

Lundin Petroleum announces its 2020 budget, production guidance and capital markets day information

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce its 2020 development, appraisal, exploration and abandonment budget which totals USD 1.27 billion and represents a 30 percent increase on 2019 capital expenditure. The production guidance for 2020 is between 145 to 165 thousand barrels of oil equivalent per day (Mboepd) and the long-term production guidance is increased to 160 – 170 Mboepd from 2021 with a target of over 200 Mboepd.

	2020 guidance	2019 Results
Production	145 to 165 Mboepd	93.3 Mboepd
Operating cost	USD 3.4 per boe	USD 4.03 per boe
Development expenditure	MUSD 895	MUSD 672
Exploration and Appraisal expenditure	MUSD 225	MUSD 298
Abandonment expenditure	MUSD 50	MUSD 4
Renewables Investments	MUSD 100	-

Long-term guidance	Updated guidance	Previous guidance
Production	160 – 170 Mboepd (2021 onwards)	>150 Mboepd from Johan Sverdrup Phase 1 plateau (2020)
	Target >200 Mboepd	~170 Mboepd from Johan Sverdrup full field plateau (2023)
Operating cost	USD 3.2 – 4.2 per boe	USD 3.4 to 4.4 per boe from 2020 onwards

2020 Production Guidance

The average production in 2019 was 93.3 Mboepd, which was above the mid-point of the upgraded 2019 production guidance of between 90 and 95 Mboepd, and 10 percent above the mid-point of the original guidance of 75 to 95 Mboepd. Lundin Petroleum's production guidance for 2020 is between 145 to 165 Mboepd, reflecting the ramp-up of Johan Sverdrup Phase 1 to plateau levels by the summer of 2020 and a planned two-week maintenance shutdown at Edvard Grieg in the second quarter of 2020. The production contribution is split approximately 50 percent from the Johan Sverdrup field, 40 percent from the Edvard Grieg field and the remainder from the other assets.

The long-term production guidance for the Company has been increased to between 160 and 170 Mboepd from 2021 onwards, with a target of over 200 Mboepd from upsides from existing fields. The updated long-term guidance reflects the sale of a 2.6 percent interest in Johan Sverdrup during 2019, which is offset by an extension of the Edvard Grieg plateau period.

Development Budget

The 2020 development expenditure is budgeted at USD 895 million, which is an increase of one-third over 2019 levels. The Edvard Grieg tie-back projects, Solveig and Rolvsnes EWT will see increased activity compared to last year, and drilling will start on the Edvard Grieg infill campaign.

Approximately 40 percent of the 2020 budgeted development expenditure relates to the non-operated Johan Sverdrup field (WI 20%). The remaining spend for the Phase 1 project relates mainly to the drilling of additional development wells, while the Phase 2 project will see another active year of construction ahead of scheduled start-up in Q4 2022.

Approximately 35 percent of the budgeted development expenditure relates to the operated Solveig project (WI 65%) and the Rolvsnes Extended Well Test (WI 80%). Both projects will be subsea tie-backs to Edvard Grieg and are being implemented together. In 2020, offshore construction activities will take place, which include the

installation of the subsea equipment and pipelines. On Solveig, drilling will start on the first development wells during the year and the project remains on track for first oil in Q1 2021.

The Edvard Grieg field (WI 65%) 2020 programme, includes drilling of the first of the three infill wells sanctioned in 2019, as well as contribution to the Utsira High Area power from shore system.

Budgeted expenditure at the non-operated Alvheim area involves the drilling of two infill wells.

Exploration and Appraisal Budget

The exploration and appraisal budget for 2020 is USD 225 million and involves the drilling of 10 wells, of which five are operated, and is targeting over 650 MMboe of net unrisks resources.

Four exploration wells are planned in the Southern Barents Sea. Two wells will be drilled on the Loppa high area close to the Alta/Gohta discoveries, targeting the Polmak prospect in PL609 (WI 40%) and the Bask prospect in PL533B (WI 40%). The other wells to be drilled are Schenzhou in PL722 (WI 20%) close to the Wisting oil discovery, and Spissa in PL960 (WI 20%).

In the Norwegian Sea two wells are planned, an appraisal well on the Balderbrå gas discovery made in 2018 in PL894 (WI 10%) estimated to contain between 50 and 140 MMboe of gross resources and an exploration well on the Melstein prospect in PL886 (WI 60%).

Four exploration wells are planned to be drilled in the Norwegian North Sea, Iving in PL820S (WI 40%) and Hasselbaink in PL917 (WI 20%) both located east of the Alvheim area, Merckx in PL981 (WI 60%) in the greater Utsira High area within tie-back distance to Edvard Grieg, and the Dovregubben prospect in PL976 (WI 50%) on the Sele High southeast of the Utsira High.

Abandonment Expenditure

The 2020 abandonment expenditure budget is USD 50 million for abandonment of the Brynhild development wells, representing the bulk of the field abandonment costs, and with the subsea facilities scheduled to be decommissioned in 2021.

Renewables Power Investments

Investments in the Leikanger hydropower and Metsälamminkangas windfarm renewables power projects in 2020 is USD 100 million, representing approximately eight percent of the Company's total capital spend, which also reflects the intention to farm-down 50% of the 100% acquired interest in the Metsälamminkangas project.

2020 Capital Markets Day information

Lundin Petroleum will be hosting its 2020 Capital Markets Day on 31 January 2020 at 11.00 CET (10.00 GMT) at the London Stock Exchange. The Capital Markets Day will include presentations by the Company's management team on its fourth quarter 2019 financial results, the business strategy, the 2020 budgeted development campaign and its exploration and appraisal programme. Details for the live webcast:

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Access Pin : 58812582

Link : https://lundinpetroleum.videosync.fi/2020-01-31-q4_cmd

Lundin Petroleum is one of Europe's leading independent oil and gas exploration and production companies with operations focused on Norway and listed on Nasdaq Stockholm (ticker LUPE). Read more about Lundin Petroleum's business and operations at www.lundin-petroleum.com

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This is information that Lundin Petroleum AB is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out above, at 07:31h CET on 31 January 2020.

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