



Q2

Operations & Financial Update
First Six Months 2021

Nick Walker, President & CEO
Teitur Poulsen, CFO
28 July 2021



First Six Months 2021 Delivering Record Results

Growth

Record Production

Q2 **190** Mboepd
Annual guidance increased

Johan Sverdrup Ph 2 on track

Capacity increased **755** Mbopd
Planned installations completed

Projects on track

Growth **>200** Mboepd
by 2023

Resilience

Low Opex

H1 **2.8** USD/boe
below guidance ⁽¹⁾

Record Financial Results

FCF H1 **949** MUSD
Reduced net debt **3.2** Bn USD

Inaugural Bond Issuance

2 Bn USD

Sustainability

Carbon Neutral

from **2025**
operational emissions

~60% of production
**Certified Carbon Neutrally
Produced** ⁽²⁾

**Renewable Projects
on track**

⁽¹⁾ CMD guidance ⁽²⁾ Carbon neutral at FOB

Lundin Energy 2021 Production

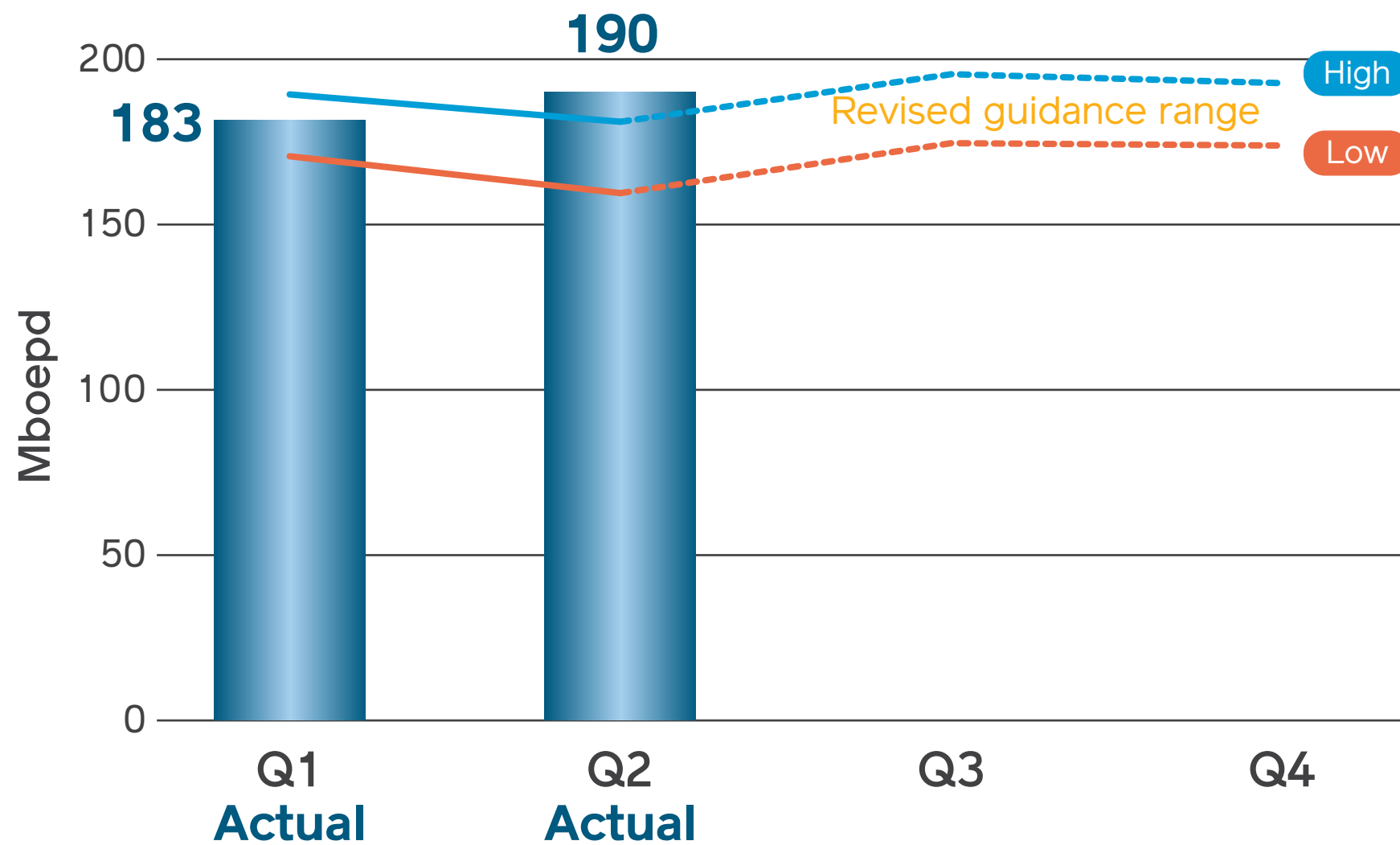
Record quarterly production

190 Mboepd

above top of guidance

Full year guidance increased⁽¹⁾

180–195 Mboepd



Delivering guidance
or better for

24
quarters
running

⁽¹⁾ Original guidance 170-190 Mboepd

Lundin Energy

Top Tier Operating Performance

Production Efficiency ⁽¹⁾

98% Johan Sverdrup
98% Edvard Grieg
95% Alvheim Area

Operating Costs

2.82 | Full year guidance
USD/boe⁽¹⁾ | **3.00**
USD/boe
Quarter of North Sea average

Carbon Intensity

2.9 | Full year guidance
kg CO₂/boe⁽¹⁾ | **<4**
kg CO₂/boe
Approximately one sixth of
world average

HSE Performance

Zero
material incidents ⁽¹⁾



⁽¹⁾ First six months 2021

Lundin Energy Carbon Neutral from 2025

~60% of barrels now sold as Certified Carbon Neutrally produced⁽¹⁾

Carbon Intensity ⁽²⁾

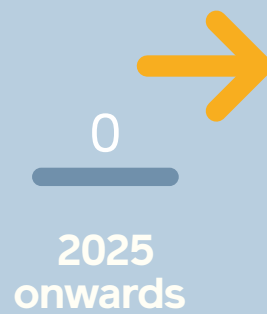
kg CO₂/boe



2021-2022



2023-2024



2025 onwards

Carbon Neutral from 2025

(operational emissions)

