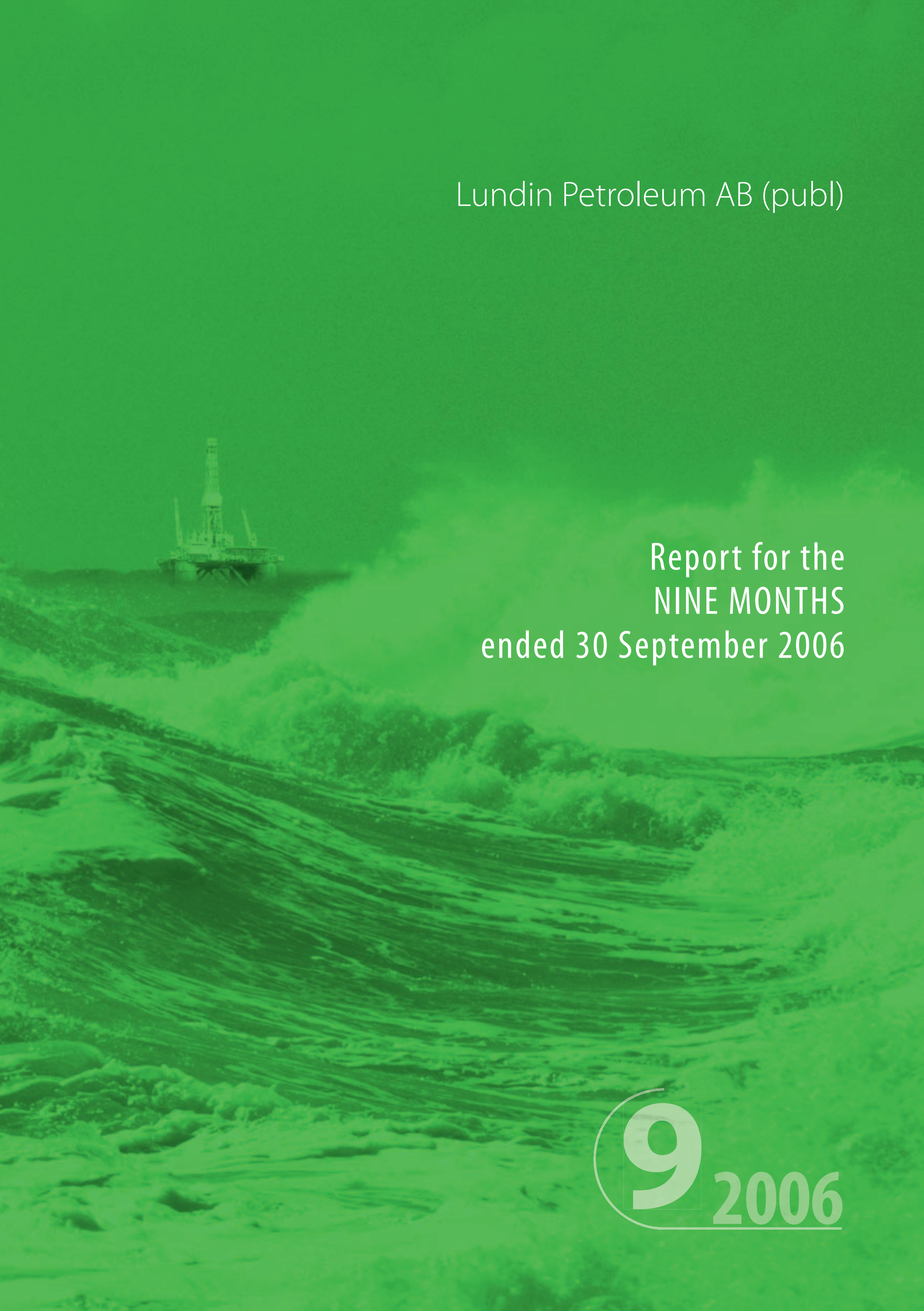

Lundin Petroleum AB (publ)

Report for the NINE MONTHS ended 30 September 2006

9 2006

Highlights

	1 Jan 2006- 30 Sep 2006 9 months	1 Jan2005- 30 Sep 2005 9 months	1 Jan 2005- 31 Dec 2005 12 months
• Production in mboepd	28.1	33.9	33.2
• Operating income in MSEK	3,275.9	3,164.9	4,190.2
• Net profit in MSEK	598.5	885.8	994.0
• Earnings/share in SEK	2.22	3.47	3.89
• Diluted earnings/share in SEK	2.21	3.45	3.87
• EBITDA in MSEK	2,172.6	2,121.7	2,782.6
• Operating cash flow in MSEK	1,653.0	2,011.0	2,627.4

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

Dear fellow shareholders,
The passing away of our founder and Honorary Chairman Adolf H Lundin in September 2006 was very sad for everyone associated with Lundin Petroleum.

Adolf's philosophy was that economic growth particularly in the developing world would lead to an ever increasing demand for natural resources which would result in higher oil and product prices. As a result Lundin Petroleum has, and will continue, to grow through a proactive investment strategy in exploring for and developing hydrocarbons around the world. Adolf will be missed and fondly remembered by everyone at Lundin Petroleum as well as many of our shareholders who have supported the company for a number of years. We intend to continue to implement Adolf's philosophy and in this respect I am optimistic regarding our ability to grow Lundin Petroleum in the forthcoming years.

Financial Performance
During the nine months to 30 September 2006 Lundin Petroleum generated a net profit after taxes of MSEK 599 (MUSD 80). Operating cash flow for the period was (MUSD 221) and earnings before interest, tax and depreciation (EBITDA) was MSEK 2,173 (MUSD 291).

Financial Forecast
We have revised our financial forecasts for 2006 based upon a reduced Brent oil price of USD 60.00 per barrel for the remainder of 2006 as opposed to a previous forecast of USD 65.00 per barrel. We have also incorporated the actual third quarter financial results including exploration write off, the forecast financial results from Russia and delays to the start-up of Oudna production.

As a result we forecast a 2006 profit after taxes of MSEK 820 (MUSD 110) versus a previous forecast of MSEK 975 (MUSD 130).

Acquisitions and New Ventures
Whilst the acquisition and new venture market remains very competitive we have been successful in the third quarter of 2006 in completing a number of new acquisitions and new venture deals.

We were successful in completing the acquisition of Valkyries during the third quarter which has created a new core area in Russia. We have acquired not only a portfolio of exploration, production and development assets but a platform for future growth.

We also acquired during the third quarter of 2006 a 40% interest in the Peik undeveloped gas/condensate field straddling the United Kingdom/Norway median line. We believe that in today's higher commodity price environment such fields which have remained undeveloped by larger companies represent a material opportunity for smaller companies with the requisite technical and financial capacity. These projects are sufficiently material to Lundin Petroleum for us to devote the required management time to make them succeed.

The company has also acquired new exploration concession interests in Vietnam, Ethiopia and Congo (Brazzaville) as well as a significant package of new exploration licences in the United Kingdom. The new investments are in line with our strategy to maintain exposure to high potential exploration areas.

Production
I am extremely pleased that production has started from the Oudna field, offshore Tunisia. We experienced some delays to first production associated with damage to flowlines during offshore installation which have now been successfully repaired. The Oudna field will have a material impact upon our production which together with other ongoing development activities is forecast to reach 40,000 boepd by the end of 2006. Production will further increase to greater than 50,000 boepd by the end of 2007 following commencement of production from the Alvheim field offshore Norway.

Production during the first nine months of 2006 averaged 28.1 mboepd. The delay of production from the Oudna field has been offset by the addition of Russian production and as a result we are still forecasting 2006 production at approximately 29,000 to 30,000 boepd.

Production from the United Kingdom has stabilised in the third quarter of 2006 in line with our forecasts following the production shortfalls earlier in the year which were related to facility issues. We continue to invest proactively in the United Kingdom to ensure extended lives for our infrastructure assets.

Development
Our major focus of development activity is currently Norway which is a significant growth area for Lundin Petroleum. Our strategy is to generate production growth predominantly through internally generated exploration investment and our Oslo based team have built an exciting portfolio which continues to expand.

Development drilling on the Alvheim project is still progressing well and the reservoir feedback is positive. We are confident that Alvheim will deliver both production and reserve growth in 2007. The Volund project development plan has now been submitted for approval with first production expected in 2009 which will further increase our production and reserve base in Norway.

Exploration
During the third quarter of 2006 exploration activity continued in Norway, France and Ireland. East Kameleon in Norway was an oil and gas discovery confirming an extension to the Alvheim field complex but the wells in France and Ireland were dry.

We have an active programme of exploration wells in Norway and the United Kingdom during the remainder of 2006 and 2007. We have also bought into an exciting portfolio of exploration licences in the United Kingdom North Sea which will provide increased exploration exposure. We believe that exploration opportunities in the mature North Sea can be generated with a team of experienced professionals with local knowledge.

The delays to our 2006 drilling programmes are disappointing but are symptomatic of a tight rig and equipment market. Our high potential exploration programmes in Sudan and Russia are now expected to take place in 2007. These are both world class exploration prospects with their individual operational and political challenges. They both continue to be an area of management focus and with the potential to have a major impact on the value of Lundin Petroleum.

