LUNDIN PETROLEUM – PRESS RELEASE

Lundin Petroleum AB (publ)
Hovslagargatan 5
SE-111 48 Stockholm
Tel: +46-8-440 54 50, **Fax:** +46-8-440 54 59, **E-mail:** info@lundin.ch
Company registration number 556610-8055

OMX Nasdaq Nordic Exchange at Stockholmsbörsen: **LUPE**

3 November 2010

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INTERIM REPORT FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

Note: This interim report is presented in US Dollars

	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Production in Mboepd, gross	32.8	32.1	39.1	38.3	38.6
Production in Mboepd, after minority	32.8	32.1	38.6	37.7	38.2
Operating income in MUSD	623.1	202.4	583.8	238.2	805.9
Net result in MUSD	412.1	22.0	5.4	-13.5	-537.1
Net result attributable to shareholders of the parent company in MUSD	421.8	26.6	10.5	-12.9	-411.3
Earnings/share in USD[1]	1.35	0.09	0.03	-0.04	-1.31
Diluted earnings/share in USD[1]	1.35	0.09	0.03	-0.04	-1.31
EBITDA in MUSD	458.0	167.3	362.1	145.2	486.2
Operating cash flow in MUSD	441.7	160.2	359.6	135.8	471.9

The numbers included in the table above are based on the total of continuing and discontinued operations.
[1] Based on net result attributable to shareholders of the parent company.

Watch President & CEO Ashley Heppenstall and CFO Geoffrey Turbott comment on the report at the webcast presentation 3 November 2010 at 8.30 CET.

The presentation and slides will be available on www.lundin-petroleum.com following the presentation. Please dial in to listen to the presentation on the following telephone number: + 44 (0) 203 043 24 36.

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Russia, South East Asia and Africa. The Company is listed at the Nasdaq OMX Nordic Exchange, Stockholm (ticker "LUPE"). Lundin Petroleum has existing proven and probable reserves of 177 million barrels of oil equivalent (MMboe).

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

Visit our website: www.lundin-petroleum.com

Dear fellow Shareholders,

The highlight of the third quarter for Lundin Petroleum shareholders was the Avaldsnes oil discovery, offshore Norway. Our strategy is to create shareholder value through a proactive exploration drilling strategy and I am very pleased to report that we have a significant discovery at Avaldsnes with likely recoverable resource of between 100 and 400 million barrels of oil equivalent (MMboe) in PL501 where we operate with a 40 percent working interest. We encountered excellent reservoir quality at the well location, produced good quality oil on test and have now mapped a large fault controlled structure which also stretches into PL265 to the west. The structure is very large and as a result we need to confirm the lateral continuity of the reservoir. We have already secured additional drilling rig capacity next year and will likely drill a further two appraisal wells on Avaldsnes in PL501 in 2011.

We have successfully progressed development planning for the Luno field located in PL338. The recoverable reserves for the Luno field have increased by over 50 percent to 149 MMboe as a result of the successful appraisal well drilled earlier this year. The Luno field is commercial on a standalone basis and conceptual development studies have been substantially completed. We are also working closely with Det norske oljeselskap ASA, the operator of the nearby Draupne field, to determine whether a Luno/Draupne joint development makes sense, and early indications are that this is the case. The current plan is to submit a plan of development for the Luno field either on a joint or standalone basis during 2011.

In addition, the Avaldsnes discovery has increased the exploration prospectivity of the Greater Luno Area where Lundin Petroleum is the predominant holder of acreage. The discovery has proven the migration of hydrocarbons to the eastern side of the Utsira High and as a result we will now likely drill further exploration wells in 2011 on the Tellus prospect in PL338 and the Torvestad prospect in PL265/PL501, followed by additional wells in PL359 and PL410 in 2012.

I believe that with Luno, Avaldsnes and the additional exploration potential, the Greater Luno Area is likely to become a significant production hub on the Norwegian Continental Shelf.

The spin-off of our United Kingdom business into the new independent oil company EnQuest plc was successfully completed earlier this year. We are pleased that the positive development of EnQuest's market capitalisation has created additional value to our shareholders who have retained their investment in EnQuest. During November 2010 we plan to complete a further distribution to our shareholders involving shares in Etrion Corporation, an independent solar power development company, in which Lundin Petroleum currently owns approximately 40 percent of the outstanding shares. Etrion Corporation will, concurrent with the distribution, list its shares on the NASDAQ OMX Stockholm exchange and I believe Etrion will continue to grow and generate further value for its shareholders.

Financial Performance

Lundin Petroleum produced a net result for the period of MUSD 412 which includes the gain of MUSD 358 reported on the spin-off of our UK business. Our remaining operations continue to produce strong operating cash flow, achieving MUSD 160 in the third quarter of 2010 to give a total operating cash flow for the period of MUSD 442. The generation of strong operating cash flow is driven by our Norwegian production where the cost of operations are below USD 4 per barrel.

Production

During the third quarter of 2010, production averaged 32,100 boepd with continued strong contributions from both the Alvheim and Volund fields, offshore Norway. If we exclude the United Kingdom production included in the first quarter, then production has increased steadily during 2010 as a result of production build up from the Volund field. As a result of the strong third quarter production we have narrowed our previous production guidance range for 2010 to 32 - 34,000 boepd.

Development

We are currently progressing five potential development projects in Norway which collectively will double our current corporate production to over 60,000 boepd within the next five years. I am confident that these projects can be financed through a combination of internally generated cash flow and bank borrowings without the requirement for further equity funding.

The Gaupe field received plan of development approval from the Norwegian government in 2010 and is now progressing through the construction phase. I expect plans of development for the Luno and Nemo projects to be submitted in 2011 with conceptual planning completed for Krabbe and Marihøne also in 2011.

In addition, exploration successes such as Avaldsnes are continuing to feed our pipeline of development projects and ensure that we maintain our excellent historical performance of reserve replacement ratios.

In Russia, we remain keen to progress the appraisal of the Morskaya oil discovery in the northern Caspian. We continue discussions with potential new partners to satisfy the requirements of the Russian Government which requires 'strategic' assets to have 50 percent ownership by state owned companies prior to development.

Exploration
As I mentioned earlier, we are very excited about the Avaldsnes discovery and the potential for further discoveries in the Greater Luno Area. We are investing significant amounts of capital in Norway to continue our aggressive exploration drilling programme. We will continue to focus on the Greater Alvheim and Greater Luno areas where we feel our technical team have a competitive advantage. In 2011 we will also commence our exploration drilling programme in the Barents Sea where we have put together a large predominantly operated licence position. We plan to drill one or two wells per year in the Barents Sea for the next three years targeting large multi stacked prospects in this under explored area.

In 2011 we will also commence a five well exploration drilling programme in Malaysia. Our management has a proven track record in Malaysia having discovered significant hydrocarbons with Lundin Oil prior to its purchase by Talisman Energy in 2001. We returned to Malaysia with Lundin Petroleum a few years ago and have quietly built a licence portfolio where we have acquired new 3D seismic. Our objective is to replicate the Norwegian organic growth driven exploration success story in Malaysia.

We believe that the value creation within an independent oil company such as Lundin Petroleum is driven by our ability to increase our resource base. We have been successful with our recent exploration activity but I am convinced there is more to come and as such we can deliver further increases in value to our shareholders over the next few years.

Best Regards

C. Ashley Heppenstall
President and CEO

OPERATIONAL REVIEW

EUROPE

Norway
The net production to Lundin Petroleum for the nine month period ended 30 September 2010 (reporting period) from the Alvheim field (Lundin Petroleum working interest (WI) 15%), offshore Norway, was 13,600 barrels of oil equivalent per day (boepd). The Alvheim field has been on production since June 2008 and continues to perform above expectations. This excellent reservoir performance has resulted in increased gross ultimate recoverable reserves during 2009 to 246 million of barrels of oil equivalent (MMboe). Phase 2 of Alvheim development drilling commenced in the second quarter of 2010 and now involves the drilling of four new multilateral wells to be completed mid 2011. The first Phase 2 well will come on production in late 2010. The cost of operations for the Alvheim field averaged below USD 4 per barrel for the period and is expected to remain at this level for 2010.

The net production to Lundin Petroleum from the Volund field (WI 35%) amounted to 3,800 boepd for the reporting period. The first two development wells (one producer and one water injector) on the Volund field were successfully completed in 2009 but due to limitations in production capacity on the Alvheim FPSO the first Volund production well did not commence production until April 2010. Phase 2 of Volund development drilling which involved a further two multilateral production wells was successfully completed in the third quarter of 2010. As a result current Volund field production has increased to a rate of above 8,700 boepd net to Lundin Petroleum which is the Volund field firm capacity on the Alvheim FPSO.

In October 2009, a new oil discovery on the Marihøne prospect in PL340 (WI 15%) was announced. The discovery is estimated to contain gross recoverable resources of 20 to 30 MMboe and will likely be developed as a subsea tieback to the Alvheim FPSO. A further exploration well targeting the Caterpillar prospect in PL340BS will commence drilling in late 2010.

The Luno field located in PL338 (WI 50%) was discovered in 2007 and has subsequently been appraised by two further wells. The results of these appraisal wells have been incorporated into the reservoir model being used for development planning and has resulted in an upgrade of gross proven and probable (2P) reserves from 95 MMboe to 149 MMboe for the Luno field. The reserves have been estimated by third party reserves auditors Gaffney Cline & Associates. Conceptual development studies for a Luno field standalone development are substantially complete. In parallel, studies are ongoing in relation to a joint development of the Luno field and the Draupne field located in nearby PL001B. A plan of development for the Luno field on a standalone or joint basis will be submitted in 2011.

