

# Financial Presentation

## First Quarter 2016

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Mike Nicholson, CFO  
11 May 2016



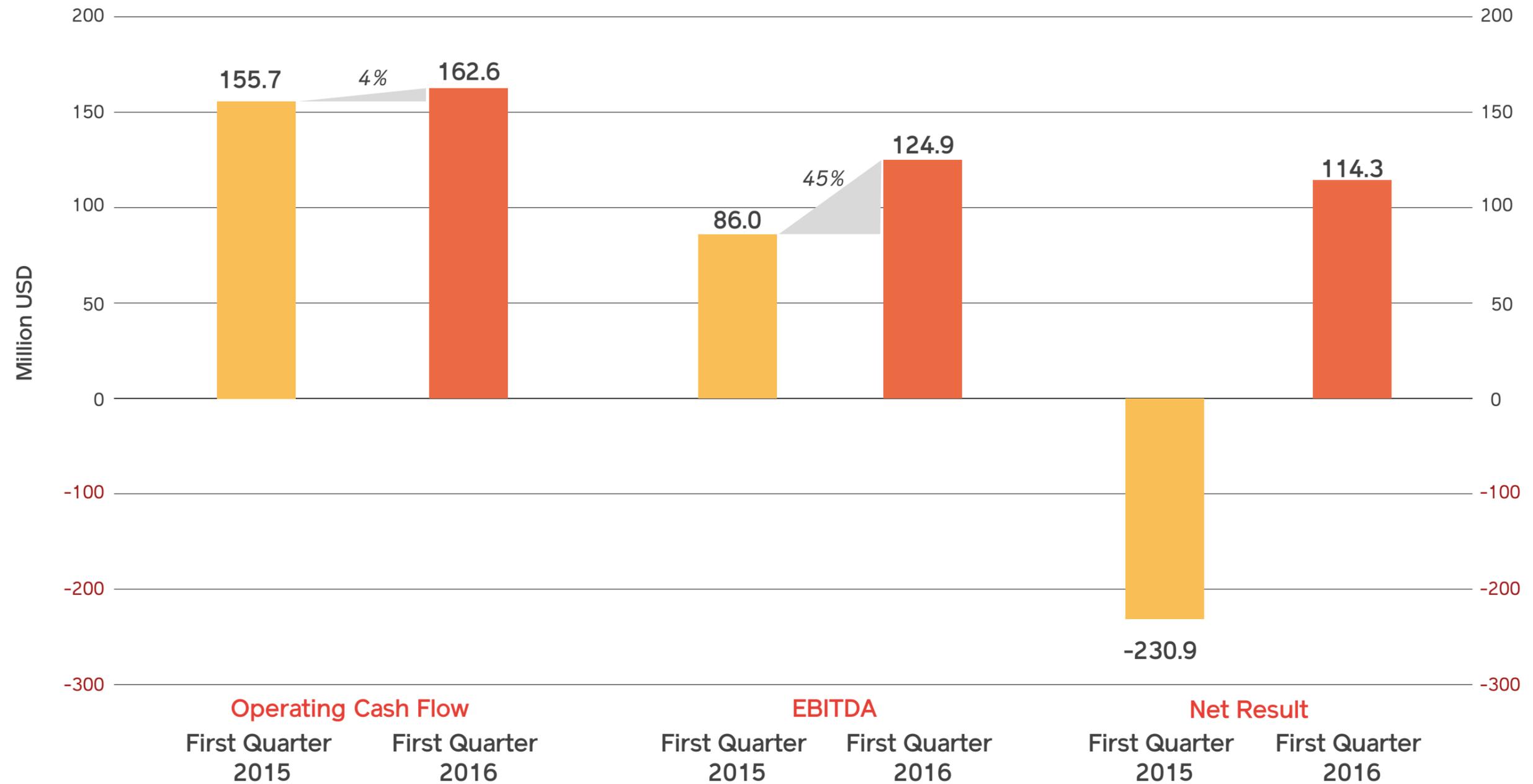
# First Quarter 2016

## Financial Highlights

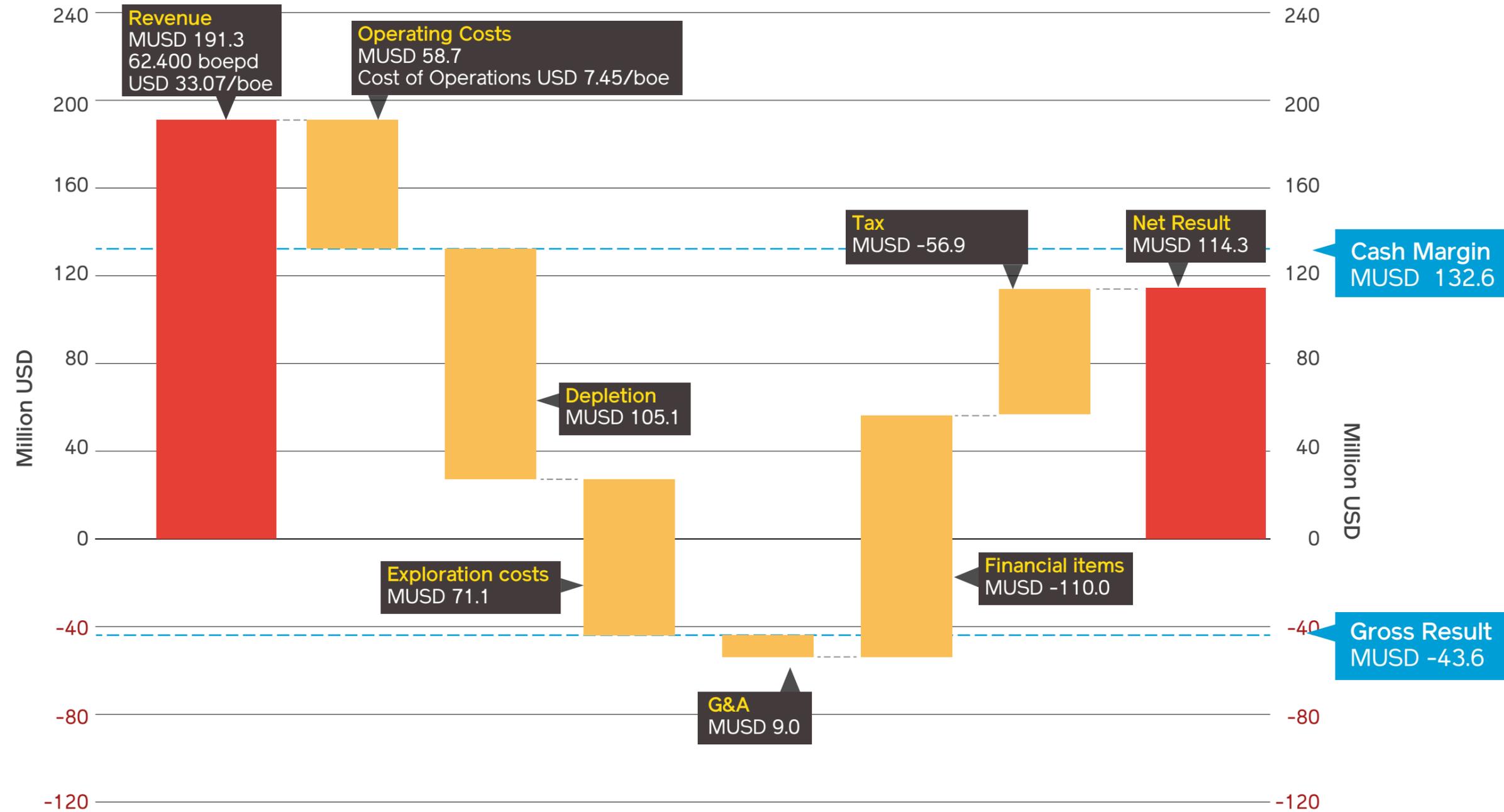
	First Quarter 2016
Production (boepd)	62,400
Average Brent oil price (USD/boe)	33.94
Cost of operations (USD/boe)	7.45
EBITDA (MUSD)	124.9
Operating cash flow (MUSD)	162.6
Net result (MUSD)	114.3

