



Lundin Energy

2021 Capital Markets Day

28 January 2021



Lundin Energy 2021 Capital Markets Day

Agenda

- 1 Focused value creation**
 - resilience, sustainability, growth
- 2 Delivering growth**
 - world class assets
- 3 Sustaining production**
 - pipeline of new projects
- 4 Delivering future value**
 - organic resource growth

Coffee break

- 5 Accelerating decarbonisation**
 - carbon neutral from 2025
- 6 Financial resilience**
 - increasing shareholder returns
- 7 Concluding remarks**
- 8 Q&A**

Your event
moderator



Ed Westropp
VP Investor Relations

Who will be presenting today....



Nick Walker
President & CEO



Teitur Poulsen
CFO



Daniel Fitzgerald
COO



Zomo Fisher
VP Sustainability



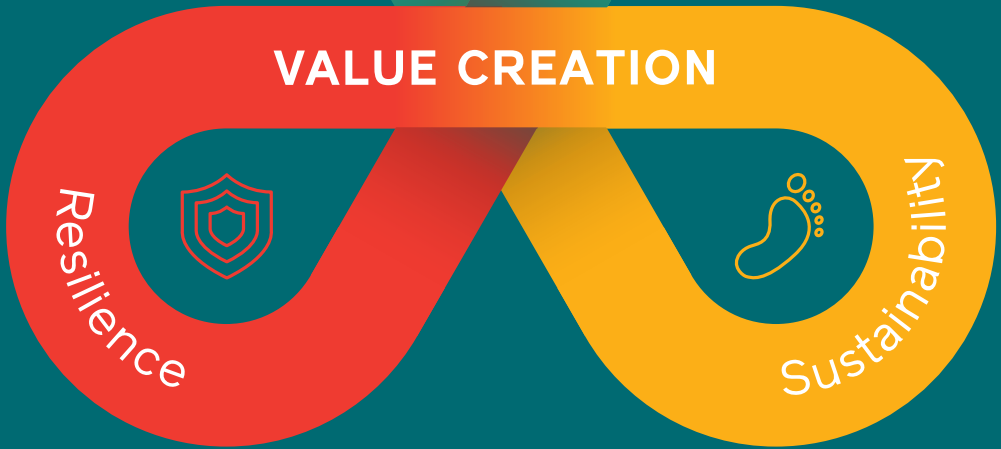
Kristin Færøvik
Managing Director
Norway



Per Øyvind Seljebotn
Exploration & Reservoir
Development Director

Focused value creation

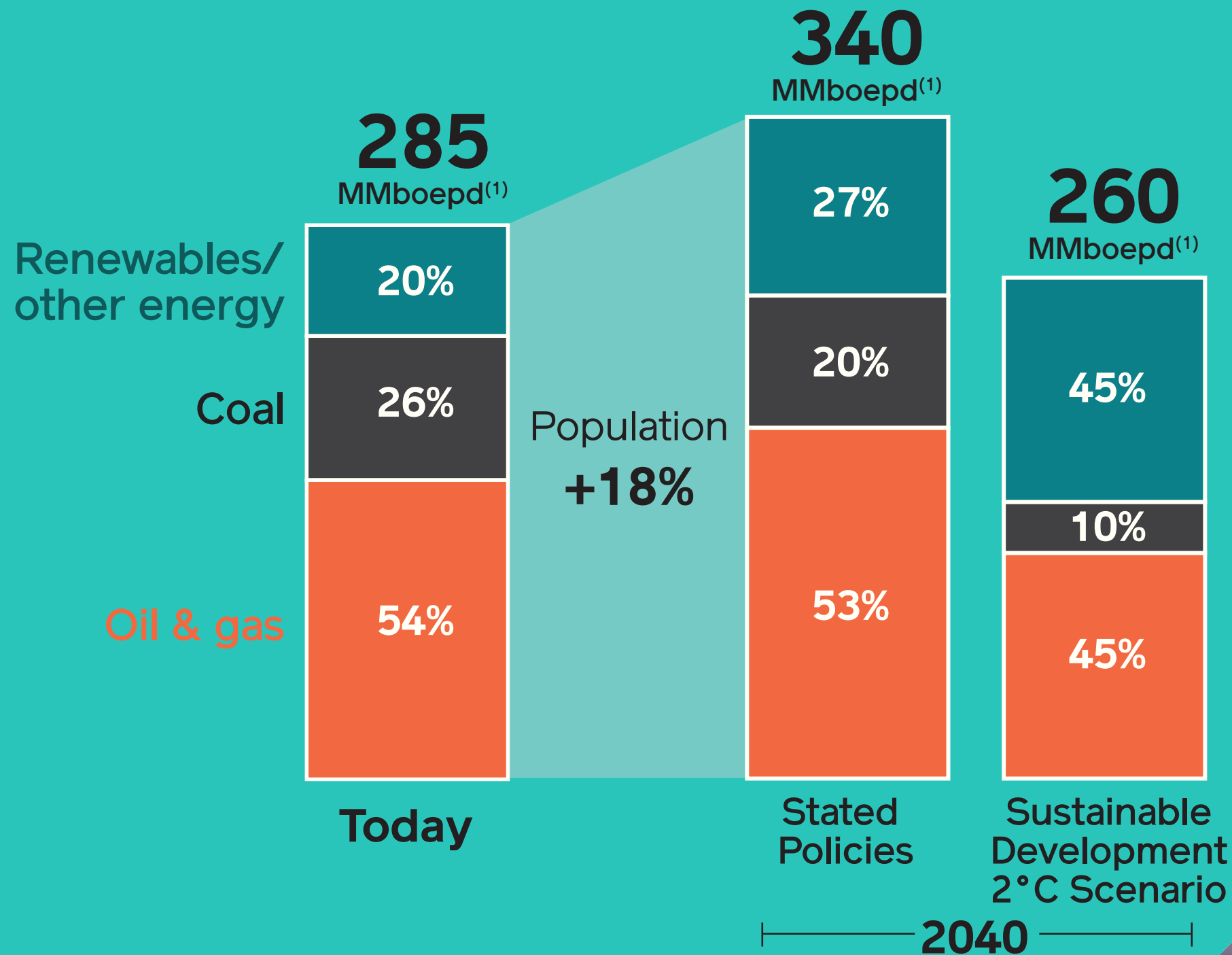
resilience, sustainability, growth



Setting the Scene

The Future of the Energy Transition

World Energy Usage



Oil and gas is an essential element of any future energy scenario

Challenge is decarbonising while meeting demand for low cost energy

⁽¹⁾ Equivalent Energy Usage

Source: IEA World Energy Outlook 2020

Setting the Scene

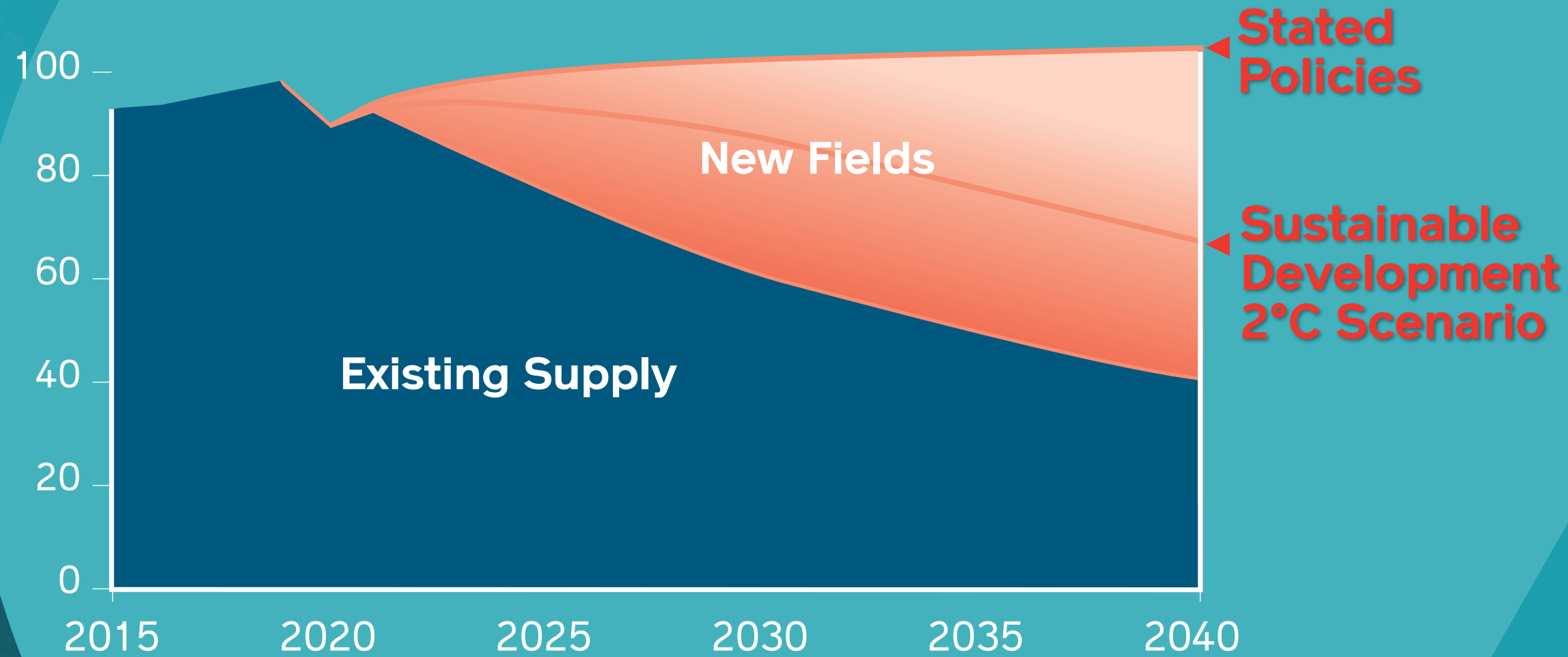
The World will Require Significant New Oil Supplies

Up to **60 MMbbl/d**
new supply
by 2040

Efficient, low cost
and lower carbon
barrels are key

World Oil Supply Outlook

MMbbl/d



Source: IEA World Energy Outlook 2020

Lundin Energy

Consistent Focused Strategy



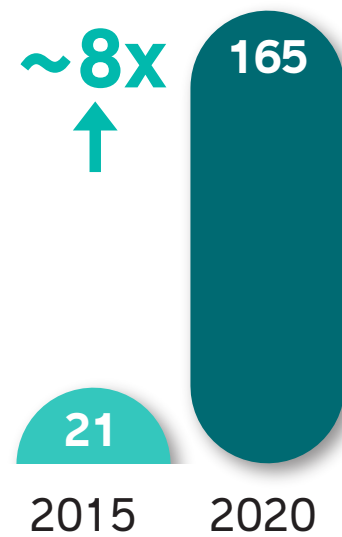
Lundin Energy

Track Record of Delivery and Value Creation

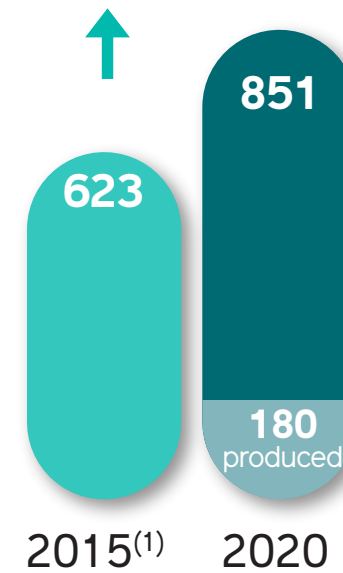
Returns to
shareholders
2010–2020 ⁽²⁾

~4
Bn USD

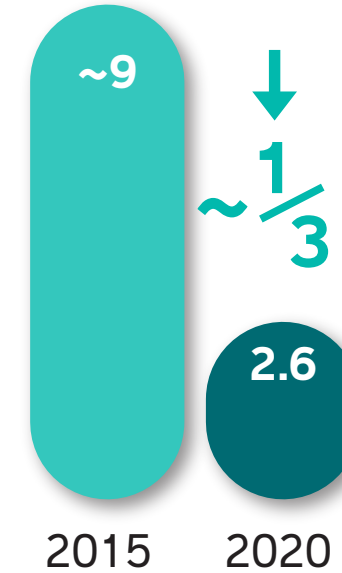
Production (Mboepd)



2P Reserves (MMboe)



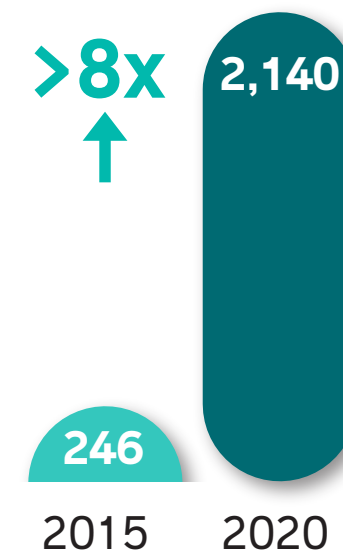
Carbon Emissions (kg CO₂/boe)



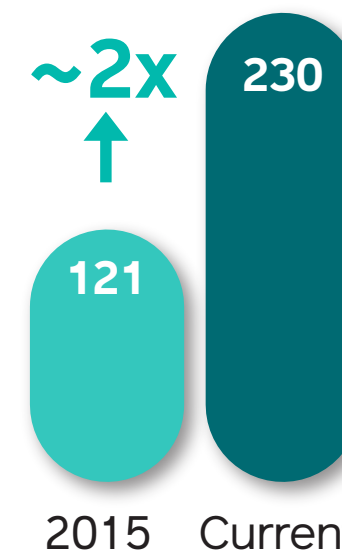
Operating Cost (USD/boe)



EBITDAX (MUSD)



Share Price (SEK/share)



⁽¹⁾ Corrected for asset transactions

⁽²⁾ Includes 2020 proposed dividends

Lundin Energy 2020 Highlights - A Year of Strong Delivery

COVID-19 Crisis
Successfully
continuing operations

Production **165** Mboepd
Top of guidance range⁽²⁾
Q4 record **185** Mboepd

Edvard Grieg reserves increase
to **350** MMboe⁽¹⁾
Further plateau extension

Industry leading
low operating costs
2.7 USD/boe
Better than guidance

Johan Sverdrup capacity increased
Phase 1 to **500** Mbopd
Full field to **720** Mbopd
Phase 2 on track

Strong FCF generation
448 MUSD

Increased resources⁽³⁾
210%
replacement ratio



⁽¹⁾ Gross 2P ultimate recovery ⁽²⁾ CMD guidance

⁽³⁾ 2P reserves + 2C contingent resources replacement ratio including acquisitions

Lundin Energy 2021 – What to Expect

Production

170–190 Mboepd

Johan Sverdrup

Phase 1 capacity up to **535** Mbopd
Phase 2 – installations

Sustained Low Opex

3 USD/boe

3 Project Start-ups

Solveig Phase 1, Rolvsnes EWT,
Edvard Greig infills

Dividends

Proposed **1.8** USD/share

80% increase

Growth

9 potential new projects
~200 MMboe ⁽¹⁾

7 E&A wells targeting ⁽²⁾
>300 MMboe ^(2,3)

**Accelerating
Decarbonisation
Strategy ⁽⁴⁾**

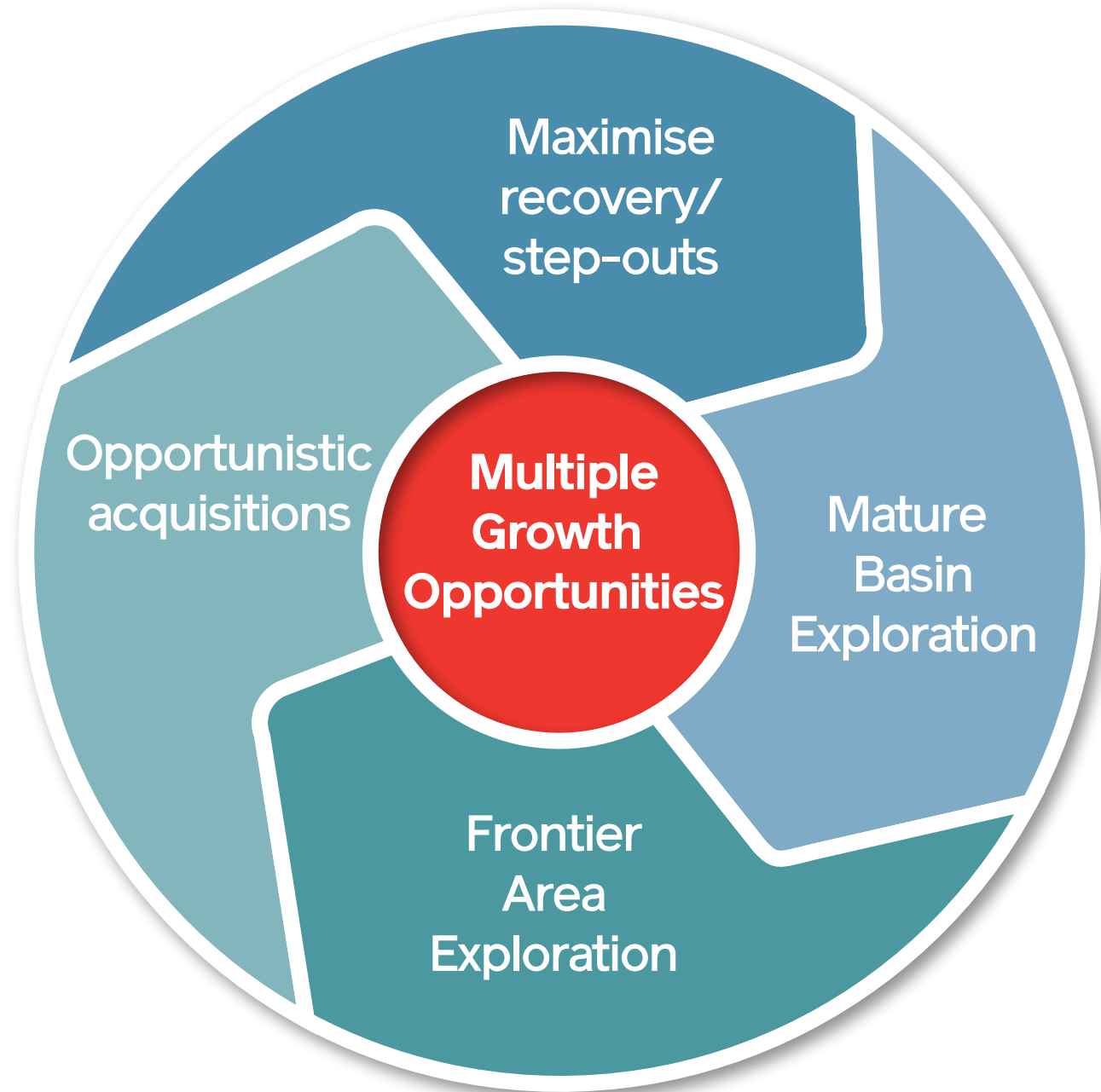
⁽¹⁾ Net resources

⁽²⁾ Excludes Bask

⁽³⁾ Net unrisks resources

⁽⁴⁾ Operational emissions

Lundin Energy Growth Strategy



- Norway Pure Play
- 7 Core Areas
- 101 Licences (>20% increase⁽²⁾)

Southern Barents Sea

- Norwegian Sea
- Northern North Sea
- Alvheim Area
- Utsira High Area
- Sele High
- Southern North Sea

Lundin prospective resources⁽¹⁾

~3 Bn boe

⁽¹⁾ Net unrisked prospective resources

⁽²⁾ Since beginning of 2020

Lundin Energy

Delivering on our Growth Strategy

World class assets delivering growth

Facilities and reservoir outperformance
4 projects underway

Sustaining production

9 potential new projects targeting **~200** MMboe⁽¹⁾ accelerated by tax incentives

Delivering future growth

2021 E&A programme
7 wells targeting **>300** MMboe⁽²⁾

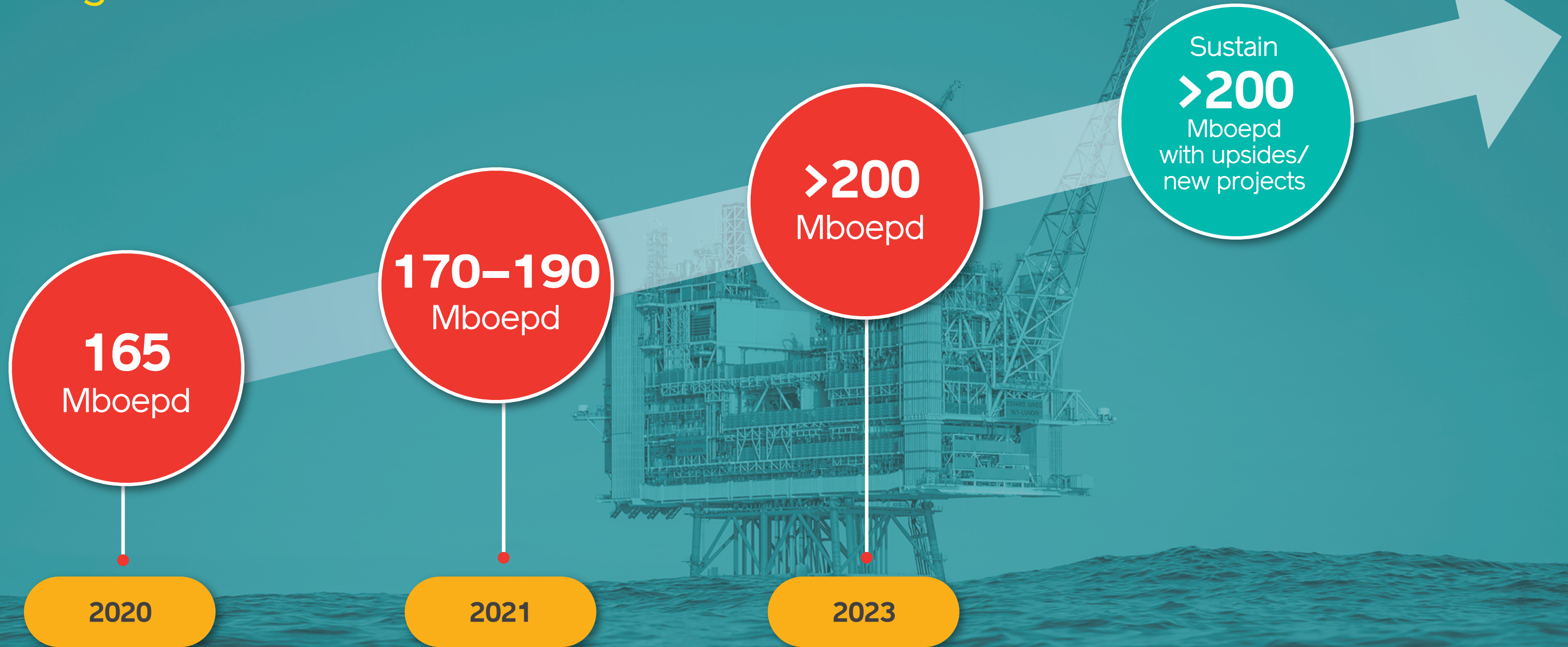
Increased resources 2016–2020

150%⁽³⁾
replacement ratio

⁽¹⁾ Net resources ⁽²⁾ Net unrisksed resources

⁽³⁾ 2P reserves + 2C contingent resources, includes asset transactions

Lundin Energy Long-term Production Growth



>8X increase from 2015

Lundin Energy Financial Resilience

2021–2026

Net Debt/EBITDAX

<1.5x⁽³⁾



Average FCF Breakeven⁽¹⁾

~10 USD/boe 2P

~15 USD/boe 2P + 2C

Free Cash Flow

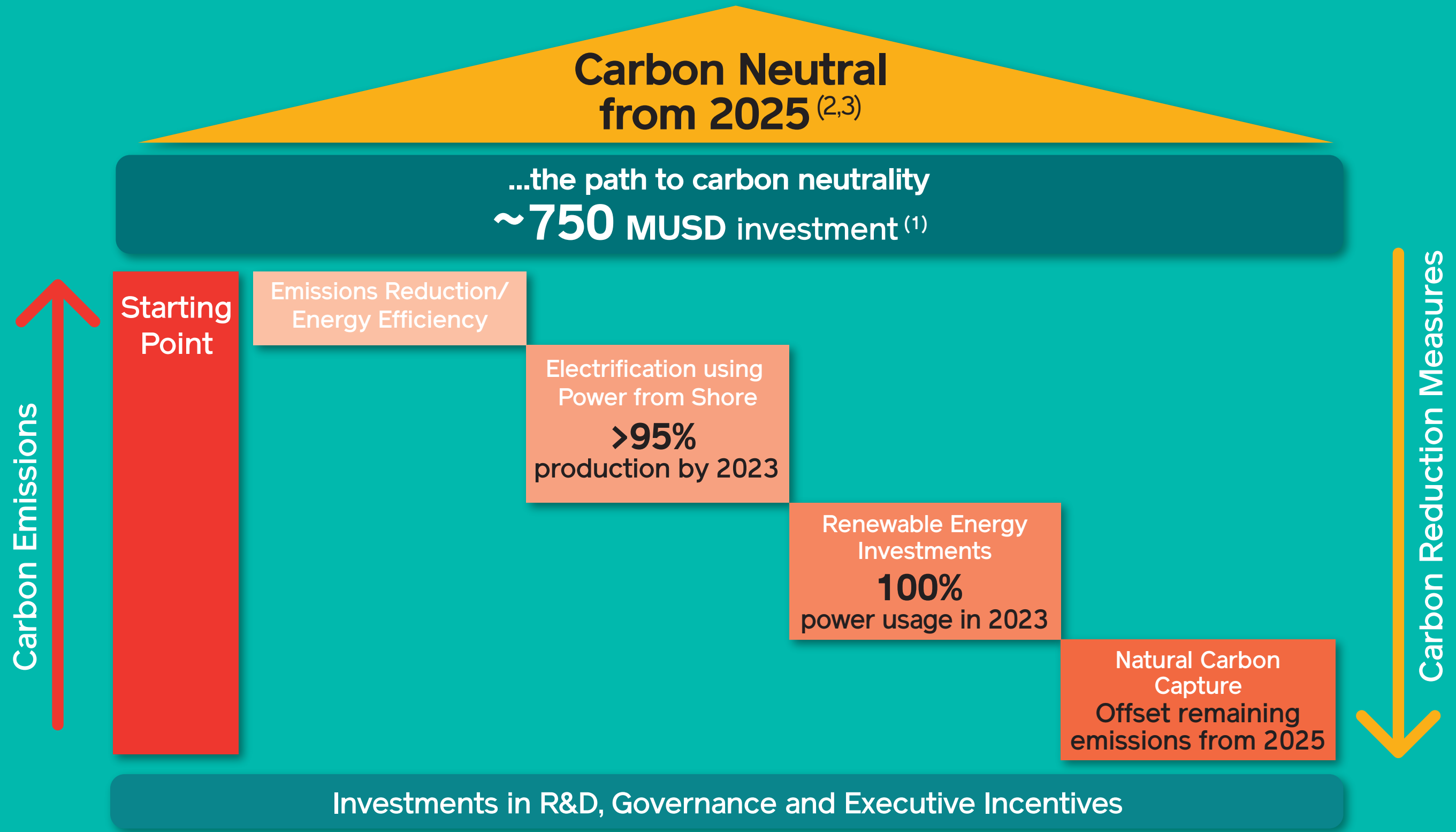
4–6 Bn USD⁽²⁾

Nominal figures

(1) Pre-dividends

(2) Pre-dividends. Dated Brent 40–60 USD/bbl in 2021 and 45–65 from 2022 onwards (real 2021)

(3) Dated Brent 50 USD/bbl in 2021 and 55 from 2022 onwards (real 2021)



⁽¹⁾ 55% spent to date

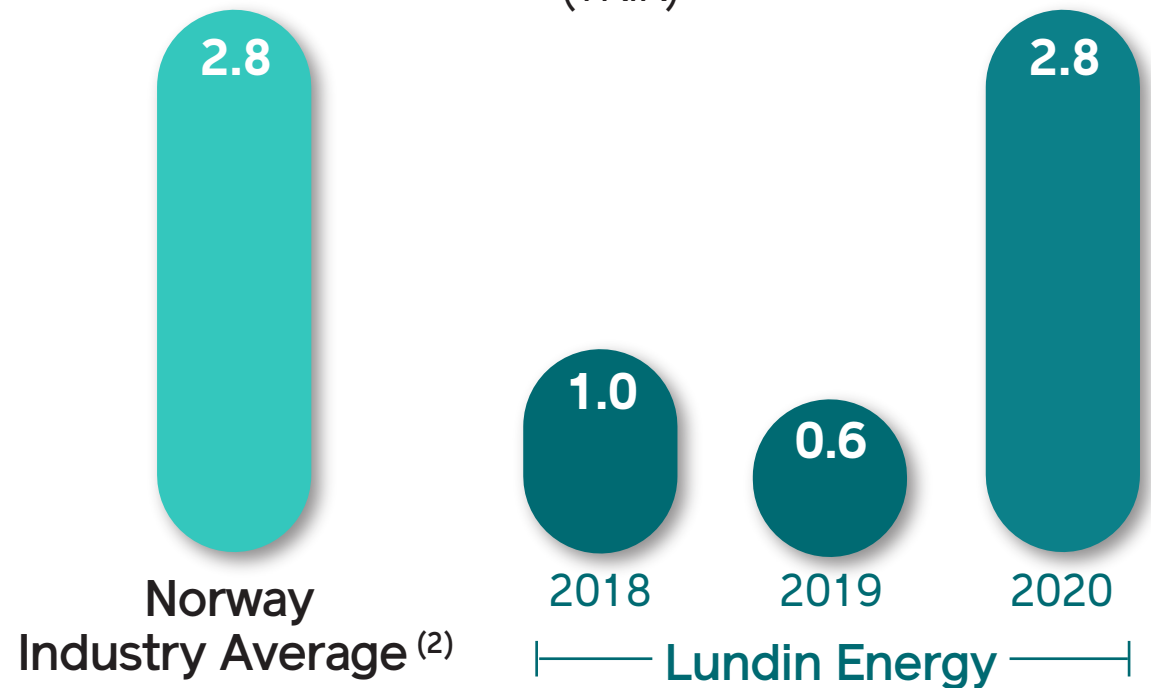
⁽²⁾ Operational emissions

⁽³⁾ Previous guidance 2030

Lundin Energy Responsible Operations

Safety

Total Recordable Incident Rate (TRIR) ⁽¹⁾



Serious injury ⁽³⁾



Process safety incidents ⁽³⁾



Material environmental incidents ⁽³⁾

⁽¹⁾ Per million man hours

⁽²⁾ 2019 average

⁽³⁾ 2020

Top Quartile ESG Ratings 2020



Top 5% in the Industry



AA



Top 3 Industry Leader



Now a Part of S&P Global

Ranked 5th on Environment



Prime Status



DISCLOSURE INSIGHT ACTION

A-

Lundin Energy

Focused Value Creation

Growth

Production
>200
Mboepd by 2023

Sustain with
upsides and
new projects

Resilience

Long-term Opex
3–4
USD/boe

Industry leading
low operating
costs

Average
FCF breakeven
~10 USD/bbl ⁽¹⁾

FCF 2021–2026
4–6 Bn USD ⁽²⁾

Sustainable Dividend
1.8 USD/share in 2021
80% increase

Sustainability

Carbon Neutral
2025

Safe and
Responsible
operations

Nominal figures

⁽¹⁾ Pre-dividend, 2P reserves, 2021–2026

⁽²⁾ Pre-dividend, Dated Brent 40–60 USD/bbl in 2021 and 45–65 from 2022 onwards (real 2021)

Delivering growth

world class assets

Growing to over
200 Mboepd



Lundin Energy

Looking Forward - 2021 and Beyond

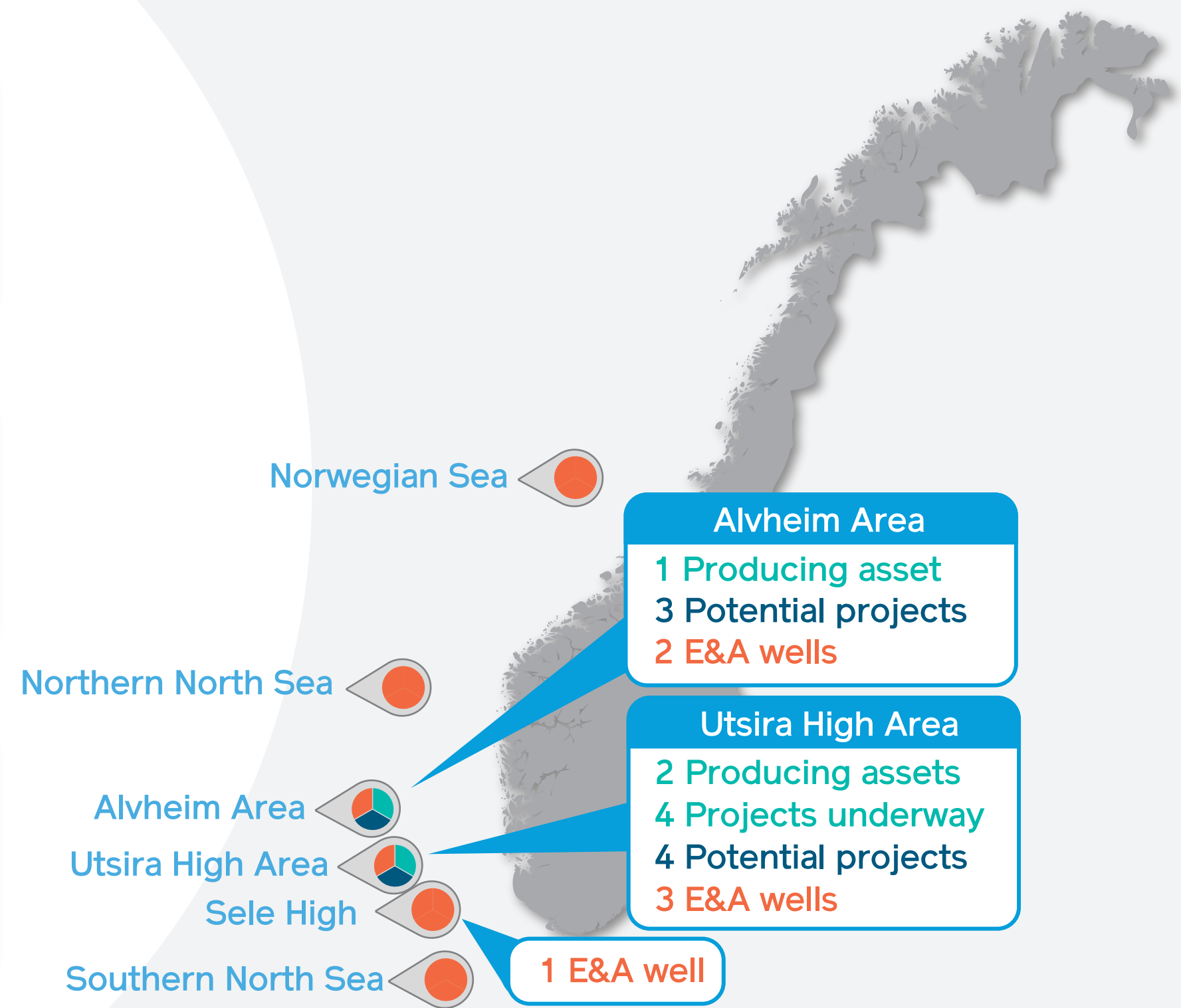
2 Potential projects
1 E&A well

Southern Barents Sea

Delivering Growth
 >200 Mboepd⁽¹⁾ by 2023
 4 projects underway

Sustaining Production
 9 potential projects
 Adding ~200 MMboe⁽²⁾ and up to 30 Mboepd⁽¹⁾

