

## **The Board of Directors' statement under Chapter 19 Section 22 of the Companies Act**

### *The financial position of Lundin Petroleum AB and the Lundin Petroleum Group*

The financial position of Lundin Petroleum AB and the Lundin Petroleum Group as of 31 December 2016 is presented in the annual report for the financial year 2016. Furthermore, the principles applied for valuation of assets, provisions and debt are presented in the annual report. The proposal regarding transfer and repurchase of own shares entails that the Board is authorised to acquire own shares so that the Company's holding amounts to a maximum of ten per cent of all the shares in the Company.

### *The defensibility of the authorisation to purchase own shares*

The Company's non-restricted equity as of 31 December 2016 was SEK 11,348,133,685, as stated in the annual report for the financial year 2016. At an extraordinary general meeting held on 22 March 2017, the shareholders resolved upon a dividend in kind of all shares in International Petroleum Corporation. Upon completion of the dividend in kind, which will occur prior to the annual general meeting, the Company's non-restricted equity will be reduced by an amount of MSEK 3,651<sup>1</sup>.

Based on the annual report, the consolidated financial statements and other information which has become known, the Board of Lundin Petroleum AB has considered all aspects of the Company's and the Group's financial position. This evaluation has led the Board to the conclusion that a repurchase of shares in accordance with the authorisation is justifiable, in view of the requirements that the nature and scope of, and risks involved in the Company's operations place on the size of the Company's and Group's equity, as well as its consolidation needs, liquidity and position in other respects.

---

Stockholm, April 2017

**Lundin Petroleum AB (publ)**

*The Board of Directors*

---

<sup>1</sup> Since the value of the assets to be distributed is determined to MUSD 410 and the reorganization has not yet been carried out, the final value of the dividend in SEK will depend on the exchange rate between USD/SEK as per the day of the completion of the reorganization. The value stated herein is based on USD/SEK exchange rate of USD 1 / SEK 8.9059 as per 30 March 2017.