# First Quarter 2016 Financial Results

- Production increase 142%
- Oil price decrease 37%



# First Quarter 2016 Financial Results



# First Quarter 2016

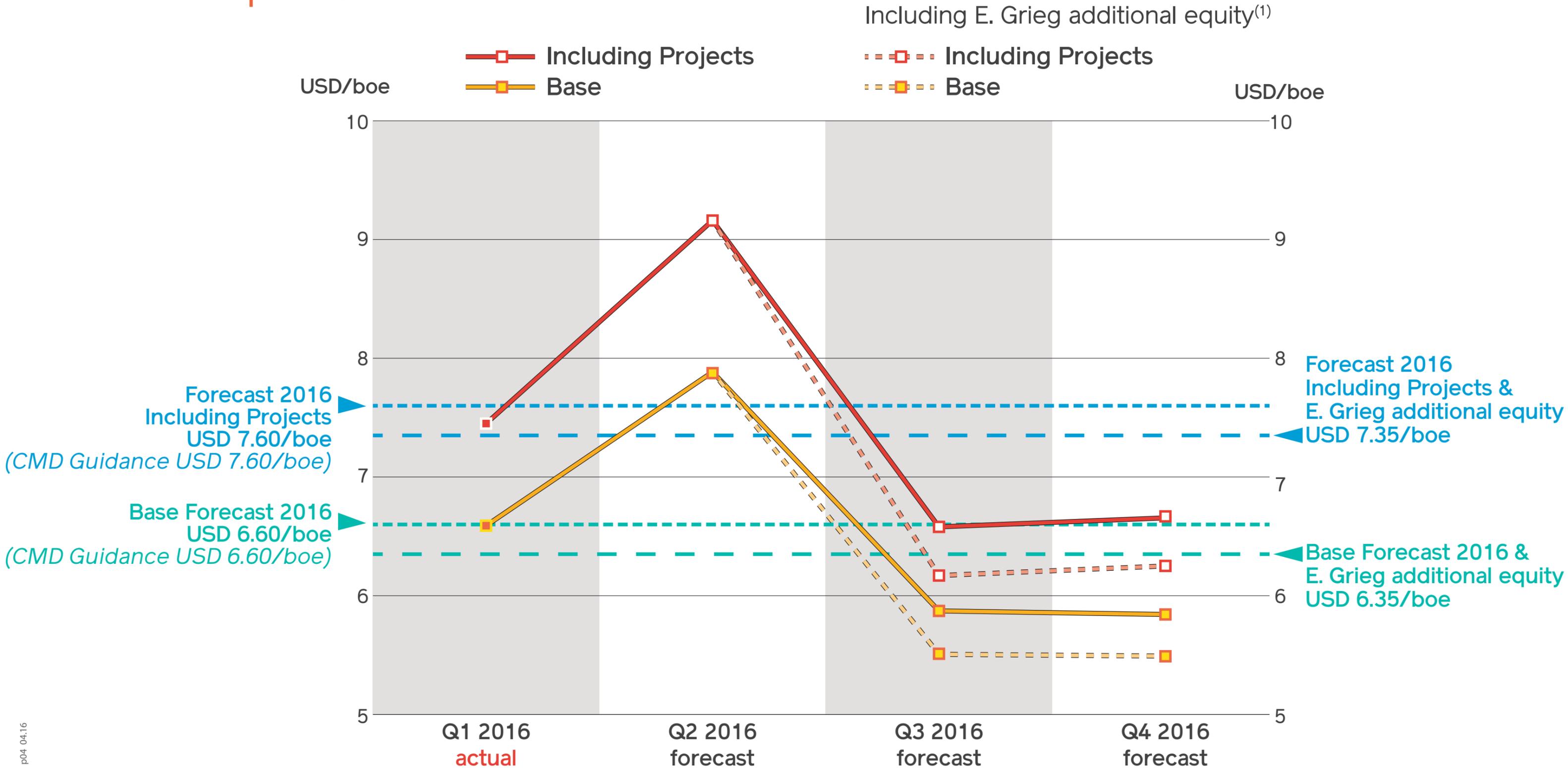
## Netback (USD/boe)

