

Q1

Operations & Financial Update
First Quarter 2021

Nick Walker, President & CEO
Teitur Poulsen, CFO
29 April 2021



First Quarter 2021 Highlights

Growth

Production

183 Mboepd
above guidance

Johan Sverdrup Phase 1

Capacity of **535** Mbopd
from May

Projects on track

Growth **>200** Mboepd
by 2023

Resilience

Low Opex

2.85 USD/boe
below guidance

Record Financial Results

Free Cash Flow **526** MUSD

Reduced Net Debt

Below **3.5** Bn USD

Sustainability

Carbon Neutral

from **2025**
operational emissions

Karskruv windfarm
project commitment

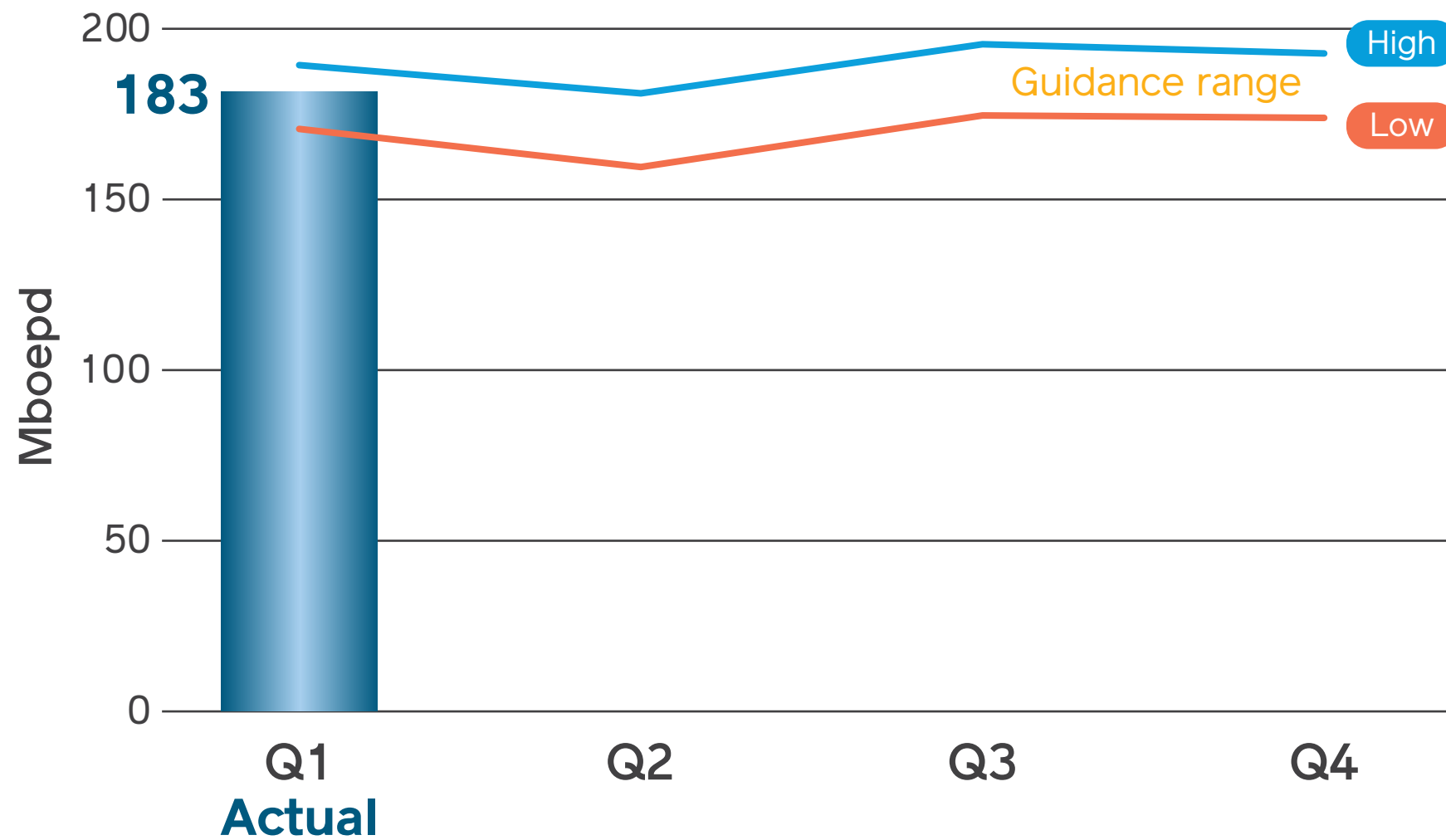
**World's first certified
Carbon Neutral**
crude sale ⁽¹⁾

⁽¹⁾ Carbon neutral up to point of sale

Lundin Energy 2021 Production

First Quarter **183** Mboepd
above mid-point of guidance range

Full year guidance unchanged
170–190 Mboepd



Delivering guidance
or better for

23
quarters
running

Lundin Energy

Top Tier Operating Performance

Production Efficiency ⁽¹⁾

99% Edvard Grieg

99% Alvheim Area

98% Johan Sverdrup

Operating Costs

2.85
USD/boe ⁽¹⁾

Full year guidance

3.00
USD/boe

Quarter of North Sea average

Carbon Intensity

2.8
kg CO₂/boe ⁽¹⁾

Full year guidance

<4
kg CO₂/boe

Approximately one sixth of
world average

HSE Performance

Zero
material incidents ⁽¹⁾

⁽¹⁾ First Quarter 2021

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Accelerated Decarbonisation

World's first certified
Carbon Neutral
crude sale ⁽²⁾



VERIFIED
CARBONZERO
EDVARD GRIEG-600,000 BOe
2,302 tCO₂e OFFSET
PER CARBONZERO-01

Carbon Intensity ⁽¹⁾

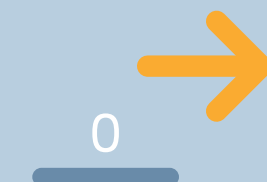
kg CO₂/boe



2021-
2022



2023-
2024



2025
onwards

**Carbon
Neutral
2025**

(operational emissions)

