertam

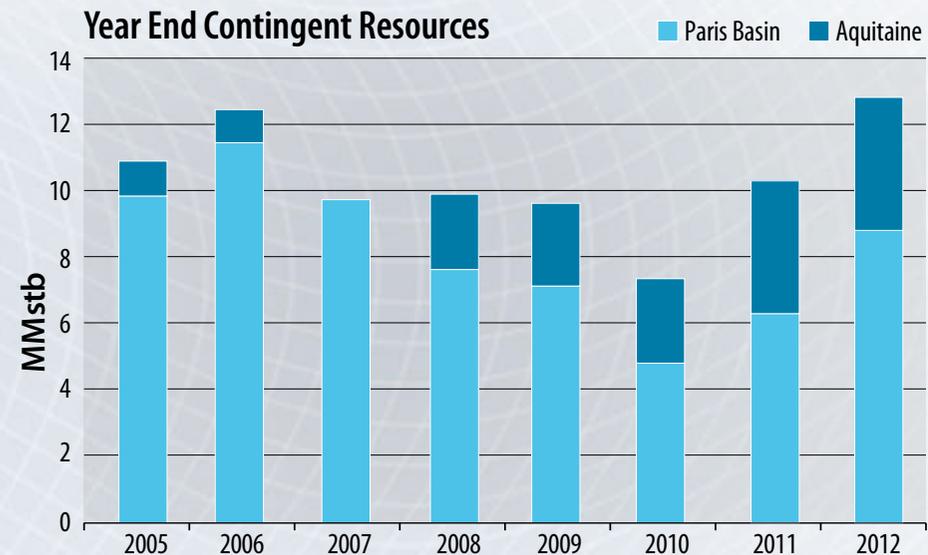
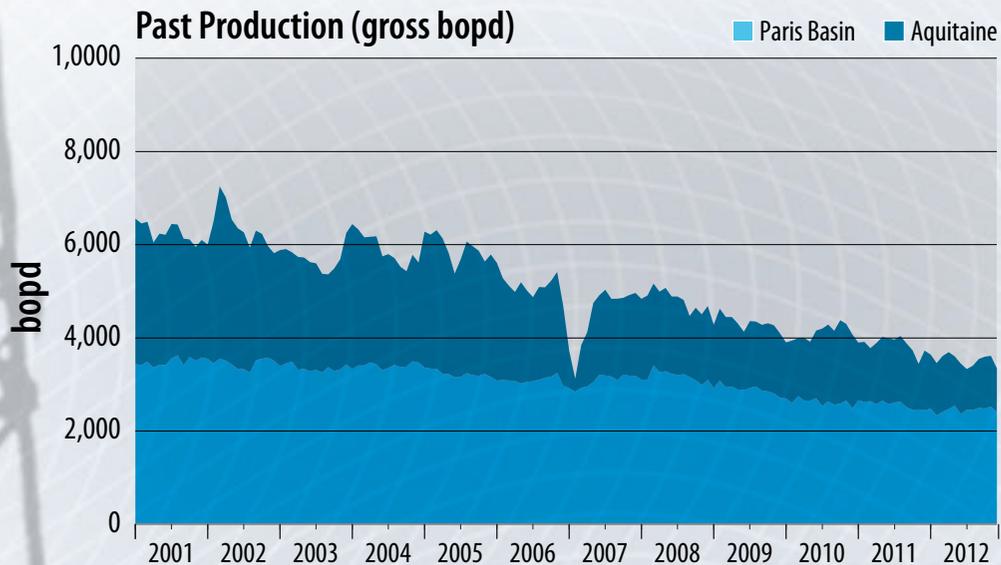
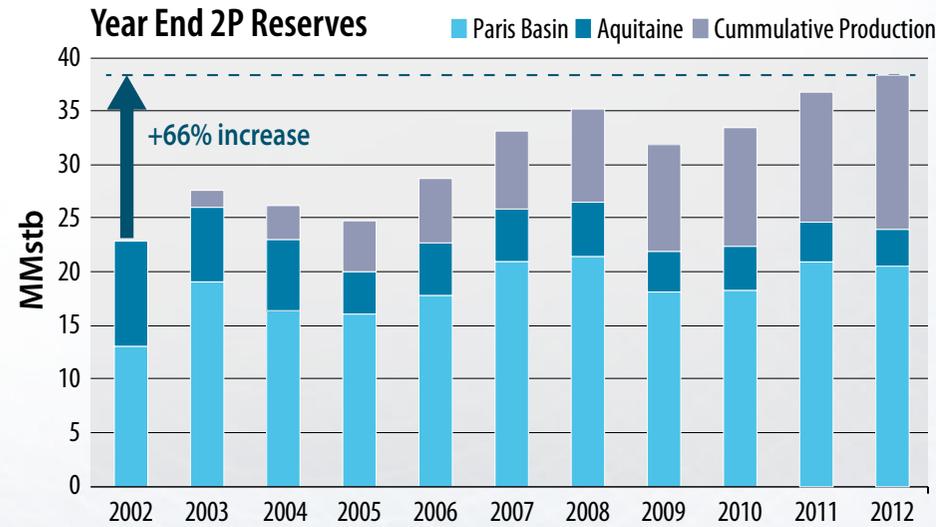
*Other Countries*



