

*NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION IN OR
INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN
EXCEPT TO SHAREHOLDERS FOR INFORMATION IN CONNECTION WITH THE EGM*

Lundin Petroleum AB (publ)

INFORMATION CIRCULAR

**PROPOSED INITIAL PUBLIC OFFERING OF
NORWEGIAN AND UNITED KINGDOM BUSINESS**



LETTER FROM THE CHAIRMAN

Dear fellow shareholders,

When Lundin Oil AB was sold to Talisman Energy Inc (Talisman) in 2001, the transaction was motivated by a desire to unlock the value of the underlying assets of Lundin Oil which were not being fully recognized by the market. Although it was primarily a cash transaction, the Lundin Oil shareholders also received a share in Lundin Petroleum for each share of Lundin Oil. At the time of completion of the transaction, Lundin Petroleum was valued at about SEK 5 per share.

In 2001, Lundin Petroleum's shares were being traded on the "New Market" in Stockholm and the Company was financed by way of a rights issue at SEK 3.5 per share. Our Chairman at the time, Adolf Lundin, hailed Lundin Petroleum as a new force to be reckoned with in the European E & P section and strongly advised the Lundin Oil shareholders to keep their shares in the new company and participate in the rights offering. Most of them did so and have benefited in the meteoric rise of Lundin Petroleum which has provided an average return on investment of 100 percent per year between 2001 and 2006. Lundin Petroleum is today several times larger than Lundin Oil was when it was sold to Talisman.

Today Lundin Petroleum is in a similar situation to Lundin Oil in 2001, in the sense that the Company has a strong asset base which, in the view of management and the Board, is not fully recognized by the market in the current structure. Upstream oil and gas companies with a global approach to exploration and production are complex entities by nature. The evaluation process is complicated by several risk factors effecting value (including technical, political and commercial). Therefore, the market must rely heavily on the management's ability to create value and achieve steady growth.

It is important, therefore, for the management to have clear objectives and a focused approach. For instance, our experience has shown that operating mature oil and gas assets in the North Sea is different business from high risk/high reward exploration projects in places like Russia and Sudan. Although we do recognize the importance of combining steady oil and gas producing assets with high impact exploration projects, we feel the time has come again to unlock the potential value of the assets accumulated these past few years. Hence the decision was made to create Viking through a spin-off of the North Sea assets and to sell just over 50 percent in an initial public offering (IPO) of Viking. The objectives of these transactions are to:

- Crystallize the value of the North Sea business with a substantial resource base and exciting organic growth potential.
- Create a new Norwegian independent exploration and production operator well positioned to take advantage of the local growth opportunities.
- Offer investors a new, focused vehicle between the smaller exploration companies and the merged Statoil-Hydro.
- Refocus Lundin Petroleum on its existing competitive advantages in respect of pursuing new opportunities and developing its very exciting portfolio of exploration and development projects.

The intention is to pass the majority of the proceeds from the IPO on to the shareholders of Lundin Petroleum. Also, the shareholders of Lundin Petroleum AB will retain an interest in the North Sea assets through the just under 50 percent shareholding of Viking to be retained by the Company.

From a management perspective, Viking will benefit from a strong team of professionals led by Torstein Sanness, a veteran with a proven track record. Lundin Petroleum will retain its management team led by Ashley Heppenstall (who needs no introduction).

As a representative of the largest shareholder and as a Board member, I strongly support this Transaction and look forward to seeing both companies thrive in their respective environments.



Sincerely,

A handwritten signature in black ink, appearing to read "Ian Lundin".

Ian H. Lundin

Chairman

Lundin Petroleum AB

LETTER FROM THE PRESIDENT AND CEO



Sincerely,

A handwritten signature in black ink, appearing to read 'C. Heppenstall', written in a cursive style.

