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UPDATE ON RUSSIAN EXPLORATION DRILLING

Lundin Petroleum AB ("Lundin Petroleum") announces that the commencement of drilling of the Morskaya #1 well in the Lagansky Block located in the northern Caspian, offshore Russia will take place in 2008.

Lundin Petroleum has been working closely with JSC Gazprom ("Gazprom") since the signing of an option agreement whereby Gazprom can acquire an effective 50 percent plus one share interest in the Lagansky Block exploration licence. Good progress has been made in obtaining amendments to the Lagansky Block licence commitments from Russia's licensing agency, Rosnedra and to receiving the final drilling permit approvals. However due to the onset of the winter season in the northern Caspian, the Morskaya #1 well will commence in the second quarter of 2008. At least one further exploration well will be drilled on the Lagansky Block in 2008.

President and CEO Ashley Heppenstall commented "As a result of the working relationship with Gazprom, we have achieved good progress in relation to the licence amendments and permitting issues associated with the Lagansky Block. I am confident that these issues will be successfully completed. We have made major efforts to mobilise our drilling operation in 2007 but with the onset of winter it is prudent to reschedule the exploration drilling to 2008."

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 (mmboe) as at 1 January 2007.

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