Delivering Future Value
 Targeting >300 MMboe⁽³⁾ in 2021
 Platform for future growth



⁽¹⁾ Net ⁽²⁾ Net resources

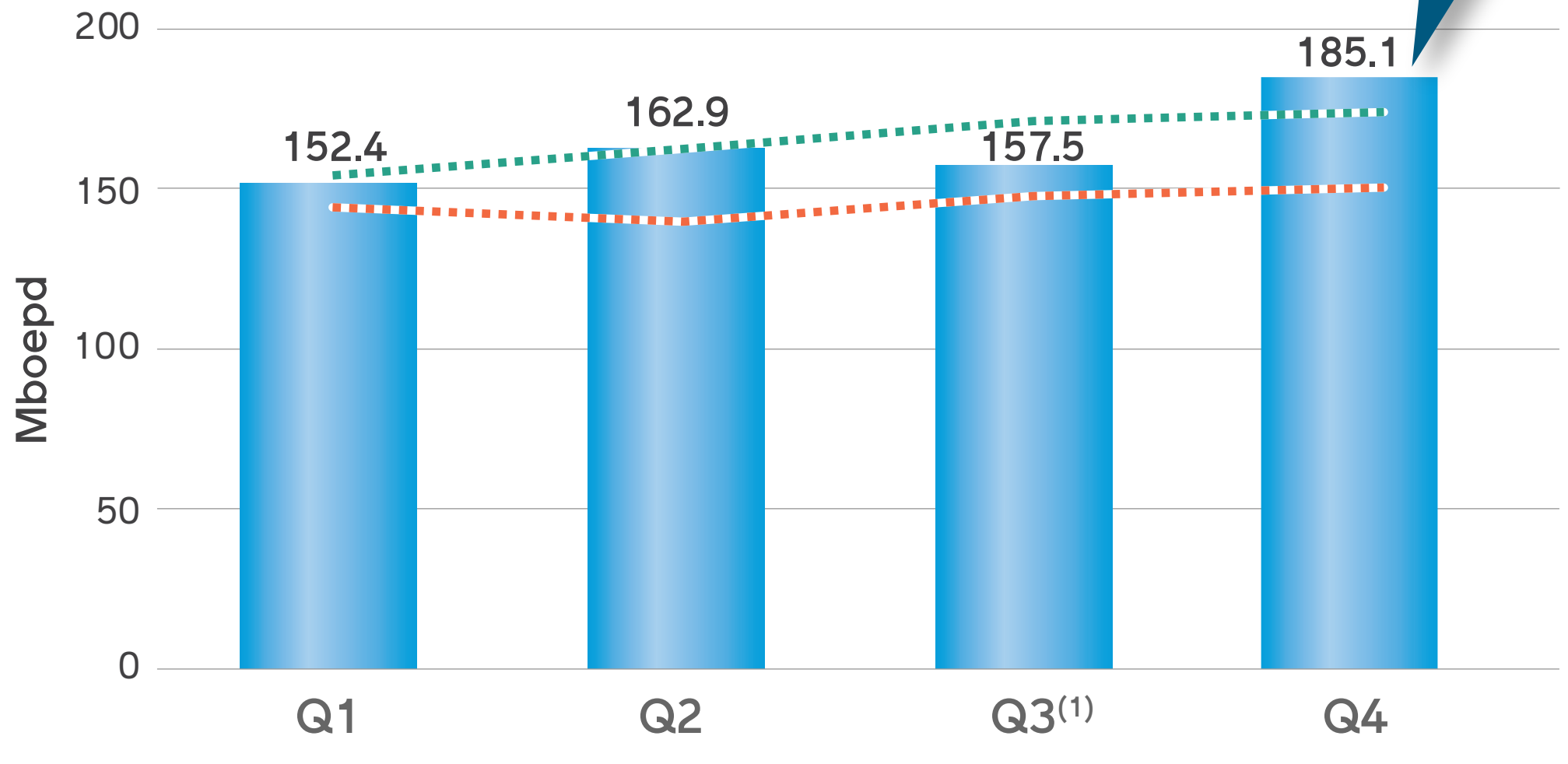
⁽³⁾ Net, unrisked prospective resources

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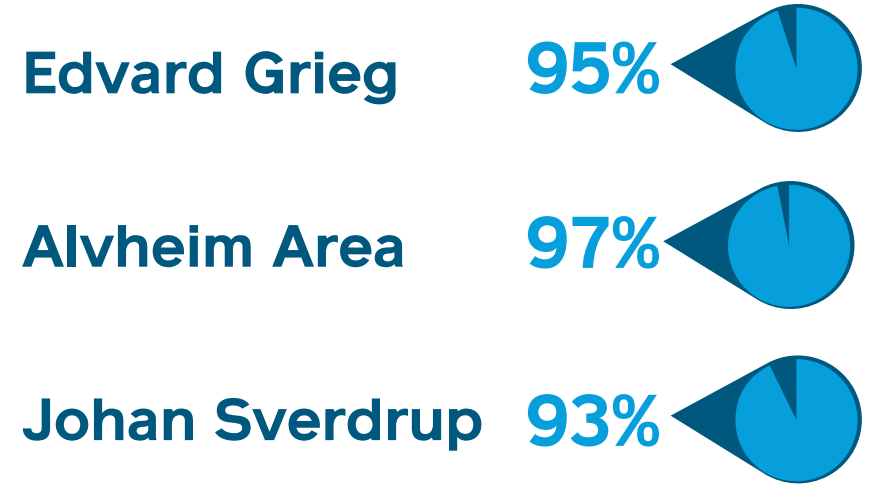
Lundin Energy 2020 Production

Full year production **165** Mboepd
Upper end of original guidance range

Record Quarterly Production
185 Mboepd



Production Efficiency



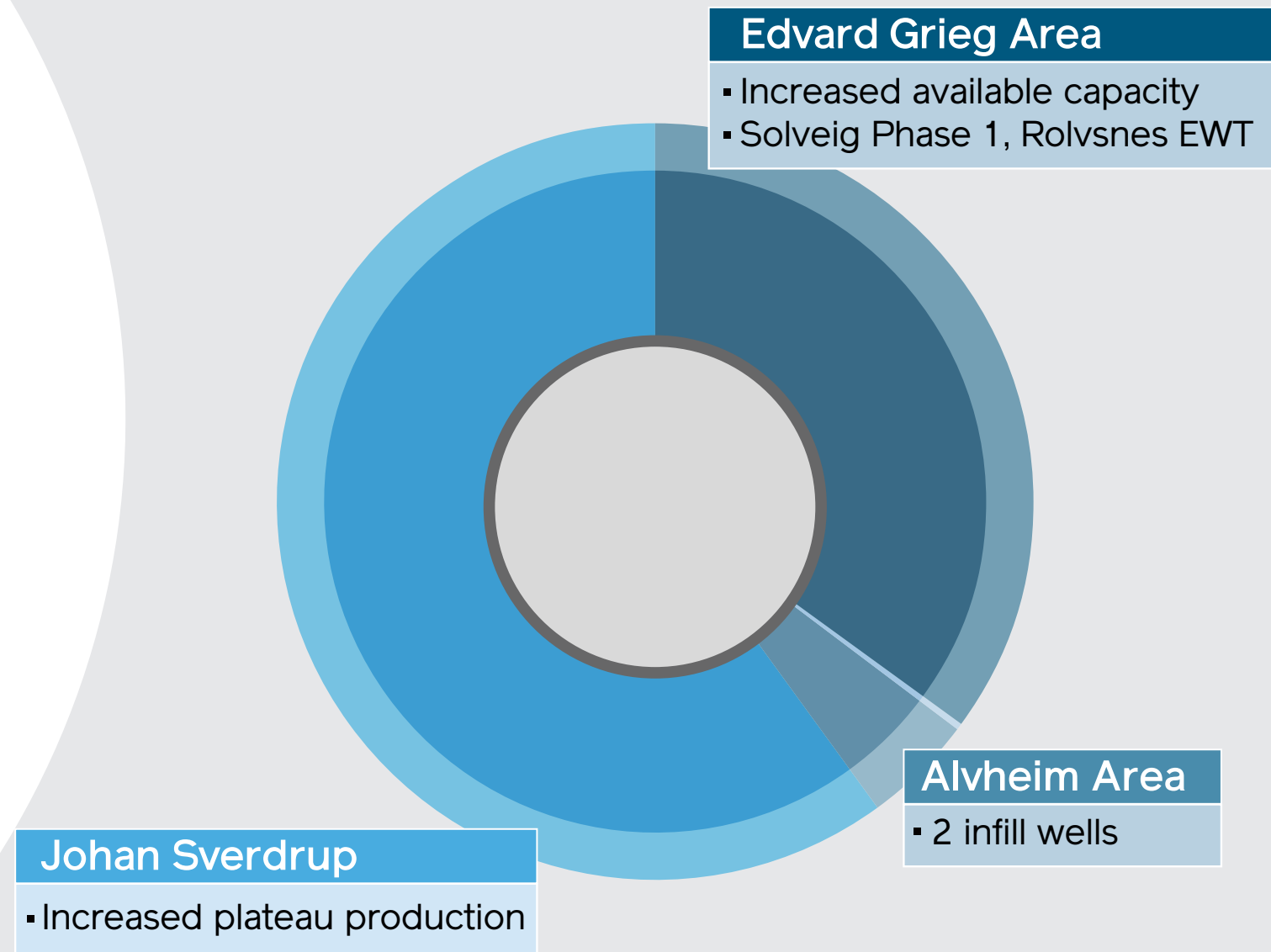
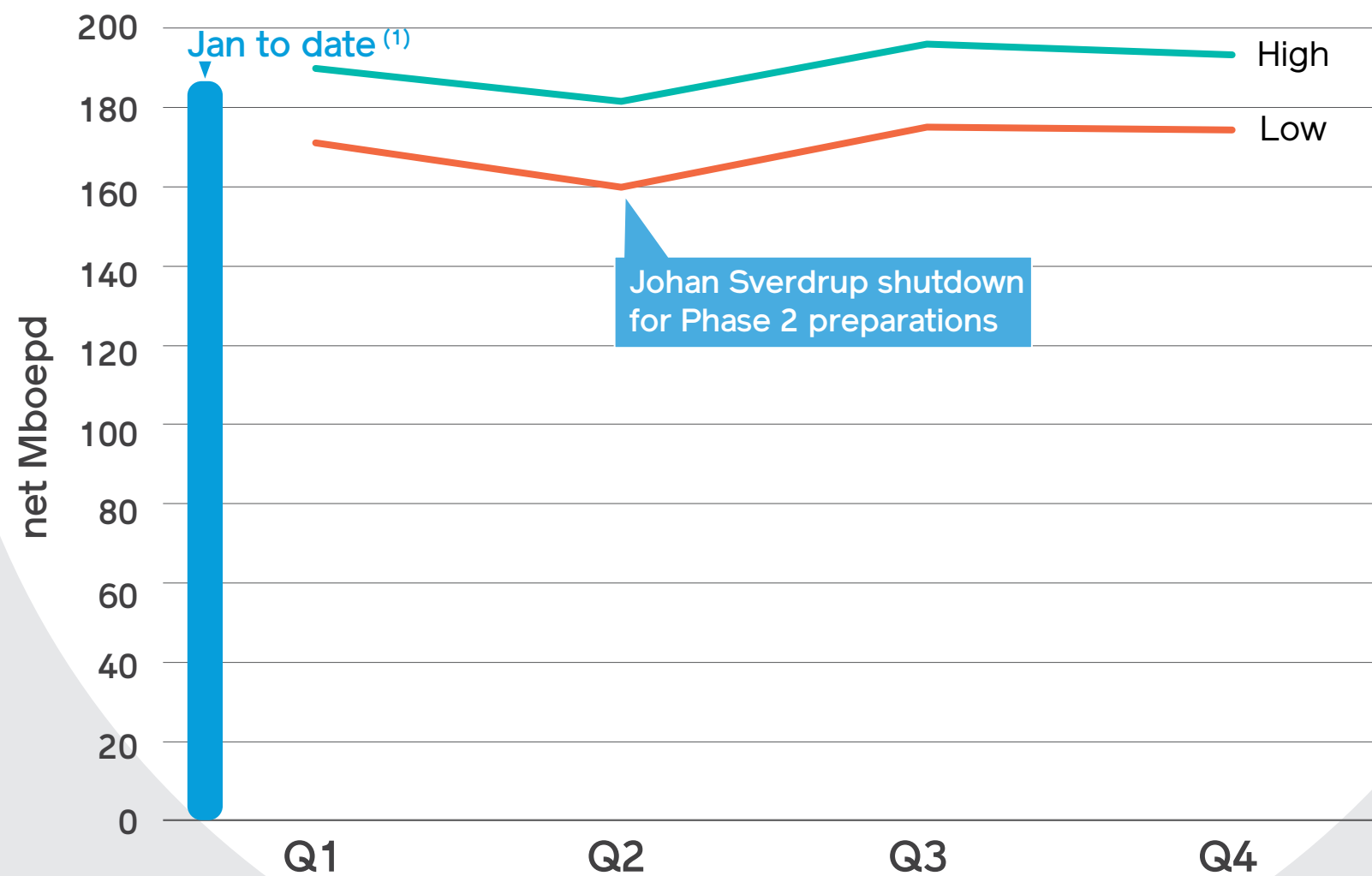
Original guidance range
..... High
..... Low

Delivering guidance or better for **22** quarters running

⁽¹⁾ Impacted by Government imposed production restrictions

Lundin Energy 2021 Production Guidance

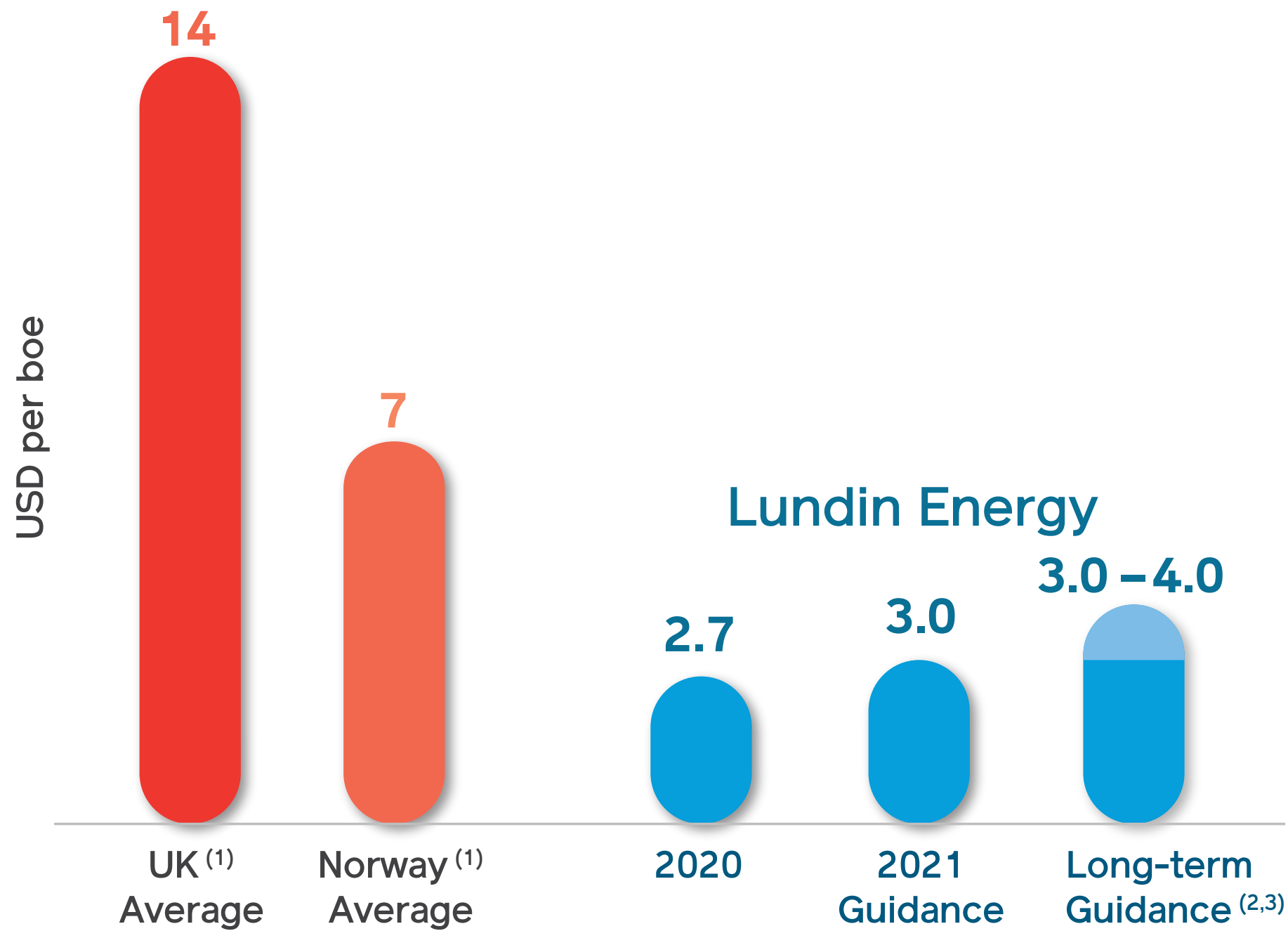
170–190 Mboepd



(1) to 20 January

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Lundin Energy Industry Leading Low Operating Costs

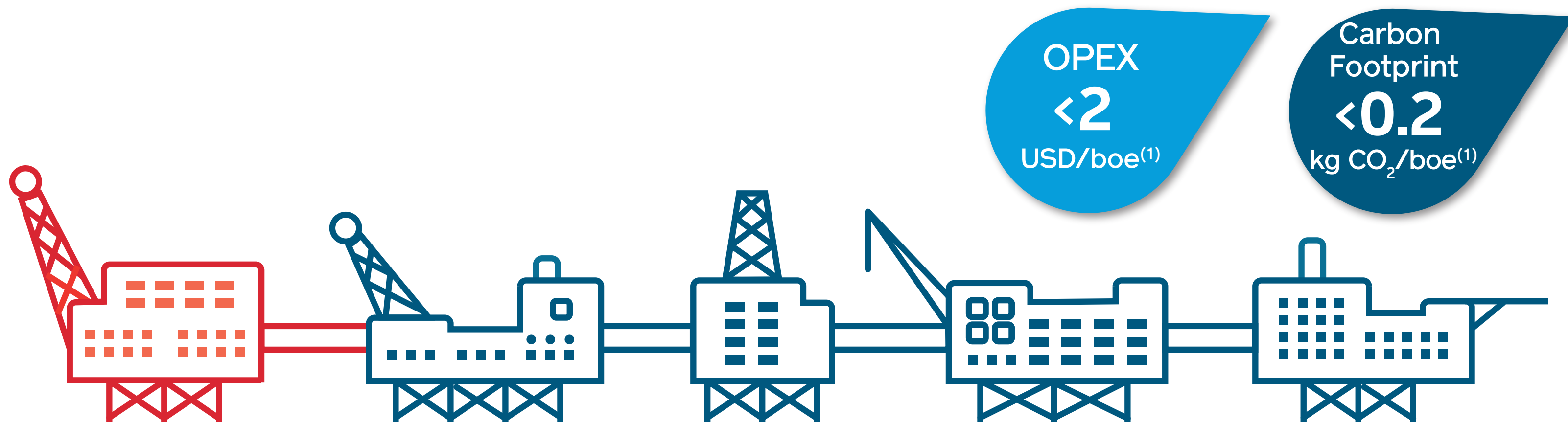


⁽¹⁾ Source: WoodMac estimate for 2020

⁽²⁾ to end Johan Sverdrup full field plateau

⁽³⁾ Previous guidance 3.2-4.2 USD/boe 2020 onwards

Johan Sverdrup In a League of its Own



PHASE 2 ON TRACK

Capex
41 Bn NOK

First Oil
Q4 2022

GROSS RESERVES

↑ **2.2–3.2** billion boe
(PDO 1.7 – 3.0 billion boe)

PRODUCTION CAPACITY INCREASED

Phase 1
500–535 Mbopd

Full Field
720 Mbopd

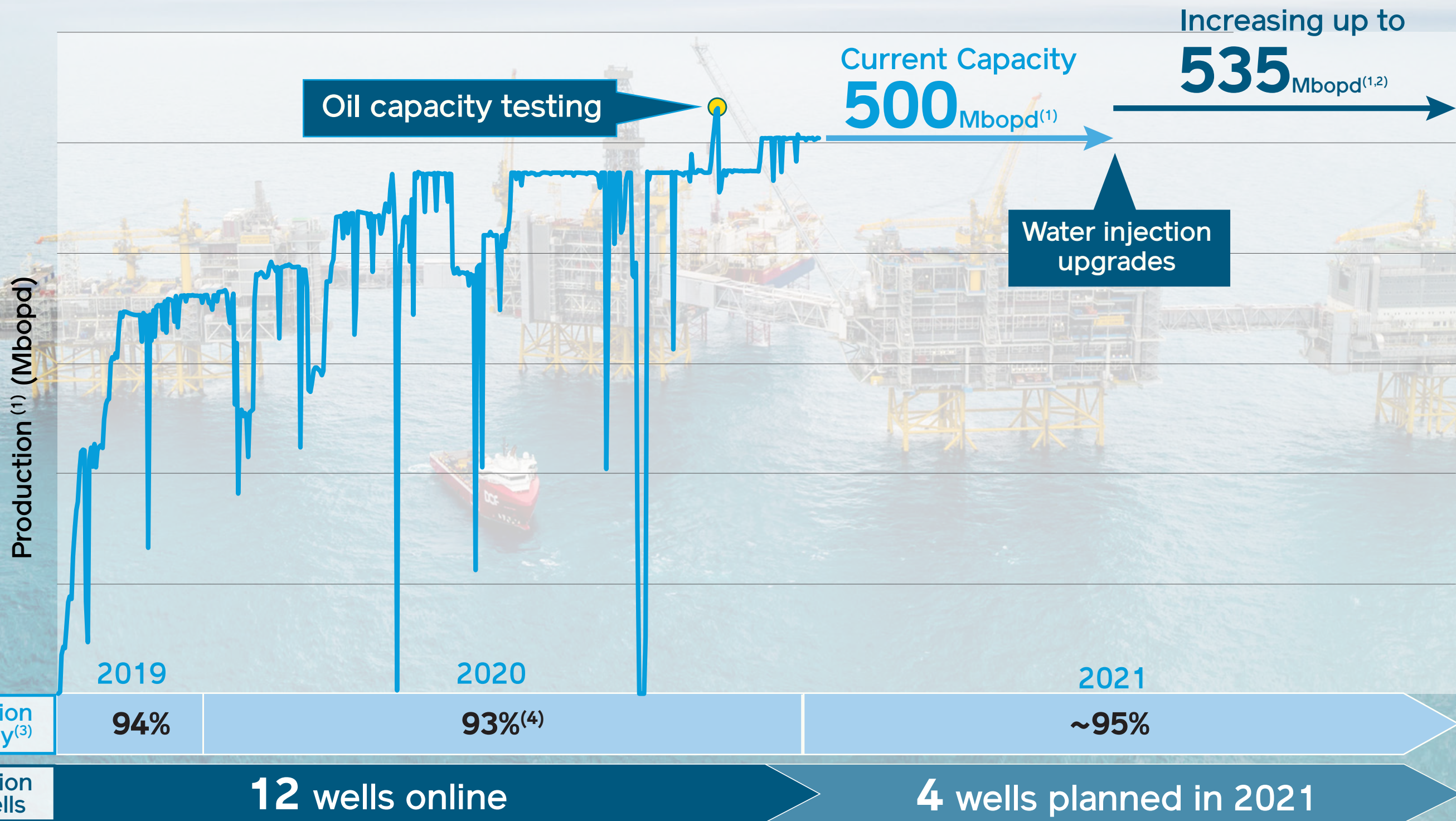
BREAK EVEN PRICE

Full Field
<20 USD/boe

(1) 2020

Johan Sverdrup Phase 1

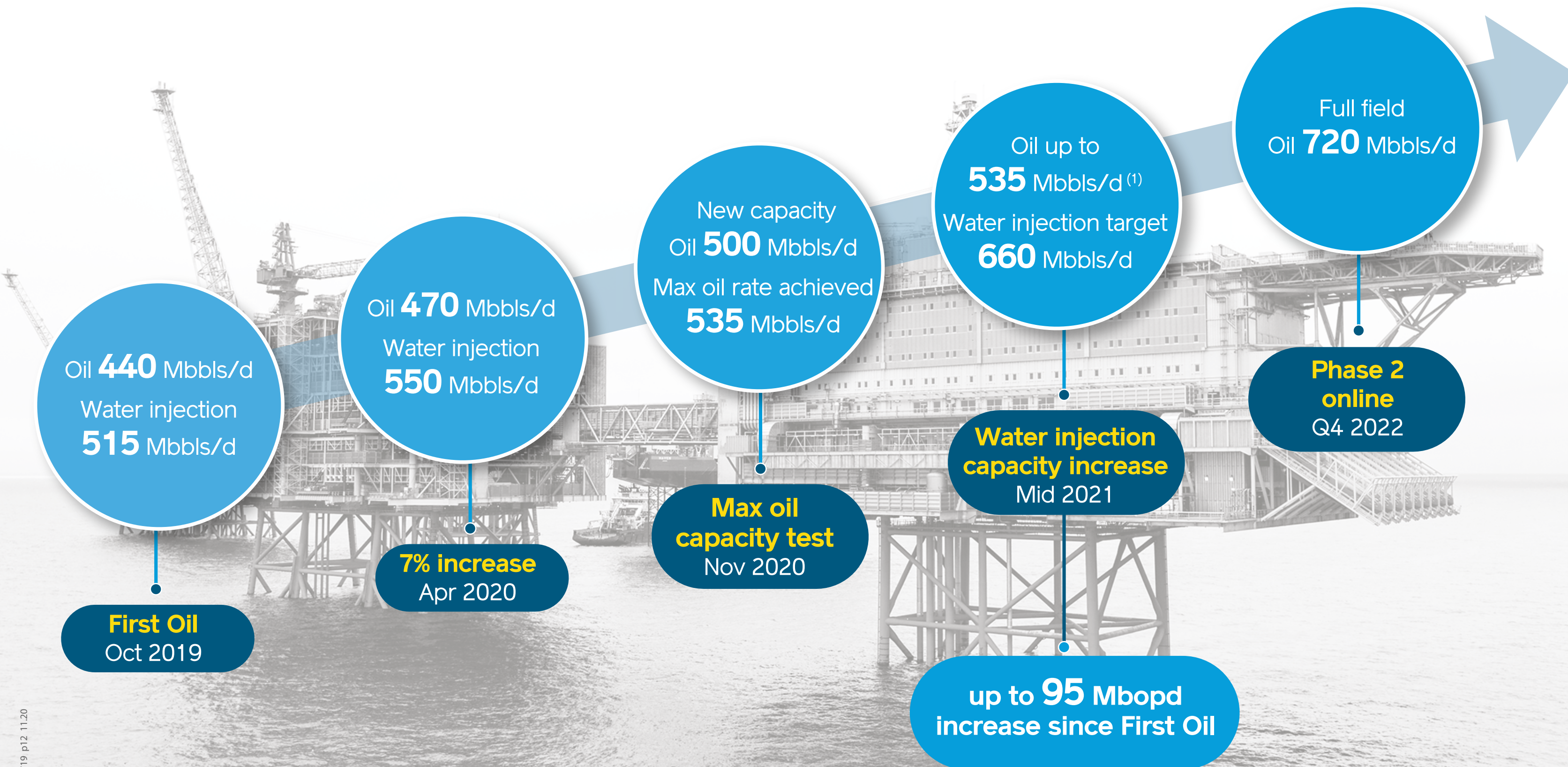
Exceptional Performance Continues



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⁽¹⁾ Gross ⁽²⁾ from mid 2021 ⁽³⁾ including planned outages ⁽⁴⁾ including Government imposed production restrictions

Johan Sverdrup Increased Oil Capacity



⁽¹⁾ from second half 2021

All numbers gross

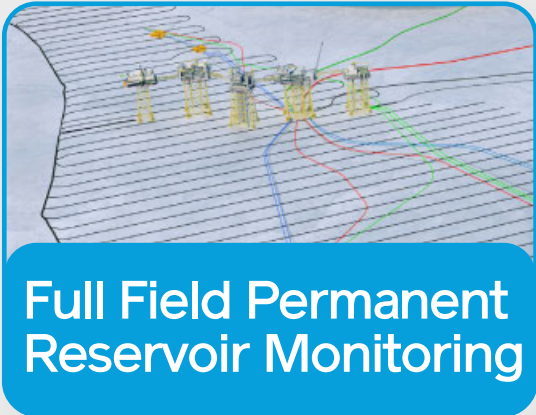
Johan Sverdrup World Class Reservoir

Reserves
2.2–3.2 Bn boe⁽¹⁾

Recovery Factor
Ambition
>70%

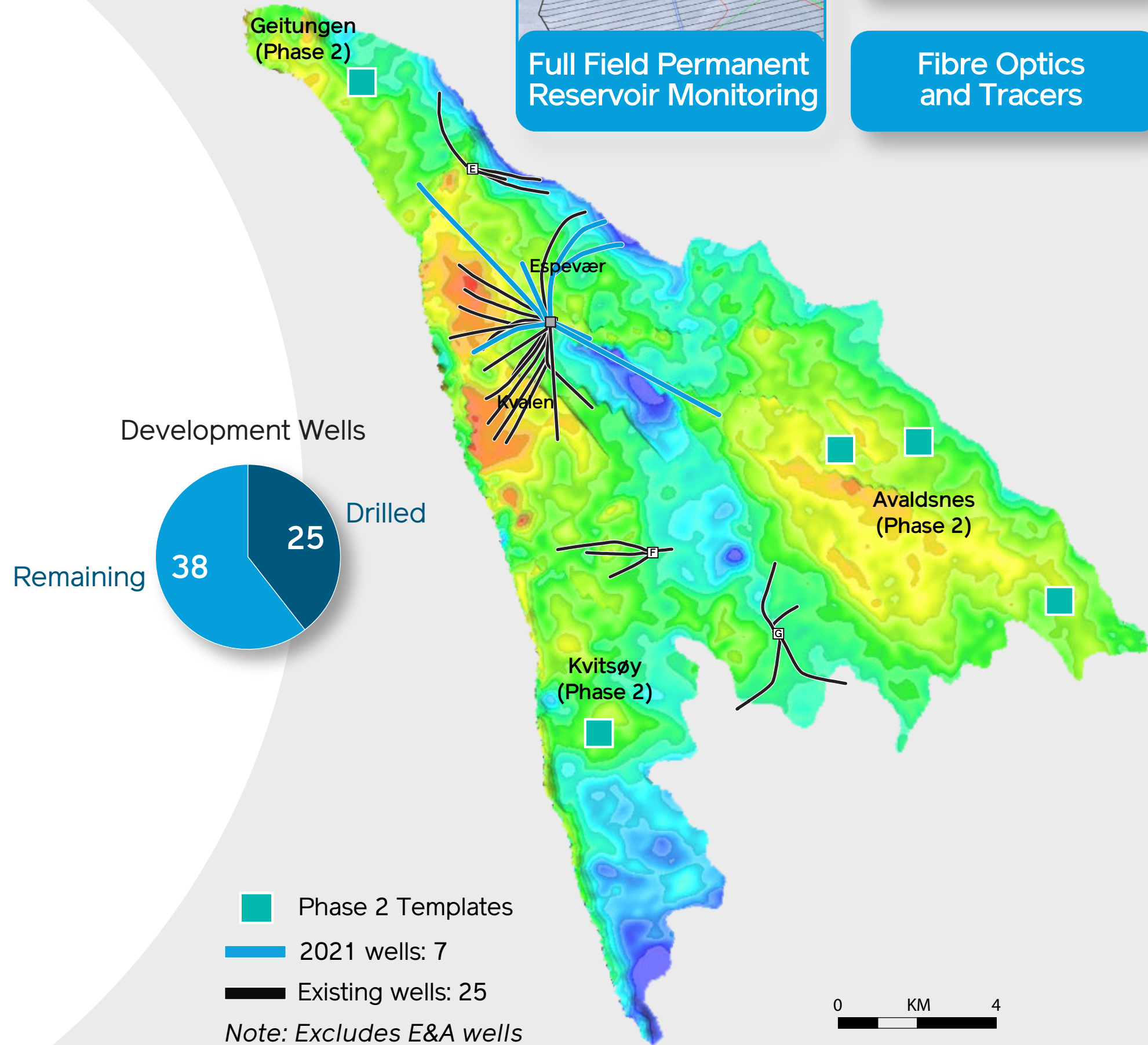
Excellent
Reservoir
Continuity

Well productivity
up to **50** Mbopd⁽²⁾



Water Alternating Gas (WAG)

