

Lundin Petroleum announces reserves and contingent resources update

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that as at 31 December 2017, its proved plus probable net reserves (2P reserves) are 726 million barrels of oil equivalent (MMboe), its proved plus probable plus possible net reserves (3P reserves) are 895 MMboe and its best estimate net contingent resources (contingent resources) are 203 MMboe. The Edvard Grieg field, Lundin Petroleum's main producing asset, represents an increase of 51 MMboe gross 2P reserves from year end 2016, excluding production, and a 47 percent increase in best estimate ultimate recovery from the original PDO.

Reserves

Lundin Petroleum's 2P reserves as at 31 December 2017 are 726.3 MMboe^{1,2} and reflect a positive revision of 45.8 MMboe, excluding sales. The 3P reserves as at 31 December 2017 are 895.5 MMboe^{1,2} and reflect a positive revision of 31.5 MMboe, excluding sales.

	<u>2P Reserves</u>	<u>3P Reserves</u>
End 2016	714.1	898.1
-Produced ³	-31.9	-31.9
-Sales/+ Acquisitions	-1.7	-2.2
+Revisions	+45.8	+31.5
End 2017	726.3	895.5
Reserves replacement ratio⁴	144%	99%

The main reason for the increase in reserves relates to Lundin Petroleum's two main assets, the Edvard Grieg and Johan Sverdrup fields, both located on the Utsira High in the Norwegian North Sea. The reserves upgrade on Edvard Grieg is driven by the drilling results and production performance to date which indicate more oil-in-place and with a greater proportion of the oil-in-place in the high quality high recovery factor sands as compared to the lower quality conglomerate reservoir. The best estimate gross ultimate recovery from Edvard Grieg as at end 2017 is 274 MMboe, which is cumulative production to end 2017⁵ plus 2P reserves. This represents an increase of 51 MMboe from year end 2016 and a 47 percent increase from the original PDO. Additionally, the high estimate gross ultimate recovery from Edvard Grieg as at end 2017 is 337 MMboe, which is cumulative production to end 2017⁵ plus 3P reserves. This represents an increase of 27 MMboe from year end 2016. Further contingent resources are identified associated with infill drilling opportunities.

The upgrade of reserves in the Johan Sverdrup field are consistent with the upgrade announced by Statoil during 2017 and reflects positive drilling results and optimisation of the reservoir development plan. Further reserves increases have been attributed to the Alvheim and Volund fields. Oil accounts for 93 percent of Lundin Petroleum's 2P reserves.

The reserves are based upon a third party independent audit conducted by ERCE. The reserves have been calculated using 2007 Petroleum Resource Management System (SPE PRMS), Guidelines of the Society of Petroleum Engineers (SPE), World Petroleum Congress (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

¹ 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.

² The reserves were calculated using a nominal Brent oil price of USD 58 per barrel in 2018, 61 in 2019, 66 in 2020, 71 in 2021, 75 in 2022, 77 in 2023, 78 in 2024, 80 in 2025 and increasing by 2 percent per year thereafter.

³ As per industry standards the reserves replacement ratio is defined as the ratio of reserve additions to production during the year, excluding sales and acquisitions.

⁴ Reserves are measured in saleable quantities (saleable oil, natural gas liquids and dry gas converted to oil equivalents), which may differ from production volumes provided in corporate reports which are given in wellhead production quantities (oil and rich gas converted to oil equivalents).

⁵ Gross production to 31 December 2017 is 66.1 MMboe.

Contingent resources

Lundin Petroleum's net contingent resources as at 31 December 2017 are 203 MMboe⁶. Contingent resources have been added associated with infill drilling opportunities at the Edvard Grieg field and from the Filicudi oil discovery in the southern Barents Sea. At the Alvhheim area contingent resources have been transferred to reserves associated with finalising infill drilling plans for 2018. Contingent resources have been reduced at the Gohta oil discovery in the southern Barents Sea due to the results from the appraisal well drilled in 2017 and have also been reduced at the adjacent Alta oil discovery following a detailed review of all the wells completed in 2016 and 2017. Based on this, the combined gross contingent resource range for the Alta and Gohta discoveries is between 115 and 390 MMboe. An extended well test will be conducted at Alta in 2018 to reduce reservoir uncertainty and provide the basis for development studies.

⁶ This volume is a combination of independently audited and management estimates. Contingent resources for the Edvard Grieg, Alvhheim area and Johan Sverdrup assets are based on a third party independent audit conducted by ERCE and for the other assets are estimated by Lundin Petroleum's management.

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 information 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 08.00 CET on 22 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.