Oil Markets
World oil prices have weakened from record highs during the last quarter. In the long term we do not believe the underlying fundamentals of supply and demand imbalance have changed and therefore continue to support higher prices. In addition it is also clear that OPEC intend to try and support a higher price. This will further underpin prices in the event of short term demand imbalances from, for example, slowdowns in forecast economic growth.

At the same time cost inflation in the oil industry shows no signs of stabilising. Shortages of rigs, equipment, services and personnel have resulted in material double digit inflation. This cost inflation is impacting on project economics despite high oil price assumptions. However, we remain firmly committed to a proactive investment strategy as ultimately we believe increases to reserves and production will generate increased shareholder value.

Despite high oil prices we face a challenging market with tough decisions in making long term investments to secure the necessary personnel and equipment to grow our business. As Adolf Lundin often said "when the going gets tough, the tough get going" and we are making those long term commitments to enable us to continue to grow our business.

Best Regards

C. Ashley Heppenstall
President & CEO

OPERATIONS

United Kingdom

The net production to Lundin Petroleum in the first nine months of 2006 was 17,100 boepd representing over 60% of the total production for the Group.

Net production from the Broom field (Lundin Petroleum working interest (WI) 55%) averaged 10,700 boepd during the period. Production was in-line with expectations during the third quarter of 2006 with the restoration of water injection capacity following production shortfalls during the second quarter of 2006.

A 3-D seismic acquisition was successfully completed during the first half of 2006 over Broom, Heather and South West Heather fields. The results of the Broom seismic will be incorporated into a revised reservoir simulation model during the first half of 2007 using actual field production data. Further infill drilling will be completed on the Broom field during the second half of 2007 for which rig capacity has been secured.

Production from the Heather field (WI 100%) averaged 2,200 boepd during the period. Limited water injection capacity continued to have a negative impact on production. The project to reinstall the Heather platform drilling rig has been successfully completed. A three well drilling programme of infill wells and workovers has commenced. The drilling programme will continue through 2007 and is expected to have a positive impact on Heather production. The drilling programme will also test the potential of the non-producing Heather Triassic reservoir.

Net production from the Thistle field (WI 99%) averaged 4,200 boepd during the period. Production was ahead of expectations during the third quarter following the delays earlier in the year of restoring water injection following the 2005 shutdown. Lundin Petroleum has commenced a long-term investment programme to redevelop the Thistle field. The redevelopment involves the reinstallation of the Thistle drilling rig in 2007, a 3-D seismic programme on Thistle and significant facilities investment to ensure an extended life for the Thistle platform.

In the third quarter Lundin Petroleum acquired various working interests in seven exploration licences in the North Sea from Palace Exploration Company (E & P) Limited of which it is proposed that Lundin Petroleum will assume operatorship in four of the licences. The acquisition is subject to government approval. The proposed work programme on the acquired licences includes the drilling of five exploration wells in 2006/2007 for which rig capacity has been secured for four wells. In addition, a further exploration well will be drilled in 2007 on block PL1176 (WI 25%).

Norway

Net production from the Jotun field (WI 7%) offshore Norway averaged approximately 900 boepd during the period. The infill drilling programme on Jotun is ongoing. The first well came on production in November 2006 with a consequent positive impact on production.

The development of the Alvheim field (WI 15%) offshore Norway continues to progress satisfactorily. Development drilling is ongoing, with the completion of five production and water disposal wells, and will continue over the next two years. In tandem the Alvheim FPSO is in Norway undergoing topsides installation and subsea installation is progressing in the field. First production from Alvheim is expected in the first half 2007 at a forecast net production rate of 12,750 boepd. During the third quarter of 2006 the East Kameleon exploration well was successfully drilled as an oil and gas discovery proving up the north eastern extension of the Alvheim field complex. The successful well coupled with ongoing technical work are expected to lead to reserve increases in the Alvheim field. The Alvheim drilling programme includes further exploration drilling to test increased reserve potential in the area.

A plan of development for the Volund field (formerly Hamsun (WI 35%)) was submitted to the Norwegian Government in the third quarter of 2006. Volund will be developed as a subsea tie back to the Alvheim FPSO. Forecast first production is in 2009 at an initial rate of 8,000 boepd net to Lundin Petroleum.

As detailed above the East Kameleon exploration well (WI 15%) was confirmed as a discovery. Exploration drilling on the Luno prospect in PL338 (WI 50%) operated by Lundin Petroleum has been delayed until the first half of 2007 due to rig delivery delays. This well will be part of a three well 2007 exploration programme in Norway also including PL335 (WI 18%) and PL292 (WI 40%). Rig capacity is secured for all wells.

France

In the Paris Basin production averaged 2,700 boepd for the period. An ongoing programme of workovers and well intervention has yielded a positive impact on production. A four well infill drilling programme on the Villeperdue field (WI 100%) commenced during the third quarter and will be completed in 2007. The exploration well Chevigny-1 in the Val des Marais concession (WI 50%) drilled in July 2006 was plugged and abandoned as a dry hole.

In the Aquitaine Basin (WI 50%) the net production was 1,000 boepd during the period.

Indonesia

Salawati Island and Basin (Papua)

The net production from Salawati (Salawati Island WI 14.5% and Salawati Basin WI 25.9%) was 2,300 boepd during the period. First production from the TBA field offshore Salawati Island was achieved during the third quarter following the successful installation of a FPSO facility. The TBA field is currently producing at approximately 700 boepd net to Lundin Petroleum

Banyumas (Java)

The Jati-1 exploration well (WI 25%) was plugged and abandoned as uncommercial in the first half of 2006.

Blora (Java)

The Tengis-1 exploration well (WI 43.3%) has been delayed due to issues associated with field regulatory approvals.

Lematang (South Sumatra)

A plan of development for the Singa gas field (WI 15.88%) is currently awaiting approval from Indonesian regulatory authorities.

A gas sales agreement is currently being negotiated with the state gas distribution company PT Persusahaan Negara (PGN) to supply gas to PGN customers in West Java for 10 years following the earlier signing of a heads of agreement. First gas from the Singa development is forecast for 2008.

Lundin Petroleum signed an agreement in June 2006 to acquire an additional 10 per cent working interest in the Lematang block from Serica Energy plc for USD 5 million. Following completion of the transaction which is subject to government approval, Lundin Petroleum will own a 25.88% working interest in the Lematang block containing the Singa field.

The Netherlands

Gas production from the Netherlands for the period averaged 2,000 boepd. Third quarter 2006 production was below expectations due to low demand from the market during the summer months.

Tunisia

The Oudna field (WI 50%) development was successfully completed in November 2006 with commencement of first oil production. During the third quarter of 2006 the re-classification and upgrading work on the Ikdam FPSO was completed in the Malta drydocks. Production start-up was delayed due to flowline damage, which happened during offshore installation and which has now been successfully repaired. The Oudna field is currently producing as planned on natural flow at a net rate at approximately 4,000 bopd. Full production forecast at 10,000 boepd net to Lundin Petroleum is expected imminently following commencement of jet pump operations.

Production from the Isis field (WI 40%) was suspended in April 2006 as planned. The average production from the field during the period from 1 January 2006 to suspension was 600 boepd.

Venezuela

In July 2006 an agreement was completed between Lundin Petroleum and its partners and the Venezuelan national oil company Petroleos de Venezuela S.A. (PDVSA) in connection with the conversion of the Colón Unit Operating Services Agreement (WI 12.5%) into a new joint venture company with direct participation by PDVSA. Lundin Petroleum holds a 5% equity interest in the new joint venture company, Baripetrol SA. The new arrangement was effective from 1 April 2006 and as such Lundin Petroleum will from this date account for its investment in Venezuela as an equity holding and will not report to its share of production. PDVSA has agreed to extend the period for exploration and production on the Colón block from 2014 to 2025.

The net production from the Colón block in the first quarter 2006 was 1,800 boepd.

Russia

Following the successful acquisition of Valkyries Petroleum Corporation on 1 August 2006 the net production to Lundin Petroleum from this date has averaged 4,500 boepd.

Development drilling is ongoing at the Orenburg (WI 50%) and Komi (WI 50%) production field operations and will continue throughout 2007. In addition, development drilling at the Kalmykia (WI 51%) field operations is likely to resume in 2007 following ongoing development studies.

The Morskaya-1 exploration well in the Lagansky block located in the North Caspian Sea was delayed until 2007. Construction of the barge mounted facilities necessary for shallow water drilling has been substantially completed in Astrakhan. However, construction delays were experienced such that it was not possible to complete the exploration drilling activities in sufficient time prior to the onset of winter conditions in the North Caspian Sea when drilling is not possible. Seismic acquisition has continued in the Lagansky block with the acquisition of 775 km of data in 2006. It is planned to drill two exploration wells in the Lagansky block in 2007.

Ireland

An offshore exploration well was drilled during the third quarter of 2006 on Petroleum Exploration Licence № 1/05 in the Donegal Basin (WI 30%). The well was plugged and abandoned as a dry hole.

