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SUDAN PEACE PROCESS

LUNDIN PETROLEUM AB is pleased to provide the following update on the ongoing peace process.

Since the May update (which can be found on Lundin Petroleum's website: www.lundin-petroleum.com [Management Quote]), there has been a significant development on the peace front. On July 20, 2002, the Government of Sudan ("GoS") and the main rebel group known as the Sudan People's Liberation Movement ("SPLM/A") signed a preliminary peace agreement (the Machakos Protocol).

The agreement was reached at the end of one month's talks that took place in the Kenyan town of Machakos (45kms southeast of Nairobi) under the auspices of IGAD (Inter-Governmental Authority on Development) and in the presence of observers from Britain, Italy, Norway, Switzerland and the United States.

The Machakos Protocol sets out a framework for parties' future negotiations, and their agreement on the two key issues of the relation between the state and religion and the right to self-determination for the South. It constitutes one more step towards establishing peace in Sudan, after the Nuba Mountains Ceasefire Agreement and the Agreement on the Protection of Civilians, which were reached earlier this year and been enforced with the assistance of international monitors from EU countries (including Sweden) and the U.S. Talks leading to the signing of a comprehensive peace agreement are expected to resume at the beginning of August.

Ian Lundin, Chairman of Lundin Petroleum comments; "These latest developments in the peace process are very encouraging. The Machakos protocol could be the ultimate avenue to peace and stability for Sudan and its people. We hope the discussions will lead to a full and sustainable peace agreement that will allow us to resume operations."

Lundin Petroleum AB is a Swedish independent oil and gas exploration company. The Company's shares are traded on the New Market at Stockholmsbörsen (ticker "LUPE").

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