

Operations & Financial Update

First Nine Months 2020

Q3

Alex Schneider, President & CEO

Teitur Poulsen, CFO

30 October 2020

Lundin
Energy



First Nine Months 2020 Highlights

Production above Guidance

Coronavirus Crisis
Successfully continuing operations

Production **157.6** Mboepd⁽¹⁾
Full year guidance increased

Industry leading low operating costs
2.79 USD/boe⁽¹⁾

Edvard Grieg Reserves Increase
to **350** MMboe⁽²⁾
Further Plateau Extension

Strong FCF Generation

9M **546** MUSD
Q3 **164** MUSD

Growth
Idemitsu Barents Deal
High impact exploration commenced

⁽¹⁾ First nine months 2020

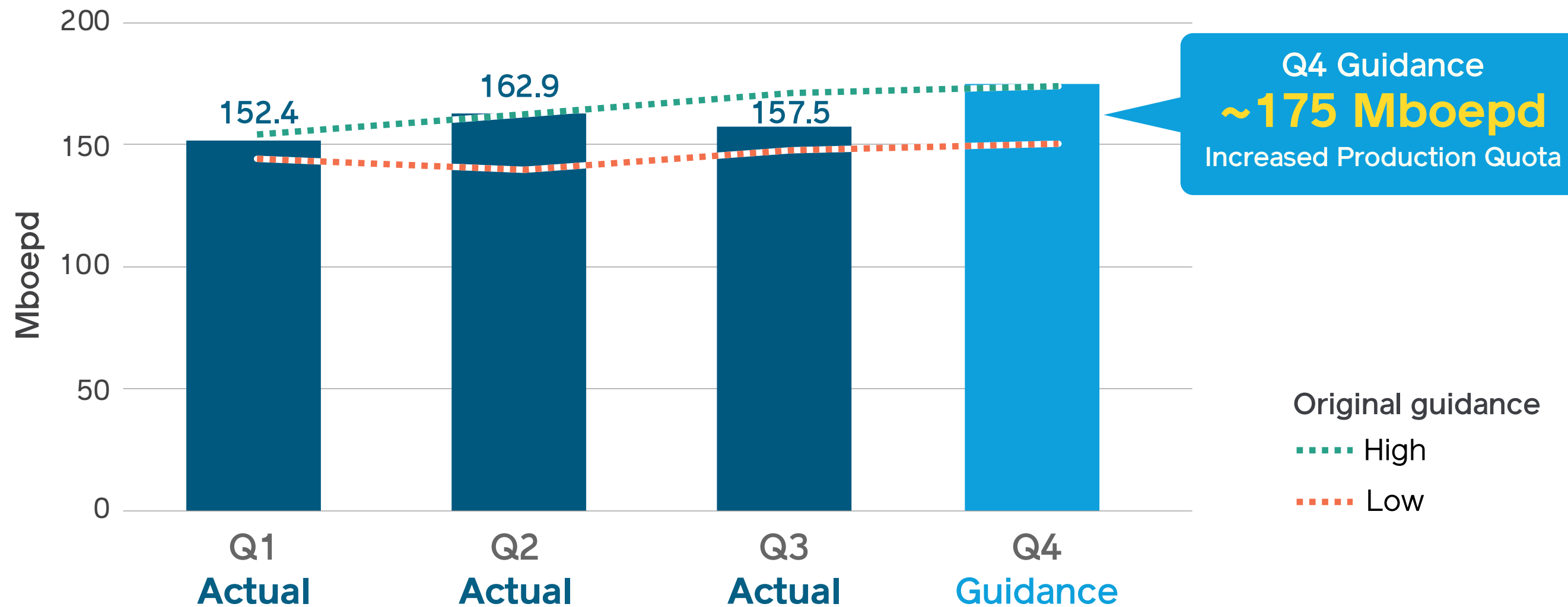
⁽²⁾ Gross 2P ultimate recovery

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2020 Production Guidance Increase

First Nine Months **157.6** Mboepd
Upper end of original guidance range

Increased Full Year Guidance
161–163 Mboepd
(from targeting 157 Mboepd)



Delivering guidance or better for **21** quarters running

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Industry Leading Operating Performance

Production Efficiency⁽³⁾

95–98%

Third Quarter

Operating Costs⁽²⁾

Q3	2.80	Full year guidance	2.80
9M	2.79		

Quarter of North Sea average

Carbon Intensity

2.7
kg CO₂/boe⁽¹⁾

Full year guidance

<4
kg CO₂/boe

Approximately one sixth of world average

⁽¹⁾ First nine months 2020

⁽²⁾ USD/boe

⁽³⁾ Applies to Johan Svedrup, Edvard Grieg and Alvhheim Area, excludes planned shutdowns

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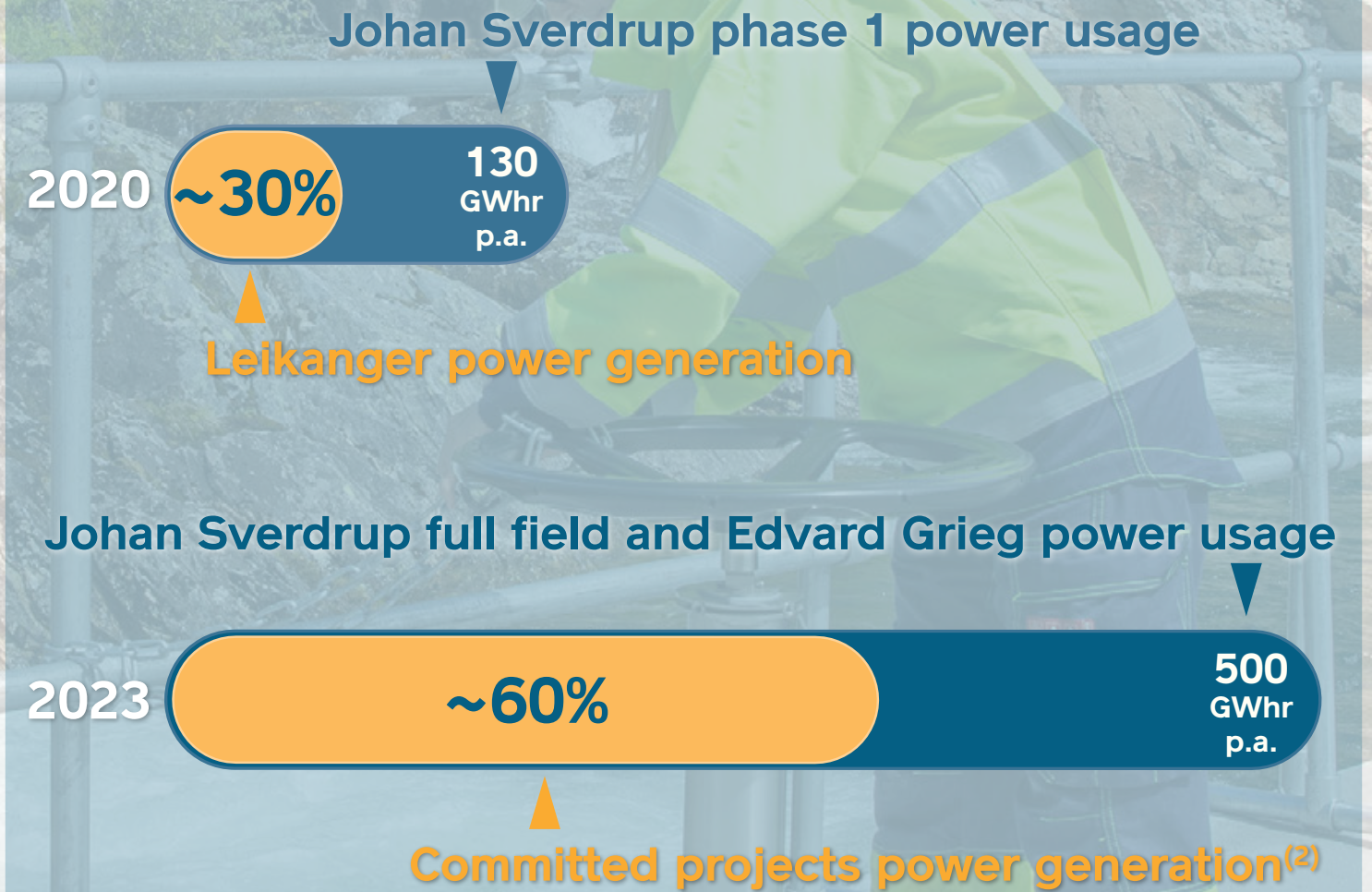
Delivering on our Decarbonisation Strategy

Industry Leading Ambitions

Lundin Energy's carbon intensity
(kg CO₂/boe)



Renewable Power Generation Offsetting/Replacing Usage⁽¹⁾



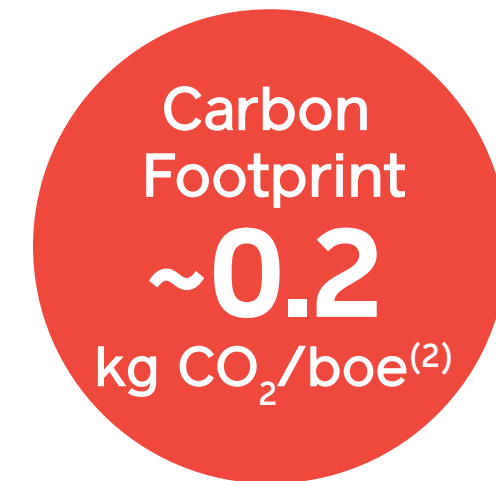
⁽¹⁾ Forecast net Lundin working interest power usage and generation

⁽²⁾ Leikanger and Metsälamminkangas (MLK) projects

Johan Sverdrup

In a League of its Own

Phase 2
Progressing
to schedule



GROSS RESERVES		PRODUCTION CAPACITY		PHASE 2 ON TRACK		BREAK EVEN PRICE
↑	2.2–3.2 billion boe (PDO 1.7 – 3.0 billion boe)	Phase 1 470 Mbopd	Full Field 690 Mbopd	↓ Capex PDO 85 Bn NOK ⁽¹⁾ Current 41 Bn NOK	First Oil Q4 2022	Full Field <20 USD/boe

