

Lundin Petroleum AB ("Lundin Petroleum") updates on forecast fourth quarter 2014 financial performance

During the fourth quarter of 2014 Lundin Petroleum achieved an average production rate of 22,000 barrels of oil equivalent per day (boepd) resulting in an average production rate for the full year of 24,950 boepd. The average Brent oil price for the fourth quarter of 2014 was USD 76.58 per barrel.

The profitability for the fourth quarter of 2014 will be negatively impacted by certain expensed exploration costs and an impairment charge, as well as a foreign currency exchange loss, mainly related to the revaluation of loan balances. These items are largely non-cash charges and will have no impact on operating cash flow or EBITDA.

Exploration Costs

During the fourth quarter of 2014 pre-tax exploration costs of MUSD 257 will be charged to the income statement. The exploration costs in Norway relate mainly to the exploration wells drilled during the fourth quarter of 2014, including the Vollgrav South well on PL631, the Storm well on PL555, the Lindarormen well on PL584 and the Kopervik well on PL625. The total pre-tax exploration cost in Norway amounted to MUSD 198 resulting in an after tax charge of MUSD 44. The exploration costs relating to the Kitabu-1 well on SB307/SB308, offshore Malaysia and the Gobi-1 well on the Gurita PSC in Indonesia amounted to an after tax charge of MUSD 54.

Impairment Costs

As a result of the significantly lower oil price at the end of 2014, Lundin Petroleum will incur a non-cash impairment charge in the fourth quarter of 2014 relating to the Brynhild field, Norway, amounting to MUSD 91 after tax.

Foreign Exchange

Lundin Petroleum will recognise a largely non-cash foreign exchange loss in its income statement for the fourth quarter of 2014 of MUSD 290. This foreign exchange loss mainly relates to the revaluation of loan balances at the prevailing exchange rates at the end of each reporting period. The US Dollar strengthened against the Euro during the fourth quarter of 2014 resulting in a foreign currency exchange loss on the US Dollar denominated external loan which is borrowed by a subsidiary using a functional currency of the Euro. In addition, the Norwegian Krone significantly weakened in the fourth quarter of 2014, generating a foreign currency exchange loss on an intercompany loan balance denominated in Norwegian Krone.

Net Debt

The net debt position of Lundin Petroleum at 31 December 2014 amounted to USD 2.6 billion resulting in available liquidity of USD 1.4 billion within its USD 4.0 billion credit facility. Lundin Petroleum continues to receive the strong support of its syndicate of international financial institutions under the USD 4.0 billion credit facility. These lenders have confirmed Lundin Petroleum's access to the full facility amount.

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 on NASDAQ Stockholm (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 187.5 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 2014, 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. Unless otherwise stated, all contingent resource estimates contained herein are the best estimate ("2C") 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.