

26 July 2006

## **UPDATE ON LUNDIN PETROLEUM'S ACQUISITION OF VALKYRIES PETROLEUM**

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that the shareholders of Valkyries Petroleum Corp. ("Valkyries") approved the proposed acquisition of all of the shares of Valkyries by Lundin Petroleum at the extraordinary meeting of Valkyries' shareholders held on 25 July 2006.

The transaction is expected to close on 31 July 2006.

*For further information please see the press release below issued by Valkyries.*

*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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### **VALKYRIES NEWS RELEASE**

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## **VALKYRIES SHAREHOLDERS APPROVE ACQUISITION BY LUNDIN PETROLEUM**

**July 25, 2006 (VPC - TSX Venture) ... Valkyries Petroleum Corp.** ("Valkyries" or the "Company") is pleased to report that at the special meeting of its shareholders held July 25, 2006 the Valkyries' shareholders approved the proposed acquisition of all of the shares of Valkyries by Lundin Petroleum AB ("Lundin"). 57% of the total number of issued Valkyries shares were voted at the meeting; 99% of those shares were voted in favor of the transaction.

Valkyries proposes to seek final court approval of the acquisition on July 27, 2006 and to close the transaction effective July 31, 2006. All other regulatory approvals, including the approval of the TSX Venture Exchange, which was conditional only upon shareholder approval, have been obtained. Pursuant to the acquisition of the Valkyries shares by Lundin, previously announced May 29, 2006, each Valkyries common share will be exchanged for one Lundin Petroleum share.

Valkyries President and CEO Keith Hill commented, "Management of Valkyries is grateful for the support and confidence of Valkyries shareholders that was demonstrated in today's vote. We look forward to working with the Lundin management team through the transition process to ensure that it is completed as seamlessly as possible."

"We now propose to grow the Russian business in Lundin Petroleum using the Valkyries assets and personnel as a platform" commented Ashley Heppenstall, President and CEO of Lundin. "Lundin will proactively invest in the existing Valkyries assets and will pursue a proactive investment strategy to increase production from those assets."

*Valkyries Petroleum Corp. is an upstream oil and gas company with exploration and producing interests in the Russia and is currently in advanced stages of evaluation and negotiation on several additional projects in Russia.*

*Lundin Petroleum is a Swedish independent oil and gas exploration and development company with assets located throughout the world, including existing proven and probable reserves of 146.1 million barrels of oil equivalent as at January 1, 2006. Lundin Petroleum is listed on the O-list, Attract 40 at Stockholm Stock Exchange, Sweden (ticker "LUPE").*

**Forward-looking statements:** *This press release contains statements about expected or anticipated future events and financial results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events, and management's capability to execute and implement its future plans. Actual results may differ materially from those projected by management.*

ON BEHALF OF THE BOARD  
Keith C. Hill  
President

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.