Lundin Petroleum AB (publ)

company registration number 556610-8055

3 Report for the THREE MONTHS ended 31 March 2009

HIGHLIGHTS

	1 Jan 2009– 31 Mar 2009 3 months	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Production in Mboepd, gross	39.3	27.8	32.4
Production in Mboepd, after minority	38.8	27.1	31.7
Operating income in MSEK	1,260.5	1,223.3	6,393.7
Net profit in MSEK	96.0	395.5	310.3
Net profit attributable to shareholders of the parent company in MSEK	141.6	388.6	560.0
Earnings/share in SEK[1]	0.45	1.23	1.77
Diluted earnings/share in SEK[1]	0.45	1.23	1.77
EBITDA in MSEK	763.9	726.4	3,878.4
Operating cash flow in MSEK	865.0	678.1	4,092.1

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

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
CHF	Swiss franc
EUR	Euro
GBP	British pound
NOK	Norwegian krona
RUR	Russian rouble
SEK	Swedish krona
USD	US dollar
TSEK	Thousand SEK
TUSD	Thousand USD
MSEK	Million SEK
MUSD	Million USD

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

Dear fellow Shareholders,

Following the major turbulence in the financial markets in 2008 and early 2009, resulting in unprecedented falls in world equity and commodity markets, we have seen over the past few weeks at least some degree of stabilisation in the markets. Whilst there are some early signs of positive news, particularly from the Far Eastern economies, it is in my opinion too early to conclude that this is yet the beginning of an economic recovery. My biggest concern remains the lack of availability of credit because of the continued uncertainty surrounding the banking system.

Commodity prices have recovered over the past weeks from their lows with apparent improving Chinese demand and in the case of oil, strong OPEC quota compliance. Despite continued inventory build and reducing demand, oil prices have stabilised around USD 50 per barrel with forward oil prices still in excess of USD 70 per barrel.

We have seen a number of independent oil and gas companies in Europe facing severe liquidity issues as a result of the falling oil price and more importantly overleverage. This has resulted in the failure of companies such as Oilexco which was one of the most active independents in the United Kingdom sector of the North Sea as well as other companies being forced to sell assets to generate liquidity. The financial problems facing a number of the banks who have historically supported the oil and gas industry have further exacerbated these problems.

We continue to believe in strong long term oil prices. When the economy does start to recover, increased demand for hydrocarbons will be needed to fuel this growth. Whilst there will quite rightly be an increasing focus on renewable energy as a result of global warming concerns, the reality is that fossil fuels will remain the predominant source of the world's energy for the foreseeable future. With production from many of the worlds largest oil fields starting to decline, our industry will simply be unable to supply this increasing demand for oil. The situation will be further exacerbated by the current reduction in investment caused by lower oil prices and the financial crisis. The industry needs much higher oil prices to stimulate the investment required to meet increased demand. In addition, the major government financial stimulus packages will feed into the system and generate inflationary pressure on our economies. In my opinion, it is inevitable that oil prices will have to increase- it is not if, but when.

I am optimistic regarding the prospects for Lundin Petroleum. We continue to believe that our ongoing ability to increase our reserves and production will increase shareholder value. In this respect we are continuing to invest in the development of fields such as Volund in Norway as well as a significant exploration programme. However we maintain a close focus upon cash flow and liquidity and our investment programme is tailored to ensure that we do not require third party equity or additional debt in today's uncertain markets. We continue to generate strong operating cash flow particularly in Norway.

Financial Performance

Lundin Petroleum generated a net profit after taxes for the three months ended 31 March 2009 of MSEK 96.0 (MUSD 11.5). Despite higher production for the quarter compared to the comparative quarter of 2008 being offset by a lower oil price achieved the operating cash flow for the period was MSEK 865.0 (MUSD 103.0), a 28 percent increase over the comparative period. Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period was MSEK 763.9 (MUSD 90.9) representing an increase of 5 percent over the comparative period.

Reserves

During the first quarter of 2009, we announced record reserve increases of 26 percent to 217.5 million barrels of oil equivalent (MMboe) as at 1 January 2009. We have consistently been successful in organically growing our reserve base over the past few years but 2008 was exceptional with a 394 percent reserve replacement ratio - almost four barrels of new reserves for every one produced. The reserves do not include any contribution associated with the Luno discovery which was successfully appraised earlier this year. We expect that Luno reserves will be booked during the second quarter following the incorporation of the recent well results.

LETTER TO SHAREHOLDERS

Production

The net production for the first quarter of 2009 was 38,800 barrels of oil equivalent per day (boepd) and was at the high end of our guidance range for the quarter. The Alvheim field offshore Norway produced strongly during the period but I was particularly pleased with the performance from our United Kingdom fields. We have struggled with production performance in the United Kingdom over recent years due to weak facilities uptime performance. I believe that our first quarter production is a reflection upon the investments we have made in these late life fields and that performance will continue to outperform.

We maintain our production guidance of 35,000 to 42,000 boepd for 2009. However the previously anticipated reduction in Alvheim production during the third quarter will now be replaced by a planned Alvheim shutdown in the second quarter for 10 days which will negatively impact second quarter production.

Exploration

Following our exploration successes in Norway and Russia in 2008, we have a significant exploration programme in 2009.

I am particularly excited about our programme in Norway where we will be commencing an intensive three year exploration programme utilising the Songa Dee and Transocean Winner semi-sub rigs which we have secured on long term charter with Marathon and Talisman. We will be drilling seven exploration wells this year targeting 340 MMboe of net unrisked resource potential. Over the last five years we have organically built a major licence position on the Norwegian Continental Shelf. Over this period we have worked up numerous drillable prospects which I hope will add to the Luno discovery which we made with our first operated well in Norway. There is a particular focus on the Greater Luno and Greater Alvheim areas where we feel we have a particular understanding of the subsurface. We are very pleased to have welcomed StatoilHydro into some of our Greater Luno licences which I think is a strong indication of the potential of this area. This deal with StatoilHydro also gives us access to rig capacity to drill our Barents Sea acreage in the future.

We also look forward to drilling the Petrovskaya prospect in our Lagansky Block, offshore Russia. This is a challenging operating environment but the resource potential is very significant and I am confident we will add further resource to the Morskaya discovery made last year.

In South East Asia we commence our drilling campaign in 2009 in Vietnam. We are encouraged by the growth of our South East Asian portfolio in Malaysia and Indonesia. As in Norway we believe that with the correct technical tools particularly 3D seismic, a strong exploration team and a corporate philosophy willing to invest exploration dollars we can replicate our Norwegian organic growth model in South East Asia.

Following our unsuccessful drilling campaign in Sudan, we have exited the country. In addition we have divested the balance of our East African portfolio in Kenya and Ethiopia. With our Tunisian production close to its economic cut-off, we are reducing our focus on Africa as our operations in Europe, Russia and South East Asia grow.

Whilst we are not being complacent I can report that our business is in good shape both technically and financially. It is important that in such economic downturns we get the balance right between maintaining investment programmes and a prudent balance sheet. I believe we are on the right track and will emerge from this downturn a stronger and more valuable company.

Best Regards,

C. Ashley Heppenstall
President and CEO

OPERATIONS

EUROPE

Norway

The net production to Lundin Petroleum for the three month period ended 31 March 2009 from the Alvheim field (Lundin Petroleum working interest (WI) 15%), offshore Norway, was 13,800 boepd. The Alvheim field which came onstream in June 2008 has performed ahead of expectation during the period. Development drilling for Phase 1 of the Alvheim project has been successfully completed and Phase 2 which involves the drilling of a further 3 multi-lateral wells will start in 2010 and will be completed in 2011. The average cost of operations for the Alvheim field is currently below USD 5 per barrel.

The first production from the Volund field (WI 35%) is expected in late 2009 with a plateau rate of 8,700 boepd net to Lundin Petroleum. Volund is a sub-sea tie back to the Alvheim FPSO and the installation of the sub-sea facilities is substantially complete. The development drilling on Volund is ongoing using the Deep Sea Bergen rig.

