

# *Financial Presentation - Year End 2009*



*C. Ashley Heppenstall, President and CEO  
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## Disclaimer

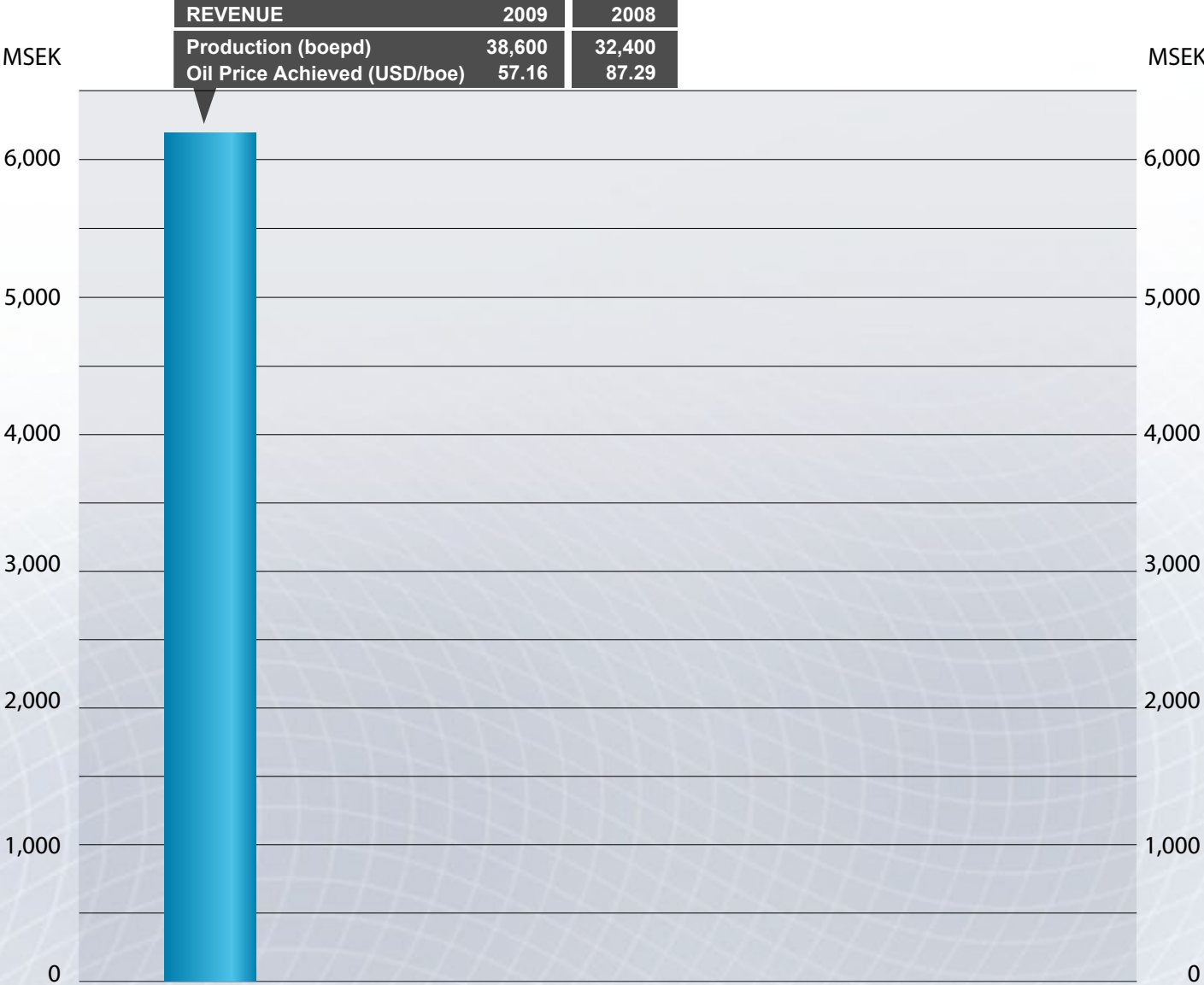


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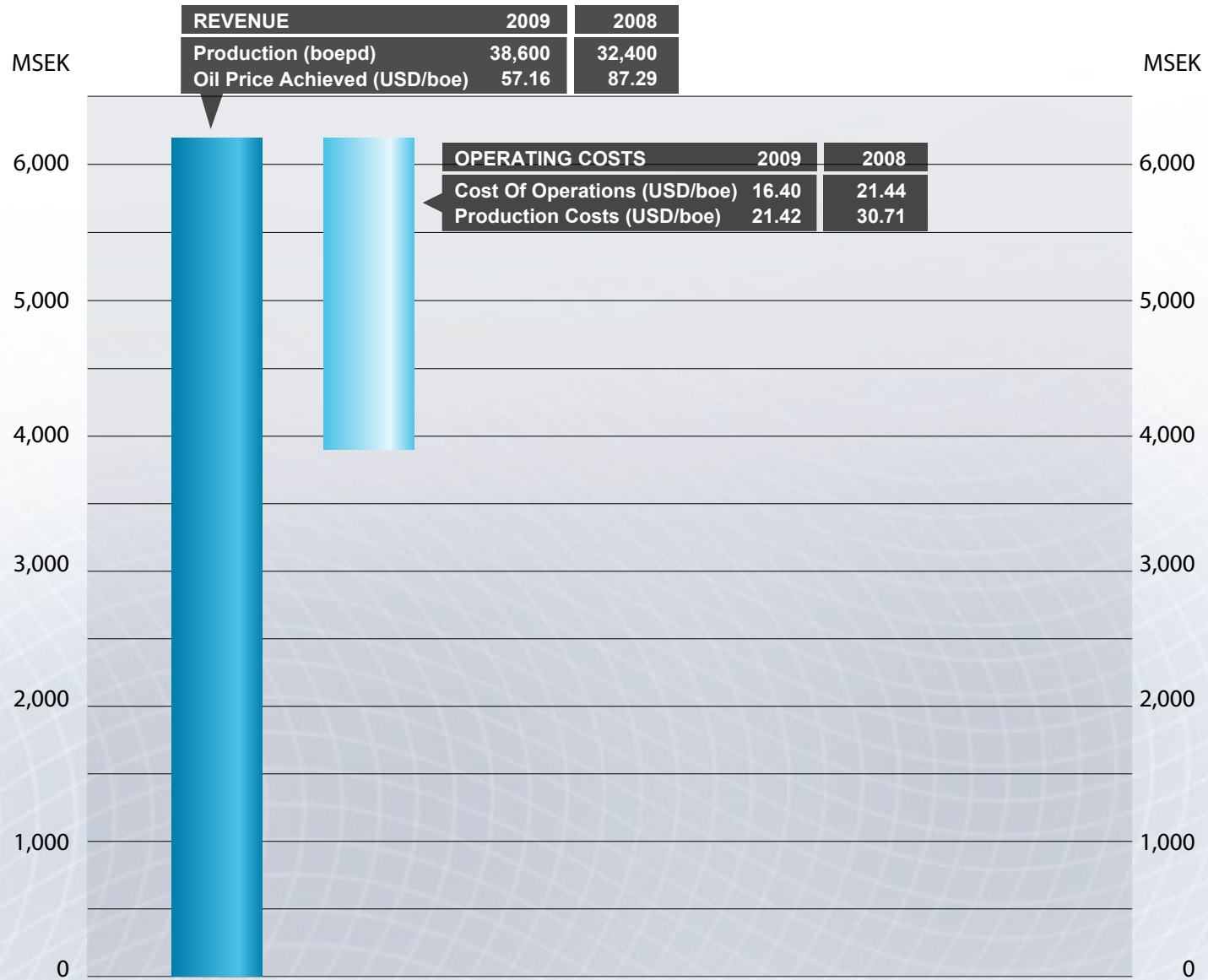
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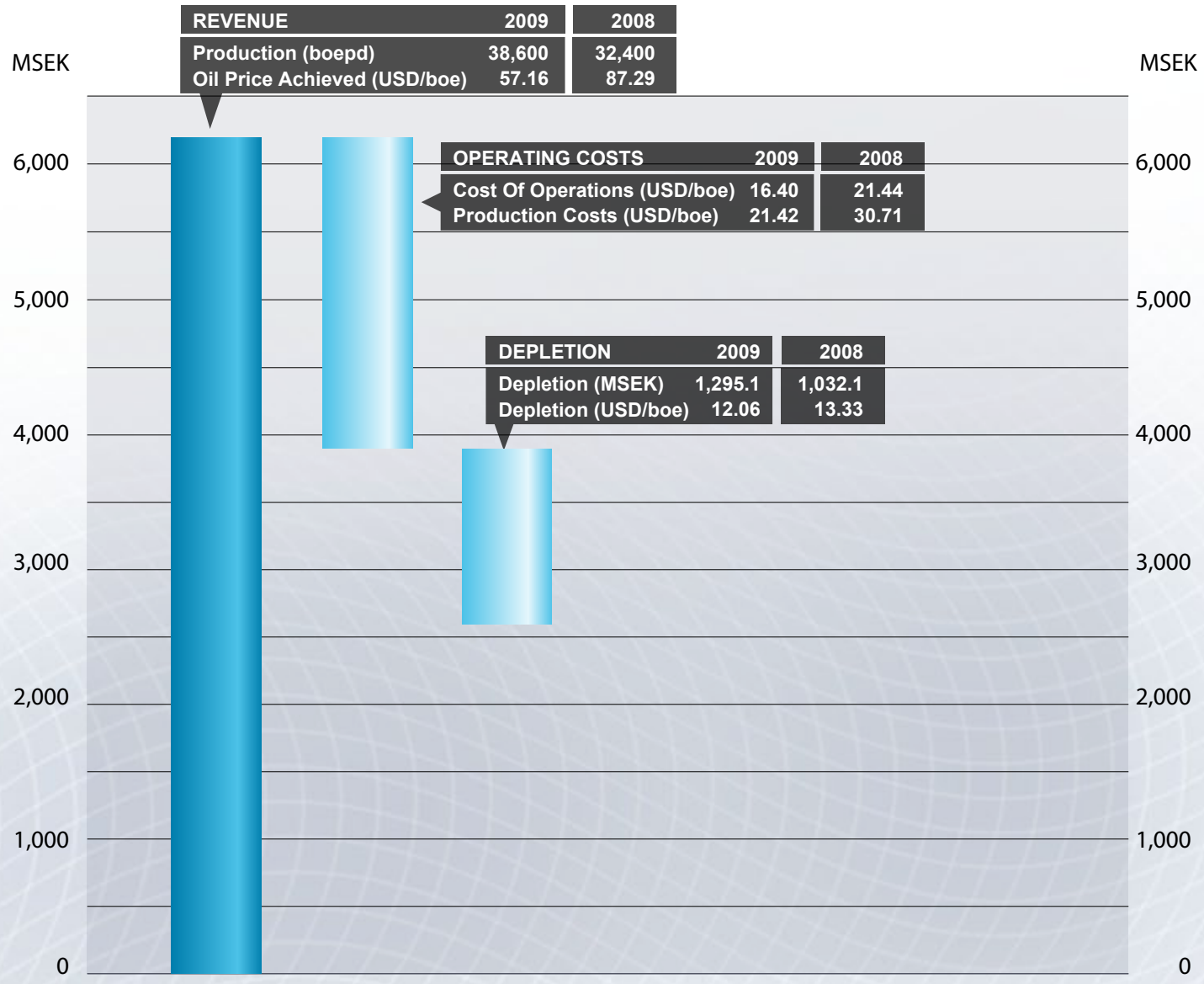
# Financial Results - Year End 2009



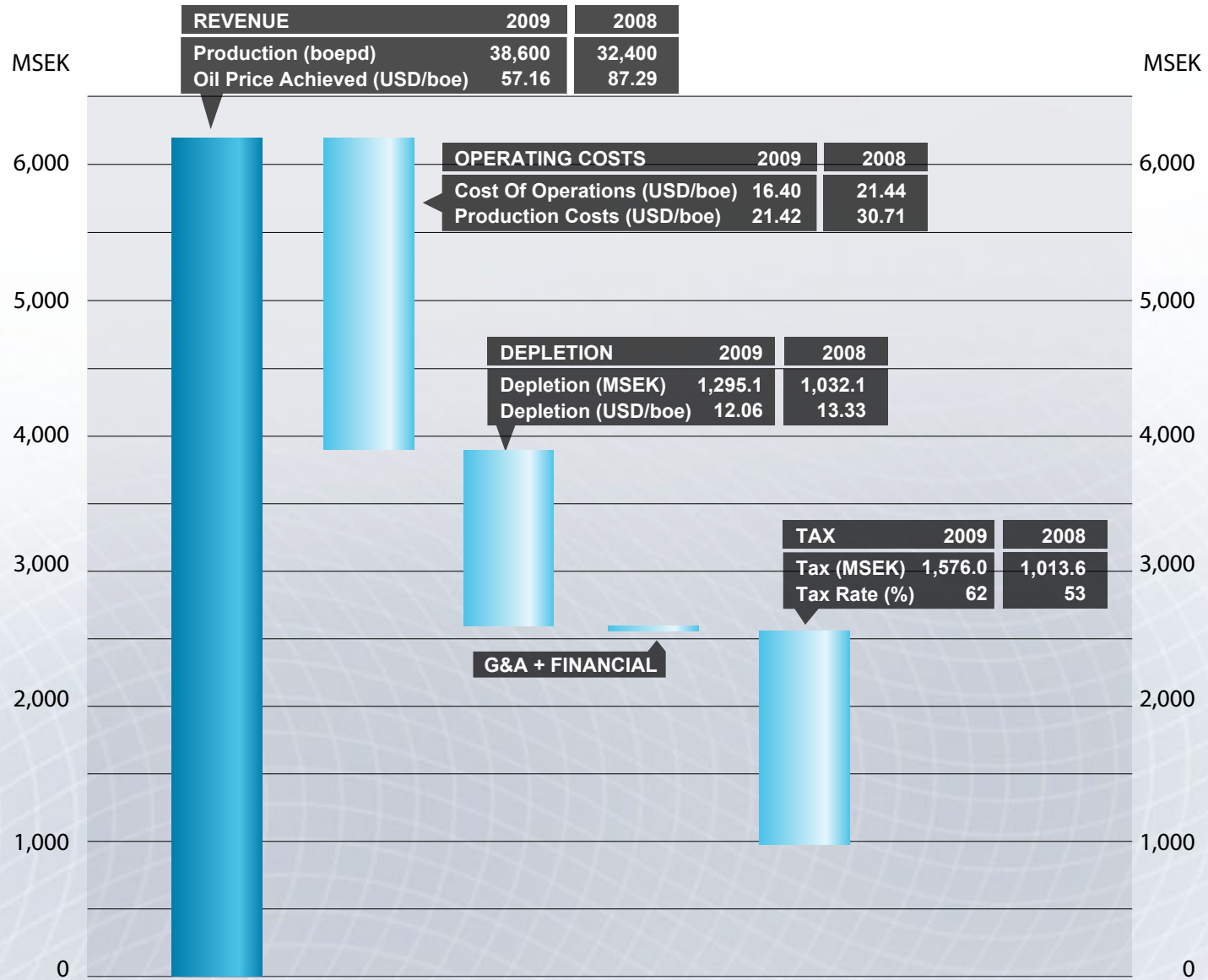
# Financial Results - Year End 2009



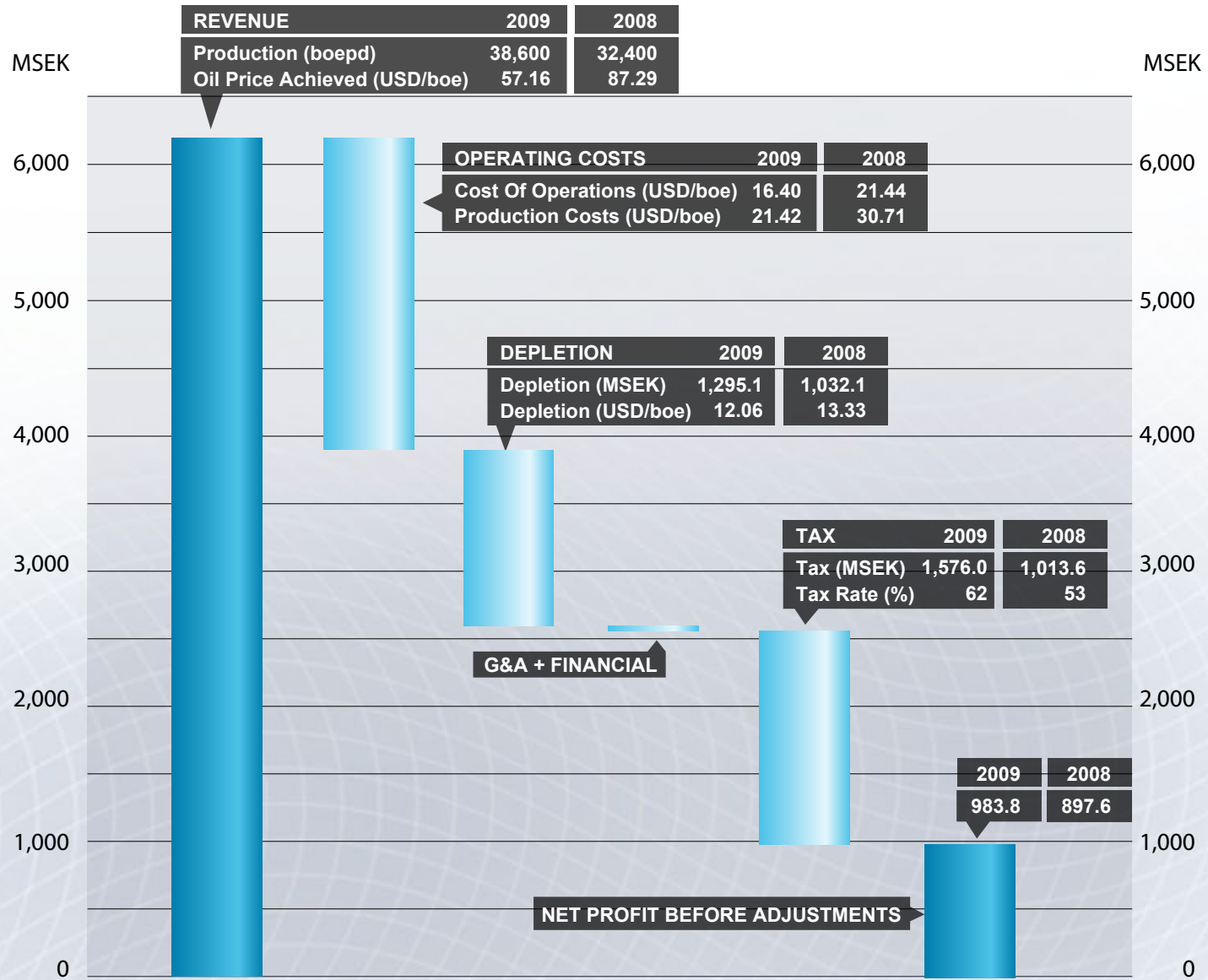
# Financial Results - Year End 2009



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## Financial Results - Year End 2009



