

21 July 2006

EXTRAORDINARY GENERAL MEETING OF LUNDIN PETROLEUM APPROVES ACQUISITION OF VALKYRIES PETROLEUM

The Extraordinary General Meeting of shareholders of Lundin Petroleum AB was held today, Friday, 21 July, in Stockholm.

The Extraordinary General Meeting resolved to approve the previously announced acquisition of Valkyries Petroleum Corp. ("Valkyries") and to issue not more than 57,000,000 shares of Lundin Petroleum to the current shareholders of Valkyries. Based on the current number of outstanding shares of Valkyries and assuming no Valkyries options are exercised prior to completion, the number of Lundin Petroleum shares to be issued on completion of the acquisition will be 55,795,414.

Valkyries is a Canadian upstream oil and gas company with exploration and producing interests in Russia. The company trades on the TSX Venture Exchange in Toronto under the symbol "VPC". Valkyries' year end proven and probable reserves as of 31 December 2005 plus third party estimated proven and probable reserves for new acquisitions to date are approximately 31 million barrels of oil and current net production is approximately 4,500 barrels of oil per day (bopd).

The acquisition of Valkyries is expected to close by 1 August 2006 subject to receiving approval by Valkyries' shareholders at the Valkyries' extraordinary general meeting to be held on Tuesday 25 July 2006, and following the receipt of Canadian court approval.

The Extraordinary General Meeting further resolved:

- To authorize the Board to issue 1,000,000 shares to the previous holder of Valkyries' interest in the Caspian Field upon the Caspian Field producing 2,500 bopd for a continuous period of thirty days in accordance with an agreement previously made by Valkyries with such vendor of the Caspian Field;
- In respect of incentive warrants previously granted or reserved for grant under the Valkyries stock option plan, to issue not more than 799,000 incentive warrants each entitling the holder to subscribe for one new share in Lundin Petroleum. Each warrant may be exercised at the exercise prices agreed by Valkyries, as converted from Canadian dollars into Swedish kronas; and
- To issue not more than 275,000 incentive warrants to certain key managers in Valkyries. Each warrant may be exercised to subscribe for a Lundin Petroleum share from 31 May, 2007 up to and including 31 May, 2009 at an exercise price corresponding to 110 per cent of the average closing price for Lundin Petroleum's shares on the O-list of the Stockholm Stock Exchange during the period from 24 July, 2006 up to and including 4 August, 2006.

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Albania, France, Indonesia, Ireland, Netherlands, Nigeria, Norway, Sudan, Tunisia, United Kingdom and Venezuela. The Company is listed on the O-list, Attract 40 at Stockholm Stock Exchange, Sweden (ticker "LUPE").

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