

Financial Presentation - First Six Months 2011



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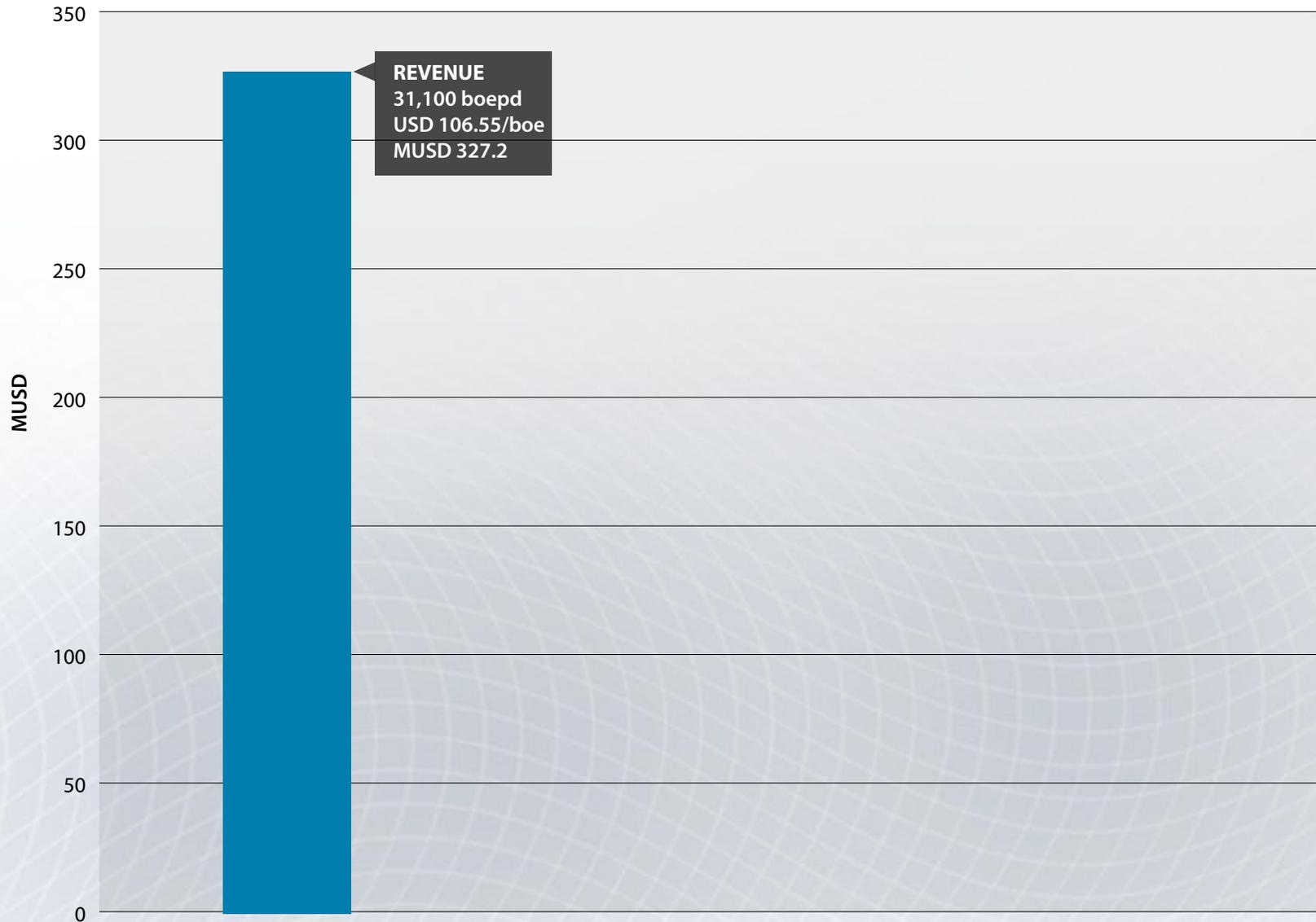
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First Six Months 2011 Highlights

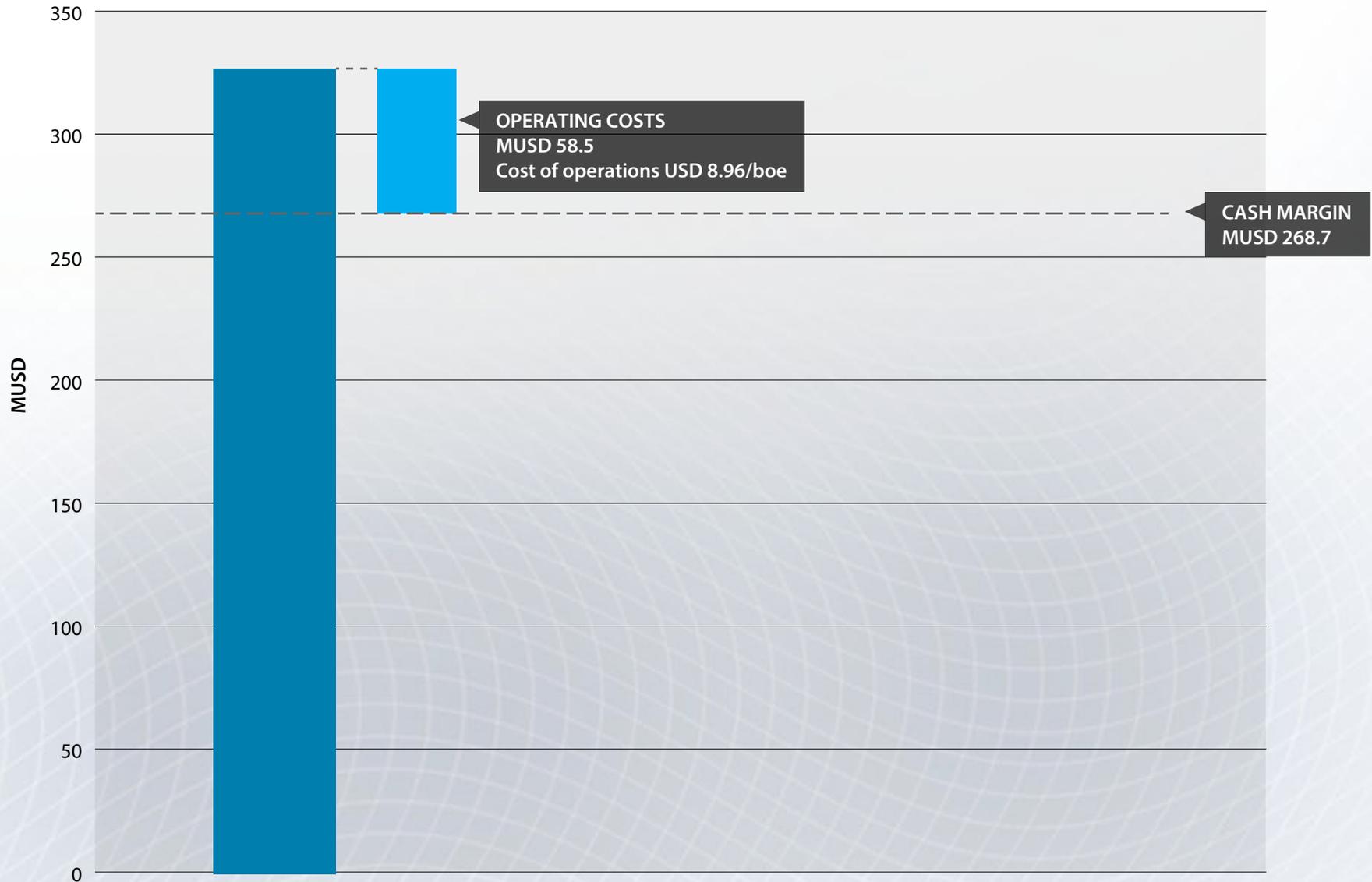


	Second Quarter 2011	Half Year 2011
Production (boepd)	31,100	32,300
Average Brent oil price (USD/boe)	117.05	111.09
Cost of operations (USD/boe)	8.96	8.31
Profit after tax (MUSD)	76.9	130.3
EBITDA (MUSD)	266.9	505.3
Operating cash flow (MUSD)	196.7	390.3

