

Operations & Financial Update

First Nine Months 2017

Alex Schneider, President & CEO
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1 November 2017



First Nine Months 2017

Highlights

Strong Production

- First Nine Months: 87.1 Mboepd
- Q3: 89.2 Mboepd
- Expect full year at top or exceeding 80-85 Mboepd guidance range

Low Operating Costs

- First Nine Months: 4.15 USD/boe
- Q3: 4.27 USD/boe
- Expect full year below guidance of 4.60 USD/boe

Edvard Grieg Operations

- Facilities & Reservoir outperformance
- Significant reserves upgrade anticipated

John Sverdrup Progress

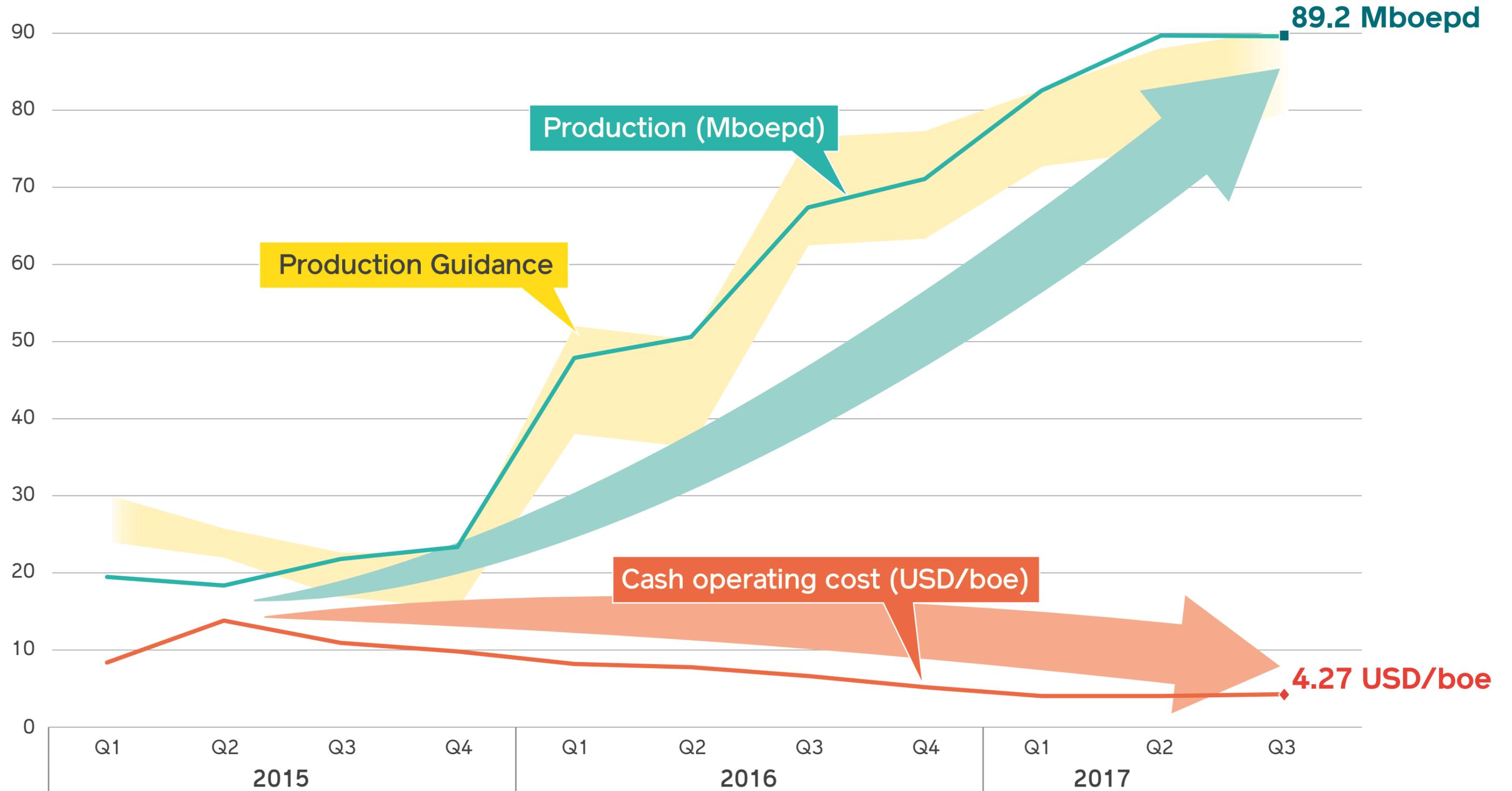
- Phase 1 over 60% complete – first oil late 2019
- Drilling Platform Topsides assembled in Norway
- Phase 1 costs further reduced to 92 Bn NOK

Growth Opportunities

- 2 further wells on Filicudi trend in 2017
- Alta, Rolvsnes & Luno II appraisal plans being progressed
- Building two new exploration core areas: Mandal High & Frøya High

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Production vs Operating Costs