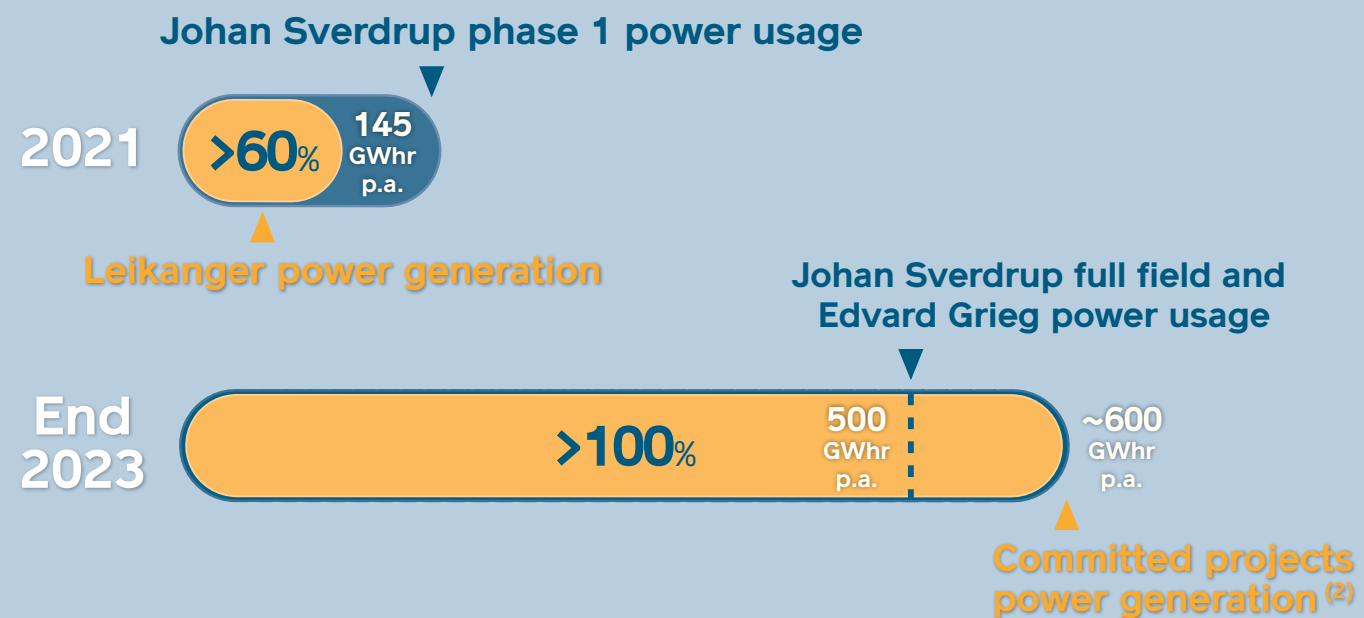


⁽¹⁾ Lundin working interest emissions net of natural carbon capture projects

⁽²⁾ Carbon neutral up to point of sale

Lundin Energy Powered by Renewables

Renewable Power Generation offsetting usage ⁽¹⁾



⁽¹⁾ Forecast net Lundin working interest power usage and generation

⁽²⁾ Leikanger, Metsälamminkangas (MLK) and Karskrøv projects

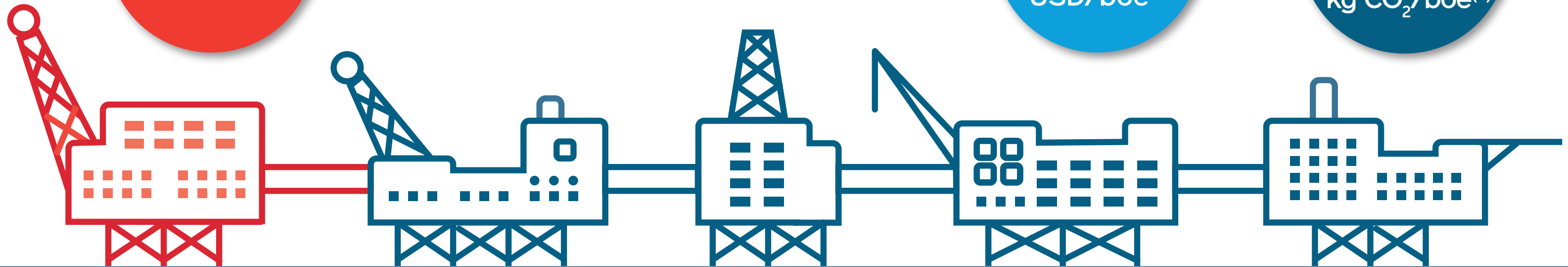
Johan Sverdrup

Performance above Expectations

Excellent
Reservoir
Performance

OPEX
1.66
USD/boe⁽¹⁾

Carbon
Footprint
<0.1
kg CO₂/boe⁽¹⁾



GROSS RESERVES

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

PRODUCTION CAPACITY

Phase 1
535 Mbopd
from May 2021

Full Field
720 Mbopd

PHASE 2 ON TRACK

Capex
41 Bn NOK

First Oil
Q4 2022

BREAK EVEN PRICE

Full Field
<20 USD/boe

⁽¹⁾ First Quarter 2021

Johan Sverdrup Phase 2 on Track

>55%
complete

CAPEX
41 Bn NOK
unchanged
from PDO

First Oil Q4 2022

Offshore installations
commence Q2 2021

Full Field Capacity

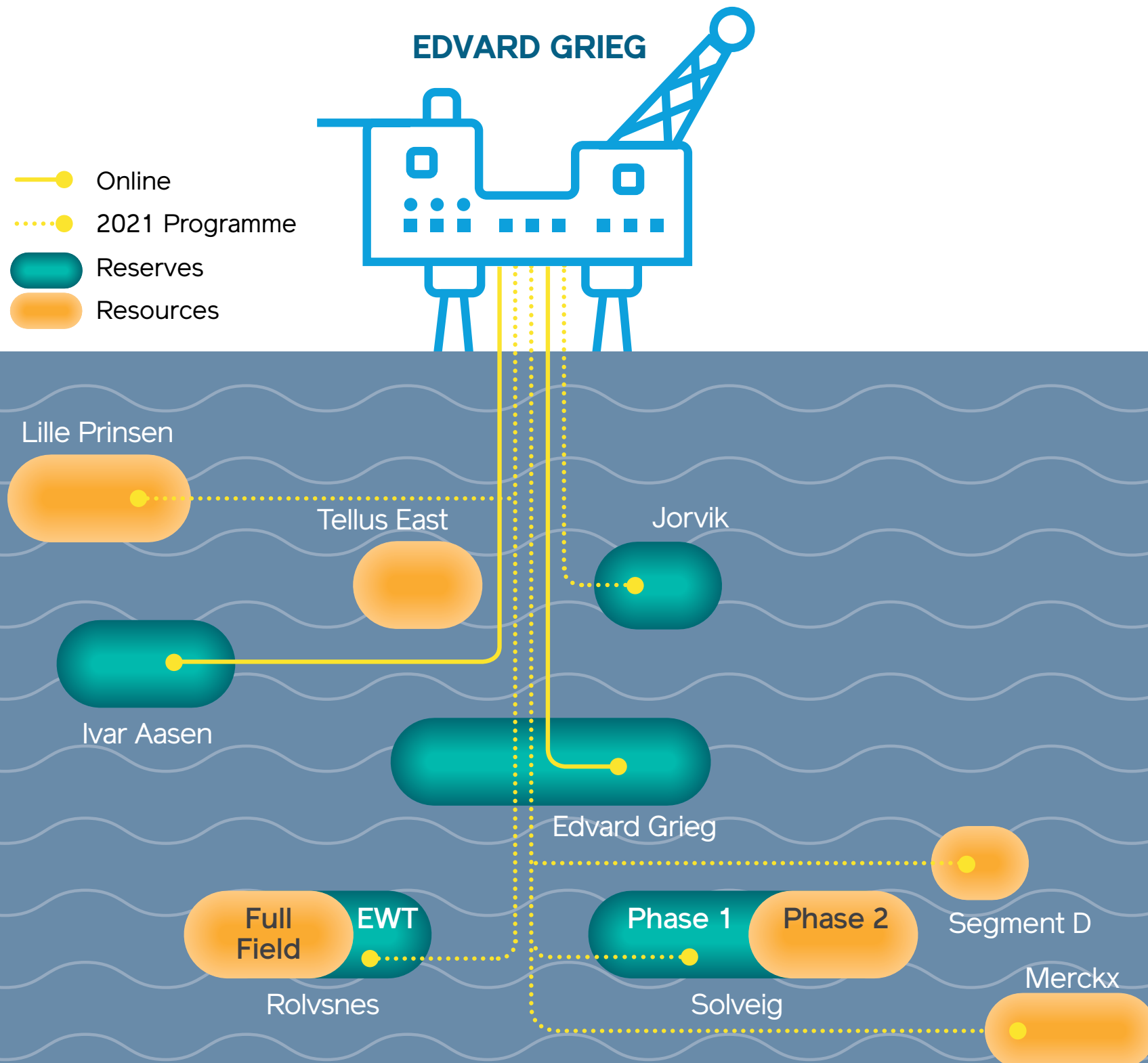
720 Mbopd
de-bottlenecking studies ongoing



Module support frame sail away - Thailand

Greater Edvard Grieg Area

Keeping the Facilities Full



OPEX
3.76
 USD/boe ⁽¹⁾

➤ Edvard Grieg

- 3 infill wells – ongoing
- Additional capacity with Ivar Aasen decline
- Power from shore online end 2022

➤ Tie back projects - online Q3 2021

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

➤ Future opportunities

- Segment D – small discovery
- Lille Prinsen and Merckx exploration wells 2H 2021

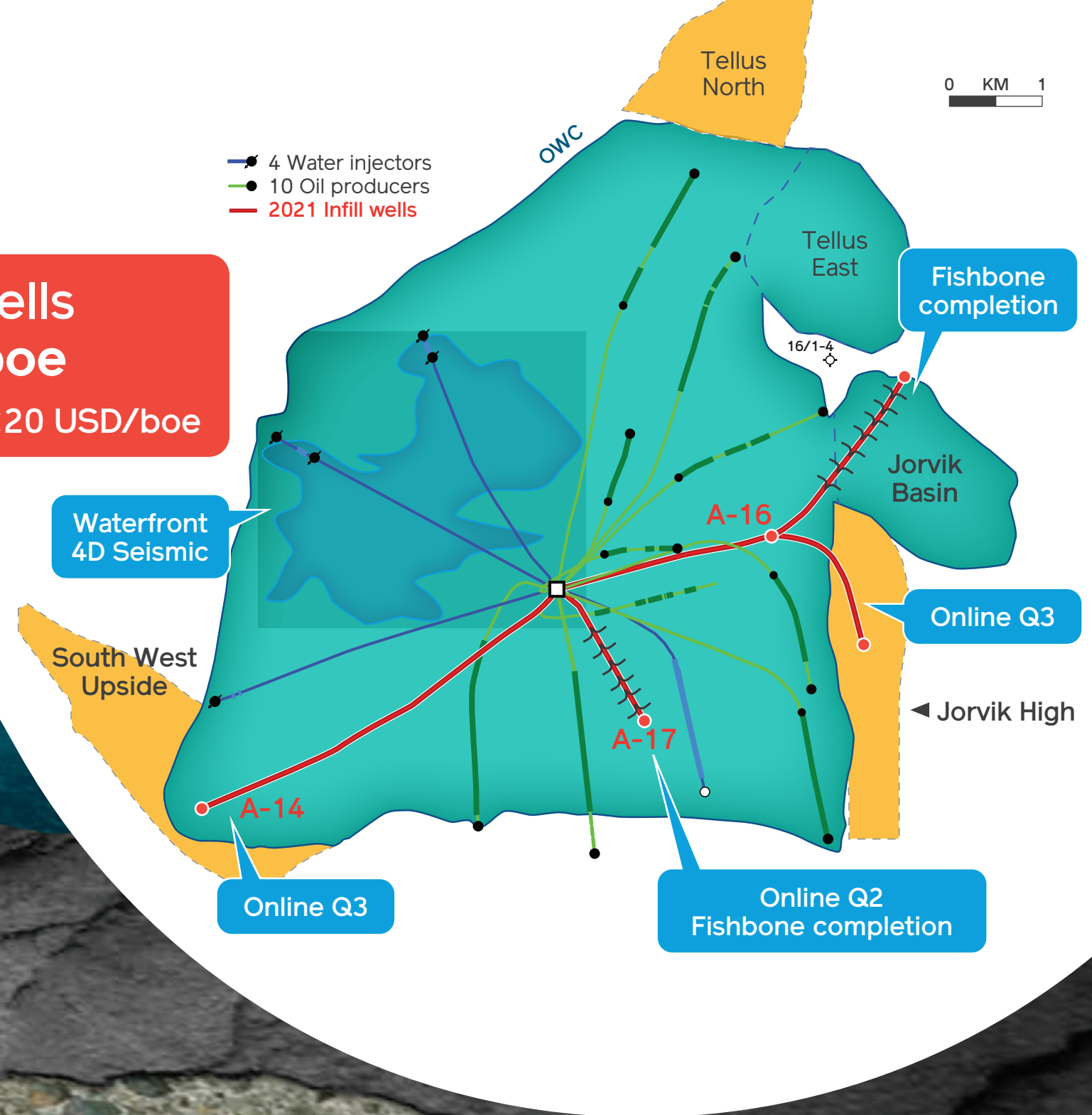
⁽¹⁾ First Quarter 2021, includes tariff netting

