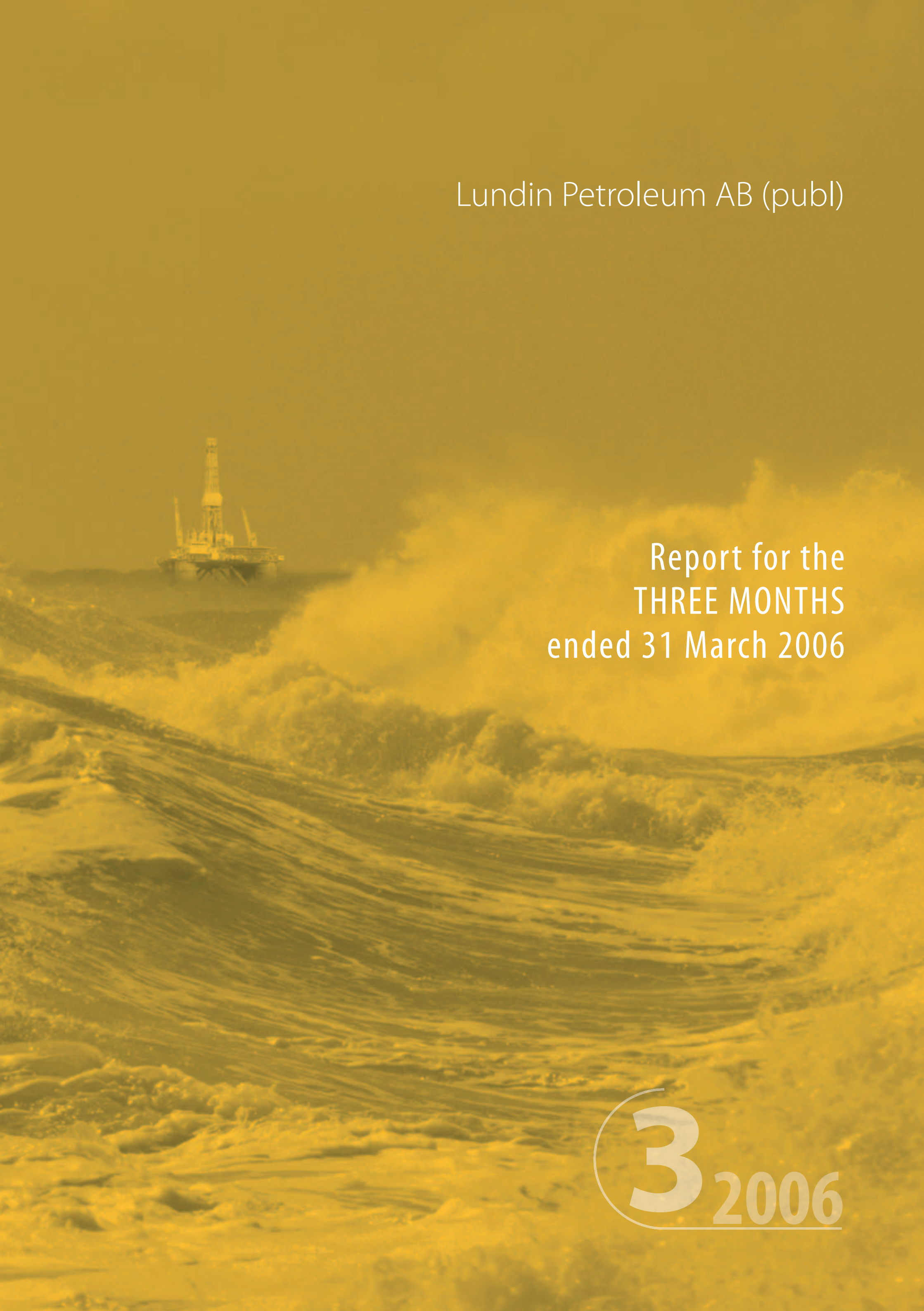
Lundin Petroleum AB (publ)

Report for the THREE MONTHS ended 31 March 2006



3 2006

	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
• Production in mboepd	32.6	36.1	33.2
• Operating income in MSEK	1,244.8	953.7	4,190.2
• Net profit in MSEK	419.5	250.0	994.0
• Earnings/share in SEK	1.63	0.98	3.89
• Diluted earnings/share in SEK	1.62	0.98	3.87
• EBITDA in MSEK	934.3	666.9	2,782.6
• Operating cash flow in MSEK	712.5	661.0	2,627.4

Dear Fellow Shareholders,
Lundin Petroleum has begun 2006 with continued improvement in financial performance driven by stronger world oil prices. The first quarter represented record profitability for the Company. Our ongoing investment programmes in Norway and Tunisia are progressing satisfactorily and will deliver further increases to our production rates which will further boost profitability.

Financial Performance
During the first quarter of 2006 Lundin Petroleum generated a net profit after taxes of MSEK 419.5 (MUSD 53.9) representing a 68 percent increase as compared to the same period last year. Operating cash flow for the period was MSEK 712.5 (MUSD 91.6).

Production averaged approximately 32.6 mboepd for the quarter with a realised oil price in excess of USD 58.00 per barrel. Production during the quarter was negatively impacted by facilities issues on the Heather and Thistle platforms which reduced United Kingdom production.

Development
Our development projects in Tunisia and Norway are forecast to significantly increase production to over 50,000 boepd within one year from now. The Oudna project in Tunisia is progressing satisfactorily with the drilling of the two development wells having been successfully completed. First production remains on target for the second half of 2006. Development drilling at the Alvheim Field, offshore Norway has commenced and first production is still anticipated in the first quarter of 2007. The successful completion of these projects with increased production levels will have a material positive impact on the Company's financial performance in 2007.

Exploration
Our exploration budget in 2006 is in excess of MUSD 100. The major activity will be in the second half of 2006 with anticipated drilling activity in Norway, Indonesia, Ireland, France and Sudan.

We have been extremely active in Norway in recent years increasing our exploration acreage position and will commence a multi–well programme later this year which has excellent potential. Exploration activity has commenced in Sudan with a seismic acquisition programme in Block 5B. Exploration drilling in Block 5B is also planned to commence this year with a three well drilling programme.

Oil Markets
Oil prices have continued to strengthen. Demand for oil continues to increase as a result of the strong world economy and growth from the developing world. Supply concerns continue with many producing countries struggling to meet production targets. These issues coupled with the continuing geopolitical concerns around the world will mean that any supply disruption from the major producing countries will result in further increases in world oil prices.

I continue to be pleased by our progress in developing Lundin Petroleum and remain confident that this will lead to further increase in shareholder value.

Best Regards

C. Ashley Heppenstall
President & CEO

OPERATIONS

United Kingdom

The net production to Lundin Petroleum in the first quarter of 2006 was 20,473 bopd representing over 60% of the total production for the Group.

