Lundin Petroleum AB – Press release

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Nordic Exchange: **LUPE**
Company registration number 556610-8055

15th August 2007

INTERIM REPORT FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2007

	1 Jan 2007-30 Jun 2007 6 months	1 Jan 2006-30 Jun 2006 6 months	1 Jan 2006-31 Dec 2006 12 months
Production in mboepd	38.6	28.6	29.7
Operating income in MSEK	2,740.1	2,301.9	4,414.5
Net profit in MSEK	509.7	502.1	794.4
Earnings/share in SEK	1.62	1.95	2.83
Diluted earnings/share in SEK	1.62	1.94	2.81
EBITDA in MSEK	1,641.9	1,581.1	2,731.5
Operating cash flow in MSEK	1,420.8	1,231.6	2,271.0

Listen to President & CEO Ashley Heppenstall and CFO Geoff Turbott comment on the report at the live broadcast presentation 15th August at 08.00 CET. To participate via conference call dial +44 20 88 17 93 01.

The live presentation and slides will be available on www.lundin-petroleum.com following the presentation.

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Africa, Russia and the Far East. The Company is listed at the Nordic Exchange, Sweden (ticker "LUPE"). Lundin Petroleum had existing proven and probable reserves of 176.4 million barrels of oil equivalent (mmboe) as at 1 January 2007.

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Visit our website: www.lundin-petroleum.com

Dear fellow Shareholders,

I am very pleased to be able to report another strong quarter's results for Lundin Petroleum.

Lundin Petroleum's production performance was in line with expectations during the first half of 2007. As anticipated, production in the second quarter of 2007 was lower than the first quarter but this was offset by the continued high world oil prices allowing the Company to post an increase in profits for the fifth successive quarter.

Marathon, as operator of the Alvheim field, announced that initial production from the field, offshore Norway, will be delayed until the fourth quarter of 2007. Whilst this delay is disappointing, we continue to look to the Alvheim field to add substantial production and cashflow to Lundin Petroleum's existing portfolio of production assets.

Lundin Petroleum remains focused on realising the potential of its world class portfolio of exploration assets. After experiencing delays in commencing the 2007 exploration drilling programme, I believe that we are progressing towards unlocking the value of these prospective resources with a major exploration drilling campaign in the second half of 2007 including high impact wells in Sudan, Norway and hopefully Russia.

Financial Performance

Lundin Petroleum generated a net profit after taxes for the first half of 2007 of MSEK 509.7 (MUSD 73.5). Operating cash flow for the period was MSEK 1,420.8 (MUSD 204.8) and earnings before interest, tax, depreciation, and amortisation (EBITDA) was MSEK 1,641.9 (MUSD 236.7).

Production

Production for the first half of 2007 amounted to 37,900 barrels of oil equivalent per day (boepd) and was in line with expectations primarily due to production from the Oudna field, offshore Tunisia continuing to exceed forecast and continued strong production from the Broom field, offshore the United Kingdom. The production was down from the first quarter of 2007 mainly due to the lower equity percentage in the Oudna field following the participation of Enterprise Tunisienne d'Activities Petrolieres (ETAP), the Tunisian state oil company in March 2007.

The delay to the commencement of production from the Alvheim field until the fourth quarter of 2007 means that we will revise the production forecast for 2007. We now forecast production for 2007 in the range between 34,000 and 37,000 boepd with the lower limit assuming that there is no average daily production from Alvheim in 2007. Other than Alvheim, our other fields are essentially producing in line with our production forecasts.

Development

Norway continues to be the major area of focus for development activity for Lundin Petroleum through the Alvheim and Volund developments. In addition, Lundin Petroleum maintains a portfolio of existing discoveries, such as Gekko and Peik, and will drill an appraisal well on the Nemo field in Block PL148 in the second half of 2007.

In the United Kingdom, Lundin Petroleum continues to invest in facility upgrades on the Heather and Thistle platforms. The rig reactivation project on the Thistle platform is proceeding along with other upgrades to improve the platform efficiency and to facilitate the redevelopment of the Thistle field.

In Indonesia, the Singa gas field development continues to progress following the signing of a gas sales agreement and in France, the development drilling programme on the Villeperdue field has been successfully completed.