# France - Steady Value Creation



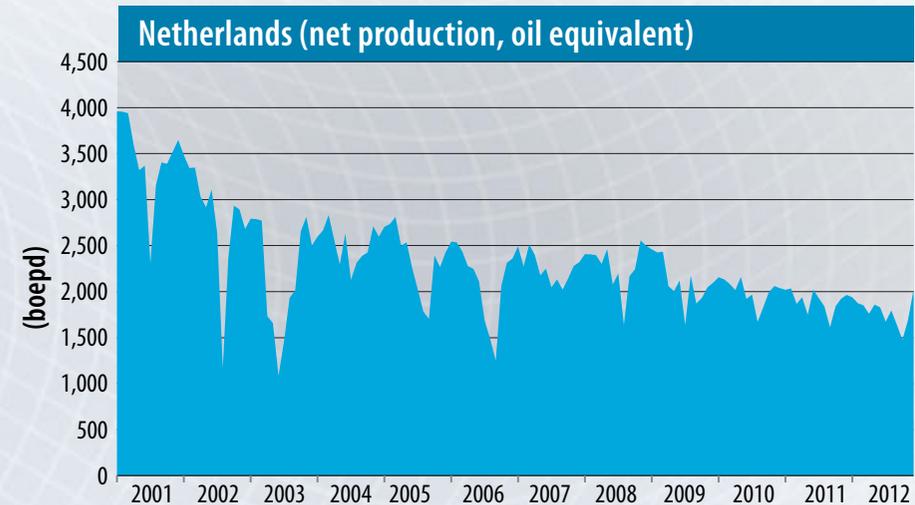
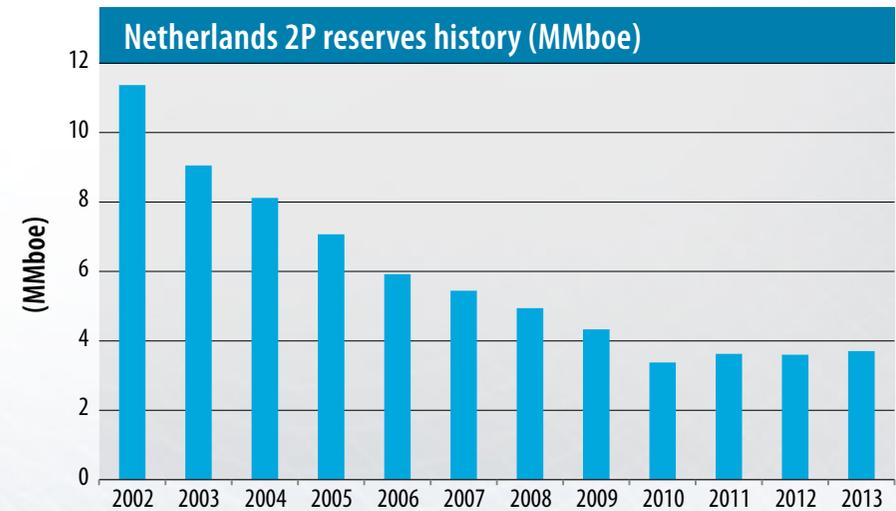
- 2012 Production: 2,850 boepd
- 2P Reserves: 24 MMboe
- Contingent Resources: 12.8 MMboe
- Steady Cash Flow



## Netherlands – Declining but Still Strong



- **Small working interest in large portfolio**
- **5 onshore production licenses**
  - ➔ Vermilion operator
  - ➔ ~ 7.5% Working interest
- **9 offshore production units**
  - ➔ Mainly Total operator
  - ➔ 0.04 - 4.3% Working interest
- **2012 Production: 1,900 boepd**



## France & Netherlands – Value Creation

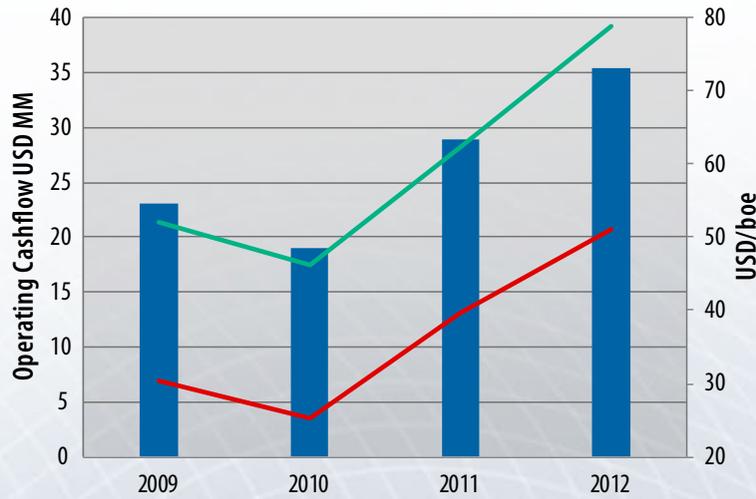


	Acquisition Value Creation				Organic Value Creation				
	Year	Purchase price MUSD	Net Cashflow after capital investment MUSD	Return	2P reserves purchased MMboe	Produced MMboe	Remaining 2P reserves MMboe	Added reserves MMboe	%
<b>France</b>	2002	90	313	248%	22.9	14.2	23.9	15.2	66%
<b>Netherlands</b>	2002	53	148	179%	9.0	7.8	3.7	2.5	28%

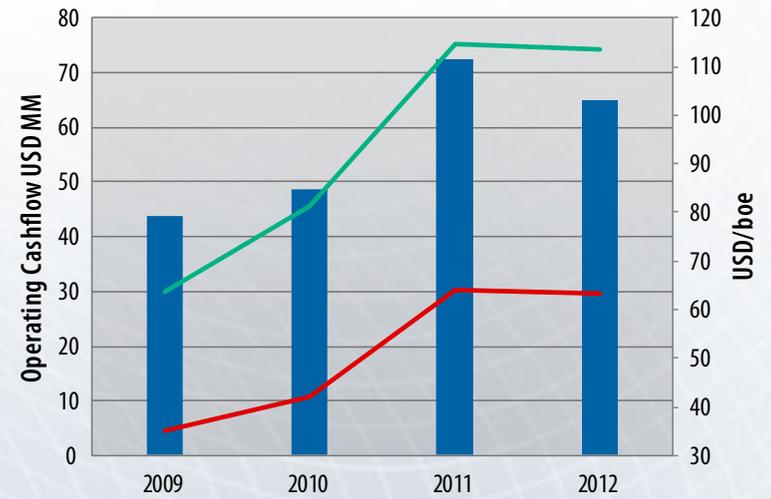
# France & Netherlands - Cash Generative Production



## Netherlands



## France



- Operating Cashflow USD MM
- Sales Price USD/boe
- Operating Cashflow USD/boe

- **Lagansky exploration block (W.I. 70%)**
  - ➔ Slow progress with Rosneft to solve Foreign Strategic Investment Law issue
  
