

Financial Results - First Half 2007

Lundin

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Disclaimer

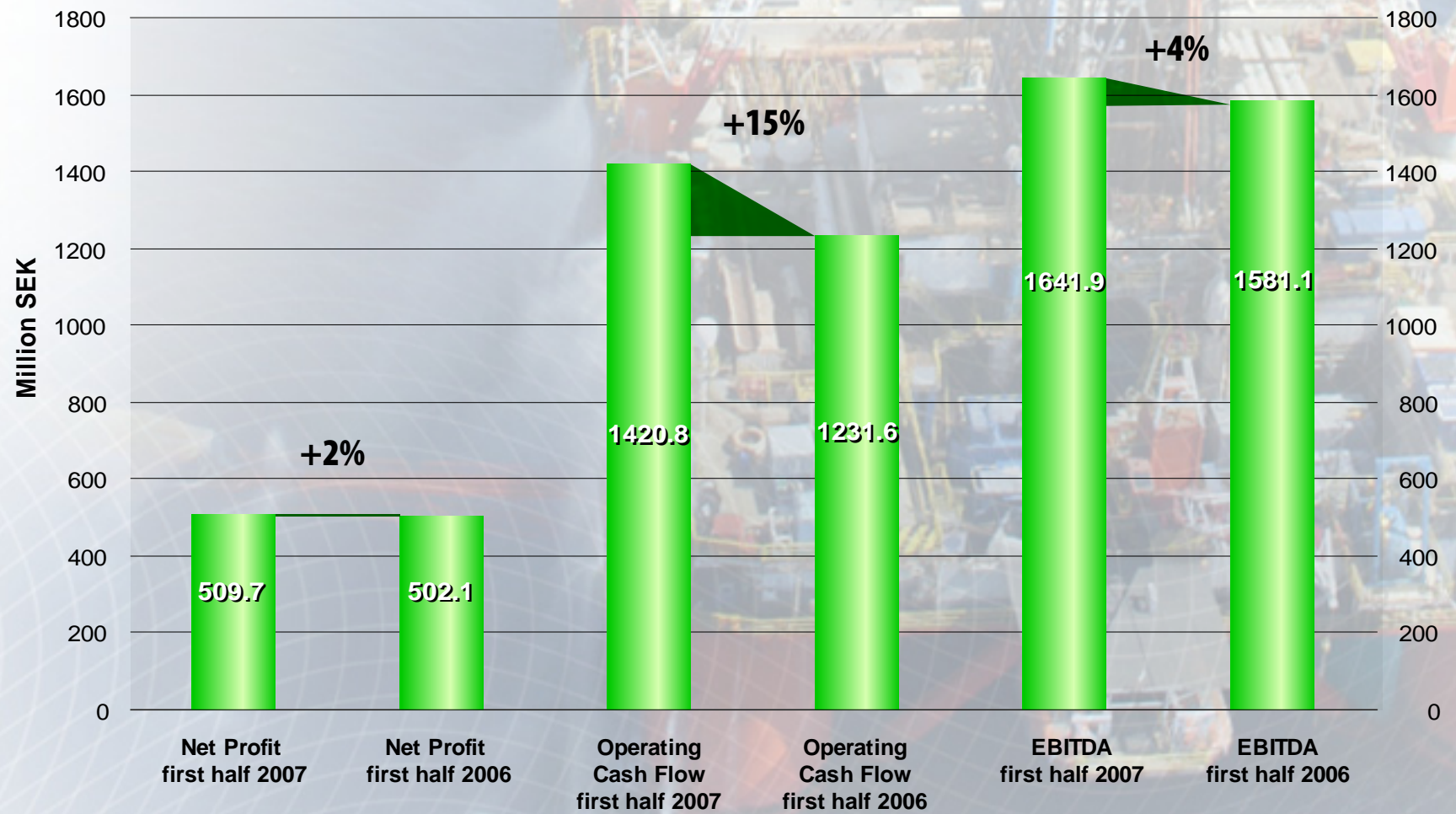


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Financial Results - First Half 2007



Financial Performance First Half 2007



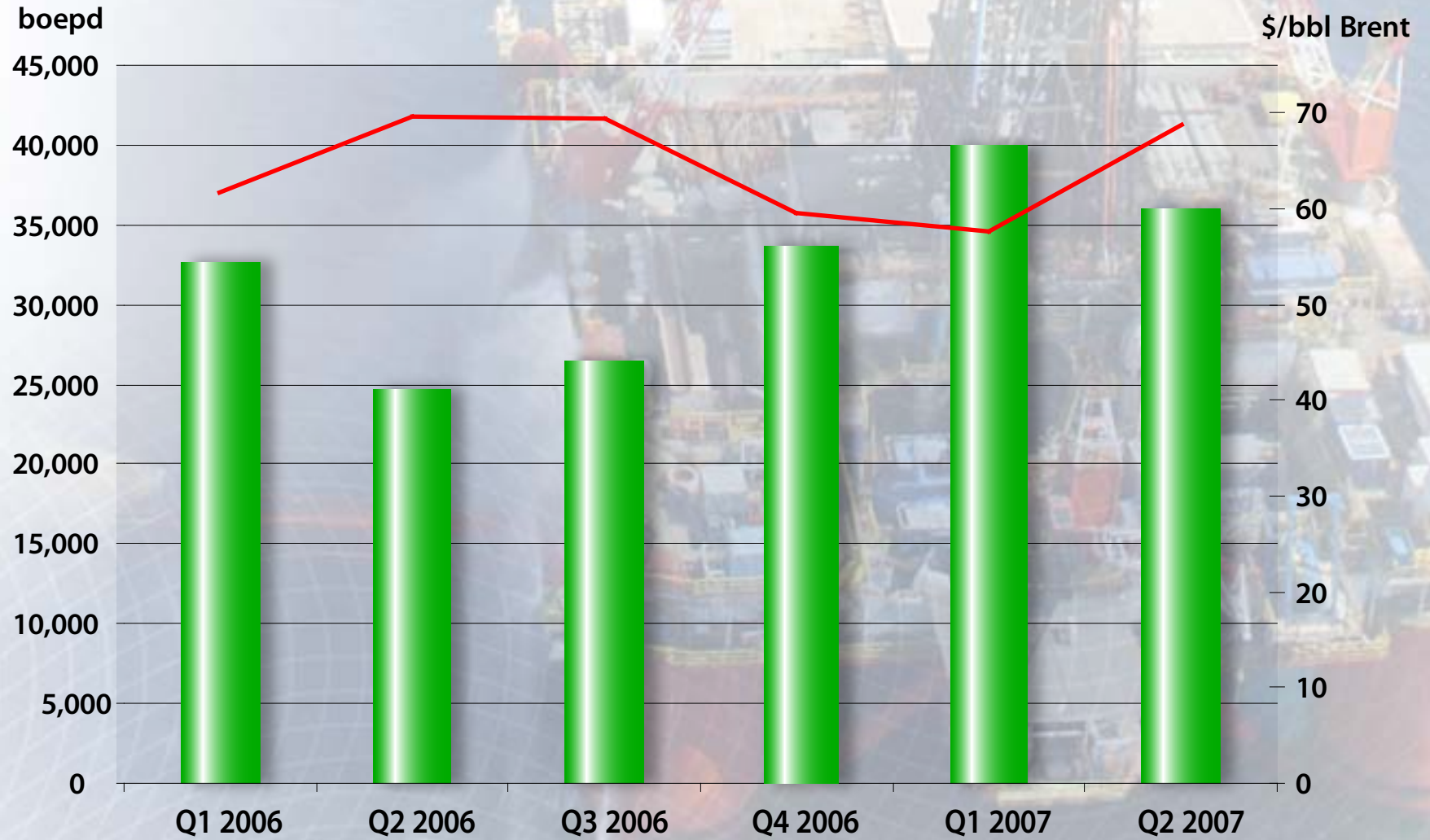
- **Production** **37,900 BOEPD**
- **Cost of operations** **USD 15.78**
- **Effective tax rate** **47%**

Financial Performance First Half 2007



	MSEK	MUSD
➤ Write offs	81.9	11.8
➤ Foreign exchange gain	21.8	3.1
➤ G & A costs	107.7	15.5

Production & Oil Price - Quarterly Comparison

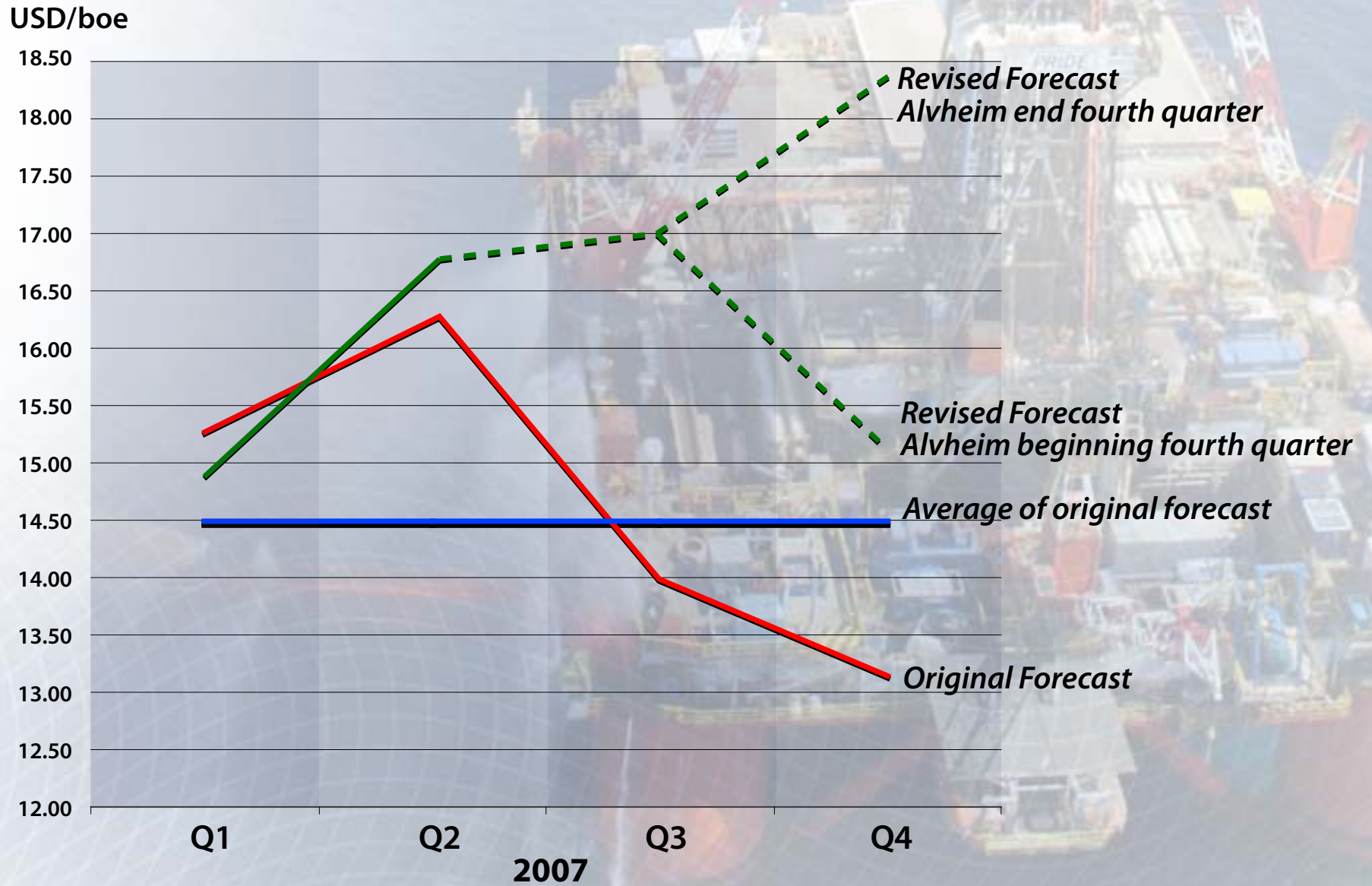


Margin Netback USD/boe - First Half 2007



	First Half 2007 Actual (USD/boe)	Original 2007 Forecast (USD/boe)
Production (MMboe)	7.0	15.4
Brent oil price	63.06	55.00
Revenue	56.48	49.15
Cost of operations	-15.78	-14.55
Tariffs	-1.93	-1.60
Production & sales taxes	-3.54	-3.15
Stock movements	0.84	-0.25
	36.07	29.60
Depletion	-12.07	-10.75
Write off	-1.69	-
Margin Netback	22.31	18.85

