

REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

Lundin Petroleum delivers strong results for the first nine months 2017. High production levels at continuing low cash operating costs and a higher realised oil price resulted in a significant increase in revenue, EBITDA and operating cash flow compared to the same period in 2016.

Third quarter highlights

- Record quarter EBITDA and operating cash flow driven by high production, low costs and higher oil price.
- Quarter production above guidance with full year production expected at or above the higher end of the 80–85 Mboepd guidance range.
- Continued low cash operating costs, forecast to be below the full year guidance of USD 4.60 per barrel.
- Positive update for the Johan Sverdrup project with 60 percent of Phase 1 complete and further cost reductions.
- 2017 full year development expenditure guidance reduced from MUSD 1,085 to MUSD 980.

Financial summary

	1 Jan 2017- 30 Sep 2017 9 months	1 Jul 2017- 30 Sep 2017 3 months	1 Jan 2016- 30 Sep 2016 9 months	1 Jul 2016- 30 Sep 2016 3 months	1 Jan 2016- 31 Dec 2016 12 months
Continuing operations					
Production in Mboepd	87.1	89.2	55.3	67.5	59.3
Revenue in MUSD	1,403.3	517.2	623.8	269.0	950.0
EBITDA in MUSD	1,071.7	382.4	475.8	215.3	752.5
Operating cash flow in MUSD	1,095.5	389.6	557.0	243.0	857.9
Net result in MUSD	431.8	227.0	263.4	169.8	-399.3
Earnings/share in USD ¹	1.28	0.67	0.83	0.52	-0.79
Earnings/share fully diluted in USD ¹	1.28	0.67	0.82	0.51	-0.79
Net debt	4,024.0	4,024.0	4,307.1	4,307.1	4,075.5

The numbers included in the table above are based on continuing operations (including 2016 comparatives)

¹ Based on net result attributable to shareholders of the Parent Company

Comments from Alex Schneider, President and CEO of Lundin Petroleum:

"Lundin Petroleum has delivered another great quarter with record operating cash flow and EBITDA, driven by continued strong production performance from our core assets. With these excellent results we are firmly on track to meet or exceed the higher end of the full year production guidance and our total cash operating cost is forecast to be below the full year guidance of USD 4.60 per barrel.

The Johan Sverdrup development continues to improve both in terms of project completion and further cost reductions. Phase 1 is now 60 percent complete with over 40 million man-hours worked to date. Costs are about 25 percent lower for Phase 1 and 50 percent lower for Phase 2 compared to PDO submission and I believe we will see further savings as the project progresses.

We remain optimistic about the significant exploration potential in the southern Barents Sea, despite recent disappointing results. This is a new frontier area where more exploration is needed to understand and unlock its full potential. We are drilling two further exploration wells on the Filicudi trend before the end of this year (Hufsa and Hurri) and we will soon announce our 2018 drilling programme, targeting more prospects in the southern Barents Sea, the Utsira High and the Mandal High.

Oil prices strengthened in the third quarter on the back of healthy demand growth, decreasing oil inventories and the prospect of an extended OPEC quota. I believe we will see further upward pressure on the oil price as the supply market tightens following the significant under investments in our industry in the last few years. Lundin Petroleum has never been better positioned to benefit from the current oil market recovery with production due to double by late 2022 and with record low cash operating costs below USD 5 per barrel for the next decade. With a strong focus on cost discipline, operating efficiency and high HSE standards, Lundin Petroleum will continue to pursue an exciting organic growth strategy."

Webcast presentation

Listen to Alex Schneider, President and CEO, and Teitur Poulsen, CFO, commenting on the report at a live webcast held on Wednesday 1 November 2017 at 09.00 CET.

Follow the presentation live on www.lundin-petroleum.com or by dialling in on the following telephone numbers:

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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

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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 the Company'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 the Company 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 "Risks and Risk Management" and elsewhere in the Company'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.