

**Lundin Petroleum announces that  
International Petroleum Corporation files preliminary prospectus in Alberta, Canada  
and plans share repurchase**

**In connection with the previously announced proposed reorganisation and spin-off by Lundin Petroleum AB (“Lundin Petroleum” or the “Company”) of its assets in Malaysia, France and the Netherlands into International Petroleum Corporation (“IPC”), the Company is pleased to announce that IPC has filed a preliminary prospectus with the Alberta Securities Commission (“ASC”) in Canada.**

The filing of the preliminary prospectus with the ASC initiates the securities regulatory review process that is required in connection with IPC becoming a public reporting issuer in Alberta, Canada. IPC furthermore expects to file a prospectus with the Swedish Financial Supervisory Authority (“SFSA”) to qualify the shares of IPC for trading in Sweden. IPC has applied to the Toronto Stock Exchange (“TSX”) to list its shares on such exchange under the ticker IPCO, and also intends to list its shares on NASDAQ Stockholm. Listing of IPC’s shares on the TSX and NASDAQ Stockholm will be subject to IPC fulfilling the requirements of the respective exchange. There can be no assurance that the shares will be accepted for listing on either of the TSX or NASDAQ Stockholm.

In addition, the Company is pleased to announce that IPC’s Board of Directors has resolved to cause a subsidiary of IPC, following the spin-off and establishment of the credit facility described below, to make an offer to all post-spin-off holders of IPC shares to purchase up to USD 100 million of IPC shares for consideration of CAD 4.77 per IPC share. As previously announced, all of the shares of IPC are expected to be distributed to existing Lundin Petroleum shareholders on the basis of one IPC share for every three shares held in Lundin Petroleum, and therefore this offer assumes that there will be approximately 113.5 million IPC shares outstanding following the spin-off. If made, the offer is expected to be open for acceptance for approximately three weeks from the spin-off date, and any shares acquired under the offer are expected to be subsequently cancelled.

IPC believes that the offer would facilitate an orderly exit for some initial shareholders of IPC, recognising that the strategic and investment goals of some Lundin Petroleum shareholders (who will become IPC shareholders immediately following the spin-off) may or may not correspond to IPC’s assets and proposed strategy. The Company and IPC have been advised by Statoil ASA (“Statoil”) that, while it supports the spin-off, continuing to hold shares in IPC post-spin-off is non-core for Statoil, given IPC’s size and geography. Accordingly, Statoil has advised the Company of its intention to tender its IPC shares to the offer if the offer is made. The Company has also been advised that Nemesia Sàrl, an investment company related to the Lundin family (“Nemesia”), along with Landor Participations Inc., another investment company related to a member of the Lundin family, and members of IPC’s proposed Board and management, do not intend to tender to the offer.

In addition, the Company understands that Statoil and Nemesia have entered into an agreement pursuant to which, following the expiry of the offer, Nemesia will acquire any IPC shares held by Statoil that have not been acquired by IPC’s subsidiary in the offer.

In order to finance the offer, certain subsidiaries of the Company that will be subsidiaries of IPC following the reorganisation, and IPC in the capacity of guarantor, have received credit approved terms for a new USD 100 million Reserves Based Lending Facility with a syndicate of banks led by BNP Paribas, Australian and New Zealand Banking Group (ANZ), BMO Capital Markets and ScotiaBank Europe.

Further details regarding the proposed reorganisation and the proposed offer are contained in the preliminary prospectus, a copy of which can be found on IPC’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). As previously announced, the reorganisation and spin-off are subject to satisfactory receipt of all necessary approvals and consents, including the approval of Lundin Petroleum’s shareholders. The Company expects to shortly convene an extraordinary meeting of shareholders, expected to be held during March 2017.

*Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of worldclass assets in Norway. The Company is listed on NASDAQ Stockholm (ticker "LUPE"). Lundin Petroleum has proved and probable reserves of 743.5 million barrels of oil equivalents (MMboe) as at 31 December 2016.*

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### **Important Information**

This press release does not contain or constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares or other securities in Lundin Petroleum or IPC. This press release has not been approved by any regulatory authority and is not a prospectus or other offering document, accordingly investors should not purchase any securities referred to in this press release.

### **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 IPC's intention to list its shares on Nasdaq Stockholm; the intended offer to post-spin-holders of IPC shares; the number of shares of IPC expected to be outstanding following the reorganisation and the spin-off; the intentions of IPC's post-spin-off shareholders, including Statoil and Nemesia, to tender or not to tender shares to the proposed offer; and the results of the extraordinary meeting of shareholders of the Company and estimates of reserves and/or resources. 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. 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, risks associated with completion and execution of the reorganisation and the spin-off, the proposed offer to purchase shares in IPC, the availability of financing on satisfactory terms, 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 and in the preliminary prospectus of IPC. 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.