

Lundin Petroleum in Norway



WF11515

Press Presentation - ONS 2012

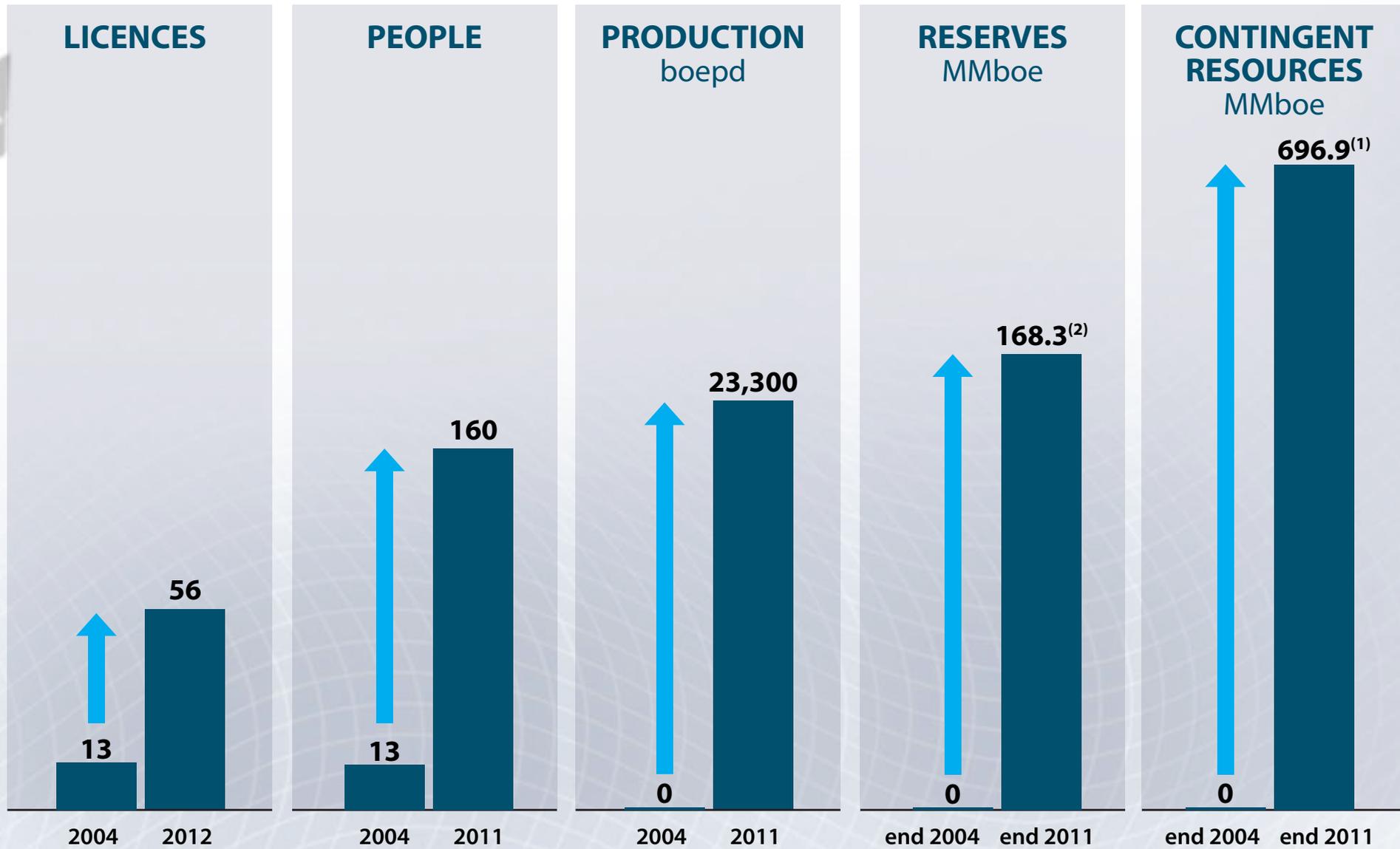
Lundin Petroleum in Norway



- ➔ **Lundin Petroleum Strategy**
To grow a Norwegian independent E&P company through proactive exploration, production and growth



Norway - Successful Organic Growth



Finding cost, after tax, <1 USD/bbl in Norway

⁽¹⁾ Includes Statoil estimate (120 MMboe net Lundin) for Johan Sverdrup PL265

⁽²⁾ Includes updated Brynhild equity interest (WI: 100%)

