



4 February 2008

LUNDIN PETROLEUM ANNOUNCES COMPLETION OF THE SALE OF ITS VENEZUELAN INTEREST AND OF ITS NEW INVESTMENT IN PETROFALCON CORPORATION

Following the receipt of Venezuelan Ministry of Energy and Petroleum approval, Lundin Petroleum AB ("Lundin Petroleum") is pleased to announce the completion of the previously announced transactions for the sale of its wholly owned subsidiary, Lundin Latina de Petr leos, S.A. to PetroFalcon Corporation ("PetroFalcon") and the acquisition of shares and warrants in PetroFalcon through a private placement.

As result of these transactions, Lundin Petroleum has become the largest shareholder in PetroFalcon with a shareholding of approximately 64 million shares of PetroFalcon, representing 42 percent of the issued and outstanding common shares of PetroFalcon. In addition, Lundin Petroleum has nominated two representatives to the Board of Directors of PetroFalcon. Lundin Petroleum has also acquired warrants of PetroFalcon, which may be exercised at any time during the next two years to acquire up to 5,000,000 shares of PetroFalcon at an exercise price of CDN 1.20 per share.

PetroFalcon Corporation is a natural resource company with oil and gas operations in Venezuela. Through its wholly-owned subsidiary, Vinclder Oil and Gas, C.A., PetroFalcon owns 40 percent of PetroCumarebo, S.A., a joint venture with Petr leos de Venezuela, S.A. ("PDVSA"), the Venezuelan state-owned oil and gas company. As a result of the transaction described above, PetroFalcon has acquired Lundin Latina de Petr leos, S.A., which owns 5 percent of Baripetrol, S.A., a joint venture between PDVSA, Tecpetrol and Perenco. Subject to government approval, PetroFalcon is acquiring 30 percent of the offshore natural gas license for the Cardon III Block in the Gulf of Venezuela where Chevron Corporation is operator and majority partner. PetroFalcon is listed on the Toronto Stock Exchange (ticker symbol "PFC") and has existing proven and probable reserves before royalties of 36 million barrels of oil equivalent (mmbœ) as of January 1, 2007.

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 (MMbœ) as at 1 January 2008.

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