	First Quarter 2016
<i>Average Brent oil price USD/boe</i>	<b>33.94</b>
<b>Revenue</b>	33.71
Cost of operations - <i>Base</i>	-6.60
- <i>Projects</i>	-0.85
Tariff & transportation	-1.64
Production taxes	-0.13
Inventory movements	-0.03
Other	-1.10
<b>Cash Margin</b>	<b>23.36</b>
Cash taxes	5.29
<b>Operating Cash Flow</b>	<b>28.65</b>
General and administration costs <sup>(1)</sup>	-1.35
<b>EBITDA</b>	<b>22.01</b>

<sup>(1)</sup> Adjusted for depreciation

# Forecast 2016

## Cost of Operations



<sup>(1)</sup> Assumed Edvard Grieg deal closing 30 June 2016

# First Quarter 2016

## Exploration Costs

	First 3 Months 2016 MUSD	First 3 Months 2016 after Tax MUSD
Norway (PL700 Lorry, PL544 Fosen)	54.5	12.0
Malaysia (SB307/308 Bambazon & Maligan)	16.6	16.6
<b>Exploration Costs</b>	<b>71.1</b>	<b>28.6</b>

# First Quarter 2016

## G & A / Financial Items

	First Quarter 2016 MUSD
<b>General &amp; Administration Expenses</b>	
General & administration	7.9
Long Term Incentive Plan	1.1
	<b>9.0</b>
<b>Net Financial Items</b>	
Foreign exchange gain <sup>(1)</sup>	-158.6
Interest expense <sup>(2)</sup>	34.2
Loan commitment fees	1.2
Amortisation of loan fees	5.7
Other	7.5
	<b>-110.0</b>

<sup>(1)</sup> Includes MUSD 17.9 loss on settled currency hedges

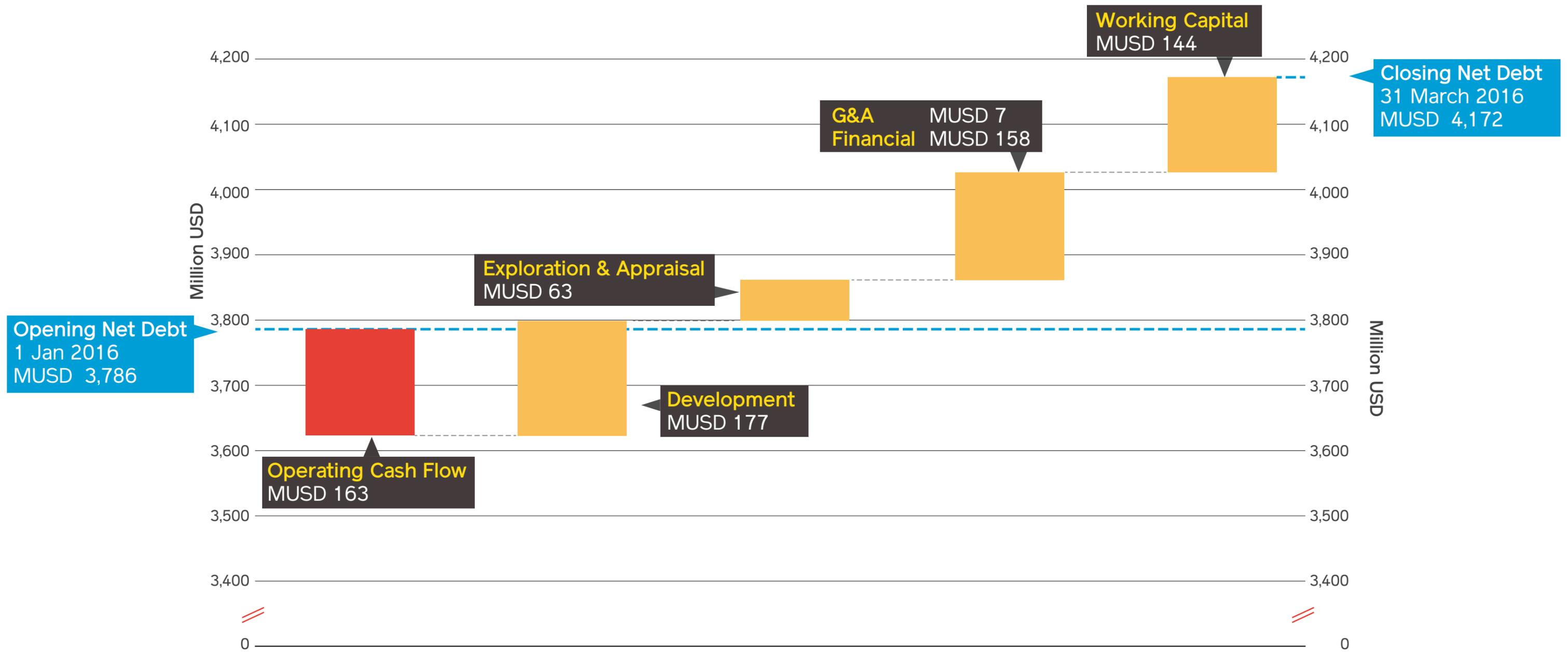
<sup>(2)</sup> An additional amount of interest expense of MUSD 3.1 has been capitalised in the reporting period

# First Quarter 2016

## Tax

	First Quarter 2016
	USD/boe
Current tax credit	5.29
Deferred tax credit	4.73
	10.02

