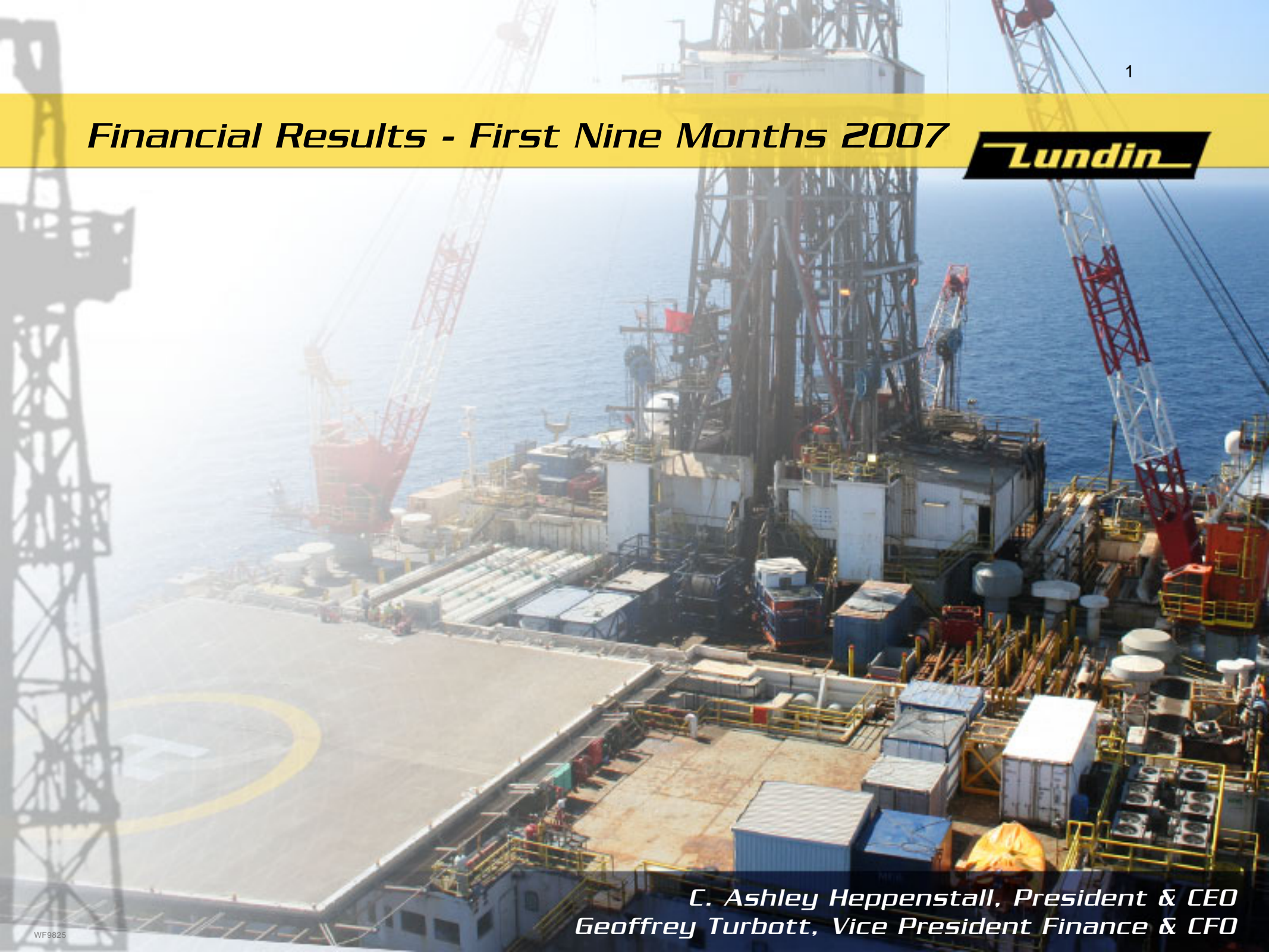


# *Financial Results - First Nine Months 2007*



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

## *Disclaimer*

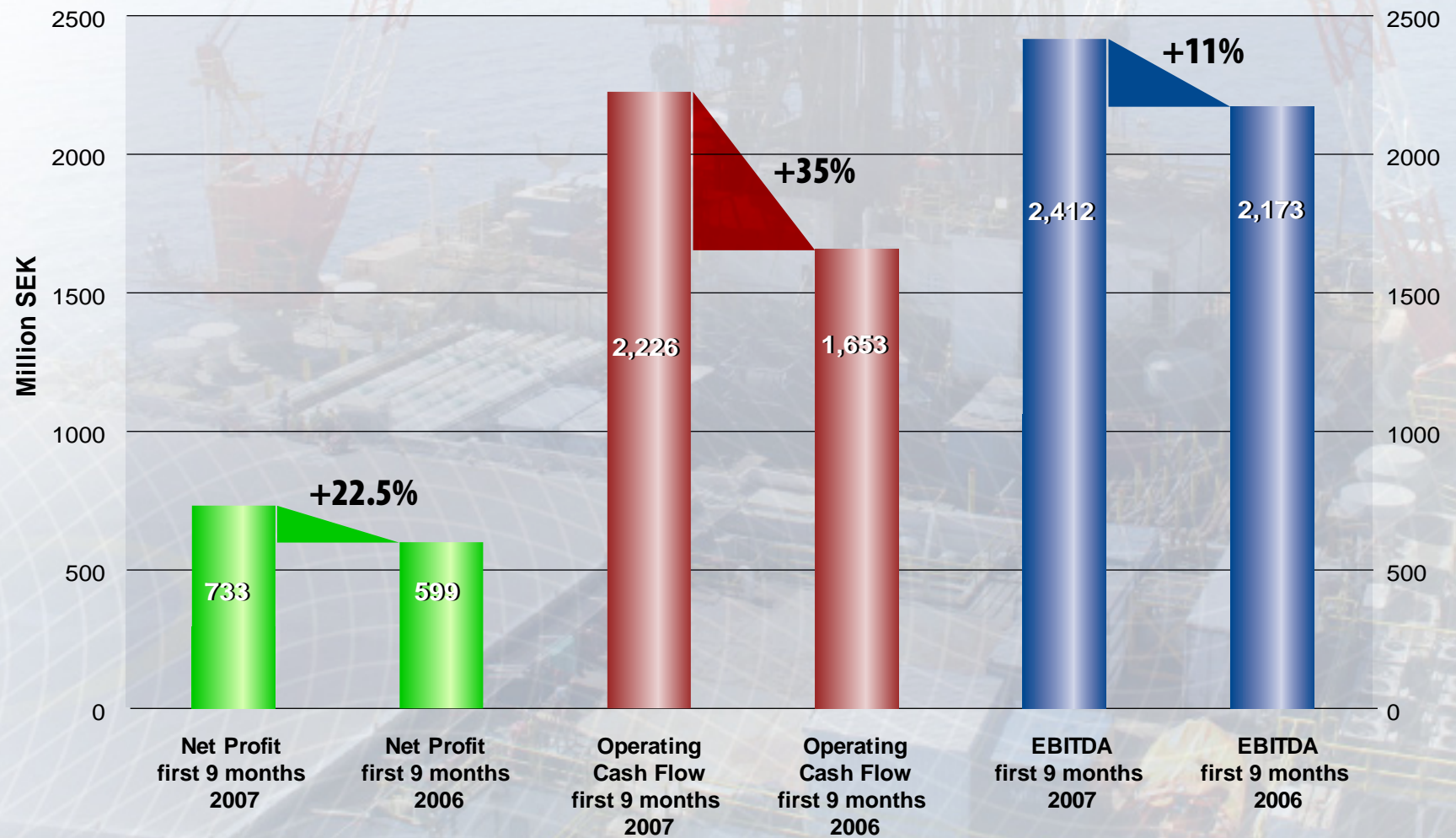


### **DISCLAIMER**

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# Financial Results - First Nine Months 2007



## Financial Performance - First Nine Months 2007



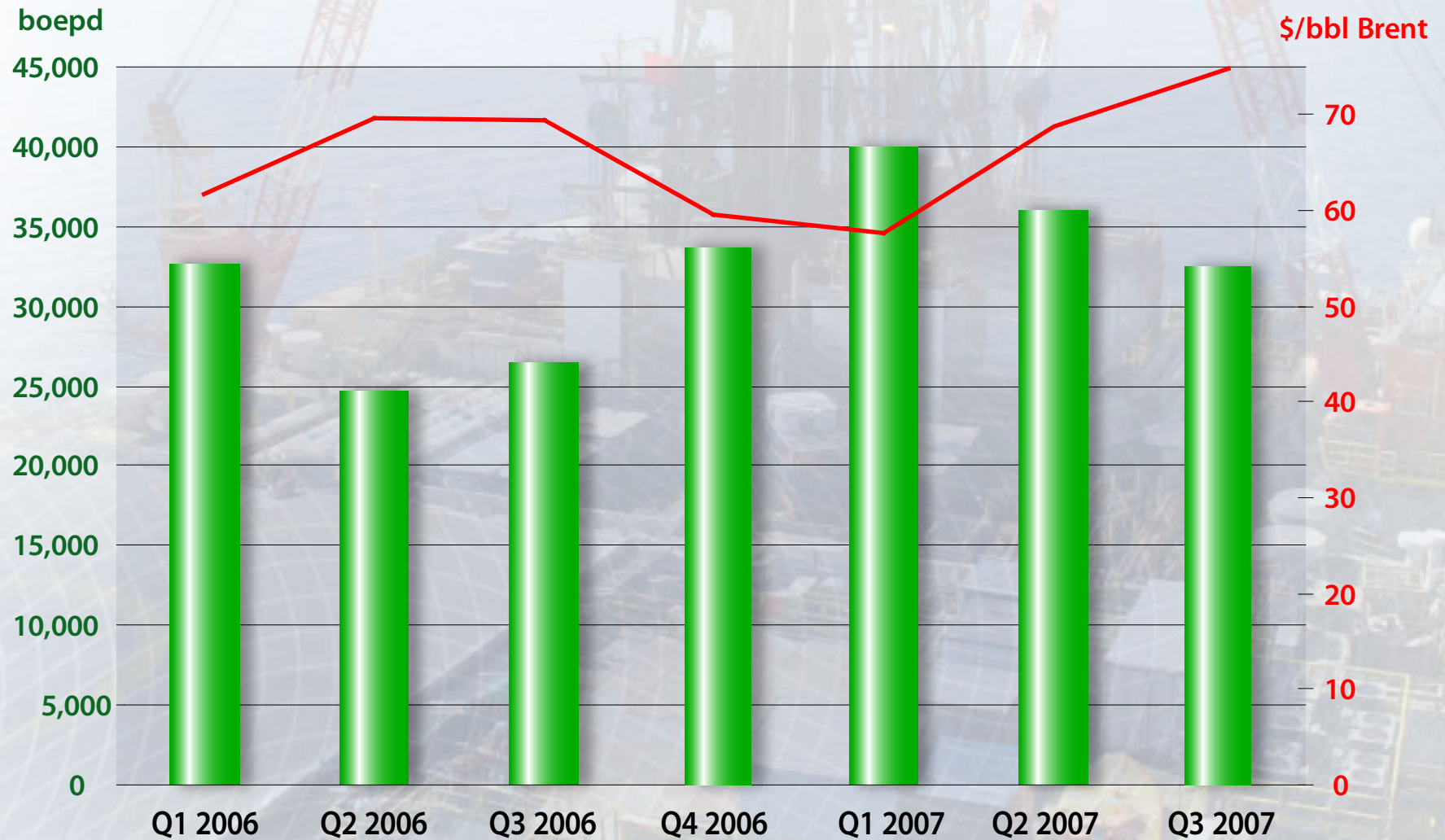
- **Production** 36,100 BOEPD
- **Cost of operations** USD 16.56/bbl
- **Effective corporate tax rate** 47%

