

Financial Presentation

First Quarter 2017

Alex Schneider, President & CEO
Teitur Poulsen, CFO
3 May 2017



First Quarter 2017

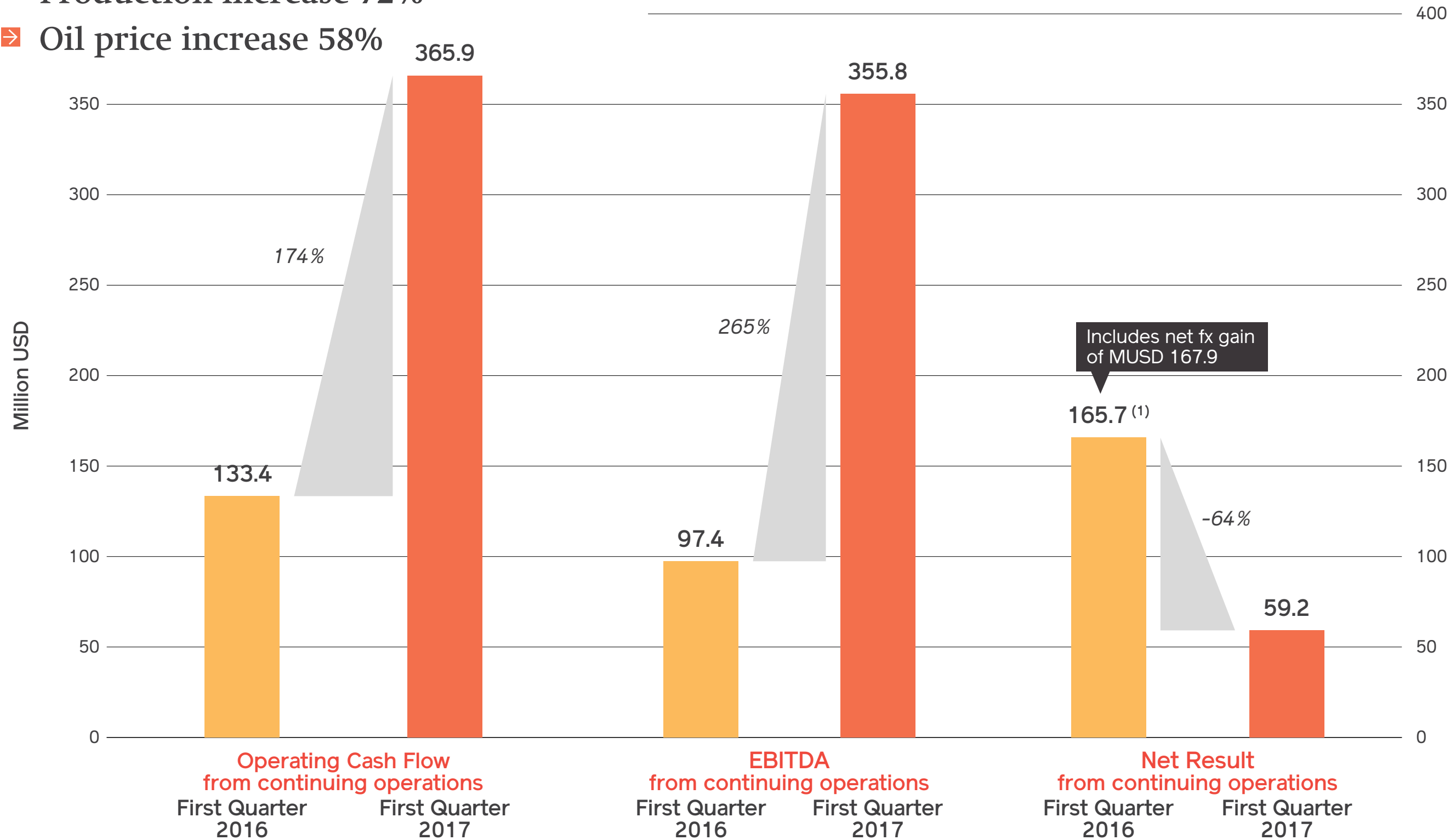
Financial Highlights from Continuing Operations

	First Quarter 2017
Production (boepd)	82,600
Average Brent oil price (USD/boe)	53.69
Cash operating costs (USD/boe)	4.04
EBITDA (MUSD)	355.8
Operating cash flow (MUSD)	365.9
Net result (MUSD)	59.2

First Quarter 2017

Financial Results from Continuing Operations

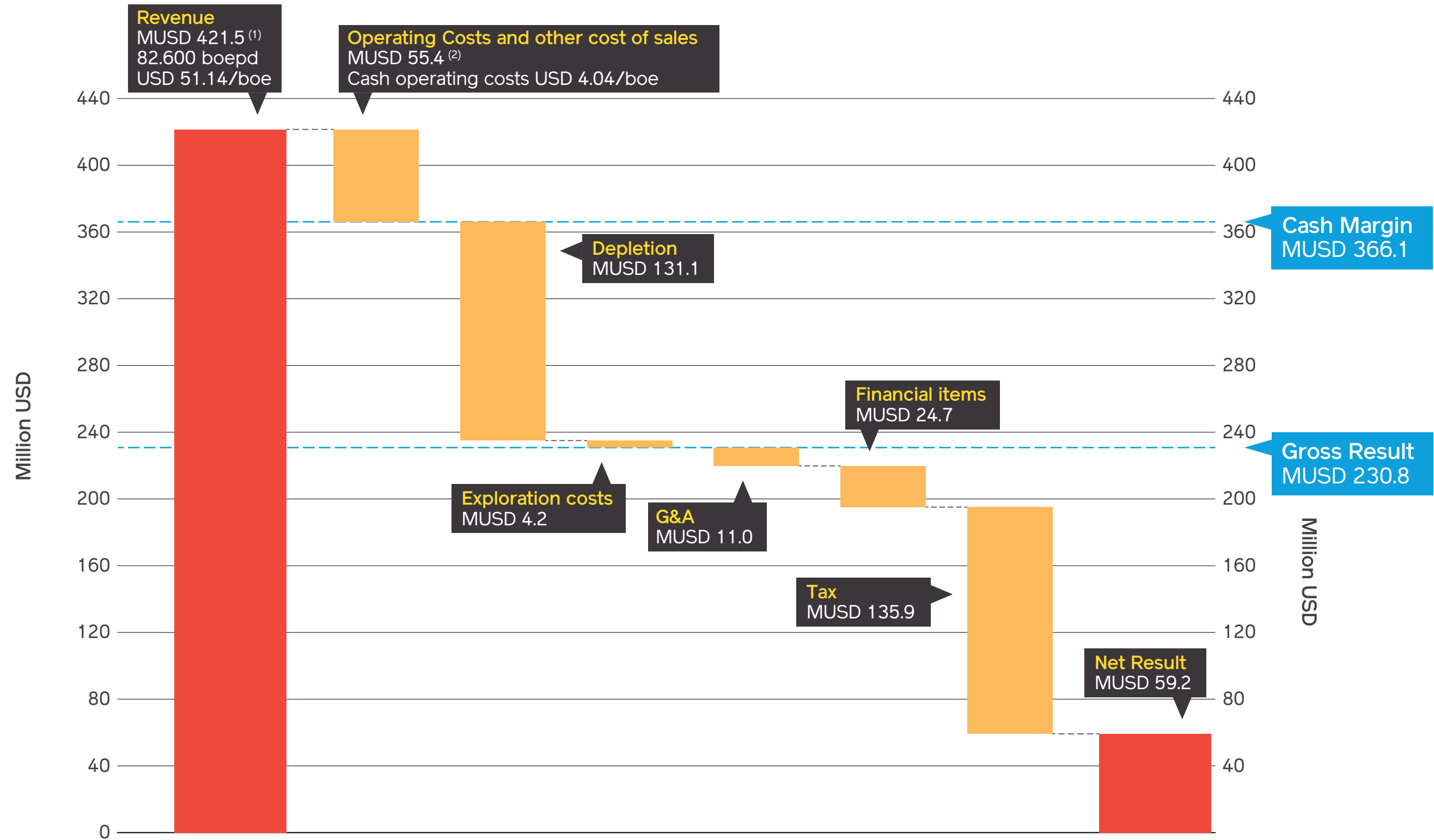
- ➔ Production increase 72%
- ➔ Oil price increase 58%



⁽¹⁾ Includes reduction in net foreign exchange gain compared to first quarter 2016 of MUSD 167.9

First Quarter 2017

Financial Results from Continuing Operations



⁽¹⁾ Revenue includes changes in under/overlift positions

⁽²⁾ Other cost of sales amounts to MUSD 19.3 and relates to oil purchased from outside the group

