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Stockholm 1 August 2012

REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2012

HIGHLIGHTS

Six months ended 30 June 2012 (30 June 2011)

- Production of 35.1 Mboepd (32.3 Mboepd)
- Net result of MUSD 111.7 (MUSD 130.3)
- EBITDA of MUSD 580.6 (MUSD 505.3)
- Operating cash flow of MUSD 375.6 (MUSD 390.3)
- New USD 2.5 billion seven year secured revolving borrowing base facility signed on 25 June 2012
- Edvard Grieg field PDO approved
- Pre-unit agreement signed for the Johan Sverdrup field
- Production commenced from the Gaupe field on 31 March 2012
- Bøyla field PDO submitted to the Norwegian Ministry of Petroleum and Energy
- Ten Norwegian licences awarded in the 2011 Norwegian APA licensing round, four as operator

Second quarter ended 30 June 2012 (30 June 2011)

- Production of 35.5 Mboepd (31.1 Mboepd)
- Net result of MUSD 64.5 (MUSD 76.9)
- EBITDA of MUSD 271.5 (MUSD 266.9)
- Operating cashflow of MUSD 209.0 (MUSD 196.7)

	1 Jan 2012- 30 Jun 2012 6 months	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Production in Mboepd	35.1	35.5	32.3	31.1	33.3
Operating income in MUSD	680.1	317.9	619.0	327.2	1,269.5
Net result in MUSD	111.7	64.5	130.3	76.9	155.2
Net result attributable to shareholders of the Parent Company in MUSD	113.8	65.1	133.1	78.0	160.1
Earnings/share in USD[1]	0.37	0.21	0.43	0.25	0.51
Diluted earnings/share in USD[1]	0.37	0.21	0.43	0.25	0.51
EBITDA in MUSD	580.6	271.5	505.3	266.9	1,012.1
Operating cash flow in MUSD	375.6	209.0	390.3	196.7	676.2

[1] Based on net result attributable to shareholders of the Parent Company

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets primarily located in Europe and South East Asia. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE") and at the Toronto Stock Exchange (TSX) (Ticker “LUP”). Lundin Petroleum has proven and probable reserves of 211 million barrels of oil equivalent (MMboe).

Dear fellow shareholders,

We continue to make good progress in meeting our growth objectives for Lundin Petroleum.

I am pleased to report that we have now received Norwegian parliament approval for the development of the Edvard Grieg field. The major contracts for this USD 4 billion development project have already been awarded to Kværner, Rowan Companies and Saipem.

In June we completed a new USD 2.5 billion bank loan facility with a syndicate of 25 international banks. This funding was successfully completed in a difficult bank market environment and clearly highlights Lundin Petroleum's ability to access capital from the international banking markets. Whilst our primary source of funding will continue to be our strong operating cash flow, the new facility will provide additional liquidity to fund our development projects such as Edvard Grieg, Brynhild and Bøyla as well as our continued aggressive exploration programme.

Financial performance
Our financial performance in the first half of 2012 was once again excellent, driven by increased production, particularly in Norway. This resulted in EBITDA of USD 580.6 million, operating cash flow of USD 375.6 million and net profit of USD 111.7 million for the period.

Production
Production for the first six months of 2012 of 35,100 boepd was above our capital markets day forecast. Production was positively impacted by strong performance from the Alvheim and Volund fields, offshore Norway. The uptime on the Alvheim FPSO was above forecast and the Volund reservoir continues to perform above expectation. Production would have further outperformed were it not for underperformance in Tunisia where the Oudna field will now be abandoned following flowline damage and in Indonesia where well maintenance work continues on the Singa field.

Production from the Gaupe field, offshore Norway has contributed to increased production during the second quarter of 2012. However, the reservoir performance is currently below expectation, most likely as a result of lower connected hydrocarbon volumes. We will monitor the Gaupe performance to assess potential remedial action.

We have revised our 2012 production forecast to a range between 33,000 boepd to 37,000 boepd from the previous range of 32,000 to 38,000 boepd. The upside remains continued outperformance from the Alvheim and Volund fields whilst the downside risk includes deterioration of Gaupe production coupled with higher than expected water cut development in the Volund production wells.

We maintain our target to double production to over 70,000 boepd by the end of 2015 following commencement of production from the Edvard Grieg field.

Development
Our three ongoing development projects in Norway, Edvard Grieg, Brynhild and Bøyla are all progressing satisfactorily.

Edvard Grieg and Brynhild, both operated by Lundin Petroleum, have received plan of development approval and project execution is ongoing. Major contracts have been awarded for both projects.

The Edvard Grieg field is located in PL338 and we have a 50 percent working interest. The field contains reserves of 186 MMboe and will produce at a gross production rate of close to 100,000 boepd. It is likely that we will drill an additional appraisal well on Edvard Grieg in early 2013 to target upside reserves volumes in the south eastern part of the field referred to as the "golden zone".

The Brynhild field is being developed as a subsea tieback to Shell's Pierce field facilities located in the United Kingdom with first oil forecast for late 2013. The Brynhild field is expected to produce at an estimated gross plateau production rate of 12,000 boepd.

In Malaysia, work continues to firm up plans for the development of the Bertam field in PM307.

Appraisal
The appraisal of the Johan Sverdrup field continues with an aggressive ongoing drilling programme. Lundin Petroleum as operator of PL501 has already completed two appraisal wells this year, a third appraisal well is ongoing and two further appraisal wells will be completed this year. In addition, Statoil, as operator of PL265 will drill three further wells this year, one of which will be an exploration well in the southern part of Aldous Major North.

I now expect that further appraisal drilling will take place in 2013 to fully delineate the field which covers an area of over 150 square kilometres.

The results of the 2012 appraisal programme will be used to update recoverable resources for the field and to assist the development team with its project planning. It is expected that updated resources will be announced in the first quarter of 2013.

Lundin Petroleum as operator of PL501 has signed a Pre-Unit Agreement with Statoil as operator of PL265 in respect of development of the Johan Sverdrup field. It has been agreed that Statoil will assume the role of "working operator" of the field to coordinate the work up to submission of the field development plan. All PL501 and PL265 parties have agreed a timetable for Johan Sverdrup which involves a conceptual development decision by end 2013, plan of development submission by end 2014 and target first oil by end 2018.

Exploration
The first six months of 2012 has been relatively quiet from an exploration perspective. Our available drilling rig capacity has been prioritised to complete Johan Sverdrup appraisal drilling. In addition, the harsh winter conditions this year in the North Sea have resulted in delays to rig deliveries.

Nevertheless, we remain extremely committed to our exploration driven growth strategy and the second half of 2012 will see increased exploration activity.

We will be drilling five exploration wells in Norway. These include two wells in the Barents Sea, Pulk and Juksa, two wells in the Greater Luno Area, Luno II and Aldous Major North and the completion of the Albert well in the Møre Basin. We will also have completed our five well exploration programme offshore Malaysia in addition to the drilling of two exploration wells in the Paris Basin, onshore France.

We have secured additional rig capacity in Norway, which will ensure the continuation of our exploration drilling activity in 2013 and 2014. We have signed a two year contract for the new build semi-submersible Island Innovator due for delivery in 2013. We also have capacity on the Transocean Winner, Transocean Arctic, Bredford Dolphin and Maersk Guardian rigs.

We have rig capacity, funding and a portfolio of exciting exploration drilling prospects and I am confident this will lead to further exploration success.

Oil Market and Lundin Petroleum
There remains uncertainty in many of the world's economic markets with continuing problems in the financial markets. There is limited growth in Europe with its well-publicised problems and other developed markets struggle to recover from the financial crisis. China's economy is still robust despite the recent lower growth numbers. These uncertainties have resulted in somewhat weaker world oil prices over recent weeks. Nevertheless our industry continues to be challenged in meeting oil demand despite lower world economic growth. As a result we maintain our view that oil prices will remain strong in the medium to long term.

I would like to reiterate Lundin Petroleum's strong commitment to HSE (health, safety and environment) and corporate responsibility which is outlined in our Code of Conduct. I personally believe that the oil and gas industry has done an excellent job in respect of delivering top quality performance whilst at the same time ensuring that the world is adequately supplied with oil and gas.

Everybody at Lundin Petroleum is fully committed to ensuring that we continue not only to deliver our production and financial growth targets but to do this in accordance with our HSE and corporate responsibility objectives.

