

5 August 2004

**Lundin Petroleum: First Oil from the Broom Field, offshore UK**

**Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce that its wholly-owned subsidiary, Lundin Britain Limited has brought on-stream the first well on the Broom field, located offshore UK. Production well 2/05-19Y commenced production on 3 August 2004 at an average natural flow rate over the last 24 hours of 16,000 barrels of oil per day (bopd) 13 months after the development decision was made.**

Operations are progressing as planned, with two additional pre-drilled production wells and a water injection well to be completed along with the drilling of a further injection well. Completion of this programme is expected during quarter 3 and quarter 4, and plateau oil production is expected at in excess of 20,000 bopd.

The field is being developed as a sub sea tie-back to the Heather platform, which is situated 7km to the east of Broom. The development has required significant investment to upgrade and modernise the Heather platform to accommodate the Broom production.

Oil reserves are estimated to be 36 million barrels for the first phase of the Broom development. There are further development opportunities in the vicinity and within the Broom field concession area which currently are being evaluated. In addition the Broom development will assist substantially in extending the Heather field life.

UK Energy Minister Stephen Timms welcomed the news, commenting:

"It's great news that the Broom field is producing oil so soon after I granted approval at Offshore Europe last year. Today's announcement from Lundin Petroleum is further proof that for companies with the right skills, ingenuity and determination the UKCS is still a vibrant and rewarding basin."

Lundin Petroleum's President and CEO, Ashley Heppenstall comments on the news:

"The production of first oil from the Broom field is an important milestone for Lundin Petroleum and its partners. We are pleased to have successfully developed this satellite field which will significantly extend the life of the Heather field and facilities. The first oil production from Broom is important in Lundin Petroleum achieving its corporate objective of production in excess of 40,000 boepd by the end of the year 2004."

Lundin Petroleum is the operator with 55% working interest with partners Challenger Minerals Inc. (16%) and Palace Exploration Company (29%).

*Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in France, Indonesia, Iran, Ireland, Netherlands, Norway, Sudan, Tunisia, UK, Venezuela and Albania. The Company is listed on the O-list at Stockholmsbörsen, Sweden (ticker "LUPE").*

For further information, please contact:

C. Ashley Heppenstall,  
President and CEO  
Tel: +41 22 319 66 00

or

Maria Hamilton  
Head of Corporate Communications  
Tel: +46 8 440 54 50