

# Lundin Petroleum Capital Market Day

February 2015



# Introduction

Capital Market Day, February 2015



# Opening Remarks

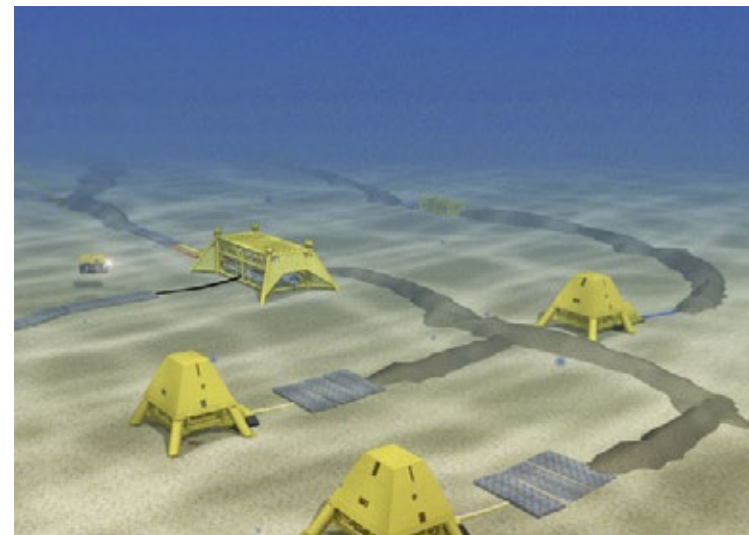
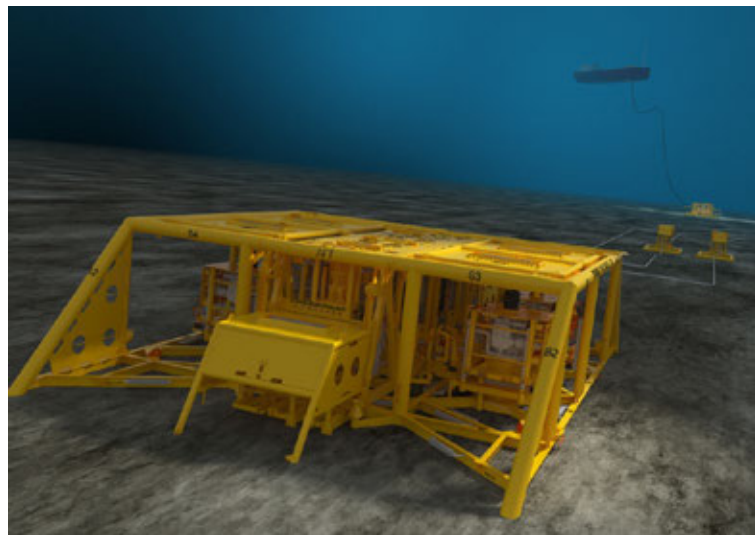
## Financial Flexibility

- Financial flexibility to survive a period of sustained low oil prices
- Existing production: Low cash operating cost and no cash taxes in Norway
- Availability of USD 4 billion bank facility
- Potential to increase financial flexibility through Norwegian Exploration Tax Refund Facility
- Development projects, Johan Sverdrup and exploration/appraisal commitments fully funded at low oil prices
- Continued focus on reducing operating and capital costs in a low oil price environment

# Opening Remarks

## Growth Story Remains Intact

- **Production to triple to 75,000 boepd by year end 2015**
  - ➔ Brynhild and Bøyla on production
  - ➔ Bertam and Edvard Grieg on schedule for first oil in 2Q and 4Q 2015
  - ➔ Project execution risk has reduced. Construction substantially complete
- **Operating cash flow / EBITDA will be greater in 2016 at USD 40/bbl than in 2014**



# Opening Remarks

## Johan Sverdrup Underpins Value and Financial Flexibility

- Johan Sverdrup plan of development will be submitted this month
  - ➔ World class asset which remains valuable even in current market conditions. Break-even < USD 40/bbl
  - ➔ Recoverable resources of 1.8 – 2.9 billion barrels of oil equivalent. Reserves will increase 3-4 fold in 2015
  - ➔ Plateau production of 550,000 – 650,000 boepd
  - ➔ Lundin Petroleum can fund development costs without requirement for new equity



# Opening Remarks

## Exploration and Appraisal

- We still believe in the potential to discover material resources particularly in the Southern Barents Sea
  - ➔ 2015 Norwegian focus will be on Barents Sea and Utsira High. Appraisal of the Alta discovery will move forward
  - ➔ A selective approach to balance the low oil price environment and meeting contractual commitments
  - ➔ Investment in our core exploration / appraisal areas will continue



# Corporate Responsibility

Capital Market Day, February 2015

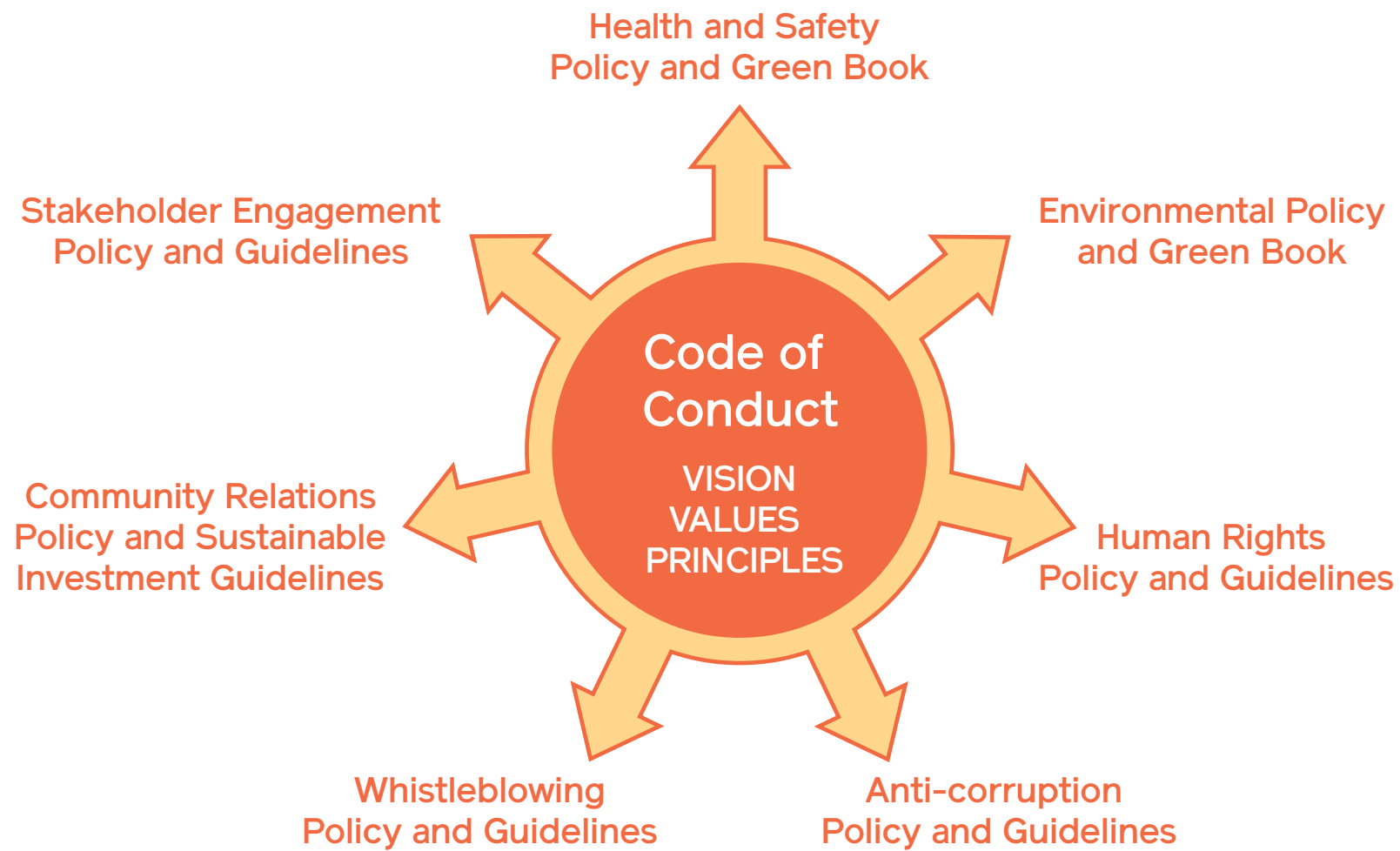
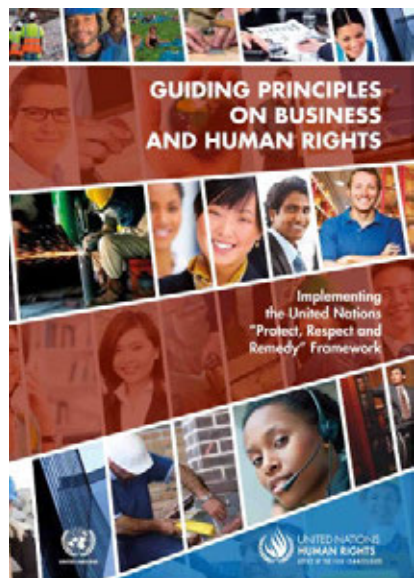


# Corporate Responsibility Journey





# Corporate Responsibility in 2015



# Health, Safety & Environment (HSE) Performance

## HSE Performance

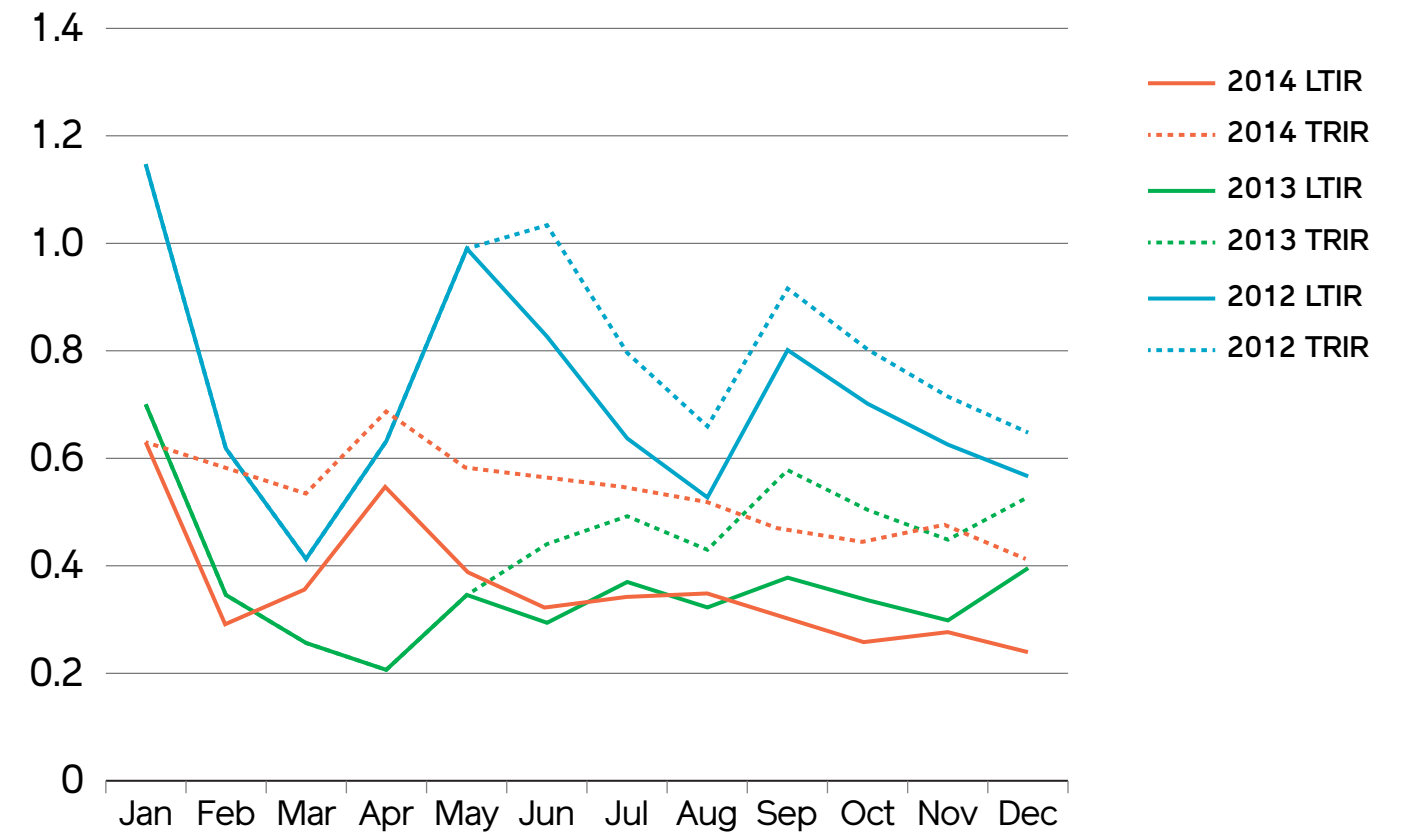
- ➔ Improved Key Performance Indicators
- ➔ No fatalities, major accidents or spills

## Focus for 2015

- ➔ Enhance performance
- ➔ Further embed HSE culture
- ➔ Contractor management

## HSE Performance 2012 - 2014

Comparative of Lundin Petroleum's HSE KPIs 2012-2014 <sup>(1)</sup>



## Comparative KPIs 2013 - 2014

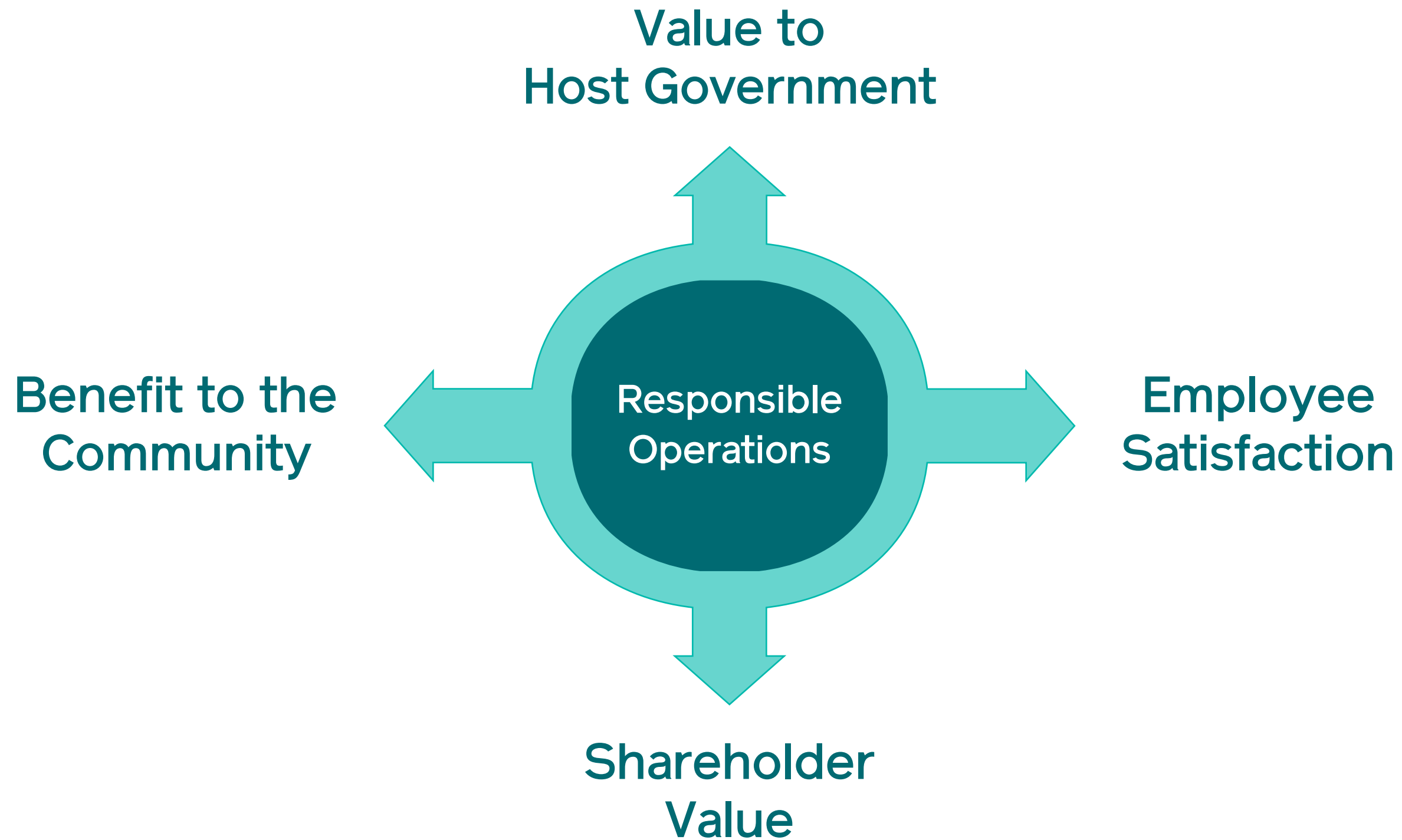
KPI's	end Dec 2013	end Dec 2014
LTIR <sup>(1)</sup>	0.40	0.25
TRIR <sup>(1)</sup>	0.53	0.42

### ➔ 2014 Incident Overview

- 7 LTI, 1 RWC & 4 MTC
- All minor incidents by contractors
- Oil (2) & chemical (6) spills in small non-hazardous amounts

<sup>(1)</sup> per 200 000 hours & for employees & contractors

# Corporate Responsibility as Stakeholder Value



# Stakeholder Views

## ➤ Handelsbanken Capital Markets

*“Lundin Petroleum is a sustainability leader among mid-sized peers.”*

## ➤ Carbon Disclosure Project

Lundin Petroleum is first among Nordic O&G companies

## ➤ MSCI Institutional Value Assessment

AA Rating for Lundin Petroleum’s ESG Performance

## ➤ Institutional Shareholder Services (ISS)

Low governance risk

## ➤ STOXX

Lundin Petroleum on Global ESG Leaders Index

## ➤ Trucost

Lundin Petroleum on Natural Capital Leaders Index for decoupling economic growth from environmental impact

# Corporate Overview - Production

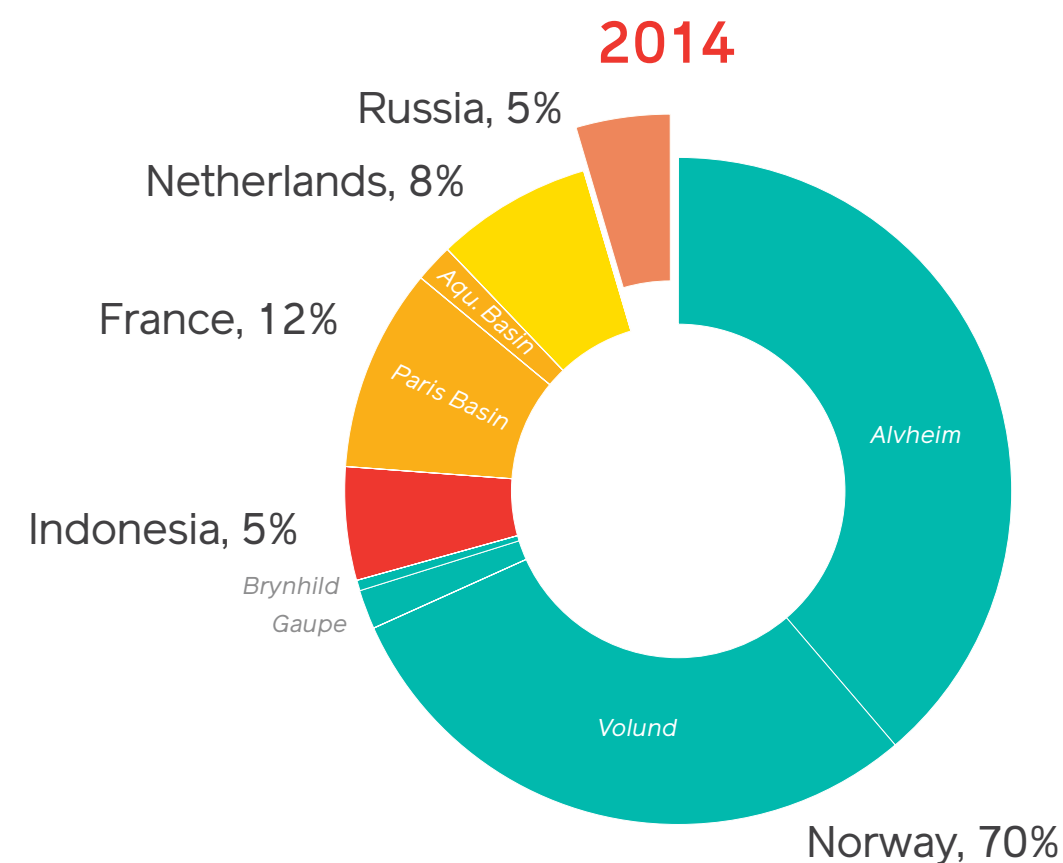
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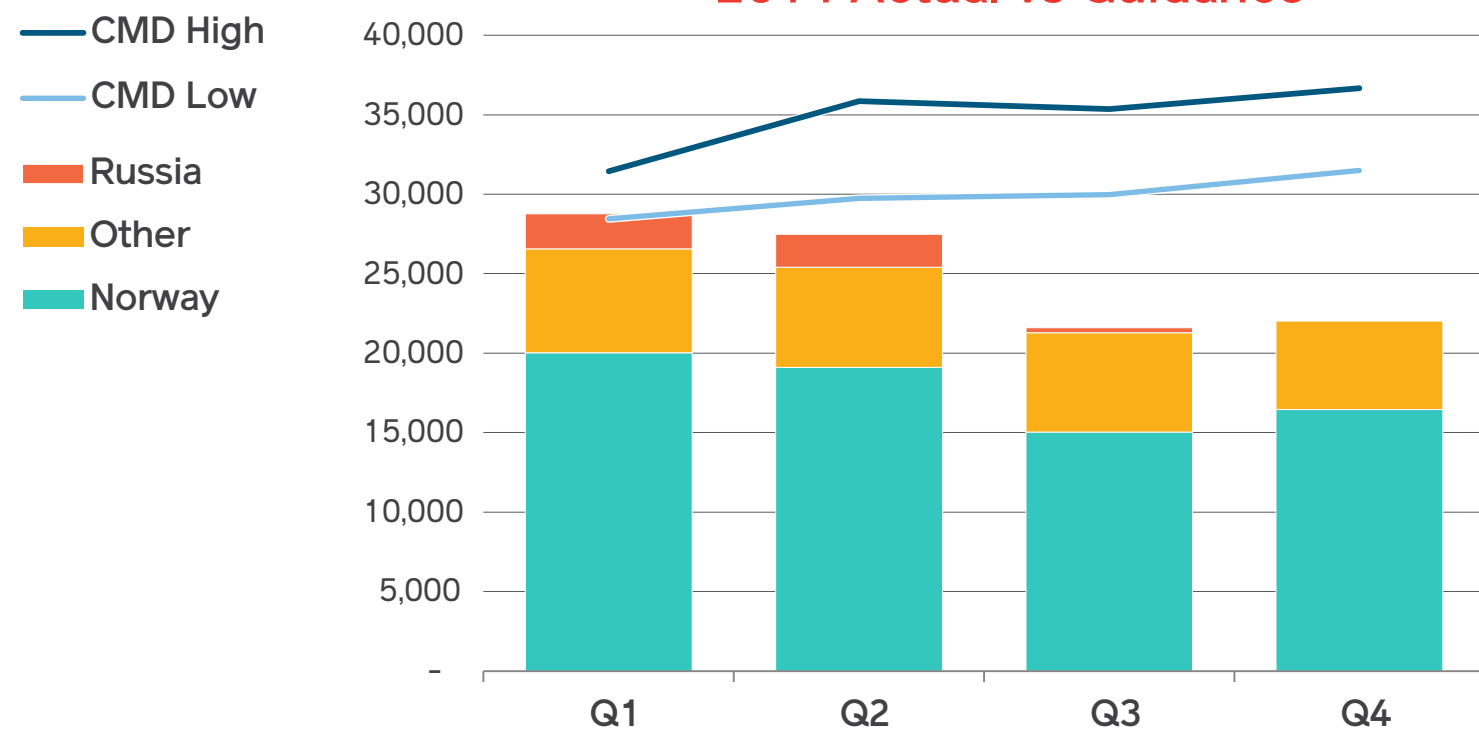
# Lundin Petroleum

## Production 2014

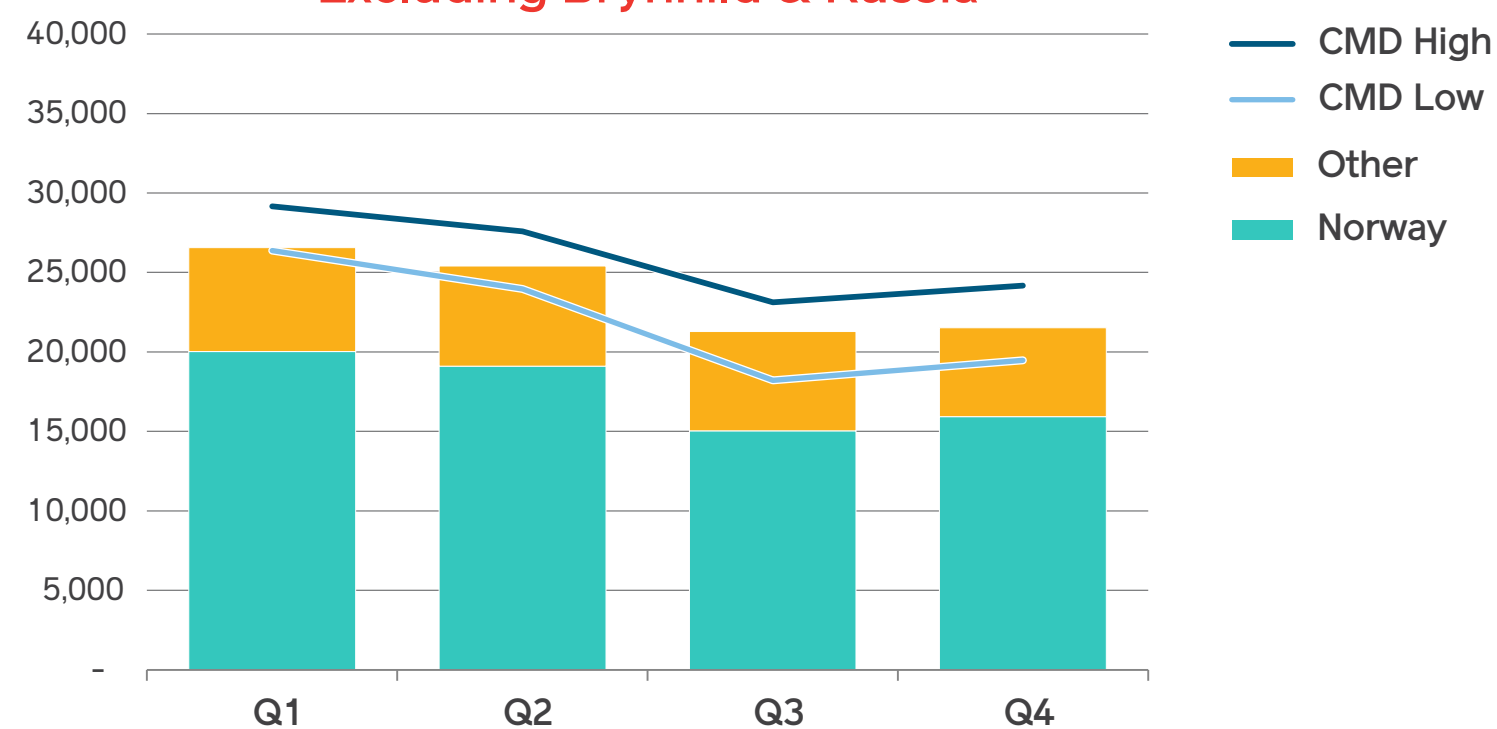
- **2014 production: 24,900 boepd**
  - ➔ Alvheim outperformed, Volund underperformed
  - ➔ Sold onshore Russian production July 2014
  - ➔ Third quarter production on forecast but negatively impacted by Alvheim FPSO planned shut-in
- **Brynhild - first oil 25 December 2014**
- **2014 production guidance: 30,000 – 35,000 boepd**
  - ➔ Excluding Brynhild & Russia production was in line with forecast



**2014 Actual vs Guidance**



**2014 Actual vs Guidance Excluding Brynhild & Russia**



<sup>(1)</sup>Excluding discontinued operations

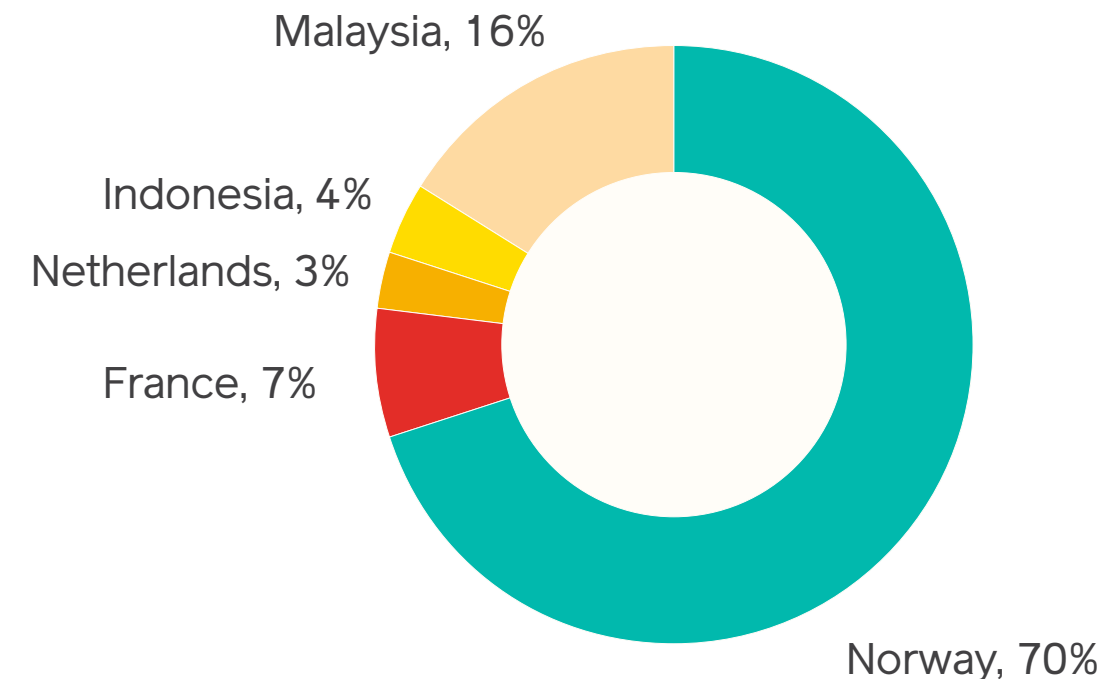
<sup>(2)</sup>Not adding due to rounding

# Lundin Petroleum

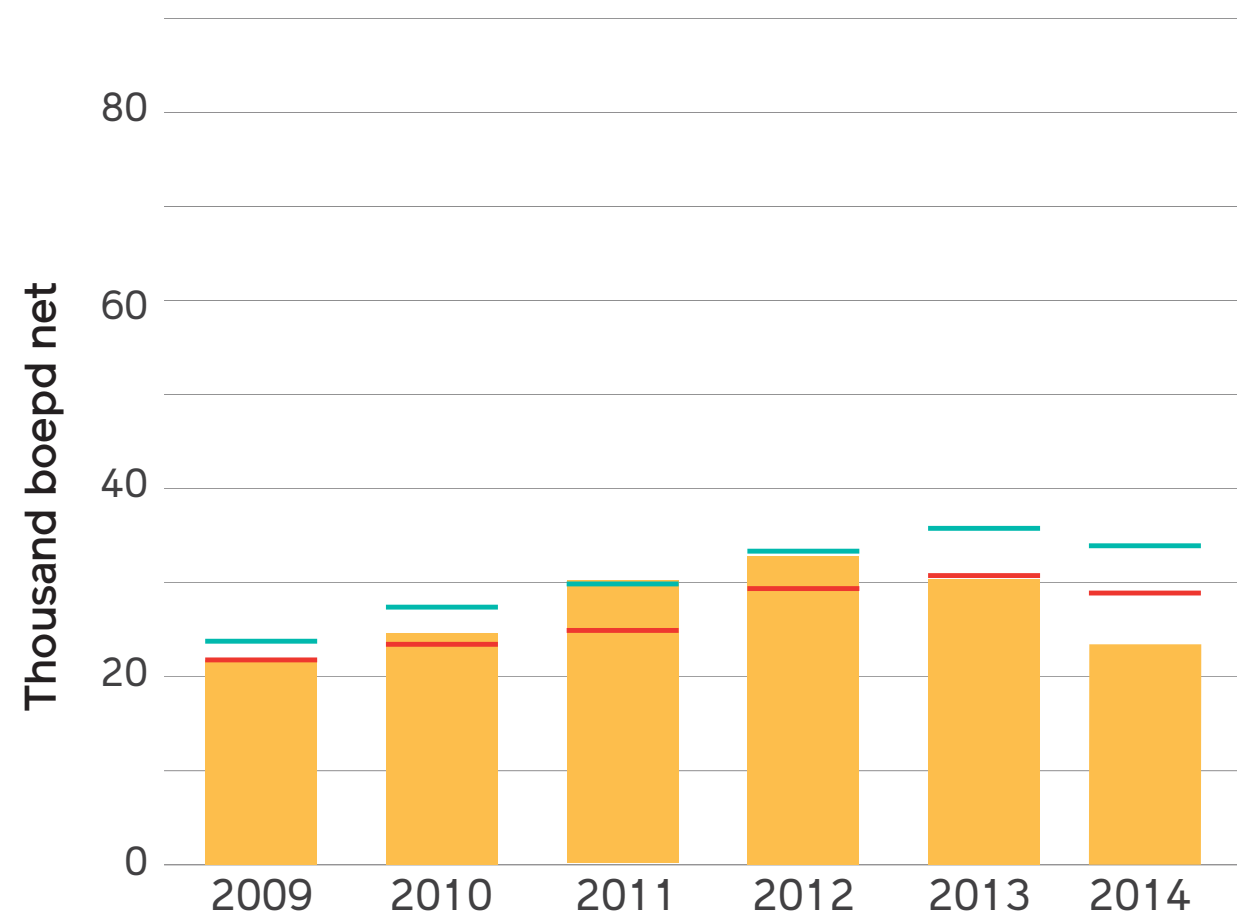
## Production Guidance 2015

- 2015 production guidance: 41,000 - 51,000 boepd
- Production guidance impacted by:
  - ➔ Start-up date for Bertam, Edvard Grieg
  - ➔ Ramp-up of Brynhild, Bøyla, Bertam, Edvard Grieg

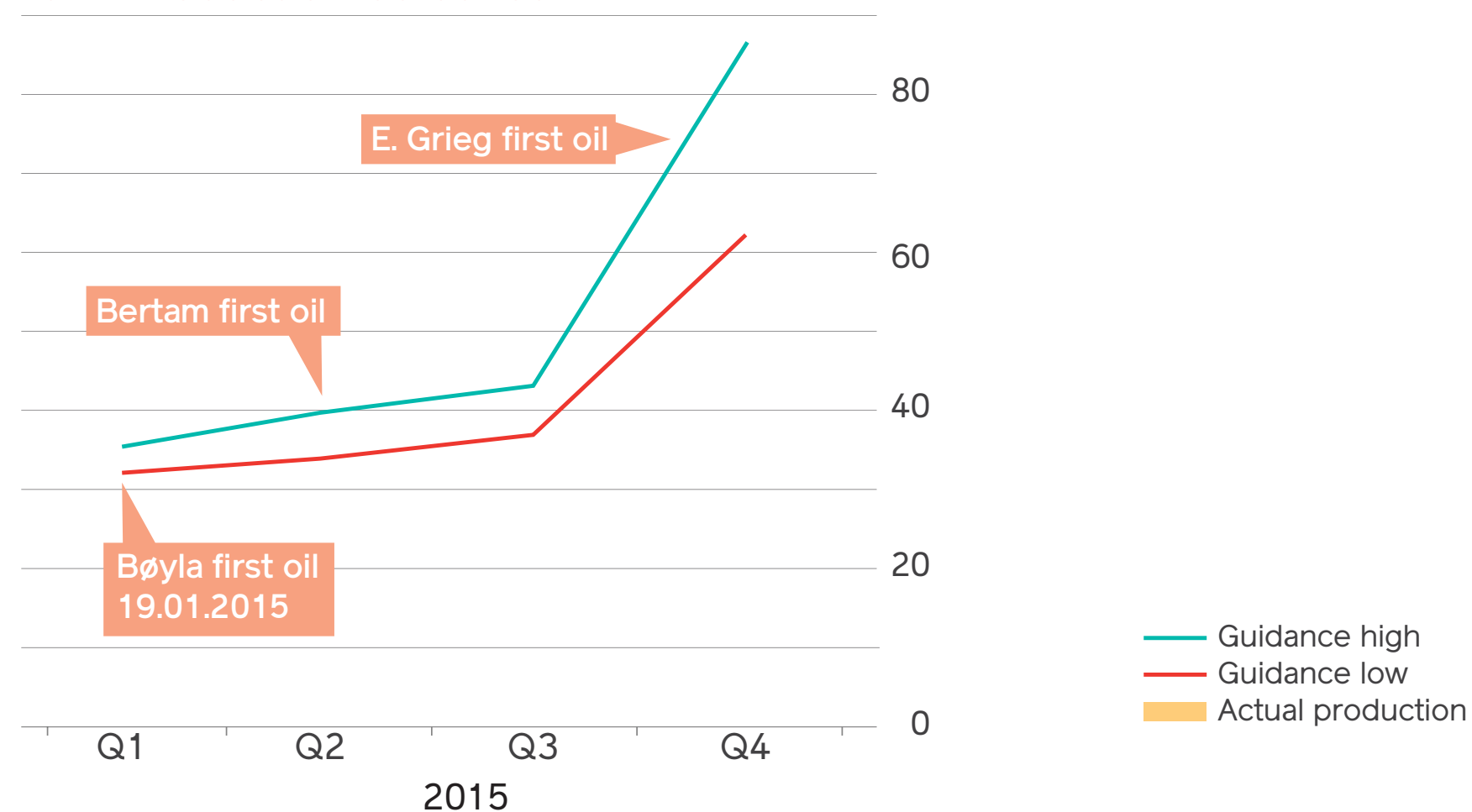
### 2015 Forecast



### 2009-2014 Production<sup>(1)</sup>

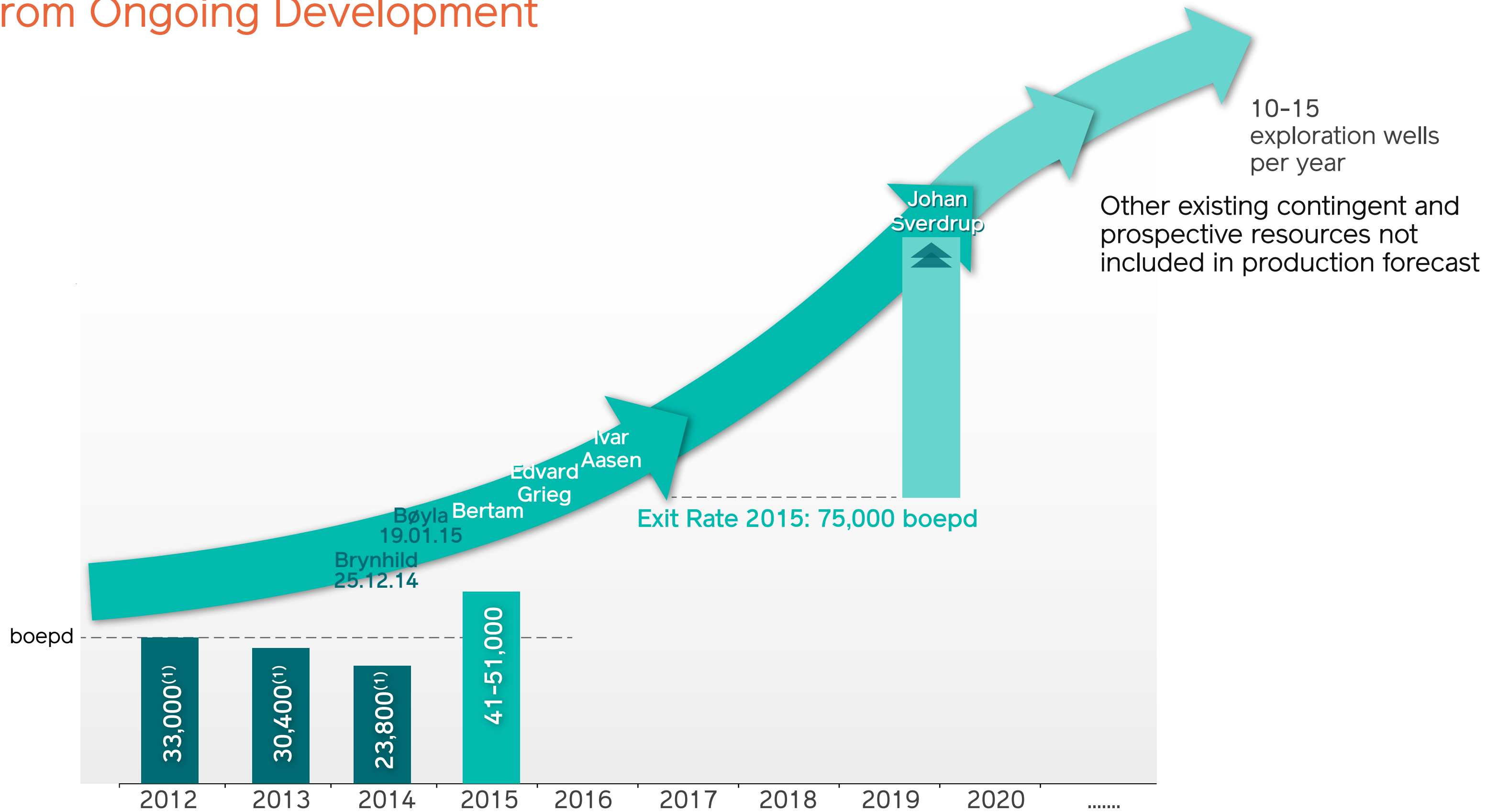


### 2015 Production Guidance



<sup>(1)</sup> Excluding discontinued operations

# Production Forecast From Ongoing Development



<sup>(1)</sup>Excluding divested assets (Russia)



# Norway - Greater Alvheim Area

## 2014 Net Production: 17,030 boepd

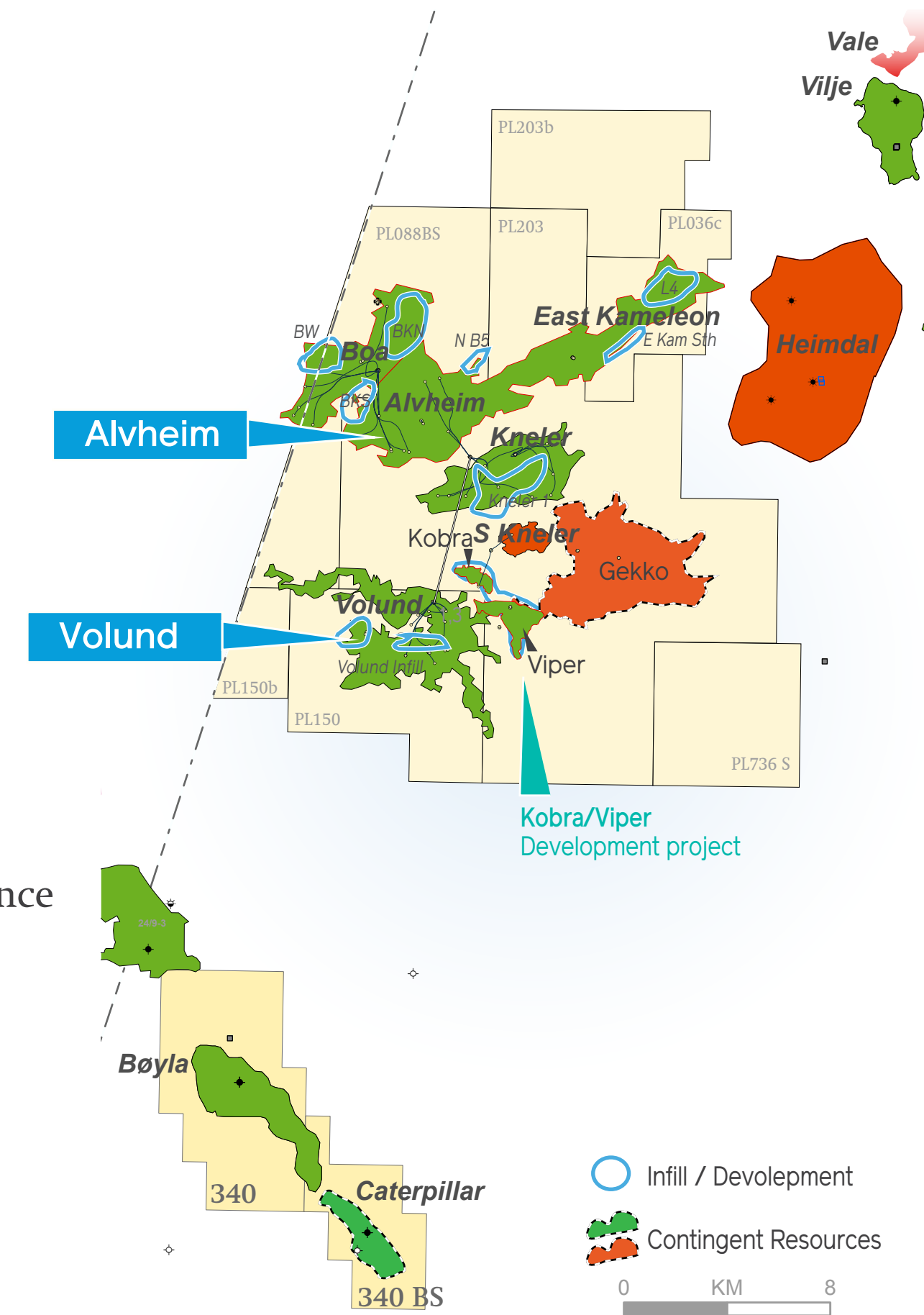
- Major production & cash flow generator in 2015
- Low cost of operations
- Track record of reserves growth

### Alvheim

- Two infills planned in 2015 (L4,Kn1), one in 2016 (bkn)
- Viper/Kobra project matured to reserves (2016 development)
- Two infills in contingent resource base
- Additional prospectivity

### Volund

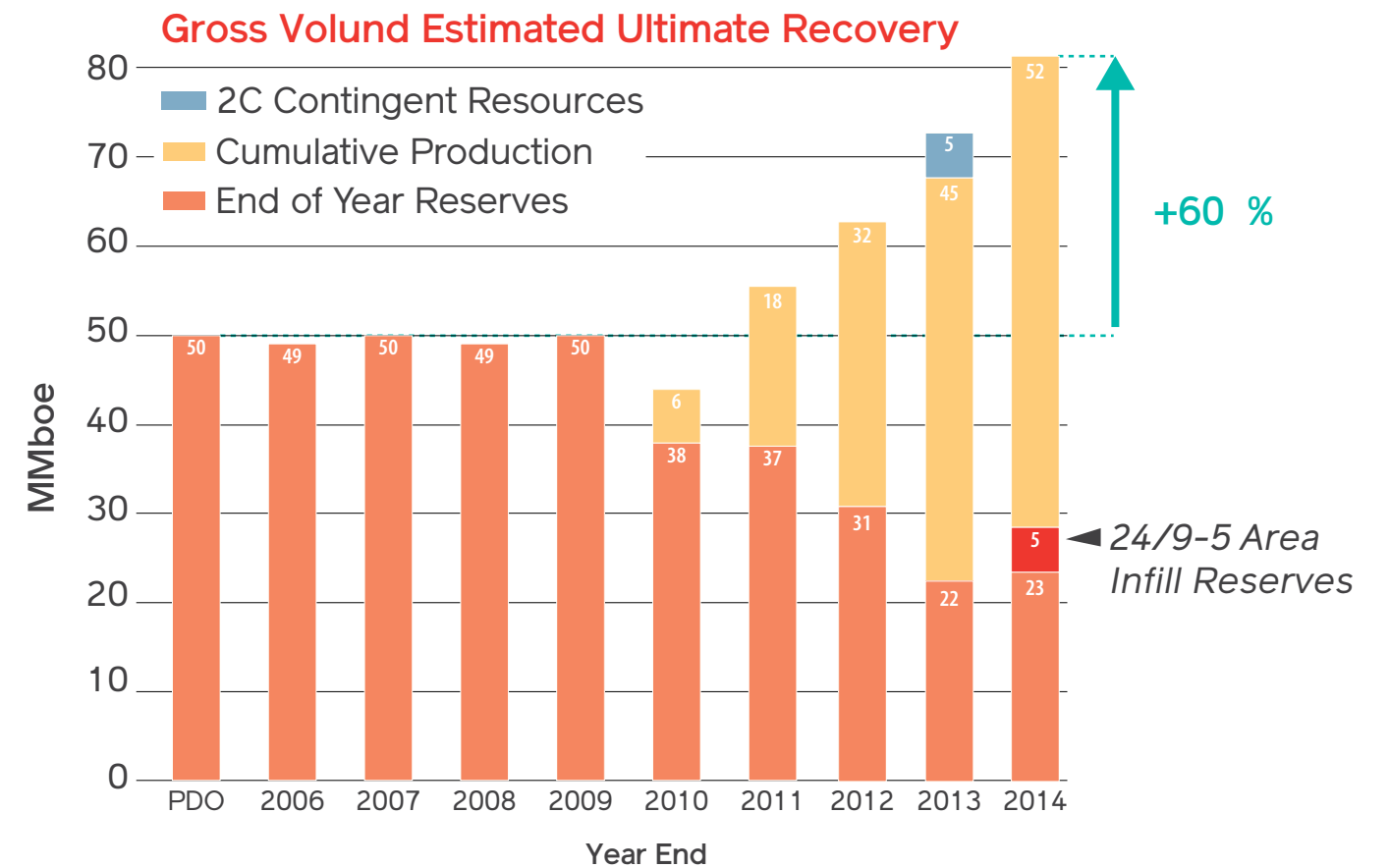
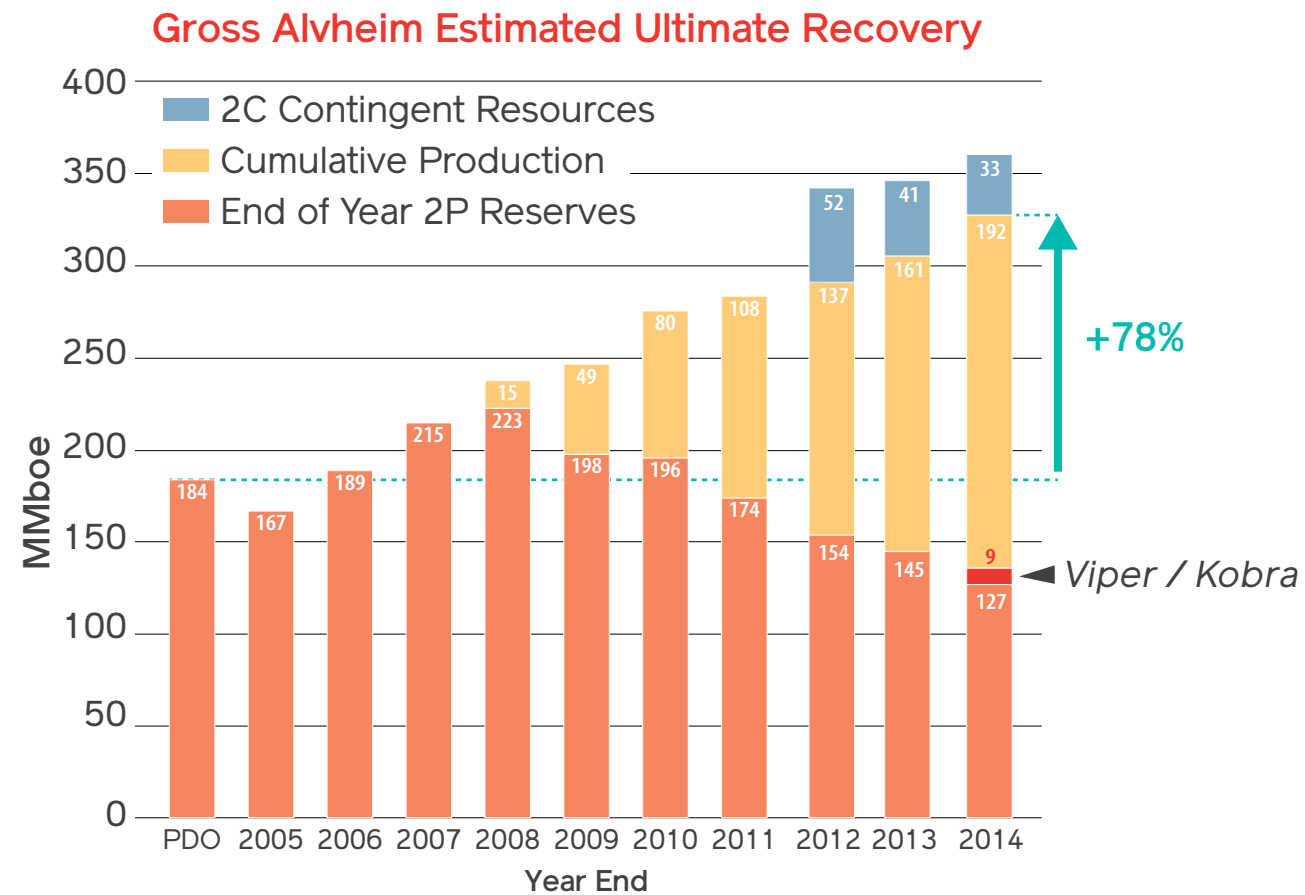
- Base decline stabilizing, reserves not impacted by 2014 production performance
- Infill well matured form contingent resources to reserves
- Forecast to produce until 2029



	2014 Performance	
	Alvheim (15%)	Volund (35%)
2P Reserves (MMboe)	19.1	8.2
2C Contingent resources	4.9	-
Net production	9,670	7,360
OPEX <sup>(1)</sup> (USD/bbl)	~6	~6
Cash Net Back (USD/bbl)	~89	~95

<sup>(1)</sup> Excluding well intervention and project specific cost

# Norway - Greater Alvheim Area Reserves



## Development Inventory

2015

2016

Beyond

→ Alv. L4

→ Alv. Bkn

→ Volund infill

→ Bøyla M2

→ Viper

→ Alvheim C.R.'s

→ Alv. Knl

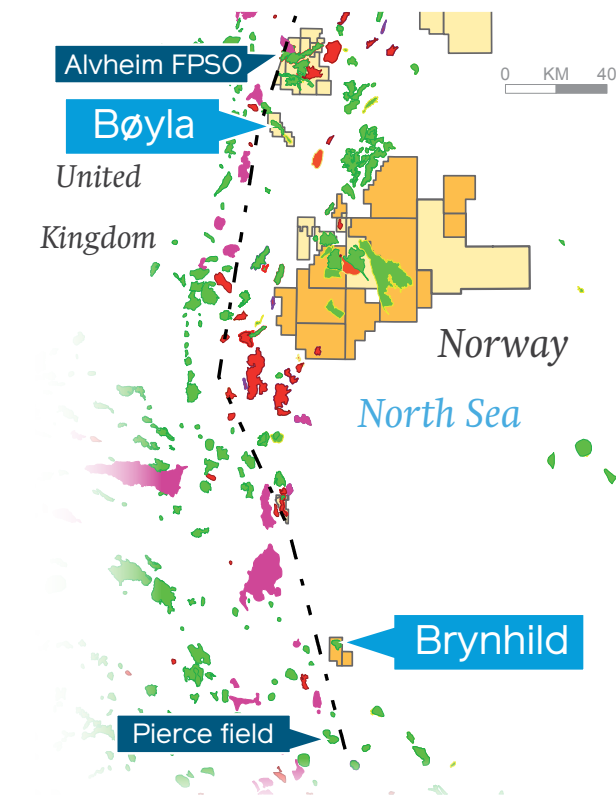
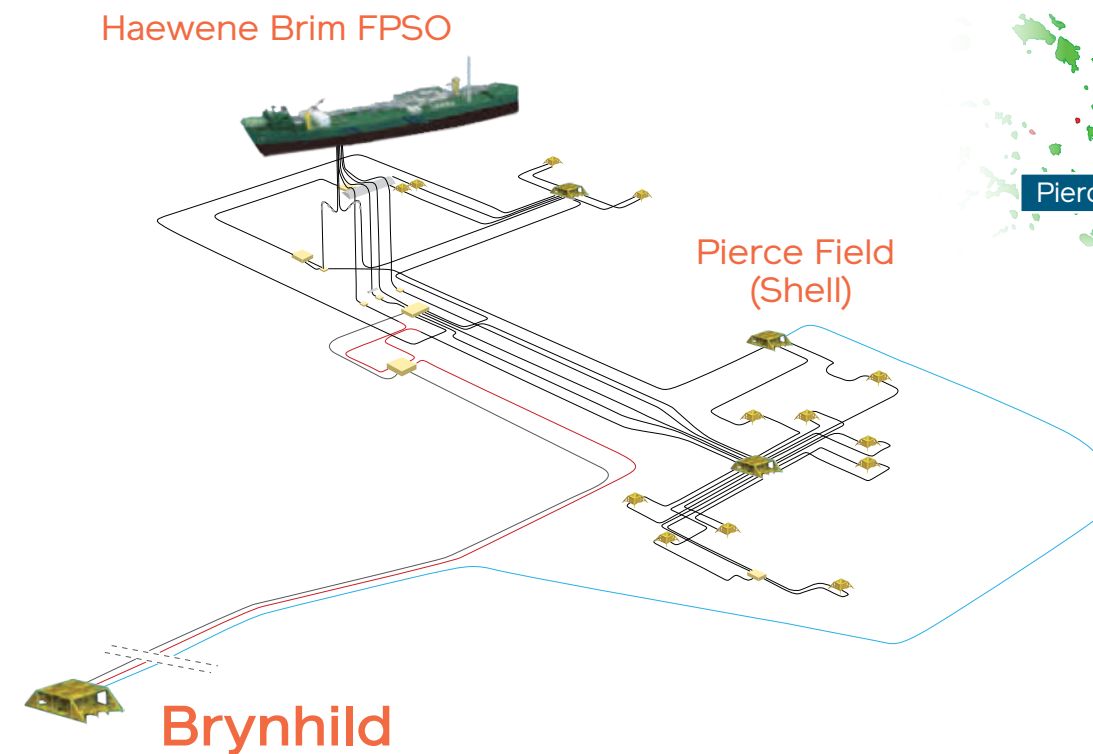
→ Kobra

# Norway New Fields

## Brynhild & Bøyla

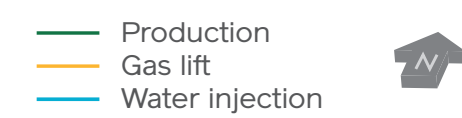
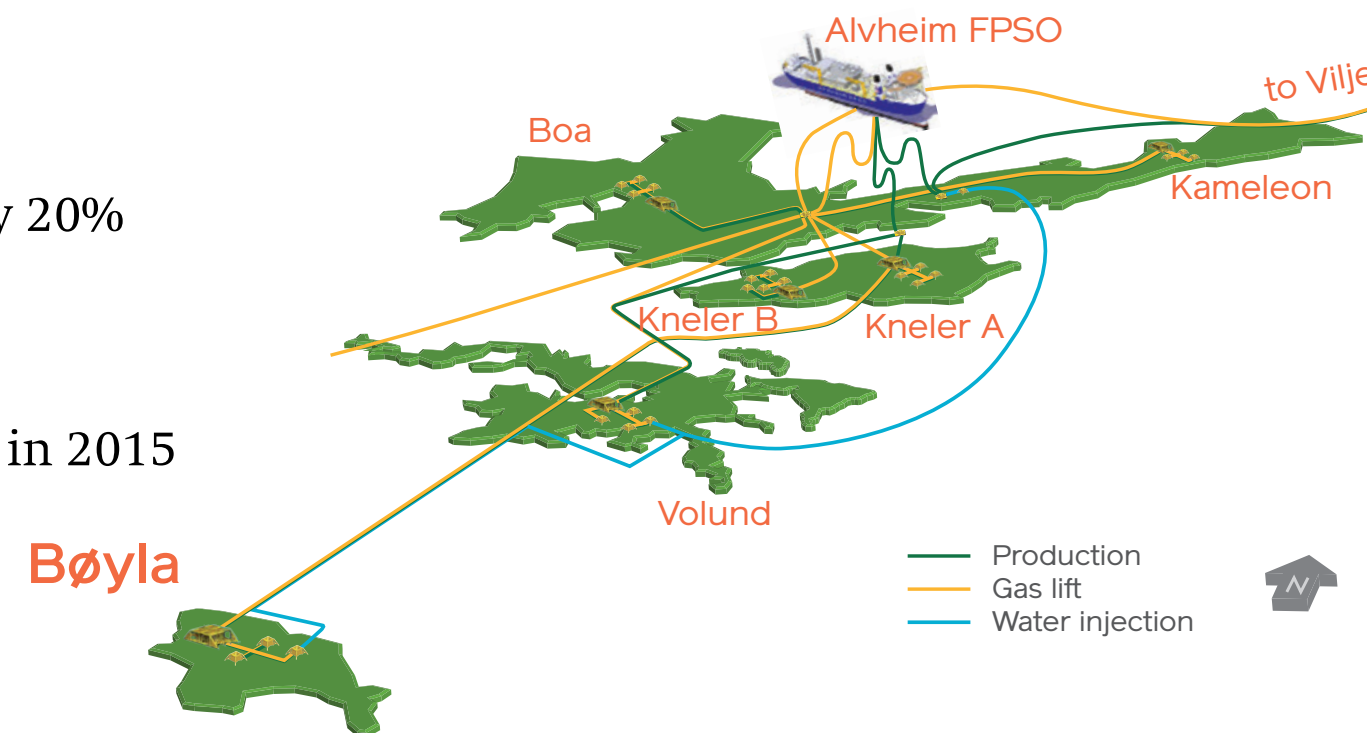
### Brynhild Field

