

Financial Results - Year End 2007



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Disclaimer

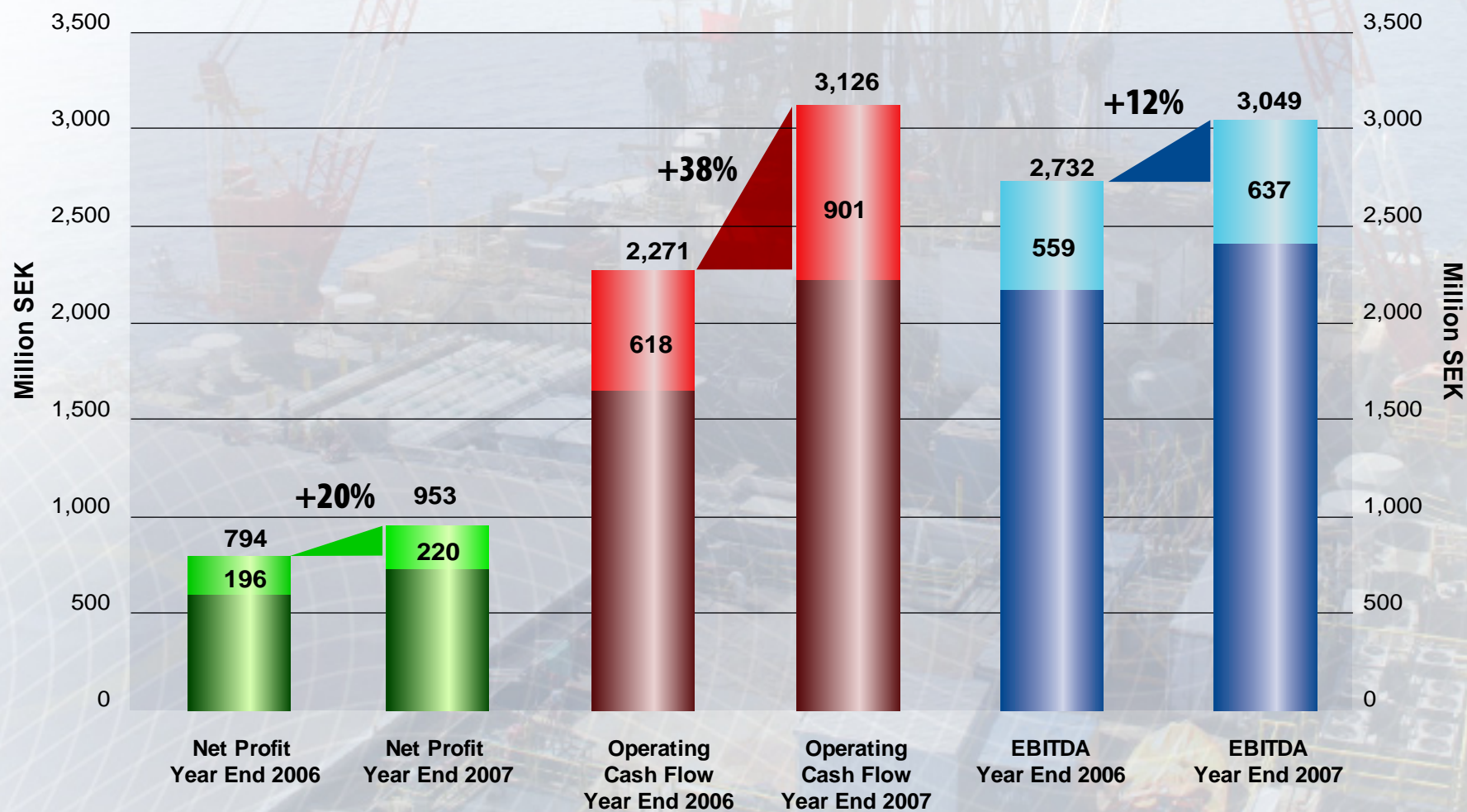


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Financial Results - Year End 2007



Financial Performance



Million SEK

4,000

3,500

3,000

2,500

2,000

1,500

1,000

500

0



2002

2003

2004

2005

2006

2007

Financial Performance - Year End 2007



- **Production 2007** **34,000 BOEPD**
- **Cost of operations 2007** **USD 18.28/bbl**
- **G&A Cost 2007** **172 MSEK**

➤ 2007 effective rate of tax	47%
➤ Current tax charge	1.07 USD/boe
➤ Deferred tax charge	8.97 USD/boe

Includes UK Corporation tax refund for prior periods 7.0 MUSD

2007 Exploration Write-Offs



	2007 Actual MUSD	2007 Actual MSEK
UK including wells 9/10c, 14/28a, 41/10a, Banchory	25.5	172.4
Indonesia including Banyumas, Blora	12.0	80.7
Norway well PL335	8.8	59.3
Albania	4.6	31.2
Other	3.9	26.0
2007 exploration write-offs	54.8	369.6

Note: UK 12/17b-1 Ridgewood well to be written off in Q1 2008 (approx. 50 MSEK)

2007 Margin Netback [USD/boe]



	CMD Jan 07 excl. Alvheim	CMD Jan 08 forecast 2007	Actual 2007
<i>oil price</i>	55.00	72.65	72.39
Production (mmboe)	13.30	12.66	12.66
Revenue	48.35	64.25	64.15
Cost of operations	-16.30	-18.40	-18.28
Tariffs	-1.65	-2.30	-2.29
Production taxes	-3.65	-4.35	-4.50
Stock movements	-0.30	-1.50	-1.44
	26.45	37.70	37.64
Depletion	-10.95	-11.85	-11.67
Write-offs	0.00	-4.40	-4.33
Margin Netback	15.50	21.45	21.64

2007 Cost of Operations



	MMBOE		USD/boe		MUSD
➔ Capital Market Day 2007 excl. Alvheim	13.3	X	16.30	=	217.3
➔ Capital Market Day 2008	12.7	X	18.40	=	232.9
➔ Actual 2007	12.7	X	18.28	=	231.5
➔ % Change to CMD 2007 excl. Alvheim	-5.1%		12.2%		6.6%*

**Foreign exchange = 4.6% => Actual cost increase = 2.0%*

Balance Sheet



	31 Dec 2007 MSEK	31 Dec 2006 MSEK
➔ Fixed Assets	19,026	16,188
➔ Net Current Assets (excluding cash)	-180	3
➔ Net Bank Debt	2,302	1,134
➔ Shareholder Equity	9,706	8,953
➔ Net Debt/Equity Ratio	24%	13%

- **New Finance Facility of \$1bn**
 - ➔ \$850 million secured revolving reducing credit facility
 - ➔ \$150 million unsecured credit facility

- **Facility was underwritten by**
 - ➔ BNP Paribas
 - ➔ Royal Bank of Scotland
 - ➔ Bank of Scotland

- **Facility Fully Syndicated**

Operational Highlights 2007



- ➔ **Production 34,000 boepd - in line with forecast**
- ➔ **2P Reserves up from 176 mmboe to 184 mmboe – reserves replacement ratio of 148%**
- ➔ **Contingent Resources up from 133 mmboe to 188 mmboe**
 - ➔ Luno Discovery in Norway
 - ➔ Scolty Discovery in United Kingdom
- ➔ **Prospective Resources (prospects only) up from 2.7 bn boe to 3.1 bn boe**
 - ➔ Norway - APA2006 Round very successful
 - ➔ Russia – Petrovskaya lead matured to prospect
 - ➔ Sudan – 2D seismic programme increased prospective resources
- ➔ **Added 28 licences through licence awards and farm-ins**

An Excellent Start to 2008



- ➔ **Alvheim**
 - ➔ Sail away from Haugesund on 15 February
 - ➔ First oil by end first quarter 2008

- ➔ **Nemo - successful appraisal well in PL148 offshore Norway**

- ➔ **Exploration drilling commenced in Block 5B Sudan in February**

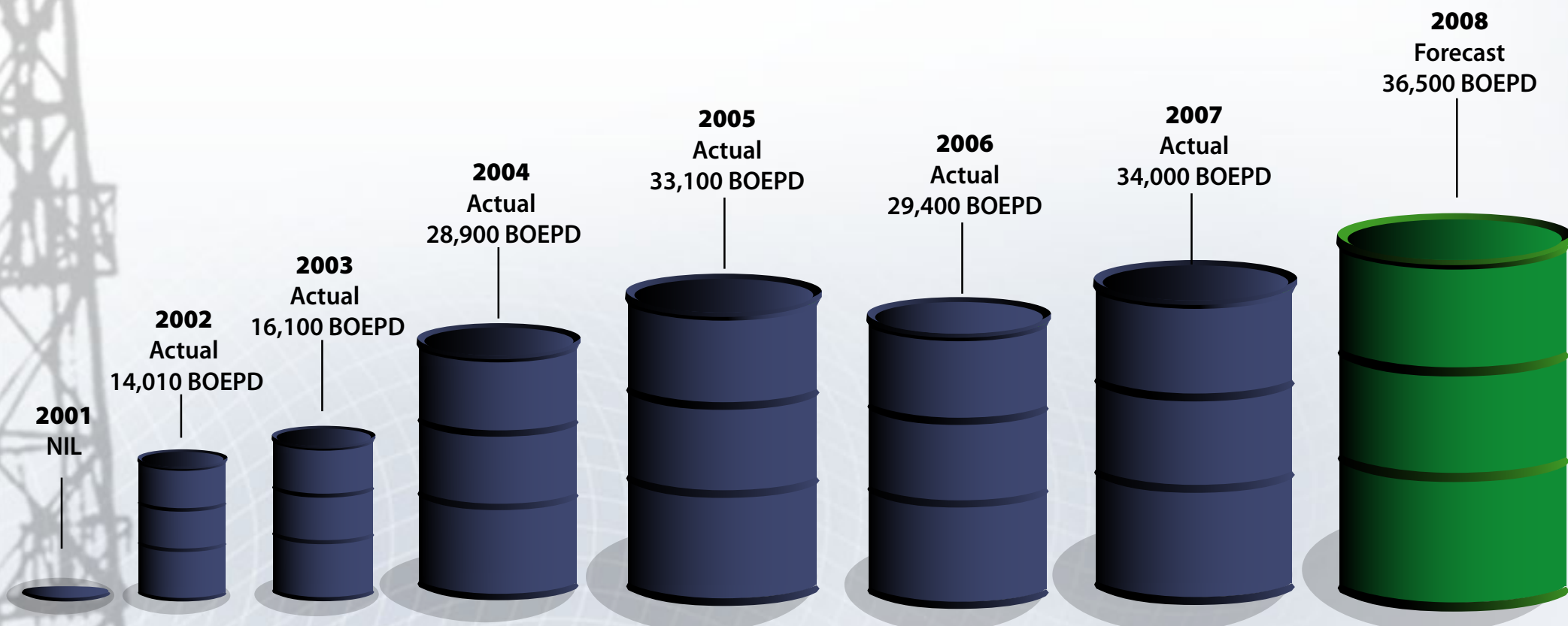
- ➔ **Receipt of drilling permit for Lagansky block in Russian Caspian**