First Quarter 2017

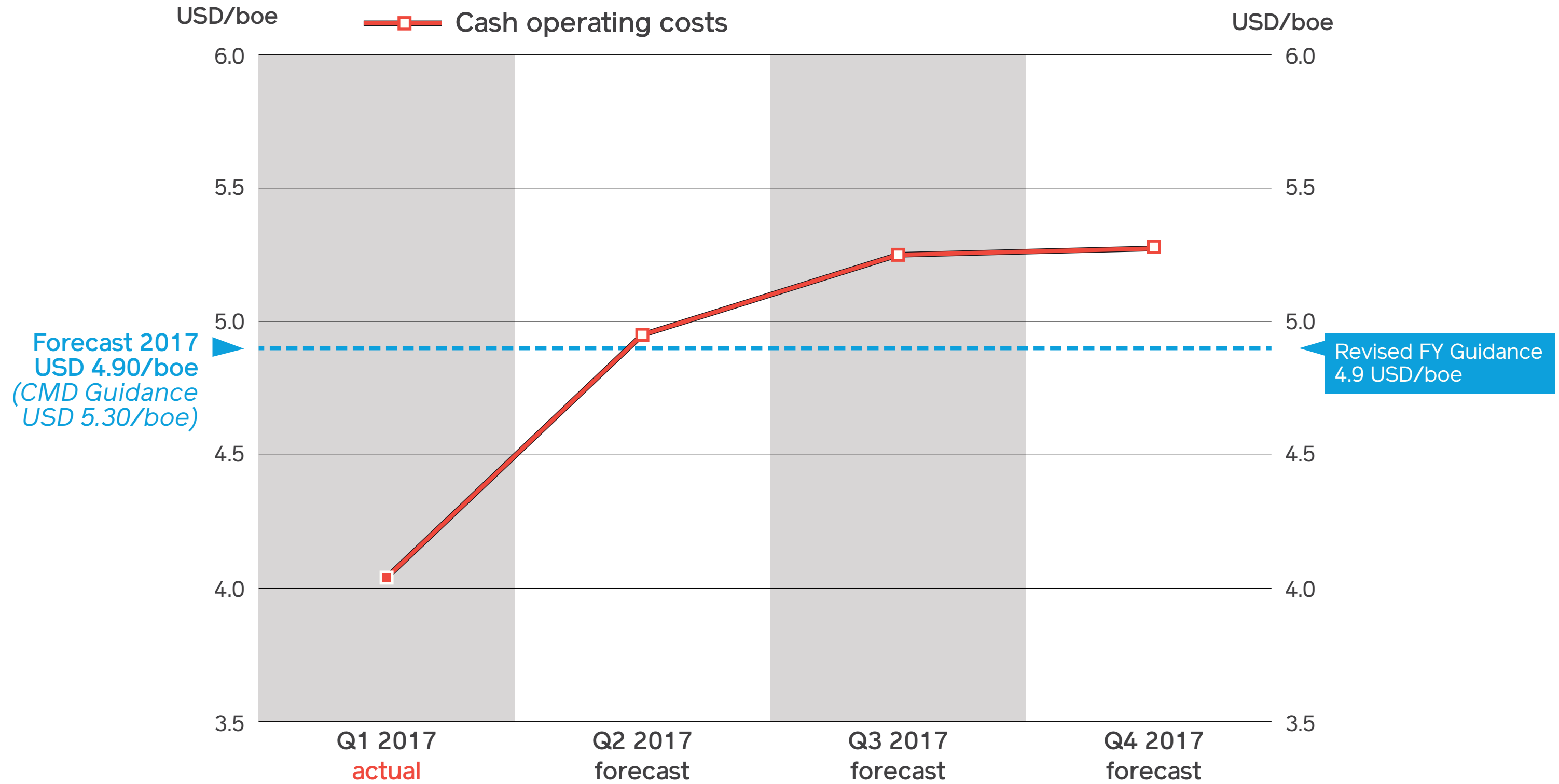
Netback (USD/boe) from continuing operations

	First Quarter 2017
<i>Average Brent oil price USD/boe</i>	53.69
Revenue	51.14
Cost of operations - <i>Base</i>	-3.36
- <i>Projects</i>	-0.20
Tariff & transportation	-0.48
Inventory movements	0.08
Other	-0.35
Cash Margin	46.83
Cash taxes	-0.04
Operating Cash Flow	46.79
General and administration costs ⁽¹⁾	-1.40
EBITDA	45.39

⁽¹⁾ Adjusted for depreciation

Forecast 2017

Cash Operating Costs from Continuing Operations



First Quarter 2017

G&A / Financial Items from Continuing Operations

	First Quarter 2017 MUSD
General & Administration Expenses	
General & administration	9.9
Long Term Incentive Plan	1.1
	11.0
Net Financial Items	
Foreign exchange gain ⁽¹⁾	-20.4
Interest expense ⁽²⁾	28.6
Interest expense hedge	6.0
Loan commitment fees	2.8
Amortisation of loan fees	4.3
Other	3.4
	24.7

⁽¹⁾ Includes MUSD 2.5 loss on settled currency hedges

⁽²⁾ An additional amount of interest expense of MUSD 12.2 has been capitalised in the reporting period

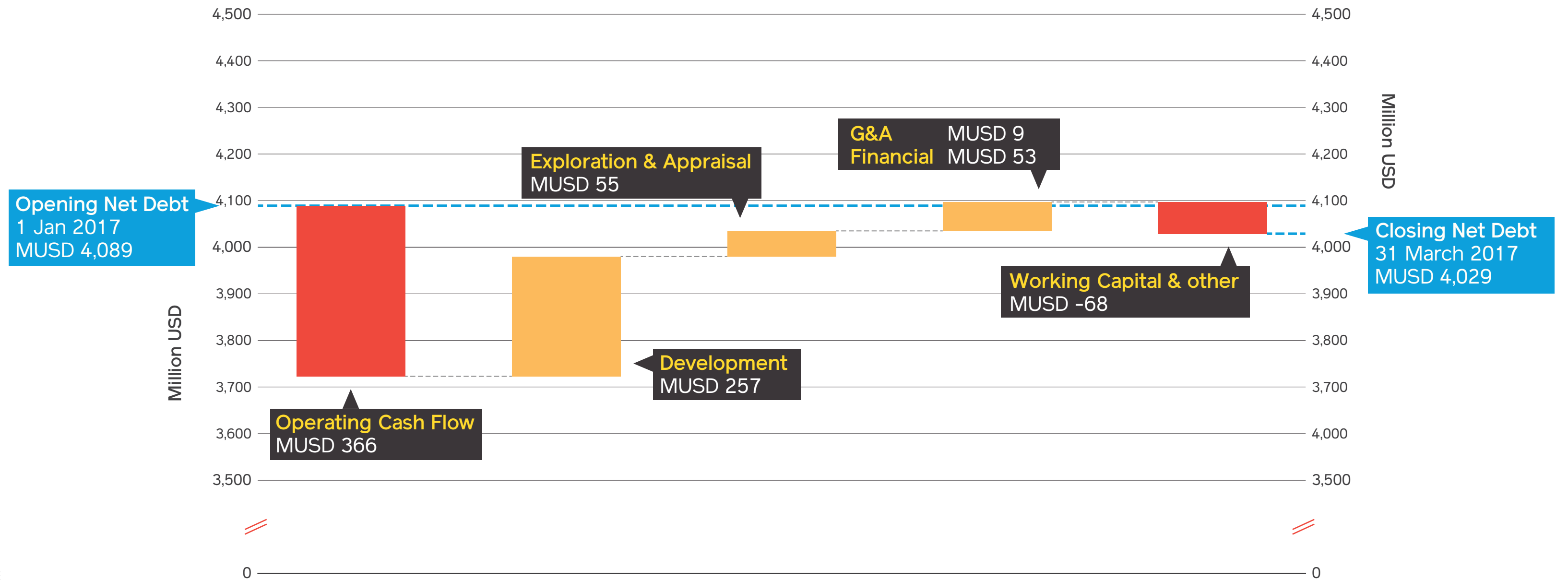
First Quarter 2017

Tax from Continuing Operations

	First Quarter 2017
	USD/boe
Current tax	0.04
Deferred tax	18.24
	18.28

First Quarter 2017

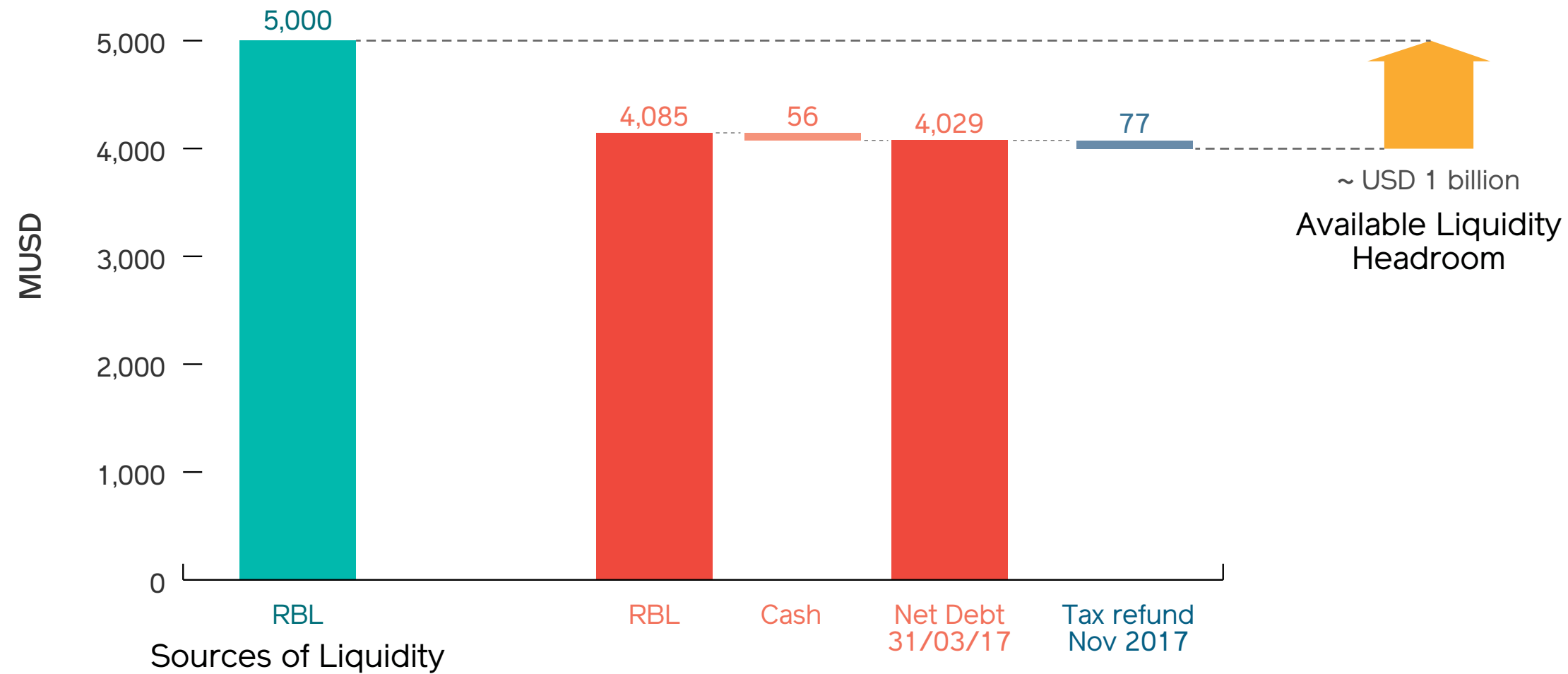
Debt Position from Continuing Operations



