Lundin Energy

2021 Capital Markets Day

28 January 2021

Lundin Energy

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



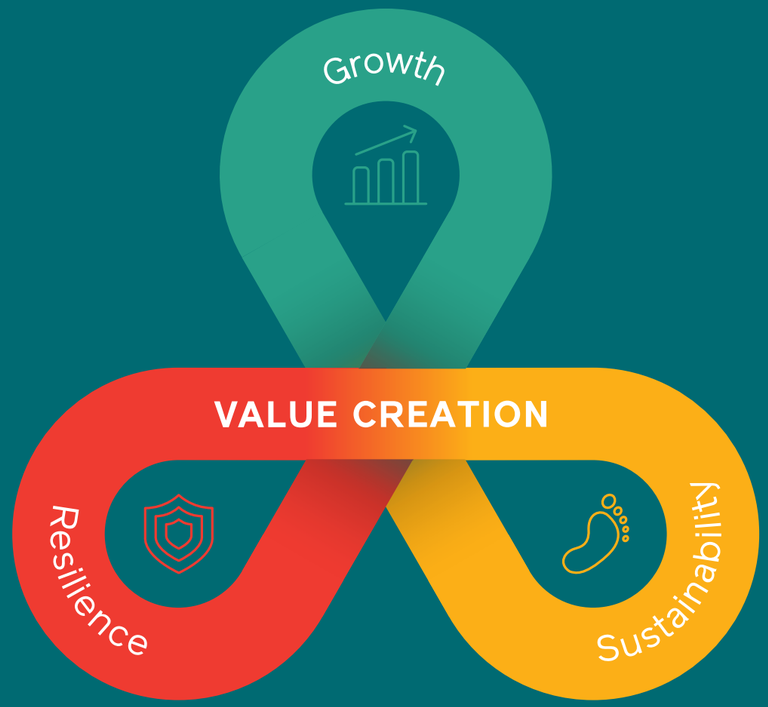
Kristin Færøvik
Managing Director
Norway



Per Øyvind Seljebotn
Exploration & Reservoir
Development Director

Focused value creation

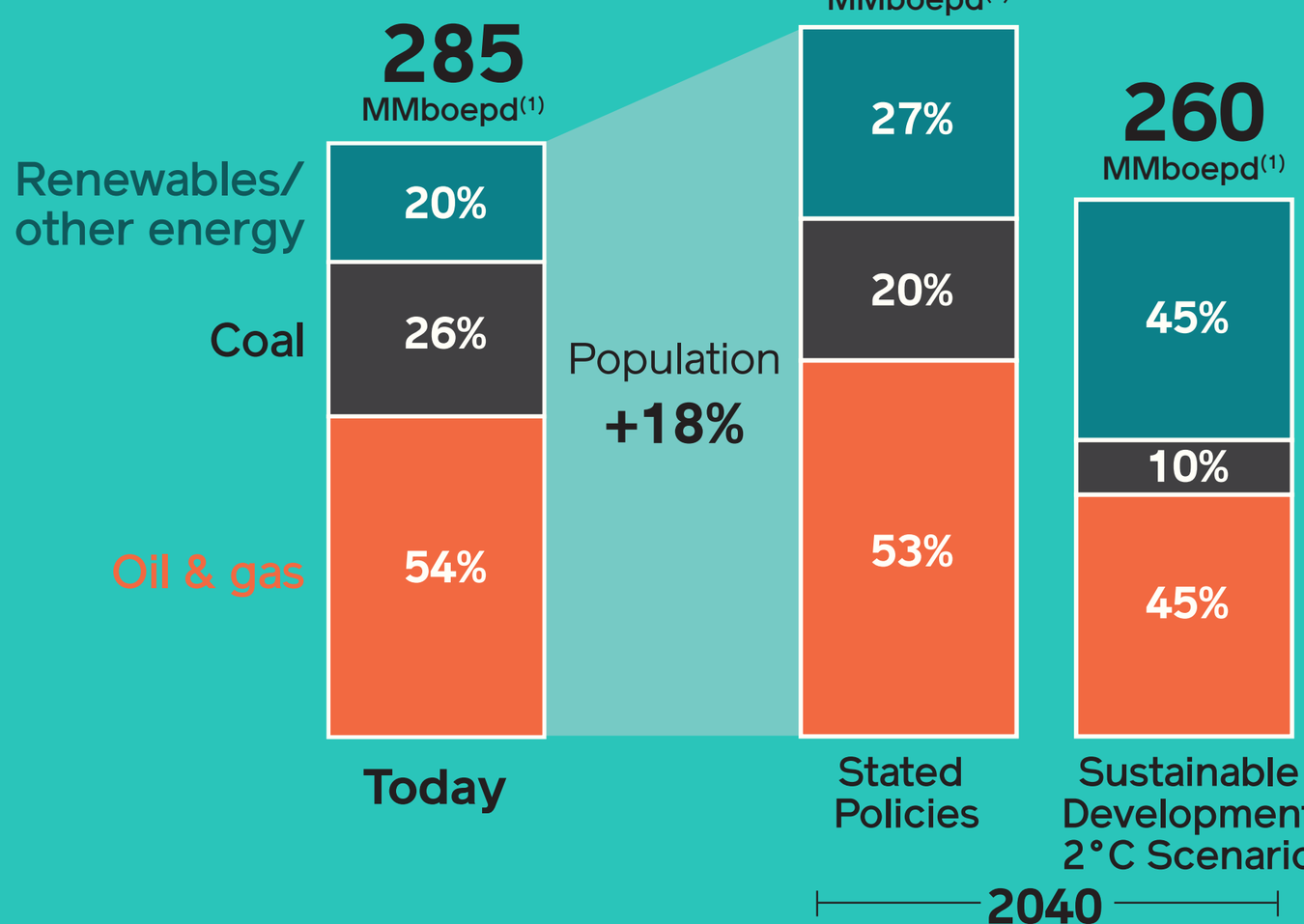
resilience, sustainability, growth





Setting the Scene
The Future of the Energy Transition

World Energy Usage



(1) *Equivalent Energy Usage*

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

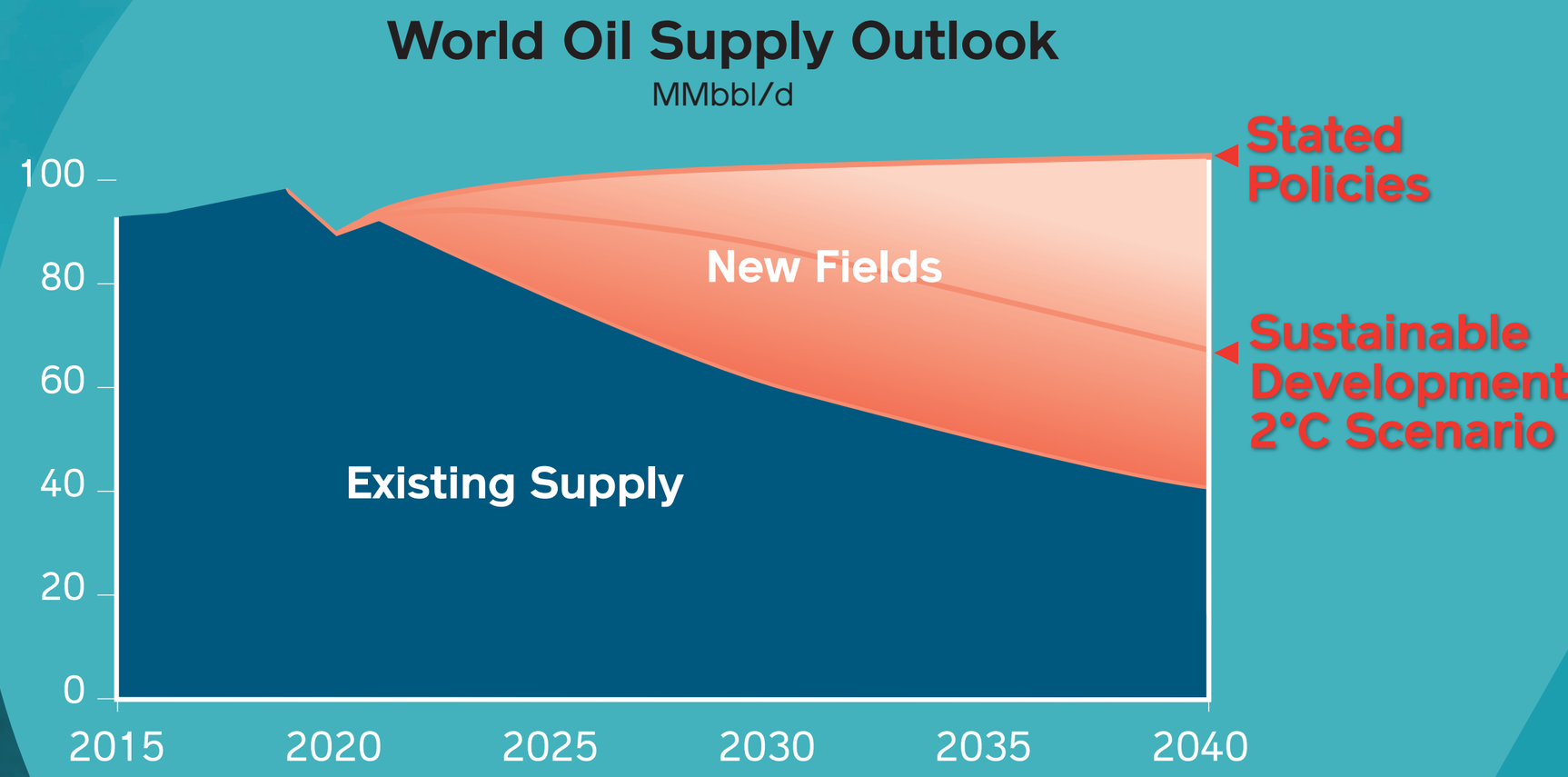
Challenge is decarbonising while meeting demand for low cost energy

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



Source: IEA World Energy Outlook 2020

Lundin Energy
Consistent Focused Strategy

Organic production growth

Capital discipline

Low breakeven price projects

Resilience
Sustainability
Growth

Strong free cash flow generation

Innovative, efficient, technology driven

Sustainable dividend growth

Decarbonisation strategy

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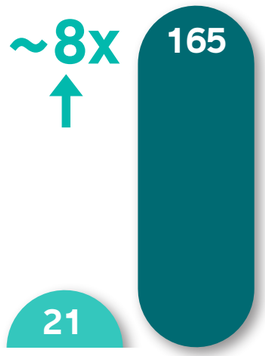
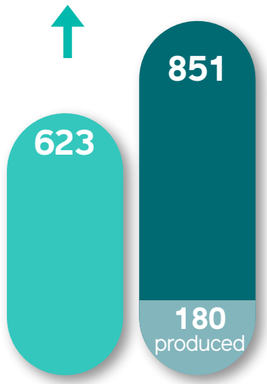
Track Record of Delivery and Value Creation

Production (Mboepd)



2P Reserves (MMboe)



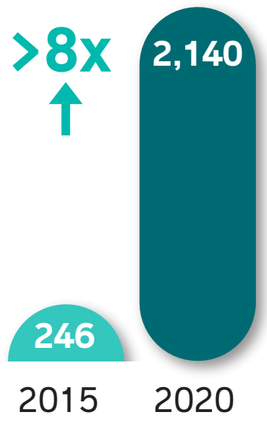
Carbon Emissions (kg CO_2/boe)



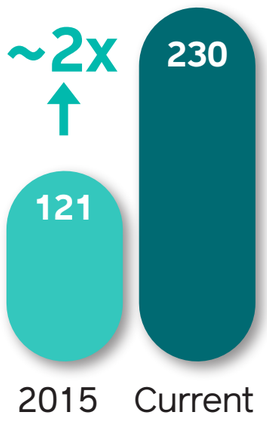
Operating Cost (USD/boe)



EBITDAX (MUSD)

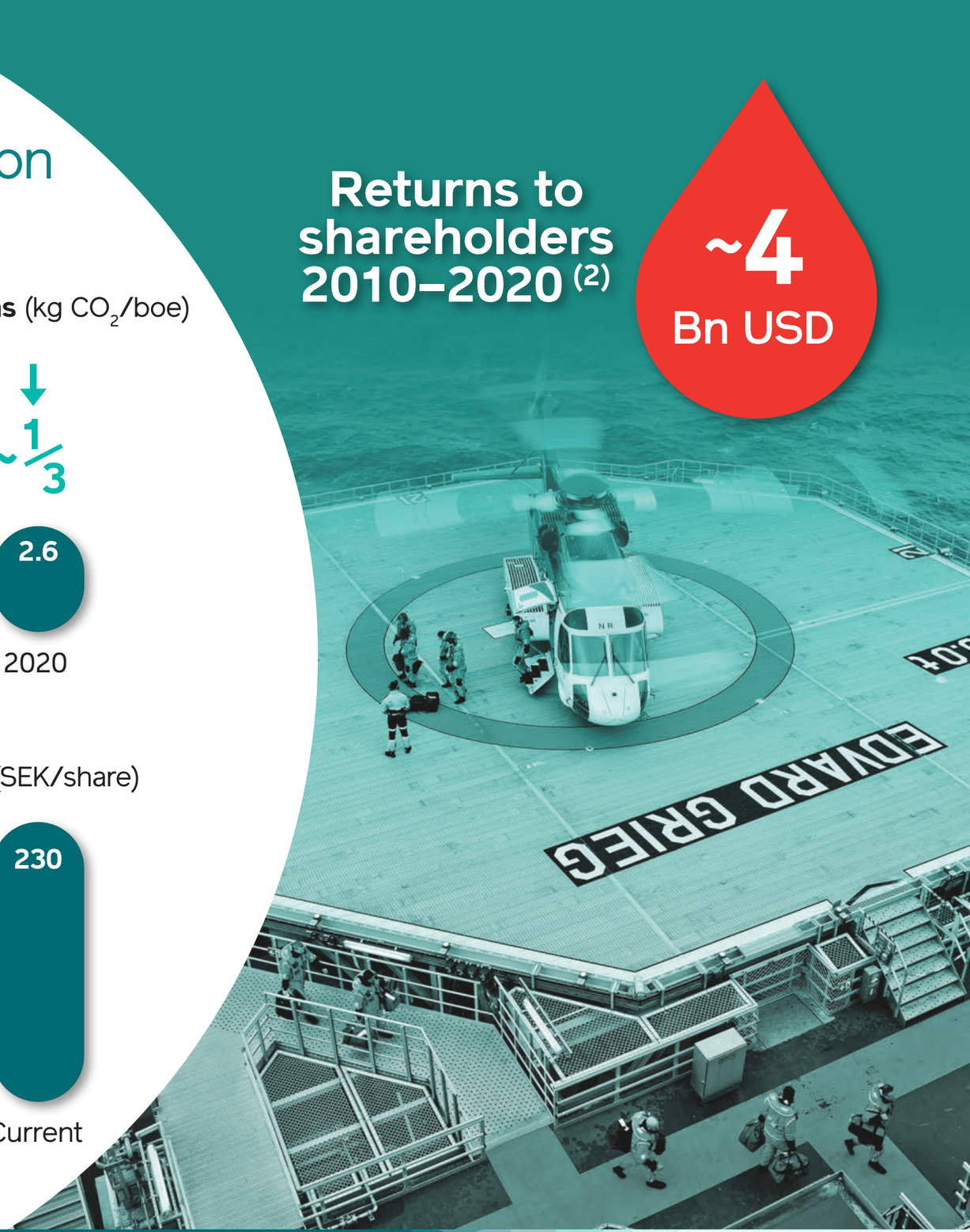


Share Price (SEK/share)



Returns to shareholders 2010–2020 (2)

~4 Bn USD



(1) *Corrected for asset transactions*

(2) *Includes 2020 proposed dividends*

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2020 Highlights – A Year of Strong Delivery

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

COVID-19 Crisis
Successfully continuing operations



[1] *Gross 2P ultimate recovery* [2] *CMD guidance*
[3] *2P reserves + 2C contingent resources replacement ratio including acquisitions*

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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 unrisked resources* *(4) Operational emissions*

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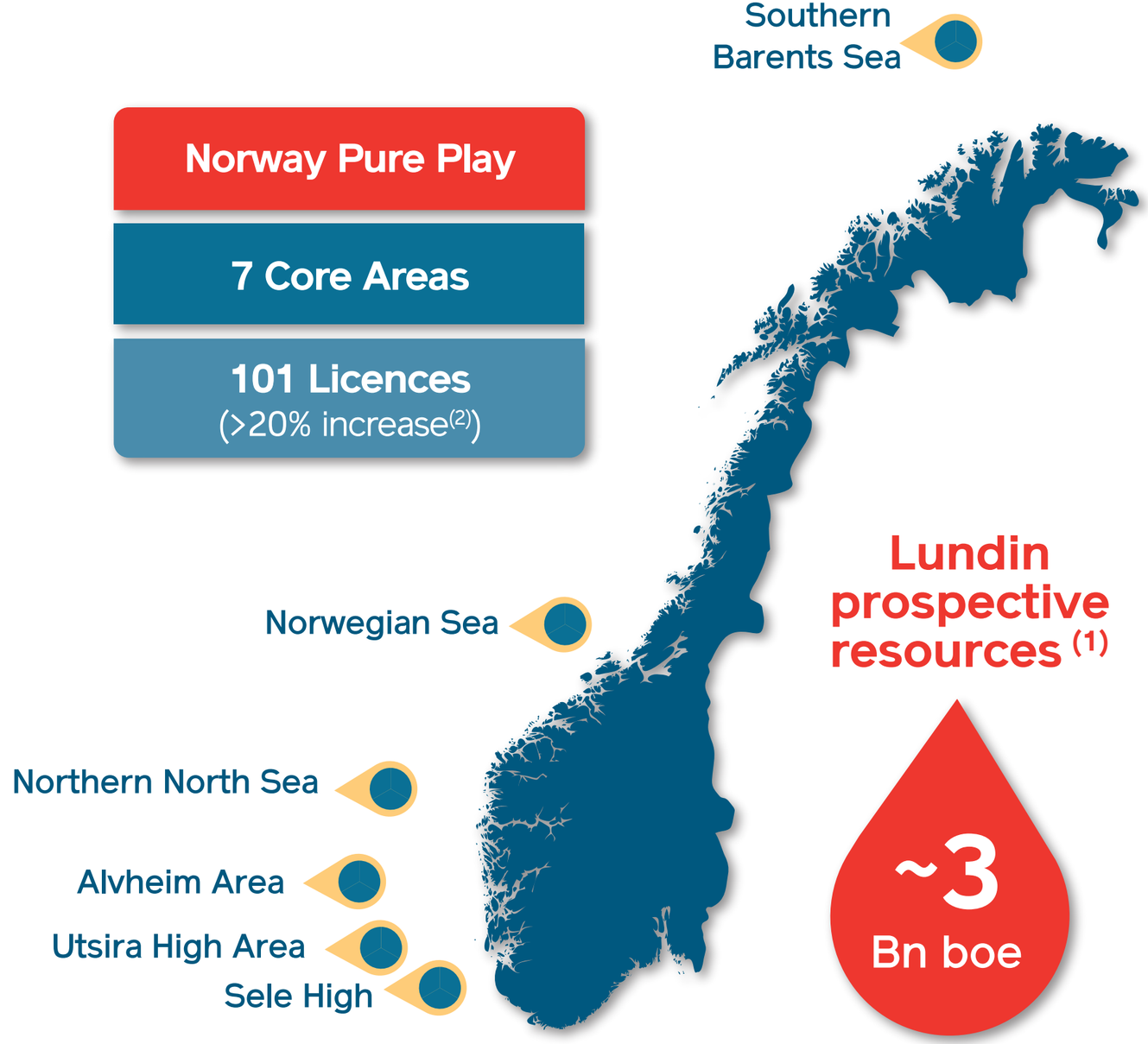
Growth Strategy



Norway Pure Play

7 Core Areas

101 Licences
(>20% increase[2])



Lundin prospective resources [1]

~3 Bn boe

[1] *Net unrisked prospective resources*

[2] *Since beginning of 2020*

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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 unrisked resources*

[3] 2P reserves + 2C contingent resources, includes asset transactions

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Long-term Production Growth

165
Mboepd

2020

170–190
Mboepd

2021

>200
Mboepd

2023

Sustain
>200
Mboepd
with upsides/
new projects

>8x increase from 2015

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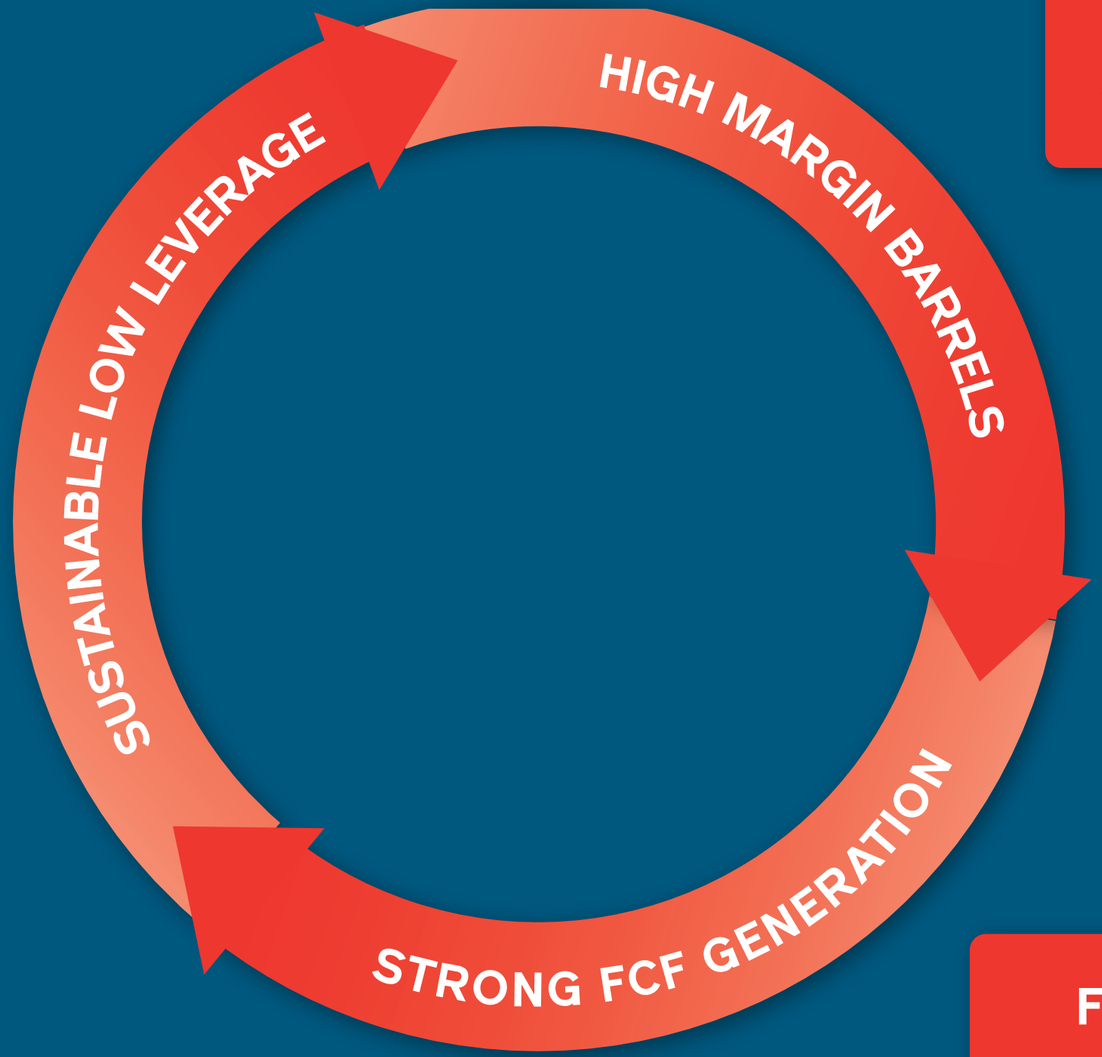
Financial Resilience

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)

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Accelerating Decarbonisation – Carbon Neutral from 2025

Carbon Neutral from 2025 (2,3)

...the path to carbon neutrality
~750 MUSD investment (1)

Carbon Emissions

Starting Point

Emissions Reduction/ Energy Efficiency

Electrification using Power from Shore
>95%
production by 2023

Renewable Energy Investments
100%
power usage in 2023

Natural Carbon Capture
Offset remaining emissions from 2025

Carbon Reduction Measures

Investments in R&D, Governance and Executive Incentives

(1) 55% spent to date *(2) Operational emissions* *(3) Previous guidance 2030*

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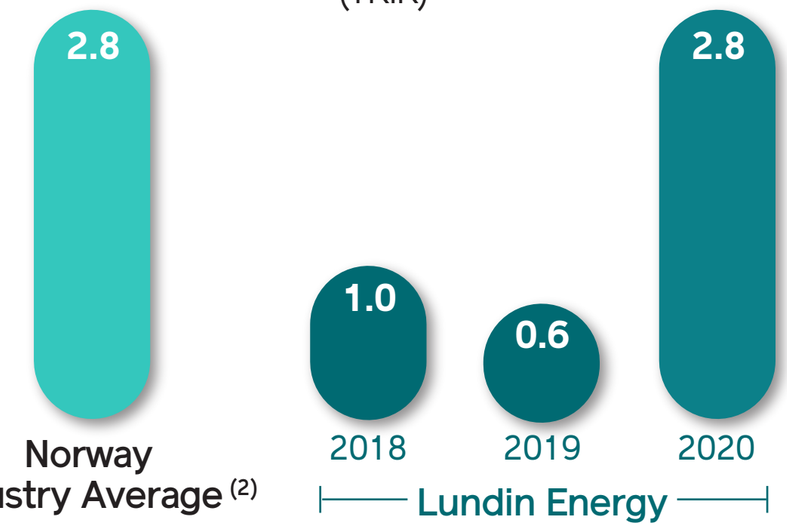
Responsible Operations

Safety
Total Recordable Incident Rate (TRIR) [1]



ONE
Serious injury [3]

ZERO
Process safety incidents [3]

ZERO
Material environmental incidents [3]

[1] *Per million man hours* [2] *2019 average* [3] *2020*



Top Quartile ESG Ratings 2020

SUSTAINALYTICS
Top 5% in the Industry

MSCI
AA

vigeo eiris
Top 3 Industry Leader

SAM
Now a Part of S&P Global
Ranked 5th on Environment

ISS-oekom
Prime Status

CDP
DISCLOSURE INSIGHT ACTION
A–

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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]

Sustainability

Carbon Neutral
2025

Safe and **Responsible** operations

Sustainable Dividend
1.8 USD/share in 2021
80% increase

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)