- ➔ **Seven new licences awarded in Norwegian 2007 APA**

Production History



Compounded annual growth rate 2002-2007 is 19%



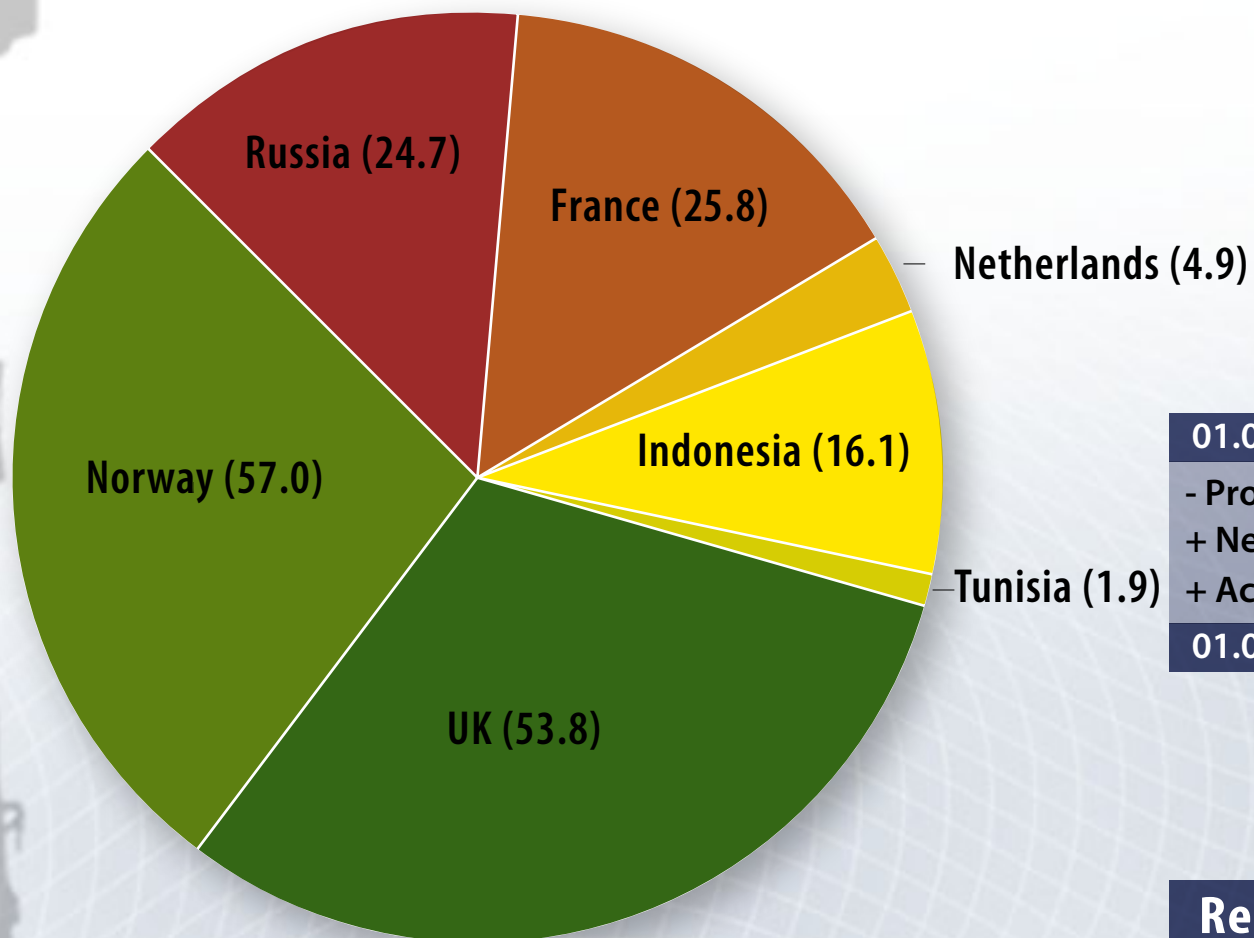
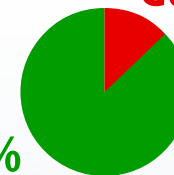
2008 Proven & Probable Reserves



Total 184.2 MMboe

Gas 14.7%

Oil 85.3%

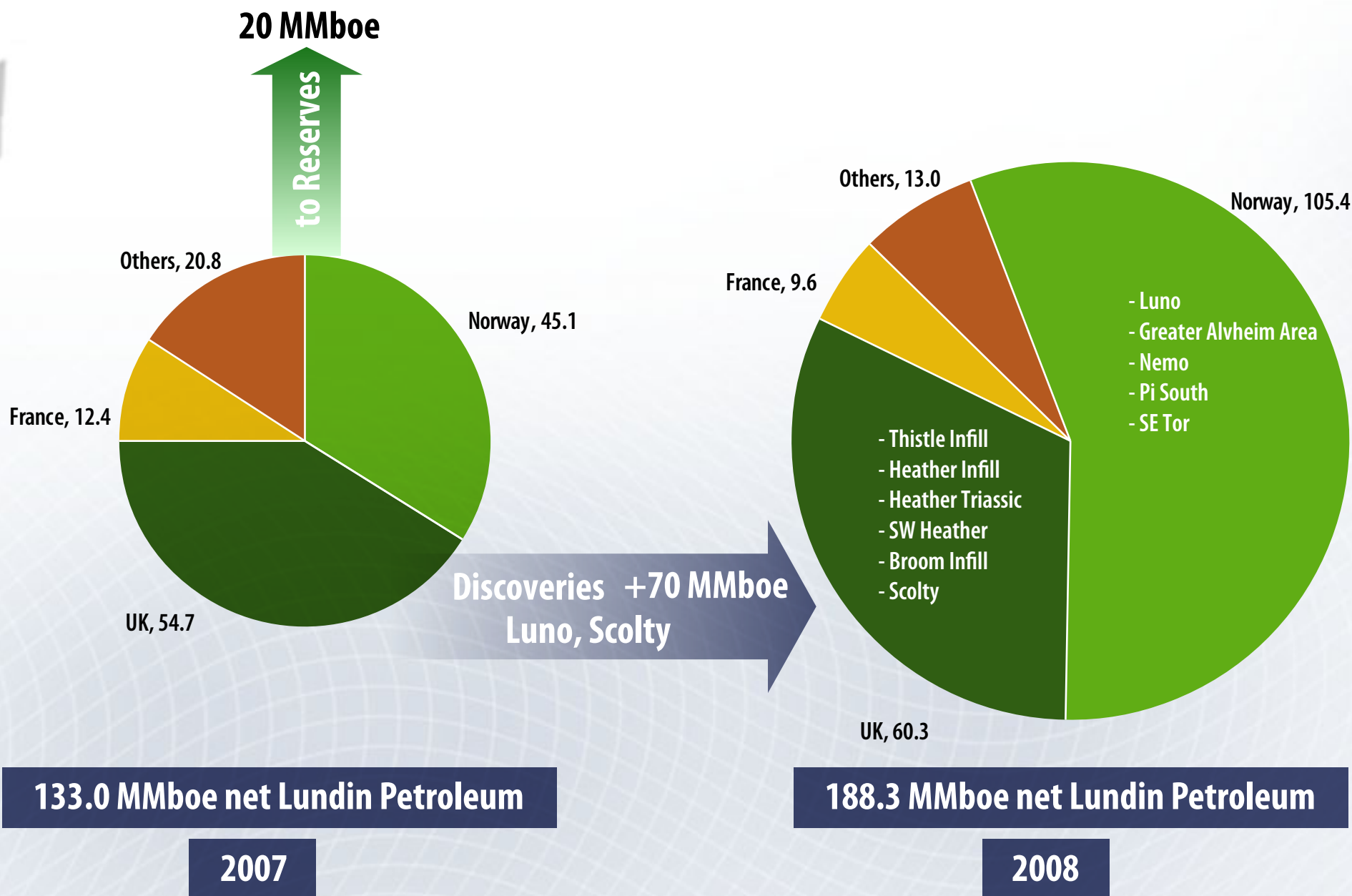


	mmboe
01.01.2007	176.4
- Produced (forecast)	-12.4
+ New reserves	18.4
+ Acquisitions	1.8
01.01.2008	184.2