⁽¹⁾ Original PDO

⁽²⁾ First nine months 2020

Johan Sverdrup Phase 1

Performance Above Expectations

Increased Plateau

470 Mbopd

Achieved in April 2020
ahead of schedule

Reservoir Performance

Excellent

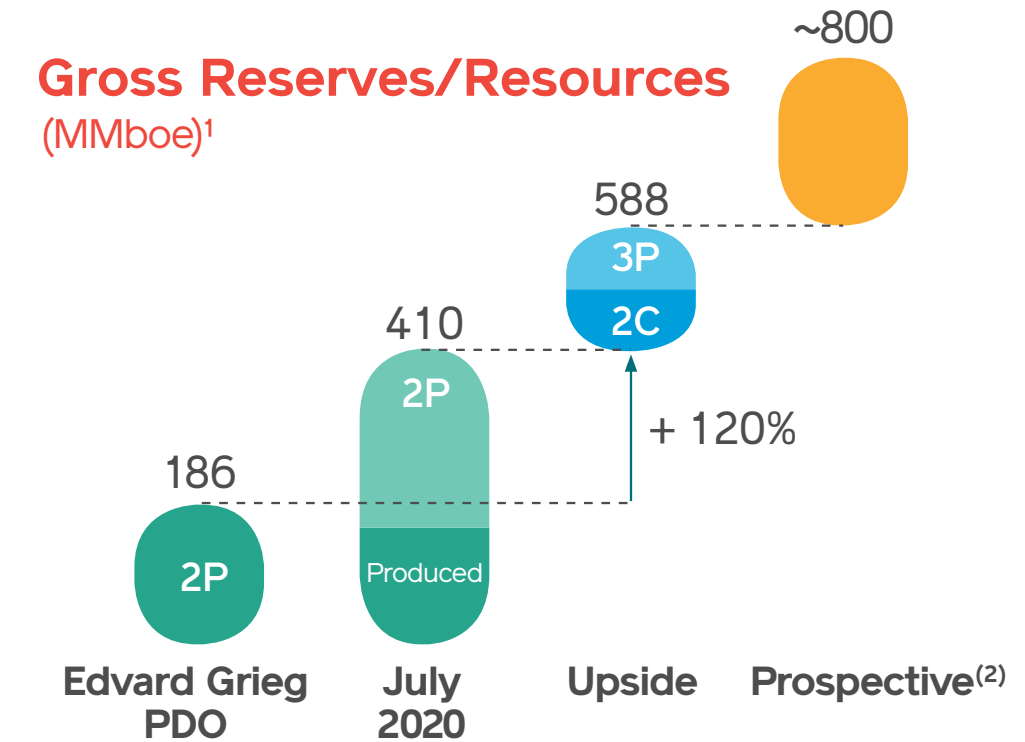
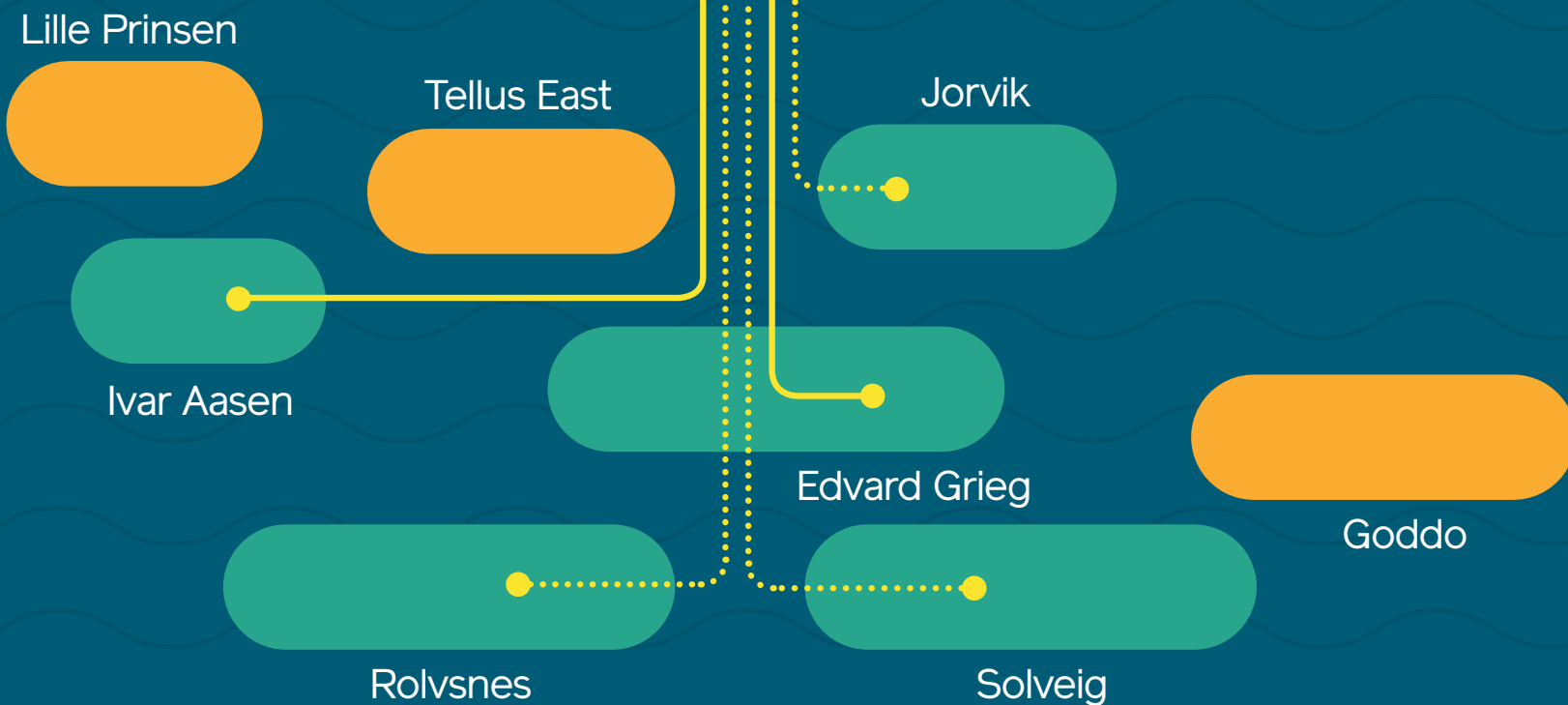
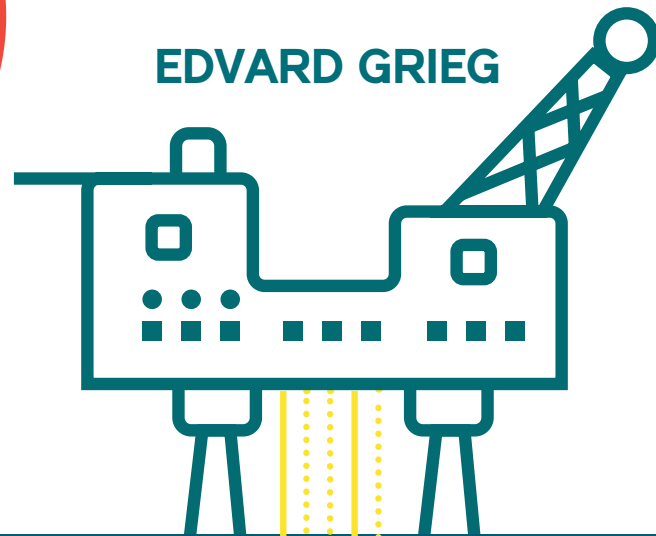
Further
capacity **upsides**
to be tested in Q4

11 wells producing
Well capacity exceeding
facilities capacity

Greater Edvard Grieg Area

Keeping the Facilities Full in the Long-Term

OPEX ⁽⁴⁾
3.62
 USD/boe



➤ Edvard Grieg

- 50 MMboe reserves increase ⁽³⁾ and plateau production extended to late 2023
- 3 firm infill wells in 2021

➤ Tie-backs

- Solveig, Rolvsnes, Lille Prinsen and exploration opportunities

⁽¹⁾ Per SPE/PRMS definitions. Includes Edvard Grieg, Solveig, Rolvsnes ⁽²⁾ Unrisked best estimate prospective resources ⁽³⁾ Gross, as at 31 July 2020 ⁽⁴⁾ First nine months 2020

