

Operations & Financial Update

Year End 2018

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30 January 2019



Year End 2018 Highlights

Strong Production

- Full Year 2018: **81.1** Mboepd
- Q4 2018: **82.1** Mboepd
- Top end of guidance: **78–82** Mboepd

Low Operating Costs

- Full year 2018: **3.66** USD/boe
- Below updated guidance for the year **<3.8** USD/boe

Financial Performance

- Record full year 2018 FCF of **663** MUSD and **173.3** MUSD for Q4
- Continued strong EBITDA and OCF
- 2019 proposed dividend of **500** MUSD

Reserves and Resources

- Year end 2018 2P reserves replacement ratio: **163%**
- Year end 2018 2P reserves: **745** MMboe
- Year end 2018 3P reserves: **901** MMboe

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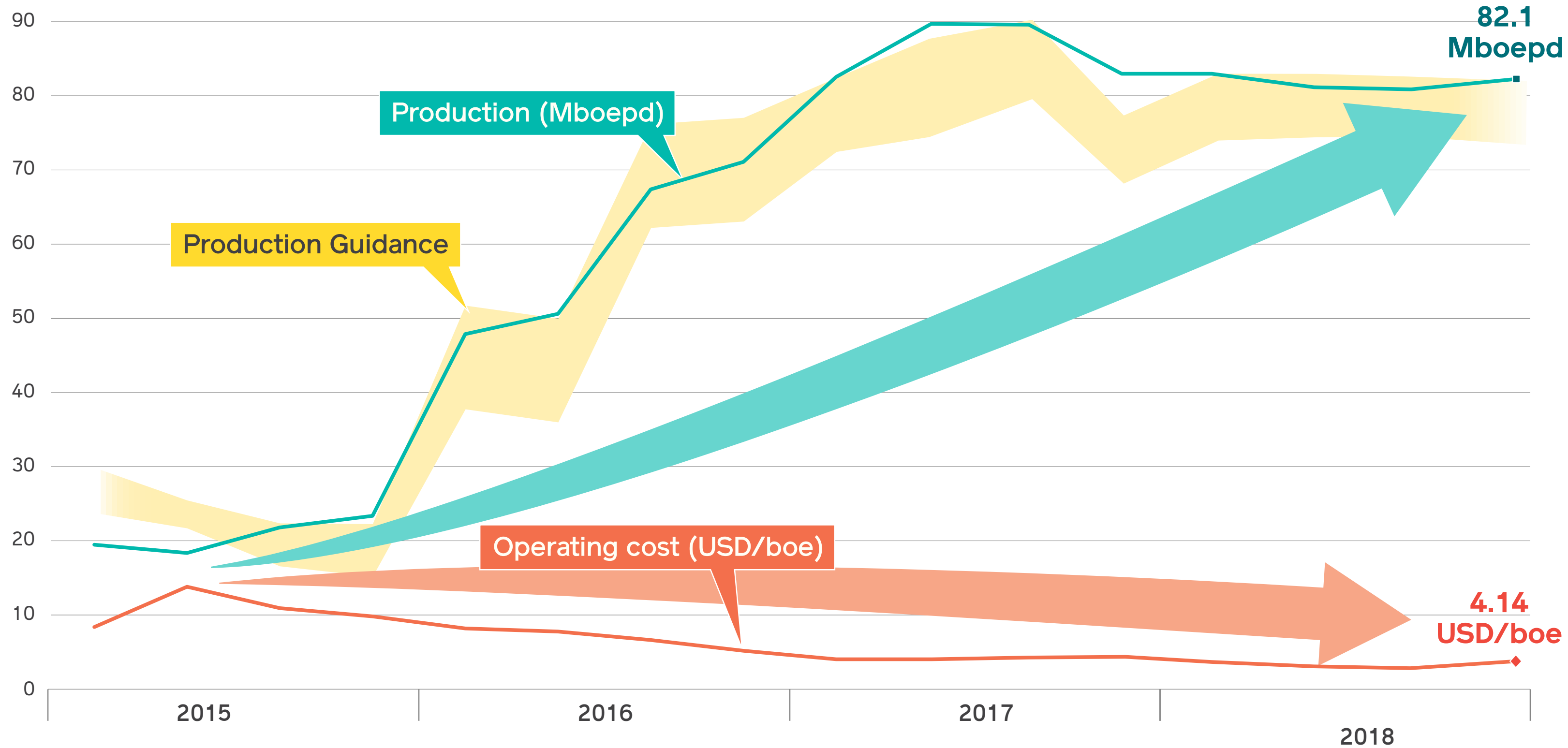
- Phase 1 **~85%** complete
- Firmly on track for **first oil** Nov 2019
- Increased resources: **2.2–3.2** Bn boe gross

Growth Opportunities

- **7** potential new projects: Luno II, Rolvsnes, Frosk, Lille Prinsen, Alta/Gohta, Edvard Grieg infills and Gekko
- **6** successful E&A wells out of 9

Lundin Petroleum

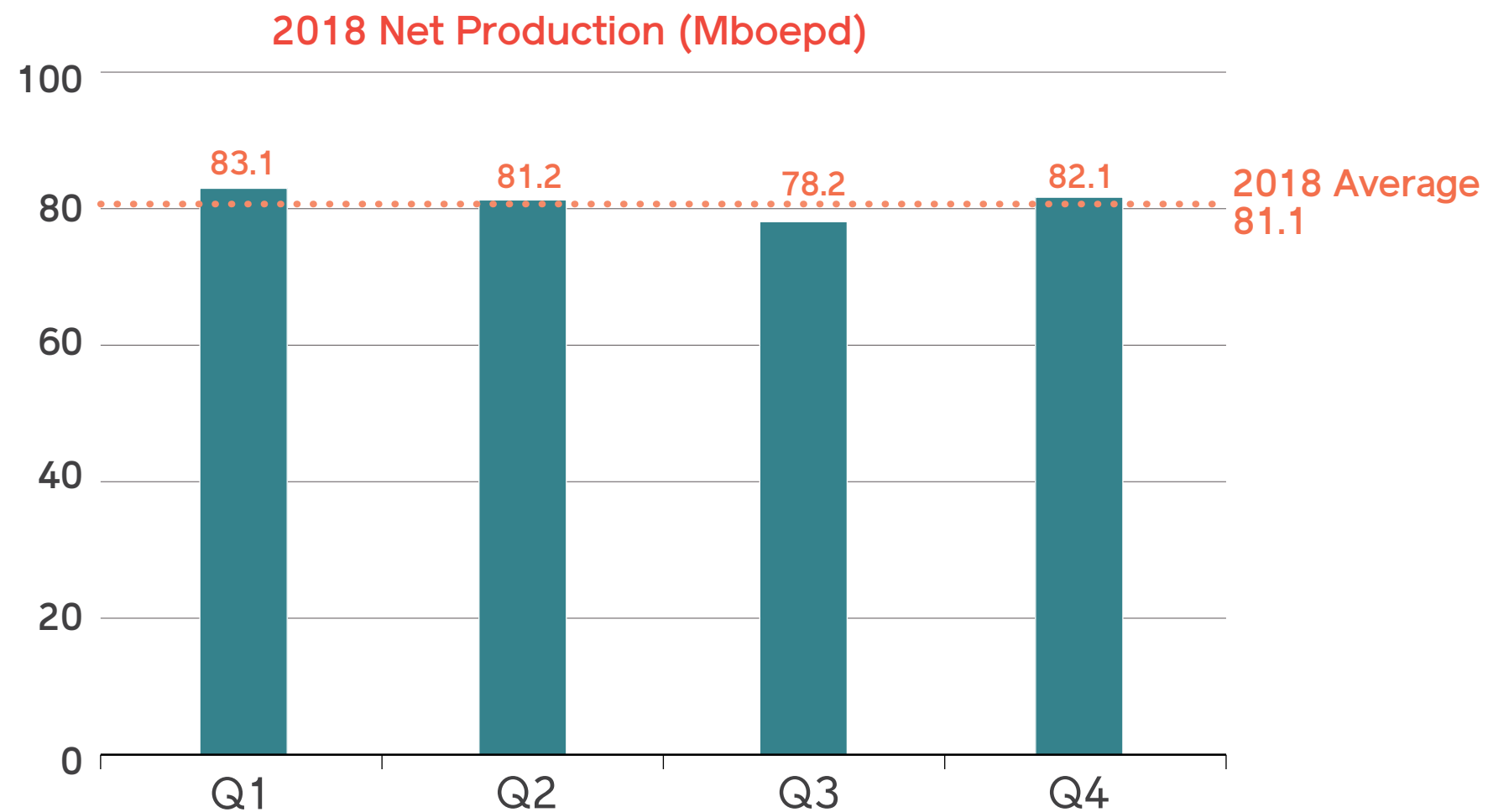
Consistent Quarterly Delivery of Production Guidance