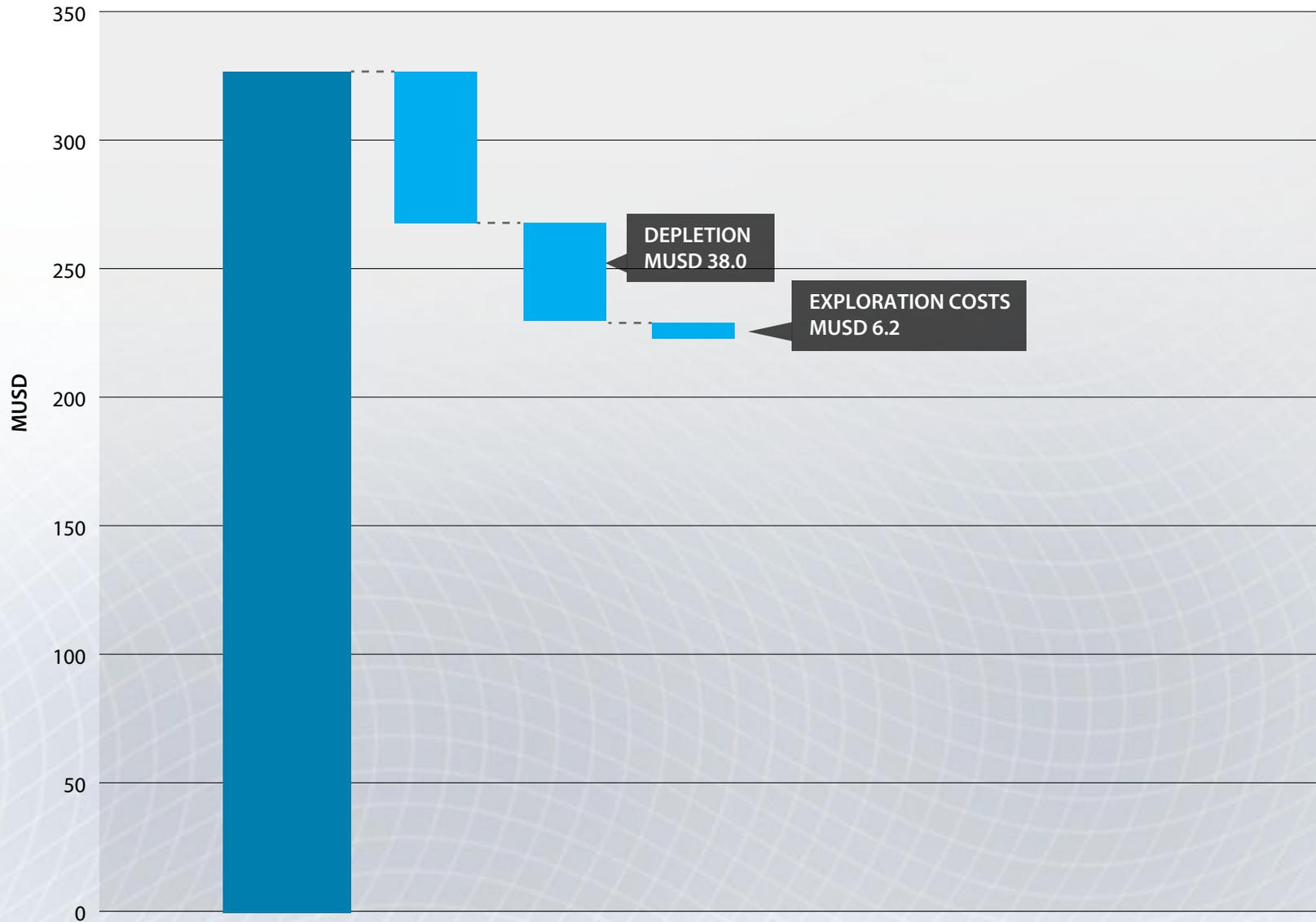
Financial Results - Second Quarter 2011



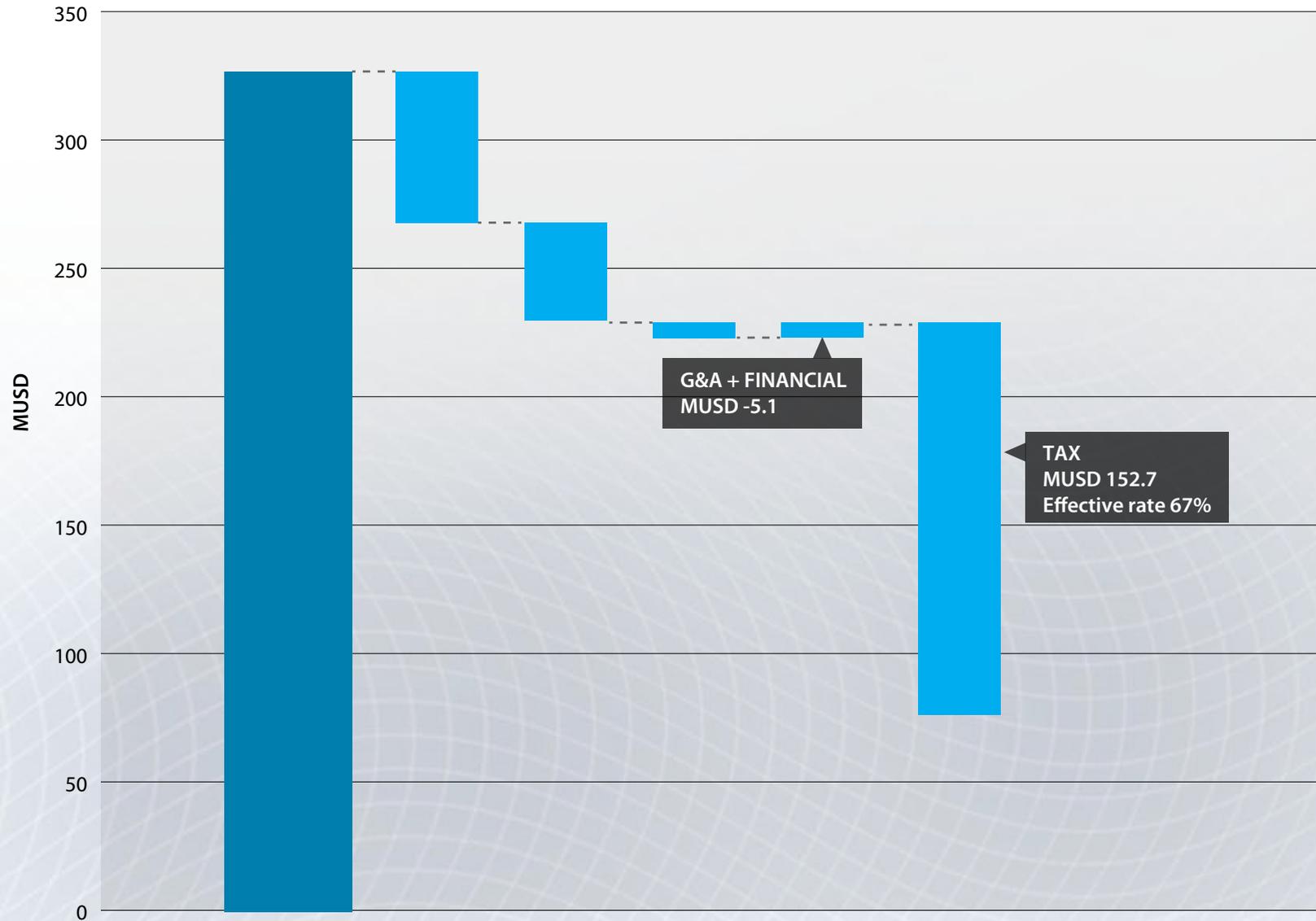
Financial Results - Second Quarter 2011



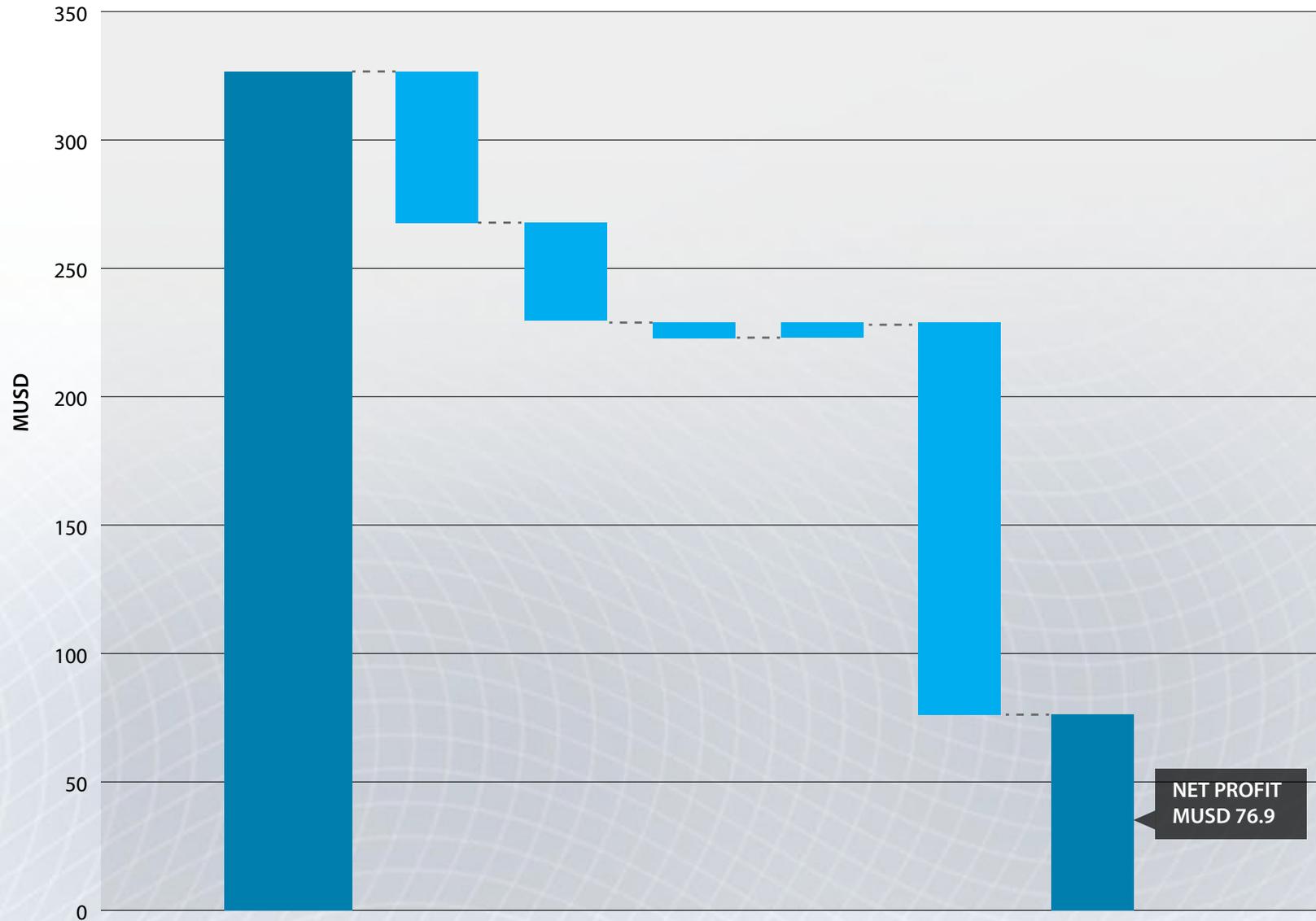
Financial Results - Second Quarter 2011



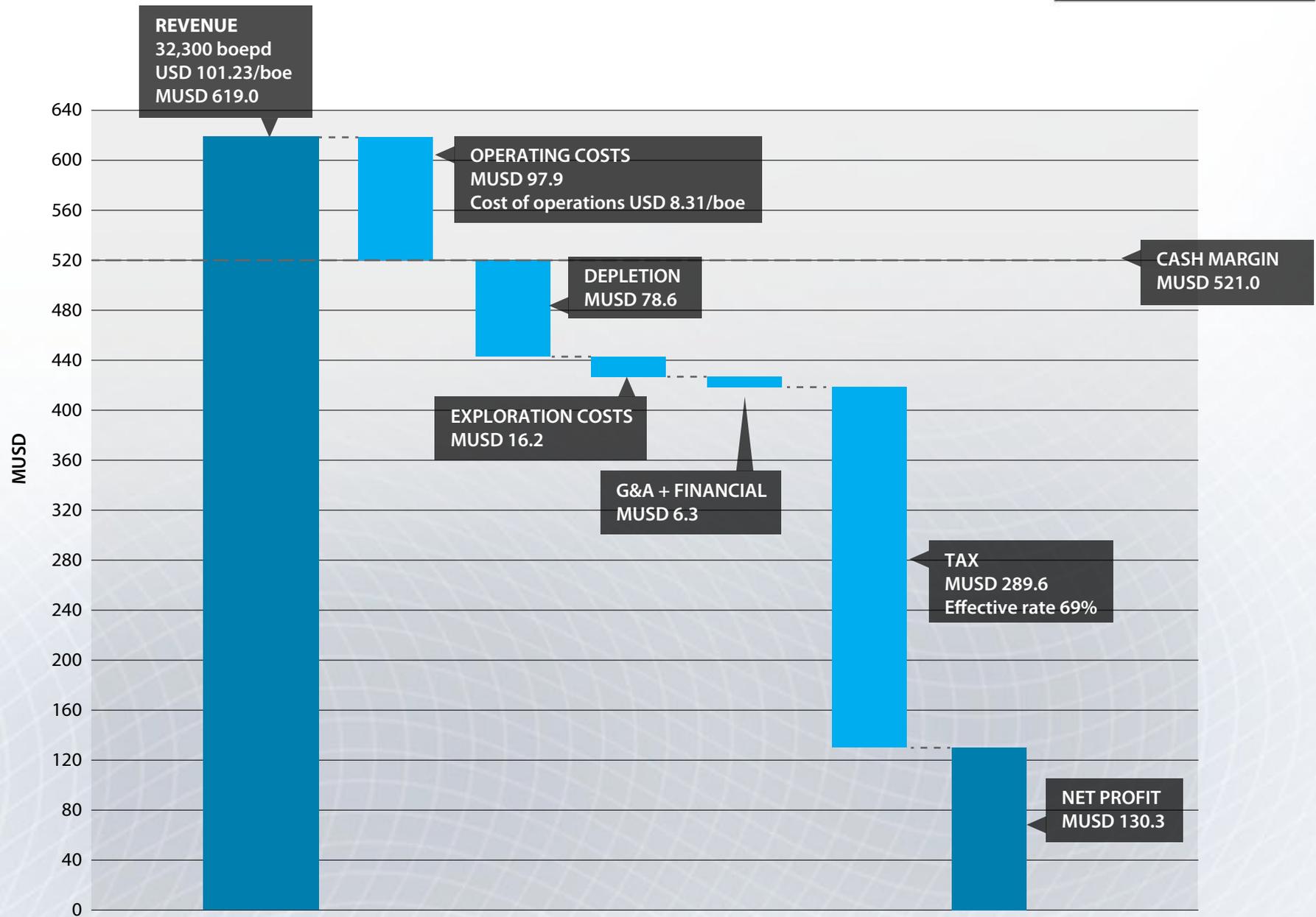
Financial Results - Second Quarter 2011



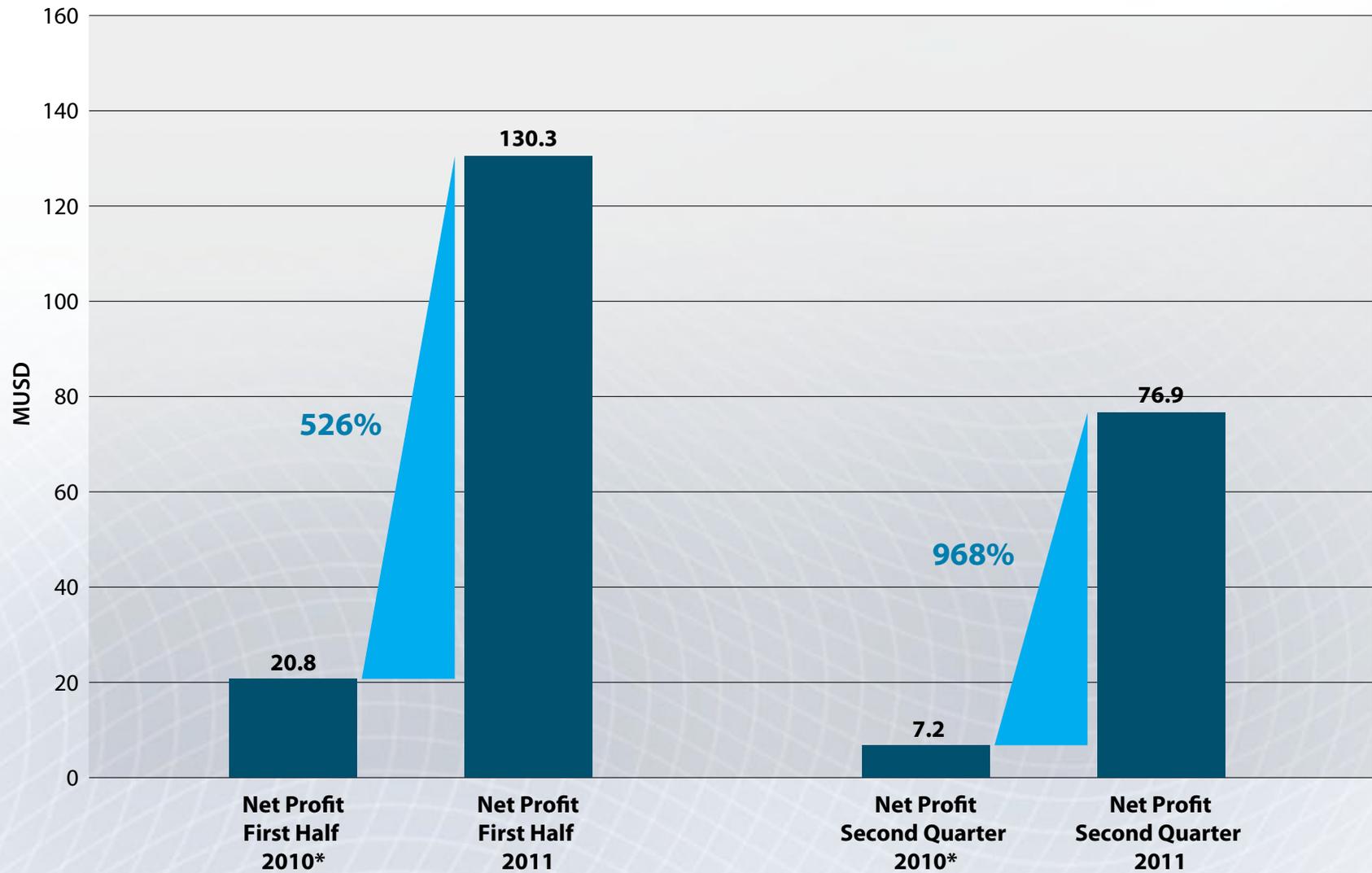
Financial Results - Second Quarter 2011



Financial Results - First Six Months 2011

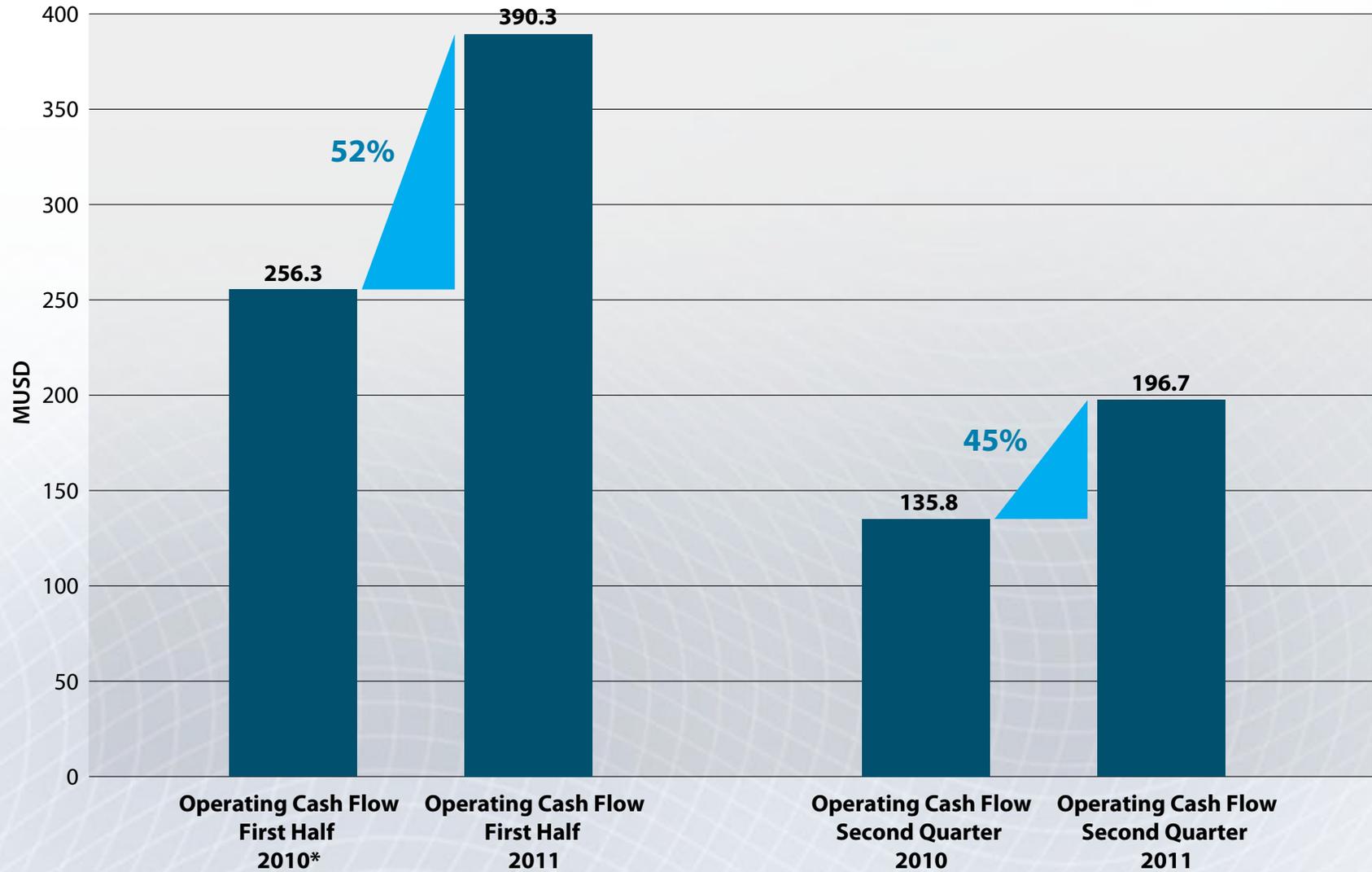


Financial Results - First Six Months 2011



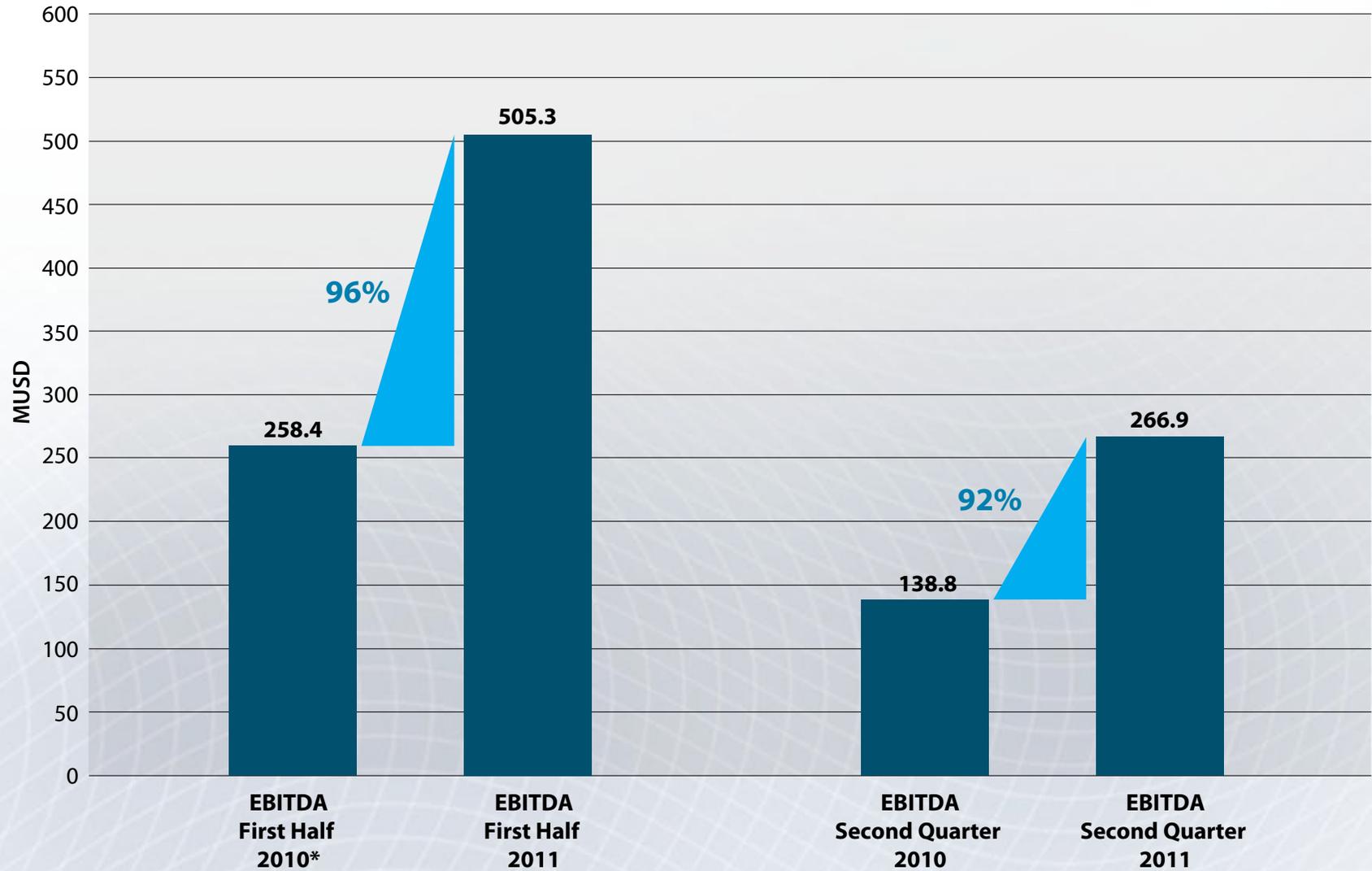
* Excludes discontinued operations

Financial Results - First Six Months 2011



* Excludes discontinued operations

Financial Results - First Six Months 2011



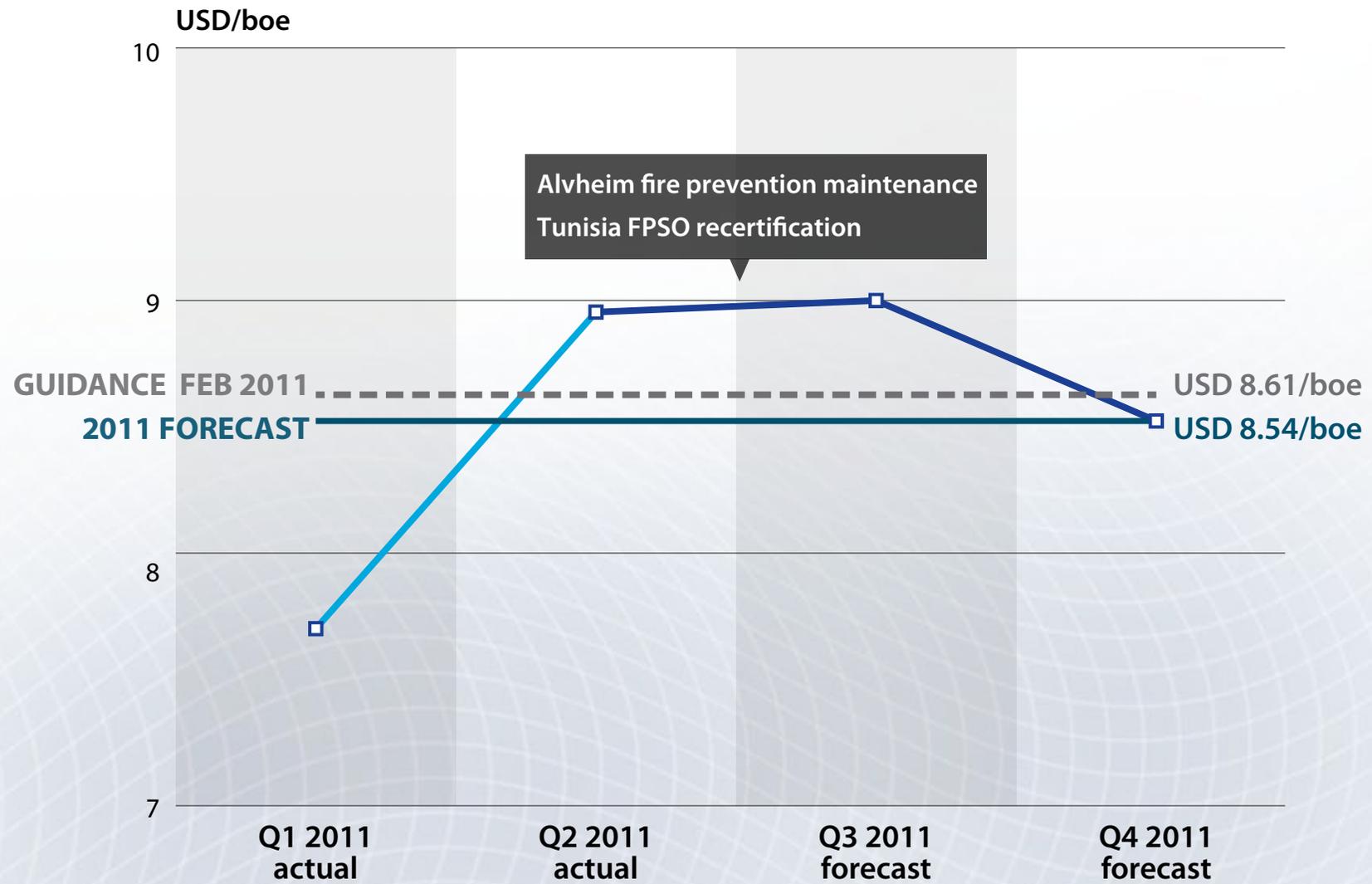
* Excludes discontinued operations

Netback - First Six Months 2011



	Second Quarter 2011	Half Year 2011
<i>Average Brent oil price USD/boe</i>	117.05	111.09
Revenue	115.51	105.88
Cost of operations	-8.96	-8.31
Tariffs	-2.28	-2.12
Royalty and direct taxes	-4.87	-4.35
Changes in inventory/overlift	-4.32	-1.77
Other	-0.20	-0.19
Cash Margin	94.88	89.14
Cash taxes	-25.43	-22.35
Operating Cash Flow	69.45	66.79
General and administration costs	-0.91	-2.93
EBITDA	93.97	86.21

Cost of Operations 2011



G & A / Financial Items - First Six Months 2011



General & Administration	Second Quarter 2011 MUSD	Half Year 2011 MUSD
General & administration expenses	(2.9)	(17.7)
LTIP – non-cash charge	(0.6)	5.7
	(3.5)	(12.0)
Net Financial Items		
Gain on sale of AOC loan conversion shares	14.3	30.0
Foreign exchange loss	(4.8)	(13.4)
Interest + other	(1.9)	(5.8)
	7.6	10.8

Tax - First Six Months 2011



	USD/boe	Effective tax rate
Current tax charge	22.35	31%
Deferred tax charge	27.18	38%
	49.53	69%

Liquidity [MUSD]