Norway Capital Investment - Net to Lundin



CAPEX 2004-2011

NOK 10.2 billion

DEVELOPMENT 2012-2015

NOK 15 billion

- Edvard Grieg
- Brynhild
- Bøyla

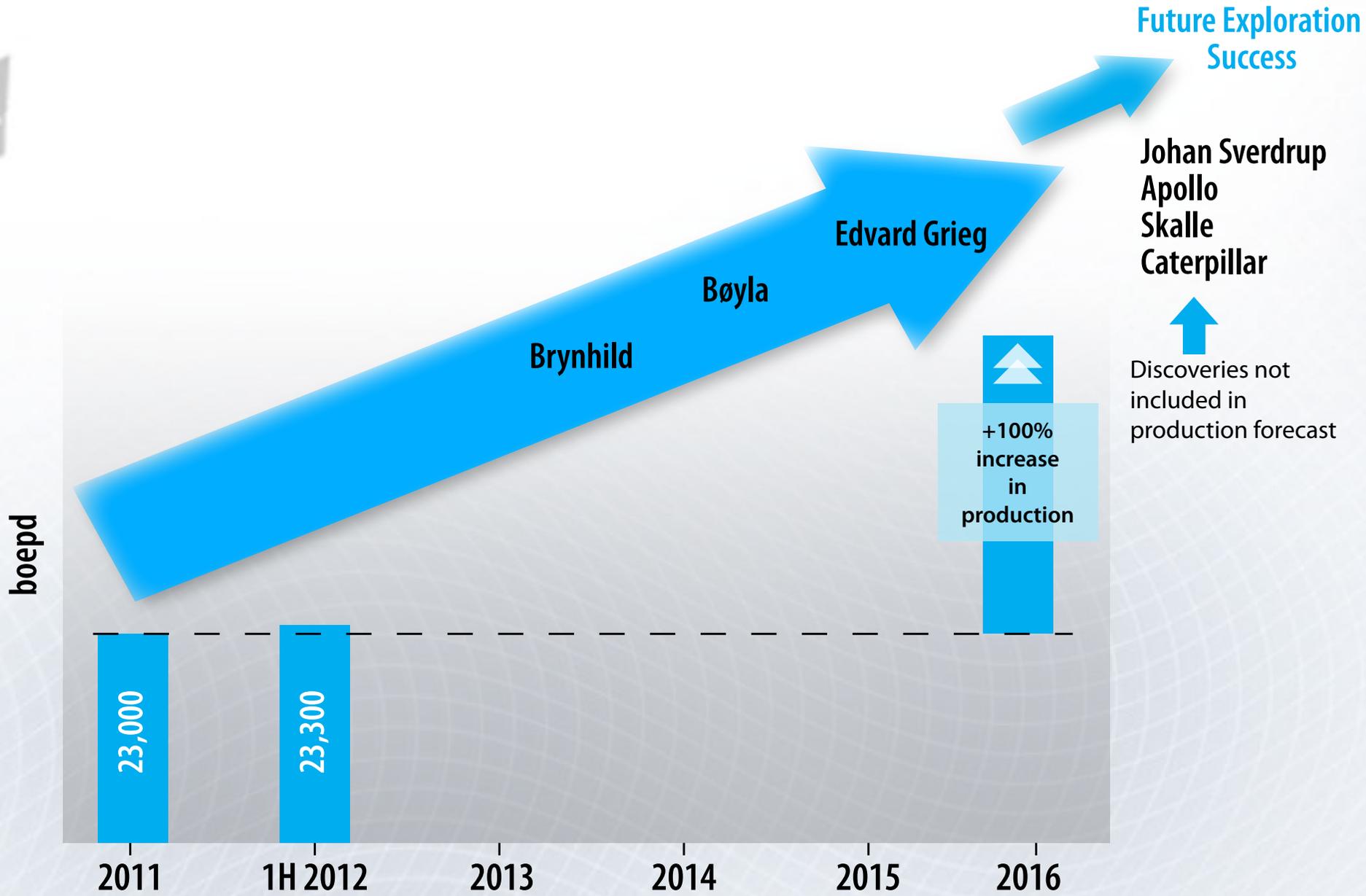
EXPLORATION & APPRAISAL

NOK 2.5 Billion per year



> NOK 25 billion over the next four years

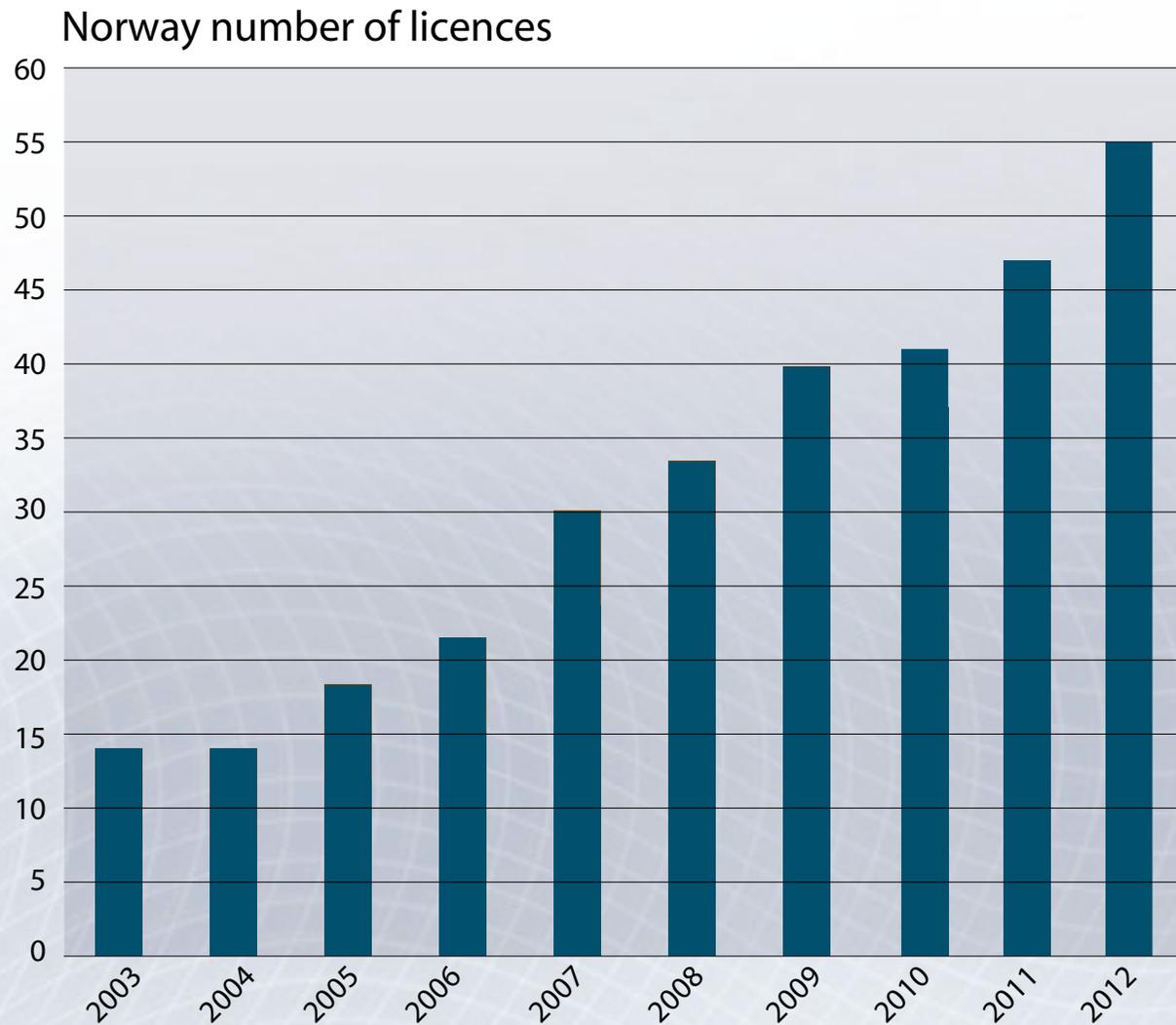
Norway Production Growth



Exploration in Norway - Organic Growth



➔ Major position built through organic growth



Norway - A Successful Organic Growth Story

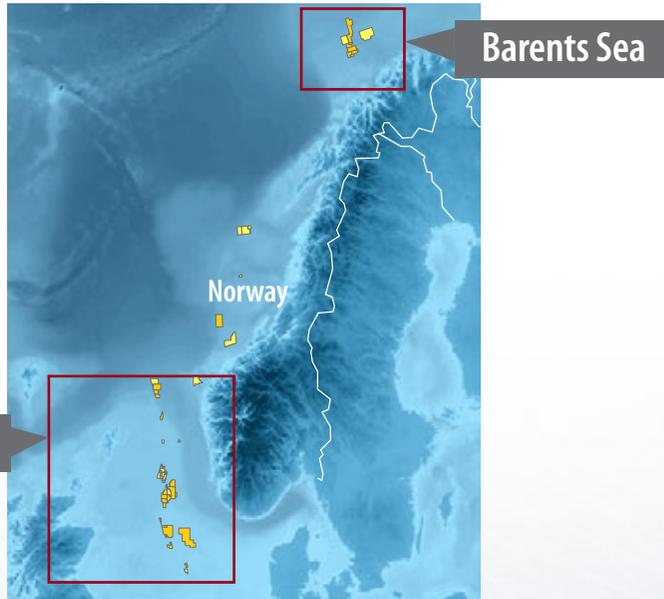


- ➔ 865 MMboe of Reserves⁽¹⁾ and Contingent Resources⁽²⁾
- ➔ After tax finding cost of less than USD 1/bbl

⁽¹⁾ Includes updated Brynhild equity interest (WI: 100%)

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

Norway Exploration Drilling Programme

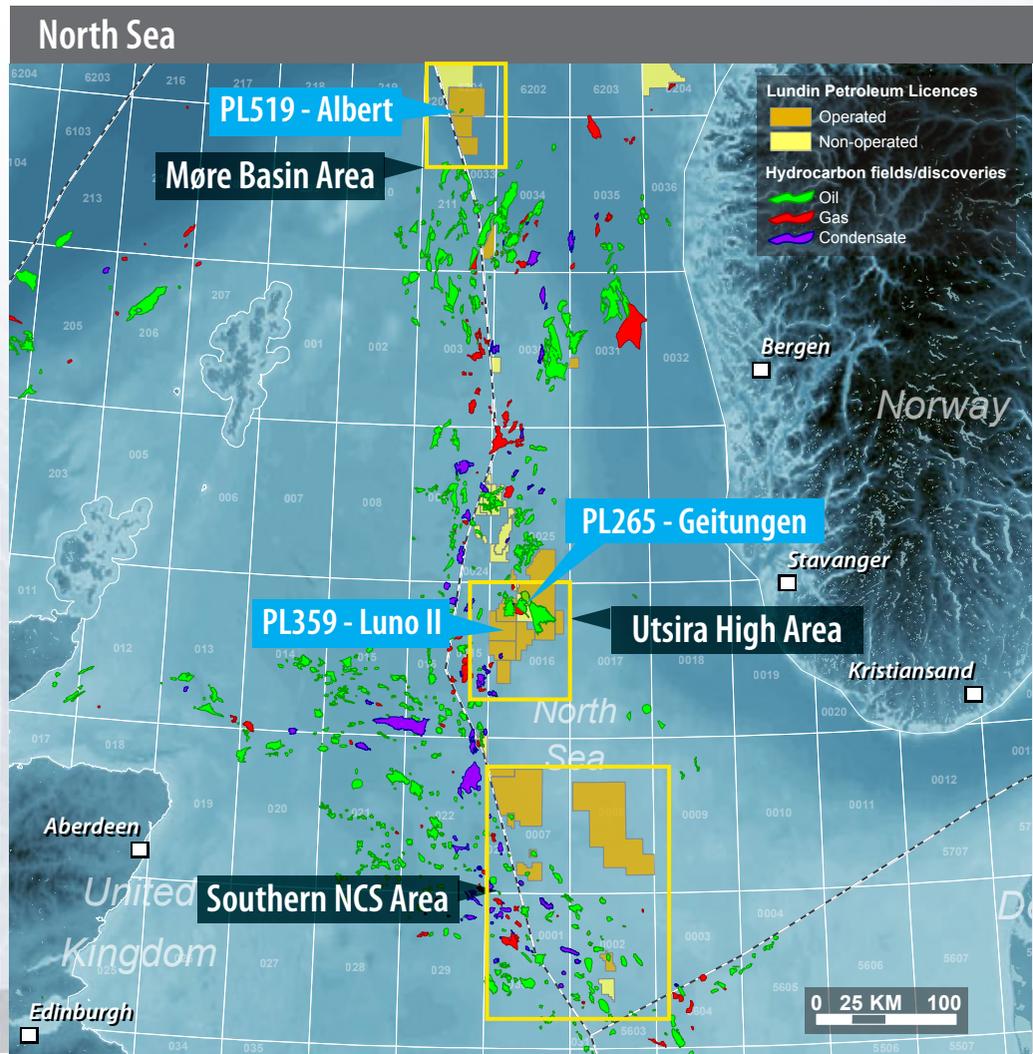
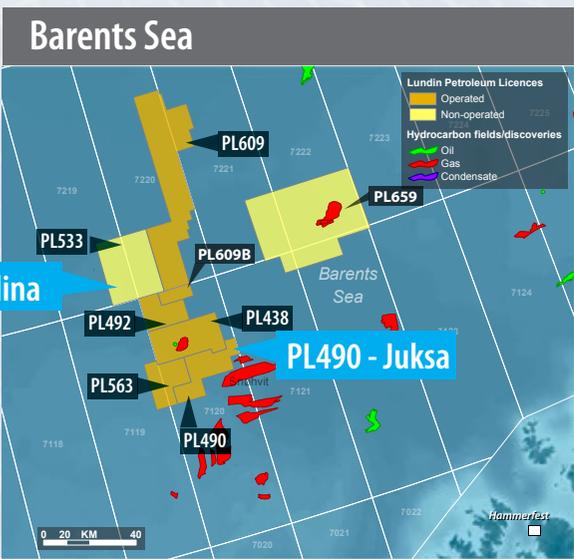


North Sea

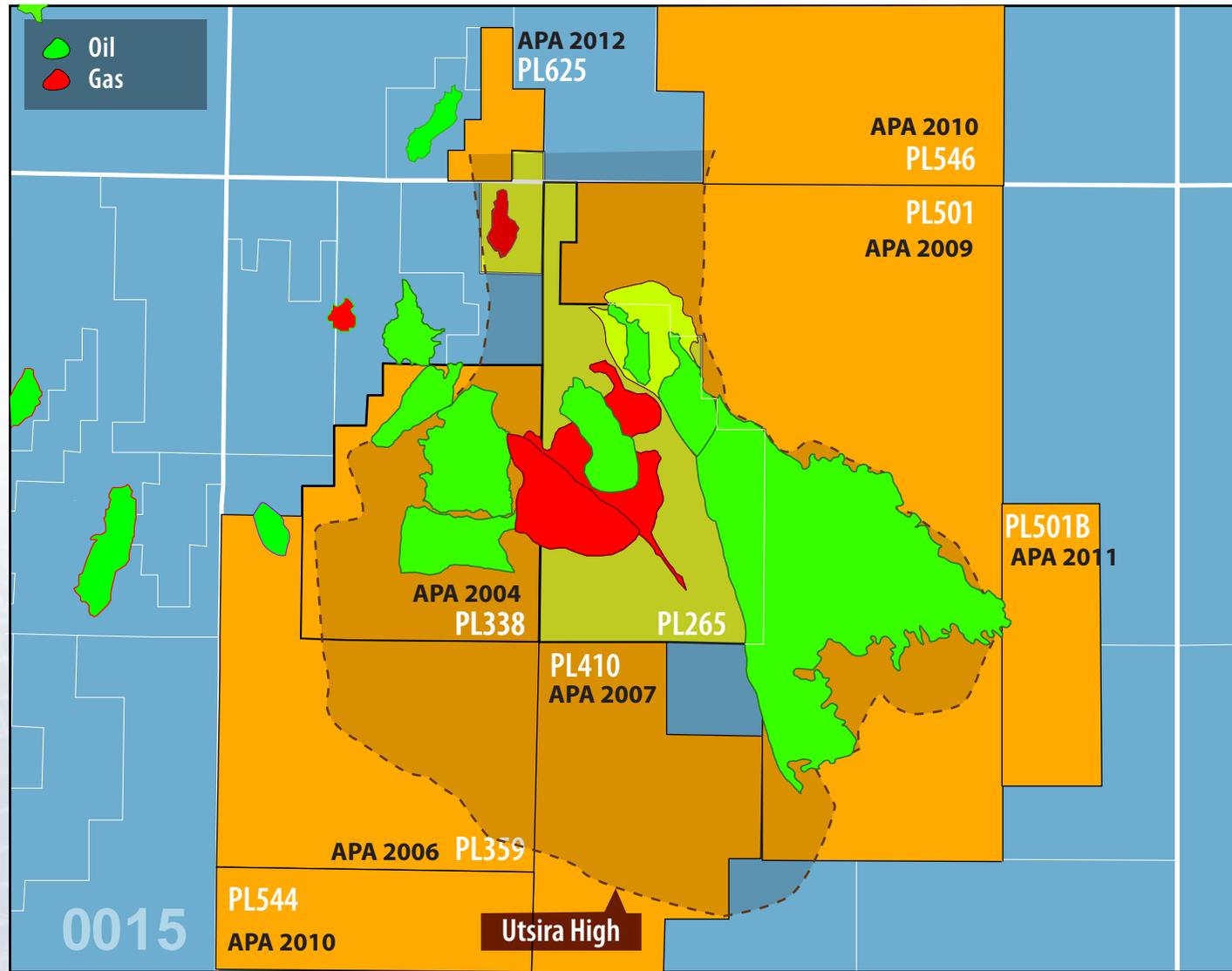
Barents Sea

Exploration (Drilling)

Appraisal (Drilling)



