Lundin Petroleum AB – Press release

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Nordic Exchange: **LUPE**
Company registration number 556610-8055

13 August 2008

INTERIM REPORT FOR SIX MONTH PERIOD ENDING 30 JUNE 2008

	1 Jan 2008- 30 Jun 2008 6 months	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Production in mboepd	27.7	27.6	38.6	36.7	34.7
Operating income in MSEK	2,932.0	1,708.7	2,740.1	1,388.1	5,484.3
Net profit in MSEK	764.8	369.3	509.7	297.7	952.5
Earnings/share in SEK	2.42	1.17	1.62	0.95	3.02
Diluted earnings/share in SEK	2.42	1.17	1.62	0.94	3.02
EBITDA in MSEK	1,669.9	943.5	1,641.9	876.9	3,048.6
Operating cash flow in MSEK	1,502.4	824.2	1,420.8	809.6	3,126.1

Listen to President & CEO Ashley Heppenstall and CFO Geoffrey Turbott comment on the report at the live broadcast presentation 13 August 2008 at 08.00 CET.

The live presentation and slides will be available on www.lundin-petroleum.com following the presentation.

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"). Lundin Petroleum had existing proven and probable reserves of 184.2 million barrels of oil equivalent (mmboe) as at 1 January 2008.

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Visit our website: www.lundin-petroleum.com

Dear fellow Shareholders,

The second quarter of 2008 was a very important period for Lundin Petroleum. We were successful in bringing on new production from the Alvheim field in Norway as well as drilling successful exploration wells in Russia and Norway. I am very pleased that we continue to increase our reserves and that production is now on an upward trend following first production from Alvheim. I am confident that this will ultimately lead to increases in shareholder value.

In June, the first production from the Alvheim field, offshore Norway was a major milestone for us and will have a material impact on our production, cash flow and profitability going forward. Initial production from the field is well ahead of expectation as production builds up to a forecast plateau production early next year of 14,000 boepd net to Lundin Petroleum. Despite the delays to commissioning of the Alvheim FPSO, I believe that the vessel will act as central production hub in the area for many years to come. The Vilje satellite field has already been tied back to the Alvheim facility and will be followed next year by the Volund field where we have a 35 percent working interest. We also control large areas of exploration acreage in and around the Alvheim area and will be embarking next year on a proactive exploration drilling campaign to further increase reserves in the area.

We also made a major oil discovery in our Lagansky block in the Russian sector of the Caspian Sea with the Morskaya exploration well. We encountered 32 degree API oil in two sandstone reservoirs at less than 1,400 metres in depth which tested at a combined rate of 2,500 bopd on restricted chokes. We estimate that the reservoir will produce at significantly higher rates as part of a development programme. The Morskaya structure is approximately 130 km^2 in areal extent of which about one half is within the Lagansky block and we will now proceed with an appraisal programme of the discovery commencing with a 3D seismic acquisition this year and followed by appraisal drilling next year. We are in the process of calculating a range of likely recoverable reserves for Morskaya in conjunction with the formal Russian registration of reserves process. The Lagansky block also contains further exploration potential and two further exploration wells will be drilled over the next year on the Laganskaya and Petrovskaya prospects. We are very pleased to be working with Gazprom who have an option to take a 50 percent in the Lagansky block. Lukoil have recently made a number of major discoveries in the Russian sector of the northern Caspian and I expect that this area will become a major oil and gas producing region in the near future.

Following on from the Luno exploration discovery in Norway last year, we have drilled two further successful wells in Norway this year. The Nemo appraisal well in PL148 was successful and as a result we are moving this oil project forward with a view to submitting a plan of development. This was then followed by a discovery in the Pi North well in PL292 where we found predominantly oil when the expectation was gas. This discovery is close to infrastructure controlled by operator BG and as such we expect the project to move forward with submission of a plan of development in 2009. The drilling of the first appraisal well on the Luno discovery has been delayed by a couple of months whilst we await delivery of the Bredford Dolphin rig in September. In the meantime we have identified additional resource potential located in the updip extensions (sub-basins) to the Luno discovery. We estimate that, including these undrilled extensions, the Luno potential resources have increased from the current 65 – 190 mmboe to 200 – 500 mmboe. It is planned that an exploration well will be drilled in the first half of 2009 to test this Luno upside potential. Further exploration potential exists in the Greater Luno area and we expect to drill an additional exploration well in Block 359 to the south of Luno in 2009.

Financial Performance

Lundin Petroleum generated a net profit after taxes for the six months ended 30 June 2008 of MSEK 764.8 (MUSD 124.9) which is an increase of 70 percent over the comparative period of last year. Operating cash flow for the period was MSEK 1,502.4 (MUSD 245.3) and earnings before interest, tax, depreciation and amortisation (EBITDA) was MSEK 1,669.9 (MUSD 272.7).

Lundin Petroleum's liquidity position is very strong. We have current committed bank lines of one billion US dollars and know that our existing asset base would conservatively support much higher levels of debt should they be required. In the absence of new investments, we expect our current debt levels of USD 600 million to quickly reduce particularly as a result of the strong tax sheltered cash flow from Norway.

Reserves

In 2007 we increased our proven and probable reserves by 12 percent to 184.2 mmboe. The reserve increases were primarily driven by organic growth from our existing asset base with a reserve replacement ratio of 148 percent. I am confident that this trend of reserve replacement will again continue this year with the likely addition of reserves in Norway from the Luno, Nemo and Pi projects, in the United Kingdom from Peik upgrades and new Thistle drilling and in France from the redevelopment of Rhetien fields in the Paris Basin.

In addition to our reserves we have further discoveries classified as contingent resources totalling 188 mmboe. Despite our being successful in upgrading contingent resources to reserves, I expect that our continued success with exploration particularly in Russia will ensure that our contingent resources continue to increase.

Production
Production for the six months to 30 June 2008 averaged 27,000 boepd.

The production was 17 percent below forecast in the period predominantly due to the delays of production start-up from the Alvheim field in Norway and the K5F project in Netherlands as well as delays to the drilling of the Broom infill development well which together represented almost 60 percent of the shortfall. In addition, the adverse water cut development of the Oudna field in Tunisia contributed 20 percent of the shortfall, with the balance primarily associated with the United Kingdom where time overruns on the planned Heather platform shutdown in the second quarter of 2008 coupled with two additional unplanned Heather shutdowns adversely affected production.

The Alvheim field is now onstream and producing ahead of forecast. The Broom field continues to outperform from a subsurface perspective with production ahead of forecast and the Oudna production has stabilised over recent months. We are already seeing the benefits from Alvheim with estimated production levels for Lundin Petroleum in July 2008 in excess of 36,000 boepd. We expect our production to further increase during the year as Alvheim builds up to plateau levels.

Nevertheless it will not be possible to recoup the production shortfalls of the first half and as a result we have downgraded our 2008 production guidance to 32,500 boepd. We expect 2009 production to be in excess of 40,000 boepd.

Exploration
In addition to the abovementioned exploration activity in Russia and Norway, we continue to pursue an active exploration programme. We continue to believe that we can create significant value by exposing shareholders to exploration which if successful can have a material value impact on our company.

In Norway we have secured two and a half years of net rig capacity commencing in 2009. We have been busy over the last few years building our acreage position in Norway with 27 licenses now in our portfolio in the North Sea, Norwegian Sea and Barents Sea. We have worked up numerous drillable prospects in our portfolio which will now be drilled as part of our exploration programme over the next two to three years. In South East Asia we are seeking to follow the same strategy with recent new license awards in Malaysia, Vietnam, Cambodia and Indonesia having been generated by our Singapore based team. Drilling activity will commence in Vietnam early next year. And in Africa, despite the disappointing results in Sudan, we continue our drilling campaign in Block 5B and expect our drilling in Congo to begin early next year.

Oil Price
We continue to believe in a high oil price going forward and believe that prices will continue to be driven by the fundamentals of supply and demand. Our view is that the oil industry is finding it increasingly difficult to increase supply and as a result oil prices have had to rise to reduce demand. This has started to happen and as a result we have seen oil prices pull back from highs of USD 140 per barrel to today's price of USD 120 per barrel. However we believe, in the absence of a transportation fuel substitute, that demand will continue in the developing world as these economies grow and this will lead to further upward pressure on oil prices. The weakness in world equity and bank markets and consequent poor availability of capital creates opportunities for companies such as Lundin Petroleum who are generating strong positive cash flow from our operations.

I remain optimistic regarding our future prospects. We continue to increase reserves and production in a market where availability of services and equipment remains tight. Our exploration led growth strategy has begun to pay dividends in Norway and Russia and will continue with an active forward exploration drilling programme. The bottom line is that we seek to grow shareholder value and if we can grow our reserve base in today's oil price environment then we are on the right track to achieve this objective.

Best Regards

C. Ashley Heppenstall
President & CEO

OPERATIONS

United Kingdom

The net production to Lundin Petroleum for the six months ended 30 June 2008 was 10,000 barrels of oil equivalent per day (boepd).

Net production from the Broom field (Lundin Petroleum Working Interest (WI 55%)) averaged 5,700 boepd during the period. Production was below forecast due to a one month weather-related delay in bringing the new infill development well 2/5-25 onto production in early April 2008. In addition, production in the second quarter of 2008 was adversely affected due to a longer than planned shutdown of the Heather production facility of close to one month as well as two shorter unplanned shutdowns due to facilities-related issues. The Broom field, however, continues to perform ahead of expectation with net production for July 2008 averaging 7,800 boepd. A new reservoir model for the Broom Field incorporating the results and performance from the recent drilling activity will be completed in 2008.