Greater Edvard Grieg Area

Solveig Phase 1 and Rolvsnes EWT

Solveig Development

40–100 MMboe ⁽¹⁾

Breakeven oil price <30 USD/bbl

Rolvsnes

14–78 MMboe ⁽¹⁾

Solveig >45% complete

Rolvsnes EWT ~70% complete

Q3 2021

Rolvsnes EWT
First Oil

Solveig First Oil

2020

2021

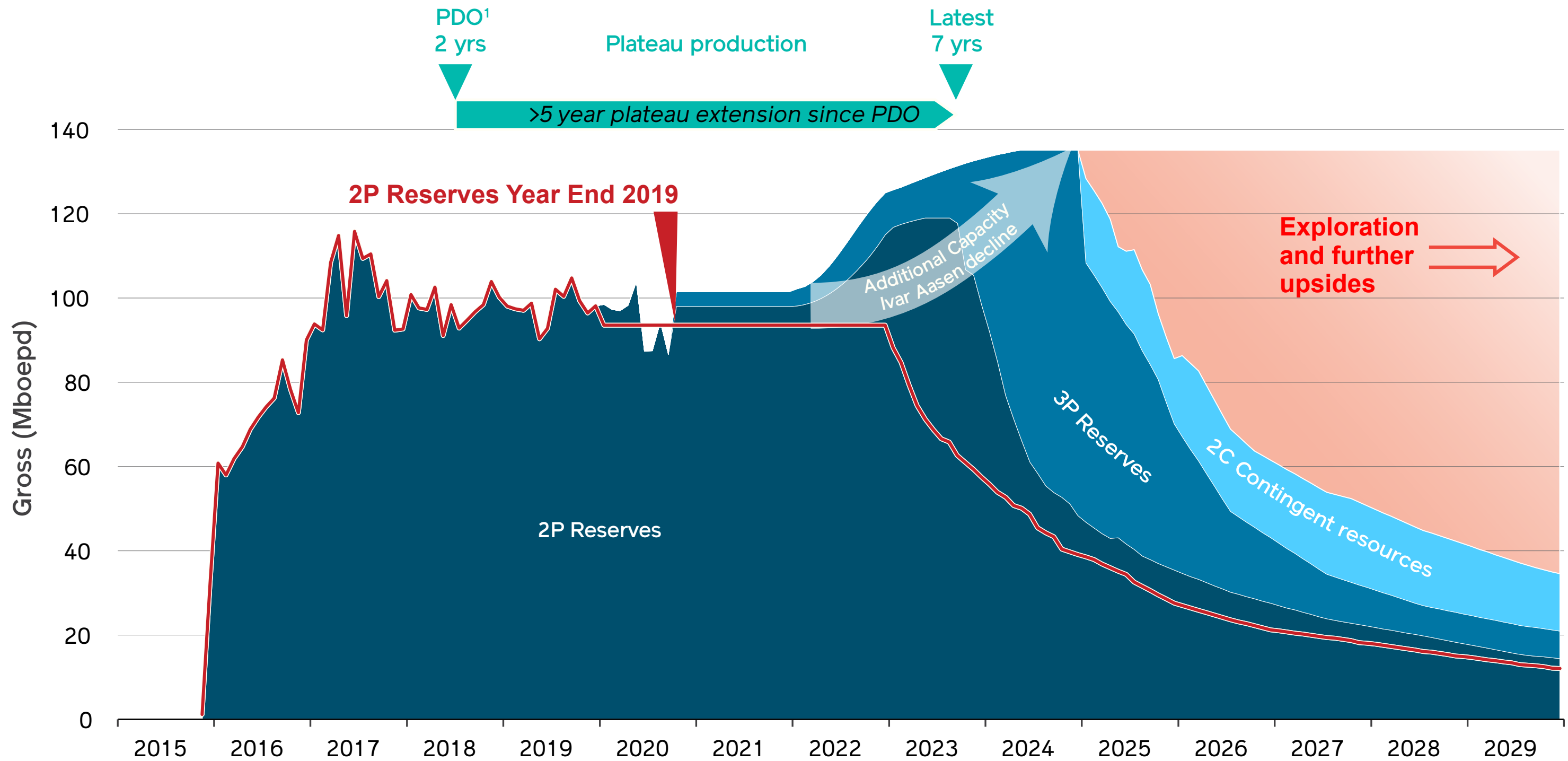
Solveig Plateau Production
30 Mboepd ⁽²⁾

⁽¹⁾ Gross resources

⁽²⁾ Gross

Greater Edvard Grieg Area Production

Acceleration and Further Plateau Extension

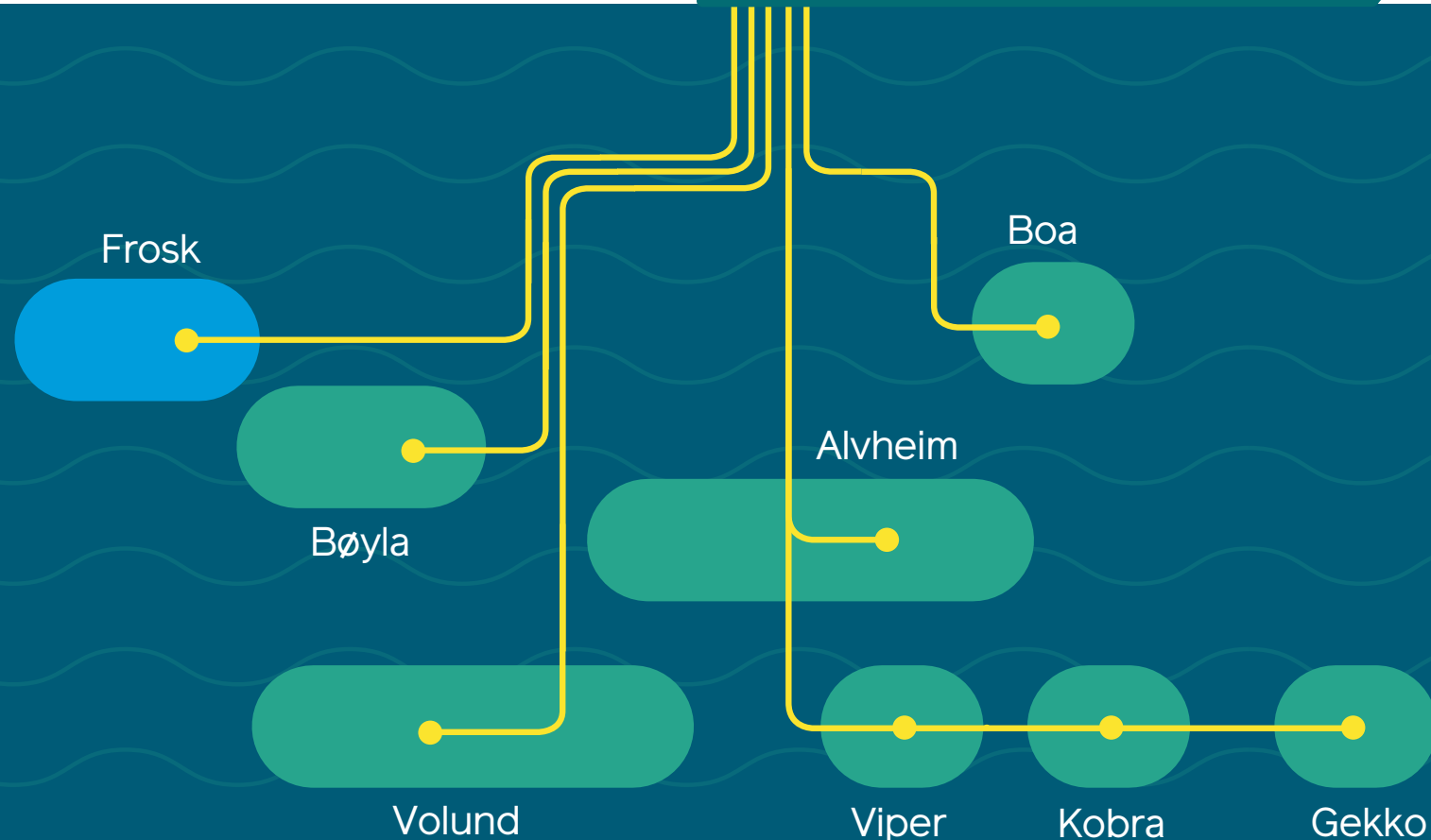


(1) Original Edvard Grieg PDO excluding tie-back projects

Note: 2P/3P reserves includes Edvard Grieg, Solveig Phase 1 and Rolvsnes EWT

Alvheim Area Sustaining Production

OPEX ⁽¹⁾
5.52
USD/boe



- 2 infill wells
 - First online: Q4 2020
 - Second: Q1 2021
- Frosk and Kobra East/Gekko developments
 - project sanctions mid 2021

⁽¹⁾ First nine months 2020

4 projects underway

Idemitsu Barents Deal
Wisting Project

9 potential new projects
targeting **>190** MMboe⁽¹⁾
accelerated by tax incentives

