

Update on second quarter 2017 financial results

Lundin Petroleum AB (Lundin Petroleum) will expense pre-tax exploration costs and impairment charges of approximately MUS\$ 35 and recognise a net foreign exchange gain of approximately MUS\$ 118 as well as a gain on sale of assets of MUS\$ 52 in relation to the IPC spin-off for the second quarter of 2017.

The profitability for the second quarter of 2017 will be impacted by certain expensed exploration costs and impairment charges, as well as a net foreign currency exchange gain mainly related to the revaluation of loan balances. The IPC spin-off completed on 24 April 2017 will also result in a gain on sale of assets for the second quarter 2017. These items are largely non-cash and will have no impact on operating cash flow or EBITDA.

Exploration Costs

During the second quarter of 2017, Lundin Petroleum will incur pre-tax exploration costs of approximately MUS\$ 22 which will be charged to the income statement and offset by a tax credit of approximately MUS\$ 17. The exploration costs are mainly related to the unsuccessful Gohta appraisal well in PL492 and a dry well on the Volund West prospect as well as a number of Norwegian exploration licences in the process of relinquishment.

Impairment Costs

Lundin Petroleum recently announced the divestment of a 39 percent working interest in the Brynhild field in PL148 in the Norwegian North Sea. As a consequence of this divestment, Lundin Petroleum will incur a non-cash impairment charge in the second quarter of 2017 of MUS\$ 13 with a corresponding tax credit of MUS\$ 10 resulting in a negative impact on the second quarter net results of MUS\$ 3.

Foreign Exchange

Lundin Petroleum will recognise a net foreign exchange gain of approximately MUS\$ 118 for the second quarter of 2017. The Norwegian Krone and the Euro strengthened against the US Dollar by approximately 2 and 7 percent respectively during the second quarter of 2017 and the foreign exchange gain mainly relates to the revaluation of loan balances at the prevailing exchange rates at the end of the reporting period.

IPC spin-off

Lundin Petroleum completed the IPC spin-off on 24 April 2017. The results of the IPC business are included in the Lundin Petroleum financial statements up until the end of April and are shown as discontinued operations. The gain on the spin-off of the IPC business amounted to approximately MUS\$ 52 and will also be shown as discontinued operations.

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 07.30 CEST on 19 July 2017.

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.