

25 January 2011

LUNDIN PETROLEUM CAPITAL EXPENDITURE BUDGET OF USD 540 MILLION IN 2011

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce the details of its USD 540 million development and exploration budget for 2011. The budget represents a 38 percent increase on the forecast 2010 capital expenditure.

The development budget for 2011 is USD 240 million with a major focus on development activities in Norway and France.

1. In Norway the development of the Gaupe field (WI 40%) will be completed with the drilling of two development wells and the installation of a subsea system for the tieback of the Gaupe field to the Armada platform in the United Kingdom. The Gaupe field will commence production in the fourth quarter of 2011.

The development of Phase 2 of the Alvheim field (WI 15%) will be completed in 2011 with the drilling of a further three development wells. The first Alvheim Phase 2 development well was successfully brought on production in the fourth quarter 2010.

The pre-development activities including front end engineering for the Luno field in PL338 (WI 50%) will be completed in 2011 to enable the submission of a Plan of Development in the second half of the year.

2. In the French Paris Basin the redevelopment of the Grandville field involves the drilling of eight new wells, in-field pipelines and new production facilities.

The exploration and appraisal budget for 2011 is USD 300 million with a continued major focus upon Norway which accounts for USD 220 million of this amount. The work programme involves the drilling of 21 exploration and appraisal wells in Norway, Malaysia, Congo (Brazzaville) and Netherlands.

1. Norway.

Ten exploration wells will be drilled in 2011 of which five will be operated by Lundin Petroleum. Five of the wells will be drilled in the Greater Luno Area on PL501 (WI 40%), PL265 (WI 10%) and PL338 (WI 50%) of which three of the wells will appraise the Avaldsnes discovery made in 2010. Two exploration wells will be drilled in the Greater Alvheim Area on PL340 (WI 15%) and PL505 (WI 30%). Two exploration wells will be drilled in the Barents Sea on PL438 (WI 25%) and PL533 (WI 20%). One further exploration well will be drilled on PL519 (WI 40%).

2. Malaysia.

Five exploration wells will be drilled in Malaysia of which two will be drilled offshore Sabah in licence SB303 (WI 75%) and three offshore Peninsular Malaysia on licence PM308A (WI 35%) and PM308B (WI 75%).

3. Congo (Brazzaville).

Two exploration wells will be drilled offshore Congo (Brazzaville) on licences Marine XI (WI 18.75%) and Marine XIV (WI 21.55%).

4. Netherlands

Four exploration wells will be drilled in licences onshore Netherlands targeting small near infrastructure accumulations (WI 7.23% - 7.75%).

Ashley Heppenstall, President & CEO of Lundin Petroleum comments: "Our Norwegian production will continue to increase in 2011 and we are also confident that our exploration and appraisal programme, particularly in the Greater Luno Area and Barents Sea in Norway, will lead to further resource additions."

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Russia, South East Asia and Africa. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 177 million barrels of oil equivalent (MMboe).

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