Lundin Petroleum
Capital Markets Day
30 January 2019
Lundin Petroleum 2019 Capital Markets Day

Agenda

1. Value creation - what we’ve achieved and where we’re going
2. Industry leading cost efficient growth - it keeps on getting better
3. Production assets - maximising value for the long-term
4. Johan Sverdrup - the final countdown

--------------------------------Break-------------------------------------

5. Organic growth - delivering on our strategy
6. Financial strength - we can do it all
7. Dividends - material and sustainable
8. Concluding remarks

--------------------------------Q&A--------------------------------------

Who will be presenting today....

Alex Schneiter
President & CEO

Nick Walker
COO

Teitur Poulsen
CFO

Kristin Færøvik
Managing Director
Value creation

what we’ve achieved
and where we’re going
Lundin Petroleum
A Leading European Independent E&P Company

- >9.5 Bn USD Market Cap
- >1 Bn boe Resource base
- >170 Mboepd by 2023 ~20% CAGR growth from 2018
- 1.6 Bn USD Liquidity
- Industry Leading Low Opex ~4 USD/bbl
- Proposed 500 MUSD dividend 2019
- Low Carbon footprint quarter world average

- 2018 Dividend Payment ~153 MUSD
- IPC Spin-off ~410 MUSD
- UK Spin-off ~700 MUSD
- CAGR ~25%

Capital Markets Day 2019
Lundin Petroleum
2018 Highlights

Strong Production
81.1 Mboepd
upper end revised guidance

Low Operating Costs
3.66 USD/boe
12% below original guidance

Record Free Cash Flow
663 MUSD
Proposed 500 MUSD
2019 dividend

Johan Sverdrup
first oil on track for Nov 2019
Phase 1 ~85% complete

Increased Reserves (1)
745 MMboe
Reserve replacement 163%

Growth Opportunities
Successful E&A wells 6 out of 9
7 potential new projects

(1) Proved plus probable reserves
Lundin Petroleum

Key Metrics

Strong track record of organic growth and delivery

2P Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>Net MMboe</th>
<th>Net Mboepd</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>654</td>
<td>21</td>
</tr>
<tr>
<td>2016</td>
<td>714</td>
<td>59</td>
</tr>
<tr>
<td>2017</td>
<td>726</td>
<td>86</td>
</tr>
<tr>
<td>2018</td>
<td>745</td>
<td>81</td>
</tr>
</tbody>
</table>

Production

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 (guidance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/boe</td>
<td>10.7</td>
<td>6.8</td>
<td>4.25</td>
<td>3.66</td>
<td>4.25 (guidance)</td>
</tr>
</tbody>
</table>

Operating Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 (guidance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million USD</td>
<td>550</td>
<td>860</td>
<td>1,530</td>
<td>1,890</td>
<td>1,850</td>
</tr>
</tbody>
</table>

(1) Oil price range 45 to 75 USD/bbl
(2) Proved plus probable reserves
**Organic growth** strategy

- NCS ranks in top 10 worldwide exploration areas\(^{(1)}\)
  - Significant yet to find resources >16 billion barrels\(^{(2)}\)

- Material acreage position - 7 core areas

- Business development - opportunistic strategy

0.7 USD/boe **Lundin Petroleum finding costs**\(^{(3)}\)

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(1) Woodmac  
(2) NPD estimate January 2018  
(3) Post tax
Lundin Petroleum
Portfolio Growth 2018

Licensing Rounds
32 awards

Acquisitions
7 deals

Portfolio
82 exploration licences
~70% increase
Lundin Petroleum
Industry Leading Low Carbon Intensity

Emissions intensity\(^{(1)}\)
kgCO\(_2\)e/boe

20
10
~5
~0.7

World
Norway
Edvard Grieg
Johan Sverdrup

Power from shore 2022

\(^{(1)}\) Sources NOROG/IOGP for world and Norway data (2016 averages). Edvard Grieg’s data is from 2018. All data is in kgCO\(_2\)e/boe (incl. methane). Johan Sverdrup full field estimate data is in kgCO\(_2\)/boe, data updated August 2018

ESG Ratings 2018

- Top 10 ESG in Europe
- Top 5 on human rights globally

- Prime Status
- Outperformer

- AA
- A−
Lundin Petroleum
Safe Operations

Total Recordable Incident Rate (TRIR)\(^{(1)}\)

- **2.7**
- **1.0**

Norway\(^{(2)}\)
Lundin\(^{(3)}\)

**Zero** serious injuries\(^{(3)}\)
**Zero** process safety incidents\(^{(3)}\)
**No** material environmental incidents\(^{(3)}\)

\(^{(1)}\) Per million manhours
\(^{(2)}\) Norway industry average 2017
\(^{(3)}\) 2018
Lundin Petroleum
What to Expect in 2019