2020 E&A Programme

7 wells

3 drilled – **1** discovery

Remaining **4** wells targeting
>350 MMboe⁽²⁾

⁽¹⁾ Net resources

⁽²⁾ Net unrisks resources

Southern Barents Sea

Strategic Acquisition and High Impact Exploration

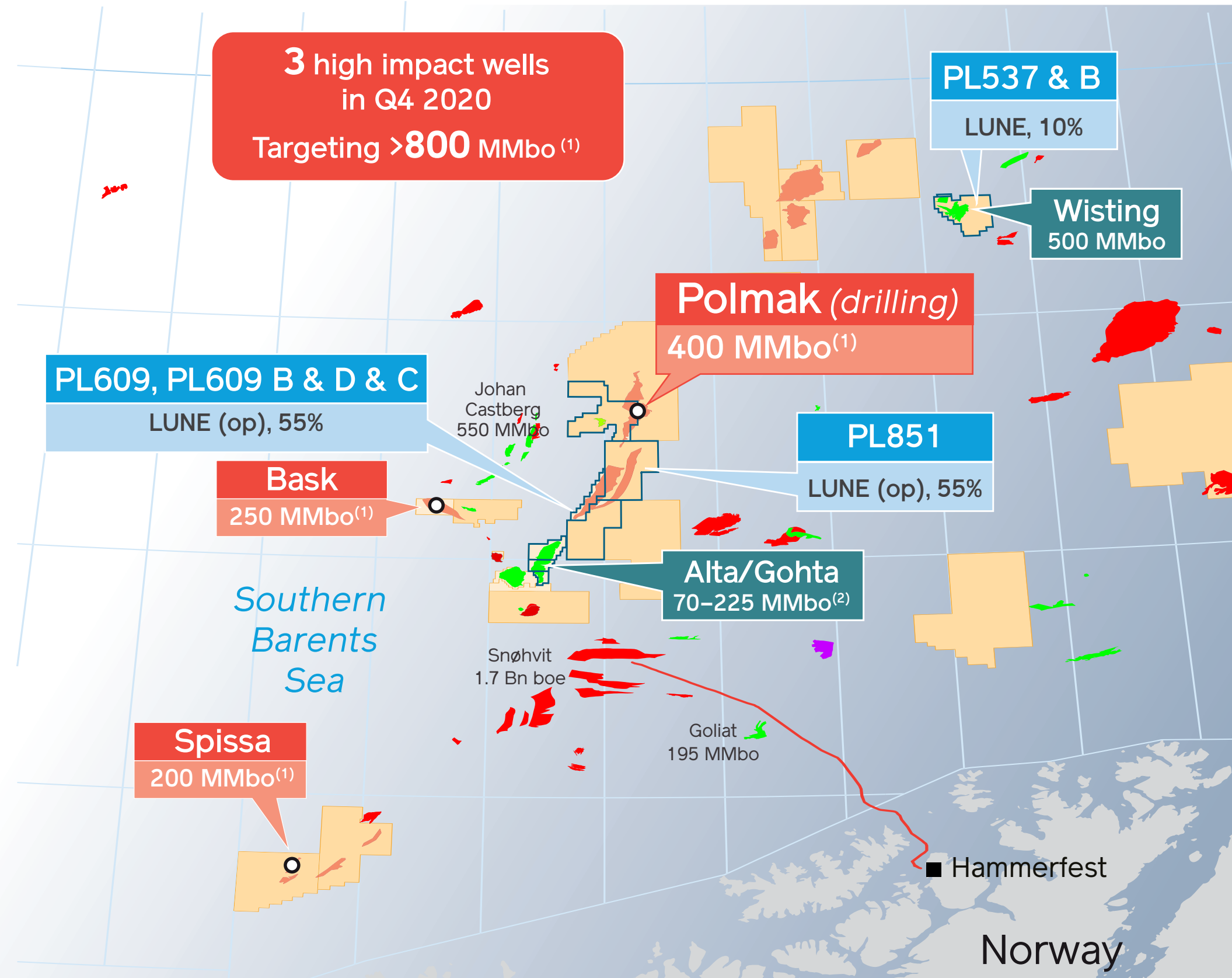


Idemitsu Strategic Acquisition

Wisting Oil Discovery
500 MMbo⁽³⁾
 10% Lundin interest
 Target PDO end 2022

Alta Oil Discovery
 Increase Lundin interest from 40% to 55%
 Accelerated development being assessed

70 MMboe⁽⁴⁾
 Acquisition cost **125 MUSD**
 ~ **1.8 USD/boe**



⁽¹⁾ Gross unrisked prospective resources

⁽²⁾ Alta/Gohta gross contingent resource range 110-300 MMboe

⁽³⁾ Gross resources

⁽⁴⁾ Net contingent resources

First Nine Months 2020 Financial Highlights

Production & Sales Volume in Q3

Production Volume: **157** Mboepd

Sales Volume: **146** Mboepd

Good price realisation in Q3

Oil: **42.9** USD/bbl

Gas/NGL: **21.3** USD/boe

Costs and Investments in Q3

Low opex: **2.80** USD/boe

Oil & Gas capex/E&A: **161** MUSD

Renewable capex: **5** MUSD

Significant Cash Flow Generation

CFFO 9M: **1,251** MUSD

FCF⁽¹⁾ 9M: **546** MUSD

13 quarters in a row with positive FCF^(1,2)

Dividend payments covered 2.2x by FCF⁽³⁾

Paid dividends 9M: **247** MUSD

Net debt end Q3 **3,707** MUSD

Net debt/EBITDA ratio⁽⁴⁾ **1.7**

⁽¹⁾ Pre dividends

⁽²⁾ Excluding renewable energy business

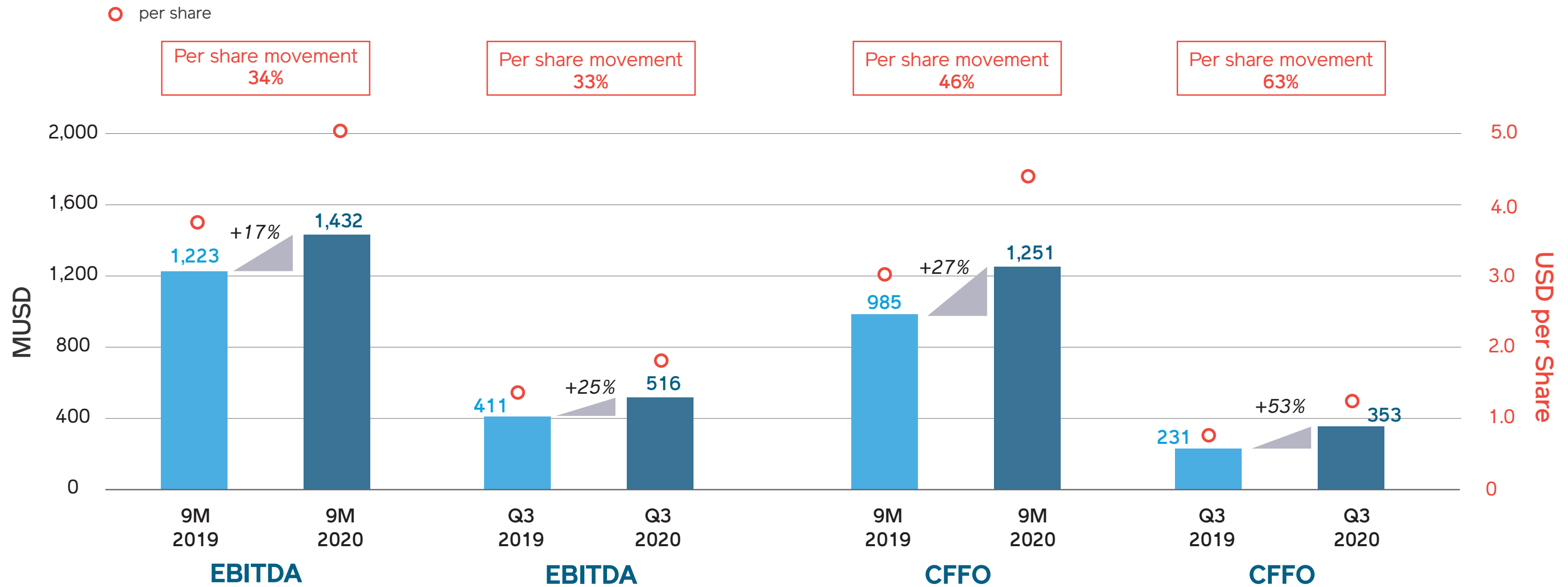
⁽³⁾ First nine months 2020

⁽⁴⁾ Bank loan less cash and cash equivalents divided by EBITDA of the last 12 months

First Nine Months 2020

Key Financial Metrics

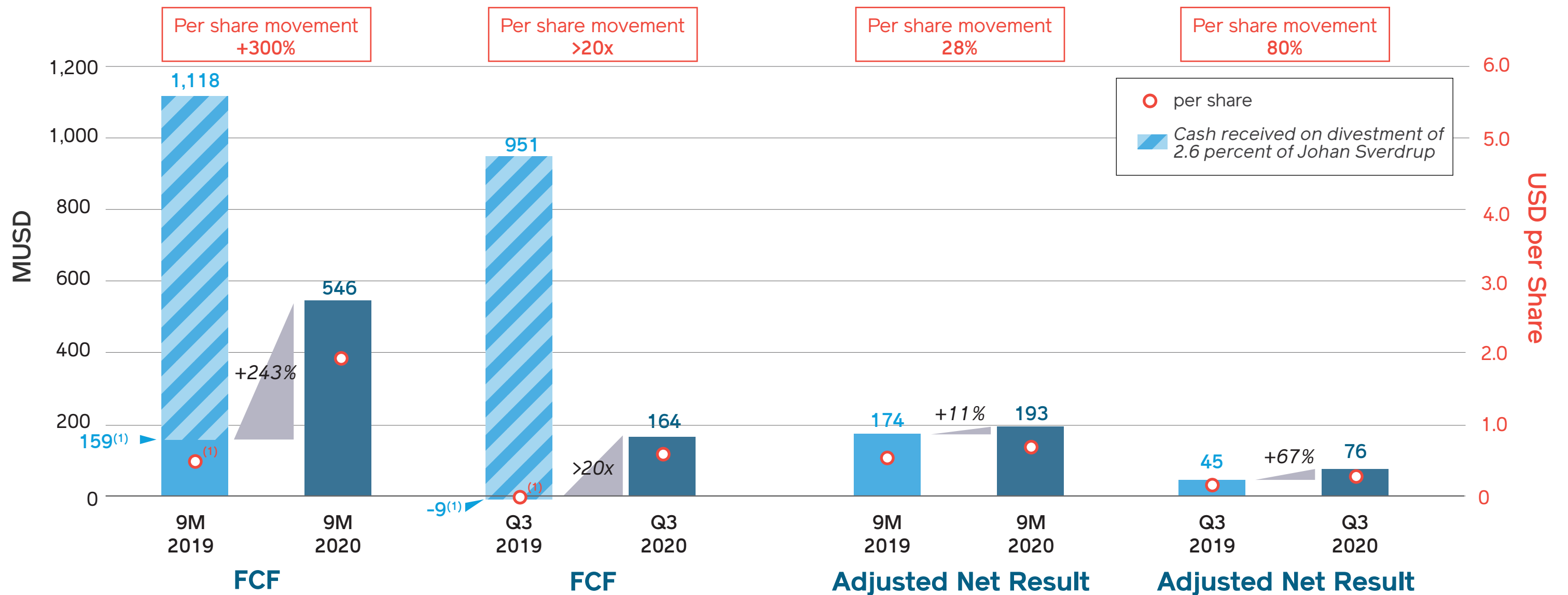
	9M-20 vs 9M-19	Q3-20 vs Q3-19
Sales Price (USD/boe)	-41%	-29%
Sales Volumes (Mboepd)	+97%	+72%