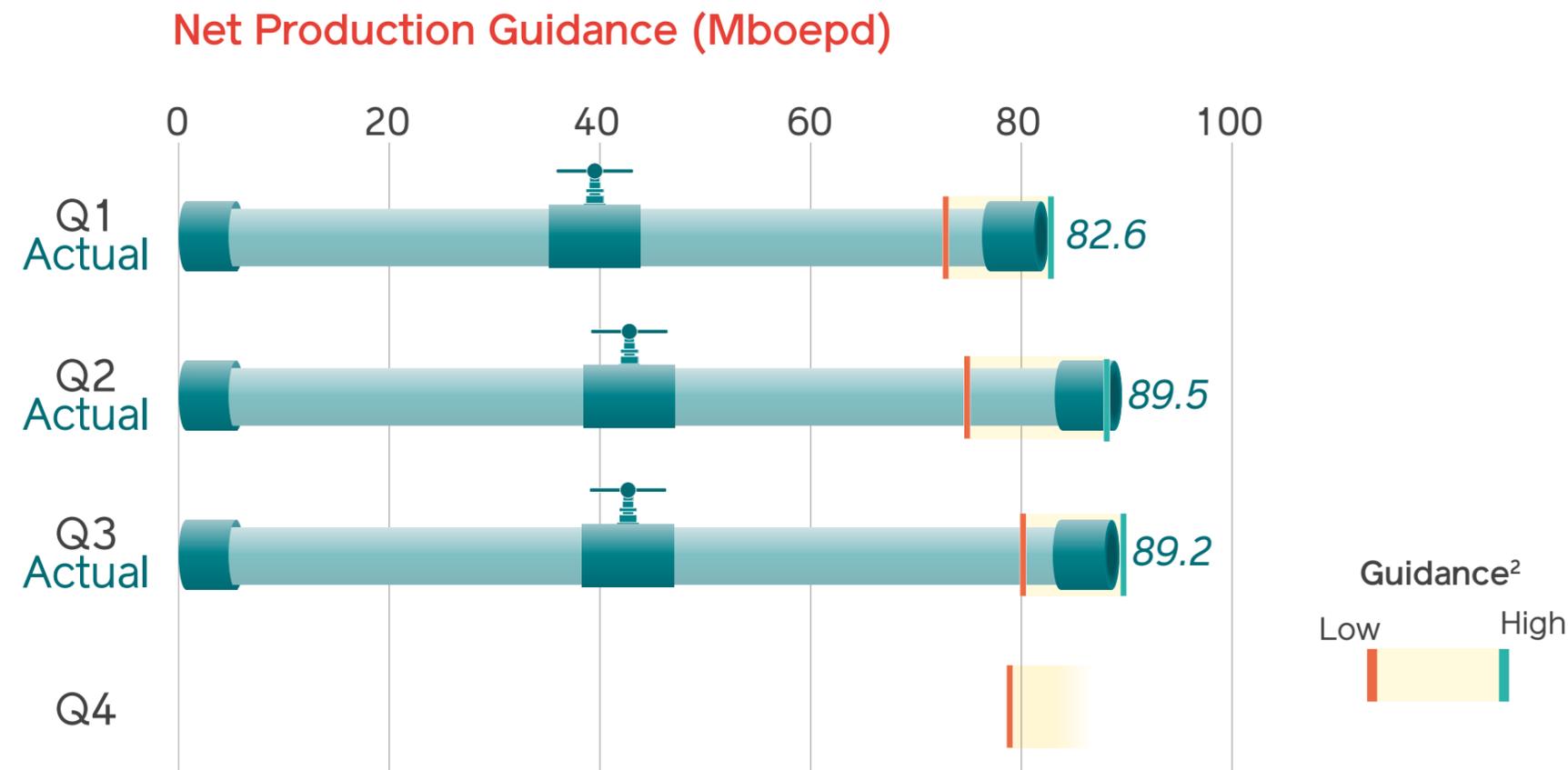


Excludes international assets

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2017 Production

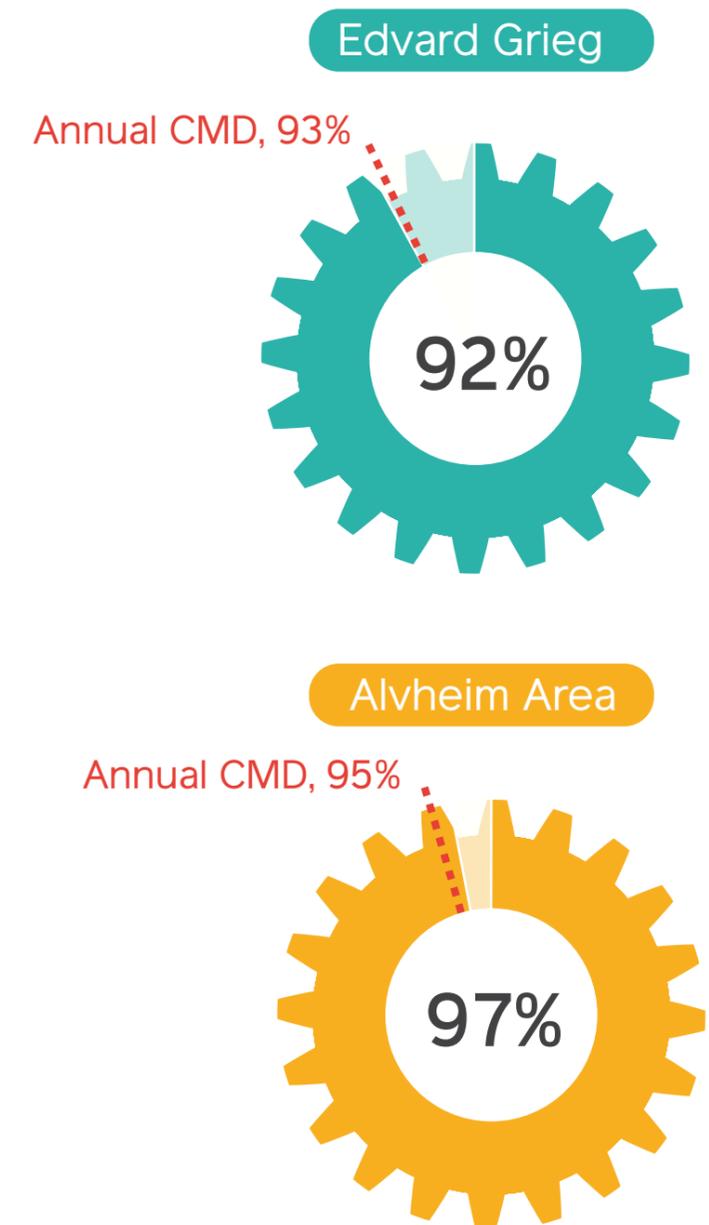
- First nine months production of 87.1 Mboepd
 - ➔ Q3 production of 89.2 Mboepd
 - ➔ Reservoir and facilities outperformance
 - ➔ Increased Edvard Grieg facilities capacity
- Updated full year production guidance: ≥ 85 Mboepd¹



¹ Original guidance January: 70-80 Mboepd

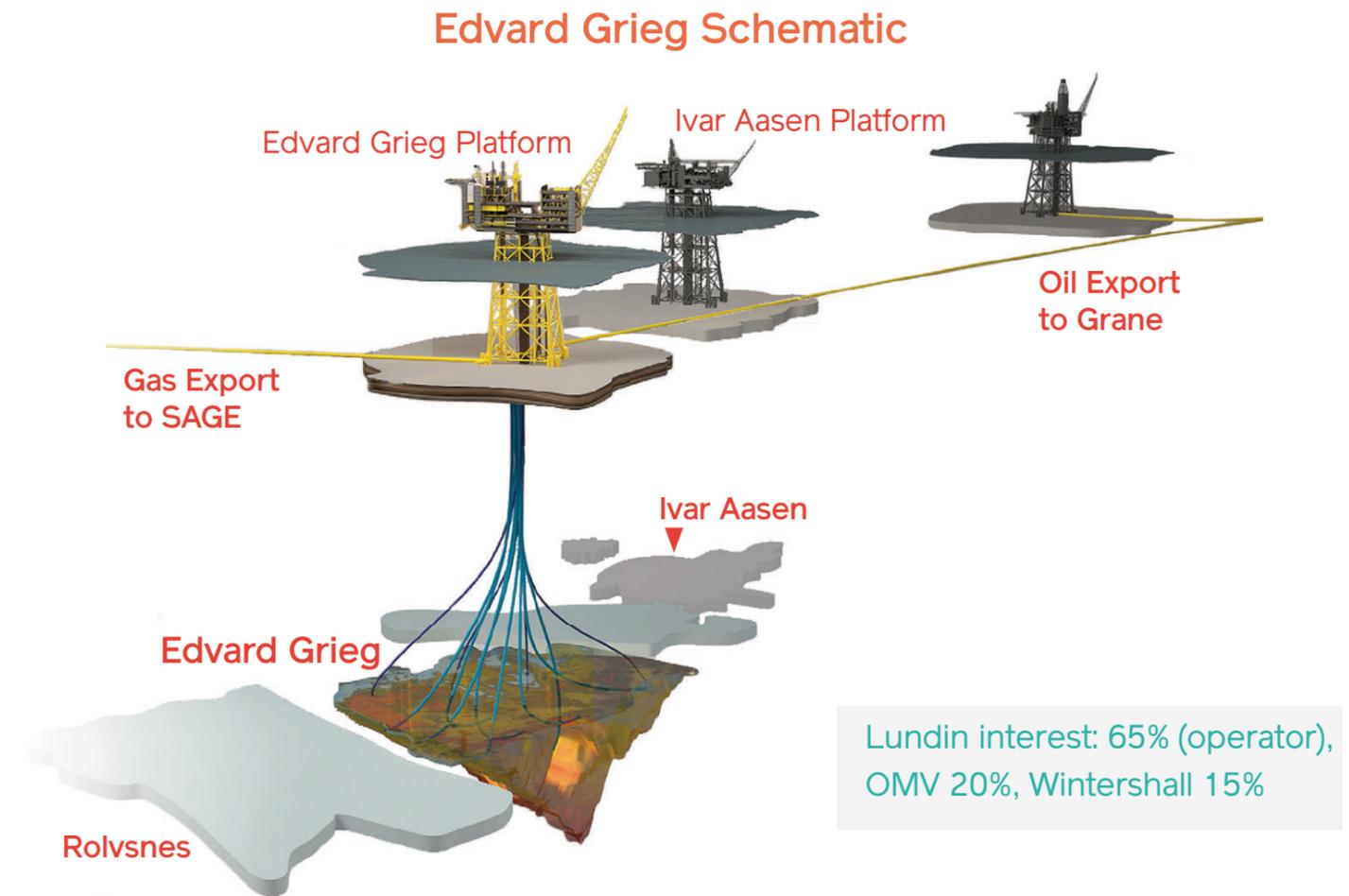
² Revised guidance August: 80-85 Mboepd

First Nine Months Production Efficiency (%)



Edvard Grieg

- Facilities capacity increased 15% above design to 145 Mbopd⁽¹⁾
 - ➔ 7 producing wells on stream
 - ➔ 3 water injection wells online
 - ➔ Reservoir performance better than expectation
- Drilling 14 wells from jack-up rig
 - ➔ 4th water injector well currently drilling
 - ➔ 3 further wells to be drilled in 2018
- Potential infill drilling campaign being evaluated
- Further 2P reserves increase expected from current 223 MMboe gross 2P reserves
- First nine months 2017 operating costs 4.68 USD/boe (3.87 USD/boe including tariff netting)