Production
75–95 Mboepd

Sustained Low OPEX
4.25 USD/boe

Johan Sverdrup
first oil Nov 2019

4 Project Sanctions
Luno II, Rolvsnes EWT, Edvard Grieg infills, Frosk

Organic Growth
2 appraisal wells
15 exploration wells targeting >750 MMboe (1)

Dividends
Proposed 500 MUSD
Sustainable below 50 USD/boe

(1) Net unrisked resources
Long-term value creation

~4 USD/boe industry leading low OPEX

>170 Mboepd by 2023

Targeting >200 Mboepd + organic growth upside

~1 Bn USD average free cash flow per year \(^{(1)}\)

500 MUSD dividend in 2019

Low Carbon footprint

Sustainable dividends below 50 USD/bbl

\(^{(1)}\) From 2019–2026 at 60 USD/bbl
Industry leading
cost efficient
growth

it keeps on getting better
2018 production of 81.1 Mboepd

→ Upper end of updated guidance of 78—82 Mboepd

→ Reservoir and facilities outperformance

(1) Original guidance 74–82 Mboepd
2019 Production Guidance

- **2019 production guidance**: 75–95 Mboepd
- **Edvard Grieg** – plateau production, no material planned shutdowns
- **Alvheim Area** – decline arrested by new wells
- **Johan Sverdrup** – expected first oil November 2019 (range October 2019 – early 2020)
Lundin Petroleum
Industry Leading Low Operating Costs

- 2018 unit operating cost 12% below original guidance (2)

**Opex (USD/boe)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019 Guidance</th>
<th>2020 Onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UK</strong> (1)</td>
<td>3.66</td>
<td>4.25</td>
<td>3.2–4.2</td>
</tr>
<tr>
<td><strong>Norway</strong> (1) Average</td>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lundin Petroleum</strong></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**Improved Long-term Guidance**

3.2–4.2 USD/boe (4)

(previously 3.9–4.4)

(1) Source WoodMac
(2) Original 2018 guidance 4.15 USD/boe
(3) USD/NOK exchange rate 8.0
(4) 2020 onwards
As per industry standards the reserve replacement ratio is defined as the ratio of reserve additions to production during the year, excluding acquisitions and sales.

Independently audited by ERC Equipoise Ltd (ERCE)

Reserves life index is the ratio of remaining reserves and the current annual production forecast.

(1) 2P Reserves is Proved plus Probable remaining reserves.

(2) Reserves life index is the ratio of remaining reserves and the current annual production forecast.

(3) As per industry standards the reserve replacement ratio is defined as the ratio of reserve additions to production during the year, excluding acquisitions and sales.

(4) Independently audited by ERC Equipoise Ltd (ERCE)
Lundin Petroleum

Track Record of Growing Reserves

5th consecutive year of reserves growth while growing production \( \times 4 \)

Reserve Replacement Ratio (\%) \(^{(1),(2)}\)

- 2014: 133%
- 2015: 6754%
- 2016: 242%
- 2017: 144%
- 2018: 163%

\(^{(1)}\) 2P reserves
\(^{(2)}\) Relates to Lundin Petroleum portfolio in Norway
Lundin Petroleum
Year-end 2018 2C Contingent Resources (net)

<table>
<thead>
<tr>
<th></th>
<th>MMboe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>End 2017</strong></td>
<td>203.4</td>
</tr>
<tr>
<td>+ Discoveries</td>
<td>+4.8</td>
</tr>
<tr>
<td>+ Revisions</td>
<td>+27.5</td>
</tr>
<tr>
<td>+ Acquisitions</td>
<td>+7.9</td>
</tr>
<tr>
<td>- Mature to Reserves</td>
<td>-18.2</td>
</tr>
<tr>
<td><strong>End 2018</strong></td>
<td>225.4</td>
</tr>
</tbody>
</table>

(1) Excludes impact of additional 30% equity from Lime Petroleum transaction
Lundin Petroleum
Year-end 2018 Reserves and Resources Summary (MMboe net)

>1 billion barrels resource base

2C(3) 225
3P(2) 901
2P(1) 745

What to look out for in 2019

Reserve Bookings
· Luno II
· Edvard Grieg upside
· Edvard Grieg infills
· Rolvsnes EWT

Exploration Programme
15 wells targeting
>750 MMboe net unrisked resources

(1) 2P Reserves is Proved plus Probable remaining reserves
(2) 3P Reserves is Proved plus Probable plus Possible remaining reserves
(3) 2C Contingent Resources
Lundin Petroleum
Increased Long-term Production Guidance (Mboepd)

Target
>200 Mboepd
Upsides and New Projects

Increased Production Guidance

<table>
<thead>
<tr>
<th>Mboepd</th>
<th>New</th>
<th>Was</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johan Sverdrup</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1 Plateau</td>
<td>&gt;150</td>
<td>&gt;130</td>
</tr>
<tr>
<td>(2020)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Johan Sverdrup</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Field Plateau</td>
<td>&gt;170</td>
<td>&gt;160</td>
</tr>
<tr>
<td>(2023)</td>
<td></td>
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Committed Projects + Luno II