Edvard Grieg Infill Well Programme on Track



3 Infill Wells
18 MMboe
Breakeven oil price <20 USD/boe

Fishbone completions
increasing productivity and reserves



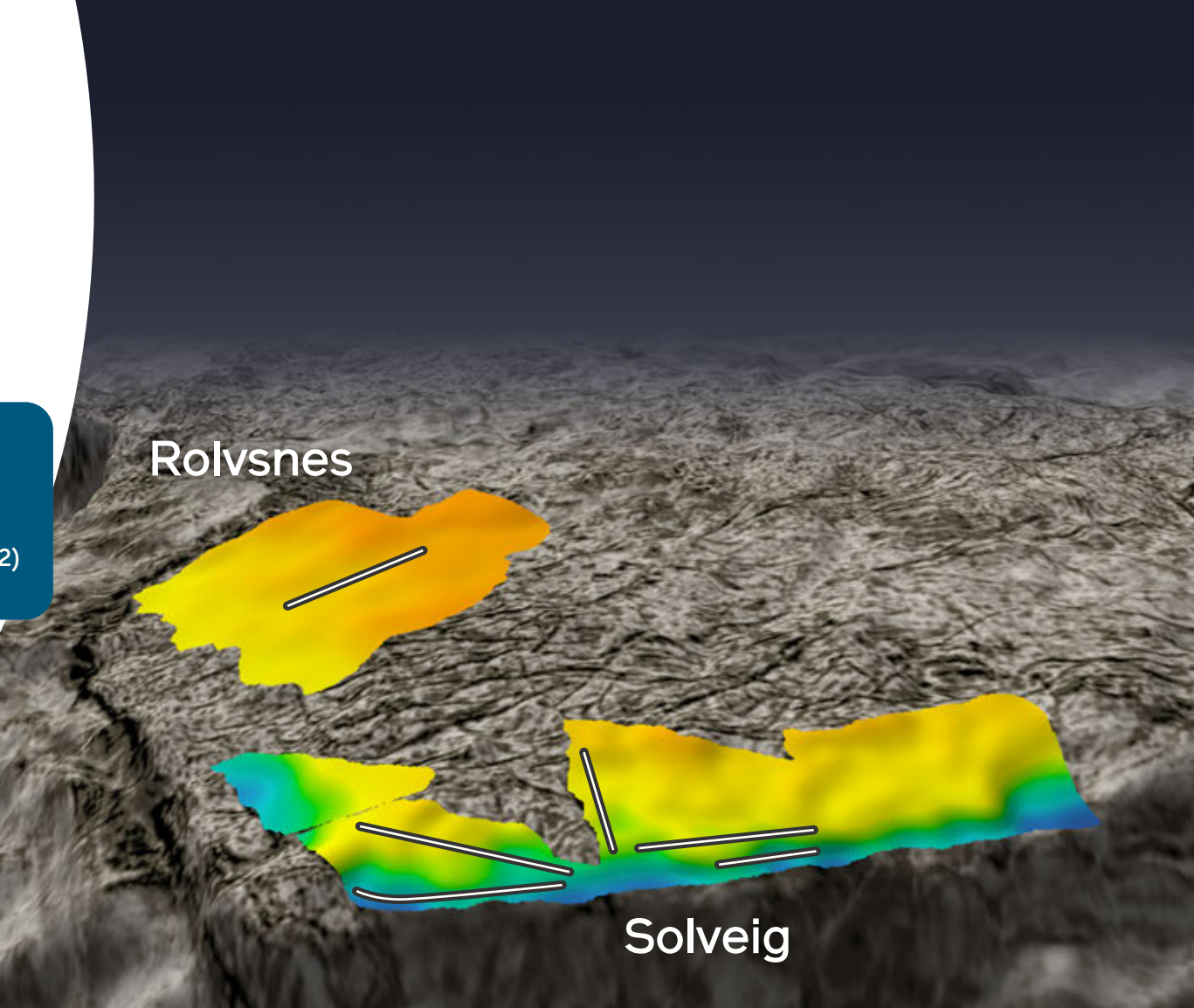
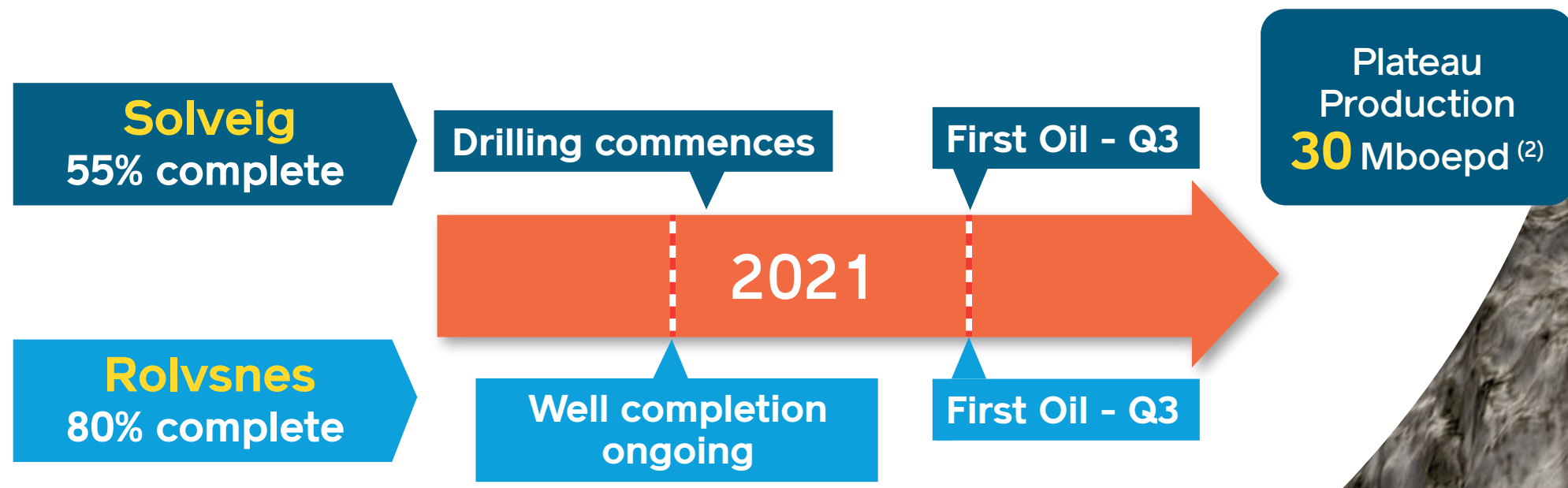
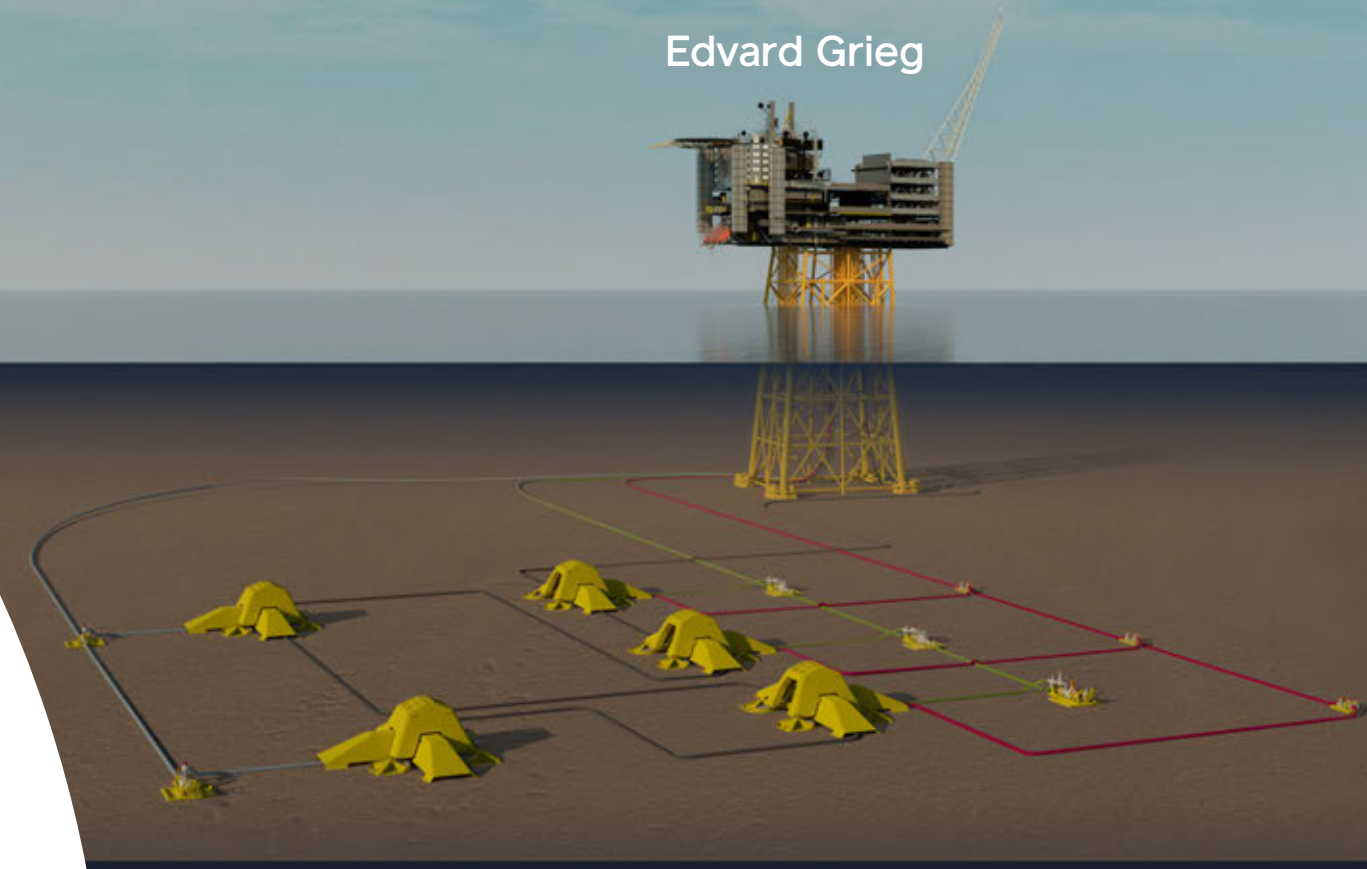
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Solveig Phase 1 & Rolvsnes EWT