Nigeria

Lundin Petroleum holds a 22.5% net revenue interest in OML113 offshore Nigeria containing the Aje oil and gas discovery. Technical and commercial studies have been completed and as a result Lundin Petroleum has decided not to proceed with further appraisal drilling on the Aje field. Lundin Petroleum is in the process of relinquishing its interest in the licence.

Sudan

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

The 2-D seismic acquisition is ongoing on Block 5B (WI 24.5%) where it is planned to acquire 1,100 km of new data. It is forecast that 500 km will be acquired prior to year end 2006. The three well exploration programme in Block 5B is now planned to commence in 2007. Construction of swamp drilling equipment is ongoing. The commencement of drilling operations in 2007 is still subject to the operating environment in Block 5B remaining stable and secure.

Albania

Technical studies are continuing on the Durresi block (WI 50%) with a view to determining future exploration drilling activity the timing of which remains subject to drilling rig availability.

South East Asia / Vietnam

Lundin Petroleum opened a new office in Singapore during the third quarter of 2006 to develop new venture exploration and production opportunities in the South East Asia region. In August 2006 Lundin Petroleum was conditionally awarded a 33.33% working interest in Block 06/94 in the Nam Con Son Basin, offshore Vietnam. The agreement is subject to the execution of a Production Sharing Contract with PetroVietnam.

Ethiopia

A new production sharing contract was signed in November 2006 for Block 2 and 6 (WI 100%), covering 24,000 square kilometers in the Ogaden Basin.

Congo (Brazzaville)

In the third quarter of 2006 Lundin Petroleum acquired an 18.75% working interest in Marine XI Block, offshore Congo (Brazzaville) from Soco International plc. This acquisition is subject to receipt of all necessary approvals. During the fourth quarter of 2006 a 1,200 square kilometer 3-D seismic acquisition programme has commenced on the block.

THE GROUP

Result

Lundin Petroleum reports a net profit for the nine month period ended 30 September 2006 of MSEK 598.5 (MSEK 885.8) and MSEK 96.4 (MSEK 419.8) for the third quarter of 2006 representing earnings per share on a fully diluted basis of SEK 2.21 (SEK 3.45) for the first nine months of 2006 and SEK 0.33 (SEK 1.62) for the third quarter of 2006. The profit for the third quarter of 2006 has been adversely affected by the write offs of exploration expenditure for wells drilled in Ireland and France totalling MSEK 59.2.

Operating cash flow for the first nine months of 2006 amounted to MSEK 1,653.0 (MSEK 2,011.0) and MSEK 421.4 (MSEK 736.4) for the third quarter of 2006 representing operating cash flow per share on a fully diluted basis of SEK 6.10 (SEK 7.84) for the first nine months of 2006 and SEK 1.43 (SEK 2.85) for the third quarter of 2006.

Earnings before interest, tax and depletion and amortisation (EBITDA) for the first nine months of 2006 amounted to MSEK 2,172.6 (MSEK 2,121.7) and MSEK 591.5 (MSEK 827.0) for the third quarter of 2006 representing EBITDA per share on a fully diluted basis of SEK 8.02 (SEK 8.27) for the first nine months of 2006 and SEK 2.01 (SEK 3.20) for the third quarter of 2006.

Investments

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. The acquired business contributed revenues of 99.9 MSEK and a net loss of 7.3 MSEK to Lundin Petroleum for the 61 day period.

On 12 July 2006, Lundin Petroleum signed an agreement with PDVSA to convert its directly owned 12.5% interest in the Colón Block Operating Service Agreement into a 5% shareholding in a joint venture company, Baripetrol SA, owning 100% of the Colón Block. The agreement confirmed the effective date for the transfer as 1 April 2006. Under the IFRS rules, under which Lundin Petroleum prepares its financial statements, this investment will be treated as an equity investment and Lundin Petroleum will only report income on a cash receipt basis. As such, Lundin Petroleum has ceased to report production and reserves, and revenue and cost of sales for the Colon Block from 1 April 2006.

Items impacting the quarterly result

During the third quarter of 2006 exploration wells were drilled on the Donegal licence offshore Ireland and the Val des Marais well in France. Both wells were completed with unsatisfactory results and have been written off. The write offs for the Donegal and Val des Marais wells amounted to MSEK 40.0 and MSEK 19.2 respectively.

Revenue

Net sales of oil and gas for the nine month period ended 30 September 2006 amounted to MSEK 3,128.0 (MSEK 3,027.0) and MSEK 935.1 (MSEK 1,123.0) for the third quarter of 2006. Production for the nine month period ended 30 September 2006 amounted to 7,657.6 (9,243.3) thousand barrels of oil equivalent (mboe) and 2,471.8 mboe (2,907.8 mboe) for the third quarter of 2006 representing 28.1 mboe per day (mboepd) (33.9 mboepd) for the nine month period ended 30 September 2006 and 26.9 mboepd (31.6 mboepd) for the third quarter of 2006. The average price achieved for a barrel of oil equivalent for the nine month period ended 30 September 2006 amounted to USD 62.34 (USD 52.20).

The average Dated Brent price for the nine month period ended 30 September 2006 amounted to USD 66.95 (USD 53.76) per barrel resulting in a post-tax negative hedge settlement of MSEK 99.0 (MSEK 177.3).

Other operating income for the nine month period ended 30 September 2006 amounted to MSEK 147.9 (MSEK 137.9) and MSEK 38.9 (MSEK 49.3) for the third quarter of 2006. This amount includes tariff income from the United Kingdom, France and the Netherlands and income for maintaining strategic inventory levels in France. The sale of CO_2 emission rights in the United Kingdom during the second quarter of 2006 generated revenue of MSEK 22.3.

Sales for the nine month period ended 30 September 2006 were comprised as follows:

Sales Average price per boe expressed in USD*	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom					
- Quantity in mboe	4,548.8	1,246.2	5,582.2	1,785.9	7,241.0
- Average price per boe	65.04	68.63	53.68	61.72	54.56
France					
- Quantity in mboe	1,008.0	360.0	1,190.7	377.6	1,563.8
- Average price per boe	64.74	64.29	53.17	62.24	53.75
Norway					
- Quantity in mboe	224.6	73.9	292.0	83.9	372.4
- Average price per boe	63.17	68.01	50.96	59.31	51.45
Netherlands					
- Quantity in mboe	558.0	134.0	638.0	173.7	855.4
- Average price per boe	48.46	49.55	35.60	36.10	37.45
Indonesia					
- Quantity in mboe	316.2	109.2	389.2	118.7	495.9
- Average price per boe	60.55	65.27	48.62	54.04	48.90
Russia					
- Quantity in mboe	310.7	310.7	–	–	–
- Average price per boe	40.5	40.5	–	–	–
Tunisia					
- Quantity in mboe	122.5	–	328.6	246.1	328.6
- Average price per boe	63.86	–	62.53	67.10	62.53
Ireland					
- Quantity in mboe	–	–	24.1	–	24.1
- Average price per boe	–	–	33.31	–	33.31
Total					
- Quantity in mboe	**7,088.8**	2,234.0	8,444.8	2,785.9	10,881.2
- Average price per boe	**62.34**	62.69	52.20	60.26	52.93

* The average price per boe (barrels of oil equivalent) excludes the result of the hedge settlement.

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.

The oil produced in Russia is sold on either of the Russian domestic market or exported into the international market. For the 61 day period that the results of Valkyries were consolidated within Lundin Petroleum 34% of Russian sales were on the export market at an average price of USD 56.14 per barrel. The remaining 66% of Russian sales were on the domestic market at an average price of USD 33.26 per barrel.

Production	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom					
- Quantity in mboe	4,668.3	1,402.7	5,641.6	1,810.6	7,360.7
- Quantity in mboepd	17.1	15.2	20.6	19.6	20.2
France					
- Quantity in mboe	1,023.5	341.0	1,157.3	383.6	1,533.7
- Quantity in mboepd	3.7	3.7	4.2	4.2	4.2
Norway					
- Quantity in mboe	235.3	74.6	269.7	77.9	360.2
- Quantity in mboepd	0.9	0.8	1.0	0.8	1.0
Netherlands					
- Quantity in mboe	557.9	134.0	638.0	173.7	855.4
- Quantity in mboepd	2.0	1.5	2.3	1.9	2.3
Venezuela					
- Quantity in mboe	160.7	–	601.7	182.6	769.4
- Quantity in mboepd	0.6	–	2.2	2.0	2.1
Indonesia					
- Quantity in mboe	633.1	208.9	622.6	201.2	825.1
- Quantity in mboepd	2.3	2.3	2.3	2.2	2.3
Russia					
- Quantity in mboe	310.7	310.7	–	–	–
- Quantity in mboepd	1.1	3.4	–	–	–
Tunisia					
- Quantity in mboe	68.1	–	288.2	78.2	354.8
- Quantity in mboepd	0.2	–	1.1	0.9	1.0
Ireland					
- Quantity in mboe	–	–	24.2	–	24.2
- Quantity in mboepd	–	–	0.2	–	0.1
Total					
- Quantity in mboe	**7,657.6**	2,471.9	9,243.3	2,907.8	12,083.5
- Quantity in mboepd	**28.1**	26.9	33.9	31.6	33.2
Minority share in Russia					
- Quantity in mboe	38.1	38.1	–	–	–
- Quantity in mboepd	0.1	0.4	–	–	–
Total					
- Quantity in mboe	**7,619.5**	2,433.8	9,243.3	2,907.8	12,083.5
- Quantity in mboepd	**28.0**	26.5	33.9	31.6	33.2

The daily production for Russia of 1.1 mboepd is calculated over the full reporting period. The average daily production for Russia for the 61 day period that it is included within the Lundin Petroleum result is 5.1 mboepd. Following the IFRS accounting rules for consolidation 100% of certain subsidiaries have been consolidated with the portion not owned by Lundin Petroleum shown as a minority interest. The average production for Russia for the 61 day period included in the consolidated result, adjusted for Lundin Petroleum's share of ownership, is 4.5 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 quarter. 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 approximate minus five percent applied to the United Kingdom crude oil produced. In Indonesia, production is allocated under a Production Sharing Contract (PSC) where, as part of the commercial terms of the agreement, a part of the working interest production is allocated to the host country as a type of royalty payment.