Cost of Operations 2007



Balance Sheet - 30 June 2007



	30 June 2007	31 Dec 2006
➔ Fixed Assets	17,399	16,188
➔ Net Current Assets (excluding cash)	(130)	3
➔ Net Bank Debt	1,439	1,134
➔ Shareholder Equity	9,629	8,953
➔ Net Debt/Equity Ratio	15%	13%

numbers in million SEK

Operational Highlights - First Half 2007



Production

- 37,900 boepd - in line with forecast
- Outperformance in Oudna, Tunisia and Broom, United Kingdom
- Underperformance in Heather, United Kingdom

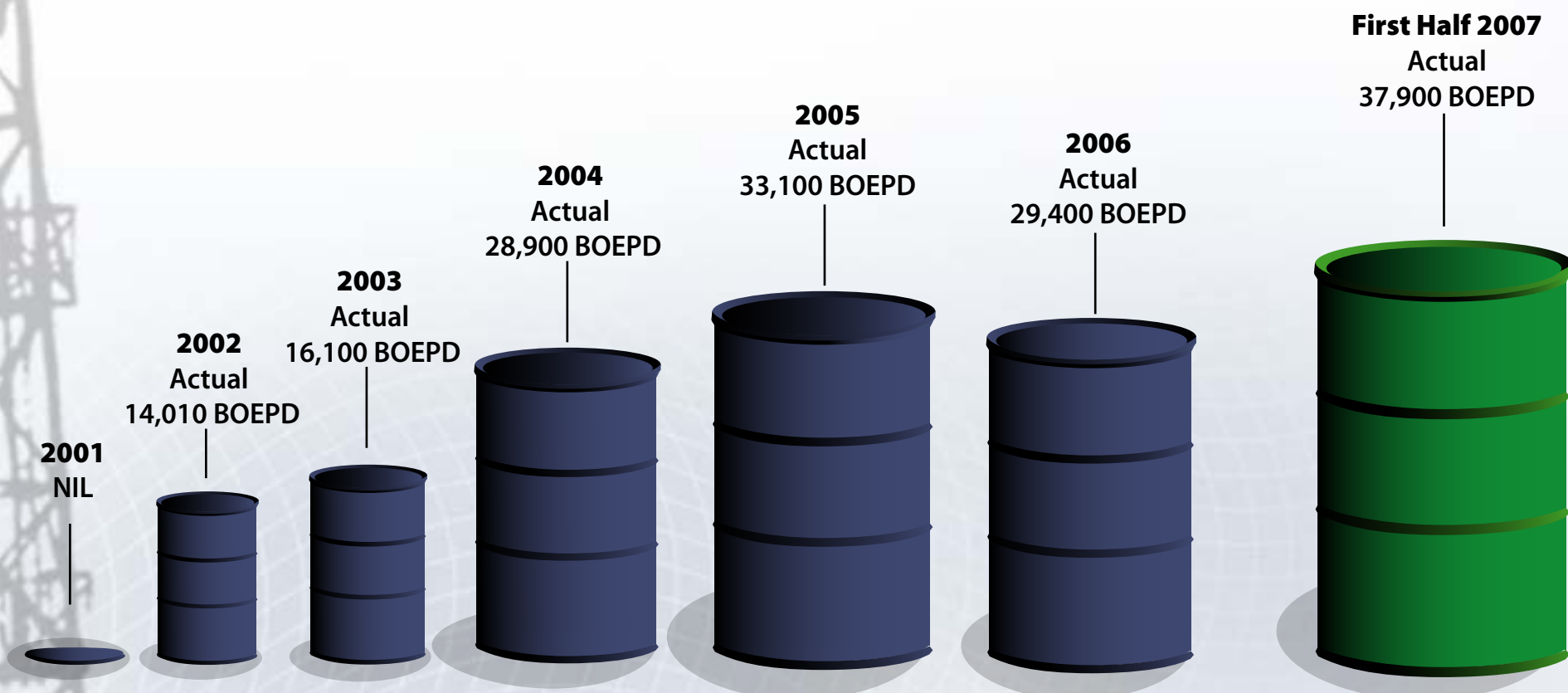
Development

- Alvheim, Norway - first production now forecast fourth quarter 2007
- Volund, Norway - development plan approved
- Singa, Indonesia - gas sales agreement signed
- Villeperdue, France - field development drilling successfully completed
- Thistle, UK - redevelopment ongoing

Exploration

- Tengis well, Indonesia - ongoing
- Preparations for Norway, Russia and Sudan exploration programmes ongoing
- Lytham & Haupt well (41/10a), UK - ongoing
- P1089/P1295 well drilled in the UK - dry hole

Production History

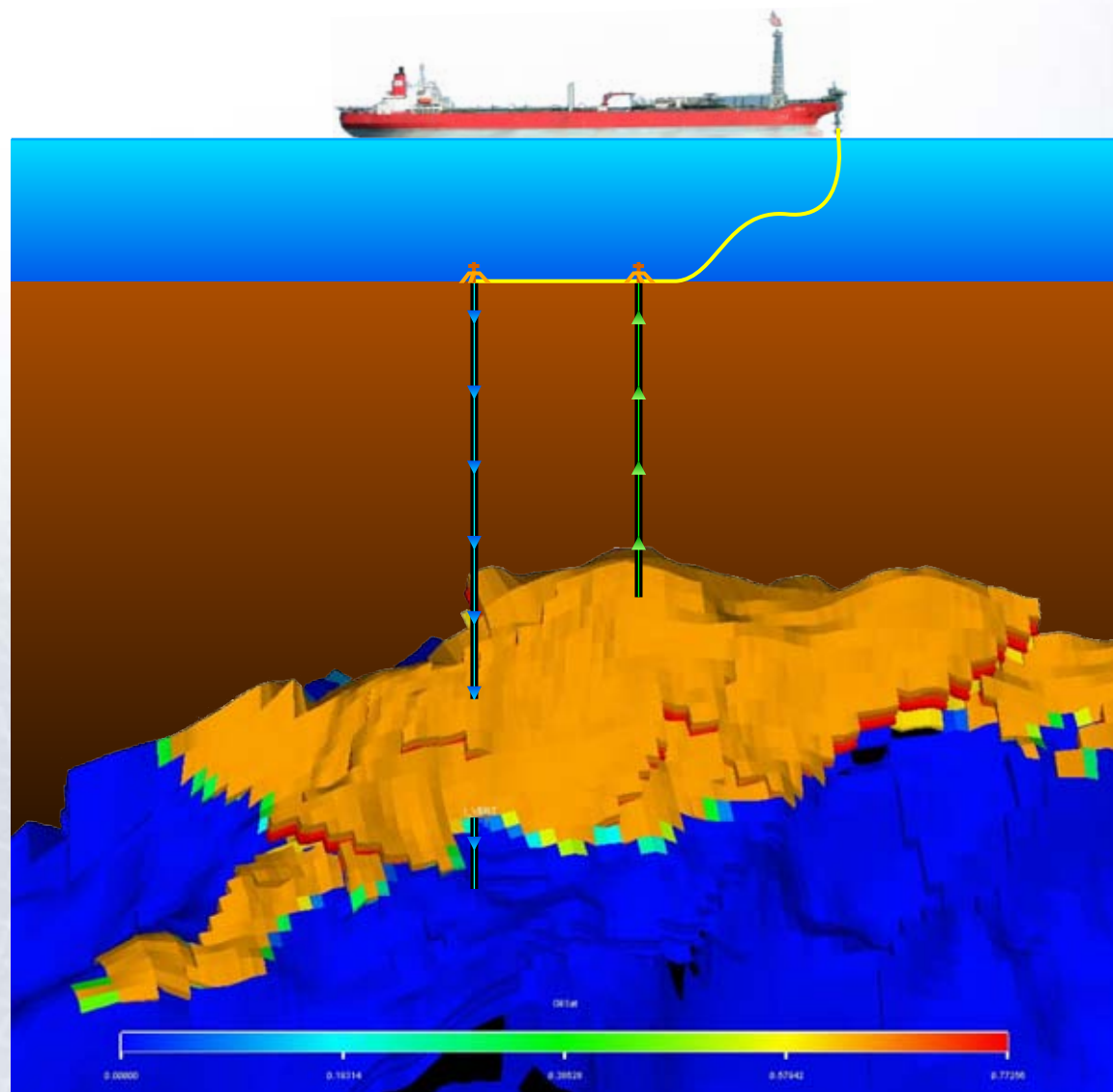


Oudna - 2007 Production



Oudna field, Tunisia

- Lundin Petroleum 40% (operator)
Atlantis 40%
ETAP 20% back-in right exercised
March 2007
- Production first half 2007
20,100 bopd (gross)
- Water breakthrough in late second
quarter. Production decline as forecast

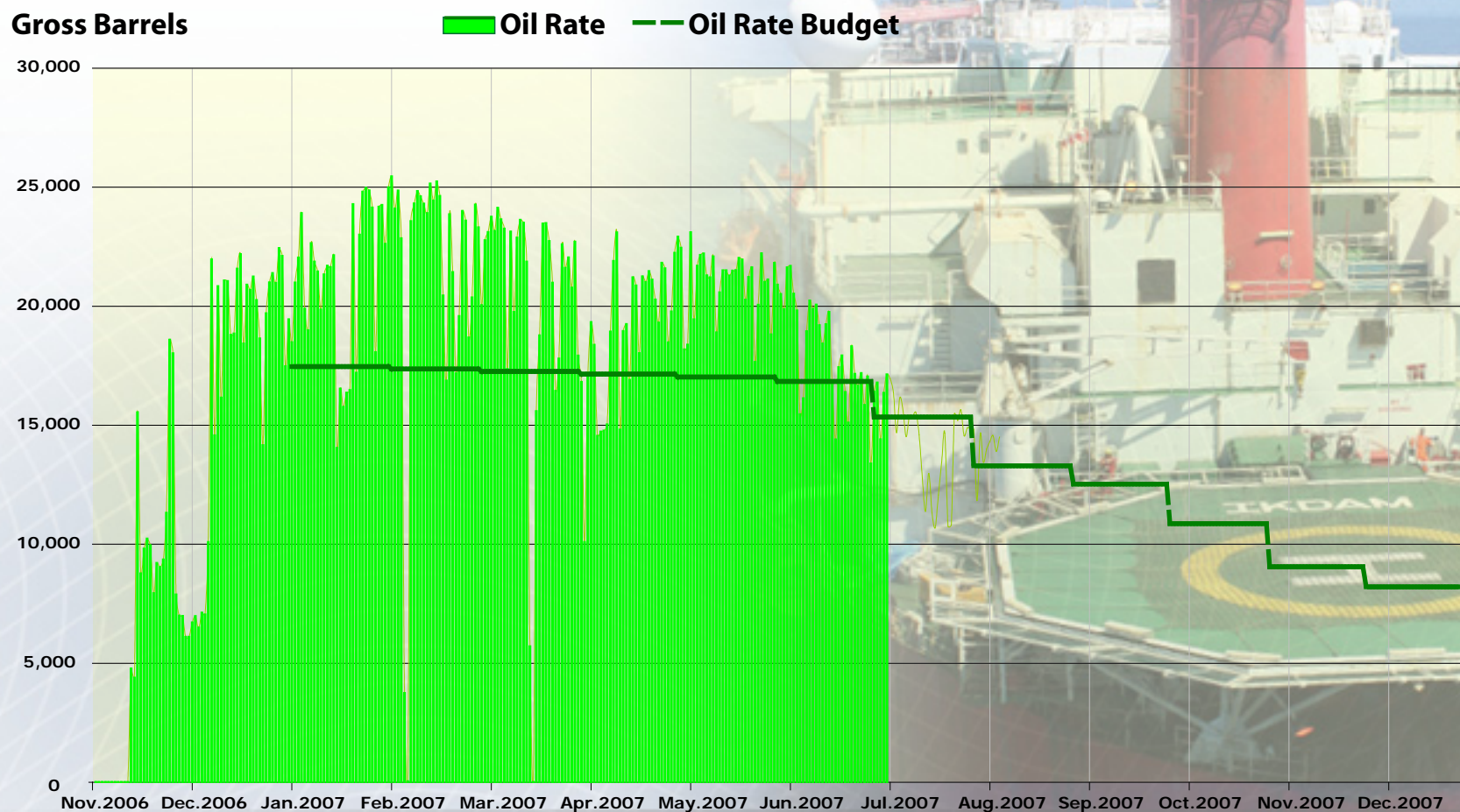


Oudna field - 2007 Production



Oudna field, Tunisia

➤ Average production for 2007 forecast at >14,000 bopd (gross)