Growth of ~20% CAGR
Production assets

maximising value for the long-term
Edvard Grieg
Reserves upside and infill opportunities

Tie-backs
Luno II, Rolvsnes/Goddo, Lille Prinsen and exploration opportunities

Greater Edvard Grieg Area – Keeping the Facilities Full
Edvard Grieg
Strong Operating Performance

- Production efficiency: 98% 2018 (96% 2019 assumption)
- Well capacity double available facilities capacity
- Production outlook reflects contractual capacity allocation
  - 90 Mbopd for Edvard Grieg out of 145 Mbopd (2)

2018 Gross Production (Mboepd)

- 2018 Average 98

OPEX 3.95 USD/boe (1)

(1) 2018 actual, includes tariff netting
(2) Excludes gas and NGL’s
Edvard Grieg Reservoir Outperformance

- Plateau extended six months to mid-2020
- Significantly slower build-up of water production than expected
- Recent 4D seismic - water flood front further from producers than anticipated
  → Not reflected in current reservoir models
Edvard Grieg
Infill and Step-out Opportunities

- Infill well campaign planned for 2020
  → Rig contracted — 3 firm slots

- Area exploration opportunities
  → Jorvik/Tellus East (2019)
  → Trolldhaugen/Flis (2020)

<table>
<thead>
<tr>
<th>Infill Programme</th>
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<tbody>
<tr>
<td>Initial 3 wells</td>
</tr>
<tr>
<td>Breakeven oil price</td>
</tr>
<tr>
<td>IRR</td>
</tr>
</tbody>
</table>

(1) Gross unrisked prospective resources
(2) Gross resources
(3) Look forward

(PL338)

Areas evaluated for infill wells
2019 exploration targets
Luno II
Developing Satellites to Edvard Grieg

- **PL359 (Lundin 65% operated)**
  - Aligned equities with Edvard Grieg
    - acquired Equinor 15% interest

- Increased resources 40–100 MMboe gross
  - Appraisal well - high quality sandstones

- Phased subsea tie-back to Edvard Grieg
  - Phase 1 - Segment B Outer Wedge + Segment C

- Phase 2 - upside plus prospectivity
Luno II
Development Project - Phase 1

PDO/sanction
2019 2020 2021
First oil
Facilities contracts awarded

Luno II Phase 1 Development

<table>
<thead>
<tr>
<th>Contingent resources</th>
<th>57 MMboe gross (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development cost</td>
<td>&lt;15 USD/boe</td>
</tr>
<tr>
<td>Breakeven oil price</td>
<td>&lt;30 USD/boe (2)</td>
</tr>
<tr>
<td>IRR</td>
<td>&gt;25% at 60 USD/bbl (2)</td>
</tr>
</tbody>
</table>

(1) Contingent resources - booked as 2P reserves on sanction
(2) Look forward

Synergies with Rolvsnes EWT

Topsides modifications
5 wells
- 3 producers
- 2 water injectors

Phase 1 Development
(Expansion Flexibility)
Rolvsnes/Goddo
Developing Porous/Fractured Basement

- **Strategic acquisition of Lime Petroleum’s interests:**
  - PL338C / E Rolvsnes (Lundin now 80% operated)
  - PL815 Goddo (Lundin now 60% operated)

- **Rolvsnes horizontal appraisal well (2018):**
  - Good productivity — 7,000 bopd
  - Significant connected volume
  - Still need to confirm long-term productivity
  - Rolvsnes resources increased to 14–78 MMboe \(^{(1)}\)
  - De-risks Goddo area

- **Area potential (Rolvsnes+Goddo) >250 MMboe \(^{(1)}\)**

\(^{(1)}\) Gross  \(^{(2)}\) Gross unrisked prospective resources
Phased Approach

- 2018 Rolvsnes horizontal appraisal well and DST - completed
- 2019 Goddo prospect drilling
- 2021 Rolvsnes EWT tied in subsea to Edvard Grieg - sanction Q1 2019
- Phased full field development
Greater Edvard Grieg Area
Extended Plateau Production

- Edvard Grieg/Luno II upsides
- Rolvsnes/Goddo full development
- Exploration

Latest 2P Reserves Plateau revised to mid 2020
Plateau Extension

End Plateau Original PDO

2P reserves
3P reserves
Infill wells
Rolvsnes EWT
Luno II

- Lundin Petroleum Capital Markets Day 2019
Alvheim Area
Continuous Reserves Growth

- Strong reservoir performance
- Portfolio of good infill drilling opportunities
- Frosk area potential >200 MMboe (2)

