

Production and Development

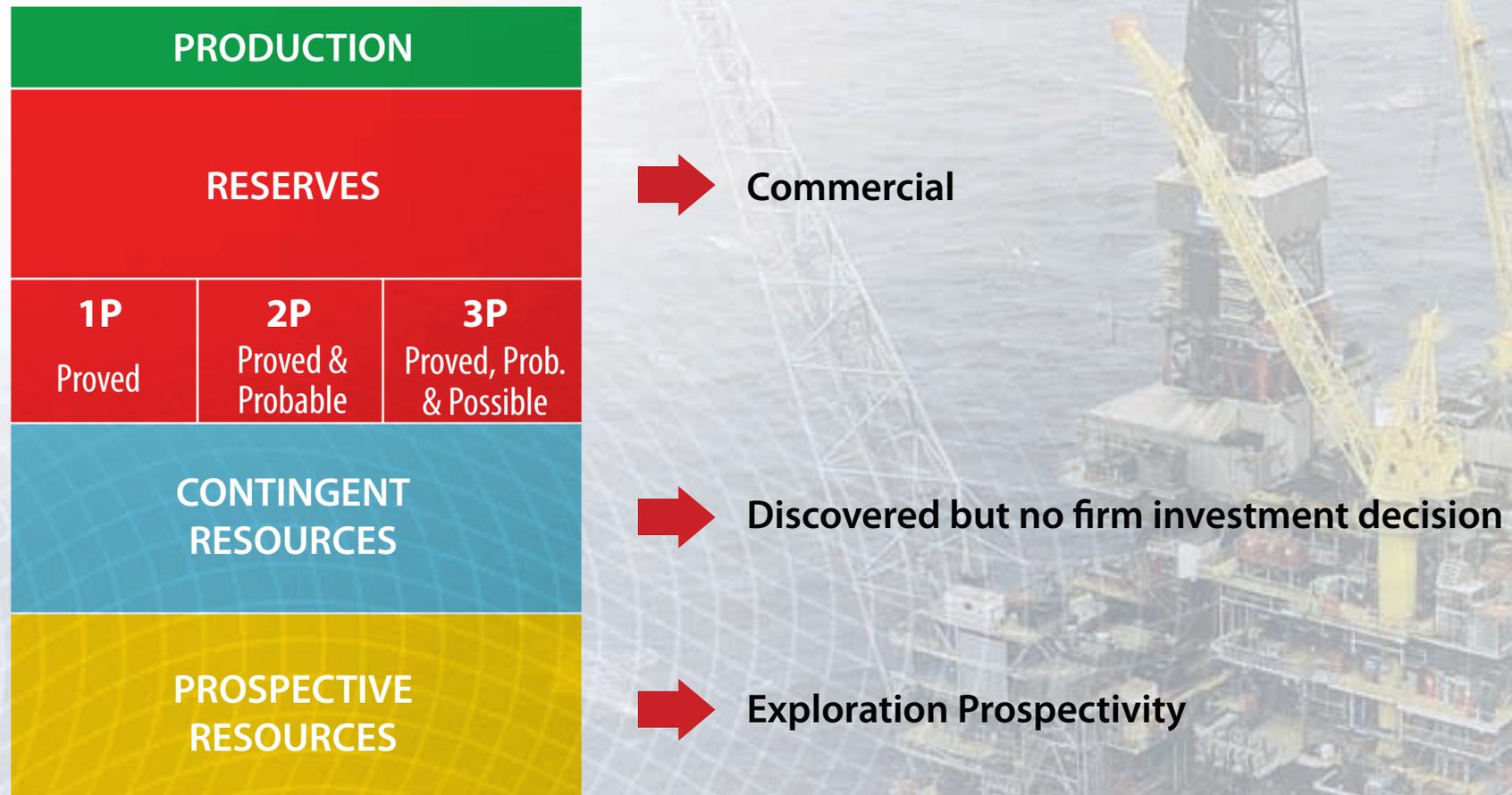


*Chris Bruijnzeels, Senior Vice President Operations
January 2009*

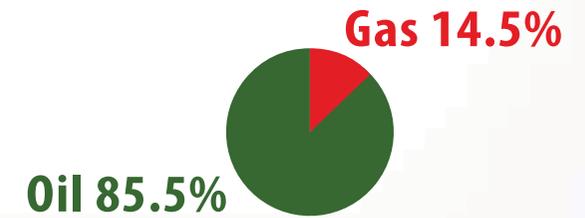
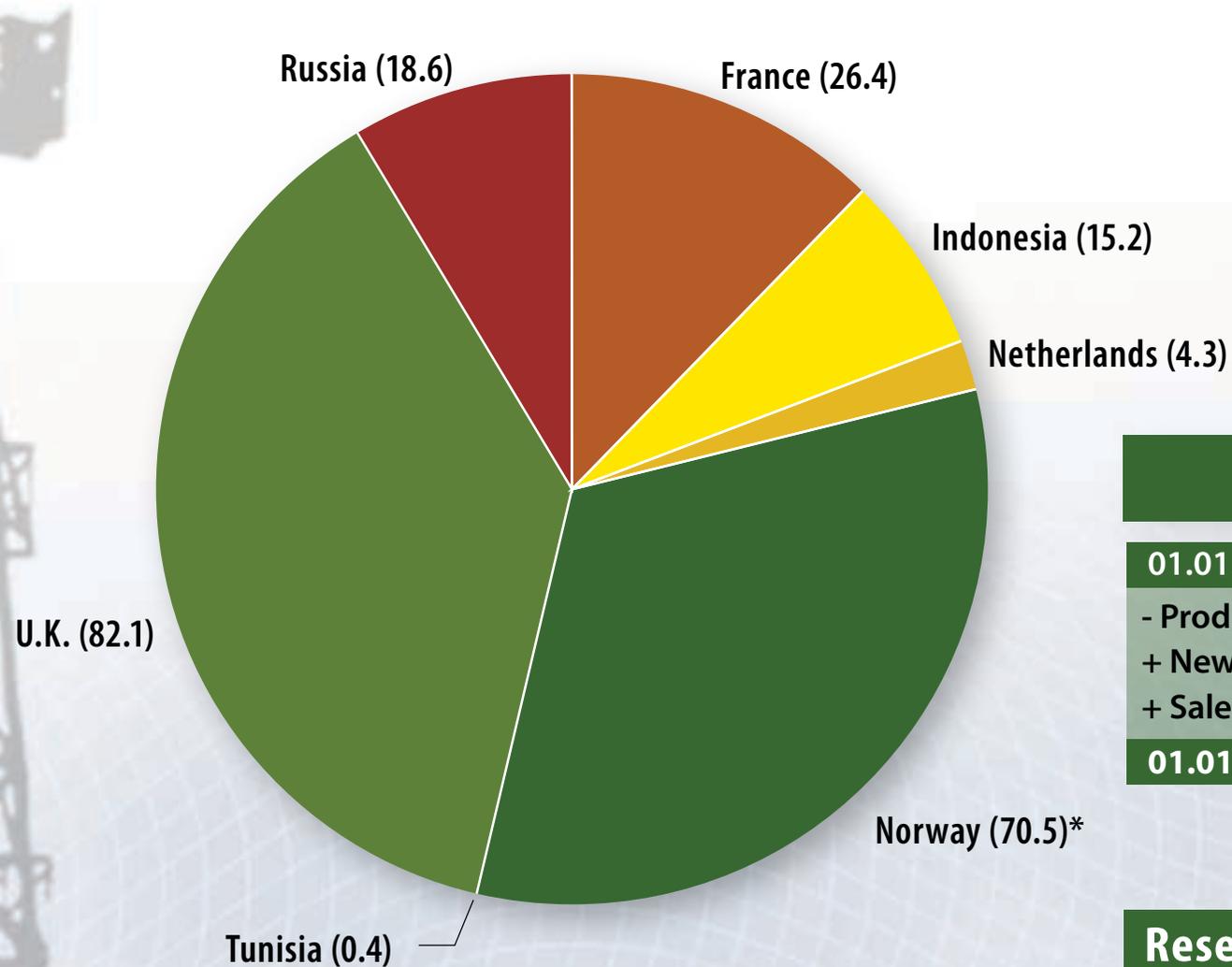
Resource Classification System



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)



2009 Proven & Probable Reserves



Total 217.5 MMboe

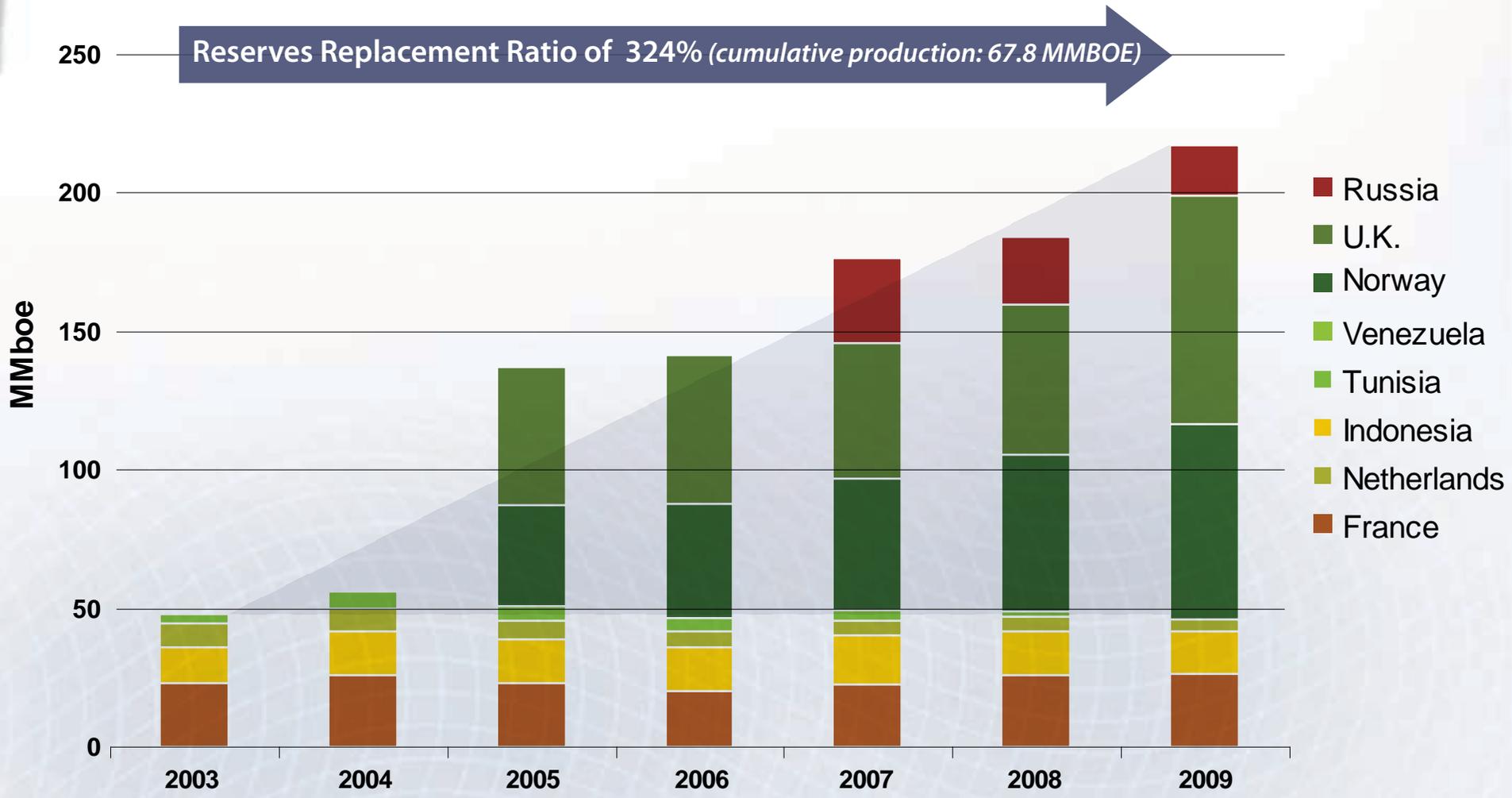
01.01.2008 MMboe	184.2
- Produced (forecast)	-11.6
+ New reserves (excl sales/acquisitions)	45.7
+ Sales/acquisitions	- 0.8
01.01.2009 MMboe	217.5