Excludes international assets

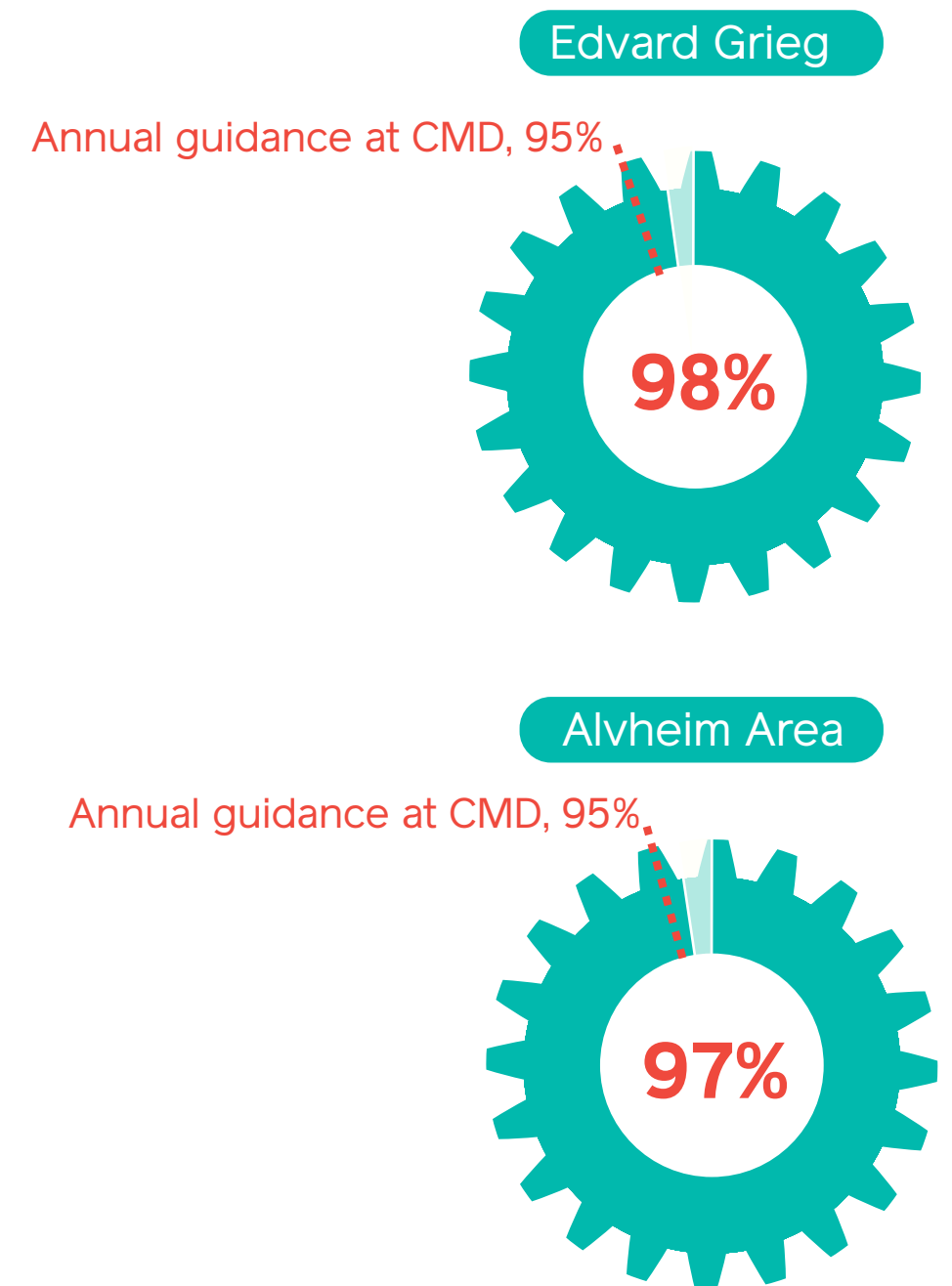
Lundin Petroleum 2018 Production

- 2018 production of 81.1 Mboepd
 - ➔ Upper end of updated guidance of 78 – 82 Mboepd ⁽¹⁾
 - ➔ Reservoir and facilities outperformance



⁽¹⁾ Original guidance 74–82 Mboepd

2018 Production Efficiency



Edvard Grieg

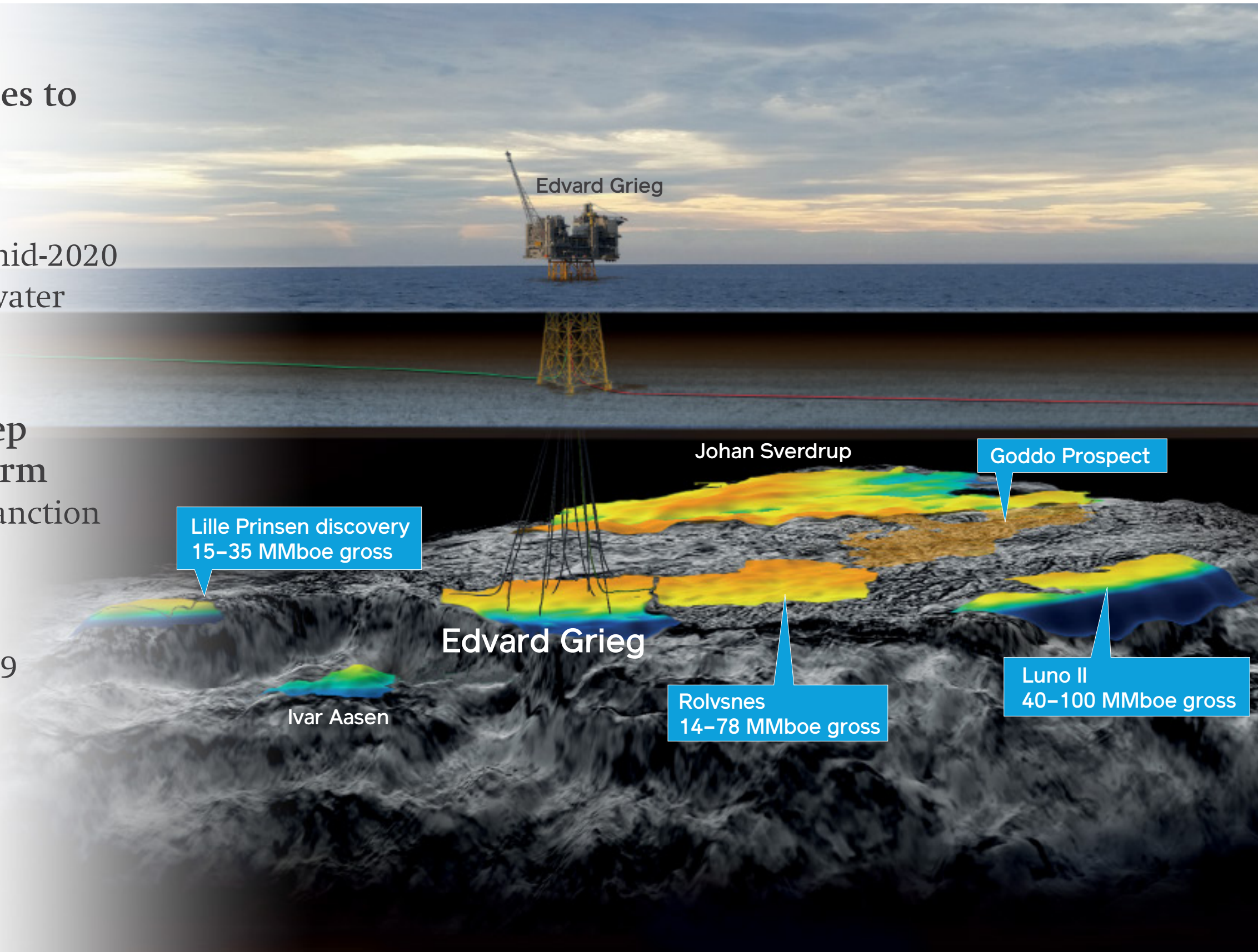
Continues to Perform Above Expectations

➤ Reservoir performance continues to exceed expectations

- ➔ Well potential is double facility contractual capacity
- ➔ Plateau extended six months to mid-2020
- ➔ Significantly slower build-up of water production than expected

➤ Pipeline of opportunities to keep Edvard Grieg full in the long-term

- ➔ Luno II/Rolvsnes EWT expected sanction Q1 2019
- ➔ Acquisition of Lime interests in Rolvsnes/Goddo
- ➔ Infill programme sanction in 2019

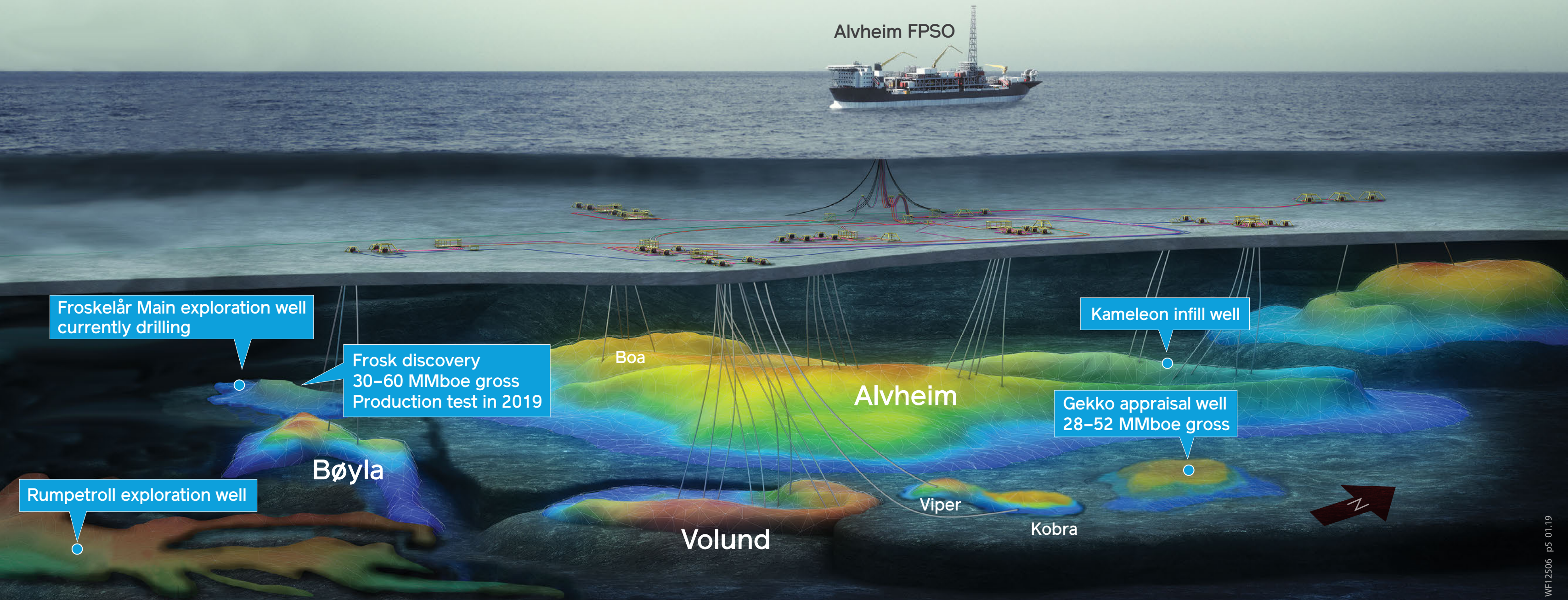


Alvheim Area

Continue to Add Resources

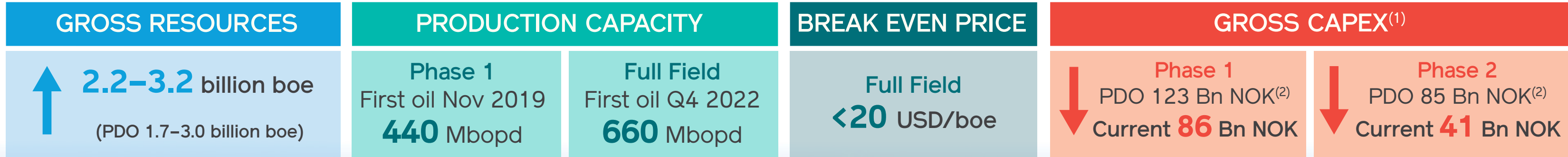
- ➔ Kameleon infill well completed and onstream
- ➔ Gekko appraisal well success

