

Lundin Petroleum Presentation

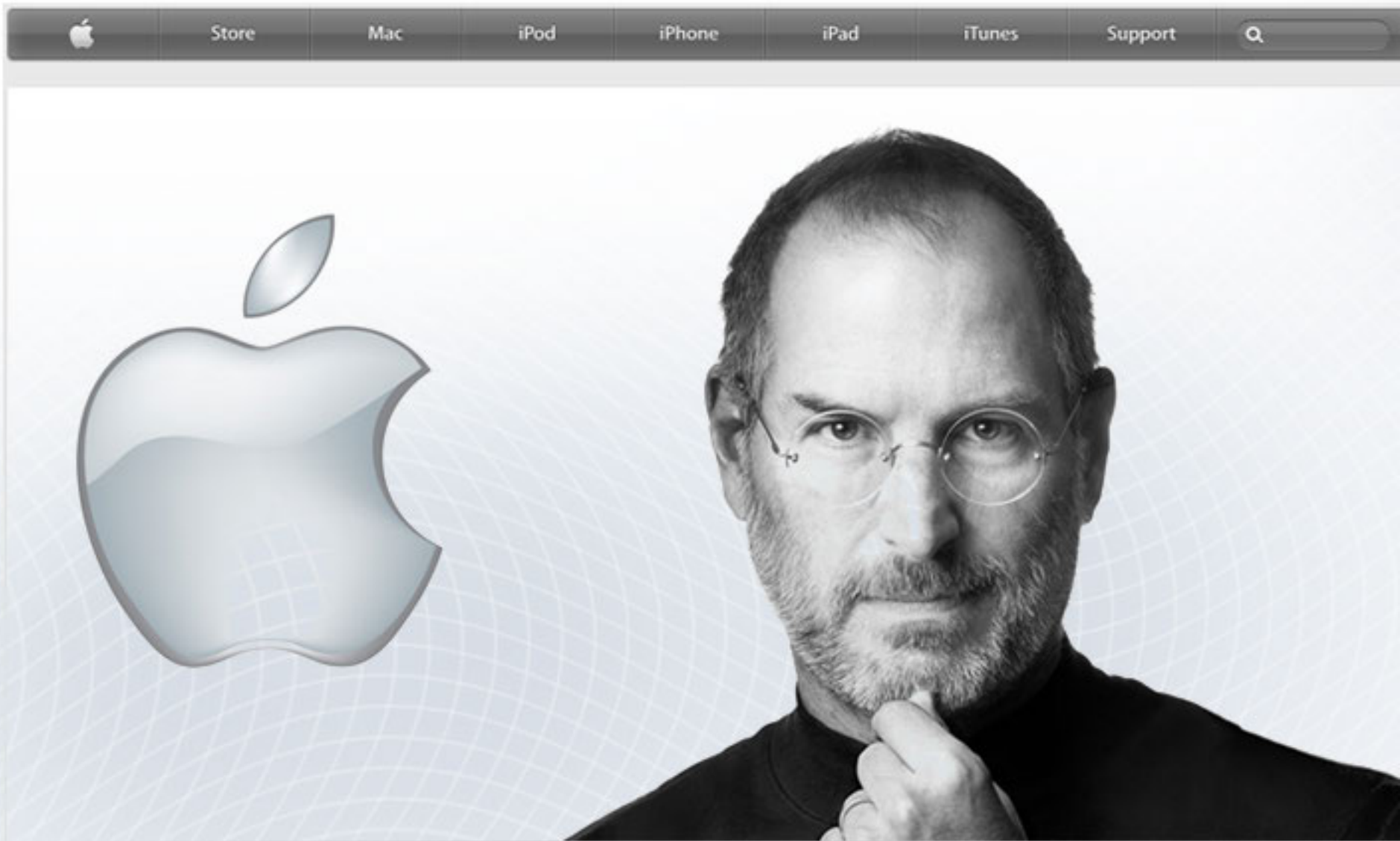


WF11587

*Swedbank First Securities, Nordic Energy Summit 2013
21st March 2013*

Apple

Lundin



Lundin Petroleum and Apple



- Value increase > 50 times
- No cash equity raised since start-up

Company Overview and History



History

- 2001**
 - ➔ Initial listing in Stockholm
 - ➔ Initial cash equity of ~ MUSD 50
- 2004**
 - ➔ Acquisition led growth strategy
 - ➔ Coparex acquisition
 - ➔ DNO acquisition
- 2010**
 - ➔ Organic growth
 - ➔ Norwegian licensing rounds
 - ➔ Active exploration programme
 - ➔ Distribution of UK assets ~ MUSD 700
- 2012**
 - ➔ Strong financial position to fund further organic growth
 - ➔ EBITDA 2012 > USD 1 billion
 - ➔ Operating cash flow 2012 ~ MUSD 830

Introduction

- ➔ An organic growth success story

Raised cash equity ~USD 50 million in 2001



No cash equity raised since

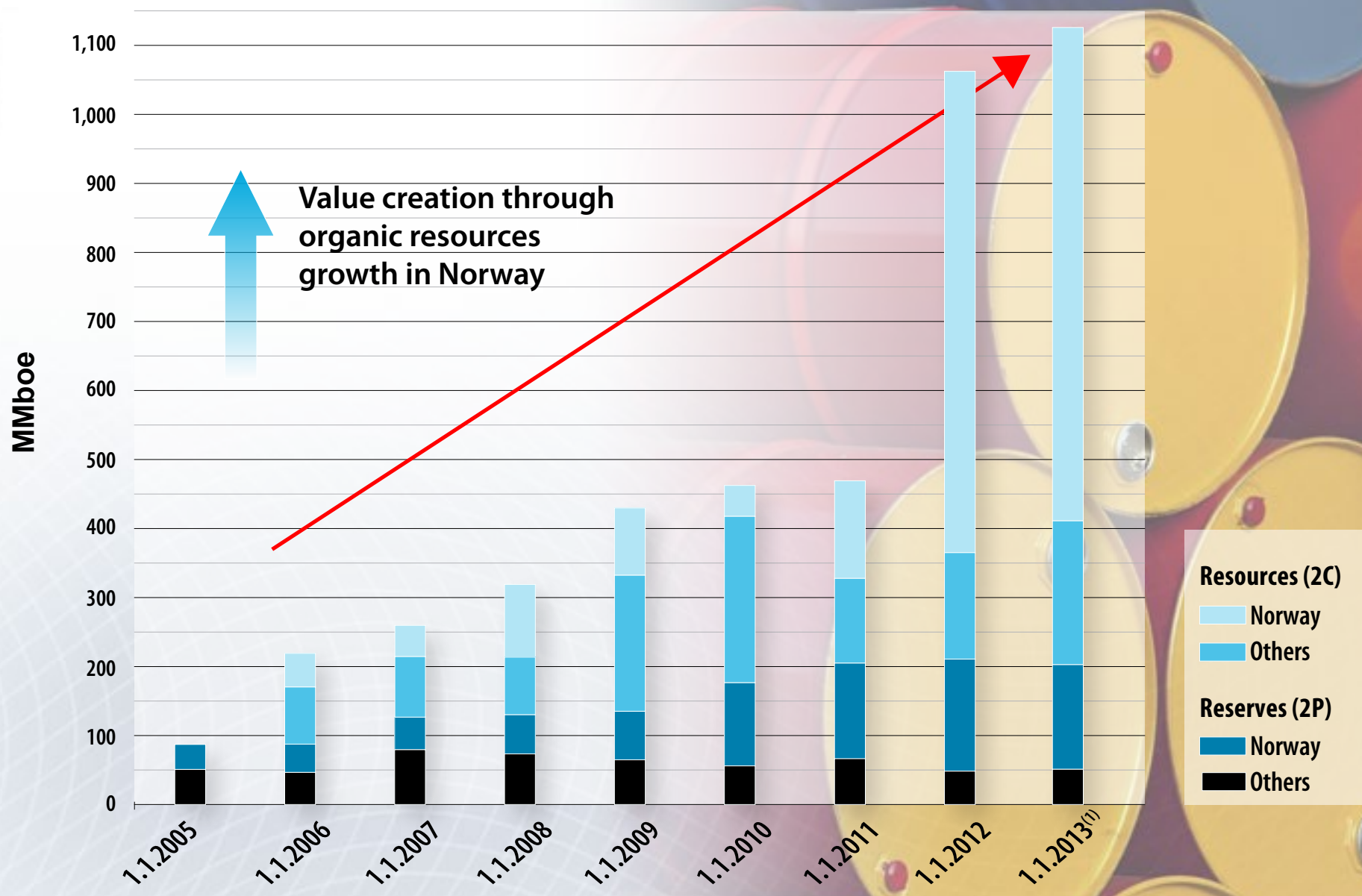


Market Cap ~USD 7.0 bn + Distribution (UK) ~ USD 0.7 bn



Resource Base (2P + 2C) at YE 2012 > 1bn bbls

Resource Growth is the Key to Value Creation



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Excludes divested assets

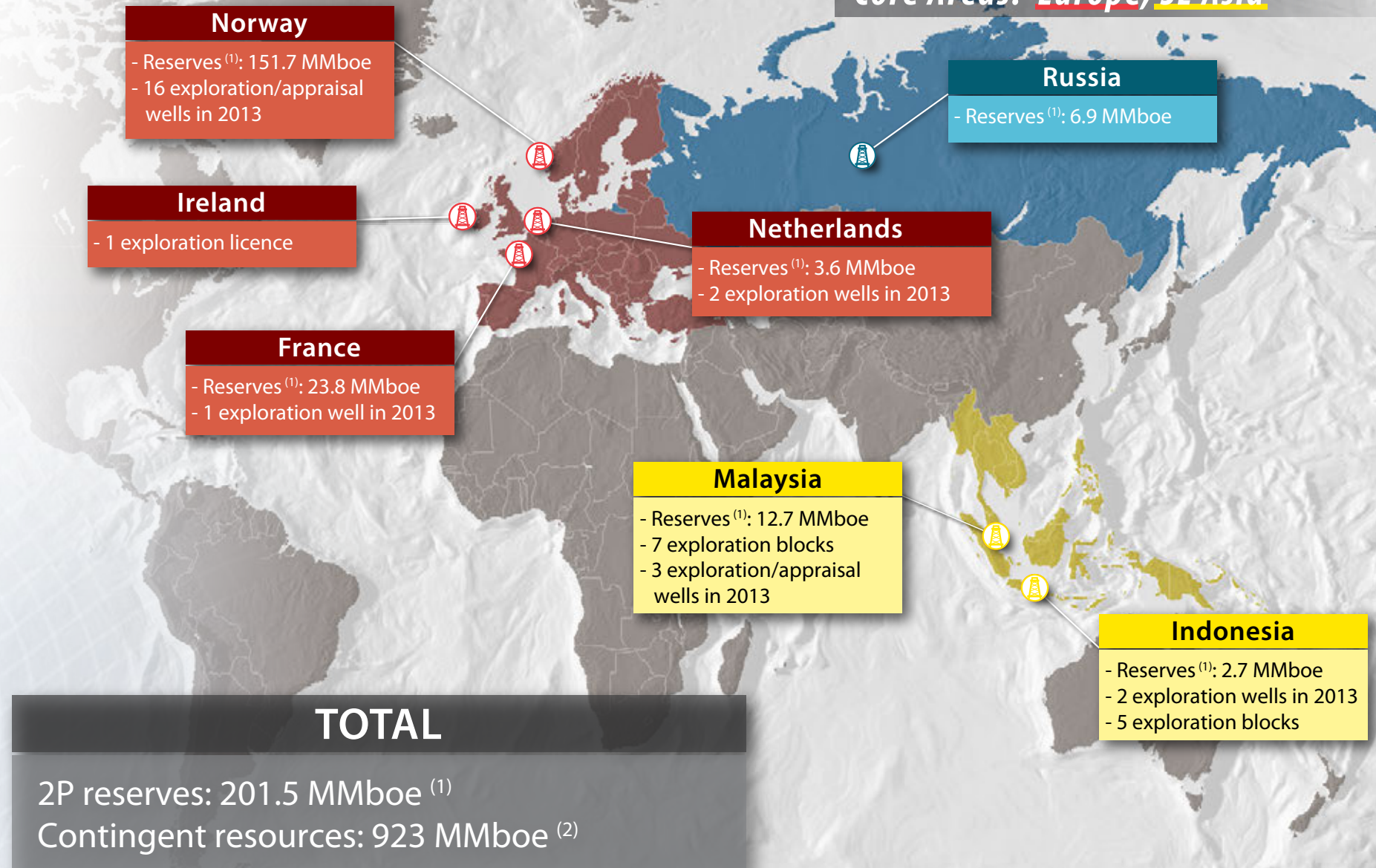
⁽¹⁾ PL501 mid range of previously guided 800-1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Geitungen discovery