	Result before tax	Tax	Result after tax	Minority interest	Result attributable to Lundin Petroleum	Operating Cash Flow
<b>Net Result before adjustments</b>	2,559.8	-1,576.0	983.8	-78.2	1,062.0	3,597.3
<b>Exploration costs</b>	-1,051.0	544.1	-506.9	-59.8	-447.1	—



## Financial Results - Year End 2009



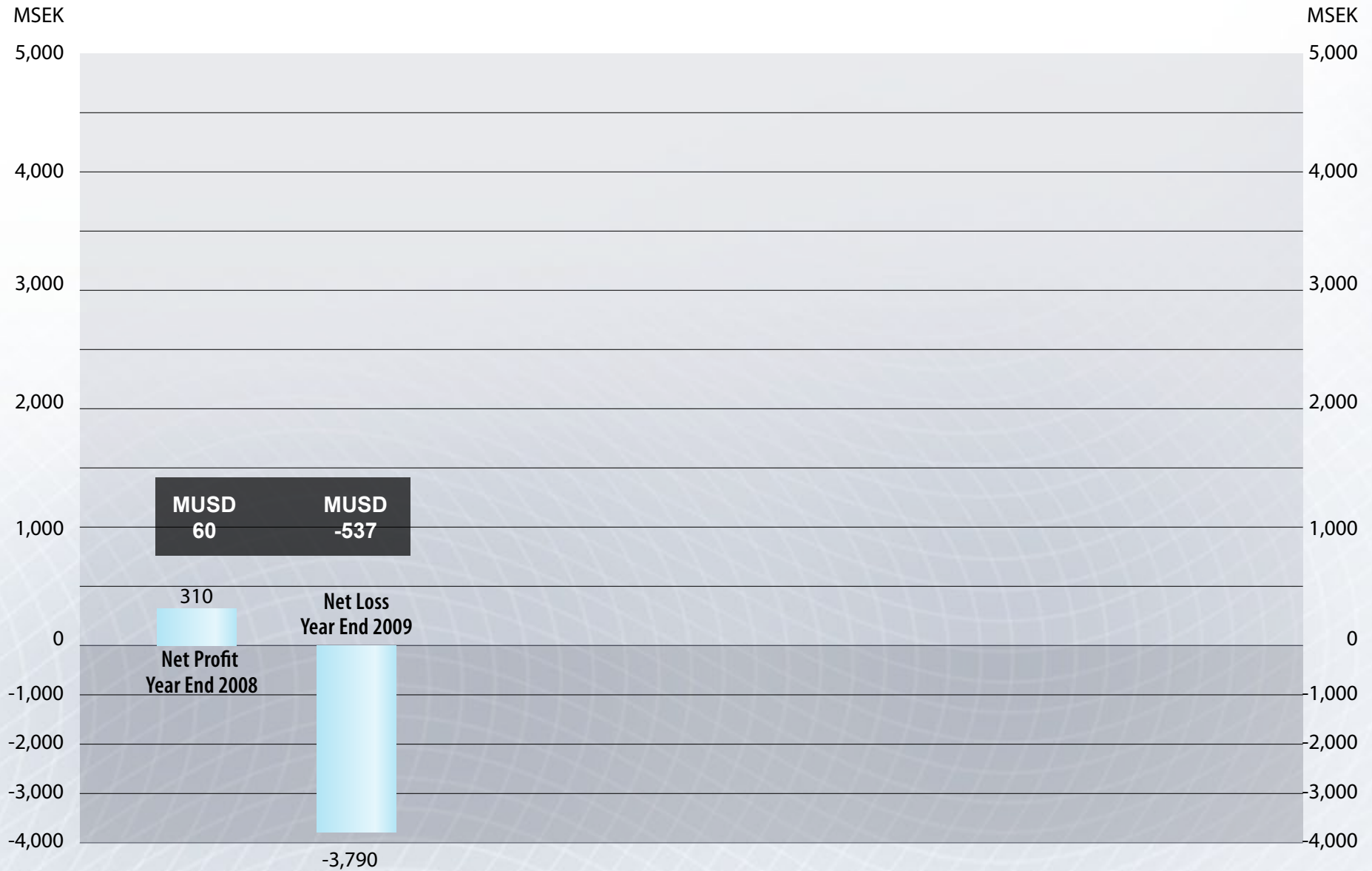
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<b>Exploration costs</b>	-1,051.0	544.1	-506.9	-59.8	-447.1	—
<b>Other one off items</b>						
- Etrion impairment (Q3)	-409.3	—	-409.3	—	-409.3	—
- Gain on Lundin International BV (Q4)	211.2	—	211.2	—	211.2	—
- Gain on NOGAT (Q3)	80.4	—	80.4	—	80.4	—
- Loss on Russian onshore fields (Q3/4)	-179.1	—	-179.1	—	-179.1	—

## Financial Results - Year End 2009

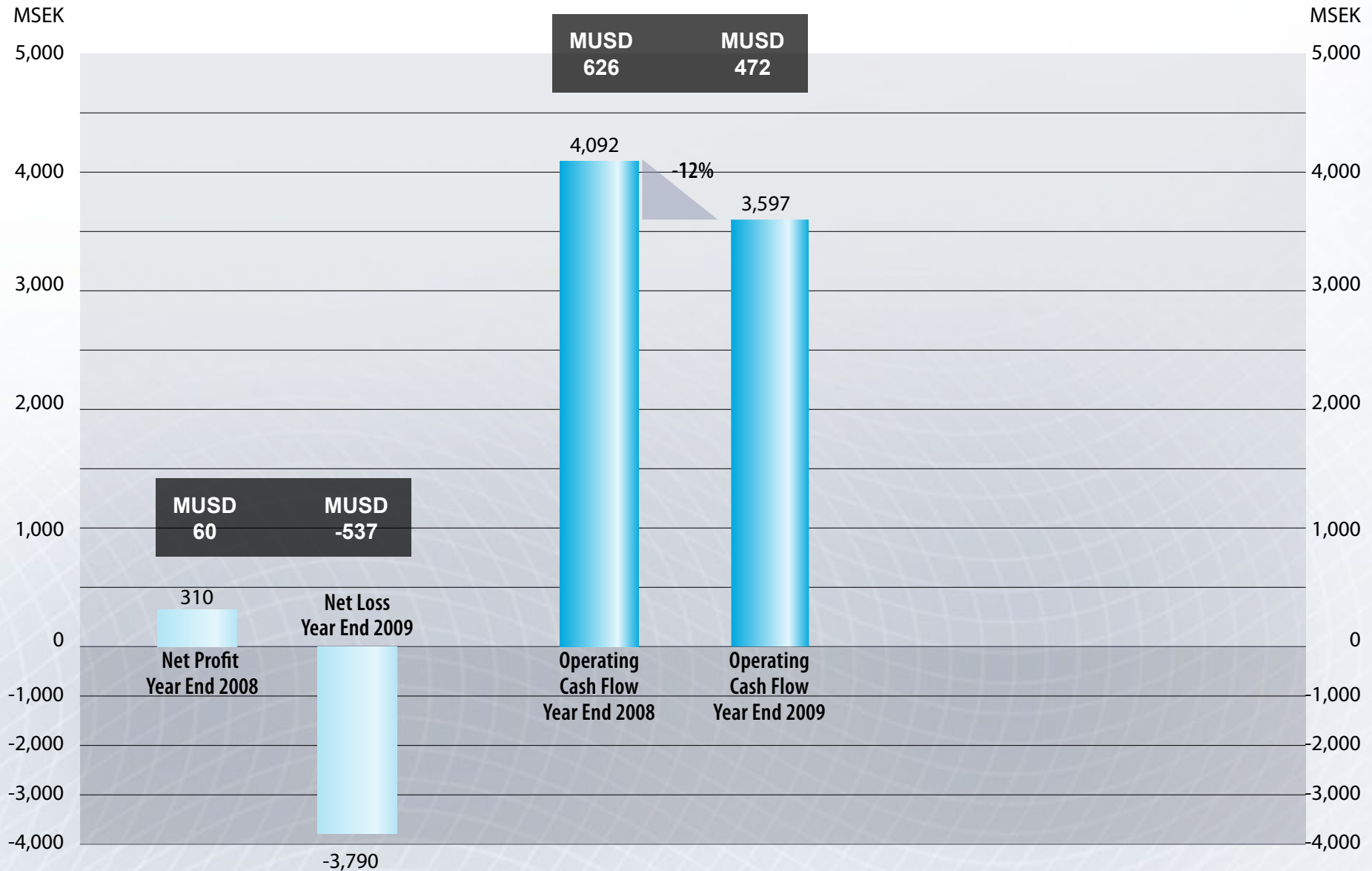


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<b>Other one off items</b>						
- Etrion impairment (Q3)	-409.3	—	-409.3	—	-409.3	—
- Gain on Lundin International BV (Q4)	211.2	—	211.2	—	211.2	—
- Gain on NOGAT (Q3)	80.4	—	80.4	—	80.4	—
- Loss on Russian onshore fields (Q3/4)	-179.1	—	-179.1	—	-179.1	—
<b>Impairment of Russian carrying value</b>	-4,588.5	618.4	-3,970.1	-761.5	-3,208.6	—
<b>Reported Net Result</b>	-3,376.5	-413.5	-3,790.0	-899.5	-2,890.5	3,597.3

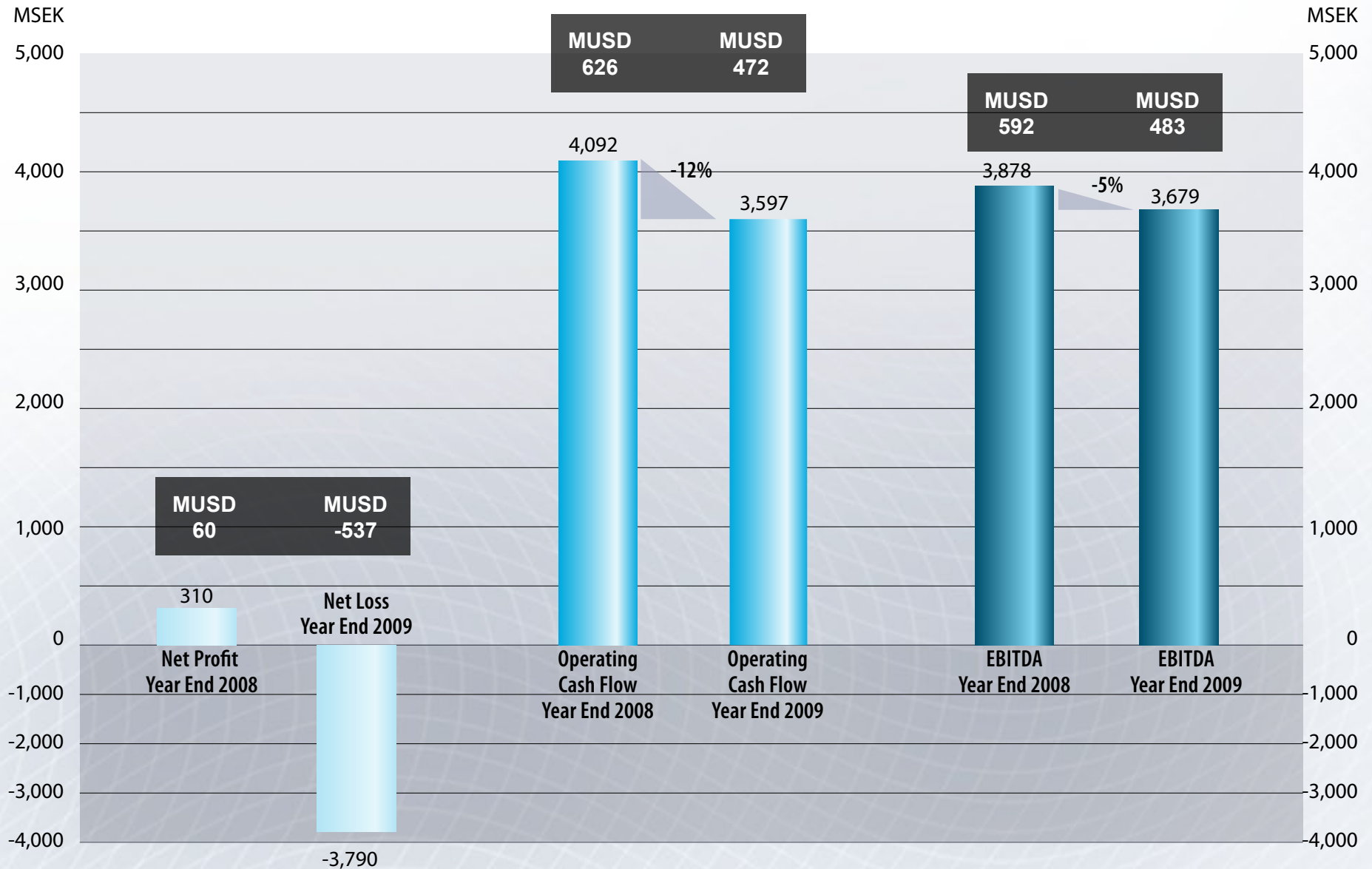
# Financial Results - Year End 2009



# Financial Results - Year End 2009



# Financial Results - Year End 2009



## Financial Results - Q4 2009



	Result before tax	Tax	Result after tax	Minority interest	Result attributable to Lundin Petroleum	Operating Cash Flow
<b>Net Result before adjustments</b>	649.7	-374.7	275.0	-38.3	313.3	775.5
<b>Exploration costs</b>	-338.3	75.2	-263.1	-59.8	-203.3	—
<b>Other one off items</b>						
- Gain on Lundin International BV	211.2	—	211.2	—	211.2	—
- Loss on Russian onshore field - KalmEastern	-85.7	—	-85.7	—	-85.7	—
<b>Impairment of Russian carrying value</b>	-4,588.5	618.4	-3,970.1	-761.5	-3,208.6	—
<b>Reported Net Result</b>	-4,151.6	318.9	-3,832.7	-859.6	-2,973.1	775.5

## Netback - Year End 2009

[USD/boe]



	Year End 2009	Q4 2009
<i>Average Brent oil price</i>	<b>61.67</b>	<b>74.53</b>
Revenue	57.63	65.45
Cost of operations	-16.40	-20.81
Tariffs	-2.21	-2.48
Royalty and direct taxes	-2.91	-3.37
Changes in inventory/overlift	0.32	2.02
Other	-0.22	-0.25
<b>Cash Margin</b>	<b>36.21</b>	<b>40.56</b>
Depletion	-12.06	
Exploration costs	-10.00	
Impairment	-37.30	
<b>Margin Netback</b>	<b>-23.15</b>	

## Revenue Netback Reconciliation - Year End 2009

[USD/boe]



	Year End 2009
Average Brent oil price	61.67
Sales differential Russia	-3.41
Gas price differential	-1.67
Other	0.57
<b>Sales price achieved</b>	<b>57.16</b>
Adjustment sales to production boe	0.05
Government take	-1.68
UK quality difference	-0.38
Inventory movements	1.30
Tariff receipts & other income	1.18
<b>Effective sales price per boe produced</b>	<b>57.63</b>



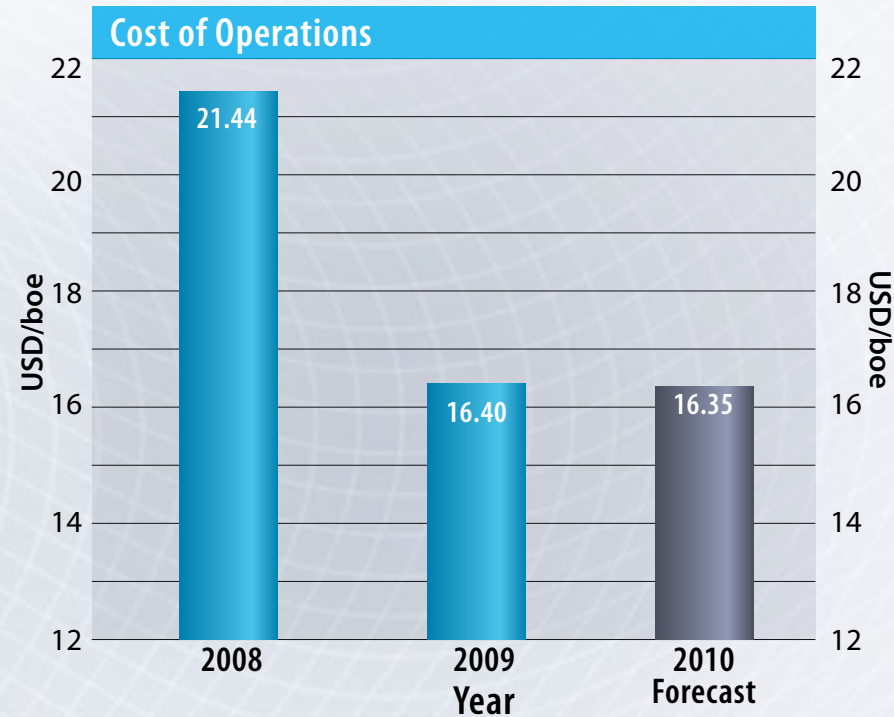
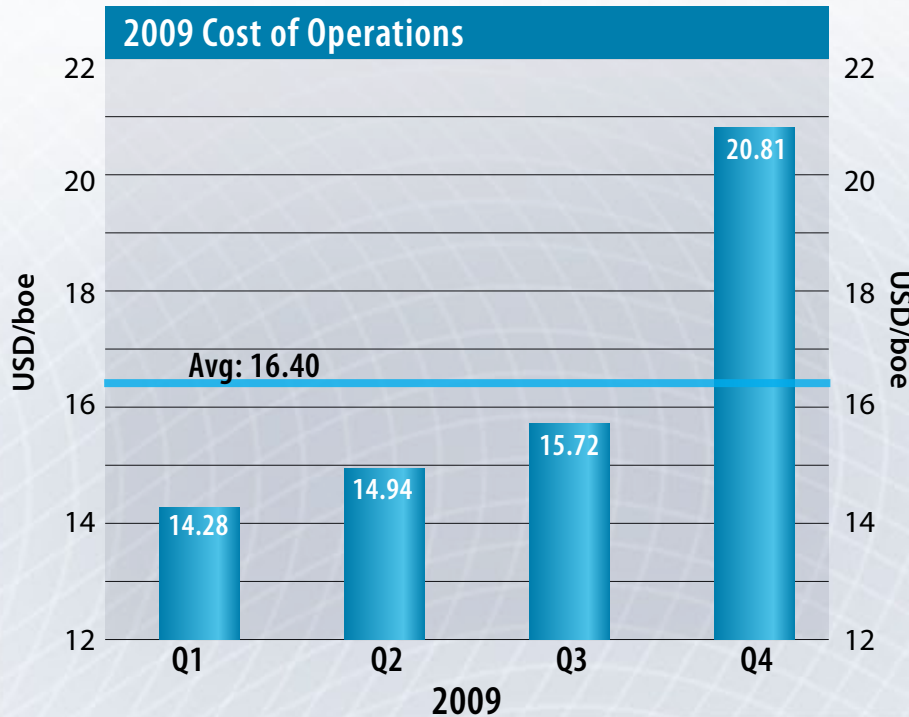
# Cost of Operations - Year End 2009