- ➔ Frosk area potential >200 MMboe gross
 - ➔ Froskelår Main and Rumpetroll exploration wells in 2019
 - ➔ Frosk production test well in 2019



Johan Sverdrup

Key Metrics Keep Improving



Working Interest – Johan Sverdrup Unit	
Equinor	40.0267%
Lundin	22.6000%
Petoro	17.3600%
Aker BP	11.5733%
Total	8.4400%

⁽¹⁾ Nominal, fixed currency
⁽²⁾ Original PDO

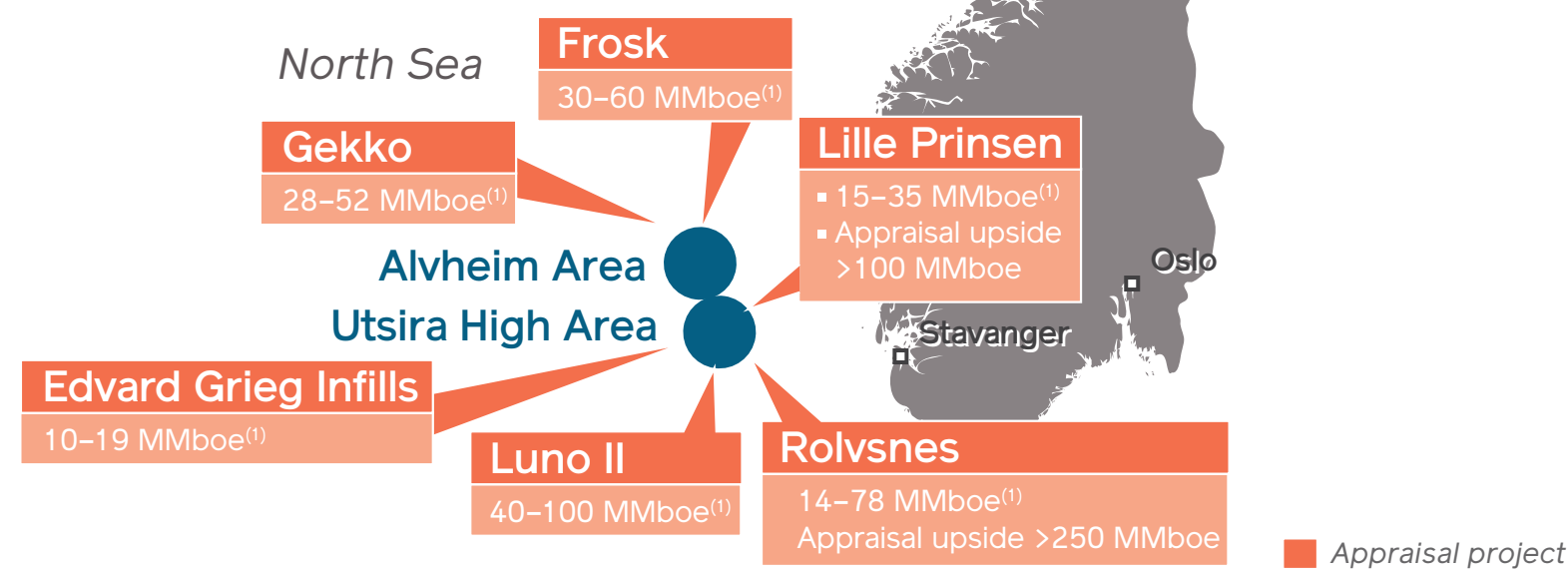
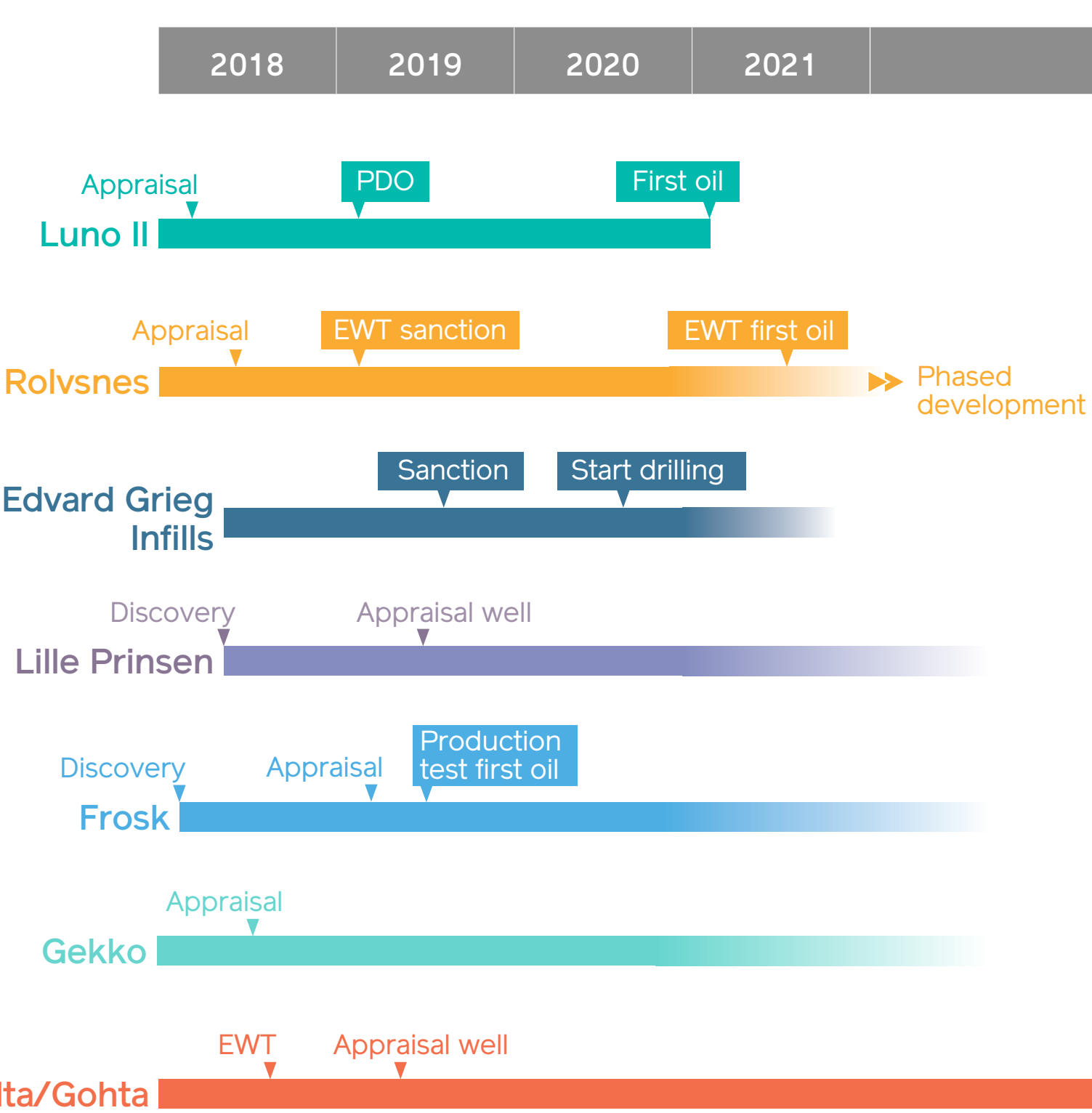
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Phase 1 - Key Milestones being Delivered on Schedule



Lundin Petroleum Pipeline of Potential New Projects

7 potential new projects targeting 105–350 MMboe net resources⁽²⁾



⁽¹⁾ Operator estimate of gross resources
⁽²⁾ Net contingent resources plus prospective resources

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Current Exploration Programme