In March 2009, Lundin Petroleum acquired, subject to government approval, a 40 percent interest in PL301, offshore Norway from Talisman Energy. The licence contains the undeveloped Krabbe oil discovery. We have an active focus in the area with the ongoing field development work on the nearby Nemo oil field in PL148 (WI 50%) and will now be reviewing a coordinated approach to the development of the two fields with Lundin Petroleum being operator of both licences.

In April 2009, the exploration well 2/5–14S in PL006c (WI 75%) targeting the Hyme prospect was plugged and abandoned as a dry hole. The planned subsequent sidetrack of this well to appraise the South East Tor field was postponed pending further technical and economic analysis.

The Luno oil discovery in PL338 (WI 50%) was drilled in 2007. In January 2009 the first Luno appraisal well was successfully completed confirming the extension of the Luno field to the north east. The well was tested at a flow rate of approximately 4,000 bopd. The results of the appraisal well will be incorporated into a revised reserve estimate which is expected to be released in the second quarter of 2009.

A further exploration well will be drilled in PL338 mid-year 2009 to test further resource potential to the south of the Luno field. This well will be targeting the Luno extension prospect which contains gross potential recoverable resource of 240 MMboe.

Lundin Petroleum has a major acreage position in the Greater Luno Area covering licences PL359 (WI 70%), PL409 (WI 100%), PL410 (WI 100%) and PL501 (WI 40%). In April 2009 a farmout agreement was signed with StatoilHydro covering licences PL359, PL409 and PL410 whereby they will acquire a 30 percent interest in Production Licences 359 and 410 and a 10 percent interest in Production Licence 409. StatoilHydro will pay a disproportionate share of the costs of the 3D seismic programme and exploration drilling to be carried out for PL359 and PL410. Exploration wells will be drilled on all three licences in 2009/2010.

United Kingdom

The net production to Lundin Petroleum averaged 10,400 barrels of oil equivalent per day (boepd) during the period.

Net production from the Broom field (WI 55%) averaged 5,400 boepd during the period. As a result of the performance of the Broom infill development well completed in 2008, Broom net proven and probable reserves increased as at 1 January 2009 by 3.8 million barrels. Further Broom infill development is being considered for 2010 subject to the final results of new seismic interpretation and a revised reservoir model over the Broom field.

Production from the Heather field (WI 100%) averaged 1,400 boepd during the period. The Heather production was positively impacted by gas compressor uptime which improved during March with a sustained period of two compressor operations. As a result of the completion of redevelopment studies for the Heather field based upon new 3D seismic acquired by Lundin Petroleum, recoverable net proven and probable reserves have increased by 13.5 million barrels as at 1 January 2009.

Net production from the Thistle field (WI 99%) averaged 3,600 boepd during the period. Production during the period was ahead of expectations due to good water injection performance. The reinstatement of damaged power generation facilities is expected to be completed at mid-year 2009 and will have a further positive impact upon facilities uptime. The redevelopment of the Thistle field is ongoing with the rebuild of the Thistle drilling rig substantially complete. Following the completion of new 3D seismic acquisition on the Thistle field, a subsurface review has identified multiple new drilling and workover opportunities resulting in an increase to net proven and probable reserves of 13.1 million barrels as at 1 January 2009.

Lundin Petroleum owns approximately 40 percent of the undeveloped Peik gas/condensate field which straddles the United Kingdom/Norway boundary and is the operator. In view of the current oil and gas price environment and capital cost structure, the Peik development decision has been deferred.

France

The net production in the Paris Basin averaged 2,800 boepd and in the Aquitaine Basin (WI 50%) averaged 700 boepd for the period.

The technical evaluation has been completed on the results of the Dordives 1-D exploration well on the Ferrières licence (WI 65%) following the completion of the well in 2008. It is likely that the oil encountered was residual in nature and that the reservoir is water bearing.

The exploration well Vaxy-1 on the Pays du Saulnois licence (WI 50%) was completed in 2008. The preliminary well data interpretation is not conclusive and further technical studies are still ongoing to determine whether to proceed with a testing programme.

The Netherlands

The net gas production from the Netherlands averaged 2,400 boepd for the period.

SOUTH EAST ASIA

Indonesia

Salawati Island and Basin (Papua)

The net production from Salawati (Salawati Island WI 14.5%, Salawati Basin WI 25.9%) was 2,500 boepd for the period.

The successful South East Walio-1 exploration well in Salawati Basin was put on production during the first quarter of 2009 at a gross production rate in excess of 1,000 bopd. Two further appraisal wells will be drilled on South East Walio during 2009. The initial estimates of the South East Walio discovery were 10-15 MMboe. This estimate is likely to be conservative and a revised estimate will be calculated over the forthcoming months.

Lematang (South Sumatra)

The development of the Singa gas field (WI 25.9%) is ongoing with first gas production in 2009. A gas sales agreement is in place with PT PLN (PERSORO) an Indonesian electricity generating company to supply a gross contracted volume of 133 Bscf.

Vietnam

The drilling of the first exploration well on Block 06/94 (WI 33.33%) targeting the Tuong Vi prospect with unrisked gross potential resources of 159 MMboe will begin in the second quarter of 2009.

Malaysia

A 2,150 km^2 3D seismic acquisition programme on blocks PM308A (WI 35%), PM308B (WI 75%) and SB303 (WI 75%) will take place in 2009.

Cambodia

The 270 km^2 of 3D seismic acquired in Block E (WI 34%), offshore Cambodia is now being interpreted. The preliminary interpretation indicates limited prospectivity.

RUSSIA

The net oil production from Russia for the period was 4,700 boepd. Production was negatively impacted in the period by the reduction of production due to the uneconomic level of production taxes in the reducing oil price environment.

In 2008 the first exploration well, Morskaya-1 drilled in the Lagansky Block (WI 70%) in the northern Caspian resulted in a major oil discovery. It is estimated the Morskaya discovery contains between 110 and 450 MMboe of recoverable resources from the part of the structure contained within the Lagansky Block. The Morskaya structure is a large four-way dip closure with an areal extent of approximately 130 km^2 for the full structure. An exploration/appraisal well will be drilled on the Morskaya discovery in 2010/2011. The Petrovskaya prospect is another four way dip closure structure updip of the Morskaya discovery containing an estimated 300 MMboe of gross potential resource. The Petrovskaya exploration well will be spudded in the third quarter of 2009 from an island location close to the Volga shipping channel.

During the first quarter an extension to the Lagansky Block licence until 2014 was agreed with the Russian Licensing agency Rosnedra.

An option agreement in relation to the Lagansky Block was signed in 2007 with JSC Gazprom ("Gazprom") whereby Gazprom acquired an option exercisable for a 50 percent plus one share in the Lagansky Block. In addition Lundin Petroleum has signed an option agreement with its minority partner Mintley Kalmykia to purchase its 30 percent interest. Lundin Petroleum has under the terms of its option agreement with Mintley Kalmykia exercised the option, with closing subject to various approvals. The net effect of the option deals would be a Gazprom ownership of 50 percent plus one share and a Lundin Petroleum ownership of 50 percent less one share in the Lagansky Block.

AFRICA

Tunisia
The net oil production from the Oudna field (WI 40%) averaged 1,500 boepd for the period. Production continues to outperform expectations with high facilities uptime.

Sudan
In 2008 three unsuccessful exploration wells were drilled in Block 5B. The results of the exploration drilling indicate the poor source rock quality is the likely reason for the negative drilling results. This is negative for the exploration potential in the southern Muglad Basin covering Block 5B and as a result the decision has been taken not to enter the second exploration phase for Block 5B. As a result Lundin Petroleum has exited operations in Sudan.

Congo (Brazzaville)
Drilling will commence on Block Marine XI (WI 18.75%) in 2009 when two wells will be drilled. The first well will be an exploration well targeting the post-salt Sendji prospect with gross unrisked potential of 73 MMboe followed by an appraisal of the Viodo discovery.

In Block Marine XIV (WI 21.55%) a 3D seismic survey has been completed and exploration drilling will commence in 2010.