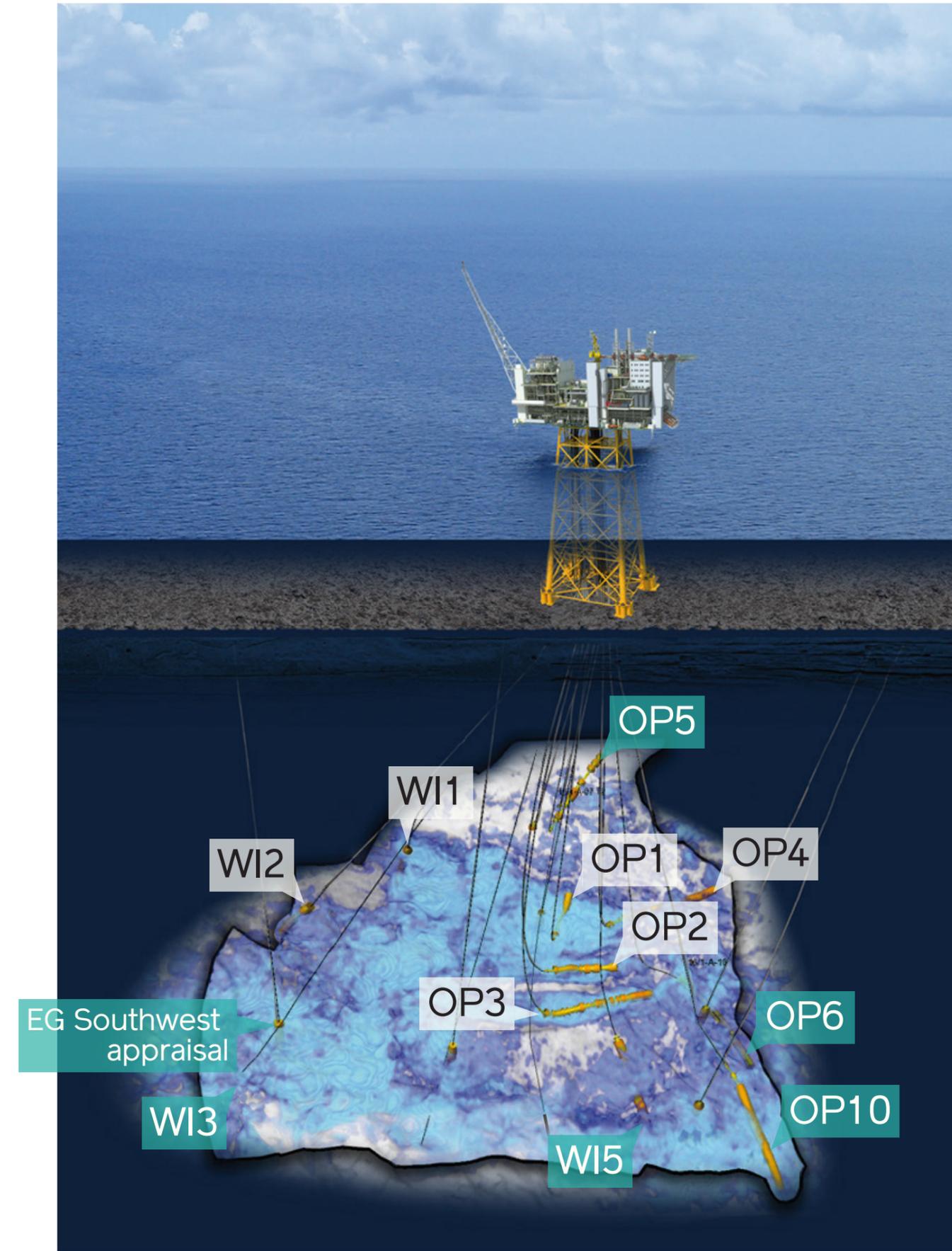


¹ Combined for Edvard Grieg and Ivar Aasen

Edvard Grieg

Reservoir Performance

- Southwest appraisal well
 - ➔ 10 – 30 MMboe gross resource upside
 - ➔ Potential resource upside in other areas of the field
 - ➔ Fourth water injection well currently drilling
- Latest drilling results inline with prognosis
 - ➔ Communication with rest of field
- Northern Tellus area (OP5)
 - ➔ Results in line with prognosis
 - ➔ Contribution from weathered/fractured basement
 - ➔ Communication with rest of field
- Reservoir depletion rate more favourable than anticipated
 - ➔ Minimal water production (expected late 2016)
- Reservoir model being updated
 - ➔ Updated reserves and profiles end 2017



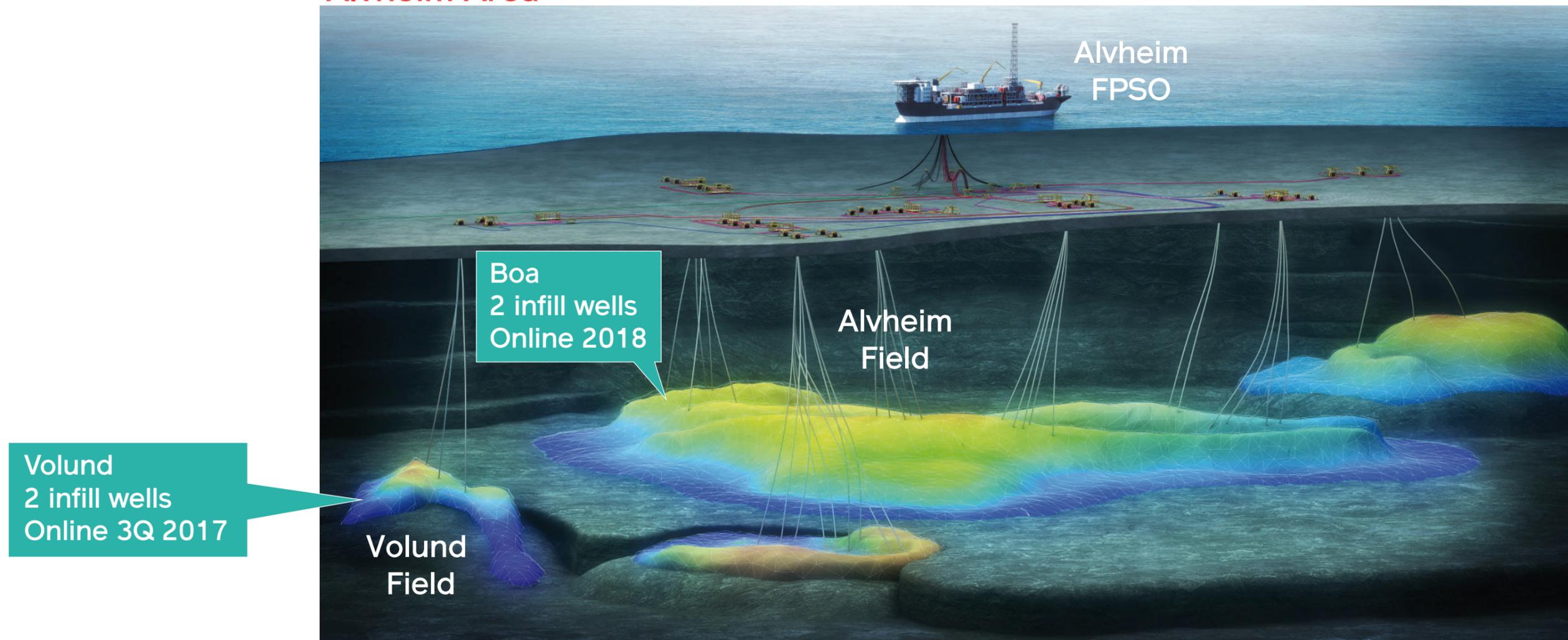
Alvheim Area

- ➔ First nine months production exceeds expectations
- ➔ First nine months 2017 operating costs 3.45 USD/boe
- ➔ **Alvheim**
 - ➔ Viper/Kobra producing above expectations
 - ➔ 2 Boa infill wells currently drilling — online 2018

➔ Volund

- ➔ 2 wells completed — results as expected
- ➔ Both wells online ahead of schedule and producing above expectations

Alvheim Area



Johan Sverdrup

Phase 1

- ➔ Over 40 million man-hours worked
- ➔ Project on schedule and over 60% complete
- ➔ Pre-drilled wells ahead of schedule
 - ➔ 8 producers completed
 - ➔ 9 of 10 water injectors drilled
- ➔ Phase 1 Capex further reduced by 5 Bn NOK to 92 Bn NOK (nominal) ⁽¹⁾
 - ➔ Further cost reductions likely
- ➔ Gross resources increased to 2.0 – 3.0 billion boe
- ➔ First oil late 2019

Working Interest – Johan Sverdrup Unit	
Statoil	40.0267%
Lundin	22.6000%
Petoro	17.3600%
Aker BP	11.5733%
Maersk	8.4400%



⁽¹⁾ (1) FX assumption USD:NOK 6.00

⁽²⁾ As per Statoil's latest guidance March 2017

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Phase 1 – Key Milestones Being Delivered on Schedule

