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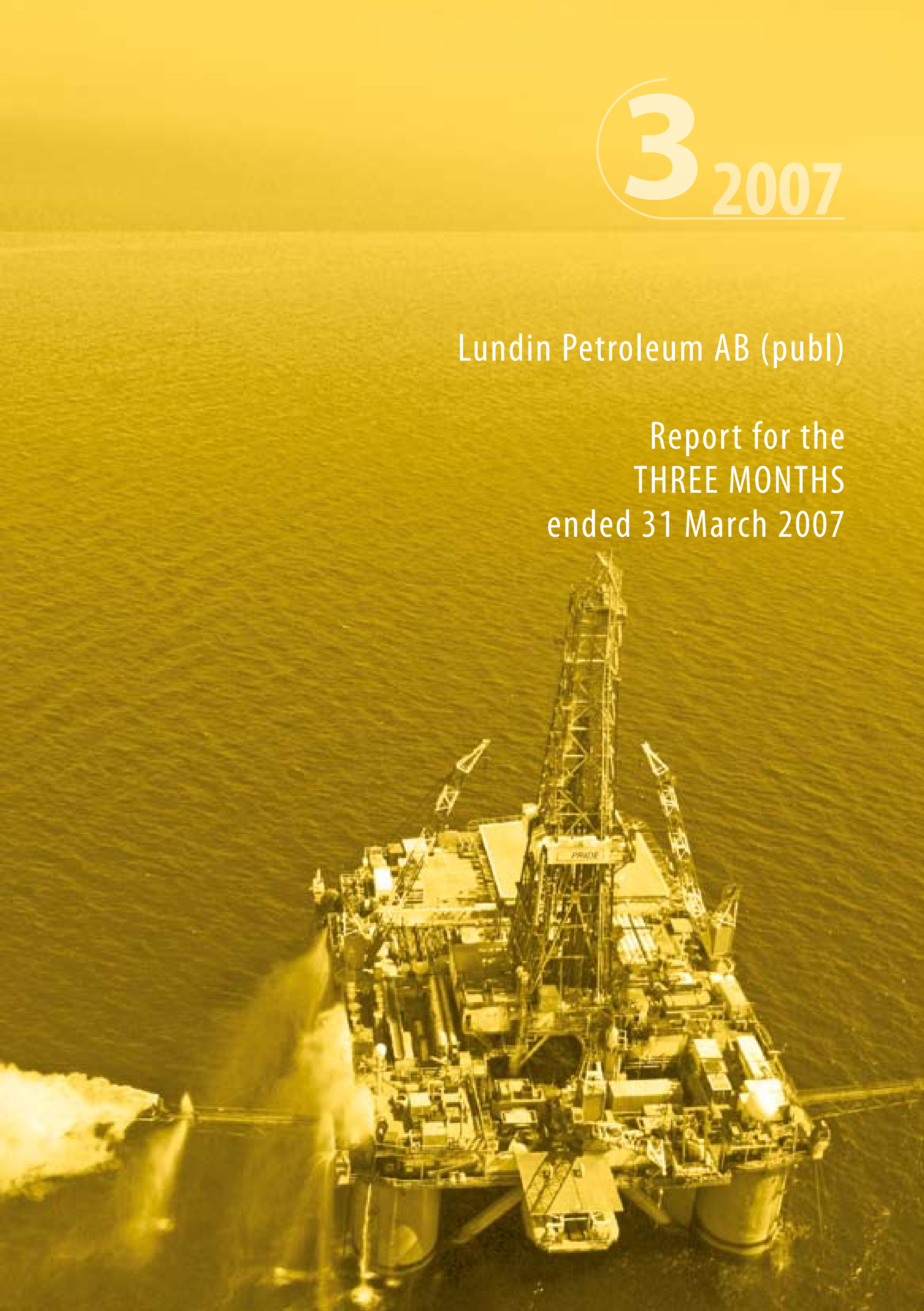
Lundin Petroleum AB (publ)

Report for the THREE MONTHS ended 31 March 2007



	1 Jan 2007– 31 Mar 2007 3 months	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
• Production in mboepd	40.6	32.6	29.7
• Operating income in MSEK	1,352.0	1,244.8	4,414.5
• Net profit in MSEK	212.0	419.5	794.4
• Earnings/share in SEK	0.67	1.63	2.83
• Diluted earnings/share in SEK	0.67	1.62	2.81
• EBITDA in MSEK	765.1	934.3	2,731.5
• Operating cash flow in MSEK	611.2	712.5	2,271.0

Definitions

An extensive list of definitions can be found on the Lundin Petroleum website www.lundin-petroleum.com under the heading "Definitions".

Abbreviations

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
MSEK	Million Swedish Krona
MUSD	Million US dollar
WI	Working Interest

Oil related terms and measurements

boe	Barrels of oil equivalents
boepd	Barrels of oil equivalents per day
bopd	Barrels of oil per day
Mbbl	Thousand barrels (in Latin mille)
Mboe	Thousand barrels of oil equivalents
Mboepd	Thousand barrels of oil equivalents per day
Mbopd	Thousand barrels of oil per day

LETTER TO SHAREHOLDERS

Dear fellow shareholders,
I am pleased to announce that our performance during the first quarter of 2007 exceeded expectations. Strong production performance from the Oudna field, offshore Tunisia and from the Broom field in the UK North Sea have ensured that production for the first quarter averaged approximately 40,000 boepd. The imminent production start-up from the Alvheim field, offshore Norway will increase our production levels to 50,000 boepd by the end of 2007.

We are committing significant financial and management resources to our exploration drilling campaigns in Norway, Sudan and Russia during 2007. In each country we are drilling prospects of a size where success has the potential to have a material impact on the value of Lundin Petroleum.

Viking Oil and Gas
Earlier in 2007 we announced the intention to spin-off our UK and Norwegian businesses through a listing of Viking Oil and Gas ASA on the Oslo Stock Exchange and the sale of 50.01 percent of our shareholding through an initial public offering (IPO). The rationale for the deal was very simply the crystallisation of the value of the UK and Norwegian businesses. In the absence of our ability to realise our perceived value of this business through the IPO, we decided to retain the business within Lundin Petroleum. We will continue to invest in the business to realise the significant value associated particularly with the contingent resource and exploration portfolio.

Financial Performance
Lundin Petroleum generated a net profit after taxes of MSEK 212.0 (MUSD 30.2). Operating cash flow for the period was MSEK 611.2 (MUSD 87.2) and earnings before interest, tax, depreciation, and amortisation (EBITDA) was MSEK 765.1 (MUSD 109.1).

The result for the first quarter of 2007 represents the fourth consecutive quarter where production and profits have increased. The high profit recorded in the first quarter of 2006 primarily resulted from the positive impact of lower UK tax rates combined with low operating costs for that period.