Production for Venezuela is only included for the period until 31 March 2006. The production shown in the table above represents the production achieved in the period divided by the number of days in the period. Production for Venezuela is given for the first quarter only but divided by the number of days for the nine month period. Daily production achieved for Venezuela during the period that the production was included amounted to 1.8 mboepd.

Production from the Isis field, offshore Tunisia, ceased on 20 April 2006 when the FPSO Ikdam sailed to Malta for refurbishment prior to relocating to the Oudna field. The Isis field produced 0.6 mboepd for the period up to 20 April 2006.

Production cost

Production costs for the nine month period ended 30 September 2006 expressed in US dollars were comprised as follows:

Production cost and depletion in TUSD	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cost of operations	125,598	46,794	109,598	30,786	148,570
Tariff and transportation expenses	14,082	5,064	13,726	3,400	17,906
Royalty and direct taxes	10,038	7,919	3,752	1,495	4,803
Changes in inventory/overlift	-11,326	-9,409	7,027	6,811	4,563
Total production costs	**138,392**	50,368	134,103	42,492	175,842
Depletion	75,651	22,242	79,374	24,798	101,064
Total	**214,043**	72,610	213,477	67,290	276,906

Production cost and depletion in USD per boe	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cost of operations	16.4	18.93	11.86	10.59	12.30
Tariff and transportation expenses	1.84	2.05	1.48	1.17	1.48
Royalty and direct taxes	1.31	3.20	0.41	0.51	0.40
Changes in inventory/overlift	-1.48	-3.81	0.76	2.34	0.38
Total production costs	**18.07**	20.37	14.51	14.61	14.56
Depletion	9.88	9.00	8.59	8.53	8.36
Total	**27.95**	29.37	23.10	23.14	22.92

Production costs for the nine month period ended 30 September 2006 amounted to MSEK 1,033.8 (MSEK 978.2) and MSEK 366.0 (MSEK 326.8) for the third quarter of 2006. The reported cost of operations amounted to USD 16.40 per barrel (USD 11.86 per barrel) for the nine month period ended 30 September 2006. The costs of operations incurred in the third quarter of 2006 are marginally above forecast due to higher diesel and logistics costs and one-off projects in the UK, which coupled with lower than expected production during the period has resulted in a higher cost per barrel than anticipated.

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 11.73 per barrel for the period that Valkyries was included within the Lundin Petroleum results. 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 29.64 per barrel for the period that Valkyries was included within the Lundin Petroleum results.

Depletion

Depletion of oil and gas properties for the nine month period ended 30 September 2006 amounted to MSEK 565.1 (MSEK 579.0) and MSEK 159.9 (MSEK 190.9) for the third quarter of 2006. The Isis field was shut down earlier than anticipated to allow the FPSO Ikdam to relocate to the Oudna field. This coupled with a higher than anticipated provision for site restoration costs on the Isis field resulted in an undepleted cost pool for Isis of MSEK 35.2. This amount was charged to the income statement in the second quarter of 2006.

On 12 July 2006 Lundin Petroleum signed an agreement converting the 12.5% direct interest in the Colon Block into a 5% equity investment in a joint venture company holding 100% of the Colon Block. As part of the agreement the life of the field was extended from 2014 to 2025. Lundin Petroleum has decided to continue to deplete the carrying value of its Venezuela investment on a quarterly basis. This has had the effect of increasing the depletion cost per barrel because there is no Venezuelan production corresponding to the depletion charge.

Write off

Write off of oil and gas properties amounted to MSEK 104.7 (MSEK 40.8) for the nine month period ended 30 September 2006 and MSEK 70.3 (MSEK 29.7) for the third quarter of 2006. The costs written off in the third quarter include the write off of MSEK 40.0 for the Donegal licence offshore Ireland and MSEK 19.2 for the Val des Marais well in France. Other costs written off during the first nine months of 2006 relate to the exploration well drilled in Block F-12 in the Netherlands and costs relating to the drilling of the Jati well in Indonesia.

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

Other income
Other income for the nine month period ended 30 September 2006 amounted to MSEK 6.3 (MSEK 5.4) and MSEK 3.4 (MSEK 2.0) for the third quarter of 2006 and represents fees and costs recovered by Lundin Petroleum from third parties.

General, administrative and depreciation expenses
General, administrative and depreciation expenses for the nine month period ended 30 September 2006 amounted to MSEK 75.8 (MSEK 70.4) and MSEK 20.0 (MSEK 20.6) for the third quarter of 2006. Depreciation charges amounted to MSEK 7.1 (MSEK 4.4) for the nine month period ended 30 September 2006 and MSEK 2.0 (MSEK 2.2) for the third quarter of 2006.

Financial income
Financial income for the nine month period ended 30 September 2006 amounted to MSEK 44.7 (MSEK 29.5) and MSEK -44.9 (MSEK 13.8) for the third quarter of 2006. Interest income for the nine month period ended 30 September 2006 amounted to MSEK 20.8 (MSEK 19.8) and includes interest received on bank accounts of MSEK 15.8 (MSEK 8.6), interest received on a loan to an associated company for an amount of MSEK 3.0 (MSEK 2.6), interest received in relation to tax repayments for an amount of MSEK 1.0 (MSEK 4.7) and the interest fee received from Venezuela for an amount of MSEK 1.0 (MSEK 4.0).

Dividend income received for the nine month period ended 30 September 2006 amounted to MSEK 9.1 (MSEK 9.6) and relates to distributions received from an unconsolidated investment in a company owning an interest in the Dutch gas processing and transportation infrastructure (NOGAT). Net exchange gains for the nine month period ended 30 September 2006 amounted to MSEK 10.2 (MSEK –83.0). The exchange gains for the nine month period ended 30 September 2006 are mainly the result of the change in fair value of the currency hedging contracts and the revaluation of the USD loan outstanding into the NOK reporting currency of the entity in which the funds were drawn. During the nine month period ended 30 September 2006 the inflation of the NOK and the EUR against the USD amounted to approximately 3.9% and 7.3%, respectively resulting in an overall gain for the nine month period of MSEK 10.2. During the third quarter of 2006 the NOK devalued against the US dollar reversing previously recorded gains. The currency exchange losses recorded in the third quarter of 2006 amounted to MSEK 56.2.

Financial expense
Financial expenses for the nine month period ended 30 September 2006 amounted to MSEK 76.6 (MSEK 141.8) and MSEK 29.2 (MSEK 22.7) for the third quarter of 2006. Interest expense for the nine month period ended 30 September 2006 amounted to MSEK 31.4 (MSEK 39.6) and mainly relates to the bank loan facility.

The amortisation of financing fees amounted to MSEK 14.0 (MSEK 10.2) for the nine month period ended 30 September 2006 and MSEK 4.6 (MSEK 3.3) for the third quarter of 2006. 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 nine month period ended 30 September 2006 amounted to MSEK 872.4 (MSEK 698.5) and MSEK 190.8 (MSEK 372.6) for the third quarter of 2006. The current corporation tax charge of MSEK 562.0 (MSEK 160.9) comprises current corporation tax charges in, primarily the United Kingdom, France, the Netherlands, Indonesia and Venezuela. The increase in the current corporation tax charge is partly due to the United Kingdom having utilised prior year tax losses to offset current corporation tax during the comparative period. The tax losses available in the United Kingdom were fully utilised during 2005. Additionally, in the United Kingdom, the rate of Supplementary Corporation Tax (SCT) has been increased from 10% to 20% with effect from 1 January 2006 by the passing of the Finance Act 2006 raising the effective rate of tax in the United Kingdom from 40% to 50%. The tax charge for the second quarter of 2006 was calculated using the increased rate of tax and including the increased tax charge for the first quarter of 2006 of MSEK 56.6. At the time it was announced that the tax rate in the United Kingdom would be increased, it was also announced that the tax deduction for capital expenditure incurred in 2005 could be deferred until

2006 when it would benefit from a deduction against the higher rate of tax. Lundin Petroleum has elected to exercise this option which has resulted in a lower 2006 current tax charge of MSEK 65.2.