Ethiopia/Kenya
In April 2009 Lundin Petroleum completed the sale of its Kenyan and Ethiopian assets to Africa Oil Corporation for a consideration of USD 23.7 million.

THE GROUP

Result

Lundin Petroleum reports a net profit for the three month period ended 31 March 2009 of MSEK 96.0 (MSEK 395.5). Net profit attributable to shareholders of the Parent Company amounted to MSEK 141.6 (MSEK 388.6) representing earnings per share on a fully diluted basis of SEK 0.45 (SEK 1.23) for the three month period ended 31 March 2009.

Operating cash flow for the three month period ended 31 March 2009 amounted to MSEK 865.0 (MSEK 678.1) representing operating cash flow per share on a fully diluted basis of SEK 2.76 (SEK 2.15) for the three month period ended 31 March 2009.

Earnings before interest, tax, depletion and amortisation (EBITDA) for the three month period ended 31 March 2009 amounted to MSEK 763.9 (MSEK 726.4) representing EBITDA per share on a fully diluted basis of SEK 2.44 (SEK 2.30) for the three month period ended 31 March 2009.

Changes in the Group

On 1 February 2008, Lundin Petroleum completed the sale of its wholly owned subsidiary Lundin Latina de Petróleos S.A. to PetroFalcon and the acquisition of shares and warrants in PetroFalcon through a private placement. As a result of these transactions, Lundin Petroleum became the largest shareholder in PetroFalcon with a shareholding of approximately 64 million shares of PetroFalcon. In April 2008, PetroFalcon entered into an agreement to acquire further Venezuelan assets. Lundin Petroleum agreed to guarantee certain of PetroFalcon's obligations under that agreement and in part consideration, received approximately 7.1 million shares of PetroFalcon. Lundin Petroleum holds approximately 45 percent of the issued and outstanding common shares of PetroFalcon. PetroFalcon is a natural resource company with oil and gas operations in Venezuela. PetroFalcon is listed on the Toronto Stock Exchange (ticker symbol "PFC") and has existing proven and probable reserves before royalties of 30.6 million barrels of oil equivalent (MMboe) as of 1 January 2009. The shareholding in PetroFalcon has been accounted for under the equity method whereby only the change in equity is accounted for in the income statement of the Group under the heading Result from share in associated company.

Revenue

Net sales of oil and gas for the three month period ended 31 March 2009 amounted to MSEK 1,229.6 (MSEK 1,199.0) and are detailed in Note 1. Production for the three month period ended 31 March 2009 amounted to 3,537.0 (2,528.0) thousand barrels of oil equivalent (Mboe) representing 39.3 Mboe per day (Mboepd) (27.8 Mboepd) for the three month period ended 31 March 2009. The average price achieved for a barrel of oil equivalent for the three month period ended 31 March 2009 amounted to USD 43.47 (USD 83.95). The average Dated Brent price for the three month period ended 31 March 2009 amounted to USD 44.46 (USD 96.71) per barrel.

Other operating income for the three month period ended 31 March 2009 amounted to MSEK 30.8 (MSEK 24.3). This amount includes tariff income from Norway, the United Kingdom, France and the Netherlands and income for maintaining strategic inventory levels in France. The Alvheim field in Norway receives a tariff for operating services from the Vilje field which is produced through the Alvheim FPSO. Compared to the comparative period, this income has offset the reduced tariff income from the Broom field in the United Kingdom.

Sales for the three month period ended 31 March 2009 were comprised as follows:

Sales Average price per boe expressed in USD	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
United Kingdom			
- Quantity in Mboe	705.7	903.6	3,523.3
- Average price per boe	44.46	96.88	96.41
France			
- Quantity in Mboe	341.4	346.3	1,325.8
- Average price per boe	45.96	96.94	92.63
Norway			
- Quantity in Mboe	1,169.8	52.6	2,385.0
- Average price per boe	47.05	86.77	90.45
Netherlands			
- Quantity in Mboe	220.1	220.0	839.1
- Average price per boe	63.25	61.51	70.90
Indonesia			
- Quantity in Mboe	100.4	120.3	483.4
- Average price per boe	41.41	92.07	92.92
Russia			
- Quantity in Mboe	569.7	543.7	1,985.4
- Average price per boe	24.74	61.05	62.85
Tunisia			
- Quantity in Mboe	261.4	92.6	441.0
- Average price per boe	46.52	84.75	116.22
Total			
- Quantity in Mboe	**3,368.5**	2,279.1	10,983.0
- Average price per boe	**43.47**	83.95	87.29

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 32% of Russian sales for the three month period ended 31 March 2009 were on the export market at an average price of USD 41.04 per barrel with the remaining 68% of Russian sales being sold on the domestic market at an average price of USD 17.13 per barrel.

The gas price for which the Netherlands gas is sold is based on a calculation which includes market pricing data for the previous six months. This pricing lag explains the high price achieved during the period compared to average Brent oil price.

Production	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
United Kingdom			
- Quantity in Mboe	931.9	1,006.6	3,706.0
- Quantity in Mboepd	10.4	11.2	10.2
France			
- Quantity in Mboe	318.0	357.7	1,394.1
- Quantity in Mboepd	3.5	3.9	3.8
Norway			
- Quantity in Mboe	1,233.1	49.4	2,372.1
- Quantity in Mboepd	13.8	0.5	6.5
Netherlands			
- Quantity in Mboe	220.1	220.0	839.1
- Quantity in Mboepd	2.4	2.4	2.3
Indonesia			
- Quantity in Mboe	225.8	221.0	853.3
- Quantity in Mboepd	2.5	2.4	2.3
Russia			
- Quantity in Mboe	471.8	525.5	2,091.2
- Quantity in Mboepd	5.2	5.8	5.7
Tunisia			
- Quantity in Mboe	136.3	147.8	586.4
- Quantity in Mboepd	1.5	1.6	1.6
Total			
- Quantity in Mboe	**3,537.0**	2,528.0	11,842.2
- Quantity in Mboepd	**39.3**	27.8	32.4
Minority interest in Russia			
- Quantity in Mboe	44.5	62.3	239.9
- Quantity in Mboepd	0.5	0.7	0.7
Total excluding minority interest			
- Quantity in Mboe	**3,492.5**	2,465.7	11,602.3
- Quantity in Mboepd	**38.8**	27.1	31.7

Lundin Petroleum has fully consolidated the subsidiaries in Russia over which it has control, with the portion not owned by Lundin Petroleum shown as a minority interest. The average production for Russia for the three month period ended 31 March 2009 adjusted for Lundin Petroleum's share of ownership is 4.7 Mboepd (5.1 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 for which the accounting effect is 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 Heather/Broom field, offshore 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 2009 amounted to MSEK 466.8 (MSEK 460.4) and are detailed in Note 2. The reported cost of operations amounted to USD 14.48 per barrel (USD 23.41 per barrel) for the three month period ended 31 March 2009.

Production costs for the three month period ended 31 March 2009 expressed in US dollars were comprised as follows:

Production cost and depletion in TUSD	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Cost of operations	51,222	59,172	253,933
Tariff and transportation expenses	8,161	7,001	32,590
Royalty and direct taxes	7,366	18,837	80,738
Changes in inventory/overlift	-11,158	-11,542	-3,511
Total production costs	**55,591**	73,468	363,750
Depletion	41,958	31,692	157,823
Total	**97,549**	105,160	521,573

Production cost and depletion in USD per boe	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Cost of operations	14.48	23.41	21.44
Tariff and transportation expenses	2.31	2.77	2.75
Royalty and direct taxes	2.08	7.45	6.82
Changes in inventory/overlift	-3.15	-4.57	-0.30
Total production costs	**15.72**	29.06	30.71
Depletion	11.86	12.54	13.33
Total cost per boe	**27.58**	41.60	44.04

Actual cost of operations for the three month period ended 31 March 2009 was 17% under forecast in US Dollar terms. This variance in USD terms was mainly attributable to favourable currency rates compared to the forecast. This had the largest impact on the United Kingdom operations where cost of operations was in line with forecast in GBP terms but was 18% lower than forecast in USD terms.

