

Update on International Petroleum Corporation spin-off

Lundin Petroleum AB (“Lundin Petroleum”) previously announced its intention to spin-off its non-Norwegian producing assets into a newly formed company called International Petroleum Corporation (“IPC”). Lundin Petroleum would then distribute all of the shares of IPC, on a pro-rata basis, to Lundin Petroleum shareholders. The distribution of IPC shares was conditionally approved by the shareholders of Lundin Petroleum on 22 March 2017.

In addition to Lundin Petroleum shareholder approval, Lundin Petroleum received the regulatory consents and approvals to complete the internal reorganisation of the Lundin Petroleum Group to spin-off its assets in Malaysia, France and the Netherlands into IPC. The reorganisation was completed on 7 April 2017.

Lundin Petroleum confirms that IPC has now received conditional approval for the listing of its shares on the Toronto Stock Exchange (the “TSX”) and is intending to list on the Nasdaq First North stock exchange. The distribution and first day of trading of IPC’s shares on the TSX and Nasdaq First North is expected to occur on 24 April 2017.

The Board of Directors of Lundin Petroleum has determined that the conditions for shareholder approval have been satisfied and that the record date for the distribution of the IPC shares will be 20 April 2017. Based on that record date, the shares of Lundin Petroleum will commence trading without the right to the distribution of the IPC shares on 19 April 2017.

Each three shares in Lundin Petroleum shall entitle the holder to one common share in IPC. If the shareholding in Lundin Petroleum is not evenly divisible by three, the holder will receive an entitlement to a fraction of a share. Such fractions will be added together with the fractions held by other shareholders into whole shares in IPC, which will be sold on the market by Pareto Securities. The proceeds, without deduction of any commissions, will then be paid to the relevant IPC shareholders via Euroclear Sweden.

As previously announced, IPC’s Board of Directors has resolved to cause a subsidiary of IPC, immediately following the listing and subject to establishment of the credit facility described below, to make an offer to all holders of IPC shares to purchase up to USD 100 million of IPC shares for consideration of CAD 4.77 per IPC share. If made, the offer is expected to be open for acceptance for approximately three weeks, and any shares acquired under the offer are expected to be subsequently cancelled.

The Company and IPC have been advised by Statoil ASA (“Statoil”) that it intends 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 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 IPC subsidiaries and IPC, in the capacity of guarantor, have received credit approved terms for a new reserve-based lending facility with a syndicate of banks led by BNP Paribas, Australia and New Zealand Banking Group (ANZ), BMO Capital Markets and ScotiaBank Europe. USD 100 million will be available under the reserve-based lending facility to finance the offer to purchase shares of IPC.

BMO Capital Markets is acting as exclusive financial advisor to the Company for the listing of IPC. Pareto Securities in Sweden is acting as issuing agent and Certified Advisor for IPC on the Nasdaq First North. Blake, Cassels & Graydon LLP and Gernandt & Danielsson Advokatbyrå KB are acting as legal advisors to the Company and IPC.

Questions regarding the distribution of IPC shares will be answered by Pareto Securities at the following telephone number +46 8 402 51 40 during normal office hours in Sweden, or at the following email address issueservice.se@paretosec.com, until the distribution has been completed.

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 proved and probable reserves of 743.5 million barrels of oil equivalents (MMboe) as at 31 December 2016.

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Forward-Looking Statements

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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.