

Financial Results & Update - First Quarter 2007

Lundin



May 2007

*C. Ashley Heppenstall, President & CEO
Geoffrey Turbott, Vice President Finance & CFO*

DISCLAIMER

Certain statements made in this presentation involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. Certain statements relating to Lundin Petroleum's business and operations are based on management's expectations, estimates and projections. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Certain statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such statements. Lundin Petroleum makes no commitment, and disclaims any duty, to update or revise any of these statements.

This presentation is for informational purposes only and is not intended as a solicitation or offering of securities in any jurisdiction. The information contained in this presentation is not intended to qualify, supplement or amend information disclosed under corporate and securities legislation of any jurisdiction applicable to Lundin Petroleum and should not be relied upon for the purpose of making investment decisions concerning any securities of Lundin Petroleum.

Financial Results - First Quarter 2007

Lundin

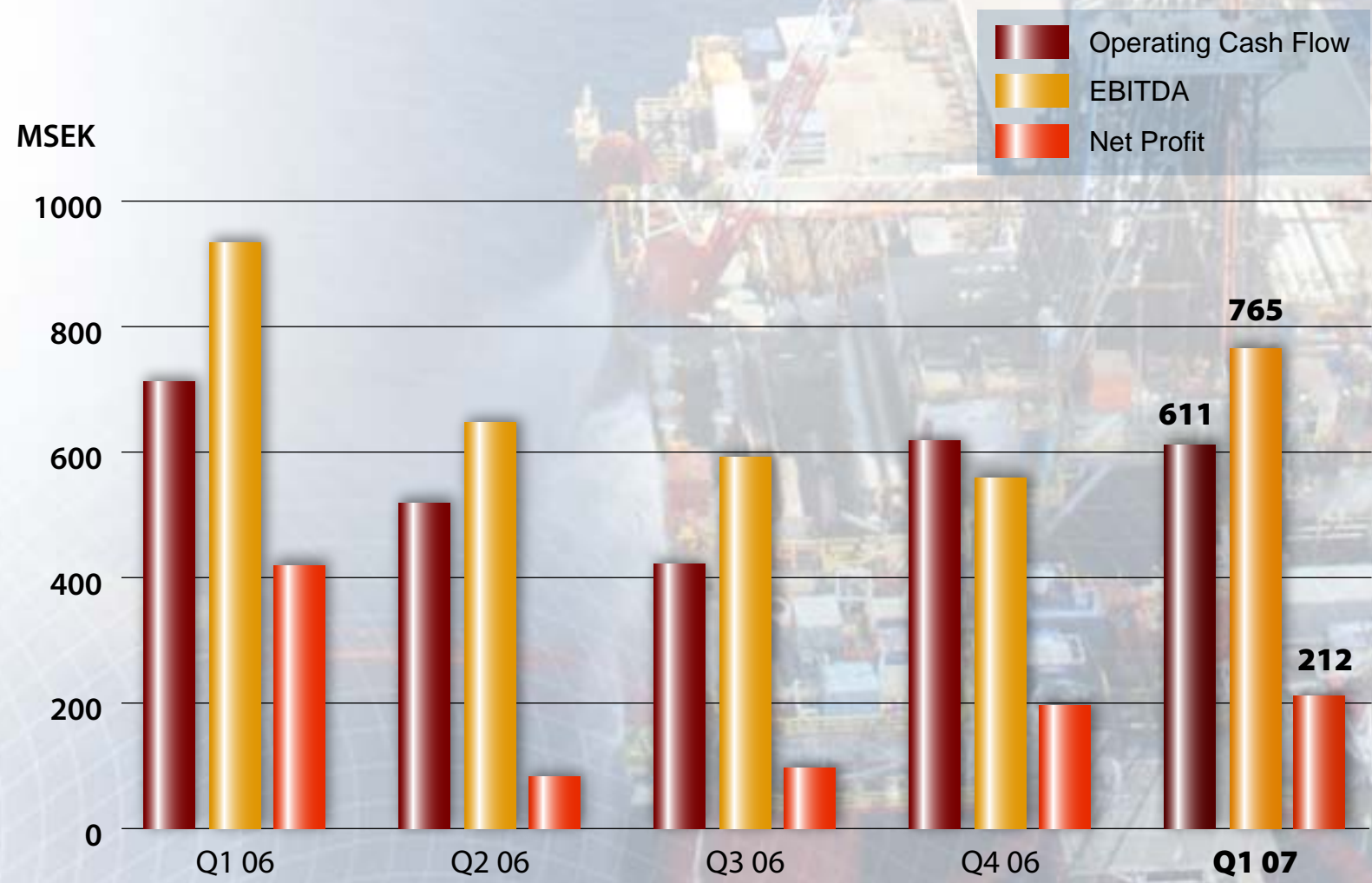
	First Quarter 2007 MSEK	First Quarter 2007 MUSD
➤ Net Profit	212	30
➤ Operating Cashflow	611	87
➤ EBITDA	765	109

- ➔ **Production 39,900 boepd**
- ➔ **Cost of operations USD 14.88 per barrel**
- ➔ **Effective tax rate 53%**

Production - First Quarter 2007



Financial Performance - First Quarter 2007

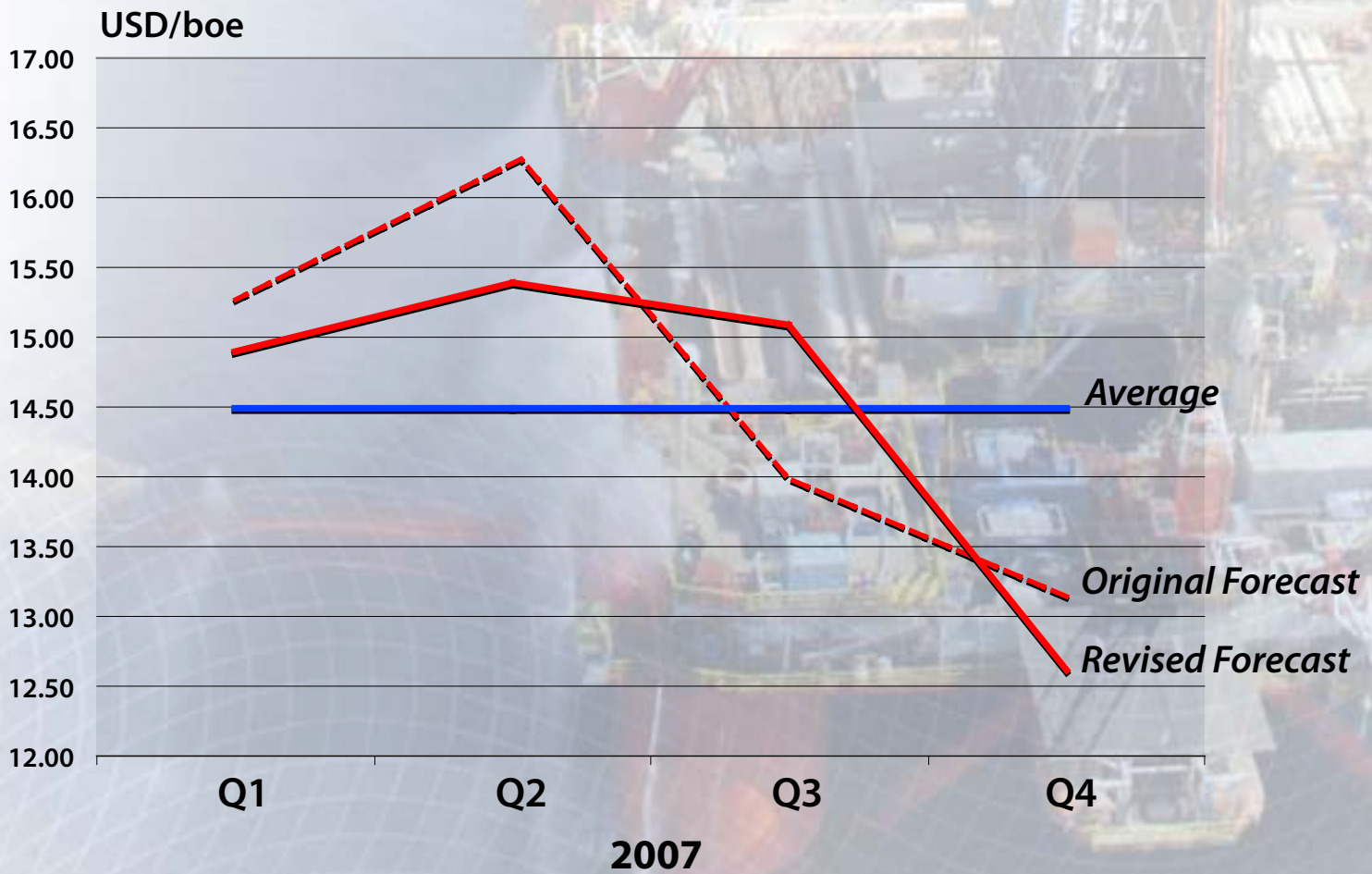


Margin Netback USD/boe - First Quarter 2007



	First Quarter 2007 Actual (USD/boe)	Original 2007 Forecast (USD/boe)
Production (MMboe)	3.6	15.4
Brent oil price	57.75	55.00
Revenue	52.77	49.15
Cost of operations	-14.88	-14.55
Tariffs	-1.40	-1.60
Production & sales taxes	-3.65	-3.15
Stock movements	-1.00	-0.25
	31.84	29.60
Depletion	-11.80	-10.75
Write off	-1.43	-
Margin Netback	18.61	18.85

Cost of Operations 2007



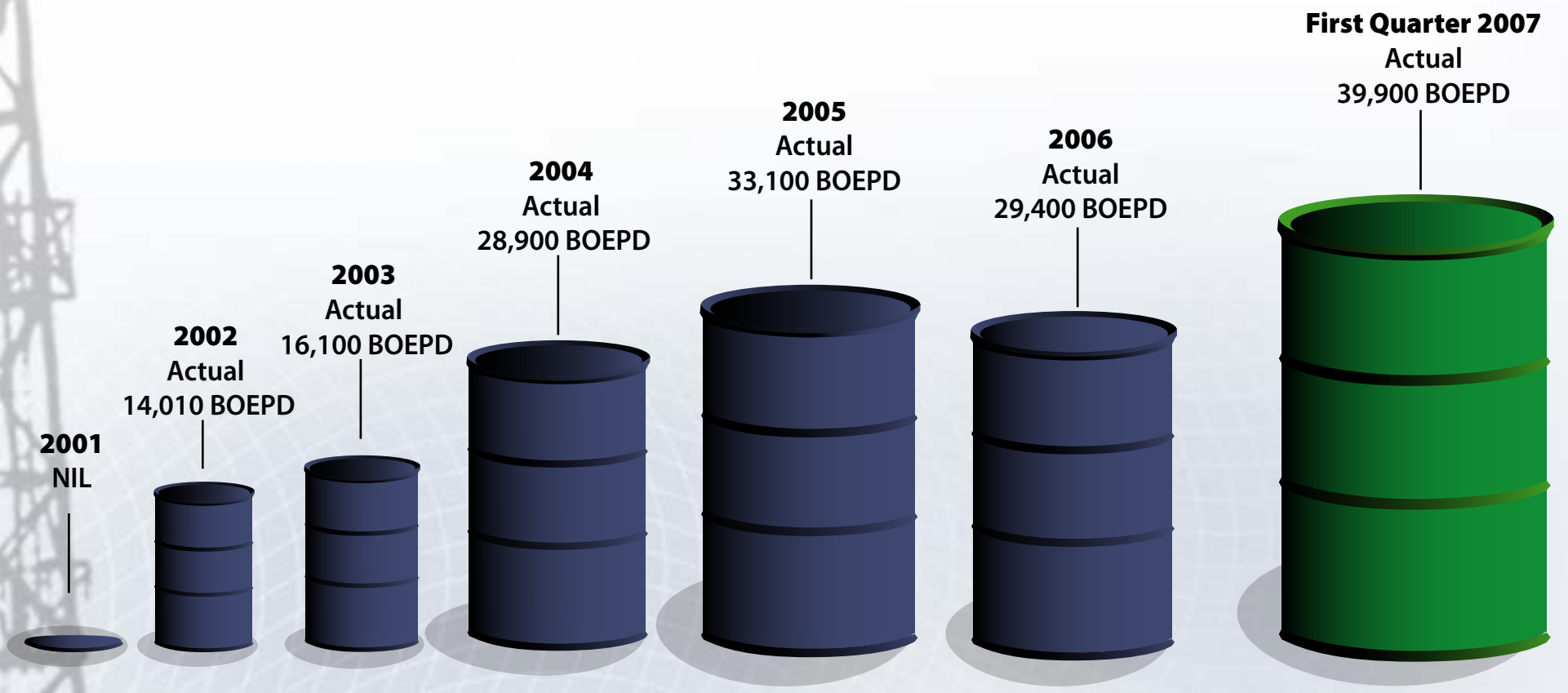
Balance Sheet - 31 March 2007



	31 Mar 2007	31 Dec 2006
➔ Fixed Assets	17,298	16,188
➔ Net Current Assets (excluding cash)	19	(45)
➔ Net Bank Debt	1,645	1,094
➔ Shareholder Equity	11,054	10,568
➔ Net Debt/Equity Ratio	15%	10%

numbers in million SEK

Production History



Production

- Above forecast
- Outperformance in Oudna, Tunisia and Broom, United Kingdom
- Underperformance in Aquitaine Basin, France and Heather, United Kingdom