2017 Funding

Liquidity and Net Debt

- New 7 year USD 5.0 billion RBL secured in February 2016 - fully committed
- Attractive margin: 315 bps
- 5 year grace period (no amortisation until end 2020)



- Fully funded up to Johan Sverdrup first oil at average Brent price of USD ~40/boe

Hedges

as at 31 March 2017

	Currency		
	BUY MNOK	SELL MUSD	Average rate NOK : USD
Q2-Q4 2017	2,618.0	317.4	8.25
2018	3,493.0	424.2	8.23
2019	1,672.4	200.4	8.35
	7,783.4	942.0	8.26

	Interest rate	
	Borrowings MUSD	Floating LIBOR rate per annum
Q2-Q4 2017	3,000	1.66%
2018	3,000	1.87%
2019	3,000	1.42%

Spin-off IPC Assets

	<i>MUSD</i>	31 Mar 2017
Net assets held for distribution		398
Net result Q1 2017 from discontinued operations		4
Expected result on spin-off IPC assets		~60

➔ To be booked in Q2 2017

First Three Months 2017

Highlights

Production

- Q1 2017: 82.6 Mboepd – upper end of guidance range
- Edvard Grieg facilities performing 15% above design capacity
- Increased production guidance of 75 – 85 Mboepd

Operating Efficiency

- Q1 operating costs at record low of 4.04 USD/boe
- Two key producing fields achieved 95% or better production efficiency during Q1

John Sverdrup

- Phase 1 on schedule and budget ~40% project completion
- Phase 2 Concept Selection agreed – 50% reduction in costs since Phase 1 PDO
- Increased resource range 2.0 – 3.0 Bn boe

Exploration & Appraisal

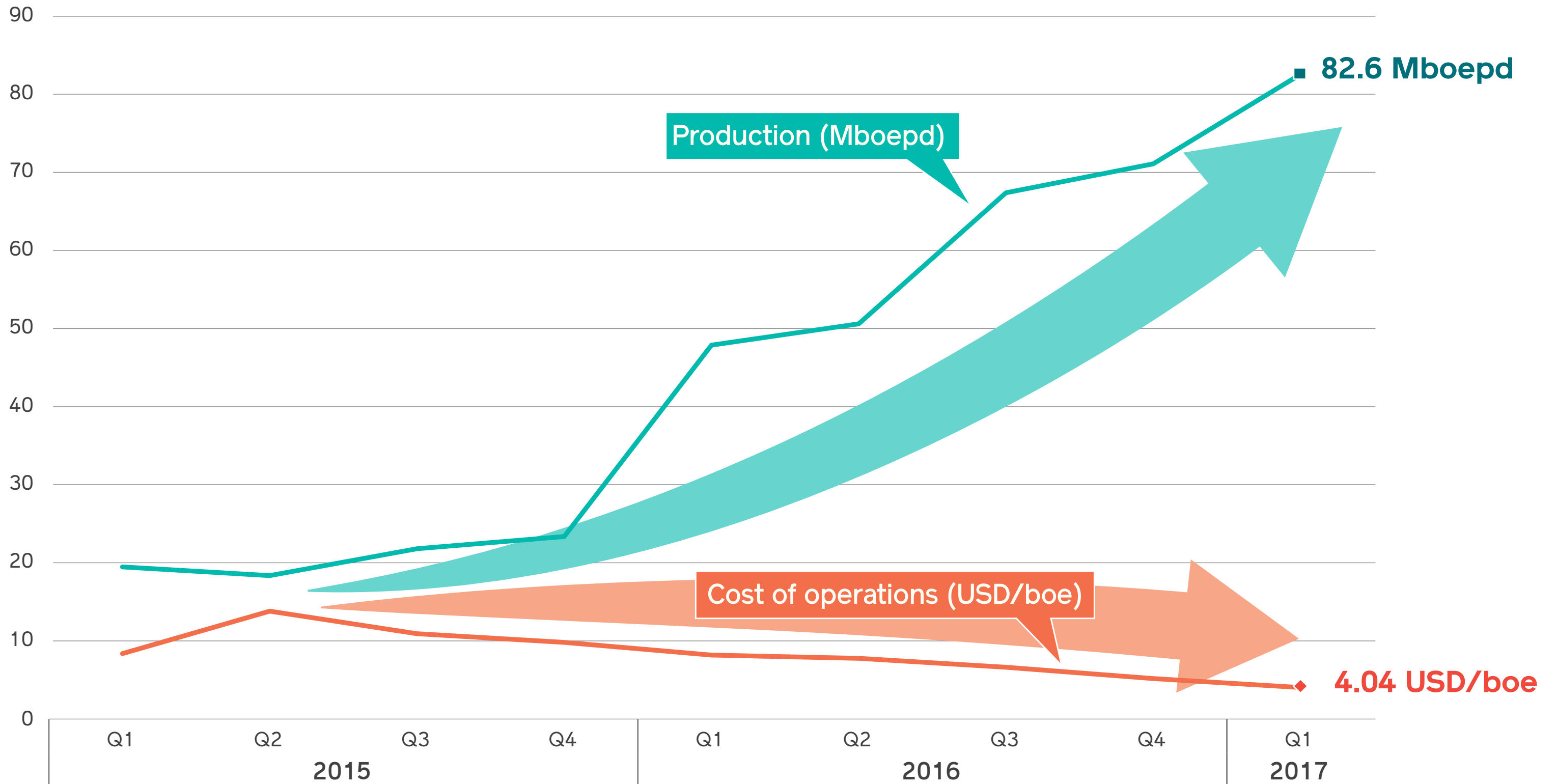
- Filicudi discovery opens up trend – up to two further wells in 2017
- Edvard Grieg Southwest appraisal success 10 – 30 MMboe resource adds
- 5 further E&A wells in 2017

IPC Spin-off

- Successful completion with listing of IPC on 24th April – dividend distribution of ~3.7 billion SEK