Exploration well 16/1-14 in PL338 targeting the Apollo prospect is currently being drilled. Apollo is situated immediately to the south of the Draupne field in PL001B, and some 5 km northwest of, and down-dip from, the Luno field located in PL338. The main objective of the Apollo well is to test what is believed to be a possible extension of the Draupne field into PL338. Lundin Petroleum currently estimates unrisked gross prospective resources in the range of 20 to 130 MMboe for the Apollo prospect in PL338.

An exploration well in PL501(WI 40%) targeting the Avaldsnes prospect was successfully completed in the third quarter of 2010 as an oil discovery. Production tests confirmed excellent reservoir characteristics with the well flowing at a restricted production rate of approximately 5,000 bopd. It is estimated that the Avaldsnes discovery contains gross recoverable resources of 100 - 400 MMboe within licence PL501 and that the fault controlled structure extends to the west into PL265 (WI 10%). Appraisal of the Avaldsnes discovery will commence in the first half of 2011 with the drilling of two appraisal wells in PL501. It is likely that the structure will be further appraised with the drilling of an additional well in PL265. The Avaldsnes discovery has successfully proven the migration of hydrocarbons to the eastern side of the Utsira High. This has a positive impact upon the exploration potential of the Greater Luno Area and as a result further exploration wells will likely be drilled in 2011 on the Tellus prospect in PL338 (WI 50%) and the Torvestad prospect in PL265/PL501 followed by wells in PL359 (WI 40%) and PL410 (WI 70%) in 2012.

The plan of development was approved in June 2010 for the Gaupe field in PL292 (WI 40%), where first production is expected in late 2011. The Gaupe field operated by BG group has estimated gross reserves of approximately 28 MMboe and is estimated to produce at a plateau production rate net to Lundin Petroleum of 5,000 boepd.

Development planning is ongoing on the Nemo field in PL148 (WI 50%) and the Krabbe field in PL301 (WI 40%). A concept selection has been completed for the Nemo field and subject to finalisation of commercial negotiations it is expected that a plan of development will be submitted in 2011.

In the first quarter of 2010, an exploration well on the Frusalen prospect in PL476 (WI 30%) was completed as a dry hole and a well on the Luno High prospect in PL359 (WI 40%) was completed as non-commercial.

France
The net production to Lundin Petroleum in the Paris Basin (WI 100%) averaged 2,500 boepd and in the Aquitaine Basin (WI 50%) averaged 700 boepd for the reporting period. The drilling of a water injection well on the Mimosa licence (WI 50%) in the Aquitaine Basin has been successfully completed and has had a positive impact on production.

The Netherlands
The net gas production to Lundin Petroleum from the Netherlands averaged 2,100 boepd for the reporting period which was ahead of forecast.

The exploration well De Hoeve-1 in the onshore Gorredijk concession (WI 7.75%) was successfully completed in the first quarter 2010 as a gas discovery.

Ireland
A 3D seismic acquisition programme in the Slyne Basin licence 04/06 (WI 50%) was completed in the third quarter of 2010.

United Kingdom
The net production to Lundin Petroleum from the United Kingdom averaged 3,000 boepd during the reporting period.

On 6 April 2010, Lundin Petroleum completed the spin-off of its operations in the United Kingdom into EnQuest plc, a newly formed company focusing on the UK North Sea. Production from the United Kingdom is included only for the three month period ended 31 March 2010.

SOUTH EAST ASIA

Indonesia
Salawati Island and Basin (Papua)
The net production to Lundin Petroleum from Salawati (Salawati Island WI 14.5%, Salawati Basin WI 25.9%) was 2,000 boepd for the reporting period.

In September 2010, Lundin Petroleum signed a sale and purchase agreement with RH Petrogas (RHP) in relation to the sale of its Salawati interests. The consideration for the sale is MUSD 37.1 plus an additional MUSD 3.9 in the event of certain future field developments. The transaction is subject to certain conditions including RHP shareholder approval and is expected to complete before year end 2010.

Lematang (South Sumatra)
The net production to Lundin Petroleum from the Singa gas field (WI 25.9%) during the reporting period amounted to 300 boepd. Production from the Singa field commenced during the second quarter of 2010. Current gross production from the first production well is 15- 20 million standard cubic feet per day (MMscfd) of sales gas and is restricted by surface facility limitations resulting from higher hydrocarbon liquid production than expected. Additional liquid removal facilities will be installed and until such time production will remain constrained. Production is expected to increase to a gross plateau rate of 50 MMscfd following further development drilling. The original Singa gas sales agreement with PT PLN (Persero), an Indonesian state owned electricity company, was amended in February 2010 incorporating an increased gas price and to allow PT PGN (Persero), an Indonesian state owned gas distributor, to buy initial production from the Singa field. The gas sales contract with PT PGN (Persero) was signed in April 2010. The average gas price for both contracts is in excess of USD 5 per million British thermal units (MMbtu).

Rangkas (Java)
A 474 km 2D seismic acquisition programme is currently ongoing on the Rangkas licence (WI 51%).

Baronang/Cakalang (Natuna Sea)
A 975 km^2 3D seismic acquisition programme on the Baronang and Cakalang licences (WI 100%) was completed in April 2010 and interpretation is ongoing.

Malaysia
A total of 2,150 km^2 of seismic acquisition on Blocks PM308A (WI 35%), PM308B (WI 75%) and SB303 (WI 75%) was completed in 2009. The seismic data processing and interpretation work has identified numerous drilling targets for the 2011/2012 drilling campaign. Five exploration wells will be drilled next year commencing in April 2011 and a jack up rig has been secured for this programme. In 2010 Lundin Petroleum signed a new Production Sharing Contract encompassing blocks SB307 & SB308 (WI 42.5%) offshore Sabah. A 330 km^2 3D acquisition programme on blocks SB307 and SB308 was completed during the second quarter of 2010.

Vietnam
Exploration wells on the Hoa-Hong-X1 and Hoa Dao High prospects in Block 06/94 (WI 33.33%) were completed in 2010. Both wells were plugged and abandoned after either being dry or encountering uncommercial quantities of gas.

RUSSIA
The net production to Lundin Petroleum from Russia for the period was 3,700 boepd.

In the Lagansky Block (WI 70%) in the northern Caspian a major oil discovery was made on the Morskaya field in 2008. The discovery due to its offshore location is deemed to be strategic 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 development. Our work programme in 2010 on Lagansky is limited to the acquisition of 103 km^2 of 3D seismic which has been substantially completed.

AFRICA

Tunisia
The net production to Lundin Petroleum from the Oudna field (WI 40%) was 1,100 boepd for the reporting period. The Oudna field production continues to outperform expectations.

Congo (Brazzaville)
An appraisal well on the Viodo discovery was completed in the fourth quarter of 2009 as an oil discovery. The results of the well are currently being reviewed with respect to the development potential of the Viodo field.

In Block Marine XIV (WI 21.55%) exploration drilling will commence during 2011 with the drilling of the Makouala prospect.

FINANCIAL REVIEW

Result
The net result including discontinued operations for the nine month period ended 30 September 2010 (reporting period) amounted to MUSD 412.1 (MUSD 5.4). The net result attributable to shareholders of the parent company including discontinued operations for the reporting period amounted to MUSD 421.8 (MUSD 10.5) representing earnings per share on a fully diluted basis of USD 1.35 (USD 0.03).

Lundin Petroleum reports a net result from continuing operations for the reporting period of MUSD 42.8 (MUSD 1.2). The net result attributable to shareholders of the parent company from continuing operations amounted to MUSD 52.5 (MUSD 6.3) representing earnings per share on a fully diluted basis of USD 0.17 (USD 0.02).

Operating cash flow including discontinued operations for the reporting period amounted to MUSD 441.7 (MUSD 359.6) representing operating cash flow per share on a fully diluted basis of USD 1.41 (USD 1.15). Earnings before interest, tax, depletion and amortisation (EBITDA) including discontinued operations for the reporting period amounted to MUSD 458.0 (MUSD 362.1) representing EBITDA per share on a fully diluted basis of USD 1.47 (USD 1.15).

Changes in the Group
During the first quarter of 2010, Lundin Petroleum announced its intention to spin-off the United Kingdom (UK) business. The spin-off was completed on 6 April 2010 with the sale of the UK business in exchange for shares in the newly incorporated company, EnQuest, and the subsequent distribution of the EnQuest shares received to Lundin Petroleum shareholders on 9 April 2010. The results of the UK business are included in the Lundin Petroleum accounts up until the end of the first quarter of 2010 and are shown as discontinued operations. For more detail refer to Note 8.

During the third quarter of 2010, Lundin Petroleum announced that it had signed a Sale and Purchase Agreement with RH Petrogas to sell its interests in the Salawati Basin and Salawati Island assets, Indonesia. The transaction was not completed as at 30 September 2010 and accordingly, the results from these assets are included for the reporting period. The assets and liabilities relating to Salawati Basin and Salawati Island have been classified as held for sale in the balance sheet as at 30 September 2010. For more detail refer to Note 11.

In October 2010, Lundin Petroleum announced its intention to distribute its shares in Etrion Corporation to the shareholders of Lundin Petroleum. The distribution is expected to be completed in November 2010. The results from Etrion are included for the reporting period and the assets and liabilities have been classified as held for distribution in the balance sheet as at 30 September 2010. For more detail refer to Note 11.