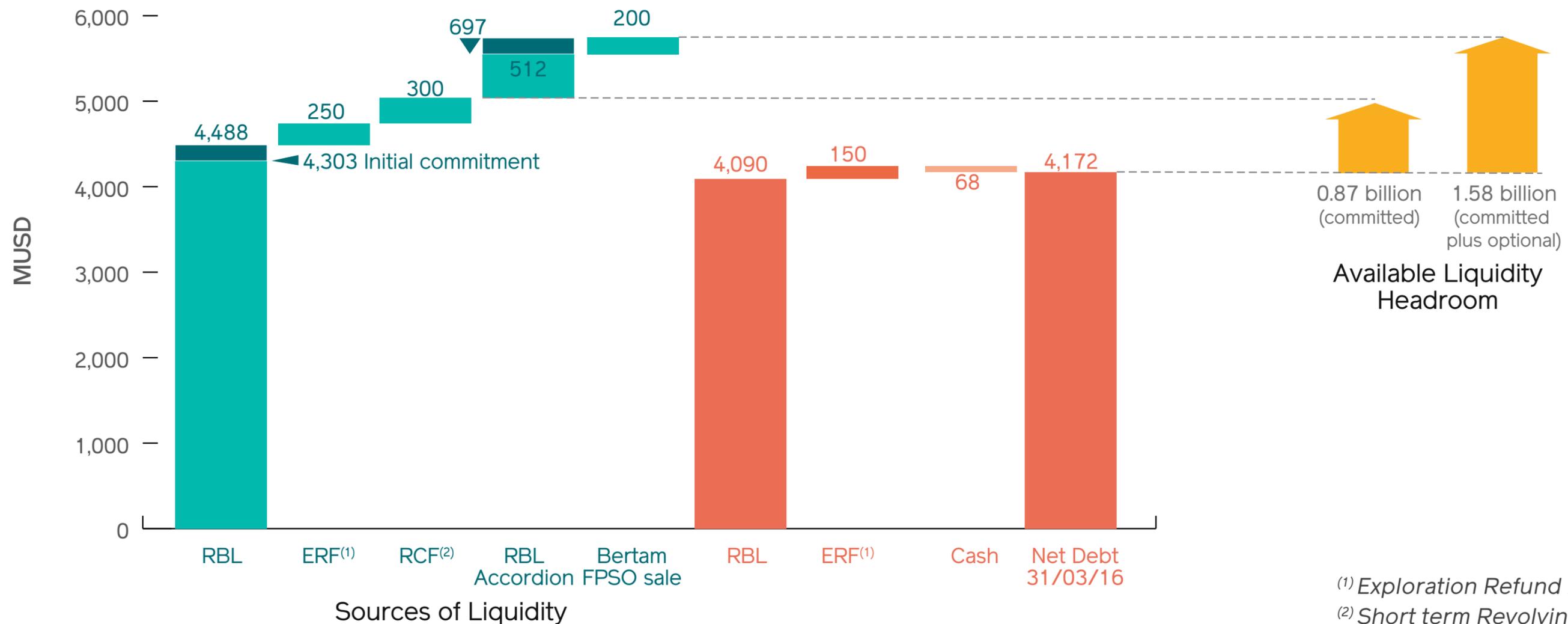
# First Quarter 2016 Debt Position



# 2016 Funding

## Liquidity and Net Debt

- New 7 year RBL of up to USD 5.0 billion secured in February 2016
- Current commitment USD 4.488 billion (increased by MUSD 185)
- Attractive margin: 315 bps
- 5 year grace period (no amortisation until end 2020)
- New MUSD 300 RCF secured



# Hedges

## as at 31 March 2016

	Currency		
	BUY MNOK	SELL MUSD	Average rate NOK : USD
Q2 2016	651.0	94.9	6.86
2H 2016	2,058.4	243.9	8.44
2017	1,839.2	217.3	8.46
2018	1,926.3	228.0	8.45
2019	1,672.4	200.4	8.35
	8,147.3	984.5	8.28

	Interest rate	
	Borrowings MUSD	Floating LIBOR rate per annum
Q2-Q4 2016	2,000	1.50%
2017	1,500	2.32%
2018	1,000	3.06%

# First Three Months 2016

## Highlights

### Production Q1 2016: 62,400 boepd

- Record quarterly production
- 8% above mid-point guidance
- Record up-time performance from key producing assets

### Johan Sverdrup Development on-track – over 10% completion

- Phase 1 design optimisation increased oil processing capacity up to 440,000 bopd