Development

- Alvheim production delayed to third quarter 2007
- Volund development plan approval
- Singa, Indonesia gas sales agreement signed
- Villeperdue field development drilling successfully completed

Exploration

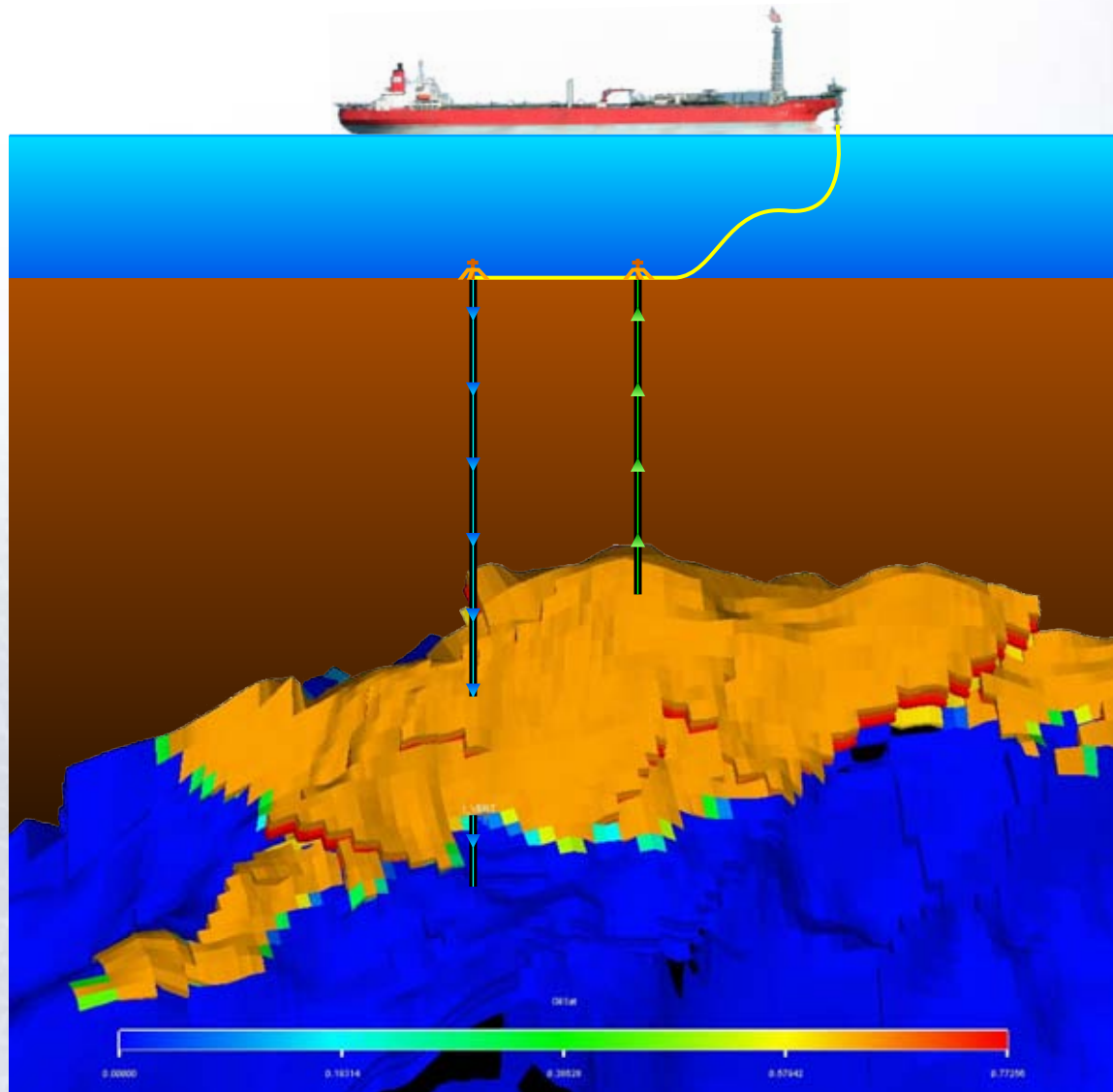
- P1089/P1295 well drilled in the United Kingdom - dry hole
- Tengis well in Blora concession in Indonesia spudded - May 2007
- Preparations for Norway, Russia and Sudan exploration programmes ongoing

Rationale for the proposed transaction was to:

- **Crystallise the value of the North Sea business with its substantial resources base and exciting organic growth potential**
- **The transaction was withdrawn due to an inability to realise our perceived value**
- **Lundin Petroleum will now continue to invest in its North Sea assets to realise maximum value to its shareholders**

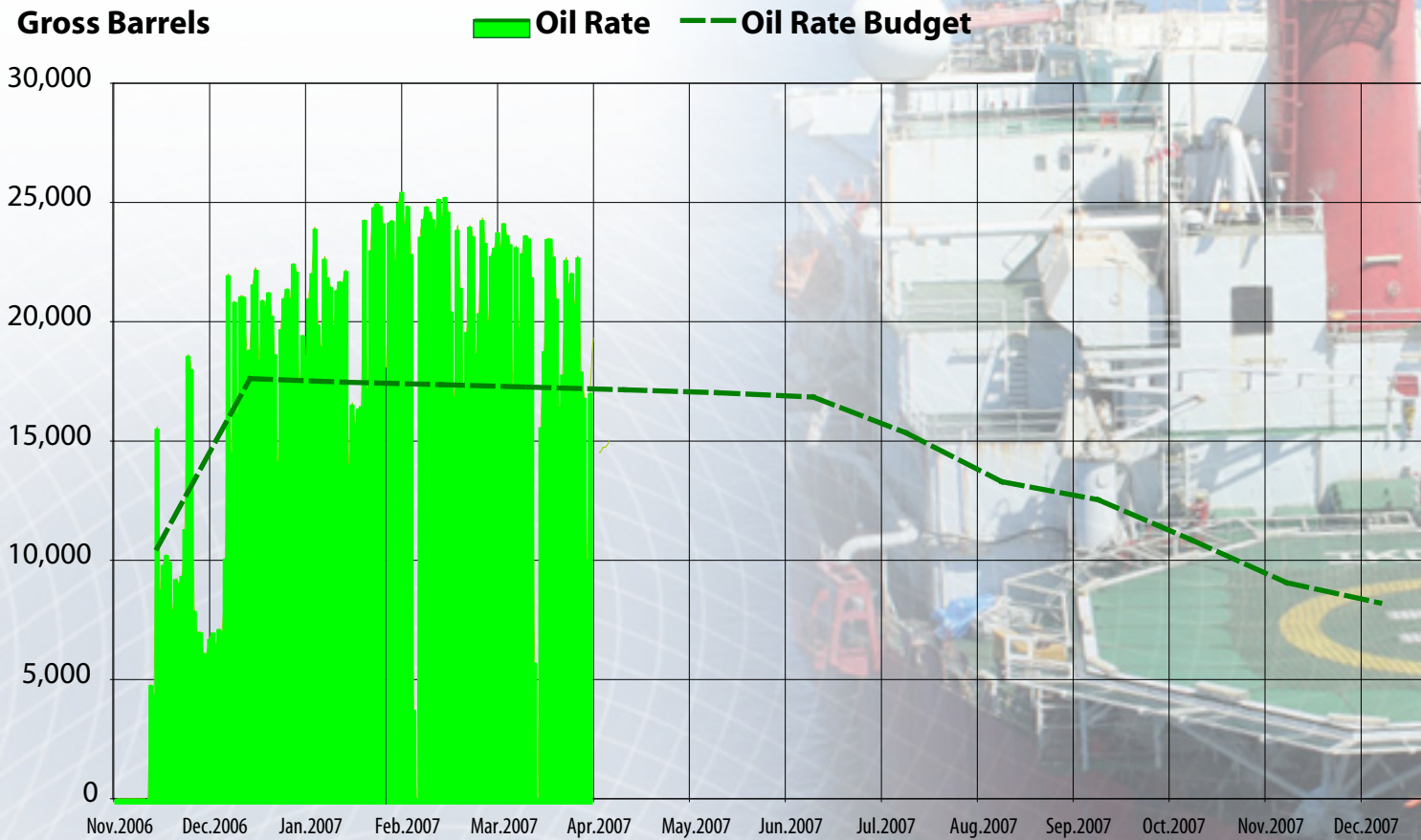
Oudna field, Tunisia

- Lundin Petroleum 40% (operator)
Atlantis 40%
ETAP 20% back-in right exercised
13 March 2007
- Production forecast for 2007
of >14,000 bopd (gross)



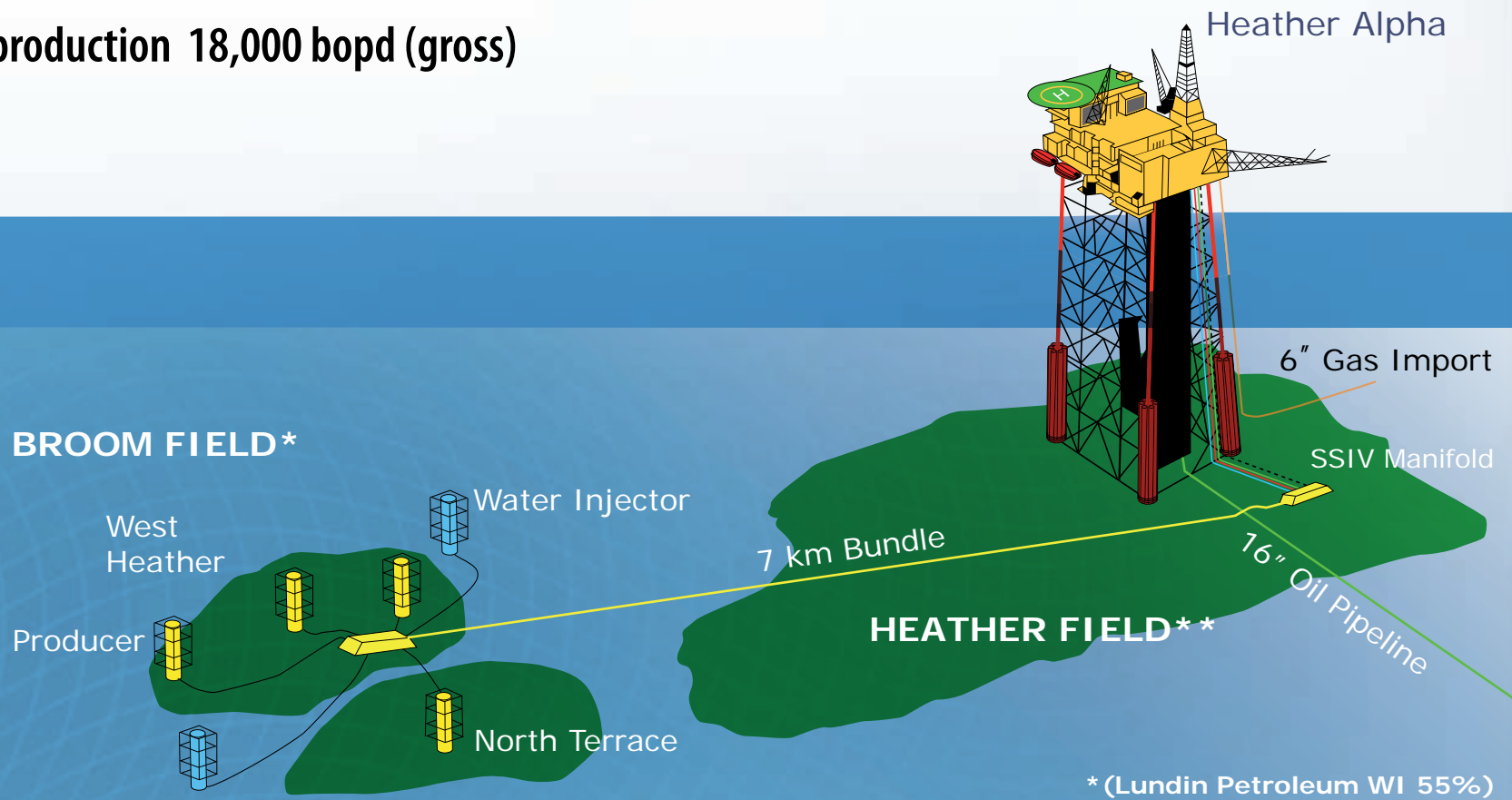
Oudna field, Tunisia

- Average production for 2007 forecast at >14,000 bopd (gross)
- Average for first quarter 2007: 21,000 bopd (gross)