C. Ashley Heppenstall
President and CEO
Lundin Petroleum AB

Dear fellow shareholders,

The primary objective for Lundin Petroleum's management is to create increases in shareholder value. I believe that since the formation of Lundin Petroleum six years ago, we have achieved this objective with the company being one of the best performing independent oil and gas companies in terms of total shareholder return.

Our strategy has been to grow the reserves and production base of Lundin Petroleum through a proactive acquisition and organic growth philosophy. Our reserves have grown to 176 million barrels of oil equivalent with production in excess of 40,000 boepd. In addition we have a diverse portfolio of contingent resources and exploration prospects.

Our United Kingdom and Norwegian businesses have grown significantly over recent years. We have a valuable set of production, development and exploration assets managed by a team of experienced professionals from our Aberdeen and Oslo offices. We now propose to spin off the Norwegian and United Kingdom businesses into a new company called Viking Oil and Gas ASA. Viking has applied for listing on the Oslo Stock Exchange with Lundin Petroleum proposing to sell a 50.01 percent interest to the public. We propose to retain a 49.99 percent shareholding in Viking which will give us material exposure to the growth potential of the North Sea business.

The rationale for the deal is very simply the crystallisation of value for Lundin Petroleum shareholders. We believe that Viking will be one of the largest pure North Sea independent oil companies in terms of production and reserves, with an excellent portfolio of assets well positioned to take advantage of the growth opportunities available.

I will continue to manage Lundin Petroleum as well as assuming the chair of the board of directors of Viking.

Lundin Petroleum will become smaller as a result of this transaction. However, we have an excellent portfolio of remaining production and exploration assets around the world. We will have the same team of technical staff that built Lundin Petroleum, positive operating cash flow from our producing assets and a very strong balance sheet. As such the objective will be to grow Lundin Petroleum from its remaining core asset base through the same strategy that has historically credited excellent returns for the shareholders of Lundin Oil and Lundin Petroleum.

I am very excited that we can yet again create strong shareholder value from the "new" Lundin Petroleum.

SUMMARY OF THE TRANSACTION

Announcement of the Transaction

On 22 March 2007, Lundin Petroleum announced its intention to spin-off its Norwegian and UK businesses into a newly formed Norwegian company called Viking Oil and Gas ASA.

Lundin Petroleum intends to launch an initial public offering (IPO) of the shares of Viking and to seek a listing of the Viking shares on the Oslo Stock Exchange (OSE). Viking is currently a wholly-owned subsidiary of Lundin Petroleum. Through the IPO, Lundin Petroleum proposes to offer 50.01 percent of the Viking shares to the public at a price to be determined and retain a substantial shareholding, 49.99 percent, in Viking. The IPO is expected to be completed before the end of the second quarter of 2007.

Proceeds of the IPO

The amount of the proceeds of the IPO will not be known prior to the date of the extraordinary general meeting (EGM) of the shareholders of Lundin Petroleum on 16 April 2007.

It is the intention of Lundin Petroleum to distribute the majority of the proceeds of the sale of its shareholding in Viking to shareholders. The timing and the form of this distribution will depend on the size and timing of the IPO. Viking will not receive any proceeds from the IPO.

Objectives of the Transaction

As previously announced to shareholders, Lundin Petroleum has been reviewing strategic options in relation to its Norwegian and UK assets with the objective of finding ways to potentially unlock Lundin Petroleum shareholder value. Lundin Petroleum believes that this proposed spin-off and IPO will, if completed, crystallise the value of the Norwegian and UK business with its substantial reserves and resources base, high impact exploration portfolio and strong management teams.

Viking would become a new Norwegian independent oil and gas exploration and production company, well-positioned to take advantage of growth opportunities on the Norwegian and UK continental shelves (NCS and UKCS). Viking would offer investors a new vehicle with a balanced portfolio of producing, development and exploration assets in the North Sea as well as exploration assets in the Barents Sea. The assets to be held by Viking have strong operating cash flow to enable Viking to use its internally generated funds to finance a substantial portion of its own growth via asset developments and exploration. Viking has an extensive inventory of potential developments, discoveries and prospects. Lundin Petroleum believes that the new company will be amongst the largest Norwegian independent oil and gas companies after Statoil/Norsk Hydro in terms of production and North Sea reserves.