Exploration

Lundin Petroleum has a substantial exploration programme for 2007 pursuing potential unrisked resources of close to 1.3 billion barrels. Exploration drilling is currently ongoing in Indonesia and the United Kingdom.

The upgrading of the Bredford Dolphin rig was completed in July having experienced some delays and the rig was moved to its first well location. Lundin Petroleum will receive the rig when this well is completed and anticipates commencing the drilling of the Luno prospect, PL338, offshore Norway in the third quarter.

In June 2007, a meeting of the National Petroleum Commission of Sudan, an organisation comprising the President of Sudan, representatives of the national Government and the Government of Southern Sudan established to oversee petroleum activities in Sudan, confirmed the rights of Lundin Petroleum and its partners to Block 5B in Sudan. We have been asked by the National Petroleum Commission to accommodate the national oil company of the Government of Southern Sudan, "NilePet", with a 10 percent interest in Block 5B. Whilst this will involve a small dilution to our working interest in Block 5B we welcome Nilepet to the consortium. We believe that the decision of the National Petroleum Commission and the presence of both Sudapet (the oil company of the national Government) and Nilepet in the consortium will allow us to realise the excellent potential of this Block. Drilling preparations are ongoing and we anticipate drilling the first well of a three well programme in the fourth quarter of 2007. Additional prospectivity identified by the ongoing seismic acquisition programme has led to a new drilling prospect to the west of the Nile River and a land based rig is being mobilised to commence drilling in early 2008.

In Russia we continued to experience frustrating delays in the permitting process to allow us to drill the first exploration well in the Lagansky block. In July 2007, Lundin Petroleum entered into a call option agreement with Gazprom whereby Gazprom will have an option to acquire an effective 50 percent plus one share controlling shareholding in the Lagansky exploration licence in the Russian sector of the Caspian Sea. Lundin Petroleum simultaneously entered into a call option agreement with its minority partner in the Block to acquire an additional 30 percent effective interest in the license, leaving Lundin Petroleum with an effective license interest of 50 percent minus one share in the event that Gazprom exercises its option. We are operationally ready to drill the exploration well. We are now working with Gazprom to obtain all necessary permits but the delay to the permitting process may mean that the well has to be postponed until after the winter season. Whilst the delays are disappointing, we are very pleased with the Gazprom deal and believe this will lead to further opportunities to work together.

In Indonesia, Lundin Petroleum spudded the Tengis-1 well on the Blora Block in May 2007. Whilst there have been delays to the completion of the drilling of this well, results to date have been encouraging with at least one reservoir to be tested. Offshore the United Kingdom, Lundin Petroleum has spudded the first well in a three well back-to-back drilling campaign using the Global Santa Fe Galaxy II jack-up rig.

In today's competitive oil price environment we continue to invest in acquiring new exploration areas and have been successful in the last twelve months in securing new licenses in Congo (Brazzaville), Vietnam and Ethiopia.

Oil Markets
Our belief in high oil prices continues to be supported by the world oil markets with quoted prices for Brent crude above USD 70.00. We believe today's oil prices are being driven by the fundamentals of supply and demand. We continue to see increasing demand from the developing world and at the same time supply is under pressure with most producing countries at full capacity. We continue to believe that oil prices will remain robust with potential for price increases in the future.

We are entering a very exciting period in the growth of Lundin Petroleum over the next two quarters with a period of intense exploration drilling activity combined with a substantial increase in forecast production from the commencement of production from the Alvheim field. I would like to thank all of the Lundin Petroleum employees for their ongoing efforts in bringing these projects to fruition and I would like to thank you, our shareholders, for your continued support.

I would also like to take the opportunity to thank Viveca Ax:son Johnson and Kai Hietarinta, both of whom did not offer themselves for re-election at the Annual General Meeting in May, for their support and guidance as Lundin Petroleum directors.

Kind regards,

C Ashley Heppenstall
President & CEO

OPERATIONS

United Kingdom

The net production to Lundin Petroleum in the first half of 2007 was 15,100 barrels of oil equivalent per day (boepd).

