

31 January 2005

LUNDIN PETROLEUM GRANTED FRONTIER EXPLORATION LICENCE OFFSHORE DONEGAL, IRELAND

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that its wholly-owned subsidiary Lundin Exploration BV and its partners have been granted a frontier exploration licence 1/05 over the Donegal Basin. The licence covers Block 13/7 and part-Blocks 13/11 (NE) and 13/12 (N) off the north western coast of Ireland.

Lundin Petroleum, Ramco Energy plc (Ramco) and Sunningdale Donegal Basin Limited (Sunningdale) had previously held, through respective affiliates, a licensing option (00/02) over this area and have already completed an extensive technical evaluation programme which has identified a number of drillable targets. The largest of these, Inishbeg, is a four-way dip-closed anticlinal structure and lies in a water depth of around 100 metres.

Through a farm-in agreement signed with Ramco and Sunningdale, Island Oil and Gas (through Island Assets Porcupine Ltd) and Petroceltic International plc (through Lerida Trading Ltd) will acquire an interest in the licence. As a result of this farm-in the equity interests in the Frontier Exploration Licence will be: Lundin Exploration B.V. (35.00% operator), Island Assets Porcupine Ltd (26.00%), Ramco Donegal Ltd (19.25%), Lerida Trading Ltd (16.25%) and Sunningdale Donegal Basin Ltd (3.50%).

As previously announced by Lundin Petroleum, an option to acquire a 5% ground-floor interest in this licence has been granted by Lundin Petroleum to Island Oil and Gas plc as part of the consideration for the sale of the interests in the Seven Heads Gas Project and certain other oil and gas interests offshore Ireland. Once sanctioned, this will result in adjustment of the above interests to Lundin Exploration B.V. (30.00% operator) and Island Assets Porcupine Ltd (31.00%).

Under the terms of the Frontier Exploration Licence, which runs for 15 years, it is planned that an exploration well will be drilled during 2005, targeting the Triassic Sherwood sandstone reservoir in the Inishbeg prospect.

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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