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LUNDIN PETROLEUM ANNOUNCES MAJOR OIL DISCOVERY IN RUSSIAN CASPIAN SEA

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that its Morskaya-1 exploration well in the Lagansky block, situated in the northern Caspian Sea has encountered a major oil accumulation in the Aptian and Neocomian sandstone reservoirs. Minor amounts of gas were encountered in the overlying Albian reservoir. Morskaya-1 has been drilled to a depth of 2082 metres in a water depth of less than two metres. A significant amount of cores, wireline logs and reservoir fluid samples have been acquired. The forward program this month involves the testing of at least two of the hydrocarbon bearing reservoirs.

The Morskaya structure straddles the licence boundary of the Lagansky block and the adjoining acreage controlled by the Caspian Oil Consortium and is on trend with several major oil and gas discoveries made by Lukoil in the Russian sector of the Caspian Sea.

The Lagansky block contains significant additional prospectivity and following the testing of the Morskaya-1 well the Marine Drilling Complex (MDC) will be transported to the Laganskaya-1 well location, where drilling is expected to commence at the end of September.

Lundin Petroleum plans to drill another two wells in 2009. Petrovskaya-1 will be targeting a large anticline to the north-west and on trend with the Morskaya discovery. The second well will most likely be an appraisal well of the Morskaya discovery.

Lundin Petroleum currently has a 70 percent interest in the Lagansky block. Gazprom has a call option to acquire a 50 percent plus one share in the Lagansky block. Lundin Petroleum has a call option to acquire an additional 30 percent from minority shareholders. If both options are exercised Lundin Petroleum will retain 50 percent minus one share in the Lagansky block and Gazprom will hold a 50 percent plus one share in the Lagansky block.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments; *"This is a world class oil discovery which has confirmed the excellent prospectivity of the Lagansky block. It is clearly positive that the discovery is predominantly oil but based upon the data acquired it appears that the size of the discovery will be below pre-drill estimates. Further appraisal drilling will be needed to assess the full extent of the hydrocarbon reservoirs across such a large structure. It is a major milestone for Lundin Petroleum which will have a material impact upon the company. We look forward to our forthcoming exploration and appraisal program to further realise the excellent potential of this area."*

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 184,2 million barrels of oil equivalent (MMboe) as at 1 January 2008.

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