The Southern Utsira High - A Sleeping Giant

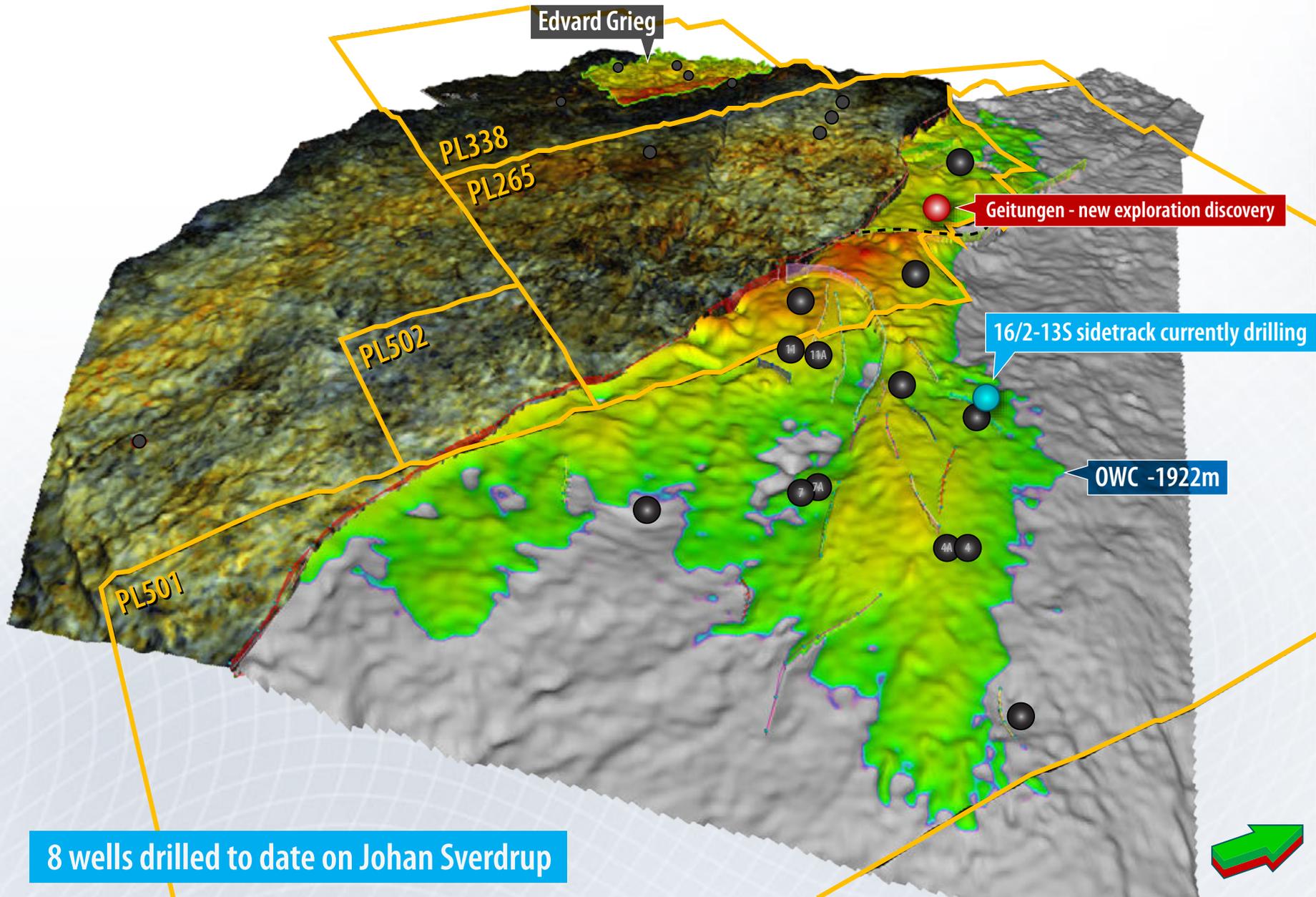


- A 4th generation exploration and a major oil province 45 years after the first award: PL001 in 1965
- Major acreage position built by Lundin Petroleum since 2004

Southern Utsira High Area → over 900km²

- Lundin Petroleum Operator
- Lundin Petroleum Partner

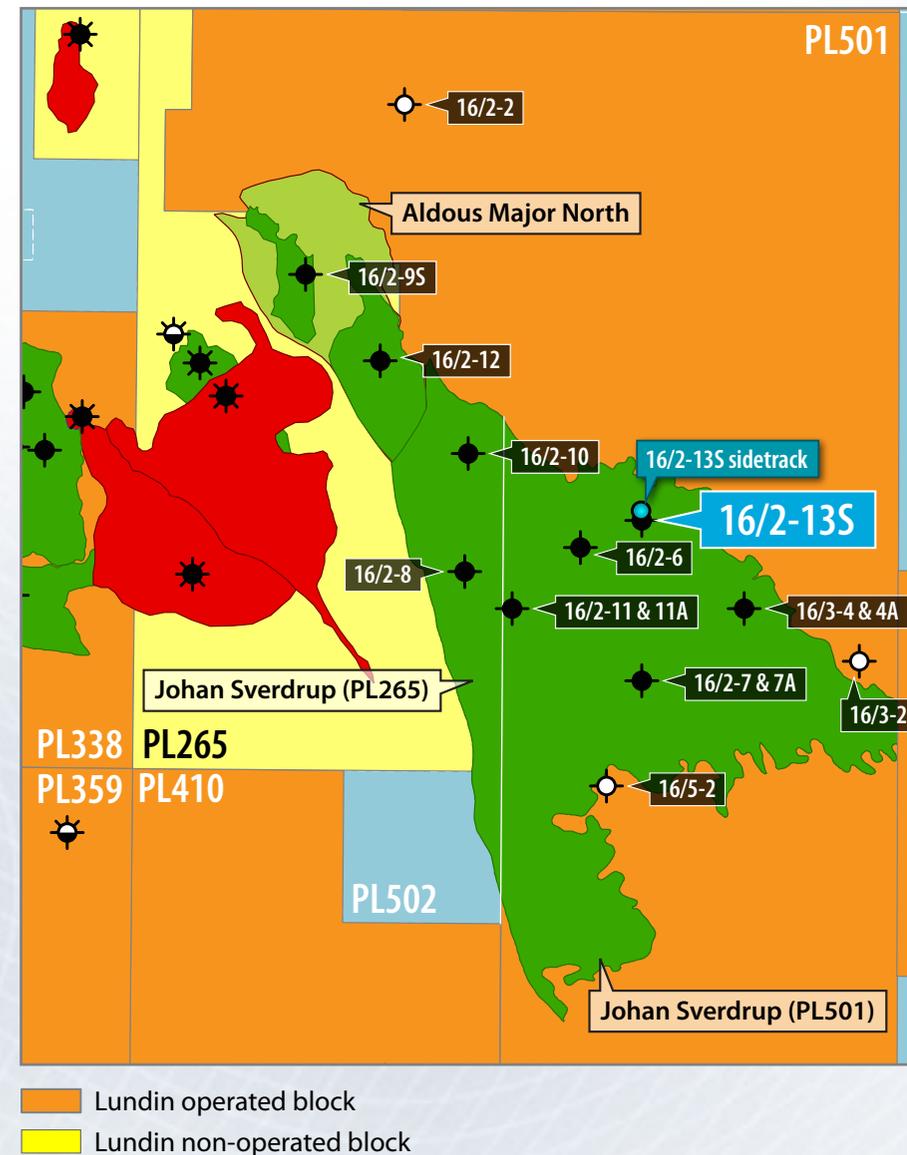
Johan Sverdrup - A New Giant in Norway



PL501 - 16/2-135 Johan Sverdrup Appraisal



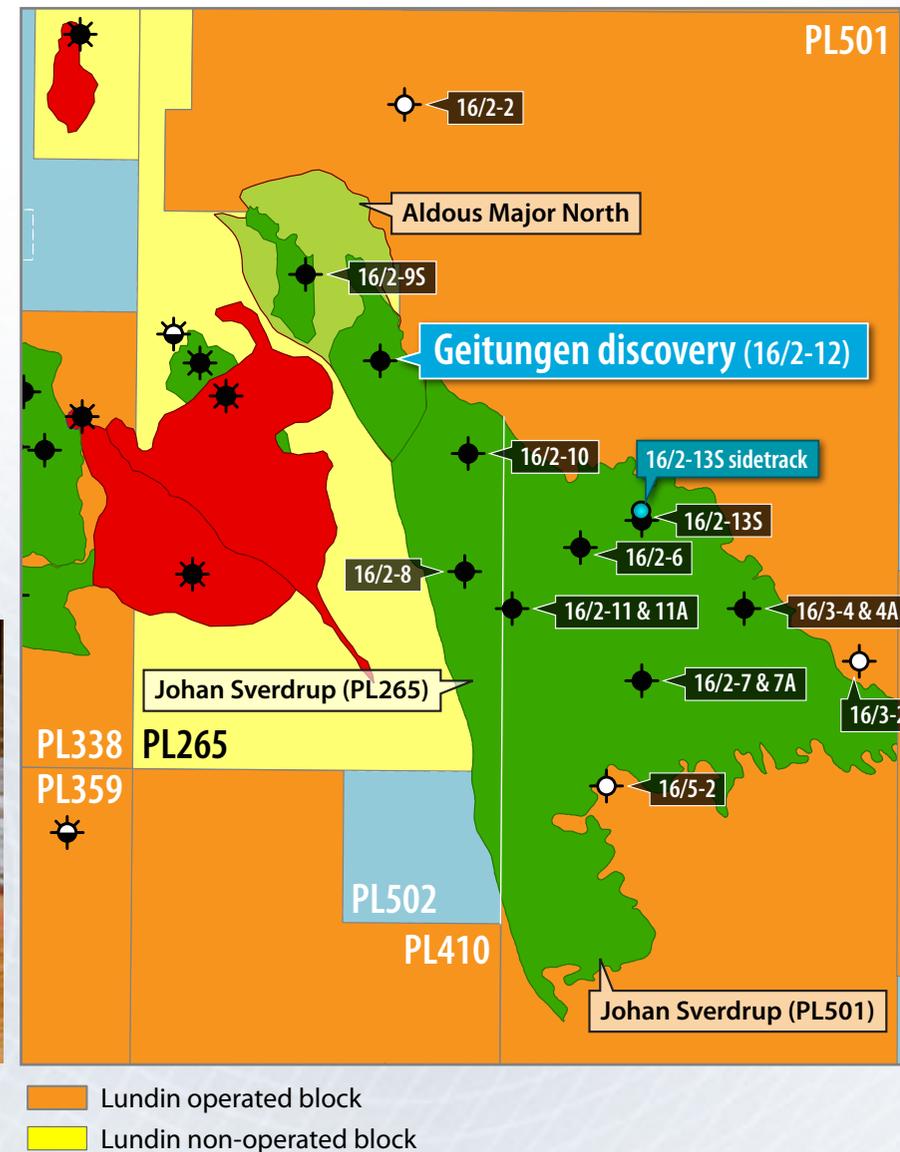
- **PL501 licence: Lundin Petroleum 40% operator**
 - ➔ Partners: Statoil 40% , Maersk 20%
- **25 oil meter gross oil column in Upper and Middle Jurassic sandstone reservoir in an oil-down-to situation**
- **The reservoir was encountered 10 m shallow to the depth prognosis**
- **Good reservoir properties**
- **The well was drilled to 2060 m vertically below MSL**
- **The well will now be side-tracked 1200 m towards the north**
- **Purpose of sidetrack 16/2-13A:**
 - ➔ Investigate the top and the lateral thickness and property variations of the Jurassic reservoir
 - ➔ Establish an oil water contact



