

The background of the slide features a silhouette of several oil rigs against a sunset sky. The rigs are tall, lattice-structured towers with various platforms and cranes. The sky transitions from a bright yellow near the horizon to a clear blue at the top. A yellow horizontal band is positioned at the top of the slide, containing the title text.

*Financial Presentation - Year End 2010*

*C. Ashley Heppenstall, President and CEO  
Geoff Turbott, VP Finance and CFO*

## Disclaimer



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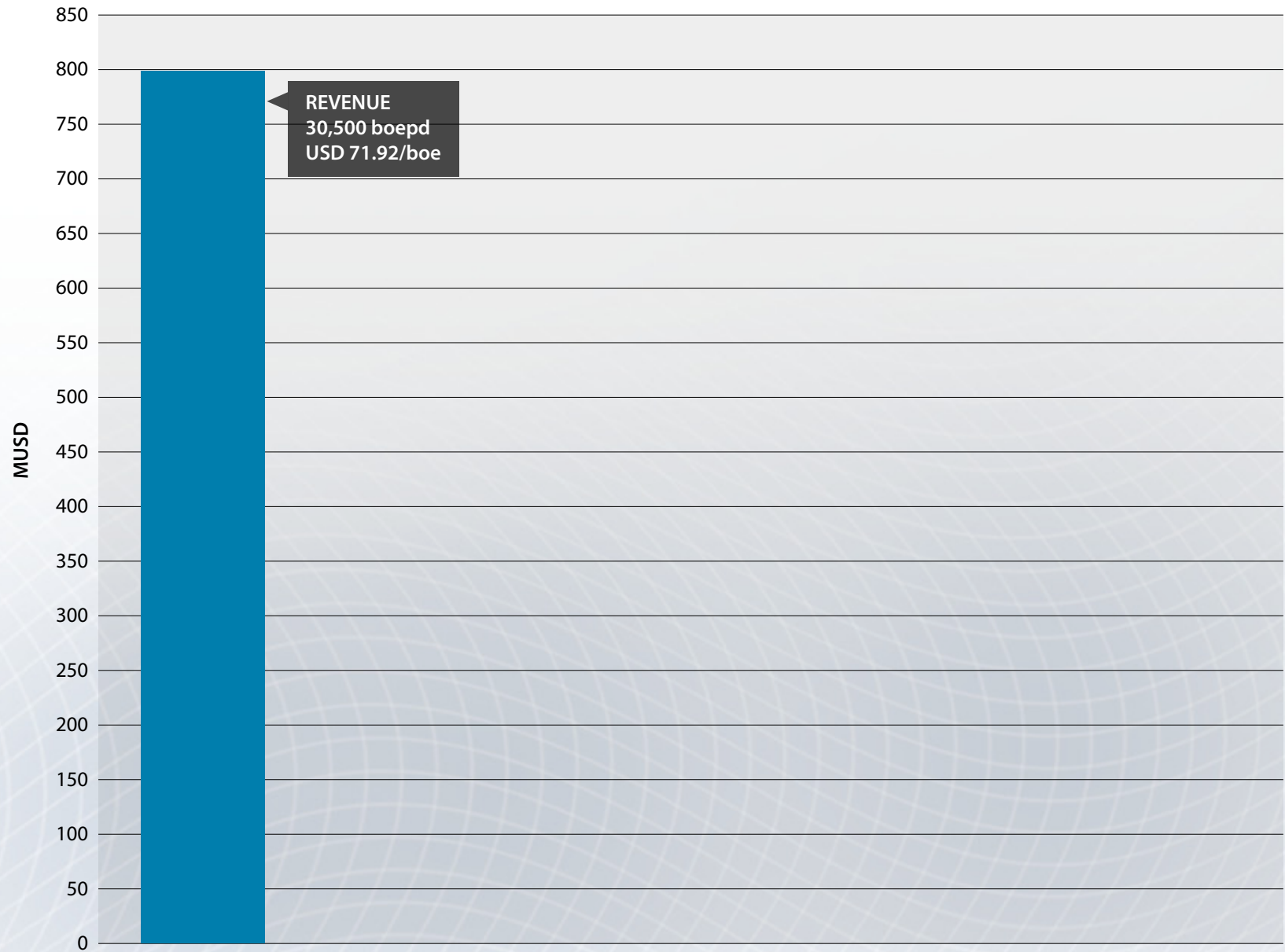
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## Year End 2010 Highlights

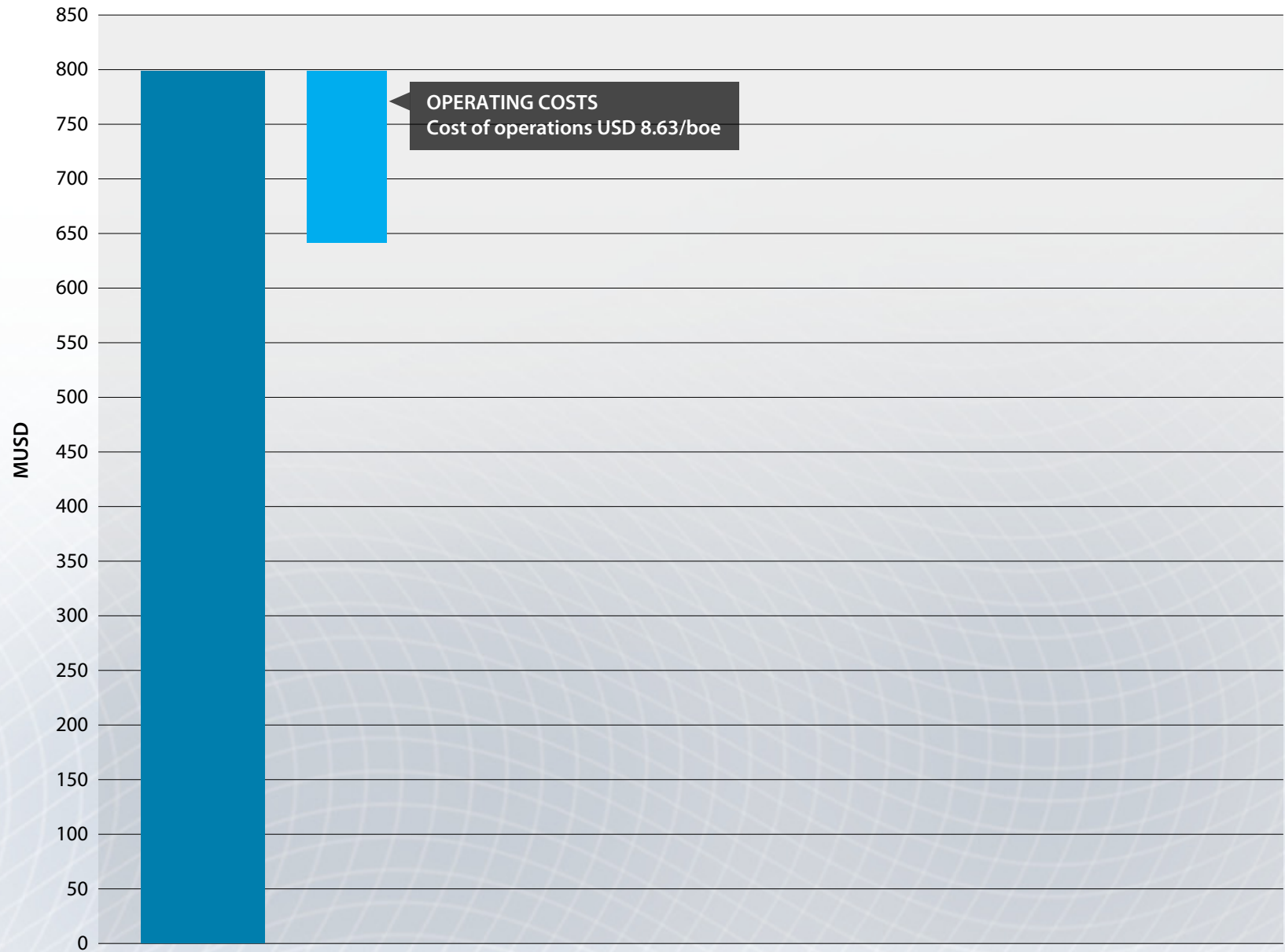


	Year End 2010	Q4 2010
➤ Production (boepd)	32,700	32,600
➤ Oil price achieved (USD/boe)	72.26	78.23
➤ Cost of operations (USD/boe)	10.46	9.87
➤ Profit after tax (MUSD)	498.5	86.3
➤ Operating cash flow (MUSD)	598.6	156.9
➤ EBITDA (MUSD)	635.6	177.7