<table>
<thead>
<tr>
<th>Alvheim Gross Reserves/Resources (MMboe)(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO</td>
</tr>
<tr>
<td>257</td>
</tr>
</tbody>
</table>

PDO
Cumulative Production
Remaining 2P Reserves

As at 31 December 2018
(2) Gross resources
 Alvheim Area
Strong Performance

- Continued strong facilities performance
  → 2018 production efficiency 97%

- Good results from 2017/2018 infill wells
  → 3 wells on line in 2018
  → Largely arrests decline

- 2 wells online in 2019
  → Frosk test producer — via Boyla facilities
  → Volund infill

2018 Net Production (Mboepd)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Production (Mboepd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
</tr>
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</table>

2018 Average: 16.5

OPEX 4.96 USD/boe (1)

(1) 2018 actual
Alvheim Area
Frosk Upside - a New Alvheim?

- PL340 (Lundin 15%) & PL869 (Lundin 20%)
- Frosk oil discovery – 30–60 MMboe\(^{(1)}\)
- Area potential > 200 MMboe\(^{(2)}\)
- Froskelår Main, Froskelår NE and Rumpetroll drilling 2019

\(^{(1)}\) Gross resources
\(^{(2)}\) Gross unrisked prospective resources
Lundin Petroleum
Johan Sverdrup – Key Numbers Improving

GROSS RESOURCES
2.2–3.2 billion boe
(PDO 1.7 – 3.0 billion boe)

PRODUCTION CAPACITY
Phase 1
First oil Nov 2019
440 Mbopd

Full Field
First oil Q4 2022
660 Mbopd

BREAK EVEN PRICE
Full Field
<20 USD/boe

GROSS CAPEX (1)

Phase 1
PDO 123 Bn NOK
Current 86 Bn NOK

Phase 2
PDO 85 Bn NOK (2)
Current 41 Bn NOK

Working Interest – Johan Sverdrup Unit
Equinor
40.0267%
Lundin
22.6000%
Petro
17.3600%
Aker BP
11.5733%
Total
8.4400%

(1) Nominal, fixed currency
(2) Original PDO
Johan Sverdrup
Phase 1 – The Countdown to First Oil

- On track for expected first oil November 2019
- Ramp-up to Phase 1 plateau 440 Mbopd – expected summer 2020
  - Rapid ramp-up of 8 pre-drilled wells
  - Drilling of further 2 to 4 wells required to reach plateau
Johan Sverdrup  
Reservoir Update

- 20 pre-drilled wells completed ahead of schedule
- Gross resource range increased to 2.2–3.2 billion boe
  - Lundin 2P reserves (net): 605 MMboe\(^{(1)}\)
  - Results from pre-drilled wells included
  - Water Alternating Gas (WAG) injection included
- Recovery ambition >70%
  - Permanent reservoir monitoring
  - Infill wells

\(^{(1)}\) Lundin Petroleum year end 2018 proved plus probable reserves estimate
Johan Sverdrup
Phase 2

- Phase 2 PDO submitted, First Oil Q4 2022
- Development progressing on plan
Johan Sverdrup
Driving Production Growth

Full field capacity
660 Mbopd
First oil Q4 2022

Phase 1 capacity
440 Mbopd
First oil Nov 2019
(expected)
Organic growth

delivering on our strategy
Lundin Petroleum
Organic Value Creation through Innovation

- Subsurface expertise
- Cutting-edge technology
- Maximising recovery
- New reservoirs and plays

0.7 USD/boe Lundin Petroleum finding costs (1)

(1) Post tax
Lundin Petroleum
Organic Growth Strategy

- **7 core exploration areas**
- **~70% increase in number of licences from Jan 2018**
- **7 potential new projects**
- **15 exploration wells in 2019**
- **~225 MMboe** (1)
- **>750 MMboe** (2)

---

(1) Net contingent resources
(2) Net unrisked prospective resources
Lundin Petroleum
Renewing and Diversifying the Exploration Portfolio

- Actively managing and expanding the portfolio

- Licensing Rounds
  - APA 2017 – 14 licence awards
  - APA 2018 – record 15 licence awards
  - 24th Round – 3 licence awards

- 7 deals in 2018

- Northern North Sea emerging new core area

82 licences

~70% increase from Jan 2018
Lundin Petroleum
Pipeline of Potential New Projects

7 potential new projects targeting 105–350 MMboe net resources

- **Alta/Gohta**
  - 115–390 MMboe
  - Appraisal project

- **Rolvsnes**
  - 14–78 MMboe
  - Appraisal upside >250 MMboe

- **Frosk**
  - 30–60 MMboe

- **Gekko**
  - 28–52 MMboe

- **Lille Prinsen**
  - 15–35 MMboe
  - Appraisal upside >100 MMboe

- **Edvard Grieg Infills**
  - 10–19 MMboe

- **Luna II**
  - 40–100 MMboe
  - Appraisal upside >250 MMboe

Terminology:
- **Appraisal**: A stage in the oil and gas exploration process where the geological and economic feasibility of a discovery is evaluated.
- **Sanction**: The decision to proceed with the development of a potential field.
- **PDO**: Production, Development, and Operations.
- **First oil**: The point at which the oil begins to flow from the production facility.