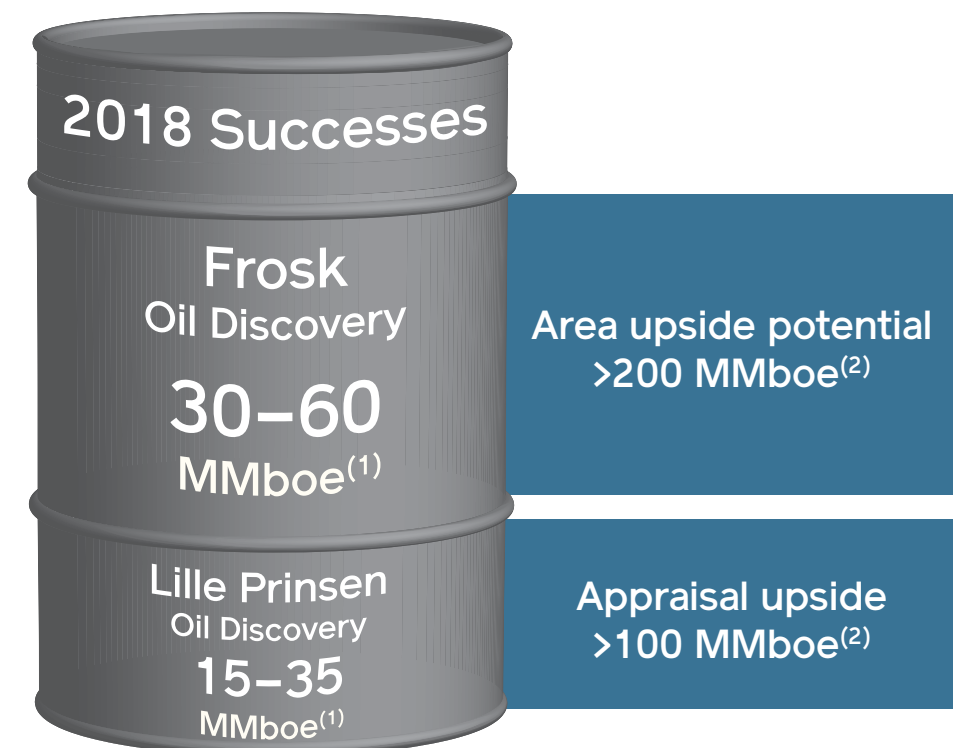
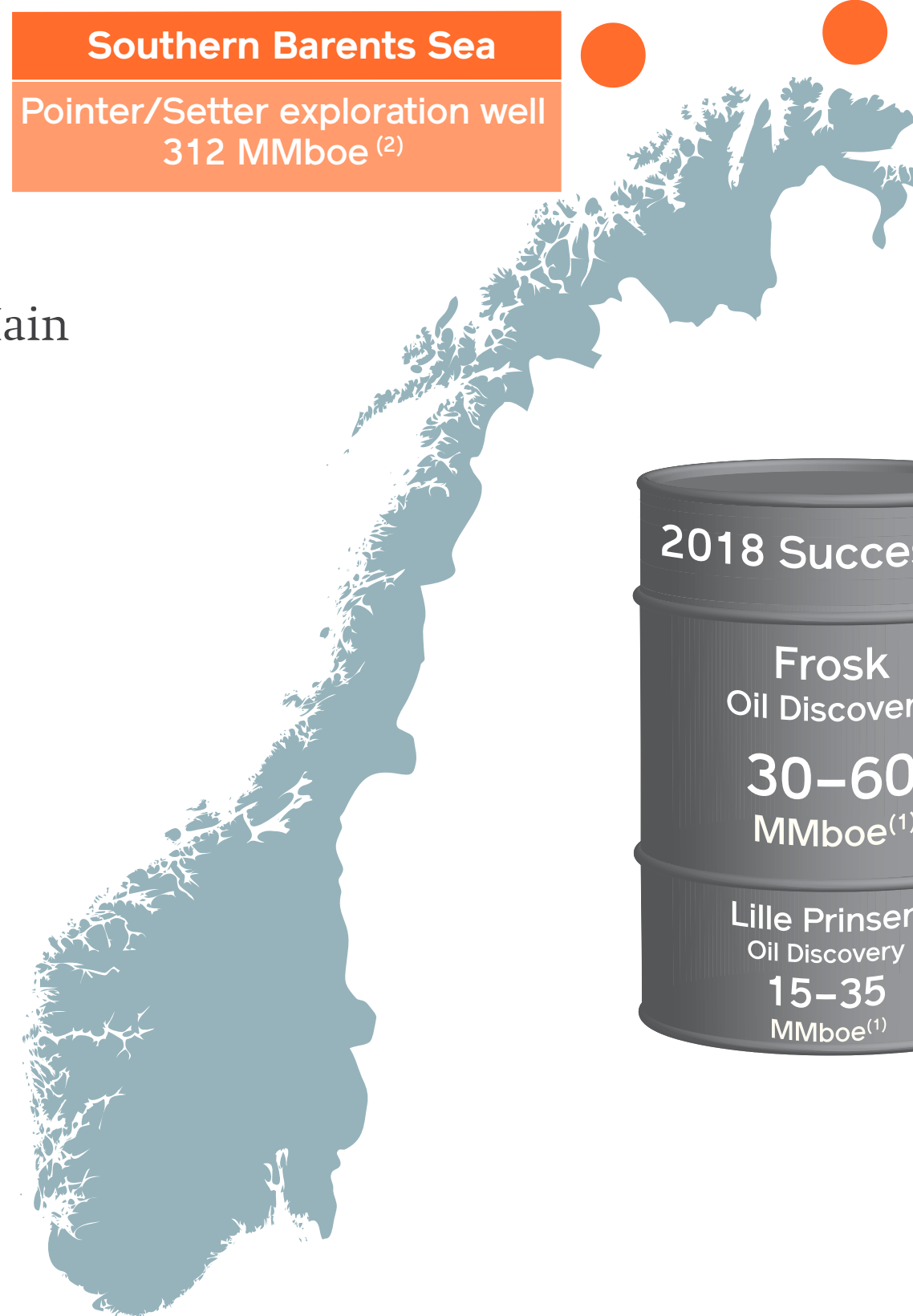
Southern Barents Sea
 Pointer/Setter exploration well
 312 MMboe⁽²⁾

Southern Barents Sea
 Gjøkåsen Shallow
 exploration well 768 MMboe⁽²⁾

➔ **3 wells currently drilling**

➔ Gjøkåsen Shallow, Pointer/Setter, Froskelår Main

Alvheim Area
 Froskelår Main
 exploration well 92 MMboe⁽²⁾



⁽¹⁾ Gross resources

⁽²⁾ Gross unrisked prospective resources

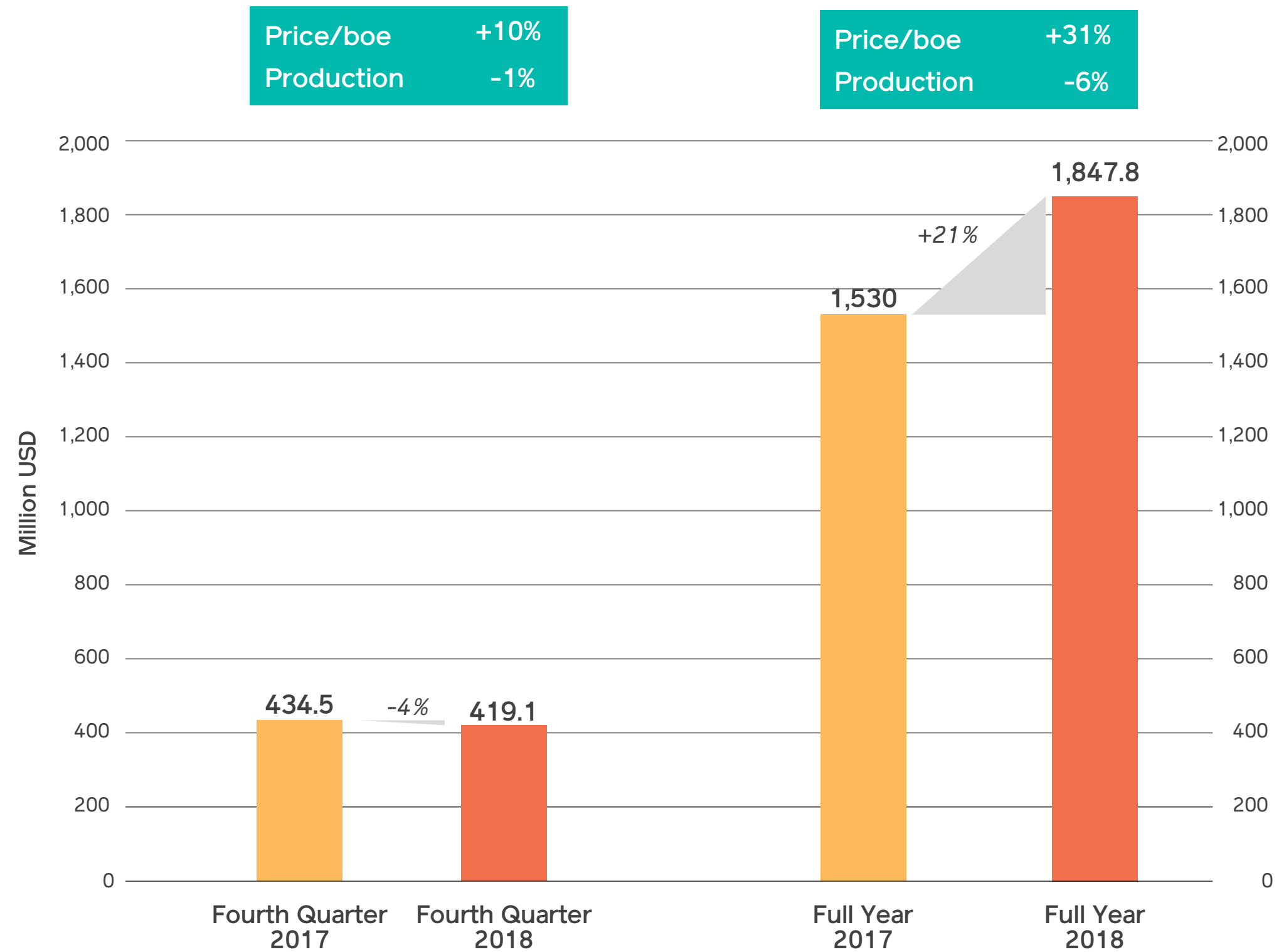
Year End 2018

Financial Highlights

	Fourth Quarter 2018	Full Year 2018
Production (boepd)	82.1	81.1
Average Brent oil price (USD/boe)	68.81	71.31
Operating costs (USD/boe)	4.14	3.66
Operating cash flow (MUSD)	419.1	1,847.8
EBITDA (MUSD)	448.5	1,916.2
Free cash flow (MUSD)	173.3	663.0
Net result (MUSD)	-105.3	222.1