Production from the Heather field (WI 100%) averaged 1,000 boepd during the period. Production was below forecast due to the high downtime of compressor facilities and was adversely affected in the second quarter of 2008 due to the above mentioned shutdowns of the Heather production facility.

Net production from the Thistle field (WI 99%) averaged 3,300 boepd during the period. Thistle production recommenced in mid January 2008 following a fire in one of the Thistle platform power generation turbine enclosures in November 2007. Limitations in power generation capacity pending the reinstatement of damaged facilities have negatively impacted production, particularly as a result of reduced water injection. The redevelopment of the Thistle field which commenced in 2007 is ongoing with completion of the reinstallation of the Thistle drilling rig expected shortly. Drilling and work over activity will commence on the Thistle field later this year and continue through 2009. In the second quarter of 2008, the Thistle platform was chosen by the owners of the nearby West Don and South West Don Fields to provide transportation services to facilitate the export of oil from those fields.

Lundin Petroleum owns approximately 40 percent of the undeveloped Peik gas/condensate field which straddles the United Kingdom/Norway median boundary. Conceptual development studies have confirmed the economic viability of the Peik field development and discussions continue in relation to a host platform decision prior to an expected development plan submission in 2009. Recent subsurface technical studies have identified additional gas reserves in the Peik field which will likely increase gross recoverable proven and probable reserves from 27 millions of barrels of oil equivalent (mmboe) to approximately 40 mmboe.

The Torphins exploration well in Licence P1107 (WI 40%) was successfully completed in July 2008 as an oil and gas discovery. The results of the well, and the Scolty exploration discovery made in 2007, are now being analysed to determine the commerciality of the discoveries.

Norway

The net production to Lundin Petroleum from Norway averaged 1,500 boepd during the period. Net production from the Jotun Field (WI 7%) averaged 500 boepd during the period. In March 2008, a sale and purchase agreement was signed with Det Norske Oljeselskap ASA to sell Lundin Petroleum's interest in the Jotun field for a cash consideration of NOK 72 million with an effective date of 1 January 2008. The deal was completed on 31 July 2008.

First production from the Alvheim Field (WI 15%) commenced in June 2008. Net production from the Alvheim field averaged 6,000 boepd during the month of June. Production performance from the Alvheim field has been ahead of expectations and averaged 9,000 boepd net to Lundin in July 2008. Net plateau production is expected to reach 14,000 boepd over the next 5 to 6 months. Gas compression facilities on the Alvheim FPSO were successfully commissioned in late July 2008 when gas export through the SAGE System to the United Kingdom commenced. Eight development wells on the Alvheim field have now been successfully completed and development drilling will continue throughout 2008.

The development of the Volund field (WI 35%), which will be tied back to the Alvheim FPSO facilities, is progressing satisfactorily. Development drilling will commence on the Volund field in early 2009 with first oil expected in the second half of 2009 with a plateau rate of 8,700 boepd net to Lundin Petroleum.

The appraisal well in Licence PL148 (WI 50%) on the Nemo field was successfully completed in the first quarter of 2008 encountering oil in the Ula formation. Initial estimates of gross resources for the Nemo field are now 20 to 30 million barrels of oil (mmbo). Conceptual development studies including a potential host platform decision are ongoing with a view to a likely development decision for the Nemo Field.

The Pi North exploration on Licence PL 292 (WI 40%) completed in the second quarter 2008 was a successful oil and gas discovery testing oil at 4,700 boepd from the oil zone. The Pi field is estimated to contain 19 to 32 mmboe and the forward plan envisages the submission of a plan of development in 2009.

The Luno oil discovery in PL 338 (WI 50%) in 2007 is estimated to contain between 65 mmboe and 190 mmboe of gross recoverable oil from the Jurassic reservoir with additional upside from the Triassic reservoir. The first appraisal well on the Luno discovery will now be spudded in the third quarter of 2008 due to the delay in taking delivery of the Bredford Dolphin semi-submersible drilling rig. The well will test the lateral continuity of the Jurassic reservoir as well as the upside potential in the Triassic reservoir. Recent technical analysis has identified additional potential in extensions of the Luno discovery located up-dip of the Luno discovery which contain significant additional reserve potential. It is planned that an exploration well will be drilled in the first half of 2009 to test this potential Luno extension. An additional exploration well will be drilled in the Greater Luno area in PL 359 in the second half of 2009.

France

The net production in the Paris Basin averaged 3,000 boepd during the period which was above forecast. The Paris Basin Rhetien Fields continues to produce ahead of expectation. Plans are well advanced for the redevelopment of several Rhetien fields which, if progressed, will result in additional reserves in the Paris Basin.

In the Aquitaine Basin (WI 50%) net production averaged 900 boepd for the period which was above forecast. Production has resumed through the Ambes terminal following an oil spill incident in early 2007.

In April 2008, two farmout agreements were signed in relation to two exploration licences in France. Gaz de France has acquired a 50 percent interest in the Pays du Saulnois licence (WI 50%) in consideration for paying a disproportionately larger share of the drilling and testing costs associated with the Vaxy prospect which contains gross potential resource of 500 bcf. In addition, Société Pétrolière de Production et d'Exploitation (SPPE) has acquired a 35 percent interest in the Ferrières licence (WI 65%) in consideration for paying a disproportionately larger share of the costs of the first exploration well on the licence. Exploration wells will be drilled in both licences in the third quarter of 2008.

Indonesia

Salawati Island and Basin (Papua)

The net production from Salawati (Salawati Island WI 14.5% and Salawati Basin WI 25.9%) was 2,400 boepd for the period which was in line with forecast.

Lematang (South Sumatra)

The development of the Singa gas field (WI 25.9%) is ongoing with first gas production expected in 2009. In 2007, a gas sales agreement was signed with PT PLN (PERSERO), an Indonesian electricity generating company, to supply a gross contracted volume of 133 bcf.

Rangkas (West Java)

In the second quarter of 2008, a new PSC was signed for the Rangkas Block (WI 100%) located in the West Java Basin, onshore West Java. Previous drilling in the block has confirmed an active petroleum system and several prospects and leads have been identified from earlier 2D seismic.

The Netherlands

The net gas production from the Netherlands in the period averaged 2,400 boepd. The production was below forecast due to the delay in first gas from the K5F project which is now scheduled to come on production mid-August 2008.

Tunisia

The net oil production from the Oudna field (WI 40%) averaged 1,600 boepd for the period. Net production for the period was 1,100 boepd below forecast as a result of adverse water cut breakthrough in one of the field's producing reservoirs in the first quarter of 2008. However production stabilized during the second quarter of 2008 and is currently averaging approximately 1,600 boepd net to Lundin Petroleum.

Russia

The net oil production from Russia for the period averaged 5,200 boepd which was slightly below forecast.

The first exploration well, Morskaya-1, was drilled in the Lagansky block (WI 70%) located in the Northern Caspian Sea and resulted in a major oil discovery. The well encountered a major oil accumulation in the Aptian and Neocomian sandstone reservoirs which tested at a combined flow rate of 2,500 bopd of 32 API oil. The flow rates were severely constrained by facilities and larger flow rates will be possible during development. The Morskaya structure straddles the licence boundary of the Lagansky block and the adjoining acreage controlled by the Caspian Oil Consortium and is on trend with several major oil and gas discoveries made by Lukoil in the Russian sector of the Caspian Sea.

The Morskaya structure has an areal extent of 130 km^2 of which approximately one half is within the Lagansky block. The registration of Morskaya reserves in accordance with the official Russian procedure is ongoing and we will announce a range of likely reserves in conjunction with this process. The Caspian Oil Consortium are currently drilling an exploration well on the Morskaya structure and it is envisaged that further appraisal drilling will be required to fully delineate this large structure. An acquisition of 3D seismic over the Morskaya structure is planned for the second half of 2008.

The Lagansky block contains significant additional prospectivity and Lundin Petroleum intends to drill three further wells in 2008/2009. The Laganskaya structure to be drilled in third quarter 2008 and the Petrovskaya structure to be drilled in the first half of 2009 contain together gross potential resources of 400 mmboe. An appraisal well on the Morskaya discovery is planned to be drilled in the second quarter of 2009.

An option agreement in relation to the Lagansky block was signed in 2007 with JSC Gazprom ("Gazprom") whereby Gazprom has an option to acquire a 50 percent plus one share interest in the Lagansky block. In addition, Lundin Petroleum has signed an option agreement with its minority partner to purchase its 30 percent interest. The net effect if both options are exercised is that Gazprom will own a 50 percent plus one share and Lundin Petroleum will own a 50 percent less one share interest in the Lagansky block.

Sudan
The exploration drilling programme in Block 5B (WI 24.5%) commenced during the period. The Nyal-1 exploration well drilled from a dry location using a land rig and the Wan Machar-1 exploration well drilled in the Sudd swamp using barge mounted drilling facilities were both plugged and abandoned as dry holes. The Muny Deng-1 (formerly Pabuong prospect) exploration well, also drilled using the barge mounted drilling facilities is expected to commence in the third quarter of 2008. This well is centrally located in the basin where it is anticipated the source rock sequence will be thicker and of better quality than at the location of the previous exploration wells. The Muny Deng structure contains gross prospective resources of 160 mmboe. Block 5B covers 20,000 km^2 and this year's exploration drilling is the first undertaken in the area.