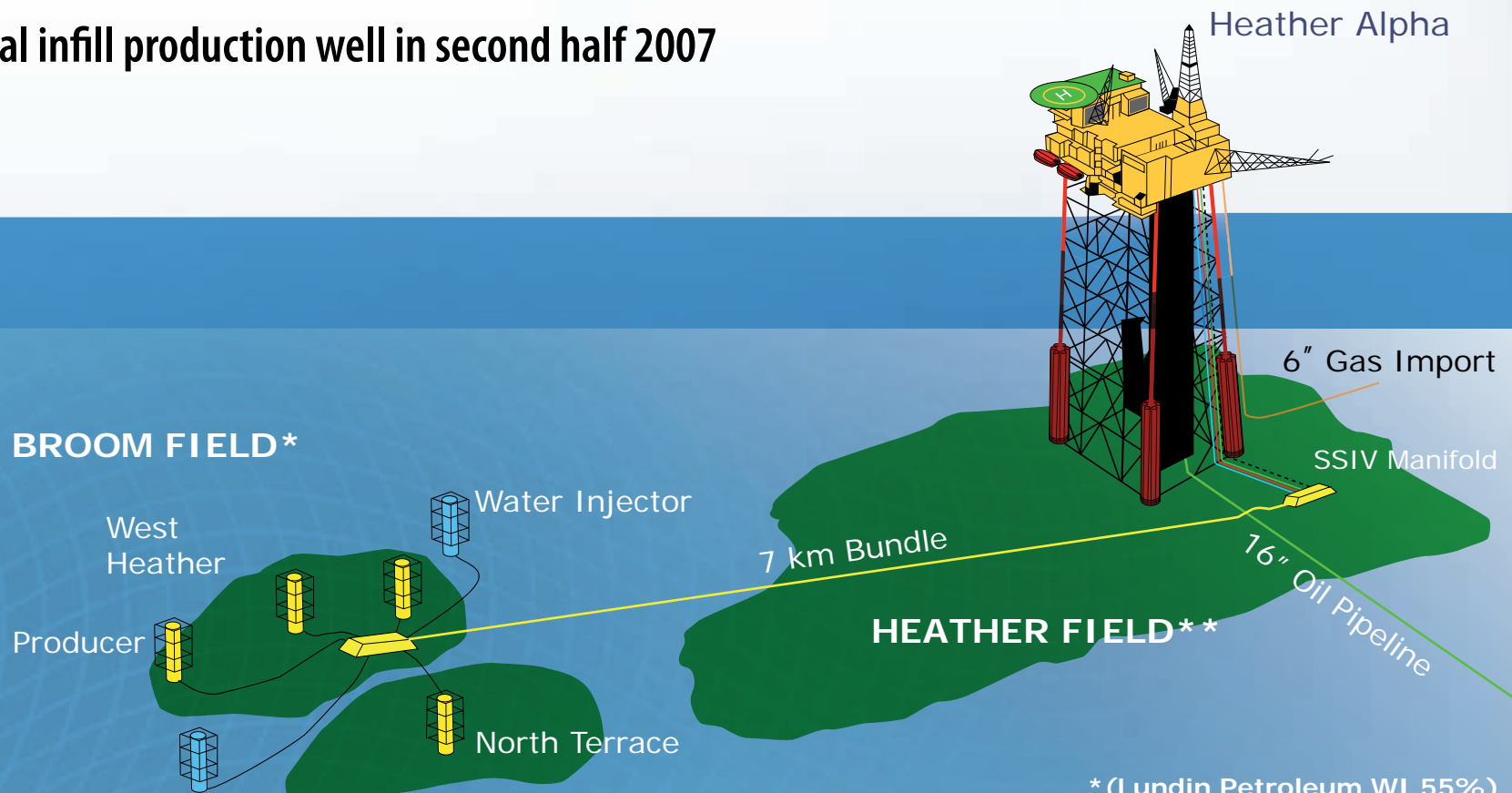


Broom Field - 2007 Production



Broom field, United Kingdom

- Remaining reserves 34 MMbbls (as at 01.01.07)
- Average Production for first half 15,900 (gross)
- Additional infill production well in second half 2007



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

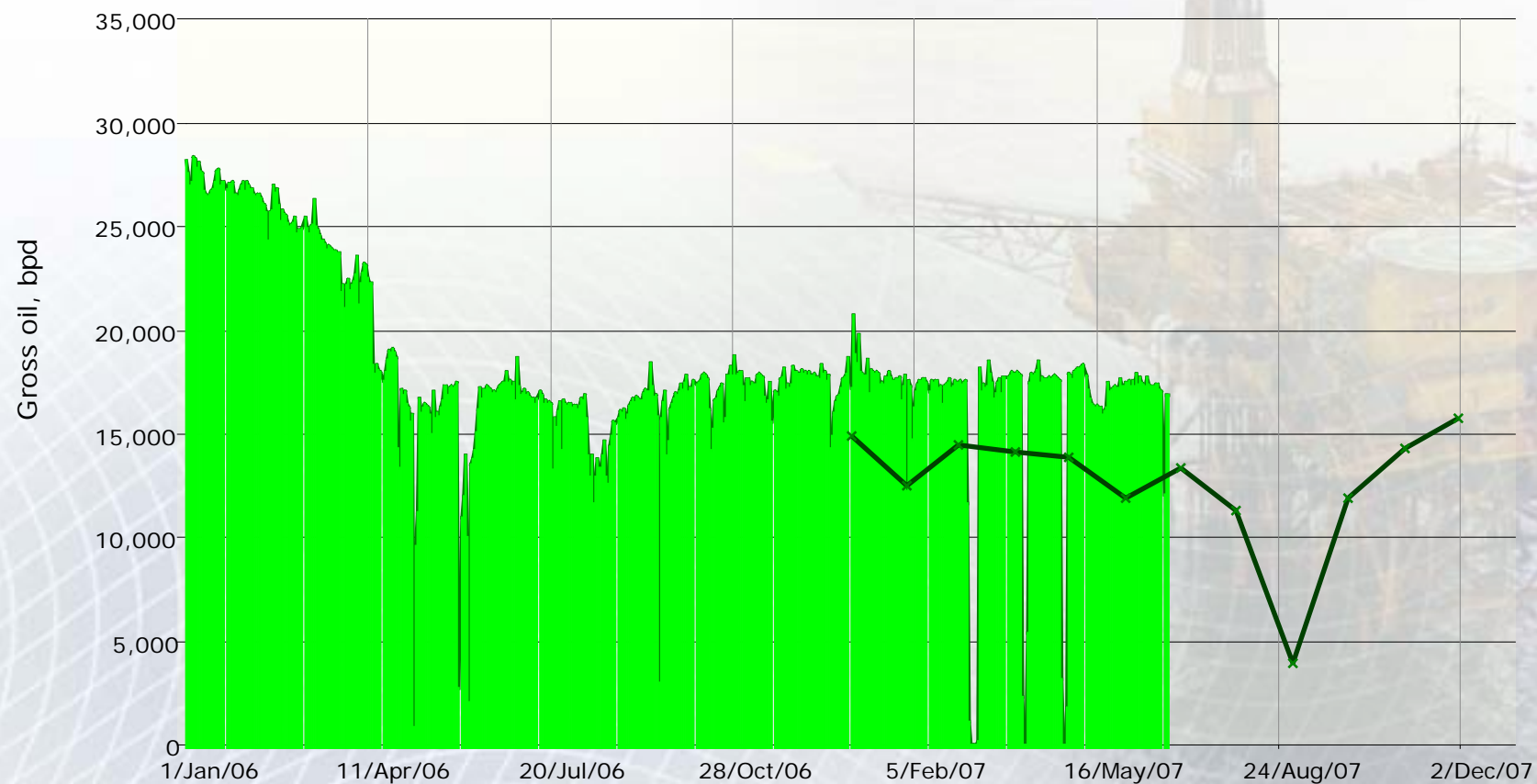
Broom Field - 2007 Production



Broom field, United Kingdom

- Production recovery from Q2 2006
- Oil production ahead of forecast

■ Gross Oil
— Budget Forecast



2007 Development Programme



Development

- **Norway** - Alvheim field, onstream 2007
- Volund field, onstream 2009

- **UK** - Broom field, infill drilling
- Thistle field, redevelopment

- **Russia** - Ashirovskoye field, Orenburg
- Sotchemyu-Talyu field, Komi Republic

