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LUNDIN PETROLEUM AND PROJECT PARTNERS COMMENCE ALVHEIM DRILLING

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that the semi submersible drilling rig "Deepsea Bergen" has commenced development drilling at the Alvheim field offshore Norway.

This achievement marks a key milestone in the Alvheim development which is on track for first production in early 2007.

The first development well was spudded by the Deepsea Bergen on 29 April. The plan is to have continuous development drilling for the next two years when twelve development wells will be drilled.

The Alvheim vessel is now in Haugesund, Norway where it is undergoing topside and integration work as part of the conversion to an FPSO.

In addition to the use of the Alvheim FPSO, the Alvheim development will include subsea infrastructure consisting of five drilling centers and associated flow lines. Offshore installation of the subsea infrastructure has commenced per plan. The development also provides for the transportation of produced oil by shuttle tanker and transportation of produced natural gas to the existing U.K. SAGE system using a new 14-inch, 24-mile cross border pipeline.

The Alvheim development comprises the Kneler, Boa and Kameleon fields and is estimated to contain reserves of approximately 180 million gross barrels of oil equivalent. Lundin Norway AS (Lundin Petroleum) holds a 15 percent interest in Alvheim together with Marathon Petroleum Norge AS (Marathon) as Operator (65 percent) and Norske ConocoPhillips AS (20 percent).

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, 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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