Production

Production including discontinued operations for the reporting period amounted to 8,942.4 (10,524.8) thousand barrels of oil equivalent (Mboe) representing 32.8 Mboe per day (Mboepd) (38.6 Mboepd) and was comprised as follows:

Production	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Norway					
- Quantity in Mboe	4,755.7	1,838.2	3,749.4	1,316.0	5,060.9
- Quantity in Mboepd	17.4	20.0	13.7	14.3	13.9
France					
- Quantity in Mboe	864.2	296.1	942.5	314.6	1,249.2
- Quantity in Mboepd	3.2	3.2	3.5	3.4	3.4
Netherlands					
- Quantity in Mboe	565.3	176.2	580.6	175.2	759.3
- Quantity in Mboepd	2.1	1.9	2.1	1.9	2.1
Indonesia					
- Quantity in Mboe	636.9	234.1	678.3	211.9	896.3
- Quantity in Mboepd	2.3	2.5	2.5	2.3	2.4
Russia					
- Quantity in Mboe	1,019.2	319.1	1,484.1	494.7	1,890.0
- Quantity in Mboepd	3.7	3.5	5.4	5.4	5.2
Tunisia					
- Quantity in Mboe	288.9	90.6	389.4	126.0	494.9
- Quantity in Mboepd	1.1	1.0	1.4	1.4	1.4
Total from continuing operations					
- Quantity in Mboe	**8,130.2**	2,954.3	7,824.3	2,638.4	10,350.6
- Quantity in Mboepd	**29.8**	32.1	28.6	28.7	28.4
Minority interest in Russia					
- Quantity in Mboe	-	-	146.4	51.5	162.2
- Quantity in Mboepd	-	-	0.5	0.6	0.4
Total from continuing operations excluding minority interest					
- Quantity in Mboe	**8,130.2**	2,954.3	7,677.9	2,586.9	10,188.4
- Quantity in Mboepd	**29.8**	32.1	28.1	28.1	28.0
Discontinued operations - United Kingdom					
- Quantity in Mboe	812.2	-	2,846.9	887.4	3,743.3
- Quantity in Mboepd	3.0	-	10.5	9.6	10.2
Total excluding minority interest					
- Quantity in Mboe	**8,942.4**	2,954.3	10,524.8	3,474.3	13,931.7
- Quantity in Mboepd	**32.8**	32.1	38.6	37.7	38.2

In April 2010, the Volund field, offshore Norway commenced production and has contributed 3.8 Mboepd of the 17.4 Mboepd reported for Norway for the reporting period. Production from the Volund field averaged 7.1 Mboepd for the third quarter of 2010.

In 2009, Lundin Petroleum fully consolidated two subsidiaries in Russia over which it had control, with the portion not owned by Lundin Petroleum shown as a minority interest. The average production for Russia for the nine month period ended 30 September 2009 adjusted to Lundin Petroleum's share of ownership was 4.9 Mboepd. Lundin Petroleum sold the two controlled Russian subsidiaries during the second half of 2009.

Production quantities in a period can differ from sales quantities for a number of reasons. Timing differences can arise due to inventory, storage and pipeline balances effects. Other differences arise as a result of paying royalties in kind as well as the effects from production sharing agreements.

Operating income
Net sales of oil and gas for the reporting period amounted to MUSD 549.0 (MUSD 414.8) and are detailed in Note 1. The average price achieved by Lundin Petroleum for a barrel of oil amounted to USD 70.19 (USD 53.93) and is detailed in the following table. The average Dated Brent price for the reporting period amounted to USD 77.14 (USD 57.32) per barrel.

Sales for the reporting period were comprised as follows:

Sales Average price per boe expressed in USD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Norway					
- Quantity in Mboe	**4,742.1**	1,700.2	3,888.1	1,434.4	5,200.1
- Average price per boe	**75.33**	75.38	57.17	64.08	60.48
France					
- Quantity in Mboe	**878.5**	287.9	965.9	313.8	1,277.9
- Average price per boe	**76.33**	75.53	56.74	67.01	60.94
Netherlands					
- Quantity in Mboe	**565.3**	176.2	580.6	175.2	759.3
- Average price per boe	**42.28**	48.19	51.31	41.06	50.49
Indonesia					
- Quantity in Mboe	**330.2**	103.2	470.1	191.1	609.4
- Average price per boe	**63.83**	51.96	57.86	66.84	60.58
Russia					
- Quantity in Mboe	**999.5**	320.0	1,583.5	489.3	1,976.4
- Average price per boe	**50.21**	51.97	34.86	44.70	37.64
Tunisia					
- Quantity in Mboe	**382.6**	187.0	465.5	204.1	465.5
- Average price per boe	**77.15**	75.98	54.72	65.21	54.72
Total from continuing operations					
- Quantity in Mboe	**7,898.2**	2,774.5	7,953.7	2,807.9	10,288.6
- Average price per boe	**69.51**	70.14	52.15	59.87	55.16
Discontinued operations - United Kingdom					
- Quantity in Mboe	**814.4**	-	2,737.6	982.9	3,630.8
- Average price per boe	**76.82**	-	59.10	69.09	62.83
Total					
- Quantity in Mboe	**8,712.6**	2,774.5	10,691.3	3,790.8	13,919.4
- Average price per boe	**70.19**	70.14	53.93	62.26	57.16

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 40 percent (38 percent) of Russian sales for the reporting period were on the international market at an average price of USD 74.16 per barrel (USD 53.91 per barrel) with the remaining 60 percent (62 percent) of Russian sales being sold on the domestic market at an average price of USD 33.94 per barrel (USD 23.06 per barrel).

Other operating income amounted to MUSD 9.5 (MUSD 3.0) for the reporting period and includes MUSD 7.0 (MUSD -) of income relating to Etrion's solar business. 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
Oil and gas production costs for the reporting period amounted to MUSD 108.3 (MUSD 116.8) and are detailed in Note 2. The production and depletion costs per barrel of oil equivalent produced from continuing operations are detailed in the table below.

Production cost and depletion in USD per boe	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Cost of operations	8.18	7.55	8.37	8.88	9.22
Tariff and transportation expenses	1.45	1.65	1.52	1.28	1.52
Royalty and direct taxes	3.87	3.44	3.77	4.68	3.96
Changes in inventory/overlift	-0.45	-5.26	0.99	3.03	0.01
Other	0.21	0.18	0.29	0.30	0.30
Total production costs	**13.26**	7.56	14.94	18.17	15.01
Depletion	**12.87**	13.22	11.11	10.87	11.41
Total cost per boe	**26.13**	20.78	26.05	29.04	26.42

The cost of operations for the third quarter of 2010 amounted to USD 7.55 per barrel. The cost of operations in total for the third quarter of 2010 was consistent with previous quarters, but when applied over the higher production achieved in the quarter, the cost per barrel has decreased. The cost of operations for the third quarter of 2010 is significantly below guidance. The forecast included activities such as well intervention and various one-off activities, some of which were not incurred.

The forecast cost of operations for the final quarter of 2010 is expected to increase to approximately USD 9.00 per barrel due to the phasing of certain expenditures.

The total tariff and transportation expenses have increased in the third quarter of 2010 compared to the previous quarter due to the contribution of a full quarter's production from the Volund field. The operating cost of the Volund field consists of an operating expense share and a tariff element. The operating expense of the Alvheim production facilities is shared between the Alvheim (WI 15%), Volund (WI 35%) and Vilje (WI -%) fields based on volume throughput. Lundin Petroleum has a 15 percent working interest in the Alvheim field and a 35 percent interest in the Volund field and the self-to-self element is eliminated for accounting purposes leaving a net 20 percent cost in tariff and transportation expenses.

Royalty and direct taxes includes Russian Mineral Resource Extraction Tax ("MRET") and Russian Export Duties. The rate of MRET varies in relation to world oil prices and is levied on the volume of Russian production. MRET averaged USD 13.45 (USD 9.45) 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 dependant 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 37.14 (USD 19.61) per barrel for the reporting period. The royalty and direct taxes have increased compared to the comparative period following the rise in crude prices impacting the cost of Russian MRET and export duty.

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 3.7 (MUSD -7.8) was credited to the income statement for the reporting period. The change to the hydrocarbon inventory and under or overlift position in the third quarter of 2010 was a credit to production costs of MUSD 15.5 (MUSD -8.0) and primarily relates to a Norwegian underlift position at the end of the third quarter.

Depletion costs

Depletion costs amounted to MUSD 107.0 (MUSD 87.0) and are detailed in Note 3. Depletion per barrel is in line with forecast for the reporting period and also for the full year. Norway contributes approximately 70 percent of the total depletion charge for the nine month period at a rate of USD 15.55 per barrel. The depletion charge for the comparative period includes MUSD 9.1 in respect of the Oudna field, Tunisia, which was fully depleted by the end of 2009.

Exploration costs

Exploration costs for the reporting period amounted to MUSD 66.8 (MUSD 84.8) and are detailed in Note 4. 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.

During the third quarter of 2010, an unsuccessful exploration well was drilled on the Hoa Dao High prospect in Block 06/94, Vietnam and a total of MUSD 17.1 was expensed including associated seismic, study and licence costs.

During the first six months of 2010, Lundin Petroleum expensed MUSD 46.2 being the costs of the unsuccessful HH-1X well and associated seismic, study and licence costs on Block 06/94, Vietnam, the costs of the unsuccessful wells on licences PL359 and PL476 in Norway and the costs of the relinquished licences PL486s and PL487s in Norway.

General, administrative and depreciation expenses

General, administrative and depreciation expenses for the reporting period amounted to MUSD 27.4 (MUSD 12.7) and includes an amount of MUSD 10.9 (MUSD -) relating to Etrion. The general, administrative and depreciation expenses for the third quarter amounted to MUSD 13.3 (MUSD 4.6) of which MUSD 5.4 (MUSD -) related to Etrion and MUSD 3.8 (MUSD 0.4) to non-cash charges in relation to the Group's Long term Incentive Plan (LTIP) scheme.

Awards to employees under the Group's LTIP scheme are valued using the Black & Scholes calculation method using the share price as at the balance sheet date. The cost is accrued over the vesting period of the awards in accordance with accounting rules. During the third quarter of 2010, the Lundin Petroleum share price increased by over 60 percent compared to the share price at the end of the second quarter of 2010 and accordingly, the cost associated with the LTIP was reflected in the third quarter of 2010. The value of the LTIP award as calculated using the Black & Scholes valuation is applied to the vested portion of all outstanding LTIP awards including that of prior years and therefore the charge to the income statement in the third quarter of 2010 reflects the change in the provision to date.