The cost of operations per barrel for the three month period ended 31 March 2009 was significantly lower than the first quarter of 2008 as a result of the contribution of the Alvheim field at a cost of operations of less than USD 5 per barrel.

Tariff and transportation expenses have increased compared to the comparative period due to costs associated with the Alvheim field now onstream.

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 6.87 (USD 17.98) per barrel for the three month period ended 31 March 2009. 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 15.42 (USD 41.51) per barrel for the three month period ended 31 March 2009. The tariff and transportation expenses have decreased compared to the comparative period following the fall in crude prices impacting the cost of Russian MRET and export duty which makes up the majority of the overall expense.

As mentioned in the production section, there are both permanent and timing differences that result in sales volumes not being equal to production volumes during a period. Changes to the hydrocarbon inventory and under or overlift positions result from timing differences.

Depletion

Depletion of oil and gas properties for the three month period ended 31 March 2009 amounted to MSEK 352.3 (MSEK 198.6) and is detailed in Note 3. The depletion charge is higher than the comparative period due to the higher production volumes produced in the quarter.

The depletion rate per barrel in the first quarter of 2009 is in line with forecast and the comparative period.

Exploration costs

Exploration costs for the three month period ended 31 March 2009 amounted to MSEK 34.0 (MSEK 95.4) and are detailed in note 4. Exploration and appraisal costs are capitalised as they are incurred. When exploration drilling is unsuccessful the costs are immediately charged to the income statement as exploration costs. All capitalised costs are reviewed on a regular basis and where there is uncertainty regarding the future of a project such capitalised costs are expensed.

During the first quarter of 2009, the costs associated with drilling the Paris Basin exploration wells Dordives 1-D and Vaxy-1 were expensed amounting to MSEK 21.7.

Sale of asset

Sale of assets for the three month period ended 31 March 2009 amounted to MSEK - (MSEK 115.1). The comparative period included the sale of the wholly owned subsidiary Lundin Latina de Petróleos S.A. to PetroFalcon in exchange for shares in PetroFalcon.

Other income

Other income for the three month period ended 31 March 2009 amounted to MSEK 0.9 (MSEK 0.4) 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 2009 amounted to MSEK 30.6 (MSEK 36.9). Depreciation charges amounted to MSEK 6.2 (MSEK 5.3) for the three month period ended 31 March 2009.

Financial income

Financial income for the three month period ended 31 March 2009 amounted to MSEK 9.2 (MSEK 172.1) and is detailed in Note 6. Interest income for the three month period ended 31 March 2009 amounted to MSEK 6.0 (MSEK 10.9) and includes interest received on bank accounts of MSEK 5.0 (MSEK 9.7) and interest received on a loan to an associated company of MSEK 1.0 (MSEK 1.2).

Dividend income received for the three month period ended 31 March 2009 amounted to MSEK 3.0 (MSEK 3.6) and relates to distributions received from an unconsolidated investment in a company owning an interest in the Dutch gas processing and transportation infrastructure (NOGAT).

Financial expense

Financial expenses for the three month period ended 31 March 2009 amounted to MSEK 64.3 (MSEK 38.8) and are detailed in Note 7. Interest expense for the three month period ended 31 March 2009 amounted to MSEK 23.3 (MSEK 23.6) and mainly relates to the bank loan facility.

Net exchange losses for the three month period ended 31 March 2009 amounted to MSEK 12.4 (MSEK -155.2). This amount includes an 86.3 MSEK loss (MSEK -) relating to the currency hedge contracts entered into in September 2008.

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 the Russian Rouble (RUR). Lundin Petroleum has USD denominated debt recorded in subsidiaries using a functional currency other than USD.

The amortisation of financing fees for the three month period ended 31 March 2009 amounted to MSEK 4.5 (MSEK 2.1). During the fourth quarter of 2007, Lundin Petroleum signed new credit facilities totalling USD one billion. The fees capitalised in relation to the new credit facilities will be amortised over the anticipated usage of the facility.

Result from share in associated company

The result from share in associated company for the three month period ended 31 March 2009 amounted to MSEK -7.7 (MSEK -2.8) and consists of the 44.81% equity share of the result of PetroFalcon owned by Lundin Petroleum.

Tax

The tax charge for the three month period ended 31 March 2009 amounted to MSEK 218.8 (MSEK 282.5) and is detailed in Note 8.

The current tax credit of MSEK 71.4 (MSEK -84.8) for the three month period ended 31 March 2009 comprises a current tax credit in Norway of MSEK 130.9 in relation to the exploration expenditures partially offset by current tax charges in primarily France, Tunisia, the Netherlands and Indonesia.

The deferred tax charge for the three month period ended 31 March 2009 amounted to MSEK 290.2 (MSEK 197.8) and consists of corporation tax charge amounting to MSEK 317.9 (MSEK 188.9) and petroleum tax credit amounting to MSEK 27.7 (MSEK -8.9). The deferred tax charge is higher for the first quarter of 2009 as compared to the comparative period due to the increased Norway deferred tax charge on Alvheim revenues. In addition, as a result of the lower oil prices in 2009, there is more certainty in obtaining the Norway exploration tax refund and therefore this item has been accounted for in current tax with a corresponding increased charge in deferred tax.

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 20% and 78%. Due to the low oil price achieved during the first quarter of 2009 certain areas of operation have incurred a pre-tax loss. The mixture of pre-tax profits and losses along with the difference in tax rates applied, has resulted in a disproportionately high effective tax rate. The effective tax rate for the Group for the three month period ended 31 March 2009 amounts to approximately 70%.

Minority interest

The net result attributable to minority interest for the three month period ended 31 March 2009 amounted to MSEK -45.7 (MSEK 6.9) 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 2009 amounted to MSEK 22,826.9 (MSEK 20,996.2) and are detailed in Note 9.

Development and exploration expenditure incurred for the three month period ended 31 March 2009 is as follows:

Development expenditure in MSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
United Kingdom	132.2	361.7	1,027.0
France	6.3	4.7	123.3
Norway	181.4	221.3	853.5
Netherlands	18.0	23.0	63.0
Indonesia	69.4	21.2	96.0
Russia	21.7	39.4	158.0
Tunisia	–	3.3	6.3
Development expenditures	**429.0**	674.6	2,327.1

Exploration expenditure in MSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
United Kingdom	4.8	30.7	175.2
France	16.9	2.0	45.7
Norway	489.6	255.8	932.5
Indonesia	25.9	5.0	58.6
Russia	50.7	65.5	541.7
Sudan	7.3	64.2	219.3
Ethiopia	4.3	9.0	16.8
Vietnam	3.9	3.3	47.3
Cambodia	3.6	13.6	63.2
Congo (Brazzaville)	20.8	3.6	22.5
Kenya	7.0	4.0	55.9
Malaysia	11.9	0.2	49.8
Other	8.4	9.1	36.1
Exploration expenditures	**655.1**	466.0	2,264.6

Other tangible assets as at 31 March 2009 amounted to MSEK 134.1 (MSEK 128.0) and represents office fixed assets and real estate.

The book value for goodwill in relation to the acquisition of the Russian business in 2006 amounted to MSEK 978.6 (MSEK 929.8) as at 31 March 2009. The movement in book value results from a change in exchange rate used for the consolidation of the financial statements.

Financial assets as at 31 March 2009 amounted to MSEK 864.7 (MSEK 895.3) and are detailed in Note 10. Share in associated company amounted to MSEK 501.3 (MSEK 505.7) and relates to the 44.81% share in PetroFalcon. The movement in the three month period ended 31 March 2009 mainly relates to Lundin Petroleum's equity share of the result of PetroFalcon. Other shares and participations amounted to MSEK 120.5 (MSEK 121.6) as at 31 March 2009. Capitalised financing fees as at 31 March 2009 amounted to MSEK 72.0 (MSEK 75.7) and relate to the costs incurred in establishing the bank credit facility and are being amortised over the period of estimated usage of the facility. Long-term receivables amounted to MSEK 8.3 (MSEK 22.3) and relate to an amount paid to BNP Paribas to fund a bank loan held in a Russian jointly controlled entity. Other financial assets amounted to MSEK 162.6 (MSEK 169.9) and mainly represent VAT paid on costs in Russia that is expected to be recovered from VAT received on future project revenues.