Production
The highlight of the first quarter of 2007 was the excellent performance from the Oudna field, offshore Tunisia contributing over 10,000 boepd to Lundin Petroleum. It was also very pleasing to note the strong performance of the Broom field offshore United Kingdom particularly following its underperformance in 2006. The performance of these two fields contributed to a total production of 40,000 boepd for the first quarter of 2007.

I expect production to be lower in the second quarter of 2007 as a result of our lower equity interest in the Oudna field and forecast production declines from other fields. However the first production from the Alvheim field, offshore Norway in the third quarter of 2007 will ensure continued production growth. Year end production is forecast at 50,000 boepd.

Despite first oil from the Alvheim field slipping from the second to the third quarter we are still forecasting average production for 2007 at 41,000 boepd.

Development
During 2006 we increased our reserves by 29 percent to 176.4 million boe. Excluding acquisitions we generated a reserve replacement ratio from organic growth of 122 percent. Our success in growing our reserve base and then ultimately production growth is driven by a proactive investment policy to develop our asset base.

The Alvheim field is a world class asset which I believe will generate strong production to Lundin Petroleum for many years. In addition, the greater Alvheim area where we have a strong acreage position contains substantial potential from existing discoveries such as Gekko and Peik as well as numerous drillable exploration prospects. Our strategy is to ensure that the Alvheim production infrastructure is fully utilised for many years from this additional resource potential and once the Alvheim field is on production our focus will switch to firm up this potential.

In 2007 we have received approval for the development of the Volund field which will be tied back to the Alvheim facilities. In Indonesia the Singa gas field development is now proceeding following the signing of a gas sales agreement and in France development drilling is ongoing at the Villeperdue field.

Our asset portfolio contains contingent resources of over 130 million barrels of oil equivalent. These contingent resources which represent discovered oil and gas accumulations are in addition to our existing booked reserves. In today's higher oil price environment we are investing capital with the objective of firming up development plans for these projects which will ultimately lead to an increase to reserves and production. We have a programme to drill wells on existing discoveries in Norway such as the Nemo discovery in 2007 as well as a significant programme to redevelop our mature fields in the UK North Sea. We believe this investment will ensure continued increases to our reserve base and production independent of exploration success.

Exploration

Lundin Petroleum has a strategic objective to generate exploration opportunities which will, if successful, have a major impact on the value of the company.

In 2007 our exploration budget of in excess of USD 200 million will expose shareholders to an unrisked resources potential of over 1.4 billion barrels. We have experienced frustrating delays to our exploration drilling in Norway, Russia and Sudan but expect a major exploration drilling programme to commence in 2007.

In Norway the delays to the upgrading of the Bredford Dolphin rig seem to be coming to an end which will allow us to start the drilling of the Luno prospect at mid-year. In Russia the bureaucracy involved in obtaining the necessary permits to commence drilling is frustrating as is the time required to complete the construction of the shallow water drilling spread. We are making progress with a dedicated team of individuals fully engaged to ensure we can start drilling operations at the earliest opportunity. There appears to be a strong willingness from the political forces in Sudan to enable the commencement of exploration drilling in Block 5B and with the ongoing mobilisation of equipment we are on track for a spudding of the first of three wells during the third quarter of 2007. In tandem the ongoing seismic acquisition on this 20,000 km^2 block is generating further interesting drillable prospects.

The exploration potential from this drilling campaign is very exciting. However we have to accept that operating in today's market and in certain areas of the world involves risk in respect of timing and execution. However we remain patient because we believe the ultimate prize from major exploration discoveries is most certainly worth waiting for.

We also continue to be successful in picking up new acreage. New deals have been signed recently in Congo (Brazzaville), Vietnam and Ethiopia. In the recent licensing rounds for 2006 in Norway and the United Kingdom we were one of the most successful companies receiving thirteen new licenses. Our future exploration programme over the next five years looks very healthy and continues to improve with the acquisition of such new areas and licenses.

Oil Markets

We predict that oil prices will remain strong in the foreseeable future. The market now seems to accept oil prices of USD 60.00–70.00 per barrel with the forward curve now pretty much flat at USD 70.00 per barrel for a number of years into the future. We agree with the market but actually believe that there is potentially further upside. World oil demand continues to increase, supply is questionable, spare capacity is diminishing and geopolitical instability appears to be something we will have to live with for the foreseeable future.

New opportunities in the oil business are becoming more difficult to identify. Competition is intense, particularly from the emerging national oil companies. However as a small independent oil company we have a portfolio of assets with significant upside potential from organic growth. As detailed above we continue to be successful in expanding this portfolio in the acquisition of new licenses directly from host governments.

I am excited as to the prospects for our company with major activity over the next few months. I am confident that this will lead to further increases in value to you, our loyal shareholders.

Kind regards,

C Ashley Heppenstall
President & CEO

OPERATIONS

United Kingdom

The net production to Lundin Petroleum in the first quarter of 2007 was 15,800 barrels of oil equivalent per day (boepd) representing approximately 40% of the total production for the Group.

Net production from the Broom field (Lundin Petroleum Working Interest (WI) 55%) averaged 8,900 boepd during the period. Production was well in excess of budget during the period despite an unplanned shutdown of the Heather platform in March which negatively impacted production. A further development well will be drilled on the Broom field in the second half of 2007.

Production from the Heather field (WI 100%) averaged 2,200 boepd during the period. Production was below budget due to the underperformance of and delays to the infill drilling programme.

Net production from the Thistle field (WI 99%) averaged 4,700 boepd during the period which was in line with expectations. A long term investment programme to redevelop the Thistle field has commenced. The redevelopment involves the reinstallation of the Thistle drilling rig and a 3D seismic programme on Thistle during 2007 as well as further facilities investment to ensure an extended life for the Thistle platform.

An exploration well 14/28a-5 (WI 10%) located in the outer Moray Firth area in the UK North Sea was drilled during March and April 2007. The well which evaluated three reservoir targets was plugged and abandoned as a dry hole in April 2007. A further four exploration wells are planned to be drilled on Lundin Petroleum licenses in the UK North Sea during 2007.

During the first quarter of 2007, Lundin Petroleum completed the acquisition of an interest in the Peik gas/condensate field from Total. The Peik field straddles the UK and Norwegian borders and the acquisition is expected to provide Lundin Petroleum with a 40 percent net interest in the Peik field which is estimated to contain contingent resources of 27 mmboe.

Norway

Production from the Jotun field (WI 7%) offshore Norway averaged 800 bopd during the period.

First production from the Alvheim field (WI 15%) is now expected in the third quarter of 2007 due to various issues associated with the topsides installation on the Alvheim FPSO (Floating, Production, Storage and Offloading vessel). Development drilling on the Alvheim field is progressing satisfactorily and is forecast to continue into 2008. Net plateau production from the Alvheim field is still expected at in excess of 14,000 boepd.