→ at 30 June 2011

Debt Outstanding	157
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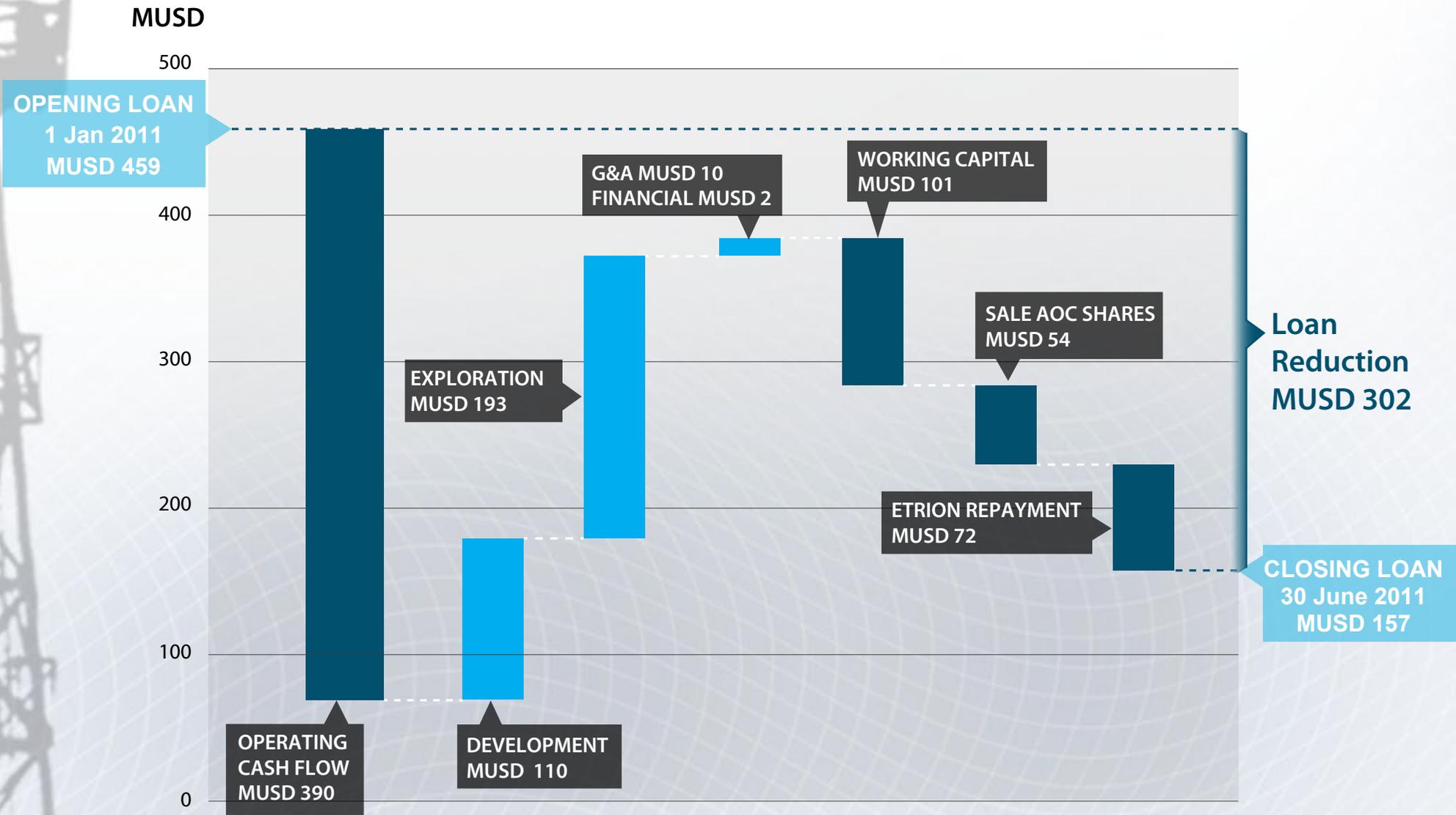
Cash Balances	38
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Net Debt Position	119
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Availability Under Credit Facility*	740
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* Loan facility MUSD 850 with reducing availability to 2014

Debt Position - First Six Months 2011



Capital Expenditure Forecast 2011



	Budget MUSD	Forecast MUSD
Development	240	300

- **Brynhild (formerly Nemo) development**

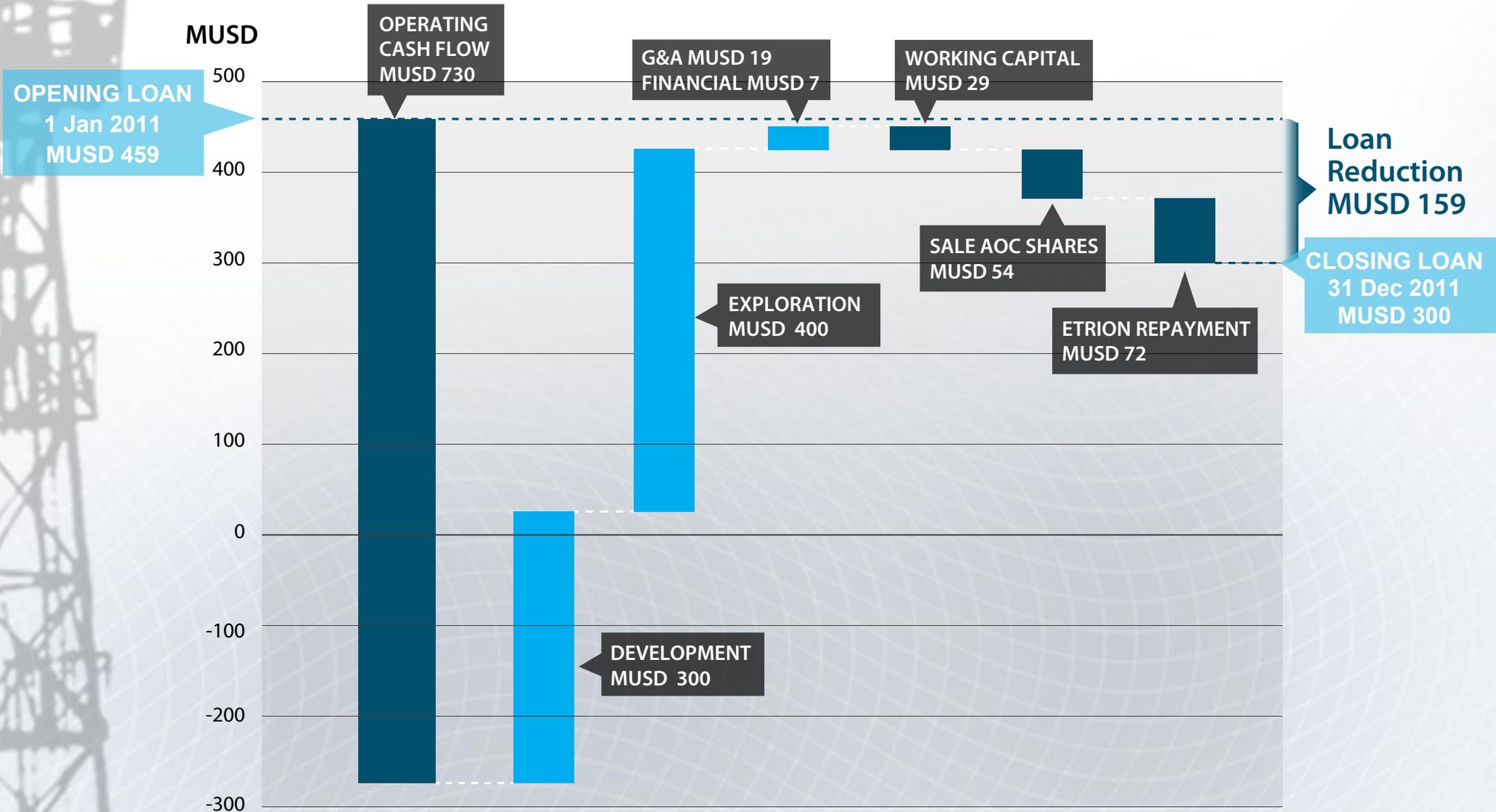
Exploration	300	400
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- **Successful exploration/appraisal drilling**
 - ➔ Tellus sidetrack and test
 - ➔ Avaldsnes sidetrack and test
 - ➔ Tarap test
 - ➔ Earb South test
- **New block awards**
 - ➔ PM307, Malaysia
 - ➔ Various Norway
 - ➔ Gurita/South Sokang, Indonesia

Debt Position - Forecast End 2011



Current oil prices



First Six Months 2011 - Highlights



➤ **Strong production and cashflow**

Increased 2011 production guidance to 31,000 - 34,000 boepd

First Six Months 2011 - Highlights



➔ **Strong production and cashflow**

Increased 2011 production guidance to 31,000 - 34,000 boepd

➔ **Development programme**

- ➔ Brynhild (formerly Nemo) PDO submitted in August 2011
- ➔ Gaupe development on schedule, first production Q4 2011
- ➔ Luno development, FEED ongoing, PDO submission 2011

First Six Months 2011 - Highlights



➔ Strong production and cashflow

Increased 2011 production guidance to 31,000 - 34,000 boepd

➔ Development programme

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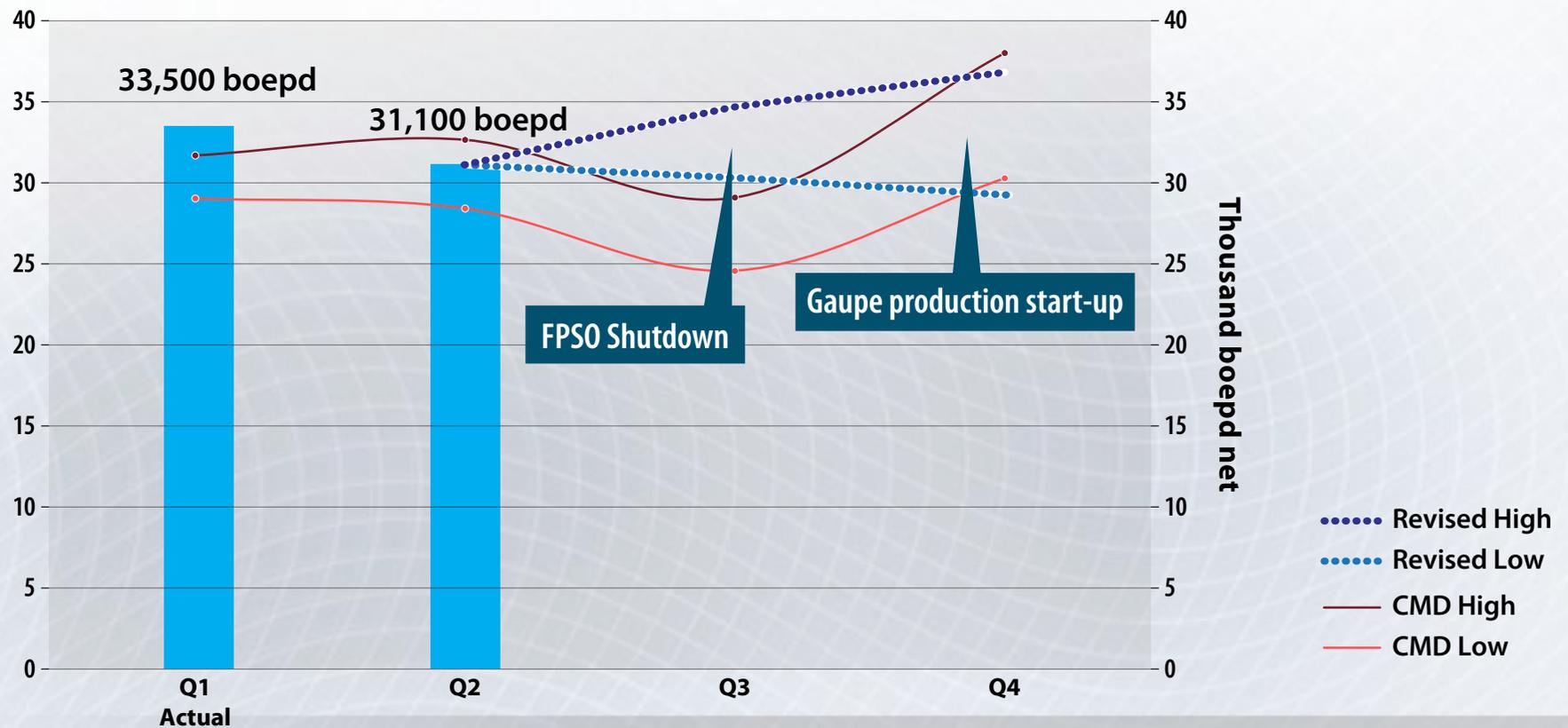
➔ Exploration focus to continue

- ➔ Two successful gas discoveries in the Barents Sea and Malaysia
 - Skalle
 - Tarap
- ➔ Five discoveries from five exploration wells in 2011
- ➔ First appraisal well and sidetrack on Avaldsnes. Positive results confirmed extension of Avaldsnes field to the south east
- ➔ Second Avaldsnes appraisal in PL501 and Aldous Major South appraisal well in PL265 ongoing
- ➔ Earb South oil and gas discovery
- ➔ Cempulut exploration well in Malaysia ongoing

Strong Production in First Half 2011



- Strong 1H production 32,300 boepd
- Outperformance of Volund and Alvheim
 - Alvheim ~11,300 boepd
 - Volund ~11,000 boepd
- 2011 production guidance increased to 31,000 - 34,000 boepd

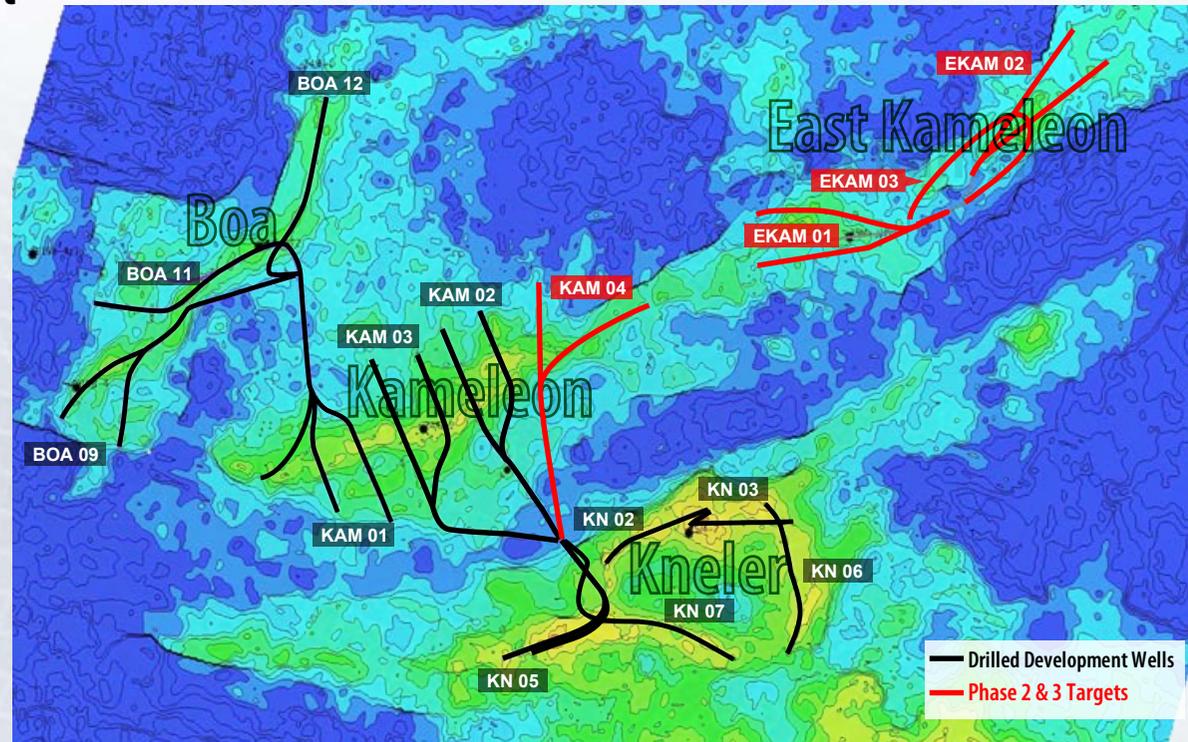
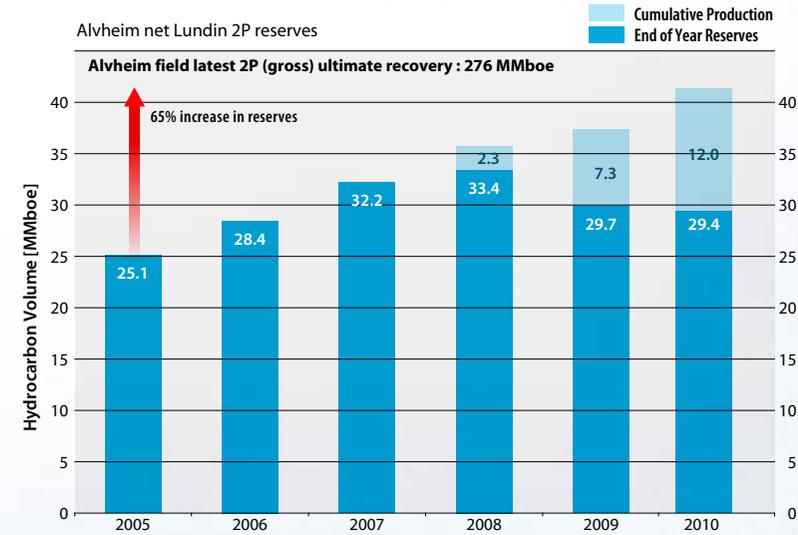


Norway - Solid Production Underpins Growth



Alvheim Field

- **Lundin Petroleum 15%**
 - ➔ Marathon 65%, ConocoPhillips 20%
- **Gross 2P reserves: 196 MMboe**
- **1H 2011 Production at 11,300 boepd net**
- **Alvheim cost of operations ~USD 5/boe for 2011**
- **Drilling**
 - ➔ Two wells to be completed in 2011
 - ➔ One additional well to be completed in 2012
- **Phase 3 drilling likely in 2012/2013**

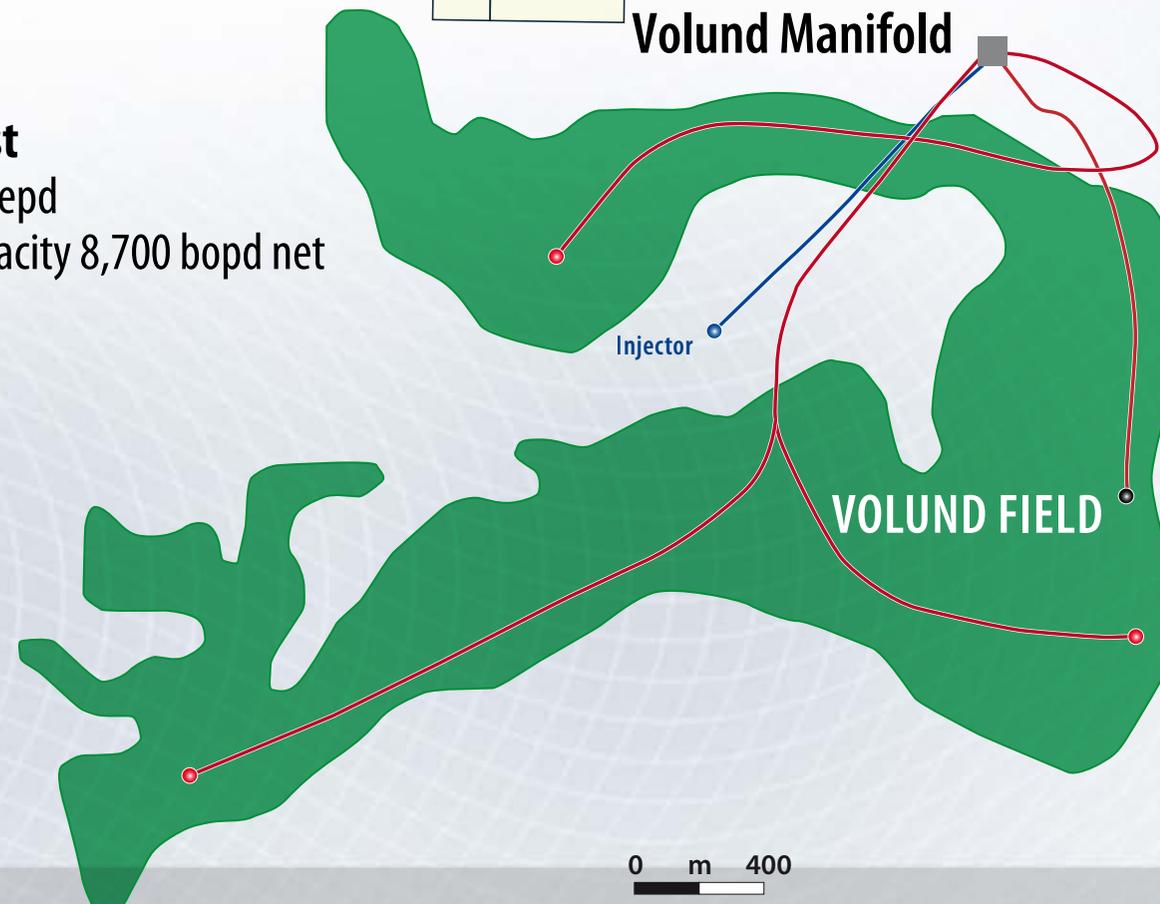
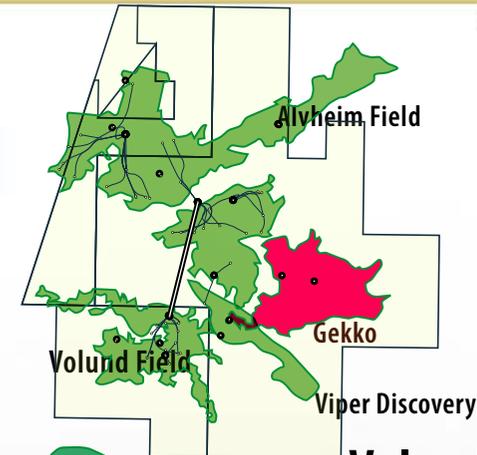