The deferred tax asset as at 31 March 2009 amounted to MSEK 221.7 (MSEK 201.8).

Current assets

Receivables and inventories amounted to MSEK 2,126.5 (MSEK 1,680.6) as at 31 March 2009 and are detailed in Note 11. Inventories include hydrocarbons and consumable well supplies. The short-term receivable relates to the short term portion of the BNP Paribas funding described in financial assets above. Corporation tax receivables as at 31 March 2009 amounted to MSEK 620.6 (MSEK 461.3) and relate primarily to a tax refund due in Norway for exploration expenditure incurred during 2008 and 2009.

Cash and cash equivalents as at 31 March 2009 amounted to MSEK 488.8 (MSEK 448.9). Cash balances were held at 31 March 2009 to meet operational requirements.

Non-current liabilities

Provisions as at 31 March 2009 amounted to MSEK 6,785.2 (MSEK 6,087.3) and are detailed in Note 12. This amount includes a provision for site restoration of MSEK 735.0 (MSEK 700.2).

The provision for deferred tax as at 31 March 2009 amounted to MSEK 5,926.3 (MSEK 5,266.6) 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 Russian assets acquired in 2006. In accordance with IFRS the amounts for deferred tax asset have been offset against the deferred tax liability where offsetable. The net deferred tax liability includes tax losses carry forward relating primarily to Norway and United Kingdom of MSEK 1,012.8 and MSEK 503.3 respectively.

The provision for derivative instruments amounted to MSEK 53.7 (MSEK 54.9) as at 31 March 2009 and relates to the long term portion of the fair value of the interest rate swap entered into on 8 January 2008.

Long term interest bearing debt amounted to MSEK 5,262.2 (MSEK 4,339.8) as at 31 March 2009. On 26 October 2007 a facility was entered into to repay the existing facility, to provide liquidity for the Company's operations and to enable the funding of potential new projects and acquisition opportunities. The financing facilities consist of a USD 850 million revolving borrowing base and letter of credit facility with a seven year term expiring 2014 and a USD 150 million unsecured corporate facility with a three year term expiring 2010. Under the USD 850 million facility, USD 35 million of Letters of Credit in support of future site restoration costs payable to former owners of the Heather field, offshore United Kingdom, have been issued. The cash drawings outstanding under the credit facility amounted to MUSD 639 as at 31 March 2009. The long term interest bearing debt also includes the long-term portion of a bank loan drawn by a jointly controlled entity in Russia.

Lundin Petroleum has, through its subsidiary Lundin Malaysia BV, entered into three Production Sharing Contracts (PSC) with Petroliam Nasional Berhad, the oil and gas company of the Government of Malaysia ("Petronas"), in respect of the licences PM308A, PM308B and SB303 in Malaysia. BNP Paribas, on behalf of Lundin Malaysia BV has issued bank guarantees in support of the work commitments in relation to these PSCs amounting to MUSD 108.3. In addition, BNP Paribas have issued additional bank guarantees to cover work commitments in Indonesia, Kenya and Ethiopia amounting to MUSD 20.9.

Current liabilities

Current liabilities as at 31 March 2009 amounted to MSEK 2,143.7 (MSEK 2,026.5) and are detailed in Note 13. The overlift position as at 31 March 2009 amounted to MSEK 70.3 (MSEK 106.8). Joint venture creditors as at 31 March 2009 amounted to MSEK 1,194.2 (MSEK 954.5) and mainly relate to the amounts payable for the development activities in progress in Norway and ongoing operational costs. Short-term interest bearing debt as at 31 March 2009 amounted to MSEK 56.7 (MSEK 53.9) and relates to the current portion of a bank loan drawn by a jointly controlled entity in Russia. Tax payables as at 31 March 2009 amounted to MSEK 93.9 (MSEK 123.4). The short term portion of the fair value of the interest rate swap entered into on 8 January 2008 and the currency hedging contracts entered into in September 2008 included in current liabilities as at 31 March 2009 amounted to MSEK 268.5 (MSEK 304.5).

LIQUIDITY

Lundin Petroleum has credit facilities of USD 850 million, of which USD 639 million has been drawn in cash and USD 35 million has been drawn as Letters of Credit, and USD 150 million which remains undrawn as at 31 March 2009. With the undrawn credit lines and the operating cash flows being generated at the prevailing price levels Lundin Petroleum has sufficient liquidity to meet its financial commitments. The USD 850 million facility is a revolving borrowing base facility secured against certain cash flows generated by the company. The amount available under the facility is recalculated every six months based upon the calculated cash flow generated by certain producing fields at an oil price and economic assumptions agreed with the banking syndicate providing the facility. At 31 December 2008 the borrowing base amount calculated using prevailing oil prices amount equalled USD 1.1 billion which is in excess of the facility size.

SUBSEQUENT EVENTS

In April 2009 exploration well 2/5–14S in Norway licence PL006c (WI 75%) targeting the Hyme prospect was plugged and abandoned as a dry hole. The costs associated with this well will be expensed during the second quarter of 2009.

In April 2009 Lundin Petroleum completed the sale of its Kenyan and Ethiopian assets to Africa Oil Corporation for a consideration of USD 23.7 million.

Parent company

The business of the Parent Company is investment in and management of oil and gas assets. The net result for the parent company amounted to MSEK 6.1 (loss of MSEK 5.9) for the three month period ended 31 March 2009.

The result included general and administrative expenses of MSEK 7.9 (MSEK 11.5) for the three month period ending 31 March 2009. Interest income derived from loans to subsidiary companies amounted to MSEK 1.9 (MSEK 2.5) for the three month period ended 31 March 2009. Net currency exchange gains amounted to MSEK 1.3 (MSEK -1.1) for the three month period ended 31 March 2009.

SHARE DATA

Lundin Petroleum AB's issued share capital at 31 March 2009 amounted to SEK 3,179,106 represented by 317,910,580 shares with a quota value of SEK 0.01 each.

The Annual General Meeting ("AGM") of Lundin Petroleum held on 13 May 2008 resolved to authorise the Board of Directors to decide on repurchases and sales of Lundin Petroleum shares on the Nasdaq OMX Nordic Exchange Stockholm ("OMX") during the period until the next AGM. The maximum number of shares that could be repurchased and held in treasury from time to time cannot exceed five percent of all shares of Lundin Petroleum. The purpose of the authorization is to provide the Board of Directors with an ability to optimise Lundin Petroleum's capital structure and thereby create added value for the shareholders and to secure Lundin Petroleum's costs in relation to the long term variable bonus retention programme.

On 16 September 2008 the Board of Directors, based on the authorization by the AGM, resolved to mandate the management to execute repurchases of Lundin Petroleum shares on OMX. Under this mandate 3,625,300 shares were acquired during the second half of 2008. At 31 March 2009, Lundin Petroleum held 4,490,300 of its own shares.

The following incentive warrants have been issued under the Group's incentive programme for employees. The incentive warrants outstanding at the end of the period and their expiry date and exercise prices are shown below:

	Issued 2006	Issued 2007
Exercise price (SEK)	97.40	78.05
Number authorised	3,250,000	3,950,000
Number outstanding	2,796,000	1,550,750
Exercise period	15 June 2007–31 May 2009	1 Dec 2008–31 May 2010

In 2007 Lundin Petroleum implemented a Long-Term Incentive Plan (LTIP) consisting of a Share Option Plan and a Performance Share Plan. Employees had the choice to select the Share Option Plan, the Performance Share Plan or a 50/50 allocation of both. Both plans have a performance condition relative to Total Shareholder Return (TSR) attached to their allocation. The options under the Share Option Plan were to be issued between 0 and 100% of the options awarded and the shares under the Performance Share Plan will be issued between 50 and 100% of the award of shares. The period for the performance condition relating to the options expired on 30 November 2008 at which time 50% of the options awarded were issued as incentive warrants. Under the Performance Share Plan, Lundin Petroleum made a conditional award of 67,751 shares. In June 2007, Lundin Petroleum acquired 68,000 of its own shares to fully hedge its potential obligation under the Performance Share Plan.

