

Update on fourth quarter 2020 financial results and webcast details for Capital Markets Day presentation on 28 January 2021

Lundin Energy AB (Lundin Energy) will publish its financial report for the fourth quarter 2020 and host its annual Capital Markets Day presentation on Thursday, 28 January 2021. For the fourth quarter 2020, Lundin Energy will expense pre-tax exploration costs of approximately MUSD 58, and recognise a net foreign exchange gain of approximately MUSD 256.

Exploration costs

It is the Company's policy to capitalize costs associated with its exploration activities and when it is determined that a commercial discovery has not been achieved, the associated exploration costs are charged to the income statement. For the fourth quarter of 2020, Lundin Energy will incur pre-tax exploration costs of approximately MUSD 58, which will be charged to the income statement and offset by a tax credit of approximately MUSD 45. The exploration costs are mainly related to the dry wells on the Polmak prospect (PL609/PL1027) and the Spissa prospect (PL960) and relinquished licenses.

Net debt and foreign exchange gain

The net debt position of Lundin Energy at 31 December 2020, amounted to USD 3.9 billion resulting in available liquidity of USD 1.1 billion, within its recently refinanced and cheaper, USD 5.0 billion credit facility. As a result of the refinancing, unamortized capitalized financing fees and loan modification gain were expensed during the fourth quarter.

Lundin Energy will recognise a net foreign exchange gain of approximately MUSD 256 for the fourth quarter of 2020. The Norwegian Krone strengthened against the US Dollar by approximately 10 percent and the Euro strengthened by approximately 5 percent during the fourth quarter of 2020. The foreign exchange gain is largely non-cash and mainly relates to the revaluation of loan balances at the prevailing exchange rates at the balance sheet date.

Change in inventory and under/overlift balances

Lundin Energy recognises income based on its sold volume (sales method). Consequently, changes in inventory and under/overlift balances are reported as an adjustment to cost valued at production cost, including depletion. During the fourth quarter of 2020, Lundin Energy was overlifted by 2.1 Mboepd.

Revenue from the crude oil sales from third parties

Lundin Energy markets its own crude oil production and at times markets crude oil from third parties. For the fourth quarter 2020, revenue from the sale of crude oil from third parties amounted to MUSD 24.9 offset by the purchase of crude oil from third parties of MUSD 24.5, resulting in a gross profit of MUSD 0.4 on third party activities for the fourth quarter 2020.

Fourth Quarter 2020 results and Capital Markets Day 2021

Lundin Energy's financial report for the fourth quarter 2020, will be published on Thursday, 28 January 2021 at 07:30 CET.

Lundin Energy management team will present the financial results for the fourth quarter 2020 and Capital Markets Day presentation by webcast at 14.00 CET on the 28 January 2021. Please follow the event live at www.lundin-Energy.com or dial in using the following telephone numbers with the pin code shown below:

UK/International: +44 2071 928338

Sweden: +46 8 566 184 67

Norway: +47 21 56 30 15

USA: +1 646 741 3167

Access Pin : 6247379

Webcast link: <https://edge.media-server.com/mmc/p/oz7b59c2>

Lundin Energy has grown from an oil and gas exploration company into an experienced Nordic energy developer and operator. We continue to explore new ideas, new concepts and new solutions to maintain our position as an industry leader in production efficiency, sustainability and decarbonisation. (Nasdaq Stockholm: LUNE). For more information, please visit us at www.lundin-energy.com or download our App www.myirapp.com/lundin

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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 Lundin Energy 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 “Risk management” and elsewhere in Lundin Energy’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.