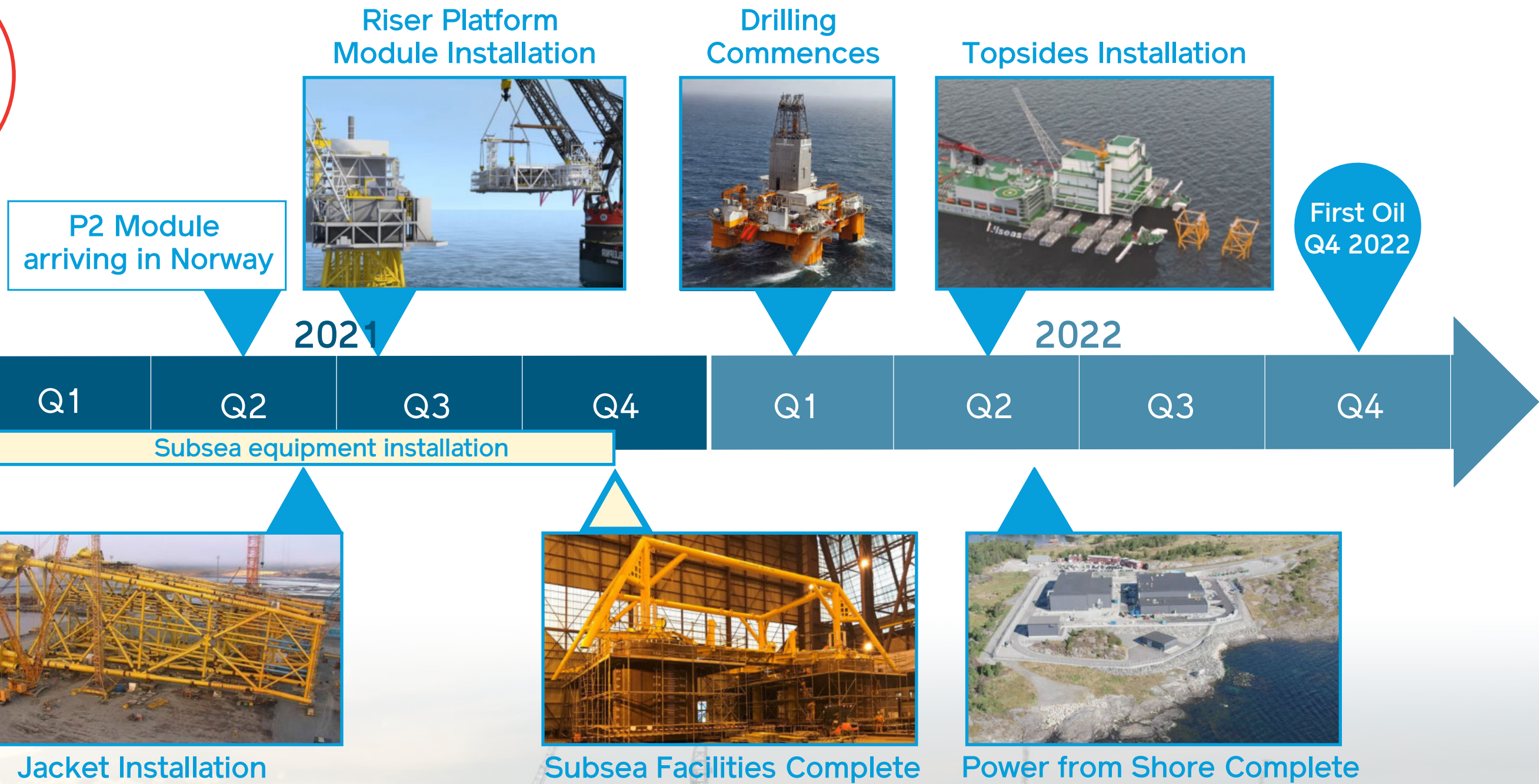
Fibre Optics and Tracers



⁽¹⁾ Gross ⁽²⁾ per well

Johan Sverdrup Phase 2 on Track

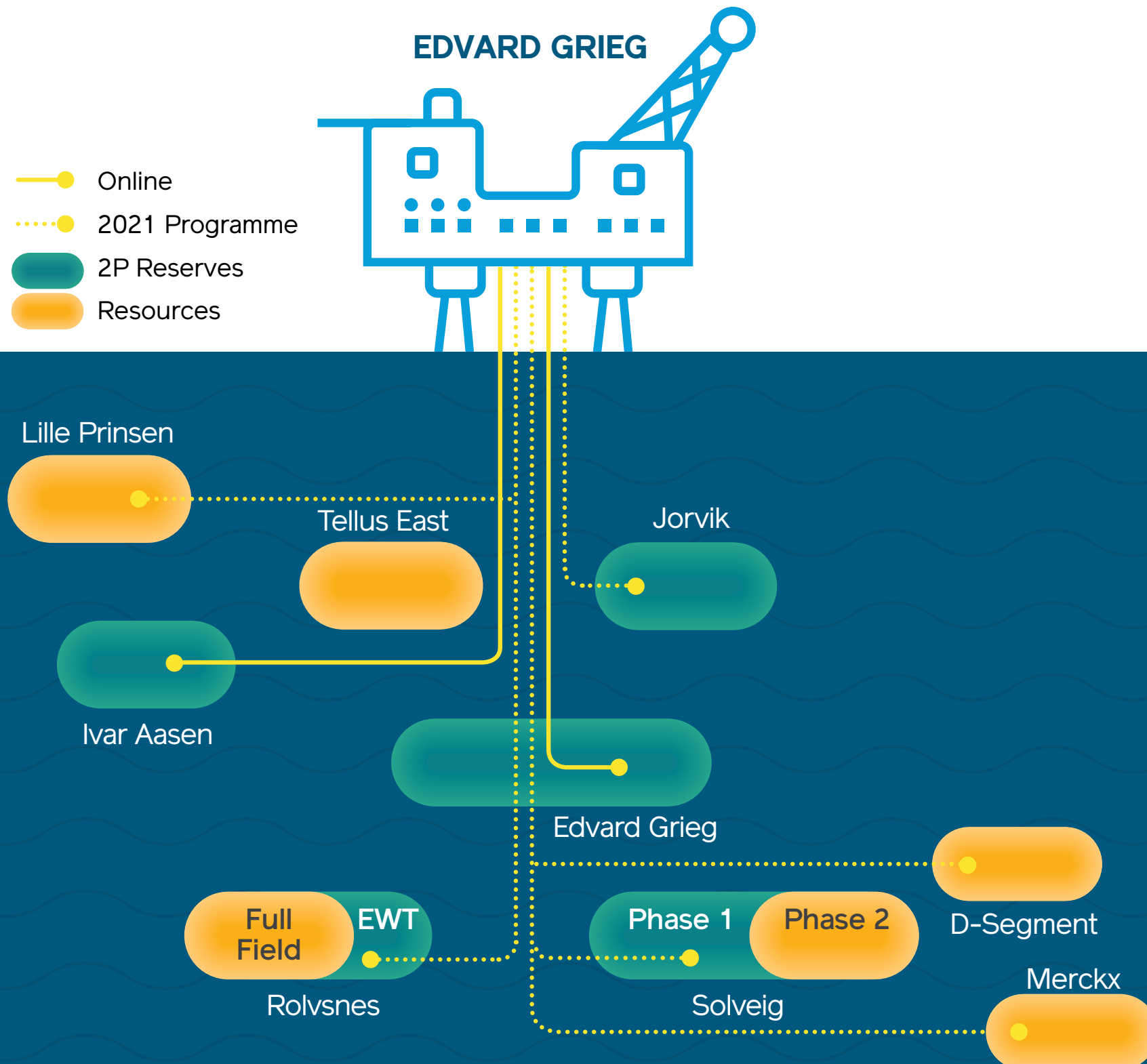
> 50%
complete



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Greater Edvard Grieg Area

Keeping the Facilities Full



➔ Edvard Grieg

- 51 MMboe reserves increase ⁽¹⁾ and plateau extension
- 3 infill wells in 2021
- Potential for additional capacity
- Power from shore online end 2022

➔ Tie back projects - online Q3 2021

- Solveig Phase 1, Rolvsnes Extended Well Test (EWT)

➔ Future tie backs and exploration upsides

⁽¹⁾ Gross, compared to year end 2019 excluding production

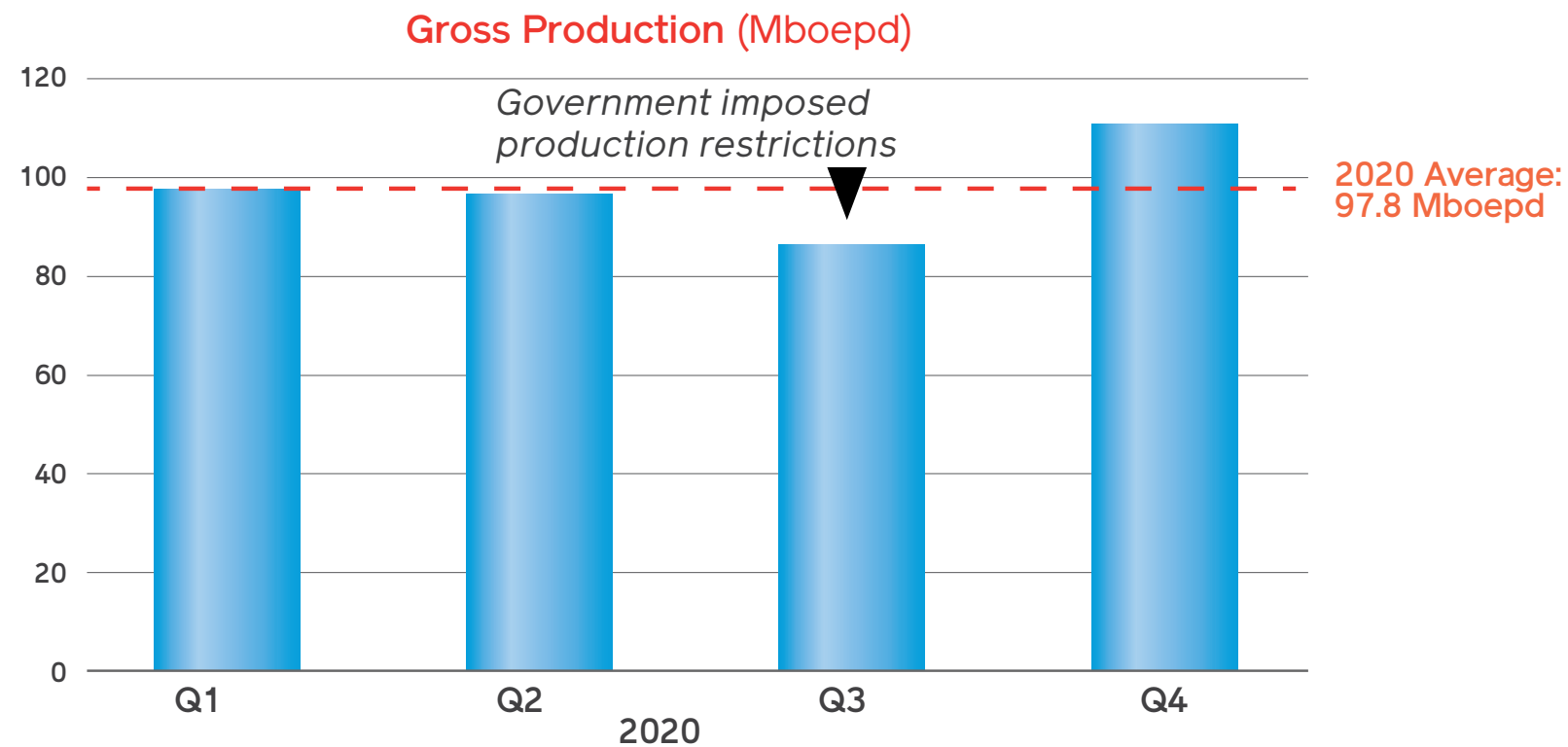
Edvard Grieg A World Class Asset

Low
Operating Cost
3.47 USD/boe⁽¹⁾

2021 Production
Efficiency⁽³⁾
96 %

Low CO₂ Emissions⁽²⁾
4.7 to **<1** kgCO₂/boe
with power from shore

Increased Capacity⁽⁴⁾
Up to **135** Mboepd
with Ivar Aasen decline



⁽¹⁾ 2020 actual including tariff netting

⁽²⁾ 4.7 in 2020, reducing to <1 from 2023 with power from shore online

⁽³⁾ Forecast

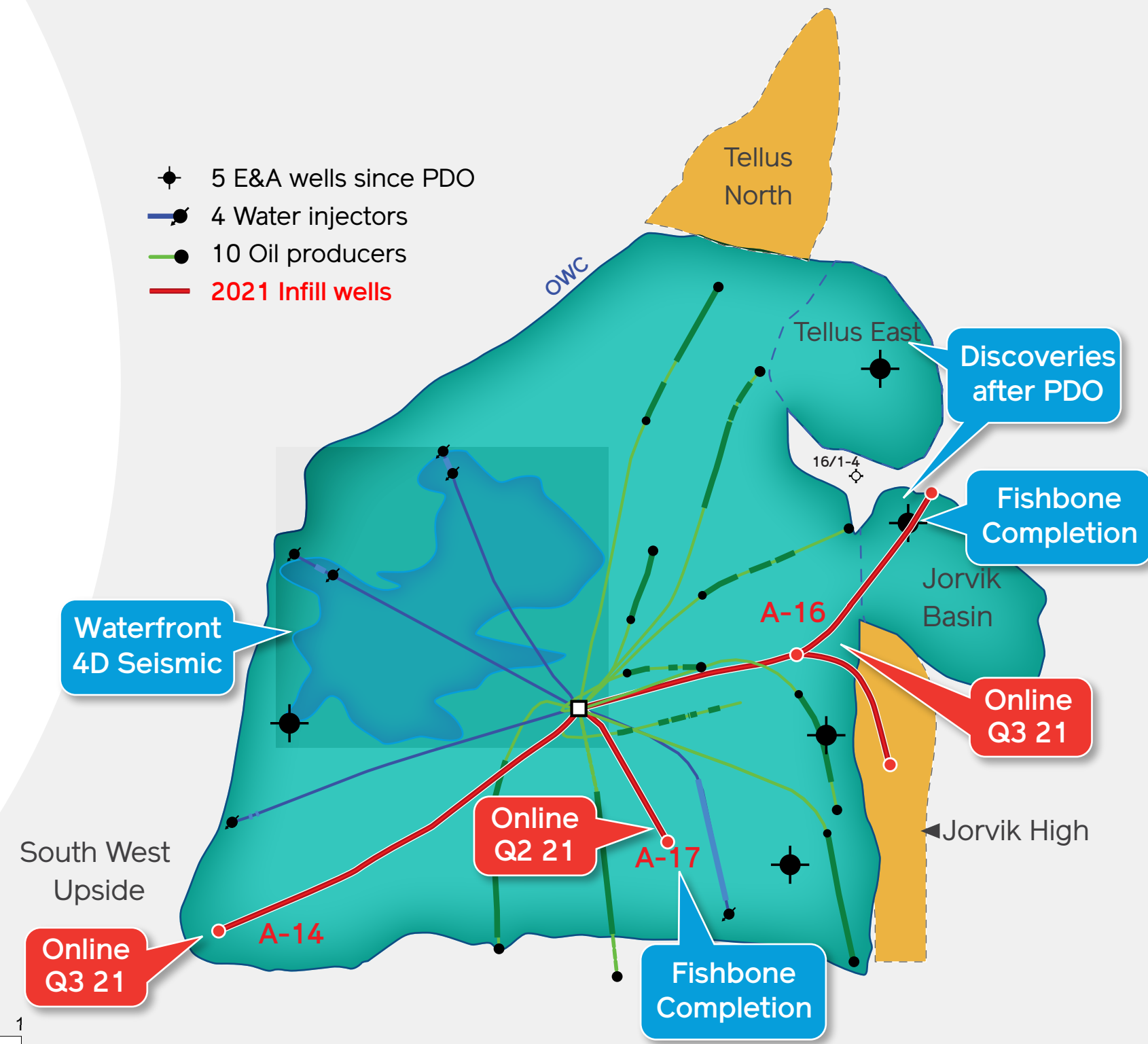
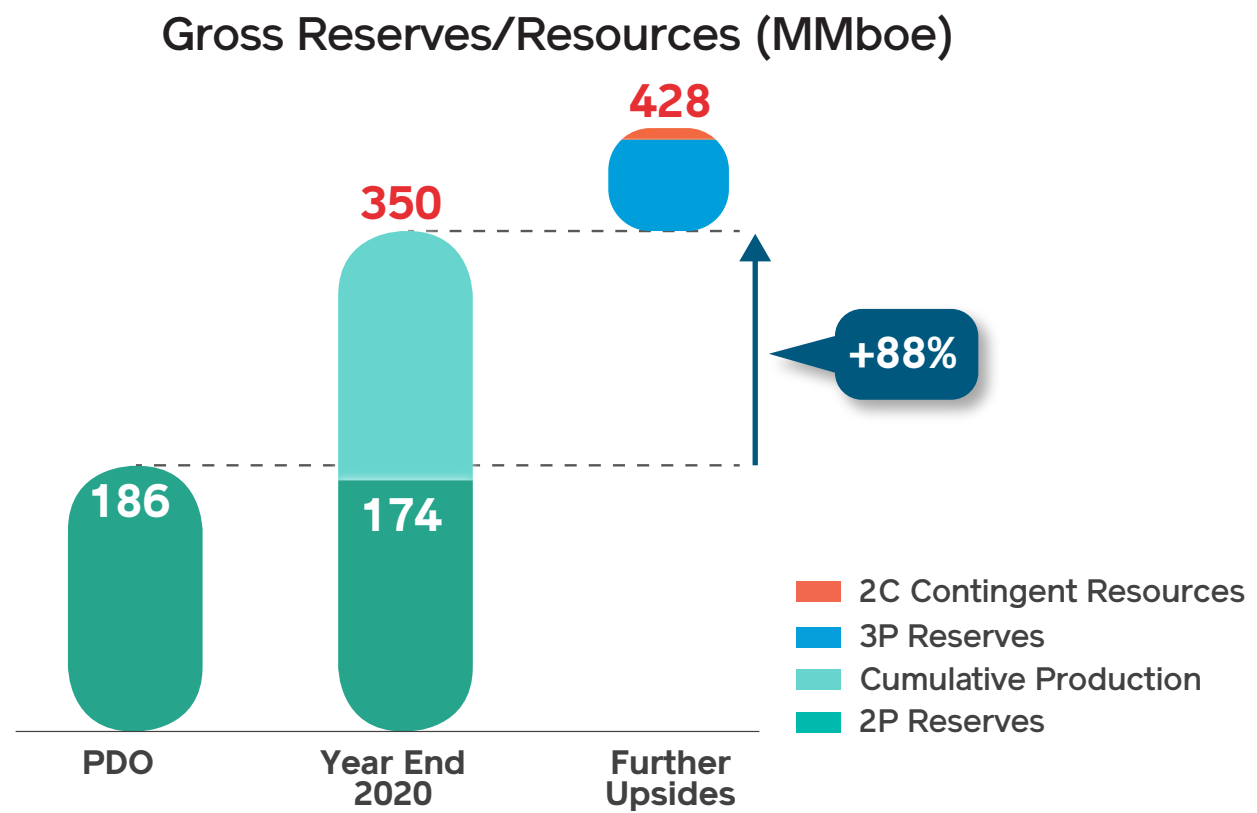
⁽⁴⁾ Contractual capacity 95 Mboepd

Edvard Grieg Unlocking the Upsides

164 MMboe⁽¹⁾ added since PDO

Leveraging technology and data to improve recovery

3 Infill Wells
18 MMboe⁽¹⁾
<20 USD/boe breakeven⁽²⁾

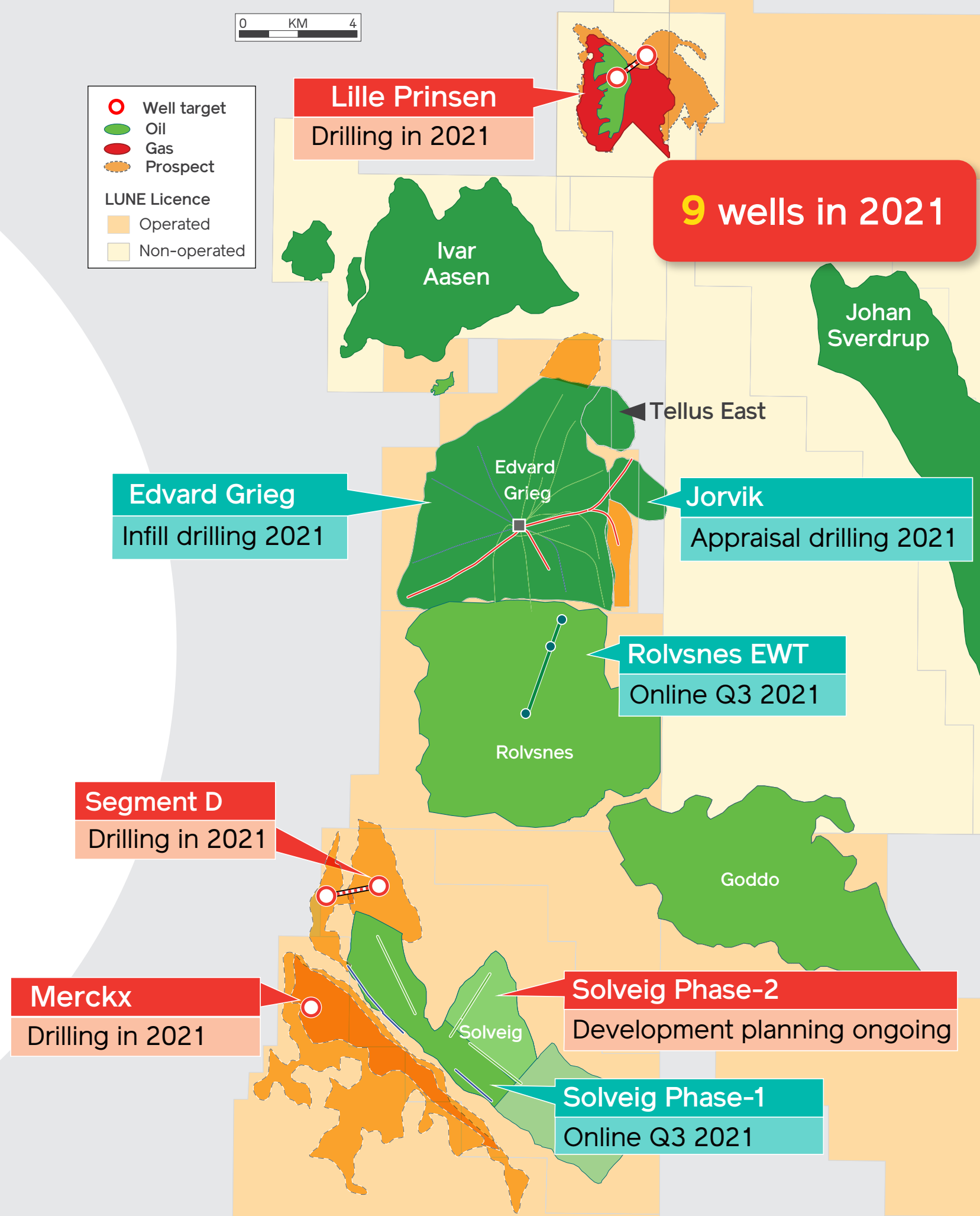
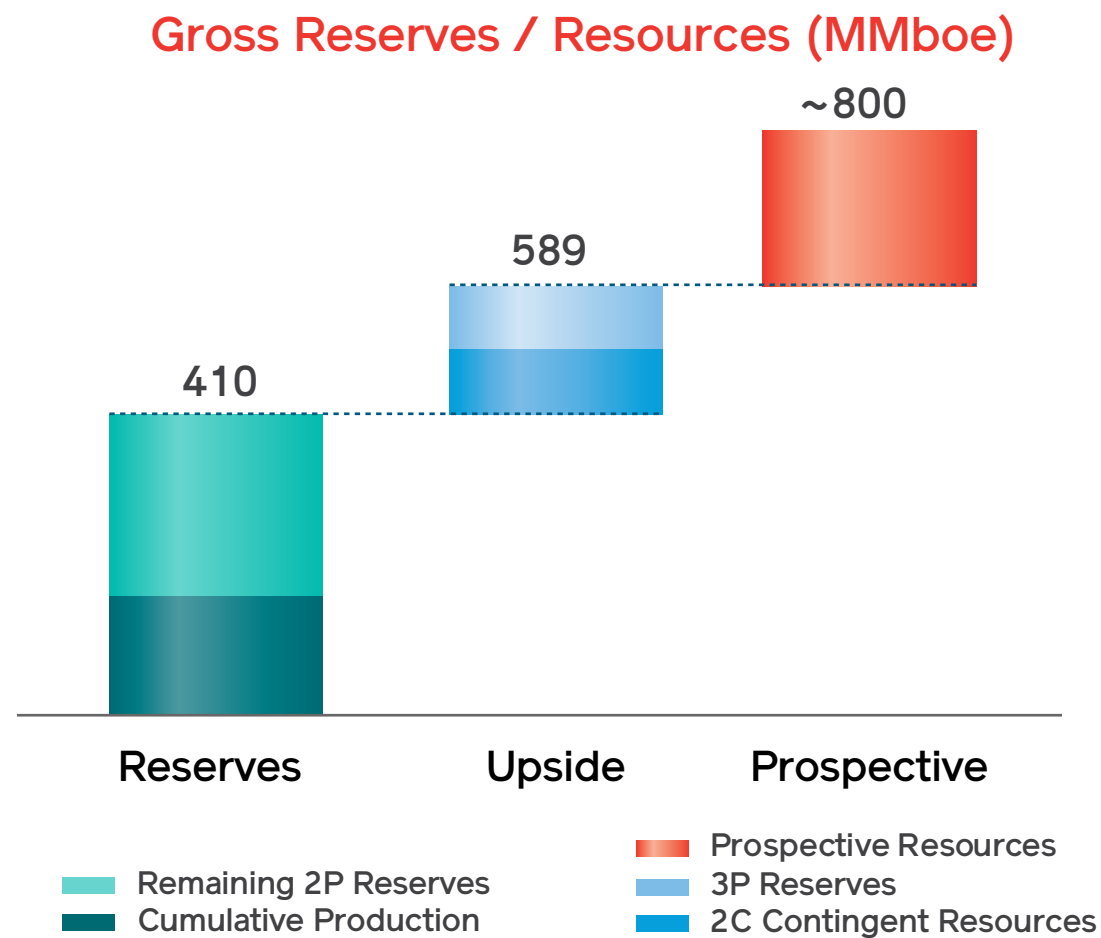


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⁽¹⁾Gross ⁽²⁾~10 USD/boe reduction since sanction

Greater Edvard Grieg Area Growing Beyond 2P Reserves

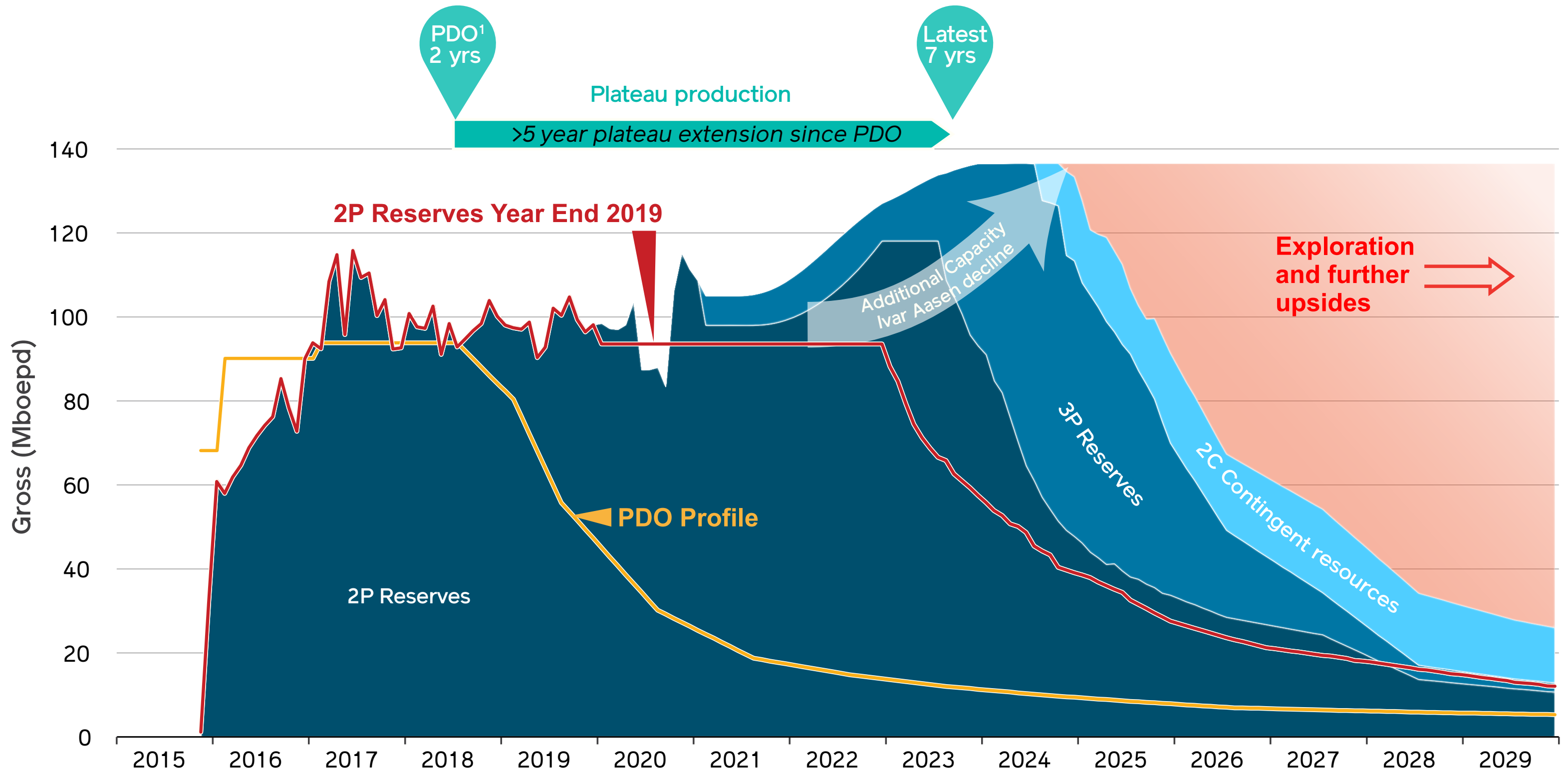
2021 Programme
 ~50% of CAPEX budget⁽¹⁾
 Maturing **220 MMboe**⁽²⁾



⁽¹⁾ Net

⁽²⁾ Net, includes 2P reserves + 2C contingent resources + unrisks prospective resources

Greater Edvard Grieg Area Extending Plateau Production

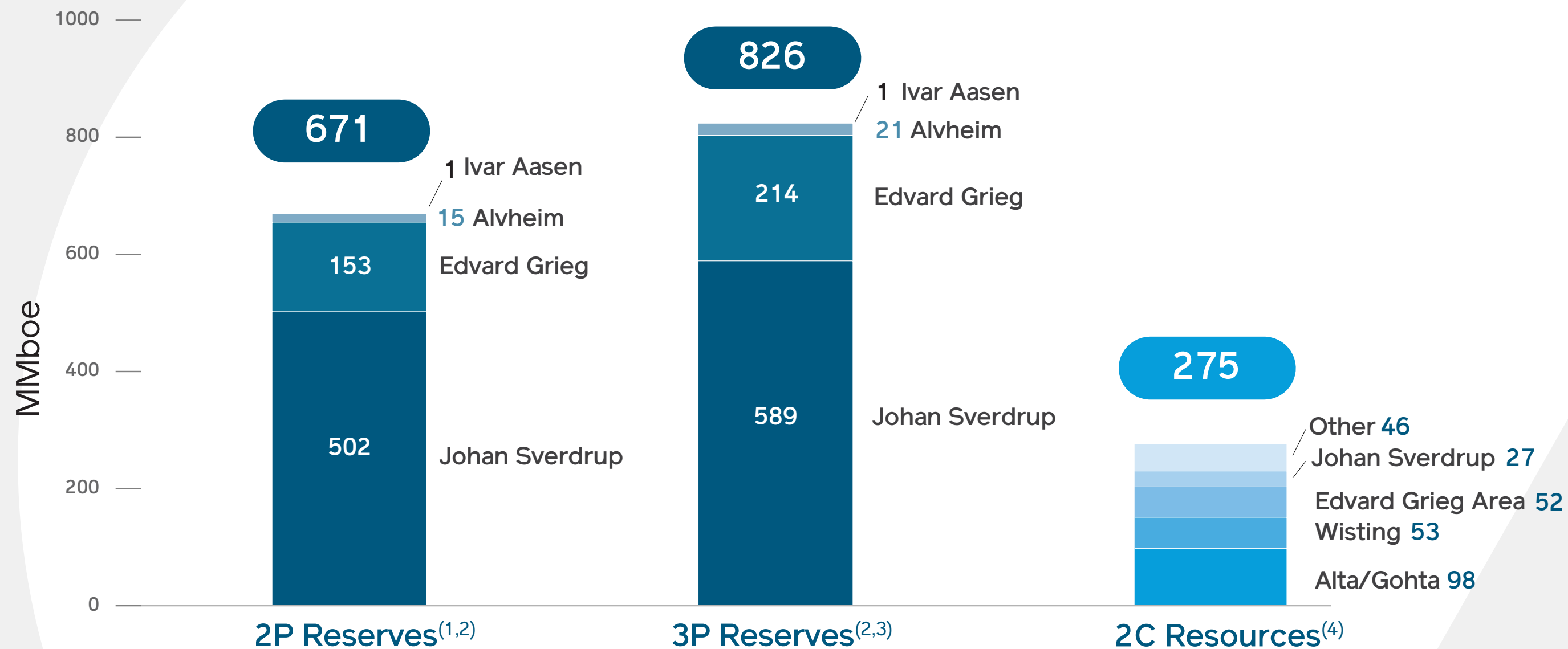


⁽¹⁾ Original Edvard Grieg PDO excluding tie-back projects

Note: 2P/3P reserves includes Edvard Grieg, Solveig Phase 1 and Rolvsnes EWT

Lundin Energy

Year-end 2020 Reserves and Resources (net MMboe)