MMBOE	USD/boe	MUSD
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➔ Year End 2009

$$14.09 \times 16.40 = 231.1$$



## Exploration Costs - Year End 2009



	Year End 2009 MSEK	Q4 2009 MSEK
Norway	530	9
Russia	249	249
Cambodia	78	78
Vietnam	55	-2
UK	47	–
Indonesia	28	–
France	24	2
Congo (Brazzaville)	19	-6
Other	21	8
<b>2009 Exploration Costs</b>	<b>1,051</b>	<b>338</b>
<b>Attributable to Lundin Petroleum after Tax/MI</b>	<b>447</b>	<b>203</b>

## Russia - Lagansky Impairment<sup>(1)</sup>



### ➤ Pre-Impairment

- ➔ Lagansky carrying value
- ➔ Russian goodwill

MUSD

725

119

844

Write down  
MUSD 450

### ➤ Post Impairment

- ➔ Lagansky carrying value

393

<sup>(1)</sup> *Attributable to the shareholders of Lundin Petroleum*

## Tax - Year End 2009 [USD/boe]



	Year End 2009	CMD - Jan 2010
Current tax charge	2.74	2.15
Deferred tax charge	6.87	7.35
	9.61	9.50
Deferred tax release - Lagansky impairment	(6.17)	–
	3.44	9.50

➤ Effective tax rate 62% before adjustments

## Balance Sheet - 31 December 2009



	31 December 2009	31 December 2008
➤ Fixed Assets	19,045	23,129
➤ Net Current Assets (excluding cash)	-424	-346
➤ Net Bank Debt	3,330	3,869
➤ Shareholder Equity	8,136	11,438
➤ Net Debt/Equity Ratio	41%	34%

*numbers in million SEK*

	MUSD
<b>Total Credit Facility</b>	<b>850</b>
<b>Borrowing Base Loan Drawn @ 31 December 2009</b>	<b>544</b>
<b>Cash Balances @ 31 December 2009</b>	<b>54<sup>(1)</sup></b>
<b>Net Debt Position @ 31 December 2009</b>	<b>490</b>

*<sup>(1)</sup> excludes approx. MUSD 23 held by Etrion Corp.*

## 2009 Cash Flow



MUSD

➤ <b>Loan Drawn @ 31 December 2008</b>	<b>554</b>
➔ <b>Operating Cash Flow</b>	<b>472</b>
➔ <b>Development Capex</b>	<b>(209)</b>
➔ <b>Exploration Capex</b>	<b>(311)</b>
➔ <b>Working Capital, G&amp;A, Financial Items</b>	<b>38</b>
➤ <b>Loan Drawn @ 31 December 2009</b>	<b>544</b>



➤ From 2010, the financial statements will be presented in the following currencies:

➤ Group → USD

➤ Parent Company → SEK



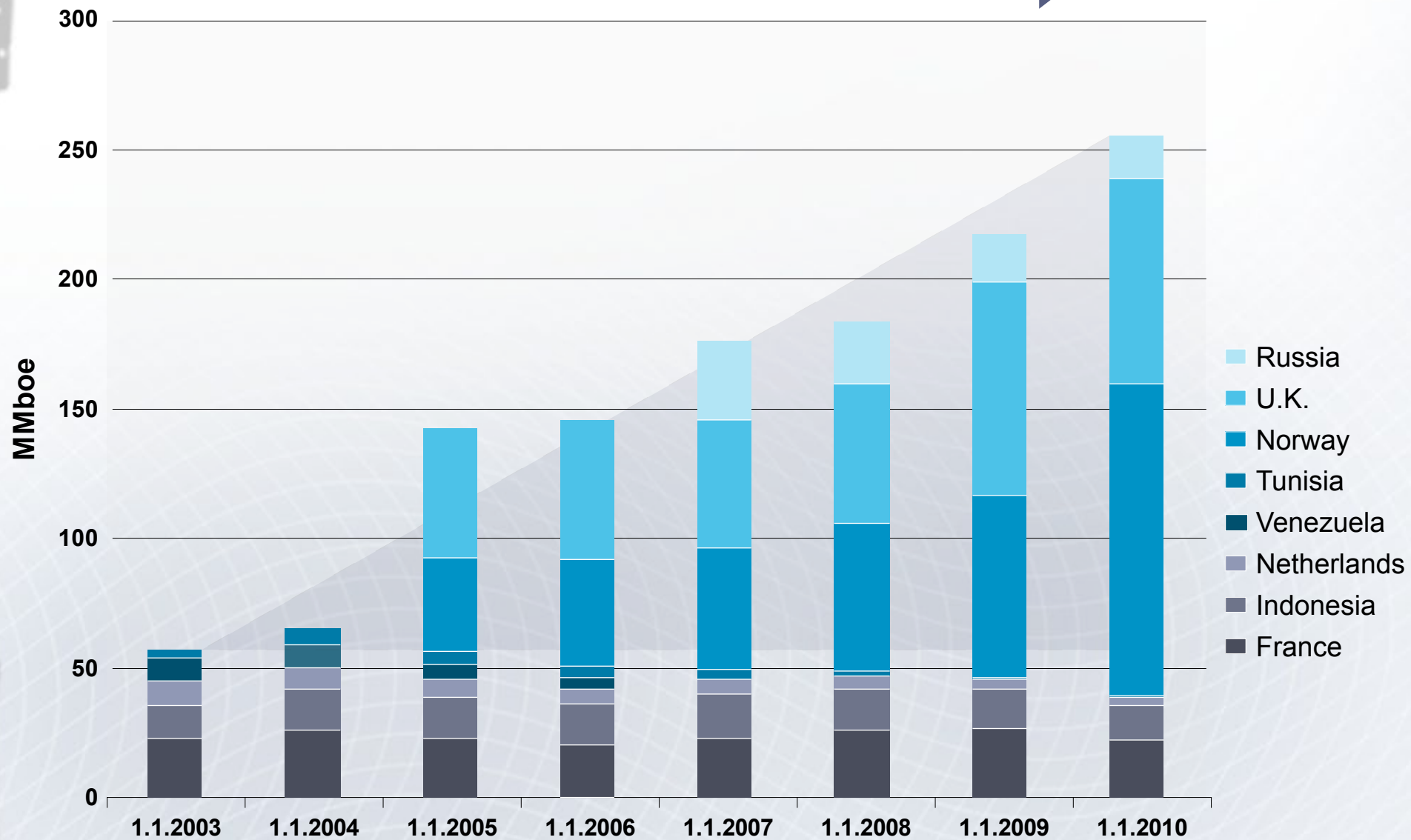
## **Lundin Petroleum continues to increase its resource base through organic growth**

- **2P reserves : 218 -> 256 MMboe**
  - 26% reserves increase
  - Reserve replacement ratio 400%
  
- **Production 2009: 38,200 boepd**
  - Up 20% from 2008
  - Norway - Alvheim
  
- **Production forecast 2010: 38,000 - 44,000 boepd**
  - Norway - Volund
  - UK - Thistle redevelopment
  
- **Close to 50,000 boepd at the end of 2010**

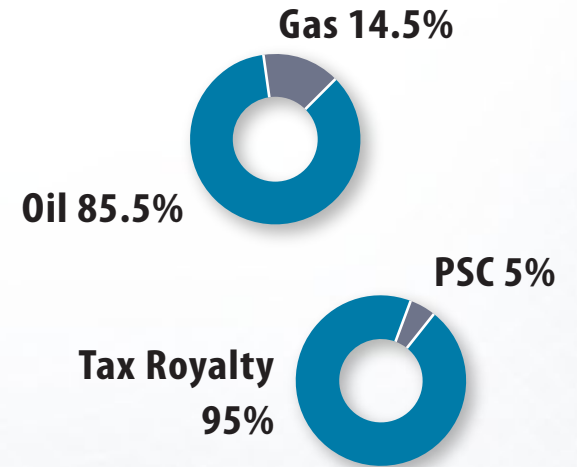
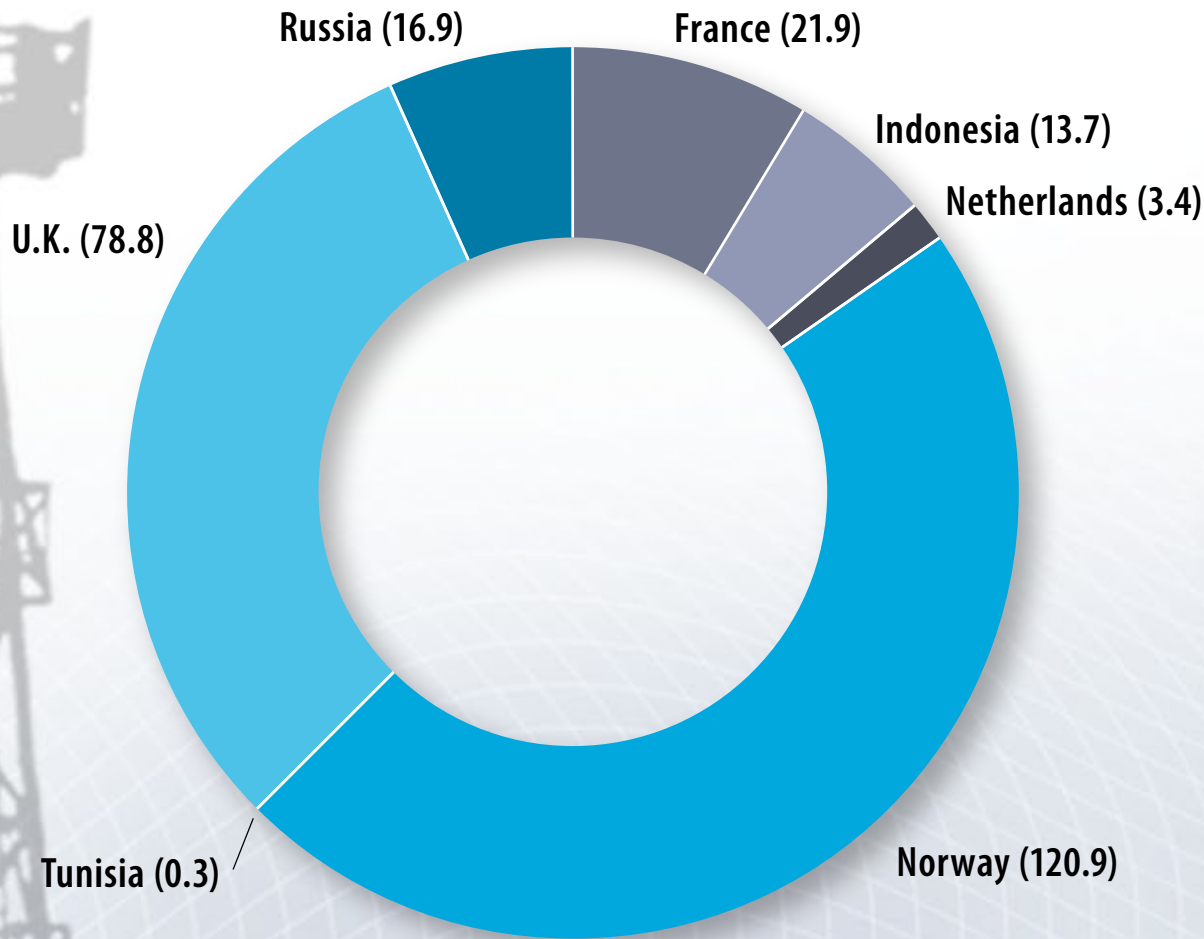
## Reserves Growth



Reserves Replacement Ratio of 361% (cumulative production: 76.3 MMBOE)



# 2010 Proven & Probable Reserves



**Total 255.9 MMboe**

01.01.2009 MMboe	217.5
- Produced	13.9
+ New reserves (excl sales/acquisitions)	55.3
- Sales	3.0
<b>01.01.2010 MMboe</b>	<b>255.9</b>