- **Komi producing assets (W.I. 50%)**
  - ➔ 3 producing fields
  - ➔ Fractured carbonates
  - ➔ Historical infill well performance below expectation
  - ➔ Full field studies been carried out
  - ➔ Significantly higher decline expected resulting in reduction in reserves
  - ➔ 2P reserves: 6.9 MMboe
  - ➔ 2012 production: 2700 boepd

➤ **Singa gas field (W.I. 25.88%)**

- ➔ 2P reserves 2.7 MMBoe
  - Limited to License expiry in 2017
  
- ➔ 2012 production: 1,000 boepd
  - Negatively impacted by long delays on Singa-3 wellhead change out
  - January 2013 1,600 boepd
  
- ➔ Future production limited by CO2 removal capacity
  - Reduced reserves by license expiry cut off
  
- ➔ Contingent Resources: 2.9 MMboe
  - Subject to licence extension

*Financial Guidance 2013*



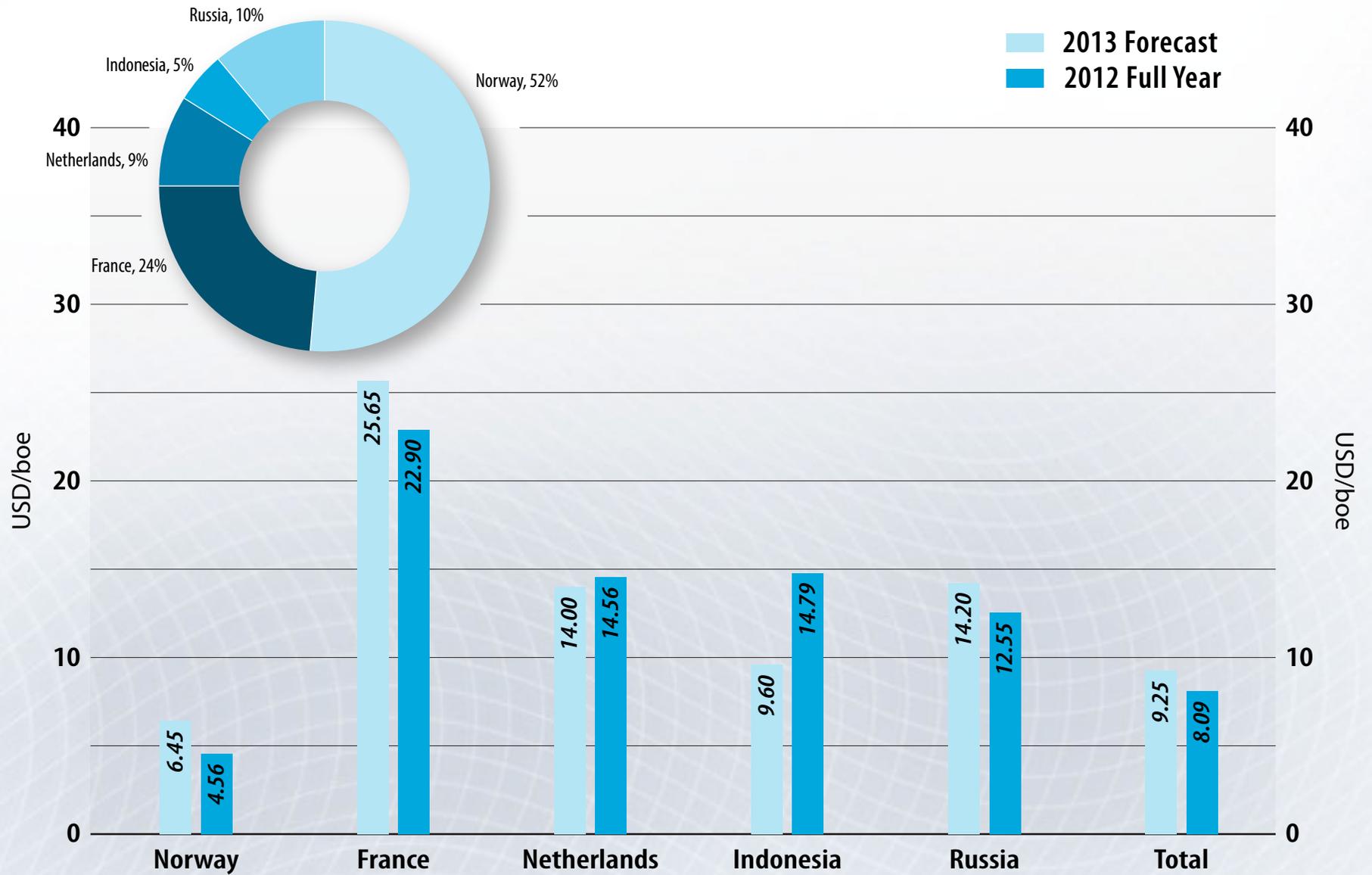
*Lundin Petroleum Capital Market Day  
12 February 2013*

