

17 May 2011

LUNDIN PETROLEUM COMMENCES EXPLORATION DRILLING ACTIVITIES IN MALAYSIA

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that it has commenced its Malaysian drilling campaign with the spud of the Tarap-1 well in the SB 303 Block offshore Sabah, East Malaysia.

The well will target Miocene sandstones in the Kindu sub basin. The well will be drilled with the Offshore Courageous rig in a water depth of approximately 70 meters. It will be a deviated well, directionally drilled to intersect a series of stacked seismic anomalies, with a planned total depth of 2,140 meters subsea.

The well is the first of the five well programme planned in 2011 by Lundin Malaysia BV in its Malaysian Blocks.

Lundin Petroleum holds 75 percent interest in SB303 through its subsidiary Lundin Malaysia BV. Lundin Malaysia BV's partner is PETRONAS Carigali Sdn Bhd with a 25 percent interest. Lundin Malaysia BV operates five blocks in Malaysia, namely PM308A, PM308B, SB303, SB307 and SB308.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: "We are very pleased to commence our five well drilling programme in Malaysia, a country where the Lundin Group achieved significant exploration success in the 1990's."

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, South East Asia, Russia and Africa. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE") and at the Toronto Stock Exchange (TSX) (ticker "LUP"). Lundin Petroleum has proven and probable reserves of 187 million barrels of oil equivalent (MMboe).

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All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements speak only as on the date of this news release and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment and access, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, financial risks. These risks and uncertainties are described in more detail under the heading "Risk Factors" and elsewhere in the Company's 2010 annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements included in this new release are expressly qualified by this cautionary statement.