Lundin Petroleum - Asset Overview



⇒ Norway represents 75 % of our business

Core Areas: Europe, SE Asia

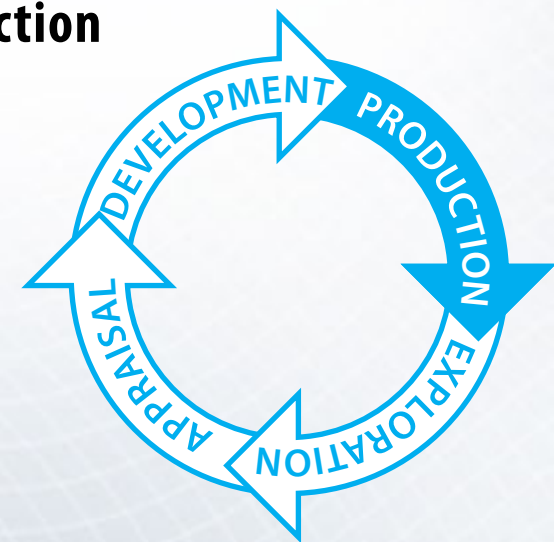


⁽¹⁾ End 2012 Reserves

⁽²⁾ Statoil estimate (120 MMboe net Lundin) for Johan Sverdrup PL265

▣ Solid financial performance driven by Norwegian production

- 35,700 boepd. Predominantly Brent based oil
- Operating cash flow USD 830 million in 2012
- EBITDA >USD 1.1 billion in 2012



■ USD 2.2 billion development capital programme through 2015

- Edvard Grieg (50%) gross USD 4 billion operated development.
First oil 2015. Ongoing
- Brynhild (90%) gross USD 890 million operated development.
First oil 2013. Ongoing
- Bøyla (15%) gross USD 870 million non-operated development.
First oil 2014. Ongoing



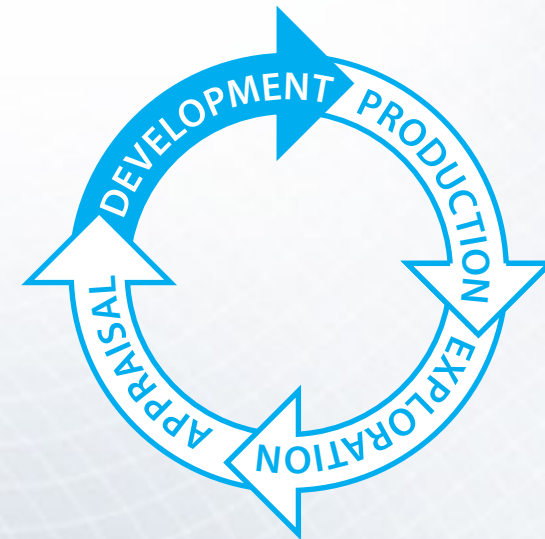
Funding requirement USD ~1.5 billion

Fully funded from new USD 2.5 billion reserve based lending facility



Double production by 2016

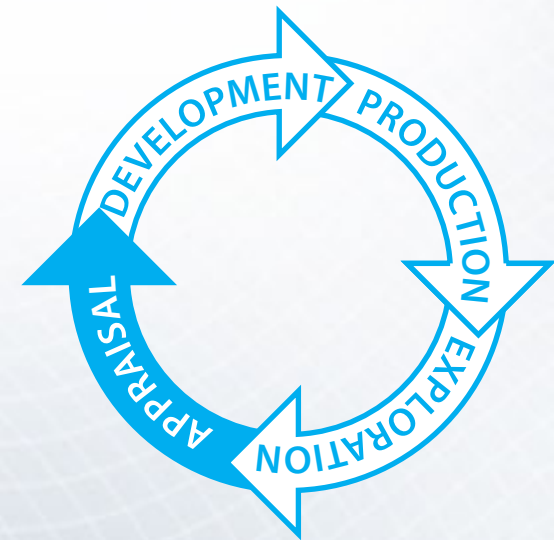
Annual operating cash flow USD 1.2 - 1.4 billion



Lundin Petroleum - A Snapshot of the Business



- **Third largest contingent resource position in Norway >700 MMboe dominated by Johan Sverdrup**
- **Appraisal ongoing. 15 wells drilled to date**
- **PDO submission late 2014. First oil 2018**
- **Will take net production to >150,000 boepd at plateau**
- **Low development costs**
- **Operating cash flow USD 2.0 - 2.4 billion per year when Johan Sverdrup at plateau production**



Exploration Remains a Key Focus



- **>USD 500 million exploration per year**
- **Norway key focus ~10 wells per year**
- **Utsira High Area, Barents Sea, new core area**
- **Rig capacity secured**
- **Objective to replicate exploration organic growth in SE Asia**



Strong Liquidity

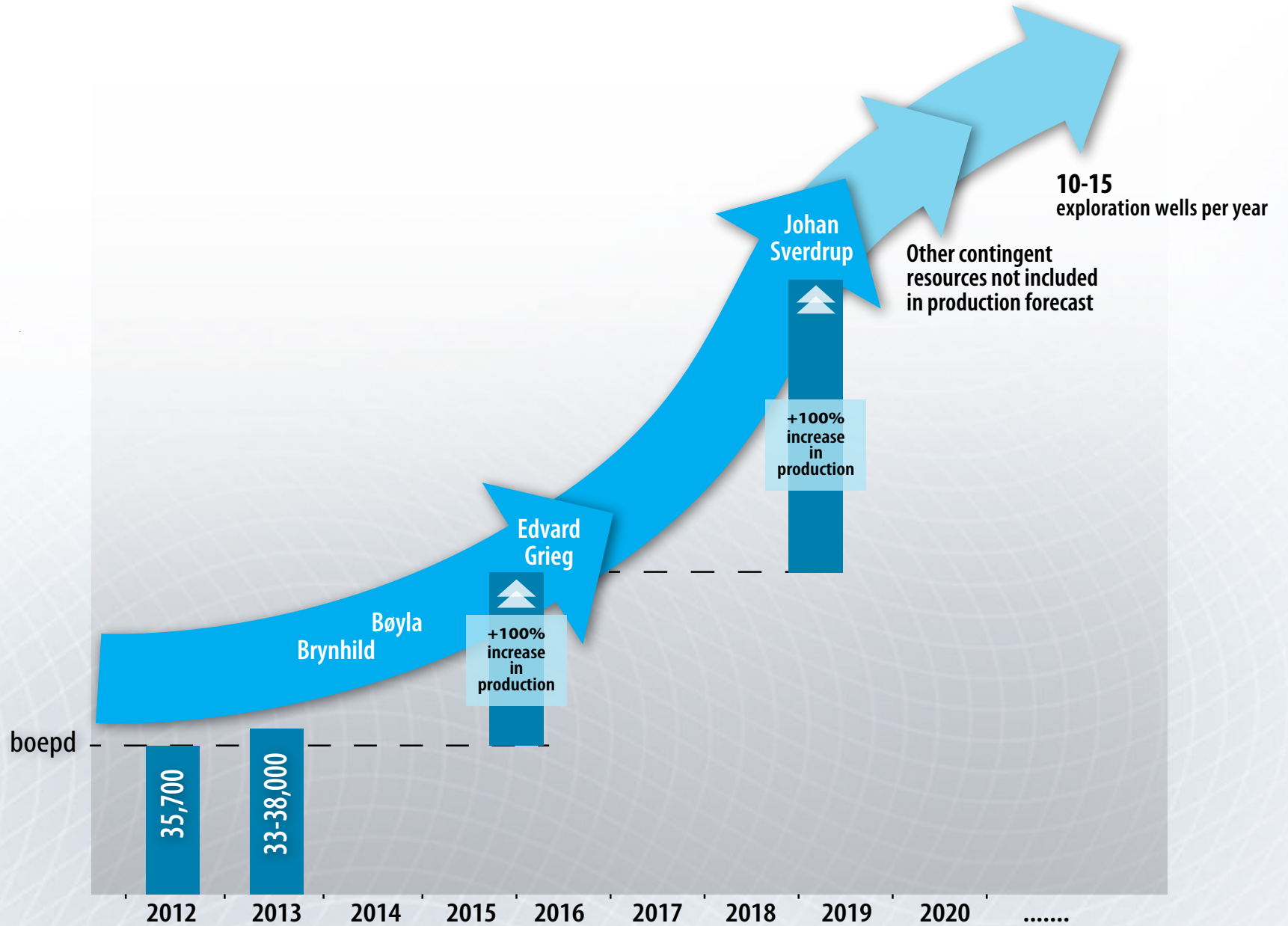


➤ USD 2.5 billion bank facility

- ➔ 25 international banks
- ➔ Libor plus 275-325 bps
- ➔ 7 year facility
- ➔ No value for Johan Sverdrup



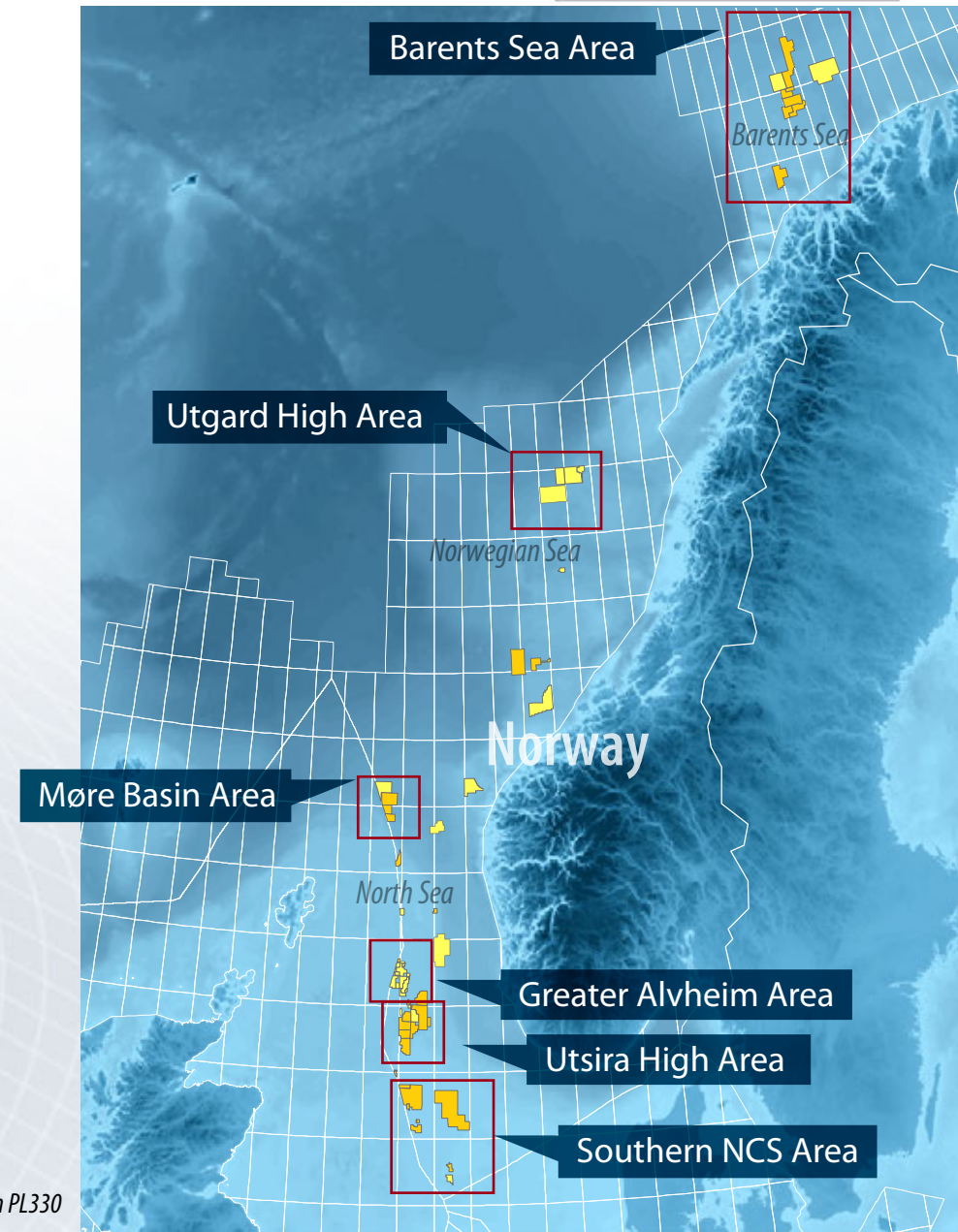
Production to Quadruple from Ongoing Developments