## Financial Performance First Nine Months 2007

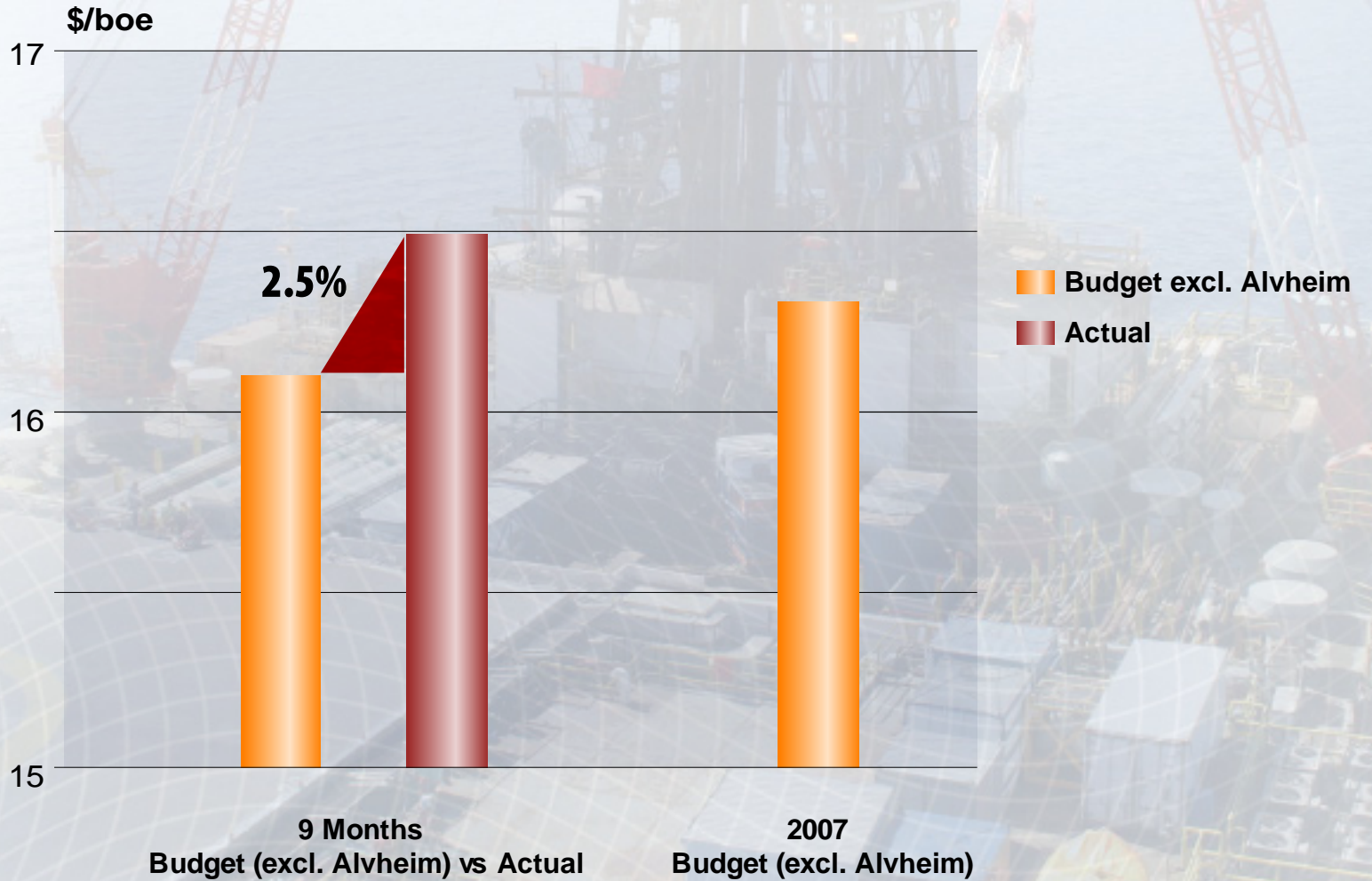


	9 months Jan-Sep 07 MSEK	3 months Jul-Sep 07 MSEK
➤ Write offs	209.9	128.0
➤ Foreign exchange gain	124.1	102.2
➤ G & A costs	133.7	26.0

# Production & Oil Price - Quarterly Comparison



# 2007 Cost of Operations



## Margin Netback USD/boe - First Nine Months 2007



	First Nine Months 2007 Actual (USD/boe)	Original 2007 Forecast excluding Alvhheim (USD/boe)
Brent oil price	67.11	55.00
Revenue	58.93	48.32
Cost of operations	-16.56	-16.28
Tariffs	-2.00	-1.66
Production & sales taxes	-3.79	-3.63
Stock movements	0.35	-0.29
	36.93	26.46
Depletion	-11.89	-10.96
Write off	-3.04	-
<b>Margin Netback</b>	<b>22.00</b>	<b>15.50</b>



## Balance Sheet - 30 September 2007



	30 Sept 2007 MSEK	31 DEC 2006 MSEK
➔ Fixed Assets	17,611	16,188
➔ Net Current Assets (excluding cash)	(213)	3
➔ Net Bank Debt	1,566	1,134
➔ Shareholder Equity	9,541	8,953
➔ Net Debt/Equity Ratio	16%	13%

**➤ Tax benefit of development expenditure**

- Forecast capital expenditure to end 2007 amounts to ~ NOK 2.2 bn (~\$405 million)
- Discounted (8%) future tax benefit from the historic capital expenditure is estimated at ~ NOK 1.65bn (~ \$310 million)

**➤ Forecast E&A spend for 2007 is NOK 575 million (~\$105 million)**

- Discounted (8%) tax credit receivable in December 2008 is estimated at ~ NOK 430 million (~ \$80 million)

➤ **New Finance Facility of \$1bn**

- ➔ \$850 million secured revolving reducing credit facility
- ➔ \$150 million unsecured credit facility

➤ **Facility underwritten by**

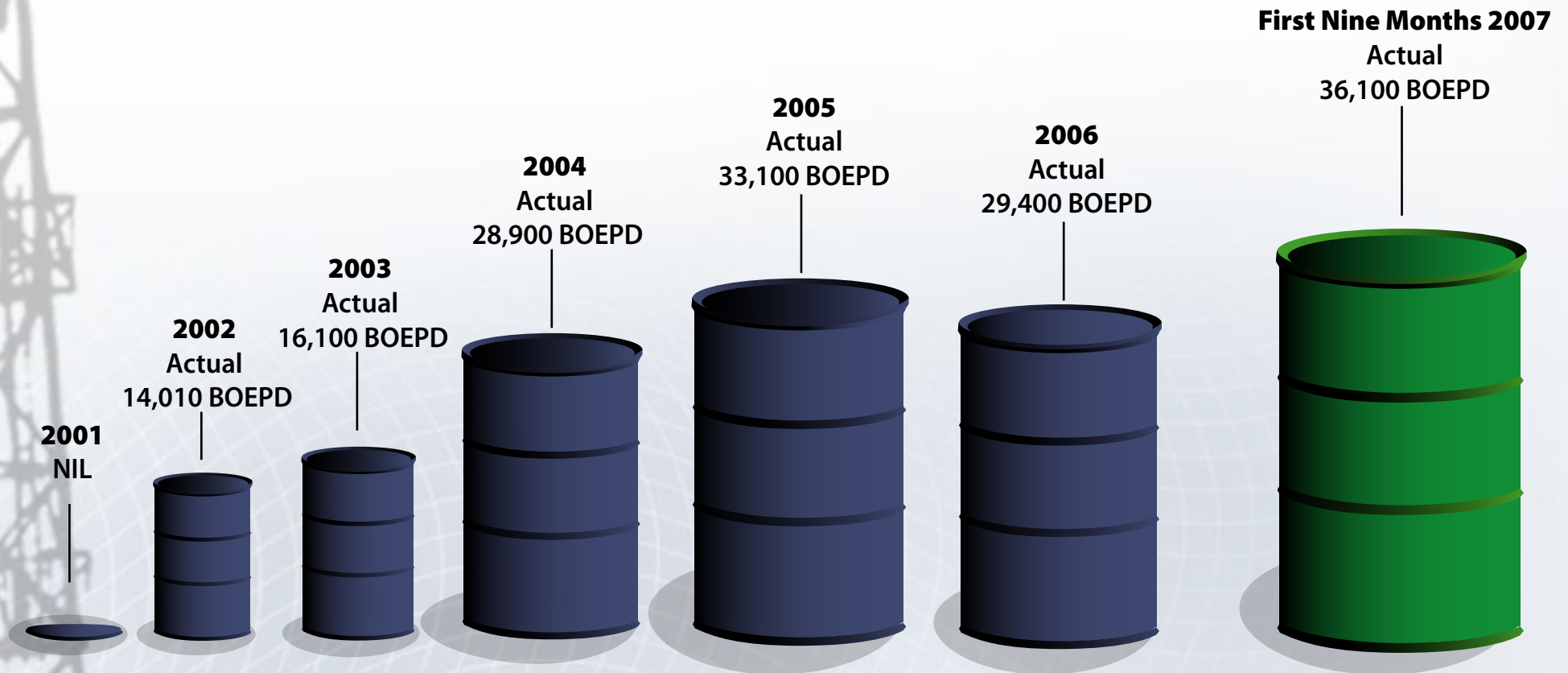
- ➔ BNP Paribas
- ➔ Royal Bank of Scotland
- ➔ Bank of Scotland

## Production

- ➔ 36,100 boepd - in line with forecast
- ➔ Outperformance in Oudna, Tunisia and Broom, United Kingdom
- ➔ Underperformance in Heather, United Kingdom
- ➔ Acquisition of additional production interests in Paris Basin, France (included from 01Nov 2007)



# Production History



## Development

- ➔ **Alvheim, Norway - First oil Q1 2008**
- ➔ **Volund, Norway - Development plan approved  
- First oil 2009**
- ➔ **Singa, Indonesia - Gas sales agreement signed  
- First gas 2009**
- ➔ **Thistle, UK - Redevelopment ongoing  
- 3D seismic completed**