First Oil Q3 2021

Solveig Phase 1
40–100 MMboe ⁽¹⁾
Breakeven oil price **<20** USD/bbl

Rolvsnes
14–78 MMboe ⁽¹⁾

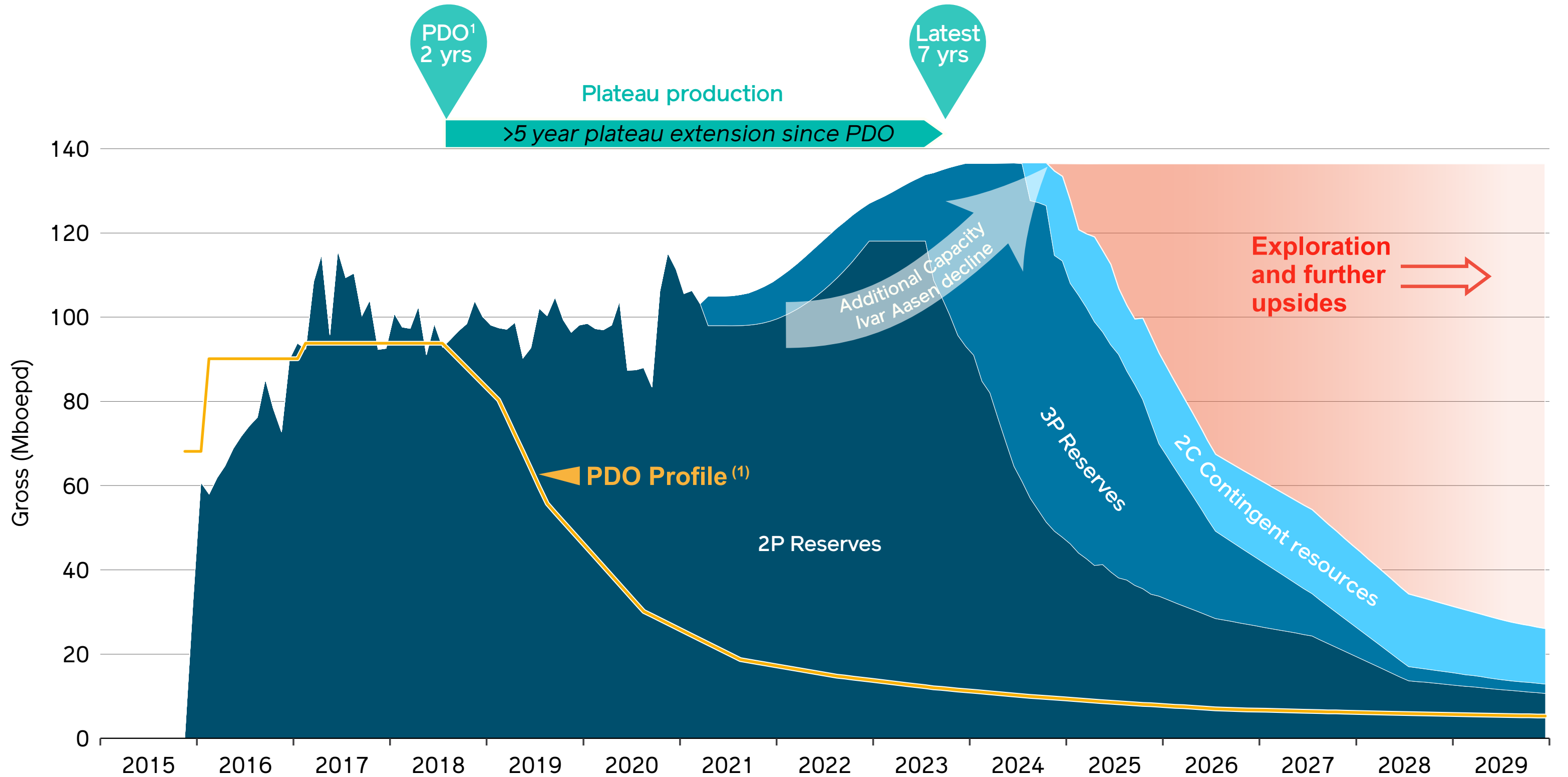


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⁽¹⁾Gross resources ⁽²⁾Gross

Greater Edvard Grieg Area

Sustaining Long-term Production

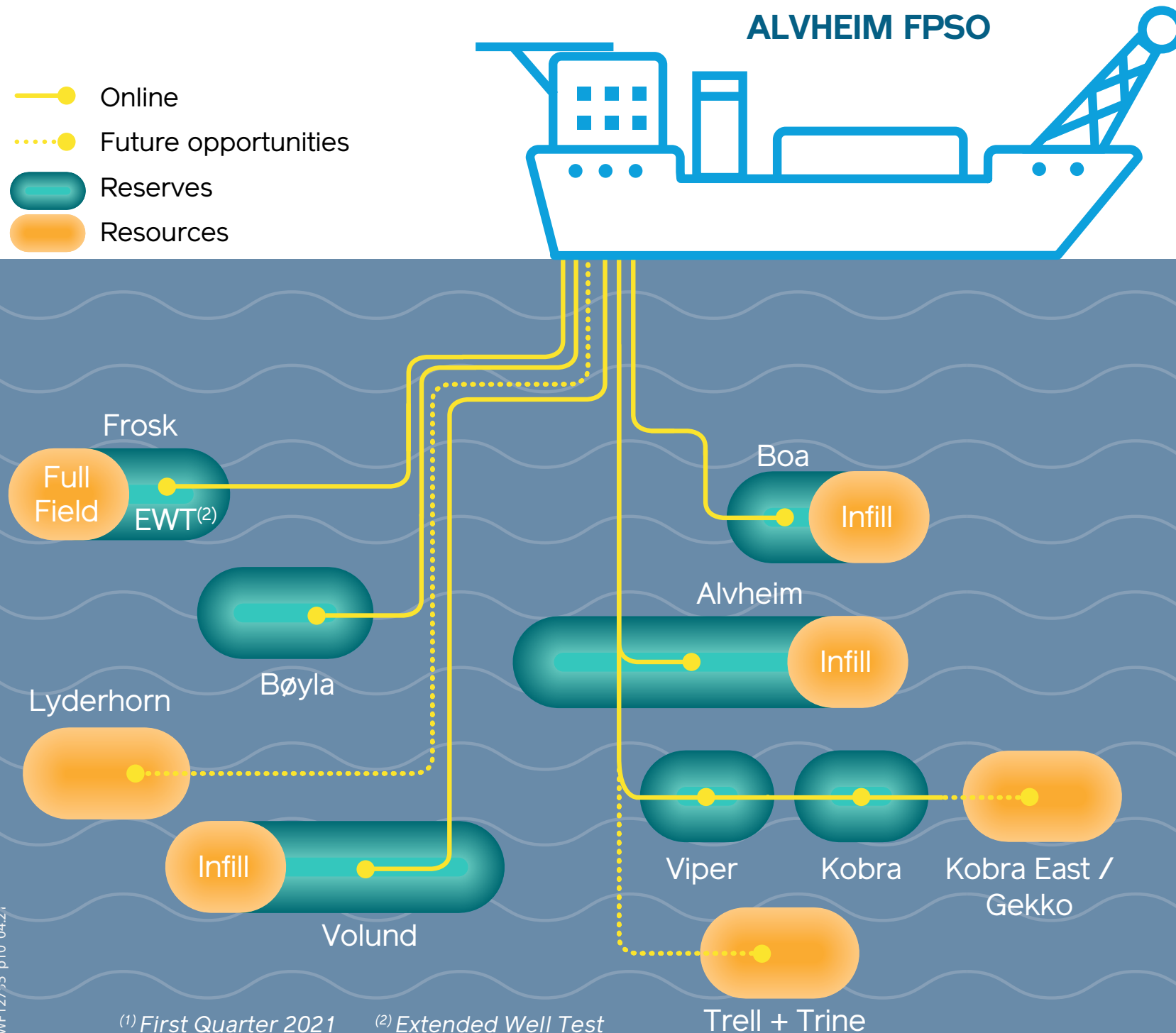


(1) Original Edvard Grieg PDO excluding tie-back projects Note: 2P/3P reserves includes Edvard Grieg, Solveig Phase 1 and Rolvsnes EWT