Norway - Remains the Key Focus

Lundin

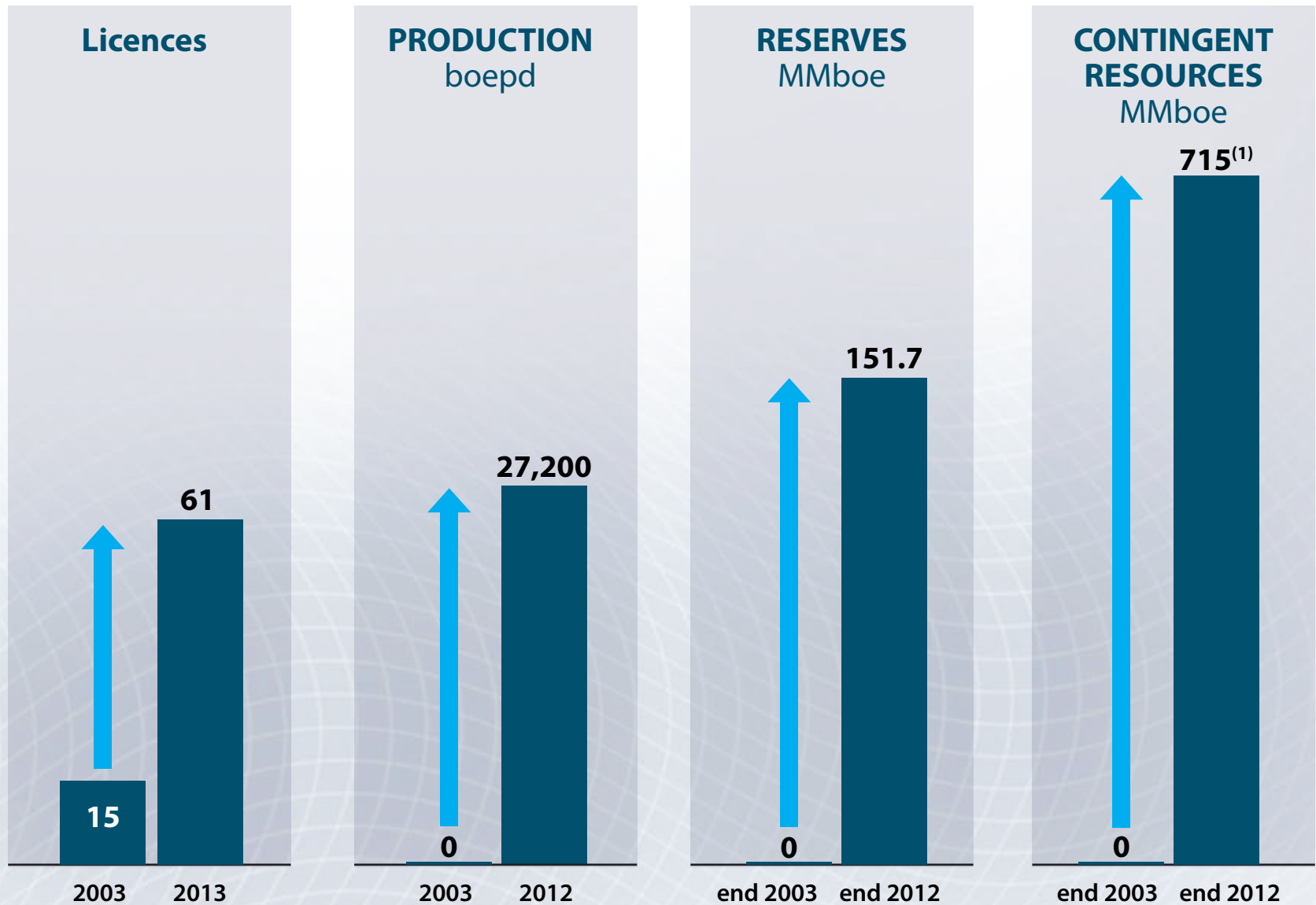
- 2012 net production 27,200 boepd
- 2P reserves net 151.7 MMboe
- 2C contingent resources net 715⁽¹⁾ MMboe
- 61 licences – operated acreage 11,600 km² (gross)
- 10 exploration wells in 2013
- Targeting 490⁽²⁾ MMboe unrisks net prospective resources in 2013



⁽¹⁾ PL501 mid range of previously guided 800-1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Geitungen discovery

⁽²⁾ excludes Torvastad & PL410 (dependent on Luno II), assumes mid-point prospective resource on PL330

Norway - Successful Organic Growth

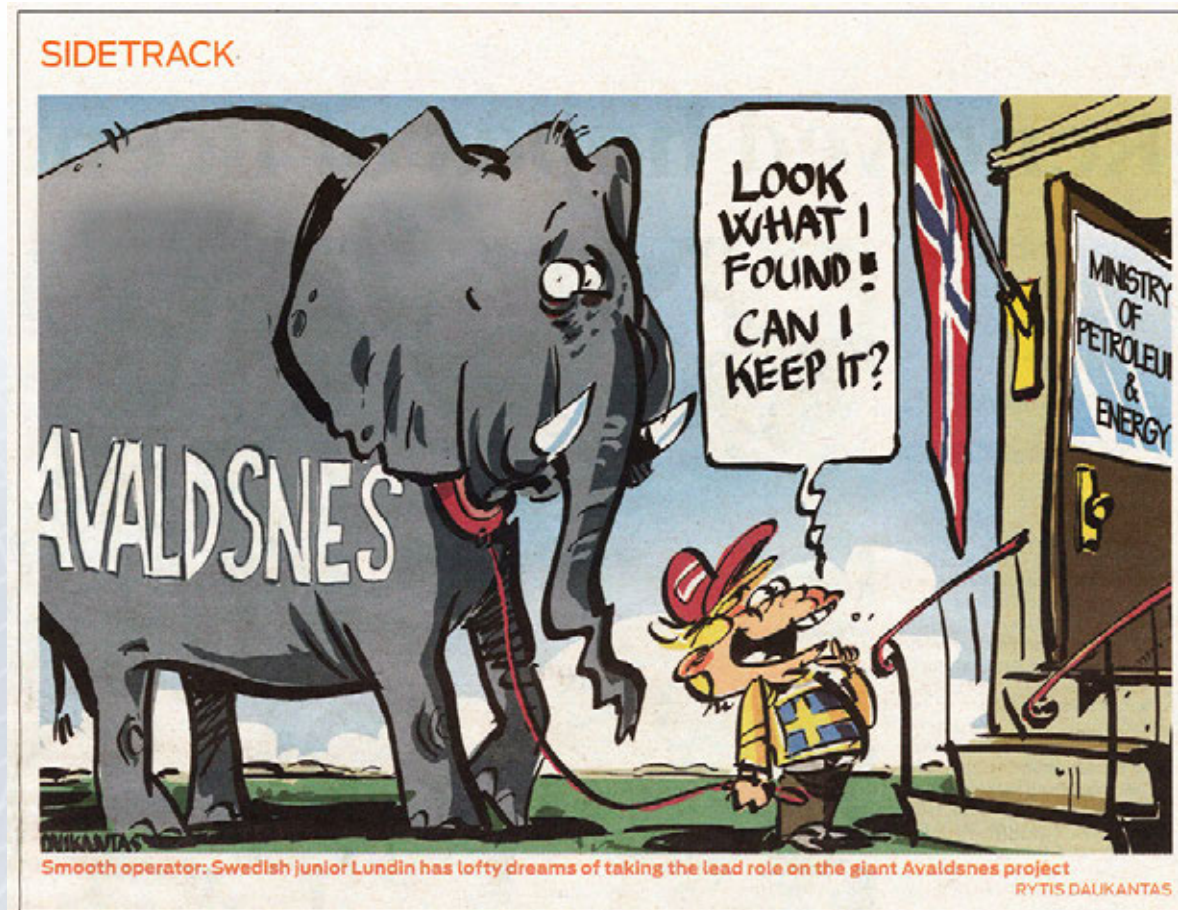


⁽¹⁾ PL501 mid range of previously guided 800-1800 MMboe gross & PL265 mid range of Statoil estimate for Johan Sverdrup & Geitungen discovery

The Million Dollar Question

Lundin

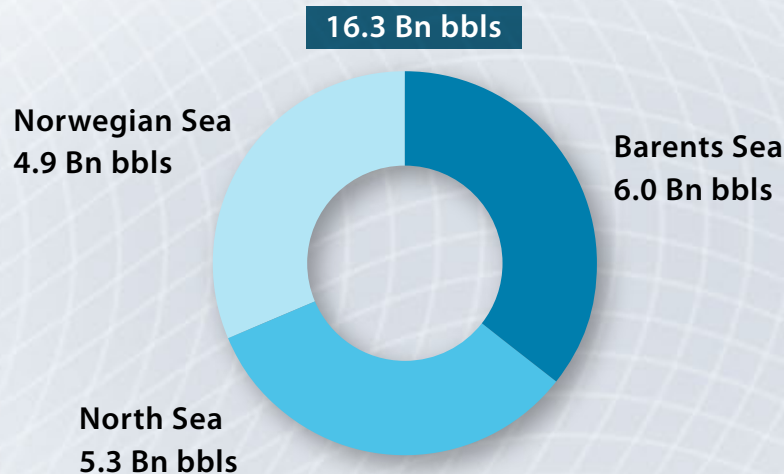
“How could a small Swedish oil and gas company find a multibillion barrel recoverable oil field in the heart of the Norwegian North Sea 45 years after the area was opened up for exploration”



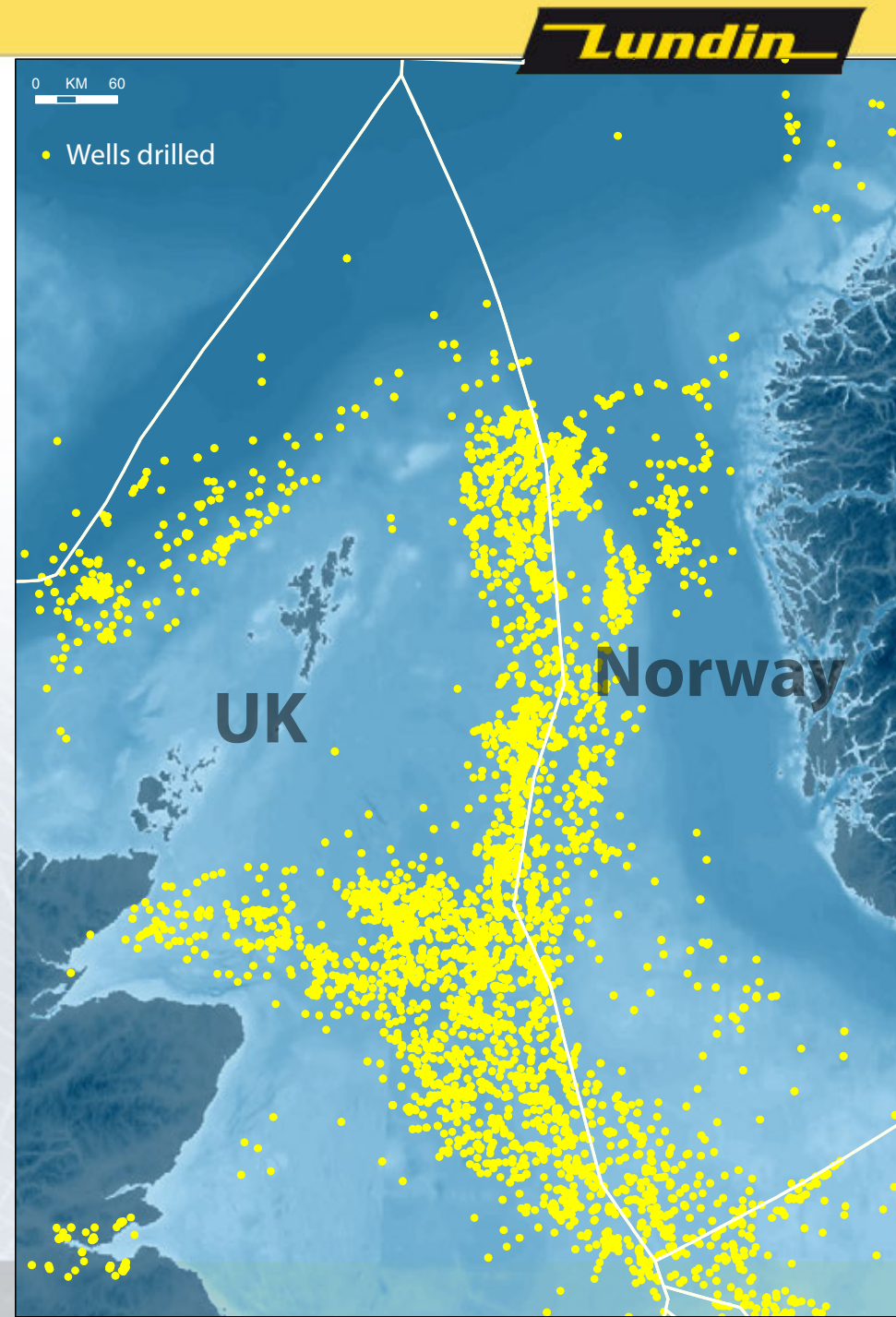
Why Invest in Norway?

- **Excellent exploration potential remains**
 - ➔ No independents until recently
 - ➔ Lower drilling density than UK
 - ➔ Close to existing infrastructure
- **Stable and attractive fiscal regime**
 - ➔ 78% tax rate (effective rate ~73% with capital uplift)
 - ➔ 93% tax deduction on development expenditures due to tax uplift

UNDISCOVERED RESOURCES ON THE NCS



Source: NPD



Why Invest in Norway?