A plan of development for the Volund field (WI 35%) was approved by the Norwegian Government during the first quarter of 2007. The Volund field will be developed as a subsea tie-back to the Alvheim FPSO with three production wells and one water injection well. First production of oil and gas is forecast in 2009 at an initial rate of 6,200 boepd increasing to approximately 8,700 boepd net to Lundin Petroleum in 2010.

Exploration drilling on the Luno prospect in PL338 (WI 50%) operated by Lundin Petroleum is expected to commence mid-year 2007. The well will be drilled using the Bredford Dolphin semi-submersible rig which is currently finalising upgrades in Poland. Further exploration drilling on PL335 (WI 18%) and PL 292 (WI 40%) will take place during the second half of 2007.

As an addition to the Norwegian 2007 drilling programme, an appraisal well is planned in the second half of 2007 on the Nemo field in PL148 (WI 50%) to be drilled using the Maersk Giant jack-up rig.

France

In the Paris Basin production averaged 2,600 boepd during the period. The coil tubing under-balanced drilling campaign involving four new horizontal production wells in the Villeperdue field (WI 100%) is currently being completed.

In the Aquitaine Basin (WI 50%) production averaged 350 bopd. Production was well below budget due to an oil spill at the Ambes terminal which resulted in the suspension of production for one month until alternative transportation and marketing solutions were put in place. Production is likely to remain below field production capacity during 2007 whilst field production is trucked to alternative terminals.

Indonesia

Salawati Island and Basin (Papua)

The net production from Salawati (Salawati Island WI 14.5% and Salawati Basin WI 25.9%) was 2,900 boepd during the period. The TBA field offshore Salawati Island continues to contribute in excess of 700 boepd net production.

Lematang (South Sumatra)

The approval of the plan of development for the Singa gas field (WI 25.88%) by the Indonesian regulatory authorities was received in 2006. In 2007 a gas sales agreement was signed with PT PLN (PERSERO), a major Indonesian electricity generating company to supply a gross contracted volume of 133 billion cubic feet. First gas from the Singa field is forecast for 2009 at net production rates in excess of 2,000 boepd.

In the first quarter of 2007 Lundin Petroleum completed the acquisition of an additional 10 percent working interest in the Lematang block from Serica Energy increasing our interest to 25.88 percent.

Blora (Java)

The Tengis-1 exploration well (WI 43.3 %) was spudded in May 2007.

The Netherlands

Gas production from the Netherlands for the period was 2,400 boepd.

Tunisia

The net oil production from the Oudna field (WI 40%) was 10,100 boepd during the period. Production has been above forecast for the period since the successful commissioning of the jet pump and water injection facilities on the Ikdam FPSO in late 2006.

In March 2007 Entreprise Tunisienne d'Activités Pétrolières (ETAP), the Tunisian state oil company exercised its option to acquire a 20% interest in the Oudna field and as a result Lundin Petroleum's interest reduced from 50% to 40%. Net production for the first quarter of 2007 is based upon a 50% interest for approximately 2.5 months and a 40% interest for the remainder. The consideration for the acquisition was a reimbursement of historical capital costs offset by net revenues since production start-up.

Russia

The net production from Russia during the first quarter 2007 was 5,000 boepd.

Development drilling is ongoing at the Orenburg (WI 50%) and Komi (WI 50%) production operations which will continue through 2007.

There has been significant progress during the period in relation to the preparation of the drilling of the Morskaya-1 exploration well in the Lagansky block located in the north Caspian Sea. Construction of the barge mounted facilities necessary for the shallow water drilling has been completed. However drilling has been delayed to the second half of 2007 as a result of the non-receipt of necessary permits.

Sudan

A three well exploration programme in Block 5B (WI 24.5%) is expected to commence in July 2007. Mobilisation of swamp drilling equipment into the field is currently ongoing. In addition the 2D seismic acquisition is progressing with 500 km of new data having been acquired in 2007.

Congo (Brazzaville)

In the first quarter of 2007 all government approvals were received in respect of the acquisition of an 18.75% working interest in Block Marine XI offshore Congo (Brazzaville). Work is ongoing in respect of the processing and interpretation of the newly acquired 1,200 km^2 of 3D seismic with a view to commencing drilling operations in 2008.

Vietnam

A production sharing agreement was signed in the first quarter of 2007 for a 33.33% working interest in Block 06/94 in the Nam Con Son Basin, offshore Vietnam. It is planned to acquire 750 km^2 of 3D seismic on the Block in 2007.

Ethiopia
A new production sharing contract was signed in 2006 for Blocks 2 and 6 (WI 100%) covering 24,000 km^2 in the Ogaden basin.

THE GROUP

Result
Lundin Petroleum reports a net profit for the three month period ended 31 March 2007 of MSEK 212.0 (MSEK 419.5) representing earnings per share on a fully diluted basis of SEK 0.67 (SEK 1.62) for the three month period ended 31 March 2007.

Operating cash flow for the three month period ended 31 March 2007 amounted to MSEK 611.2 (MSEK 712.5) representing operating cash flow per share on a fully diluted basis of SEK 1.94 (SEK 2.75) for the three month period ended 31 March 2007.

Earnings before interest, tax, depletion and amortisation (EBITDA) for the three month period ended 31 March 2007 amounted to MSEK 765.1 (MSEK 934.3) representing EBITDA per share on a fully diluted basis of SEK 2.43 (SEK 3.60) for the three month period ended 31 March 2007.

Changes in the Group
Income from Venezuela was derived by way of a service fee and interest income until 1 April 2006, being the effective date on which the 12.5% ownership of the Colón Block was converted into a 5% shareholding in Baripetrol SA.

On 31 July 2006 Lundin Petroleum acquired 100% of the shares of Valkyries Petroleum Corp. (“Valkyries”) in an all share transaction. The financial results of Valkyries have been fully consolidated within the Lundin Petroleum group from 1 August 2006.

Revenue
Net sales of oil and gas for the three month period ended 31 March 2007 amounted to MSEK 1,319.6 (MSEK 1,195.2) and are detailed in Note 1. Production for the three month period ended 31 March 2007 amounted to 3,655.3 (2,930.9) thousand barrels of oil equivalent (mboe) representing 40.6 mboe per day (mboepd) (32.6 mboepd) for the three month period ended 31 March 2007. The average price achieved for a barrel of oil equivalent for the three month period ended 31 March 2007 amounted to USD 55.04 (USD 58.55). The average Dated Brent price for the three month period ended 31 March 2007 amounted to USD 57.75 (USD 61.79) per barrel.