Norway - Solid Production Underpins Growth

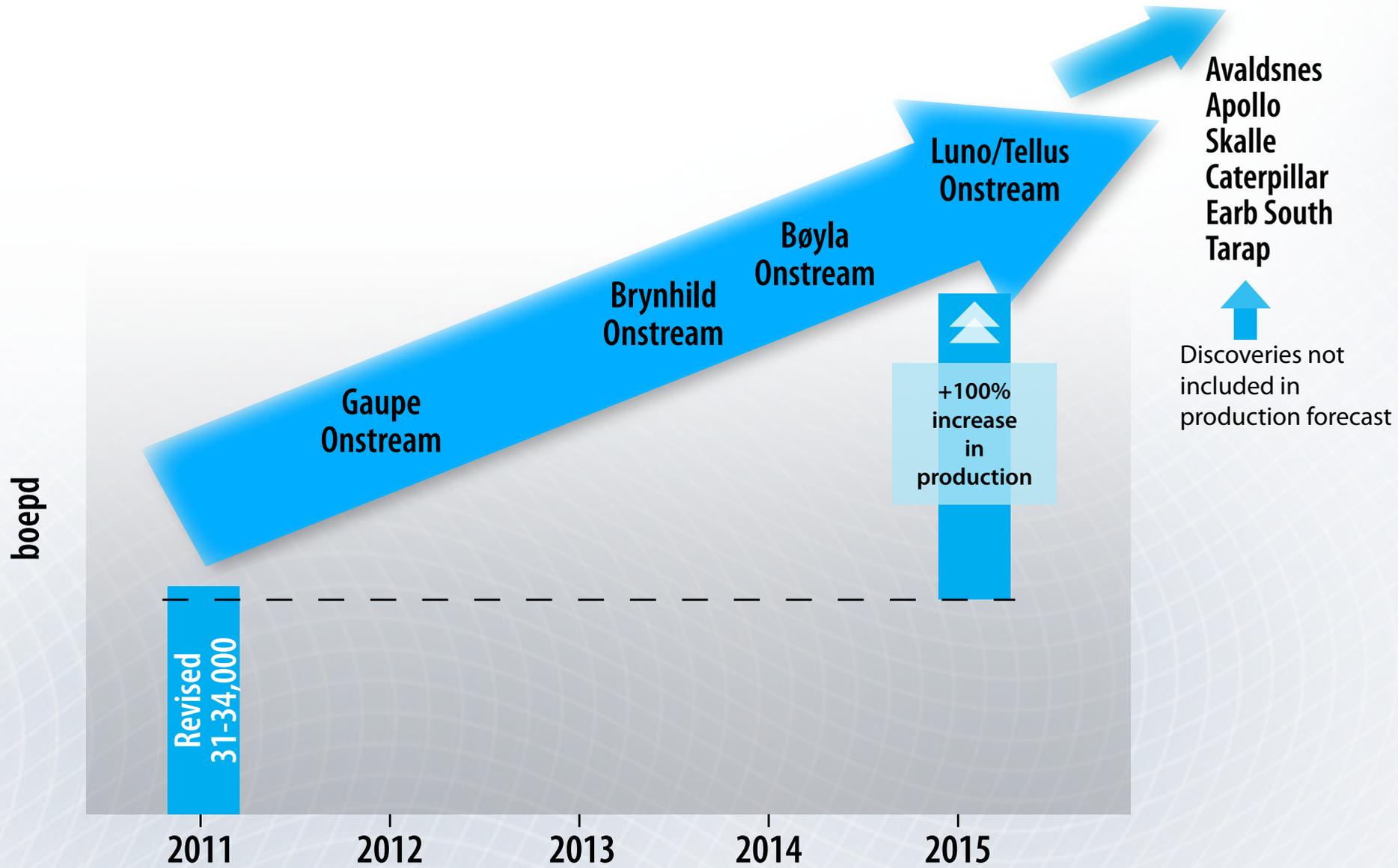


Volund Field

- **Lundin Petroleum 35%**
 - ➔ Marathon 65% (operator)
- **Gross 2P reserves: 38 MMboe**
- **Strong production ahead of forecast**
 - ➔ 1H 2011 net production of 11,000 boepd
 - ➔ Minimum contracted production capacity 8,700 bopd net
- **Operating cost**
 - ➔ Cost of operations 3.3 USD/boe
 - ➔ Tariff to Alvheim 4.5 USD/boe
- **Development drilling**
 - ➔ Likely additional development well in 2012



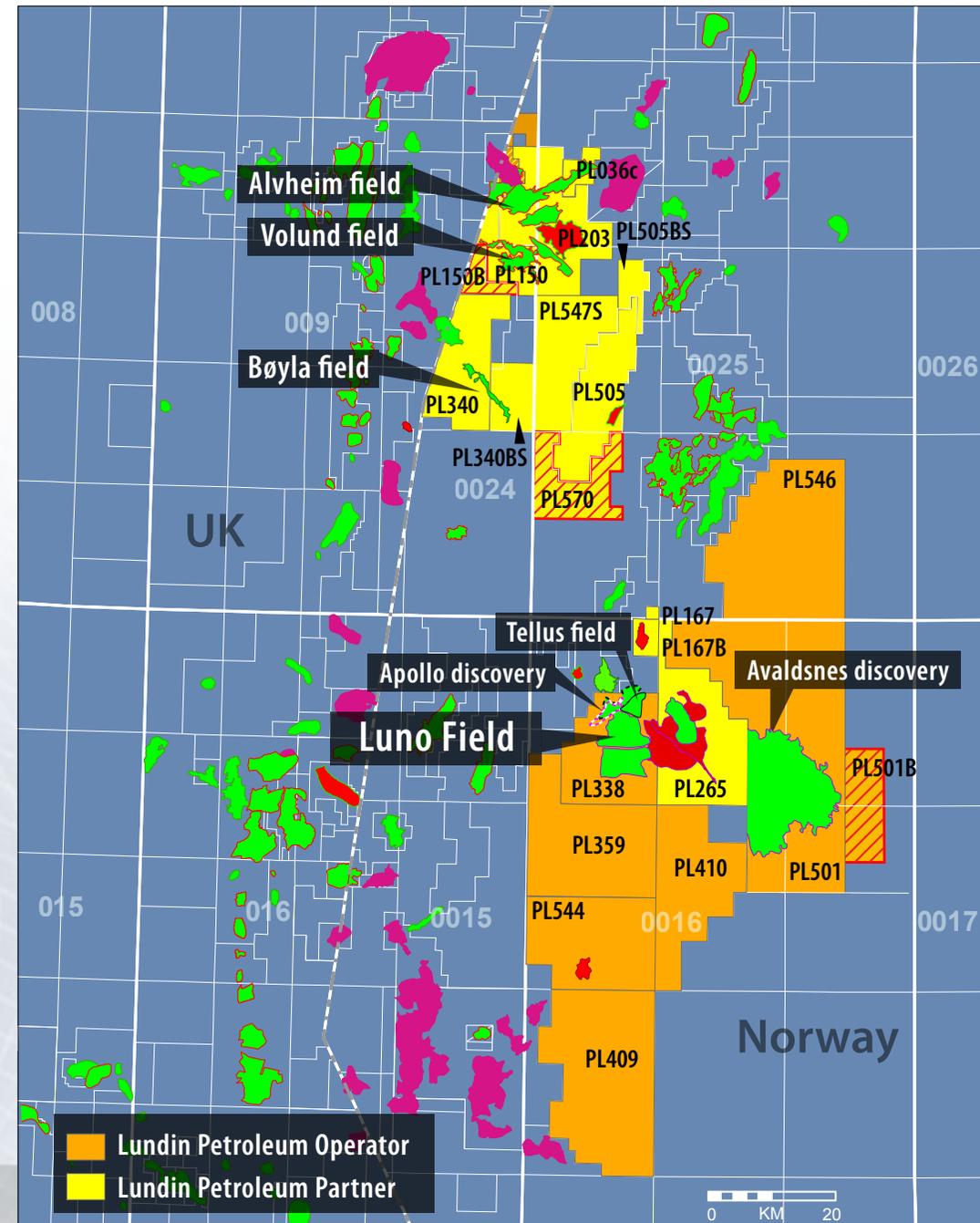
Increase of Production



Greater Luno Area - Luno Development

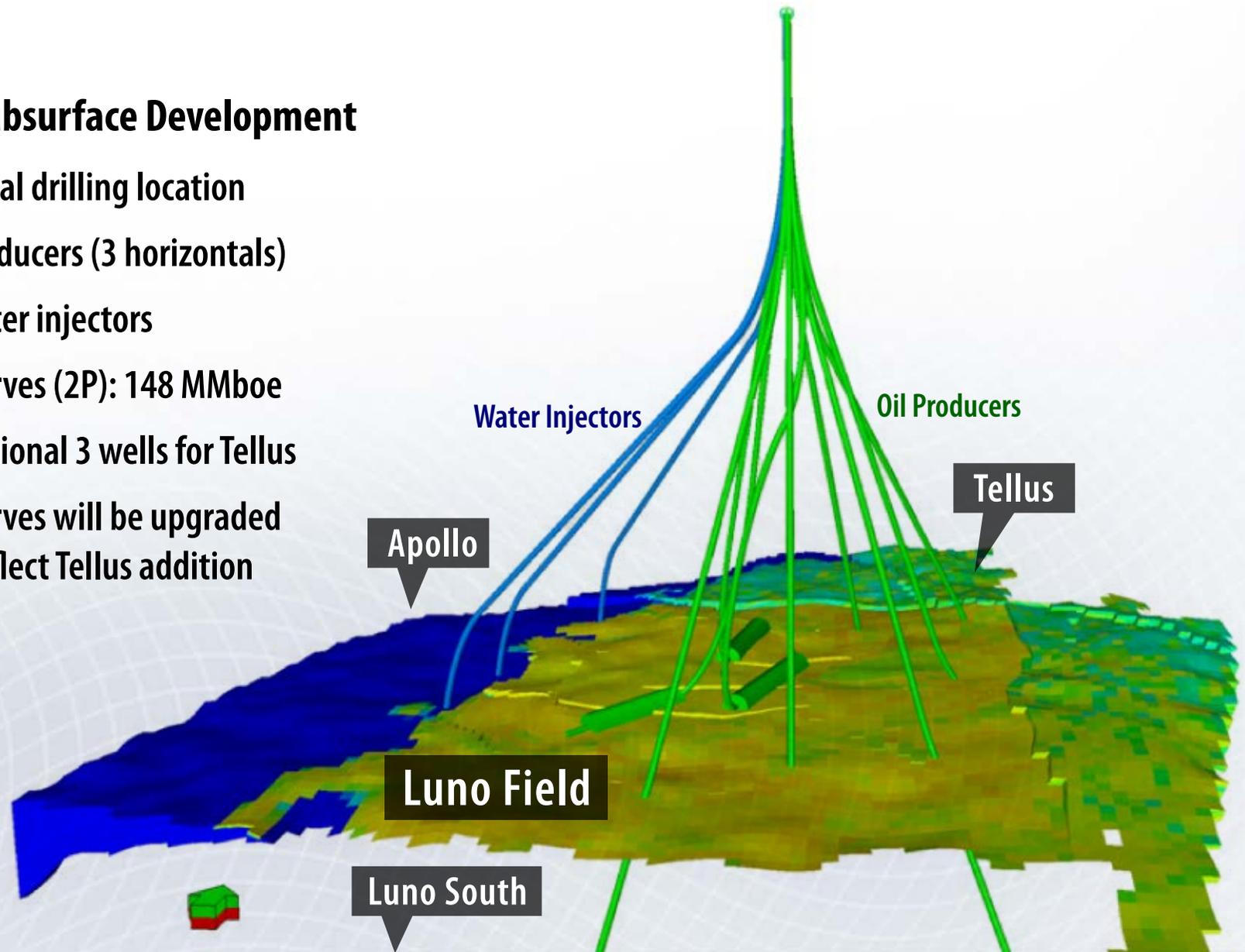


- ➔ **Lundin Petroleum interest: 50% (operator)**
 - ➔ Wintershall 30%, RWE 20%
- ➔ **Subsurface work completed**
 - ➔ Certified 2P reserves of 148 MMboe gross
 - ➔ Plateau production forecast >60,000 boepd gross
- ➔ **Development concept selected**
 - ➔ FEED ongoing
 - ➔ PDO submission in 2011
 - ➔ First oil 2015
- ➔ **Tellus to be developed with Luno**
 - ➔ Contingent resources 11–55 MMboe



Luno Subsurface Development

- ➔ Central drilling location
- ➔ 9 producers (3 horizontals)
- ➔ 3 water injectors
- ➔ Reserves (2P): 148 MMboe
- ➔ Additional 3 wells for Tellus
- ➔ Reserves will be upgraded to reflect Tellus addition

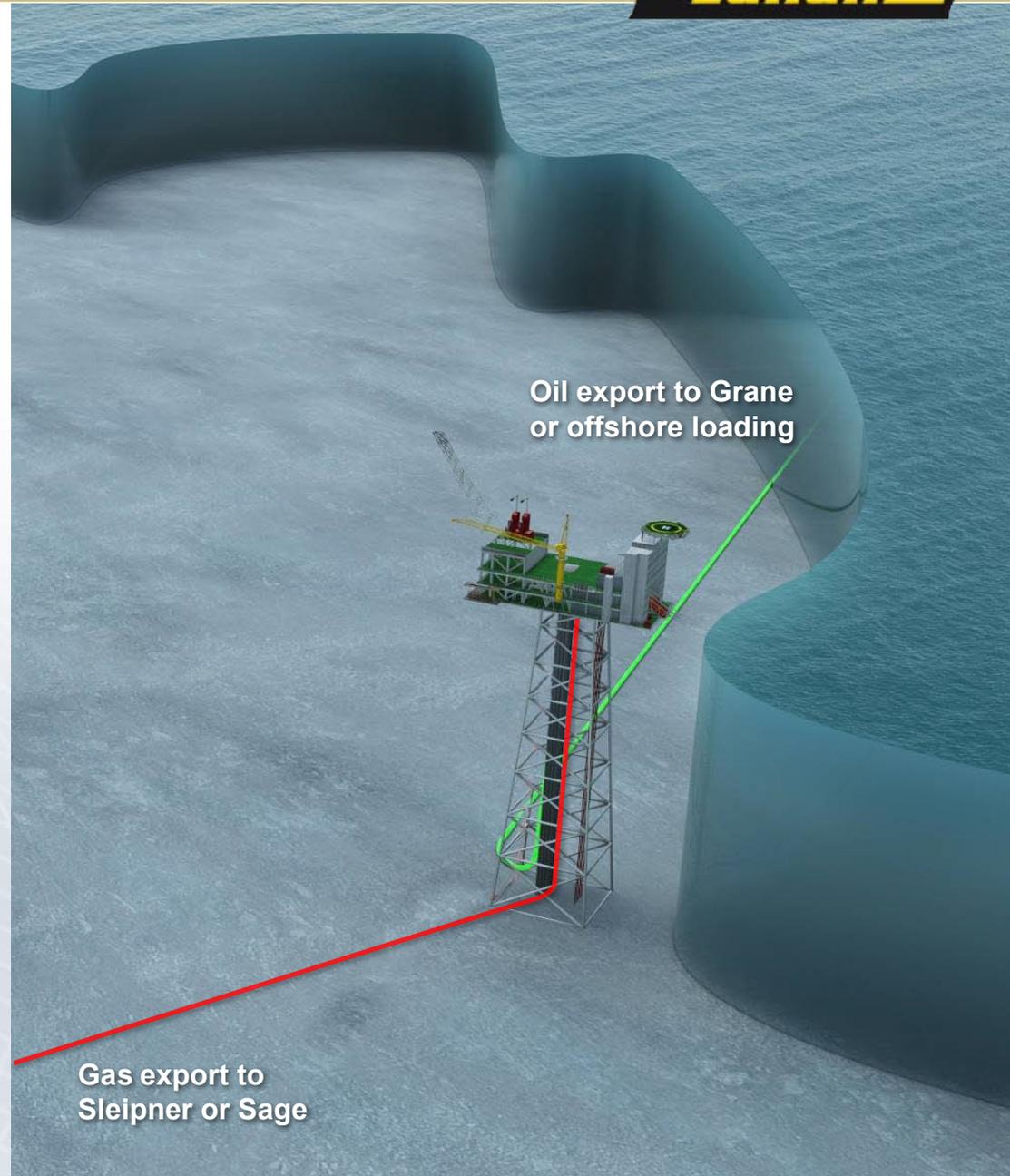


Greater Luno Area - Luno Development



Luno development concept selected

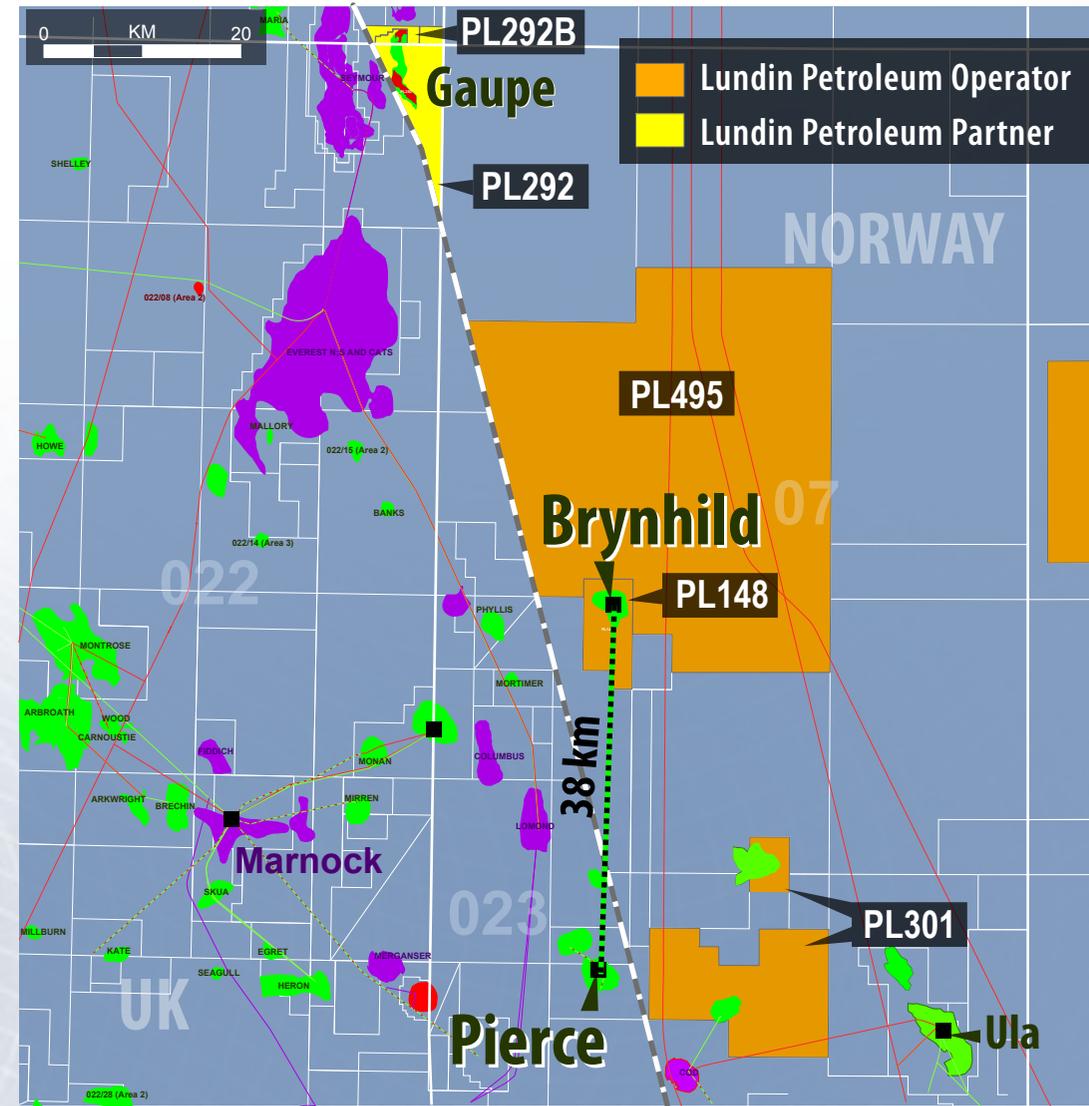
- ➔ Dry wellheads
- ➔ Flexibility regarding oil/gas export
- ➔ FEED studies to be completed in Q3 2011