Yours Sincerely,

C. Ashley Heppenstall
President and CEO
Stockholm, 1 August 2012

OPERATIONAL REVIEW

Production

Production for the six month period ended 30 June 2012 (reporting period) amounted to 35.1 Mboepd (thousand barrels of oil equivalent per day) and was comprised as follows:

Production in Mboepd	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Crude oil					
Norway	23.3	23.7	20.4	19.3	21.1
France	2.9	2.9	3.1	3.1	3.1
Russia	2.8	2.8	3.2	3.1	3.1
Tunisia	0.2	0.0	0.8	0.8	0.7
Total crude oil production	**29.2**	**29.4**	27.5	26.3	28.0
Gas					
Norway	3.1	3.6	1.9	1.8	2.1
Netherlands	1.9	1.9	2.0	2.0	2.0
Indonesia	0.9	0.6	0.9	1.0	1.2
Total gas production	**5.9**	**6.1**	4.8	4.8	5.3
Total production					
Quantity in Mboe	**6,385.1**	**3,231.0**	5,845.8	2,832.8	12,151.5
Quantity in Mboepd	**35.1**	**35.5**	32.3	31.1	33.3

EUROPE

Norway

Production

in Mboepd	Lundin Petroleum Working Interest (WI)	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**
Alvheim	15%	12.0	11.8
Volund	35%	13.2	13.2
Gaupe	40%	1.2	2.3
		26.4	**27.3**

Production from the Alvheim field during the reporting period was ahead of forecast due to the cancellation of the anticipated second quarter shut down of the SAGE system, although a short shutdown of the Alvheim FPSO was carried out to allow for planned maintenance. An Alvheim development well was spudded during the first quarter of 2012 and is expected to come on production at the end of 2012. The cost of operations for the Alvheim field during the reporting period remained at below USD 5 per barrel.

Volund field production continued to exceed forecasts because of better Alvheim FPSO uptime and better than expected reservoir performance. An additional Volund development well will be drilled in 2012 and is expected to come on production in the first quarter of 2013.

First production from the Gaupe field in PL292 (WI 40%) was achieved on 31 March 2012. Production from the Gaupe field has been below forecast during the second quarter of 2012. Initial technical analysis seems to indicate that the two production wells are connected to lower hydrocarbon volumes than was forecast prior to production startup. Reservoir performance continues to be monitored and technical studies are ongoing to determine potential remedial action.

Development

In January 2012, a plan of development was submitted for the Edvard Grieg field (formerly named Luno) (WI 50%) to the Norwegian Ministry of Petroleum and Energy. The development plan incorporates the provision for the coordinated development solution of the Edvard Grieg field with the nearby Draupne field located in PL001B and operated by Det norske oljeselskap ASA. The Norwegian Parliament approved the Edvard Grieg plan of development in June 2012.

The Edvard Grieg field is estimated to contain 186 MMboe of gross reserves with first production expected in late 2015 and forecast gross peak production of approximately 100.0 Mboepd. The gross capital cost of the Edvard Grieg field development is estimated at USD 4 billion to include platform, pipelines and 15 wells. Contracts have been awarded to Kværner covering engineering, procurement and construction of the jacket and the topsides for the platform and to Rowan Companies for a jack up rig to drill the development wells. Saipem has been awarded the contract for marine installation.

A plan of development of the Brynhild field in PL148 (WI 70%) was approved by the Norwegian Ministry of Petroleum and Energy in November 2011. The Brynhild field contains gross reserves of 20 MMboe and is expected to produce at an estimated gross plateau production rate of 12.0 Mboepd with first oil forecast in late 2013. The development involves the drilling of four wells tied back to the existing Shell operated Pierce field infrastructure in the UK sector of the North Sea. In March 2012, Lundin Petroleum announced that it had entered into an agreement with Talisman Energy to acquire an additional 30 percent interest in PL148 containing the Brynhild field, offshore Norway.

A plan of development for the Bøyla field in PL340 (WI 15%) was submitted in June 2012. The Bøyla field contains gross reserves of 21 MMboe and will be developed as a subsea tieback to the Alvheim FPSO. First oil from the Bøyla field is expected in 2014 at a gross plateau production rate of 20 Mboepd.

Appraisal

Lundin Petroleum discovered the Avaldsnes field in PL501 (WI 40%) in 2010. In 2011, Statoil made the Aldous Major South discovery on the neighbouring PL265 (WI 10%). Following appraisal drilling, it was determined that the discoveries were connected and in January 2012 the combined discovery was renamed Johan Sverdrup.

In January 2012, a third appraisal well, 16/5-2S, located on PL501 was completed. The objective of the well was to delineate the southern flank of the Johan Sverdrup, PL501 discovery. The well, despite encountering good Jurassic sandstone reservoir, was deep to prognosis and as a result the reservoir was below the oil water contact.

In May 2012, a further appraisal well, 16/2-11, was completed on PL501 which encountered a 54 metre gross oil column in Upper and Middle Jurassic sandstone reservoir in an oil-down-to situation. The reservoir was encountered at depth prognosis. A comprehensive logging and coring programme was successfully completed as well as a production test (DST) in the previously untested Middle Jurassic reservoir. The data obtained from this well confirmed good reservoir properties in line with the earlier Johan Sverdrup wells where the Upper Jurassic reservoir was of excellent quality with a high net to gross ratio. A sidetrack of the well was successfully completed confirming similar excellent reservoir thickness and quality.

A further three appraisal wells will be drilled in PL501 in 2012 and Statoil will drill three further appraisal/ exploration wells in PL265 in 2012. The appraisal programme will define the recoverable resource and assist with the development planning strategy. Lundin Petroleum has commenced the drilling of the first of three appraisal wells with well 16/2-13 on the north eastern part of the Johan Sverdrup discovery. The well is located 2.5 km north east of the discovery well 16/2-6 made in 2010 and the main objective is to determine the top reservoir, reservoir quality and thickness, and oil water contact in this part of the field. Statoil, as operator of PL265, has commenced the drilling of exploration well 16/2-12 targeting the Geitungen structure. The well is located in PL265, between the Johan Sverdrup discovery and the 16/2-9S discovery in the Norwegian North Sea. The main objective of the well 16/2-12 is to prove the presence of oil bearing Jurassic sandstones similar to the Johan Sverdrup discovery.

Lundin Petroleum, as operator of PL501, has signed a Pre-Unit Agreement with the partners within PL501 and PL265 for the joint field development of the Johan Sverdrup field. Statoil has been elected as working operator for the pre-unit phase. All parties in PL501 and PL265 have agreed a timetable for the Johan Sverdrup field with development concept selection to be made by the third quarter of 2013, a plan of development to be submitted by the fourth quarter of 2014 and first oil production by the end of 2018.

It is likely that further appraisal wells will be drilled on the Johan Sverdrup field in 2013.

Exploration

Lundin Petroleum is focused on three exploration areas in Norway; the Southern Utsira High area, the Barents Sea area and the Møre Basin area.

In May 2012, Lundin Petroleum spudded the exploration well on the Albert prospect in PL519 in the Møre Basin in the northern North Sea, offshore Norway. The main objective of the well is to test Cretaceous and Triassic age sandstones of a multiple target structure. Lundin Petroleum estimates the Albert prospect to contain unrisked, gross, prospective resources of 177 MMboe. In June 2012, Lundin Petroleum announced the temporary suspension of the Albert well to allow the Bredford Dolphin drilling rig to be moved to a Norwegian yard to complete its five year renewal survey before returning to complete the Albert exploration well. The well has been temporarily suspended above the primary targets and drilling is forecast to recommence in August 2012.

Two wells will be drilled in the Barents Sea in the second half of 2012. ENI, as operator, will drill the Pulk prospect in PL533 (WI 20%) during the third quarter and Lundin Petroleum, as operator, will drill the Juksa prospect in PL490 (WI 50%) during the fourth quarter of 2012.

On 29 June 2012, Lundin Petroleum announced the completion of the Clapton exploration well (W.I 18%) in the southern North Sea, offshore Norway. The well encountered reservoir rocks as expected but the reservoir properties were poorer than expected. The well has been permanently plugged and abandoned as a dry well.

Lundin Petroleum announced in July 2012 that it had entered into farm-out agreements to reduce its holdings in a number of licences. Spring Energy Norway AS will acquire a 10 percent interest in PL490, with Lundin Petroleum retaining 50 percent and Norwegian Energy Company ASA will acquire a 10 percent interest in PL492, with Lundin Petroleum retaining 40 percent; both licences are located in the Barents Sea. Explora

Petroleum AS will acquire a 30 percent interest in PL544 and Lundin Petroleum will retain 40 percent; the licence is located in the North Sea.

France

Production

in Mboepd	Lundin Petroleum Working Interest (WI)	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**
Paris Basin	100%	2.3	2.3
Aquitaine Basin	50%	0.6	0.6
		2.9	**2.9**

The redevelopment of the Grandville field in the Paris Basin is substantially complete. The new production facilities will be brought onstream in the third quarter of 2012.

Two exploration wells are planned in the Paris Basin area and will be drilled in the second half of 2012 following the completion of the Grandville development wells.

The Netherlands

The net gas production to Lundin Petroleum from the Netherlands averaged 1.9 Mboepd for the reporting period. Development drilling on existing production assets is ongoing to optimize field recovery.

Ireland

Following the completion of seismic studies on the Slyne Basin licence 04/06 (WI 50%) discussions regarding future work programme are being considered by the licence partners.