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Delivering growth

world class assets

Growing to over
200 Mboepd



Lundin Energy
Looking Forward – 2021 and Beyond

Delivering Growth
>200 Mboepd(1) by 2023

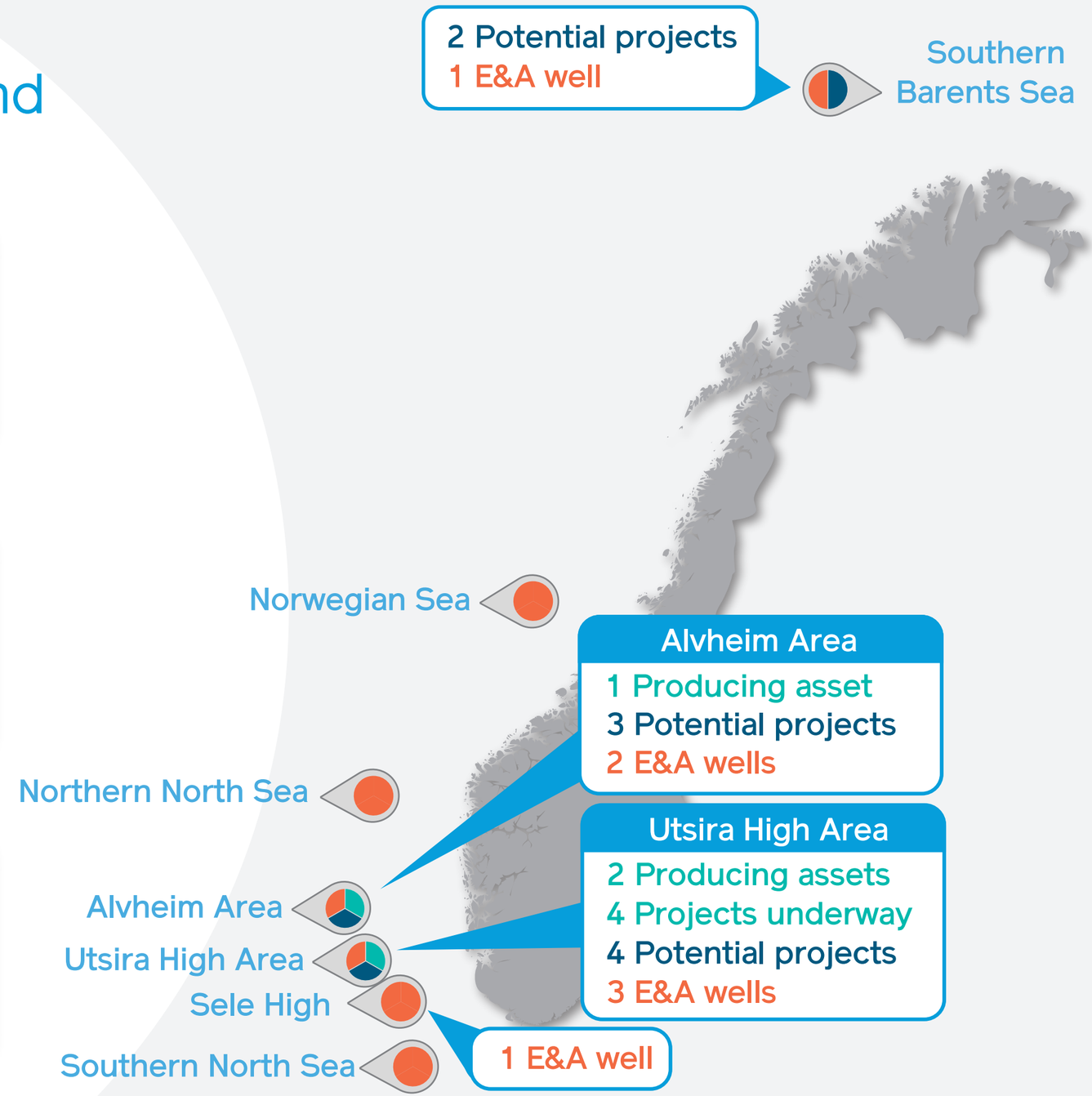
4 projects underway

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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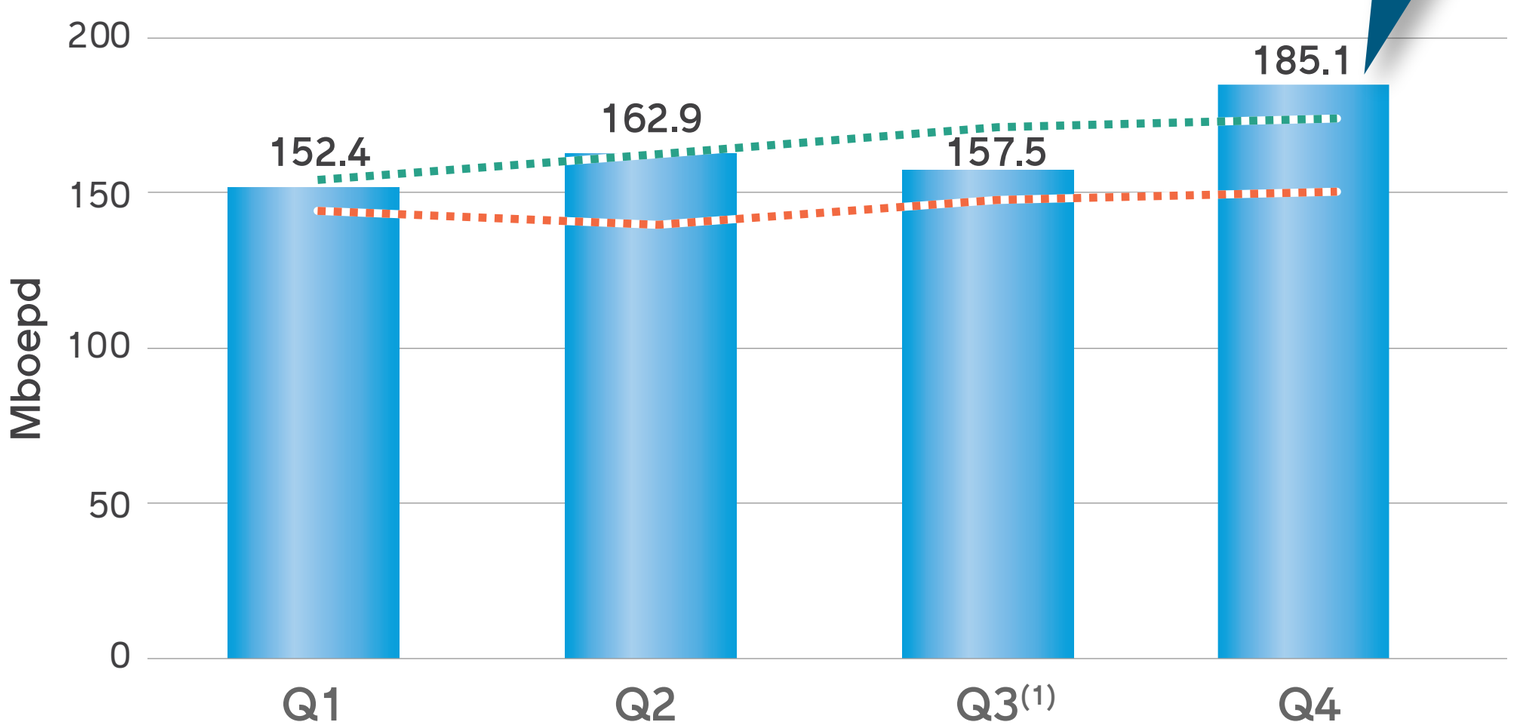
2020 Production

Full year production 165 Mboepd
Upper end of original guidance range

Record Quarterly Production 185 Mboepd



Production Efficiency

Edvard Grieg	95%
Alvheim Area	97%
Johan Sverdrup	93%

Original guidance range
- High
- Low

Delivering guidance or better for 22 quarters running

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(1) *Impacted by Government imposed production restrictions*

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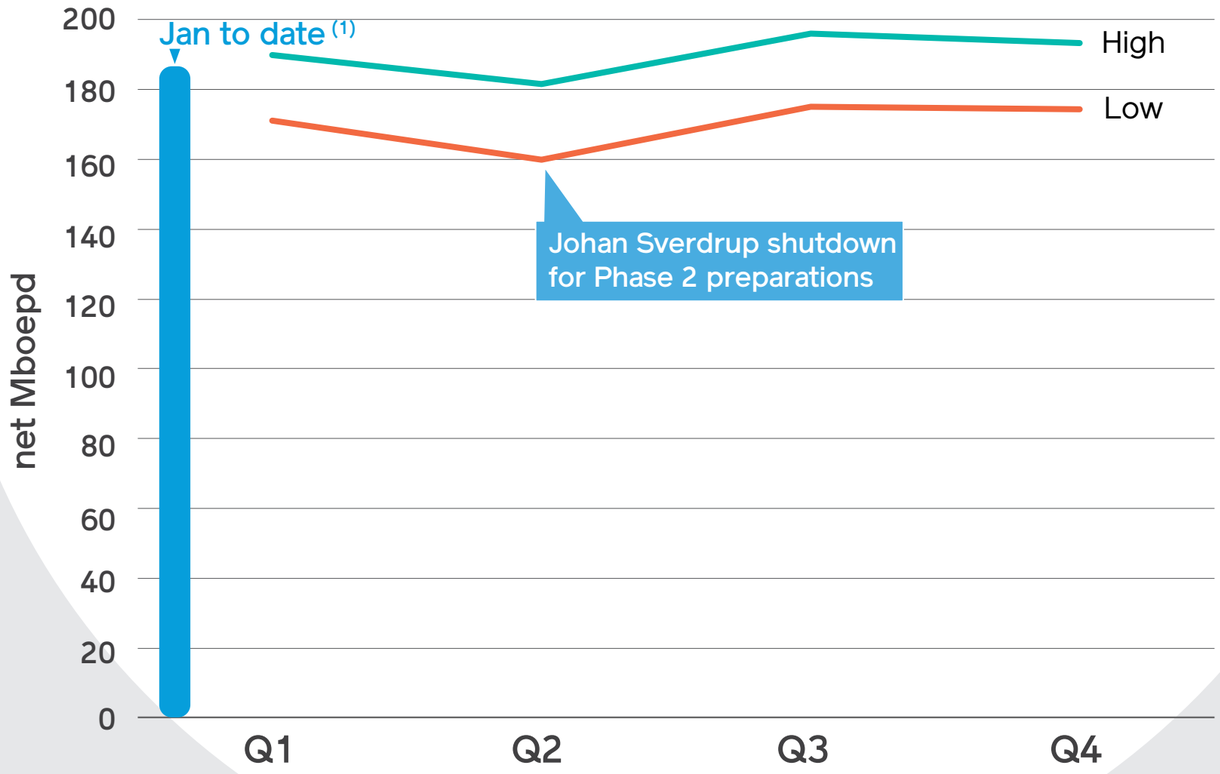
2021 Production Guidance

170–190 Mboepd



(1) *to 20 January*

Edvard Grieg Area
- Increased available capacity
- Solveig Phase 1, Rolvsnes EWT

Alvheim Area
- 2 infill wells

Johan Sverdrup
- Increased plateau production

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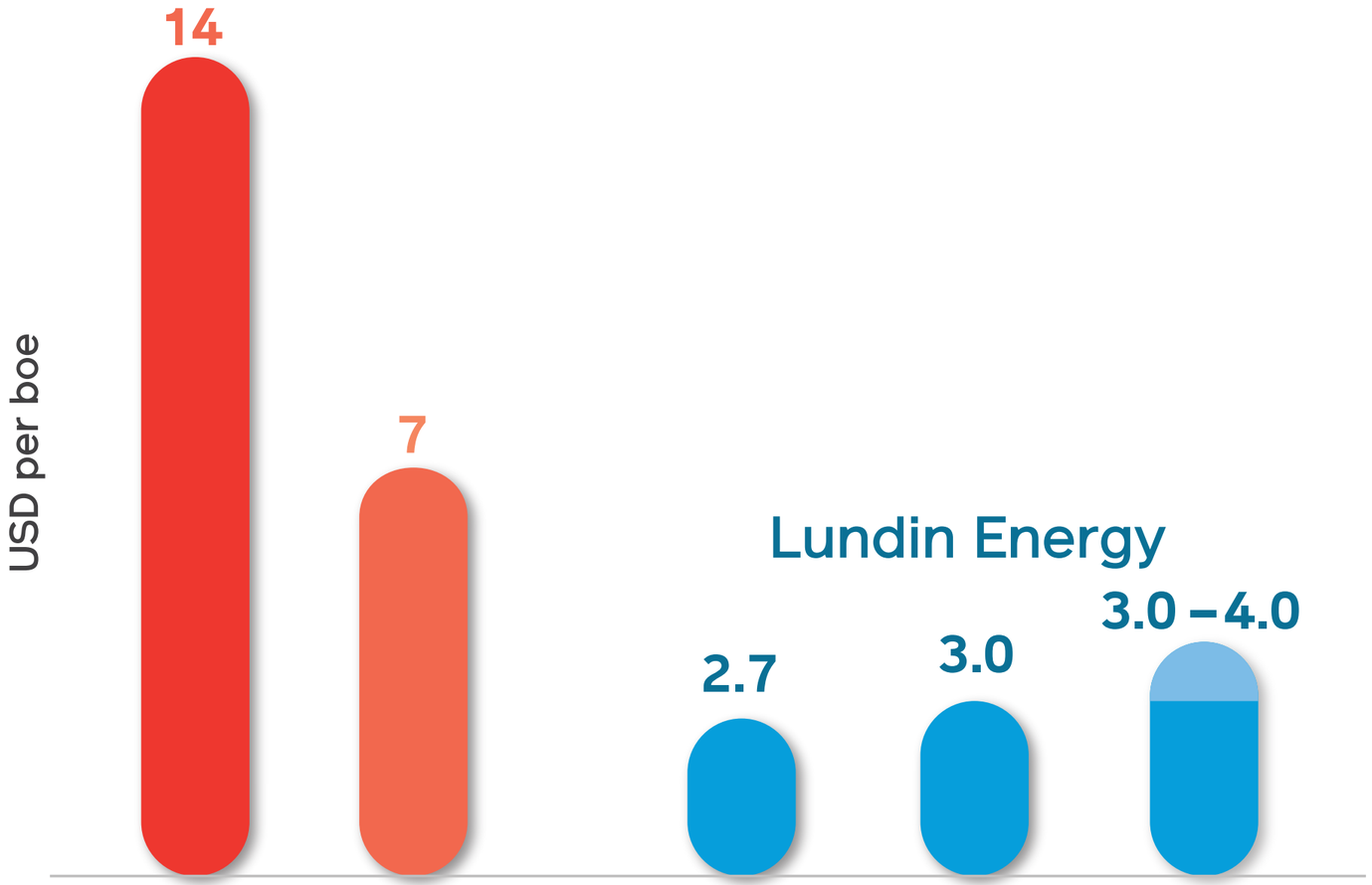
Industry Leading Low Operating Costs



(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*

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Johan Sverdrup
In a League of its Own

OPEX
<2
USD/boe(1)

Carbon Footprint
<0.2
kg CO_2/boe(1)



PHASE 2 ON TRACK		GROSS RESERVES	PRODUCTION CAPACITY INCREASED		BREAK EVEN PRICE
Capex **41** Bn NOK	First Oil **Q4 2022**	↑ **2.2–3.2** billion boe (PDO 1.7 – 3.0 billion boe)	Phase 1 **500–535** Mbopd	Full Field **720** Mbopd	Full Field **<20** USD/boe

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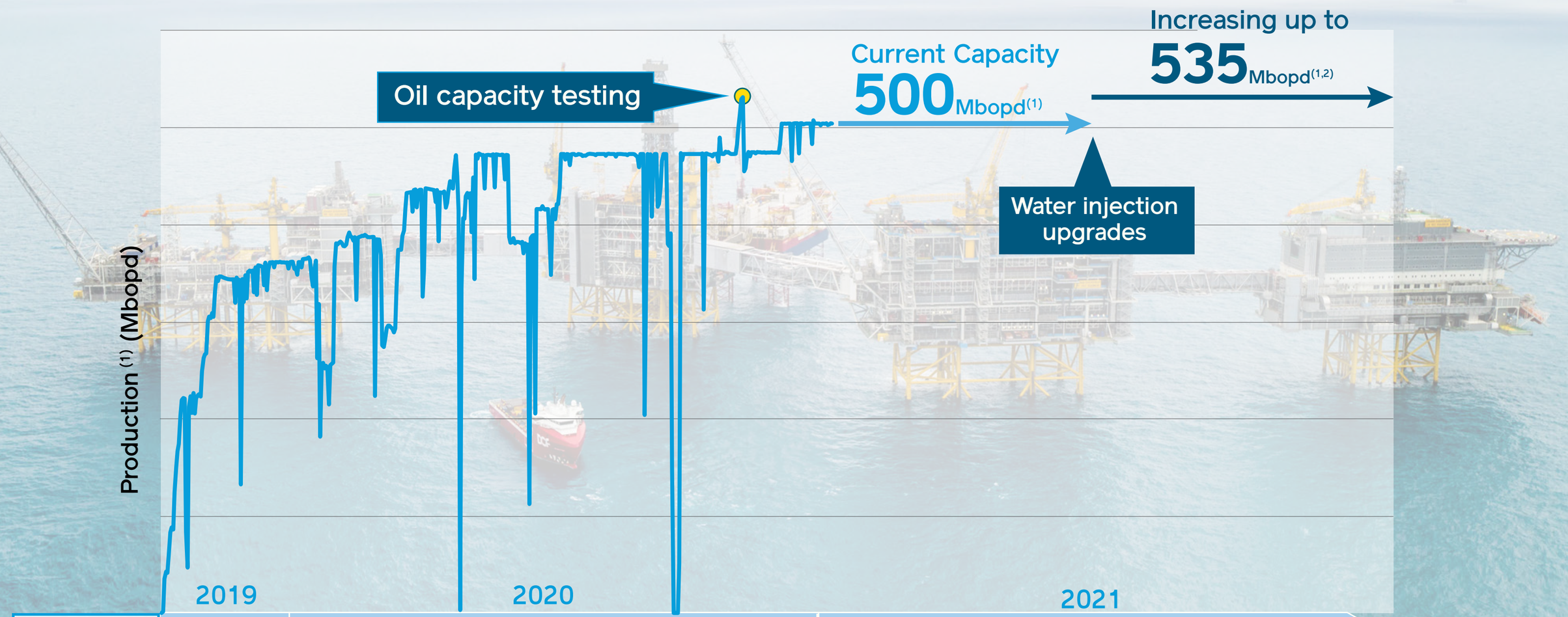
(1) 2020

Johan Sverdrup Phase 1
Exceptional Performance Continues



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

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Johan Sverdrup
Increased Oil Capacity

Oil **440** Mbbls/d
Water injection
515 Mbbls/d

First Oil
Oct 2019

Oil **470** Mbbls/d
Water injection
550 Mbbls/d

7% increase
Apr 2020

New capacity
Oil **500** Mbbls/d
Max oil rate achieved
535 Mbbls/d

Max oil capacity test
Nov 2020

Oil up to
535 Mbbls/d [1]
Water injection target
660 Mbbls/d

Water injection capacity increase
Mid 2021

Full field
Oil **720** Mbbls/d

Phase 2 online
Q4 2022

up to 95 Mbopd increase since First Oil

[1] *from second half 2021*

All numbers gross

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Johan Sverdrup
World Class Reservoir

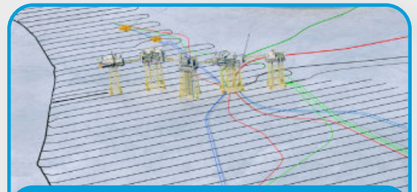
Reserves
2.2–3.2 Bn boe(1)

Recovery Factor Ambition
>70%

Excellent Reservoir Continuity

Well productivity
up to 50 Mbopd(2)

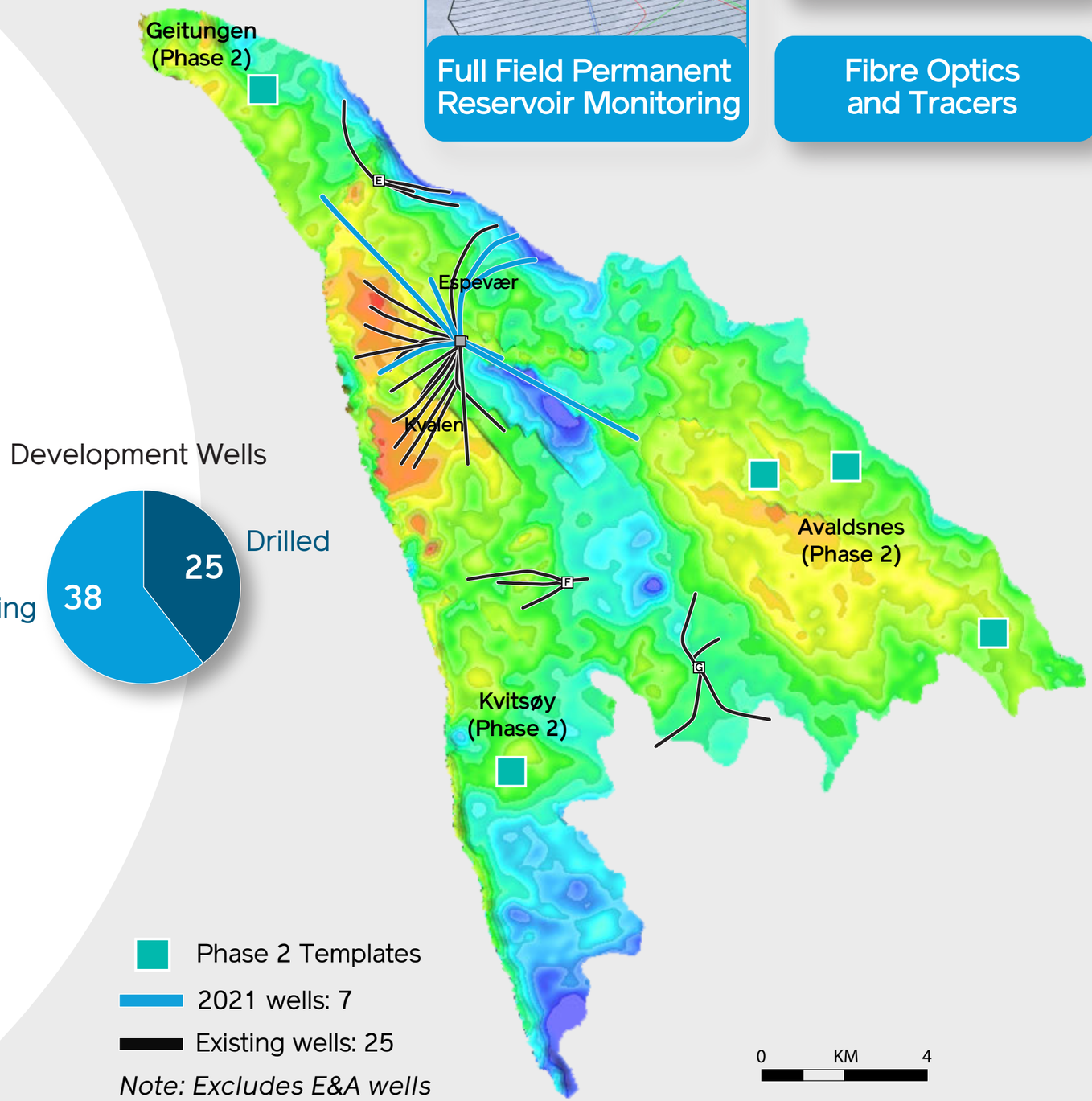
(1) *Gross* (2) *per well*



Full Field Permanent Reservoir Monitoring

Water Alternating Gas (WAG)

Fibre Optics and Tracers



Johan Sverdrup
Phase 2 on Track

>50% complete

P2 Module arriving in Norway

Riser Platform Module Installation



Drilling Commences



Topsides Installation



First Oil Q4 2022

2021

Q1	Q2	Q3	Q4

2022

Q1	Q2	Q3	Q4

Subsea equipment installation



Jacket Installation



Subsea Facilities Complete



Power from Shore Complete

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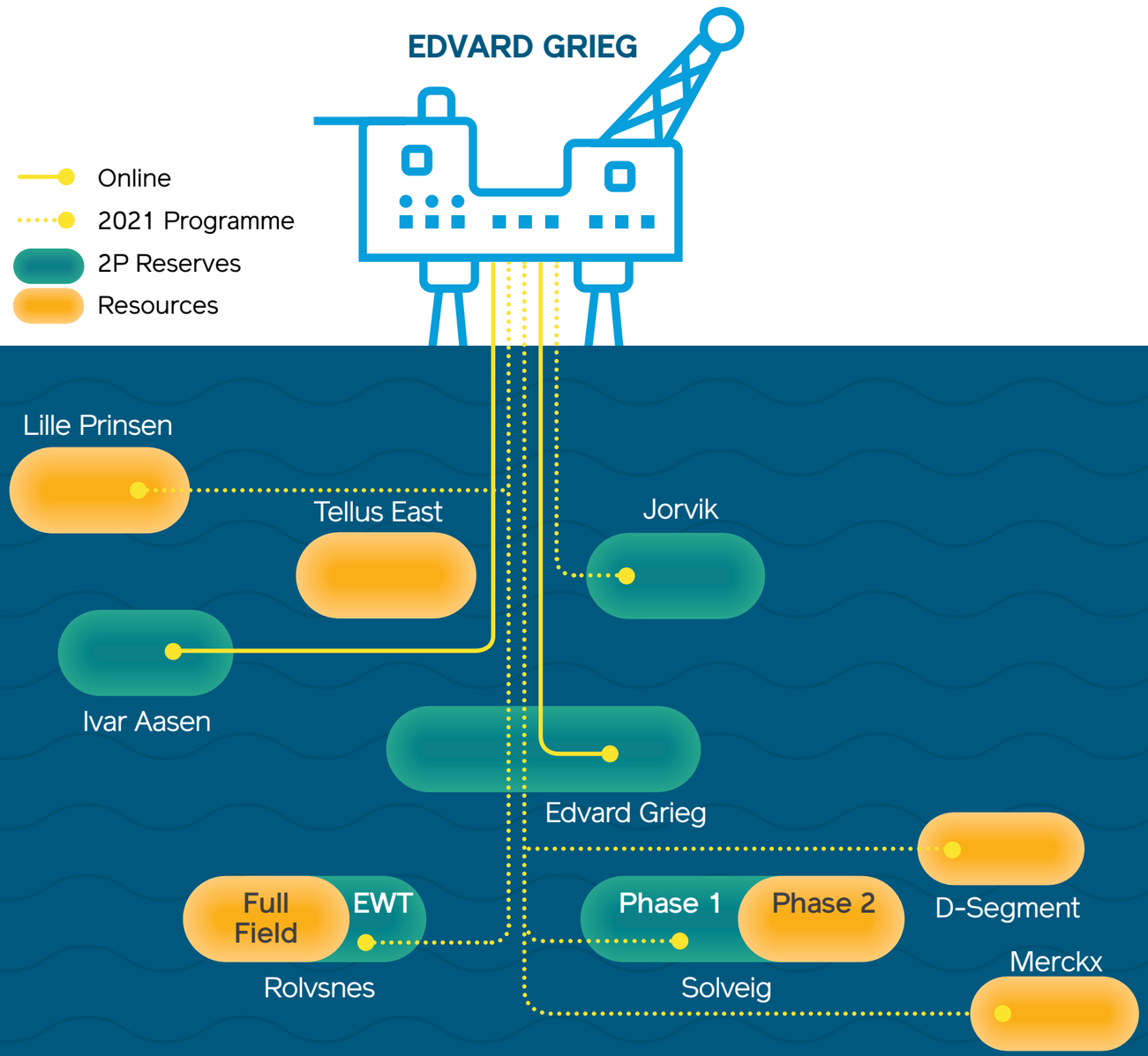
Greater Edvard Grieg Area
Keeping the Facilities Full



