

Lundin Petroleum acquires an additional 15 percent interest in the Edvard Grieg field

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that Lundin Petroleum and its wholly-owned subsidiary Lundin Norway AS (Lundin Norway) have entered into agreements with Statoil ASA (Statoil) and its wholly-owned subsidiary Statoil Petroleum AS (Statoil Norway) under which Lundin Norway will acquire Statoil Norway's entire 15 percent interest in the Edvard Grieg field in PL338, offshore Norway and all associated assets including a nine percent interest in the Edvard Grieg oil pipeline and a six percent interest in the Utsira High gas pipeline. The effective date of the acquisition of these assets is 1 January 2016.

In consideration for the acquisition of the assets, Lundin Petroleum has agreed to issue to Statoil 27,580,806 new shares of Lundin Petroleum (the Consideration Shares) based upon an agreed average share price of SEK 138 per share and a SEK/USD exchange rate of 8.098. In addition, Lundin Petroleum will transfer 2,000,000 shares held in treasury (the Treasury Shares) and issue 1,735,309 new shares (the New Shares) to Statoil in exchange for a cash consideration based upon a share price of SEK 145.66 per share (the ten day volume weighted average closing share price prior to and including the date of signing). Statoil currently owns approximately 37.1 million shares of Lundin Petroleum, representing 11.93 percent of the current issued and outstanding shares of Lundin Petroleum. Following completion of the transaction, including issuance of the Consideration Shares and New Shares and the transfer of the Treasury Shares, Statoil will own approximately 68.4 million shares of Lundin Petroleum, representing 20.1 percent of the then issued and outstanding shares of Lundin Petroleum. Following the transaction Lundin Petroleum will have 340,386,445 shares outstanding.

Benefits of the Transaction

For Lundin Petroleum this transaction secures access to additional high quality reserves, production and cash flow in the Utsira High core area. The Edvard Grieg field was discovered by Lundin Norway in 2007, and the Company is confident that the strong start-up performance of the field from both a facilities and subsurface perspective will continue in the years ahead. Following this transaction, Lundin Petroleum's platform to grow and mature its resource base becomes stronger than ever allowing the Company to continue maximising value for all of our stakeholders. Following the transaction, Statoil will further increase their indirect exposure to world class assets such as Edvard Grieg, Johan Sverdrup and an industry leading exploration portfolio. As a consequence of the transaction, Statoil will equity account their interest in Lundin Petroleum.

The two companies will continue to operate independently, and act as separate entities in all licences on the NCS. Statoil remains supportive of Lundin Petroleum's management, its Board of Directors and strategy.

Alex Schneider, CEO and President of Lundin Petroleum comments:

"I am pleased to say that this transaction was the initiative of Lundin Petroleum. We saw a unique win-win opportunity to acquire a direct interest in a world class asset such as Edvard Grieg for an increased shareholding in Lundin Petroleum by Statoil. Increasing our resource base, production and cash flow at the bottom of the cycle will, in my view, lead to Lundin Petroleum emerging stronger than ever as an independent company, and continue to build upon the transformational growth already well under way, creating greater sustainable long term value for our shareholders in the process."

Impact on Market Guidance

Assuming the transaction completes by 30 June 2016, production in the second half of 2016 will increase by 10,000 boepd resulting in an increased full year 2016 production guidance of 65,000 to 75,000 boepd (from 60,000 to 70,000 boepd). Full year 2016 development capex guidance will increase by USD 35 million to USD 970 million.

The 2P net reserves to Lundin Petroleum will increase by 30.9 million boe (1 January 2016) to 716.2 million boe.

Ian Lundin, Chairman of Lundin Petroleum comments:

"This acquisition further consolidates Lundin Petroleum's position in the Utsira High, an area which has provided the cornerstone for Lundin Petroleum's production and resource growth over the last decade. I am confident that the unique knowledge and expertise our Norwegian team has in this area will further enhance

the value of Edvard Grieg, a world class asset, and as such this is a very positive move for the Company. The Lundin family remain as committed as ever to Lundin Petroleum and growing our business in Norway as a fully independent company. The increased cash flow and production that comes with this transaction will ensure Lundin Petroleum remains the leading independent E&P company in Europe.”

Conditions and Structure

The transaction remains subject to customary approval of the Norwegian government authorities. In addition, as a result of Statoil's current shareholding in Lundin Petroleum, this transaction including the issuance of the Consideration Shares and New Shares and the transfer of the Treasury Shares, requires Lundin Petroleum shareholder approval at a general meeting of shareholders. Lundin Petroleum will convene an extraordinary general meeting of shareholders (EGM) to be held 30 May 2016.

The transaction has received the unanimous approval of the Lundin Petroleum Board of Directors. Entities related to the Lundin family (the Lundin Entities) hold approximately 97.8 million shares of Lundin Petroleum, representing 31.4 percent of the current issued and outstanding shares of Lundin Petroleum. The Lundin Entities have confirmed that they will vote in favour of the transaction at the EGM.

Statoil has no intention of increasing its shareholding in the Company or proposing any changes to the corporate governance of the Company.

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 685 million barrels of oil equivalents (MMboe) as at 31 December 2015.

For further information, please contact:

Maria Hamilton
Head of Corporate Communications
maria.hamilton@lundin.ch
Tel: +41 22 595 10 00
Tel: +46 8 440 54 50
Mobile: +41 79 63 53 641

or

Teitur Poulsen
VP Corporate Planning & Investor Relations
Tel: +41 22 595 10 00

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.