

21 December 2021

## **Aker BP and Lundin Energy combine their oil and gas businesses**

**Aker BP ASA (Oslo Børs: AKRBP) and Lundin Energy AB (Nasdaq Stockholm: LUNE) today jointly announced that Aker BP ASA (“Aker BP”) and Lundin Energy AB (“Lundin Energy”) have entered into a transaction agreement pursuant to which Aker BP shall combine its business with Kommstart 157 AB (publ), reg.no. 559355-1764 (“Target”), a newly established Swedish public limited liability company currently wholly-owned by Lundin Energy, which at the time of completion of the Merger (as defined below) shall consist of *inter alia* all of Lundin Energy’s oil and gas related assets. The combination shall be made through a statutory merger (the “Merger”), whereby the merged company will become the second largest oil and gas producer on the Norwegian Continental Shelf (the “Combined Company”). The Merger will be implemented by Aker BP absorbing the Target.**

On 21 December 2021, Aker BP and Lundin Energy have entered into a transaction agreement (the “**Transaction Agreement**”), pursuant to which Aker BP and Lundin Energy have agreed to combine parts of Lundin Energy’s business operations with Aker BP through the Merger. Lundin Energy’s shares in Target will be distributed to the shareholders of Lundin Energy by way of a so-called Lex Asea dividend, where each share in Lundin Energy will entitle to one share in Target, upon which Target will merge with Aker BP and Target shareholders will receive a combination of shares in Aker BP, in the form of Swedish Depositary Receipts, and cash as merger consideration.

### **The transaction in short**

- Target’s shareholders, who will be identical with the shareholders of Lundin Energy immediately after the Lex Asea dividend, will receive as merger consideration a cash amount in SEK corresponding to USD 7.76 at the average exchange rate established by the WM/Refinitiv Spot (Bloomberg code: WMCO) across the ten business days preceding the third business day prior to implementation of the Merger plus 0.950985 shares in Aker BP, in the form of Swedish Depositary Receipts, for each share in Target outstanding as at completion of the Merger. Hence, Target shareholders will in total receive approximately 43 percent economic ownership in the Combined Company, corresponding to in total approximately 272 million shares in Aker BP and a total cash consideration of USD 2.22 billion to be

converted into SEK prior to closing.<sup>1, 2, 3</sup> Aker BP will only distribute whole Swedish Depositary Receipts and will for each shareholder be rounded down to the nearest whole number. The consideration for excess fractions will be paid in cash.

- The completion of the Merger is subject to, *inter alia*, approval by the shareholders of each of Aker BP and Lundin Energy at their respective general meetings, which are currently expected to be summoned no later than 28 February 2022, as well as approval from relevant authorities.
- The boards of Aker BP and Lundin Energy believe that the Merger is to the benefit of each respective company and its shareholders. Both boards consider the exchange ratio to be reasonable and unanimously recommend their respective shareholders to approve the Merger.
- The Combined Company will be a leading independent Exploration & Production company and the second largest oil and gas producer on the Norwegian Continental Shelf.
- Aker Capital AS and BP Exploration Operating Company Ltd, together representing 65.0 percent of the capital and votes in Aker BP, and Nemesia s.a.r.l., representing 33.4 percent of the capital and votes in Lundin Energy, support the Merger and have undertaken to vote to approve the Merger at the respective companies' general meetings. In addition, Aker Capital AS, Exploration Operating Company Ltd and Nemesia s.a.r.l. have undertaken to not transfer, sell, pledge or lend or acquire any shares or rights to shares in either Lundin Energy or Aker BP, or any cash settled financial instruments for which such shares are the underlying security, until such time which is six months following either the implementation of the Merger or until such time when the Merger has been withdrawn.
- The total value of the Merger consideration to the shareholders of Target corresponds to approximately SEK 100.17 billion<sup>4</sup>, based on the closing price of the Aker BP share on 20 December 2021. This represents a cash consideration of SEK 71.0 and a share consideration of SEK 279.3 for each Target share.

