



*Lundin Petroleum*

*Financial Presentation*  
*1 January - 30 June 2005*

C. Ashley Heppenstall, President and CEO  
Stockholm, 17 August 2005

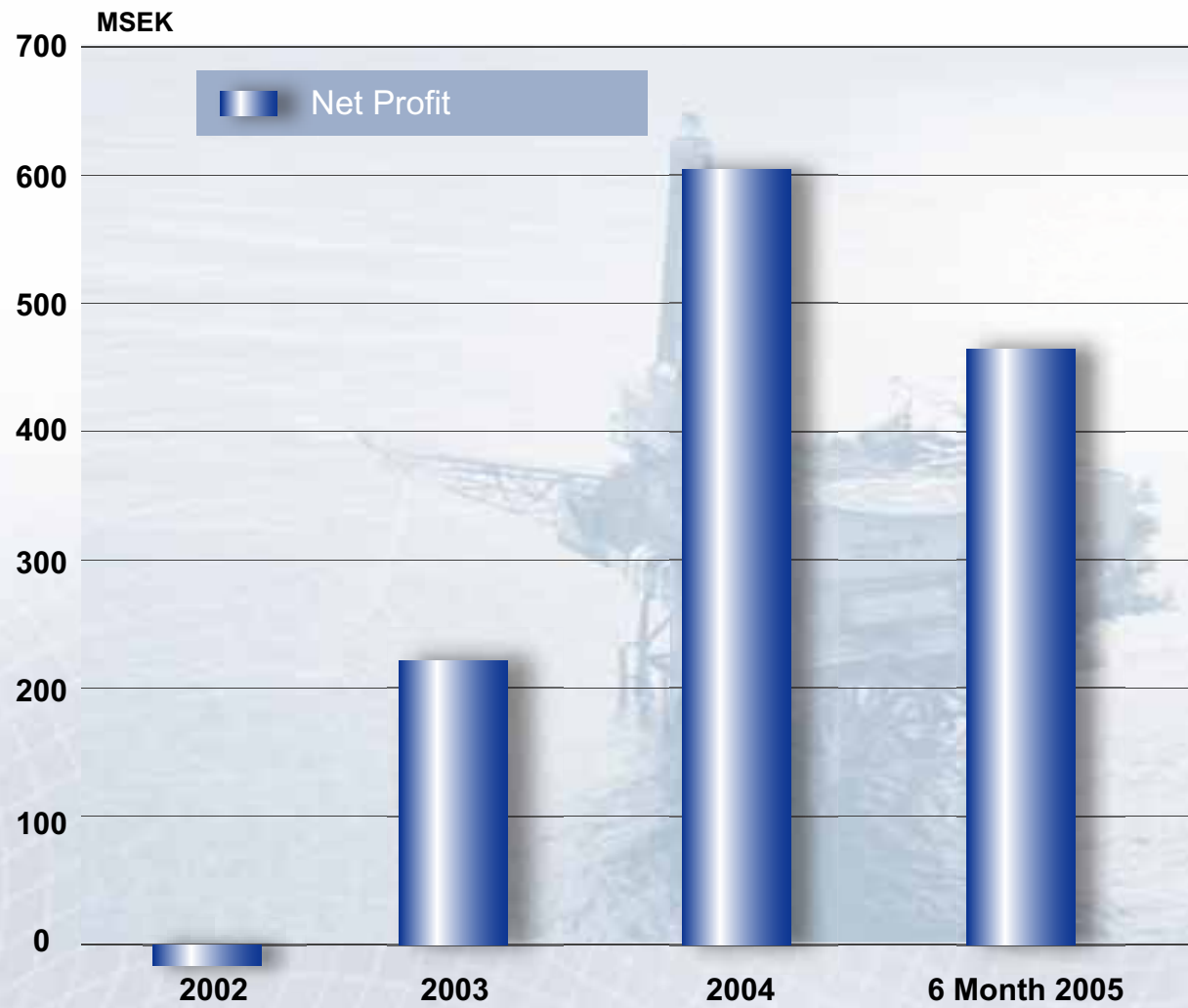
The background of the slide features a large, detailed image of an offshore oil rig. The rig is a complex structure of metal platforms and pipes, situated in the middle of the ocean. The sky is overcast and grey, and the water is a dark, choppy blue-grey. The rig's derrick is prominent on the right side, and various pieces of equipment are visible on the deck.

➤ Production	6.3 MMBBL / 35,020 BOEPD
➤ Oil Price Dated Brent	49.55 USD/BBL
➤ Turnover	1,993 million SEK (280 million USD)
➤ Net Profit	466 million SEK (66 million USD)
➤ Operating Cashflow	1,275 million SEK (179 million USD)

# Financial Results 6 Month 2005 vs 6 Month 2004



	6 Month 2005	6 Month 2004	Increase
➤ Production BOEPD	35,020	20,751	+69%
➤ Oil Price USD/BBL	49.55	33.66	+47%
➤ Turnover Million SEK	1,993	930	+114%
➤ Net Profit Million SEK	466	215	+116%
➤ Operating Cashflow Million SEK	1,275	492	+159%





## Balance Sheet



	30 June 2005	31 Dec 2004
➤ Fixed Assets	5,654	4,815
➤ Current Assets	1,053	769
➤ Cash	255	268
	<u>6,962</u>	<u>5,852</u>
➤ Shareholders Equity	2,830	2,370
➤ Provisions	1,713	1,498
➤ Bank Debt	1,287	1,343
➤ Current Liabilities	1,132	641
	<u>6,962</u>	<u>5,852</u>
➤ Net Debt/Equity ratio	36%	45%

*all numbers in million SEK*

## 6 Month 2005 Operational Highlights



- **Nigeria**
  - acquisition of offshore licence OML113
  - drilling appraisal well in third quarter
  
- **United Kingdom**
  - strong production, 21,000 boepd net
  - production start-up from Broom phase 2 in second half 2005
  
- **Norway**
  - Alvheim Project on budget/schedule
  
- **Tunisia**
  - project approval finalised/drilling rig secured
  - Oudna development drilling early 2006
  
- **Indonesia**
  - successful TBA development drilling
  - first production TBA second half 2005

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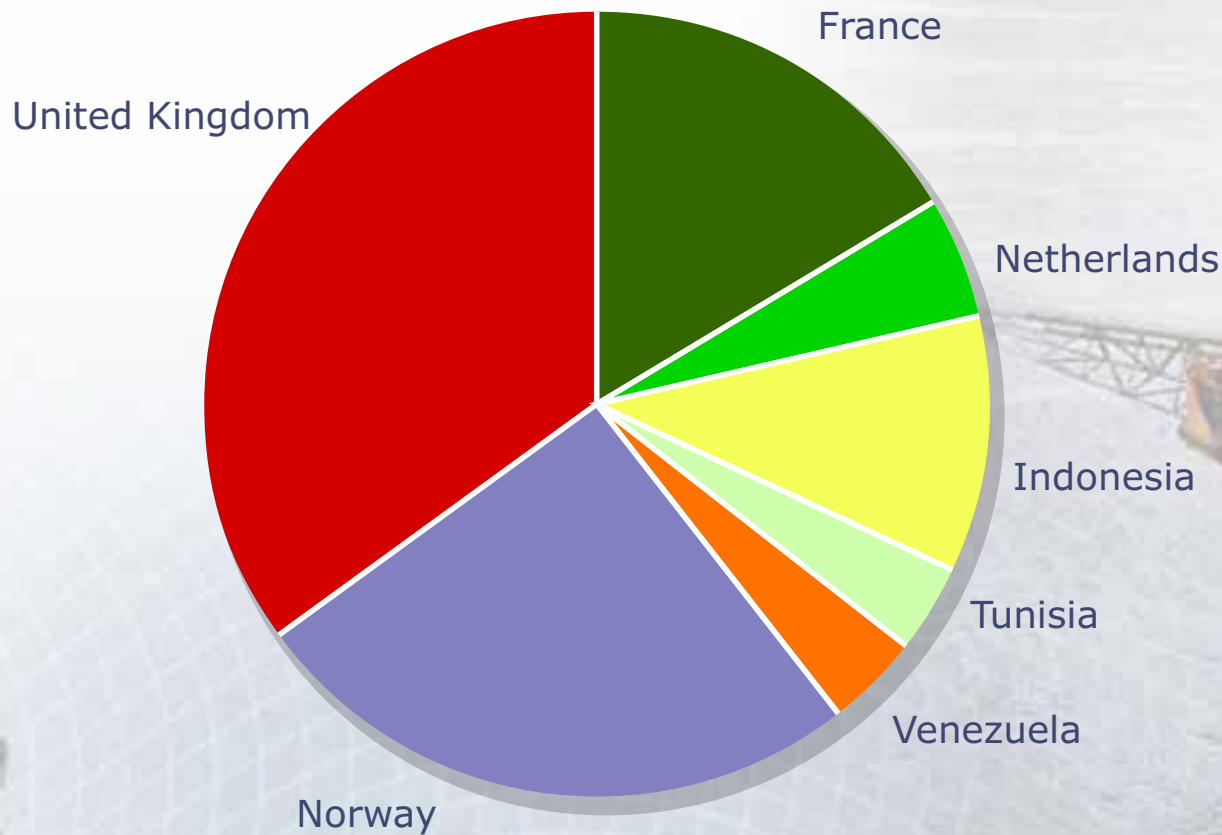
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142.6 MMBOE