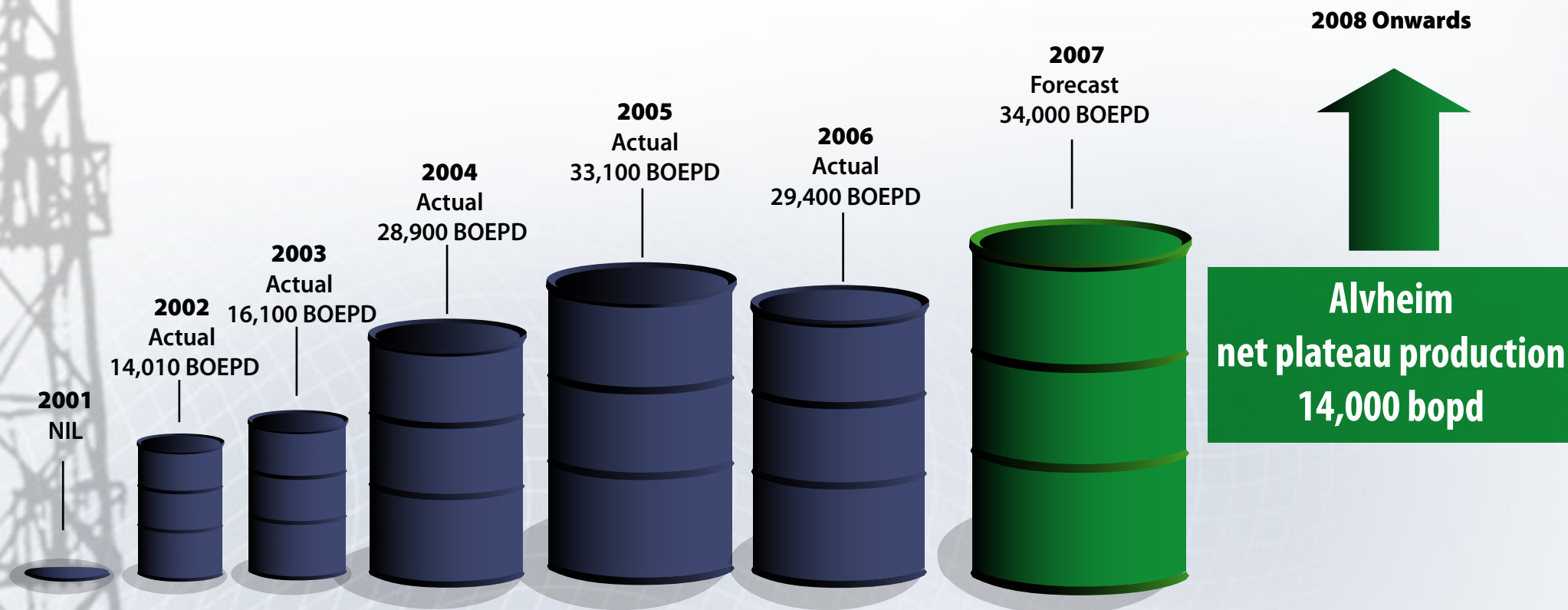
## *Alvheim Status*



- First production first quarter 2008
- Topsides installation - power generation and control system commissioning delays
- Development drilling - 3 production wells completed
- Subsea installation completed
- Plateau production >90,000 (gross) in 2008
- Reserves 189 MMboe (gross)



# Production Growth





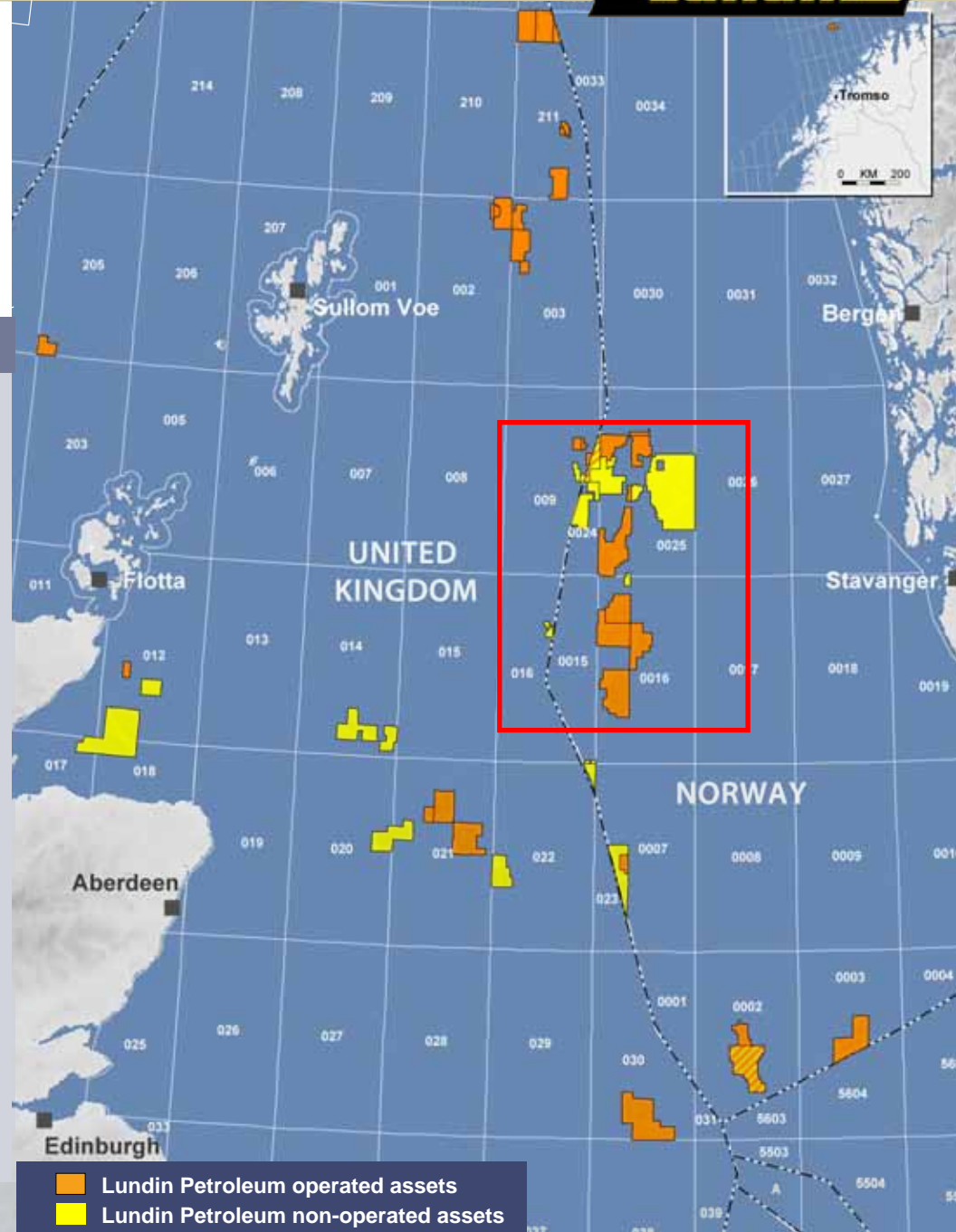
## Exploration

- ➔ Norway - Luno discovery, PL338
- ➔ UK - Scolty discovery, P1107
- ➔ Norway/UK - Orange (PL335) and Lytham (P1129)  
both plugged and abandoned
- ➔ Indonesia - Tengis well flowed high CO<sub>2</sub> gas to surface  
and was plugged and abandoned

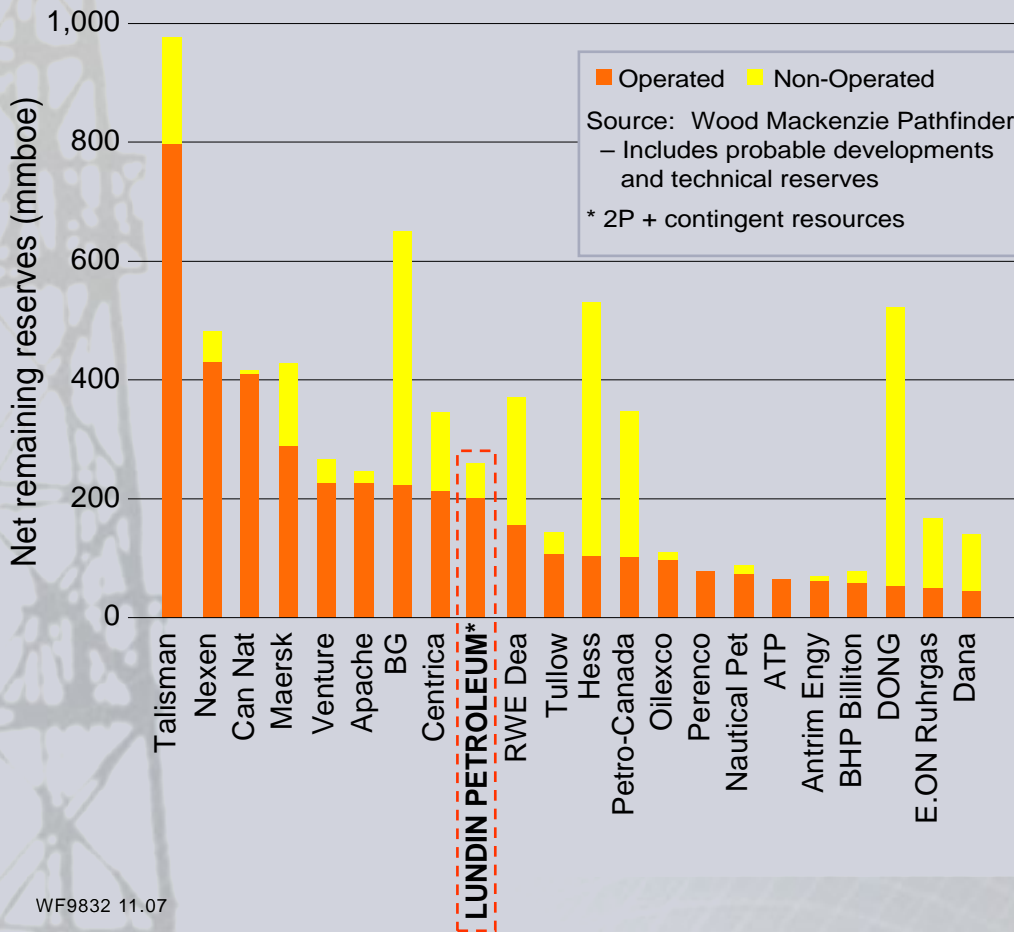
# Norwegian & UK Continental Shelf Licences