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<sup>1</sup> Economic ownership and total cash consideration calculated based on 285,924,614 outstanding Lundin Energy shares (including treasury shares to be divested prior to the implementation of the Merger) as of 21 December 2021. Should Lundin Energy, after 30 September 2021 and prior to the implementation of the Merger, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Merger will be adjusted accordingly, except for (i) value transfers carried out in the restructuring to create the Target, (ii) the distribution by Lundin Energy of all shares in the Target, (iii) annual dividend of USD 2.25 per share to be paid in quarterly instalments resolved at the annual general meeting 2022 and Q4 dividend declared prior to the date hereof and expected to be paid in January 2022. In the event Lundin Energy carries out an intervening bonus issue, share split, reverse share split, preferential rights issue at a discount to market or other similar corporate event, the Merger consideration shall also be adjusted accordingly.

<sup>2</sup> If Aker BP after 30 September 2021 shall have paid or pays any dividend or makes any other value transfer to its shareholders prior to the completion of the Merger (other than (i) dividend declared and paid and prior to the date hereof and publicly disclosed and (ii) annual dividend of USD 1.90 per share to be paid in quarterly instalments of USD 0.475 per share, beginning from the first quarter in 2022), Aker BP shall increase the cash component of the Merger consideration accordingly. In the event Aker BP carries out an intervening bonus issue, share split, reverse share split, preferential rights issue at a discount to market or other similar corporate event, the Merger consideration shall also be adjusted accordingly.

<sup>3</sup> As Aker BP is not merging with the entire Lundin Energy, Aker BP is of the opinion that a fair statement of the premium of the Merger consideration in relation to the closing price of Lundin Energy's shares or other time periods prior to this announcement is not possible. Thus, this announcement does not contain any statements regarding premiums in the Merger.

<sup>4</sup> Based on the NOK/SEK and USD/SEK exchange rates of 20 December 2021 from Sveriges Riksbank.

## **The Combined Company**

The combination of Aker BP and Lundin Energy unites two highly successful Exploration & Production (“E&P”) companies which have both been instrumental in the development of the Norwegian Continental Shelf (“NCS”) for more than a decade.

The Combined Company will be the second largest oil and gas producer on the NCS, with a combined oil and gas production of approximately 400,000 barrels of oil equivalent per day, and a global leader in the E&P sector with regard to low cost and low emissions. The company will be the operator of six major production hubs on the NCS in addition to being the second largest owner of the giant Johan Sverdrup oil field.

The Combined Company will be uniquely positioned for profitable growth through participation in major new field development projects like NOAKA, Wisting and Valhall NCP/King Lear, as well as continued field development activities around the company’s existing assets.

### **Comments from Øyvind Eriksen, President and CEO of Aker ASA and Chairman of Aker BP**

*“In 2016 we created Aker BP together with BP when we combined Det norske and BP Norge. We have always admired Lundin Energy both as a partner and as a highly capable operator on the Norwegian Continental Shelf with world class assets, like their 20 per cent participating interest in Johan Sverdrup. Already when we created Aker BP, a subsequent acquisition of Lundin Energy was a vision shared between BP and Aker. Today the vision has become a reality. We are seizing an opportunity that will make a difference for both Aker and Norway for decades to come. The collaboration with BP has been outstanding from day one. We are grateful for their significant contribution to the success of Aker BP. Our mutual strategic interests have also provided opportunities to expand our strong relationship into new areas, including digitalization, offshore wind, and oil services. Now we are welcoming Lundin (through Nemesia S.á.r.l) as fellow shareholders in Aker BP. Ashley Heppenstall is joining as a new Lundin-nominated board member. We are looking forward to a long-term collaboration with both BP and Lundin based on a shared ambition of developing and positioning the Enlarged Aker BP as the E&P company of the future. Our strengths remain: an excellent workforce, low production cost, low emissions, high growth, a strong balance sheet and an attractive dividend policy. The shareholding in Aker BP is the most valuable asset in the Aker portfolio and will continue to be a core part of our industrial holdings long term.”*

### **Comments from Karl Johnny Hersvik, Chief Executive Officer of Aker BP**

*“We are now creating the E&P company of the future which will offer among the lowest CO2 emissions, the lowest cost, high free cash flow and the most attractive growth pipeline in the industry, with a high dividend capacity combined with a strong Investment Grade credit rating. We know the Lundin organisation well and we are convinced that we will make an even better Aker BP together.”*

## **Background and rationale**

The merger of Aker BP and Lundin Energy unites two highly successful E&P companies which have both been instrumental in the development of the NCS for more than a decade, to create the E&P company of the future.