In addition to the incentive warrants detailed above, 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 Petroleum Corp. The number of incentive warrants associated with the Valkyries acquisition outstanding at 31 March 2009 amounted to 275,000 with an exercise price of 97.40 SEK with exercise period up to 31 May 2009.

In 2008 Lundin Petroleum implemented a new Long-Term Incentive Plan (LTIP) consisting of a Unit Bonus Plan which provides for an annual grant of units that will lead to a cash payment at vesting. The share price for determining the cash payment at the end of each vesting period will be the 5 trading day average closing Lundin Petroleum share price prior to and following the actual vesting date. In June 2008 Lundin Petroleum acquired 797,000 of its own shares to fully hedge its potential cash obligation under the 2008 LTIP.

ACCOUNTING PRINCIPLES

The financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Reporting, and the Swedish Annual Accounts Act (1995:1554). 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 2008.

The financial statements of the Parent Company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2.1 Reporting for legal entities and the Annual Accounts Act (1995:1554). RFR 2.1 requires the Parent Company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RFR 2.1. The Parent Company's accounting principles do not in any material respect deviate from the Group principles.

RISKS AND UNCERTAINTIES

The major risk the Group faces is the nature of oil and gas exploration and production itself. Oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate or which are beyond the Company's control. Lundin Petroleum's long-term commercial success depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. A future increase in Lundin Petroleum's reserves will depend not only on its ability to explore and develop any properties Lundin Petroleum may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. In addition, there is no assurance that commercial quantities of oil and gas will be discovered or acquired by Lundin Petroleum. Other risks can be categorised into either Operational Risks or Financial Risks.

Operational risk

The Group faces a number of risks and uncertainties in the areas of operation which may have an adverse impact on its ability to successfully pursue its exploration, appraisal and development plans as well as on its production of oil and gas. A more detailed analysis of the operational risks faced by Lundin Petroleum is given in the Company's annual report for 2008.

Lundin Petroleum is, and will be, actively engaged in oil and gas operations in various countries. Risks may arise in changes in laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange and exchange control. Further, certain aspects of Lundin Petroleum's exploration and production programmes require the consent or favourable decisions of governmental bodies. In addition, Lundin Petroleum's exploration, development and production activities may be subject to political and economic uncertainties, expropriation of property and cancellation or modification of contract rights, taxation, royalties, duties, foreign exchange restrictions and other risks arising out of foreign governmental sovereignty over the areas in which Lundin Petroleum's operations are conducted, as well as risks of loss in some countries due to civil strife, acts of war, guerrilla activities and insurrection.

Financial Risk

As an international oil and gas exploration and production company operating globally, Lundin Petroleum is exposed to financial risks such as fluctuations in oil price, currency rates, interest rates as well as liquidity and credit risks. The Company shall seek to control these risks through sound management practice and the use of internationally accepted financial instruments, such as oil price, currency and interest rate hedges. Lundin Petroleum uses financial instruments solely for the purpose of minimising risks in the Company's business. A more detailed analysis of the financial risks faced by Lundin Petroleum and how it addresses these risks is given in the Company's annual report for 2008.

Derivative financial instruments

The Group entered into an interest hedging contract on 10 January 2008, fixing the LIBOR rate of interest at 3.75% p.a. on MUSD 200 of the Group's USD borrowings for the period January 2008 to January 2012. The interest rate contract relates to the current credit facility. Under IAS 39, the interest rate contract is effective and qualifies for hedge accounting. Changes in fair value of this contract are charged directly to equity. At 31 March 2009, a provision has been recognised in the balance sheet amounting to MSEK 53.7 (MSEK 54.9), representing the long-term portion of the fair value of the outstanding part of the interest rate contract and a current liability in the balance sheet amounting to MSEK 44.1 (MSEK 39.4) representing the short-term portion of the fair value of the outstanding part of the interest rate contract.

At the end of September 2008, the Group entered into the following currency hedging contracts for 2009 fixing the rate of exchange from USD into GBP, EUR, NOK and CHF. Under IAS 39, subject to hedge effectiveness testing, these hedges will be treated as effective and changes to the fair value will be reflected in equity. At 31 March 2009, a current liability has been recognised amounting to MSEK 224.4 (MSEK 265.1) representing the short-term portion of the fair value of the outstanding currency hedging contracts.

Buy	Sell	Average contractual exchange rate	Settlement period
MGBP 78.0	MUSD 139.8	USD 1.79: 1 GBP	2 Jan 2009 – 16 Dec 2009
MEUR 21.6	MUSD 31.6	USD 1.47: 1 EUR	2 Jan 2009 – 1 Dec 2009
MNOK 192.0	MUSD 33.7	NOK 5.70: 1USD	2 Jan 2009 – 1 Dec 2009
MCHF 12.0	MUSD 11.2	CHF 1.07: 1 USD	2 Jan 2009 – 16 Dec 2009

EXCHANGE RATES

For the preparation of the financial statements for the three month period ending 31 March 2009, the following currency exchange rates have been used.

	Average	Period end
1 EUR equals SEK	10.9367	10.9400
1 USD equals SEK	8.3969	8.2206

CONSOLIDATED INCOME STATEMENT

Expressed in TSEK	Note	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Operating income				
Net sales of oil and gas	1	1,229,619	1,198,971	6,269,130
Other operating income		30,837	24,323	124,607
		1,260,456	1,223,294	6,393,737
Cost of sales				
Production costs	2	-466,781	-460,419	-2,378,706
Depletion of oil and gas properties	3	-352,312	-198,616	-1,032,068
Exploration costs	4	-34,036	-95,420	-901,683
Impairment costs for oil and gas properties	5	–	–	-613,693
Gross profit		**407,327**	468,839	1,467,587
Sale of asset		–	115,100	130,547
Other income		875	430	3,000
General, administration and depreciation expenses		-30,633	-36,887	-139,665
Operating profit		**377,569**	547,482	1,461,469
Result from financial investments				
Financial income	6	9,228	172,108	488,774
Financial expenses	7	-64,318	-38,831	-1,038,417
		-55,090	133,277	-549,643
Result from share in associated company		**-7,667**	-2,745	29,298
Profit before tax		**314,812**	678,014	941,124
Tax	8	-218,848	-282,529	-630,837
Net result		**95,964**	395,485	310,287
Net result attributable to:				
Shareholders of the parent company		141,628	388,563	560,011
Minority interest		-45,664	6,922	-249,724
Net result		**95,964**	395,485	310,287
Earnings per share – SEK [1]		0.45	1.23	1.77
Diluted earnings per share – SEK [1]		0.45	1.23	1.77

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

STATEMENT OF COMPREHENSIVE INCOME

Expressed in TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Net result	**95,964**	395,485	310,287
Other comprehensive income			
Exchange differences foreign operations	489,313	-603,267	1,787,001
Cash flow hedges	45,445	-34,737	-262,313
Available-for-sale financial assets	-50	-7,914	-20,917
Income tax relating to other comprehensive income	-7,574	8,858	36,491
Other comprehensive income, net of tax	527,134	-637,060	1,540,262
Total comprehensive income	**623,098**	-241,575	1,850,549
Total comprehensive income attributable to:			
Shareholders of the parent company	688,648	-148,487	1,800,021
Minority interest	-65,550	-93,088	50,528
	623,098	-241,575	1,850,549