The deferred corporate tax charge for the nine month period ended 30 September 2006 amounted to MSEK 259.6 (MSEK 515.7). Included in the deferred tax charge is a charge of MSEK 31.5 for tax losses carry forward utilised in Norway and France and a charge of MSEK 120.6 due to timing differences in the rate of depletion of oil and gas assets between accounting and fiscal reporting. The deferred tax charge for the comparative period includes the utilisation of the tax losses in the United Kingdom. The deferred tax charge for the second quarter of 2006 includes the effects of the restatement of the United Kingdom corporate tax rate from 40% to 50%. The income statement has been affected by a one off, non-cash charge of MSEK 216.2 for the restatement of the opening deferred tax balances relating to the United Kingdom assets. Following the successful drilling of the Oudna wells and the removal of the FPSO Ikdam from the Isis field for redeployment to the Oudna field, Lundin Petroleum has recognised a deferred tax asset of MSEK 109.5 for tax losses that are expected to be utilised against taxable income from the Oudna field.

The petroleum tax charge for the nine month period ended 30 September 2006 amounts to MSEK 27.1 (MSEK 14.8) and consists of State Profit Share tax (SPS) in the Netherlands. The deferred petroleum tax charge for the nine month period ended 30 September 2006 amounts to MSEK 23.6 (MSEK 7.1) and 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 nine month period ended 30 September 2006 amounts to approximately 59%. The effective tax rate for the Group for the nine month period ended 30 September 2006 excluding the restatement of the opening deferred tax balance in the United Kingdom and the inclusion of the tax asset in Tunisia amounts to approximately 52%.

Minority interest

The net profit attributable to minority interest for the nine month period ended 30 September 2006 amounted to MSEK -0.6 (MSEK 0.4) and relates to the 0.14% of Lundin International SA that is owned by minority shareholders and the minority portion of the subsidiaries of Valkyries.

BALANCE SHEET

Tangible fixed assets

Tangible fixed assets as at 30 September 2006 amounted to MSEK 13,351.4 (MSEK 5,827.0) of which MSEK 13,230.2 (MSEK 5,732.9) relates to oil and gas properties and are detailed in Note 7. The amount includes the Russian assets acquired from Valkyries at their allocated purchase price. Development and exploration expenditure incurred for the nine month period ended 30 September 2006 can be summarised as follows:

Development expenditure in MSEK	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Jun 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom	340.0	150.1	460.5	241.7	619.8
France	50.3	37.8	17.3	3.1	24.2
Norway	461.5	212.8	413.7	188.5	596.2
Netherlands	10.2	4.9	30.8	13.7	49.0
Indonesia	52.5	30.4	54.4	17.6	59.8
Russia	48.6	48.6	–	–	–
Tunisia	387.4	79.3	33.6	27.2	72.5
Venezuela	3.0	-0.1	27.5	7.8	35.5
Development expenditure	**1,353.5**	563.8	1,037.8	499.6	1,457.0

Exploration expenditure in MSEK	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom	66.6	7.8	11.3	3.9	17.2
France	23.9	12.7	6.3	3.9	16.8
Norway	85.5	32.3	48.7	24.2	69.6
Netherlands	7.5	0.1	7.5	6.7	16.6
Indonesia	46.4	10.5	37.7	15.9	61.2
Russia	68.0	68.0	–	–	–
Tunisia	0.4	0.3	0.8	–	2.0
Albania	3.3	0.7	3.9	1.0	24.5
Ireland	38.6	36.8	2.2	0.2	2.6
Iran	-0.1	–	5.4	0.9	6.0
Sudan	37.4	3.5	2.5	0.5	7.8
Nigeria	7.0	3.1	151.2	77.9	158.2
Congo (Brazzaville)	55.7	6.9	–	–	–
Other	19.1	1.0	10.9	4.5	12.8
Exploration expenditure	**459.3**	183.7	288.4	139.6	395.3

Other tangible fixed assets as at 30 September 2006 amounted to MSEK 121.2 (MSEK 94.1)

Financial fixed assets

Financial fixed assets as at 30 September 2006 amounted to MSEK 2,112.1 (MSEK 502.5) and are detailed in Note 8. The amount includes an amount capitalised for goodwill of MSEK 1,642.5 in relation to the acquisition of Valkyries at the date of acquisition comprising of an excess purchase price of MSEK 638.7 and deferred tax on excess value added to the goodwill of MSEK 984.0. Restricted cash as at 30 September 2006 amounted to MSEK 19.9 (MSEK 23.8) and represents the cash amount deposited to support a letter of credit issued in support of exploration work commitments in Sudan. Shares and participations amount to MSEK 141.9 (MSEK 151.9) as at 30 September 2006. The decrease in the fair value of the shares and participation amounted to MSEK 9.6 (MSEK -) for the nine month period ended 30 September 2006 and corresponds to a decrease in the market value of shares held. Deferred 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. The deferred tax asset relates primarily to tax losses carried forward in the Tunisia, France and Norway and to the tax effects of the fair value adjustments for the financial instruments. Other financial fixed assets amount to MSEK 12.7 (MSEK 8.2) and funds held by joint venture partners in anticipation of future expenditures.

Current receivables and inventories

Current receivables and inventories amounted to MSEK 1,036.5 (MSEK 1,043.5) as at 30 September 2006 and are detailed in Note 9. Inventories include hydrocarbons and consumable well supplies. Corporation tax receivables as at 30 September 2006 amounted to MSEK 92.0 (MSEK 117.3) and related to tax refunds due in Norway and the Netherlands. Other current assets amounted to MSEK 186.7 (MSEK 59.0) as at 30 September 2006. Included within other current assets is an amount of MSEK 90.1 representing VAT paid on development costs in Russia that are expected to be refunded from future project revenues.

Cash and bank

Cash and bank as at 30 September 2006 amounted to MSEK 281.5 (MSEK 389.4).

Non-current liabilities

Provisions as at 30 September 2006 amounted to MSEK 3,860.6 (MSEK 2,087.3) and are detailed in Note 10. This amount includes a provision for site restoration of MSEK 407.6 (MSEK 329.2). The provision for deferred tax amounted to MSEK 3,426.3 (MSEK 1,735.1) and is mainly arising on the excess of book value over the tax value of oil and gas properties. The amount has increased during the third quarter of 2006 following the deferred tax gross up of the excess purchase price allocated to the acquired Valkyries assets.

Long term interest bearing debt amounted to MSEK 913.3 (MSEK 736.2) as at 30 September 2006. On 16 August 2004, Lundin Petroleum entered into a seven-year credit facility agreement to borrow up to MUSD 385.0 comprising MUSD 35.0 for Letters of Credit in support of future site restoration costs payable to former owners of the Heather field, offshore United Kingdom, and cash drawings of MUSD 350.0. The amount of cash drawings outstanding under the facility at 30 September 2006 amounted to MUSD 105.0. The long term interest bearing debt also includes the long-term portion of a bank loan drawn by a subsidiary of Valkyries.

Current liabilities

Current liabilities as at 30 September 2006 amounted to MSEK 1,197.7 (MSEK 1,256.3) and are detailed in Note 11. As at 30 September 2006, the fair value of the outstanding derivative instruments amounted to MSEK 46.6 (MSEK 193.8) and is primarily relating to the oil price hedging contracts. Joint venture creditors amounted to MSEK 601.3 (MSEK 642.6) and mainly relates to the amounts payable for the development activities in progress in Norway, Tunisia and Indonesia. Short-term interest bearing debt amounted to MSEK 50.6 and relates to the current portion of a bank loan drawn by a subsidiary of Valkyries.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into the following oil price hedges:

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

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

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

Contract date	USD Libor interest rate	Amount hedged	Start date	End date
10/2002	3.49%	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 has been recorded at fair value with changes in fair value being recorded in the income statement.

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

The Group has entered into the following currency hedging contracts:

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

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

Business combination

On 31 July 2006 Lundin Petroleum acquired 100% of Valkyries Petroleum Corp. ("Valkyries") in exchange for shares in Lundin Petroleum AB. The financial results of Valkyries have been fully consolidated within the Lundin Petroleum group from 1 August 2006.

The acquired business contributed revenues of 99.9 MSEK and net loss of 7.3 MSEK to Lundin Petroleum for the period 1 August to 30 September 2006.

Valkyries has been acquired by the issuance of 55.8 million new Lundin Petroleum AB shares to the former shareholders of Valkyries in exchange for their shares in Valkyries. The shares have been valued at 88.50 SEK per share representing the closing price of Lundin Petroleum on 31 July 2006. On 31 July 2006 there were 642,500 incentive warrants outstanding that had been previously issued by Valkyries. These incentive warrants have been converted to Lundin Petroleum incentive warrants on the closing date. Where the incentive warrants had a vesting date prior to the acquisition date they have been valued for recording the acquisition price of Valkyries at the closing price of Lundin Petroleum on 31 July 2006 less the exercise price of the incentive warrant. Where the incentive warrant had not vested the acquisition date they have been valued using the Black and Scholes valuation method.

