

Lundin Petroleum Extraordinary General Meeting

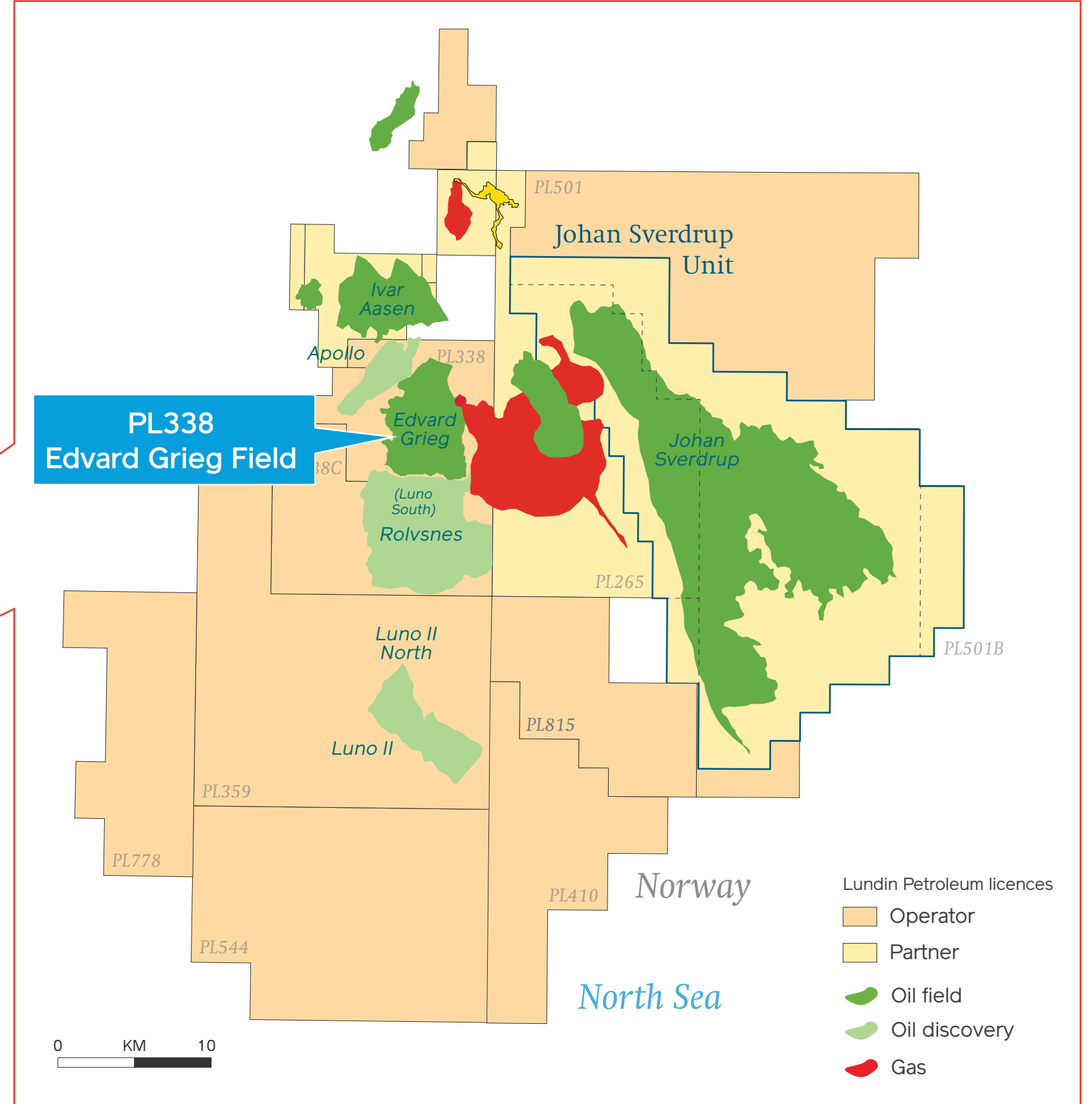
Stockholm, 30 May 2016

**Acquisition of Statoil's 15%
interest in the Edvard Grieg
field and related transactions**



Lundin Petroleum in Norway

Overview



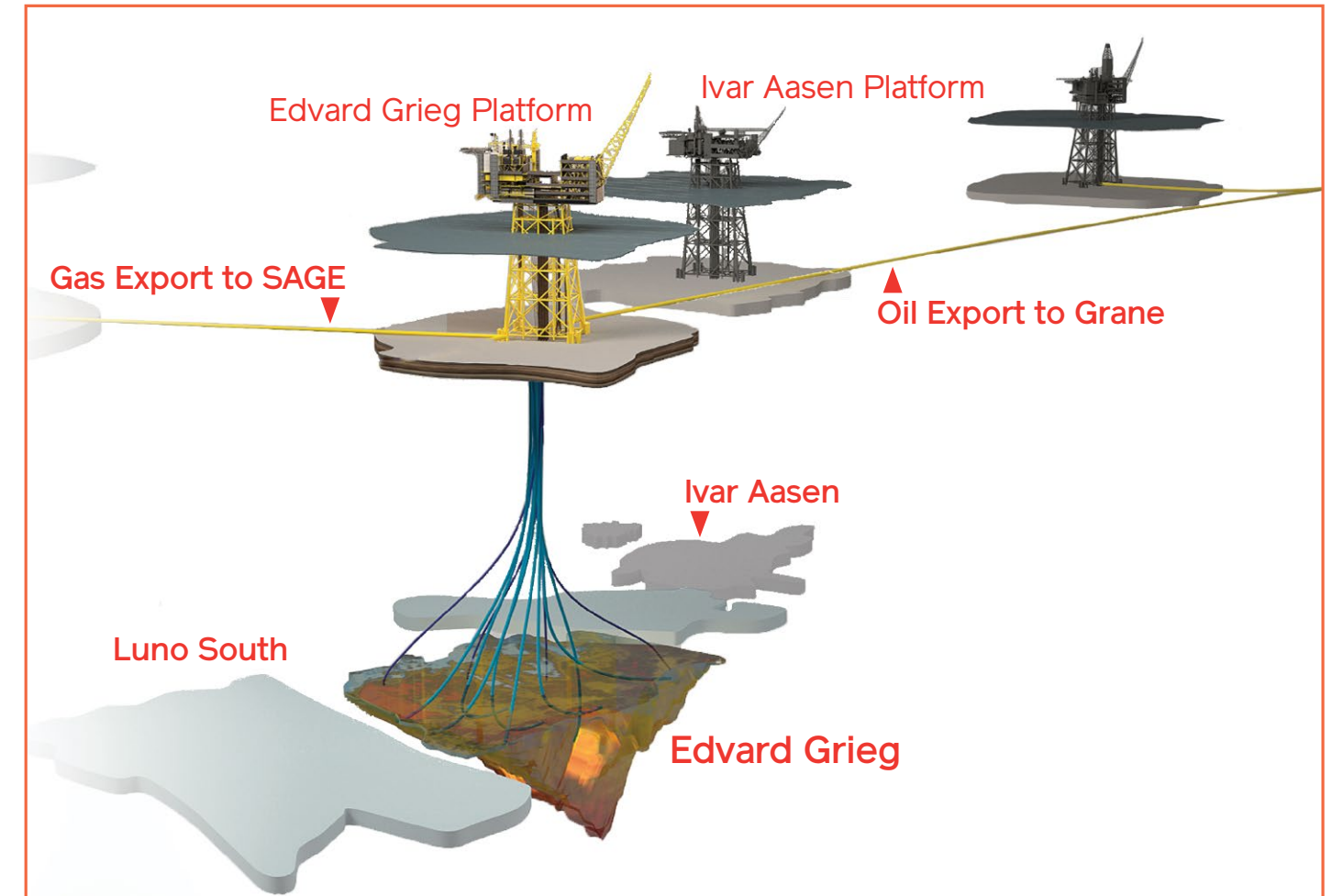
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Lundin Petroleum in Norway

Edvard Grieg Field

- ➔ Lundin interest: 50%⁽¹⁾ (operator)
 - ➔ OMV 20%, Wintershall 15%, Statoil 15%⁽¹⁾
- ➔ 2P reserves: 206 MMboe gross
- ➔ Plateau production: 100,000 boepd gross when 4th producer comes on stream
- ➔ Drilling 14 wells from jack-up rig – development drilling continues through 2017
 - ➔ 1st water injection well currently drilling, completion expected during June 2016