Net production from the Broom field (Lundin Petroleum Working Interest (WI) 55%) averaged 14,200 boepd during the period. Production was below expectation due to the underperformance of the North Terrace production well coupled with limitations on water injection capacity due to pump availability.

A 3-D seismic acquisition will take place on Broom, Heather and South West Heather during 2006 and rig capacity has been secured to complete further infill drilling on the Broom field in 2007.

Net production from the Thistle field (WI 99%) averaged 3,900 bopd during the period. Delays were experienced in restoring water injection capacity following the shutdown in 2005 which has had a negative impact on oil production during the first quarter of 2006. In addition, Thistle was shutdown for seven days during the first quarter of 2006 due to leaking closed drains pipework.

Production from the Heather Field (WI 100%) averaged 2,400 bopd during the period. Production continued to be adversely affected by the lack of water injection capacity due to pump availability. The project to reinstall the Heather platform rig has been successfully completed. A drilling programme of new infill wells and workovers has commenced and will continue through 2006 and is expected to have a positive impact on Heather production. The drilling programme will also test the potential of the non-producing Heather Triassic reservoir.

Norway

Production from the Jotun Field (WI 7%) offshore Norway averaged approximately 1,000 bopd during the period. An infill drilling programme will commence on Jotun in the second half of 2006 which is forecast to have a positive impact on Jotun production.

The development of the Alvheim Field (WI 15%) offshore Norway continues to progress satisfactorily. Development drilling has now commenced and will continue over the next two years. Subsea installation has also commenced and the Alvheim FPSO is in Norway undergoing topsides installation. First production from Alvheim is still anticipated in early 2007 at a forecast net rate of 12,750 boepd. Ongoing Alvheim technical studies lead us to believe that material reserve upside potential exists in the Alvheim Field. In addition, the Alveim drilling programme includes exploration drilling to test further resource potential in the Alvheim area.

The Volund Field (formerly Hamsun) (WI 35%) to the south of Alvheim continues to be the subject of technical studies and a plan of development is expected to be submitted to the Norwegian Government in 2006. Discussions regarding the commercial options for Volund are ongoing with the most likely option still being a subsea tie back to Alvheim.

Exploration drilling will commence in Norway in the second half of 2006 with three wells planned. Rig capacity has been secured for all three wells. The Luno prospect in PL 338 (WI 50%) is operated by Lundin Petroleum and will be drilled in the fourth quarter of 2006. In addition, exploration wells on the East Kameleon prospect in the Alvheim area (WI 15%) and PL 335 (WI 18%) are planned for the second half of 2006.

France

In the Paris Basin the 2,700 bopd net production was ahead of expectations for the period. A four well infill drilling programme on the Villeperdue Field (WI 100%) will commence during 2006. During the third quarter of 2006 an exploration well on the Chevigny prospect in the Val des Marais concession (WI 80%) is planned.

In the Aquitaine Basin (WI 50%) the net production of 1,100 bopd was negatively impacted by pump failures. The development of the Mimosa field in the Aquitaine Basin has been delayed from late 2006 to 2007.

Indonesia

Salawati Island and Basin (Papua)

The net production from Salawati (Salawati Island WI 14.5% and Salawati Basin WI 25.9%) was 2,300 bopd during the period. The development of the TBA Field offshore Salawati Island is ongoing with first oil expected in the third quarter of 2006 following the conversion of an FPSO in Singapore. The field will add 1,000 boepd net to Lundin Petroleum.

Banyumas (Java)

The Jati-1 exploration well (WI 25%) spudded in 2005 has now been sidetracked by Lundin Petroleum's partner Star Energy under sole risk provisions. Star Energy continue drilling the Jati-1 exploration well. In the event of a successful discovery Lundin Petroleum has the option to buy back into the well by paying a disproportionate level of the Star Energy costs.

Blora (Java)

An exploration well Tengis-1 (WI 43.3%) will be drilled in 2006.

Lematang (South Sumatra)

A heads of agreement in relation to the sale of gas from the Singa gas field (WI 15.88%) has been signed with the state gas distribution company PT Persusahaan Negara (PGN) to supply gas to PGN customers in West Java for 10 years starting in 2008. Development planning for the Singa gas field is continuing.

The Netherlands

Gas production from the Netherlands for the period was 2,500 boepd.

The exploration well drilled on Block F-12 (WI 10%) was plugged and abandoned as a dry hole in January 2006.

Tunisia

The net oil production from the Isis field (WI 40%) was 600 bopd during the period. Production from the Isis field was stopped in April 2006 as planned.

The development drilling on the Oudna field (WI 50%) offshore Tunisia has been successfully completed. The Ikdam FPSO is undergoing upgrade and re-classification work in drydock and will then be redeployed on the Oudna field where first production is scheduled to start in the second half of 2006. Initial net production from the Oudna field is forecast at 10,000 bopd.

Venezuela

Net production from the Colon Block (WI 12.5%) was 1,800 boepd during the period.

During the first quarter of 2006, Lundin Petroleum and its partners continued negotiations with the Venezuelan national oil company PDVSA Petróleo SA in connection with the conversion of the Colón Block Operating Services Agreement into a joint venture company form, with direct participation by PDVSA. The parties signed a Memorandum of Understanding during the first quarter which finalised certain of the outstanding issues related to this conversion. PDVSA has agreed to extend the period for exploration and production on the Colon Block from 2014 to 2025. This extension will allow investment in further exploration and development projects within the Colón Block which otherwise could not have been undertaken during the limited period of the Operating Services Agreement. Under the terms of the Memorandum of Understanding, Lundin Petroleum will hold a five percent interest in the joint venture company with the other partners being PDVSA and Lundin Petroleum's current partners: Tecpetrol and Perenco. The final terms and conditions of the joint venture company remain subject to the further negotiation**s** with PDVSA. These negotiations are expected to be completed during 2006.

OPERATIONS – EXPLORATION

Ireland

The Inishbeg gas exploration prospect will be drilled on the Donegal Basin (WI 30%) exploration license operated by Lundin Petroleum in the second half of 2006.

Nigeria

Lundin Petroleum holds a 22.5% net revenue interest in OML 113 offshore Nigeria containing the Aje oil and gas discovery. Technical and commercial studies are ongoing to determine whether a further Aje field appraisal well will be drilled and a decision will be made in the fourth quarter of 2006.

Sudan

A comprehensive peace agreement was signed in Sudan in early 2005 between the Government and the Sudan People's Liberation Army (SPLA). A new Government has been formed containing representatives of the major political factions. In addition a National Petroleum Commission has been formed comprising of the President of Sudan, representatives of the National Government and the Government of Southern Sudan and representatives of the local area where oil activity is taking place. The National Petroleum Commission will oversee petroleum activities in Sudan.