The proposed combination has strategic, and value accretive benefits and the Combined Company will be characterized by increased scale, world-class quality, and high returns::

- High cash flow through the cycle with capacity to pay an increasing dividend
- Potential to realise operational synergies of up to USD 200 million per year
- Low operating costs and one of the lowest carbon intensities of any E&P company

- Resource base of 2.7 billion barrels of oil equivalents with significant growth potential
- Estimated production in 2022 above 400 mboepd
- An attractive pipeline of development projects with low break-evens with potential to grow production above 500 mboepd by 2028
- Credit accretive through enhanced balance sheet resilience and increased scale
- Ability to deploy digital technologies and alliance models to further strengthen operations and further reducing the company's carbon footprint

The Combined Company will be a leading independent E&P company and the second largest oil and gas producer on the NCS. It will be well-positioned to play a leading role in shaping the transformation of the E&P industry going forward. This will include, amongst other things, even broader use and development of alliance models and deployment of digital technologies which have been a cornerstone of Aker BP's success to date. Due to its distinctiveness, the company will be positioned to attract capital and talent for further value creation.

## **The Merger**

On 21 December 2021, the Aker BP and Lundin Energy entered into the Transaction Agreement, pursuant to which Aker BP and Lundin Energy have decided to combine Aker BP's and Target's business operations through a statutory merger in accordance with the Norwegian Public Limited Liability Companies Act and the Swedish Companies Act. The Merger will be implemented by Aker BP absorbing Target.

### *Choice of transaction method*

The aim of the Merger is to combine Aker BP with Lundin Energy's Norwegian oil and gas related assets, rights and liabilities. The legal proceedings related to the indictment towards certain Lundin Energy officials, and all matters relating to the circumstances which have given rise to such indictment will not transfer across to the Target and will remain a risk for Lundin Energy only.

Lundin Energy's shares in Target will be distributed to the shareholders of Lundin Energy by way of a so-called Lex Asea dividend, where each share in Lundin Energy will entitle to one share in Target, upon which Target will merge with Aker BP and the Target shareholders will receive a combination of shares in Aker BP, in the form of Swedish Depositary Receipts, and cash as merger consideration.

The boards of Aker BP and Lundin Energy are of the opinion that the acquisition of Lundin Energy's Norwegian oil and gas related assets should be implemented by means of a statutory merger between Aker BP and Target, after the relevant assets have been transferred to Target, in accordance with the Norwegian Public Limited Liability Companies Act and the Swedish Companies Act, whereby Aker BP's and Lundin Energy's shareholders will be given the opportunity to approve the Merger at their respective general meetings.

The boards of Aker BP and Lundin Energy will propose that the Merger is implemented with Aker BP as the absorbing company and Target as the transferring company.

### *Merger consideration*

Target's shareholders, who immediately following the Lex Asea dividend will be identical to the shareholders of Lundin Energy, will receive as merger consideration a cash amount in SEK corresponding to USD 7.76 to be converted at the average exchange rate established by the WM/Refinitiv Spot (Bloomberg code: WMCO) across the ten business days preceding the third business day prior to implementation of the Merger plus 0.950985 new shares in Aker BP, in the form of Swedish Depositary Receipts, for each share in Target (i.e., new shares in Aker BP will be issued to Target's shareholders in proportion to their shareholdings in Lundin Energy at the

time of implementation of the Lex Asea dividend and the Merger). Hence, the shareholders of Target will receive in total approximately 43 percent economic ownership in the Combined Company corresponding to in total approximately 272 shares in Aker BP and a total cash consideration of in SEK corresponding to USD 2.22 billion to be converted at the average exchange rate established by the WM/Refinitiv Spot (Bloomberg code: WMCO) across the ten business days preceding the third business day prior to implementation of the Merger.<sup>5</sup> <sup>6, 7</sup> Aker BP will only issue whole Swedish Depositary Receipts, and for each shareholder the shares will be rounded down to the nearest whole number. The consideration for excess fractions will be paid in cash.

The total value of the Merger consideration to the shareholders of Target is estimated to approximately SEK 100.17 billion. This represents a cash consideration of approximately SEK 71.0 and a share consideration of approximately SEK 279.3 for each Target share. The estimated figures are based on the closing share price of the Aker BP share on 20 December 2021 of NOK 291.60, the cash element of USD 2.22 billion and the issuance of approximately 272 million new Aker BP shares issues to Target. The estimates are converted into SEK using the USD/SEK and NOK/SEK exchange rates observed on Sveriges Riksbank website on 20 December 2021 and a total number of Target shares of 285,924,614.