⁽¹⁾ Carbon neutral up to point of sale

⁽²⁾ Lundin working interest emissions net of natural carbon capture projects

⁽³⁾ Reduced from <2 kg CO₂/boe

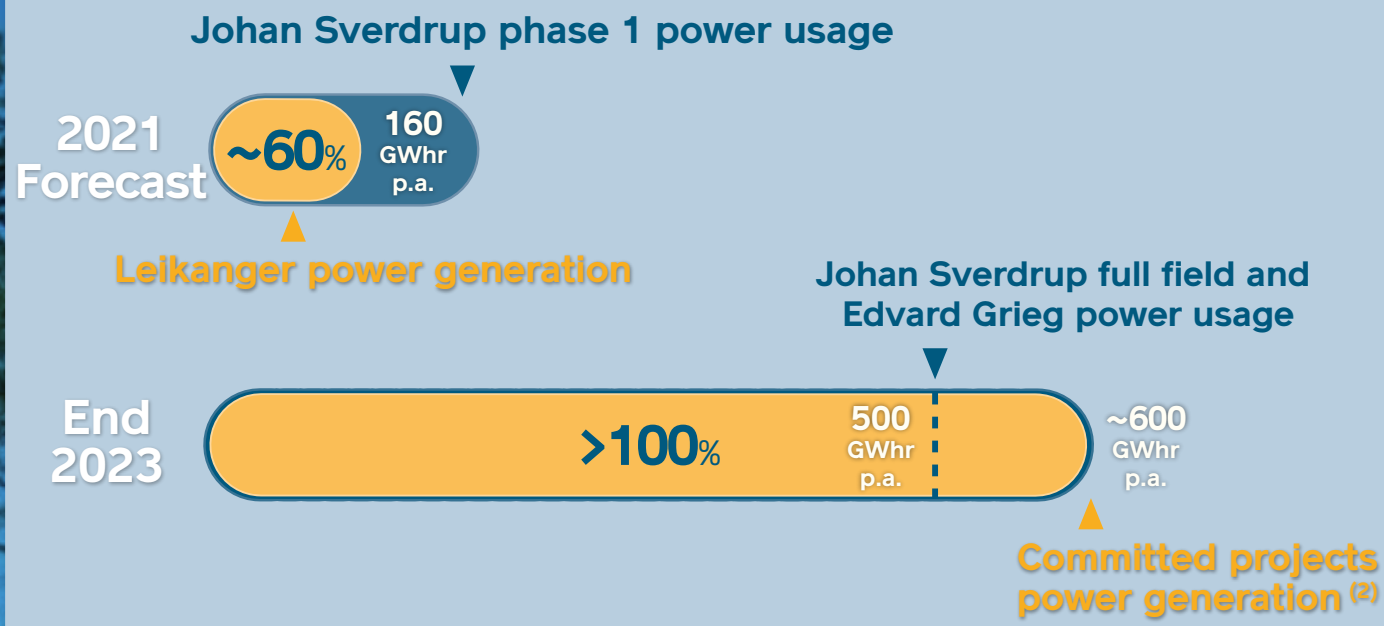


VERIFIED
CARBONZERO

JOHAN SVERDRUP—39,142,000 BOe
17,653 tCO₂e OFFSET
PER CARBONZERO-01

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 Karskruv projects

Johan Sverdrup

Delivering Above Expectations

Excellent Reservoir Performance

Carbon Footprint ⁽¹⁾
<0.1
kg CO₂/boe

Production Efficiency ⁽¹⁾
98%



Full field production capacity increased ⁽²⁾

755 increased from 720 Mbopd
Mbopd

Low operating costs ⁽¹⁾

1.63
USD/bbl

Full field reserves ⁽²⁾

2.2-3.2
Bn boe

Reduced Full field breakeven price

<15 reduced from <20 USD/boe
USD/boe

⁽¹⁾ First six months 2021

⁽²⁾ Gross

Johan Sverdrup Phase 2 Successful Installation Programme

P2 Platform
Successfully assembled in Norway
Offshore installation Q2 2022



>60%
complete

First Oil on schedule
Q4 2022

41⁽¹⁾
Bn NOK

Capex unchanged
from PDO

P2 Jacket
Installed June 2021



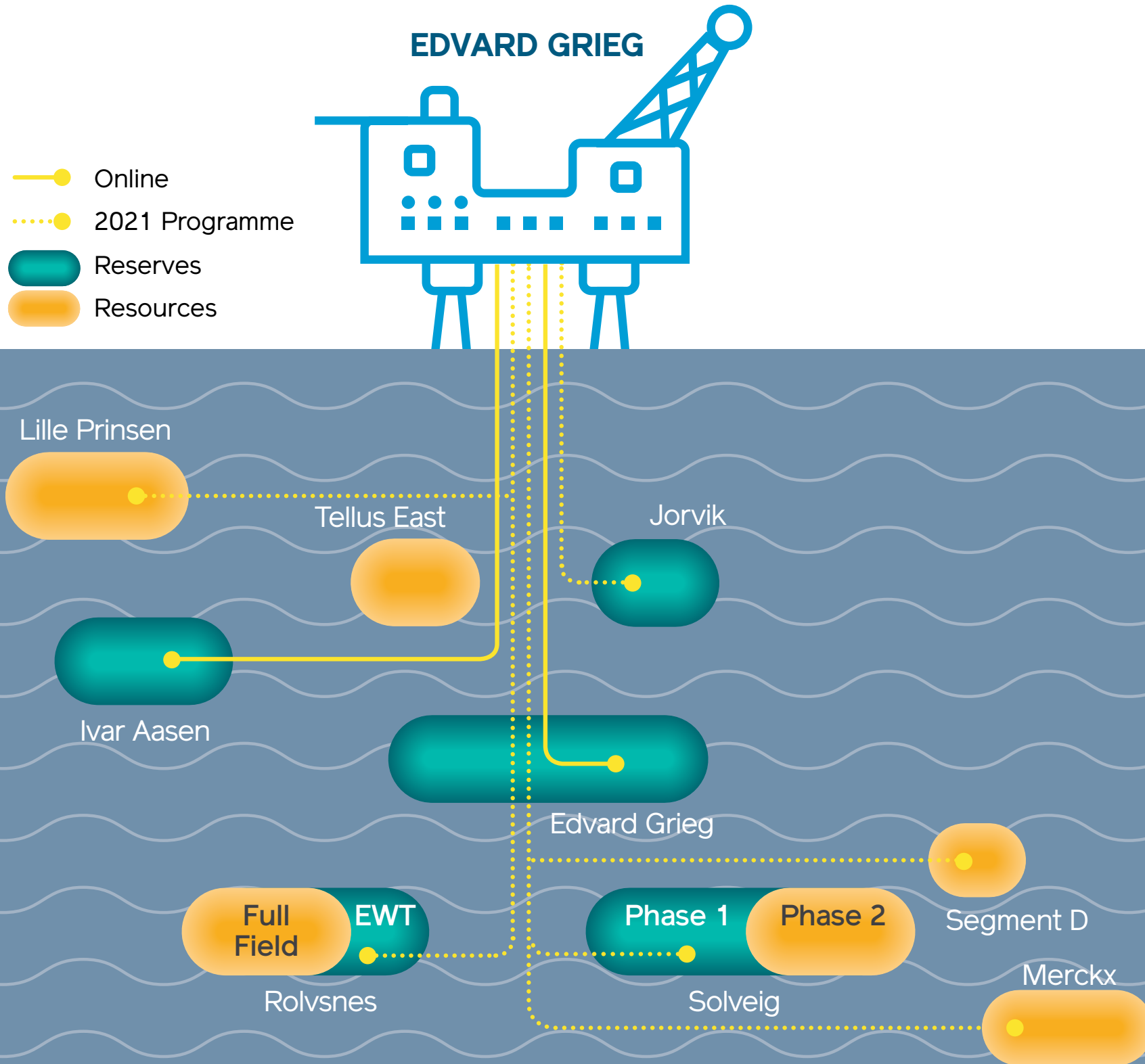
Riser Platform Module
Installed July 2021



⁽¹⁾Gross

Greater Edvard Grieg Area

Keeping the Facilities Full



OPEX
3.72
 USD/boe ⁽¹⁾

→ Edvard Grieg

- ▣ 3 infill wells – 2 completed
- ▣ 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)

→ Exploration opportunities

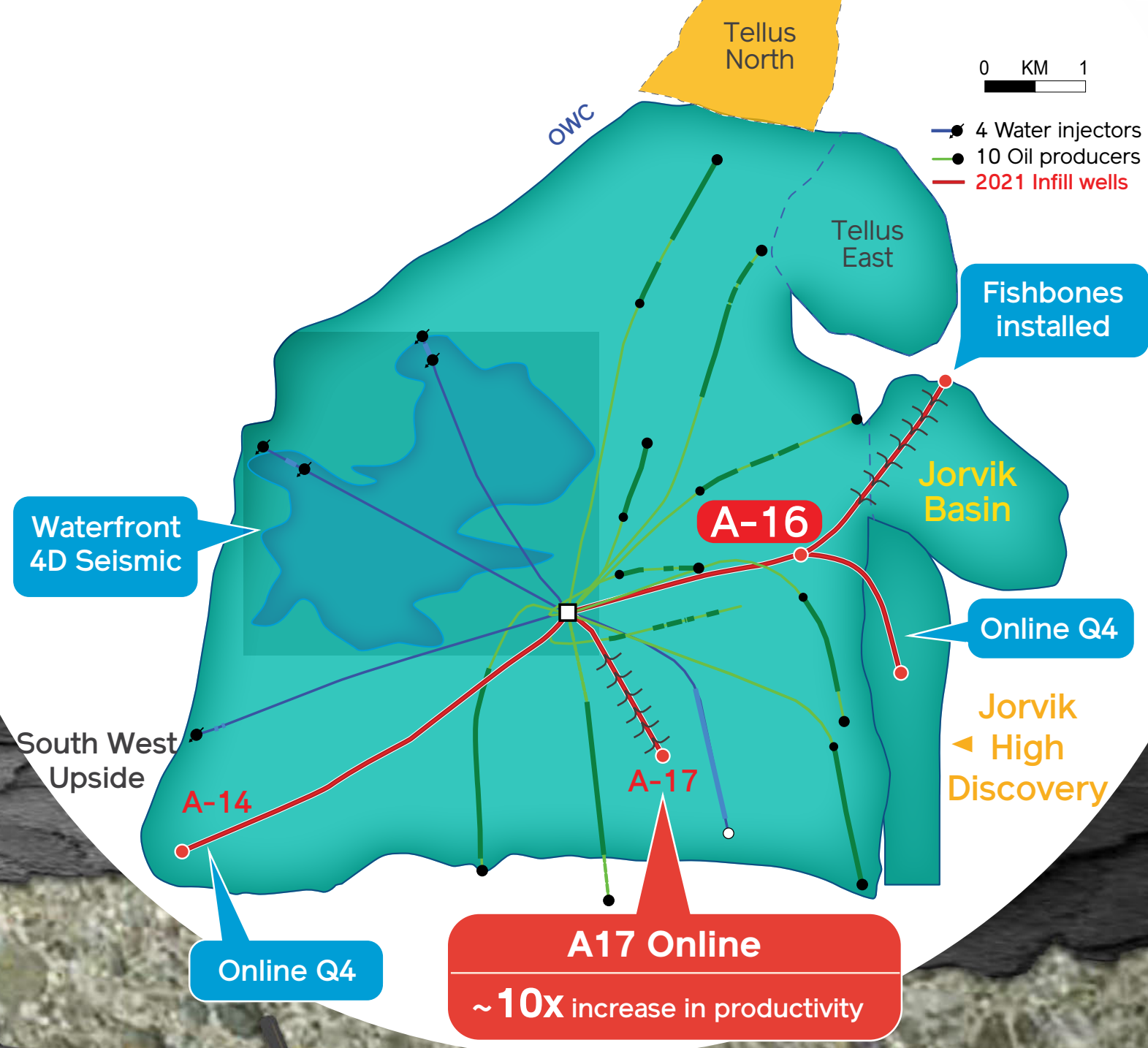
- ▣ Lille Prinsen currently drilling
- ▣ Merckx Q3 2021