Operational activity has commenced in Block 5B (WI 24.5%) with a 2-D seismic acquisition underway. It is planned to acquire 1,100 km of 2-D seismic and drill three exploration wells in Block 5B as part of the 2006 work programme.

Albania

A 3-D seismic program has been acquired on the Durresi Block (WI 50%). The seismic is currently being processed and interpreted with a view to commencing exploration drilling in 2007.

THE GROUP

Result

Lundin Petroleum reports a net profit for the three month period ended 31 March 2006 of MSEK 419.5 (MSEK 250.0) representing earnings per share on a fully diluted basis of SEK 1.62 (SEK 0.98). Operating cash flow for the three month period ended 31 March 2006 amounted to MSEK 712.5 (MSEK 661.0) representing operating cash flow per share on a fully diluted basis of SEK 2.75 (SEK 2.58). Earnings before interest, tax and depletion and amortisation (EBITDA) for the three month period ended 31 March 2006 amounted to MSEK 934.3(MSEK 666.9) representing EBITDA per share on a fully diluted basis of SEK 3.60 (SEK 2.61).

Revenue

Net sales of oil and gas for the three month period ended 31 March 2006 amounted to MSEK 1,195.2 (MSEK 910.7). Production for the period amounted to 2,930.9 (3,252.1) thousand barrels of oil equivalent (mboe) representing 32.6 (36.1) mboe per day (mboepd). The average price achieved for a barrel of oil equivalent for the three month period ended 31 March 2006 amounted to USD 58.55 (USD 46.29).

The average Dated Brent price for the three month period ended 31 March 2006 amounted to USD 61.79 (USD 47.50) per barrel resulting in a post-tax negative hedge settlement of MSEK 18.6 (MSEK 23.5).

Other operating income for the three month period ended 31 March 2006 amounted to MSEK 49.5 (MSEK 43.0). This amount includes tariff income from the United Kingdom, France and the Netherlands and income for maintaining strategic inventory levels in France.

Sales for the three month period ended 31 March 2006 were comprised as follows:

Sales Average price per boe expressed in USD*	**1 Jan 2006- 31 Mar 2006 3 months**	1 Jan 2005- 31 Mar 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom			
- Quantity in mboe	1,774.9	1,859.9	7,241.0
- Average price per boe	60.49	47.87	54.56
France			
- Quantity in mboe	405.6	427.0	1,563.8
- Average price per boe	59.94	47.49	53.75
Norway			
- Quantity in mboe	76.8	91.0	372.4
- Average price per boe	56.01	44.08	51.45
Netherlands			
- Quantity in mboe	222.9	247.6	855.4
- Average price per boe	45.42	35.29	37.45
Indonesia			
- Quantity in mboe	90.0	145.8	495.9
- Average price per boe	51.90	42.93	48.90
Tunisia			
- Quantity in mboe	63.0	82.5	328.6
- Average price per boe	54.10	48.92	62.53
Ireland			
- Quantity in mboe	–	18.8	24.1
- Average price per boe	–	33.43	33.31
Total			
- Quantity in mboe	**2,633.2**	2,872.6	10,881.2
- Average price per boe	**58.55**	46.29	52.93

* The average sales per boe (barrels of oil equivalent) is excluding the result on the hedge settlement.

Income from Venezuela is derived by way of a service fee and interest income. For the three month period ended 31 March 2006, the service fee earned by Lundin Petroleum amounted to USD 20.82 (USD 23.64) per barrel for the 161.0 (171.8) mboe that were sold.

Production	**1 Jan 2006- 31 Mar 2006 3 months**	1 Jan 2005- 31 Mar 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom			
- Quantity in mboe	1,842.6	1,967.9	7,360.7
- Quantity in mboepd	20.5	21.9	20.2
France			
- Quantity in mboe	345.3	399.1	1,533.7
- Quantity in mboepd	3.8	4.4	4.2
Norway			
- Quantity in mboe	87.9	101.7	360.2
- Quantity in mboepd	1.0	1.1	1.0
Netherlands			
- Quantity in mboe	222.9	247.6	855.4
- Quantity in mboepd	2.5	2.8	2.3
Venezuela			
- Quantity in mboe	166.1	187.6	769.4
- Quantity in mboepd	1.8	2.1	2.1
Indonesia			
- Quantity in mboe	209.4	213.9	825.1
- Quantity in mboepd	2.3	2.4	2.3
Tunisia			
- Quantity in mboe	56.7	115.4	354.8
- Quantity in mboepd	0.6	1.3	1.0
Ireland			
- Quantity in mboe	–	18.9	24.2
- Quantity in mboepd	–	0.2	0.2
Total			
- Quantity in mboe	**2,930.9**	3,252.1	12,083.5
- Quantity in mboepd	**32.6**	36.1	33.2

The number of barrels produced differs from the number of barrels sold for a number of reasons. There are timing differences between sales and production in field areas such as Tunisia and Norway where production is into a Floating Production Storage Offloading vessel (FPSO). Sales are recorded when a lifting takes place and these can be at varying intervals and will not always be equal to the production at the end of a financial quarter. The accounting effect of the timing differences between sales and production are reflected in the movements in the hydrocarbons inventory and the under/overlift position. Over time, the total sales will equal the production. There are permanent differences between production and sales in some of the field areas. The production reported for the UK is the platform production. This is the amount of crude oil that is produced from the field into the pipeline system that takes the crude to the onshore terminal. Once the field's crude enters the pipeline system it is commingled with the crude oil produced from other fields in the pipeline system that produce the blend of crude that is sold. The crude that is pumped into the pipeline system is tested against the blend of crude that arrives at the terminal and an adjustment is made to the number of barrels allocated to each field to reflect the relative quality of the crude oil input into the system. There is an approximate quality adjustment of minus five percent applied to the UK crude oil produced. In Indonesia, production is allocated under a Production Sharing Contract (PSC) where, as part of the commercial terms of the agreement, a part of the working interest production is allocated to the host country as a type of royalty payment.

Production cost

Production costs for the three month period ended 31 March 2006 expressed in US dollars were comprised as follows:

Production costs for the three month period ended 31 March 2006 amounted to MSEK 280.6 (MSEK 269.0). The reported cost of operations amounted to USD 12.44 per barrel (USD 11.20 per barrel) for the three month period ended 31 March 2006. The cost of operations per barrel is in line with expectations. The lower overall level of operating costs in the first quarter of 2006 has been offset by lower production levels. Manning levels and project priorities have meant that certain operating costs projects in the UK have been postponed from the first quarter of 2006.