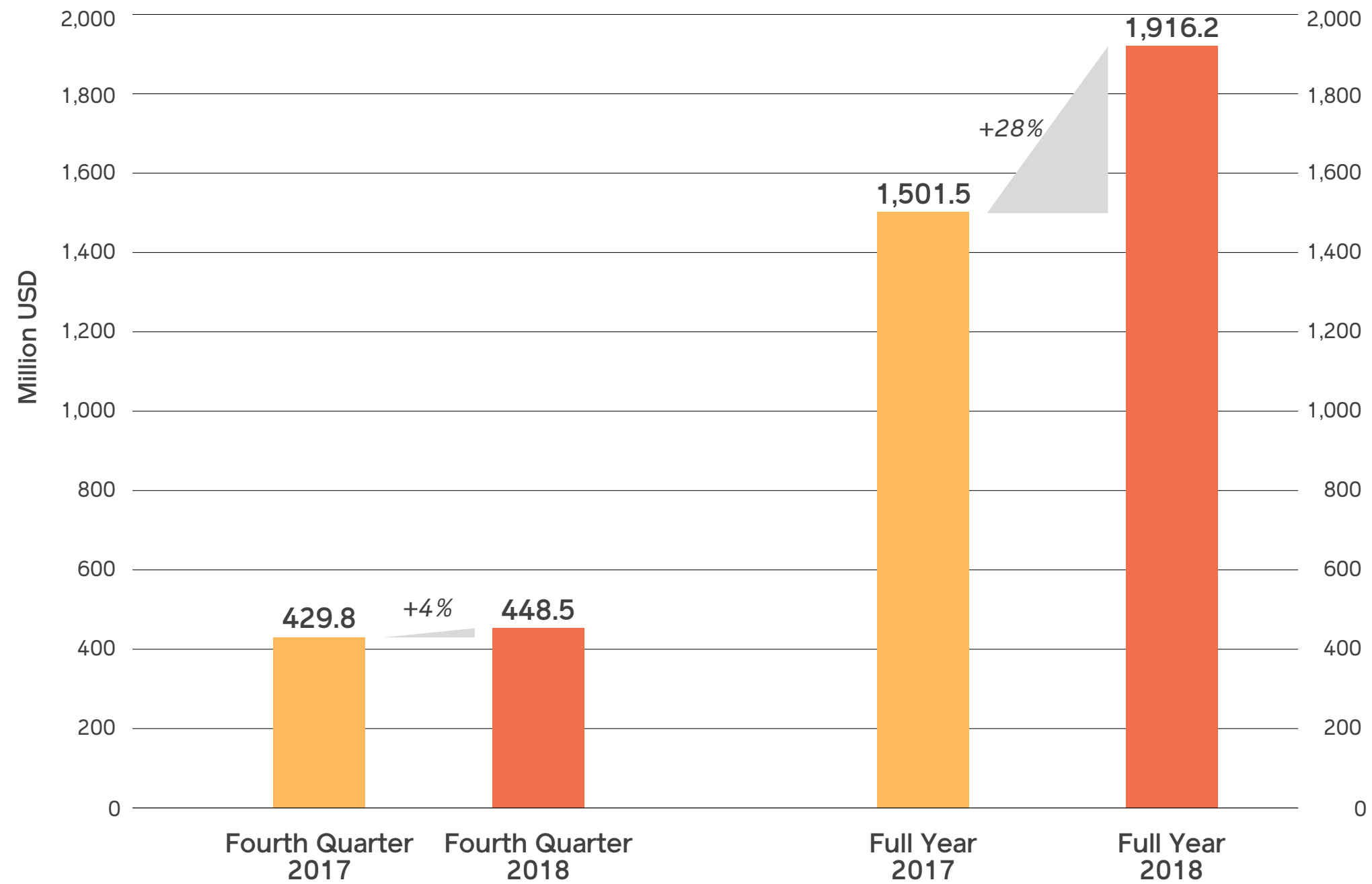
Year End 2018

Operating Cash Flow

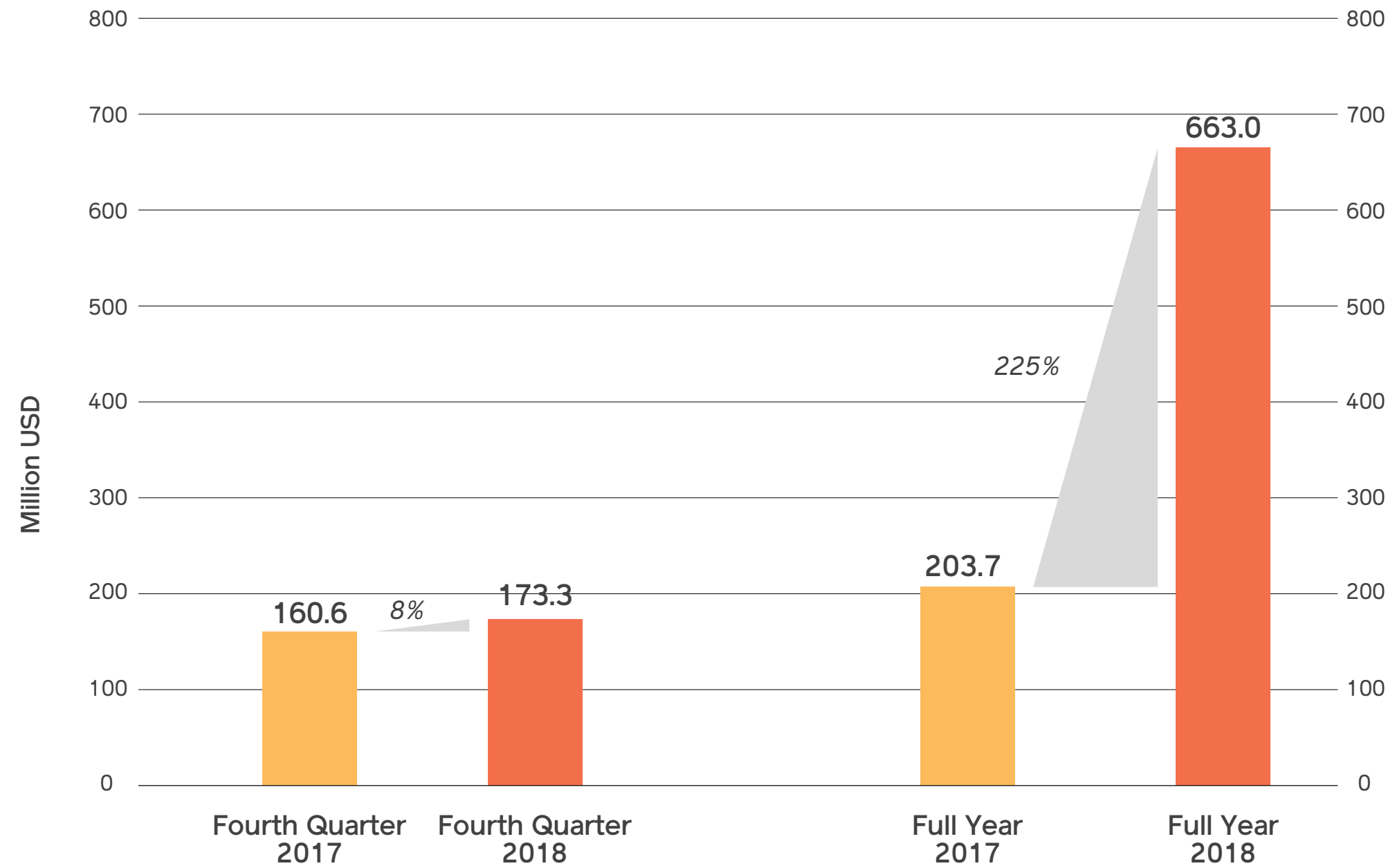


Year End 2018

EBITDA

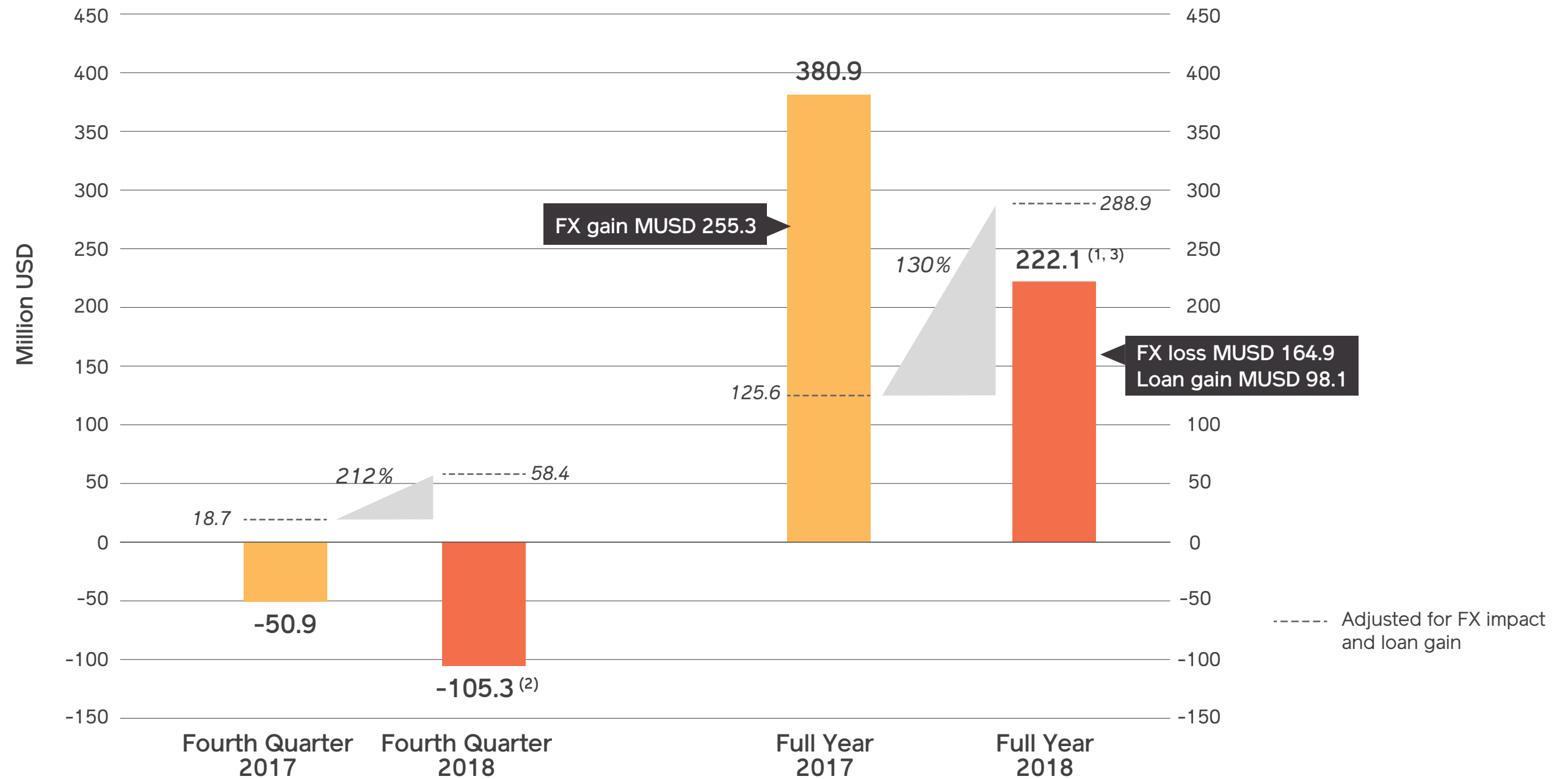


Year End 2018 Free Cash Flow



Year End 2018

Net Results after Tax

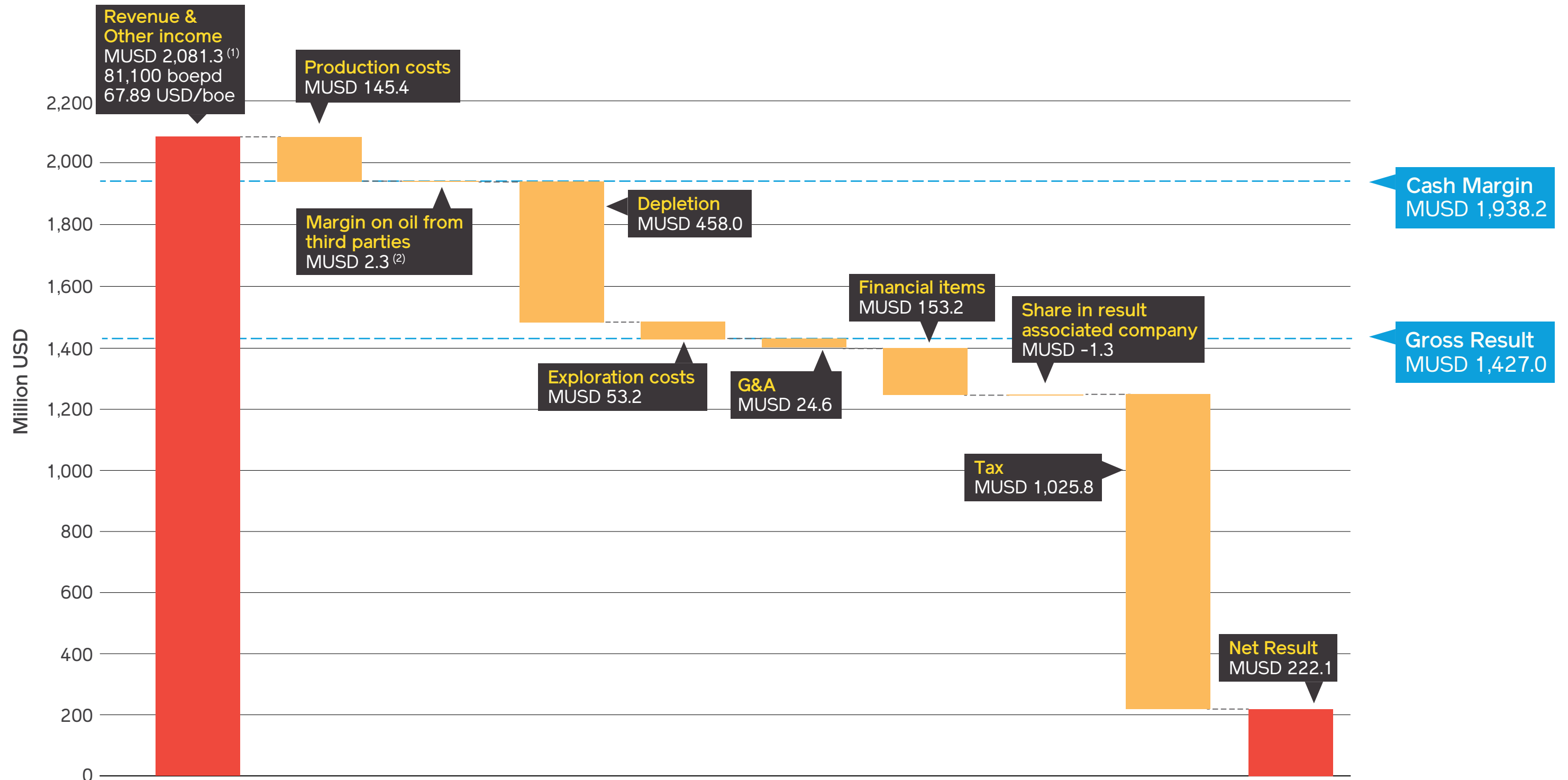


⁽¹⁾ Includes decrease in net foreign exchange gain compared to Full Year 2017 of MUSD 420.2

⁽²⁾ Includes decrease in net foreign exchange gain compared to Fourth Quarter 2017 of MUSD 94.1