Other operating income for the three month period ended 31 March 2007 amounted to MSEK 32.4 (MSEK 49.5). 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 2007 were comprised as follows:

Sales Average price per boe* expressed in USD	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
United Kingdom			
– Quantity in mboe	1,490.2	1,774.9	5,769.0
– Average price per boe	58.68	60.49	63.76
France			
– Quantity in mboe	245.4	405.6	1,374.7
– Average price per boe	60.25	59.94	62.62
Norway			
– Quantity in mboe	71.2	76.8	319.5
– Average price per boe	52.58	56.01	60.42
Netherlands			
– Quantity in mboe	218.4	222.9	766.8
– Average price per boe	46.88	45.42	48.79
Indonesia			
– Quantity in mboe	216.4	90.0	634.1
– Average price per boe	57.14	51.90	58.65
Russia			
– Quantity in mboe	499.1	–	788.8
– Average price per boe	40.17	–	35.03
Tunisia			
– Quantity in mboe	678.2	63.0	397.3
– Average price per boe	58.33	54.10	61.79
Total			
– Quantity in mboe	**3,418.9**	2,633.2	10,050.2
– Average price per boe	**55.04**	58.55	59.70

* The average price per boe excludes the hedge settlements incurred in 2006.

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 51% of Russian sales for the three month period ended 31 March 2007 were on the export market at an average price of USD 57.53 per barrel with the remaining 49% of Russian sales being sold on the domestic market at an average price of USD 21.69 per barrel.

Production	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
United Kingdom			
– Quantity in mboe	1,416.2	1,842.6	6,086.3
– Quantity in mboepd	15.8	20.6	16.7
France			
– Quantity in mboe	263.3	345.3	1,361.7
– Quantity in mboepd	2.9	3.8	3.7
Norway			
– Quantity in mboe	71.6	87.9	316.1
– Quantity in mboepd	0.8	1.0	0.9
Netherlands			
– Quantity in mboe	218.4	222.9	766.8
– Quantity in mboepd	2.4	2.5	2.1
Indonesia			
– Quantity in mboe	263.4	209.4	904.1
– Quantity in mboepd	2.9	2.3	2.5
Russia			
– Quantity in mboe	514.8	–	808.1
– Quantity in mboepd	5.7	–	2.2
Tunisia			
– Quantity in mboe	907.6	56.7	429.1
– Quantity in mboepd	10.1	0.6	1.2
Venezuela			
– Quantity in mboe	–	166.1	160.7
– Quantity in mboepd	–	1.8	0.4
Total			
– Quantity in mboe	**3,655.3**	2,930.9	10,832.9
– Quantity in mboepd	**40.6**	32.6	29.7
Minority share in Russia			
– Quantity in mboe	62.1	–	100.4
– Quantity in mboepd	0.7	–	0.3
Total excluding minority share			
– Quantity in mboe	**3,593.2**	2,930.9	10,732.5
– Quantity in mboepd	**39.9**	32.6	29.4

Lundin Petroleum has fully consolidated certain subsidiaries in Russia of which they have control with the portion not owned by Lundin Petroleum shown as a minority interest. The average production for Russia adjusted for Lundin Petroleum's share of ownership is 5.0 mboepd.

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 period. Sales in the United Kingdom are based upon production nominated in advance and may not represent the actual production for that month. A difference between nominated and actual production will result in a timing difference in an accounting period. 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 United Kingdom 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 oil 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 oil that is sold. The crude oil that is pumped into the pipeline system is tested against the blend of crude oil 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 a quality adjustment of approximately minus five percent applied to the United Kingdom crude oil produced. In Tunisia, a portion of the production is allocated to the Tunisian state as a royalty payment. 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 2007 expressed in US dollars were comprised as follows:

Production cost and depletion in TUSD	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Cost of operations	54,399	36,464	184,320
Tariff and transportation expenses	5,120	5,300	20,310
Royalty and direct taxes	13,347	1,050	21,061
Changes in inventory/overlift	3,633	-6,743	-11,852
Total production costs	**76,499**	36,071	213,839
Depletion	43,099	25,846	105,406
Total	**119,598**	61,917	319,245

Production cost and depletion in USD per boe	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Cost of operations	14.88	12.44	17.01
Tariff and transportation expenses	1.40	1.81	1.87
Royalty and direct taxes	3.65	0.36	1.94
Changes in inventory/overlift	0.99	-2.30	-1.09
Total production costs	**20.92**	12.31	19.73
Depletion	11.79	8.82	9.73
Total cost per boe	**32.71**	21.13	29.46

Production costs for the three month period ended 31 March 2007 amounted to MSEK 536.4 (MSEK 280.6) and is detailed in Note 2. The reported cost of operations amounted to USD 14.88 per barrel (USD 12.44 per barrel) for the three month period ended 31 March 2007. The cost of operations for the three month period ended 31 March 2007 is lower than forecast because of delays in carrying out certain operating cost projects in the period. It is expected that the delayed projects will be completed in the second and third quarters of 2007 increasing the unit cost of operations to forecast levels.

Royalty and direct taxes includes Russian Mineral Resource Extraction Tax ("MRET") and Russian Export Duties. The rate of MRET varies in relation to world oil prices and is levied on the volume of Russian production. MRET averaged USD 10.19 per barrel for the three month period ended 31 March 2007. The rate of export duty on Russian oil is revised by the Russian Federation once every two months and is dependant on the price obtained for Russian oil on the export market. The export duty is levied on the volume of oil exported from Russia and averaged USD 24.98 per barrel for the three month period ended 31 March 2007.

Depletion

Depletion of oil and gas properties for the three month period ended 31 March 2007 amounted to MSEK 302.2 (MSEK 201.1) and is detailed in Note 3. Whilst the unit depletion charge for the first quarter of 2007 is higher than the comparative period, it is in line with forecast.

Write off

Write off of oil and gas properties amounted to MSEK 36.6 (MSEK 14.0) for the three month period ended 31 March 2007. Exploration and appraisal project costs are capitalised as they are incurred and then reviewed on a regular basis to assess their future recoverability. When a decision is made not to proceed with a project the relevant costs are expensed. The oil and gas properties written off for the three month period ended 31 March 2007 include the write down of the Durresi Block in Albania amounting to MSEK 31.6 where it has been deemed prudent to write off the carrying costs in the absence of any firm drilling plans. Other write offs relate to new venture projects.

Other income

Other income for the three month period ended 31 March 2007 amounted to MSEK 0.5 (MSEK 2.0) 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 2007 amounted to MSEK 51.0 (MSEK 31.8). Depreciation charges amounted to MSEK 3.9 (MSEK 2.1) for the three month period ended 31 March 2007. General and administrative expenses incurred in the first quarter of 2007 include an amount of MSEK 16.3 relating to the transaction costs for the proposed initial public offering (IPO) of Viking Oil and Gas ASA. Further costs were incurred after 31 March 2007 until the date on which the proposed IPO was withdrawn.

Financial income
Financial income for the three month period ended 31 March 2007 amounted to MSEK 59.0 (MSEK 43.0) and is detailed in Note 4. Interest income for the three month period ended 31 March 2007 amounted to MSEK 6.2 (MSEK 7.7) and included are interest received on bank accounts of MSEK 5.1 (MSEK 4.4) and interest received on a loan to an associated company for an amount of MSEK 1.1 (MSEK 1.0).

