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FIRST OIL FROM ALVHEIM

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that first oil has been produced from the Alvheim field, offshore Norway.

The Alvheim field contains proven and probable reserves of 32 million barrels oil equivalent net to Lundin Petroleum and is expected to reach net production of approximately 13,500 barrels of oil equivalent per day (boepd) by year end 2008.

Alvheim is situated about 224 km from Stavanger in a water depth of approximately 125 meters. The Alvheim purpose designed FPSO vessel has a design capacity of 120,000 barrels of oil per day and 125 million cubic feet per day of natural gas with storage capacity of 560,000 barrels of oil. The development provides for the transportation of produced oil by shuttle tanker, and transportation of produced natural gas to the existing UK SAGE system using a new 38 km cross border pipeline. Six wells have been drilled and completed.

The Alvheim FPSO will serve as a central hub in the area. The nearby Vilje field is already tied back to Alvheim. The Volund development in PL150 will be tied back to Alvheim in 2009 and first production is scheduled for the second half of 2009. Lundin Norway AS, a wholly owned subsidiary of Lundin Petroleum, has a 35 percent interest in Volund.

Marathon Oil Corporation (NYSE: MRO) through its wholly owned subsidiary Marathon Petroleum Norge AS is the operator and holds 65 percent of the Alvheim development. Partners are Lundin Norway AS with a 15 percent interest and ConocoPhillips Skandinavia AS with a 20 percent working interest. The Alvheim field encompasses production licenses PL 203, PL 088BS and PL 036C on the Norwegian Continental Shelf.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments; "First production from Alvheim is a major milestone for Lundin Petroleum. Alvheim at full production will increase our production by 50% when compared to our first quarter 2008 worldwide net production and have a major impact upon Lundin Petroleum's cash flow and profitability going forward."

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Africa, Russia and the Far East. The Company is listed at the Nordic Exchange, Sweden (ticker "LUPE"). Lundin Petroleum has existing proven and probable reserves of 184,2 million barrels of oil equivalent (MMboe) as at 1 January 2008.

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