Production cost and depletion in TUSD	**1 Jan 2006- 31 Mar 2006 3 months**	1 Jan 2005- 31 Mar 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cost of operations	36,464	36,415	148,570
Tariff and transportation expenses	5,300	5,707	17,906
Royalty and direct taxes	1,050	1,065	4,803
Changes in inventory/overlift	-6,743	-4,324	4,563
Total production costs	**36,071**	38,863	175,842
Depletion	25,846	28,070	101,064
Total	**61,917**	66,933	276,906

Production cost and depletion in USD per boe	**1 Jan 2006- 31 Mar 2006 3 months**	1 Jan 2005- 31 Mar 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cost of operations	12.44	11.20	12.30
Tariff and transportation expenses	1.81	1.75	1.48
Royalty and direct taxes	0.36	0.33	0.40
Changes in inventory/overlift	-2.30	-1.33	0.38
Total production costs	**12.31**	11.95	14.56
Depletion	8.82	8.63	8.36
Total cost per boe	**21.13**	20.58	22.92

Depletion
Depletion of oil and gas properties for the three month period ended 31 March 2006 amounted to MSEK 201.1 (MSEK 194.3).

Write off
Write off of oil and gas properties amounted to MSEK 14.0 (MSEK 8.6) for the three month period ended 31 March 2006. The costs written off during the first quarter of 2006 relate primarily to the exploration well drilled in Block F-12 in the Netherlands which was plugged and abandoned in January 2006.

Sale of assets
In 2005 Lundin Petroleum entered into a sale and leaseback agreement for the Jotun vessel utilised in the Jotun field offshore Norway resulting in a pre-tax gain of MSEK 192.1 and a post tax gain of MSEK 24.0.

Other income
Other income for the three month period ended 31 March 2006 amounted to MSEK 2.0 (MSEK 2.7) and represents fees and costs recovered by Lundin Petroleum from third parties.

General, administrative and depreciation expenses
General, administrative and depreciation expenses for the three month period ended 31 March 2006 amounted to MSEK 31.8 (MSEK 20.5). Depreciation charges amounted to MSEK 2.1 (MSEK 1.3) for the three month period ended 31 March 2006.

Financial income
Financial income for the three month period ended 31 March 2006 amounted to MSEK 43.0 (MSEK 6.9). Interest income for the three month period ended 31 March 2006 amounted to MSEK 7.7 (MSEK 3.4) and comprises of interest received on bank accounts of MSEK 4.4 (MSEK 1.3), interest received on a loan to an associated company for an amount of MSEK 1.0 (MSEK 1.2), interest received in relation to tax repayments for an amount of MSEK 1.2 (MSEK -) and the interest fee received from Venezuela for an amount of MSEK 1.1 (MSEK 0.9).

Dividend income received of MSEK 3.4 (MSEK 3.4) during the first quarter of 2006 relates to distributions received from an unconsolidated investment in a company owning an interest in the Dutch gas processing and transportation infrastructure (NOGAT). Net exchange gains for the three month period ended 31 March 2006 amounted to MSEK 31.9 (MSEK -34.1). The exchange gains for the three month period ended 31 March 2006 are mainly the result of the change in fair value of the currency hedging contracts and the revaluation of the USD loan outstanding into the NOK reporting currency of the entity in which the funds were drawn. During the three month period ended 31 March 2006 the inflation of the NOK and the EUR against the USD amounted to approximately 2.8% and 2.6% respectively.

Financial expense
Financial expenses for the three month period ended 31 March 2006 amounted to MSEK 22.6 (MSEK 51.1). Interest expense for the three month period ended 31 March 2006 amounted to MSEK 9.6 (MSEK 14.3) and mainly relates to the bank loan facility. The impact of the change in market value of the interest rate hedge for the three month period ended 31 March 2006 amounted to a gain of MSEK 0.7 (MSEK 5.7).

The amortisation of financing fees amounted to MSEK 4.7 (MSEK 3.6) for the three month period ended 31 March 2006. The financing fees are in relation to the bank loan facility and are amortised over the usage of the bank loan facility.

Tax
The tax charge for the three month period ended 31 March 2006 amounted to MSEK 320.0 (MSEK 169.8). The current corporation tax charge of MSEK 245.5 (MSEK 18.8) comprises current corporation tax charges in, primarily the United Kingdom, the Netherlands, Indonesia and Venezuela. The increase is mostly due to the fact that the United Kingdom utilised tax losses to offset current corporation tax during the comparative period. The tax losses available in the UK were fully utilised during 2005. The deferred corporate tax charge for the three month period ended 31 March 2006 amounted to MSEK 58.5

(MSEK 153.3) and comprises primarily a charge of MSEK 45.4 for tax losses carry forward utilised in Norway, Tunisia and France and a charge of MSEK 14.2 due to timing differences in the rate of depletion of oil and gas assets between accounting and fiscal reporting. The deferred tax charge for the comparative period includes the utilisation of the tax losses in the UK. The overall tax charge for the three month period ended 31 March 2006 is higher than the comparative period in line with the higher reported profit.

The petroleum tax charge for the three month period ended 31 March 2006 amounts to MSEK 6.1 (MSEK 4.9). The deferred petroleum tax charge for the three month period ended 31 March 2006 amounts to MSEK 9.9 (MSEK -7.1).

The Group operates in various countries and fiscal regimes where corporate income tax rates are different from the regulations in Sweden. Corporate income tax rates for the Group vary between 28 and 78%. Currently the majority of the Group's profit is derived from the United Kingdom where the effective tax rate amounts to 40%. The effective tax rate for the Group for the three month period ended 31 March 2006 amounts to approximately 43%.

Change in Tax Rate

It has been announced in the UK that the rate of Supplementary Corporation Tax (SCT) will be increased from 10% to 20% with effect from 1 January 2006. This increase will take the rate of corporation tax applied to the UK profits from 40% to 50%. The change in tax rate will only be recorded within the accounts when the Finance Bill is formally enacted by the UK Parliament, which is expected to be in the second or third quarter of 2006. The UK tax charge for the first quarter of 2006 has been calculated using a 40% rate. If the tax charge for the first quarter of 2006 had been calculated using the proposed tax rate of 50% then the current tax charge for the first quarter of 2006 would have increased by MSEK 56.6.

Minority interest

The net profit attributable to minority interest for the three month period ended 31 March 2006 amounted to MSEK 0.2 (MSEK 0.7) and relates to the 0.14% of Lundin International SA that is owned by minority shareholders.