..... Proven and Probable Reserves at 1 January 2005



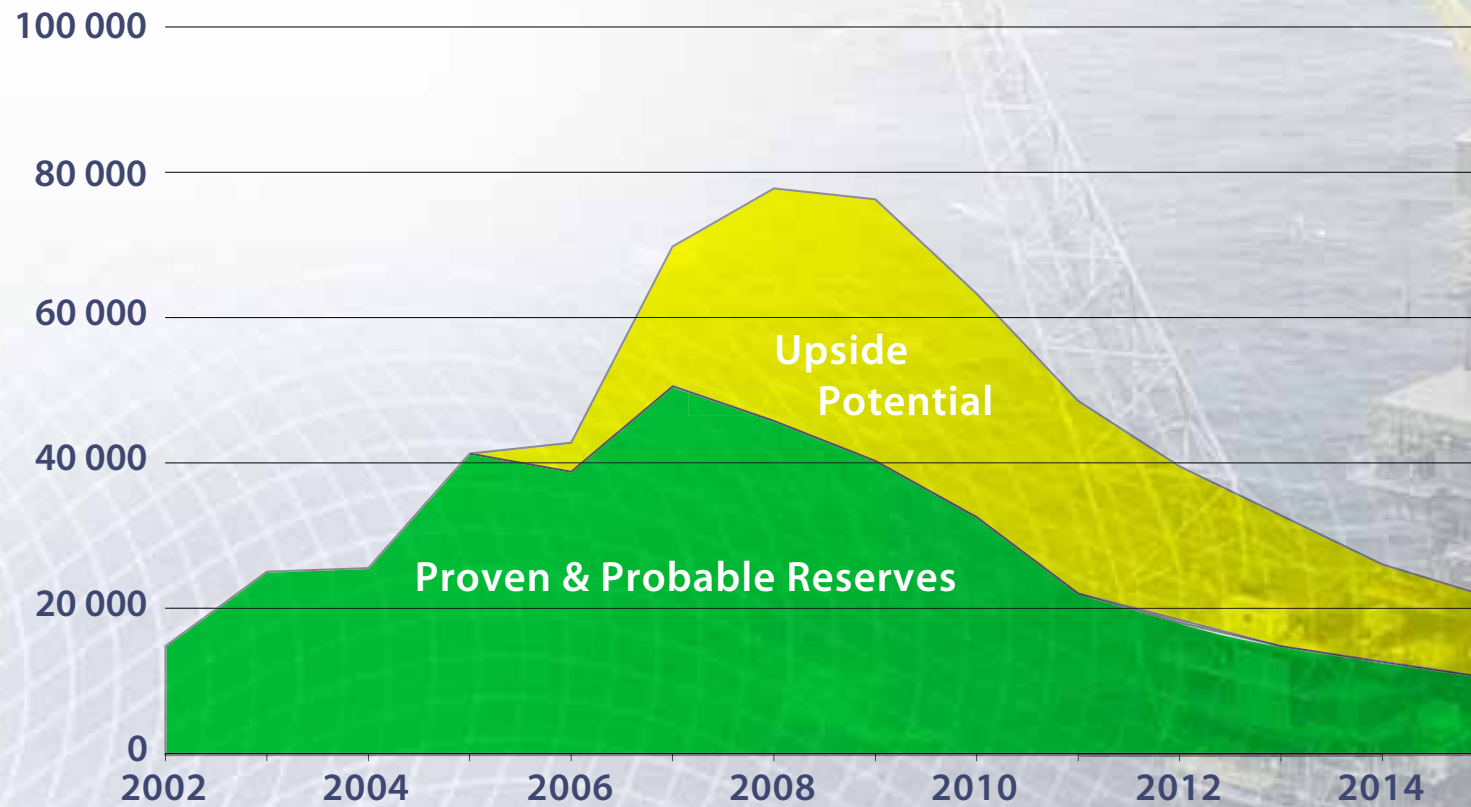
➔ 23 % annual increase

➔ 274% reserves replacement ratio

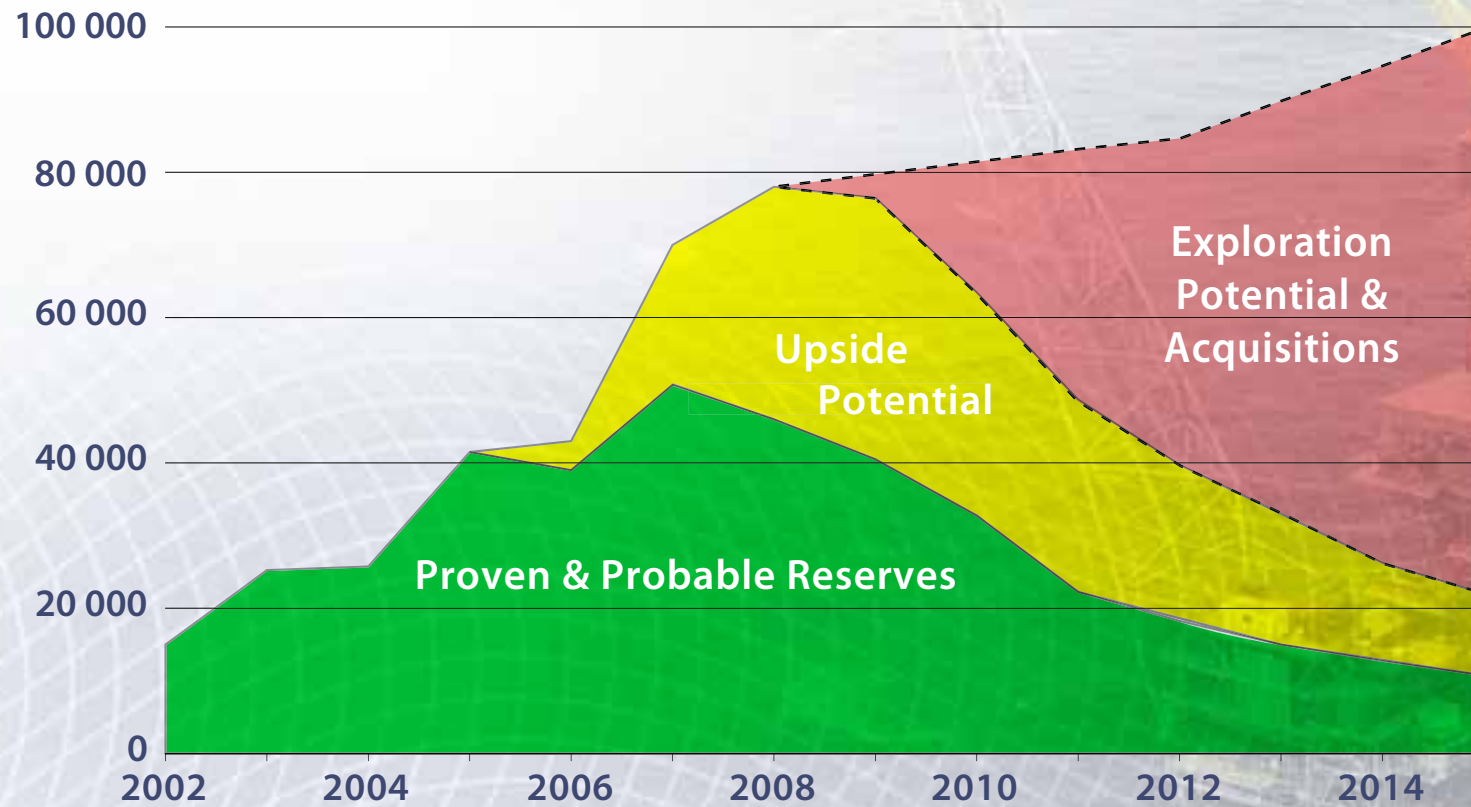
## Proven & Probable Reserves (BOEPD)



**Upside Potential (BOEPD) :** Nigeria - Aje  
Norway - Hamsun, Norway - PL292  
UK - Heather/Thistle



## Exploration and Acquisitions Potential (BOEPD)



## SEK 1,372 million (USD 196 million) Capital Development Budget

- North Terrace / West Heather development offshore UK
- Alvheim development offshore Norway
- Oudna development offshore Tunisia