In 2007, the National Petroleum Commission, constituted of representatives of both North and South Sudan governments, asked the Block 5B concession partners to accommodate the national oil company of the South Sudan Government "NilePet", with a 10 percent working interest in Block 5B. The Block 5B concession partners have agreed to this request, but agreements in relation to such a transfer have not yet been completed.

Congo (Brazzaville)
The interpretation of 1,200 km^2 of 3D seismic on Block Marine XI (WI 18.75%) has progressed during the period. A jack-up drilling rig has been secured for drilling to commence in the first quarter of 2009 with the current plan to drill two wells including an appraisal well on the Viodo discovery and a further exploration well.

Vietnam
Following the acquisition of 720 km^2 of 3D seismic in 2007, an additional 1,000 km^2 was acquired in the second quarter of 2008 in Block 06/94 (WI 33.33%). It is likely that the drilling of the Tuong Vi exploration prospect will now be in the first quarter of 2009 due to rig rescheduling.

Ethiopia
Lundin Petroleum has a 100 percent working interest in five blocks in Ethiopia. Aeromagnetic and aerogravity studies were successfully completed in late 2007.

Kenya
Aerogravity studies were successfully completed on Block 10A (WI 100%) during the period. In the second quarter of 2008, Lundin Petroleum acquired a 30 percent working interest in Block 9 from operator CNOOC. Block 9 in the Anza Basin of northwest Kenya is adjacent to the Lundin Petroleum operated Block 10A. The deal has received government approval. An exploration well will be drilled on the Bogel prospect in Block 9 during 2009.

Cambodia
A 3D seismic acquisition in Block E (WI 34%) offshore Cambodia will take place in the second half of 2008.

Malaysia
In April 2008, Lundin Petroleum signed three production sharing agreements in the Malaysia, Block PM308A (WI 35%) and PM308B (WI 75%) in the Penyu Basin offshore peninsular Malaysia and Block SB303 (WI 75%) offshore Sabah.

Venezuela
In February 2008, the sale of Lundin Petroleum's Venezuelan interests to PetroFalcon Corporation ("PetroFalcon") was completed. Lundin Petroleum has become the largest shareholder in PetroFalcon with a 45 percent interest. PetroFalcon is a public company listed on the Toronto Stock Exchange with proven and probable reserves of 33.5 mmboe. In April 2008, PetroFalcon announced that it entered into an agreement to acquire Anadarko Petroleum Corporation's Venezuelan assets for a cash consideration of USD 200 million subject to Venezuelan government approval. The acquisition will increase PetroFalcon's proven and probable reserves to 69 mmboe.

THE GROUP

Result

Lundin Petroleum reports a net profit for the six month period ended 30 June 2008 of MSEK 764.8 (MSEK 509.7) and MSEK 369.3 (MSEK 297.7) for the second quarter of 2008 representing earnings per share on a fully diluted basis of SEK 2.42 (SEK 1.62) for the six month period ended 30 June 2008 and SEK 1.17 (SEK 0.94) for the second quarter of 2008.

Operating cash flow for the six month period ended 30 June 2008 amounted to MSEK 1,502.4 (MSEK 1,420.8) and MSEK 824.2 (MSEK 809.6) for the second quarter of 2008 representing operating cash flow per share on a fully diluted basis of SEK 4.74 (SEK 12.89) for the six month period ended 30 June 2008 and MSEK 2.60 (MSEK 6.24) for the second quarter of 2008.

Earnings before interest, tax, depletion and amortisation (EBITDA) for the six month period ended 30 June 2008 amounted to MSEK 1,669.9 (MSEK 1,641.9) and MSEK 943.5 (MSEK 876.9) for the second quarter of 2008 representing EBITDA per share on a fully diluted basis of SEK 5.27 (SEK 5.21) for the six month period ended 30 June 2008 and MSEK 2.98 (MSEK 2.78) for the second quarter of 2008.

Changes in the Group

On 1 February 2008, Lundin Petroleum completed the sale of its wholly owned subsidiary Lundin Latina de Petróleos S.A. to PetroFalcon and the acquisition of shares and warrants in PetroFalcon through a private placement. As a result of these transactions, Lundin Petroleum became the largest shareholder in PetroFalcon with a shareholding of approximately 64 million shares of PetroFalcon, representing 42 percent of the issued and outstanding common shares of PetroFalcon. The warrants of PetroFalcon acquired by Lundin Petroleum, may be exercised at any time during the two year period following issuance to acquire up to 5,000,000 shares of PetroFalcon at an exercise price of CDN dollar 1.20 per share. In April 2008, PetroFalcon entered into an agreement to acquire the Venezuelan assets of Anadarko Petroleum Corporation. Lundin Petroleum agreed to guarantee certain of PetroFalcon's obligations under that agreement and in part consideration, received approximately 7.1 million shares of PetroFalcon, which together with Lundin Petroleum's existing shares of PetroFalcon, represent approximately 45 percent of the issued and outstanding common shares of PetroFalcon.

PetroFalcon is a natural resource company with oil and gas operations in Venezuela. PetroFalcon is listed on the Toronto Stock Exchange (ticker symbol "PFC") and has existing proven and probable reserves before royalties of 33.5 million barrels of oil equivalent (mmboe) as of 1 January 2008. The shareholding in PetroFalcon has been accounted for under the equity method whereby only the change in equity is accounted for in the income statement of the Group under the heading Result from share in associated company.

Revenue

Net sales of oil and gas for the six month period ended 30 June 2008 amounted to MSEK 2,885.2 (MSEK 2,674.0) and MSEK 1,686.3 (MSEK 1,354.4) for the second quarter of 2008 and are detailed in Note 1. Production for the six month period ended 30 June 2008 amounted to 5,042.8 (6,993.1) thousand barrels of oil equivalent (mboe) representing 27.7 mboe per day (mboepd) (38.6 mboepd) for the six month period ended 30 June 2008. The average price achieved for a barrel of oil equivalent for the six month period ended 30 June 2008 amounted to USD 97.58 (USD 58.86). The average Dated Brent price for the six month period ended 30 June 2008 amounted to USD 109.05 (USD 63.06) per barrel.

Other operating income for the six month period ended 30 June 2008 amounted to MSEK 46.7 (MSEK 66.1) and MSEK 22.4 (MSEK 33.6) for the second quarter of 2008. This amount includes tariff income from the United Kingdom, France and the Netherlands and income for maintaining strategic inventory levels in France. Other operating income is lower in 2008 than the comparative period primarily due to the lower tariff income received following lower Broom field production in the United Kingdom.

Sales for the six month period ended 30 June 2008 were comprised as follows:

Sales Average price per boe expressed in USD	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
United Kingdom					
- Quantity in mboe	1,782.4	878.7	2,696.3	1,206.1	5,074.0
- Average price per boe	107.74	118.91	63.47	69.38	71.91
France					
- Quantity in mboe	653.5	307.2	560.5	315.1	1,310.9
- Average price per boe	112.53	130.10	64.75	68.25	73.68
Norway					
- Quantity in mboe	277.4	224.8	134.0	62.8	250.7
- Average price per boe	124.65	133.51	58.31	64.81	66.81
Netherlands					
- Quantity in mboe	434.0	214.0	425.4	207.0	821.4
- Average price per boe	66.25	71.12	45.82	44.70	48.15
Indonesia					
- Quantity in mboe	259.5	139.3	351.7	135.3	630.4
- Average price per boe	97.42	102.04	60.91	66.95	70.04
Russia					
- Quantity in mboe	1,066.8	523.0	1,000.6	501.4	2,017.9
- Average price per boe	68.90	77.06	41.62	43.07	46.80
Tunisia					
- Quantity in mboe	354.5	261.9	1,379.4	701.2	1,974.9
- Average price per boe	122.55	135.91	63.52	68.55	69.25
Total					
- Quantity in mboe	**4,828.1**	2,548.9	6,547.9	3,128.9	12,080.2
- Average price per boe	**97.58**	109.77	58.86	63.03	65.65

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 59% of Russian sales for the six month period ended 30 June 2008 were on the export market at an average price of USD 104.92 per barrel with the remaining 41% of Russian sales being sold on the domestic market at an average price of USD 44.08 per barrel.

During the second quarter of 2008, there was a 262 mboe cargo lifted from the Oudna field, Tunisia.