Lundin Petroleum would continue to own and operate its remaining portfolio of international oil and gas assets with production in Tunisia, Russia, Indonesia, France and the Netherlands as well as a diverse portfolio of exploration assets. This spin-off and IPO would downsize Lundin Petroleum with even stronger leverage to success in relation to its high potential exploration drilling programme and new deal opportunities.

Conditions to Completion of the Transaction

The Transaction is subject to certain regulatory and other conditions, including government approvals in the UK and Norway. Norwegian government approval has been received.

In addition, the Transaction requires partner and other approvals under contracts in the UK and Norway. If such approvals have not been received prior to completion of the IPO, Lundin Petroleum has agreed to guarantee certain obligations of Viking for a period following completion.

The Transaction must also be approved by a simple majority of the votes cast by the shareholders of the Company at the EGM.

The Transaction has the unanimous approval of the board of directors of Lundin Petroleum.



ALVHEIM DEVELOPMENT, NORWAY

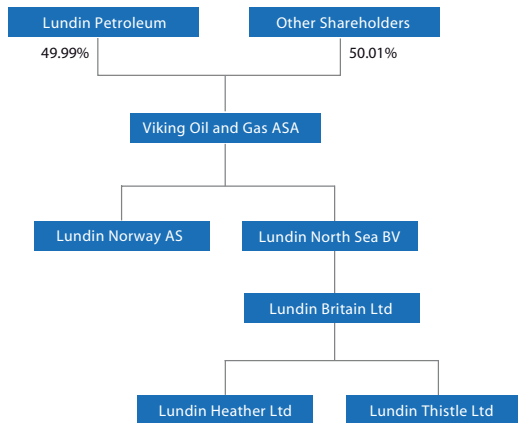


HEATHER, BROOM FIELDS, UK



JOTUN FIELD, NORWAY

VIKING OIL AND GAS ASA



Viking will be an independent oil and gas exploration, development and production company whose activities are focused exclusively on the NCS and the UKCS. With a portfolio of producing, development and exploration assets, strong operating cash flows and an established organisation with experienced management that has a proven discovery and operating record, Viking Oil and Gas believes that it will be well positioned to increase its production and reserves and take advantage of the opportunities that exist on the NCS and the UKCS.

Viking's assets will include interests in four currently producing fields, Jotun on the NCS and Broom, Heather and Thistle which it operates on the UKCS. In addition, the Alvheim field on the NCS is expected to commence production in the second quarter of 2007. Viking's licence interests also will provide it with an extensive inventory of potential developments, discoveries and prospects, many of which are located close to Viking's interests in nearby infrastructure. In total, Viking will have interests in 49 licences in the exploration phase including the seven licences awarded, six as operator, in the most recent Norwegian APA licensing round and the six licences awarded, three as operator, in the most recent UK licensing round.

Viking is a public limited liability company organized under and governed by Norwegian law and its registration number is 991 036 210 . Viking was incorporated on 9 March 2007.

All of the shares of Viking are currently held by Lundin Petroleum BV, a wholly-owned subsidiary of Lundin Petroleum AB. Prior to the listing of the shares of Viking on the OSE, Viking will acquire the shares of Lundin Norway AS ("Lundin Norway") and Lundin North Sea B.V., which holds 100 percent of the shares of Lundin Britain Ltd. ("Lundin Britain"). Lundin Norway holds all of Lundin Petroleum's Norwegian assets and Lundin Britain, through its subsidiaries Lundin Heather Ltd and Lundin Thistle Ltd, holds all of Lundin Petroleum's UK assets.

Following completion of the IPO, Viking will have the structure illustrated at the top of the page.