First Nine Months 2020

Key Financial Metrics

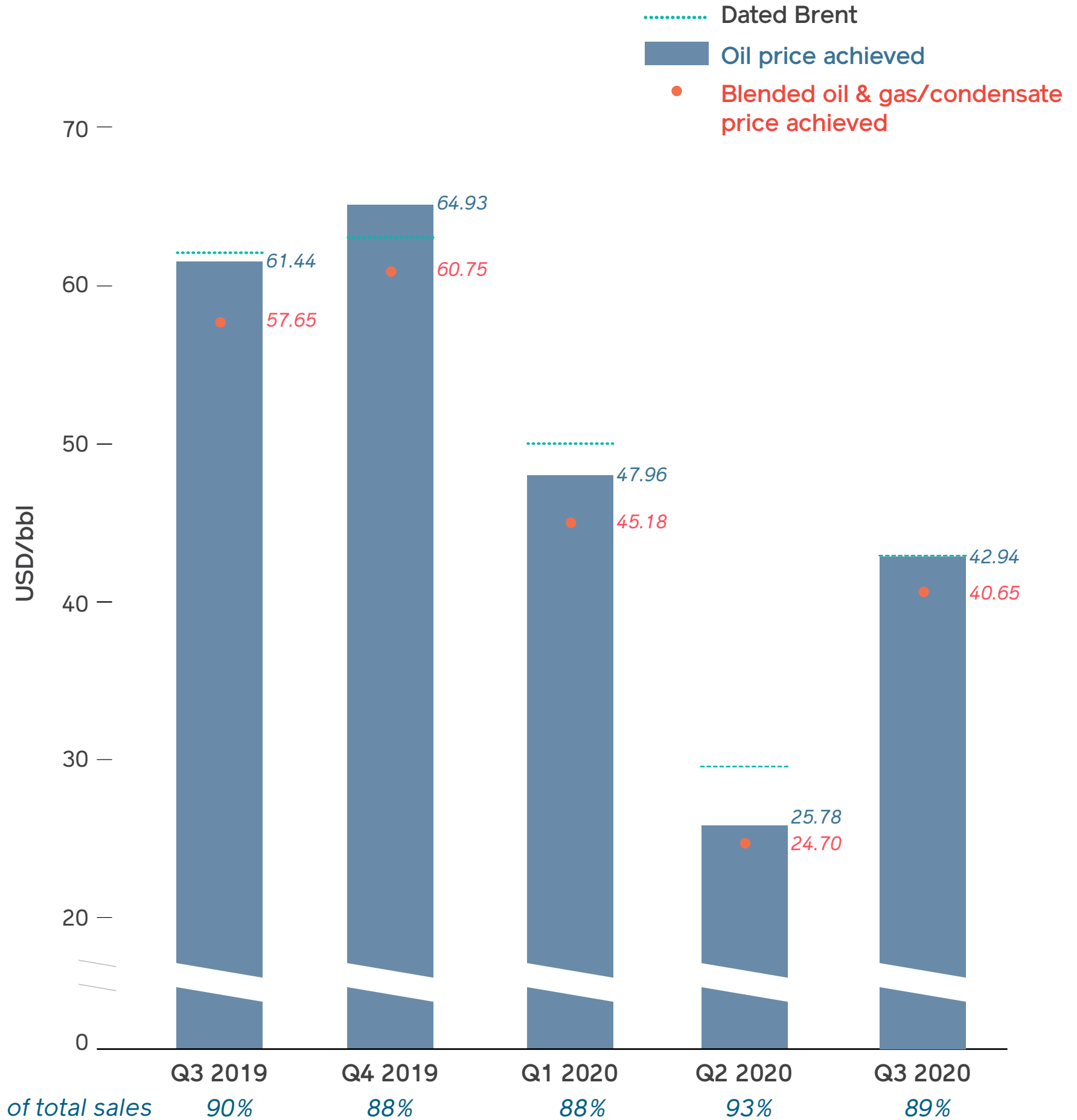
	9M-20 vs 9M-19	Q3-20 vs Q3-19
Sales Price (USD/boe)	-41%	-29%
Sales Volumes (Mboepd)	+97%	+72%



⁽¹⁾ FCF excluding MUSD 959 cash received on the divestment of 2.6 percent working interest in the Johan Sverdrup field

First Nine Months 2020 Realised Prices

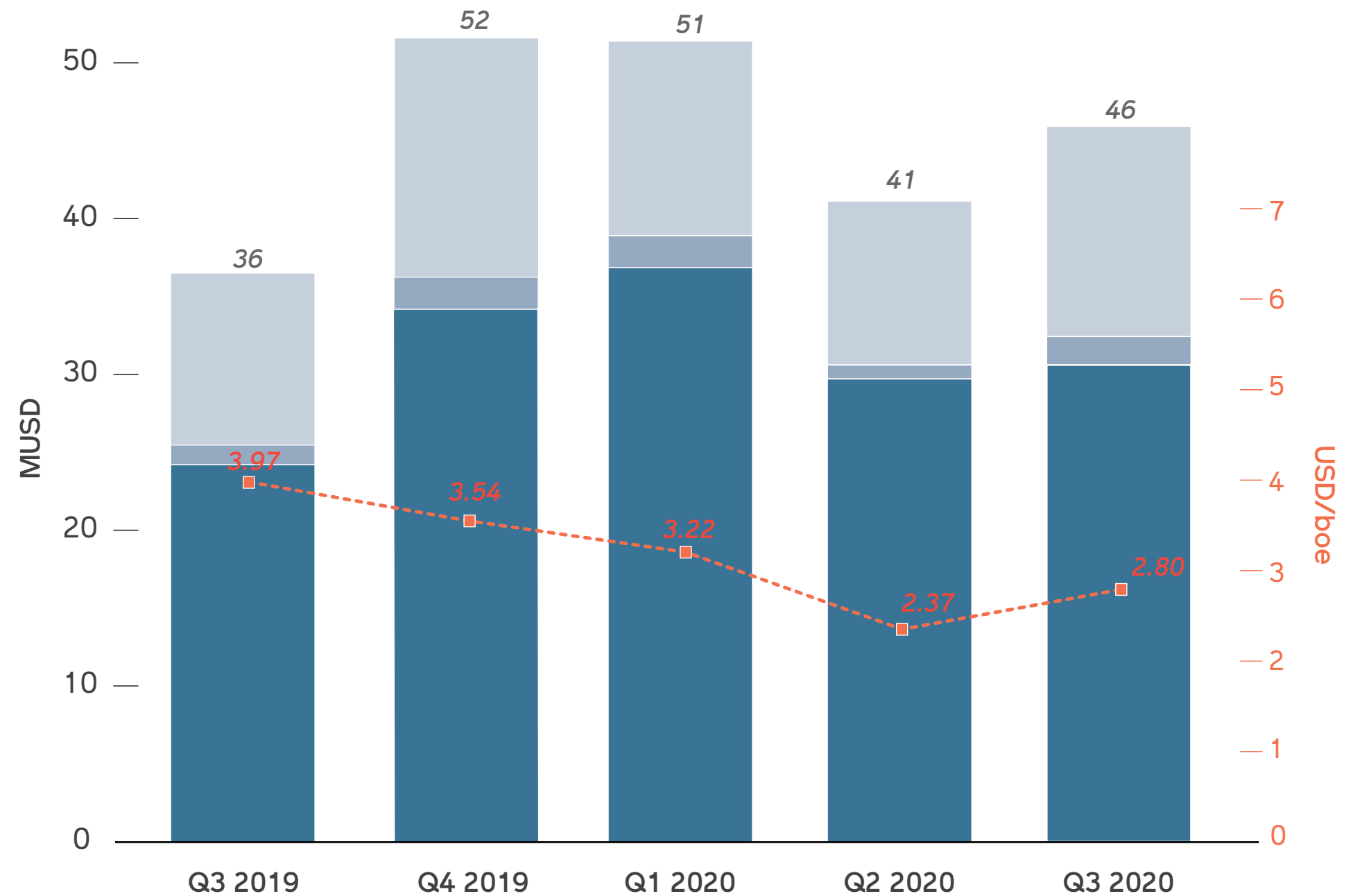
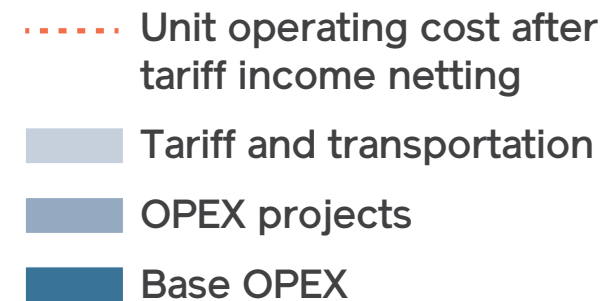
- ➔ Good price realisation during Q3
- ➔ 17 oil cargoes lifted in Q3
- ➔ Less volatility in oil prices during Q3
- ➔ Future Brent and Dated Brent relationship normalised following Q2 volatility



First Nine Months 2020

Operating Costs

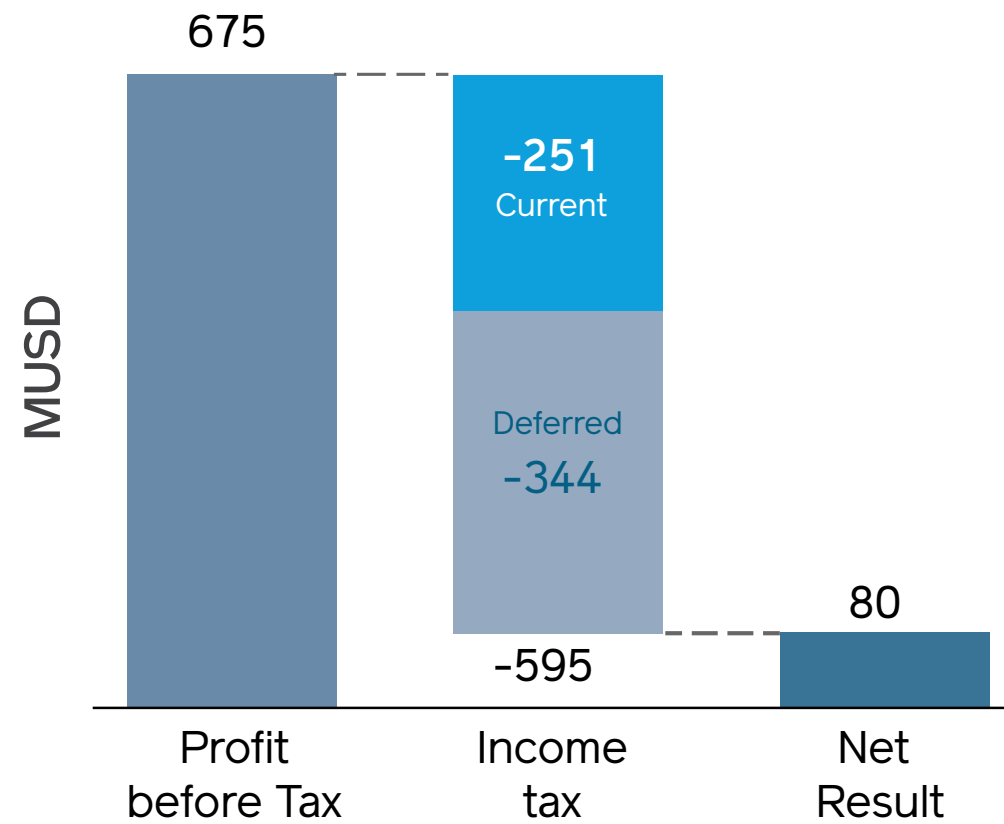
- ➔ Good cost control across the business
- ➔ Stronger NOK and higher electricity prices during Q3 have impacted costs
- ➔ Maintaining 2020 guidance of 2.80 USD/boe after tariff netting



