

2015 capital expenditure budget of USD 1.45 billion

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce its 2015 development, appraisal and exploration budget which totals USD 1.45 billion and represents a 31 percent decrease on forecast 2014 capital expenditure.

The 2015 expenditure on development projects is budgeted at USD 980 million which represents a 30 percent decrease on forecast 2014 development expenditure.

The 2015 budgeted expenditure on exploration activity is USD 320 million which is a 27 percent decrease on forecast 2014 exploration expenditure and the budgeted 2015 appraisal expenditure amounts to USD 150 million which is a 48 percent decrease on the forecast 2014 appraisal expenditure.

Development Projects

77 percent of the 2015 budgeted development expenditure, corresponding to USD 750 million, relates to ongoing development projects in Norway with the majority of the balance being spent on the Bertam development in Malaysia. By the end of 2015 the Brynhild, Bøyla and Bertam development projects will be completed and will incur no further planned capital expenditure beyond 2015 whilst Edvard Grieg will see the development drilling campaign concluded in 2017.

The capital expenditure on Phase 1 for the Johan Sverdrup development will be confirmed at the time of submitting the plan of development in February 2015 and is thus not included in the current 2015 expenditure budget.

1. The development of the Edvard Grieg field (WI 50% and operated by Lundin Petroleum) is progressing according to plan and budget. During 2014 the main activities consisted of the successful installation of the steel jacket, substantially completing the construction of the topsides and the commencement of the development drilling. The 2015 net expenditure is budgeted at USD 490 million which will involve the continuous drilling of the development wells, offloading, transportation and installation of the topsides and the completion of the oil and gas pipelines. Edvard Grieg is scheduled to come onstream in the fourth quarter 2015 and is estimated to produce 50,000 barrels of oil equivalent per day (boepd) net to Lundin Petroleum once the plateau production level has been reached in mid 2016.

2. The Brynhild field (WI 90% and operated by Lundin Petroleum) commenced production in late December 2014. The main 2014 activity consisted of drilling and completing the second development well in addition to partially completing the third development well. A new production riser was installed and the Haewene Brim FPSO modification and life extension work was also completed during 2014. The 2015 budgeted net capital expenditure of USD 150 million relates to the completion of the third development well as well as the drilling and completion of the fourth and final development well.

3. The non-operated Bøyla field (WI 15%) is scheduled to come onstream during the first quarter 2015 at an estimated production level of 3,000 boepd net to Lundin Petroleum. The main development activity during 2014 consisted of the drilling of the 3 development wells as well as the completion of two of these wells. The installation of the flowline to the Kneler A manifold on the Alvheim field was also successfully completed during 2014. The 2015 budgeted net capital expenditure amount to USD 10 million and relates to the completion of the third and final development well.

4. Net budgeted expenditure for 2015 on the non-operated Alvheim and Volund fields (WI 15% and WI 35% respectively) is USD 75 million which involves the drilling of two infill wells on Alvheim as well as the completion of a third infill well which is currently in the process of being drilled. Both Alvheim and Volund will also incur certain costs in relation to the Viper/Kobra development. Volund will incur further costs in relation to long-lead items for 2 planned infill wells.

5. The Bertam oil field (WI 75%) in Malaysia is scheduled to come onstream during the second quarter 2015 and reach plateau production late in 2015 at a net rate of 11,000 bopd. The main 2014 activities consisted of construction, transportation and installation of the wellhead platform as well as substantially completing the upgrade of the Bertam FPSO. The development drilling also commenced in 2014 with 3 pilot wells being completed and 2 horizontal sections successfully completed. The budgeted net capital expenditure for 2015 is USD 180 million and relates to the drilling and completion of 12 development wells and the installation and hook-up of the Bertam FPSO.

6. Net budgeted expenditure for 2015 on the continental European business units in France and the Netherlands amounts to USD 55 million which involves the drilling of 7 infill wells on the Vert la Gravelle field in the Paris Basin, 3 development wells in the Netherlands as well as various well workovers and facilities related upgrades across these business units.

Exploration Activity

The pre-tax exploration budget for 2015 is USD 320 million with a major focus on Norway which accounts for approximately 85 percent of the budget. The exploration programme involves the drilling of 11 exploration wells in Norway, Malaysia and offshore the Netherlands targeting total net unrisked prospective resources of 510¹ million barrels of oil equivalent (MMboe).

1. Norway

The pre-tax budgeted net exploration expenditure for 2015 is approximately USD 275 million. A total of seven exploration wells will be drilled in Norway during 2015 targeting net unrisked prospective resources of 480 MMboe. The 2015 exploration campaign is targeting prospects in both of Lundin Petroleum's core exploration areas on the Norwegian Continental Shelf, namely the Utsira high in North Sea and in the Barents Sea. The Utsira High campaign comprises of four wells; on PL674 (WI 35%, Zulu), on PL359 (WI 50%, Luno II North), on PL544 (WI 40%, Fosen) and on PL338C (WI 80%, Gemini). The Barents Sea exploration campaign consists of one operated well on PL708 (WI 40%, Ornen) and one operated well on PL609 (WI 40%, Neiden). One operated well will also be drilled in the More Basin in the North Sea on PL579 (WI 50%, Morkel). Rigs have been secured for all seven wells.

2. Malaysia

The budgeted net exploration expenditure for 2015 is USD 35 million involving the drilling of two operated exploration wells on PM307 (WI 75%, Rengas and Mengkuang) as well as a seismic survey on PM328 (WI 50%).

Appraisal Activity

The pre-tax appraisal budget for 2015 is approximately USD 150 million entirely allocated to appraisal wells in Norway. The appraisal programme involves the drilling of 3 appraisal wells with two being drilled on the 2014 Alta discovery on PL609 (WI 40%) in the Barents Sea and the third appraisal well being drilled on the Edvard Grieg field on PL338 (WI 50%) as a follow-up to the successful 2014 appraisal well on Edvard Grieg. Rigs have been secured for all three appraisal wells.

Ashley Heppenstall, President & CEO of Lundin Petroleum comments;

"The major focus of our 2015 capital budget will be the completion of our development projects on Boyla, Bertam and Edvard Grieg which will increase our production to 75,000 boepd. We remain firmly focused upon our exploration programme in Norway and Malaysia with a particular emphasis on the Utsira High and the Barents Sea areas where we have had excellent historical success. We have a strong balance sheet and I expect our 2015 capital programme to be fully funded from internally generated cash flow and bank debt."

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets primarily located in Europe and South East Asia. The Company is listed on NASDAQ Stockholm (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 194 million barrels of oil equivalent (MMboe).

¹ Excludes prospective resources from the prospect in the Netherlands

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This information has been made public in accordance with the Securities Market Act (SFS 2007:528) and/or the Financial Instruments Trading Act (SFS 1991:980).

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.

Reserves and Resources

Unless otherwise stated, Lundin Petroleum's reserve and resource estimates are as at 31 December 2013, and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "Proved Reserves" and "Probable Reserves", together also known as "2P Reserves". For further information on reserve and resource classifications, see "Reserves, Resources and Production" in the Company's annual report.

Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the Contingent Resources. Unless otherwise stated, all contingent resource estimates contained herein are the best estimate ("2C") contingent resources.

Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources. Unless otherwise stated, all Prospective Resource estimates contained herein are reflecting a P50 Prospective Resource estimate. Risked Prospective Resources reported herein are partially risked. They have been risked for chance of discovery, but have not been risked for chance of development.

BOEs

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.