Net production from the Broom field (Lundin Petroleum Working Interest (WI) 55%) averaged 8,800 boepd during the first half of 2007. Production was in excess of budget during the period despite an unplanned shutdown of the Heather platform early in the year which negatively impacted production. A further development well will be drilled on the Broom field in the second half of 2007 and preparations are ongoing and progressing according to schedule. The newly acquired 3D seismic over the Greater Heather area was successfully acquired, processed and interpreted and will assist in positioning the next infill well over the Broom field

Production from the Heather field (WI 100%) averaged 1,800 boepd in the first half of 2007. Production was below budget due to the lack of water injection resulting in underperformance of the wells, delays to the infill drilling programme and postponement of the Heather triassic well.

Net production from the Thistle field (WI 99%) averaged 4,500 boepd during the first half of 2007 which was slightly below expectations. A long term investment programme to redevelop the Thistle field commenced in the first half of 2007. The redevelopment involves the reinstallation of the Thistle drilling rig. A seismic vessel to acquire new 3D seismic over the field has been contracted and is due to start acquisition in September 2007. Further facilities investment to ensure an extended life for the Thistle platform is ongoing.

The exploration well 41/10a "Lytham/Haupt" prospect located in Cleveland/Dogger Shelf (Licence P1129) spudded in July and is ongoing. Lundin Petroleum is the operator with a 25 percent working interest in the licence. The exploration well 14/28a-5 (WI 10%) located in the outer Moray Firth area in the UK North Sea was drilled in March/April to evaluate three reservoir targets. The well was plugged and abandoned as a dry hole in April 2007. A further two exploration wells are planned to be drilled on Lundin Petroleum licenses in the UK North Sea during 2007.

During the first half of 2007, Lundin Petroleum completed the acquisition of an approximate 40.0 percent net interest in the Peik gas/condensate field from Total. The Peik field, which straddles the UK and Norwegian border, is estimated to contain gross contingent resources[1] of 27 mmboe.

Norway

Production from the Jotun field (WI 7%) offshore Norway averaged 700 bopd during the first half of 2007.

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

A plan of development for the Volund field (WI 35%) was approved by the Norwegian Government during the first half of 2007. First production of oil and gas is forecast in 2009 at a peak rate of more than 8,700 boepd net to Lundin Petroleum.

Exploration drilling on the Luno prospect in licence PL338 (WI 50%) operated by Lundin Petroleum is slightly delayed and is now expected to commence in the third quarter 2007 due to delays experienced in upgrading the Bredford Dolphin semi submersible rig in Poland. The rig is now fully upgraded and has passed all the necessary Norwegian regulations to commence drilling on the Norwegian Continental Shelf. Further exploration drilling on licence PL335 (WI 18%) and on licence PL 292 (WI 40%) is expected to take place during the second half of 2007.

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

France

Production in the Paris Basin averaged 2,600 bopd during the first half of 2007 in line with expectation. The coil tubing under-balanced drilling campaign involving four new horizontal production/injector wells in the Villeperdue field (WI 100%) has been successfully completed and the newly drilled wells are now contributing to the overall production in the field. During the same period a new infill well was drilled in the Vert la Gravelle field were Lundin Petroleum is the operator with an 80 percent working interest.

In the Aquitaine Basin (WI 50%) production averaged 600 bopd for the first half of 2007. Production was below budget due to an oil spill at the Ambes terminal which resulted in the suspension of production for one month until alternative transportation and marketing solutions were put in place. Production has now returned to pre-shutdown forecast levels and is expected to remain there for the rest of the year.

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[1] Contingent resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are currently not considered to be commercially recoverable.

Indonesia

Salawati Island and Basin (Papua)

The net production from Salawati (Salawati Island WI 14.5% and Salawati Basin WI 25.9%) was 2,700 boepd for the first half of 2007. Production was below expectation mainly due to well downtime in one of the main fields. The TBA field offshore Salawati Island continues to contribute in excess of 700 boepd net production.