SOUTH EAST ASIA

Indonesia

Lematang (South Sumatra)

The net production to Lundin Petroleum from the Singa gas field (WI 25.9%) during the reporting period amounted to 0.9 Mboepd. Production in the reporting period has been negatively affected by well maintenance work which is not expected to be completed until the end of the third quarter of 2012.

Baronang/Cakalang (Natuna Sea)

Exploration drilling on the Baronang Block (WI 100%) is expected to commence in 2013.

South Sokang (Natuna Sea)

The interpretation of the 2,400 km 2D seismic acquisition programme, completed in 2011, is ongoing to determine the location for a 3D seismic acquisition programme in 2013.

Gurita (Natuna Sea)

A 3D seismic acquisition programme of 950 km² has been completed in 2012 on the Gurita Block (WI 100%).

Malaysia

The first of five exploration and appraisal wells to be drilled in 2012 was spudded in July 2012. The Tiga Papan 5 well in SB307/308, offshore Sabah, east Malaysia targeted mid-Miocene aged sands of the Tiga Papan Unit. The well successfully penetrated the target reservoir interval which proved to be water bearing and the well has been plugged and abandoned as a dry hole.

The Tarap and Cempulut exploration wells drilled in Block SB303 (WI 75%), offshore Sabah, east Malaysia in 2011 resulted in gas discoveries alongside the existing discovery named Titik Terang. The three discoveries are in close proximity to one another and have an estimated gross contingent resource of more than 250 bcf and Lundin Petroleum is evaluating the potential for a cluster development. A further exploration well will be drilled on this Block during 2012 to target the Berangan prospect.

In November 2011, the second exploration well drilled in PM308A Janglau-1 was completed as an oil discovery proving up a new play concept in Oligocene intra-rift sands. The discovery will require further drilling in the area and an additional well is planned in 2012. Two further wells will be drilled in 2012 in the Penyu Basin contained within Blocks PM308B and PM307.

In June 2011, Lundin Petroleum acquired a 75 percent working interest in Block PM307 offshore peninsular Malaysia. A 2,100 km² 3D seismic acquisition programme was completed in 2011. In January 2012, the Bertam-2 appraisal well was successfully completed proving the continuity and quality of the K10 oil reservoir sandstone. The Bertam discovery is likely a commercial oil field and studies are now progressing to review potential development concepts.

An acquisition of 1,450 km² of new 3D seismic has commenced in PM308A.

RUSSIA

The net production to Lundin Petroleum from Russia for the reporting period was 2.8 Mboepd. In the Lagansky Block (WI 70%) in the northern Caspian a major oil discovery was made on the Morskaya field in 2008. The discovery is deemed to be strategic, due to its offshore location, by the Russian Government under the Foreign Strategic Investment Law. As a result a 50 percent ownership by a state owned Company is required prior to appraisal and development.

AFRICA

Tunisia

There was no production from the Oudna field (WI 40%) for the second quarter of 2012. During March 2012, storm damage to a flowline resulted in a shut-in of the field. An assessment of repair solutions to the flowline was carried out and it was determined to be uneconomic to repair. The field will be abandoned in 2012.

Congo (Brazzaville)

Lundin Petroleum relinquished its interest in Block Marine XI (WI 18.75%) in June 2012. The work programme for Block Marine XIV (WI 21.55%) has been fulfilled. Lundin Petroleum will not enter Phase II of the licence which will expire in October 2012.

FINANCIAL REVIEW

Result

The net result for the six month period ended 30 June 2012 amounted to MUSD 111.7 (MUSD 130.3). The net result attributable to shareholders of the Parent Company for the reporting period amounted to MUSD 113.8 (MUSD 133.1) representing earnings per share on a fully diluted basis of USD 0.37 (USD 0.43).

Earnings before interest, tax, depletion and amortisation (EBITDA) for the reporting period amounted to MUSD 580.6 (MUSD 505.3) representing EBITDA per share on a fully diluted basis of USD 1.87 (USD 1.62). Operating cash flow for the reporting period amounted to MUSD 375.6 (MUSD 390.3) representing operating cash flow per share on a fully diluted basis of USD 1.21 (USD 1.26).

Changes in the Group

There are no significant changes to the Group for the reporting period.

Operating income

Net sales of oil and gas for the reporting period amounted to MUSD 674.3 (MUSD 614.2) and are detailed in Note 1. Compared to the comparative period, sales volumes were 8.4 percent higher and the achieved oil price was 1.3 percent higher resulting in 9.8 percent higher oil and gas revenues. The average price achieved by Lundin Petroleum for a barrel of oil equivalent amounted to USD 102.50 (USD 101.23) and is detailed in the following table. The average Dated Brent price for the reporting period amounted to USD 113.61 (USD 111.09) per barrel. The premium over dated Brent on the Alvheim and Volund field crude cargoes sold during the reporting period averaged USD 3.83 (USD 3.73) per barrel.

Sales of oil and gas for the reporting period were comprised as follows:

Sales Average price per boe expressed in USD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Crude oil sales					
Norway					
- Quantity in Mboe	4,209.0	2,160.2	3,747.4	1,805.5	7,896.0
- Average price per boe	116.56	110.40	115.28	121.27	115.38
France					
- Quantity in Mboe	492.2	212.8	576.8	285.5	1,155.5
- Average price per boe	111.04	99.94	109.52	113.70	110.59
Netherlands					
- Quantity in Mboe	1.2	0.6	1.0	0.5	2.2
- Average price per boe	100.65	93.76	118.54	118.99	103.87
Russia					
- Quantity in Mboe	509.8	244.5	577.0	275.9	1,138.4
- Average price per boe	77.15	76.51	69.50	76.20	69.85
Tunisia					
- Quantity in Mboe	227.5	29.1	198.2	198.2	198.2
- Average price per boe	108.09	82.97	125.12	125.12	125.12
Total crude oil sales					
- Quantity in Mboe	**5,439.7**	**2,647.2**	5,100.4	2,565.6	10,390.3
- Average price per boe	**112.01**	**106.12**	109.83	115.87	110.25
Gas and NGL sales					
Norway					
- Quantity in Mboe	618.3	349.6	441.4	206.9	947.2
- Average price per boe	62.18	62.94	62.19	63.04	61.14
Netherlands					
- Quantity in Mboe	358.1	172.8	367.3	180.0	722.8
- Average price per boe	59.17	57.88	58.32	62.54	60.61
Indonesia					
- Quantity in Mboe	162.2	64.4	158.9	94.7	387.7
- Average price per boe	32.83	33.35	32.73	32.61	32.83
Total gas and NGL sales					
- Quantity in Mboe	**1,138.6**	**586.8**	967.6	481.6	2,057.7
- Average price per boe	**57.05**	**58.21**	55.88	56.87	54.50
Total sales					
- Quantity in Mboe	**6,578.3**	**3,234.0**	6,068.0	3,047.2	12,448.0
- Average price per boe	**102.50**	**97.43**	101.23	106.55	101.04

Sales quantities in a period can differ from production quantities as a result of permanent and timing differences. Timing differences can arise due to inventory, storage and pipeline balances effects. Permanent differences arise as a result of paying royalties in kind as well as the effects from production sharing agreements.

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 44 percent (36 percent) of Russian sales for the reporting period were on the international market at an average price of USD 109.84 per barrel (USD 108.68 per barrel) with the remaining 56 percent (64 percent) of Russian sales being sold on the domestic market at an average price of USD 51.04 per barrel (USD 47.12 per barrel).

Other operating income amounted to MUSD 5.8 (MUSD 4.7) for the reporting period and includes MUSD 3.1 (MUSD 2.0) of income relating to a quality differential compensation payable from the Vilje field owners to the Alvheim and Volund field owners. All three fields produce to the Alvheim FPSO vessel and the oil is commingled to produce an Alvheim crude blend which is then sold. Also included in other operating income is tariff income from France and the Netherlands and income for maintaining strategic inventory levels in France.

Production costs

Production costs including inventory movements for the reporting period amounted to MUSD 100.5 (MUSD 97.9) and are detailed in Note 2. The production and depletion costs per barrel of oil equivalent produced are detailed in the table below.

Production cost and depletion in USD per boe	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Cost of operations	7.91	7.84	8.31	8.96	8.43
Tariff and transportation expenses	2.14	2.10	2.12	2.28	1.88
Royalty and direct taxes	4.24	4.50	4.35	4.87	4.31
Changes in inventory/lifting position	1.27	-0.36	1.77	4.32	1.08
Other	0.18	0.19	0.19	0.20	0.18
Total production costs	**15.74**	**14.27**	16.74	20.63	15.88
Depletion	13.73	14.31	13.45	13.42	13.59
Total cost per boe	**29.47**	**28.58**	30.19	34.05	29.47

The total costs of operations for the reporting period was MUSD 50.5 compared to MUSD 48.6 for the comparative period and includes cost of operations of MUSD 2.4 (MUSD -) associated with the Gaupe field, Norway which came onstream on 31 March 2012. The cost of operations per barrel for the reporting period was 5 percent lower than the comparative period due to the production being 9 percent higher.