- Licence: ⇒ PL148
- Partner: ⇒ Lundin Petroleum 90% (operator), Talisman 10%
- Dev. concept: ⇒ Subsea tie-in to Shell operated Pierce field (UK)
  - ⇒ 4 development wells
    - Two development wells successfully completed
      - Longer reservoir section completed
    - Third development well currently drilling
      - Fourth development well to be drilled in 2015
- Reserves: ⇒ 23 MMbo (gross)
- Production: ⇒ Commenced on 25 December 2014
  - ⇒ Plateau production forecast 12,000 boepd (gross)



### Bøyla Field

- Licence: ⇒ PL340
- Partner: ⇒ Lundin Petroleum 15%, Det Norske 65% (operator), Core Energy 20%
- Dev. concept: ⇒ Subsea tie-back to Alvheim
  - ⇒ 3 development wells
    - Two development wells completed, third well to be completed in 2015
- Reserves: ⇒ 2P reserves: 23 MMboe gross
- Production: ⇒ Commenced on 19 January 2015
  - ⇒ Peak production forecast: 20,000 boepd gross



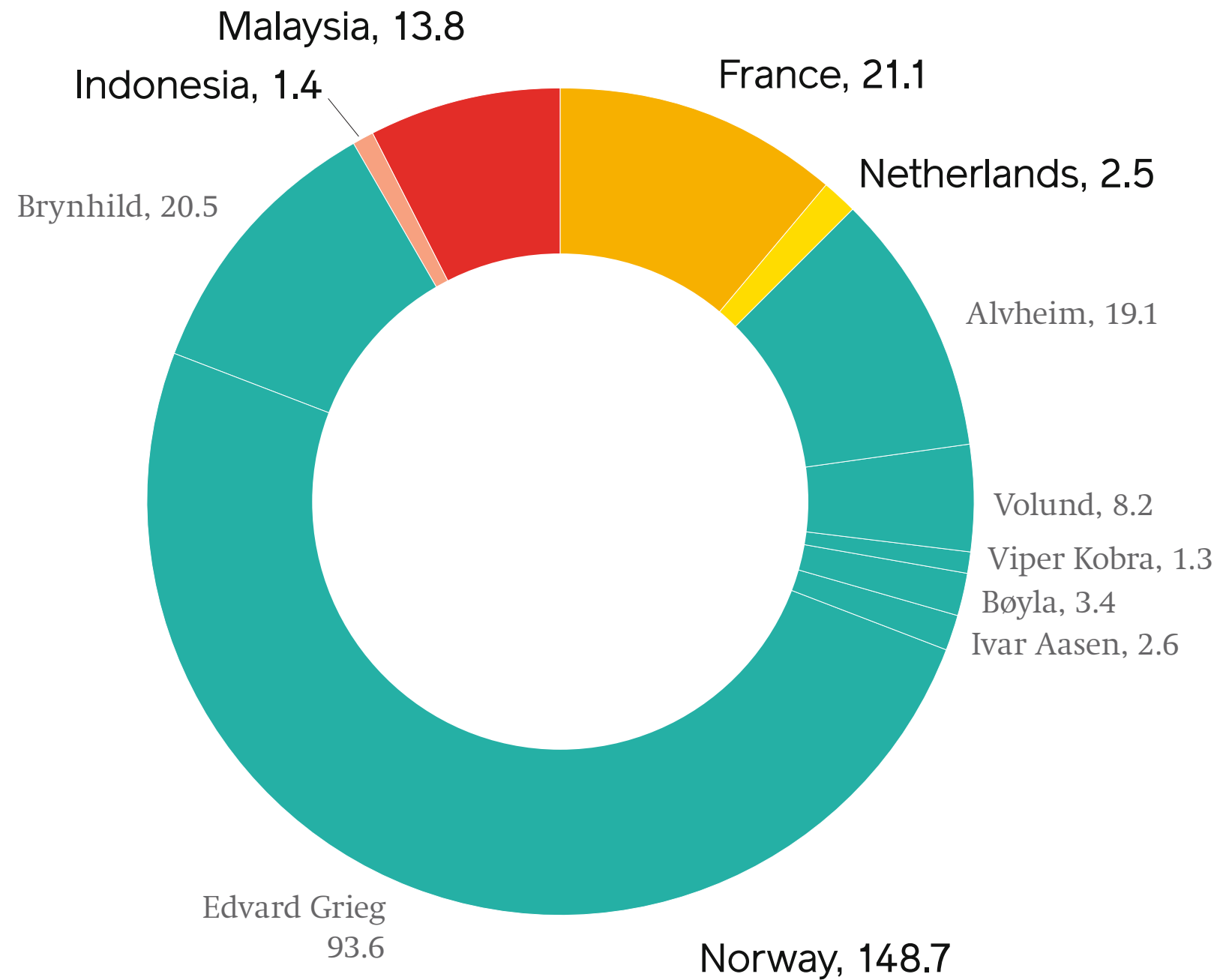
# Corporate Overview Reserves, Resources and 2015 Appraisal Programme

Capital Market Day, February 2015

# 2P Reserves

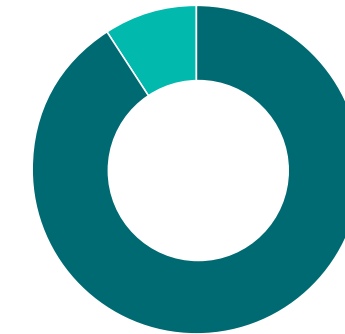
## 31 December 2014

Total 187.5 MMboe



Numbers in chart may not add up due to rounding

Gas, 8%



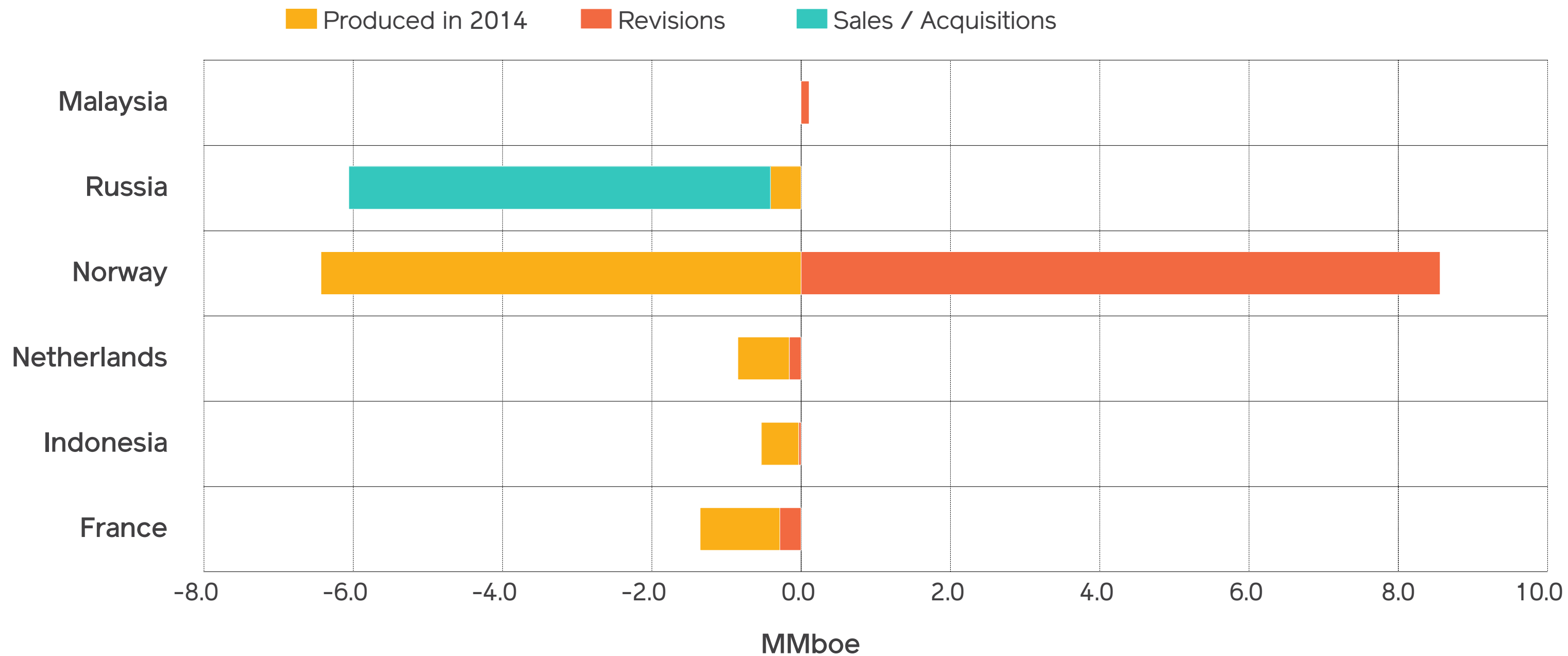
Oil & NGL, 92%

	MMboe
<b>End 2013</b>	<b>194.1</b>
- 2014 Production	-9.1
- Sales	-5.6
+ Reserve additions (excl. sales/acquisitions)	+8.2
<b>End 2014</b>	<b>187.5<sup>(1)</sup></b>
<b>Reserves increase<sup>(2)</sup></b>	<b>5%</b>
<b>Reserves replacement ratio<sup>(2)</sup></b>	<b>90%</b>

<sup>(1)</sup> Oil Price (Brent) USD 70/bbl in 2015 then USD 90/bbl in 2016 + 2% escalation thereafter

<sup>(2)</sup> as per industry standards the reserve replacement ratio is defined as the ratio of reserve additions to production during the year, excluding acquisitions and sales. The reserves increase is calculated as the ratio of the 31.12.2014 reserves additions over the 31.12.2013 reserves adjusted for sales and production

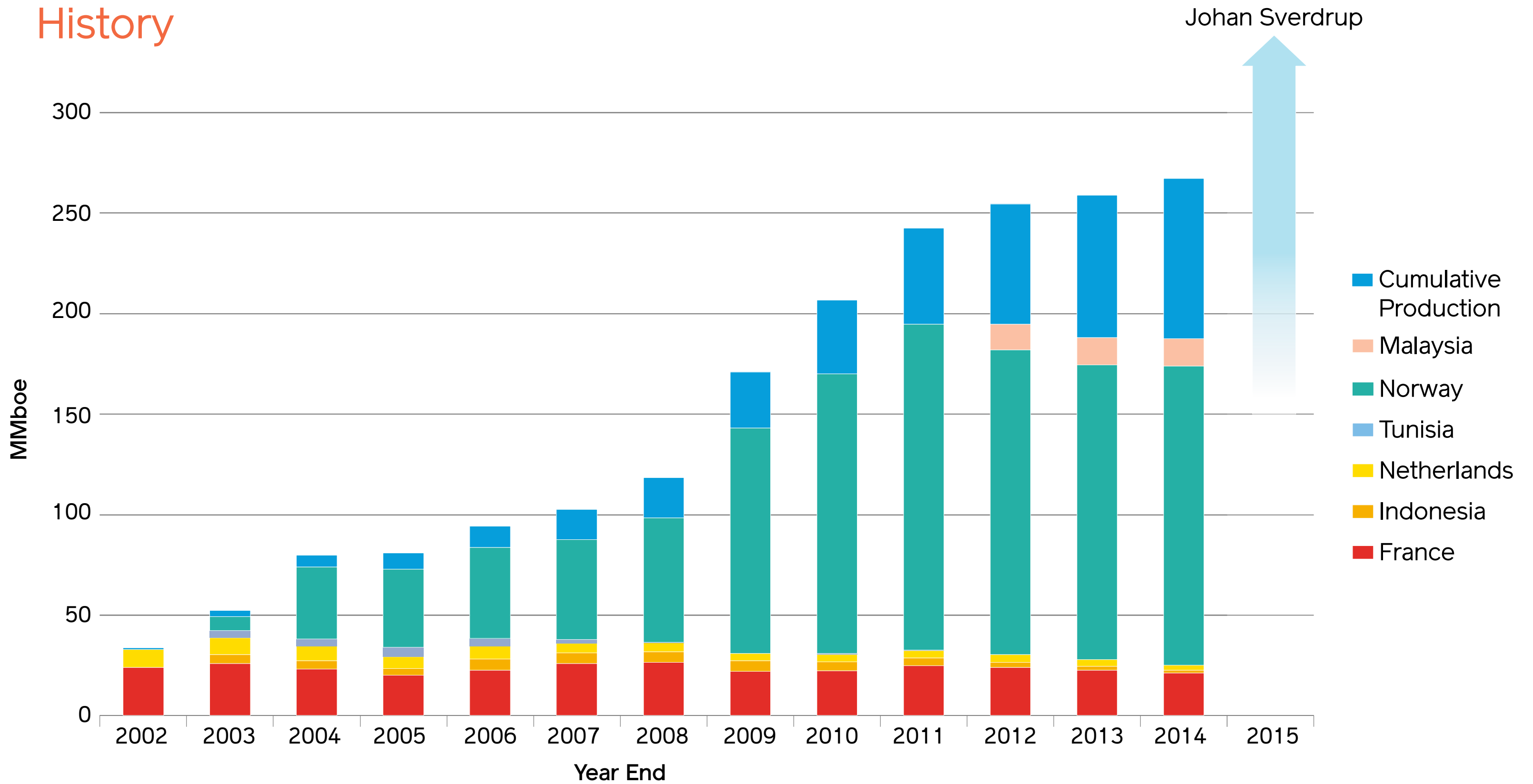
# Reserves Changes



➤ Norway: - Volund infill  
 - Alvheim - Viper/Kobra  
 - Ivar Aasen Unitisation

➤ Russia: - Sales of Komi assets

# 2P Reserves History

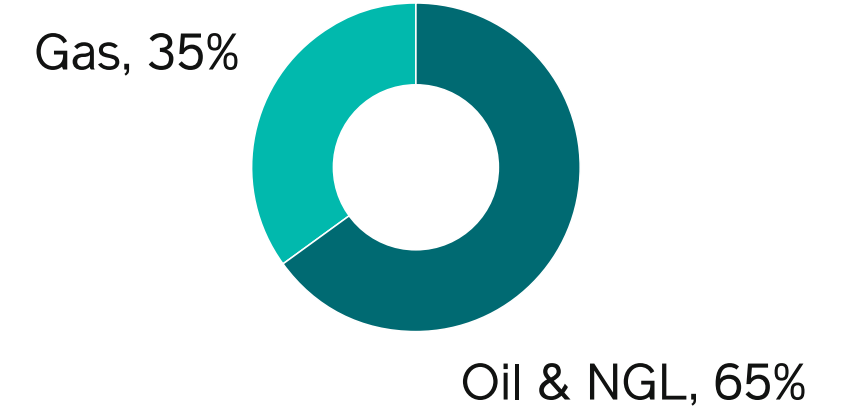
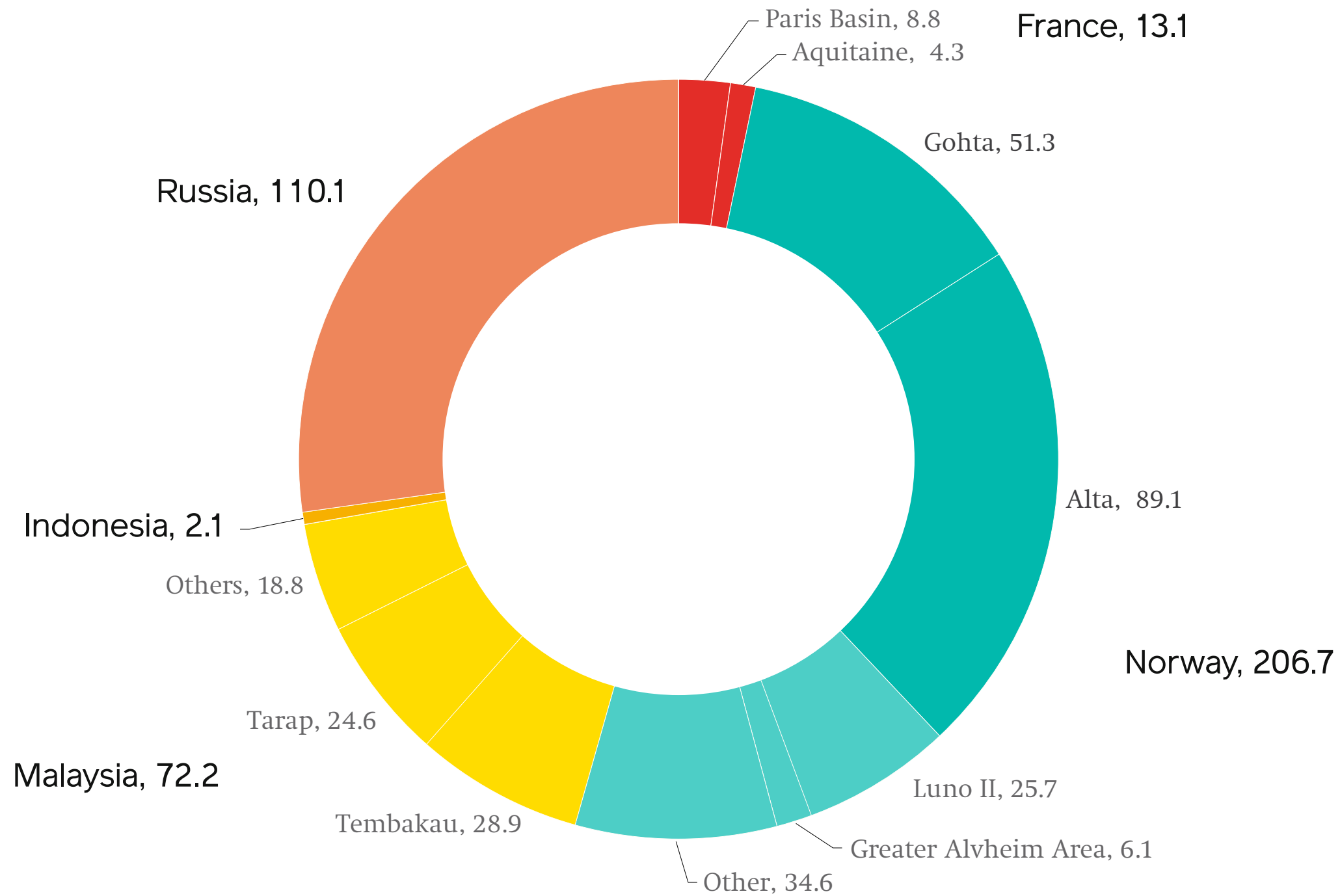


Excluding discontinued operations

# 2C Contingent Resources

## 31 December 2014

Total 404.2 MMboe



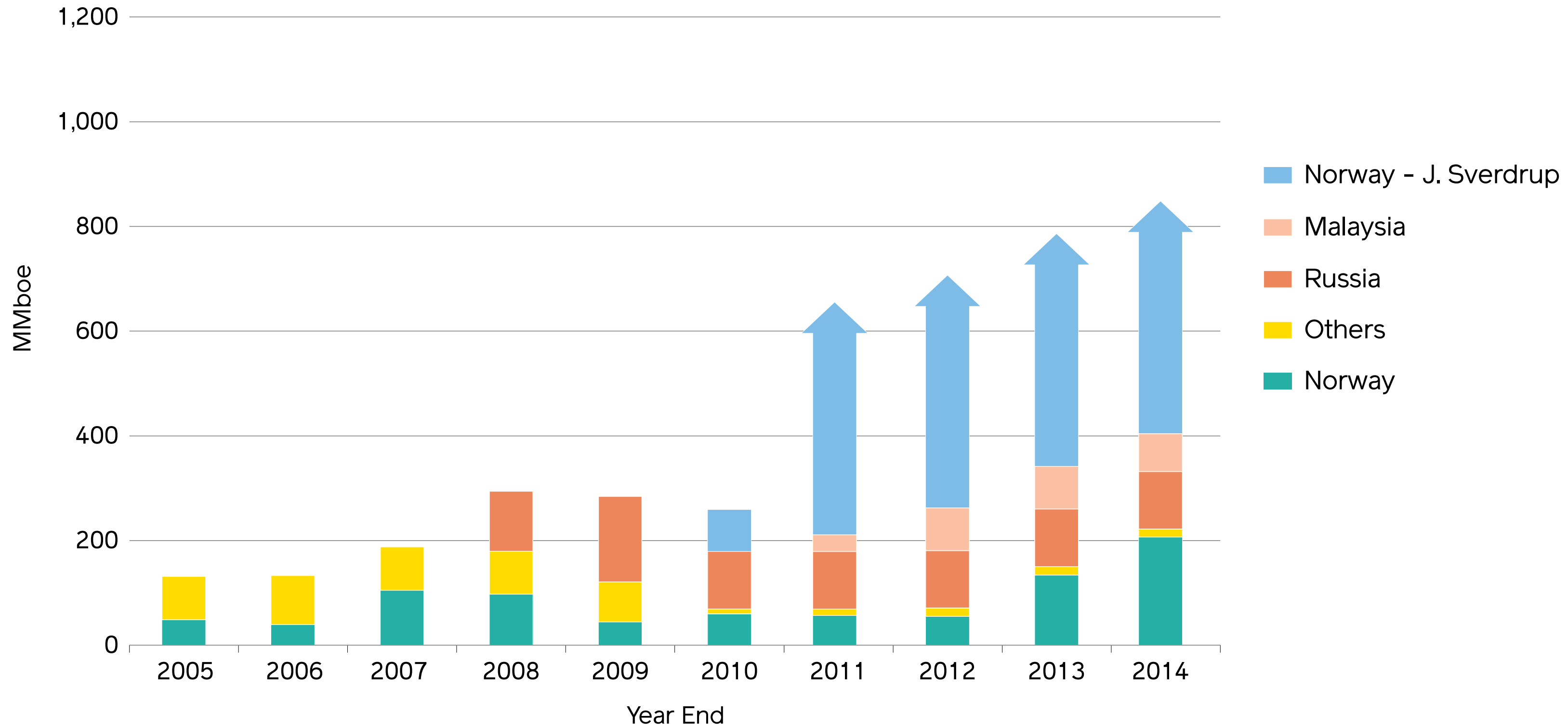
Numbers in chart may not add up due to rounding

The Johan Sverdrup field contains gross Contingent Resources of between 1,800 and 2,900 MMBoe as disclosed by pre-unit operator Statoil.

The Johan Sverdrup field is situated in licences PL501, PL502 and PL265 in Norway. Lundin Petroleum has a 40 percent interest in PL501 and a 10 percent interest in PL265.



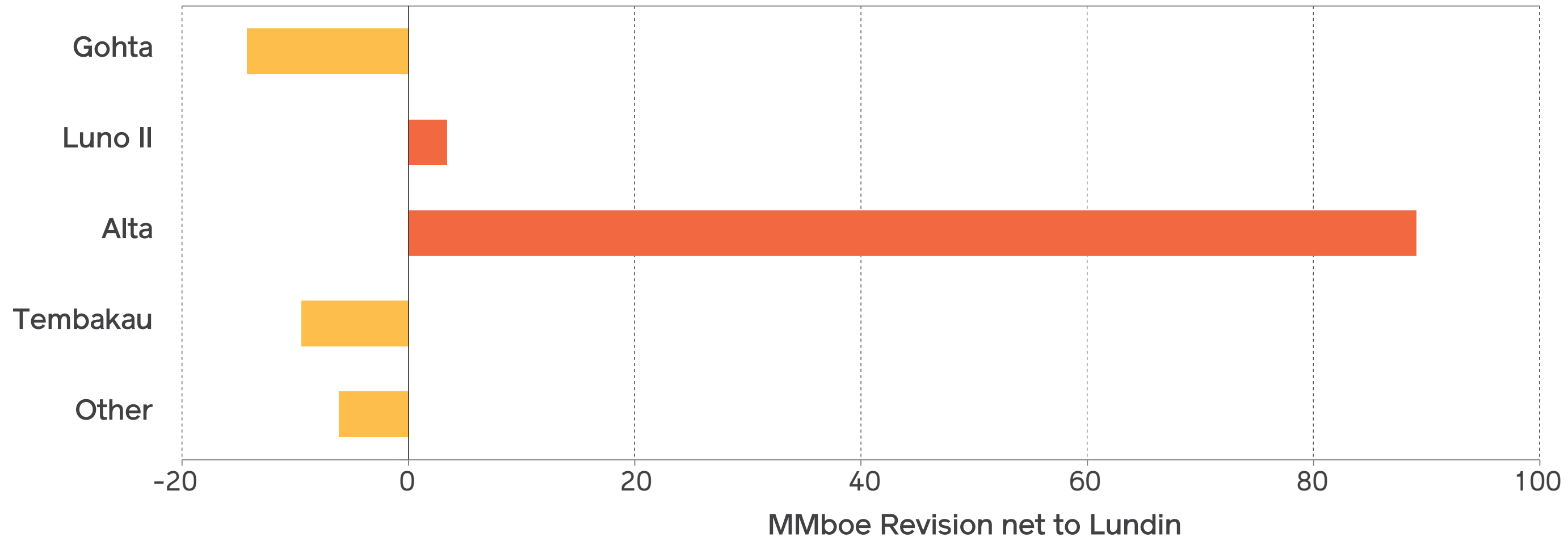
# Contingent Resource Growth



Excluding discontinued operations

# Contingent Resources Changes

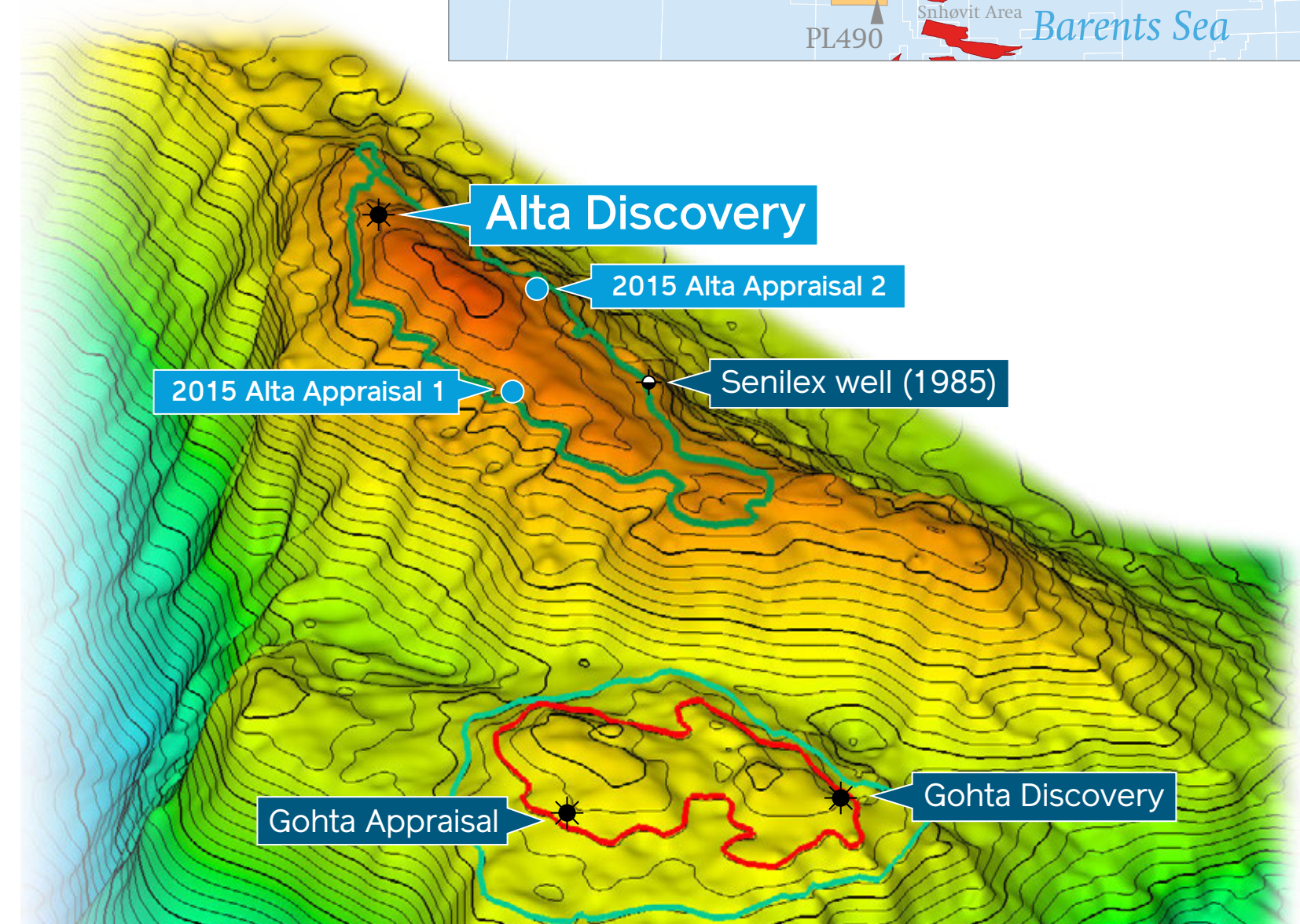
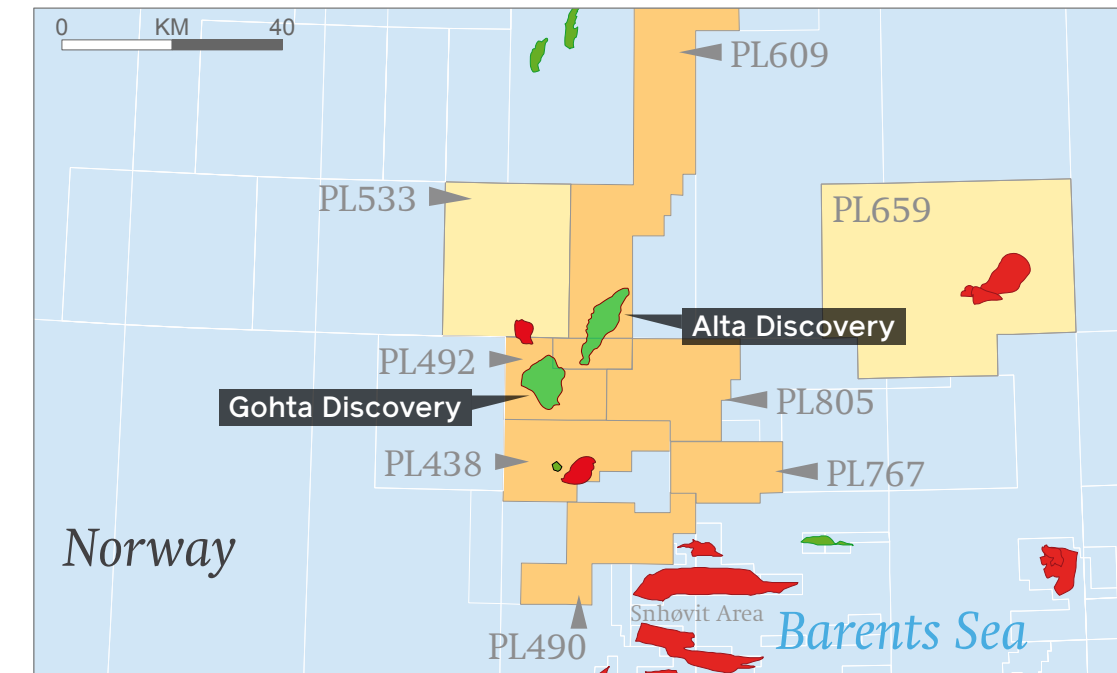
Year end 2013 to Year end 2014



- Norway:
  - Gohta gas volumes revision post Gohta 2
  - Luno II appraisal results, additional 10% equity
  - Alta discovery
- Malaysia:
  - Tembakau Miocene I80 revision post Tembakau 2

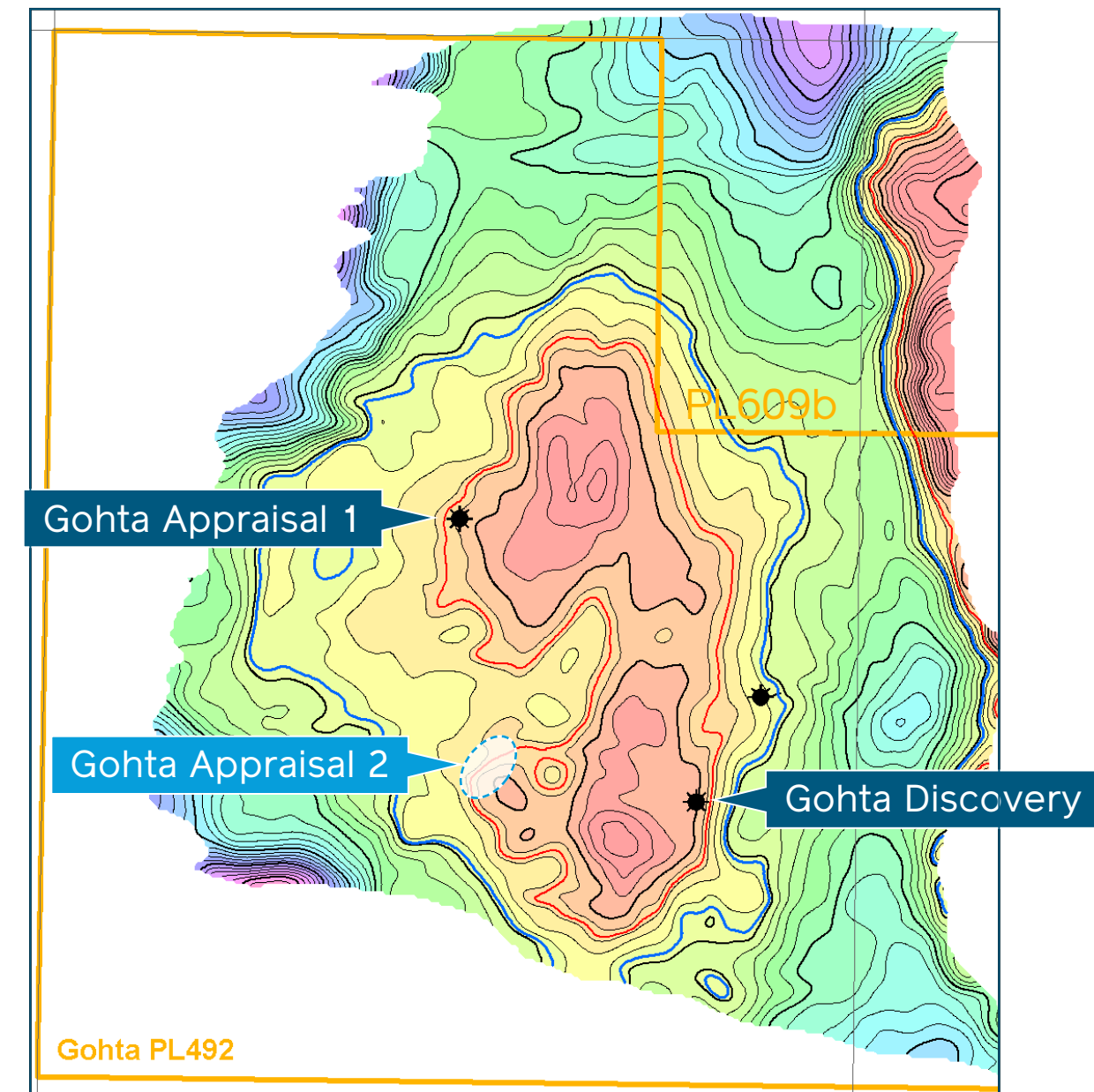
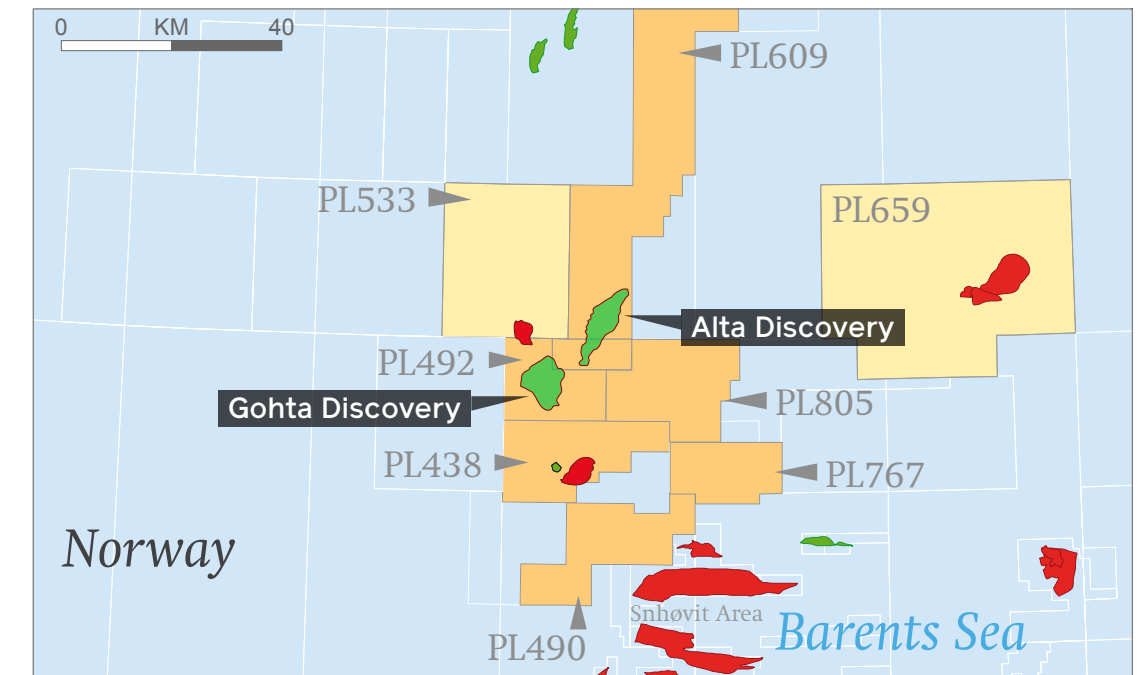
# Contingent Resources Changes Norway - Alta Discovery

- PL609, 40% (operator)
- Alta Discovery
  - ➔ 20 km NE of Gohta
  - ➔ 46 m gross oil column & 11m gross gas column
    - tested maximum rate 3,260 bopd & 1.7 MMscfd
- Gross Contingent Resources
  - ➔ 125–400 MMboe
  - ➔ 74% oil



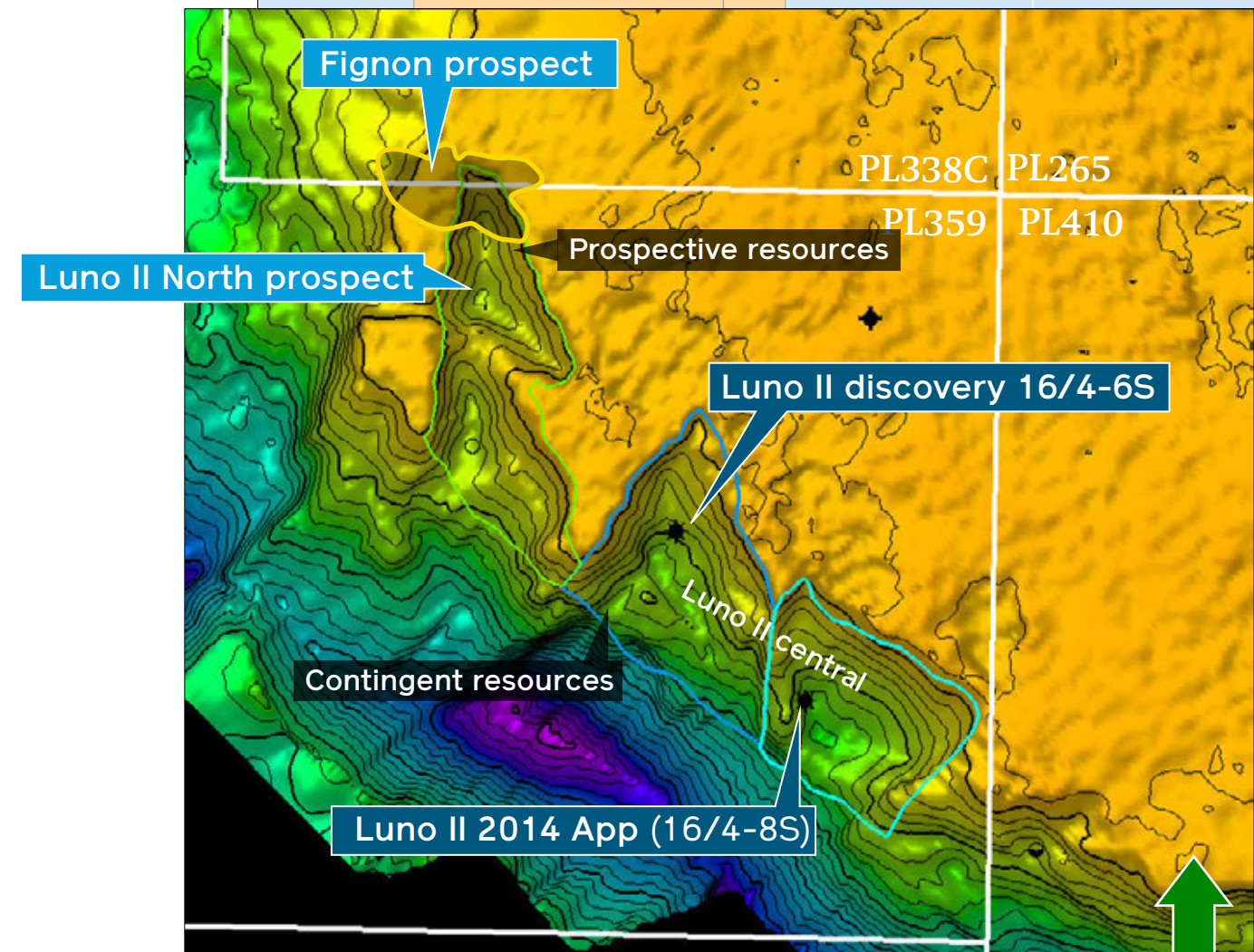
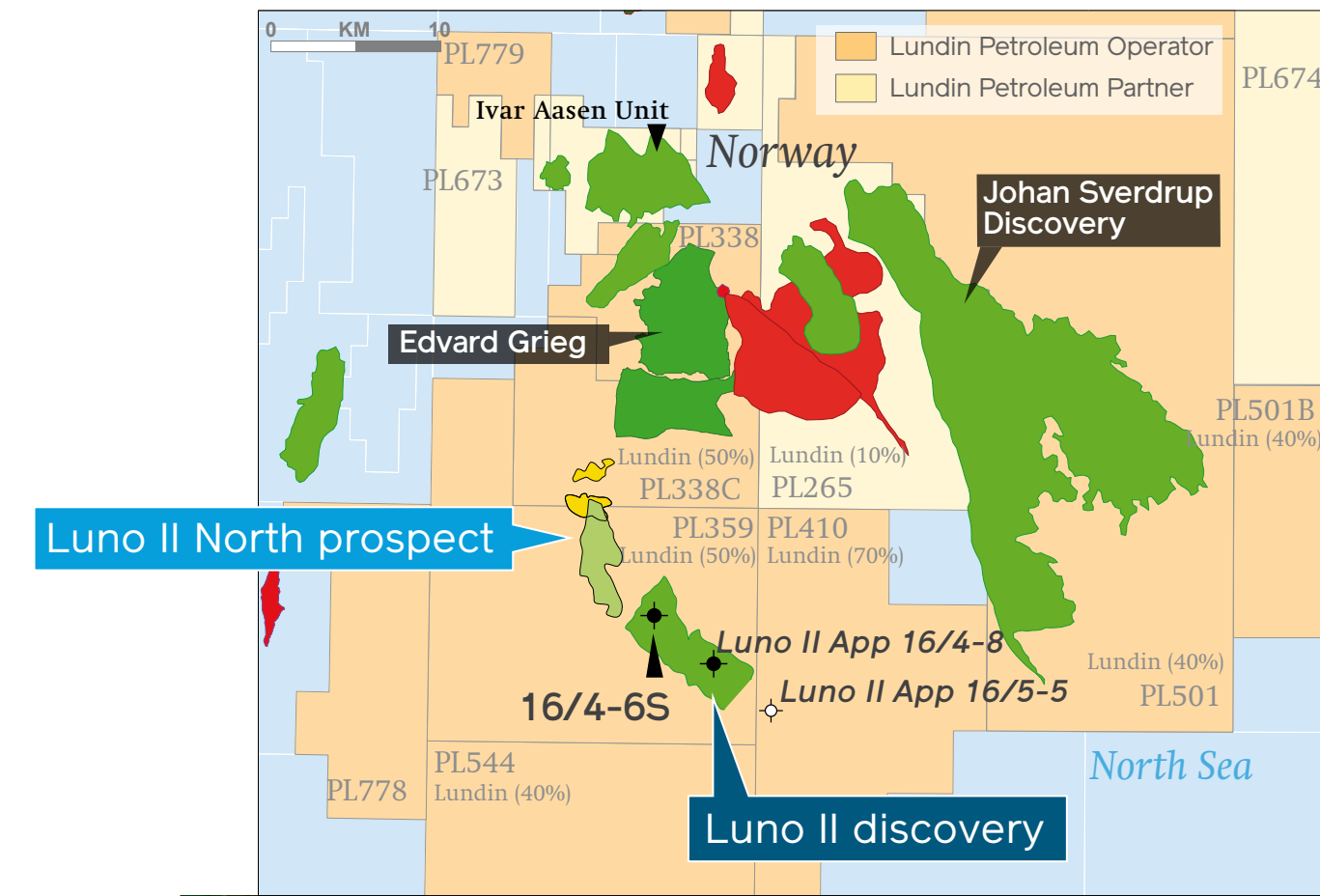
# Contingent Resources Changes Norway - Gohta Discovery

- PL492, 40% (operator)
- Gohta Discovery
  - ➔ Discovery well: 75m gross oil column & 25m gross gas column - tested 4,300 bopd
  - ➔ Appraisal well: 10m gross gas column - tested 26.4 MMcfd and 880 bpd cond.
- Revised Resources (gross)
  - ➔ 91-184 MMboe
  - ➔ 71% oil
  - ➔ -22% revision of total 2C resources, but oil volume revision only -4%
- Chance of development improved by Alta discovery



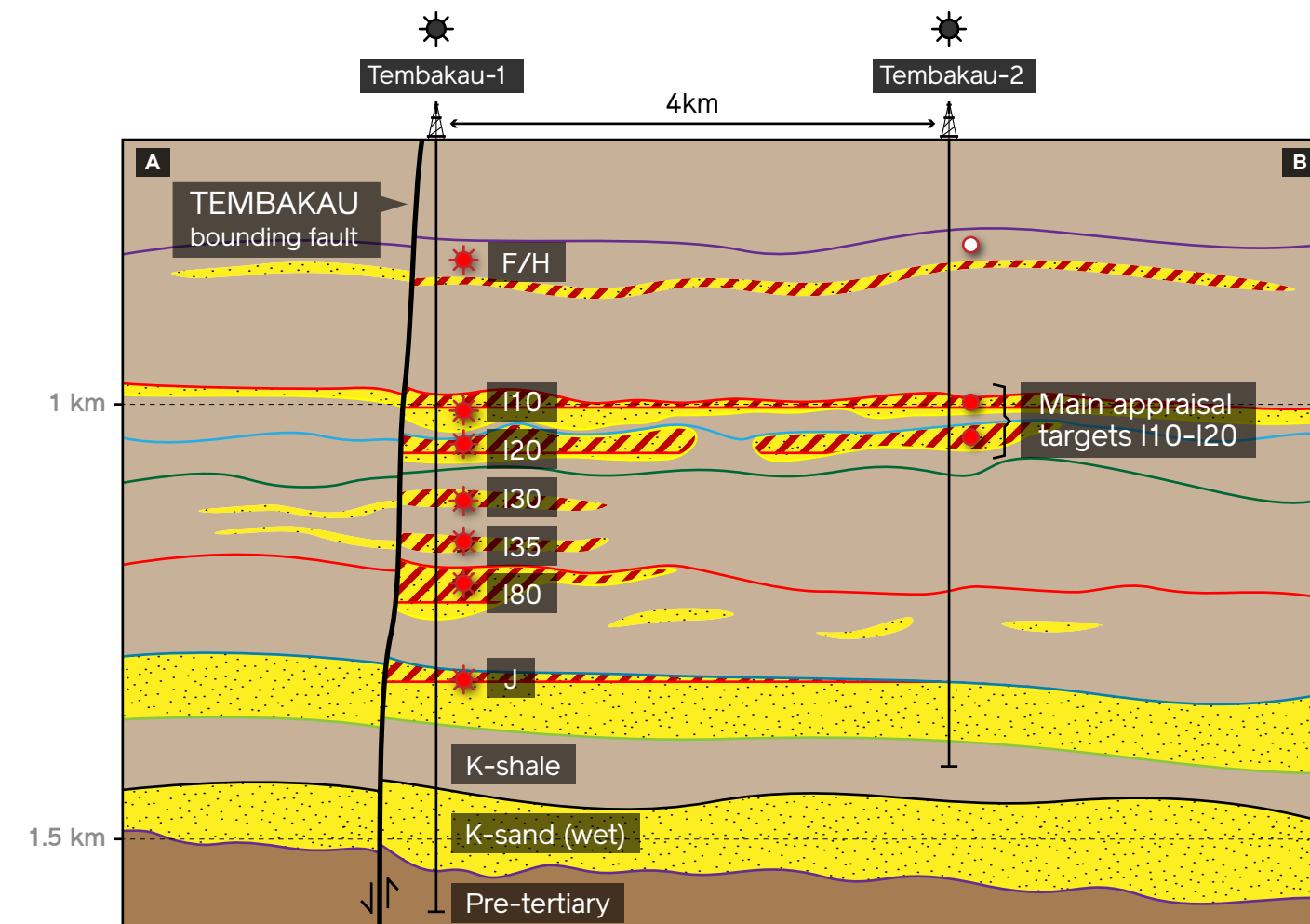
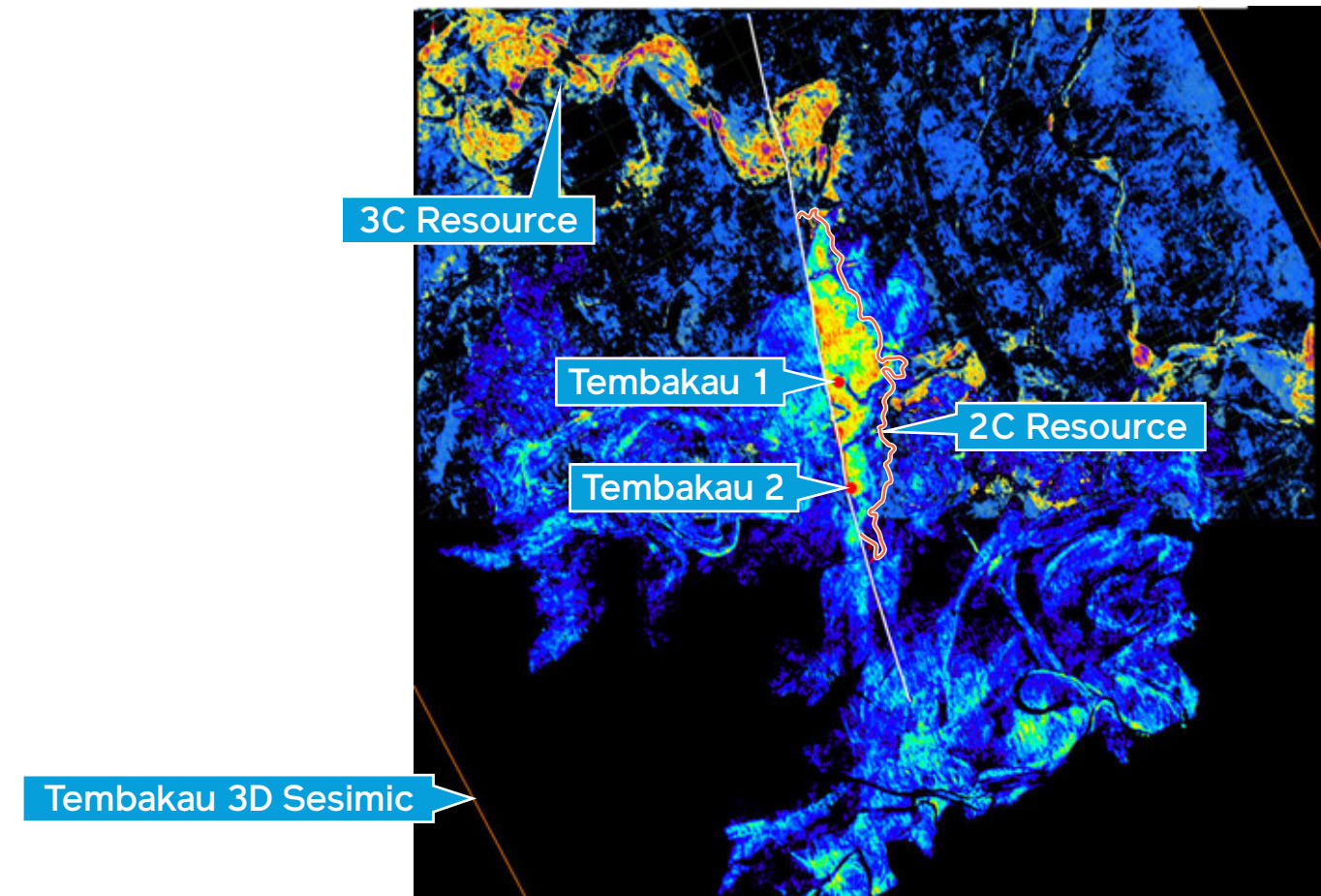
# Contingent Resources Changes Norway - Luno II Discovery

- PL359, 50% (operator)
- 2 appraisals drilled in 2013/2014
  - ➔ 16/5-5 demonstrated that southern segment is un-commercial
  - ➔ 16/4-8 Gross oil column 30 m underlying a thin gas cap. Tested oil at 450 bpd
- Gross contingent resources
  - ➔ 27–71 MMboe
  - ➔ 79 % oil
- Additional 10% equity acquired in 2014
  - ➔ Partner alignment with Edvard Grieg



# Contingent Resources Changes Malaysia - Tembakau

- PM307, 75% (operator)
- Tembakau-2 appraisal well
  - ➔ 22m of gross gas sands in four sand intervals
  - ➔ Well test results
    - ➔ I20 sand - 15.8 MMscfd of gas
    - ➔ I10 sand - 15.9 MMscfd of gas
- Gross 2C resources revised to 126 - 400 Bscf
  - ➔ Re-interpretation of I80 geology following well result
  - ➔ Development will be gas price dependant
  - ➔ Significant prospectivity in the area



# Appraisal Programme 2015

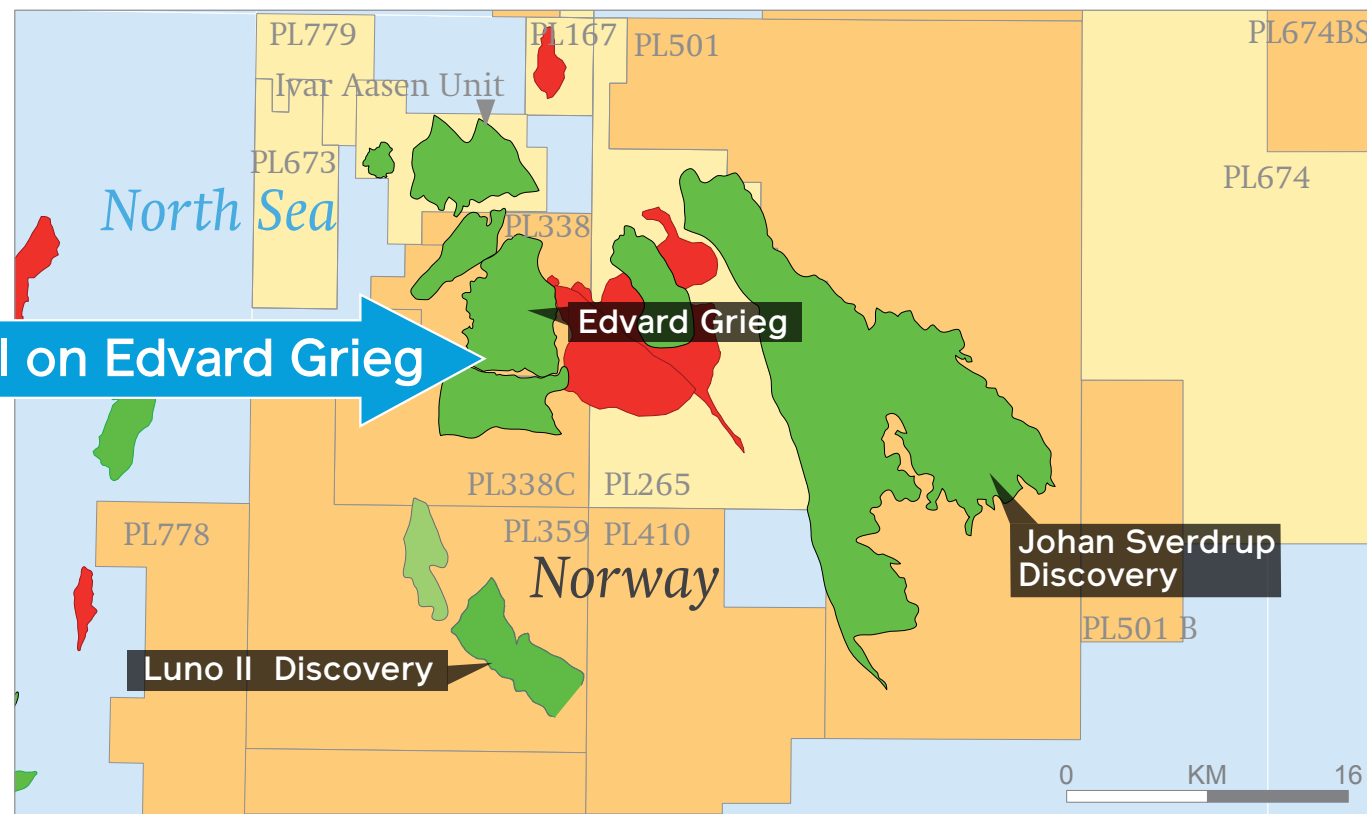
## 3-4 Wells

→ 2015 Budget : 150 Million USD

### Norway - 3/4 wells

#### Utsira High

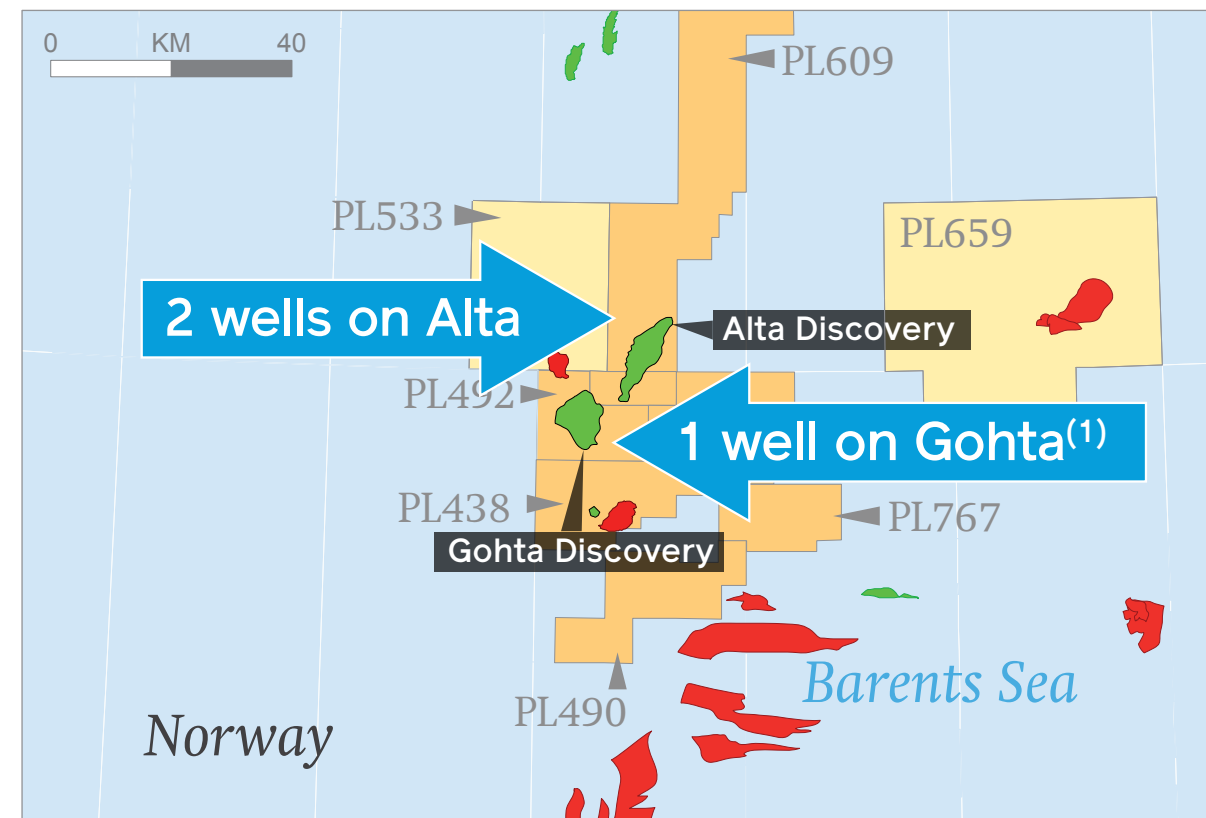
- ➔ 1 appraisal well on Edvard Grieg



Norway - Utsira High

#### Barents Sea

- ➔ 2 appraisal wells on Alta
- ➔ 1 appraisal well on Gohta under review



Norway - Barents Sea

➔ 2015 appraisal wells

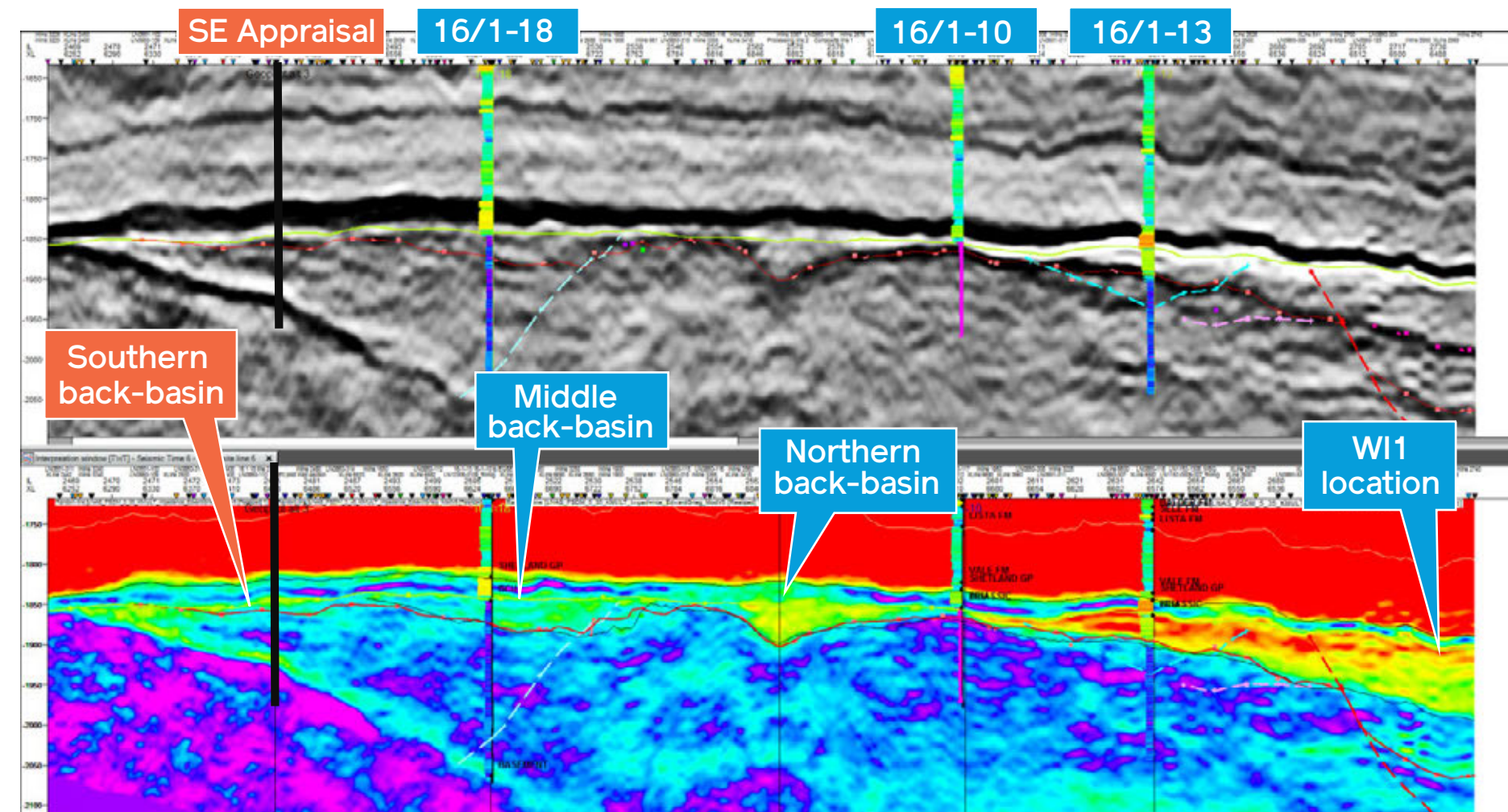
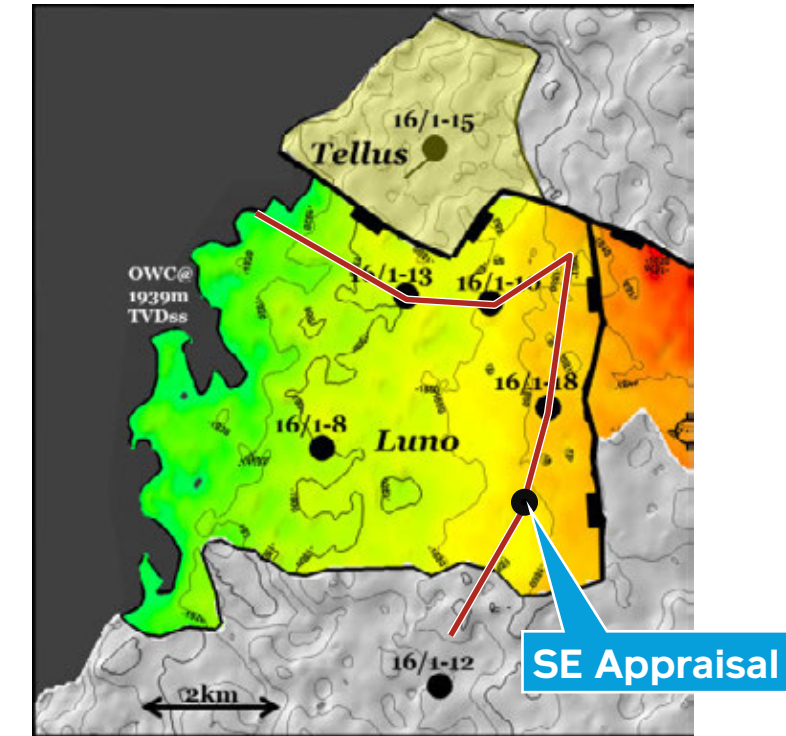
Lundin Petroleum Operator  
 Lundin Petroleum Partner