Dividend income received for the three month period ended 31 March 2007 amounted to MSEK 1.3 (MSEK 3.4) and 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 2007 amounted to MSEK 50.5 (MSEK 31.9). Exchange rate variations result primarily from fluctuations in the value of the USD currency against a pool of currencies which includes, amongst others, NOK, EUR and RUR. The exchange gains recorded in the first quarter of 2007 resulted primarily from the devaluation of the USD against the NOK and the RUR and the devaluation of the SEK against the EUR.

Financial expense
Financial expenses for the three month period ended 31 March 2007 amounted to MSEK 30.8 (MSEK 22.6) and are detailed in Note 5. Interest expense for the three month period ended 31 March 2007 amounted to MSEK 20.5 (MSEK 9.6) and mainly relates to the bank loan facility.

The amortisation of financing fees amounted to MSEK 0.1 (MSEK 4.7) for the three month period ended 31 March 2007. The financing fees are in relation to the bank loan facility and are amortised over the anticipated usage of the bank loan facility.

Tax
The tax charge for the three month period ended 31 March 2007 amounted to MSEK 242.4 (MSEK 320.0) and is detailed in Note 6.

The current tax charge of MSEK 204.4 (MSEK 251.6) comprises current corporation tax charges in, primarily the United Kingdom, France, the Netherlands, Tunisia and Indonesia.

The deferred tax charge for the three month period ended 31 March 2007 amounted MSEK 38.0 (MSEK 68.4) and consists of corporation tax amounting to MSEK 33.9 (MSEK 59.3) and petroleum tax amounting to MSEK 4.1 (MSEK 9.1). Included in the deferred corporation tax charge is a charge of MSEK 13.2 for tax losses carried forward utilised in Norway and Tunisia and a charge of MSEK 28.4 due to timing differences in the rate of depletion of oil and gas assets between accounting and fiscal reporting. The deferred petroleum tax charge relates to Petroleum Revenue Tax (PRT) in the United Kingdom.

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 24% and 78%. Currently the majority of the Group's profit is derived from the United Kingdom where the effective tax rate amounts to 50%. The effective tax rate for the Group for the three month period ended 31 March 2007 amounts to approximately 53%.

Minority interest
The net profit attributable to minority interest for the three month period ended 31 March 2007 amounted to MSEK -2.8 (MSEK 0.2) and relates primarily to the minority portion of the Russian subsidiaries which are fully consolidated.

BALANCE SHEET

Non-current assets
Oil and gas properties as at 31 March 2007 amounted to MSEK 15,452.1 (MSEK 14,407.8) and are detailed in Note 7. Development and exploration expenditure incurred for the three month period ended 31 March 2007 can be summarised as follows:

Development expenditure in MSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
United Kingdom	142.8	64.8	558.7
France	46.6	3.9	98.5
Norway	220.5	107.4	772.5
Netherlands	9.5	2.5	19.6
Indonesia	5.4	15.3	69.4
Russia	40.8	–	107.6
Tunisia	30.6	134.7	489.7
Venezuela	–	3.2	-2.4
Development expenditures	**496.2**	331.8	2,113.6

Exploration expenditure in MSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
United Kingdom	42.2	1.7	83.3
France	0.7	1.8	25.1
Norway	23.7	25.9	103.1
Netherlands	0.3	6.7	8.1
Indonesia	13.6	22.2	62.3
Russia	32.8	–	183.1
Sudan	0.7	0.9	50.6
Vietnam	16.1	–	1.8
Congo (Brazzaville)	18.2	–	79.0
Other	18.5	7.3	72.2
Exploration expenditures	**166.8**	66.5	668.6

In addition to the above development and exploration expenditure, in the first quarter of 2007 an amount of MSEK 324.0 was paid on the completion of the Peik acquisition and an amount of MSEK 35.1 was paid for the additional 10% interest in the Lematang Block which contains the Singa gas field. During the first quarter of 2007 ETAP exercised their right to participate in the Oudna field, reducing Lundin Petroleum's interest from 50% to 40%. An amount of MSEK -39.7 has been recorded against oil and gas properties as the adjustment for the participation being the net amount of past capital costs less net revenues.

Other tangible assets as at 31 March 2007 amounted to MSEK 121.7 (MSEK 117.4).

The book amount for goodwill in relation to the acquisition of Valkyries amounted to MSEK 835.4 (MSEK 817.2).

Financial assets as at 31 March 2007 amounted to MSEK 413.8 (MSEK 357.4) and are detailed in Note 8. Shares and participations amount to MSEK 270.8 (MSEK 260.3) as at 31 March 2007. Restricted cash as at 31 March 2007 amounted to MSEK 19.1 (MSEK 18.6) and represents the cash amount deposited to support a letter of credit issued in support of exploration work commitments in Sudan. Capitalised financing fees relate to the costs incurred establishing the bank credit facility and are being amortised over the period of estimated usage of the facility. Other financial assets amount to MSEK 120.8 (MSEK 78.5) and represent mainly VAT paid on exploration and development costs in Russia that is expected to be recovered from future project revenues.

The deferred tax asset amounted at 31 March 2007 to MSEK 474.9 (MSEK 488.0) and relates primarily to tax losses carried forward in Tunisia, France and Norway.

Current assets

Receivables and inventories amounted to MSEK 1,337.4 (MSEK 1,200.3) as at 31 March 2007 and are detailed in Note 9. Inventories include hydrocarbons and consumable well supplies. Corporation tax receivables as at 31 March 2007 amounted to MSEK 112.3 (MSEK 115.0) and related to tax refunds due in Norway and the Netherlands. Other assets amounted to MSEK 196.6 (MSEK 101.5) as at 31 March 2007 and include MSEK 54.7 being the amount due from ETAP in the settlement of their participation in the Oudna field.

Cash and cash equivalents as at 31 March 2007 amounted to MSEK 366.2 (MSEK 297.2).

Non-current liabilities

Provisions as at 31 March 2007 amounted to MSEK 4,618.3 (MSEK 4,481.5) and are detailed in Note 10. This amount includes a provision for site restoration of MSEK 645.3 (MSEK 624.7). The provision for deferred tax amounted to MSEK 3,941.1 (MSEK 3,832.6) and is mainly arising on the excess of book value over the tax value of oil and gas properties and the deferred tax gross up of the excess purchase price allocated to the in 2006 acquired Russian assets.

Long term interest bearing debt amounted to MSEK 2,011.1 (MSEK 1,391.1) as at 31 March 2007. The credit facility agreement entered into on the 16 August 2004 of MUSD 385.0 was increased to MUSD 500.0 on 28 February 2007. The cash drawings outstanding under the credit facility increased from MUSD 185.0 at 31 December 2006 to MUSD 270.0 as at 31 March 2007. The long term interest bearing debt also includes the long-term portion of a bank loan drawn by a subsidiary in Russia.