- **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

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Edvard Grieg
A World Class Asset

Low Operating Cost
3.47 USD/boe[1]

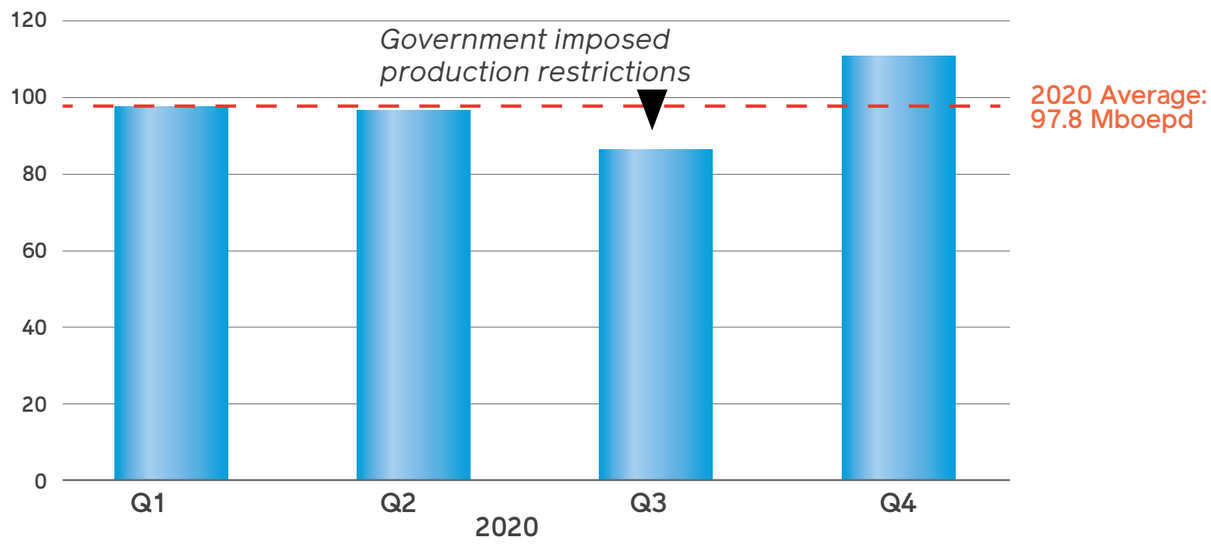
2021 Production Efficiency[3]
96 %

Low CO_2 Emissions[2]
4.7 to **<1** $kgCO_2$/boe
with power from shore

Increased Capacity[4]
Up to **135** Mboepd
with Ivar Aasen decline



Gross Production (Mboepd)



[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*

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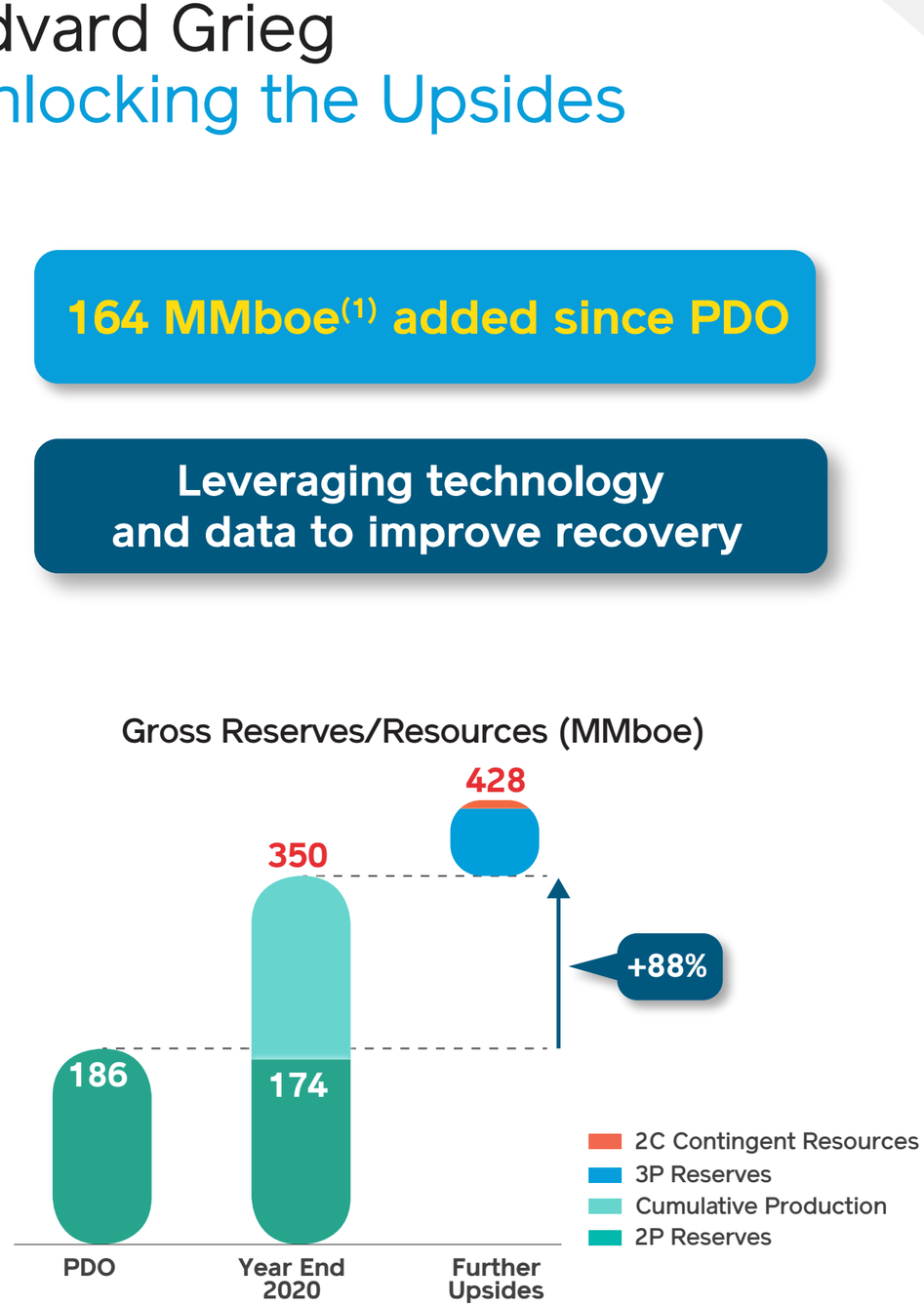
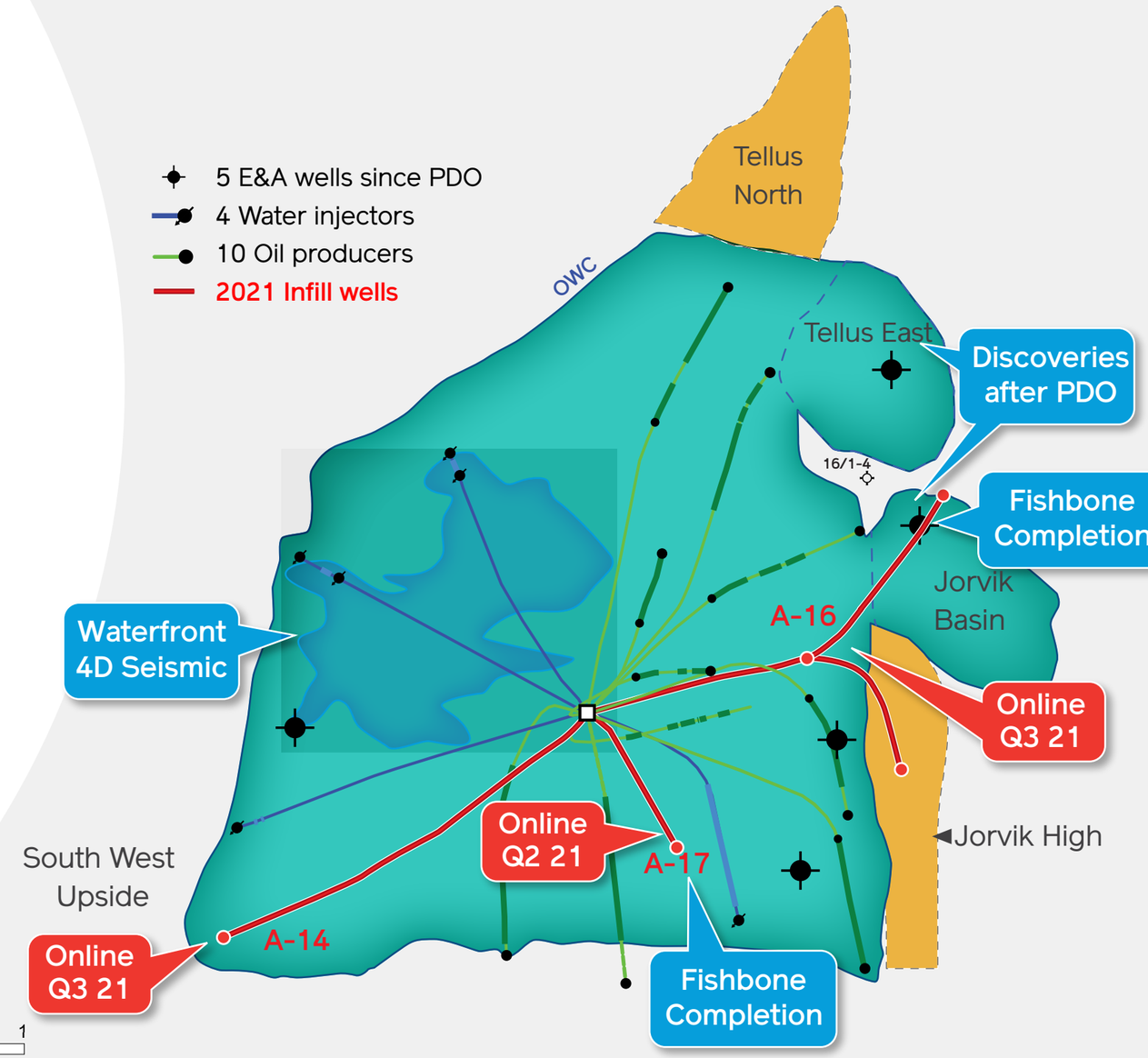
Edvard Grieg
Unlocking the Upsides

164 MMboe[1] added since PDO

Leveraging technology and data to improve recovery

3 Infill Wells
18 MMboe[1]
<20 USD/boe breakeven[2]





[1] Gross [2] ~10 USD/boe reduction since sanction

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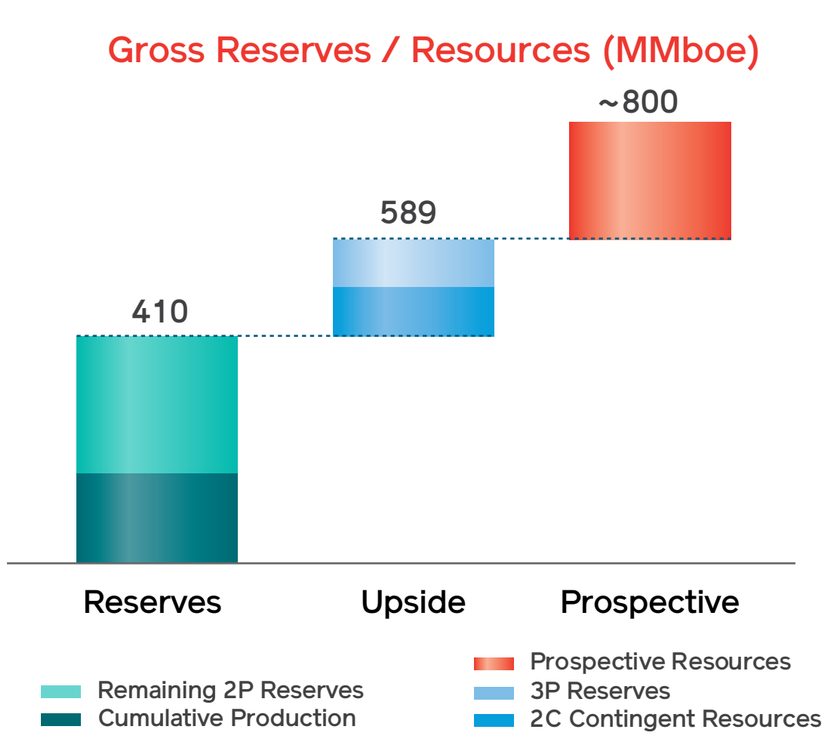
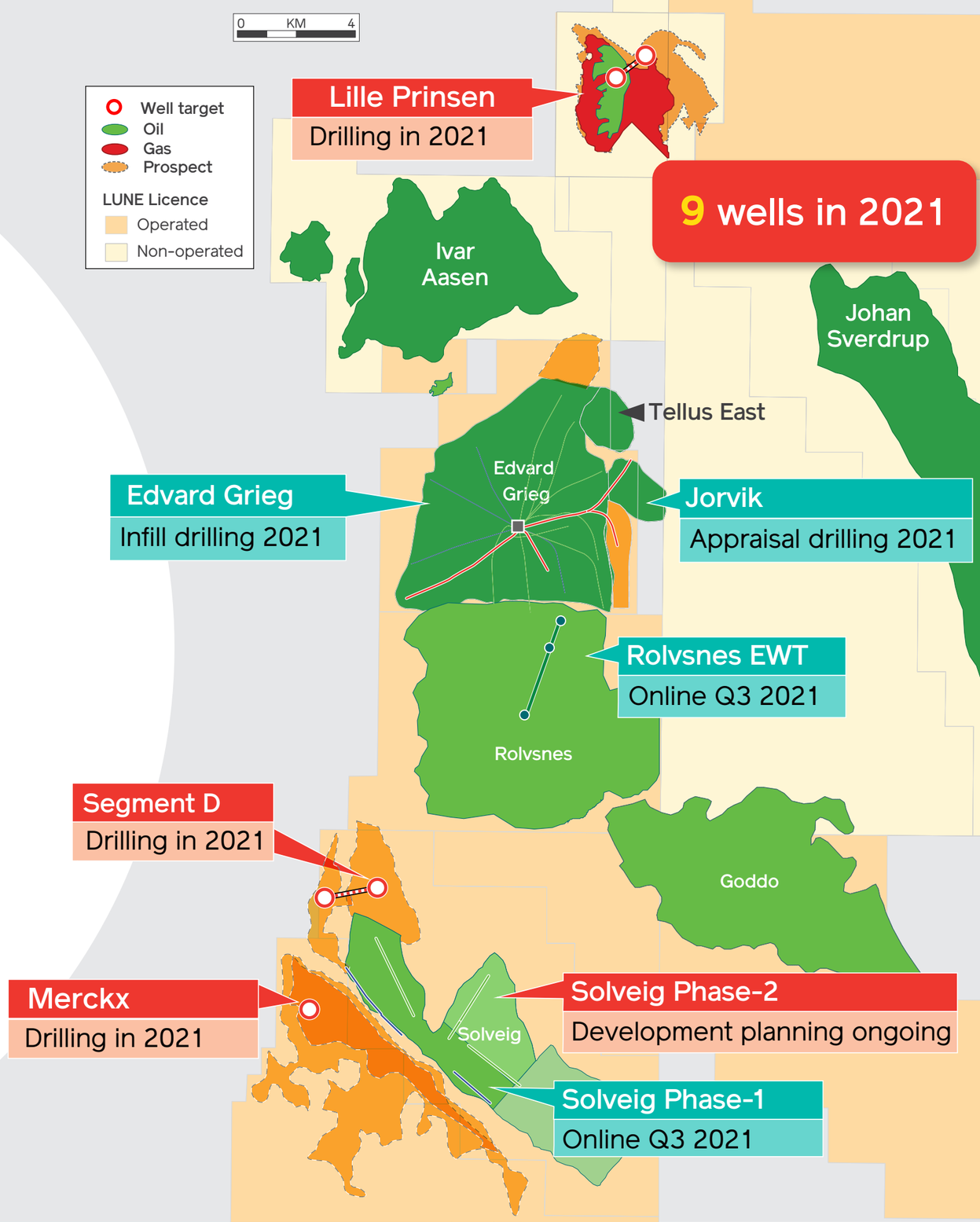
Greater Edvard Grieg Area
Growing Beyond 2P Reserves

2021 Programme

~50% of CAPEX budget[1]

Maturing **220** MMboe[2]





(1) Net *(2) Net, includes 2P reserves + 2C contingent resources + unrisked prospective resources*

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Greater Edvard Grieg Area
Extending Plateau Production

PDO[1] 2 yrs

Latest 7 yrs

Plateau production

>5 year plateau extension since PDO

2P Reserves Year End 2019

Additional Capacity Ivar Aasen decline

Exploration and further upsides

3P Reserves

2C Contingent resources

PDO Profile

2P Reserves

Gross (Mboepd)

140
120
100
80
60
40
20
0

2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029

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

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

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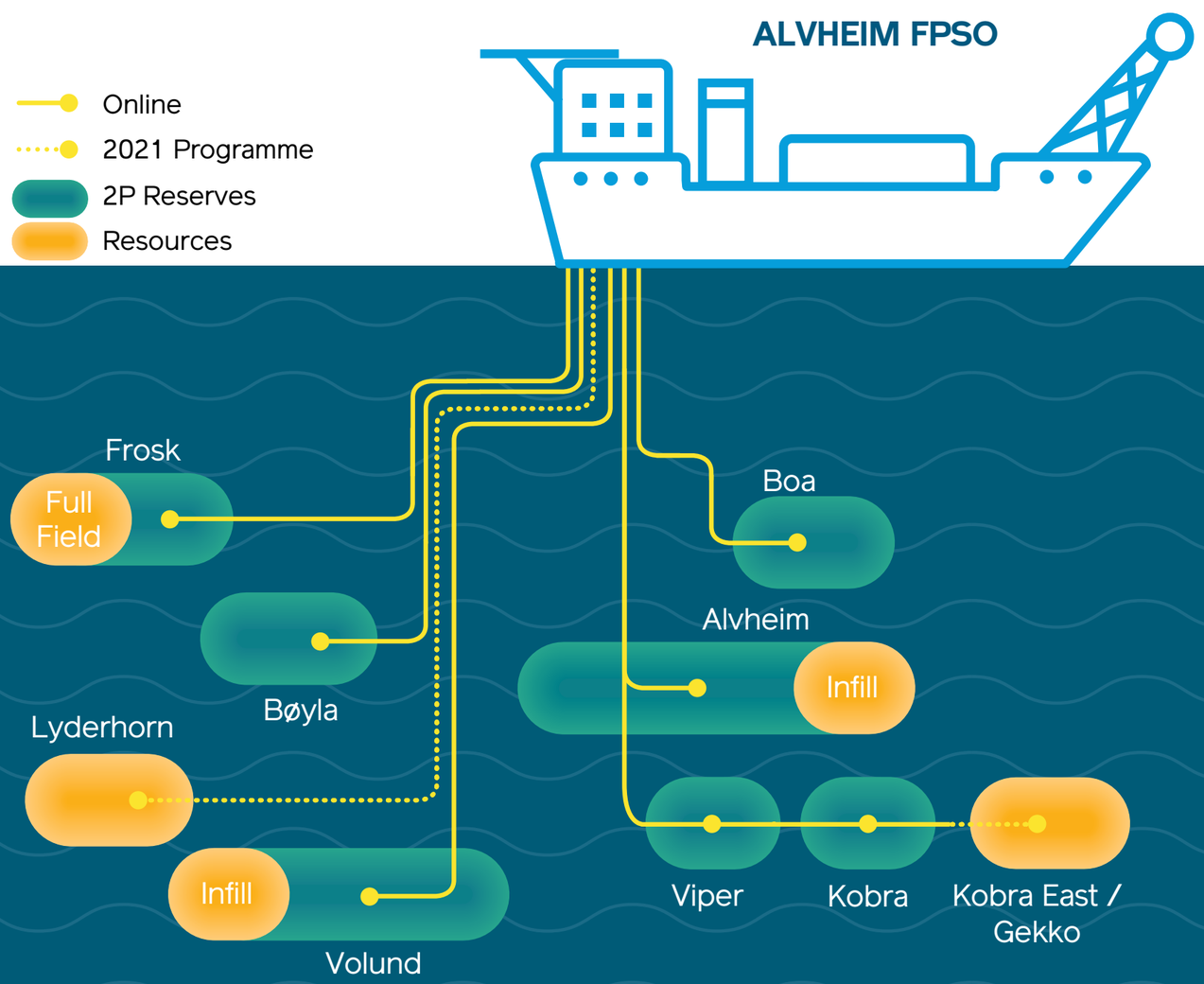
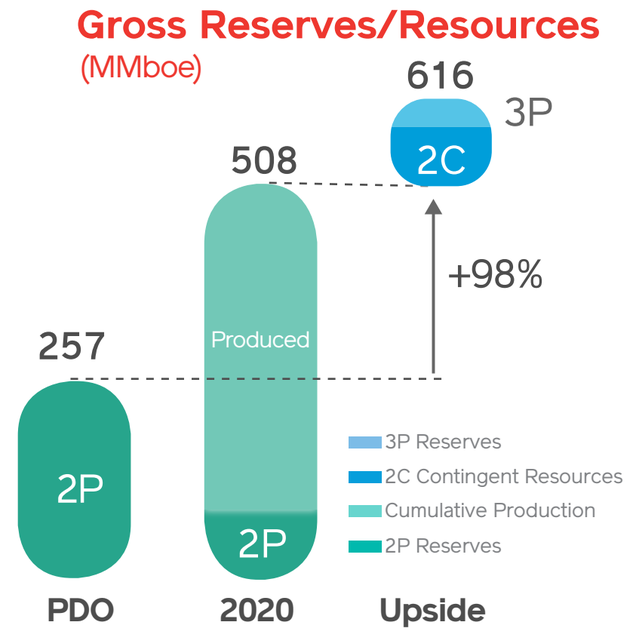
Alvheim Area
Continuous Reserves Growth





- **2021 Activity**
  - 3 infill wells
- **Future projects**
  - Frosk
  - Kobra East and Gekko
- **Further exploration upsides**

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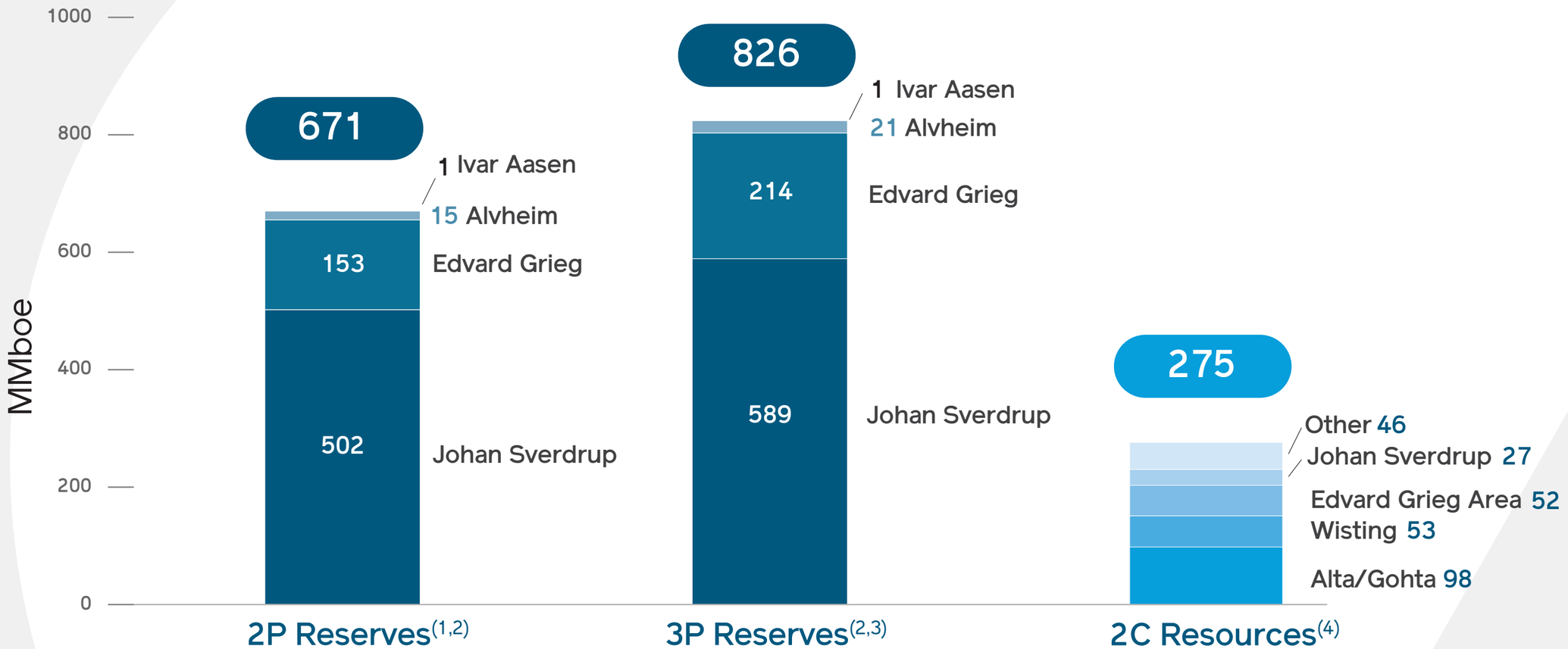
Year-end 2020 Reserves and Resources (net MMboe)



