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OIL DISCOVERY AT SCOLTY PROSPECT IN UK NORTH SEA

Lundin Petroleum AB (Lundin Petroleum) announces that the well 21/8-3 on the Scolty and Banchory prospects reached its total depth at 4,576 meters (15014 ft). The well is located in the Central North Sea sector of the United Kingdom continental shelf (UKCS).

The well was drilled using the GSF Galaxy II jack-up rig and evaluated two reservoir targets ("Scolty" at the Paleocene level and "Banchory" at the Jurassic level) following an extensive logging programme. Light oil samples have been collected from the Scolty prospect which has excellent reservoir characteristics. The Banchory prospect was dry with no reservoir encountered at the Jurassic level.

The Scolty discovery is a four way dip closure associated with a seismic amplitude anomaly with estimated recoverable resources of approximately 10 million barrels of oil (mmbo). Other structures at the same level as Scolty associated with similar amplitude anomalies have been identified within the block with potential prospective resources of approximately 30 mmbo. Lundin Petroleum is currently evaluating the latest acquired data with a view to a likely exploration drilling campaign in 2008 to prove the extension of the Scolty play within the block and prove further potential reserves.

The rig will be mobilised to the 12/17b-A location, in the Outer Moray Firth area – the Ridgewood prospect, the third well in a three well back-to-back UKCS exploration drilling programme.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: *"We are very pleased with this latest discovery and based on the technical work accomplished to date we are confident that further prospectivity exists within the block with "Scolty" look a like prospects that we hope to target in a new 2008 exploration drilling campaign. The Scolty discovery as well as the nearby additional prospects are located close to infrastructure and therefore could be easily developed. "*

Lundin Petroleum is the operator with 40 percent interest. Partners are Challenger Minerals (North Sea) Limited and Palace Exploration Company (E&P) Limited.

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.

For further information, please contact:

C. Ashley Heppenstall,
President and CEO
Tel: +41 22 595 10 00

or

Maria Hamilton
Head of Corporate Communications
Tel: +41 22 595 10 00
Tel: 08-440 54 50