Broom field, United Kingdom

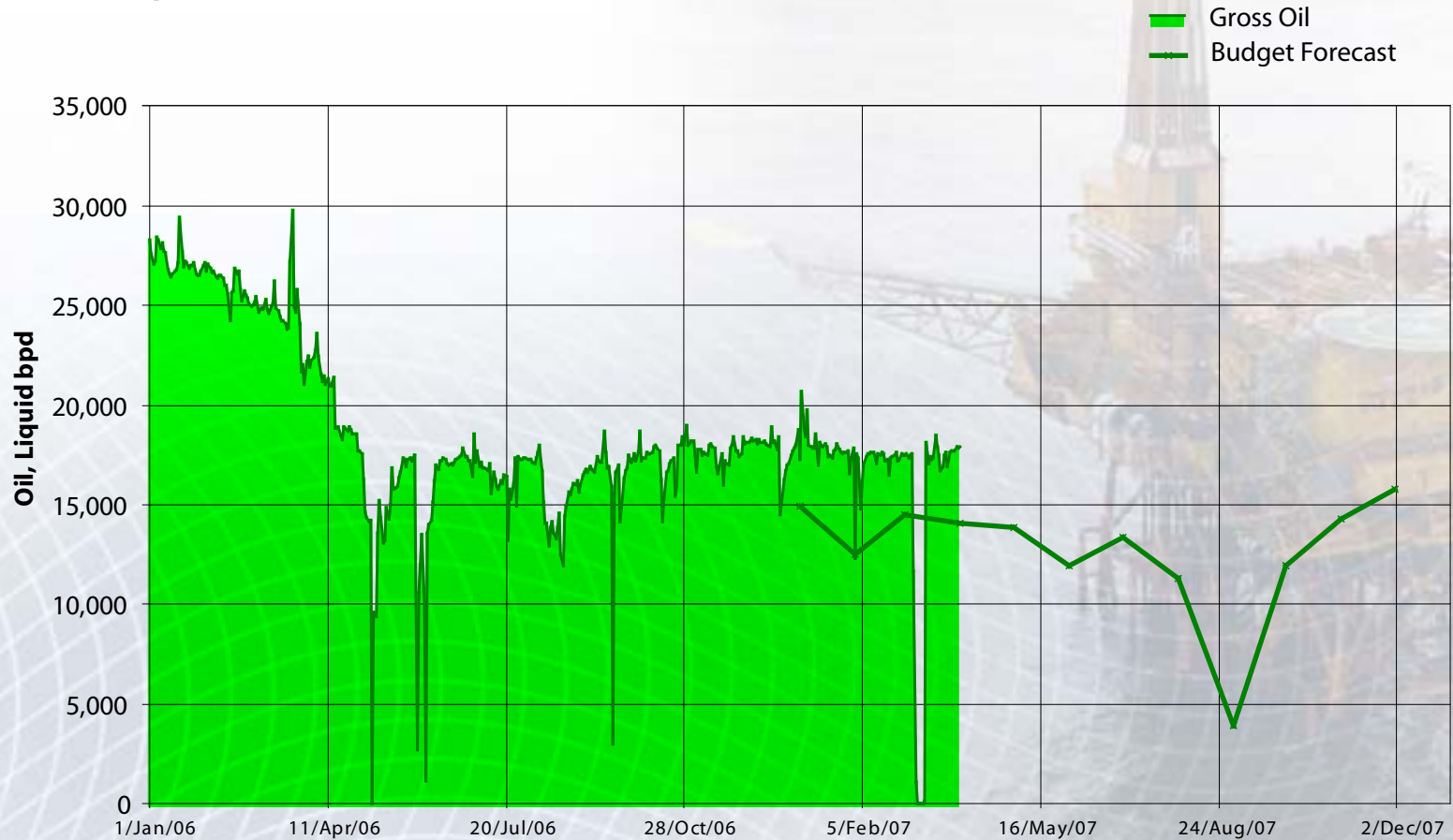
- ➔ First oil August 2004
- ➔ Remaining reserves 34 MMbbls
- ➔ Current production 18,000 bopd (gross)



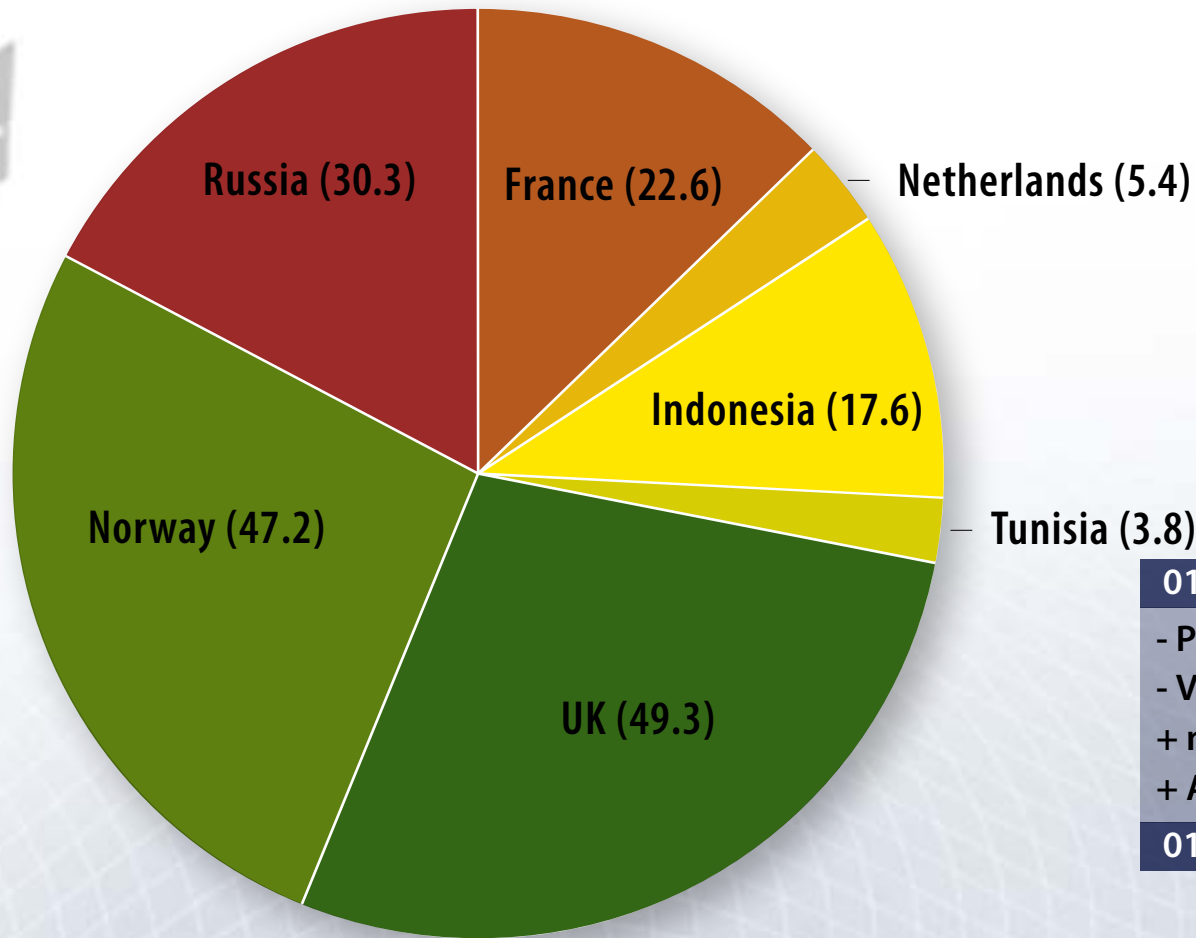
* (Lundin Petroleum WI 55%)
** (Lundin Petroleum WI 100%)

Broom field, United Kingdom

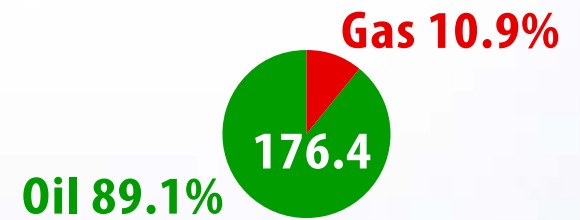
- ▣ Production recovery from 2Q 2006
- ▣ Oil production ahead of forecast



2007 Proven & Probable Reserves



Total 176.4 MMboe



	mmboe
01.01.2006	146.1
- Produced (excl Russia)	-9.8
- Venezuela Mixed Enterprise	-4.4
+ new reserves (excl Acquisitions)	12.0
+ Acquisitions	32.5
01.01.2007	176.4



