

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

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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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