

Lundin Petroleum announces its 2019 budget, production guidance and capital markets day information

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce its 2019 development, appraisal and exploration budget which totals USD 1.23 billion and represents a 21 percent increase on 2018 capital expenditure due to anticipated new project sanctions. The production guidance for 2019 is between 75 to 95 thousand barrels of oil equivalent per day (Mboepd).

	2019 guidance	2018 results
Production	75 – 95 Mboepd	81.1 Mboepd
Operating cost	USD 4.25 per boe	USD 3.66 per boe
Development expenditure	MUSD 930	MUSD 702
Appraisal expenditure	MUSD 80	MUSD 160
Exploration expenditure	MUSD 220	MUSD 151

Long-term guidance	Updated guidance	Previous guidance
Production	>150 Mboepd from Johan Sverdrup Phase 1 plateau (2020)	>130 Mboepd from Johan Sverdrup Phase 1
	>170 Mboepd from Johan Sverdrup full field plateau (2023)	>160 Mboepd from Johan Sverdrup plateau
Operating cost	USD 3.2 – 4.2 per barrel post Johan Sverdrup start-up	USD 3.9 – 4.4 per barrel post Johan Sverdrup start-up

2019 Production Guidance

The average production in 2018 was 81.1 Mboepd, which was at the upper end of the revised 2018 production guidance of between 78 and 82 Mboepd. Lundin Petroleum's production guidance for 2019 is between 75 to 95 Mboepd, reflecting a range around the expected start-up of Johan Sverdrup in November 2019, with an early start-up in October 2019 and a late start-up in early 2020. For the mid-point of the production guidance, the contribution is split approximately 75 percent from the Edvard Grieg field, 15 percent from the Alvheim Area and 10 percent from the Johan Sverdrup field.

In light of over performance from our existing production assets and the soon to be sanctioned Luno II project, the long-term production guidance for the Company has been increased to over 150 Mboepd from Johan Sverdrup Phase 1 plateau in 2020 and to over 170 Mboepd from Johan Sverdrup full-field plateau in 2023.

Development Budget

The 2019 development expenditure is budgeted at USD 930 million, which is an increase of approximately 30 percent over 2018 levels. With the sanction of Johan Sverdrup Phase 2, development expenditure for Johan Sverdrup is broadly flat between 2018 and 2019 and the increase in the development budget relates mainly to the Luno II, Rolvsnes extended well test (EWT) and Edvard Grieg infill drilling projects. The budget also reflects increased working interests at Luno II and Rolvsnes due to the recent transactions with Equinor and Lime Petroleum.

Approximately 70 percent of the 2019 budgeted development expenditure relates to the non-operated Johan Sverdrup field (WI 22.6%). 2019 will be another active year for the project, with installation of the two remaining Phase 1 topsides for the living quarters and the processing platform, the commissioning of the combined facilities and the tieback of eight pre-drilled producers, after which drilling of additional wells will start. Phase 1 is approximately 85 percent complete and is on schedule for expected first oil in November 2019. Phase 2 was sanctioned in 2018, the key contracts have been awarded, construction has commenced and the project is progressing according to plan.

Approximately 20 percent of the budgeted development expenditure relates to the operated Luno II project (WI 65%) and the Rolvsnes EWT (WI 80%), both of which are planned to be sanctioned during the first quarter of 2019. Both projects will be subsea tie-backs to Edvard Grieg and will be implemented together.

The Edvard Grieg field (WI 65%, operated) 2019 programme, includes contribution to the Utsira High area power from shore solution and preparations for an infill drilling programme, which will be sanctioned during the year.

Budgeted expenditure at the non-operated Alvheim area involves the drilling of an infill well at Volund (WI 35%) and the drilling of the Frosk test production well in PL340 (WI 15%) which will be produced through the Bøyla subsea facilities.

Appraisal Budget

The pre-tax appraisal budget for 2019 is USD 80 million and is aimed at moving the pipeline of seven potential new projects towards development. The programme involves the drilling of two appraisal wells.

Following the positive results from the operated Alta EWT in 2018, an appraisal well is being planned at the Alta and Gohta discoveries in either of PL609 (WI 40%) or PL492 (WI 40%). The future appraisal plan will be defined once the large amount of new data from the EWT and latest generation 3D seismic (Topseis) has been fully assimilated. Additionally, an appraisal well is planned on the Lille Prinsen discovery in PL167 (WI 20%) which will target a significant resource upside compared to current estimates. The 2019 appraisal budget also includes expenditure on front end engineering design (FEED) and plan for development and operations (PDO) studies for Luno II and the Rolvsnes EWT.

Exploration Budget

The pre-tax exploration budget for 2019 is USD 220 million. With a total of 15 planned exploration wells, this is Lundin Petroleum's largest exploration programme to date and is targeting over 750 MMboe of net unrisks resources.

Nine wells are planned to be drilled in the Norwegian North Sea, with four of these wells in the greater Utsira High area, three wells in the Alvheim area, and one well in each of the Mandal High and Northern North Sea core areas.

The four wells in the greater Utsira High area are the Goddo prospect in PL815 (WI 60%) which is an extension to the Rolvsnes basement oil discovery, the dual target well on the Jorvik and Tellus East prospects in PL338 (WI 65%) which is a step-out to Edvard Grieg, the JK prospect in PL916 (WI 20%) and the dual target well on the Evra and Irving prospects in PL820S (WI 30%). The three wells planned in the Alvheim area all located in PL869 (WI 20%) and will be targeting the Rumpetroll, Froskelår Main and Forskelår NE prospects. The Froskelår Main well is currently drilling. In the Mandal High area, a dual target well is planned on the Vinstra and Otta prospects in PL539 (WI 20%) and in the Northern North Sea area, the Gladsheim prospect in PL921 (WI 15%) will be drilled.

Four wells are planned in the southern Barents Sea, with two wells in PL857 (WI 20%), targeting the Gjøkåsen Shallow and Deep prospects respectively, one well targeting the deeper horizons of the Korpffjell prospect in PL859 (WI 10%) and one well targeting the Pointer and Setter prospects in PL767 (WI 50%). The Gjøkåsen Shallow and Pointer/Setter wells are currently drilling.

In the Norwegian Sea two wells are planned, the Toutatis prospect in PL896 (WI 20%) and the Lynghaug prospect in PL758 (WI 20%).

2019 Capital Markets Day information

Lundin Petroleum will be hosting its 2019 Capital Markets Day on 30 January 2019 at 15.00 CET at the London Stock Exchange. The Capital Markets Day will include presentations by the Company's management and operational team on the business strategy as well as the 2019 budgeted development campaign and exploration and appraisal programme. Details for the live webcast: <https://lundinpetroleum.videosync.fi/2019-01-30-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

For further information, please contact:

Edward Westropp
VP Investor Relations
Tel: +41 22 595 10 14
edward.westropp@lundin.ch

Sofia Antunes
Investor Relations Officer
Tel: +41 795 23 60 75
sofia.antunes@lundin.ch

Robert Eriksson
Manager, Media Communications
Tel: +46 701 11 26 15
robert.eriksson@lundin-petroleum.se

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 15:00 CET on 30 January 2019.

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