Financial income
Financial income for the reporting period amounted to MUSD 13.8 (MUSD 56.8) and is detailed in Note 5.

Foreign exchange gains in the reporting period amounted to MUSD 8.4.(MUSD 42.5). The US dollar weakened by 10 percent against the Euro in the third quarter of 2010 generating exchange gains on the US dollar denominated external debt which is borrowed by a subsidiary using a functional currency of the Euro. The Norwegian Kroner was stable against the Euro during the third quarter of 2010 resulting in no significant foreign exchange fluctuation on the Norwegian Kroner intercompany loan.

Interest income for the reporting period amounted to MUSD 1.9 (MUSD 3.3) with the comparative period including accrued interest on the Norwegian tax refund in respect of the 2008 exploration expenditure.

Included in the comparative period in gain on sale of shares was an amount of MUSD 10.2 relating to the sale of the shareholding in a company owning an interest in Dutch gas processing and transportation infrastructure.

Other financial income for the reporting period amounted to MUSD 3.1 (MUSD 0.7) and includes a MUSD 2.1 (MUSD -) fee for supporting certain financial obligations for ShaMaran Petroleum.

Financial expenses
Financial expenses for the reporting period amounted to MUSD 25.1 (MUSD 43.8) and are detailed in Note 6.

Interest expenses for the reporting period amounted to MUSD 6.3 (MUSD 5.6) and relates mainly to interest on the Group's bank loan facility and a charge of MUSD 2.2 (MUSD -) relating to Etrion's loan facilities.

In January 2008, the Group entered into an interest rate hedging contract to fix the LIBOR rate of interest at 3.75 percent p.a. on MUSD 200 of the Group's USD borrowings for the period from January 2008 until January 2012. An amount of MUSD 5.2 (MUSD 4.0) was charged to the income statement for the reporting period for settlements under the hedging contracts.

In November 2009, Etrion entered into an interest rate swap arrangement as part of an external loan agreement. A change in the market value of this swap arrangement amounted to an expense of MUSD 3.8 (MUSD -) for the reporting period.

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 3.0 (MUSD 1.8) has been charged to the income statement for the reporting period. The increase versus the comparative period is due to increased liabilities following the inclusion of the Volund field, Norway and other cost revisions reflected at the end of 2009.

Included in other financial expenses in the comparative period is an amount of MUSD 29.8 relating to the write down of the investment in Etrion following Etrion's write down of its Venezuelan oil and gas assets.

Result from share in associated company
The result from share in associated company for the comparative reporting period amounted to MUSD -24.9 and consisted of the 44.81 percent equity share of the result of Etrion owned by Lundin Petroleum. The results of Etrion have been fully consolidated into the Lundin Petroleum consolidated accounts from 30 September 2009 and as such, there is no amount recorded for 2010 in the result from share in associated company.

Included in the MUSD -24.9 for the comparative period is an amount of MUSD 22.8 relating to the write down of Etrion's Venezuelan oil and gas assets.

Tax
The tax charge for the reporting period amounted to MUSD 195.6 (MUSD 92.1) and is detailed in Note 7.

The current tax charge on continuing operations for the reporting period amounted to MUSD 33.7 (MUSD 9.1). The current tax charge comprises of tax charges in Norway, France, the Netherlands, Indonesia and Tunisia. There is a MUSD 14.6 (MUSD -9.5) accrued current tax payable in respect of Norway operations based on the forecast taxable income for the full year 2010 which shows that in respect of the 28 percent onshore tax regime, the losses brought forward have been utilised. The Norwegian current tax credit in 2009 of MUSD 9.5 arose from a combination of the low oil price achieved and the high exploration and capital expenditure incurred. These two factors created a situation whereby Lundin Petroleum was anticipating a cash tax refund under the Norwegian tax system at the end of the third quarter 2009, however by the year end as a result of the very good performance of the Alvheim field and higher oil prices achieved, no tax refund was due.

The deferred tax charge amounted to MUSD 161.9 (MUSD 82.9) for the reporting period with the increase versus the comparative period due to the higher profit achieved in 2010 driven by the higher oil prices and production from continuing operations.

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 amounts to 82 percent. This effective rate is the amount calculated from the face of the income statement and does not reflect the effective rate of tax paid within each country of operation. The main contributor to the tax charge is Norway with an effective tax rate of 74 percent. Reported losses in non-operating entities, with zero or low tax credits recorded, increase the effective rate. The effective rate of cash tax payable is 14 percent because tax loss carry forwards and exploration expenditure continue to provide a tax deduction in Norway.

Minority interest
The net result attributable to minority interest for the reporting period amounted to MUSD -9.6 (MUSD -5.1) and mainly relates to the minority interest's share in Etrion which is fully consolidated.

Discontinued operations
The net result from discontinued operations for the reporting period amounted to MUSD 369.3 (MUSD -) and relates to the net result of MUSD 10.9 (MUSD -) for the United Kingdom up to 6 April 2010, the date of the UK spin-off, and the subsequent gain on the sale of the UK assets of MUSD 358.4 (MUSD -). For more detail refer to Note 8.

BALANCE SHEET

Assets held for sale / distribution
During the third quarter of 2010, Lundin Petroleum signed a Sale and Purchase agreement to sell its interests in the Salawati Basin and Salawati Island assets, Indonesia. Furthermore in October 2010, Lundin Petroleum announced its intention to distribute its shares in Etrion Corporation to the shareholders of Lundin Petroleum. Consequently, related assets and liabilities relating to the Salawati assets and the Etrion group as at 30 September 2010 are classified as held for sale/distribution. None of these assets are considered to represent a major line of business to the Group and are therefore not considered to be discontinued operations. For more detail refer to Note 11.

Non-current assets
Oil and gas properties amounted to MUSD 1,959.9 (MUSD 2,540.3) and are detailed in Note 9.

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

Development expenditure in MUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Norway	85.9	23.6	60.9	13.8	88.1
France	9.1	1.7	3.3	1.3	6.3
Netherlands	3.6	1.5	3.1	0.4	5.3
Indonesia	8.4	0.3	28.9	8.2	34.9
Russia	5.5	1.8	7.6	3.1	10.1
Development expenditures from continuing operations	**112.5**	28.9	103.8	26.8	144.7
Discontinued operations - United Kingdom	17.1	-	55.6	19.3	63.5
Development expenditures	**129.6**	28.9	159.4	46.1	208.2

Exploration expenditure in MUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Norway	70.0	40.2	151.1	55.7	198.5
France	0.6	0.3	2.6	0.2	3.1
Indonesia	10.5	2.5	6.7	1.2	9.7
Russia	14.0	3.3	24.9	12.0	45.2
Vietnam	15.6	6.6	8.4	1.3	9.2
Congo (Brazzaville)	1.7	0.4	8.0	3.6	13.8
Malaysia	6.8	2.1	13.8	6.6	23.9
Other	3.9	3.6	2.5	0.4	4.7
Exploration expenditures from continuing operations	**123.1**	59.0	218.0	81.0	308.1
Discontinued operations - United Kingdom	0.2	-	1.8	0.7	2.3
Exploration expenditures	**123.3**	59.0	219.8	81.7	310.4

Other tangible assets amounted to MUSD 14.2 (MUSD 15.3) and represents office fixed assets and real estate.

Financial assets amounted to MUSD 142.5 (MUSD 85.4) and are detailed in Note 10. Other shares and participations amounted to MUSD 29.5 (MUSD 32.4) and primarily relate to the shares held in ShaMaran Petroleum. Long-term receivables amounted to MUSD 90.4 (MUSD 24.2) and relates to the loan receivable from

Etrion of MUSD 66.6 (MUSD -) and the convertible loan provided to Africa Oil Corporation for MUSD 23.8 (MUSD 23.8). Other financial assets amounted to MUSD 17.2 (MUSD 21.1) and mainly represents VAT paid on costs in Russia that is expected to be recovered amounting to MUSD 16.0 (MUSD 17.5).

The deferred tax asset amounted to MUSD 20.5 (MUSD 27.9) and mainly relates to unutilised tax losses in the Netherlands.

Current assets
Assets held for sale/distribution amounted to MUSD 213.8 (MUSD -) and are detailed in Note 11. The amount relates to the assets of the Etrion group, Salawati Basin and Salawati Island.

Receivables and inventories amounted to MUSD 133.5 (MUSD 198.0) and are detailed in Note 12. Inventories include hydrocarbons and consumable well supplies and amounted to MUSD 15.0 (MUSD 27.4). The main reduction in value is due to the reclassification of Salawati Basin and Island inventories amounting to MUSD 8.1 to assets held for sale. Trade receivables amounted to MUSD 72.3 (MUSD 80.7) and include MUSD 49.3 (MUSD 21.4) of Norway trade receivables following the commencement of Volund field sales in the second quarter of 2010. The short-term loan receivable of MUSD 5.5 (MUSD 33.9) mainly relates to the deferred working capital to be paid by EnQuest following the UK spin-off amounting to MUSD 4.8 (MUSD -). The comparative period includes a MUSD 30.0 advance in relation to the acquisition of the 30 percent interest in the Lagansky Block to the minority partner. This transaction was successfully completed during the third quarter of 2010.

Cash and cash equivalents amounted to MUSD 53.5 (MUSD 77.3). Included in cash and cash equivalents at 31 December 2009 is an amount of MUSD 23.4 held by Etrion. Cash balances are held to meet operational and investment requirements.