## SEK 385 million (USD 55 million) Exploration Budget

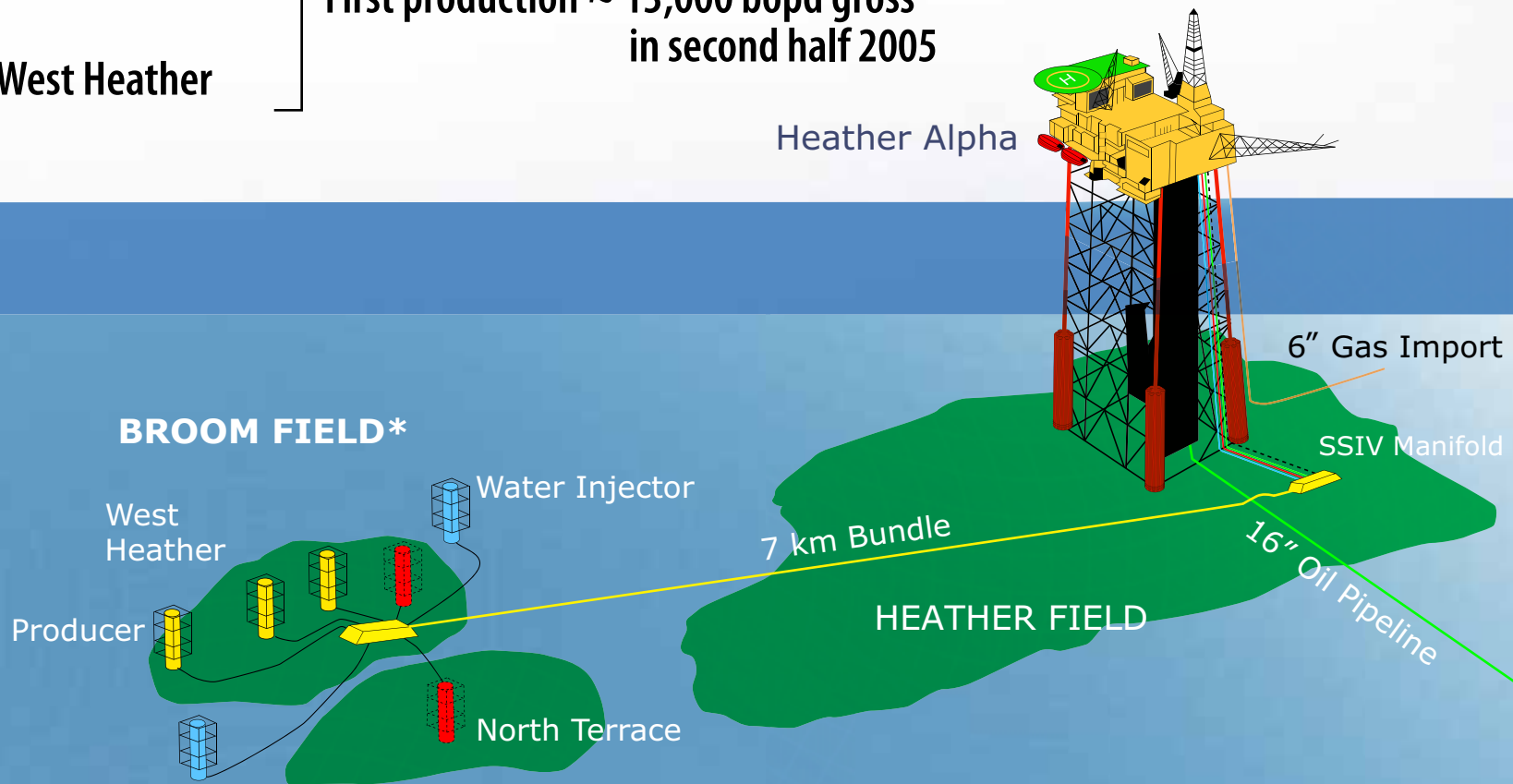
- Drilling activities
- Indonesia
  - Nigeria
  - France
  - Norway
  - Netherlands



# Broom Project Description

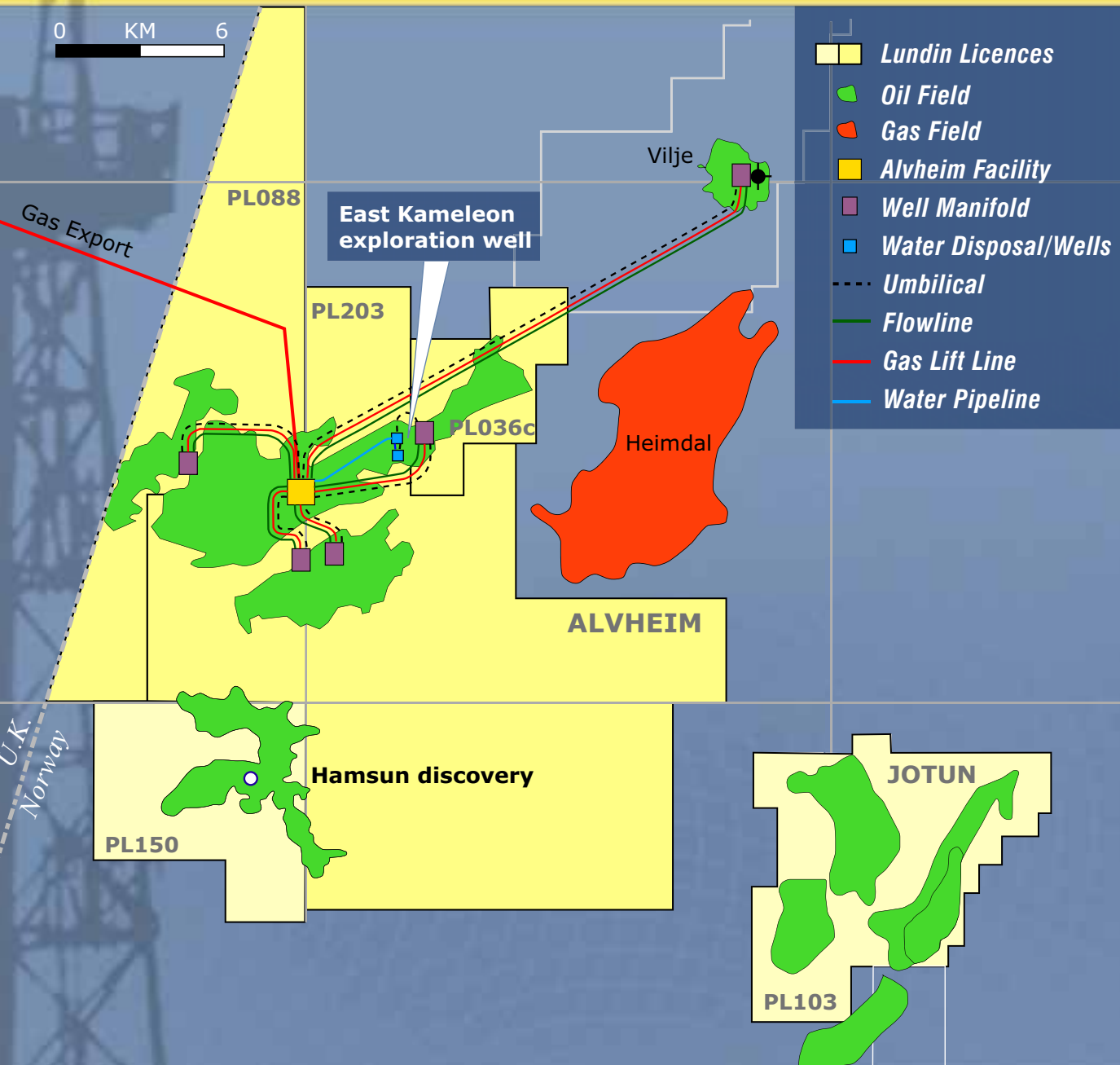


- ➔ First oil 3 August 2004
  - ➔ Current gross production >25,000 BOPD
  - ➔ North Terrace Satellite
  - ➔ Infill West Heather
- First production ~ 13,000 bopd gross  
in second half 2005



\*(Lundin Petroleum WI 55%)

# Alvheim Area / Hamsun / Jotun



- ➔ **Alvheim project (15%)**
  - development plan approved 2004
  - 15 wells (13 prod., 2 water disposal)
  - FPSO development - shuttle tanker oil export to Norway and gas pipeline to UK
  - first oil 2007 - 85,000 boepd (gross)
  - 180 MMboe reserves (gross)
  - East Kameleon exploration well 2005
  
- ➔ **Hamsun (35%)**
  - exploration discovery in 2004
  - development studies ongoing