Production	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
United Kingdom					
- Quantity in mboe	1,834.4	827.8	2,739.8	1,323.6	4,990.6
- Quantity in mboepd	10.0	9.0	15.1	14.5	13.7
France					
- Quantity in mboe	711.6	353.9	578.8	315.5	1,269.8
- Quantity in mboepd	3.9	3.9	3.2	3.5	3.5
Norway					
- Quantity in mboe	270.2	220.7	132.9	61.2	248.0
- Quantity in mboepd	1.5	2.4	0.7	0.7	0.7
Netherlands					
- Quantity in mboe	434.0	214.0	425.4	207.0	821.4
- Quantity in mboepd	2.4	2.4	2.4	2.3	2.2
Indonesia					
- Quantity in mboe	431.0	209.9	495.8	232.4	949.6
- Quantity in mboepd	2.4	2.3	2.7	2.6	2.6
Russia					
- Quantity in mboe	1,072.1	546.6	1,009.9	495.1	2,063.9
- Quantity in mboepd	5.9	6.0	5.6	5.4	5.6
Tunisia					
- Quantity in mboe	289.5	141.8	1,610.5	702.9	2,319.6
- Quantity in mboepd	1.6	1.6	8.9	7.7	6.4
Total					
- Quantity in mboe	**5,042.8**	2,514.7	6,993.1	3,337.7	12,662.9
- Quantity in mboepd	**27.7**	27.6	38.6	36.7	34.7
Minority interest in Russia					
- Quantity in mboe	127.1	62.1	119.7	57.6	247.4
- Quantity in mboepd	0.7	0.7	0.7	0.7	0.7
Total excluding minority interest					
- Quantity in mboe	**4,915.7**	2,452.6	6,873.4	3,280.1	12,415.5
- Quantity in mboepd	**27.0**	26.9	37.9	36.0	34.0

Lundin Petroleum has fully consolidated the subsidiaries in Russia over which it has control, with the portion not owned by Lundin Petroleum shown as a minority interest. The average production for Russia for the six month period ended 30 June 2008 adjusted for Lundin Petroleum's share of ownership is 5.2 mboepd.

The number of barrels produced differs from the number of barrels sold for a number of reasons. There are timing differences between sales and production in field areas such as Tunisia and Norway where production is into a Floating Production Storage Offloading vessel (FPSO). Sales are recorded when a lifting takes place and these can be at varying intervals and will not always be equal to the production at the end of a financial period. Sales in the United Kingdom are based upon production nominated in advance and may not represent the actual production for that month. A difference between nominated and actual production will result in a timing difference in an accounting period. The accounting effect of the timing differences between sales and production are reflected in the movements in the hydrocarbons inventory and the under/overlift position. Over time, the total sales will equal the production. There are permanent differences between production and sales in some of the field areas. The production reported for the United Kingdom is the platform production. This is the amount of crude oil that is produced from the field into the pipeline system that takes the crude to the onshore terminal. Once the field's crude oil enters the pipeline system it is commingled with the crude oil produced from other fields in the pipeline system that produce the blend of crude oil that is sold. The crude oil that is pumped into the pipeline system is tested against the blend of crude oil that arrives at the terminal and an adjustment is made to the number of barrels allocated to each field to reflect the relative quality of the crude oil input into the system. There is a quality adjustment of approximately minus five percent applied to the United Kingdom crude oil produced. In Tunisia, a portion of the production is allocated to the Tunisian state as a royalty payment. In Indonesia, production is allocated under a Production Sharing Contract (PSC) where, as part of the commercial terms of the agreement, a part of the working interest production is allocated to the host country as a type of royalty payment.

Production cost

Production costs for the six month period ended 30 June 2008 amounted to MSEK 1,178.3 (MSEK 990.4) and MSEK 717.8 (MSEK 454.0) for the second quarter of 2008 and are detailed in Note 2. The reported cost of operations amounted to USD 24.06 per barrel (USD 15.78 per barrel) for the six month period ended 30 June 2008 and USD 24.71 per barrel (USD 16.77 per barrel) for the second quarter of 2008.

Production costs for the six month period ended 30 June 2008 expressed in US dollars were comprised as follows:

Production cost and depletion in TUSD	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Cost of operations	121,319	62,147	110,373	55,974	231,533
Tariff and transportation expenses	14,288	7,287	13,483	8,363	28,995
Royalty and direct taxes	45,317	26,480	24,765	11,418	57,041
Changes in inventory/overlift	11,476	23,018	-5,871	-9,504	18,249
Total production costs	**192,400**	118,932	142,750	66,251	335,818
Depletion	62,228	30,536	84,392	41,293	147,790
Total	**254,628**	149,468	227,142	107,544	483,608

Production cost and depletion in USD per boe	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Cost of operations	24.06	24.71	15.78	16.77	18.28
Tariff and transportation expenses	2.83	2.90	1.93	2.51	2.29
Royalty and direct taxes	8.99	10.53	3.54	3.42	4.50
Changes in inventory/overlift	2.28	9.15	-0.84	-2.85	1.44
Total production costs	**38.16**	47.29	20.41	19.85	26.51
Depletion	12.34	12.14	12.07	12.37	11.67
Total cost per boe	**50.50**	59.43	32.48	32.22	38.18

The cost of operations per barrel was 6% higher in the second quarter of 2008 compared to the first quarter of 2008 and was primarily due to the higher United Kingdom activity combined with the lower production in the United Kingdom as a result of the planned shutdown of the Heather facility. The overall impact of the increased United Kingdom cost of operations per barrel was partly offset by the increased production and lower cost of operations in Norway following first production from the Alvheim field.

Whilst the overall cost of operations for the first six months of 2008 was lower than forecast, the cost of operations per barrel was 8.5% higher than forecast due to lower production volumes particularly associated with the Alvheim first production delay.

Actual cost of operations was 10% lower than forecast for the second quarter. This variance was mainly attributable to the United Kingdom operations where well intervention and maintenance projects were deferred to the second half of the year and also due to the favourable effect of the USD to GBP exchange rate compared to forecast.

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 20.81 per barrel for the six month period ended 30 June 2008. The rate of export duty on Russian oil is revised by the Russian Federation once every two months and is dependant on the price obtained for Russian oil on the export market. The export duty is levied on the volume of oil exported from Russia and averaged USD 46.09 per barrel for the six month period ended 30 June 2008. The higher oil price seen during 2008 has resulted in the increase in the royalty and direct taxes cost per barrel compared to the prior year.

As mentioned in the sales section, sales volumes do not equal production volumes. This leads to changes in the hydrocarbon inventory and under or overlift positions. During the second quarter of 2008, there was an Oudna cargo lifting which exceeded production for the quarter and also in the United Kingdom, sales which are based on advanced nominations exceeded production. The high cost of changes in inventory and overlift this quarter is attributable to these two items.

Depletion
Depletion of oil and gas properties for the six month period ended 30 June 2008 amounted to MSEK 381.1 (MSEK 585.5) and MSEK 182.5 (MSEK 283.3) for the second quarter of 2008 and is detailed in Note 3. The overall depletion charge is lower than the comparative period due mainly to the lower production volumes from the Oudna and United Kingdom fields in the six month period ended 30 June 2008. The depletion rate per barrel in the six month period ended 30 June 2008 is 4% lower than forecast.

Write off
Write off of oil and gas properties for the six month period ended 30 June 2008 amounted to MSEK 188.6 (MSEK 81.9) and MSEK 93.1 (MSEK 45.3) for the second quarter of 2008. Exploration and appraisal project costs are capitalised as they are incurred and then reviewed on a regular basis to assess their future recoverability. When a decision is made not to proceed with a project the relevant costs are expensed.

During the first quarter of 2008, the Ridgewood exploration well 12/17b-1 on Licence P1301 in the North Sea and the Nyal-1 exploration well in Sudan Block 5B were plugged and abandoned as dry holes. In May 2008, the Wan Machar-1 well in Sudan Block 5B was plugged and abandoned as a dry hole. The costs associated with drilling of Wan Machar-1 have been written off in the second quarter of 2008 and amounted to MSEK 74.5.

Sale of asset
On 1 February 2008, Lundin Petroleum completed the sale of its wholly owned subsidiary Lundin Latina de Petróleos S.A. to PetroFalcon in exchange for approximately 57 million shares of PetroFalcon. International Financial Reporting Standards (“IFRS”) requires that the shares of PetroFalcon received as consideration for the sale of Lundin Latina de Petróleos SA be recorded at the market price at the time of the completion of the transaction, the result of which is a gain amounting to MSEK 89.9. At the date of the transaction Lundin Petroleum through the investment in PetroFalcon continued to hold 42% of Lundin Latina de Petróleos S.A and this part was eliminated in the calculated gain on sale.

Other income
Other income for the six month period ended 30 June 2008 amounted to MSEK 0.9 (MSEK 1.0) and MSEK 0.5 (MSEK 0.6) for the second quarter of 2008 and represents fees and costs recovered by Lundin Petroleum from third parties.

General, administrative and depreciation expenses
General, administrative and depreciation expenses for the six month period ended 30 June 2008 amounted to MSEK 84.7 (MSEK 108.8) and MSEK 47.8 (MSEK 57.8) for the second quarter of 2008. Depreciation charges amounted to MSEK 10.1 (MSEK 8.3) for the six month period ended 30 June 2008.

Financial income
Financial income for the six month period ended 30 June 2008 amounted to MSEK 212.7 (MSEK 58.5) and MSEK 42.7 (MSEK -0.5) for the second quarter of 2008 and is detailed in Note 4. Interest income for the six month period ended 30 June 2008 amounted to MSEK 20.3 (MSEK 16.2) and includes interest received on bank accounts of MSEK 17.9 (MSEK 13.9) and interest received on a loan to an associated company of MSEK 2.4 (MSEK 2.3).

Dividend income received for the six month period ended 30 June 2008 amounted to MSEK 6.5 (MSEK 18.1) and relates to distributions received from an unconsolidated investment in a company owning an interest in the Dutch gas processing and transportation infrastructure (NOGAT). The comparison period includes a dividend income relating to the interest in the Venezuelan company Baripetrol amounting to MSEK 14.4.