PL265 - Geitungen Discovery (16/2-12)



- **PL265 licence: Lundin Petroleum 10%**
 - ➔ Partners: Statoil (40%) operator, Petoro 30%, Det norske 20%,
- **Estimated resources: 140 to 270 MMboe**
- **35 meter gross oil column in Jurassic sandstone reservoir**
- **Well results indicate communication with Johan Sverdrup**

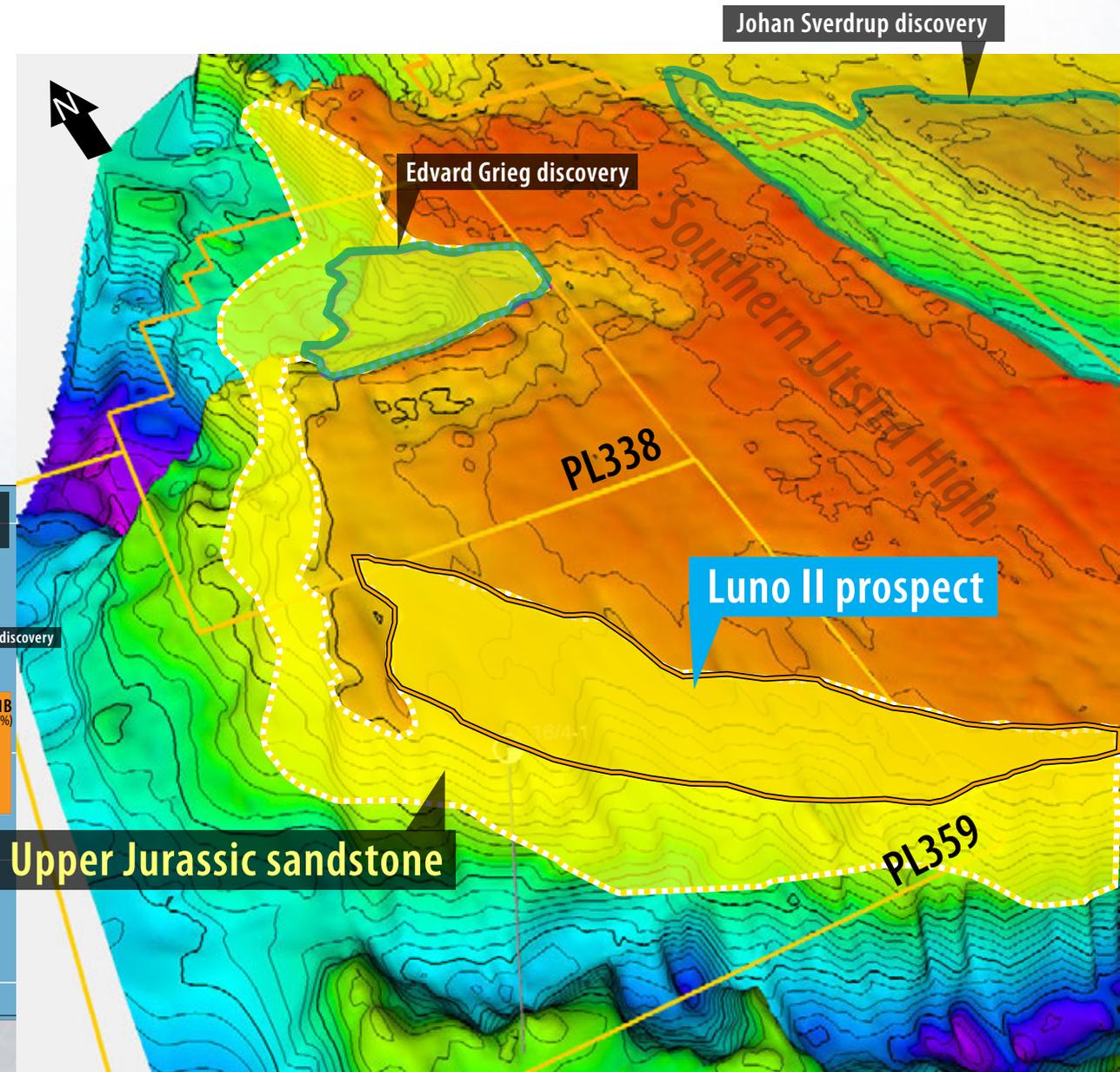
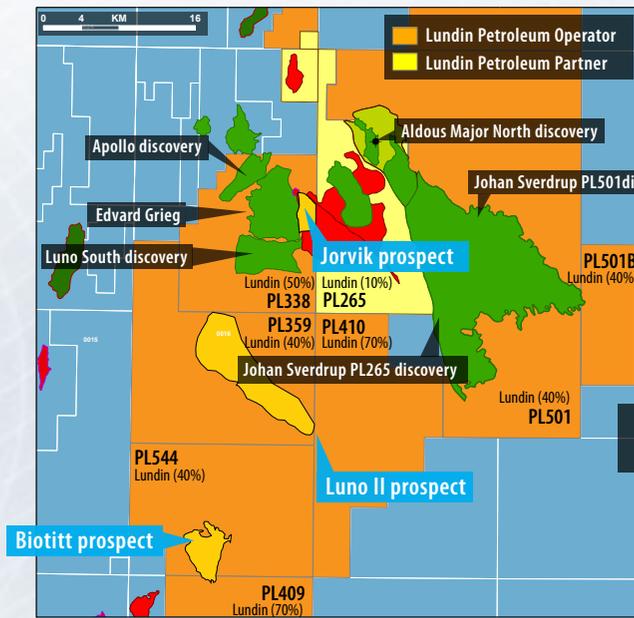


Utsira High Exploration Area



2012 Exploration Drilling

- ➔ **PL359 (Lundin 40% operated)**
Luno II prospect
- ➔ Johan Sverdrup play type
- ➔ Reservoir: Upper Jurassic
- ➔ Gross unrisked prospective resources: 139 MMboe
- ➔ Drilling: Q4 2012

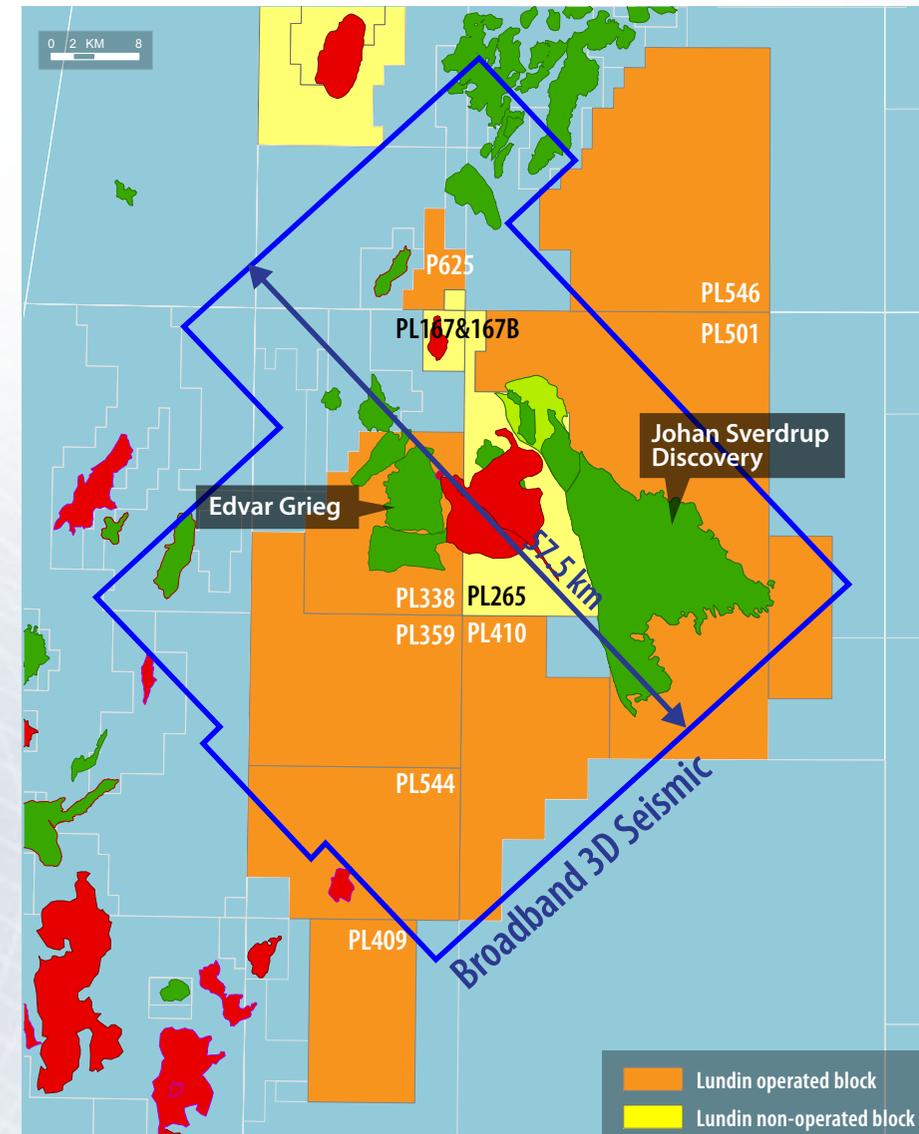


Southern Utsira High - Broadband 3D Seismic



➤ Lundin operated 3D on the Haugaland High :

- ➔ 2008 3D OBC 40 km² over (Edvard Grieg)
- ➔ 2009 3D Geostreamer 1650 km² regional
- ➔ 2011 3D Broadseis test 300 km² J. Sverdrup
- 2012 3D Broadseis 2500 km² regional**



Møre Basin Area - A New "Core" Area



2012 Exploration Drilling

➔ PL519 (Lundin 40% operated)