Year End 2019	693	858	185
Acquisitions	-	-	+78
Produced	-62	-62	-
Revisions/Discoveries	+39	+30	+12
Year End 2020	671	826	275

⁽¹⁾ 2P proved plus probable remaining reserves

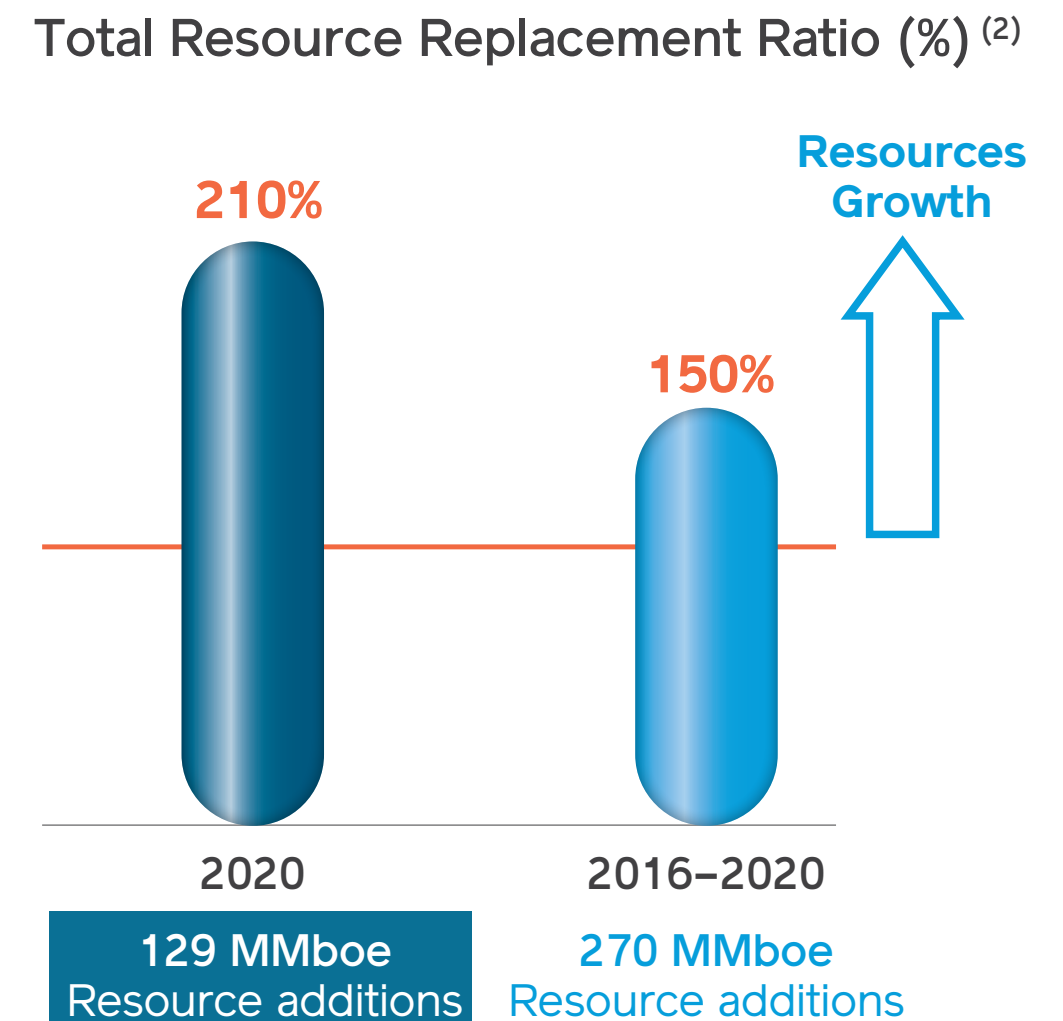
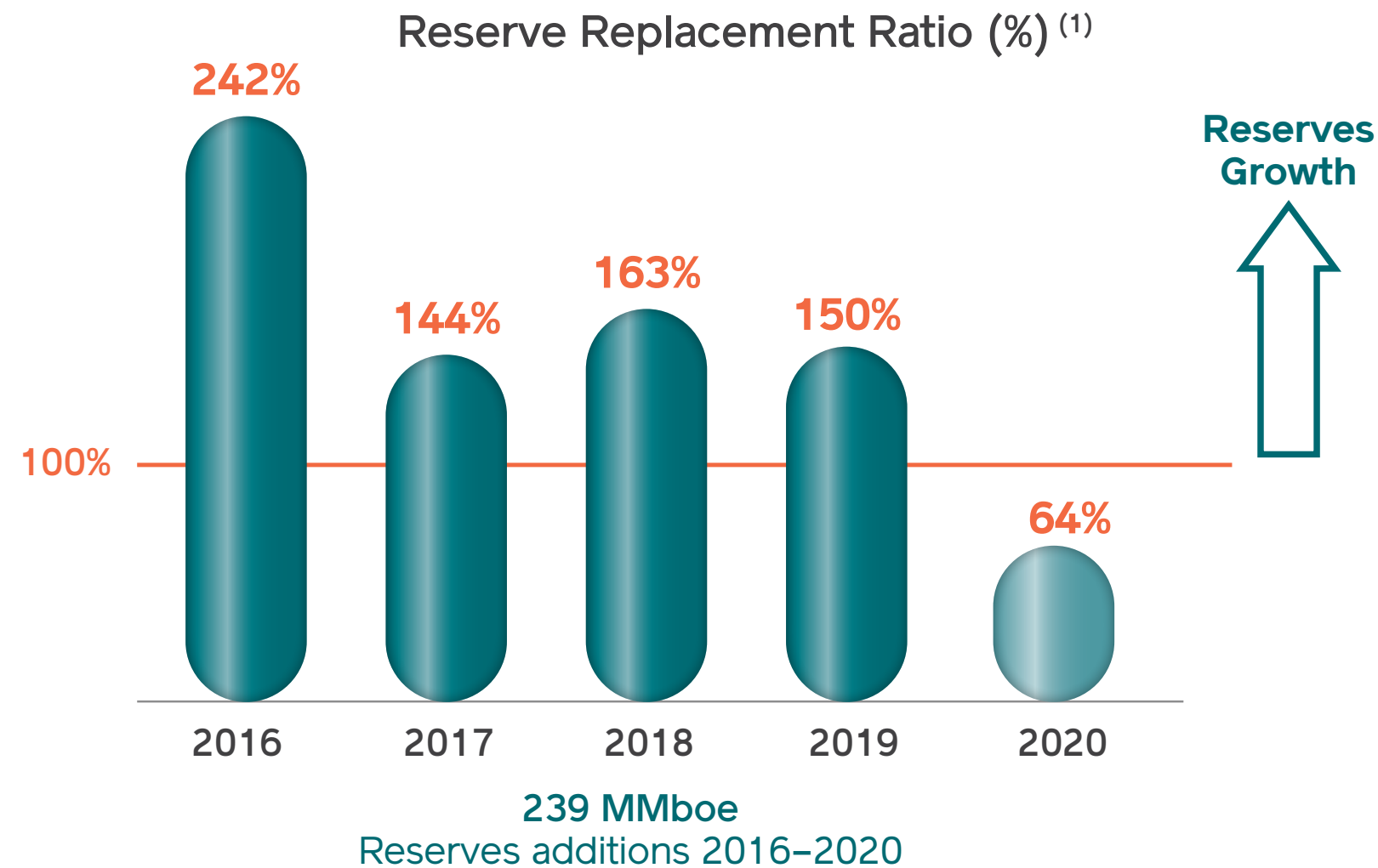
⁽²⁾ Independently audited by ERCE

⁽³⁾ 3P proved plus probable plus possible remaining reserves

⁽⁴⁾ 2C best estimate contingent resources

Lundin Energy

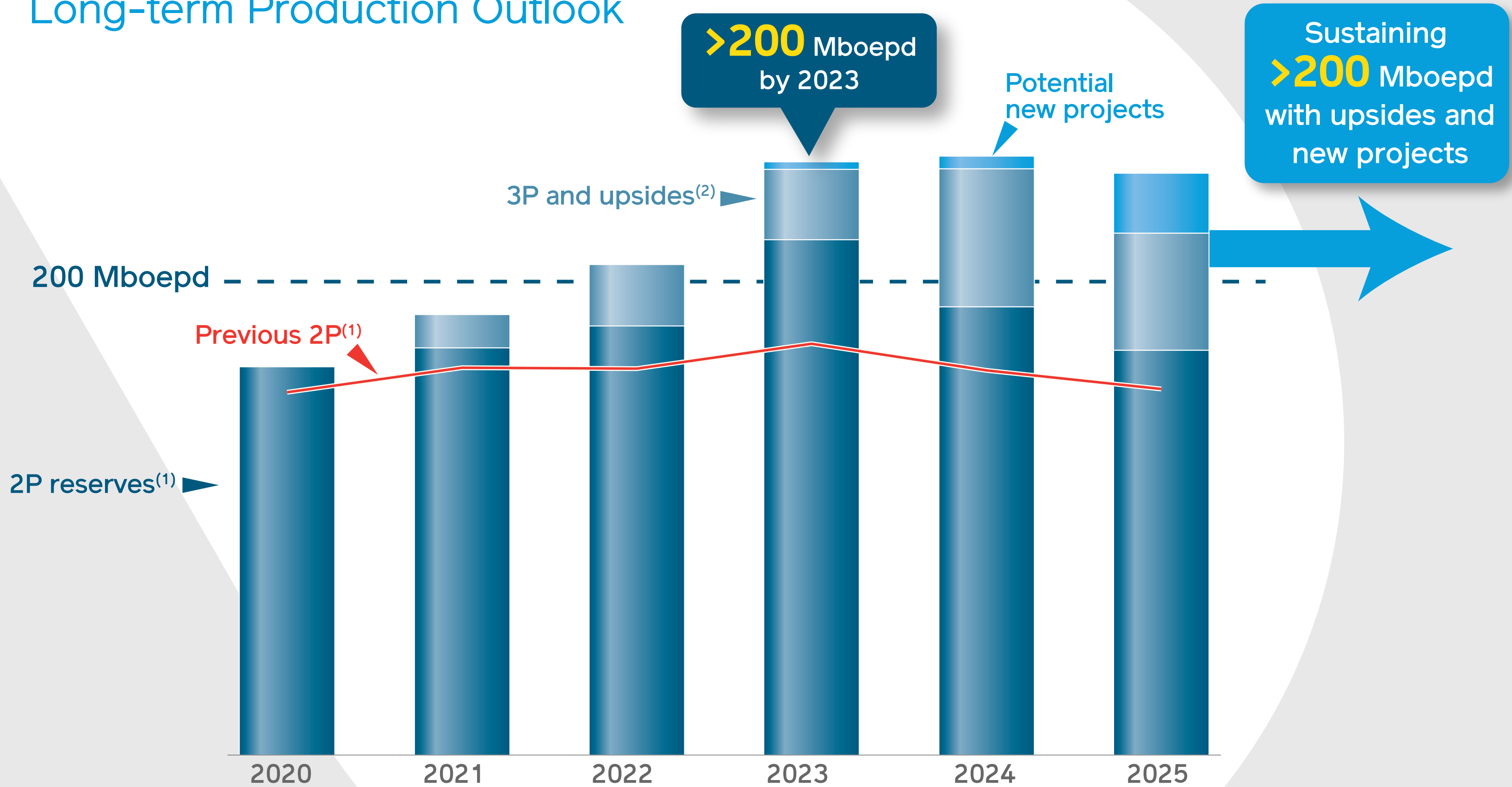
210% Resource Replacement Ratio



⁽¹⁾ 2P reserves, relates to Lundin Energy portfolio in Norway

⁽²⁾ 2P reserves + 2C Contingent Resources. Includes asset transactions

Lundin Energy Long-term Production Outlook



⁽¹⁾ 2P proved plus probable reserves ⁽²⁾ 3P proved plus probable plus possible reserves

Sustaining production

pipeline of new projects

>200 Mboepd
with upsides and
new projects



Lundin Energy Sustaining over 200 Mboepd

4 projects under development



9 potential new projects

Targeting **~200** MMboe⁽¹⁾

Adding up to **30** Mboepd⁽²⁾



Taking advantage of tax benefits

Breakeven reduced **~10** USD/boe

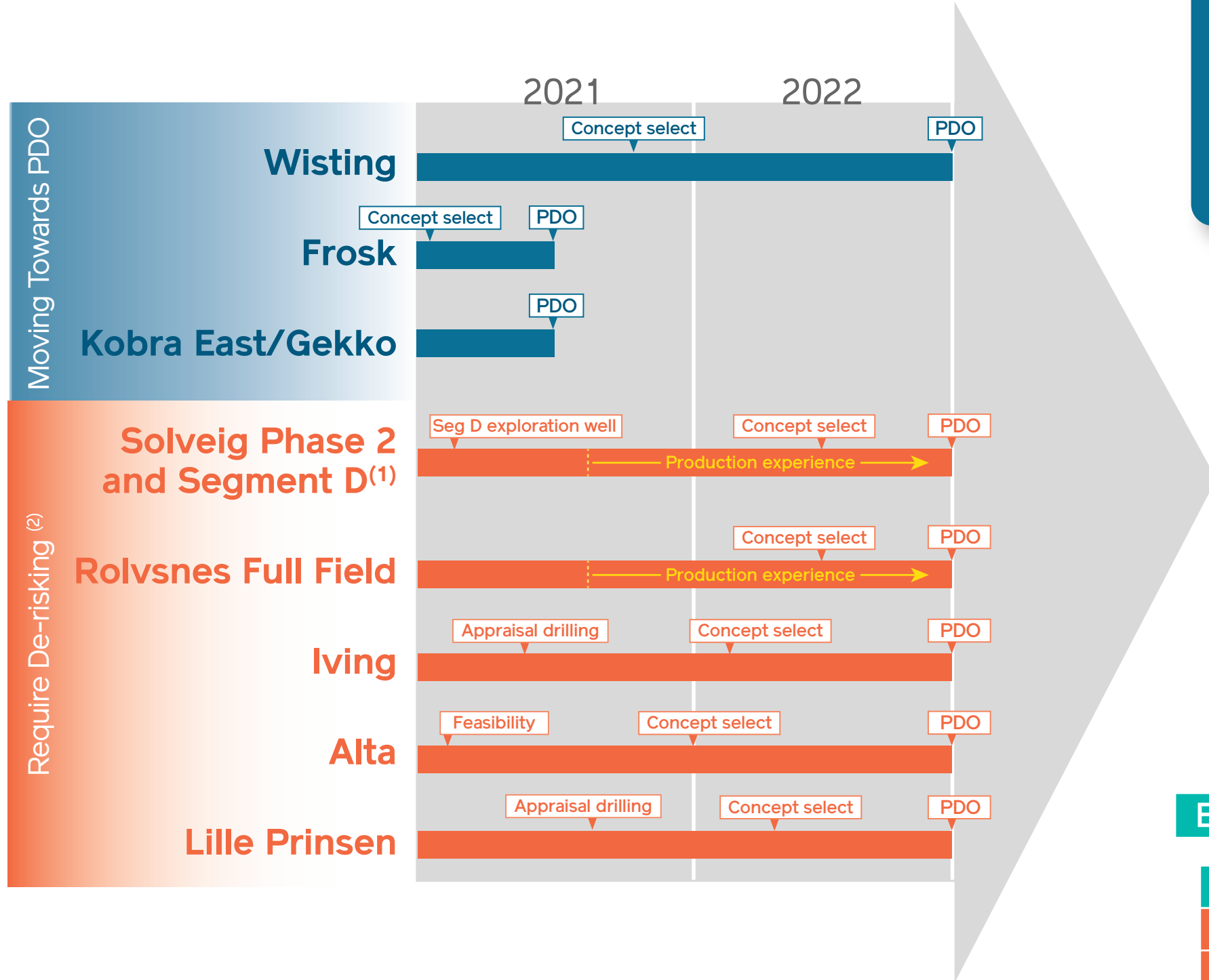
IRR enhanced up to **2x**

⁽¹⁾ Net resources

⁽²⁾ Net from 2025 onwards

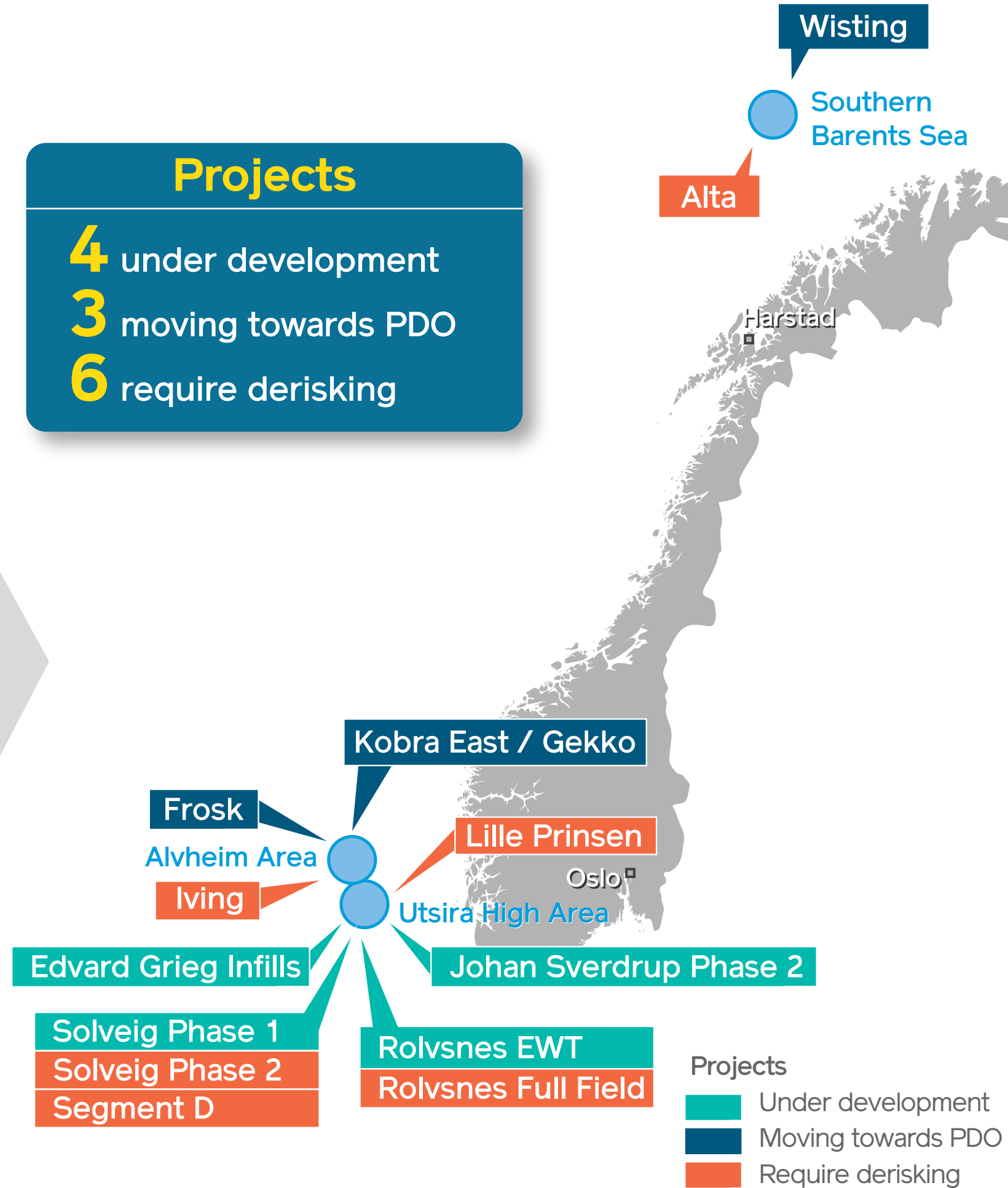
⁽²⁾ from 2025

Sustaining Production Pipeline of Projects



Projects

- 4 under development
- 3 moving towards PDO
- 6 require derisking



Projects

- Under development
- Moving towards PDO
- Require derisking

⁽¹⁾ Two projects ⁽²⁾ Planned schedule

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Southern Barents Sea Wisting - Moving towards Sanction

0 KM 40

~3 Bn boe
of Commercial
Resources^(2,3)

Wisting - Strategic acquisition

- Long life resource base
- Low entry cost ~ 1.8 USD/boe

Alta - Feasibility studies ongoing

Oil
Gas
LUNE Licence
Operated
Non-operated

Wisting

- 500 MMbo⁽¹⁾
- Concept select - Q4 21
- PDO - Q4 22

Johan Castberg
550 MMbo⁽²⁾
First Oil 2022

Alta / Gohta
75-250 MMbo⁽¹⁾

Snøhvit
1,500 MMboe^(2,3)

Goliat
200 MMbo^(2,3)

Southern
Barents Sea

Hammerfest

⁽¹⁾ Gross ⁽²⁾ Source: NPD ⁽³⁾ Gross resource including historical production

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Alvheim Area Projects

Consistently Growing Reserves

Projects potential

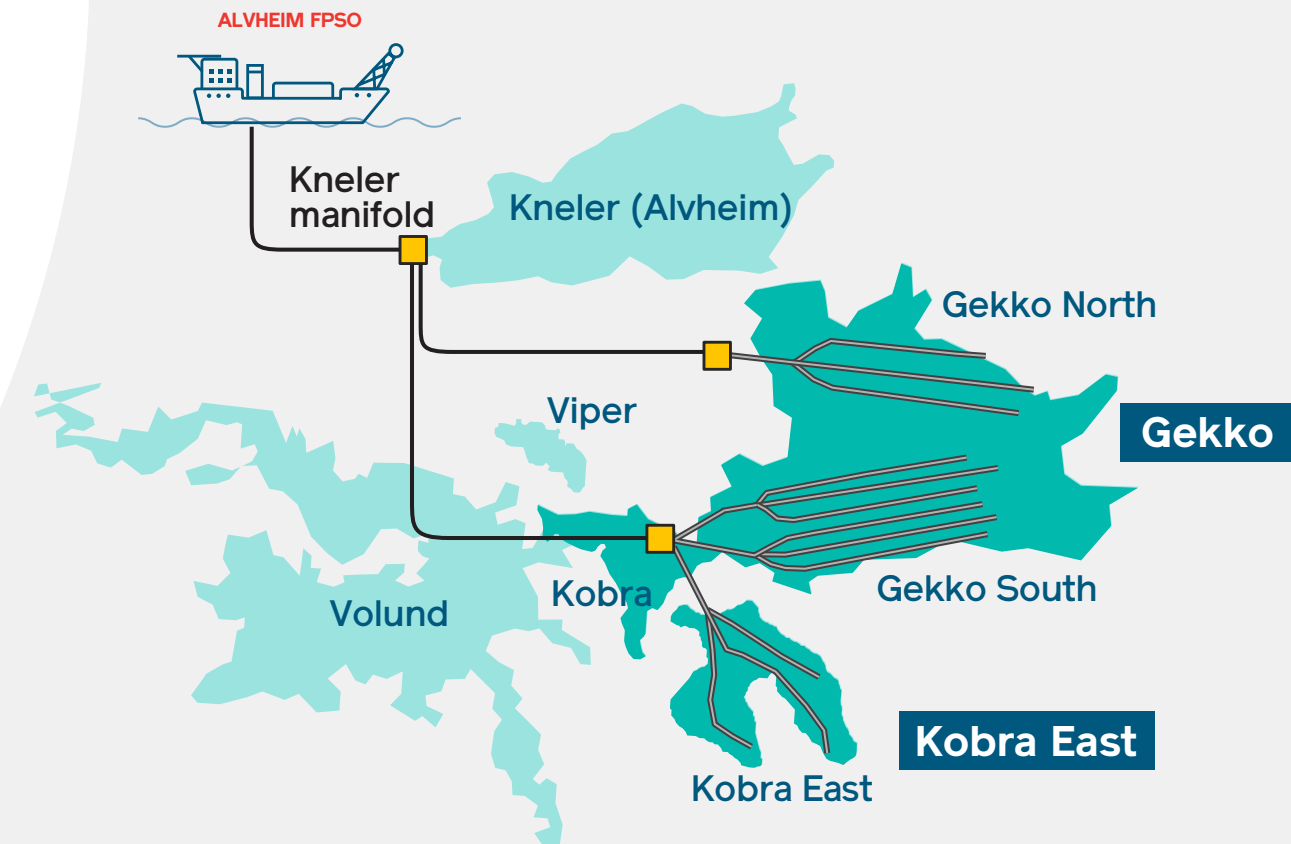
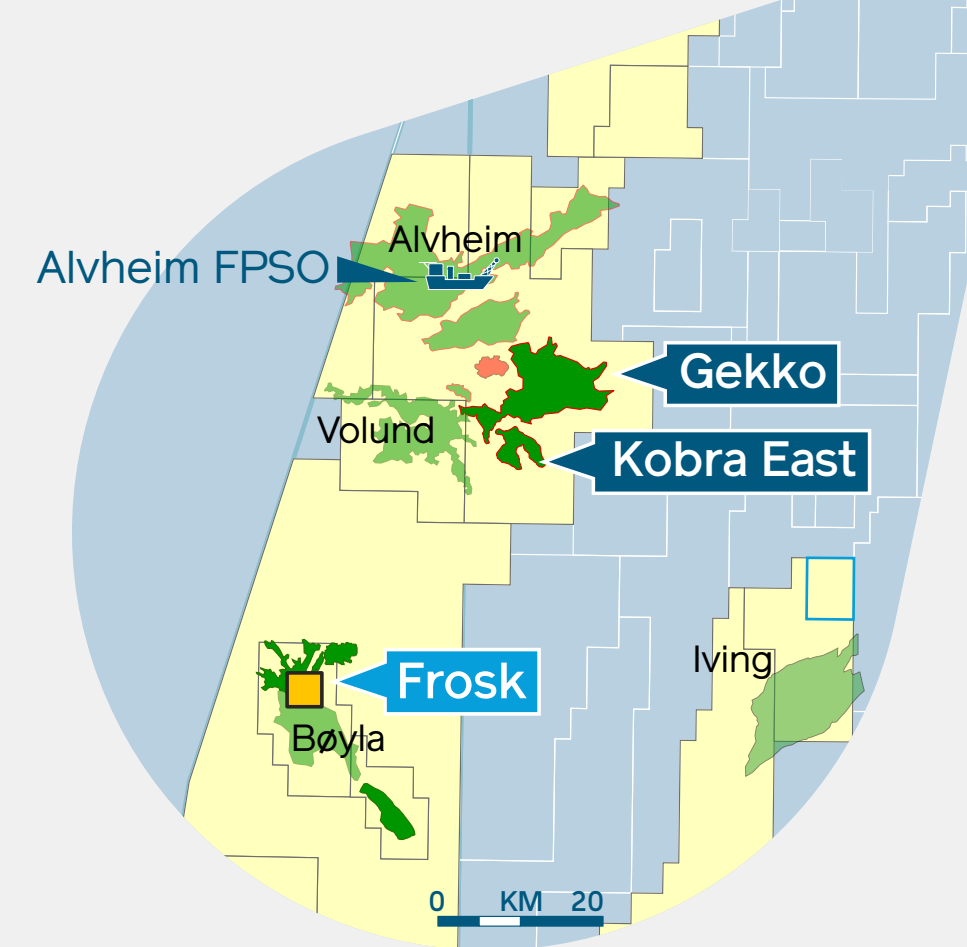
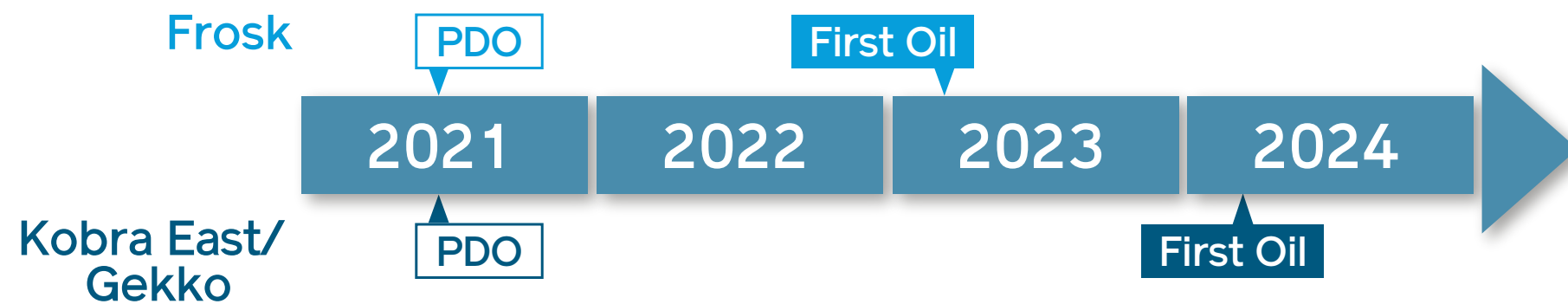
>50 MMboe⁽¹⁾
up to **35** Mboepd⁽²⁾

Breakeven

<30 USD/boe

Further Upsides

Exploration
Life Extension



⁽¹⁾ Gross

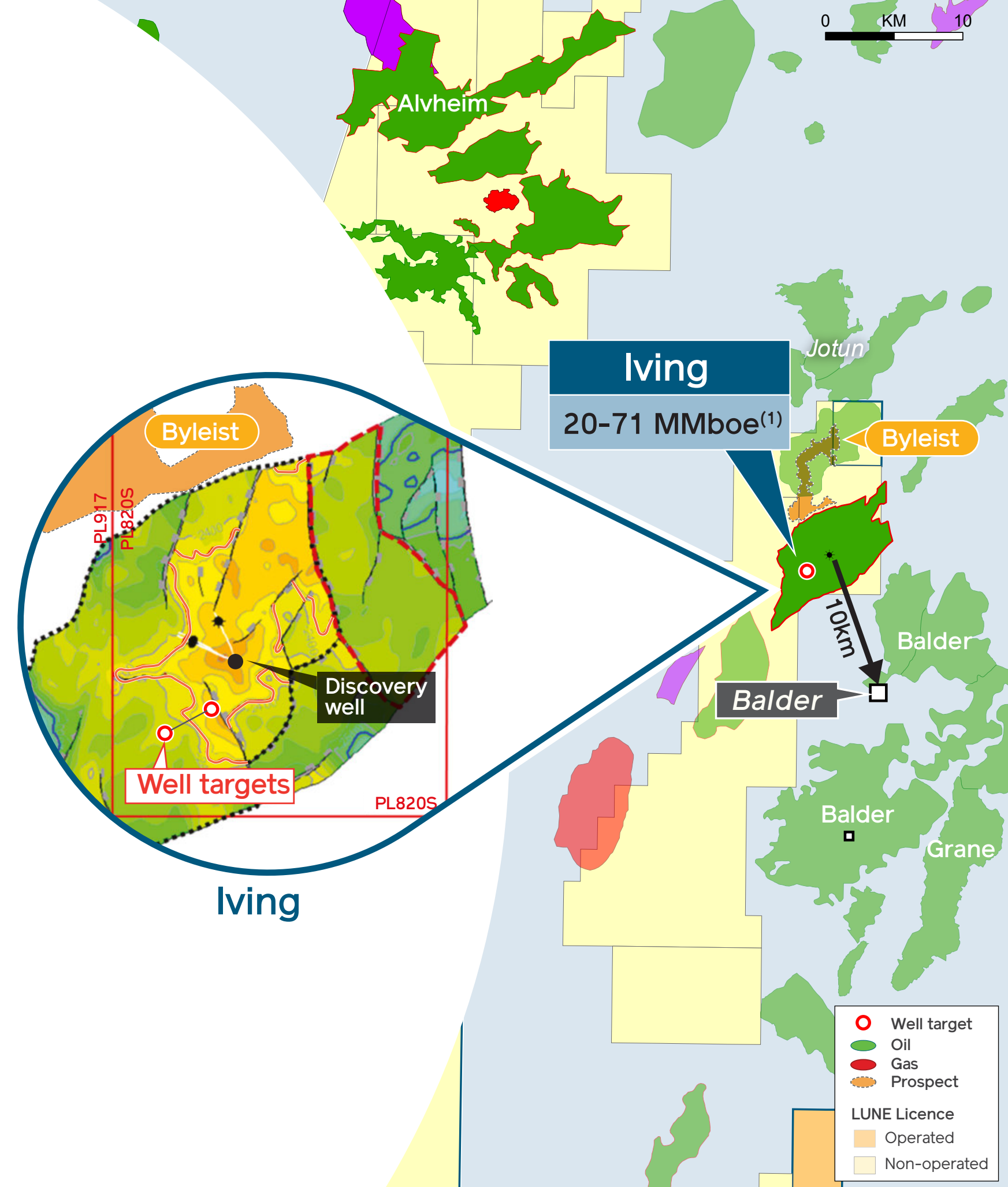
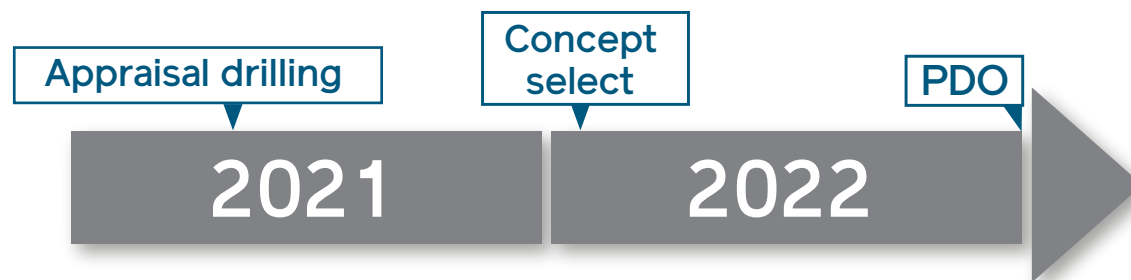
⁽²⁾ Gross, at peak rates