CONSOLIDATED BALANCE SHEET

Expressed in TSEK	Note	**31 March 2009**	31 December 2008
ASSETS			
Non-current assets			
Oil and gas properties	9	22,826,853	20,996,161
Other tangible assets		134,065	128,016
Goodwill		978,637	929,825
Financial assets	10	864,709	895,286
Deferred tax		221,698	201,843
Total non-current assets		**25,025,962**	23,151,131
Current assets			
Receivables and inventory	11	2,126,535	1,680,638
Cash and cash equivalents		488,819	448,855
Total current assets		**2,615,354**	2,129,493
TOTAL ASSETS		**27,641,316**	25,280,624
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		12,119,669	11,430,988
Minority interest		1,330,496	1,396,046
Total equity		**13,450,165**	12,827,034
Non-current liabilities			
Provisions	12	6,785,191	6,087,340
Bank loans		5,262,224	4,339,769
Total non-current liabilities		**12,047,415**	10,427,109
Current liabilities	13	**2,143,736**	2,026,481
TOTAL EQUITY AND LIABILITIES		**27,641,316**	25,280,624
Pledged assets		4,444,555	4,605,804
Contingent liabilities		193,184	183,549

CONSOLIDATED STATEMENT OF CASH FLOW

Expressed in TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Cash flow from operations			
Net result	95,964	395,485	310,287
Adjustments for non-cash related items	662,755	338,339	3,820,673
Interest received	4,674	8,243	50,151
Interest paid	-12,824	-50,930	-73,976
Income taxes paid	-69,594	-191,139	-408,895
Changes in working capital	-239,794	1,799	266,724
Total cash flow from operations	**441,181**	501,797	3,964,964
Cash flow used for investments			
Investment in associated company	–	-170,500	-170,500
Sale of other shares and participations	–	–	259,239
Change in other financial fixed assets	-12,761	-1,875	21,149
Other payments	-29	-393	-1,334
Divestment of fixed assets	95	-2,834	5,383
Investment in oil and gas properties	-1,080,696	-1,140,591	-4,591,836
Investment in office equipment and other assets	-6,534	-8,812	-36,630
Total cash flow used for investments	**-1,099,925**	-1,325,005	-4,514,529
Cash flow from financing			
Changes in long-term bank loan	643,142	853,491	548,019
Paid financing fees	-344	–	-13,885
Purchase of own shares	–	–	-234,103
Proceeds from share issues	–	22,569	142,072
Dividend paid to minority	–	–	-646
Total cash flow from financing	**642,798**	876,060	441,457
Change in cash and cash equivalents	-15,946	52,852	-108,108
Cash and cash equivalents at the beginning of the period	448,855	483,452	483,452
Currency exchange difference in cash and cash equivalents	55,910	-38,206	73,511
Cash and cash equivalents at the end of the period	**488,819**	498,098	448,855

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in TSEK	Share capital	Additional paid-in-capital/ Other reserves	Retained earnings	Net result	Minority interest	Total equity
Balance at 1 January 2008	**3,155**	**5,562,123**	**3,183,718**	**956,953**	**1,346,164**	**11,052,113**
Transfer of prior year net result	–	–	956,953	-956,953	–	–
Total comprehensive income	**–**	**-537,050**	**–**	**388,563**	**-93,088**	**-241,575**
Issuance of shares	4	22,565	–	–	–	22,569
Purchase of own shares	–	–	–	–	–	–
Transfer of share based payments	–	2,752	-2,752	–	–	–
Share based payments	–	–	4,334	–	–	4,334
Minority share in dividend	–	–	–	–	–	–
Balance at 31 March 2008	**3,159**	**5,050,390**	**4,142,253**	**388,563**	**1,253,076**	**10,837,441**
Total comprehensive income	**–**	**1,777,060**	**–**	**171,448**	**143,616**	**2,092,124**
Issuance of shares	20	119,483	–	–	–	119,503
Purchase of own shares	–	-234,103	–	–	–	-234,103
Transfer of share based payments	–	14,570	-14,570	–	–	–
Share based payments	–	–	12,715	–	–	12,715
Minority share in dividend	–	–	–	–	-646	-646
Balance at 31 December 2008	**3,179**	**6,727,400**	**4,140,398**	**560,011**	**1,396,046**	**12,827,034**
Transfer of prior year net result	–	–	560,011	-560,011	–	–
Total comprehensive income	**–**	**547,020**	**–**	**141,628**	**-65,550**	**623,098**
Issuance of shares	–	–	–	–	–	–
Purchase of own shares	–	–	–	–	–	–
Transfer of share based payments	–	–	–	–	–	–
Share based payments	–	–	33	–	–	33
Minority share in dividend	–	–	–	–	–	–
Balance at 31 March 2009	**3,179**	**7,274,420**	**4,700,442**	**141,628**	**1,330,496**	**13,450,165**

Note 1. Segment information, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Operating income			
Net sales of:			
Crude oil			
- United Kingdom	260,046	542,988	2,200,178
- Netherlands	534	–	4,561
- France	131,745	210,396	803,075
- Norway	411,230	28,505	1,330,259
- Indonesia	34,525	69,147	290,979
- Russia	118,355	208,027	816,039
- Tunisia	102,110	49,166	335,153
	1,058,545	1,108,229	5,780,244
Condensate			
- United Kingdom	3,421	5,625	21,197
- Netherlands	967	1,143	7,442
- Indonesia	99	131	2,327
	4,487	6,899	30,966
Gas			
- Norway	50,882	82	80,475
- Netherlands	115,417	83,647	377,026
- Indonesia	288	114	419
	166,587	83,843	457,920
	1,229,619	1,198,971	6,269,130
Operating profit contribution			
- United Kingdom	-17,981	192,667	646,034
- France	34,381	144,003	548,519
- Norway	314,947	7,116	1,102,027
- Netherlands	68,627	47,632	218,066
- Russia	-4,862	41,672	-564,822
- Indonesia	6,998	27,554	15,120
- Tunisia	12,492	51,084	34,795
- Sudan	-7,280	-42,810	-482,965
- Other	-29,751	78,564	-55,305
Total operating profit contribution	**377,569**	547,482	1,461,469

Note 2. Production costs, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Cost of operations	430,095	370,829	1,660,573
Tariff and transportation expenses	68,528	43,873	213,116
Direct production taxes	61,853	118,052	527,978
Change in inventory/ overlift position	-93,695	-72,335	-22,961
	466,781	460,419	2,378,706

Note 3. Depletion of oil and gas properties, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
United Kingdom	106,823	107,914	410,523
France	25,558	20,377	82,867
Norway	133,980	8,014	255,894
Netherlands	31,088	22,544	90,048
Indonesia	8,461	6,904	28,968
Russia	17,748	16,971	70,620
Tunisia	28,654	15,892	93,148
	352,312	198,616	1,032,068

Note 4. Exploration costs, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
United Kingdom	237	48,100	134,984
France	21,720	–	–
Russia	–	–	234,071
Sudan	7,279	42,809	482,738
Netherlands	120	–	10,135
Other	4,680	4,511	39,755
	34,036	95,420	901,683

Note 5. Impairment costs, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Russia	–	–	396,396
Tunisia	–	–	150,586
Indonesia	–	–	66,711
	–	–	613,693

Note 6. Financial income, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Interest income	6,026	10,863	55,988
Dividends received	2,992	3,649	12,022
Foreign exchange gain, net	–	155,226	–
Fair value adjustment pension	-966	–	815
Insurance proceeds	–	–	131,814
Gain on sale of shares	–	–	259,239
Other financial income	1,176	2,370	28,896
	9,228	172,108	488,774

Note 7. Financial expenses, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Loan interest expenses	23,288	23,608	107,774
Unwind site restoration discount	10,318	9,170	31,263
Result on interest rate hedge settlement	8,801	–	1,236
Amortisation of deferred financing fees	4,531	2,091	11,415
Foreign exchange loss, net	12,418	–	871,053
Other financial expenses	4,962	3,962	15,676
	64,318	38,831	1,038,417

Note 8. Tax, TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Current tax	-71,375	84,750	-77,107
Deferred tax	290,223	197,779	707,944
	218,848	282,529	630,837

Note 9. Oil and gas properties, TSEK	**Book amount 31 Mar 2009**	Book amount 31 Dec 2008
United Kingdom	4,769,295	4,511,082
France	1,310,339	1,325,874
Norway	5,942,642	4,894,076
Netherlands	458,703	468,407
Indonesia	575,492	466,055
Russia	9,073,983	8,691,938
Tunisia	48,023	72,308
Congo (Brazzaville)	172,312	144,350
Vietnam	123,126	113,383
Ethiopia	96,453	87,619
Cambodia	83,578	76,085
Kenya	88,164	77,175
Malaysia	74,457	59,663
Others	10,286	8,146
	22,826,853	20,996,161