(1) Under review

# Norway - PL338

## Edvard Grieg Appraisal

- **Development well pilots A10 and A11**
  - ➔ Confirmed extent of high quality fluvial/aeolian sands to be targeted by the first three horizontal producers
  - ➔ Disproves downside reservoir scenarios
- **16/1-18 Appraisal - drilled 2014**
  - ➔ Confirmed back basin reservoir model
  - ➔ 62 m oil bearing fluvial/alluvial transition
  - ➔ Tested 800 bopd from lower part of section
  - ➔ Operationally unable to test better quality upper section
- **16/1-23s SE Appraisal**
  - ➔ Spud with Rowan Viking Q2 2015
  - ➔ Prove upside volume potential in SE part of field
  - ➔ Gross resource potential up to 50 MMbo





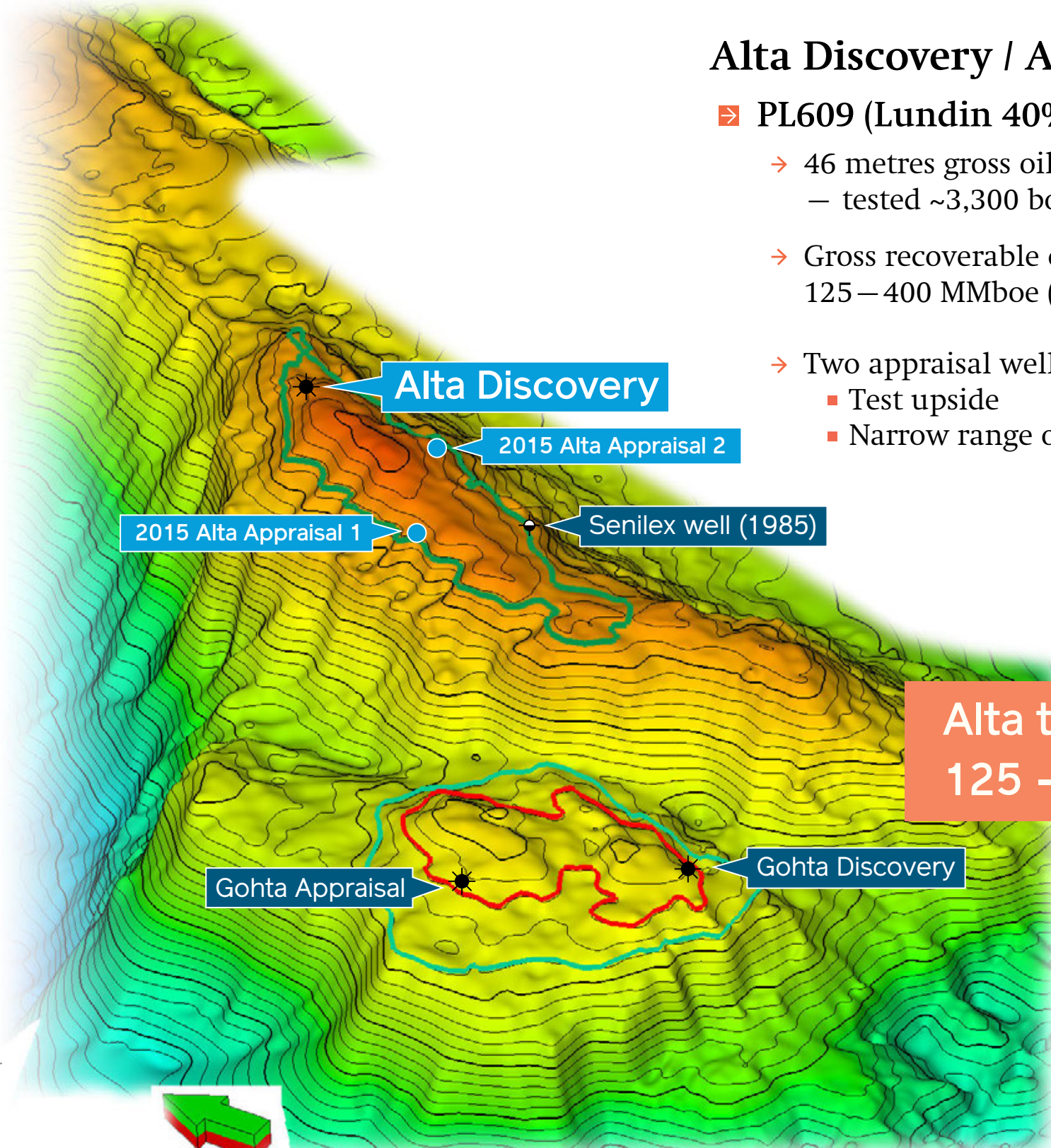
# Barents Sea

## Loppa High - 2015 Appraisal

### Alta Discovery / Appraisal

➤ PL609 (Lundin 40%, operated)

- ➔ 46 metres gross oil column / 11 metres gross gas column – tested ~3,300 bopd
- ➔ Gross recoverable oil and gas resource estimate range: 125 – 400 MMboe (74% oil)
- ➔ Two appraisal wells in 2015
  - Test upside
  - Narrow range of uncertainty

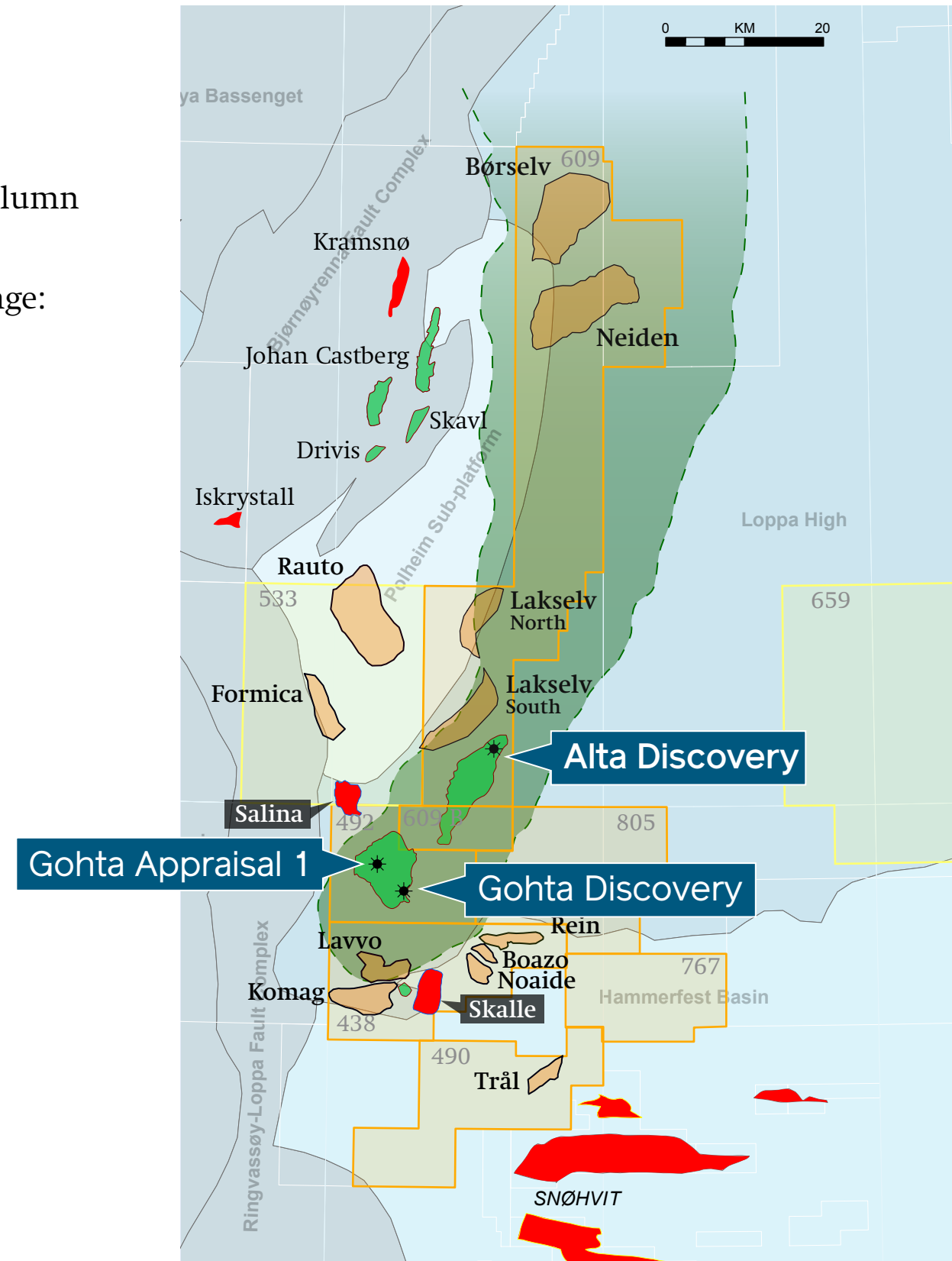


Alta total resources:  
125 – 400 MMboe

➤ Development options are being reviewed

Lundin Petroleum Licences      Fields

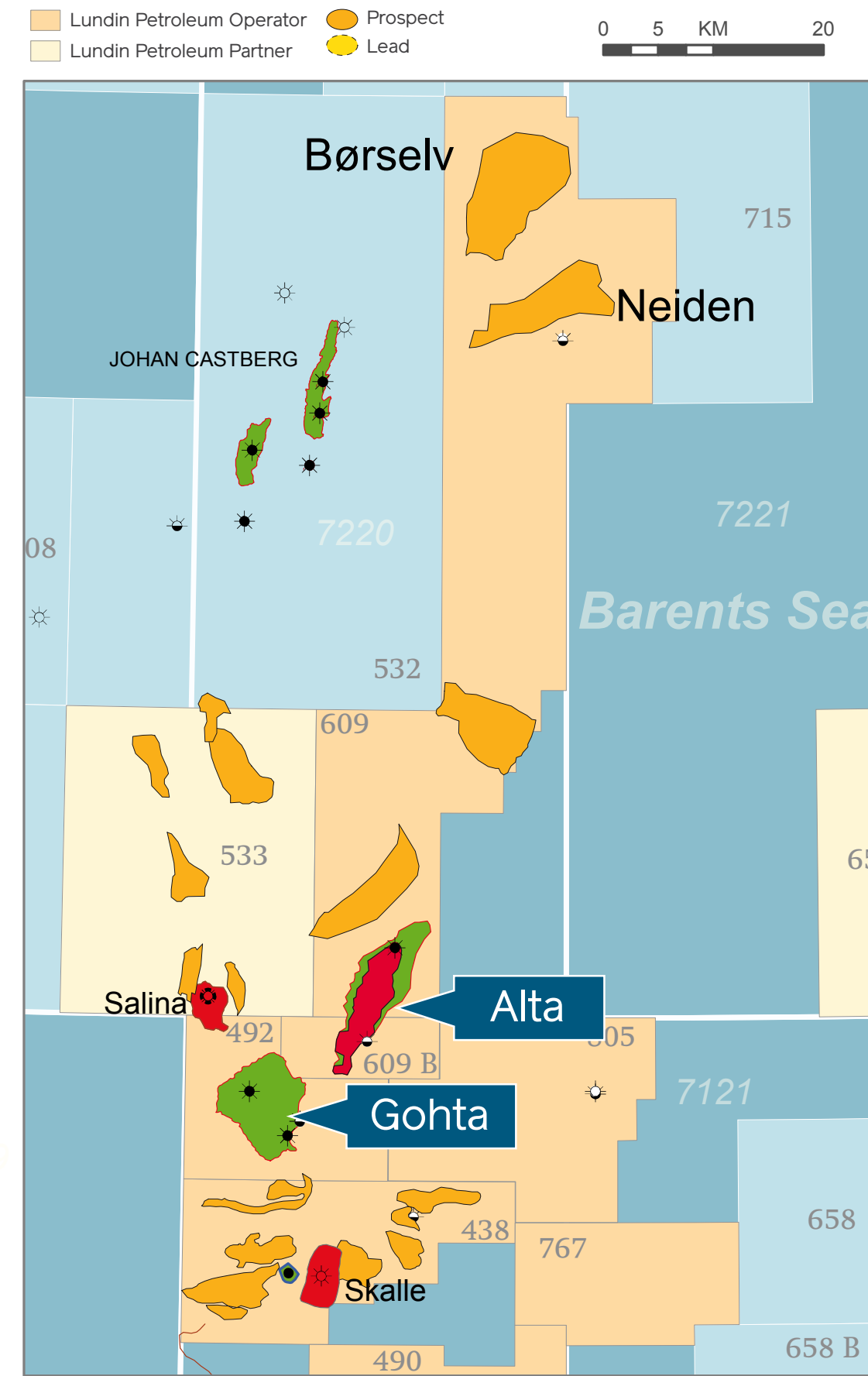
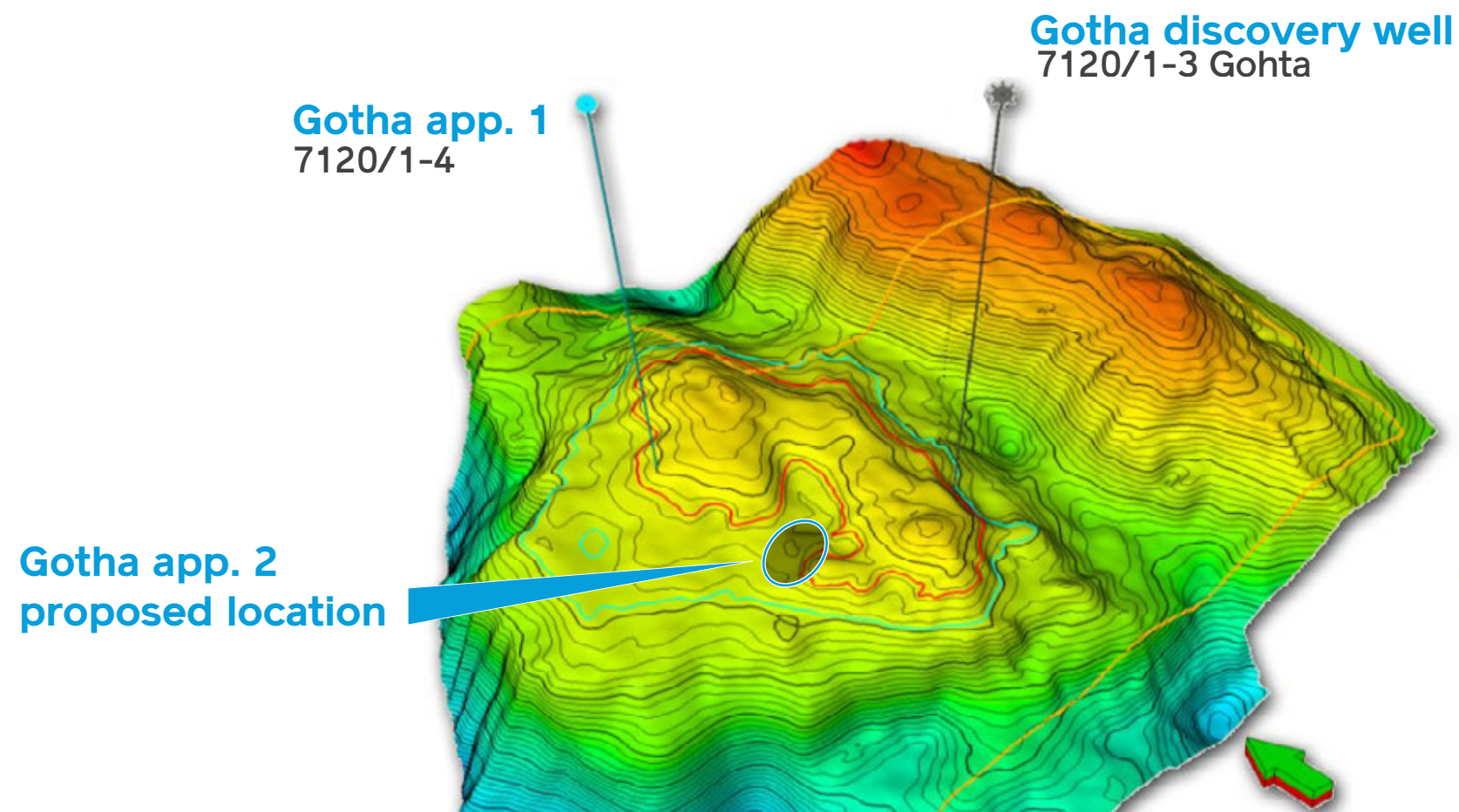
Operated  
  Non Operated  
  Oil  
  Gas  
  Prospects



# Barents Sea

## Loppa High - 2015 Appraisal

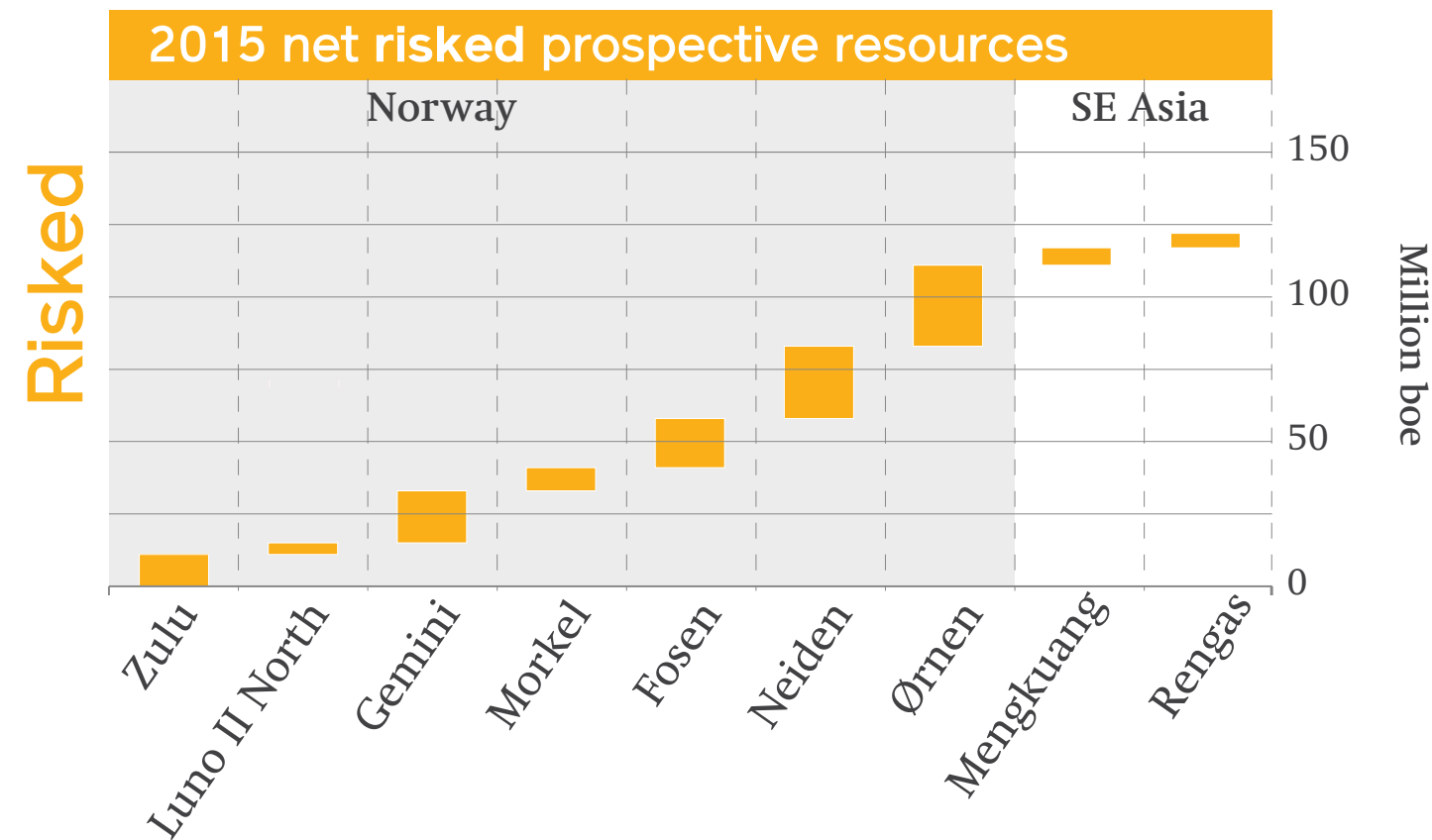
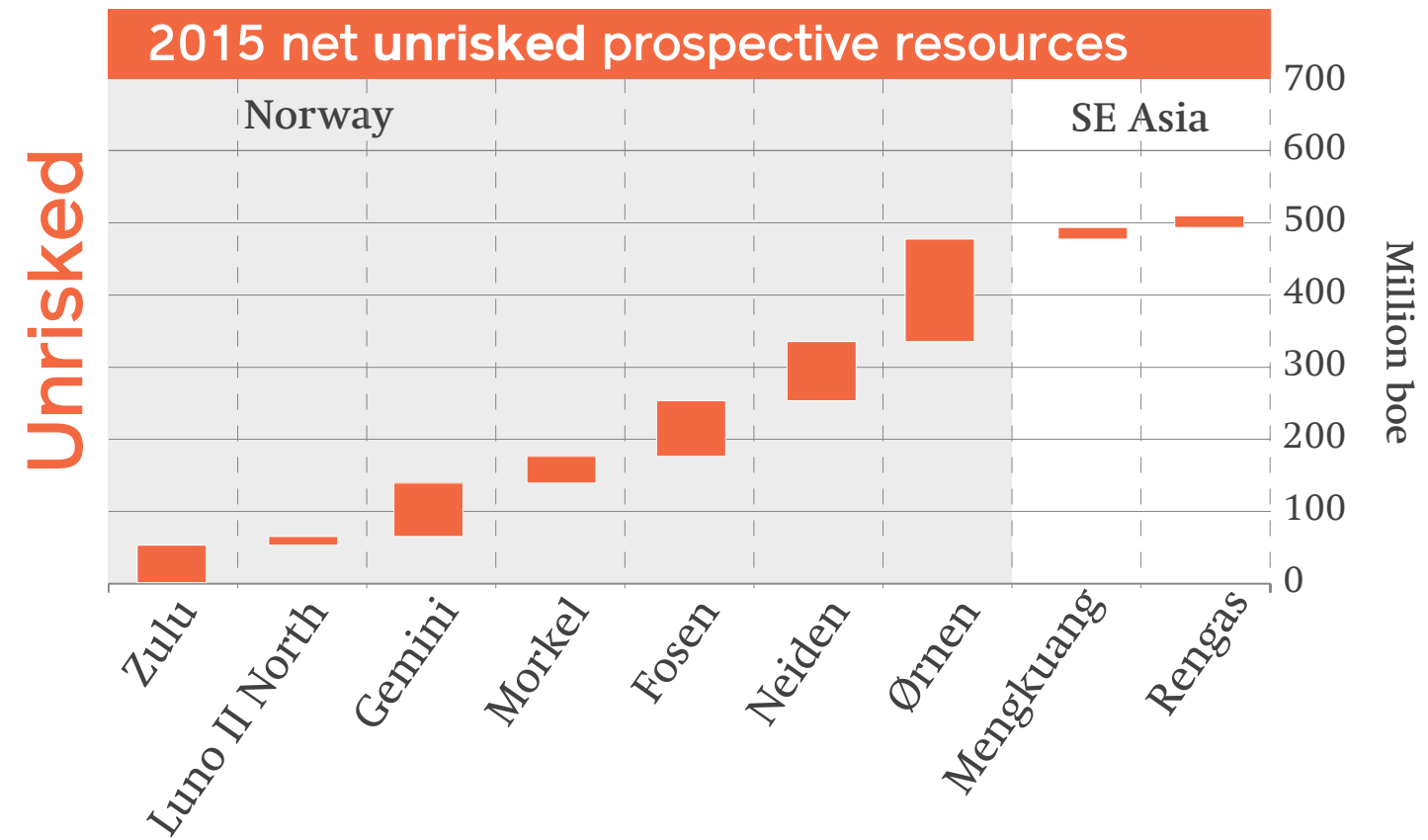
- Gohta Discovery
- Lundin Petroleum operator (40%)
  - ➔ Partners: Det Norske 40%, Noreco 20%
- Recoverable resources:
  - ➔ 91 – 184 MMboe
  - ➔ 71% oil
- Appraisal under review



# Remaining 2015 Prospective Resources

Target Unrisked  
510 MMboe

Target Risked  
~ 120 MMboe



# 2015 Exploration & Appraisal

## Drilling Schedule

Country	Licence - Prospect	Well type	Operator	LUPE WI %	NUPR <sup>(1)</sup>	CoGS <sup>(2)</sup>	NRPR <sup>(3)</sup>	2015					
								Q1	Q2	Q3	Q4		
1 Norway	PL579 - Morkel	exp	Lundin	50.00	37	21%	8						
2 Norway	PL359 - Luno II North	exp	Lundin	50.00	12	36%	4						
3 Norway	PL544 - Fosen	exp	Lundin	40.00	77	22%	17						
4 Norway	PL674 - Zulu	exp	Lundin	35.00	54	20%	11	Ongoing					
5 Norway	PL338 - Gemini	exp	Lundin	80.00 <sup>(4)</sup>	74	24%	18						
6 Norway	PL609 - Alta Appraisal 1	app	Lundin	40.00	-	-	-						
7 Norway	PL609 - Neiden	exp	Lundin	40.00	82	30%	25						
8 Norway	PL609 - Alta Appraisal 2	app	Lundin	40.00	-	-	-						
9 Norway	PL708 - Ørnen	exp	Lundin	40.00	142	20%	28						
10 Norway	PL338 - E.Grieg Appraisal SE	app	Lundin	50.00	-	-	-						
11 Malaysia	PM307 - Mengkuang	exp	Lundin	75.00	16	35%	6						
12 Malaysia	PM307 - Rengas	exp	Lundin	75.00	16	32%	5						

*Netherlands exploration wells not included*

<sup>(1)</sup> Net Unrisked Prospective Resources (MMboe)

<sup>(2)</sup> Chance of Geological Success

<sup>(3)</sup> Net Risked Prospective Resources (MMboe)

<sup>(4)</sup> Lundin carrying an 80% WI for the Gemini Prospect only

# Corporate Overview - Expenditure

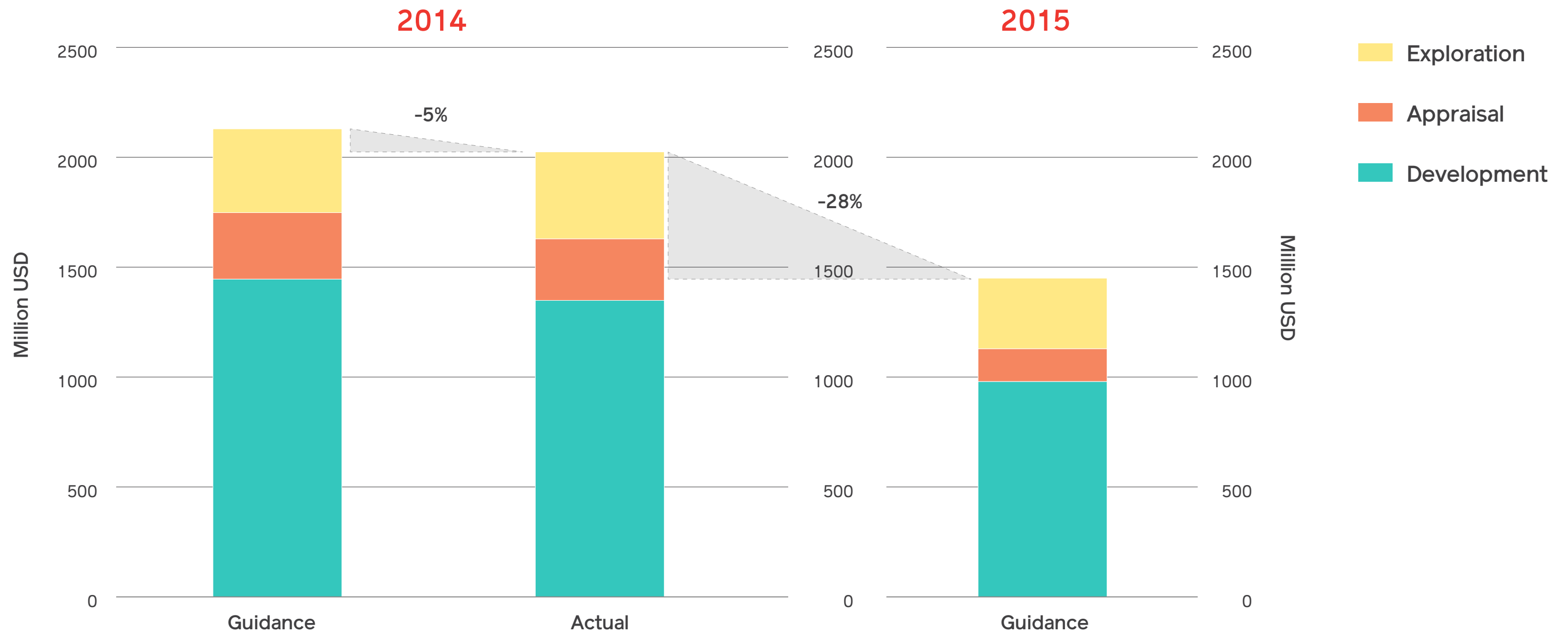
Capital Market Day, February 2015



# 2014/2015 Capital Expenditure

➤ 2014 Guidance vs Actual  
⇒ 5% reduction on guidance

➤ 2015 Guidance  
⇒ 28% reduction on 2014 capital expenditure  
⇒ Excludes Johan Sverdrup Capex

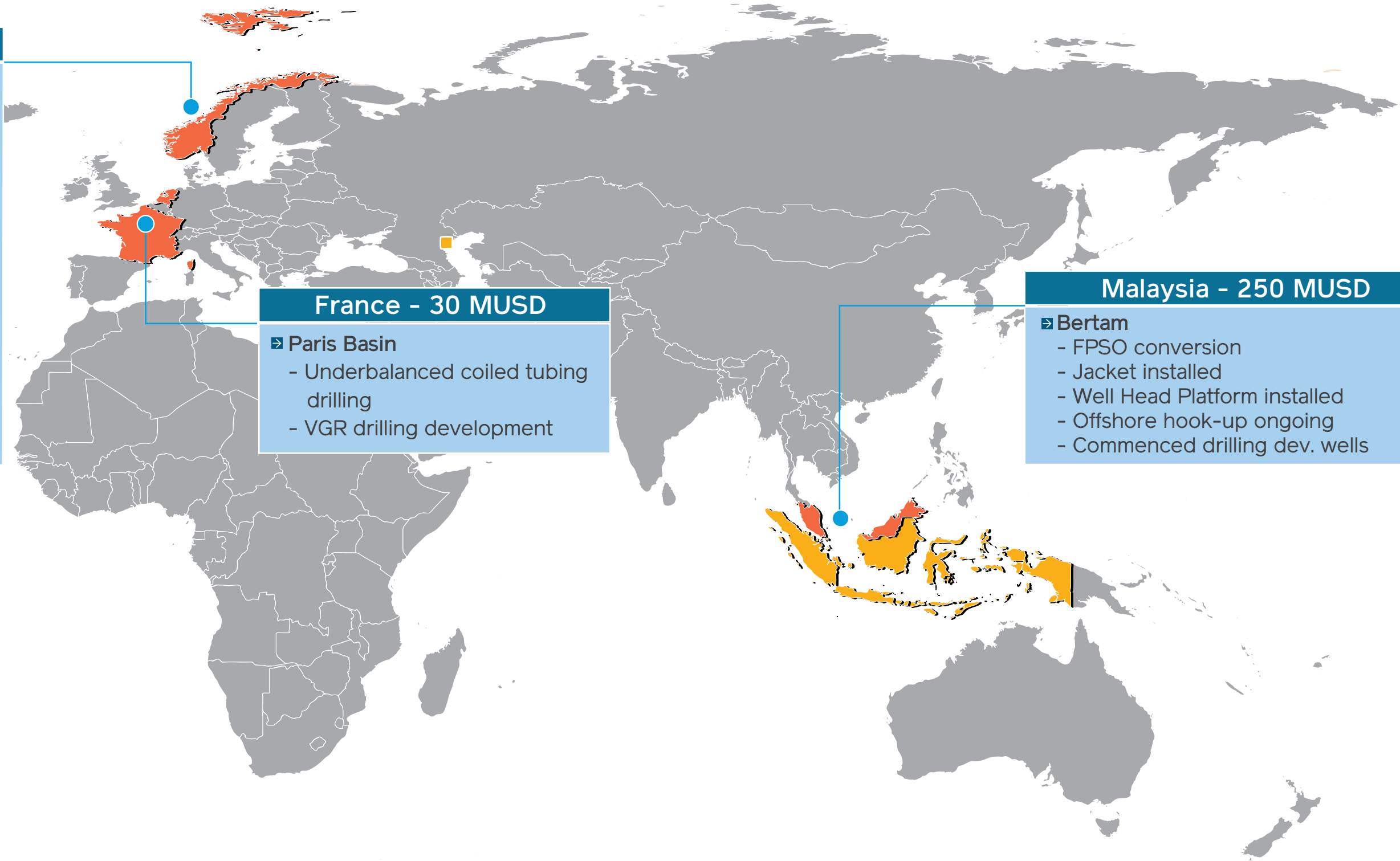


# Asset Overview

## 2014 Development Activity

**Norway - 1,070 MUSD**

- **Edvard Grieg**
  - Jacket installed
  - Topside construction
  - Gas pipeline
  - Development drilling commenced
- **Brynild**
  - Subsea inst. & riser completed
  - Completed 1<sup>st</sup> & 2<sup>nd</sup> dev. wells
  - First oil 25 Dec. 2014
- **Bøyla**
  - Subsea facilities completed
  - 2 development wells completed
  - First oil 19 Jan. 2015
- **Alvheim**
  - 1 infill well East Kam.



**France - 30 MUSD**

- **Paris Basin**
  - Underbalanced coiled tubing drilling
  - VGR drilling development

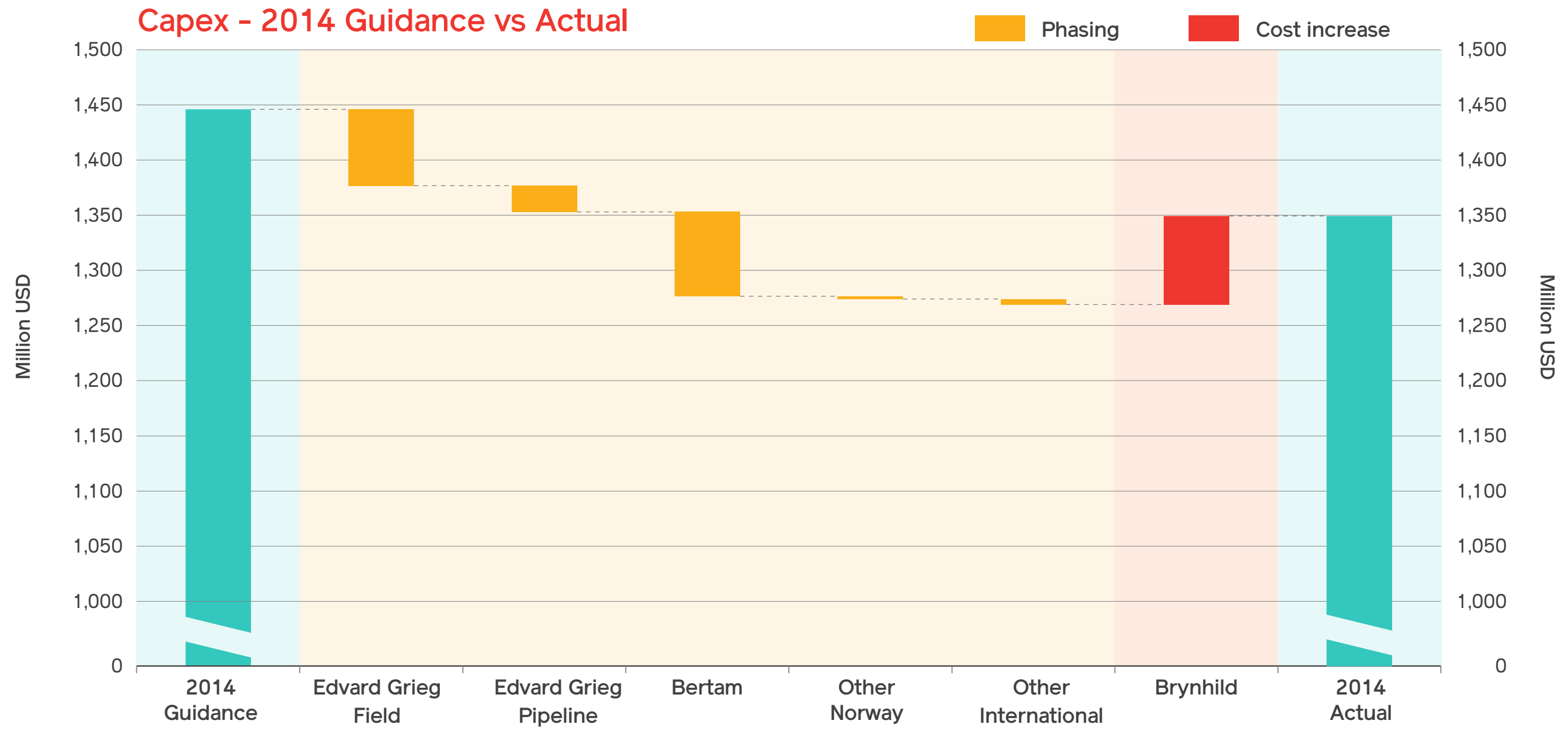
**Malaysia - 250 MUSD**

- **Bertam**
  - FPSO conversion
  - Jacket installed
  - Well Head Platform installed
  - Offshore hook-up ongoing
  - Commenced drilling dev. wells

**2014 Development 1,350 MUSD**

# CAPEX

## 2014 Guidance vs Actual





# Asset Overview

## 2015 Development Activity

**NORWAY – USD 750 million**

- **Edvard Grieg USD 490 million**
  - Topside installation & commissioning
  - Oil Export pipelines
  - Drilling
- Brynild USD 150 million**
  - - Drilling
- Bøyla USD 10 million**
  - - drilling
- Alvheim/Volund USD 75 million**
  - - Infill drilling

**FRANCE**

- **Vert La Gravelle**

**MALAYSIA – USD 180 million**

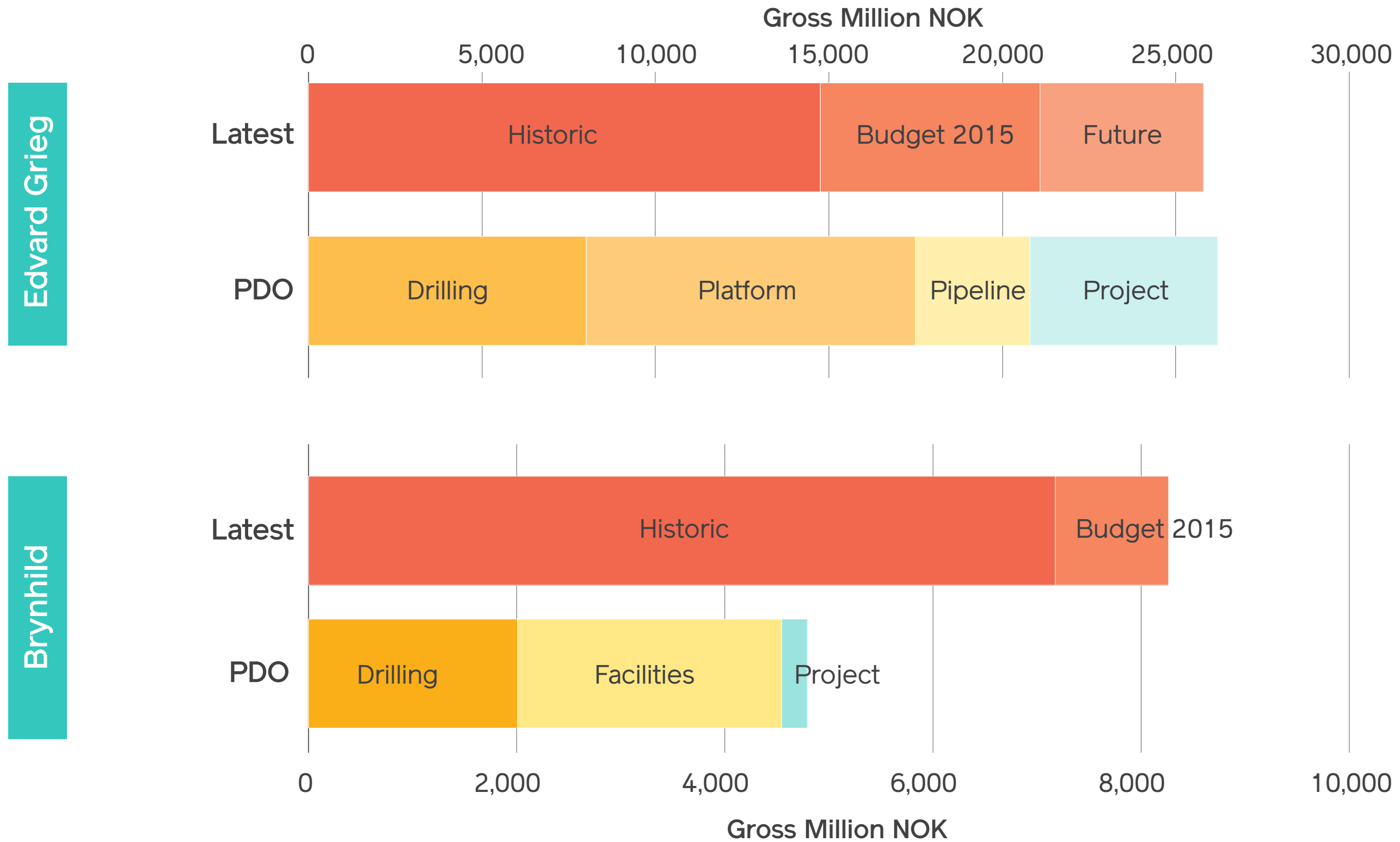
- **Bertam**
  - Drilling
  - Offshore commissioning

**Budget  
2015**

Drilling	520
Facilities	460
<b>Total</b>	<b>980</b>

**2015 Budget USD 980 Million**

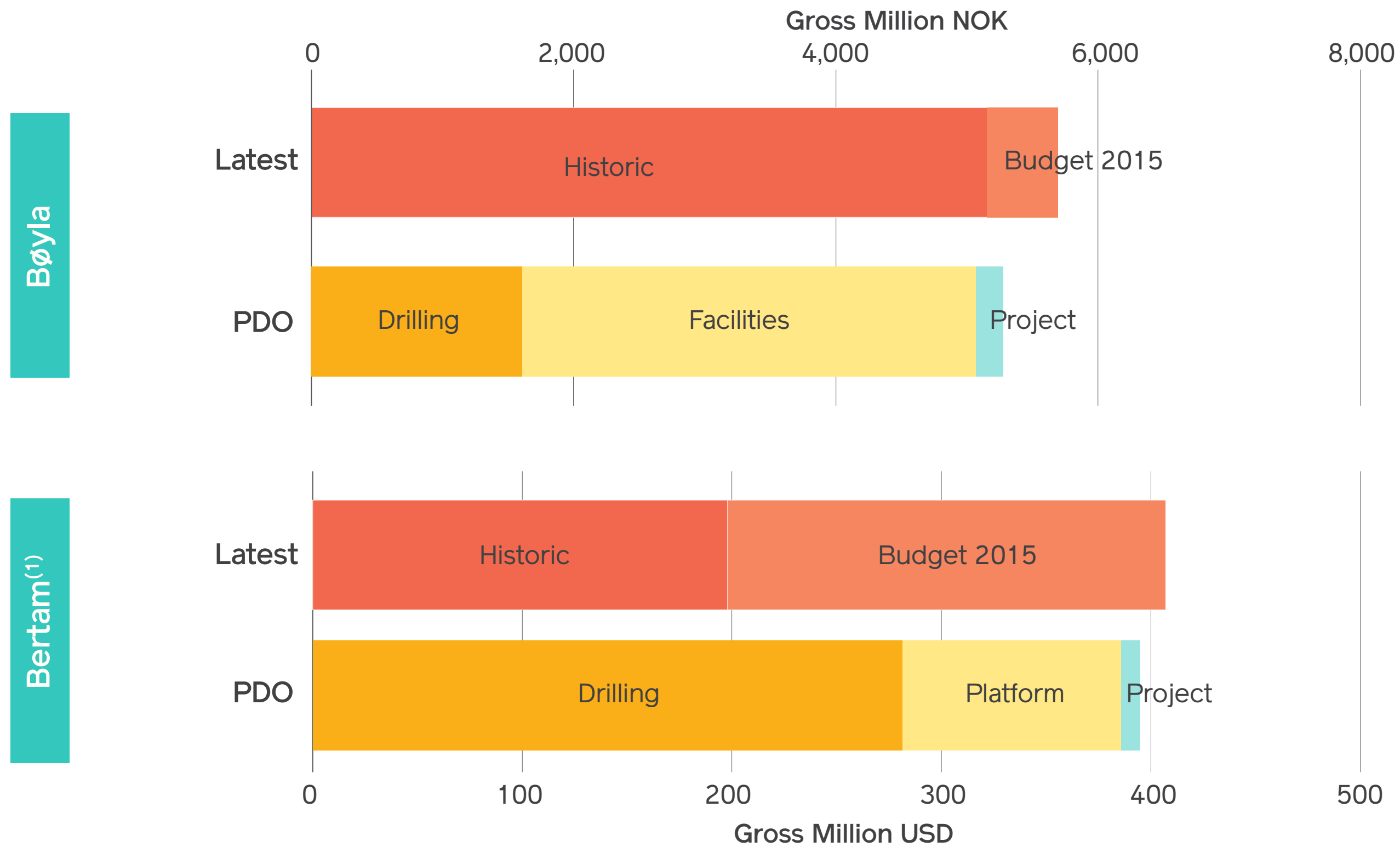
# 2015 Capex Guidance Life of Field Norway - Edvard Grieg & Brynhild



*PDO costs in 2015 money*

# 2015 Capex Guidance Life of Field

## Norway - Bøyla , Malaysia - Bertam



<sup>(1)</sup> Excluding FPSO Costs

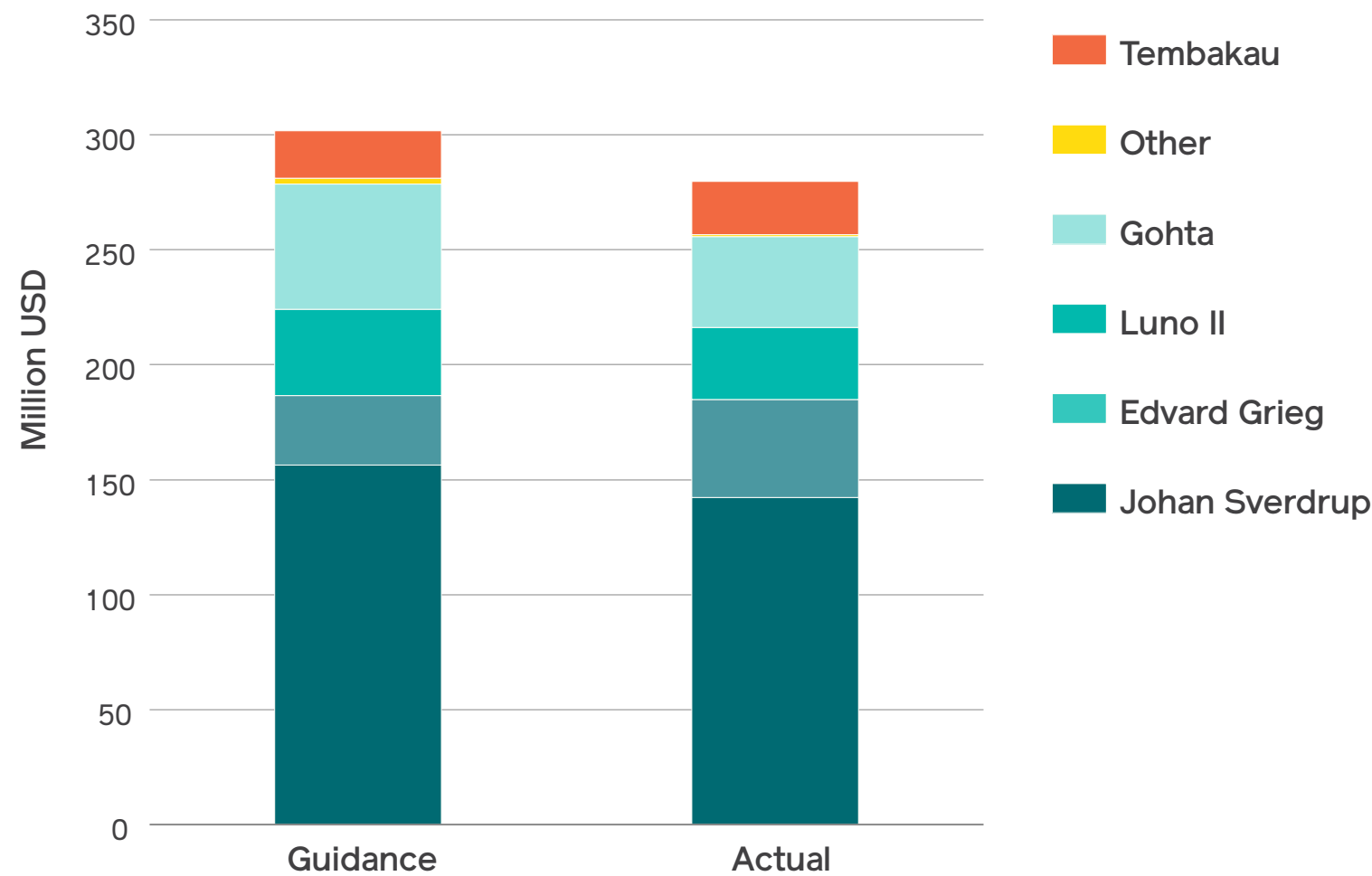
PDO costs in 2015 money

# 2014

## Guidance vs Actual

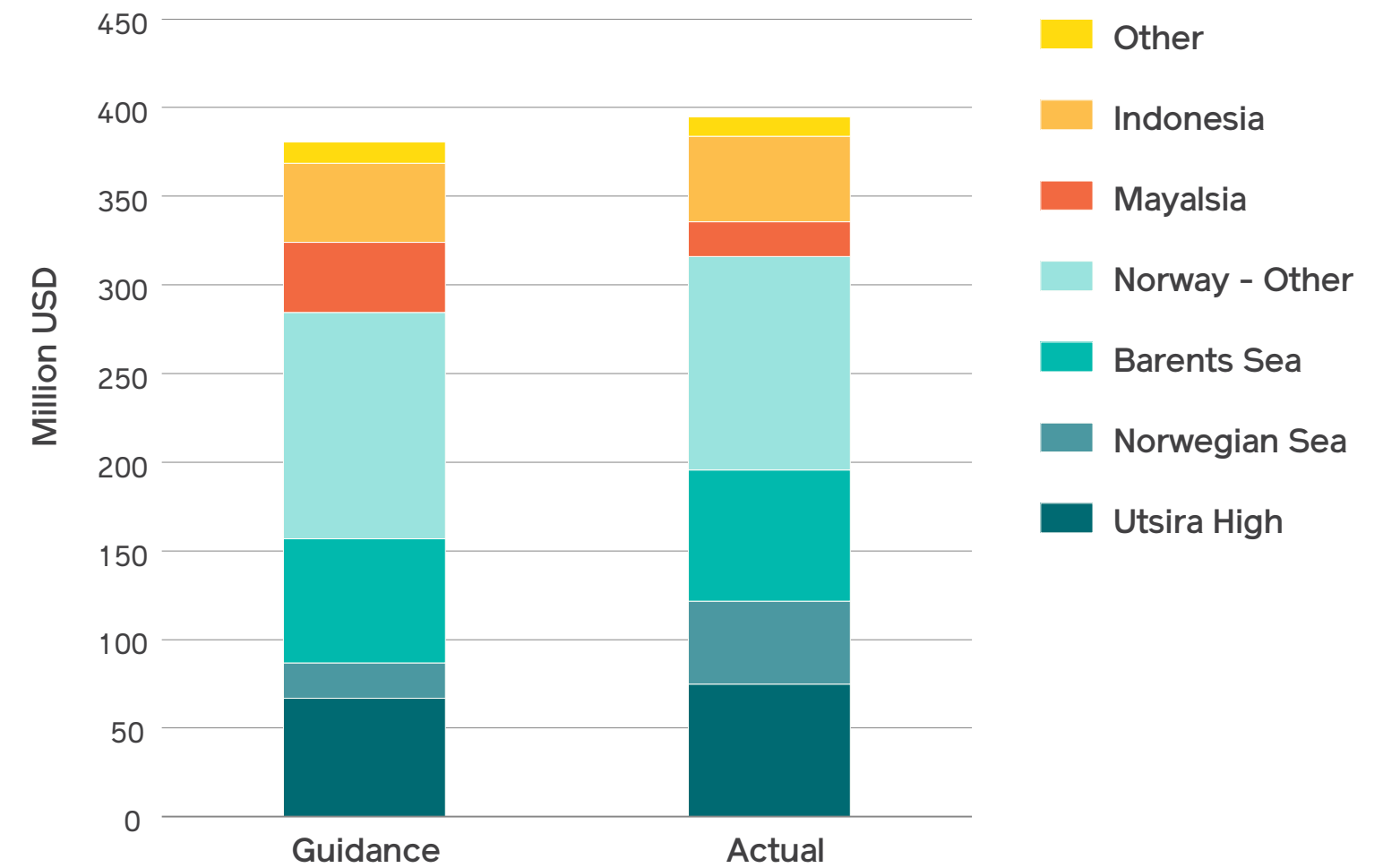
### 2014 Appraisal

- Actual 7% below guidance
- ⇒ 5 wells in Norway
- ⇒ 1 well in Malaysia



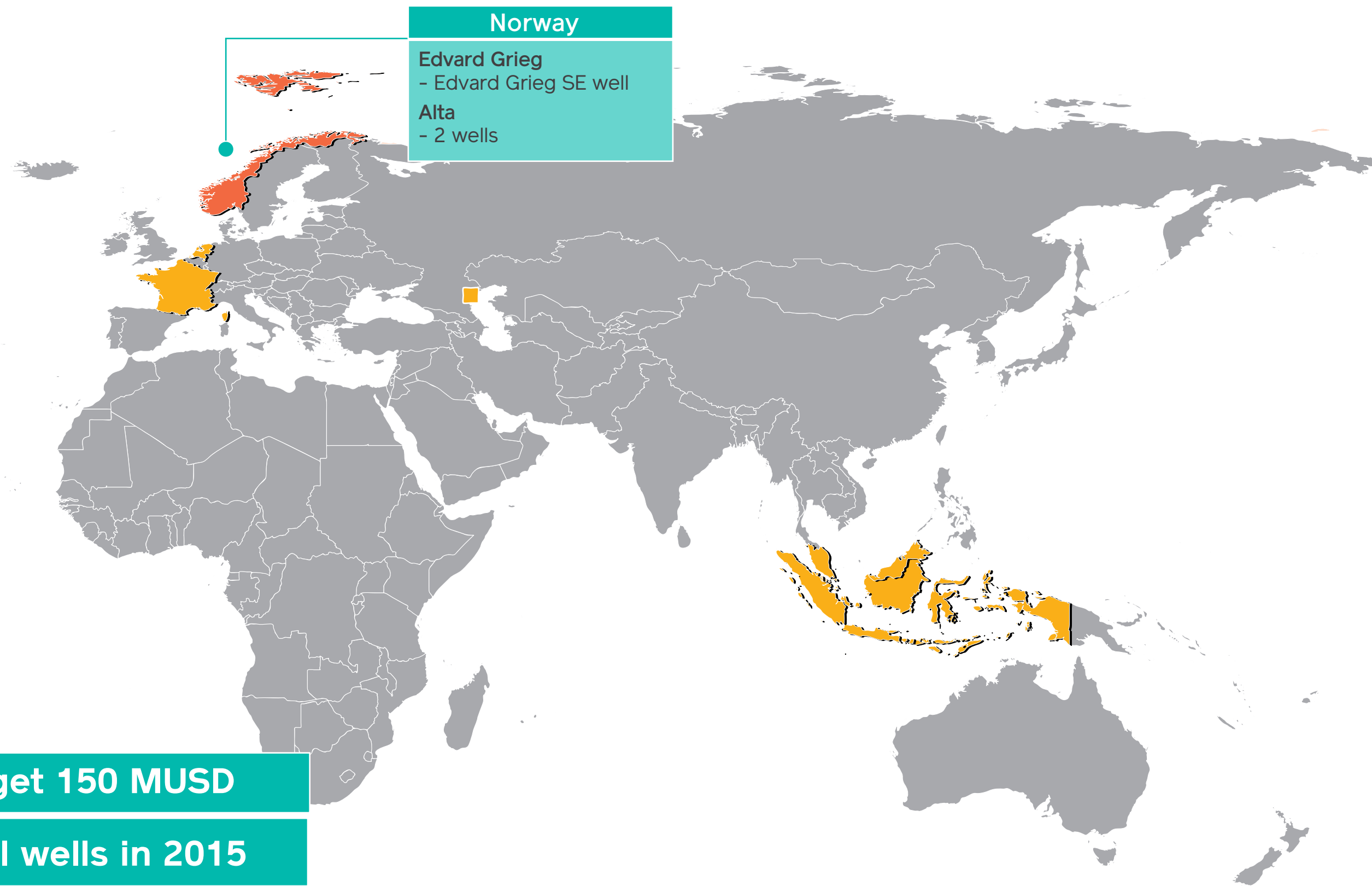
### 2014 Exploration

- Actual 4% above guidance
- ⇒ 6 wells in Norway
- ⇒ 3 wells in Indonesia
- ⇒ 1 well in Malaysia