Edvard Grieg Schematic



⁽¹⁾ Agreement to acquire 15% from Statoil, subject to EGM/Government approval

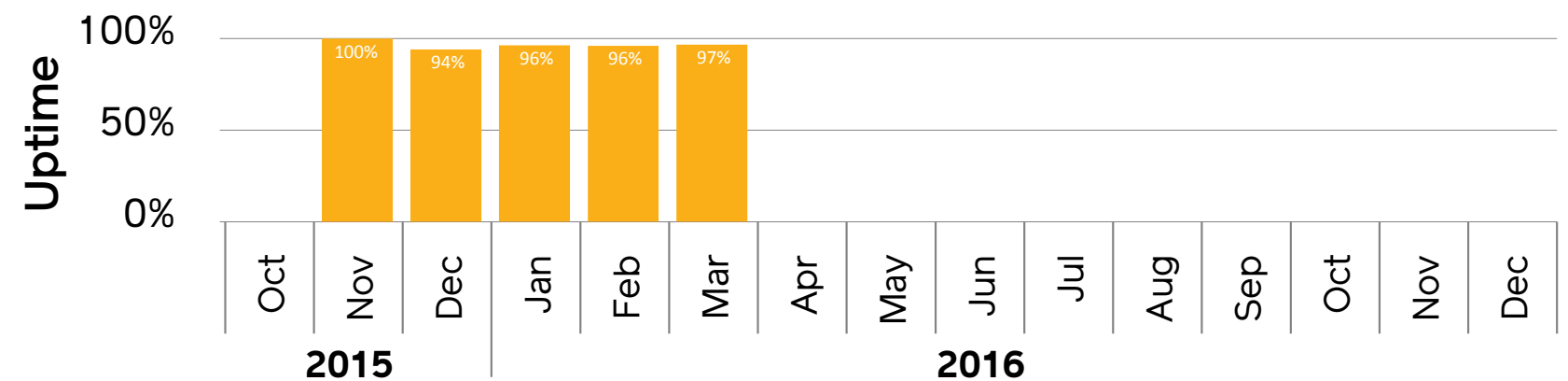
Edvard Grieg Field

Production Performance

- ➔ Q1 gross production 60,300 boepd
 - ➔ Gas production commenced
- ➔ Project delivered ontime
 - 28th November 2015 first oil
 - ➔ Uptime since startup ~96%
 - ➔ Uptime excluding reservoir pressure build ups ~99%
 - ➔ Worldclass topside performance
 - ➔ Pressure depletion lower than expected
- ➔ Commissioning over 90% complete



Edvard Grieg Uptime



Proposed Transaction with Statoil

Summary Highlights

- **Lundin Norway to acquire from Statoil:**
 - 15% interest in Edvard Grieg field
 - 9% interest in Edvard Grieg oil pipeline
 - 6% interest in Utsira High gas pipeline
- **Effective date of the asset acquisitions 1 January 2016**
- **Lundin Petroleum to issue 27.581 million new shares to Statoil valued at approximately SEK 3.8 billion**
- **Lundin Petroleum also to issue 1.735 million new shares and transfer 2 million existing shares to Statoil for cash of approximately SEK 544 million**
- **Completion is subject to EGM and Norwegian government approvals**
- **Norwegian government confirmed its support for the transaction**
- **Lundin Petroleum and Statoil to remain independent**

Proposed Transaction with Statoil

Rationale and Benefits

- ➔ Secures access to high quality reserves, production and cash flow in the Utsira High core area
- ➔ Edvard Grieg field was discovered by Lundin Petroleum in 2007 and is operated by Lundin Petroleum
- ➔ Strong start-up performance of the field and facilities
- ➔ Creating long-term shareholder value by acquiring known, quality assets at the bottom of the cycle
- ➔ Statoil further increases indirect exposure to Lundin Petroleum's assets: Edvard Grieg, Johan Sverdrup, southern Barents Sea
- ➔ Statoil remains supportive of Lundin Petroleum's management, Board and strategy

Proposed Transaction with Statoil Summary



15% Edvard Grieg + Pipelines
 ↓↓
 Adds **31 MMboe** 2P Reserves
 ↓↓
 Adds **10,000 boepd** Production
 ↓↓
 Revised 2016 Production Guidance
65,000–75,000 boepd

27.581 million shares for Edvard Grieg

+

	Cash Million SEK
1.735 million shares	252.8
2.000 million treasury shares	291.3
	544.1

Statoil's Total Shareholding
68.4 million (20.1%)