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

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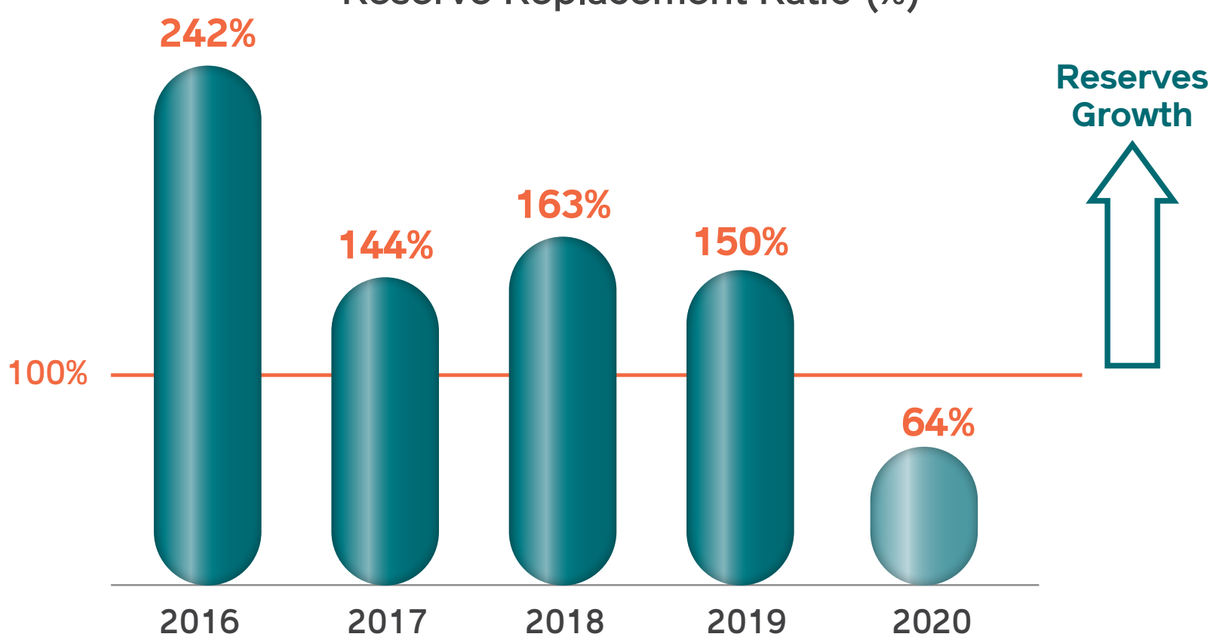
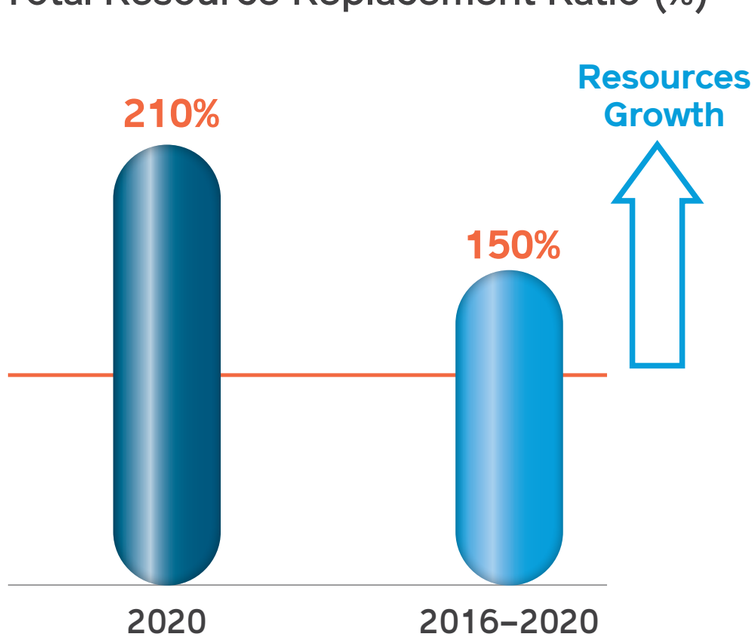
210% Resource Replacement Ratio

Reserve Replacement Ratio (%) [1]



239 MMboe
Reserves additions 2016–2020

Total Resource Replacement Ratio (%) [2]



129 MMboe
Resource additions

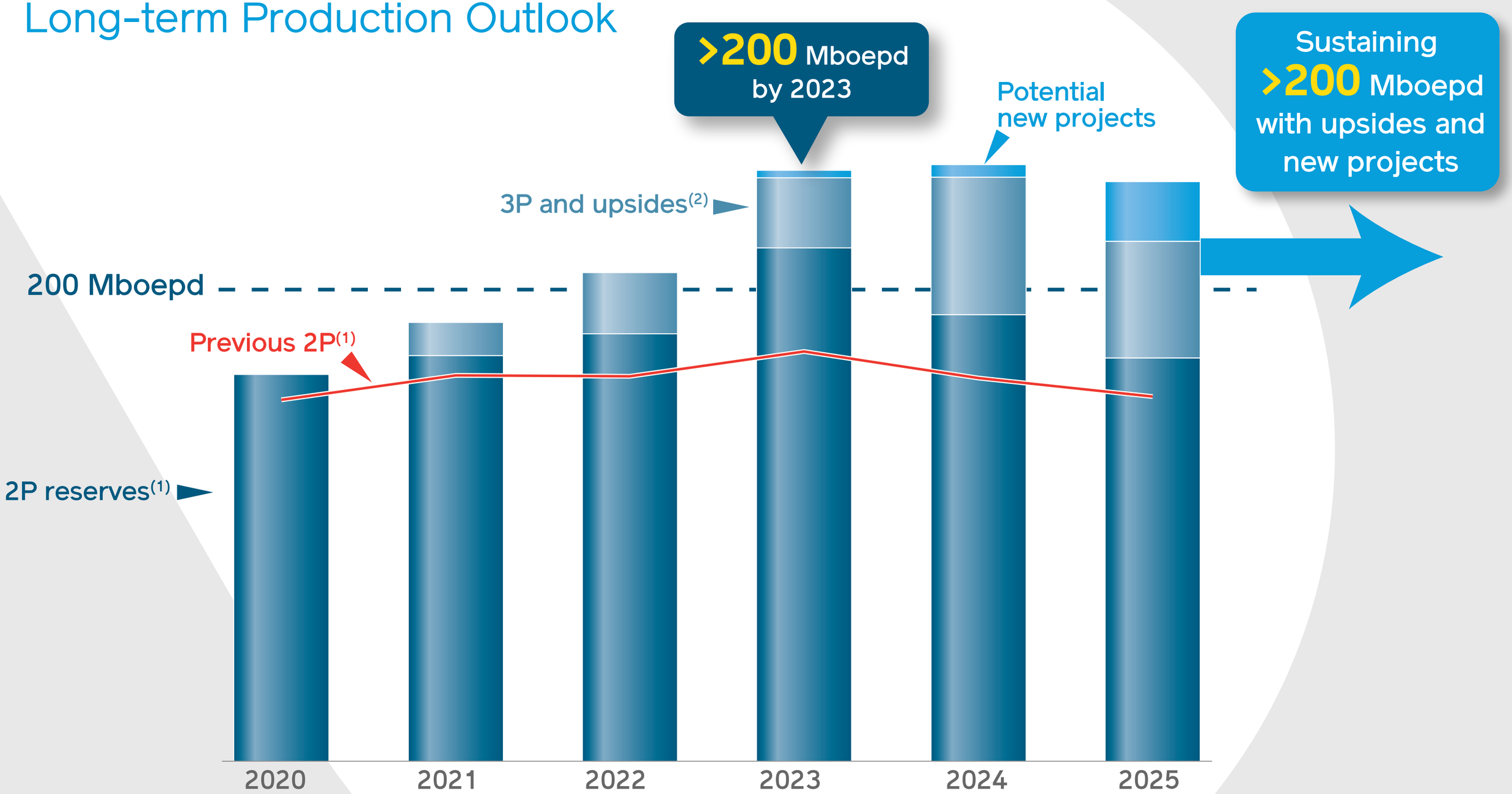
270 MMboe
Resource additions

[1] *2P reserves, relates to Lundin Energy portfolio in Norway*

[2] *2P reserves + 2C Contingent Resources. Includes asset transactions*

WF12719 p08 11.20

Lundin Energy
Long-term Production Outlook



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

WF12719 p06 01.21

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**



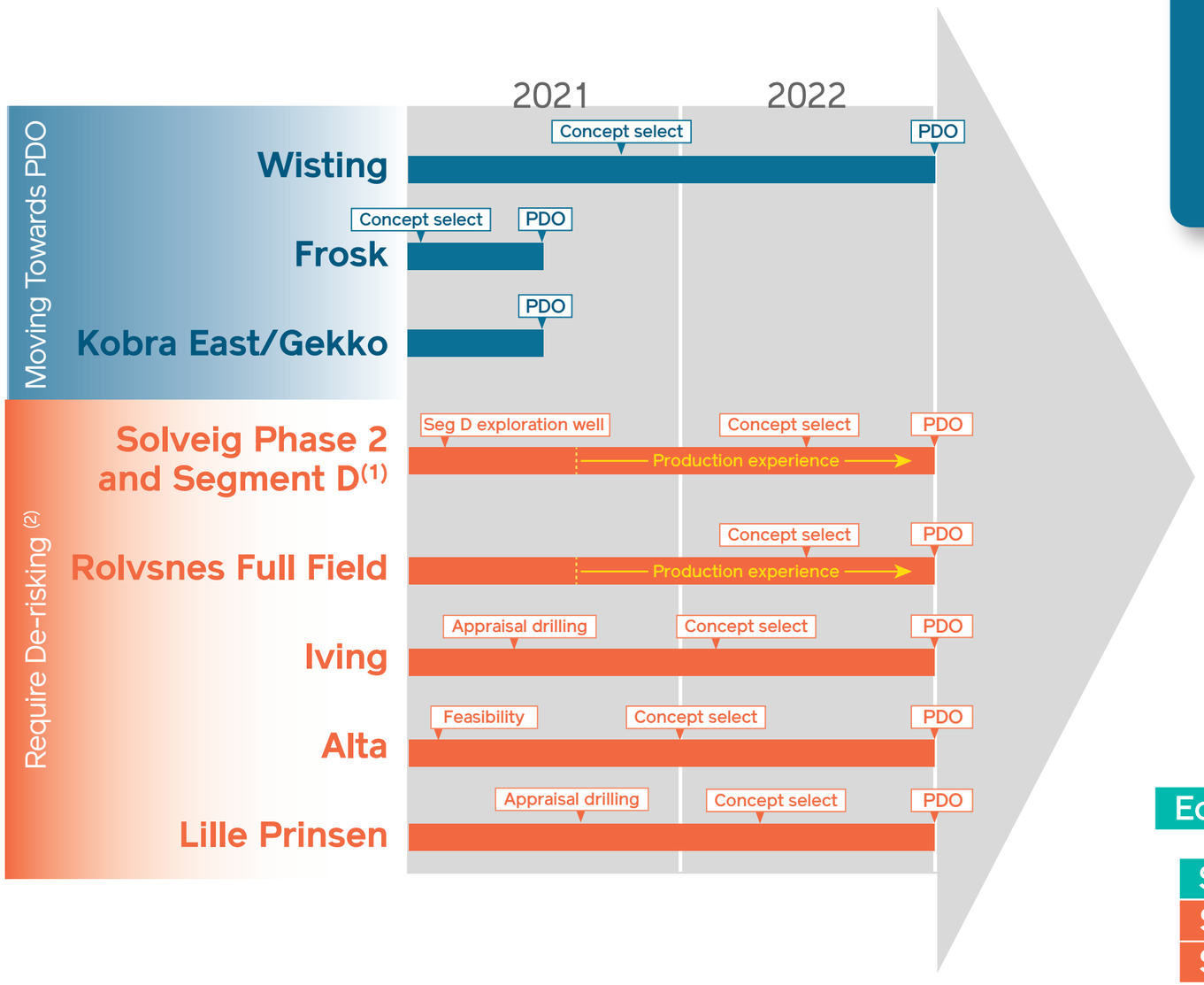
[1] *Net resources*

[2] *Net from 2025 onwards*

[2] *from 2025*

WF12721 p01 01.21

Sustaining Production
Pipeline of Projects



Projects

4 under development
3 moving towards PDO
6 require derisking



(1) *Two projects* (2) *Planned schedule*

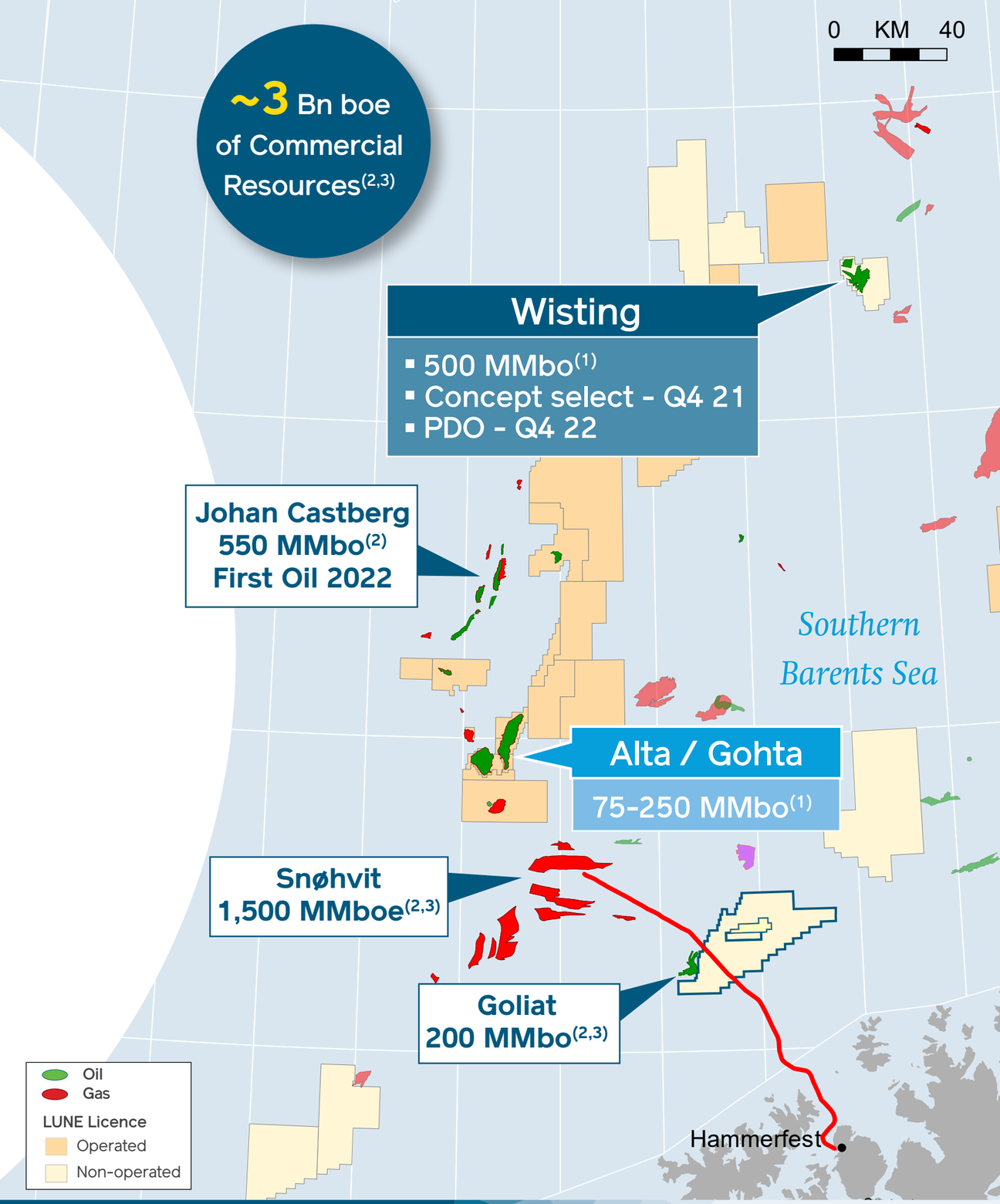
WF12721 p02 01.21

Southern Barents Sea
Wisting - Moving towards Sanction

Wisting - Strategic acquisition

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

Alta - Feasibility studies ongoing



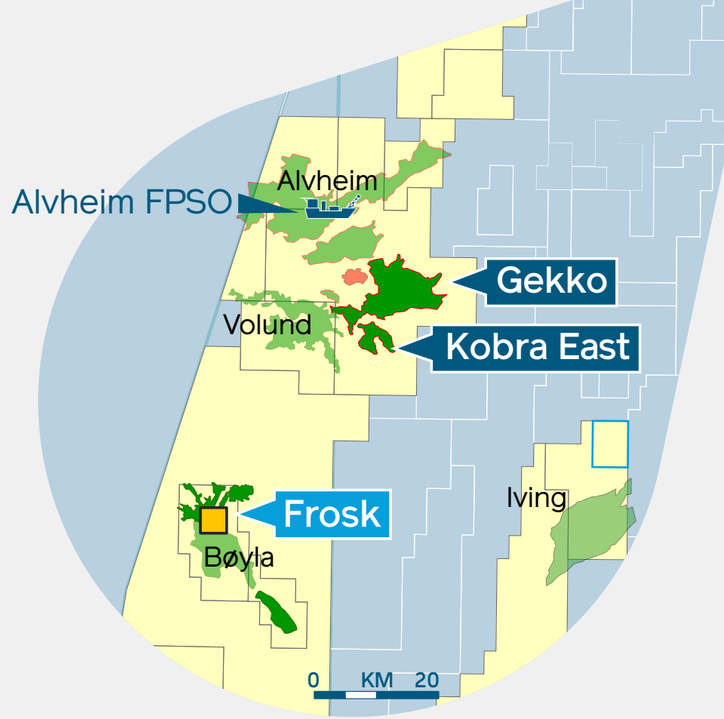
(1) Gross (2) Source: NPD (3) Gross resource including historical production

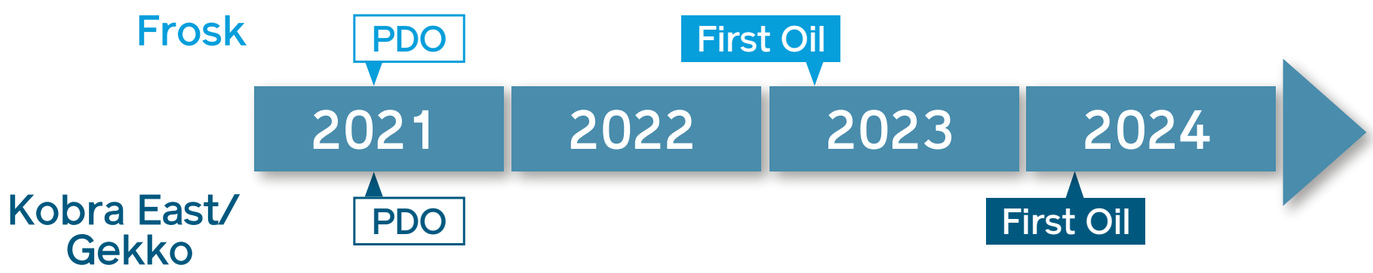
Alvheim Area Projects
Consistently Growing Reserves

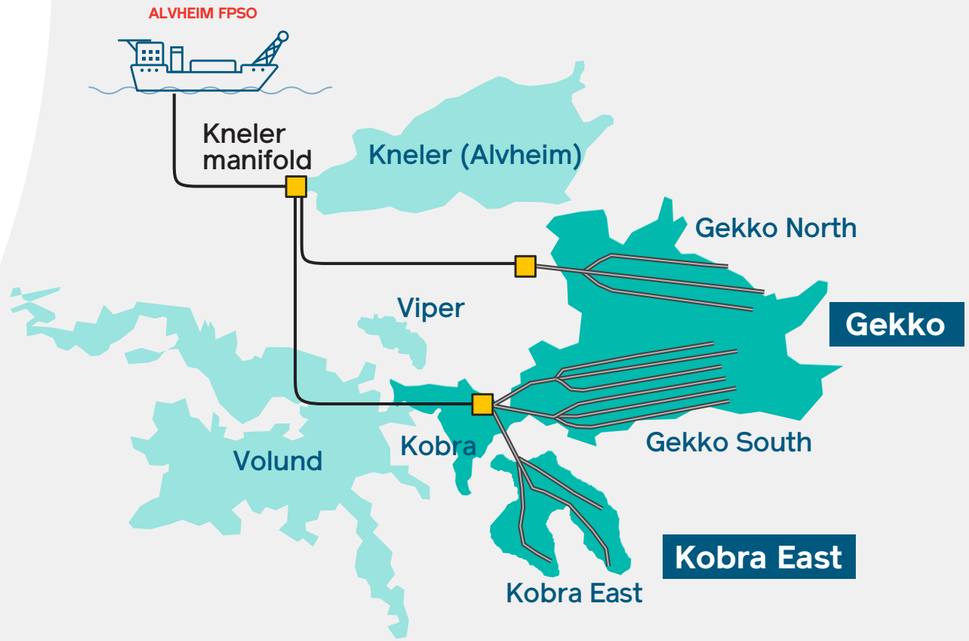
Projects potential
>50 MMboe[1]
up to **35** Mboepd[2]

Breakeven
<30 USD/boe

Further Upsides
Exploration
Life Extension







[1] *Gross* [2] *Gross, at peak rates*

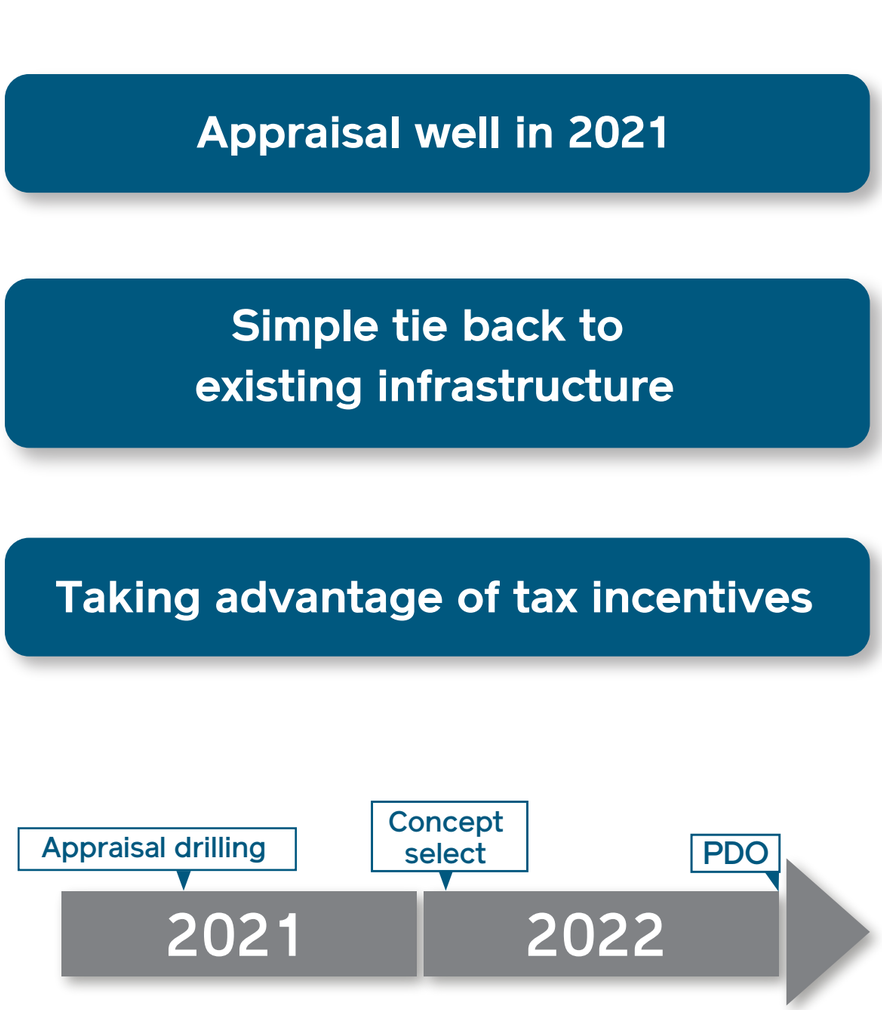
WF12721 p07 01.21

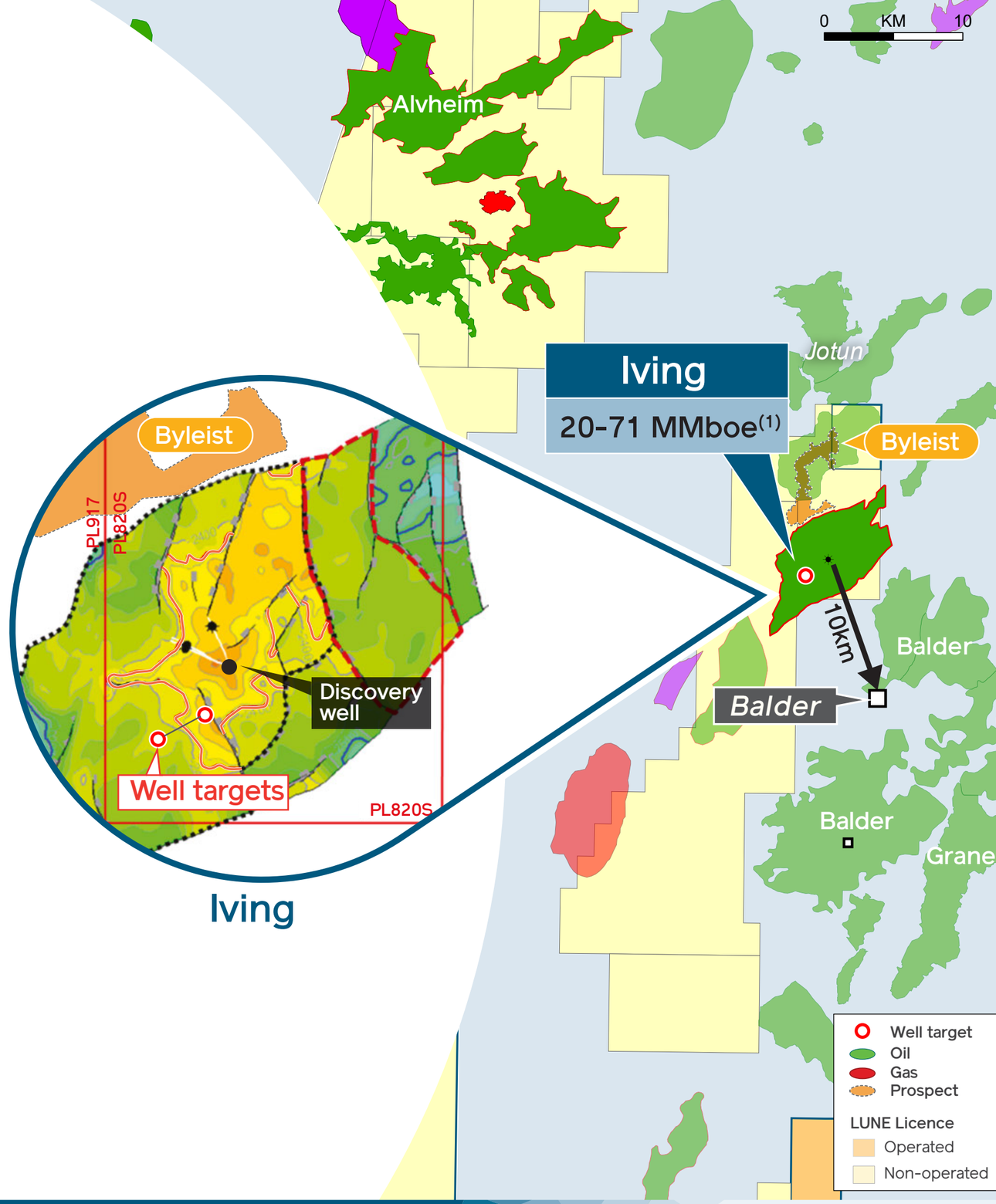
Central North Sea
Iving Discovery

Appraisal well in 2021

Simple tie back to existing infrastructure

Taking advantage of tax incentives





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

WF12721 p16 01.21

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

Rolvsnes
Discovered 14-78 MMboe[(1)]

