

Operations & Financial Update

First Nine Months 2019

Q3



Alex Schneider, President & CEO

Teitur Poulsen, CFO

31 October 2019

Lundin
Petroleum



First Nine Months 2019

Highlights

Production above Guidance

79.2 Mboepd
Q3 Actual 82.7 Mboepd

Industry Leading Operating Costs

4.31 USD/boe
Q3 Actual 3.97 USD/boe

Free Cash Flow
>1.1 Bn USD

Johan Sverdrup First Oil
5 October 2019

Organic Growth

4 Projects under Way
5 Discoveries **3** New Wells to Drill

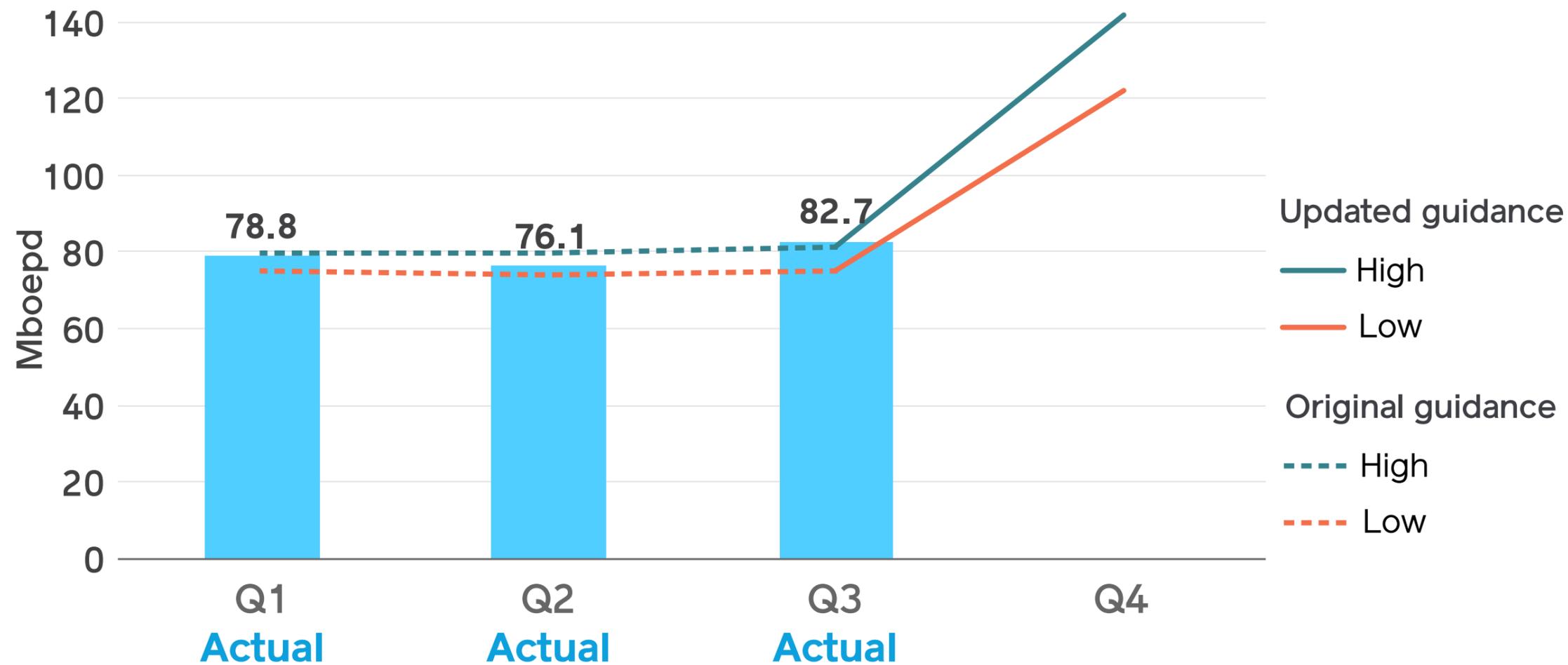
Full Electrification of
Edvard Grieg Sanctioned
<1 kg CO₂/boe from 2022



Lundin Petroleum 2019 Production

First nine months **79.2 Mboepd**
towards upper end of guidance range

Increased full year guidance
90–95 Mboepd
(Previously 75–95 Mboepd)



Delivering guidance or better for **17** Quarters Running

Lundin Petroleum

Industry Leading Operating Performance

Production Efficiency

98% Edvard Grieg ⁽¹⁾

97% Alvheim Area ⁽¹⁾

Carbon Intensity

Edvard Grieg

4.9 kg CO₂/boe ⁽¹⁾

Approximately a quarter of world average

Operating Costs

4.31

USD/boe ⁽¹⁾

Third of North Sea average

Full year guidance

4.25

USD/boe

Top Tier HSE Performance

Zero ⁽¹⁾

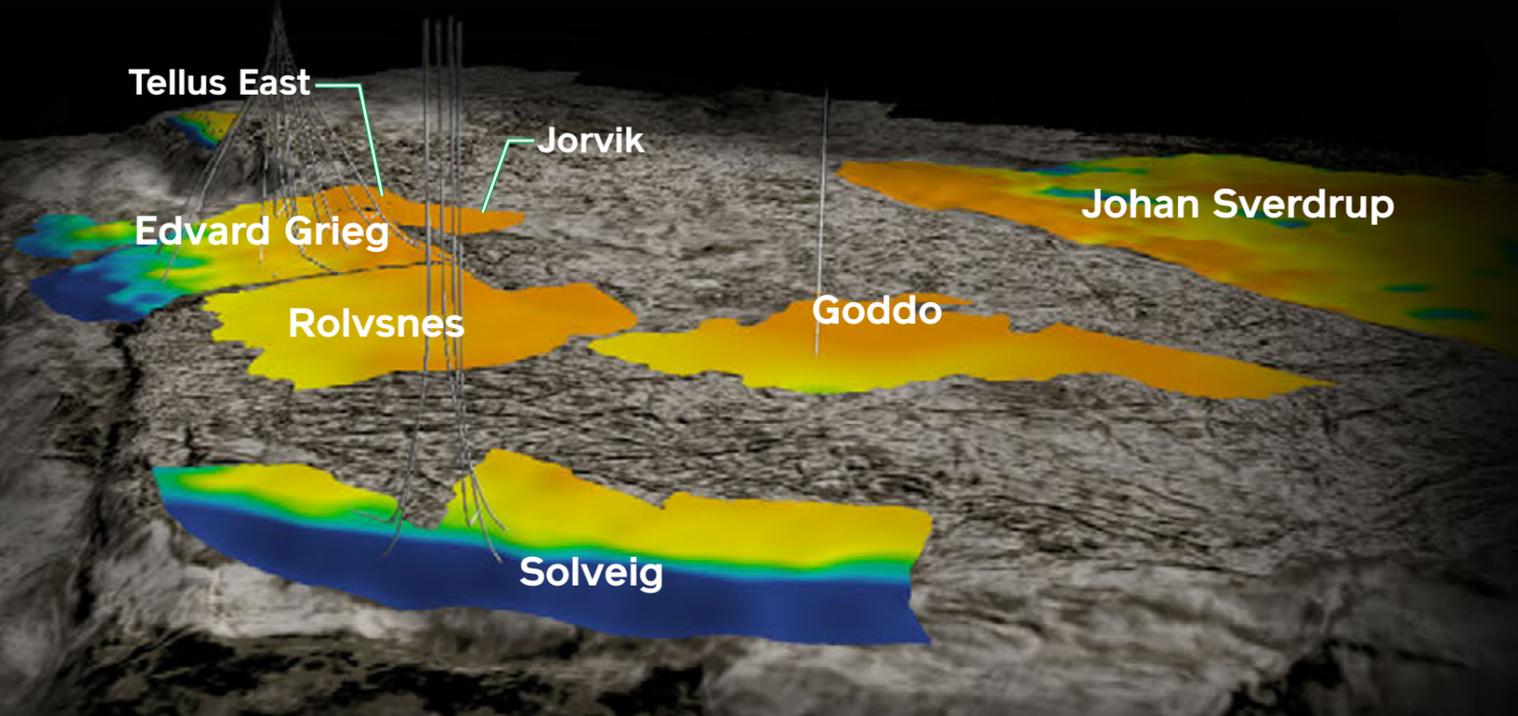
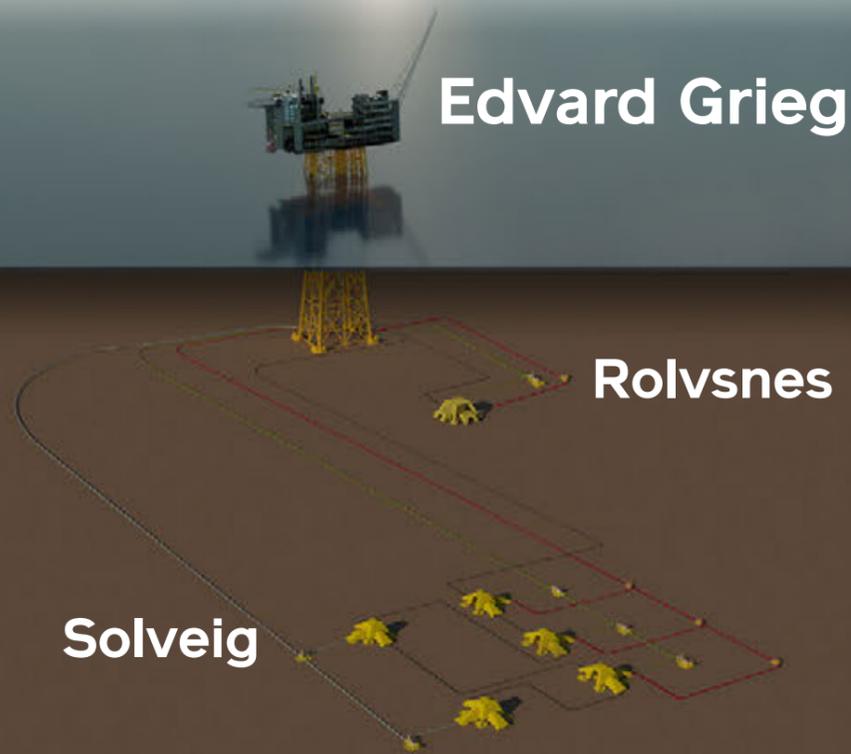
material incidents