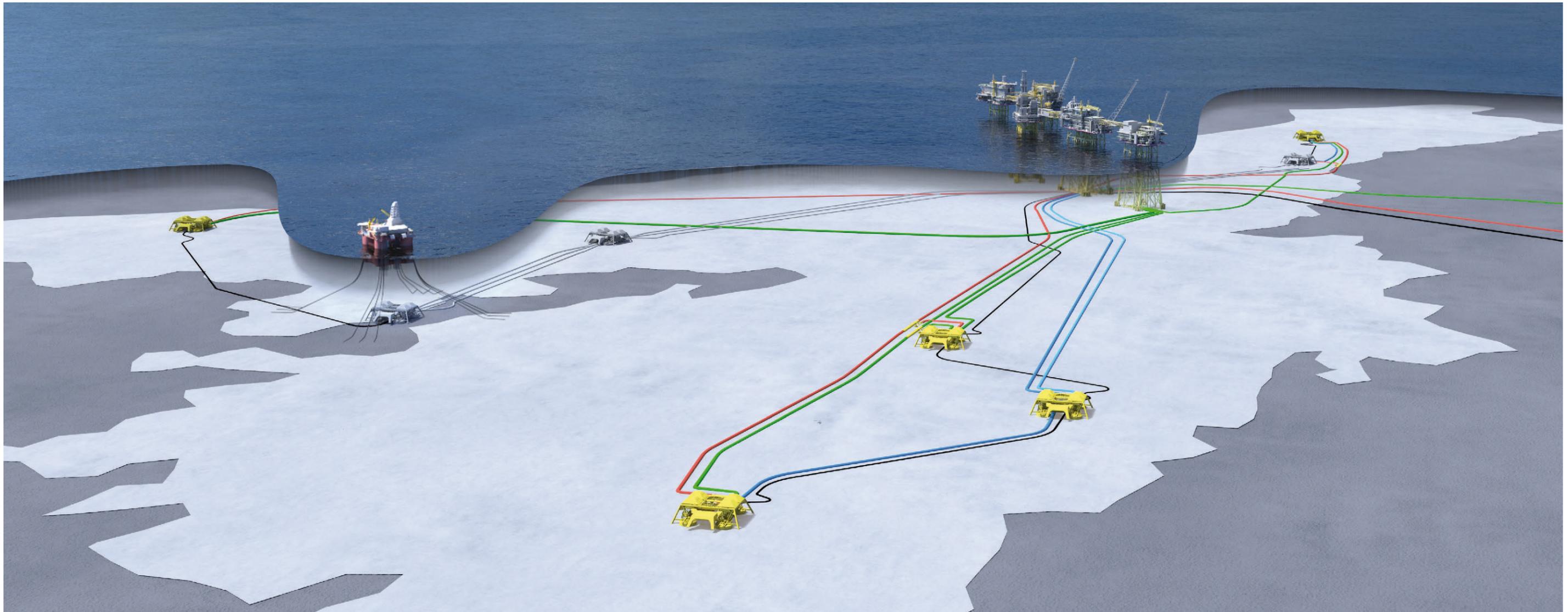
- ➔ Riser platform jacket installed - July 2017
- ➔ Drilling Platform Topsides assembled - September 2017



Johan Sverdrup

Phase 2

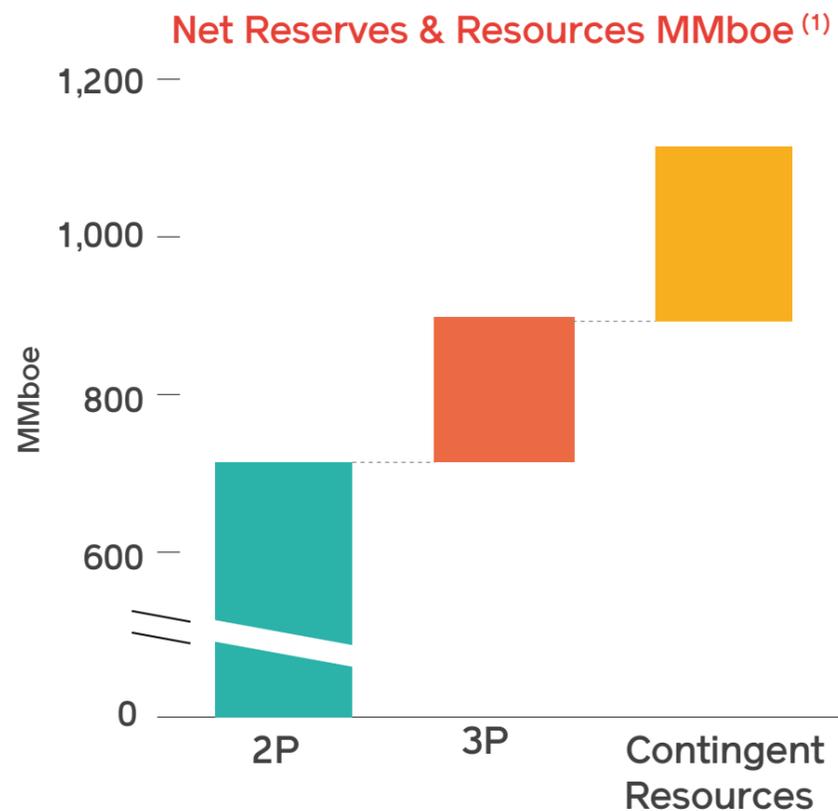
- Concept Selected – FEED ongoing
- Phase 2 PDO 2H 2018 and First Oil 2022
- Costs ~50% reduced from original Phase 1 PDO
- Full field breakeven oil price < 25 USD/bbl



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Appraisal Focus

- Significant resource upside in existing field areas
- Alta/Gohta appraisal drilling in 2017 - Completed
 - ➔ Possible Alta EWT in 2018
- Rolvsnes appraisal drilling/testing in 2018
 - ➔ De-risks larger area potential
- Luno II appraisal drilling in 2018