Lundin Petroleum Finding Cost (Post Tax)

- 2P Reserves & Johan Sverdrup resources

→ Finding Cost⁽¹⁾ (Post Tax)



⇒ 0.34 USD/boe

OMV Acquisition of PL338 (20%)

- PL338 (Edvard Grieg) Transaction value USD/bbl

→ PL338 transaction value (Post Tax)⁽²⁾



⇒ 8.7 USD/boe

(1) Costs include cumulative exploration and appraisal costs since inception up to 31.12.2012. Discovered resources assume year end 2012 remaining 2P reserves for Edvard Greig, Volund, Gaupe, Bøyla and Brynhild. For Gaupe and Volund cumulative production up to 31.12.2012 is also included in reserves. Brynhild 2P reserves have been adjusted for 50% ownership at the time of making the discovery. Johan Sverdrup & Geitungen contingent resources are included at the operators guided mid-point resource estimate

(2) based on consideration of €247.9 million converted to USD based on €1.31:USD

Changes to Fiscal Policy and Licensing Rounds



- APA rounds
- Cash refunds of exploration allowances



Revitalized Norwegian Continental Shelf

- Encouraged diversity
- New players



Increased levels of exploration activity

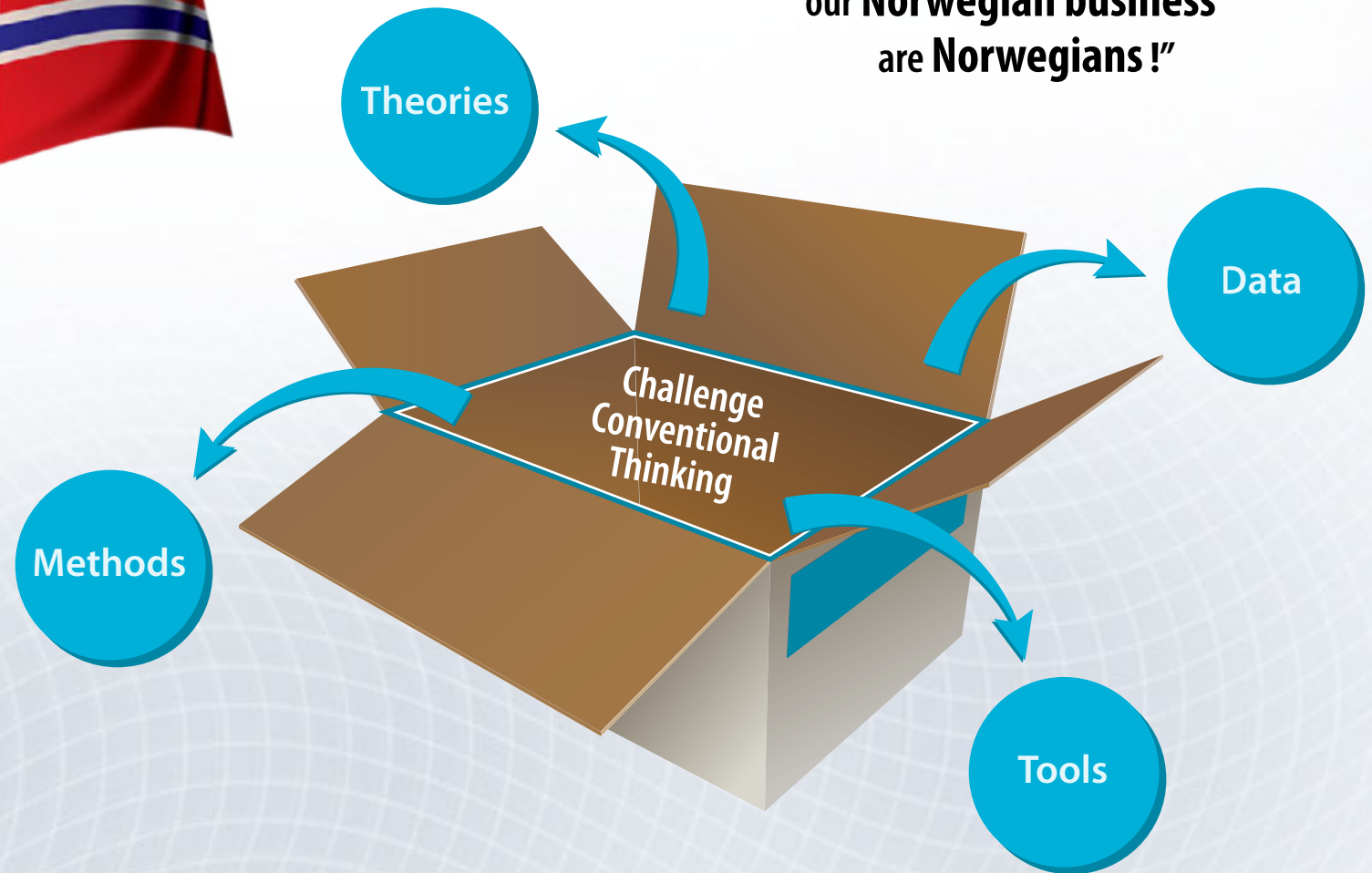


Success / Value Creation





**“Best people to run
our Norwegian business
are Norwegians!”**



➔ **Leverage the knowledge and learning capabilities of your organisation.**

- Has improved exploration success rates
- Widely available to all

- ⇒ Differentiating factor is how we use the technology not the technology itself

➤ Risk assessment and corporate decision making processes are critical to investment

➤ Exploitation versus Exploration

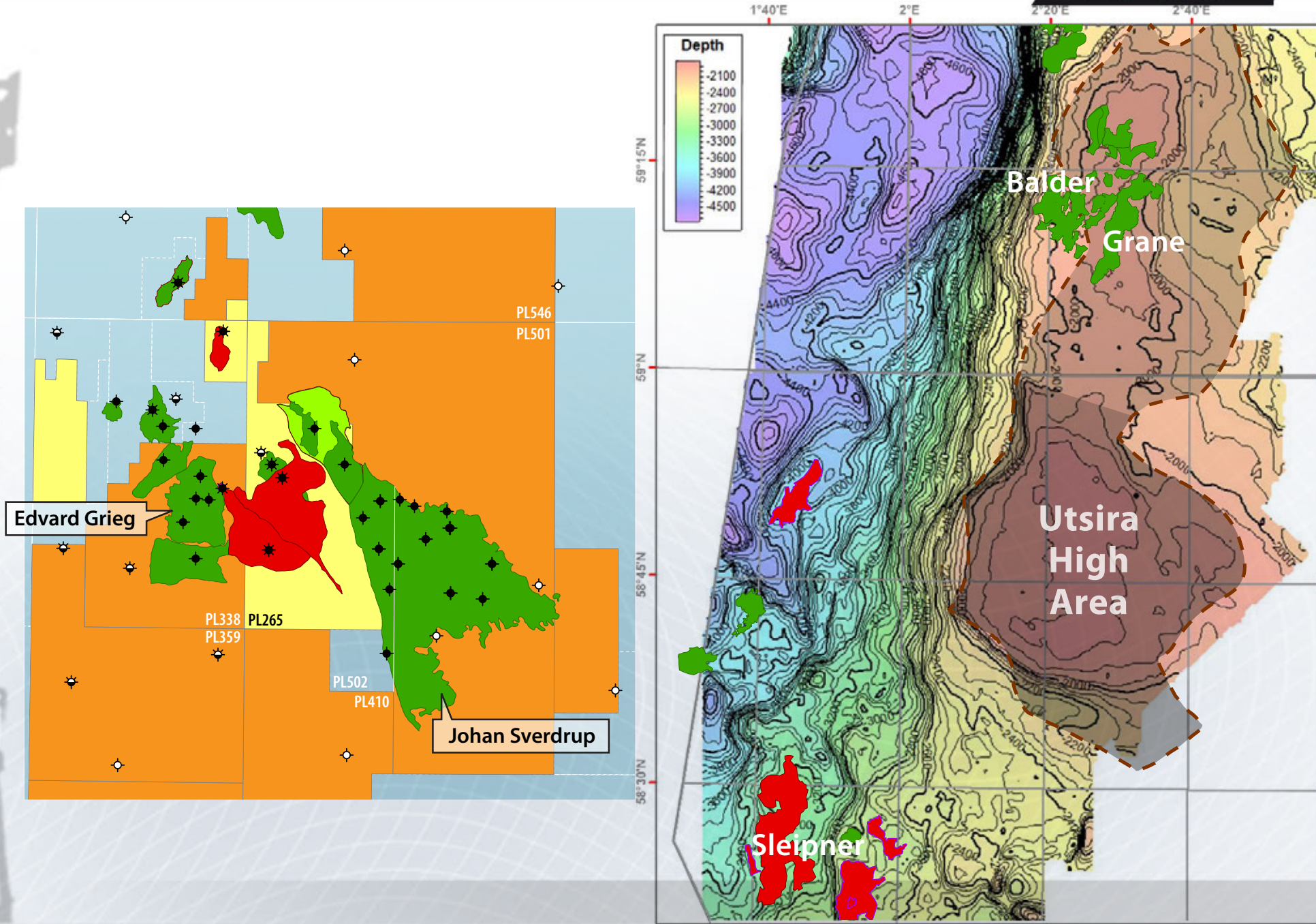
➤ Too many people / committees involved

⇒ Support the recommendations of the team on the ground



Reduced exploration activity

The Utsira High

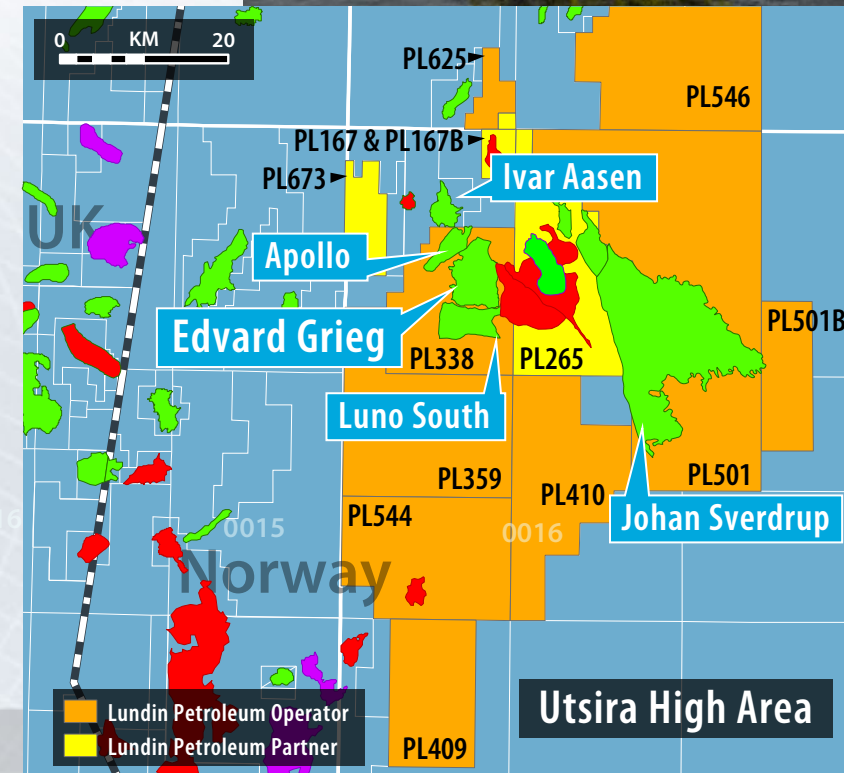


Edvard Grieg Development

- **Lundin Petroleum interest: 50% (operator)**
→ OMV 20%, Wintershall 15%⁽¹⁾, Statoil 15%⁽¹⁾
- **2P reserves: 186 MMboe gross**
- **Plateau production: 100,000 boepd gross**
- **Production startup Oct 2015**
- **Capital costs: 24 NOK billion**
- **Drilling 15 wells from jack-up rig**
- **Major contracts awarded**
- **Jacket construction commenced**



Jacket: 13,000 tonnes
Topsides: 21,000 tonnes



⁽¹⁾ Subject to Government approval

Norway - Utsira High - Johan Sverdrup

Lundin

➤ Located in the southern Utsira High In the heart of the North Sea

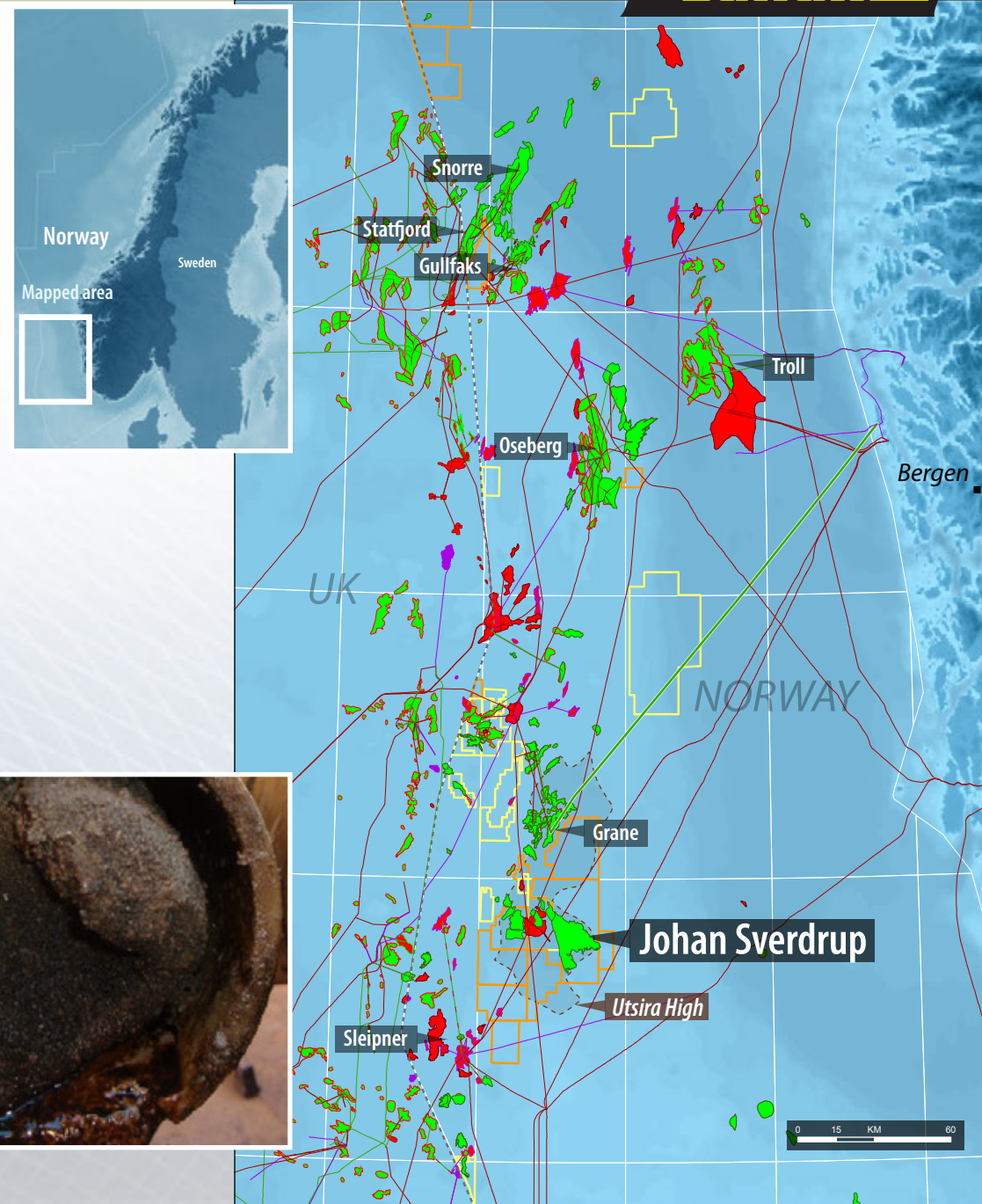
- Close to existing infrastructure
- Water depth: 115m
- Reservoir depth: ~1900m