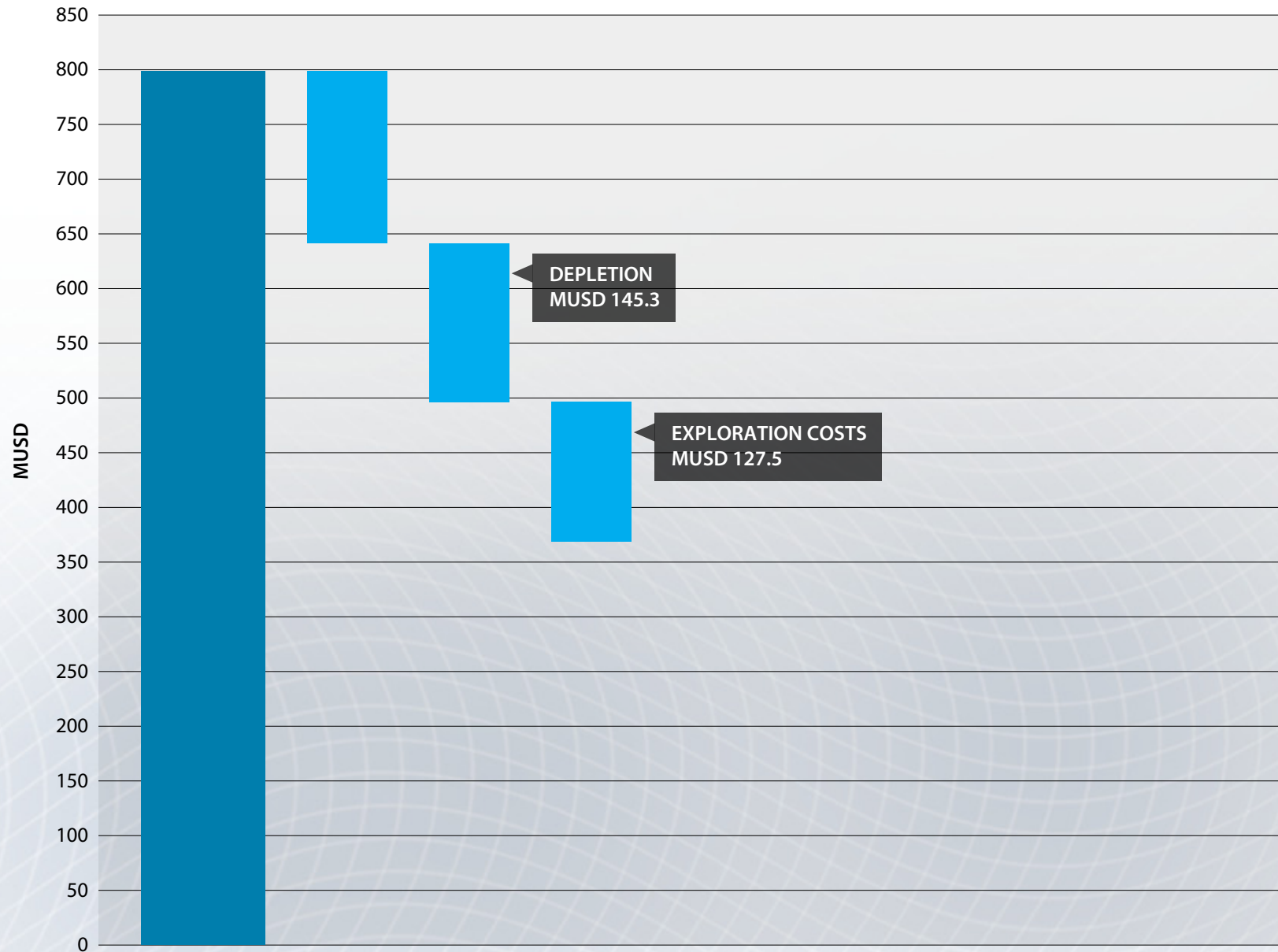
# Financial Results - Year End 2010



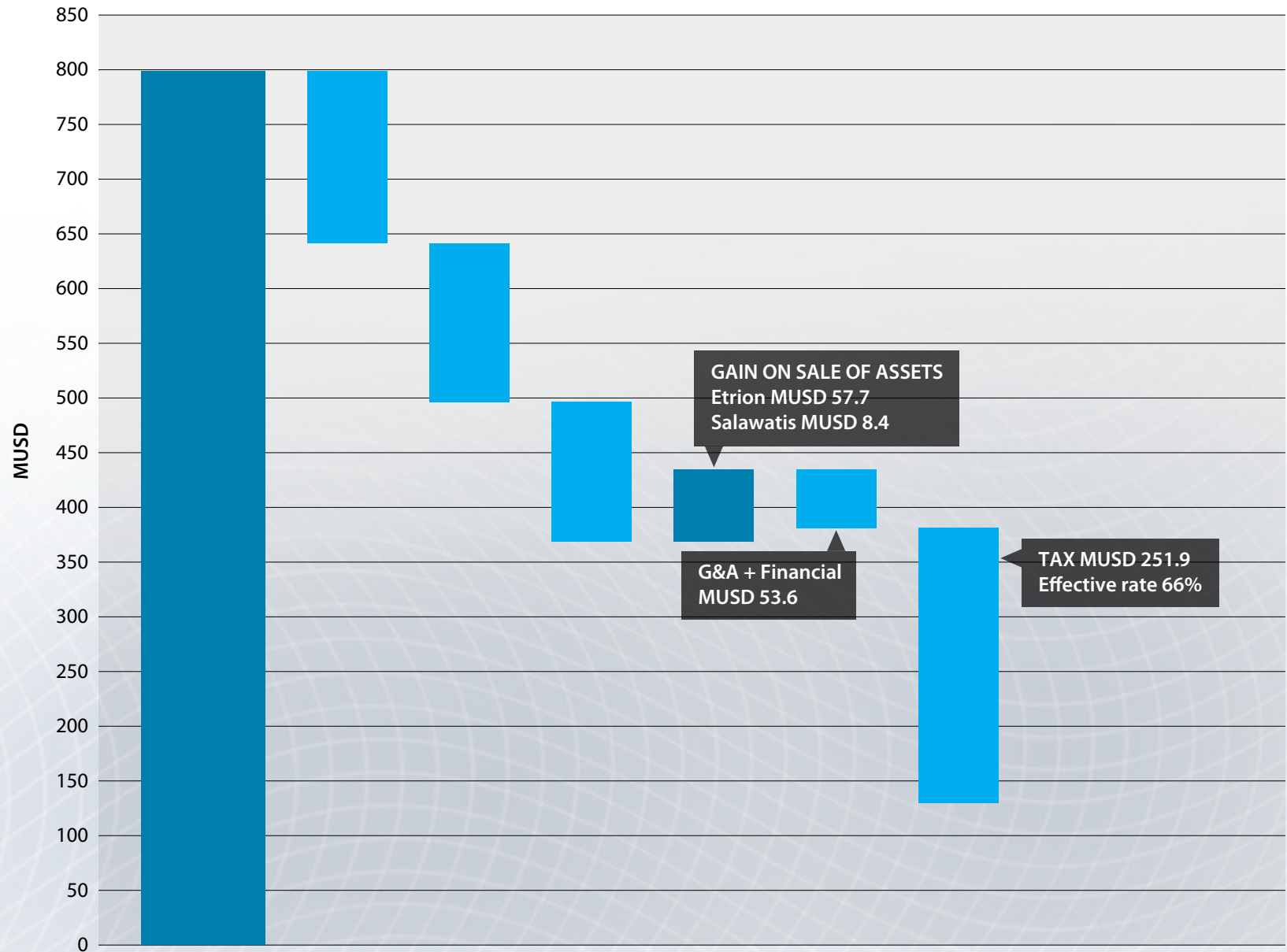
# Financial Results - Year End 2010



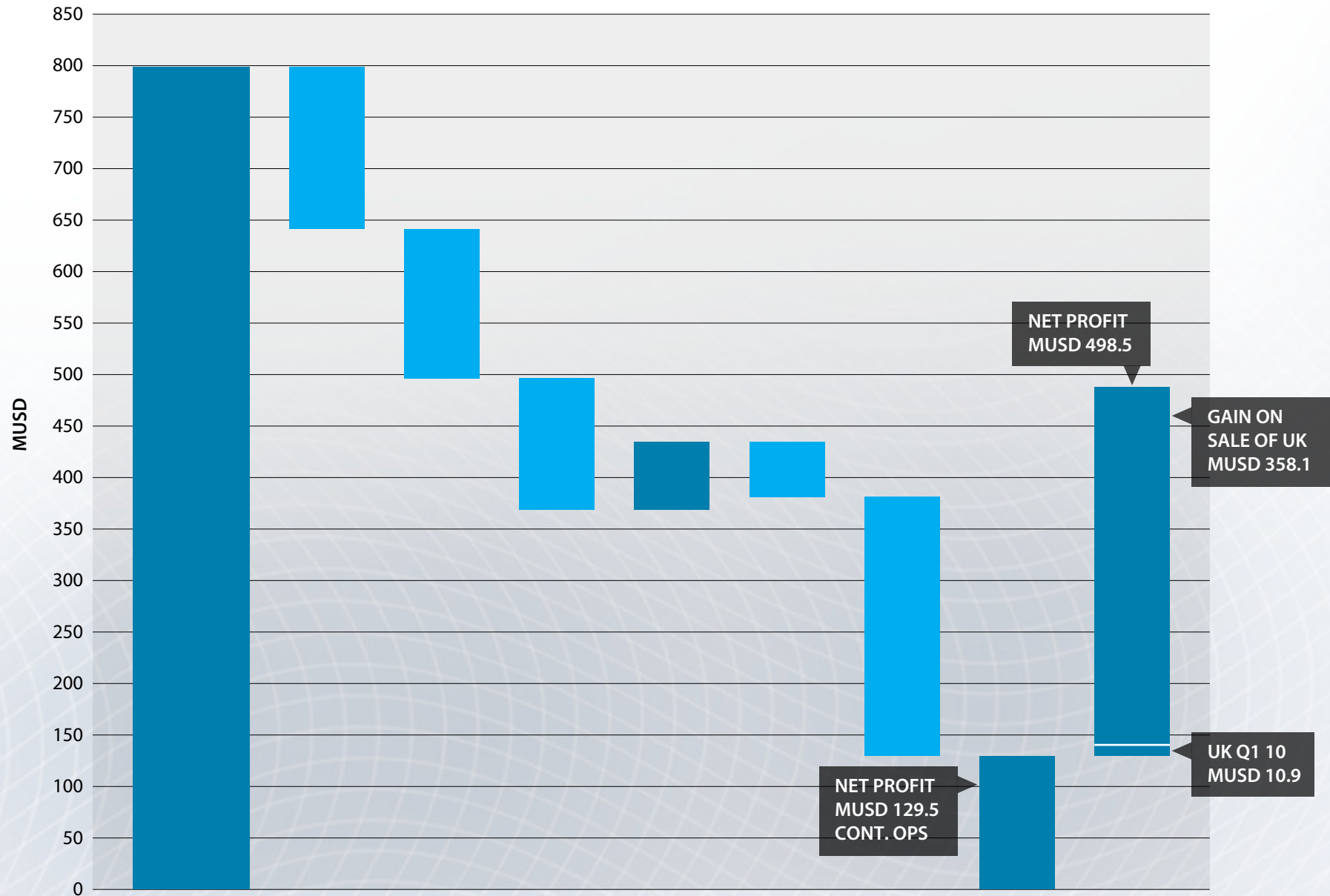
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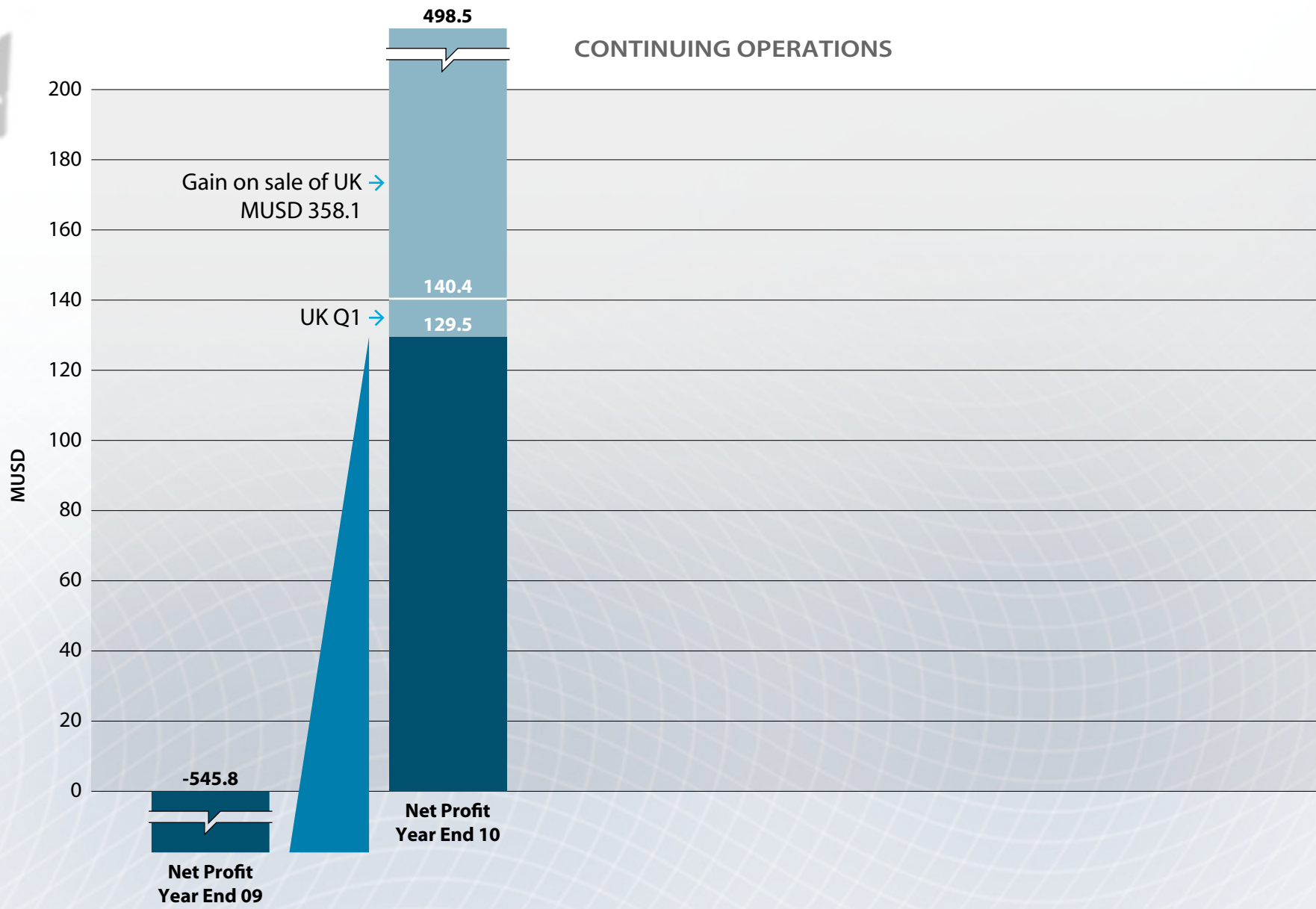


# Financial Results - Year End 2010





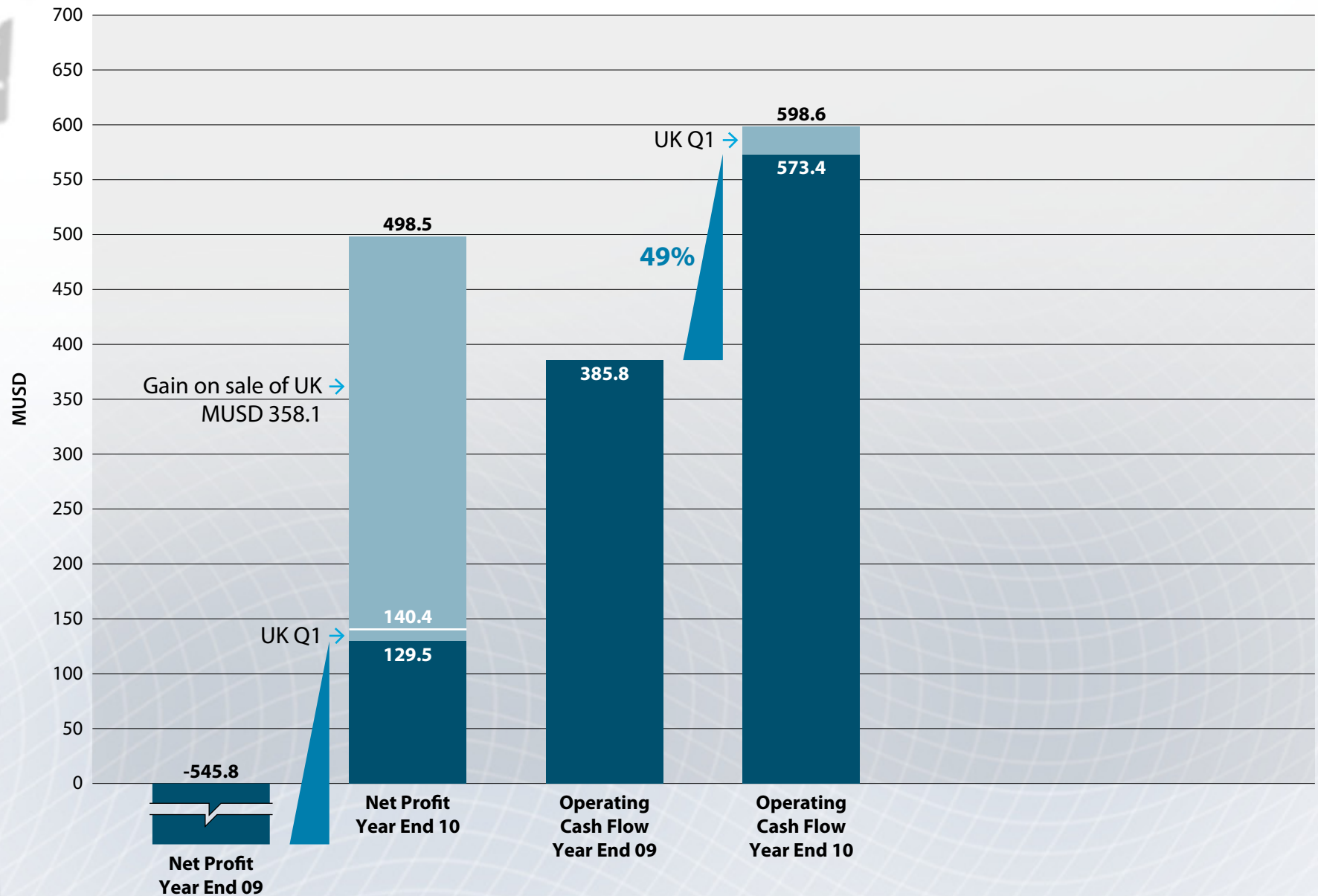
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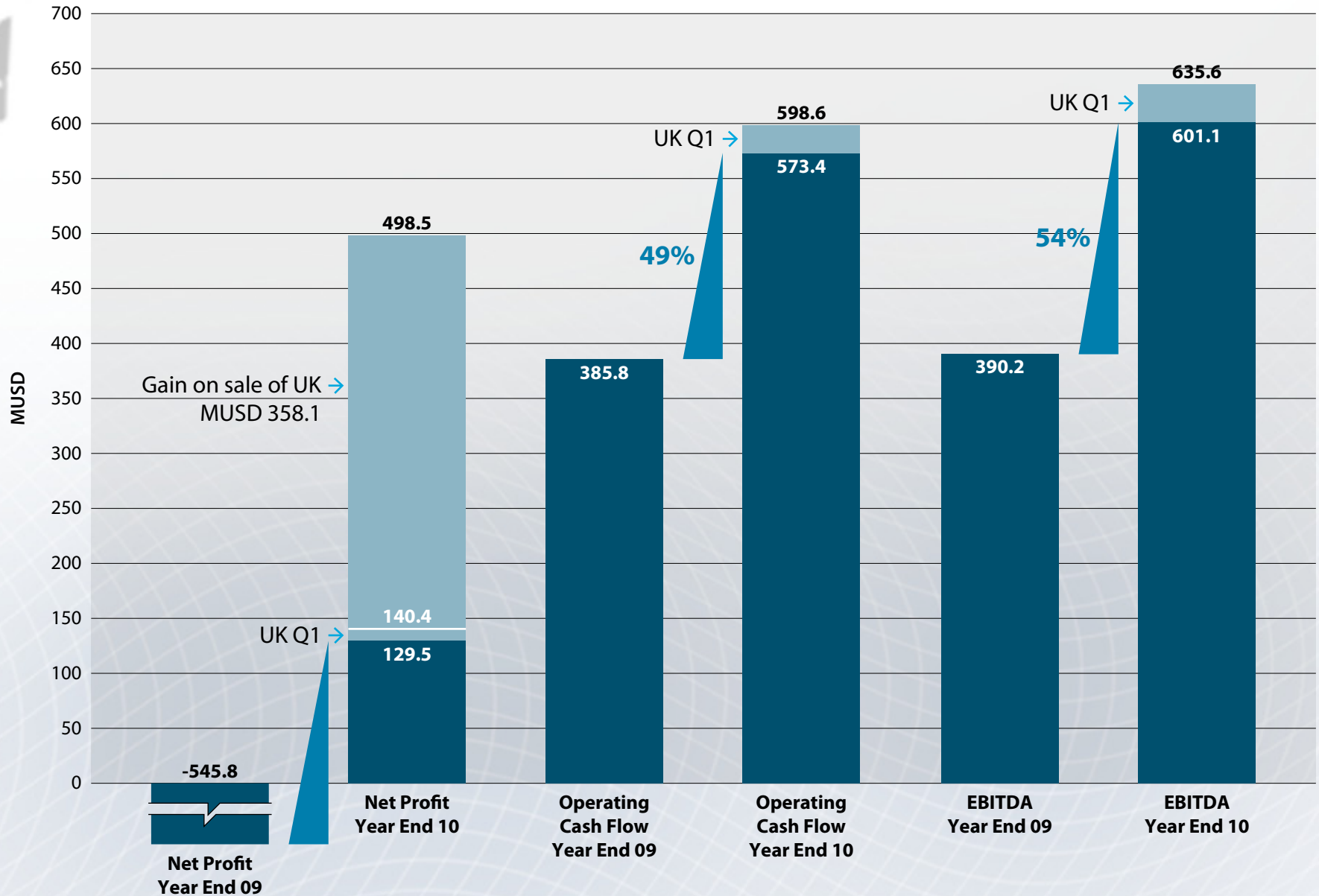
## CONTINUING OPERATIONS