Increase in Reserves 12%

Reserves Replacement Ratio 148%

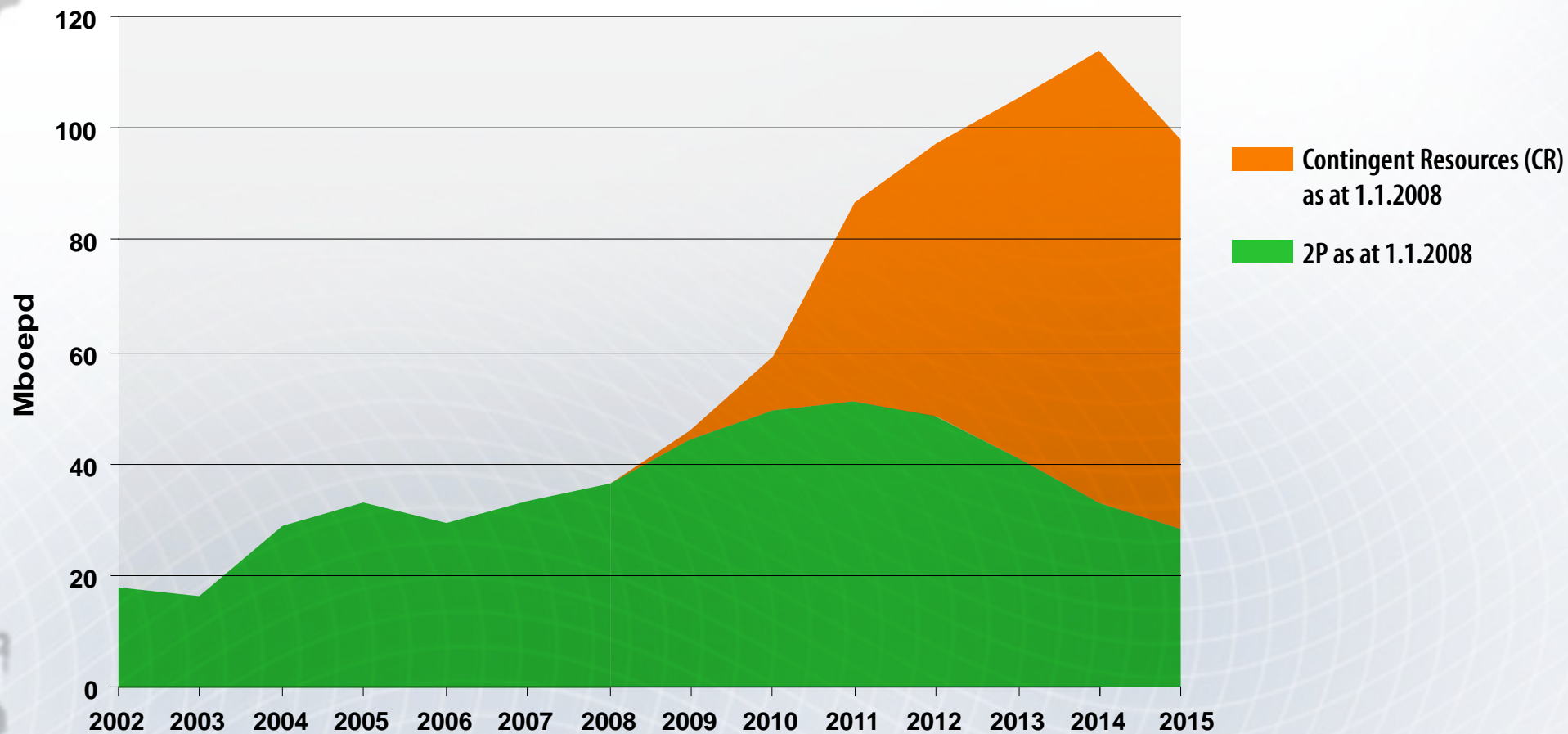
Contingent Resources - Existing Discoveries



Production Profile based upon 2008 Resource Position



➤ Existing resources have the potential to triple existing production



- excludes any exploration success or acquisitions
- Nemo and Luno included in contingent resources

2008 Development Expenditure Budget USD 375 million

Lundin

DEVELOPMENT

- **Norway**
 - ➔ **Alvheim Field** onstream 2008
 - ➔ **Volund Field** onstream 2009

- **UK**
 - ➔ **Broom Field** infill drilling
 - ➔ **Thistle Field** redevelopment including rig reactivation

- **Indonesia**
 - ➔ **Singa Field** onstream 2009

Alvheim - First Oil Approaching



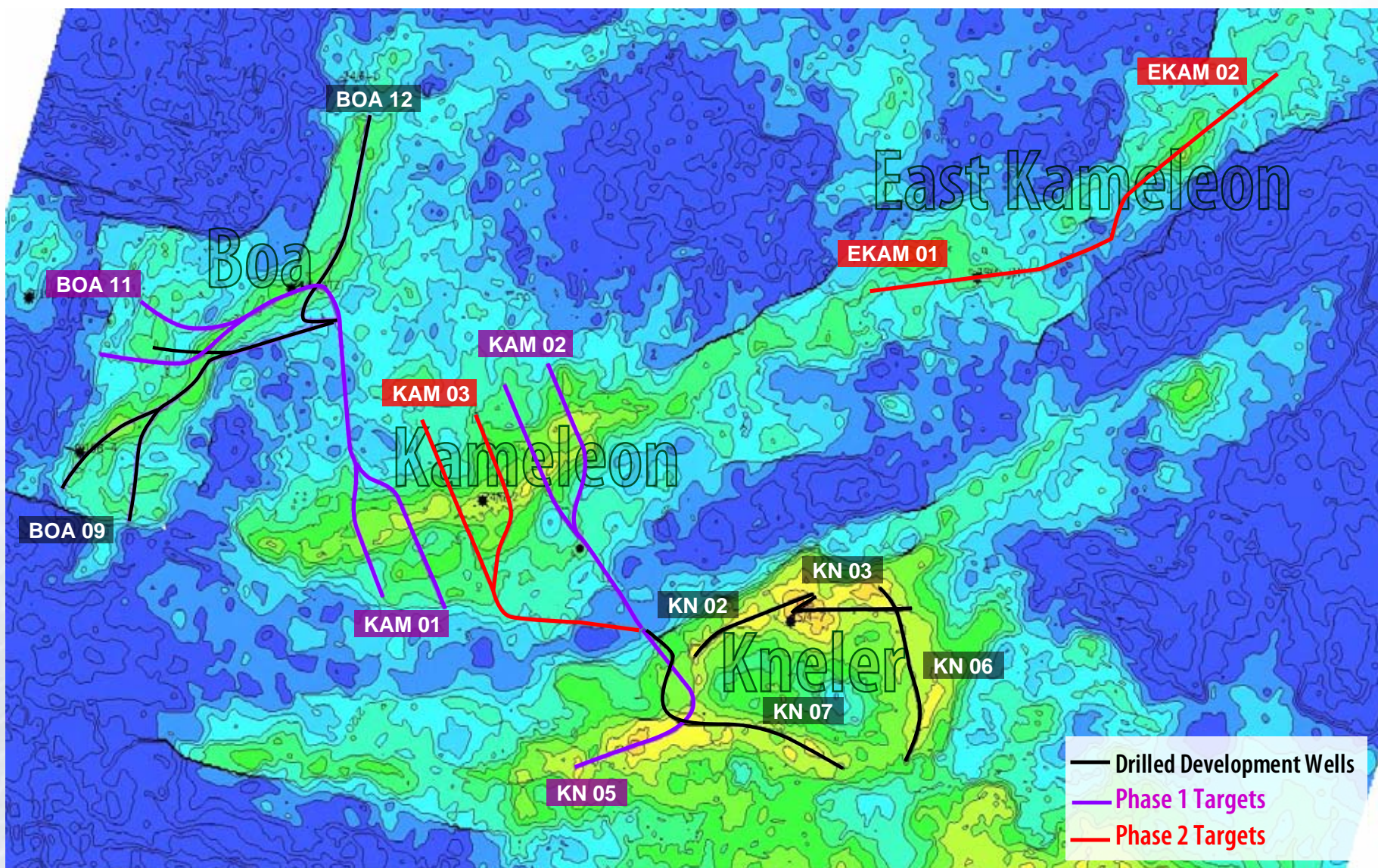
- **Alvheim - working interest 15%**
- **First production end first quarter 2008**
- **Development drilling - 6 production wells completed**
- **Subsea installation completed**
- **Sail away from Haugesund 15 February. FPSO complete**
- **Plateau production >90,000 gross in 2008**
- **Reserves 215 MMboe gross (increase of 14% in 2007)**



2008 Projects - Norway Alvheim



- 80 km of well bore
 - 12.3 km of horizontal section
- } Completed



2008 Exploration Expenditure Budget USD 350 million



EXPLORATION

17 exploration wells and 3 appraisal wells targetting 1.2 billion* barrels of unrisksed exploration potential

	Firm Wells		
	Exploration	Appraisal	
➔ UK	1		➔ P1107 - Torphins
➔ Norway	2	3	➔ PL 292 ; PL 304 ; PL338 Luno Appraisal PL 006 SE Tor Appraisal, PL148 Nemo Appraisal
➔ France	1		➔ Paris Basin
➔ Russia	2		➔ Lagansky Block - Morskaya, Laganskaya
➔ Sudan	4		➔ Block 5B - Umm Dandalo ; Barada ; Kasafa ; Nyal
➔ Congo	1		➔ Marine XI
➔ Vietnam	1		➔ Block 06/94
➔ Indonesia	5		

