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Lundin Petroleum announces resource estimates for oil discovery in the Lagansky block.

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce the estimated recoverable resources for the Morskaya structure in the Lagansky block, situated in the northern Caspian Sea. The Morskaya-1 exploration well was completed in July 2008 and encountered a major oil accumulation in the Aptian and Neocomian sandstone reservoirs. Lundin Petroleum's preliminary estimates indicate gross recoverable resources between 110 and 450 million barrels of oil (mmbo) in the Lagansky part of the Morskaya structure. Lundin Petroleum's mid case estimate is 230 mmbo. Approximately 50 percent of the Morskaya structure is in the Lagansky block and therefore the mid case estimate of the size of the discovery is close to half a billion barrels of oil.

The Morskaya structure is a large four-way dip closure and the areal extent of the discovery is approximately 130 km². Further appraisal drilling will be needed to assess the full extent of the hydrocarbon reservoirs across such a large structure. A first appraisal well is planned to be drilled on the Morskaya structure in 2009 and acquisition of 3D seismic has started. Recoverable resources on block are calculated in a probabilistic manner, consistent with the Society of Petroleum Engineers (SPE) Petroleum Resources Management System. Lundin Petroleum will classify these as contingent resources.

The Lagansky block contains significant additional prospectivity and the Marine Drilling Complex (MDC) is currently drilling the Laganskaya-1 well, situated south-west from Morskaya. The Petrovskaya-1 exploration well will be drilled in 2009.

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 comments: "This is a major discovery for Lundin Petroleum. In tandem with appraising this large structure we are continuing to explore the Lagansky block with two exploration wells in the next 12 months targeting two accumulations containing 400 million barrels of resource potential. The Russian sector of the Northern Caspian Sea will become a significant hydrocarbon producing region over the next few years and Lundin Petroleum, through its strategic alliance with Gazprom is strongly placed to take full advantage."

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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