Notes:
- **(1)** Operator estimate of gross resources
- **(2)** Net contingent resources plus prospective resources
Lundin Petroleum
Exploration Programme

Norwegian Sea - Drill Out
2 wells in 2019
>200 MMboe

Alvheim Area – Sustain Production
3 wells in 2019
>200 MMboe

Greater Utsira High – Sustain Production
4 wells in 2019
>500 MMboe

Northern North Sea – Building
1 well in 2019
~100 MMboe

Mandal High – Drill Out
1 well in 2019
>500 MMboe

Southern Barents Sea - Drill Out
4 wells in 2019
>1.5 Bn boe

(1) Gross unrisked prospective resources
Southern Barents Sea

Large underexplored area
- ~120 wildcat wells drilled
- 7.3 Bn boe yet to find\(^{(1)}\)

5 significant discoveries to date
- >2.5 Bn boe of commercial resources
- Area producing 500 Mboepd by 2027

Exciting 2019 programme
- 5 E&A wells

\(^{(1)}\) NPD estimate Jan 2018 - yet to find resources

\(^{(2)}\) Lundin estimates of gross unrisked prospective resources

Lundin Norway Licences
- 2018 wells
- 2019 wells
- Lundin Norway Licences

2018 wells

Fields

2019 wells

Lundin Norway Licences

\(^{(1)}\) NPD estimate Jan 2018 - yet to find resources

\(^{(2)}\) Lundin estimates of gross unrisked prospective resources
Lundin Petroleum
At the Forefront of Seismic Innovation

- **Broadband** (Utsira High)
- **Topseis** (Barents Sea & Utsira High)
- Topseis >10x increase in data
Alta/Gohta
Pioneering Karstified Carbonate Reservoirs

- First NCS karstified carbonate reservoir
- Successful extended well test reduces uncertainty
- Resource range 115–390 MMboe\(^{(1)}\)
  Unchanged – EWT & Topseis still being assessed
- Further appraisal 2019
Alta
Successful EWT Reduces Uncertainty

- Produced 18,000 bopd
  - Total volumes 660,000 bbls
  - Limited water/gas

- Excellent reservoir productivity
  - Large connected volume
  - No compartmentalisation

- Proves drilling horizontal well in karstified carbonates

- Updated resources and appraisal plan in 2019
Alta/Gohta Development Options

- Operating environment and cost basis similar to Norwegian Sea
- Development feasibility studies ongoing
  - Re-use/new build options
- New technology solutions
North Sea Exploration
Significant Potential

- Significant remaining prospectivity
  → 4.6 Bn boe yet to find \(^{(2)}\)

- Continue to build position

- New exploration core area
  – Northern North Sea

11 E&A wells

1) Lundin estimates of gross unrisked prospective resources
2) NPD estimates Jan 2018 - yet to find resources
3) Operator estimates of gross resources
Utsira High Area
Significant Remaining Potential

- **2019 E&A programme – 4 wells**
  - Testing >400 MMboe \(^{(1)}\)

- **Lille Prinsen appraisal**
  - 15–35 MMboe \(^{(1)}\)
  - Appraisal upside >100 MMboe \(^{(2)}\)

- **3 exploration wells**
  - JK, Jorvik/Tellus East, Goddo

- **Topseis II test (2018)**

\(^{(1)}\) Gross resources
\(^{(2)}\) Lundin estimates of gross unrisked prospective resources
Lundin Petroleum
2019 Prospective Resources

Net Unrisked Prospective Resources (MMboe)

Targeting

>750 MMboe
Net Unrisked Resources

>150 MMboe
Net Risked Resources

15 Exploration Wells

Q1
Q2
Q3
Q4

2019
Delivering on our Organic Growth Strategy

- Pipeline of new projects
- Significant exploration programme
- Progressing resources to reserves
- Building and diversifying the portfolio
Financial strength
we can do it all
Lundin Petroleum
2018 Financial Highlights