Current liabilities

Current liabilities as at 31 March 2007 amounted to MSEK 1,318.5 (MSEK 1,245.0) and are detailed in Note 11. Joint venture creditors amounted to MSEK 665.0 (MSEK 650.8) and mainly relates to the amounts payable for the development and operating activities in progress in Norway and Indonesia. Short-term interest bearing debt amounted to MSEK 48.4 (MSEK 47.4) and relates to the current portion of a bank loan drawn by a subsidiary in Russia.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group had 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%	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 in 2003. As of 1 January 2004, this contract had 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 were therefore charged to the income statement.

As at 31 March 2007 there were no outstanding oil price hedges or currency hedging contracts.

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 profit of MSEK 66.5 (MSEK 2.5) for the three month period ended 31 March 2007.

The profit included general and administrative expenses of MSEK 9.2 (MSEK 14.3). Interest income derived from loans to subsidiary companies amounted to MSEK 10.8 (MSEK 9.2). Currency exchange gains amounted to MSEK 60.3 (MSEK -0.6). The foreign exchange gains relates primarily to the revaluation of the loan to a subsidiary in relation to the anticipated dividend accrued for at 31 December 2006.

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 registered share capital at 31 March 2007 amounts to SEK 3,143,676 represented by

314,367,580 shares with a quota value of SEK 0.01 each. In addition there are 3,000 shares that have been issued in exchange for incentive warrants that have been exercised but were not registered by 31 March 2007.

The following incentive warrants have been issued under the Group's incentive programme for employees. The incentive warrants for 2004, 2005 and 2006 were issued at a 10% premium to the average closing price of Lundin Petroleum shares for the ten days after the relevant AGM. From these programmes the incentive warrants outstanding at the end of the period and their expiry date and exercise prices are shown below:

	Issued 2004	Issued 2005	Issued 2006
Exercise price (SEK)	45.80	60.20	97.40
Number authorised	2,250,000	3,000,000	3,250,000
Number outstanding	821,000	2,510,000	3,156,000
Exercise period	31 May 2005 –31 May 2007	15 June 2006 –31 May 2008	15 June 2007 –31 May 2009

In addition to these incentive warrants, 642,500 incentive warrants were acquired and converted to Lundin Petroleum incentive warrants and another 371,500 incentive warrants in Lundin Petroleum were issued in connection with the acquisition of Valkyries. The exercise prices of the converted acquired incentive warrants and the incentive warrants issued after the date of acquisition have an exercise price in the range 17.87 – 97.40 SEK with various exercise periods up to 31 May 2009. The number of incentive warrants associated with the Valkyries acquisition amounted at 31 March 2007 to 655,000.

ACCOUNTING PRINCIPLES

The financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Reporting, and the Swedish financial accounting standards RR31. 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 2006.

The financial statements of the Parent Company are prepared in accordance with accounting principles generally accepted in Sweden, applying RR 32 issued by the Swedish Financial Accounting Standards Council and the Annual Accounts Act. RR 32 requires the Parent Company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RR 32. The Parent Company's accounting principles do not in any material respect deviate from the Group principles.

EXCHANGE RATES

For the preparation of the annual financial statements, the following currency exchange rates have been used.

	Average	Period end
1 EUR equals SEK	9.1894	9.3462
1 USD equals SEK	7.0121	7.0177

CONSOLIDATED INCOME STATEMENT

Expressed in TSEK	Note	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Operating income				
Net sales of oil and gas	1	1,319,575	1,195,221	4,233,348
Other operating income		32,427	49,533	181,158
		1,352,002	1,244,754	4,414,506
Cost of sales				
Production costs	2	-536,419	-280,626	-1,575,781
Depletion of oil and gas properties	3	-302,217	-201,073	-776,735
Write off of oil and gas properties		-36,611	-13,987	-123,469
Gross profit		**476,755**	749,068	1,938,521
Other income		480	1,963	9,618
General, administration and depreciation expenses		-51,013	-31,833	-116,818
Operating profit		**426,222**	719,198	1,831,321
Result from financial investments				
Financial income	4	59,026	42,968	96,395
Financial expenses	5	-30,793	-22,626	-96,364
		28,233	20,342	31
Profit before tax		**454,455**	739,540	1,831,352
Tax	6	-242,436	-320,031	-1,036,917
Net result		**212,019**	419,509	794,435
Net result attributable to:				
Shareholders of the parent company		214,845	419,306	803,005
Minority interest		-2,826	203	-8,570
Net result		**212,019**	419,509	794,435
Earnings per share – SEK [1]		0.68	1.63	2.86
Diluted earnings per share – SEK [1]		0.68	1.62	2.85

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

CONSOLIDATED BALANCE SHEET

Expressed in TSEK	Note	**31 March 2007**	31 December 2006
ASSETS			
Non-current assets			
Oil and gas properties	7	15,452,099	14,407,846
Other tangible assets		121,748	117,424
Goodwill		835,435	817,185
Financial assets	8	413,777	357,442
Deferred tax		474,904	488,024
Total non-current assets		**17,297,963**	16,187,921
Current assets			
Receivables and inventory	9	1,337,435	1,200,269
Cash and cash equivalents		366,205	297,221
Total current assets		**1,703,640**	1,497,490
TOTAL ASSETS		**19,001,603**	17,685,411
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		9,405,414	8,952,680
Minority interest		1,648,329	1,615,131
Total equity		**11,053,743**	10,567,811
Non-current liabilities			
Provisions	10	4,618,275	4,481,496
Bank loans		2,011,094	1,391,063
Total non-current liabilities		**6,629,369**	5,872,559
Current liabilities	11	**1,318,491**	1,245,041
TOTAL EQUITY AND LIABILITIES		**19,001,603**	17,685,411
Pledged assets		2,472,263	1,986,537
Contingent liabilities		164,916	161,313

CONSOLIDATED STATEMENT OF CASHFLOW

Expressed in TSEK	**1 Jan 2007–31 Mar 2007 3 months**	1 Jan 2006–31 Mar 2006 3 months	1 Jan 2006–31 Dec 2006 12 months
Cash flow from operations			
Net result	212,019	419,509	794,435
Adjustments cash flow from operations	331,719	301,764	1,526,866
Changes in working capital	-85,093	-193,312	-245,905
Total cash flow from operations	**458,645**	527,961	2,075,396
Cash flow used for investments			
Investment in subsidiary assets	–	–	40,971
Investment in real estate	-139	-8,570	-18,586
Change in other financial fixed assets	-27	-1,583	-1,793
Other payments	-13	-320	-28,324
Investment in oil and gas properties	-982,923	-398,280	-2,782,309
Investment in office equipment and other assets	-5,378	-3,205	-19,399
Total cash flow used for investments	**-988,480**	-411,958	-2,809,440
Cash flow from/used for financing			
Changes in long-term bank loan	588,493	-38,899	651,574
Paid financing fees	-3,222	–	–
Proceeds from share issues	6,873	5,169	40,648
Dividend paid to minority	–	–	-2,125
Total cash flow from/used for financing	**592,144**	-33,730	690,097
Change in cash and cash equivalents	62,309	82,273	-43,947
Cash and cash equivalents at the beginning of the period	297,221	389,415	389,415
Currency exchange difference in cash and cash equivalents	6,675	-7,767	-48,247
Cash and cash equivalents at the end of the period	**366,205**	463,921	297,221