Viking will have its head office in Oslo, Norway, with an office in Aberdeen, UK. The CEO of Viking will be Torstein Sanness, the current Managing Director of Lundin Petroleum's NCS operations, and the COO of Viking will be Alan Curran, the current Managing Director of Lundin Petroleum's UKCS operations. Ashley Heppenstall, President and Chief Executive Officer of Lundin Petroleum, will be the chairman and a non-executive director of Viking.



TORSTEIN SANNESS, VIKING CEO



ALAN CURRAN, VIKING COO

LUNDIN PETROLEUM FOLLOWING THE TRANSACTION

Summary

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Africa, Russia and South East Asia.

Assuming completion of the Transaction on 31 December 2006, Lundin Petroleum would have had proven and probable reserves of 79.8 million barrels of oil equivalent as at 1 January 2007 and a forecast net production for 2007 of in excess of 20,000 barrels of oil equivalent per day. During 2006, excluding its Norwegian and UK business, Lundin Petroleum would have generated a net profit after taxes of MSEK 276.0 (MUSD 37.5) without taking into account any accounting result in relation to the completion of the Transaction and an operating cash flow of MSEK 856.6 (MUSD 116.2).

Background

Lundin Petroleum AB was formed in connection with the SEK 4 billion take-over of Lundin Oil AB by Talisman Energy Inc. during 2001. As a result of the transaction Lundin Oil AB shareholders received SEK 36.50 in cash plus one share in Lundin Petroleum AB for each share held in Lundin Oil AB.

On 19 September 2002, the Company completed the acquisition of 95.3 percent of the outstanding shares of Lundin International SA (formerly Coparex International SA) from BNP Paribas. On 20 June 2003, Lundin Petroleum completed the sale of its 40.375 percent interest in Block 5A, Sudan to Petronas Carigali Overseas Sdn Bhd. On 13 February 2004, Lundin Petroleum completed the acquisition from DNO ASA of its UK and Irish oil and gas interests. On 17 June 2004, Lundin Petroleum completed the acquisition of certain Norwegian assets from DNO ASA.

On 31 July 2006, Lundin Petroleum completed the acquisition of 100 percent of the shares in Valkyries Petroleum Corporation ("Valkyries").

On 22 March 2007, Lundin Petroleum announced its intention to spin-off its Norwegian and UK businesses into Viking, to seek a listing of the Viking shares on the OSE and to sell 50.01 percent in an IPO of the Viking shares. The IPO is expected to be completed before the end of the second quarter of 2007.

Lundin Petroleum's corporate registration number is 556610-8055. Its registered office is located at Hovslagargatan 5, SE-111 48 Stockholm, Sweden. The Company was registered with the Swedish Patent and Registration Office 4 May 2001 and has conducted business since. The current company name was registered 26 June 2001. The Company's form of association is governed by the Swedish Companies Act (2005:551).

Share capital

Lundin Petroleum's registered share capital as at 28 February 2007, amounted to SEK 3,142,150.80 distributed among 314,215,080 shares.

As at 31 December 2006, 24.3 percent of Lundin Petroleum was owned by Lorito Holdings Limited, an investment company wholly-owned by a Lundin family trust, 4.3 percent of Lundin Petroleum was owned by Landor Participations Inc, an investment company wholly-owned by a trust whose settler is Ian H. Lundin, and 2.8 percent of Lundin Petroleum was owned by Zebra Holdings Limited, an investment company wholly-owned by a Lundin family trust.