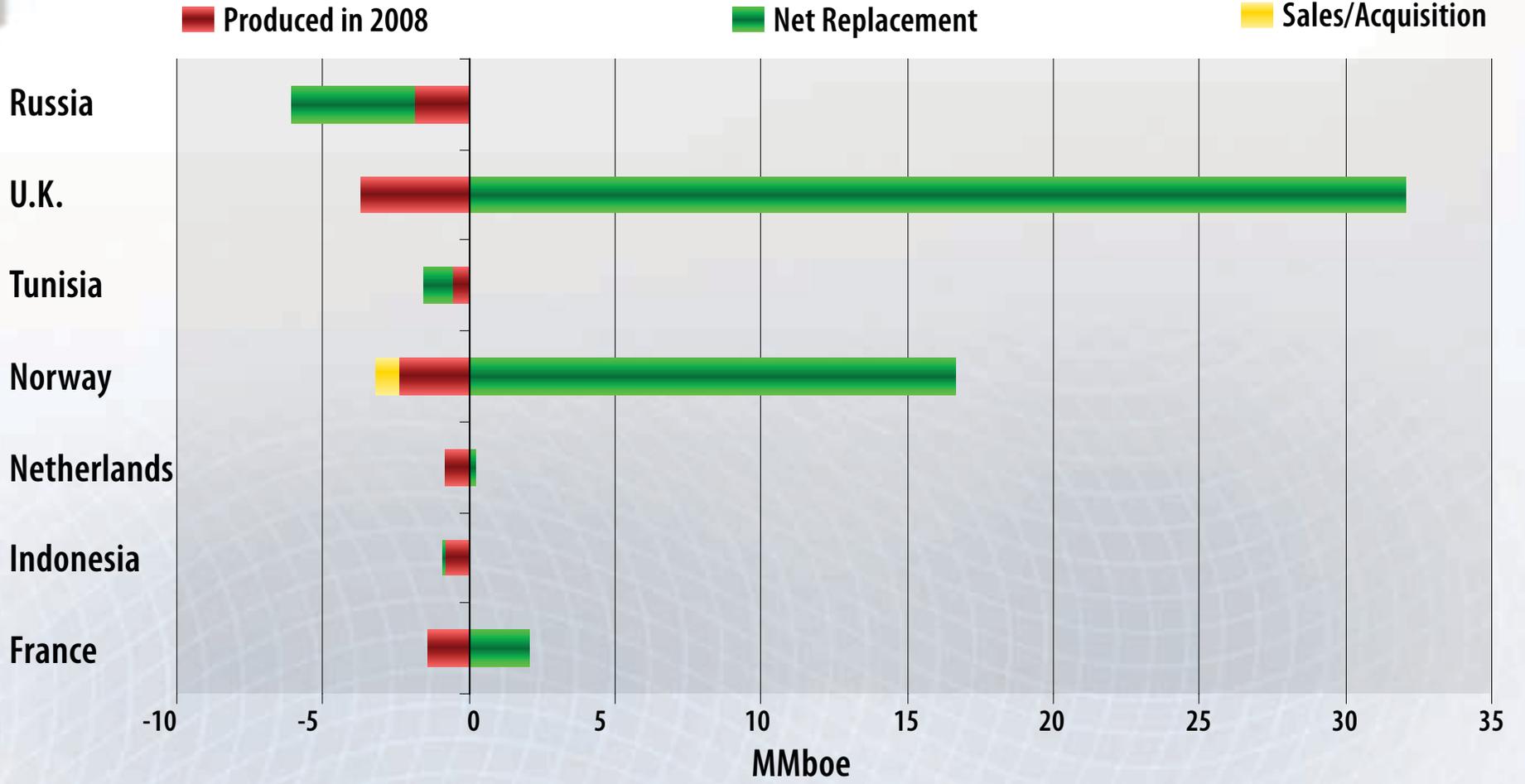
Reserves Replacement Ratio 394%

Increase in Reserves 26%

Reserves Growth



Reserves Changes



Main Reserves Changes



- **Russia** ➔ Kalmeastern and OGT reductions (-9.7)

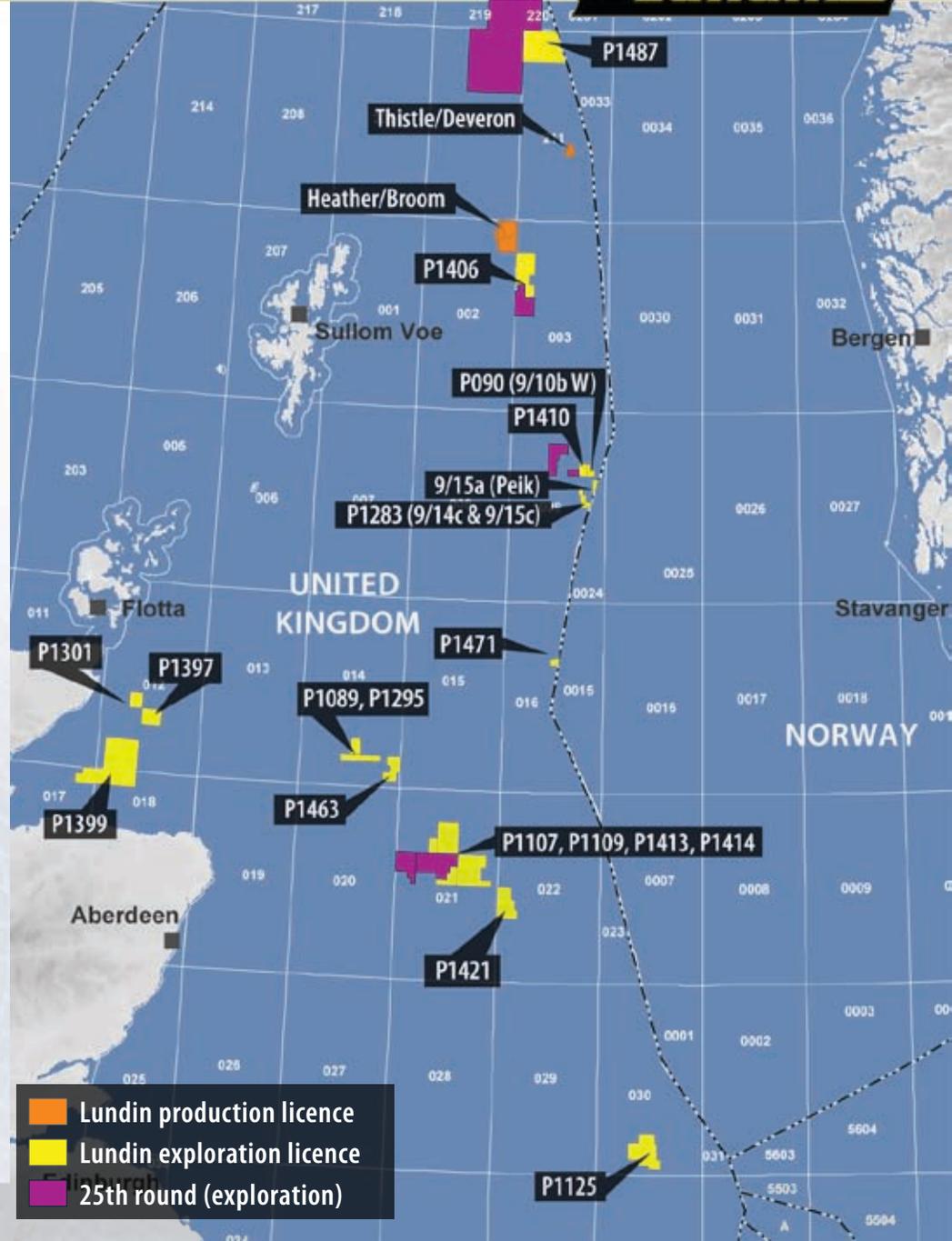
- **UK** ➔ Increased Heather and Thistle due to 3D seismic and re-development plans (+26.5)
 ➔ Increased Broom due to last year's infill well results (+3.8)

- **Tunisia** ➔ Reduced Oudna reserves due to negative reservoir performance (-1.0)

- **Norway** ➔ Economic viability of the Nemo development project (+11.0)
 ➔ Increased Alvheim gas reserves (+3.4)

- **France** ➔ Grandville field development plan (+1.7)

UK Continental Shelf Licences

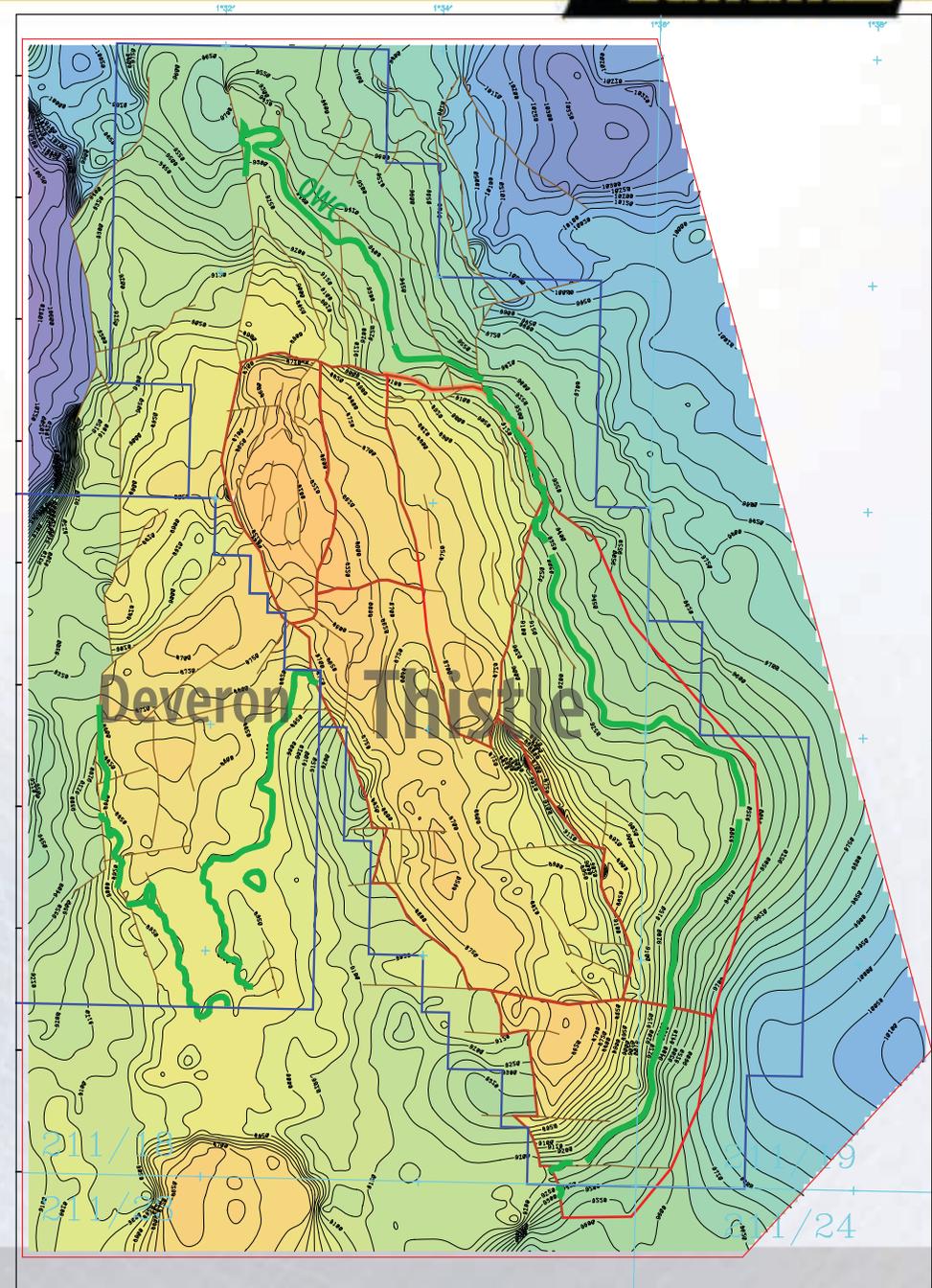


- Lundin production licence
- Lundin exploration licence
- 25th round (exploration)

Thistle



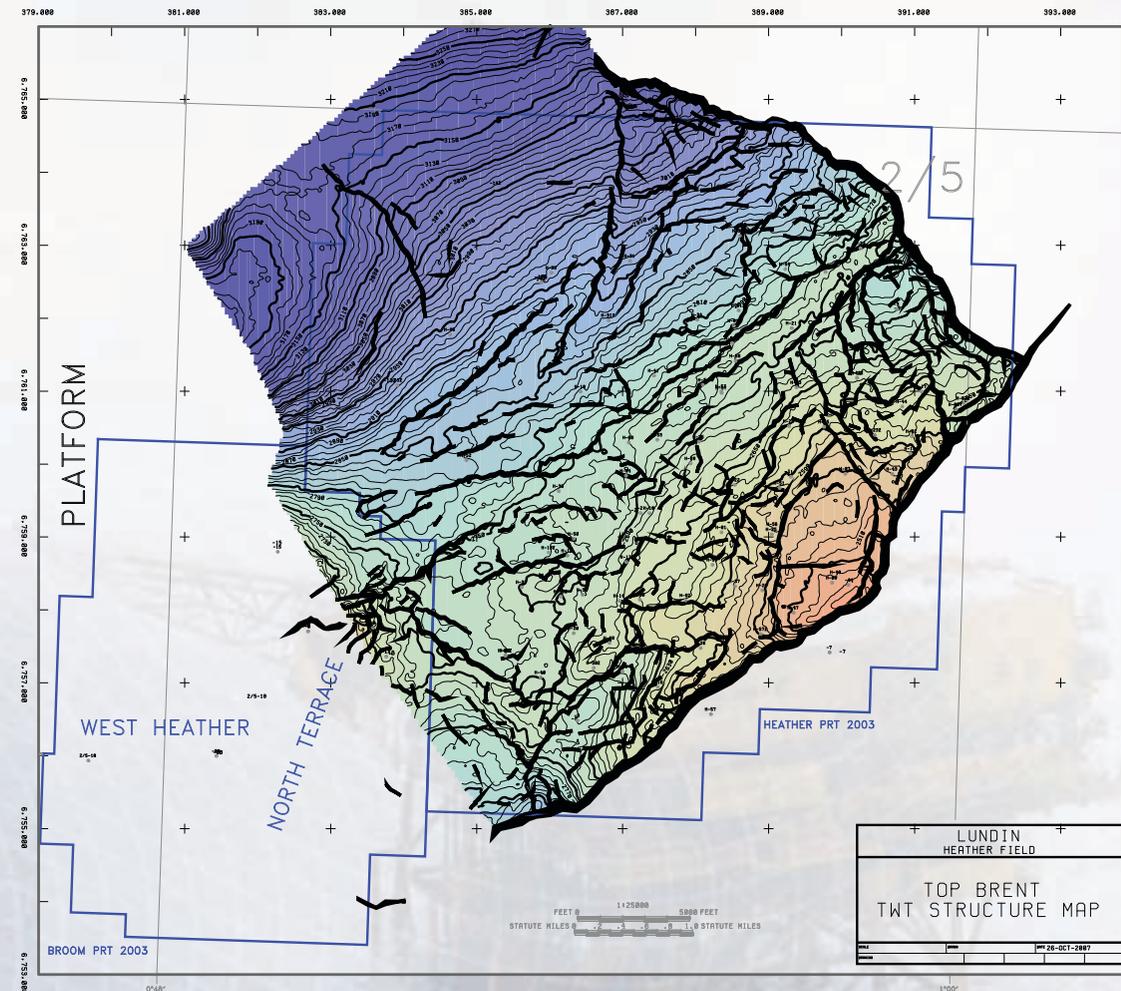
- ➔ Lundin Petroleum 99% WI
- ➔ STOIP 846 MMstb
- ➔ Produced 430 MMstb
- ➔ Invested in extending life of platform
- ➔ Shot 3D seismic in 2007
- ➔ Sub-surface review in 2008
- ➔ Identified 11 infill opportunities
- ➔ Current status
 - ➔ Opex £ 36/bbl
- ➔ Re-development
 - ➔ Opex after development £ 16/bbl
 - ➔ Capex
 - drilling £ 8.00/bbl (incremental)
 - facility improvements £ 1.50/bbl