An additional 1 million Lundin Petroleum shares have been reserved for issuance to the previous holder of Valkyries' interest in the Caspian Field, upon the Caspian Field producing 2,500 barrels of oil per day (bopd) for a continuous period of thirty days. This consideration has been valued at the closing price at 31 July 2006 and included in the purchase price.

Details of the purchase price calculation are as follows (amounts in TSEK):

Purchase price calculation	
- share issue of 55,855,414 shares	4,943,204
- conversion of 642,500 incentive warrants	22,572
- share issuance 1 million shares in relation to the Caspian field	88,500
- direct costs relating to the acquisition	19,062
Total purchase consideration	**5,073,338**

The excess of the purchase consideration over the fair value of the acquired assets has been attributed to goodwill. The goodwill is attributable to the establishment of the business unit focusing on opportunities in Russia and neighbouring states as well as the potential upside within the Valkyries existing assets. Key projects include a 50% interest in the producing Sotchemyu-Talyu and North Irael Fields in the Komi Republic; a 51% interest in the producing Caspian Field in the Kalmykia Republic; a 50% interest in the producing Ashirovskoye field in Orenburg; and a 70% interest in the highly prospective Lagansky exploration block offshore in the Caspian Sea. Final preparations are underway for the drilling of the Morskoye #1 exploration well in the Lagansky Block and drilling operations are expected to commence during 2007 due to the winter ice season.

Details of the net assets acquired and goodwill are as follows (amounts in TSEK):

Equity	334,428
Oil and gas properties	4,100,167
Goodwill	638,743
	5,073,338
Deferred tax on excess value	984,039

Valkyries had three contingent liabilities outstanding. Two of the contingent liabilities relate to the Lagansky Block and amount to MUSD 12.5 to be paid in the event of a commercial discovery and MUSD 10.0 to be paid upon the award of a development licence for a resulting discovery. An additional MUSD 1 is due to the vendor for the Ashirovskoye Field, following the first calendar year in which production from this field exceeds 100,000 metric tons. These contingent liabilities are stated on the face of the balance sheet.

Valkyries had agreed to pay an additional 1 USD per metric ton of oil discovered on newly discovered fields in the Orenburg licence area, assuming commercial quantities of oil. This is a contingent liability from the Oilgaztet acquisition for which none of the conditions has been met at this date. This contingent liability has been assumed by Lundin Petroleum but due to the uncertainty, no value has been assigned for this contingent liability.

PARENT COMPANY

The business of the Parent Company is investment in and management of oil and gas assets. The net profit for the parent company amounted to a gain of MSEK 13.4 (MSEK 4.2) for the nine month period ended 30 September 2006 and a gain of MSEK 5.7 (MSEK 2.1) for the third quarter of 2006.

The profit included general and administrative expenses of MSEK 43.6 (MSEK 35.7) offset by net financial income and expenses of MSEK 26.3 (MSEK 28.5). Interest income derived from loans to subsidiary companies amounted to MSEK 28.0 (MSEK 27.2). Currency exchange losses amounted to MSEK 1.8 (MSEK –1.2).

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

SHARE DATA

Lundin Petroleum AB's share capital at 30 September 2006 amounts to SEK 3,140,951 represented by 314,095,080 shares with a quota value of SEK 0.01 each.

The following incentive warrants have been issued under the Groups incentive programme for employees. The 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 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
Numbers authorised	2,250,000	3,000,000	3,250,000
Number outstanding	846,000	2,632,500	3,226,000
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 acquired incentive warrants were converted giving these incentive warrants an exercise price range between 17.87 – 75.30 SEK with various exercise periods up to 9 September 2008. The incentive warrants options issued after the date of acquisition has an exercise price in the range 80.00 – 97.40 SEK. The exercise period for these incentive warrants options is between 16 December 2006 – 31 May 2009.

CHANGES IN BOARD

Subsequent to 30 September 2006, there were two changes to the board of directors of Lundin Petroleum. In September 2006, Mr. Adolf H Lundin, the Honorary Chairman and a director of Lundin Petroleum, passed away. In addition, Mr. Carl Bildt resigned as a director of Lundin Petroleum.

EXCHANGE RATES

For the preparation of the financial statements for the nine month period ended 30 September 2006 the following currency exchange rates have been used.

	Average	Period end
1 EUR equals SEK	9.2942	9.2797
1 USD equals SEK	7.4700	7.3299

ACCOUNTING PRINCIPLES

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

Principles of consolidation

As stated in the annual report of the Group a subsidiary is an entity over which the Group has the sole right to exercise control over the operations and govern the financial policies generally accompanying a shareholding of more than half of the voting rights. A subsidiary that is controlled by the Group will be fully consolidated within the results of Lundin Petroleum.

Joint control exists when the Group does not have the power to determine the strategic operating, investing and financing policies of an partially owned entity without the co-operation of others. When this is the case and the Group holds a shareholding of greater than 5% the entity should be proportionally consolidated in accordance with the IFRS definition of joint control.

For certain companies acquired within Valkyries, Lundin Petroleum has the right to exercise control and these companies have been fully consolidated. For the companies acquired that Lundin Petroleum does not have full control, proportional consolidation has been used.

See below table of companies within Valkyries in which ownership is less than 100%:

Company	Ownership	Consolidation method
Mintley Caspian Ltd. (LLC PetroResurs)	70%	Full consolidation with minority
CJSC Kalmeastern	51%	Full consolidation with minority
CJSC Oilgaztet	50%	Full consolidation with minority
Oil Service	50%	Proportional consolidation
RF Energy Investments Ltd. (CJSC Pechoraneftegas)	50%	Proportional consolidation

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

Income statement

Expressed in TSEK	Notes	**1 Jan 2006-30 Sep 2006 9 months**	1 Jul 2006-30 Sep 2006 3 months	1 Jan 2005-30 Sep 2005 9 months	1 Jul 2005-30 Sep 2005 3 months	1 Jan 2005-31 Dec 2005 12 months
Operating income						
Net sales of oil and gas	1	3,127,976	935,133	3,027,039	1,123,035	3,995,477
Other operating income		147,876	38,872	137,874	49,276	194,707
		3,275,852	974,005	3,164,913	1,172,311	4,190,184
Cost of sales						
Production costs	2	-1,033,786	-365,954	-978,172	-326,772	-1,310,905
Depletion of oil and gas properties	3	-565,105	-159,904	-578,961	-190,908	-753,428
Write off of oil and gas properties		-104,744	-70,337	-40,845	-29,669	-208,135
Gross profit		**1,572,217**	377,810	1,566,935	624,962	1,917,716
Sale of assets		–	–	194,799	194,799	192,122
Other income		6,276	3,434	5,356	2,037	6,438
General, administration and depreciation expenses		-75,763	-19,983	-70,418	-20,587	-103,118
Operating profit	1	**1,502,730**	361,261	1,696,672	801,211	2,013,158
Result from financial investments						
Financial income	4	44,723	-44,862	29,841	13,828	44,012
Financial expenses	5	-76,566	-29,217	-141,776	-22,697	-196,461
		-31,843	-74,079	-112,295	-8,869	-152,449
Profit before tax		**1,470,887**	287,182	1,584,377	792,342	1,860,709
Tax	6	-872,370	-190,803	-698,543	-372,581	-866,734
Net profit		**598,517**	96,379	885,834	419,761	993,975
Net profit attributable to:						
Shareholders of the parent company		599,149	97,907	885,432	419,584	993,507
Minority interest		-632	-1,528	402	177	468
Net profit		**598,517**	96,379	885,834	419,761	993,975
Earnings per share – SEK[1]		2.22	0.33	3.47	1.64	3.89
Diluted earnings per share – SEK[1]		2.21	0.33	3.45	1.62	3.87

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

Expressed in TSEK	Note	**30 Sep 2006**	31 Dec 2005
ASSETS			
Tangible fixed assets			
Oil and gas properties	7	13,230,223	5,732,871
Other tangible fixed assets		121,181	94,136
Total tangible fixed assets		**13,351,404**	5,827,007
Financial fixed assets	8	**2,112,106**	502,474
Total fixed assets		**15,463,510**	6,329,481
Current assets			
Current assets receivables and inventories	9	1,036,465	1,043,477
Cash and bank		281,463	389,415
Total current assets		**1,317,928**	1,432,892
Total assets		**16,781,438**	7,762,373
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		9,254,020	3,679,616
Minority interest		1,555,746	3,050
Total equity		**10,809,766**	3,682,666
Non-current liabilities			
Provisions	10	3,860,617	2,087,250
Bank loans		913,316	736,151
Total non-current liabilities		**4,773,933**	2,823,401
Current liabilities	11	**1,197,739**	1,256,306
Total equity and liabilities		**16,781,438**	7,762,373
Pledged assets		1,988,948	1,128,763
Contingent liabilities		172,253	–