LUNDIN PETROLEUM FOLLOWING THE TRANSACTION



Board of Directors

From left to right

Ian H. Lundin, Chairman, William A. Rand, Kai Hietarinta, Viveca Ax:son Johnson, Lukas H. Lundin, Magnus Unger, C. Ashley Heppenstall



Group Management

From left to right

Chris Bruijnzeels - Vice President Reservoir and Production, Tim Coulter - Vice President Operations, Christine Batruch - Vice President Corporate Responsibility, Alexandre Schneider, Executive Vice-President, Chief Operating Officer and Deputy Managing Director, C. Ashley Heppenstall - President and Chief Executive Officer, Jeffrey Fountain - Vice President Legal, Geoffrey Turbott - Vice President Finance and Chief Financial Officer

Auditors

PricewaterhouseCoopers AB, Lilla Bommen 5, Gothenburg, Sweden

Klas Brand - Authorised Public Accountant

Bo Hjalmarsson - Authorised Public Accountant

Bo Karlsson, Deputy Auditor - Authorised Public Accountant

LUNDIN PETROLEUM FOLLOWING THE TRANSACTION

Legal Structure

Through its subsidiaries, Lundin Petroleum will, assuming completion of the Transaction, have oil and gas interests in 12 different countries worldwide.

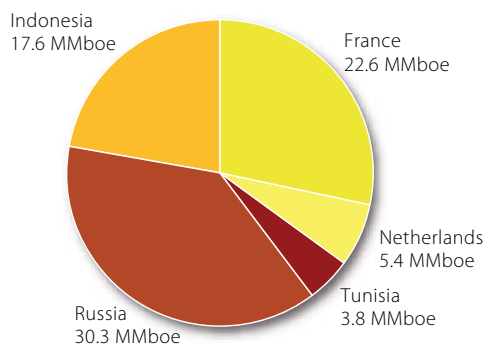
The following chart illustrates the principal subsidiaries of Lundin Petroleum (collectively, the “Subsidiaries” and together with Lundin Petroleum, the “Group”) as at 31 March 2007, together with the jurisdiction of incorporation of each company assuming completion of the Transaction. Unless otherwise indicated, the percentage of voting securities beneficially owned or over which control or direction is exercised by Lundin Petroleum is 100 percent:



Reserves and Resources

The following illustrates the 2P reserves and resources of Lundin Petroleum as at 1 January 2007, assuming completion of the Transaction:

Lundin Petroleum 2P Reserves



Lundin Petroleum Resources

Breakdown by Category	MMboe
2P Reserves	79.8
Contingent Resources	33.2
Prospective Resources (unrisked)	2,740.0

LUNDIN PETROLEUM FOLLOWING THE TRANSACTION



VILLEPERDUE FIELD, FRANCE



ZUIDWAL FIELD, NETHERLANDS

OPERATIONS - EUROPE

France

Reserves: 22.6 MMboe

2006 average net production: 3,730 boepd

France is one of the major operated producing areas of Lundin Petroleum. In the Paris Basin and Aquitaine Basin, production is optimised by using a variety of workover techniques, water injection and development drilling programmes. With successful water injection techniques, exceptional performance and production rates were achieved in several fields in the Paris Basin. Facilities and infrastructure are in place with excess capacity to enable future development.

Further exploration opportunities and exploitation of contingent resources are being pursued to provide Lundin Petroleum with production and cashflow.

Through selective drilling programmes, investments in new projects and continued operational improvements, the French assets will continue to provide Lundin Petroleum with stable long term production.

Netherlands

Reserves: 5.4 MMboe

2006 average net production: 2,107 boepd

The Netherlands is a mature gas province providing Lundin Petroleum with stable, long term onshore and offshore production. The production is generated from several non-operated interests. Although most of the producing fields are mature, additional infill drilling and development opportunities are actively pursued.

Ireland

Lundin Petroleum has three licence interests offshore Ireland.

Lundin Petroleum holds a 12.5 percent interest in the Seven Heads Oil licensing option, which lies below the producing Seven Heads gas field. This option was extended to end 2006, and application has now been made to convert this to a lease undertaking.

Lundin Petroleum holds two other non-operated exploration licences, in the Donegal area (Inishowen – 40%) and in the Slyne area (Inishmore – 50%). Both are operated by Island Oil and Gas.