# Financial Results - Year End 2010



## CONTINUING OPERATIONS



# Netback - Year End 2010



[USD/boe]

CONTINUING OPERATIONS	Year End 2010
<i>Average Brent oil price</i>	79.50
Revenue	70.93
Cost of operations	-8.63
Tariffs	-1.57
Royalty and direct taxes	-3.74
Changes in inventory/overlift	0.31
Other	-0.38
<b>Cash Margin</b>	<b>56.92</b>
Cash taxes	-6.12
<b>Operating Cash Flow</b>	<b>50.80</b>
General and administration costs	-3.53
<b>EBITDA</b>	<b>53.39</b>

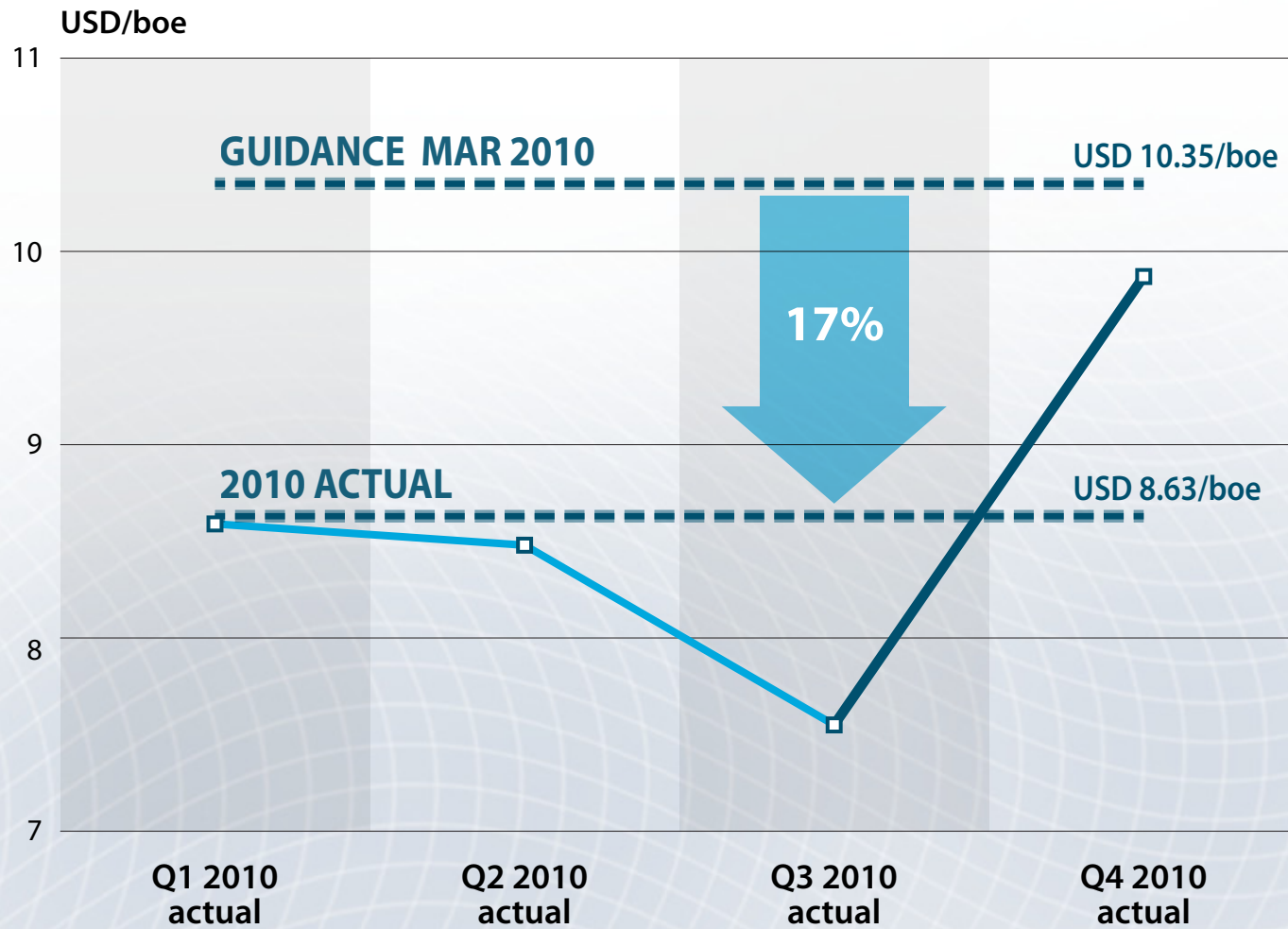
- ➔ Development capex → 141 MUSD
- ➔ Exploration capex → 226 MUSD

# Cost of Operations 2010

[USD/boe]



## CONTINUING OPERATIONS

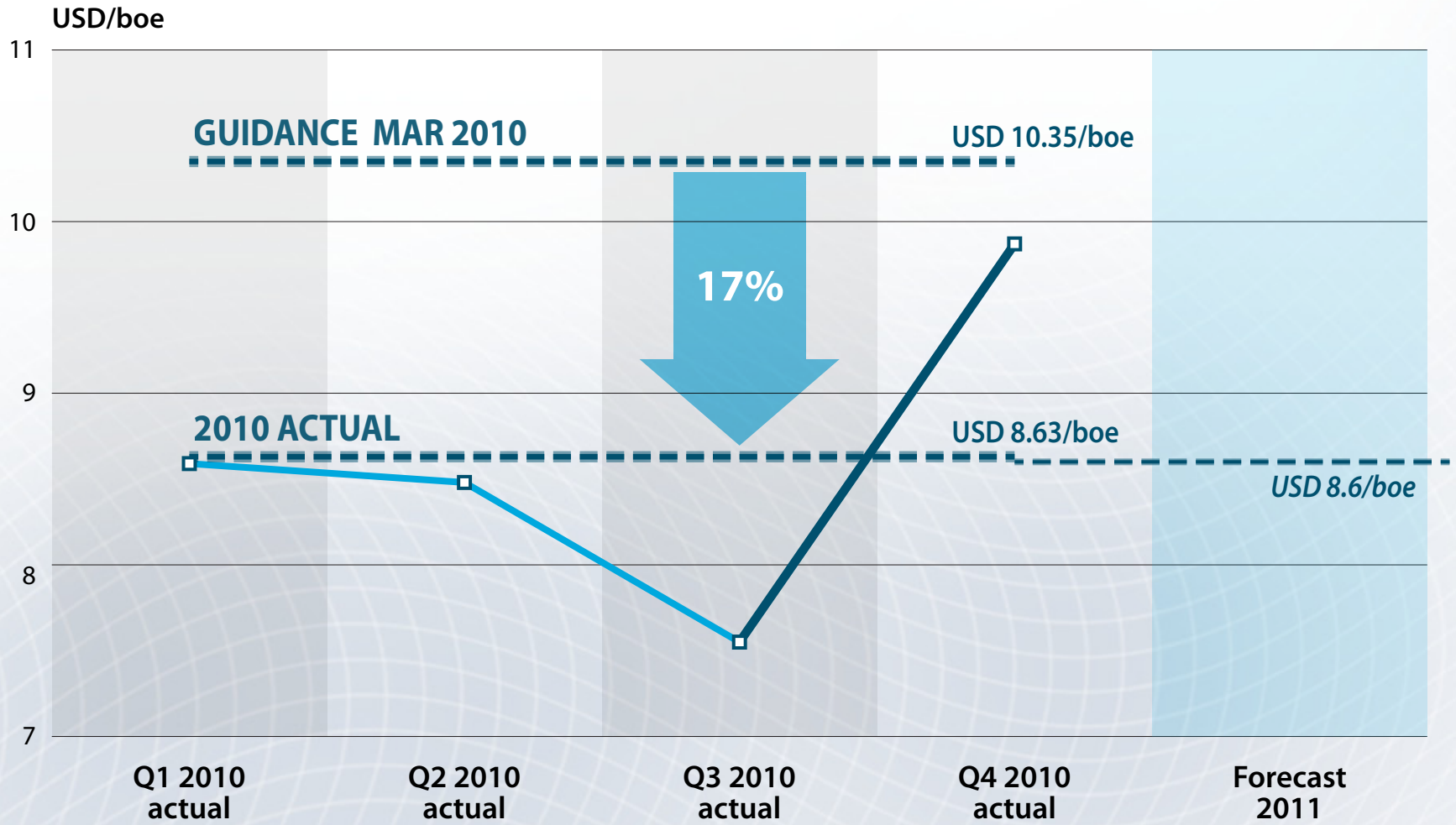


# Cost of Operations 2010



[USD/boe]

## CONTINUING OPERATIONS



## Exploration Costs - Year End 2010



[MUSD]

	Year End 2010
Norway	94.5
Vietnam	31.9
Other	1.2
<b>Exploration Costs</b>	<b>127.6</b>
<b>Attributable to Lundin Petroleum after tax</b>	<b>49.5</b>

## 2010 Gain on Sale of Assets



### ➤ Spin-off of UK into EnQuest (Q2)

- ➔ UK business spin-off in consideration for EnQuest shares
- ➔ MUSD 358 Gain on sale (non-taxable)
- ➔ EnQuest shares distributed to LUPE Shareholders

### ➤ Etrion distribution (Q4)

- ➔ Etrion shares distributed to LUPE Shareholders
- ➔ MUSD 57 Gain on sale (non-taxable)

### ➤ Sale of Salawatis, Indonesia (Q4)

- ➔ Effective date 1 January 2010
- ➔ Completed December 2010
- ➔ MUSD 8 Gain on sale (non-taxable)



## General & Administration - Year End 2010



[MUSD]

	Year End 2010
General & Administration total	42.0
Less Etrion	(11.8)
	30.2
Less non-cash LTIP	(10.3)
	19.9

## Tax - Year End 2010

[USD/boe]



	Year End 2010	Effective tax rate*
Current tax charge	6.12	22%
Deferred tax charge	16.51	58%
	22.63	80%

\* as a percentage of pre-tax result excluding gain on sale of assets

## Effective Forecast Tax Rate Reconciliation



*Excluding UK*

- **2010 effective tax rate:** → **66%**
  - + Gain on sale of Etrion
  - + Gain on sale of Salawatis
  
- **2010 effective tax rate excluding one-off items:** → **80%**
  - General & administrative
  - Financial items
  
- **2010 operational tax rate:** → **68%**

## Liquidity [MUSD]



→ at 31 December 2010

<b>Debt Outstanding</b>	<b>459</b>
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<b>Cash Balances</b>	<b>49</b>
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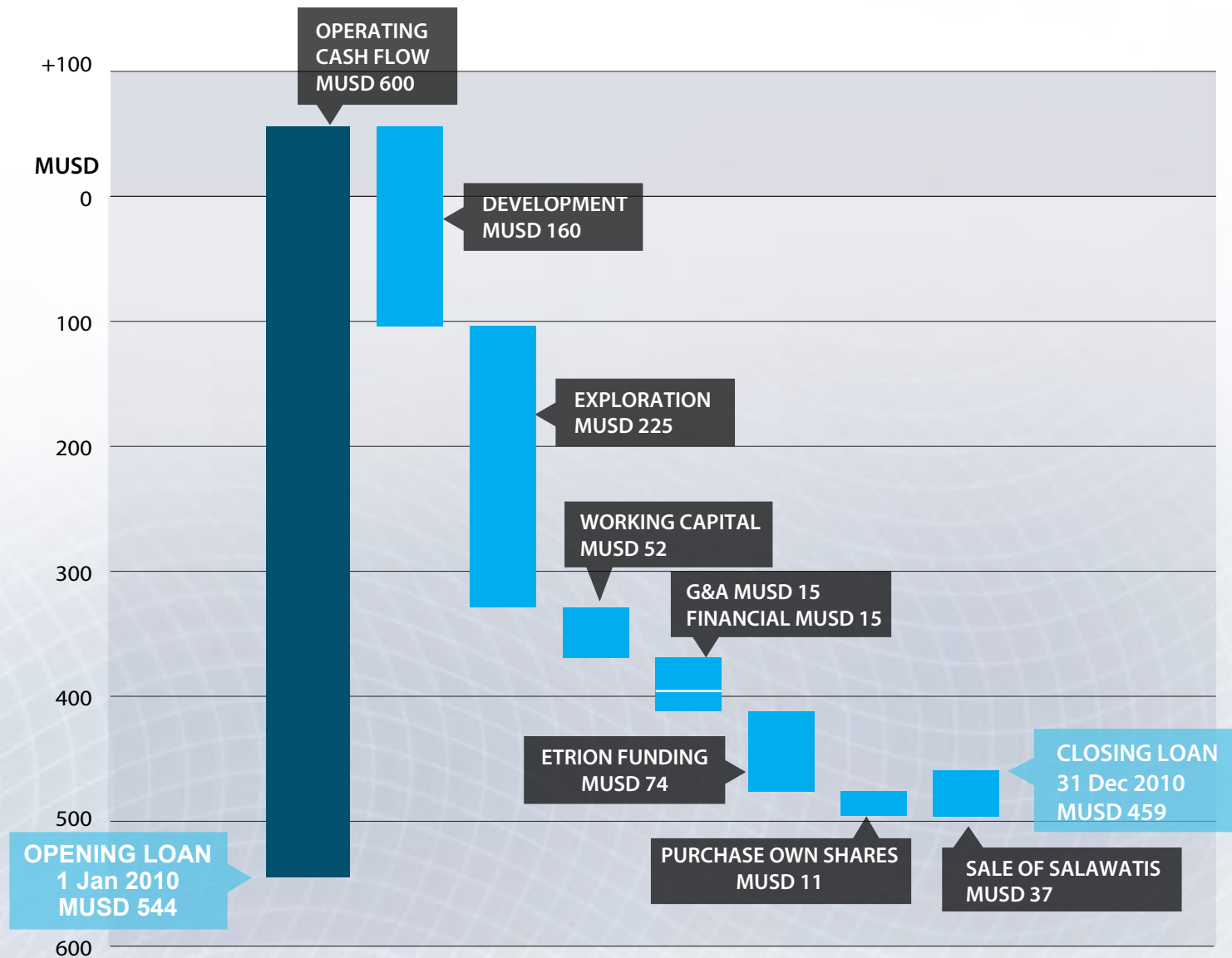
<b>Net Debt Position</b>	<b>410</b>
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<b>Total Credit Facility</b>	<b>850</b>
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## 2010 Cash Flow / Liquidity



