



30 June 2006

UPDATE ON LUNDIN PETROLEUM'S ACQUISITION OF VALKYRIES PETROLEUM CORP.

As announced by Lundin Petroleum AB (Lundin Petroleum) on 29 May 2006, Lundin Petroleum has agreed to acquire all of the outstanding shares of Valkyries Petroleum Corp. (Valkyries). The acquisition of Valkyries will be completed by way of a Plan of Arrangement in accordance with Canadian law, meaning that a subsidiary of Lundin Petroleum will acquire the shares of Valkyries following approval by Valkyries' shareholders and court approval. The acquisition is also subject to approval by a Lundin Petroleum shareholders' meeting.

Valkyries has called an extraordinary meeting of its shareholders for 25 July 2006 to approve this transaction. In connection with this meeting, Valkyries has prepared and distributed to its shareholders a management circular containing further details about Valkyries, Lundin Petroleum and the proposed transaction. In compliance with applicable Canadian laws, Lundin Petroleum retained Gaffney Cline and Associates to prepare a reserves audit report dated 16 June 2006 for inclusion in the **Valkyries management circular**. A copy of the Valkyries management circular is available on Lundin Petroleum's website: www.lundin-petroleum.com.

An extraordinary meeting of Lundin Petroleum shareholders is expected to be called for on or about 21 July 2006, and the transaction is expected to be completed by the beginning of August 2006. Lundin Petroleum's formal notice to shareholders regarding this extraordinary meeting will follow under a separate announcement on or about 7 July 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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