Heather Development



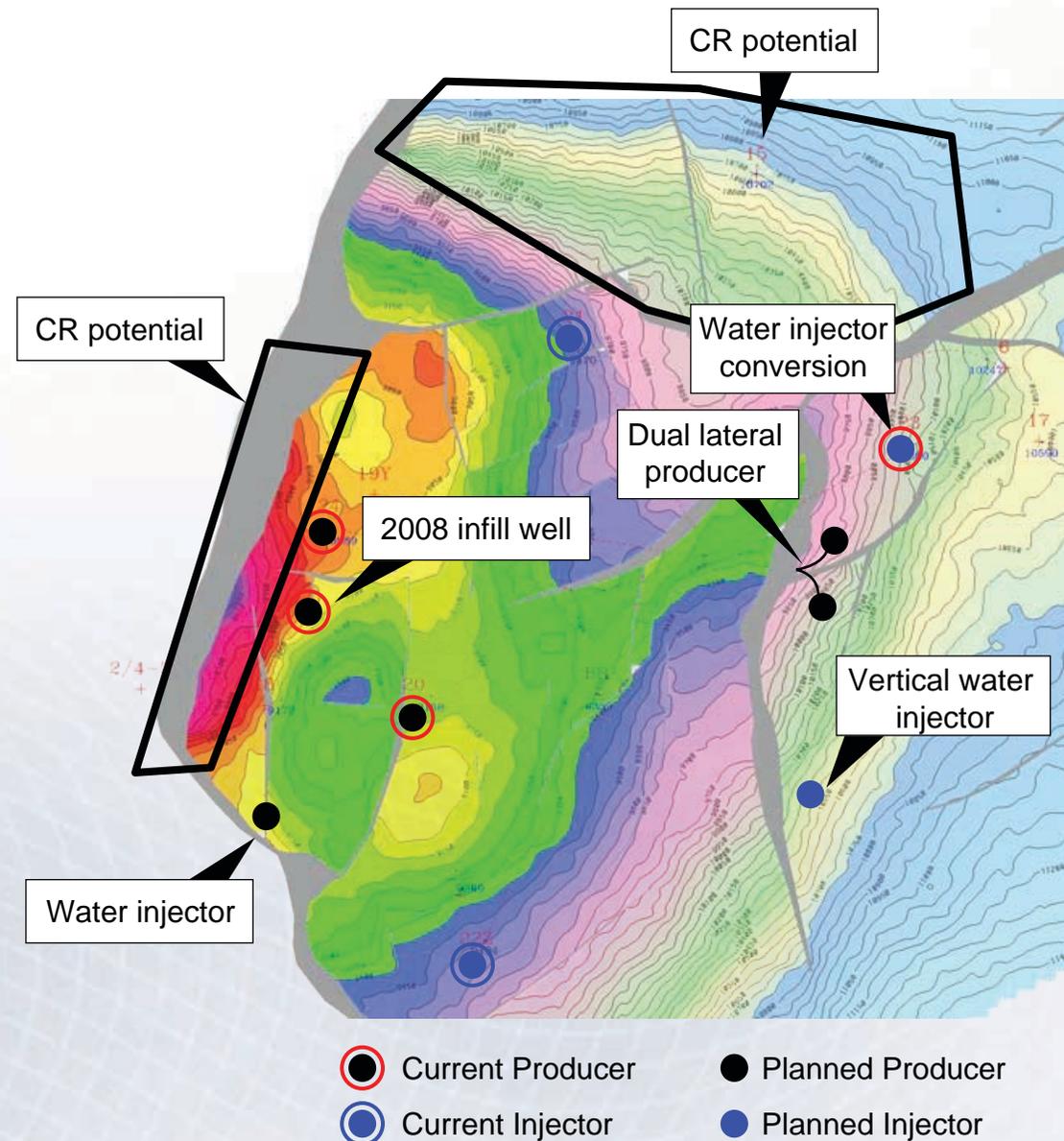
- ➔ Lundin Petroleum 100%
- ➔ STOIP
 - ➔ Brent 507 MMstb
 - ➔ Trias 166 MMstb
- ➔ Produced 134 MMstb
- ➔ Host to Broom development
- ➔ Shot 3D seismic in 2006/2007
- ➔ Sub-surface review in 2007/2008
- ➔ Identified 6 infill and 3 coiled tubing workover candidates
- ➔ Current status - Heather/Broom Unit
 - ➔ Opex £ 14.00/boe
- ➔ Development
 - ➔ Opex after development £ 10.00/boe (Heather/Broom Unit)
 - ➔ Capex
 - drilling capex Heather £ 3.50/boe (incremental)
 - facility improvements £ 0.80/boe (Heather/Broom Unit)



Broom Development



- ➔ Lundin Petroleum 55% WI
- ➔ STOIP 172 MMstb
- ➔ Produced 28.7 MMstb
- ➔ 4 producers, 2 injectors
 - ➔ Successfully sidetracked 2/5-19y in 2008
- ➔ 2P Brent Ultimate Recovery of 36.1%
- ➔ 3.8 MMstb net contingent resource
 - ➔ North Flank area
 - ➔ Western boundary fault
- ➔ Development
 - ➔ Drilling capex £ 10.50/boe

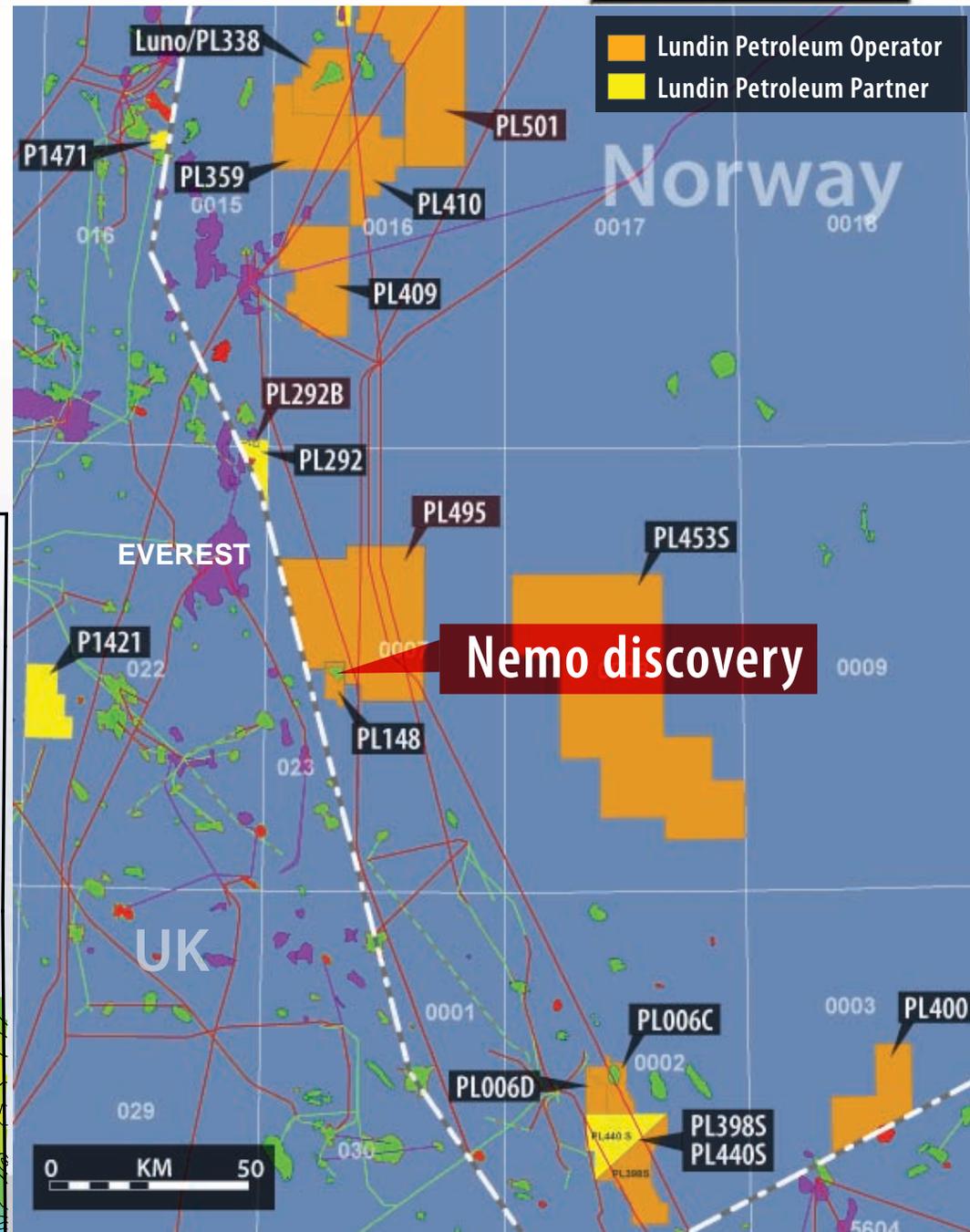
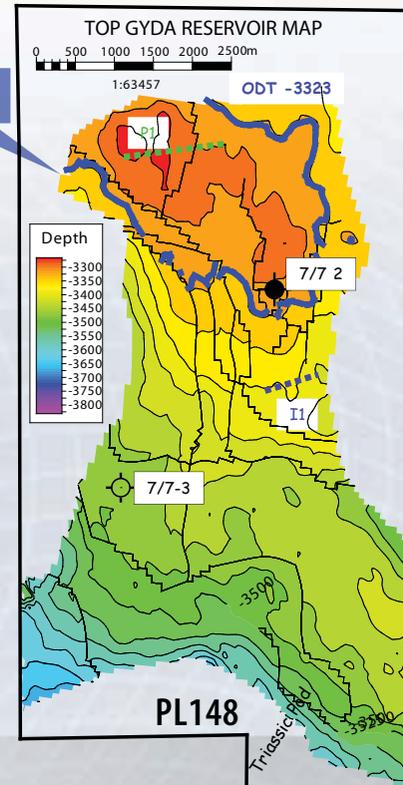


Southern North Sea - PL148



- ➔ **Lundin Petroleum interest: 50% (operator)**
 - ➔ Noreco 20 %, Talisman 30%
- ➔ **2008 appraisal well confirmed field extension**
- ➔ **2P gross reserves of 22 MMboe**
- ➔ **Existing infrastructure nearby in UK and Norway**