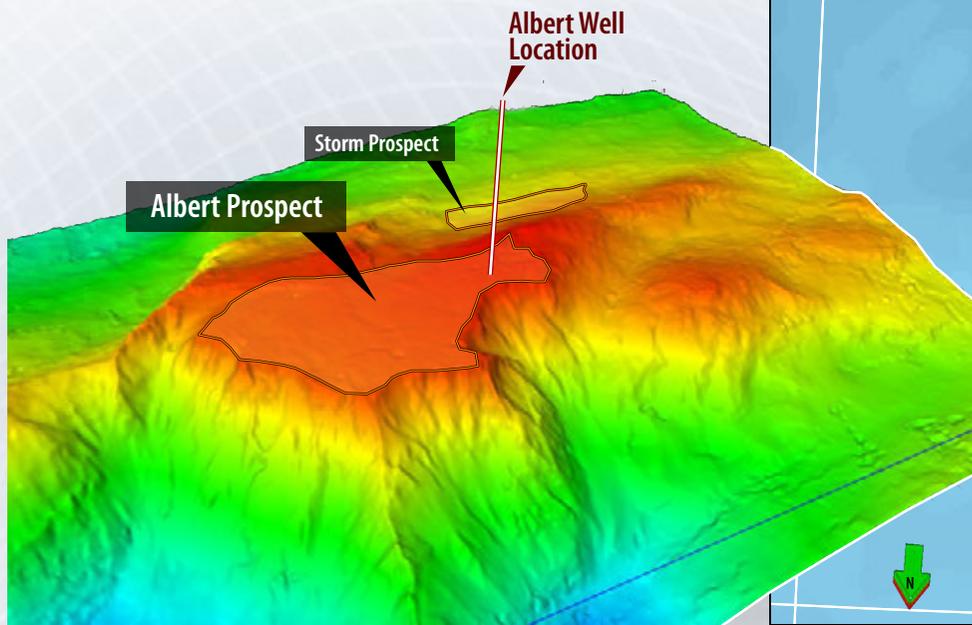
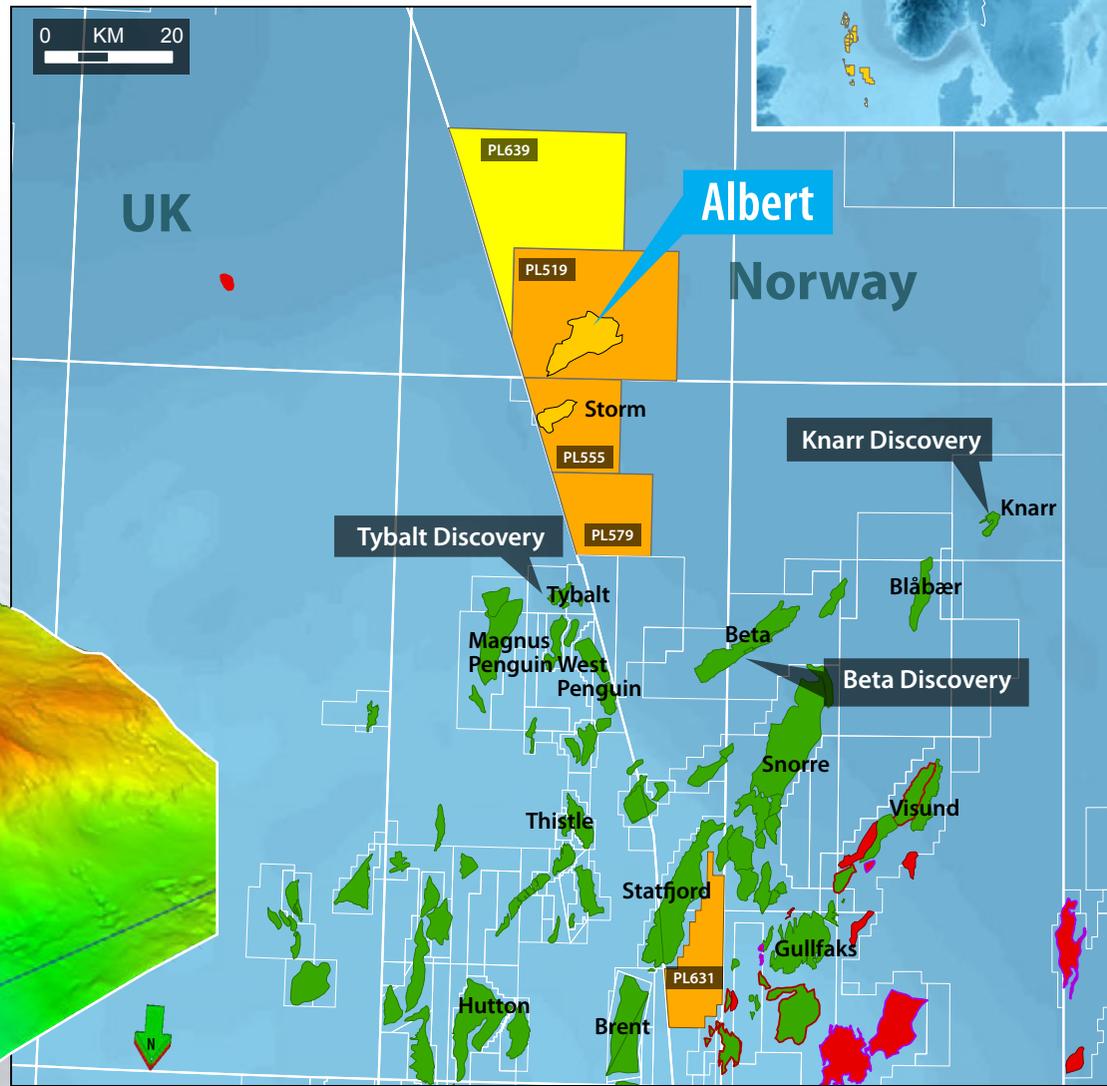
Albert prospect

- ➔ Gross unrisked prospective resources: 177 MMboe
- ➔ Drilling ongoing

➔ Further prospectivity identified for 2013 drilling campaign

- ➔ Storm prospect

	Lundin operated block
	Lundin non-operated block
 PL519	Lundin 40% (Operator)
 PL555	Lundin 60% (Operator)
 PL579	Lundin 50% (Operator)
 PL631	Lundin 60% (Operator) - APA2011
 PL639	Lundin 20% (Partner) - APA2011



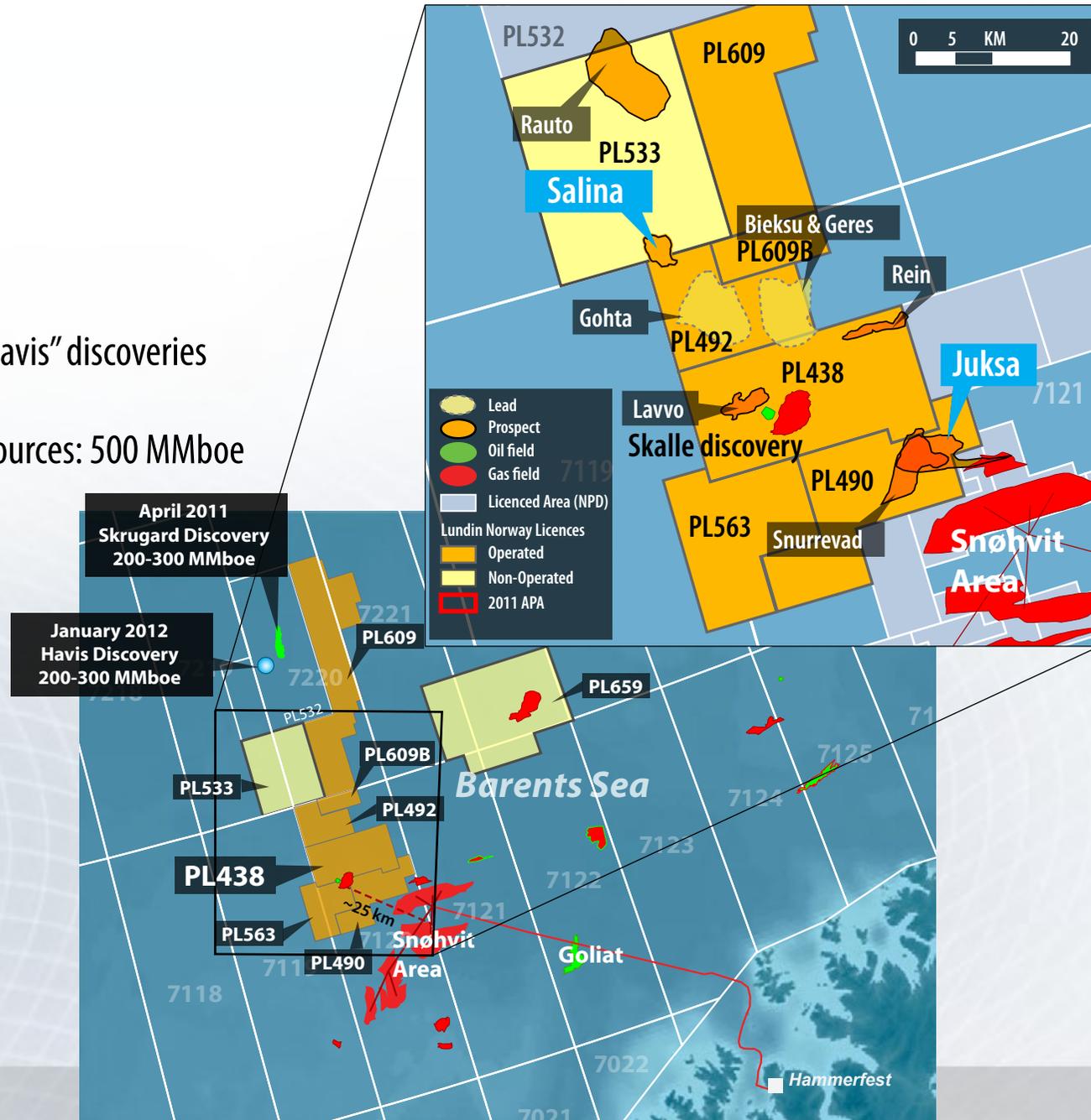
Barents Sea Area



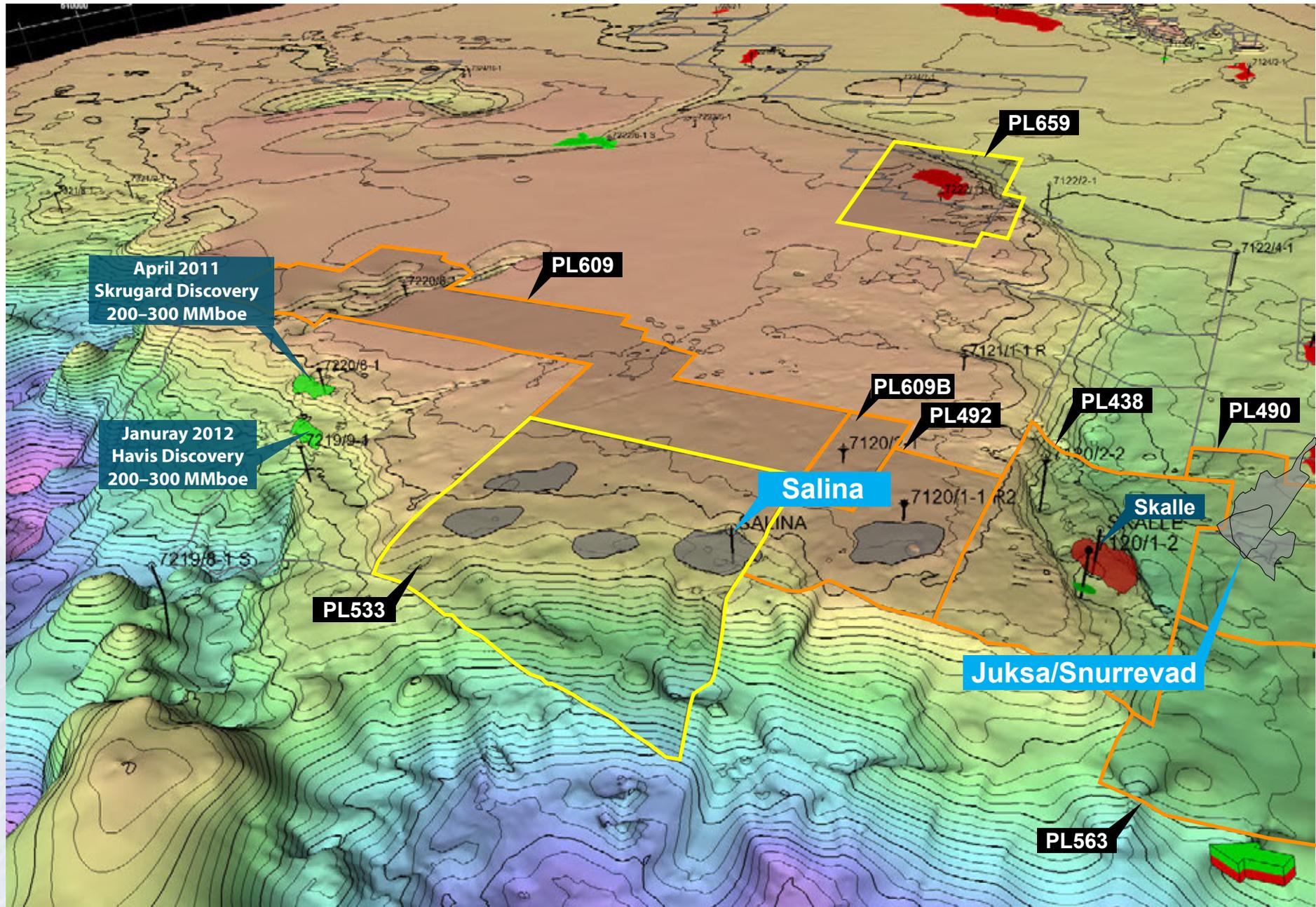
2012 Exploration Drilling

- ➔ **PL533 (Lundin 20%)
Salina prospect**
 - ➔ On trend with "Skrugard and Havis" discoveries play type
 - ➔ Gross unrisks prospective resources: 500 MMboe
 - ➔ Drilling ongoing