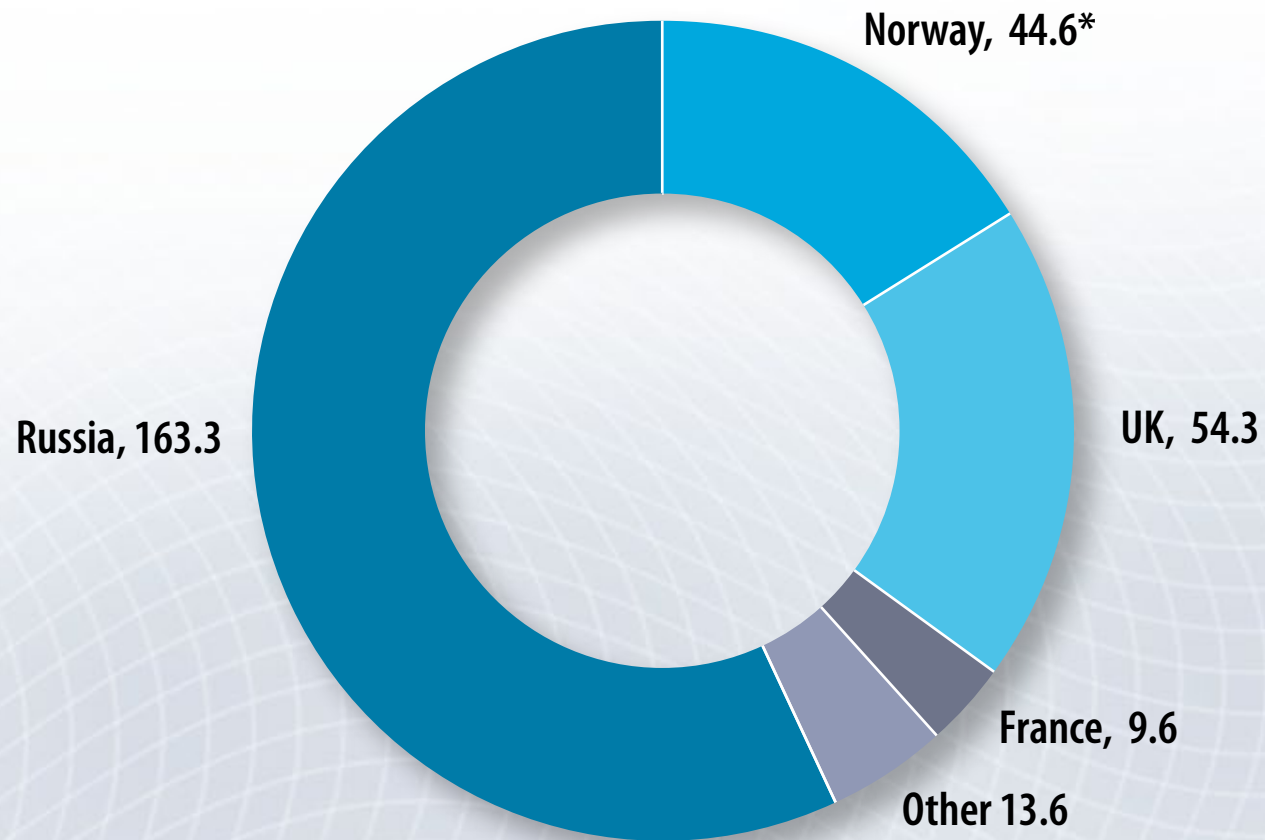
**Reserves Replacement Ratio 398%**

**Increase in Reserves 26%**

## 2010 Contingent Resources

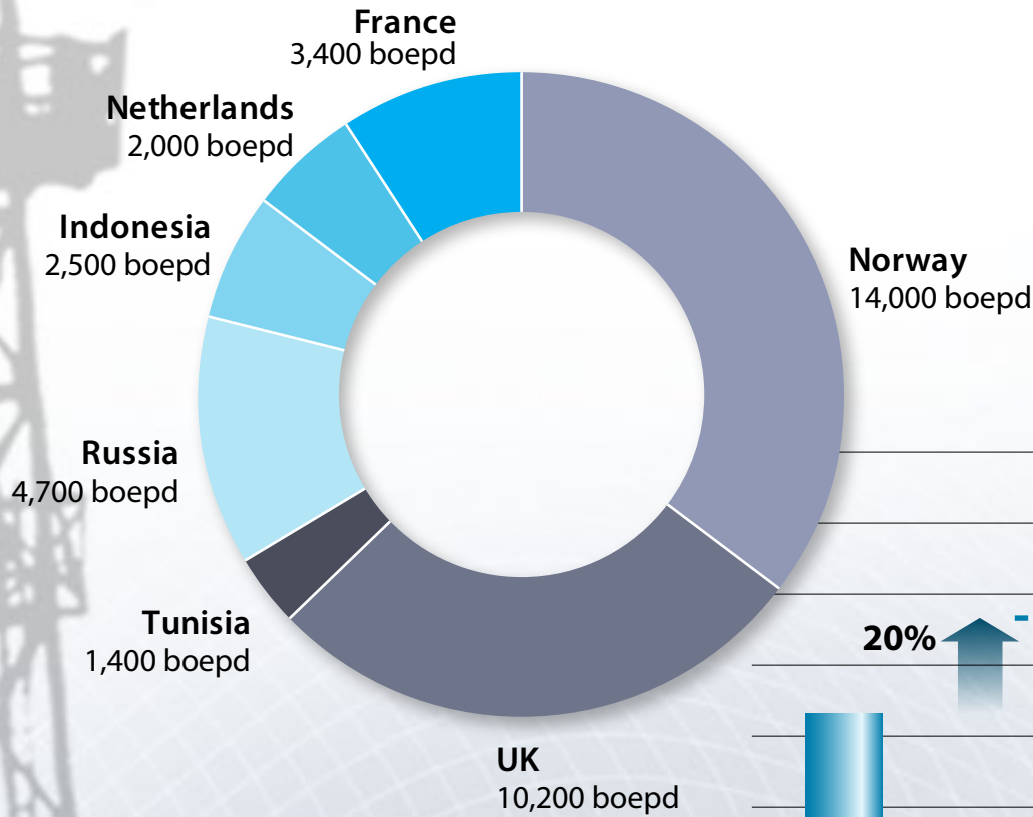


### Contingent Resources net Lundin Petroleum 285 MMboe

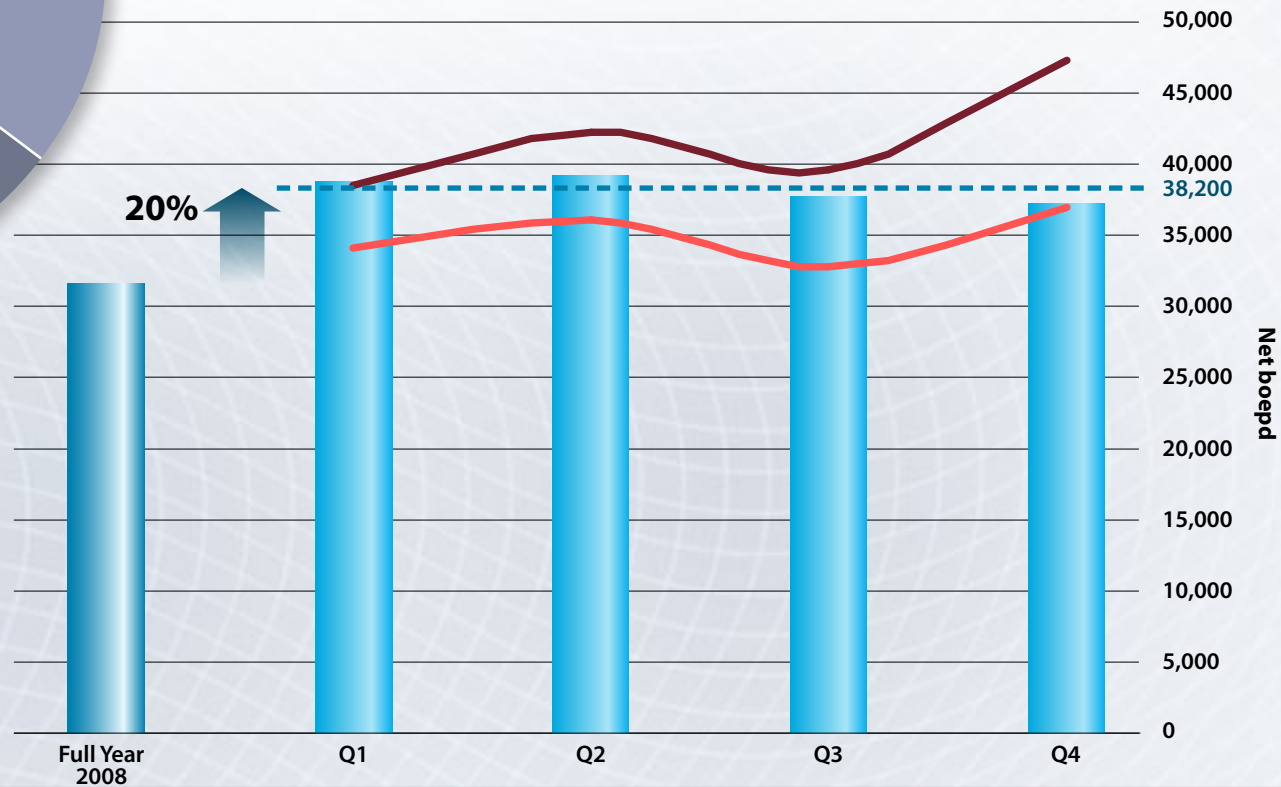


\* Excludes Ragnarrock and Luno South discoveries in Norway

# 2009 Production Performance



➤ 2009 production guidance 35,000 - 42,000 boepd  
➤ 2009 actual: 38,200 boepd\*



— CMD High  
— CMD Low  
█ Actual production

# 2010 Production Forecast



➤ 2010 production guidance 38,000 - 44,000 boepd

➤ Norway

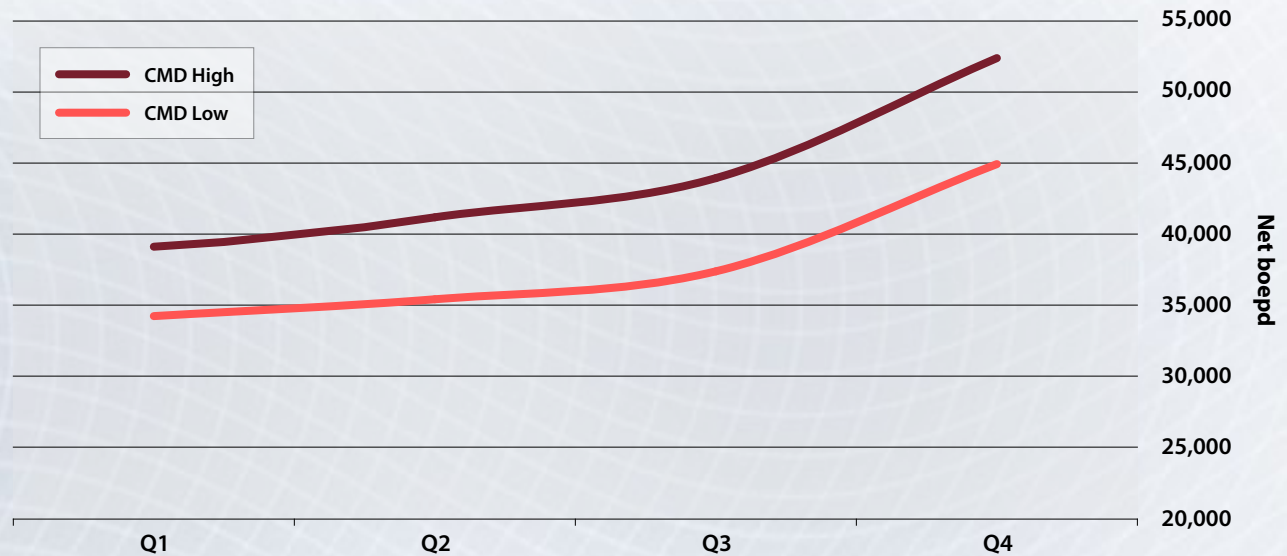
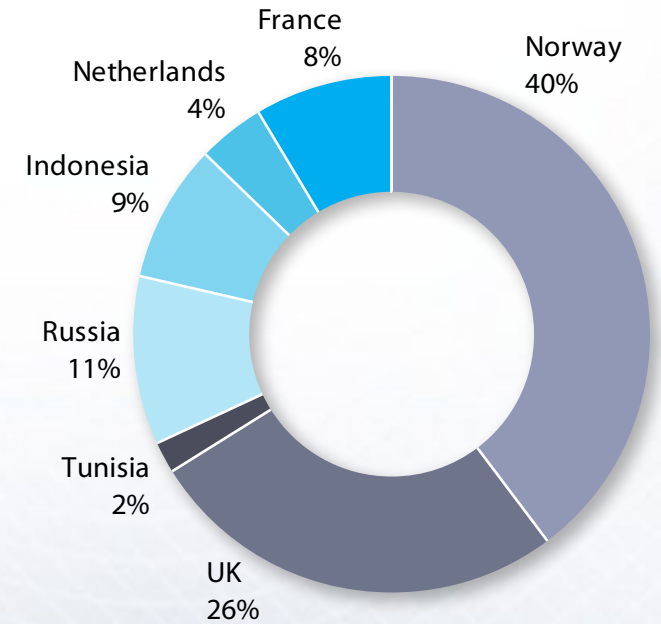
➔ Volund onstream 1H 2010

➤ Indonesia

➔ Singa onstream 1H 2010

➤ UK

➔ Thistle redevelopment 2H 2010



# Norway Production - Greater Alvheim Area

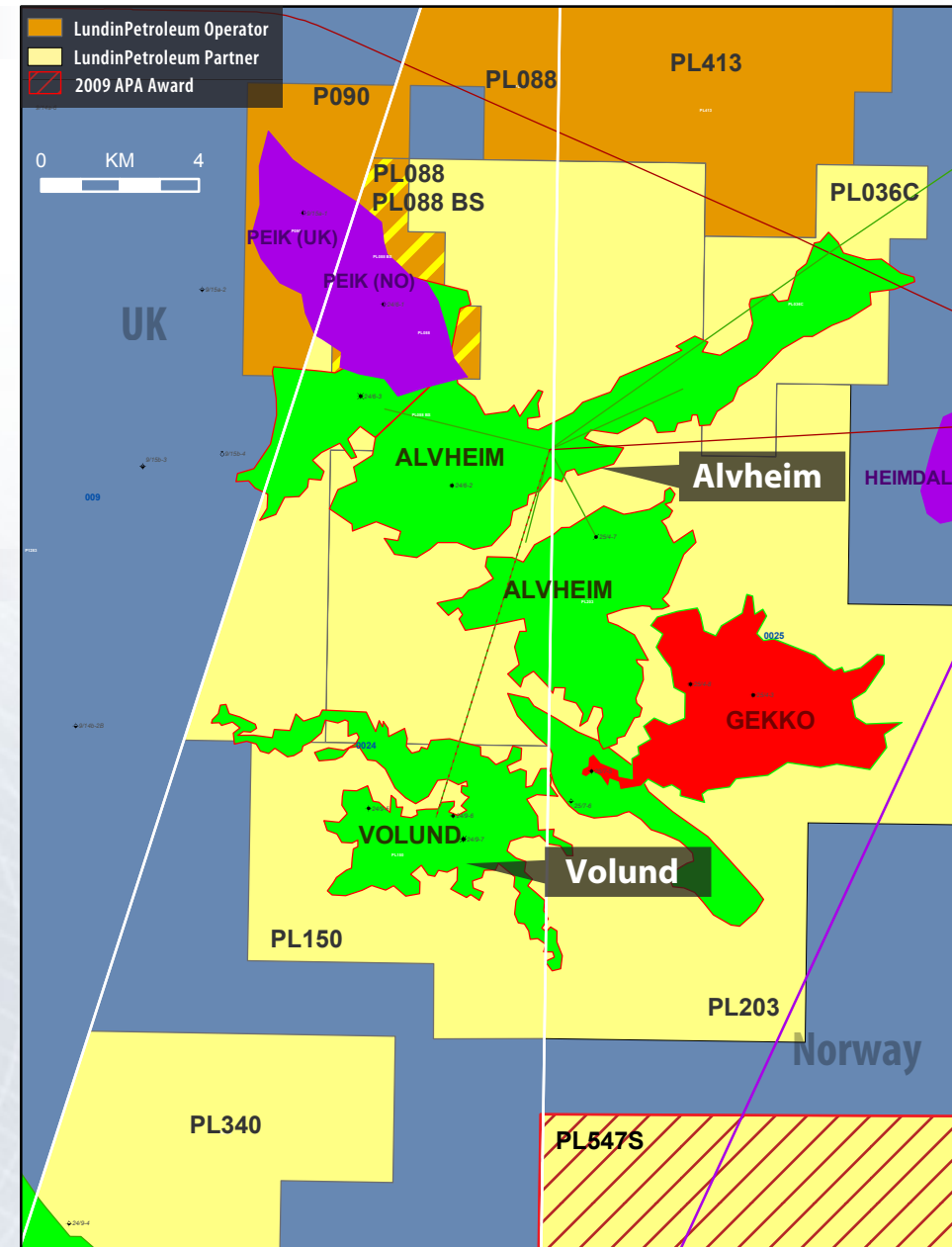


## Alvheim Field

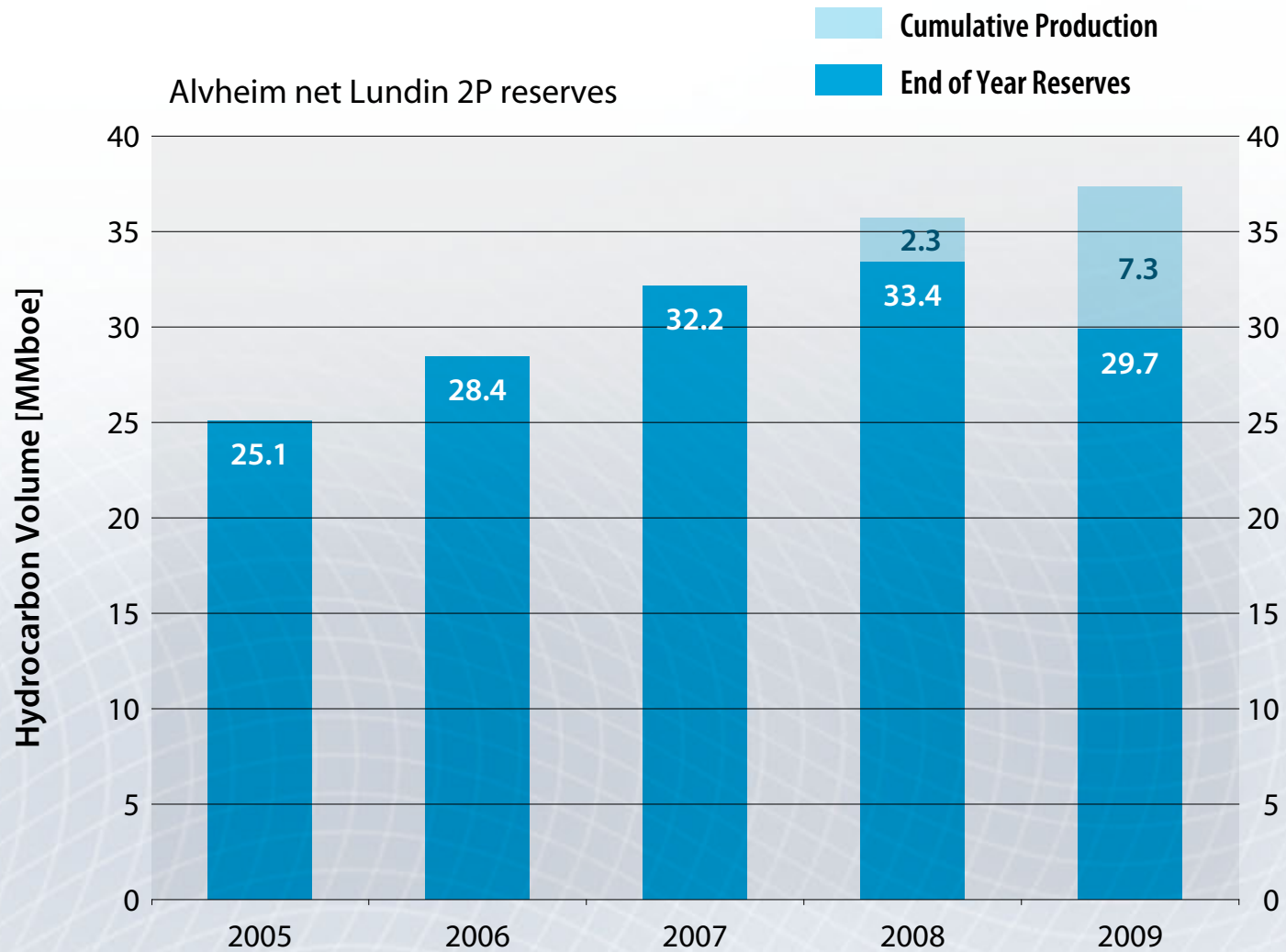
- **Lundin Petroleum 15%**  
➔ Marathon 65% (operator), ConocoPhillips 20%
- **Gross ultimate recovery 246 MMboe**
- **2009 net production 13,800 boepd, (above budget)**
- **Alvheim Phase 2 drilling to commence in 2010**
- **FPSO status**  
➔ 140,000 bopd capacity currently full
- **Opex Cost: ~ 5 USD/boe**

## Volund Field

- **Lundin Petroleum 35%**  
Marathon 65% (operator)
- **Gross reserves 49 MMboe**
- **Subsea tie-back to Alvheim**
- **Net plateau production 8,700 boepd**
- **Development of Phase 1 completed**
- **Phase 2 development drilling (2 wells) has commenced**
- **First oil first half 2010**
- **Opex Cost: ~ 8 USD/boe**