The cost of operations per barrel for the second quarter of 2012 amounted to USD 7.84 per barrel and was lower than anticipated due to rephased costs and better than expected production volumes. The cost of operations per barrel is forecast to increase in the third quarter of 2012 due to planned intervention work on the Alvheim field, Norway. For 2012, the average cost of operations per barrel for the year is forecast at below USD 8.60 per barrel compared to the Capital Market Day guidance of USD 9.35 per barrel.

The tariff and transportation expenses for the reporting period amounted to MUSD 13.6 compared to MUSD 12.4 for the comparative period. Included in the reporting period are costs of MUSD 2.4 (MUSD -) associated with the Gaupe field.

Royalty and direct taxes includes Russian Mineral Resource Extraction Tax (MRET) and Russian Export Duties. The rate of MRET is levied on the volume of Russian production and varies in relation to the international market price of Urals blend and the Rouble exchange rate. MRET averaged USD 23.14 (USD 20.86) per barrel of Russian production for the reporting period. The rate of export duty on Russian oil is revised by the Russian Federation monthly and is dependent on the average price obtained for Urals Blend for the preceding one month period. The export duty is levied on the volume of oil exported from Russia and averaged USD 60.82 (USD 54.92) per barrel for the reporting period.

There are both permanent and timing differences that result in sales volumes not being equal to production volumes during a period. Changes to the hydrocarbon inventory and under or overlift positions result from these timing differences and an amount of MUSD 8.1 (MUSD 10.4) was charged to the income statement for the reporting period. The main reason for the charge in the reporting period is due to the liftings in January and June of the hydrocarbon inventory on the Ikdam FPSO from the Oudna field, Tunisia, resulting in a net MUSD 14.6 charge to production costs in the reporting period. This was partly offset by a net underlift movement in Norway where crude sales volumes during the reporting period were lower than production volumes.

Depletion costs

Depletion costs amounted to MUSD 87.7 (MUSD 78.6) and are detailed in Note 3. Norway contributed approximately 82 percent of the total depletion charge for the reporting period at an average rate of USD 14.97 per barrel. The increase in depletion costs in the second quarter of 2012 was mainly as a result of the production start-up from the Gaupe field, Norway.

Exploration costs

Exploration costs for the reporting period amounted to MUSD 22.9 (MUSD 16.2) and are detailed in Note 4.

During the second quarter of 2012, the non-operated Clapton well on PL440S, Norway was unsuccessful and the costs of the well and associated licence costs totalling MUSD 12.6 were expensed.

During the first quarter of 2012, the decision was taken to relinquish the Rangkas Block, Indonesia, and MUSD 6.8 of capitalised costs were expensed.

Exploration and appraisal costs are capitalised as they are incurred. When exploration drilling is unsuccessful the costs are immediately charged to the income statement as exploration costs. All capitalised exploration costs are reviewed on a regular basis and are expensed where there is uncertainty regarding their recoverability.

General, administrative and depreciation expenses
The general, administrative and depreciation expenses for the reporting period amounted to a cost of MUSD 0.5 (MUSD 17.1) which included a non-cash credit of MUSD -11.5 (MUSD 5.7) in relation to the Group's Long-term Incentive Plan (LTIP) scheme.

The credit in the reporting period is due to the reduction in the LTIP provision as a result of a lower Lundin Petroleum share price at the balance sheet date. The calculated value of the LTIP awards, based on Lundin Petroleum's share price at the balance sheet date, is applied to the vested portion of all outstanding LTIP awards. The credit to the income statement for the reporting period includes the revaluation of the provision relating to the vested portion of all the LTIP awards up until the balance sheet date including those that vested in prior periods.

Lundin Petroleum has mitigated the exposure of the LTIP by purchasing its own shares. For more detail refer to the remuneration section below.

Financial income
Financial income for the reporting period amounted to MUSD 7.6 (MUSD 35.0) and is detailed in Note 6.

Interest income for the reporting period amounted to MUSD 1.6 (MUSD 2.6). The interest income in the comparative period includes an amount of MUSD 1.5 earned on a loan to Etrion Corporation. The Etrion loan was repaid during the second quarter of 2011.

Net foreign exchange gains for the reporting period amounted to MUSD 5.9 (MUSD -13.4). The US Dollar strengthened against the Euro and the Norwegian Kroner during the second quarter of 2012 giving rise to net exchange gain movements on the intercompany loans and working capital balances. The exchange gain during the second quarter reversed the exchange loss reported in the first quarter of 2012. An exchange loss of MUSD 0.1 (MUSD -) on settled foreign exchange hedges is included in the net foreign exchange gain for the reporting period.

An amount of MUSD 30.0 relating to the gain on sale of Africa Oil Corporation shares is included in financial income for the comparative period.

Financial expenses
Financial expenses for the reporting period amounted to MUSD 28.1 (MUSD 24.2) and are detailed in Note 7.

A provision for the costs of site restoration is recorded in the balance sheet at the discounted value of the estimated future cost. The effect of the discount is unwound each year and charged to the income statement. An amount of MUSD 2.5 (MUSD 2.3) has been charged to the income statement for the reporting period.

The amortisation of the deferred financing fees for the reporting period amounted to MUSD 2.5 (MUSD 1.2) and relates to the expensing of the fees incurred in establishing the previous loan facility over the period of usage of that facility. Lundin Petroleum arranged a new USD 2.5 billion financing facility which was signed on the 25 June 2012 and the fees associated with this facility will be amortised on a going forward basis.

Lundin Petroleum owns 50 million shares in ShaMaran Petroleum which it acquired in 2009 in a non-cash transaction. The investment was booked at the fair value of the shares at the date of acquisition and under accounting rules, subsequent movements in the fair value of the shares were being recognised in the consolidated statement of comprehensive income. In January 2012, ShaMaran Petroleum announced that it had relinquished its working interests in its operated Production Sharing Contract licences and, as such, it was considered that there had been a permanent diminution in the fair value of the shares of ShaMaran Petroleum held by Lundin Petroleum. As a result of the permanent diminution in the fair value of the shares, the cumulative loss recognised in other comprehensive income of MUSD 18.6 was reclassified from equity and recognised in the income statement in the reporting period.

Tax
The tax charge for the reporting period amounted to MUSD 336.3 (MUSD 289.6) and is detailed in Note 8.

The current tax charge for the reporting period amounted to MUSD 204.0 (MUSD 130.7) of which MUSD 192.8 (MUSD 112.6) relates to Norway. The Norwegian current tax charge for the reporting period is calculated using the actual results achieved and the development and exploration expenditure incurred during the reporting period.

The deferred tax charge for the reporting period amounted to MUSD 132.3 (MUSD 158.9) and arises primarily where there is a difference in depreciation for tax and accounting purposes. MUSD 128.7 (MUSD 148.2) of the deferred tax charge is attributable to Norway.

The Group operates in various countries and fiscal regimes where corporate income tax rates are different from the regulations in Sweden. Corporate income tax rates for the Group vary between 20 percent and

78 percent. The effective tax rate for the Group for the reporting period amounted to 75 percent. This effective rate is calculated from the face of the income statement and does not reflect the effective rate of tax paid within each country of operation. The overall effective rate of tax is driven by Norway where the tax rate is 78 percent reduced by the effect of uplift on development expenditure for tax purposes. The effective rate is increased due to a number of non-tax adjusted items in the reporting period including the impairment of the ShaMaran shares and certain other financial items, as well as a lower tax credit on the exploration costs relating to the Rangkas Block, Indonesia.

Non-controlling interest
The net result attributable to non-controlling interest for the reporting period amounted to MUSD -2.1 (MUSD -2.8) and mainly relates to the non-controlling interest's share in a Russian subsidiary which is fully consolidated.

BALANCE SHEET

Non-current assets
Oil and gas properties amounted to MUSD 2,526.2 (MUSD 2,329.3) and are detailed in Note 9.

Development and exploration expenditure incurred for the reporting period was as follows:

Development expenditure in MUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Norway	134.7	87.7	92.1	62.6	186.8
France	20.6	10.0	9.4	6.6	30.9
Netherlands	4.8	3.2	1.2	0.8	4.1
Indonesia	0.0	0.0	4.1	1.4	6.4
Russia	4.0	2.8	2.7	1.4	4.2
	164.1	**103.7**	109.5	72.8	232.4

During the reporting period, an amount of MUSD 134.7 of development expenditure was incurred in Norway, primarily on the Brynhild and Edvard Grieg field developments. MUSD 92.1 was spent in the comparative period on the development of the Gaupe and Alvheim fields. MUSD 20.6 was incurred in France in the reporting period primarily on the Grandville field redevelopment.