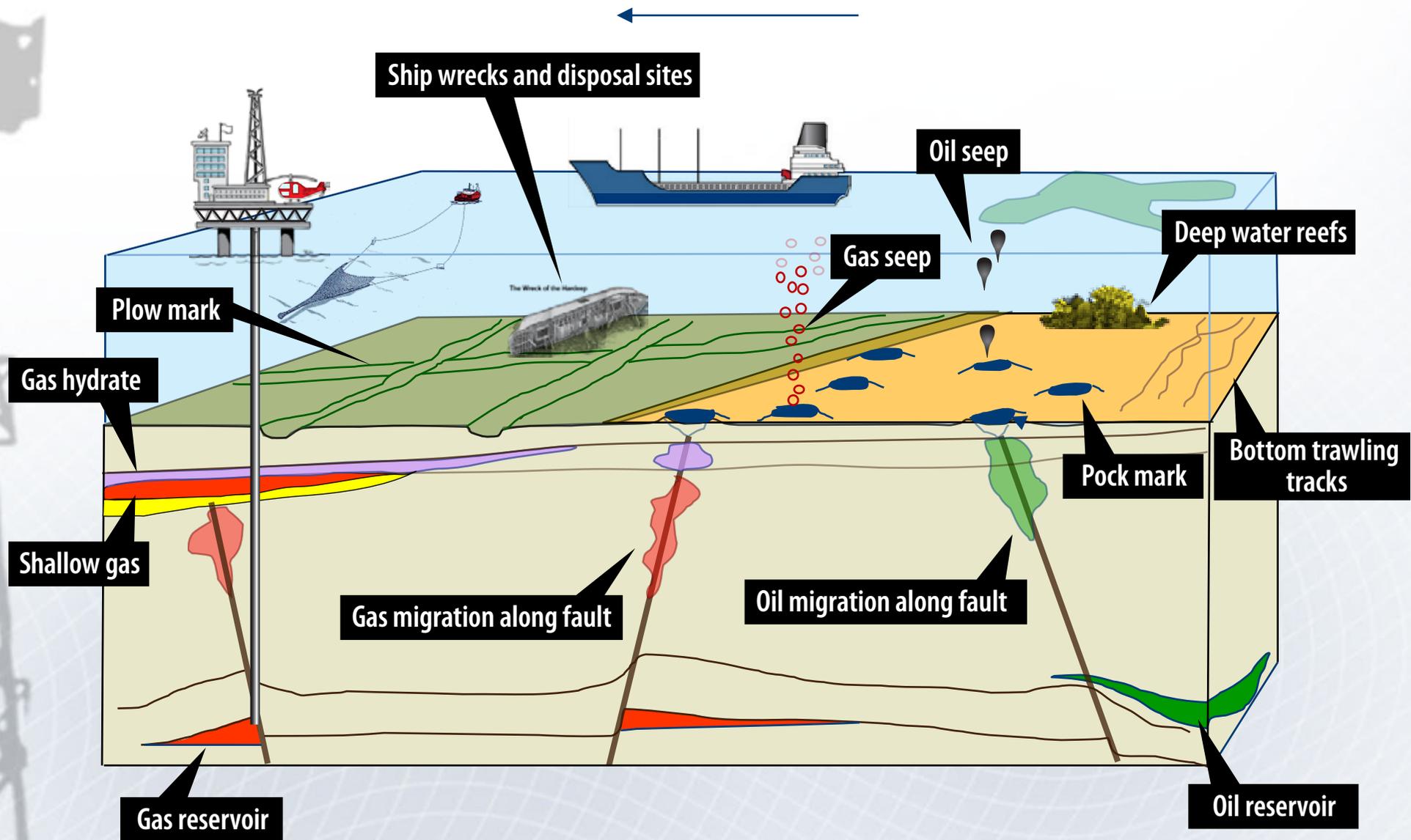
- ➔ **PL490 (Lundin 50%)
Juksa/Snurrevad prospect**
 - ➔ Late Jurassic/Cretaceous stratigraphic play
 - ➔ Gross unrisks prospective resources: 335 MMboe
 - ➔ Drilling Q4 2012



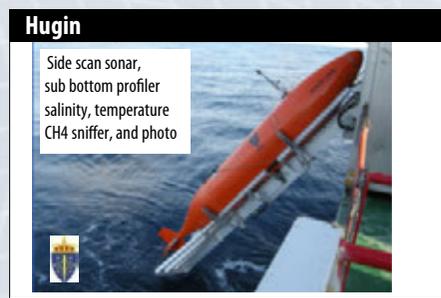
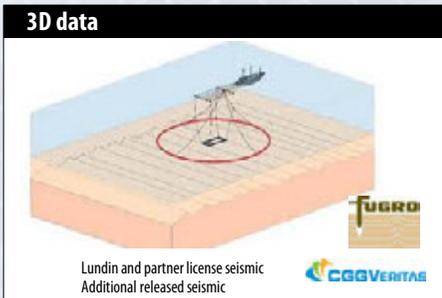
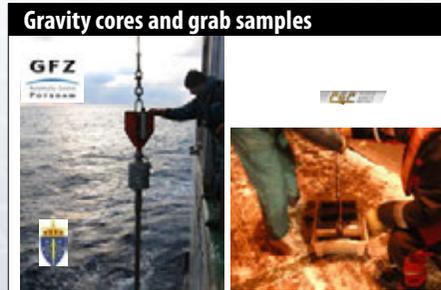
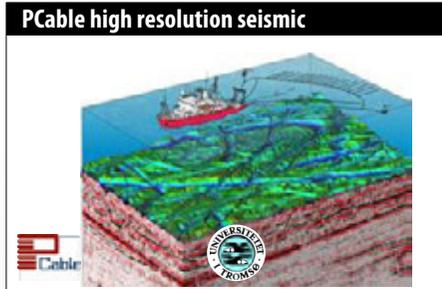
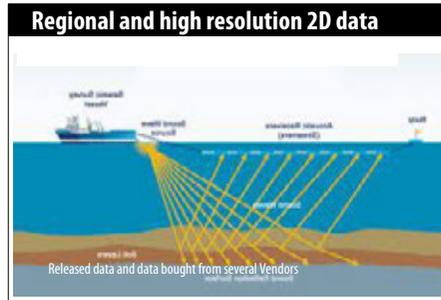
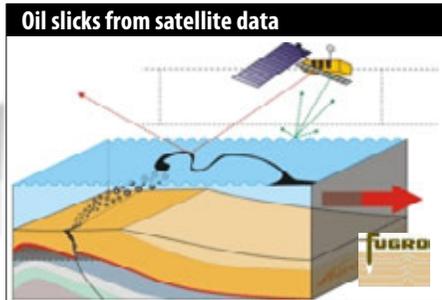
PL533 Salina



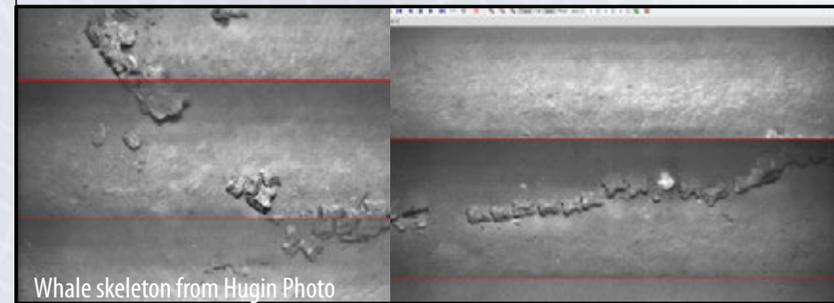
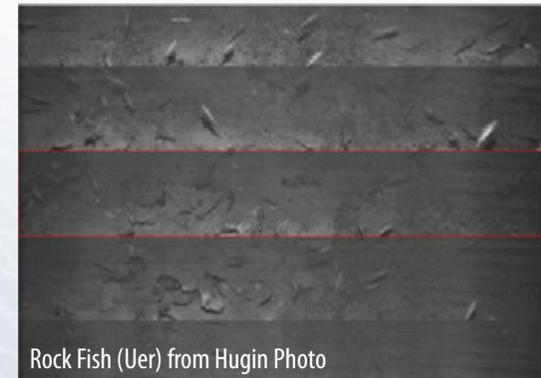
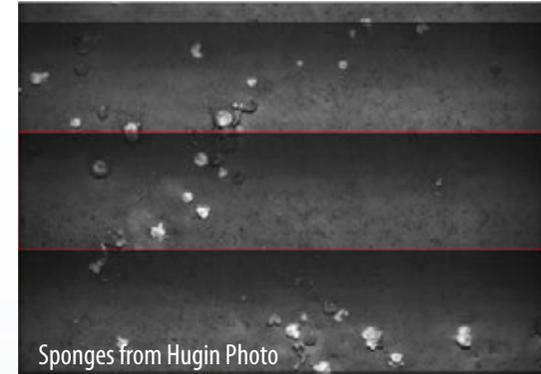
Bridging Enviromental Knowledge in the Barents Sea