Central North Sea Iving Discovery

Appraisal well in 2021

Simple tie back to
existing infrastructure

Taking advantage of tax incentives



⁽¹⁾ Gross, includes 2C contingent resources + unrisks prospective resources

Greater Edvard Grieg Area Projects Unlocking the Upsides

3 projects underway
+
4 potential projects require derisking
+
3 exploration and appraisal wells in 2021

Lille Prinsen
Discovered 21 MMboe⁽¹⁾
Prospective 41 MMboe⁽¹⁾

Edvard Grieg
Infill wells

EWT

Full Field

Rolvnes
Discovered 14-78 MMboe⁽¹⁾

Western Wedge

Segment D

Solveig
Discovered 40-100 MMboe⁽¹⁾
Prospective 14-45 MMboe⁽¹⁾

Phase 1

Phase 2

Merckx
Prospective 152 MMboe⁽¹⁾

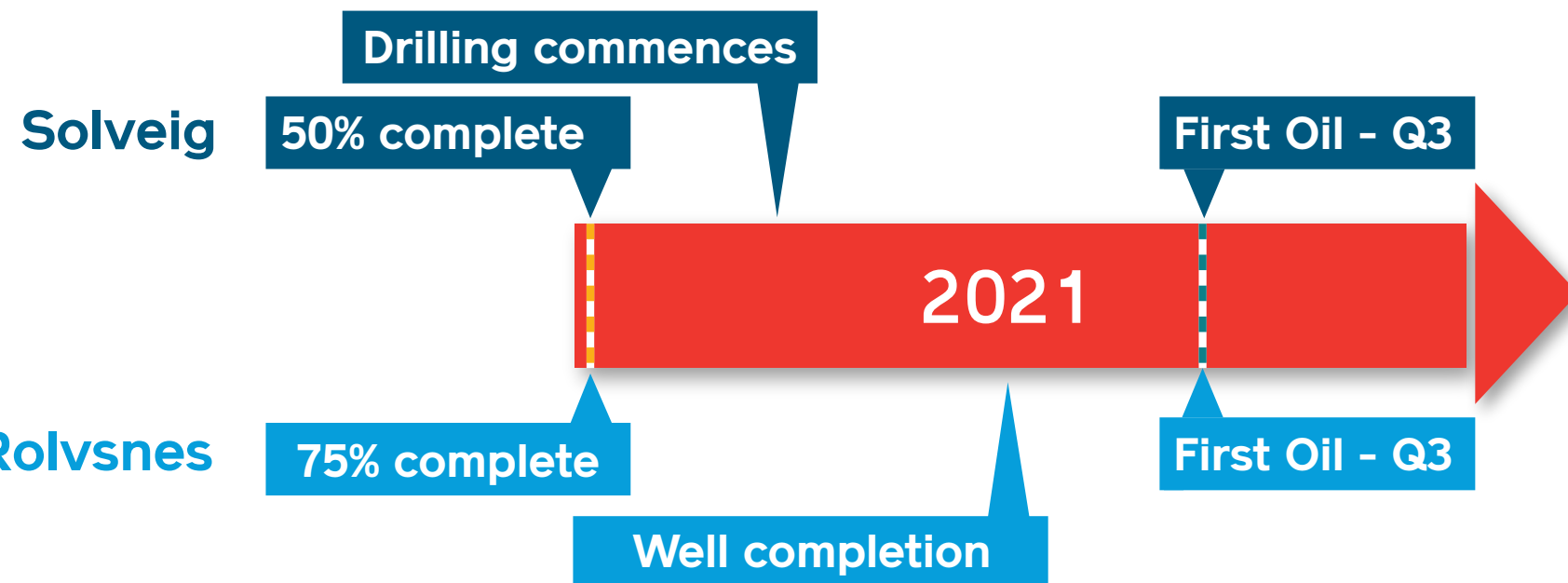
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⁽¹⁾ Gross

Solveig Phase 1 & Rolvsnes EWT Projects on Track

Solveig Phase 1 adds
30 Mboepd⁽¹⁾

Breakeven oil price
<20 USD/bbl⁽²⁾
(~10 USD/boe reduction from PDO)



⁽¹⁾Gross

⁽²⁾Improved from ~30 USD/boe at PDO due to tax incentives



Sustaining **>200** Mboepd

9 potential new projects
Targeting **~200** MMboe⁽¹⁾
Adding up to **30** Mboepd⁽²⁾

⁽¹⁾ Net resources

⁽²⁾ Net from 2025 onwards

Delivering future value

organic resource growth



At the core of our organic growth strategy is our commitment to explore

Lundin Energy Organic Growth Strategy

7 Core Areas

7 remaining
2021 E&A wells
>300 MMboe⁽¹⁾

19 New licences
in APA 2020
7 as operator

Targeting
8-10 wells per year

Lundin
Prospectivity
~3 Bn boe⁽¹⁾

NPD estimate
>15 Bn boe
yet to find
resources

Southern Barents Sea

Norwegian Sea

Northern North Sea

Alvheim Area

Utsira High Area

Sele High

Southern North Sea

0.8
USD/boe
Finding
Costs⁽²⁾

⁽¹⁾ Net unrisks resources, excluding Bask ⁽²⁾ post tax

Lundin Energy

Creating Value through Innovation

Subsurface **expertise**

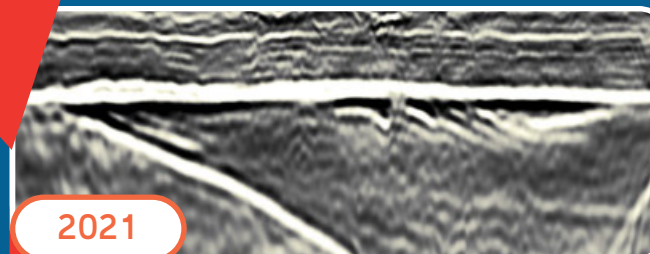
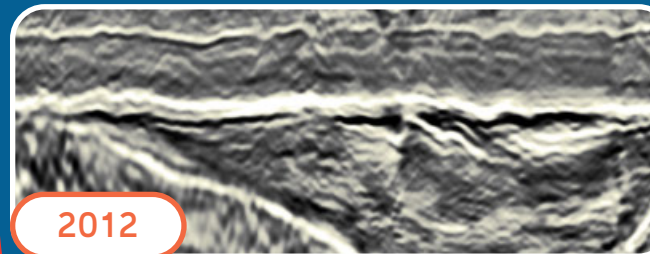
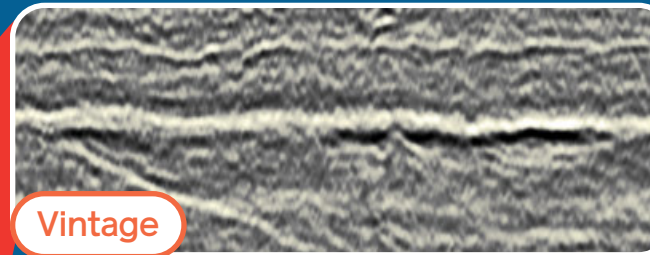
Unlocking **new plays**

Testing **new reservoirs**

Leveraging **latest technology**



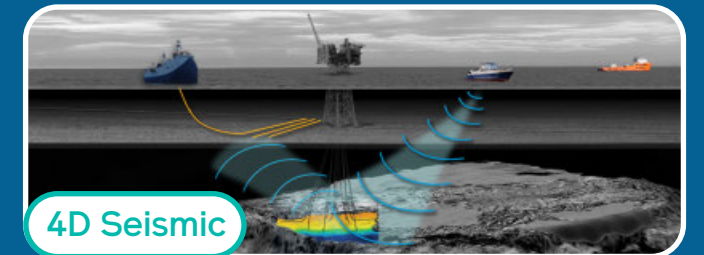
Seismic Front Runner



Improving image quality

Faster processing at lower cost

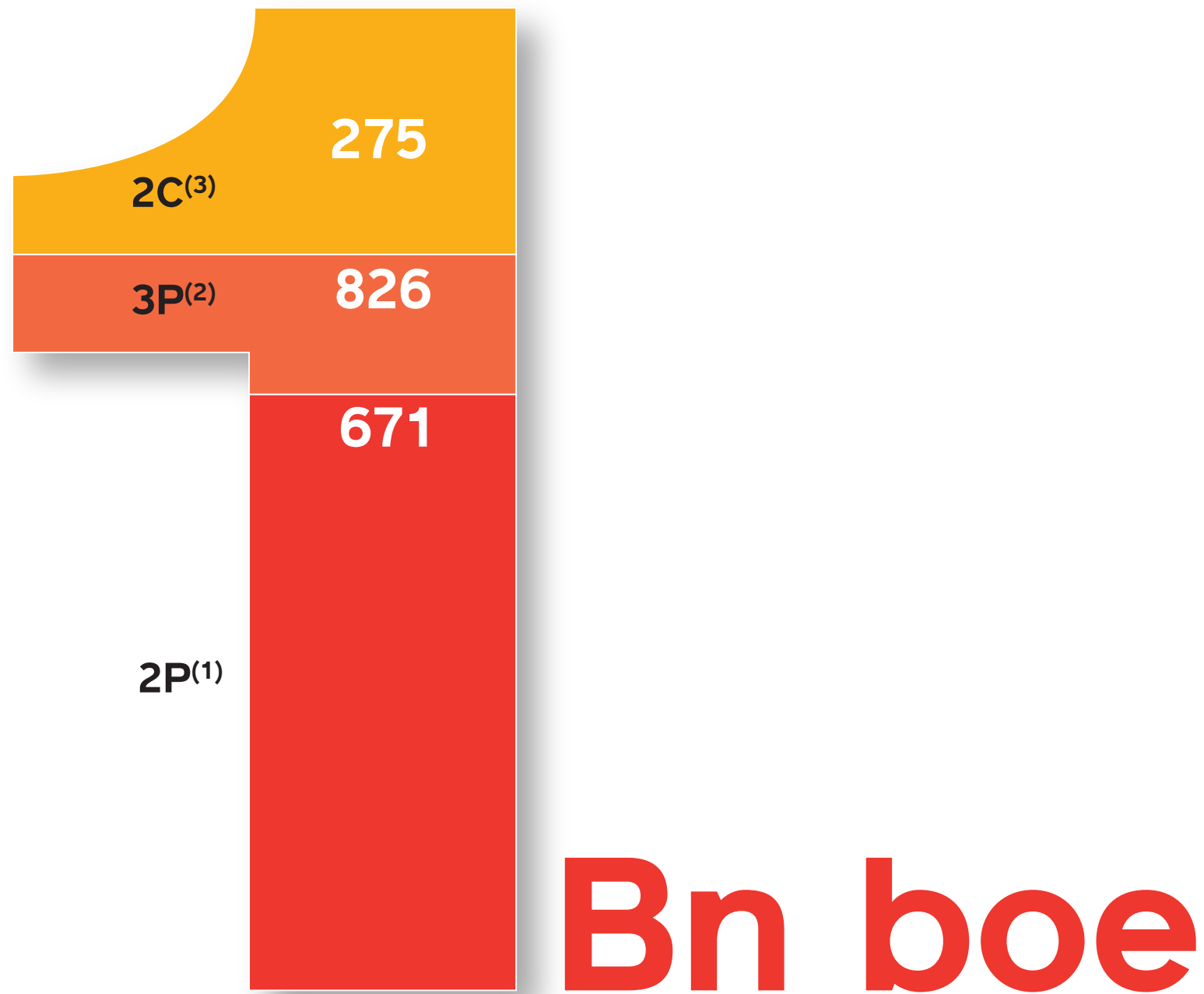
Enhanced Recovery



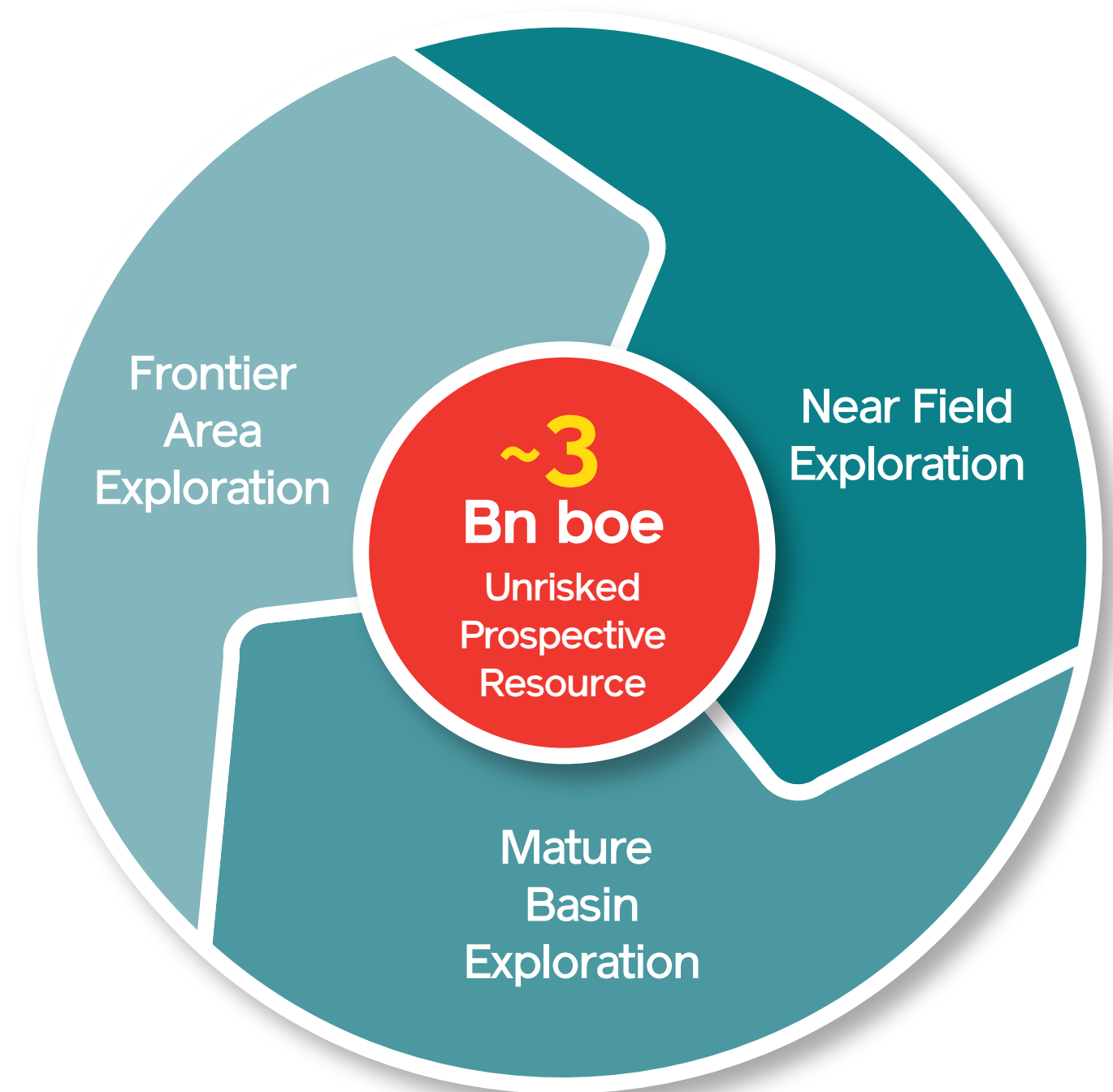
Lundin Energy

Platform for Future Growth

Resource Base



Balanced Exploration Portfolio



⁽¹⁾ 2P proved plus probable remaining reserves

⁽²⁾ 3P proved plus probable plus possible remaining reserves

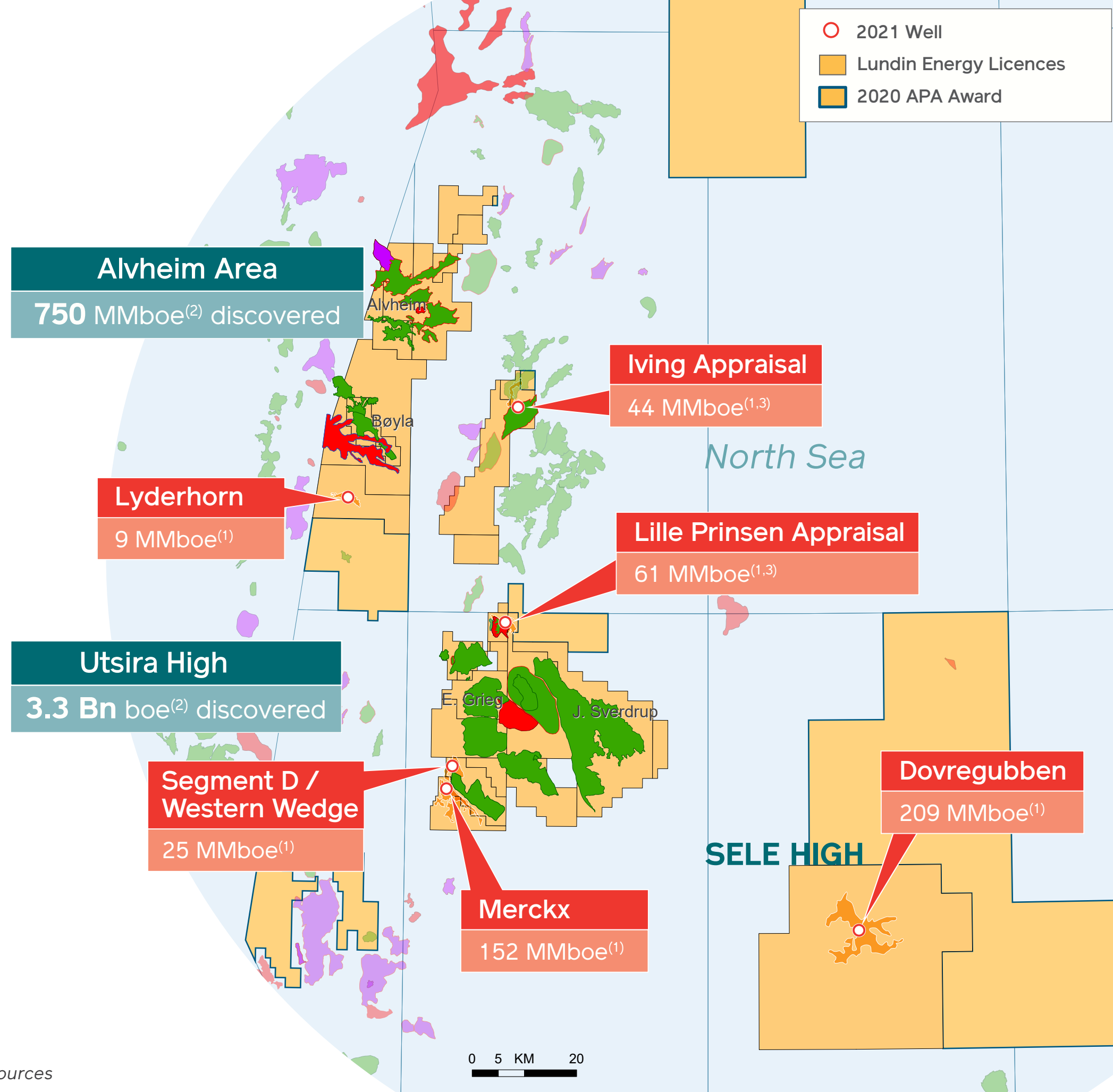
⁽³⁾ 2C best estimate contingent resources

Central North Sea Building on Success

6 E&A wells in 2021
Targeting **>200 MMboe⁽¹⁾**

6 new licences in APA 2020

High value barrels close to existing facilities



⁽¹⁾ Gross unrisked resources

⁽²⁾ Gross

⁽³⁾ Including 2C contingent resources

Northern North Sea Maturing Drilling Targets

2018

**Seismic purchase
4 licences**

2019

8 licences

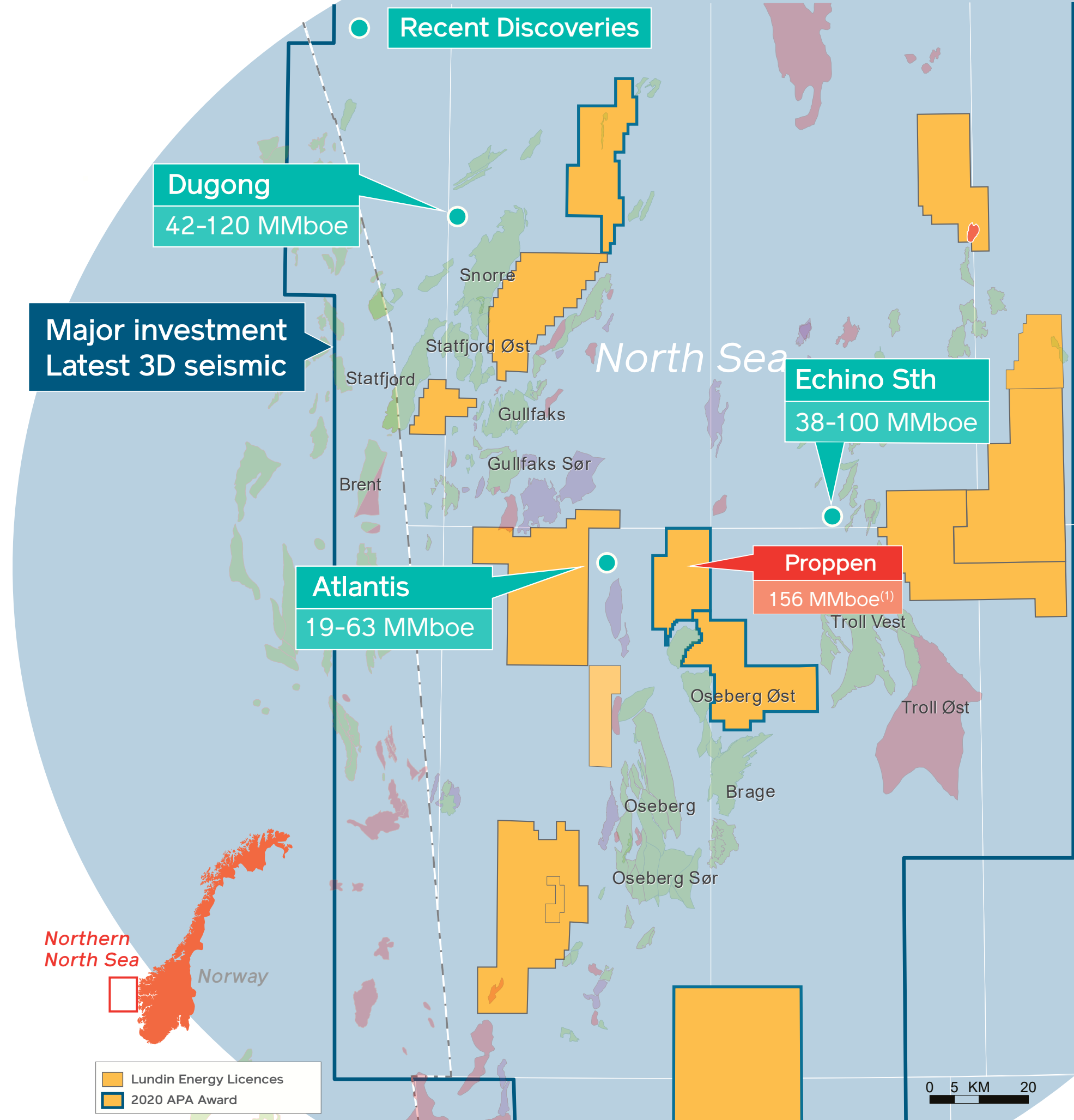
2020

10 licences

2021

13 licences

Drilling in 2022



⁽¹⁾ Gross unrisks prospective resources, Lundin Energy Working Interest 40%

Norwegian Sea Expanding Our Presence

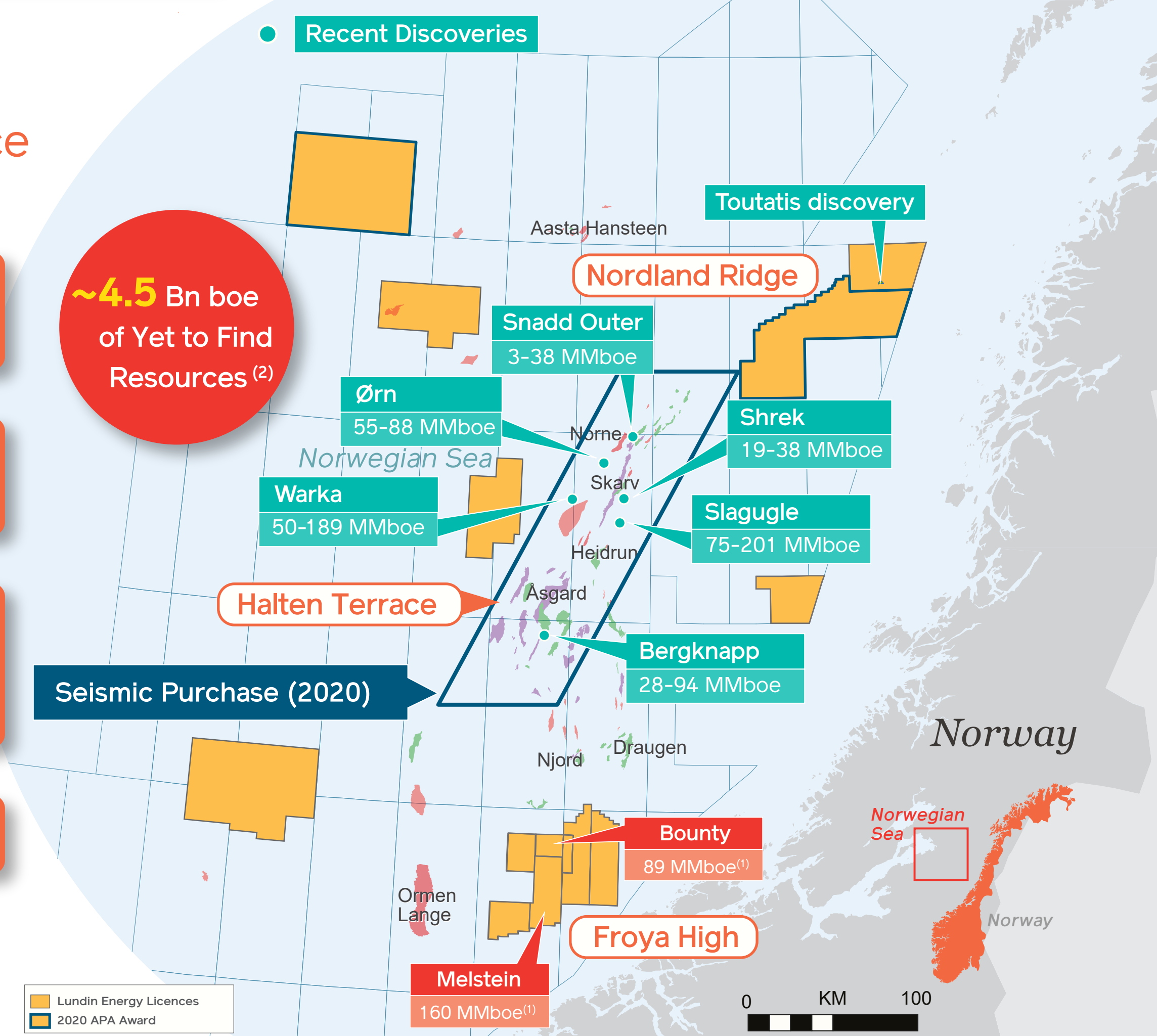
Froya High
2 wells in 2022

Nordland Ridge
Following Toutatis

Halten Terrace
Seismic investment
Significant recent discoveries

Frontier Exploration

~4.5 Bn boe
of Yet to Find
Resources ⁽²⁾



⁽¹⁾ Gross unrisked prospective resources ⁽²⁾ NPD estimate

WF12720 p12 01.21

Southern Barents Sea

More to Find

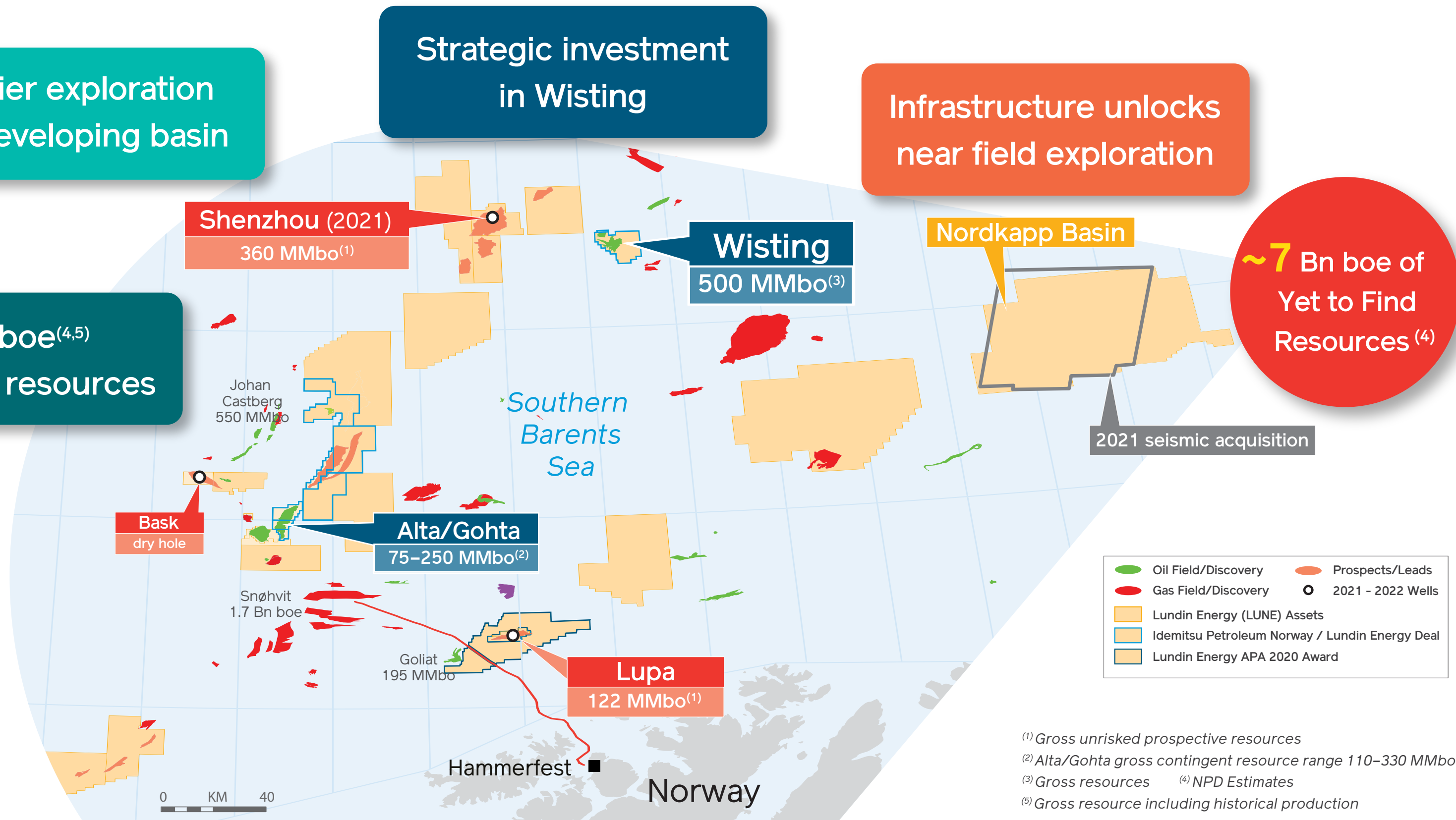
Frontier exploration in a developing basin