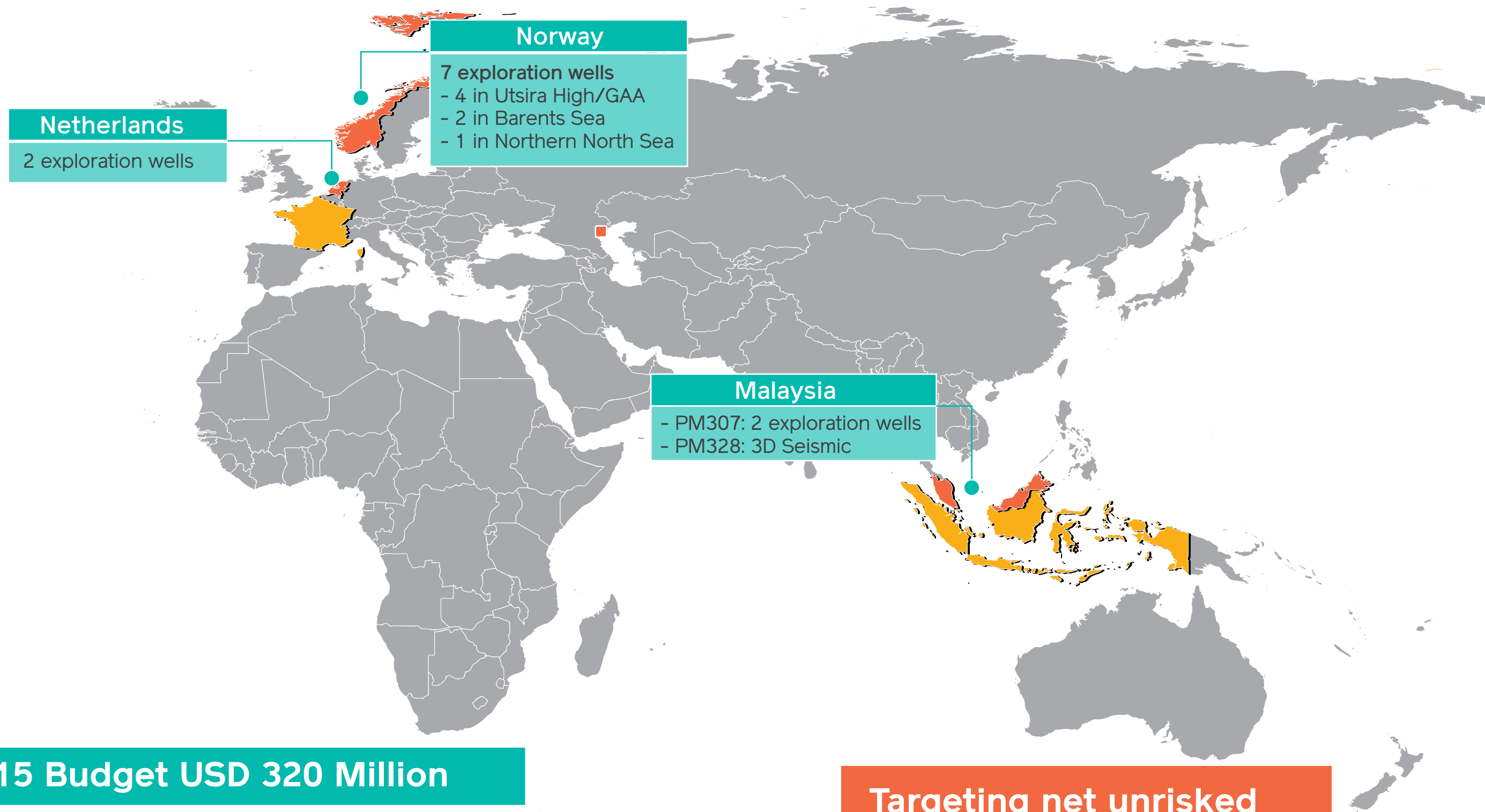
# Asset Overview

## 2015 Appraisal Activity



# Asset Overview

## 2015 Exploration Activity



**2015 Budget USD 320 Million**

**11 exploration wells in 2015**

**Targeting net unrisks resources of 510 MMboe**

# Corporate Overview - Financials and Funding

Capital Market Day, February 2015

# Year End 2014

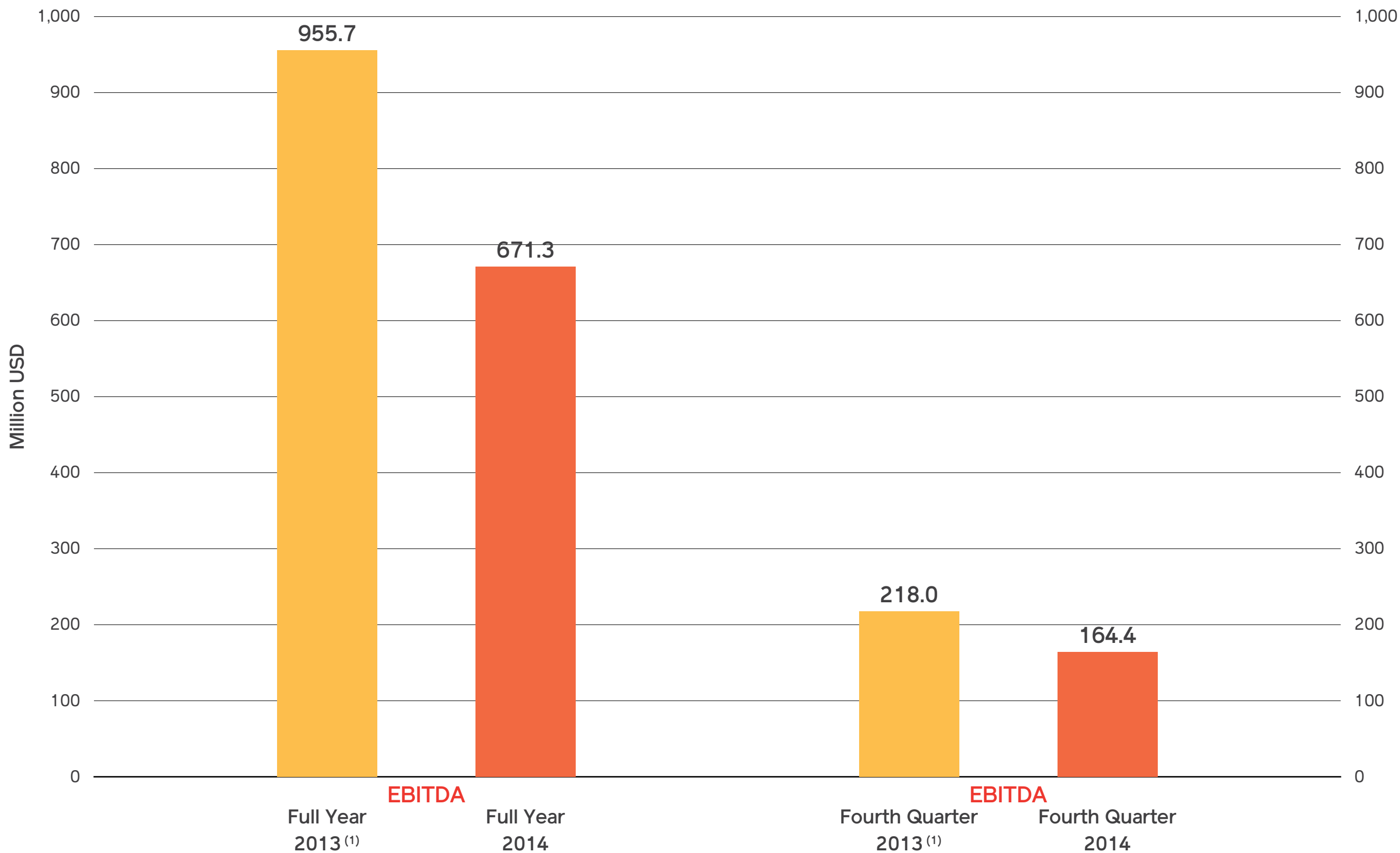
## Financial Highlights

	Fourth Quarter 2014	Full Year 2014
Production (boepd) - including Russia	22,000	24,900
- excluding Russia	22,000	23,800
Average Brent oil price (USD/boe)	76.6	99.0
Cost of operations (USD/boe)	11.0	10.9
EBITDA (MUSD)	164.4	671.3
Operating cash flow (MUSD)	334.5	1,138.5
Net result (MUSD)	-437.0	-431.9



# Year End 2014

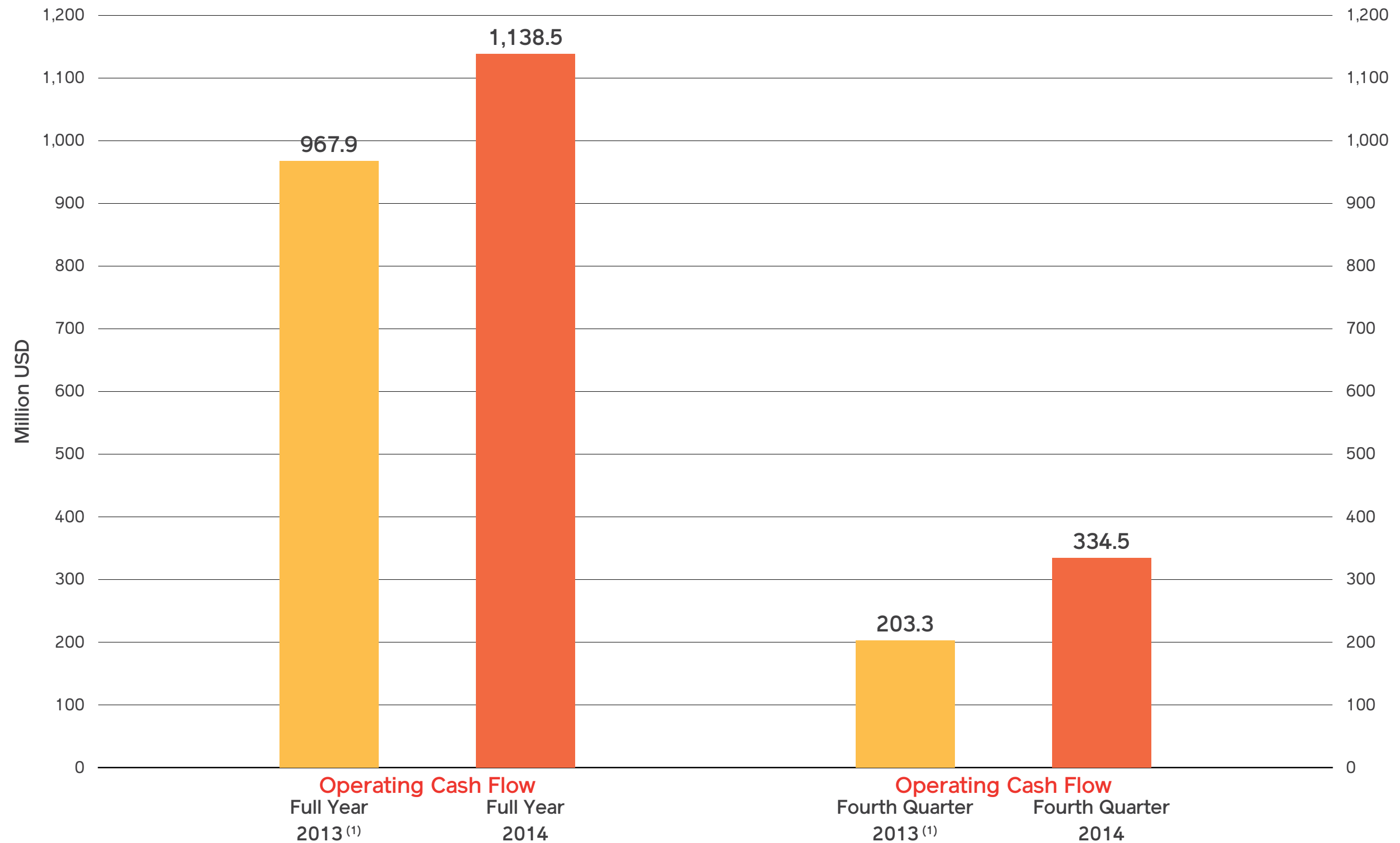
## Financial Results - EBITDA



<sup>(1)</sup> Restated following adoption of IFRS11 Joint Arrangements

# Year End 2014

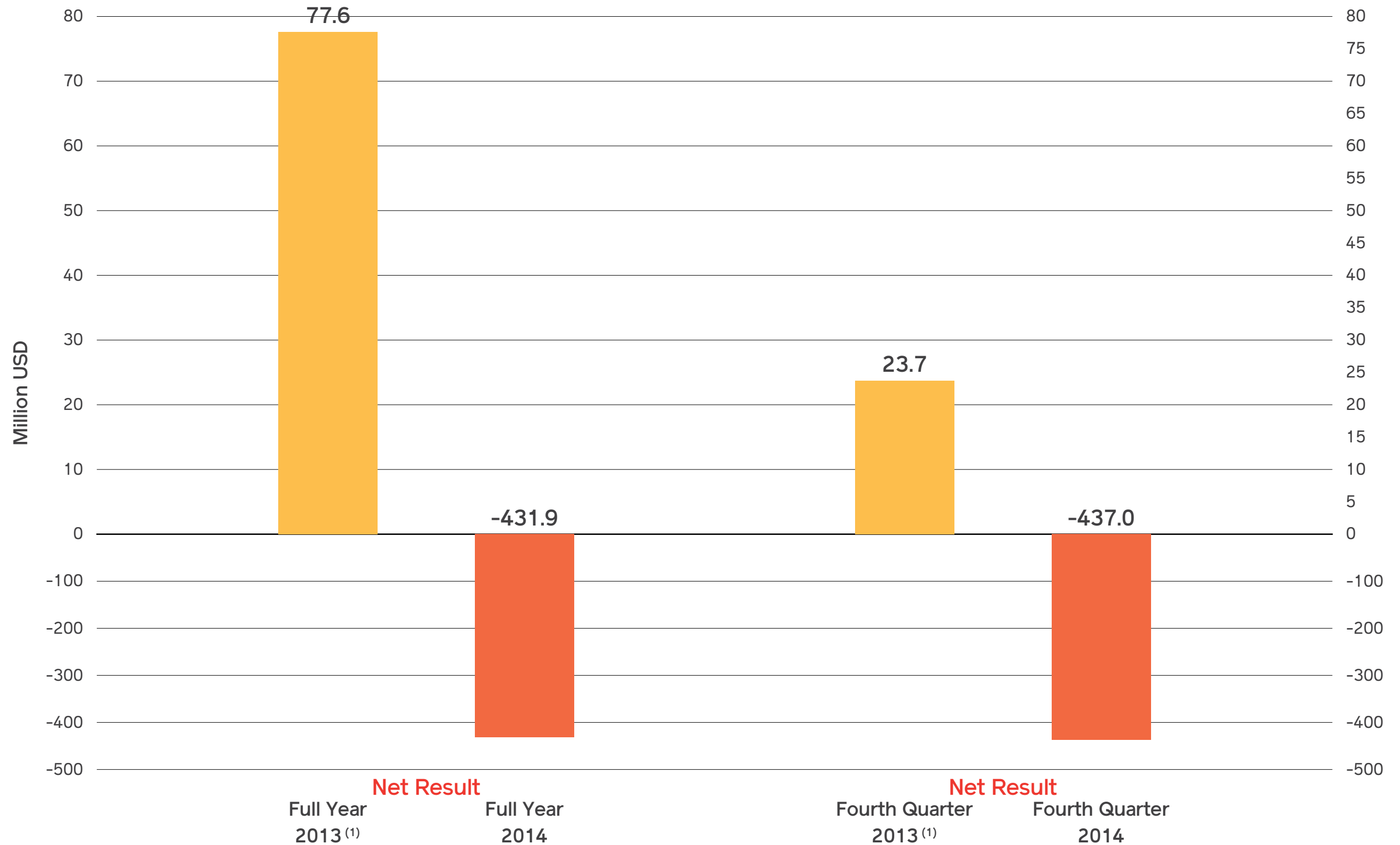
## Financial Results - Operating Cash Flow



<sup>(1)</sup> Restated following adoption of IFRS11 Joint Arrangements

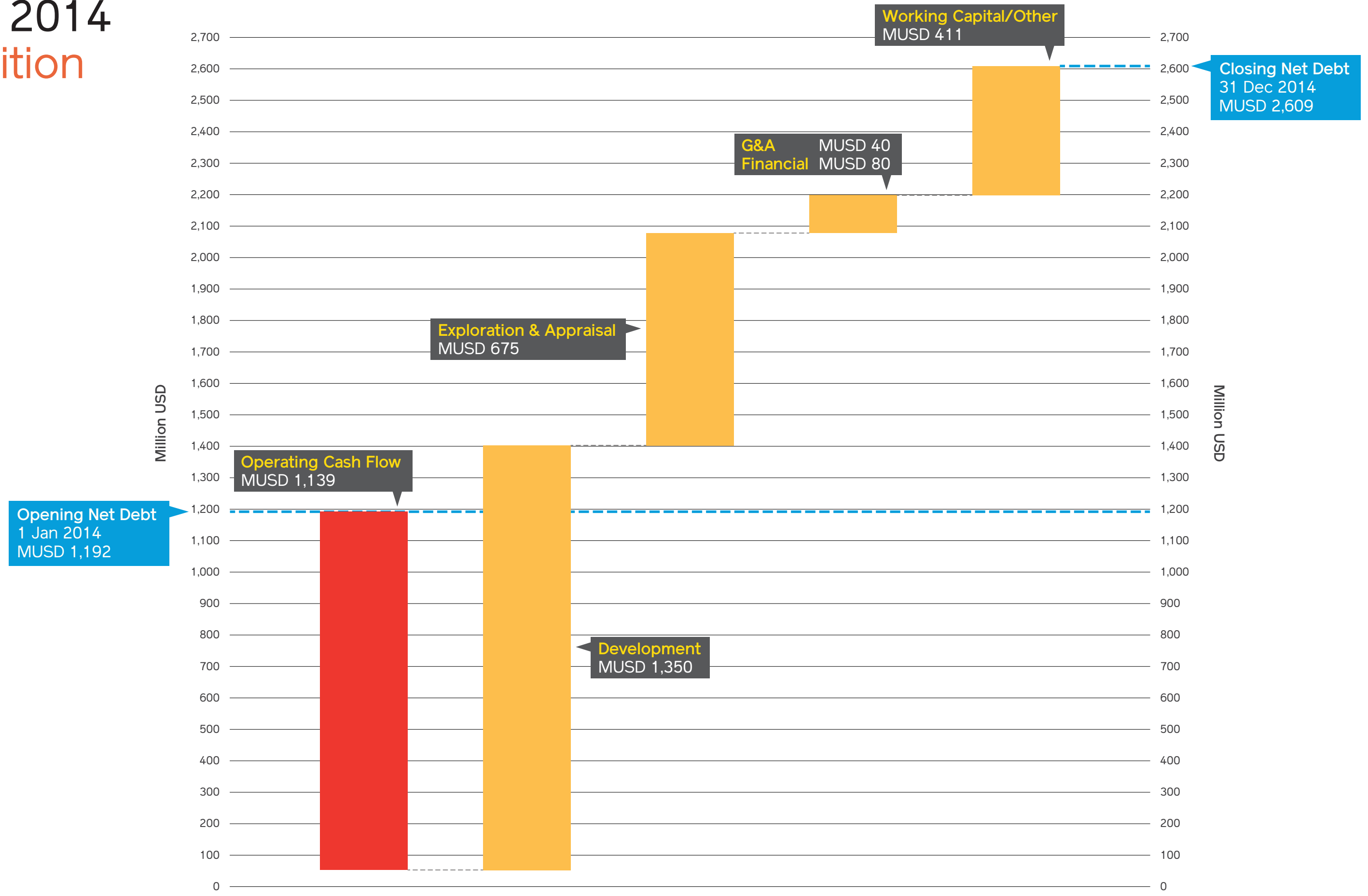
# Year End 2014

## Financial Results - Net Result



<sup>(1)</sup> Restated following adoption of IFRS11 Joint Arrangements

# Year End 2014 Debt Position



# 2015 Forecast

## Margin Netback (USD/boe)

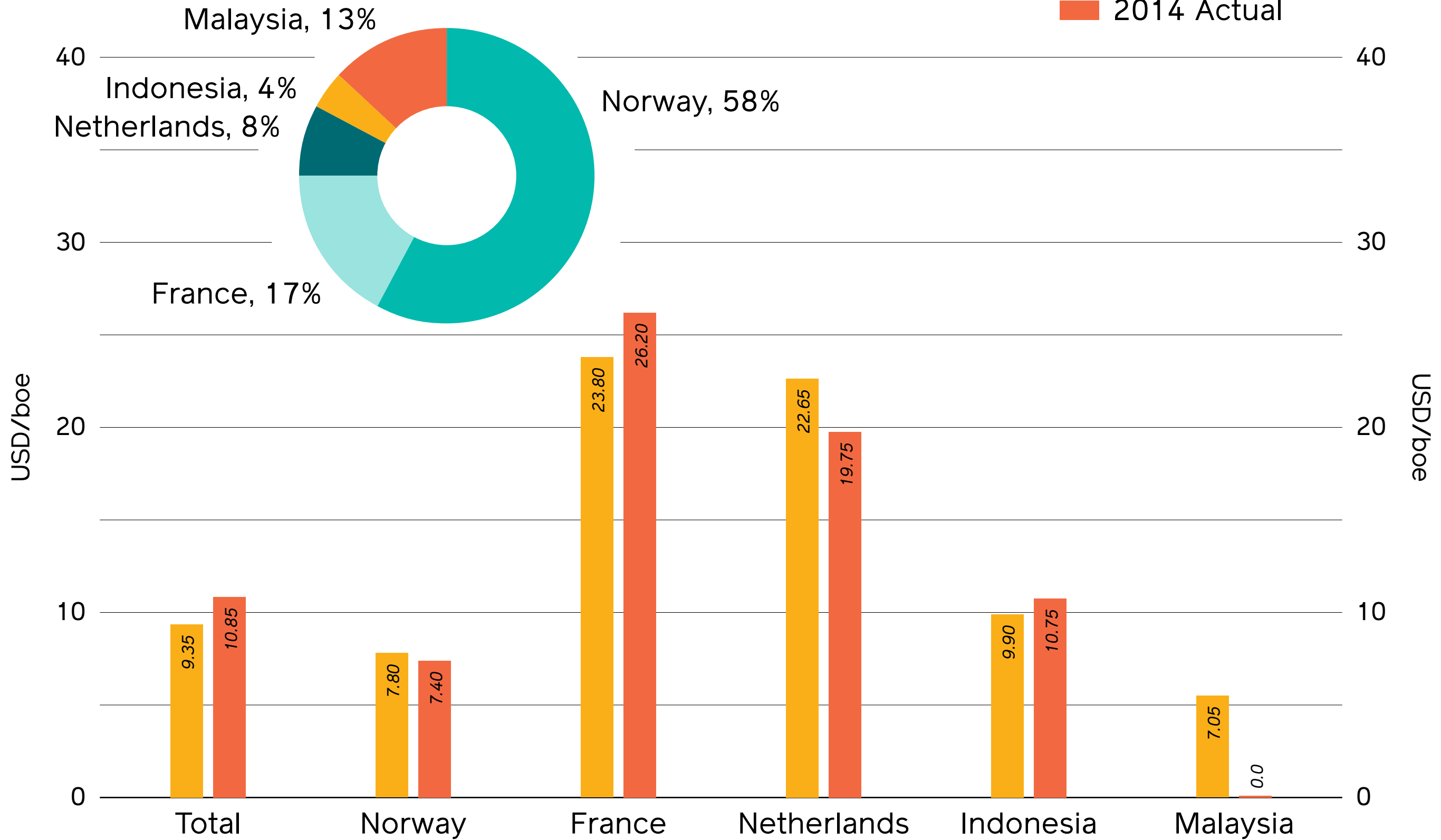
➔ 2015 Production guidance 41,000 – 51,000 boepd

	Forecast 2015			Actual 2014
<i>Brent oil price (USD)</i>	40.00	55.00	70.00	98.95
Revenue	41.95	54.50	67.05	90.35
Cost of operations - base	-8.40	-8.40	-8.40	-8.30
- projects	-0.95	-0.95	-0.95	-2.55
Tariff	-1.05	-1.05	-1.05	-2.10
Production taxes	-0.25	-0.25	-0.25	-0.40
Stock movement	0.60	0.60	0.60	0.10
Other	-1.45	-1.45	-1.45	5.65
<b>Cash Margin Netback</b>	<b>30.45</b>	<b>43.00</b>	<b>55.55</b>	<b>82.75</b>

# 2015 Forecast

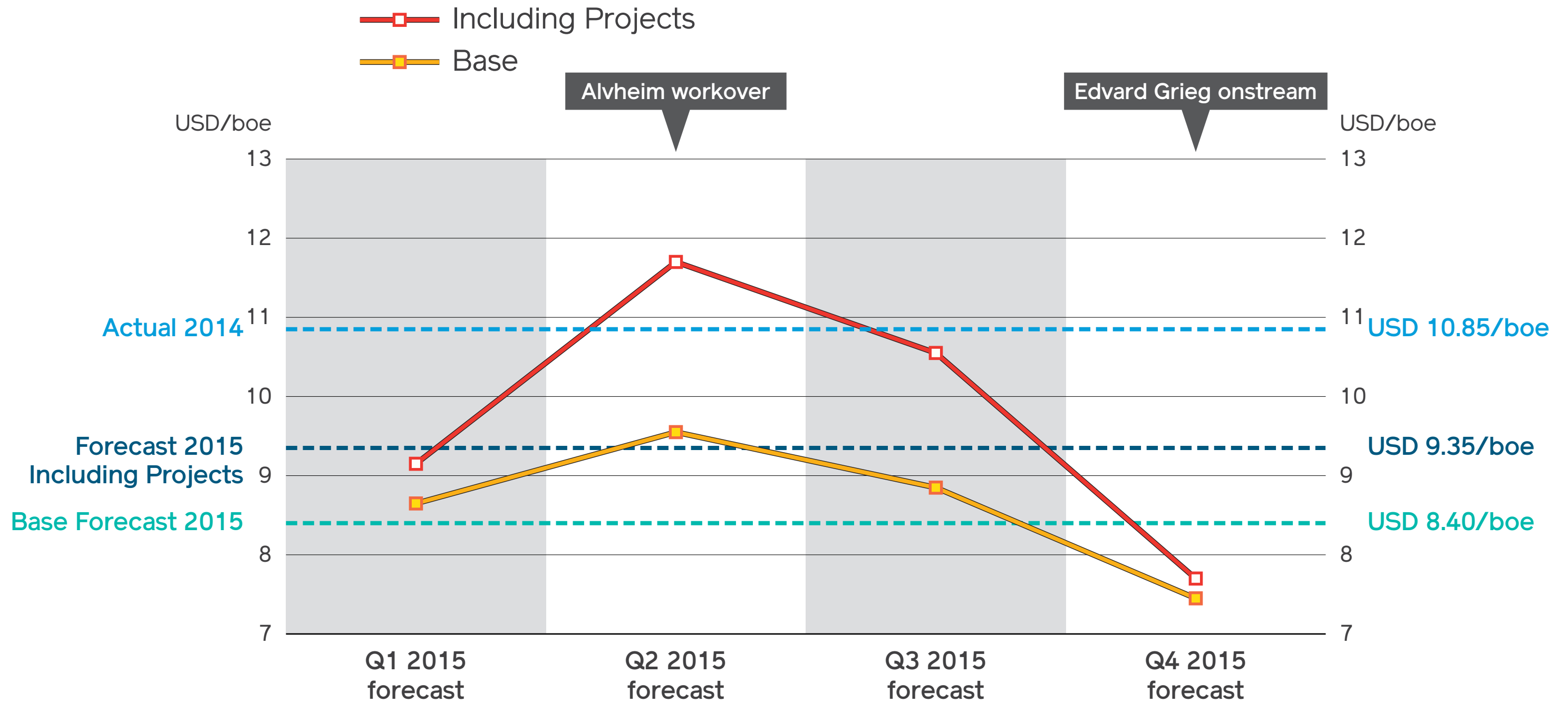
## Cost of Operations (including projects)

2015 Forecast  
2014 Actual

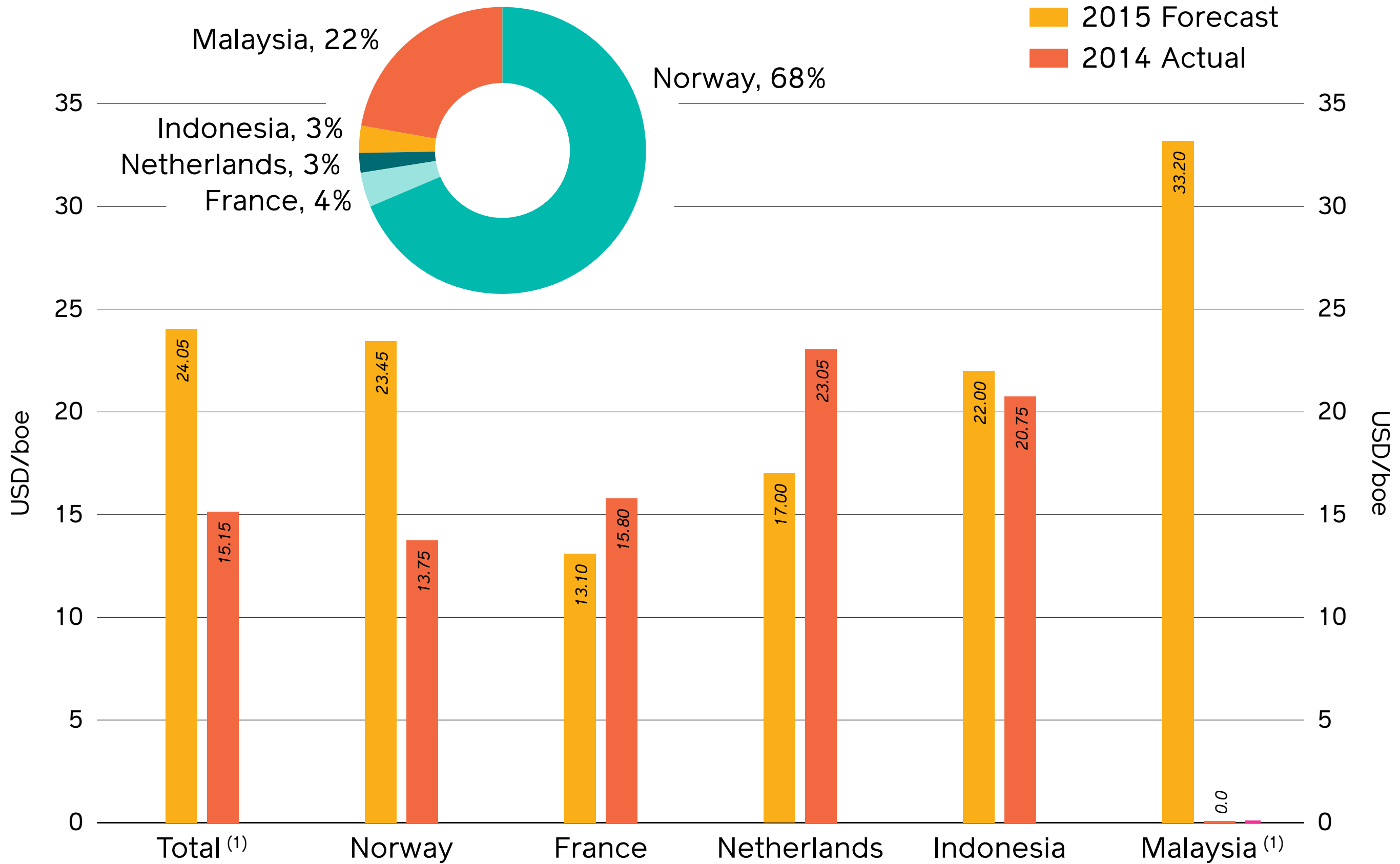


# 2015 Cost of Operations

## Quarterly



# 2015 Forecast Depletion



<sup>(1)</sup> Excludes depreciation of Bertam FPSO, Malaysia



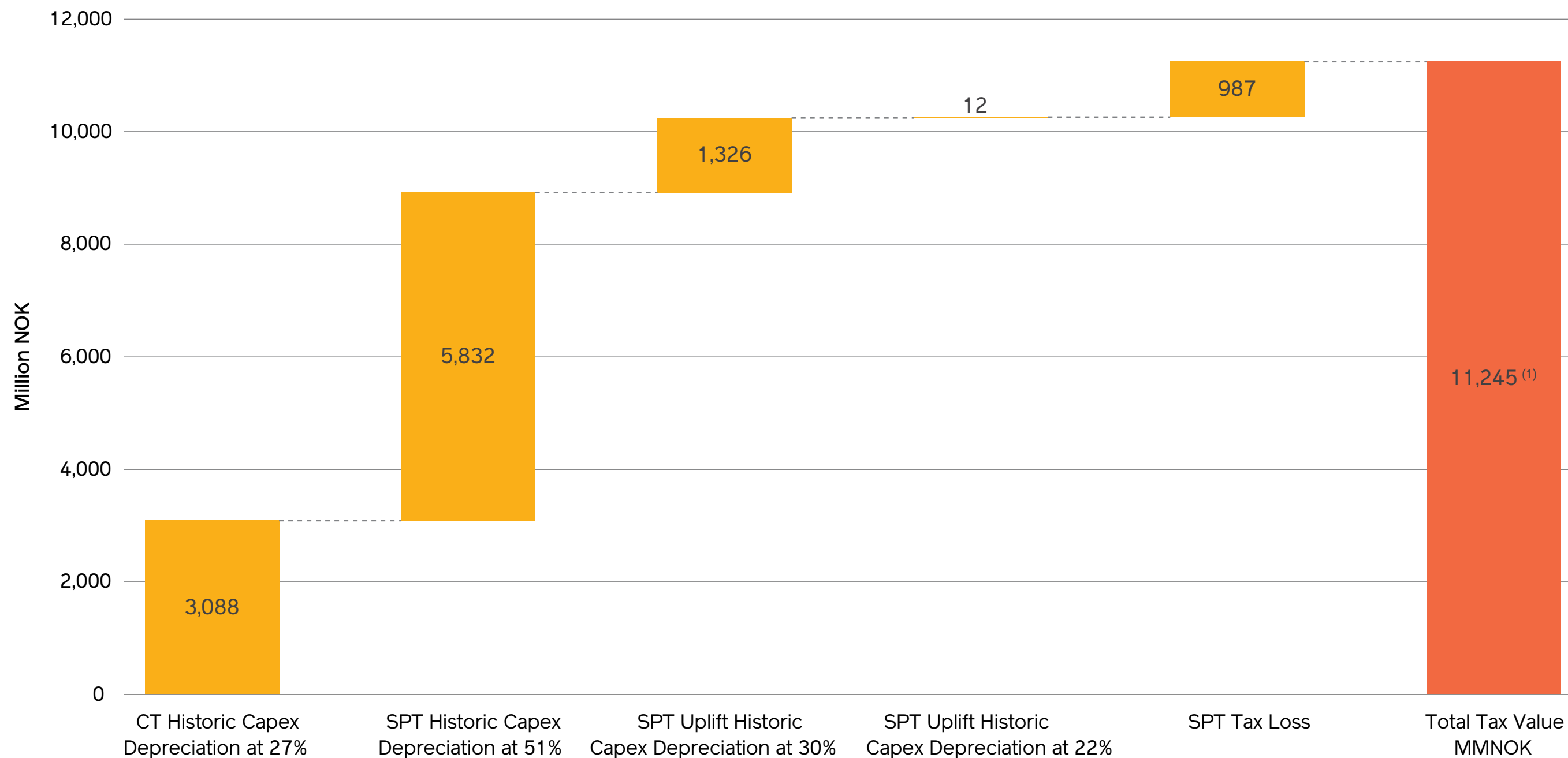
# 2015 Forecast

## Taxation (USD/boe)

	Forecast 2015		
<i>Brent oil price (USD)</i>	40.00	55.00	70.00
Current Tax Credit	-19.15	-19.10	-17.85
Deferred Tax Charge	9.60	18.00	25.10
	<b>-9.55</b>	<b>-1.10</b>	<b>7.25</b>

# Norway Tax Value

Undiscounted Norwegian Tax Value from historic capex spend as at 1 Jan 2015 (MNOK)



<sup>(1)</sup> USD 1.5 – 1.7 billion [NOK 7.5 – 6.5 /USD]

# 2015 Forecast

## Profit Netback (USD/boe)

	Forecast 2015		
<i>Brent oil price (USD)</i>	40.00	55.00	70.00
<b>Cash Margin Netback</b>	<b>30.45</b>	<b>43.00</b>	<b>55.55</b>
Depletion /Depreciation	-25.30	-25.30	-25.30
G&A	-2.35	-2.35	-2.35
Financial items, net	-6.95	-6.80	-6.70
<b>Profit /loss Before Tax</b>	<b>-4.20</b>	<b>8.55</b>	<b>21.20</b>
Tax	9.55	1.10	-7.25
<b>Profit /loss After Tax</b>	<b>5.35</b>	<b>9.65</b>	<b>13.95</b>

# 2015 Forecast

## EBITDA Netback (USD/boe)

	Forecast 2015		
<i>Brent oil price (USD)</i>	40.00	55.00	70.00
Cash Margin Netback	30.45	43.00	55.55
General & Administrative	-1.95	-1.95	-1.95
<b>EBITDA Netback</b>	<b>28.50</b>	<b>41.05</b>	<b>53.60</b>

General & Administrative	
Cash	1.80
Non-cash LTIP	0.15
	<b>1.95</b>
Depreciation	0.40
	<b>2.35</b>

# 2015 Forecast

## Operating Cash Flow Netback (USD/boe)

	Forecast 2015		
<i>Brent oil price (USD)</i>	40.00	55.00	70.00
Cash Margin Netback	30.45	43.00	55.55
Cash Taxes	19.15	19.10	17.85
<b>Operating Cash Flow Netback</b>	<b>49.60</b>	<b>62.10</b>	<b>73.40</b>

# Funding Status and Guidance

- **Strong balance sheet**
- **High cash margin assets**
- **Reserve based lending facility is core to our funding**
- **26 international banks**
- **Full access to USD 4 billion facility**

# Year End 2014

## Liquidity MUSD

→ at 31 December 2014

Debt Outstanding	2,690
------------------	-------

Cash Balances	81
---------------	----

Net Debt Position	2,609
-------------------	-------

- Financing facility increased to USD 4 billion in Feb 2014 under similar terms
- Margin on Loan Facility: 2.75%
- Full access to USD 4 billion under low oil price sensitivity
- Conservative leverage on Johan Sverdrup

# Options to Increase Liquidity

- **Exploration refund facility (ERF) – low hanging fruit**
  - ➔ December 2015 tax refund based on 2014 expenditure NOK 2.75 billion
  - ➔ Plan to implement in Q2 2015 ERF up to NOK 4.5 billion [2 year facility]
- **Full inclusion of Johan Sverdrup => significant increase in RBL capacity**



# 2015 Forecast

## Funding & Liquidity (USD/boe)

	Forecast 2015			
<i>Brent oil price (USD)</i>	40.00	55.00	70.00	
<b>Operating Cash Flow Netback</b>	<b>49.60</b>	<b>62.10</b>	<b>73.40</b>	
General & Administrative	-1.80	-1.80	-1.80	
Cash Financial Items	-7.90	-7.80	-7.70	
<b>Cash Flow Available for Investment</b>	<b>39.90</b>	<b>52.50</b>	<b>63.90</b>	
				<b>MUSD</b>
Development Capex	58.35	58.35	58.35	980
Appraisal Capex	8.95	8.95	8.95	150
Exploration Capex	19.05	19.05	19.05	320
	<b>86.35</b>	<b>86.35</b>	<b>86.35</b>	
<b>Funding Requirement</b>	<b>46.45</b>	<b>33.85</b>	<b>22.45</b>	
Available RBL	78.00	78.00	78.00	
Norway Exploration Refund (Dec 2015)	21.75	21.75	21.75	
	<b>99.75</b>	<b>99.75</b>	<b>99.75</b>	

# Developments



Capital Market Day, February 2015

# Norway & Malaysia Development Projects

## ➤ Ongoing Norwegian Developments

- ➔ Edvard Grieg (Lundin 50% operator)
- ➔ Brynhild (Lundin 90% operator)
- ➔ Bøyla (Lundin 15%)
- ➔ Ivar Aasen Unit (Lundin 1.385%)

⇒ First oil achieved Dec. 2014

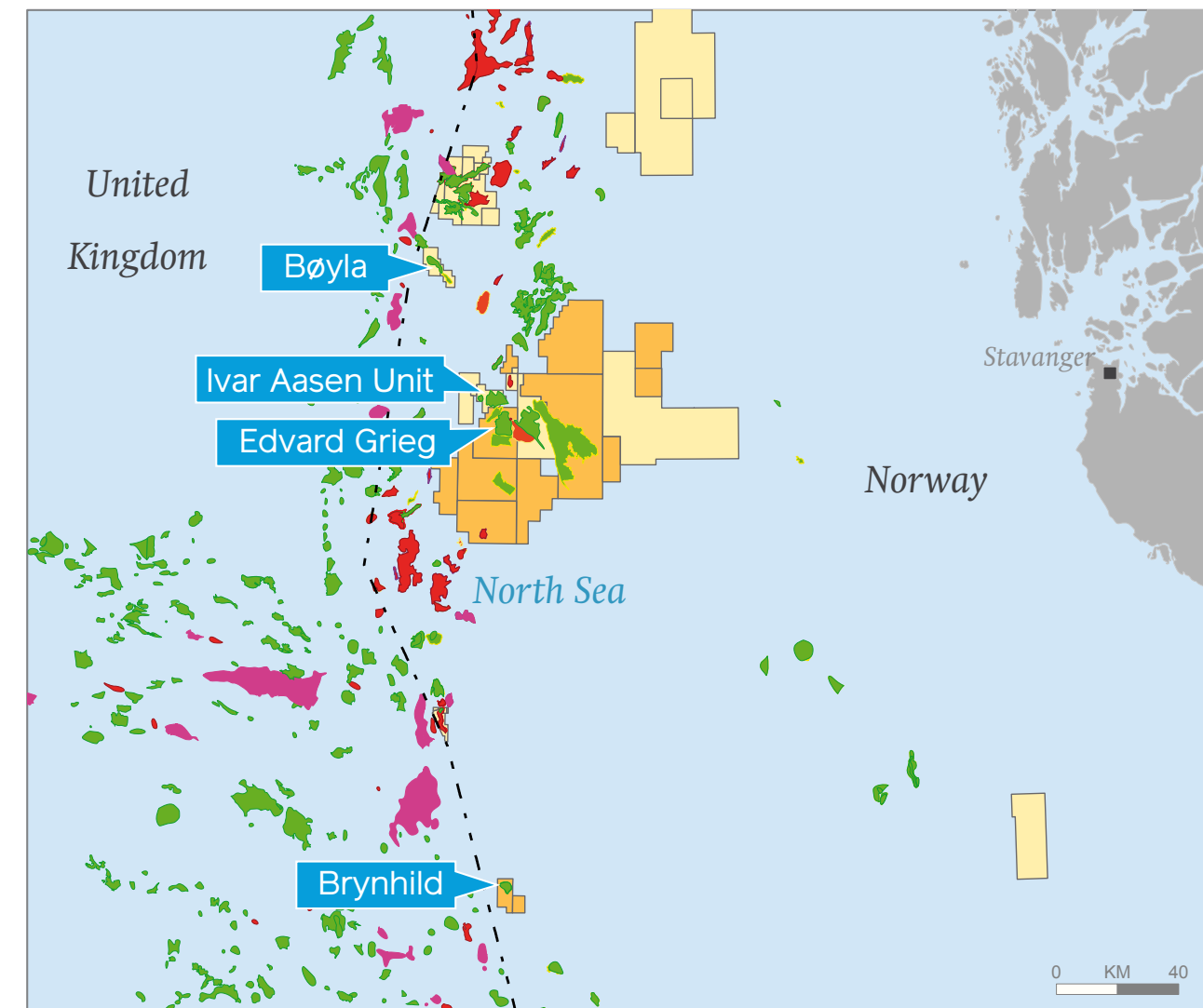
⇒ First oil achieved Jan. 2015

## ➤ Ongoing Malaysian Development

- ➔ Bertam (Lundin 75% operator)

2015 Budget USD 980 Million

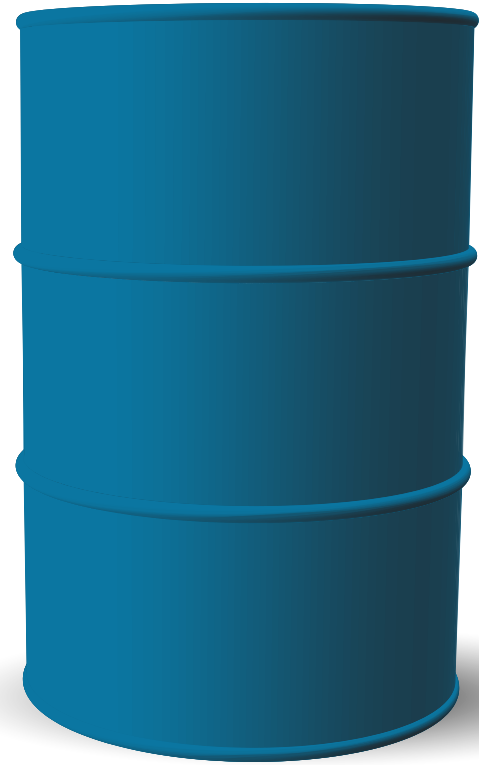
### Norway



### Malaysia



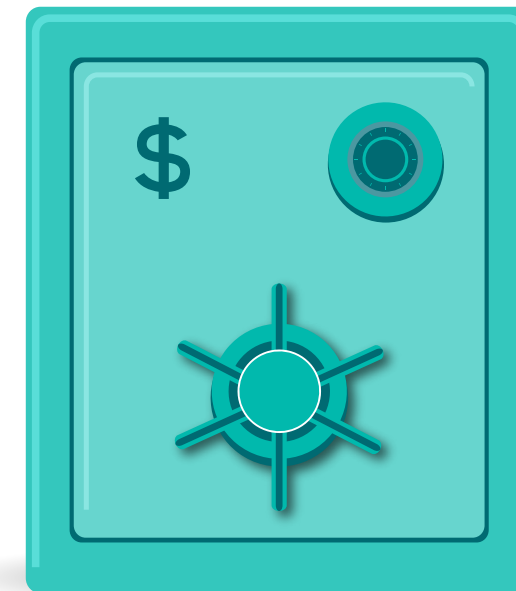
# Edvard Grieg Highlights



2P Reserves  
187 MMboe

First oil: Q4 2015  
Plateau Production 100,000 boepd

Project Capex:  
NOK 25 billion



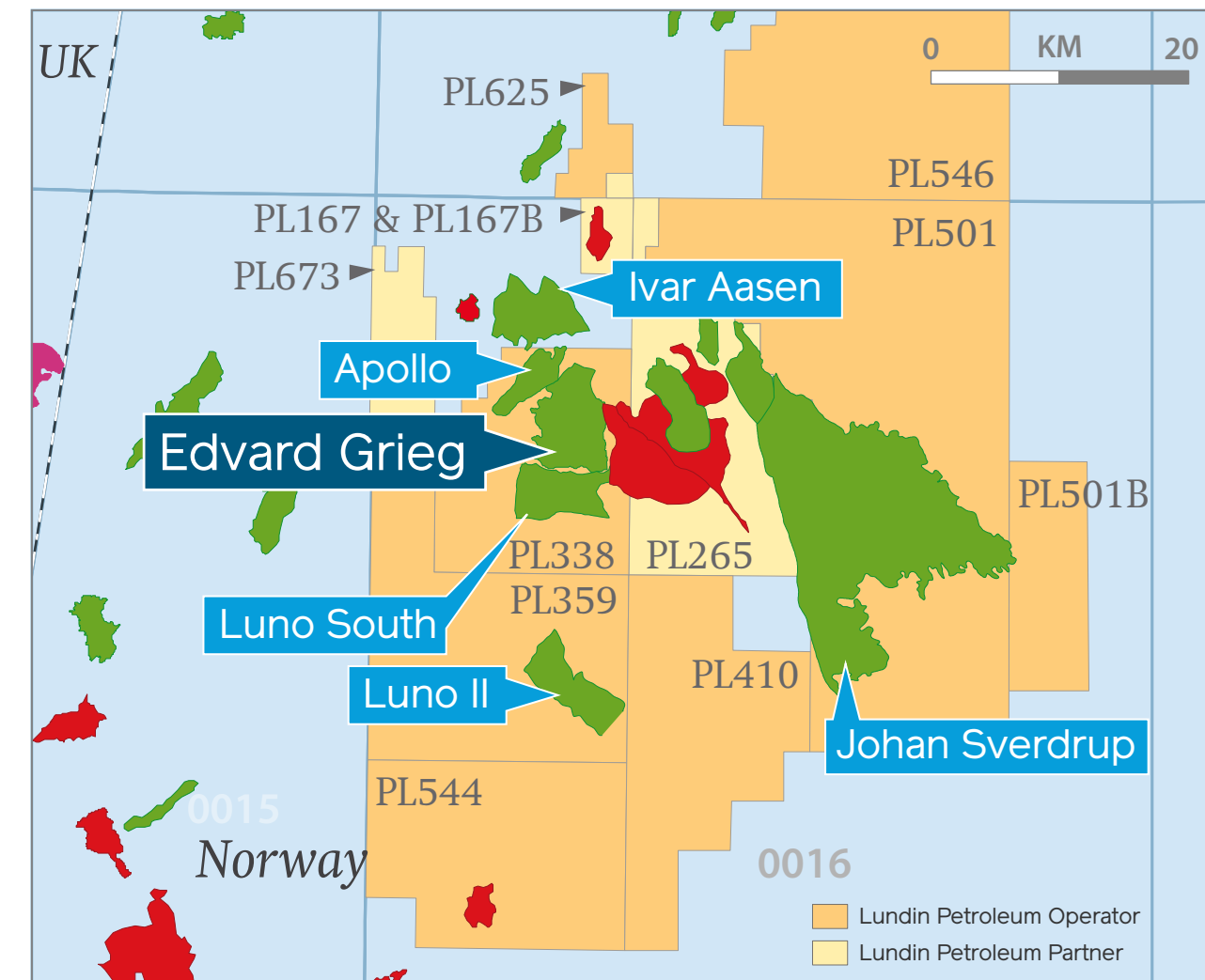
**ON BUDGET and ON SCHEDULE**

# Edvard Grieg

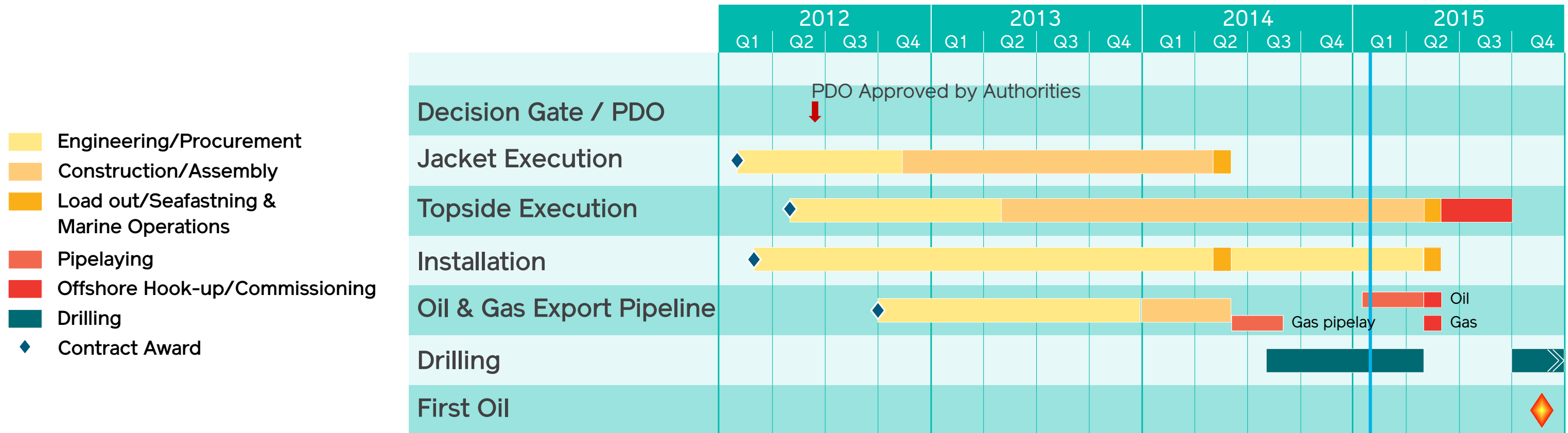
## Project Overview

- **Operator:** Lundin Petroleum 50%
- **Partners:** OMV 20%,  
Wintershall Norge 15%,  
Statoil 15%
- **Water depth:** 115 m
- **Dev. concept:** PDO approved June 2012  
Platform development with 15 wells  
Oil export to Grane Oil Pipe  
Gas export to SAGE (UK)
- **Associated activities:**
  - ➔ Statoil operated export pipelines for Edvard Grieg and Ivar Aasen fields (UHGP+EGOP)
  - ➔ Ivar Aasen unitisation results: Lundin Petroleum share 1.385% from Ivar Aasen extending into PL338BS

### Norway - Southern Utsira High

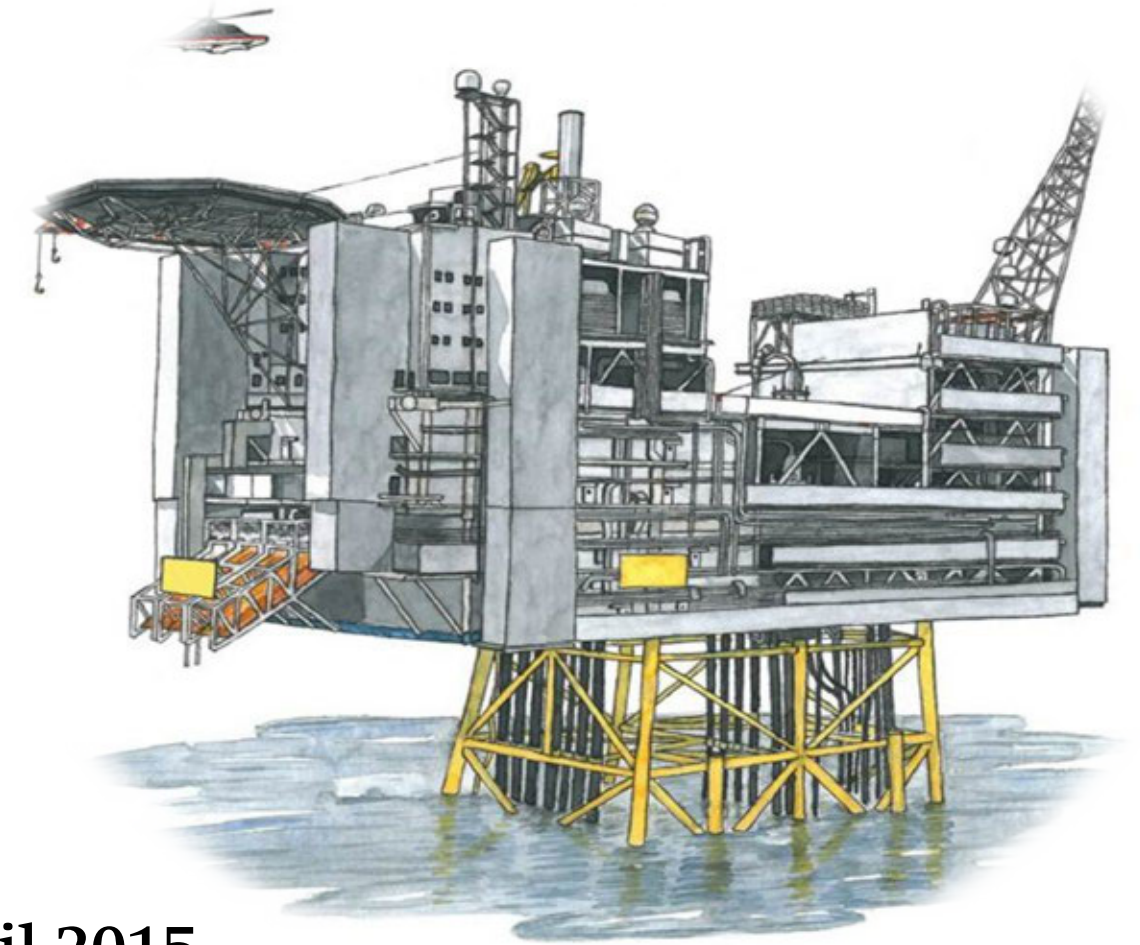


# Edvard Grieg Master Schedule



- Jacket successfully installed in 2014
- Topside construction substantially completed  
➔ offshore installation April 2015
- Gas pipeline installed
- Development drilling commenced

# Edvard Grieg Platform Project Schedule



- Good progress and on schedule
  - All material and equipment is delivered
  - Multidiscipline installation work ongoing, the peak is over
  - Offshore installation of topside is planned to take place in April 2015
- ⇒ Production start will be in Q4 2015 according to plan