Ongoing development drilling

- **France** - Villeperdue field, infill drilling completed

- **Indonesia** - Singa field development, onstream 2009

Alvheim Status

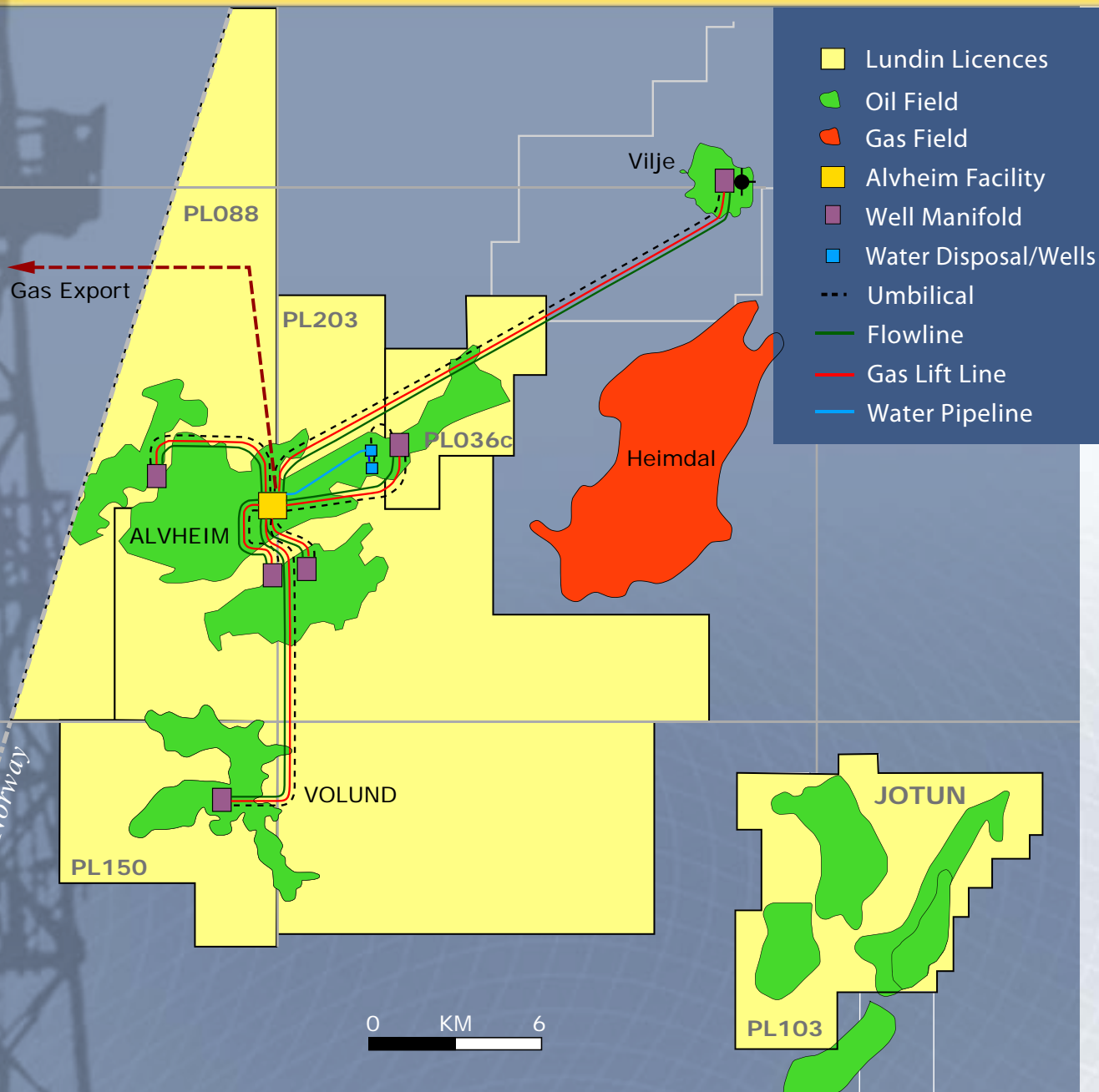


- First production forecast fourth quarter 2007
- Development drilling - good results
- Topsides installation - delays
- Subsea installation completed
- Buoy installed offshore and ready for hook up into turret



Alvheim FPSO topsides installation in Norway

Norway - Volund Development

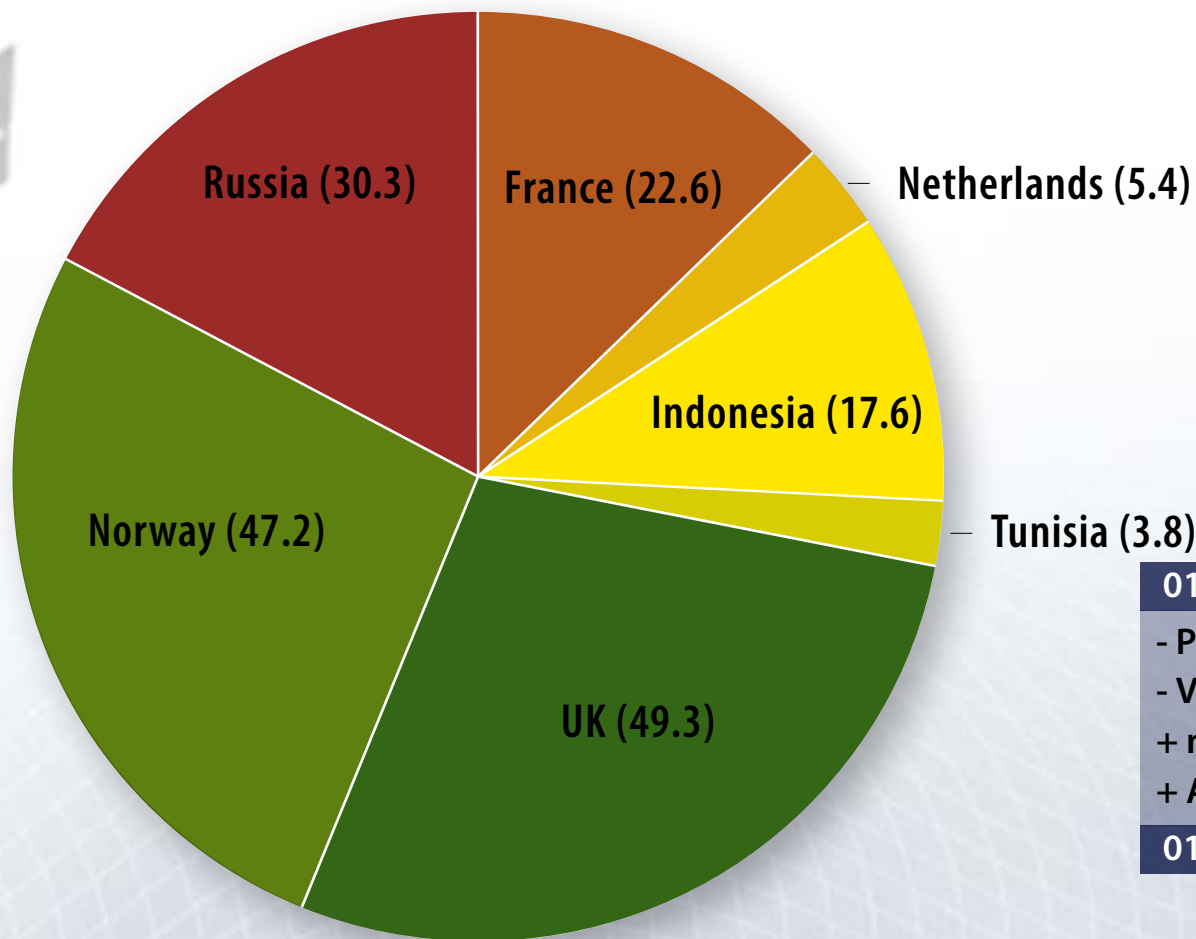


➤ Volund (35%)

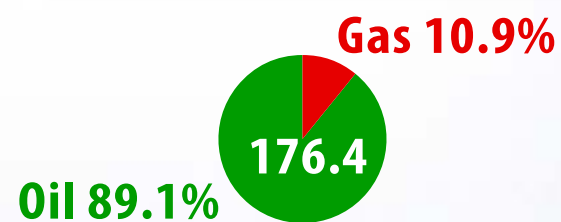
- ➔ Operator - Marathon
- ➔ 2P reserves 48.6 MMboe gross
- ➔ Exploration discovery in 2004
- ➔ Plan of development approved in 2007
- ➔ Development tie-back to Alvheim
- ➔ First production 23,000 bopd gross in 2009
- ➔ Estimated Capex NOK 2.8 billion gross (USD 9 per barrel)



2007 Proven & Probable Reserves



Total 176.4 MMboe



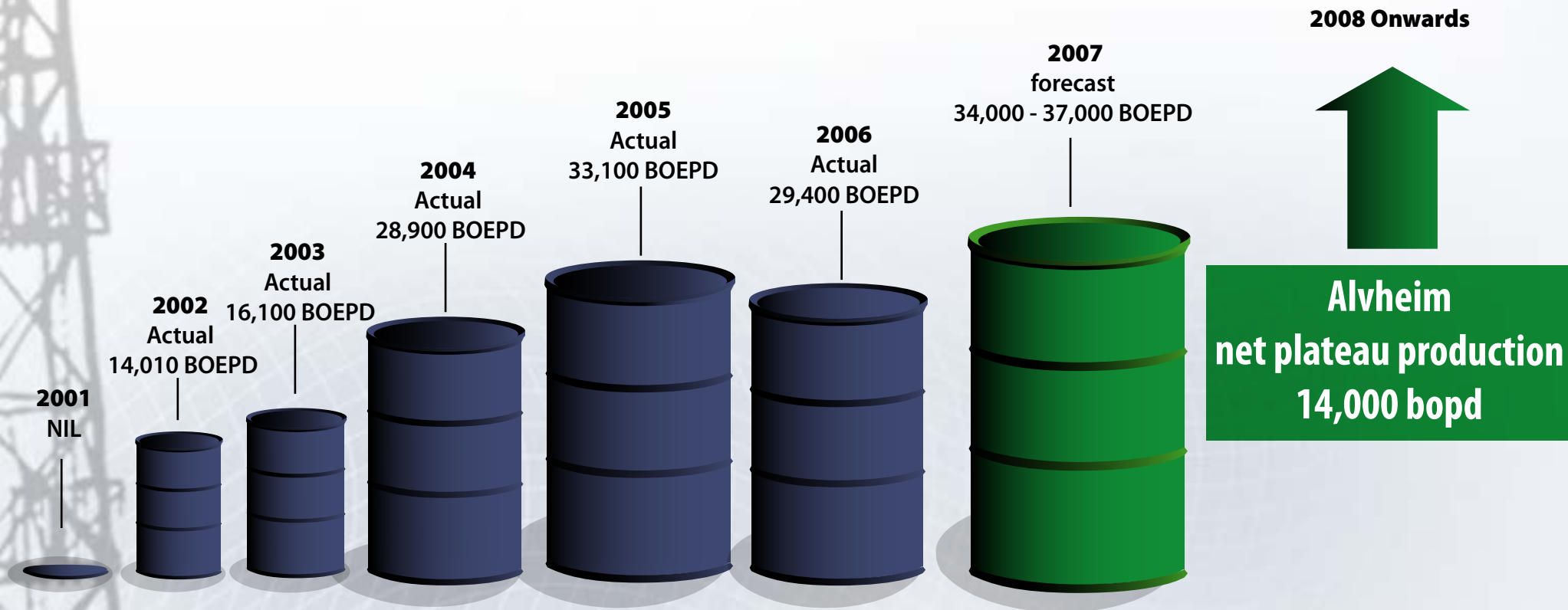
	mmboe
01.01.2006	146.1
- Produced (excl Russia)	-9.8
- Venezuela Mixed Enterprise	-4.4
+ new reserves (excl Acquisitions)	12.0
+ Acquisitions	32.5
01.01.2007	176.4