⁽¹⁾ First Six Months 2021, includes tariff netting

Edvard Grieg Infill Well Programme - Good Results



3 infill wells
18 MMboe⁽¹⁾
<20 USD/boe
 Breakeven oil price



A-16



WF12780 p18_04.21

⁽¹⁾ Gross

Solveig Phase 1 & Rolvsnes EWT

First Oil Q3 2021

Topsides modifications & subsea facilities completed

Solveig Phase 1

40–100 MMboe ⁽¹⁾

Plateau **30** Mboepd ⁽²⁾

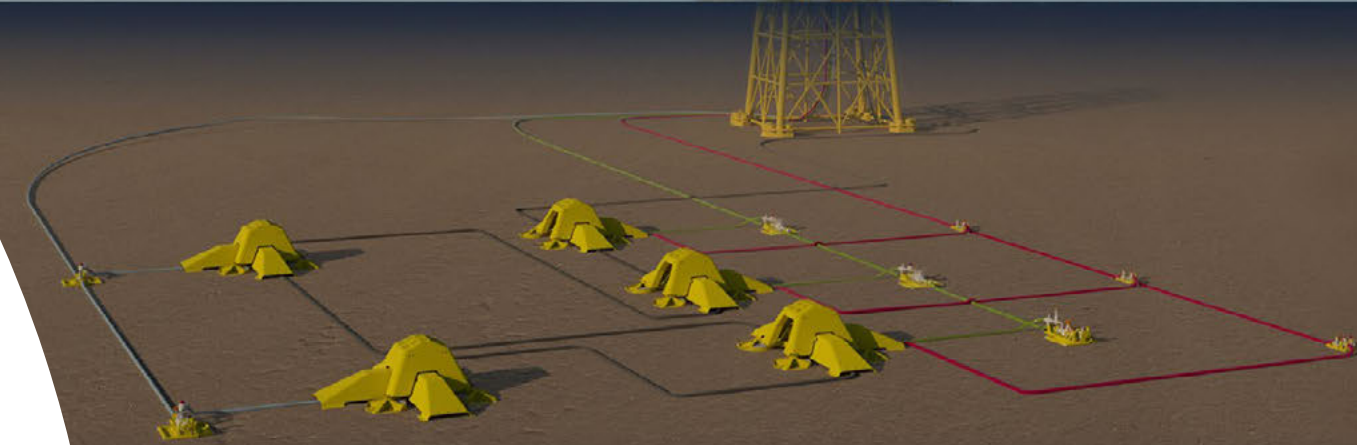
Breakeven oil price **<20** USD/bbl

Rolvsnes EWT

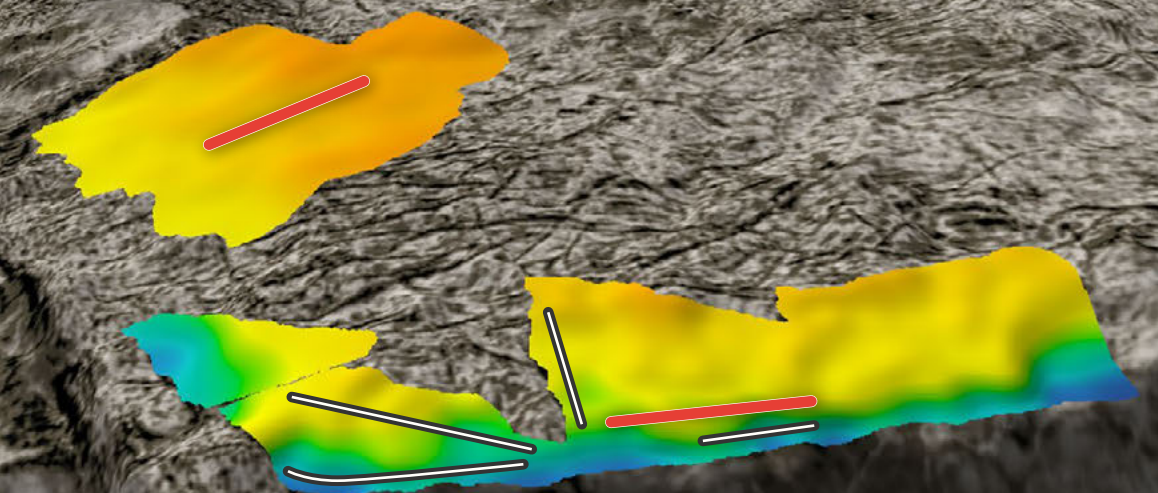
De-risks full field development

14–78 MMboe ⁽¹⁾

Edvard Grieg



Rolvsnes



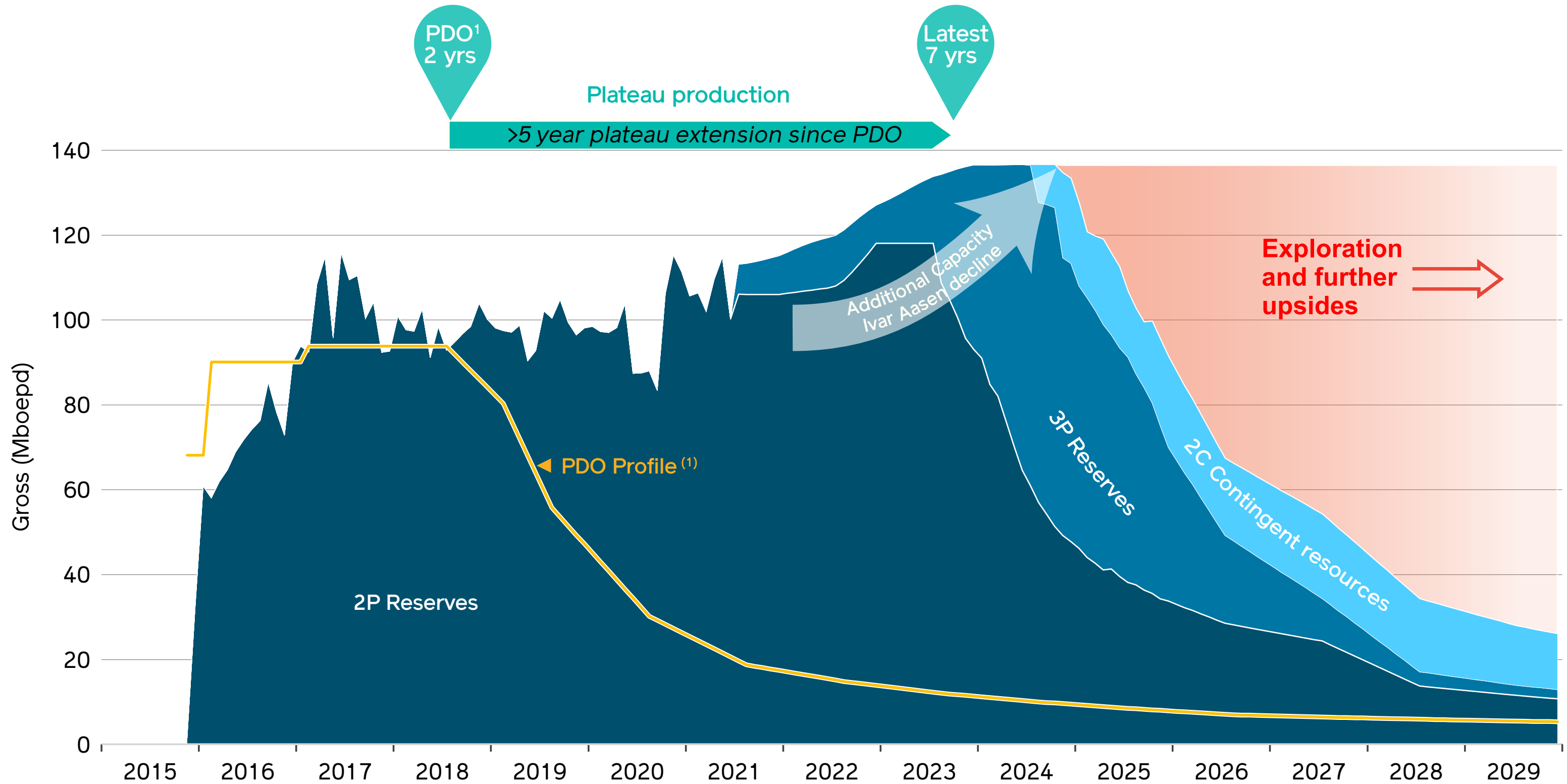
Solveig

— Wells drilled/completed

⁽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

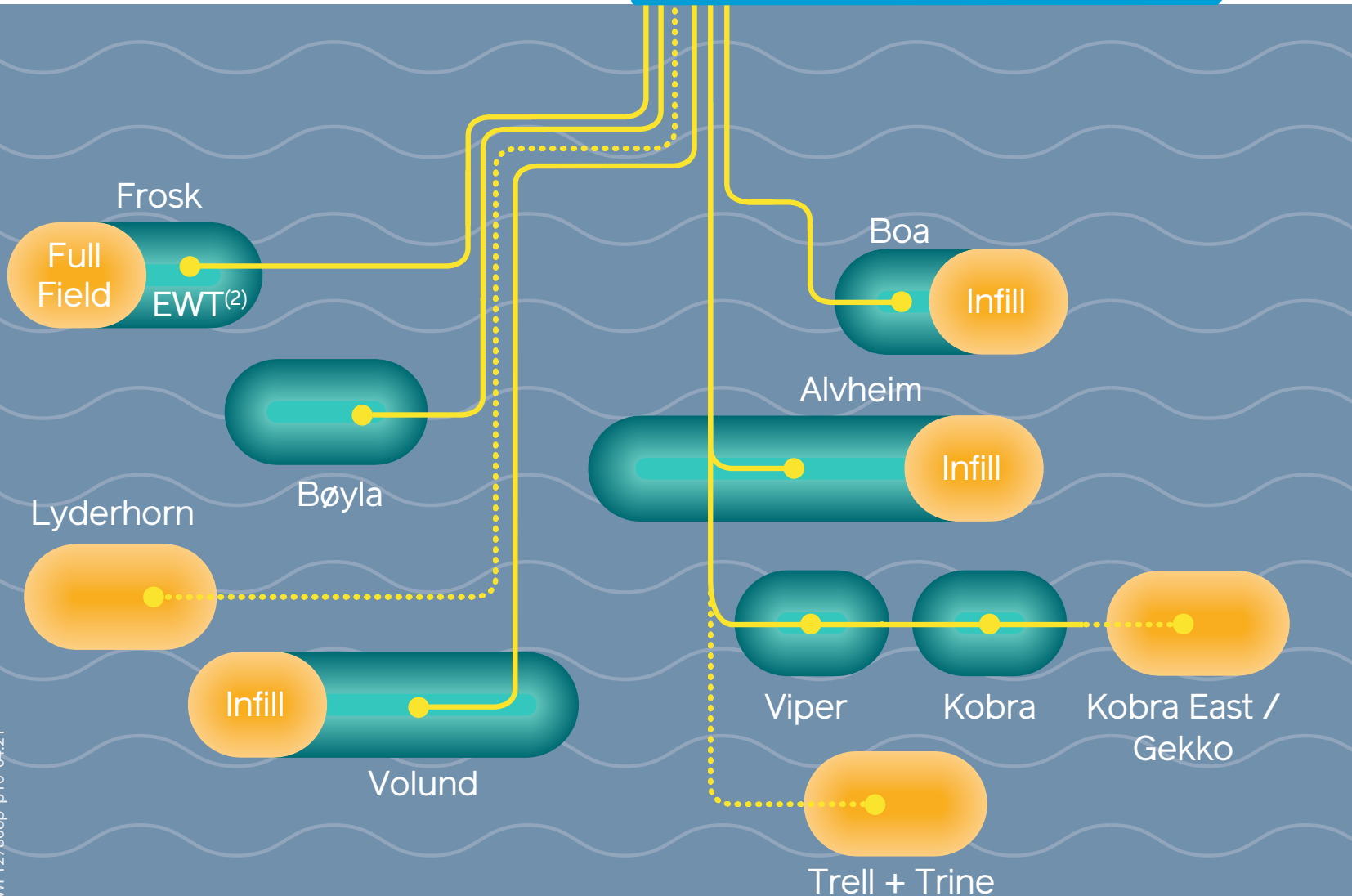
Continuous Reserves Growth

- Online
- - -● Future opportunities
- Reserves
- Resources



OPEX
7.38
USD/boe⁽¹⁾

New Projects Additions⁽³⁾
>65 MMboe
Up to **45** Mboepd



- ➔ 3 infill wells – one online
- ➔ New projects
 - Kobra East / Gekko - PDO submitted
 - Frosk - PDO Q3 2021
 - Trel & Trine - concept studies ongoing
- ➔ Lyderhorn exploration well Q4 2021

⁽¹⁾ First Six Months 2021

⁽²⁾ Extended Well Test

⁽³⁾ Gross, including infill wells

Lundin Energy

Sustaining Production >200 Mboepd

Delivering Growth

