

# 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

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## LUNDIN PETROLEUM UPDATES ITS 2P RESERVES AND CONTINGENT RESOURCES AND PROVIDES PRODUCTION GUIDANCE FOR 2014

**Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that as at 31 December 2013 its net proven and probable working interest reserves ("2P Reserves") are 194.1 million barrels of oil equivalent (MMboe), its best estimate ("2C") Contingent Resources excluding the Johan Sverdrup field are 342 million barrels of oil equivalent (MMboe), and the production forecast for 2014 is between 30,000 and 35,000 barrels of oil equivalent per day (boepd) with forecast 2015 average production expected to be approximately 50,000 boepd.**

	MMboe
Proven and Probable Reserves at 31.12.2012	<b>201.5</b>
2013 Production (forecast)	-11.9
Reserve Additions (excl. Sales/Acquisitions)	4.5
<b>Proven and Probable Reserves at 31.12.2013</b>	<b>194.1</b>
<b>Reserves increase</b>	<b>2%</b>
<b>Reserves replacement ratio<sup>1</sup></b>	<b>38%</b>

Lundin Petroleum is predominantly an oil company with 92 percent of its 2P Reserves being oil<sup>2</sup> and 89 percent of the 2P Reserves being located in OECD regions.

The 2P Reserves have been positively impacted by Lundin Petroleum's main producing assets, the Alvheim and Volund fields offshore Norway. During 2013 the Volund field continued to deliver better than expected reservoir performance, and the Alvheim field volumes have increased as a result of two additional development locations maturing from Contingent Resources to 2P Reserves.

Lundin Petroleum has further assets classified as Contingent Resources with "Best Case", or 2C, values excluding the Johan Sverdrup field of 342 MMboe in aggregate of which oil accounts for 60 percent. Apart from the Salina<sup>3</sup> discovery in Norway these Contingent Resource estimates have been evaluated either by ERC Equipoise Limited ("ERCE") or internally by a qualified reserves auditor in accordance with NI 51-101 standards of disclosure. The Johan Sverdrup field contains gross Contingent Resources of between 1,800 and 2,900 MMBoe as disclosed by pre-unit operator Statoil. The Johan Sverdrup field is situated in licenses PL501, PL502 and PL265 in Norway. Lundin Petroleum has a 40 percent interest in PL501 and a 10 percent interest in PL265.

Lundin Petroleum's forecast production for 2014 is between 30,000 to 35,000 boepd. The production from Norway represents approximately 72 percent of forecast 2014 production and oil represents approximately 83 percent. Lundin Petroleum expects the 2015 production to be approximately 50,000 boepd with full production from the Brynhild field and the start-up of the Bøyla, Bertam and Edvard Grieg fields in 2015.

<sup>1</sup> As per industry standards the reserve replacement ratio is defined as the ratio of reserve additions to production during the year, excluding acquisition/sales. The reserves increase is calculated as the ratio of the 31.12.2013 reserves additions over the 31.12.2012 reserves adjusted for sales and production

<sup>2</sup> Includes natural gas liquid ("NGL") volumes

<sup>3</sup> Salina contingent resources are Norwegian Petroleum Directorate (NPD) estimates

The 2P Reserves are based upon a third party independent audit conducted by ERCE. The 2P Reserves have been calculated using 2007 Petroleum Resources Management System (SPE PRMS) Guidelines of the Society of Petroleum Engineers (SPE), World Petroleum Congress (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE) and have been reviewed for compliance with the Canadian Oil and Gas Evaluation Handbook (COGEH) and the Canadian National Instrumental 51-101 Standards of Disclosure for Oil and Gas Activities. The 2P Reserves were calculated using an oil price of USD 100 per barrel in 2014, with prices and costs escalating at 2 percent per annum.

Ashley Heppenstall, President and CEO of Lundin Petroleum, comments as follow; *"In the next two years Lundin Petroleum will more than double its production to over 75,000 boepd with the start up of production from the Brynhild, Bøyla, Bertam and Edvard Grieg fields. We have today reserves and contingent resources in excess of one billion barrels of oil equivalent and our reserve position will increase by over three fold on submission of the Johan Sverdrup development plan expected by the end of 2014. I am confident that our 2014 appraisals and exploration drilling programs including wells on Luno II, Gohta and Tembakau will result in further increases to our reserve and resource base."*

*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 194 million barrels of oil equivalent (MMboe).*

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), production 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 2013, 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.

### **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.