Increase in Reserves 29%

Reserves Replacement Ratio 122%

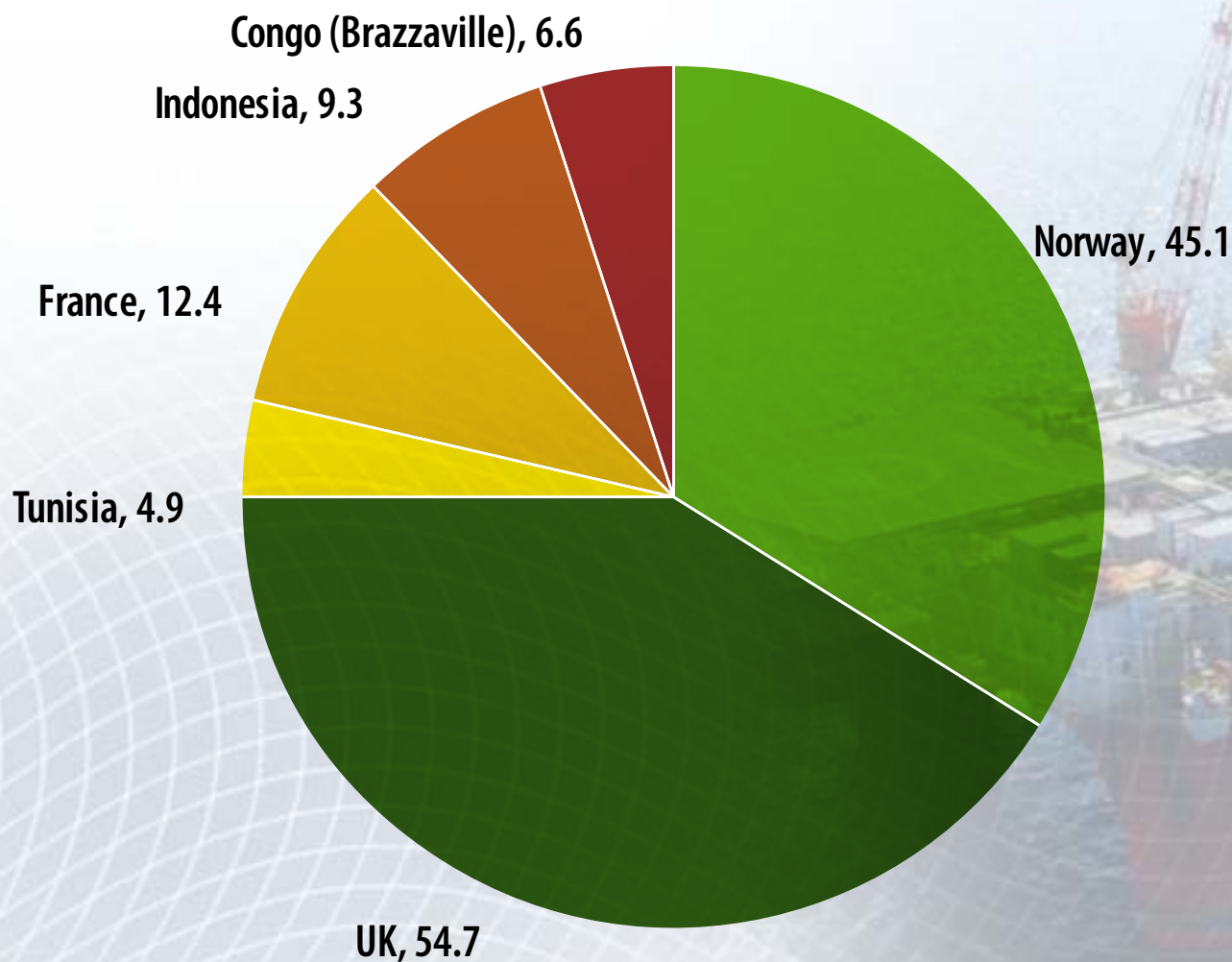
Production Growth



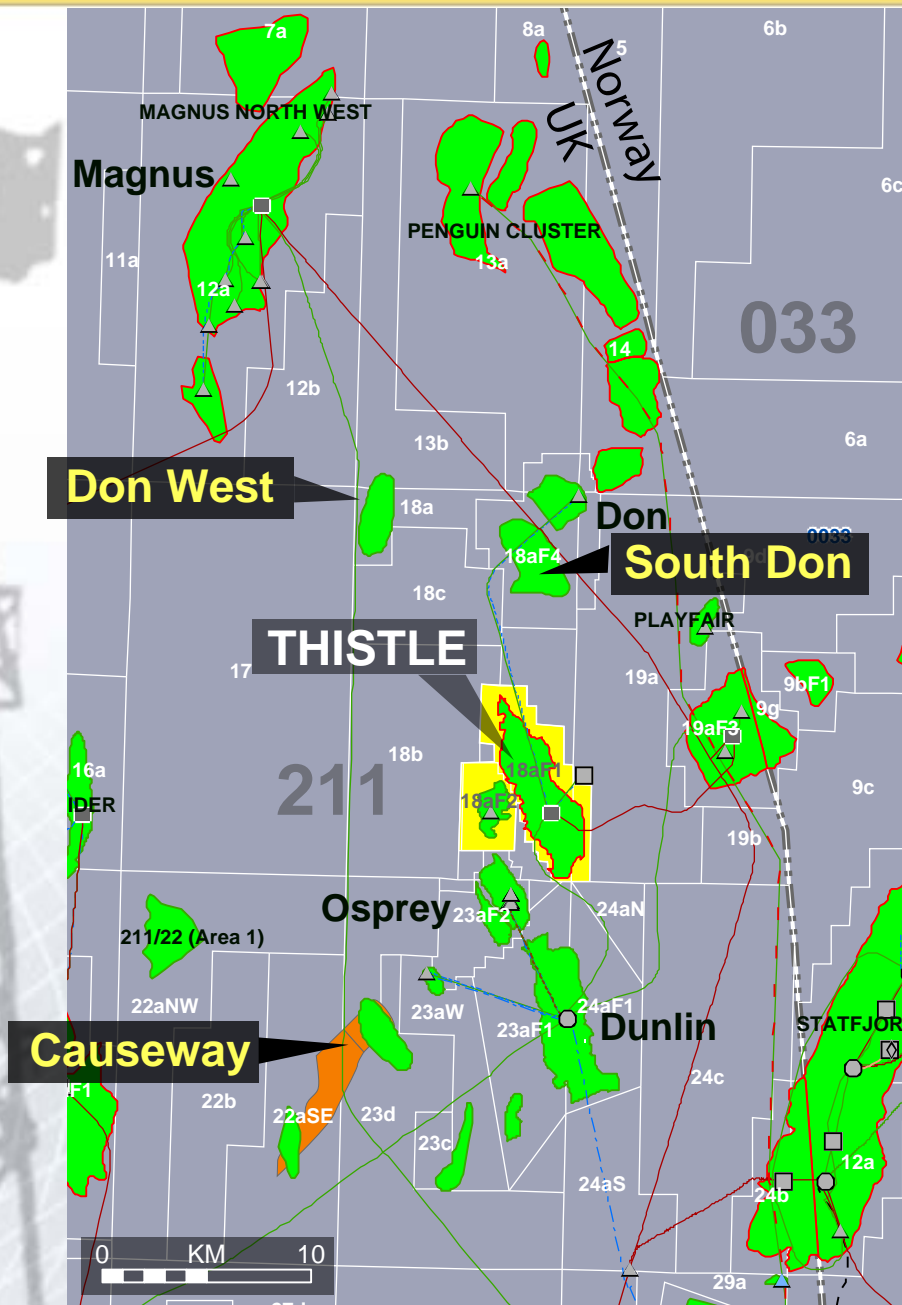
Contingent Resources - Existing Discoveries



133 MMboe net Lundin Petroleum



Thistle Redevelopment



- **Thistle** ➔ Recovery Factor < 50%
- ➔ 3-D Seismic
- ➔ Drilling Rig Reactivation
- ➔ Direct Oil export



Increase Recovery Factor



3% increase in ultimate recoverability
is > 25mmboe additional reserves

- **3rd party business opportunities**
South Don, West Don, Causeway

Norwegian Undeveloped Discoveries

- **PL006c: South East Tor**
 - ➔ 75% interest (operator)
 - ➔ gross resources: 22.5 mmboe
 - ➔ appraisal drilling in 2008
- **PL148 7/7-2: Nemo**
 - ➔ 50% interest (operator)
 - ➔ gross resources: 20.6 mmboe
 - ➔ appraisal drilling in Q4 2007
- **PL292: Phi South**
 - ➔ 40% interest
 - ➔ gross resources: 10.9 mmboe
 - ➔ appraisal drilling in Q4 2007
- **PL340**
 - ➔ 15% interest
 - ➔ gross resources: 11.0 mmboe
- **Peik (UK/NCS)**
 - ➔ 40% interest
 - ➔ gross resources: 27.0 mmboe



Exploration Work Programme - Second Half 2007



➤ Major Exploration drilling activity in second half 2007

Second Half 2007 Exploration Drilling Activity			
Country	Wells	Area	Unrisked Prospective Resource Potential MMboe Net Lundin
UK	3	PL1301, PL1129, PL1107/1109	48
Norway	3	PL335, PL338, PL292	140
Russia	1	Lagansky	533
Sudan	3	Block 5B	525
Indonesia	4	Salawati Island/Basin 3 wells Blora Licence	30
	14		~1.3 billion barrels

Second Half 2007 Exploration Drilling Activity



➔ 1.3 billion boe unrisked prospective resources targeted in 2H 2007

Country	Licence	Net Interest	Operator	Contracted Rig	Likely Drilling Schedule Second Half 2007	
					Q3	Q4
Norway	PL338	50%	Lundin	Bredford Dolphin		
	PL335	18%	BG	Maersk Giant		
	PL292	40%	BG	Maersk Giant		
UK	P1129	25%	Lundin	Galaxy II		
	P1109 & P1107	40%	Lundin	Galaxy II		
	P1301	30%	Lundin	Galaxy II		
	P1089 & P1295	10%	OilExCo	Sedco 712		
Indonesia	Salawati Basin	25.93%	PetroChina Int.	Land rig		
	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