Exploration and appraisal expenditure in MUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Norway	111.1	63.8	152.3	92.5	288.6
France	1.0	0.6	0.5	0.2	1.7
Indonesia	6.7	5.5	6.4	3.5	16.4
Russia	3.0	1.5	4.5	2.5	10.0
Malaysia	11.6	8.1	26.4	22.0	98.7
Congo (Brazzaville)	1.4	0.2	2.7	1.2	19.0
Other	0.9	0.8	0.4	-0.4	3.1
	135.7	**80.5**	193.2	121.5	437.5

During the reporting period, exploration and appraisal expenditure of MUSD 111.1 was incurred in Norway mainly on the appraisal drilling of the Johan Sverdrup field and exploration drilling of the Clapton prospect on PL440S and the Albert prospect on PL519. In the comparative period, MUSD 152.3 was spent in Norway on five exploration and appraisal wells.

Financial assets amounted to MUSD 78.8 (MUSD 46.6) and are detailed in Note 10. Other shares and participations amounted to MUSD 8.7 (MUSD 17.8) and predominantly relate to the shares held in ShaMaran Petroleum which are reported at market price.

Capitalised financing fees amounted to MUSD 47.4 (MUSD 2.5) and relates to the new seven year USD 2.5 billion financing facility entered into in June 2012. The capitalised fees will be amortised over the expected life of the financing facility. The comparative amount relates to the previous financing facility which was fully expensed during the reporting period.

Other financial assets amounted to MUSD 10.6 (MUSD 11.0) and include Etrion Corporation bonds of MUSD 9.2 (MUSD 9.6).

Current assets
Receivables and inventories amounted to MUSD 218.8 (MUSD 224.4) and are detailed in Note 11.

Inventories amounted to MUSD 17.3 (MUSD 31.6) and include both hydrocarbon inventories and well supplies. The reduction compared to the comparative amount is due to the lifting of the Oudna field, Tunisia hydrocarbon inventory during the reporting period.

Other assets amounted to MUSD 41.5 (MUSD 21.2) and included an amount of MUSD 33.3 (MUSD 11.2) for a carried interest in PL148 Brynhild, Norway, under the terms of a sale agreement with the seller of the interest, Talisman Energy. The amount will be transferred to oil and gas properties on completion of the deal.

Cash and cash equivalents amounted to MUSD 90.6 (MUSD 73.6). Cash balances are held to meet operational and investment requirements.

Non-current liabilities

The non-current part of provisions amounted to MUSD 1,118.1 (MUSD 988.0) and is detailed in Note 12.

The provision for site restoration amounted to MUSD 137.7 (MUSD 119.3) and relates to future decommissioning obligation liabilities. The increase compared to the comparative period mainly results from updating the discount factor used to calculate the present value of the decommissioning liabilities.

The provision for deferred taxes amounted to MUSD 930.4 (MUSD 803.5) and is arising on the excess of book value over the tax value of oil and gas properties. Deferred tax assets are netted off against deferred tax liabilities where they relate to the same jurisdiction in accordance with International Financial Reporting Standards (IFRS).

The non-current portion of the provision for Lundin Petroleum's LTIP scheme amounted to MUSD 42.2 (MUSD 58.1).

Other non-current provisions amounted to MUSD 6.3 (MUSD 5.6) and include a termination indemnity provision in Tunisia.

Long-term interest bearing debt amounted to MUSD 200.0 (MUSD 207.0) and relates to the outstanding loan under the Group's MUSD 2.5 billion revolving borrowing base facility.

Other non-current liabilities amounted to MUSD 21.8 (MUSD 21.8) and mainly arises from the full consolidation of a subsidiary in which the non-controlling interest entity has made funding advances in relation to LLC PetroResurs, Russia.

Current liabilities

Other current liabilities amounted to MUSD 414.2 (MUSD 390.6) and are detailed in Note 13.

Tax liabilities amounted to MUSD 193.6 (MUSD 240.1) of which MUSD 188.1 (MUSD 223.0) relates to Norway.

Included in accrued expenses and deferred income of MUSD 71.5 (MUSD 16.2) is an amount of MUSD 47.4 (MUSD -) for fees and expenses associated with the new financing facility.

Other liabilities amounted to MUSD 8.3 (MUSD 21.5). Included in other liabilities at 31 December 2011 was an amount payable to Noreco in relation to Lundin Petroleum's acquisition of Noreco's 20 percent working interest in PL148 Brynhild, Norway. The liability was settled in the first quarter of 2012.

PARENT COMPANY

The business of the Parent Company is investment in and management of oil and gas assets. The net result for the Parent Company amounted to MSEK 9.7 (MSEK -48.7) for the reporting period.

The operating income includes service income received from Group companies. The result includes general and administrative expenses of MSEK -4.9 (MSEK 52.9) and interest expense of MSEK 17.1 (MSEK 11.8). The credit to general and administrative expenses in the reporting period is as a result of the reduction in the provision for the Group's LTIP. The comparative period includes financial income of MSEK 2.8 for supporting certain financial obligations for ShaMaran Petroleum.

RELATED PARTY TRANSACTIONS

During the reporting period, the Group has entered into transactions with related parties on a commercial basis as described below:

The Group received MUSD 0.2 (MUSD 0.3) from ShaMaran Petroleum for the provision of office and other services and MUSD – (MUSD 0.5) for supporting certain financial obligations.

The Group paid MUSD 0.6 (MUSD 0.3) to other related parties in respect of aviation services received.

LIQUIDITY

Lundin Petroleum had a secured revolving borrowing base facility of MUSD 850 with a seven year term expiring in 2014. On 25 June 2012, Lundin Petroleum entered into a new seven year senior secured revolving borrowing base facility of USD 2.5 billion. The facility is with a group of 25 banks including many of the banks providing the USD 850 million facility. The USD 2.5 billion financing facility is a revolving borrowing base facility secured against certain cash flows generated by the Group. The amount available under the facility is recalculated every six months based upon the calculated cash flow generated by certain producing fields at an oil price and economic assumptions agreed with the banking syndicate providing the facility. The facility is secured by a pledge over the shares of certain Group companies and a charge over the bank accounts of the pledged companies.

The new facility has been completed to provide funding for Lundin Petroleum's ongoing exploration expenditure and development costs, particularly in Norway.

Lundin Petroleum has, through its subsidiary Lundin Malaysia BV, entered into five Production Sharing Contracts (PSC) with Petroliam Nasional Berhad, the oil and gas company of the Government of Malaysia (Petronas), in respect of the six operated Blocks in Malaysia. Bank guarantees have been issued in support of the work commitments in relation to these PSCs amounting to MUSD 61.4. In addition, bank guarantees have been issued to cover work commitments in Indonesia amounting to MUSD 2.4.

During the second quarter of 2012, Lundin Petroleum purchased 485,647 of its own shares at an average share price of 128 SEK.

SUBSEQUENT EVENTS

In July 2012, an equity redetermination was agreed between the parties in blocks K4a, K4b/K5a and K5b, offshore Netherlands. Lundin Petroleum's equity in the unitised field was increased from 1.03 percent to 1.22 percent resulting in a post-tax settlement of approximately MEUR 6.0 which will be accounted for in the third quarter of 2012.

In July 2012, Lundin Petroleum completed the drilling of the Tiga Papan 5 well in the SB307 and SB308 block offshore Sabah, East Malaysia. The well was unsuccessful and the associated costs will be expensed in the third quarter of 2012.

SHARE DATA

Lundin Petroleum AB's issued share capital amounted to SEK 3,179,106 represented by 317,910,580 shares with a quota value of SEK 0.01 each.

Under the authorisation of the Board granted at the AGM held on 10 May 2012, Lundin Petroleum purchased 485,647 of its own shares during the second quarter of 2012. As at 30 June 2012, Lundin Petroleum held 7,368,285 of its own shares.

REMUNERATION

Lundin Petroleum's principles for remuneration are provided in the Company's 2011 Annual Report.

Unit Bonus Plan

In 2008, Lundin Petroleum implemented a LTIP scheme consisting of a Unit Bonus Plan which provides for an annual grant of units that will lead to a cash payment at vesting. The LTIP has a three year duration whereby the initial grant of units vests equally in three tranches: one third after one year; one third after two years; and the final third after three years. The cash payment is conditional upon the holder of the units remaining an employee of the Group at the time of payment. The share price for determining the cash payment at the end of each vesting period will be the five trading day average closing Lundin Petroleum share price prior to and following the actual vesting date.

An LTIP that follows the same principles as the 2008 LTIP has been implemented annually for employees other than Executive Management.

The number of units relating to the 2010, 2011 and 2012 Unit Bonus Plans outstanding as at 30 June 2012 were 218,562, 256,593 and 360,633 respectively.

Phantom Option Plan

At the AGM on 13 May 2009, the shareholders of Lundin Petroleum approved the implementation of an LTIP for Executive Management (being the President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Senior Vice President Operations) consisting of a grant of phantom options exercisable after five years from the date of grant. The exercise of these options entitles the recipient to receive a cash payment based on the appreciation of the market value of the Lundin Petroleum share. Payment of the award under these phantom options will occur in two equal installments: (i) first on the date immediately following the fifth anniversary of the date of grant and (ii) second on the date which is one year following the date of the first payment.