BALANCE SHEET

Tangible fixed assets

Tangible fixed assets as at 31 March 2006 amounted to MSEK 6,046.7 (MSEK 5,827.0) of which MSEK 5,945.4 (MSEK 5,732.9) relates to oil and gas properties and are detailed in Note 7. Development and exploration expenditure incurred for the three month period ended 31 March 2006 can be summarised as follows:

Development expenditure in MSEK	**1 Jan 2006- 31 Mar 2006 3 months**	1 Jan 2005- 31 Mar 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom	64.8	115.4	619.8
France	3.9	5.5	24.2
Norway	107.4	115.9	596.2
Netherlands	2.5	8.9	49.0
Indonesia	15.3	15.1	59.8
Tunisia	134.7	2.8	72.5
Venezuela	3.2	8.9	35.5
Ireland	–	-0.5	–
Development expenditure	**331.8**	272.0	1,457.0

Exploration expenditure in MSEK	**1 Jan 2006-** **31 Mar 2006** **3 months**	1 Jan 2005- 31 Mar 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom	1.7	–	17.2
France	1.8	0.5	16.8
Norway	25.9	11.9	69.6
Netherlands	6.7	0.6	16.6
Indonesia	22.2	9.9	61.2
Tunisia	–	0.1	2.0
Albania	1.2	2.1	24.5
Ireland	0.6	2.0	2.6
Iran	-0.1	4.5	6.0
Sudan	0.9	-0.1	7.8
Nigeria	1.1	1.7	158.2
Other	4.5	3.0	12.8
Exploration expenditure	**66.5**	36.2	395.3

Other tangible fixed assets as at 31 March 2006 amounted to MSEK 101.4 (MSEK 94.1).

Financial fixed assets

Financial fixed assets as at 31 March 2006 amounted to MSEK 510.7 (MSEK 502.5) and are detailed in Note 8. Restricted cash as at 31 March 2006 amounted to MSEK 23.3 (MSEK 23.8) and represents the cash amount deposited to support a letter of credit issued in support of exploration work commitments in Sudan. Shares and participations amount to MSEK 164.6 (MSEK 151.9) as at 31 March 2006. The increase in the fair value of the shares and participation amounted to MSEK 14.5 (MSEK –) three month period ended 31 March 2006. Deferred financing fees relate to the costs incurred establishing the bank credit facility and are being amortised over the period of the loan. The deferred tax asset relates primarily to tax losses carried forward in the Tunisia, France and Norway and to the tax effects of the fair value adjustments for the financial instruments. Other financial fixed assets amount to MSEK 9.6 (MSEK 8.2) and are funds held by joint venture partners in anticipation of future expenditures.

Current receivables and inventories

Current receivables and inventories amounted to MSEK 1,106.7 (MSEK 1,043.5) as at 31 March 2006 and are detailed in Note 9. Inventories include hydrocarbons and consumable well supplies. Trade receivables have increased from 31 December 2005 due to the higher prices achieved for the sales in 2006 and because December 2005 sales were reduced following the Thistle shut down. Tax receivables as at 31 March 2006 amounted to MSEK 115.7 (MSEK 117.3) and related to tax refunds due in Norway and the Netherlands.

Cash and bank

Cash and bank as at 31 March 2006 amounted to MSEK 463.9 (MSEK 389.4).

Non-current liabilities

Provisions as at 31 March 2006 amounted to MSEK 2,178.5 (MSEK 2,087.3) and are detailed in Note 10. This amount includes a provision for site restoration of MSEK 408.7 (MSEK 329.2). The increase in the site restoration provision is primarily due to changes in estimated expenses necessary for the removal of facilities and plugging and abandoning the wells. The provision for deferred tax amounted to MSEK 1,745.7 (MSEK 1,735.1) and is mainly arising on the excess of book value over the tax value of oil and gas properties.

Long term interest bearing debt amounted to MSEK 681.8 (MSEK 736.2) as at 31 March 2006. On 16 August 2004, Lundin Petroleum entered into a seven-year credit facility agreement to borrow up to MUSD 385.0 comprising MUSD 35.0 for Letters of Credit in support of future site restoration costs payable to former owners of the Heather field, offshore UK, and cash drawings of MUSD 350.0. The amount of cash drawings outstanding under the facility at 31 March 2006 amounted to MUSD 87.5.

Current liabilities

Current liabilities as at 31 March 2006 amounted to MSEK 1,253.7 (MSEK 1,256.3) and are detailed in Note 11. As at 31 March 2006, the fair value of the outstanding derivative instruments amounted to MSEK 228.9 (MSEK 193.8) and is primarily relating to the oil price hedging contracts. Joint venture creditors amounted to MSEK 295.9 (MSEK 389.9) and mainly relates to the amounts payable for the development activities in progress in Norway, Tunisia and Indonesia.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into the following oil price hedges:

Contract date	USD per barrel Dated Brent	Barrels per day	Start date	End date
3/2005	53.19	5,000	1/1/2006	31/12/2006
12/2005	61.40	5,000	1/1/2006	31/12/2006

Under the criteria of IAS 39, the oil price hedges are effective and qualify for hedge accounting. Changes in fair value of these contracts are charged directly to the shareholders' equity. Upon settlement the relating part of the reserve is released to the income statement.

The Group has entered into the following interest rate hedging contracts to tie the LIBOR based floating rate part of the Company's USD borrowings to a fixed LIBOR rate of interest.

Contract date	USD Libor interest rate	Amount hedged	Start date	End date
10/2002	3.49%	65,000,000	3/1/2006	3/7/2006
10/2002	3.49%	55,000,000	3/7/2006	2/1/2007
3/2004	2.32%	40,000,000	1/4/2004	2/4/2007

The 3.49% interest rate contract had been entered into in relation to a previous credit facility, which was repaid and cancelled of in 2003. As of 1 January 2004, this contract has been recorded at fair value with changes in fair value being recorded in the income statement.

The 2.32% interest rate contract relates to the current credit facility. As from 1 January 2005, the contract met the conditions of IAS 39 to qualify for hedge accounting with changes in fair value being charged directly to shareholders' equity. Following the repayment of the underlying portion of the loan in 2005, the 2.32% interest rate contract became ineffective in the fourth quarter of 2005 and hedge accounting could no longer be applied. As from this date, changes in fair value of this contract are therefore charged to the income statement.

The Group has entered into the following currency hedging contracts:

Buy	Sell	Average contractual exchange rate	Settlement period
MGBP 36.0	MUSD 63.3	1.7588	20 Dec 2005 – 20 Nov 2006
MEUR 14.4	MUSD 18.3	1.2716	20 Dec 2005 – 20 Nov 2006
MCHF 10.0	MUSD 7.7	0.7711	20 Dec 2005 – 20 Nov 2006

The currency hedging contracts are treated as being ineffective and therefore do not qualify for hedge accounting under IAS 39. Changes in fair value of these contracts are directly charged to the income statement.