First Nine Months 2020

Income Taxes

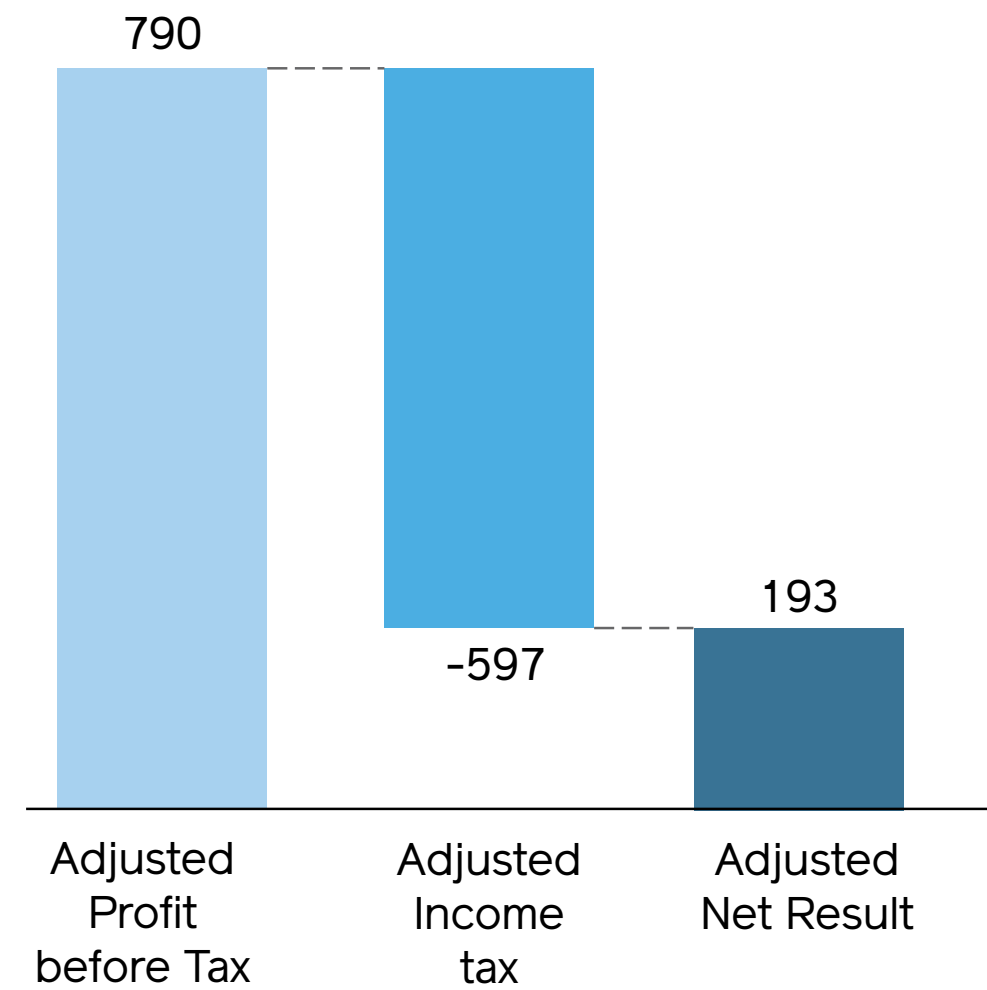
INCOME STATEMENT 9M



➔ Tax Rate 88% due to non-tax deductible non-cash FX loss

INCOME STATEMENT - ADJUSTED NET RESULT 9M

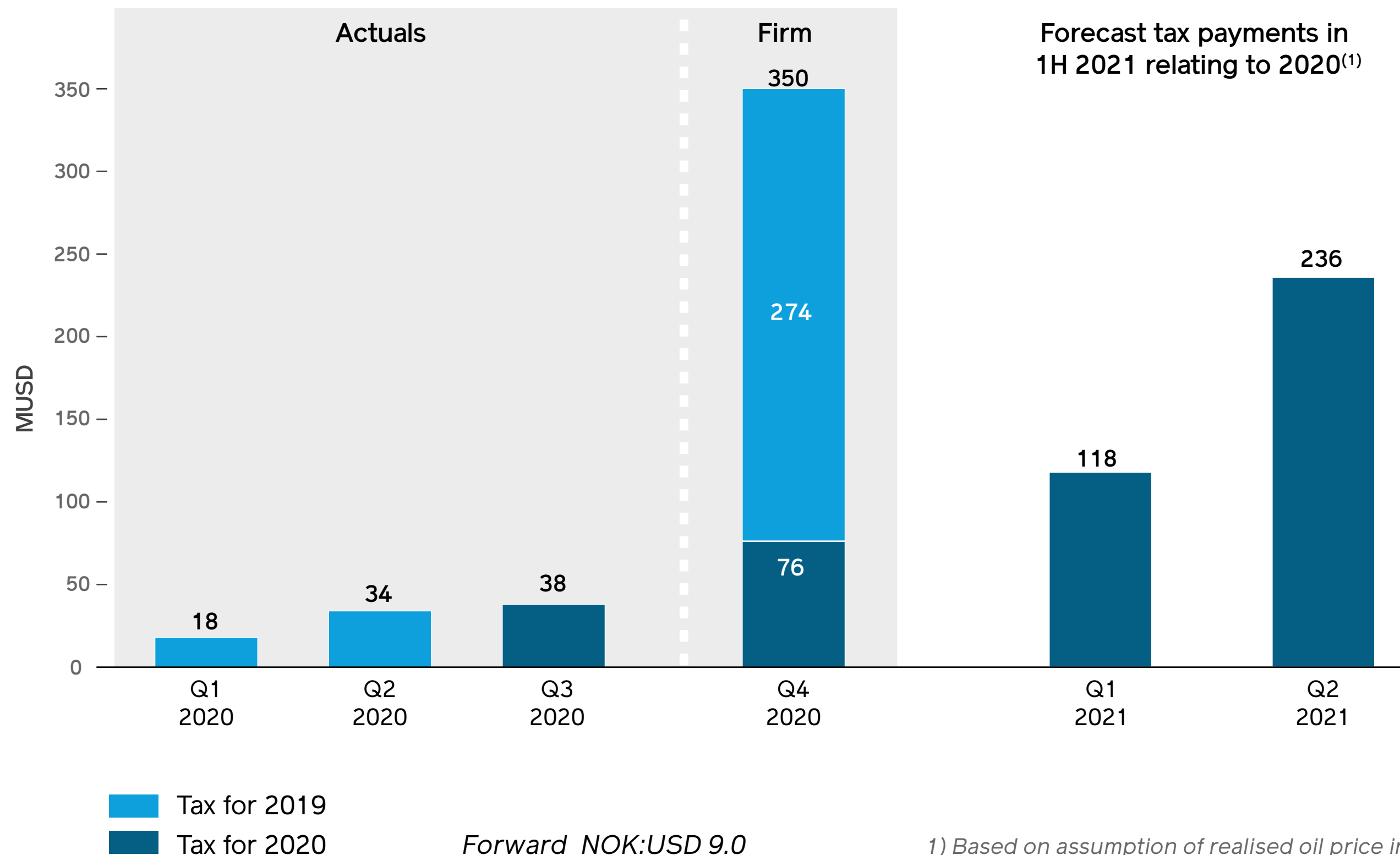
Adjusted for FX, loan modification charges and related tax effects



