

LUNDIN PETROLEUM – PRESS RELEASE



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Company registration number 556610-8055

NASDAQ OMX Stockholm : LUPE
Toronto Stock Exchange (TSX): LUP

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UPDATE ON LUNO DEVELOPMENT IN NORWAY

Lundin Norway AS, a wholly owned subsidiary of Lundin Petroleum AB, is the operator of licence PL338 containing the Luno discovery. As operator of PL338 Lundin Petroleum has received a letter from the Norwegian Petroleum and Energy Ministry which requests the licensee holders of PL338 and PL001B licence (containing the Draupne discovery) to coordinate a joint development solution. Lundin Petroleum agree with the conclusions of the Ministry and that certain joint development solutions will provide material cost savings to all stakeholders. Lundin Petroleum has proposed to the Draupne licence holders, prior to receipt of the letter from the Ministry, commercial solutions for a joint development.

Lundin Petroleum has completed front end engineering for the Luno development. A draft plan of the development is completed which already incorporates the provision for a joint development of the Draupne discovery. The plan of development is ready for submission prior to the end of this year. Rig capacity for the Luno development has been secured and first oil is forecast for late 2015.

The Luno and Tellus discoveries, which together form the Luno development, contain recoverable reserves of 188 million barrels of oil equivalent.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments; *"We are ready to move forward with the Luno development. Our development concept incorporates the ability to develop Draupne together with Luno and we are seeking to progress commercial arrangements with the Draupne licence partners in this respect"*

Lundin Petroleum is the operator of PL 338 with a working interest of 50 percent. The partners are Wintershall with 30 percent and RWE Dea Norge AS with 20 percent.

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 at the NASDAQ OMX, Stockholm (ticker "LUPE") and at the Toronto Stock Exchange (TSX) (Ticker "LUP"). Lundin Petroleum has proven and probable reserves of 187 million barrels of oil equivalent (MMboe).

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The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.

FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian 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 unduly relied upon. These statements speak only as on the date of this news release 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 and access, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, financial risks. These risks and uncertainties are described in more detail under the heading "Risk Factors" and elsewhere in the Company's 2010 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 included in this new release are expressly qualified by this cautionary statement.

RESOURCES

The recovery and production estimates of the Company's resources provided herein are only estimates and there is no guarantee that the estimated resources will be recovered or produced. Actual resources may be greater than or less than the estimates provided here. There is no certainty that it will be commercially viable for the Company to produce any portion of these resources.