Lundin Petroleum

Production vs Cost of Operations

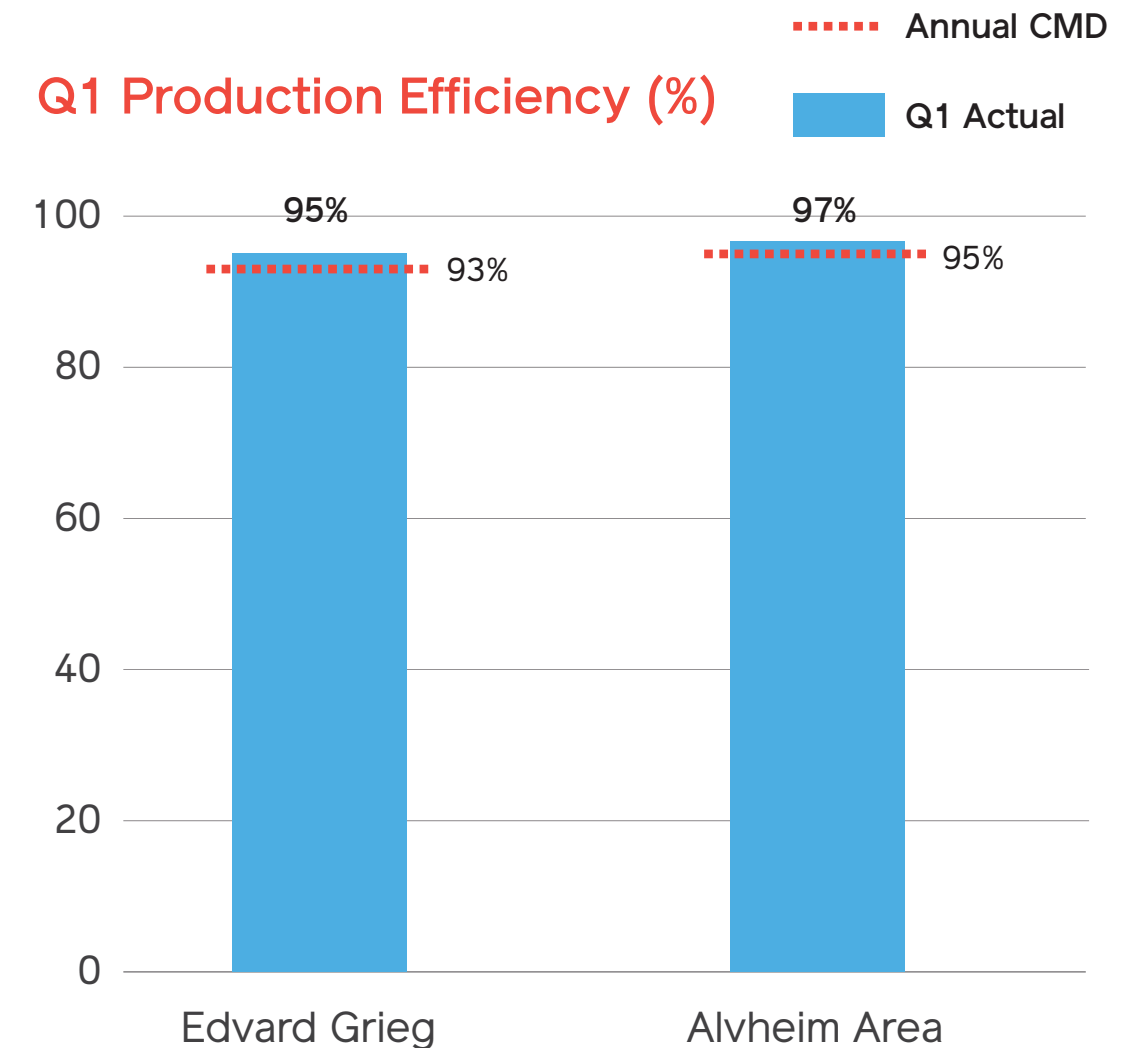
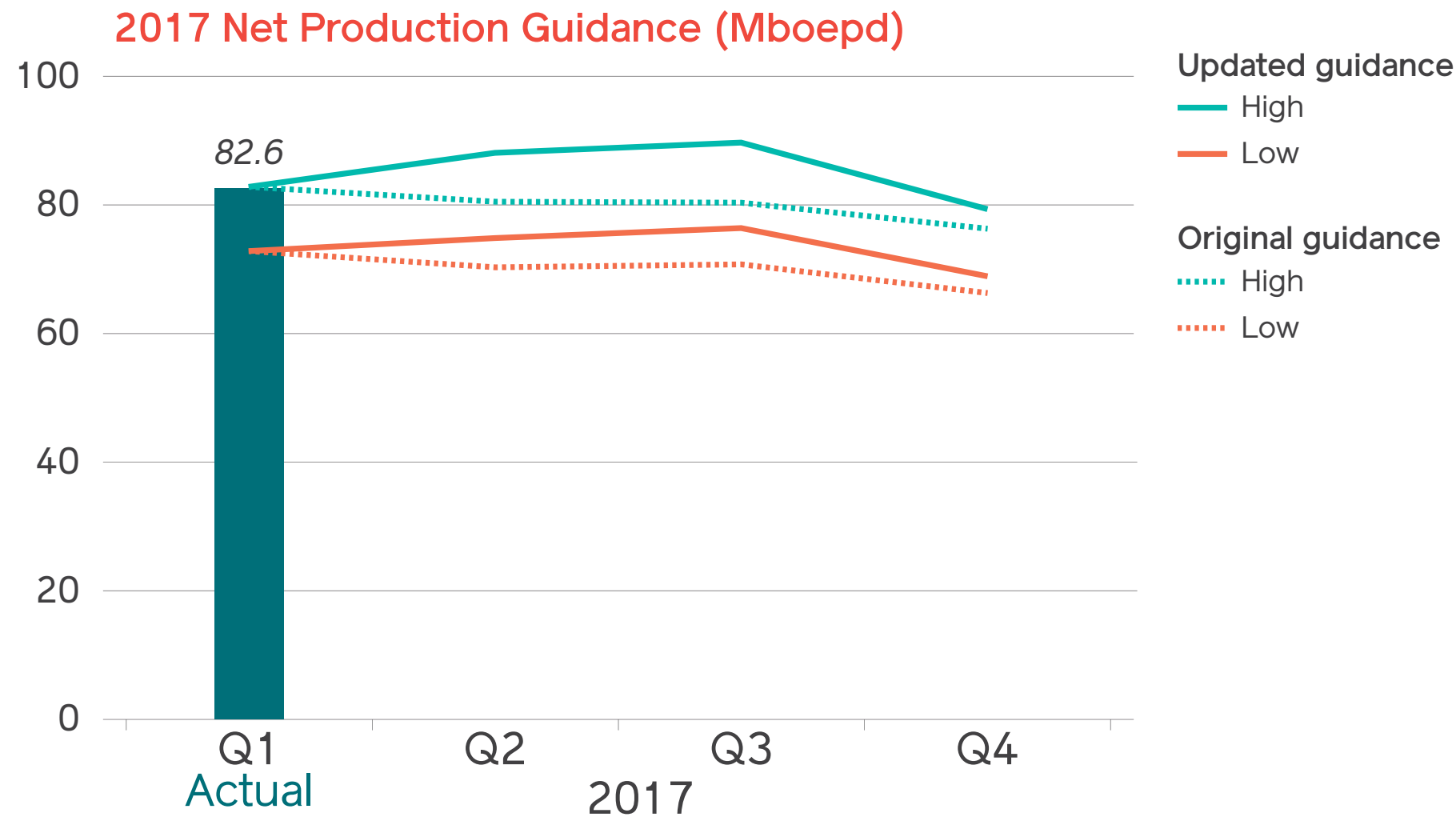
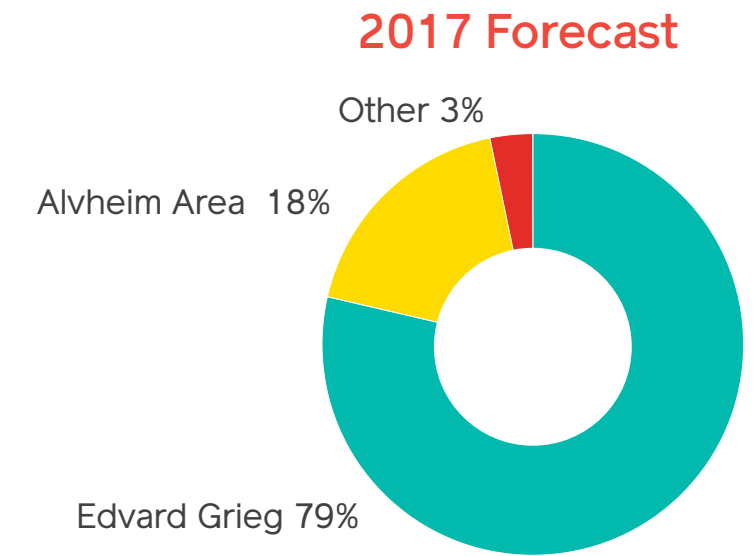


Excludes international assets

Lundin Petroleum

2017 Production

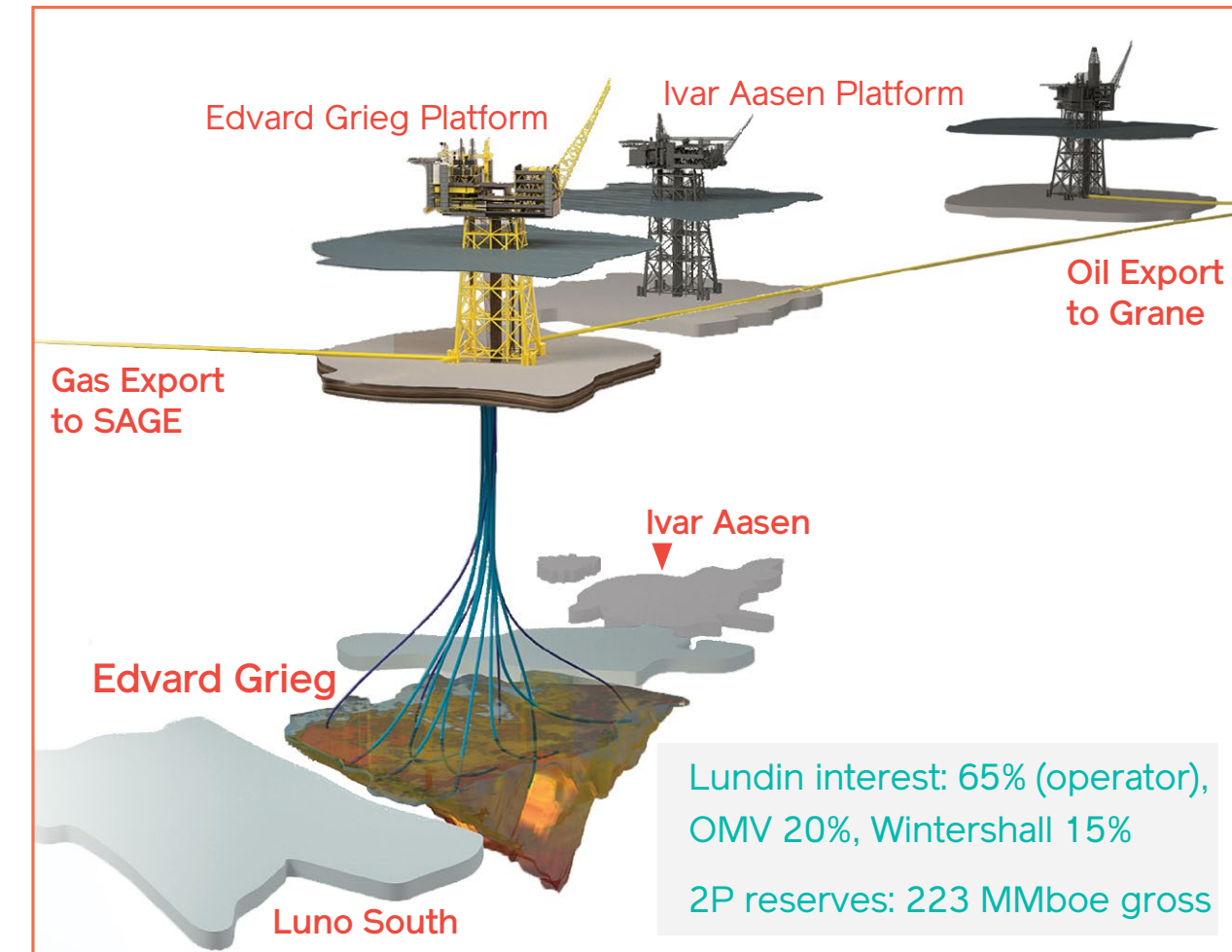
- Q1 2017 production of 82,6 Mboepd
 - Q1 production at upper end of guidance range
 - Reservoir and facilities outperformance
 - Increased Edvard Grieg facilities capacity
- Full Year 2017 production guidance updated:
 - Updated guidance: 75 – 85 Mboepd
 - Original guidance: 70 – 80 Mboepd