## Norway / UK - Offshore

### PL304 - Lundin Petroleum 60% (operator)

- Marathon 40%
- Acquired from Exxon in December 2004

### PL338 - Lundin Petroleum 100%

- Block awarded in December 2004

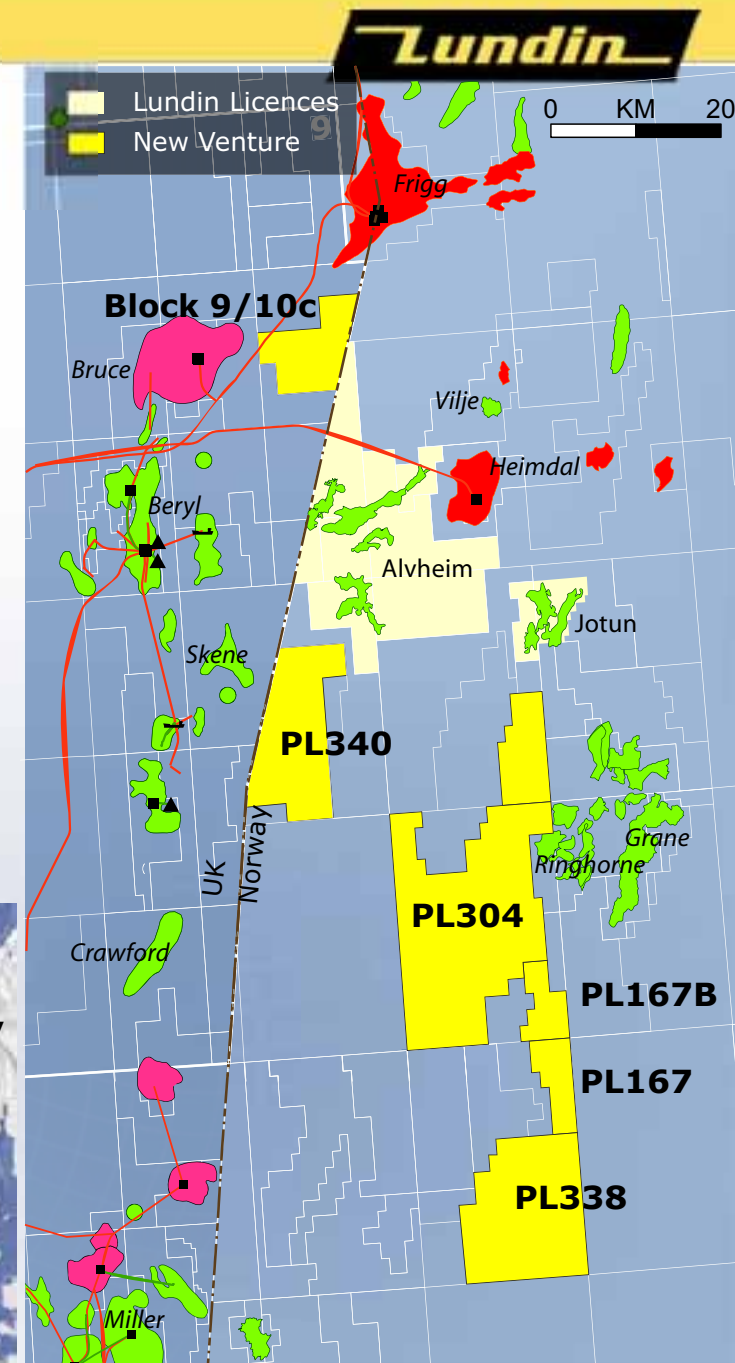
### PL340 - Lundin Petroleum 15%

- Marathon 65%(operator), ConocoPhillips 20%
- Block awarded in December 2004

### Block 9/10c - Lundin Petroleum 60%

- Genesis 40% (operator)