Operating Cash Flow (MUSD)
- 2017: 1,530
- 2018: 1,848

EBITDA (MUSD)
- 2017: 1,501
- 2018: 1,916

Dividend (MUSD)
- 2017: 410
- 2018: 153

Free Cash Flow (MUSD)
- 2017: 204
- 2018: 663

Net Debt (Bn USD)
- YE 2016: 5.4X
- YE 2017: 2.6X
- YE 2018: 1.8X

Net Debt/EBITDA
- YE 2017: 3.9
- YE 2018: 3.4

(1) IPC shares in kind
# Lundin Petroleum

## 2018 CMD Guidance vs Delivery

<table>
<thead>
<tr>
<th></th>
<th>CMD 2018 55 USD/bbl</th>
<th>2018 Actual 71 USD/bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>78 Mboepd</td>
<td>81.1 Mboepd</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1.39 Bn USD</td>
<td>1.92 Bn USD</td>
</tr>
<tr>
<td>Operating Cash flow</td>
<td>1.41 Bn USD</td>
<td>1.85 Bn USD</td>
</tr>
<tr>
<td>Cash OPEX</td>
<td>4.15 USD/boe</td>
<td>3.66 USD/boe</td>
</tr>
<tr>
<td>CAPEX and E&amp;A Spend</td>
<td>1.05 Bn USD</td>
<td>1.01 Bn USD</td>
</tr>
</tbody>
</table>

- ✓: Met the guidance
- ✔: Did not meet the guidance
Lundin Petroleum
2019 Highlights

Dividends
500 MUSD

Operating Cash Flow
1.25–1.8 Bn USD (1)

FCF Breakeven
~55 USD/bbl (2)

CAPEX E&A
1.23 Bn USD

(1) BRET price 45-75 USD/bbl
(2) Pre-dividends
Note: Based on mid point of production guidance
# 2019 Forecast

## Netback (USD/boe)

<table>
<thead>
<tr>
<th>Average Brent oil price USD/boe</th>
<th>45.00</th>
<th>60.00</th>
<th>75.00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Operating Costs (1)</td>
<td>43.96</td>
<td>57.64</td>
<td>71.33</td>
</tr>
<tr>
<td>Other</td>
<td>-4.25</td>
<td>-4.25</td>
<td>-4.25</td>
</tr>
<tr>
<td><strong>Cash Margin Netback</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General &amp; Administration (2)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA Netback</strong></td>
<td>38.69</td>
<td>52.37</td>
<td>66.05</td>
</tr>
<tr>
<td></td>
<td>-0.87</td>
<td>-0.87</td>
<td>-0.87</td>
</tr>
</tbody>
</table>

*Numbers may not add up due to rounding*

---

All netback forecast for 2019 based on mid-point of 2019 production guidance 75–95 Mboepd

(1) Tariff income from Ivar Aasen netted  
(2) Adjusted for depreciation

NOK/USD 8.00
### 2019 Forecast

#### Tax

<table>
<thead>
<tr>
<th>Average Brent oil price USD/boe</th>
<th>45.00</th>
<th>60.00</th>
<th>75.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tax</td>
<td>0.92</td>
<td>-2.04</td>
<td>-9.20</td>
</tr>
<tr>
<td>Total Tax</td>
<td>-15.94</td>
<td>-26.57</td>
<td>-37.19</td>
</tr>
</tbody>
</table>

*Forecast 2019 Numbers may not add up due to rounding*

<table>
<thead>
<tr>
<th>Current Tax due as % of EBITDA</th>
<th>Tax Credit</th>
<th>~4%</th>
<th>~14%</th>
</tr>
</thead>
</table>

*Assumed tax rate of 42% on interest costs in Norway*
## 2019 Forecast

### Operating Cash Flow Netback (USD/boe)

<table>
<thead>
<tr>
<th></th>
<th>Average Brent oil price USD/boe</th>
<th>Forecast 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Cash Margin Netback</td>
<td>39.56</td>
<td>53.24</td>
</tr>
<tr>
<td>Current Tax</td>
<td>0.92</td>
<td>-2.04</td>
</tr>
<tr>
<td>Operating Cash Flow Netback</td>
<td>40.48</td>
<td>51.20</td>
</tr>
</tbody>
</table>

*Numbers may not add up due to rounding*
## 2019 Forecast

**Profit Netback (USD/boe)**

<table>
<thead>
<tr>
<th>Average Brent oil price USD/boe</th>
<th>45.00</th>
<th>60.00</th>
<th>75.00</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Margin Netback</strong></td>
<td>39.56</td>
<td>53.24</td>
<td>66.92</td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>-0.98</td>
<td>-0.98</td>
<td>-0.98</td>
</tr>
<tr>
<td><strong>Financial Items, net</strong></td>
<td>-4.19</td>
<td>-4.00</td>
<td>-3.83</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>19.98</td>
<td>33.85</td>
<td>47.71</td>
</tr>
<tr>
<td><strong>Tax Charge</strong></td>
<td>-15.94</td>
<td>-26.57</td>
<td>-37.19</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>4.04</td>
<td>7.29</td>
<td>10.51</td>
</tr>
<tr>
<td><strong>Tax Rate</strong></td>
<td>80%</td>
<td>78%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Numbers may not add up due to rounding.
Established crude oil marketing department in 2015

