

13 November 2003

## **LUNDIN PETROLEUM TO ACQUIRE CERTAIN ASSETS OF DNO IN UK, NORWAY AND IRELAND**

**Lundin Petroleum AB ("Lundin Petroleum") announces that it has entered into an agreement with DNO ASA ("DNO") to purchase DNO's UK and Irish oil and gas interests, as well as the majority of its Norwegian assets, (the "Transaction") for cash consideration of US\$ 165 million.**

The assets to be acquired include a diverse portfolio of producing, development and exploration licences offshore UK, Norway and Ireland. Lundin Petroleum's estimate of proven and probable reserves of these assets is approximately 65 million barrels of oil equivalent. Current production from these assets is in excess of 12,000 boepd and is expected to increase to in excess of 20,000 boepd in the second half of 2004 on production start up from the Broom field in the UK North Sea.

The Transaction includes the purchase by Lundin Petroleum of the following DNO wholly owned subsidiaries:

i) DNO Britain Limited which through, wholly owned subsidiaries, includes the following interests:

- 100% Heather field
- 99% Thistle field
- 55% Broom field

The Heather and Thistle fields are mature producing fields in the UK North Sea whilst the Broom field is a newly designated field adjacent to the Heather field and currently under development. The Broom field will be tied back to the Heather facilities thereby extending the economic life of the Heather field. The Broom field is a sub-sea development expected to start production by the middle of 2004. Lundin Petroleum will, through the acquisition of DNO Britain, assume operatorship of these fields and responsibility for all of DNO's UK employees and Aberdeen office.

ii) Island Petroleum Developments Limited ("IPDL") which owns a portfolio of assets offshore Ireland. The major asset is a 12,5 % working interest in the Seven Heads gas field operated by Ramco which is expected to begin production this quarter using the existing Kinsale Head facilities. IPDL also owns additional exploration and development licence interests offshore Ireland.

iii) All of the Norwegian assets of DNO with the exception of its interest in the producing Glitne field. The Norwegian assets to be acquired include a 7% working interest in the producing Jotun field operated by ExxonMobil, a 15% interest in PL203 operated by Marathon which includes existing oil and gas discoveries expected to be developed as part of the West of Heimdal project, and various additional exploration assets.

The consideration for the Transaction is US\$ 165 million payable at Closing with an effective date of 1 January 2003. Certain adjustments will be made for working capital of the Norwegian assets as well as funding requirements in respect of the acquired assets from the effective date to Closing estimated to be approximately US\$ 40 million.

The Closing of the Transaction will be subject to certain conditions customary for a deal of this type including regulatory approvals in the UK, Norway and Ireland. Closing is estimated to take place during the first half of 2004.

Lundin Petroleum will finance the Transaction from current internal funds and drawings under third party bank borrowings.

ABG Sundal Collier acts as financial advisor to Lundin Petroleum in the Transaction.

Ashley Heppenstall, The President and CEO of Lundin Petroleum commented: "This is another major acquisition deal for Lundin Petroleum. We are acquiring a portfolio of low risk assets which will more than double our existing reserves and production. We are particularly excited as to the growth opportunities this portfolio of assets will provide to the Company. The Broom field in the UK North Sea sector coming on stream in 2004 and the West Heimdal asset currently the subject of potential development will ensure strong production growth for Lundin Petroleum over the coming years. The catalyst for our growth over the last 12 months was the acquisition of Coparex International. This acquisition will ensure that growth profile is maintained going forward."

A telephone conference will be held on Thursday, 13 November at 16.30 CET.

Telephone number: +44 (0) 207 162 0181. Please call 10 minutes prior to the conference call.

For replay, call +44 (0)208 288 4459 access code 248 762.

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

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