STATEMENT OF CHANGES IN GROUP EQUITY

Expressed in TSEK	Share capital	Additional paid-in-capital/ Other reserves	Retained earnings	Net result	Minority interest	Total equity
Balance at 1 January 2006	**2,571**	**1,333,405**	**1,350,133**	**993,507**	**3,050**	**3,682,666**
Transfer of prior year net result	–	–	993,507	-993,507	–	–
Currency translation difference	–	-47,888	–	–	5	-47,883
Change in fair value	–	-50,491	–	–	–	-50,491
Income and expenses recognised directly in equity	**–**	**-98,379**	**–**	**–**	**5**	**-98,374**
Net result	–	–	–	419,306	203	419,509
Total recognised income and expense	**–**	**-98,379**	**–**	**419,306**	**208**	**321,135**
Transfer to income statement	–	14,998	–	–	–	14,998
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**	**1,255,948**	**2,348,027**	**419,306**	**3,258**	**4,029,112**
Currency translation difference	–	-647,370	–	–	-89,002	-736,372
Change in fair value	–	31,301	–	–	–	31,301
Income and expenses recognised directly in equity	**–**	**-616,069**	**–**	**–**	**-89,002**	**-705,071**
Net result	–	–	–	383,699	-8,773	374,926
Total recognised income and expense	**–**	**-616,069**	**–**	**383,699**	**-97,775**	**-330,145**
Transfer to income statement	–	47,218	–	–	–	47,218
Dividend	–	–	–	–	-2,125	-2,125
Acquired minority	–	–	–	–	1,714,036	1,714,036
Issuance of shares	569	5,089,187	–	–	–	5,089,756
Transfer of share based payments	–	4,427	-4,427	–	–	–
Share based payments	–	–	22,222	–	–	22,222
Investments	–	–	–	–	-2,263	-2,263
Balance at 31 December 2006	**3,142**	**5,780,711**	**2,365,822**	**803,005**	**1,615,131**	**10,567,811**
Transfer of prior year net result	–	–	803,005	-803,005	–	–
Currency translation difference	–	218,910	–	–	36,024	254,934
Change in fair value	–	5,878	–	–	–	5,878
Income and expenses recognised directly in equity	**–**	**224,788**	**–**	**–**	**36,024**	**260,812**
Net result				214,845	-2,826	212,019
Total recognised income and expense	**–**	**224,788**	**–**	**214,845**	**33,198**	**472,831**
Transfer to income statement	–	-288	–	–	–	-288
Issuance of shares	2	6,871	–	–	–	6,873
Transfer of share based payments	–	603	-603	–	–	–
Share based payments	–	–	6,516	–	–	6,516
Balance at 31 March 2007	**3,144**	**6,012,685**	**3,174,740**	**214,845**	**1,648,329**	**11,053,743**

NOTES TO THE FINANCIAL STATEMENTS OF THE GROUP

Note 1. Segment information, TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Operating income			
Net sales of:			
Crude oil			
– United Kingdom	609,148	821,188	2,670,527
– France	103,665	190,133	634,301
– Norway	26,116	33,081	141,812
– Indonesia	85,888	35,935	272,333
– Russia	140,598	–	203,604
– Tunisia	277,373	26,498	180,912
	1,242,788	1,106,835	4,103,489
Condensate			
– United Kingdom	4,047	14,171	40,160
– Netherlands	1,706	547	6,328
– Indonesia	670	109	901
	6,423	14,827	47,389
Gas			
– Norway	138	135	442
– Netherlands	70,083	78,154	269,337
– Indonesia	143	311	820
	70,364	78,600	270,599
Service fee			
– Venezuela	–	26,078	23,478
Oil price hedging settlement	–	-31,119	-211,607
	1,319,575	1,195,221	4,233,348
Operating profit contribution			
– United Kingdom	212,343	501,428	1,268,597
– France	58,840	118,317	385,285
– Norway	5,593	17,398	72,682
– Netherlands	38,728	33,880	140,348
– Venezuela	-1,097	5,239	-49,280
– Russia	-5,849	–	-21,875
– Indonesia	22,664	42,228	106,094
– Tunisia	173,843	22,538	89,115
– Albania	-31,648	–	–
– Other	-47,195	-21,830	-159,645
Total operating profit contribution	**426,222**	719,198	1,831,321

Note 2. Production costs, TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Cost of operations	381,448	283,684	1,358,254
Tariff and transportation expenses	35,905	41,237	149,665
Direct production taxes	93,594	8,167	155,197
Change in inventory/ overlift position	25,472	-52,462	-87,335
	536,419	280,626	1,575,781

Note 3. Depletion of oil and gas properties, TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
United Kingdom	127,858	135,942	427,516
France	12,994	17,777	66,420
Norway	6,428	7,628	25,993
Netherlands	19,051	18,544	60,402
Indonesia	9,866	3,610	24,944
Russia	18,760	–	37,555
Tunisia	107,260	4,403	66,568
Venezuela	–	13,169	67,337
	302,217	201,073	776,735

Note 4. Financial income, TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Interest income	6,170	7,690	31,572
Dividends received	1,327	3,385	12,028
Foreign exchange gain, net	50,467	31,893	46,216
Fair value adjustment on pension	–	–	1,679
Repayment received on loan	1,062	–	4,900
	59,026	42,968	96,395

Note 5. Financial expenses, TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Loan interest expenses	20,514	9,644	41,803
Unwind site restoration discount	8,111	4,965	24,123
Change in market value interest rate hedge	-11	-715	691
Amortisation of deferred financing fees	134	4,708	18,633
Foreign exchange loss, net	–	–	–
Other financial expenses	2,045	4,024	11,114
	30,793	22,626	96,364

Note 6. Tax, TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Current tax	204,422	251,605	567,709
Deferred tax	38,014	68,426	469,208
	242,436	320,031	1,036,917

Note 7. Oil and gas properties, TSEK	**Book amount 31 Mar 2007**	Book amount 31 Dec 2006
United Kingdom	2,910,462	2,589,545
France	929,302	865,059
Norway	2,441,839	1,980,342
Netherlands	440,106	434,797
Indonesia	324,225	274,364
Russia	7,753,182	7,524,638
Tunisia	434,651	543,155
Sudan	78,053	75,347
Albania	–	30,283
Congo (Brazzaville)	94,114	74,232
Vietnam	17,953	1,798
Others	28,212	14,286
	15,452,099	14,407,846