The LTIP for Executive Management includes 5,500,928 phantom options with an exercise price of SEK 52.91. The phantom options will vest in May 2014 being the fifth anniversary of the date of grant. The recipients will be entitled to receive a cash payment equal to the average closing price of the Company's shares during the fifth year following grant, less the exercise price, multiplied by the number of phantom options. The participants of the phantom option plan are not entitled to receive new awards under the Unit Bonus Plan whilst the phantom options are still outstanding.

Lundin Petroleum purchased 6,882,638 of its own shares up to 31 December 2010 at an average cost of SEK 46.51 per share to mitigate against the exposure of the LTIP. The Lundin Petroleum share price at 30 June 2012 was SEK 128.90. The provision for LTIP amounted to MUSD 46.9 as at 30 June 2012 and the market value of these shares held at 30 June 2012 was MUSD 127.3. The gain in the value of the own shares held cannot be offset against the cost for the LTIP in accordance with accounting rules.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, and the Swedish Annual Accounts Act (1995:1554). The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

The financial reporting of the Parent Company has been prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 Reporting for legal entities, issued by the Swedish Financial Reporting Board and the Annual Accounts Act (1995:1554).

Under Swedish company regulations it is not allowed to report the Parent Company results in any other currency than SEK and consequently the Parent Company's financial information is reported in SEK and not in USD.

RISKS AND RISK MANAGEMENT

The objective of Business Risk Management is to identify, understand and manage threats and opportunities within the business on a continual basis. This objective is achieved by creating a mandate and commitment to risk management at all levels of the business. This approach actively addresses risk as an integral and continual part of decision making within the Group and is designed to ensure that all risks are identified, fully acknowledged, understood and communicated well in advance. The ability to manage and or mitigate these risks represents a key component in ensuring that the business aim of the Company is achieved. Nevertheless, oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate or which are beyond the Company's control.

A detailed analysis of Lundin Petroleum's strategic, operational, financial and external risks and mitigation of those risks through risk management is described in Lundin Petroleum's 2011 Annual Report.

Derivative financial instruments

During the second quarter of 2012, the Group entered into currency hedging contracts fixing the rate of exchange from USD into NOK to meet NOK operational and tax requirements as summarised in the table below. Under IAS 39, subject to hedge effectiveness testing, these hedges will be treated as effective and changes to the fair value will be reflected in other comprehensive income. At 30 June 2012, a current asset has been recognised amounting to MUSD 2.2 (MUSD -) representing the short-term portion of the fair value of the outstanding currency hedging contracts. In addition, a financial asset has been recognised at 30 June 2012 amounting to MUSD 0.3 (MUSD -) representing the long-term portion of the fair value of the outstanding currency hedging contracts.

Buy	Sell	Average contractual exchange rate	Settlement period
MNOK 1,580.7	MUSD 261.6	NOK 6.04: 1 USD	1 Jun 2012 – 20 Dec 2012
MNOK 670.7	MUSD 110.4	NOK 6.07: 1 USD	2 Jan 2013 – 20 Dec 2013

EXCHANGE RATES

For the preparation of the financial statements for the reporting period, the following currency exchange rates have been used.

	30 Jun 2012		30 Jun 2011		31 Dec 2011	
	Average	Period end	Average	Period end	Average	Period end
1 USD equals NOK	5.8394	5.9833	5.5763	5.3882	5.5998	5.9927
1 USD equals Euro	0.7711	0.7943	0.7127	0.6919	0.7185	0.7729
1 USD equals Rouble	30.6125	32.8594	28.6112	27.9527	29.3738	32.2784
1 USD equals SEK	6.8489	6.9681	6.3699	6.3474	6.4867	6.8877

CONSOLIDATED INCOME STATEMENT

Expressed in TUSD	Note	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Operating income						
Net sales of oil and gas	1	674,257	315,079	614,244	324,672	1,257,691
Other operating income		5,821	2,779	4,724	2,538	11,824
		680,078	**317,858**	618,968	327,210	1,269,515
Cost of sales						
Production costs	2	-100,490	-46,142	-97,922	-58,461	-193,104
Depletion costs	3	-87,655	-46,247	-78,634	-38,015	-165,138
Exploration costs	4	-22,943	-14,105	-16,186	-6,176	-140,027
Gross profit		**468,990**	**211,364**	426,226	224,558	771,246
General, administration and depreciation expenses		-548	-1,053	-17,143	-2,566	-67,022
Operating profit	5	**468,442**	**210,311**	409,083	221,992	704,224
Result from financial investments						
Financial income	6	7,630	7,077	35,045	17,792	46,455
Financial expenses	7	-28,064	-732	-24,216	-10,162	-21,022
		-20,434	**6,345**	10,829	7,630	25,433
Profit before tax		**448,008**	**216,656**	419,912	229,622	729,657
Income tax expense	8	-336,296	-152,135	-289,568	-152,713	-574,413
Net result		**111,712**	**64,521**	130,344	76,909	155,244
Net result attributable to the shareholders of the Parent Company:		113,819	65,057	133,148	78,019	160,137
Net result attributable to non-controlling interest:		-2,107	-536	-2,804	-1,110	-4,893
Net result		**111,712**	**64,521**	130,344	76,909	155,244
Earnings per share – USD[1]		0.37	0.21	0.43	0.25	0.51
Diluted earnings per share – USD[1]		0.37	0.21	0.43	0.25	0.51

[1] Based on net result attributable to shareholders of the Parent Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Expressed in TUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Net result	**111,712**	**64,521**	130,344	76,909	155,244
Other comprehensive income					
Exchange differences foreign operations	-9,156	-61,901	74,456	19,888	-37,525
Cash flow hedges	2,661	2,491	3,635	1,699	6,971
Available-for-sale financial assets	5,497	-3,866	-31,058	-10,603	-50,210
Income tax relating to other comprehensive income	-665	-622	-909	-425	-1,743
Other comprehensive income, net of tax	-1,663	-63,898	46,124	10,559	-82,507
Total comprehensive income	**110,049**	**623**	176,468	87,468	72,737
Total comprehensive income attributable to:					
Shareholders of the Parent Company	112,909	6,350	174,655	87,818	80,466
Non-controlling interest	-2,860	-5,727	1,813	-350	-7,729
	110,049	**623**	176,468	87,468	72,737

CONSOLIDATED BALANCE SHEET

Expressed in TUSD	Note	**30 June 2012**	31 December 2011
ASSETS			
Non-current assets			
Oil and gas properties	9	2,526,191	2,329,270
Other tangible assets		15,906	16,084
Financial assets	10	78,849	46,586
Total non-current assets		**2,620,946**	2,391,940
Current assets			
Receivables and inventories	11	218,826	224,407
Cash and cash equivalents		90,641	73,597
Total current assets		**309,467**	298,004
TOTAL ASSETS		**2,930,413**	2,689,944
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		1,105,081	1,000,882
Non-controlling interest		66,541	69,424
Total equity		**1,171,622**	1,070,306
Non-current liabilities			
Provisions	12	1,118,122	987,993
Bank loans		200,000	207,000
Other non-current liabilities		21,815	21,830
Total non-current liabilities		**1,339,937**	1,216,823
Current liabilities			
Other current liabilities	13	414,175	390,600
Provisions	12	4,679	12,215
Total current liabilities		**418,854**	402,815
TOTAL EQUITY AND LIABILITIES		**2,930,413**	2,689,944

CONSOLIDATED STATEMENT OF CASH FLOW

Expressed in TUSD	Note	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Cash flow from operations						
Net result		111,712	64,521	130,344	76,909	155,244
Adjustments for non-cash related items	14	450,388	198,543	384,345	190,278	915,174
Interest received		728	607	1,090	460	1,457
Interest paid		-3,250	-1,719	-4,386	-2,901	-1,597
Income taxes paid		-100,806	-14,053	-44,668	-26,693	-183,870
Changes in working capital		-120,983	-73,875	93,120	120,005	10,528
Total cash flow from operations		**337,789**	**174,024**	559,845	358,058	896,936
Cash flow from investments						
Proceeds from sale of other shares and participations		–	–	53,938	25,353	53,938
Change in other financial fixed assets		–	–	-10,984	-10,984	1,908
Other payments		-2,534	-2,183	-911	-354	-1,168
Investment in oil and gas properties		-298,977	-183,351	-302,748	-194,428	-670,032
Investment in office equipment and other assets		-1,416	-422	-2,071	-764	-3,786
Total cash flow from investments		**-302,927**	**-185,956**	-262,776	-181,177	-619,140
Cash flow from financing						
Changes in long-term liabilities		-7,016	-26,487	-304,713	-164,892	-252,238
Paid financing fees		-509	-509	–	–	–
Purchase of own shares		-8,710	-8,710	–	–	–
Dividend paid to non-controlling interest		-23	-23	-212	-212	-212
Total cash flow from financing		**-16,258**	**-35,729**	-304,925	-165,104	-252,450
Change in cash and cash equivalents		18,604	-47,661	-7,856	11,777	25,346
Cash and cash equivalents at the beginning of the period		73,597	137,610	48,703	26,564	48,703
Currency exchange difference in cash and cash equivalents		-1,560	692	-2,720	-214	-452
Cash and cash equivalents at the end of the period		**90,641**	**90,641**	38,127	38,127	73,597