Includes UK for Q1 10 only



## ➤ Value Crystallisation

- ➔ Spin-off of UK business into Enquest
- ➔ Spin-off of shareholding in Etrion
- ➔ Sale of non-core Indonesia production assets

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- ➔ Avaldsnes and Apollo discoveries in Greater Luno area

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## ➤ Strong reserve growth

- ➔ Reserve replacement ratio ~ 240%
- ➔ Luno reserve upgrade



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## ➤ Strong reserve growth

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## ➤ Solid production and cash flow

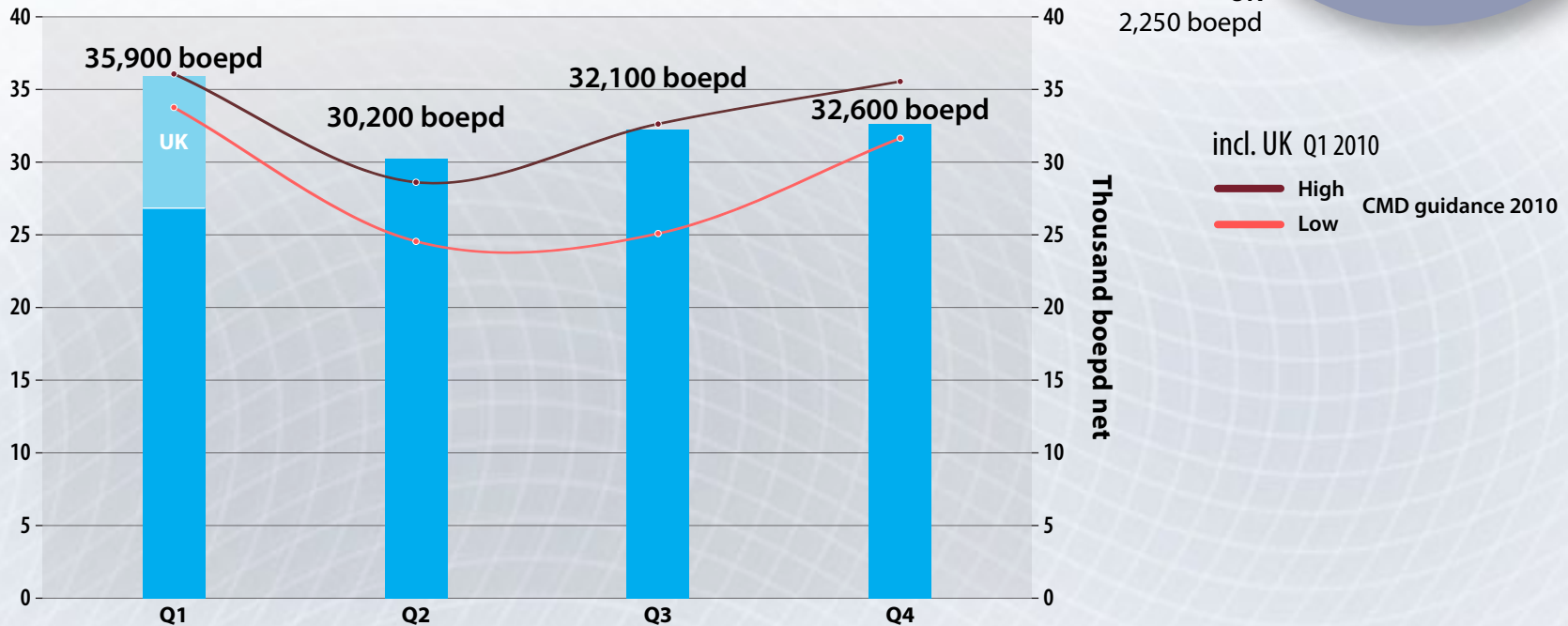
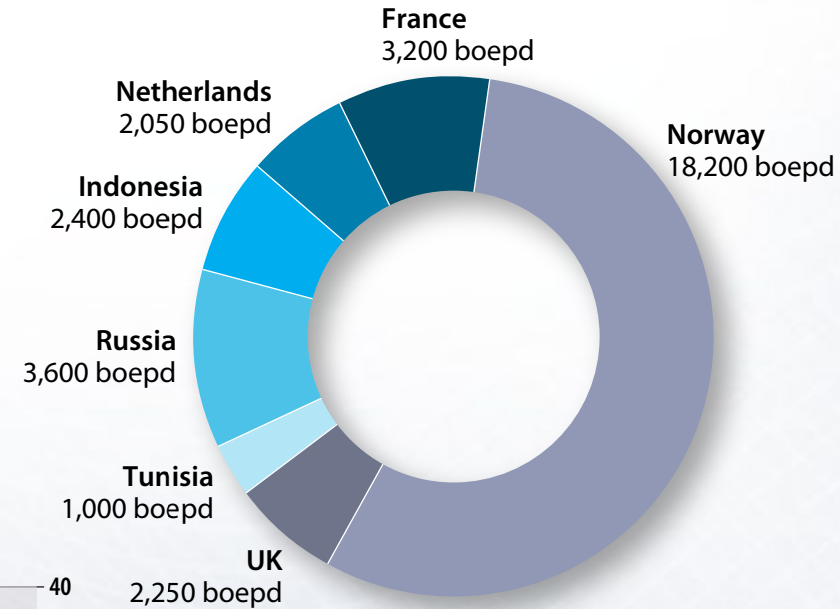
- ➔ 32,700 boepd production. Upper end of guidance
- ➔ Operating cash flow and EBITDA ~ USD 600 million

# 2010 Production Performance



➤ Strong 2010 production: 32,700 boepd driven by Alvheim and Volund

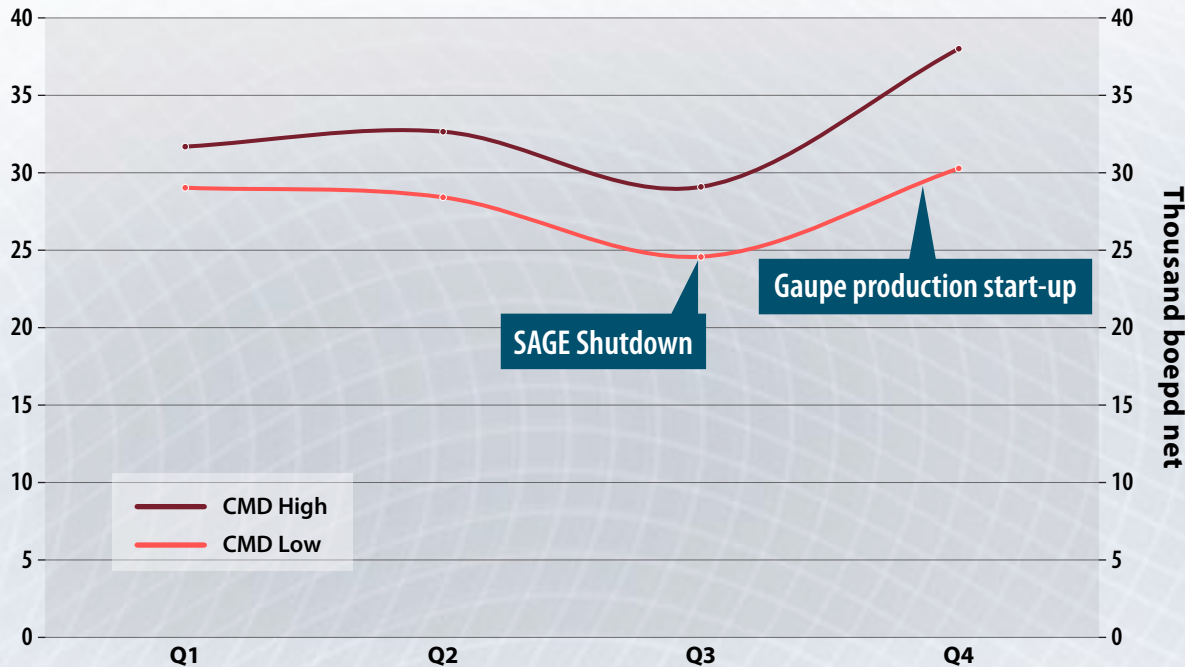
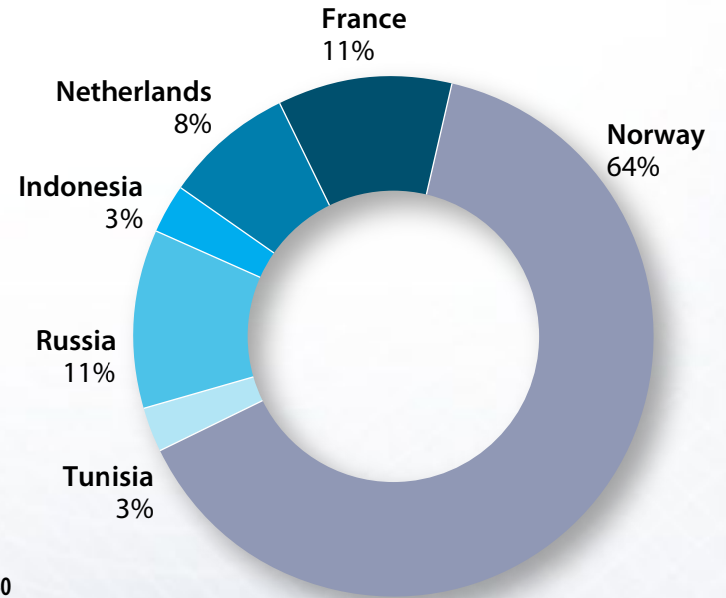
➤ Volund on stream Q2 2010  
- Q4 production 9,700 boepd net



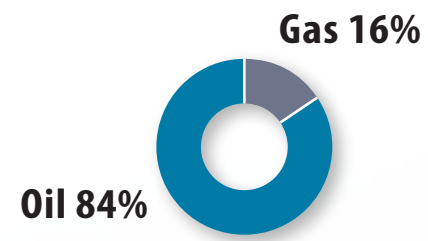
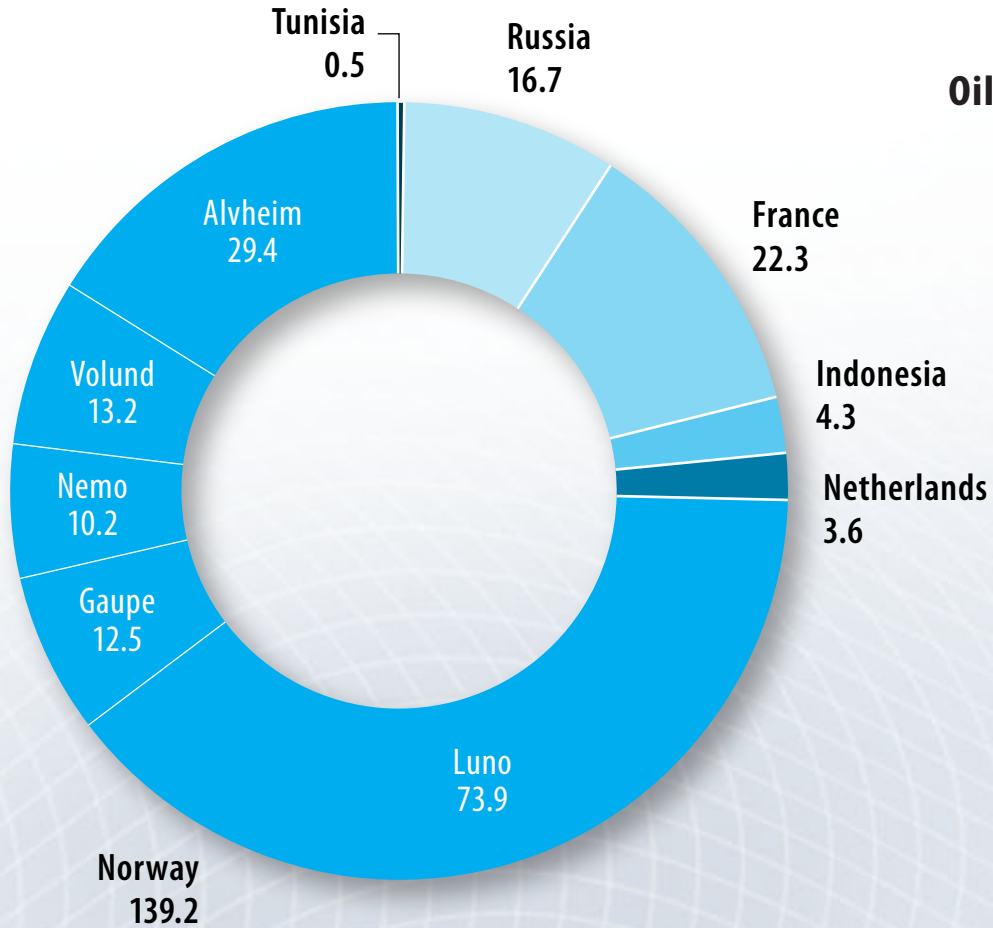
# 2011 Production Guidance