Adjusted effective tax rate 76%

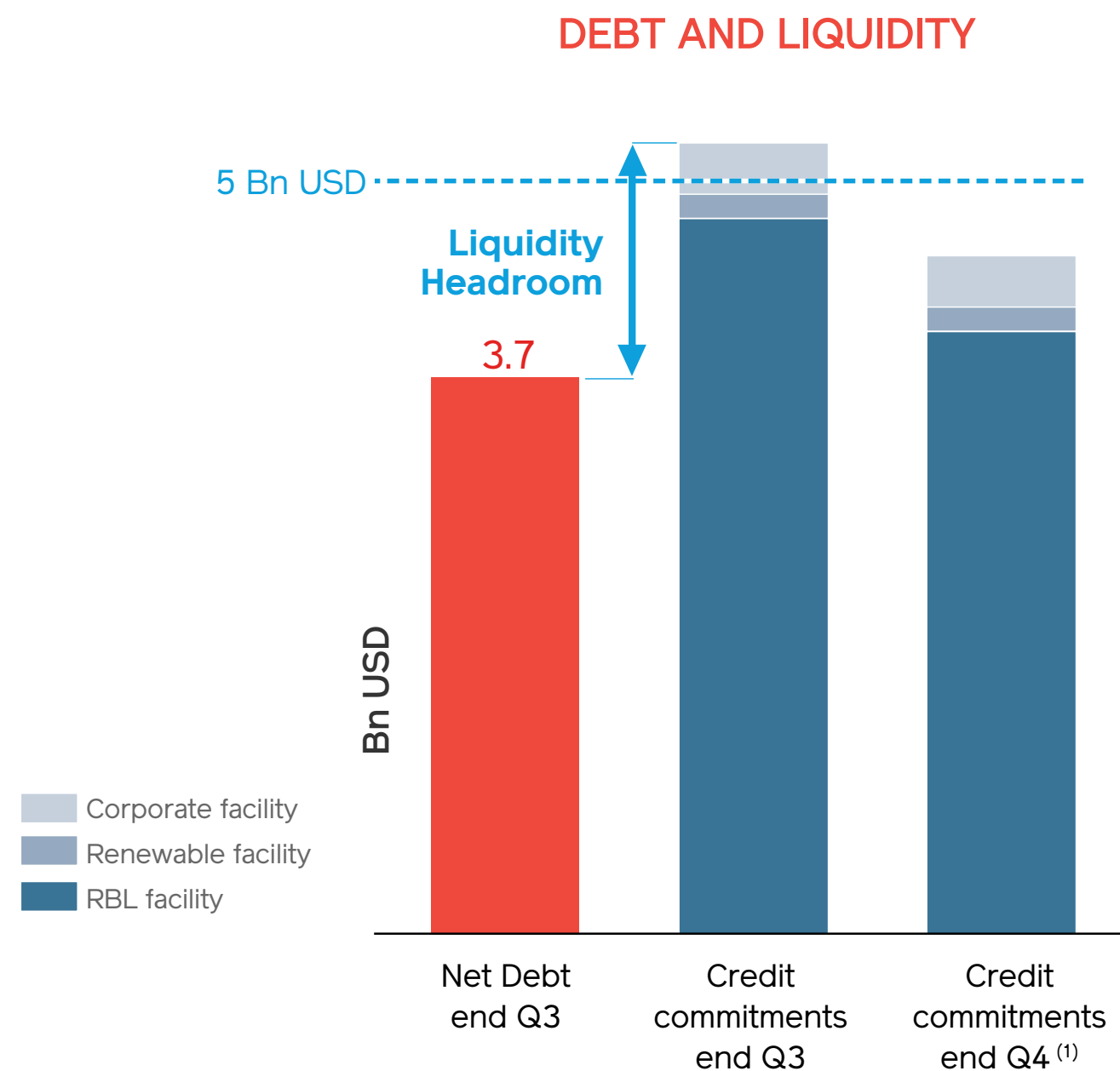
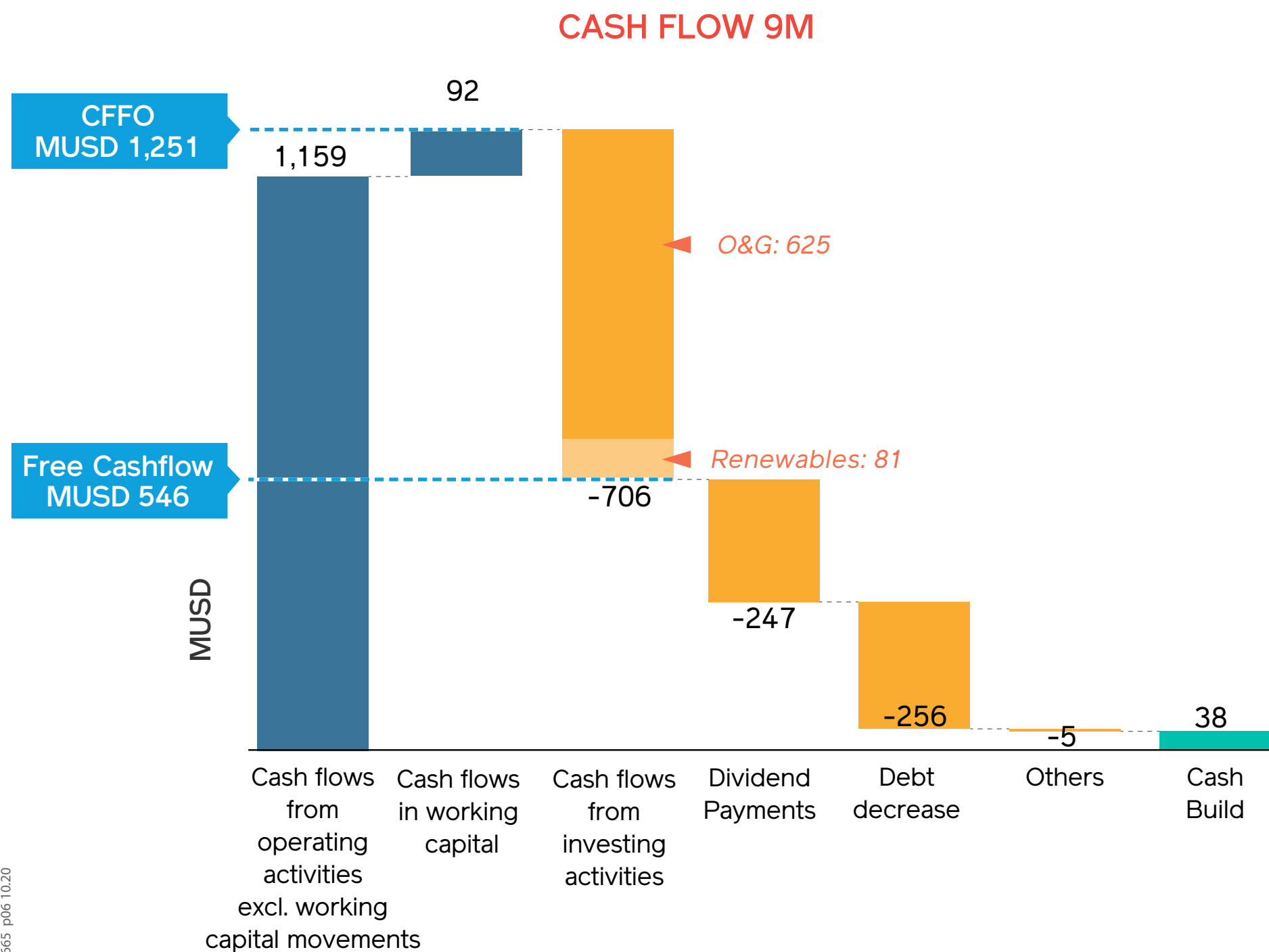
Norway