➤ Excellent reservoir quality

- High porosity and permeability sands
- Normal pressure and temperature

➤ Easily producible oil

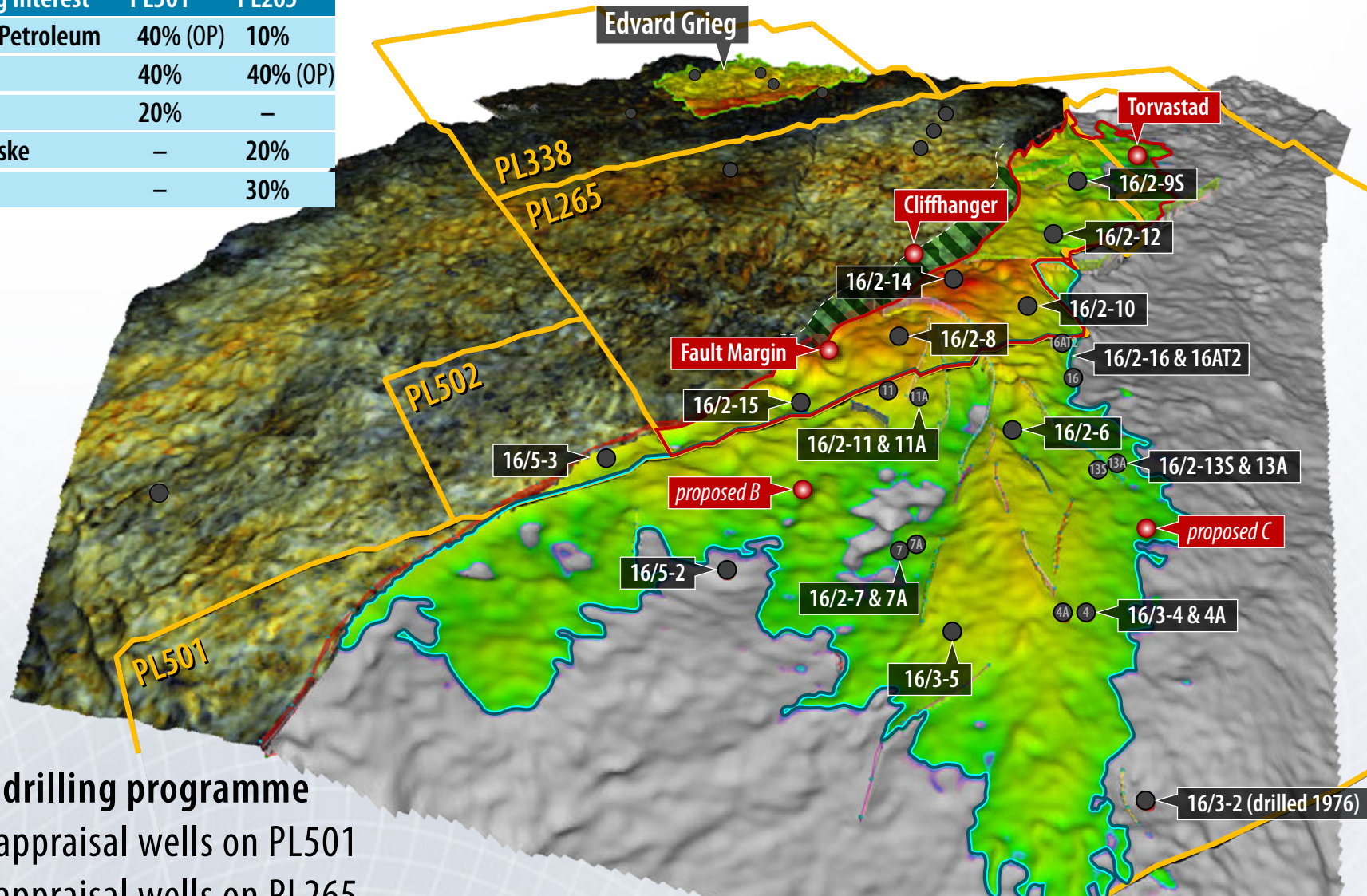
- Oil dripping out of the cores
- Highly mobile and low viscosity oil
- 28° API oil
- Low gas/oil ratio



Norway - Johan Sverdrup 2013 Appraisal Programme



Working Interest	PL501	PL265
Lundin Petroleum	40% (OP)	10%
Statoil	40%	40% (OP)
Maersk	20%	-
Det norske	-	20%
Petoro	-	30%



2013 drilling programme

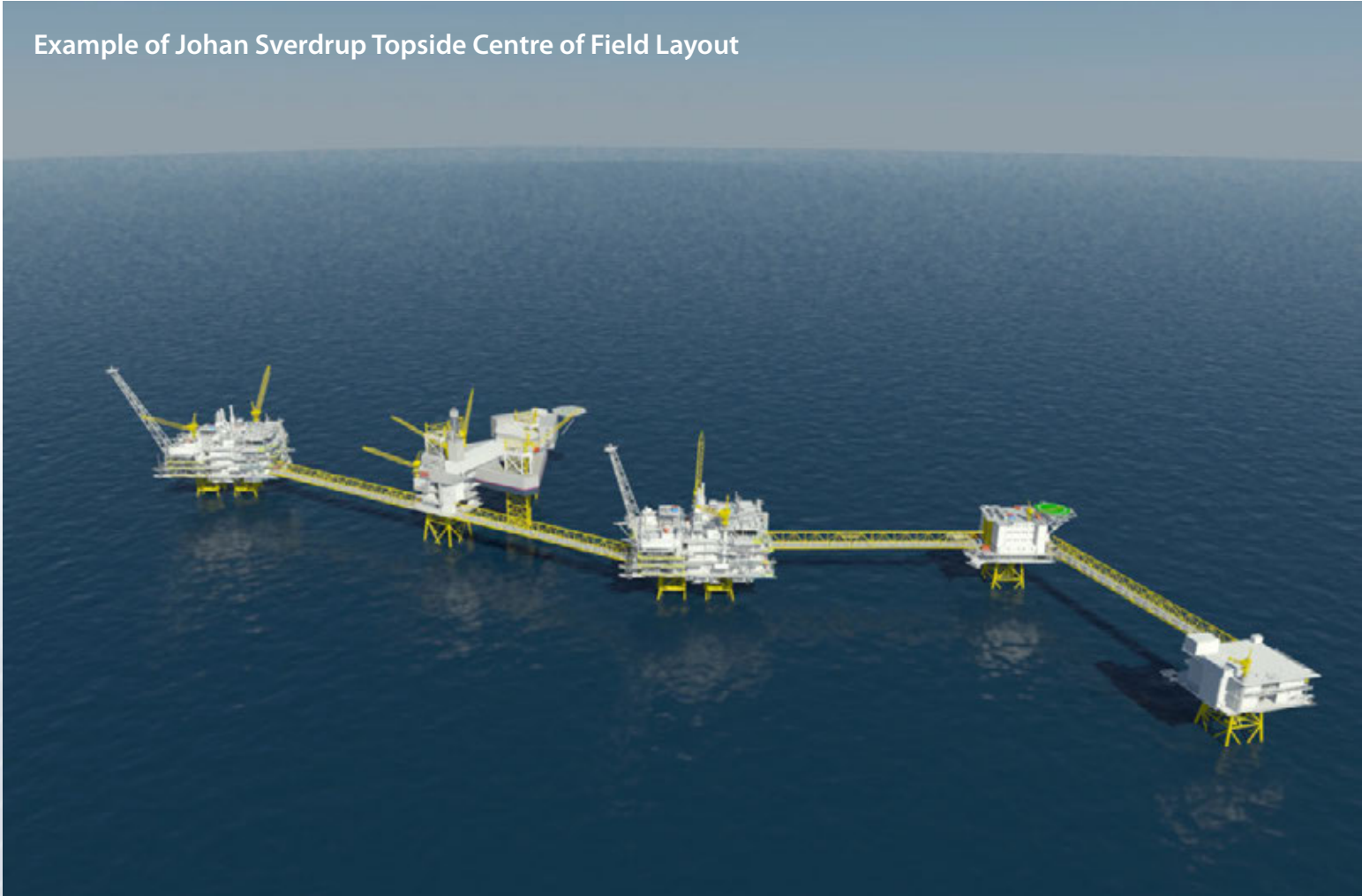
- 2 appraisal wells on PL501
- 2 appraisal wells on PL265
- 1 exploration well Torvastad on PL501
- 1 appraisal well on PL502