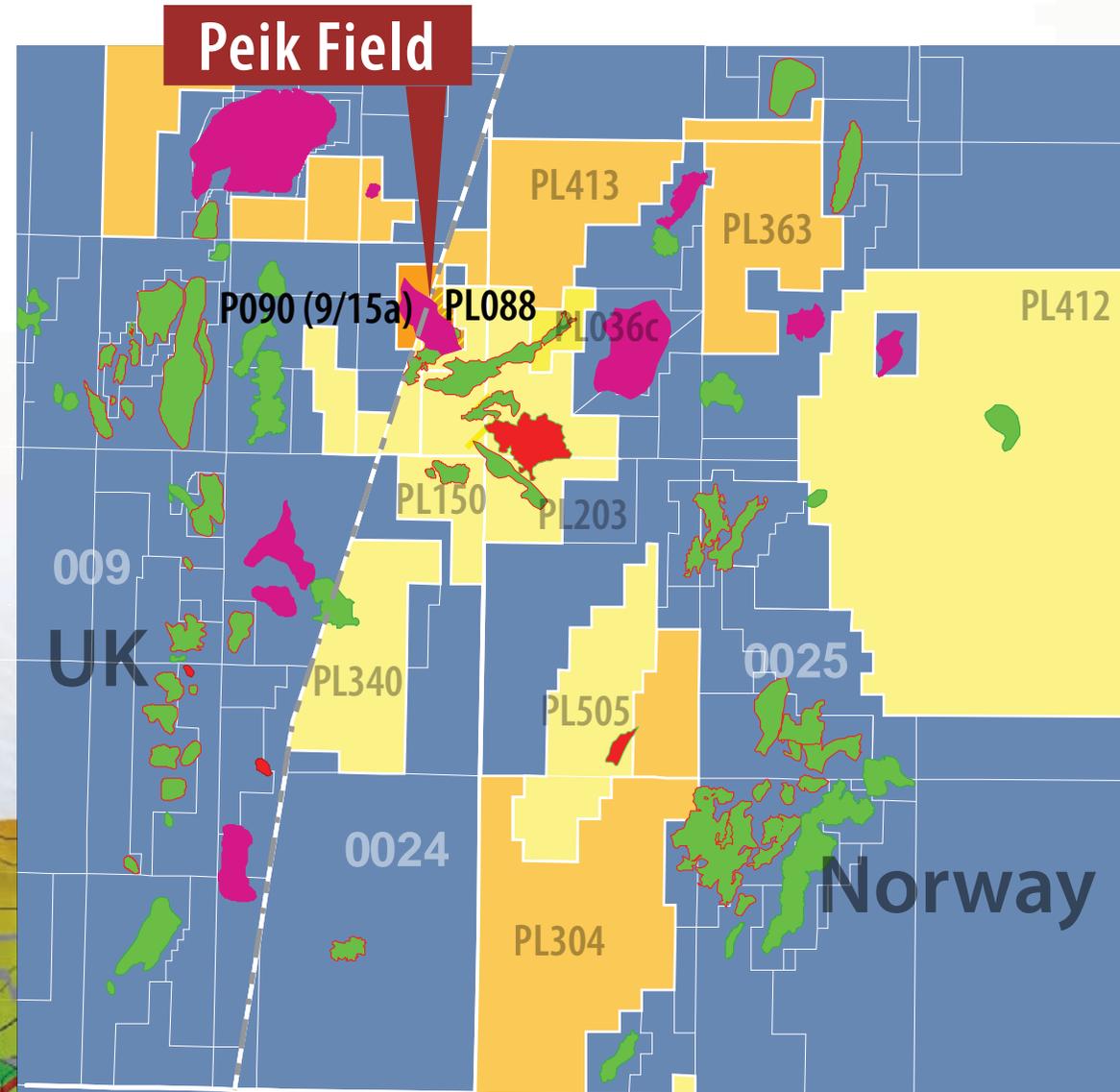
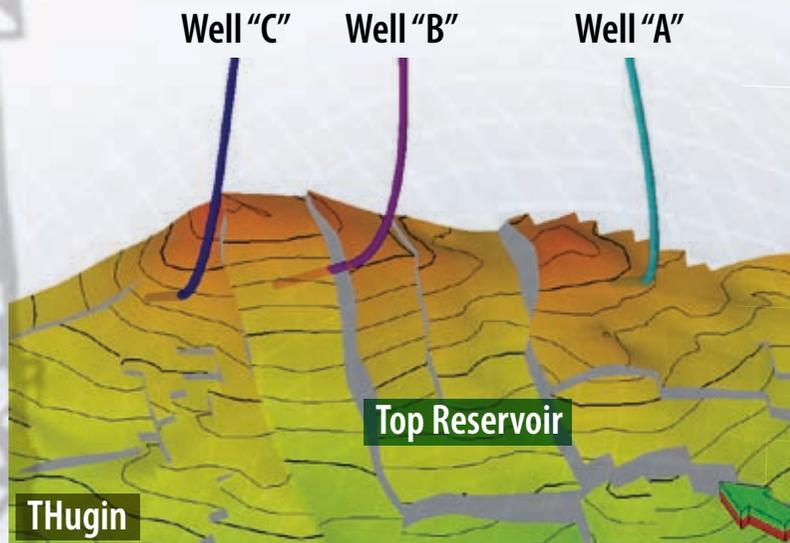
Nemo Discovery



Greater Alvheim Area - Peik Development



- ➔ Moving towards host selection
- ➔ Reviewed and updated conceptual development plan
- ➔ Reserves: 37 MMboe Gross
- ➔ Lundin Petroleum: ~40%



Russia 2P



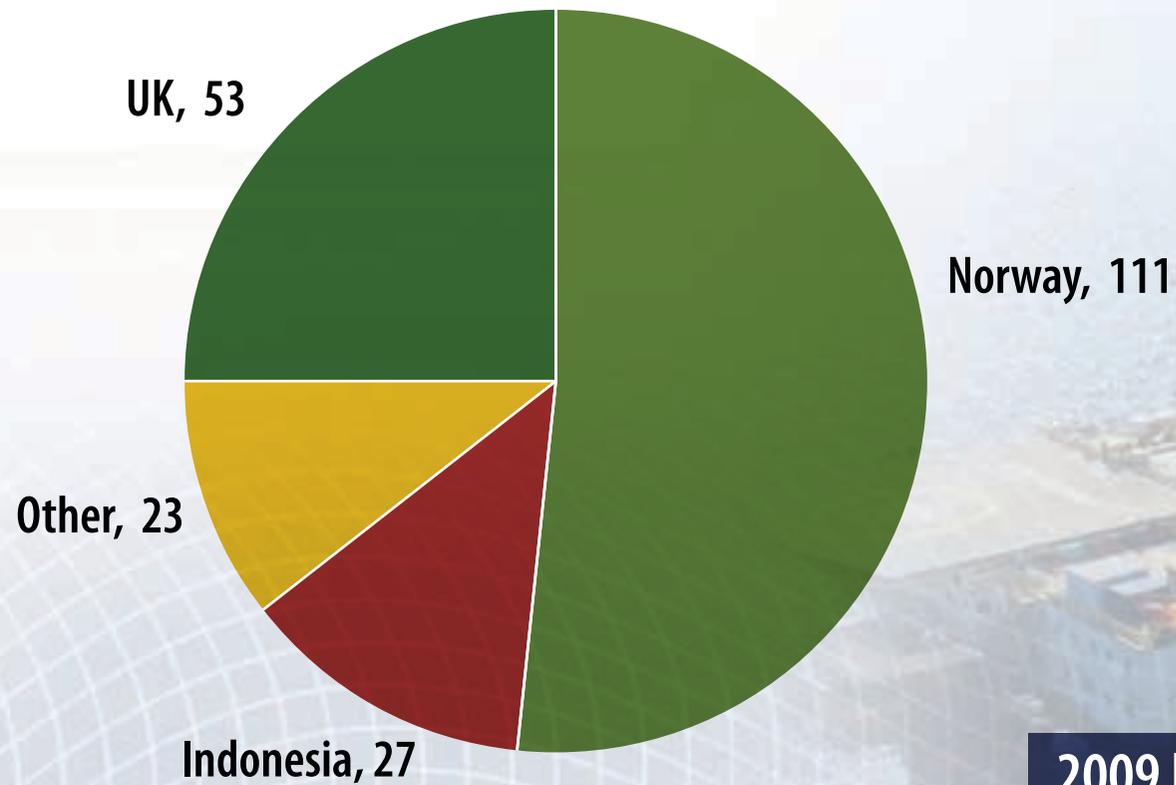
- ➔ **Pechoraneftegaz and Recher Komi**
 - ➔ Successful exploration/appraisal in Recher Komi
 - ➔ Good infill performance
 - ➔ Increased reserves (+5.5 MMstb)

- ➔ **Kalmeastern**
 - ➔ Low oil price + high transport costs → low netback
 - ➔ Uncertain investment climate
 - ➔ Reduced reserves (-6.3MMstb)

- ➔ **OGT**
 - ➔ Poor performance from pilot production wells
 - ➔ No investment decision
 - ➔ Reduced reserves (-3.4 MMstb)



2009 Development Capital Expenditure



2009 Forecast 215 MMUSD

Development Highlights 2009



NORWAY

VOLUND

- 4 wells to be drilled
- Offshore installation substantially complete
- First oil late 2009

RUSSIA

- PNG & Recher-Komi (RK): drilling + RK pipeline

NETHERLANDS

- Drilling: development drilling
- Facilities: E17 development project

INDONESIA

SALAWATIS

- Development drilling

SINGA

- Development drilling (2 wells and 1 recompletion) and gas facilities construction
- First gas mid 2009

UNITED KINGDOM

THISTLE

- Drilling: Top drive installation
- Facilities: B turbine reinstatement (costs recovered by insurance)

HEATHER

- Routine facilities upgrades

PEIK

- Pre-development studies.

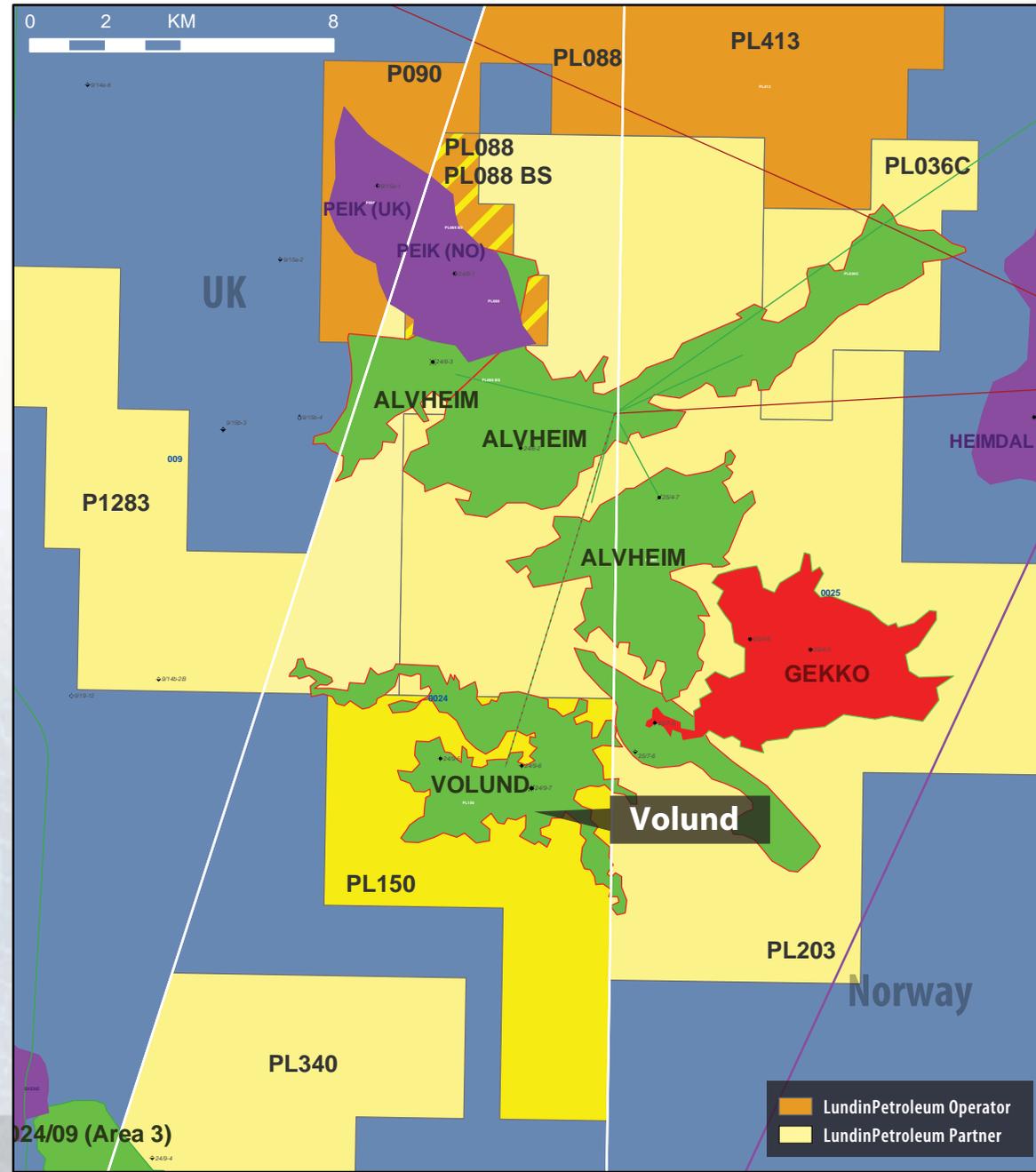
FRANCE

- Facilities: water injection facilities Vert-la-Gravelle

2009 Projects - Norway Volund



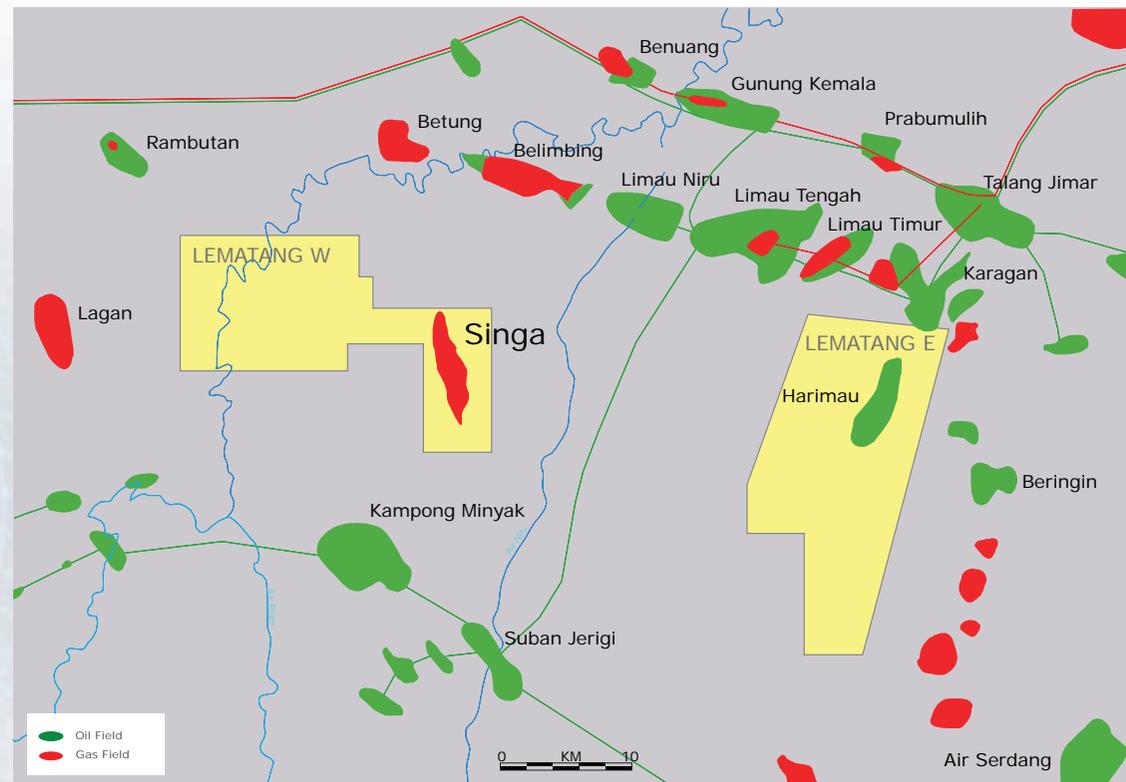
- ➔ **Lundin Petroleum 35%**
Marathon 65% (operator)
- ➔ **Reserves 49 MMboe (gross)**
- ➔ **2009 CAPEX USD 100 Million**
- ➔ **2009 Drilling**
 - ➔ 3 producers, 1 water injector
 - ➔ Deep Sea Bergen 2 wells
 - ➔ Songa Dee 2 wells
- ➔ **First production late 2009**



