

LUNDIN PETROLEUM – PRESS RELEASE

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LUNDIN PETROLEUM HAS REACHED AN AGREEMENT REGARDING A COORDINATED DEVELOPMENT SOLUTION FOR THE LUNO AND DRAUPNE FIELDS

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that its wholly owned subsidiary Lundin Norway AS as operator of PL338 containing the Luno field has, with its partners Wintershall Norge ASA (Wintershall) and RWE Dea Norge AS (RWE Dea), reached an agreement with the licences PL001B, PL028B, PL242 operated by Det norske Oljeselskap ASA and containing the Draupne field (Draupne and West Cable in PL001B, Hanz in PL028B), for a coordinated development solution of the Luno and Draupne fields.

A plan for development and operation (PDO) for the Luno field was submitted on 19 January 2012 to the Norwegian Ministry of Petroleum and Energy and includes 15 wells drilled from a jack-up rig, a processing platform on a jacket structure and export pipelines tied back to existing infrastructure. First production is expected in the fourth quarter 2015.

In the coordinated development solution, the partially processed fluids from the Draupne field will be transported from the Draupne platform to the Luno platform for stabilisation and export of oil and gas. The combined production from the Luno and Draupne fields will be phased in time with Draupne production planned to start in late 2016 and increasing toward a peak rate in late 2018. The Luno platform design capacity will accommodate in excess of 120,000 bopd and up to 175 MMcfd when Draupne production is combined with that from the Luno field.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: *"The coordinated development solution for the Luno and Draupne fields will result in benefits for all stakeholders. Lundin Petroleum and our Luno partners will receive a capital contribution and tariff/ operating cost share income from the Draupne partners which will enhance the value of the Luno asset. In addition there will be valuable synergies from the joint Luno/ Draupne production which will allow higher production through the facilities than from a Luno standalone project"*

Lundin Petroleum is the operator of and has a 50 percent working interest in the Luno field. Wintershall and RWE Dea hold a 30 percent and a 20 percent interest, respectively.

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 211 million barrels of oil equivalent (MMboe).

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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 "Risk Factors" 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").

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.