#### *Number of shares in Aker BP following the Merger*

The number of shares issued to Target shareholders as part of the merger consideration will be based on the number of Target shares outstanding at the time of completion of the Merger. Under the assumption that the number of shares outstanding in Target at the implementation of the Merger is the same as in Lundin Energy as of 20 December 2021, including treasury shares to be divested prior to the implementation of the Merger, the aggregate number of newly issued shares in Aker BP would be 272 million. On this basis, the total outstanding shares in Aker BP following completion of the Merger would be approximately 632 million.

### **Overview of the Combined Company**

#### *Business overview*

The Combined Company will be an experienced Nordic oil and gas company that explores for, develops and produces oil and gas resources economically, efficiently and responsibly. The company will have an asset portfolio consisting of high-quality assets with low cost and low CO<sub>2</sub> emissions, and a significant portfolio of attractive organic growth opportunities.

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<sup>5</sup> Economic ownership and total cash consideration calculated based on 285,924,614 outstanding Lundin Energy shares (including treasury shares to be divested prior to the implementation of the Merger) as of 21 December 2021. Should Lundin Energy, after 30 September 2021 and prior to the implementation of the Merger, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration in the Merger will be adjusted accordingly, except for (i) value transfers carried out in the restructuring to create the Target, (ii) the distribution by Lundin Energy AB of all shares in the Target, (iii) annual dividend of USD 2.25 per share to be paid in quarterly instalments resolved at the annual general meeting 2022) and Q4 dividend declared prior to the date hereof and expected to be paid in January 2022. In the event Lundin Energy carries out an intervening bonus issue, share split, reverse share split, preferential rights issue at a discount to market or other similar corporate event, the Merger consideration shall also be adjusted accordingly.

<sup>6</sup> If Aker BP after 30 September 2021 shall have paid or pays any dividend or makes any other value transfer to its shareholders prior to the completion of the Merger (other than (i) dividend declared and paid and prior to the date hereof and publicly disclosed and (ii) annual dividend of USD 1.90 per share to be paid in quarterly instalments of USD 0.475 per share, beginning from the first quarter in 2022), Aker BP shall increase the cash component of the Merger consideration accordingly. In the event Aker BP carries out an intervening bonus issue, share split, reverse share split, preferential rights issue at a discount to market or other similar corporate event, the Merger consideration shall also be adjusted accordingly.

<sup>7</sup> As Aker BP is not merging with the entire Lundin Energy, Aker BP is of the opinion that a fair statement of the premium of the Merger consideration in relation to the closing price of Lundin Energy's shares or other time periods prior to this announcement is not possible. Thus, this announcement does not contain any statements regarding premiums in the Merger.

### *Synergies*

The Merger is expected to create synergies of up to USD 200 million per year from improved operations, exploration cost savings and organisational optimisation. The combination is also expected to improve the Combined Company's credit profile which might lead to reduced financing costs.

### *Future dividend policy*

Following the implementation of the Merger, Aker BP's dividend policy will be based on the current Aker BP policy with an annual dividend of USD 1.9/share (increased by 14 percent from annual USD 1.7/share) to be paid in 2022 distributed on a quarterly basis. In line with the current Aker BP policy, an increase of 5 percent per annum is considered a minimum ambition with additional potential at higher commodity prices. The dividend policy is designed with the goal of ensuring the company retains its Investment Grade Credit rating.

### *Management and employees*

Following the Merger, Aker BP's executive management team will run the Combined Company. The Target executive management team shall remain available to the Combined Company for a period of three months after completion of the transaction to ensure an orderly transition. All personnel of Lundin Energy's oil and gas assets in Norway will remain employed by Aker BP upon completion and will have a work location in Oslo, Norway. Target's management team shall be compensated by Aker BP at completion of the Merger, including full vesting of long-term incentive programs, notice and severance payments and additional compensation. An additional transaction bonus will be paid out to members of the senior management of Lundin Energy, amounting in total to USD 28 million.

Except as outlined above, there are currently no decisions on any material changes to Aker BP's or Target's employees or to the companies' existing organisations and operations, including the terms of employment and locations of the businesses.

### *Ownership structure*

According to the Transaction Agreement, Target's shareholders will receive a financial ownership of approximately 43 percent in the Combined Company.

