

22 August 2006

## **LUNDIN PETROLEUM DRILLING OFFSHORE IRELAND**

**Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that the Inishbeg exploration well spudded today, the 22 August 2006. This frontier exploration well is located offshore Ireland in Block 13/12, approximately 75 km off the northwest coast of Ireland. It is designed to target a large but shallow, gas prone structure at Triassic reservoir level. Well operations are expected to last for approximately one month.**

Participants in the licence 1/05 are Lundin Petroleum (30.00%), Island Oil and Gas (31.00%), Lansdowne Oil & Gas (19.25%), Petroceltic International (16.25%) and Sunningdale (3.50%).

Lundin Petroleum has also been awarded the following two new Frontier Exploration licences in the recent Slyne-Erris-Donegal bid round:

- 50% in the Inishmore licence covering blocks 27/18 and 27/23 and part-blocks 27/17(E) and 27/22(E) in the Southern Slyne. Operator is Island Oil and Gas (50%).
- 40% in the Inishowen licence covering part-blocks 13/4(S), 13/5(S), 13/9(E), 13/13(N), 13/14(N) & 14/1(N) in the Donegal Basin approximately 60 km east of the Dooish hydrocarbon discovery in the Rockall Basin. Operator is Island Oil and Gas (40%) with partner Endeavour Energy Ltd (20%).

Ashley Heppenstall, President and CEO of Lundin Petroleum comments as follows: *"We are excited to see the drilling operations underway on the Inishbeg prospect. Lundin Petroleum is pleased to be leading a renewed exploration effort in this frontier area."*

*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, Russia, 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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