## Greater Alvheim Area - Alvheim Reserve Growth



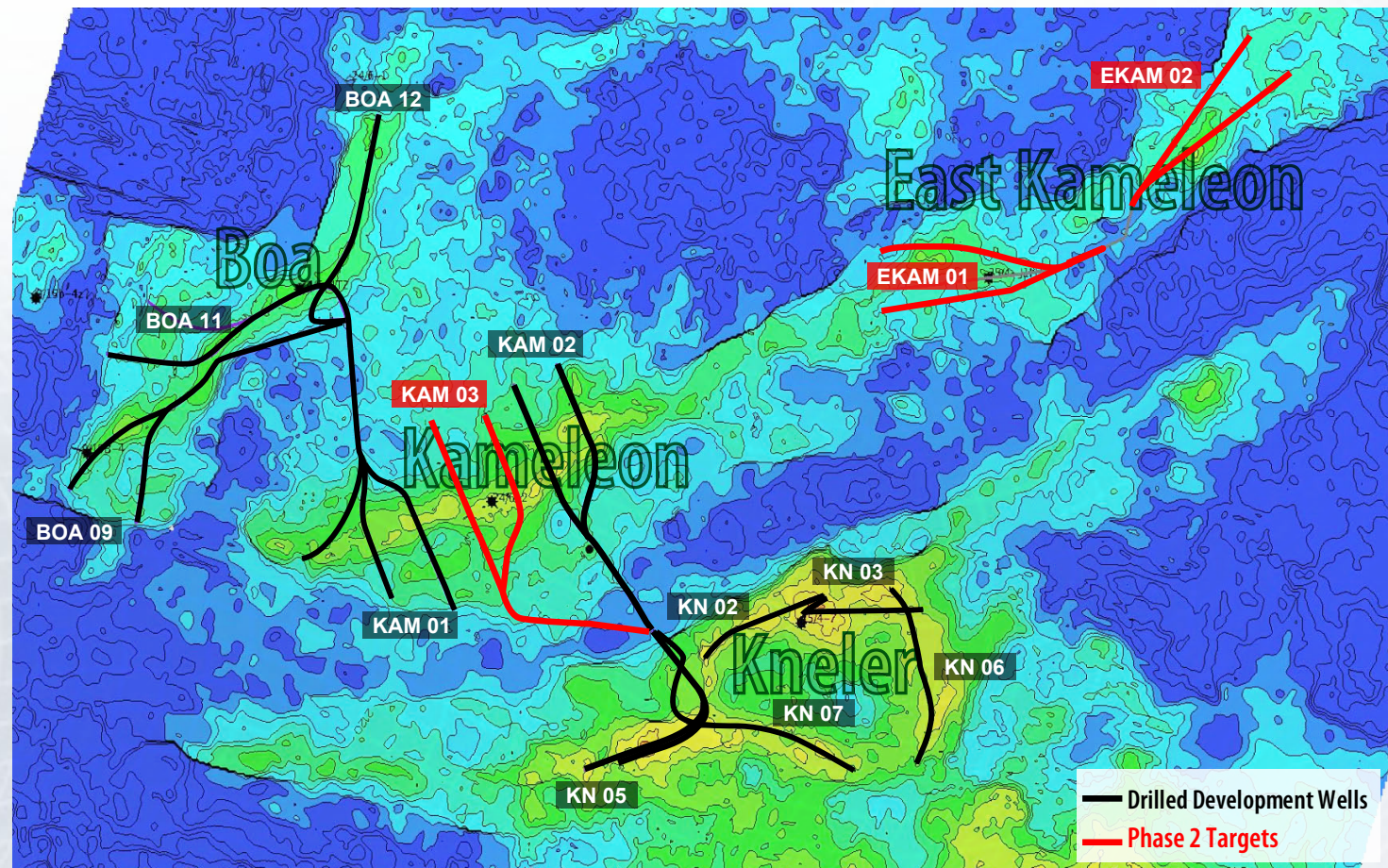


## Greater Alvheim Area - Alvheim Field



### ➤ Drilling Phase 2

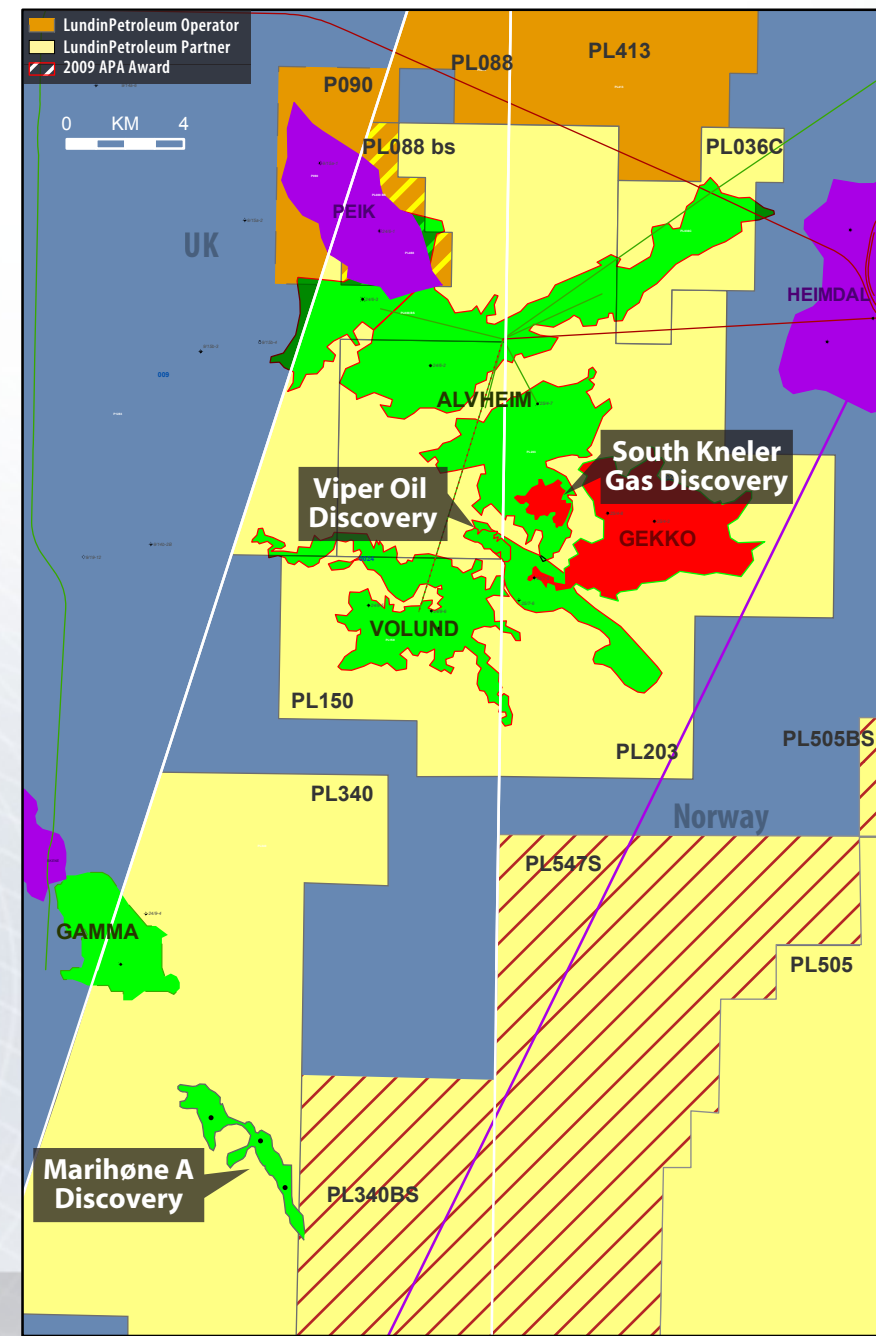
- ➔ The 3<sup>rd</sup> Kameleon well and two branch producers at East Kameleon
- ➔ Drilling start summer 2010



## Greater Alvheim Area - Further Discoveries



- ➔ **PL340 (15%)**
  - ➔ Marihøne light oil discovery 20-30 MMboe
  - ➔ Delineated with two sidetracks
  - ➔ Likely tieback to Alvheim FPSO
  
- ➔ **PL203 (15%)**
  - ➔ Viper oil discovery 5-10 MMboe
  - ➔ South Kneler gas discovery
    - possible extension of Gekko gas accumulation



# Greater Luno Area - Luno Field Development

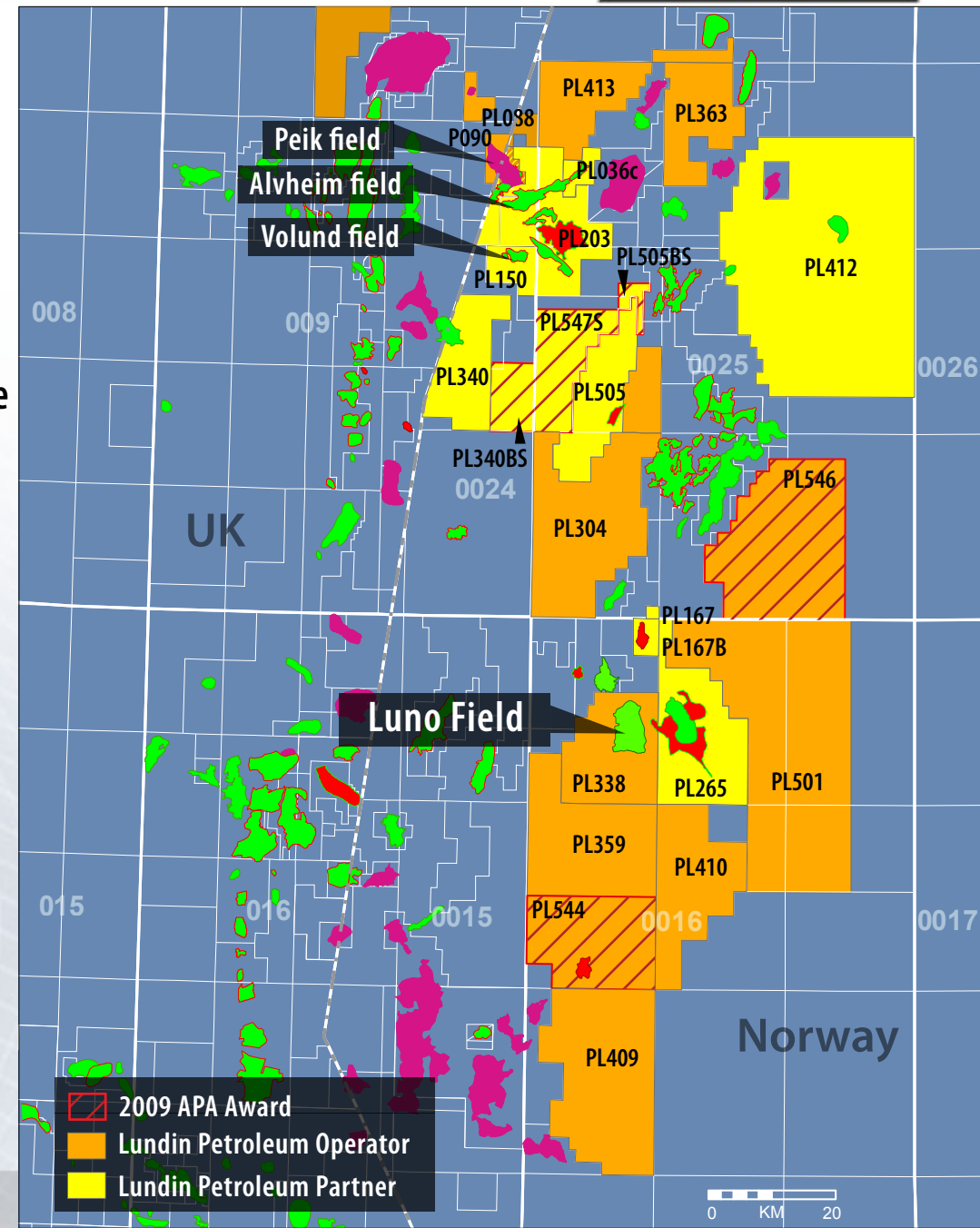


- ➔ **Lundin Petroleum interest: 50% (operator)**
  - ➔ Wintershall 30%, RWE 20%
- ➔ **Discovered in 2007**
- ➔ **Discovery 16/1-8**
  - ➔ Major light oil discovery
  - ➔ Tested 5,700 boepd
  - ➔ Significant working interest in adjoining acreage
- ➔ **First appraisal well in 2009**
  - ➔ Tested 4,000 boepd
- ➔ **Proved and probable gross reserves certified by Gaffney Cline & Associates**

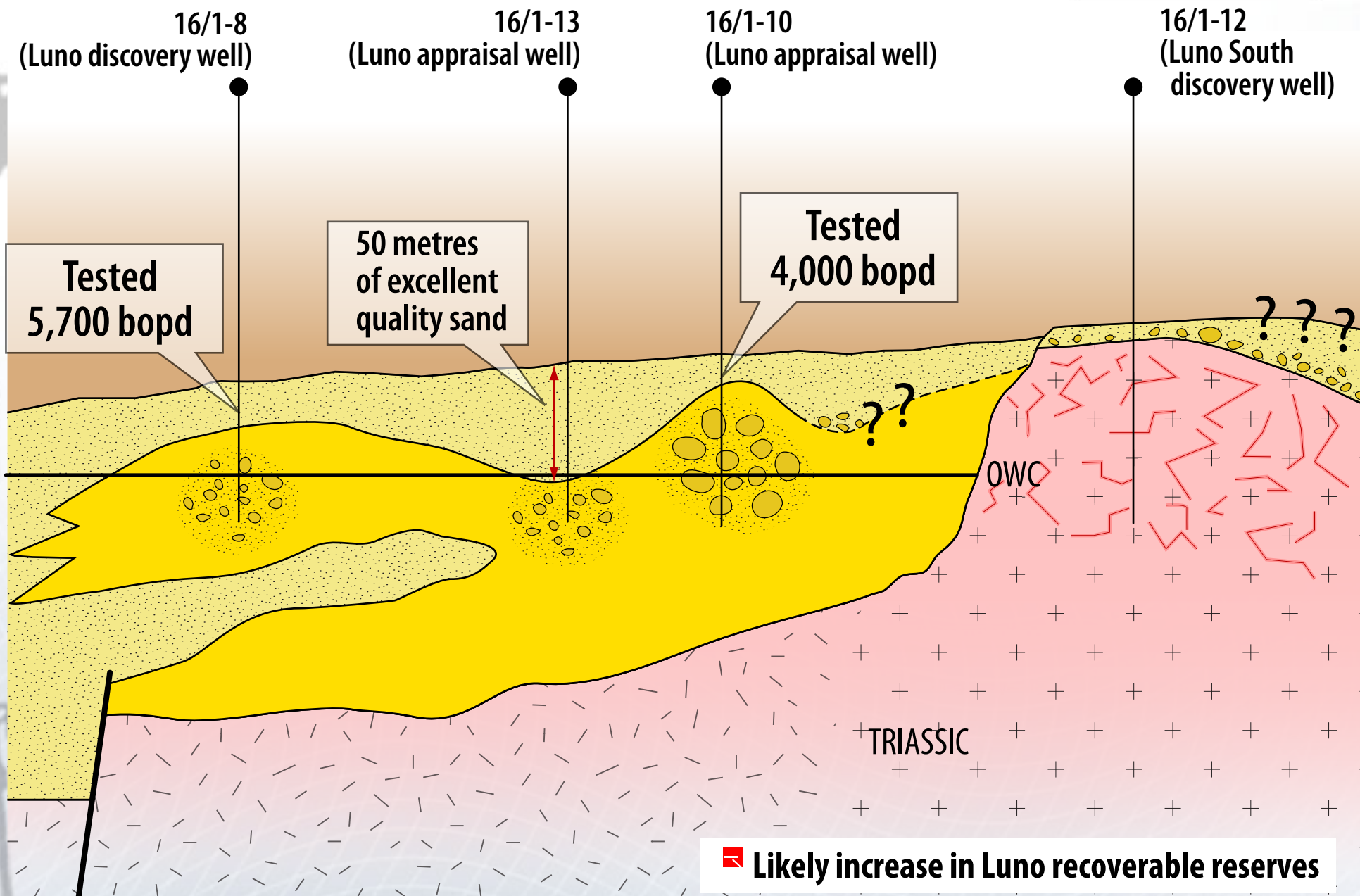
Luno Field	MMboe
Oil in place	365
Recoverable reserves*	95

- ➔ **Second appraisal well completed early 2010**
  - ➔ Confirmed reservoir extension
  - ➔ Excellent reservoir characteristics at well location
- ➔ **Development planning ongoing**
  - ➔ Submission of PDO in 2011

\* Recovery factor 26%



# Greater Luno Area - Successful Second Appraisal Well



## Greater Luno Area - Luno South Discovery

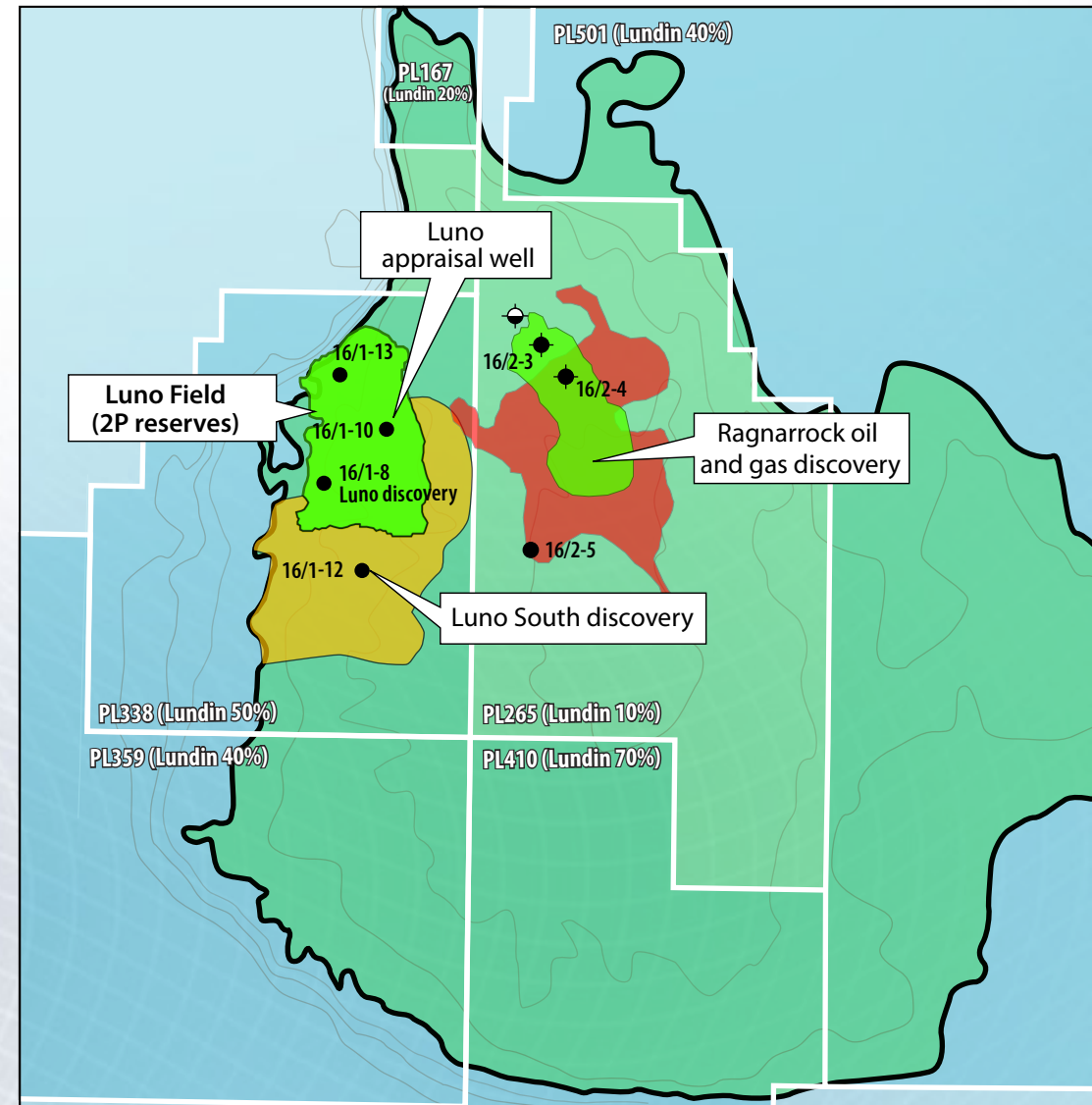


### ➤ PL338 (50%) Luno South discovery

- ➔ Exploration well completed as discovery
- ➔ Fractured basement reservoir with potential large oil volumes in place
- ➔ New play concept in Norway
- ➔ Technical and commercial review ongoing