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in TUSD	Share capital	Additional paid-in-capital/Other reserves	Retained earnings	Net result	Non-controlling interest	Total equity
Balance at 1 January 2011	**463**	**417,430**	**-9,352**	**511,875**	**77,365**	**997,781**
Transfer of prior year net result	–	–	511,875	-511,875	–	–
Total comprehensive income	**–**	**41,507**	–	**133,148**	**1,813**	**176,468**
Transactions with owners						
Distributions	–	–	–	–	-212	-212
Total transactions with owners	**–**	**–**	**–**	**–**	**-212**	**-212**
Balance at 30 June 2011	**463**	**458,937**	**502,523**	**133,148**	**78,966**	**1,174,037**
Total comprehensive income	**–**	**-121,178**		**26,989**	**-9,542**	**-103,731**
Transactions with owners						
Distributions	–	–	–	–	-212	-212
Total transactions with owners	**–**	**–**	**–**	**–**	**-212**	**-212**
Balance at 31 December 2011	**463**	**337,759**	**502,523**	**160,137**	**69,424**	**1,070,306**
Transfer of prior year net result	–	–	160,137	-160,137	–	–
Total comprehensive income	**–**	**-910**		**113,819**	**-2,860**	**110,049**
Transactions with owners						
Distributions	–	–	–	–	-23	-23
Purchase of own shares	–	-8,710	–	–	–	-8,710
Total transactions with owners	–	**-8,710**	–	–	**-23**	**-8,733**
Balance at 30 June 2012	**463**	**328,139**	**662,660**	**113,819**	**66,541**	**1,171,622**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Net sales of oil and gas, TUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Net sales of:					
Crude oil					
Norway	490,607	238,482	431,989	218,943	911,072
France	54,658	21,266	63,174	32,460	127,789
Netherlands	117	53	115	64	231
Russia	39,333	18,708	40,104	21,024	79,515
Tunisia	24,585	2,414	24,795	24,795	24,795
	609,300	**280,923**	560,177	297,286	1,143,402
Condensate					
Netherlands	**457**	**66**	608	358	1,314
Gas					
Norway	38,445	22,006	27,450	13,040	57,909
Netherlands	20,730	9,937	20,809	10,900	42,496
Indonesia	5,325	2,147	5,200	3,088	12,570
	64,500	**34,090**	53,459	27,028	112,975
	674,257	**315,079**	614,244	324,672	1,257,691

Note 2. Production costs, TUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Cost of operations	50,510	25,335	48,579	25,387	102,476
Tariff and transportation expenses	13,644	6,798	12,415	6,449	22,863
Direct production taxes	27,064	14,546	25,428	13,805	52,390
Change in inventory/lifting position	8,120	-1,149	10,366	12,247	13,129
Other	1,152	612	1,134	573	2,246
	100,490	**46,142**	97,922	58,461	193,104

Note 3. Depletion costs, TUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Norway	71,872	38,871	61,628	29,494	130,011
France	5,895	2,882	5,992	3,010	12,174
Netherlands	5,329	2,542	6,187	2,938	11,939
Indonesia	2,321	854	2,422	1,387	6,250
Russia	2,238	1,098	2,405	1,186	4,764
	87,655	**46,247**	78,634	38,015	165,138

Note 4. Exploration costs, TUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Norway	12,961	12,395	14,550	5,341	74,060
Indonesia	7,006	162	372	279	967
Malaysia	–	–	–	–	11,015
Congo (Brazzaville)	1,422	224	–	–	51,263
Other	1,554	1,324	1,264	556	2,722
	22,943	**14,105**	16,186	6,176	140,027

Note 5. Operating profit, TUSD	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Operating profit					
Norway	426,274	198,820	353,996	181,067	703,711
France	36,239	14,229	43,170	21,626	85,334
Netherlands	9,603	3,964	9,593	5,192	18,868
Indonesia	-7,539	-887	-60	-35	168
Russia	2,052	-1,369	4,812	1,965	7,715
Tunisia	2,353	-3,691	13,743	13,875	13,476
Malaysia	-1,413	-929	–	–	-11,010
Congo (Brazzaville)	-1,422	-225	-10	–	-51,273
Other	2,295	399	-16,161	-1,698	-62,765
	468,442	**210,311**	409,083	221,992	704,224

Note 6. Financial income, TUSD	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Interest income	1,565	1,012	2,587	1,245	4,138
Foreign currency exchange gain, net	5,905	5,905	–	–	8,945
Insurance proceeds	–	–	1,726	1,726	1,734
Guarantee fees	–	–	489	239	998
Gain on sale of shares	–	–	29,974	14,341	29,974
Other	160	160	269	241	666
	7,630	**7,077**	35,045	17,792	46,455

Note 7. Financial expenses, TUSD	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Loan interest expenses	3,186	1,825	2,840	1,249	5,390
Foreign currency exchange loss, net	–	-4,069	13,365	4,847	–
Result on interest rate hedge settlement	198	-2	3,434	1,739	6,995
Unwinding of site restoration discount	2,496	1,280	2,259	1,157	4,494
Amortisation of deferred financing fees	2,512	1,258	1,202	602	2,181
Impairment of other shares	18,631	–	–	–	–
Other	1,041	440	1,116	568	1,962
	28,064	**732**	24,216	10,162	21,022

Note 8. Income taxes, TUSD	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Current tax	204,025	62,725	130,705	72,040	400,210
Deferred tax	132,271	89,410	158,863	80,673	174,203
	336,296	**152,135**	289,568	152,713	574,413

Note 9. Oil and gas properties, TUSD	**30 Jun 2012**	31 Dec 2011
Norway	1,443,600	1,269,746
France	184,862	172,467
Netherlands	44,259	43,739
Indonesia	91,012	93,610
Russia	616,869	615,015
Malaysia	140,925	129,830
Other	4,664	4,863
	2,526,191	2,329,270

Note 10. Financial assets, TUSD	**30 Jun 2012**	31 Dec 2011
Other shares and participations	8,695	17,775
Capitalised financing fees	47,430	2,506
Derivative instruments	288	–
Deferred tax	11,854	15,345
Other	10,582	10,960
	78,849	46,586

Note 11. Receivables and inventories, TUSD	**30 Jun 2012**	31 Dec 2011
Inventories	17,276	31,589
Trade receivables	124,255	144,954
Underlift	7,806	1,851
Corporate tax	1,752	–
Joint venture debtors	15,464	20,252
Derivative instruments	2,205	–
Prepaid expenses and accrued income	8,596	4,522
Other	41,472	21,239
	218,826	224,407

Note 12. Provisions, TUSD	**30 Jun 2012**	31 Dec 2011
Non-current:		
Site restoration	137,700	119,341
Deferred tax	930,396	803,493
Long-term incentive plan	42,197	58,079
Pension	1,518	1,460
Other	6,311	5,620
	1,118,122	987,993
Current:		
Long-term incentive plan	4,679	12,215
	4,679	12,215
	1,122,801	1,000,208

Note 13. Other current liabilities, TUSD	**30 Jun 2012**	31 Dec 2011
Trade payables	16,748	16,546
Overlift	7,806	7,670
Tax liabilities	193,598	240,052
Accrued expenses and deferred income	71,478	16,227
Joint venture creditors	116,279	88,417
Derivative instruments	–	168
Other	8,266	21,520
	414,175	390,600

Note 14. Adjustment for non-cash related items, TUSD	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Exploration costs	22,943	14,105	15,850	5,840	140,027
Depletion, depreciation and amortisation	89,264	47,082	80,058	38,754	167,812
Current tax	204,025	62,725	130,705	72,040	400,210
Deferred tax	132,271	89,410	158,863	80,672	174,203
Gain on sale of shares	–	–	-29,974	-14,342	-29,974
Impairment of other shares	18,631	–	–	–	–
Long-term incentive plan	-13,688	-3,649	11,330	498	63,443
Other	-3,058	-11,130	17,514	6,817	-547
	450,388	**198,543**	384,345	190,278	915,174

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Operating income					
Other operating income	21,310	11,988	13,133	9,311	42,644
Gross profit	**21,310**	**11,988**	13,133	9,311	42,644
General and administration expenses	4,892	-1,018	-52,858	-7,975	-206,108
Operating loss	**26,202**	**10,970**	-39,725	1,336	-163,464
Result from financial investments					
Financial income	603	592	2,885	1,259	6,560
Financial expenses	-17,098	-8,356	-11,831	-6,122	-25,495
	-16,495	**-7,764**	-8,946	-4,863	-18,935
Profit before tax	**9,707**	**3,206**	-48,671	-3,527	-182,399
Income tax expense	–	–	–	–	–
Net result	**9,707**	**3,206**	-48,671	-3,527	-182,399

