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LUNDIN PETROLEUM RECEIVES NORWEGIAN GOVERNMENT APPROVAL FOR VOLUND FIELD PLAN FOR DEVELOPMENT AND OPERATION, OFFSHORE NORWAY

Lundin Petroleum AB (Lundin Petroleum) through its wholly owned subsidiary Lundin Norway AS and its Volund partner Marathon Oil Corporation (Marathon) have received approval from the Norwegian Ministry of Petroleum and Energy for the plan for development and operation (PDO) of the Volund field located on the Norwegian Continental Shelf.

The Volund development is expected to begin production during the second quarter of 2009. Lundin Petroleum holds 35 percent together with Marathon as operator (65 percent).

The Volund field is located approximately 11 km south of the Alvheim field in Production License 150. The field will be developed as a subsea tie-back to the Alvheim floating production, storage and offloading vessel (FPSO) with three production wells and a water injection well being drilled. The estimated reserves are approximately 45 million barrels of oil equivalents (mmboe) with an estimated plateau production of 23,000 barrels of oil equivalent per day (boepd) (gross). Volund crude oil will be commingled with the Alvheim blend and exported via shuttle tankers. Associated gas will be exported via the Alvheim to the SAGE pipeline.

The Alvheim field is a FPSO development due on stream in the second quarter 2007. Estimated reserves are 190 mmboe and production of 85,000 boepd. Lundin Petroleum holds a 15 percent interest in the Alvheim field with partners Marathon as operator (65%) and ConocoPhillips AS (20%).

"The Volund field development approval is excellent news for Lundin Petroleum. We believe that the Alvheim production facilities will become an important hub for the development of the greater Alvheim area where we have additional exposure to further exploration drilling," said Ashley Heppenstall, President and CEO of Lundin Petroleum in a comment.

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 176.4 million barrels of oil equivalent (mmboe) as at 1 January 2007.

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