Strategic investment in Wisting

Infrastructure unlocks near field exploration

~3 Bn boe^(4,5) commercial resources

~7 Bn boe of Yet to Find Resources⁽⁴⁾

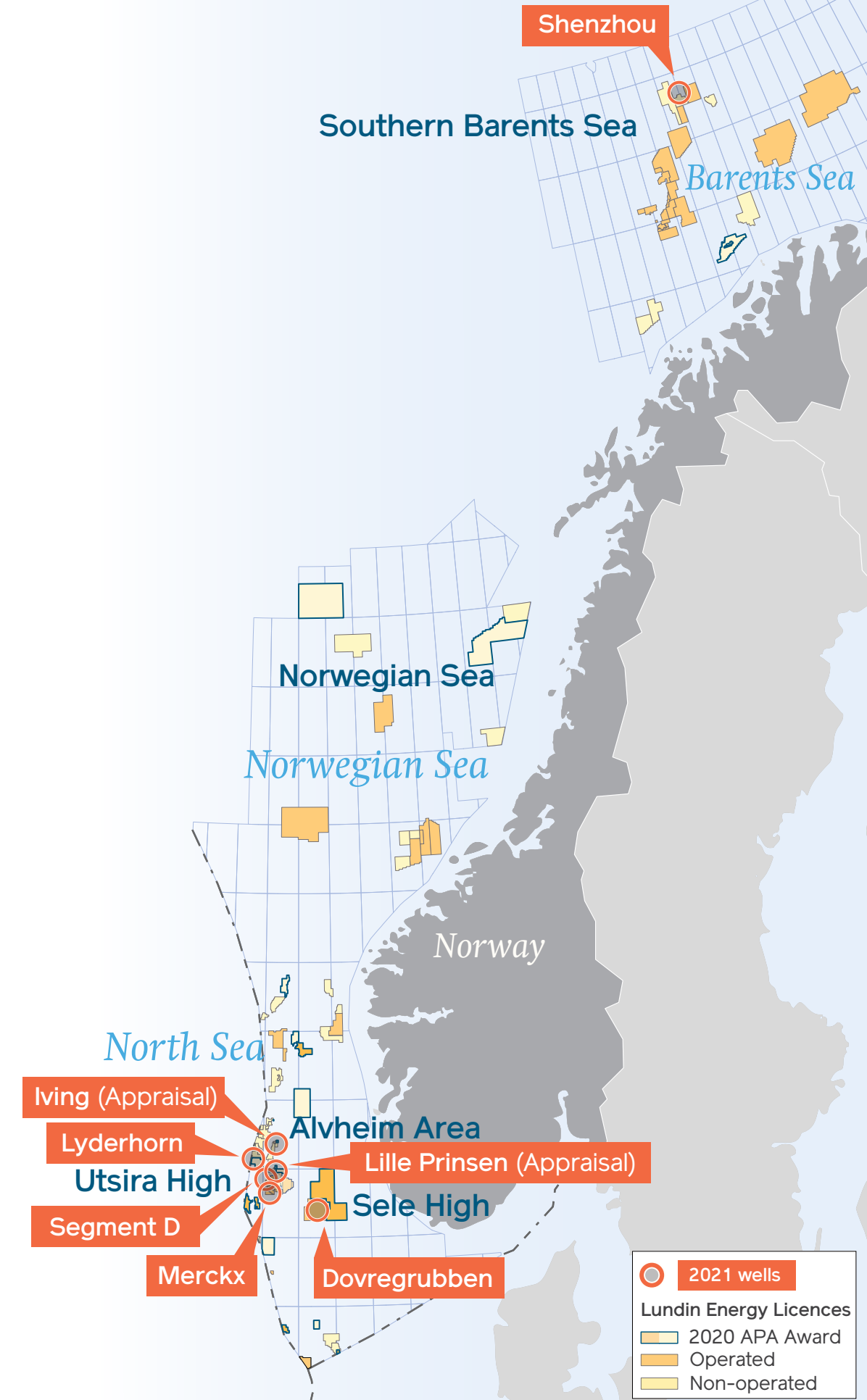
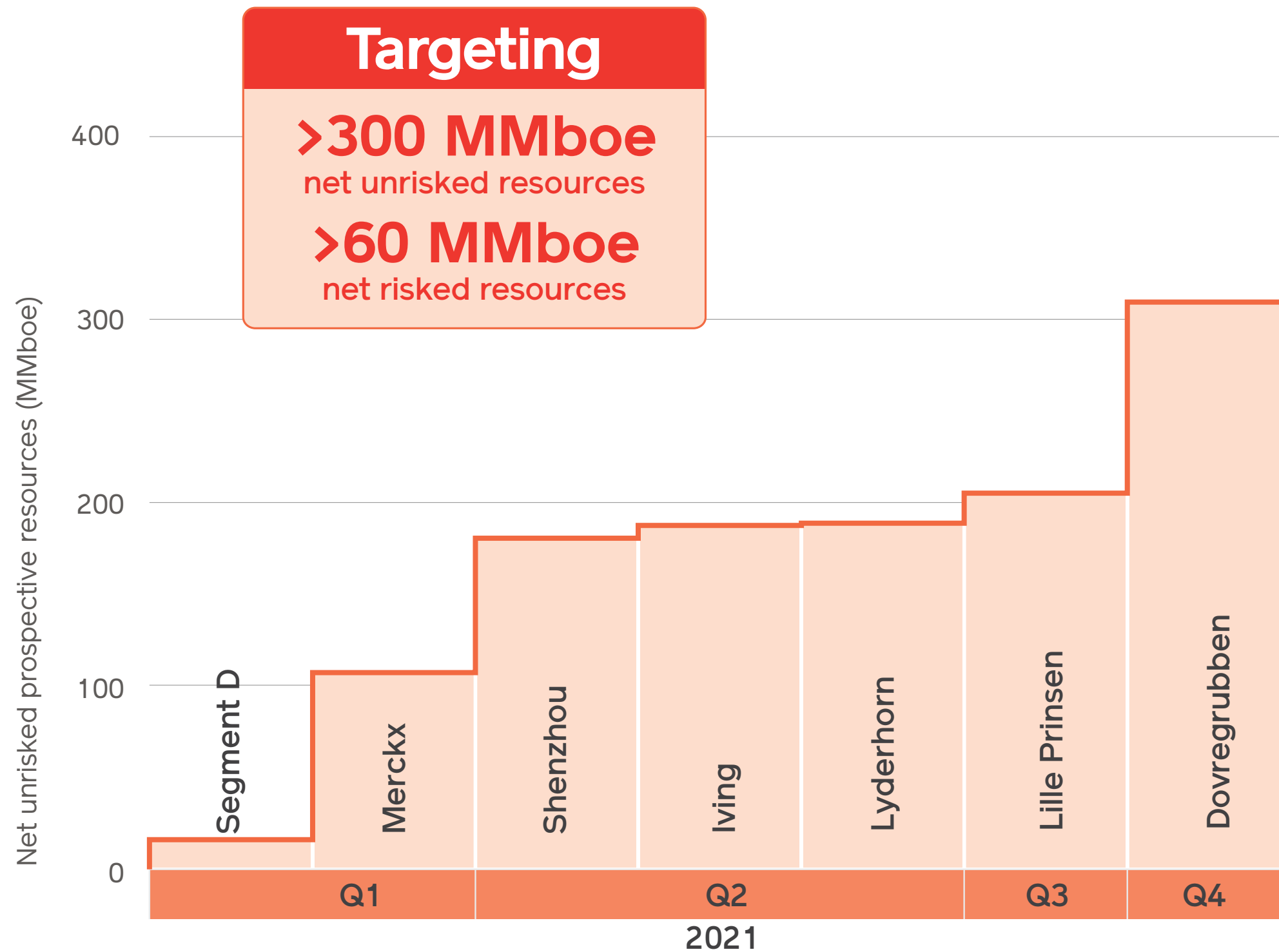


(1) Gross unrisked prospective resources
 (2) Alta/Gohta gross contingent resource range 110-330 MMboe
 (3) Gross resources (4) NPD Estimates
 (5) Gross resource including historical production

WF12720 p04 01.21

Lundin Energy

2021 Exploration and Appraisal Programme



WF12720 p02 01.21

Explorers by Nature

7 wells targeting **>300** MMboe⁽¹⁾ in 2021

Driven by technology and innovation,
with a platform for future growth

⁽¹⁾ Net unrisks resources

⁽¹⁾ Gross unrisks resources

Coffee break



Accelerating decarbonisation **carbon neutral from 2025**

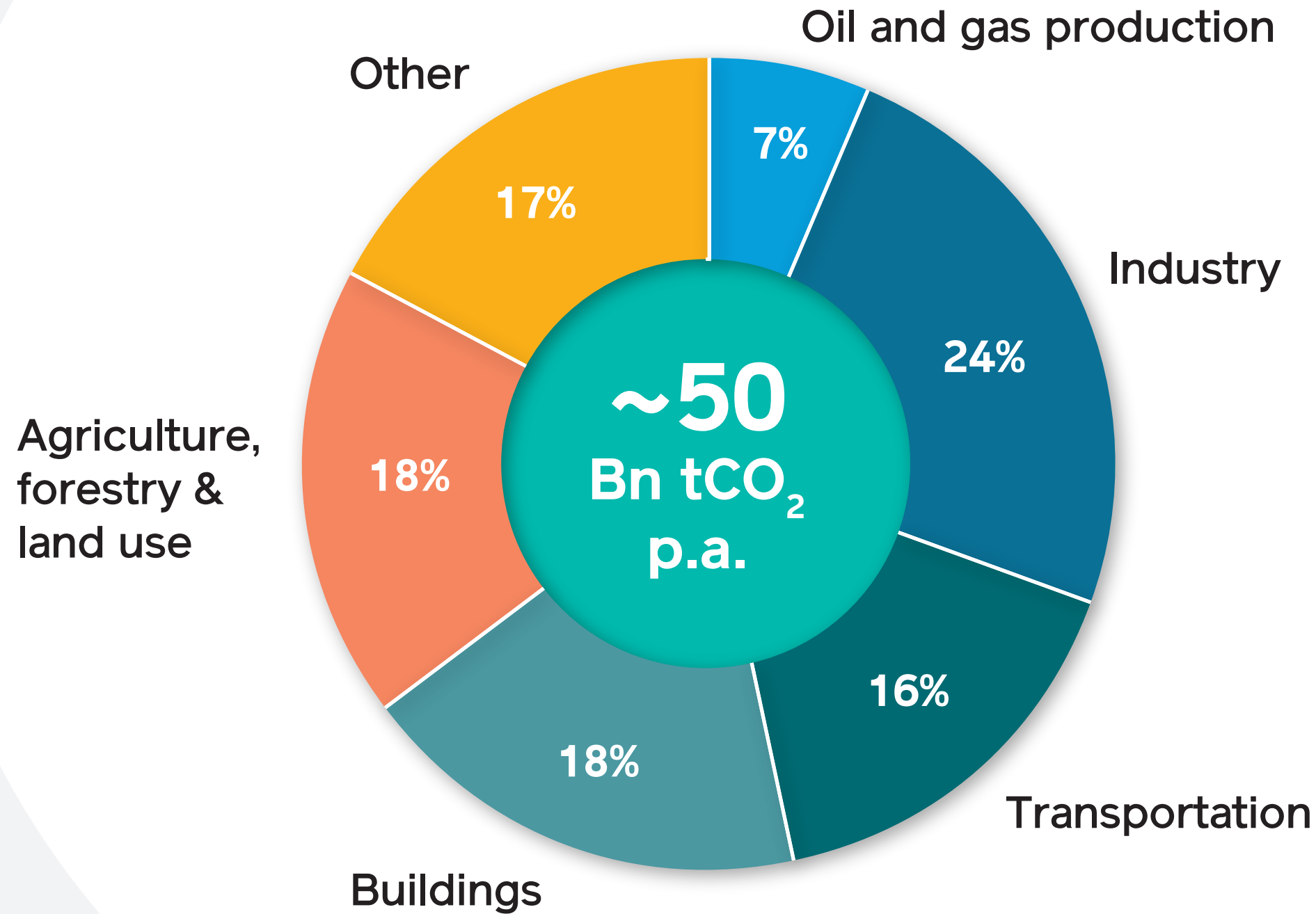


Lundin Energy will be
the first carbon neutral
oil and gas company

Global Emissions Context

The Oil and Gas Industry Needs to Rapidly Decarbonise

Current Global CO₂ Emissions by Sector



To meet a <2 degree future, every sector must decarbonise by **>50%**

Lundin Energy

First Oil and Gas Company to be Carbon Neutral

750 MUSD investment
55% spent to date⁽¹⁾

Carbon intensity target
of **<2** kgCO₂/boe⁽²⁾

>95% of production
to be electrified⁽²⁾

**Carbon
Neutral
from 2025**
(4)

>80%
CO₂ emissions avoided⁽³⁾

100% replacement of
electricity consumption
with renewables

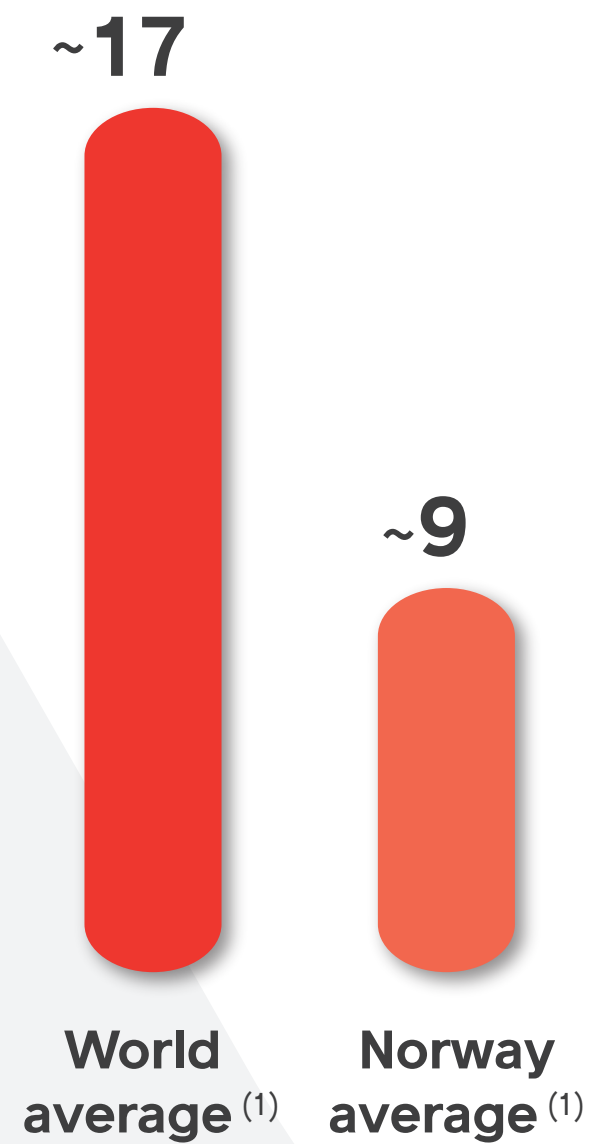
8 million trees
to be planted

⁽¹⁾ In electrification, renewables and natural carbon capture

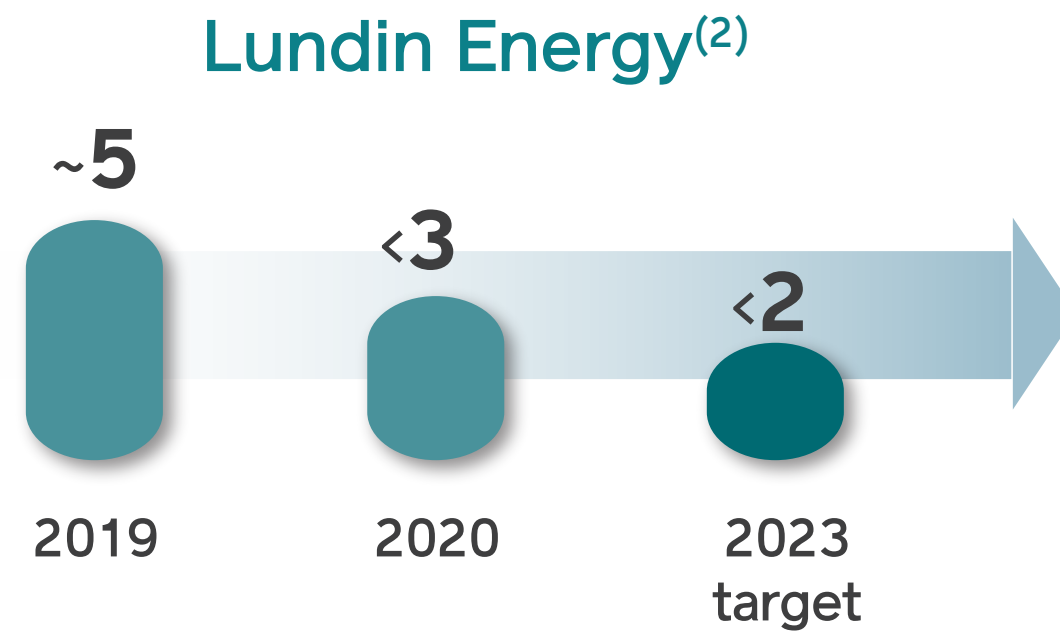
⁽²⁾ By 2023 ⁽³⁾ From electrification of Johan Sverdrup and Edvard Grieg

⁽⁴⁾ Across Scope 1, 2 and Scope 3 supply chain emissions (logistics, supply vessels, tankers)

Lundin Energy Industry-leading Low Carbon Intensity



Carbon intensity
kg CO₂/boe



Lundin Energy's carbon intensity will be **>10x better** than world average

Carbon Neutral from 2025
⁽³⁾

⁽¹⁾ NOROG/IOGP

⁽²⁾ Net Scope 1 and 2 emissions

⁽³⁾ Across net Scope 1 and 2 emissions and supply chain emissions

Lundin Energy Edvard Grieg – The First Certified Low Carbon Field in the World



Creates **clear distinction** between barrels



Gives refiners a **competitive edge**



Ensures **full value chain traceability**



Reduces **lifecycle footprint** of hydrocarbon products

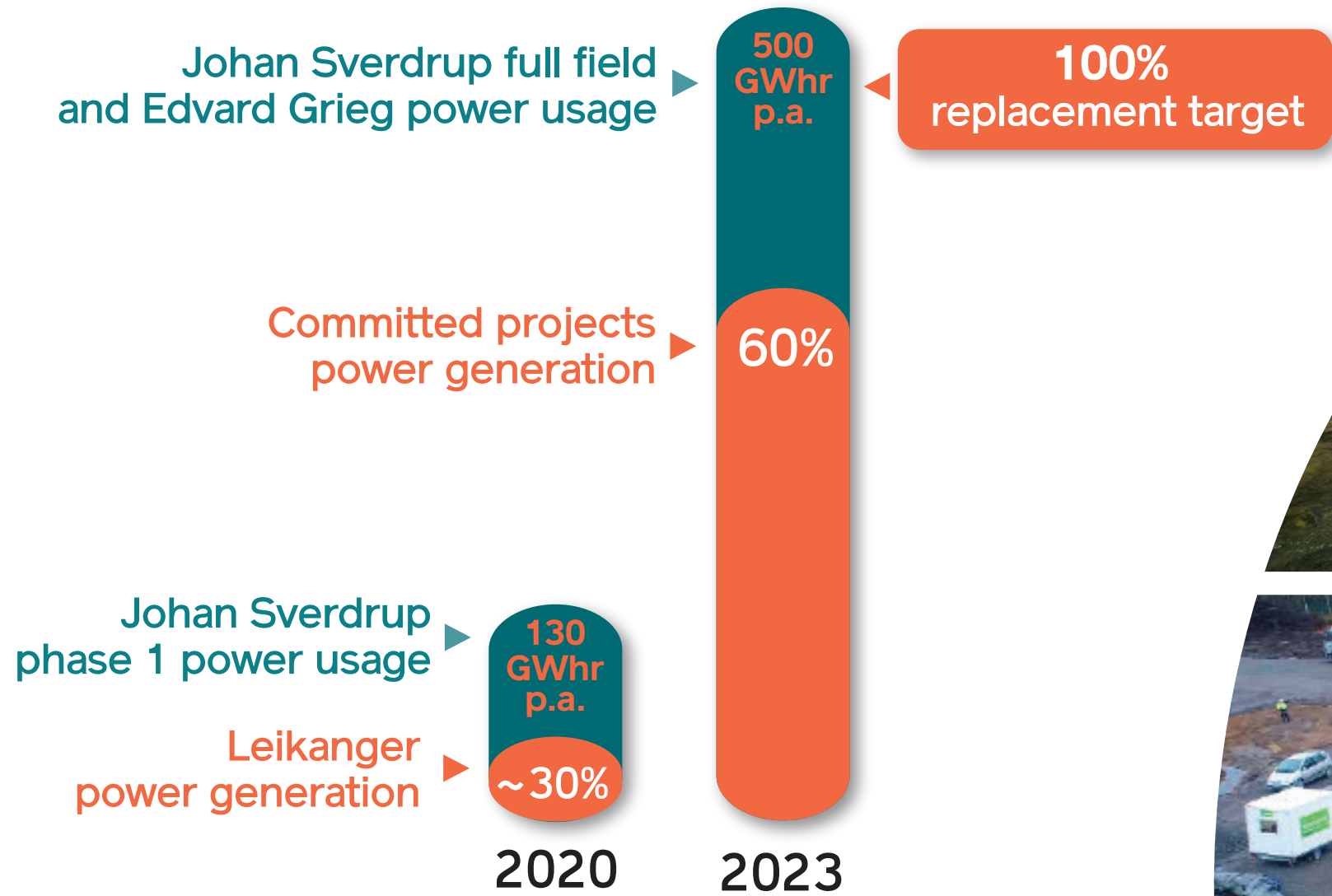
80%
lower emissions
than average barrel

**Enables premiumisation of
lower-carbon intensity barrels**

Lundin Energy

Replacement of Electricity Consumption with Renewables

Net electricity usage replacement (%)



Generating good leveraged returns

WF12723 p07 01.21

Lundin Energy

35 MUSD over 2021-2025 for Natural Carbon Capture

- Proprietary re-forestation projects on degraded land
- Fixing a low cost per tonne of carbon captured
- Enables flexibility for future growth

8
million
trees
planted

Projected CO₂
captured

2.6
Mt CO₂⁽¹⁾

⁽¹⁾ Million tonnes



Reforestation in Northern Spain



Financial discipline
and strength



Financial resilience

increasing shareholder returns

Q4 and Full Year 2020 Financial Highlights

Q4 production & sales

Produced: **185** Mboepd
Sales: **187** Mboepd

Strong cash generation

CCFO 12m: **1,528** MUSD
EBITDAX 12m: **2,140** MUSD

Good price realisation in Q4

Oil: **44.7** USD/bbl
Gas / NGL: **32.5** USD/bbl

Re-financing successful

Corporate Facility: **5** Bn USD
Net Debt 2020: **3.9** Bn USD
Liquidity Headroom: **1.1** Bn USD

Costs & investments in Q4

Opex: **2.4** USD/boe
Oil & Gas Capex/E&A: **216** MUSD
10% Wisting acquisition: **125** MUSD

Ratios 2020

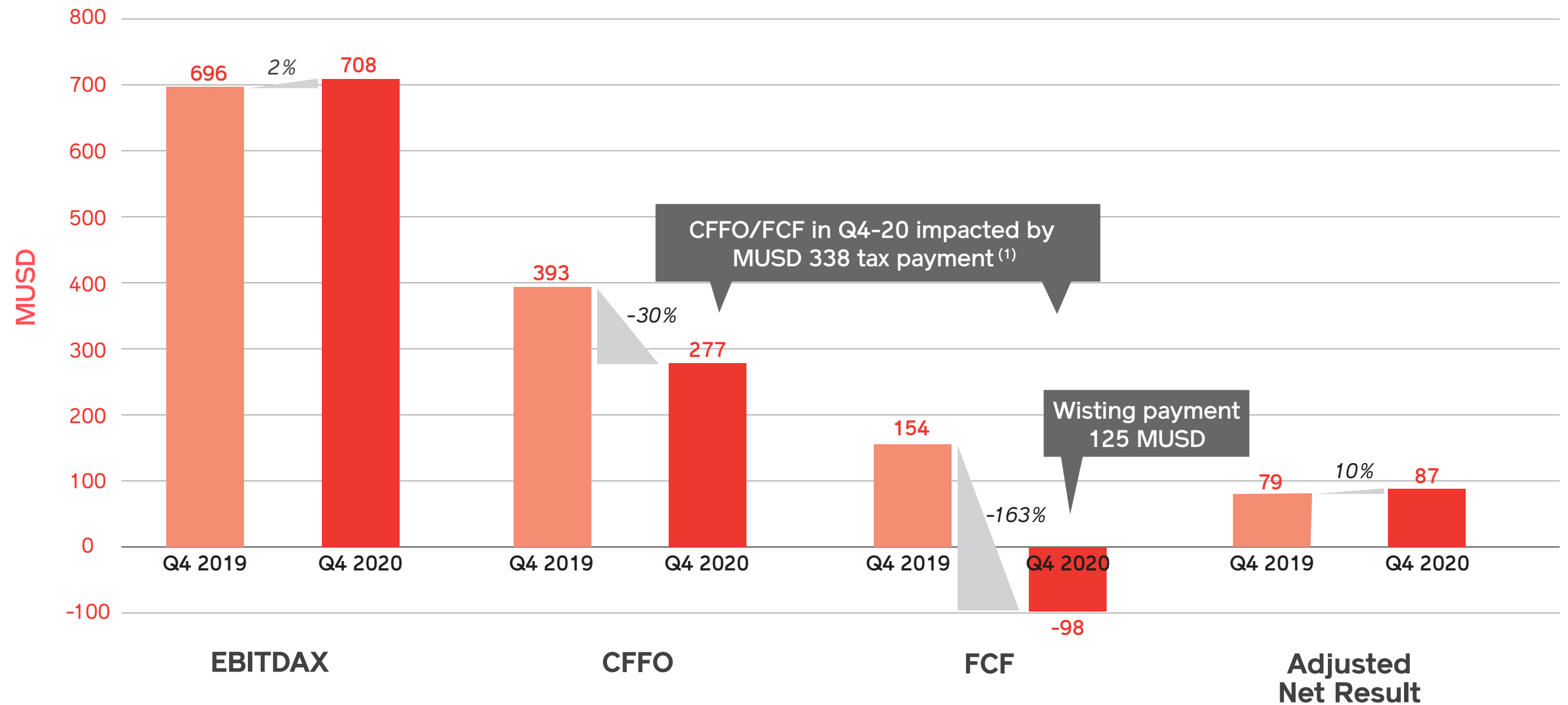
FCF ⁽¹⁾/Paid Dividends: **1.4x**
Net Debt/EBITDAX: **1.8x**

⁽¹⁾ Pre-dividends

Financial Results

Fourth Quarter 2020

	Q4-20	Q4-19	Q4-20 vs Q4-19
Sales Price (USD/boe)	43.5	60.8	-28%
Sales Volumes (Mboe)	17,223	12,186	41%

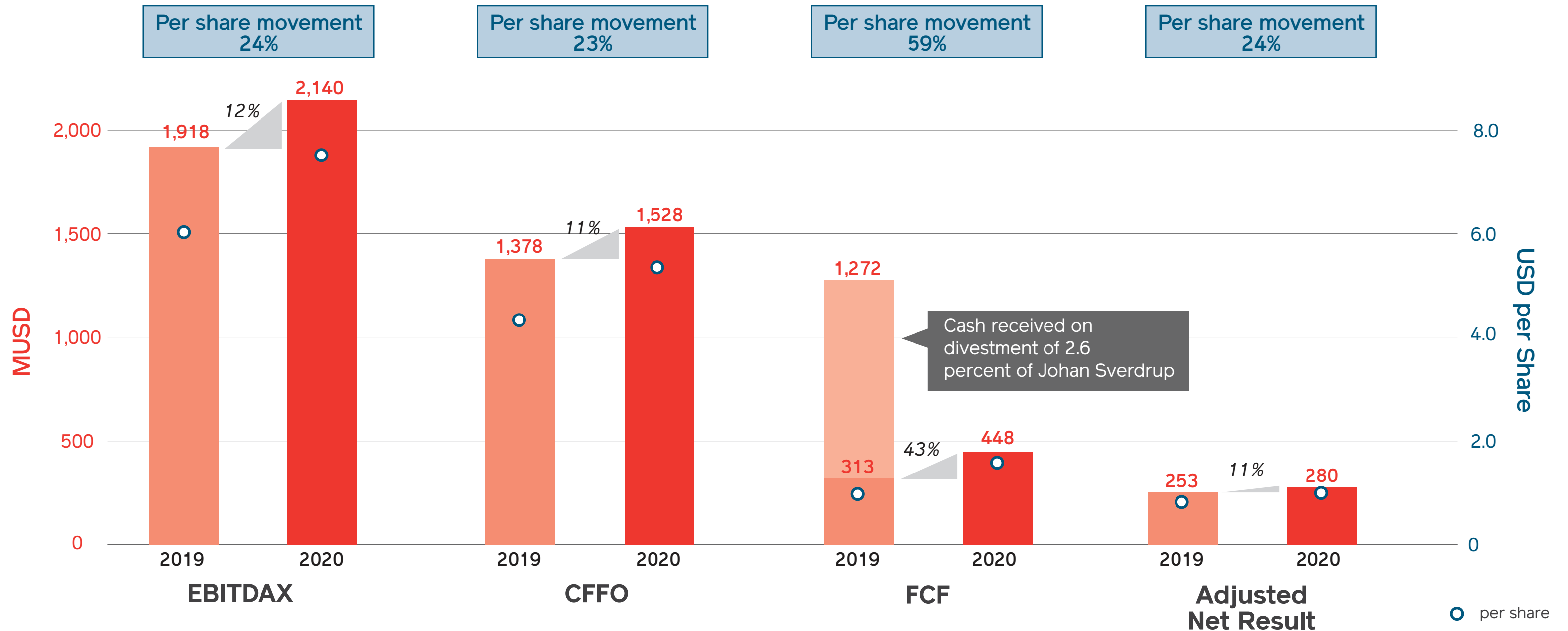


⁽¹⁾ Includes minor non-Norway tax

Financial Results

Full Year 2020

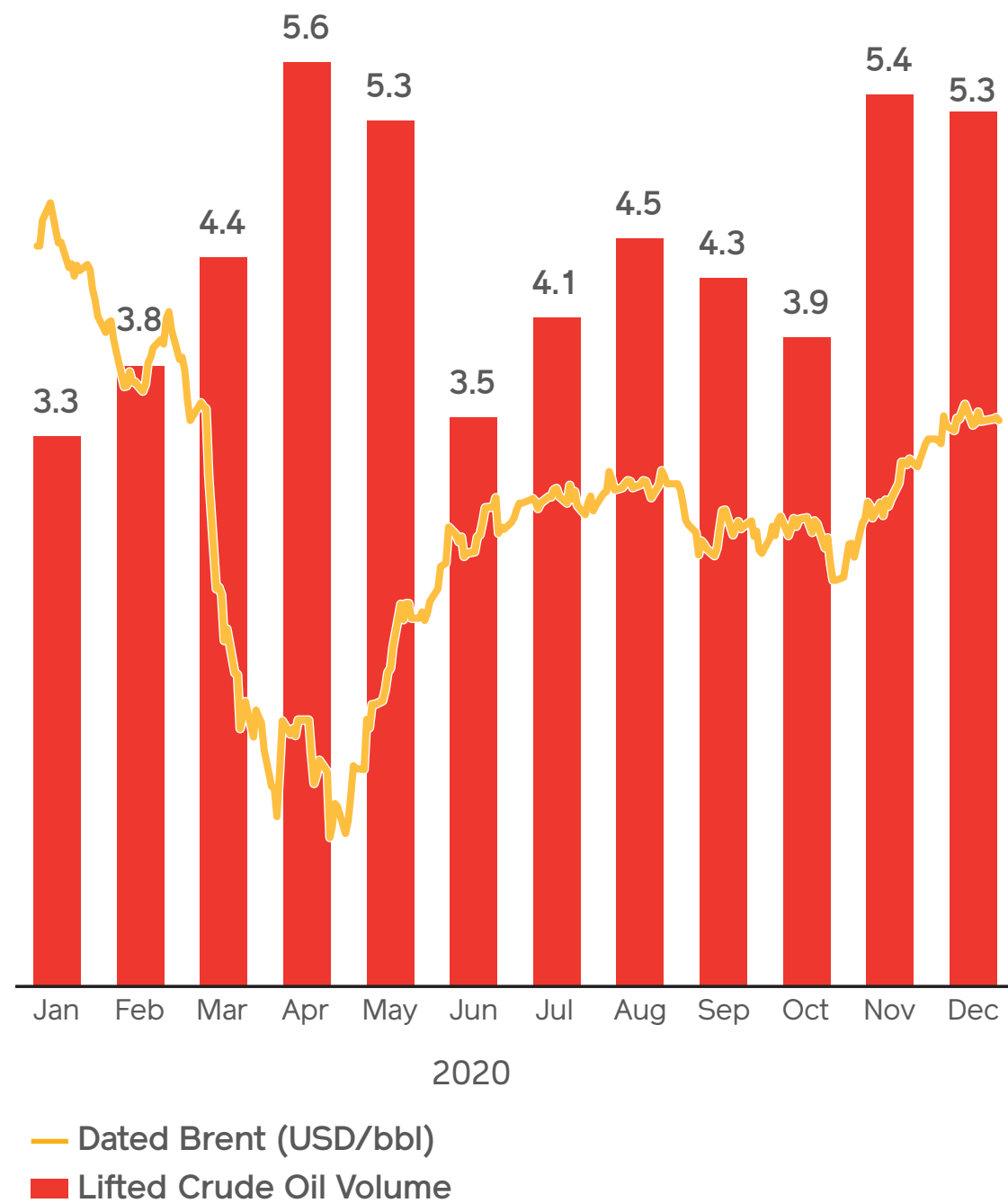
	2020	2019	2020 vs 2019
Realised Price USD/boe	38.4	61.0	-37%
Sales Volumes (Mboe)	60,277	34,005	77%