Albania

Lundin Petroleum has a production sharing contract for the Durresi Block, offshore Albania (working interest 50%).

3D seismic data has been acquired and the prospectivity of the block is under review.

LUNDIN PETROLEUM FOLLOWING THE TRANSACTION

OPERATIONS - AFRICA

Tunisia

Reserves: 3.8 MMboe

2006 average net production: 1,176 boepd

Lundin Petroleum has a 40 percent working interest in the Oudna field. The field development was successfully completed and production commenced in November 2006. The development consist of a single production well supported by a single water injection well, both tied back to the Ikdam FPSO (Floating Production, Storage and Offloading vessel). Reservoir pressure is maintained by water injection and artificial lift is provided by a crude oil powered jet-pump. Following initial commissioning, the field has performed above the expected 20,000 bopd target production rate.

Sudan

Lundin Petroleum has a 24.5 percent working interest in Block 5B operated by White Nile (5B) Petroleum Operating Company Ltd. (WNPOC), a joint operating company owned by Petronas Carigali and Sudapet.

Exploration drilling will commence in 2007 with a three well drilling programme to test the large prospectivity of Block 5B which have been identified by earlier acquired seismic data. The wells will be drilled using a drill rig mounted on a barge. The drilling equipment has been sourced and is being shipped to Sudan.

A 1,500 km 2D seismic acquisition programme is ongoing with 700 km already acquired.

Congo (Brazzaville)

Lundin Petroleum acquired an 18.75 percent interest in Marine Block XI, offshore Congo Brazzaville. The block is operated by SOCO.

There has been previous exploration activity on the block resulting in four small oil discoveries and the definition of several undrilled leads. The largest of the discoveries has recoverable resources initially estimated to be in the 35 million barrel range. All discoveries and leads are situated near existing facilities and in water depths ranging from 10 to 120 metres.

The acquisition of a 1,200 km² 3D seismic programme was completed in early December, 2006

Ethiopia

Lundin Petroleum has entered into a new PSC as an operator with 100 percent interest for Block 2 and 6 in the Ogaden Basin.

There has been a limited amount of exploration activities in the Basin, however, the historical exploration of the Western Ogaden Basin has demonstrated an existing petroleum system with proven source rock and reservoirs.

An exploration drilling programme is planned for 2008.



LOUDNA FIELD, TUNISIA



BLOCK 5B, SUDAN

LUNDIN PETROLEUM FOLLOWING THE TRANSACTION



SOCHEMYU TALYU FIELD, RUSSIA



BANYUMAS BLOCK, INDONESIA

OPERATIONS - RUSSIA, SOUTH EAST ASIA AND SOUTH AMERICA

Russia

Reserves: 30.3 MMboe

2006 average net production: 4,664 boepd*

Lundin Petroleum acquired Valkyries Petroleum Corporation in August 2006 in an all share transaction. The main assets include a growth oriented production, development and exploration portfolio of oil and gas projects in Russia. Key projects comprise interests in the producing Sotchemyu-Talyu Field and the North Israel Field in the Komi Republic; in the producing Kaspiskoye Field in the Kalmykia Republic; in the Ashirovskoye producing field in Orenburg; as well as an interest in the highly prospective Lagansky exploration block offshore in the Caspian Sea.

The Lagansky Block is 2,000 square kilometres (494,000 acres) in size and is located in the Central Caspian Basin, which contains some of the largest oil and gas accumulations in the world. Two exploration wells are planned to be drilled in the block during 2007. The barge mounted drilling facilities necessary for shallow water drilling has been completed.

Indonesia

Reserves: 17.6 MMboe

2006 average net production: 2,449 boepd

Lundin Petroleum has an extensive portfolio of production, development and exploration assets. Production is generated from non-operated assets in the Salawati Island and Salawati Basin PSC's.