Other financial income amounting to MSEK 25.7 relates to the external portion of the value of the shares received from the associated company PetroFalcon for guaranteeing the Anadarko Petroleum acquisition. The income reported is after eliminating the portion equal to Lundin Petroleum’s ownership percentage in PetroFalcon.

Net exchange gains for the six month period ended 30 June 2008 amounted to MSEK 158.3 (MSEK 21.8) and MSEK 3.1 (MSEK -28.6) for the second quarter of 2008. Exchange rate variations result primarily from fluctuations in the value of the USD against a pool of currencies which includes, amongst others, NOK, EUR and the Russian Rouble (RUR). Lundin Petroleum has USD denominated debt recorded in subsidiaries using a functional currency other than USD. The devaluation of the USD against the NOK and the RUR led to exchange gains being recorded in these subsidiaries. The exchange rate variations during the second quarter of 2008 were much less than the first quarter resulting in a much lower foreign exchange gain for the quarter.

Financial expense

Financial expenses for the six month period ended 30 June 2008 amounted to MSEK 85.1 (MSEK 64.6) and MSEK 48.4 (MSEK 33.8) for the second quarter of 2008 and are detailed in Note 5. Interest expense for the six month period ended 30 June 2008 amounted to MSEK 55.0 (MSEK 41.9) and mainly relates to the bank loan facility.

The amortisation of financing fees for the six month period ended 30 June 2008 amounted to MSEK 4.1 (MSEK 0.3) and MSEK 2.0 (MSEK 0.2) for the second quarter of 2008. During the fourth quarter of 2007, Lundin Petroleum signed new credit facilities totalling USD one billion. The fees capitalised in relation to the new credit facilities will be amortised over the anticipated usage of the facility.

Result from share in associated company

The result from share in associated company for the six months ended 30 June 2008 amounted to MSEK 44.3 (MSEK -) and consists of the 44.81% equity share of the result of PetroFalcon owned by Lundin Petroleum offset by the fair value adjustment to the investment in PetroFalcon arising from sale of Lundin Petroleum's subsidiary, Lundin Latina de Petroleos SA.

Tax

The tax charge for the six month period ended 30 June 2008 amounted to MSEK 598.4 (MSEK 458.7) and MSEK 315.9 (MSEK 216.2) for the second quarter of 2008 and is detailed in Note 6.

The current tax charge of MSEK 251.4 (MSEK 328.9) for the six month period ended 30 June 2008 comprises current tax charges in, primarily France, the Netherlands, Tunisia, Indonesia and Russia. The comparative period included significant current tax charges in the United Kingdom due to a lower level of capital investment in the comparative period, and Tunisia due to the higher profitability in the comparative period as a result of the higher volumes produced from the Oudna field.

The deferred tax charge for the six month period ended 30 June 2008 amounted to MSEK 347.1 (MSEK 129.8) and consists of corporation tax amounting to MSEK 323.7 (MSEK 102.5) and petroleum tax amounting to MSEK 23.4 (MSEK 27.3). The deferred tax charge is higher for the first six months of 2008 as compared to the comparative period due primarily to the tax on unrealised foreign exchange gains in Norway in the first quarter of 2008, and the higher level of capital investment in the United Kingdom in 2008 compared to the first six months of 2007.

Included in the deferred tax charge is a charge of MSEK 955.6 due to timing differences in the rate of depletion of oil and gas assets between accounting and fiscal reporting, partly offset by tax losses carried forward in Norway, United Kingdom and the Netherlands, amounting to MSEK 570.5, MSEK 43.6 and MSEK 41.1 respectively. The deferred petroleum tax charge relates to Petroleum Revenue Tax (PRT) in the United Kingdom.

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 24% and 78%. Currently the majority of the Group's profit is derived from the United Kingdom where the effective tax rate amounts to 50%. The effective tax rate for the Group for the six month period ended 30 June 2008 amounts to approximately 44% and is lower than forecast due to the non-taxable gains in relation to the sale of Lundin Latina de Petróleos S.A. and the financial income derived from the shares received from PetroFalcon for the guarantee. In addition, MSEK 5.0 was received in the second quarter relating to a prior year corporation tax claim in the United Kingdom.

Minority interest

The net result attributable to minority interest for the six month period ended 30 June 2008 amounted to MSEK -3.7 (MSEK -13.8) and MSEK -10.6 (MSEK -10.9) for the second quarter of 2008 and relates primarily to the minority portion of the Russian subsidiaries which are fully consolidated.

BALANCE SHEET

Non-current assets

Oil and gas properties as at 30 June 2008 amounted to MSEK 17,617.6 (MSEK 16,776.1) and are detailed in Note 7. Development and exploration expenditure incurred for the six month period ended 30 June 2008 is as follows:

Development expenditure in MSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
United Kingdom	580.7	219.0	245.3	102.5	776.6
France	49.2	44.5	98.7	52.1	115.6
Norway	441.3	220.0	525.4	304.9	1,062.4
Netherlands	38.8	15.8	17.5	8.0	48.9
Indonesia	39.2	18.0	14.9	9.5	29.7
Russia	59.5	20.1	76.9	36.1	221.6
Tunisia	6.1	2.8	32.0	1.3	55.9
Development expenditures	**1,214.8**	540.2	1,010.7	514.4	2,310.7

Exploration expenditure in MSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
United Kingdom	60.4	29.7	50.2	8.0	401.9
France	3.4	1.4	2.4	1.7	4.6
Norway	405.8	150.1	66.3	42.6	476.6
Indonesia	8.9	3.9	31.6	18.0	98.3
Russia	182.9	117.4	108.9	76.1	300.5
Sudan	124.3	60.1	61.6	60.9	141.4
Ethiopia	17.6	8.6	14.0	5.8	56.5
Vietnam	28.0	24.7	16.1	-	47.4
Cambodia	15.2	1.6	-	-	-
Congo (Brazzaville)	6.4	2.8	19.4	1.2	28.5
Other	36.3	23.0	22.1	11.5	61.7
Exploration expenditures	**889.2**	423.3	392.6	225.8	1,617.4

Other tangible assets as at 30 June 2008 amounted to MSEK 105.1 (MSEK 103.8).

The book value for goodwill in relation to the acquisition of the Russian business in 2006 amounted to MSEK 715.2 (MSEK 763.5) as at 30 June 2008. The movement in book value results from a change in exchange rate used for the consolidation of the financial statements.

Financial assets as at 30 June 2008 amounted to MSEK 857.0 (MSEK 538.9) and are detailed in Note 8. Share in associated company amounting to MSEK 456.5 (MSEK -) relates to the 44.81% share in PetroFalcon. Shares and participations amounted to MSEK 117.5 (MSEK 245.7) as at 30 June 2008. The reduction in Shares and participations is attributable to the sale of the 5 percent shareholding in Baripetrol, held by Lundin Latina de Petróleos S.A. which was sold to PetroFalcon on 1 February 2008. Restricted cash as at 30 June 2008 amounted to MSEK - (MSEK 23.8). Capitalised financing fees as at 30 June 2008 amounted to MSEK 72.6 (MSEK 63.4) and relate to the costs incurred in establishing the new bank credit facility and are being amortised over the period of estimated usage of the facility. Long-term receivables as at 30 June 2008 amounted to MSEK 37.8 (MSEK 62.5) and relate to an amount paid to BNP Paribas to fund a bank loan held in a Russian jointly controlled entity. Derivative instruments as at 30 June 2008 amounts to MSEK 16.1 (MSEK -) and relate to the long term portion of the fair value of the interest rate swap entered into on 8 January 2008. Other financial assets as at 30 June 2008 amounted to MSEK 156.4 (MSEK 143.5) and mainly represent VAT paid on exploration and development costs in Russia that is expected to be recovered from VAT received on future project revenues.

The deferred tax asset as at 30 June 2008 amounted to MSEK 145.4 (MSEK 121.9).

Current assets

Receivables and inventories amounted to MSEK 1,818.1 (MSEK 1,543.4) as at 30 June 2008 and are detailed in Note 9. Inventories include hydrocarbons and consumable well supplies. The short-term receivable relates to the short term portion of the BNP Paribas funding described in financial assets above. Corporation tax receivables as at 30 June 2008 amounted to MSEK 419.0 (MSEK 396.1) and relate primarily to a tax refund due in Norway for exploration expenditure incurred during 2007.

Cash and cash equivalents as at 30 June 2008 amounted to MSEK 214.4 (MSEK 483.5).

Non-current liabilities
Provisions as at 30 June 2008 amounted to MSEK 4,949.5 (MSEK 4,771.4) and are detailed in Note 10. This amount includes a provision for site restoration of MSEK 689.8 (MSEK 700.8).

The provision for deferred tax amounted to MSEK 4,223.1 (MSEK 4,037.8) and is mainly arising on the excess of book value over the tax value of oil and gas properties and the deferred tax gross up of the excess purchase price allocated to the Russian assets acquired in 2006. In accordance with IFRS the amounts for deferred tax asset have been offset against the deferred tax liability where offsetable. The net deferred tax liability includes tax losses carry forward relating primarily to Norway and United Kingdom, MSEK 1,232.9 and MSEK 289.2 respectively.

