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LUNDIN PETROLEUM SPUDS LAGANSKY EXPLORATION WELL IN THE CASPIAN SEA

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that it has started drilling the Laganskaya-1 exploration well in the Lagansky block, situated in the northern Caspian Sea in Russia. Lundin Petroleum has currently a 70 percent net interest in the Lagansky block.

The well, with a planned depth of 2,000 m, is targeting Cretaceous and Jurassic Sandstone Reservoirs. The Laganskaya structure is situated towards the south-west of the recent Morskaya discovery but on a different structural trend associated with existing onshore fields.

The Laganskaya-1 well is the second in a four well drilling program planned for 2008 and 2009.

The gross unrisks prospective resources for the Laganskaya prospect are estimated at 106 million of barrels of oil equivalents (MMboe).

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; "The Laganskaya well will further test the exploration prospectivity of the Northern Caspian following on from our major discovery on Morskaya. We are positive regarding the resource potential of the area and expect to announce a range of potential resources from the Morskaya discovery during October."

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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