



14 January 2003

## **LUNDIN ENTERS THE NORWEGIAN SECTOR OF THE NORTH SEA**

**Lundin Petroleum AB ("Lundin") is pleased to announce that it has made a strategic investment in the Norwegian independent oil company OER Oil AS ("OER").**

Lundin has acquired 75% of OER through the investment of new equity of NOK 30 million (USD 4.3 million). OER is a new, Norwegian upstream oil company established by an experienced management group to take advantage of investment opportunities in the Norwegian North Sea sector. OER has recently completed a transaction with Norsk Hydro Produksjon AS to purchase a 2.5% interest in the Njord field and a 4.4424% interest in the Brage Field, offshore Norway.

Lundin forecasts that the acquired interests in Njord and Brage will generate production in 2003 of 2000 bopd net to OER (1500 bopd net to Lundin) and that the fields contain net remaining recoverable reserves net to OER of 5 mmboe (3.75 mmboe net to Lundin). In addition Lundin has agreed to provide further financing to OER through convertible debt to fund further acquisitions.

Lundin, President & CEO Ashley Heppenstall commenting on the transaction said: "This is an important strategic investment for Lundin. We believe that there will be a growing number of production and development investment opportunities in the Norwegian North Sea sector for smaller companies. OER have an experienced management team with the ability to generate deals in this sector. We believe this coupled with Lundin's technical and financial capabilities will result in a new company with excellent growth opportunities. This first deal gives us additional net production of 1500 bopd and 3.75 mmboe in recoverable reserves and we are already in advanced negotiations for a further production deal."

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

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