### Re-financed the RBL

- Increased from \$4bn to \$5bn facility with no amortisation until late 2020

### Acquired 15% additional interest in Edvard Grieg <sup>(1)</sup>

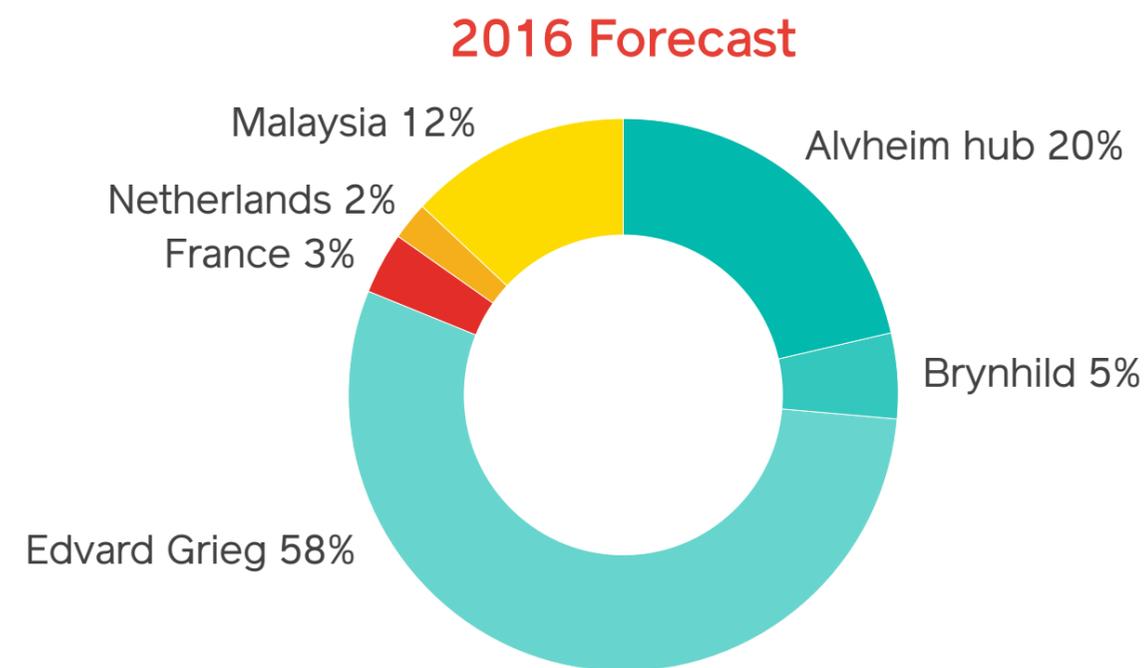
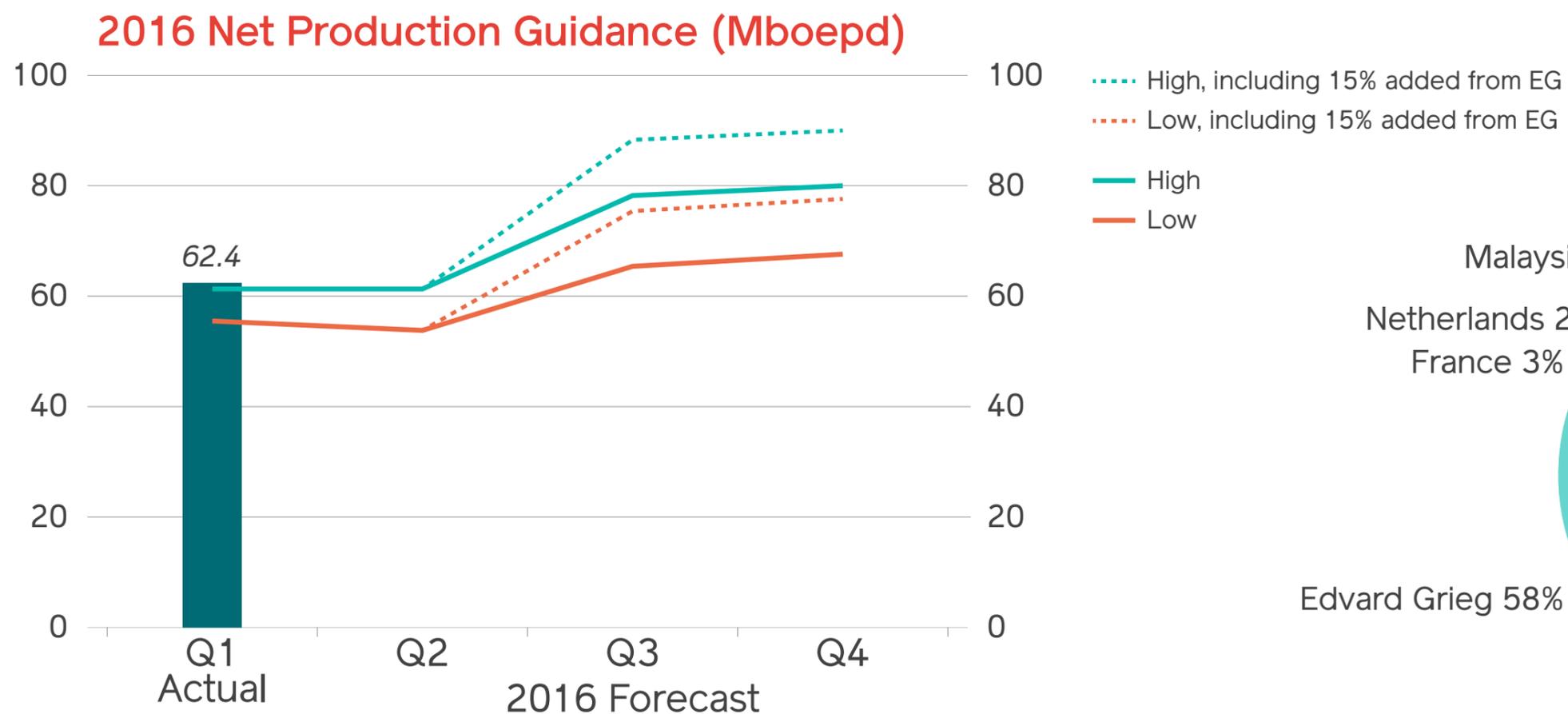
- 30.9 MMboe additional 2P reserves
- 10,000 boepd additional production
- EGM on 30 May 2016

<sup>(1)</sup> Subject to EGM/Government approval

# Lundin Petroleum

## 2016 Production Guidance

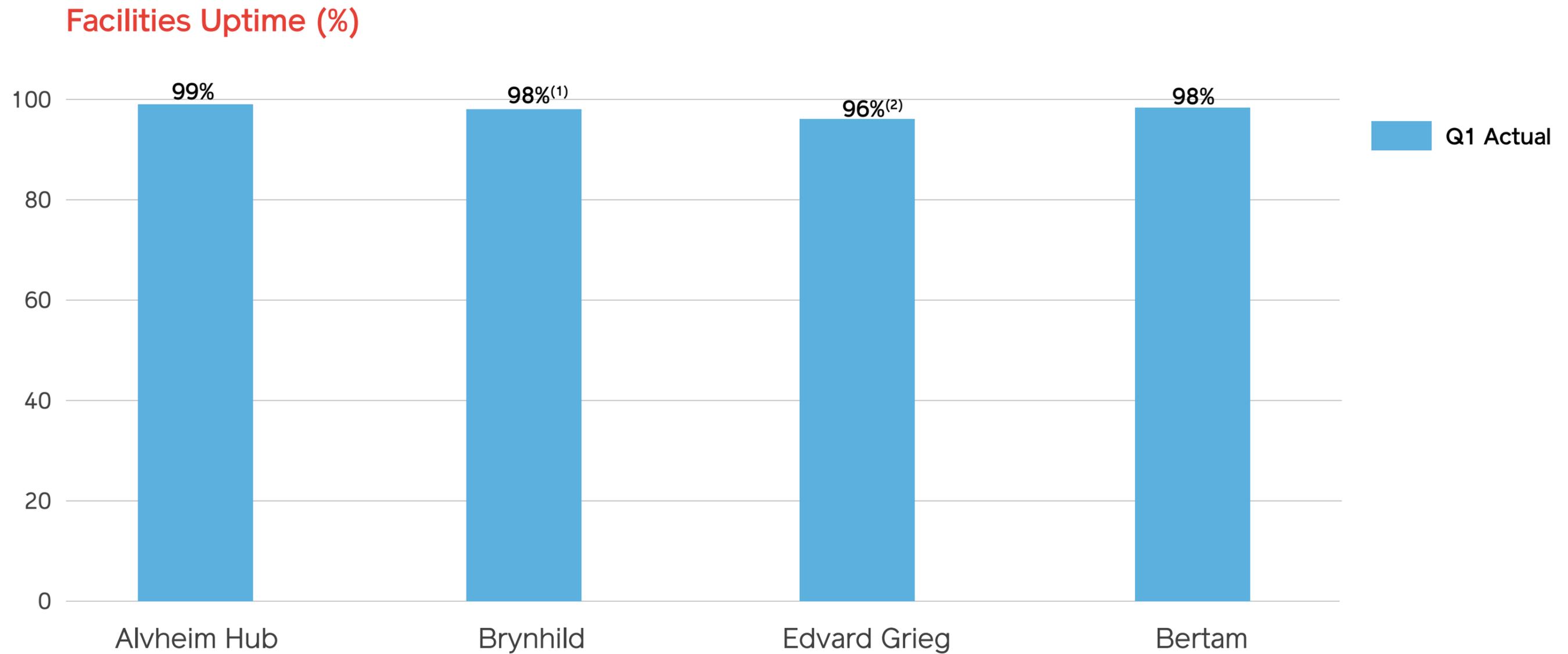
- Q1 2016 production of 62,400 boepd
  - Q1 production at upper-end of guidance driven by Edvard Grieg outperformance
- Full year 2016 production guidance revised <sup>(1)</sup>
  - Revised Guidance: 65,000 – 75,000 boepd <sup>(1)</sup>
  - Old Guidance: 60,000 – 70,000 boepd
- All other assets substantially performing inline with forecast