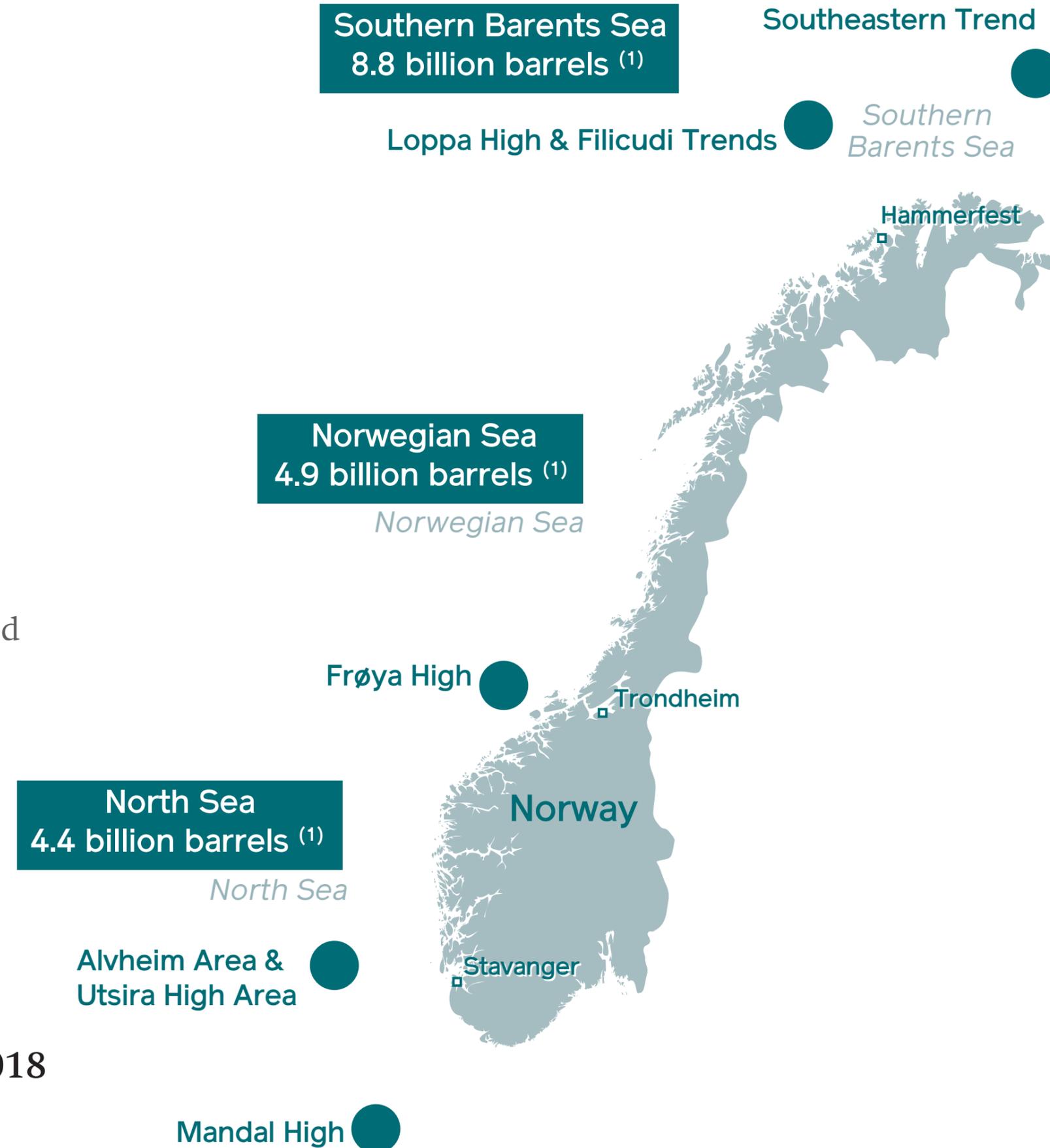


⁽¹⁾ Reserves/resources at end 2016



Lundin Petroleum Exploration Strategy

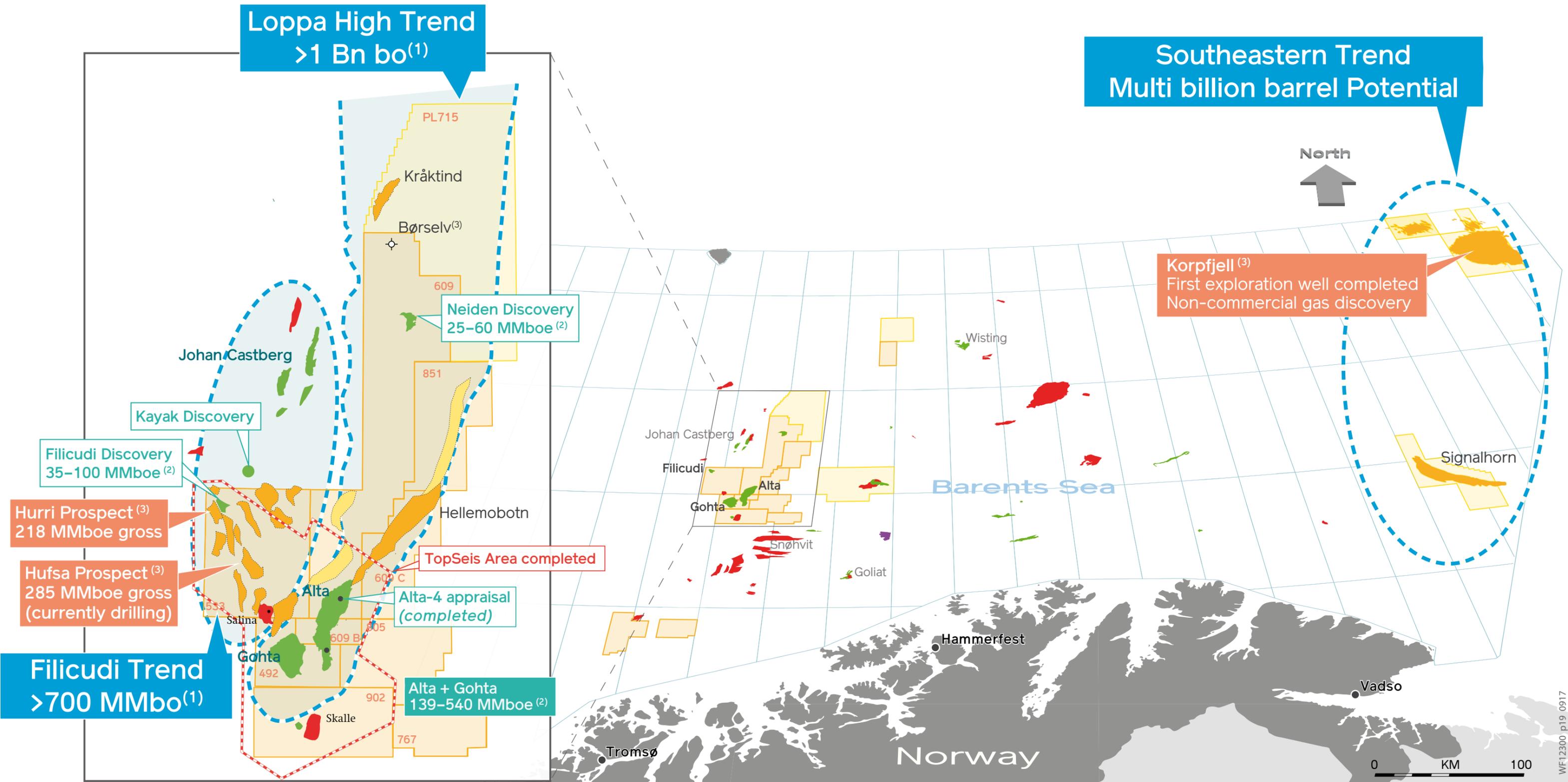
- Focus on organic growth
- 3 high impact trends in southern Barents Sea
 - Continuous activity
- 2017 exploration drilling
 - 2 further exploration wells on Filicudi Trend in the southern Barents Sea
 - 175 MMboe net unrisked prospective resources targeted
- Utsira High and Alvheim Area
 - Maturing further prospects
 - Rolvsnes and Luno II appraisal wells in 2018
- Building new exploration core areas
 - Mandal High (North Sea)
 - Frøya High (Norwegian Sea)
- Expect over 10 operated/non-operated wells in 2018



⁽¹⁾ NPD estimate – yet to find resources

Southern Barents Sea

3 High Impact Exploration Trends



⁽¹⁾ Gross contingent plus prospective resource potential ⁽²⁾ Gross contingent resources ⁽³⁾ 2017 drilling