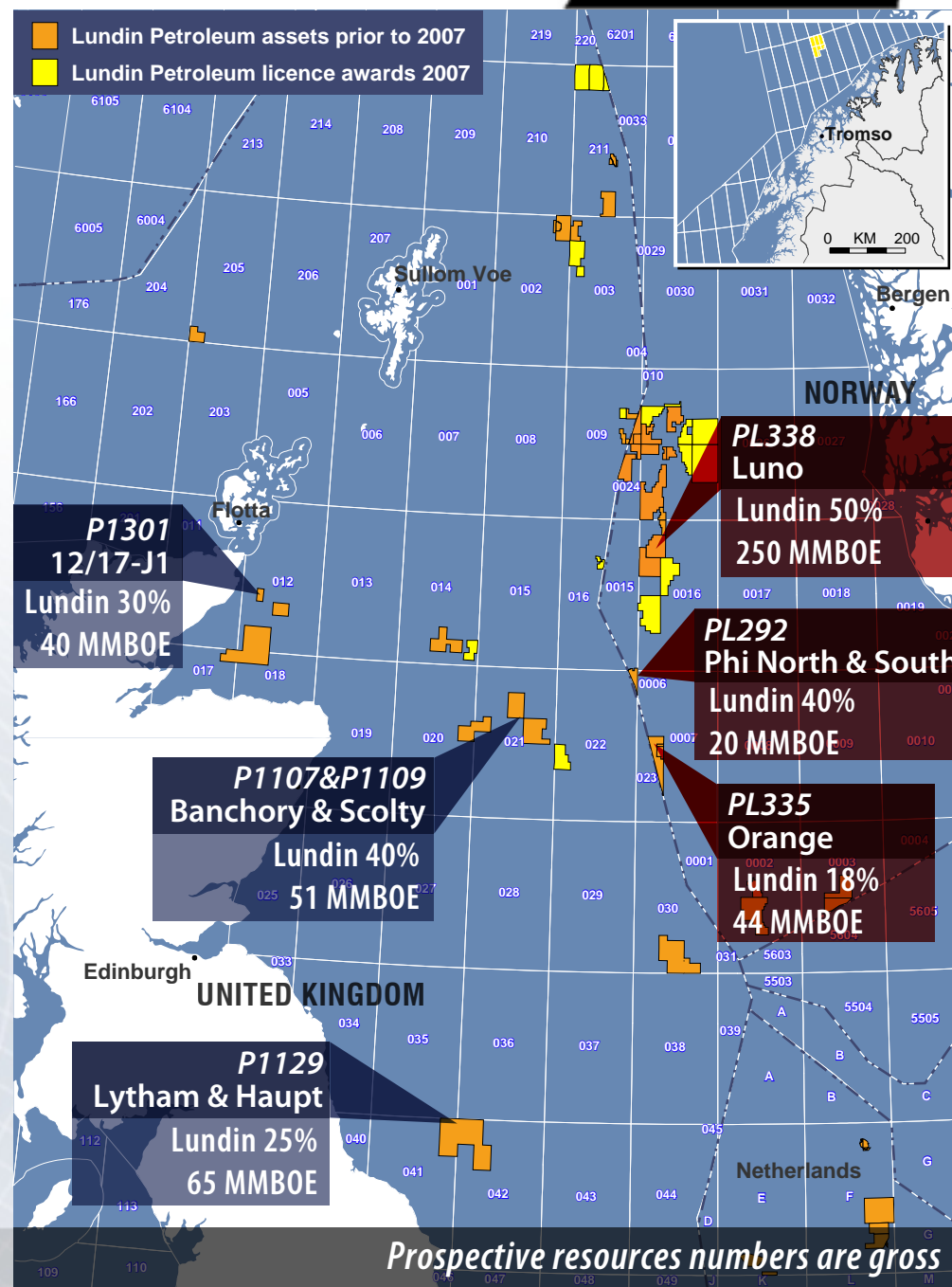
* Jack up pontoon mounted

** Modular floater mounted

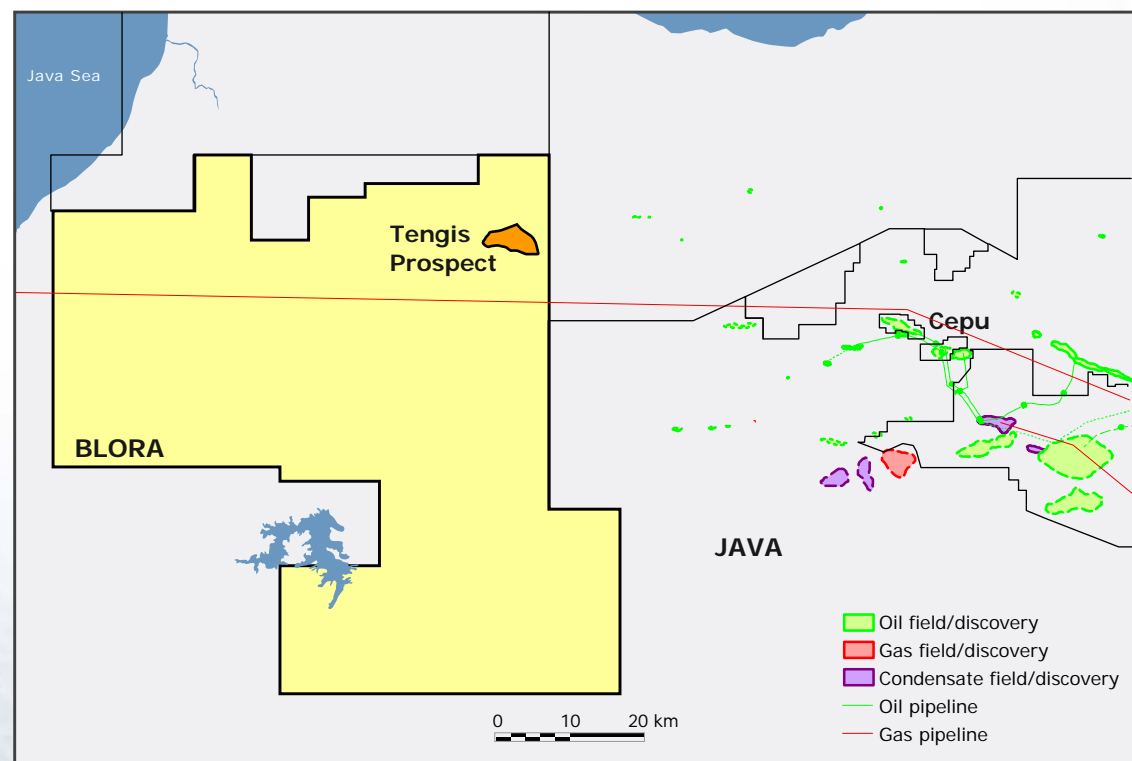
Norwegian & UK Continental Shelf Licences (50)



- ➔ 6 exploration wells in 2H 2007
- ➔ Unrisked net resource potential 185 MMboe
- ➔ Rigs secured
- ➔ North Sea exploration business managed from Norway



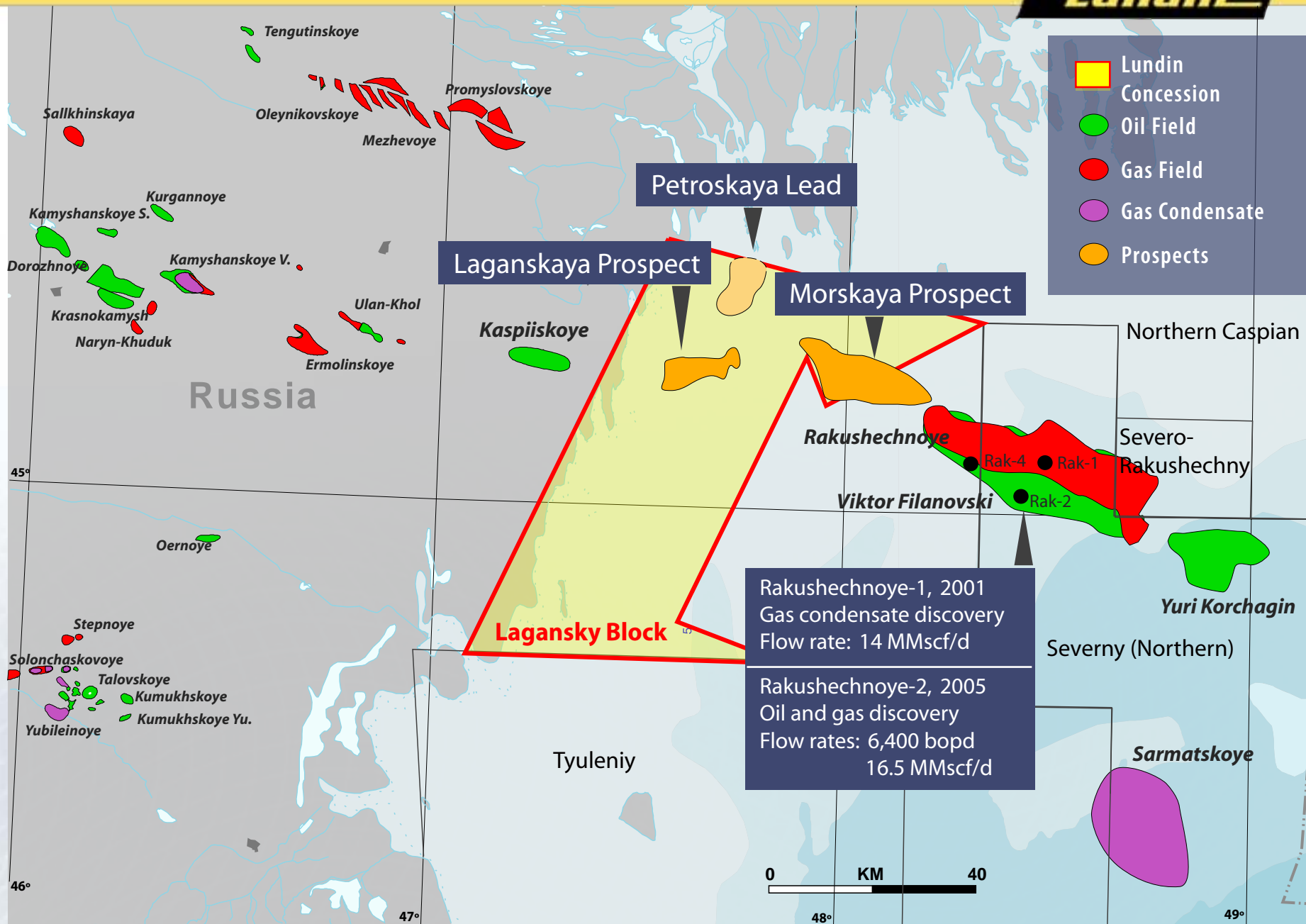
Indonesia - Tengis Exploration Well



➤ Tengis-1 exploration well on the Blora PSC Central Java

- ➔ 43% working interest and operator
- ➔ TD Target depth achieved
- ➔ At least one gas reservoir to be tested
- ➔ Main reservoir target - drilling complication, sidetrack underway
- ➔ Gross unrisks resource potential of 50 MMboe

Russia Exploration - Lagansky Block



Russia Lagansky Exploration - Alliance with Gazprom



- ➔ **Gazprom option to purchase 50% + one share in Lagansky during exploration phase**
- ➔ **Lundin Petroleum option to purchase 30% in Lagansky from minority partner during exploration phase**
- ➔ **If options exercised Lundin Petroleum and Gazprom 50:50 partnership**
- ➔ **Lundin Petroleum continue to operate in exploration phase**

Russia Lagansky Exploration - Permitting Status

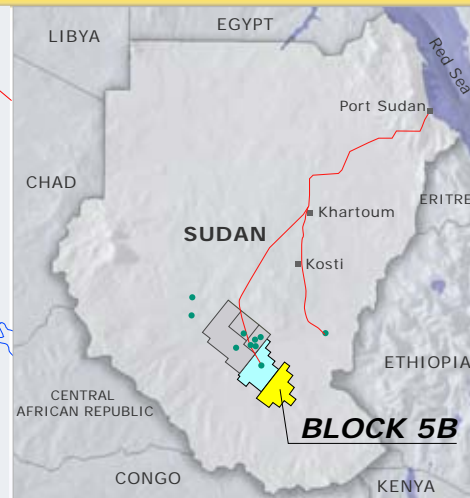
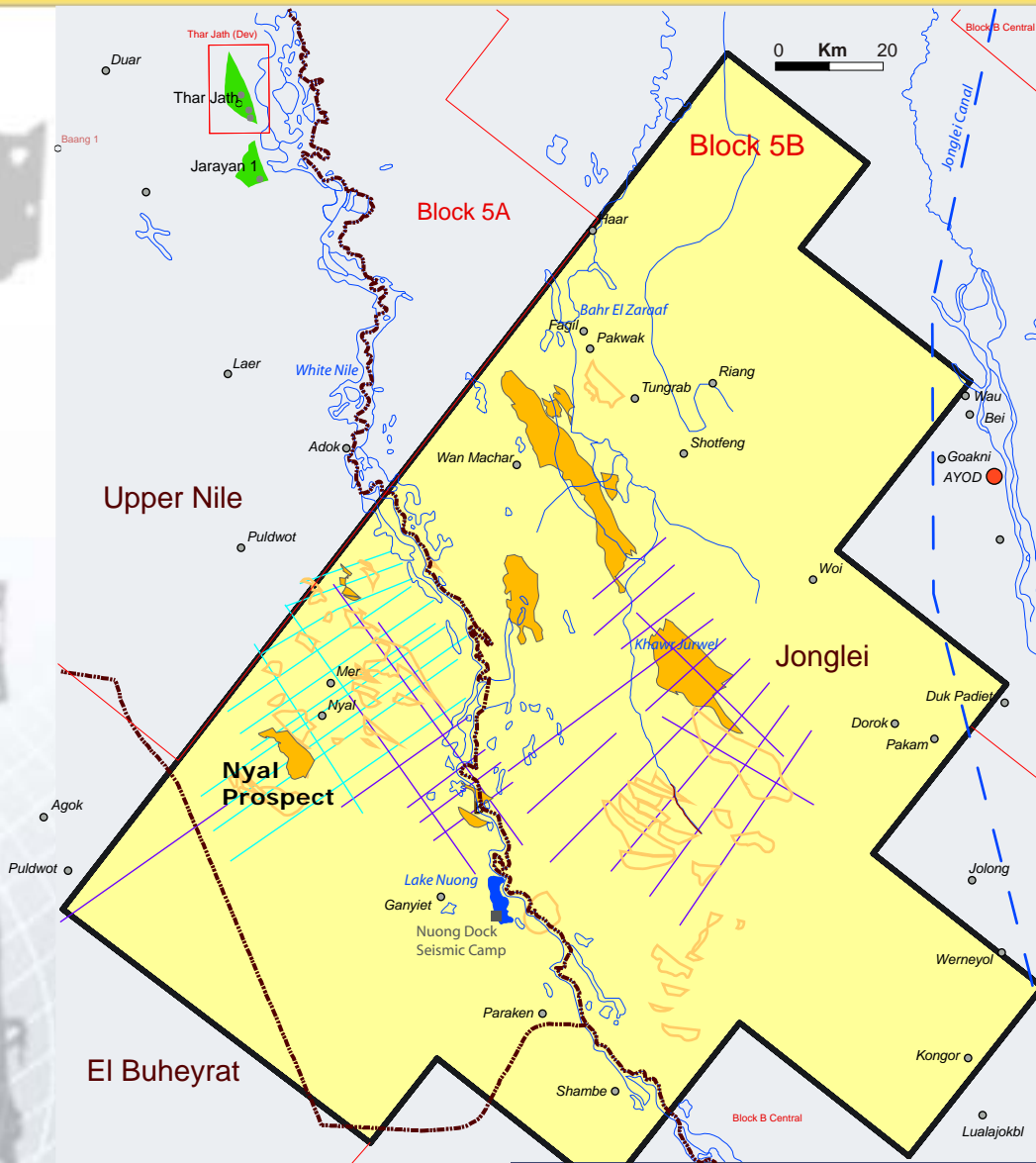