<sup>(1)</sup> Subject to EGM/Government approval and assumed Edvard Grieg deal closing 30 June 2016

# Lundin Petroleum

## “World Class” Operating Performance



<sup>(1)</sup> Until commencement of planned shutdown

<sup>(2)</sup> 3% of downtime in Q1 is due to planned pressure build up tests

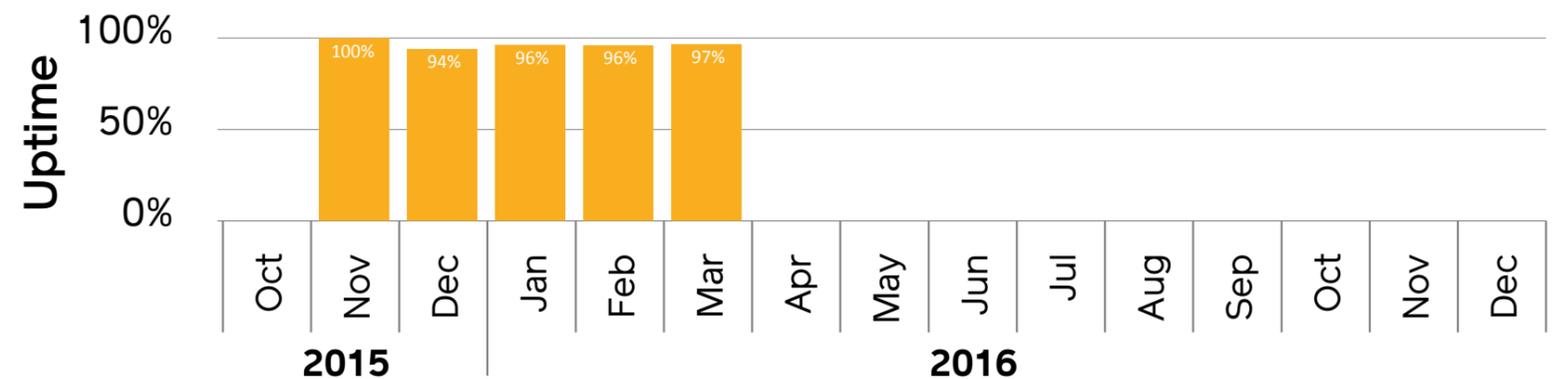


# Edvard Grieg Production Performance

- ➔ Q1 gross production 60,300 boepd
  - ➔ Gas production commenced
- ➔ Project delivered ontime
  - 28<sup>th</sup> November 2015 first oil
    - ➔ Uptime since startup ~96%
    - ➔ Uptime excluding reservoir pressure build ups ~99%
    - ➔ Worldclass topside performance
    - ➔ Pressure depletion lower than expected
- ➔ Commissioning over 90% complete



Edvard Grieg Uptime



# Edvard Grieg Proposed Deal with Statoil



**15%** Edvard Grieg + Pipelines  
 ↓↓  
 Adds **31 MMboe** 2P Reserves  
 ↓↓  
 Adds **10,000 boepd** Production  
 ↓↓  
 Revised 2016 Production Guidance  
**65,000–75,000 boepd**

**27.581** million shares for Edvard Grieg

+

	Cash Million SEK
<b>1.735</b> million shares	252.8
<b>2.000</b> million treasury shares	291.3
	<b>544.1</b>

Statoil's Total Shareholding  
**68.4 million (20.1%)**

*Subject to EGM approval and Government approval*

# Revised 2016 Guidance

## Statoil / Edvard Grieg Deal <sup>(1)</sup>

	PRE DEAL	POST DEAL <sup>(2)</sup>
Production 2016	60 – 70,000 boepd	65 – 75,000 boepd
2P reserves 01.01.16	685.3 MMboe	716.2 MMboe
Operational cost 2016	USD 9.25/boe	USD 9.00/boe
Development Capex 2016	MUSD 935	MUSD 970

<sup>(1)</sup> Subject to EGM/Government approval

<sup>(2)</sup> Assumed completion 30.06.16

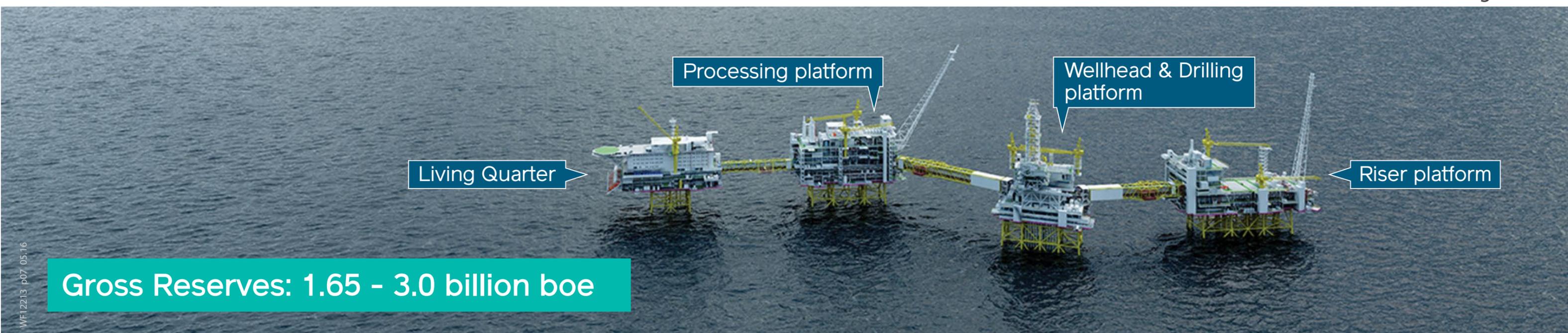
# Norway

## Quality Assets – Johan Sverdrup

- ➔ Largest Phase 1 development on the NCS
  - ➔ Major importance to all stakeholders
  - ➔ Up to 40% of NCS oil production at plateau
- ➔ PDO approved and full field reserves are booked
  - ➔ 513.2 million boe (2P net to Lundin Petroleum)
- ➔ Breakeven oil price 30 USD/bbl<sup>(1)</sup>
  - ➔ ~ 90% of major Phase 1 contracts awarded
  - ➔ Project completion over 10%