⁽³⁾ Includes post tax accounting gain on loan modification of MUSD 98.1

Full Year 2018 Income Statement

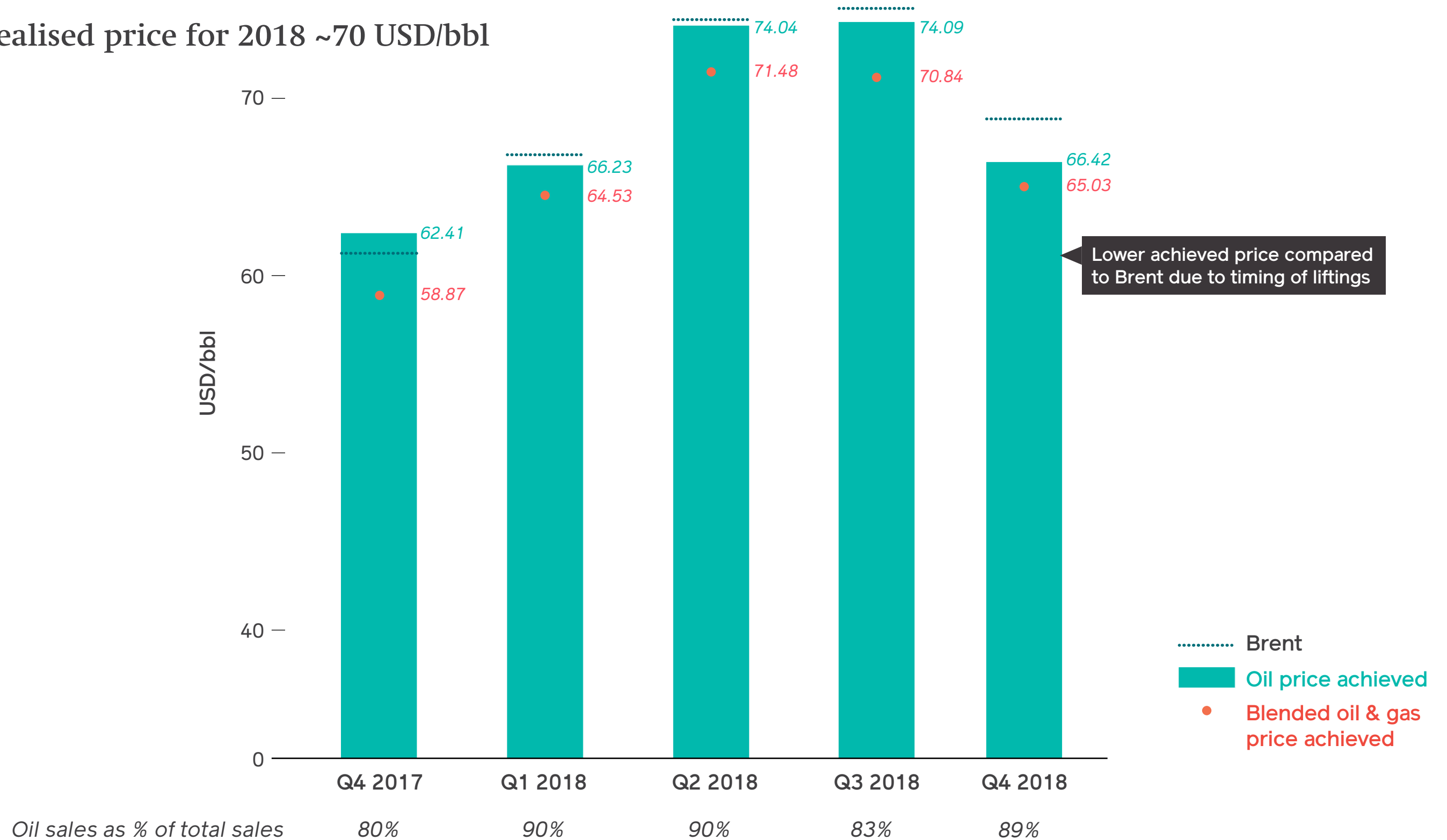


⁽¹⁾ Revenue and other income includes changes in under/overlift positions and excludes revenue from third party activities

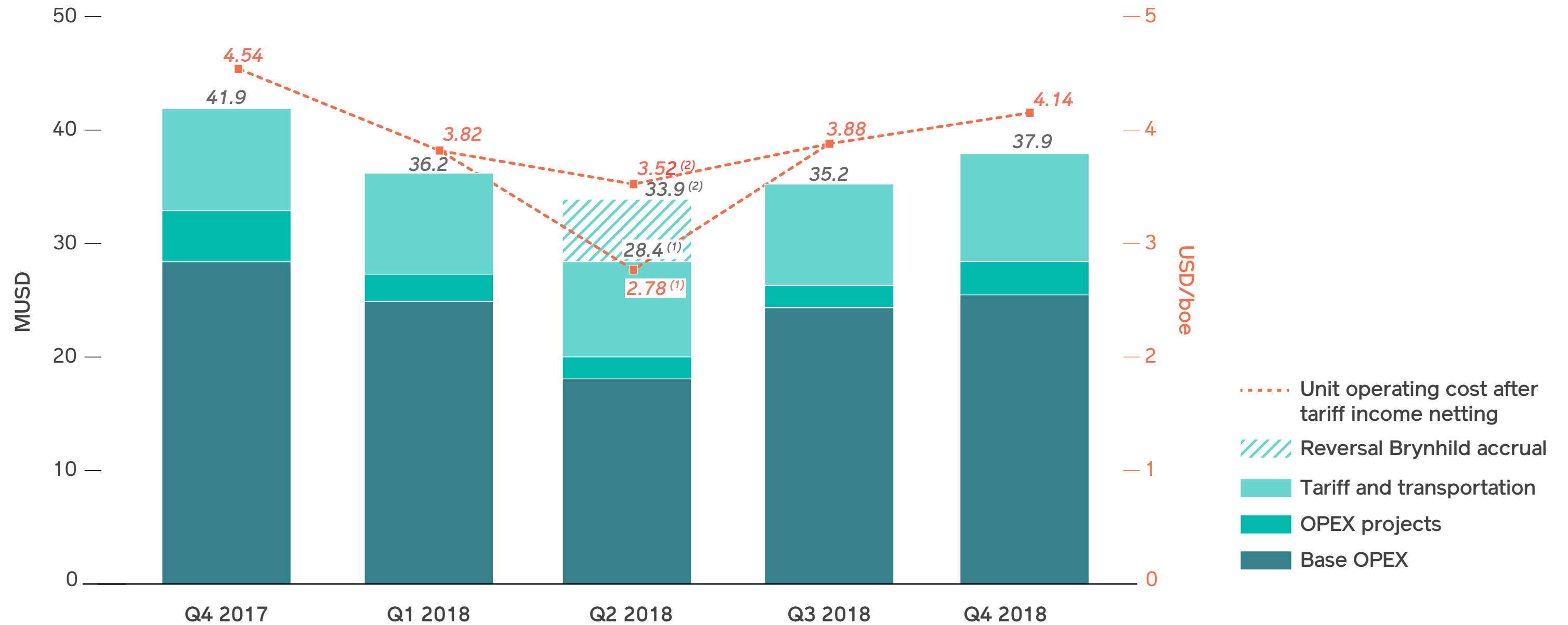
⁽²⁾ Margin consists of revenue from third party activities (MUSD 536.1) less purchase of crude oil from third parties (MUSD 533.8)