➔ *PL148 Nemo already drilled - Proved field extension*

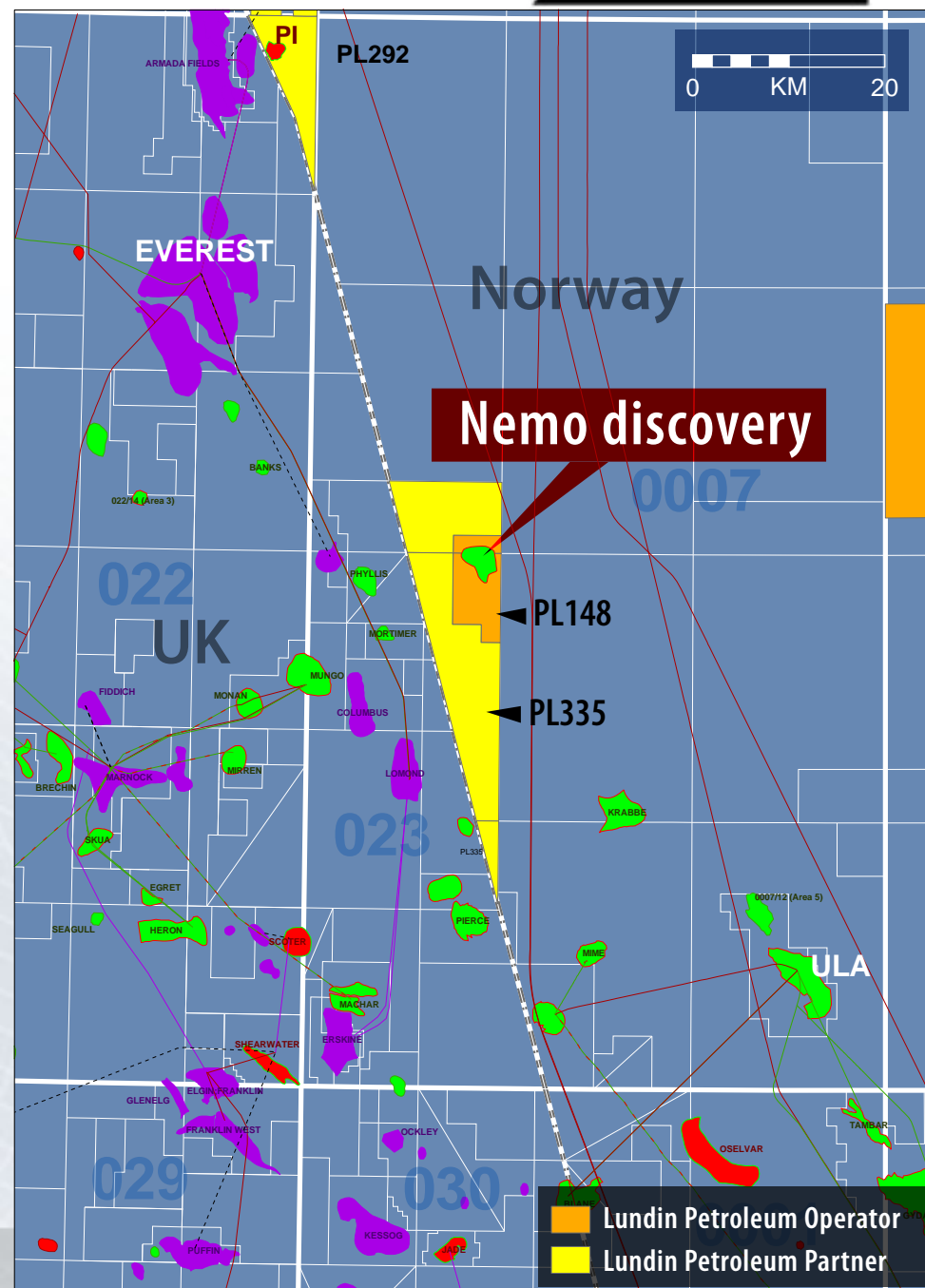
* *Excludes Congo and Vietnam*

Southern North Sea - PL148

- ➔ **Lundin Petroleum interest: 50% (operator)**
 - ➔ Noreco 20 %, Talisman 30%
- ➔ **Recent appraisal well confirmed field extension**
- ➔ **Existing infrastructure nearby in UK and Norway**
- ➔ **Likely FDP in 2008**
- ➔ **Likely to move to 2P reserves in 2008**
- ➔ **Gross Contingent Resources**

Field	MMBOE
Nemo (range)	20 - 30*

* Current contingent resources 20.6 MMboe



UK / Norwegian Undeveloped Discoveries*

* Excludes infill drilling within existing fields

- **PL338**
Luno

 - ➔ 50% interest (operator)
 - ➔ gross resources: 65-190 mmboe
 - ➔ appraisal drilling in 2008
- **PL006c:**
South East Tor

 - ➔ 75% interest (operator)
 - ➔ gross resources: 22.5 mmboe
 - ➔ appraisal drilling in 2008
- **PL148 7/7-2:**
Nemo

 - ➔ 50% interest (operator)
 - ➔ successfully appraised by well 7/4-2
 - ➔ gross resources: 20-30 mmboe
- **PL292:**
Pi South

 - ➔ 40% interest
 - ➔ gross resources: 10.9 mmboe
 - ➔ Pi North prospect drilling in Q1 2008
- **PL340**

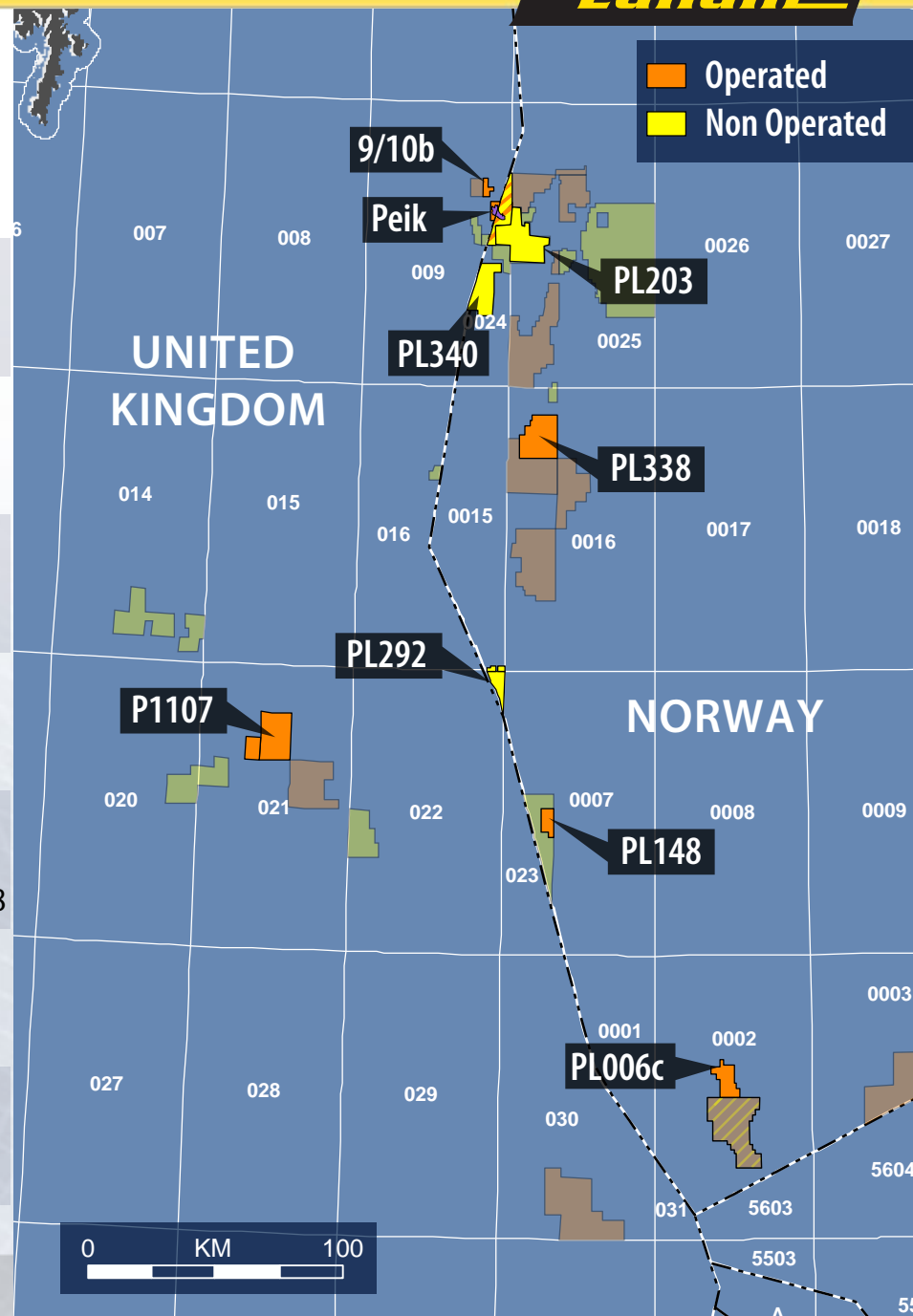
 - ➔ 15% interest
 - ➔ gross resources: 11.0 mmboe
 - ➔ drilling Marihone prospect in 2009
- **P1107:**
Scolty

 - ➔ 40% interest (operator)
 - ➔ gross resources: ~10 mmboe
 - ➔ drilling amplitude anomaly prospect (Torphins) in 2008
- **PL203**
Gekko/Kobra

 - ➔ 15% interest
 - ➔ gross resources: ~36.6 mmboe
- **P090 (9/10b)**
9/10b discovery