Segment D

Western Wedge

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

Phase 1

Phase 2

Merckx
Prospective 152 MMboe[(1)]

[(1)] *Gross*

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Solveig Phase 1 & Rolvsnes EWT
Projects on Track

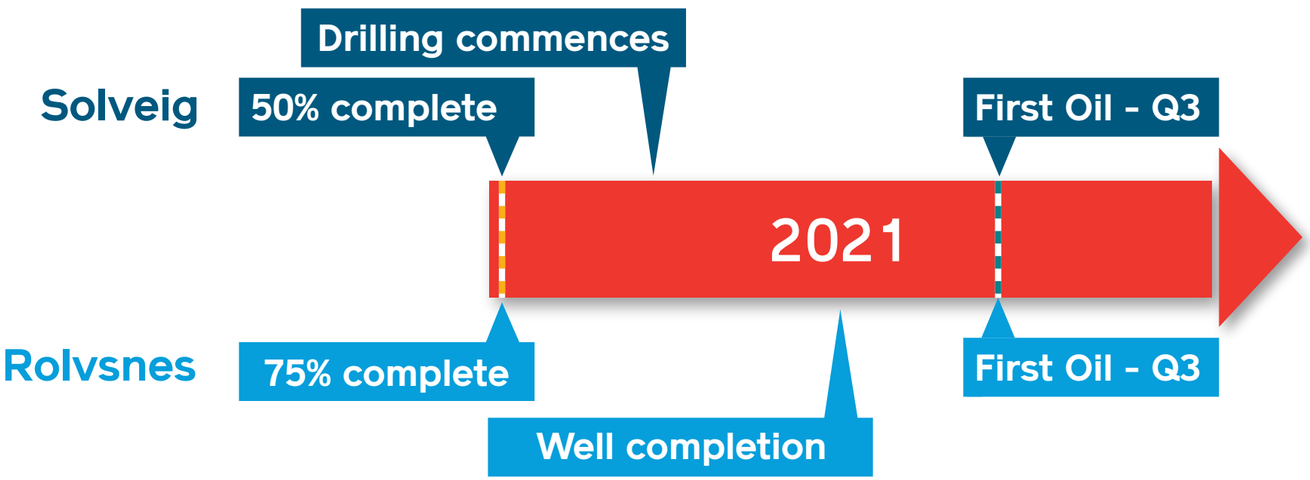
Solveig Phase 1 adds

30 Mboepd[1]

Breakeven oil price

<20 USD/bbl[2]

(~10 USD/boe reduction from PDO)





WF12721 p05 01.21

[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

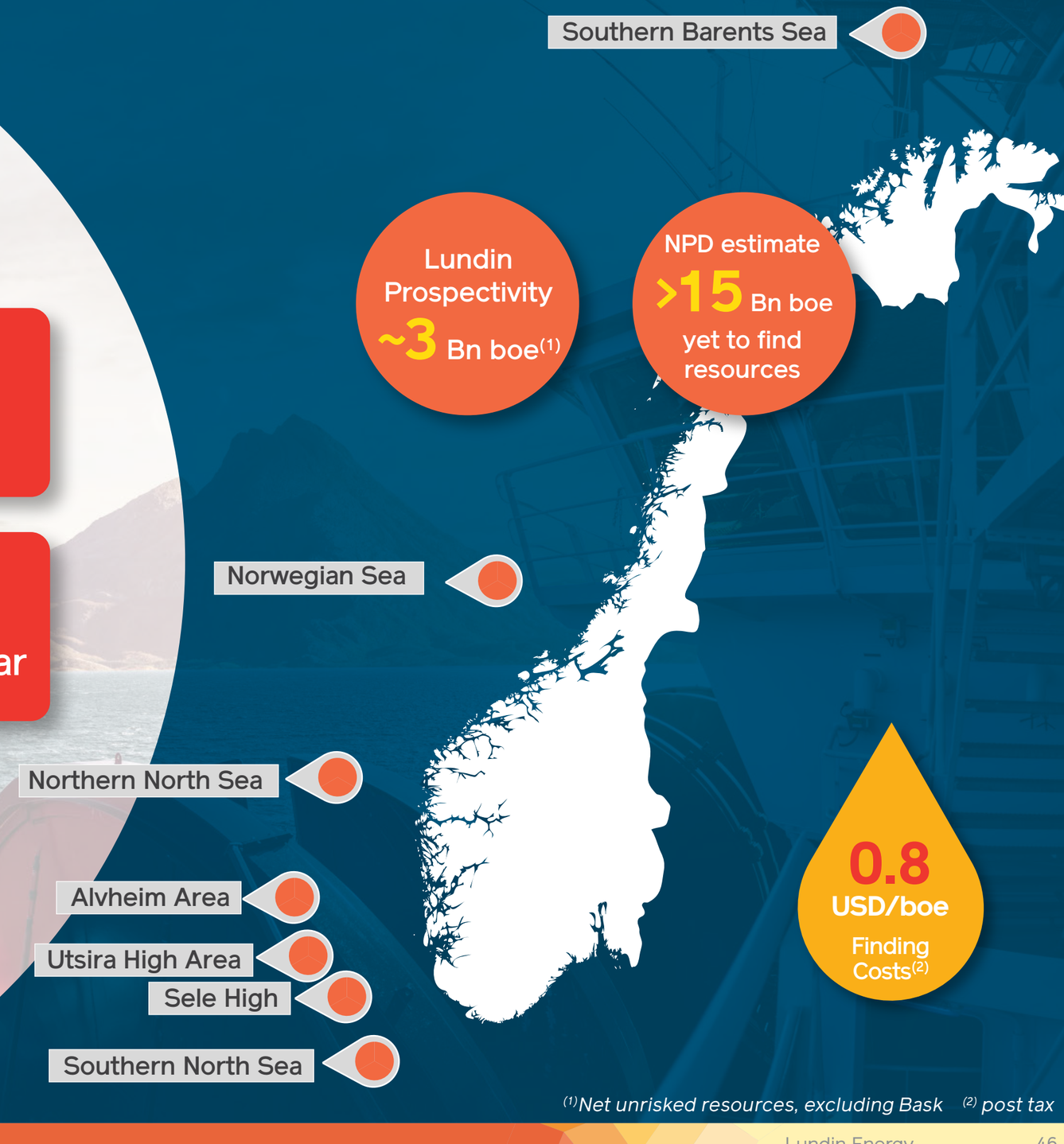
>300 MMboe[1]

19 New licences in APA 2020

7 as operator

Targeting

8-10 wells per year



[1] Net unrisked resources, excluding Bask *[2] post tax*

WF12720 p01 01.21

Lundin Energy
Creating Value through Innovation

Subsurface expertise

Unlocking new plays

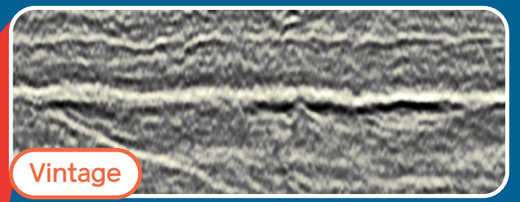
Testing new reservoirs

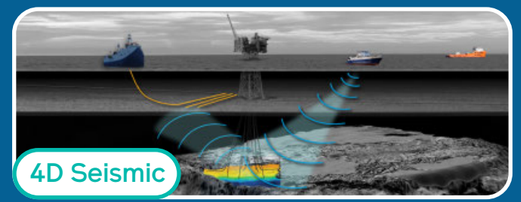
Leveraging latest technology



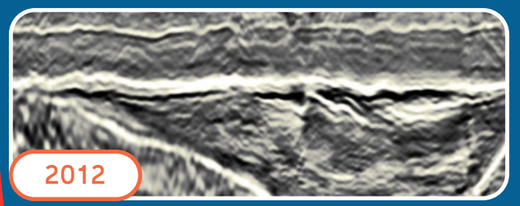
Seismic Front Runner

Enhanced Recovery

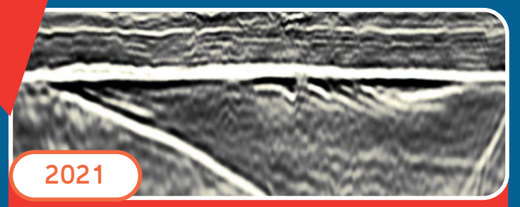




Improving image quality







Faster processing at lower cost



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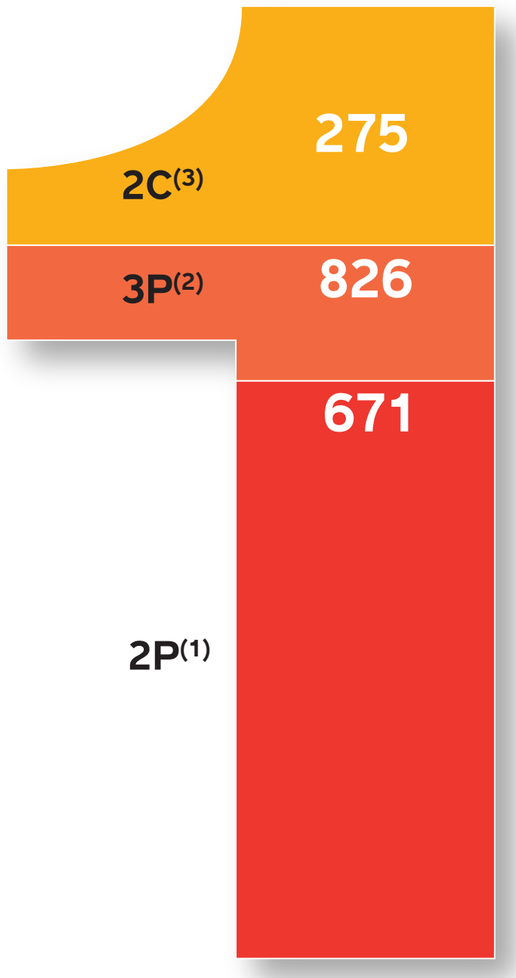
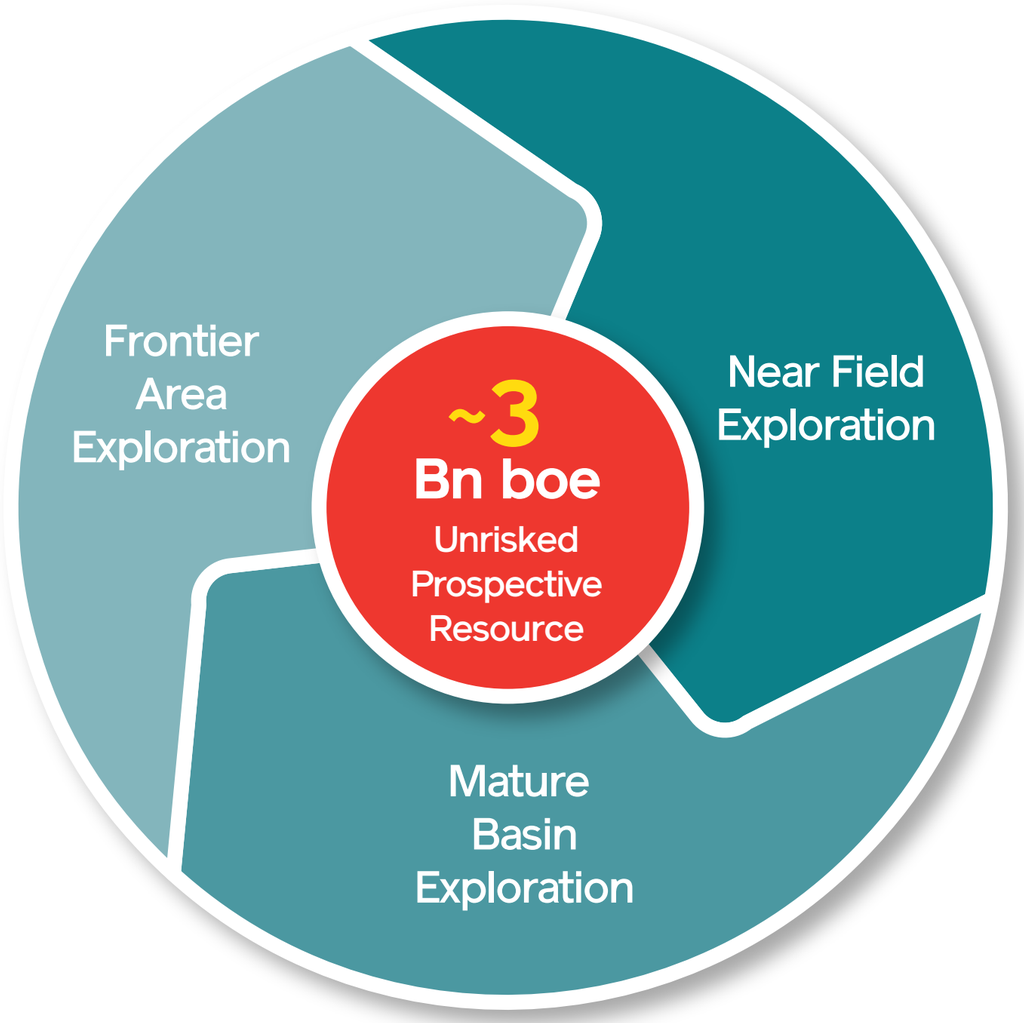
Lundin Energy
Platform for Future Growth

Resource Base



Bn boe

Balanced Exploration Portfolio



(1) *2P proved plus probable remaining reserves*

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

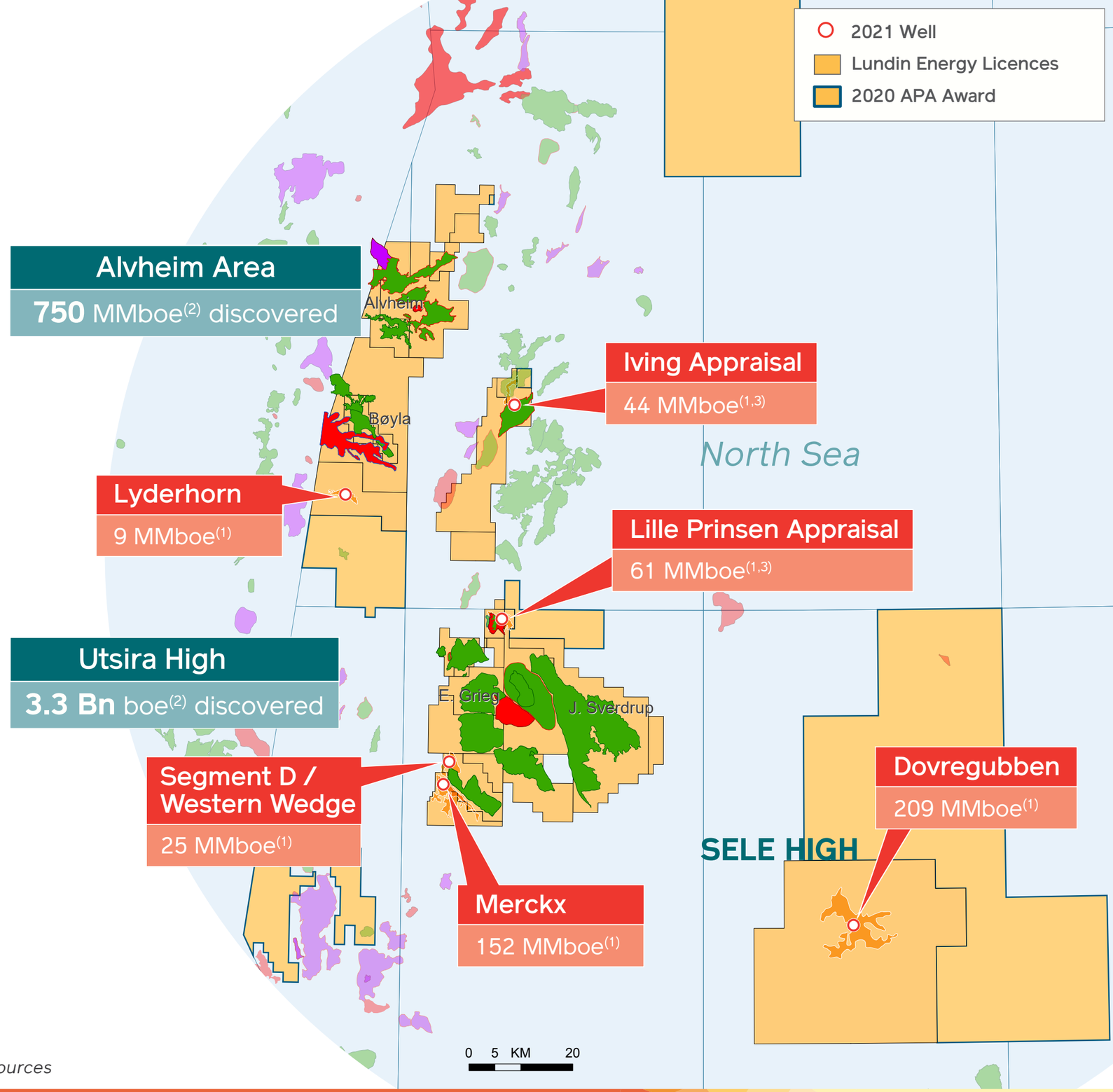
(3) *2C best estimate contingent resources*

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

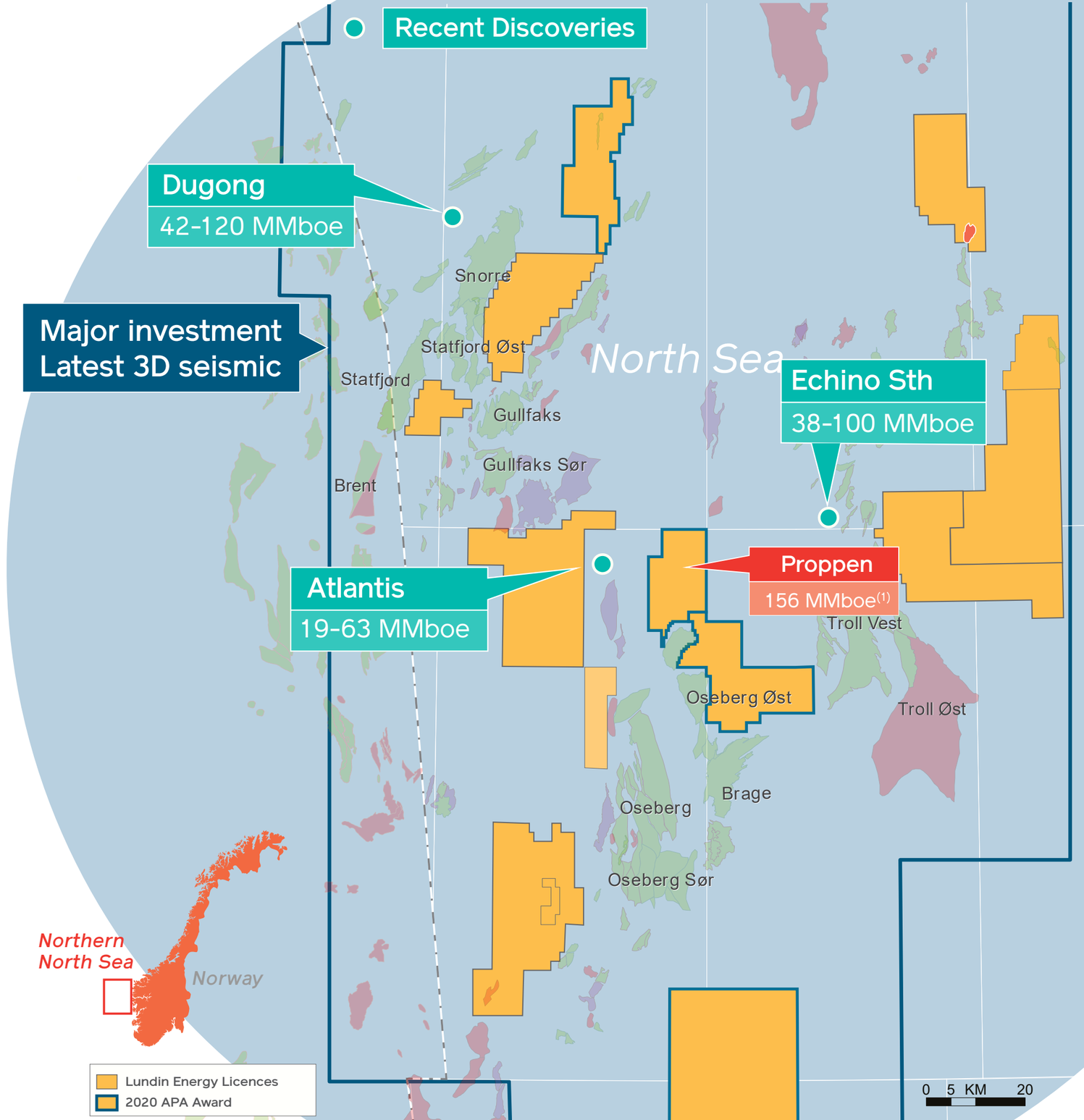
2020

10 licences

2021

13 licences

Drilling in 2022



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

WF12720 p13 01.21

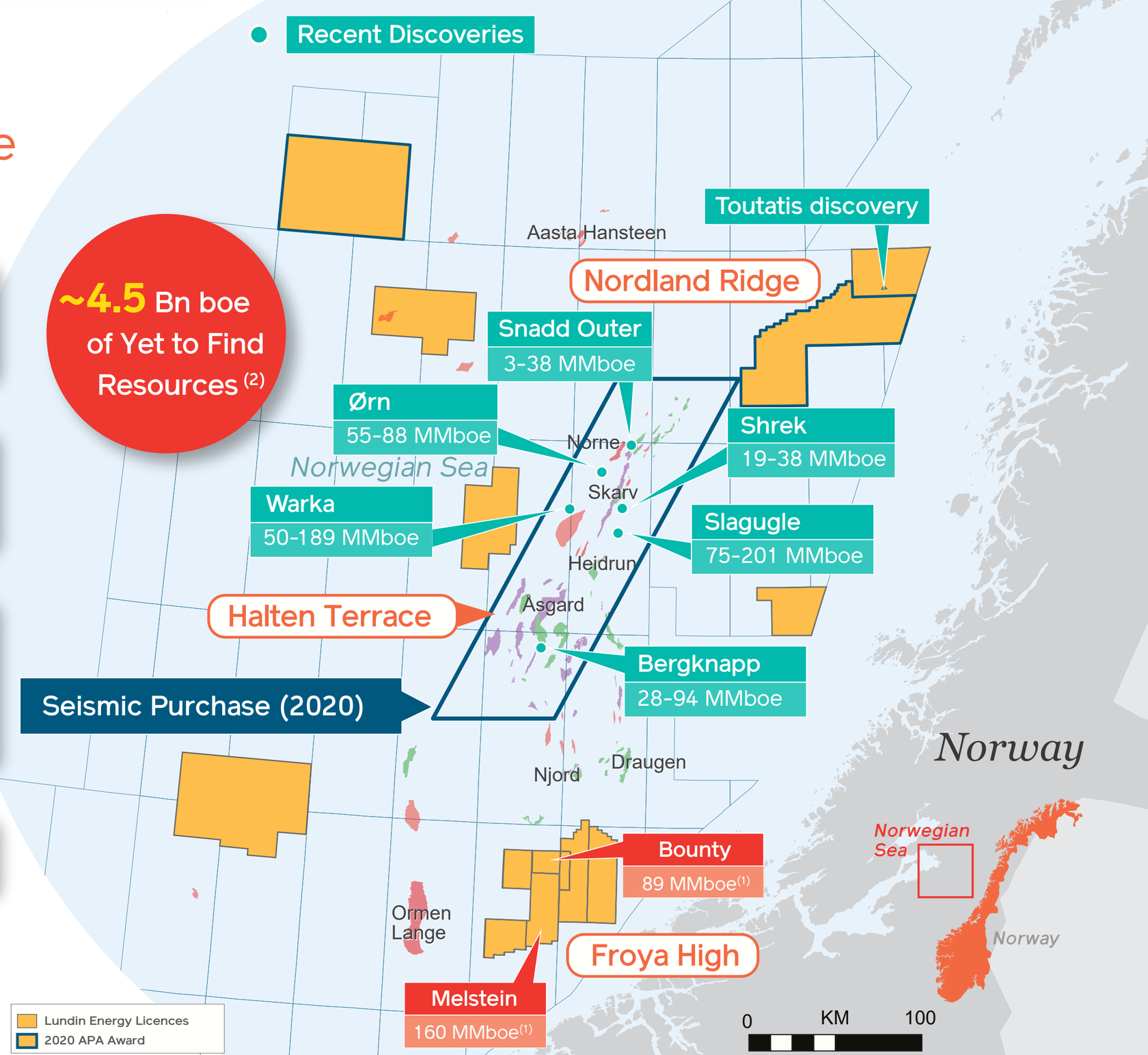
Norwegian Sea
Expanding Our Presence

Froya High
2 wells in 2022

Nordland Ridge
Following Toutatis

Halten Terrace
Seismic investment
Significant recent discoveries

Frontier Exploration



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

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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]

Shenzhou (2021)
360 MMbo[1]

Wisting
500 MMbo[3]

Nordkapp Basin

2021 seismic acquisition

Johan Castberg
550 MMbo

Southern Barents Sea

Bask
dry hole

Alta/Gohta
75–250 MMbo[2]

Snøhvit
1.7 Bn boe

Goliat
195 MMbo

Lupa
122 MMbo[1]

Hammerfest

Norway

0 KM 40

- Oil Field/Discovery
- Gas Field/Discovery
- Prospects/Leads
- 2021 - 2022 Wells
- Lundin Energy (LUNE) Assets
- Idemitsu Petroleum Norway / Lundin Energy Deal
- Lundin Energy APA 2020 Award