J. Sverdrup PL265
 J. Sverdrup PL501
● drilling ongoing
 ● 2013 wells

Johan Sverdrup - Possible Topside Layout Schematic



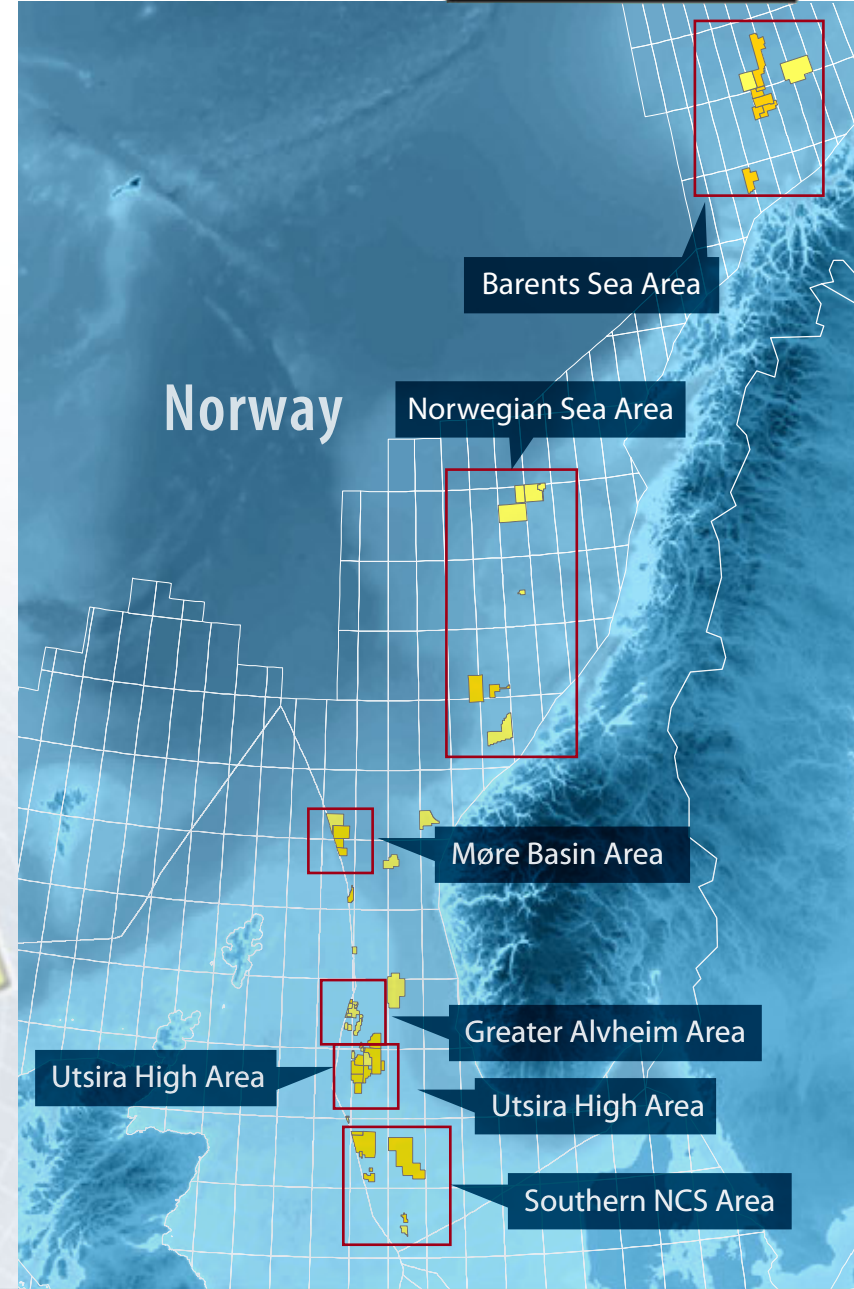
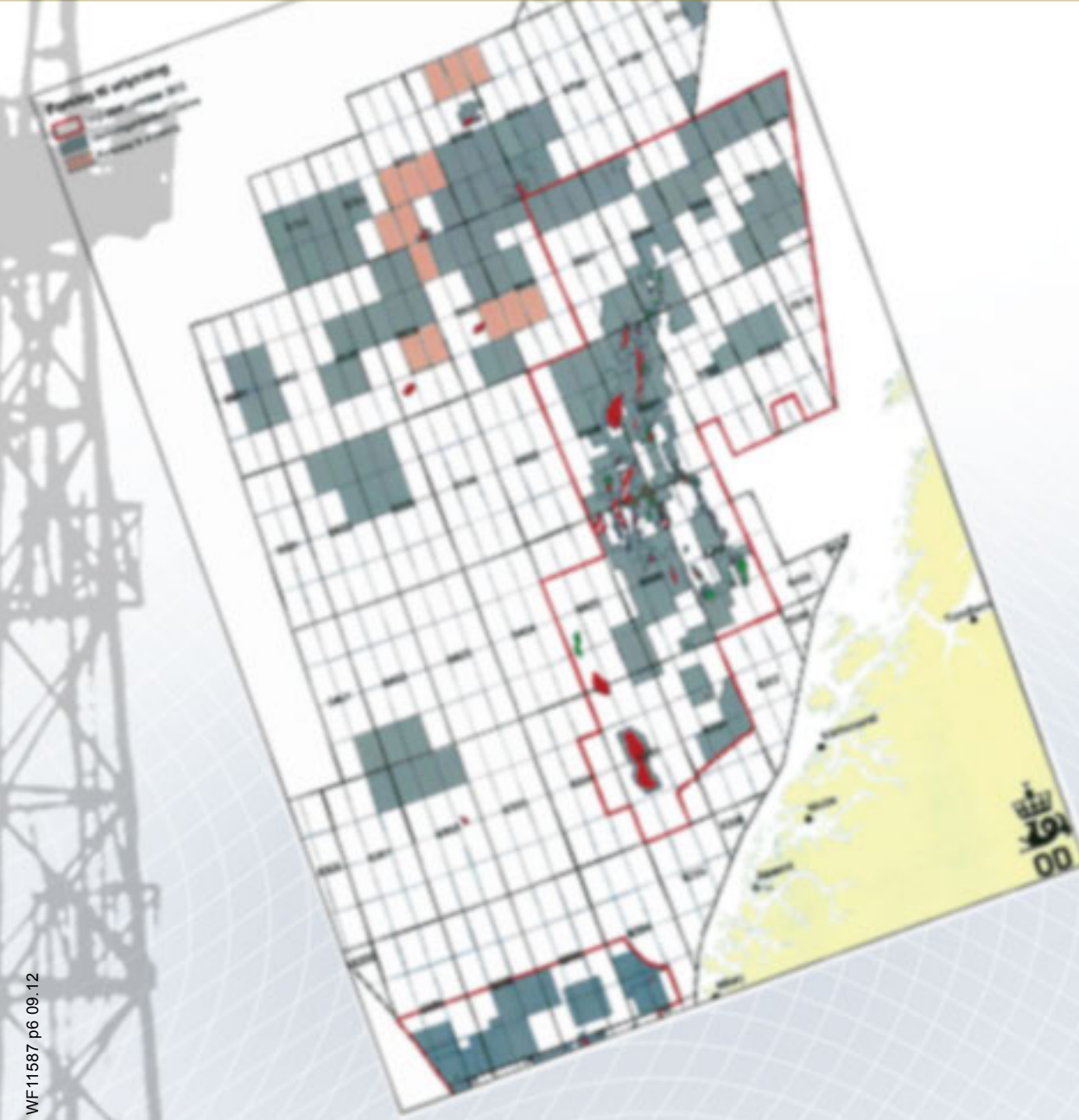
Example of Johan Sverdrup Topside Centre of Field Layout



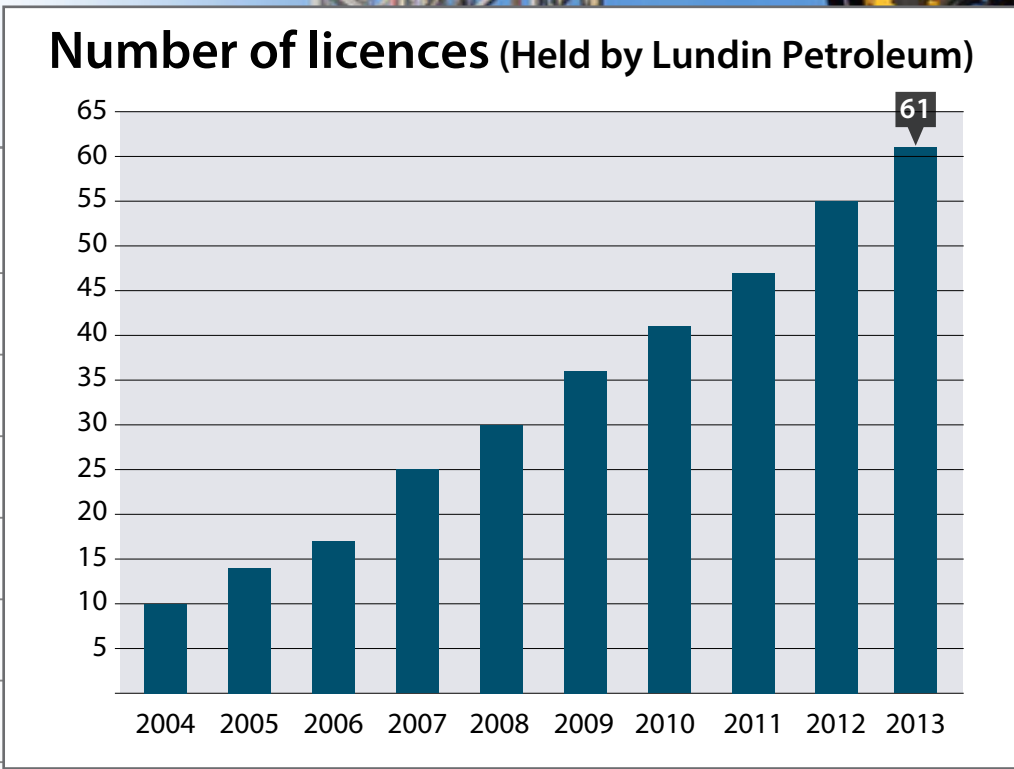
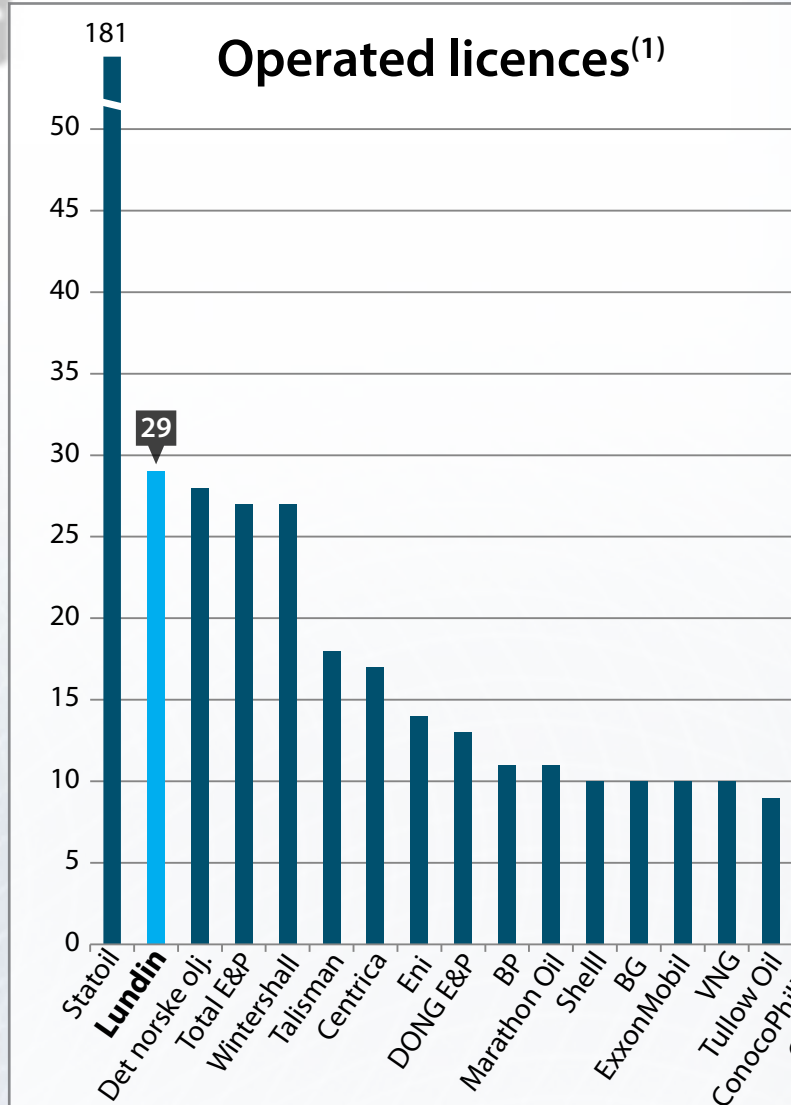
Lundin Petroleum Remains an Exploration Company



Continue to Increase Acreage Position in Norway



Strong Licence Position in Norway

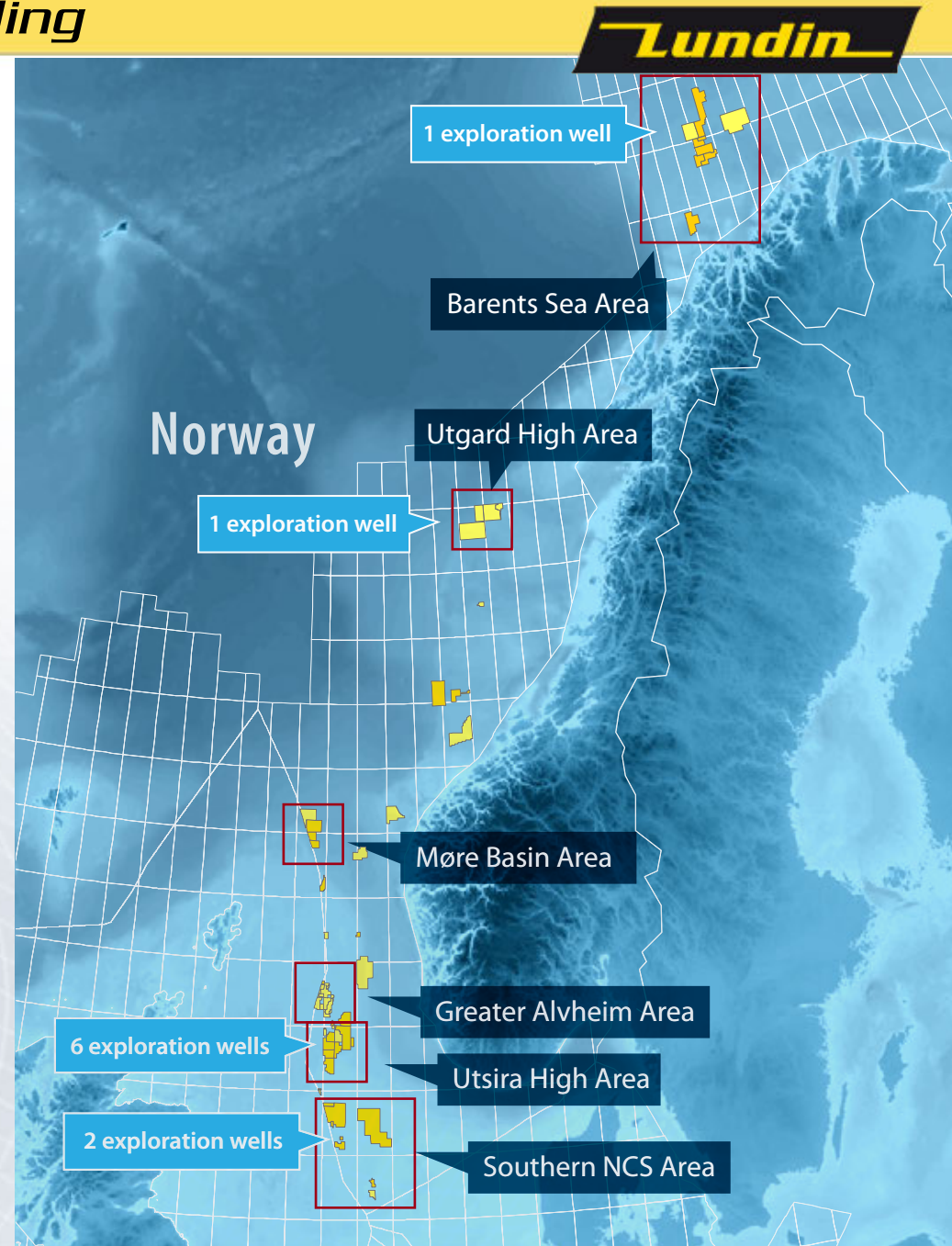


⁽¹⁾ Source: NPD(18.03.2013), Operators with more than 2 operated licences

Norway - 2013 Exploration Drilling

➤ 10 exploration wells

- ➔ 6 wells on the Utsira High Area
- ➔ 1 well in the Barents Sea
- ➔ 2 wells in the Southern NCS Area
- ➔ 1 well in the Utgard High Area