>**200** Mboepd by 2023
5 projects underway

Sustaining Production

Pipeline of new projects
1 sanctioned, **3** heading to sanction
3 being de-risked
Accelerated by tax incentives

Delivering Future Value

2021 E&A Programme
Remaining **4** wells targeting
~**200** MMboe ⁽¹⁾



⁽¹⁾ Net unrisks resources

Picture: West Bollsta Drilling Rig & Edvard Grieg Platform

Second Quarter 2021 Financial Highlights

Production and sales

Produced: **190** Mboepd

Sales: **180** Mboepd

Good price realisation

Oil: **67.9** USD/bbl

Gas/NGL: **52.3** USD/boe

Costs and investments

Opex: **2.80** USD/boe

Oil & gas capex / E&A: **267** MUSD

Renewable capex: **48** MUSD

Strong cash generation

EBITDAX: **1,060** MUSD

CFFO: **738** MUSD

FCF ⁽¹⁾: **423** MUSD

Successful bonds issuance

1 BUSD 5Y **2.0** % Senior Notes

1 BUSD 10Y **3.1** % Senior Notes

Deleveraging and ratios

Net debt end Q2: **3,189** MUSD

Net debt / EBITDAX ⁽²⁾: **1.0x**

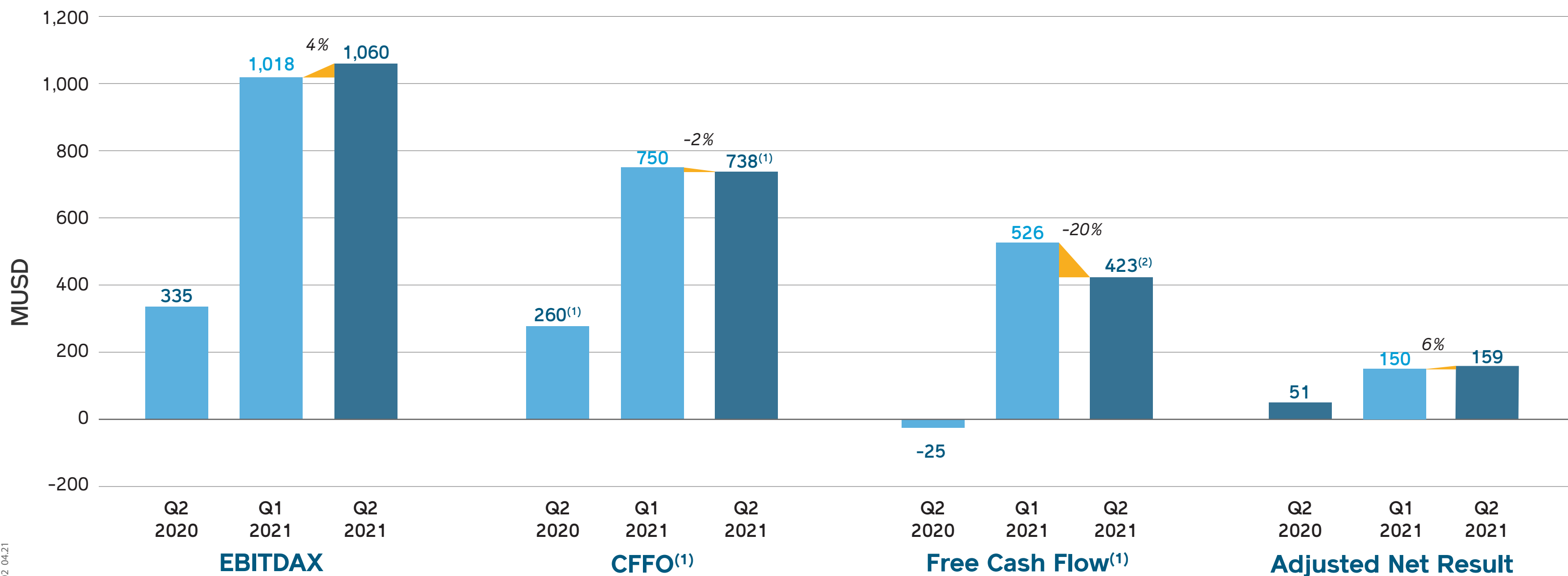
⁽¹⁾ Pre-dividends

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

First Six Months and Second Quarter 2021

Key Financial Metrics

	Q2-20	Q1-21	Q2-21	Q2 vs Q2	Q2 vs Q1
Sales Price (USD/boe)	24.7	59.9	66.7	170%	11%
Sales Volumes (MMboe)	15.7	18.5	16.4	4%	-11%



