

5 February 2009

LUNDIN PETROLEUM TO SELL ITS EAST AFRICAN INTERESTS

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce the signing of an agreement for the sale of its wholly owned subsidiaries, Lundin East Africa BV ("Lundin East Africa") and Lundin Kenya BV ("Lundin Kenya"), to Africa Oil Corporation ("Africa Oil").

Lundin East Africa holds Lundin Petroleum's interests in and operatorship of production sharing contracts (PSCs) covering Blocks 2, 6, 7 and 8 in the Ogaden Basin region in the south of the Federal Republic of Ethiopia ("Ethiopia") and covering the Adigala Area in northern Ethiopia. Lundin Kenya holds Lundin Petroleum's operated interest in the PSC for Block 10A and its non-operated interest in the PSC for Block 9 in the Anza Basin region in the northwest of the Republic of Kenya. The Africa Oil transaction also includes the transfer of an option which Lundin Petroleum holds over Blocks 35 and M10-A in the Somalia Democratic Republic, currently in force majeure.

Africa Oil is a Canadian oil and gas company with exploration interests in East Africa. Africa Oil's shares are listed on the Toronto Stock Exchange (Venture) under the symbol "AOI". Africa Oil is headquartered in Vancouver, Canada and one of its major shareholders is related to the Lundin family.

Africa Oil will pay Lundin Petroleum consideration of approximately USD 20 million, which will be funded through a loan from Lundin Petroleum to Africa Oil maturing 31 December 2011 and bearing interest at USD six-month LIBOR plus 3 percent. This loan will be convertible into shares of Africa Oil on the basis of CAD 0.90 per share.

Completion of this transaction remains subject to all applicable government and partner approvals.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments "We have been very successful over the past several years in building a portfolio of exploration assets in East Africa. The strategy to grow our business in East Africa was particularly driven by the prospectivity of our exploration acreage in Sudan. In view of last years disappointing drilling results in Sudan, our East African acreage has less materiality to us and as a result we have decided to divest our interests. Our exploration efforts will continue to be focused on Norway, Russia and South East Asia."

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Africa, Russia and the Far East. The Company is listed at the Nordic Exchange, Sweden (ticker "LUPE").

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