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LUNDIN PETROLEUM ANNOUNCES ITS 2014 CAPITAL EXPENDITURE BUDGET OF USD 2.1 BILLION

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce its 2014 development, appraisal and exploration budget which totals USD 2.1 billion.

The 2014 expenditure on development projects is budgeted at USD 1.4 billion which represents a 25 percent increase on forecast 2013 development expenditure. The 2014 budgeted expenditure on exploration activity is USD 380 million which is approximately the same as the forecast 2013 exploration expenditure. The budgeted 2014 appraisal expenditure amounts to USD 300 million.

Development Projects:
75 percent of the 2014 budgeted development expenditure, corresponding to USD 1.1 billion, relates to ongoing development projects in Norway with the majority of the balance being spent on the Bertam development in Malaysia.

1. The development of the Edvard Grieg field (WI 50% and operated by Lundin Petroleum) commenced in 2012 and progress during 2013 has been on schedule and costs remain within budget. The 2014 net expenditure is budgeted at approximately USD 700 million which will involve the completion and installation of the jacket, continued construction of the topside, construction and installation of the oil and gas pipelines and the pre-drilling of some development wells. Edvard Grieg is scheduled to come onstream in the fourth quarter 2015 and is estimated to produce 50,000 barrels of oil equivalent per day (boepd) net to Lundin Petroleum at plateau production.

2. The Brynhild field (WI 90% and operated by Lundin Petroleum) is scheduled to come onstream in the second quarter 2014 and is anticipated to produce 10,800 boepd net to Lundin Petroleum at plateau production. All subsea installation work is completed, the first of four development wells has been successfully completed, the Haewene Brim FPSO modification and life extension work is substantially completed and the FPSO has returned to its offshore location at the Shell operated Pierce field offshore United Kingdom. The 2014 budgeted net capital expenditure of USD 265 million relates to the drilling of the remaining three development wells as well as certain FPSO hook-up costs. The Brynhild development drilling has been slower than forecast, predominantly related to poor North Sea weather conditions and this has resulted in increased project costs.

3. The non-operated Boyla field (WI 15%) is scheduled to come onstream during the first quarter 2015 at an estimated production level of 3,000 boepd net to Lundin Petroleum. The first-oil date has slipped by one quarter from the previously forecast fourth quarter 2014 due to the late arrival of the Transocean Winner rig which will drill the development wells. The 2014 net development expenditure is budgeted at approximately USD 80 million which involves the drilling of 3 development wells and installation of a flowline to the Kneler A manifold on the Alvheim field.

4. Net budgeted expenditure for 2014 on the non-operated Alvheim and Volund fields (WI 15% and WI 35% respectively) is approximately USD 25 million which involves the drilling of one infill well on Alvheim in 2014, long-lead items for 2 additional infill wells on Alvheim in 2015 and long-lead items for a possible 2 infill wells on Volund in 2015.

5. The Bertam oil field (WI 75%) in Malaysia is scheduled to reach plateau production in 2015 at a net rate of 11,000 bopd. The budgeted net capital expenditure for 2014 is USD 325 million. The development activity during 2014 will involve the completion and installation of the wellhead platform, the drilling of development wells and the completion of the modification work on the Ikdam FPSO vessel which will receive the Bertam oil production.

Exploration Activity
The exploration budget for 2014 is USD 380 million with a major focus on Norway which accounts for approximately 75 percent of this amount. The exploration programme involves the drilling of 19 exploration wells in Norway, Malaysia, Indonesia, France and the Netherlands targeting total net unrisked prospective resources of 620 million barrels of oil equivalent (MMboe).