Lematang (South Sumatra)

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

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

Blora (Java)

The Tengis-1 exploration well (WI 43.3 %) was spudded in May 2007 and the well reached its total depth in early August. The main target reservoir was encountered as expected. However during logging operations difficulties were encountered due to the overall hole conditions. As a result of the data acquired whilst drilling, a decision has been made to sidetrack the well with a forecast completion in September 2007. A separate higher reservoir which is interpreted as gas bearing from the log analysis will be tested following completion of the sidetracked well.

The Netherlands

Gas production from the Netherlands for the first half of 2007 was 2,400 boepd in line with expectations.

Tunisia

The net oil production from the Oudna field (WI 40%) was 8,900 bopd for the first half of 2007. Production has been above forecast for the period since the successful commissioning of the jet pump and water injection facilities on the Ikdam FPSO in late 2006. The field generally continues to perform according to expectations and water breakthrough was reached as anticipated in June of this year. With water now being produced along with the oil production, the natural decline of the field has commenced which will reduce future production of the Oudna field as forecast.

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

The planned water treatment upgrade work to handle the post-breakthrough water volumes will be starting in the third quarter of this year with a minimal impact on oil production. In parallel, repair work is being initiated on the flow lines and umbilicals as a result of unexpected wear.

Russia

The net production from Russia during the first half 2007 was 4,900 boepd which was slightly below forecast.

Development and appraisal drilling is ongoing at the Orenburg (WI 50%) and Komi (WI 50%) production operations which will continue through 2007. Production operations were optimised in the onshore Kalmykia (WI 51%) operation and a water injection pilot was started. Subsurface studies are also ongoing in order to evaluate further development opportunities within the existing fields.

Continued progress has been achieved during the first half of 2007 in relation to the preparation of the drilling of the Morskaya-1 exploration well in the Lagansky block located in the north Caspian Sea. Construction of the barge mounted facilities necessary for the shallow water drilling has been completed, however the commencement of drilling operations continues to be delayed due to the non-receipt of necessary permits.

An option Agreement in relation to the Lagansky block was signed in July 2007 with Gazprom whereby Gazprom will have the option to earn a 50 percent plus one share interest in the Lagansky block. In addition Lundin Petroleum has signed an option agreement with its minority partner to purchase its 30 percent interest. The net effect if both options are exercised is that Gazprom will own a 50 percent plus one share and Lundin Petroleum will own a 50 percent less one share interest in the Lagansky block.

Sudan

A three well exploration programme in Block 5B (WI 24.5%) is now expected to commence in the fourth quarter of 2007. Delays have been experienced in Sudan in the construction and mobilisation of some of the equipment. Meanwhile, mobilisation of swamp drilling equipment into the field is currently ongoing and the site setup preparations are well underway. The 2D seismic acquisition is progressing with over 600km of new data having been acquired during the first half of 2007. Further prospectivity on the Western flank of the block has been identified and preparations are ongoing to mobilise an additional land rig in that part of the block which is situated in dry land. Access road construction is ongoing and the spud date for this fourth well is anticipated for the first quarter of 2008.

Rumours about conflicting awards for certain concessions in Southern Sudan have been brought to an end by the National Petroleum Commission, constituted of representatives of both North and South Sudan governments, which confirmed the sole validity of the existing contracts entered into by the Sudan government with the Block 5B consortium. The National Petroleum Commission has asked the Block 5B concession partners to accommodate the national oil company of the South Sudan Government, "NilePet", with a 10 percent working interest in Block 5B. Discussions are ongoing with the Sudan Government and the National Petroleum Commission which, if successfully completed, will result in a dilution of Lundin Petroleum's working interest in Block 5B.

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

Vietnam
A production sharing agreement was signed in the first half of 2007 for a 33.33 percent working interest in Block 06/94 in the Nam Con Son Basin, offshore Vietnam. The acquisition of 750 km^2 of 3D seismic on the block has commenced.

Ethiopia
Two new production sharing contracts were signed in July 2007 covering blocks 7 & 8 (WI 100%) located in the Ogaden Basin and the Adigala Block (WI 100%) located in the "Afar" basin area. This is in addition to blocks 2 and 6 (WI 100%) signed in 2006. Field assessments are to be carried out on each block to ascertain the infrastructure, community and security situation prior to commencement of field activities.

