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LUNDIN PETROLEUM HAS STARTED DRILLING THE MORSKAYA-1 WELL IN THE LAGANSKY BLOCK, IN THE CASPIAN SEA

Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that it has started drilling the Morskaya-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 Triassic and Jurassic Sandstone Reservoirs. The Morskaya structure is on trend with several major discovered oil and gas accumulations in the northern Caspian Sea.

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

The gross unrisks prospective resources for the Morskaya prospect within the Lagansky block are estimated at 640 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.

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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