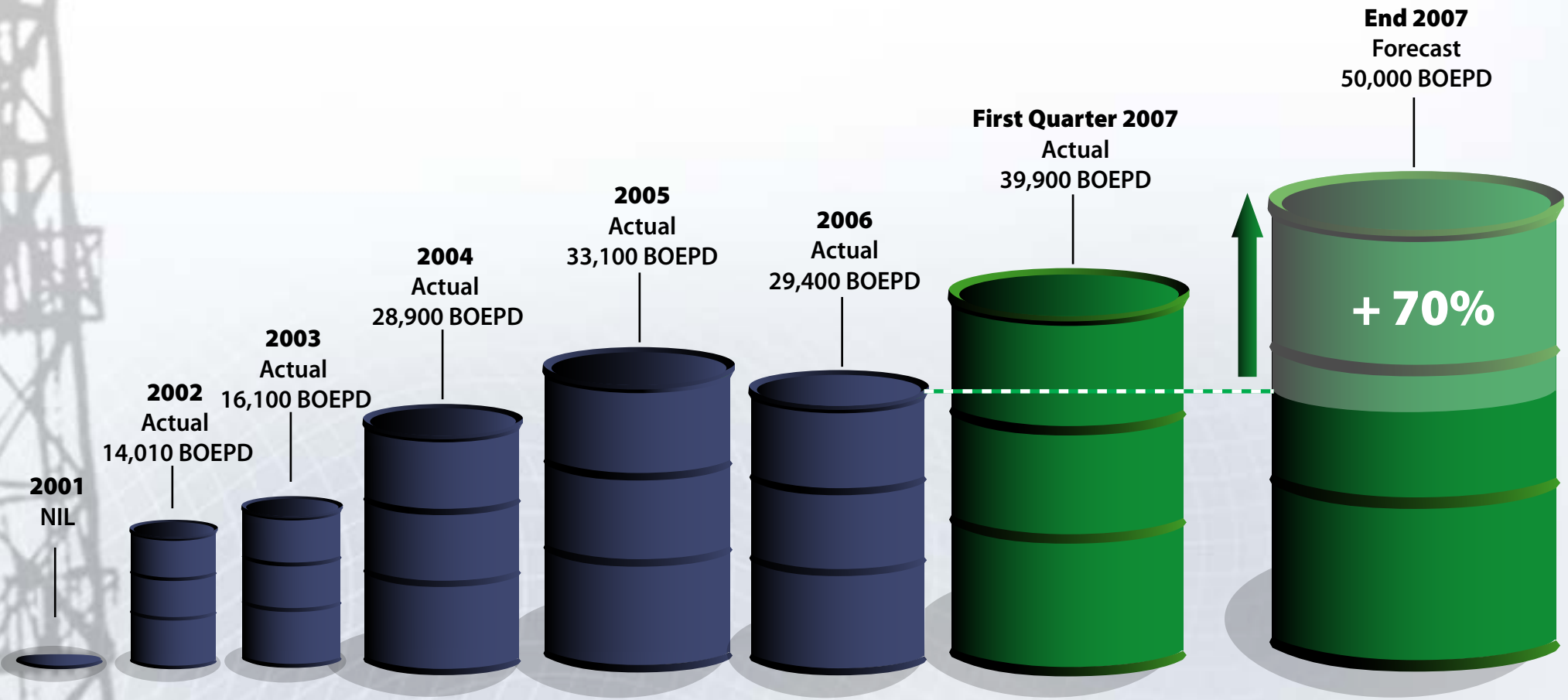
Increase in Reserves 29%

Reserves Replacement Ratio 122%

Production Development



**Production Increase
70%**





Development

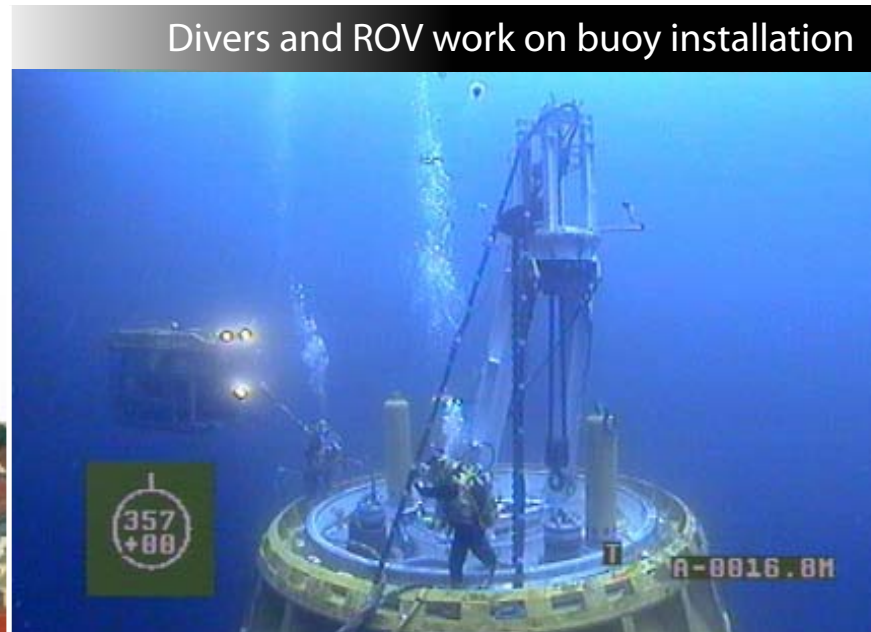
- **Norway** - Alvheim field, onstream 2007
- Volund field, onstream 2009
- **UK** - Broom field, infill drilling
- Heather field, infill drilling
- Thistle field, redevelopment
- **Russia** - Ashirovskoye field, Orenburg
- Sotchemyu-Talyu field, Komi Republic
- **France** - Villeperdue field, infill drilling
- **Indonesia** - Singa field development, onstream 2009

Ongoing development drilling

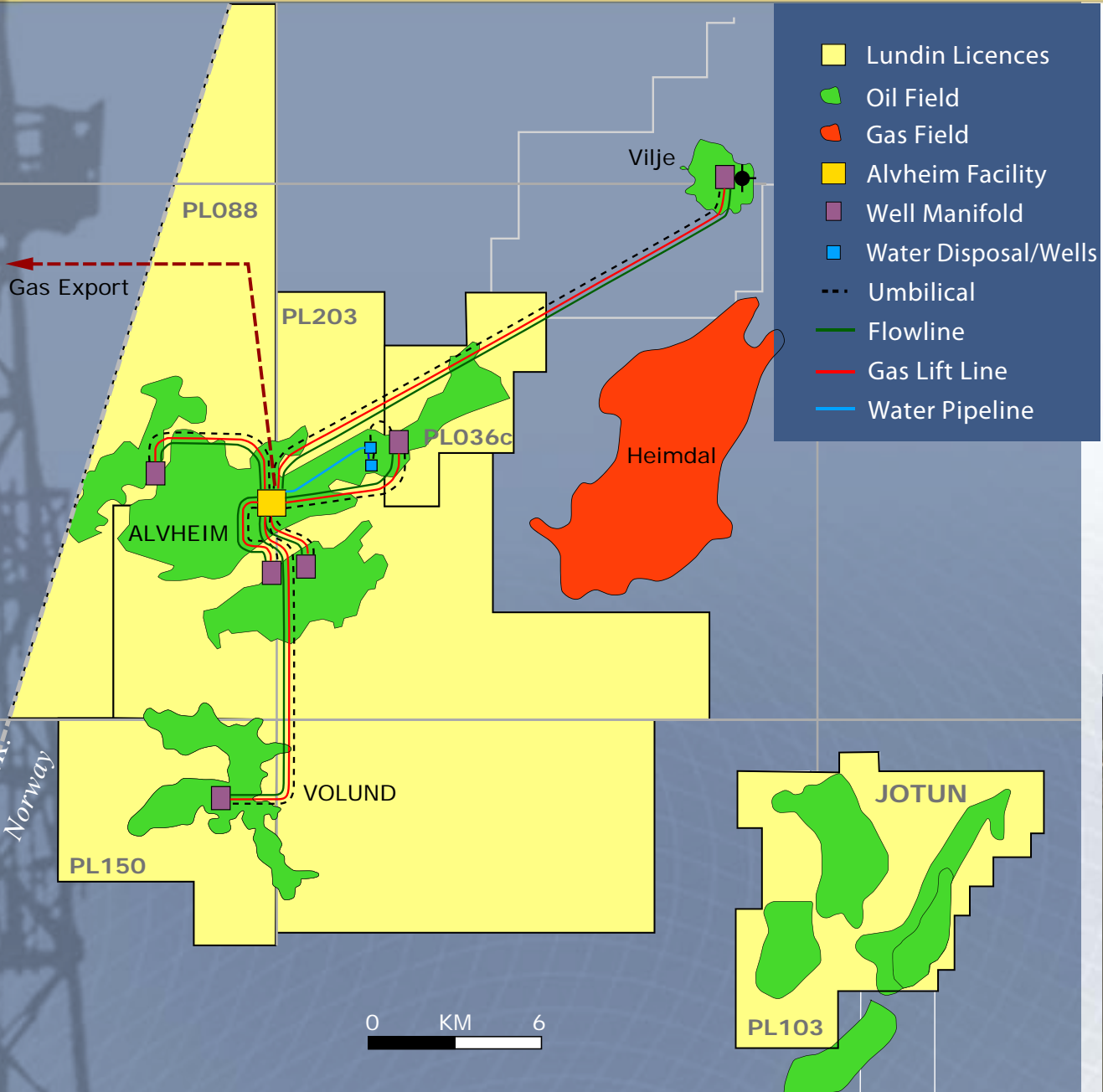
Alvheim Status



- Development drilling - good results
- Topsides installation - delays
- Subsea installation completed
- Buoy installed offshore and ready for hook up into turret



Norway - Volund Development



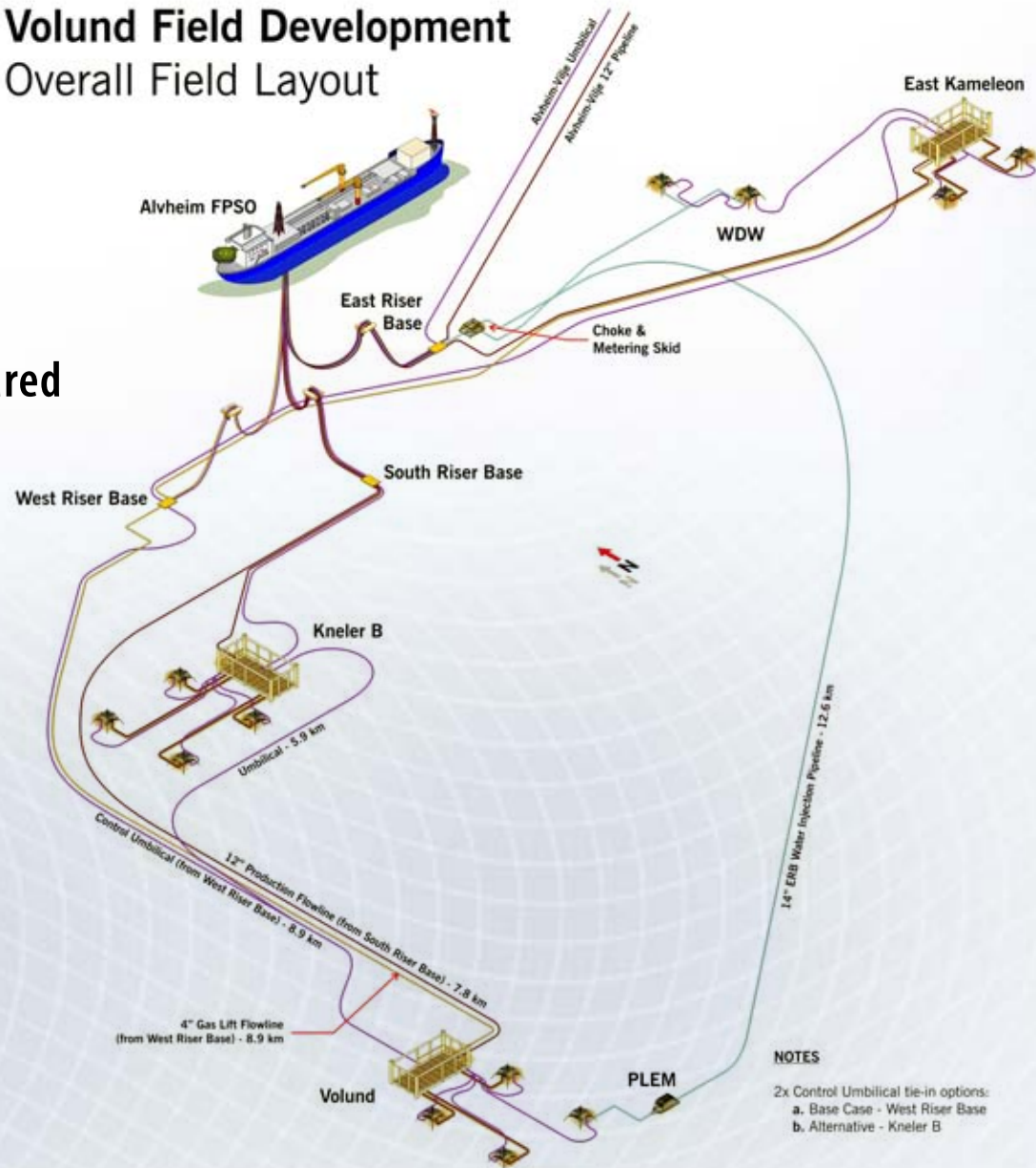
➔ Volund (35%)

- ➔ Operator - Marathon
- ➔ 2P reserves 48.6 MMboe gross
- ➔ Exploration discovery in 2004
- ➔ Plan of development approved in 2007
- ➔ Development tie-back to Alvheim
- ➔ First production 23,000 bopd gross in 2009

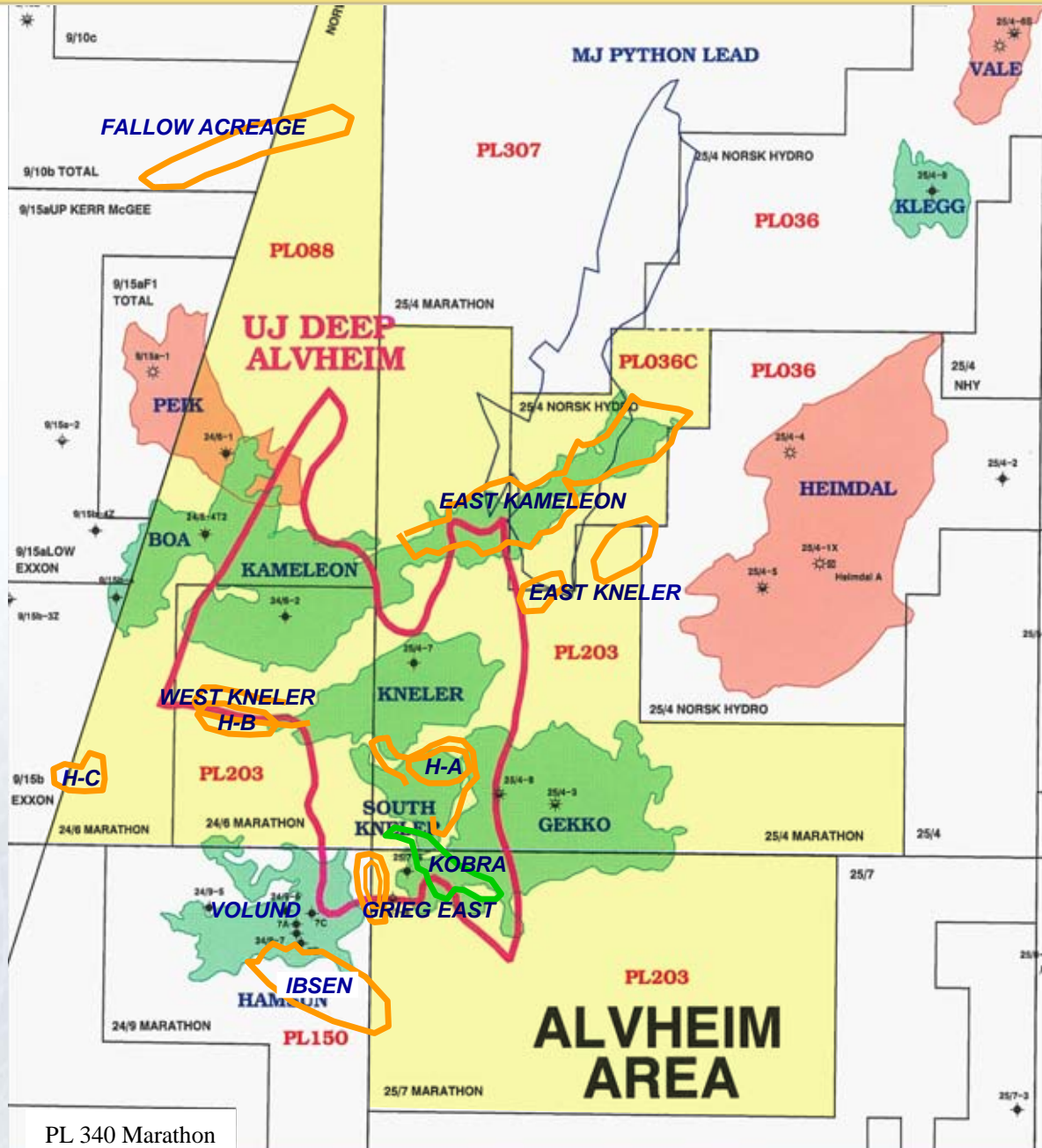


- Estimated Capex NOK 2.8 billion gross (USD 9 per barrel)
- Contracts awarded and drilling rig secured
- Subsea development
 - ➔ 4 slot manifold same as Alvheim
 - ➔ 3 oil producers
 - ➔ Water injection
 - ➔ 1 production riser
 - ➔ Some topside installation