 - ➔ 85% interest
 - ➔ gross resources: ~11.9 mmboe

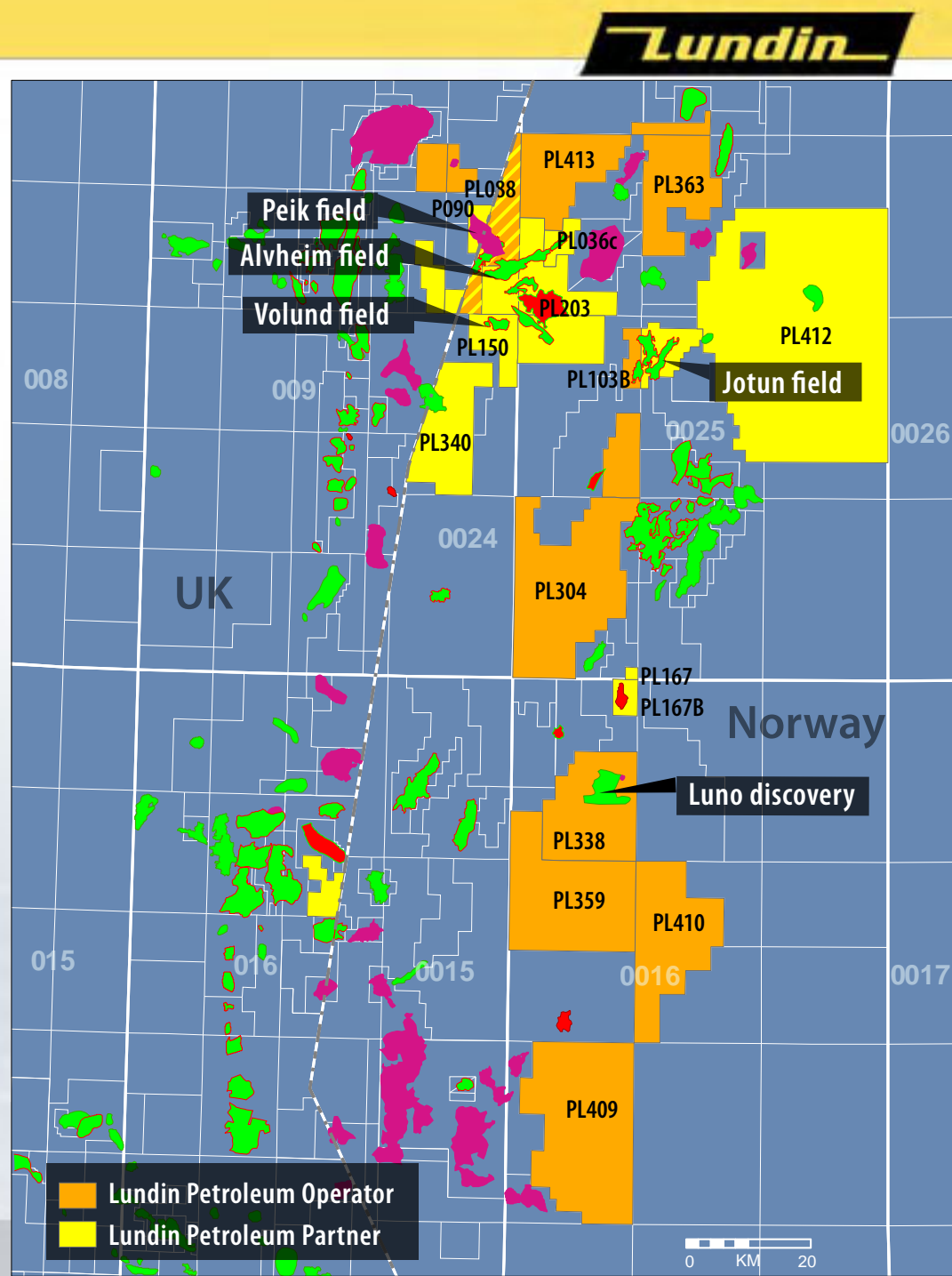
Net Contingent Resources: ~ 120 MMboe



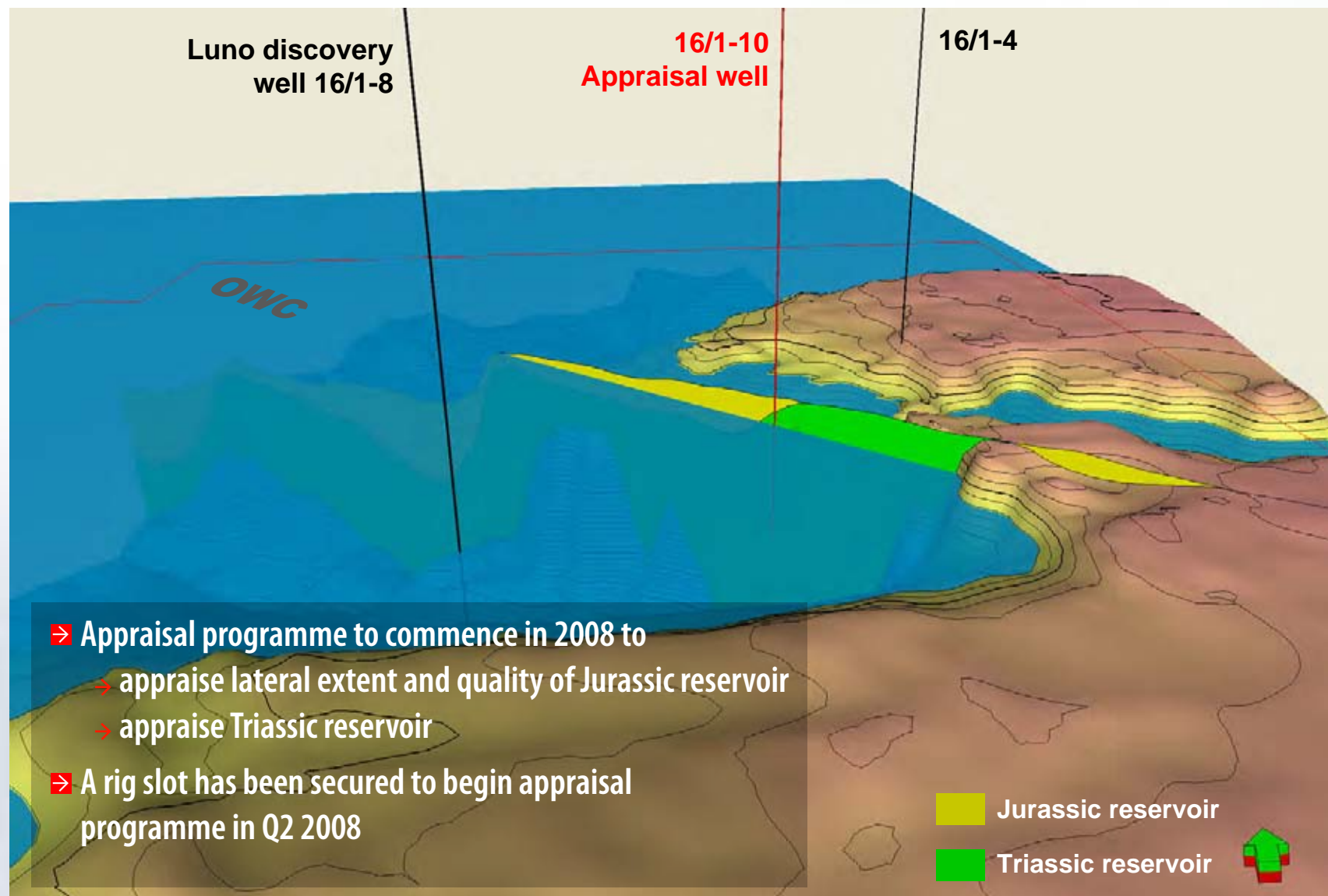
Luno Discovery - PL338

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

Discovery	MMBOE
Luno Jurassic (mean)	133
Luno Jurassic upside	57
Luno Triassic upside	?



Luno Discovery Appraisal Drilling 2008

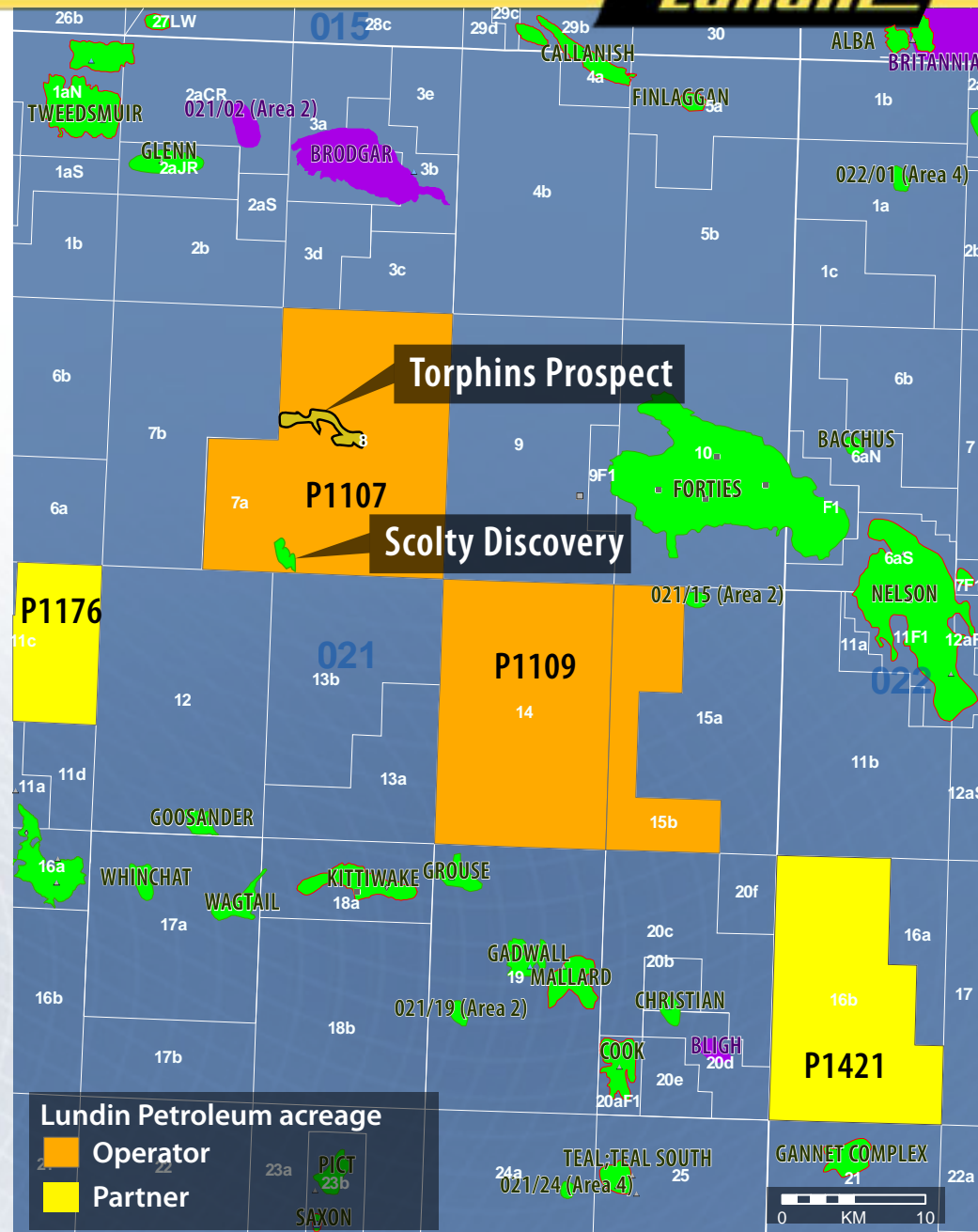
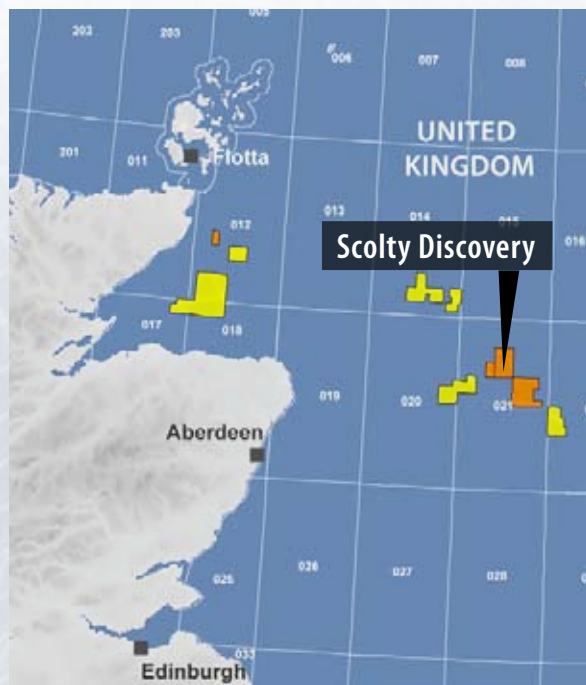