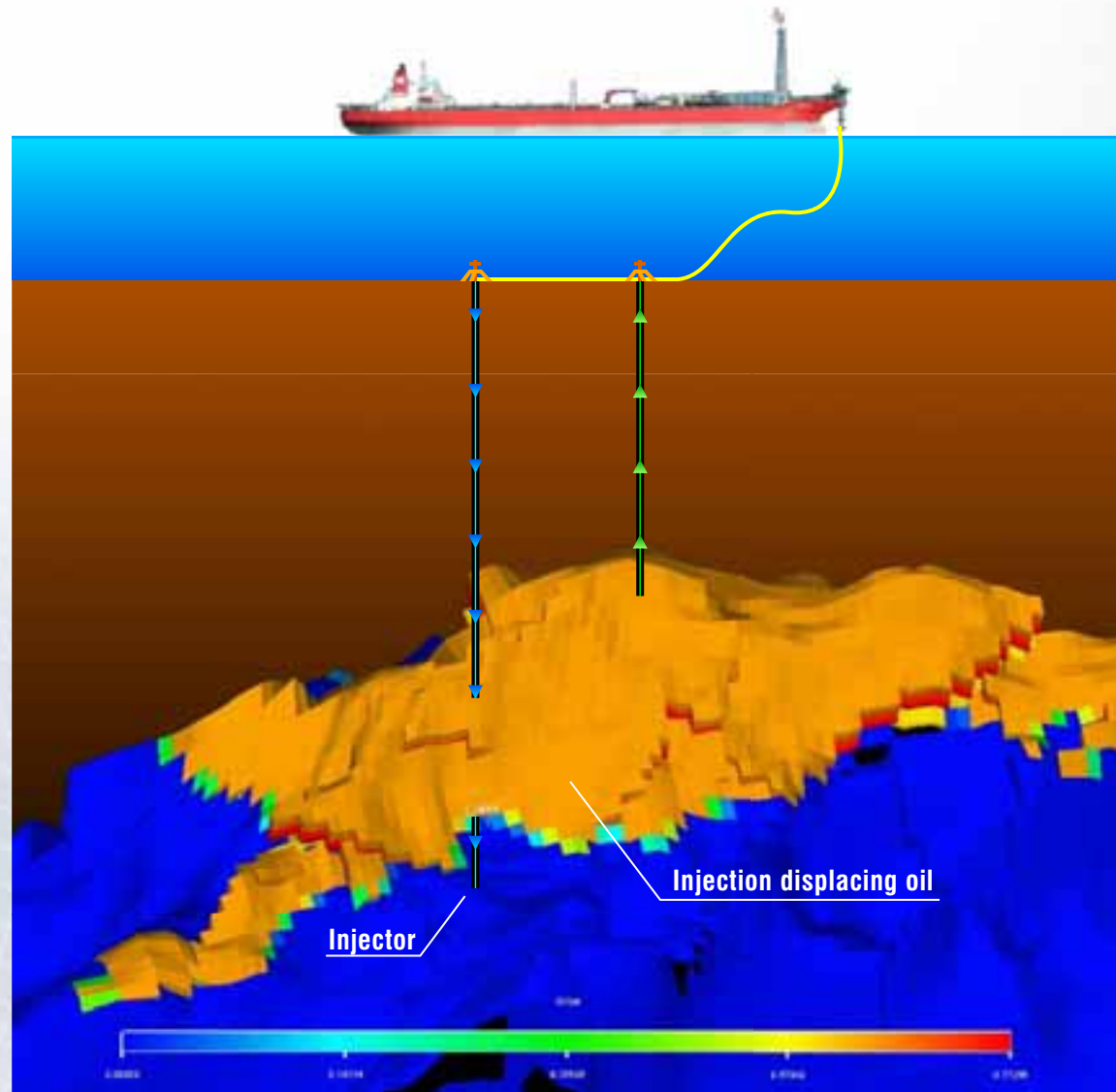
Active drilling programme in 2006



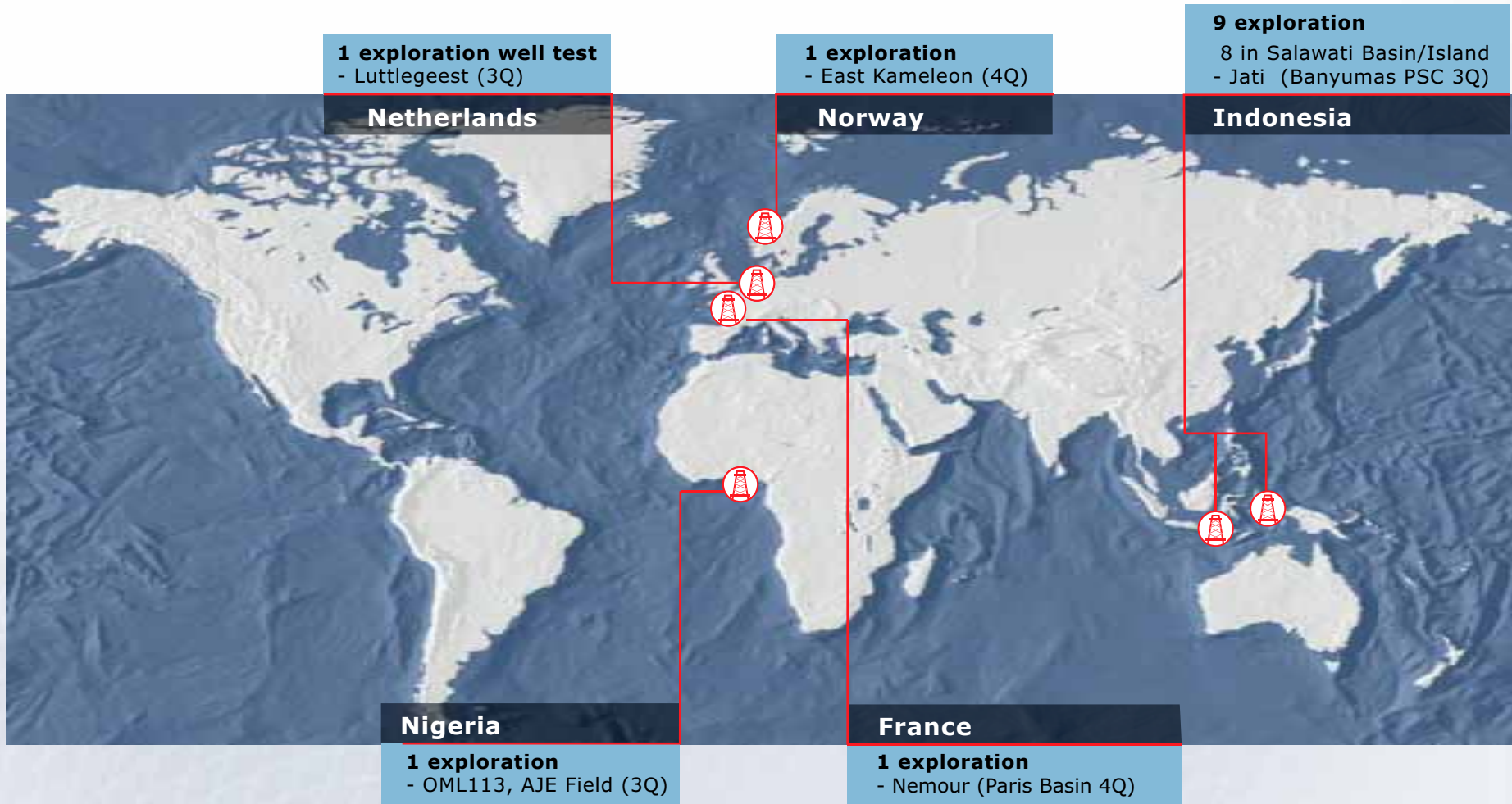
# Oudna Field Development



- ➔ Lundin Petroleum 50% (operator)  
Atlantis 50%
- ➔ Development Plan approval received
- ➔ Drilling start up 2006
- ➔ First oil end 2006
- ➔ Initial production 20,000 bopd (gross)
- ➔ Gross reserves 9.5 MMBO
- ➔ Total project costs USD 93 MM (gross)
- ➔ Commercial issues resolved with ETAP