EDVARD GRIEG
16/1 - LUNDIN

⁽¹⁾ First nine months 2019

Greater Edvard Grieg Area

Keeping the Facilities Full in the Long-term



Edvard Grieg

- Reservoir performance continues to exceed expectations
 - Limited water production
- Infill drilling programme sanctioned

Area Growth Opportunities

- Solveig Phase 1 and Rolveisnes EWT projects on track
- Exploration and Appraisal
 - Jorvik/Tellus East discoveries
 - Lille Prinsen appraisal success
 - Goddo discovery

Extended Plateau Production to around end 2022

- Edvard Grieg out performance plus Solveig/Rolveisnes tie-back projects

Edvard Grieg

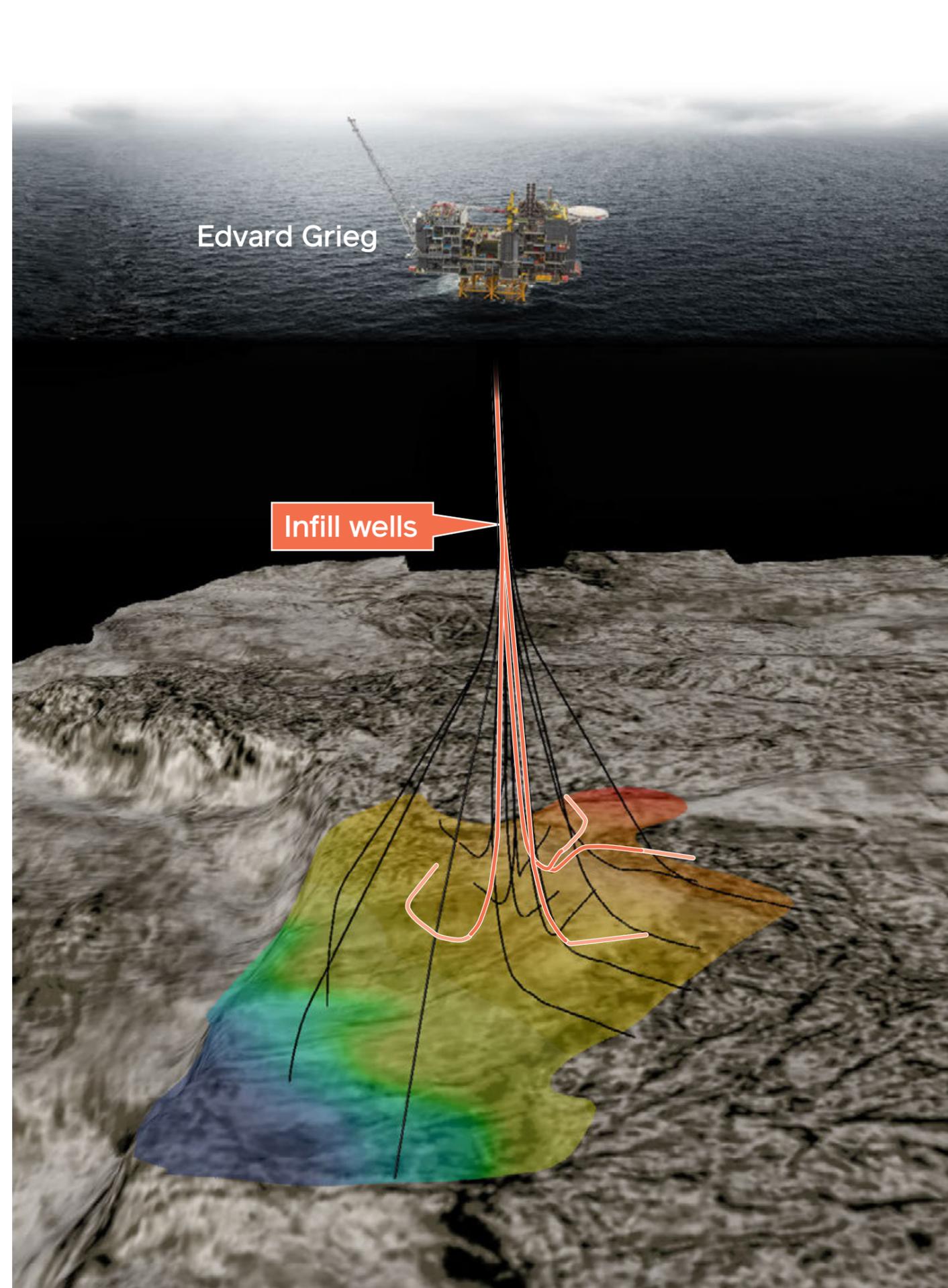
Infill Well Programme Sanction

Edvard Grieg Ultimate Reserves

> 300 MMboe⁽¹⁾

3 Firm Infill Wells⁽²⁾ – Rig Contracted

18 MMboe⁽³⁾ additional reserves
Break-even oil price ~25 USD/bbl

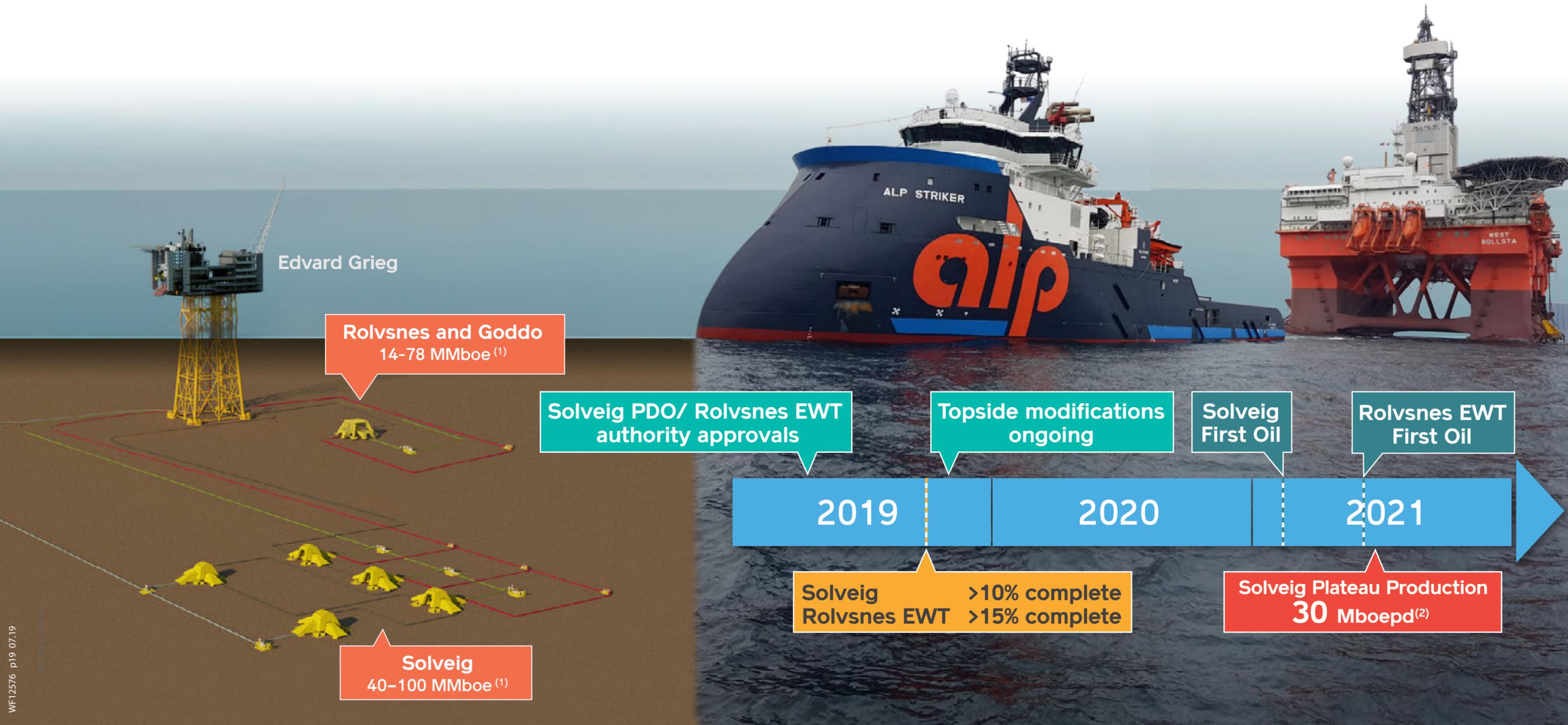


(1) Gross historical production plus remaining 2P reserves, subject to audit

(2) Includes a dual branch well

(3) Gross 2P reserves, subject to audit

Solveig Phase 1 and Rolvsnes EWT Projects on Track



⁽¹⁾ Gross resources ⁽²⁾ Gross

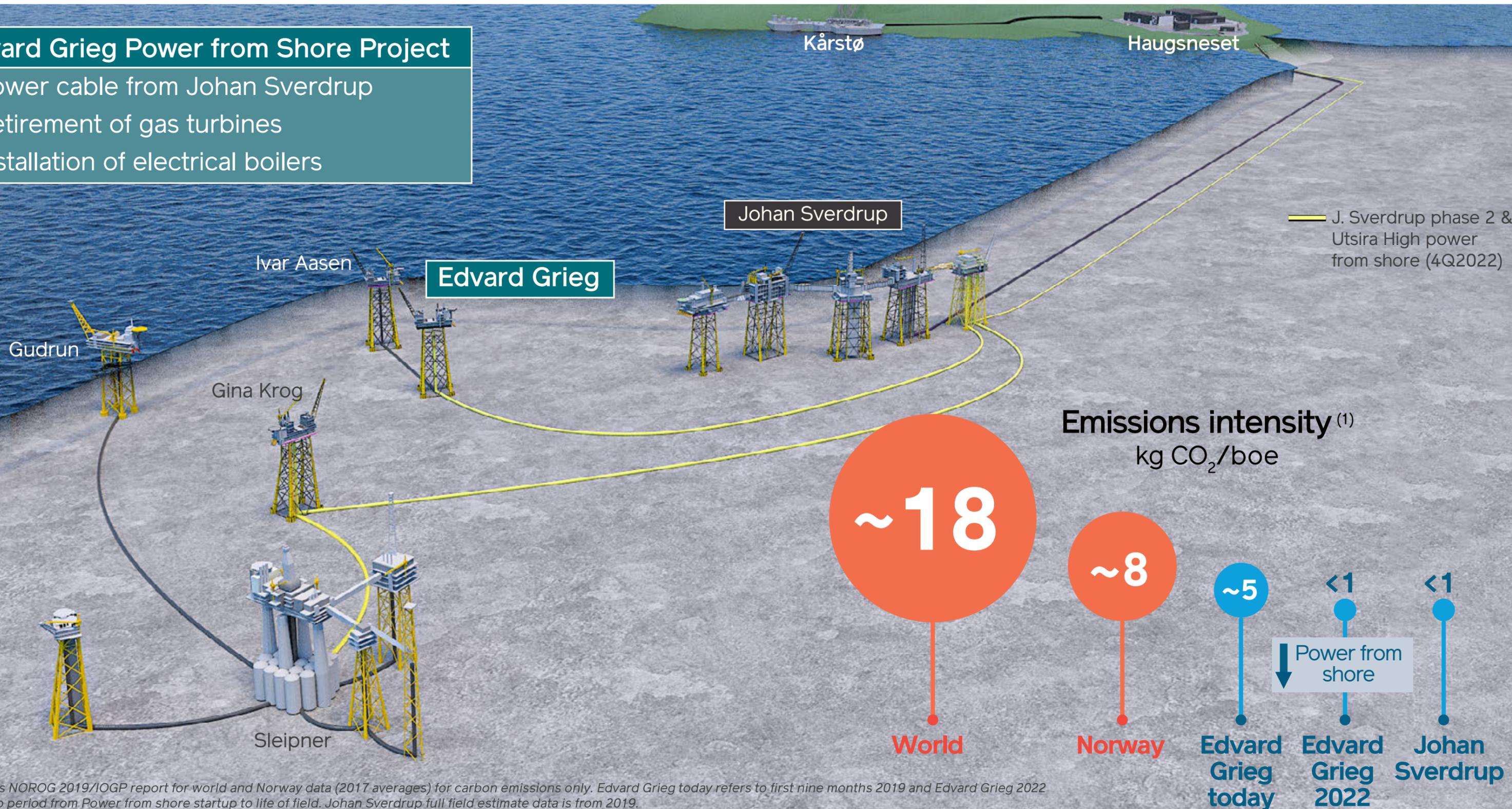
Utsira High Power Grid

Edvard Grieg Full Electrification

Illustration source Equinor

Edvard Grieg Power from Shore Project

- Power cable from Johan Sverdrup