# Edvard Grieg Jacket EPC – Completed & Installed

Sail away from Verdal yard, April 15<sup>th</sup>



Jacket installed on location, May 4<sup>th</sup>



Jacket Launch, May 3<sup>rd</sup>

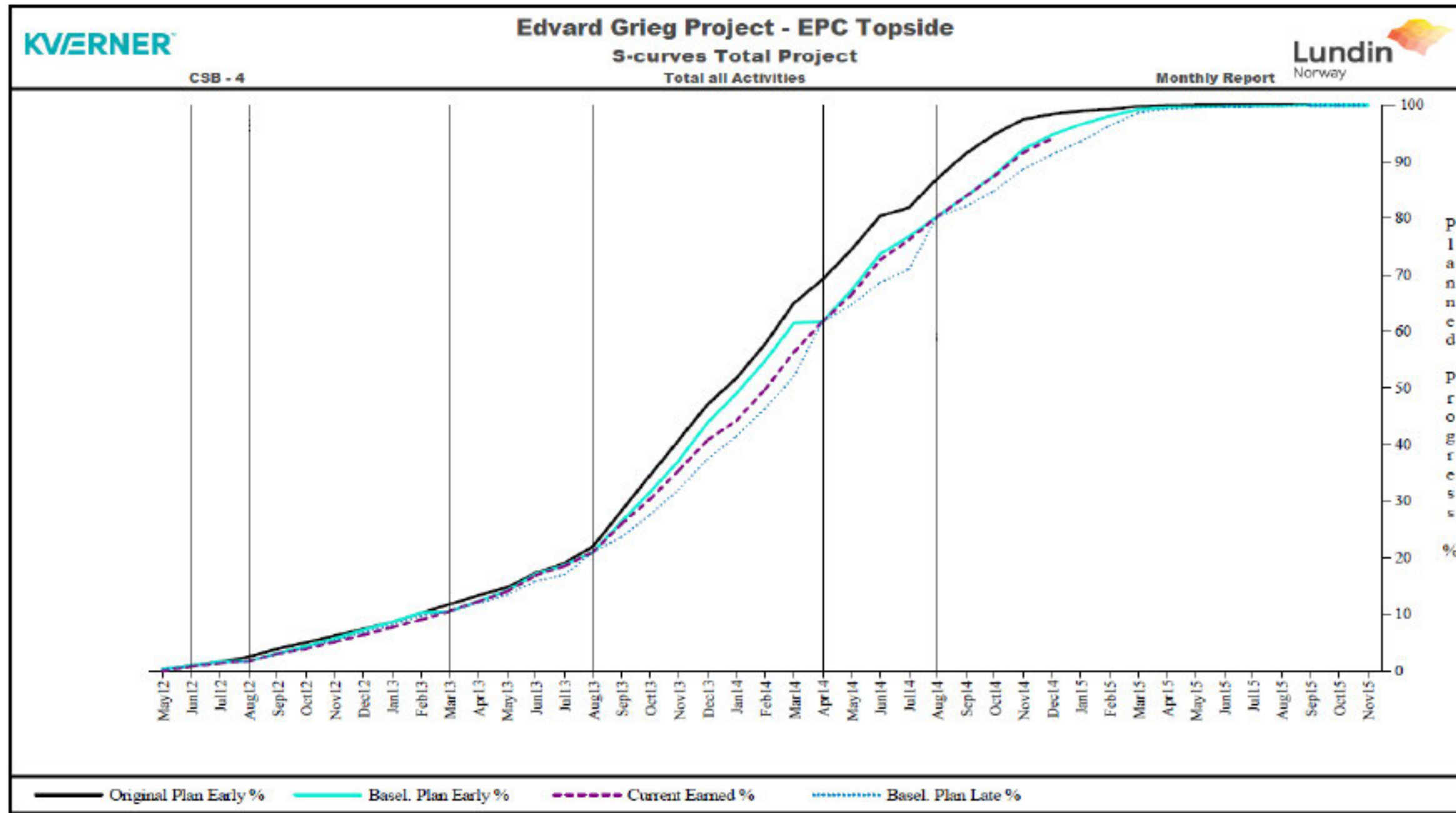


**DELIVERED ON BUDGET and ON SCHEDULE**



# Edvard Grieg

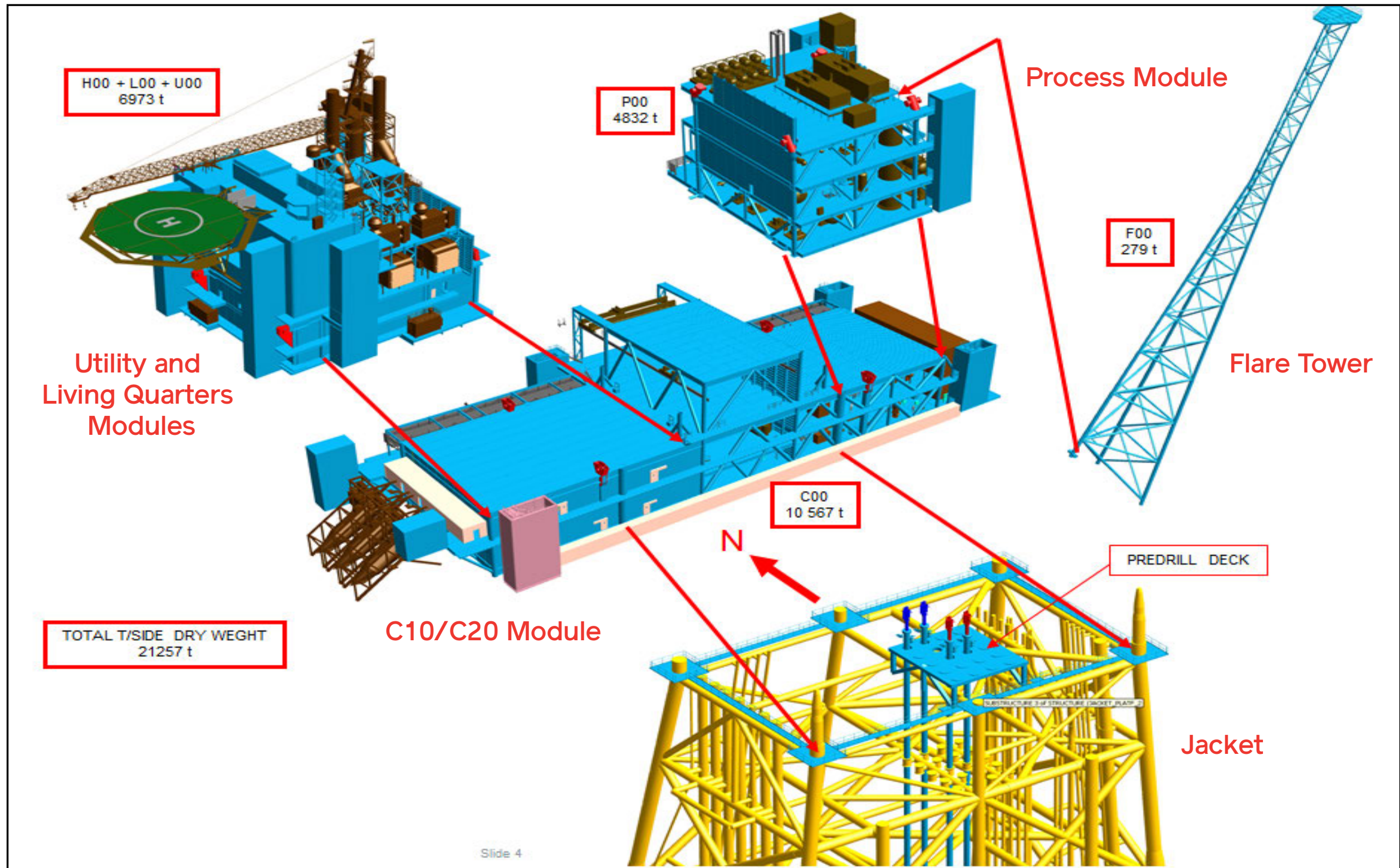
## Topside EPC Contract - December 2014



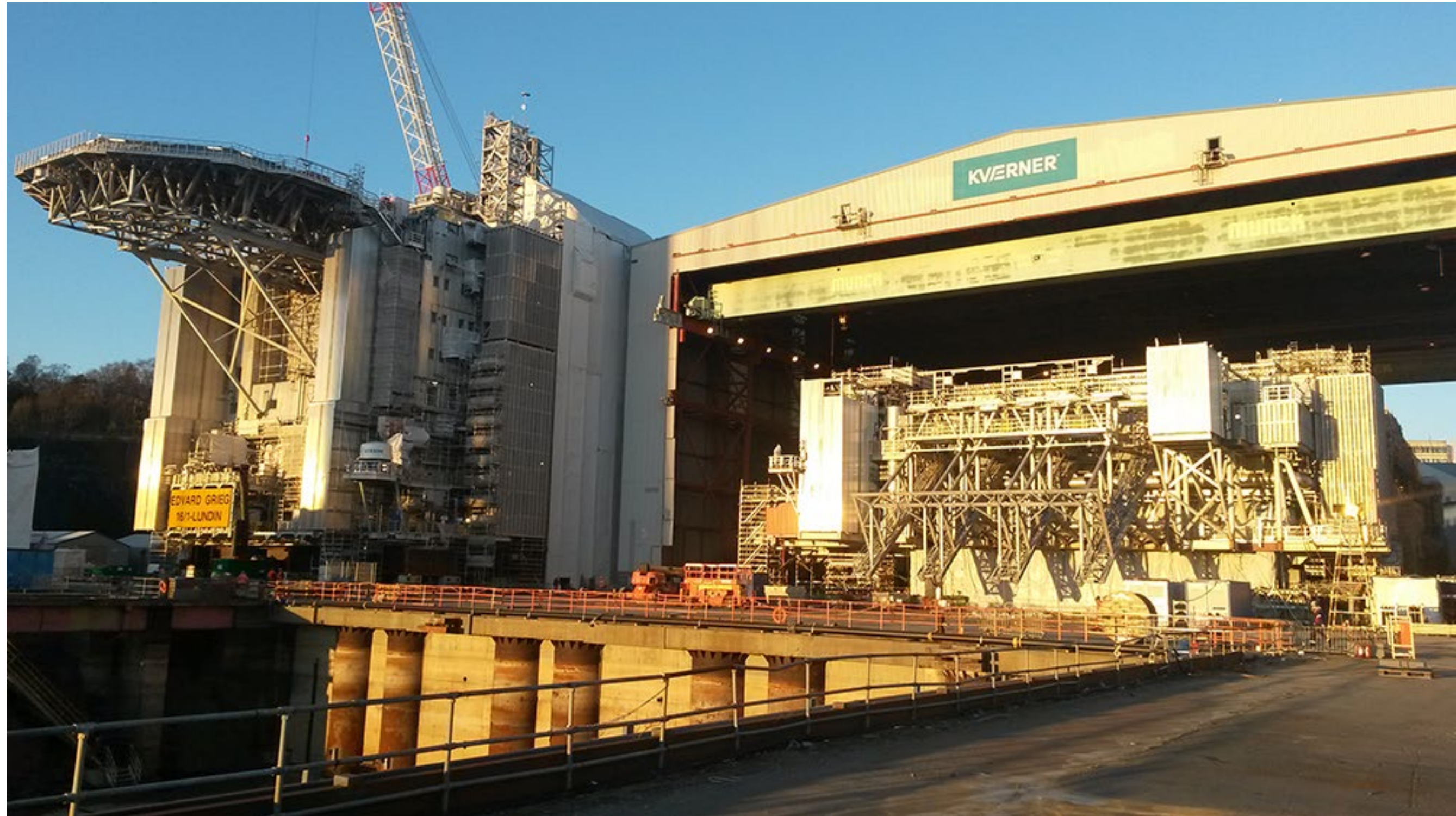
Total progress:  
 94.1% versus 94.8% planned

# Edvard Grieg Jacket and Topside Modules

4 Modules



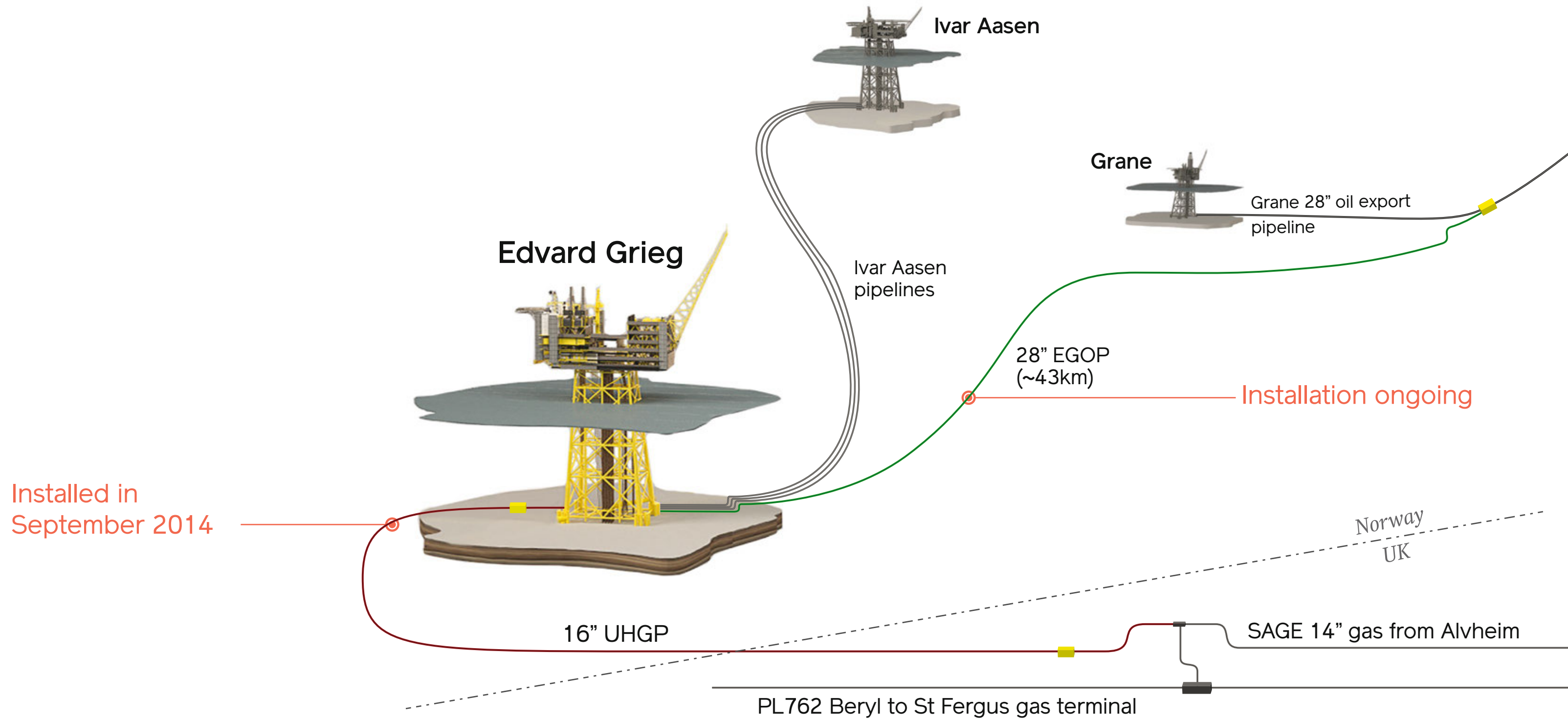
# Edvard Grieg Topside Modules



# Edvard Grieg Topside Modules



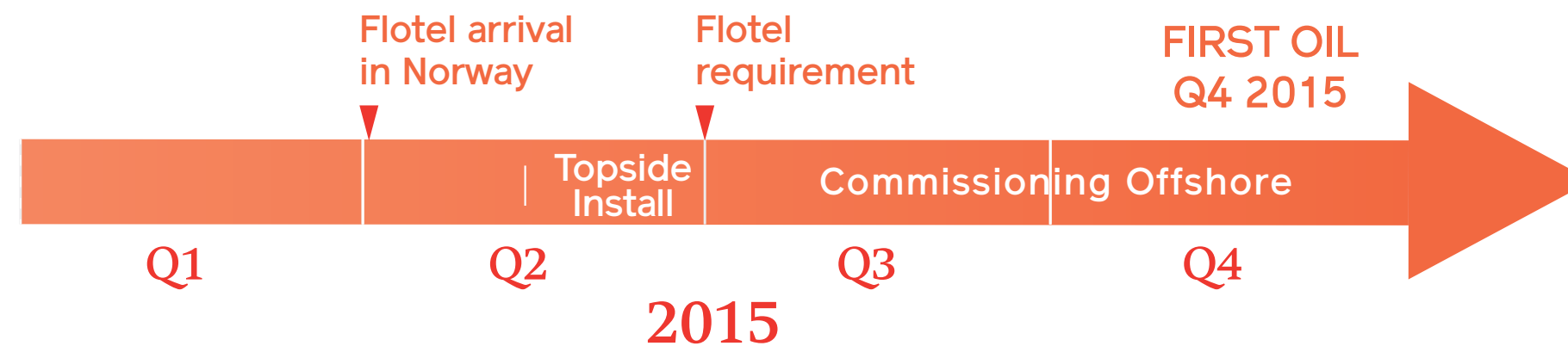
# Edvard Grieg Export Pipelines



# Edvard Grieg

## Offshore Hook Up and Commissioning

- **Flotel**
  - ➔ Construction project completed.
  - ➔ Mobilisation from Singapore to Norway ongoing - arrival early April
  - ➔ Flotel requirement is post installation of topside - **on schedule**
- **Topside installation/hook up : second half April - on schedule**
- **Commissioning: Q2 – Q4 2015 - on schedule**



# Edvard Grieg

## Offshore Hook Up and Commissioning

Installation: April 2015



# Edvard Grieg

## Drilling – Rowan Viking

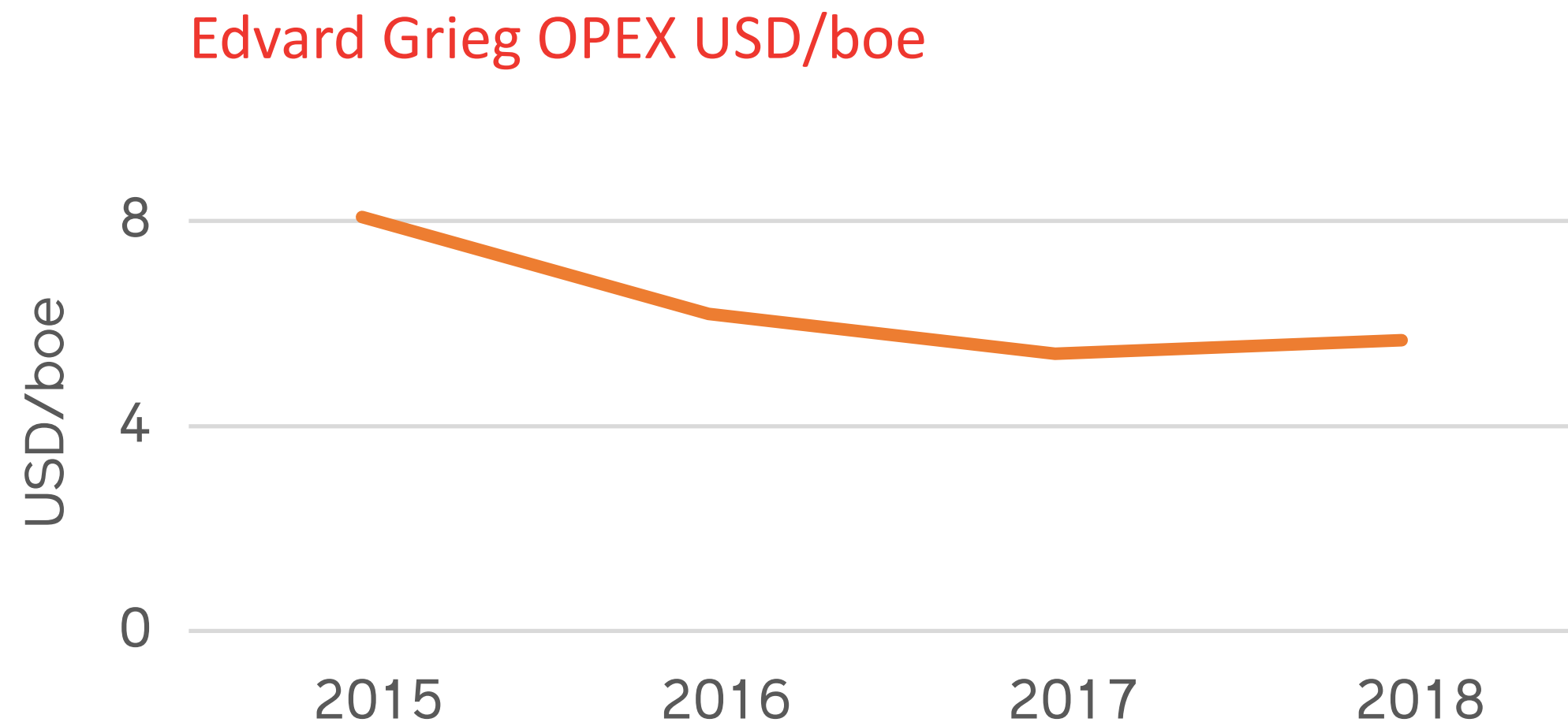
- First well commenced September 2014
- 2 – 3 development wells to be drilled pre first oil (Q4 2015)
- Development drilling to continue to 2017
- Drilling of new appraisal well in 2015 in Edvard Grieg SE area to target potential upside and help with development planning

**First 3 pilot holes completed  
Results according to expectation**





# Edvard Grieg Operating Costs



# Edvard Grieg

## Operations Status

- Edvard Grieg operations organisation complete
  - ➔ 105 employees
- Competence and training on track
- All contracts for Edvard Grieg operation are signed



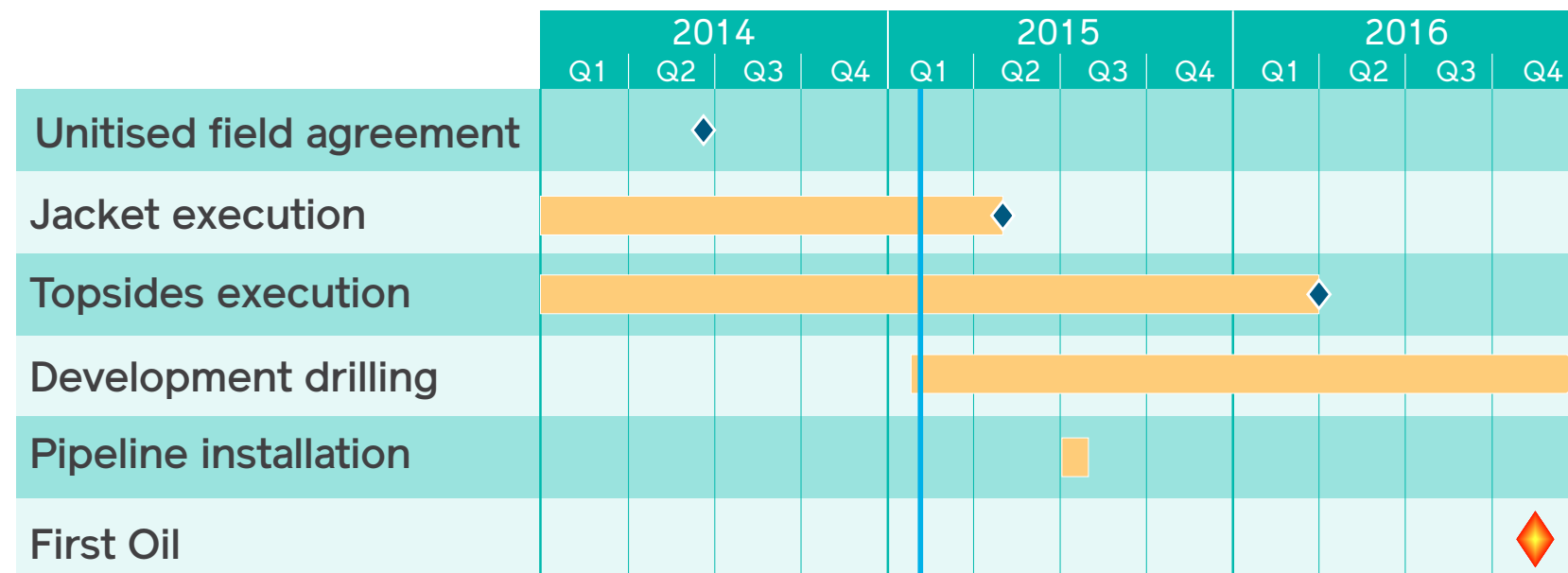
# Norway

## Ivar Aasen

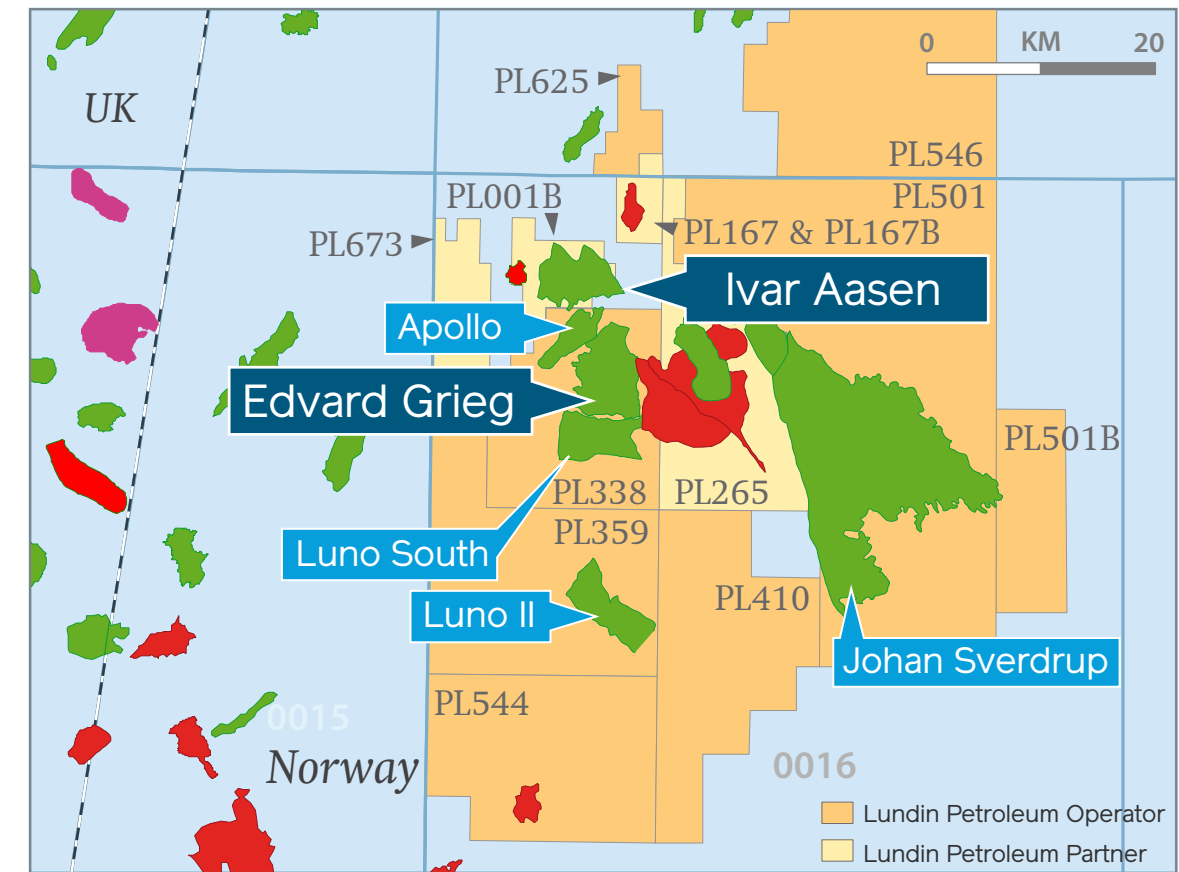
### ➤ Ivar Aasen Development (Lundin 1.385%)

- ➔ Ivar Aasen unitised across PL338BS, PL001B, PL242 and PL457
- ➔ 2P reserves, excluding Hanz, 188 MMboe gross
- ➔ First oil Q4 2016
- ➔ Plateau production: 65,000 boepd<sup>(1)</sup> gross
- ➔ Platform development with first stage separation on Ivar Aasen and final processing on Edvard Grieg. Common export from Edvard Grieg
- ➔ Drilling commenced Q1 2015

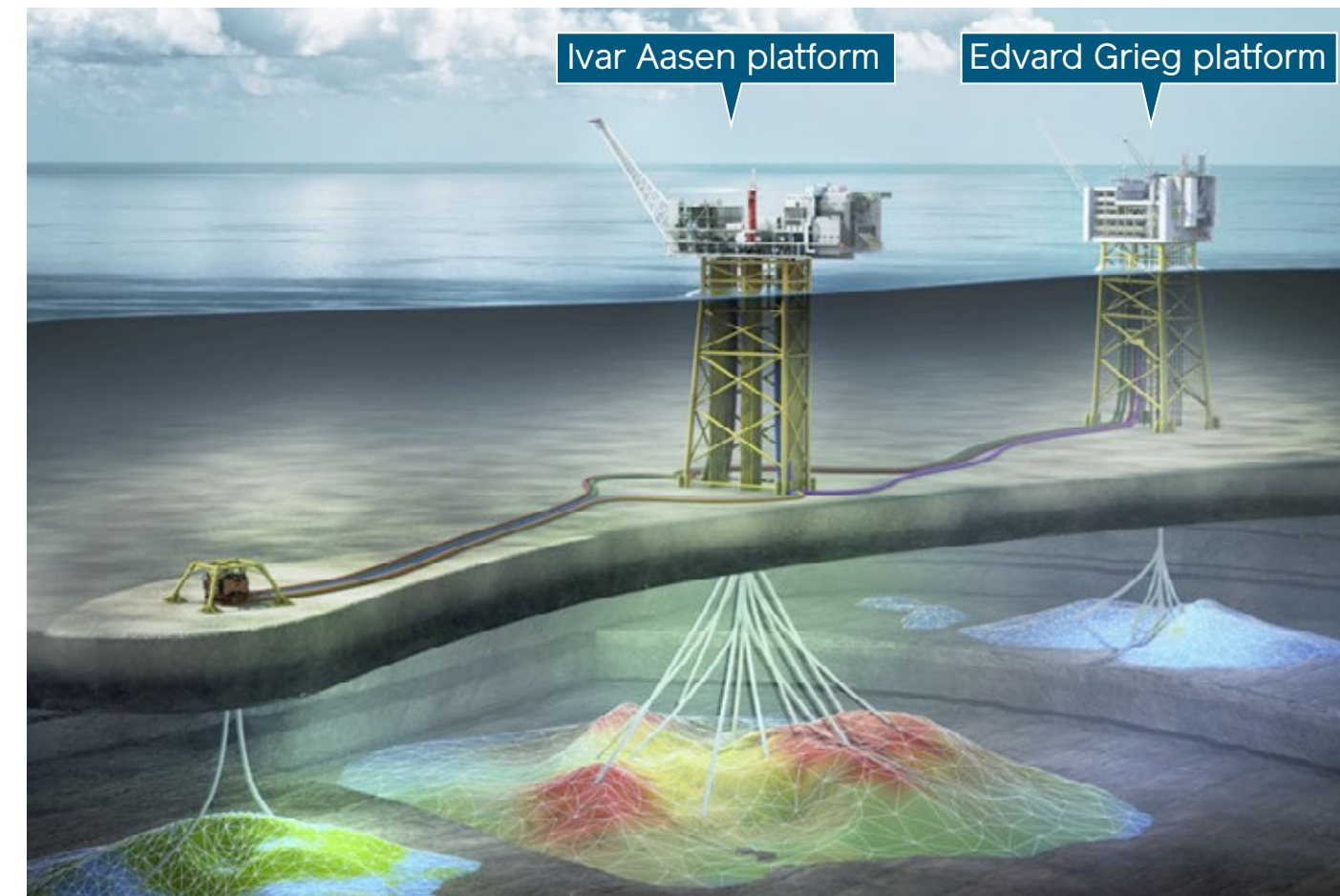
<sup>(1)</sup> Operator's estimate



### Norway - Southern Utsira High



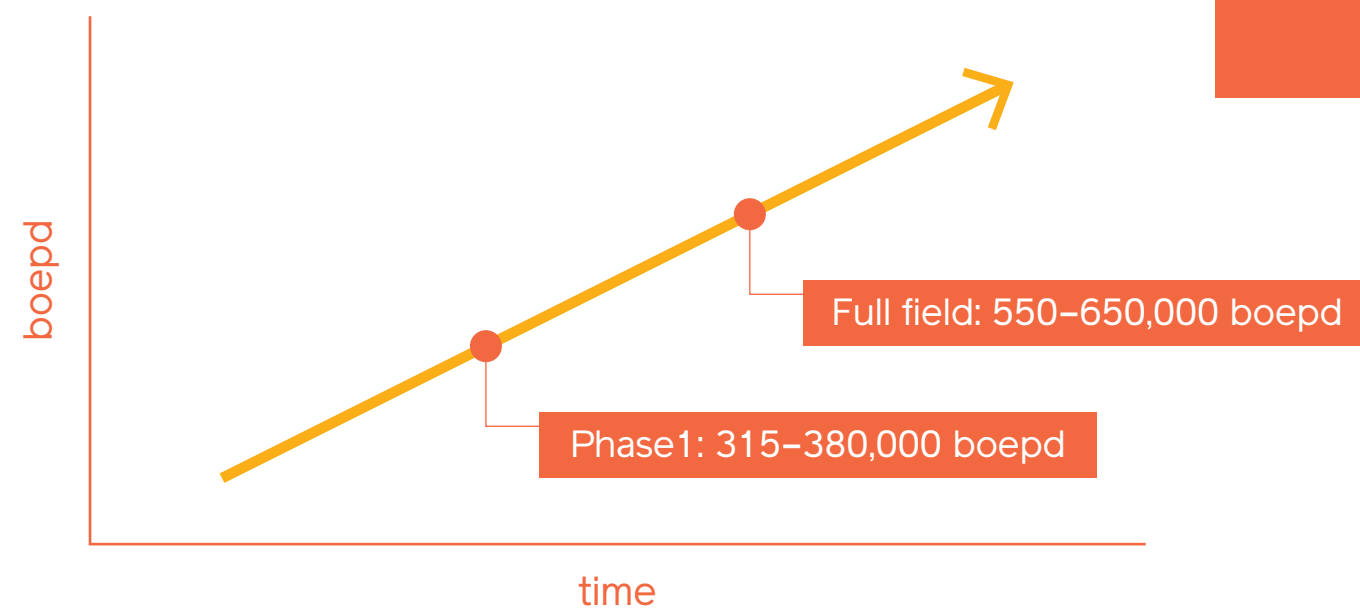
### Ivar Aasen development



# Johan Sverdrup Highlights

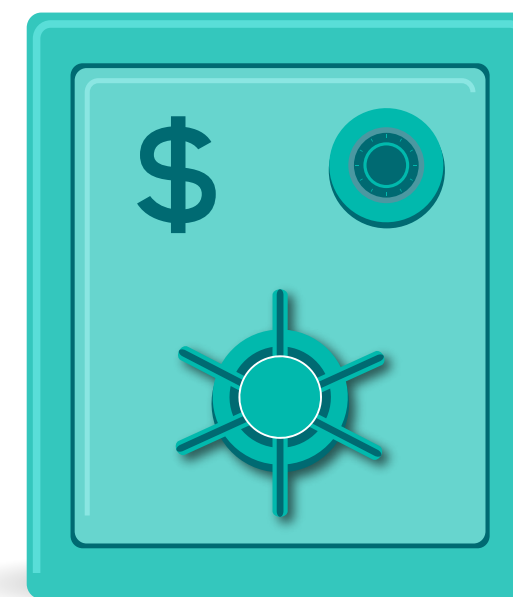


**Contingent Resources  
1.8 – 2.9 billion boe<sup>1</sup>**



**Phase1 First oil:  
Q4 2019**

**Phase1 Capex:  
NOK 100-120 billion**

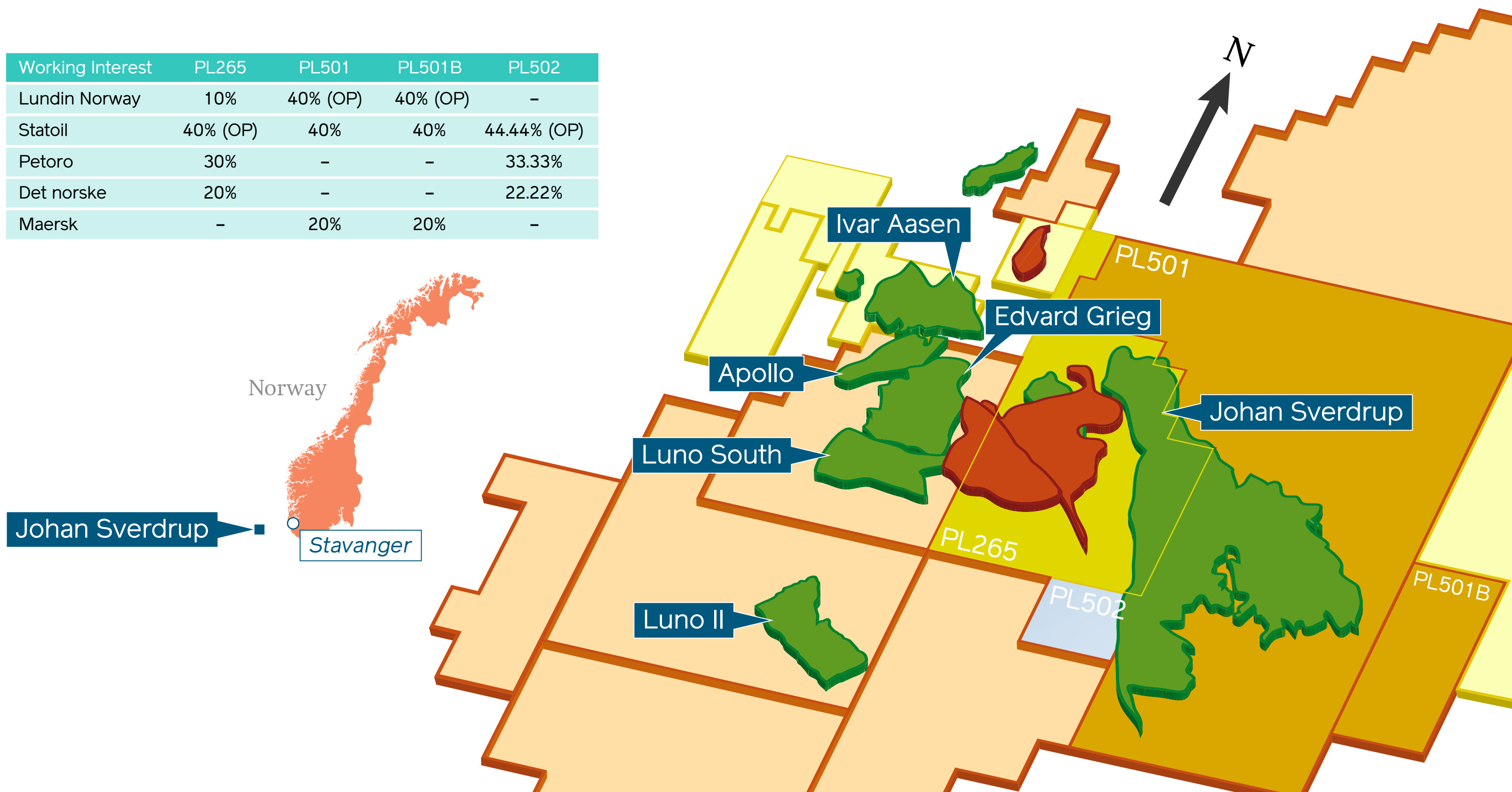


<sup>1</sup> Statoil working operator estimate

# Johan Sverdrup

## Field Location & Licence Group

Working Interest	PL265	PL501	PL501B	PL502
Lundin Norway	10%	40% (OP)	40% (OP)	-
Statoil	40% (OP)	40%	40%	44.44% (OP)
Petoro	30%	-	-	33.33%
Det norske	20%	-	-	22.22%
Maersk	-	20%	20%	-



# Johan Sverdrup

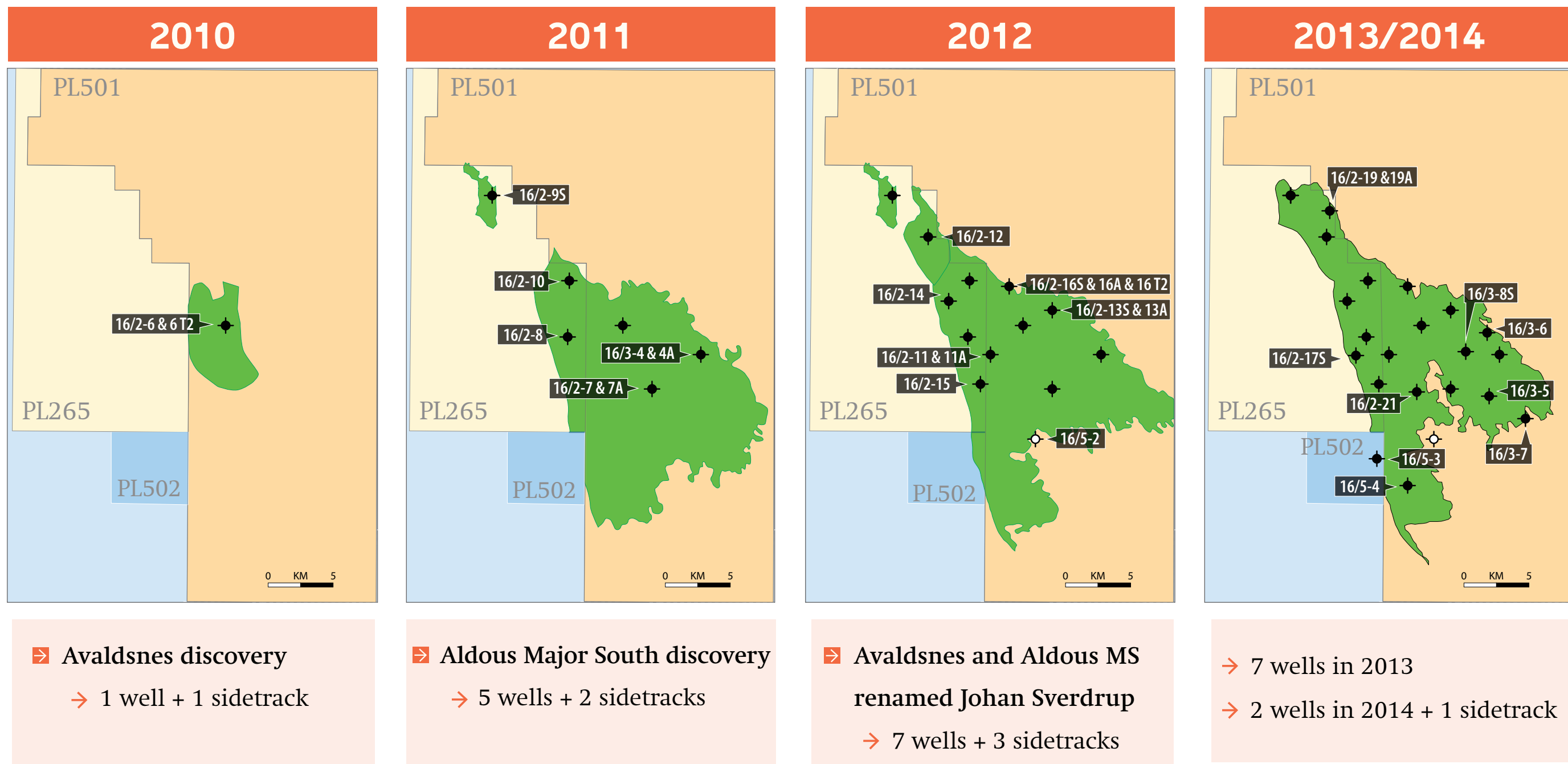
## Discovery & Appraisal

- 22 wells + 7 sidetracks drilled to date on Johan Sverdrup
- Gross Contingent Resources: 1,800–2,900 MMboe<sup>(1)</sup>
- Appraisal drilling programme completed

Johan Sverdrup

Norway

Stavanger



# Johan Sverdrup

## Project Summary & Milestone Plan

- **Concept selection for phase 1 agreed in February 2014**
- **Phase 1 FEED completed**
- **PDO submission planned for February 2015**
  - PDO to cover phase 1 of Johan Sverdrup field development
  - PDO to outline scenarios for future phases – concept to be concluded in separate process
- **Unit Operating Agreement (UOA) is being prepared in parallel with PDO**
  - Statoil will be operator for all phases of Johan Sverdrup
- **Impact assessment submitted November 2014**
- **Letter of intent awarded in Q2 2014 for two jackets to be built in Norway**
  - Contract awarded to Kvaerner January 2015 for riser platform jacket
- **Contract for engineering & procurement management awarded to Aker Solution in January 2015**
- **Planned production start end 2019**



# Johan Sverdrup

## Phase 1 – Concept Development – Key Facts

### ➤ Facilities – Phase 1

- Four bridge linked steel jacket platforms to be installed during 2018 and 2019
- Power supply from shore

### ➤ Wells – Phase 1

- 35 production and injection wells to be drilled in total for Phase 1 – majority drilled from field centre drilling platform
  - 14-15 wells to be drilled prior to first oil

### ➤ Export facilities

- Dedicated 274 km 36” oil pipeline to the Mongstad oil terminal
- Dedicated 165 km 18” gas pipeline to Kårstø gas terminal for processing and onward transportation

### ➤ Gross capital investments for Phase 1 of between NOK 100 – 120 billion (2013)

- Includes: Platforms, wells, power supply from shore and export facilities
- Includes contingencies and market allowances for cost increases over and above inflation
- Investment cost for phase 1 being optimised towards PDO

### ➤ Production – Phase 1

- Gross production capacity of 315,000 – 380,000 bopd



# Johan Sverdrup

## Reservoir Management

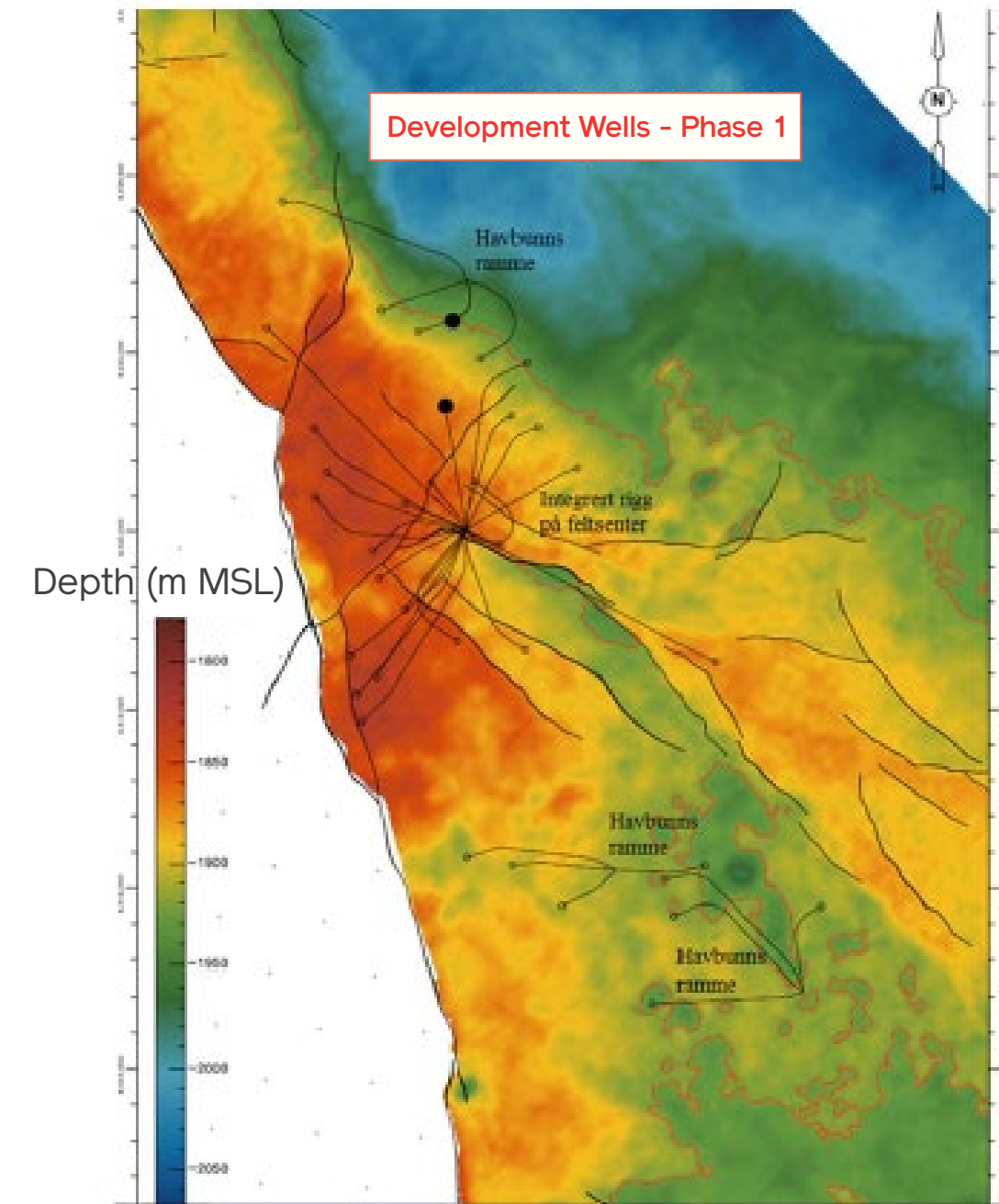
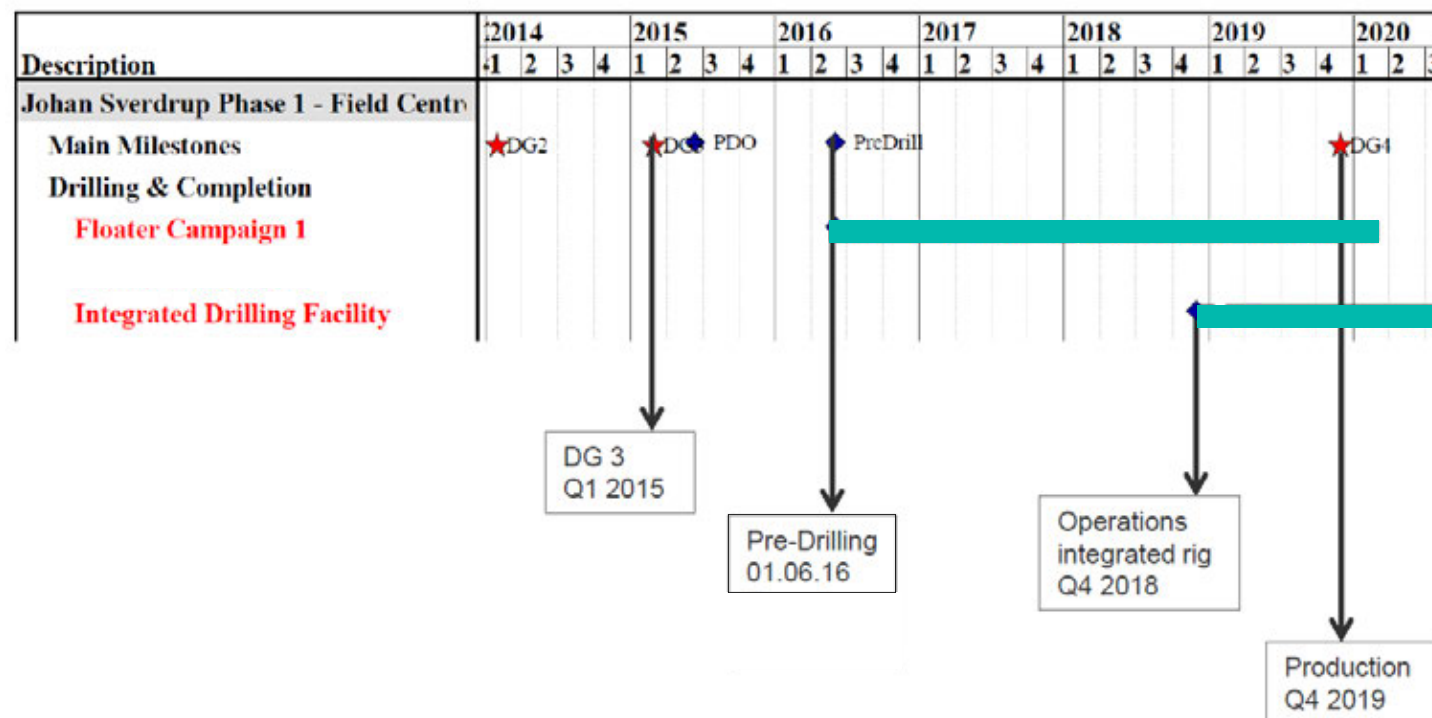
- The reservoir is relatively homogeneous with excellent permeability (multi 10-Darcy range)
- No gas cap and moderate oil viscosity
- The DST results indicates very good communication over long distances
- The chosen drainage strategy is downdip water injection
- Potential to increase total resources



# Johan Sverdrup

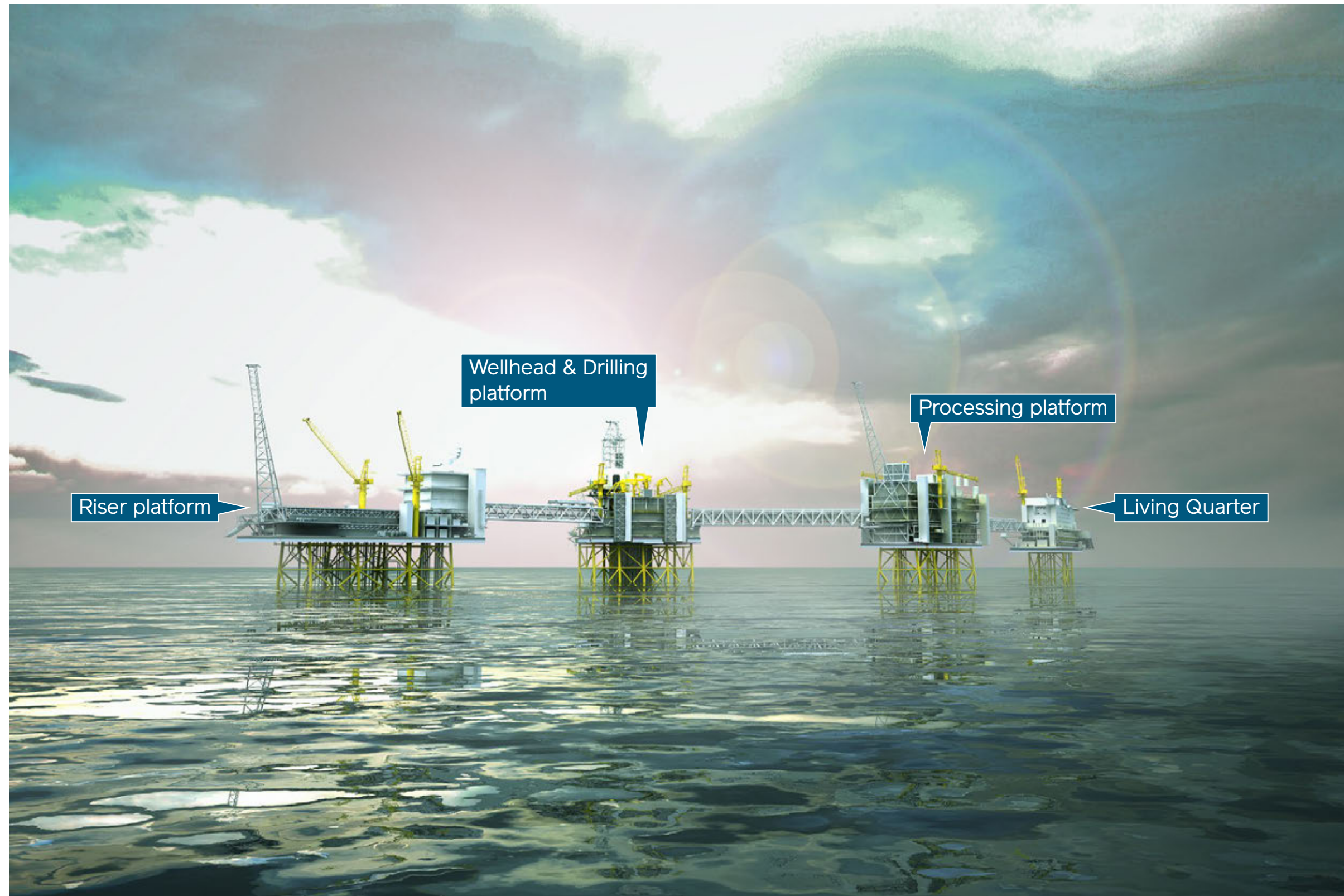
## Development Wells Outline (Phase 1)

- Full field planned with 77 development wells
- Phase 1 has 35 development wells
  - 18 producers, 16 injectors and 1 observation/pilots



# Johan Sverdrup

## Phase 1 Field Centre Platforms



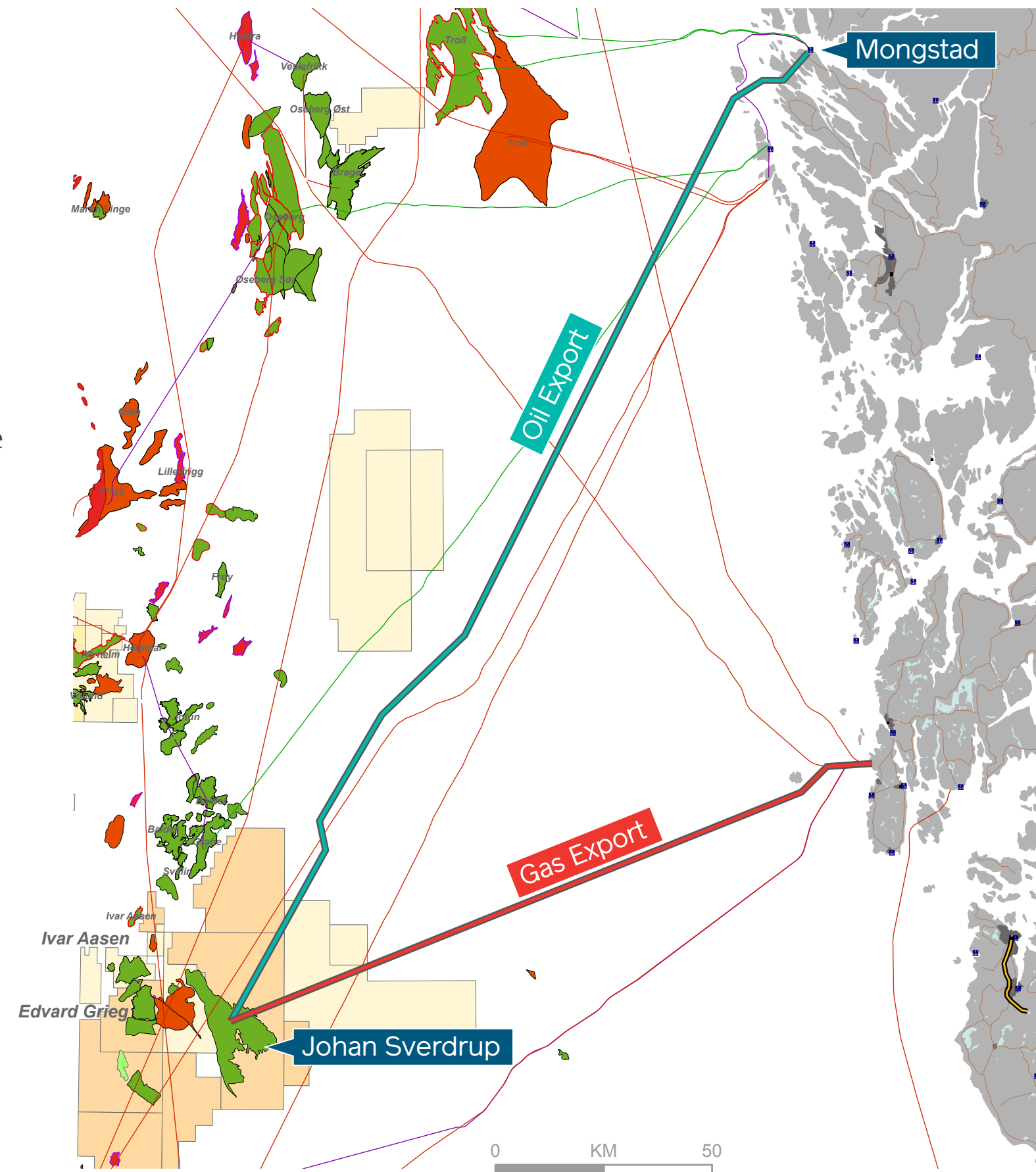
# Johan Sverdrup Oil and Gas Export Pipelines

## Oil

- 276 km long, 36" pipeline from JS platform to Mongstad
- Capacity of 629,000 bopd stabilised crude
- JoSEPP (Johan Sverdrup Export Pipeline Project) to construct pipeline

## Gas

- 164 km long, 18" pipeline with 140 Mscf capacity, hot tap to Statpipe
- Gas processing at Kårstø;
  - Dry gas sent to market(s) via Gassled
  - NGL processed at Kårstø and shipped to market(s)



# Johan Sverdrup

## Conclusion

- **Development plan to be submitted later this month**
- **Largest ever NCS oil field development scope (for a phase 1), at gross total capital investment, including wells, of 100 – 120 billion NOK (2013)**
  - Phase 1 comprise 4 large platforms and pipelines/ export system
- **The very large Johan Sverdrup field, one of the most profitable industrial projects in Norway over coming decades, will provide enormous value to all stakeholders**
- **Major importance to Lundin Petroleum**
  - Cornerstone for Lundin Petroleum's valuation and financial flexibility
  - Significant production growth post Edvard Grieg development project
  - Will increase Lundin Petroleum 2P reserves 3-4 fold
  - Low opex and capex per barrel – high value barrels
- **Main importance to Norway – to contribute high share of NCS production**
  - Up to 25 percent of NCS oil production at plateau
    - Phase1 production plateau: 315 – 380,000 boepd
    - Full field plateau production: 550 – 650,000 boepd

SIDETRACK



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

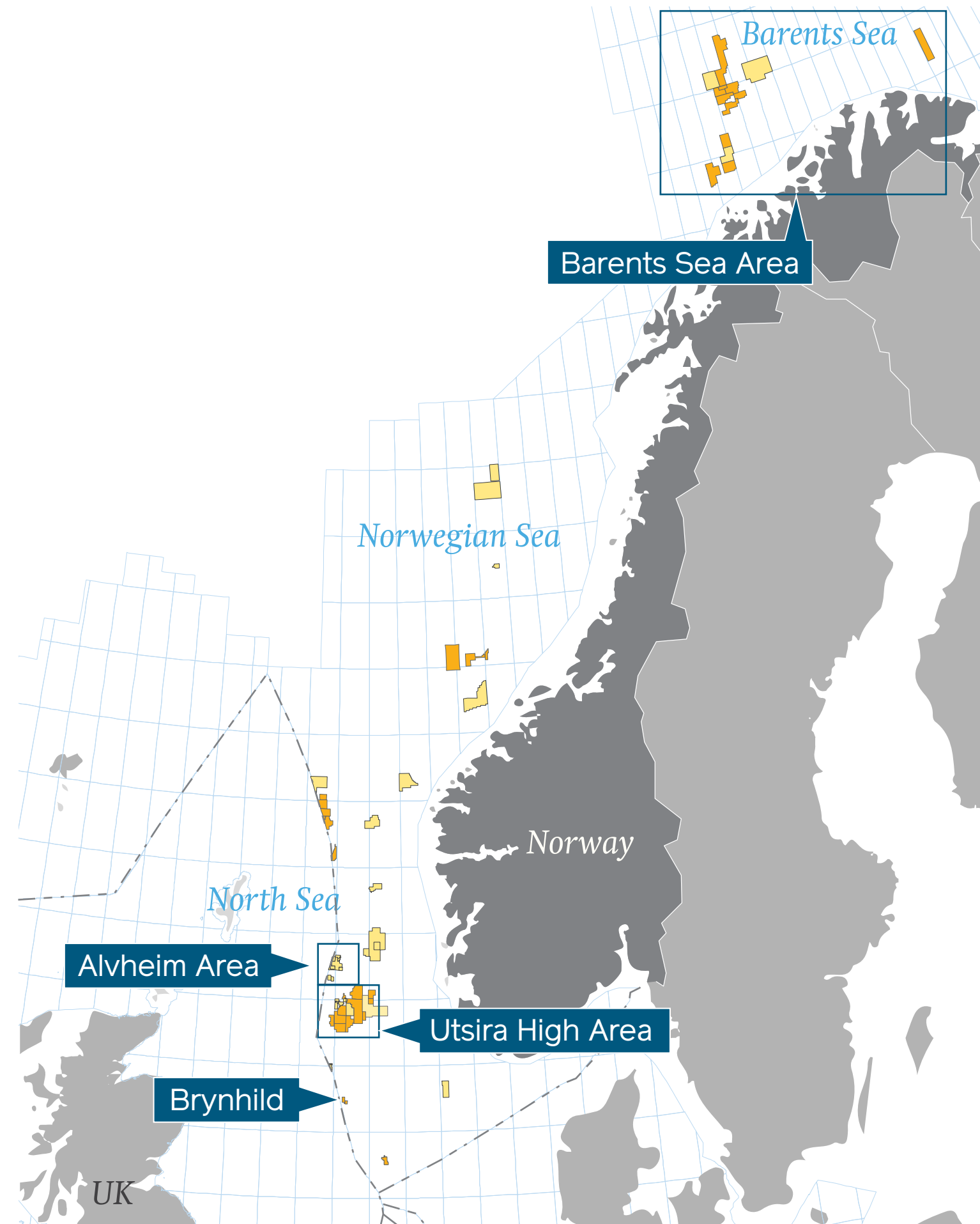
# Exploration Overview

Capital Market Day, February 2015



# Norway Overview

- Focus on organic growth
- 2 key areas for exploration
  - ➔ Utsira High
  - ➔ Barents Sea
- 3 key areas for development/production
  - ➔ Alvheim Area: 3 fields
  - ➔ Utsira High: E. Grieg, Luno II, J. Sverdrup