[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

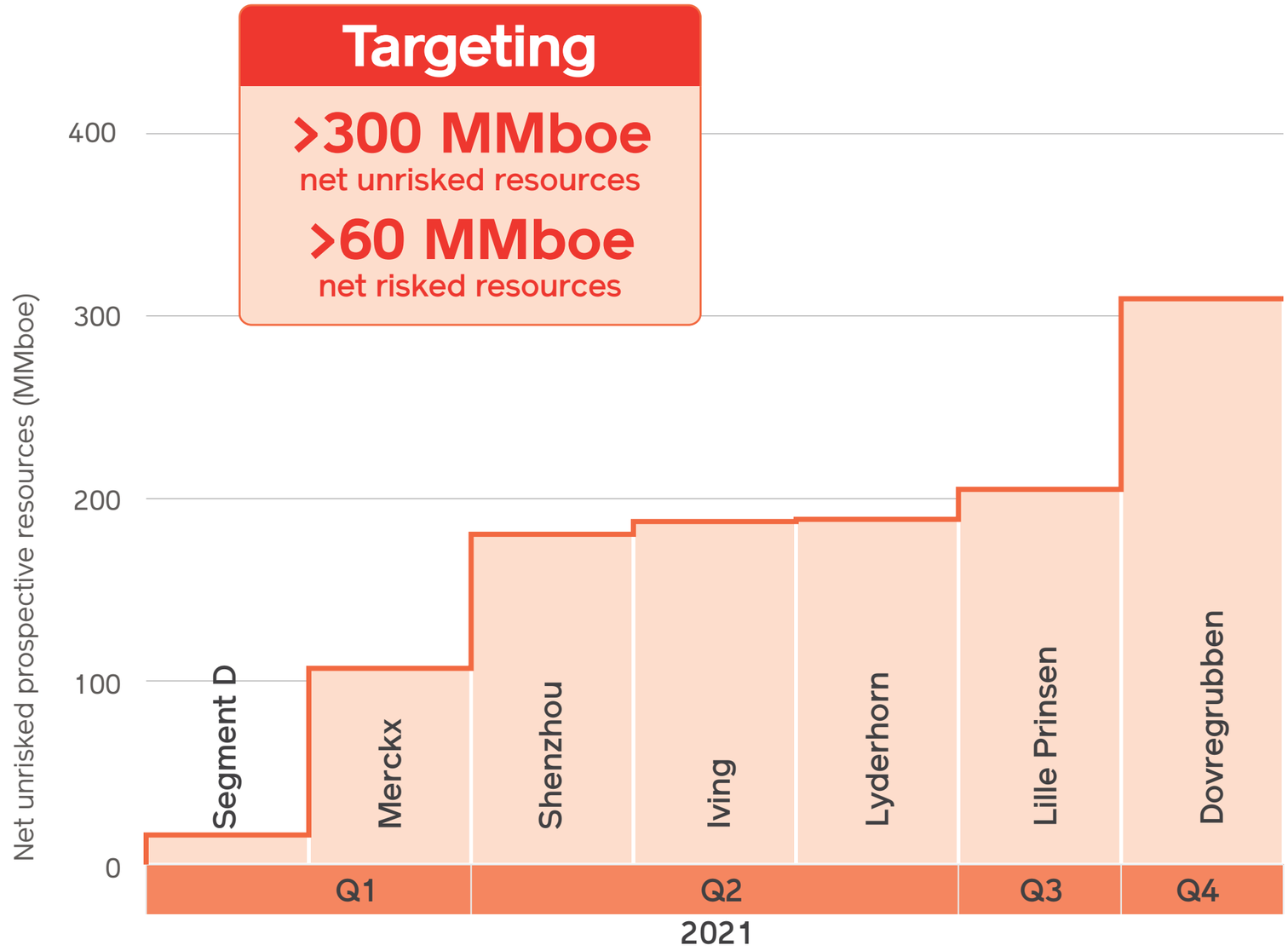
WF12720 p04 01.21

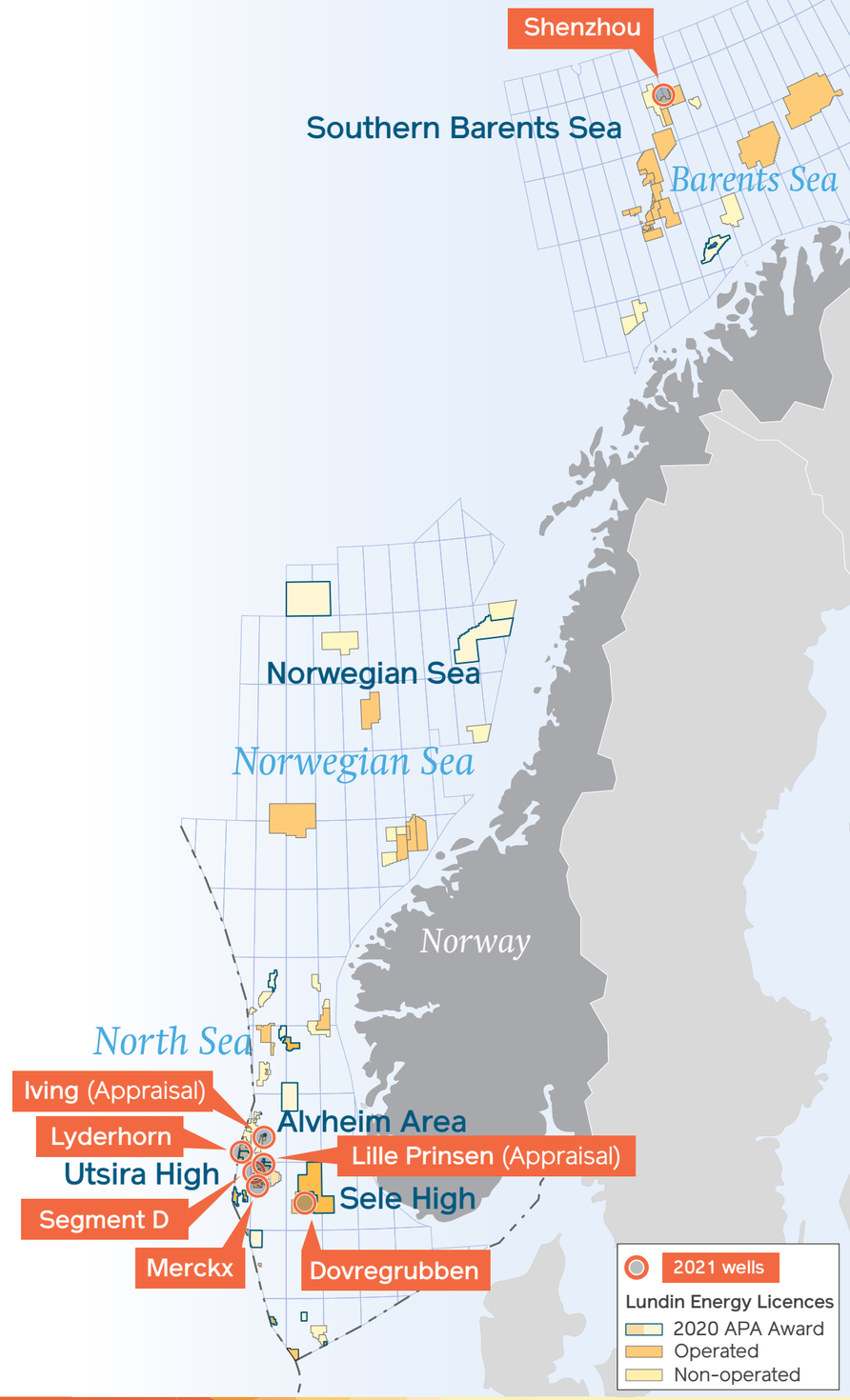
Lundin Energy
2021 Exploration and Appraisal Programme

Targeting

>300 MMboe
net unrisked resources

>60 MMboe
net risked resources





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 unrisked resources*

[(1)] *Gross unrisked resources*

WF12720 p07 01.21

Lundin Energy

Coffee break



Accelerating decarbonisation carbon neutral from 2025

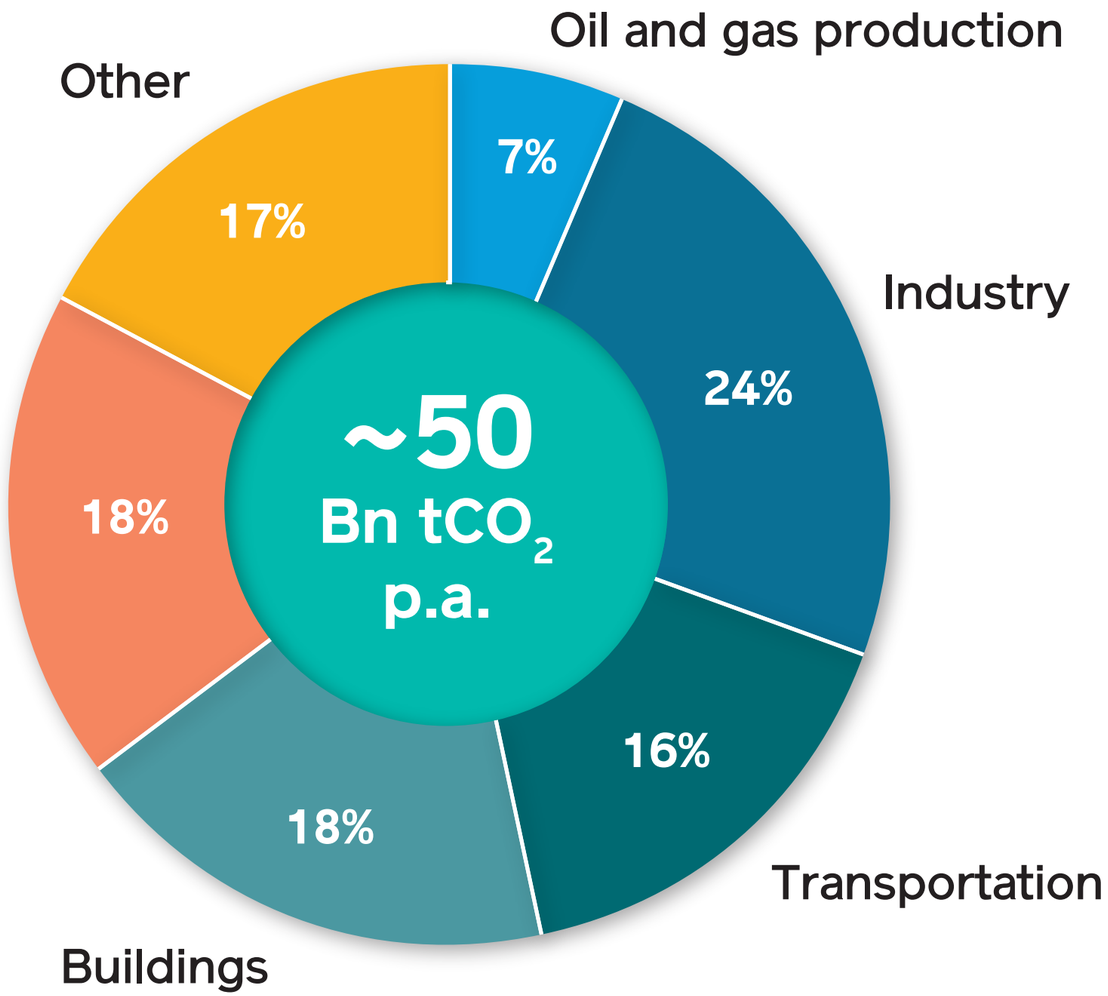


Lundin Energy will be the first carbon neutral oil and gas company

Global Emissions Context

The Oil and Gas Industry Needs to Rapidly Decarbonise

Current Global CO_2 Emissions by Sector



To meet a <2 degree future, every sector must decarbonise by

>50%

WF12723 p10 01.21

Lundin Energy
First Oil and Gas Company to be Carbon Neutral



750 MUSD
investment
55% spent to date(1)

Carbon intensity target
of **<2** $kgCO_2/boe$(2)

>95% of production
to be electrified(2)

Carbon Neutral from 2025 (4)

>80%
CO_2 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)

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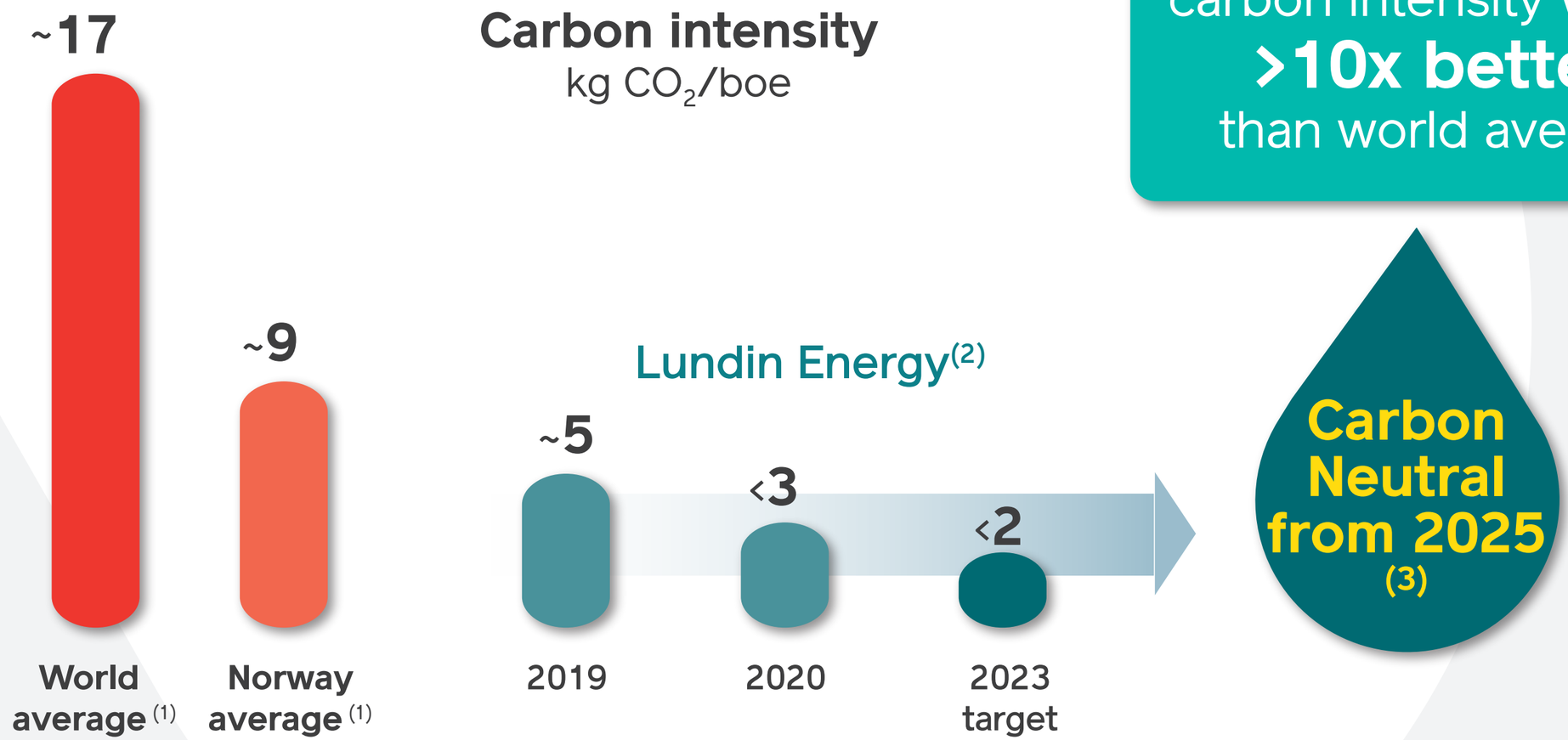
Lundin Energy
Industry-leading Low Carbon Intensity

Carbon intensity
kg CO_2/boe



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

(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

INTERTEK SUSTAINABILITY

VERIFIED
CARBONCLEAR

EDVARD GRIEG
3.8 kgCO2e/BOe
PER CARBONCLEAR-CI-01

80%
lower emissions
than average barrel

Creates **clear distinction** between barrels

Gives refiners a **competitive edge**

Ensures **full value chain traceability**

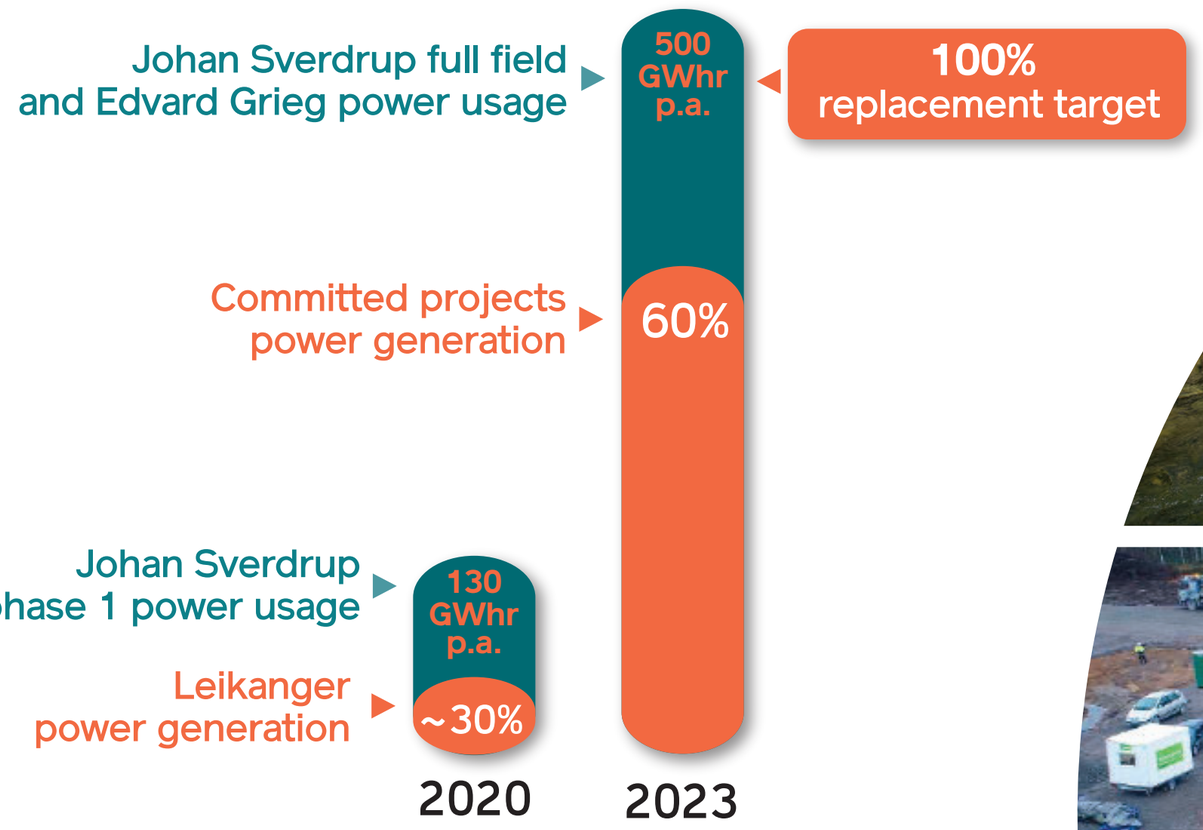
Reduces **lifecycle footprint** of hydrocarbon products

Enables premiumisation of lower-carbon intensity barrels

WF12723 p04 01.21

Lundin Energy
Replacement of Electricity Consumption with Renewables

Net electricity usage replacement (%)



Generating good leveraged returns


Leikanger hydro power plant


Metsälamminkangas wind farm

WF12723 p07 01.21

Lundin Energy
35 MUSD over 2021-2025 for Natural Carbon Capture

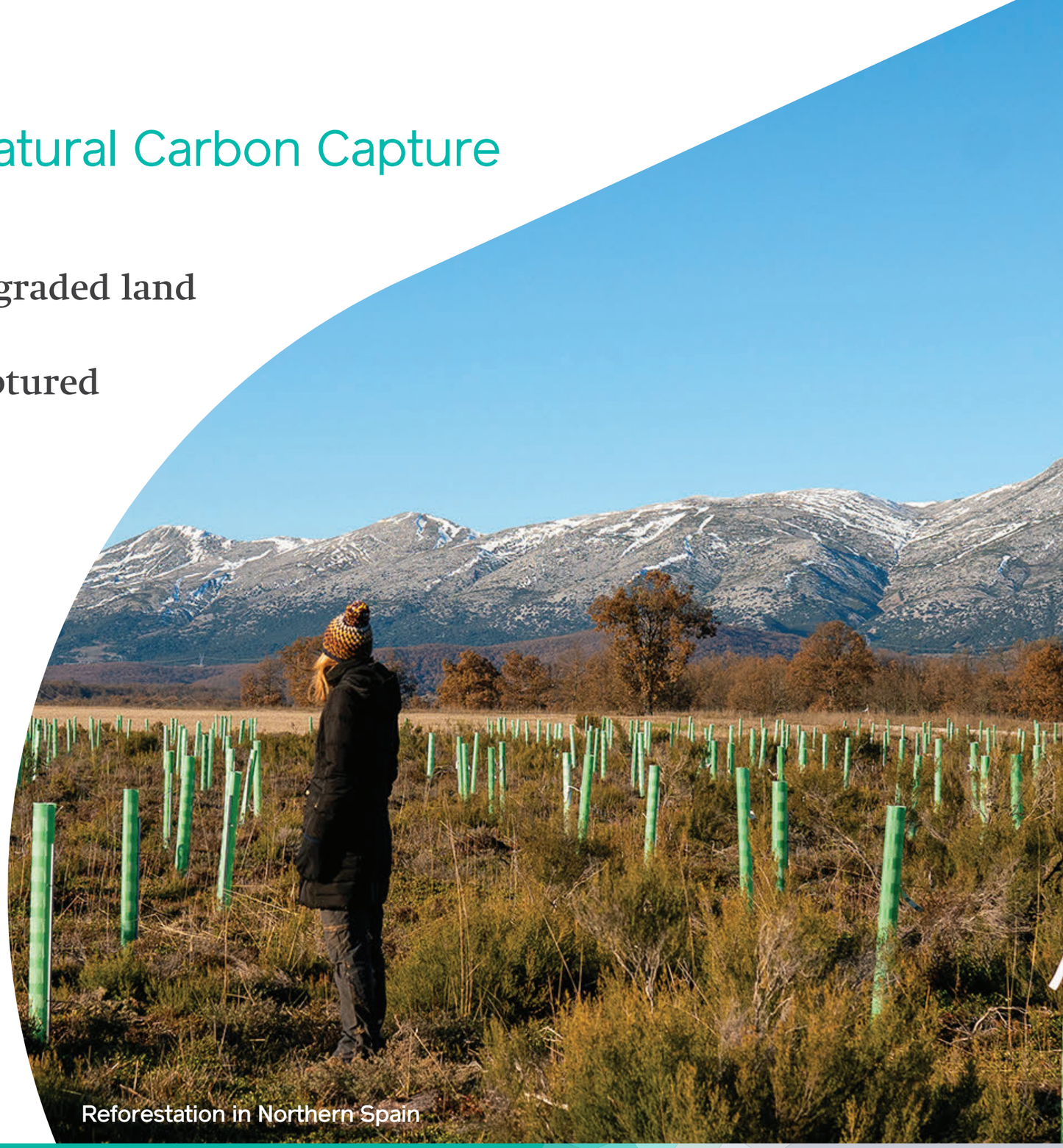
- Proprietary re-forestation projects on degraded land
- Fixing a low cost per tonne of carbon captured
- Enables flexibility for future growth

8 million trees planted

Projected CO_2 captured

2.6 Mt CO_2 (1)

(1) *Million tonnes*



Reforestation in Northern Spain

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Lundin Energy

Our Decarbonisation Strategy Delivers Value to All

Lundin Energy

Cost Reduction

1.4 Bn USD
avoided carbon costs [1]

Additional Revenue

600 MUSD
gas sales [2]

Risk Reduction

Reduced exposure
to electricity price volatility

Enhanced Reputation

Top quartile performance
in ESG ratings



Lundin Energy

Society

Environmental Benefits

>80%
CO_2 emissions avoided [3]

Social Benefits

Supporting **new jobs**

Economic Contribution

Positive contribution
to local economies

[1] Cumulative avoided costs (net Lundin) in carbon taxes under new Norway carbon tax regime, and EU allowances, over remaining 2P reserves. Additional maintenance savings not quantified.
[2] Additional gas sales (net Lundin) over remaining 2P reserves. Additional value possible from increased uptime.
[3] From electrification of Johan Sverdrup and Evdard Grieg.
All figures are Nominal