Long term interest bearing debt amounted to MSEK 3,510.2 (MSEK 2,740.2) as at 30 June 2008. On 26 October 2007 a new credit facility was entered into to repay the existing facility, to provide liquidity for the Company's operations and to enable the funding of potential new projects and acquisition opportunities. The financing facilities consist of a USD 850 million revolving borrowing base and letter of credit facility and a USD 150 million unsecured corporate facility. The facilities were fully underwritten by BNP Paribas and sub-underwriters Bank of Scotland and Royal Bank of Scotland. The cash drawings outstanding under the credit facility amounted to MUSD 578.0 as at 30 June 2008.

The long term interest bearing debt also includes the long-term portion of a bank loan drawn by a jointly controlled entity in Russia.

Lundin Petroleum has, through its subsidiary Lundin Malaysia BV, entered into three 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 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 113.8.

Current liabilities
Current liabilities as at 30 June 2008 amounted to MSEK 1,600.8 (MSEK 1,767.4) and are detailed in Note 11. The overlift position as at 30 June 2008 amounted to MSEK 169.7 (MSEK 151.3). Joint venture creditors as at 30 June 2008 amounted to MSEK 811.9 (MSEK 898.3) and mainly relate to the amounts payable for the development activities in progress in Norway and United Kingdom and ongoing operational costs. Short-term interest bearing debt as at 30 June 2008 amounted to MSEK 41.5 (MSEK 44.3) and relates to the current portion of a bank loan drawn by a jointly controlled entity in Russia. Tax payable amounted as at 30 June 2008 to MSEK 218.3 (MSEK 213.2). The short term portion of the fair value of the interest rate swap entered into on 8 January 2008 included in current liabilities as at 30 June 2008 amounted to MSEK 8.0 (MSEK -).

SUBSEQUENT EVENTS
The sale of the Jotun field in Norway for an amount of MNOK 72.0 effective 1 January 2008 was completed on 31 July 2008.

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 -7.4 (MSEK 36.8) for the six month period ended 30 June 2008 and MSEK -1.5 (MSEK -29.7) for the second quarter of 2008.

The result included general and administrative expenses of MSEK 22.3 (MSEK 20.9) for the six month period ended 30 June 2008 and MSEK 10.8 (MSEK 11.7) for the second quarter of 2008. Interest income derived from loans to subsidiary companies amounted to MSEK 5.8 (MSEK 16.9) for the six month period ended 30 June 2008. Currency exchange losses amounted to MSEK 0.4 (MSEK -31.9) for the six month period ended 30 June 2008.

An amount of MSEK 1.7 is included as a current payable towards a related party. No deferred tax asset has been recorded against the historic losses incurred by the Parent Company because of uncertainty as to the timing of their utilisation.

SHARE DATA

Lundin Petroleum AB's issued share capital at 30 June 2008 amounted to SEK 3,179,106 represented by 317,910,580 shares with a quota value of SEK 0.01 each. Included in the number of shares issued at 30 June 2008 is an amount of 1,275,500 shares which had been issued but not registered.

The following incentive warrants have been issued under the Group's incentive programme for employees. The incentive warrants outstanding at the end of the period and their expiry date and exercise prices are shown below:

	Issued 2006	Issued 2007
Exercise price (SEK)	97.40	78.05
Number authorised	3,250,000	3,950,000
Number outstanding	2,996,000	3,357,500[1]
Exercise period	15 June 2007 -31 May 2009	1 Dec 2008 - 31 May 2010

[1] Maximum number of options outstanding. The number is dependent on the achievement of certain performance conditions.

In 2007 Lundin Petroleum implemented a Long-Term Incentive Plan (LTIP) consisting of a Share Option Plan and a Performance Share Plan. Employees had the choice to select either the Share Option Plan, the Performance Share Plan or a 50/50 allocation of both. Both plans have a performance condition relative to Total Shareholder Return (TSR) attached to their allocation. The options under the Share Option Plan will be issued between 0 and 100% of the options granted and the shares under the Performance Share Plan will be issued between 50 and 100% of the award of shares. Under the Performance Share Plan, Lundin Petroleum made a conditional award of 67,751 shares. In June 2007, Lundin Petroleum acquired 68,000 of its own shares to fully hedge its potential obligation under the Performance Share Plan.

In addition to these incentive warrants, 642,500 incentive warrants were acquired and converted to Lundin Petroleum incentive warrants and another 371,500 incentive warrants in Lundin Petroleum were issued in connection with the acquisition of Valkyries. The number of incentive warrants associated with the Valkyries acquisition outstanding at 30 June 2008 amounted to 287,500 with an exercise price in the range 81.50 – 97.40 SEK with various exercise periods up to 31 May 2009.

In 2008 Lundin Petroleum implemented a new Long-Term Incentive Plan (LTIP) consisting of a Unit Bonus Plan which provides for an annual grant of units that will lead to a cash payment at vesting. 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. In June 2008 Lundin Petroleum acquired 797,000 of its own shares to fully hedge its potential cash obligation under the 2008 LTIP. Such acquisitions have been approved by the Board as supported by an authorisation from the shareholders at the annual general meeting.

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 2007.

The financial statements of the Parent Company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2.1 Reporting for legal entities and the Annual Accounts Act (1995:1554). RFR 2.1 requires the Parent Company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RFR 2.1. The Parent Company's accounting principles do not in any material respect deviate from the Group principles.

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 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. Other risks can be categorized into either Operational Risks or Financial Risks.

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 2007.

Lundin Petroleum is, and will be, actively engaged in oil and gas operations in various countries. Risks may arise in changes in laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange and exchange control. Further, certain aspects of Lundin Petroleum's exploration and production programmes require the consent or favourable decisions of governmental bodies. In addition, 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.

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 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 2007.

Derivative financial instruments
The Group entered into an interest hedging contract on 10 January 2008, fixing the LIBOR rate of interest at 3.75% 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. At 30 June 2008, the asset recognised in the balance sheet amounted to MSEK 16.1, representing the long-term portion of the fair value of the outstanding part of the interest rate contract and a liability in the balance sheet amounting to MSEK 8.0 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 six month period ended 30 June 2008, the following currency exchange rates have been used.

	Average	Period end
1 EUR equals SEK	9.3753	9.4703
1 USD equals SEK	6.1240	6.0075

CONSOLIDATED INCOME STATEMENT<<

Expressed in TSEK	Note	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Operating income						
Net sales of oil and gas	1	2,885,240	1,686,269	2,673,997	1,354,422	5,353,654
Other operating income		46,732	22,409	66,062	33,635	130,641
		2,931,972	1,708,678	2,740,059	1,388,057	5,484,295
Cost of sales						
Production costs	2	-1,178,255	-717,836	-990,403	-453,984	-2,266,911
Depletion of oil and gas properties	3	-381,087	-182,471	-585,515	-283,298	-997,644
Write off of oil and gas properties		-188,557	-93,137	-81,898	-45,287	-369,596
Gross profit		**1,184,073**	715,234	1,082,243	605,488	1,850,144
Sale of asset		91,034	-	-	-	-
Other income		934	504	1,030	550	3,285
General, administration and depreciation expenses		-84,735	-47,848	-108,770	-57,757	-172,045
Operating profit		**1,191,306**	667,890	974,503	548,281	1,681,384
Result from financial investments						
Financial income	4	212,726	42,727	58,540	-486	266,556
Financial expenses	5	-85,111	-48,389	-64,628	-33,835	-137,429
		127,615	-5,662	-6,088	-34,321	129,127
Result from share in associated company		**44,329**	23,008	-	-	-
Profit before tax		**1,363,250**	685,236	968,415	513,960	1,810,511
Tax	6	-598,432	-315,903	-458,671	-216,235	-858,037
Net result		**764,818**	369,333	509,744	297,725	952,474
Net result attributable to:						
Shareholders of the parent company		768,481	379,918	523,494	308,649	956,953
Minority interest		-3,663	-10,585	-13,750	-10,924	-4,479
Net result		**764,818**	369,333	509,744	297,725	952,474
Earnings per share – SEK 1)		2.43	1.20	1.66	0.98	3.04
Diluted earnings per share – SEK 1)		2.43	1.20	1.66	0.98	3.03

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

>> CONSOLIDATED BALANCE SHEET

Expressed in TSEK	Note	**30 June 2008**	31 December 2007
ASSETS			
Non-current assets			
Oil and gas properties	7	17,617,642	16,776,124
Other tangible assets		105,097	103,766
Goodwill		715,179	763,521
Financial assets	8	856,965	538,938
Deferred tax [1]		145,424	121,936
Total non-current assets		**19,440,307**	18,304,285
Current assets			
Receivables and inventory	9	1,818,111	1,543,383
Cash and cash equivalents		214,413	483,452
Total current assets		**2,032,524**	2,026,835
TOTAL ASSETS		**21,472,831**	20,331,120
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		10,156,172	9,705,949
Minority interest		1,256,134	1,346,164
Total equity		**11,412,306**	11,052,113
Non-current liabilities			
Provisions [1]	10	4,949,518	4,771,421
Bank loans		3,510,228	2,740,168
Total non-current liabilities		**8,459,746**	7,511,589
Current liabilities	11	**1,600,779**	1,767,418
TOTAL EQUITY AND LIABILITIES		**21,472,831**	20,331,120
Pledged assets		4,227,266	3,446,804
Contingent liabilities		141,176	150,720

[1] The 2007 amounts have been adjusted by MSEK 722.1 to reflect the offset of deferred tax asset against deferred tax liability.