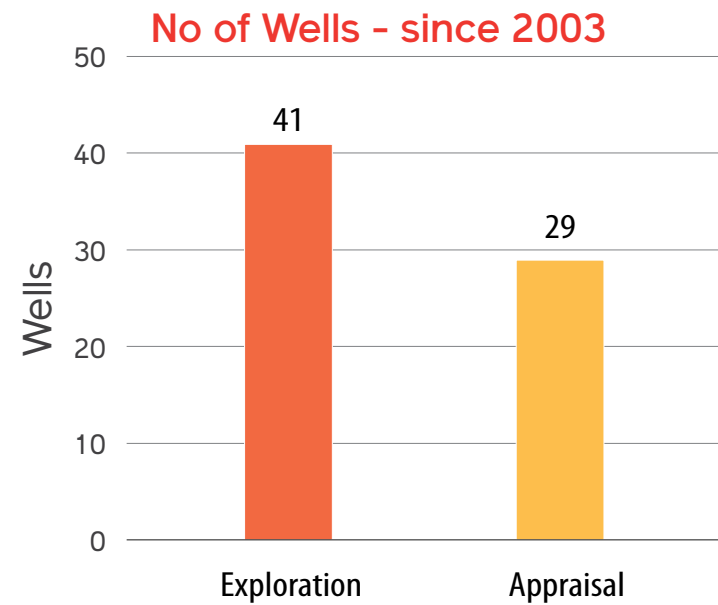




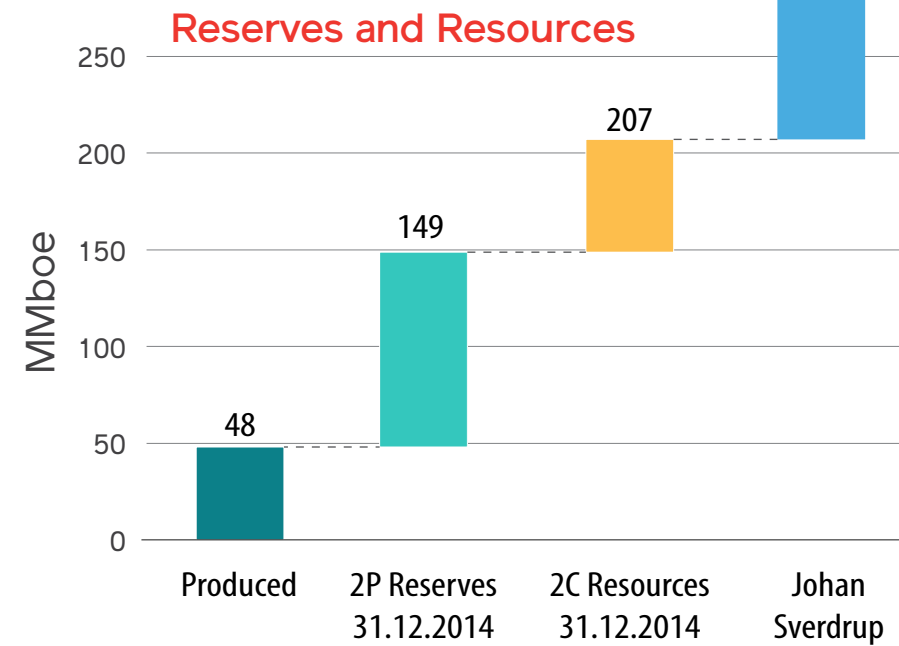
# Norway

## An Organic Growth Success Story

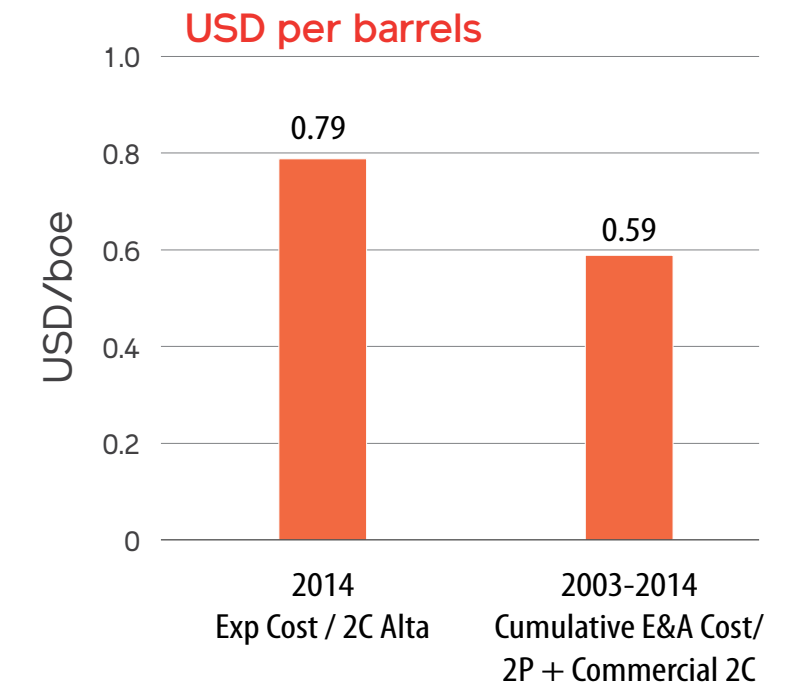
### ➤ Exploration & Appraisal wells



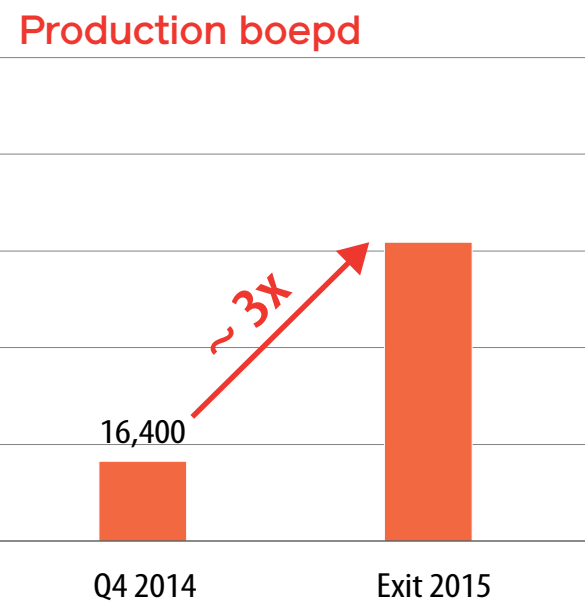
### ➤ Resources



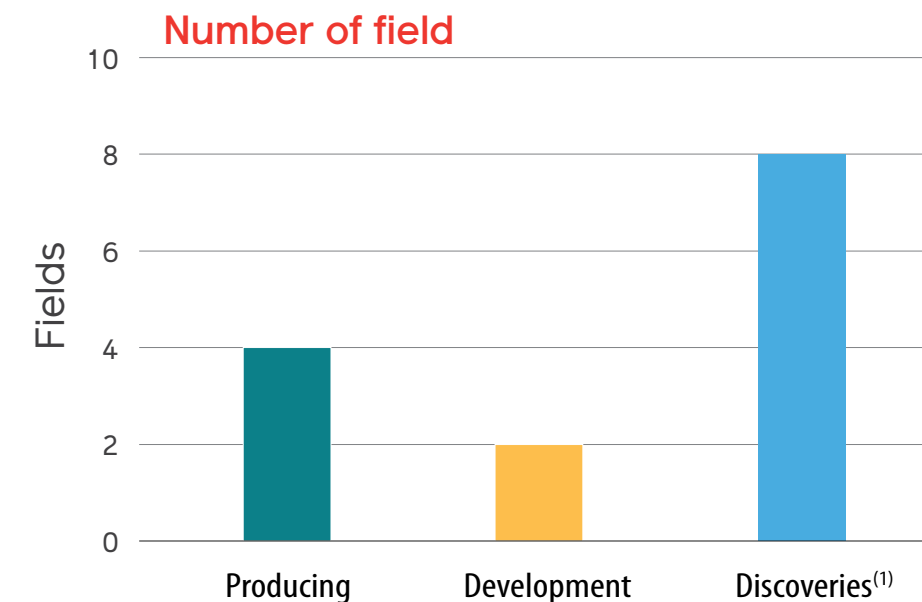
### ➤ Finding Cost (post tax)



### ➤ Production



### ➤ Fields



<sup>(1)</sup>Excludes Alvheim/Volund infill targets

# Norway

## 2015 Exploration

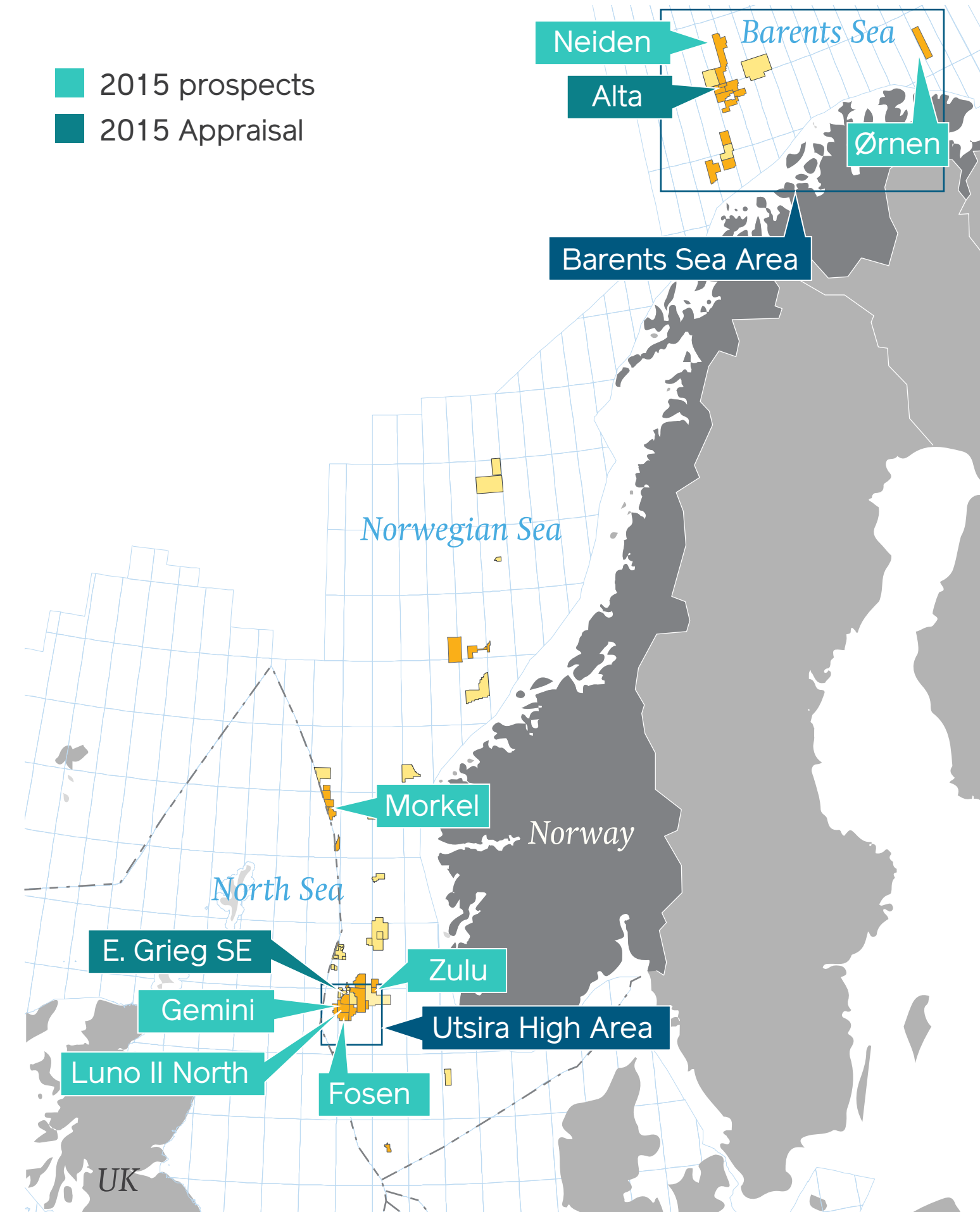
### ➤ 2 Core Areas

2015 exploration and appraisal will focus on two core areas

- ➔ Utsira High
- ➔ Barents Sea

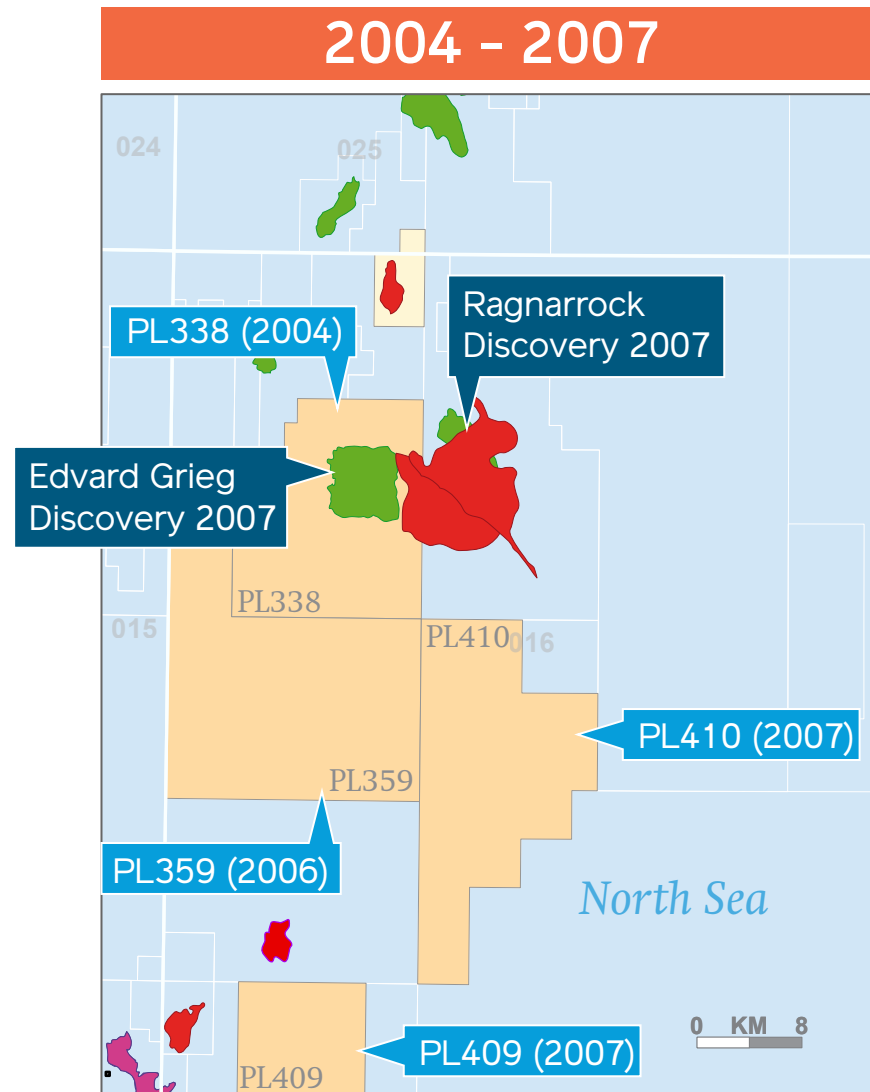
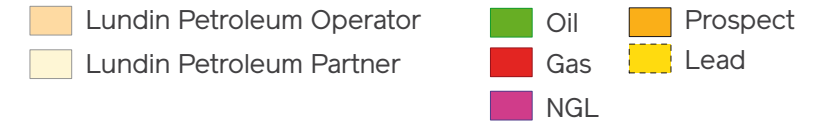
### ➤ 7 wells

- ➔ All operated

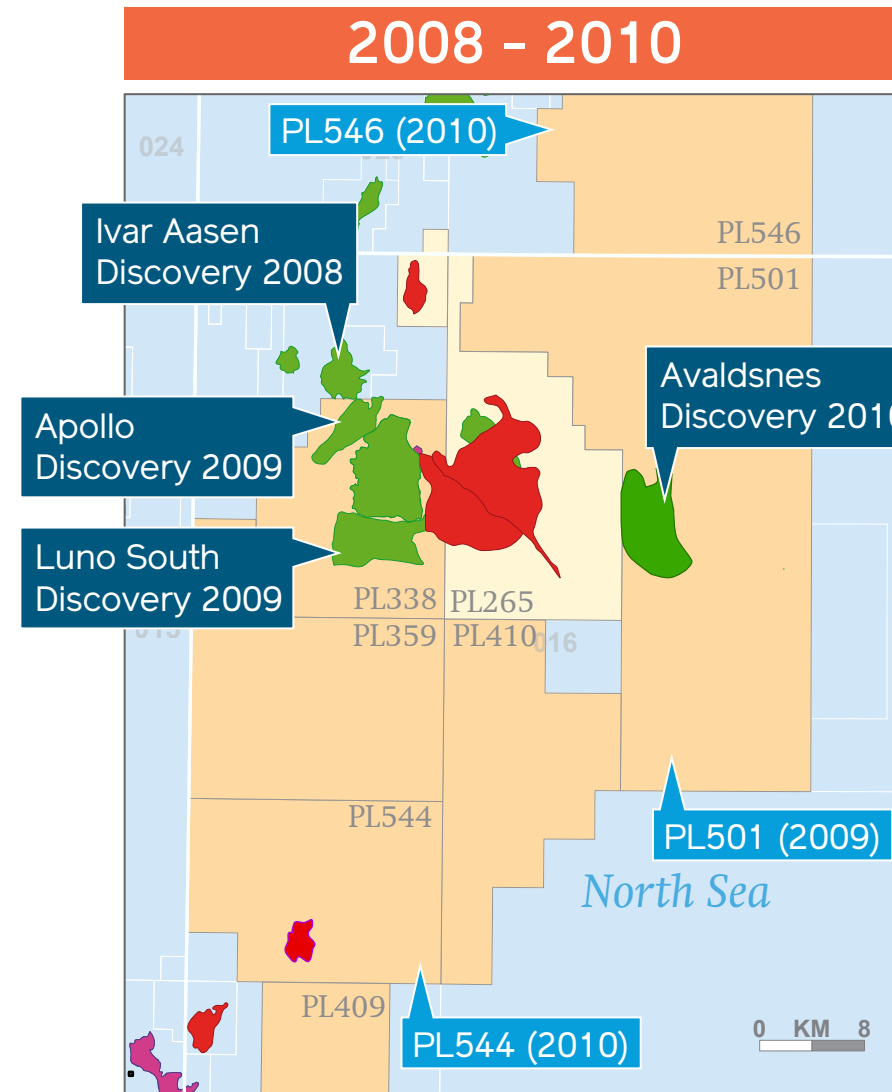


# Norway

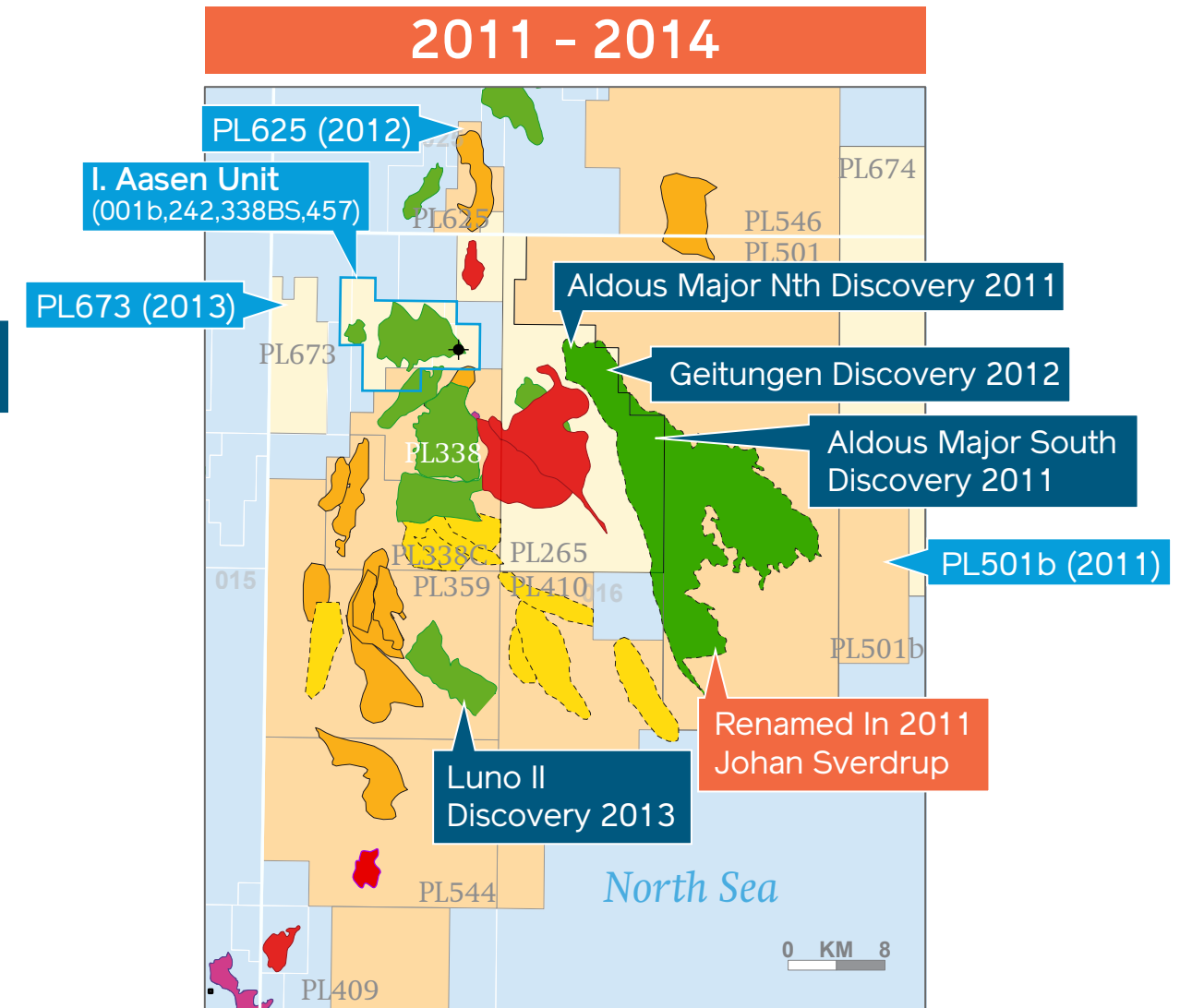
## Utsira High Area Evolution



- First licence (PL338) in 2004
- First discovery (Luno) in 2007



- Luno (renamed Edvard Grieg) doubles in size following appraisal
- 3 additional discoveries on western side of Utsira High
- 1 major discovery (Avaldsnes) on eastern side of Utsira High



- The Avaldsnes structure is extended with another major discovery on Aldous MS. The giant field is renamed Johan Sverdrup
- Extensive appraisal on Johan Sverdrup
- 1 discovery (Luno II) on south western corner of Utsira High
- PL338BS/Ivar Aasen Unitised

# Norway - Utsira High

## 2015 Exploration Drilling

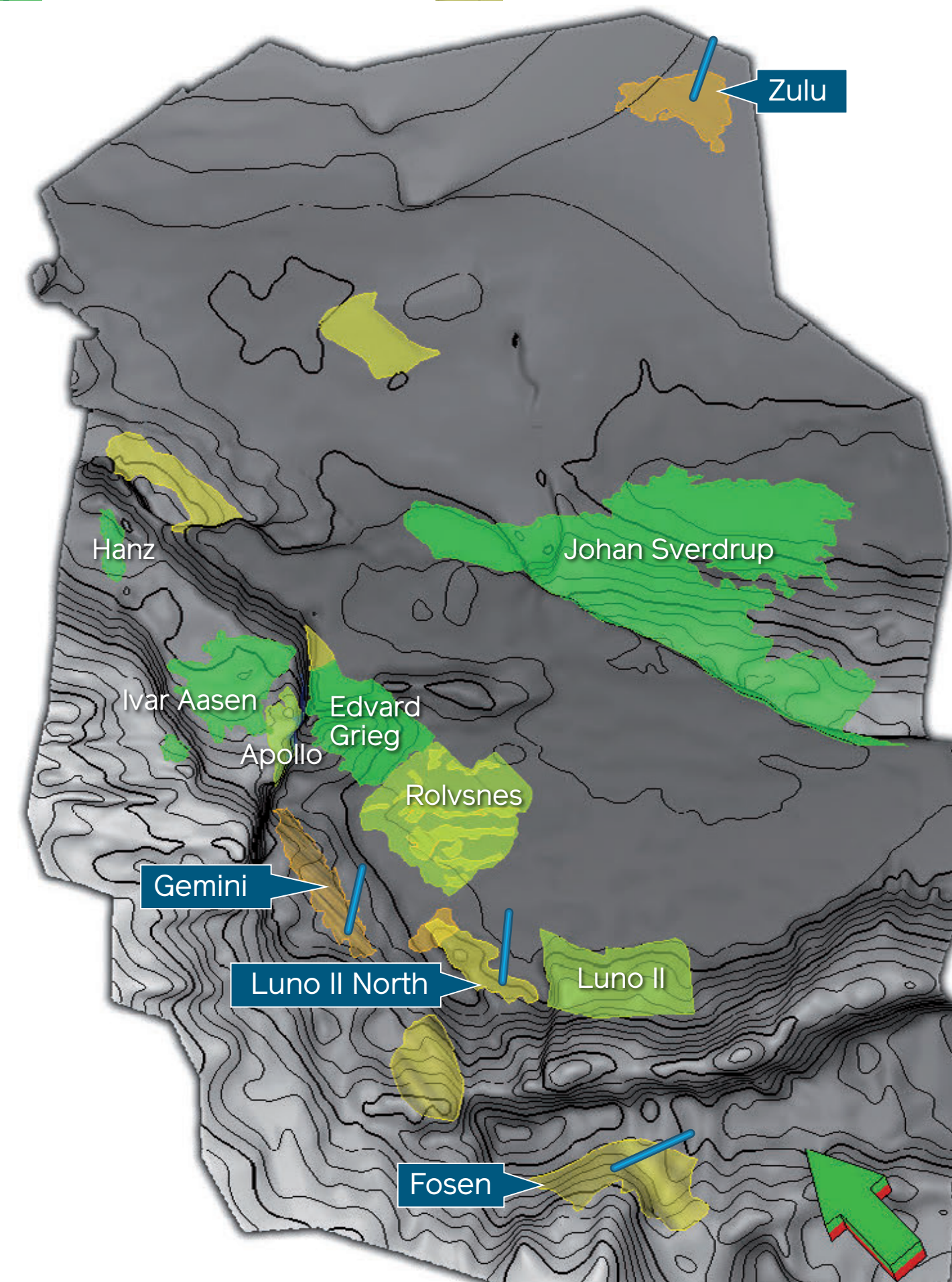
Field Discovery Prospect

➤ Significant remaining potential in the Utsira High

➤ Exploration – 4 wells

- ➔ PL359 (50%): Luno II North – 24 MMboe <sup>(1)</sup>
- ➔ PL338C (80%<sup>(2)</sup>): Gemini – 93 MMboe <sup>(1)</sup>
- ➔ PL674BS (35%): Zulu – 153 MMboe <sup>(1)</sup> *Drilling Ongoing*
- ➔ PL544 (40%): Fosen – 192 MMboe <sup>(1)</sup>

➔ Targeting net unrisks resources of ~220 MMboe

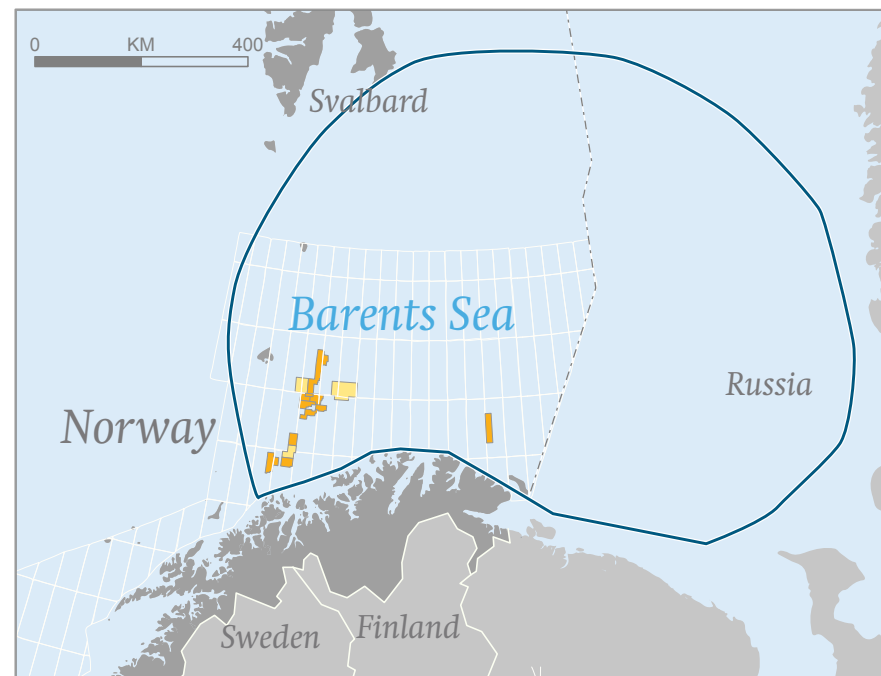


<sup>(1)</sup> Gross unrisks prospective resources

<sup>(2)</sup> Lundin carrying an 80% WI for the Gemini Prospect only

# Norway - Barents Sea Overview

Lundin Petroleum is a major licence holder in the Loppa High area



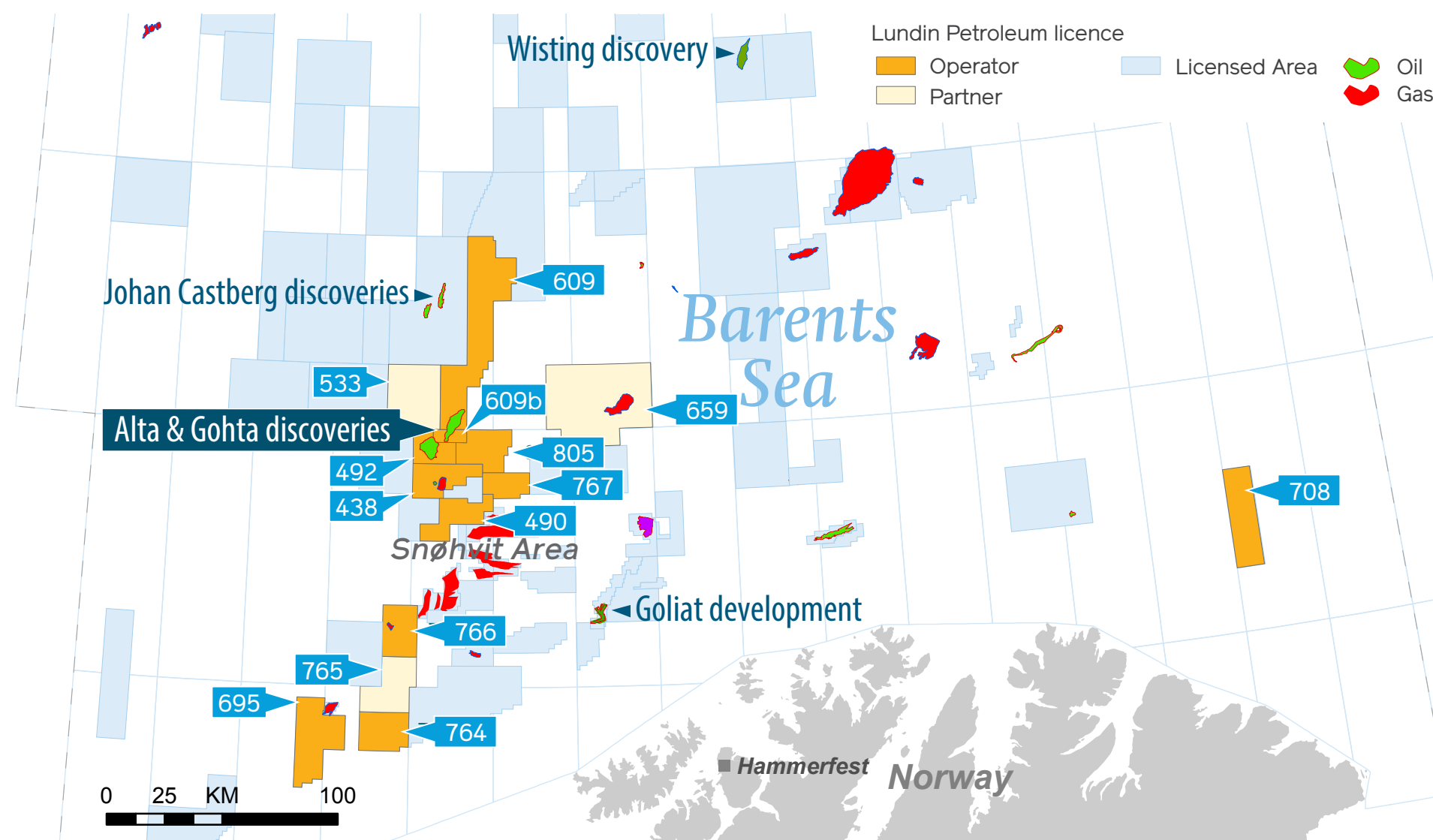
Barents Sea  
Underexplored ~ 100 wells



5 recent oil discoveries  
+ 2 gas discoveries



~ 1 billion boe  
discovered over  
last 4 years



# Barents Sea Resources

## Yet-to-find resources - Norway

- North Sea: 5.1 bn boe
- Norwegian Sea: 5.4 bn boe
- Barents Sea: 8.0 bn boe

## Recent Barents Sea discoveries

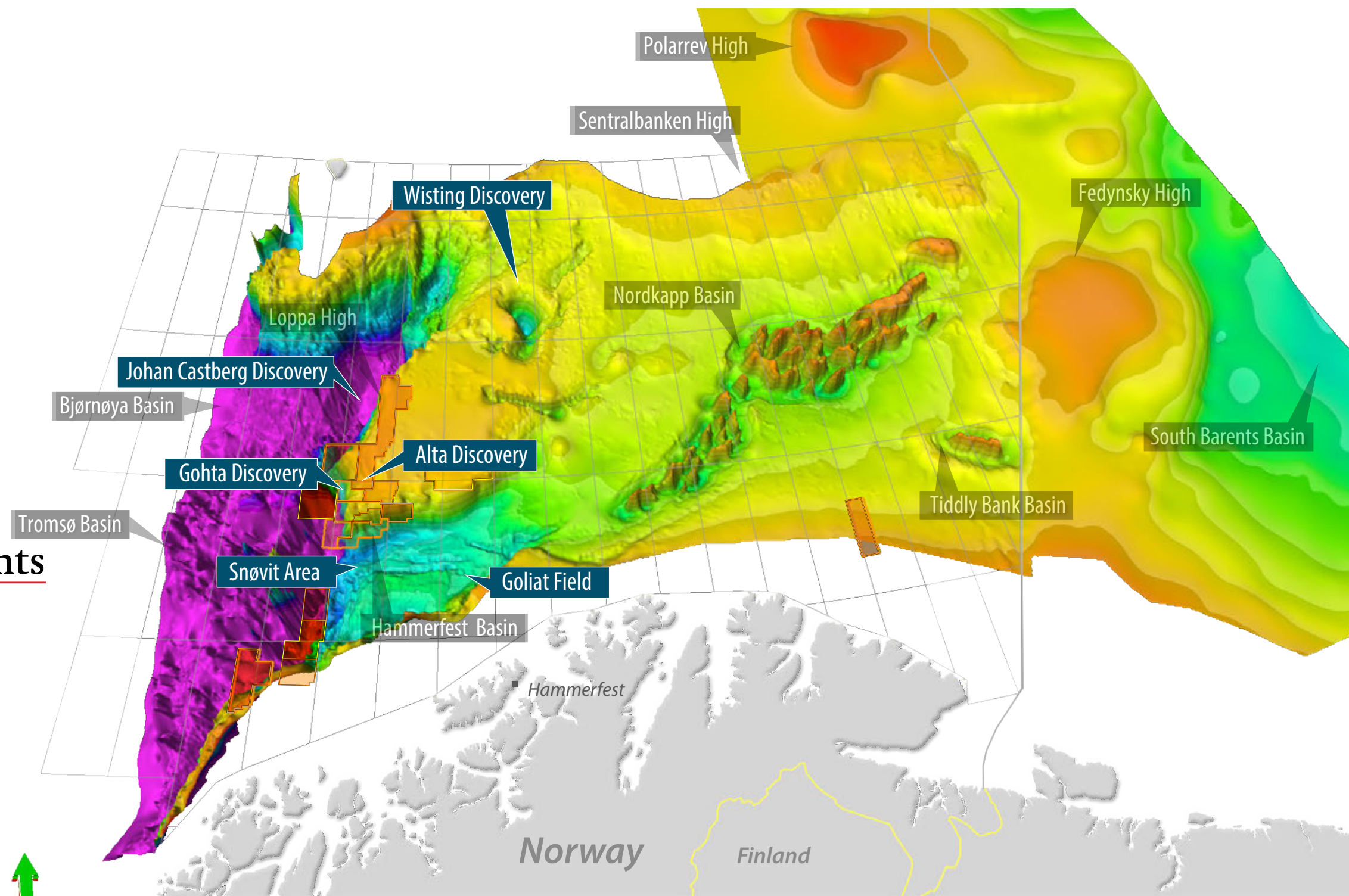
- Johan Castberg: 550 MMboe
- Alta: 224 MMboe<sup>1</sup>
- Gohta: 128 MMboe<sup>1</sup>
- Wisting Central: 117 MMboe

## Ongoing Barents Sea developments

- Goliat: 240 MMboe

## Producing Barents Sea fields

- Snøvit: 1.67 bn boe



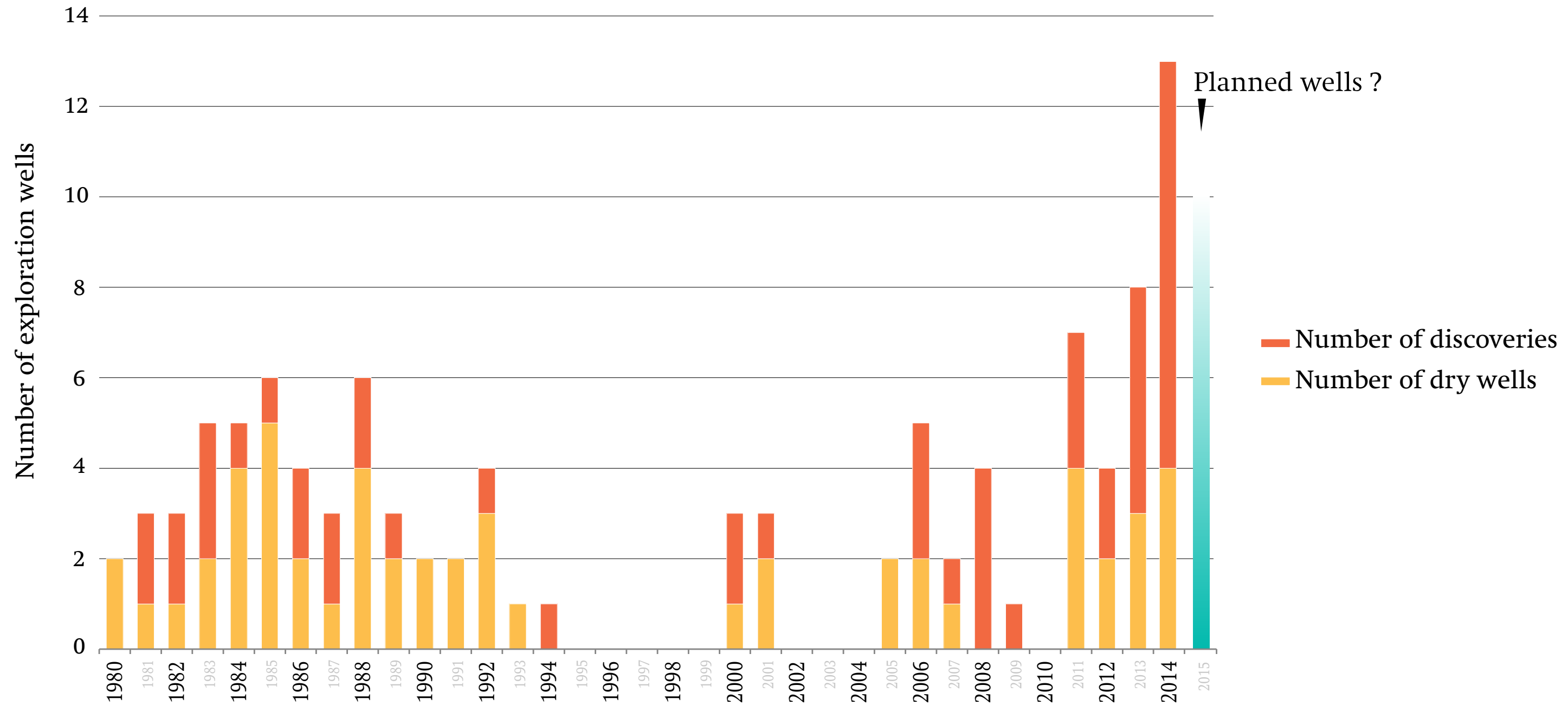
Source: NPD

<sup>1</sup> Lundin Petroleum resource estimate 2C

# Barents Sea

## Emerging Oil Province

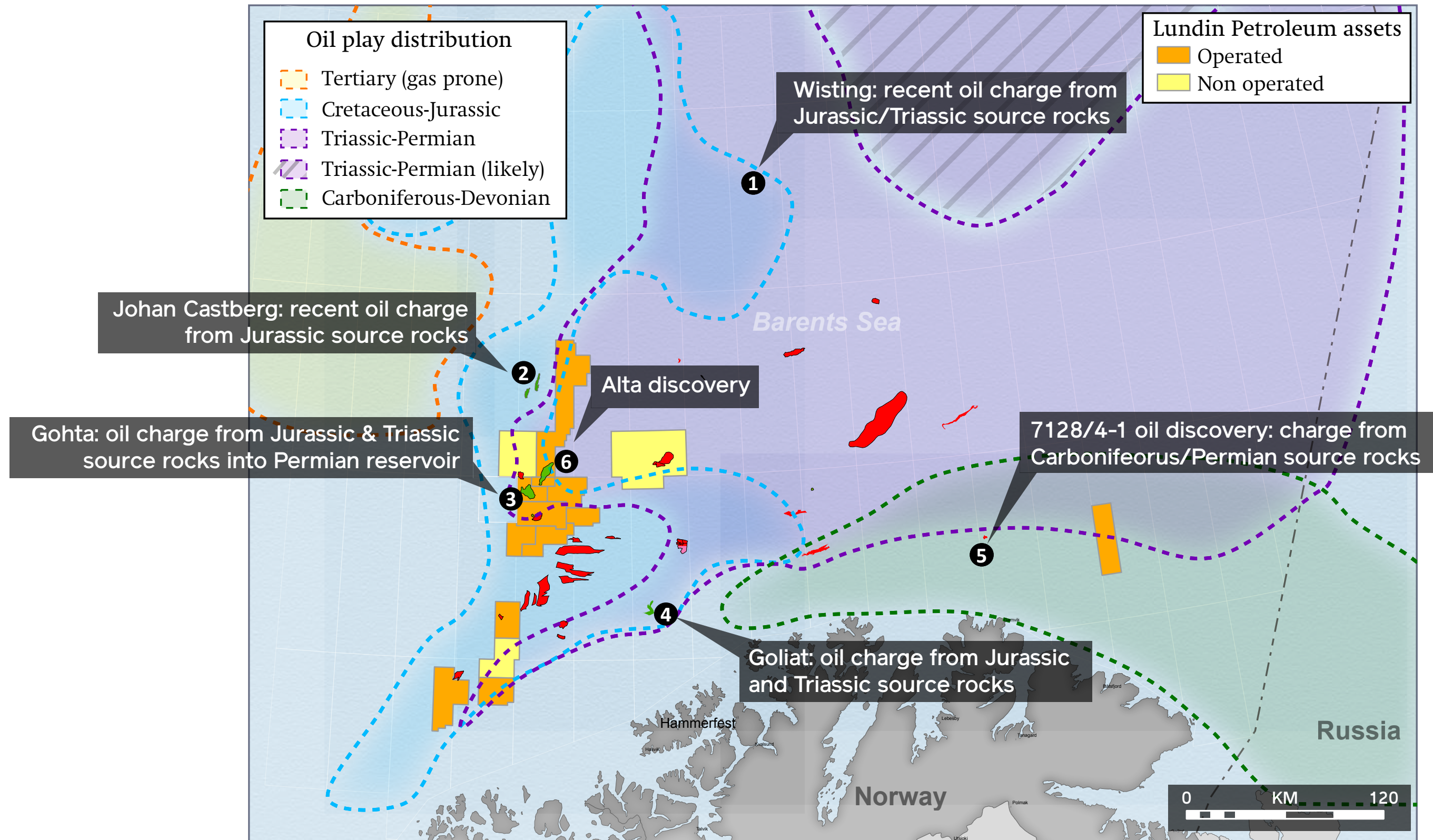
Only 89 exploration wells drilled since 1980, 35 wells since 2011



Source: NPD 2014

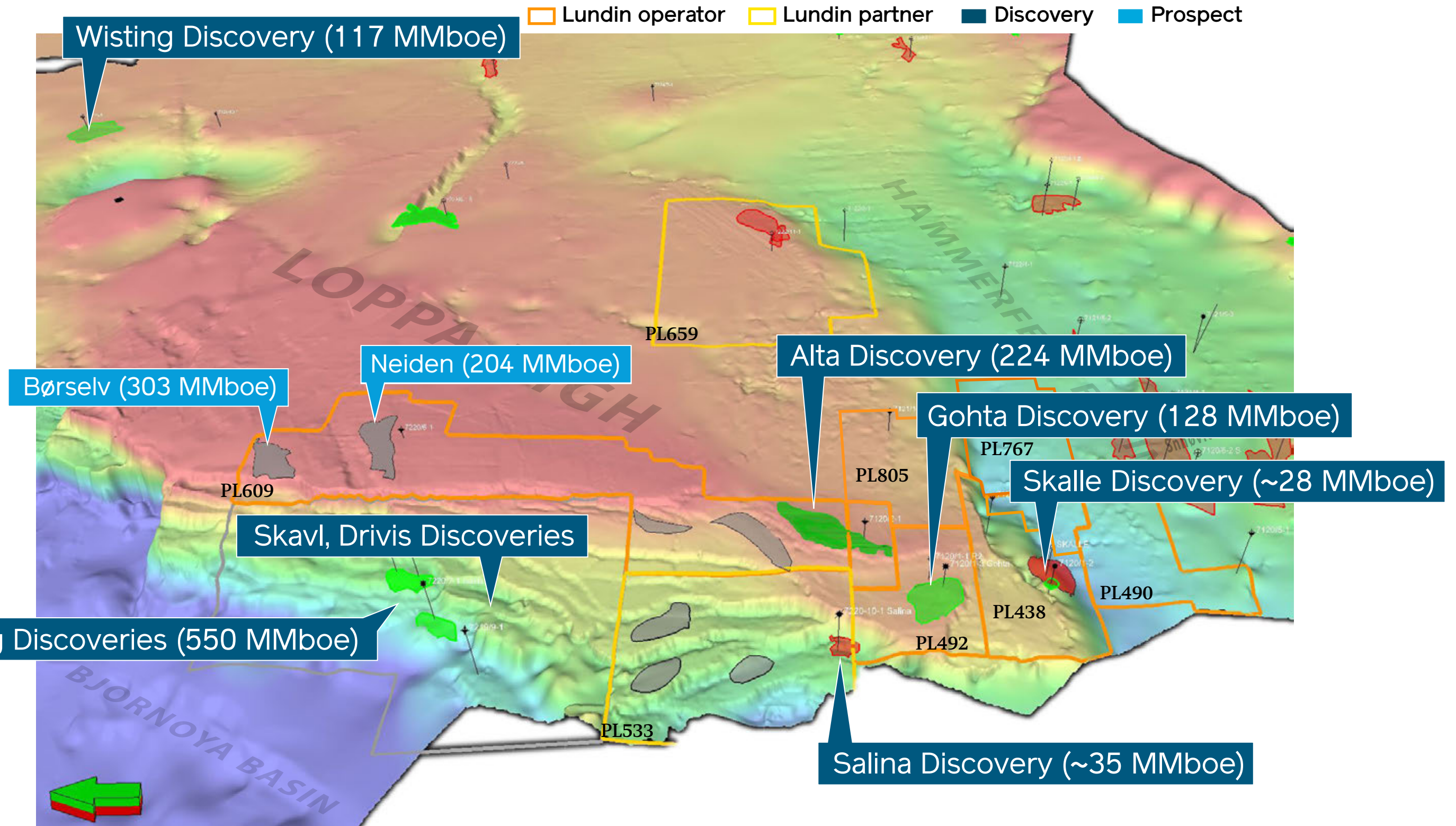
# Barents Sea

## Multiple Oil Play





# Barents Sea The Loppa High

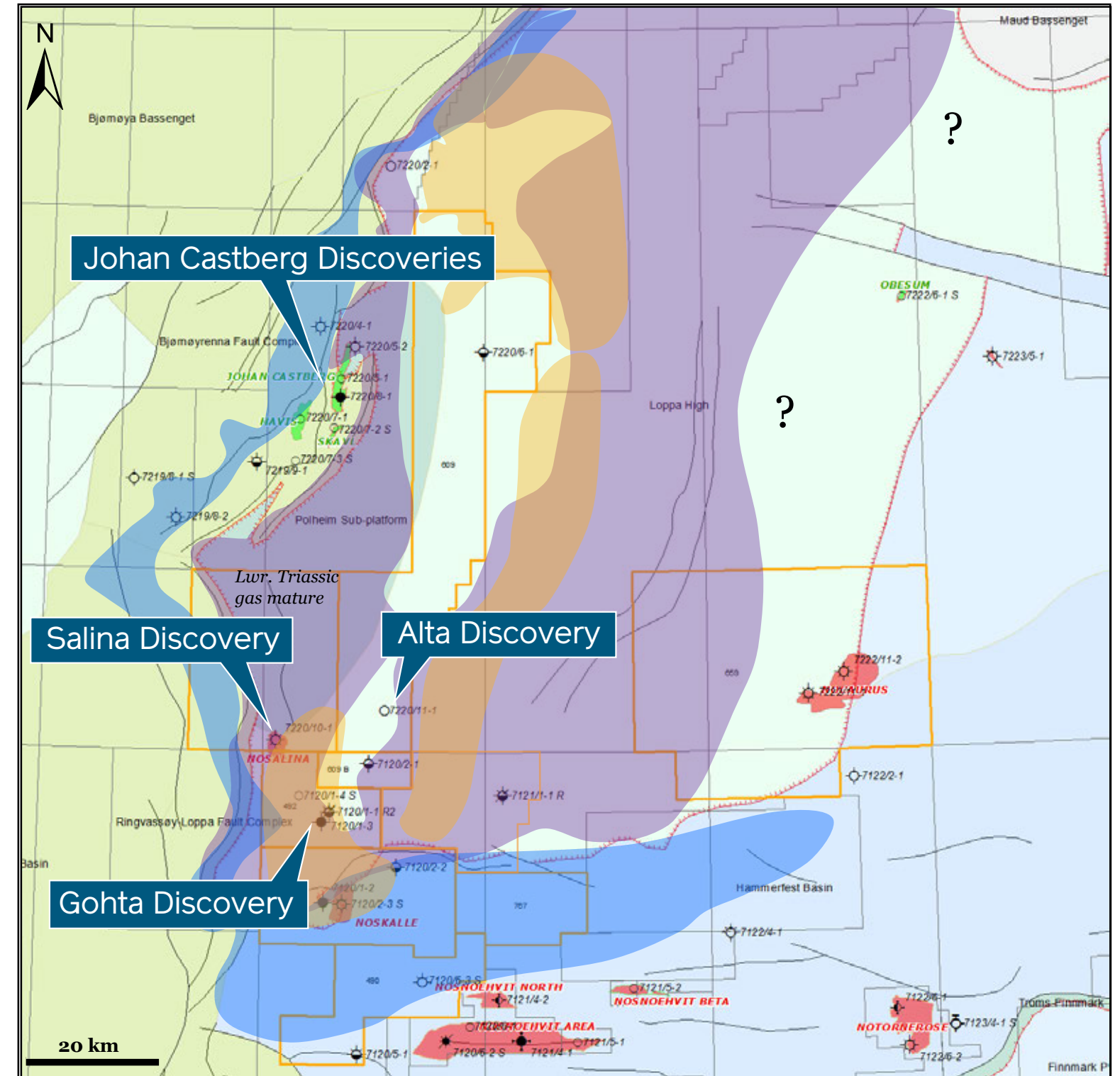


WF11421 p10 15.15

# Barents Sea

## Loppa High

- ➔ Play concepts created in the 70's, tested in the 80's and successfully proven from 2011 and onwards
- ➔ The recent success is the result of 3D seismic and coring in wells
- ➔ Increased diversity of experienced new companies was necessary



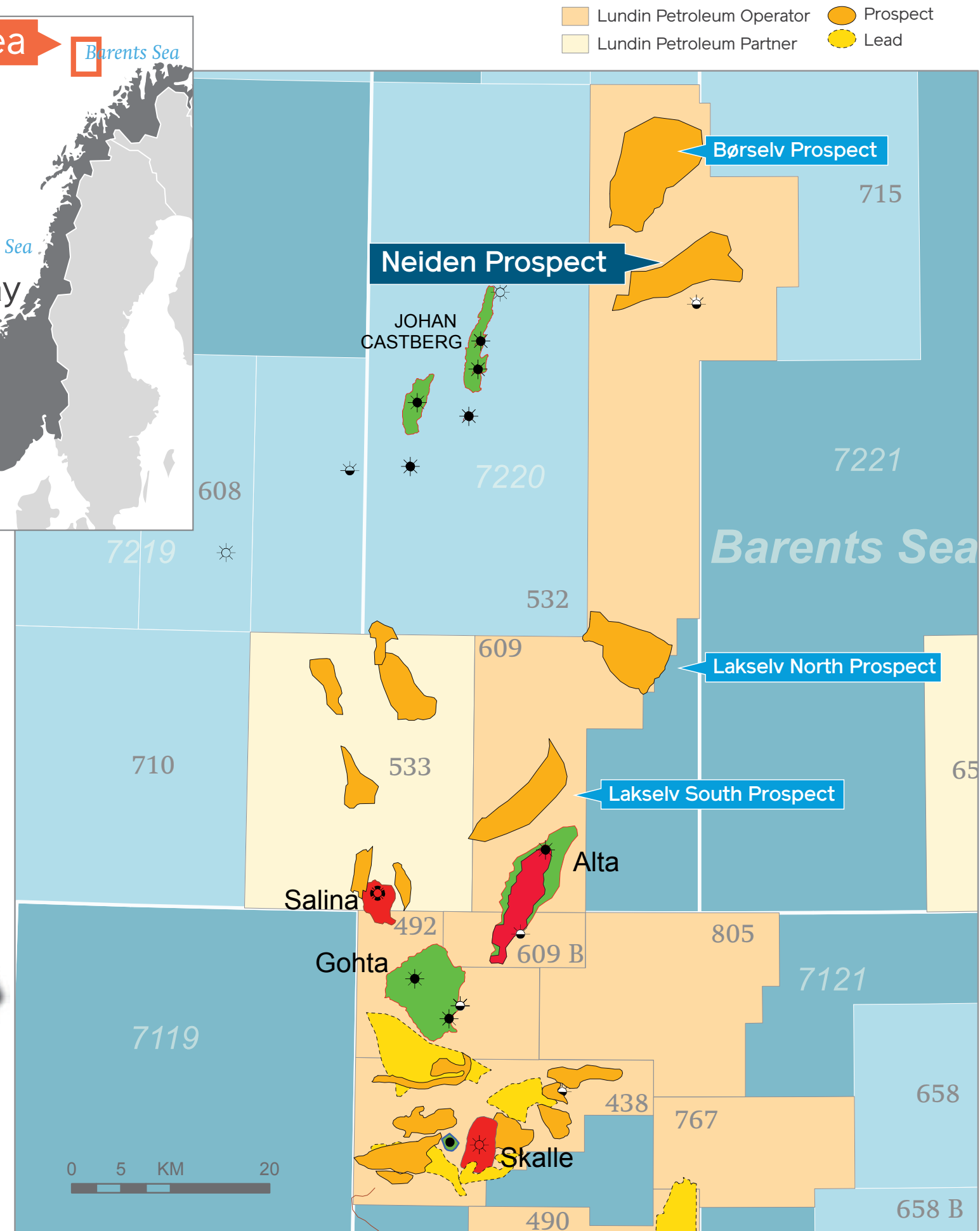
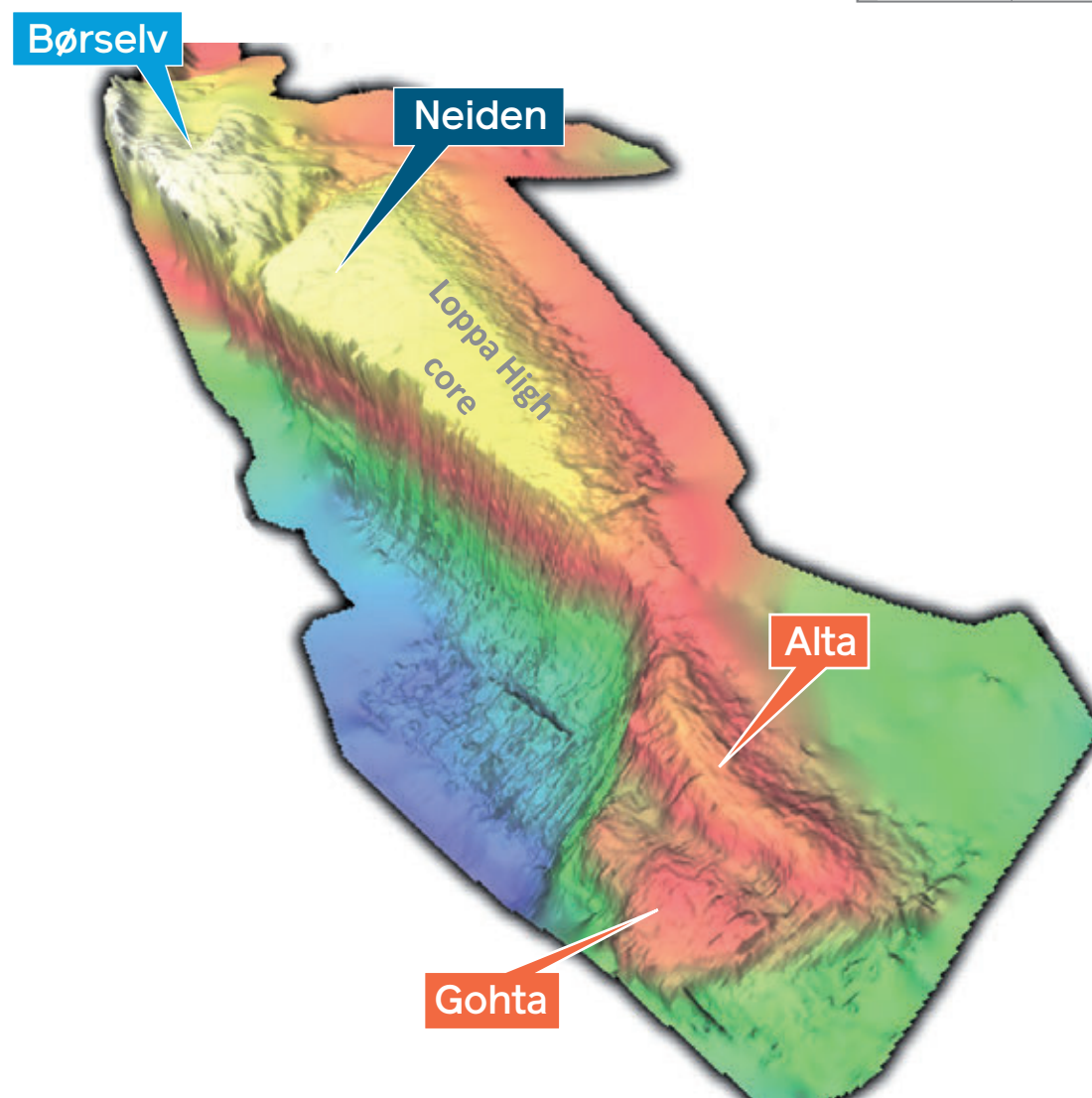
# Barents Sea