- Retirement of gas turbines
- Installation of electrical boilers



⁽¹⁾ Sources NOROG 2019/IOGP report for world and Norway data (2017 averages) for carbon emissions only. Edvard Grieg today refers to first nine months 2019 and Edvard Grieg 2022 refers to period from Power from shore startup to life of field. Johan Sverdrup full field estimate data is from 2019.

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Sustainable Energy Plan

Leikanger Hydropower Investment⁽¹⁾

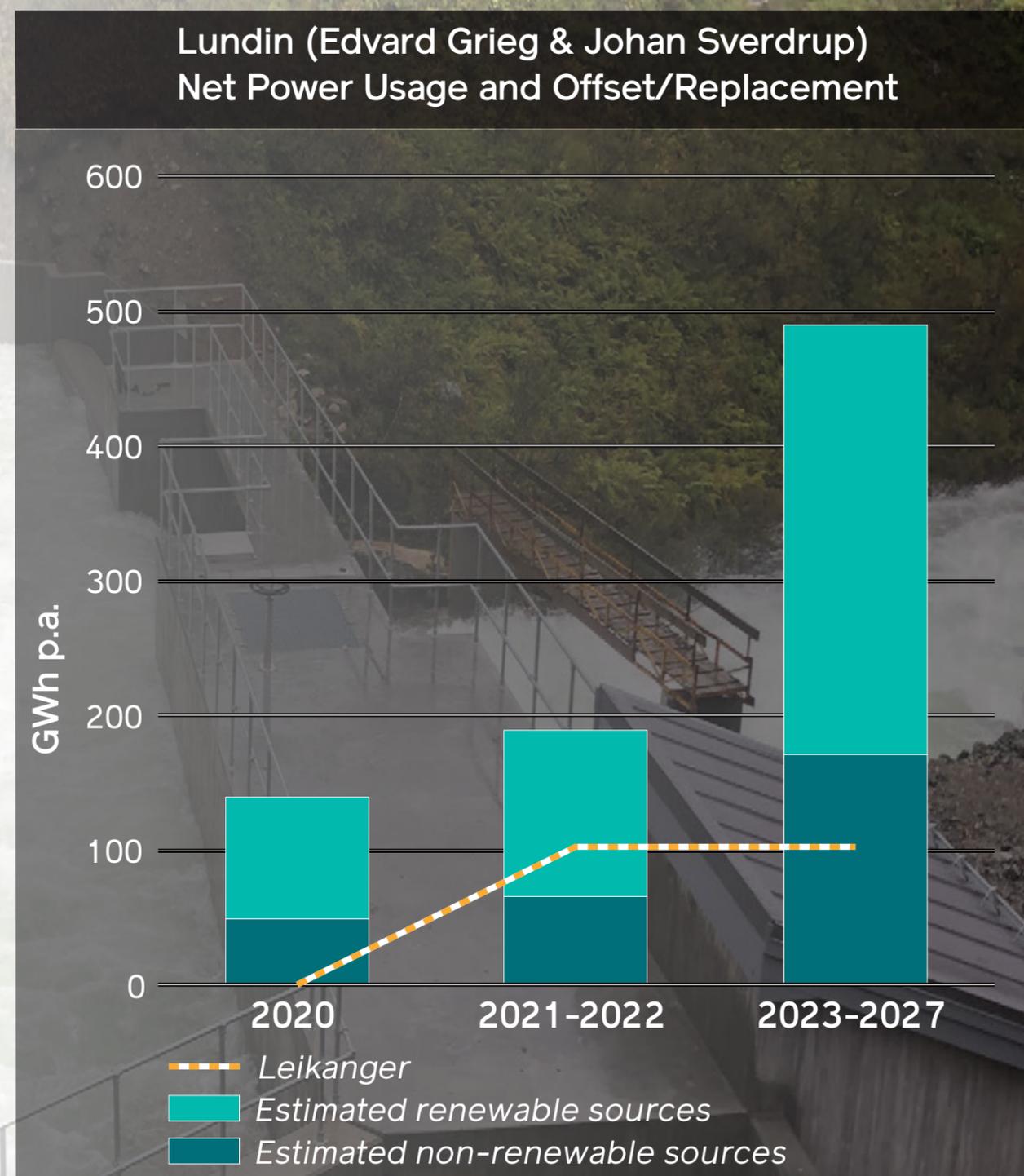
Lundin to acquire **50%** operated by Sognekraft
 Net investment for 2019 – 2021 ~**60 MUSD**

Non-Renewable Offset

Leikanger offsets majority of non-renewable power usage

Sustainable Energy Strategy

Ambition to invest in projects to further offset & replace power usage

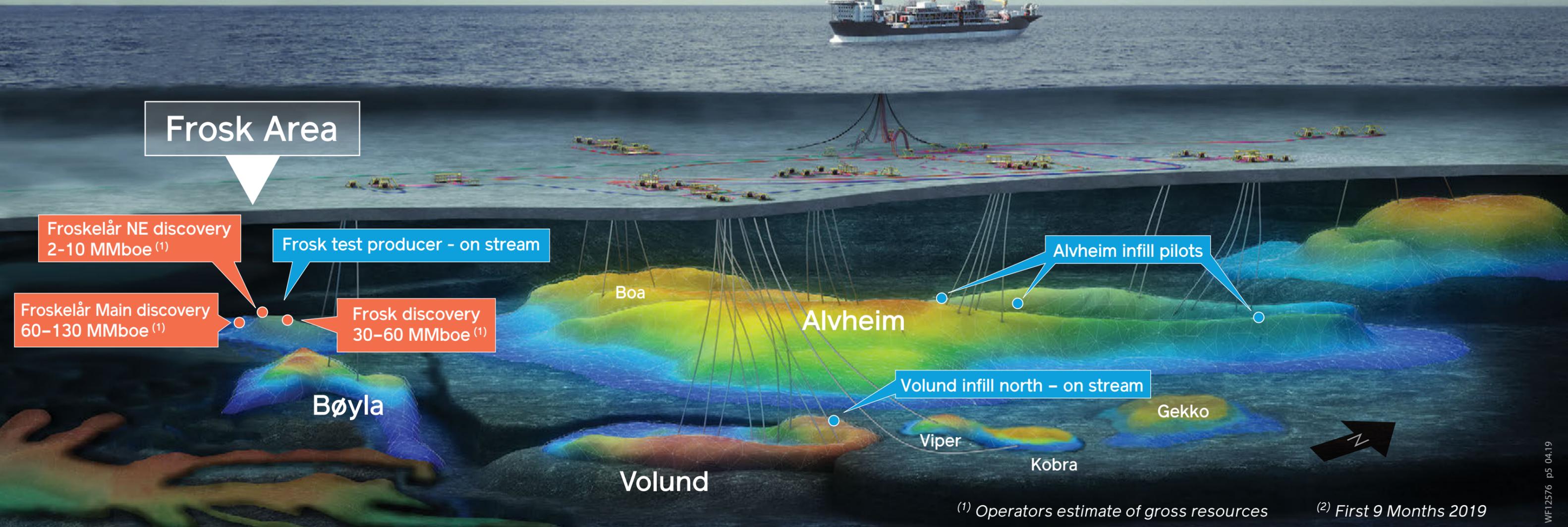


⁽¹⁾ Completion of the transaction remains subject to customary closing conditions, with closing expected to occur in early 2020

Alvheim Area Continues to Exceed Expectations

Frosk test producer on stream
 - Production in line with expectations
Alvheim infill pilots successful
Maturing new infill wells for 2020

OPEX
6.23 USD/boe⁽²⁾



Johan Sverdrup Phase 1 First Oil Ahead of Schedule and Below Budget

GROSS RESOURCES

↑ **2.2–3.2** billion boe
(PDO 1.7 – 3.0 billion boe)