Major acreage position in UK and Norwegian North Sea with 50 licences



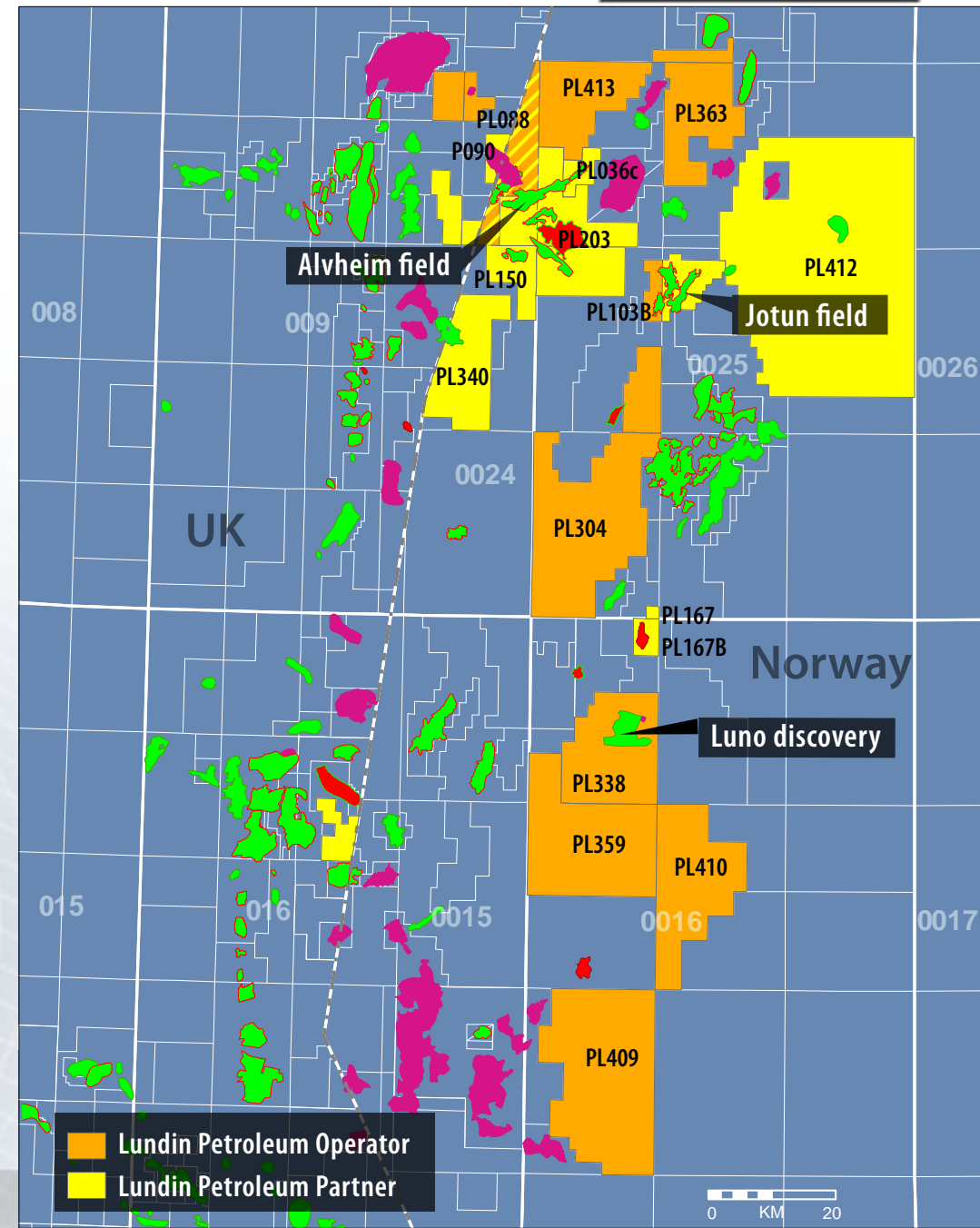
## North Sea Operated Positions



## Alvheim and Luno Acreage

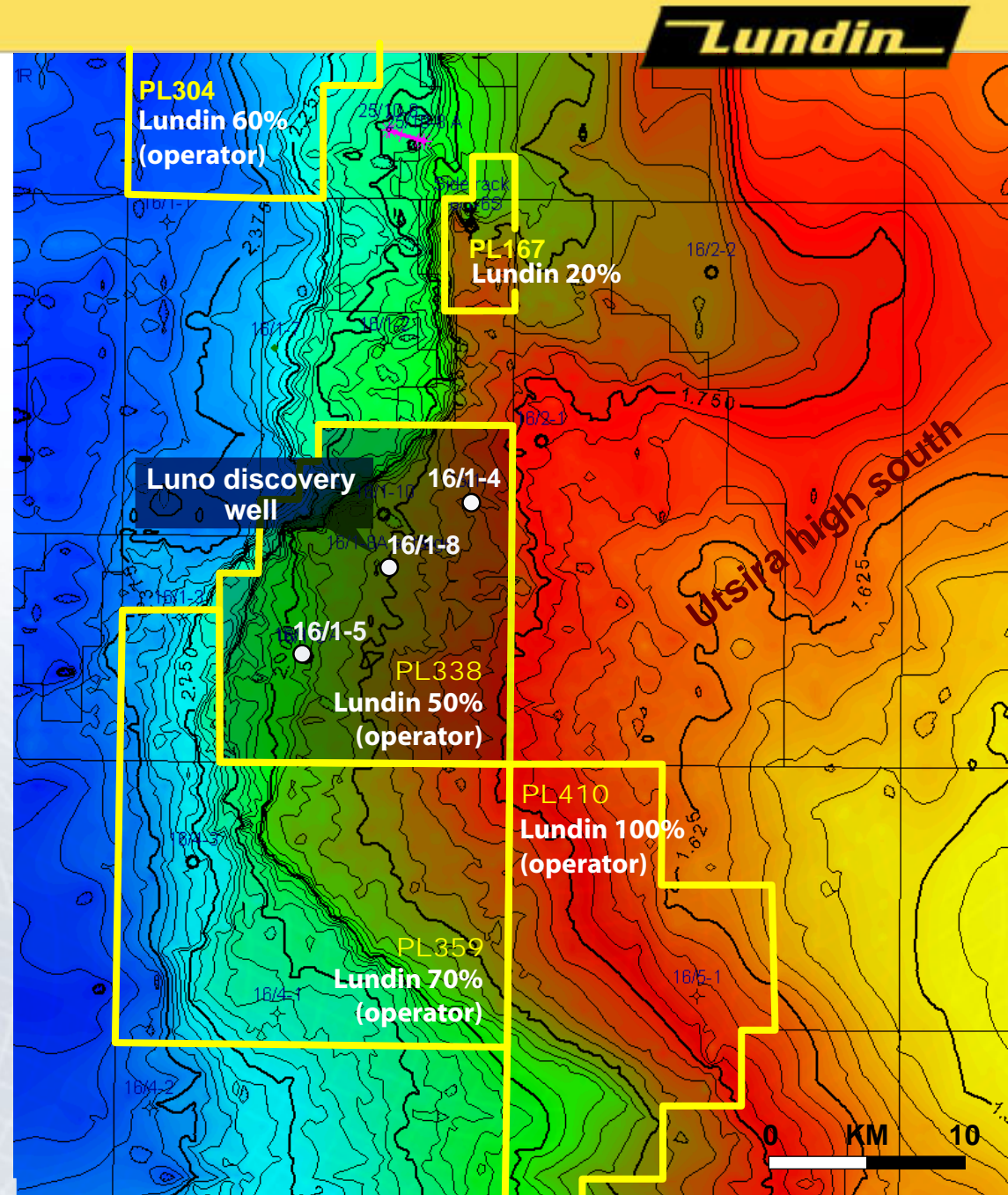


- Luno light oil discovery in PL338
- Estimated recoverable reserves 65 MMboe to 190 MMboe
- Largest oil discovery in Norwegian North Sea in last 10 years
- Luno area development ...the next Alvheim?

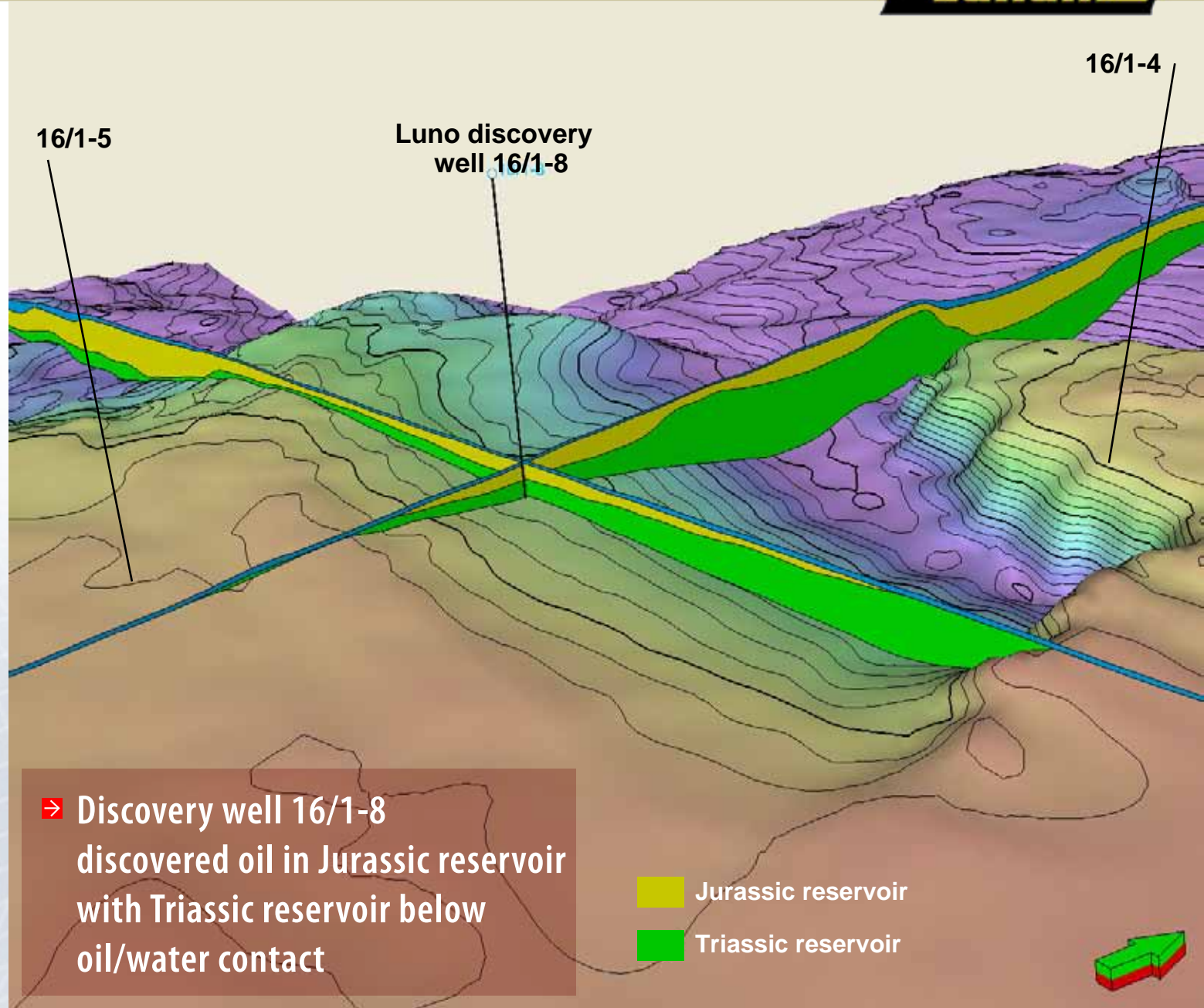


## Luno Regional Setting

- ➔ Lundin Petroleum operator and has material equity interest in Luno discovery and adjoining acreage
- ➔ Luno discovery new play concept in Norway