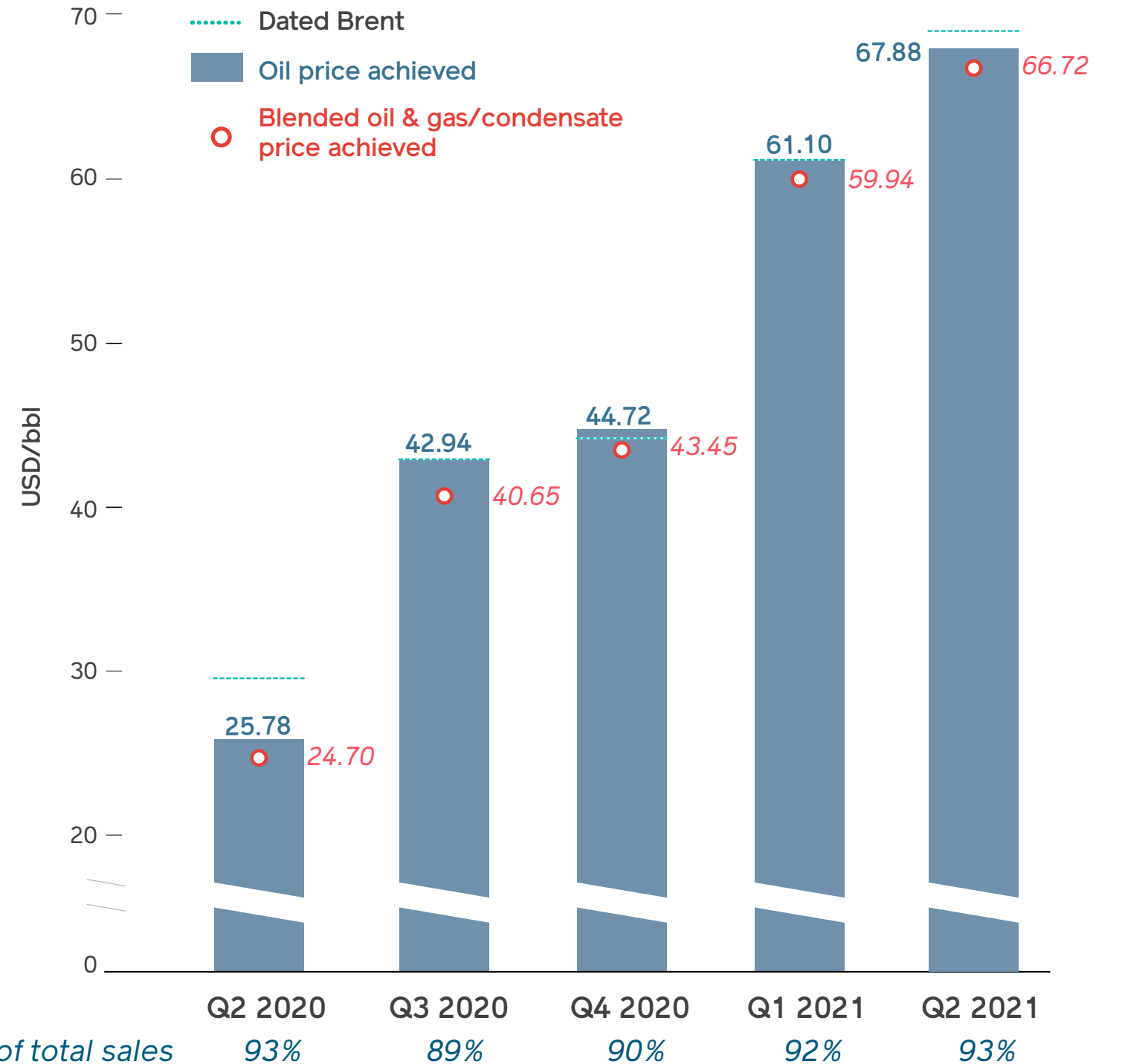
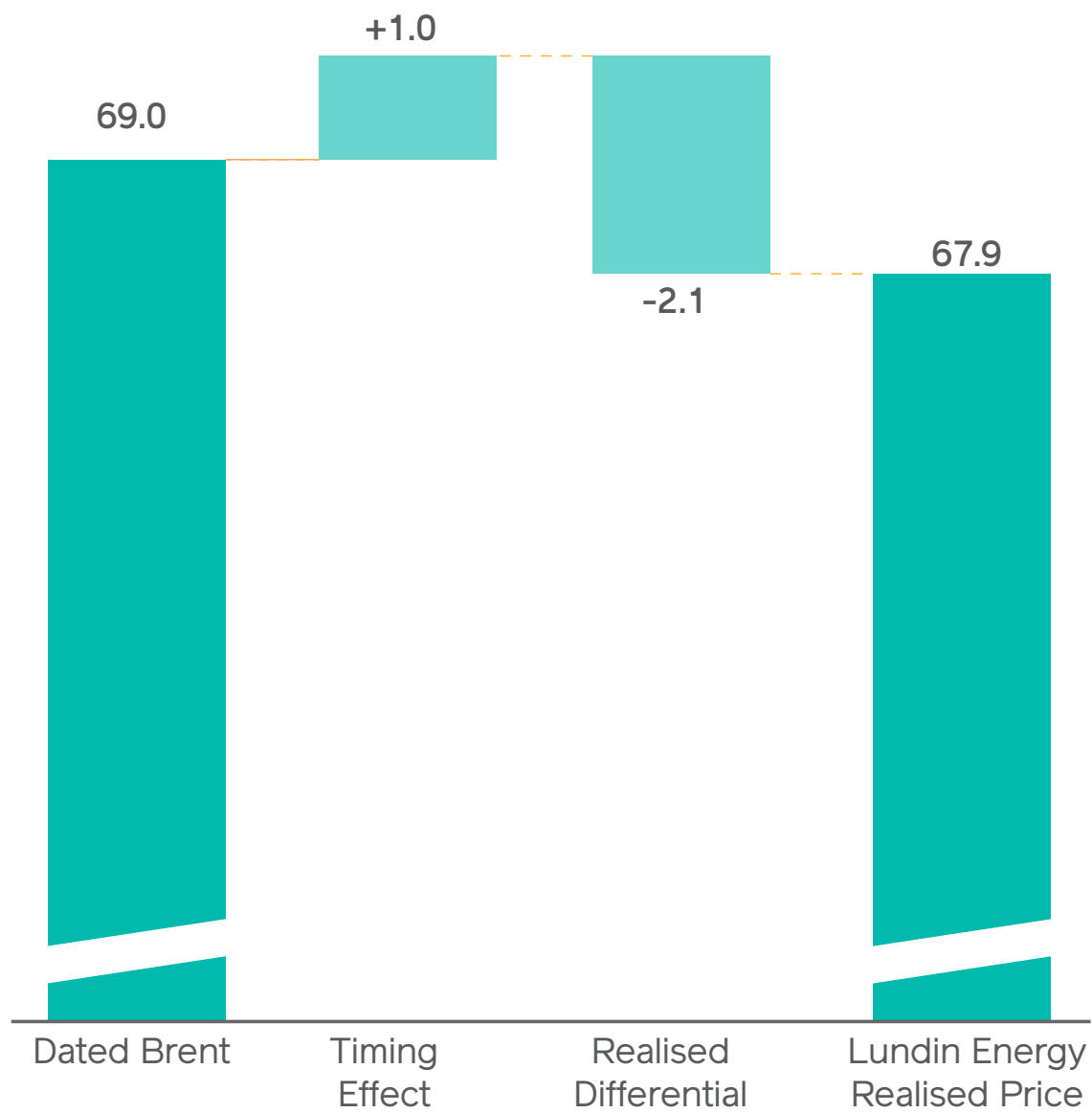
⁽¹⁾ Negatively impacted in Q1-21 by working capital movements of MUSD 135; negatively impacted in Q2-21 by working capital movements of MUSD 42