Subject to EGM approval and Government approval

Proposed Transaction with Statoil

Revised 2016 Guidance

	PRE DEAL	POST DEAL ⁽¹⁾
Production 2016	60 – 70,000 boepd	65 – 75,000 boepd
2P reserves 01.01.16	685.3 MMboe	716.2 MMboe
Operational cost 2016	USD 9.25/boe	USD 9.00/boe
Development Capex 2016	MUSD 935	MUSD 970

⁽¹⁾ Assumes completion 30.06.16

Proposed Transaction with Statoil

Market Reaction



“**Brilliant transaction**. Lundin strikes a deal with Statoil, utilizing its tax loss carry-forward, securing its funding needs at a good price, while maintaining full control over the company.”

Nordea – Oddvar Bjorgan



“Lundin boosts stake in core producing asset. **Top pick seizing opportunity to unlock value**. We continue to regard Lundin Petroleum as a top pick in the European E&P space.”

Bank of America Merrill Lynch – Rafal Gutaj



“Increased near-term production and cash flow via an accretive equity-based acquisition looks **attractive for Lundin shareholders** at first glance.”

Barclays – James Hosie



“**Highly value-accretive deal** for Lundin Petroleum. Major boost to NAV/share.”

Handelsbanken – Johannes Grunselius



“First time in its history Lundin has issued equity, but does so on its own terms. The stock is **one of the highest rated global E&P Co.'s** and management using its paper to buy production is appropriate at this time, in our view. Following its initial 12% stake in January, today's news underscores how attractive Lundin is to Statoil.”

UBS – Daniel Ekstein



“Grieg acquisition at **attractive price**”

SEB – Julian Beer

“Lundin is the largest and arguably **one of the best companies** in our international universe”

RBC – Al Stanton



RBC Capital Markets

Proposed Transaction with Statoil

EGM Approvals Required

Agenda Item 7: Resolution to approve the acquisition of Statoil's ownership interest in the Edvard Grieg field and associated assets

- 27,580,806 newly issued Lundin Petroleum shares to be subscribed for by Statoil, representing purchase price of USD 470 million (approximately SEK 3.8 billion based on an agreed share price of SEK 138 per share)
- Statoil is a “related party” under Swedish law due to current 11.93% shareholding
 - ➔ Board provided report to shareholders under Swedish Securities Council statement 2012:5
 - ➔ SEB provided fairness opinion

Agenda Item 8: Resolution to authorise the Board to resolve on a new issue of shares against in kind consideration

- Issuance of 27,580,806 shares to Statoil with consideration in kind

Agenda Items 7 and 8:

- *Simple EGM majority, excluding Statoil's 11.93% shareholding*

Proposed Transaction with Statoil

EGM Approvals Required

Agenda Item 9: Resolution to authorise the Board to resolve on a directed new issue of shares

- ➔ 1,735,309 newly issued Lundin Petroleum shares to be subscribed for by Statoil, for cash consideration of SEK 145.66 per share

Agenda Item 10: Resolution to authorise the Board to resolve on a sale of own shares

- ➔ 2,000,000 existing own Lundin Petroleum shares to be transferred to Statoil, for cash consideration of SEK 145.66 per share

Agenda Items 9 and 10:

- *No shareholder pre-emption because the issuance and transfer of shares to Statoil is a condition to the Edvard Grieg transaction*
- *$\frac{2}{3}$ majority EGM approval, excluding Statoil's 11.93% shareholding*

Lundin Petroleum

After the Transaction

Current issued Lundin Petroleum shares:	311,070,330 ⁽¹⁾
new shares:	+ 27,580,806
new shares:	+ 1,735,309
Post-transaction issued Lundin Petroleum shares:	340,386,445

(1) including 2,000,000 own shares

- ➔ Dilution to Lundin Petroleum shareholders of approximately 8.6%
- ➔ Lundin family entities shareholding from 31.4% to 28.8%
 - ➔ Remain as committed long-term shareholders
 - ➔ Voting in favour of the transaction at this EGM
- ➔ Statoil shareholding from 11.93% to 20.1%

Proposed Transaction with Statoil

Expected Timeline

- ⇒ 3 May 2016 Announcement and EGM Notice
- ⇒ 30 May 2016 Lundin Petroleum EGM
- ⇒ June 2016 Norwegian government approval
- ⇒ Completion expected 30 June 2016, subject to receipt of approvals



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