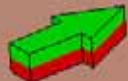


# Luno Discovery

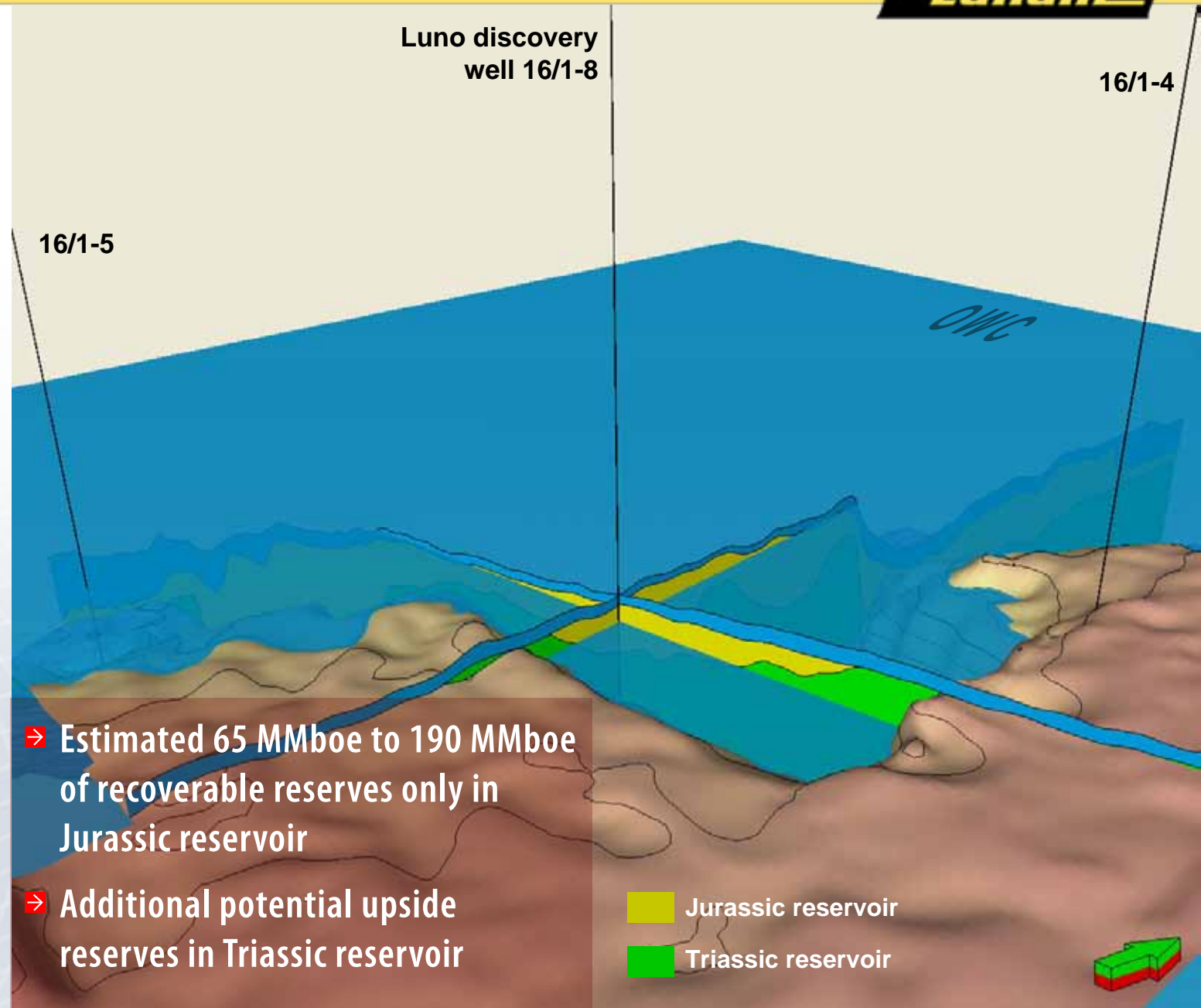


➔ Discovery well 16/1-8 discovered oil in Jurassic reservoir with Triassic reservoir below oil/water contact

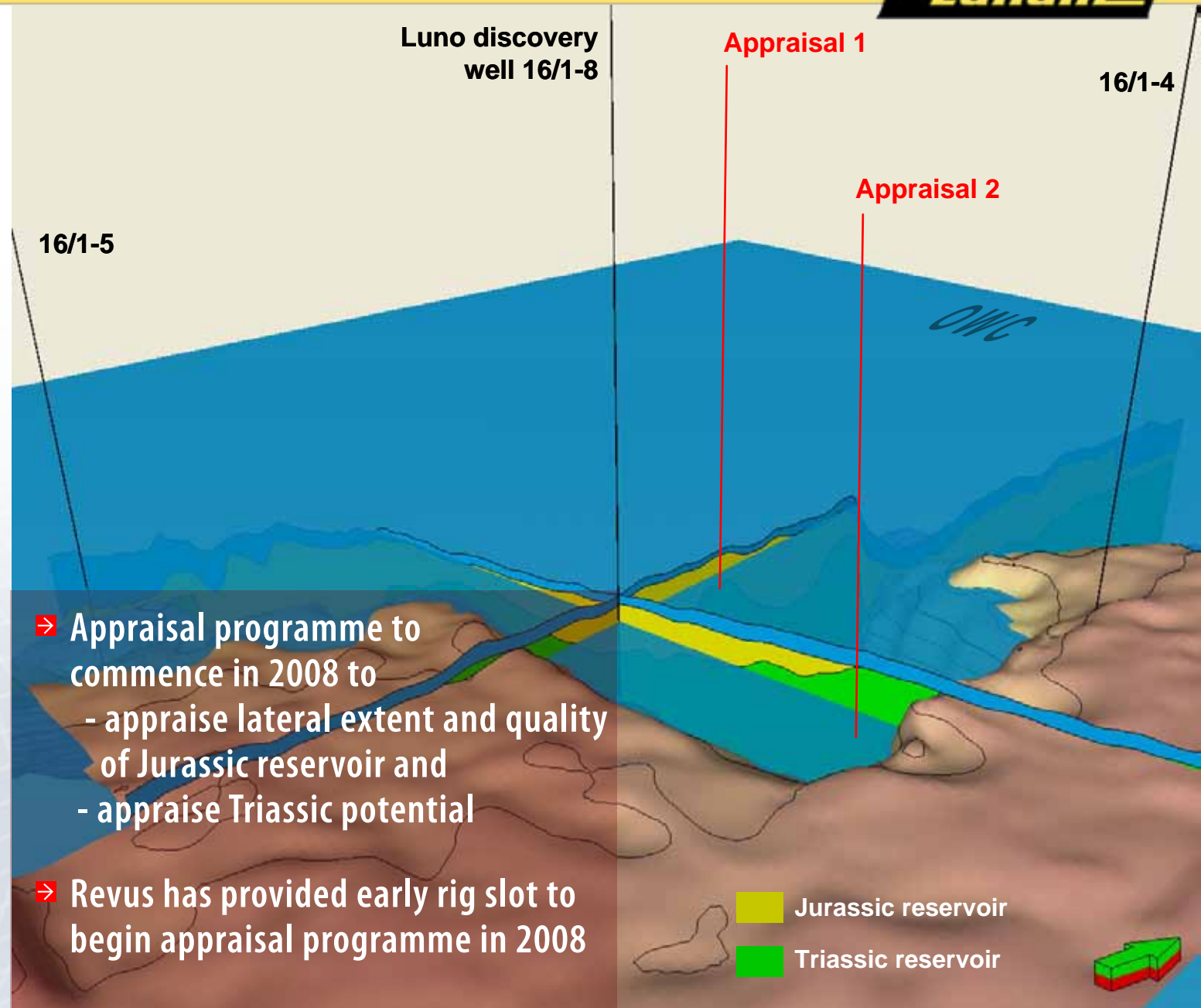
- Jurassic reservoir
- Triassic reservoir



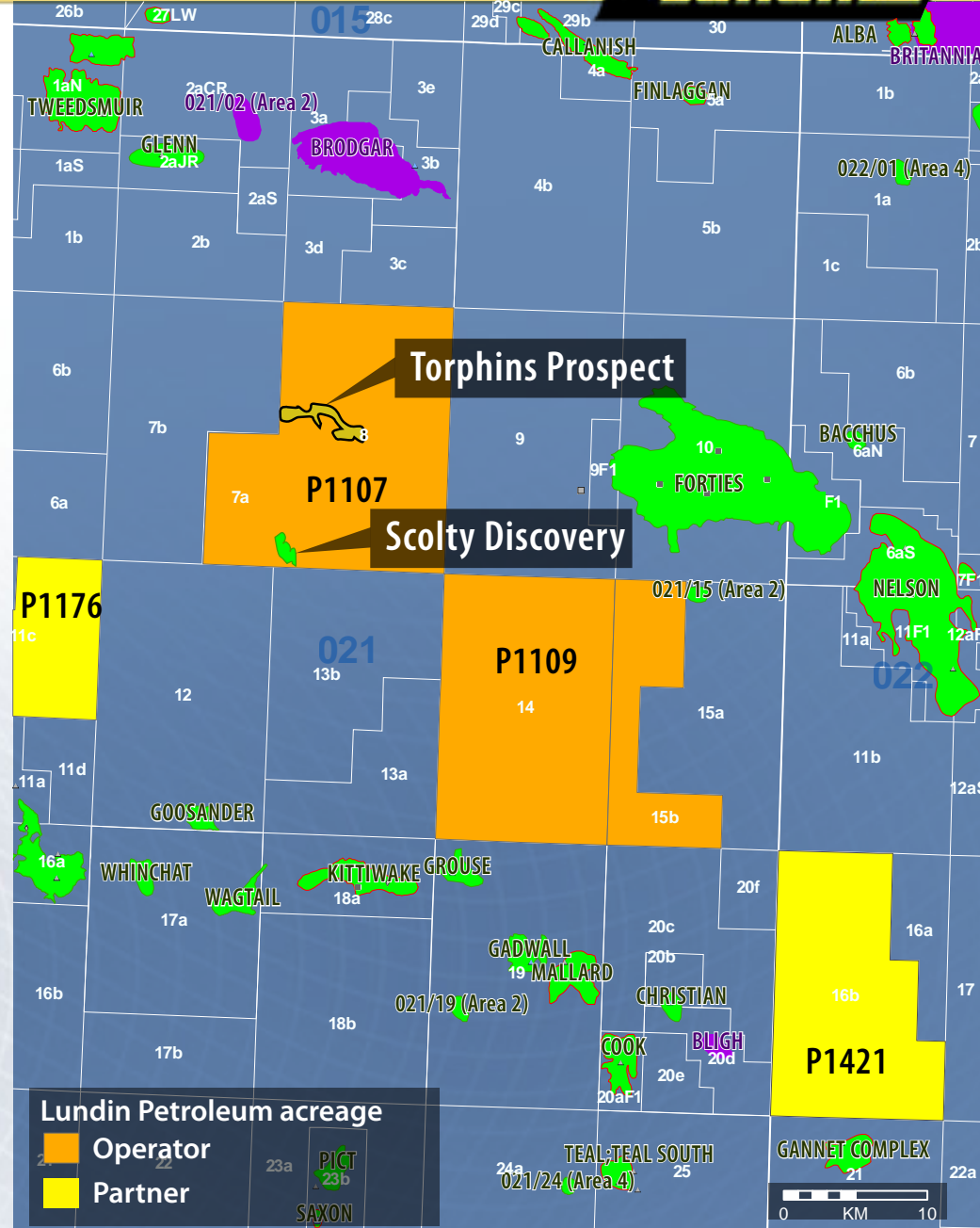
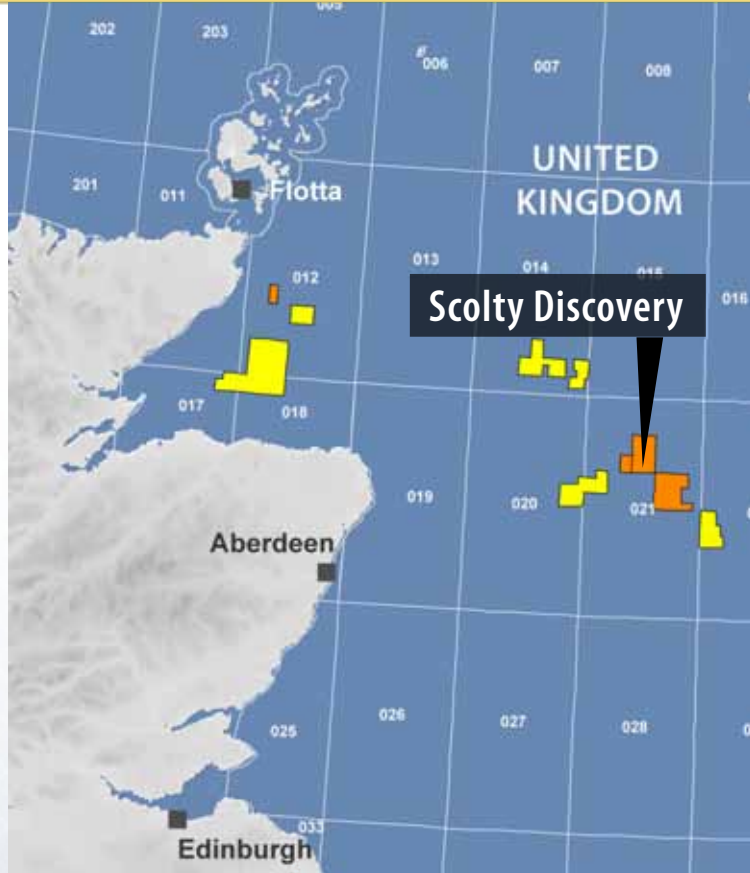
# Luno Discovery Upside