PARENT COMPANY

The business of the Parent Company is investment in and management of oil and gas assets. The net profit for the parent company amounted to a gain of MSEK 2.5 (MSEK 2.5) for the three month period ended 31 March 2006.

The profit included general and administrative expenses of MSEK 14.3 (MSEK 8.7) offset by net financial income and expenses of MSEK 8.6 (MSEK 8.6). Interest income derived from loans to subsidiary companies amounted to MSEK 9.2 (MSEK 8.7). Currency exchange losses amounted to MSEK 0.6 (MSEK 0.2).

No deferred tax asset has been recorded against the historic losses incurred by the Parent Company because of uncertainty as to the timing of their utilisation.

SHARE DATA

Lundin Petroleum AB's share capital at 31 March 2006 amounts to SEK 2,573,162 represented by 257,316,166 shares with a quota value of SEK 0.01 each.

The following incentive warrants have been issued under the Groups incentive programme for employees. The warrants for 2003 were issued at the average closing price of Lundin Petroleum shares for the ten days after the AGM. The incentive warrants for 2004 and 2005 were issued at a 10% premium to the average closing price of Lundin Petroleum shares for the ten days after the AGM.

Incentive warrants outstanding at the end of the period have the following expiry date and exercise prices:

	Issued 2003	Issued 2004	Issued 2005
Exercise price (SEK)	10.10	45.80	60.20
Numbers authorised	3,400,000	2,250,000	3,000,000
Number outstanding	417,000	1,185,000	2,800,000
Exercise period	31 May 2004– 31 May 2006	31 May 2005– 31 May 2007	15 June 2006– 31 May 2008

EXCHANGE RATES

For the preparation of the financial statements for the three month period ended 31 March 2006 the following currency exchange rates have been used.

	Average	Period end
1 EUR equals SEK	9.3514	9.4315
1 USD equals SEK	7.7799	7.7921

ACCOUNTING PRINCIPLES

The financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Reporting. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005.

The financial statements of the Parent Company have been prepared in accordance with RR32 as in the annual report for the year ended 31 December 2005.

Income statement

Expressed in TSEK	Note	**1 Jan 2006– 31 Mar 2006 3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Operating income				
Net sales of oil and gas	1	1,195,221	910,727	3,995,477
Other operating income		49,533	42,967	194,707
		1,244,754	953,694	4,190,184
Cost of sales				
Production costs	2	-280,626	-268,983	-1,310,905
Depletion of oil and gas properties	3	-201,073	-194,280	-753,428
Write off of oil and gas properties		-13,987	-8,559	-208,135
Gross profit		**749,068**	481,872	1,917,716
Sale of assets		–	–	192,122
Other income		1,963	2,722	6,438
General, administration and depreciation expenses		-31,833	-20,490	-103,118
Operating profit		**719,198**	464,104	2,013,158
Result from financial investments				
Financial income	4	42,968	6,879	44,012
Financial expenses	5	-22,626	-51,097	-196,461
		20,342	-44,218	-152,449
Profit before tax		**739,540**	419,886	1,860,709
Tax	6	-320,031	-169,844	-866,734
Net profit		**419,509**	250,042	993,975
Net profit attributable to:				
Shareholders of the parent company		419,306	249,339	993,507
Minority interest		203	703	468
Net profit		**419,509**	250,042	993,975
Earnings per share – SEK[1]		1.63	0.98	3.89
Diluted earnings per share – SEK[1]		1.62	0.97	3.87

[1] Based on net profit attributable to shareholders of the parent company.

Expressed in TSEK	Note	**31 Mar 2006**	31 Dec 2005
ASSETS			
Tangible fixed assets			
Oil and gas properties	7	5,945,361	5,732,871
Other tangible fixed assets		101,369	94,136
Total tangible fixed assets		**6,046,730**	5,827,007
Financial fixed assets	8	510,739	502,474
Total fixed assets		**6,557,469**	6,329,481
Current assets			
Current assets receivables and inventories	9	1,106,736	1,043,477
Cash and bank		463,921	389,415
Total current assets		**1,570,657**	1,432,892
Total assets		**8,128,126**	7,762,373
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		4,010,856	3,679,616
Minority interest		3,258	3,050
Total equity		**4,014,114**	3,682,666
Non-current liabilities			
Provisions	10	2,178,478	2,087,250
Bank loans		681,809	736,151
Total non-current liabilities		**2,860,287**	2,823,401
Current liabilities	11	**1,253,725**	1,256,306
Total equity and liabilities		**8,128,126**	7,762,373
Pledged assets		1,129,226	1,128,763
Contingent liabilities		–	–

Statement of cash flow

Expressed in TSEK	**1 Jan 2006– 31 Mar 2006 3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Cash flow from operations			
Net profit	419,509	250,042	993,975
Adjustments for depletion and other non-cash related items	301,764	355,307	1,436,152
Changes in working capital	-193,312	-231,275	111,217
Total cash flow from operations	**527,961**	374,074	2,541,344
Cash flow used for investments			
Investment in subsidiary assets	–	–	-236
Sale of assets/investments	–	–	192,122
Investment/divestment of real estate	-8,570	–	-40,190
Change in other financial fixed assets	-1,583	-29,217	16,850
Other payments	-320	-302	-13,419
Investment in oil and gas properties	-398,280	-303,799	-1,852,415
Investment in other fixed assets	-3,205	-6,359	-16,137
Total cash flow used for investments	**-411,958**	-339,677	-1,713,425
Cash flow used for financing			
Changes in long-term bank loan	-38,899	-17,295	-822,240
Proceeds from share issues	5,169	7,219	59,275
Total cash flow used for financing	**-33,730**	-10,076	-762,965
Change in cash and bank	82,273	24,321	64,954
Cash and bank at the beginning of the period	389,415	268,377	268,377
Currency exchange difference in cash and bank	-7,767	18,057	56,084
Cash and bank at the end of the period	**463,921**	310,755	389,415