PRODUCTION CAPACITY

Phase 1
First oil 5 Oct 2019
440 Mbopd

Full Field
First oil Q4 2022
660 Mbopd

BREAK EVEN PRICE

Full Field
<20 USD/boe

GROSS CAPEX ⁽¹⁾

↓ **Phase 1**
PDO 123 Bn NOK
Current **83** Bn NOK

↓ **Phase 2**
PDO 85 Bn NOK ⁽²⁾
Current **41** Bn NOK

Working Interest – Johan Sverdrup Unit

Equinor	42.6267%
Lundin	20.0000%
Petoro	17.3600%
Aker BP	11.5733%
Total	8.4400%

OPEX
<2 USD/bbl
from Phase 1
plateau

**Carbon
Footprint**
0.7
kg CO₂/boe⁽³⁾

⁽¹⁾ Nominal, fixed currency

⁽²⁾ Original PDO

⁽³⁾ Life of field

Johan Sverdrup Phase 1 Production Ramp-up

Production wells onstream

8 pre-drilled wells producing

2-4 new wells
10-12 wells producing

Development Drilling

~80% of plateau with 8 pre-drilled wells planned in November

Plateau 440 Mbopd⁽¹⁾

>200 Mbopd⁽¹⁾
5 Wells
End October 2019

First Oil
5 October 2019

Q4 2019

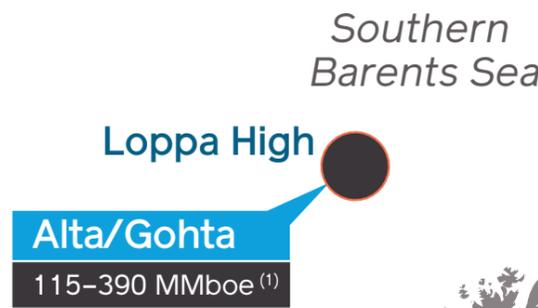
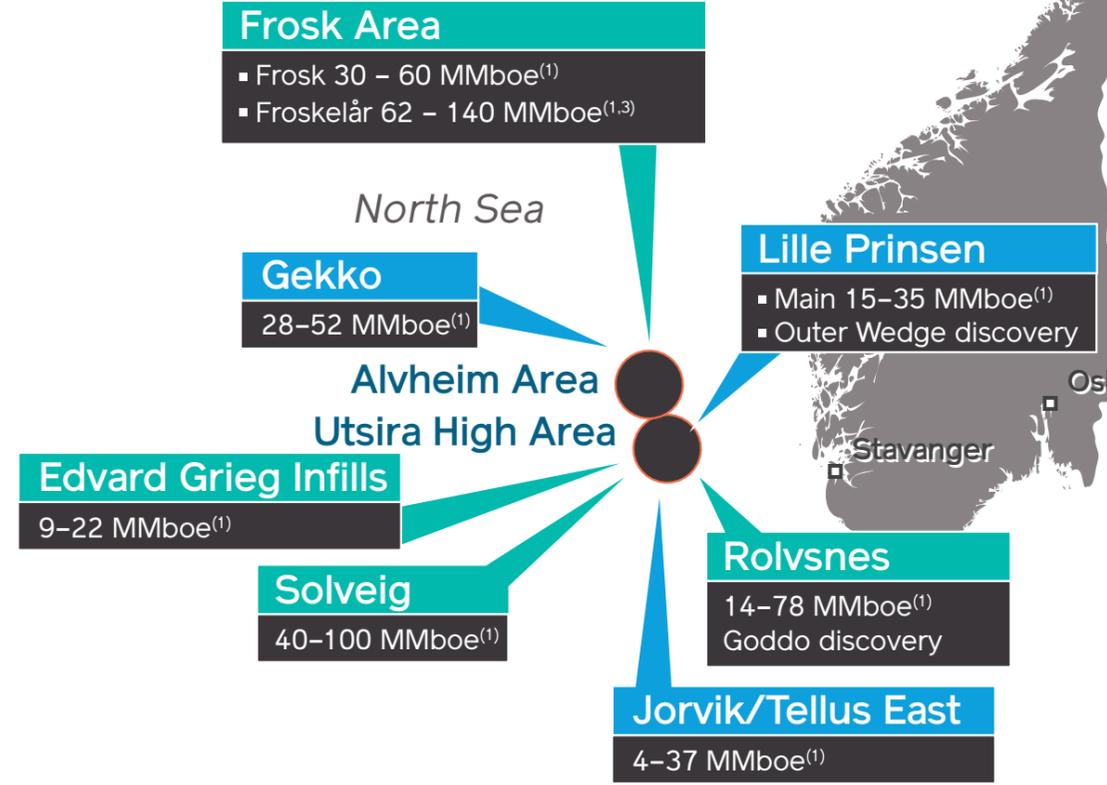
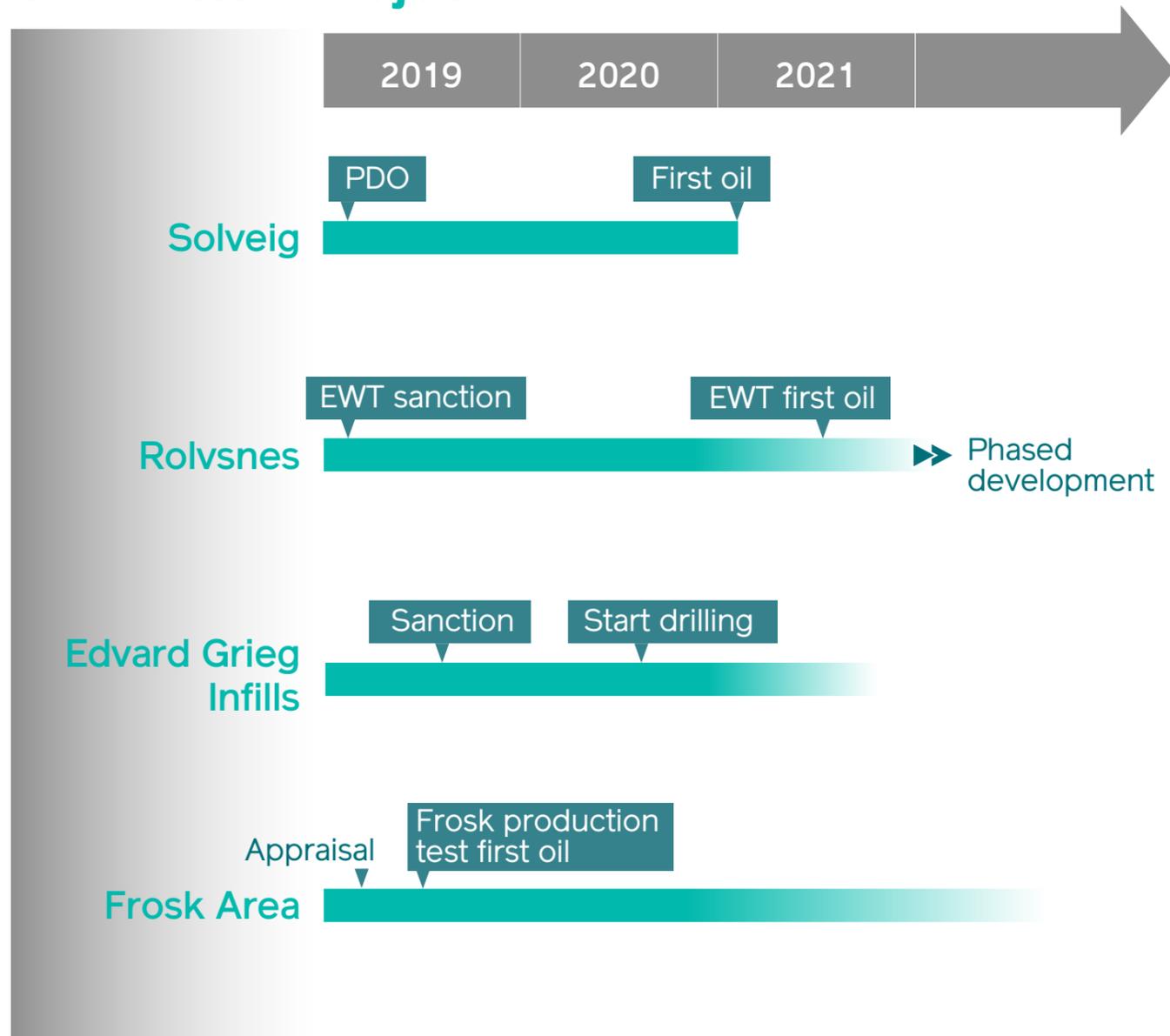
2020

⁽¹⁾ Gross

Lundin Petroleum Pipeline of New Projects

8 potential new projects targeting 110–370 MMboe net resources ⁽²⁾

Committed Projects



⁽¹⁾ Operator estimate of gross resources ⁽²⁾ Net contingent resources plus prospective resources ⁽³⁾ Includes Froskelår and Froskelår NE discoveries