Full Year 2018 Realised Prices

➔ Average realised price for 2018 ~70 USD/bbl



Full Year 2018 Operating Costs



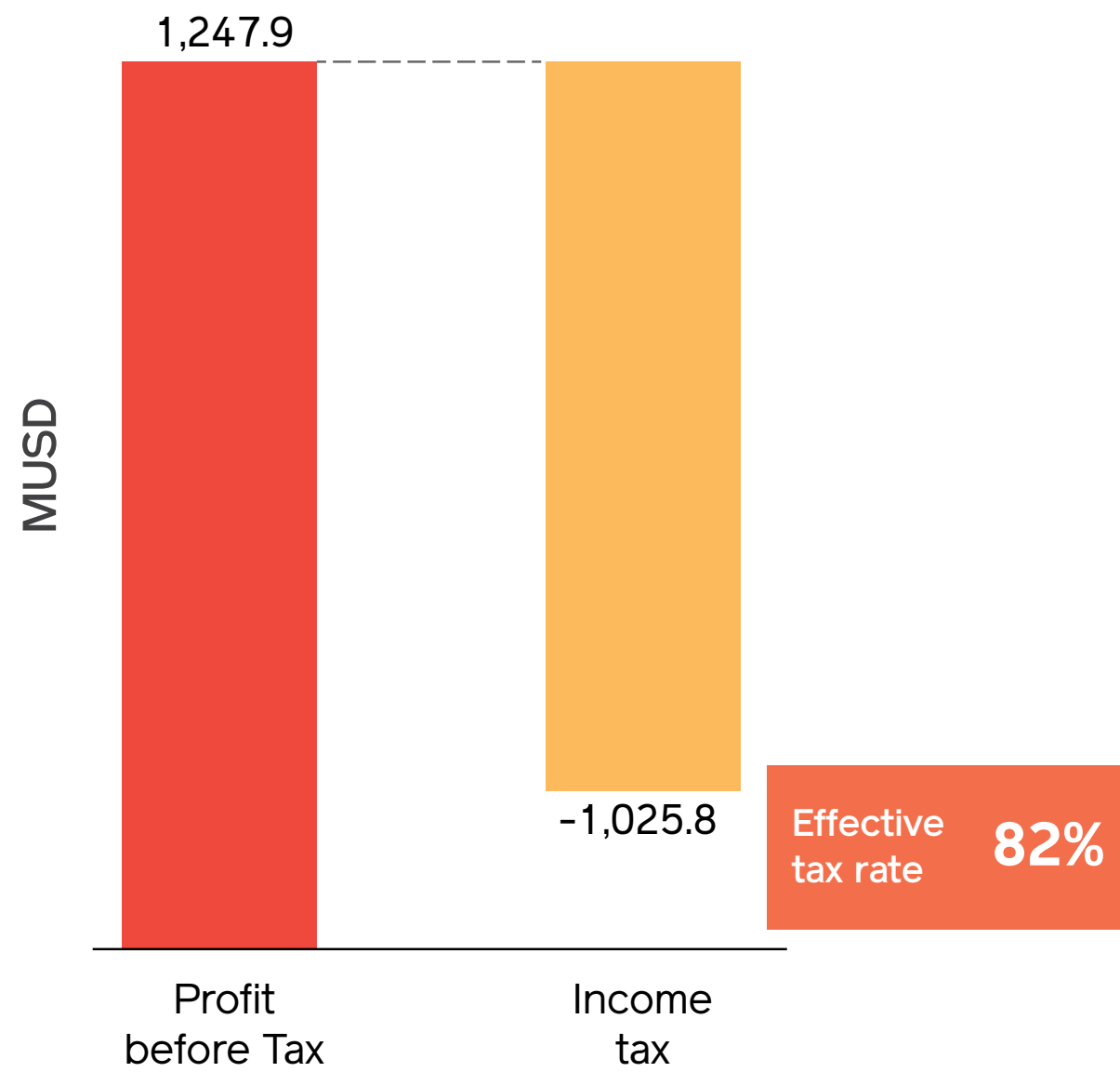
⁽¹⁾ Includes the reversal of an accrual from the Brynhild field of MUSD 5.5

