



1 June 2007

LAGANSKY BLOCK - NORTH CASPIAN

Lundin Petroleum AB ("Lundin Petroleum") hereby provides an update in relation to today's press speculation in relation to its 70 percent interest in the Lagansky Block, offshore Caspian Sea.

Russia's licensing agency Rosnedra met today to review the status of the Lagansky Block licence. Representatives of Lundin Petroleum's Russian subsidiary were present at the meeting. Whilst no formal written confirmation has been received from Rosnedra we understand that a decision has been made to recommend that the Lagansky licence is revoked by the Ministry of Natural resources.

Lundin Petroleum is currently ready to commence drilling operations on the Lagansky licence awaiting the receipt of final permits and authorisations. Lundin Petroleum strongly refutes any suggestion that the Lagansky licence be revoked and will take all necessary action to protect its interests in this respect.

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 (mmbobe) as at 1 January 2007.

For further information, please contact:

C. Ashley Heppenstall,
President and CEO
Tel: +41 22 595 10 00

or

Maria Hamilton
Head of Corporate Communications
Tel: +46 8 440 54 50
Mobile: +41 79 63 53 641