

LUNDIN PETROLEUM – PRESS RELEASE

Lundin Petroleum AB (publ)

Hovslagargatan 5
SE-111 48 Stockholm

Tel: +46-8-440 54 50, Fax: +46-8-440 54 59, E-mail: info@lundin.ch

Visit our website: www.lundin-petroleum.com

Company registration number 556610-8055

NASDAQ OMX Stockholm : LUPE

Toronto Stock Exchange (TSX): LUP

Stockholm 19 January 2012

LUNDIN PETROLEUM SUBMITS FIELD DEVELOPMENT PLAN FOR LUNO FIELD

Lundin Petroleum AB (“Lundin Petroleum”) announces that its wholly owned subsidiary Lundin Norway AS as operator has, with its partners Wintershall Norge ASA (Wintershall) and RWE Dea Norge AS (RWE Dea), submitted a plan for development and operation (PDO) for the Luno field to the Norwegian Ministry of Petroleum and Energy (the Ministry). Lundin Petroleum is in ongoing negotiations with Det norske Oljeselskap ASA, operator of license PL001B, in relation to a coordinated development solution for the Luno and Draupne fields and we expect an agreement to be concluded shortly.

The Luno field is an oil field located in the Norwegian sector of the North Sea which incorporates both the Luno and Tellus discoveries. First production from the Luno field in PL338 is expected in late 2015 with a forecast gross peak production of approximately 90,000 barrels of oil per day (bopd). The capital cost of the Luno development including platform, pipelines and production wells is estimated at USD 4 billion. The Luno platform design capacity will accommodate in excess of 120,000 bopd when Draupne production is combined with that from the Luno field.

The Luno PDO includes 15 wells drilled from a jack-up rig, a processing platform on a jacket structure and export pipelines tied back to existing infrastructure. Luno contains 186 million barrels of oil equivalents (MMboe) of gross proved and probable reserves. The oil will be processed and transported in a new pipeline to the Grane area and further via the Grane oil pipeline to the Sture terminal for sale. The facilities on the Luno platform will be prepared for power from shore when capacity and technical solutions are available in order to contribute to the development of a long term electrification of the area.

The Draupne discovery is located 10 km to the northwest of Luno in PL001B. The proposed development solution for the Draupne field is a platform which will transport partly processed oil and gas to the Luno platform for stabilization and export of oil and gas.

At the same time as submitting the PDO to the Ministry, Lundin Petroleum has started placing contracts for the Luno development. A letter of intent has been awarded to Kvaerner after an international tendering process, covering engineering, procurement and construction of the jacket for the Luno platform. A contract has been awarded to Rowan Companies Inc. for a jack-up rig to drill the Luno development wells. Contracts for the topside and marine installations will be awarded in due course.

Ashley Heppenstall, president and CEO of Lundin Petroleum comments as follows; *“The submittal of the Luno plan of development is a major milestone for Lundin Petroleum. Production from the Luno field will be the major contributor in doubling our production to 70,000 boepd by late 2015. Our production will increase further with the subsequent development of the Johan Sverdrup discovery located in the southern Utsira High.”*

Lundin Petroleum is the operator and has a 50 percent working interest in the Luno field. Wintershall and RWE Dea hold a 30 percent and a 20 percent interest, respectively.

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 211 million barrels of oil equivalent (MMboe).

For further information, please contact:

C. Ashley Heppenstall,
President and CEO
Tel: +41 22 595 10 00

or

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

The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.

FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian 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 unduly relied upon. These statements speak only as on the date of this news release 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), production costs, availability of drilling equipment and access, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, financial risks. These risks and uncertainties are described in more detail under the heading "Risk Factors" and elsewhere in the Company's 2010 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 included in this new release are expressly qualified by this cautionary statement.

RESOURCES

The recovery and production estimates of the Company's resources provided herein are only estimates and there is no guarantee that the estimated resources will be recovered or produced. Actual resources may be greater than or less than the estimates provided here. There is no certainty that it will be commercially viable for the Company to produce any portion of these resources.