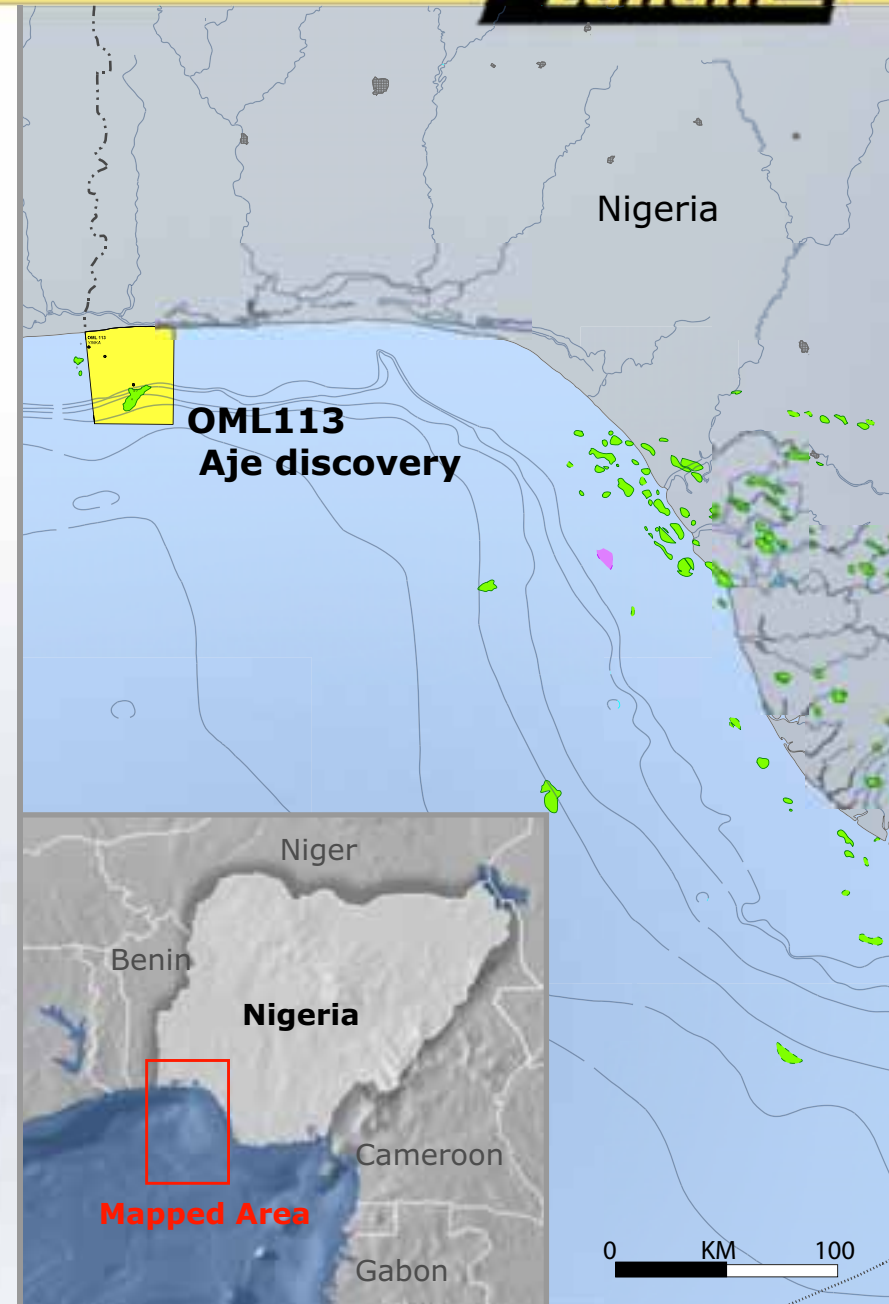
# Exploration - Activity Summary



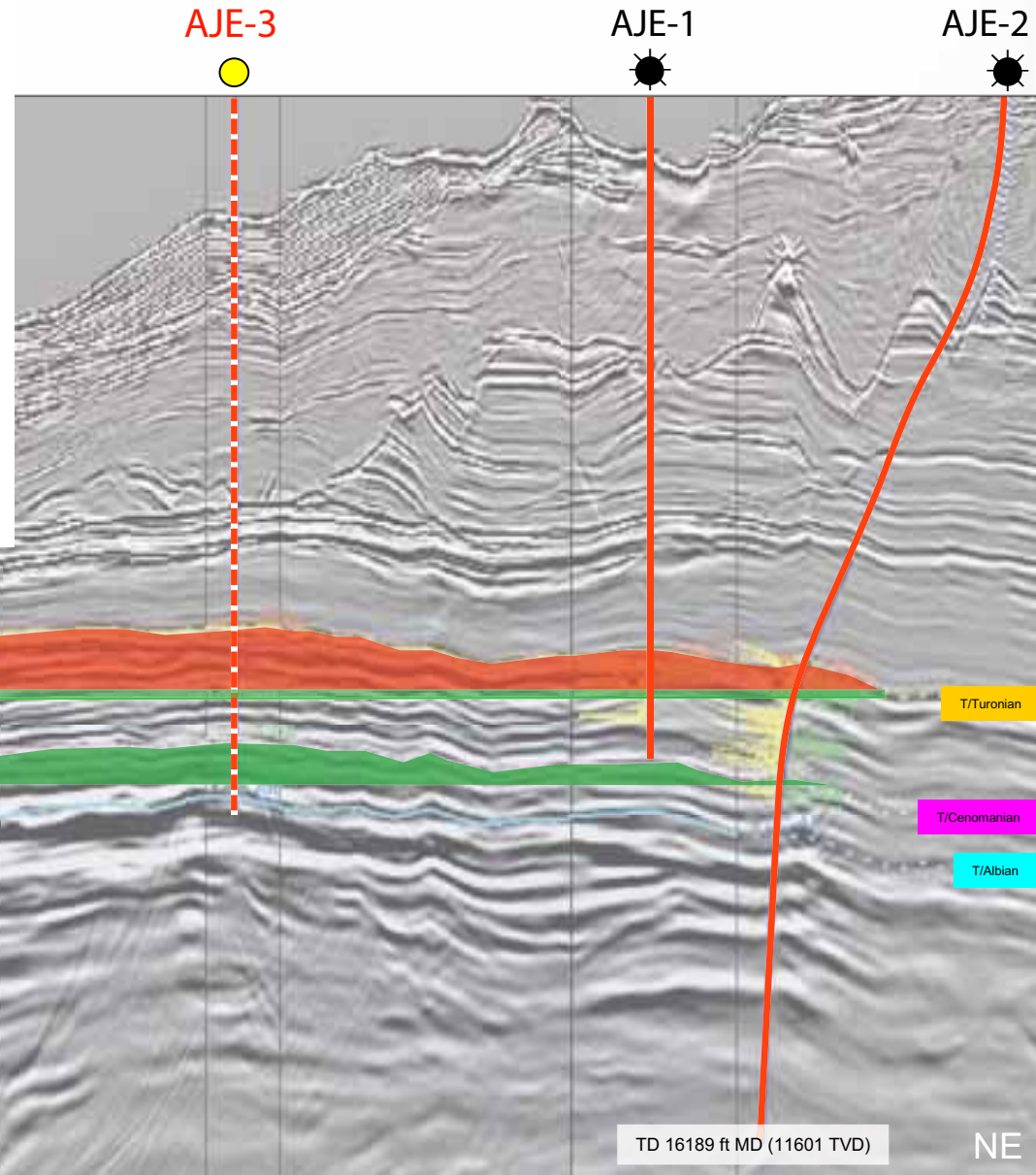
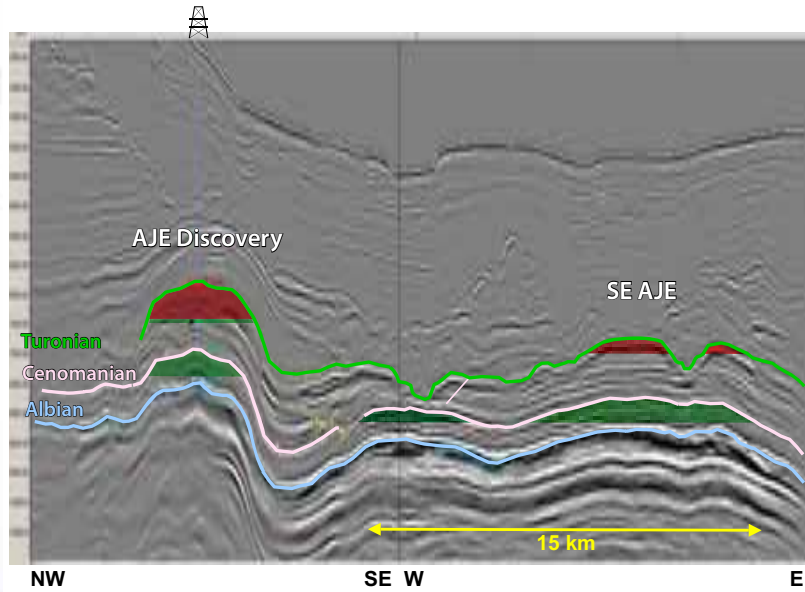
## Exploration - Nigeria, OML113



- ➔ Lundin Petroleum (technical advisor): 22.5% net revenue interest
- ➔ Aje-1 tested 60 mmcfd + 1729 bcpd in the gas cap and 2389 bopd from an interval in the oil zone from Turonian sand
- ➔ Aje-2 confirmed oil, gas and condensate in Turonian sand. It discovered a deeper oil play in the Cenomanian sand which flowed 3866 bopd 44° API crude
- ➔ Reservoir depth 6700-8000 feet. Water depth 300-5000 feet
- ➔ 450,000 acre development licence valid until July 2018
- ➔ Aje-3 to be drilled in 3Q to prove up significant oil reserves