1. Norway
The budgeted net exploration expenditure for 2014 is approximately USD 285 million. A total of seven exploration wells will be drilled in Norway during 2014 targeting net unrisked prospective resources of 390 MMboe. The 2014 exploration campaign is targeting prospects in all three areas on the Norwegian Continental Shelf, namely the North Sea, the Norwegian Sea and the Barents Sea. The North Sea campaign comprises of two wells on the Utsira High on PL625 (WI 40%, Kopervik) and PL359 (WI 40%, Luno II North) respectively and one well on PL631 (WI 60%, Vollgrav) in the northern North Sea. Two operated wells will be drilled in the Norwegian Sea on PL555 (WI 60%, Storm) and on PL584 (WI 60%, Lindarormen). The Barents Sea exploration campaign consists of one non-operated well on PL659 (WI 20%, Langlitiden) and one operated well on PL609 (WI 40%, Alta). Rigs have been secured for all seven wells.

2. Malaysia
The budgeted net exploration expenditure for 2014 is USD 40 million involving the drilling of three operated exploration wells. Two exploration wells will be drilled offshore east Malaysia in the Sabah region on SB 307/308 (WI 42.5%, Kitabu and Malagan). One exploration well will be drilled offshore Peninsular Malaysia on PM307 (WI 75%, Rengas). The three exploration wells are targeting net unrisked prospective resources of approximately 100 MMboe.

3. Indonesia
The budgeted net exploration expenditure for 2014 is approximately USD 45 million. Two exploration wells will be drilled on Barongang (WI 90%, Balqis and Boni) and one well will be drilled on Gurita (WI 90%, Gobi-1, formerly Gloria A). Total net unrisked prospective resources targeted with these three wells is 115 MMboe. The Hakuryu-11 jack-up rig has been contracted to drill all three wells.

4. France/Netherlands
One operated well is planned to be drilled in France in 2014 on Est Champagne (WI 100%, Hoplite-1) and five non-operated wells are planned to be drilled in the Netherlands during 2014 with a total budgeted expenditure of USD 10 million net to Lundin Petroleum.

Appraisal Activity
The appraisal budget for 2014 is approximately USD 300 million with over 90 percent of the expenditure being allocated to appraisal wells in Norway. The appraisal programme involves the drilling of 5 appraisal wells in Norway and one appraisal well offshore Peninsular Malaysia.

1. Norway
The budgeted net appraisal expenditure for 2014 is USD 280 million. Four appraisal wells are planned to be drilled on the Utsira High area with two wells planned drilled on the Johan Sverdrup field (PL501, WI 40% and PL265, WI 10%), one well on the Edvard Grieg field (PL338, WI 50%) and one well on the Luno II discovery (PL359, WI 40%). The recently announced Gohta discovery (PL492, WI 40%) in the Barents Sea will also be appraised with one well during 2014. Rigs have been secured for all five appraisal wells.

2. Malaysia

The budgeted net appraisal expenditure for 2014 is approximately USD 20 million relating to one appraisal well to be drilled on the 2012 Tembakau gas discovery on PM 307 (WI 75%).

Ashley Heppenstall, President & CEO of Lundin Petroleum comments;

"Lundin Petroleum remains a very active exploration company and I am pleased to announce our 19-well exploration campaign during 2014 which exposes the Company to over 600 MMboe of unrisked prospective resources. Our 2014 appraisal campaign can also make a material impact on our reserves base with a successful outcome from the 6 appraisal wells having the potential to double the Company's current 2P reserve base. We remain on track to more than double our 2013 production in less than two years from now with new production from Brynhild, Boyla, Bertam and Edvard Grieg. The 2014 budget will be funded from operating cashflow and bank borrowing facilities"

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 202 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), productions 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.

Reserves and Resources

Unless otherwise stated, Lundin Petroleum's reserve and resource estimates are as at 31 December 2012, 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")."). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "Proved Reserves" and "Probable Reserves", together also known as "2P Reserves". For further information on reserve and resource classifications, see "Reserves, Resources and Production" in the Company's annual report.

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. Unless otherwise stated, all Prospective Resource estimates contained herein are reflecting a P50 Prospective Resource estimate. Risked Prospective Resources reported herein are partially risked. They have been risked for chance of discovery, but have not been risked for chance of development.

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.