Objective to maximise value of Lundin Petroleum’s produced crude

Marketing all of Lundin Petroleum’s crude oil + 3rd party (field partner) crude
  ➔ Grane Blend (Edvard Grieg and Ivar Aasen) - ~25% LUPE
  ➔ Alvheim Blend (Alvheim, Volund and Boyla) - ~17% LUPE
  ➔ Johan Sverdrup also to be marketed - ~23% LUPE
Lundin Petroleum’s crude blend well positioned for IMO 2020

### Alvheim/Grane/JS crude yields comparison vs benchmark crudes

- **Alvheim**
  - API: 34.9
  - %S: 0.17
- **Grane**
  - API: 27.5
  - %S: 0.65
- **JS**
  - API: 27.3
  - %S: 0.82
- **Brent**
  - API: 37.5
  - %S: 0.40
- **Urals**
  - API: 30.9
  - %S: 1.42
- **Arab Medium**
  - API: 30.6
  - %S: 2.45

**Lights (IBP-175)**
- Alvheim: 0%
- Grane: 20%
- JS: 30%
- Brent: 40%
- Urals: 50%
- Arab Medium: 60%

**Distillates (175-360)**
- Alvheim: 10%
- Grane: 20%
- JS: 30%
- Brent: 40%
- Urals: 50%
- Arab Medium: 60%

**Atm Residue (360+)**
- Alvheim: 0%
- Grane: 20%
- JS: 30%
- Brent: 40%
- Urals: 50%
- Arab Medium: 60%
Lundin Petroleum
2019 Development Activity

2019 Budget 930 MUSD

- Utsira High
  - Johan Sverdrup Phase 1
    - Installation/hook-up
    - Start-up
    - Drilling
  - Johan Sverdrup Phase 2
    - Facilities development
  - Edvard Grieg
    - Power from shore
    - Infill drilling
  - Ivar Aasen
    - 2 infill wells
  - Luno II
    - Development
  - Rolvsnes
    - EWT

- Alvheim Area
  - 1 infill well (Volund)
  - Frosk test producer

Note: Includes CAPEX associated with the additional 30% interest in Rolvsnes from Lime Petroleum
Lundin Petroleum
2019 Exploration and Appraisal Activity

2019 Budget 300 MUSD

Exploration ~75%
Appraisal ~25%

15 exploration wells
2 appraisal wells

Note: Includes E&A associated with the additional 20% interest in Goddo from Lime Petroleum
## 2019 Forecast

### Funding and Liquidity (USD/boe)

<table>
<thead>
<tr>
<th></th>
<th>Forecast 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45.00</td>
</tr>
<tr>
<td><strong>Operating Cash Flow Netback</strong></td>
<td></td>
</tr>
<tr>
<td>Average Brent oil price USD/boe</td>
<td>40.48</td>
</tr>
<tr>
<td>Cash General &amp; Administrative / Financial Items</td>
<td>-5.87</td>
</tr>
<tr>
<td><strong>Cash Flow Available for Investment and Dividends</strong></td>
<td><strong>A</strong></td>
</tr>
<tr>
<td></td>
<td>34.60</td>
</tr>
<tr>
<td>Development Capex</td>
<td>-29.98</td>
</tr>
<tr>
<td>Lime Acquisition(^{(1)})</td>
<td>-1.39</td>
</tr>
<tr>
<td><strong>Cash Flow from Investing Activities</strong></td>
<td><strong>B</strong></td>
</tr>
<tr>
<td></td>
<td>-41.03</td>
</tr>
<tr>
<td>Cash Flow available for Dividends</td>
<td><strong>A + B</strong></td>
</tr>
<tr>
<td></td>
<td>-6.43</td>
</tr>
<tr>
<td>Free Cash Flow after Dividends</td>
<td><strong>A + B + C</strong></td>
</tr>
<tr>
<td></td>
<td>-22.54</td>
</tr>
<tr>
<td>Available Liquidity at beginning of 2019</td>
<td>49.48</td>
</tr>
<tr>
<td>Available Liquidity at end of 2019(^{(2)})</td>
<td>26.93</td>
</tr>
</tbody>
</table>

**Development 930 MUSD and E&A 300 MUSD**

\(^{(1)}\) Post-tax excludes contingent payment

\(^{(2)}\) Excludes working capital movement

**Numbers may not add up due to rounding**
USD 5 billion RBL credit facility with 27 Banks

Borrowing Capacity comfortably above the USD 5 billion credit limit

No amortizing until mid-2020 with expiry at end 2022

Margin between 200 – 250 bps; currently paying 225 bps

Available Liquidity of USD 1.6 billion

Net Debt and Liquidity (Bn USD)
CAPEX

CAPEX commitments for 2P + Luno II and Rolvsnes EWT

Million USD

0 100 200 300 400 500 600 700 800 900 1,000

2021 2022 2023 2024 2025 2026

Alvheim Hub Edvard Grieg Area Johan Sverdrup Luno II Other

Other currencies NOK denominated

Total CAPEX from 2020 onwards

Hedged NOK

Nominal with 2% inflation 8 NOK/USD

Lundin Petroleum Capital Markets Day 2019
Tax Value from Historic CAPEX Spend as at 01.01.2019