- **Working with Gazprom to**
 - ➔ Resolve licensing issues with Rosnedra
 - ➔ Obtain final drilling permit from Rosprirodnadzor

- **Operationally ready to commence drilling**

- **Timing of exploration well subject to resolution of outstanding permitting issues**

Sudan - Block 5B



- ➔ Prolific Muglad Basin petroleum system
- ➔ 1500 km 2D seismic survey programme
- ➔ Over ~1,100 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

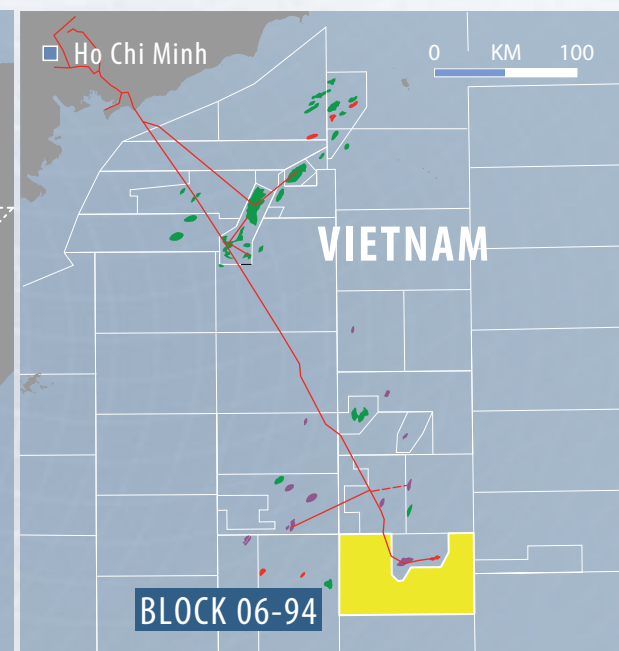
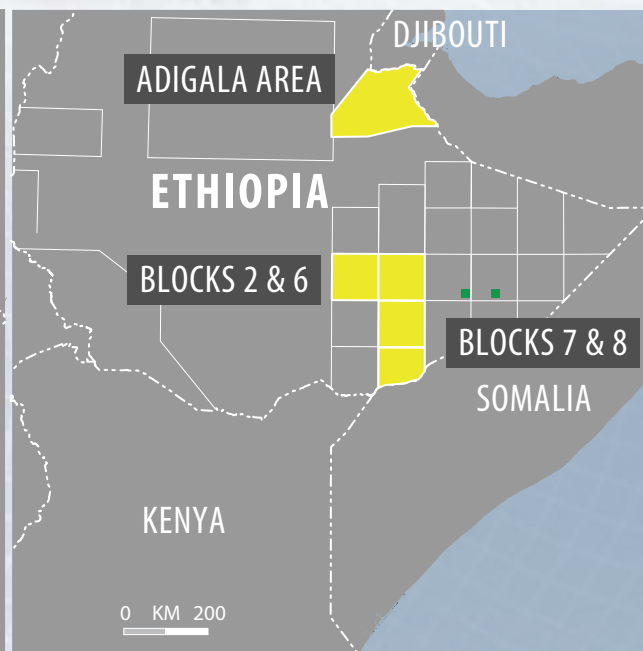
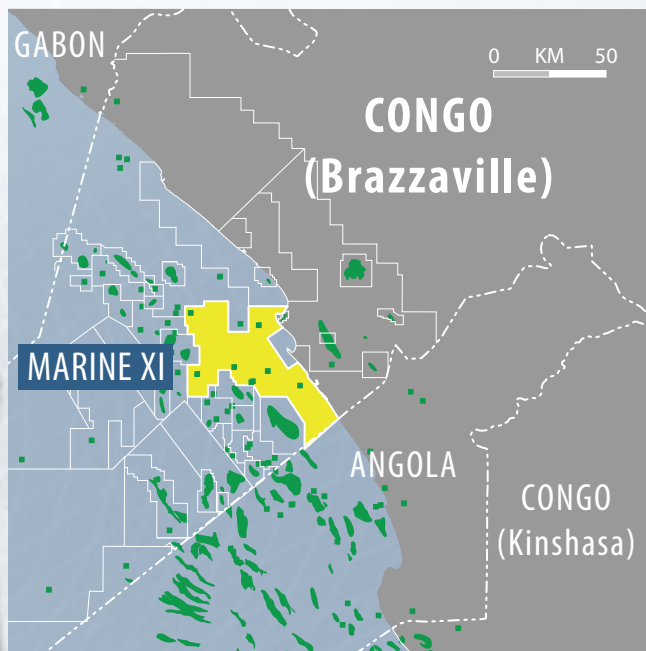


- **National Petroleum Commission (NPC) has confirmed the legal validity of the Block 5B partnership.**
- **Requested by NPC to accommodate “Nile Pet” (Government of South Sudan oil company) with a 10% interest in Block 5B.**
- **Commencement of three well swamp drilling programme in the fourth quarter 2007. Mobilisation well advanced**
- **Additional drilling programme in dry location west of Nile as a result of seismic acquisition. Nyal prospect to be drilled in early 2008. Fourth well in Block 5B.**

New Ventures - 2007



➔ Signed 5 PSC in First Half 2007



Venezuela - Sale of Colón to PetroFalcon

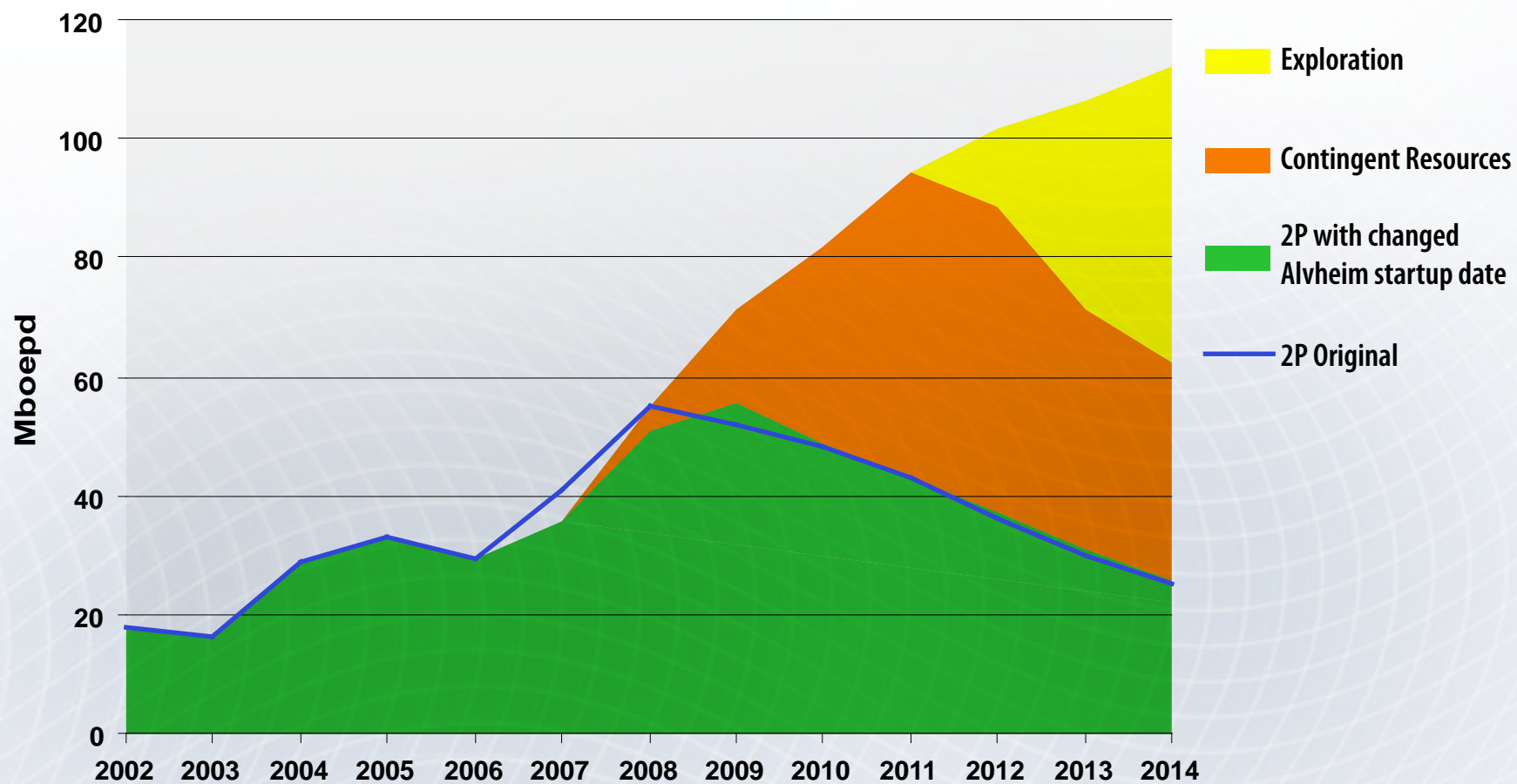


- Sale of Lundin Latina to PetroFalcon for USD 41 million. Consideration in PetroFalcon shares valued at CAD 0.80 per share
- Investment of additional USD 8 million PetroFalcon shares
- Lundin Petroleum ownership in PetroFalcon 40%. Listed on Toronto stock exchange
- PetroFalcon focused on Venezuela
 - ➔ ~40 million barrels of 2P reserves
 - ➔ major upside from exploration acreage in Gulf of Venezuela
 - ➔ objective to acquire further assets in Venezuela

