

Creating the leading E&P company of the future Combining AkerBP and Lundin Energy

Lundin Energy AB (Lundin Energy or the Company) is pleased to announce that the Board of Directors of Lundin Energy and AkerBP have reached an agreement on a combination (Combination Proposal) to create the leading European independent E&P company (the Combined Company) with a world class asset base, industry leading operating costs and low carbon emissions with increased and sustainable dividends.

Under the agreement in exchange for Lundin Energy's portfolio of E&P business, shareholders will be entitled to;

- Cash totalling BUSD 2.22 (approx. SEK 71.0 per share after conversion from USD)
- 271,910,019 AkerBP shares (0.950985 AkerBP shares, represented by Swedish Depository Receipts, for each share in Lundin Energy outstanding at completion of the combination – which is equivalent to approximately 279.3 SEK per Lundin Energy share at close 20th of December 2021)
- Retain their existing shareholding in Lundin Energy and its renewables businesses

Accordingly, following the completion of the Combination Proposal, the shareholders of Lundin Energy will hold 43 percent of the total number of shares and votes of AkerBP (based on a total of 360,113,509 shares and votes in AkerBP). The Combination Proposal will be carried out as a statutory cross-border merger in accordance with Norwegian and Swedish law, through which AkerBP will absorb a company holding Lundin Energy's E&P business.

AkerBP

AkerBP is a pure-play oil and gas company, focused on the Norwegian Continental shelf with industry-leading low emissions, efficient low-cost operations and a strong production growth profile, with robust free cash flow and attractive returns in a supportive fiscal regime. The company is listed on the Oslo Stock Exchange under the ticker 'AKRBP'.

The Combined Company

The proposed combination of Lundin Energy's E&P business and AkerBP has the following strategic and value accretive benefits:

- World class asset base with market leading low operating costs and production efficiency
- One of the lowest carbon intensities of any E&P globally
- Over 2.7 billion barrels of oil equivalent (boe) of reserves and resources with significant growth potential
- Production in 2022 of over 400 Mboepd and growing to over 500 Mboepd by 2028
- Ownership of 31.6% in the world class Johan Sverdrup field, delivering 755 Mbopd gross on plateau
- Low break-even and highly cash generative portfolio
- Enhanced balance sheet with investment grade credit profile
- Operational synergies by combining the expertise of both organisations

Dividend Policies

Lundin Energy will continue with its currently announced quarterly dividend, representing a payment of USD 0.45 per share in January 2022. The Board has proposed to increase the 2021 quarterly dividend by 25 percent, amounting to USD 0.5625 per share from April 2022 until completion of the transaction, subject to approval at the 2022 Annual General Meeting for shareholders (AGM).

AkerBP today proposed to increase their current quarterly dividend by 14 percent to USD 0.475 per share from January 2022, and will continue to pay this increased dividend after completion, with the ambition to increase by a minimum of 5% per annum from 2023 onwards.

Lundin Energy to retain its Renewable Portfolio

Lundin Energy has developed a portfolio of onshore renewable assets in the Nordics, with power generation of 600 gigawatt hours per annum once fully built out. As part of this transaction the Company's E&P businesses are being sold to and combined with AkerBP, leaving behind a standalone renewable energy business. As such, the legal entity of Lundin Energy is not a part of the Combination Proposal. The renewable business will remain listed on the Nasdaq Stockholm, and maintain its headquarters in Sweden. The renewable business will be debt free

and, on completion will have a cash balance of MUS\$ 130, to cover all capital expenditure and other working capital requirements until late 2023. After the completion of all currently planned projects, this business is expected to be free cash flow positive and will form the basis of a viable, independent renewables company. Details on the business plan, management and governance will be published prior to the 2022 AGM.

Furthermore, Lundin Energy will continue to vigorously defend itself in regards to the ongoing legal case in Sweden in relation to the past operations in Sudan, and is convinced that there is no basis for any claim of wrongdoing by any Company representative. In addition, the Company will retain certain non-Norwegian potential liabilities related to past operations. The business has sufficient capital to build out all of its projects, will be cash flow positive from late 2023 and retain value in excess of any of the contingent liabilities, should any arise.

Conditions for completion of the Combination Proposal

Completion of the Combination Proposal is conditional upon, among other things the Combination Proposal being approved with a two-third majority vote at the general meetings of shareholders of AkerBP and Lundin Energy, respectively, and the receipt of necessary governmental clearances (including from competition authorities as well as from the Norwegian Ministry of Petroleum and Energy and the Norwegian Ministry of Finance).

The Board of Directors¹ unanimously recommends the shareholders to vote in favour of the Combination Proposal from AkerBP at the 2022 AGM

Lundin Energy is a leading European independent E&P business, generating significant free cash flow from its world class asset base, with some of the lowest cost and lowest CO₂ emissions assets in the industry. Similarly, AkerBP has world class assets, a strong production growth trajectory and a proven operating capability, while delivering strong free cash flow and growing dividends. With this in mind, the Board of Directors supports the combination of Lundin Energy's E&P business and AkerBP to create the leading European independent E&P business.

Based on the above, the Board of Directors recommends the shareholders of Lundin Energy to vote in favour of the Combination Proposal at the 2022 AGM.