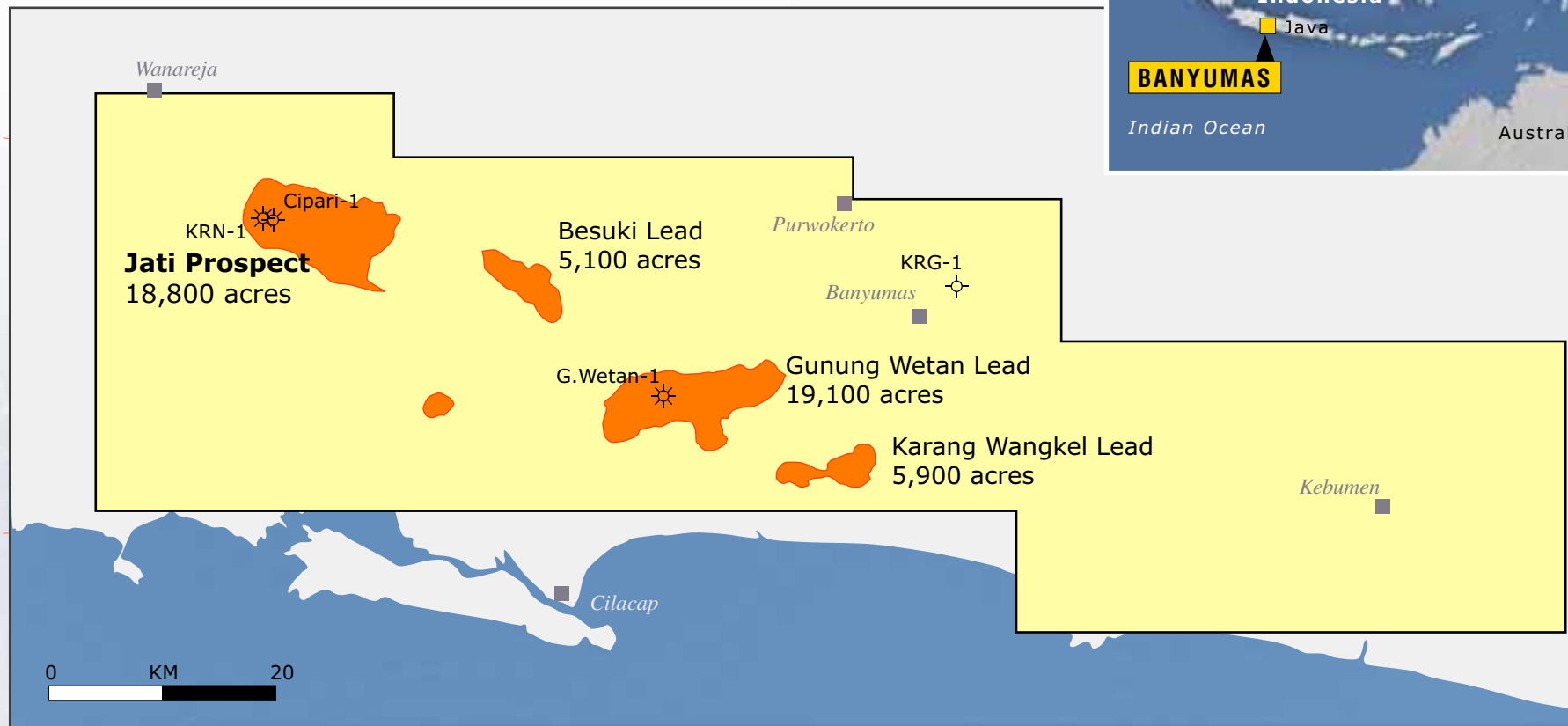
# Nigeria OML113 - Aje Discovery



# Indonesia, Banyumas Block - Jati Prospect

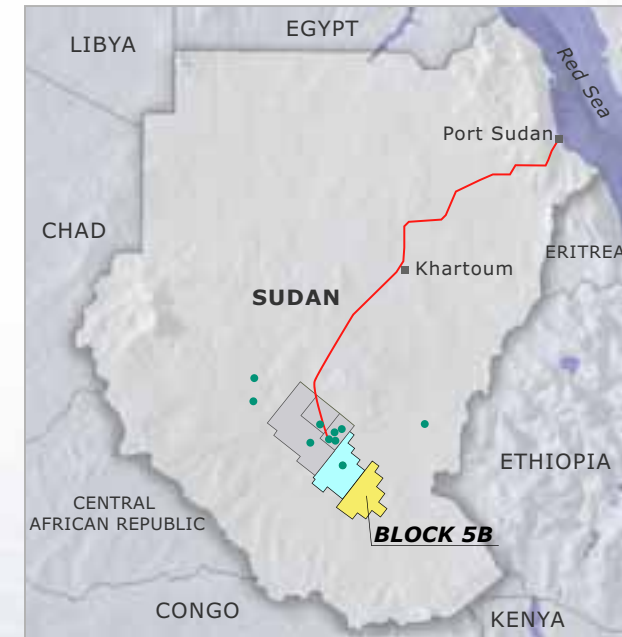
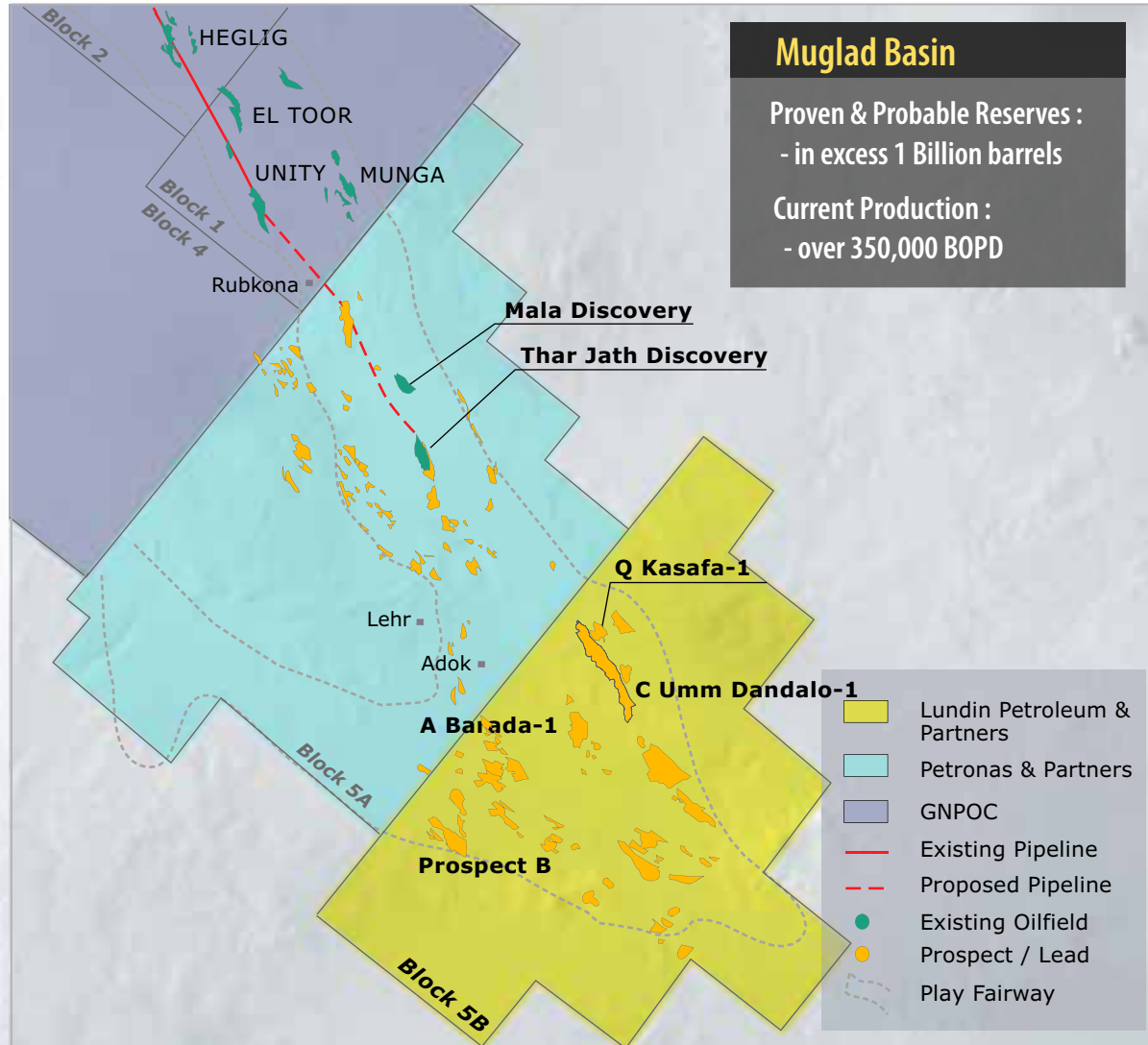


- ➔ Lundin Petroleum 25% (operator)  
ConocoPhillips 25%  
Star Energy 50%
- ➔ Lundin Petroleum fully carried through first exploration well to be drilled 3Q 2005