Non-current liabilities
Provisions amounted to MUSD 734.4 (MUSD 897.6) and are detailed in Note 13. This amount includes a provision for site restoration of MUSD 80.3 (MUSD 132.7). The decrease of the site restoration provision from the comparative period is mainly due to the UK business spin-off and consequent removal of the United Kingdom liability amount of MUSD 53.7.

The provision for deferred taxes amounted to MUSD 639.1 (MUSD 743.6) and is arising on the excess of book value over the tax value of oil and gas properties net of deferred tax assets which are netted off against deferred tax liabilities in accordance with IFRS where they relate to the same jurisdiction. The deferred tax provision has decreased from the comparative period mainly due to the UK business spin-off and consequent removal of the United Kingdom liability amount of MUSD 255.6, partly offset by the utilisation of tax losses in Norway.

The provision for derivative instruments amounted to MUSD 1.6 (MUSD 3.1) relates to the long term portion of the fair value of the interest rate swap entered into in January 2008 in relation to the Company's MUSD 850 credit facility.

Other provisions amounted to MUSD 12.1 (MUSD 16.8) and mainly relate to the LTIP scheme and termination indemnity provisions in Tunisia. The comparative period includes an exchange obligation of Etrion amounting to MUSD 5.7 which is now part of the liabilities held for distribution.

Long term interest bearing debt amounted to MUSD 535.0 (MUSD 545.7) and relates to the Group's financing facility consisting of a MUSD 850 revolving borrowing base and letter of credit facility with a seven year term expiring in 2014.

Current liabilities
Liabilities held for sale/distribution amounted to MUSD 183.1 (MUSD -) and are detailed in Note 11. The amount relates to the liabilities of the Etrion group, Salawati Basin and Salawati Island.

Other current liabilities amounted to MUSD 130.6 (MUSD 257.5) and are detailed in Note 14. Joint venture creditors amounted to MUSD 83.3 (MUSD 140.0) and relate to ongoing operational costs. Short-term loans amounted to 0.7 (MUSD 32.4). The comparative relates mainly to the advance received in relation to the agreement with a subsidiary of Gunvor International BV to acquire a 30 percent interest in the Lagansky Block for an amount of MUSD 30.0. This transaction was successfully completed during the third quarter of 2010. Tax payables amounted to MUSD 13.9 (MUSD 20.9) with the movement in the period mainly due a payment of tax due in Tunisia in the third quarter of 2010. The short term portion of the fair value of the interest rate swap entered into in January 2008 is included in current liabilities and amounted to MUSD 6.9 (MUSD 7.1).

Equity
On 9 April 2010, Lundin Petroleum made a distribution of the EnQuest shares received in consideration for the sale of the UK business in a ratio of 1.3473 shares in EnQuest for each Lundin Petroleum share held. The distribution was valued at the market price of the shares at the time of the distribution and amounted to MUSD 656.3. The value of the distribution is charged against shareholders equity.

On 1 July 2010, Lundin Petroleum purchased 637,336 of its own shares, bringing the total amount of owned shares to 6,882,638.

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 3,967.0 (MSEK -4.8) for the reporting period.

The result includes a dividend received from a subsidiary of MSEK 3,995.7 (MSEK -), financial income of MSEK 15.3 (MSEK -) for supporting certain financial obligations for ShaMaran Petroleum and accrued interest expense of MSEK 28.0 (MSEK -) on a MSEK 3,951.0 promissory note made to a subsidiary in relation to the UK business spin-off to EnQuest. The promissory note was cancelled on 1 July following the dividend distribution by a subsidiary. There is a tax credit of MSEK 7.3 resulting from an adjustment to the prior year tax accrual.

SUBSEQUENT EVENTS
In October 2010, Lundin Petroleum announced its intention to distribute its shares in Etrion Corporation to its shareholders. The distribution is expected to be completed in November 2010.

LIQUIDITY
Lundin Petroleum has a secured revolving borrowing base facility of MUSD 850, of which MUSD 535.0 has been drawn in cash as at 30 September 2010. The MUSD 850 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. Following the disposal of the UK business, a new borrowing base redetermination was undertaken and an amount of approximately USD 850 million, effective 1 July 2010, was approved unanimously by the loan syndicate banks.

Lundin Petroleum has, through its subsidiary Lundin Malaysia BV, entered into four Production Sharing Contracts (PSC) with Petroliam Nasional Berhad, the oil and gas company of the Government of Malaysia ("Petronas"), in respect of the licenses PM308A, PM308B, SB307 and SB308, and SB303, in Malaysia. BNP Paribas, on behalf of Lundin Malaysia BV has issued bank guarantees in support of the work commitments in relation to these PSCs amounting to MUSD 87.7. In addition, BNP Paribas have issued additional bank guarantees to cover work commitments in Indonesia amounting to MUSD 15.0.

SHARE DATA
Lundin Petroleum AB's issued share capital as at 30 September 2010 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 6 May 2010, Lundin Petroleum purchased 637,336 of its own shares during the third quarter of 2010. As at 30 September 2010, Lundin Petroleum held 6,882,638 of its own shares.

REMUNERATION
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 will be payable over a period of three years from award. The cash payment will be determined at the end of each vesting period by multiplying the number of units then vested by the share price. The share price for determining the cash payment at the end of each vesting period will be the 5 trading day average closing Lundin Petroleum share price prior to and following the actual vesting date.

The AGM held on 13 May 2009 approved the 2009 LTIP and divided it into one plan for certain senior management (being the President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Senior Vice President Operations) and one plan for certain other employees.

On 9 April 2010, Lundin Petroleum distributed the shares of EnQuest that it had received in consideration for the sale of the UK business. Under the rules of the various LTIPs the distribution triggered a recalculation of the number of units allocated and the strike price at which the options are exercisable.

The LTIP for senior executives includes 5,411,314 phantom options with an exercise price of SEK 53.79 (rebased from 4,000,000 phantom options and SEK 72.76 respectively following the distribution of the EnQuest shares). 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.

The number of units relating to the 2008 and 2009 LTIP schemes outstanding as at 30 September 2010 were 213,610 and 443,615 respectively.

The AGM held on 6 May 2010 awarded 722,450 units to employees under the 2010 LTIP scheme and this number of units remain outstanding as at 30 September 2010.

ACCOUNTING PRINCIPLES
The financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, Interim 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 2009.

The financial statements of the parent company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2.3.

IAS 21 states that a company may present its financial statements in any currency. The generally accepted currency of the oil industry is United States dollars (USD) and as such the Board of Directors of Lundin Petroleum has resolved that Lundin Petroleum will present its financial statements in USD with effect from 1 January 2010. The Board believes that presenting the financial statements in this currency will further assist readers in understanding the underlying financial position of the company and its results. As a consequence the comparative figures are translated into USD whereby assets and liabilities are translated at the closing rate at the date of that balance sheet and income and expenses are translated at the exchange rates at the dates of the transactions. Equity is translated against historical rates.

For comparative purposes, historical income statements and balance sheets have been presented in USD on the Company's website www.lundin-petroleum.com.

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 financial statements are still reported in SEK and not in USD.

RISKS AND UNCERTAINTIES

The major risk the Group faces is the nature of oil and gas exploration and production itself. 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. Lundin Petroleum's long-term commercial success depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. A future increase in Lundin Petroleum's reserves will depend not only on its ability to explore and develop any properties that Lundin Petroleum may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. In addition, there is no assurance that commercial quantities of oil and gas will be discovered or acquired by Lundin Petroleum.

Operational risk

The Group faces a number of risks and uncertainties in the areas of operation which may have an adverse impact on its ability to successfully pursue its exploration, appraisal and development plans as well as on its production of oil and gas. A more detailed analysis of the operational risks faced by Lundin Petroleum is given in the Company's annual report for 2009.

Lundin Petroleum is, and will be, actively engaged in oil and gas operations in various countries. Lundin Petroleum's exploration, development and production activities may be subject to political and economic uncertainties, expropriation of property and cancellation or modification of contract rights, taxation, royalties, duties, foreign exchange restrictions and other risks arising out of foreign governmental sovereignty over the areas in which Lundin Petroleum's operations are conducted, as well as risks of loss in some countries due to civil strife, acts of war, guerrilla activities and insurrection. Further, certain aspects of Lundin Petroleum's exploration and production programmes require the consent or favourable decisions of governmental bodies.

Financial risk

As an international oil and gas exploration and production company operating globally, Lundin Petroleum is exposed to financial risks such as fluctuations in oil price, currency rates, interest rates as well as liquidity and credit risks. The Company shall seek to control these risks through sound management practice and the use of internationally accepted financial instruments, such as oil price, currency and interest rate hedges. Lundin Petroleum uses financial instruments solely for the purpose of minimising risks in the Company's business. A more detailed analysis of the financial risks faced by Lundin Petroleum and how it addresses these risks is given in the Company's annual report for 2009.

Derivative financial instruments

The Group entered into an interest hedging contract on 8 January 2008, fixing the LIBOR rate of interest at 3.75 percent p.a. on MUSD 200 of the Group's USD borrowings for the period January 2008 to January 2012. The interest rate contract relates to the current credit facility. Under IAS 39, the interest rate contract is effective and qualifies for hedge accounting. Changes in fair value of this contract are charged directly to equity. As at 30 September 2010, a provision has been recognised in the balance sheet amounting to MUSD 1.6 (MUSD 3.1), representing the long-term portion of the fair value of the outstanding part of the interest rate contract and a current liability in the balance sheet amounting to MUSD 6.9 (MUSD 6.4) representing the short-term portion of the fair value of the outstanding part of the interest rate contract.