WF12723 p08 01.21



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

CFFO 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**

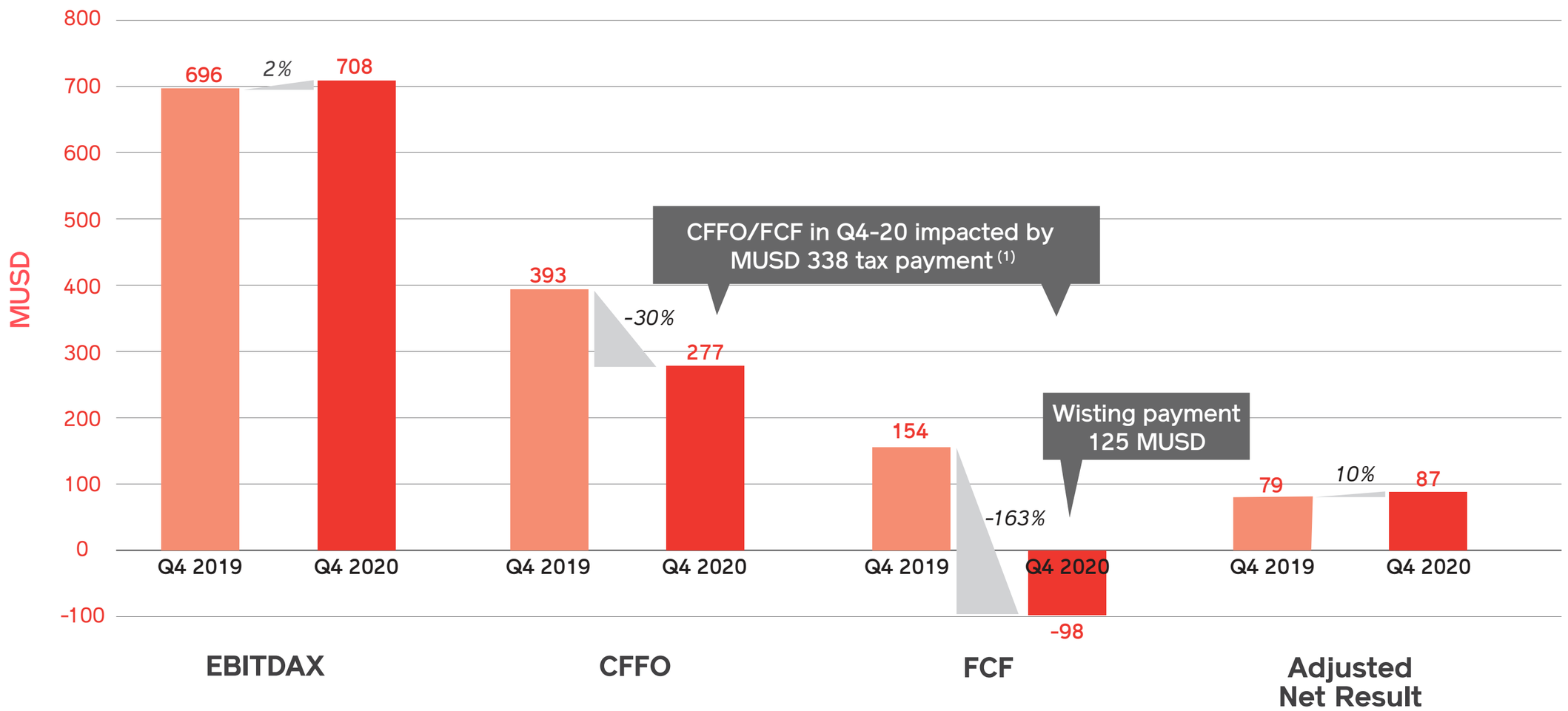


WF12725 p1 01.21

[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%

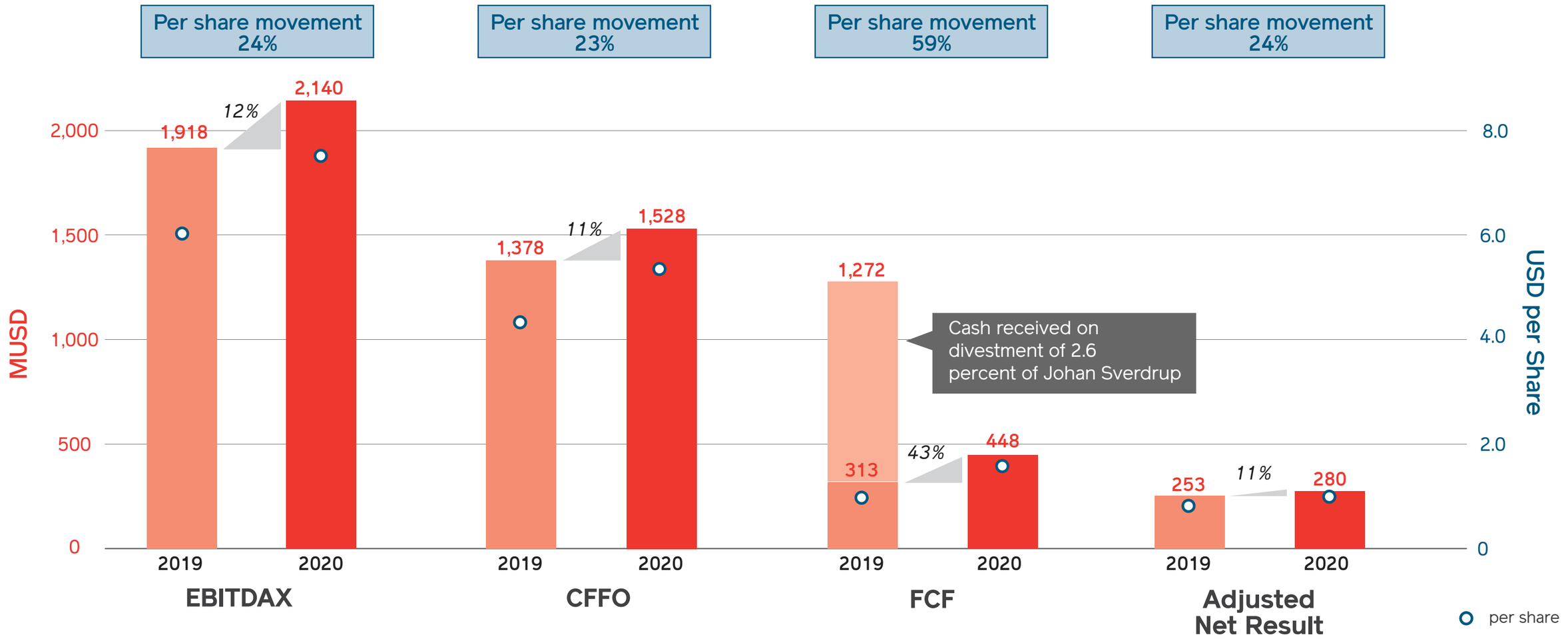


(1) *Includes minor non-Norway tax*

WF12725 p2 01.21

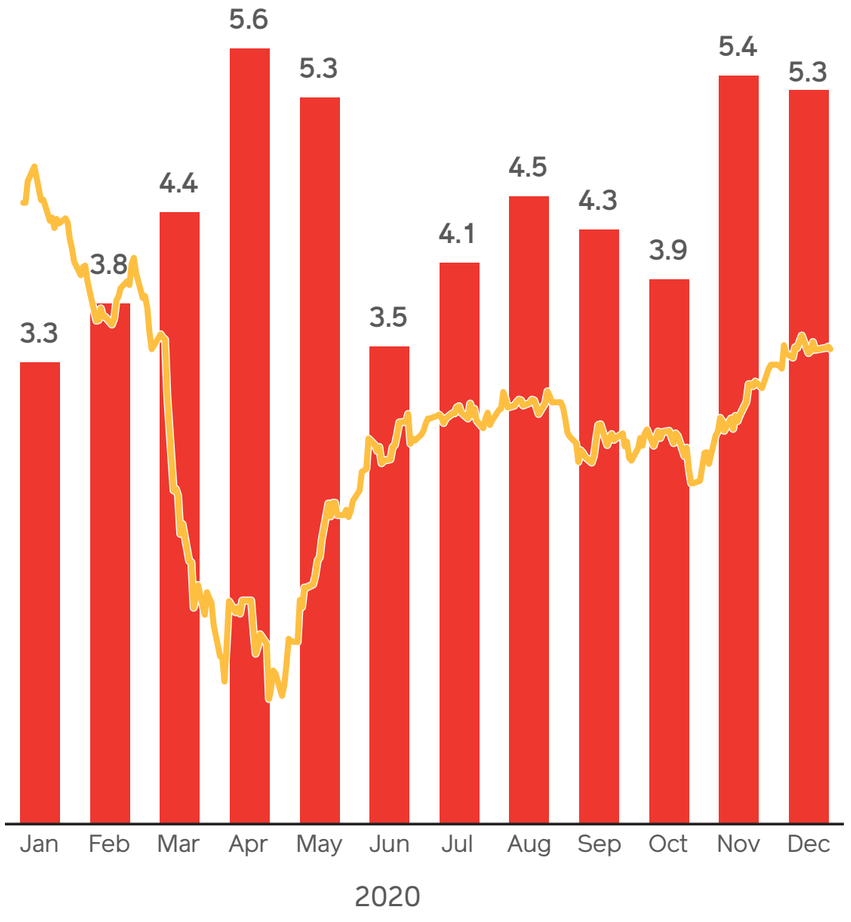
Financial Results
Full Year 2020

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

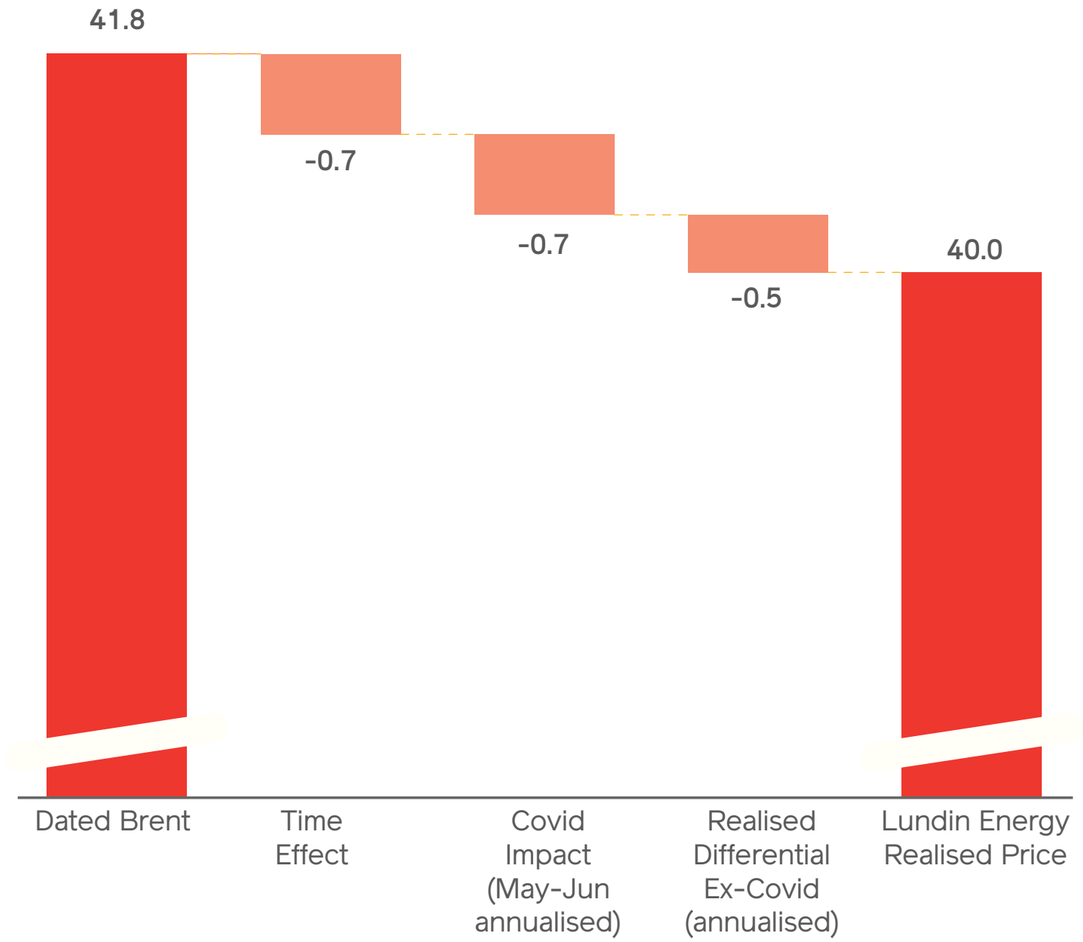


Lundin Energy
Lifted Volumes and Realised Prices

2020 Crude Oil Liftings (MMbbls)



2020 Crude Realised prices (USD/bbl)

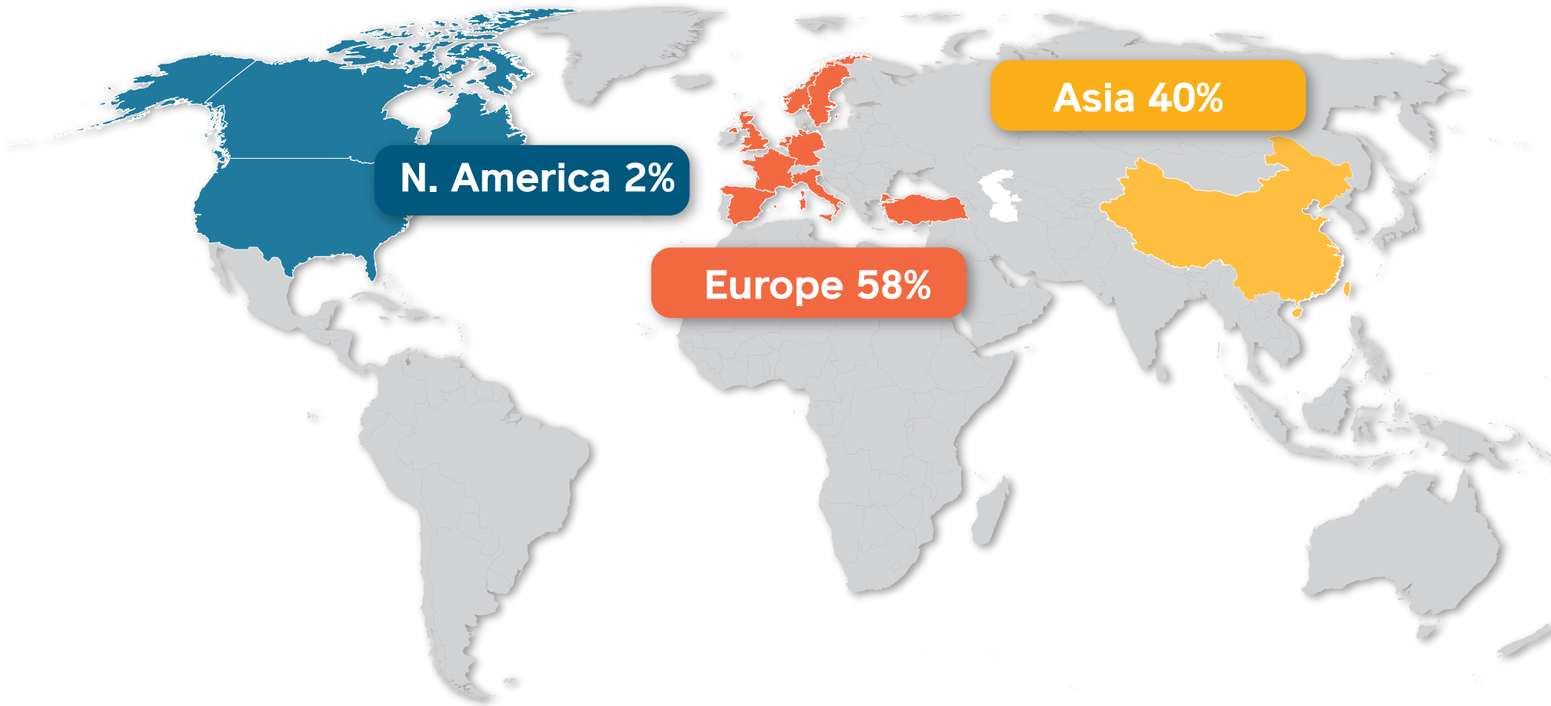


Numbers may not add up due to rounding

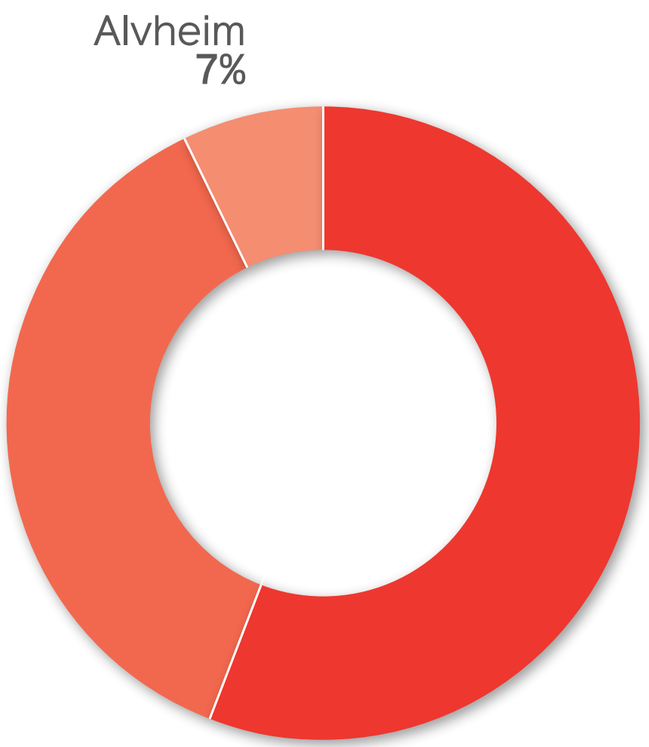
WF12722 p01 12.20

Crude Oil Marketing
Sales for 2020 => 54 MMbbls

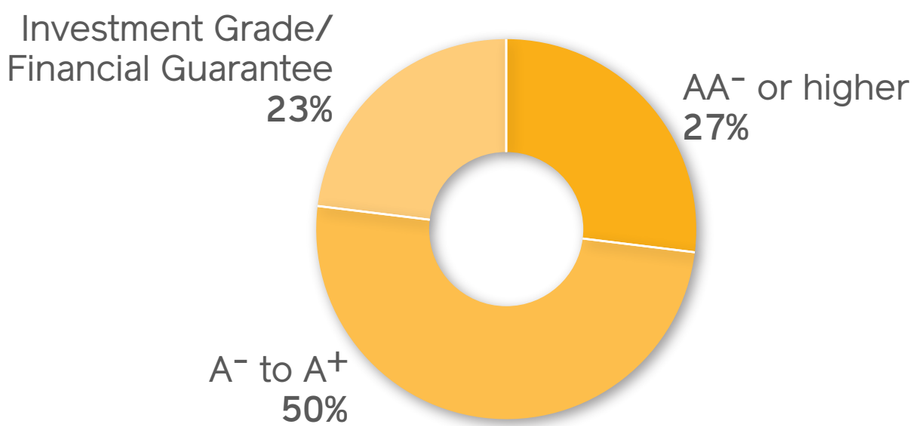
By Destination



By Field

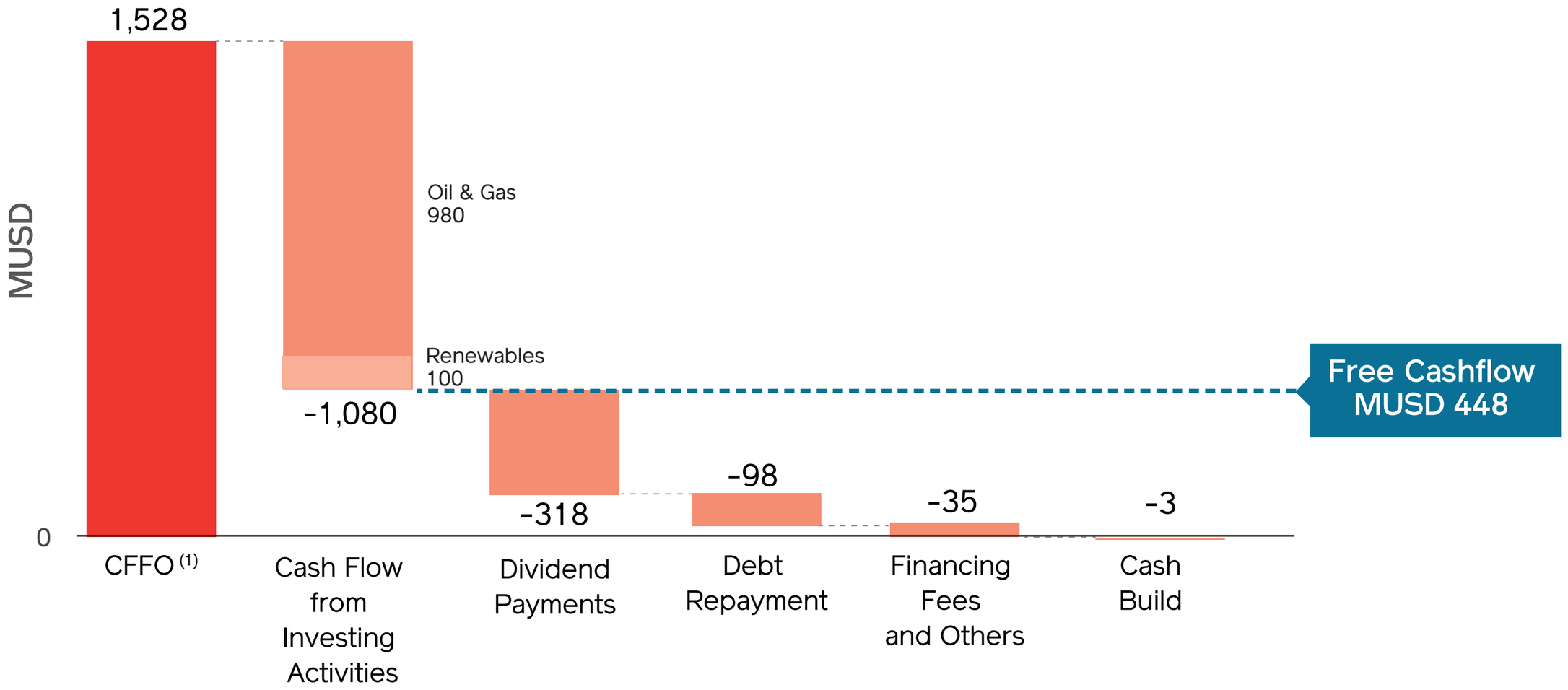


By Customer Credit Rating (S&P)



WF12722 p02 12.20

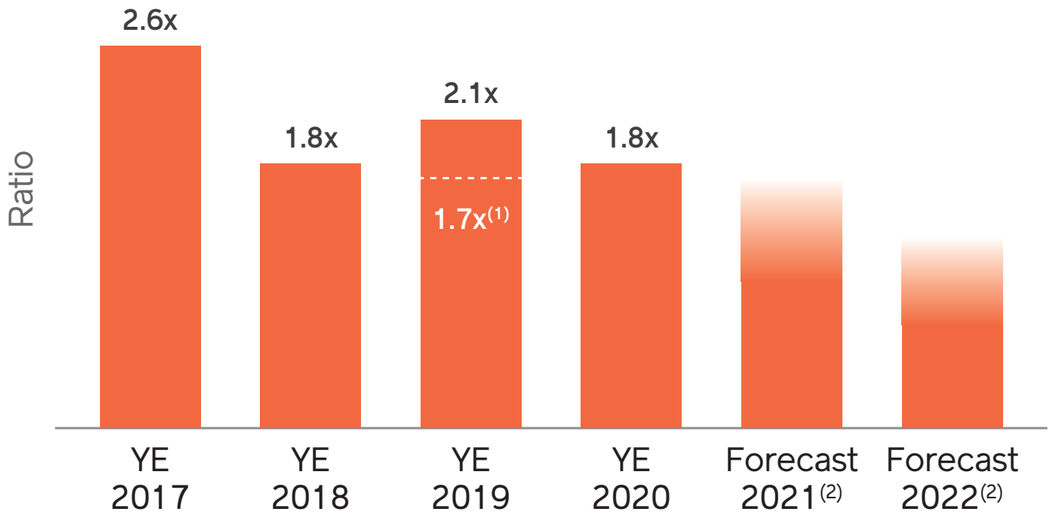
Full Year 2020
Cash Flow



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

Lundin Energy
Debt and Liquidity

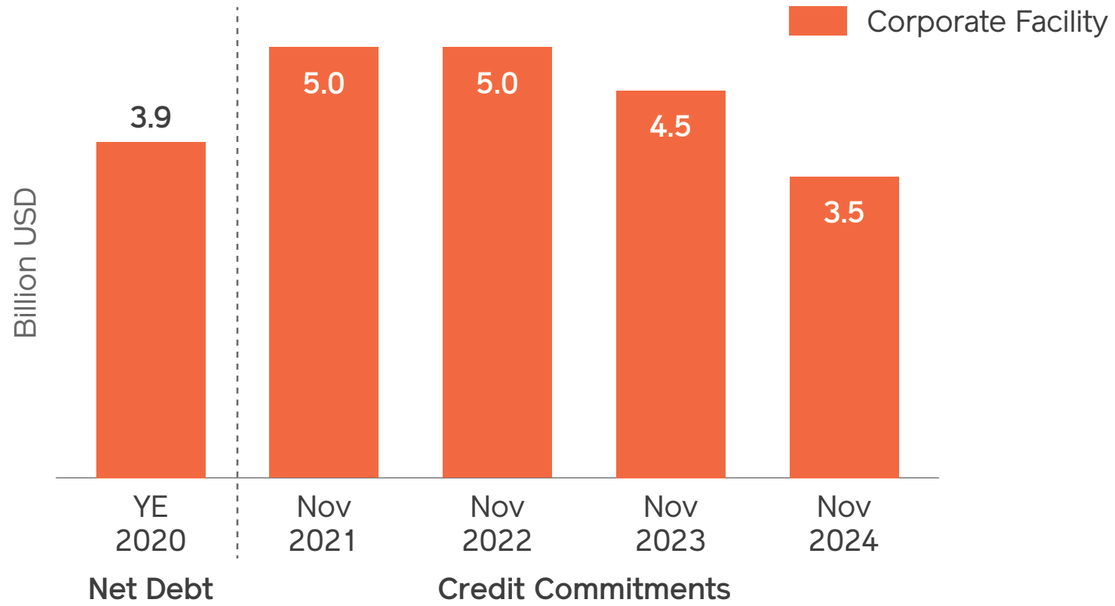
Debt Gearing – Net Debt/EBITDAX



BBB- credit rating

S&P Global Ratings

Available Credit



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

	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

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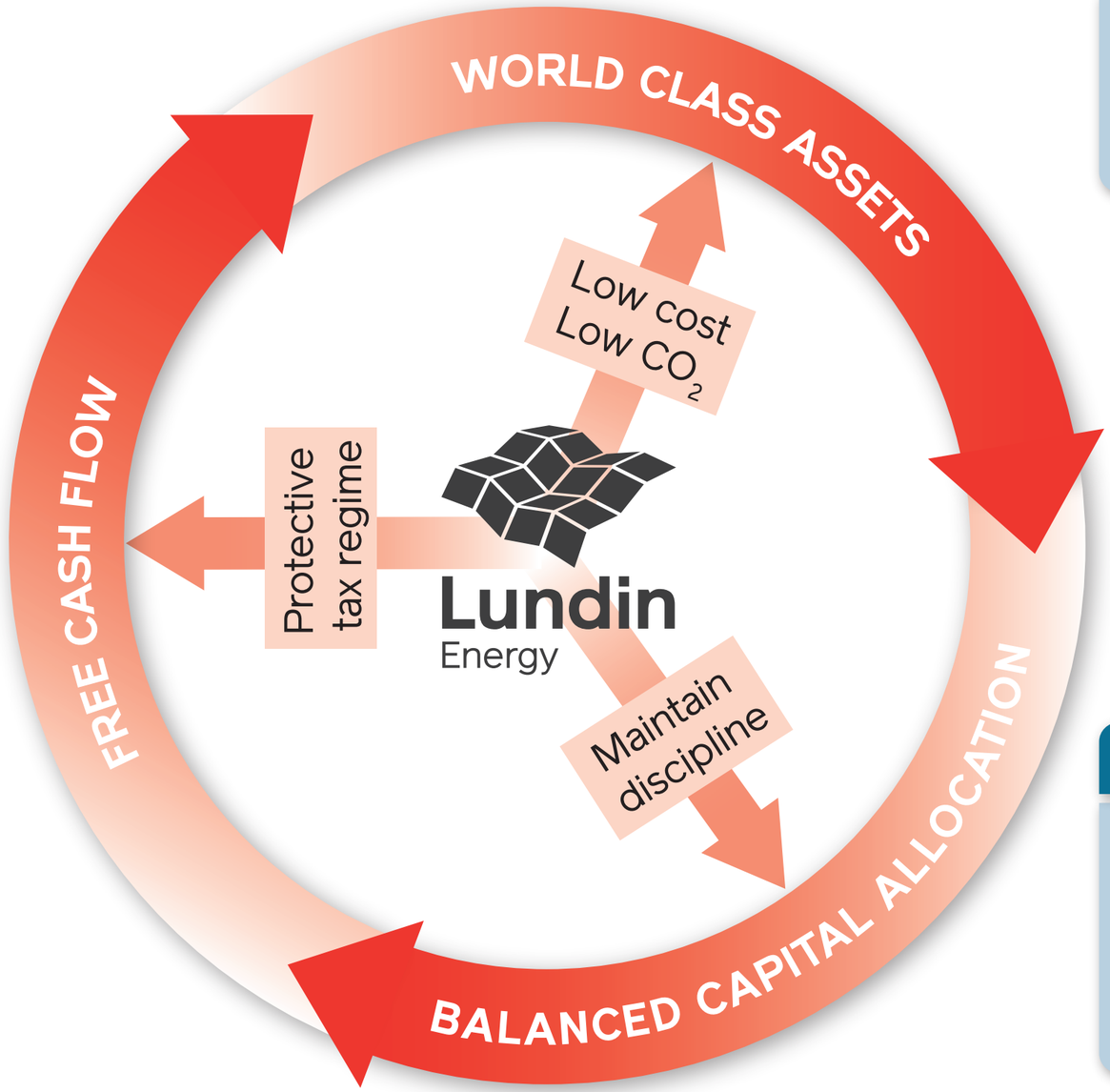
Lundin Energy
Financial Model

