

Update on third quarter 2017 financial results

Lundin Petroleum AB (Lundin Petroleum) will expense pre-tax exploration costs and impairment charges of approximately MUSD 33 and recognise a net foreign exchange gain of approximately MUSD 185 for the third quarter of 2017.

The profitability for the third 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. These items are largely non-cash and will have no impact on operating cash flow or EBITDA.

Exploration Costs

During the third quarter of 2017, Lundin Petroleum will incur pre-tax exploration costs of approximately MUSD 16 which will be charged to the income statement and offset by a tax credit of approximately MUSD 13. The exploration costs are mainly related to the non-commercial gas discovery on the Korpffjell well in PL859 and the dry well on the Børselv prospect in PL609.

Impairment

The Brynhild field has been shut-in for production since summer 2017 due to a restriction in the production flowline to the Haewene Brim FPSO. Specialised equipment has been ordered in an effort to clear the restriction in the production flowline and this operation is expected to take place during the fourth quarter of 2017. Consequently Lundin Petroleum will incur a non-cash impairment charge in relation to the Brynhild field in the third quarter of 2017 of approximately MUSD 17 with a corresponding tax credit of MUSD 14 resulting in a negative impact on the third quarter net results of MUSD 3.

Foreign Exchange Gain

Lundin Petroleum will recognise a net foreign exchange gain of approximately MUSD 185 for the third quarter of 2017. The Norwegian Krone and the Euro strengthened against the US Dollar by approximately 5 and 3 percent respectively during the third quarter of 2017 and the foreign exchange gain 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 CEST on 18 October 2017.

Forward-Looking Statements

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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.