Environmental Seabottom Mapping



Hugin Photos



Methods

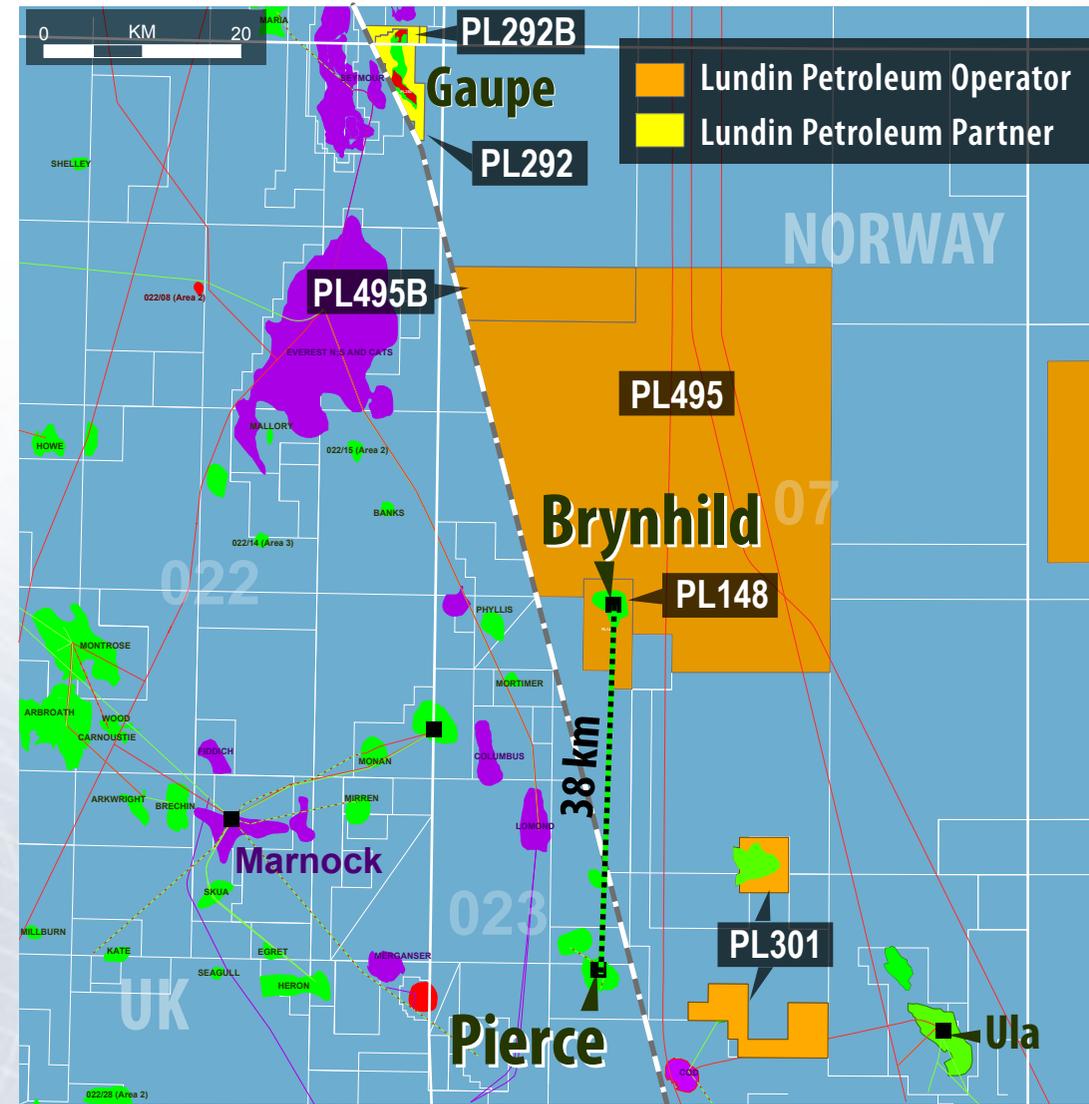


Results

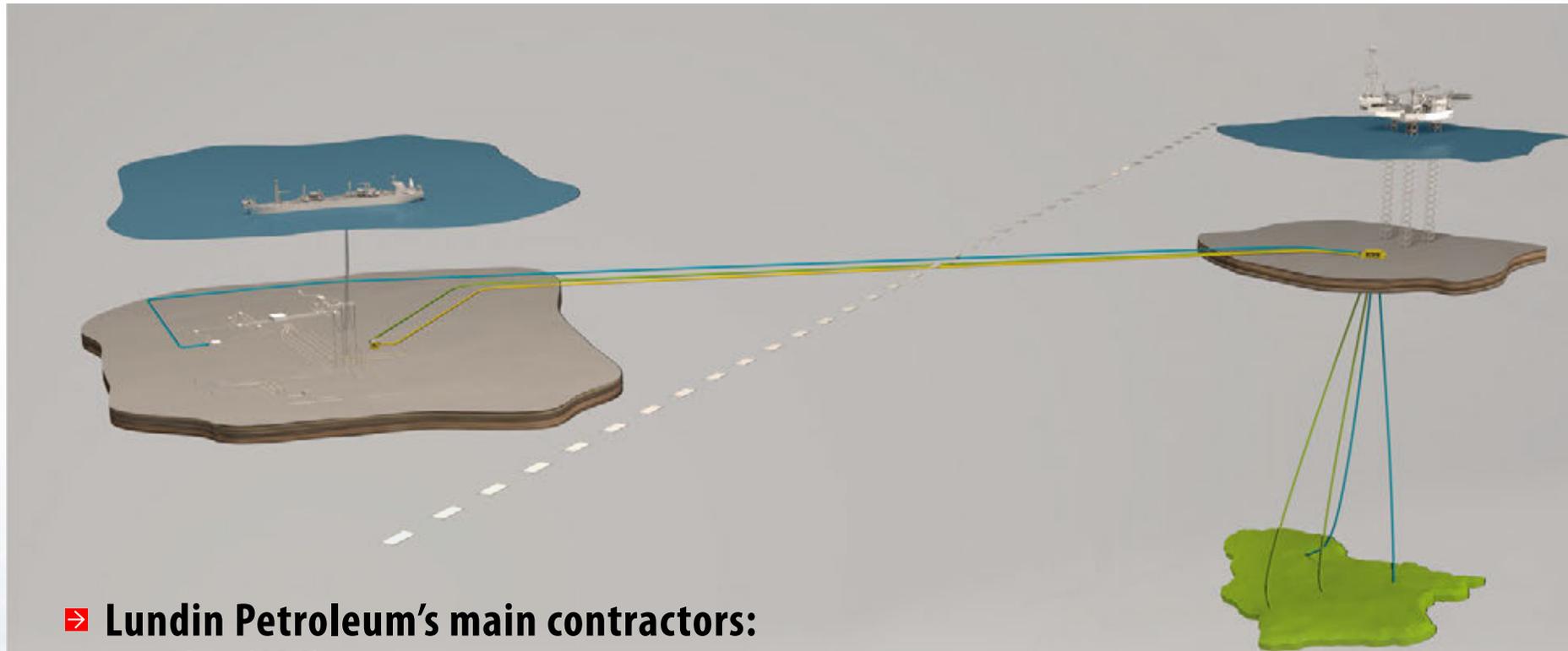
Brynhild - Development



- ➔ Lundin Petroleum interest: 70% (operator)
- ➔ PDO approved in November 2011
- ➔ Tie-back to Haewene Brim FPSO located at Shell Pierce field in the UK
- ➔ 2P reserves 20.4 MMbo
- ➔ Plateau production: 12,000 boepd
- ➔ First oil end 2013



Brynhild - Development



➤ Lundin Petroleum's main contractors:

- ➔ Aker (SPS)
- ➔ Technip (pipelines and installation)
- ➔ Maersk Drilling (jack-up)

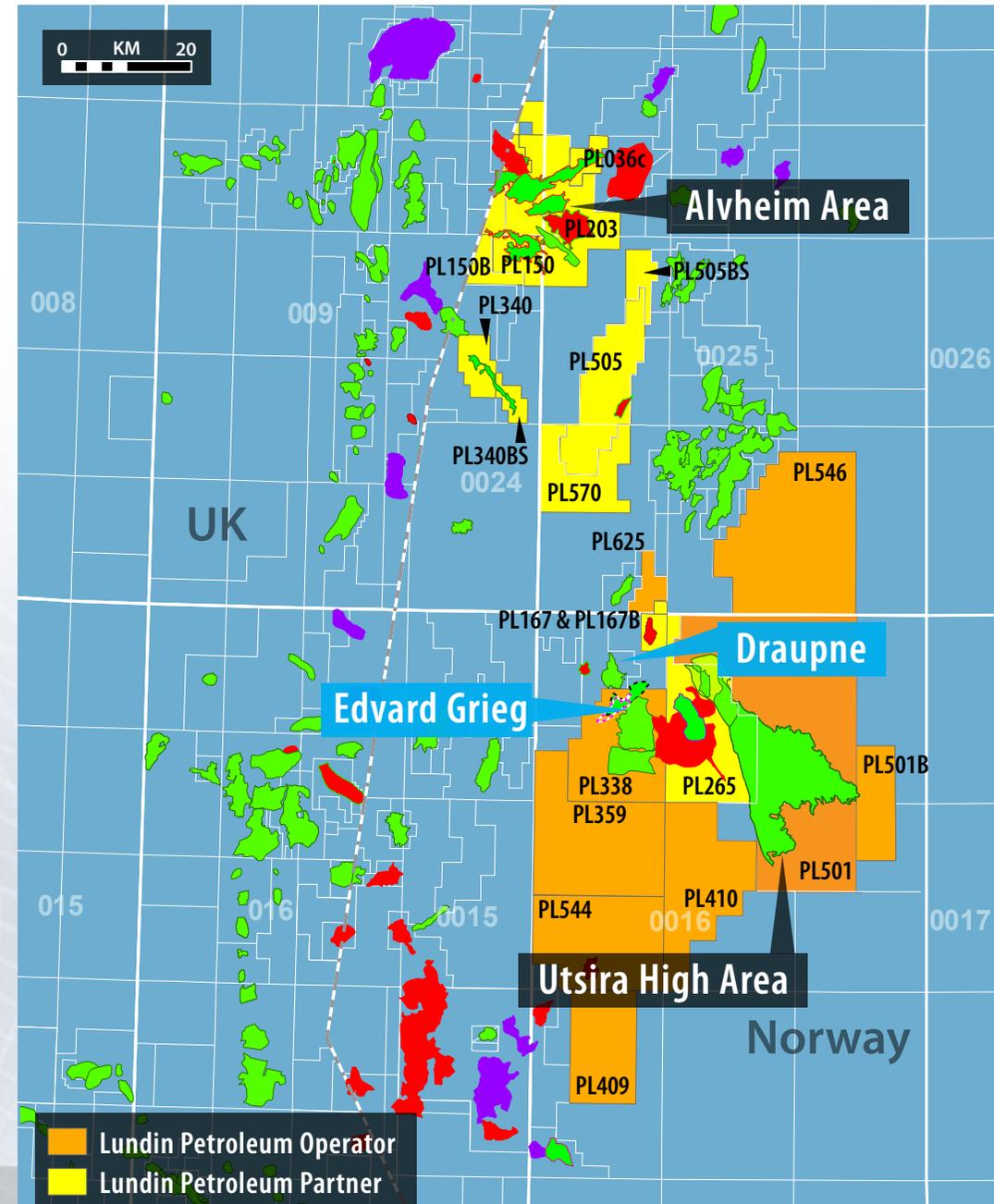
➤ Pierce topside modifications:

- ➔ Shell

Utsira High Area - Edvard Grieg Development



- ➔ Lundin Petroleum interest: 50% (operator)
 - ➔ Wintershall 30%, RWE Dea 20%
- ➔ Plan of Development approved
- ➔ 2P reserves: 186 MMboe gross
- ➔ Plateau production: 100,000 boepd gross
- ➔ Commercial agreement for coordinated development with Draupne
- ➔ Lundin Petroleum to join the club of fixed asset installation operators on the Norwegian North Sea



