



18 August 2006

LUNDIN PETROLEUM ENTERS INTO COOPERATION AGREEMENT OFFSHORE NORWAY

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that it has entered into a cooperation agreement with Norwegian Energy Company AS (NORECO) to jointly pursue exploration, development and production opportunities in the Southern North Sea, offshore Norway (Quadrants 1-3 on Norwegian Continental Shelf).

As part of the agreement, NORECO will acquire a 25% interest in PL 006C in block 2/5 on the Norwegian Continental Shelf. NORECO will carry Lundin Petroleum's future licence costs in an amount of NOK 220 million to earn a 25% interest in PL006c. Lundin Petroleum's interest in the license will be 75% after the farm out to NORECO. The license includes the South East Tor discovery and is operated by Lundin Petroleum.

The agreement is subject to approval by Norwegian authorities.

Ashley Heppenstall, President and Chief Executive Officer of Lundin Petroleum commented: *"The Southern North Sea is very attractive both as an exploration area and as a mature production province. Lundin Petroleum believes that this agreement complements the strength of both companies, and is looking forward to working with NORECO to appraise and hopefully develop the South East Tor discovery and to pursue other opportunities in the area."*

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, Russia, Sudan, Tunisia, United Kingdom and Venezuela. The Company is listed on the O-list, Attract 40 at Stockholm Stock Exchange, Sweden (ticker "LUPE").

For further information, please contact:

Maria Hamilton

Head of Corporate Communications

Tel: +46 8 440 54 50