CONSOLIDATED STATEMENT OF CASH FLOW<<

Expressed in TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Cash flow from operations					
Net result	764,818	369,333	509,744	297,725	952,474
Adjustments for non-cash related items	932,520	594,181	1,222,635	671,783	2,195,247
Interest received	25,065	16,822	12,412	6,708	29,751
Interest paid	-126,566	-75,636	-51,726	-18,523	-153,788
Income taxes paid	-187,014	4,125	-373,162	-278,746	-311,889
Changes in working capital	-405,632	-401,763	97,748	280,059	465,911
Total cash flow from operations	**1,003,191**	507,062	1,417,651	959,006	3,177,706
Cash flow used for investments					
Investment in subsidiary assets	-	-	-	-	-67,760
Investment in associated company	-170,500	-	-	-	-
Change in other financial fixed assets	201	2,076	76	103	-6,170
Other payments	-1,012	-619	12	25	622
Divestment of fixed assets	3,061	227	-	-	-
Investment in oil and gas properties	-2,103,978	-963,387	-1,749,594	-766,671	-4,260,612
Investment in other tangible assets	-17,342	-8,530	-14,919	-9,402	-21,415
Total cash flow used for investments	**-2,289,570**	-970,233	-1,764,425	-775,945	-4,355,335
Cash flow from financing					
Investment in financial fixed asset	-	-	-	-	-106,784
Changes in long-term bank loan	982,928	129,437	627,555	39,062	1,516,102
Paid financing fees	-13,053	-13,053	-5,986	-2,764	-71,181
Purchase of own shares	-72,224	-72,224	-4,395	-4,395	-4,395
Proceeds from share issues	142,072	119,503	53,035	46,162	61,207
Dividend paid to minority	-	-	-	-	-765
Total cash flow from financing	**1,039,723**	163,663	670,209	78,065	1,394,184
Change in cash and cash equivalents	-246,656	-299,508	323,435	261,126	216,555
Cash and cash equivalents at the beginning of the period	483,452	498,098	297,221	366,205	297,221
Currency exchange difference in cash and cash equivalents	-22,383	15,823	-4,525	-11,200	-30,324
Cash and cash equivalents at the end of the period	**214,413**	214,413	616,131	616,131	483,452

>>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in TSEK	Share capital	Additional paid-in-capital/ Other reserves	Retained earnings	Net result	Minority interest	Total equity
Balance at 1 January 2007	**3,142**	**5,780,711**	**2,365,822**	**803,005**	**1,615,131**	10,567,811
Transfer of prior year net result	-	-	803,005	-803,005	-	-
Currency translation difference	-	98,062	-	-	-4,212	93,850
Change in fair value	-	-7,567	-	-	-	-7,567
Income and expenses recognised directly in equity	**-**	**90,495**	**-**	**-**	**-4,212**	**86,283**
Net result	-	-	-	523,494	-13,750	509,744
Total recognised income and expense	**-**	**90,495**	**-**	**523,494**	**-17,962**	**596,027**
Transfer to income statement	-	-288	-	-	-	-288
Issuance of shares	11	53,024	-	-	-	53,035
Purchase of own shares	-	-4,395	-	-	-	-
Transfer of share based payments	-	7,367	-7,367	-	-	-
Share based payments	-	-	14,306	-	-	14,306
Balance at 30 June 2007	**3,153**	**5,926,914**	**3,175,766**	**523,494**	**1,597,169**	**11,226,496**
Currency translation difference	-	-369,161	-	-	-92,368	-461,529
Change in fair value	-	-4,680	-	-	-167,143	-171,823
Income and expenses recognised directly in equity	**-**	**-373,841**	**-**	**-**	**-259,511**	**-633,352**
Net result	-	-	-	433,459	9,271	442,730
Total recognised income and expense	**-**	**-373,841**	**-**	**433,459**	**-250,240**	**-190,622**
Issuance of shares	2	8,170	-	-	-	8,172
Transfer of share based payments	-	880	-880	-	-	-
Share based payments	-	-	8,832	-	-	8,832
Minority share in dividend paid	-	-	-	-	-765	-765
Balance at 31 December 2007	**3,155**	**5,562,123**	**3,183,718**	**956,953**	**1,346,164**	**11,052,113**
Transfer of prior year net result	-	-	956,953	-956,953	-	-
Currency translation difference	-	-394,110	-	-	-86,367	-480,477
Change in fair value	-	-2,588	-	-	-	-2,588
Income and expenses recognised directly in equity	**-**	**-396,698**	**-**	**-**	**-86,367**	**-483,065**
Net result	-	-	-	768,481	-3,663	764,818
Total recognised income and expense	**-**	**-396,698**	**-**	**768,481**	**-90,030**	**281,753**
Issuance of shares	24	142,048	-	-	-	142,072
Purchase of own shares	-8	-72,224	-	-	-	-72,232
Transfer of share based payments	-	17,322	-17,322	-	-	-
Share based payments	-	-	8,600	-	-	8,600
Balance at 30 June 2008	**3,171**	**5,252,571**	**4,131,949**	**768,481**	**1,256,134**	**11,412,306**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS>>

Note 1. Segment information, TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Operating income					
Net sales of:					
Crude oil					
- United Kingdom	1,162,501	619,513	1,178,276	569,128	2,440,631
- Netherlands	4,251	4,251	-	-	-
- France	450,387	239,991	251,780	148,115	651,961
- Norway	211,623	183,118	53,969	27,853	112,668
- Indonesia	153,518	84,371	146,801	60,913	295,493
- Russia	450,115	242,088	288,935	148,337	637,454
- Tunisia	266,064	216,898	607,908	330,535	923,214
	2,698,459	1,590,230	2,527,669	1,284,881	5,061,421
Condensate					
- United Kingdom	13,528	7,903	9,012	4,965	22,306
- Netherlands	3,502	2,359	3,558	1,852	7,920
- Indonesia	1,129	998	1,367	697	1,402
	18,159	11,260	13,937	7,514	31,628
Gas					
- Norway	135	53	231	93	417
- Netherlands	168,299	84,652	131,679	61,596	259,014
- Indonesia	188	74	481	338	1,174
	168,622	84,779	132,391	62,027	260,605
	2,885,240	1,686,269	2,673,997	1,354,422	5,353,654
Operating profit contribution					
- United Kingdom	431,034	238,367	427,891	215,548	684,744
- France	336,045	192,042	154,884	96,044	421,824
- Norway	147,401	140,285	13,401	7,808	-19,823
- Netherlands	102,409	78,843	63,747	25,019	122,860
- Russia	60,132	18,460	29,682	35,531	94,435
- Indonesia	53,859	26,305	19,323	-3,341	31,113
- Tunisia	167,503	116,419	374,308	200,465	524,796
- Other	-107,077	-142,831	-108,733	-28,793	-178,565
Total operating profit contribution	**1,191,306**	667,890	974,503	548,281	1,681,384

Note 2. Production costs, TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Cost of operations	742,960	372,131	765,767	384,319	1,562,941
Tariff and transportation expenses	87,499	43,626	93,547	57,642	195,728
Direct production taxes	277,519	159,467	171,822	78,228	385,052
Change in inventory/ overlift position	70,277	142,612	-40,733	-66,205	123,190
	1,178,255	717,836	990,403	453,984	2,266,911

Note 3. Depletion of oil and gas properties, TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
United Kingdom	189,982	82,068	245,371	117,513	435,820
France	39,615	19,238	28,271	15,277	60,325
Norway	31,867	23,853	11,861	5,433	21,738
Netherlands	43,610	21,066	37,106	18,055	71,081
Indonesia	11,744	4,840	17,715	7,849	35,147
Russia	33,842	16,871	35,825	17,065	68,487
Tunisia	30,427	14,535	209,366	102,106	305,046
	381,087	182,471	585,515	283,298	997,644

Note 4. Financial income, TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Interest income	20,304	9,441	16,154	9,984	37,708
Dividends received	6,460	2,811	18,094	16,767	22,499
Foreign exchange gain, net	158,301	3,075	21,844	-28,623	190,954
Fair value adjustment pension	815	815	-	-	-
Other financial income	25,696	25,696	-	-	-
Repayment received on loan	1,150	889	2,448	1,386	15,395
	212,726	42,727	58,540	-486	266,556

Note 5. Financial expenses, TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Loan interest expenses	54,981	31,373	41,934	21,420	86,104
Unwind site restoration discount	19,002	9,832	16,532	8,421	35,387
Result on interest rate hedge settlement	521	2,630	-	-	-
Change in market value interest rate hedge	-	-	-	-	-11
Amortisation of deferred financing fees	4,111	2,020	346	212	7,654
Other financial expenses	6,496	2,534	5,827	3,782	8,295
	85,111	48,389	64,628	33,835	137,429

Note 6. Tax, TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Current tax	251,378	166,628	328,861	124,439	91,323
Deferred tax	347,054	149,275	129,810	91,796	766,714
	598,432	315,903	458,671	216,235	858,037

Note 7. Oil and gas properties, TSEK	**Book amount 30 Jun 2008**	Book amount 31 Dec 2007
United Kingdom	3,365,422	3,168,911
France	1,083,541	1,066,780
Norway	4,607,956	3,803,237
Netherlands	429,131	432,212
Indonesia	327,068	301,888
Russia	7,087,007	7,306,384
Tunisia	191,147	230,280
Sudan	229,027	222,967
Congo (Brazzaville)	96,642	96,477
Vietnam	71,181	46,707
Ethiopia	68,436	55,251
Others	61,084	45,030
	17,617,642	16,776,124