## 2013 Forecast Margin Netback [USD/boe]

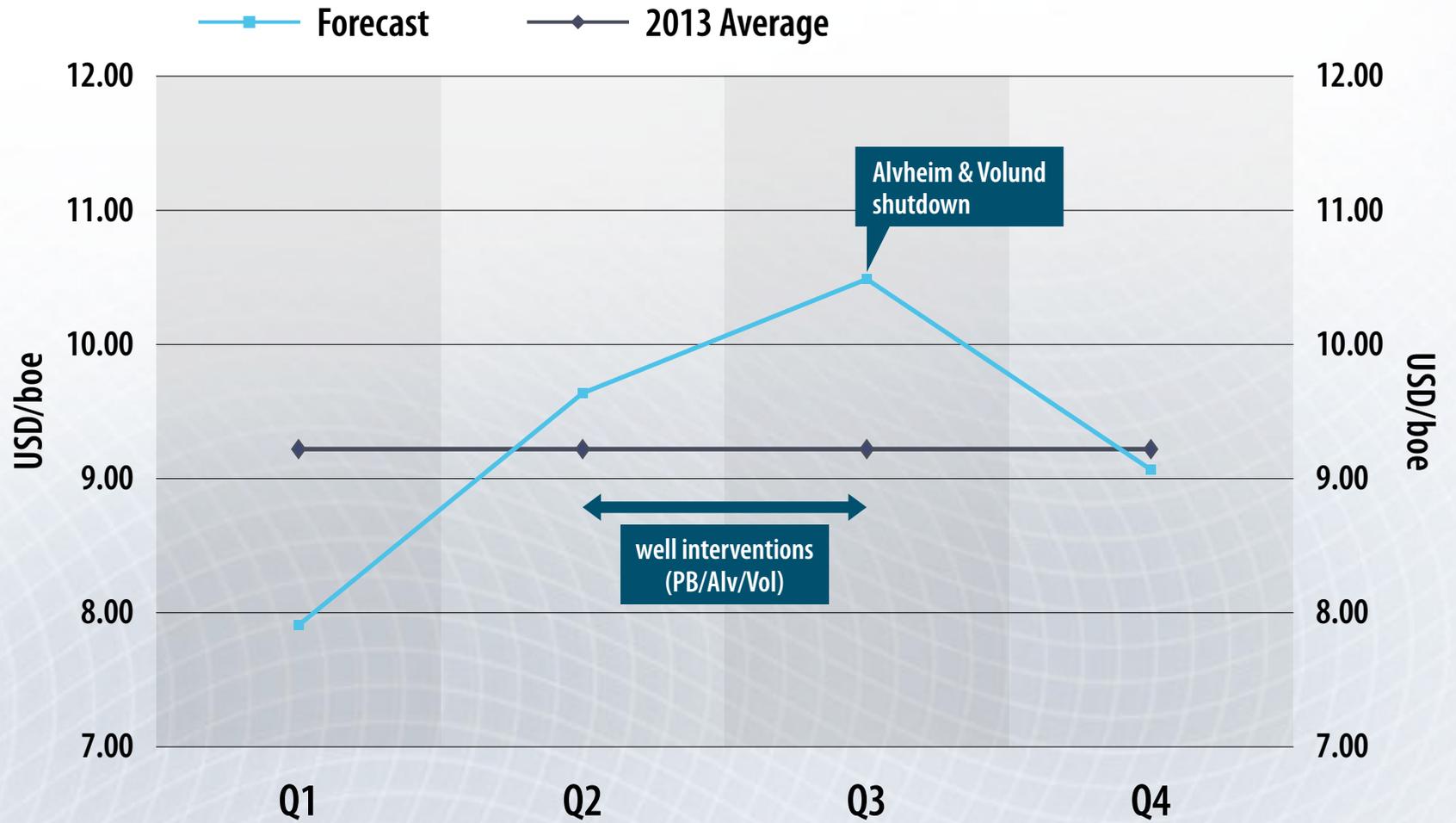


	Forecast 2013	Forecast 2013	Full Year 2012
<i>Brent Oil Price</i>	95.00	110.00	111.67
<b>Revenue</b>	<b>86.30</b>	<b>98.40</b>	<b>103.07</b>
<b>Cost of Operations</b>	<b>-9.25</b>	<b>-9.25</b>	<b>-8.09</b>
<b>Tariffs</b>	<b>-2.10</b>	<b>-2.10</b>	<b>-2.27</b>
<b>Production Taxes</b>	<b>-3.20</b>	<b>-3.80</b>	<b>-3.93</b>
<b>Stock Movement</b>	<b>0.05</b>	<b>0.05</b>	<b>1.22</b>
<b>Other</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.14</b>
<b>Cash Margin Netback</b>	<b>71.85</b>	<b>83.30</b>	<b>89.86</b>

