

Update on second quarter 2021 financial results and audiocast details for 28 July 2021

Lundin Energy AB (Lundin Energy) will publish its financial report for the second quarter 2021 on Wednesday, 28 July 2021. For the second quarter 2021, Lundin Energy will expense pre-tax exploration and appraisal costs of approximately MUSD 119 and recognise a net foreign exchange gain of approximately MUSD 45.

Exploration and appraisal costs

It is the Company's policy to capitalise costs associated with its exploration and appraisal activities and if it is determined that a commercial discovery has not been achieved, the associated costs are charged to the income statement. For the second quarter of 2021, Lundin Energy will incur a pre-tax charge to the income statement of approximately MUSD 119 relating to exploration and appraisal costs. These costs will be offset by a tax credit of approximately MUSD 93. The costs are mainly related to the Shenzhou well in PL722, the Iving wells in PL820S and relinquished licences.

Notes issuance and foreign exchange gain

Lundin Energy issued USD 2 billion of Senior Notes (the Notes) during the second quarter of 2021 with a fixed interest rate. The Company used the gross proceeds of the Notes issuance, in combination with cash on hand, to repay USD 2 billion of the corporate credit facility term loans with a floating interest rate. As a result, part of the outstanding interest rate hedge contracts are no longer considered effective under hedge effectiveness testing. The mark-to-market fair value of these ineffective contracts of approximately MUSD -38 (loss) will be recognised as a non-cash item in the income statement during the second quarter of 2021. As a result of the USD 2 billion repayment of the corporate credit facility term loans, part of the unamortized capitalised financing fees were expensed during the second quarter.

Lundin Energy will recognise a net foreign exchange gain of approximately MUSD 45 for the second quarter of 2021. The Norwegian Krone was stable against the US Dollar and the Euro strengthened against the US Dollar by approximately 1 percent during the second quarter of 2021. The foreign exchange gain is largely non-cash and mainly relates to the revaluation of loan balances at the prevailing exchange rates at the balance sheet date.

Change in under/overlift balances

Lundin Energy recognises income based on its sold volume (sales method). Consequently, changes in inventory and under/overlift balances are reported as an adjustment to cost, valued at production cost, including depletion. During the second quarter of 2021, Lundin Energy was underlifted by 10.1 Mboepd.

Revenue from crude oil sales from third parties

Lundin Energy markets its own crude oil production and at times markets crude oil from third parties. For the second quarter 2021, revenue from the sale of crude oil from third parties amounted to MUSD 171.8 offset by the purchase of crude oil from third parties of MUSD 170.4, resulting in a gross profit of MUSD 1.4 on third party activities for the second quarter 2021.

Release of report and audiocast on 28 July 2021

Lundin Energy's financial report for the second quarter 2021 will be published on Wednesday 28 July at 07:30 CEST, followed by a live audiocast at 14:00 CEST where Nick Walker, President and CEO, and Teitur Poulsen, CFO, will be commenting on the report and the latest developments in Lundin Energy.

Follow the presentation live on www.lundin-energy.com or dial in using the following telephone numbers:

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Lundin Energy is an experienced Nordic oil and gas company that explores for, develops and produces resources economically, efficiently and responsibly. We focus on value creation for our shareholders and wider stakeholders through three strategic pillars: Resilience, Sustainability and Growth. Our high quality, low cost assets mean we are resilient to oil price volatility, and our organic growth strategy, combined with our sustainable approach and commitment to decarbonisation, firmly establishes our leadership role in a lower carbon energy future. (Nasdaq Stockholm: LUNE). For more information, please visit us at www.lundin-energy.com or download our App www.myrapp.com/lundin

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.