Alvheim Area

Continuous Reserves Growth

OPEX
7.17
USD/boe⁽¹⁾



- ➔ 3 infill wells – one online
- ➔ Future projects
 - Frosk - PDO mid-2021
 - Kobra East / Gekko - PDO mid-2021
 - Trell & Trine - concept studies ongoing
- ➔ Lyderhorn exploration well Q4 2021

⁽¹⁾ First Quarter 2021 ⁽²⁾ Extended Well Test

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Sustaining Production >200 Mboepd



Delivering Growth

>200 Mboepd by 2023
4 projects underway

Sustaining Production

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

Delivering Future Value

2021 E&A Programme
Remaining 6 wells targeting
~300 MMboe ⁽²⁾

⁽¹⁾ Net resources ⁽²⁾ Net unrisked resources

West Bollsta rig with Edvard Grieg in the background

First Quarter 2021 Financial Highlights

Production and sales

Produced: **183** Mboepd

Sales: **205** Mboepd

Good price realisation

Oil: **61.1** USD/bbl

Gas/NGL: **45.8** USD/boe

Costs and investments

Opex: **2.85** USD/bbl

Oil & gas capex / E&A: **221** MUSD

Renewable capex: **7** MUSD

Record high cash generation

EBITDAX: **1,018** MUSD

CFFO: **750** MUSD

FCF ⁽¹⁾: **526** MUSD

Deleveraging and ratios

Net debt end Q1: **3,464** MUSD

Net debt / EBITDAX ⁽²⁾: **1.3x**

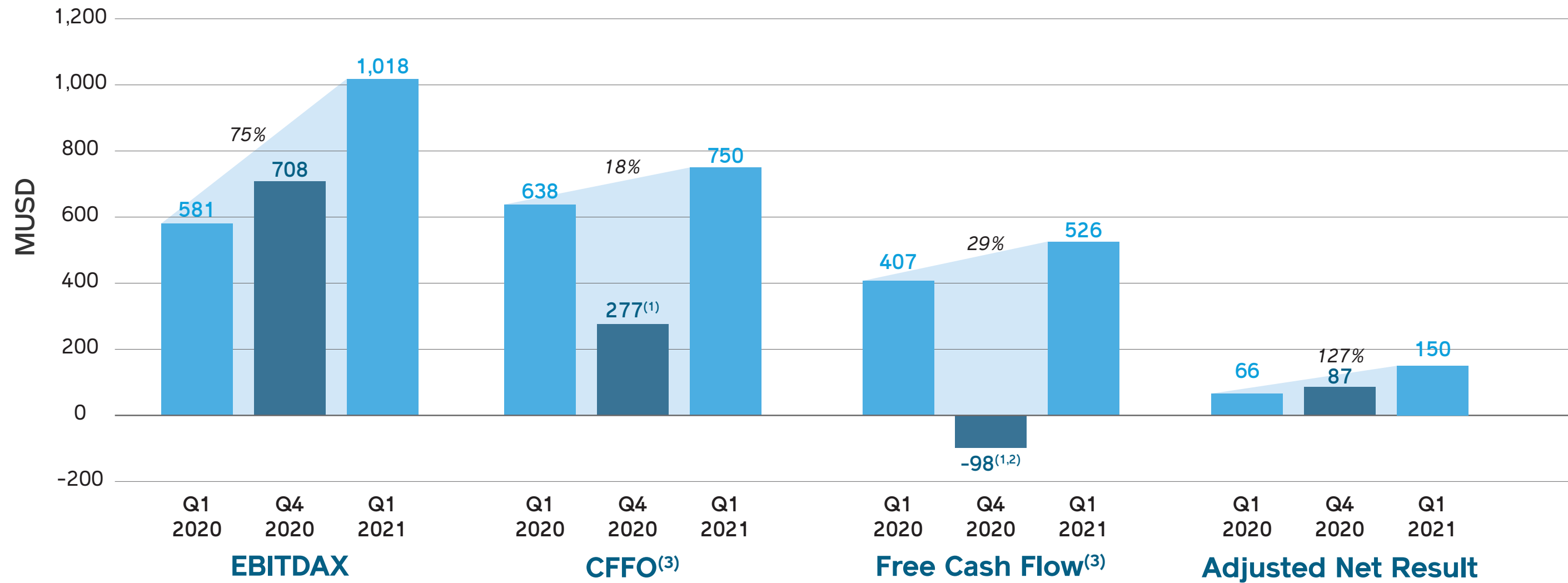
⁽¹⁾ Pre-dividends

⁽²⁾ Bank loan less cash and cash equivalents divided by EBITDAX of the last 12 months

First Quarter 2021

Key Financial Metrics

	Q1-20	Q4-20	Q1-21	Q1 vs Q1	Q1 vs Q4
Sales Price (USD/boe)	45.2	43.5	59.9	33%	38%
Sales Volumes (MMboe)	13.9	17.2	18.5	33%	7%



⁽¹⁾ Impacted by MUSD 338 tax payment

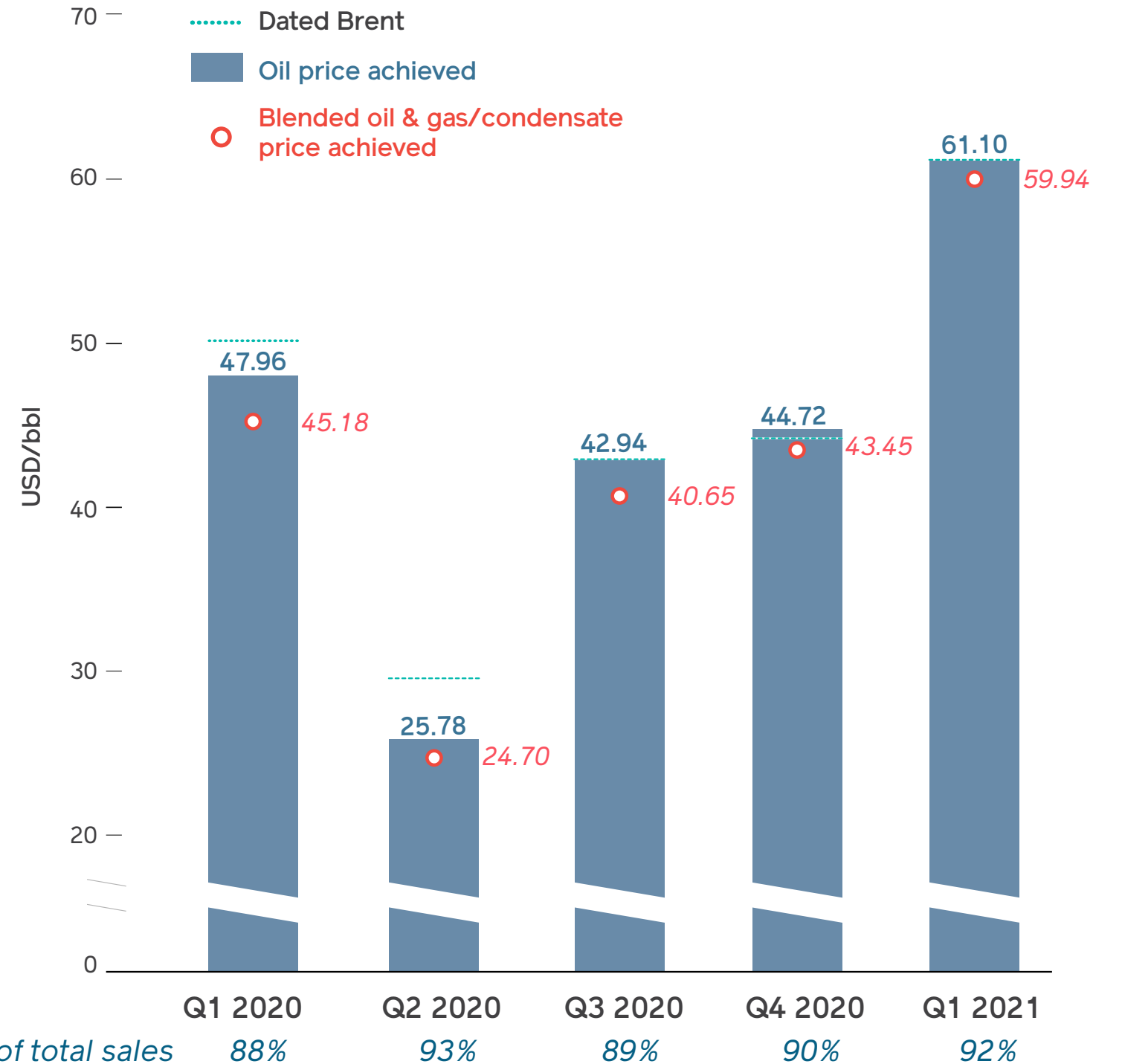
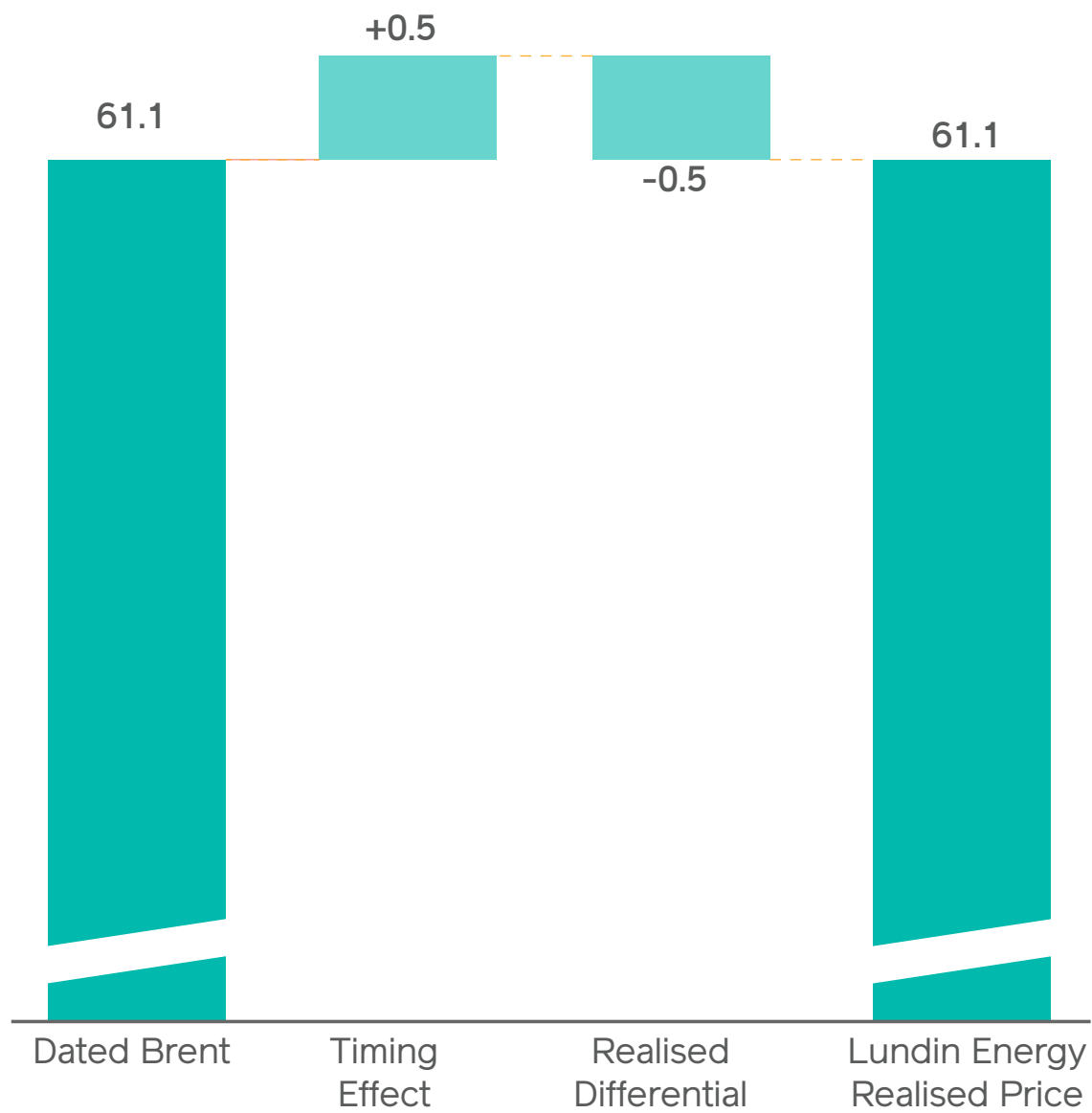
⁽²⁾ Includes MUSD 125 Wisting payment