Production Forecast



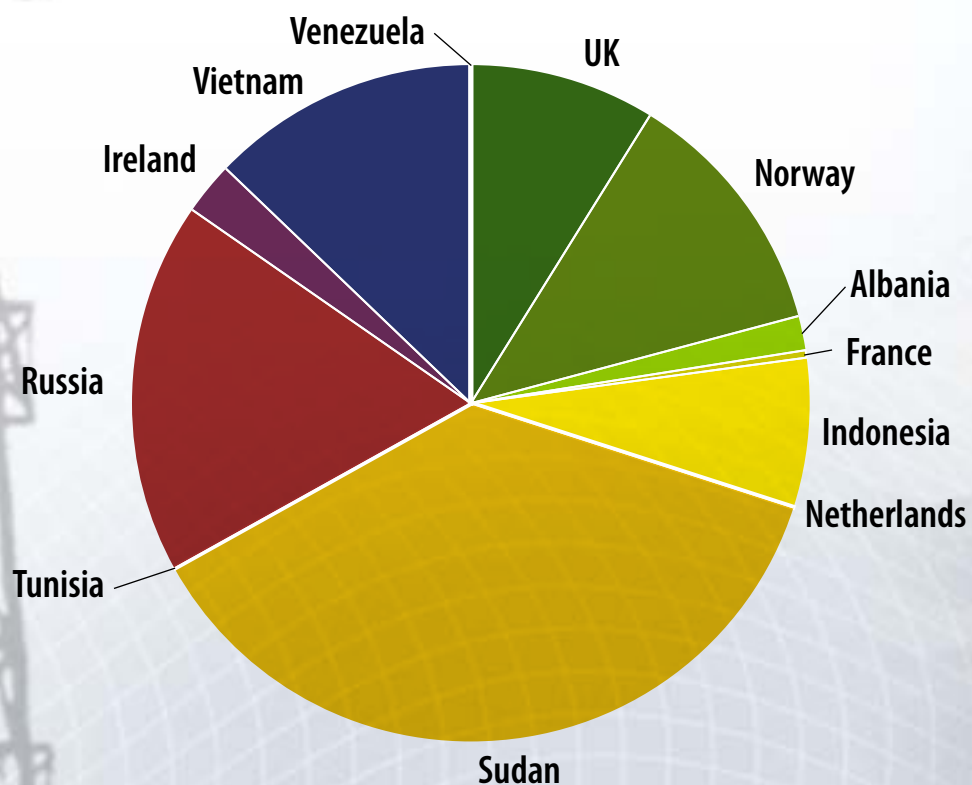
Impact of changed Alvheim startup date



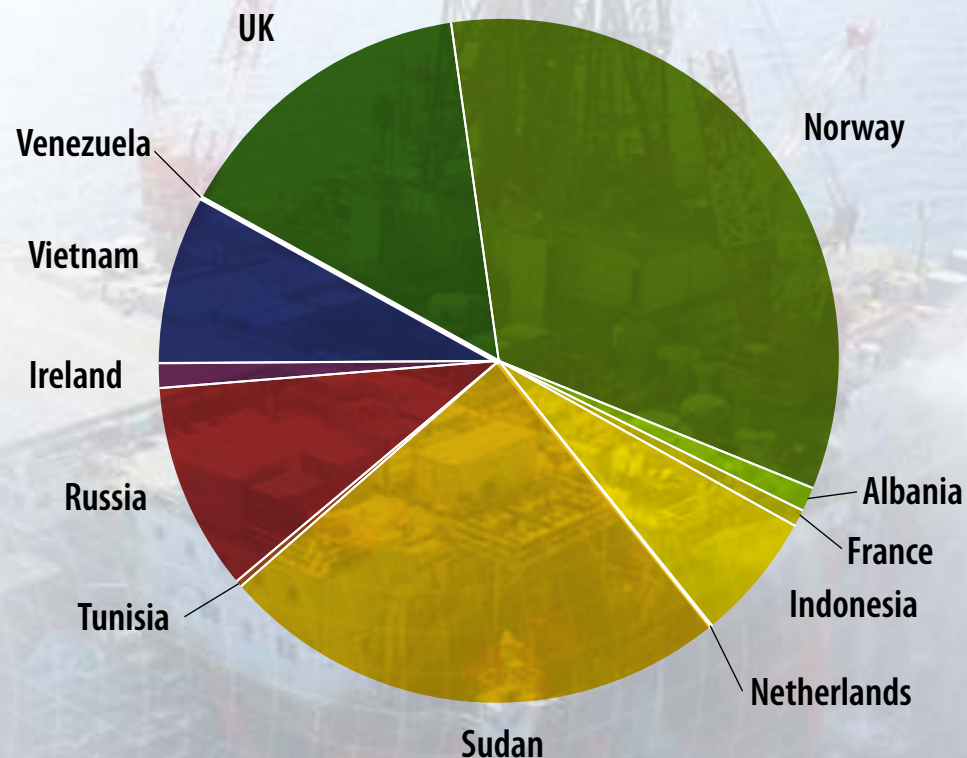
Prospective Resources - Net Unrisked Resources



2006 Prospective Resources - 3.4 bn boe net unrisked

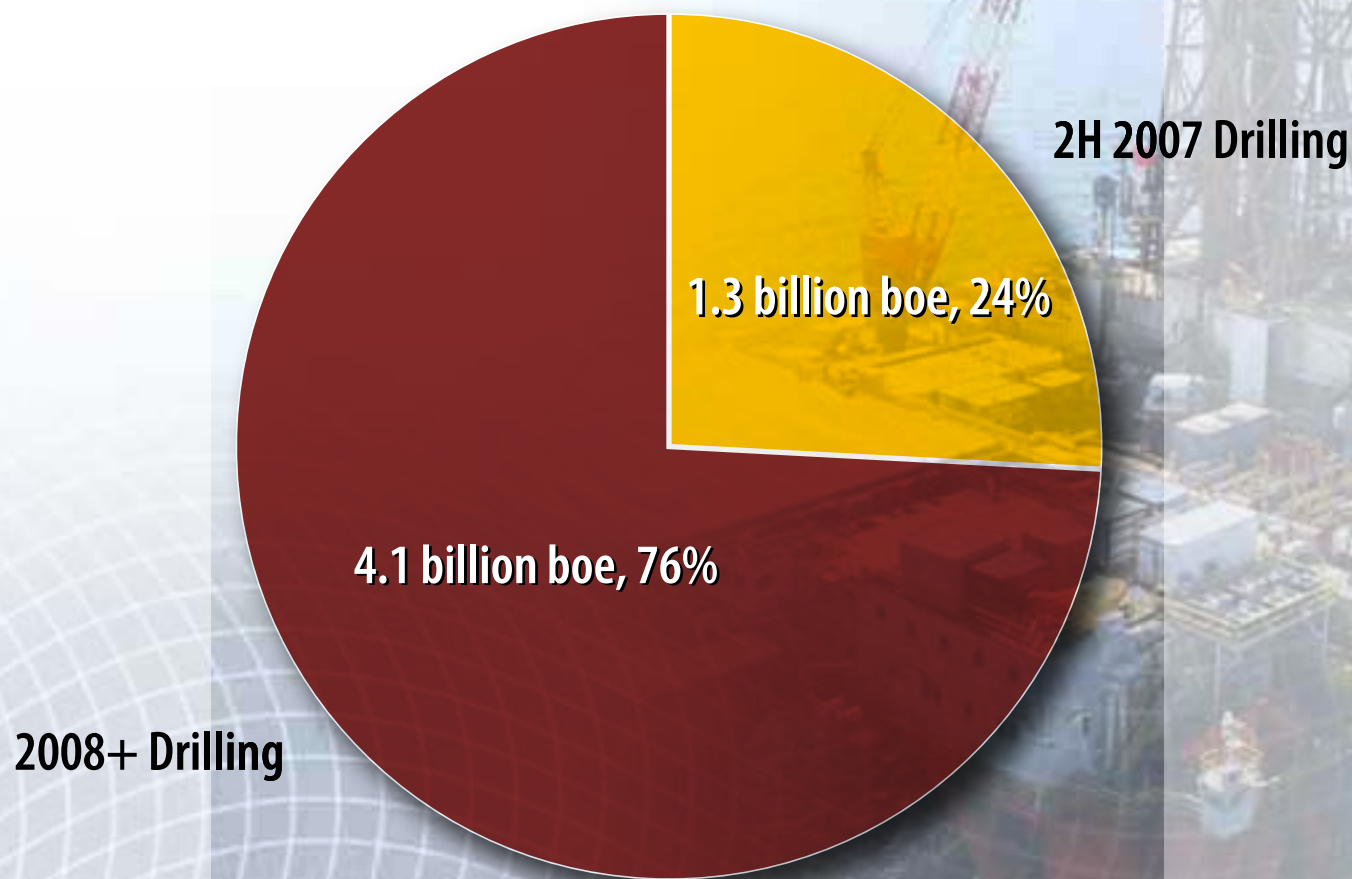


2007 Prospective Resources - 5.4 bn boe net unrisked



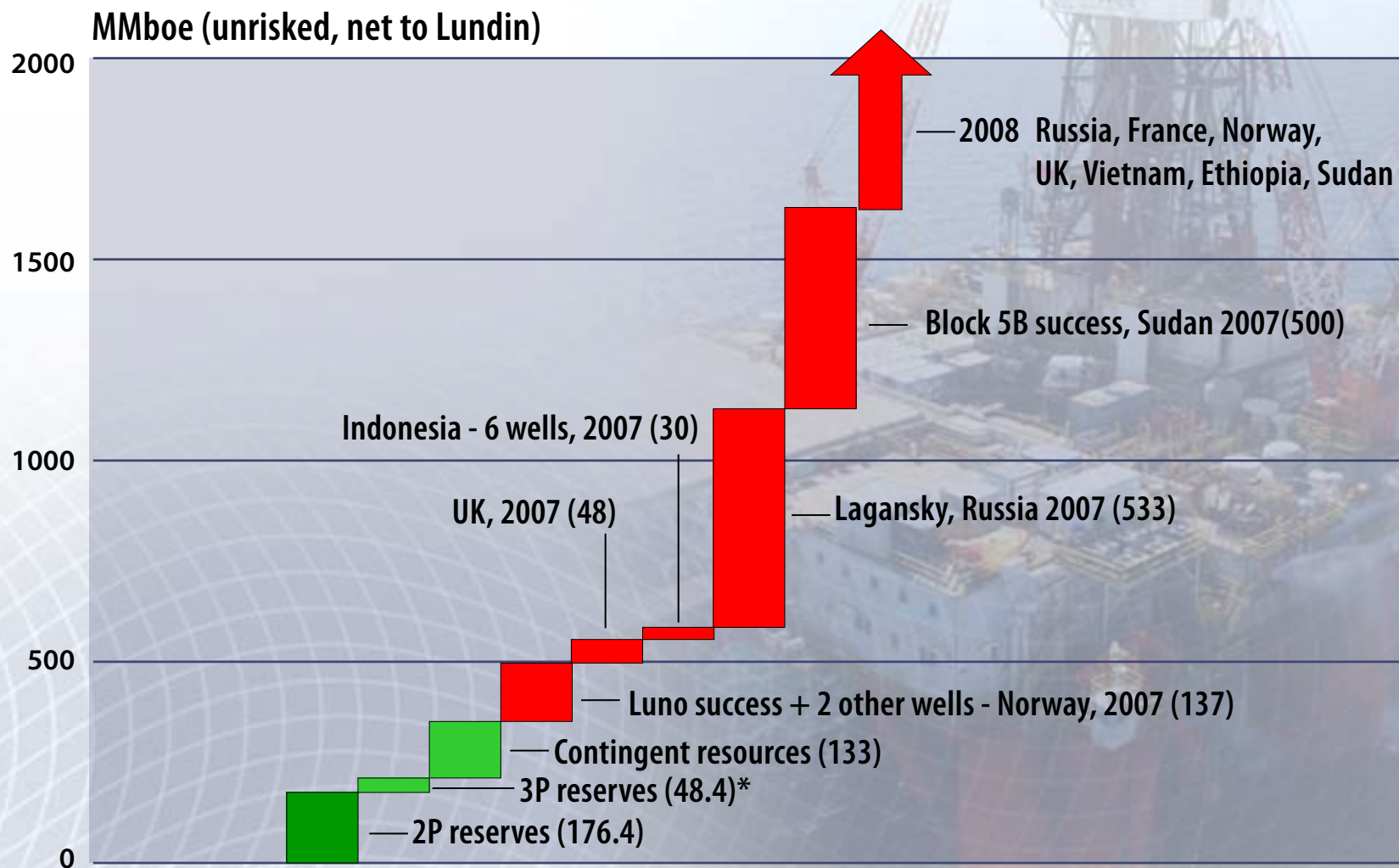
2006 Net Unrisked Resources 3.4 bn boe
 2007 Net Unrisked Resources 5.4 bn boe
 } 55.2% Increase

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