The Board of Directors, as part of its process to evaluate the Combination Proposal and in line with its fiduciary duties, has investigated alternative strategic opportunities, however the combination with AkerBP is in the view of the Board of Directors the best opportunity to create long term shareholder value.

Upon written request by AkerBP, the Board of Directors has permitted AkerBP to conduct confirmatory due-diligence and Lundin Energy has conducted a similar reciprocal due diligence review of AkerBP. No inside information has been exchanged in connection with these reviews.

Shareholder's irrevocable voting undertaking

Lundin Energy's largest long term shareholder, the Lundin Family, represented by Nemesia S.à.r.l., with significant expertise in the industry, representing 33.39 percent of the total shares in issue, has signed an irrevocable undertaking to vote in favour of the Combination Proposal at the AGM 2022.

In addition, Aker Capital AS and BP Exploration Operating Company Ltd, who in aggregate control 64.99 percent of the shares and votes in AkerBP, have irrevocably undertaken to vote in support of the Combination Proposal at the general meeting of shareholders of AkerBP.

Ian Lundin, commented:

"Creating long term value for shareholders has been at the core of this business for 20 years since inception and this combination of Lundin Energy and AkerBP is a unique opportunity to create a future proof independent E&P company, exposing shareholders to a business with significant scale, production growth and strong free cashflow into the next decade. Coupled with this is a world class asset base which will have one of the lowest cost and lowest CO₂ emissions per barrel in our industry.

"This combination proposal with AkerBP merges our two great businesses together, builds on our individual strengths, and creates a company which will prosper through the energy transition and continue to deliver strong dividends into the next decade. For Lundin Energy shareholders, this will deliver a significant cash consideration and the opportunity to be a shareholder in the leading European E&P company. The Lundin Family are in full support of this transaction and have given our irrevocable undertaking to vote in favour of this transaction. The

independent members of the Board of Directors have also recommended that all shareholders vote in favour of this transaction.”

Effects on Lundin Energy and its employees

In its press release announcing the Combination Proposal, AkerBP states:

“Following the Merger, AkerBP’s executive management team will run the Combined Company. The Target executive management team shall remain available to the Combined Company for a period of three months after completion of the transaction to ensure an orderly transition. All personnel of Lundin Energy’s oil and gas assets in Norway will remain employed by Aker BP upon completion and will have a work location in Oslo, Norway.”

The Board of Directors assumes that the above statements made by AkerBP are correct and has, in relevant respects, no reason to take a different view.

Additional information

AkerBP and Lundin Energy have agreed to carry out the Combination Proposal in all material respects in accordance with Section V of Nasdaq Stockholm’s Takeover Rules.

More information about the Combination Proposal is set out in AkerBP’s press release announcing the combination, which is attached as an appendix to this press release.

Preliminary timetable

- Publication of merger plan: 23 February 2022
- Publication of the merger document: 23 February 2022
- Publication of description of the new Lundin Energy and its renewable business: 23 February 2022
- EGM in AkerBP: End Q1, 2022
- AGM in Lundin Energy: 31 March, 2022
- Completion of the Proposed Combination: Late Q2 / Early Q3 2022

Advisors

Lundin Energy has engaged Barclays as financial advisor in relation to the Combination Proposal. Gernandt & Danielsson Advokatbyrå and Advokatfirmaet Schjødt are acting as legal advisors to Lundin Energy in relation to the Combination Proposal.

Conference call and webcast

AkerBP and Lundin Energy will co-host an investor and press conference call today, Tuesday 21 December 2021 at 16:00 CET.

The conference call will be available as a live webcast on www.akerbp.com/en.

To participate in the conference call, please use the dial-in numbers and passcode below.

Phone number Norway: +47 2350 0347
Phone number UK: +44 (0)33 033 69600
Participant Passcode: 959538

This statement by the Board of Directors of Lundin Energy shall be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

Stockholm, 21 December 2021

The Board of Directors of Lundin Energy

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This is information that Lundin Energy AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above, at 15.30 CET on 21 December 2021.

In case of any discrepancies between the Swedish and English language versions of this statement the Swedish version shall prevail.

¹ Board members Ian H. Lundin, Lukas H. Lundin and Adam I. Lundin have not, due to conflict of interest, participated in the Board of Director's evaluation of the proposed combination nor in resolutions concerning the proposed combination

Lundin Energy is an experienced Nordic oil and gas company that explores for, develops and produces resources economically, efficiently and responsibly. We focus on value creation for our shareholders and wider stakeholders through three strategic pillars: Resilience, Sustainability and Growth. Our high quality, low cost assets mean we are resilient to oil price volatility, and our organic growth strategy, combined with our sustainable approach and commitment to decarbonisation, firmly establishes our leadership role in a lower carbon energy future. (Nasdaq Stockholm: LUNE). For more information, please visit us at www.lundin-energy.com or download our App www.myrapp.com/lundin

Barclays Bank Ireland PLC, acting through its Investment Bank ("Barclays") is acting exclusively for Lundin Energy AB and no one else in connection with the Combination Proposal and will not be responsible to anyone other than Lundin Energy AB for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Combination Proposal or any other matter referred to in this announcement.

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 Lundin Energy'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 Lundin Energy 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 "Risk management" and elsewhere in Lundin Energy'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.