Edvard Grieg

- Facilities able to produce 15% above design capacity level
 - ➔ 5 producing wells on stream
 - ➔ 2 water injection wells online
 - ➔ Reservoir performance better than expectation
- Drilling 14 wells from jack-up rig
 - ➔ 6th producer well currently drilling
 - ➔ 3 further wells to be drilled in 2017
- 2P reserves increased to 223 MMboe gross
- Q1 2017 operating costs USD 4.67/boe

Edvard Grieg Schematic



(1) Excluding project

Edvard Grieg

Southwest Appraisal Success

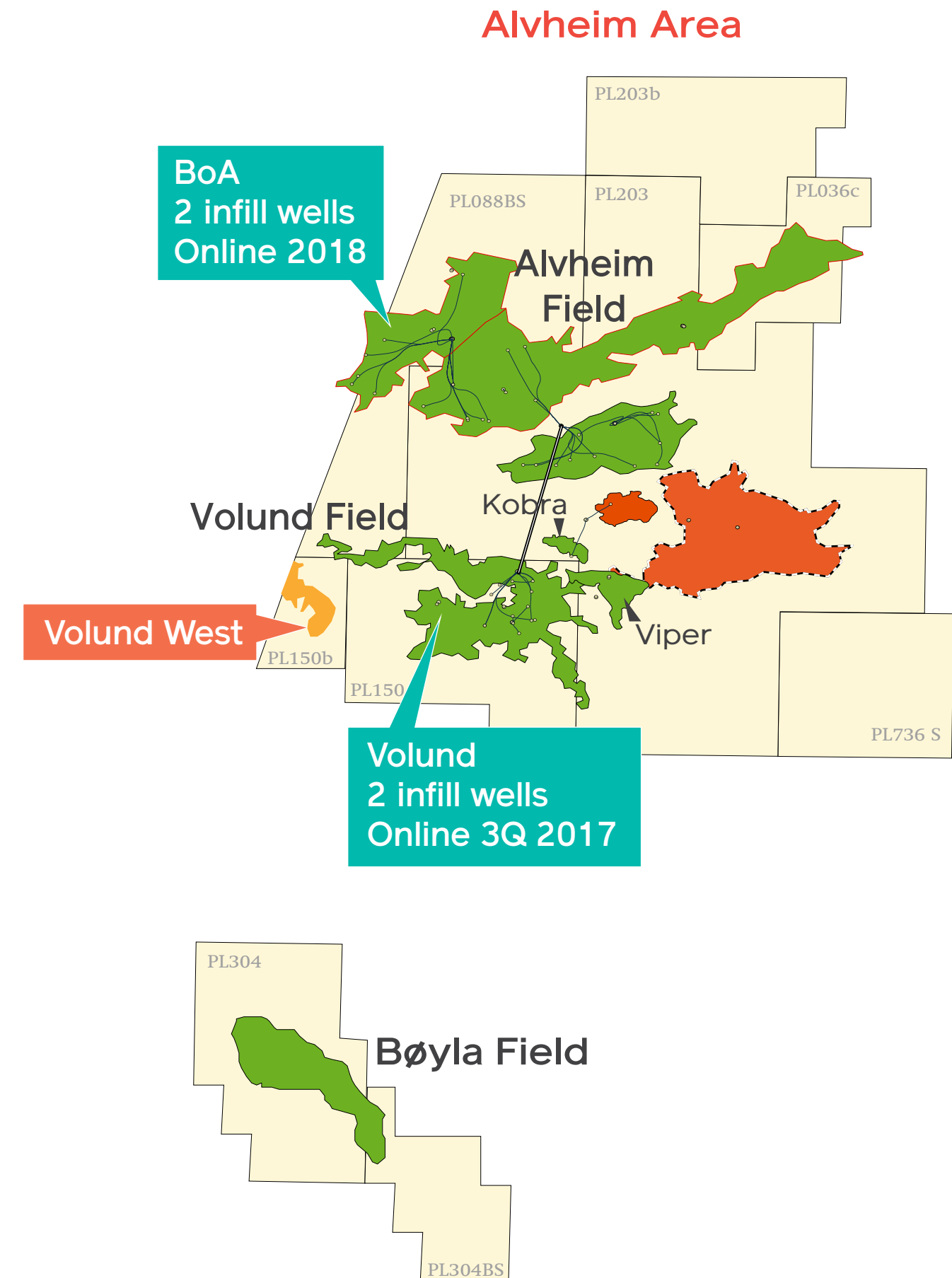
- 15m gross oil column
- Top reservoir 9m deep, but oil-water contact 9m deep to prognosis
- Significantly better sand quality and thickness than prognosed
- Resource upside in western flank of field
 - ➔ 10 – 30 MMboe gross
- Potential resource upside in other areas of the field

Western Flank
Additional Resources
10-30 MMboe



Greater Alvheim Area

- ➔ Q1 2017 operating costs USD 3.24/boe
- ➔ **Alvheim**
 - ➔ Viper/Kobra producing above expectations
 - ➔ 2 BOA infill wells in 2017 – online 2018
- ➔ **Volund**
 - ➔ 2 Infill wells in 2017 and online Q3
 - Volund West completed and results as expected
 - Volund South ongoing – results so far better than expected



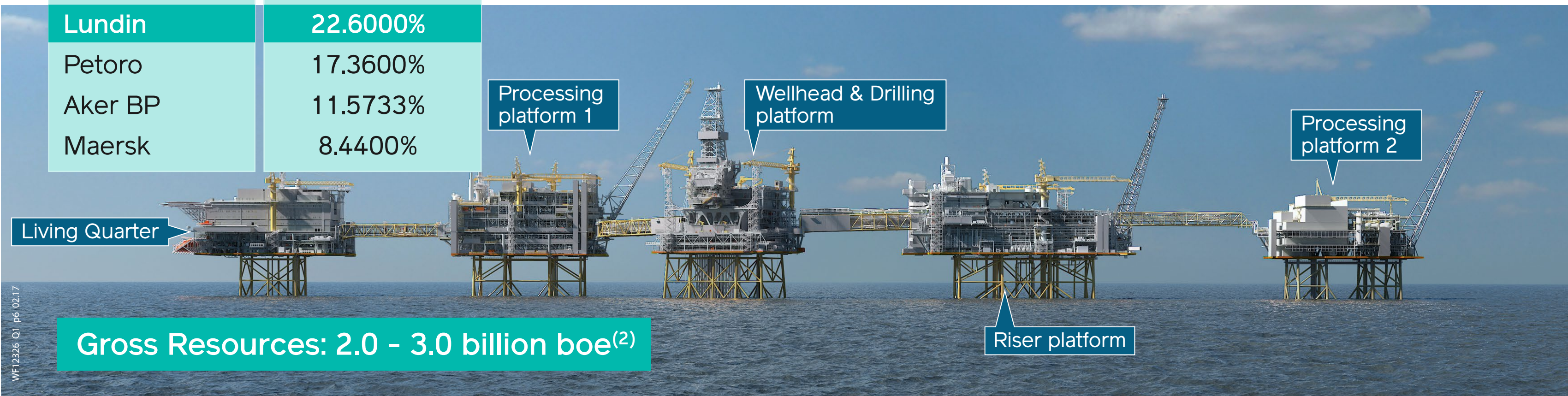
Johan Sverdrup

Phase 1

- ➔ Construction ongoing at 22 sites
- ➔ Project on schedule ~40% complete
- ➔ Riser Platform Jacket installation Q3
- ➔ 10 development wells completed
- ➔ Capex reduced by ~30% compared to PDO⁽¹⁾
- ➔ Gross resources increased to 2.0 – 3.0 billion boe
- ➔ First oil late 2019