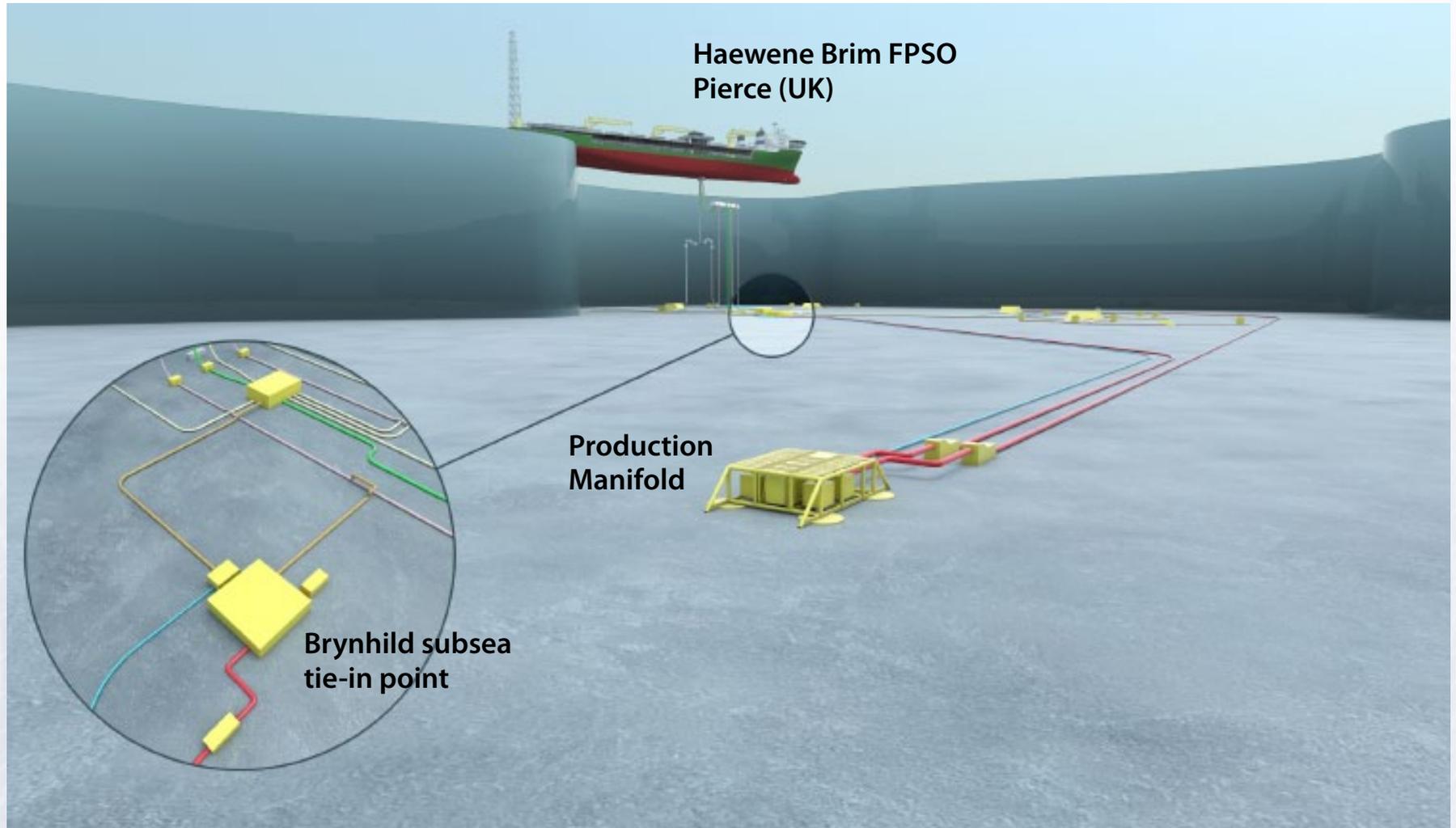
Brynhild Development Plan Submitted (formerly Nemo)



- **Lundin Petroleum interest: 50% (operator)**
 - ➔ Talisman 30%, Noreco 20%
- **PDO submitted in August 2011**
- **Tie-back to Haewene Brim FPSO located at Shell Pierce field in the UK**
- **Gross reserves 22 MMbo**
- **Plateau production: 6,000 boepd net**
- **First oil end 2013**



Subsea tie-back to Pierce FPSO



First five exploration wells all successful finding net contingent resources of between 17 - 110 MMboe

- **Norway**
 - ➔ Caterpillar
 - ➔ Tellus
 - ➔ Skalle
 - ➔ Earb South
- **Malaysia**
 - ➔ Tarap

Remaining 2011 drilling is targetting net prospective resources of 201 MMboe

- **2011 exploration and appraisal drilling - 14 wells**
 - ➔ 4 wells in Norway
 - ➔ 4 wells in Malaysia
 - ➔ 4 wells in Netherlands
 - ➔ 2 wells in Congo (Brazzaville)

Greater Luno Area - Apollo & Tellus Discoveries



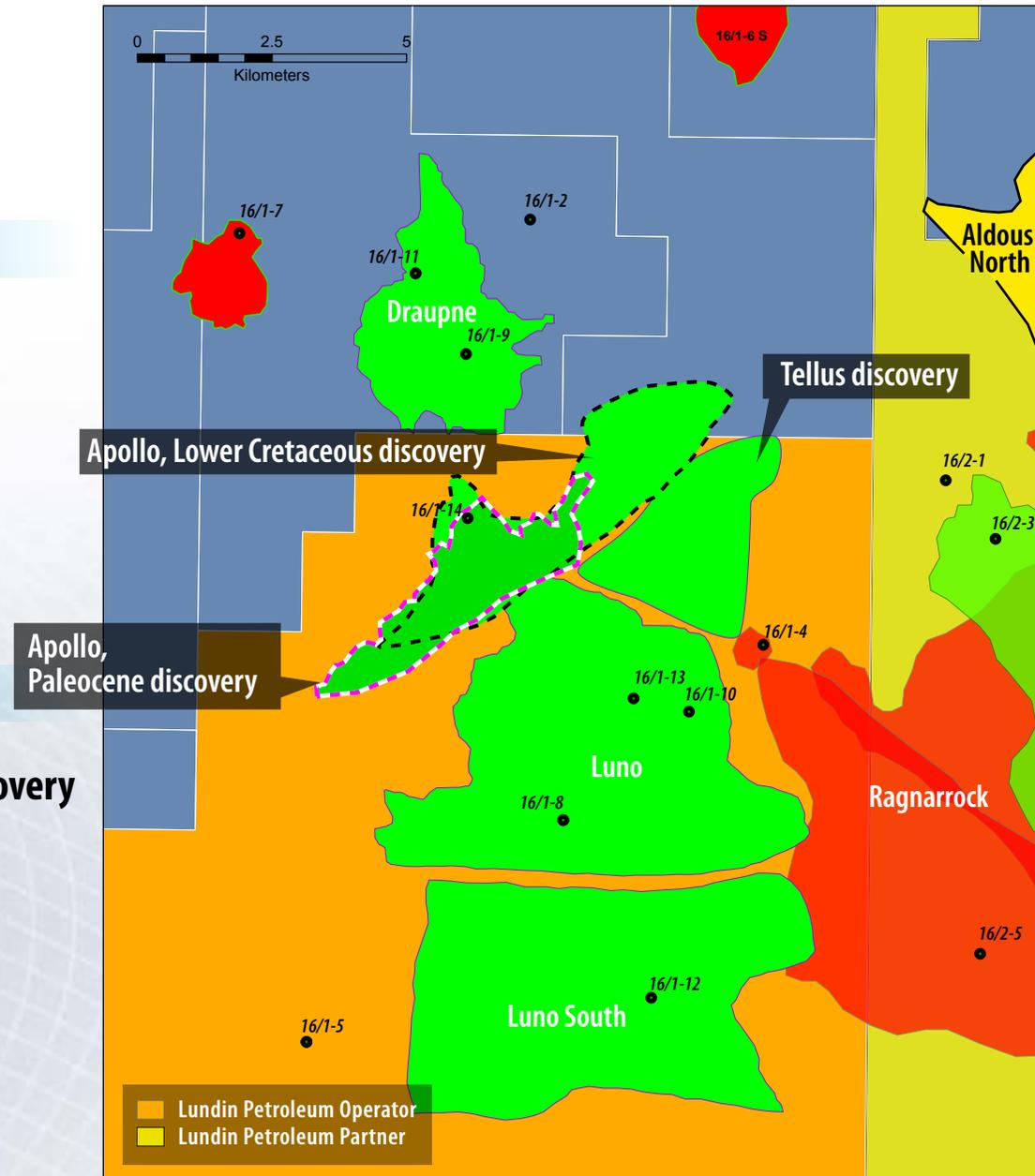
- **PL 338 - Lundin Petroleum 50% operator**
Wintershall 30%, RWE 20%

Apollo Discovery (PL338)

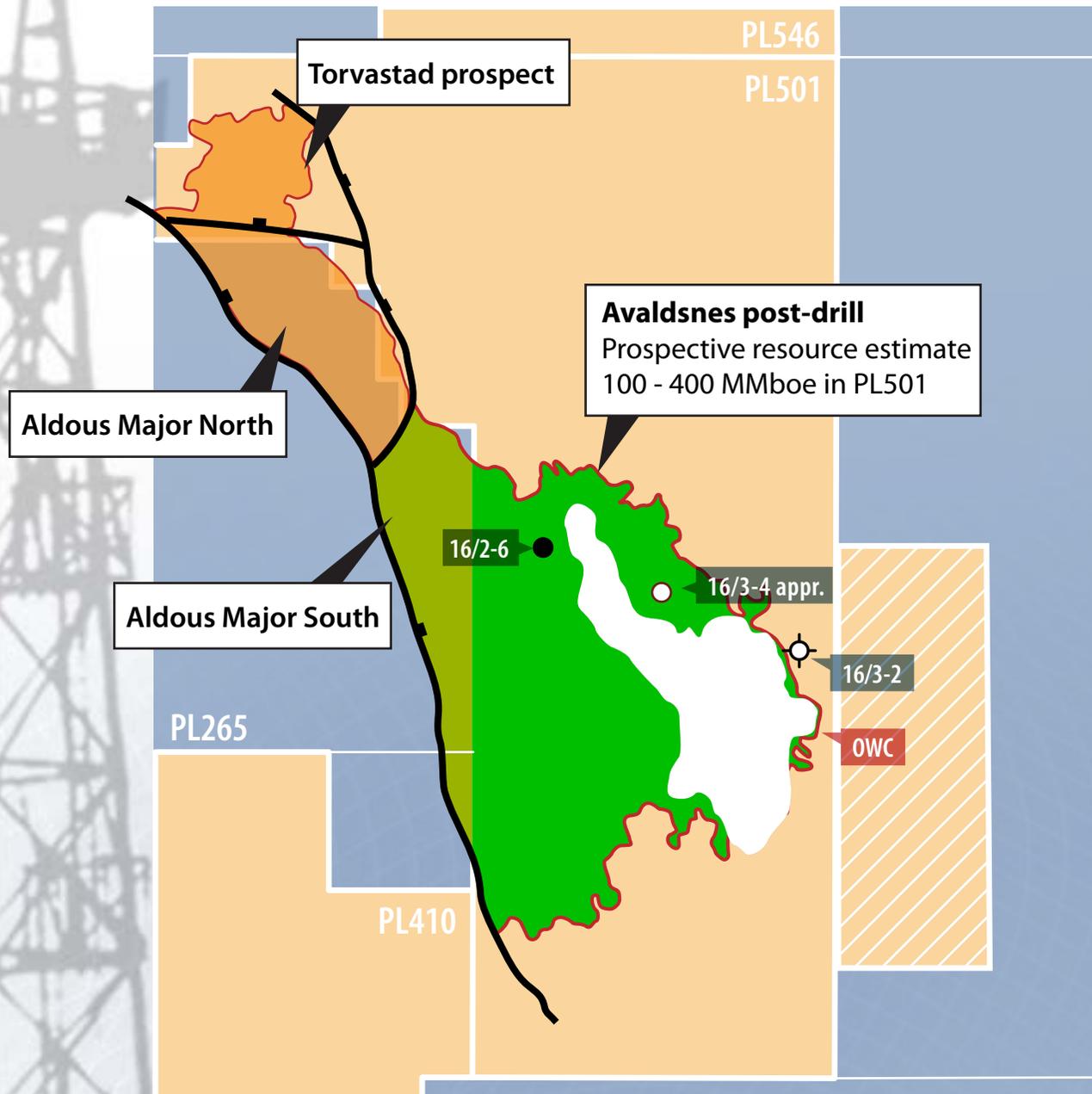
- **Lower Cretaceous/upper Jurassic discovery**
Paleocene Discovery
- **Gross contingent resources range**
15-65 MMboe gross (PL338)
→2012 appraisal programme

Tellus Discovery (PL338)

- **Lower Cretaceous / fractured basement discovery**
- **Gross contingent resources 11 - 55 MMboe**
→ 90% oil
- **The Tellus discovery will be part of the Luno development**



Avaldsnes - Appraisal Well and Sidetrack



- Tested 5,500 boepd through restricted choke size
- Net pay of ~13 metres
- Average porosity 30%
- Average permeability 4,000 mD

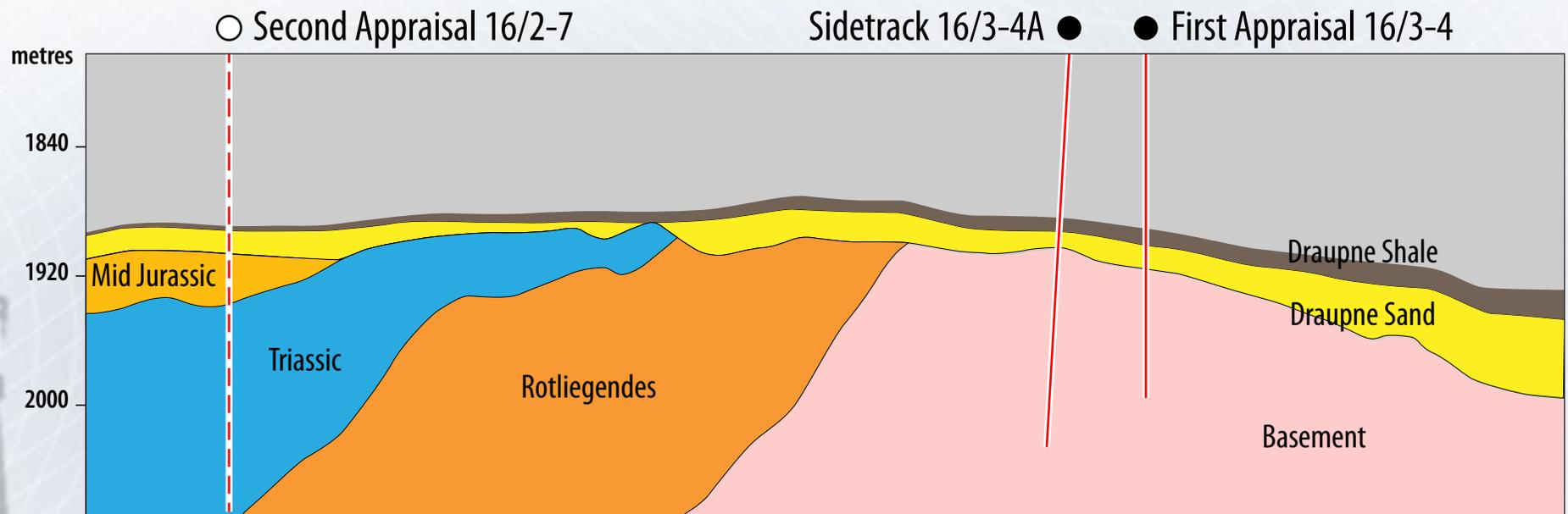
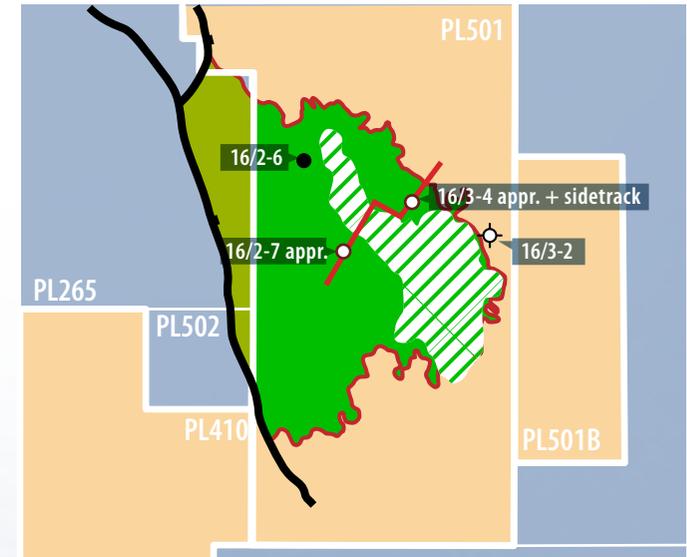
Upper Jurassic sand, oil saturated,
world class properties



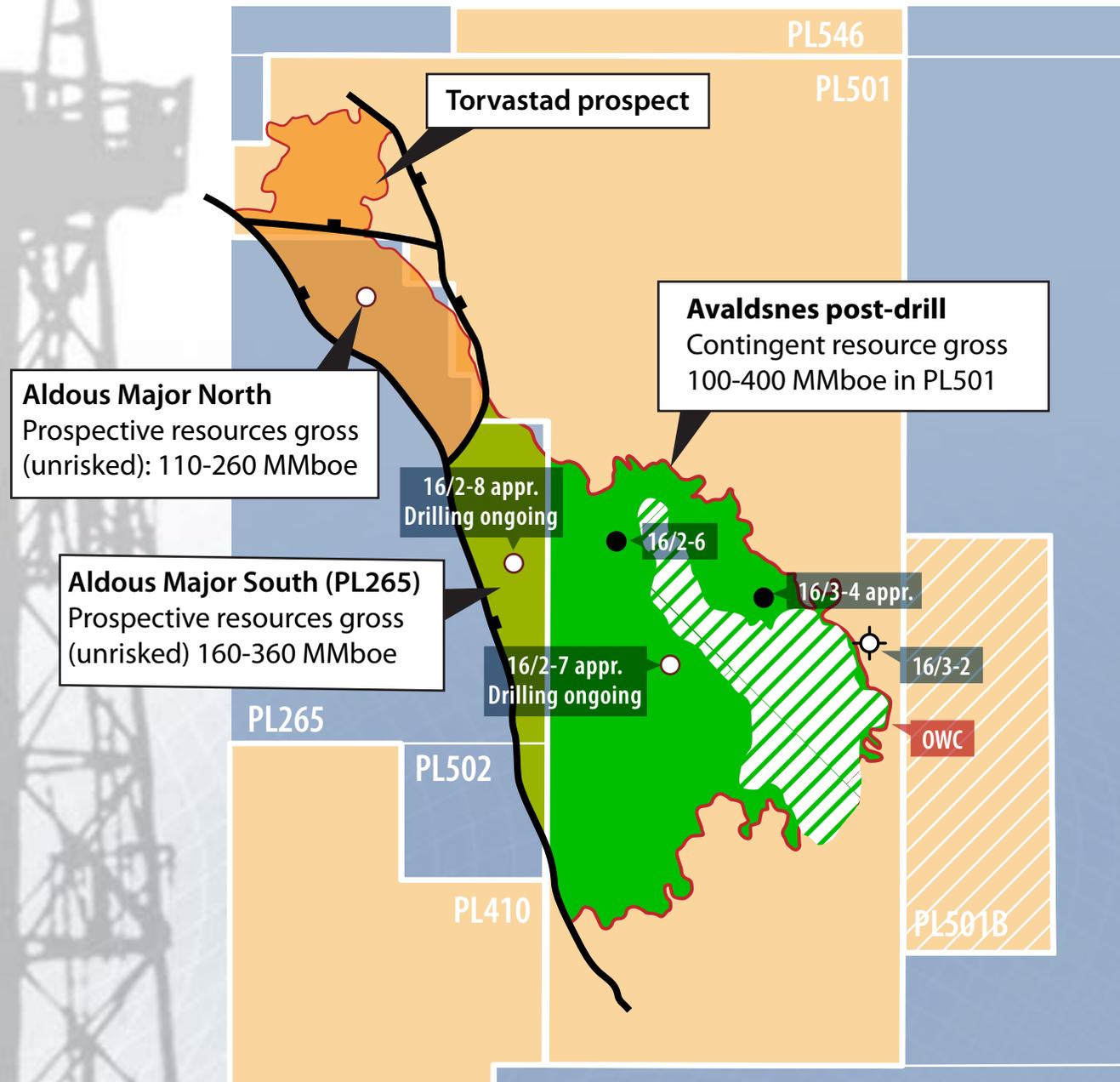
Avaldsnes - Appraisal Well and Sidetrack



