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## **LUNDIN PETROLEUM AND OMV ACQUIRE A NEW EXPLORATION ASSET OFFSHORE ALBANIA**

Lundin Petroleum AB ("Lundin Petroleum") and OMV Aktiengesellschaft ("OMV") announce the signing of a new Production Sharing Contract (PSC) with the Albanian Government for the exploration and production of oil and gas in a new offshore Albania block called 'Durrresi' (see map PDF). During the first four years of the PSC, Lundin Petroleum (50%) and OMV (50%, operator) will undertake exploration activities including geological studies, reprocessing of existing seismic lines, acquisition of 400 km<sup>2</sup> of new 3D seismic, and the drilling of at least one exploration well.

Lundin Petroleum and OMV took the important decision of entering into the new offshore PSC after evaluation of the technical data acquired under the previous onshore Block D PSC, which will be terminated. The new PSC, and the negotiated transfer of the remaining Block D work obligation into the new Durrresi Block, is pending formal ratification by the Albanian government.

At the signing ceremony, held in Tirana on 27th May 2004, the Albanian Minister of Industry and Power Mr. Viktor Doda highlighted the importance of this agreement which specifically considers the possibility for the exploitation and commercialisation of natural gas in addition to oil.

Ashley Heppenstall, President and CEO of Lundin Petroleum, stated: "This new exploration activity is an important addition to the Lundin Petroleum portfolio of exploration assets and we are very interested in the gas potential of the Durrresi Block. In the event of natural gas discovery, we will not only seek to meet Albania's internal requirements but seek to bring Albania into the growing Mediterranean gas arena."

*Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Albania, France, Indonesia, Iran, Ireland, Netherlands, Norway, Sudan, Tunisia, United Kingdom, Venezuela and Albania. The Company is listed on the O-list at Stockholmsbörsen, Sweden (ticker "LUPE").*

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