⁽³⁾ Positively impacted in Q1-20 by working capital movements of MUSD 141; negatively impacted in Q1-21 by working capital movements of MUSD 135

First Quarter 2021 Good Price Realisation

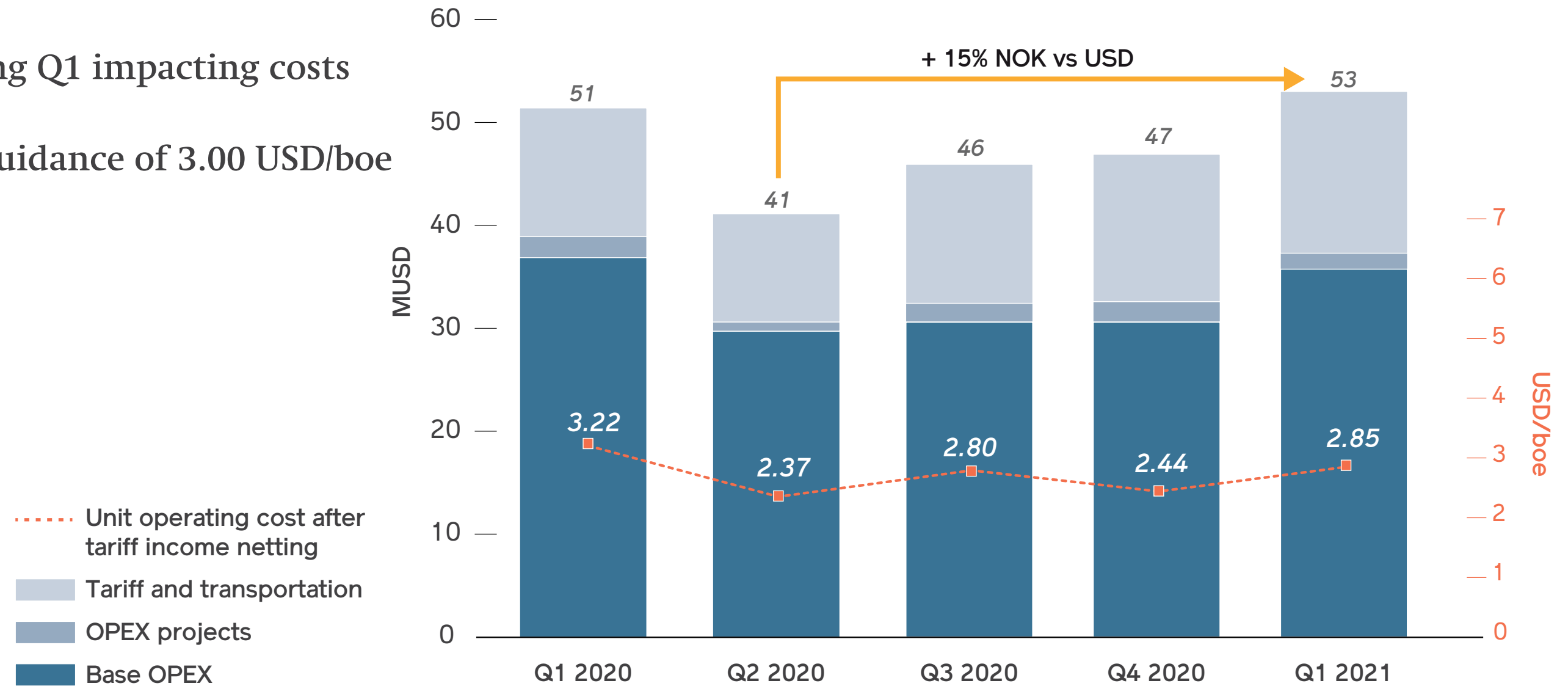
➔ 21.4 oil cargoes lifted during Q1

Q1 2021
Crude Realised prices (USD/bbl)