Note 8. Financial assets, TSEK	**Book amount 30 Jun 2008**	Book amount 31 Dec 2007
Share in associated company	456,528	-
Shares and participations	117,522	245,702
Restricted cash	-	23,831
Capitalised financing fees	72,594	63,369
Long-term receivable	37,844	62,530
Derivative instruments	16,124	-
Other financial assets	156,353	143,506
	856,965	538,938

Note 9. Receivables and inventories, TSEK	**Book amount 30 Jun 2008**	Book amount 31 Dec 2007
Inventories	165,662	167,714
Trade receivables	862,972	598,545
Underlift	15,022	35,065
Short-term loan receivable	41,452	44,254
Corporation tax	418,989	396,121
Joint venture debtors	164,552	117,312
Other assets	149,462	184,372
	1,818,111	1,543,383

Note 10. Provisions, TSEK	**Book amount 30 Jun 2008**	Book amount 31 Dec 2007
Site restoration	689,843	700,763
Pension	8,576	9,478
Deferred taxes	4,223,081	4,037,827
Other	28,018	23,353
	4,949,518	4,771,421

Note 11. Current liabilities, TSEK	**Book amount 30 Jun 2008**	Book amount 31 Dec 2007
Trade payables	173,345	300,121
Overlift	169,712	151,293
Tax payables	218,287	213,175
Accrued expenses	94,506	88,584
Acquisition liabilities	38,951	38,833
Joint venture creditors	811,940	898,340
Short-term bank loans	41,452	44,254
Derivative instruments	7,967	-
Other liabilities	44,619	32,818
	1,600,779	1,767,418

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Operating income					
Other operating income	9,265	5,048	8,737	4,161	22,389
Gross profit	**9,265**	5,048	8,737	4,161	22,389
General and administration expenses	-22,272	-10,807	-20,925	-11,734	-39,769
Operating profit	**-13,007**	-5,759	-12,188	-7,573	-17,380
Result from financial investments					
Financial income	5,974	3,501	48,998	-22,083	52,047
Financial expenses	-372	733	-	-	-
	5,602	4,234	48,998	-22,083	52,047
Profit before tax	**-7,405**	-1,525	36,810	-29,656	34,667
Tax	-	-	-	-	-
Net result	**-7,405**	-1,525	36,810	-29,656	34,667

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**30 June 2008**	31 December 2007
ASSETS		
Non-current assets		
Financial assets	7,936,759	7,861,099
Total non-current assets	**7,936,759**	7,861,099
Current assets		
Receivables	12,194	12,446
Cash and cash equivalents	2,686	8,861
Total current assets	**14,880**	21,307
TOTAL ASSETS	**7,951,639**	7,882,406
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,947,839	7,877,724
Current liabilities	3,800	4,682
TOTAL EQUITY AND LIABILITIES	**7,951,639**	7,882,406
Pledged assets	4,227,266	3,446,804
Contingent liabilities	141,176	150,720

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2008- 30 Jun 2008 6 months**	1 Apr 2008- 30 Jun 2008 3 months	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2007- 31 Dec 2007 12 months
Cash flow used for operations					
Net result	-7,405	-1,525	36,810	-29,656	34,667
Adjustments for non- cash related items	243	-862	-32,194	28,371	-32,298
Changes in working capital	-214	-3,100	-6,703	-11,057	-6,631
Total cash flow used for operations	**-7,376**	-5,487	-2,087	-12,342	-4,262
Cash flow used for investments					
Change in other financial fixed assets	-68,362	-43,671	-48,261	-37,716	-52,242
Total cash flow used for investments	**-68,362**	-43,671	-48,261	-37,716	-52,242
Cash flow from financing					
Purchase of own shares	-72,232	-72,232	-4,395	-4,395	-4,395
Proceeds from share issues	142,072	119,503	53,035	46,163	61,207
Total cash flow from financing	**69,840**	47,271	48,640	41,768	56,812
Change in cash and cash equivalents	-5,898	-1,887	-1,708	-8,290	308
Cash and bank at the beginning of the period	8,861	4,548	8,962	15,631	8,962
Currency exchange difference in cash and cash equivalents	-277	25	-31	-118	-409
Cash and cash equivalents at the end of the period	**2,686**	2,686	7,223	7,223	8,861

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted Equity		Unrestricted equity			
	Share Capital	Statutory reserve	Other Reserves	Retained Earnings	Net result	Total equity
Balance at 1 January 2007	3,142	861,306	5,093,245	51,565	1,754,833	7,764,091
Transfer of prior year net result	-	-	-	1,754,833	-1,754,833	-
New share issuance	11	-	53,024	-	-	53,035
Purchase of own shares	-	-	-4,395	-	-	-4,395
Transfer of share based payments	-	-	7,367	-7,367	-	-
Share based payments	-	-	-	14,307	-	14,307
Currency translation difference	-	-	-31	-	-	-31
Net result	-	-	-	-	36,810	36,810
Balance at 30 June 2007	**3,153**	**861,306**	**5,149,210**	**1,813,338**	**36,810**	**7,863,817**
New share issuance	2	-	8,170	-	-	8,172
Transfer of share based payments	-	-	880	-880	-	-
Share based payments	-	-		8,831	-	8,831
Currency translation difference	-	-	-953	-	-	-953
Net result	-	-	-	-	-2,143	-2,143
Balance at 31 December 2007	**3,155**	**861,306**	**5,157,307**	**1,821,289**	**34,667**	**7,877,724**
Transfer of prior year net result	-	-	-	34,667	-34,667	-
New share issuance	24	-	142,048	-	-	142,072
Purchase of own shares	-8	-	-72,224	-	-	-72,232
Transfer of share based payments	-	-	17,322	-17,322	-	-
Share based payments	-	-	-	8,600	-	8,600
Currency translation difference	-	-	-920	-	-	-920
Net result	-	-	-	-	-7,405	-7,405
Balance at 30 June 2008	**3,171**	**861,306**	**5,243,533**	**1,847,234**	**-7,405**	**7,947,839**

KEY FINANCIAL DATA

Data per share	**1 Jan 2008-30 Jun 2008 6 months**	1 Apr 2008-30 Jun 2008 3 months	1 Jan 2007-30 Jun 2007 6 months	1 Apr 2007-30 Jun 2007 3 months	1 Jan 2007-31 Dec 2007 12 months
Shareholders' equity SEK per share[1]	35.90	35.90	35.59	35.59	35.02
Operating cash flow SEK per share [2]	4.74	2.60	12.89	6.24	9.91
Cash flow from operations SEK per share[3]	3.17	1.60	4.84	3.18	9.97
Earnings SEK per share[4]	2.42	1.17	1.62	0.95	3.02
Earnings SEK per share fully diluted[5]	2.42	1.17	1.62	0.94	3.02
Dividend per share	-	-	-	-	-
Quoted price at the end of the financial period (regards the parent company), SEK	89.00	89.00	68.50	68.50	67.50
Number of shares at period end	317,910,580	317,910,580	315,408,580	315,408,580	315,550,580
Weighted average number of shares for the period[6]	316,280,412	316,415,616	314,573,909	314,822,136	315,020,401
Weighted average number of shares for the period (fully diluted)[6]	316,694,551	316,829,755	315,029,829	315,266,088	315,409,915

Key data group	**1 Jan 2008-30 Jun 2008 6 months**	1 Apr 2008-30 Jun 2008 3 months	1 Jan 2007-30 Jun 2007 6 months	1 Apr 2007-30 Jun 2007 3 months	1 Jan 2007-31 Dec 2007 12 months
Return on equity, %[7]	7	3	5	3	9
Return on capital employed, %[8]	9	5	8	4	14
Net debt/equity ratio, %[9]	34	34	15	15	21
Equity ratio, %[10]	53	53	59	59	52
Share of risk capital, %[11]	72	72	77	77	71
Interest coverage ratio, %[12]	2,580	2,284	2,389	2,500	2,203
Operating cash flow/interest ratio[13]	2,733	2,626	9,597	9,181	3,631
Yield[14]	-	-	-	-	-

1 the Group's shareholders' equity divided by the 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 divided by the weighted average number of shares for the period.

5 the Group's net result divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants.

6 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.

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

8 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).

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

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

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

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

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

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

Financial information

The Company will publish the following reports:

- The nine month report (January – September 2008) will be published on 12 November 2008.
- The year end report (January – December 2008) will be published in February 2009.

BOARD ASSURANCE

The Board of Directors and the President & 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, 13 August, 2008

Lundin Petroleum AB (publ)
Org. Nr. 556610-8055

Ian H. Lundin Chairman	C. Ashley Heppenstall President & CEO	William Rand
Asbjorn Larsen	Lukas H. Lundin	Magnus Unger

REVIEW REPORT

We have reviewed the interim report for the period 1 January 2008 to 30 June 2008, for Lundin Petroleum AB (publ). The board of directors and the President & CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR. 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 Standards on Auditing in Sweden, RS, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, 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, 13 August, 2008

Klas Brand Authorized Public Accountant PricewaterhouseCoopers AB	Bo Hjalmarsson Authorized Public Accountant PricewaterhouseCoopers AB