2007 UK Exploration Success - Scolty Discovery [P1107]

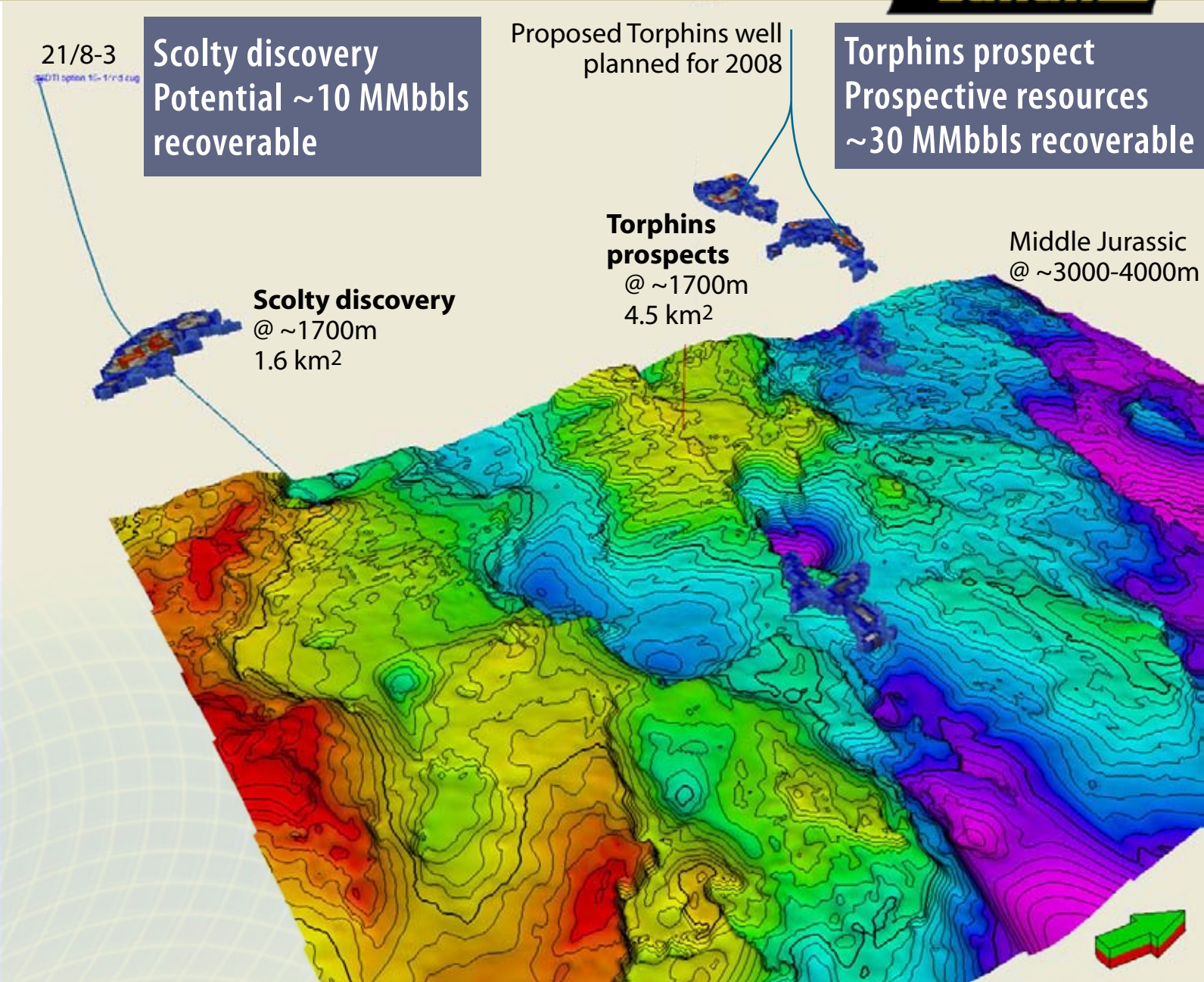


- ➔ **Lundin Petroleum interest: 40% (operator)**
 - ➔ Palace Exploration (Revus) 50 %
 - ➔ Challenger Minerals 10%

- ➔ **Drill Torphins in Q2 2008**



2007 UK Exploration Success - Scolty Discovery [P1107]



Lundin Petroleum Awarded Licences APA 2007



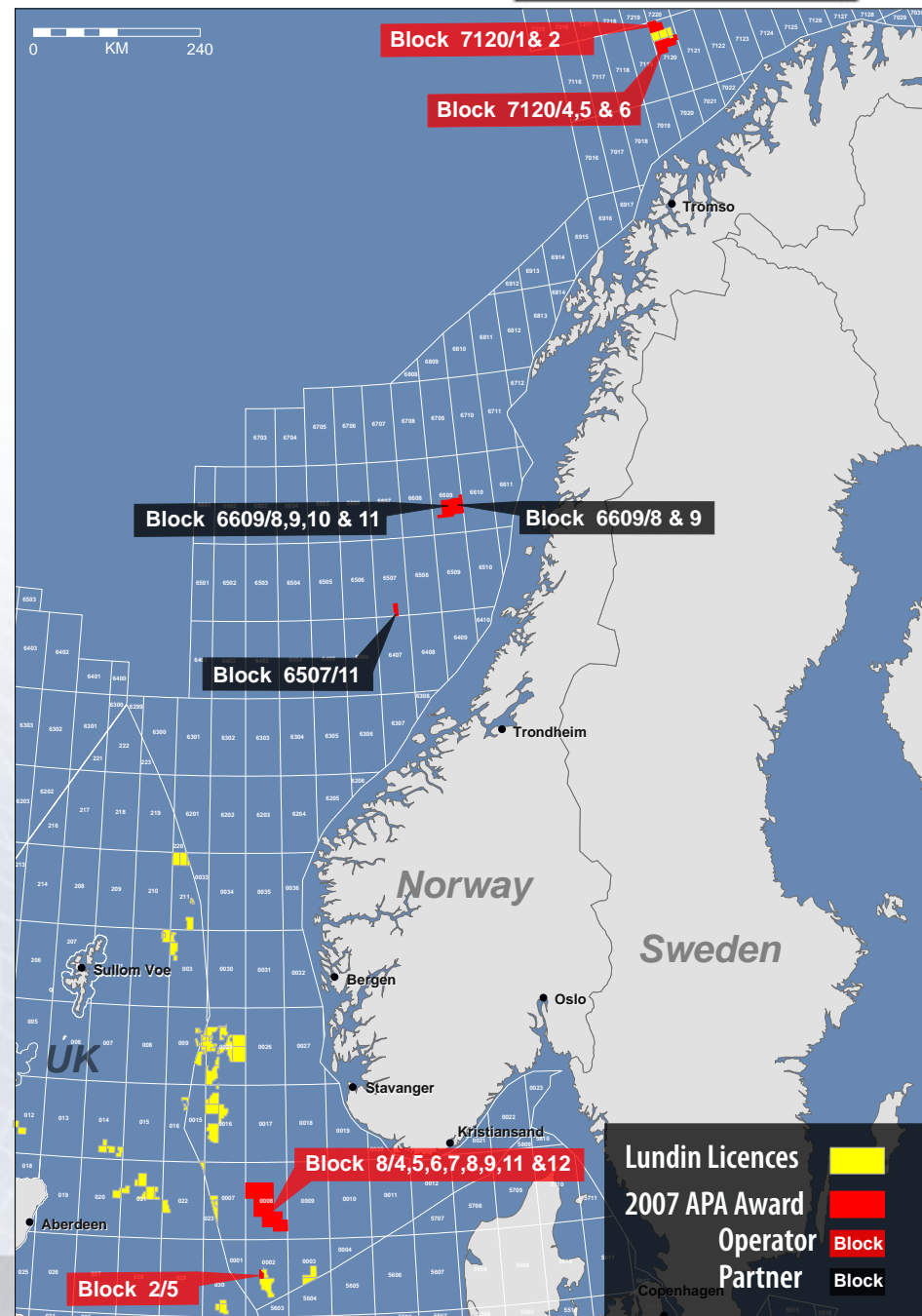
➔ Lundin Petroleum awarded 7 new licences in Norwegian licensing round

Licence

Lundin Petroleum licence interest

- ➔ Block 2/5 75%*
- ➔ Block 8/4, 5, 7, 8, 9, 11 & 12
(blocks 8/8 & 8/11:200m below base jurassic and younger) 30%*
- ➔ Block 6507/11 30%
- ➔ Block 6609/8 & 9
(all formations below base cretaceous) 20%
- ➔ Block 6609/8, 9, 10 & 11 30%
- ➔ Block 7120/1 & 2 40%*
- ➔ Block 7120/ 4, 5 & 6 40%*
- ➔ Total licences in Norway - 31 including 7 awarded in 2007 APA