THE GROUP

Result

Lundin Petroleum reports a net profit for the six month period ended 30 June 2007 of MSEK 509.7 (MSEK 502.1) and MSEK 297.7 (MSEK 82.6) for the second quarter of 2007 representing earnings per share on a fully diluted basis of SEK 1.62 (SEK 1.94) for the six month period ended 30 June 2007 and SEK 0.94 (SEK 0.32) for the second quarter of 2007.

Operating cash flow for the six month period ended 30 June 2007 amounted to MSEK 1,420.8 (MSEK 1,231.6) and MSEK 809.6 (MSEK 519.1) for the second quarter of 2007 representing operating cash flow per share on a fully diluted basis of SEK 12.89 (SEK 4.76) for the six month period ended 30 June 2007 and SEK 6.24 (SEK 2.00) for the second quarter of 2007.

Earnings before interest, tax, depletion and amortisation (EBITDA) for the six month period ended 30 June 2007 amounted to MSEK 1,641.9 (MSEK 1,581.1) and MSEK 876.9 (MSEK 646.8) for the second quarter of 2007 representing EBITDA per share on a fully diluted basis of SEK 5.21 (SEK 6.11) for the six month period ended 30 June 2007 and SEK 2.78 (SEK 2.50) for the second quarter of 2007.

Changes in the Group

Income from Venezuela was derived by way of a service fee and interest income until 1 April 2006, being the effective date on which the 12.5% ownership of the Colón Block was converted into a 5% shareholding in Baripetrol SA. Income from the investment in Baripetrol will only be recognised through the receipt of dividends.

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

Revenue

Net sales of oil and gas for the six month period ended 30 June 2007 amounted to MSEK 2,674.0 (MSEK 2,192.8) and MSEK 1,354.4 (MSEK 997.6) for the second quarter of 2007 and are detailed in Note 1. Production for the six month period ended 30 June 2007 amounted to 6,993.1 (5,185.6) thousand barrels of oil equivalent (mboe) representing 38.6 mboe per day (mboepd) (28.6 mboepd) for the six month period ended 30 June 2007. The average price achieved for a barrel of oil equivalent for the six month period ended 30 June 2007 amounted to USD 58.86 (USD 61.98). The average Dated Brent price for the six month period ended 30 June 2007 amounted to USD 63.06 (USD 65.39) per barrel.

Other operating income for the six month period ended 30 June 2007 amounted to MSEK 66.1 (MSEK 109.0) and MSEK 33.6 (MSEK 59.5) for the second quarter of 2007. This amount includes tariff income from the United Kingdom, France and the Netherlands and income for maintaining strategic inventory levels in France. Other operating income in for the six month period ended 30 June 2006 included an amount of MSEK 22.3 generated from the sale of CO_2 emission rights.

Sales for the six month period ended 30 June 2007 were comprised as follows:

Sales Average price per boe* expressed in USD	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
United Kingdom					
- Quantity in mboe	2,696.3	1,206.1	3,302.5	1,527.6	5,769.0
- Average price per boe	63.47	69.38	63.69	67.40	63.76
France					
- Quantity in mboe	560.5	315.1	648.1	242.6	1,374.7
- Average price per boe	64.75	68.25	64.13	66.84	62.62
Norway					
- Quantity in mboe	134.0	62.8	150.8	74.0	319.5
- Average price per boe	58.31	64.81	60.41	63.43	60.42
Netherlands					
- Quantity in mboe	425.4	207.0	423.9	201.0	766.8
- Average price per boe	45.82	44.70	47.54	48.81	48.79
Indonesia					
- Quantity in mboe	351.7	135.3	207.0	117.0	634.1
- Average price per boe	60.91	66.95	58.06	62.80	58.65
Russia					
- Quantity in mboe	1,000.6	501.5	-	-	788.8
- Average price per boe	41.62	43.07	-	-	35.03
Tunisia					
- Quantity in mboe	1,379.4	701.2	122.5	59.6	397.3
- Average price per boe	63.52	68.55	63.09	71.29	61.79
Total					
- Quantity in mboe	**6,547.9**	3,128.9	4,854.8	2,221.8	10,050.2
- Average price per boe	**58.86**	63.03	61.98	65.39	59.70

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

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 45% of Russian sales for the six month period ended 30 June 2007 were on the export market at an average price of USD 59.74 per barrel with the remaining 55% of Russian sales being sold on the domestic market at an average price of USD 26.21 per barrel.