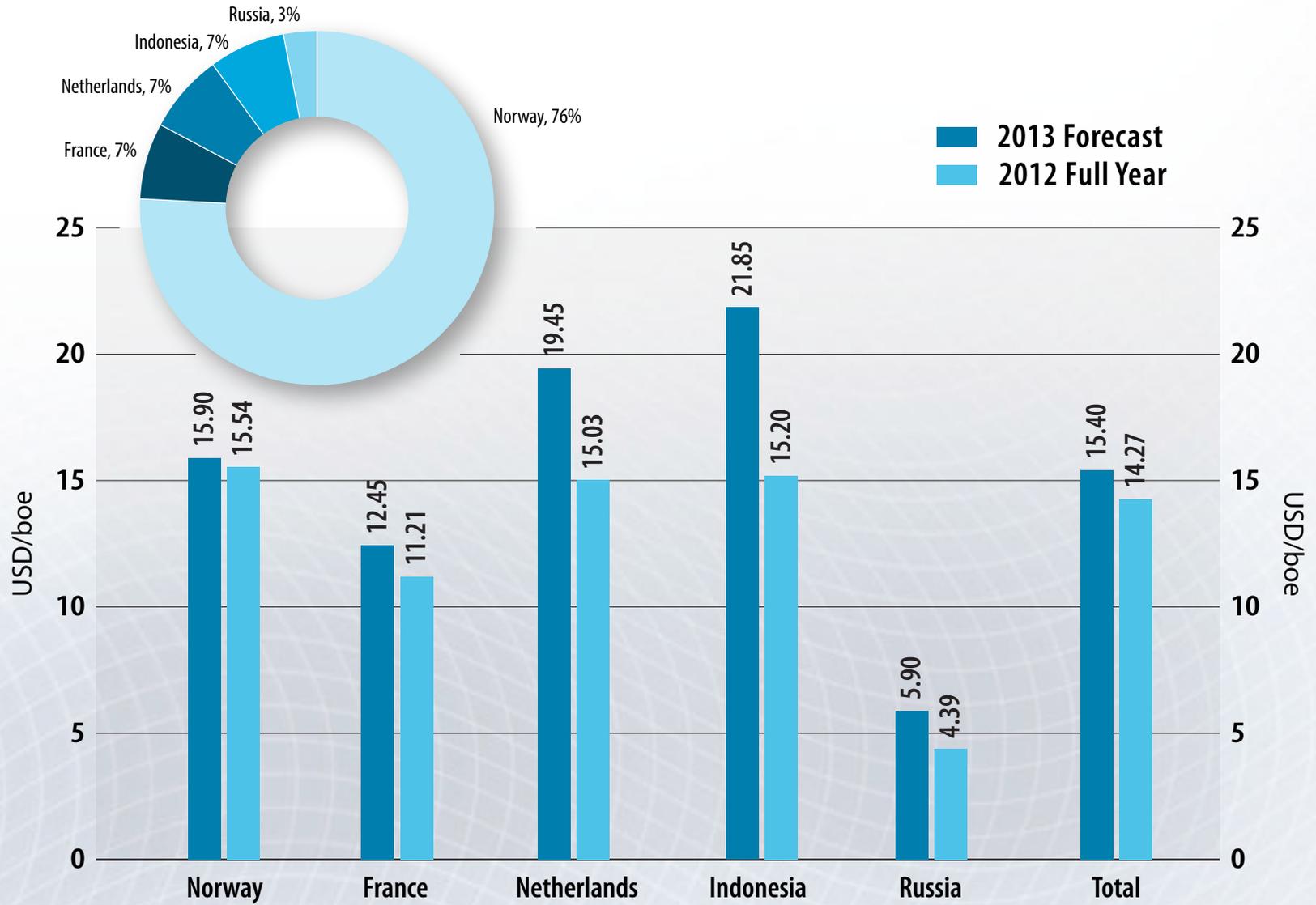
# 2013 Forecast Cost of Operations



# 2013 Cost of Operations - Quarterly



# 2013 Forecast Depletion



## 2013 Forecast Profit Netback [USD/boe]



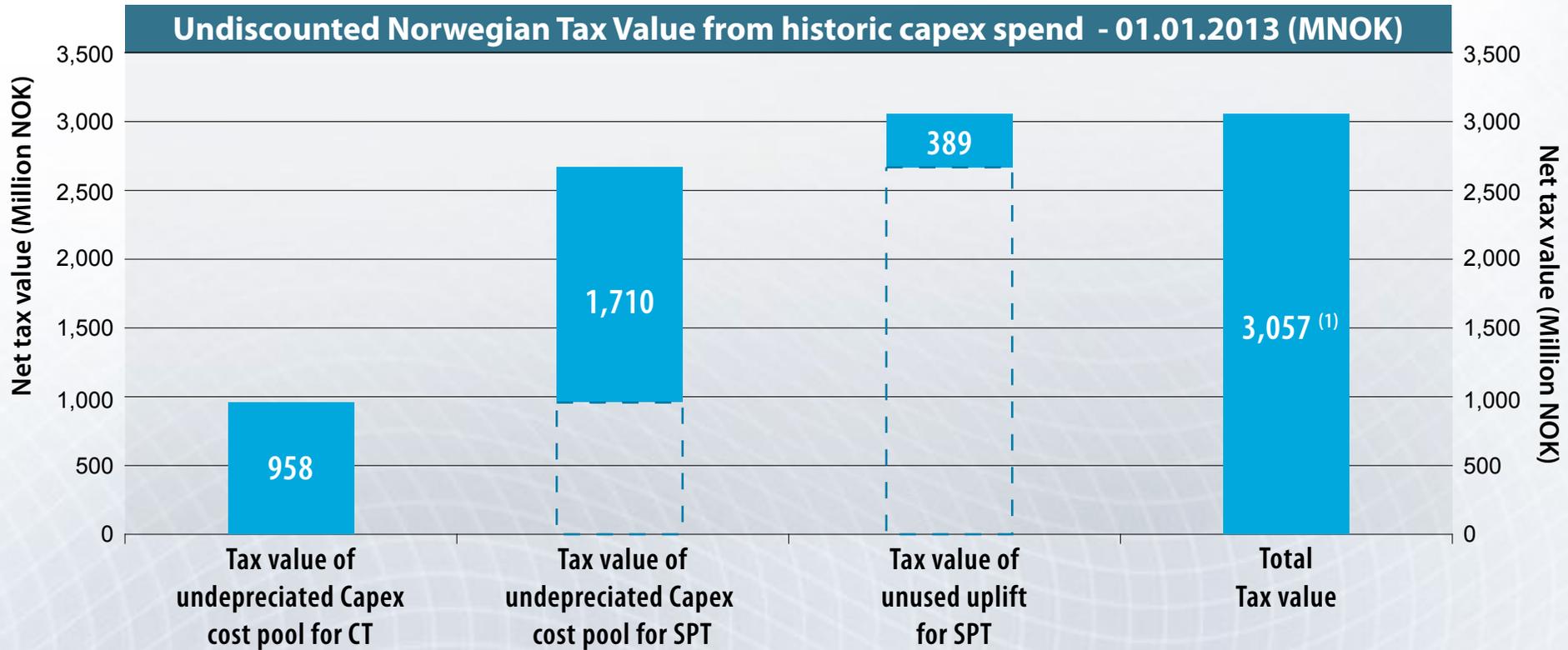
	Forecast 2013	Forecast 2013
<i>Brent oil price</i>	95.00	110.00
<b>Cash Margin Netback</b>	<b>71.85</b>	<b>83.30</b>
<b>Depletion</b>	<b>-15.40</b>	<b>-15.40</b>
<b>G&amp;A</b>	<b>-3.40</b>	<b>-3.40</b>
<b>Financial Items, net</b>	<b>-3.80</b>	<b>-3.60</b>
<b>Profit Before Tax</b>	<b>49.25</b>	<b>60.90</b>
<b>Tax</b>	<b>-33.90</b>	<b>-42.20</b>
<b>Profit After Tax</b>	<b>15.35</b>	<b>18.70</b>

## 2013 Forecast Taxation [USD/boe]



	Forecast 2013	Forecast 2013
<i>Brent Oil Price</i>	95.00	110.00
<b>Current Tax Charge</b>	-5.15	3.15
<b>Deferred Tax Charge</b>	39.05	39.05
	<b>33.90</b>	<b>42.20</b>
<b>Effective Tax Rate</b>	69%	69%
<b>Operational Tax Rate</b>	60%	62%

# Norwegian Tax Value [MNOK]



<sup>(1)</sup>Equivalent in USD using 5.7 NOK/USD = 540 MUSD

## 2013 Forecast Operating Cash Flow Netback [USD/boe]



	Forecast 2013	Forecast 2013
<i>Brent Oil Price</i>	95.00	110.00
Cash Margin Netback	71.85	83.30
Cash Taxes	5.15	-3.15
Operating Cash Flow Netback	77.00	80.15