*operator Lundin Petroleum



Russia - Lagansky Block

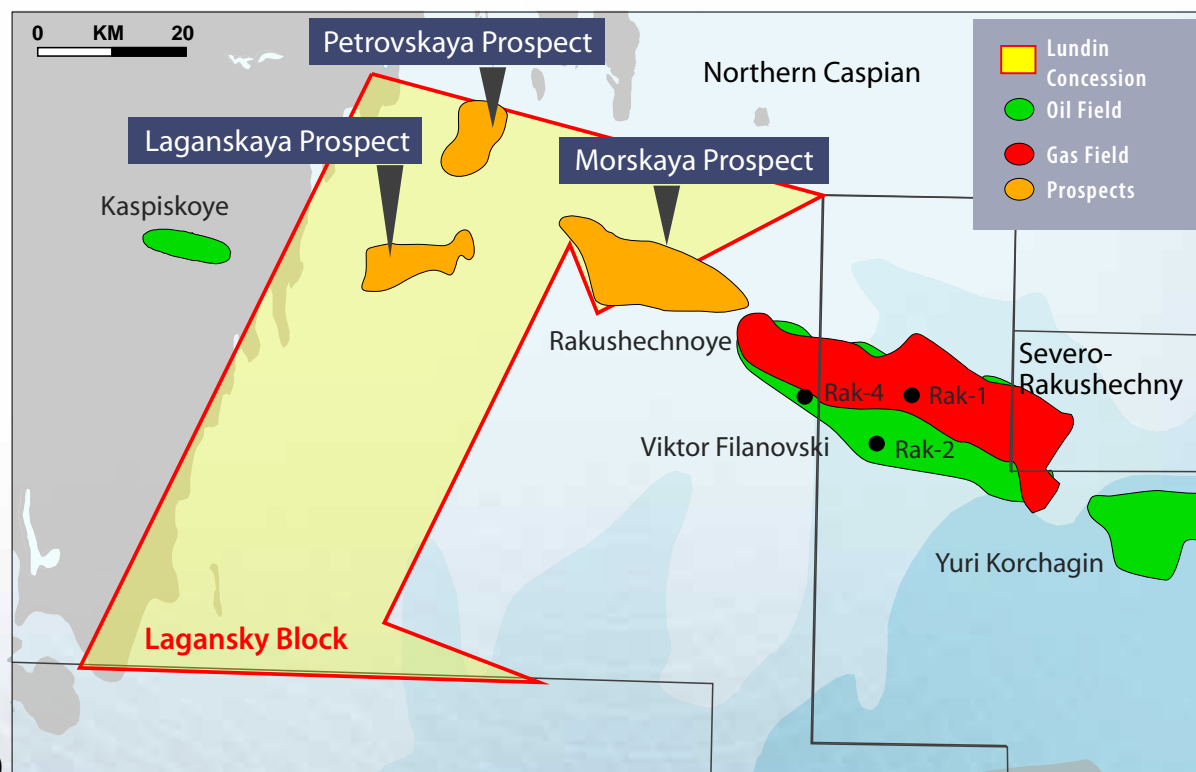


- **Lundin Petroleum: 70% (operator)**
 - ➔ **Mintley Kalmykia 30%**
- **Gazprom option to acquire 50% working interest**
- **Lundin Petroleum option to acquire 30% interest.**
- **Work Commitment**
 - ➔ **4 well commitment**
 - 2 wells to be drilled by end 2008
 - 2 wells to be drilled by August 2009

➤ Prospective Resources

Prospect	*MMBOE	COS %
Morskaya	641	35
Laganskaya	106	26
Petrovskaya	300	34

**Gross Unrisked Prospective Resources on block*



Russia Lagansky Exploration - Drilling Status



➤ Permitting

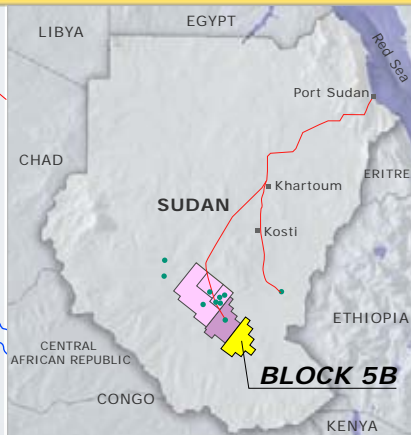
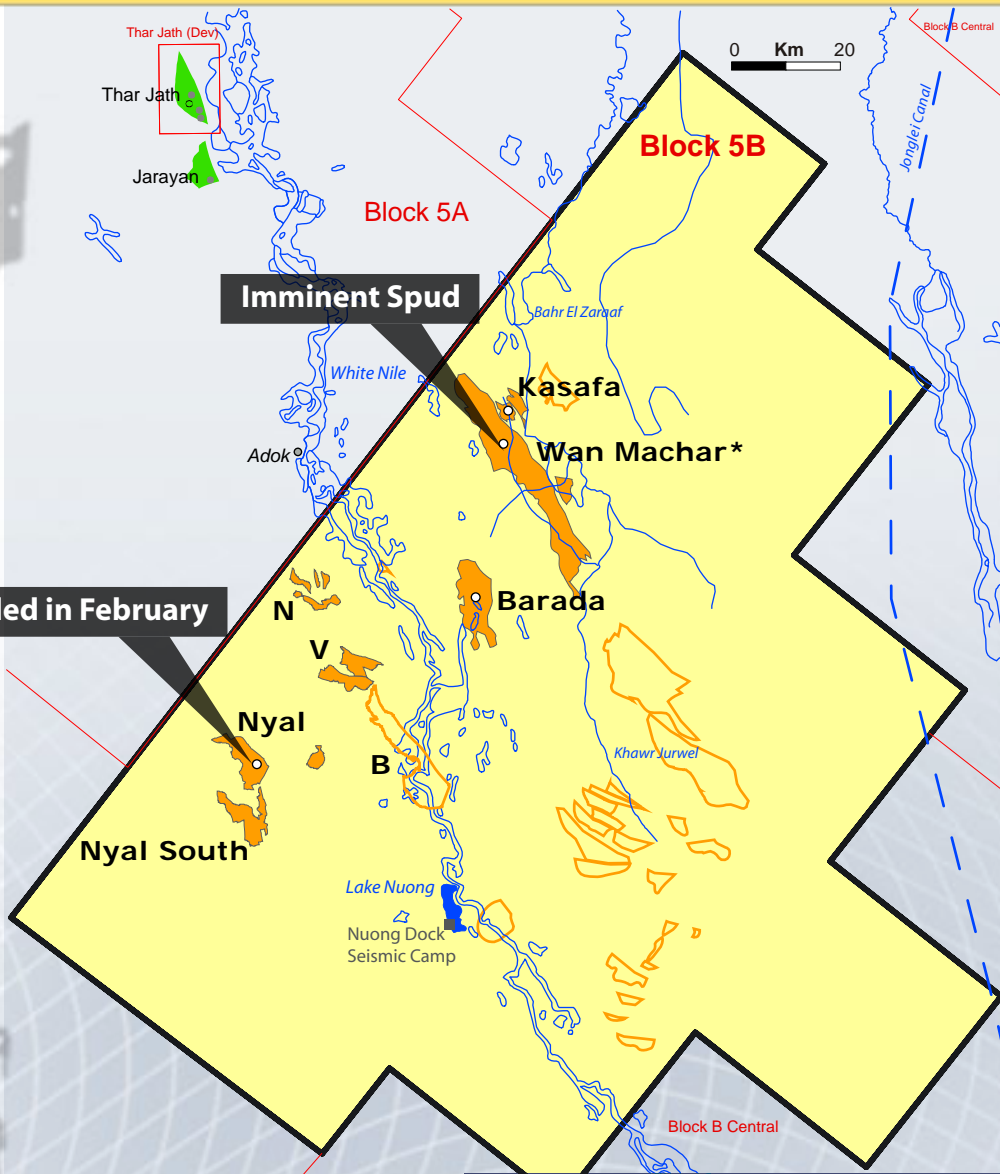
- ➔ Licence amendments approved by Rosnedra
- ➔ Drilling permit from Rosprirodnadzor secured

➤ Operationally ready to commence drilling

- ➔ Mobilisation to well location beginning second quarter

➤ First well to be drilled in second quarter 2008

Sudan - Block 5B



- ➔ Prolific Muglad Basin petroleum system
- ➔ Over 1,280 km of seismic acquired since 2006
- ➔ Four well exploration programme began in 1Q 2008

Current Partners 5B interest

Lundin Petroleum	24.5%	} Joint operators (WNPOC)
Petronas Carigali	39.1%	
Sudapet	13.7%	
ONGC Videsh Ltd	23.5%	