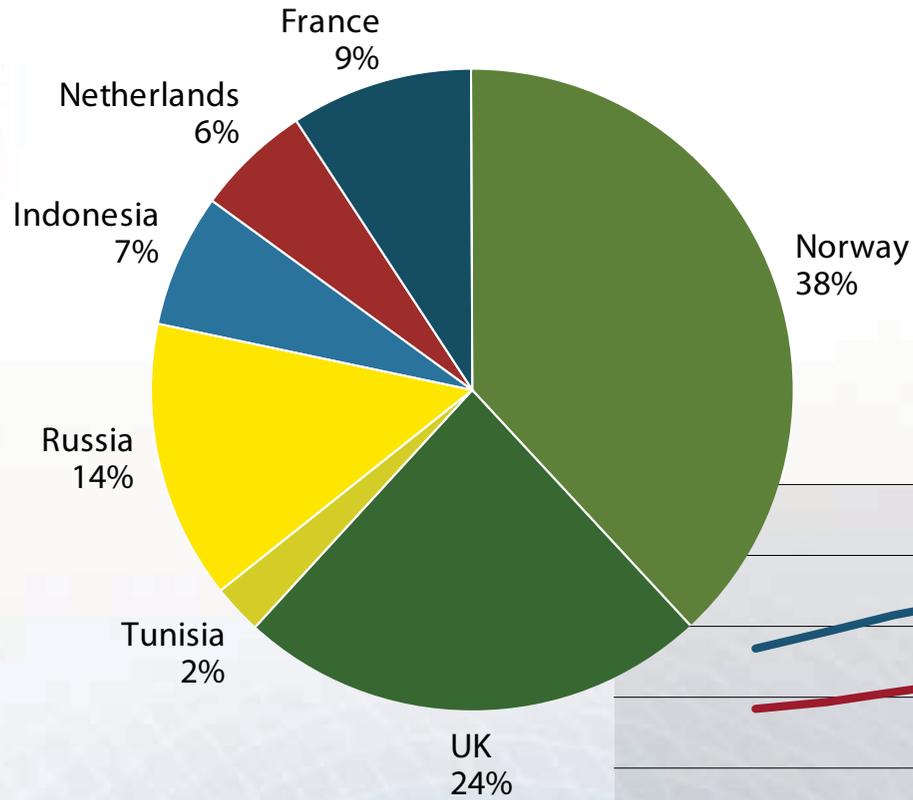
Indonesia - Singa Development



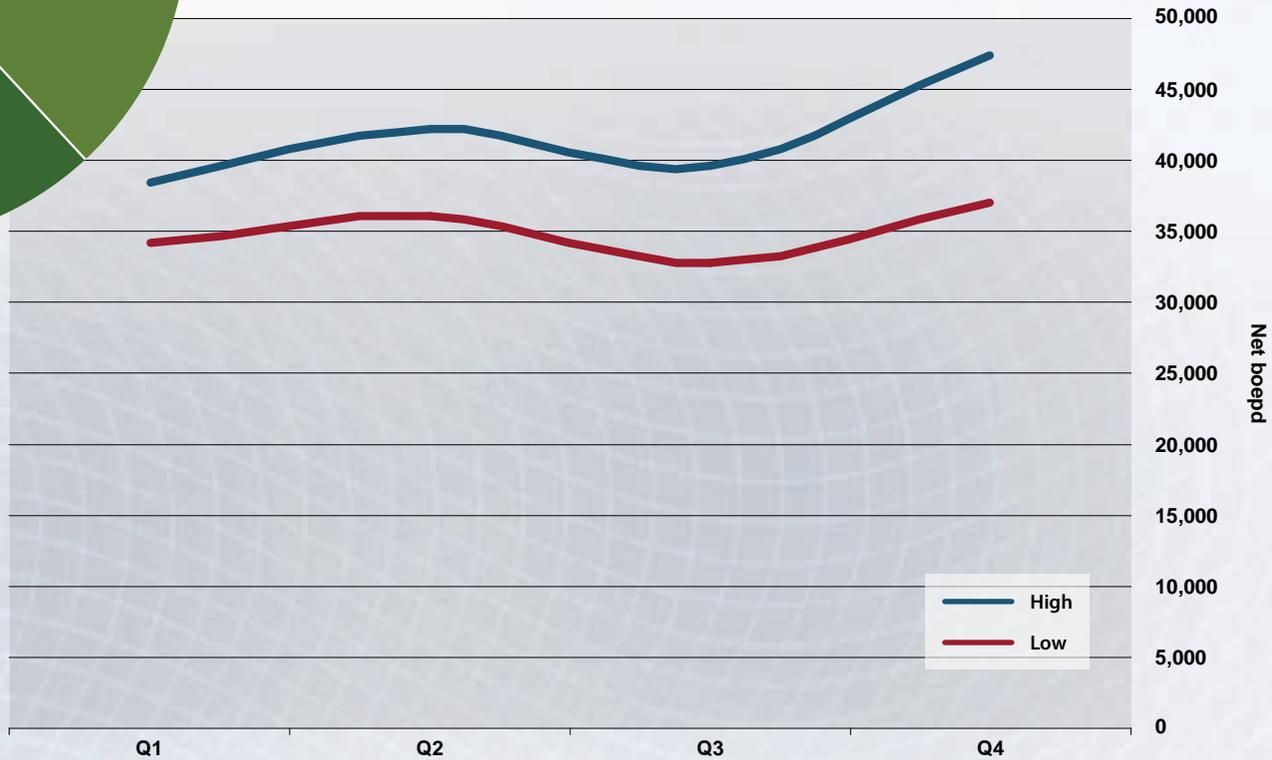
- Lundin Petroleum 25.88%
- Gross reserves 123 bcf
- 2009 CAPEX USD 21 Million
 - ➔ 2 wells
 - ➔ Facilities
- Gas Sales Agreement at 48 mmcf/d for 5 years – declining thereafter
 - ➔ Gas sold to PT PLN (Indonesian electricity company)
- Gas exported via 40km 10" pipeline



2009 Production Forecast



- Norway
- UK
- Tunisia
- Russia
- Indonesia
- Netherlands
- France



Factors Affecting 2009 Production Range



- **Norway**
 - Alvheim vessel regularity and plant capacity
 - Volund first production timing

- **Indonesia**
 - Singa project first gas and rampup profile

- **UK**
 - Gas lift availability
 - Platform regularity

- **Russia**
 - Komi assets infill well performance

2009 Production - Norway Alvheim



- **Lundin Petroleum 15%**
 - ➔ Marathon 65% (operator), ConocoPhillips 20%

- **Gross Reserves 223 mmboe (01.01.09)**
 - ➔ Up from 215 mmboe (01.01.08)

- **Average 2008 gross production 41,300 boepd (start-up in June 08)**
 - ➔ Peak Alvheim Norway production to date 109,000 boepd
 - ➔ Water free production until late December – better than prognosis

- **FPSO status**
 - ➔ Commenced production in June 2008
 - ➔ Peak throughput (to date) of 133,000 bbl/d and 62 mmscf/d
 - original design capacity of 120,000 bbl/d, 125 mmscf/d
 - de-bottlenecking ongoing – stretch target is 150,000 bbl/d
 - ➔ Vilje field tied-in
 - ➔ Volund field (Lundin Petroleum 35%) to be tied-in in late 2009

- **Wells**
 - ➔ 10 producers completed
 - 5 Kneler Wells
 - 3 Boa Wells
 - 2 Kameleon wells
 - ➔ 3 further wells to be drilled in 2010/2011