The table below illustrates the ownership in the Combined Company if the Merger had been completed based on the latest available shareholder information.<sup>8</sup>

<b>Shareholder</b>	<b>Capital (%)</b>	<b>Votes (%)</b>
Aker Capital AS	21.2	21.2
BP Exploration OP Co Ltd	15.9	15.9
Nemesia s.a.r.l.	14.4	14.4
State Street Bank and Trust Co, W9	3.9	3.9
JP Morgan Chase Bank NA	3.1	3.1
Folketrygdfondet	2.3	2.3
BNY Mellon NA (former Mellon), W9	2.2	2.2

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<sup>8</sup> As of 20 December 2021

BNY Mellon SA/NV (former BNY), W8IMY	1.7	1.7
The Northern Trust Company	1.1	1.1
HSBC Bank plc, W8IMY	1.0	1.0
<b>Top 10 shareholders</b>	<b>66.6</b>	<b>66.6</b>
Other shareholders	33.4	33.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Preliminary unaudited combined financial information

The preliminary combined financial information set forth in this press release and the table below is provided for illustrative purposes only. The preliminary combined financial information has not been prepared in accordance with IFRS and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting principles or definitions of financial measures that have not been defined in accordance with IFRS have not been taken into account. Financial information for Aker BP and Lundin Energy have been based on publicly reported unaudited interim financial information. It is important to note that the combined financial information should not be considered as estimate for the current year or the coming twelve months. Due to materiality considerations, the Lundin Energy figures below have been derived directly from the consolidated figures, without any adjustments related to the part of the Lundin Energy Group not included in the transaction.

	1 July - 30 Sep 2021			1 Jan - 30 Sep. 2021			1 Oct. 2020 - 30 Sep. 2021		
USDm	Aker BP	Lundin	Combined	Aker BP	Lundin	Combined	Aker BP	Lundin	Combined
<b>Production (mboepd)</b>	210.0	193.6	<b>403.6</b>	210.2	188.8	<b>399.0</b>	213.5	187.9	<b>401.4</b>
<b>Total income</b>	1 563	1 478	<b>3 041</b>	3 820	3 863	<b>7 683</b>	4 653	4 643	<b>9 296</b>
<b>EBITDAX</b>	1 347	1 283	<b>2 630</b>	3 253	3 361	<b>6 614</b>	3 917	4 069	<b>7 986</b>
EBITDAX margin	86 %	87 %	86 %	85 %	87 %	86 %	84 %	88 %	86 %
<b>EBITDA</b>	1 250	1 245	<b>2 495</b>	2 983	3 123	<b>6 105</b>	3 605	3 774	<b>7 379</b>
EBITDA margin	80 %	84 %	82 %	78 %	81 %	79 %	77 %	81 %	79 %
<b>CAPEX*</b>	377.5	219.7	<b>597</b>	985	562	<b>1 548</b>	1 299	711	<b>2 010</b>
<b>Operating cash flow</b>	1 062.9	1 012.0	<b>2 075</b>	3 071	2 500	<b>5 571</b>	3 716	2 777	<b>6 493</b>
<b>Net interest bearing debt (NIBD)**</b>							2 174	2 647	<b>7 041</b>
Leverage ratio (NIBD / EBITDAX)							0.6x	0.7x	<b>0.9x</b>

\* For Aker BP the capex figure corresponds to the related APM definition in the quarterly accounts, meaning disbursements on investments in fixed assets, including payments of lease debt relating to capex activity. For Lundin Energy the capex figure corresponds to the development expenditure as stated in the financial review section of the quarterly reports.

\*\* For Aker BP the figure corresponds to the APM Net interest bearing debt as defined in the quarterly accounts. For Lundin Energy the figure corresponds to the APM Net debt as defined in the quarterly accounts. Combined net interest bearing debt includes cash consideration of USD 2.22 billion, in addition to the existing debt in the two companies.

### **Recommendation from the Board of Directors of Aker BP**

The Board of Directors of Aker BP is of the opinion that the Merger is beneficial to Aker BP and its shareholders. The Board also considers the merger consideration to be fair from a financial point of view to Aker BP.

### **Recommendation from the Board of Directors of Lundin Energy**

The Board of Directors of Lundin Energy is of the opinion that the Merger is beneficial to Lundin Energy and its shareholders. The Board also considers the merger consideration to be fair, from a financial point of view. The Board of Directors of Lundin Energy will issue a statement, in which the shareholders of Lundin Energy are recommended to vote in favour of the Merger.