Production

	1 Jan 2007- 30 Jun 2007 6 months	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
United Kingdom					
- Quantity in mboe	2,739.8	1,323.6	3,265.6	1,423.0	6,086.3
- Quantity in mboepd	15.1	14.5	18.0	15.6	16.7
France					
- Quantity in mboe	578.8	315.5	682.4	337.2	1,361.7
- Quantity in mboepd	3.2	3.5	3.8	3.7	3.7
Norway					
- Quantity in mboe	132.9	61.2	160.7	72.9	316.1
- Quantity in mboepd	0.7	0.7	0.9	0.8	0.9
Netherlands					
- Quantity in mboe	425.4	207.0	423.9	201.0	766.8
- Quantity in mboepd	2.4	2.3	2.3	2.2	2.1
Indonesia					
- Quantity in mboe	495.8	232.4	424.2	214.7	904.1
- Quantity in mboepd	2.7	2.6	2.3	2.4	2.5
Russia					
- Quantity in mboe	1,009.9	495.1	-	-	808.1
- Quantity in mboepd	5.6	5.4	-	-	2.2
Tunisia					
- Quantity in mboe	1,610.5	702.9	68.1	11.4	429.1
- Quantity in mboepd	8.9	7.7	0.4	0.1	1.2
Venezuela					
- Quantity in mboe	-	-	160.7	-5.4	160.7
- Quantity in mboepd	-	-	0.9	-0.1	0.4
Total					
- Quantity in mboe	**6,993.1**	3,337.7	5,185.6	2,254.8	10,832.9
- Quantity in mboepd	**38.6**	36.7	28.6	24.7	29.7
Minority interest in Russia					
- Quantity in mboe	119.7	57.6	-	-	100.4
- Quantity in mboepd	0.7	0.7	-	-	0.3
Total excluding minority interest					
- Quantity in mboe	**6,873.4**	3,280.1	5,185.6	2,254.8	10,732.5
- Quantity in mboepd	**37.9**	36.0	28.6	24.7	29.4

Lundin Petroleum has fully consolidated its subsidiaries in Russia of which they have control with the portion not owned by Lundin Petroleum shown as a minority interest. The average production for Russia adjusted for Lundin Petroleum's share of ownership is 4.9 mboepd.

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

Production cost
Production costs for the six month period ended 30 June 2007 expressed in US dollars were comprised as follows:

Production cost and depletion in TUSD	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Cost of operations	110,373	55,974	78,804	42,341	184,320
Tariff and transportation expenses	13,483	8,363	9,018	3,717	20,310
Royalty and direct taxes	24,765	11,418	2,119	1,070	21,061
Changes in inventory/overlift	-5,871	-9,504	-1,917	4,826	-11,852
Total production costs	**142,750**	66,251	88,024	51,954	213,839
Depletion	84,392	41,293	53,409	27,563	105,406
Total	**227,142**	107,544	141,433	79,517	319,245

Production cost and depletion in USD per boe	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Cost of operations	15.78	16.77	15.20	18.78	17.01
Tariff and transportation expenses	1.93	2.51	1.74	1.65	1.87
Royalty and direct taxes	3.54	3.42	0.41	0.47	1.94
Changes in inventory/overlift	-0.84	-2.85	-0.37	2.14	-1.09
Total production costs	**20.41**	19.85	16.98	23.04	19.73
Depletion	12.07	12.37	10.30	12.22	9.73
Total cost per boe	**32.48**	32.22	27.28	35.26	29.46

Production costs for the six month period ended 30 June 2007 amounted to MSEK 990.4 (MSEK 667.8) and MSEK 454.0 (MSEK 387.2) for the second quarter of 2007 and detailed in Note 2. The reported cost of operations amounted to USD per barrel 15.78 (USD 15.20 per barrel) for the six month period ended 30 June 2007. The cost of operations per barrel is higher in the second quarter of 2007 compared to the first quarter and is driven primarily by higher activity in the UK. This increased spending along with the expected lower production in the second quarter results in a higher cost of operations per barrel compared to the first quarter, but for the six month period, the cost is in line with forecast.