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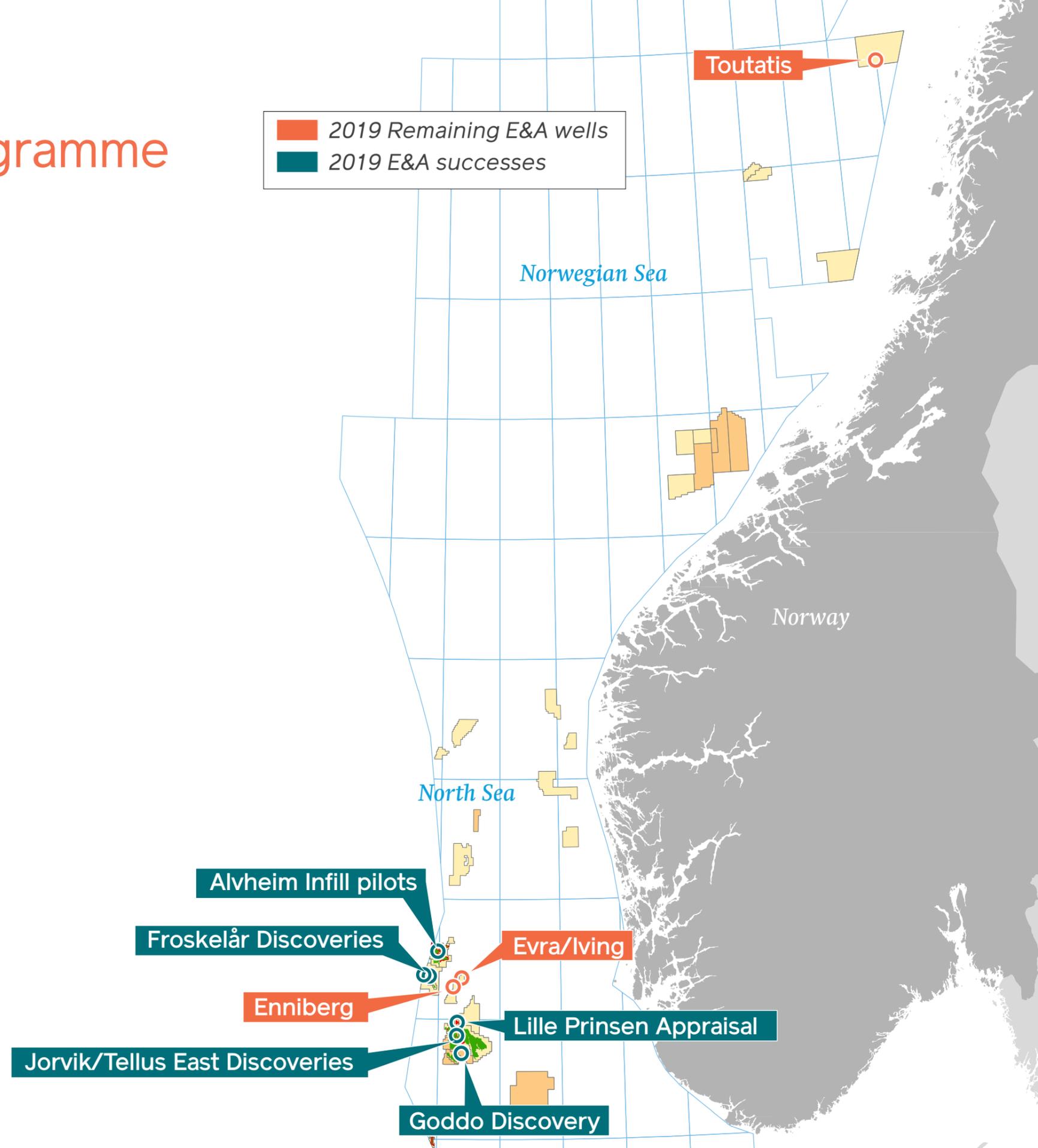
2019 Exploration & Appraisal Programme

15 wells drilled
5 discoveries
2 appraisal successes

10 – 50 MMboe
 net resource additions

3 wells remaining

Targeting **~130** MMboe
 net unrisked resources



First Nine Months 2019

Financial Highlights

	Q3 2019	First 9M 2019
Production (boepd)	82.7	79.2
Average Brent oil price (USD/boe)	62.00	64.59
Operating costs (USD/boe)	3.97	4.31
Operating cash flow (MUSD)	380.0	1,158.9 ⁽¹⁾
EBITDA (MUSD)	411.3	1,222.9 ⁽¹⁾
Free cash flow (MUSD)	950.5	1,117.9
Net result (MUSD)	519.9	669.6
Adjusted net result (MUSD)	45.4	173.8

1) excludes the reported after tax accounting gain of MUSD 756.7 on the divestment of a 2.6 percent working interest in Johan Sverdrup

All comparative numbers in this presentation have been restated following the change in accounting principle for under/overlift balances

First Nine Months 2019

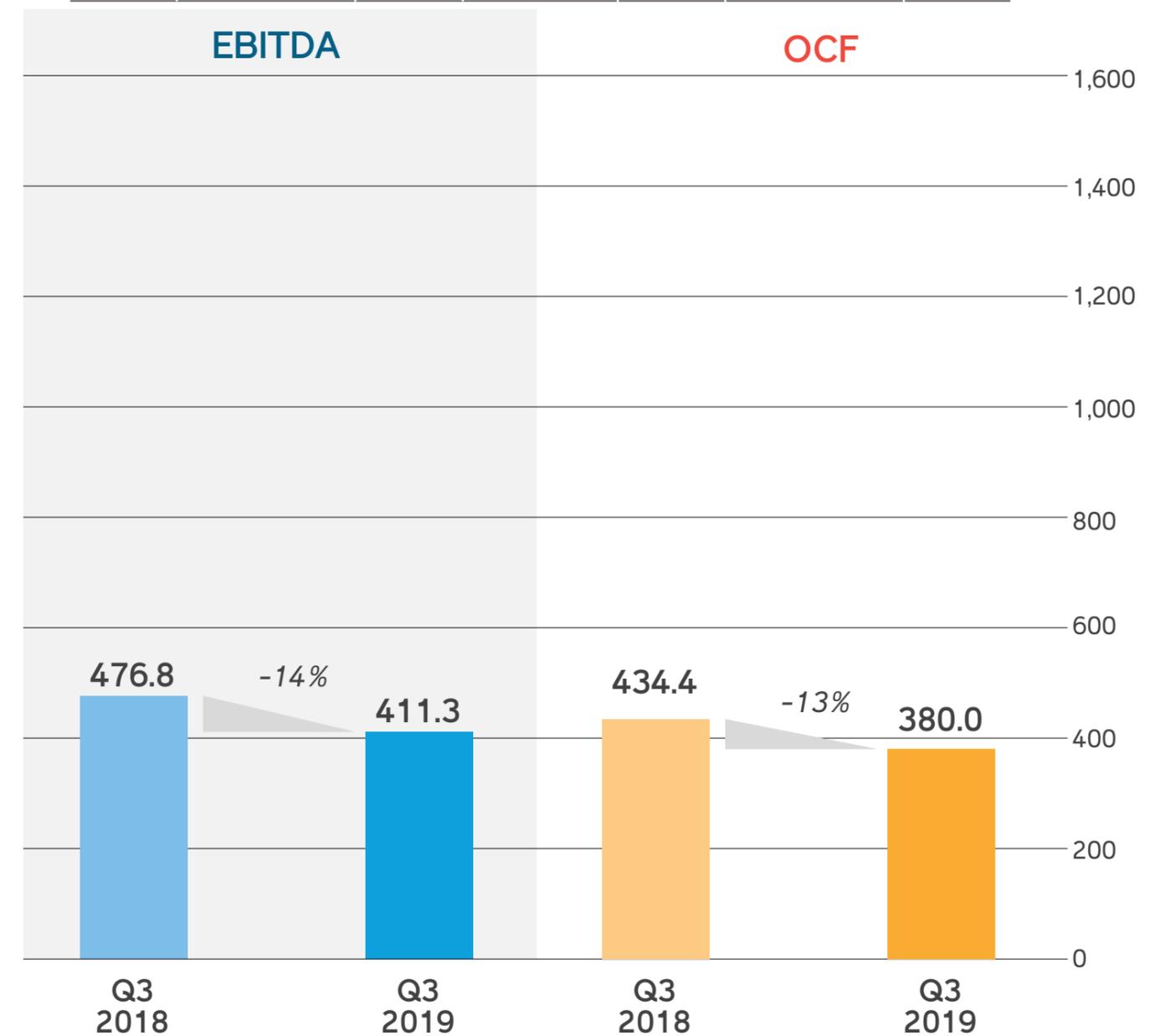
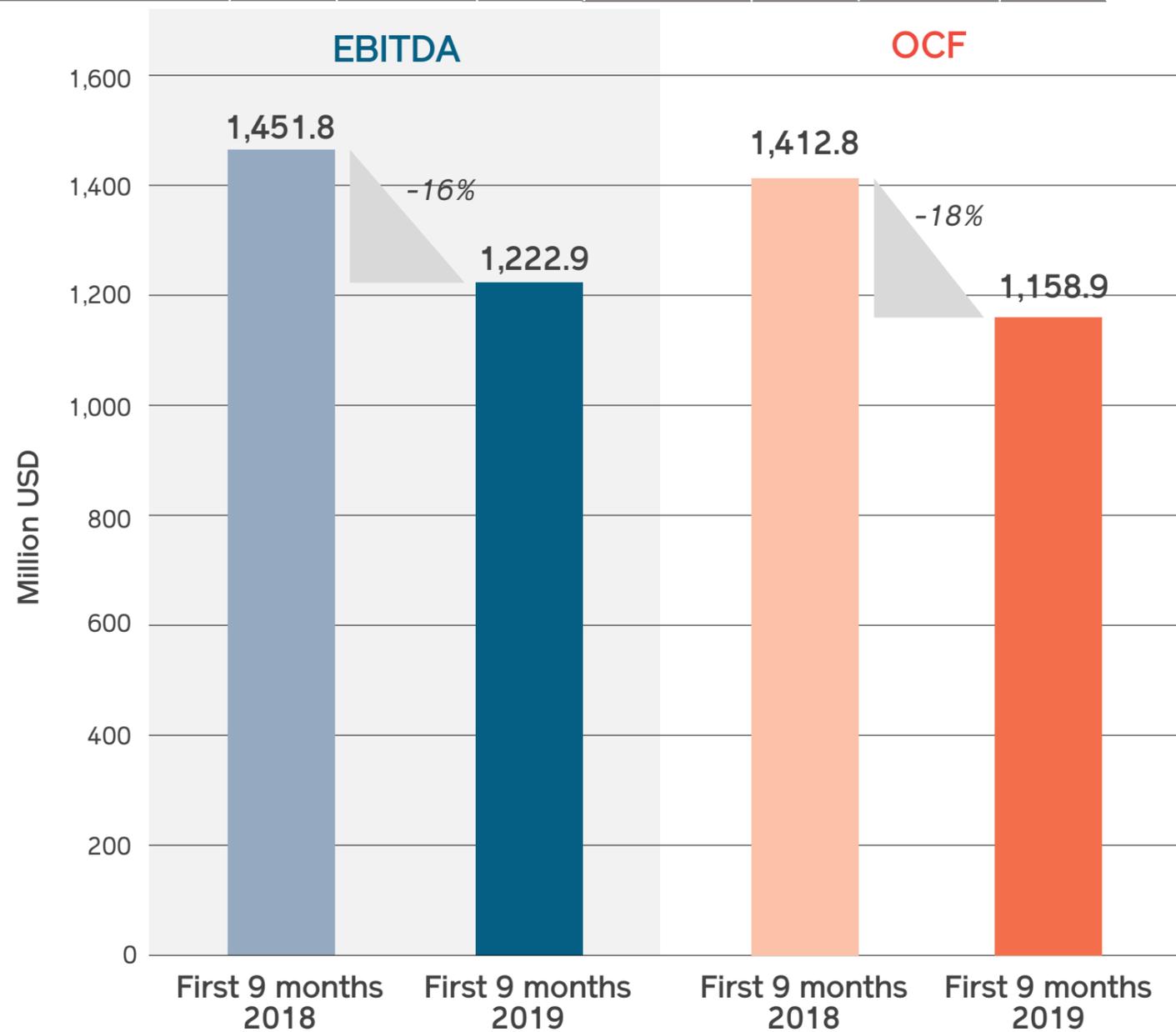
EBITDA & Operating Cash Flow