Working Interest – Johan Sverdrup Unit	
Statoil	40.0267%
<b>Lundin Petroleum</b>	<b>22.6000%</b>
Petoro	17.3600%
Det norske	11.5733%
Maersk	8.4400%

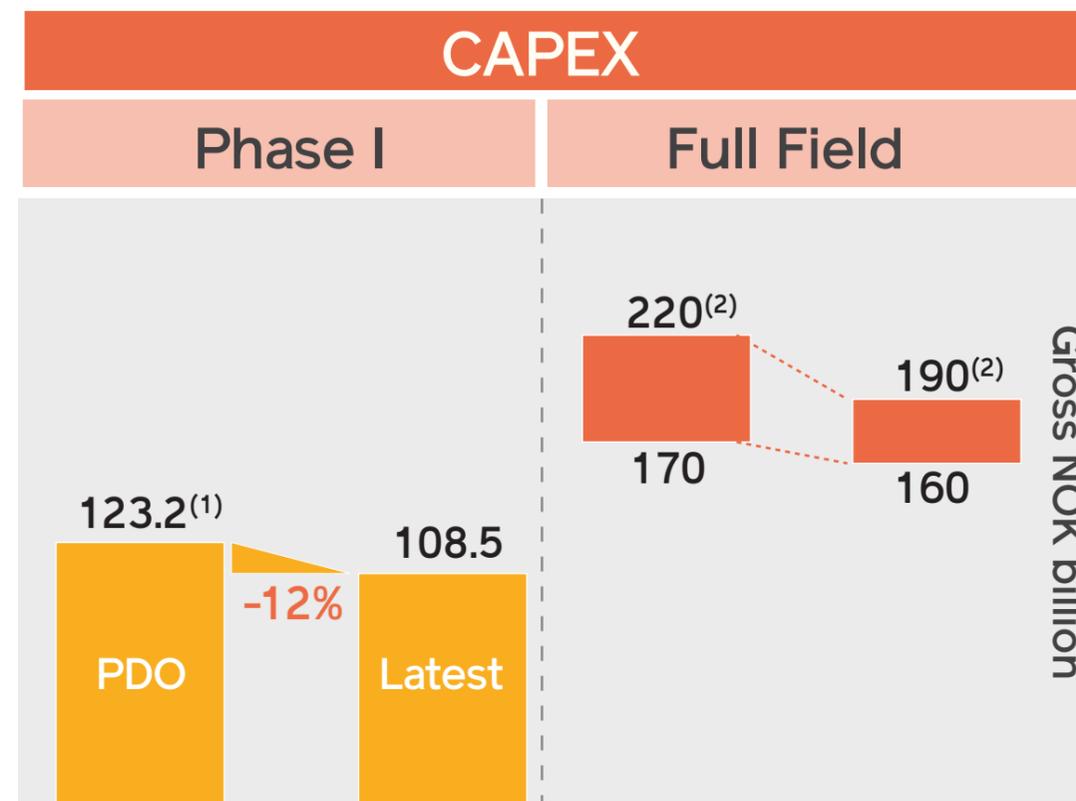
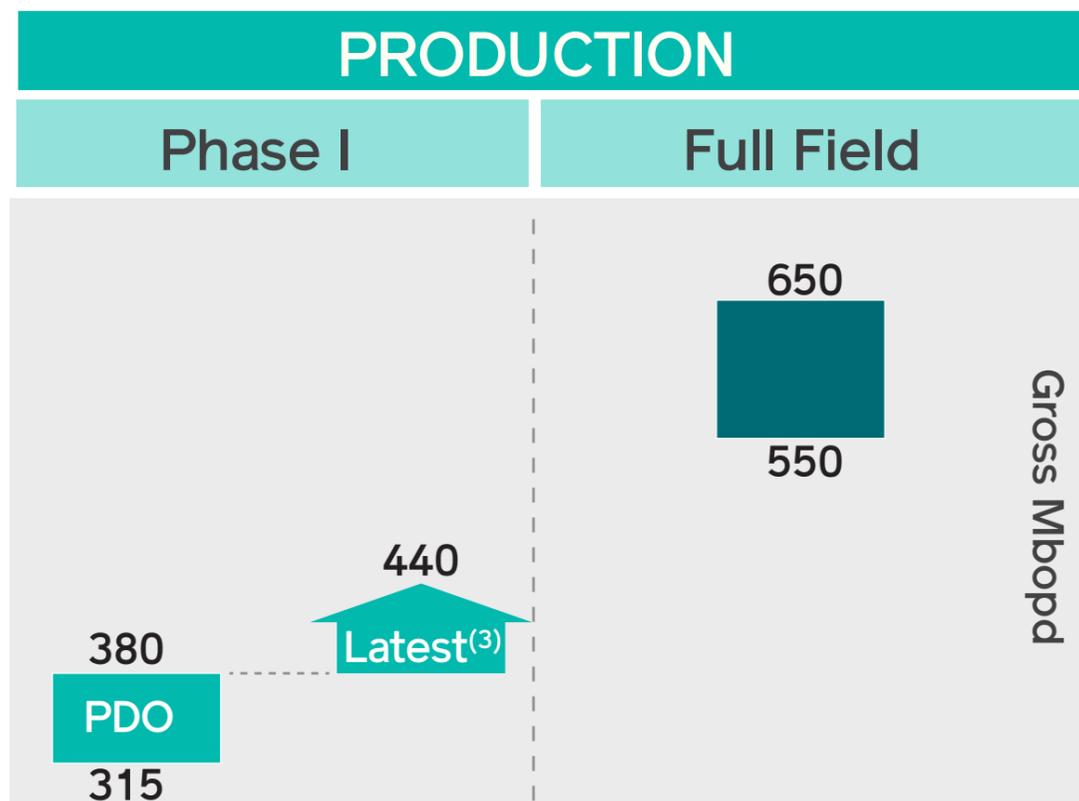
<sup>1</sup> Based on ERCE 2P reserves profile as at 31 Dec 2015  
Assumes USD : NOK 8.5 and latest cost savings