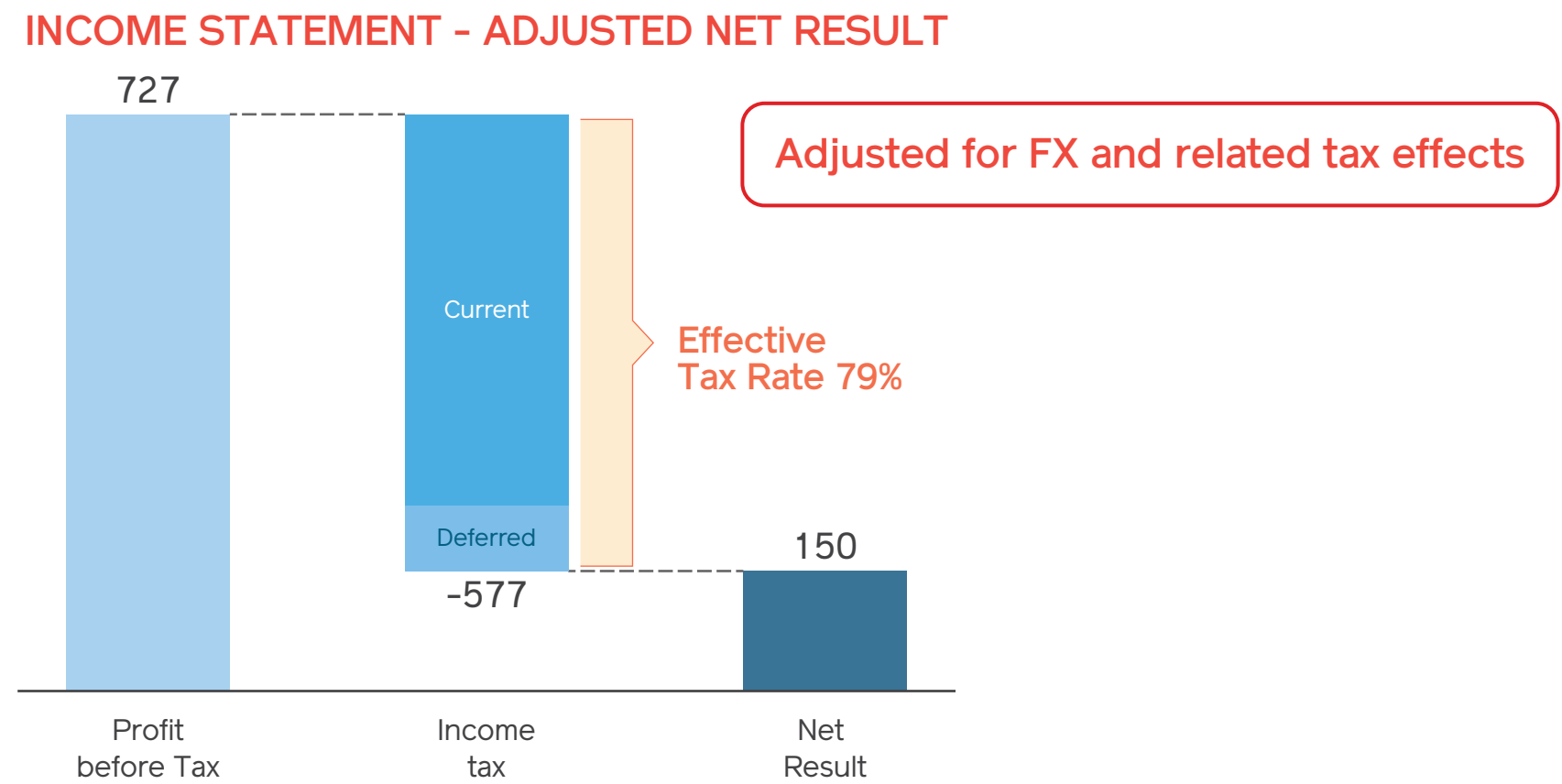
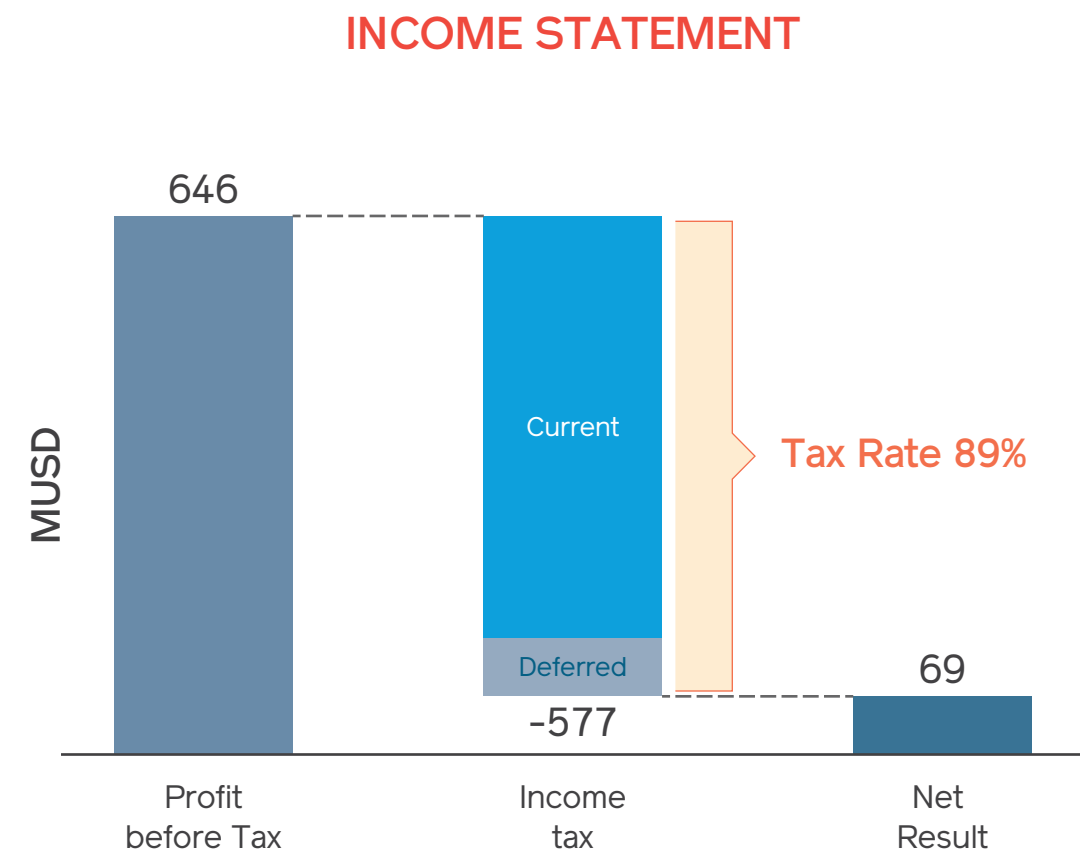
First Quarter 2021 Operating Costs

- ➔ Good cost control across the business
- ➔ Stronger NOK during Q1 impacting costs
- ➔ Maintaining 2021 guidance of 3.00 USD/boe after tariff netting