First 9 months

	9M-18	9M-19	9M-18	9M-19	
Realised Price USD/boe	68.92	61.14	68.92	61.14	-11%
Sales boepd	82.1	79.9	82.1	79.9	-3%
Current tax charge MUSD			54.7	80.5	

Q3

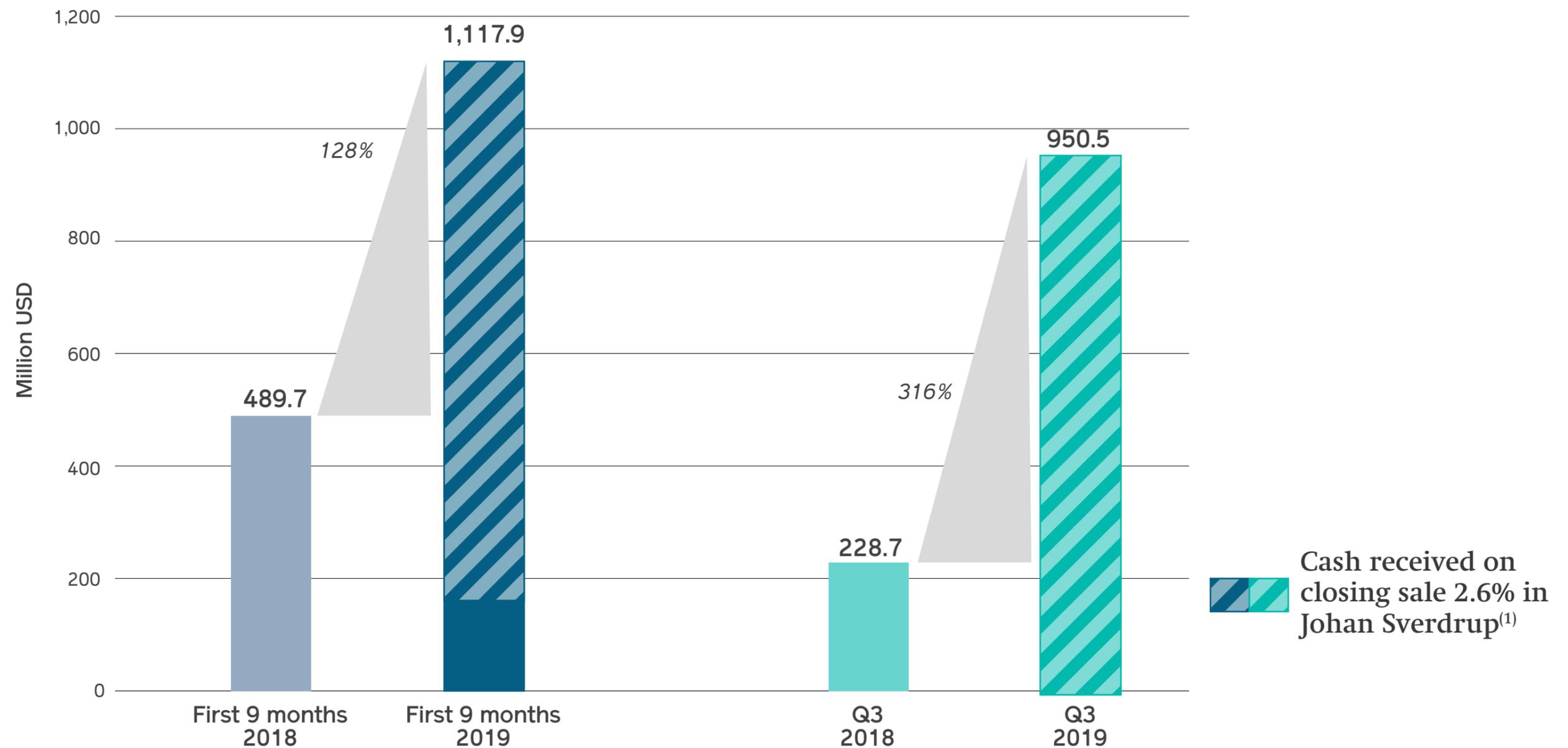
	Q3-18	Q3-19	Q3-18	Q3-19	
Realised Price USD/boe	70.84	57.65	70.84	57.65	-19%
Sales boepd	77.3	85.0	77.3	85.0	10%
Current tax charge MUSD			46.0	36.7	



First Nine Months 2019

Free Cash Flow

	9M-18	9M-19	Q3-18	Q3-19
Cash flow from operating activities	1,285.6	985.3	478.2	230.8
Cash flow from investing activities	-795.9	132.6	-249.5	719.7

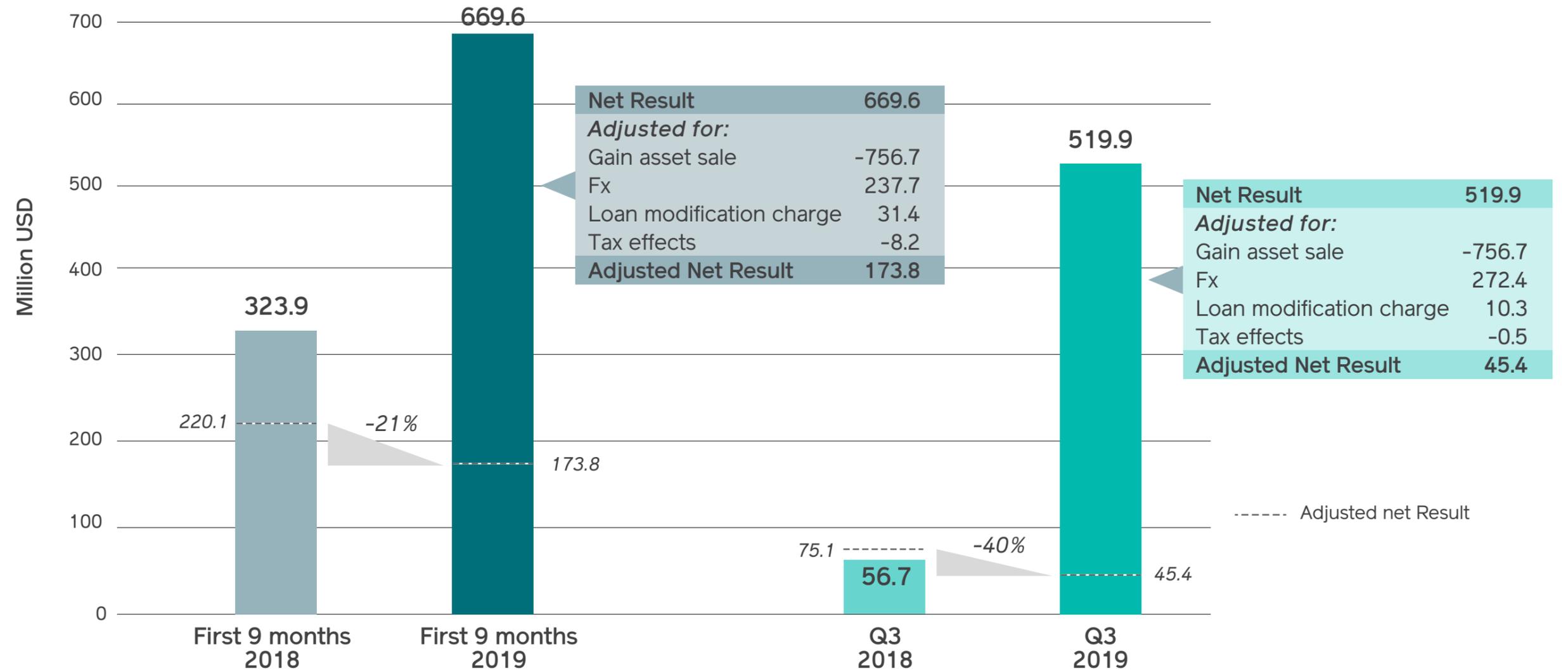


1) Includes interest and pro and contra funding settlement from effective date to completion date as well as working capital balances and incurred transaction expenses