Royalty and direct taxes includes Russian Mineral Resource Extraction Tax (“MRET”) and Russian Export Duties. The rate of MRET varies in relation to world oil prices and is levied on the volume of Russian production. MRET averaged USD 10.98 per barrel for the six month period ended 30 June 2007. The rate of export duty on Russian oil is revised by the Russian Federation once every two months and is dependant on the price obtained for Russian oil on the export market. The export duty is levied on the volume of oil exported from Russia and averaged USD 23.75 per barrel for the six month period ended 30 June 2007.

Depletion
Depletion of oil and gas properties for the six month period ended 30 June 2007 amounted to MSEK 585.5 (MSEK 405.2) and MSEK 283.3 (MSEK 204.1) for the second quarter of 2007 and is detailed in Note 3. The unit depletion charge for the six month period ended 30 June 2007 is higher than forecast following the participation of the Tunisian state oil company, ETAP, in the Oudna field during the first quarter of 2007.

Write off
Write off of oil and gas properties amounted to MSEK 81.9 (MSEK 34.4) for the six month period ended 30 June 2007 and MSEK 45.3 (MSEK 20.4) for the second quarter of 2007. Exploration and appraisal project costs are capitalised as they are incurred and then reviewed on a regular basis to assess their future recoverability. When a decision is made not to proceed with a project the relevant costs are expensed. The oil and gas properties written off for the six month period ended 30 June 2007 include the write down of the Durresi Block in Albania amounting to MSEK 32.0 where it has been deemed prudent to write off the carrying costs in the absence of any firm drilling plans, costs on the Banyumas Block in Indonesia of MSEK 18.1 following a decision to relinquish this block, MSEK 13.5 for the UK well 14/28a-5 plugged and abandoned during the second quarter of 2007 and MSEK 8.5 of licence costs on UK block 9/10c which was relinquished.

Other income
Other income for the six month period ended 30 June 2007 amounted to MSEK 1.0 (MSEK 2.8) and MSEK 0.6 (MSEK 0.9) for the second quarter of 2007 and represents fees and costs recovered by Lundin Petroleum from third parties.

General, administrative and depreciation expenses
General, administrative and depreciation expenses for the six month period ended 30 June 2007 amounted to MSEK 108.8 (MSEK 55.8) and MSEK 57.8 (MSEK 23.9) for the second quarter of 2007. Depreciation charges amounted to MSEK 8.3 (MSEK 5.0) for the six month period ended 30 June 2007. General and administrative

expenses incurred in the first half of 2007 include an amount of MSEK 35.2 relating to the transaction costs for the proposed initial public offering (IPO) of Viking Oil and Gas ASA.

Financial income

Financial income for the six month period ended 30 June 2007 amounted to MSEK 58.5 (MSEK 89.6) and MSEK -0.5 (MSEK 46.6) for the second quarter of 2007 and is detailed in Note 4. Interest income for the six month period ended 30 June 2007 amounted to MSEK 16.2 (MSEK 14.4) and included are interest received on bank accounts of MSEK 13.9 (MSEK 10.0) and interest received on a loan to an associated company for an amount of MSEK 2.3 (MSEK 2.0).

Dividend income received for the six month period ended 30 June 2007 amounted to MSEK 18.1(MSEK 6.5) of which 14.4 MSEK relates to a dividend from the 5% shareholding in Baripetrol SA paid in June 2007 and the remainder 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 six month period ended 30 June 2007 amounted to MSEK 21.8 (MSEK 66.4) and MSEK -28.6 (MSEK 34.6) for the second quarter of 2007. Exchange rate variations result primarily from fluctuations in the value of the USD currency against a pool of currencies which includes, amongst others, NOK, EUR and RUR. The exchange gains recorded in the first half of 2007 resulted primarily from the devaluation of the USD against the NOK and the RUR and the devaluation of the SEK against the EUR.