PARENT COMPANY COMPREHENSIVE INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Net result	9,707	3,206	-48,671	-3,527	-182,399
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**9,707**	**3,206**	-48,671	-3,527	-182,399
Total comprehensive income attributable to:					
Shareholders of the Parent Company	9,707	3,206	-48,671	-3,527	-182,399
	9,707	**3,206**	-48,671	-3,527	-182,399

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**30 June 2012**	31 December 2011
ASSETS		
Non-current assets		
Shares in subsidiaries	7,871,947	7,871,947
Total non-current assets	**7,871,947**	7,871,947
Current assets		
Receivables	12,112	8,954
Cash and cash equivalents	15,192	3,849
Total current assets	**27,304**	12,803
TOTAL ASSETS	**7,899,251**	7,884,750
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,117,259	7,169,977
Non-current liabilities		
Provisions	36,403	36,403
Payables to Group companies	742,891	673,988
Total non-current liabilities	**779,294**	710,391
Current liabilities		
Current liabilities	2,698	4,382
Total current liabilities	**2,698**	4,382
TOTAL EQUITY AND LIABILITIES	**7,899,251**	7,884,750

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2012- 30 Jun 2012 6 months**	**1 Apr 2012- 30 Jun 2012 3 months**	1 Jan 2011- 30 Jun 2011 6 months	1 Apr 2011- 30 Jun 2011 3 months	1 Jan 2011- 31 Dec 2011 12 months
Cash flow from operations					
Net result	9,707	3,206	-48,671	-3,527	-182,399
Adjustment for non-cash related items	-603	-681	1,252	830	207,811
Changes in working capital	-4,215	-2,001	-13,335	-10,426	-12,492
Total cash flow from operations	**4,889**	**524**	-60,754	-13,123	12,920
Cash flow from investments	–	–	–	–	–
Cash flow from financing					
Change in long-term liabilities	6,478	14,087	57,293	15,691	-15,702
Total cash flow from financing	**6,478**	**14,087**	57,293	15,691	-15,702
Change in cash and cash equivalents	**11,367**	**14,611**	-3,461	2,568	-2,782
Cash and cash equivalents at the beginning of the period	3,849	594	6,735	579	6,735
Currency exchange difference in cash and cash equivalents	-24	-13	28	155	-104
Cash and cash equivalents at the end of the period	**15,192**	**15,192**	3,302	3,302	3,849

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity		Unrestricted equity			
Expressed in TSEK	Share capital	Statutory reserve	Other reserves	Retained earnings	Net result	Total equity
Balance at 1 January 2011	**3,179**	**861,306**	**2,551,805**	**–**	**3,936,086**	**7,352,376**
Transfer of prior year net result	–	–	–	3,936,086	-3,936,086	–
Total comprehensive income	**–**	**–**	**–**	**–**	**-48,671**	**-48,671**
Balance at 30 June 2011	**3,179**	**861,306**	**2,551,805**	**3,936,086**	**-48,671**	**7,303,705**
Total comprehensive income	**–**	**–**	**–**	**–**	**-133,728**	**-133,728**
Balance at 31 December 2011	**3,179**	**861,306**	**2,551,805**	**3,936,086**	**-182,399**	**7,169,977**
Transfer of prior year net result	–	–	–	-182,399	182,399	–
Total comprehensive income	**–**	**–**	**–**	**–**	**9,707**	**9,707**
Transactions with owners						
Purchase of own shares	–	–	-62,425	–	–	-62,425
Total transactions with owners	**–**	**–**	**-62,425**	**–**	**–**	**-62,425**
Balance at 30 June 2012	**3,179**	**861,306**	**2,489,380**	**3,753,687**	**9,707**	**7,117,259**

KEY FINANCIAL DATA

Financial data (TUSD)	**1 Jan 2012-30 Jun 2012 6 months**	**1 Apr 2012-30 Jun 2012 3 months**	1 Jan 2011-30 Jun 2011 6 months	1 Apr 2011-30 Jun 2011 3 months	1 Jan 2011-31 Dec 2011 12 months
Operating income	680,078	317,858	618,968	327,210	1,269,515
EBITDA	580,650	271,499	505,327	266,923	1,012,063
Net result	111,712	64,521	130,344	76,909	155,244
Operating cash flow	375,563	208,990	390,341	196,709	676,201
Data per share (USD)					
Shareholders' equity per share	3.56	3.56	3.52	3.52	3.22
Operating cash flow per share	1.21	0.67	1.26	0.64	2.17
Cash flow from operations per share	0.53	0.53	1.80	1.15	2.88
Earnings per share	0.37	0.21	0.43	0.25	0.51
Earnings per share fully diluted	0.37	0.21	0.43	0.25	0.51
EBITDA per share fully diluted	1.87	0.88	1.62	0.85	3.25
Dividend per share	–	–	–	–	–
Number of shares issued at period end	317,910,580	317,910,580	317,910,580	317,910,580	317,910,580
Number of shares in circulation at period end	310,542,295	310,542,295	311,027,942	311,027,942	311,027,942
Weighted average number of shares for the period	310,735,227	310,542,295	311,027,942	311,027,942	311,027,942
Weighted average number of shares for the period (fully diluted)	310,735,227	310,542,295	311,027,942	311,027,942	311,027,942
Share price					
Quoted price at period end (SEK)	128.9	128.9	86.00	86.00	169.20
Quoted price at period end (CDN)	18.96	18.96	12.65	12.65	24.54
Key ratios					
Return on equity (%)	10	6	12	7	15
Return on capital employed (%)	33	15	31	17	53
Net debt/equity ratio (%)	12	12	13	13	15
Equity ratio (%)	40	40	44	44	40
Share of risk capital (%)	71	71	76	76	69
Interest coverage ratio	132	114	70	79	59
Operating cash flow/interest ratio	111	115	62	66	55
Yield	–	–	–	–	–

KEY RATIO DEFINITIONS

Shareholders' equity per share: Shareholders' equity divided by the number of shares in circulation at period end.

Operating cash flow per share: Operating income less production costs and less current taxes divided by the weighted average number of shares for the period.

Cash flow from operations per share: Cash flow from operations in accordance with the consolidated statement of cash flow divided by the weighted average number of shares for the period.

Earnings per share: Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period.

Earnings per share fully diluted: Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants.

EBITDA per share fully diluted: EBITDA divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants. EBITDA is defined as operating profit before depletion of oil and gas properties, exploration costs, impairment costs, depreciation of other assets and gain on sale of assets.

Weighted average number of shares for the period: The number of shares at the beginning of the period with changes in the number of shares weighted for the proportion of the period they are in issue.

Return on equity: Net result divided by average total equity.

Return on capital employed: Income before tax plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average balance sheet total less non-interest bearing liabilities).

Net debt / equity ratio: Net interest bearing liabilities divided by shareholders' equity.

Equity ratio: Total equity divided by the balance sheet total.

Share of risk capital: The sum of the total equity and the deferred tax provision divided by the balance sheet total.

Interest coverage ratio: Result after financial items plus interest expenses plus/less exchange differences on financial loans divided by interest expenses.

Operating cash flow / interest ratio: Operating income less production costs and less current taxes divided by the interest charge for the period.

Yield: dividend per share in relation to quoted share price at the end of the financial period.

BOARD ASSURANCE

The Board of Directors and the President and CEO certify that the half-yearly financial report gives a fair view of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, 1 August 2012

Ian H. Lundin Chairman	C. Ashley Heppenstall President and CEO	William A. Rand
Asbjørn Larsen	Lukas H. Lundin	Magnus Unger

Kristin Færøvik

Review report

We have reviewed this report for the period 1 January 2012 to 30 June 2012 for Lundin Petroleum (publ). The board of directors and the President and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 1 August 2012

PricewaterhouseCoopers AB

Bo Hjalmarsson Authorised Public Accountant Lead Auditor	Johan Malmqvist Authorised Public Accountant

Financial information

The Company will publish the following reports:

- The nine month report (January – September 2012) will be published on 31 October 2012
- The year end report (January – December 2012) will be published on 6 February 2013

For further information, please contact:

C. Ashley Heppenstall, President and CEO Tel: +41 22 595 10 00	or	Maria Hamilton, Head of Corporate Communications Tel: +46 8 440 54 50 Tel: +41 79 63 53 641

This information has been made public in accordance with the Securities Market Act (SFS 2007:528) and/or the Financial Instruments Trading Act (SFS 1991:980).

Forward-Looking Statements

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), productions costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading “Risks and Risk Management” and elsewhere in the Company’s annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.

Reserves and Resources

Unless otherwise stated, Lundin Petroleum’s reserve and resource estimates are as at 31 December 2011, and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of “Proved Reserves” and “Probable Reserves”, together also known as “2P Reserves”. For further information on reserve and resource classifications, see “Reserves and Resources” in the Company’s annual report.

Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the Contingent Resources.

Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources.

BOEs

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.