# Luno Discovery Upside



# UK Exploration - Scolty Discovery (P1107)





# UK Exploration - Scolty Discovery (P1107)



21/8-3

21/8-3 (top) 15-17 (d rug)

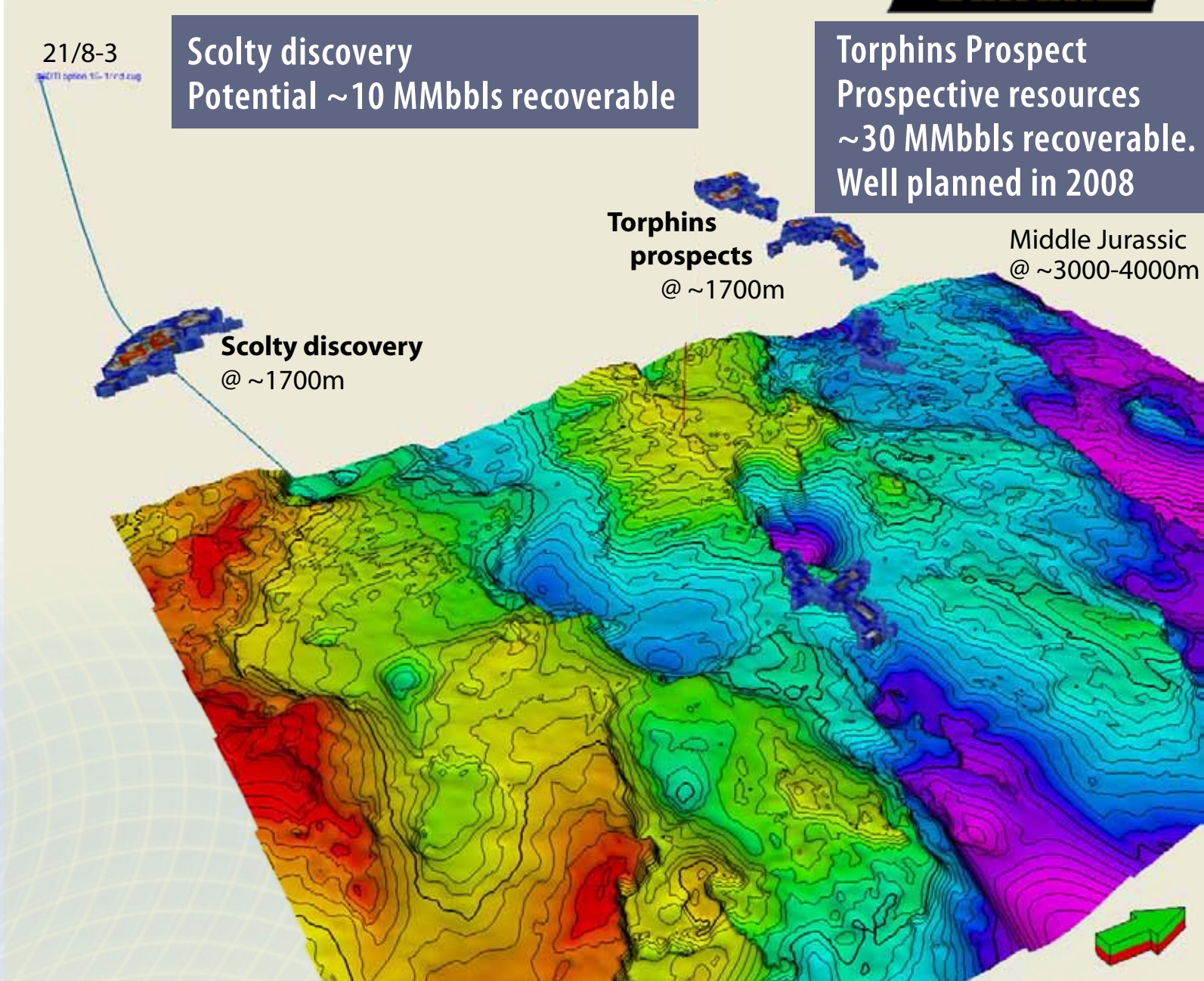
**Scolty discovery**  
Potential ~10 MMbbls recoverable

**Torphins Prospect**  
Prospective resources  
~30 MMbbls recoverable.  
Well planned in 2008

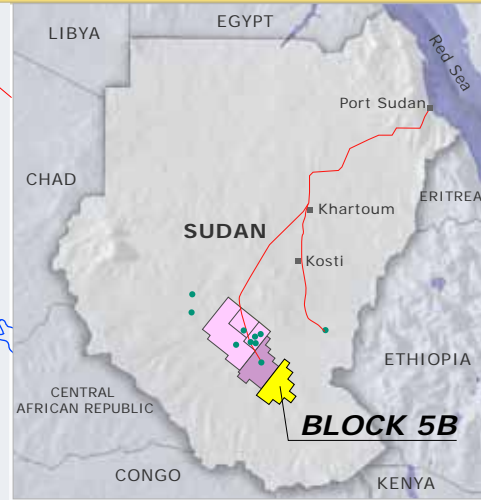
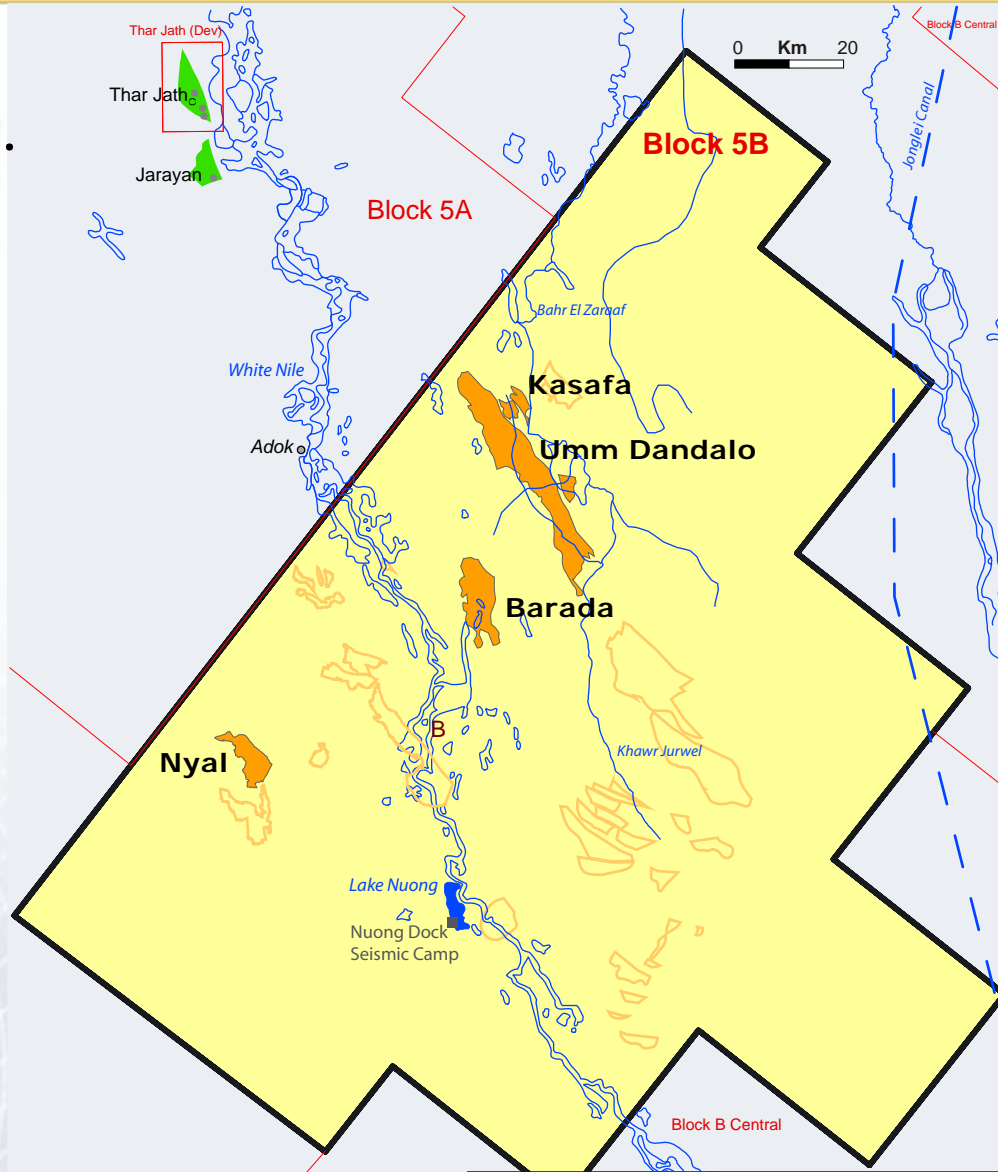
**Torphins prospects**  
@ ~1700m

Middle Jurassic  
@ ~3000-4000m

**Scolty discovery**  
@ ~1700m



# Sudan - Block 5B



- ➔ Prolific Muglad Basin petroleum system
- ➔ 1500 km 2D seismic survey programme
- ➔ Over ~1280 km of seismic acquired since 2006
- ➔ Multi-well exploration programme to begin in 2007