- Draupne sand varies in thickness over the structure
- Higher level of confidence of reservoir continuity over the area previously assumed to be non-hydrocarbon bearing



Greater Luno Area - Avaldsnes - Appraisal Programme



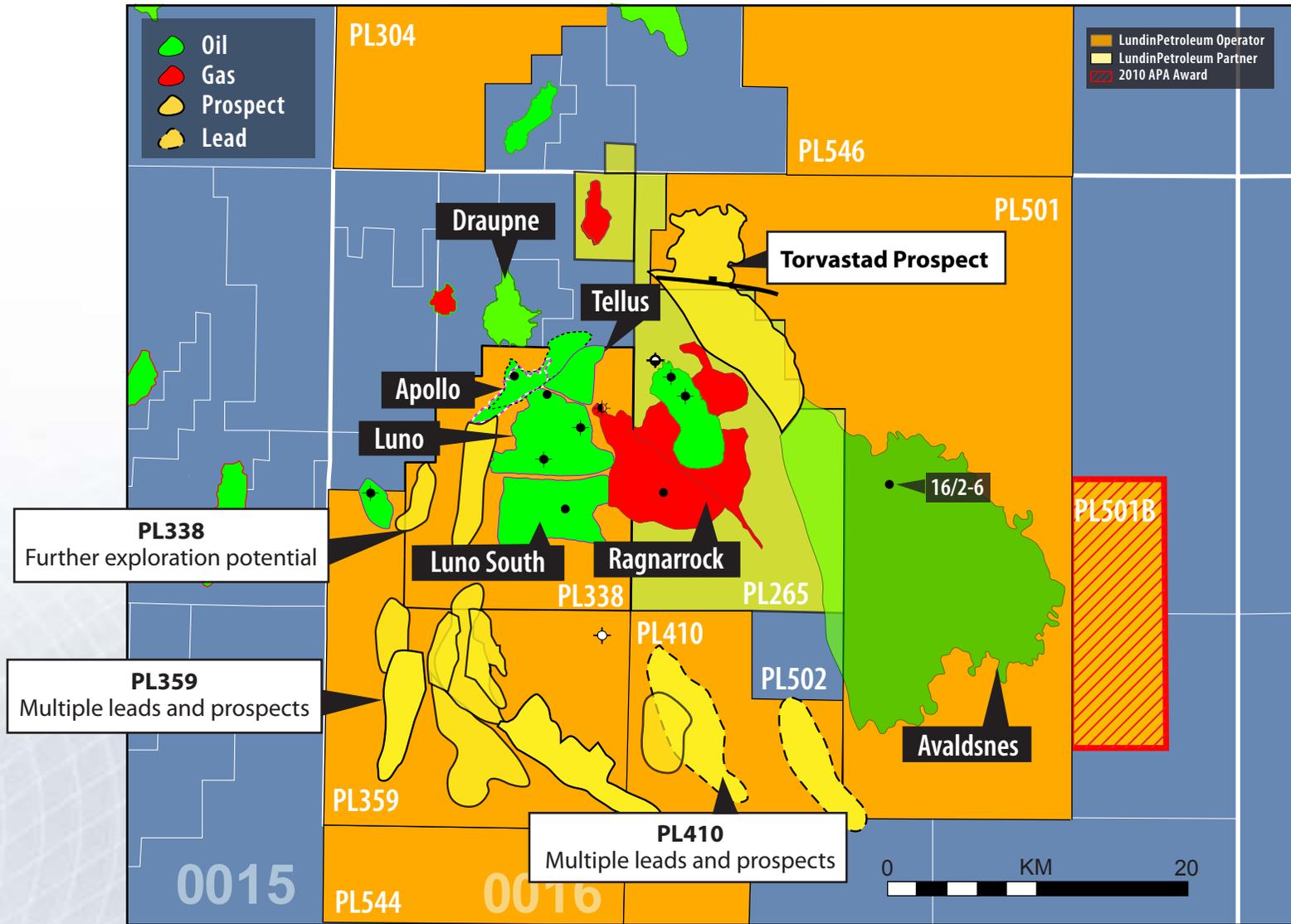
PL501 (40% operator)

- ➔ 1st appraisal (16/3-4) successful
- ➔ 2nd appraisal (16/2-7) ongoing
- ➔ Additional prospectivity in Torvastad prospect in PL501
- ➔ Likely to be further appraisal drilling in 2012

PL265 (10%)

- ➔ Aldous Major South well ongoing
- ➔ Aldous Major North to be drilled after Aldous Major South

Greater Luno Area - Additional Exploration Potential



Likely 5 well+ exploration and appraisal programme in Greater Luno Area in 2012

Barents Sea



Numerous multi-stacked prospects matured in the portfolio

➤ PL438

- ➔ Lundin Petroleum 25% (operator)
- ➔ Skalle gas discovery, 88–280 bcf
- ➔ Further upside potential

➤ PL533

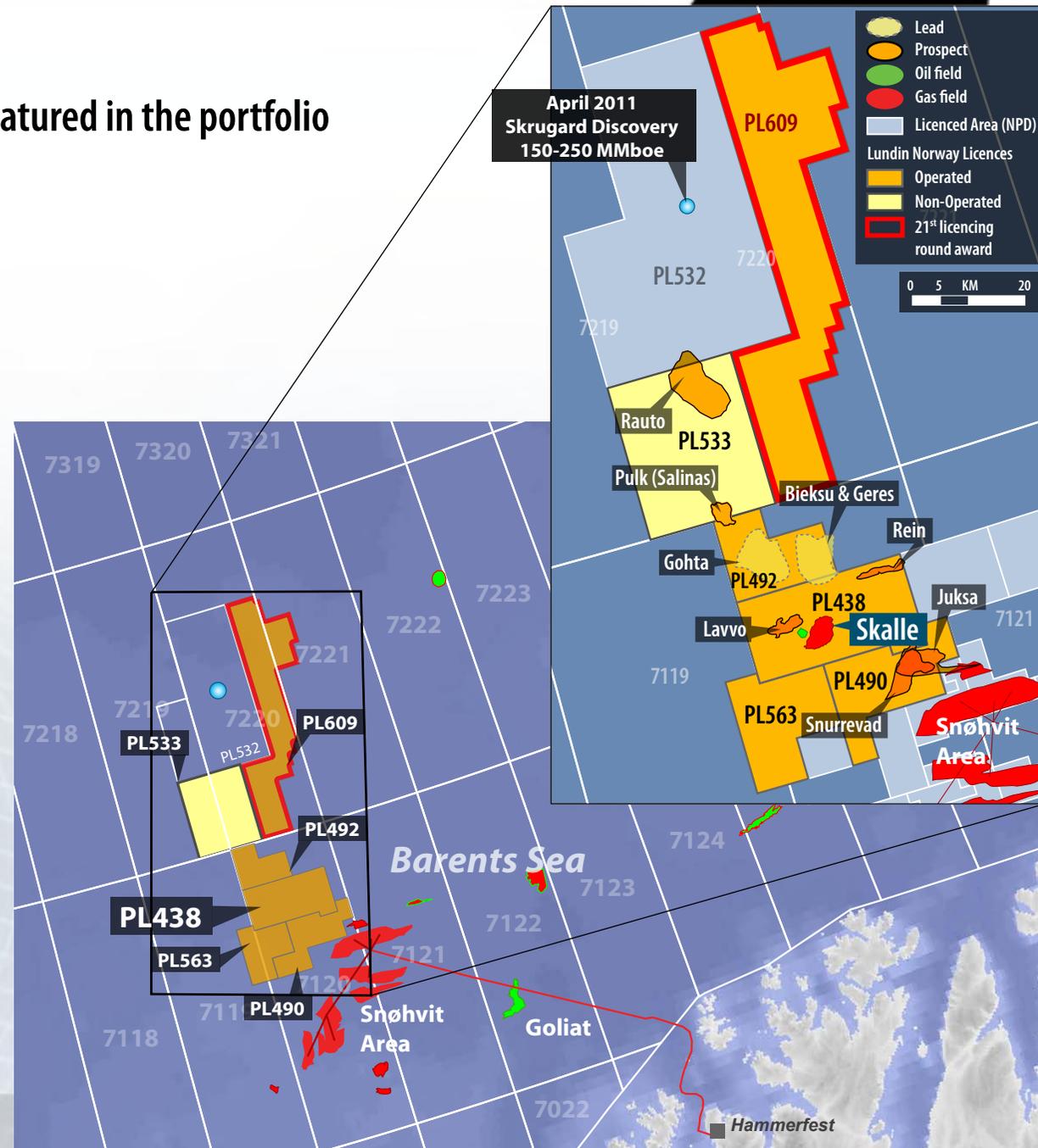
- ➔ Lundin Petroleum 20%
- ➔ Rauto & Pulk (Salinas) prospects
- ➔ Pulk 500 MMboe gross prospect size in multiple targets
- ➔ Drilling moved into 2012

➤ PL490

- ➔ Lundin Petroleum 30% (operator)
- ➔ Juksa and Snurrevad prospects
- ➔ likely drilling in 2012

➤ PL609

- ➔ Lundin Petroleum 40% (operator)
- ➔ Adjacent to Skrugard discovery



Barents Sea - Skalle Discovery



Skalle Gas Discovery

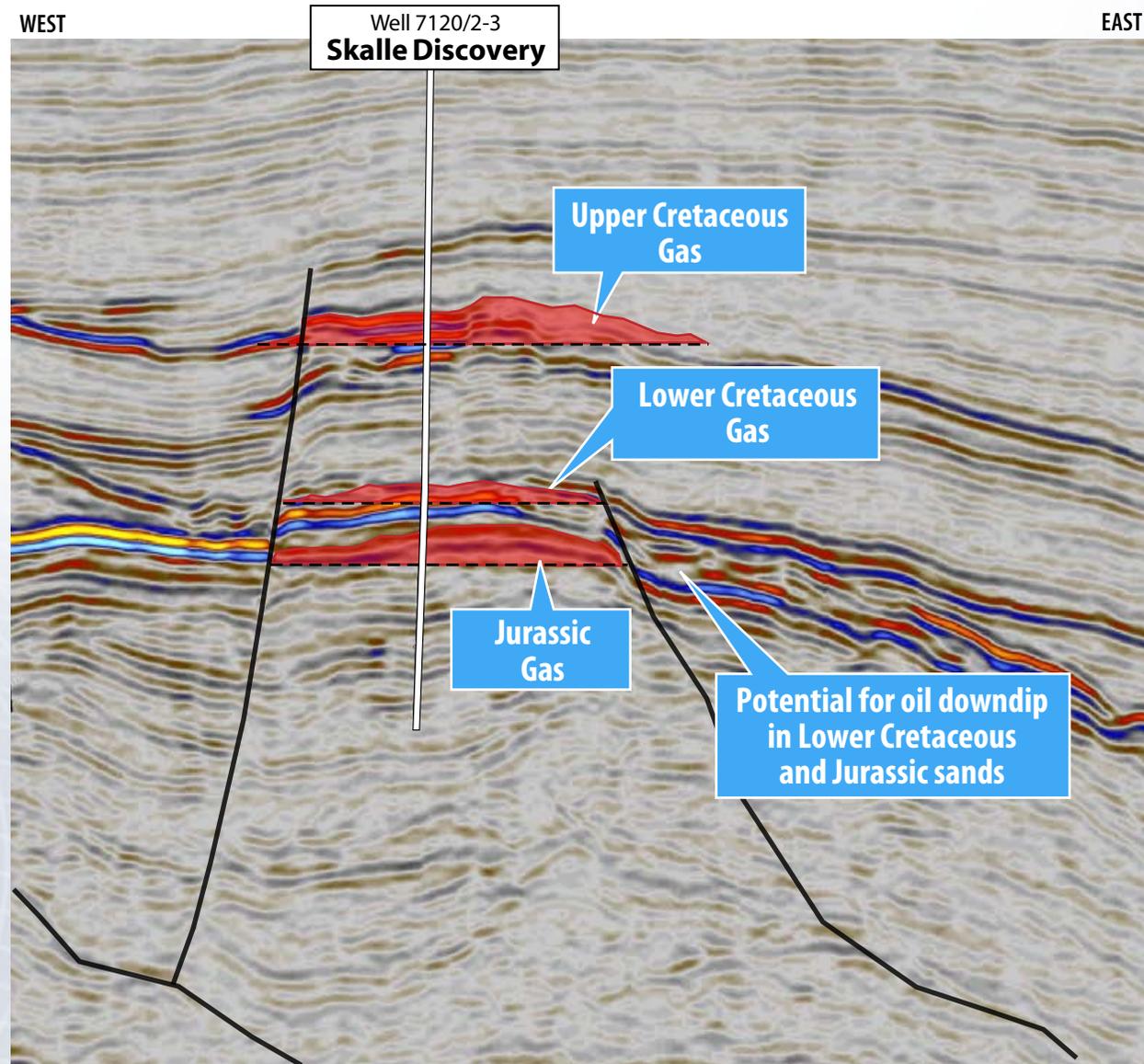
➤ PL438

- ➔ Lundin Petroleum 25%
- ➔ RWE Dea 20%
- ➔ Petoro 20%
- ➔ Spring Energy 17.5%
- ➔ Talisman Energy 17.5%

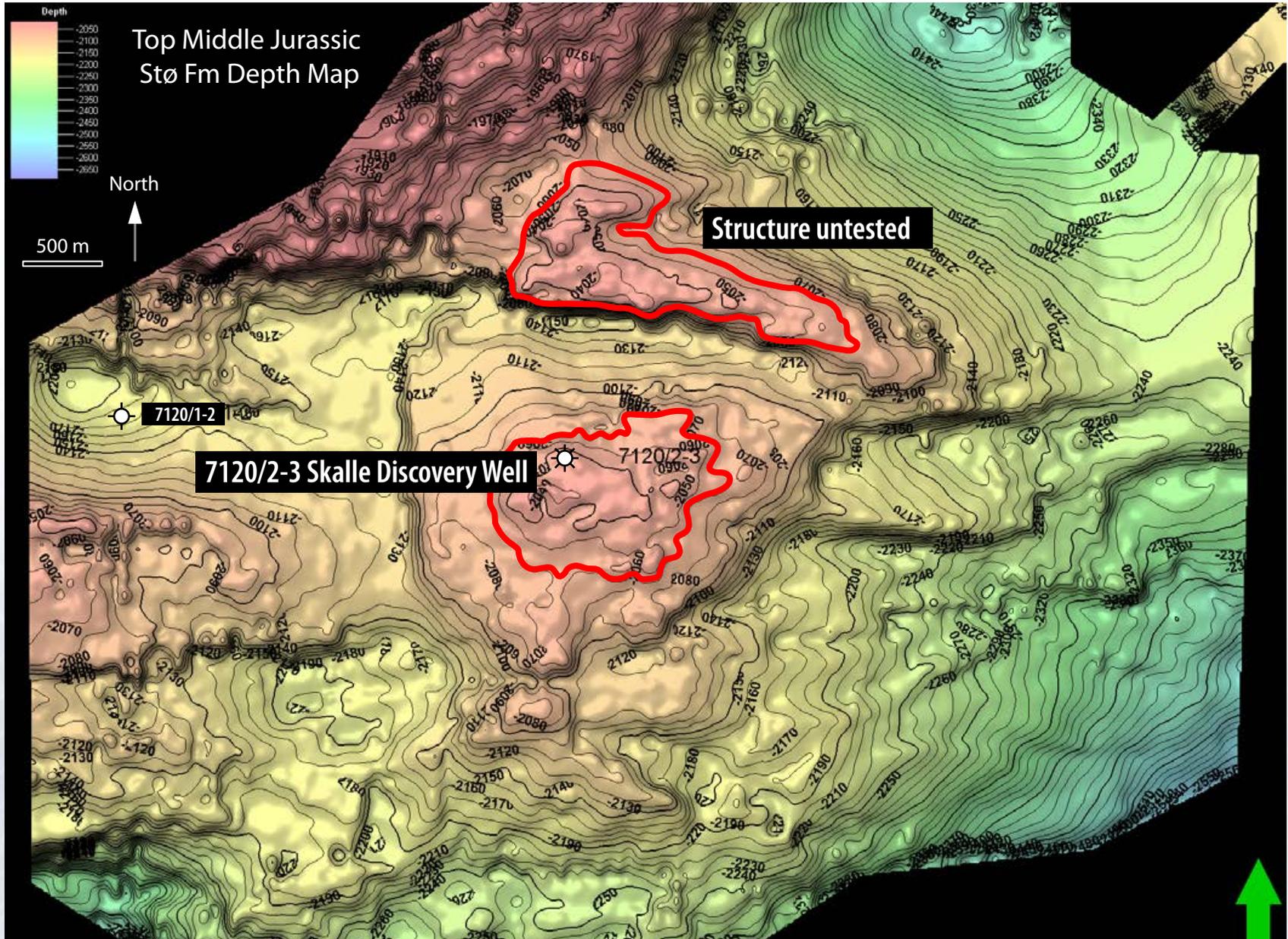
➤ **Gross contingent resource**
88–280 bcf