### ➤ PL265 (10%) Ragnarrock discovery

- ➔ Acquired 10% interest from Talisman



## Subsea Tieback Development Opportunities



*\*Lundin Initial Production*

Field	Net Resources MMboe	Forecast Net Production* boepd	Project Sanction date	First Oil date
Nemo	8.9	6,000	2Q10	2013
Krabbe	9.1	4,800	3Q10	2014
Pi	8.6	4,800	4Q09	2012
Peik	15.3 <sup>1</sup>	8,600 <sup>1</sup>	2Q09 <sup>2</sup>	
<b>Total</b>	<b>41.9</b>	<b>24,200</b>		

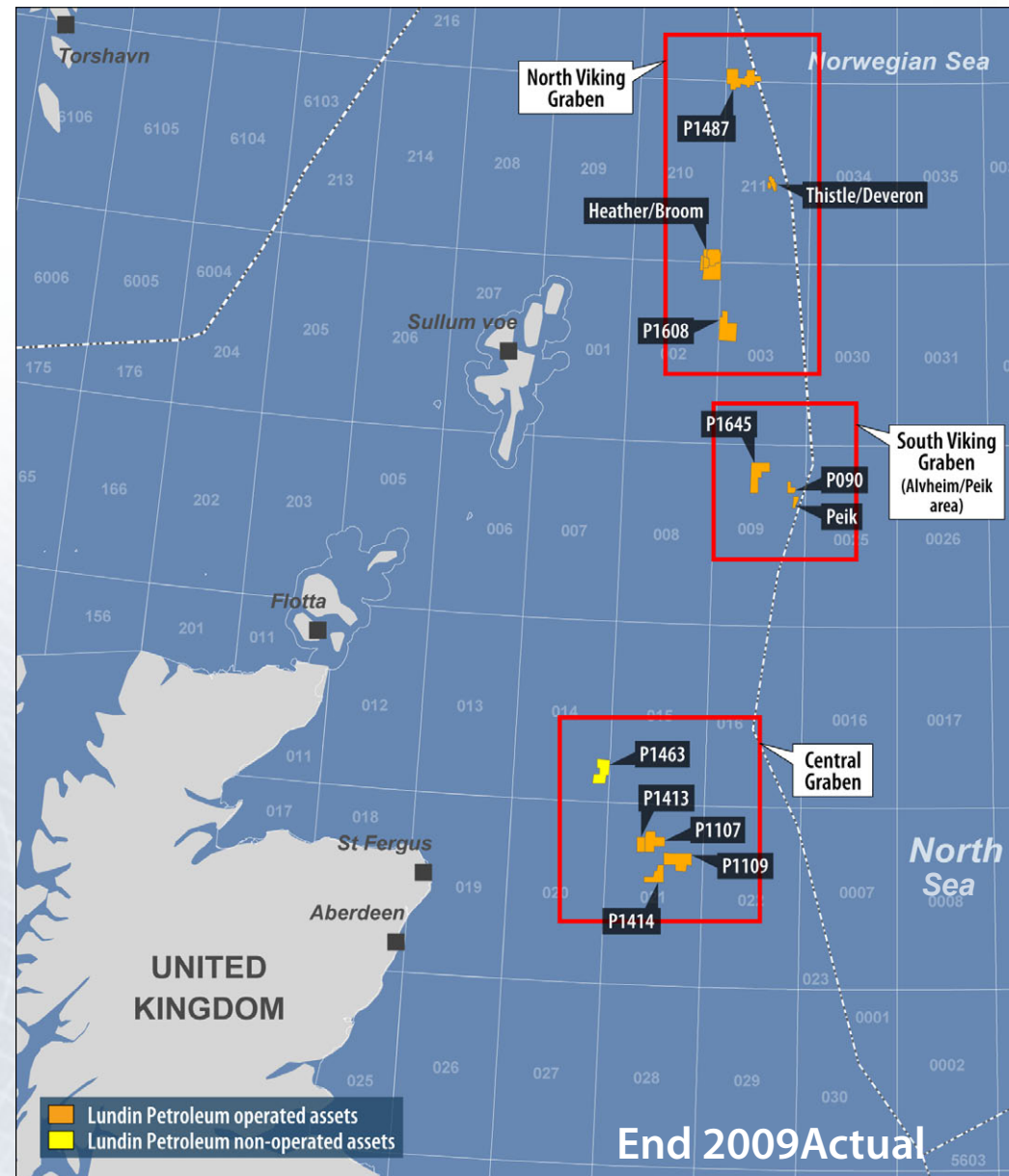
<sup>1</sup> Assumes Lundin Petroleum ~40% equity across border (UK/Norway) and includes both UK and Norway

<sup>2</sup> On hold subject to improved UK gas market

# United Kingdom North Sea



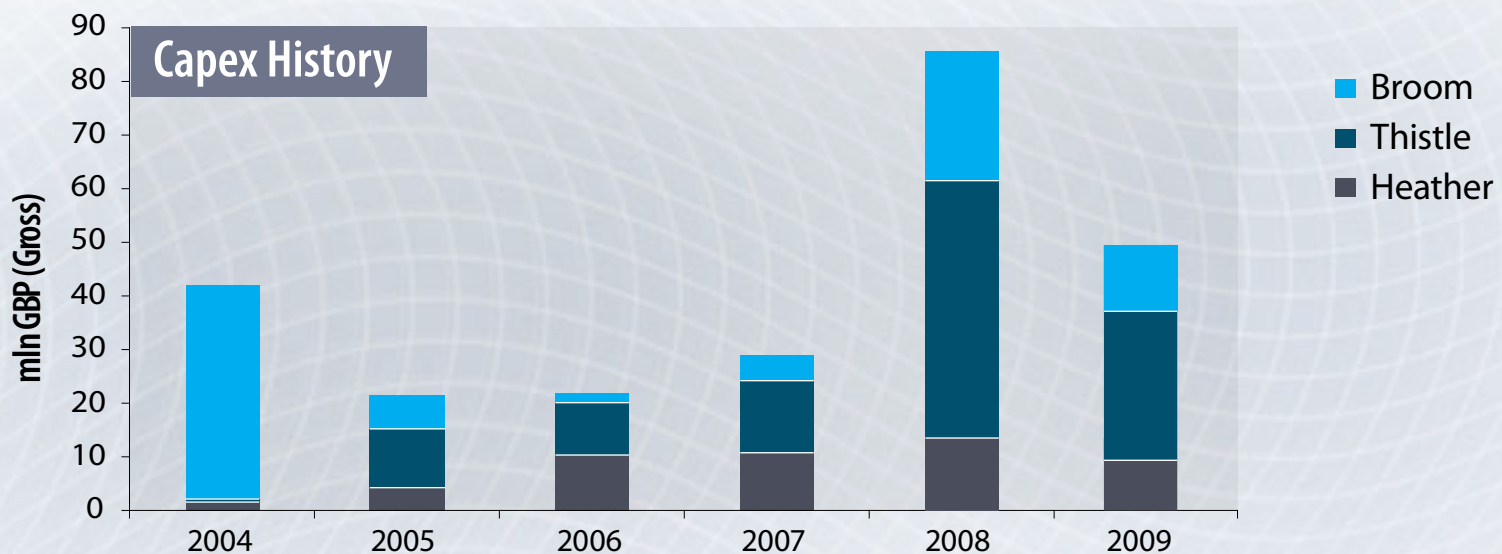
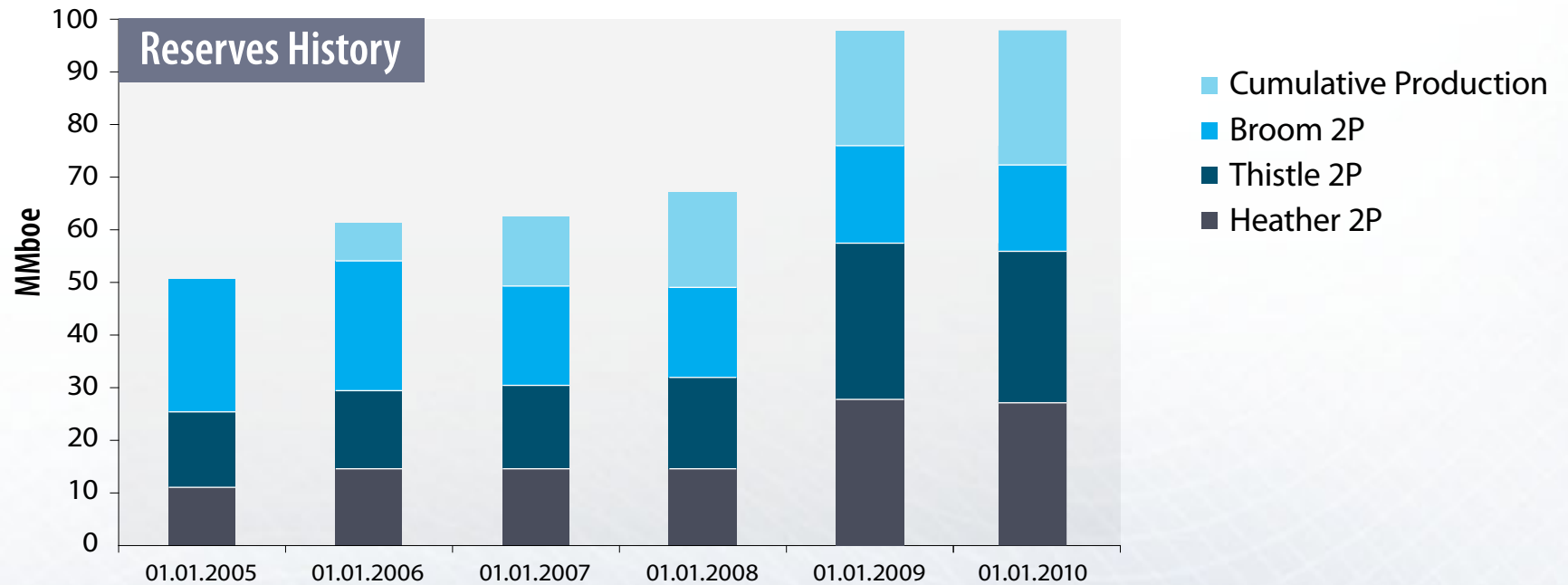
- ➔ 2009 production 10,200 boepd
- ➔ 2P reserves 79 MMboe
- ➔ Contingent resources 54 MMboe



- **Control infrastructure**
  - ➔ Heather and Thistle acquired in 2003
  
- **Facilitate hubcentric developments**
  - ➔ Broom on stream in 2004
  - ➔ SW Heather
  
- **Attract third party business**
  - ➔ Don production via Thistle in 2010
  
- **Put new life in aging facilities**
  - ➔ Significant investment in Thistle and Heather
  
- **Late life field development**
  - ➔ 3D seismic in 2007/2008
  - ➔ Rig reinstatement in 2009
  - ➔ Thistle drilling to start in 2010



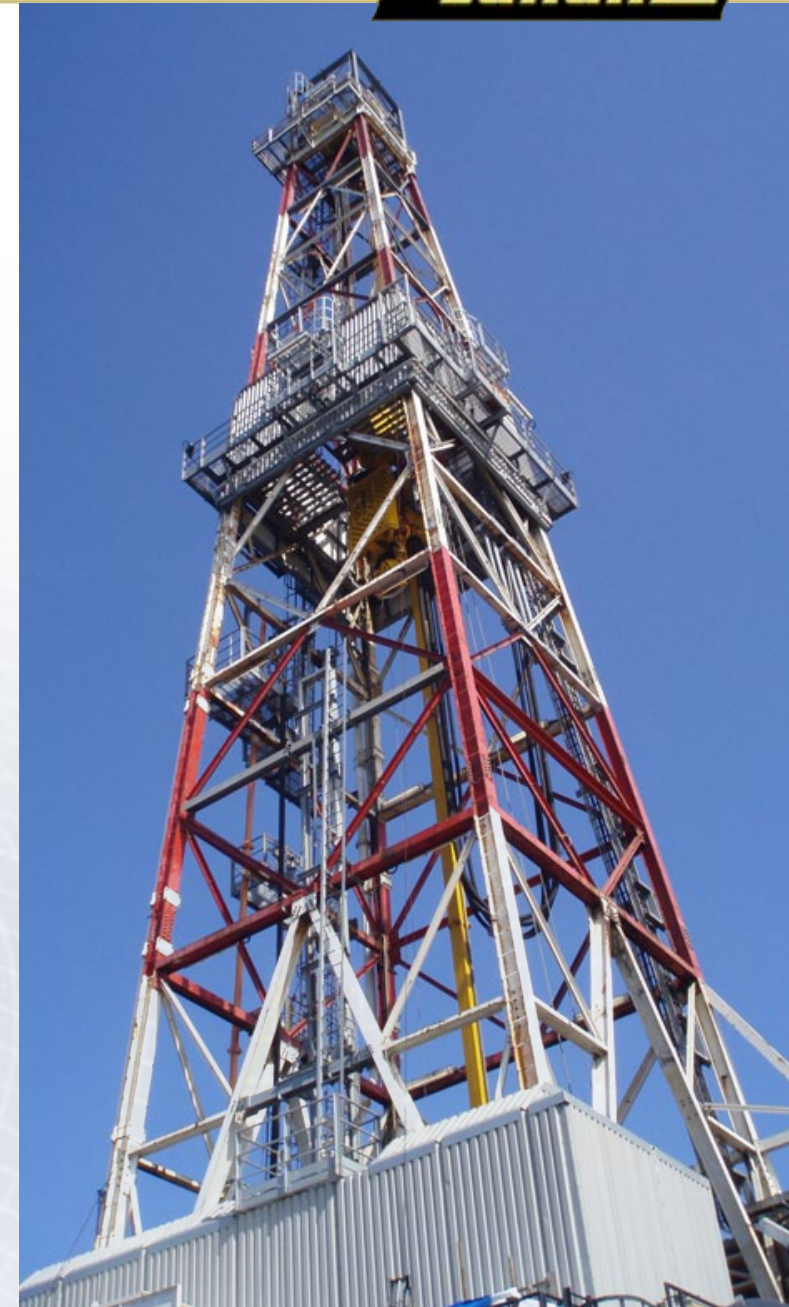
# UK North Sea - Growing Business



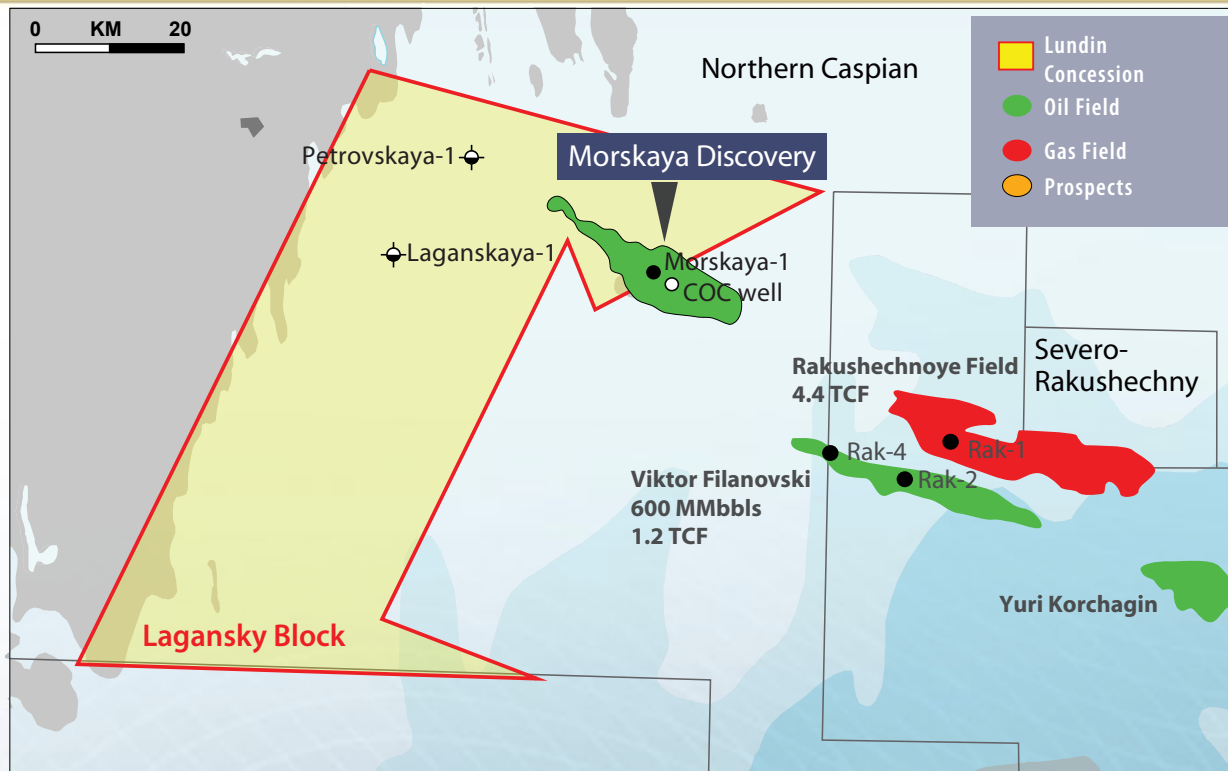
# Thistle Redevelopment



- **No drilling since 1988**
  
- **2010 drilling and workover campaign**
  - ➔ Drill 3 new producers and 1 workover
  - ➔ USD 7.5/bbl development costs
  
- **2011+ Phase II drilling**
  
- **Third party income - Don Tariff Agreement**
  - ➔ USD 10/bbl opex reduction in 2010
  - ➔ Free gas reduces opex further