Statement of cash flow

Expressed in TSEK	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cash flow from operations					
Net profit	598,517	96,379	885,834	419,761	993,975
Adjustments for depletion and other non-cash related items	1,019,319	253,102	848,898	169,532	1,436,152
Changes in working capital	7,786	-255,673	106,169	325,094	111,217
Total cash flow from operations	**1,625,622**	93,808	1,840,901	914,387	2,541,344
Cash flow used for investments					
Investment in subsidiary assets	–	–	-236	-236	-236
Sale of assets/investments	–	–	194,799	194,799	192,122
Investment/divestment of real estate	-14,147	-2,454	–	–	-40,190
Change in other financial fixed assets	-3,200	38,434	-12,770	66	16,850
Other payments	-28,917	-8,947	-13,869	-418	-13,419
Investment in oil and gas properties	-1,812,785	-747,504	-1,326,231	-638,911	-1,852,415
Investment in other fixed assets	-14,686	-6,930	-36,496	-12,485	-16,137
Total cash flow used for investments	**-1,873,735**	-727,401	-1,194,803	-457,185	-1,713,425
Cash flow used for financing					
Changes in long-term bank loan	77,495	494,772	-680,501	-411,960	-822,240
Proceeds from share issues	34,992	10,460	46,102	19,939	59,275
Total cash flow used for financing	**112,487**	505,232	-634,399	-392,021	-762,965
Change in cash and bank	-135,625	-128,360	11,699	65,181	64,954
Cash and bank at the beginning of the period	389,415	349,960	268,377	254,507	268,377
Acquired Cash	54,257	54,257	–	–	–
Currency exchange difference in cash and bank	-26,584	5,606	44,521	4,909	56,084
Cash and bank at the end of the period	**281,463**	281,463	324,597	324,597	389,415

Expressed in TSEK	Share capital	Additional paid-in-capital/ Other reserves*	Retained earnings	Net profit	Minority interest	Total Equity
Balance at 1 January 2005	**2,537**	**830,630**	**837,676**	**598,245**	**2,931**	**2,272,019**
Transfer of prior year net profit	–	–	598,245	-598,245	–	–
Currency translation difference	–	253,686	–	–	472	254,158
Change in hedge reserve	–	-225,373	–	–	–	-225,373
Income and expenses recognised directly in equity	**–**	**28,313**	**–**	**–**	**472**	**28,785**
Net profit	–	–	–	885,432	402	885,834
Total recognised income and expense for the period	**–**	**28,313**	**–**	**885,432**	**874**	**914,619**
Issuance of shares	31	46,071	–	–	–	46,102
Transfer of share based payments	–	4,363	-4,363	–	–	–
Share based payments	–	–	13,722	–	–	13,722
Investments	–	–	–	–	-897	-897
Balance at 30 September 2005	**2,568**	**909,377**	**1,445,280**	**885,432**	**2,908**	**3,245,565**
Transfer of hedge reserve	–	98,194	-98,194	–	–	–
Currency translation difference	–	47,901	–	–	59	47,960
Change in hedge reserve	–	163,442	–	–	–	163,442
Change in fair value	–	99,109	–	–	–	99,109
Income and expenses recognised directly in equity	**–**	**310,452**	**–**	**–**	**59**	**310,511**
Net profit	–	–	–	108,075	66	108,141
Total recognised income and expense for the period	**–**	**310,452**	**–**	**108,075**	**125**	**418,652**
Issuance of shares	3	13,170	–	–	–	13,173
Transfer of share based payments	–	2,212	-2,212	–	–	–
Share based payments	–	–	5,259	–	–	5,259
Investments	–	–	–	–	17	17
Balance at 31 December 2005	**2,571**	**1,333,405**	**1,350,133**	**993,507**	**3,050**	**3,682,666**
Transfer of prior year net profit	–	–	993,507	-993,507	–	–
Currency translation difference	–	-167,571	–	–	18,461	-149,110
Change in hedge reserve	–	44,110	–	–	–	44,110
Fair value adjustment	–	-9,629	–	–	–	-9,629
Income and expenses recognised directly in equity	**–**	**-133,090**	**–**	**–**	**18,461**	**-114,629**
Net profit	–	–	–	599,149	-632	598,517
Total recognised income and expense for the period	**–**	**-133,090**	**–**	**599,149**	**17,829**	**483,888**
Acquired minority	–	–	–	–	1,534,867	1,534,867
Issuance of shares	570	5,088,698	–	–	–	5,089,268
Transfer of share based payments	–	4,687	-4,687	–	–	–
Share based payments	–	–	19,077	–	–	19,077
Balance at 30 September 2006	**3,141**	**6,293,700**	**2,358,030**	**599,149**	**1,555,746**	**10,809,766**

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

Note 1. Segmental information, TSEK	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Net sales of:					
Crude oil					
- United Kingdom	2,179,432	605,976	2,159,587	832,139	2,908,682
- France	487,478	172,209	464,046	179,195	629,842
- Norway	105,719	36,824	107,182	37,867	140,713
- Indonesia	141,506	51,025	136,958	48,462	179,673
- Russia	94,003	94,003	–	–	–
- Tunisia	58,452	-199	152,696	124,379	153,751
	3,066,590	959,838	3,020,469	1,222,042	4,012,661
Condensate					
- United Kingdom	30,689	8,383	26,203	6,595	36,527
- Netherlands	4,764	1,803	2,159	479	3,467
- Indonesia	839	671	1,124	577	1,234
	36,292	10,857	29,486	7,651	41,228
Gas					
- Norway	293	74	1,179	453	1,746
- Netherlands	197,184	47,238	160,260	46,256	229,617
- Indonesia	675	141	5,725	5,070	1,328
- Ireland	–	–	995	-4,676	5,776
	198,152	47,453	168,159	47,103	238,467
Service fee					
- Venezuela	25,018	-391	96,321	26,323	127,408
Oil price hedging settlement	-198,076	-82,624	-287,396	-180,084	-424,287
	3,127,976	935,133	3,027,039	1,123,035	3,995,477
Operating profit contribution					
- United Kingdom	1,077,269	263,381	1,044,680	429,307	1,397,827
- France	305,136	91,407	207,250	80,544	277,100
- Norway	61,561	27,174	255,063	212,430	267,559
- Netherlands	100,419	25,526	32,977	-21,183	62,206
- Venezuela	-32,011	-18,298	45,368	9,680	57,146
- Indonesia	75,674	18,297	91,091	44,149	119,655
- Russia	15,035	15,035	–	–	–
- Tunisia	-9,291	-4,921	65,490	53,346	57,899
- Ireland	-39,963	-39,963	3,339	-474	4,222
- Nigeria	–	–	–	–	-158,174
- Iran	–	–	-5,437	-1,266	-6,078
- Other	-51,099	-16,377	-43,149	-5,322	-66,204
Total operating profit contribution	**1,502,730**	361,261	1,696,672	801,211	2,013,158

Note 2. Production costs TSEK	**1 Jan 2006- 30 Sep2006 9 months**	1 Jul 2006- 30 Sep2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cost of operations	938,217	340,336	799,429	239,038	1,107,591
Tariff and transportation expenses	105,191	36,775	100,121	26,696	133,492
Direct production taxes	74,984	58,904	27,367	11,320	35,805
Changes in inventory/ overlift position	-84,606	-70,061	51,255	49,718	34,017
	1,033,786	365,954	978,172	326,772	1,310,905

Note 3. Depletion of oil and gas properties, TSEK	**1 Jan 2006- 30 Sep2006 9 months**	1 Jul 2006- 30 Sep2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
United Kingdom	333,788	96,065	395,465	133,682	508,519
France	50,616	16,580	49,970	17,402	67,651
Norway	19,617	6,006	19,415	5,881	26,663
Netherlands	44,556	9,398	52,468	14,606	70,834
Indonesia	16,980	4,300	12,438	4,011	16,192
Russia	9,365	9,365	–	–	–
Tunisia	40,599	–	14,968	4,337	18,831
Venezuela	49,584	18,190	34,237	10,989	44,738
	565,105	159,904	578,961	190,908	753,428

Note 4. Financial income, TSEK	**1 Jan 2006- 30 Sep2006 9 months**	1 Jul 2006- 30 Sep2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Interest income	20,762	6,317	19,843	10,879	31,195
Dividends received	9,123	2,628	9,638	2,949	12,817
Other financial income	4,604	2,408	–	–	–
Foreign exchange gain, net	10,234	-56,215	–	–	–
	44,723	-44,862	29,481	13,828	44,012

Note 5. Financial expenses, TSEK	**1 Jan 2006- 30 Sep2006 9 months**	1 Jul 2006- 30 Sep2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Loan interest expenses	31,449	13,111	39,609	12,217	45,003
Change in market value interest rate hedge	3,264	3,032	-7,750	-3,458	-7,949
Unwind site restoration discount	18,932	5,195	12,593	4,284	17,082
Amortisation of deferred financing fees	14,036	4,640	10,218	3,310	15,182
Foreign exchange loss, net	–	–	82,972	4,539	121,971
Other financial expenses	8,885	3,239	4,134	1,805	5,172
	76,566	29,217	141,776	22,697	196,461