➤ **Upside potential in nearby untested structures**

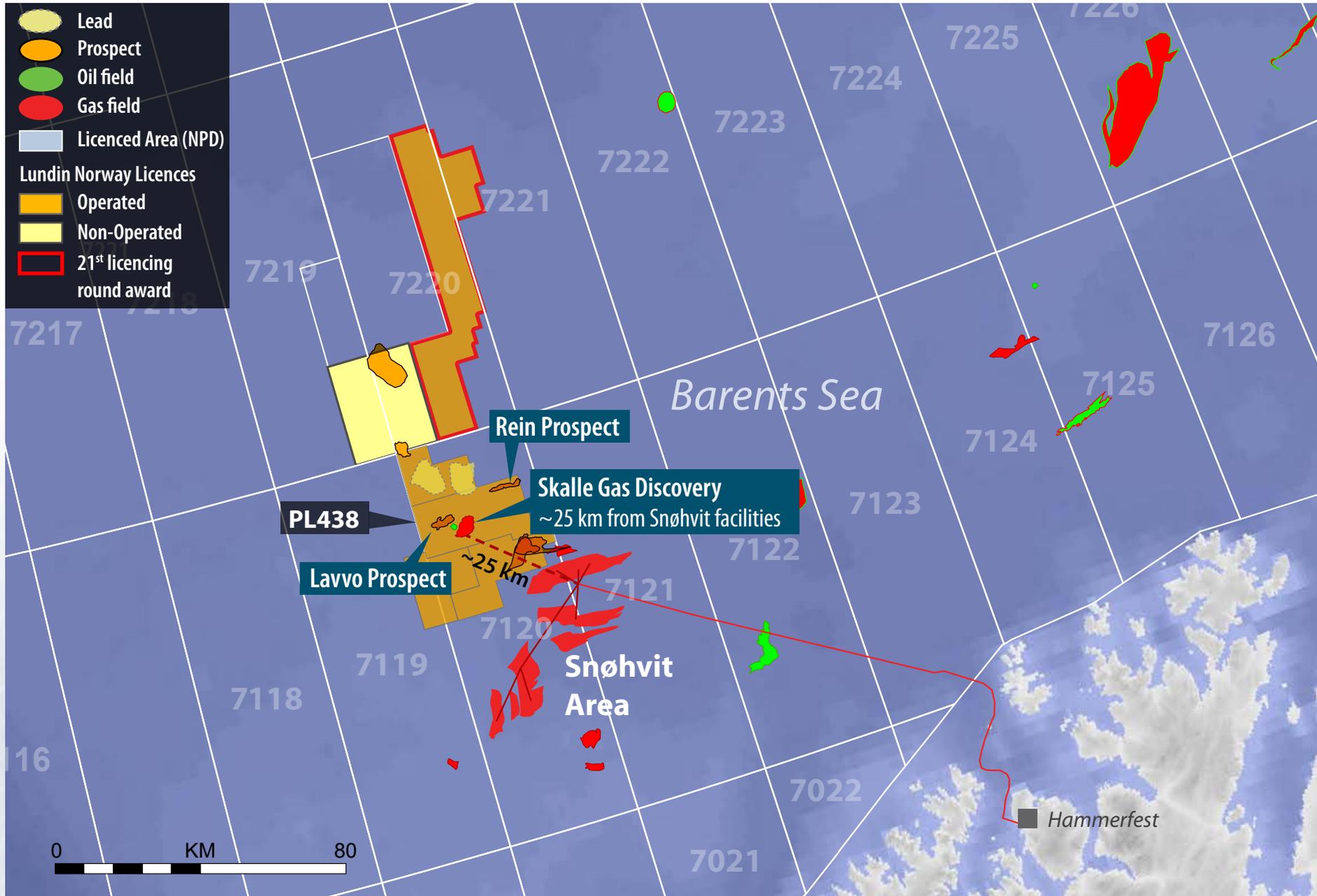
➤ **Close to existing infrastructure**



Barents Sea - Skalle Discovery



Barents Sea - Skalle Discovery



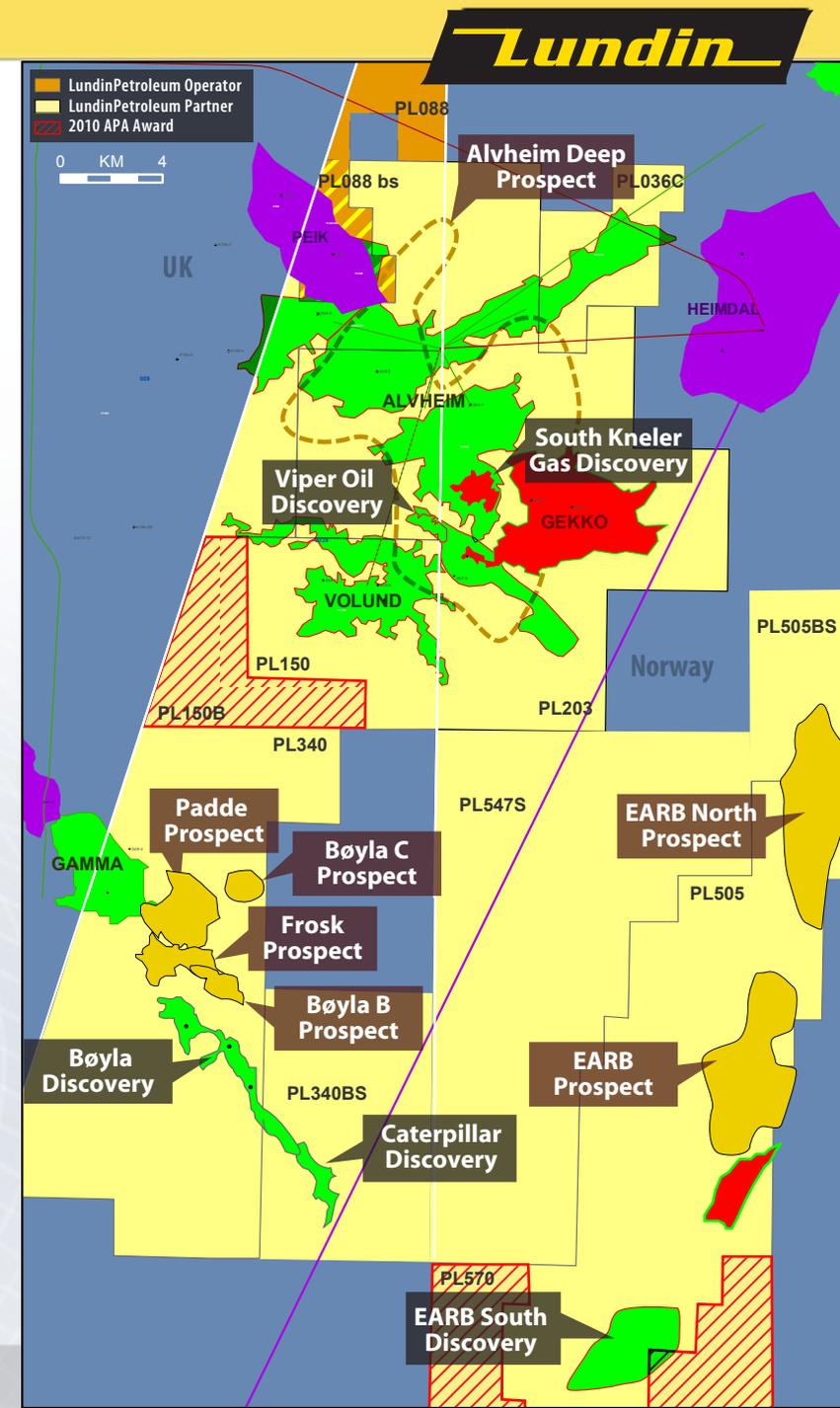
Greater Alvheim Area

Discoveries

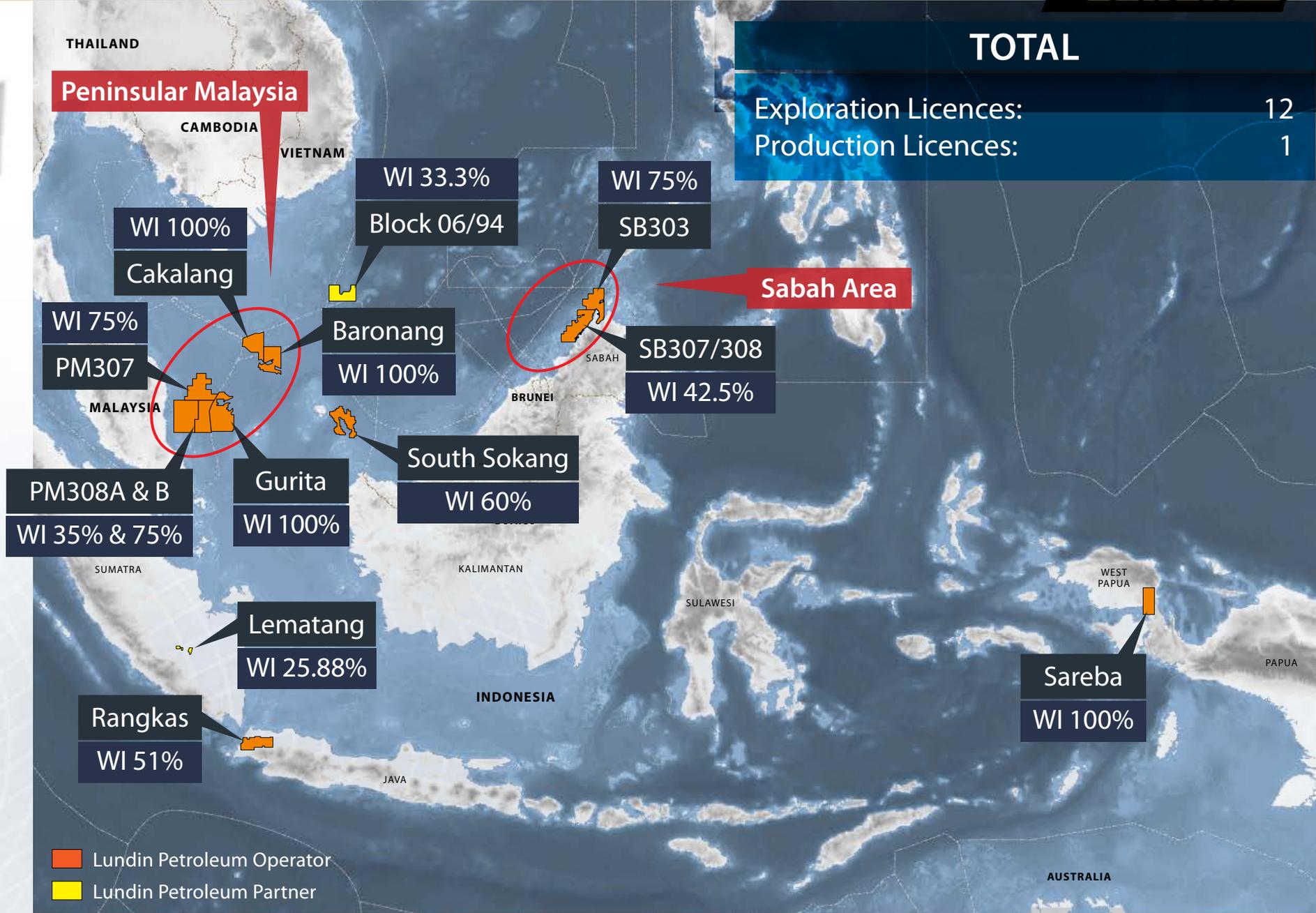
- **PL340 & PL340BS (15%)**
 - ➔ Bøyla oil discovery 20-30 MMboe
 - ➔ Caterpillar oil discovery 5-10 MMboe
 - ➔ Bøyla PDO submission 2012
 - ➔ Caterpillar likely development through Bøyla facilities
- **PL203 (15%)**
 - ➔ Viper oil discovery 5-10 MMboe
 - ➔ Tie back to Alvheim FPSO
 - ➔ South Kneler gas discovery
- **PL505 (30%)**
 - ➔ Earb South discovery
 - ➔ 285 meter thick Upper Jurassic column
 - ➔ Produced oil and gas on test
 - ➔ Poor quality tight reservoir

Further Exploration

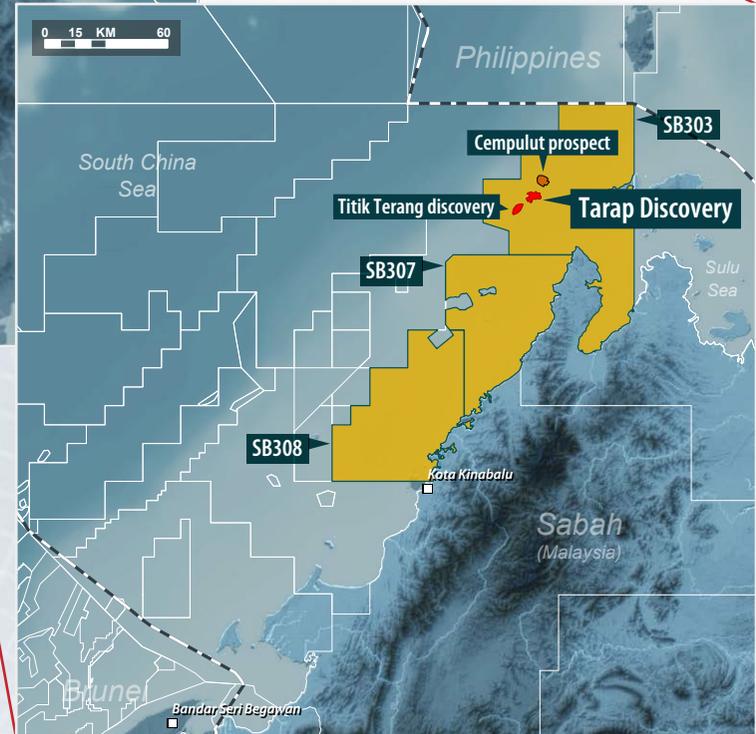
- **PL150B (15%)**
 - ➔ Volund play extension. Work in progress
- **PL203 (15%)**
 - ➔ Alvheim Deep prospect



Exploration - South East Asia - Building a New Core Area



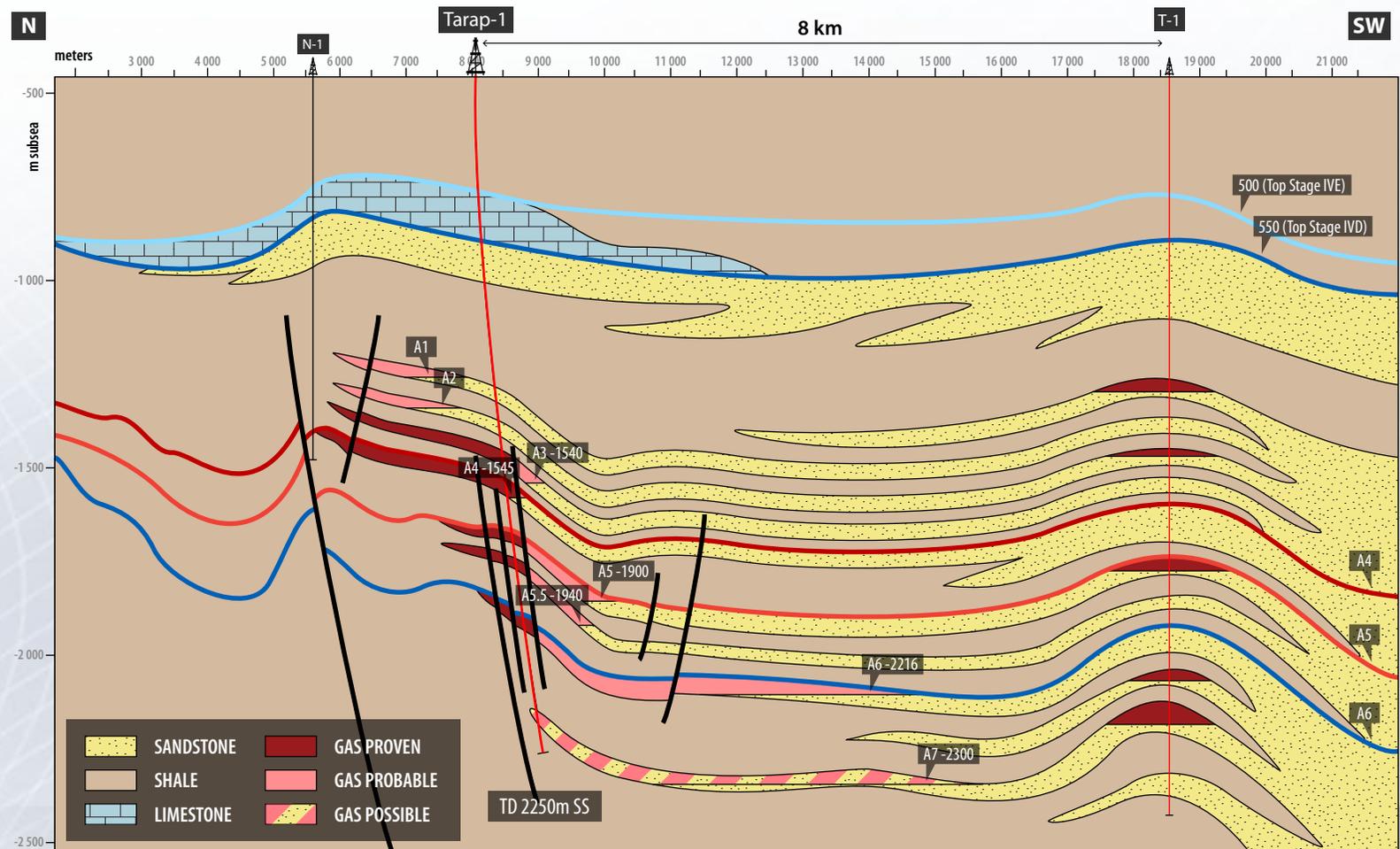
East Malaysia - Tarap Exploration Well



Tarap Discovery



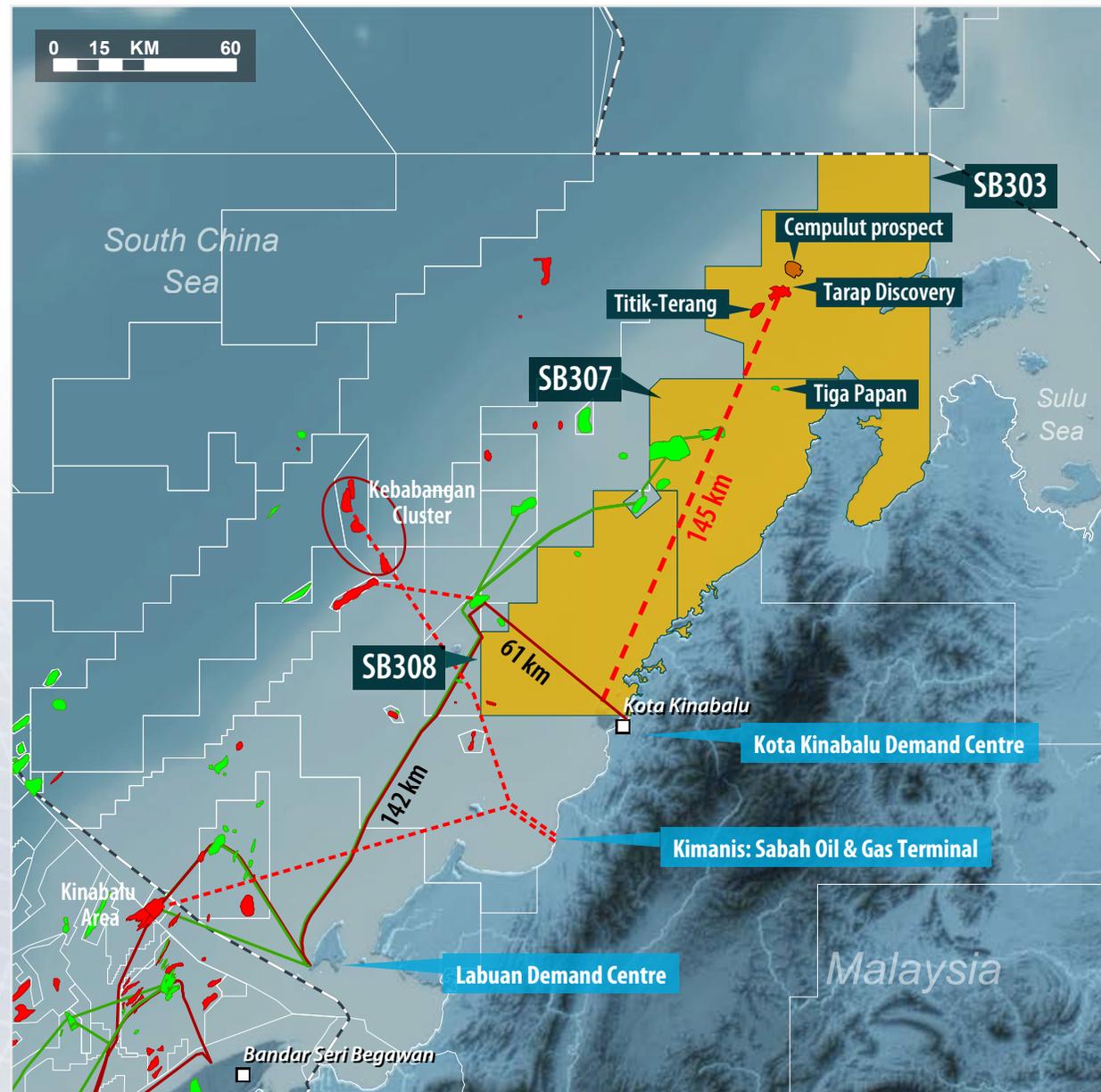
- ➔ Dry gas encountered in 5 independently sealed reservoirs
- ➔ ~150m gross reservoir thickness
- ➔ Average porosity 18%, average permeability 30md
- ➔ Estimated recoverable resources: 171 bcf
- ➔ Titik Terang discovery (8 km from Tarap) – additional resources of 66 bcf