## Russia - Lagansky - Morskaya Discovery



- Drilled 3 exploration wells
- Morskaya discovery
  - ➔ 233 MMboe on block
- Gunvor acquired 30 percent in 2009
  - ➔ Fully Paying Partner
- Lundin 70 percent ownership
- Licence extended to 2014

## Lagansky – Morskaya Conceptual Development



- **Production Licence Application submitted**
  - ➔ Sets timeline for appraisal strategy and Development Plan
  - ➔ 3D seismic acquisition completed 2009
  
- **Pre-Feed Development studies ongoing**
  
- **Appraisal drilling 2011**



## Exploration - 2010 Drilling

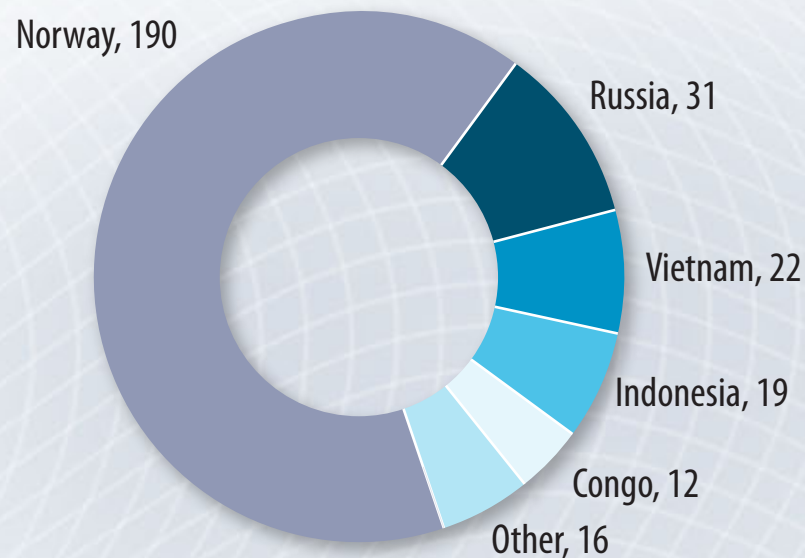


### 2010 exploration drilling

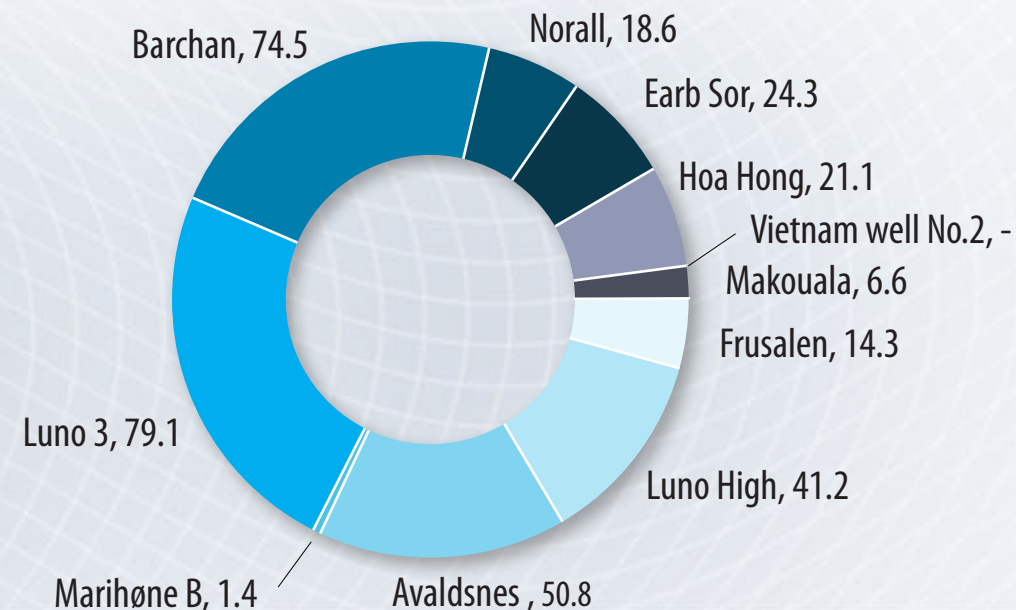
- 11 exploration wells in 2010
- 8 of the 11 wells will be drilled in Norway, comprising approximately 90% of the targeted net unrisks prospective resources
- Two wells are in Vietnam
- One well in Congo (Brazzaville)

**2010 drilling is targeting 332 MMboe which represents 19% of total Prospective Resources portfolio**

2010 Forecast Exploration Expenditure 290 MUSD



2010 exploration targets: 332 MMboe net unrisks



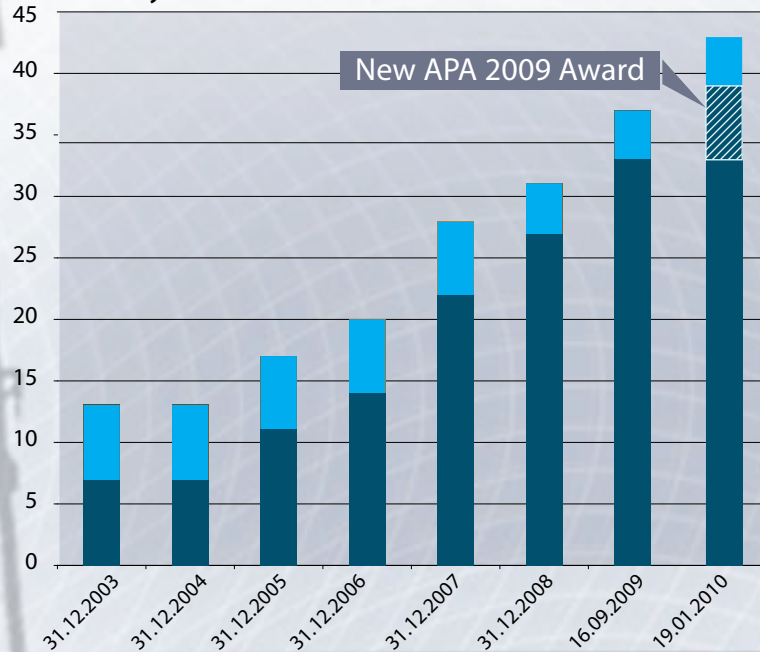
# Norway - Exploration



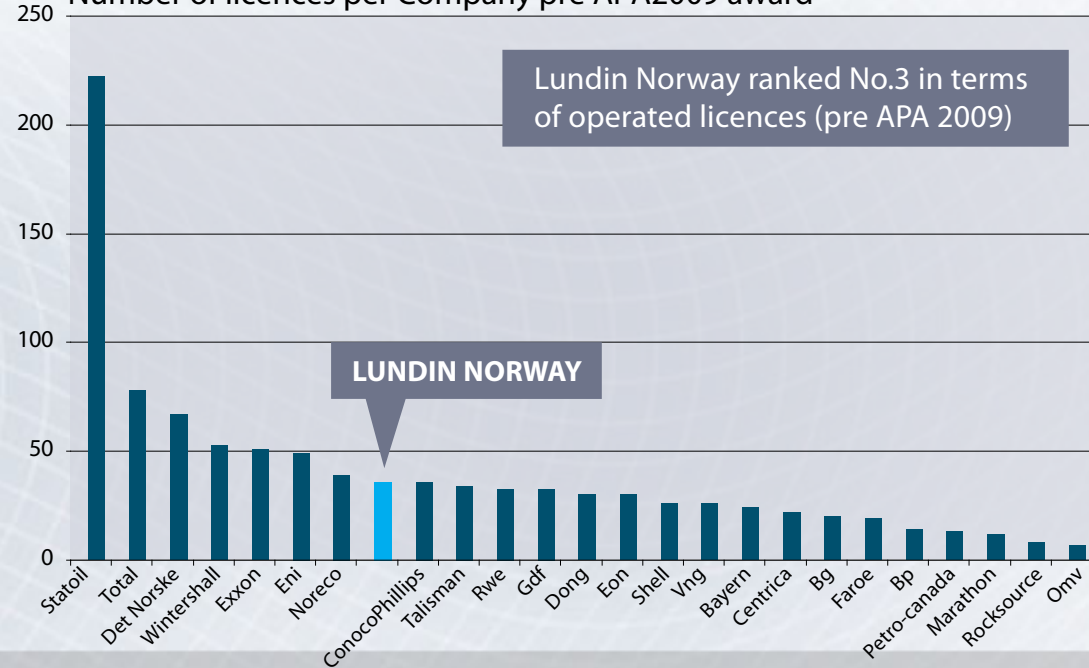
- Major position built through organic growth
- Further 7 new licences in APA 2009 licensing round

■ Production licences  
■ Exploration licences

Norway number of licences



Number of licences per Company pre APA2009 award



## Focused Exploration - 3 Key Areas



### ➔ Greater Alvheim Area 2010 drilling

➔ 1 well - PL340 Marihøne B

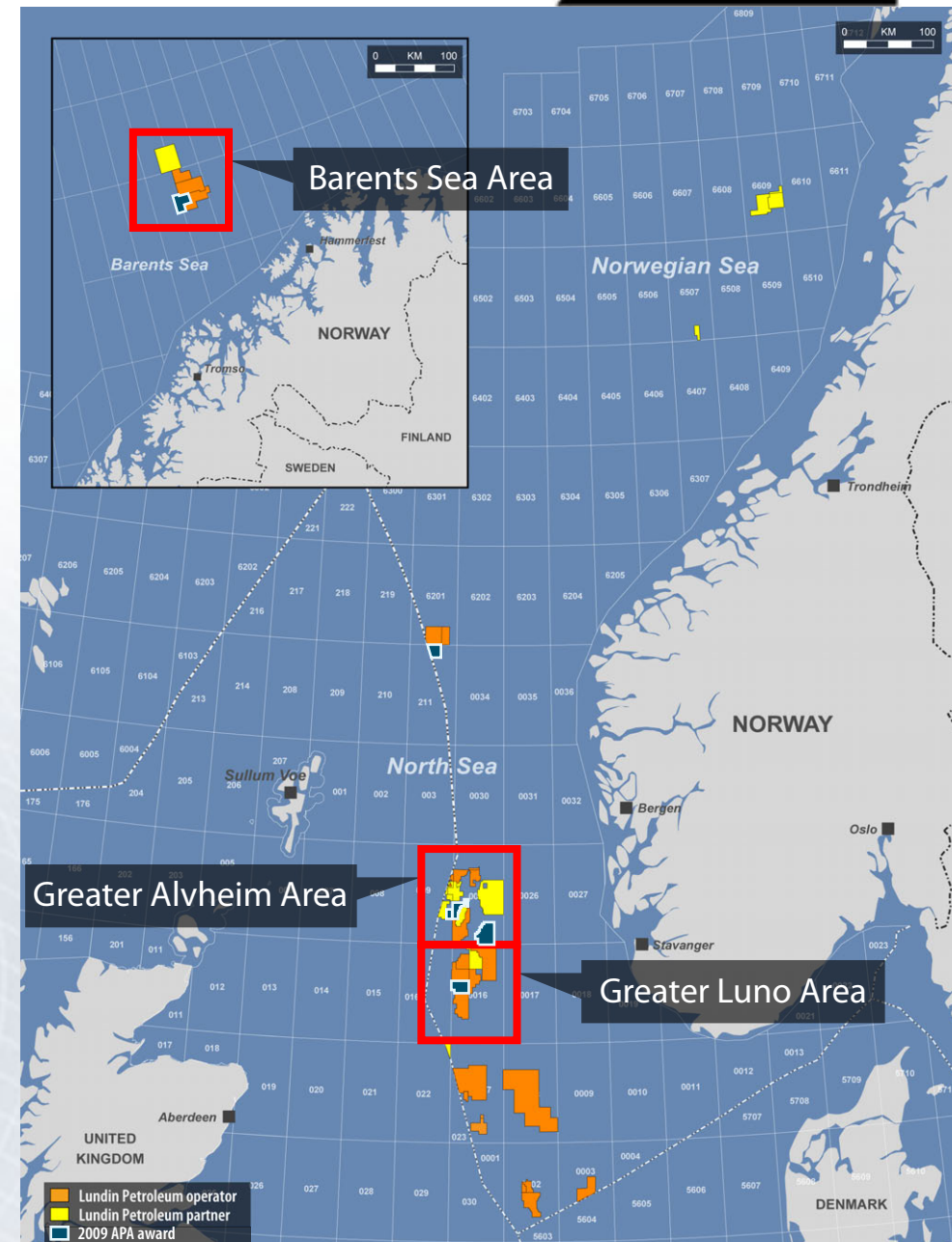
### ➔ Greater Luno Area 2010 drilling

➔ 4 wells - PL359 Luno High  
- PL501 Avaldsnes  
- PL410 Luno 3  
- PL409 Norall

### ➔ Barents Sea Area

➔ 2011 drilling

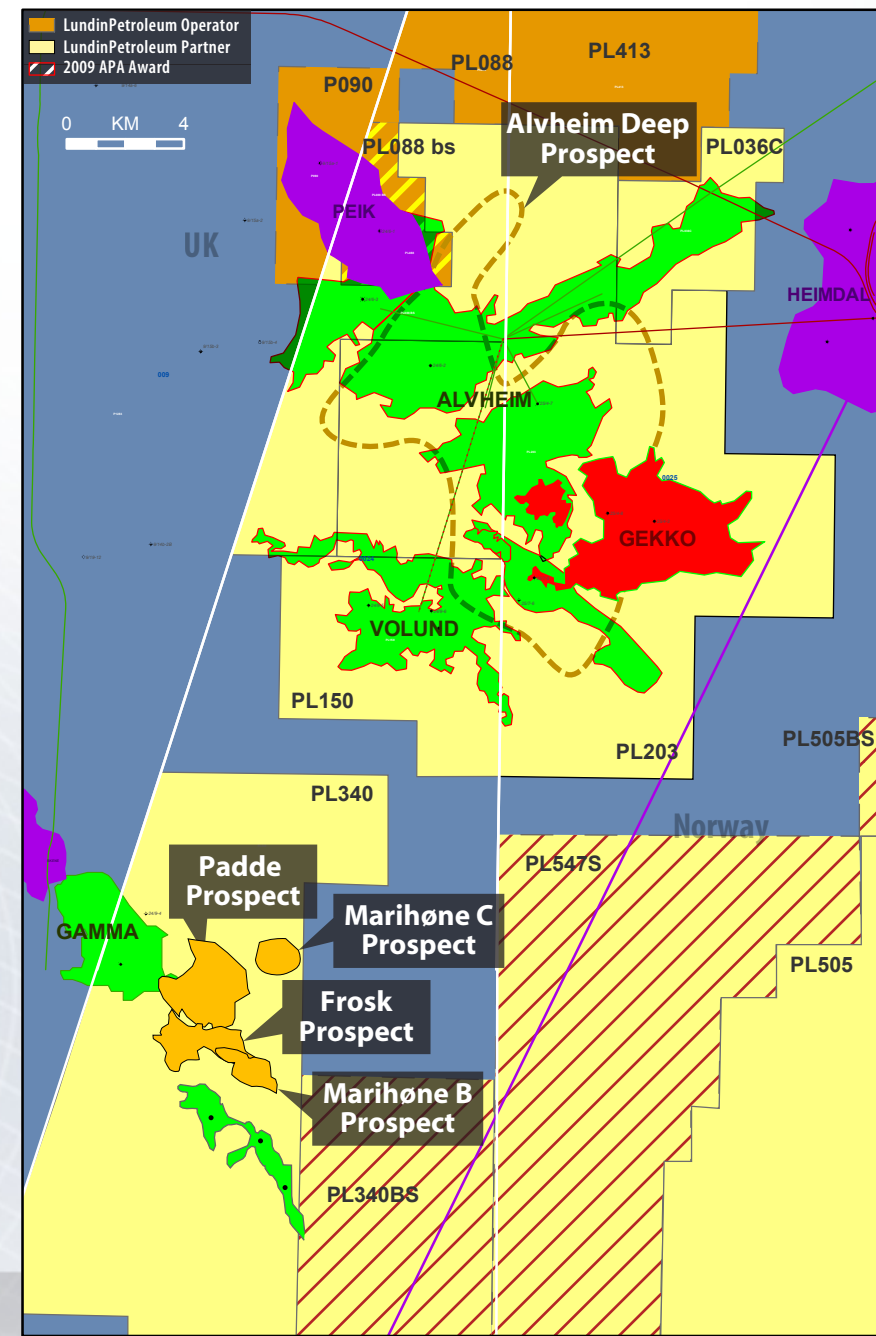
### ➔ Net 2010 unrisks resource exposure ~300 MMboe



## Greater Alvheim Area - Exploration



- ➔ **PL340/PL340 bs (15%)**
  - ➔ Marihøne discovery 20-30 MMboe
  - ➔ Other prospectivity in block.
  - ➔ Further exploration well in 2010
  - ➔ Total unrisks gross resource potential for various prospects ~80 MMboe
  
- ➔ **Alvheim Deep prospect**
  - ➔ Gross recoverable prospective resources 950 bcf

