

20 January 2009

LUNDIN PETROLEUM CAPITAL EXPENDITURE BUDGET USD 560 MILLION IN 2009

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce the details of its USD 560 million development and exploration budget for 2009. The 2009 budget is a 23 percent reduction on the 2008 capital expenditure budget.

The development budget for 2009 is USD 215 million with the major focus upon the completion of ongoing development projects in Norway and Indonesia.

1. In Norway the development of the Volund project (WI 35%) is ongoing with first production forecast in late 2009. The forecast plateau rate of the Volund field is 23,000 barrels of oil equivalents per day (boepd) (8,000 boepd net to Lundin Petroleum). The subsurface facilities installation is substantially complete and development drilling will commence shortly as scheduled.

2. In Indonesia the development of the Singa gas field (WI 25.88%) is well advanced with first gas expected mid-year 2009. Gas production will build up to a plateau rate of 48 mmscf/d (2,000 boepd net to Lundin Petroleum).

In 2009 Lundin Petroleum will continue its investment programme in exploration and appraisal activities with a continued major focus in Norway. The 2009 budget is USD 345 million with a work programme involving the drilling of fifteen exploration wells and four appraisal wells.

The principle areas of focus will be Norway, Russia, Congo and Vietnam.

1. Norway

Nine exploration wells will be drilled of which six will be operated by Lundin Petroleum with a major focus upon the Greater Alvheim and Greater Luno areas. Four of the exploration wells will be drilled in the Greater Alvheim area including PL 363 (WI 60%) drilling the Mon prospect, PL 304 (WI 50%) drilling the Aegis prospect, PL 340 (WI 15%) drilling multiple prospects; Marihone A/B and the Maur and PL 412 (WI 30%) drilling the Eiganes prospect.

Three wells will be drilled in the Greater Luno Area including PL 338 (WI 50%) drilling the Luno extension, PL 359 (WI 70%) drilling the Luno High prospect and PL 410 (WI 100%) drilling the Luno 3 prospect.

One exploration well is currently drilling on PL006c (WI 75%) in the North Sea on the Hyme prospect which will then be sidetracked as an appraisal well on the South East Tor discovery

One exploration well will be drilled on PL476 (WI 30%) in the Norwegian Sea on the Frusalen prospect just to the east of the Asgard field

2. Russia

Two wells will be drilled in the Lagansky Block (WI 70%) in the northern Caspian Sea. These will include an appraisal well on the Morskaya discovery and a further exploration well on the Petrovskaya prospect.

3. Vietnam

One exploration well will be drilled on Block 06/94 (WI 33.3%), offshore Vietnam targeting the Tuong Vi prospect.

4. Congo Brazzaville

One exploration well and one appraisal well will be drilled on Block Marine XI (WI 18.75%) drilling the Sendji S1 prospect and the Viodo discovery respectively.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: "In 2009 the major focus of our capital programme will be in Norway and Russia. In Norway our development and exploration focus will be on the Alvheim and Luno areas whilst in Russia we will seek to increase resources in the North Caspian area following our major Morskaya discovery in 2008. Seventy percent of our exploration budget is allocated to Norway where the fiscal structure is such that the majority of expenditures are covered by the Norwegian government. Lundin Petroleum is well financed with a strong balance sheet and the 2009 budget will be funded from operating cash flow and existing available bank lines."

For further information, please contact:

C. Ashley Heppenstall,
President and CEO
Tel: +41 22 595 10 00

or

Maria Hamilton
Head of Corporate Communications
Tel: +41 22 595 10 00
Tel: 08-440 54 50