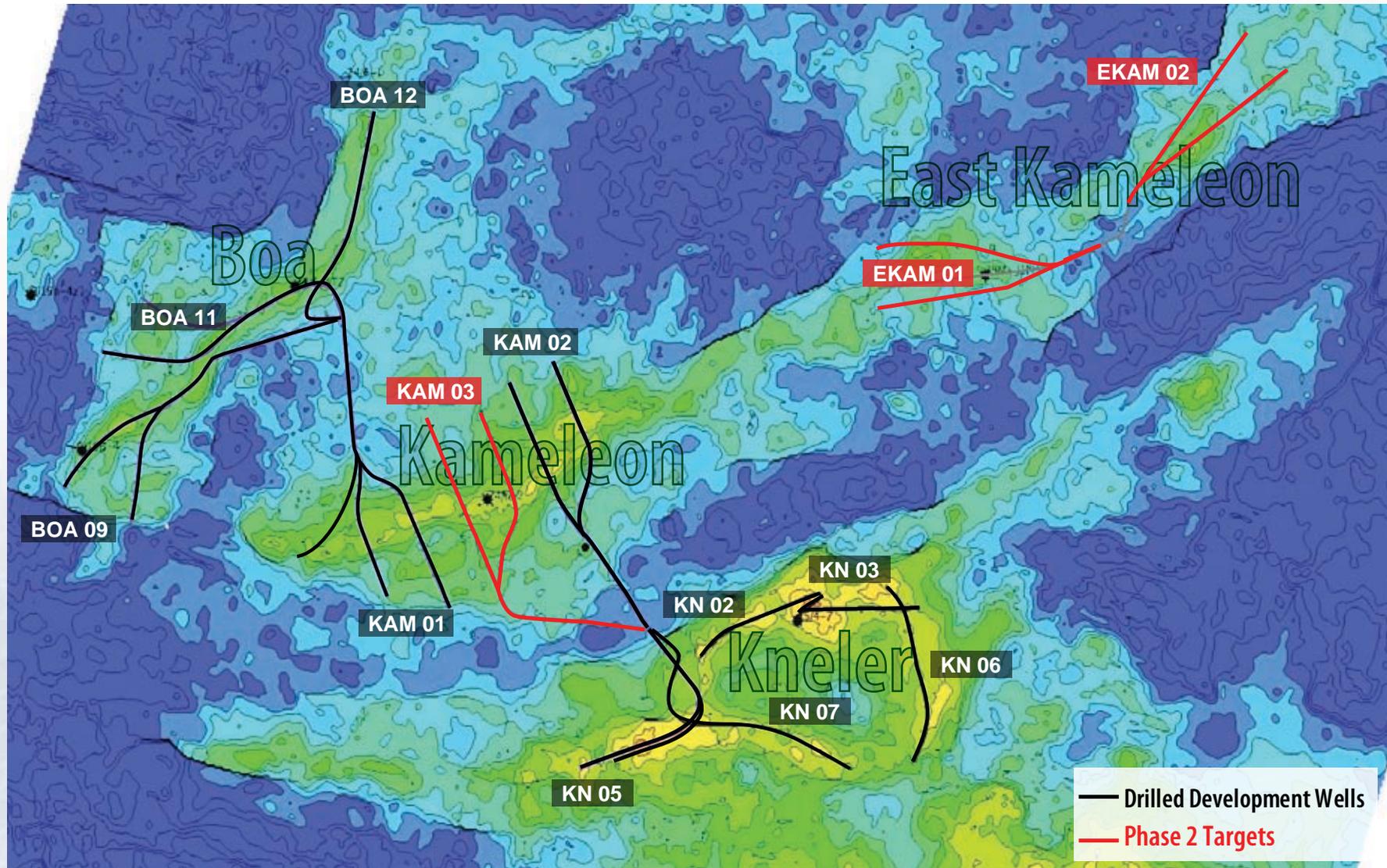
Norway - Alvheim/Volund



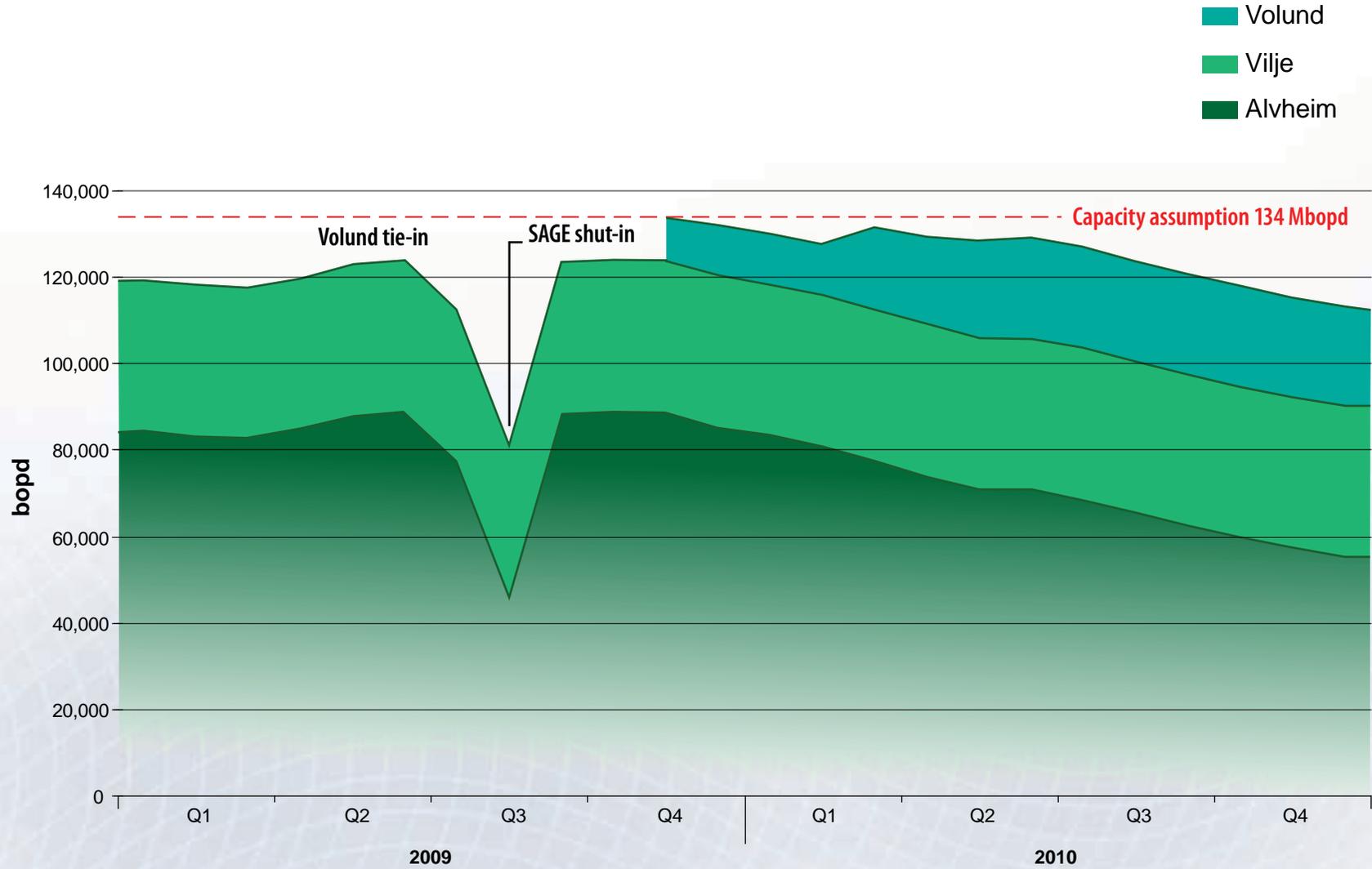
2009 Projects – Norway Alvheim



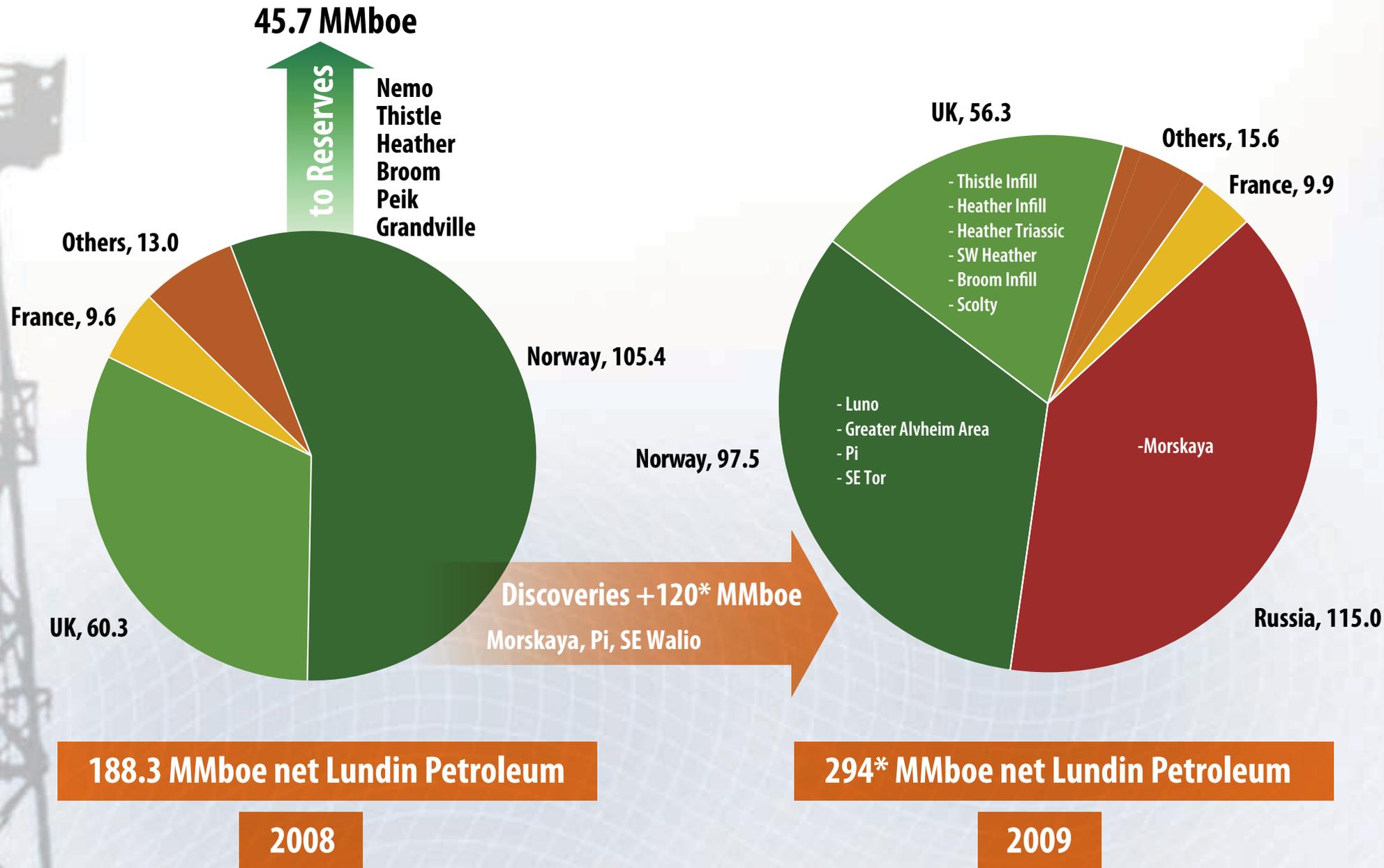
- 73.8 km out of 102 km planned development wells completed
- 27.2 km out of 33 km planned horizontal section completed
- 10 Phase 1 development wells completed, 8 on production (2 remaining, mid-February 2009)



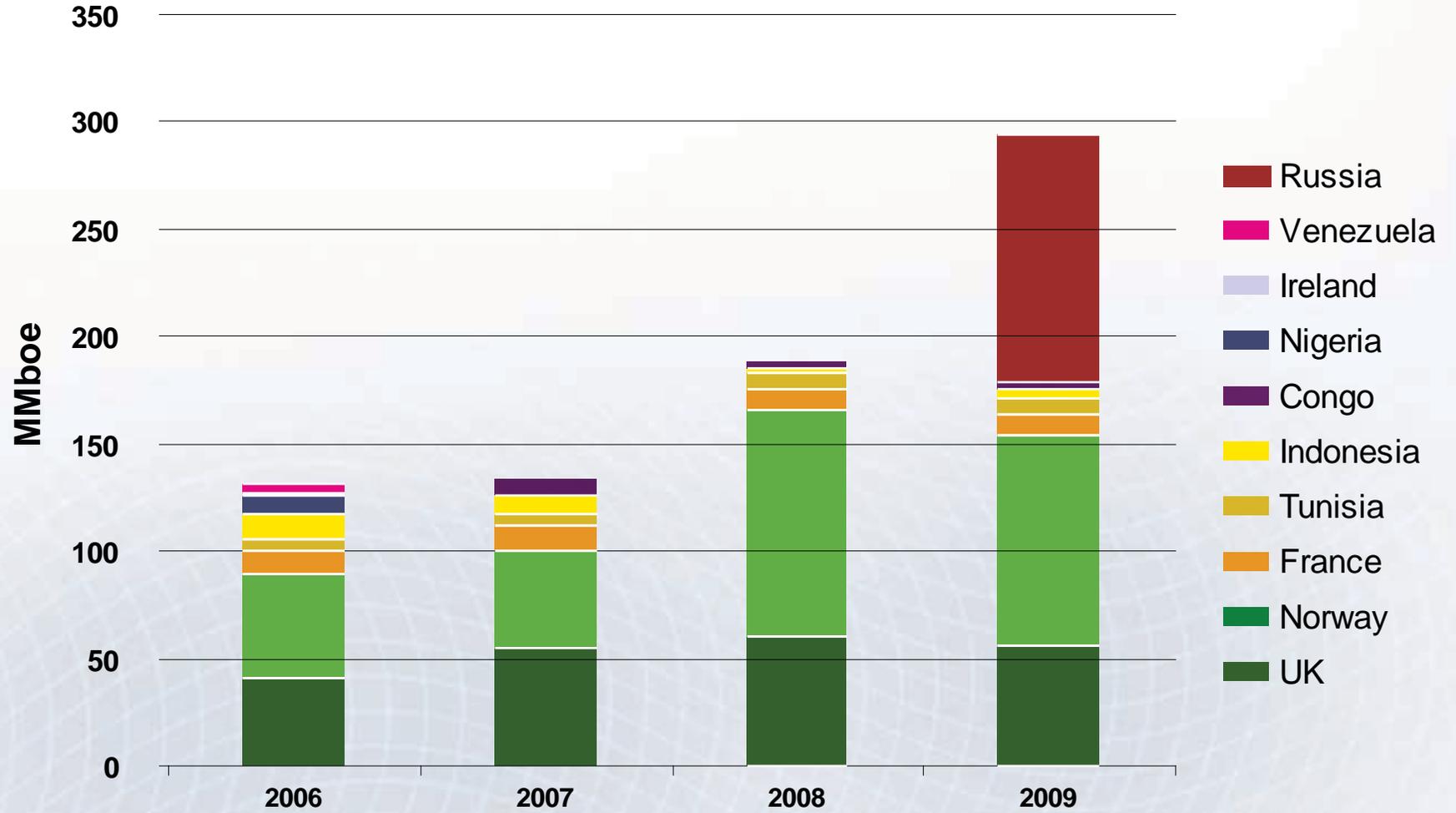
Norway - Alvheim FPSO Oil Production Forecast



