



27 December 2004

SHAKESTAN-1 EXPLORATION WELL IN IRAN COMPLETED

Lundin Petroleum AB ("Lundin Petroleum") would like to announce that the second exploration well of a two well programme onshore Iran in the Munir Block has reached its planned target depth at 2,825 metres. The well reached its reservoir objectives as anticipated and a detailed logging programme was acquired and interpreted.

Results of the well interpretation have indicated that non commercial quantities of hydrocarbons present in the five target reservoirs. It is likely that these reservoirs contained hydrocarbons but were subsequently breached by tectonic events allowing hydrocarbons to escape through faulting.

A one year extension has been submitted to NIOC (National Iranian Oil Company) to allow enough time for the joint venture to evaluate all the acquired data available in the Munir Block.

Ashley Heppenstall President & CEO of Lundin Petroleum comments "The results of our Iranian exploration program have clearly been disappointing although the block is located in an oil-prone region. We will however continue to invest in exploration in areas with proven petroleum systems where there has been limited activity over recent years and we believe that such a strategy will deliver good returns to our shareholders over time. It is likely we will write off our exploration expenditures in Iran in our 2004 financial accounts but the loss will be offset by a similar gain from the recent sale of our investment in Norwegian company OER Oil AS and therefore will have little impact on our current net profit projection of USD 80 million for 2004."

Partners in the Munir Block are Edison International (Operator) with 40% and Petronas Carigali Overseas Sdn Bhd (30%) and Lundin Petroleum (30%).

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, Iran, Netherlands, Norway, Sudan, Tunisia and Venezuela. The Company is listed on the Attract 40-list at Stockholm Stock Exchange, Sweden (ticker "LUPE").

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