

Update on fourth quarter 2017 financial results

Lundin Petroleum AB (Lundin Petroleum) will expense pre-tax exploration costs of approximately MUSD 31 and recognise a net foreign exchange loss of approximately MUSD 69 as well as an after tax loss on sale of assets of MUSD 15 for the fourth quarter of 2017.

The profitability for the fourth quarter of 2017 will be impacted by certain expensed exploration costs, a loss on sale of assets, as well as a net foreign currency exchange loss mainly related to the revaluation of loan balances. These items are largely non-cash and will have no impact on operating cash flow or EBITDA.

Exploration Costs

During the fourth quarter of 2017, Lundin Petroleum will incur pre-tax exploration costs of approximately MUSD 31 which will be charged to the income statement and offset by a tax credit of approximately MUSD 24. The exploration costs are mainly related to the non-commercial gas discovery on the Hufsa prospect and the dry well on the Hurri prospect, both located in PL533.

Loss on Sale of Assets

The previously announced transaction in relation to the divestment of a 39 percent working interest in the Brynhild field to CapeOmega was completed on 30 November 2017. Lundin Petroleum has previously announced that on completion of the transaction a net loss on sale of assets would be recorded as a result of the accounting for income taxes in accordance with IFRS. Consequently an after tax loss of MUSD 15 will be charged to the income statement for the fourth quarter 2017.

Net debt and Foreign Exchange Loss

The net debt position of Lundin Petroleum at 31 December 2017 amounted to USD 3.9 billion resulting in available liquidity of USD 1.1 billion within its USD 5.0 billion reserve-based lending facility.

Lundin Petroleum will recognise a net foreign exchange loss of approximately MUSD 69 for the fourth quarter of 2017. The Norwegian Krone weakened against the US Dollar by approximately 3 percent and the Euro strengthened against the US Dollar by approximately 2 percent during the fourth quarter of 2017. The foreign exchange loss mainly relates to the revaluation of loan balances at the prevailing exchange rates at the balance sheet date.

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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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 08.30 CET on 17 January 2018.

Forward-Looking Statements

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.