Volund Field Development Overall Field Layout



Greater Alvheim Area - Upside Potential



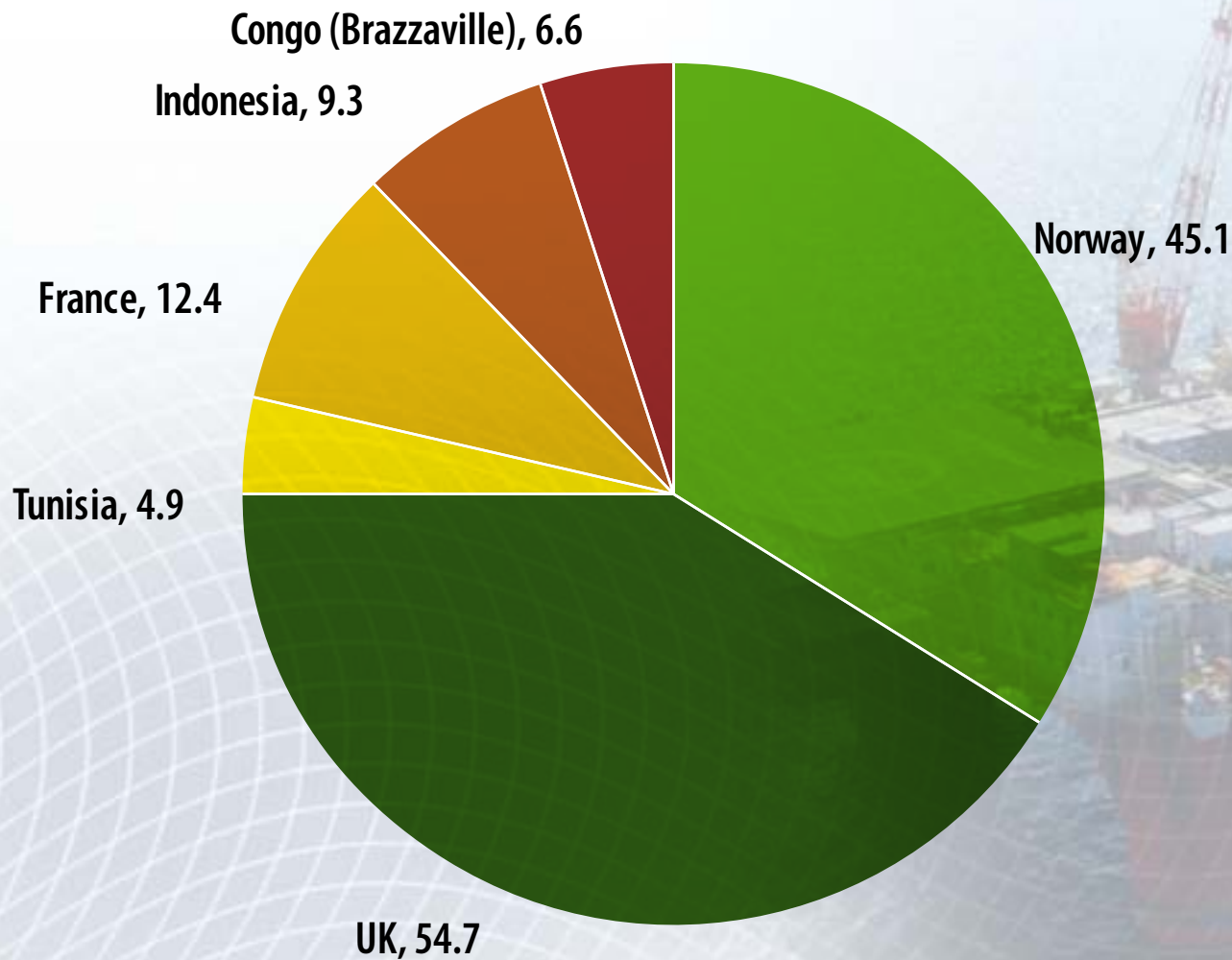
- **2P Reserves**
 - ➔ Alvheim Field (15%) 28.5 MMboe: Boa, Kameleon, Kneler
 - ➔ Volund Field (35%) 17 MMboe

- **Contingent Resources 6.9 MMboe:**
 - ➔ East Kameleon branch wells (15%)
 - ➔ Gekko (15%)
 - ➔ Kobra (15%)
 - ➔ PL340 (15%)

- **Prospective Resources Unrisked 67.2 MMboe:**
 - ➔ South Kneler
 - ➔ Alvheim Deep
 - ➔ Hermod A
 - ➔ East Kneler
 - ➔ West Kneler + H-B
 - ➔ Python
 - ➔ Grieg East + Ibsen N (35%)
 - ➔ Ibsen (35%)
 - ➔ PL340 (15%)

(15%)

133 MMboe net Lundin Petroleum



Value Creation

- 409 MMboe produced – STOIP 846 MMboe
- No drilling since 1990
- No active reservoir management since 1990's
- Water injection critical
- Lundin Petroleum commitment to Thistle regeneration in May 2006
- Contingent Resources assumes 2.5% recovery increase from infill and workovers
 - ➔ Adds resources of 25.6 MMbbls with capex of USD 9.1/boe

Ongoing Projects

- 3D seismic
- Rig reactivation
- Direct oil export
- Process debottlenecking
- Potential third party business (combined potential resources of up to 100 MMboe)

Norwegian Undeveloped Discoveries



- **PL006c: South East tor**
 - ➔ 75% interest (operator)
 - ➔ gross resources: 22.5 mmboe

- **PL148 7/7-2: Nemo**
 - ➔ 50% interest (operator)
 - ➔ gross resources: 20.6 mmboe
 - ➔ Appraisal drilling in Q3 2007

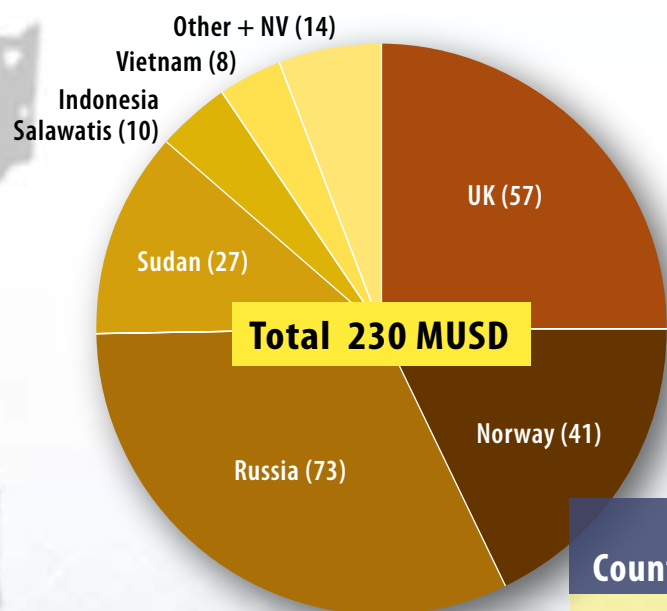
- **PL292: Phi South**
 - ➔ 40% interest
 - ➔ gross resources: 10.9 mmboe

- **PL340**
 - ➔ 15% interest
 - ➔ gross resources: 11.0 mmboe

- **Peik (UK/NCS)**
 - ➔ 40% interest
 - ➔ gross resources: 27.0 mmboe



USD 230 Million Exploration Work Programme - 2007



Country	Wells	Area	Unrisked Prospective Resource Potential MMboe Net Lundin
UK	5	PL1301, PL1129, PL1107/1109 PL1399, PL1089/1295	100
Norway	3	PL335, PL338, PL292	140
Russia	2	Lagansky	600
Sudan	3	Block 5B	500
Indonesia	6	Salawati Island/Basin 5 wells Blora Licence	30
	19		~1.4 billion barrels

2007 Exploration Drilling Activity Update



- ➔ 1.4 billion boe unrisks prospective resources targeted in 2007
- ➔ Exploration budget of USD 230 MM in 2007
 - ➔ Unrisks finding cost USD 0.16 /boe
 - ➔ Risks finding cost USD 0.58 /boe

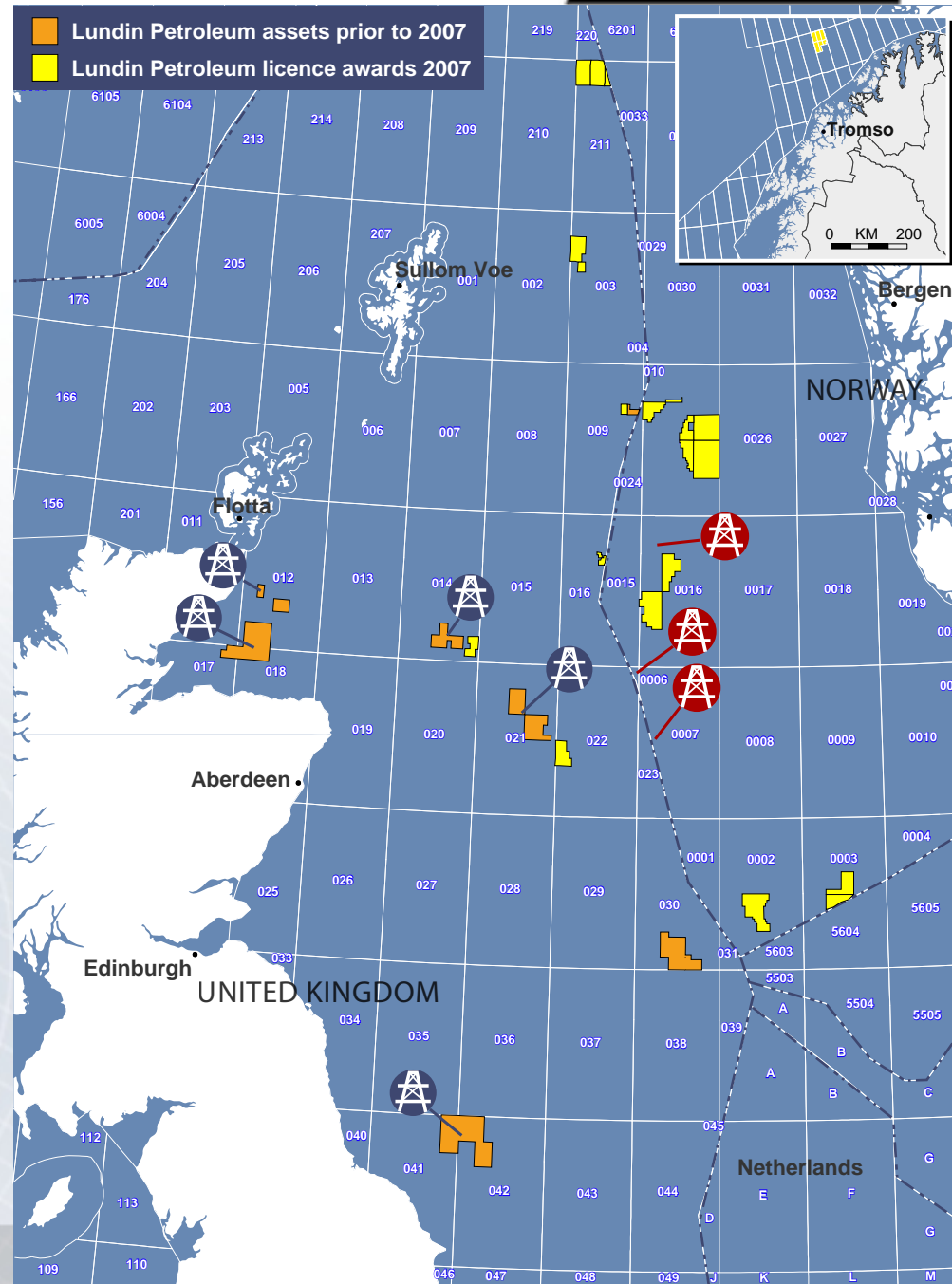
Country	Licence	Net Interest	Operator	Contracted Rig	Likely Drilling Schedule 2007			
					Q1	Q2	Q3	Q4
Norway	PL338	50%	Lundin	Bredford Dolphin			██████████	
	PL335	18%	BG	Maersk Giant			██████████	
	PL292	40%	BG	Maersk Giant				██████████
UK	P1399	15%	Endeavour	Galaxy II				Likely postponed to 2008 ▶
	P1129	25%	Lundin	Galaxy II			██████████	
	P1301	30%	Lundin	Galaxy II			██████████	
	P1109 & P1107	40%	Lundin	Galaxy II				██████████
	P1089 & P1295	10%	OilExCo	Sedco 712	██████████			
Indonesia	Salawati Basin	25.93%	PetroChina Int.	Land rig	██████████ 2 wells			██████████
	Salawati Island	14.51%	JOB Pertamina Petrochina	Land rig		██████████ 2 wells		
	Blora Licence	43.29%	Lundin	Land rig		██████████		
Russia	Lagansky	70%	Lundin	Land rig*			██████████	██████████
Sudan	Block 5B	24.5%	Petronas	Land rig**			██████████ 3 wells	