The development of the Singa gas discovery on Lematang Block is ongoing with first gas expected in 2009. Gas sales arrangements are currently being finalised to supply gas to customers in west Java. Lundin Petroleum acquired an additional 10 percent working interest in the Lematang Block in 2006. The deal was completed in January 2007 resulting in a working interest for Lundin Petroleum of 25.88 percent.

The exploration well Tengis-1, offshore Java, will be drilled in 2007. Lundin Petroleum is the operator.

Vietnam

Lundin Petroleum has been awarded a 33.34 percent working interest in Block 06/94 in the Nam Con Son Basin, offshore southern Vietnam. The block covers an area of 4,195 km² in water depths ranging from 100 to 500 meters.

Several large structures have been mapped across the block with an existing high quality grid of 2D seismic. Future plans will include the acquisition of 800 km² of 3D seismic and the drilling of additional exploratory wells to prove up the oil and gas potential of the block.

Venezuela

In July 2006 an agreement was completed between Lundin Petroleum and its partners and the Venezuelan national oil company Petroleos de Venezuela S.A. (PDVSA) in connection with the conversion of the Colón Unit Operating Services Agreement into a new joint venture company with direct participation by PDVSA.

Lundin Petroleum holds a 5 percent equity interest in the new joint venture company, Baripetrol SA. The new arrangement was effective from 1 April 2006 and as such Lundin Petroleum has from this date accounted for its investment in Venezuela as an equity holding and has not reported its share of production. The period for exploration and production on the Colón block has been extended from 2014 to 2026.

* Average net production as at 1 August 2006

PRO FORMA ACCOUNTS (unaudited)

On pages 12 and 13, the pro forma income statement and balance sheet (the "Pro Forma Accounts") of the Lundin Petroleum Group are shown. The Pro Forma Accounts have been prepared on the basis of the audited consolidated financial statements of Lundin Petroleum for the year ended 31 December 2006, as adjusted to reflect the Lundin Petroleum Group's accounts excluding the Norwegian and UK businesses. The purpose of the Pro Forma Accounts is to show the Lundin Petroleum Group's net result for the year ended 31 December 2006 and assets and liabilities as at 31 December 2006, excluding the Norwegian and UK businesses, without taking into account any accounting results in relation to the completion of the Transaction.

Further adjustments relate to reclassifications of receivables and liabilities between the Lundin Petroleum Group and Viking Oil and Gas and related interest income and expenses.

PRO FORMA KEY FIGURES

	Lundin Petroleum Group	Viking	Pro Forma Lundin Petroleum
	1 Jan 2006- 31 Dec 2006 12 months	1 Jan 2006- 31 Dec 2006 12 months	1 Jan 2006- 31 Dec 2006 12 months
Production in mboepd	29.7	17.5	12.2
Operating income in MSEK	4,414.5	2,781.2	1,642.9
Net profit in MSEK	794.4	518.4	276.0
Earnings SEK per share ¹	2.83	1.85	0.98
Earnings SEK per share fully diluted ¹	2.81	1.84	0.97
EBITDA in MSEK	2,731.5	1,788.5	943.0
Operating cash flow in MSEK	2,271.0	1,414.4	856.6