EXCHANGE RATES

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

	Average	Period end
1 USD equals NOK	6.0724	5.8382
1 USD equals Euro	0.7599	0.7327
1 USD equals Rouble	30.2364	30.5483
1 USD equals SEK	7.3381	6.6985

CONSOLIDATED INCOME STATEMENT

Expressed in TUSD	Note	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Continuing operations						
Operating income						
Net sales of oil and gas	1	548,965	194,590	414,775	168,103	567,488
Other operating income		9,541	7,737	3,021	1,016	4,347
		558,506	202,327	417,796	169,119	571,835
Cost of sales						
Production costs	2	-108,330	-22,860	-116,845	-47,942	-155,311
Depletion costs	3	-106,964	-41,342	-86,951	-28,666	-118,128
Exploration costs	4	-66,847	-20,674	-84,819	-43,603	-134,792
Impairment costs for oil and gas properties		-	-	-	-	-525,719
Impairment costs for Goodwill		-	-	-	-	-119,047
Gross profit		**276,365**	117,451	129,181	48,908	-481,162
Gain on sale of assets		-	-	-11,899	-11,899	4,589
Other income		747	319	638	103	1,222
General, administration and depreciation expenses		-27,437	-13,260	-12,726	-4,601	-28,841
Operating profit		**249,675**	104,510	105,194	32,511	-504,192
Result from financial investments						
Financial income	5	13,839	9,848	56,756	38,546	82,031
Financial expenses	6	-25,073	-8,953	-43,753	-34,200	-52,472
		-11,234	895	13,003	4,346	29,559
Result from share in associated company		-	-	-24,920	-23,351	-25,504
Profit before tax		**238,441**	105,405	93,277	13,506	-500,137
Tax	7	-195,594	-83,368	-92,052	-30,143	-45,669
Net result from continuing operations		**42,847**	22,037	1,225	-16,637	-545,806
Discontinued operations						
Net result from discontinued operations	8	369,275	-	4,223	3,174	8,737
Net result		**412,122**	22,037	5,448	-13,463	-537,069
Net result attributable to the shareholders of the parent company:						
From continuing operations		52,487	26,569	6,302	-16,078	-420,005
From discontinued operations		369,275	-	4,223	3,174	8,737
		421,762	26,569	10,525	-12,904	-411,268
Net result attributable to Minority interest:						
From continuing operations		-9,640	-4,532	-5,077	-559	-125,801
From discontinued operations		-	-	-	-	-
		-9,640	-4,532	-5,077	-559	-125,801
Net result		**412,122**	22,037	5,448	-13,463	-537,069
Earnings per share – USD [1]						
From continuing operations		0.17	0.09	0.02	-0.05	-1.34
From discontinued operations		1.18	-	0.01	0.01	0.03
		1.35	0.09	0.03	-0.04	-1.31
Diluted earnings per share – USD [1]						
From continuing operations		0.17	0.09	0.02	-0.05	-1.34
From discontinued operations		1.18	-	0.01	0.01	0.03
		1.35	0.09	0.03	-0.04	-1.31

[1] Based on net result attributable to shareholders of the parent company.

STATEMENT OF COMPREHENSIVE INCOME

Expressed in TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Net result	**412,122**	22,037	5,448	-13,463	-537,069
Other comprehensive income					
Exchange differences foreign operations	-42,771	61,106	65,772	42,727	74,763
Cash flow hedges	-1,595	-591	40,833	2,006	47,583
Available-for-sale financial assets	13,437	7,254	-11,378	-10,632	-19,158
Income tax relating to other comprehensive income	-1,942	-1,699	-18,570	-1,045	-19,064
Other comprehensive income, net of tax	-32,871	66,070	76,657	33,056	84,124
Total comprehensive income	**379,251**	88,107	82,105	19,593	-452,945
Total comprehensive income attributable to:					
Shareholders of the parent company	389,654	91,708	96,900	19,577	-317,291
Minority interest	-10,403	-3,601	-14,795	16	-135,654
	379,251	88,107	82,105	19,593	-452,945

CONSOLIDATED BALANCE SHEET

Expressed in TUSD	Note	**30 September 2010**	31 December 2009
ASSETS			
Non-current assets			
Oil and gas properties	9	1,959,916	2,540,348
Solar power properties		-	644
Other tangible assets		14,185	15,283
Goodwill		-	674
Other intangible assets		-	5,132
Financial assets	10	142,532	85,437
Deferred tax		20,546	27,850
Total non-current assets		**2,137,179**	2,675,368
Current assets			
Assets held for sale / distribution	11	213,838	-
Receivables and inventories	12	133,531	197,952
Cash and cash equivalents		53,545	77,338
Total current assets		**400,914**	275,290
TOTAL ASSETS		**2,538,093**	2,950,658
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		858,096	1,141,658
Minority interest		80,706	95,555
Total equity		**938,802**	1,237,213
Non-current liabilities			
Provisions	13	734,440	897,622
Bank loans		534,970	545,729
Other non-current liabilities		16,215	12,598
Total non-current liabilities		**1,285,625**	1,455,949
Current liabilities			
Liabilities held for sale / distribution	11	183,092	-
Other current liabilities	14	130,574	257,496
Total current liabilities		**313,666**	257,496
TOTAL EQUITY AND LIABILITIES		**2,538,093**	2,950,658
Pledged assets		450,966	699,506
Contingent liabilities		-	-

CONSOLIDATED STATEMENT OF CASH FLOW

Expressed in TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Cash flow from operations					
Net result	412,122	22,037	5,448	-13,463	-537,069
Gain on sale of discontinued operations	-358,353	-	-	-	-
Adjustments for non-cash related items	408,339	153,309	353,717	156,161	1,005,388
Interest received	362	68	2,500	774	3,381
Interest paid	-3,295	-2,828	-7,110	-2,012	-6,309
Income taxes paid	-20,788	-10,405	-13,678	1,927	-26,305
Changes in working capital	-52,351	3,486	-27,133	50,053	50,512
Total cash flow from operations	**386,036**	165,667	313,744	193,440	489,598
Cash flow used for investments					
Investment in subsidiary assets	-8,183	450	-	-	26,489
Investment in associated companies	225	-	-	-	-
Sale of other shares and participations	446	-32	12,285	12,285	12,285
Change in other financial fixed assets	-4	-251	-139	-80	-194
Other payments	-1,521	-243	-2,023	-102	-2,050
Divestment	-25,003	-	-888	-	-
Investment in intangible fixed assets	-205	-21	-	-	-2,161
Investment in oil and gas properties	-253,608	-87,887	-375,115	-123,588	-514,313
Investment in solar power properties	-19,397	-10,087	-	-	-644
Investment in office equipment and other assets	-3,132	-673	-1,721	-528	-2,391
Total cash flow used for investments	**-310,382**	-98,744	-367,601	-112,013	-482,979
Cash flow used for / from for financing					
Changes in long-term receivables	-66,637	-66,637	-	-	-
Changes in long-term liabilities	13,986	2,968	41,112	-105,112	4,750
Paid financing fees	-51	-	-79	-	-97
Purchase of own shares	-10,712	-2,823	-	-	-
Proceeds from share issuance subsidiary company	15,191	15,191	-	-	-
Dividend paid to minority	-	-	-46	-	-46
Total cash flow used for / from financing	**-48,223**	-51,301	40,987	-105,112	4,607
Change in cash and cash equivalents	27,431	15,622	-12,870	-23,685	11,226
Cash and cash equivalents at the beginning of the period	77,338	89,874	57,445	74,214	57,445
Acquired on consolidation	-	-	26,970	26,970	-
Cash held for sale / distribution	-50,074	-50,074	-	-	-
Currency exchange difference in cash and cash equivalents	-1,150	-1,877	8,288	2,334	8,667
Cash and cash equivalents at the end of the period	**53,545**	53,545	79,833	79,833	77,338
Total cash flow from operations					
From continuing operations	709,029	165,667	259,714	116,750	433,227
Used for/from discontinued operations	-322,993	-	54,030	76,690	56,371
	386,036	165,667	313,744	193,440	489,598
Total cash flow used for investments					
Used for continuing operations	-267,996	-98,744	-310,088	-92,003	-416,853
Used for discontinued operations	-42,386	-	-57,513	-20,010	-66,126
	-310,382	-98,744	-367,601	-112,013	-482,979
Total cash flow used for / from investments					
From/used for continuing operations	-48,223	-51,301	55,987	-85,112	19,607
From/used for discontinued operations	-	-	-15,000	-20,000	-15,000
	-48,223	-51,301	40,987	-105,112	4,607