Edvard Grieg Development Project



- **Production startup Oct 2015**
- **Capital costs: 24 NOK billion**
- **Drilling 15 wells from jack-up rig**
 - ➔ 11 producers and 4 water injectors
 - ➔ Contract award to Rowan companies
- **Platform PdQ**
 - ➔ Jacket and Topsides - contracts awarded to Kværner
 - ➔ Marine installations - contract awarded to Saipem
 - ➔ Design capacity
 - Oil: 90 000 bopd (with Draupne: >120 000 bopd)
 - Gas: 2 MSm³/d (with Draupne: 4 MSm³/d)
 - ➔ Designed for coordinated development with a Draupne platform development
- **Export pipelines**
 - ➔ Oil export pipeline to Grane
 - ➔ Gas export pipeline



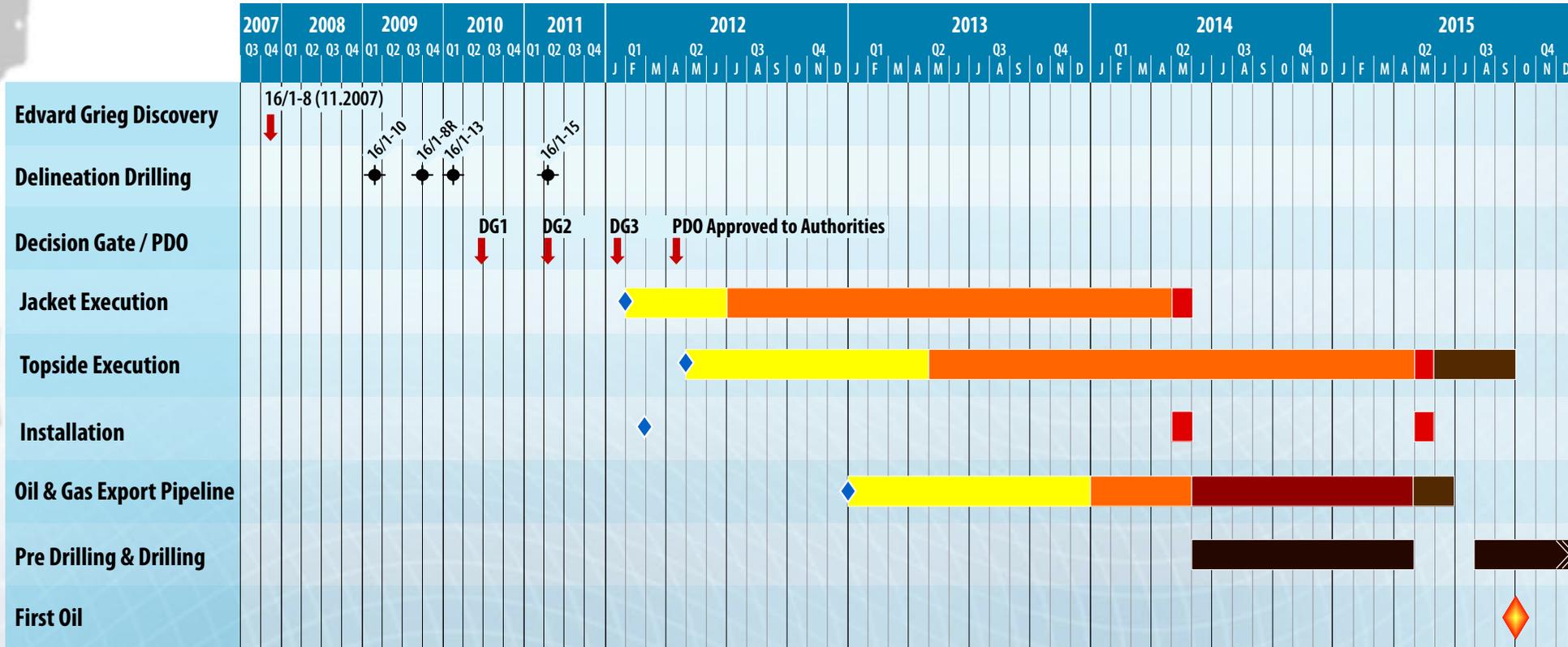
Jacket: 13,000 tonnes
Topsides: 21,000 tonnes

Edvard Grieg Development - Main Contracts



- **Jacket Contract - value 1 BNOK**
 - ➔ The jacket will be built by Kværner Verdal under an EPC contract awarded in May 2012, delivery March 2014
- **Topside Contract - value 8 BNOK**
 - ➔ An EPC contract for the whole topside has been awarded to Kværner Stord in May 2012, with delivery in April 2015 fully tested and commissioned.
- **Jacket/Topside Transport and Installation Contract - value 505 MNOK**
 - ➔ A contract for transport and installation of the jacket in 2014, and the topside in 2015, has been awarded to Saipem
- **Flotel Contract - value 380 MNOK**
 - ➔ A contract has been awarded to Prosafe for supply of a new-built flotel in the summer 2015
- **Export pipelines Contract - PDO budget 3 BNOK**
 - ➔ The export pipelines will be installed by Statoil, no contract awarded so far
- **Drilling Contract - value 2 BNOK**
 - ➔ A contract has been awarded to Rowan companies, starting in Q2 2014

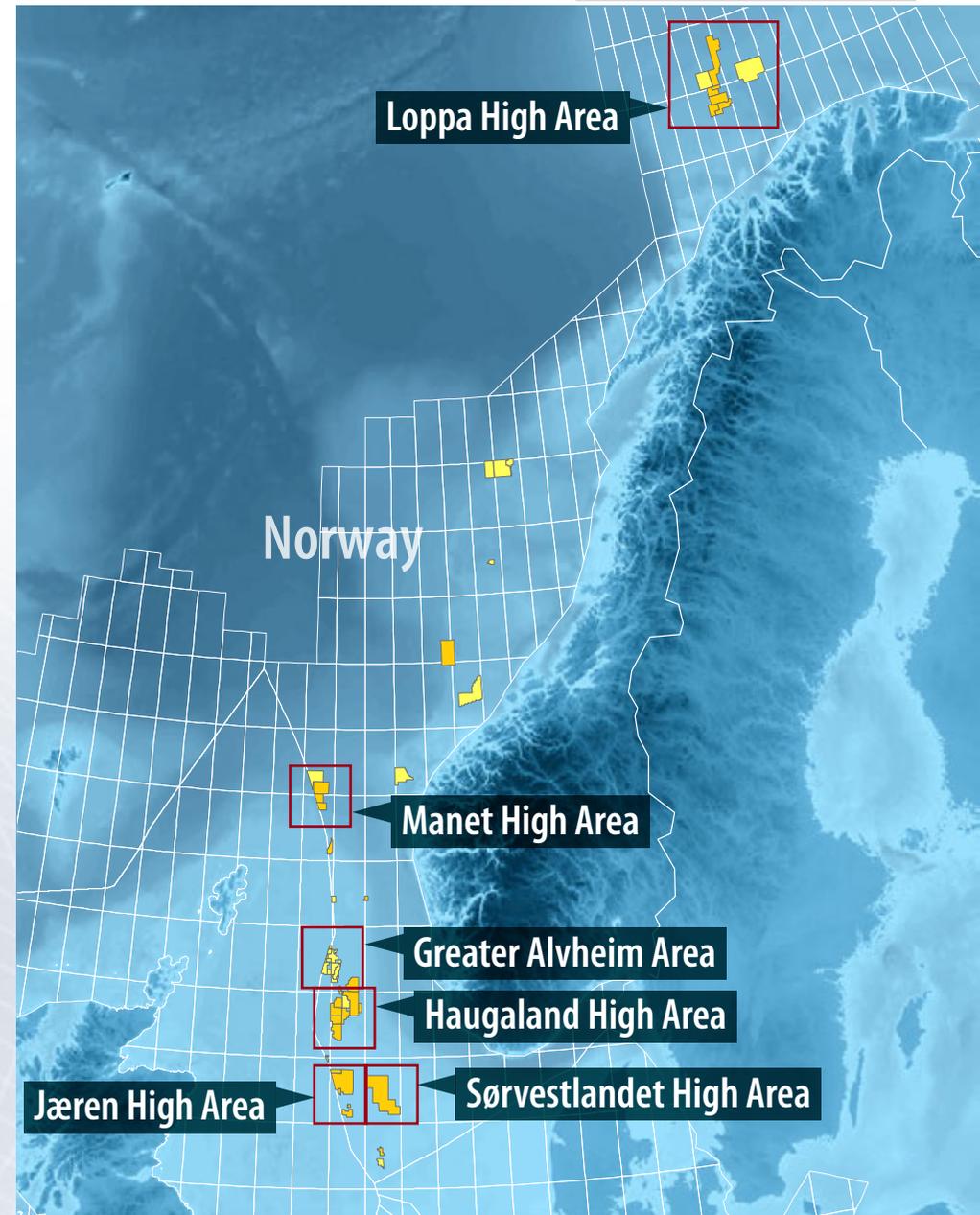
Edvard Grieg - Project Schedule



Organic Growth Strategy



- ➔ Find oil with the drill bit - organic growth
- ➔ Leverage on organisational knowledge
- ➔ Portfolio synergy in relation to improved exploration and development
- ➔ Design yearly balanced exploration drilling portfolios in relation to
 - ➔ Frontier breakthrough
 - ➔ Growth
 - ➔ Mature tie-in
- ➔ Maintain production from existing and emerging developments
- ➔ Applying and developing data and fact driven subsurface models, based on appreciation of the limitations of data, tools, methods and theories available at any time
- ➔ Applying new emerging technology and methods



Norway - 2012 Drilling Schedule



							2012			
Licence - Prospect	Operator	LUPE%	NUPR ⁽¹⁾	CoS %	NRPR ⁽²⁾	Q1	Q2	Q3	Q4	
1	PL501 - Johan Sverdrup 16/2-11 App.	Lundin	40.00	–	–	–	Discovery			
2	PL265 - Geitungen 16/2-12	Statoil	10.00	–	–	–		Discovery		
3	PL265 - Johan Sverdrup App.1	Statoil	10.00	–	–	–				
4	PL265 - Johan Sverdrup App.2	Statoil	10.00	–	–	–				
5	PL501 - Johan Sverdrup 16/2-13 App.	Lundin	40.00	–	–	–		Ongoing		
6	PL490 - Juksa	Lundin	50.00	168	18-36%	41				
7	PL519 - Albert 6201/11-3	Lundin	40.00	71	26%	18		Temp Suspension	Ongoing	
8	PL501 - Johan Sverdrup 16/5-3 App.	Lundin	40.00	–	–	–				
9	PL359 - Luno II	Lundin	40.00	56	35%	19				
10	PL544 - Biotitt	Lundin	40.00	50	29%	14			moved to 2013	
11	PL338 - Jorvik	Lundin	50.00	23	49%	11			moved to 2013	
12	PL501 - Johan Sverdrup App.8	Lundin	40.00	–	–	–				
13	PL453 - Oгна	Lundin	35.00	55	22%	12			moved to 2013	
14	PL495 - Carlsberg	Lundin	60.00	40	15-24%	9			moved to 2013	
15	PL338 - Apollo App.	Lundin	50.00	–	–	–			moved to 2013	
16	PL440S - Clapton	Faroe	18.00	12	29%	3		P&A dry		
17	PL533 - Salina	ENI	20.00	100	14-19%	15			Ongoing	

operated non operated

⁽¹⁾ Net Unrisked Prospective Resources (MMboe)

⁽²⁾ Net Risked Prospective Resources (MMboe)

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.



VISIT US AT
STAND H850
ONS2012

WWW.LUNDIN-PETROLEUM.COM