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LUNDIN PETROLEUM COMPLETES AVALDSNES APPRAISAL WELL 16/5-2S, OFFSHORE NORWAY

Lundin Petroleum Norway, as operator for PL501, has completed the appraisal well, 16/5-2S located approximately 8.5 km south of the Avaldsnes discovery well 16/2-6, and 4 km south of the appraisal well 16/2-7. The objective of the 16/5-2S well was to delineate the southern flank of the Avaldsnes discovery.

Well 16/5-2S encountered a 15 metres Jurassic sequence of which the upper 8 metres has excellent reservoir quality. Top reservoir was found deeper than expected, and below the oil water contact. Good hydrocarbon shows were observed below the oil water contact but were currently evaluated as not producible hydrocarbons.

A comprehensive data acquisition program was performed including coring, wire line logging and fluid sampling.

Well 16/5-2S is the first of an extensive Avaldsnes appraisal program comprising at least four wells in PL501 during 2012. This appraisal campaign will address key development planning uncertainties to ensure an efficient and optimal field development process for this exciting discovery.

The impact of this well on the southern extent of the Avaldsnes discovery is currently being evaluated and will most likely reduce current resource estimates for this area. Further geophysical studies and possible appraisal drilling will be required to determine whether the deeper than prognoses, top reservoir depth at this location, is not a local effect.

The well was drilled to a total depth of 2,042 metres MD and in a water depth of 111 metres.

Lundin Petroleum used the semi submersible drilling rig Bredford Dolphin to drill the well. After permanent abandonment of well 16/5-2S the rig will move to the next appraisal well location in PL501, well 16/2-11.

The results of the well will be incorporated into the current reservoir model. A revised resource estimate will be released after the completion of the next appraisal well 16/2-11.

Lundin Norway AS is the operator of PL501 with 40% interest. Partners are Statoil Petroleum AS with 40% interest and Maersk Oil Norway with 20% interest.

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets primarily located in Europe and South East Asia. 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 211 million barrels of oil equivalent (MMboe).

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The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.

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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.

RESOURCES

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