Expressed in TSEK	Share capital	Additional paid-in-capital/ Other reserves*	Retained earnings	Net profit	Minority interest	Total Equity
Balance at 1 January 2005	**2,537**	**830,630**	**837,676**	**598,245**	**2,931**	**2,272,019**
Transfer of prior year net profit	–	–	598,245	-598,245	–	–
Currency translation difference	–	49,943	–	–	33	49,976
Change in hedge reserve	–	-186,958	–	–	–	-186,958
Income and expenses recognised directly in equity	**–**	**-137,015**	**–**	**–**	**33**	**-136,982**
Net profit	–	–	–	249,339	703	250,042
Total recognised income and expense for the period	**–**	**-137,015**	**–**	**249,339**	**736**	**113,060**
Issuance of shares	12	7,207	–	–	–	7,219
Share based payments	–	–	4,266	–	–	4,266
Balance at 31 March 2005	**2,549**	**700,822**	**1,440,187**	**249,339**	**3,667**	**2,396,564**
Transfer of hedge reserve	–	98,194	-98,194	–	–	–
Currency translation difference	–	251,644	–	–	498	252,142
Change in hedge reserve	–	125,027	–	–	–	125,027
Change in fair value	–	99,109	–	–	–	99,109
Income and expenses recognised directly in equity	**–**	**475,780**	**–**	**–**	**498**	**476,278**
Net profit	–	–	–	744,168	-235	743,933
Total recognised income and expense for the period	**–**	**475,780**	**–**	**744,168**	**263**	**1,220,211**
Issuance of shares	22	52,034	–	–	–	52,056
Transfer of share based payments	–	6,575	-6,575	–	–	–
Share based payments	–	–	14,715	–	–	14,715
Investments	–	–	–	–	–880	-880
Balance at 31 December 2005	**2,571**	**1,333,405**	**1,350,133**	**993,507**	**3,050**	**3,682,666**
Transfer of prior year net profit	–	–	993,507	-993,507	–	–
Currency translation difference	–	-47,888	–	–	5	-47,883
Change in hedge reserve	–	-62,913	–	–	–	-62,913
Fair value adjustment	–	12,422	–	–	–	12,422
Income and expenses recognised directly in equity	**–**	**-98,379**	**–**	**–**	**5**	**-98 374**
Net profit	–	–	–	419,306	203	419,509
Total recognised income and expense for the period	**–**	**-98,379**	**–**	**419,306**	**208**	**321,135**
Issuance of shares	2	5,167	–	–	–	5,169
Transfer of share based payments	–	757	-757	–	–	–
Share based payments	–	–	5,144	–	–	5,144
Balance at 31 March 2006	**2,573**	**1,240,950**	**2,348,027**	**419,306**	**3,258**	**4,014,114**

* Other reserves comprises available-for-sale reserve, hedge reserve and currency translation reserve.

Note 1. Segmental information, TSEK	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Net sales of:			
Crude oil			
- United Kingdom	821,188	605,130	2,908,682
- France	190,133	140,374	629,842
- Norway	33,081	27,402	140,713
- Indonesia	35,935	43,294	179,673
- Tunisia	26,498	28,111	153,751
	1,106,835	844,311	4,012,661
Condensate			
- United Kingdom	14,171	11,069	36,527
- Netherlands	547	1,065	3,467
- Indonesia	109	–	1,234
	14,827	12,134	41,228
Gas			
- Norway	135	353	1,746
- Netherlands	78,154	59,410	229,617
- Indonesia	311	385	1,328
- Ireland	–	4,342	5,776
	78,600	64,490	238,467
Service fee			
- Venezuela	26,078	28,105	127,408
Oil price hedging settlement	-31,119	-38,313	-424,287
	1,195,221	910,727	3,995,477
Operating profit contribution			
- United Kingdom	501,428	309,548	1,397,827
- France	118,317	68,429	277,100
- Norway	17,398	20,127	267,559
- Netherlands	33,880	31,293	62,206
- Venezuela	5,239	13,714	57,146
- Indonesia	42,228	23,444	119,655
- Tunisia	22,538	19,539	57,899
- Ireland	–	2,145	4,222
- Nigeria	–	–	-158,174
- Iran	–	-4,534	-6,078
- Other	-21,830	-19,601	-66,204
Total operating profit contribution	**719,198**	464,104	2,013,158

Note 2. Production costs, TSEK	**1 Jan 2006–** **31 Mar 2006** **3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Cost of operations	283,684	255,080	1,107,591
Tariff and transportation expenses	41,237	39,500	133,492
Direct production taxes	8,167	7,371	35,805
Changes in inventory/ overlift position	-52,462	-32,968	34,017
	280,626	268,983	1,310,905

Note 3. Depletion of oil and gas properties, TSEK	**1 Jan 2006–** **31 Mar 2006** **3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
United Kingdom	135,942	130,894	508,519
France	17,777	16,494	67,651
Norway	7,628	6,993	26,663
Netherlands	18,544	19,878	70,834
Indonesia	3,610	4,207	16,192
Tunisia	4,403	5,688	18,831
Venezuela	13,169	10,126	44,738
	201,073	194,280	753,428

Note 4. Financial income, TSEK	**1 Jan 2006–** **31 Mar 2006** **3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Interest income	7,690	3,431	31,195
Dividends received	3,385	3,448	12,817
Foreign exchange gain, net	31,893	–	–
	42,968	6,879	44,012

Note 5. Financial expenses, TSEK	**1 Jan 2006–** **31 Mar 2006** **3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Loan interest expenses	9,644	14,299	45,003
Change in market value interest rate hedge	-715	-5,655	-7,949
Unwind site restoration discount	4,965	3,810	17,082
Amortisation of deferred financing fees	4,708	3,625	15,182
Foreign exchange loss, net	–	34,086	121,971
Other financial expenses	4,024	932	5,172
	22,626	51,097	196,461

Note 6. Tax, TSEK	**1 Jan 2006–** **31 Mar 2006** **3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Current corporation tax	245,527	18,836	240,653
Deferred corporation tax	58,508	153,259	647,131
Current petroleum tax	6,078	4,866	11,270
Deferred petroleum tax	9,918	-7,117	-32,320
	320,031	169,844	866,734

Note 7. Oil and gas properties, TSEK	**Book amount** **31 Mar 2006**	Book amount 31 Dec 2005
United Kingdom	2,437,132	2,560,154
France	852,382	844,738
Norway	1,373,589	1,237,580
Netherlands	478,584	470,630
Venezuela	204,584	219,183
Indonesia	259,127	232,339
Tunisia	262,509	99,085
Ireland	3,246	2,622
Sudan	30,039	28,865
Albania	31,020	30,269
Others	13,149	7,406
	5,945,361	5,732,871

Note 8. Financial fixed assets, TSEK	**Book amount** **31 Mar 2006**	Book amount 31 Dec 2005
Shares and participations	164,588	151,928
Restricted cash	23,330	23,827
Deferred financing fees	14,244	18,905
Deferred tax asset	298,964	297,788
Derivative instrument	–	1,825
Other financial fixed assets	9,613	8,201
	510,739	502,474

Note 9. Current receivables and inventories, TSEK	**Book amount 31 Mar 2006**	Book amount 31 Dec 2005
Inventories	71,149	99,943
Trade receivables	580,578	523,315
Underlift	103,221	49,482
Corporation tax	115,670	117,283
Joint venture debtors	143,933	180,989
Derivative instruments	17,206	13,430
Other current assets	74,979	59,035
	1,106,736	1,043,477

