

## **Lundin Petroleum announces an updated dividend policy and proposed 2018 dividend of USD 500 million**

**Lundin Petroleum AB (Lundin Petroleum) announces an updated dividend policy and that the Board of Directors proposes a 2018 dividend of USD 1.48 per share, corresponding to USD 500 million.**

### **Updated dividend policy**

Lundin Petroleum's objective is to create attractive shareholder returns by investing through the business cycle with capital investments allocated to exploration, development and production assets. The Company's expectation is to create shareholder returns both through share price appreciation and by distributing a sustainable yearly dividend - paid in quarterly instalments and denominated in USD - with the plan of maintaining or increasing the dividend over time in line with the Company's financial performance and being sustainable below an oil price of USD 50 per barrel. The dividend shall be sustainable in the context of allowing the Company to continue to pursue its organic growth strategy and to develop its contingent resources whilst maintaining a conservative gearing ratio and retaining an appropriate liquidity position within its available credit lines.

### **Proposed 2018 dividend of USD 500 million**

In accordance with the updated dividend policy, the Board of Directors will propose to the 2019 Annual General Meeting a dividend for 2018 of USD 1.48 per share, corresponding to USD 500 million (rounded off), to be paid in quarterly instalments of USD 0.37 per share, corresponding to USD 125 million (rounded off). Before payment, each quarterly dividend of USD 0.37 per share shall be converted into a SEK amount, and paid out in SEK, based on the USD to SEK exchange rate published by Sweden's central bank (Riksbanken) four business days prior to each record date (rounded off to the nearest whole SEK 0.01 per share). The final USD equivalent amount received by the shareholders may therefore slightly differ depending on what the USD to SEK exchange rate is on the date of the dividend payment. The SEK amount per share to be distributed each quarter will be announced in a press release four business days prior to each record date.

The first dividend payment is expected to be paid around 5 April 2019, with an expected record date of 2 April 2019 and expected ex-dividend date of 1 April 2019. The second dividend payment is expected to be paid around 8 July 2019, with an expected record date of 3 July 2019 and expected ex-dividend date of 2 July 2019. The third dividend payment is expected to be paid around 7 October 2019, with an expected record date of 2 October 2019 and an expected ex-dividend date of 1 October 2019. The fourth dividend payment is expected to be paid around 9 January 2020, with an expected record date of 3 January 2020 and an expected ex-dividend date of 2 January 2020.

In order to comply with Swedish company law, a maximum total SEK amount shall be pre-determined to ensure that the dividend distributed does not exceed the available distributable reserves of the Company and such maximum amount for the 2018 dividend has been set to a cap of SEK 7.665 billion (i.e., SEK 1.916 billion per quarter). If the total dividend would exceed the cap of SEK 7.665 billion, the dividend will be automatically adjusted downwards so that the total dividend corresponds to the cap of SEK 7.665 billion.

### **Ian H. Lundin, Chairman of Lundin Petroleum, commented:**

*"I am very pleased to be able to announce this updated dividend policy, which reflects the reality that with the continuing strong performance from Edvard Grieg and the expected start-up of Johan Sverdrup in November 2019, the Company has transitioned its financial performance into producing material free cash flow well beyond the next decade. I remain confident that we will continue to create shareholder value through our long-held strategy of organic growth in Norway and that the Company's strong financial position will allow us to continue pursuing this strategy, in parallel with developing our contingent resources into reserves, gradually deleveraging debt and distributing a sustainable dividend even down to low oil prices. The proposed dividend of USD 500 million for 2018 is set at a level which is sustainable and which we aim to grow over time."*

*Lundin Petroleum is one of Europe's leading independent oil and gas exploration and production companies with operations focused on Norway and listed on Nasdaq Stockholm (ticker "LUPE"). Read more about Lundin Petroleum's business and operations at [www.lundin-petroleum.com](http://www.lundin-petroleum.com)*

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This is information that Lundin Petroleum AB is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out above, at 07:31 CET on 30 January 2019.

### **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.