### **Larger shareholders supporting the Merger**

The proposals of the Aker BP board and the Lundin Energy board are supported by the companies' major shareholders. Aker Capital AS, which owns 37.1 percent of the issued share capital in Aker BP, and BP Exploration Operating Company Ltd which owns 27.9 percent of the issued share capital in Aker BP, have undertaken to vote at the extraordinary general meeting of Aker BP for their respective holdings at the date of the Transaction Agreement in support of the Merger. Nemesia s.a.r.l. which owns 33.4 percent of the issued share capital in Lundin Energy, has undertaken to vote at the 2022 annual general meeting of Lundin Energy for their holding at the date of the Transaction Agreement in support of the Merger.

In addition, Aker Capital AS, Exploration Operating Company Ltd and Nemesia s.a.r.l. have undertaken to not transfer, sell, pledge or lend or acquire any shares or rights to shares in either Lundin Energy or Aker BP, or any cash settled financial instruments for which such shares are the underlying security, until such time which is six months following either the implementation of the Merger or until such time when the Merger has been withdrawn.

### **Holdings between Aker BP and Lundin Energy**

Aker BP does not own or control any shares in Lundin Energy, or other financial instruments which give Aker BP a financial exposure corresponding to a holding of shares in Lundin Energy. Aker BP has not acquired any shares in Lundin Energy during the last six months before the Merger was announced.

Lundin Energy does not own or control any shares in Aker BP, or other financial instruments which give Lundin Energy a financial exposure corresponding to a holding of shares in Aker BP. Lundin Energy has not acquired any shares in Aker BP during the last six months prior to the announcement of the Merger. Aker BP has undertaken to not acquire any shares in Lundin Energy and Lundin Energy has undertaken to not acquire any shares in Aker BP until the completion of the Merger.

### **General meetings**

Final decisions regarding the Merger will be made by a qualified majority (2/3 of the cast votes and shares represented at the meeting) at the respective general meetings of the two companies, whereby this majority requirement is applied within each class of shares represented at the meeting. The meetings are expected to be held in March and April 2022. Information materials will be available for the companies' shareholders well in time before the date of the meetings.

### **The Merger is planned to be finalised in the second quarter of 2022**

Taking into account the normal time for summoning shareholders, the Merger is expected to be fully implemented in the end of the second quarter of 2022 or in the beginning of the third quarter of 2022.



## **Pre-Merger undertakings**

Aker BP and Lundin Energy shall each, during the period from this day and until the day of the registration of the completion of the Merger with the Norwegian Register of Business Enterprises, carry on the business of the respective company in the ordinary course of business, consistent with past practice and current communicated strategy, during the period of negotiations and until any completion of the Merger.

## **Conditions for the Merger**

Completion of the Merger is conditional upon:

- (i) The general meeting of shareholders in each of Aker BP and Lundin Energy resolving, with requisite majority, to approve the Merger no later than 30 June 2022.
- (ii) No information made public by each of Aker BP and Lundin Energy or disclosed by either Aker BP or Lundin Energy to the other, being inaccurate, incomplete or misleading, and both Aker BP and Lundin Energy having made public all information that should have been made public by Aker BP or Lundin Energy.
- (iii) With respect to the Merger and Aker BP's acquisition of Target, all necessary regulatory, governmental or similar clearances, approvals and decisions (including from competition authorities, securities laws authorities and from the Norwegian Ministry of Petroleum and Energy and the Norwegian Ministry of Finance in respect of Aker BP's acquisition of Target and subsequent integration of Target into Aker BP, including transfer of operatorships) having been obtained by Aker BP (on terms and conditions, if any, reasonably acceptable to Aker BP) and remaining in full force and effect by and through 30 September 2022, or, if at such time any such clearances, approvals and decisions have not been obtained, and it is believed by the relevant party that all such will have been obtained no later than 31 December 2022, the time for satisfaction of this condition could be extended until a time that is no later than 31 December 2022.
- (iv) Neither the Merger nor Aker BP's acquisition of Target being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of a court or public authority, or any similar circumstance.

Each of the Parties reserves the right to withdraw from the Merger in the event that it is clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to the conditions set out in items (ii)–(iv), the Merger may only be withdrawn where the non-satisfaction of such condition is of material importance to the Merger or if otherwise approved by the Swedish Securities Council.