- CT Historic CAPEX Depr. at 22%
- SPT Historic CAPEX Depr. at 56%
- SPT Uplift Historic CAPEX Depr. at 56%
- SPT Tax Loss Carry Forward
- CT Tax Loss Carry Forward
- Total Tax Value

2 Billion USD\(^{(1)}\)

\(^{(1)}\) 8 NOK/USD
Lundin Petroleum
Tax Depreciation

Special Petroleum Tax

Historic CAPEX incl. Uplift
Future CAPEX incl. Uplift

Corporation Tax

Historic CAPEX
Future CAPEX

Brent price at 60 USD/bbl
2019
2020-22
2023-26

Cash Tax Due as % EBITDA
~4%
~45-55%
~60-65%

Capital Markets Day 2019
Lundin Petroleum
Abandonment Spending

- New facilities
  - Low maintenance Capex
  - Low Opex
  - Low near term Abex

Age of facilities (years) (1)

- NCS Average: 17
- Lundin Average: 5

Time to abandonment (years) (1)

- NCS Average: 15
- Lundin Average: 27

Low Abandonment Cost

Abandonment expenditure up to 2026

~80 MUSD (2)

Mainly relates to Brynhild and Gaupe

(1) Relates to surface facilities currently in service. Data from NPD Wood Mackenzie and Lundin Petroleum
(2) Nominal with 2% inflation
Lundin Petroleum
Free Cash Flow

<table>
<thead>
<tr>
<th>Brent (2)</th>
<th>Average Annual FCF</th>
<th>E&amp;A spend per annum(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 USD/bbl(3)</td>
<td>~1 Billion USD</td>
<td>250 MUSD</td>
</tr>
</tbody>
</table>

Average annual FCF at 75 USD/bbl(3)
~1,250 MUSD (E&A spend 250 MUSD(4))

Average annual FCF at 45 USD/bbl(3)
~700 MUSD (E&A spend 150 MUSD(4))

(1) Free Cash Flow before dividends and excluding working capital movement, except for cash taxes (50/50 in year N and N+1)
(2) Brent 2019 with 2% inflation per annum
(3) 2P Reserves + Luno II + Rolvsnes EWT
(4) Except for 2019 when E&A spend is MUSD 300

~1 Billion USD
Lundin Petroleum

FCF Breakeven

FCF (Pre-Dividend) Breakeven (USD/bbl)

- 2019: ~55
- Average 2020-2022\(^{(1)}\): ~20
- Average 2023-2026\(^{(1)}\): -10

\(^{(1)}\) Assumes E&A spend of 250 MUSD per annum
Lundin Petroleum
Long-term Financial Outlook(1)

2P Reserves + Luno II + Rolvsnes EWT

Average annual FCF
~ 1 Bn USD(2)

Sustainable dividends of
500 MUSD
to grow over time

FCF Breakeven
10–20 USD/bbl

Net debt / EBITDA(2)
End 2019: ~2.3x
2020 onwards: <1x

(1) Up to and including 2026  (2) Brent price at 60 USD/bbl and 250 MUSD of E&A spend per annum
Dividends
material and sustainable
2019 AGM proposal to pay a dividend of **MUSD 500** for financial year 2018

**Dividend Policy**
- Dividend to be paid quarterly and denominated in USD
- Maintain or increase dividends over time in line with the Company’s financial performance
- Dividend to be sustainable at a Brent price below 50 USD/bbl, in context of
  - Affording the Company to continue its organic growth led strategy
  - Affording the Company to continue progressing contingent resources into reserves and production
  - Gradually deleveraging debt and retaining an appropriate liquidity position
Lundin Petroleum in 2019

Production
75–95 Mboepd

Johan Sverdrup
first oil Nov 2019

Organic Growth
2 appraisal wells
15 exploration wells targeting >750 MMboe

Sustained Low OPEX
4.25 USD/boe

4 Project Sanctions
Luno II, Rolvsnes EWT, Edvard Grieg infills, Frosk

Dividends
Proposed 500 MUSD
Sustainable below 50 USD/boe

(1) Net unrisked resources
Long-term value creation

- Targeting >200 Mboepd + organic growth upside
- >170 Mboepd by 2023
- ~4 USD/boe industry leading low OPEX
- ~1 Bn USD average free cash flow per year (1)
- >170 Mboepd by 2023
- Low Carbon footprint

Sustainable dividends below 50 USD/bbl

500 MUSD dividend in 2019

~500 MUSD dividend in 2019

(1) From 2019–2026 at 60 USD/bbl

Sustainable dividends below 50 USD/bbl
Disclaimer

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), productions 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.