Working Interest – Johan Sverdrup Unit

Statoil	40.0267%
Lundin	22.6000%
Petoro	17.3600%
Aker BP	11.5733%
Maersk	8.4400%



Gross Resources: 2.0 - 3.0 billion boe⁽²⁾

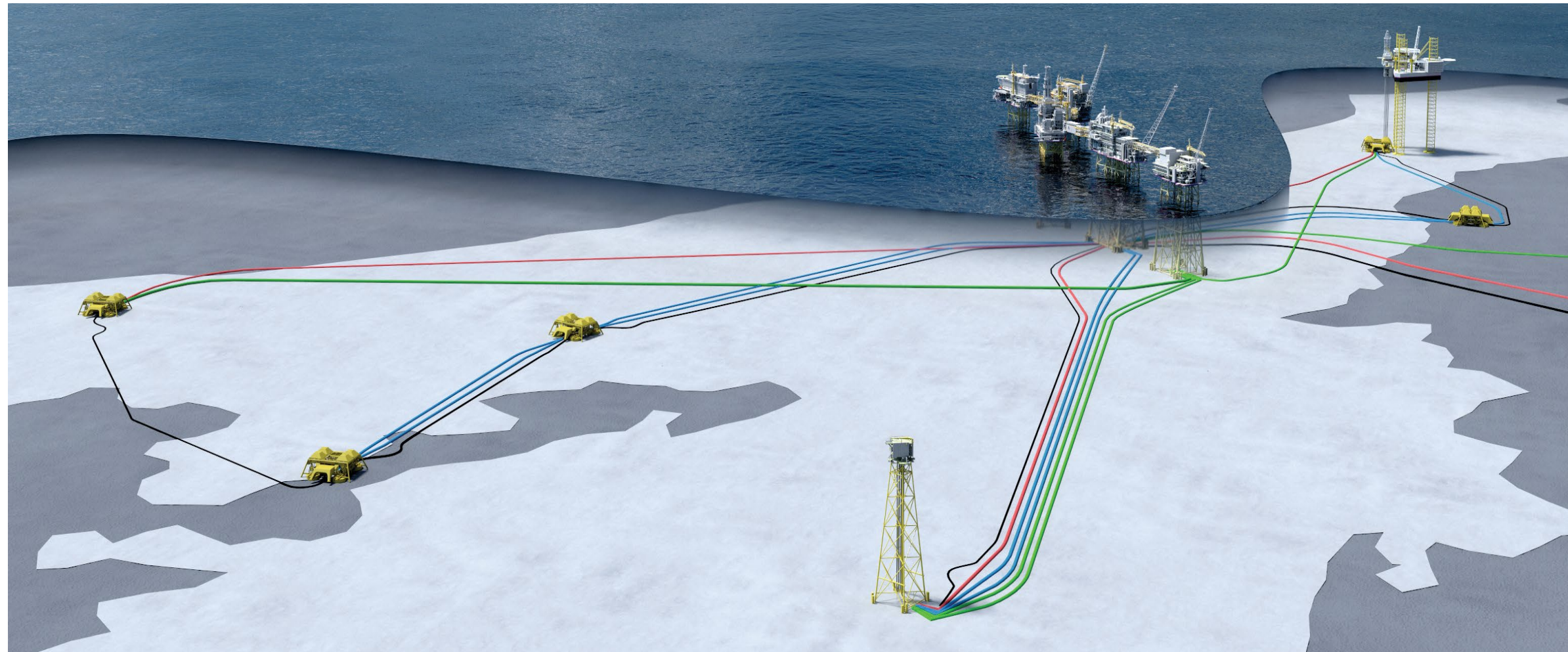
⁽¹⁾ (1) FX assumption USD:NOK 8.25

⁽²⁾ As per Statoil's latest guidance March 2017

Johan Sverdrup

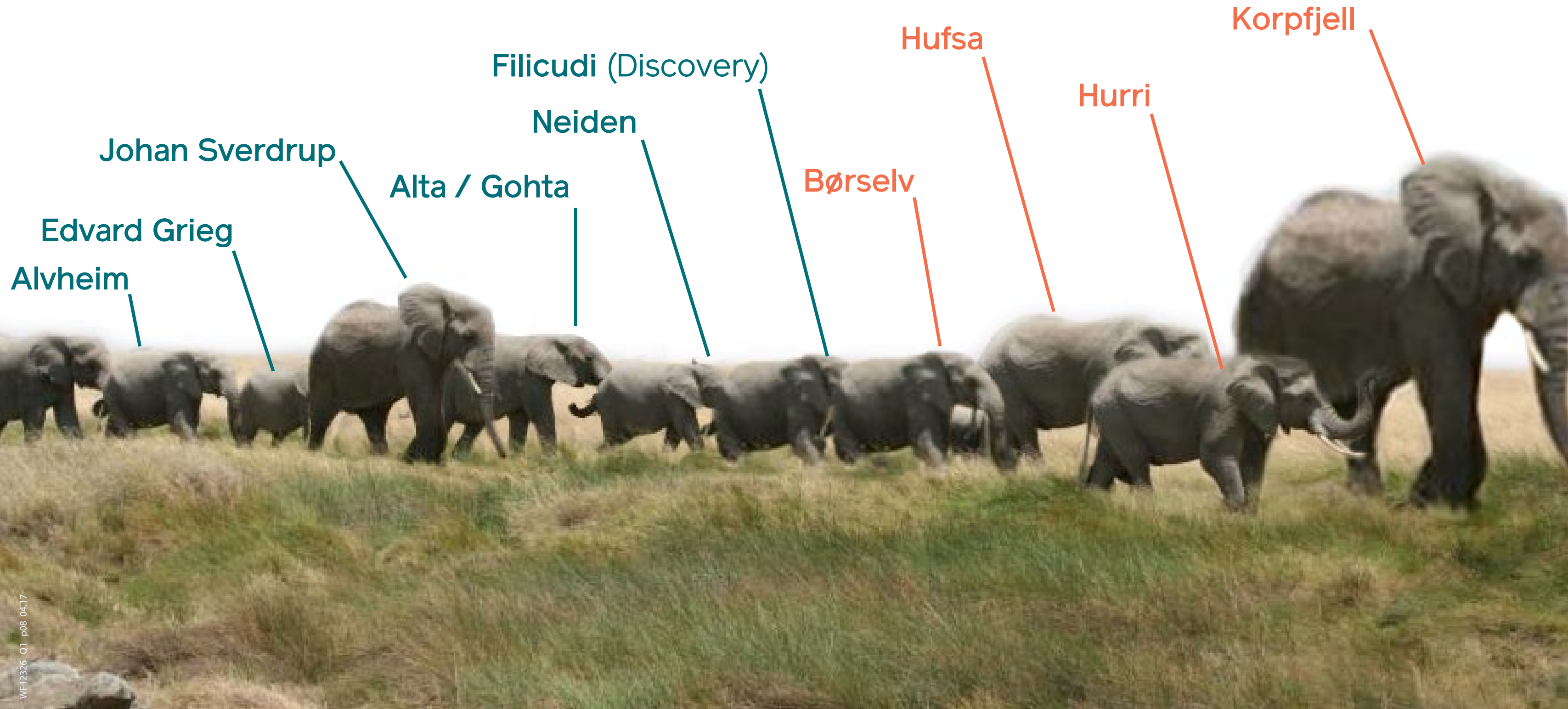
Phase 2 Concept Selection

- Concept Selection (DG2) decided upon
 - FEED contracts awarded
- Phase 2 PDO 2H 2018 and First Oil 2022
- Costs ~50% reduced from original Phase 1 PDO
- Full field breakeven oil price < 25 USD/bbl