The boards of Aker BP and Lundin Energy has, to the extent permitted by applicable law, the right to, by a joint decision, decide to postpone the latest date for fulfilment of the above conditions from 30 June 2022 to a later date.

## **Financing**

Aker BP intends to finance the cash portion of the consideration in relation to the Merger through debt financing by way of a bridge loan on terms customary for a transaction of this kind with Skandinaviska Enskilda Banken AB, BNP Paribas and DNB. Completion of the Merger will not be subject to any financing condition.

## **Due Diligence**

In connection with the preparations for the Merger, the companies have carried out customary limited due diligence investigations of a confirmatory nature of certain business-related, financial and legal information

regarding Aker BP and Lundin Energy, respectively. During the due diligence investigations, no other information that had not previously been published and that could constitute inside information in relation to Aker BP and Lundin Energy, respectively, was provided.

### **Undertaking from Lundin Energy**

On 11 November 2021, the Swedish Prosecution Authority brought criminal charges against Mr. Ian Lundin and Mr. Alexandre Schneider in relation to past activities in Sudan in the years 1999-2003, including also charges against Lundin Energy for a corporate fine and forfeiture of economic benefits (the “**Indictment**”).

Lundin Energy sees no circumstance in which a corporate fine or forfeiture of economic benefits could become payable as Lundin Energy believes there are no grounds for any allegations of wrongdoing by any of its representatives or itself. Lundin Energy has agreed to indemnify the Target against losses, liabilities, costs or expenses, arising or incurred as a result of the underlying facts and circumstances relating to the Indictment, including both criminal claims and civil claims, and including the costs of handling such claims, incurred by or being made against any member of the Target group (including any successor entity) prior to or after the completion of the Merger.

### **Approvals from authorities**

The Merger is subject to approval by relevant authorities, including from competition authorities, securities laws authorities and from the Norwegian Ministry of Petroleum and Energy and the Norwegian Ministry of Finance, in respect of Aker BP’s acquisition of Target and subsequent integration of Target into Aker BP, including transfer of operatorships. Aker BP will provide more information about the regulatory schedule and process when such information is available.

### **Preliminary timetable<sup>9</sup>**

The Merger plan is published and is made available for the companies’ shareholders	End-February 2022
Publication of the merger document	Early March 2022
General meetings in Aker BP and Lundin Energy	March-April 2022
Norwegian Register of Business Enterprises registers the Merger (subject to approval by relevant authorities)	June – July 2022

### **Time for Target’s dissolution**

Target will be dissolved and its assets and liabilities are taken over by Aker BP as the Norwegian Register of Business Enterprises registers the Merger. This is expected to take place no earlier than mid-June 2022. The companies will later announce the day on which the Norwegian Register of Business Enterprises is expected to register completion of the Merger.

### **Governing law**

The Merger shall be regulated by and interpreted in accordance with Norwegian and Swedish laws. Aker BP and Lundin Energy have agreed to carry out the Merger in accordance with Section V of Nasdaq Stockholm’s Takeover Rules in all material respects.

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<sup>9</sup> All dates are preliminary and may be subject to change.

## **Advisors**

SEB Corporate Finance, Skandinaviska Enskilda Banken AB is financial Advisor to Aker BP in connection to the Merger. Advokatfirmaet BAHR AS is Norwegian legal advisor and Hannes Snellman Attorneys Ltd is Swedish legal advisor to Aker BP in connection with the Merger.

## **Information about the Merger**

Information about the Merger is made available at: [www.akerbp.com](http://www.akerbp.com).

## **Contact information**

### *Aker BP ASA*

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*This information is considered to include inside information pursuant to the EU Market Abuse Regulation article 7 and is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. This stock exchange announcement was published by Kjetil Bakken, VP Corporate Finance and Investor Relations at Aker BP ASA, on 21 December 2021 at 15:25 (CET).*

## **About Aker BP**

Aker BP is an independent E&P company with exploration, development and production activities on the Norwegian Continental Shelf. Aker BP is the operator of Alvheim, Ivar Aasen, Skarv, Valhall, Hod, Ula and Tambar. The company is also a partner in the Johan Sverdrup field. Aker BP is headquartered at Fornebu, Norway, and is listed on the Oslo Stock Exchange under the ticker 'AKRBP'.