Note 8. Financial assets, TSEK	**Book amount 31 Mar 2007**	Book amount 31 Dec 2006
Shares and participations	270,756	260,265
Restricted cash	19,058	18,641
Capitalised financing fees	3,137	–
Other financial assets	120,826	78,536
	413,777	357,442

Note 9. Receivables and inventories, TSEK	**Book amount 31 Mar 2007**	Book amount 31 Dec 2006
Inventories	163,281	123,679
Trade receivables	661,834	621,273
Underlift	12,623	46,936
Corporation tax	112,295	114,963
Joint venture debtors	190,795	187,671
Derivative instruments	–	4,199
Other assets	196,607	101,548
	1,337,435	1,200,269

Note 10. Provisions, TSEK	**Book amount 31 Mar 2007**	Book amount 31 Dec 2006
Site restoration	645,265	624,675
Pension	10,147	10,127
Deferred taxes	3,941,102	3,832,648
Other	21,761	14,046
	4,618,275	4,481,496

Note 11. Current liabilities, TSEK	**Book amount 31 Mar 2007**	Book amount 31 Dec 2006
Trade payables	127,916	220,734
Overlift	68,283	17,986
Tax payables	289,196	173,998
Accrued expenses	61,459	56,645
Acquisition liabilities	38,441	37,183
Joint venture creditors	664,969	650,845
Short-term bank loans	48,422	47,364
Other liabilities	19,805	40,286
	1,318,491	1,245,041

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Operating income			
Other operating income	4,576	8,178	39,218
Gross profit	**4,576**	8,178	39,218
General, administration and depreciation expenses	-9,191	-14,253	-34,192
Operating profit	**-4,615**	-6,075	5,026
Result from financial investments			
Financial income	71,081	9,151	1,806,299
Financial expenses	–	-592	-56,492
	71,081	8,559	1,749,807
Profit before tax	**66,466**	2,484	1,754,833
Tax	–	–	–
Net result	**66,466**	2,484	1,754,833

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**31 March 2007**	31 December 2006
ASSETS		
Non-current assets		
Financial assets	5,991,713	5,974,079
Total non-current assets	**5,991,713**	5,974,079
Current assets		
Receivables	1,838,851	1,791,160
Cash and cash equivalents	15,631	8,962
Total current assets	**1,854,482**	1,800,122
TOTAL ASSETS	**7,846,195**	7,774,201
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,844,268	7,764,091
Current liabilities	1,927	10,110
TOTAL EQUITY AND LIABILITIES	**7,846,195**	7,774,201
Pledged assets	2,472,263	1,986,537
Contingent liabilities	164,916	161,313

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Cash flow from/used for operations			
Net result	66,466	2,484	1,754,833
Adjustments for non- cash related items	-60,565	5,000	-8,484
Changes in working capital	4,354	-4,235	-1,787,486
Total cash flow from/used for operations	**10,255**	3,249	-41,137
Cash flow used for investments			
Change in other financial fixed assets	-10,546	-14,295	-3,242
Investment in subsidiaries	–	-149	–
Total cash flow used for investments	**-10,546**	-14,444	-3,242
Cash flow from financing			
Proceeds from share issues	6,873	5,169	40,648
Total cash flow from financing	**6,873**	5,169	40,648
Change in cash and cash equivalents	6,582	-6,026	-3,731
Cash and bank at the beginning of the period	8,962	10,856	10,856
Currency exchange difference in cash and cash equivalents	87	227	1,837
Cash and cash equivalents at the end of the period	**15,631**	5,057	8,962

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY

	Restricted Equity		Unrestricted equity			
	Share Capital	Statutory reserve	Other Reserves	Retained Earnings	Net result	Total equity
Balance at 1 January 2006	2,571	861,306	–	23,118	6,265	893,260
Transfer of prior year net result	–	–	–	6,265	-6,265	–
New share issuance	2	–	5,167	–	–	5,169
Transfer of share based payments	–	–	757	-757	–	–
Share based payments	–	–	–	5,144	–	5,144
Currency translation difference	–	–	-14,181	–	–	-14,181
Net result	–	–	–	–	2,484	2,484
Balance at 31 March 2006	**2,573**	**861,306**	**-8,257**	**33,770**	**2,484**	**891,876**
New share issuance	569	–	5,089,187	–	–	5,089,756
Transfer of share based payments	–	–	4,427	-4,427	–	–
Share based payments	–	–	–	22,222	–	22,222
Currency translation difference	–	–	7,888	–	–	7,888
Net result	–	–	–	–	1,752,349	1,752,349
Balance at 31 December 2006	**3,142**	**861,306**	**5,093,245**	**51,565**	**1,754,833**	**7,764,091**
Transfer of prior year net result	–	–	–	1,754,833	-1,754,833	–
New share issuance	2	–	6,871	–	–	6,873
Transfer of share based payments	–	–	603	-603	–	–
Share based payments	–	–	–	6,516	–	6,516
Currency translation difference	–	–	322	–	–	322
Net result	–	–	–	–	66,466	66,466
Balance at 31 March 2007	**3,144**	**861,306**	**5,101,041**	**1,812,311**	**66,466**	**7,844,268**

KEY FINANCIAL DATA

Data per share	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Shareholders' equity SEK per share [1]	35.16	15.60	33.63
Operating cash flow SEK per share [2]	1.94	2.75	8.05
Cash flow from operations SEK per share [3]	1.45	2.04	7.35
Earnings SEK per share [4]	0.67	1.63	2.83
Earnings SEK per share fully diluted [5]	0.67	1.62	2.81
Dividend per share	–	–	–
Quoted price at the end of the financial period (regards the parent company), SEK	82.75	90.00	79.50
Number of shares at period end	314,370,580	257,316,166	314,215,080
Weighted average number of shares for the period [6]	314,386,176	257,255,749	280,867,805
Weighted average number of shares for the period (fully diluted) [6]	315,277,422	259,181,652	282,251,337

Key data group	**1 Jan 2007– 31 Mar 2007 3 months**	1 Jan 2006– 31 Mar 2006 3 months	1 Jan 2006– 31 Dec 2006 12 months
Return on equity, % [7]	3	11	11
Return on capital employed, % [8]	5	15	22
Debt/equity ratio, % [9]	17	5	12
Equity ratio, % [10]	49	49	51
Share of risk capital, % [11]	79	71	81
Interest coverage ratio, % [12]	2,276	6,603	4,010
Operating cash flow/interest ratio [13]	2,927	6,265	4,848
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 result divided by the weighted average number of shares for the period.

5 the Group's net result 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 period with new issue of shares weighted for the proportion of the period they are in issue.

7 the Group's net result 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 result 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 2007) will be published on 15 August 2007.
- The nine months report (January–September 2007) will be published on 14 November 2007.

Stockholm 15 May 2007

C. Ashley Heppenstall
President & CEO

The financial information relating to the three month period ended 31 March 2007 has not been subject to review by the auditors of the Company.

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