Note 10. Financial assets, TSEK	**Book amount 31 Mar 2009**	Book amount 31 Dec 2008
Share in associated company	501,309	505,721
Shares and participations	120,533	121,634
Capitalised financing fees	72,047	75,748
Long-term receivable	8,268	22,255
Other financial assets	162,552	169,928
	864,709	895,286

Note 11. Receivables and inventories, TSEK	**Book amount 31 Mar 2009**	Book amount 31 Dec 2008
Inventories	174,184	206,161
Trade receivables	748,645	581,978
Underlift	110,633	32,236
Short-term loan receivable	56,722	53,893
Corporation tax	620,624	461,293
Joint venture debtors	235,582	208,416
Derivative instruments	–	3,438
Other assets	180,145	133,223
	2,126,535	1,680,638

Note 12. Provisions, TSEK	**Book amount 31 Mar 2009**	Book amount 31 Dec 2008
Site restoration	735,025	700,206
Pension	10,719	10,140
Deferred taxes	5,926,328	5,266,552
Derivative instruments	53,749	54,896
Other	59,370	55,546
	6,785,191	6,087,340

Note 13. Current liabilities, TSEK	**Book amount 31 Mar 2009**	Book amount 31 Dec 2008
Trade payables	181,731	276,443
Overlift	70,349	106,844
Tax payables	93,889	123,429
Accrued expenses	167,046	102,837
Acquisition liabilities	44,996	44,708
Joint venture creditors	1,194,193	954,544
Short-term bank loans	56,722	53,893
Derivative instruments	268,479	304,459
Other liabilities	66,331	59,324
	2,143,736	2,026,481

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Operating income			
Other operating income	10,817	4,217	21,406
Gross profit	**10,817**	4,217	21,406
General and administration expenses	-7,937	-11,465	-25,638
Operating profit	**2,880**	-7,248	-4,232
Result from financial investments			
Financial income	3,230	1,368	126,276
Financial expenses	-17	–	-22,863
	3,213	1,368	103,413
Profit before tax	**6,093**	-5,880	99,181
Tax	–	–	-36,403
Net result	**6,093**	-5,880	62,778

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**31 March 2009**	31 December 2008
ASSETS		
Non-current assets		
Financial assets	7,904,043	7,900,522
Total non-current assets	**7,904,043**	7,900,522
Current assets		
Receivables	11,742	9,928
Cash and cash equivalents	1,169	1,184
Total current assets	**12,911**	11,112
TOTAL ASSETS	**7,916,954**	7,911,634
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,878,928	7,872,802
Provisions	36,402	36,403
Current liabilities	1,624	2,429
TOTAL EQUITY AND LIABILITIES	**7,916,954**	7,911,634
Pledged assets	4,444,555	4,605,804
Contingent liabilities	193,184	183,549

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Cash flow used for operations			
Net result	6,093	-5,880	62,778
Adjustments for non- cash related items	-1,287	1,105	-44,611
Changes in working capital	-2,621	2,886	-35,990
Total cash flow from/used for operations	**2,185**	-1,889	-17,823
Cash flow from/used for investments			
Change in other financial fixed assets	-2,501	-24,691	-13,813
Investment in subsidiaries	–	–	113,328
Total cash flow used for/from investments	**-2,501**	-24,691	99,515
Cash flow from financing			
Purchase of own shares	–	–	-234,103
Proceeds from share issues	–	22,569	142,072
Total cash flow used for/from financing	**–**	22,569	-92,031
Change in cash and cash equivalents	-316	-4,011	-10,339
Cash and bank at the beginning of the period	1,184	8,861	8,861
Currency exchange difference in cash and cash equivalents	301	-302	2,662
Cash and cash equivalents at the end of the period	**1,169**	4,548	1,184

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted Equity		Unrestricted equity			
	Share Capital	Statutory reserve	Other Reserves	Retained Earnings	Net result	Total equity
Balance at 1 January 2008	**3,155**	**861,306**	**5,157,307**	**1,821,289**	**34,667**	**7,877,724**
Transfer of prior year net result	–	–	–	34,667	-34,667	–
New share issuance	4	–	22,565	–	–	22,569
Transfer of share based payments	–	–	2,752	-2,752	–	–
Share based payments	–	–	–	4,334	–	4,334
Currency translation difference	–	–	-1,068	–	–	-1,068
Net result	–	–	–	–	-5,880	-5,880
Balance at 31 March 2008	**3,159**	**861,306**	**5,181,556**	**1,857,538**	**-5,880**	**7,897,679**
New share issuance	20	–	119,483	–	–	119,503
Purchase of own shares	–	–	-234,103	–	–	-234,103
Transfer of share based payments	–	–	14,570	-14,570	–	–
Share based payments	–	–	–	12,715	–	12,715
Currency translation result	–	–	8,350	–	–	8,350
Net result	–	–	–	–	68,658	68,658
Balance at 31 December 2008	**3,179**	**861,306**	**5,089,856**	**1,855,683**	**62,778**	**7,872,802**
Transfer of prior year net result	–	–	–	62,778	-62,778	–
New share issuance	–	–	–	–	–	–
Transfer of share based payments	–	–	–	–	–	–
Share based payments	–	–	–	33	–	33
Currency translation result	–	–	–	–	–	–
Net result	–	–	–	–	6,093	6,093
Balance at 31 March 2009	**3,179**	**861,306**	**5,089,856**	**1,918,494**	**6,093**	**7,878,928**

KEY FINANCIAL DATA

Data per share	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Shareholders' equity SEK per share [1]	38.67	34.30	36.49
Operating cash flow SEK per share [2]	2.76	2.15	12.96
Cash flow from operations SEK per share [3]	1.41	1.94	12.56
Earnings SEK per share [4]	0.45	1.23	1.77
Earnings SEK per share fully diluted [5]	0.45	1.23	1.77
EBITDA SEK per share fully diluted [6]	2.44	2.30	12.29
Dividend per share	–	–	–
Quoted price at the end of the financial period (regards the parent company), SEK	44.70	80.75	41.00
Numbers of shares issued at period end	317,910,580	315,925,480	317,910,580
Number of shares in circulation at period end	313,420,280	315,857,480	313,420,280
Weighted average number of shares for the period [7]	313,420,280	315,659,964	315,682,981
Weighted average number of shares for the period (fully diluted) [7]	313,420,280	315,927,573	315,682,981

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 attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period.

5 the Group's net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants.

6 the Group's EBITDA divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants. EBITDA is defined as operating profit before depletion of oil and gas properties, exploration costs, impairment costs and gain on sale of assets.

7 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.

Key data group	**1 Jan 2009– 31 Mar 2009 3 months**	1 Jan 2008– 31 Mar 2008 3 months	1 Jan 2008– 31 Dec 2008 12 months
Return on equity, % [8]	1	4	3
Return on capital employed, % [9]	2	4	11
Net debt/equity ratio, % [10]	40	29	35
Equity ratio, % [11]	49	50	51
Share of risk capital, % [12]	69	68	71
Interest coverage ratio, % [13]	1,452	2,973	973
Operating cash flow/interest ratio [14]	3,715	2,874	3,797
Yield [15]	–	–	–

8 the Group's net result divided by the Group's average total equity.

9 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).

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

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

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

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

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

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

FINANCIAL INFORMATION

The Company will publish the following reports:

- The six month report (January – June 2009) will be published on 12 August 2009.
- The nine month report (January – September 2009) will be published on 11 November 2009.

The Annual General Meeting will be held on 13 May 2009 at the movie theatre Skandia Drottninggatan in Stockholm.

Stockholm, 12 May 2009

C. Ashley Heppenstall
President & CEO

The financial information relating to the three month period ended 31 March 2009 has not been subject to review by the auditors of the Company.

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