Developing Gas Market in East Malaysia



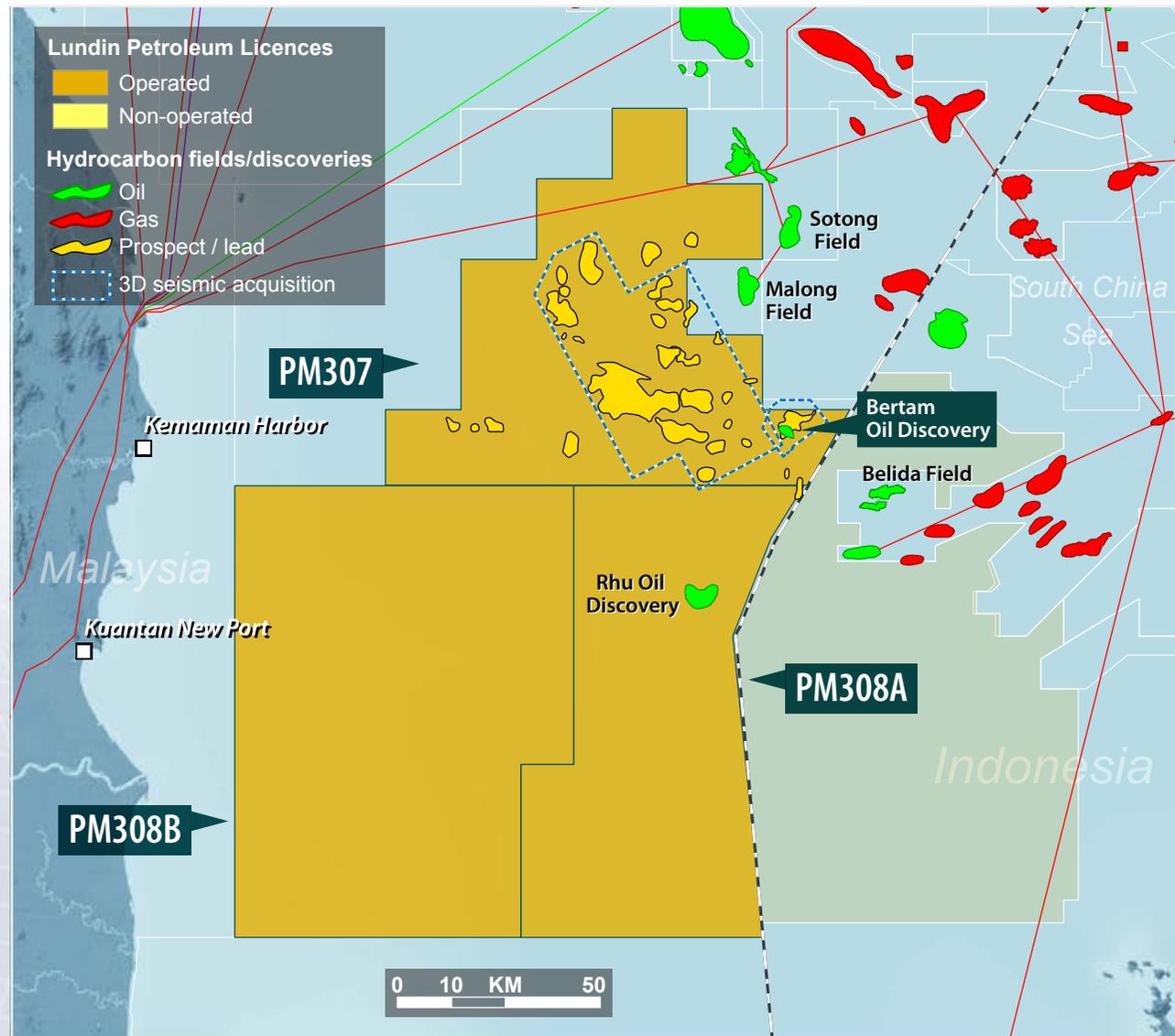
- 2 established demand centres
- Labuan & Kota Kinabalu
- New oil and gas terminal (SOGT) and pipeline to Sarawak under construction (195km)
- Strong growth expected to continue to drive energy demand
- Supply decline from existing fields
- Multiple options for commercialisation of gas discoveries



Malaysia PM307



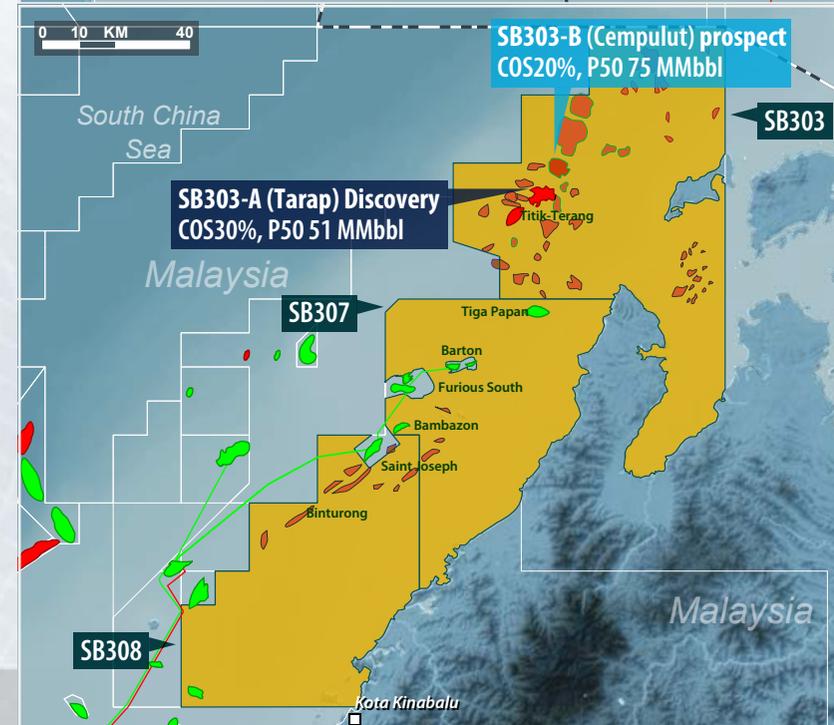
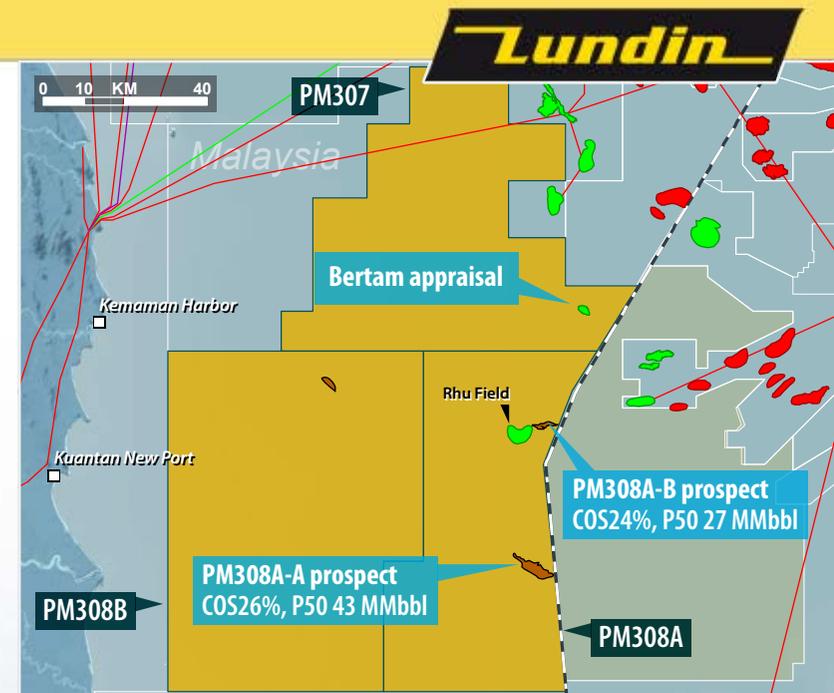
- **Lundin Petroleum interest 75%**
➔ Petronas Carigali 25%
- **Significantly expands Peninsular Malaysia core area**
- **Contains Bertam oil discovery**
- **Multiple prospects and leads are identified on 2D**
- **Acquisition of 3D seismic (2,100 km²) currently ongoing**
- **Appraisal well to be drilled in Q4 2011 on the Bertam oil discovery**



Malaysia 2011 Drilling Programme

- Tarap – gas discovery
- Cempulut well ongoing
- 4 remaining exploration/appraisal wells to be drilled in 2011, total net unrisks potential resources 80 MMboe

Prospect	Block	Unrisks PR (MMboe)	
		Gross	Net
SB303-B (Cempulut)	SB303	75	56
PM308A-A	PM308A	43	15
PM308A-B	PM308A	27	9
Bertam appraisal	PM307	-	-
Total		145	80



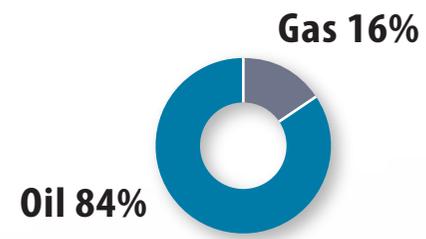
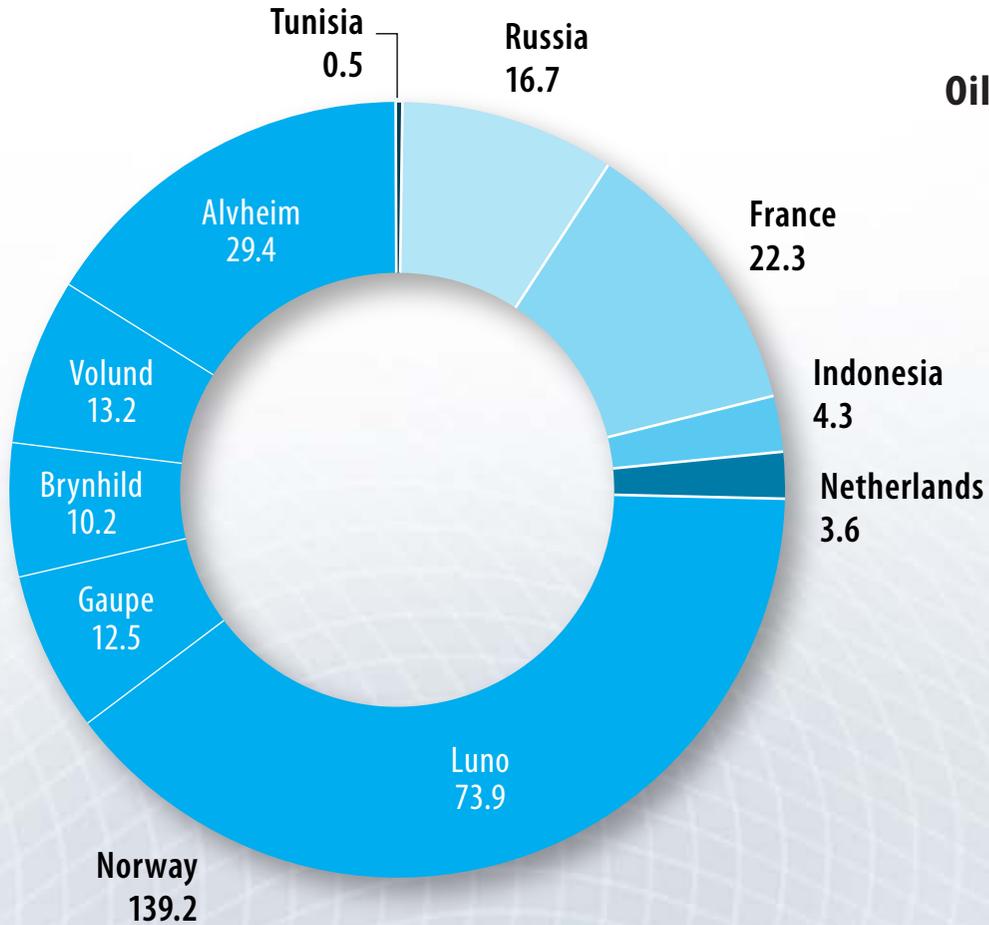
Targeted Prospective Resources – 2011 Drilling Schedule

							2011			
Country	Licence - Prospect	Operator	LUPE%	NURPR ⁽¹⁾	CoS%	NRPR ⁽²⁾	Q1	Q2	Q3	Q4
1 Norway	PL340 - Caterpillar	Marathon	15.00	–	–	–	Discovery (5-12 MMboe gross)			
2 Norway	PL505 - Earb South	Marathon	30.00	–	–	–	Discovery			
3 Norway	PL338 - Tellus	Lundin	50.00	–	–	–	Discovery (11-55 MMboe gross)			
4 Norway	PL501 - Avaldsnes 16/3-4 App.	Lundin	40.00	–	–	–	Discovery ⁽⁴⁾			
5 Norway	PL501 - Avaldsnes 16/2-7 App.	Lundin	40.00	–	–	–			Ongoing ⁽⁴⁾	
6 Norway	PL265 - Aldous Major South	Statoil	10.00	25	39	10			Ongoing	
7 Norway	PL265 - Aldous Major North	Statoil	10.00	18	39	7				
8 Norway	PL438 - Skalle	Lundin	25.00	–	–	–		Discovery (88-280 bcf gross)		
9 Norway	PL519 - Albert	Lundin	40.00	70	26	18				
10 Malaysia	SB303 - SB303-A (Tarap)	Lundin	75.00	–	–	–		Discovery (171 bcf gross)		
11 Malaysia	SB303 - SB303-B (Cempulut)	Lundin	75.00	56	20	11			Ongoing	
12 Malaysia	PM308A - PM308A-A	Lundin	35.00	15	26	4				
13 Malaysia	PM308A - PM308A-B	Lundin	35.00	9	24	2				
14 Malaysia	Bertam App.	Lundin	75.00	–	–	–				
15 Congo (Brazzaville)	Block Marine XI - West Tocka	SOCO	18.75	–	–	–				
16 Congo (Brazzaville)	Block Marine XIV - Makouala	SOCO	21.55	8	32	2				
			201 ⁽³⁾		58					

⁽¹⁾ Net Unrisked Prospective Resources (MMboe) ⁽²⁾ Net Risked Prospective Resources (MMboe)

⁽³⁾ Excludes Netherlands prospective resources (3 MMboe) ⁽⁴⁾ Contingent resources to be updated following second appraisal well

Proven & Probable Reserves



Total 186.7 MMboe

End 2009 MMboe	255.9
- Produced	11.9
+ New Reserves (excl sales/acquisitions)	28.3
- Sales	85.5
End 2010 MMboe	186.7

2010 Reserves Replacement Ratio 237%

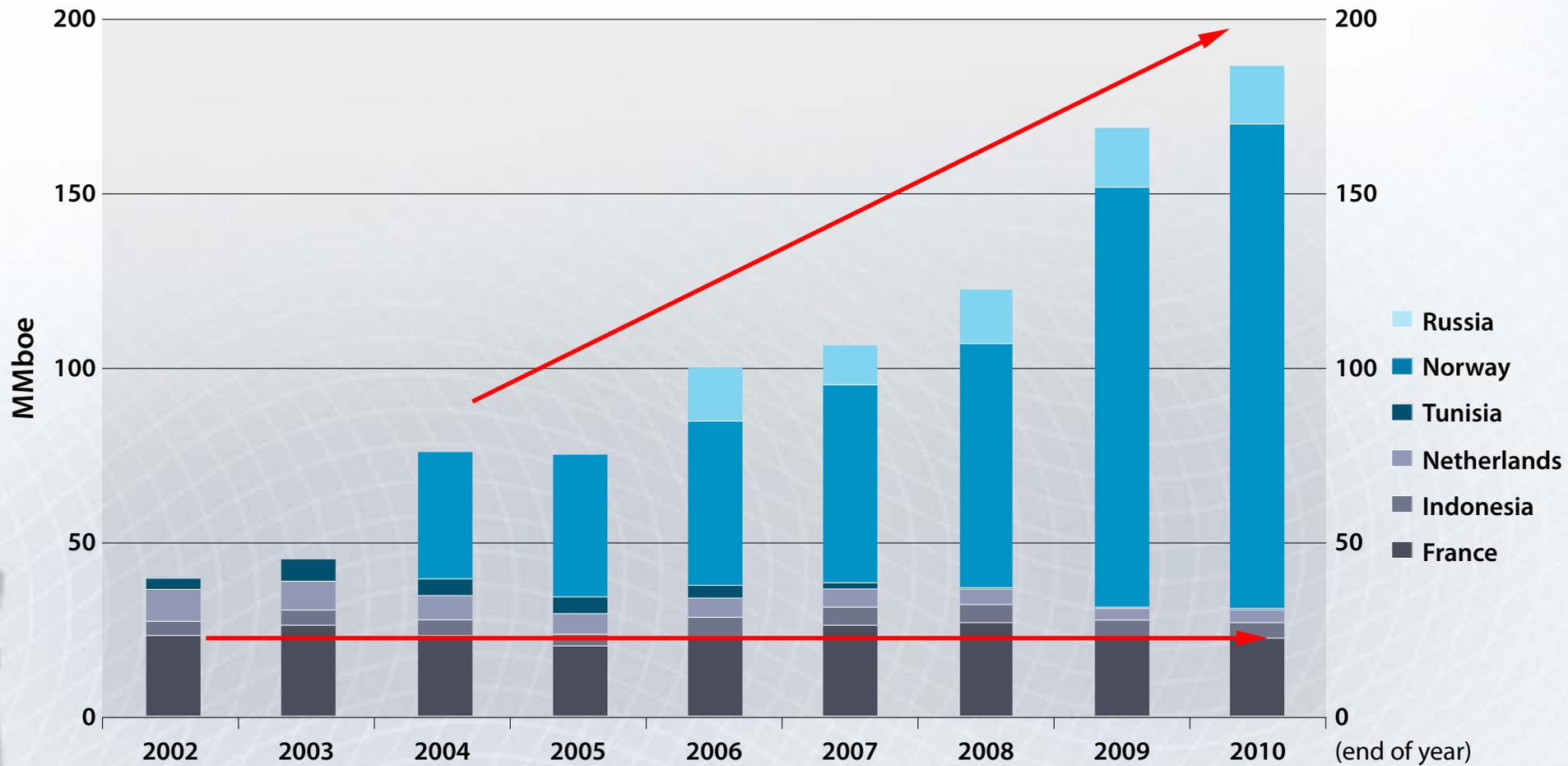
2010 Increase in Reserves 18%

Reserves Growth



➤ 383% reserves increase in Norway

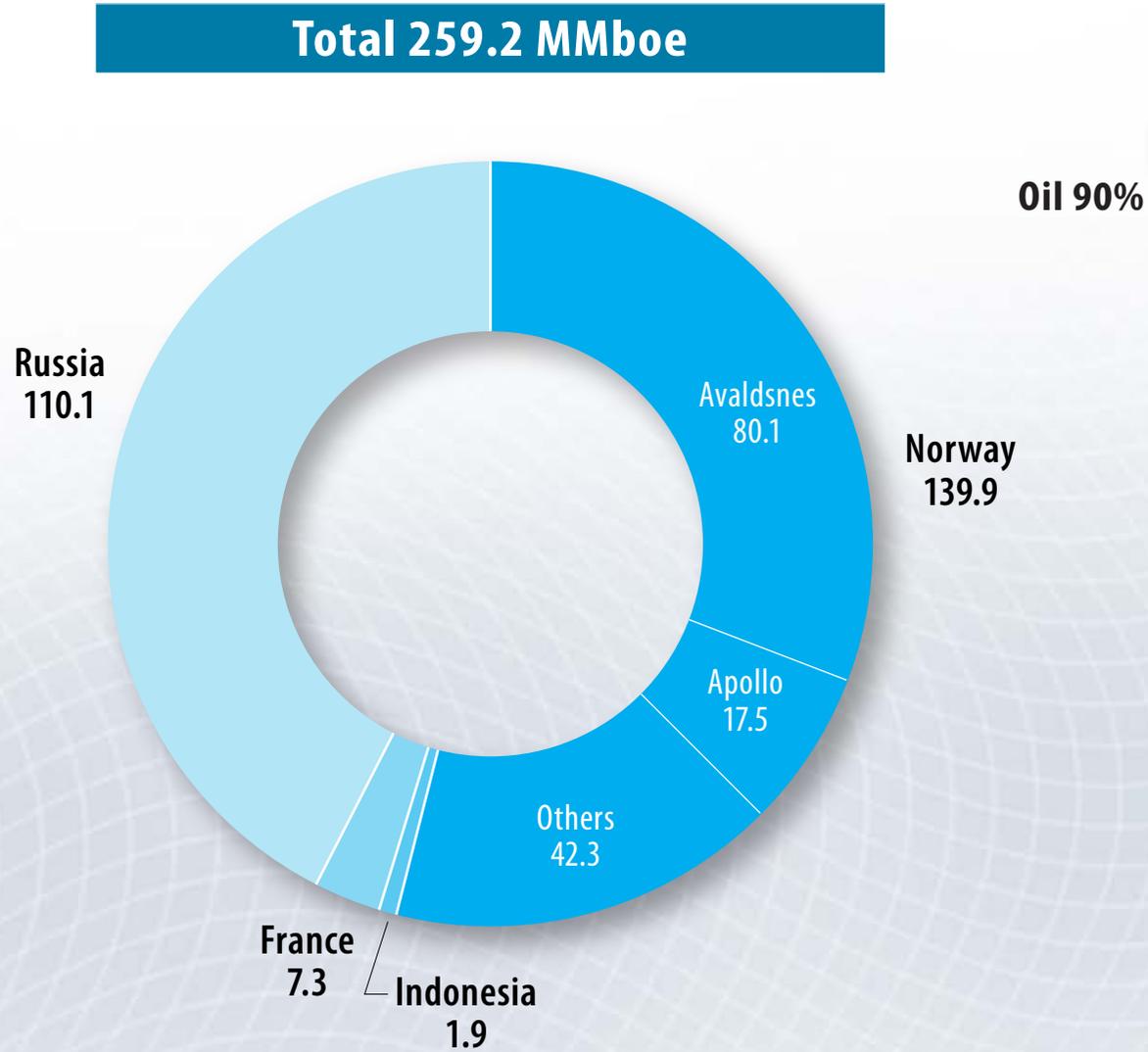
➤ No decline in French reserves



Contingent Resources



Total 259.2 MMboe



- **Strong production and cashflow. Production guidance increased**
- **Development programme. Production to double in 5 years**
- **Major exploration investment. Success continues**
- **Likely further reserve increases**

Financial Presentation - First Six Months 2011



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