## Neiden Prospect PL609

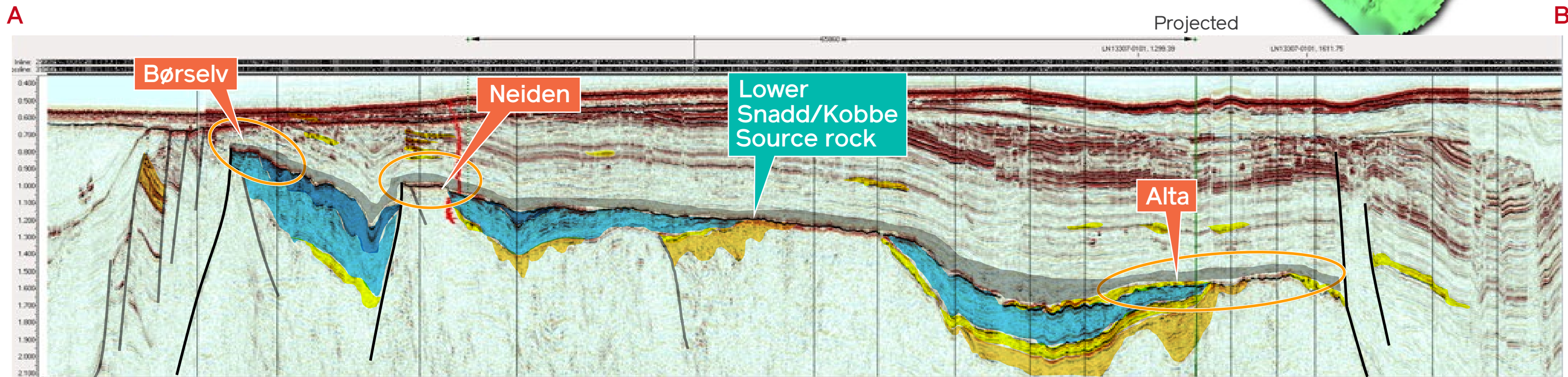
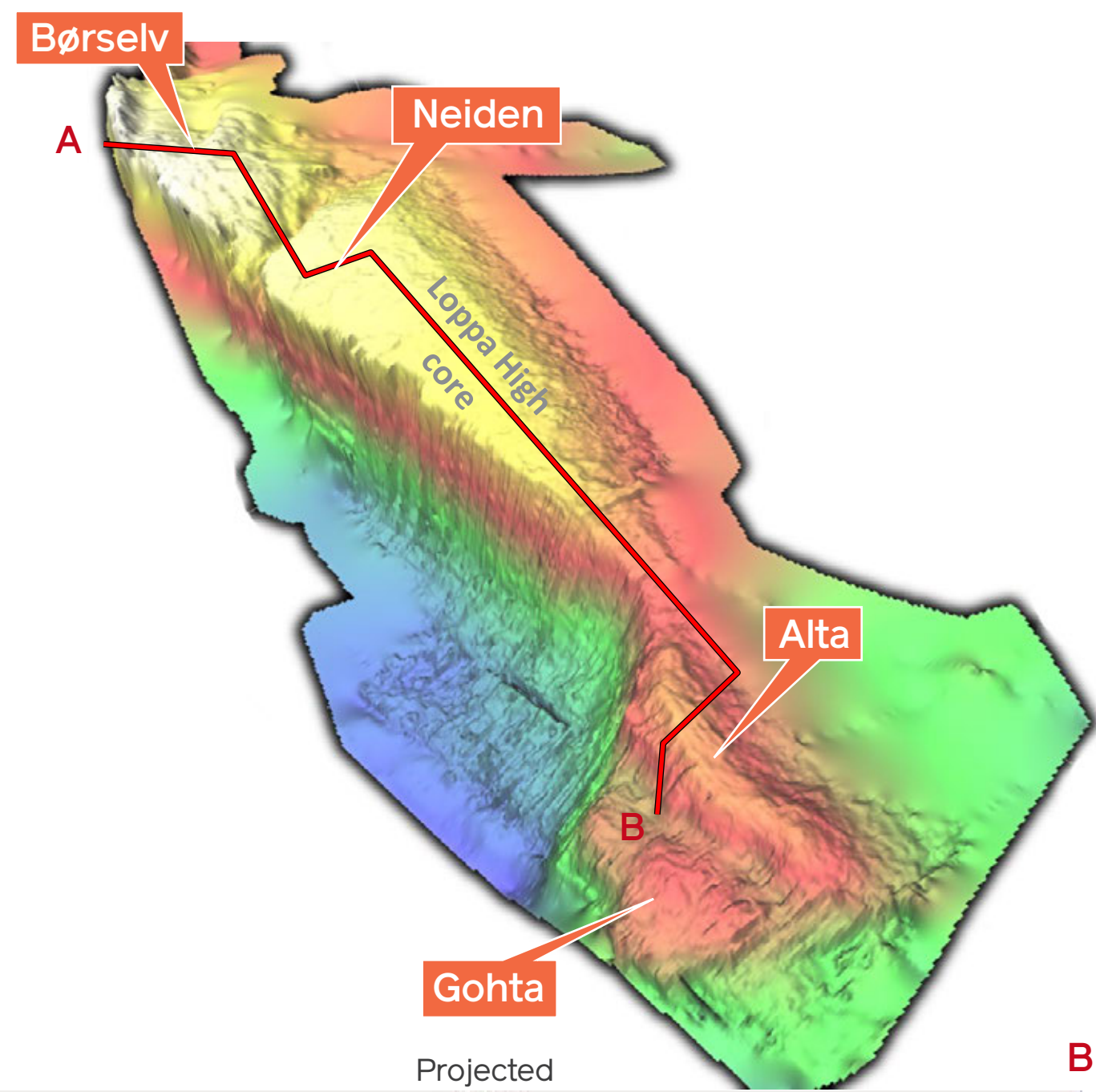
**PL609 (40%, Lundin operator)**

Idemitsu Petroleum 30%, RWE Dea 30%

- Neiden Prospect
- Gross Prospective Resources: 204 MMboe
- Drilling in 2015
- Chance of geological success: 30%



# Barents Sea Neiden and Børseelv Prospects



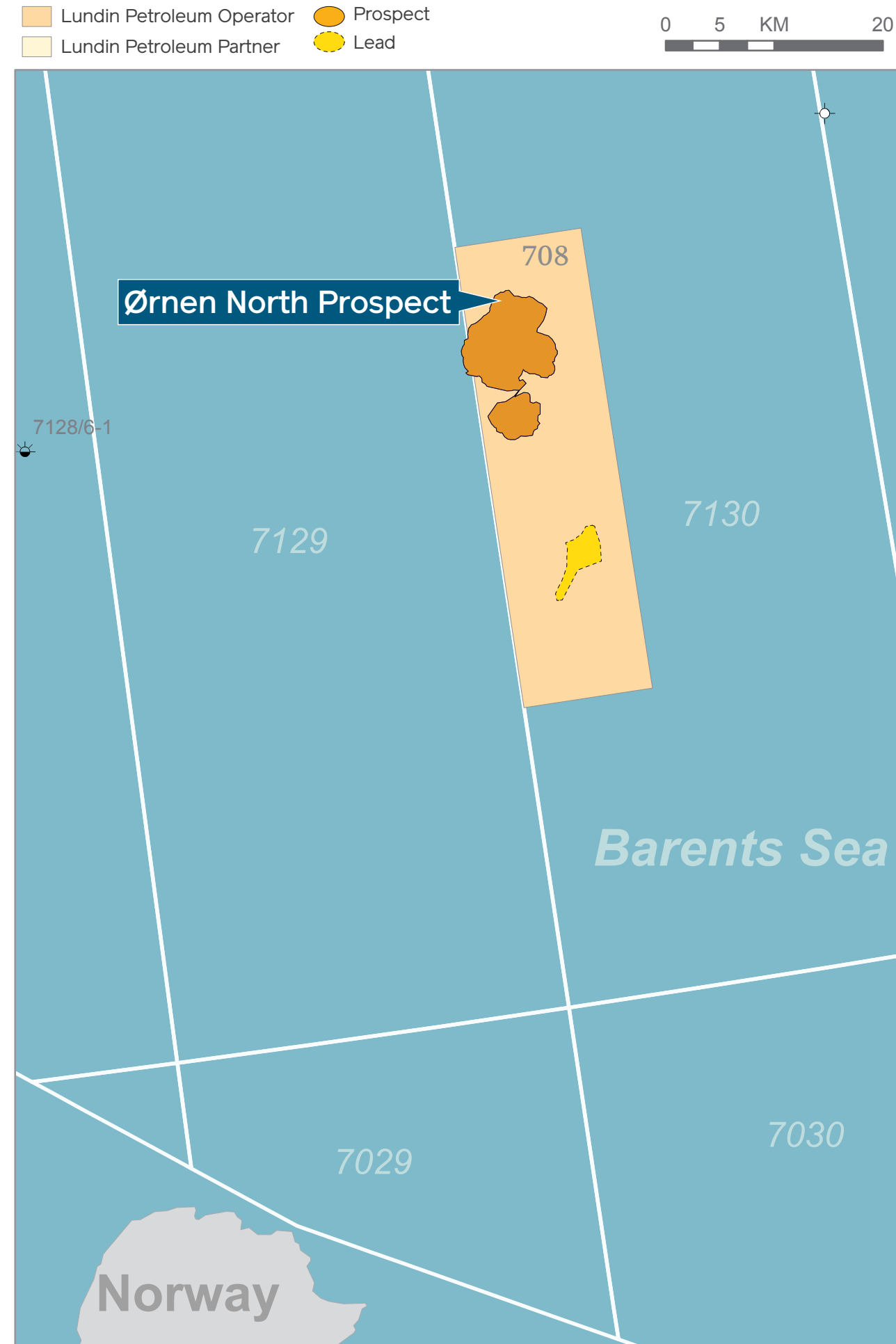
# 2015 Exploration – Barents Sea

## Ørnen Prospect PL708

### PL708 (40%, operator)

Edison 20%, North Energy 20%, Lukoil 20%

- Ørnen North prospect
- Drilling in 2015
- Gross prospective resources: 354 MMboe
- Trap: 4 way closure + stratigraphic
- Reservoir: Permian spiculites & Ørn Carbonates
- Chance of geological success: 20%



# Barents Sea

## Future Areas of Interest

23<sup>rd</sup> Round application date: Dec 2<sup>nd</sup> 2015

3 areas of interest:

### Barents Sea SE

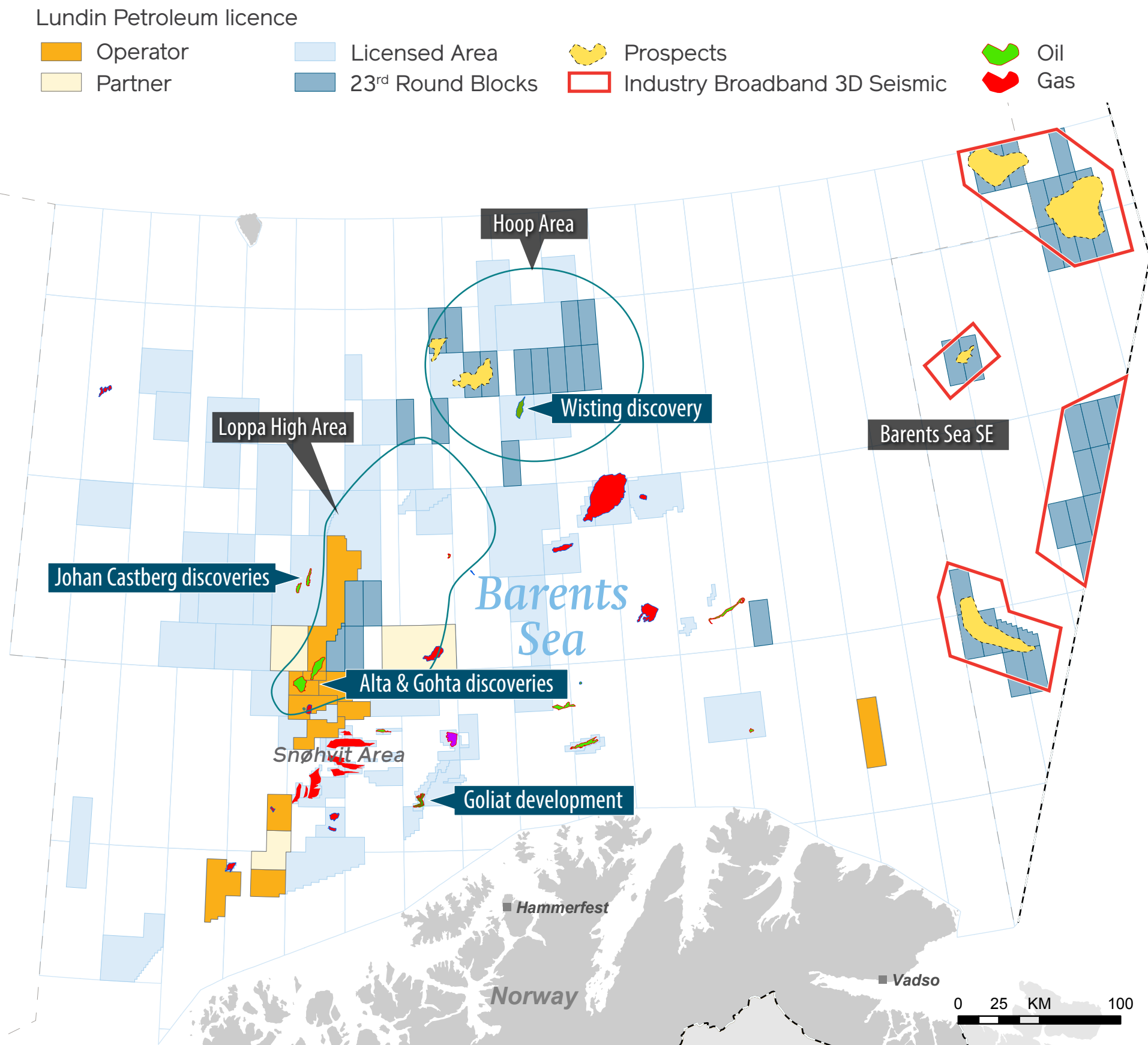
Mega structure in 4 areas covered with industry broadband 3D seismic (Lundin, Statoil, Chevron & Shell leading the data processing)

### Hoop Area

Proven oil play, Wisting discovery

### Loppa High Area

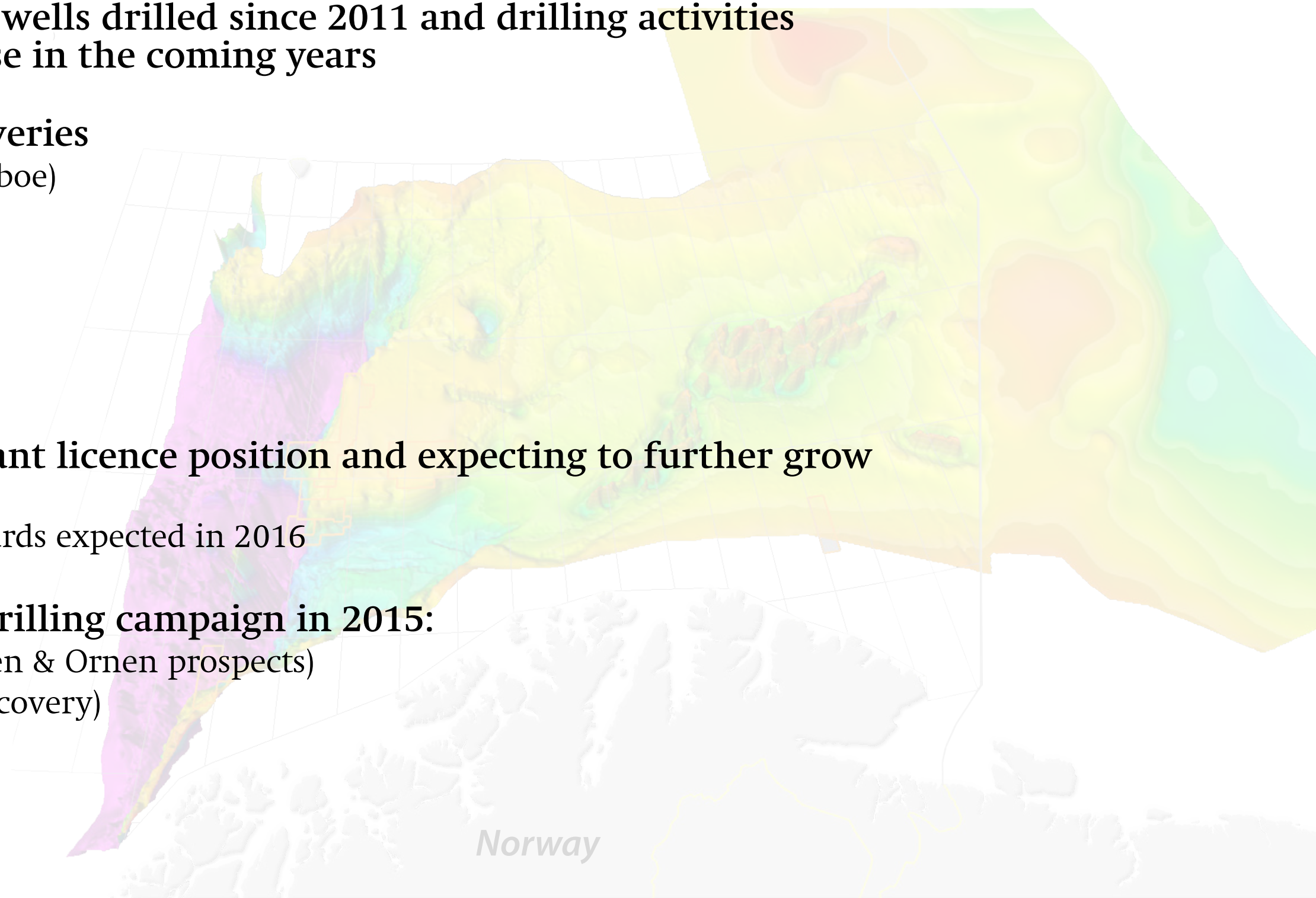
Paleozoic oil play proven by the Alta /Gohta discoveries



# Barents Sea

## Conclusions

- Emerging oil province - 35 wells drilled since 2011 and drilling activities and competition to increase in the coming years
- 4 new significant oil discoveries
  - ➔ Johan Castberg (~500 MMboe)
  - ➔ Alta (224 MMboe)
  - ➔ Gohta (128 MMboe)
  - ➔ Wisting (~ 115 MMboe)
- Diversity of play models
- Lundin Petroleum significant licence position and expecting to further grow through bidding round
  - ➔ 23rd Licensing round awards expected in 2016
- Lundin Petroleum active drilling campaign in 2015:
  - ➔ 2 exploration wells (Neiden & Ornen prospects)
  - ➔ 2 appraisal wells (Alta discovery)



## South East Asia

Capital Market Day, February 2015





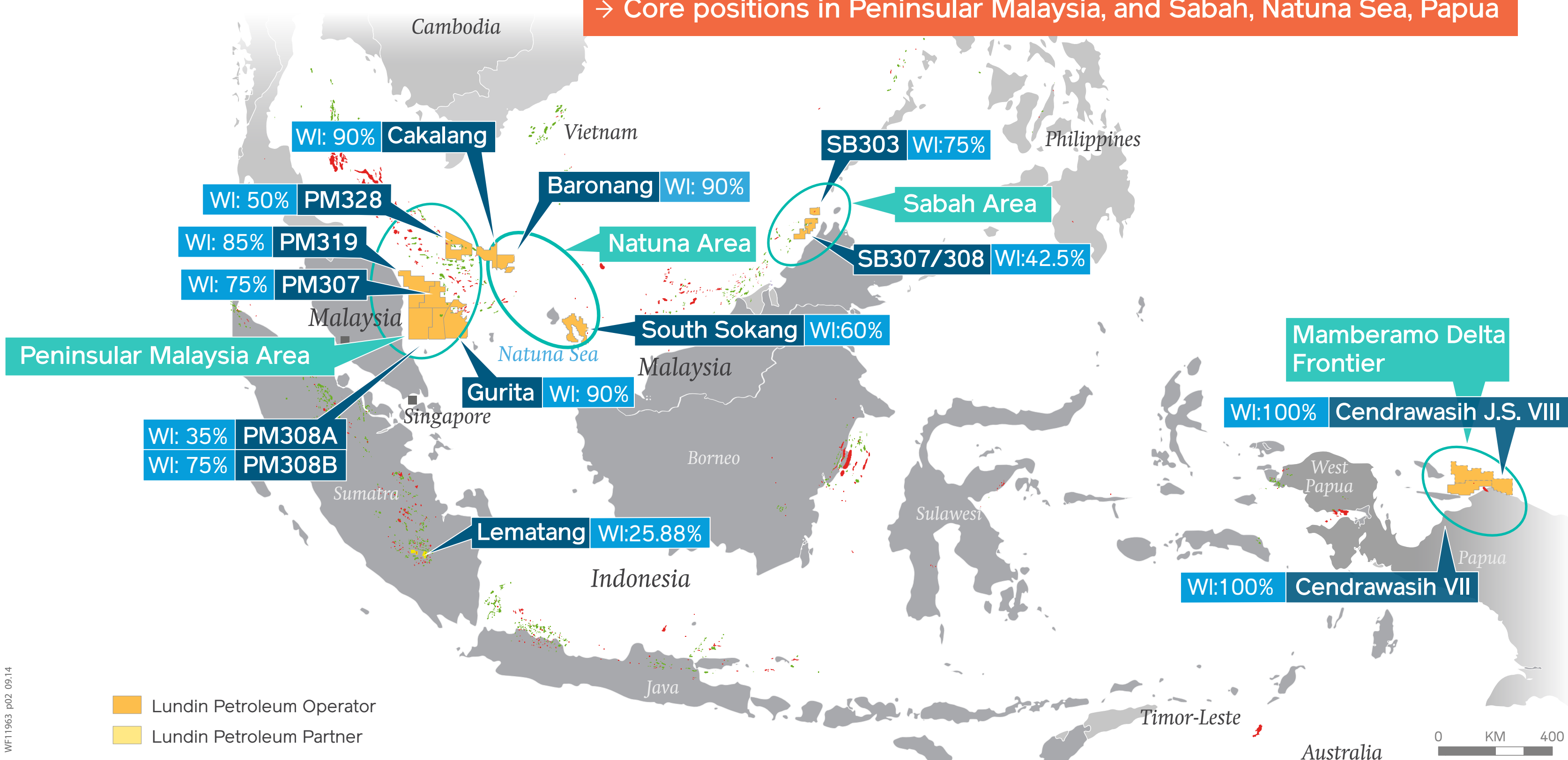
# Drivers for Value Growth in South East Asia

- Access to hydrocarbon resources
- Strong track record in S.E.Asia
- Excellent Government relationships
- Low cost, shallow water environment
- Major companies exiting
- Limited 3D coverage
- Improving fiscal terms



# South East Asia 2015 Block Summary

→ Core positions in Peninsular Malaysia, and Sabah, Natuna Sea, Papua



WF11963 p02 09.14

■ Lundin Petroleum Operator  
■ Lundin Petroleum Partner

0 KM 400

# South East Asia

## 2015 Operation Activities

### Malaysia

- 7 PSCs (all operated)
- ~39,600 km<sup>2</sup> of gross acreage
- 13.8 MMboe of net 2P reserves
- 72.2 MMboe of net 2C
- One new permit – PM328

### 2015 Programme

- Bertam development
- 2 exploration wells

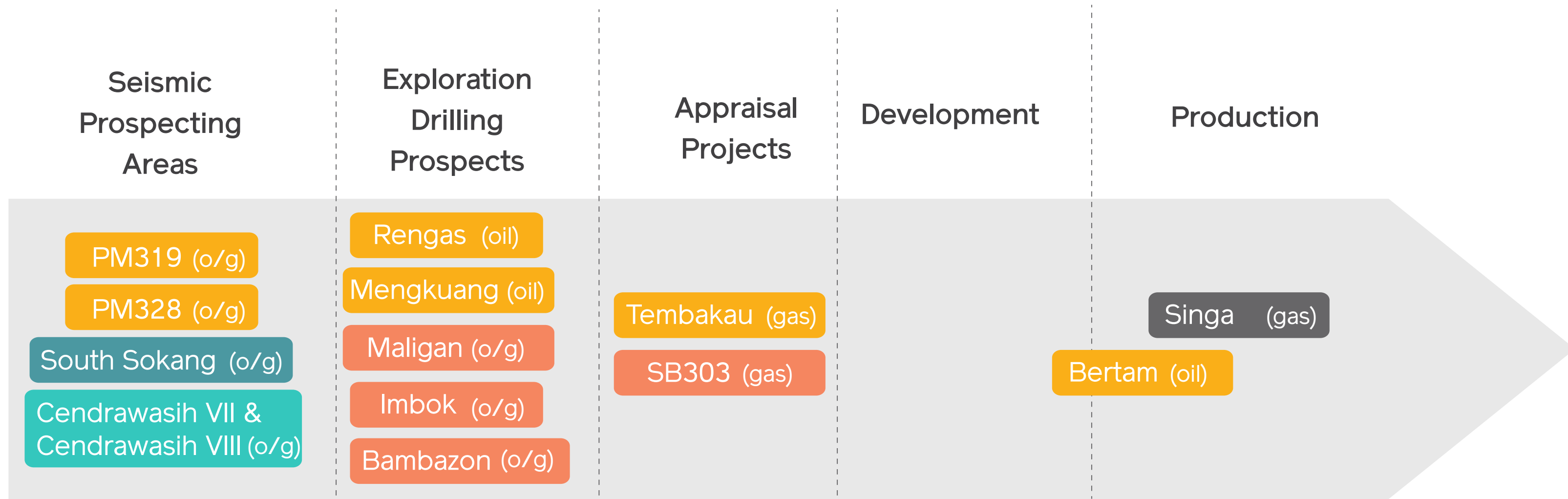
### Indonesia

- 6 PSCs (5 operated, 2 to be relinquished)
- 1 joint venture study area - CVIII
- ~23,000 km<sup>2</sup> of gross acreage
- 1.4 MMboe of net 2P reserves
- 2.1 MMboe of net 2C

### 2015 Programme

- CVIII Joint study
- Finalise 3D interpretation of South Sokang and CVII

# South East Asia Project Funnel



Peninsular Malaysia Area

Sabah Area

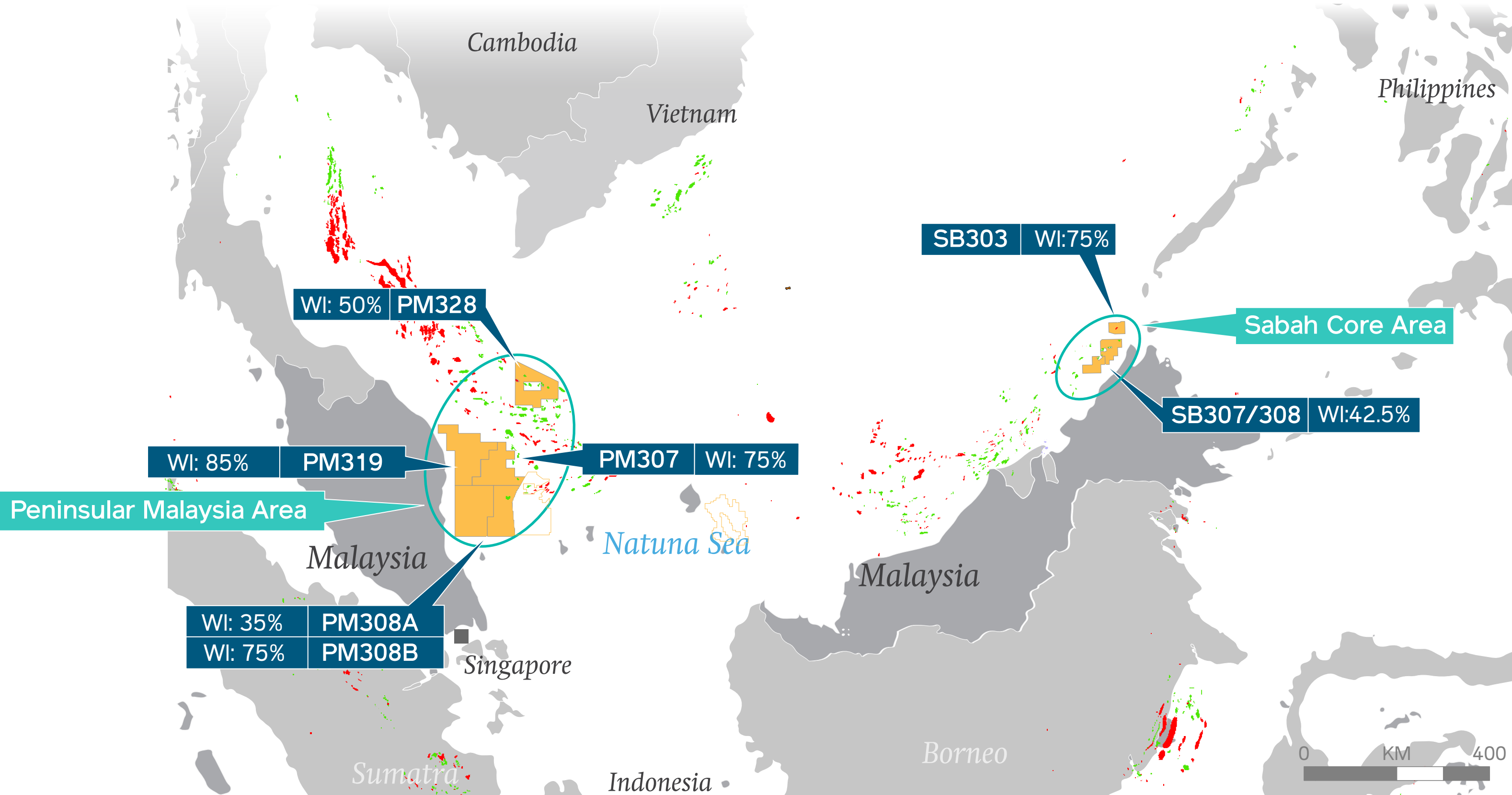
Natuna Area

Mamberamo Delta Frontier

# Malaysia

## Licence Portfolio

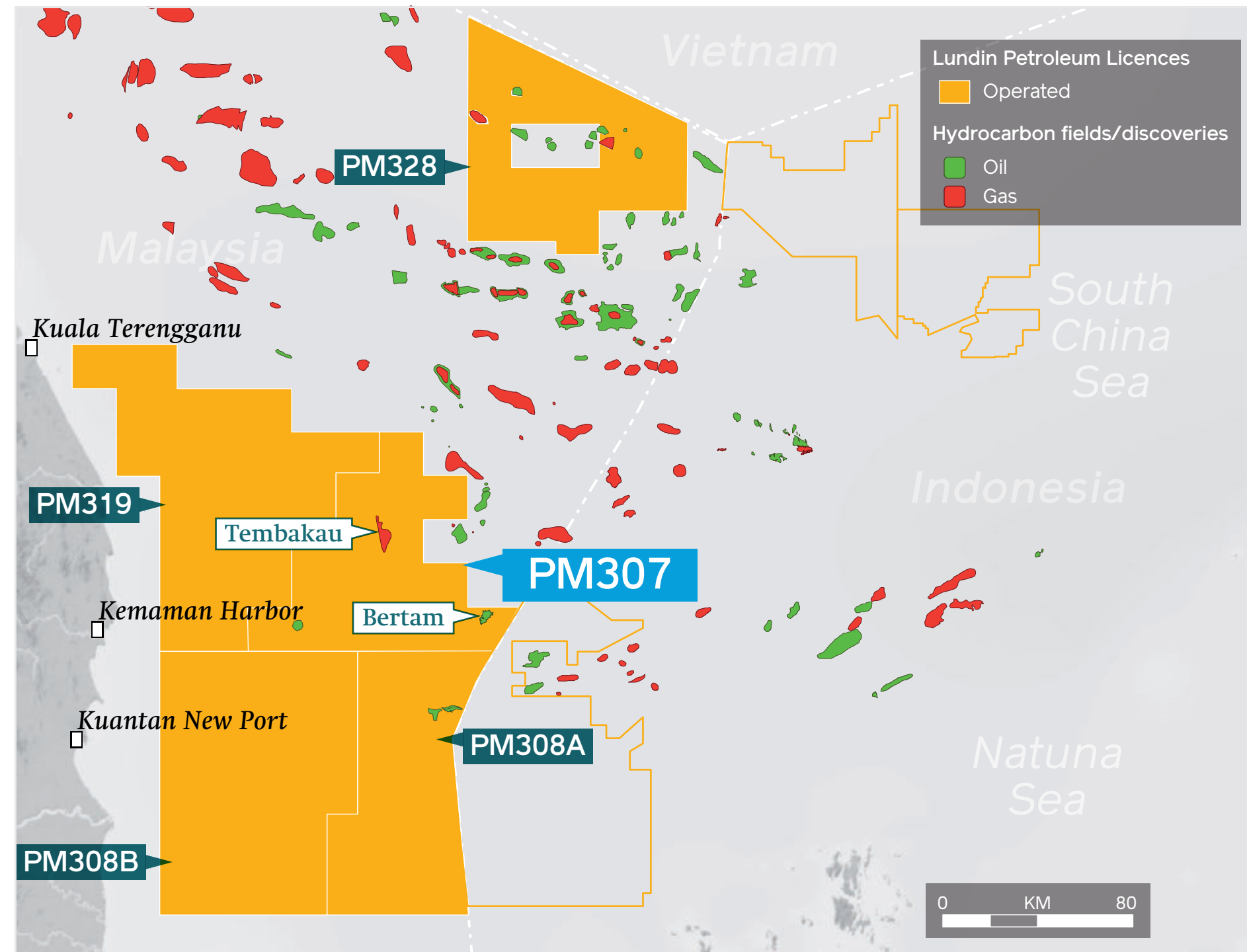
■ Lundin Petroleum Operator  
■ Lundin Petroleum Partner



# Malaysia

## Peninsular Malaysia Area

- Contains the Bertam oil field development, and the Tembakau gas discovery
- Targeting prolific Malay/Penyu basin margin play
- Multiple prospects/leads identified



# Peninsular Malaysia

## Bertam Development

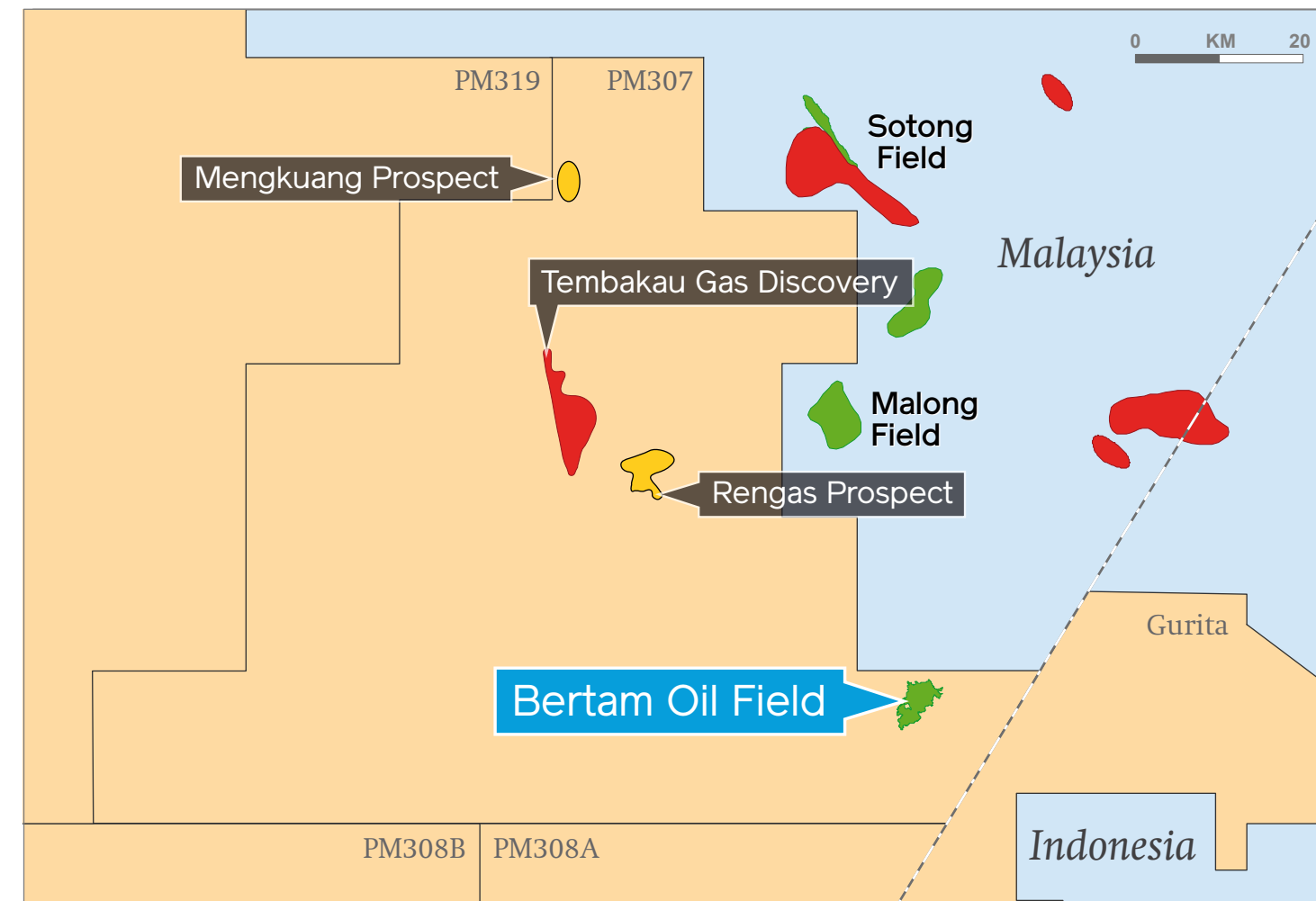
- PM307 - Lundin Petroleum 75% (operator), Petronas Carigali 25%
- PDO approved in October 2013
- Gross 2P reserves: 18.4 MMbo
- Gross plateau production: 15,000 bopd
- First oil: Q2 2015
- Development plan
  - ➔ Wellhead platform
  - ➔ 14 horizontal wells with ESP's
  - ➔ Utilise 100% owned FPSO
- Gross CAPEX MUSD ~400 <sup>(1)</sup>
- Jacket and topsides installed
- FPSO upgrade completed
- Development drilling ongoing

<sup>(1)</sup> Excludes capex related to the FPSO

## Bertam Development Facilities



## Bertam Location Map



# Peninsular Malaysia Bertam Development

August 2014 - FPSO towout from drydock



*FPSO Bertam, formerly deployed in Tunisia on the Oudna field as FPSO Ikdam*

September 2014 - Development drilling over Bertam jacket



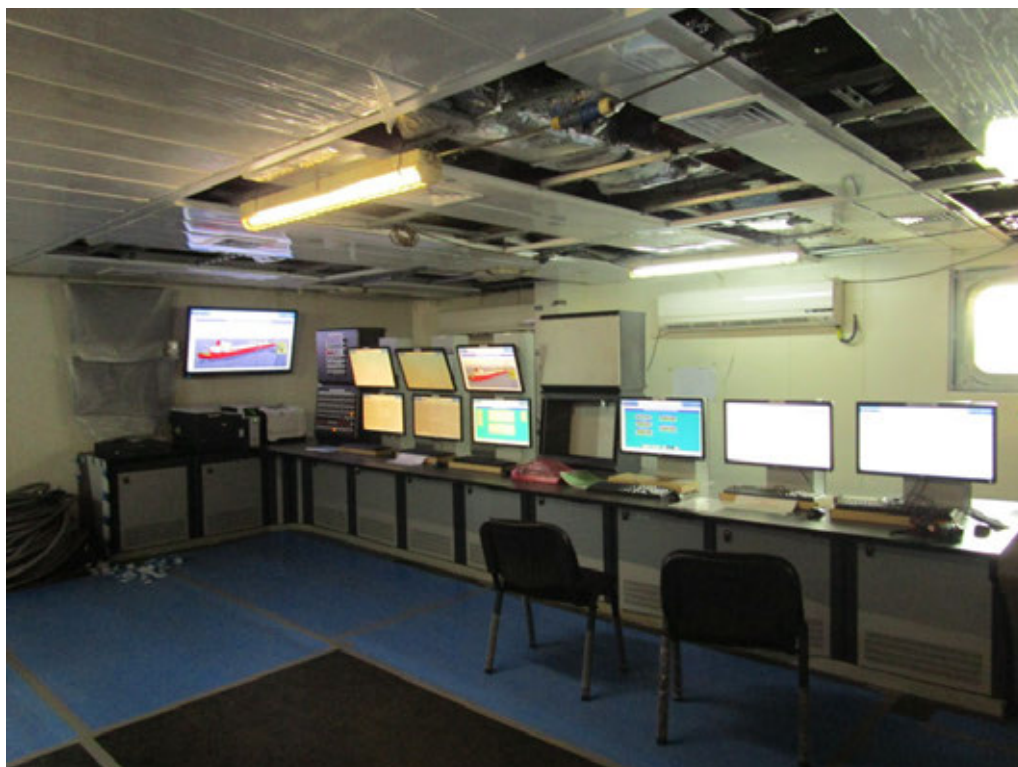


# Peninsular Malaysia Bertam Project Progress

FPSO Bertam



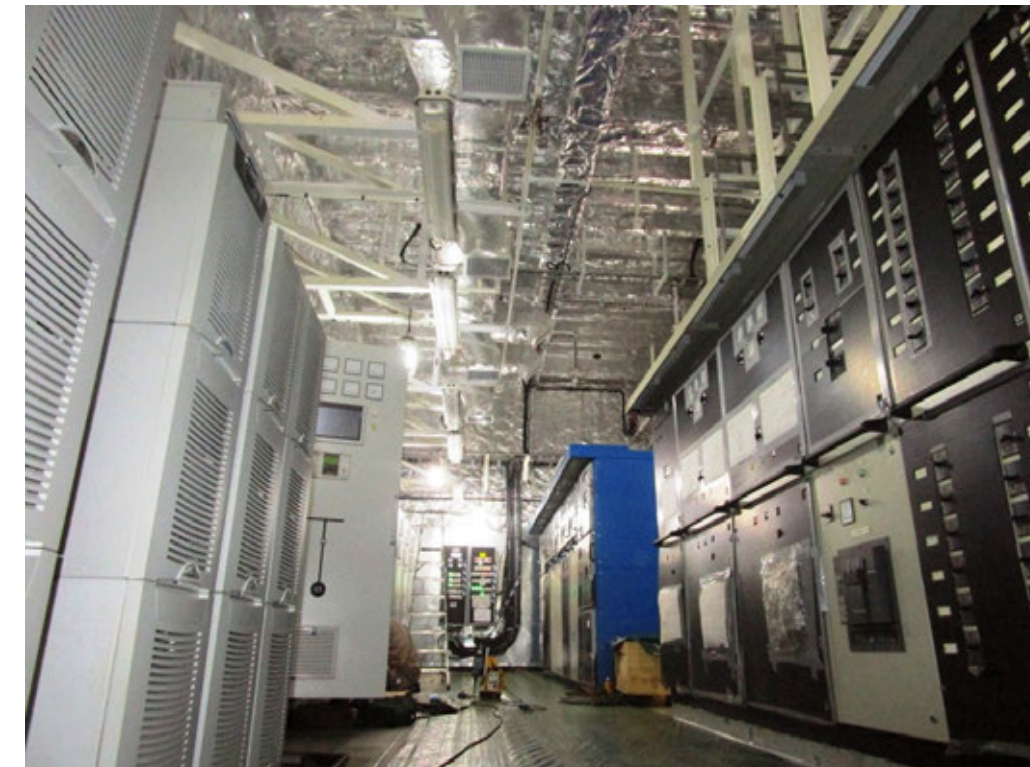
Control Room



Process Equipment



Power Generation



# Peninsular Malaysia Bertam Project Progress

FPSO Bertam Funnel



FPSO Bertam Helideck



# Peninsular Malaysia Bertam Development

October - Installation of the Bertam Wellhead Platform



October - Topside at field



October - Topside installed



# Bertam Field and FPSO

## Value and Netback Sensitivity

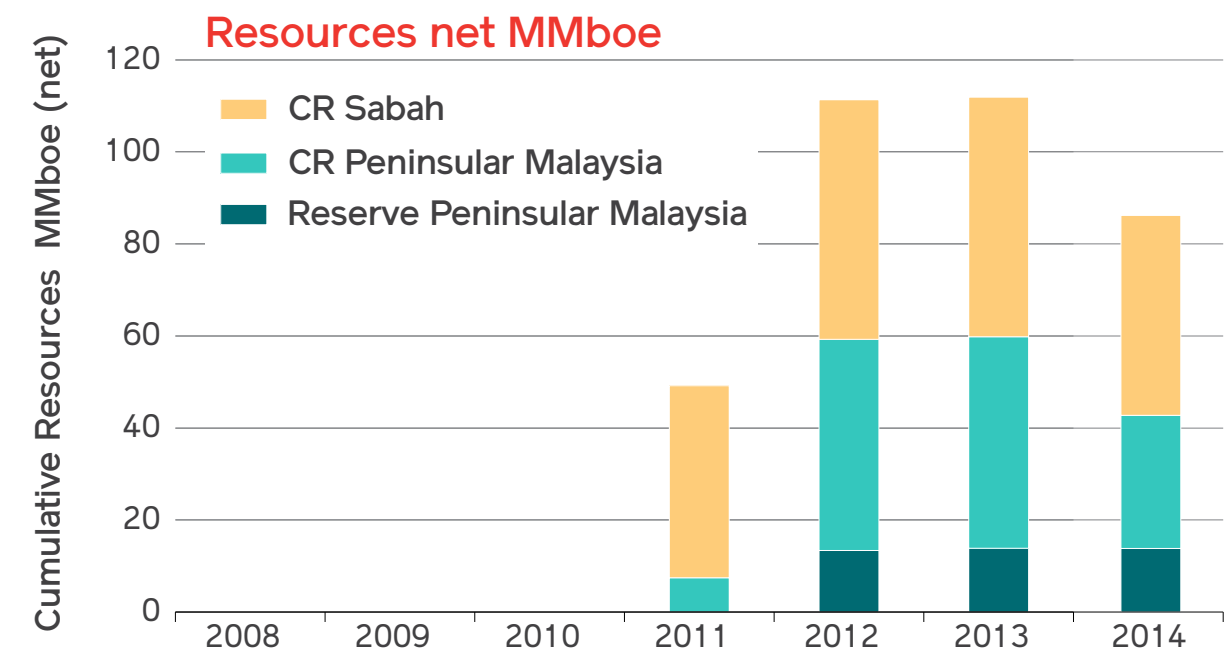
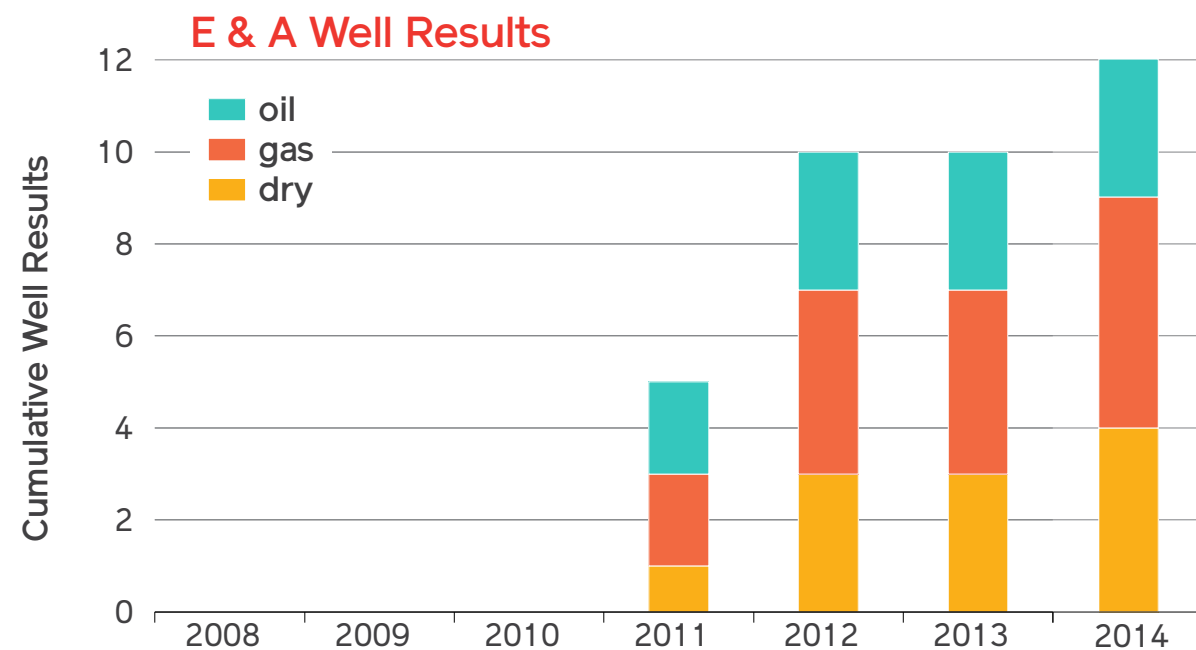
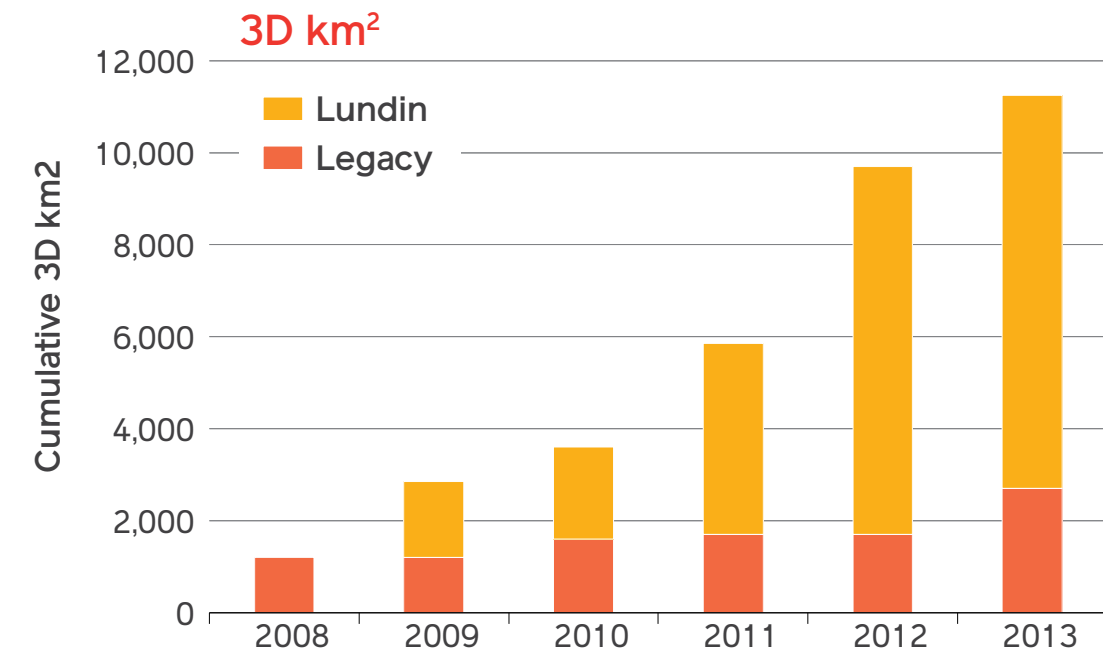
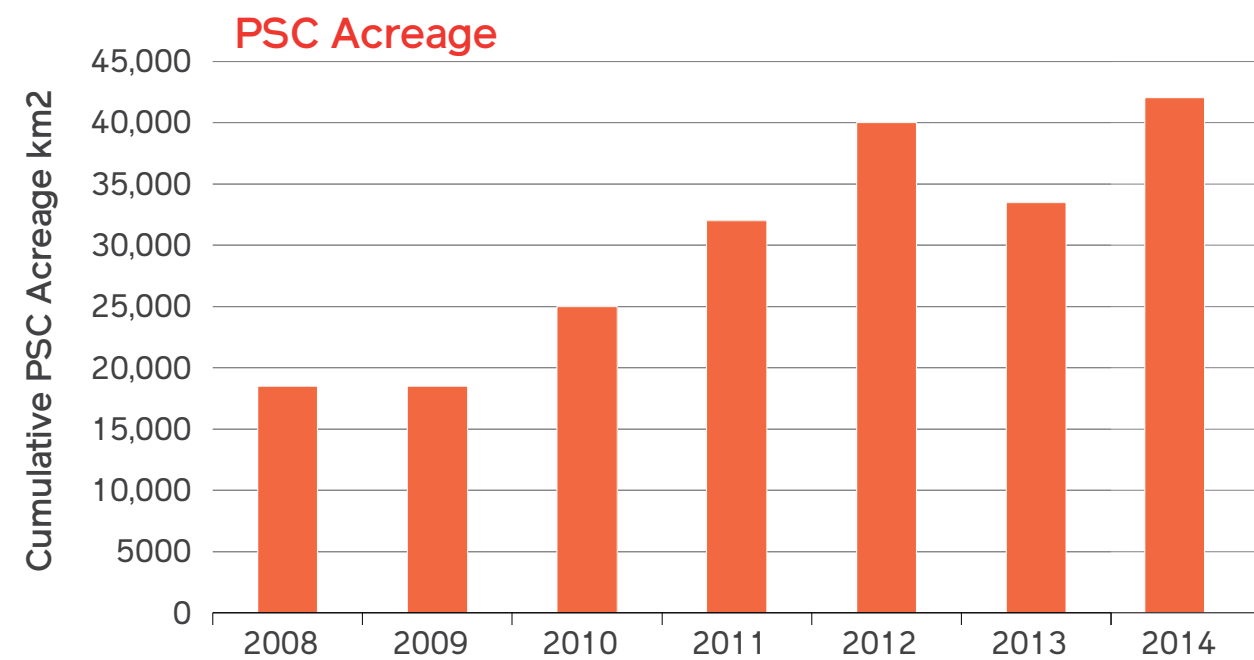
	Field and FPSO 2015 Forecast		
Brent Oil Price	40.00	55.00	70.00
Operating Cash Flow Netback	31.20	42.90	54.50
EBITDA Netback	31.20	42.90	54.50

- High netbacks
- Positive contribution from 100% FPSO ownership
- Leasing income independent of oil price

# Malaysia

## 2008-2014 Exploration

### ➤ Second largest PSC Acreage in Malaysia

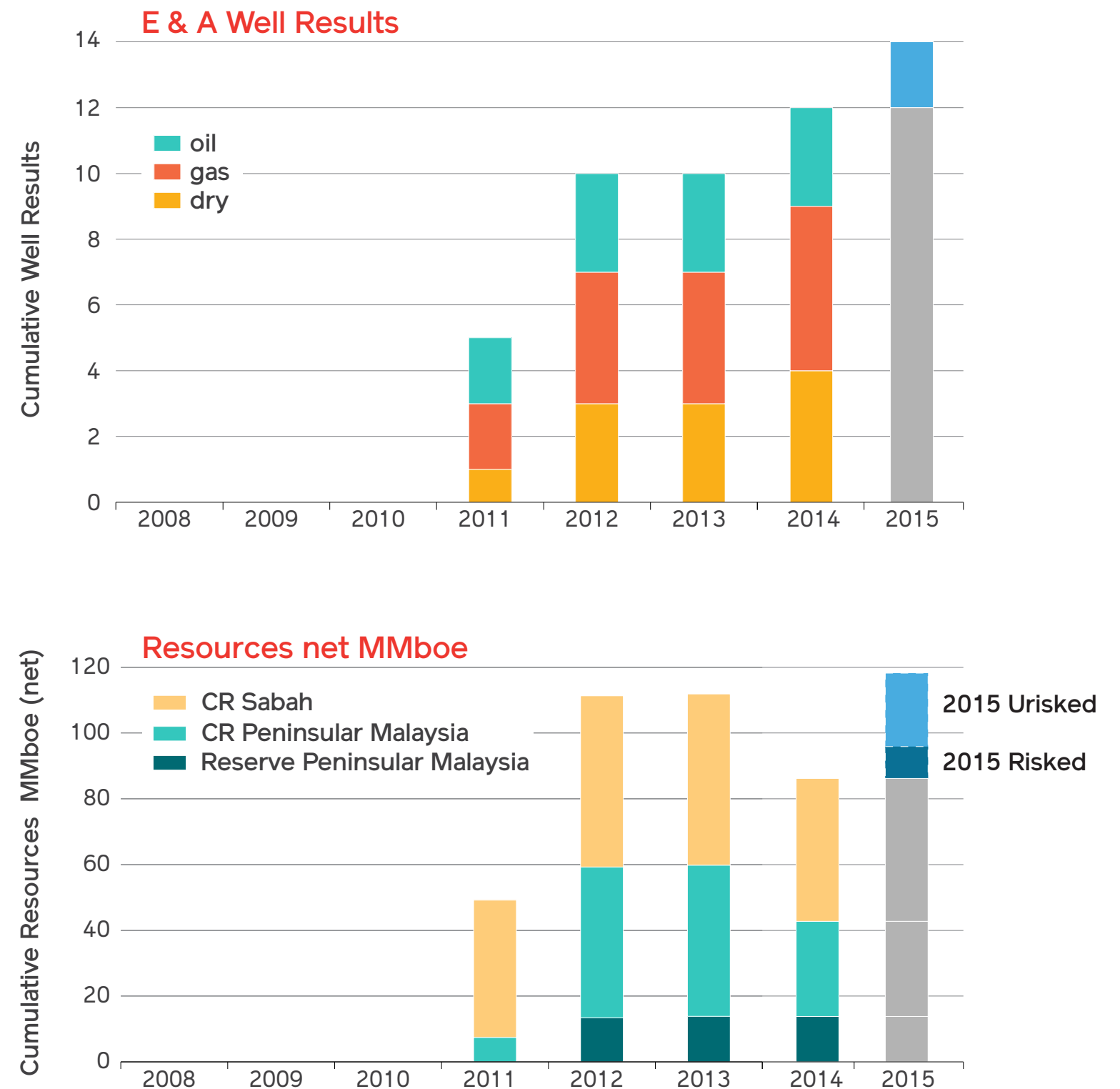


# Malaysia

## 2015 Exploration

➤ 2 well exploration programme for 2015

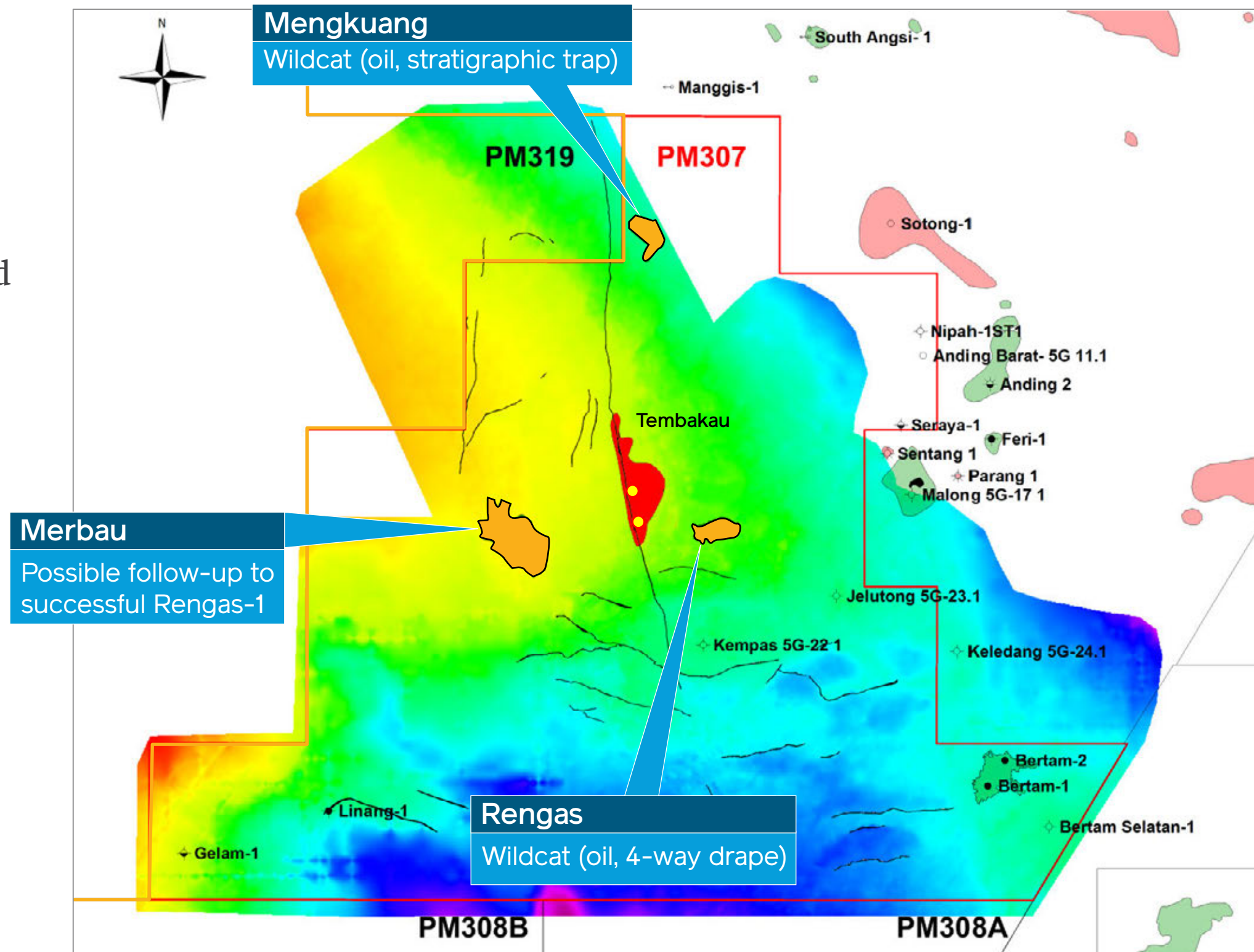
➤ Potential to increase resource base by 37% in 2015