- 2011 production guidance 28,000 - 33,000 boepd
- 2010 production excluding divested assets 28,400 boepd
- Norway - production factors
  - ➔ Minimum Volund contracted capacity is 25,000 bopd
  - ➔ FPSO uptime
  - ➔ Gaupe startup Q4
  - ➔ SAGE shutdown



# Proven & Probable Reserves



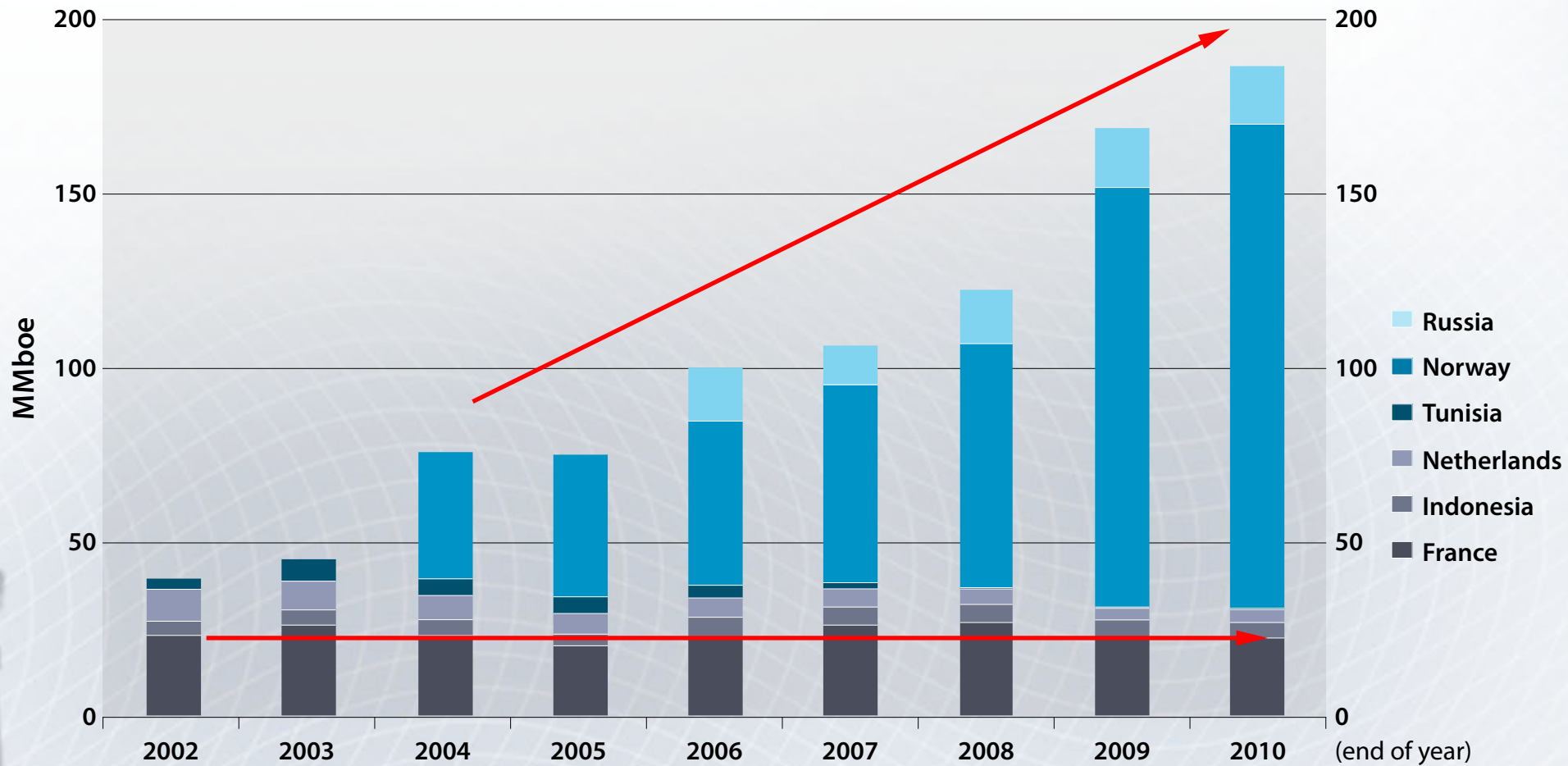
<b>Total 186.7 MMboe</b>	
<b>End 2009 MMboe</b>	<b>255.9</b>
- Produced	11.9
+ New Reserves (excl sales/acquisitions)	28.3
- Sales	85.5
<b>End 2010 MMboe</b>	<b>186.7</b>
<b>2010 Reserves Replacement Ratio</b>	<b>237%</b>
<b>2010 Increase in Reserves</b>	<b>18%</b>