Norway - Utsira High Exploration 2013

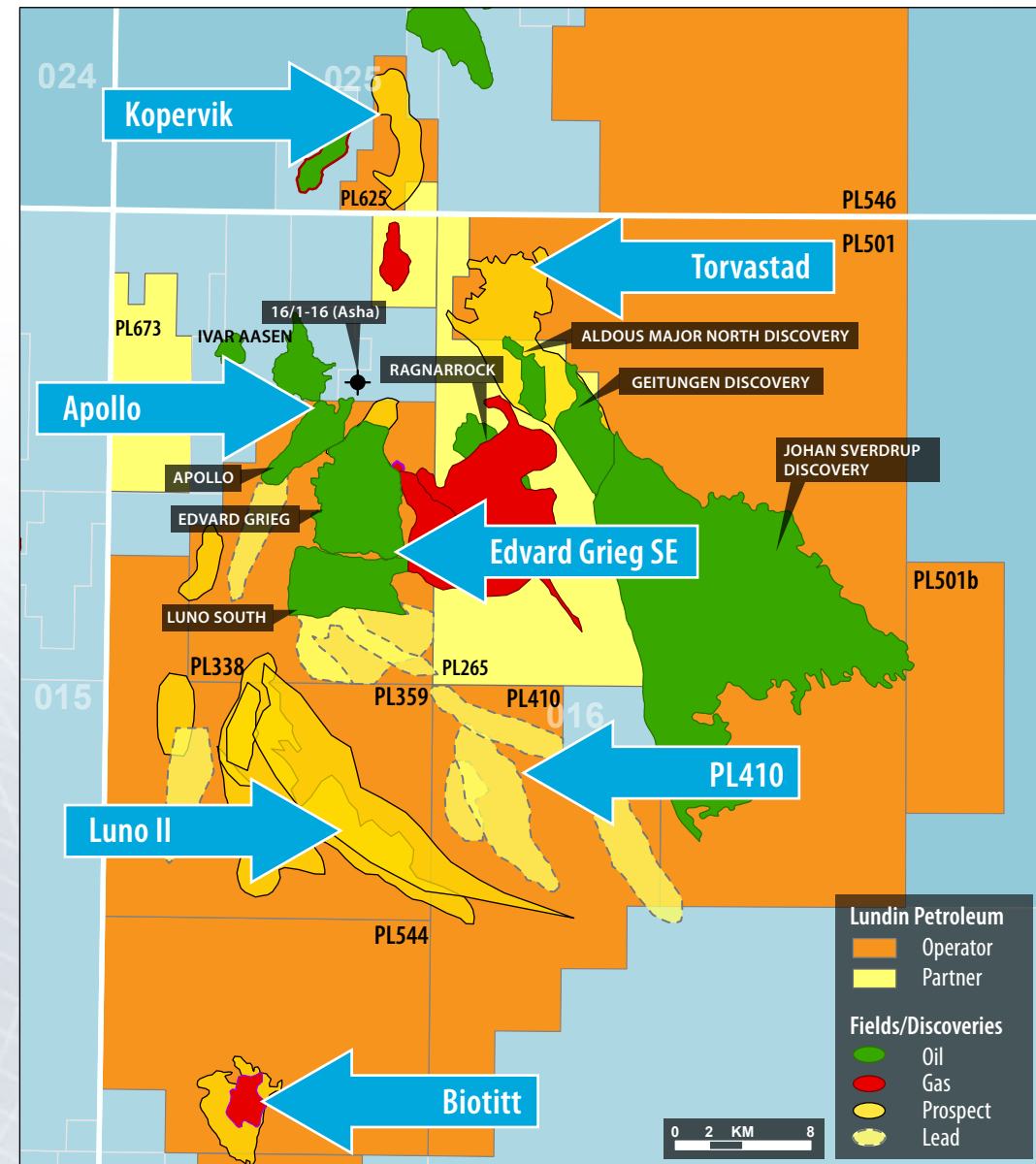


5 exploration wells to be drilled

- ➔ **PL359 Luno II (40%)**
Gross Prospective Resources: 139MMboe
Drilling ongoing
- ➔ **PL625 Kopervik (40%)**
Gross Prospective Resources: 163MMboe⁽¹⁾
- ➔ **PL544 Biotitt (40%)**
Gross Prospective Resources: 124MMboe
- ➔ **PL501 Torvastad (40%)**
Resources estimate available in early 2013
- ➔ **PL410 (70%)**
Location dependent on Luno II PL359 result

2 appraisal wells to be drilled

- ➔ **PL338 Edvard Grieg SE Appraisal (50%)**
- ➔ **PL338 Apollo Appraisal (50%)**

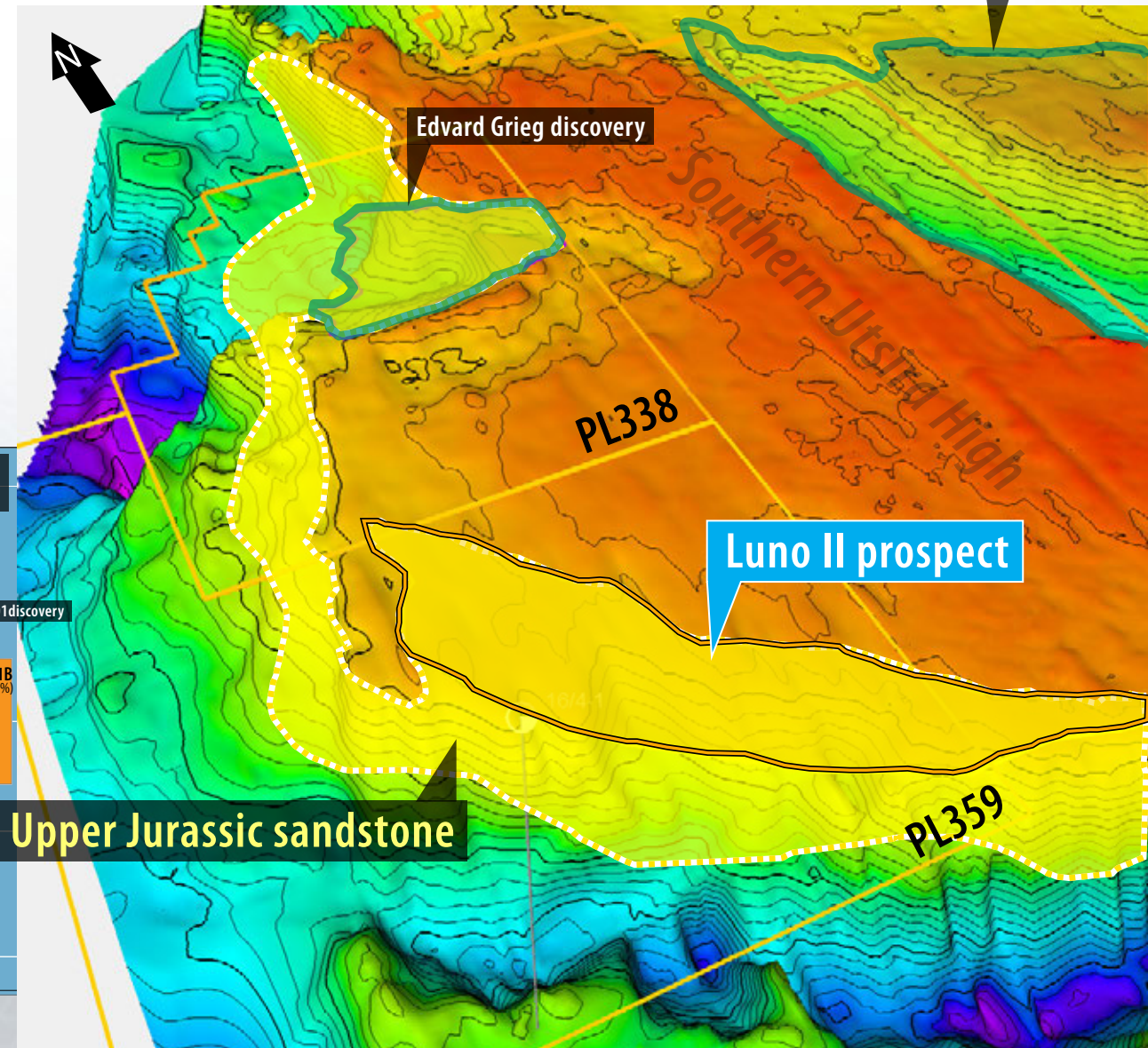
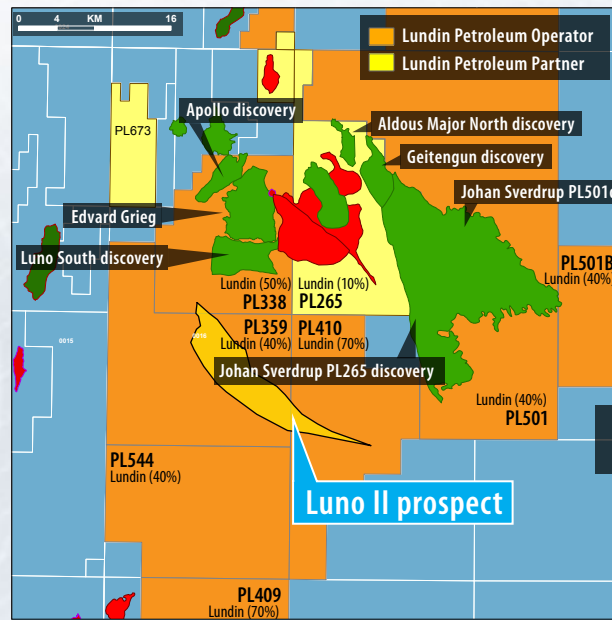


⁽¹⁾ includes prospective resources on PL167 (20% W.I.)

Utsira High 2013 Exploration - Luno II

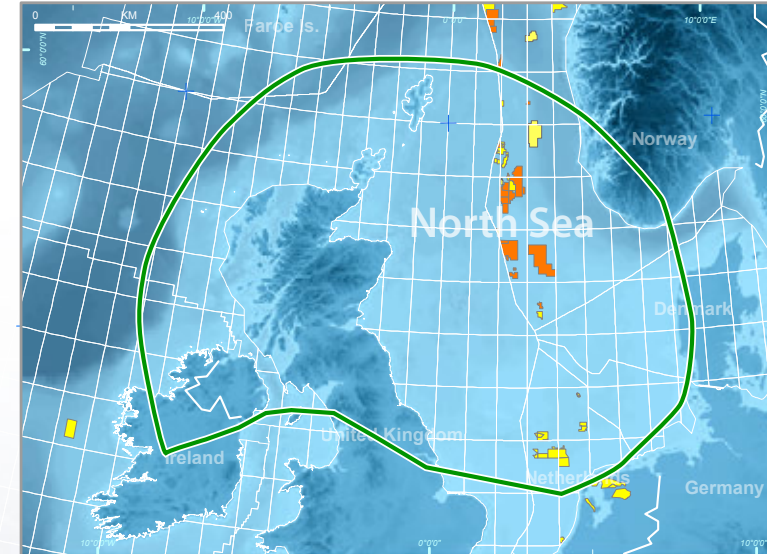
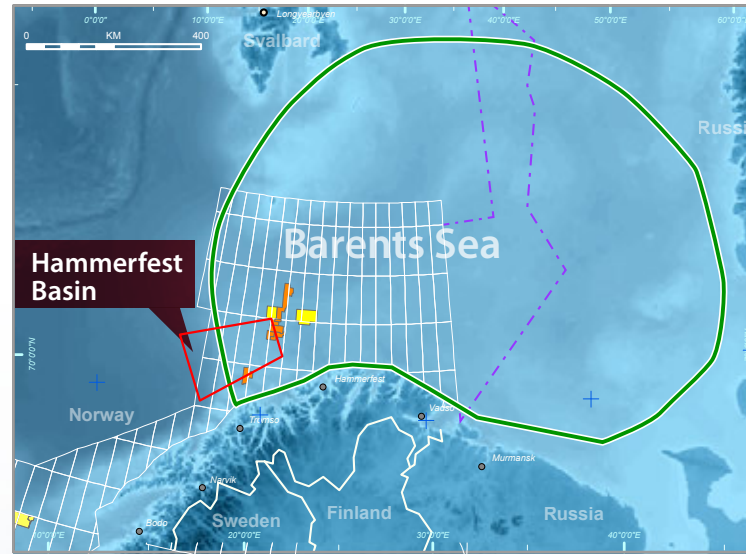


- **PL359 (Lundin 40% operated)
Luno II prospect**
- ➔ Johan Sverdrup or E. Grieg play type
- ➔ Reservoir: Upper Jurassic
- ➔ Gross unrisked prospective resources: 139 MMboe
- ➔ Drilling ongoing