⁽²⁾ MUSD 91 higher cash outflow for investing activities in Q2-21 compared to Q1-21

Second Quarter 2021 Good Price Realisation

➔ 21 oil cargoes lifted during Q2

Q2 2021
Crude Realised prices (USD/bbl)

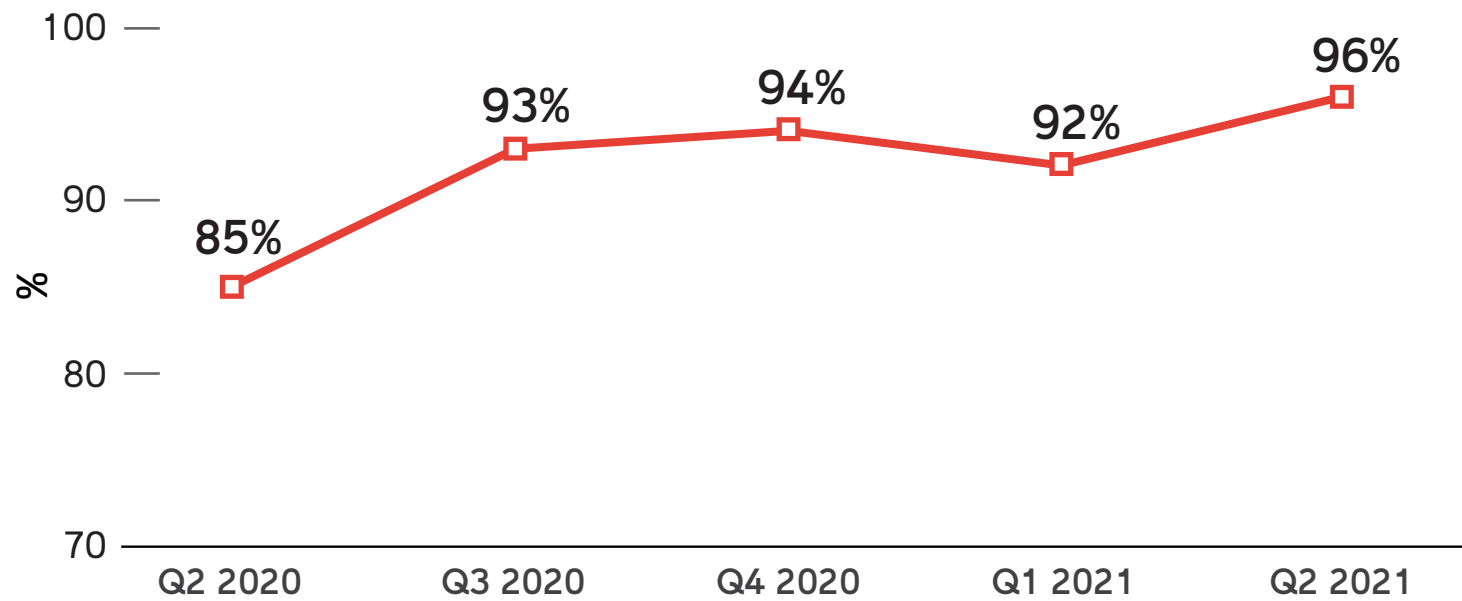


Second Quarter 2021

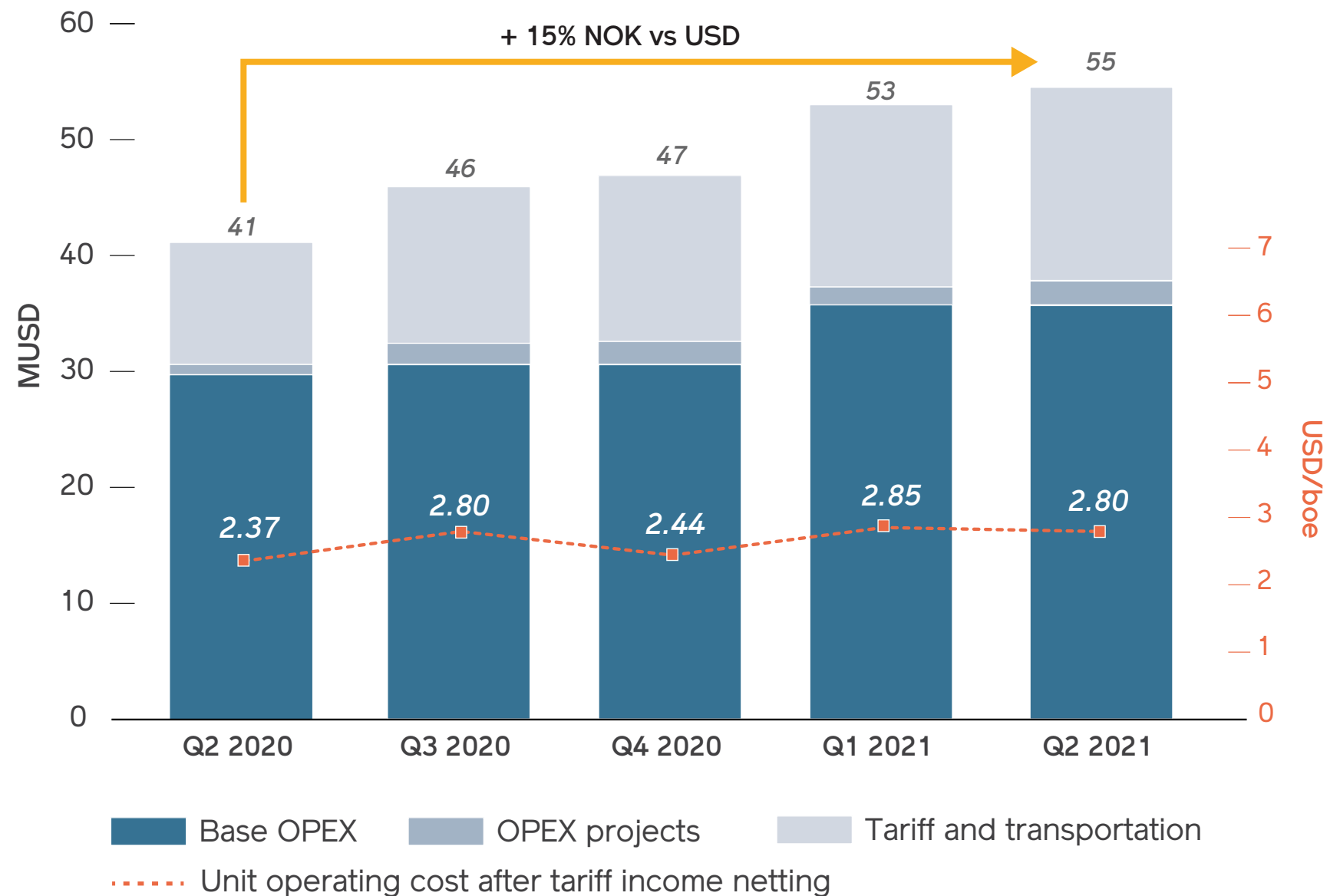
Operating Costs & EBITDAX Margin

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

EBITDAX Margin

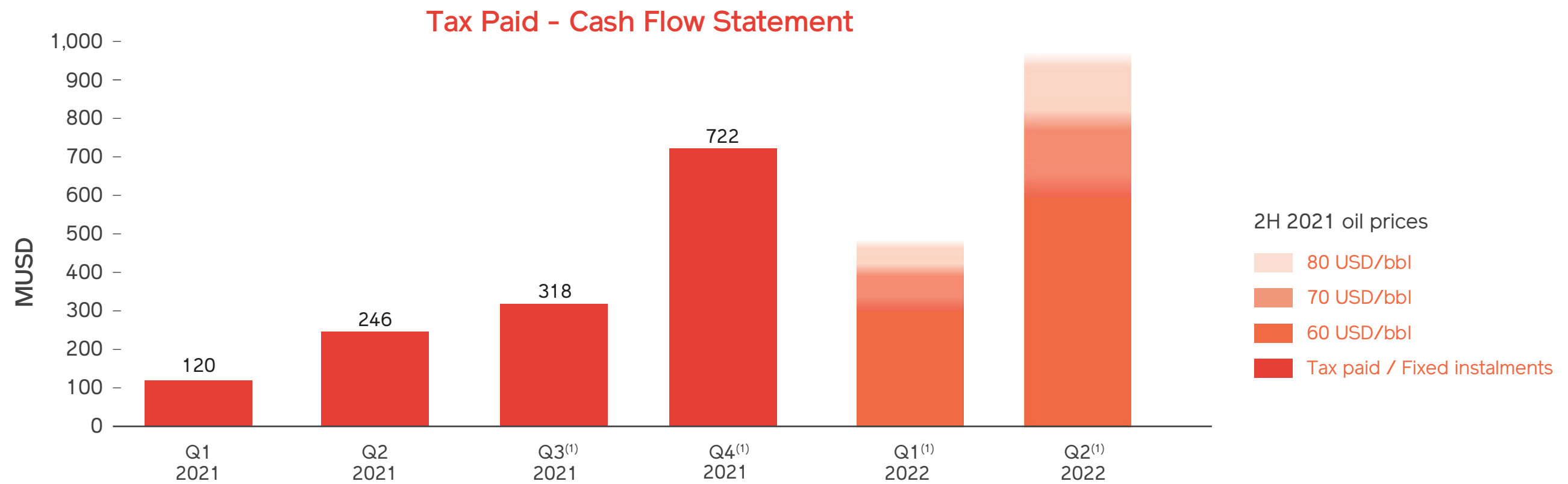
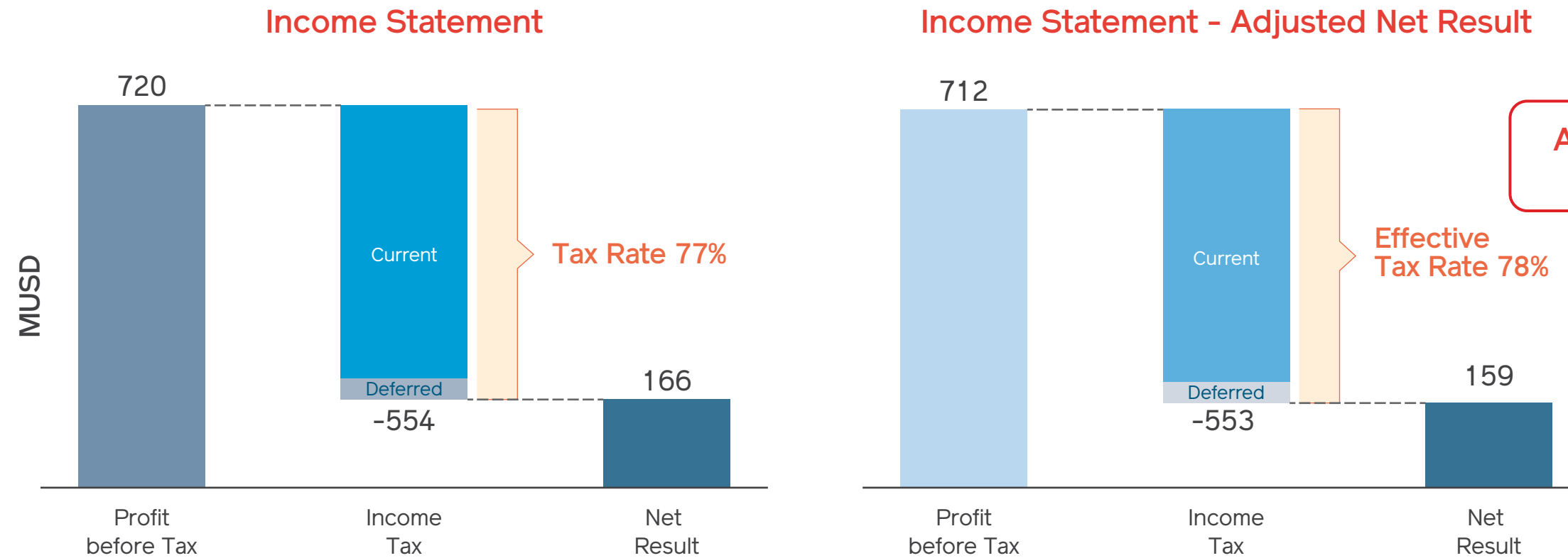


