

31 August 2011

## APPRAISAL WELL CONFIRMS EXTENSION OF AVALDSNES FIELD

**Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that the second appraisal well, 16/2-7, has confirmed the extension of the Avaldsnes field approximately 5.5 kilometres south of the 16/2-6 discovery well and 4.5 kilometres south-west of the first appraisal well 16/3-4. The Avaldsnes field is located in licence PL501 on the Norwegian Continental Shelf and is in communication with the recently announced Aldous Major South discovery in PL265 to the west.**

The second Avaldsnes appraisal well encountered a gross reservoir column of excellent quality Upper Jurassic age sandstone of approximately 35 metres of which seven metres was above the oil water contact. A comprehensive coring and logging program has been performed which has confirmed excellent quality reservoir characteristics.

The appraisal well will now be sidetracked to obtain further reservoir information. The sidetrack will be completed by mid September. The well was drilled to a total depth of 2,500 metres MD and in a water depth of 113 metres.

Lundin Petroleum is using the semi submersible drilling rig Bredford Dolphin to drill the well.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments; "The second Avaldsnes appraisal well results have confirmed the extension of the field to the south. We will, following the sidetrack, incorporate the results of the two well appraisal programme and Statoil's Aldous Major South well in PL265 into our geotechnical models. We will then release a revised resource range from the previously announced 100 - 400 million barrels of recoverable of oil equivalent contained within PL501. The Avaldsnes /Aldous Major South discovery is already the largest discovery on the Norwegian Continental Shelf since the mid 1980s and I am confident has the potential to grow as the field is appraised. It is likely that a third appraisal well will be drilled on Avaldsnes during the fourth quarter of 2011."

Lundin Norway AS is the operator of PL501 with a 40 percent interest. Partners are Statoil Petroleum AS with 40 percent interest and Maersk Oil Norway 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, South East Asia, Russia and Africa. 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 187 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.*

### FORWARD-LOOKING STATEMENTS

*Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.*

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### RESOURCES

*The recovery and production estimates of the Company's resources provided herein are only estimates and there is no guarantee that the estimated resources will be recovered or produced. Actual resources may be greater than or less than the estimates provided here. There is no certainty that it will be commercially viable for the Company to produce any portion of these resources.*