

21 November 2012

LUNDIN PETROLEUM MAKES GAS DISCOVERY, OFFSHORE PENINSULAR MALAYSIA

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that it has completed Tembakau-1 well in PM307 Block, offshore Peninsula Malaysia, as a gas discovery.

Tembakau-1 was a vertical well drilled to a depth of 1,565 metres in 67 metres water depth. The well discovered a series of stacked gas pay sands in the target Miocene objective. Overall the well penetrated approximately 60 m of net gas pay in five high quality sand intervals.

Tembakau-1 is located 30 km to the west of the nearest oil and gas infrastructure.

An extensive data acquisition program was completed, including rock and fluid samples, pressure profiles and mini-DST's. Following logging the well was plugged and abandoned. Further work will follow to estimate recoverable resource ranges.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: "Tembakau is very encouraging given its location in an unexplored area of PM307. We are hopeful this discovery has the potential to be commercial on a stand-alone basis given its close proximity to existing gas infrastructure and the strong demand for gas in Peninsular Malaysia. The discovery paves the way to evaluate further follow-up potential in an area where Lundin Petroleum acquired a large 3D survey in 2011. The discovery is the second successful well completed in PM307 in 2012 and continues our robust exploration performance in Malaysia that commenced in 2011 with six discoveries made from nine wells drilled."

Following Tembakau-1 the West Courageous rig moves south to execute the fifth and final well of the 2012 exploration campaign, the Ara-1 well in the PM308A block where Lundin Petroleum holds a 35 percent interest and is operator. The well is due to spud imminently.

Lundin Petroleum holds 75 percent interest in PM307 through its subsidiary Lundin Malaysia BV. Lundin Malaysia BV's partner is PETRONAS Carigali Sdn Bhd with 25 percent interest. Lundin Malaysia BV operates six blocks in Malaysia, namely PM307, PM308A, PM308B, SB303, SB307 & SB308.

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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 2011, 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 and Resources" 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.

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.

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.