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in TUSD	Share capital	Additional paid-in-capital/ Other reserves	Retained earnings	Net result	Minority interest	Total equity
Balance at 1 January 2009	**463**	**754,104**	**613,917**	**93,958**	**179,793**	**1,642,235**
Transfer of prior year net result	-	-	93,958	-93,958	-	-
Total comprehensive income	**-**	**85,471**	**903**	**10,526**	**-14,795**	**82,105**
Acquired on consolidation	-	14,970	6,225	-	18,547	39,742
Divestments	-	-12,910	-	-	17,966	5,056
Transfer of share based payments	-	4,421	-4,421	-	-	-
Share based payments	-	-	23	-	-	23
Minority share in dividend paid	-	-	-	-	-46	-46
Balance at 30 September 2009	**463**	**846,056**	**710,605**	**10,526**	**201,465**	**1,769,115**
Total comprehensive income	**-**	**7,758**	**-155**	**-421,794**	**-120,859**	**-535,050**
Acquired on consolidation	-	-71	-	-	223	152
Divestments	-	-13,285	-	-	14,726	1,441
Transfer of share based payments	-	-80	80	-	-	-
Share based payments	-	-	1,555	-	-	1,555
Balance at 31 December 2009	**463**	**840,378**	**712,085**	**-411,268**	**95,555**	**1,237,213**
Transfer of prior year net result	-	-	-411,268	411,268	-	-
Total comprehensive income	**-**	**-32,365**	**256**	**421,763**	**-10,403**	**379,251**
Acquired on consolidation	-	-	-	-	97	97
Distributions	-	-358,049	-298,288	-	-	-656,337
Purchase of own shares	-	-10,714	-	-	-	-10,714
Held for sale / distribution	-	1,587	-10,195	-	-4,543	-13,151
Transfer of share based payments	-	4,386	-4,386	-	-	-
Share based payments	-	-	2,443	-	-	2,443
Balance at 30 September 2010	**463**	**445,223**	**-9,353**	**421,763**	**80,706**	**938,802**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Segment information, TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Operating income					
Net sales of:					
Crude oil					
- Norway	335,977	119,167	208,989	88,461	296,231
- Netherlands	76	39	77	12	139
- France	67,053	21,747	54,811	21,027	77,871
- Indonesia	18,699	3,590	26,968	12,711	36,617
- Russia	50,179	16,631	55,195	21,872	74,398
- Tunisia	29,517	14,209	25,469	13,308	25,469
	501,501	175,383	371,509	157,391	510,725
Condensate					
- Netherlands	735	253	523	202	848
- Indonesia	64	19	103	18	124
	799	272	626	220	972
Gas					
- Norway	21,260	8,984	13,314	3,464	18,257
- Netherlands	23,091	8,199	29,194	6,980	37,354
- Indonesia	2,314	1,752	132	48	180
	46,665	18,935	42,640	10,492	55,791
Net sales from continuing operations	**548,965**	194,590	414,775	168,103	567,488
Net sales from discontinued operations	62,567	-	161,806	67,911	228,111
Total net sales	**611,532**	194,590	576,581	236,014	795,599
Operating profit contribution					
- Norway	241,475	105,145	89,043	29,756	153,045
- France	37,927	11,806	24,192	11,749	36,230
- Netherlands	4,687	1,814	12,944	2,007	15,125
- Russia	3,779	2,144	-7,832	-9,815	-700,677
- Indonesia	4,336	1,108	3,479	2,756	3,638
- Tunisia	11,705	8,548	3,157	2,737	3,159
- Sudan	-	-	1,550	40	1,582
- Vietnam	-32,164	-17,129	-7,204	175	-7,203
- Congo (Brazzaville)	-	-	-	-	-2,525
- Other	-22,070	-8,926	-14,135	-6,894	-6,566
Operating profit contribution from continuing operations	**249,675**	104,510	105,194	32,511	-504,192
Operating profit contribution from discontinued operations – United Kingdom	20,774	-	25,495	9,418	35,919
Total operating profit contribution	**270,449**	104,510	130,689	41,929	-468,273

Note 2. Production costs, TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Cost of operations	67,008	22,846	72,130	28,640	95,415
Tariff and transportation expenses	11,800	4,884	7,486	-1,044	15,738
Direct production taxes	31,488	10,160	29,466	12,356	40,987
Change in inventory/overlift position	-3,684	-15,549	7,763	7,990	89
Other	1,718	519	-	-	3,082
Production costs from continuing operations	**108,330**	22,860	116,845	47,942	155,311
Production costs from discontinued operations – United Kingdom	32,030	-	95,325	41,609	140,036
Total production costs	**140,360**	22,860	212,170	89,551	295,347

Note 3. Depletion costs, TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Norway	73,381	28,025	48,309	16,823	65,301
France	10,654	3,859	9,784	3,020	12,821
Netherlands	12,775	4,371	9,720	2,909	12,727
Indonesia	3,201	1,343	3,467	1,271	7,334
Russia	4,632	1,452	6,608	2,174	8,627
Tunisia	6	6	9,063	2,469	11,318
Depletion of oil and gas properties	**104,649**	39,056	86,951	28,666	118,128
Italy	2,315	2,286	-	-	-
Depletion of solar properties	**2,315**	2,286	-	-	-
Depletion from continuing operations	**106,964**	41,342	86,951	28,666	118,128
Depletion from discontinued operations – United Kingdom	11,362	-	39,477	12,277	51,778
Total depletion costs	**118,326**	41,342	126,428	40,943	169,906

Note 4. Exploration costs, TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Norway	33,473	2,891	66,422	38,168	69,544
France	214	214	2,741	70	3,128
Russia	-	-	-	-	35,000
Sudan	-	-	-1,548	-37	-1,580
Congo (Brazzaville)	-	-	3,253	3,253	2,522
Vietnam	32,164	17,129	7,203	-176	7,203
Indonesia	-186	10	3,609	35	3,712
Cambodia	23	5	-	-	10,989
Other	1,159	425	3,139	2,290	4,274
Exploration costs from continuing operations	**66,847**	20,674	84,819	43,603	134,792
Exploration costs from discontinued operations - United Kingdom	61	-	6,017	5,990	6,149
Total exploration costs	**66,908**	20,674	90,836	49,593	140,941

Note 5. Financial income, TUSD	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Interest income	1,887	591	3,332	1,148	4,595
Foreign exchange gains, net	8,437	8,437	42,462	27,224	66,019
Insurance proceeds	377	-	-	-	-
Gain on sale of shares	-	-	10,244	10,244	10,244
Other financial income	3,138	820	718	-70	1,173
Financial income from continuing operations	**13,839**	9,848	56,756	38,546	82,031
Financial income from discontinued operations – United Kingdom	360	-	26	26	32
Total financial income	**14,199**	9,848	56,782	38,572	82,063

Note 6. Financial expenses, TUSD	**1 Jan 2010-30 Sep 2010 9 months**	1 Jul 2010-30 Sep 2010 3 months	1 Jan 2009-30 Sep 2009 9 months	1 Jul 2009-30 Sep 2009 3 months	1 Jan 2009-31 Dec 2009 12 months
Interest expenses	6,270	3,697	5,588	1,882	8,895
Result on interest rate hedge settlement	5,189	1,673	3,957	1,650	5,669
Change in market value interest rate hedge	3,840	2,037	-	-	452
Unwinding of site restoration discount	2,974	978	1,845	634	2,490
Amortisation of deferred financing fees	1,757	985	1,749	602	2,539
Foreign exchange losses, net	-	-626	-	-	-
Loss on sale of shares	3,884	-	-	-	-
Other financial expenses	1,159	209	30,614	29,432	32,427
Financial expenses from continuing operations	**25,073**	8,953	43,753	34,200	52,472
Financial expenses from discontinued operations – United Kingdom	1,224	-	20,011	4,048	24,398
Total financial expenses	**26,297**	8,953	63,764	38,248	76,870

Note 7. Tax, TUSD	**1 Jan 2010-30 Sep 2010 9 months**	1 Jul 2010-30 Sep 2010 3 months	1 Jan 2009-30 Sep 2009 9 months	1 Jul 2009-30 Sep 2009 3 months	1 Jan 2009-31 Dec 2009 12 months
Continuing operations					
Current tax	33,724	19,353	9,127	11,079	32,014
Deferred tax	161,870	64,015	82,925	19,064	13,655
Tax from continuing operations	**195,594**	83,368	92,052	30,143	45,669
Current tax	7,315	-	2,900	1,772	6,546
Deferred tax	1,673	-	-1,613	450	-3,730
Tax from discontinued operations – United Kingdom	8,988	-	1,287	2,222	2,816
Total tax	**204,582**	83,368	93,339	32,365	48,485

Note 8. Discontinued operations, TUSD	**1 Jan 2010-30 Sep 2010 9 months**	1 Jul 2010-30 Sep 2010 3 months	1 Jan 2009-30 Sep 2009 9 months	1 Jul 2009-30 Sep 2009 3 months	1 Jan 2009-31 Dec 2009 12 months
Net sales	62,567	-	161,806	67,911	228,111
Other operating income	1,983	-	4,246	1,197	5,906
Operating income	**64,550**	-	166,052	69,108	234,017
Production costs	-32,030	-	-95,325	-41,609	-140,036
Depletion of oil and gas properties	-11,362	-	-39,477	-12,277	-51,778
Exploration costs	-61	-	-6,017	-5,990	-6,149
General, administration and depreciation expenses	-323	-	262	186	-135
Operating profit	**20,774**	-	25,495	9,418	35,919
Financial income	360	-	26	26	32
Financial expenses	-1,224	-	-20,011	-4,048	-24,398
Profit before tax	**19,910**	-	5,510	5,396	11,553
Tax	-8,988	-	-1,287	-2,222	-2,816
Net result from discontinued operations	**10,922**	-	4,223	3,174	8,737
Gain on sale of assets	358,353	-	-	-	-
Net result from discontinued operations	**369,275**	-	4,223	3,174	8,737

Note 9. Oil and gas properties, TUSD	**30 Sep 2010**	31 Dec 2009
Norway	991,001	951,793
United Kingdom	-	588,885
France	158,758	168,907
Netherlands	49,574	61,670
Indonesia	75,879	90,528
Russia	610,808	598,719
Tunisia	-	210
Congo (Brazzaville)	31,475	29,800
Vietnam	-	16,563
Malaysia	38,236	31,473
Others	4,185	1,800
	1,959,916	2,540,348

Note 10. Financial assets, TUSD	**30 Sep 2010**	31 Dec 2009
Other shares and participations	29,512	32,369
Capitalised financing fees	5,372	7,514
Long-term receivable	90,426	24,239
Derivative instruments	-	231
Other financial assets	17,222	21,084
	142,532	85,437

Note 11. Assets and liabilities held for sale / distribution, TUSD	**30 Sep 2010**	31 Dec 2009
Assets held for sale / distribution		
Oil and gas properties	29,889	-
Solar power properties	270,557	-
Other tangible assets	316	-
Goodwill	1,080	-
Other intangible assets	3,416	-
Financial assets	19,197	-
Deferred tax	9,878	-
Total non-current assets	**334,333**	-
Receivables and inventories	54,095	-
Cash and cash equivalents	50,074	-
Total current assets	**104,169**	-
Minority interest	-224,664	-
Total assets held for sale / distribution	**213,838**	-
Liabilities held for sale / distribution		
Provision for site restoration	164	-
Other provisions	63,997	-
Long term liabilities	273,158	-
Total non-current liabilities	**337,319**	-
Tax payables	3,021	-
Other current liabilities	53,001	-
Total current liabilities	**56,022**	-
Minority interest	-210,249	-
Net liabilities held for sale / distribution	**183,092**	-
Net assets held for sale / distribution	**30,746**	-