## Reserves Growth



➤ 383% reserves increase in Norway

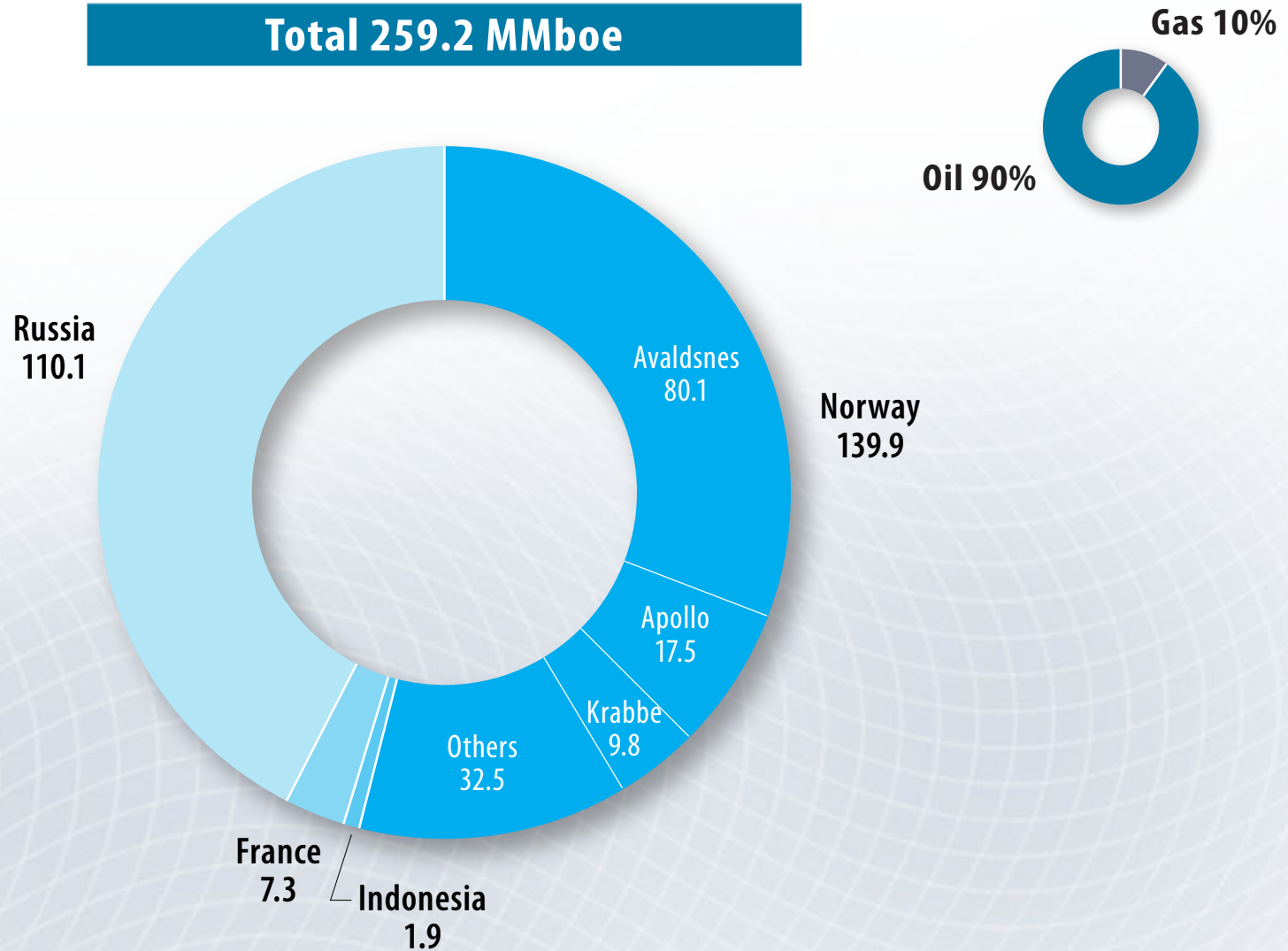
➤ No decline in French reserves



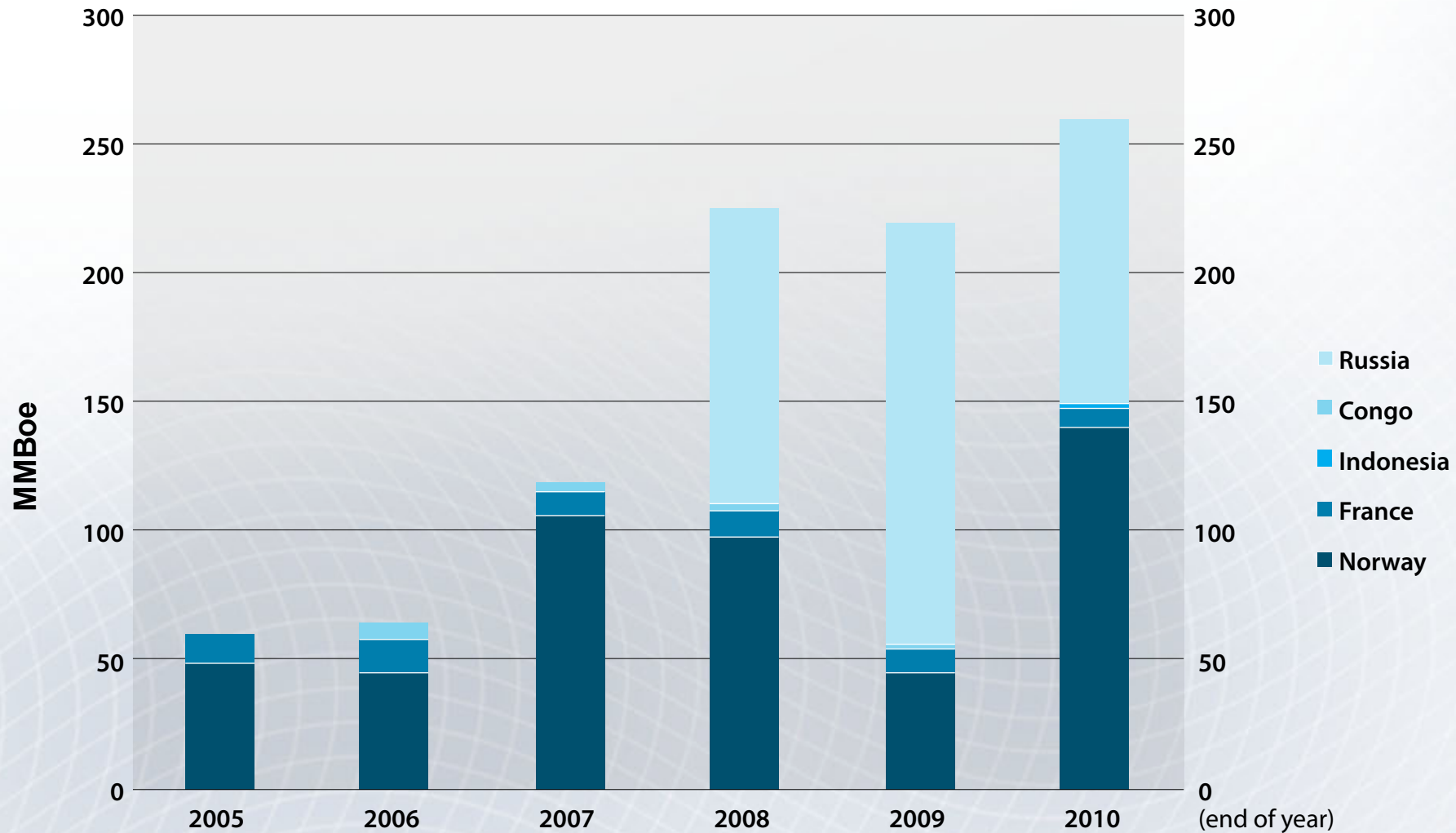
# Contingent Resources



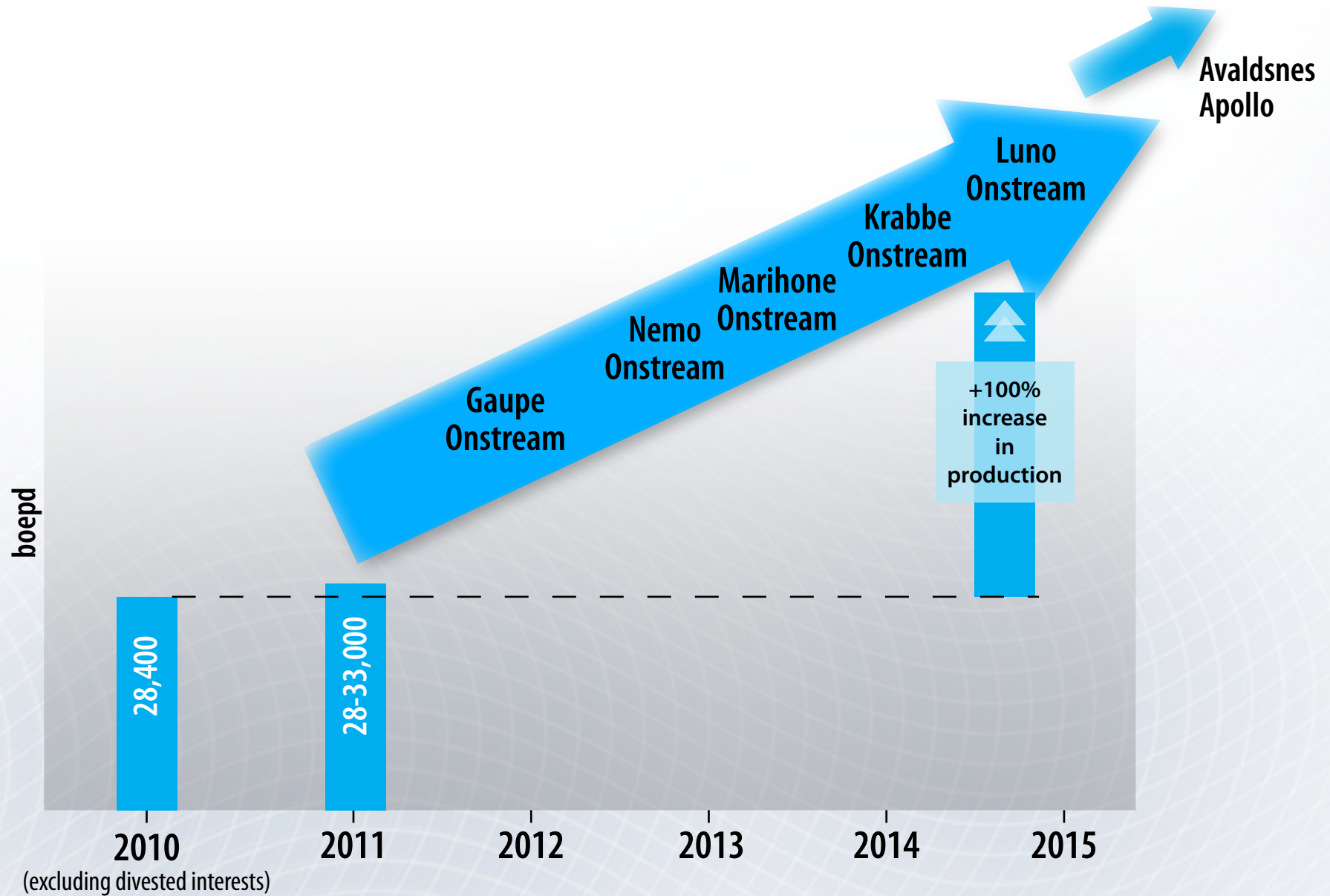
**Total 259.2 MMboe**



# Historic Contingent Resources



# Increase of Production

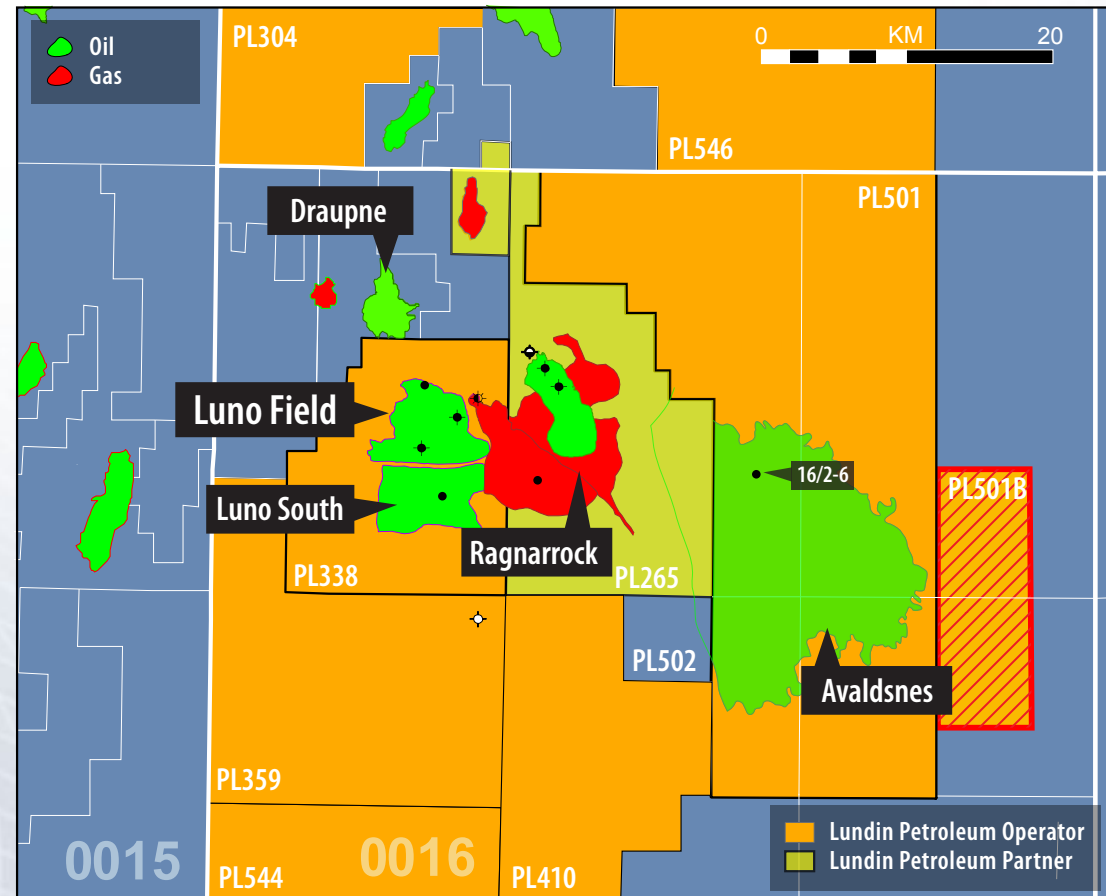




## Greater Luno Area - Luno Field



- ➔ **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
  
- ➔ **Stand alone development substantially completed**
  - ➔ Flexibility with respect to export options
  - ➔ Ready to submit PDO in 2011
  - ➔ First oil 2014/15
  
- ➔ **Joint Luno/Draupne development studies ongoing**
  - ➔ Decision end Q1 2011
  
- ➔ **Capacity for area development**
  - ➔ Irrespective of development option



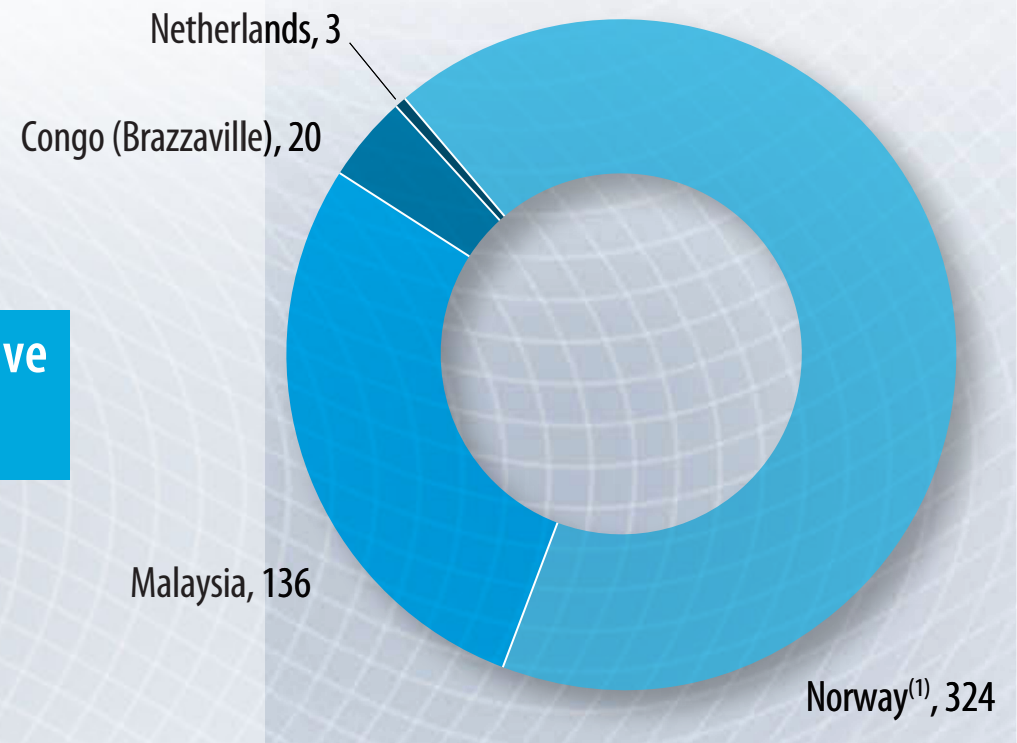
## Exploration – 2011 Drilling



- **2011 exploration drilling - 21 wells**
  - ➔ 10 wells in Norway
  - ➔ 5 wells in Malaysia
  - ➔ 4 wells in Netherlands
  - ➔ 2 wells in Congo (Brazzaville)

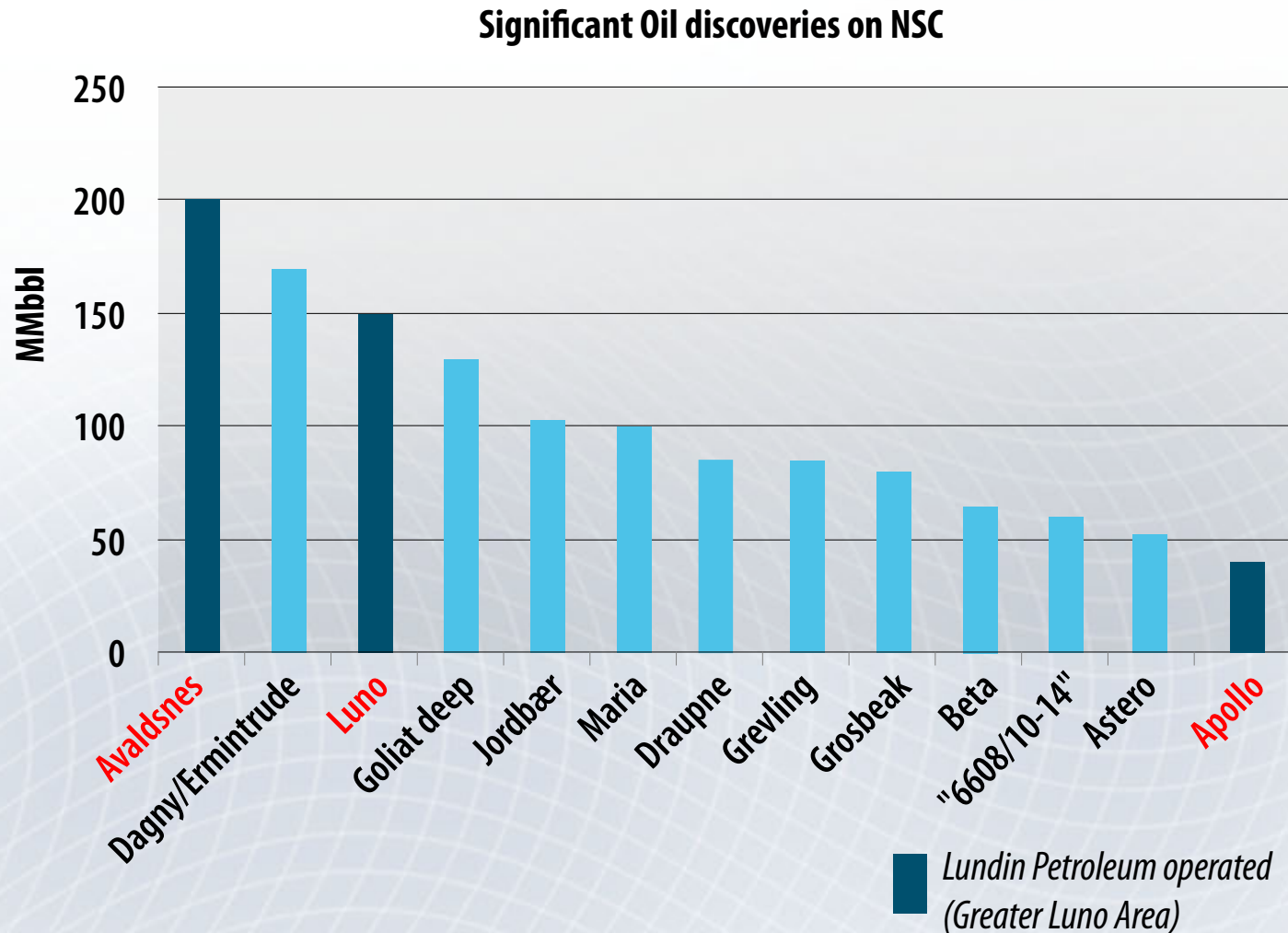
**2011 drilling is targetting net prospective resources of 483 MMboe**

### LUPE 2011 Net Unrisked Exploration Targets



<sup>(1)</sup> Prospective numbers exclude upside in Avalsnes

## Norway - Significant Oil Discoveries in the Last 5 Years



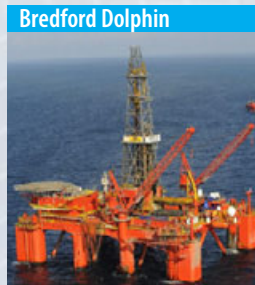
# Norway Exploration - 2011 Exploration WP & Budget



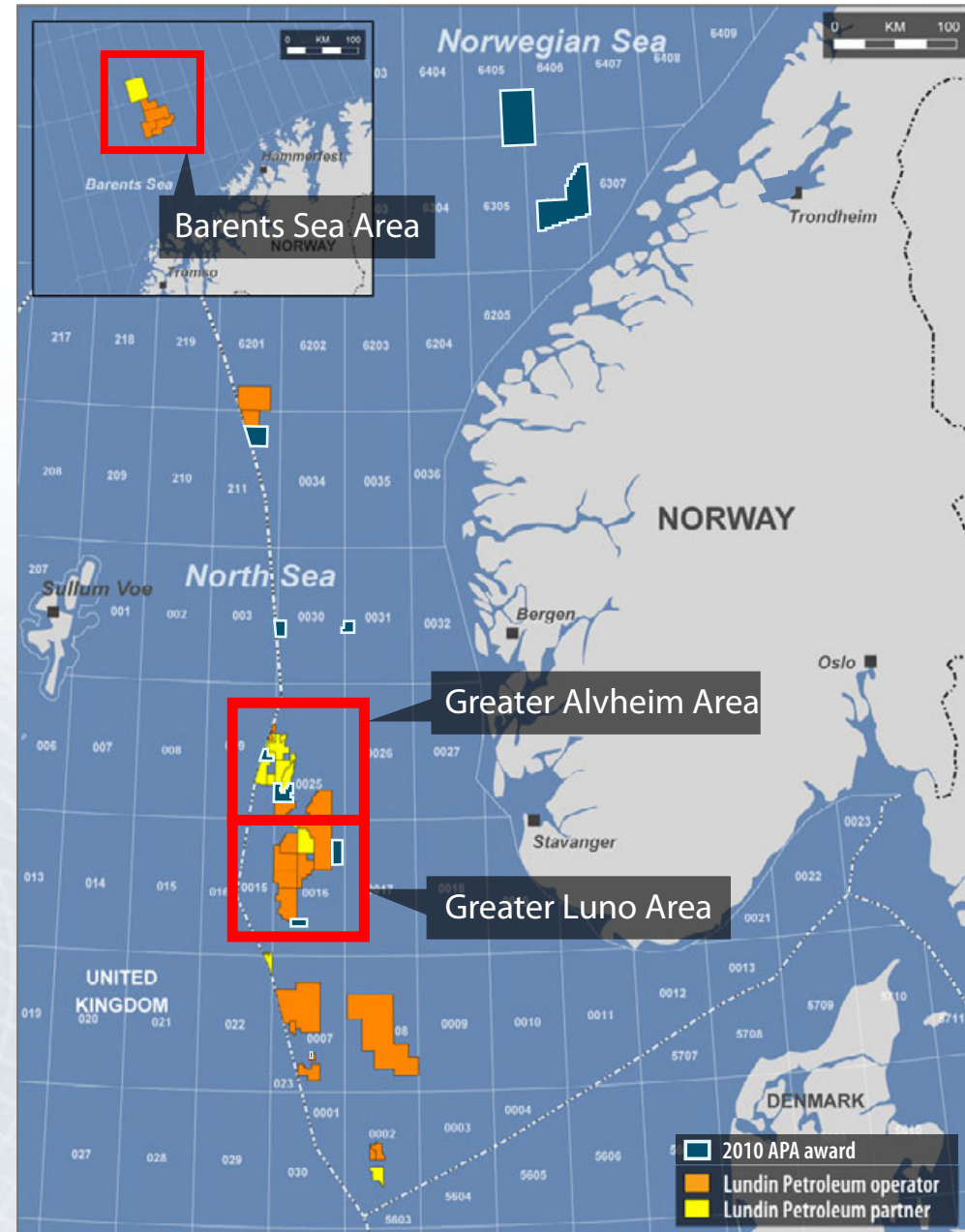
10 exploration wells

- ➔ **Greater Luno Area**
  - ➔ Total: MUSD 116
  - ➔ 5 wells (3 appraisal + 2 expl. wells)
- ➔ **Greater Alvheim Area**
  - ➔ Total: MUSD 35
  - ➔ 2 wells
- ➔ **Barents Sea Area**
  - ➔ Total: MUSD 32
  - ➔ 2 wells
- ➔ **Others**
  - ➔ Total: MUSD 34
  - ➔ 1 well