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

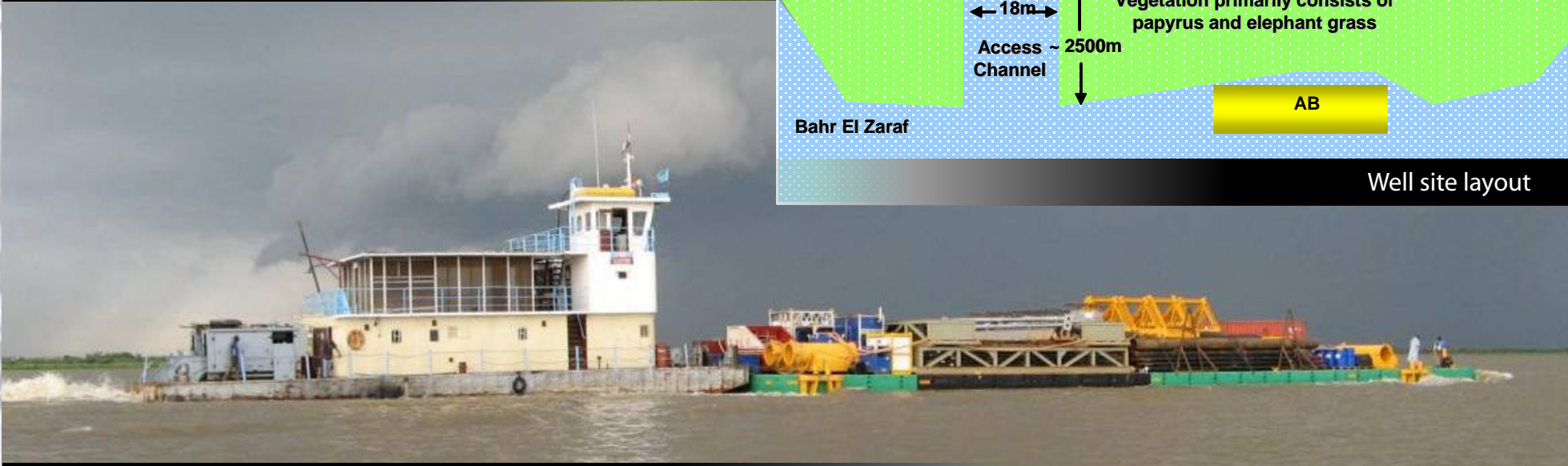
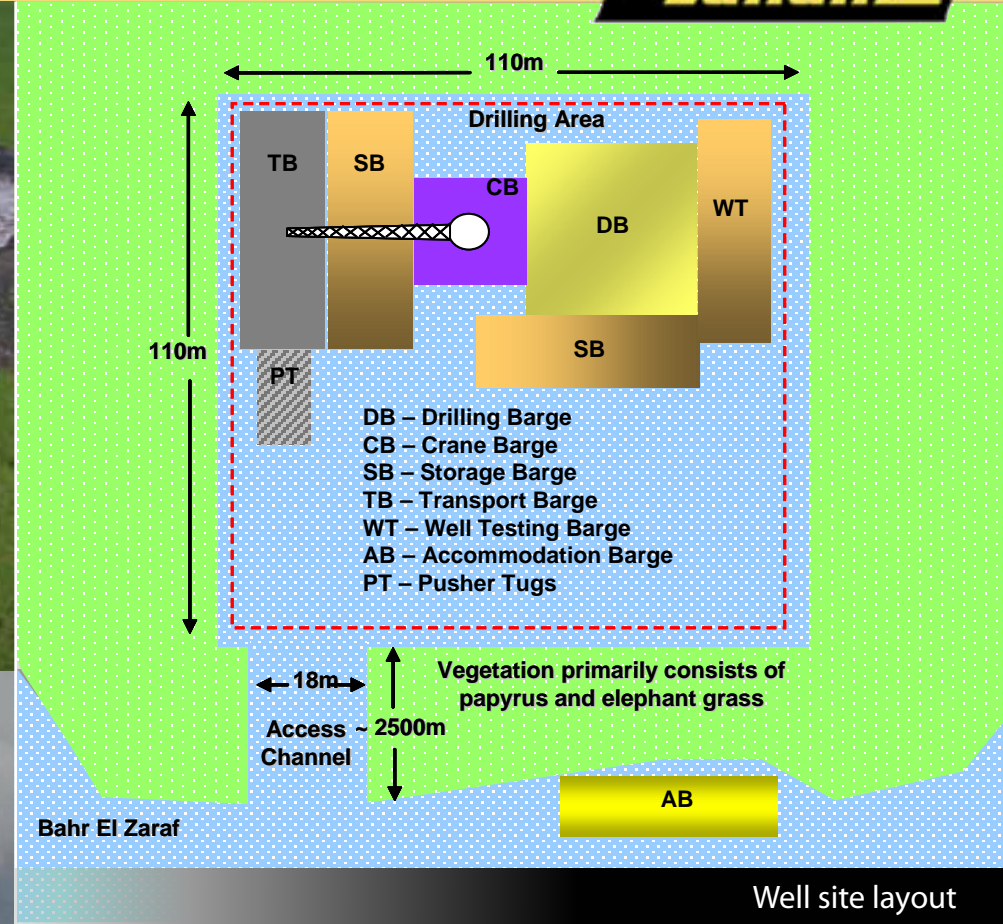
**Net unrisks resource from targeted prospects > 500 million boe**



# Well Site Preparation



Well site preparation - 19 September 07



Equipment en route to well site

# Kosti Logistics Base



Rig test at Kosti



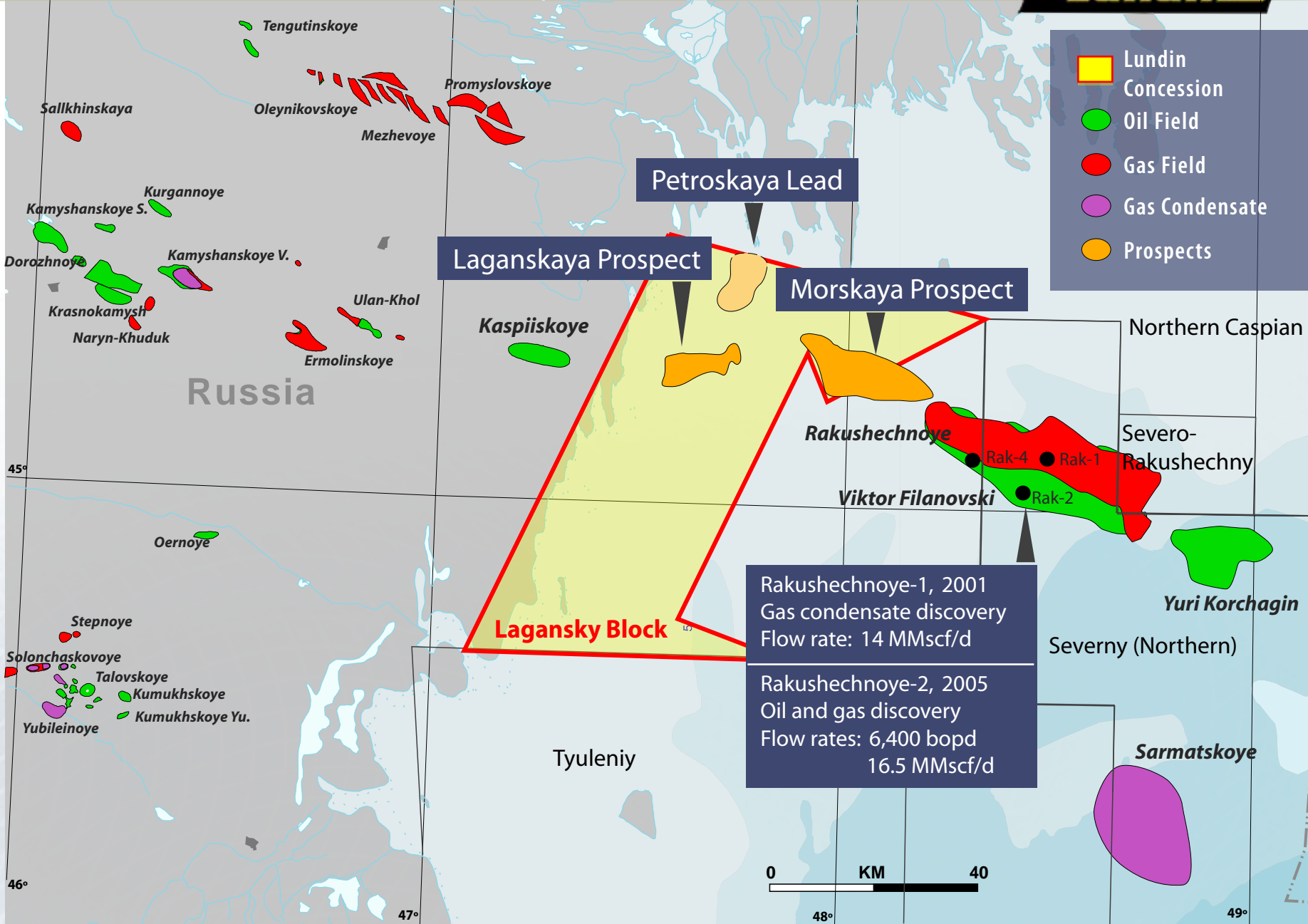
Accommodation barge at Kosti



Barges and drilling equipment at Kosti logistics base before transit to well location

- **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. Limited progress on documentation**