# Exploration - Sudan, Block 5B

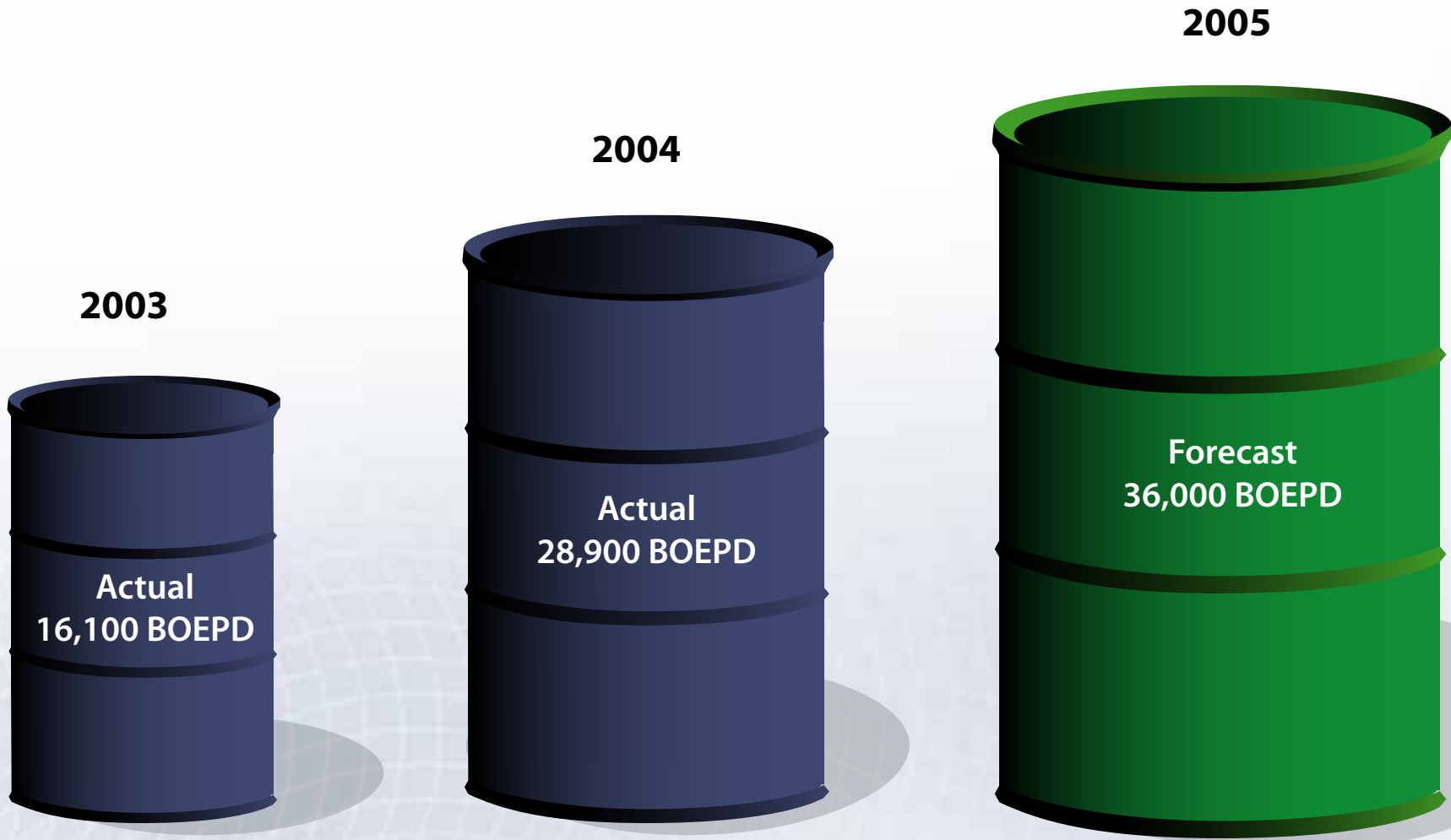


➔ 1 Exploration Licence : Block 5B

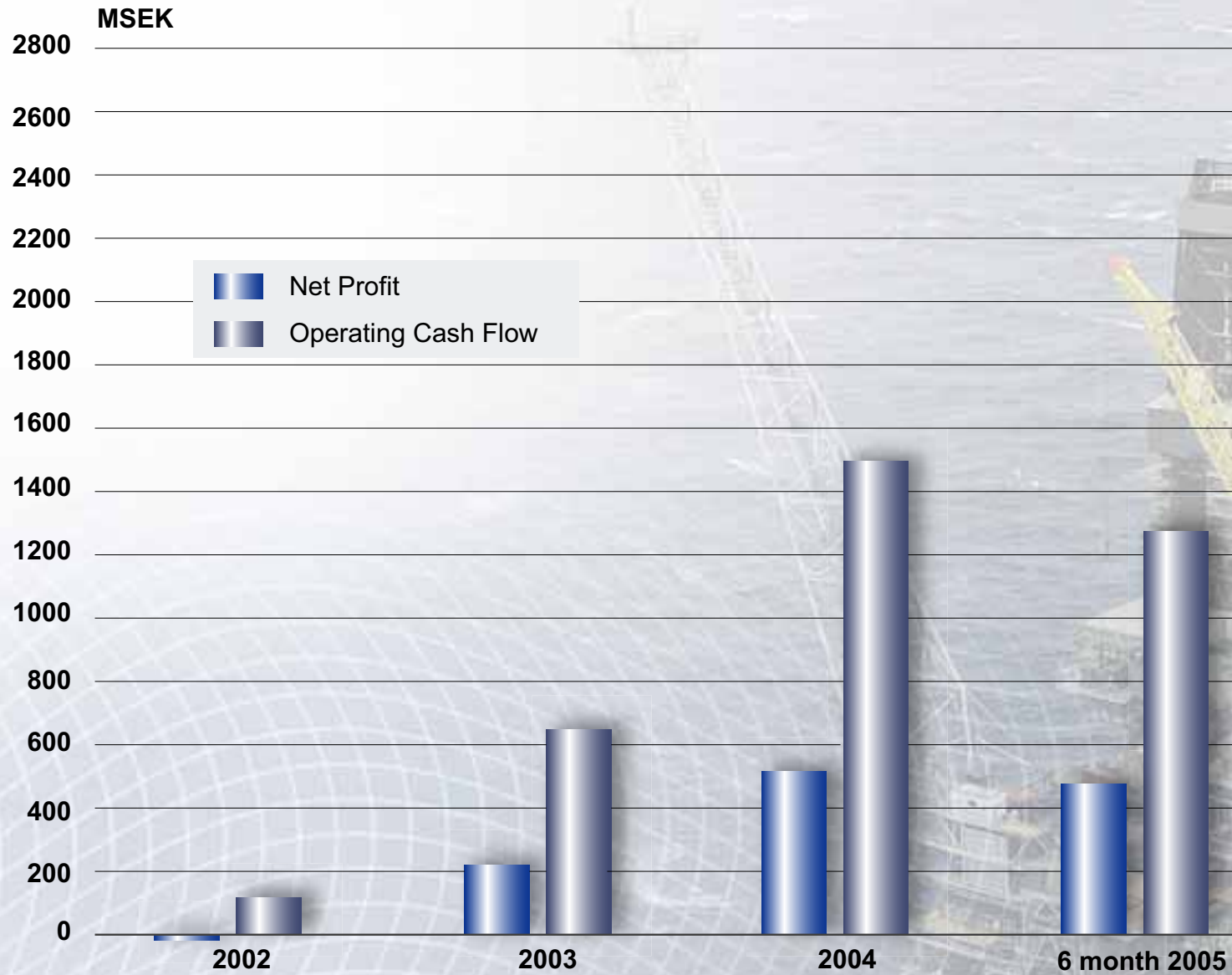
➔ Operator : Petronas/Sudapet

Partner	5B interest
Lundin Petroleum	24.5%
Petronas Carigali	39.0%
ONGC Videsh Ltd	23.5%
Sudapet	13.0%

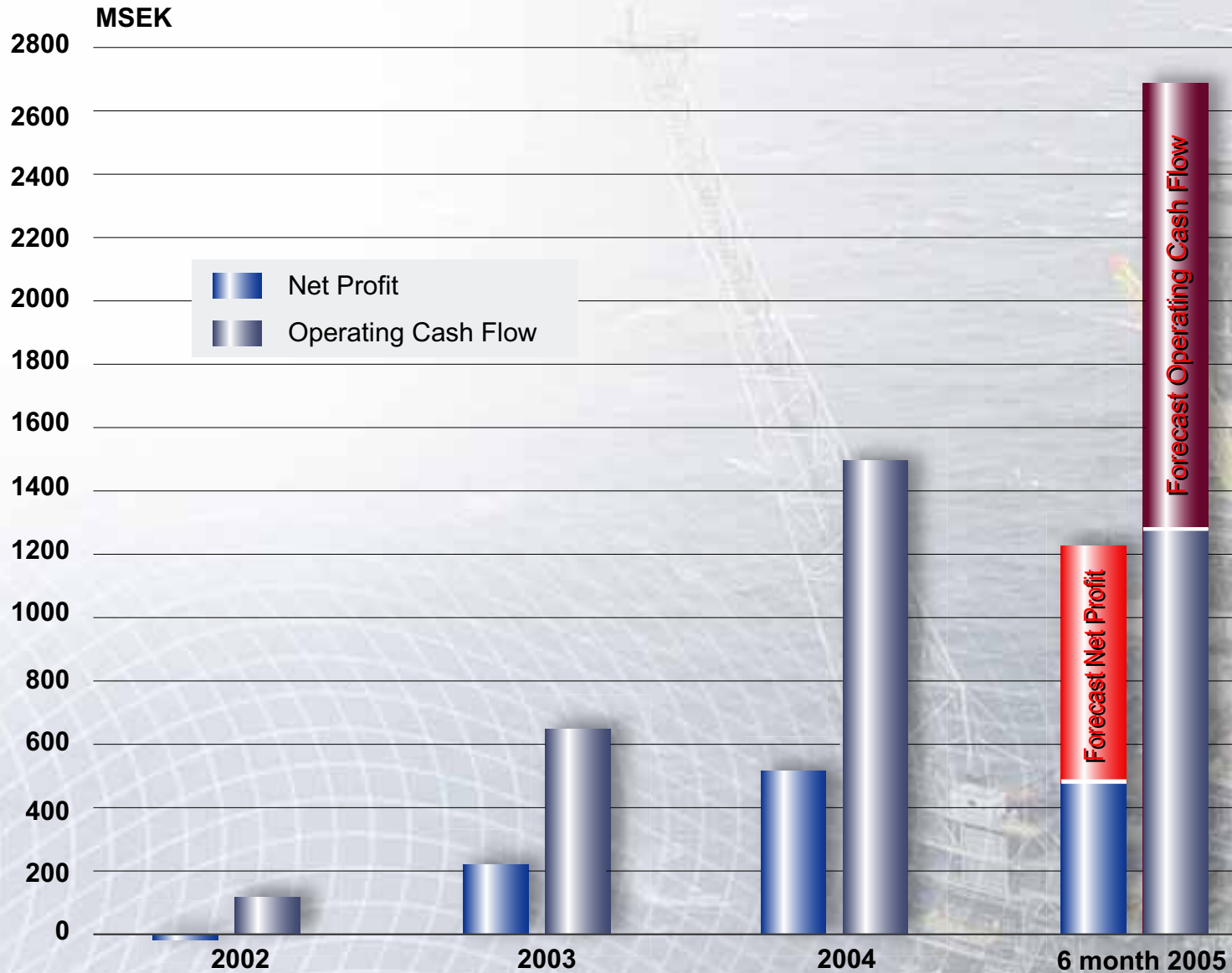
# Production Growth



# Financial Performance



# Financial Performance



Forecast using oil price of 55 USD/bbl  
for second half 2005

- Net Profit : 1,230 MM SEK (165 MMUSD)  
- Operating Cash Flow : 2,685 MM SEK (360 MMUSD)

- **Production increase to over 40,000 boepd by year end**
- **Broom - UK, Alvheim - Norway, Oudna - Tunisia projects take production to over 50,000 boepd by 2007**
- **Aje - Nigeria, UK upside and Hamsun - Norway have potential to increase production to over 70,000 boepd by 2009**
- **Target production of 100,000 boepd**
- **Active exploration programme 2005 into 2006.**

## ➤ Demand

- Continued increase from developing world
- Low likelihood of alternative energy source

## ➤ Supply

- Limited spare capacity in system
- Reduction in non-OPEC supply
- Reliant on Middle-East particularly Saudi Arabia

## ➤ Oil Price

- Firm support from OPEC

## ➤ Equipment availability

- Increase costs
- Low availability → Schedule delays