Note 12. Receivables and inventories, TUSD	**30 Sep 2010**	31 Dec 2009
Inventories	15,046	27,373
Trade receivables	72,288	80,721
Underlift	15,355	8,649
Short-term loan receivable	5,500	33,907
Corporation tax	-	2,241
Joint venture debtors	15,103	28,930
Other assets	10,239	16,131
	133,531	197,952

Note 13. Provisions, TUSD	**30 Sep 2010**	31 Dec 2009
Site restoration	80,319	132,698
Pension	1,401	1,354
Deferred taxes	639,081	743,646
Derivative instruments	1,575	3,122
Other provisions	12,064	16,802
	734,440	897,622

Note 14. Other current liabilities, TUSD	**30 Sep 2010**	31 Dec 2009
Trade payables	10,285	20,487
Overlift	3,886	1,287
Tax payables	13,942	20,870
Accrued expenses	1,259	16,472
Acquisition liabilities	5,613	7,238
Joint venture creditors	83,319	140,046
Short-term loans	675	32,400
Derivative instruments	6,947	7,074
Other liabilities	4,648	11,622
	130,574	257,496

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2010-30 Sep 2010 9 months**	1 Jul 2010-30 Sep 2010 3 months	1 Jan 2009-30 Sep 2009 9 months	1 Jul 2009-30 Sep 2009 3 months	1 Jan 2009-31 Dec 2009 12 months
Operating income					
Other operating income	15,227	4,088	24,124	8,449	33,154
Gross profit	**15,227**	4,088	24,124	8,449	33,154
General and administration expenses	-38,314	-10,295	-33,726	-6,822	-49,281
Operating loss	**-23,087**	-6,207	-9,602	1,627	-16,127
Result from financial investments					
Financial income	4,011,134	3,997,716	4,837	931	8,589
Financial expenses	-28,382	-265	-44	-15	-7,133
	3,982,752	3,997,451	4,793	916	1,456
Result before tax	**3,959,665**	3,991,244	-4,809	2,543	-14,671
Tax	7,328	-	-	-	-17,600
Net result	**3,966,993**	3,991,244	-4,809	2,543	-32,271

PARENT COMPANY COMPREHENSIVE INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2010-30 Sep 2010 9 months**	1 Jul 2010-30 Sep 2010 3 months	1 Jan 2009-30 Sep 2009 9 months	1 Jul 2009-30 Sep 2009 3 months	1 Jan 2009-31 Dec 2009 12 months
Net result	**3,966,993**	3,991,244	-4,809	2,543	-32,271
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**3,966,993**	3,991,244	-4,809	2,543	-32,271
Total comprehensive income attributable to:					
Shareholders of the parent company	3,966,993	3,991,244	-4,809	2,543	-32,271
Minority interest	-	-	-	-	-
	3,966,993	3,991,244	-4,809	2,543	-32,271

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**30 September 2010**	31 December 2009
ASSETS		
Non-current assets		
Financial assets	7,871,947	7,891,762
Total non-current assets	**7,871,947**	7,891,762
Current assets		
Receivables	7,760	5,365
Cash and cash equivalents	1,656	532
Total current assets	**9,416**	5,897
TOTAL ASSETS	**7,881,363**	7,897,659
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,774,994	7,840,752
Non current liabilities		
Provisions	36,403	36,403
Total non current liabilites	**36,403**	36,403
Current liabilities		
Current liabilities	69,966	20,504
Total current liabilities	**69,966**	20,504
TOTAL EQUITY AND LIABILITIES	**7,881,363**	7,897,659
Pledged assets	3,500,808	4,978,037
Contingent liabilities	-	-

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Cash flow from / used for operations					
Net result	3,966,993	3,991,244	-4,809	2,543	-32,271
Adjustment for non-cash related items	-3,947,996	-3,988,488	1,514	1,271	18,958
Changes in working capital	-2,739	-14,048	4,392	1,235	11,744
Total cash flow from / used for operations	**16,258**	-11,292	1,097	5,049	-1,569
Cash flow from investments					
Change in other financial fixed assets	68,318	29,770	-884	-5,404	738
Total cash flow from investments	**68,318**	29,770	-884	-5,404	738
Cash flow used for financing					
Purchase of own shares	-83,157	-21,915	-	-	-
Total cash flow used for financing	**-83,157**	-21,915	-	-	-
Change in cash and cash equivalents	**1,419**	-3,437	213	-355	-831
Cash and cash equivalents at the beginning of the period	**532**	5,474	1,184	1,323	1,184
Currency exchange difference in cash and cash equivalents	-295	-381	217	646	179
Cash and bank at the end of the period	**1,656**	1,656	1,614	1,614	532

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 2009	**3,179**	**861,306**	**5,089,856**	**1,855,683**	**62,778**	**7,872,802**
Transfer of prior year net result	-	-	-	62,778	-62,778	-
Total comprehensive income	-	-	-	-	-4,809	-4,809
Transfer of share based payments	-	-	30,894	-30,894	-	-
Share based payments	-	-	-	163	-	163
Balance at 30 September 2009	**3,179**	**861,306**	**5,120,750**	**1,887,730**	**-4,809**	**7,868,156**
Total comprehensive income	-	-	-	-	-27,462	-27,462
Transfer of share based payments	-	-	-	-	-	-
Share based payments	-	-	-	58	-	58
Balance at 31 December 2009	**3,179**	**861,306**	**5,120,750**	**1,887,788**	**-32,271**	**7,840,752**
Transfer of prior year net result	-	-	-	-32,271	32,271	-
Total comprehensive income	-	-	-	-	3,966,993	3,966,993
Dividend	-	-	-2,123,457	-1,826,272	-	-3,949,729
Purchase of own shares	-	-	-83,157	-	-	-83,157
Transfer of share based payments	-	-	29,380	-29,380	-	-
Share based payments	-	-	-	135	-	135
Balance at 30 September 2010	**3,179**	**861,306**	**2,943,516**	**-**	**3,966,993**	**7,774,994**

KEY FINANCIAL DATA

Data per share	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Shareholders' equity USD per share[1]	2.76	2.76	5.00	5.00	3.64
Operating cash flow USD per share [2]	1.41	0.51	1.15	0.44	1.51
Cash flow from operations USD per share[3]	1.24	0.53	1.01	0.63	1.56
Earnings USD per share[4]	1.35	0.09	0.03	-0.04	-1.31
Earnings USD per share fully diluted[5]	1.35	0.09	0.03	-0.04	-1.31
EBITDA USD per share fully diluted[6]	1.47	0.54	1.15	0.46	1.54
Dividend per share	2.10	-	-	-	-
Quoted price at the end of the financial period (regards the parent company), USD[7]	8.47	8.47	8.54	8.54	7.95
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	311,027,942	311,027,942	313,420,280	313,420,280	313,420,280
Weighted average number of shares for the period[8]	312,457,256	311,027,942	313,420,280	313,420,280	313,420,280
Weighted average number of shares for the period (fully diluted)[8]	312,457,256	311,027,942	313,420,280	313,420,280	313,420,280

The data per share and the key data are based on the total of the continuing and discontinued operations.

1 the Group's shareholders' equity divided by the average number of shares at period end.

2 the Group's operating income less production costs and less current taxes divided by the weighted average number of shares for the period.

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

4 the Group's net result attributable to shareholders of the parent company divided by the weighted average number of shares for the period.

5 the Group's 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.

6 the Group's 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 and gain on sale of assets.

7 the quoted price in USD is based on the quoted price in SEK converted in USD against the closing rate of the period.

8 the number of shares at the beginning of the period with new issue of shares weighted for the proportion of the period they are in issue.

Key data group	**1 Jan 2010- 30 Sep 2010 9 months**	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2009- 30 Sep 2009 9 months	1 Jul 2009- 30 Sep 2009 3 months	1 Jan 2009- 31 Dec 2009 12 months
Return on equity, %[9]	38	2	-	-1	-37
Return on capital employed, %[10]	37	7	4	-	-29
Net debt/equity ratio, %[11]	62	62	31	31	40
Equity ratio, %[12]	37	37	49	49	42
Share of risk capital, %[13]	62	62	71	71	66
Interest coverage ratio, %[14]	3,960	1,401	688	-143	-2,865
Operating cash flow/interest ratio, %[15]	2,804	2,161	2,986	3,472	2,605
Yield, %[16]	25	-	-	-	-

9 the Group's net result divided by the Group's average total equity.

10 the Group's 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).

11 the Group's net interest bearing liabilities in relation to shareholders' equity.

12 the Group's total equity in relation to balance sheet total.

13 the sum of the total equity and the deferred tax provision divided by the balance sheet total.

14 the Group's result after financial items plus interest expenses plus/less exchange differences on financial loans divided by interest expenses.

15 the Group's operating income less production costs and less current taxes divided by the interest charge for the period.

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

Financial information

The Company will publish the following reports:

- The year end report (January – December 2010) will be published on 9 February 2011
- The three month report (January – March 2011) will be published on 4 May 2011
- The six month report (January – June 2011) will be published on 3 August 2011
- The nine month report (January – September 2011) will be published on 2 November 2011

The AGM will be held on 5 May 2011 in Stockholm, Sweden.

Stockholm, 3 November 2010

C. Ashley Heppenstall
President & CEO

The financial information relating to the nine month period ended 30 September 2010 has not been subject to review by the auditors of the company.