⁽²⁾ Excludes the reversal of an accrual from the Brynhild field of MUSD 5.5

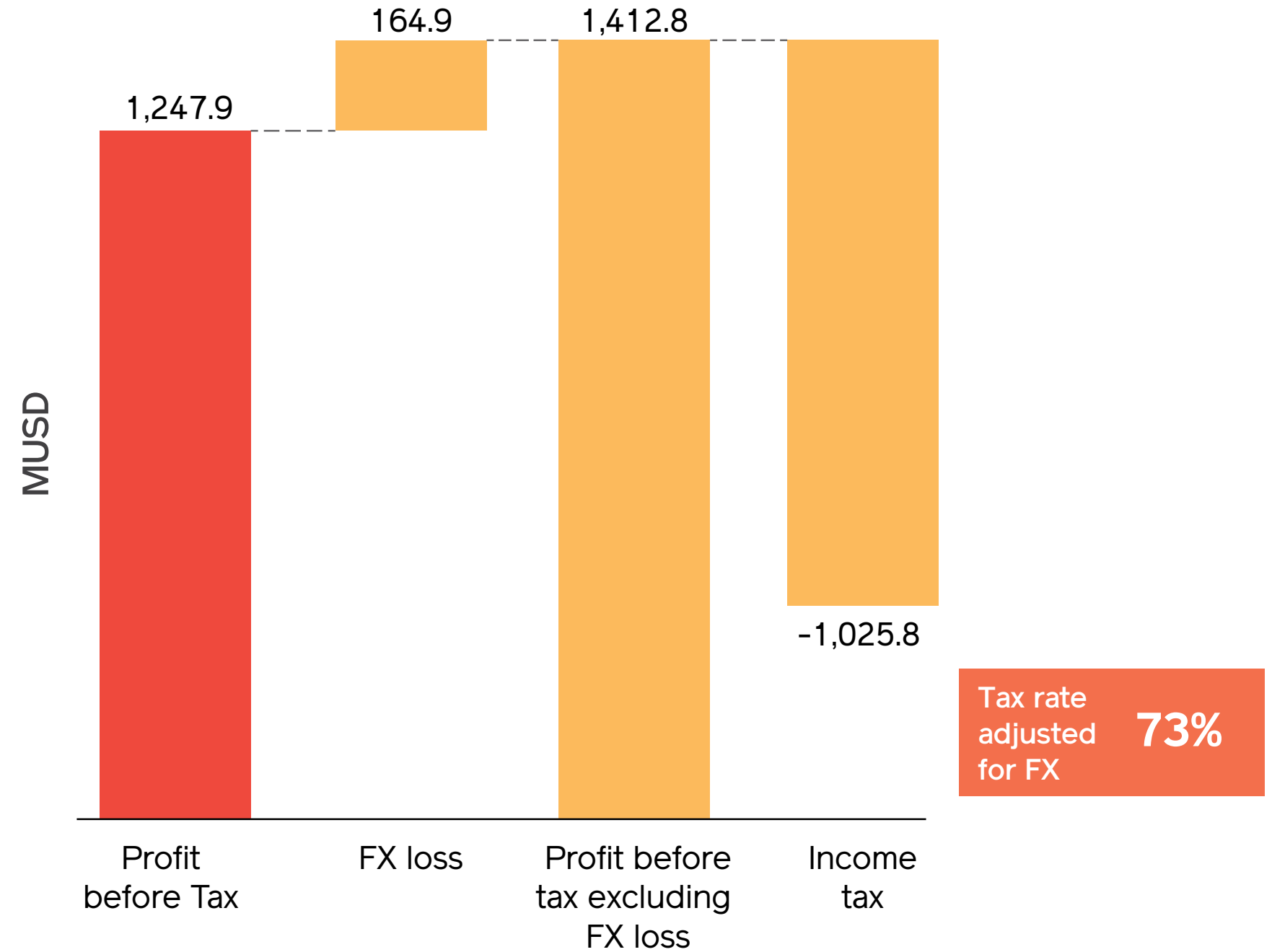
Year End 2018

Income Taxes

INCOME STATEMENT

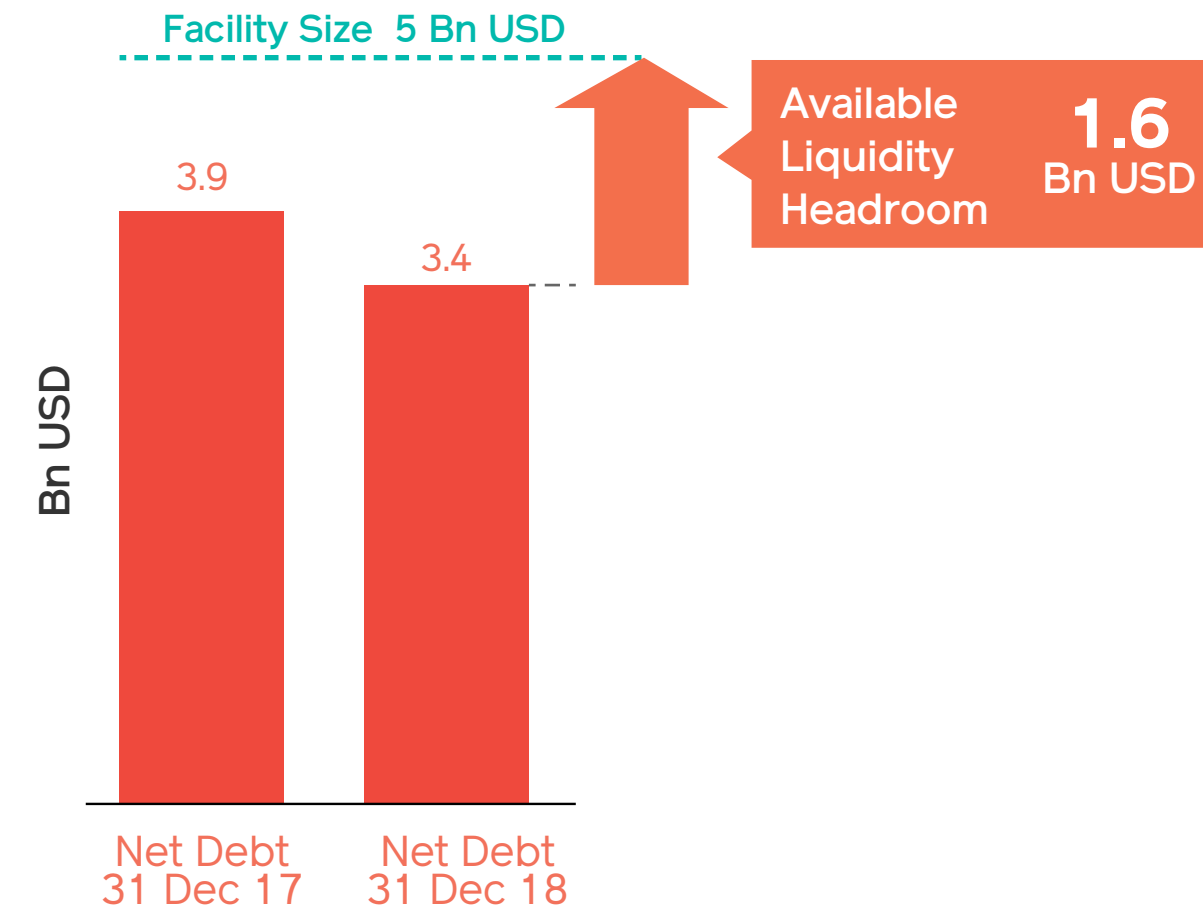
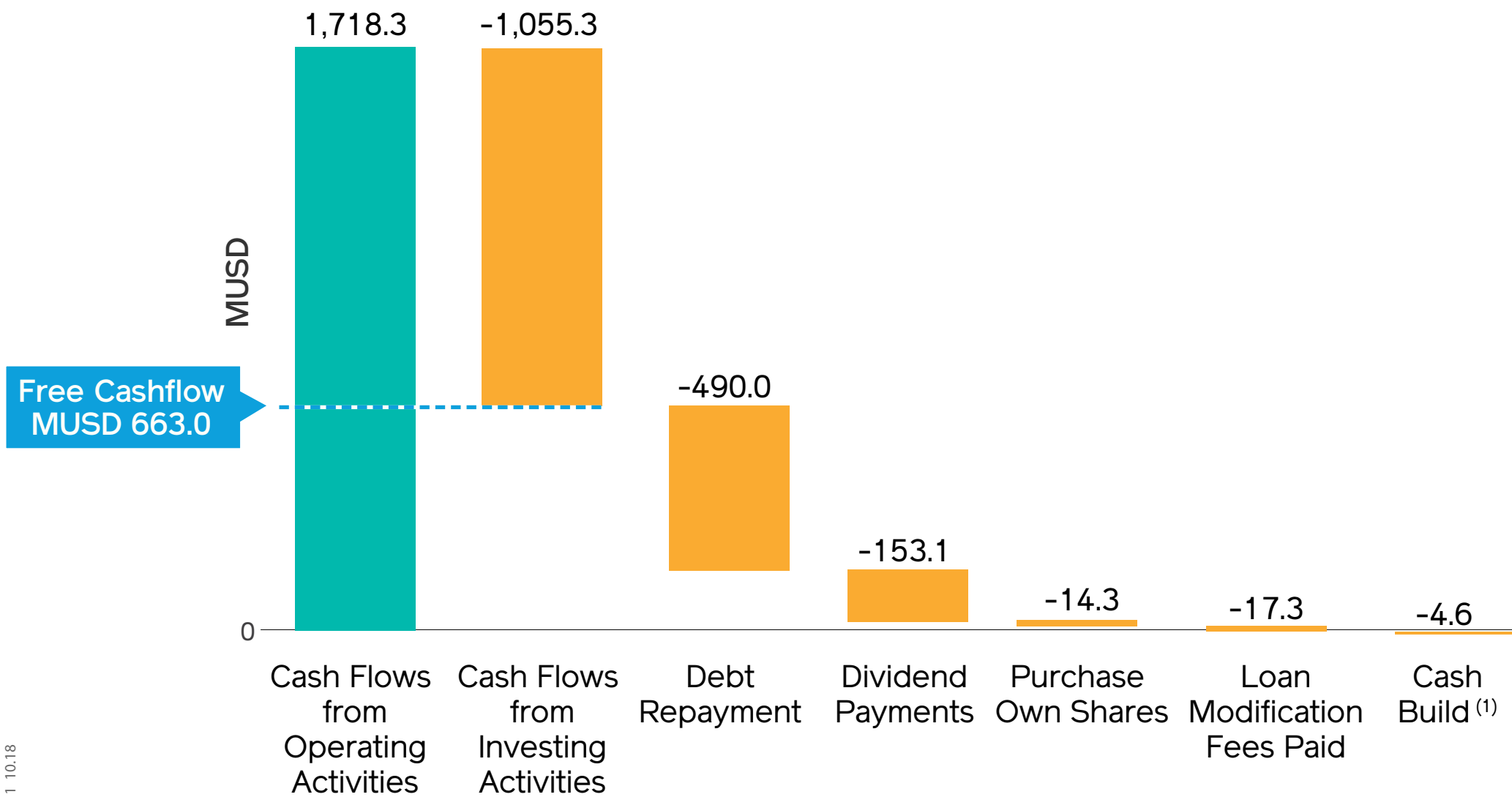


ADJUSTED FOR NON-DEDUCTABLE FX LOSS



Full Year 2018

Cash Flow, Debt Position and Liquidity



⁽¹⁾ Includes MUSD 7.1 FX gain

2018

Actuals Compared to Latest Guidance and CMD

	CMD	Latest Guidance	Actuals
Production Guidance (Mboepd)	74–82	78–82	81.1
Operating costs (USD/boe)	4.15	<3.80	3.66
CAPEX (MUSD)	800	800	702
E&A Expenditure (MUSD)	250	300	311

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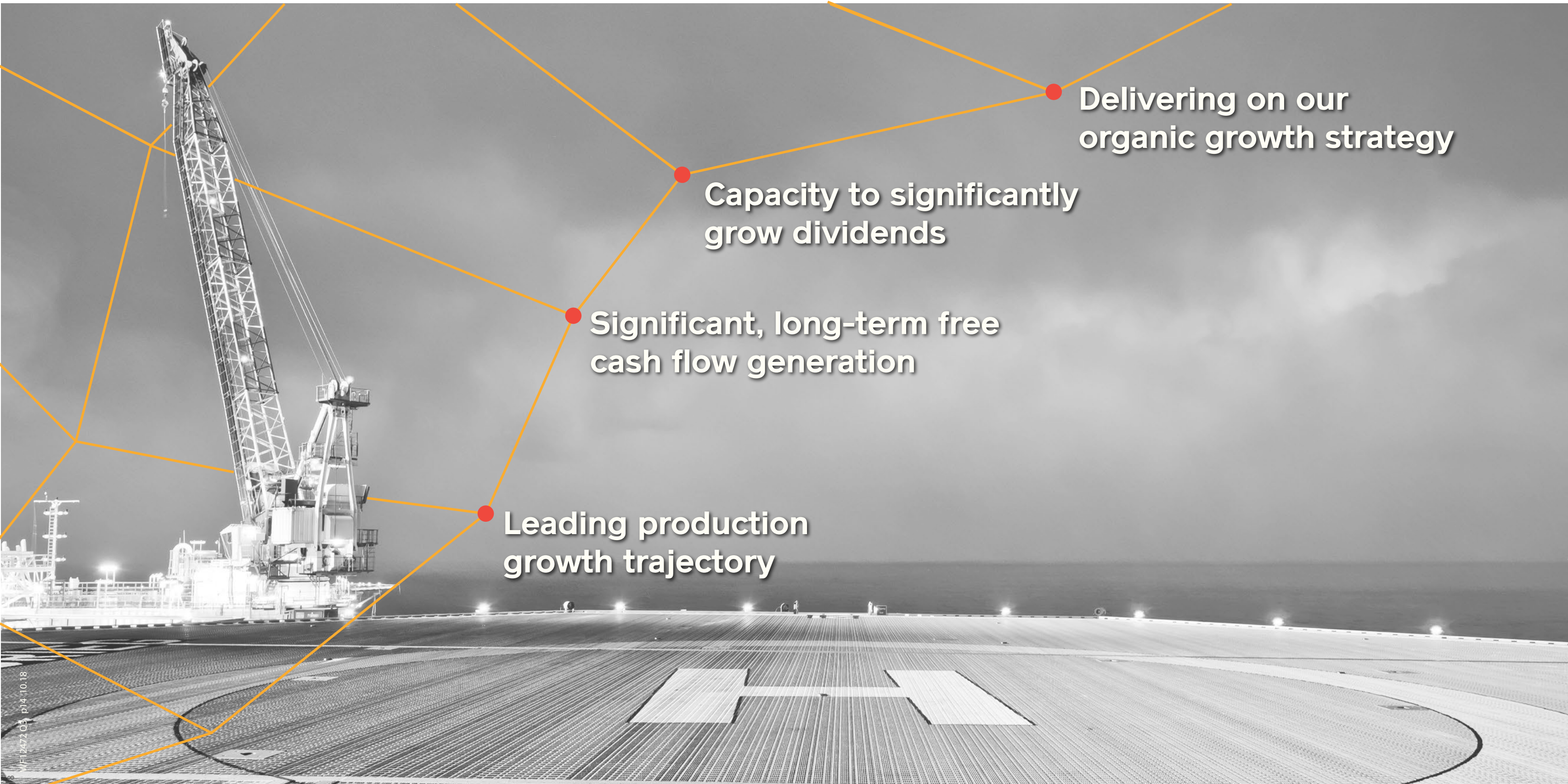
Updated Dividend Policy

- 2019 AGM proposal to pay a dividend of **MUSD 500** for financial year 2018

- Dividend Policy
 - Dividend to be paid quarterly and denominated in USD
 - Maintain or increase dividends over time in line with the Company's financial performance
 - Dividend to be sustainable at a Brent price below 50 USD/bbl, in context of
 - Affording the Company to continue its organic growth led strategy
 - Affording the Company to continue progressing contingent resources into reserves and production
 - Gradually deleveraging debt and retaining an appropriate liquidity position

Lundin Petroleum

Industry Leading Value Creation



Delivering on our organic growth strategy

Capacity to significantly grow dividends

Significant, long-term free cash flow generation

Leading production growth trajectory

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Forward-Looking Statements

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