* Jack up pontoon mounted ** Modular floater mounted

Lundin NCS and UKCS Licences (49)



- ➔ 8 wells in 2007
- ➔ Unrisked net reserve potential 237 MMboe
- ➔ Rigs secured
- ➔ North Sea exploration business managed from Norway



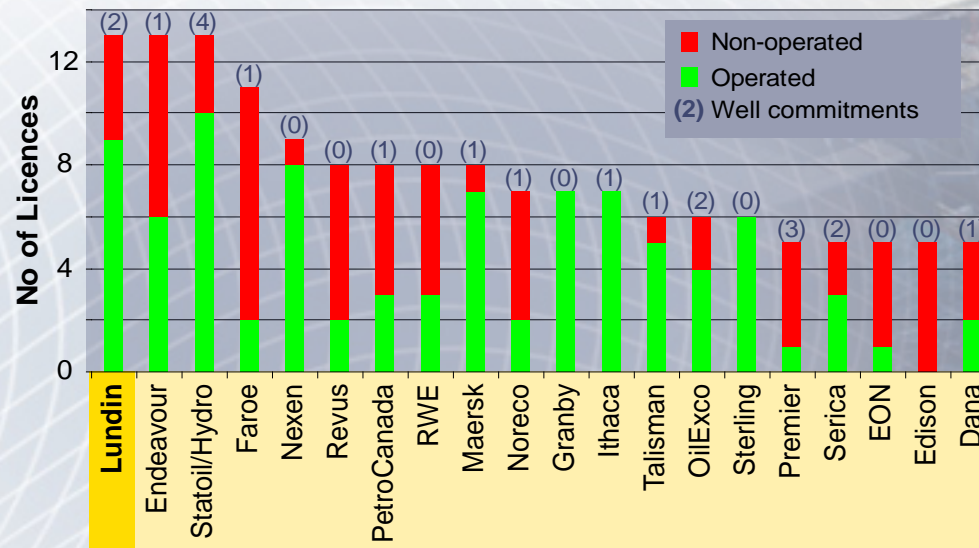
APA 2006 and UK 24th Round Awards



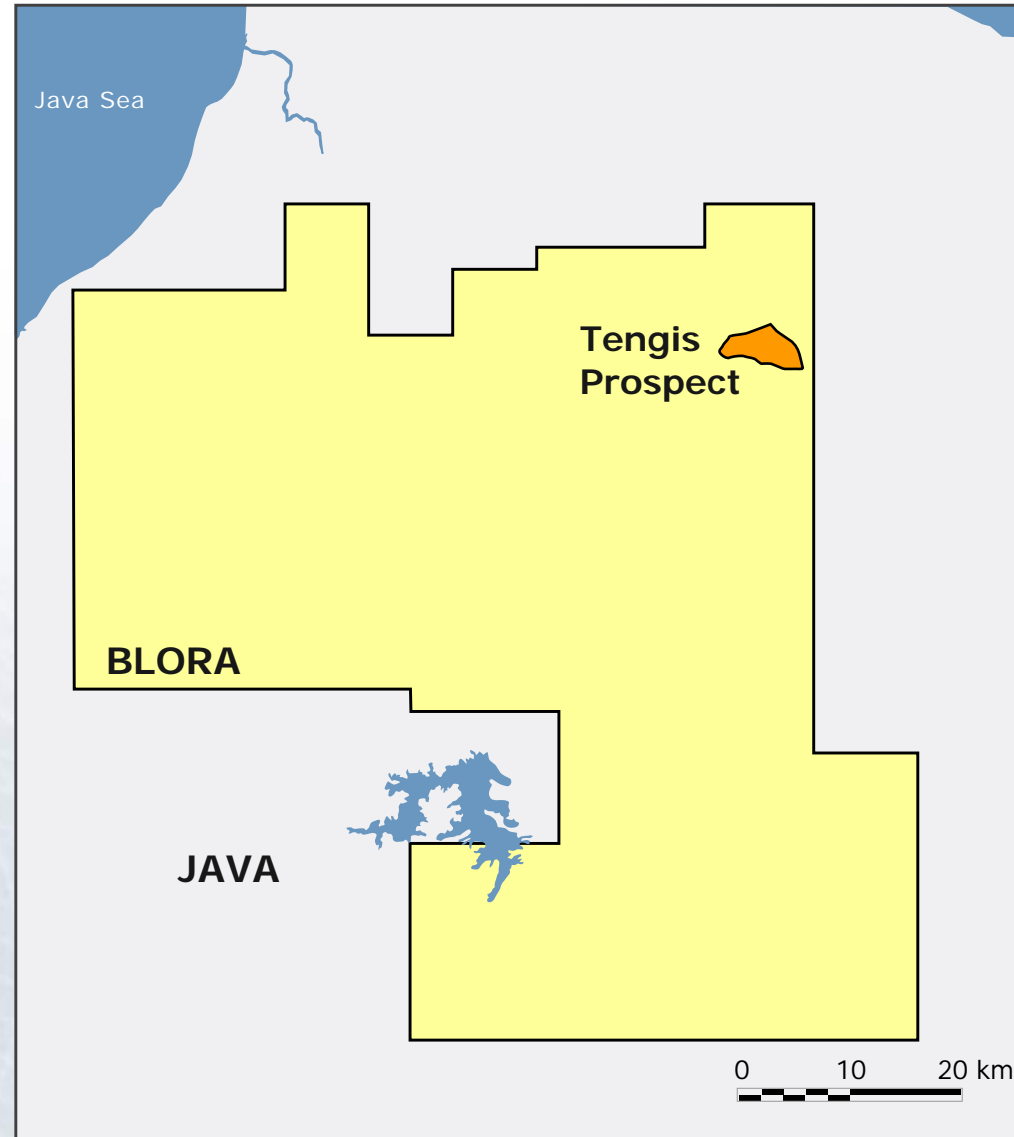
- ➔ Norway APA 2006 - 7 licences awarded
- ➔ UK 24th Round 2006 - 6 licences awarded
- ➔ Lundin Petroleum awards risked resource potential of 164 MMboe

	UK	Norway	
Prospects	29.3	64.1	
Leads	23.3	46.9	
Total	52.6	111.0	163.6

➔ Awards from APA 2006 & UK 24th Rounds



Indonesia - Tengis Exploration Well

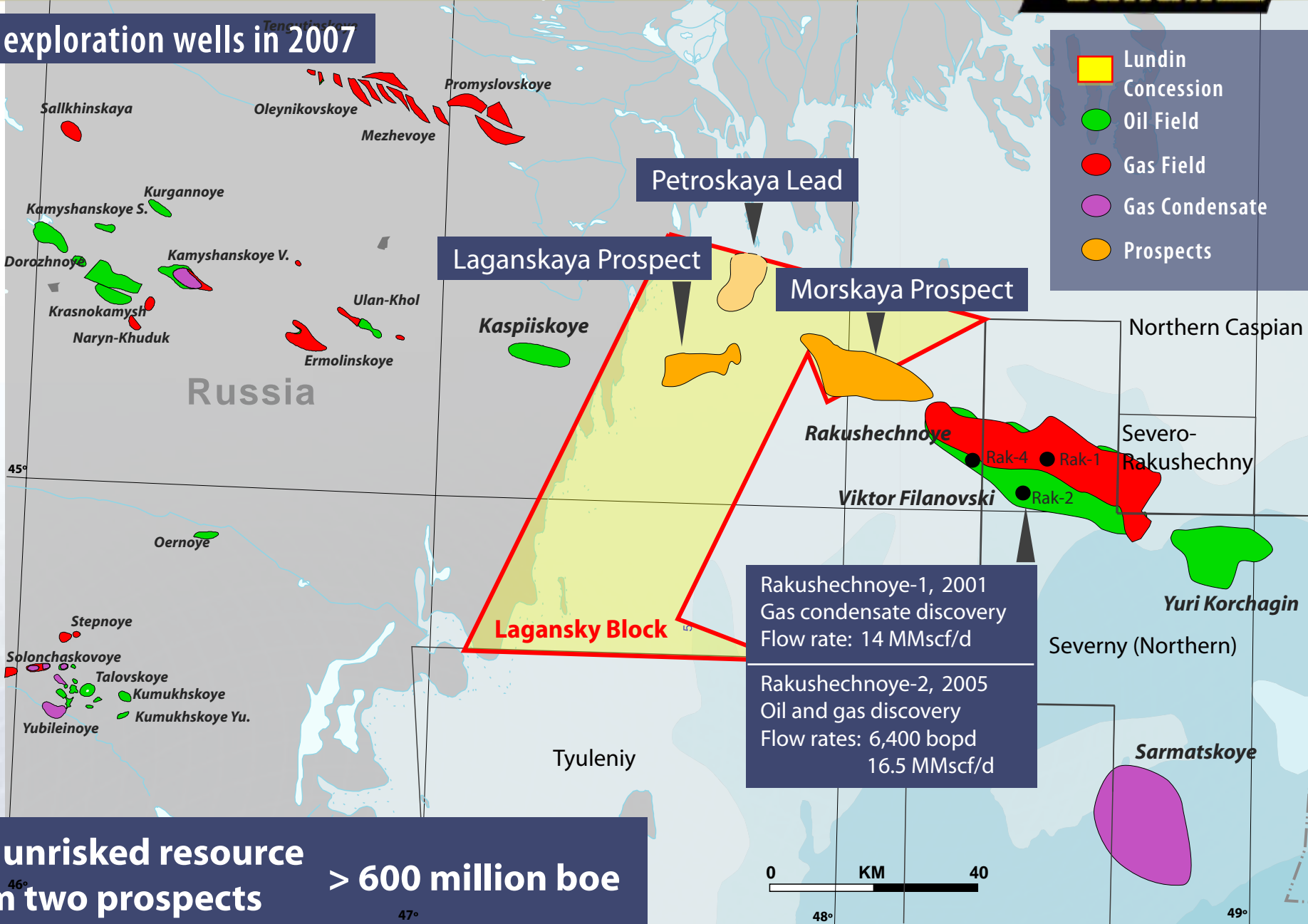


- ➔ **Tengis-1 exploration well on the Blora PSC Central Java**
- ➔ 43% working interest and operator
- ➔ Target depth 2,700 metres
- ➔ Drilling rig Apex Indo Rig No. 8
- ➔ Reservoir target - Oligocene sandstone
- ➔ Gross unrisks resource potential of 50 MMboe