# 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*



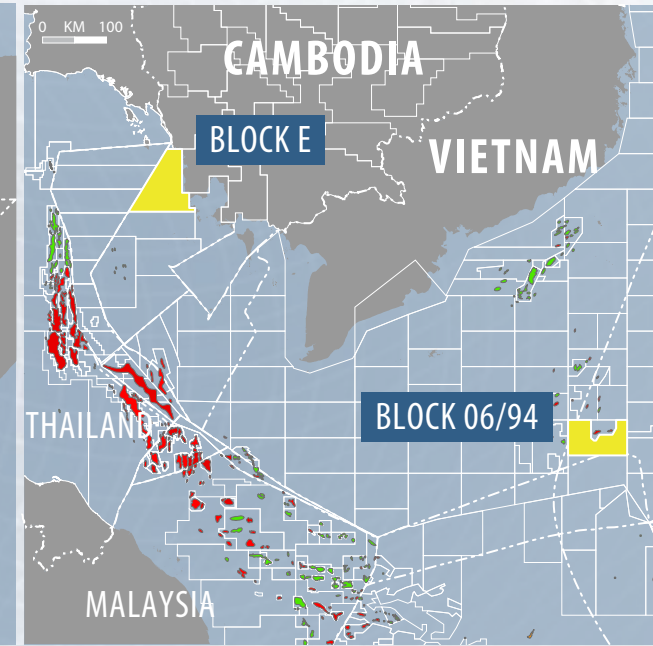
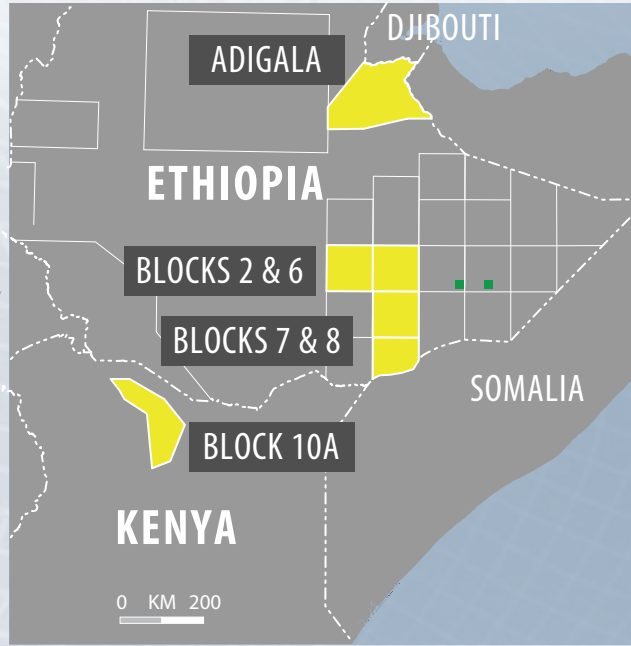
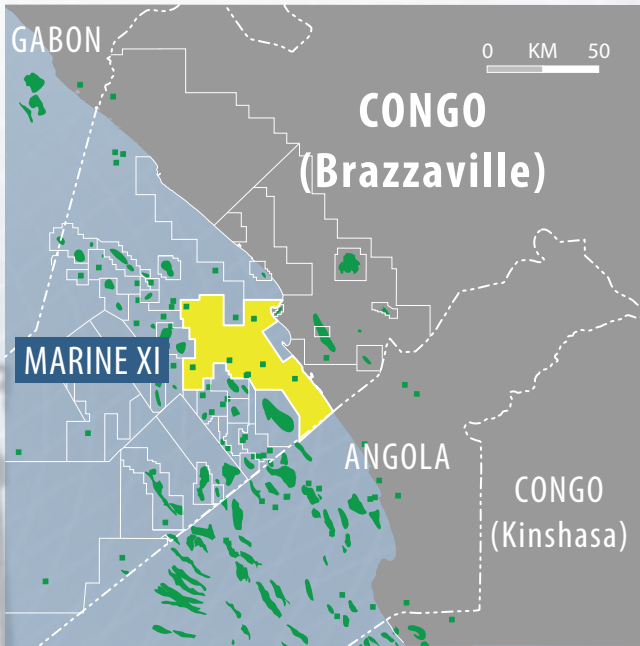
- **Permitting**
  - ➔ Licence amendments approved by Rosnedra
  - ➔ Finalising drilling permit from Rosprirodnadzor
  
- **Operationally ready to commence drilling**
  
- **First well to be drilled in first half 2008**



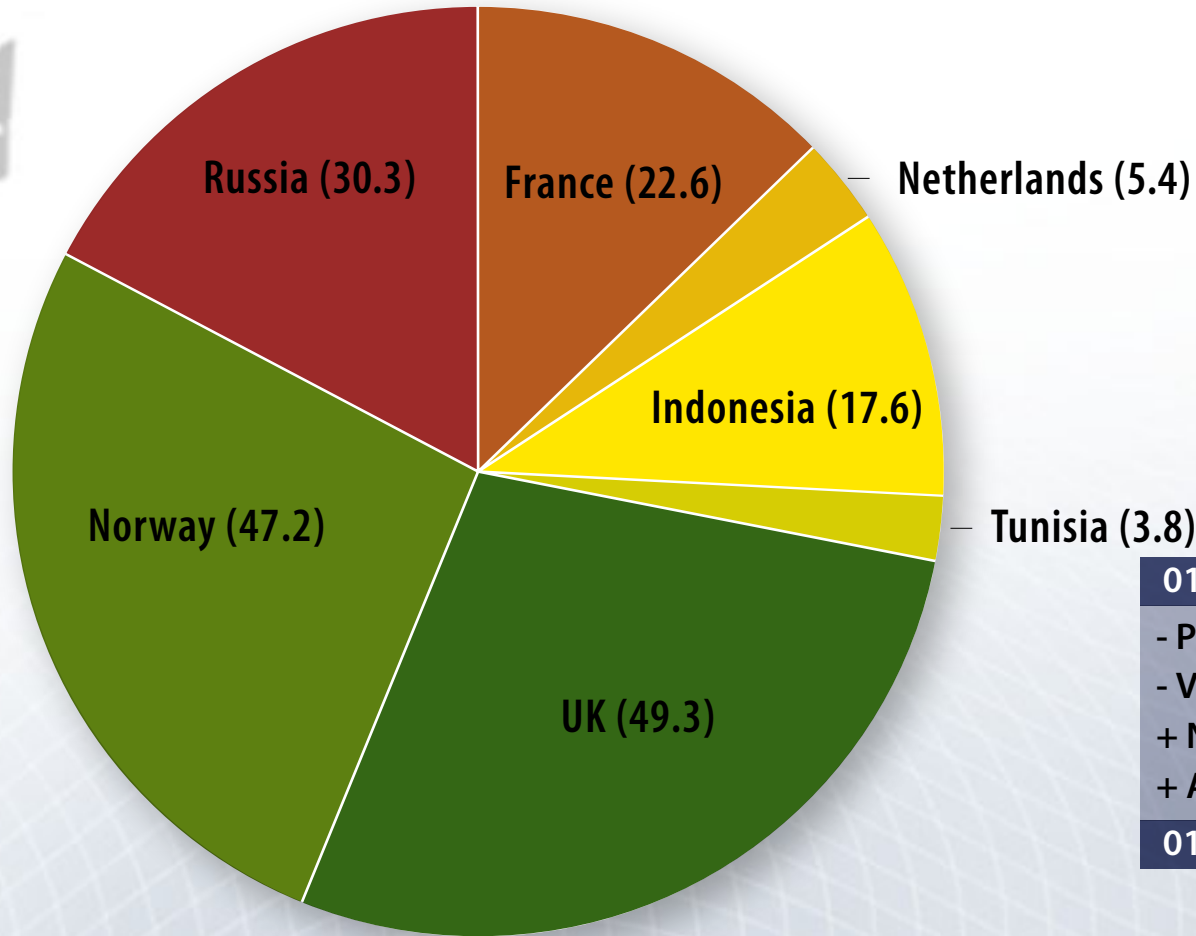
# New Ventures - First Nine Months 2007



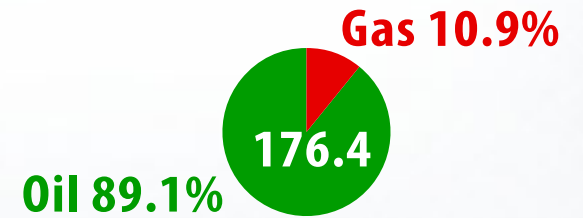
- Signed 7 PSCs
- Signed 2 Direct Study Options in Indonesia



# 2007 Proven & Probable Reserves



**Total 176.4 MMboe**



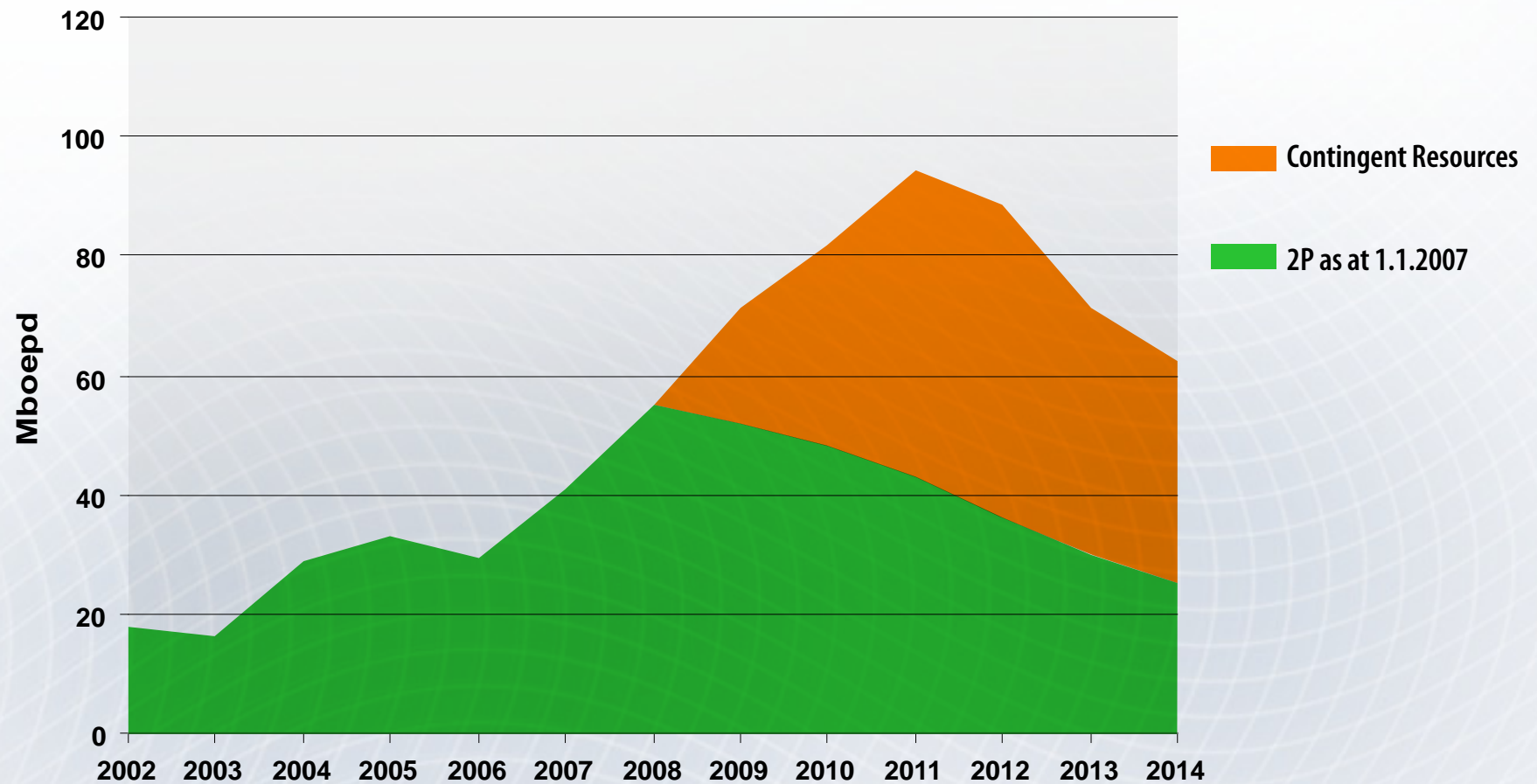
	mmboe
01.01.2006	146.1
- Produced (excl Russia)	-9.8
- Venezuela Mixed Enterprise	-4.4
+ New reserves (excl Acquisitions)	12.0
+ Acquisitions	32.5
01.01.2007	176.4



**Increase in Reserves 29%**

**Reserves Replacement Ratio 122%**

# Production Profile based upon 2007 Reserve Position



Comparison to original P50 Reserves Certification		2008 negative impact on production
➤ Norway	- Alvheim delay	4,100 boepd
➤ Indonesia	- Delay of Singa first gas from 2008 to 2009	1,100 boepd
➤ United Kingdom		
➤ Broom	- 2007 outperformance of Broom. Non requirement for additional water injection well	2,000 boepd
➤ Thistle	- Deferment of gas lift facilities on platform - Shutdown in 2008 related to Thistle redevelopment	3,100 boepd

# Reserves Upside Potential