Operating Costs



Second Quarter 2021

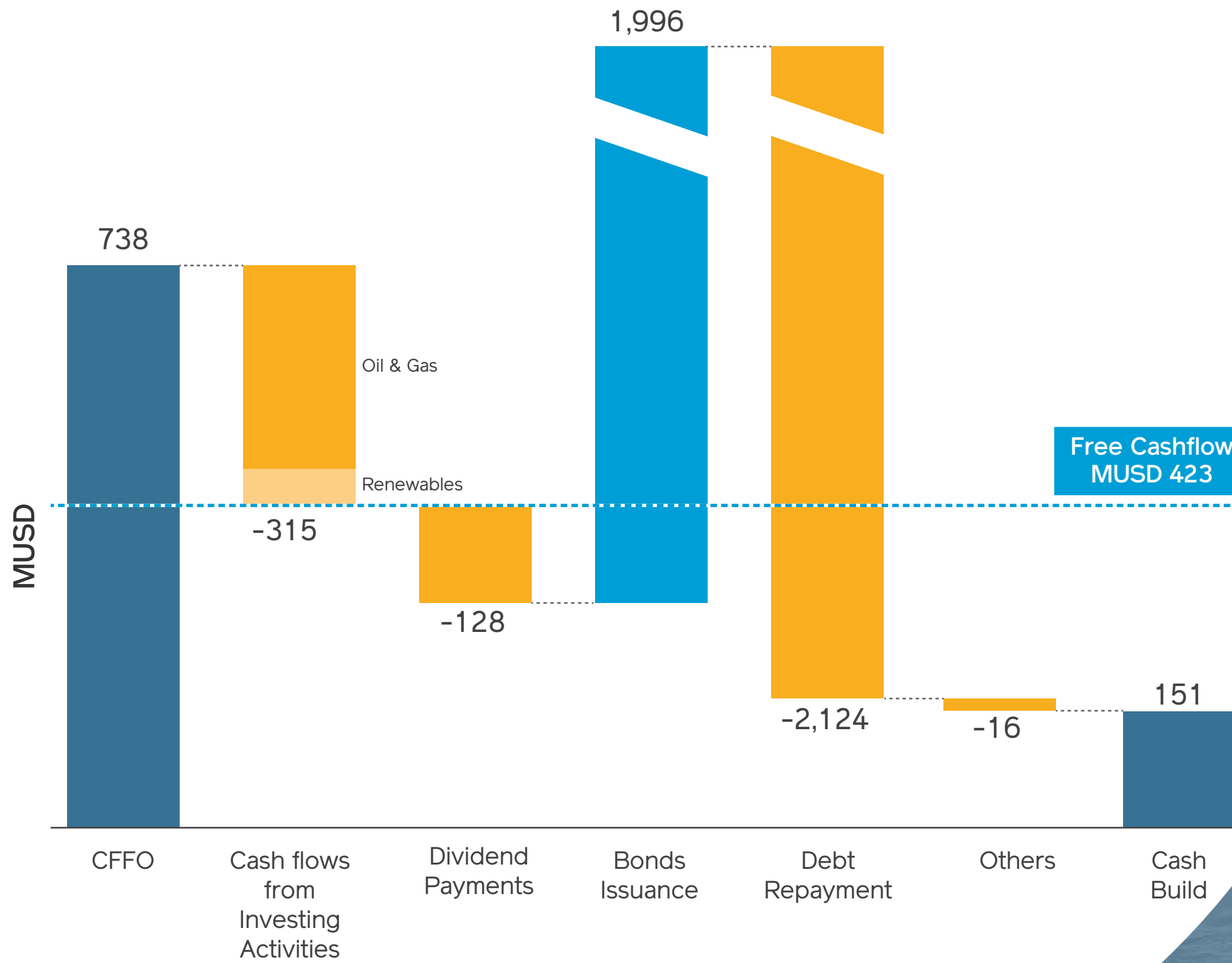
Income Taxes



⁽¹⁾ Based on USD/NOK fx rate of 8.50

Second Quarter 2021

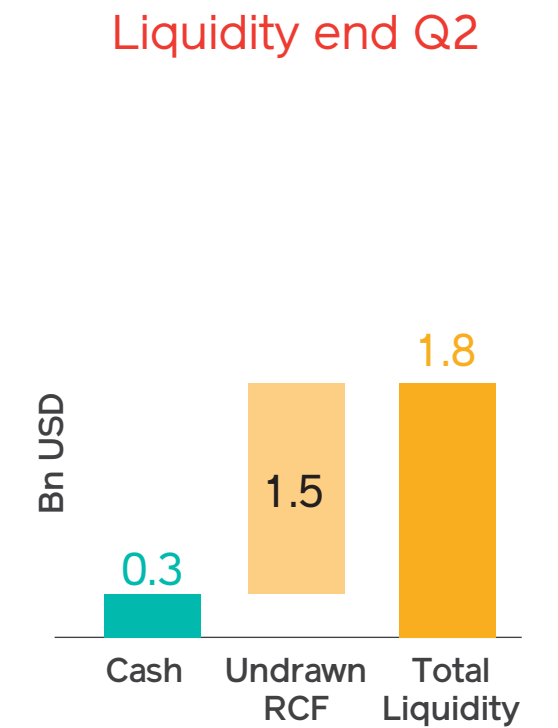
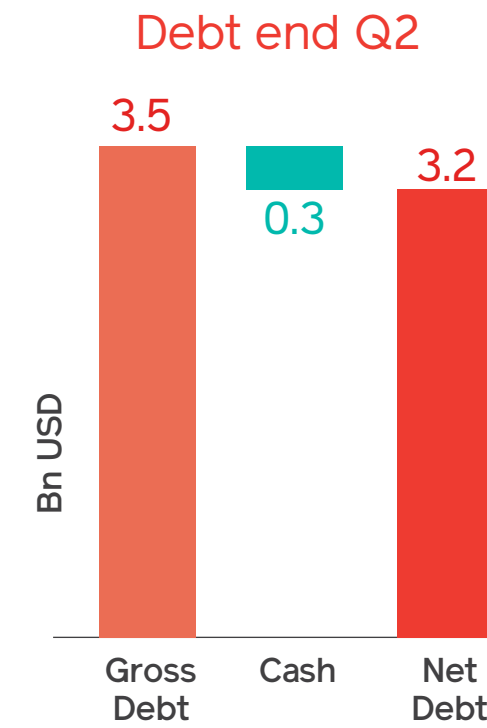
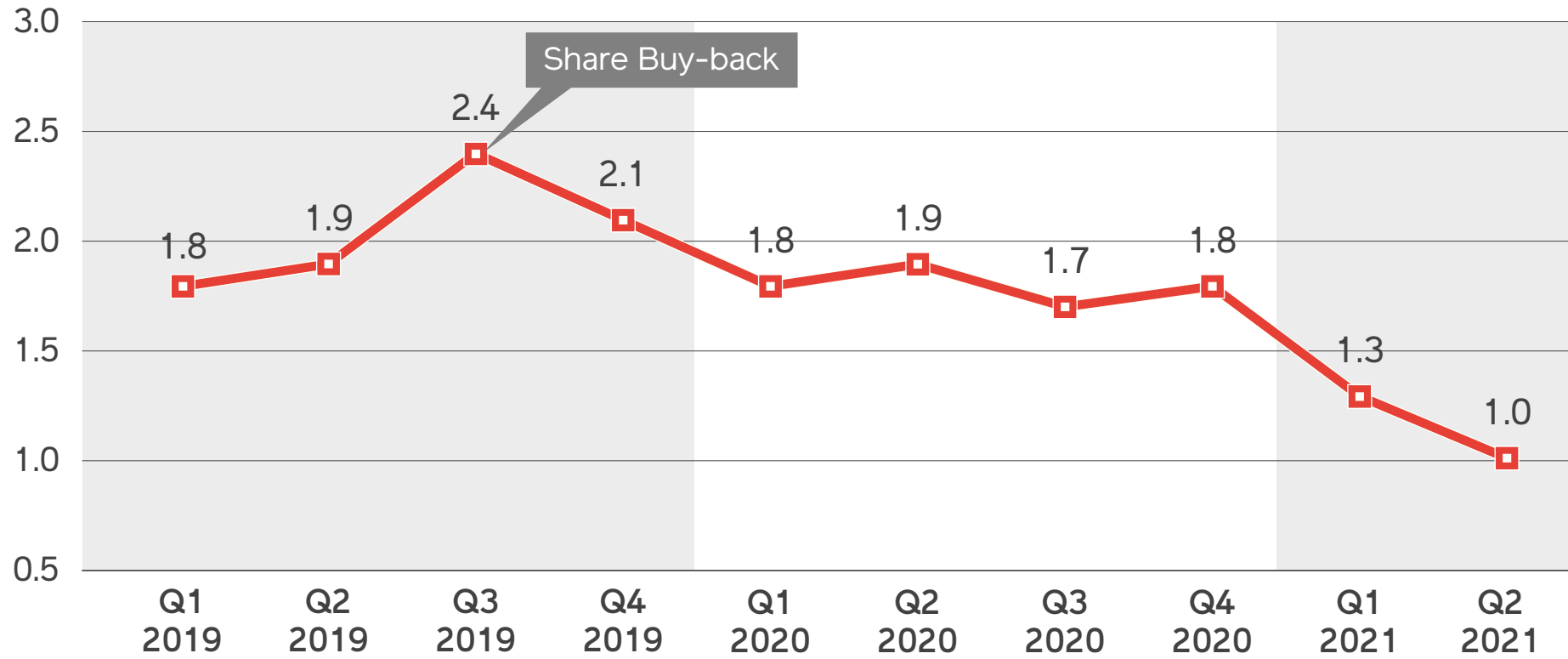
Cash Flows



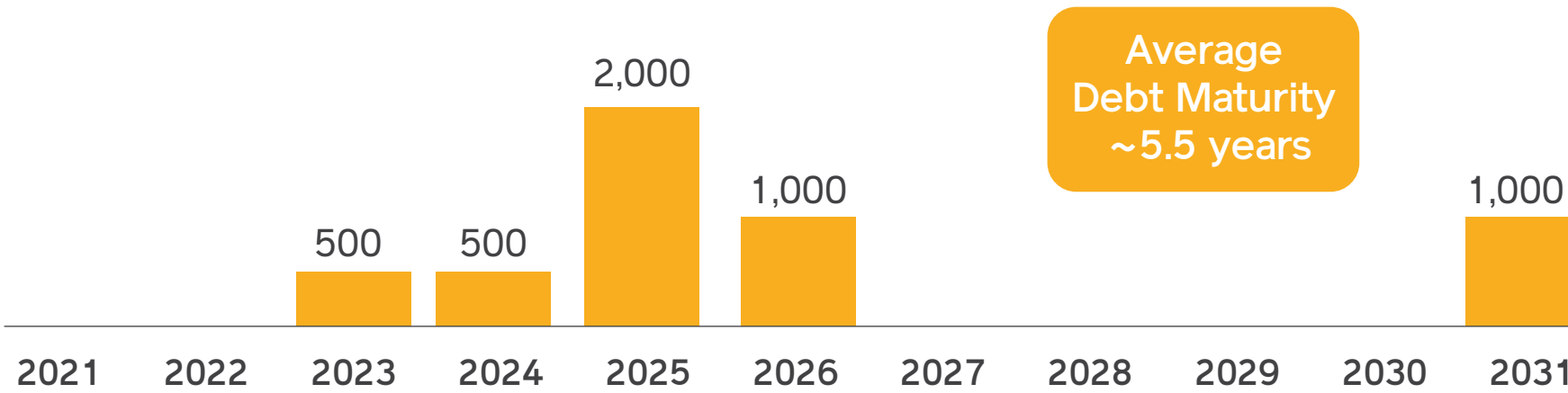
Second Quarter 2021

Debt Position and Liquidity

Debt Gearing – Net Debt/EBITDAX ⁽¹⁾



Debt Maturity



3 Investment Grade Credit Ratings
Fitch Ratings, Moody's, S&P Global

⁽¹⁾Last 12 months

2021 Latest Guidance Compared to CMD

	CMD 50 USD/bbl	Latest Guidance	1H - 2021 Actuals
Production (Mboepd)	170-190	180-195	186
Operating costs (USD/boe)	3.00	3.00	2.82
CAPEX - Oil & Gas (MUSD)	850	850	343
E&A Expenditure (MUSD)	260	260	140
Decommissioning Expenditure (MUSD)	20	20	10
Capex - Renewables/Reforestation (MUSD)	70	100	54

Lundin Energy

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⁾	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 Record Results

Safe and
responsible
operations

- **World class assets continue to outperform**
 - record production and operating costs ahead of guidance
- **Resilient cash generative** business delivers **record free cash flow**
 - covering **material dividends, funding growth** and **deleveraging** the business
- **Key projects on track** to deliver growth to **>200 Mboepd by 2023**
 - sustained with **pipeline of opportunities**
- On target for **Carbon Neutral** operations **from 2025**
 - **60% of production carbon neutrally produced** today

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.

Lundin Energy



www.lundin-energy.com

Follow us
on
social media



Access Lundin Energy's latest information
anytime, anywhere by downloading the
Lundin Energy App