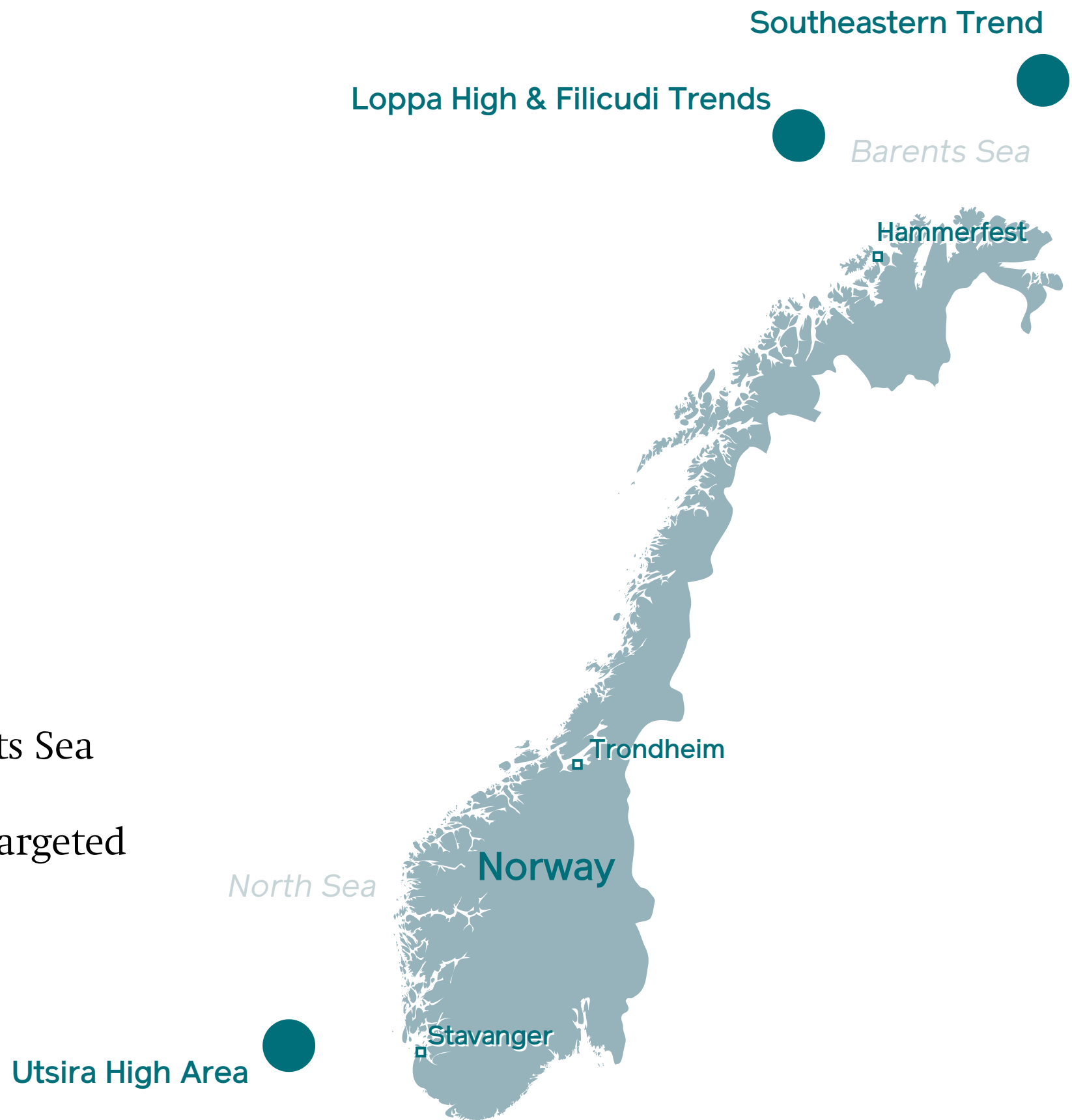
Norway

Searching for the next Elephant



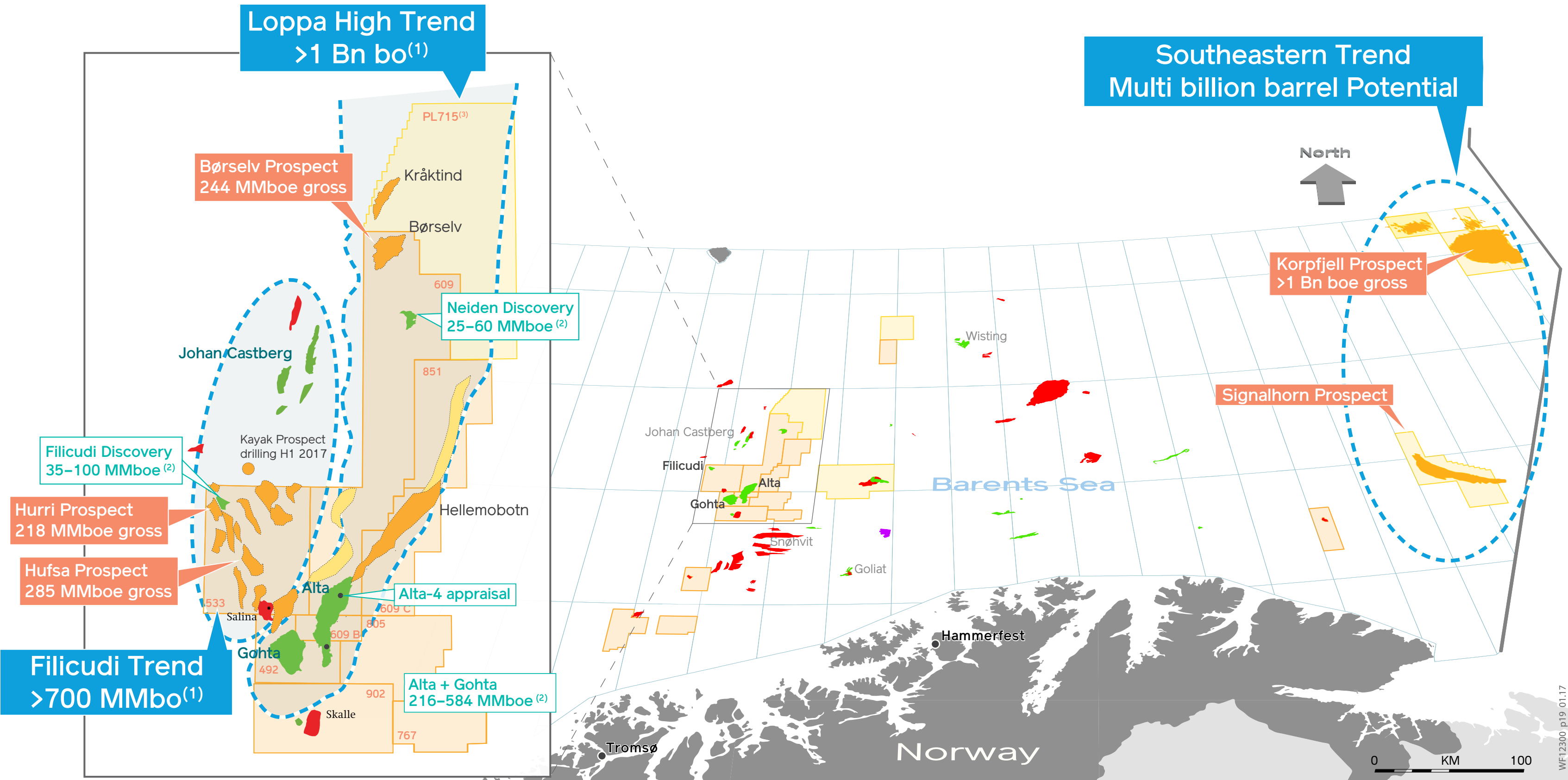
Lundin Petroleum Exploration Strategy

- Focus on organic growth
- 3 high impact trends in Southern Barents Sea
 - Continuous activity
- Utsira High, Alvheim Area and Norwegian Sea
 - Maturing further prospects
- 2017 exploration drilling
 - 4 further exploration wells in the southern Barents Sea
 - 1 exploration well in the Alvheim Area
 - >500 MMboe net unrisked prospective resources targeted



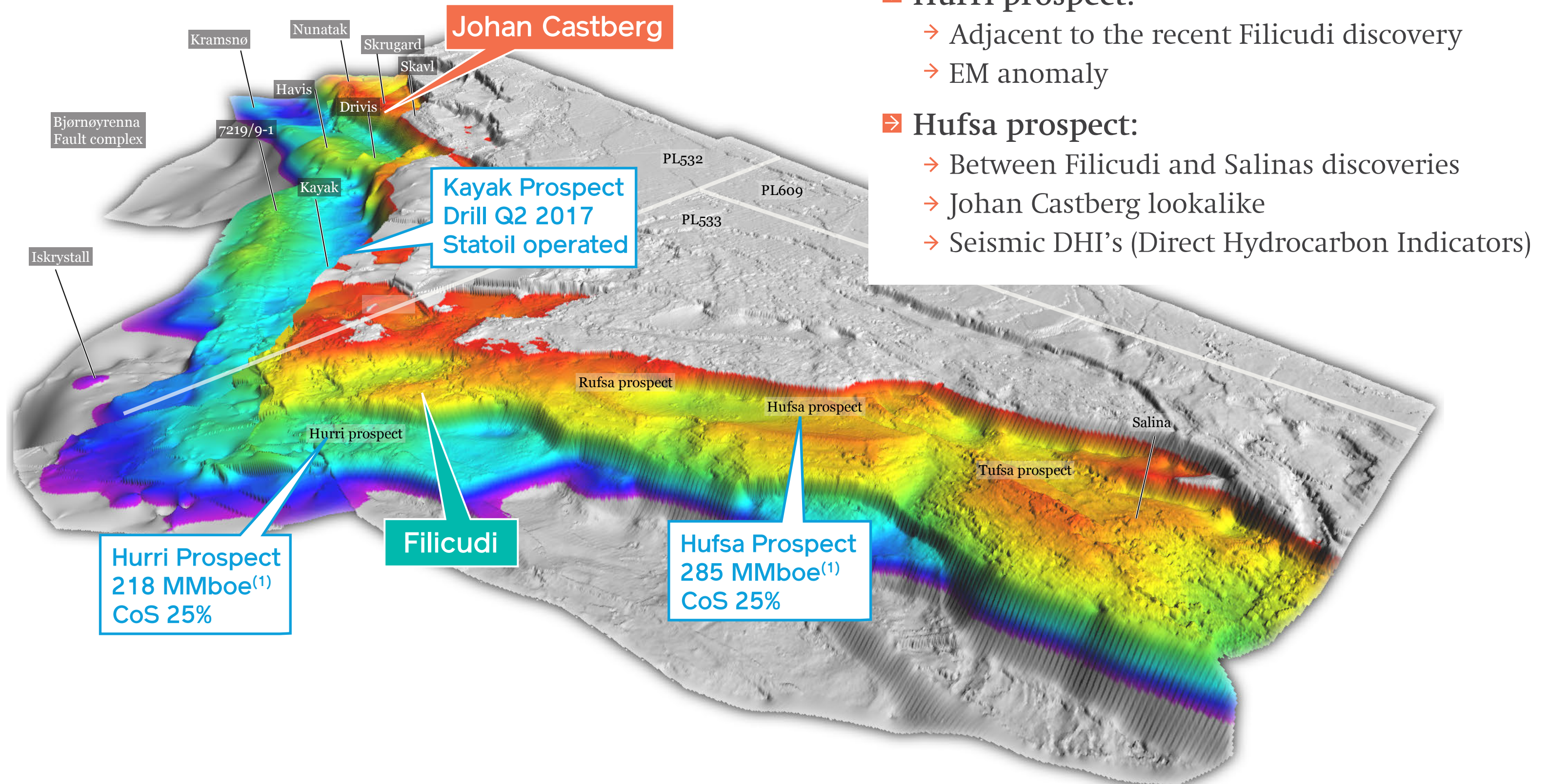
Lundin Petroleum

3 High Impact Exploration Trends in the Southern Barents Sea



⁽¹⁾ Gross contingent plus prospective resource potential ⁽²⁾ Gross contingent resources ⁽³⁾ Subject to government approval