## 2013 Forecast EBITDA Netback [USD/boe]



	Forecast 2013	Forecast 2013
<i>Brent Oil Price</i>	95.00	110.00
Cash Margin Netback	71.85	83.30
General & Administrative	-3.10	-3.10
EBITDA	68.75	80.20

### General & Administrative

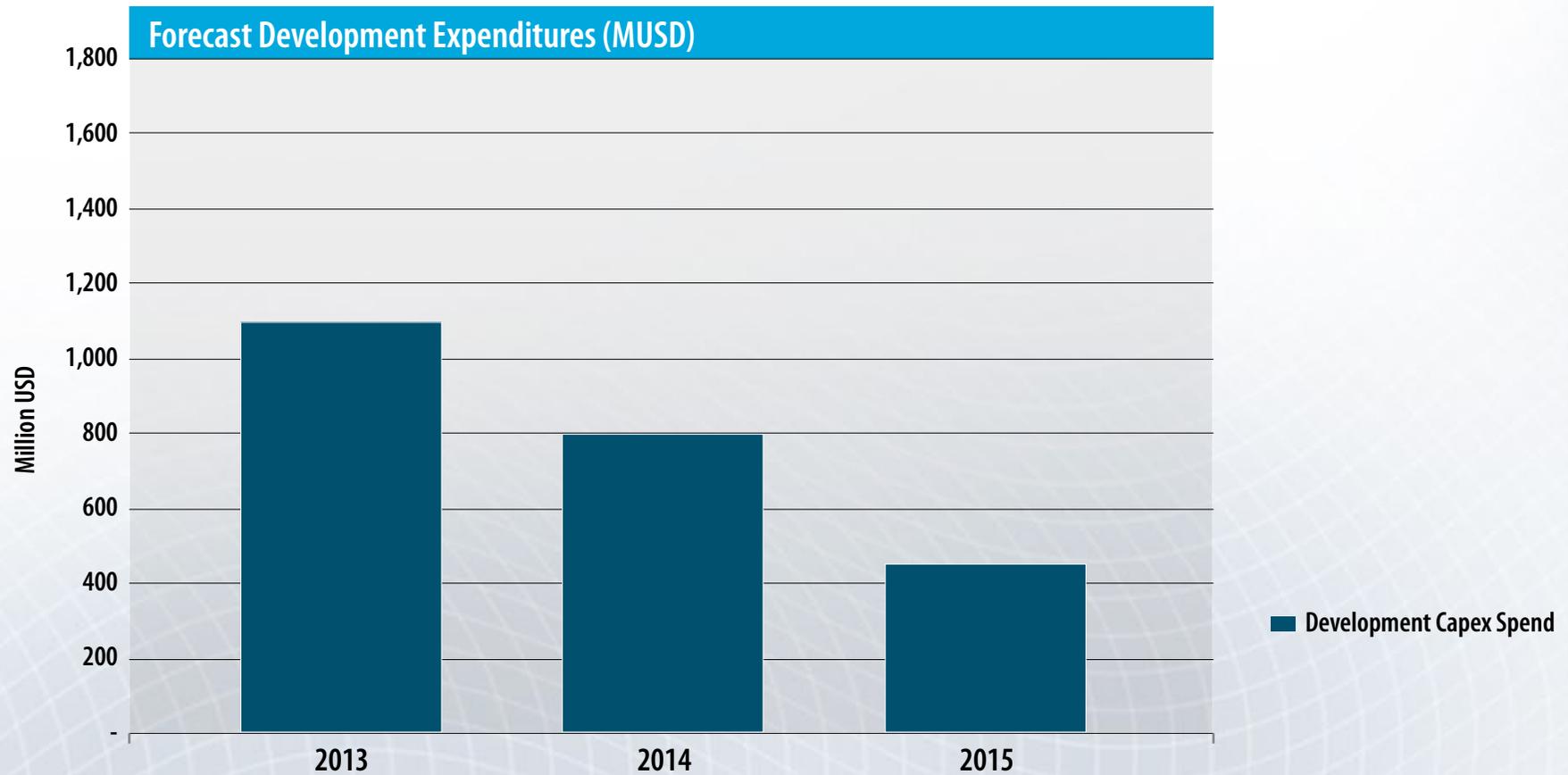
Cash	1.50
Non-cash LTIP	1.60
	<hr/> 3.10
Depreciation	0.30
	<hr/> 3.40