Russia Exploration - Lagansky Block



➔ 2 exploration wells in 2007



Rakushechnoye-1, 2001
Gas condensate discovery
Flow rate: 14 MMscf/d

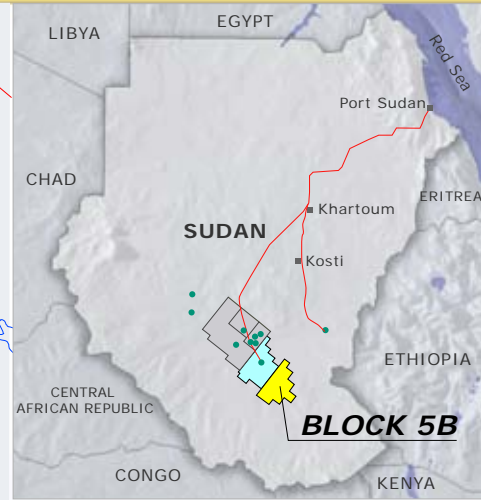
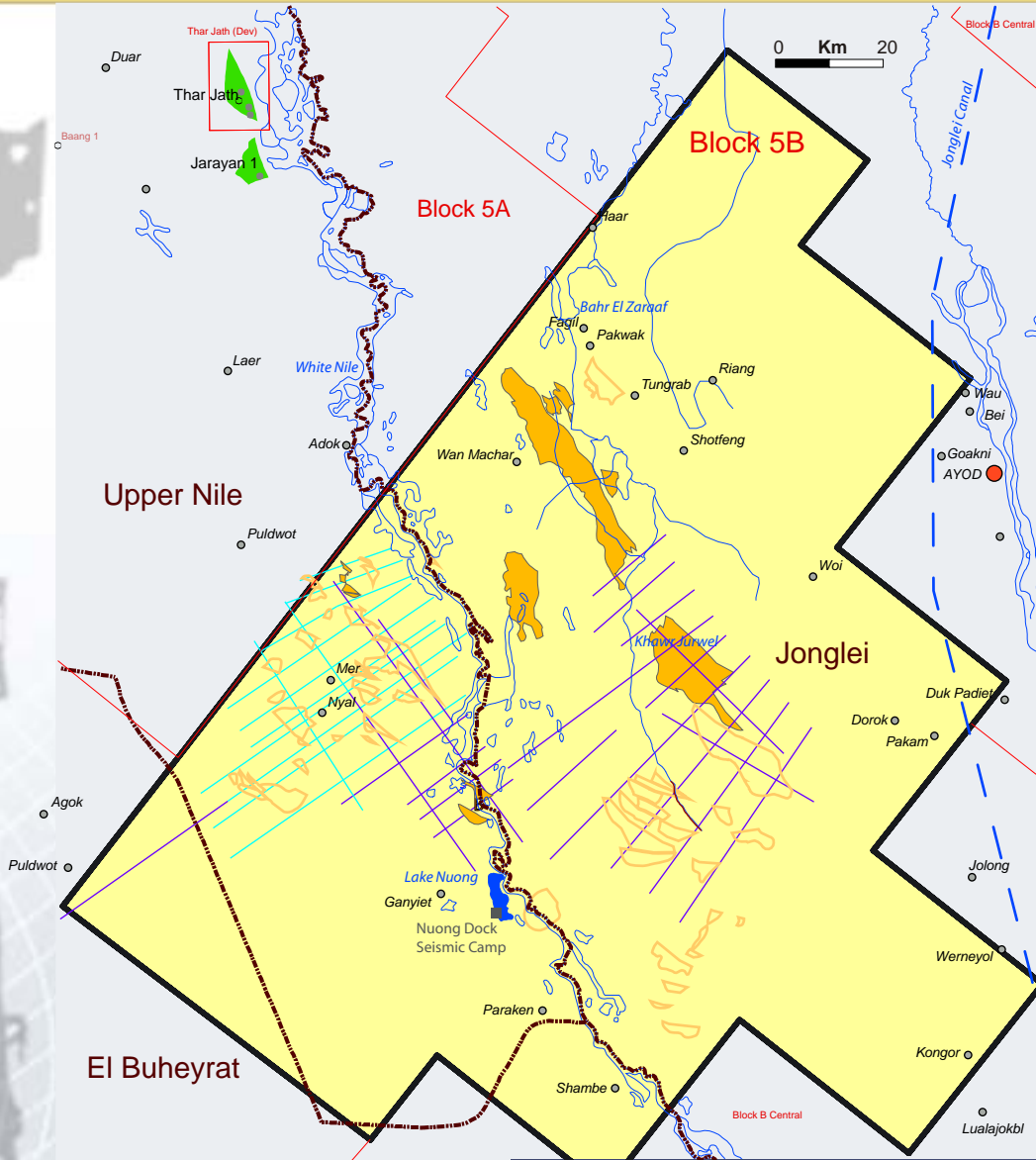
Rakushechnoye-2, 2005
Oil and gas discovery
Flow rates: 6,400 bopd
16.5 MMscf/d

Net unrisked resource from two prospects > 600 million boe

Russia - Lagansky Block



Sudan - Block 5B



- ➔ 1500 km 2D seismic survey programme
Over 900 km of seismic acquired since 2006
- ➔ 3 exploration wells in 2007

Partners	5B interest	
Lundin Petroleum	24.5%	} Joint operators (WNPOC)
Petronas Carigali	39.0%	
Sudapet	13.0%	
ONGC Videsh Ltd	23.5%	

Net unrisks resource from three prospects > 500 million boe

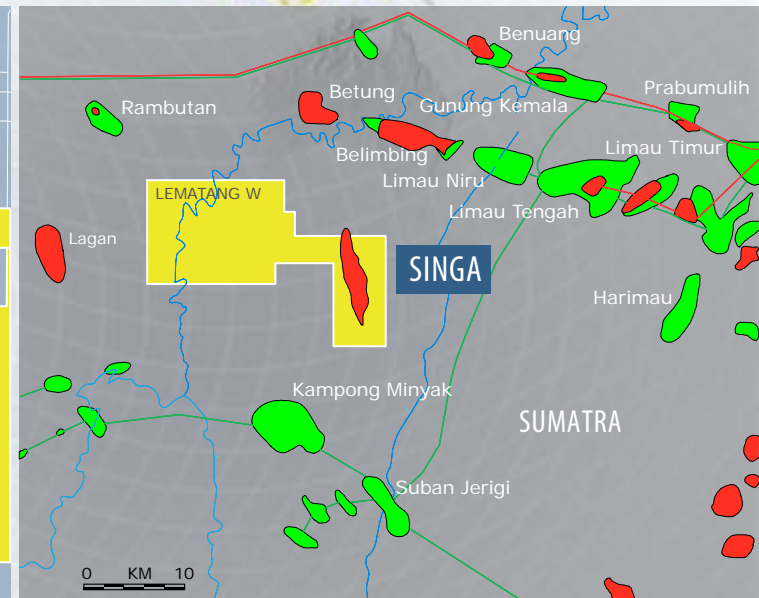
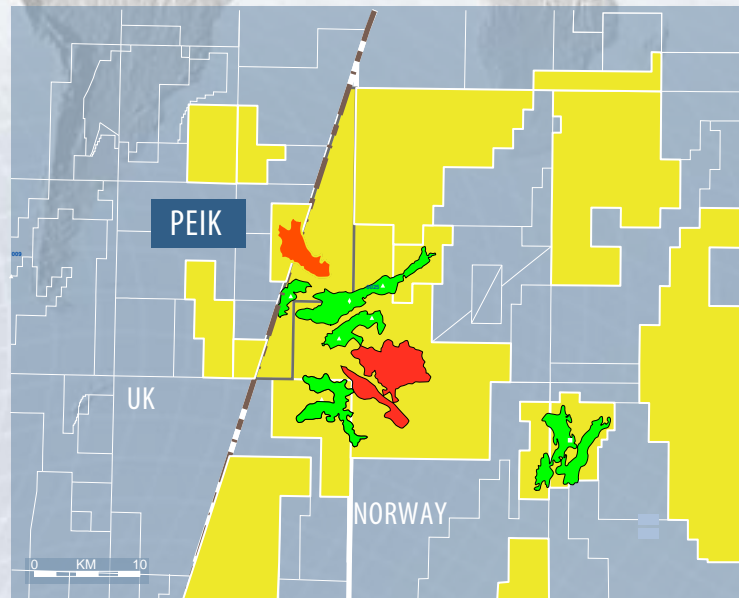
Sudan - Block 5B



Assets Acquired – First Quarter 2007



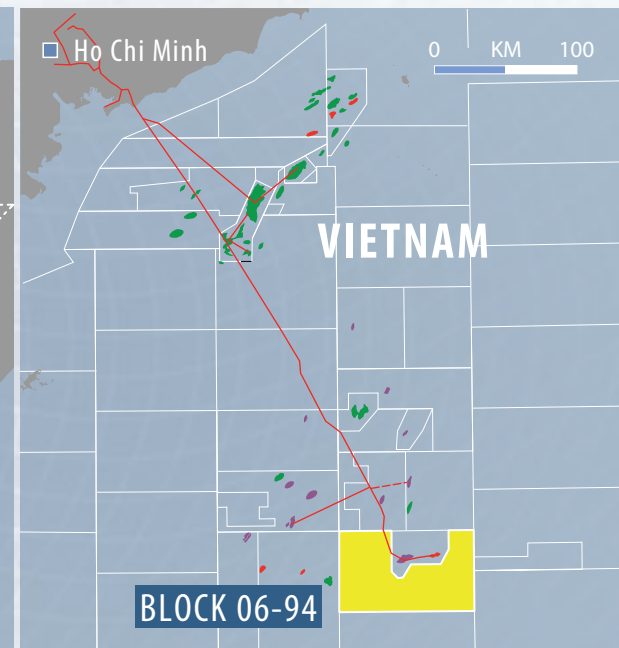
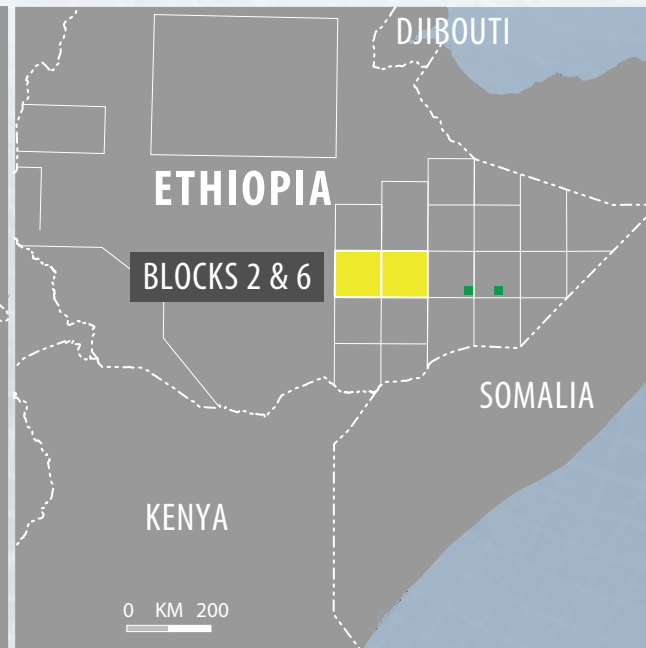
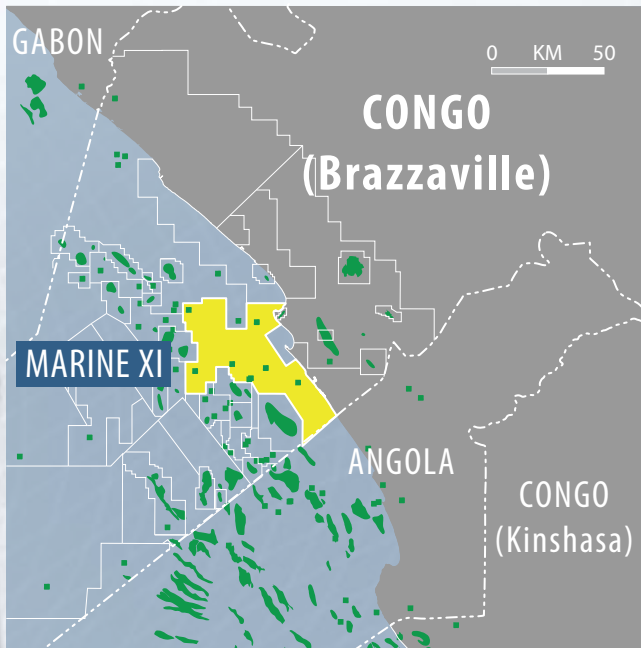
- **Singa gas field – Indonesia**
 - 10% additional working interest
 - total working interest 25.88%
- **Peik gas/condensate field – UK/Norway**
 - 50% working interest in Norway
 - 33.33% working interest in United Kingdom