## **About Lundin Energy**

Lundin Energy is an experienced Nordic oil and gas company that explores for, develops and produces resources economically, efficiently and responsibly. They focus of value creation for our shareholders and wider stakeholders through three pillars: Resilience, Sustainability and Growth. Their high quality, low-cost assets mean we are resilient to oil price volatility, and the organic growth strategy, combined with their sustainable approach and commitment to decarbonisation, firmly established their leadership role in a lower carbon energy future. (Nasdaq Stockholm: LUNE).

## **Important Information**

For the purposes of this disclaimer, "this press release" means this document, its contents or any part of them, any oral presentation, any question and answer session and any written or oral materials discussed or distributed therein. This communication does not constitute notice to a general meeting or a merger document, nor shall it constitute an offer to sell or the solicitation or invitation of any offer to buy, acquire or subscribe for, any securities or an inducement to enter into investment activity, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any decision with respect to the proposed statutory merger of Aker BP and Target, a newly established Swedish public limited liability company currently wholly-owned by Lundin Energy in accordance with the Norwegian Companies Act and the Swedish Companies Act should be made solely on the basis of information to be contained in the actual notices to the general meetings of Aker BP and Lundin Energy, as applicable, and the merger document related to the Merger as well as on an independent analysis of the information contained therein. You should consult the merger document, which will be available prior to the general meeting of shareholders at which the matters set out

herein will be subject to vote, for more complete information about the Merger. You should also perform an independent analysis of the information contained therein and the merger document when making any investment decision.

This press release contains forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of each respective company or the combined company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Although managements of each respective company believe that their expectations reflected in the forward-looking statements are reasonable based on information currently available to them, no assurance is given that such forward-looking statements will prove to have been correct. You should not place undue reliance on forward-looking statements. They speak only as at the date of this press release and neither Aker BP nor Lundin Energy undertakes any obligation to update these forward-looking statements. Past performance of Aker BP and Lundin Energy does not guarantee or predict future performance of the combined company. Moreover, Aker BP, Lundin Energy and their respective affiliates and their respective officers, employees and agents do not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of the presentation. Additionally, there can be no certainty that the Merger will be completed in the manner and timeframe described in this press release, or at all.

*Note about preliminary combined financial information and basis of preparation*

The preliminary combined financial information presented in this press release is for illustrative purposes only. The preliminary combined financial information has not been prepared in accordance with IFRS and has not been audited or otherwise reviewed by the companies' auditors. Differences in accounting policies or definitions of non-IFRS measures have not been taken into account. Financial information for Aker BP and Lundin Energy have been based on unaudited reported financial information.

The preliminary combined income statement information has been calculated assuming the activities had been included in one entity from the beginning of each period. The financial performance measures have been calculated as a sum of combined financial information for the twelve months ended 30 September 2021, for the nine months ended 30 September 2021 and for the three months ended 30 September 2021.

*Excluded jurisdictions*

The offer relating to the Merger is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Switzerland (the “**Excluded Jurisdictions**”) or in any other jurisdiction where such offer pursuant to legislation and regulations in such relevant jurisdiction would be prohibited by applicable law, by use of mail or any other communication means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national securities exchange or other trading venue, of the Excluded Jurisdictions, and the offer relating to the Merger cannot be accepted by any such use or by such means, instrumentality or facility of, in or from, the Excluded Jurisdictions. Accordingly, this press release or any documentation relating to the Merger are not being and should not be sent, mailed or otherwise distributed or forwarded in or into the Excluded Jurisdictions.

This press release is not being, and must not be, sent to shareholders with registered addresses in the Excluded Jurisdictions. Banks, brokers, dealers and other nominees holding shares for persons in the Excluded Jurisdictions must not forward this press release or any other document received in connection with the Merger to such persons.

The information made available in this press release is not an offer of Aker BP shares to be issued in the Merger is approved or any solicitation of votes in connection with the Merger. The shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered, sold or delivered within or into the United States, except pursuant to an applicable exemption of, or in a transaction not subject to, the Securities Act.

The information made available in this press release does not constitute an offer of or an invitation by or on behalf of, Aker BP or Lundin Energy, or any other person, to purchase any securities.

The offer relating to the Merger and the information and documents contained in this press release are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the “FSMA”). Accordingly, the information and documents contained in this press release are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of the information and documents contained in this press release is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 per cent or more of the voting shares in a body corporate, within article 62 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.