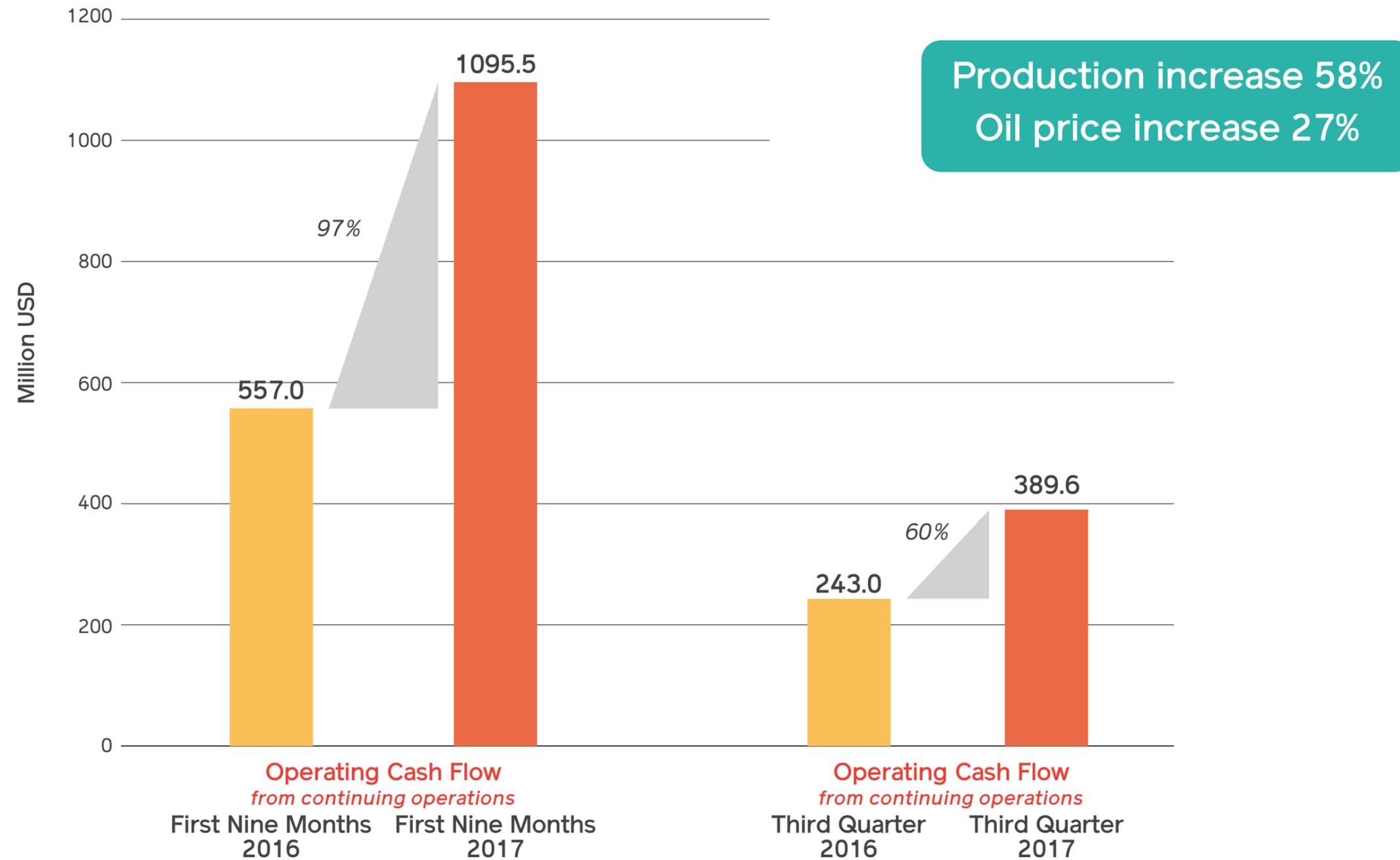
First Nine Months 2017

Financial Highlights from Continuing Operations

	Third Quarter 2017	First Nine Months 2017
Production (boepd)	89.2	87.1
Average Brent oil price (USD/boe)	52.08	51.89
Cash operating costs (USD/boe)	4.27	4.15
EBITDA (MUSD)	382.4	1,071.7
Operating cash flow (MUSD)	389.6	1,095.5
Net result (MUSD)	227.0	431.8