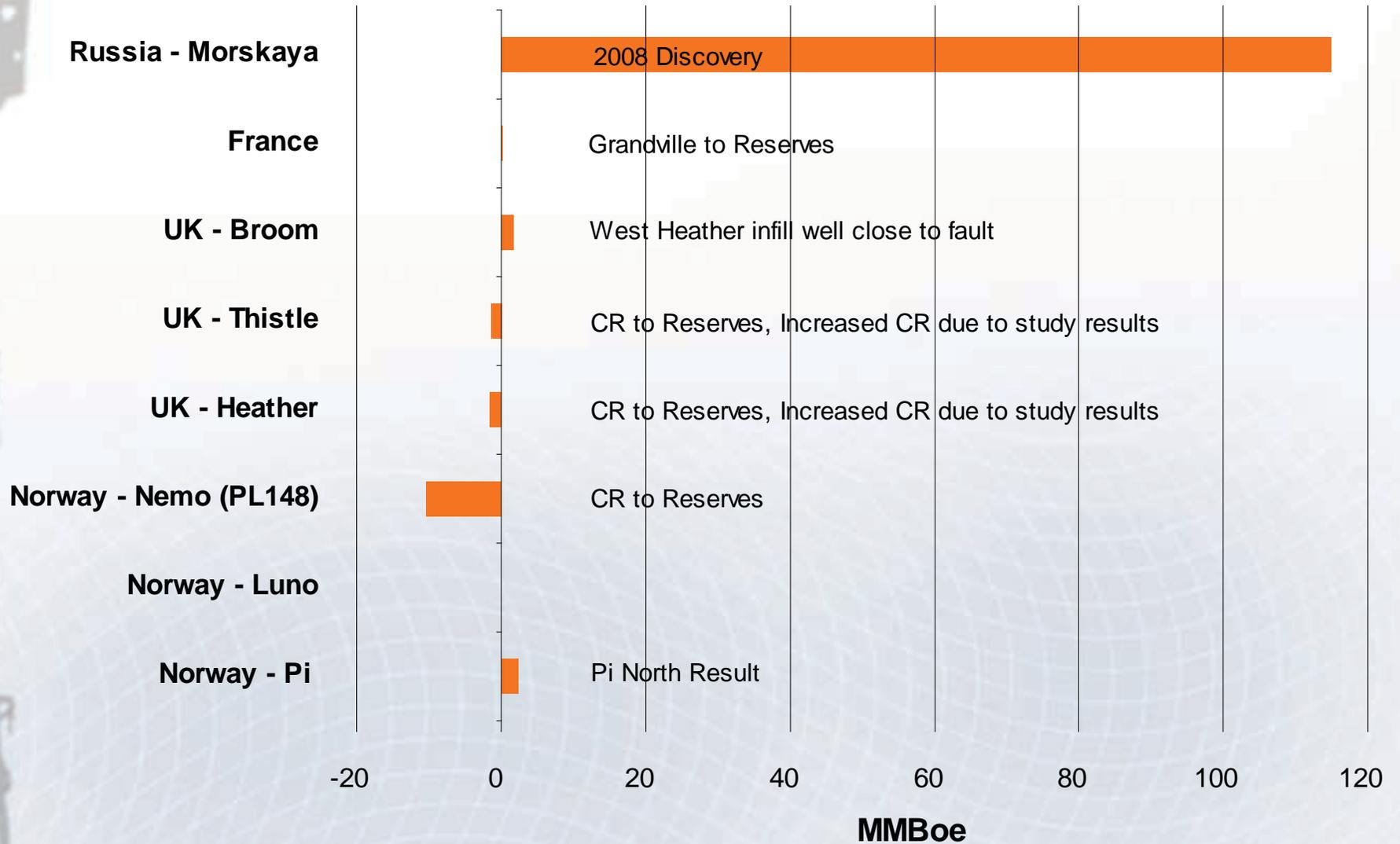
Contingent Resources - 1 January 2009



Contingent Resource History



Contingent Resource Movement



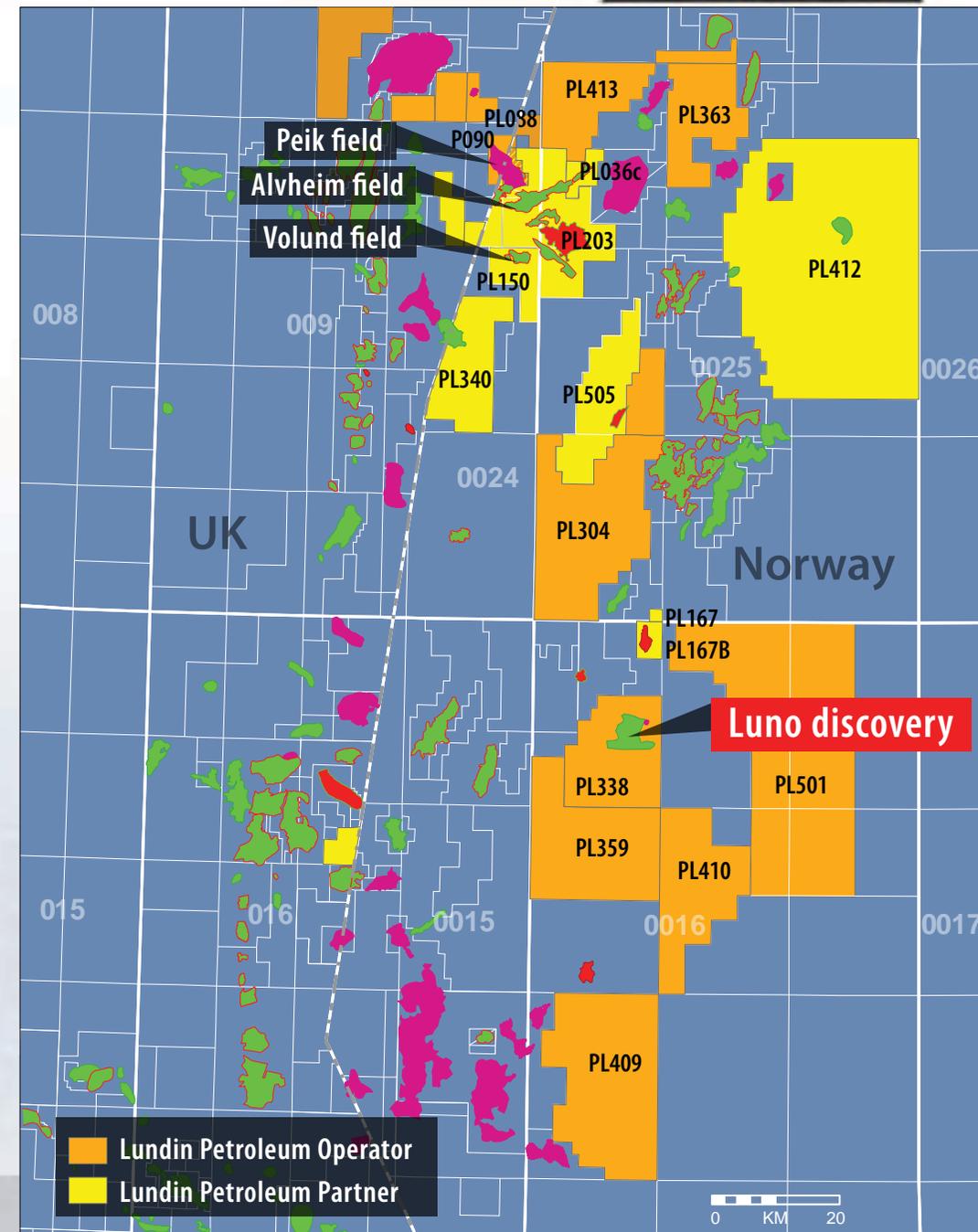
Luno Discovery



- **Discovered in 2007**
- **Lundin Petroleum interest: 50% (Operator)**
 - ➔ Wintershall 30%, RWE 20%
- **Discovery 16/1-8**
 - ➔ Largest discovery in Norwegian North Sea in the last decade
 - ➔ Light oil discovery
 - ➔ New play concept proven
 - ➔ Significant working interest in adjoining acreage

➤ Contingent Gross Resources

Discovery	MMBOE
Luno	65 - 190



Schematic Illustration of Luno Discovery

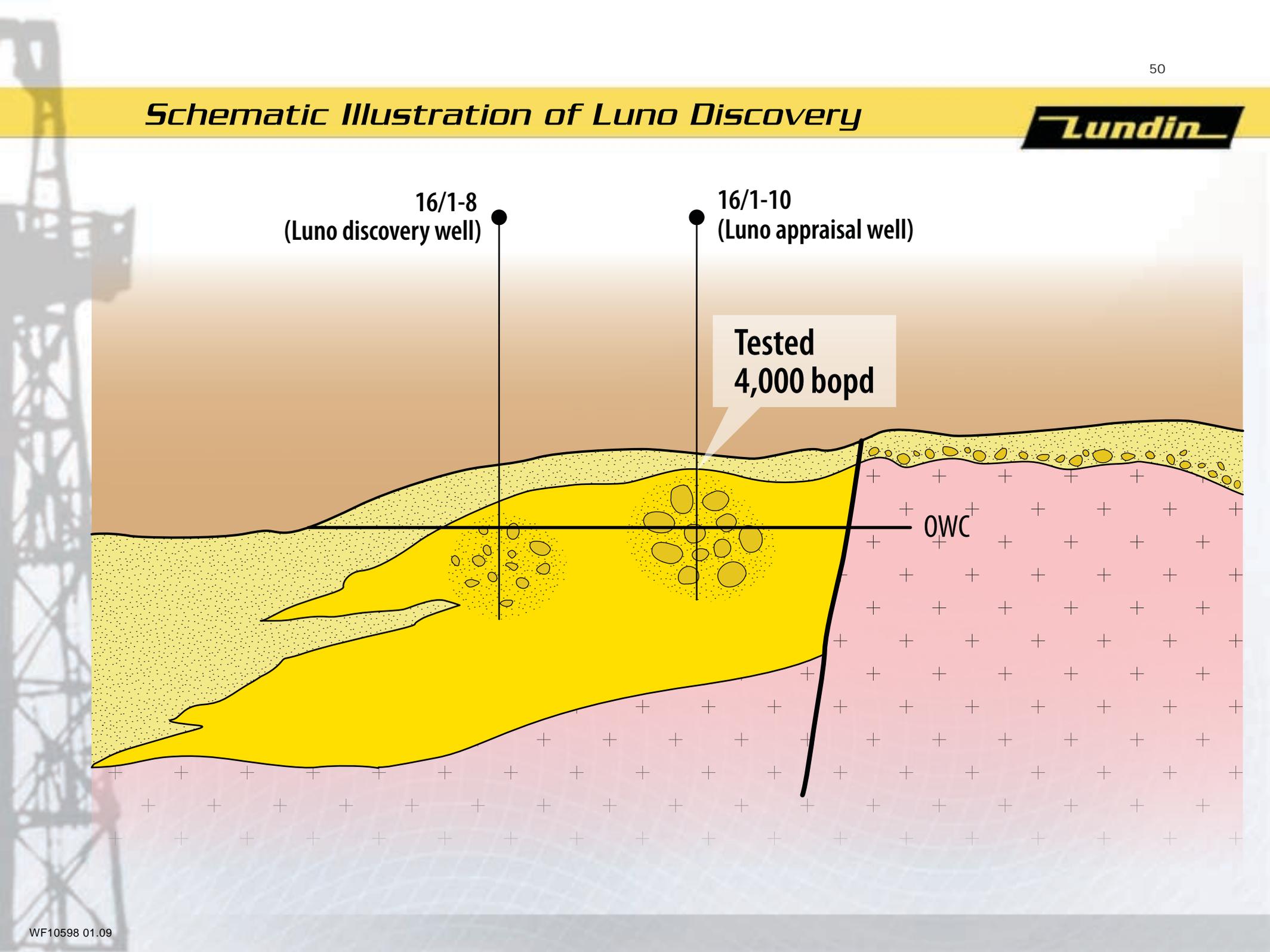


16/1-8
(Luno discovery well)

16/1-10
(Luno appraisal well)

Tested
4,000 bopd

OWC



Luno Reserves Status



- **Decision to incorporate Luno appraisal results before booking reserves**
- **Incorporate drilling and test results into updated subsurface model**
- **Incorporate 2008 ocean bottom seismic results**
- **Revised reserves statement expected in the next two to three months**
- **Expected to be within previously annouced range of 65-190 MMboe**

Russia - Lagansky Block



- Lundin Petroleum 70%, Mintley 30% (pre-Gazprom option exercise)
Lundin Petroleum 50%, Gazprom 50% (post-Gazprom option exercise)

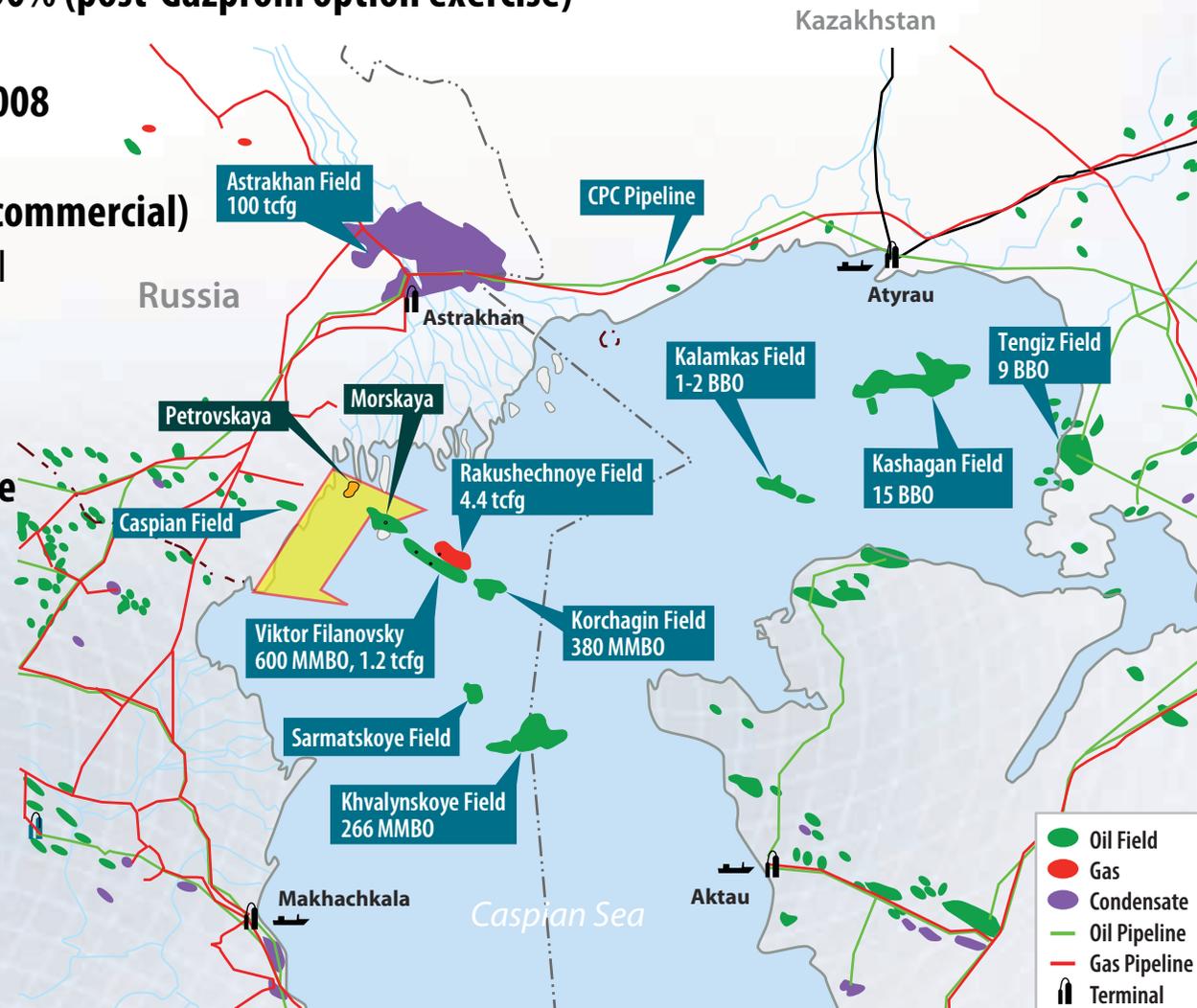
- Morskaya major oil discovery 2Q 2008

- Laganskaya well completed (non-commercial)

➔ Small hydrocarbon shows, potential structure updip

- Petrovskaya prospect to be drilled in 2009 targeting gross prospective resources of 300 MMboe