¹ Based on the Group's net result

LUNDIN PETROLEUM GROUP PRO FORMA INCOME STATEMENT

Expressed in TSEK	Lundin Petroleum Group	Viking	Adjustments	Pro Forma Lundin Petroleum Group
	1 Jan 2006-31 Dec 2006 12 months	1 Jan 2006-31 Dec 2006 12 months	1 Jan 2006-31 Dec 2006 12 months	1 Jan 2006-31 Dec 2006 12 months
Operating income				
Net sales of oil and gas	4,233,348	-2,640,852	–	1,592,496
Other operating income	181,158	-140,310	9,603	50,451
	4,414,506	-2,781,162	9,603	1,642,947
Cost of sales				
Production costs	-1,575,781	982,567	-9,603	-602,817
Depletion of oil and gas properties	-776,735	453,511	–	-323,224
Write off of oil and gas properties	-123,469	–	–	-123,469
	1,938,521	-1,345,084	–	593,437
Gross profit				
Sale of assets	–	–	–	0
Other income	9,618	–	–	9,618
General, administration and depreciation expenses	-116,818	10,046	–	-106,772
	1,831,321	-1,335,038	–	496,283
Operating profit				
Result from financial investments				
Financial income	96,395	-77,079	61,909	81,225
Financial expenses	-96,364	64,322	-61,909	-93,951
	31	-12,757	–	-12,726
	1,831,352	-1,347,795	–	483,557
Profit before tax				
Tax	-1,036,917	829,353	–	-207,564
	794,435	-518,442	–	275,993
Net profit				
Net profit attributable to:				
Shareholders of the parent company	803,005	-518,442	–	284,563
Minority interest	-8,570	–	–	-8,570
	794,435	-518,442	–	275,993
Net profit				
Earnings per share – SEK ¹	2.86	-1.85	–	1.01
Diluted earnings per share – SEK ¹	2.85	-1.84	–	1.01

¹ Based on net profit attributable to shareholders of the parent company.

LUNDIN PETROLEUM GROUP PRO FORMA BALANCE SHEET

	Lundin Petroleum Group	Viking	Adjustments	Pro Forma Lundin Petroleum Group
Expressed in TSEK	31 Dec 2006	31 Dec 2006	31 Dec 2006	31 Dec 2006
ASSETS				
Non-current assets				
Oil and gas properties	14,407,846	-4,569,376	-	9,838,470
Other tangible fixed assets	117,424	-6,855	-	110,569
Goodwill	817,185	-	-	817,185
Investment in Viking	-	-	1,753,464	1,753,464
Financial assets	357,442	-578,562	833,241	612,121
Deferred tax	488,024	-343,505	-	144,519
Total non-current assets	16,187,921	-5,498,298	2,586,705	13,276,328
Current assets				
Receivables and inventories	1,200,269	-424,435	11,642	787,476
Cash and cash equivalents	297,221	-146,218	-	151,003
Total current assets	1,497,490	-570,653	11,642	938,479
TOTAL ASSETS	17,685,411	-6,068,951	2,598,347	14,214,807
EQUITY AND LIABILITIES				
Equity				
Shareholders' equity	8,952,680	-1,753,464	1,753,464	8,952,680
Minority interest	1,615,131	-	-	1,615,131
Total equity	10,567,811	-1,753,464	1,753,464	10,567,811
Non-current liabilities				
Provisions	4,481,496	-2,223,555	-	2,257,941
Long-term interest bearing debt	1,391,063	-1,421,627	833,241	802,677
Total non-current liabilities	5,872,559	-3,645,182	833,241	3,060,618
Current liabilities	1,245,041	-670,305	11,642	586,378
TOTAL EQUITY AND LIABILITIES	17,685,411	-6,068,951	2,598,347	14,214,807

RECOMMENDATIONS OF THE BOARD OF DIRECTORS

The board of directors of Lundin Petroleum considers that the proposed Transaction is in the best interests of Lundin Petroleum and its shareholders. The directors accordingly unanimously recommend that, in connection with the Transaction, holders of Lundin Petroleum shares approve the following matters:

1. the sale of approximately 50.01 percent of the shares of Viking to the public; and
2. the authority of the board of directors to take all appropriate actions in order to execute the Transaction, including determining the terms and conditions, including price, on which the Viking shares will be sold.

Stockholm on 2 April 2007

LUNDIN PETROLEUM AB (publ)

The Board of Directors

Ian H. Lundin
Chairman

Kai Hietarinta

Magnus Unger

William A. Rand

Lukas H. Lundin

C. Ashley Heppenstall

Viveca Ax:son Johnson



www.lundin-petroleum.com