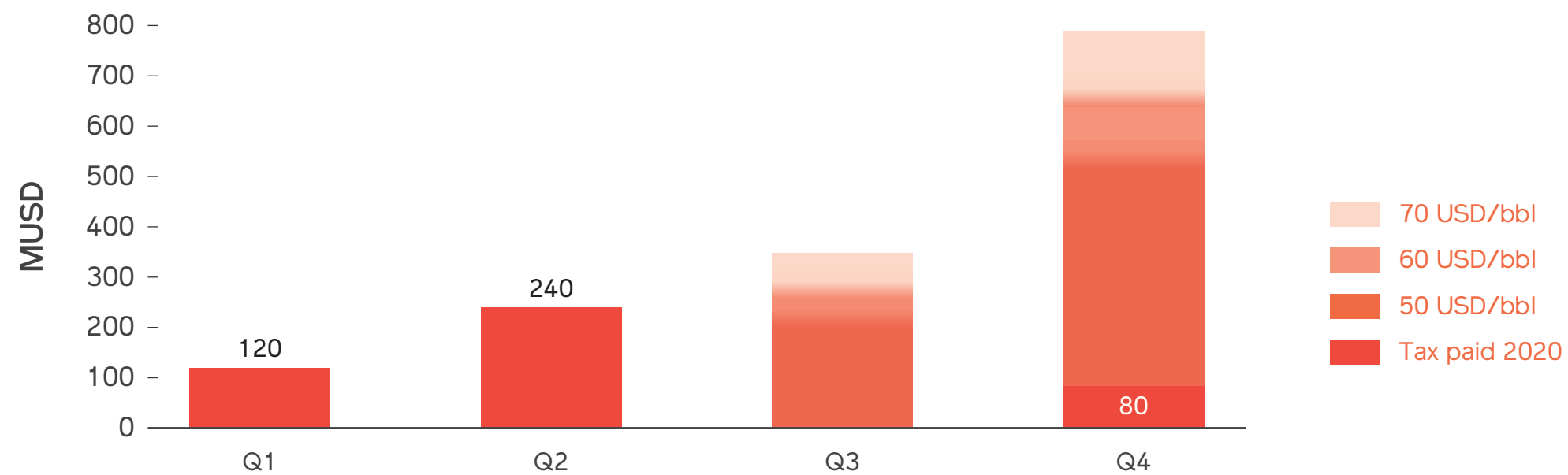


First Quarter 2021

Income Taxes

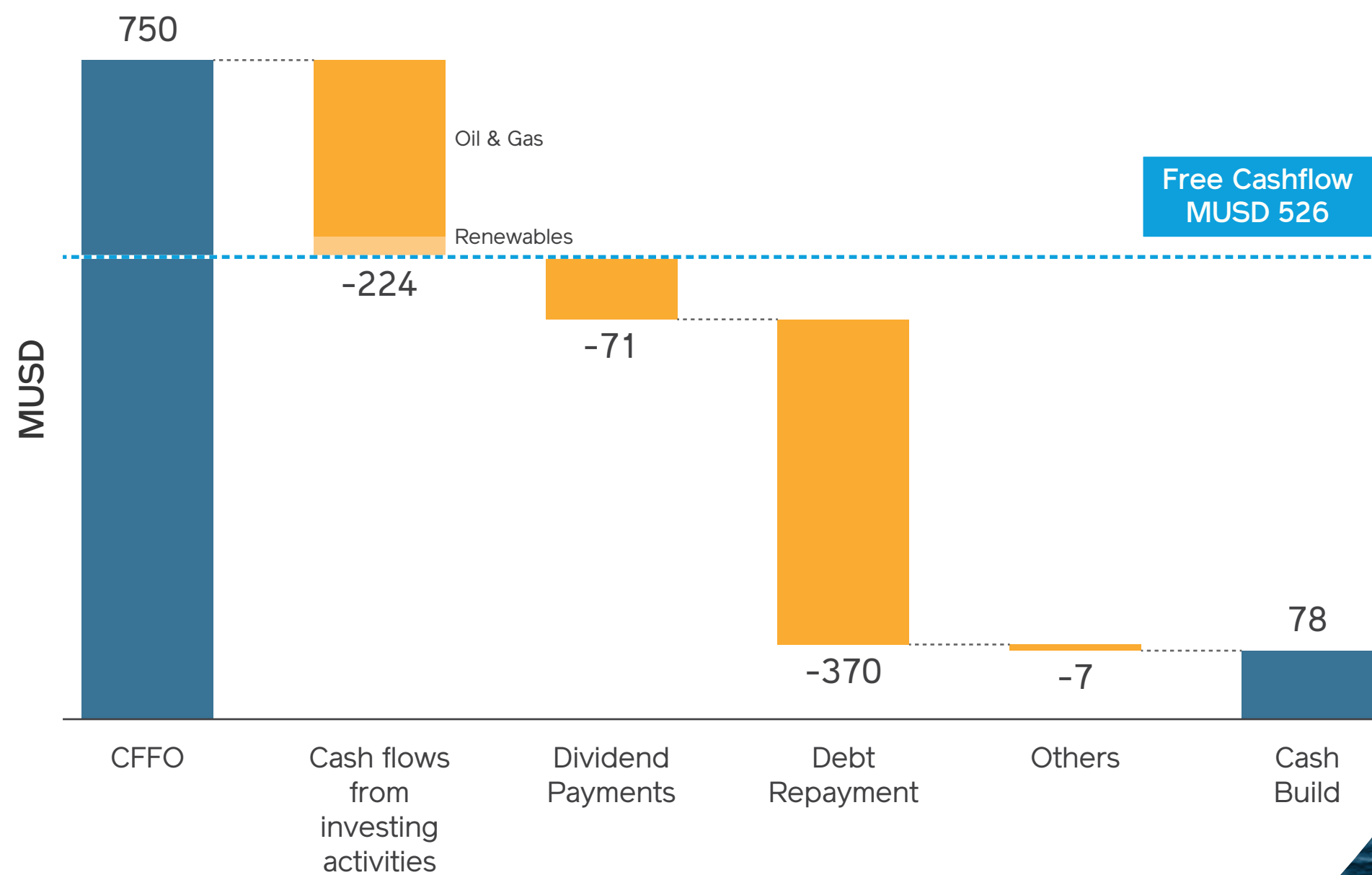


2021 Tax Paid - Cash Flow Statement



First Quarter 2021

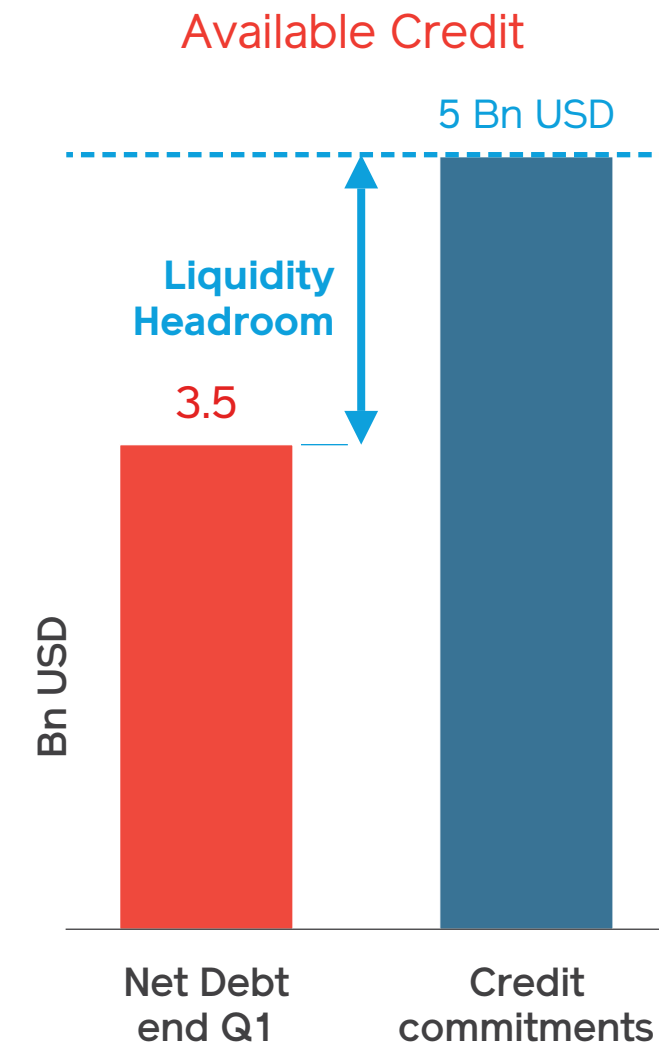
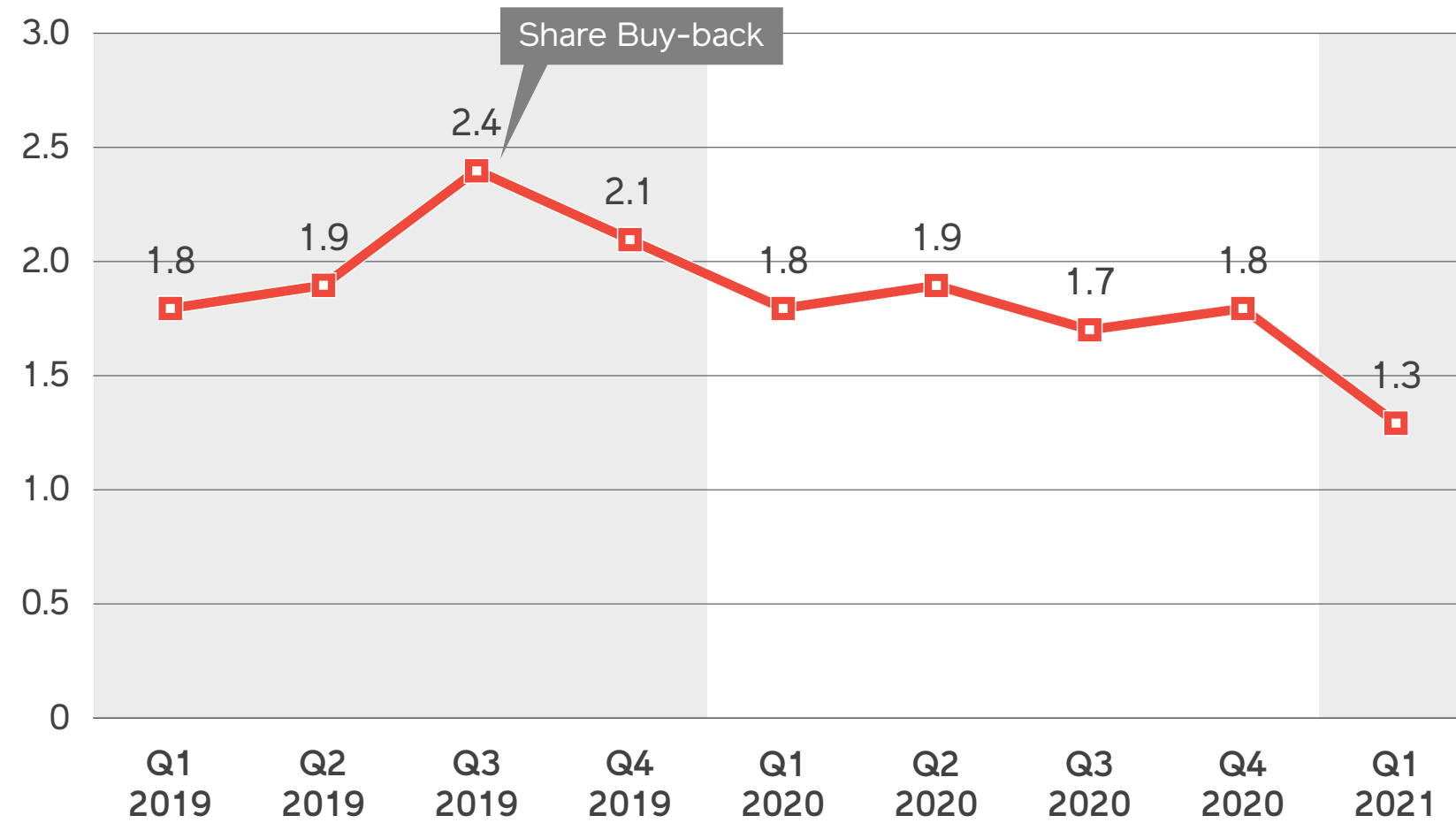
Cash Flows



First Quarter 2021

Debt Position and Liquidity

Debt Gearing – Net Debt/EBITDAX ⁽¹⁾



- No debt maturity until December 2022
- Outperformance on 2020 ESG KPI's
- Q1 average margin 1.56% over LIBOR

⁽¹⁾Last 12 months

2021 Latest Guidance Compared to CMD

	CMD 50 USD/bbl	Latest Guidance
Production (Mboepd)	170-190	170-190
Operating costs (USD/boe)	3.0	3.0
CAPEX - Oil & Gas (MUSD)	850	850
E&A Expenditure (MUSD)	260	260
Decommissioning Expenditure (MUSD)	20	20
Capex - Renewables/Reforestation (MUSD)	70	100

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Dividends

- ➔ 2020 dividend of USD 1.80/share approved by AGM on 30 March 2021
- ➔ Dividend schedule - quarterly payment

Dividend per Share	Dividend Distribution	Ex-dividend Date	Expected Payment Date
USD 0.45	~ MUSD 128 ⁽¹⁾	31 March 2021	8 April 2021
USD 0.45	~ MUSD 128	1 July 2021	7 July 2021
USD 0.45	~ MUSD 128	1 October 2021	7 October 2021
USD 0.45	~ MUSD 128	4 January 2022	11 January 2022

⁽¹⁾ Paid out in SEK

Lundin Energy

Delivering on all Fronts

- **World class assets continue to outperform**
 - production and operating costs ahead of guidance
- **Resilient low cost** business delivers **record financial results**
- **Strong free cash flow** – covering **material dividends, funding growth** and **deleveraging** business
- **Key projects on track** providing growth to **>200 Mboepd by 2023**
 - sustained with **pipeline of opportunities**
- **Carbon Neutral** operations **from 2025**

**Safe and
responsible
operations**

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