## 2013 Forecast Cash Flow Available for Investment [USD/boe]



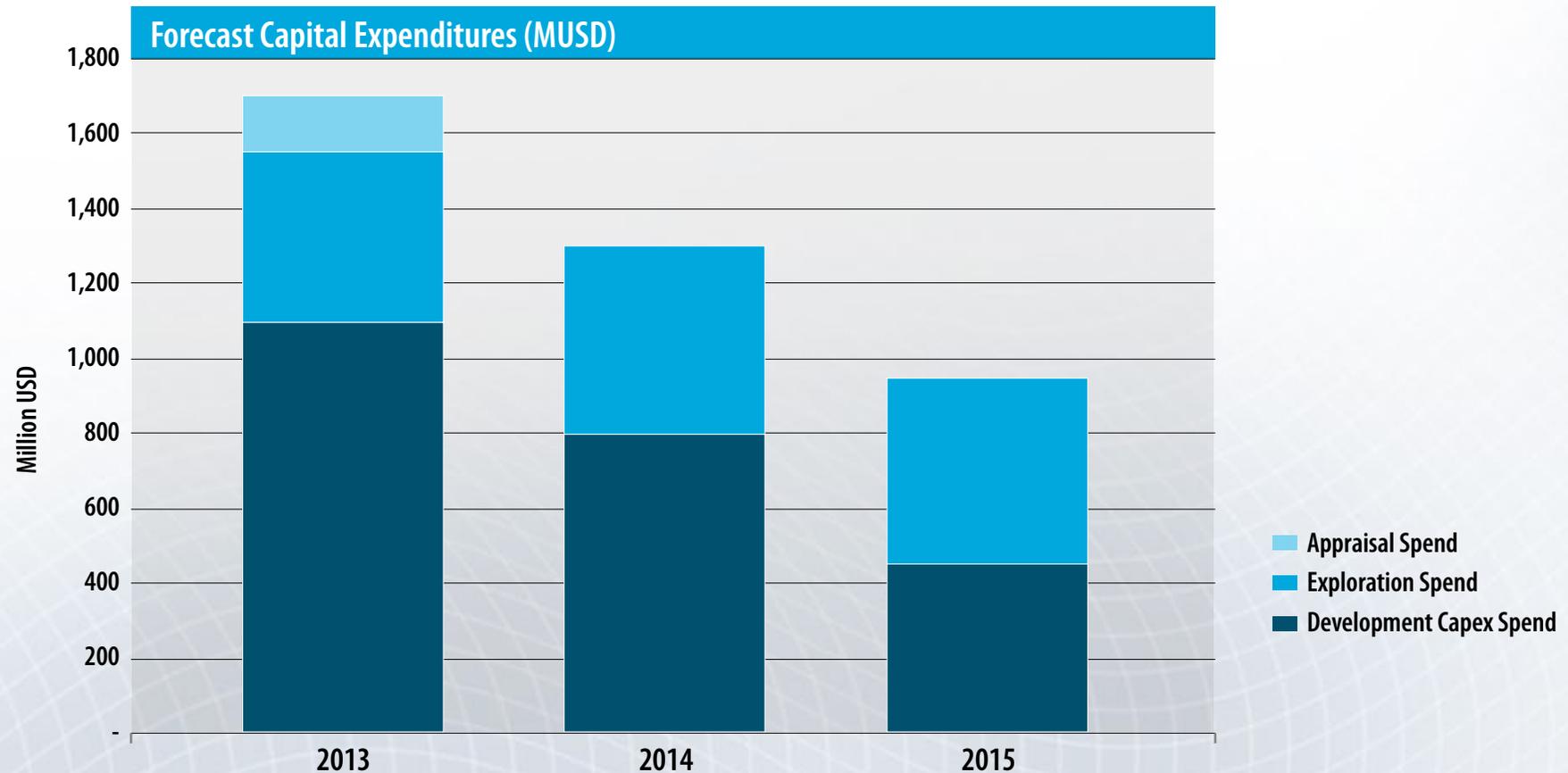
	Forecast 2013	Forecast 2013	
<i>Brent Oil Price</i>	95.00	110.00	
Operating Cash Flow Netback	77.00	80.15	
General & Administrative	-1.50	-1.50	
Cash Financial Items	-4.05	-3.85	
Cash Flow available for Investment	71.45	74.80	
			MUSD
Development Capex	85.20	85.20	1,100
Appraisal Capex	11.72	11.72	150
Exploration Capex	35.48	35.48	460

## Forecast Development Expenditure



➤ Development Capital Expenditure ➔ MUSD 2,200 over next three years

## Forecast Capital Expenditure



- **Exploration/Appraisal Capital Expenditure**
  - ➔ 2013: MUSD 460 exploration expenditure  
MUSD 150 appraisal expenditure
  - ➔ MUSD 500+ per year

- ❑ **USD 2.5 billion seven year facility signed 25 June 2012**
- ❑ **USD 830 million operating cashflow 2012**

**⇒ Capital expenditure requirements fully funded from cash flow and existing bank facilities**

## USD 2.5 Billion Financing Facility

- **Availability driven by NPV of future 2P cashflows:**
  - ➔ USD 2.0 billion available 1 Jan 2013
  - ➔ Expect assets to fully support maximum amount of facility
  - ➔ Using oil price of USD 68/bbl (2012) inflated at 2% p.a.
  - ➔ Excludes Johan Sverdrup

## USD 2.5 Billion Financing Facility

### ➤ Pricing:

- ➔ Interest rate of LIBOR + margin of 2.75%-3.25%
- ➔ Hedged MUSD 500 at a fixed LIBOR rate of 0.57% from March 2013 for 3 years
- ➔ Facility primarily to fund Norwegian developments – majority of financing charges are tax-deductible in Norway
- ➔ Post-tax interest rate of <1%

## Hedging as at 12 February 2013



### ➤ Currency

➤ <u>Hedged Amount</u>	<u>Average Rate</u>	<u>Period</u>
MNOK 671	6.07	Jan - Dec 2013

### ➤ Interest Rate

➤ <u>Hedged Amount</u>	<u>Interest Rate</u>	<u>Period</u>
MUSD 500	0.57% (+margin)	Mar 2013 - Mar 2016

## Share Capital 31 December 2012



- Shares issued 317.9 million
- Shares in circulation 310.5 million
- Treasury shares 7.4 million
  
