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LUNDIN PETROLEUM MAKES A SIGNIFICANT DISCOVERY OFFSHORE NORWAY

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that the drilling of exploration well 16/2-6 on the Avaldsnes prospect has resulted in a significant oil discovery. The well is located in Block 16/2, part of production licence PL501, in the central North Sea sector of the Norwegian Continental Shelf (NCS). The well was drilled to a total depth of 2,132 measured depth (MD).

The Avaldsnes discovery is located approximately 25 km east of the Lundin Petroleum operated Luno Field. The discovery is located on the eastern flank of the Utsira High with the Luno Field on the western flank.

The well was drilled on the flank of a large structure and has proved an oil column of 17 meters of excellent quality sandstone of Jurassic age. A comprehensive coring and logging program has been acquired. Production tests confirmed excellent reservoir characteristics with the well flowing at a restricted production rate approximately 5,000 barrels of oil per day (bopd) of good quality oil.

The Avaldsnes discovery is estimated to contain recoverable resources of 100 - 400 million barrels of oil equivalent (MMboe) within PL501. Additional appraisal wells will be required to fully delineate the structure and preliminary plans are to drill further wells in 2011.

Ashley Heppenstall, President and CEO of Lundin Petroleum AB, commented "The Avaldsnes discovery is a major milestone for Lundin Petroleum and has confirmed our view that following the Luno discovery additional hydrocarbons would be found in the Greater Luno Area. The well has proven the migration of hydrocarbons to the eastern side of the Utsira High which is very positive. We have found at Avaldsnes excellent reservoir quality within a large mapped structure and as a result the potential resources are larger than our pre-drill estimates. The discovery will result in further additional exploration potential in the Greater Luno Area".

Lundin Norway AS, the wholly owned subsidiary to Lundin Petroleum, used the semi submersible drilling rig Transocean Winner to drill well 16/2-6. The rig will now be moved to the Lundin Norway operated PL338 licence to drill the Apollo prospect.

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