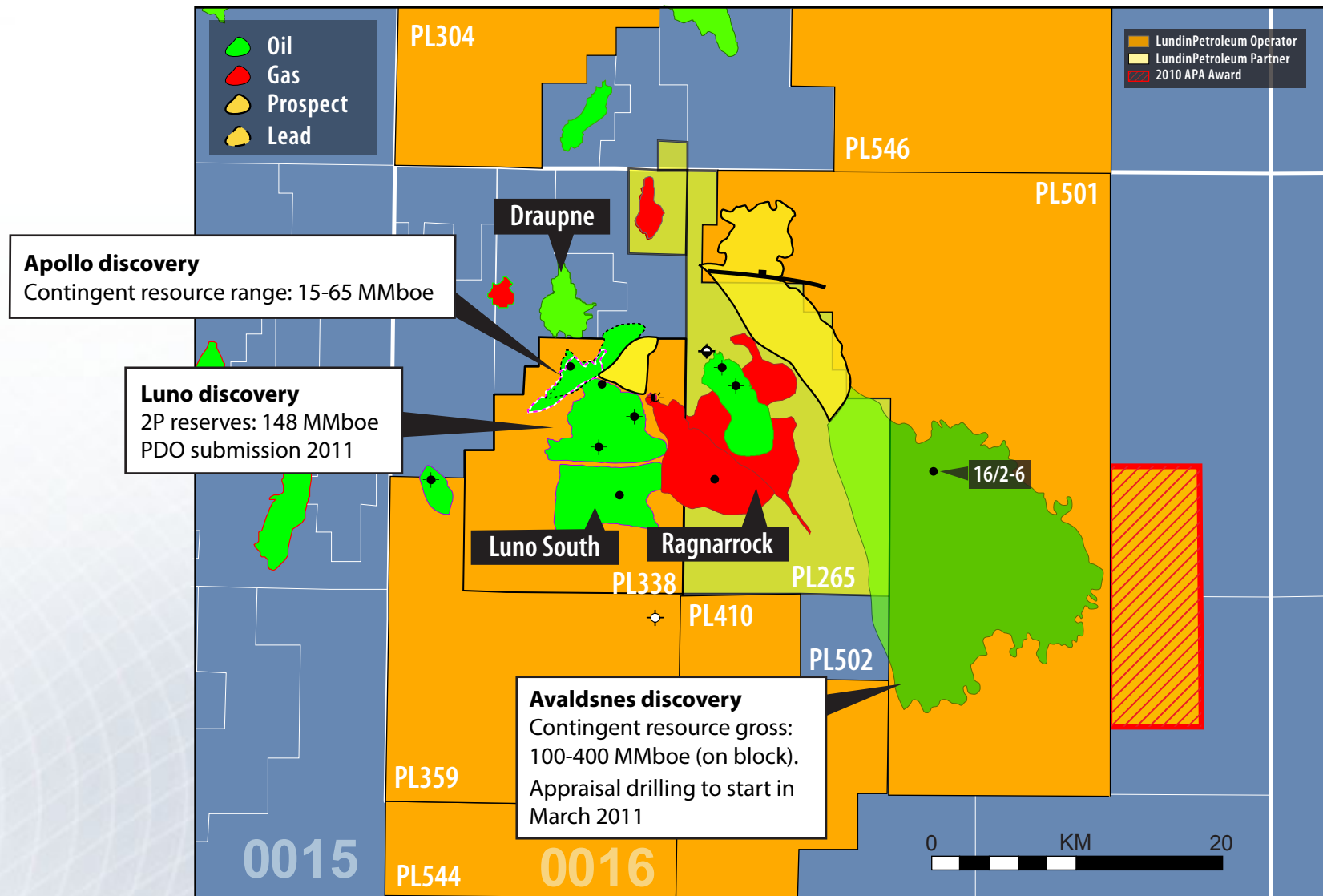
**Norway Total: MUSD 217**  
(71% of total 2011 exploration budget)



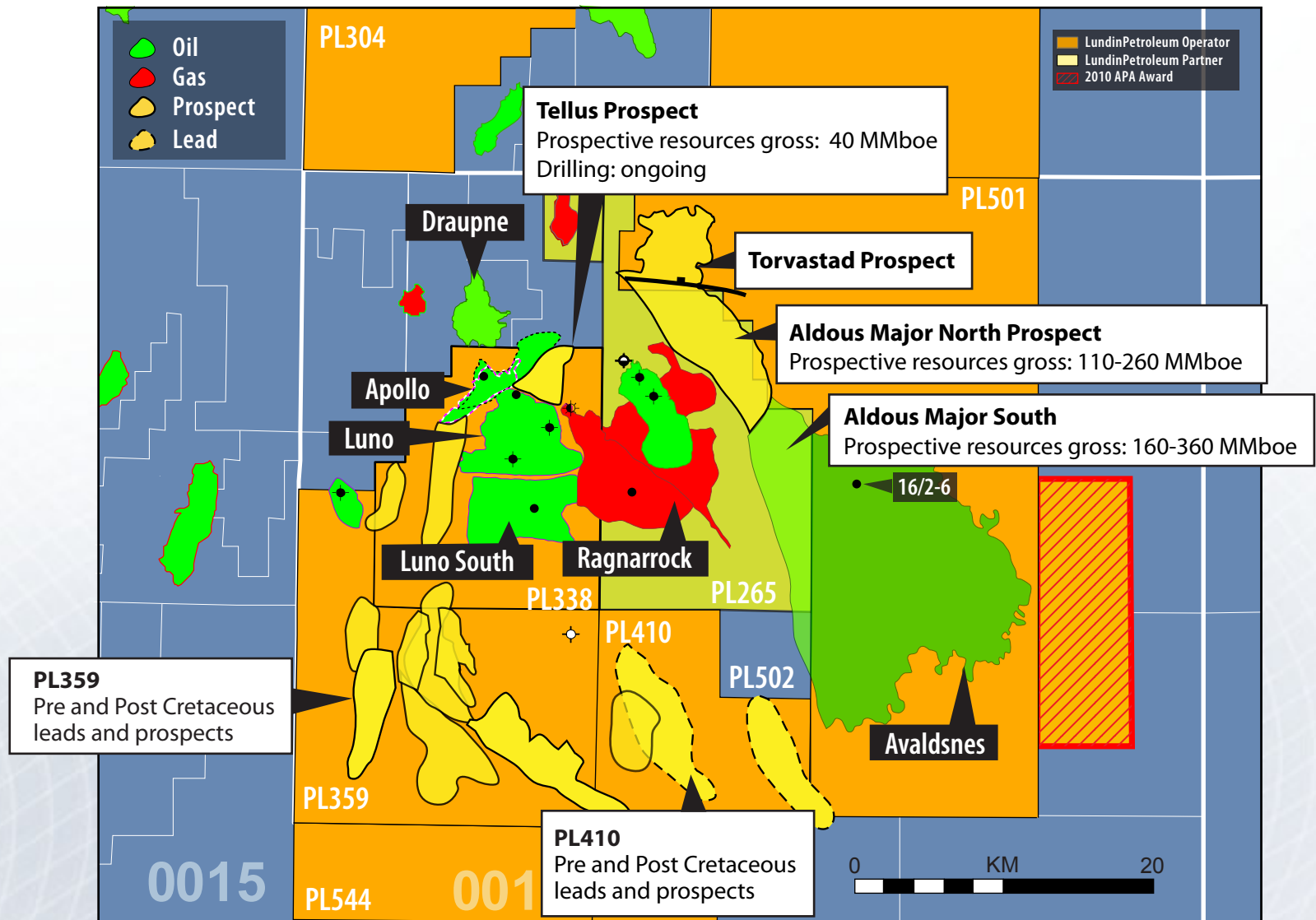
Rigs secured for all 2011 proposed drilling prospects



# Greater Luno Area - Major Discoveries



# Greater Luno Area Additional Exploration Potential



**2 exploration wells and 3 appraisal wells to be drilled in 2011**

## Barents Sea - Drilling to Commence in 2011

### Numerous multi-stacked prospects matured in the portfolio

#### ➔ PL438

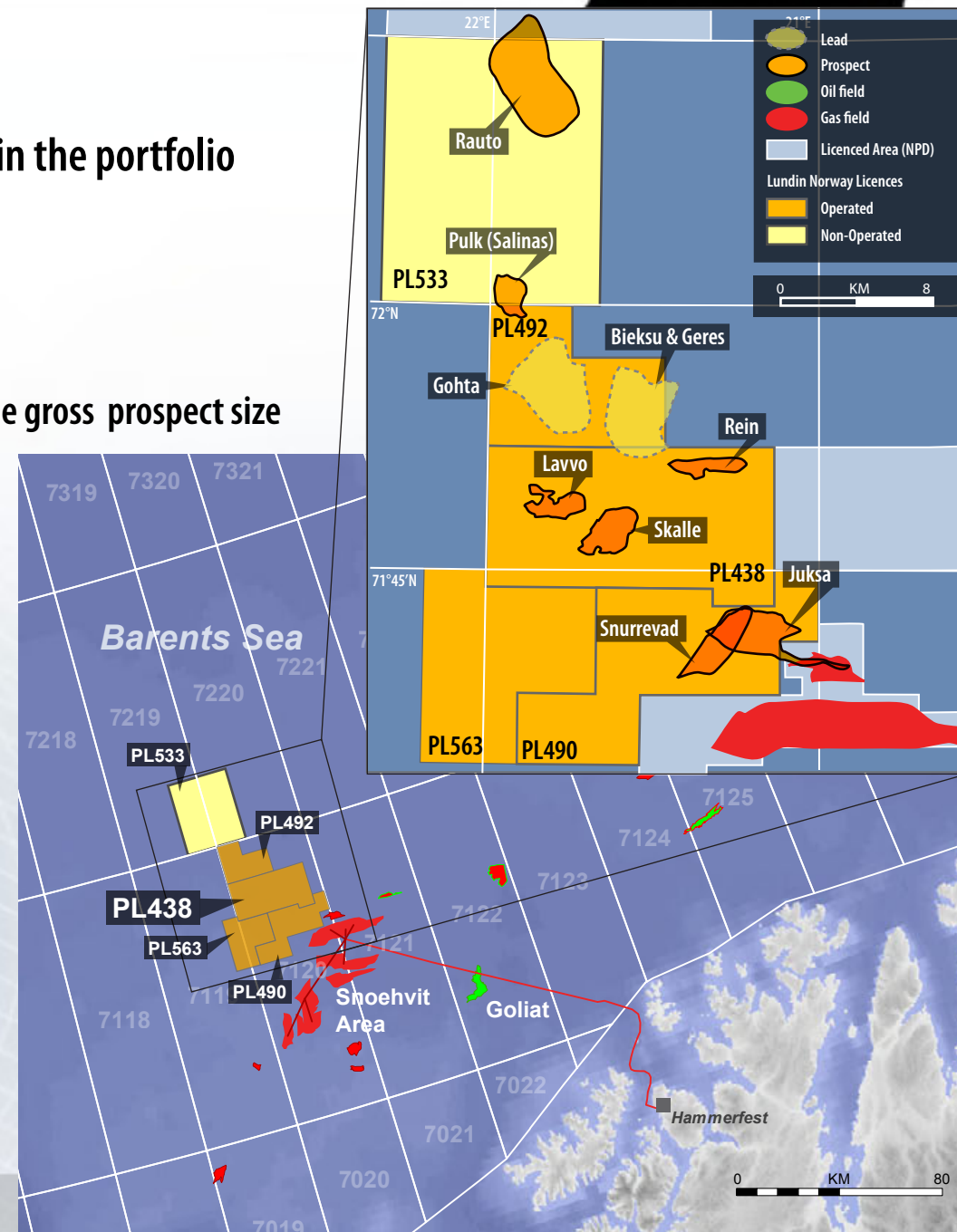
- ➔ Lundin Petroleum 25% (operator)
- ➔ 3 prospects
- ➔ Skalle to be drilled in mid year 2011, 250 MMboe gross prospect size in multiple targets

#### ➔ PL533

- ➔ Lundin Petroleum 20%
- ➔ Rauto & Pulk (Salinas) prospects
- ➔ Pulk 500 MMboe gross prospect size in multiple targets
- ➔ to be drilled in Q4 2011