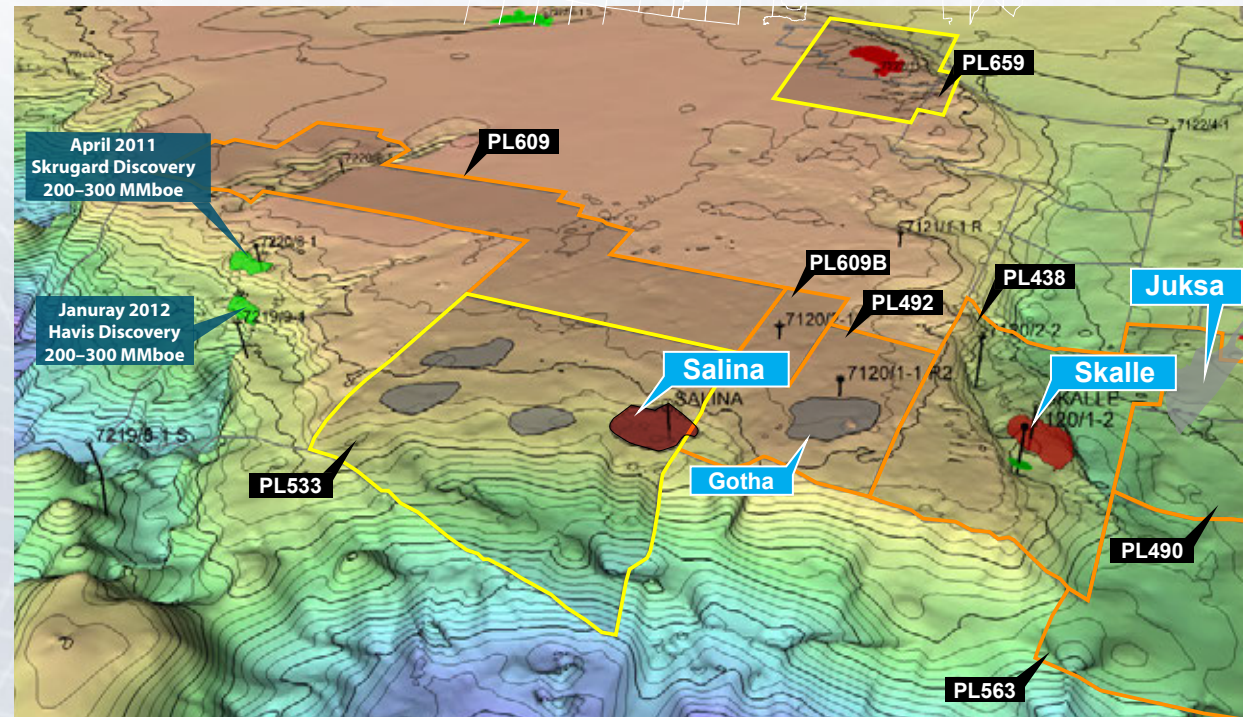
A New Oil Province in Norway

Lundin



Barents Sea

- ➔ Total Area 236,000 km²
- ➔ Under explored area
 - ➔ 75 exploration wells



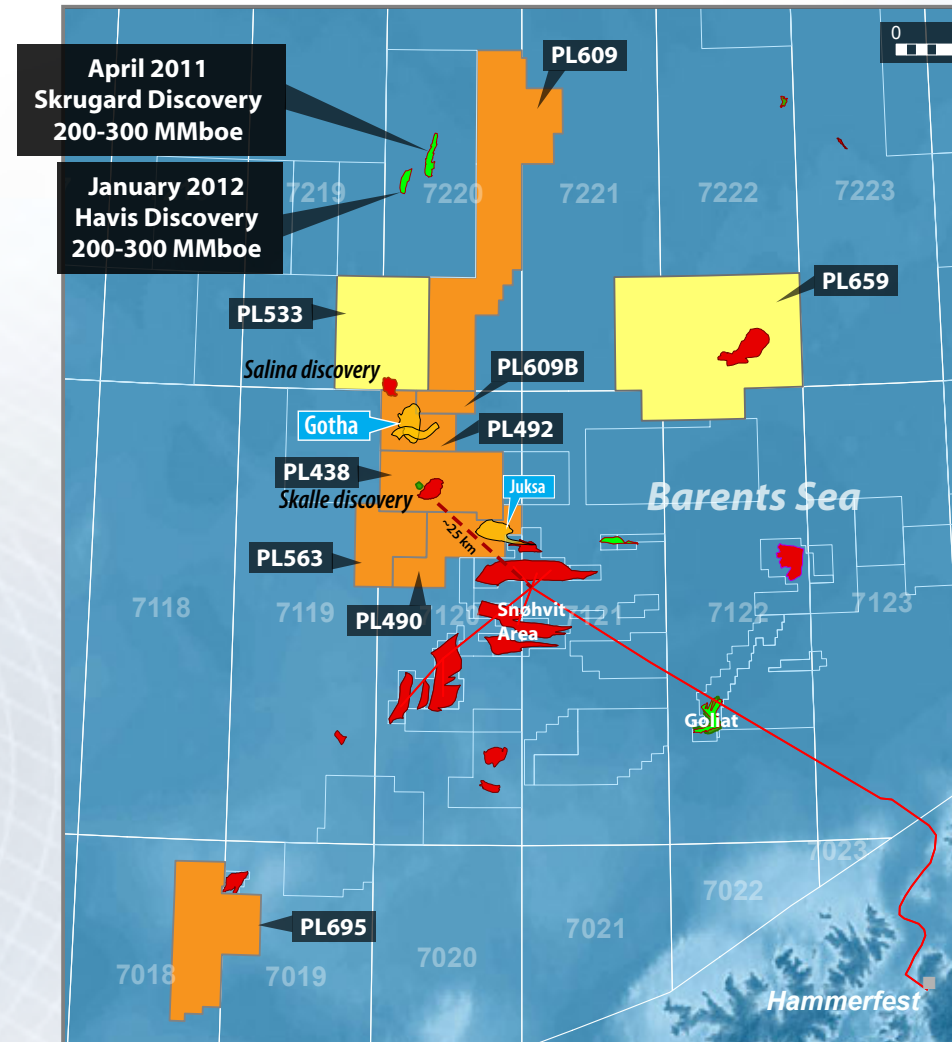
Lundin Petroleum - Acreage Position in the Barents Sea



⇒ Largest Independent Acreage Position in the Barents Sea

- ⇒ 3 wells drilled
 - 2 gas discoveries

- ⇒ 1 exploration well to be drilled in 2013
 - PL492 (Lundin 40%, operated)
Gotha prospect
 - Gross prospective resources: 226 MMboe
 - Drilling in Q3 2013



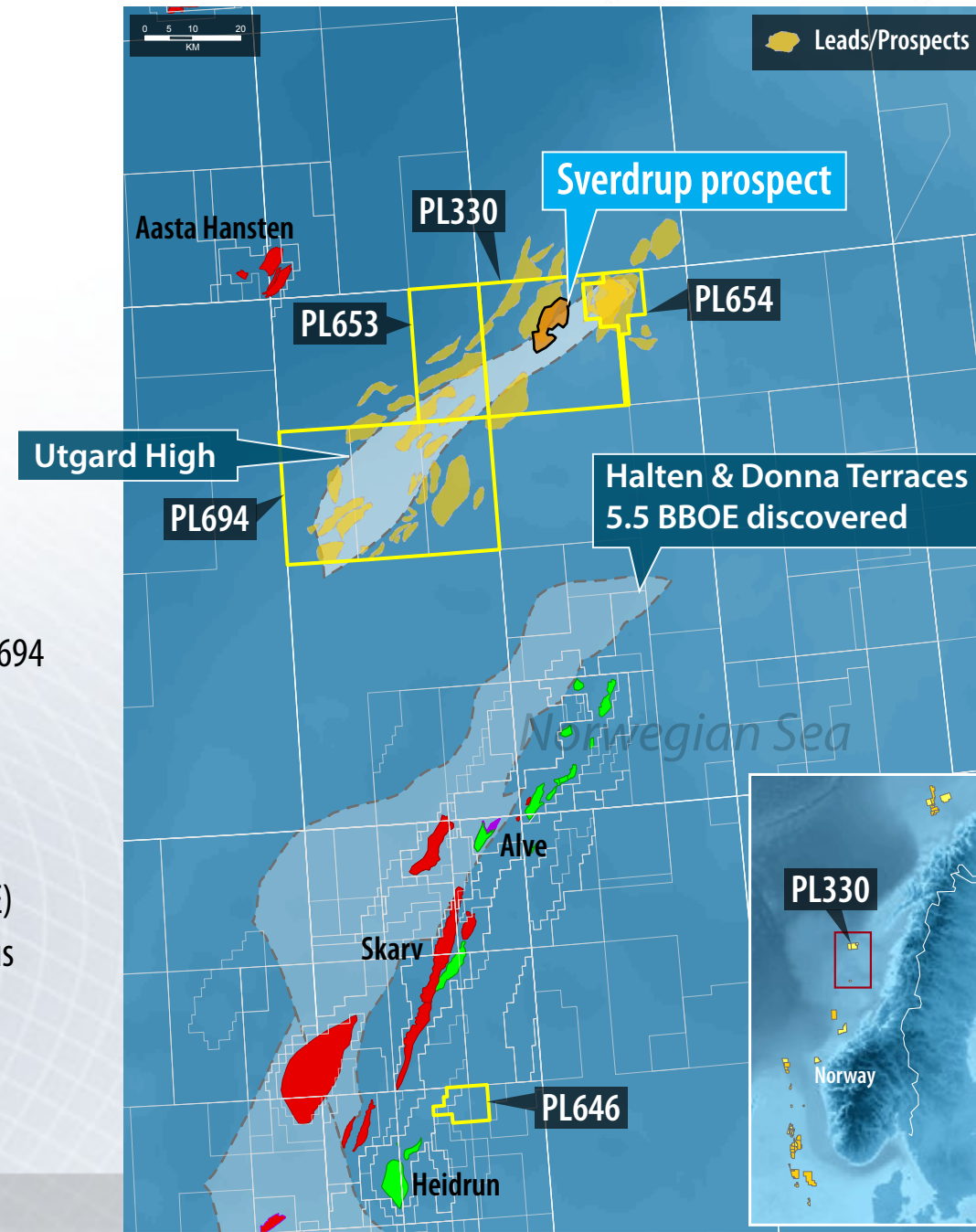
Norway - Norwegian Sea Exploration - Utgard High



New area with large potential

- ➔ **PL330 (Lundin 30%) Sverdrup prospect**
Partners: RWE Dea 40% (OP), Marathon 30%
 - ➔ Drilling in 2013
 - ➔ Gross prospective resource 200-600 MMboe⁽¹⁾
 - ➔ Cretaceous/Jurassic reservoir
 - ➔ Under explored area
 - ➔ Additional acreage position in PL653, PL654 & PL694

- ➔ **Potential new high impact area**
 - ➔ Utgard High is adjacent to, and an analog of the proven prolific Halten & Donna Terraces (5.5 BBOE)
 - ➔ Multiple large prospects in Jurassic and Cretaceous targets, upside in Miocene



Norway Exploration - Rig Capacity 2013 & Beyond



		2013				2014				2015				2016				2017
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
NORWAY	Transocean Winner	1																
	Bredford Dolphin	5				1	1		1	1		3		2		1		
	Transocean Artic		1					1		1								
	Maersk Guardian	2																
	Island Innovator			4		6			2		3			6				3
	Rowan Drilling Rig											2						
	Total slots	13				10				12				9				3

Excludes rigs for development drilling

Contracted Rig Slots Optional Rig Slots

Norway 2013 Exploration & Appraisal Drilling Schedule



Country	Licence - Prospect	Operator	LUPE%	NUPR ⁽¹⁾	CoS %	NRPR ⁽²⁾	2012		2013				
							Q4	Q1	Q2	Q3	Q4		
1 Norway	PL501 - Johan Sverdrup 16/3-5 App. 6	Lundin	40.00	–	–	–		Discovery					
2 Norway	PL359 - Luno II 16/4-6S	Lundin	40.00	56	35%	19		Ongoing					
3 Norway	PL501 - Johan Sverdrup App. 8	Lundin	40.00	–	–	–							
4 Norway	PL501 - Johan Sverdrup App. 9	Lundin	40.00	–	–	–							
5 Norway	PL544 - Biotitt	Lundin	40.00	50	29%	14							
6 Norway	PL338 - Apollo Appraisal	Lundin	50.00	–	–	–							
7 Norway	PL492 - Gohta	Lundin	40.00	90	19-21%	18							
8 Norway	PL501 - Torvastad	Lundin	40.00	–	–	–							
9 Norway	PL338 - E. Grieg SE App.	Lundin	50.00	–	–	–							
10 Norway	PL625 - Kopervik	Lundin	40.00	54	43%	23							
11 Norway	PL410 - Exploration well	Lundin	70.00	–	–	–							
12 Norway	PL501 - Johan Sverdrup 16/2-16 App. 7	Lundin	40.00	–	–	–		Discovery					
13 Norway	PL338 - Jorvik 16/1-17	Lundin	50.00	–	–	–							
14 Norway	PL453 - Oгна	Lundin	35.00	–	–	–							
15 Norway	PL495 - Carlsberg	Lundin	60.00	40	15-24%	9							
16 Norway	PL265 - Johan Sverdrup Fault Margin	Statoil	10.00	–	–	–							
17 Norway	PL265 - Johan Sverdrup Cliff Hanger	Statoil	10.00	–	–	–							
18 Norway	PL330 - Sverdrup prospect	RWE Dea	30.00	60-180 ⁽³⁾	–	–							

Legend: ■ operated ■ non operated

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).

Forward-Looking Statements

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading "Risks and Risk Management" and elsewhere in the Company's annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.

Reserves and Resources

Unless otherwise stated, Lundin Petroleum's reserve and resource estimates are as at 31 December 2011, and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "Proved Reserves" and "Probable Reserves", together also known as "2P Reserves". For further information on reserve and resource classifications, see "Reserves and Resources" in the Company's annual report.

Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the Contingent Resources.

Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources.

BOEs

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.



Lundin

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