First Nine Months 2019

Net Result / Adjusted Net Result

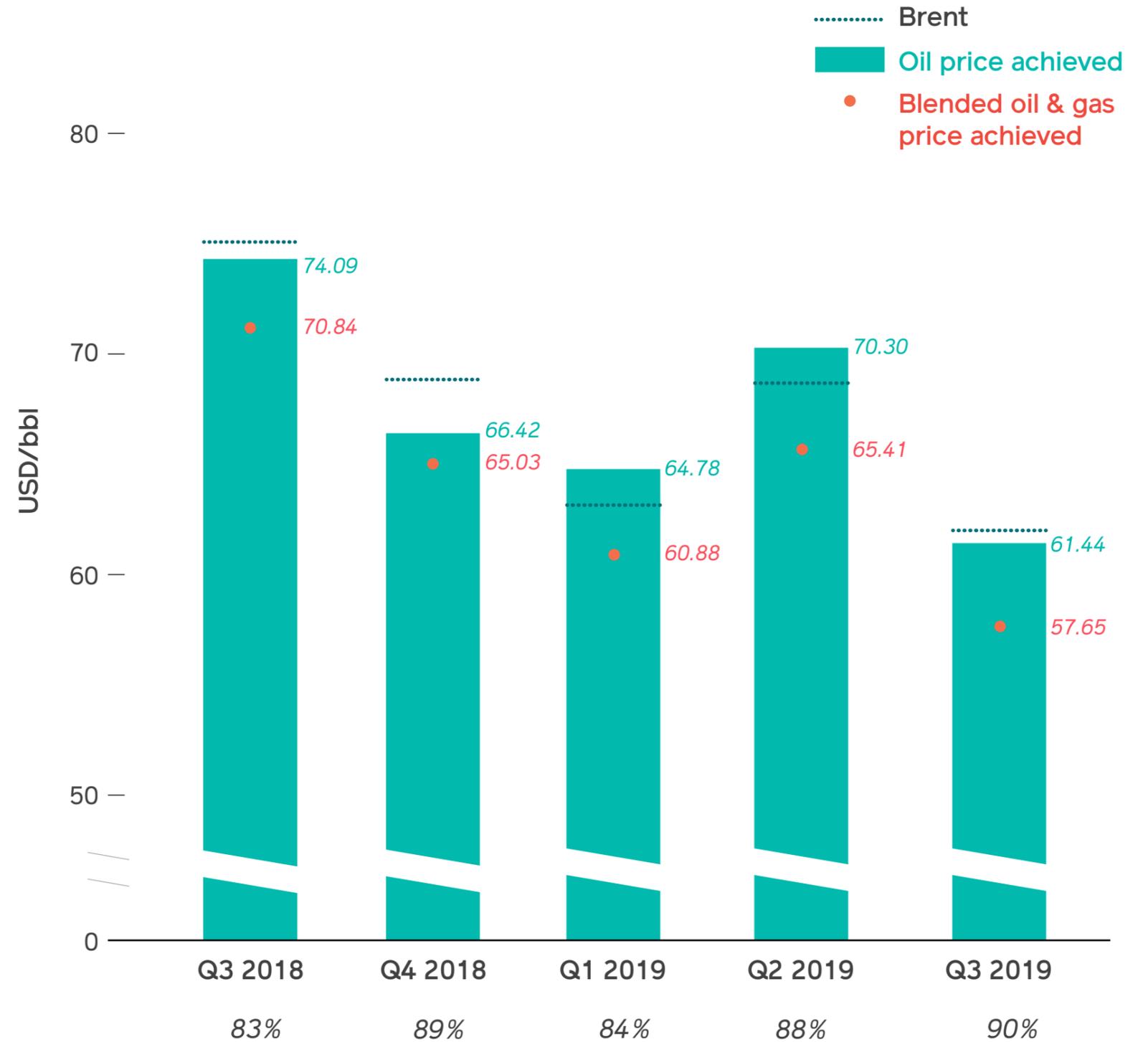
	9M-18		9M-19		Q3-18		Q3-19	
Price USD/boe	68.92		61.14	-11%	70.84		57.65	-19%
Sales boepd	82.1		79.9	-3%	77.3		85.0	10%
Exploration costs MUSD	6.1		84.7		0.2		13.8	



First Nine Months 2019

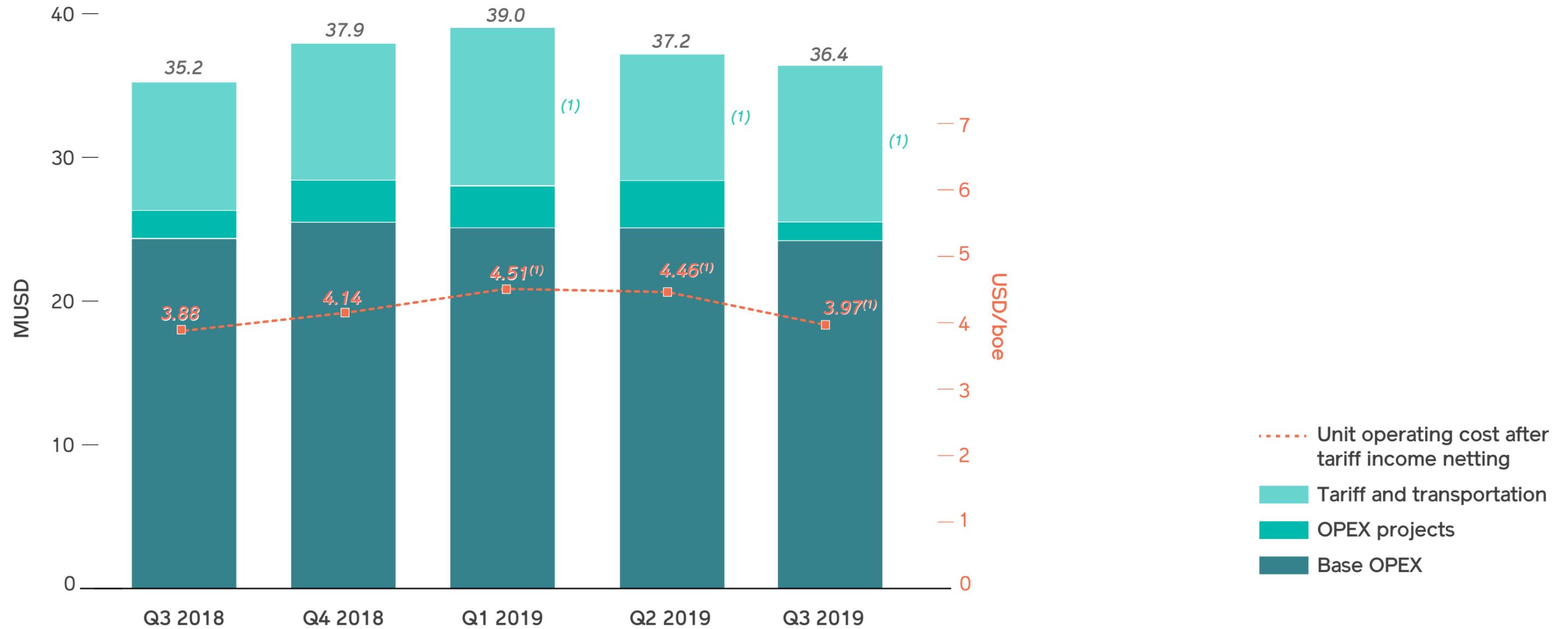
Realised Prices

- ➔ Strong demand for Grane blend - premium during Q3 2019
- ➔ Negative impact from timing of liftings during Q3 2019



First Nine Months 2019

Operating Costs

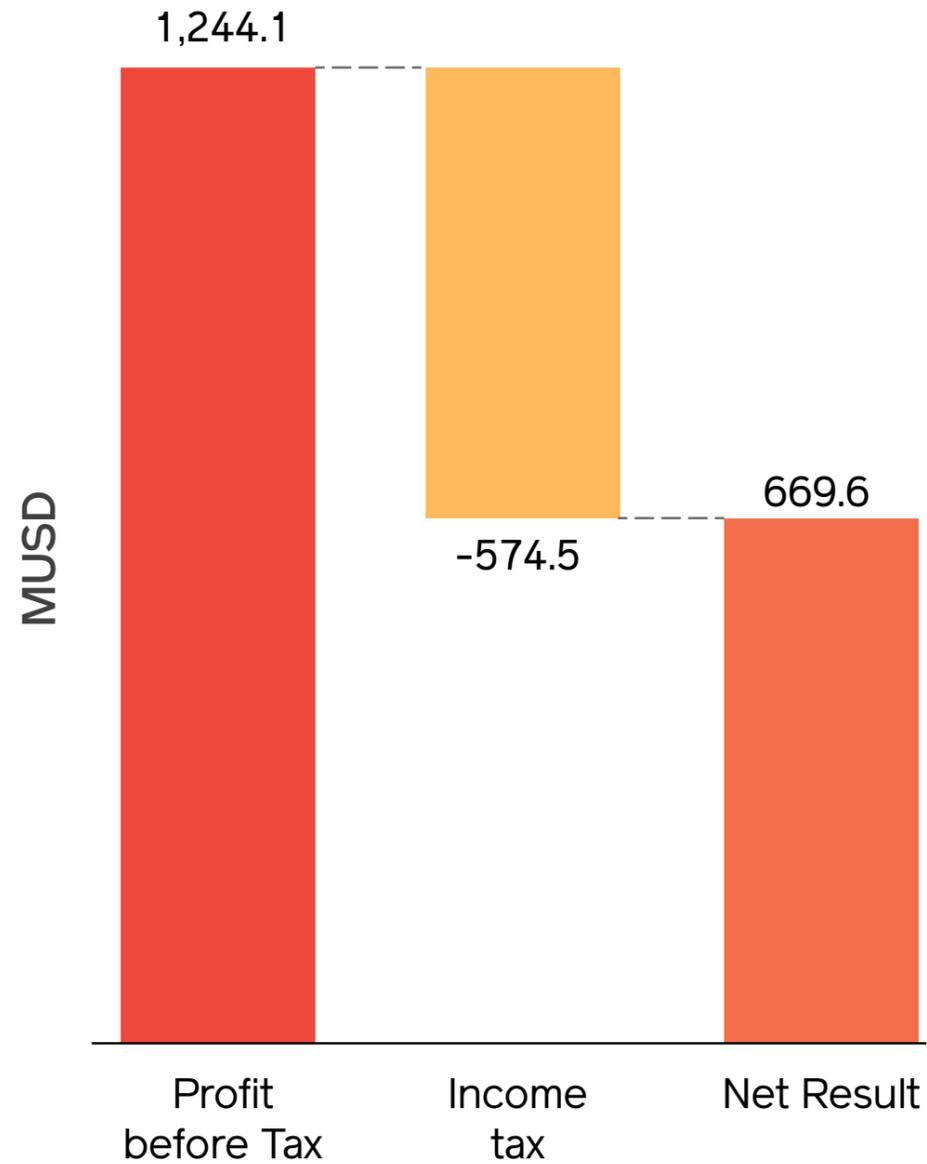


⁽¹⁾ Includes certain costs as a result of new delivery terms for Alvheim liftings since 2019

