Lundin Energy

Press Release

Stockholm, 14 December 2020

Successful refinancing into a USD 5 billion corporate credit facility

Lundin Energy AB (the 'Company") is pleased to announce that is has successfully completed the refinancing of its existing secured USD 4.75 billion Reserves Based Lending facility ("RBL") and other corporate facilities, into a new, lower margin USD 5 billion five year corporate facility, (the "Facility").

Highlights

- New USD 1.5 billion five-year Revolving Credit Facility ("RCF")
- New USD 3.5 billion 2 to 5 year maturity term loans
- Weighted average margin of 1.6 percent above LIBOR[1] which is 0.9 percentage points lower compared to the current RBL margin
- Inclusion of ESG Key Performance Indicators ("KPI"), impacting margin according to performance
- 16 international banks in the Facility
- Additional 'accordion' option of up to USD 1 billion

The Facility is a combination of a five-year USD 1.5 billion RCF and USD 3.5 billion term loans, split across two, three, four and five year maturities, replacing the current USD 4.75 billion RBL and USD 500 million of other credit facilities. The average margin across the Facility is significantly improved to 1.6 percent above LIBOR[1], from the current RBL rate of 2.5 percent above LIBOR. The Facility also includes the option to bring in additional commitments in an accordion option of up to USD 1 billion. In line with the Company's best in class environmental profile, ESG KPIs on carbon intensity and renewable electricity generation have been incorporated into the margin payable, providing further financial incentives for the delivery of the Decarbonisation Strategy and 2030 carbon neutrality target. The structure of the Facility is such, that it is compatible with unsecured bond issuances through the debt capital markets at pari passu terms, which could be utilised at an appropriate time to diversify the Company's capital structure.

Teitur Poulsen, CFO of Lundin Energy comments:
"I am very pleased to announce the successful completion of the refinancing of our credit facilities into a simplified and more flexible structure of RCF and term loans, on significantly better terms. For the first time we are also including ESG KPIs into our debt framework, which will serve to offer an economic incentive to continue improving our Carbon emissions performance. This further demonstrates the financial value which can be realised from industry leading sustainable operations. I believe it is a sign of the resilience of the business, quality of the asset base and future growth profile that we were able to secure continued support from our key lenders on enhanced terms. This was achieved while successfully trading through one of the most challenging oil markets in recent years. The Facility gives us additional flexibility in terms of our financial framework and improved liquidity headroom, which alongside our BBB-[2] credit rating, positions the Company's balance sheet well, as we continue to pursue our organic growth strategy.

"I would like to take this opportunity to thank all of our existing lenders who continue to support us in this new Facility and also welcome the new faces into the bank syndicate."

Lundin Energy has grown from an oil and gas exploration company into an experienced Nordic energy developer and operator. We continue to explore new ideas, new concepts and new solutions to maintain our position as an industry leader in production efficiency, sustainability and decarbonisation. (Nasdaq Stockholm: LUNE). For more information, please visit us at www.lundin-energy.com or download our App www.myirapp.com/lundin

[1]*LIBOR: London Inter-Bank Offered Rate*
[2]*S&P Global Inc.*

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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), productions 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.