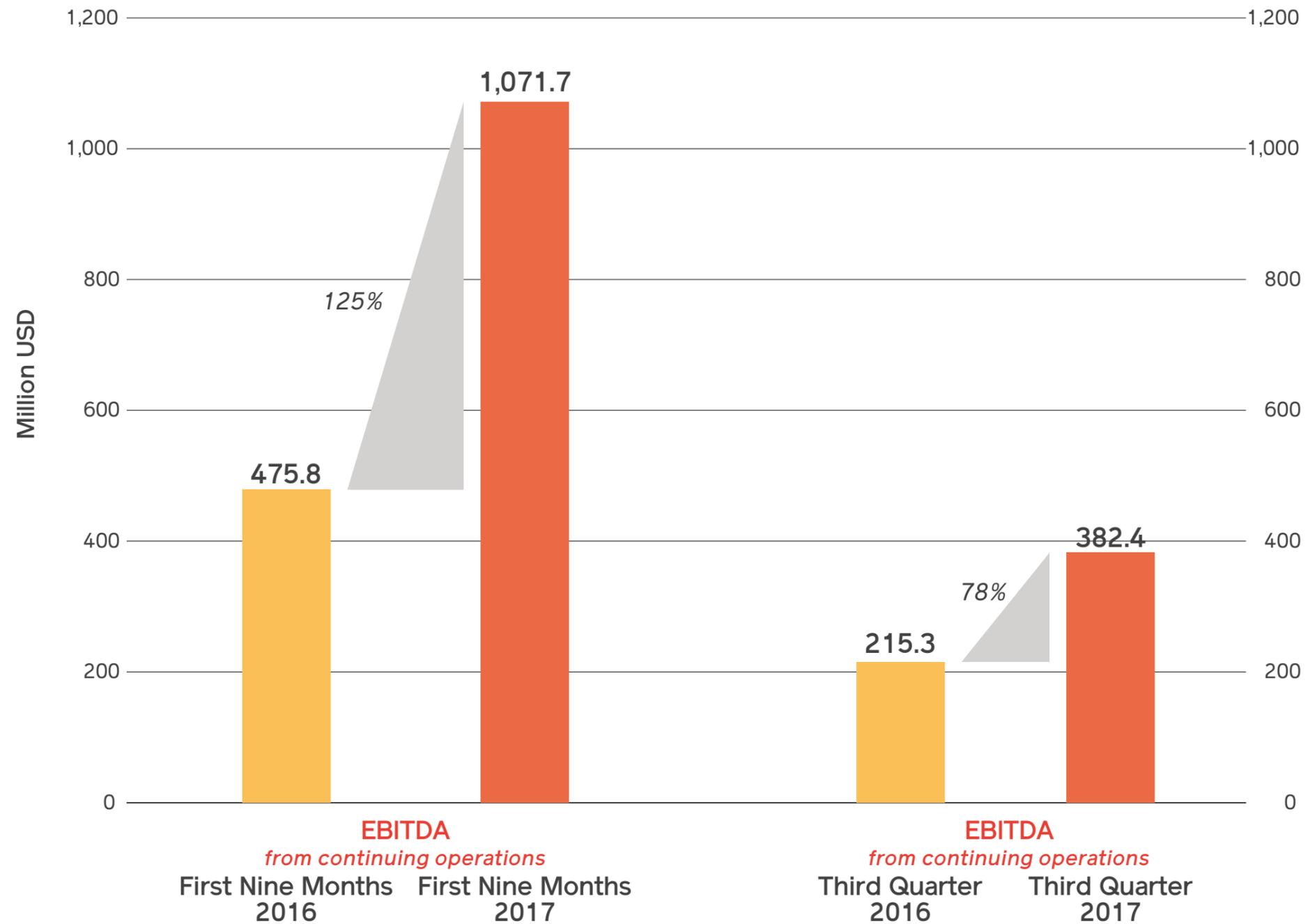
First Nine Months 2017

Operating Cash Flow from Continuing Operations



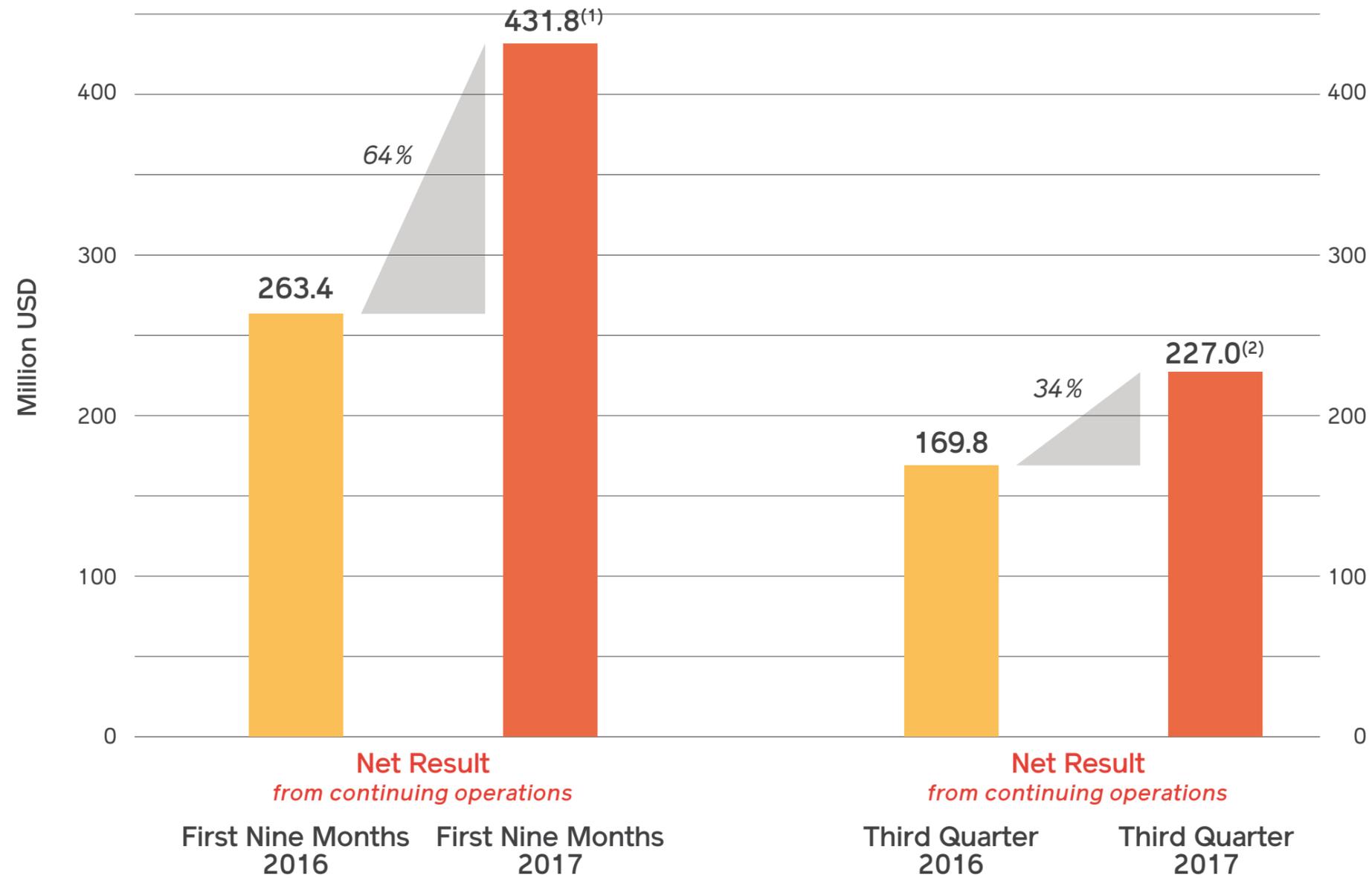
First Nine Months 2017

EBITDA from Continuing Operations



First Nine Months 2017

Net Results from Continuing Operations

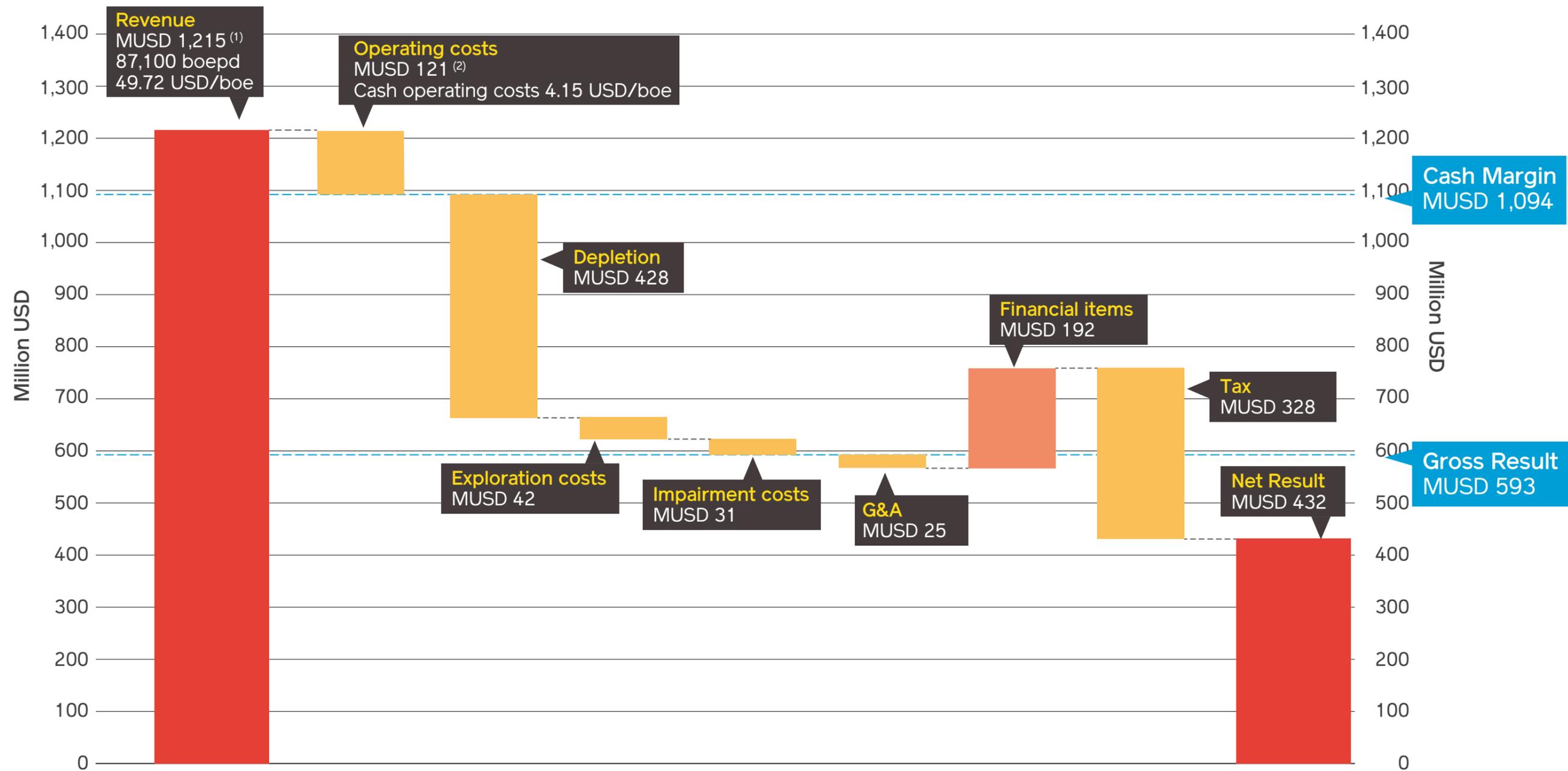


⁽¹⁾ Includes increase in net foreign exchange gain compared to First Nine Months 2016 of MUSD 75.6

⁽²⁾ Includes increase in net foreign exchange gain compared to Third Quarter 2016 of MUSD 46.6

First Nine Months 2017

Financial Results from Continuing Operations



⁽¹⁾ Revenue includes changes in under/overlift positions and excludes revenue from third party activities

⁽²⁾ Operating costs excludes costs relating to third party activities

First Nine Months 2017

Netback (USD/boe) from Continuing Operations

	Third Quarter 2017	First Nine Months 2017
<i>(1) Adjusted for depreciation</i>		
<i>Average Brent oil price USD/boe</i>	52.08	51.89
Revenue	51.57	49.72
Cost of operations - <i>Base</i>	-3.20	-3.26
- <i>Projects</i>	-0.34	-0.29
Tariff & transportation	-0.73	-0.60
Inventory movements	-0.02	0.01
Other	-0.22	-0.32
Cash Margin	47.06	45.26
Cash taxes	-0.03	0.03
Operating Cash Flow	47.03	45.29
General and administration costs ⁽¹⁾	-0.91	-0.97
EBITDA	46.15	44.29

First Nine Months 2017

Exploration and Impairment Costs from Continuing Operations

	First Nine Months 2017 MUSD	First Nine Months 2017 after Tax MUSD
Norway (Mainly PL859 Korp fjell, PL 609 Børselv, PL492 Gohta-3 & PL150B Volund West)	41.1	9.0
Russia	1.1	1.1
Exploration Costs	42.2	10.1
Impairment Costs (Norway PL148 Brynhild ⁽¹⁾)	30.6	6.7

⁽¹⁾ Further loss on closing of the deal to divest 39% of Brynhild to be reported of approximately MUSD 16 after tax

First Nine Months 2017

G&A / Financial Items from Continuing Operations

	Third Quarter 2017 MUSD	First Nine Months 2017 MUSD
General & Administration Expenses		
General & administration	6.9	21.8
Long Term Incentive Plan	1.3	3.1
	8.2	24.9
Net Financial Items		
Foreign exchange gain	185.9	325.1 ⁽¹⁾
Interest expense	-30.1	-88.2 ⁽²⁾
Interest expense hedge	-3.4	-14.4
Loan commitment fees	-2.7	-8.1
Amortisation of loan fees	-4.6	-13.1
Other	-3.2	-9.6
	141.9	191.7

⁽¹⁾ Includes MUSD 2.9 loss on settled currency hedges

⁽²⁾ An additional amount of interest expense of MUSD 44.1 has been capitalised in the reporting period

