

## **The Board of Directors' statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act**

The Board of Directors hereby presents the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act and this statement forms the Board of Directors' assessment of whether the proposed dividend is justifiable with regards to the provisions of Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act.

The proposed dividend represents approx. 2.5 percent of the funds at disposal of the AGM. The dividend represents approx. 11 percent of the Group's operating cash flow. The equity of the Company is MSEK 54,936.6 before the proposed dividend and approx. MSEK 53,582.5 after the proposed dividend and the equity of the Group is MUSD 350.8 negative before the proposed dividend and approx. MUSD 514.8 negative following the proposed dividend. The Board of Directors considered that there is negative equity at Group level, however such equity is based on historical accounting determinations of book value, depreciations and foreign exchange results, and does not take into account the fair market value of the assets held by the Group. The liquidity of the Group before the proposed dividend amounts to MUSD 1,116.4 and after the proposed dividend to approx. MUSD 952.4.<sup>1</sup>

Following the proposed dividend, the liquidity of the Company and the Group remains at an adequate level and the proposed dividend does not affect the Company's or the Group's ability to meet its financial obligations including debt repayments or necessary investments.

The Board of Directors considers that the proposed dividend is justifiable taking into account the financial position of the Company and the Group as a whole. The financial position of the Company and the Group is stated in the 2017 annual report available on the Company's website [www.lundin-petroleum.com](http://www.lundin-petroleum.com).

The Company's business does not entail higher risks than the risks associated with running a business in the oil industry in general. The Company is not affected by trade conditions in a way that deviates from its peers in the oil industry. Reference is also made to the Directors' report contained in the 2017 annual report and no significant events have occurred after 31 December 2017 that would affect the Company's ability to distribute a dividend.

Based on a comprehensive review of the financial position of the Company and the Group as a whole, as well as the proposed authorisation to repurchase shares, the Board of Directors is of the opinion that the proposed dividend 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 their consolidation needs, liquidity and position in other respects.

---

Stockholm in March 2018  
**Lundin Petroleum AB (publ)**  
*The Board of Directors*

---

<sup>1</sup> The dividend is based on the number of shares outstanding at the record date and the total dividend amount may change by the record date as a result of repurchases of own shares.