Note 6. Tax, TSEK	**1 Jan 2006-** **30 Sep 2006** **9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Current corporation tax	561,999	177,940	160,903	108,750	240,653
Deferred corporation tax	259,629	-825	515,669	254,983	647,131
Current petroleum tax	27,111	8,740	14,847	395	11,270
Deferred petroleum tax	23,631	4,948	7,124	8,453	-32,320
	872,370	190,803	698,543	372,581	866,734

Note 7. Oil and gas properties, TSEK	**Book amount** **30 Sep 2006**	Book amount 31 Dec 2005
United Kingdom	2,429,498	2,560,154
France	853,926	844,738
Norway	1,695,856	1,237,580
Netherlands	452,643	470,630
Venezuela	156,200	219,183
Indonesia	268,618	232,339
Russia	6,727,423	–
Tunisia	470,358	99,085
Ireland	1,265	2,622
Sudan	65,594	28,865
Albania	31,500	30,269
Congo (Brazzaville)	55,882	–
Others	21,460	7,406
	13,230,223	5,732,871

Note 8. Financial fixed assets, TSEK	**Book amount** **30 Sep 2006**	Book amount 31 Dec 2005
Goodwill	1,642,474	–
Shares and participations	141,852	151,928
Restricted cash	19,905	23,827
Deferred financing fees	4,674	18,905
Deferred tax asset	290,455	297,788
Derivative instrument	–	1,825
Other financial fixed assets	12,746	8,201
	2,112,106	502,474

Note 9. Current receivables and inventories, TSEK	**Book amount 30 Sep 2006**	Book amount 31 Dec 2005
Inventories	123,546	99,943
Trade receivables	366,927	523,315
Underlift	67,515	49,482
Corporation tax	91,998	117,283
Joint venture debtors	183,858	180,989
Derivative instruments	15,896	13,430
Other current assets	186,725	59,035
	1,036,465	1,043,477

Note 10. Provisions, TSEK	**Book amount 30 Sep 2006**	Book amount 31 Dec 2005
Site restoration	407,578	329,173
Pension	12,486	13,810
Deferred taxes	3,426,260	1,735,058
Other	14,293	9,209
	3,860,617	2,087,250

Note 11. Current liabilities, TSEK	**Book amount 30 Sep 2006**	Book amount 31 Dec 2005
Trade payables	129,259	135,394
Overlift	30,767	67,911
Tax payables	220,048	117,691
Accrued expenses	44,397	45,445
Acquisition liabilities	38,167	38,615
Derivative instruments	46,584	193,777
Joint venture creditors	601,326	642,575
Short-term bank loans	50,576	–
Other current liabilities	36,615	14,898
	1,197,739	1,256,306

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Jun 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Service income	30,666	10,575	11,441	5,223	18,776
Gross profit	**30,666**	10,575	11,441	5,223	18,776
General and administrative expenses	-43,578	-14,595	-35,673	-12,606	-52,141
Operating loss	**-12,912**	-4,020	-24,232	-7,383	-33,365
Financial income	28,104	9,602	28,455	9,523	39,846
Financial expenses	-1,767	166	–	–	-216
Net profit before tax	**13,425**	5,748	4,223	2,140	6,265
Tax	–	–	–	–	–
Net profit	**13,425**	5,748	4,223	2,140	6,265

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**30 Sep 2006**	31 Dec 2005
ASSETS		
Financial fixed assets	5,986,114	875,237
Total fixed assets	**5,986,114**	875,237
Current Assets		
Current receivables	16,045	11,136
Cash and bank	15,806	10,856
Total current assets	**31,851**	21,992
Total assets	**6,017,965**	897,229
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity including net profit for the period	5,997,499	893,260
Current liabilities	20,466	3,969
Total shareholders' equity and liabilities	**6,017,965**	897,229
Pledged assets	1,988,948	1,128,763
Contingent liabilities	172,253	–

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep 2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Cash flow from operations					
Net profit	13,425	5,748	4,223	2,140	6,265
Adjustment for non cash related items	18,255	8,873	1,252	-4,142	16,780
Changes in working capital	-7,703	-2,339	-8,877	-3,720	-9,063
Total cash flow from operations	**23,977**	12,282	-3,402	-5,722	13,982
Changes in loans to subsidiary companies	-54,802	-26,057	-47,589	-29,631	-72,911
Investment in subsidiaries	-149	–	–	–	–
Total cash flow used for investments	**-54,951**	-26,057	-47,589	-29,631	-72,911
Proceeds from share issue	34,992	10,460	46,102	19,939	59,275
Total cash flow from financing	**34,992**	10,460	46,102	19,939	59,275
Change in cash and bank	4,018	-3,315	-4,889	-15,414	346
Cash and bank at the beginning of the period	10,856	19,282	10,289	20,534	10,289
Currency exchange difference bank	932	-161	-318	-38	221
Cash and bank at the end of the period	**15,806**	15,806	5,082	5,082	10,856

STATEMENT OF CHANGES IN PARENT COMPANY EQUITY

	Restricted equity		**Unrestricted equity**			
	Share capital	Statutory reserve	Other reserves*	Retained Earnings	Net profit	Total equity
Balance at 1 January 2005	2,537	824,163	–	10,712	-28,673	808,739
Transfer of prior year net profit	–	-28,673	–	–	28,673	–
New share issuance	31	46,071	–	–	–	46,102
Transfer of share based payments	–	4,363	–	-4,363	–	–
Share based payments	–	–	–	13,722	–	13,722
Net profit	–	–	–	–	4,223	4,223
Balance at 30 September 2005	**2,568**	**845,924**	**–**	**20,071**	**4,223**	**872,786**
New share issuance	3	13,170	–	–	–	13,173
Transfer of share based payments	–	2,212	–	-2,212	–	–
Share based payments	–	–	–	5,259	–	5,259
Net profit	–	–	–	–	2,042	2,042
Balance at 31 December 2005	**2,571**	**861,306**	**–**	**23,118**	**6,265**	**893,260**
Transfer of prior year net profit	–	–	–	6,265	-6,265	–
New share issuance	570	–	5,088,698	–	–	5,089,268
Transfer of share based payments	–	–	4,687	-4,687	–	–
Share based payments	–	–	–	19,077	–	19,077
Currency translation reserve	–	–	-17,531	–	–	-17,531
Net profit	–	–	–	–	13,425	13,425
Balance at 30 September 2006	**3,141**	**861,306**	**5,075,854**	**43,773**	**13,425**	**5,997,499**

* Other reserves comprises fair value reserve and share premium reserve.

Key financial data

Data per share	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Shareholders' equity SEK per share[1]	34.42	34.42	12.64	12.64	14.32
Operating cash flow SEK per share [2]	6.10	1.43	7.84	2.85	10.22
Cash flow from operations SEK per share[3]	6.00	0.32	7.18	7.12	9.89
Earnings SEK per share[4]	2.22	0.33	3.47	1.64	3.89
Earnings SEK per share fully diluted[5]	2.21	0.33	3.45	1.62	3.87
Dividend per share	–	–	–	–	–
Quoted price at the end of the financial period (regards the parent company), SEK	77.25	77.25	98.00	98.00	85.00
Number of shares at period end	314,095,080	314,095,080	256,816,666	256,816,666	257,140,166
Weighted average number of shares for the period[6]	269,648,605	293,030,056	255,292,932	256,297,139	255,685,730
Weighted average number of shares for the period (fully diluted)[6]	270,866,666	294,248,117	256,445,377	258,456,601	256,974,123

Key data group	**1 Jan 2006- 30 Sep 2006 9 months**	1 Jul 2006- 30 Sep 2006 3 months	1 Jan 2005- 30 Sep2005 9 months	1 Jul 2005- 30 Sep 2005 3 months	1 Jan 2005- 31 Dec 2005 12 months
Return on equity, % [7]	8	1	32	14	33
Return on capital employed, %[8]	18	4	41	18	49
Debt/equity ratio, %[9]	7	7	16	16	9
Equity ratio, %[10]	55	55	44	44	47
Share of risk capital, %[11]	85	85	66	66	70
Interest coverage ratio, %[12]	3,894	1,998	4,318	6,652	4,231
Operating cash flow/interest ratio[13]	4,264	2,785	5,353	6,089	5,833
Yield[14]	–	–	–	–	–

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL INFORMATION

The Company will publish the following reports:

- The year end report 2006 will be published on 21 February 2007.
- The three month report (January – March) 2006 will be published on 15 May 2007.
- The six month report (January – June 2006) will be published on 15 August 2007.
- The nine month report (January – September) 2006 will be published on 14 November 2007.

Stockholm 15th November 2006

C. Ashley Heppenstall
President & CEO

Corporate Head Office
Lundin Petroleum AB (publ)
Hovslagargatan 5
SE-111 48 Stockholm
Sweden
Telephone: 46-8-440 54 50
Telefax: 46-8-440 54 59
E-mail: info@lundin.ch

President's Office
Lundin Petroleum AB (publ)
5 chemin de la Pallanterie
CH-1222 Vésenaz
Switzerland
Telephone: 41-22-595 10 00
Telefax: 41-22-595 10 05
E-mail: info@lundin.ch

www.lundin-petroleum.com