Tax Instalments



First Nine Months 2020

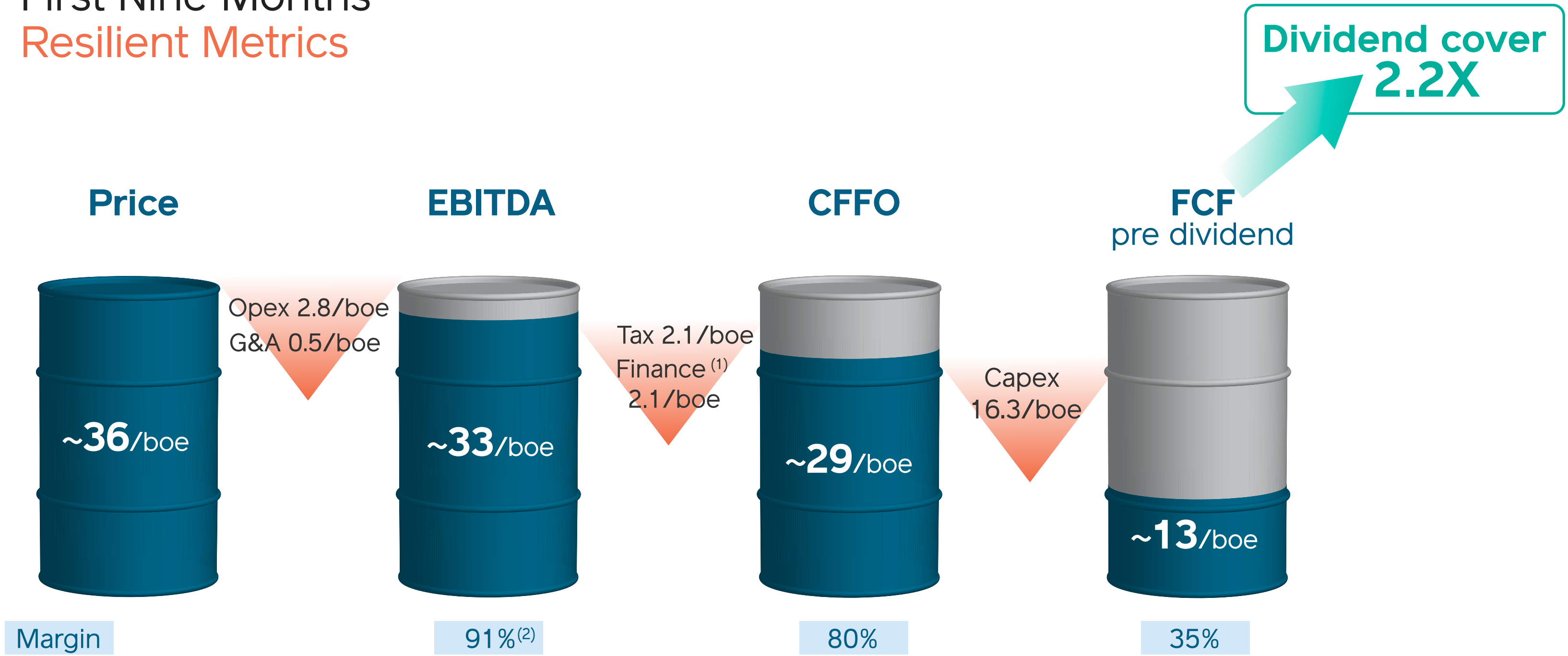
Cash Flow, Debt Position and Liquidity



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⁽¹⁾ Including amortisation

First Nine Months Resilient Metrics



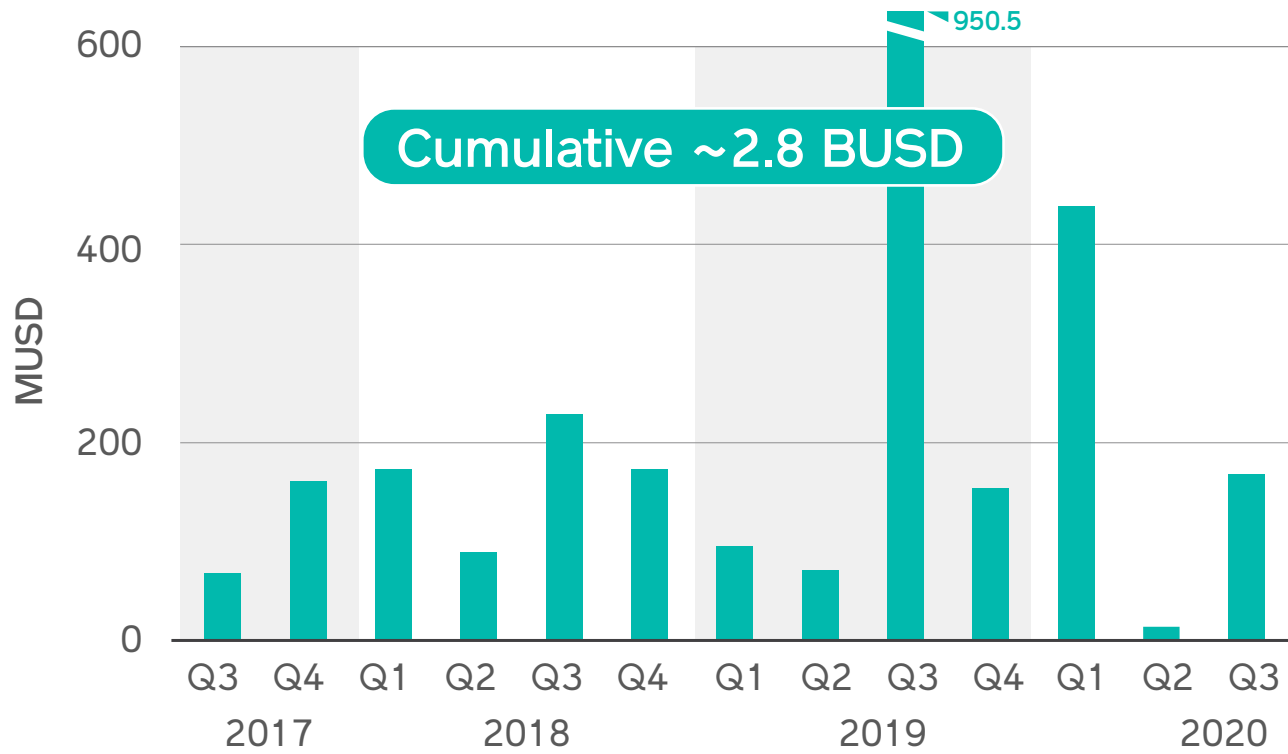
FCF breakeven < **10 USD/bbl**
post Johan Sverdrup phase 2 start-up⁽³⁾

1) Interest, hedges, working capital movements and other - 2.1USD/boe
 2) EBITDA margin - calculated based on produced volumes
 3) Pre dividends and based on 2P reserves + 10% Wisting

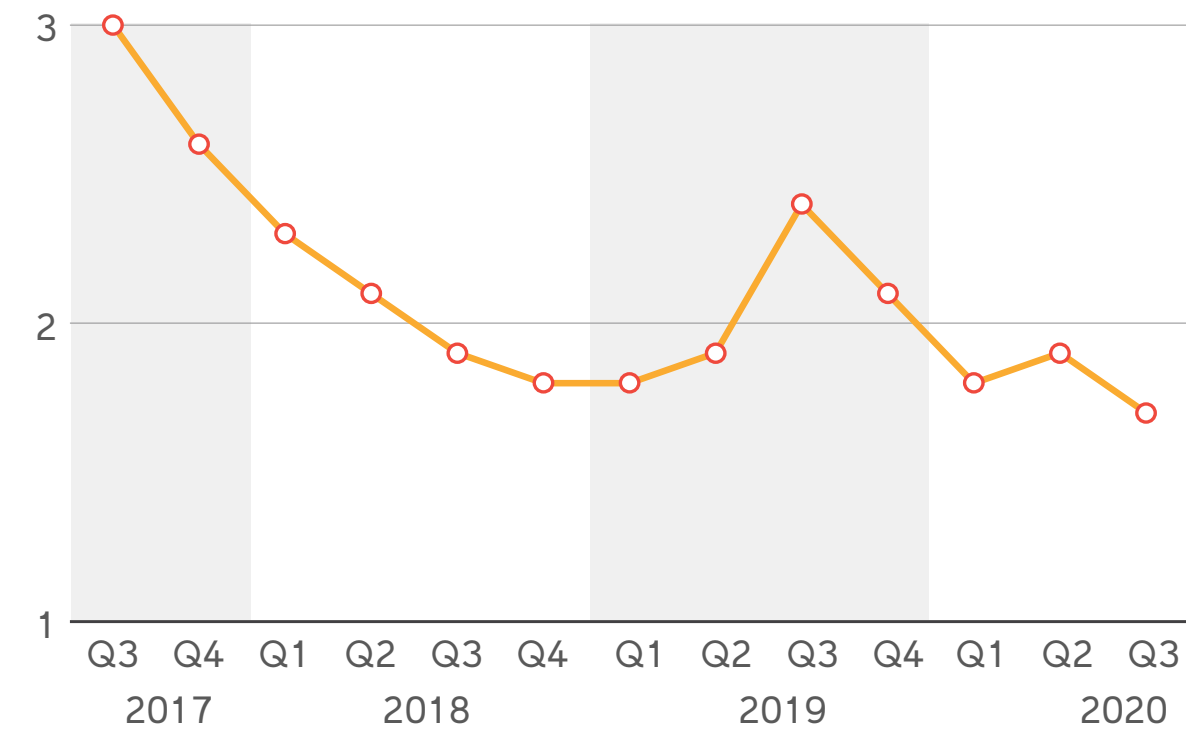
Resilient Financials

High Margin Barrels with Low CO₂ Footprint

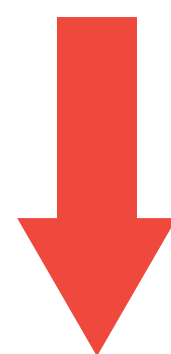
FCF Positive 13 Quarters Running⁽¹⁾



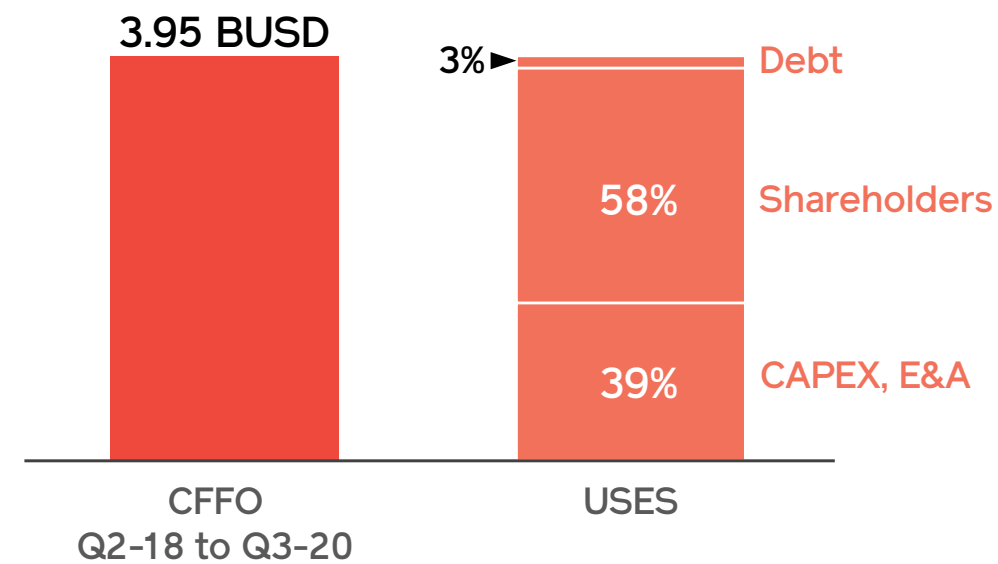
Net debt/EBITDA ratio⁽²⁾



De-Leveraging



Platform for Growth and Shareholder Returns



1) excluding renewable energy business and including paid decommissioning costs

2) Bank loan less cash and cash equivalents divided by trailing 12m EBITDA

2020 Latest Guidance Compared to CMD

	CMD 65 USD/bbl	Previous Guidance	Latest Guidance
Production (Mboepd)	145-165	<i>Targeting 157</i>	161-163
Operating costs (USD/boe)	3.40	<i>2.80</i>	2.80
CAPEX (MUSD)	895	<i>710</i>	650
E&A Expenditure (MUSD)	225	<i>140</i>	160
Decommissioning Expenditure (MUSD)	50	<i>45</i>	50
Renewables Investments (MUSD)	100	<i>90</i>	95

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Dividends

- ➔ 2019 dividend of USD 1.00/share approved by AGM on 31 March 2020
- ➔ Dividend schedule - quarterly payment

Dividend per Share	Dividend Distribution	Ex-dividend Date	Expected Payment Date
USD 0.25	~ MUSD 71 ⁽¹⁾	1 April 2020	7 April 2020
USD 0.25	~ MUSD 71 ⁽¹⁾	2 July 2020	8 July 2020
USD 0.25	~ MUSD 71 ⁽¹⁾	1 October 2020	7 October 2020
USD 0.25	~ MUSD 71	30 December 2020	8 January 2021

⁽¹⁾ Paid out in SEK

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Resilient Industry Leading Performance

Responsible
Operations

- **Increased production guidance**
 - record high production expected in the fourth quarter
- Industry leading **low operating costs and carbon emissions**
- Mitigating potential impact of coronavirus – **no disruption to production, projects on track and cost discipline**
- Delivering Growth – **reserves increase, Barents deal and commenced high impact exploration programme**
- High quality resilient business – **strong free cash flow generation** in period of low oil prices

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