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LUNDIN PETROLEUM SIGNS A NEW PRODUCTION SHARING CONTRACT (PSC) IN MALAYSIA

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that its wholly owned subsidiary, Lundin Malaysia BV, has signed a new PSC with PETRONAS covering blocks SB307 and SB308, offshore Sabah.

Blocks SB307 and SB308 cover an area of about 6,230 km². The blocks contain one oil discovery that will be the subject of further evaluation to determine if it can be commercially developed. In addition, several prospects and leads have been identified in the blocks from previous 2D and 3D seismic campaigns.

Further seismic data acquisition, reprocessing and the drilling of at least one exploration well will be completed on these two blocks.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments; "The success of our predecessor company Lundin Oil was built upon exploration success in Malaysia. We are pleased to be expanding our acreage position in Malaysia where we will commence exploration drilling activities in 2011."

Lundin Petroleum holds a 42.5 percent interest and is the operator in SB307 and SB308. Nio Petroleum and PETRONAS Carigali hold a 42.5 per cent and 15.0 per cent interest respectively.

These two blocks sit adjacent to Block SB303 where Lundin Petroleum is operator with a 75 percent interest alongside PETRONAS Carigali who has a 25.0 percent interest.

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Russia, South East Asia and Africa. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 177 million barrels of oil equivalent (MMboe).

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