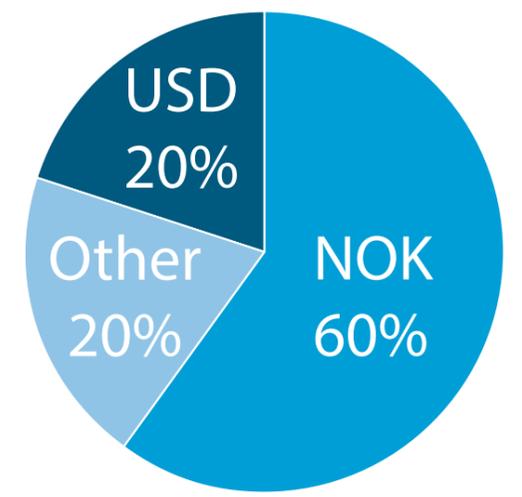
# Norway – Utsira High

## Quality Assets – Johan Sverdrup

- ➔ First oil Phase 1: Q4 2019
- ➔ PDO submission for Phase 2: Q4 2017
- ➔ First oil Phase 2: 2022



### FX SPLIT Phase 1



(1) Nominal, NOK6:USD    (2) Real 2016, NOK6:USD    (3) Latest debottlenecking

# Norway – Southern Barents Sea

## Loppa High Exploration & Appraisal

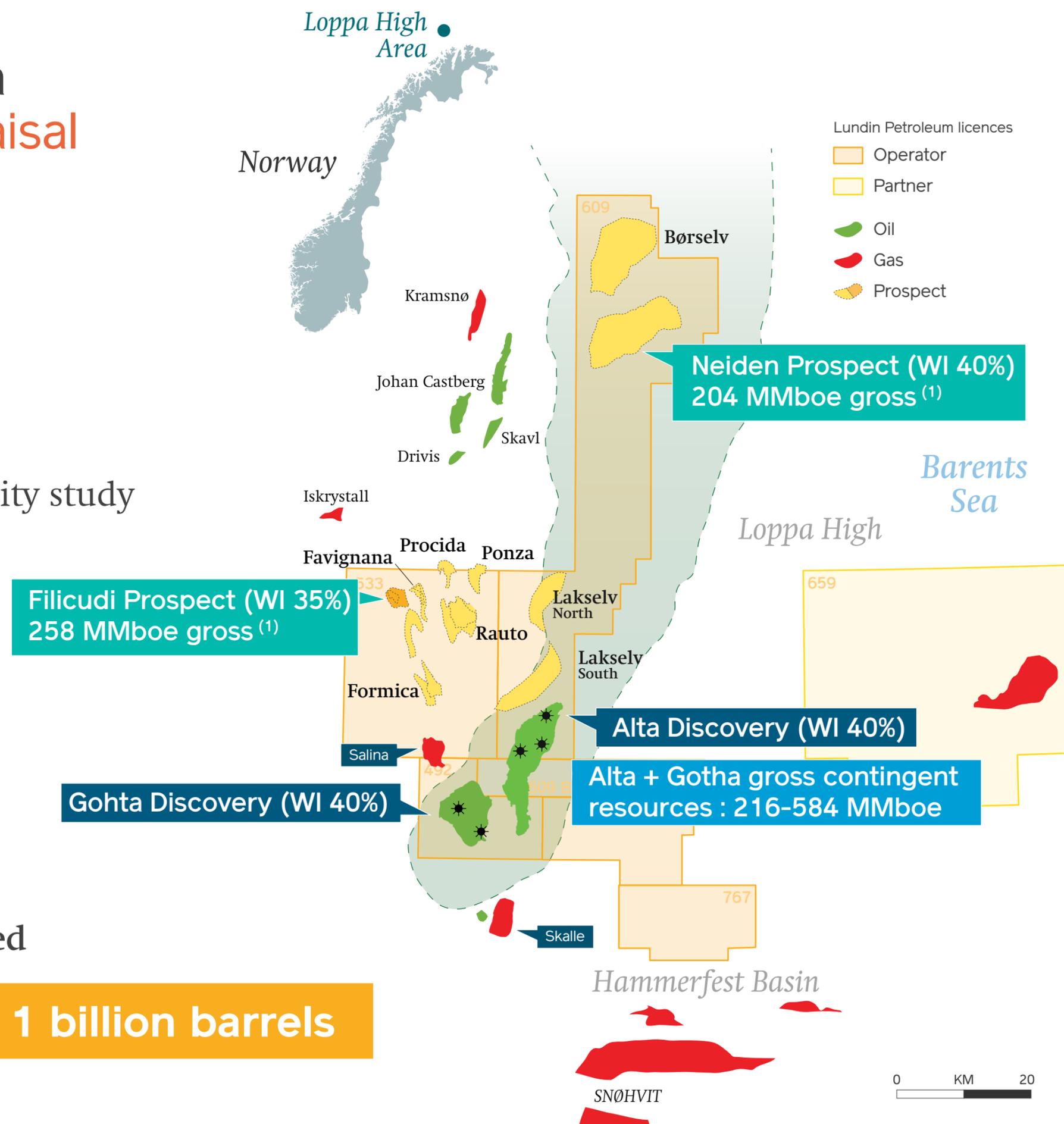
- ➔ 2016 programme
  - ➔ Alta-3 re-entry & test
  - ➔ Neiden exploration re-entry
  - ➔ Filicudi exploration well
  - ➔ Alta/Gohta area development feasibility study

- ➔ Signed rig contract with Ocean Rig
  - ➔ Leiv Eiriksson



- ➔ 23<sup>rd</sup> round licence application submitted

**Play fairway up to 1 billion barrels**



<sup>(1)</sup> Unrisked prospective resources

# 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).

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