Note 10. Provisions, TSEK	**Book amount 31 Mar 2006**	Book amount 31 Dec 2005
Site restoration	408,662	329,173
Pension	14,345	13,810
Deferred taxes	1,745,713	1,735,058
Other	9,758	9,209
	2,178,478	2,087,250

Note 11. Current liabilities, TSEK	**Book amount 31 Mar 2006**	Book amount 31 Dec 2005
Trade payables	90,634	135,394
Overlift	37,538	67,911
Tax payables	281,478	117,691
Accrued expenses	265,193	298,124
Acquisition liabilities	38,792	38,615
Derivative instruments	228,881	193,777
Joint venture creditors	295,866	389,896
Other current liabilities	15,343	14,898
	1,253,725	1,256,306

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2006– 31 Mar 2006 3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Service income	8,178	2,569	18,776
Gross profit	**8,178**	2,569	18,776
General and administrative expenses	-14,253	-8,666	-52,141
Operating loss	**-6,075**	-6,097	-33,365
Financial income	9,151	8,719	39,846
Financial expenses	-592	-166	-216
Net profit before tax	**2,484**	2,456	6,265
Tax	–	–	–
Net profit	**2,484**	2,456	6,265

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**31 Mar 2006**	31 Dec 2005
ASSETS		
Financial fixed assets	**875,641**	875,237
Total fixed assets	**875,641**	875,237
Current Assets		
Current receivables	15,067	11,136
Cash and bank	5,057	10,856
Total current assets	**20,124**	21,992
Total assets	**895,765**	897,229
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity including net profit for the period	891,877	893,260
Current liabilities	3,888	3,969
Total shareholders' equity and liabilities	**895,765**	897,229
Pledged assets	1,129,226	1,128,763
Contingent liabilities	–	–

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2006– 31 Mar 2006 3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Cash flow from operations			
Net profit	2,484	2,456	6,265
Adjustment for non cash related items	5,000	5,184	16,780
Changes in working capital	-4,235	-4,734	-9,063
Total cash flow from operations	**3,249**	2,906	13,982
Changes in loans to subsidiary companies	-14,295	-11,095	-72,911
Investment in subsidiaries	-149	–	–
Total cash flow used for investments	**-14,444**	-11,095	-72,911
Proceeds from share issue	5,169	7,219	59,275
Total cash flow from financing	**5,169**	7,219	59,275
Change in cash and bank	-6,026	-970	346
Cash and bank at the beginning of the period	10,856	10,289	10,289
Currency exchange difference Bank	227	-917	221
Cash and bank at the end of the period	**5,057**	8,402	10,856

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY

	Restricted equity			**Unrestricted equity**		
	Share capital	Statutory reserve	Currency translation reserve	Retained Earnings	Net profit	Total equity
Balance at 1 January 2005	2,537	824,163	–	10,712	–28,673	808,739
Transfer of prior year net profit	–	-28,673	–	–	28,673	–
New share issuance	12	7,207	–	–	–	7,219
Share based payments	–	–	–	4,266	–	4,266
Net profit	–	–	–	–	2,456	2,456
Balance at 31 March 2005	**2,549**	**802,697**	**–**	**14,978**	**2,456**	**822,680**
New share issuance	22	52,034	–	–	–	52,056
Transfer of share based payments	–	6,575	–	-6,575	–	–
Share based payments	–	–	–	14,715	–	14,715
Net profit	–	–	–	–	3,809	3,809
Balance at 31 December 2005	**2,571**	**861,306**	**–**	**23,118**	**6,265**	**893,260**
Transfer of prior year net profit	–	–	–	6,265	-6,265	–
New share issuance	2	5,167	–	–	–	5,169
Transfer of share based payments	–	758	–	-758	–	–
Share based payments	–	–	–	5,145	–	5,145
Currency translation reserve	–	–	-14,181	–	–	-14,181
Net profit	–	–	–	–	2,484	2,484
Balance at 31 March 2006	**2,573**	**867,231**	**-14,181**	**33,770**	**2,484**	**891,877**

Key financial data

Data per share	**1 Jan 2006– 31 Mar 2006 3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Shareholders' equity SEK per share[1]	15.60	9.39	14.32
Operating cash flow SEK per share [2]	2.75	2.58	10.22
Cash flow from operations SEK per share[3]	2.04	1.46	9.89
Earnings SEK per share[4]	1.63	0.98	3.89
Earnings SEK per share fully diluted[5]	1.62	0.98	3.87
Dividend per share	–	–	–
Quoted price at the end of the financial period (regards the parent company), SEK	90.00	54.50	85.00
Number of shares at period end	257,316,166	254,892,266	257,140,166
Weighted average number of shares for the period[6]	257,255,749	254,367,787	255,685,730
Weighted average number of shares for the period (fully diluted)[6]	259,181,652	255,913,649	256,974,123

Key data group	**1 Jan 2006– 31 Mar 2006 3 months**	1 Jan 2005– 31 Mar 2005 3 months	1 Jan 2005– 31 Dec 2005 12 months
Return on equity, %[7]	11	10	33
Return on capital employed, %[8]	15	12	49
Debt/equity ratio, %[9]	5	46	9
Equity ratio, %[10]	49	37	47
Share of risk capital, %[11]	71	55	70
Interest coverage ratio, %[12]	6,603	3,037	4,231
Operating cash flow/interest ratio[13]	6,265	4,623	5,833
Yield[14]	–	–	–

1 the Group's shareholders' equity divided by the number of shares at period end.

2 the Group's operating income less production costs and less current taxes divided by the weighted average number of shares for the period.

3 cash flow from operations in accordance with the consolidated statement of cash flow divided by the weighted average number of shares for the period.

4 the Group's net profit divided by the weighted average number of shares for the period.

5 the Group's net profit divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants.

6 the number of shares at the beginning of the year with new issue of shares weighted for the proportion of the period they are in issue.

7 the Group's net profit divided by the Group's average total equity.

8 the Group's income before tax plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average balance sheet total less non-interest bearing liabilities).

9 the Group's interest bearing liabilities in relation to shareholders' equity.

10 the Group's total equity in relation to balance sheet total.

11 the sum of the total equity and the deferred tax provision divided by the balance sheet total.

12 the Group's profit after financial items plus interest expenses plus/less exchange differences on financial loans divided by interest expenses.

13 the Group's operating income less production costs and less current taxes divided by the interest charge for the period.

14 dividend in relation to quoted share price at the end of the financial period.

The Company will publish the following reports:

- The six months report (January – June 2006) will be published on 16th August 2006
- The nine months report (January – September 2006) will be published on 15th November 2006

Stockholm 16th May 2006

C. Ashley Heppenstall
President & CEO

The financial information relating to the three month period ended 31 March 2006 has not been subject to review by the auditors of the company.

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