FCF Breakeven

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



Characteristics

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

Priorities

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

[1] *Nominal, pre-dividends average 2021–2026 including E&A spend*

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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*

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2021 Forecast
Netback (USD/boe)

	Forecast 2021		
Average Dated Brent oil price USD/boe	**40**	**50**	**60**
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

NOK/USD 8.5

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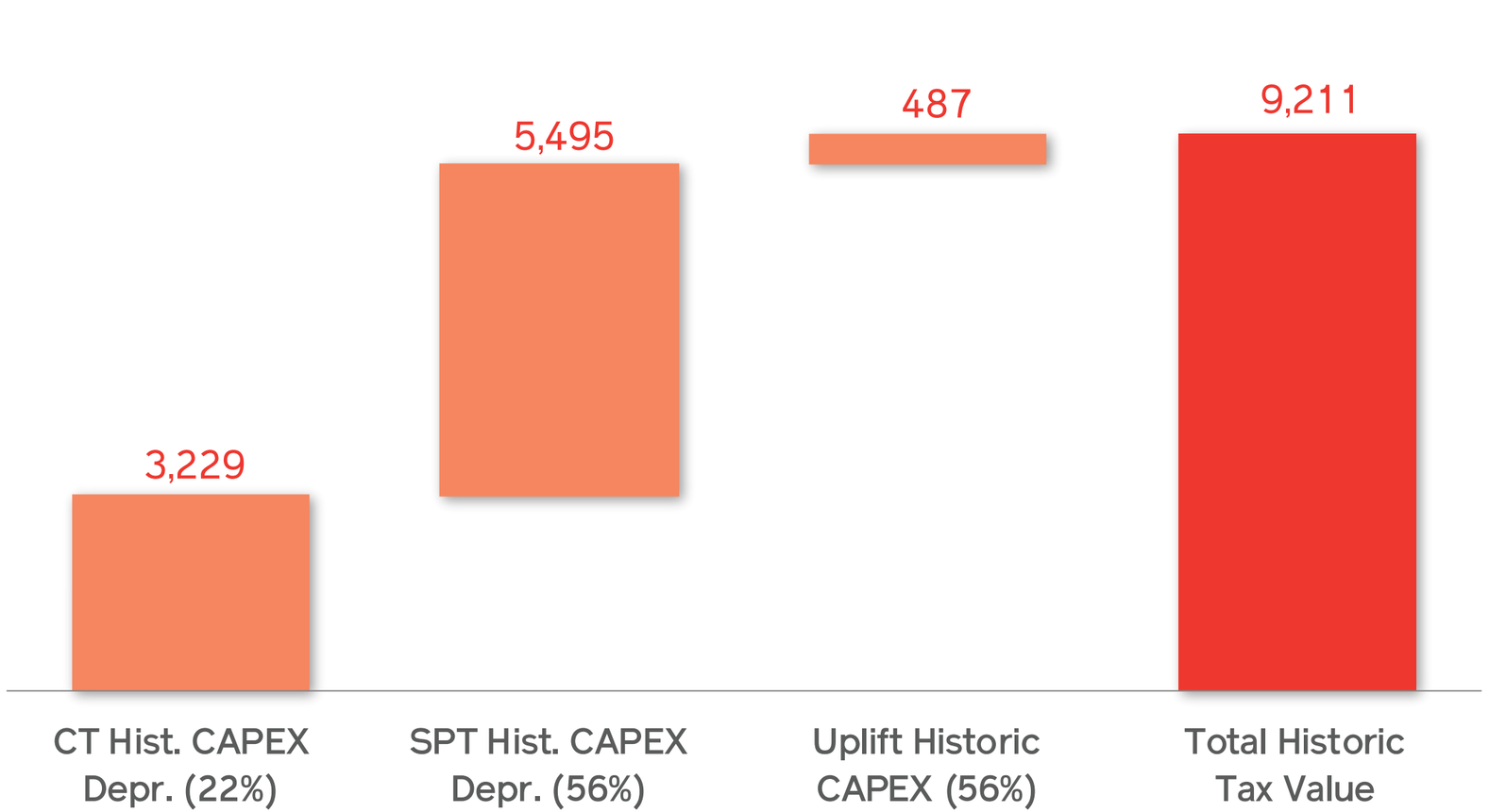
Lundin Energy
Norway Tax Value

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



~1.1 Bn USD

NOK/USD 8.5

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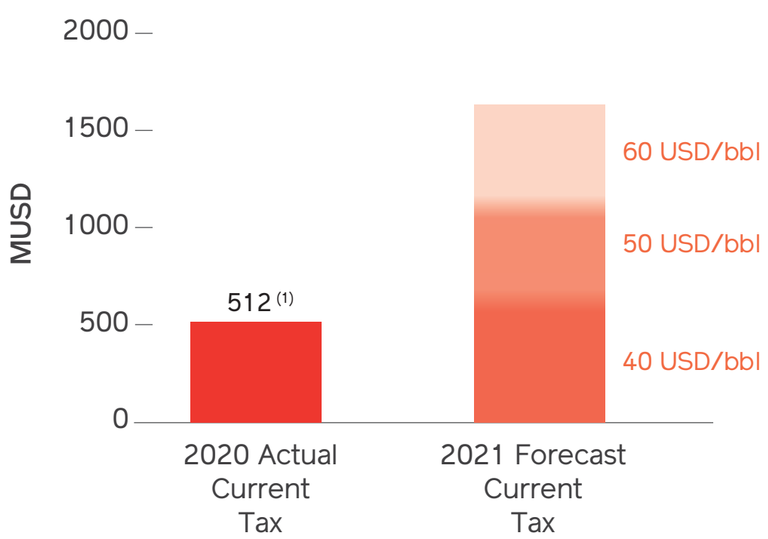
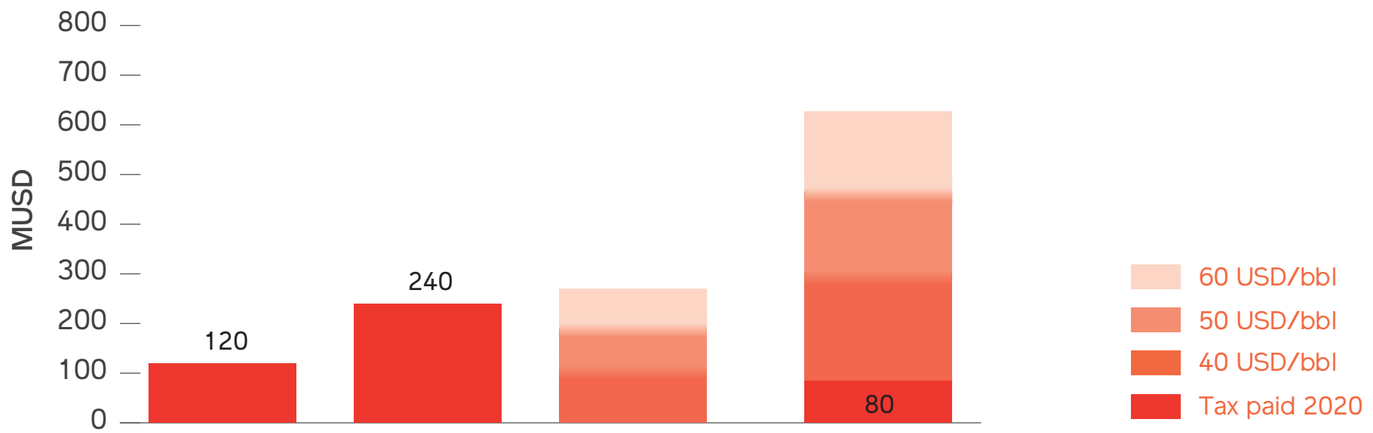
Norway
Tax Guidance

Tax Due – Income Statement

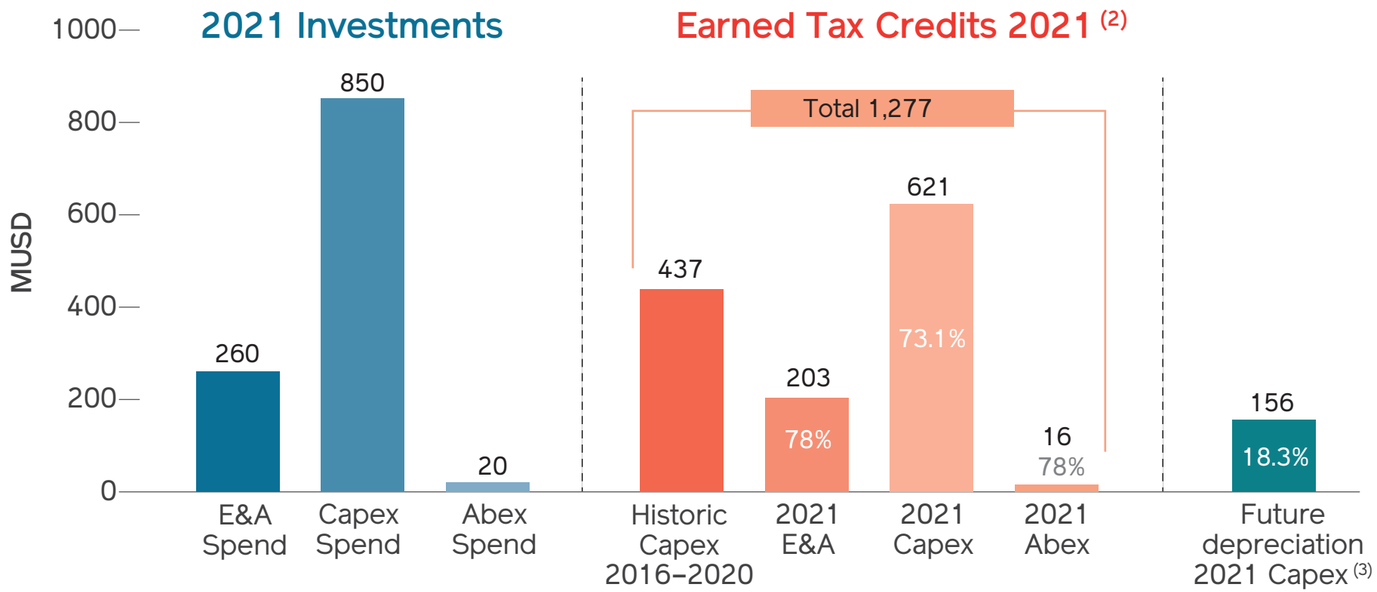


2021 Tax Paid - Cash Flow Statement



2021 Investments

Earned Tax Credits 2021 (2)



NOK/USD 8.5 *(1) Includes non-Norway tax* *(2) Excluding renewables* *(3) Earned tax credit 2022–2026*

2021 Forecast
Funding and Liquidity (USD/boe)

Average Dated Brent oil price USD/bbl	Forecast 2021		
	40	50	60
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**

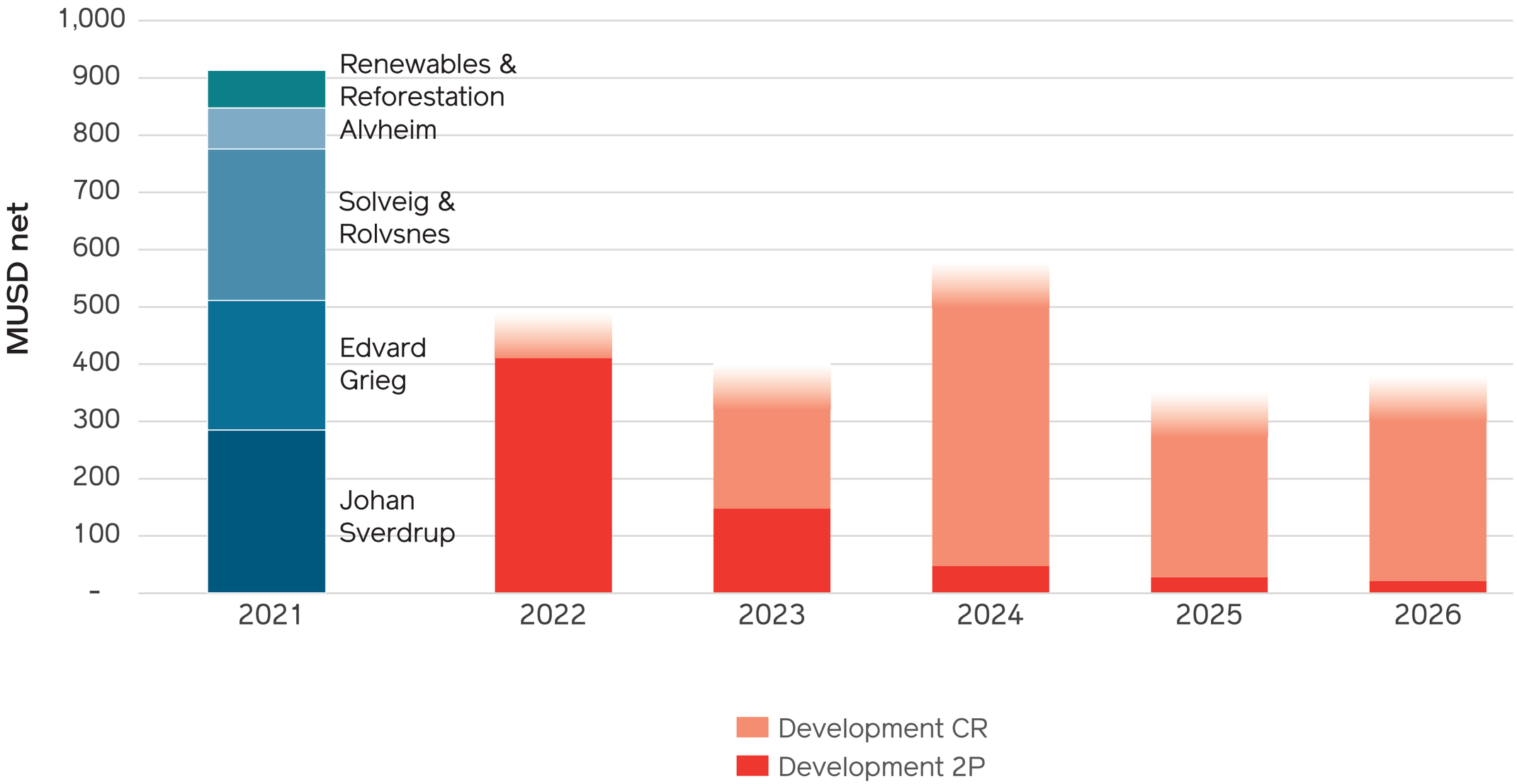
Numbers may not add up due to rounding

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 Decomissioning*

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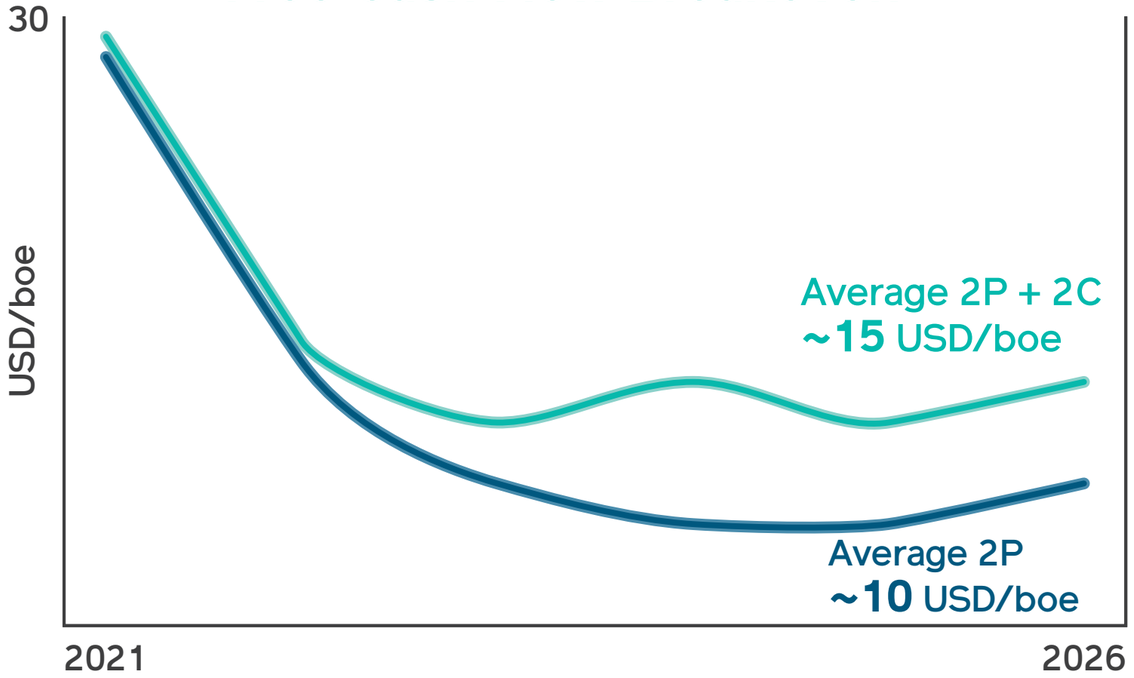
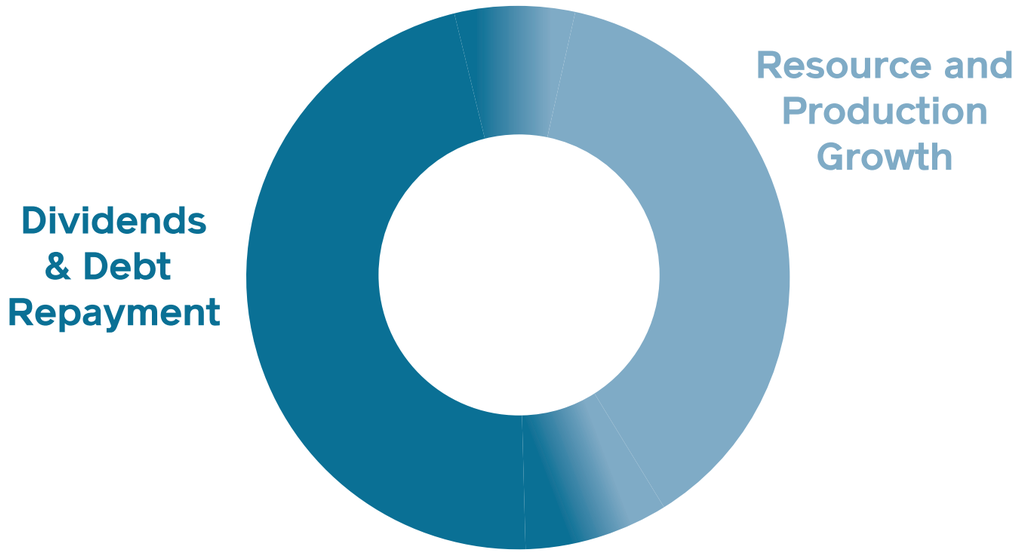
Lundin Energy
World Class Financial Resilience

2021–2026 CFFO
8–11 Bn USD (3)

Free Cash Flow Breakeven (1)



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

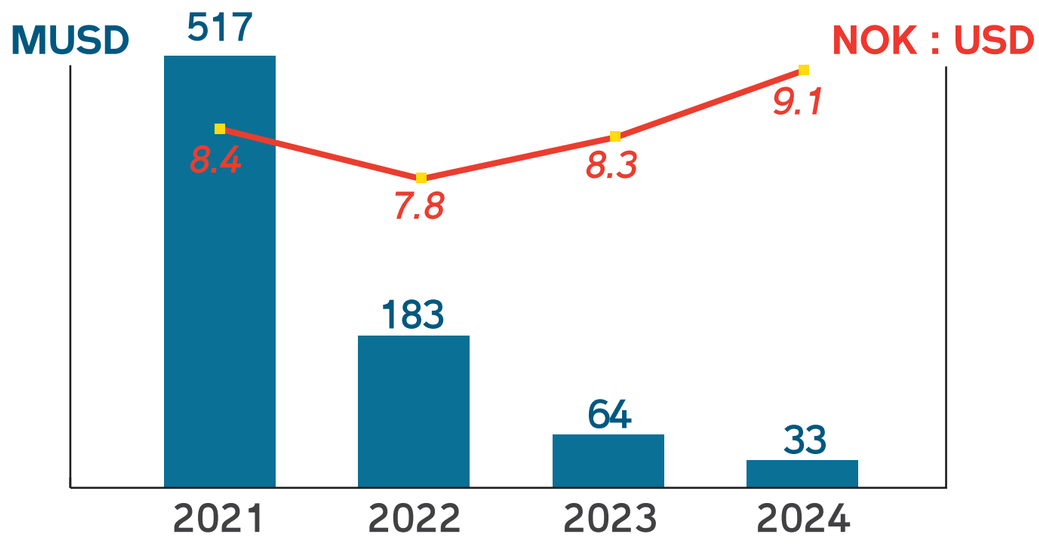
Insurance

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

FX Hedging

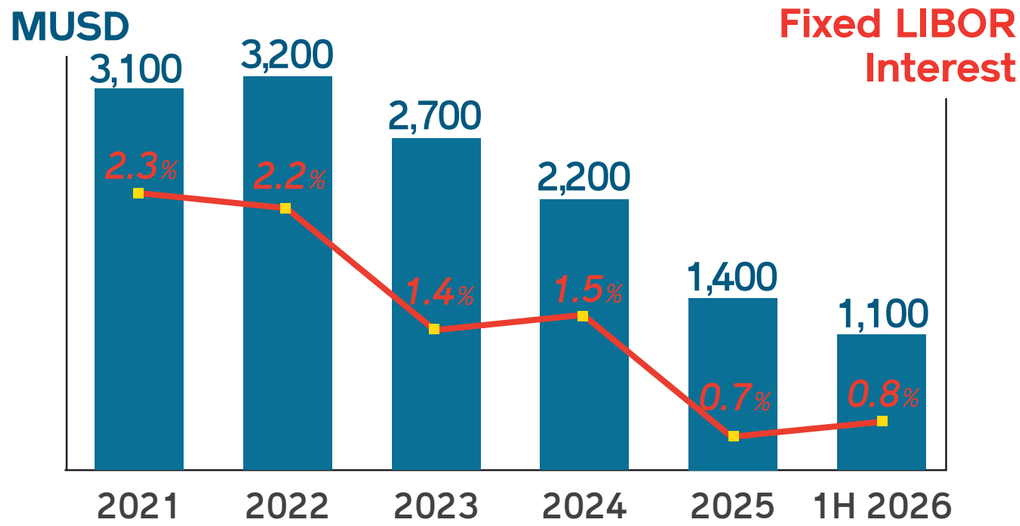
Total MUSD 800

Average NOK:USD 8.3



Interest Rate Swaps

Average Fixed LIBOR 1.7%



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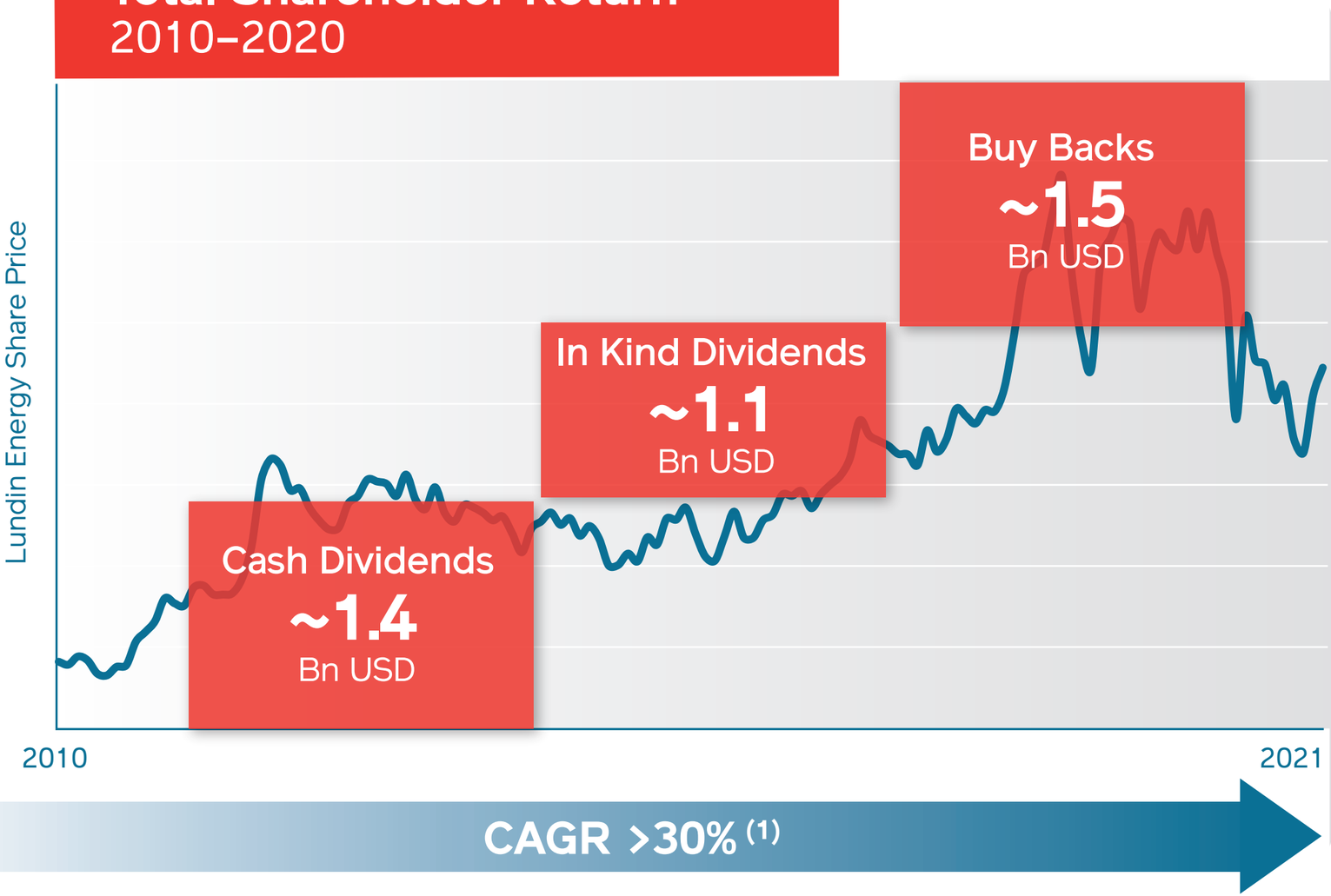
Shareholder Returns
A Proven Track Record

Total Shareholder Return
2010–2020



~4.0 Bn USD

CAGR >30% (1)

(1) *From 2001 to 22 January 2021*

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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]

Sustainability

Carbon Neutral
2025

Safe and **Responsible** operations

Sustainable Dividend
1.8 USD/share in 2021
80% increase

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)

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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

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