First Nine Months 2019

Income Taxes

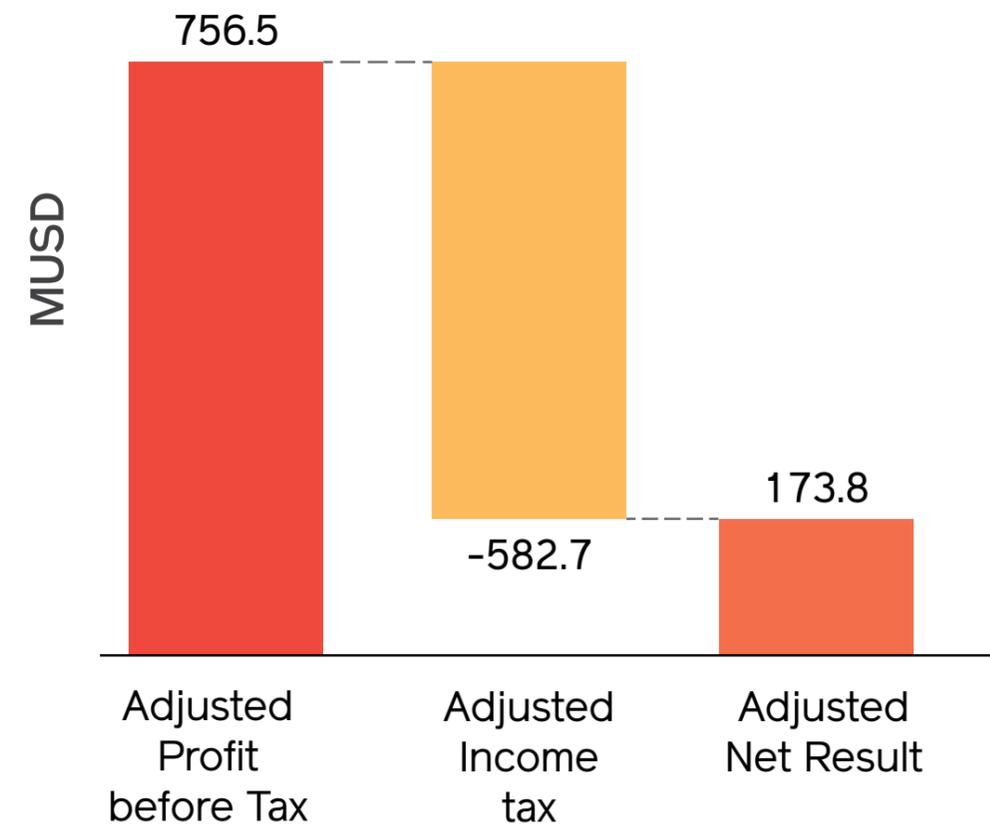
INCOME STATEMENT



Effective tax rate **46%**

INCOME STATEMENT - ADJUSTED NET RESULT

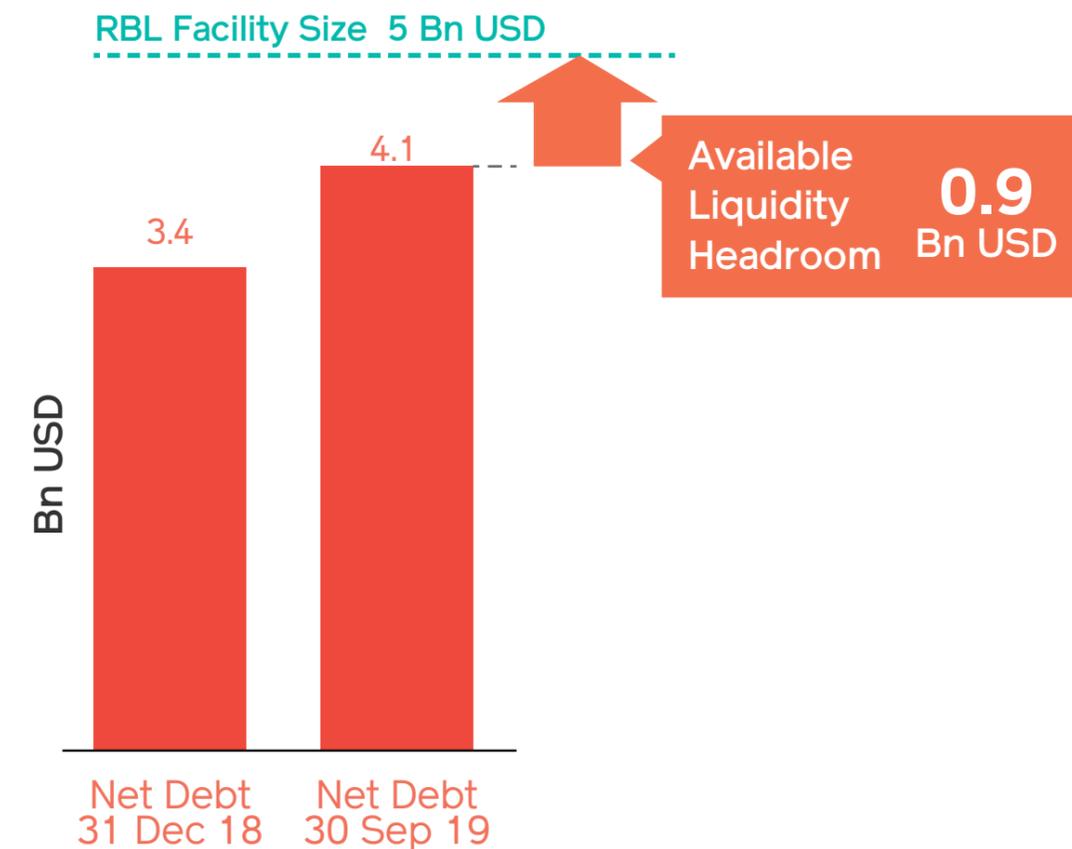
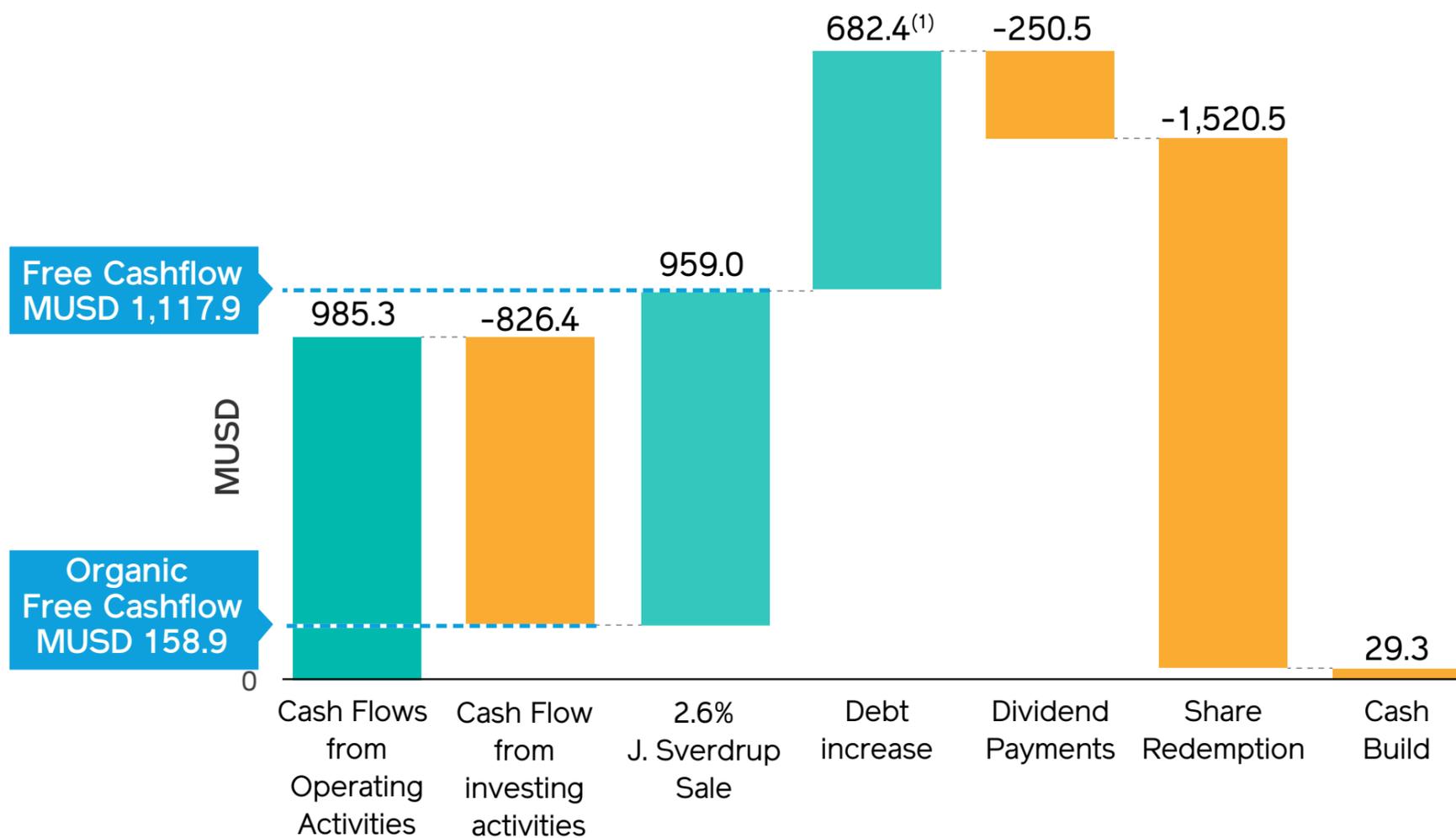
Adjusted for: Gain on asset sale, FX and Loan modification charge



Tax rate adjusted **77%**

First Nine Months 2019

Cash Flow, Debt Position and Liquidity



⁽¹⁾ Includes MUSD 2.6 reduction in lease commitments

2019 Latest Guidance Compared to CMD

	CMD	Latest Guidance
Production Guidance (Mboepd)	75–95	90–95 <i>(from 75–95)</i>
Operating costs (USD/boe)	4.25	4.25
CAPEX (MUSD)	930	730 <i>(from 785)</i>
E&A Expenditure (MUSD)	300	325

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Dividends

- 2018 dividend of USD 1.48/share approved by AGM on 29 March 2019
- Dividend schedule - quarterly payment

Dividend per Share	Dividend Distribution	Ex-dividend Date	Expected Payment Date
USD 0.37	~MUSD 125 ⁽¹⁾	1 April 2019	5 April 2019
USD 0.37	~MUSD 125 ⁽¹⁾	2 July 2019	8 July 2019
USD 0.37	~MUSD 105 ^(1,2)	1 October 2019	7 October 2019
USD 0.37	~MUSD 105 ⁽²⁾	2 January 2020	9 January 2020

⁽¹⁾ Paid out in SEK

⁽²⁾ Based on number of outstanding shares following share redemption

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Industry Leading Value Creation

- Johan Sverdrup first oil and production ramp-up ahead of expectations
- Edvard Grieg outperformance continues – further reserves growth
- Strong production performance, full year guidance increased
- Industry leading and sustainable low operating costs and carbon footprint
- Delivering high and sustainable dividend and free cash flow yields
- Organic growth: pipeline of new projects and significant exploration drilling

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