2007 New Ventures



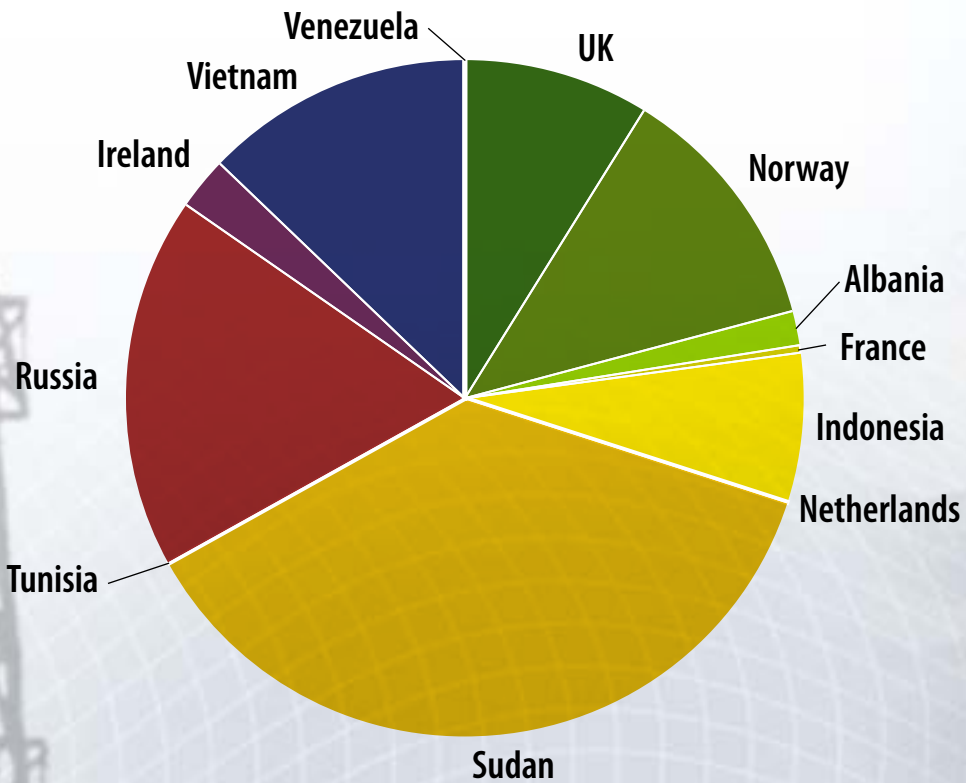
➔ Signed 3 PSC in First Quarter 2007



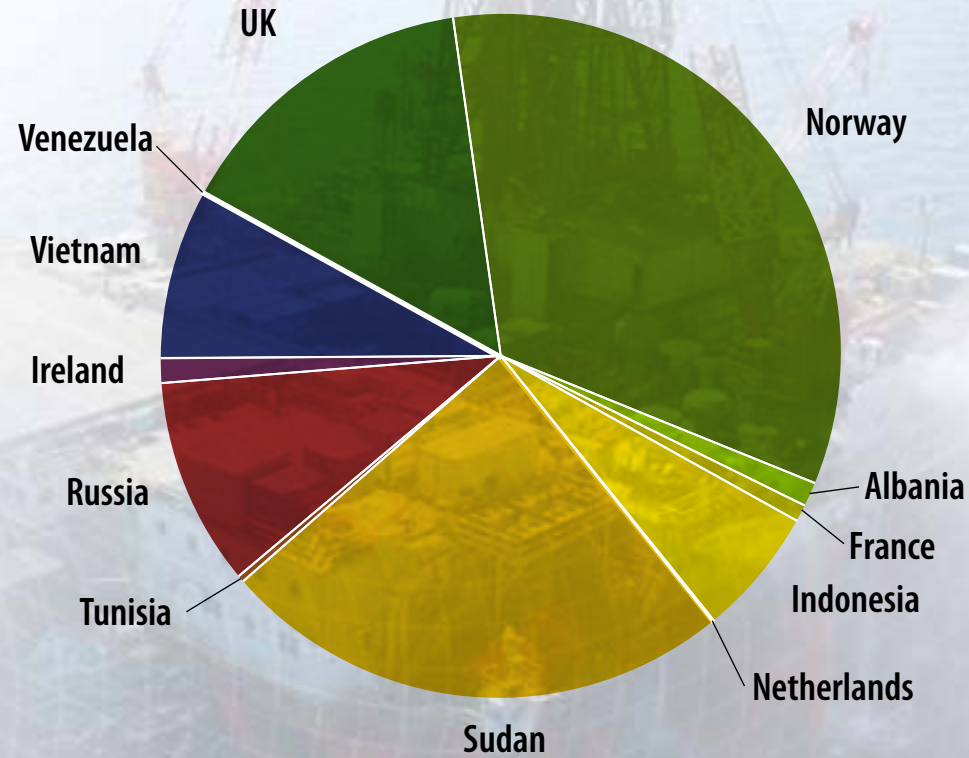
Prospective Resources - Net Unrisked Resources



2006 Prospective Resources - 3.4 bn boe net unrisked

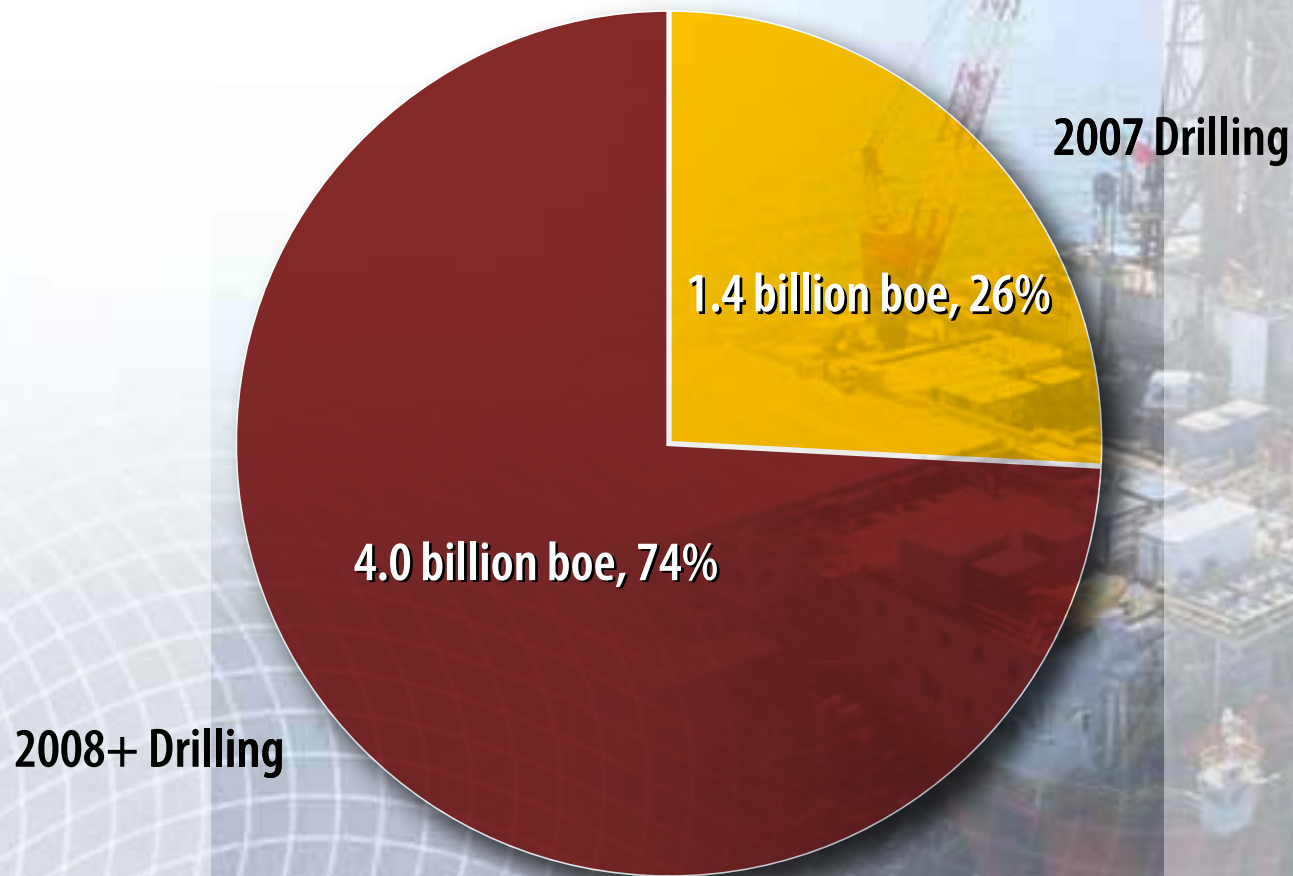


2007 Prospective Resources - 5.4 bn boe net unrisked



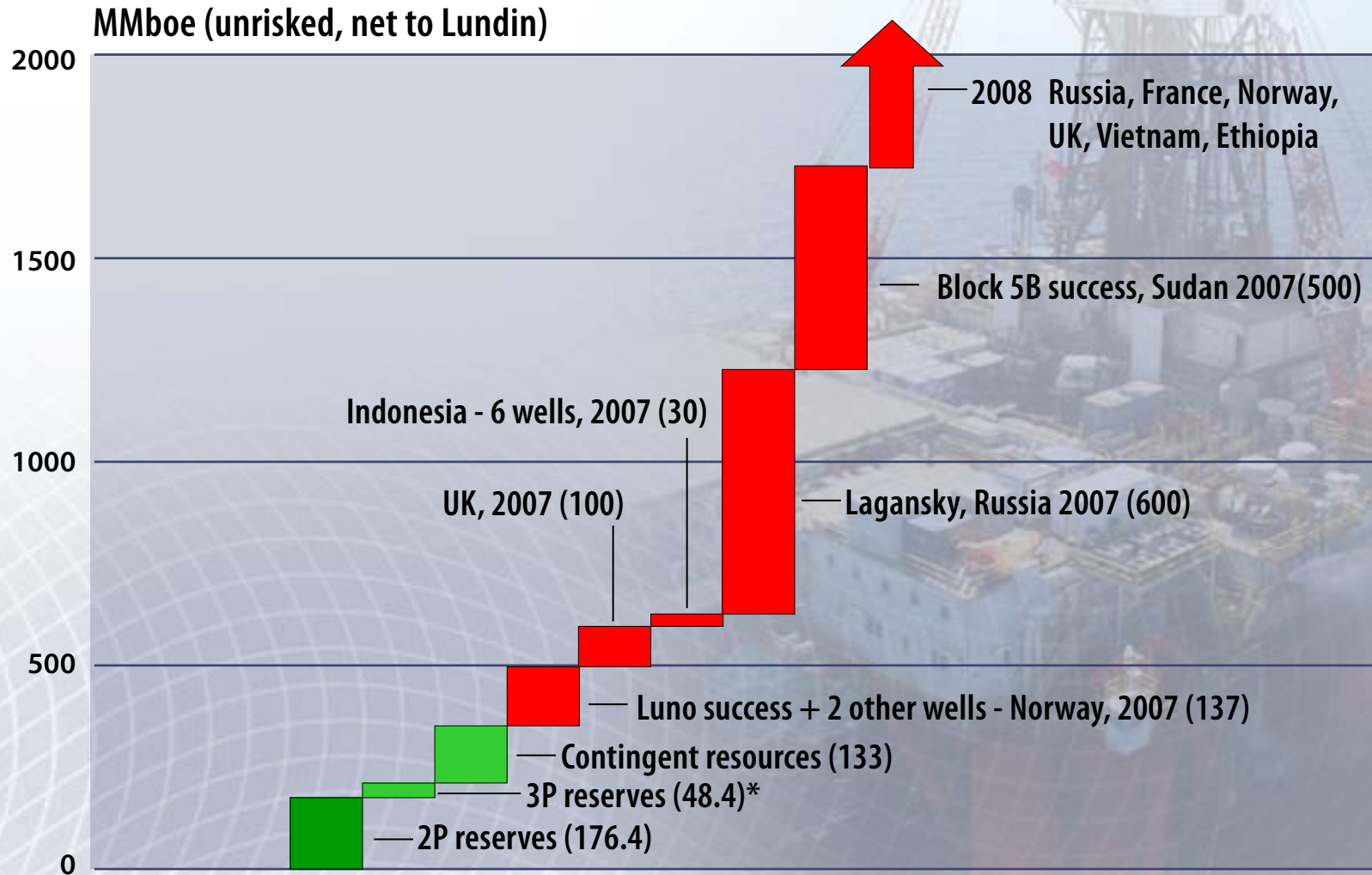
2006 Net Unrisked Resources 3.4 bn boe
 2007 Net Unrisked Resources 5.4 bn boe
 } 55.2% Increase

Overall Prospective Resources 2007 & Beyond (net unrisked)*



* Includes the licence awards from the Norwegian APA 2006 and UK 24th licensing rounds
Excludes prospective resources from Congo and Ethiopia

Exploration Upside Potential



* excludes 3P reserves from Russia

Questions