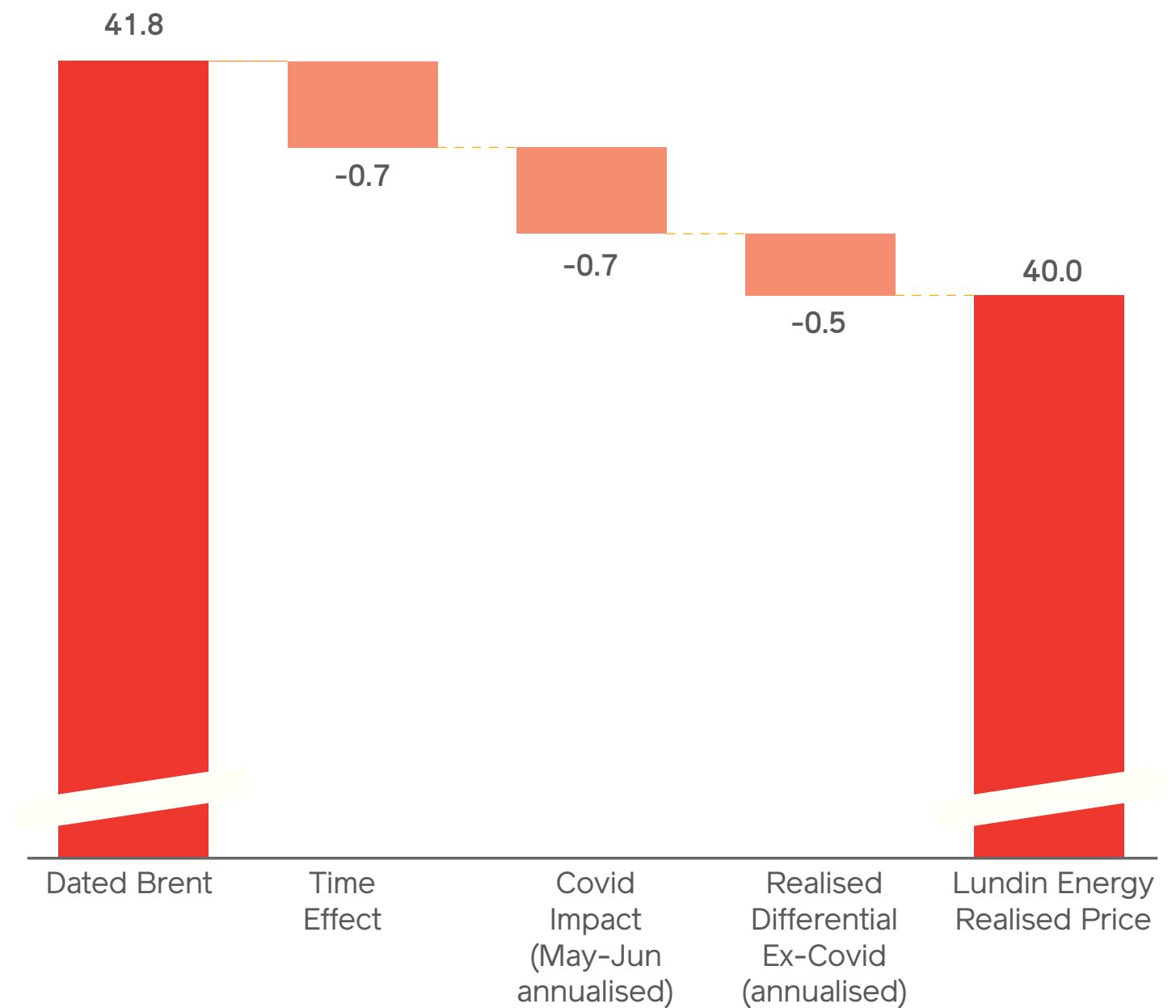
Lundin Energy

Lifted Volumes and Realised Prices

2020 Crude Oil Liftings (MMbbls)



2020 Crude Realised prices (USD/bbl)

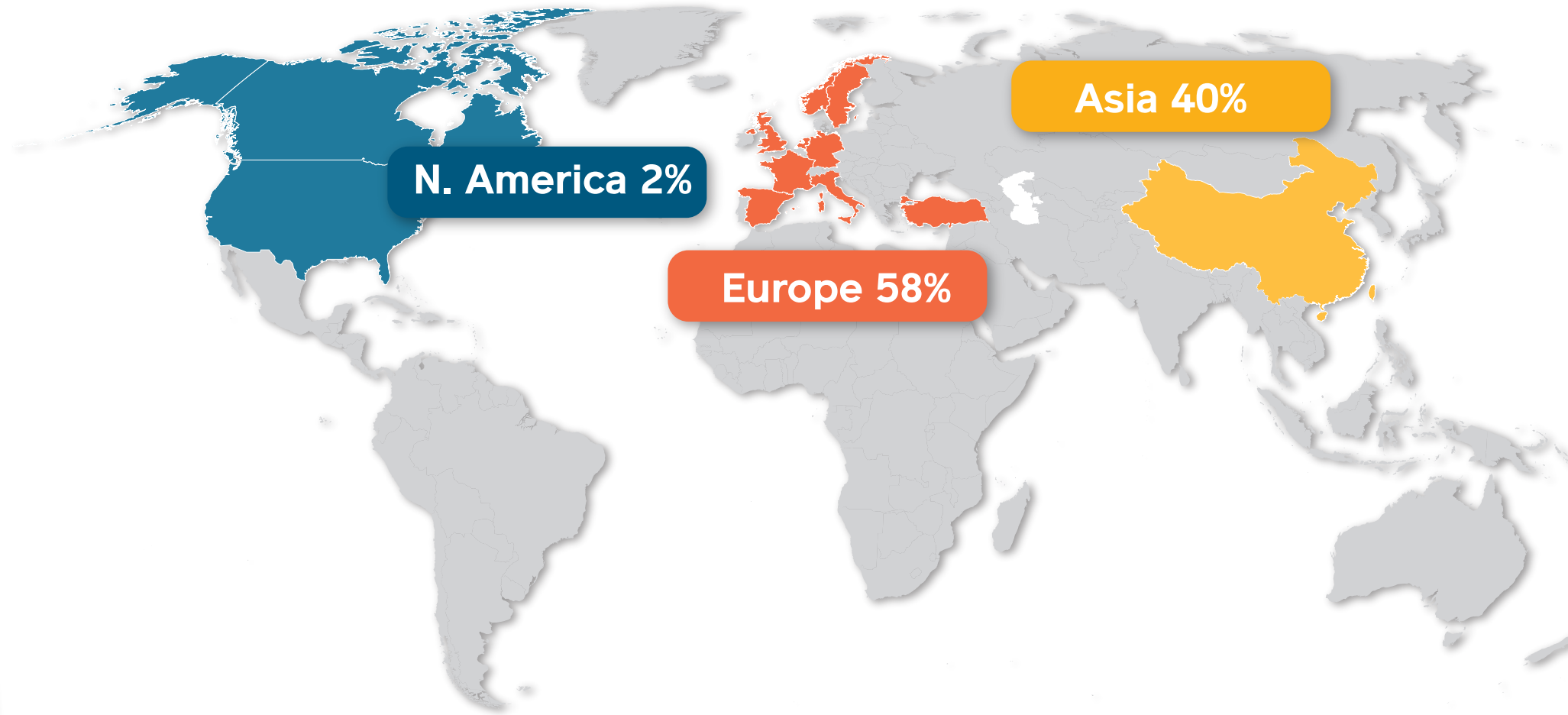


Numbers may not add up due to rounding

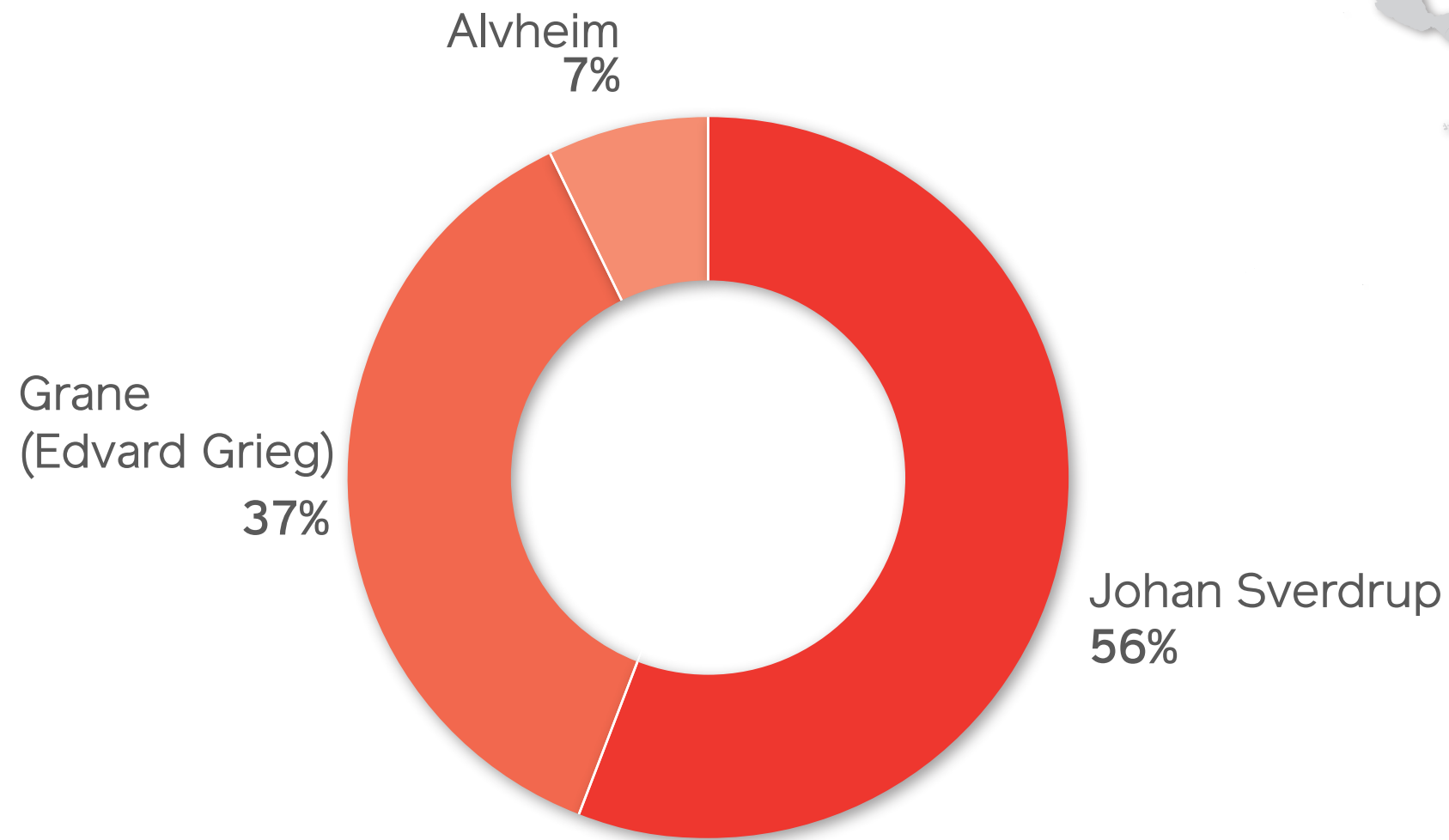
Crude Oil Marketing

Sales for 2020 => 54 MMbbls

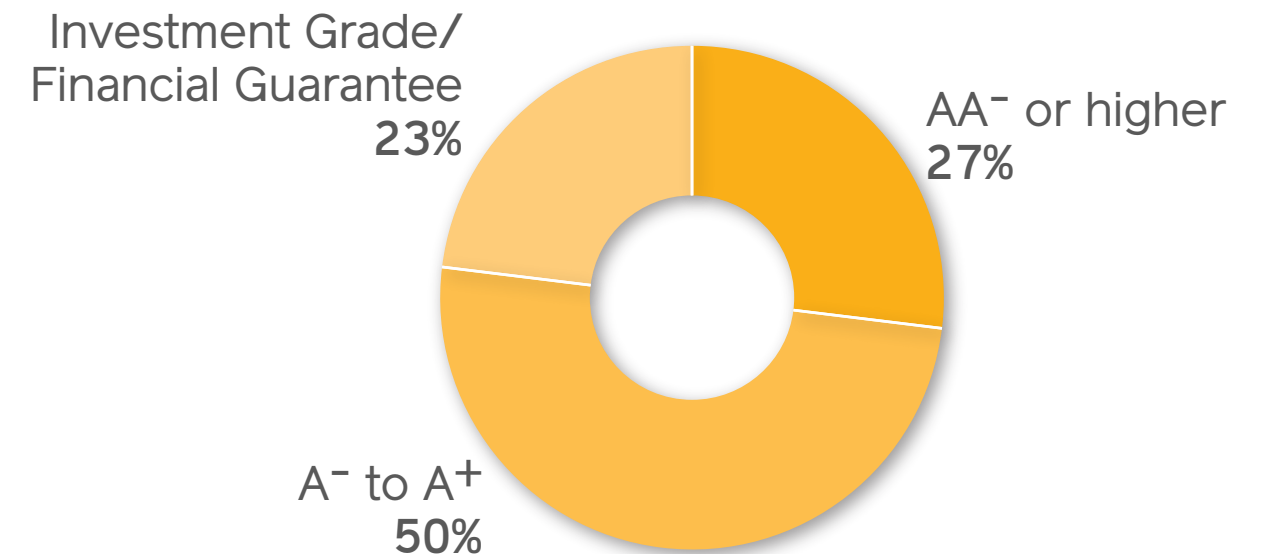
By Destination



By Field

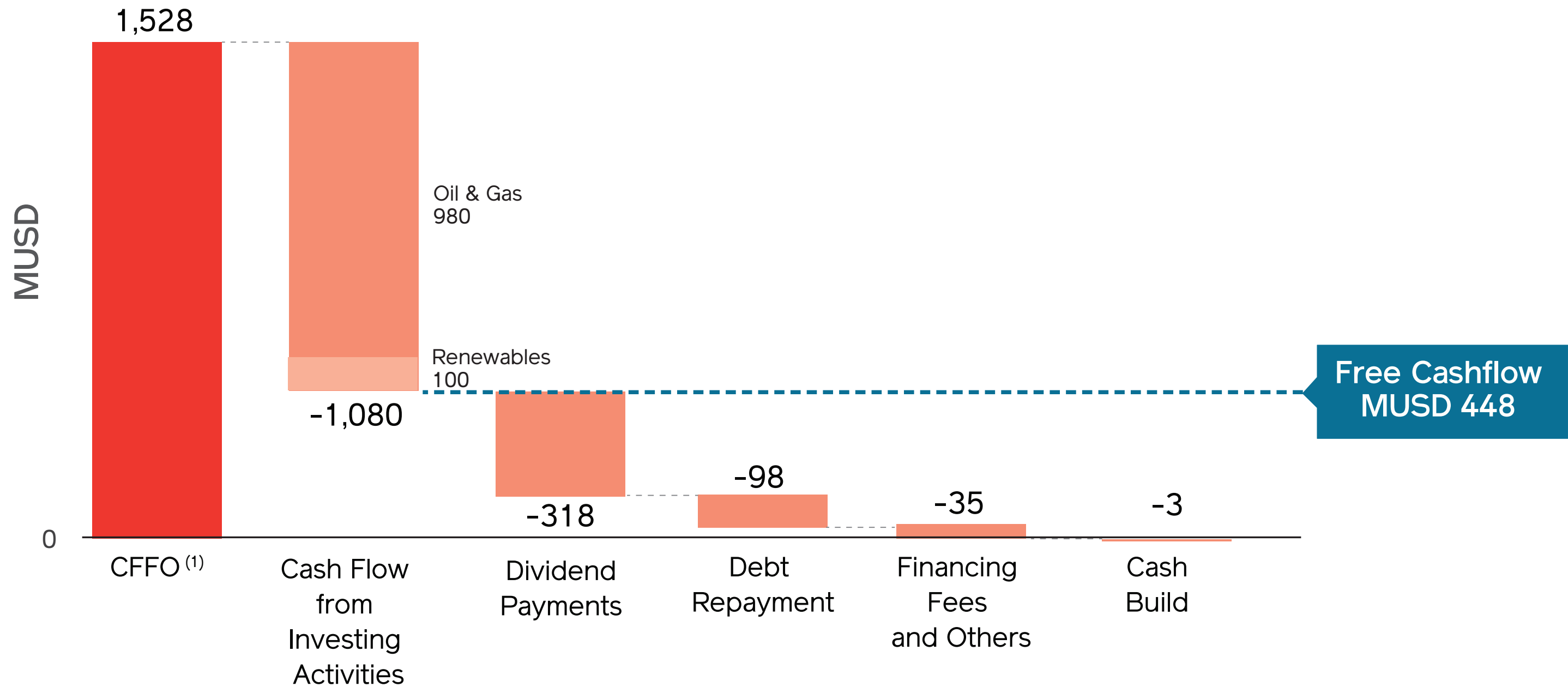


By Customer Credit Rating (S&P)



Full Year 2020

Cash Flow

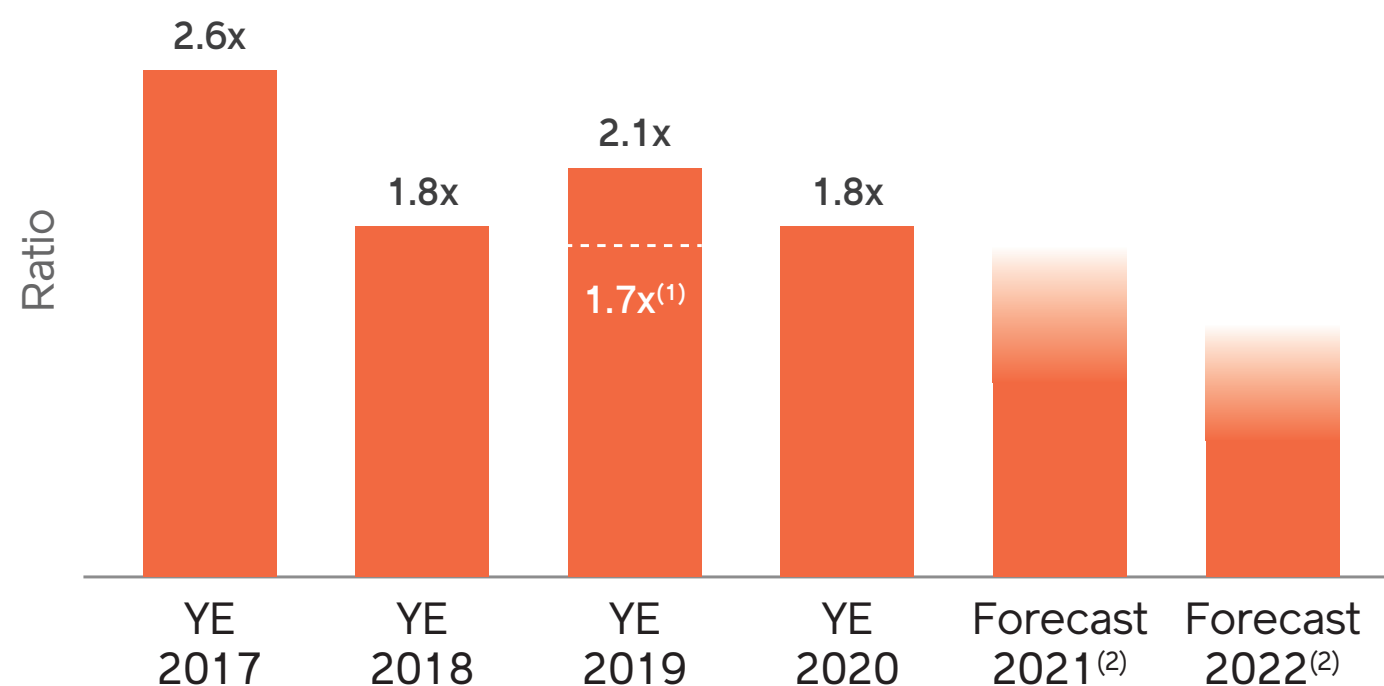


⁽¹⁾ Includes MUSD 61 positive cash flow from working capital movements

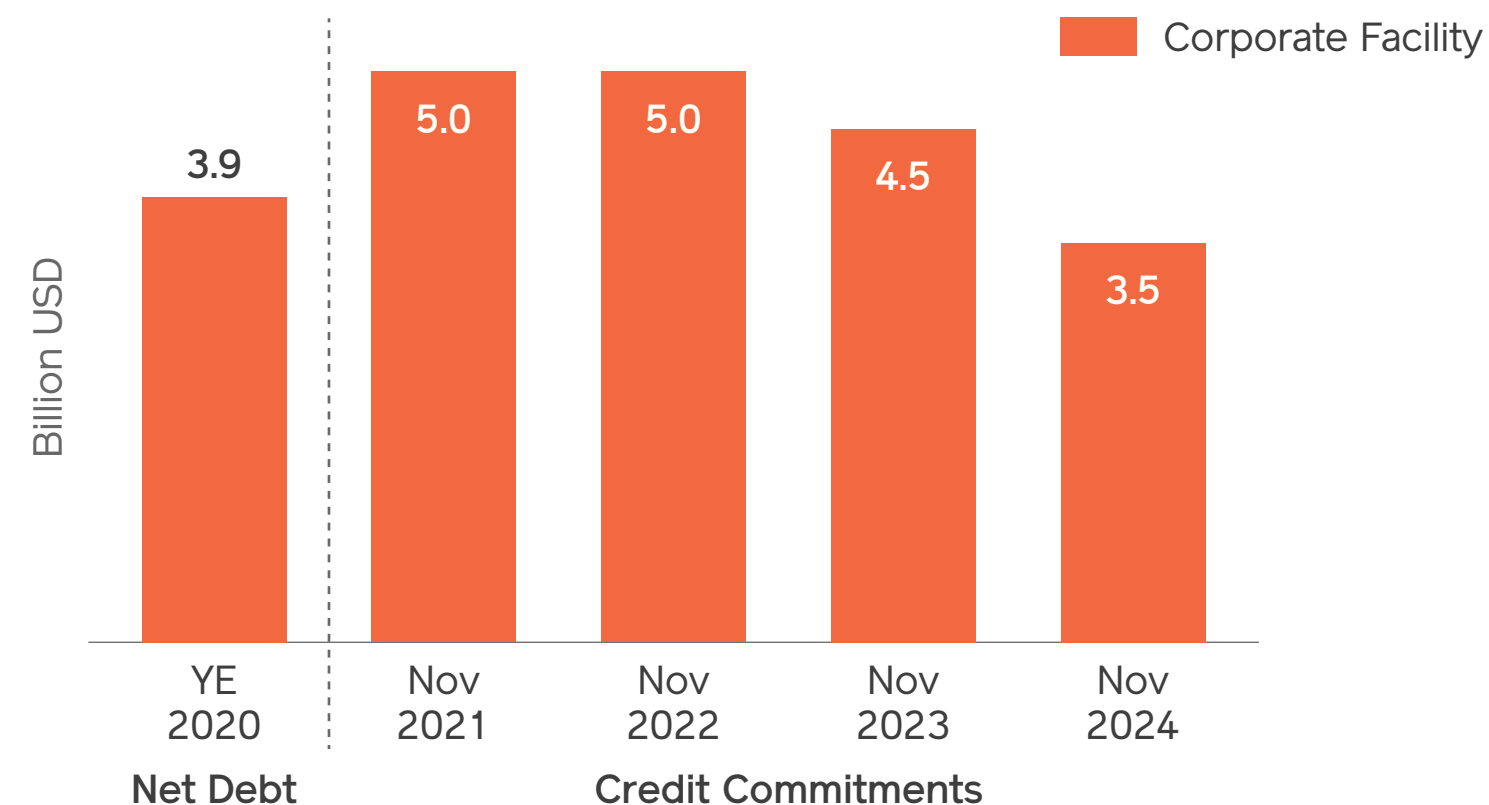
Lundin Energy

Debt and Liquidity

Debt Gearing – Net Debt/EBITDAX



Available Credit



→ Liquidity sources vs liquidity uses > 1.5x next 2 years

BBB- credit rating
S&P Global
 Ratings

	Old Facility	New Facility
Type	RBL	Corporate (RCF + Term Loans)
Margin	2.50%	1.60%
Bond issuance	Subordinated to bank debt	Unsecured, Pari Passu to bank debt
ESG Framework	No	Yes

⁽¹⁾ Excluding Equinor Deal Summer 2019 and share buy-back

⁽²⁾ Nominal. Dated Brent range 40–60 USD/bbl in 2021 and 45–65 in 2022 (real 2021)

2020 Actuals Compared to CMD

	CMD	Actual
Production (Mboepd)	145-165	164.5
Operating costs (USD/boe)	3.40	2.69
CAPEX (MUSD)	895	640
E&A Expenditure (MUSD)	225	153
Decommissioning Expenditure (MUSD)	50	58
Renewables Investments (MUSD)	100	96

Better than guidance

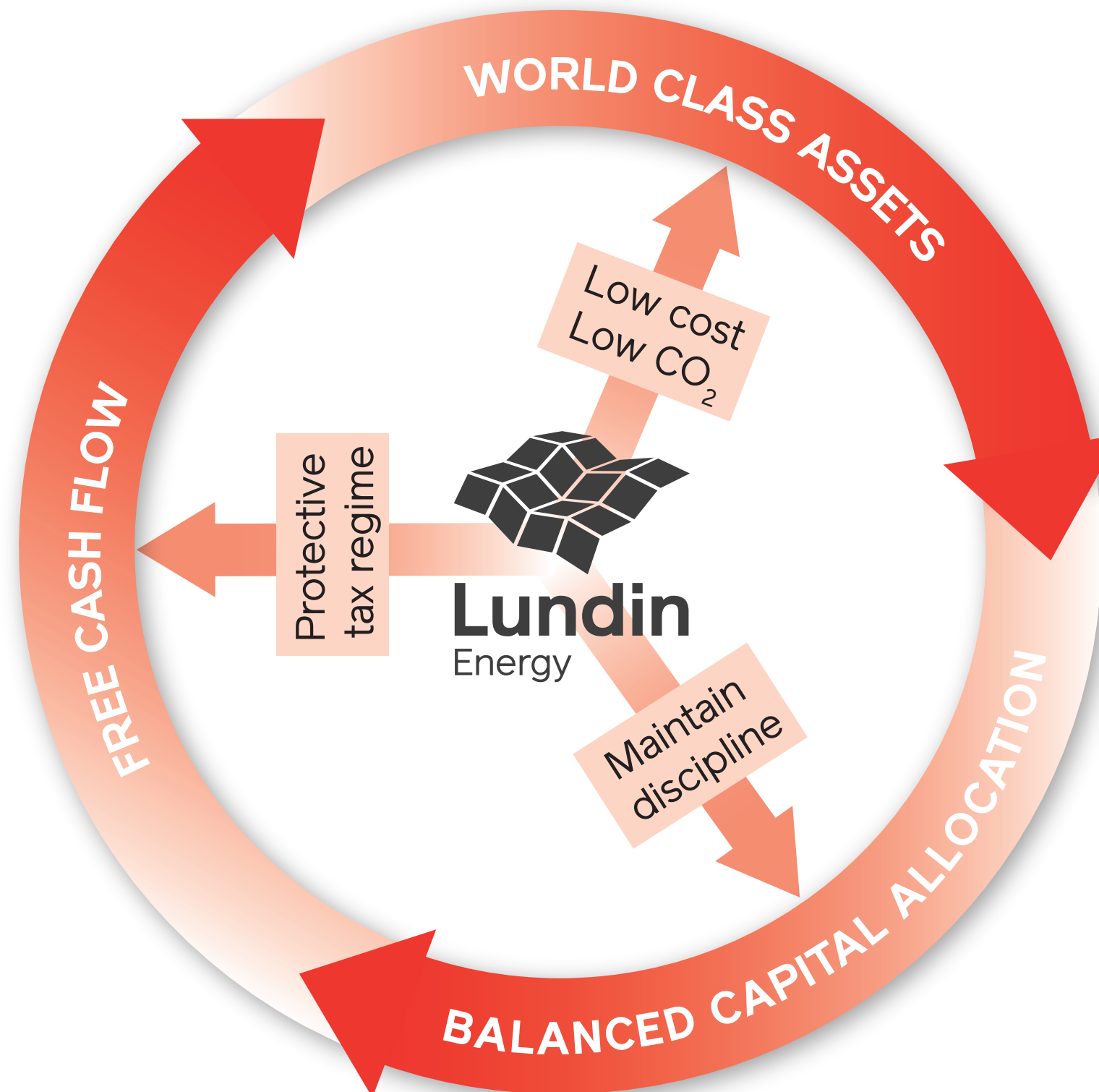
Lundin Energy Financial Model

Characteristics

- Good quality oil
- EBITDAX margin >90%
- Low capex intensity

FCF Breakeven

- ~10 USD/boe 2P⁽¹⁾
- ~15 USD/boe 2P + 2C⁽¹⁾
- Sustain dividends at <50 USD/bbl - aim to grow



Priorities

- Dividend growth
- Organic growth
- Conservative leverage
- Opportunistic M&A

⁽¹⁾ Nominal, pre-dividends average 2021–2026 including E&A spend

Lundin Energy

2021 - Delivering on our Priorities

Dividends

1.8 USD/share
80% increase

Opex

3.0 USD/boe

CFFO

1.5–2.3 Bn USD⁽¹⁾

Oil and Gas Capex

1.1 Bn USD⁽²⁾

Net Debt/EBITDAX

~1.2x⁽³⁾
Year end 2021

Renewables & Reforestation

70 MUSD



NOK/USD 8.5

⁽¹⁾ Dated Brent 40–60 USD/bbl ⁽²⁾ Including E&A spend and Decommissioning ⁽³⁾ Dated Brent 50 USD/bbl

2021 Forecast

Netback (USD/boe)

	Forecast 2021		
	40	50	60
<i>Average Dated Brent oil price USD/boe</i>			
Revenue	40.6	50.1	59.5
Cash Operating Costs ⁽¹⁾	-3.0	-3.0	-3.0
Other	-0.3	-0.3	-0.3
Cash Margin Netback	37.4	46.8	56.3
General & Administration ⁽²⁾	-0.5	-0.5	-0.5
EBITDAX Netback	36.9	46.4	55.8
EBITDAX Margin	92%	93%	93%

Numbers may not add up due to rounding

All netback forecast for 2021 based on mid-point of 2021 production guidance 170–190 Mboepd

⁽¹⁾ *Tariff income from Ivar Aasen netted*

⁽²⁾ *Adjusted for depreciation*

NOK/USD 8.5

2021 Forecast

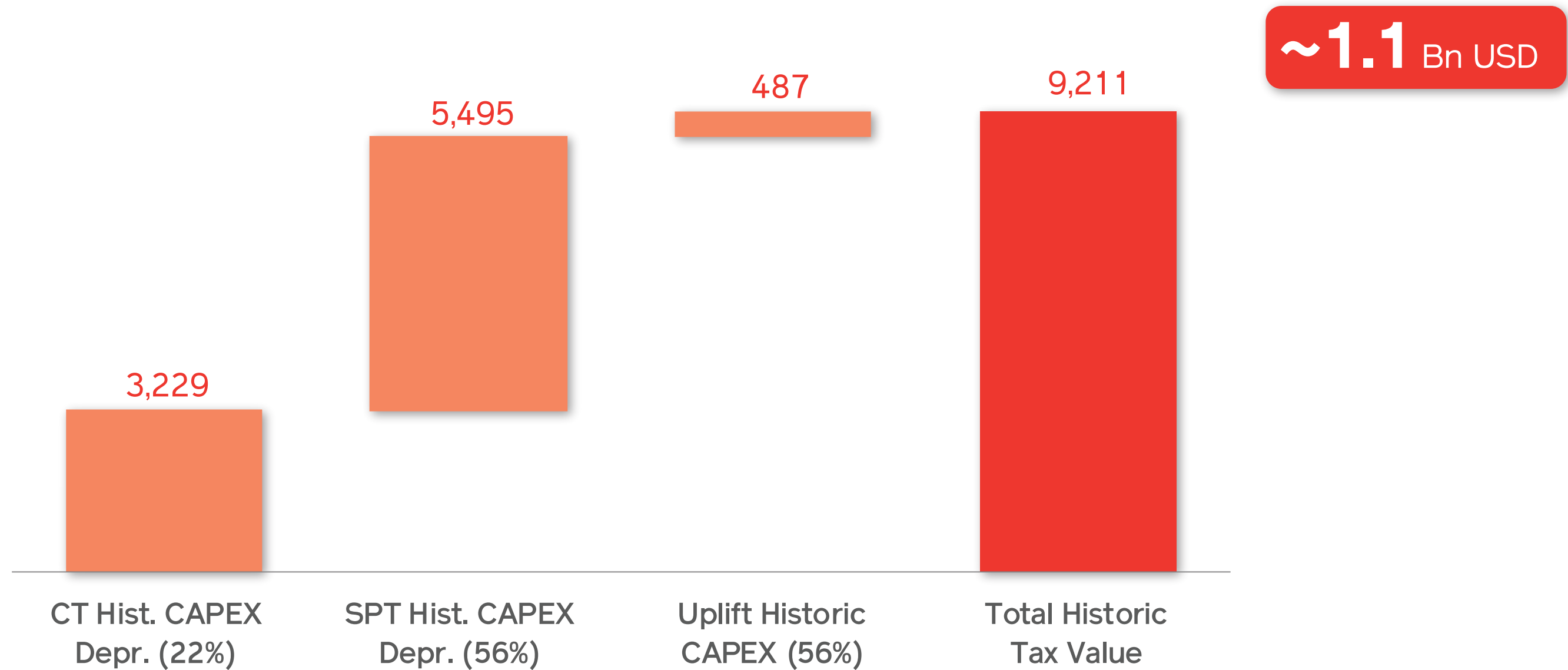
Profit Netback (USD/boe)

	Forecast 2021		
Average Dated Brent oil price USD/bbl	40	50	60
Cash Margin Netback	37.4	46.8	56.3
Depletion/Depreciation	-9.7	-9.7	-9.7
G&A	-0.5	-0.5	-0.5
Financial Items, net	-2.5	-2.4	-2.4
Profit Before Tax	24.8	34.3	43.8
Tax Charge	-19.0	-26.4	-33.8
Profit After Tax	5.8	7.9	10.0
Tax Rate	77%	77%	77%
Current Tax as % of EBITDAX	27%	37%	44%