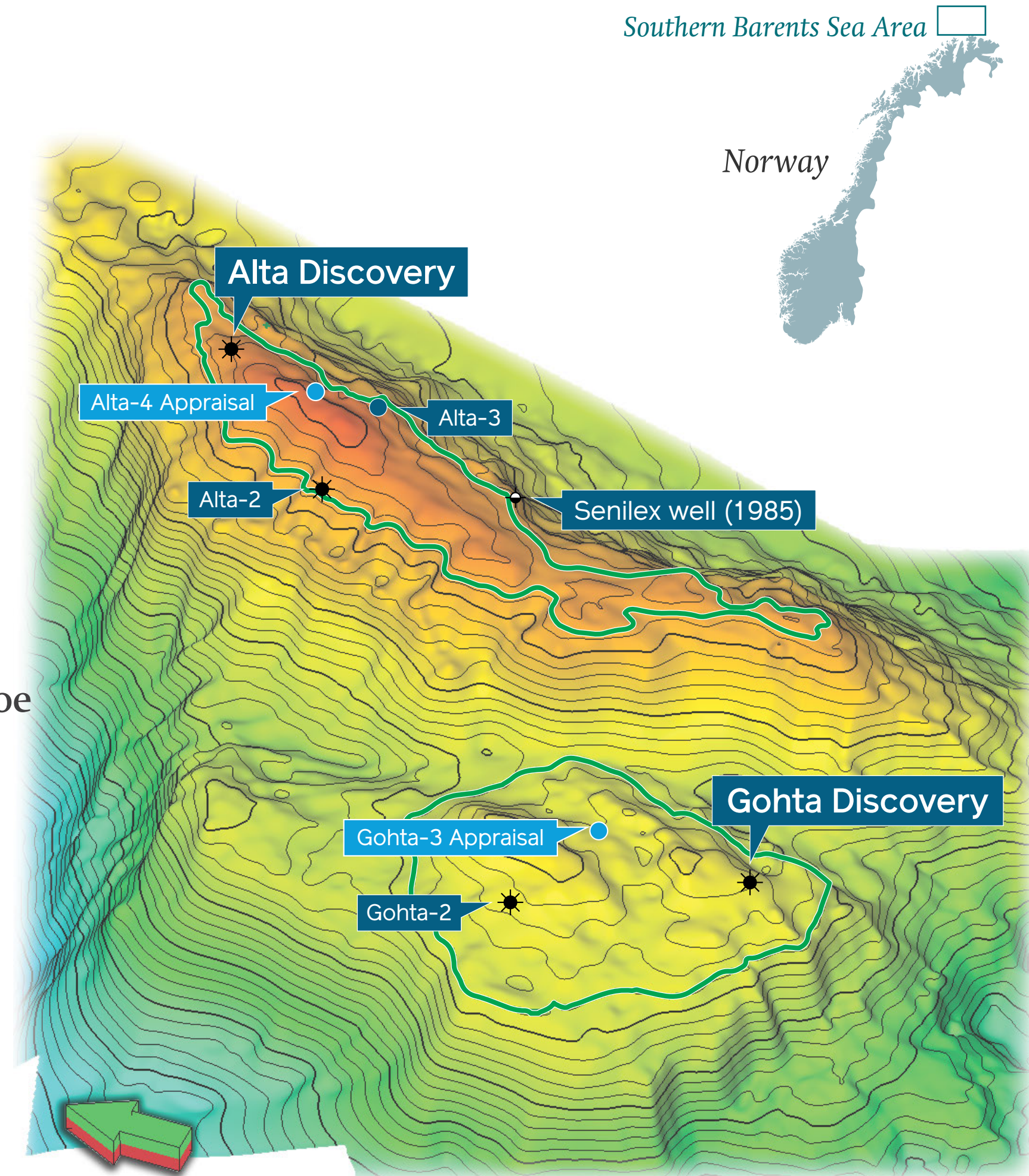
Southern Barents Sea Filicudi Trend



⁽¹⁾ Gross unrisked prospective resource

Southern Barents Sea Alta / Gohta

- ➔ Gohta-3 Appraisal Well
 - ➔ Poor reservoir quality
 - ➔ Downgrades resource estimate – update at year end
- ➔ Gohta considered as satellite to larger Alta discovery
 - ➔ No impact on Alta appraisal and conceptual development plans
- ➔ Alta gross contingent resources – 125 to 400 MMboe
- ➔ Alta programme:
 - ➔ Alta-4 appraisal well – spud imminently
 - ➔ New “high spec” 3D seismic (mid-2017)
 - ➔ Planning for Extended Well Test (EWT) in 2018

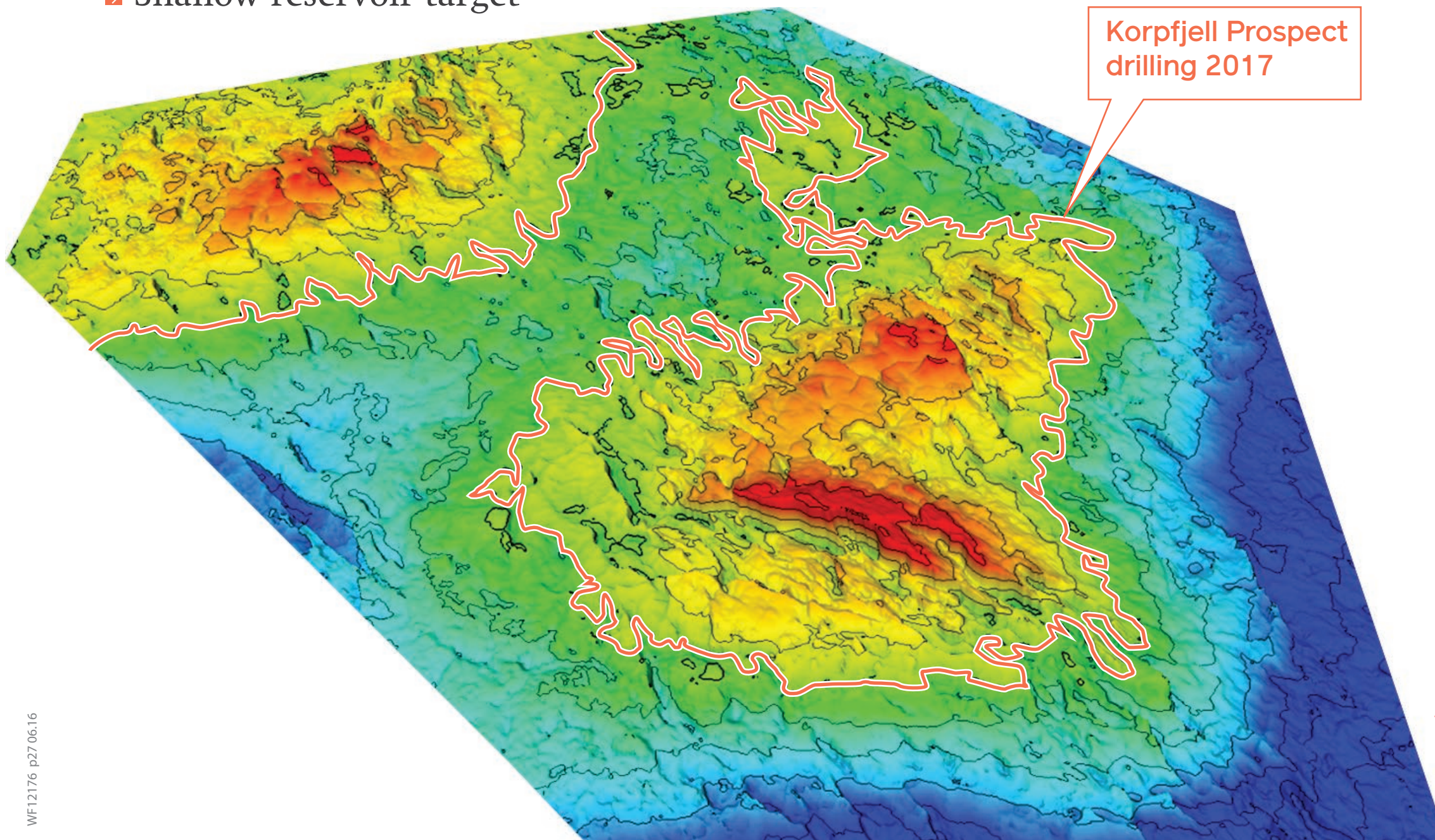


Southeastern Barents Sea Korpfjell Prospect

- PL859 (Statoil operator, Lundin 15%)
- Prospects mapped on new 3D seismic – drill-ready
- Multi-billion barrel resource potential
- Structure aerial closures 3–4 times the size of Johan Sverdrup
- Shallow reservoir target

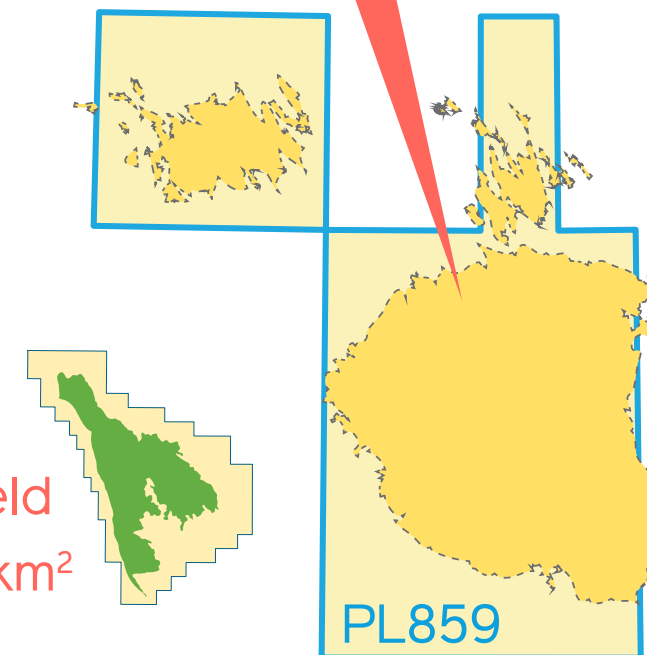
Southern Barents Sea PL859

Norway



Korpfjell Prospect
Aerial closure 850 km²

Johan Sverdrup Field
Aerial closure 200 km²



0 KM 40

2017 Drilling Schedule

	Licence - Prospect	Well type	Operator	LUPE WI %	2017			
					Q1	Q2	Q3	Q4
1	PL533 - Filicudi	exp	Lundin	35.00	Discovery			
2	PL492 - Gohta-3	app	Lundin	40.00	Completed			
3	PL609 - Alta-4	app	Lundin	40.00				
4	PL609 - Børselv	exp	Lundin	40.00				
5	PL533 - Hufsa ⁽¹⁾	exp	Lundin	35.00				
6	PL533 - Hurri ⁽¹⁾	exp	Lundin	35.00				
7	PL338 - EG appraisal	app	Lundin	65.00	Completed			
8	PL859 - Korpfjell	exp	Statoil	15.00				
9	PL150b - Volund West	exp	Aker BP	35.00				
10	J.S. Unit - Tonjer	app	Statoil	22.60	Completed			
1	Alvheim Area	dev	Aker BP	15-35	Ongoing			
2	PL338 - Edvard Grieg	dev	Lundin	65.00	Ongoing			
3	JS Unit - Johan Sverdrup	dev	Statoil	22.60	Ongoing			

⁽¹⁾ Subject to partner approval

First Quarter 2017 Summary

- ➔ Record quarterly production of 82.6 Mboepd
- ➔ Increased production guidance of 75–85 Mboepd
- ➔ Record low quarterly operating costs of 4.04 USD/boe
- ➔ Edvard Grieg southwest appraisal success – increased resources
- ➔ Liquidity headroom of ~1 billion USD
- ➔ High impact exploration drilling in 2017 – Filicudi discovery
- ➔ IPC Spin-Off – dividend distribution

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.

Lundin

Petroleum



www.lundin-petroleum.com