# Malaysia

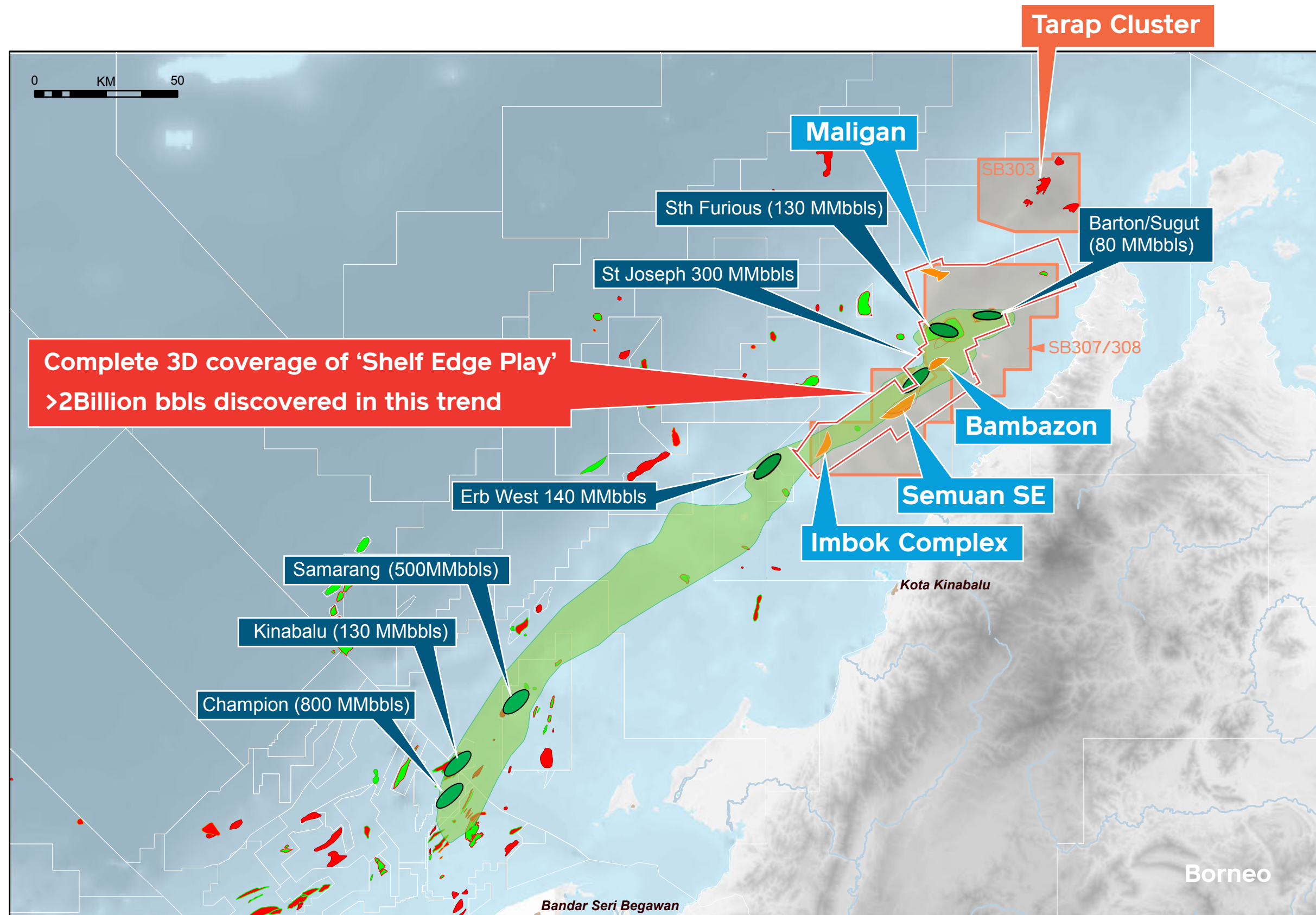
## PM307 - Exploration Drilling 2015

- 2015 exploration drilling
  - Mengkuang: 21 MMboe gross unrisked prospective resources
  - Rengas: 22 MMboe gross unrisked prospective resources
- Mengkuang - PM319 play opener



# Malaysia

## SB307/308 - 3D Focus Area - Shelf Edge





# Lundin Indonesia Licence Portfolio



## Other Assets



Capital Market Day, February 2015

# Overview

## France & Netherlands

- ➔ Steady production
- ➔ High cash margin net backs

	France	Netherlands
Hydrocarbon Type	Oil	Gas
2014 Production Net, boepd	2,910	1,890
2P Reserves Net <sup>(1)</sup> , MMboe	21.1	2.5
Best Estimates Contingent Resources Net <sup>(1)</sup> , MMboe	13.1	-
Asset Description	Mature low decline onshore production	Mature on/offshore production
Exploration	1.1 Million acres	

<sup>(1)</sup> End 2014

2014 USD/boe	France	Netherlands
Revenue	92	54
OPEX	26	18
Cash Net Back	66	35

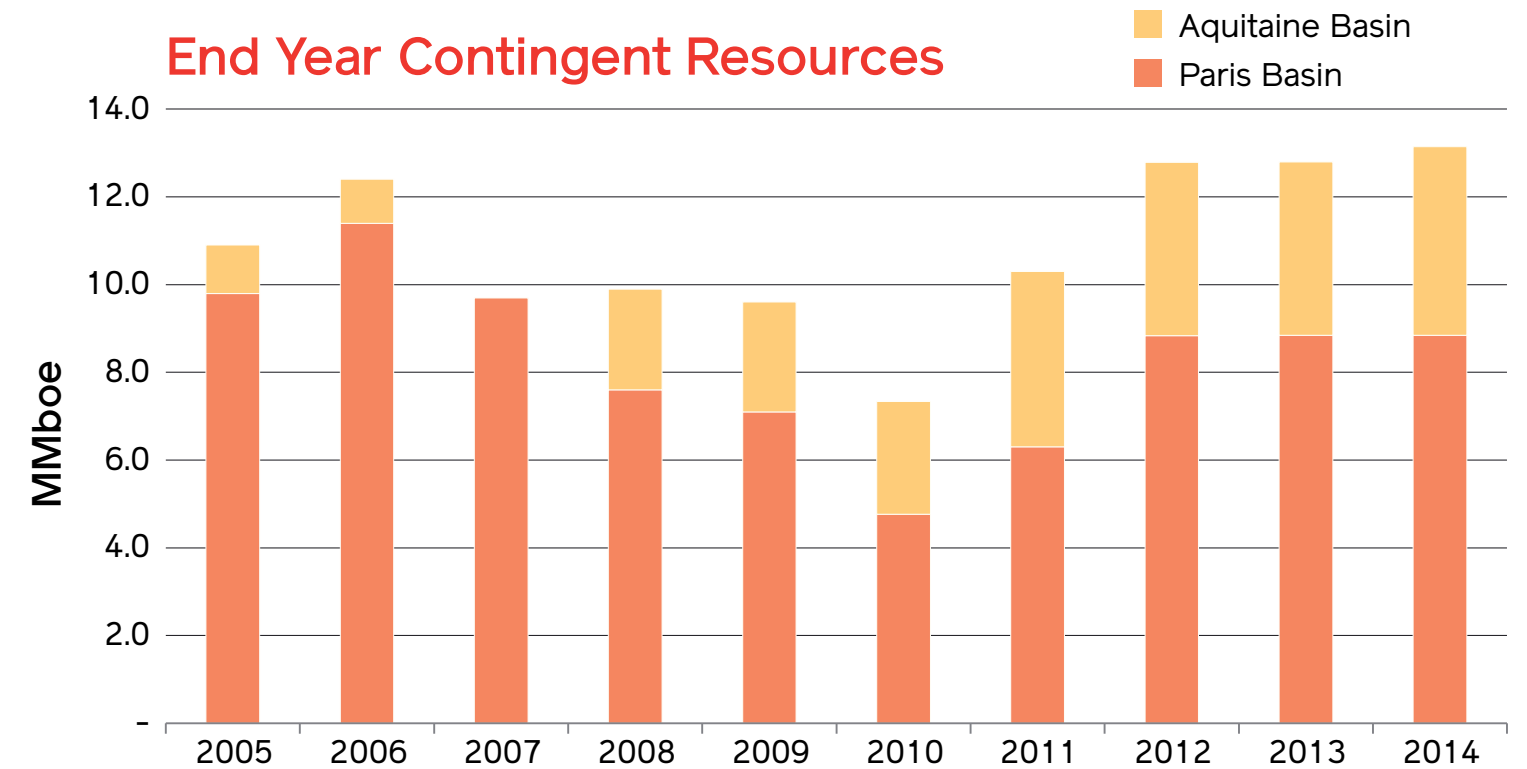


# France

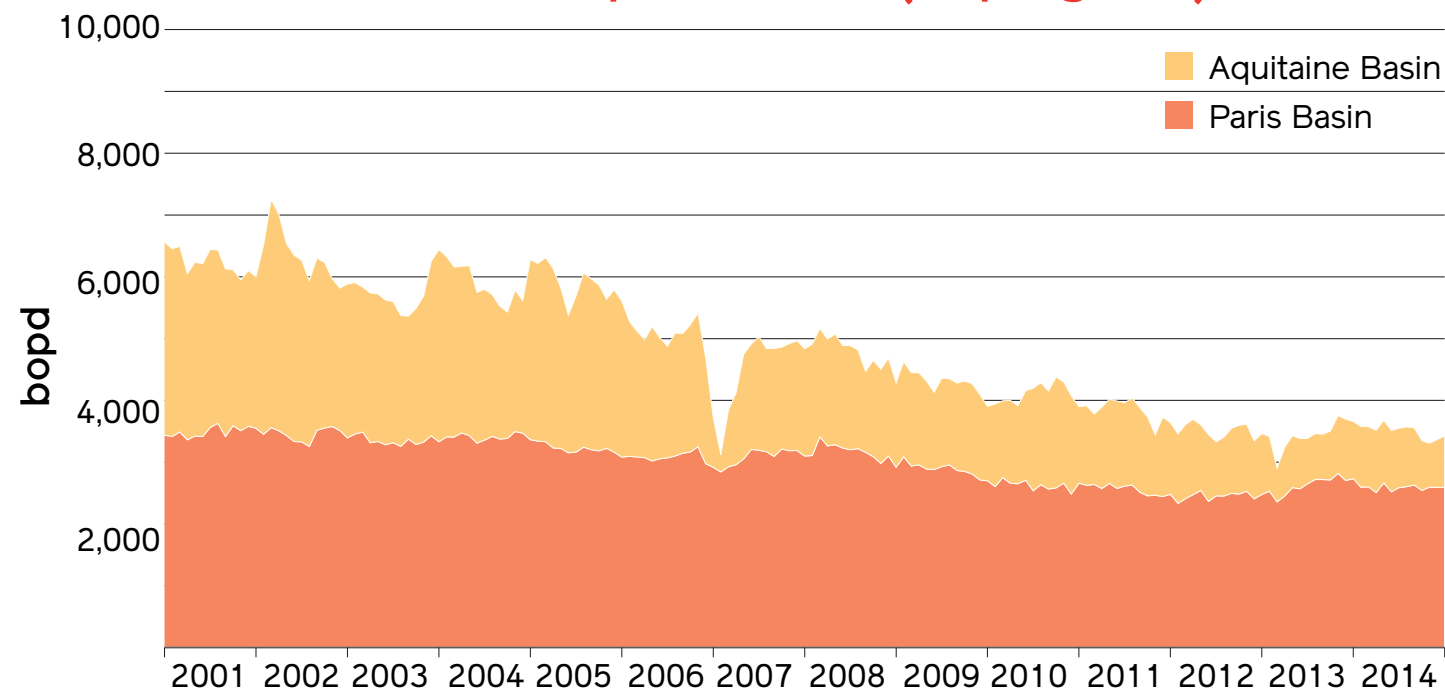
## Steady value creation

- ➔ 2014 Production: 2,910 boepd
- ➔ 2P Reserves: 21.1 MMboe
- ➔ Contingent Resources: 13.1 MMboe
- ➔ Operating Cash Flow MUSD 56 in 2014

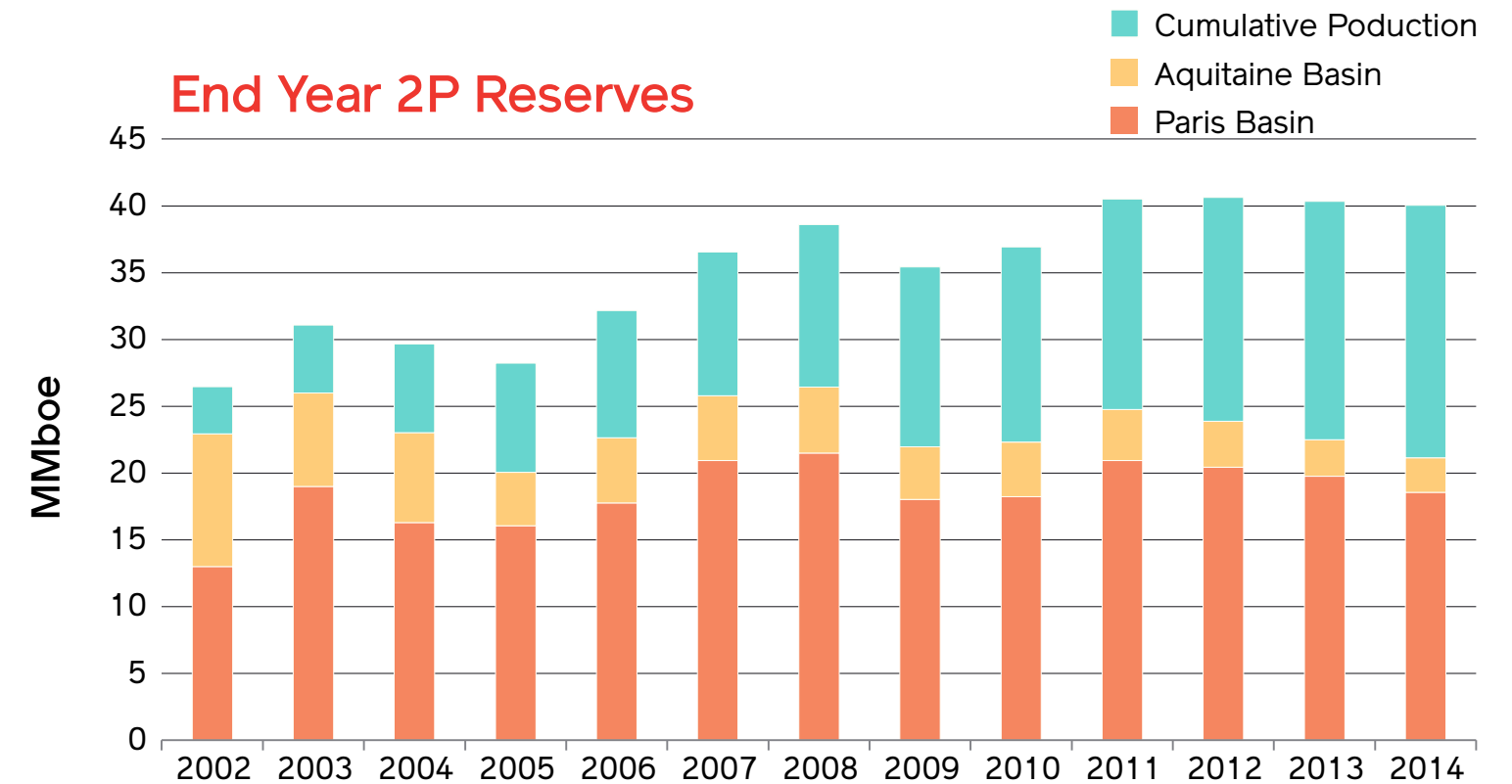
End Year Contingent Resources



France historical production (bopd gross)



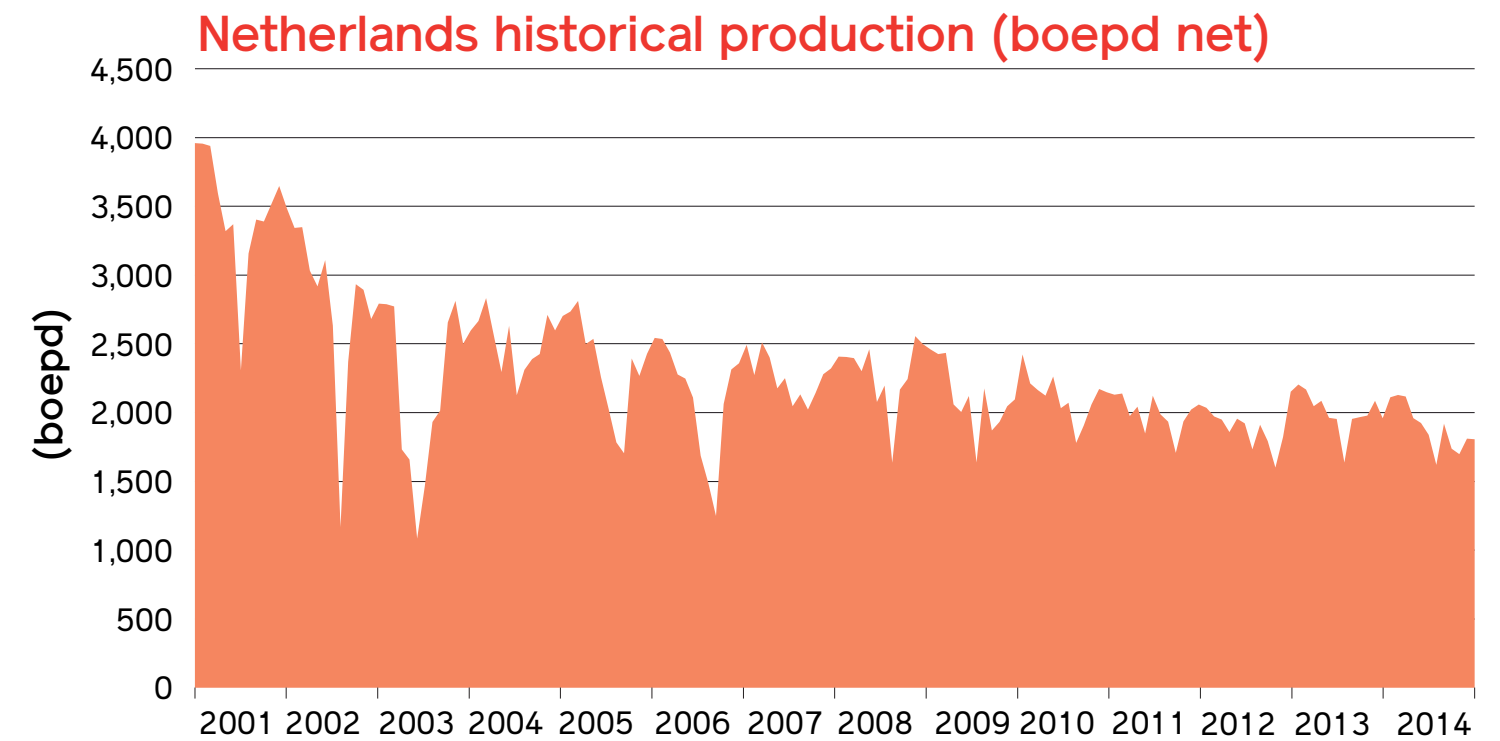
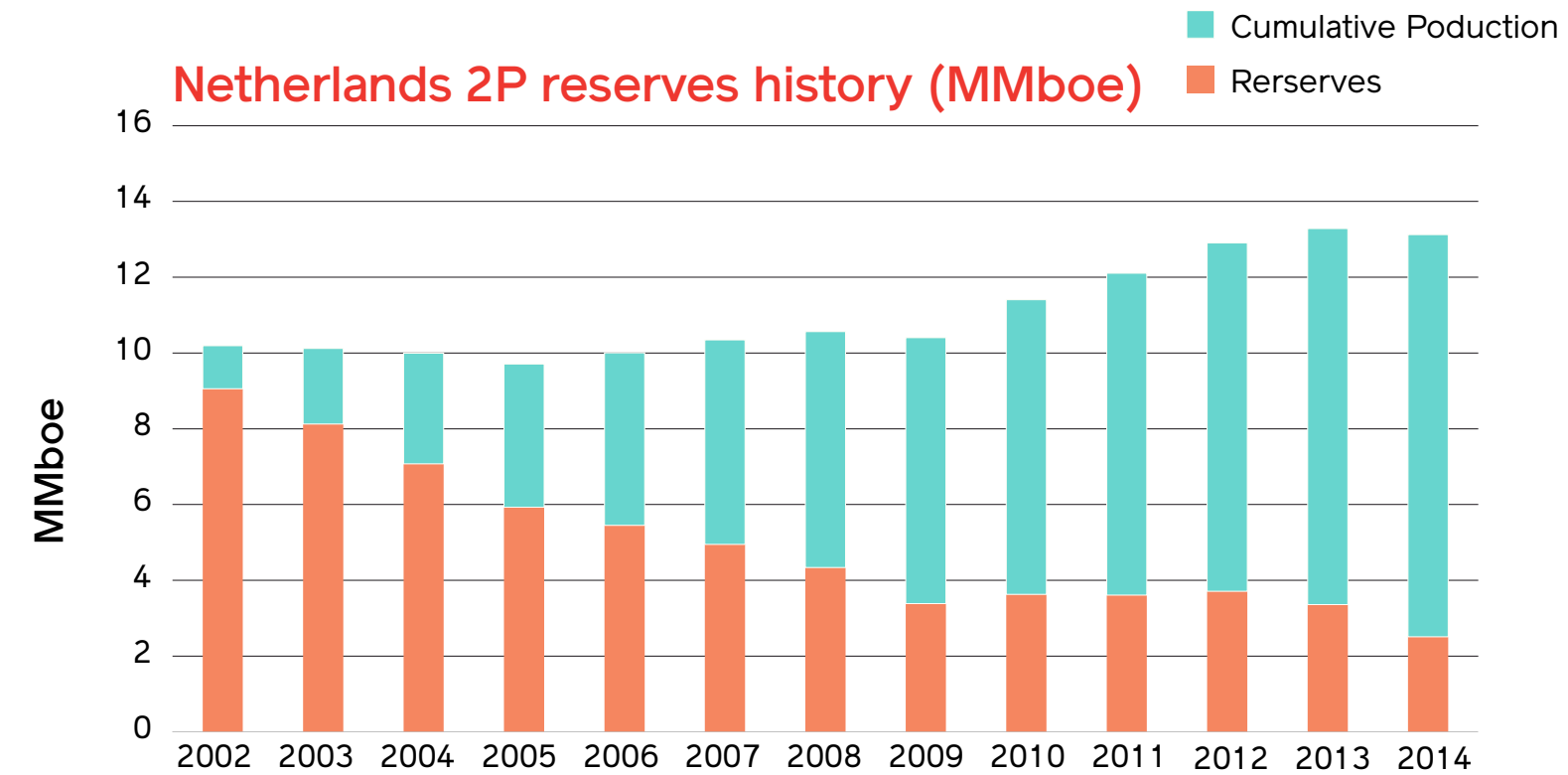
End Year 2P Reserves



# Netherlands

## Mature Gas Production

- ➔ 2014 Production: 1,890 boepd
- ➔ 2P Reserves: 2.5 MMboe
- ➔ Operating Cash Flow MUSD 17.4 in 2014



# Conclusion

Capital Market Day, February 2015



# Conclusion

- Financial flexibility to survive a period of sustained low oil prices
- Growth story remains intact
- Johan Sverdrup underpins value and financial flexibility
- Selective exploration and appraisal investment



# 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 2014, 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, Resources and Production" 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. Unless otherwise stated, all contingent resource estimates contained herein are the best estimate ("2C") 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. Unless otherwise stated, all Prospective Resource estimates contained herein are reflecting a P50 Prospective Resource estimate. Risked Prospective Resources reported herein are partially risked. They have been risked for chance of discovery, but have not been risked for chance of development.

## 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.



# Lundin

Petroleum



[www.lundin-petroleum.com](http://www.lundin-petroleum.com)

# Appendix



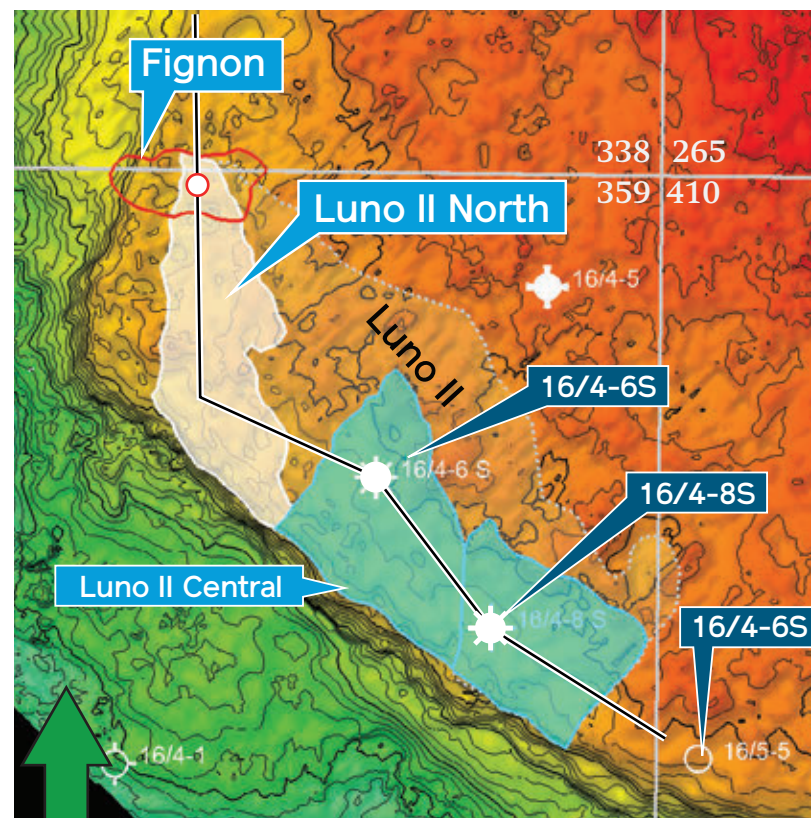
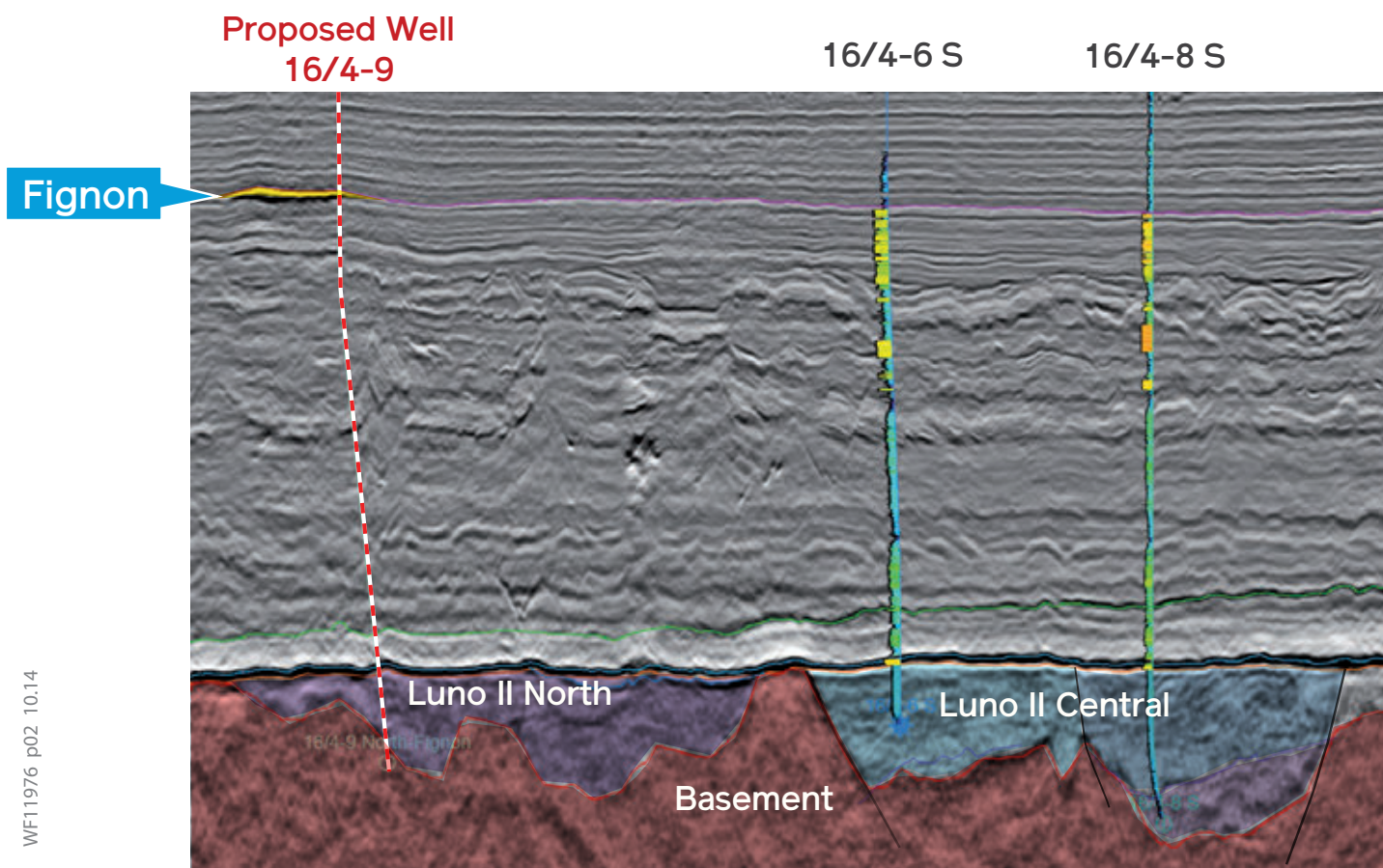
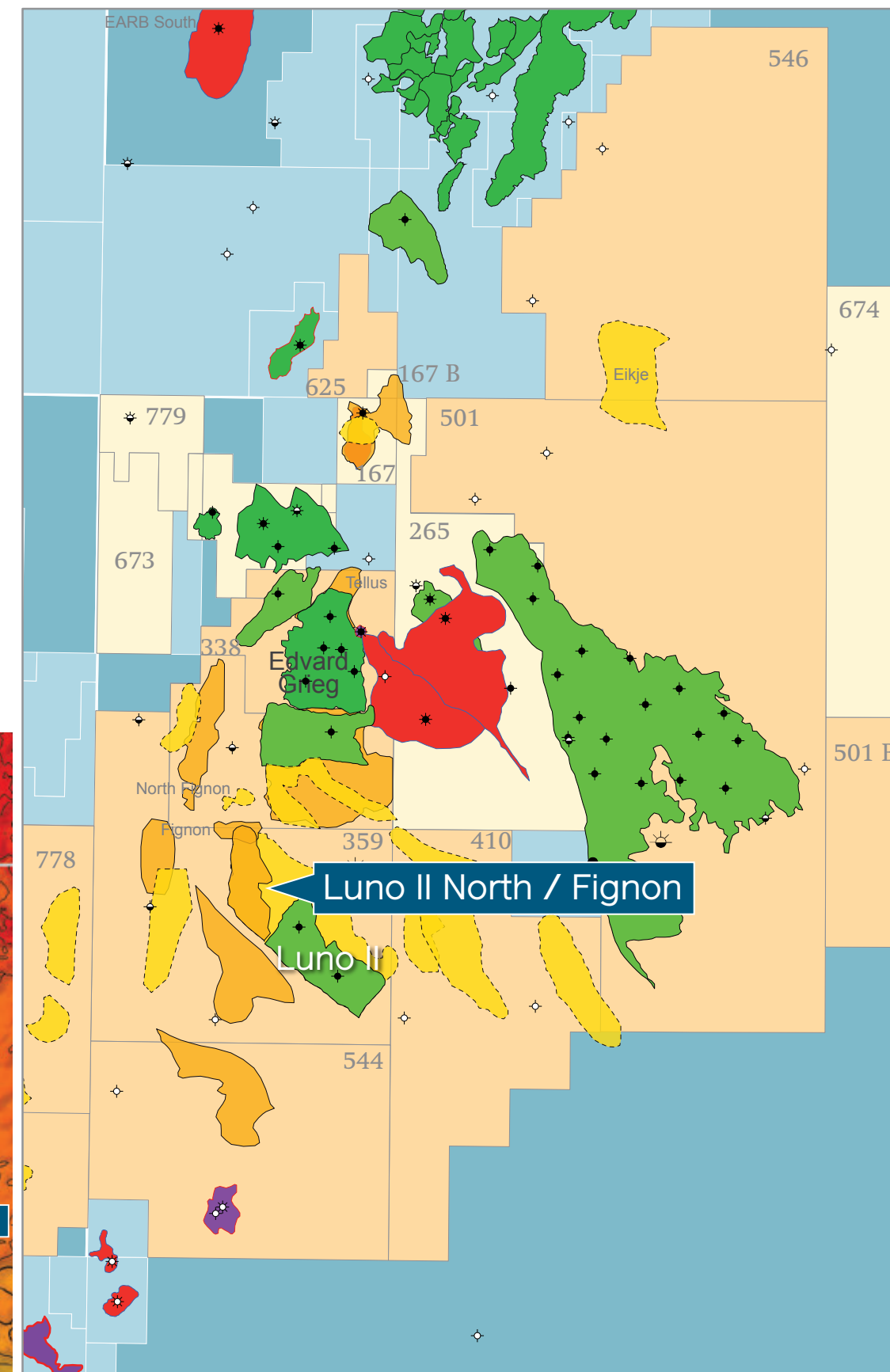
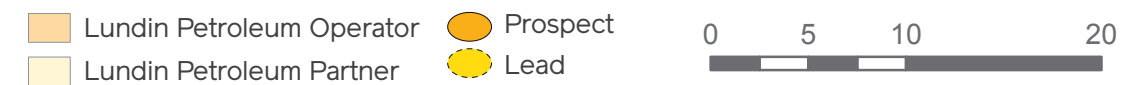
Capital Market Day, February 2015

# Norway Exploration - Utsira High

## Luno II North / Fignon Prospects

### PL359 (50%, Operator)

- Luno II North prospect
- Drilling in Q1 2015
- Gross prospective resources:
  - 24 MMboe Luno II North
- Trap: Stratigraphic / 4-way structural closure
- Reservoir: Jurassic/Triassic / Miocene
- Additional prospect
  - 23 MMboe Fignon



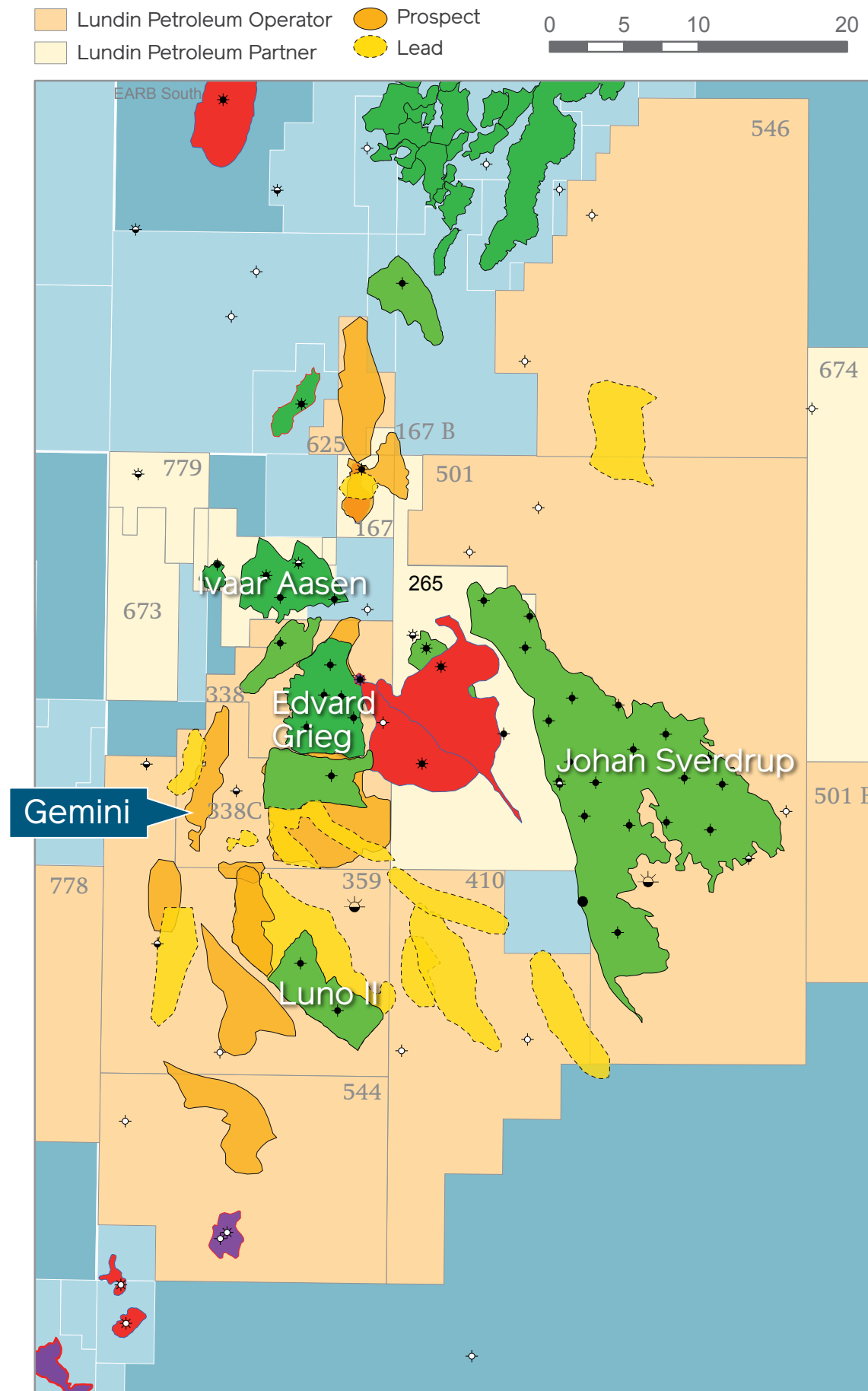
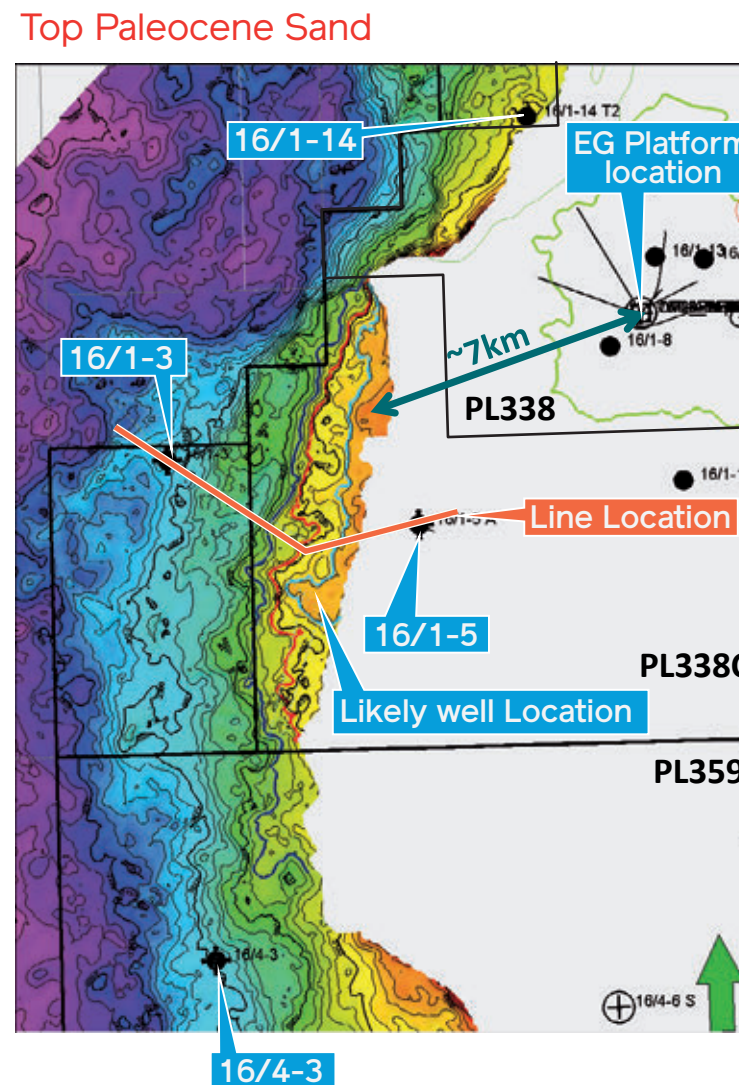
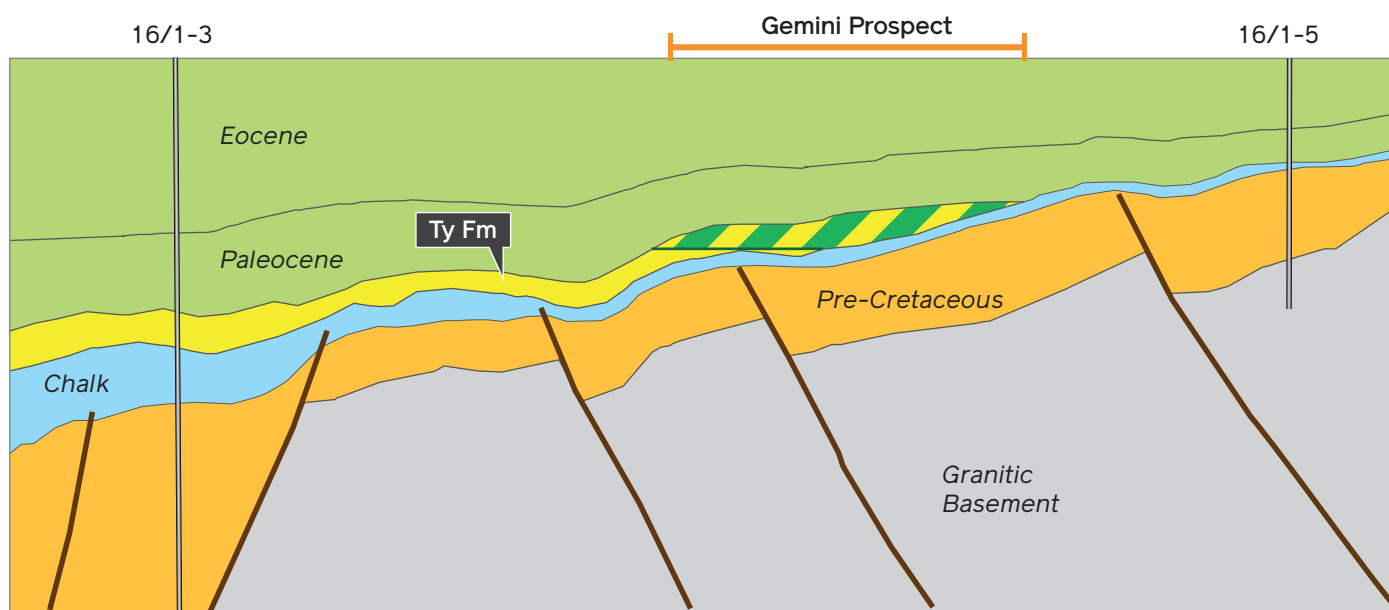
WF11976 p02 10.14

# Norway Exploration - Utsira High

## Gemini Prospect

### PL338C (50%, Operator)

- Gemini Prospect (80% WI)
- Drilling in early 2015
- Gross prospective resources: 93 MMboe
- Trap: Stratigraphic
- Reservoir: Lower Paleocene Ty Fm
- Chance of geological success: 24%
- Close to Edvard Grieg Platform ~7km



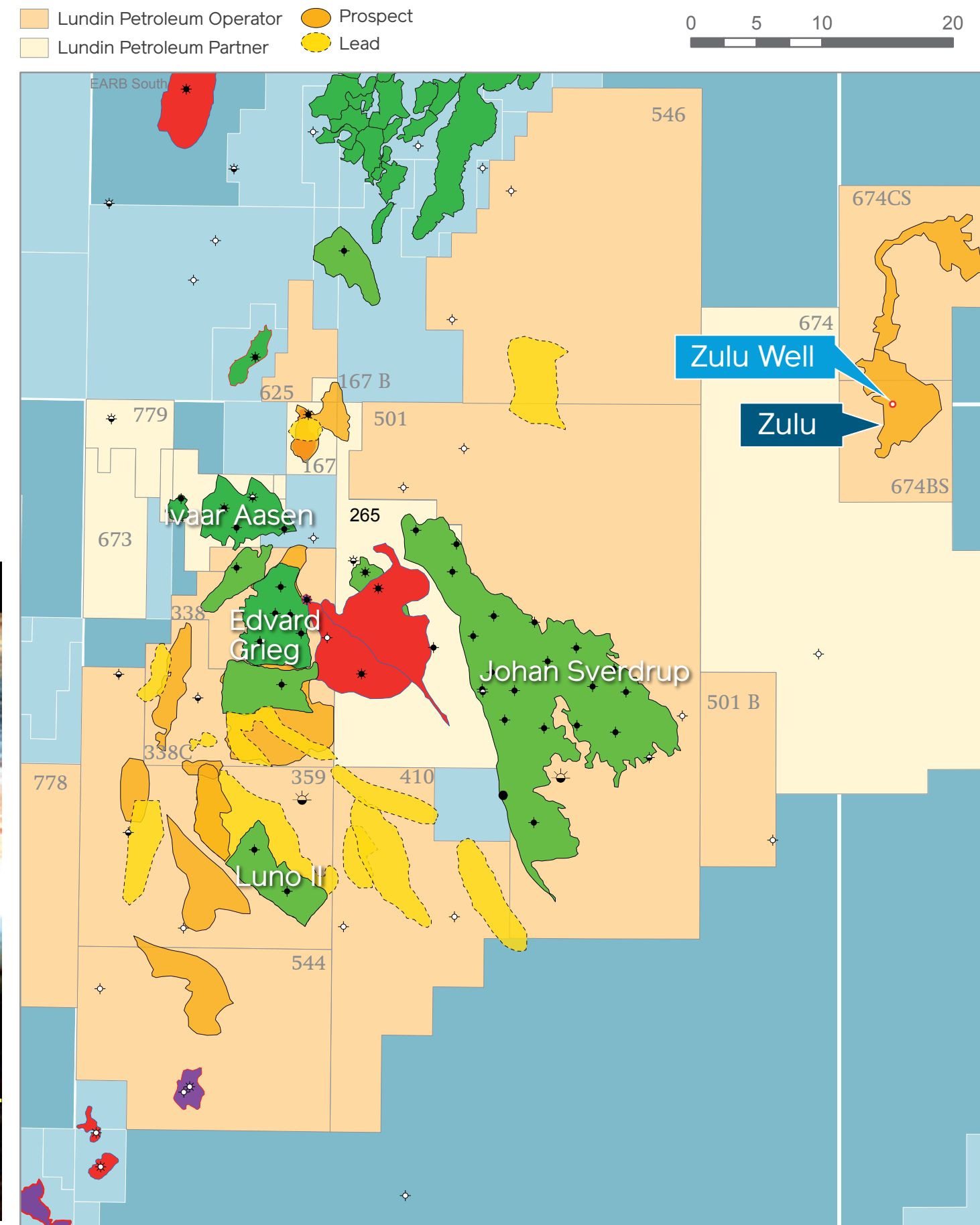
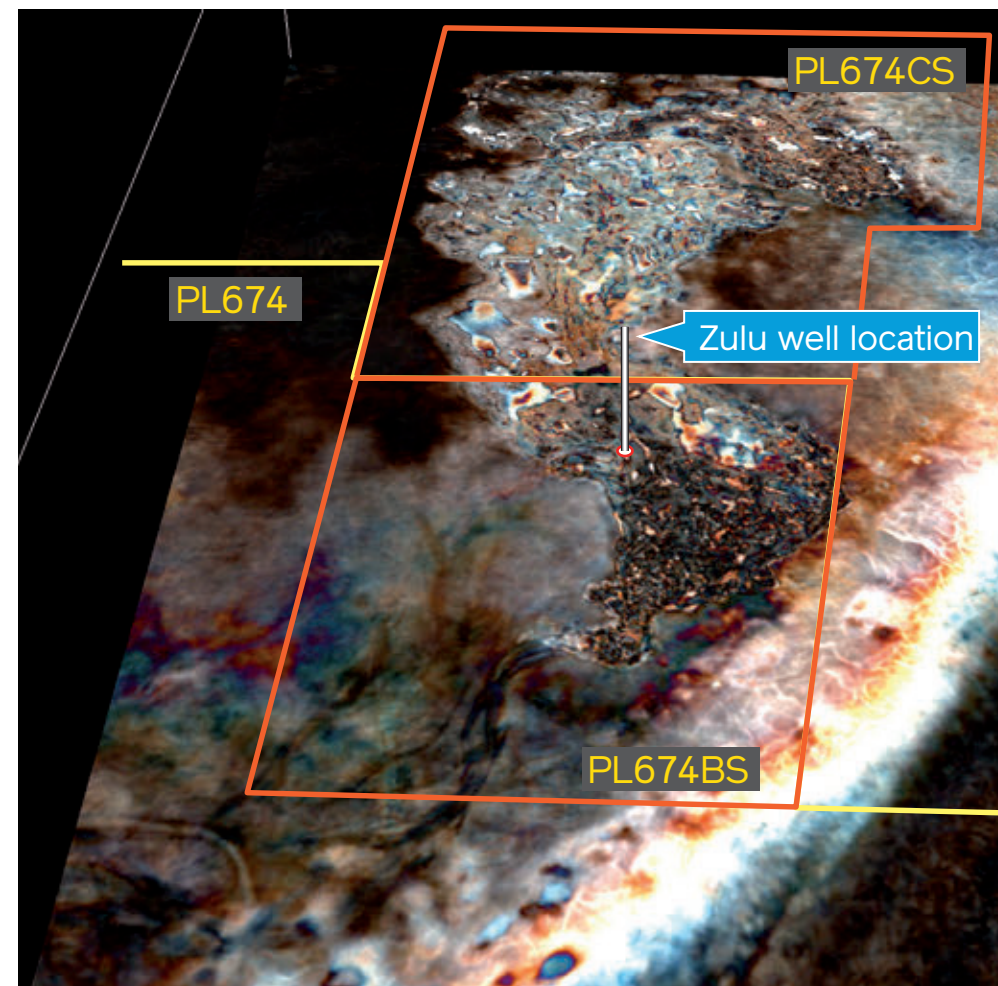
# Norway Exploration - Utsira High

## Zulu Prospect

### PL674BS (35%, Operator)

- Zulu Prospect
- Drilling ongoing
- Gross prospective resources: 153 MMboe
- Trap: Stratigraphic
- Reservoir: Miocene Utsira Fm
- Chance of geological success: 20%

Zulu Prospect on Amplitude Map

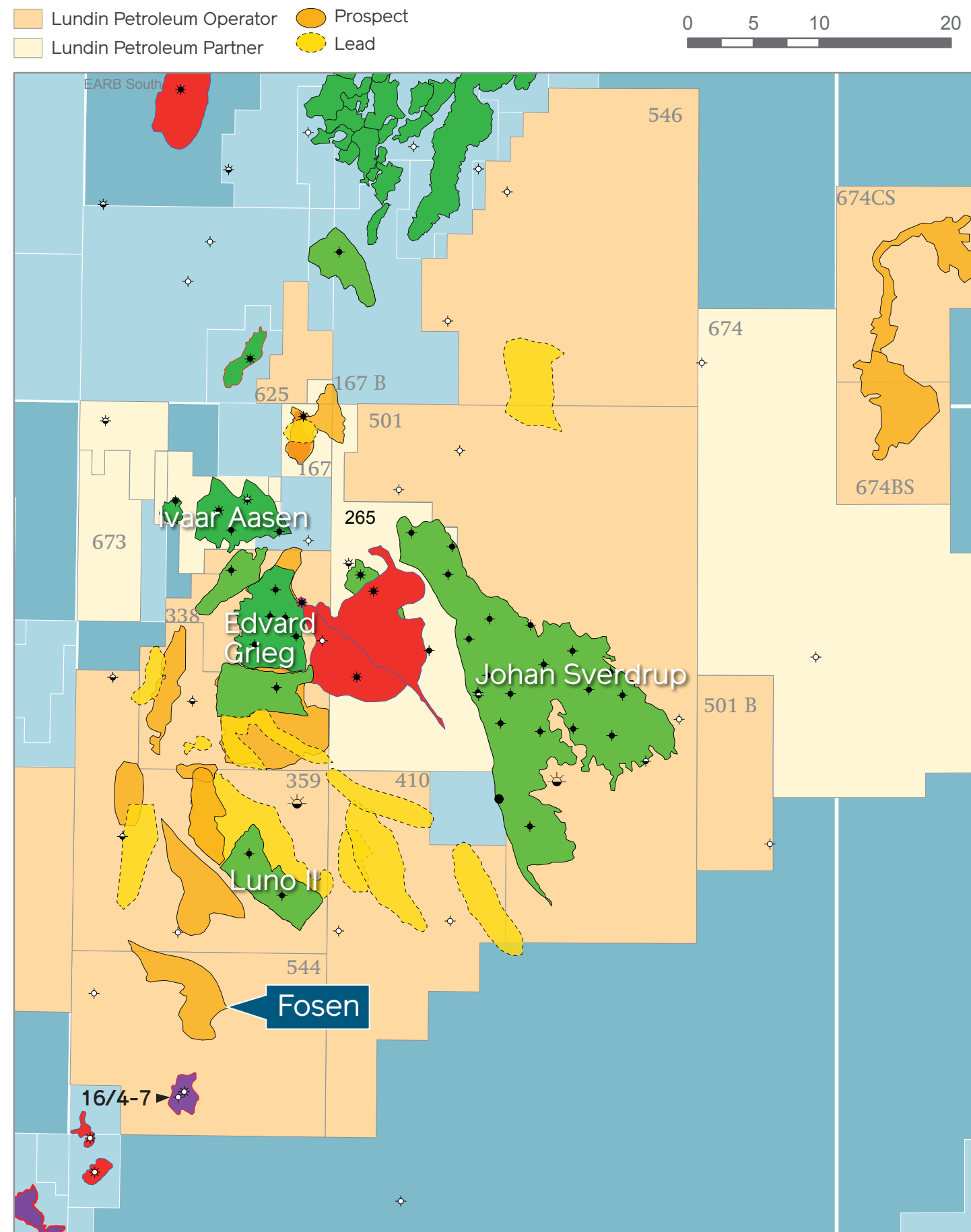
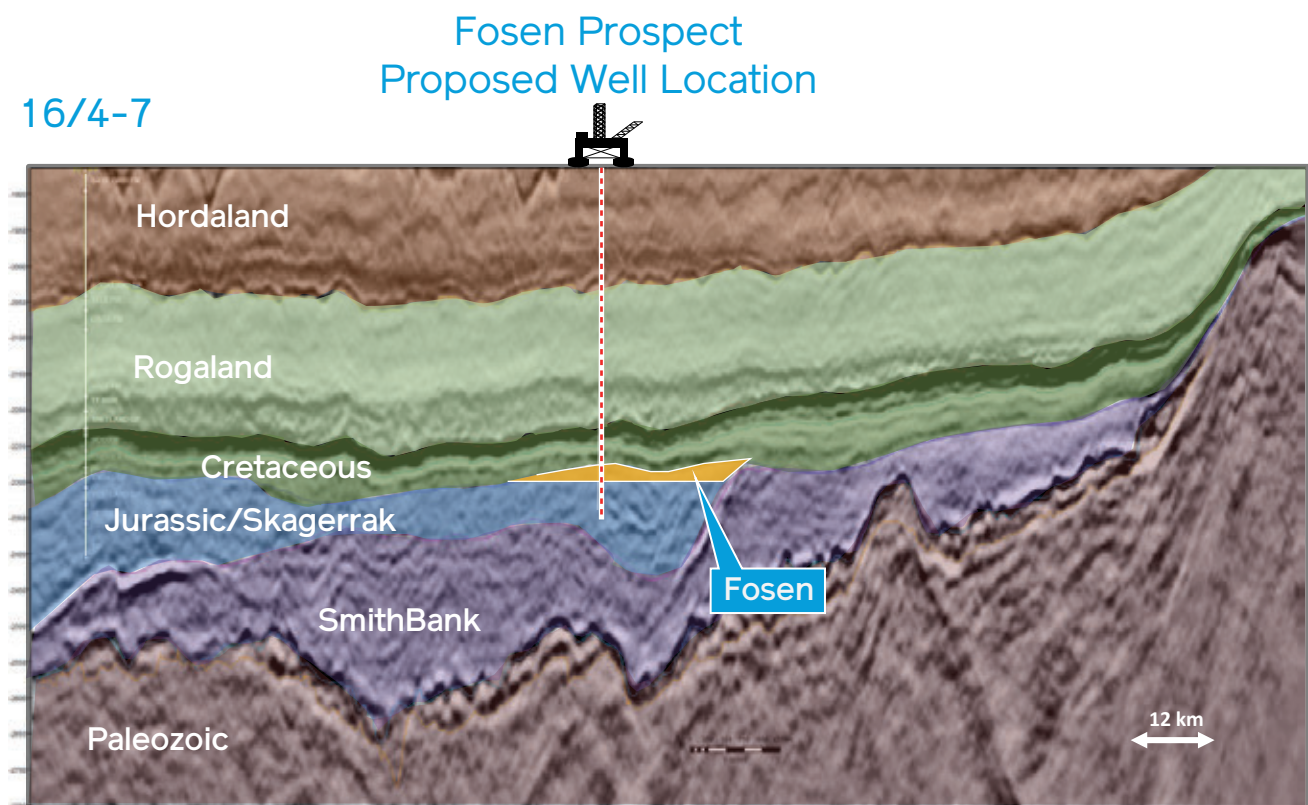


# Norway Exploration - Utsira High

## Fosen Prospect

### PL544 (40%, Operator)

- Fosen Prospect
- Drilling in Q2 2015
- Gross prospective resources: 192 MMboe
- Trap: Stratigraphic
- Reservoir: Upper/Middle Jurassic
- Chance of geological success: 22%



# Norway

## 2014 APA Award

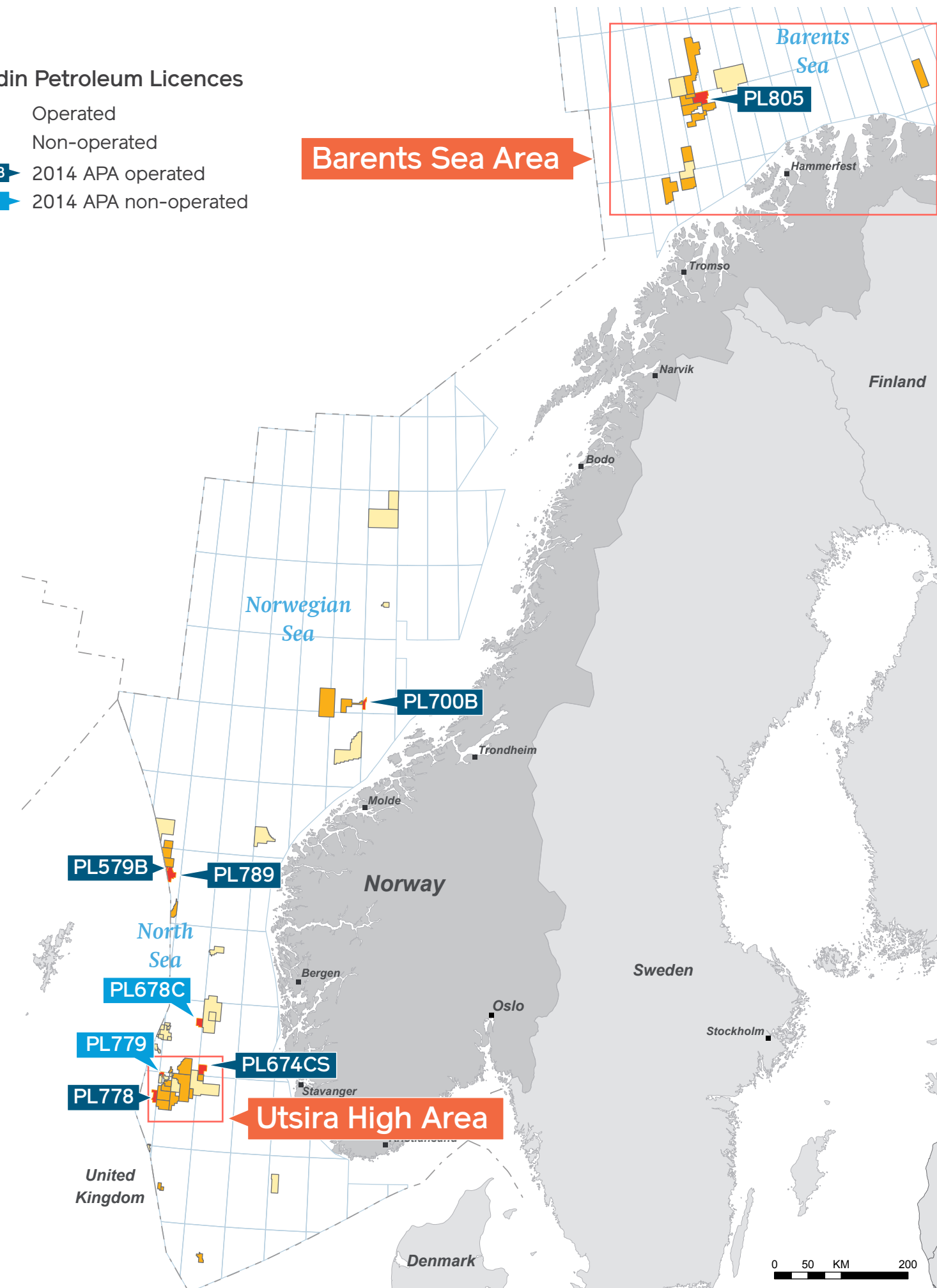
- ➔ Lundin Petroleum awarded 8 new licence under the 2014 APA with 6 operated
- ➔ Lundin Petroleum has now 69 licences in the Norwegian continental shelf

Licence	Licence interest	Area
PL778 (Block 15/6)*:	40%	Utsira High
PL779 (Block 16/1):	20%	Utsira High
PL674CS (Block 26/10)*:	35%	Utsira High
PL678C (Blocks 25/3, 6):	20%	Central North Sea
PL579B (Block 33/5)*:	50%	Northern North Sea
PL789 (Blocks 33/5, 6)*:	40%	Northern North Sea
PL700B (Block 6407/10)*:	40%	Norwegian Sea
PL805 (Blocks 7120/2, 3 & 7121/1)*:	40%	Barents Sea

\*operated

Lundin Petroleum Licences

- Operated
- Non-operated
- PL579B 2014 APA operated
- PL779 2014 APA non-operated



# Indonesia

## Cendrawasih VII & VIII

### Cendrawasih VII PSC

- Equity: Lundin- 100% (Operator)
- Effective date: July 2013 – July 2040
- Size of area: 5,445 km<sup>2</sup>
- Water depth: 20 - 180 m
- Unrisked prospective resources:
  - ➔ 1,800 MMbls oil / 4 Tcf gas
- History: PSC swap with Sareba PSC

### Cendrawasih VIII Joint Study

- Equity: Lundin- 100%
- Size of area: 7,600 km<sup>2</sup>