Numbers may not add up due to rounding

Lundin Energy Norway Tax Value

Tax Value from Historic CAPEX Spend (MNOK as at 1 Jan 2021)

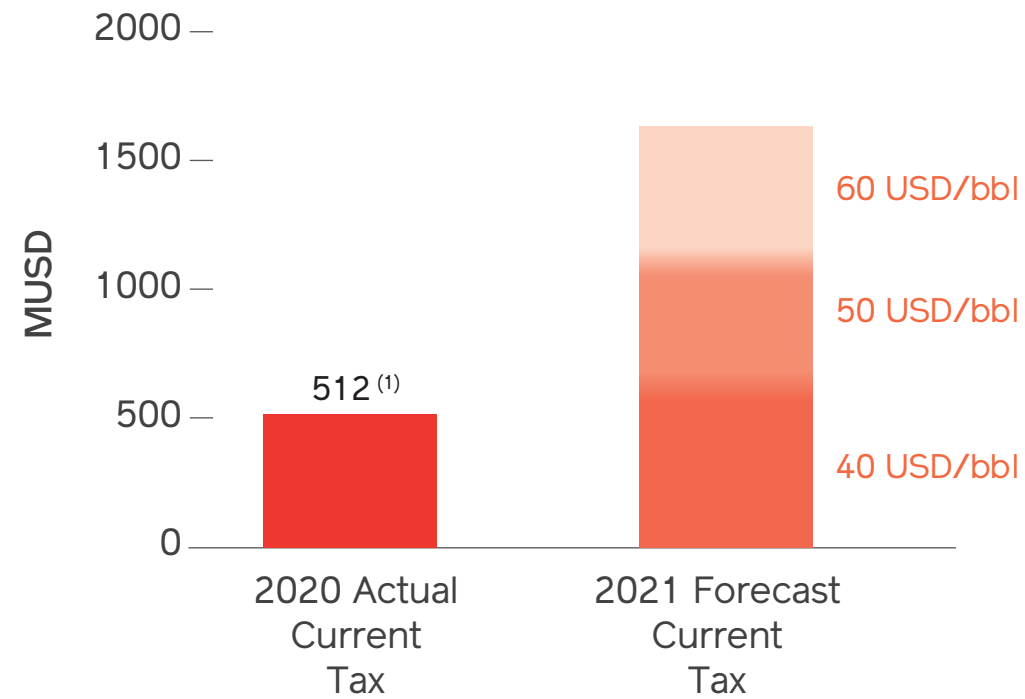


NOK/USD 8.5

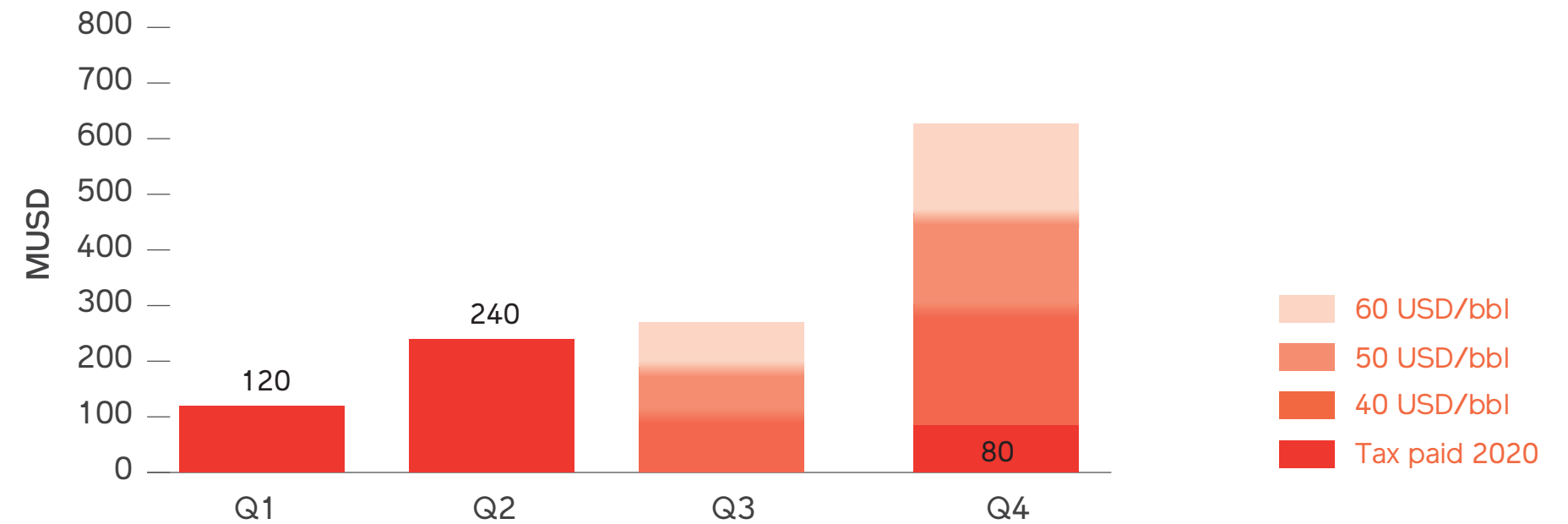
Norway

Tax Guidance

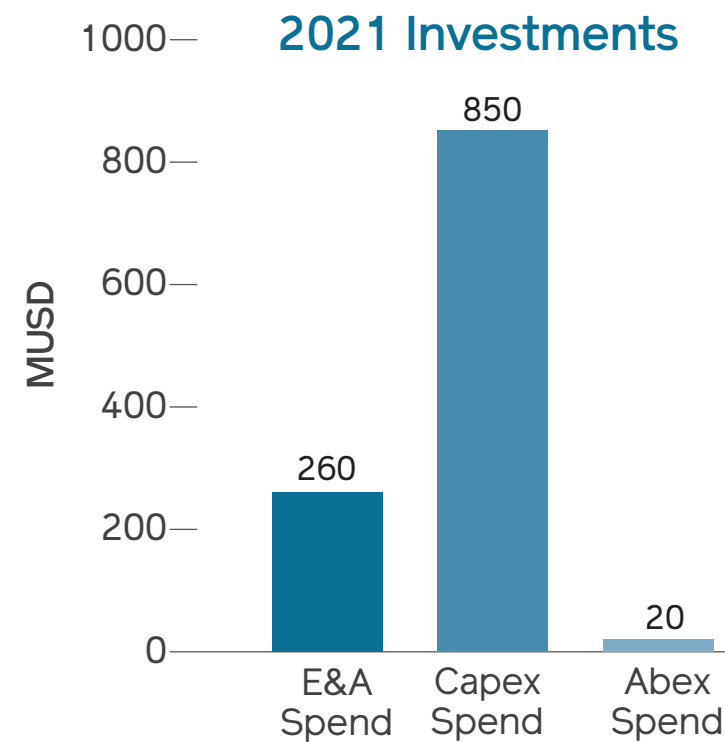
Tax Due – Income Statement



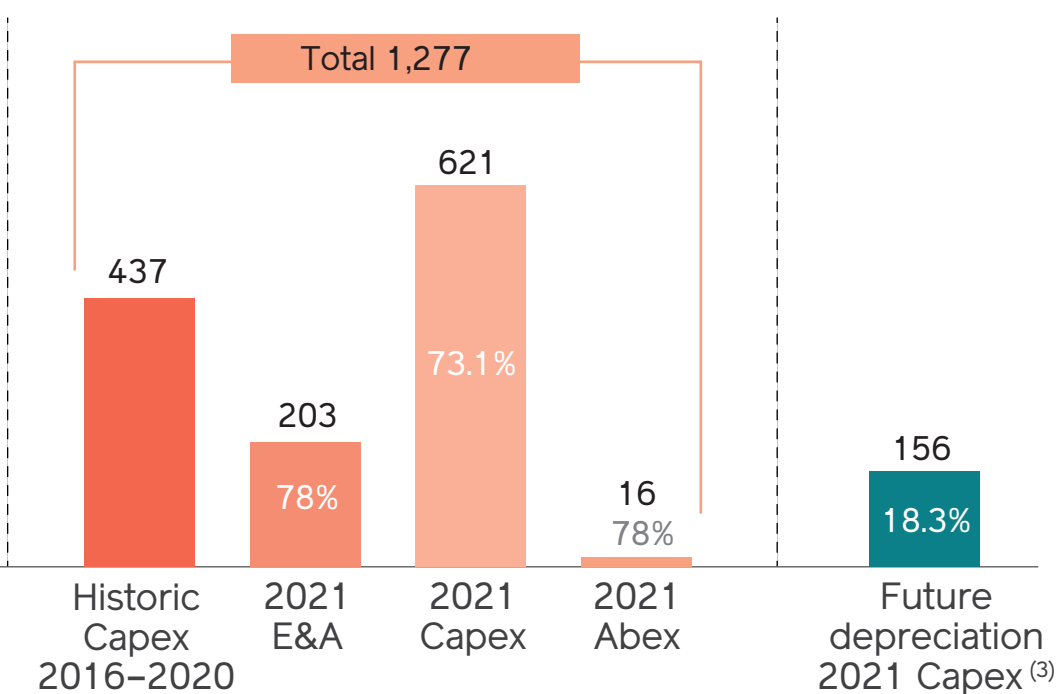
2021 Tax Paid - Cash Flow Statement



2021 Investments



Earned Tax Credits 2021⁽²⁾



2021 Forecast

Funding and Liquidity (USD/boe)

		Forecast 2021		
		Average Dated Brent oil price USD/bbl	40	50
CFFO⁽¹⁾	A	23.1	28.9	34.7
Development Capex Oil and Gas		-12.9	-12.9	-12.9
Development Capex Renewable ⁽²⁾		-1.1	-1.1	-1.1
Exploration & Appraisal Capex		-4.0	-4.0	-4.0
Decommissioning		-0.3	-0.3	-0.3
Cash Flow from Investing Activities	B	-18.3	-18.3	-18.3
Cash Flow available for Dividends	A + B	4.8	10.6	16.5
Dividend 2020	C	-6.9	-6.9	-6.9
Free Cash Flow after Dividends	A + B + C	-2.1	3.7	9.5
Available Liquidity at beginning of 2021		16.6	16.6	16.6
Available Liquidity at end of 2021		14.5	20.3	26.1

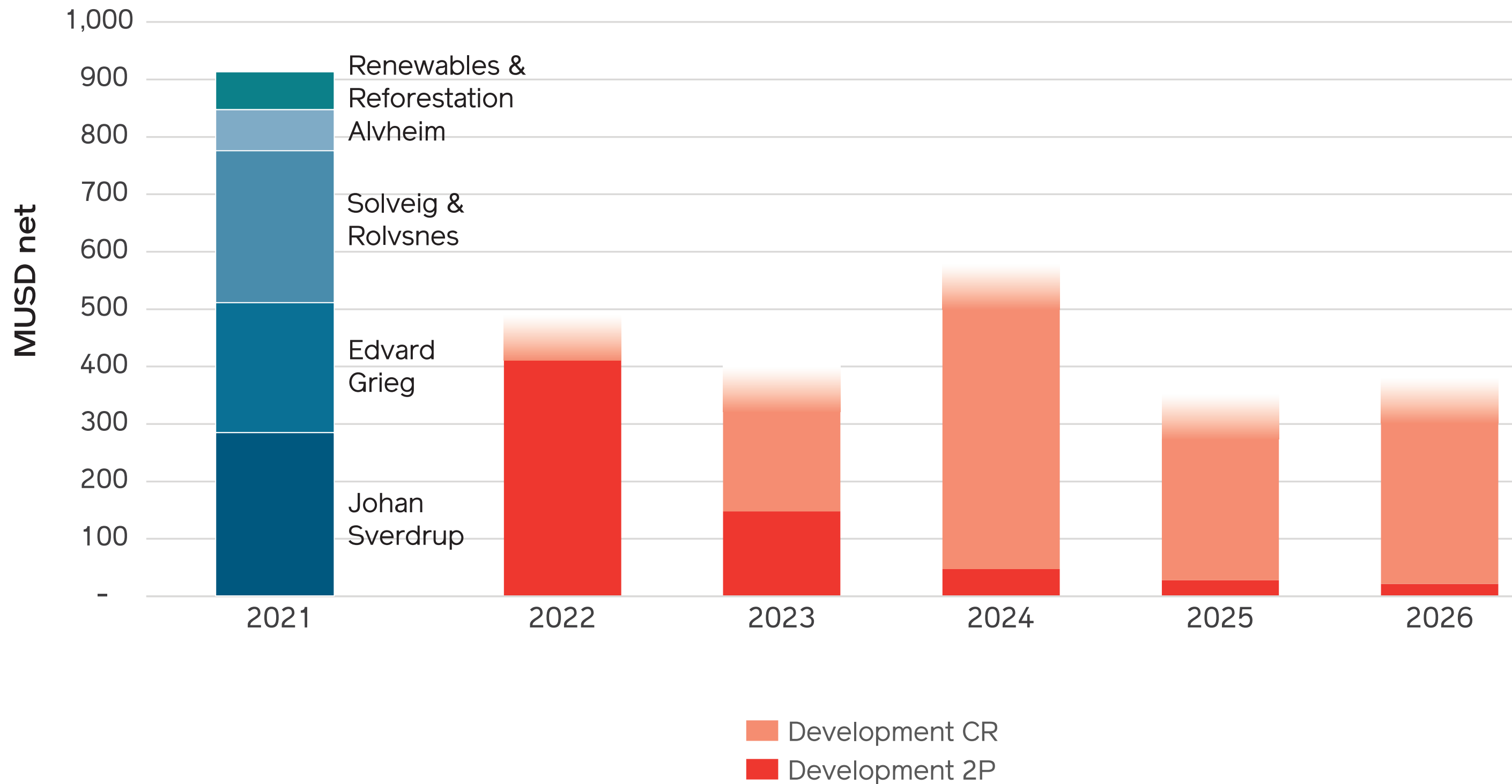
Numbers may not add up due to rounding

Development O&G 850 MUSD, Decarbonisation 70 MUSD, E&A 260 MUSD and Decommissioning 20 MUSD

⁽¹⁾ Excluding working capital movements

⁽²⁾ Includes investments through joint ventures

Lundin Energy Capex

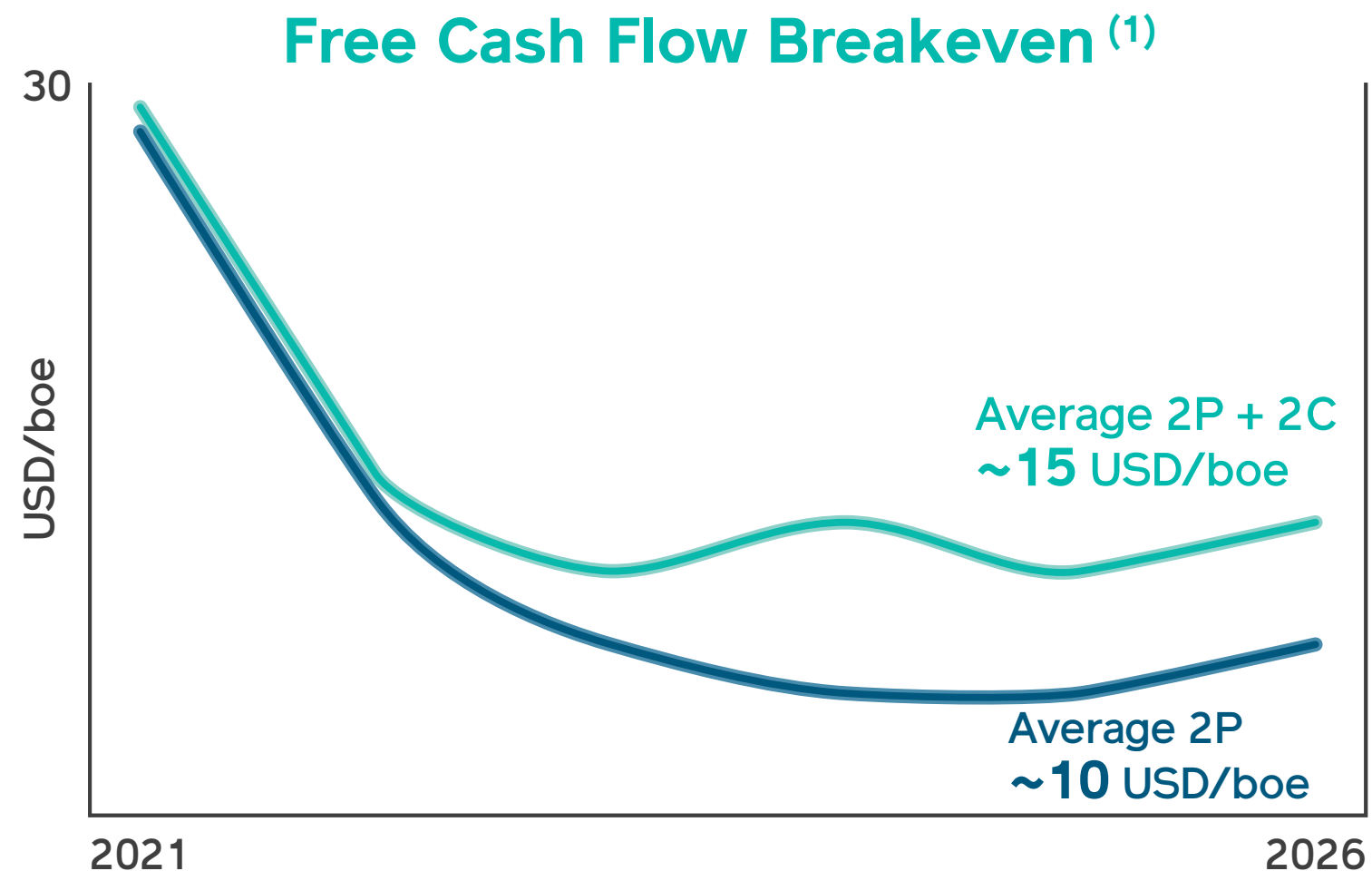


NOK/USD 8.5 Nominal Excluding E&A and Decommissioning

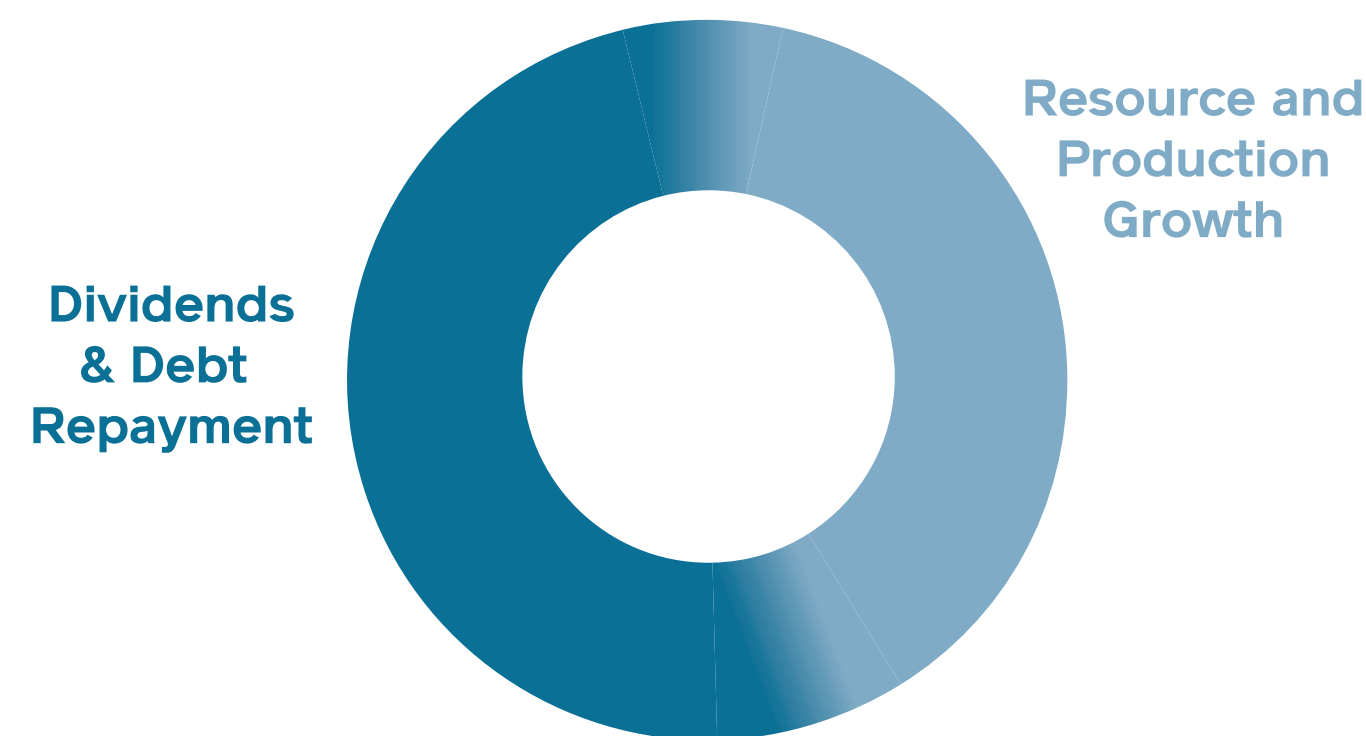
Lundin Energy

World Class Financial Resilience

2021–2026 CFFO
8–11 Bn USD ⁽³⁾



Capital Allocation



Resilience

- ➔ Opex: 3–4 USD/boe
- ➔ Capex: <2.5 USD/boe⁽²⁾
- ➔ EBITDAX margin⁽³⁾ >90%

Growth

- ➔ 2C breakeven 20–35 USD/boe⁽⁴⁾

Dividends & Debt Repayment

- ➔ FCF^(1,3): 4–6 Bn USD
- ➔ Dividends: 1.8 USD/share in 2021
- ➔ Net debt/EBITDAX: <1.5x

Nominal ⁽¹⁾ Pre-dividends ⁽²⁾ Remaining 2P ⁽³⁾ Dated Brent 40–60 USD/bbl in 2021 and 45–65 from 2022 onward (real 2021) ⁽⁴⁾ 2021 onwards, NPV8

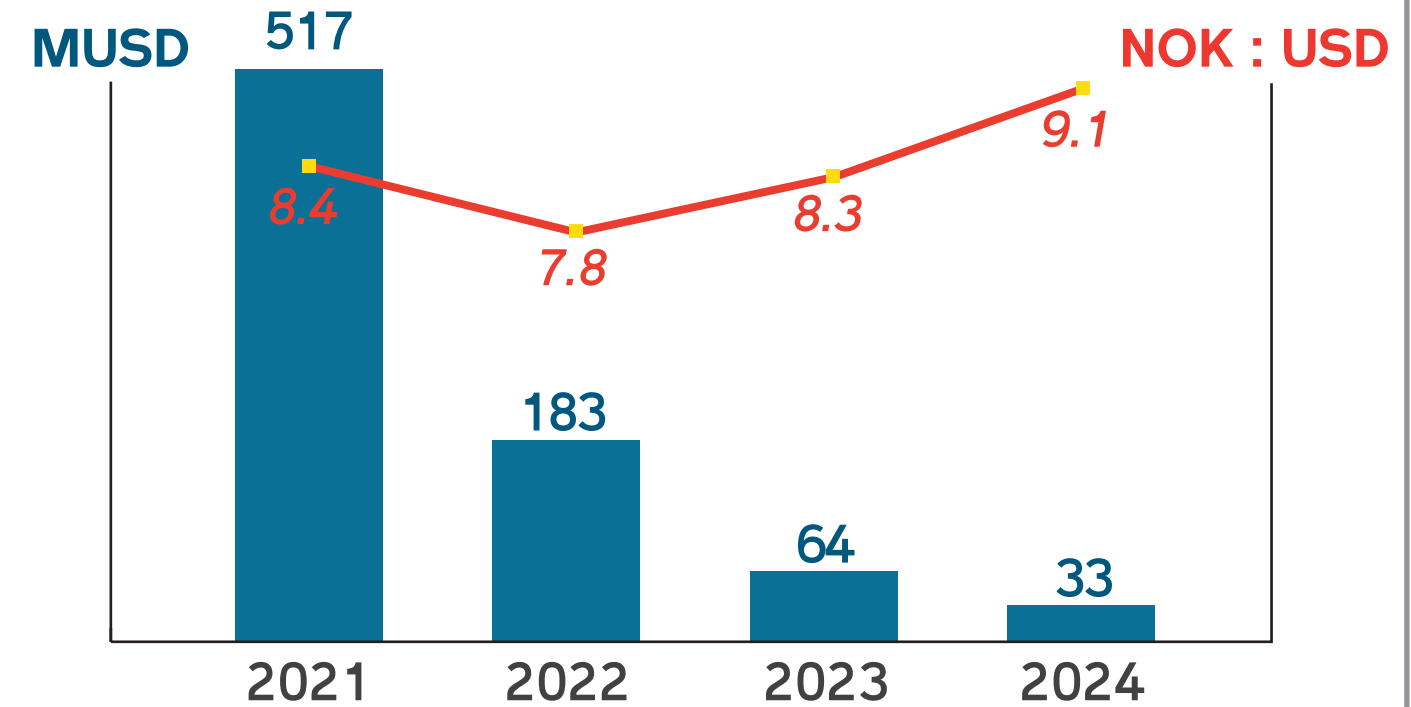
Lundin Energy Risk Management

Insurance

- All major properties insured
- Construction insurance on developments
- Business interruption
 - ➔ Johan Sverdrup
 - ➔ Edvard Grieg

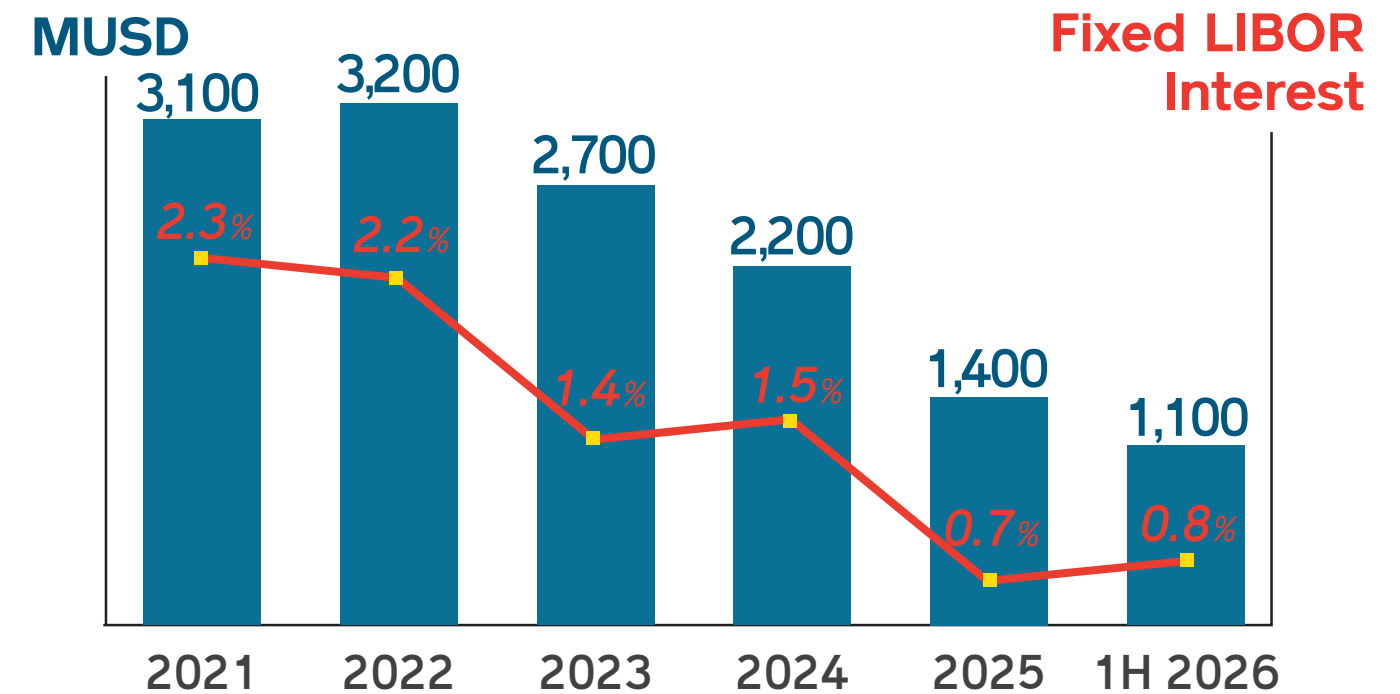
FX Hedging

Total MUSD 800
Average NOK:USD 8.3



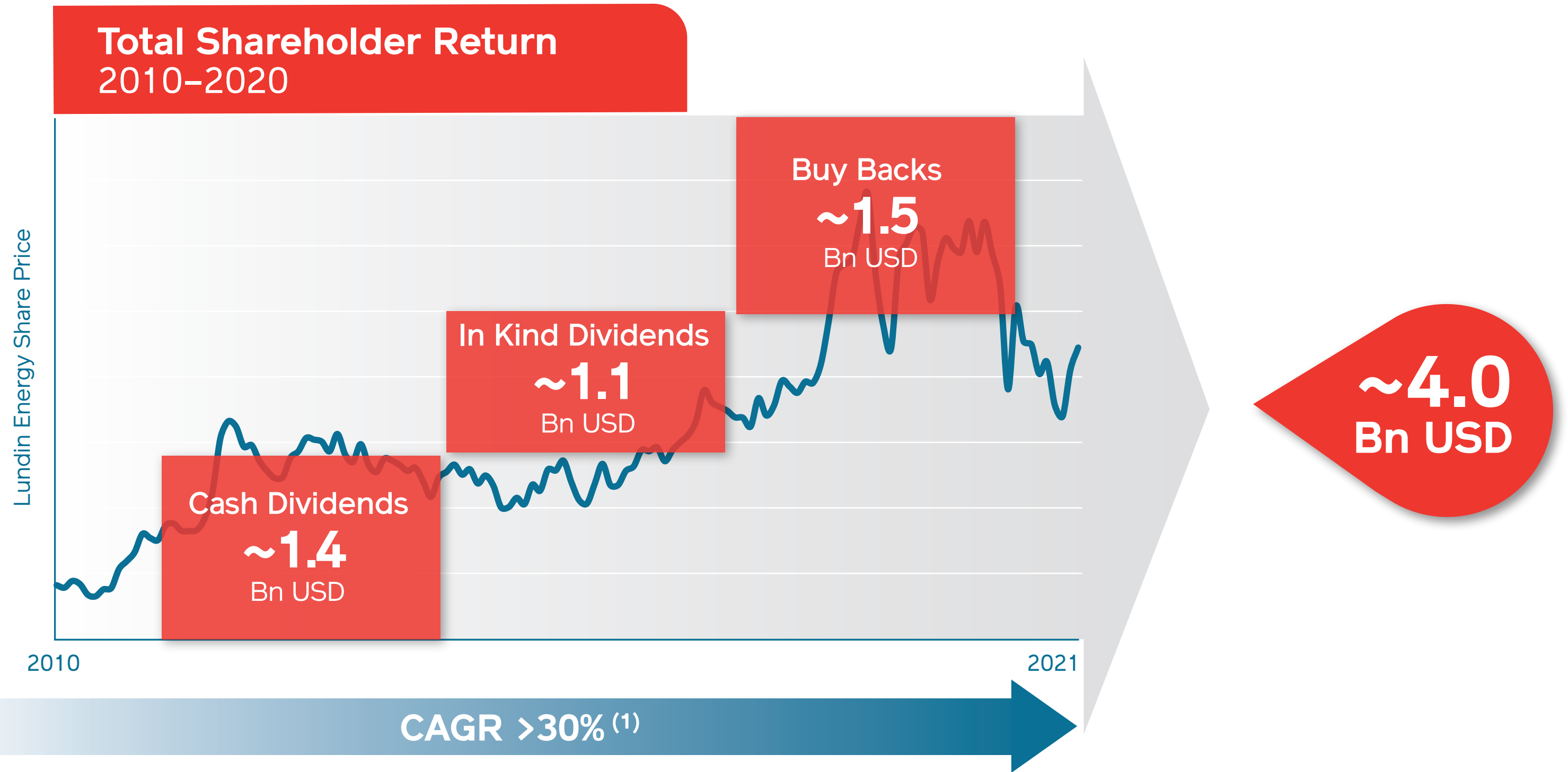
Interest Rate Swaps

Average Fixed LIBOR 1.7%



Shareholder Returns

A Proven Track Record



(1) From 2001 to 22 January 2021

Concluding remarks

Lundin Energy

Focused Value Creation

Growth

Production
>200
Mboepd by 2023

Sustain with
upsides and
new projects

Resilience

Long-term Opex
3–4
USD/boe

Industry leading
low operating
costs

Average
FCF breakeven
~10 USD/bbl ⁽¹⁾

FCF 2021–2026
4–6 Bn USD ⁽²⁾

Sustainable Dividend
1.8 USD/share in 2021
80% increase

Sustainability

Carbon Neutral
2025

Safe and
Responsible
operations

Nominal figures

⁽¹⁾ Pre-dividend, 2P reserves, 2021–2026

⁽²⁾ Pre-dividend, Dated Brent 40–60 USD/bbl in 2021 and 45–65 from 2022 onwards (real 2021)

Appendix

Lundin Energy CMD 2021 Guidance

	CMD
Production (Mboepd)	170–190
Operating Costs (USD/boe)	3.0
Capex - Oil & Gas (MUSD)	850
E&A Expenditure (MUSD)	260
Decommissioning Expenditure (MUSD)	20
Capex - Renewables/Reforestation (MUSD)	70

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 Lundin Energy’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 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.

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