- Listed on Stockholm and Toronto stock exchanges

*CSR*



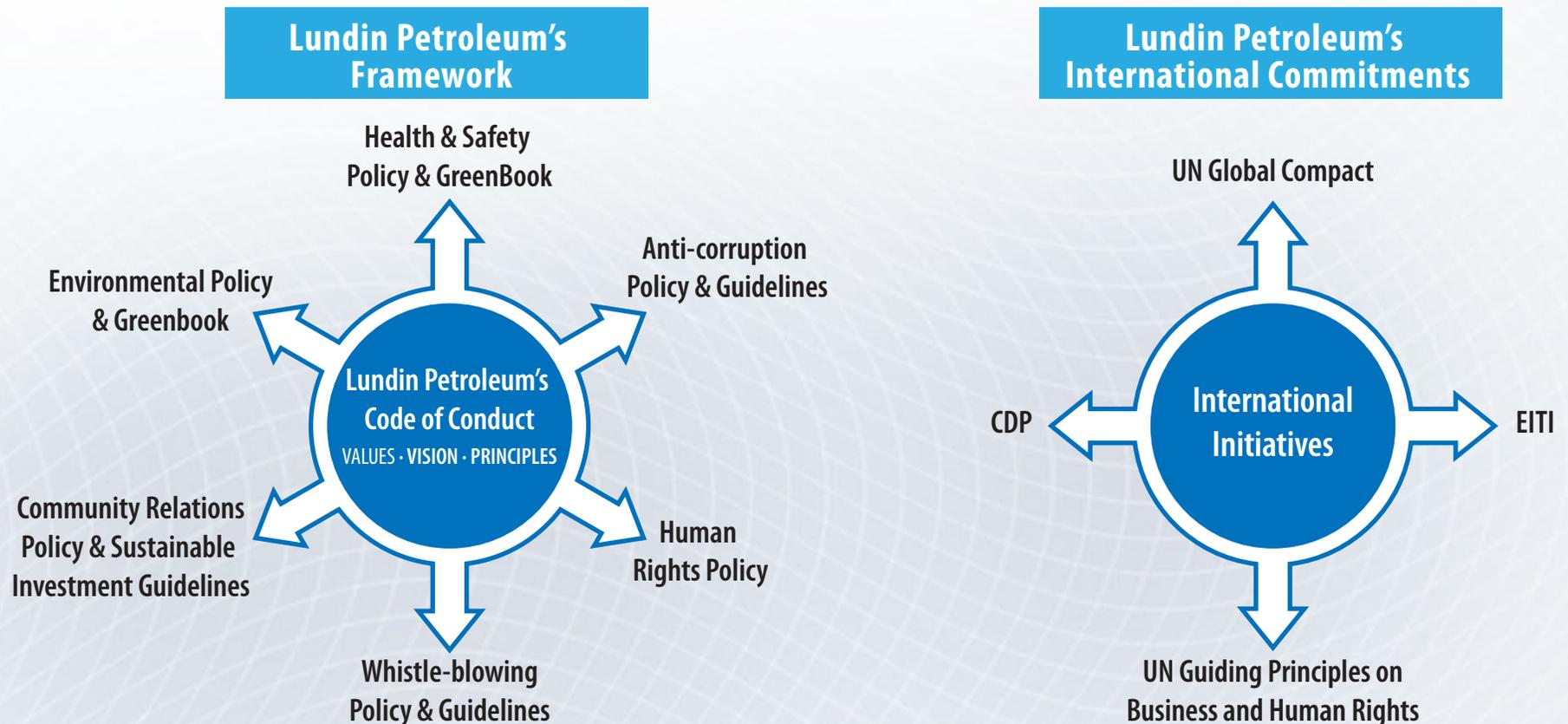
*Lundin Petroleum Capital Market Day  
12 February 2013*

# Corporate Responsibility Goal and Framework



## We are committed

- To conduct all operations in a manner that protects people, property and nature
- To provide a safe working environment for employees and contractors
- To take all necessary steps to avoid harm to the natural environment



- **Integration of framework requirements in operational activities**
  - ➔ Corporate leadership and supervision
  
- **Stakeholder engagement**
  - ➔ Constructive dialogue with shareholders, local communities, governmental authorities, NGOs, international intuitions and other stakeholders
  
- **Sustainable investments**
  - ➔ Projects which promote the Millennium Development Goals including Environmental Protection, Education and Social Welfare

Upgrading of Belvedere Park, Tunisia



Breeding of Siberian Cranes, Russia



Building a Music Room, Indonesia



Seconding Lundin Staff, Ghana





### Lundin Petroleum - EITI Supporting Company

- To promote transparency on the international level
- To strengthen Lundin Petroleum's commitment towards anti-corruption

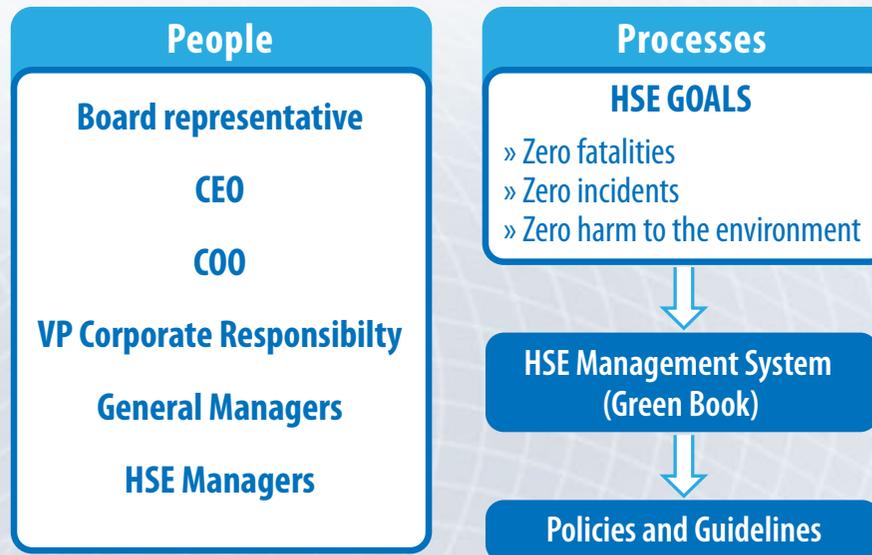
## HSE Goals and Framework



### Our HSE approach is:

- Guided by the HSE Zero Goals
- Managed by Policies, Processes and Procedures
- Monitored by Key Performance Indicators (KPIs)
- Audited for results

It relies on two fundamental components:



### Results in 2012:

- No fatalities, no major accidents, no major oil spills

### Objective for 2013:

- Fulfill its Zero HSE Goals

*Summary*



- **World class resource base – predominantly “black oil” in OECD regions**
- **> 1 bn bbls of resource translating to 150,000 boepd from existing discoveries**
- **Growth is fully funded – no shareholder dilution**
- **Continued focus on exploration in Norway and SE Asia**
  - **Committed to 8 years of rig capacity (including options)**
  - **Finding cost in Norway since inception ~ USD 0.35/boe**

# Disclaimer



This information has been made public in accordance with the Securities Market Act (SFS 2007:528) and/or the Financial Instruments Trading Act (SFS 1991:980).

## Forward-Looking Statements

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading "Risks and Risk Management" and elsewhere in the Company's annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.

## Reserves and Resources

Unless otherwise stated, Lundin Petroleum's reserve and resource estimates are as at 31 December 2011, and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "Proved Reserves" and "Probable Reserves", together also known as "2P Reserves". For further information on reserve and resource classifications, see "Reserves and Resources" in the Company's annual report.

## Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the Contingent Resources.

## Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources.

## BOEs

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