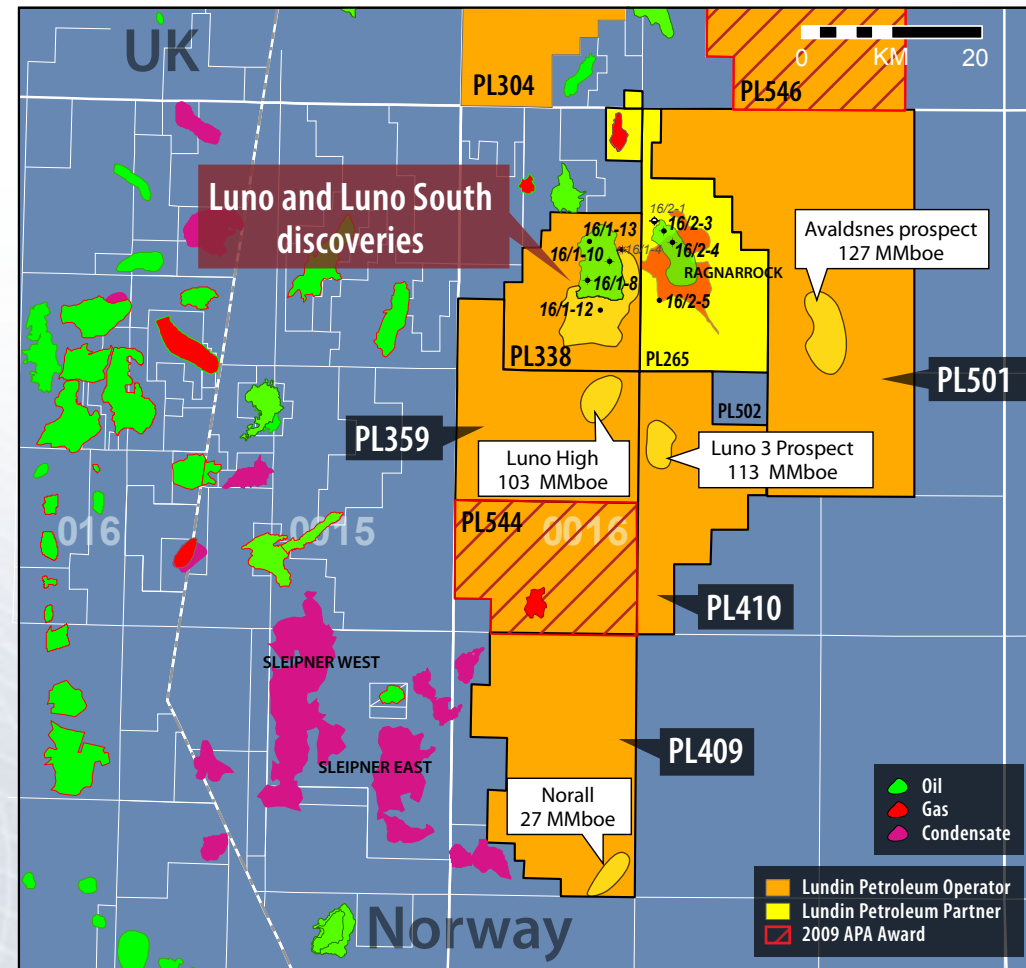




# Greater Luno Area - Further Exploration Potential



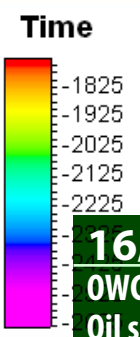
- **PL 359 (40%) (Currently drilling)**
  - ➔ Exploration well in 2010 targeting Luno High in the north east corner of the licence
  - ➔ Prospective resources 103 MMboe gross unrisks
- **PL 409 (70%)**
  - ➔ Norall exploration well in 2010
  - ➔ Prospective resources 27 MMboe gross unrisks
- **PL 410 (70%)**
  - ➔ Luno 3 exploration well in 2010
  - ➔ Prospective resources 113 MMboe gross unrisks
- **PL 501 (40%)**
  - ➔ Avaldsnes exploration well in 2010
  - ➔ Prospective resources 127 MMboe gross unrisks
- **PL 265 (10%)**
  - ➔ Acquired from Talisman in December 2009
- **PL544 (70%)**
  - ➔ 2009 APA Award



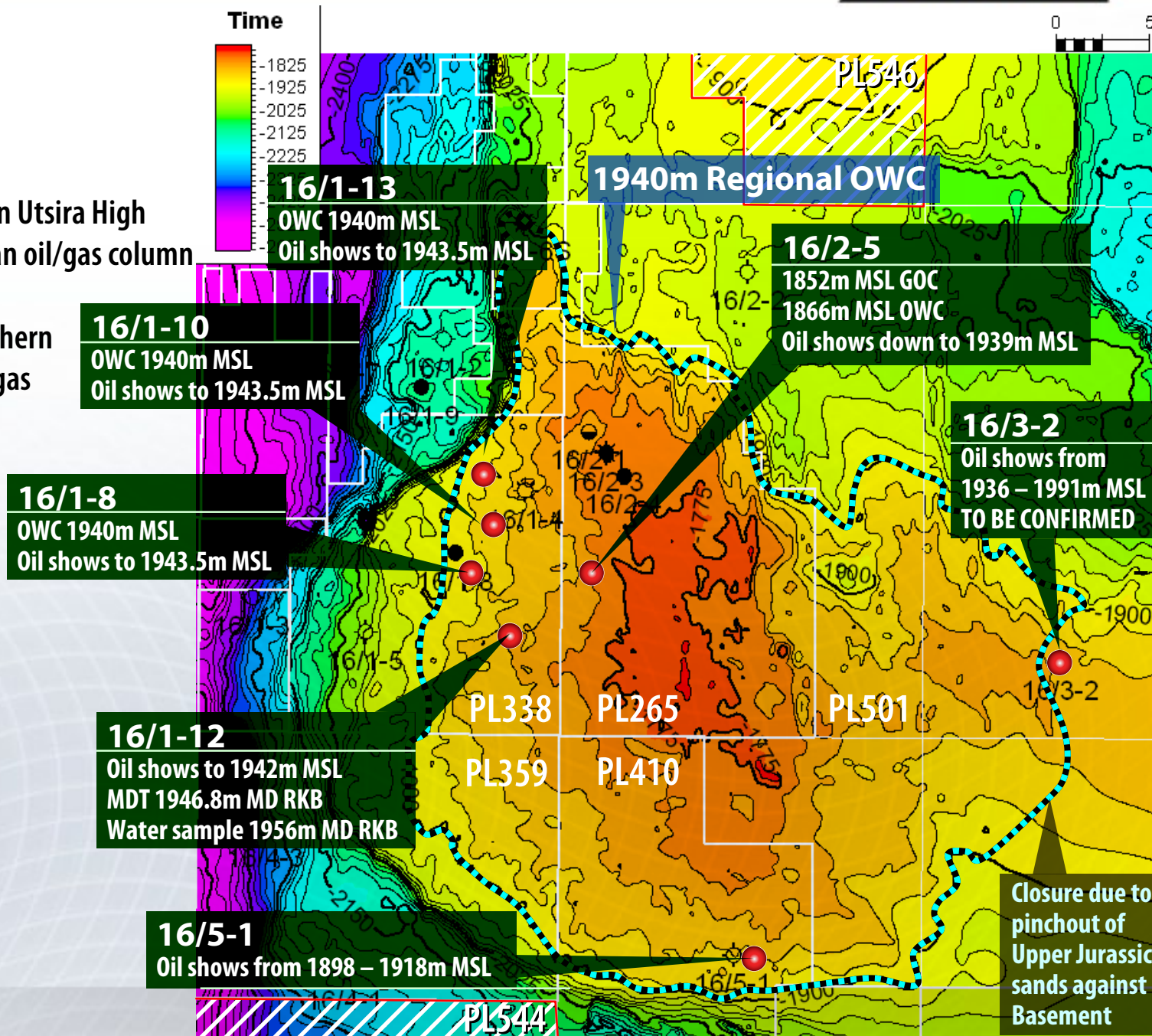
**Total Unrisks Resource Potential in Luno Area 2010: 190 MMboe net**

*(excluding Luno and Luno South discoveries)*

# Greater Luno Area - Regional Oil Water Contact



- All wells drilled on southern Utsira High above 1940m MSL proved an oil/gas column
- Everything 'porous' on southern Utsira High contains oil or gas



**16/1-13**  
 OWC 1940m MSL  
 Oil shows to 1943.5m MSL

**1940m Regional OWC**

**16/2-5**  
 1852m MSL GOC  
 1866m MSL OWC  
 Oil shows down to 1939m MSL

**16/1-10**  
 OWC 1940m MSL  
 Oil shows to 1943.5m MSL

**16/3-2**  
 Oil shows from 1936 – 1991m MSL  
 TO BE CONFIRMED

**16/1-8**  
 OWC 1940m MSL  
 Oil shows to 1943.5m MSL

**16/1-12**  
 Oil shows to 1942m MSL  
 MDT 1946.8m MD RKB  
 Water sample 1956m MD RKB

**16/5-1**  
 Oil shows from 1898 – 1918m MSL

Closure due to pinchout of Upper Jurassic sands against Basement

## Barents Sea - Drilling in 2011

### 4 drillable prospects matured in Lundin Petroleum portfolio

#### ➔ PL438

- ➔ Lundin Petroleum 25% (operator)
- ➔ 3 prospects. Skalle to be drilled in 2011

#### ➔ PL490

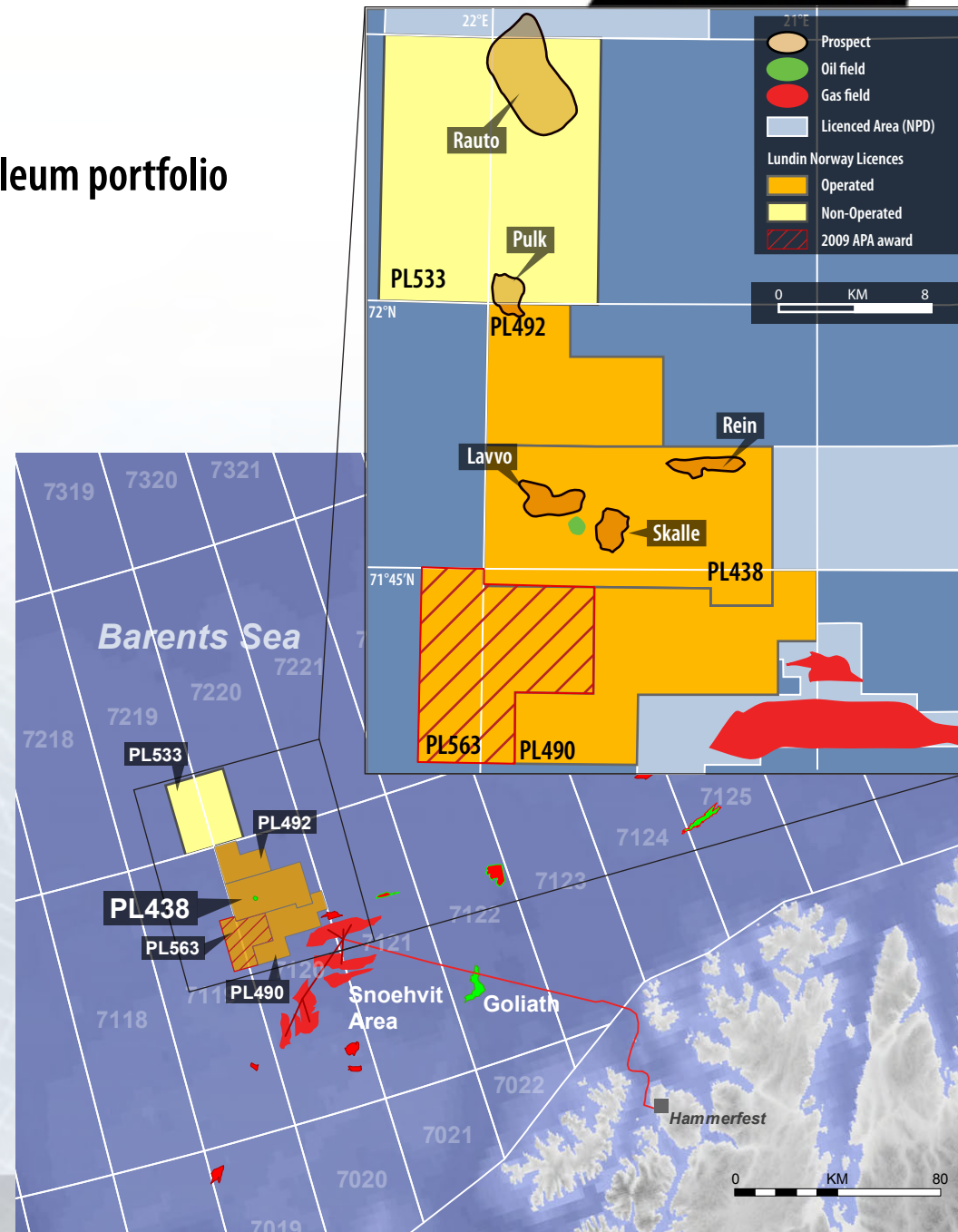
- ➔ Lundin Petroleum 30% (operator)
- ➔ 2 leads likely to be matured into prospects

#### ➔ PL492

- ➔ Lundin Petroleum 30% (operator)
- ➔ 1 lead likely to be matured into prospect

#### ➔ PL533

- ➔ Lundin Petroleum 20%
- ➔ One large lead Rauto in addition to the Pulk prospect



# South East Asia - Building a Core Area



## TOTAL

Exploration Licences:	8
Direct Joint Studies:	1
Production Licences:	3
Total Prospective Resources:	426 MMboe

January 2010

Lundin Petroleum Licence  
 Direct Joint Study Area

# 5 Year Work Programme



Blocks	2009				2010				2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Vietnam Block 06/94		1 well		3D		2 wells														
Indonesia Rangkas PSC						2D														
Malaysia Block PM308A			3D																	
Malaysia Block PM308B		3D								1 well										
Malaysia Block SB303	3D													3 wells						
Indonesia Baronang PSC						3D														
Indonesia Cakalang PSC					3D	2D														
<b>Joint Study Area</b>																				
Indonesia Gurita PSC										3D										1 well

## Work Programme 2010 onwards

- 2,075 km 2D seismic
- 1,475 km<sup>2</sup> 3D seismic
- 14 exploration wells

Seismic Programme ■ 2D ■ 3D  
 Drilling ■

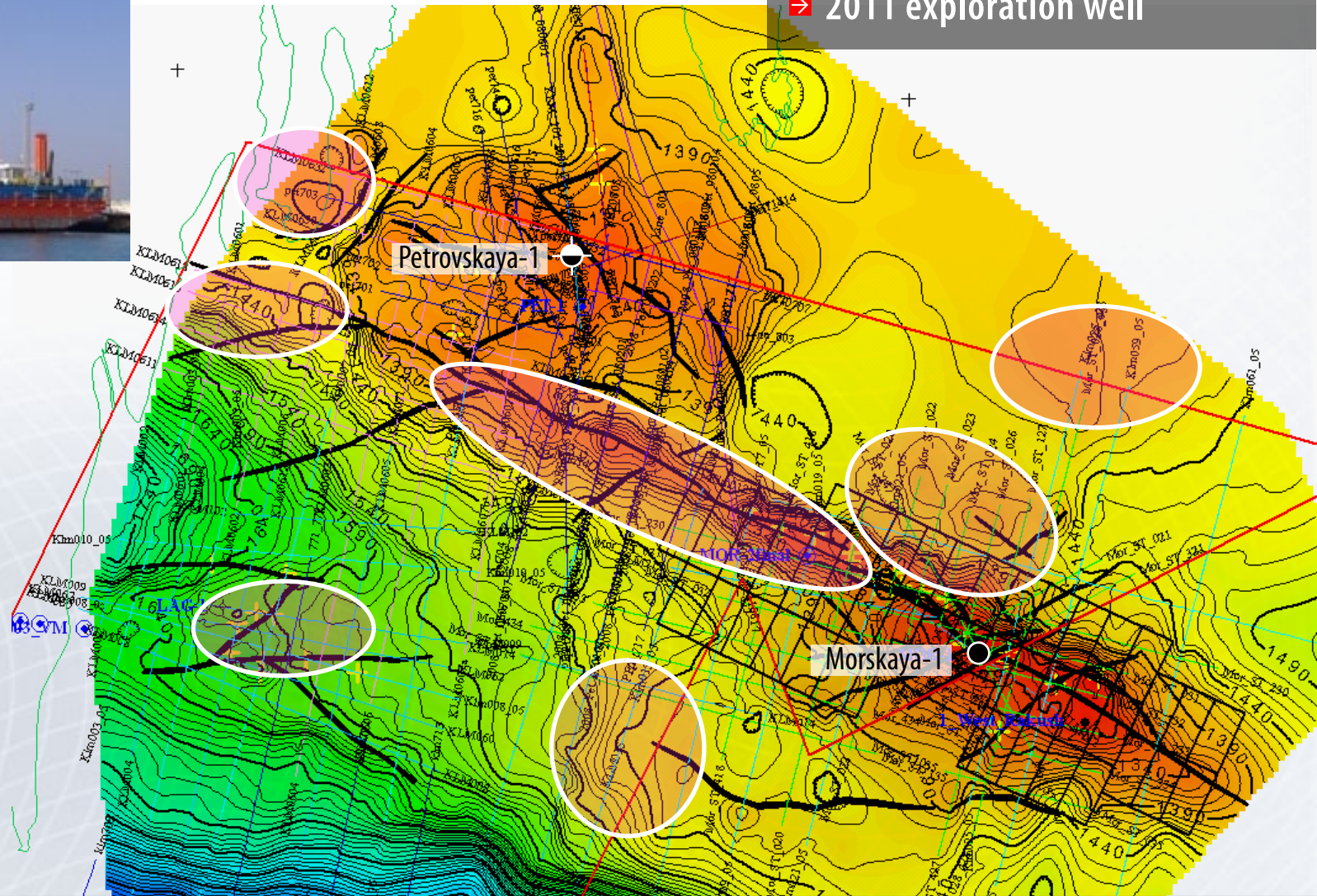
# Russia - Lagansky - Further Exploration Potential



shallow water drilling unit (SEP)










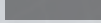



- ➔ 2010 Construction of shallow water drilling unit (SEP)
- ➔ 2011 exploration well



# Targeted Prospective Resources – 2010 Drilling Schedule



Country	Licence - Prospect	Operator	LUPE%	NURPR <sup>(1)</sup>	CoS%	NRPR <sup>(2)</sup>	Q1	Q2	Q3	Q4
1 Norway	PL476 - Frusalen	Det norske	30.00	14.3	27	3.9	 P&A dry			
2 Norway	PL359 - Luno High	Lundin	40.00	41.2	36	14.8				
3 Norway	PL501 - Avaldsnes	Lundin	40.00	50.8	36	18.3				
4 Norway	PL410 - Luno 3	Lundin	70.00	79.1	36	28.5				
5 Norway	PL400 - Barchan	Lundin	50.00	74.5	18	13.4				
6 Norway	PL409 - Norall	Lundin	70.00	18.6	36	6.7				
7 Norway	PL340 - Marihøne B	Marathon	15.00	1.4	34	0.5				
8 Norway	PL505 - Earb Sor	Marathon	30.00	24.3	18	4.4				
9 Vietnam	Block 06/94 - Hoa Hong	Pearl	33.33	21.1	20	4.2				
10 Vietnam	Block 06/94 - Well No. 2	Pearl	33.33	-	-	-				
11 Congo (Brazzaville)	Block Marine XIV - Makouala	SOCO	21.55	6.6	34	2.2				
				<b>332</b>		<b>97</b>				

<sup>(1)</sup> Net Unrisked Prospective Resources (MMboe)

<sup>(2)</sup> Net Risked Prospective Resources (MMboe)

 operated  non operated

# Financial Presentation - Year End 2009



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