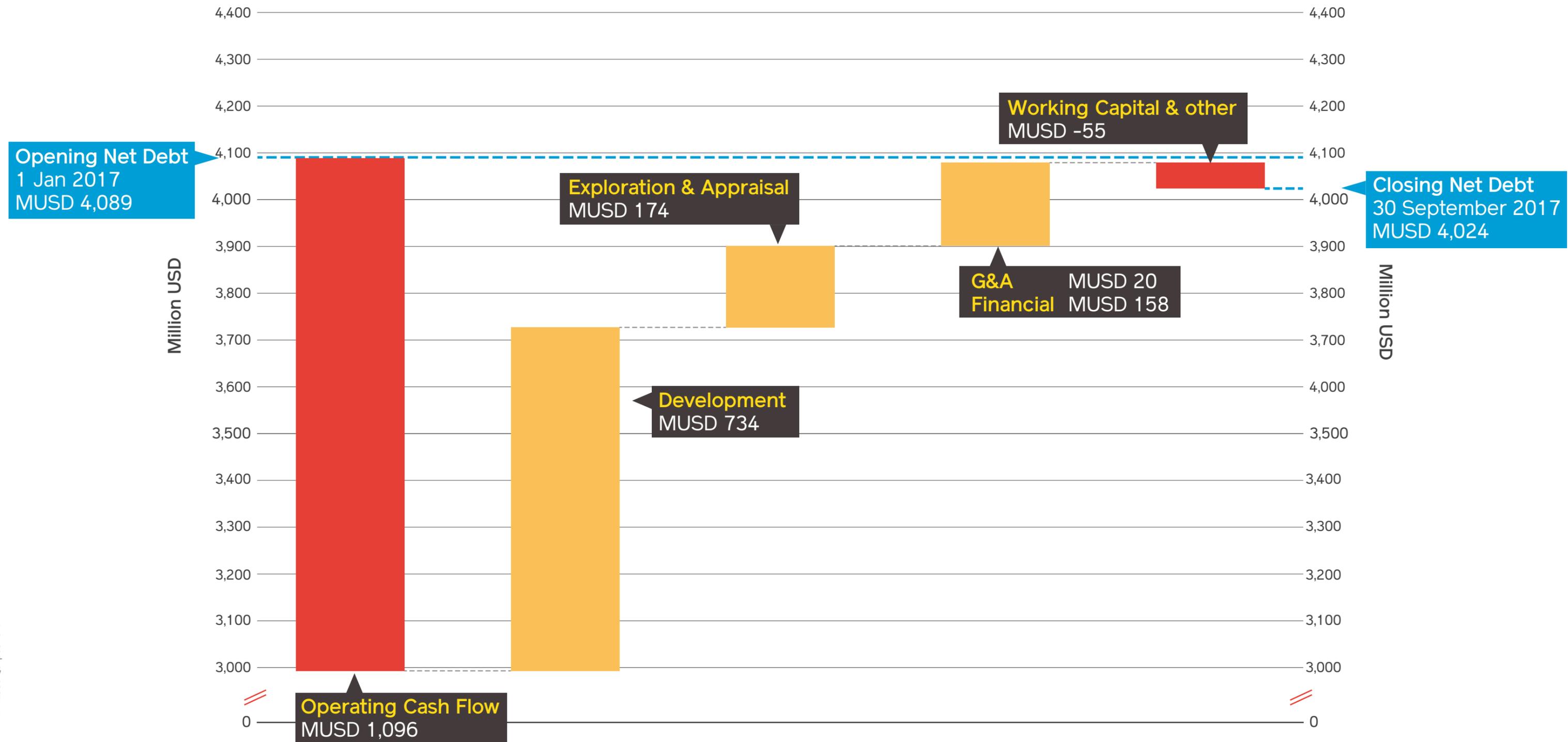
First Nine Months 2017

Tax from Continuing Operations

	<i>USD/boe</i>	Third Quarter 2017	First Nine Months 2017
Current tax		0.03	-0.03
Deferred tax		13.32	13.84
		13.35	13.81

First Nine Months 2017

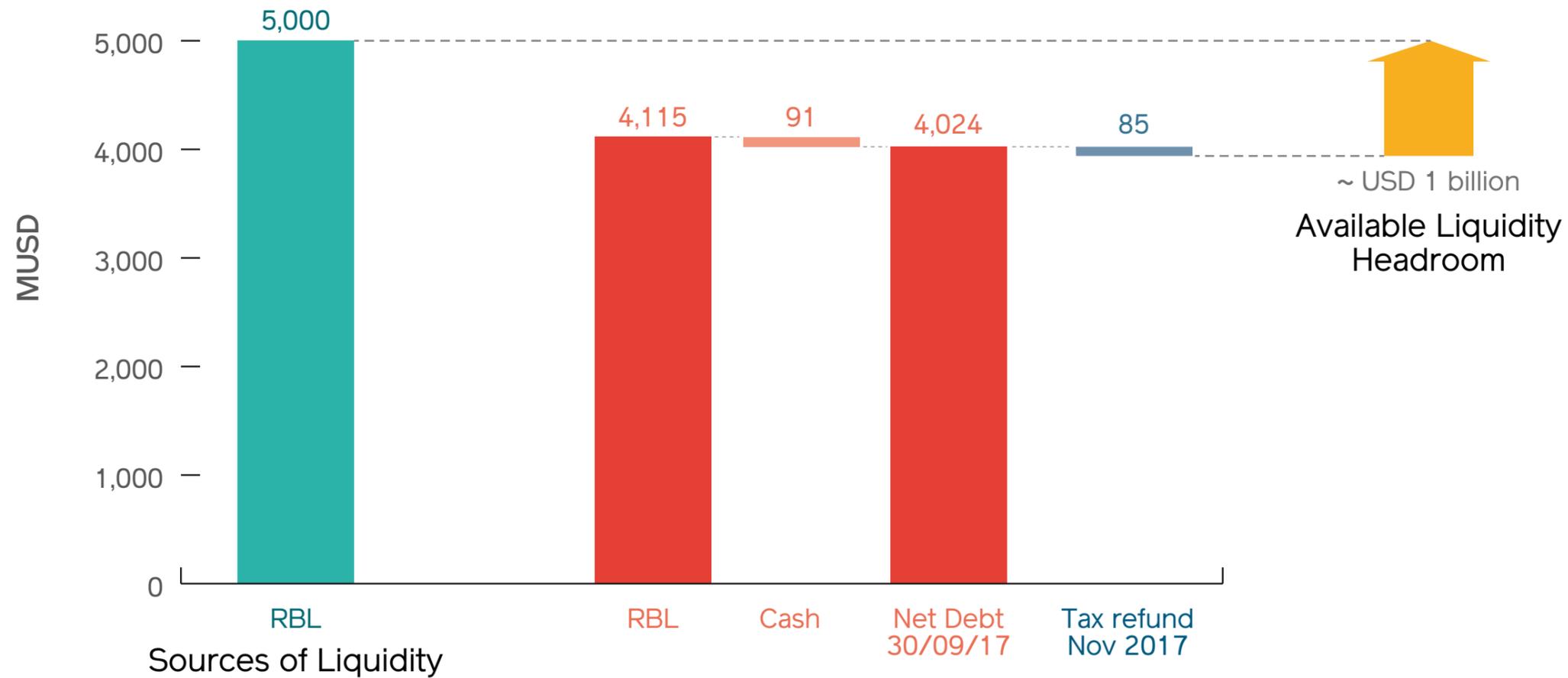
Debt Position from Continuing Operations



2017 Funding

Liquidity and Net Debt

- 7 year USD 5.0 billion RBL secured in February 2016 - fully committed
- Attractive margin: 315 bps
- 5 year grace period (no amortisation until end 2020)



- Fully funded up to Johan Sverdrup first oil at average Brent price of ~40 USD/boe

2017 Guidance Update

	New	Old
Production Guidance (boepd)	≥ 85,000	80–85,000
Cash operating costs (USD/boe)	<4.60	4.60
CAPEX (MUSD)	980	1,085
E&A Expenditure (MUSD)	210	210

Hedges Currency

➔ as at 30 September 2017

	BUY MNOK	SELL MUSD	Average rate NOK : USD
Q4 2017	872.1	105.6	8.26
2018	3,493.0	424.2	8.23
2019	1,672.4	200.4	8.35
	6,037.5	730.2	8.27

➔ Subsequent events

	BUY MNOK	SELL MUSD	Average rate NOK : USD
2020	1,000	130.0	7.69
2021	750	98.3	7.63
2022	500	65.6	7.62
	2,250	293.9	7.65

Hedges

Interest Rates

➤ as at 30 September 2017

	Borrowings MUSD	Floating LIBOR rate per annum
Q4 2017	3,000	1.66%
2018	3,000	1.87%
2019	3,000	1.42%

➤ Subsequent events

	Borrowings MUSD	Floating LIBOR rate per annum
2020	1,750	2.01%
2021	1,000	2.17%
2022	1,000	2.37%

First Nine Months 2017

Summary

- ➔ Record First Nine Months production of 87.1 Mboepd
- ➔ Expect full year at top or exceeding 80-85 Mboepd guidance range
- ➔ Record low First Nine Months operating costs of 4.15 USD/boe
- ➔ Expect full year operating costs below guidance of 4.60 USD/boe
- ➔ Edvard Grieg reservoir outperforming – expect significant reserves increase
- ➔ Johan Sverdrup project 60% complete, key milestones being achieved and costs further reduced
- ➔ Progressing appraisal plans for Alta/Gohta, Luno II and Rolvsnes
- ➔ Exploration drilling – Filicudi success, 2 follow-up wells in 2017/18
- ➔ Building new core exploration areas – Mandal High and Frøya High
- ➔ Strong HSE track record

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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.

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