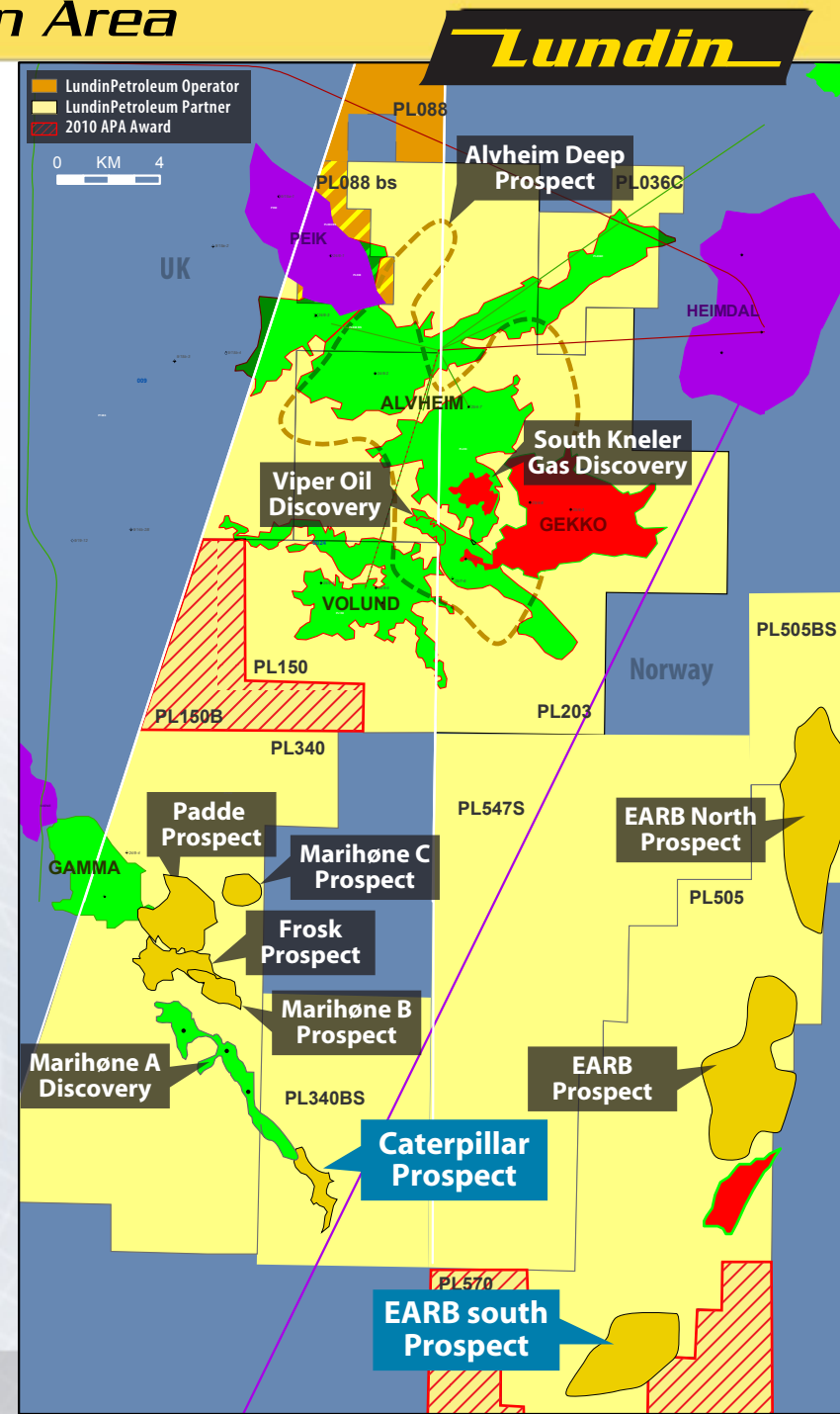
#### ➔ PL490

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



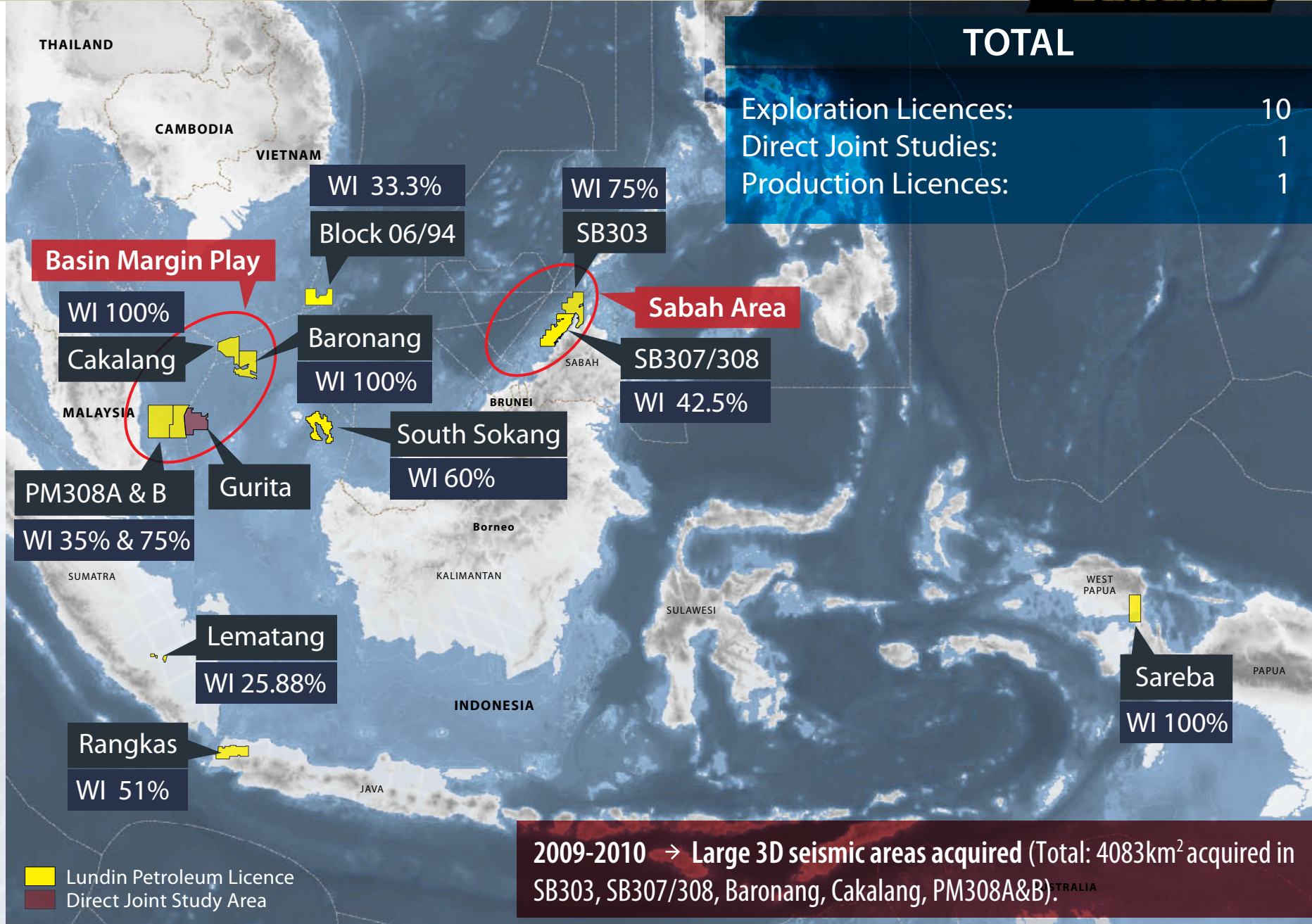
## Norway Exploration - Greater Alvheim Area

- ➔ **PL340 (15%)**
  - ➔ Caterpillar prospect
  - ➔ Drilling ongoing
  
- ➔ **PL505 (30%)**
  - ➔ EARB South prospect
  - ➔ Unrisked gross resource potential 81 MMboe
  - ➔ Drilling Q1 2011
  
- ➔ **PL150B (15%)**
  - ➔ Volund play extension. Work in progress.
  
- ➔ **PL203 (15%)**
  - ➔ Alvheim deep prospect





# Exploration - South East Asia - Building a New Core Area

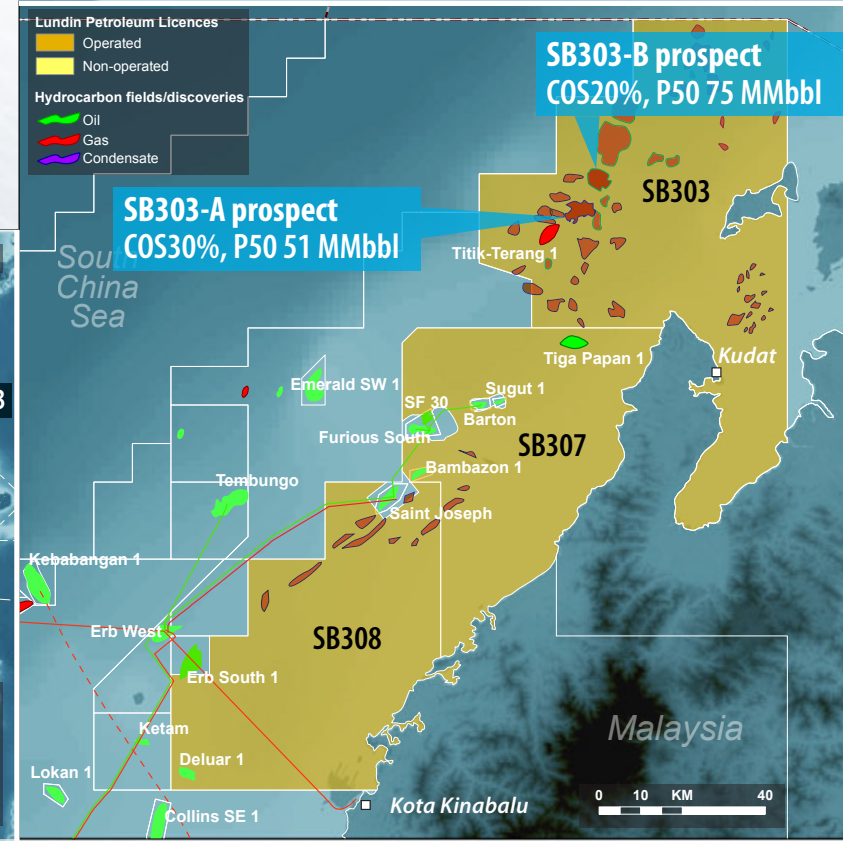
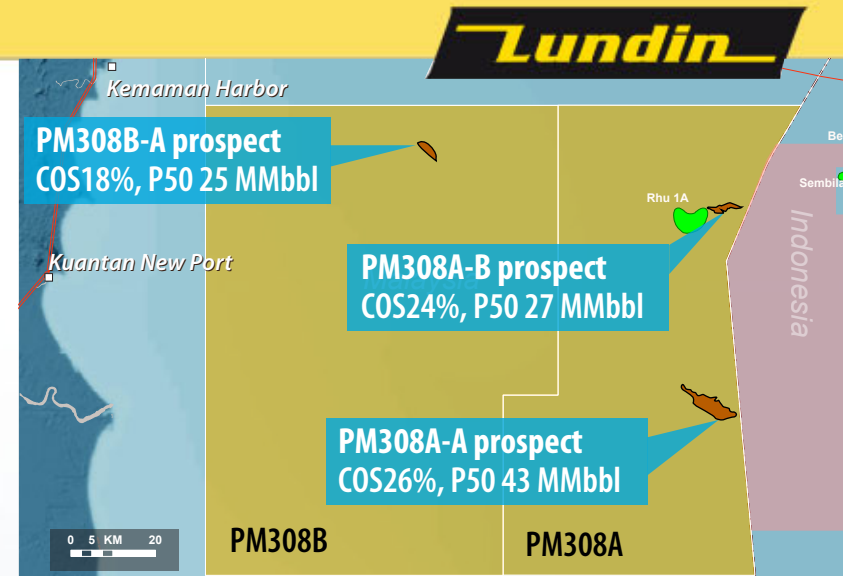


# Malaysia 2011 Drilling Programme

➤ 5 exploration wells to be drilled in 2011, total net unrisked potential resources 136 MMboe

Rig secured and drilling to commence towards mid year 2011

Prospect	Block	Unrisked PR (MMboe)	
		Gross	Net
SB303-A	SB303	51	37
SB303-B	SB303	75	56
PM308A-A	PM308A	43	15
PM308A-B	PM308A	27	9
PM308B-A	PM308B	25	19
<b>Total</b>		<b>221</b>	<b>136</b>



# Targeted Prospective Resources – 2011 Drilling Schedule



							2011			
Country	Licence - Prospect	Operator	LUPE%	NURPR <sup>(1)</sup>	CoS%	NRPR <sup>(2)</sup>	Q1	Q2	Q3	Q4
1 Norway	PL340 - Caterpillar	Marathon	15.00	2	45	1	■			
2 Norway	PL505 - Earb South	Marathon	30.00	24	18	4	■	■		
3 Norway	PL338 - Tellus	Lundin	50.00	20	40	8	■			
4 Norway	PL501 - Avaldsnes 16/3-4 App.	Lundin	40.00	–	–	–	■			
5 Norway	PL501 - Avaldsnes 16/2-7 App.	Lundin	40.00	–	–	–		■		
6 Norway	PL265 - Aldous Major South	Statoil	10.00	25	39	10			■	
7 Norway	PL265 - Aldous Major North	Statoil	10.00	18	39	7				■
8 Norway	PL438 - Skalle	Lundin	25.00	63	19-41	22			■	
9 Norway	PL533 - Pulk (Salinas)	ENI	21.30 <sup>(3)</sup>	102	14-19	15				■
10 Norway	PL519 - Albert	Lundin	40.00	70	26	18				■
11 Malaysia	SB303 - SB303-A	Lundin	75.00	37	30	11		■		
12 Malaysia	SB303 - SB303-B	Lundin	75.00	56	20	11			■	
13 Malaysia	PM308A - PM308A-A	Lundin	35.00	15	26	4			■	
14 Malaysia	PM308A - PM308A-B	Lundin	35.00	9	24	2				■
15 Malaysia	PM308B - PM308B-A	Lundin	75.00	19	18	3				■
16 Congo (Brazzaville)	Block Marine XIV - Makouala	SOCO	21.55	8	32	2		■		
17 Congo (Brazzaville)	Block Marine XI - Lideka	SOCO	18.75	12	23	2			■	
		■ operated								
		■ non operated								
				480 <sup>(4)</sup>						
						120				

<sup>(1)</sup> Net Unrisked Prospective Resources (MMboe)    <sup>(2)</sup> Net Risked Prospective Resources (MMboe)    <sup>(3)</sup> Prospect split between PL533 (20% equity) and PL 492 (30% equity)

<sup>(4)</sup> Excludes Netherlands prospective resources (3 MMboe)

## Lundin Petroleum 2011 - Continued Growth



- Exploration focus to continue - 21 wells 2011
- Development activity to increase - with doubling of production over next 5 years
- Reserves up 18% in 2010, further increases in 2011
- Strong balance sheet and operating cash flow to fund continued growth

The background of the slide features a silhouette of an oil rig against a sunset sky. The rig's complex lattice structure is prominent, with a large derrick in the center and several other towers. The sky transitions from a bright yellow near the horizon to a clear blue at the top. A yellow horizontal band is positioned at the top of the image, containing the title text.

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