NilePet likely to take 10% interest in block

Net unrisks resource from targeted prospects > 500 million boe

Nyal - Drill Site



Nyal drilling site



Nyal structure over satellite image

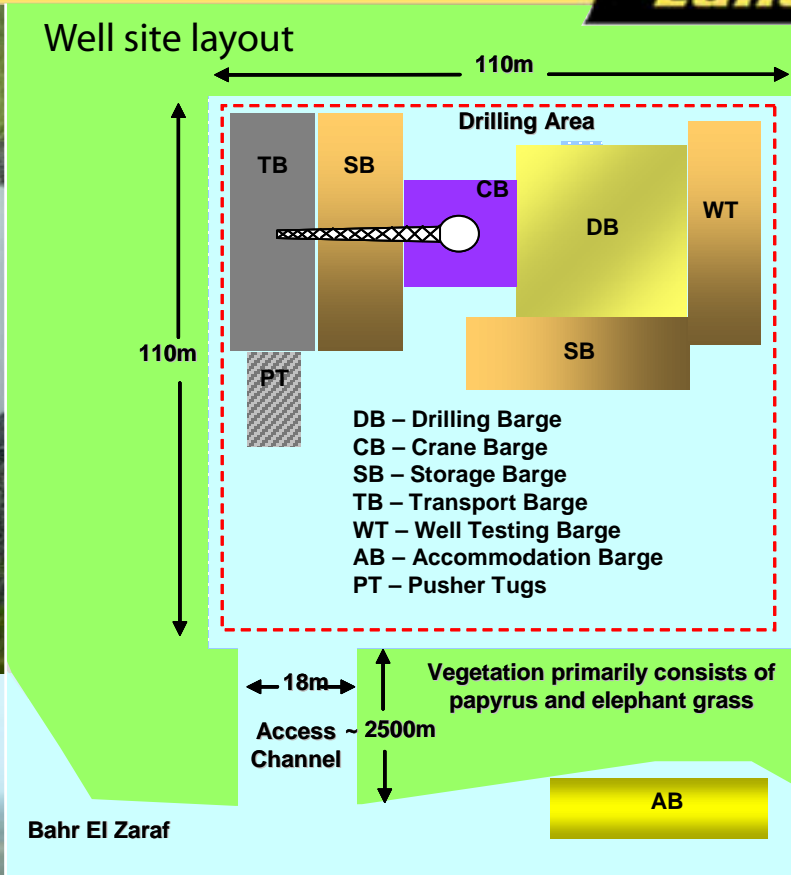
Gross prospective resources - 176 MMboe



Wan Machar - Well Site Preparation



Well site prepared



Gross prospective resources - 1.5 Bn boe



Accomodation barge at well site

Sudan - Block 5B



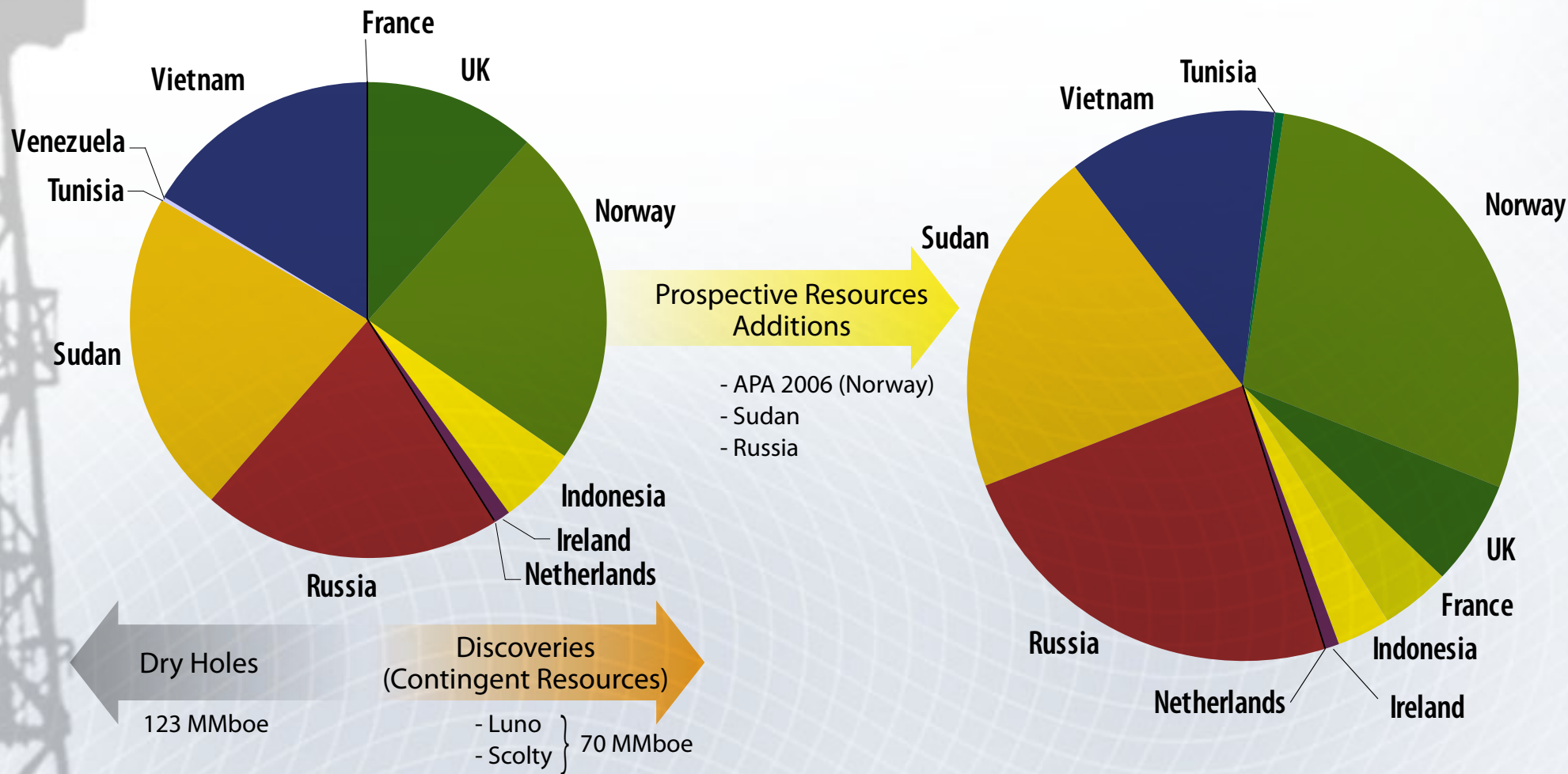
- **National Petroleum Commission (NPC) has confirmed the legal validity of the Block 5B partnership.**
- **“Nile Pet” (Government of South Sudan oil company) to take a 10% equity interest in Block 5B**

Prospective Resources - Net Unrisked Resources



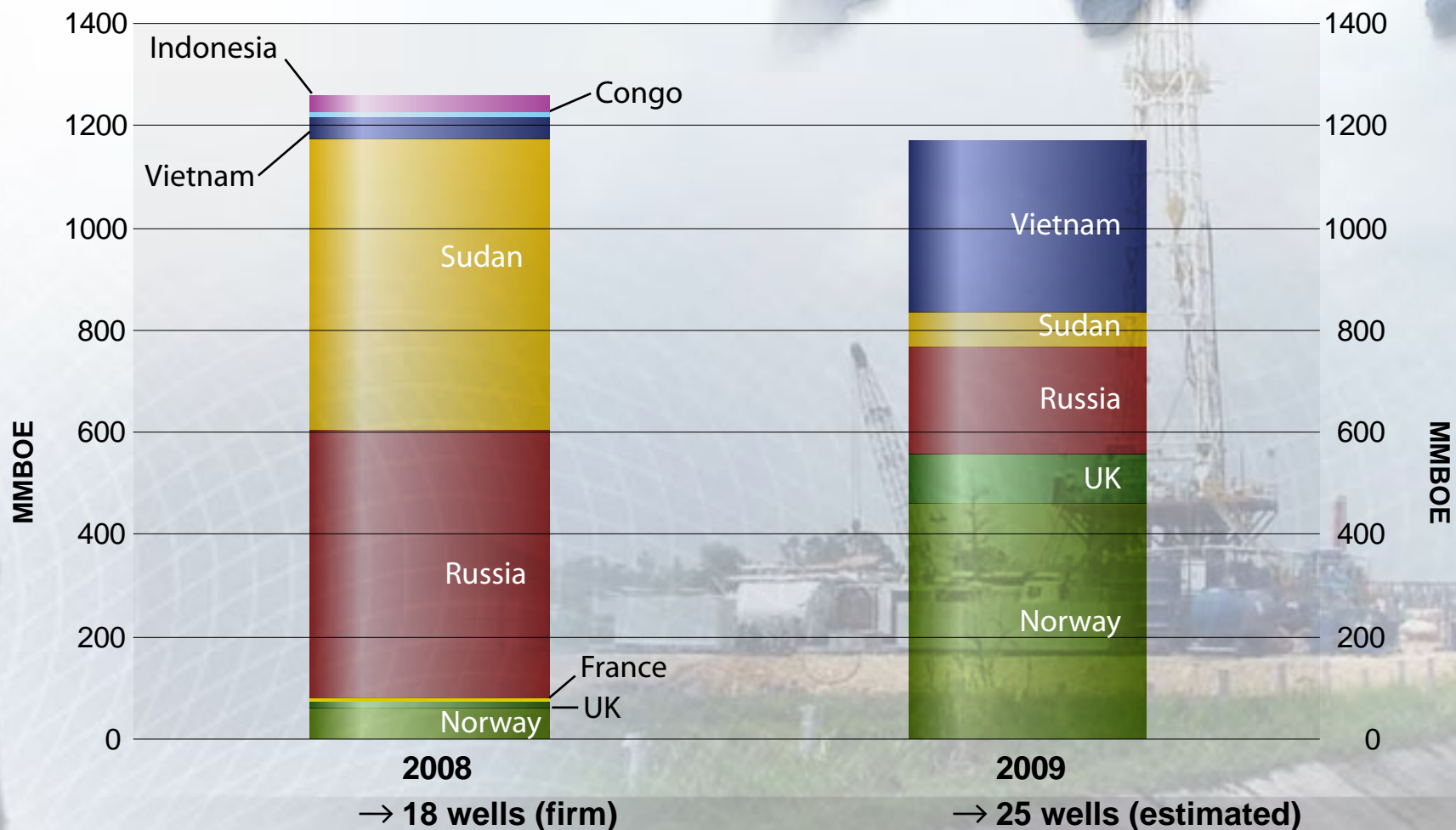
2007 Prospective Resources*: 2.7 bn boe net unrisked

2008 Prospective Resources*: 3.1 bn boe net unrisked



* Includes prospects only (including leads, the 2007 PR is 5.4 bn boe and 2008 PR is 6.1 bn boe)

Targeted Prospective Resources - Net Unrisked



Exploration Activity 2008



- ➔ 17 wells in 2008
- ➔ Net unrisked 1.26 bn boe targeted in 2008
- ➔ Net risked 380 MMboe targeted in 2008



Country	Licence	Prospect	Gross Unrisked MMBOE	Net Interest	Operator	Likely Drilling Schedule 2008			
						Q1	Q2	Q3	Q4
Norway	PL292	Pi North	9	40%	BG	█			
	PL340	Marihone A/B	39	15%	Marathon				Moved to 2009 ▶
	PL304	Aegis	104	50%	Lundin				█
UK	P1107	Torphins	28	40%	Lundin			█	
Russia	Lagansky	Morskaya	641	70%	Lundin		█		
		Langaskaya	106	70%	Lundin			█	█
Sudan	Block 5B	Wan Machar	1542	22.05%	WNPOC	█			
		Barada	541	22.05%	WNPOC		█		
		V1	59	22.05%	WNPOC			█	
		Nyal	176	22.05%	WNPOC	█			
France	Paris Basin	Ferrieres	14	65%	Lundin			█	
Vietnam	Block 06/94	"A"	127	33.3%	Pearl				█
Congo	Marine XI	-	-	18.75%	Soco				█
Indonesia	Salawati Island/Basin		*34	--	PetroChina	█	█	█	

TOTAL 3,420 MMBOE

* Net Unrisked MMBOE

Reserves Upside Potential