- Local partner Gazprom through option agreement

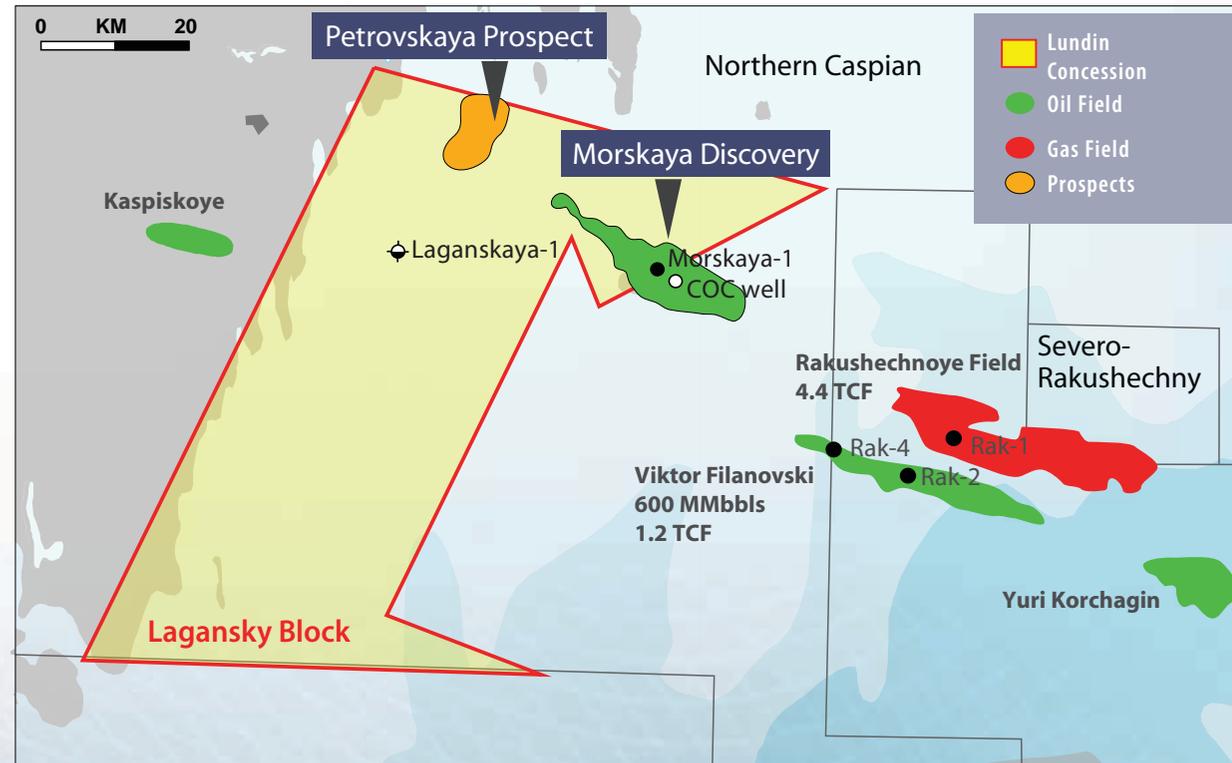


Russia - Morskaya Discovery

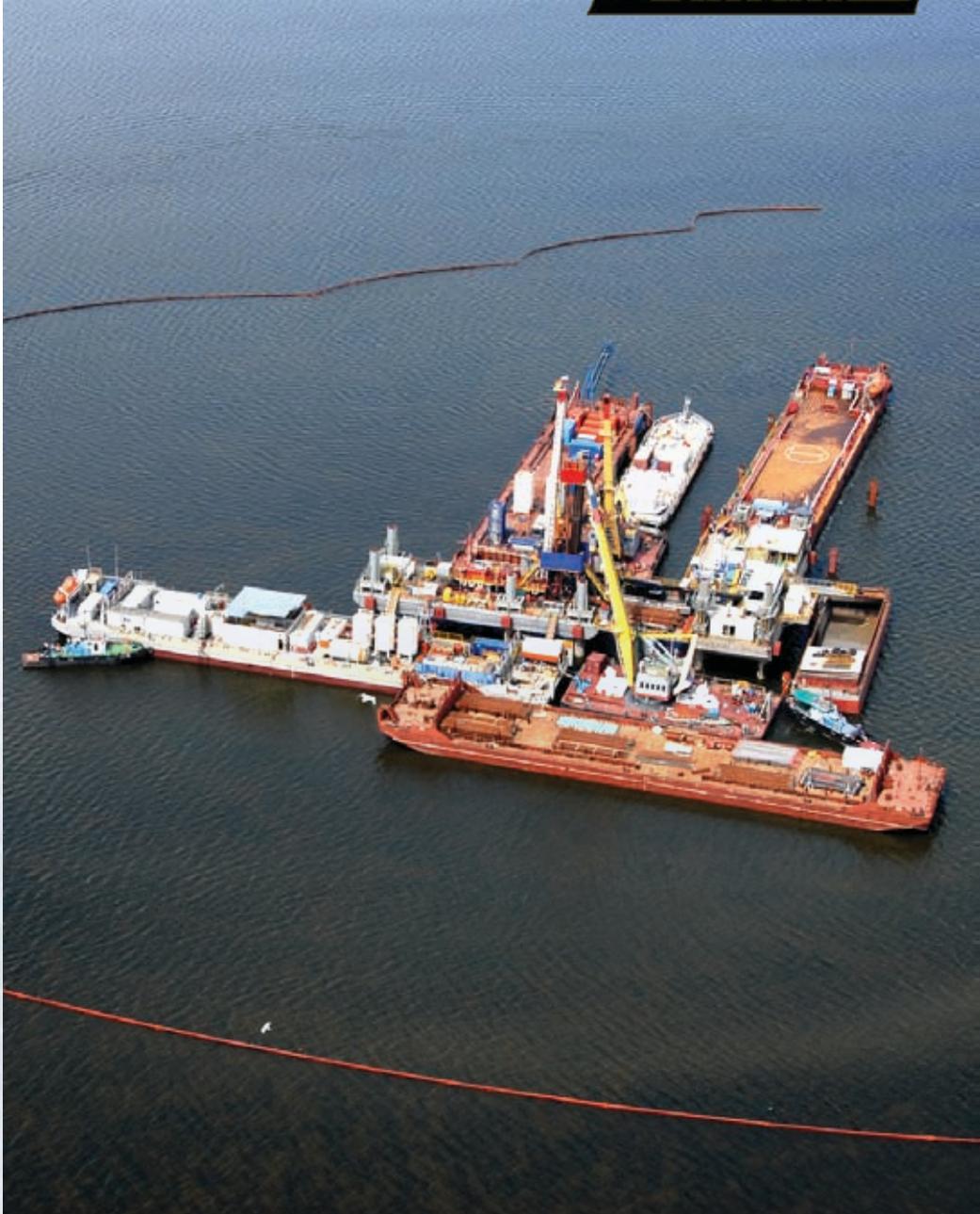


➔ Morskaya-1 discovery

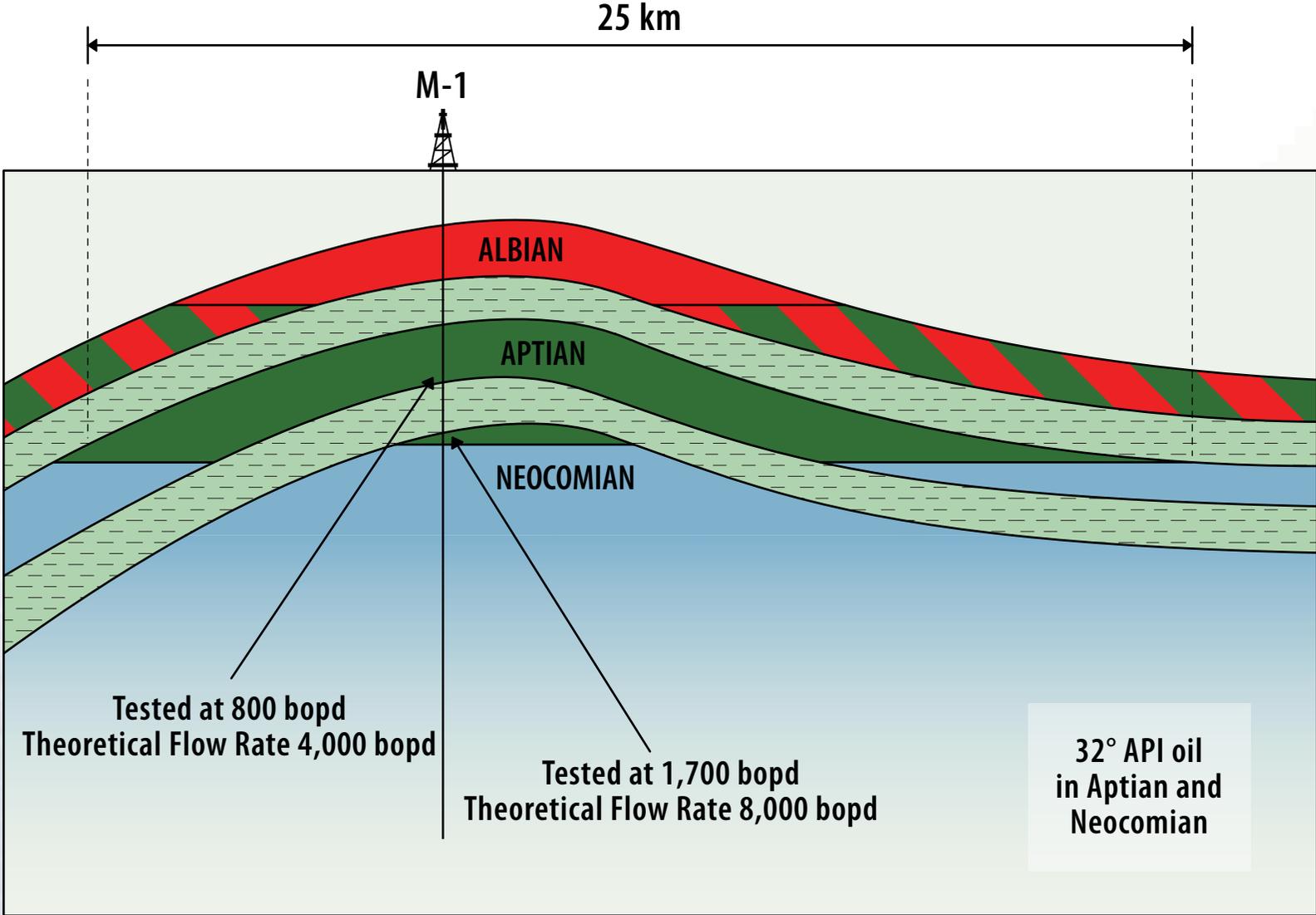
- ➔ Large structure with areal extent of 130 km²
- ➔ Tested two horizons with combined flow rate of 2,500 bopd, restricted by choke size
- ➔ Estimated flow rates for horizontal development wells of 4,000 (Aptian) to 8,000 bopd (Neocomian)
- ➔ Gross resource range on block: 110 - 450 MMbo.
Mid case 230 MMbo
- ➔ 2009 3D seismic
- ➔ Additional Morskaya well to be drilled in 2009



Russia - Lagansky Block



Lagansky Block - Morskaya discovery



UK / Norwegian Undeveloped Discoveries

- **Thistle/Deveron** → 99% interest (operator)
→ gross resources: 17.5 mmboe
- **Heather** → 100% interest (operator)
→ gross resources: 16.7 mmboe
- **Broom** → 55% interest (operator)
→ gross resources: 6.9 mmboe
- **SW Heather:** → 55% interest (operator)
→ gross resources: 9.6 mmboe
- **P1107:
Scolty** → 40% interest (operator)
→ gross resources: Scolty ~10 mmboe
- **P090
9/10b discovery** → 85% interest
→ gross resources: ~10.6 mmboe
- **PL292:
Pi** → 40% interest
→ gross resources: 17 mmboe
→ Progressing development plan
- **PL006c:
South East Tor** → 75% interest (operator)
→ gross resources: 22.5 mmboe
→ appraisal currently drilling
- **PL340** → 15% interest
→ gross resources: 11.0 mmboe
→ drilling Marihone prospect in 2009
- **PL203
Gekko/Kobra** → 15% interest
→ gross resources: ~36.6 mmboe

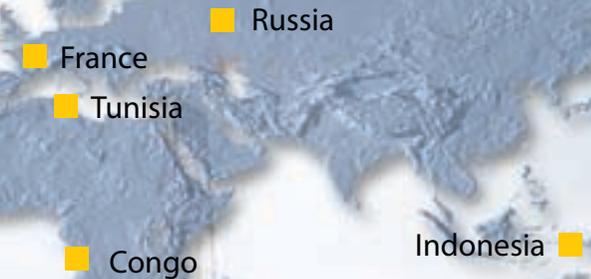
Net Contingent Resources: ~154 MMboe



Other Contingent Resources



- ➔ **TUNISIA**
Birsa → 40% interest
→ gross resources: 17 mmboe
- ➔ **TUNISIA**
Zelfa → 44% interest
→ gross resources: 2.5 mmboe
- ➔ **INDONESIA**
Salawati Basin → 25.936% interest
→ gross resources: 11.6 mmboe
- ➔ **INDONESIA**
Salawati Island → 14.5% interest
→ gross resources: 9.6 mmboe
- ➔ **FRANCE**
→ Paris Basin gross 7.6 MMbbls
→ Aquitaine Basin net 2.3 MMbbls
→ Total France net 9.9 MMbbls
- ➔ **CONGO**
Block XI → 18.75% interest
→ Viodo discovery - gross resources: 17 mmboe
- ➔ **RUSSIA**
Lagansky → 50% interest
→ Morskaya discovery - gross resources: 230 mmboe



- ➔ **Total Net Contingent Resources: 294 MMboe (of which North Sea 154 MMboe)**

2009 Contingent Resource Work Programme



- **Norway**
 - ➔ PL006C (SE Tor) appraisal well
 - ➔ Progress Pi (PL292) towards FDP

- **France**
 - ➔ Dordives testing
 - ➔ Dordives-2 appraisal well

- **Indonesia**
 - ➔ SE Walio - 2 appraisal wells

- **Russia**
 - ➔ Morsakaya-2 appraisal

- **Congo**
 - ➔ Viодо appraisal well