Financial expense

Financial expenses for the six month period ended 30 June 2007 amounted to MSEK 64.6 (MSEK 47.3) and MSEK 33.8 (MSEK 24.7) for the second quarter of 2007 and are detailed in Note 5. Interest expense for the six month period ended 30 June 2007 amounted to MSEK 41.9 (MSEK 18.3) and mainly relates to the bank loan facility.

The amortisation of financing fees amounted to MSEK 0.3 (MSEK 9.4) for the six month period ended 30 June 2007 and MSEK 0.2 (MSEK 4.7) for the second quarter of 2007. The financing fees are in relation to the increase in the bank loan facility and are amortised over the anticipated usage of the bank loan facility.

Tax

The tax charge for the six month period ended 30 June 2007 amounted to MSEK 458.7 (MSEK 681.6) and MSEK 216.2 (MSEK 361.5) for the second quarter of 2007 and is detailed in Note 6.

The current tax charge of MSEK 328.9 (MSEK 402.3) comprises current corporation tax charges in, primarily the United Kingdom, France, the Netherlands, Tunisia and Indonesia. The current corporation tax charge for the second quarter of 2007 amounts to MSEK 124.4 (MSEK 138.5). During the second quarter of 2007 the Group received a credit of UK corporation tax relating to the 2003-2005 corporation tax returns of MSEK 48.6. In the UK, the rate of Supplementary Corporation Tax (SCT) was 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 also includes the increased tax charge for the first quarter of 2006 of MSEK 56.6.

The deferred tax charge for the six month period ended 30 June 2007 amounted to MSEK 129.8 (MSEK 279.1) and consists of corporation tax amounting to MSEK 102.5 (MSEK 260.4) and petroleum tax amounting to MSEK 27.3 (MSEK 18.7). Included in the deferred corporation tax charge is a charge of MSEK 91.2 for tax losses carried forward utilised in Tunisia and a charge of MSEK 37.2 due to timing differences in the rate of depletion of oil and gas assets between accounting and fiscal reporting. The deferred petroleum tax charge relates to Petroleum Revenue Tax (PRT) in the United Kingdom.

The Group operates in various countries and fiscal regimes where corporate income tax rates are different from the regulations in Sweden. Corporate income tax rates for the Group vary between 24% and 78%. Currently the majority of the Group's profit is derived from the United Kingdom where the effective tax rate amounts to 50%. The effective tax rate for the Group for the six month period ended 30 June 2007 amounts to approximately 46%. When the tax refund received in the United Kingdom for prior periods is eliminated the effective tax rate for the Group for the period amounts to approximately 51%.

Minority interest

The net profit attributable to minority interest for the six month period ended 30 June 2007 amounted to MSEK -13.8 (MSEK 0.9) and MSEK -10.9 (MSEK 0.7) for the second quarter of 2007 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 30 June 2007 amounted to MSEK 15,628.5 (MSEK 14,407.8) and are detailed in Note 7. Development and exploration expenditure incurred for the six month period ended 30 June 2007 is as follows:

Development expenditure in MSEK	**1 Jan 2007-** **30 Jun 2007** **6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
United Kingdom	245.3	102.5	189.9	125.1	558.7
France	98.7	52.1	12.5	8.6	98.5
Norway	525.4	304.9	248.7	141.3	772.5
Netherlands	17.5	8.0	5.3	2.8	19.6
Indonesia	14.9	9.5	22.1	6.8	69.4
Russia	76.9	36.1	-	-	107.6
Tunisia	32.0	1.3	308.1	173.4	489.7
Venezuela	-	-	3.1	-0.1	-2.4
Development expenditures	**1,010.7**	514.4	789.7	457.9	2,113.6

Exploration expenditure in MSEK	**1 Jan 2007-** **30 Jun 2007** **6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
United Kingdom	50.2	8.0	58.8	57.1	83.3
France	2.4	1.7	11.2	9.4	25.1
Norway	66.3	42.6	53.2	27.3	103.1
Netherlands	0.3	-	7.4	0.7	8.1
Indonesia	31.6	18.0	35.9	13.7	62.3
Russia	108.9	76.1	-	-	183.1
Sudan	61.6	60.9	33.9	33.0	50.6
Ethiopia	14.0	5.8	-	-	1.8
Vietnam	16.1	-	-	-	1.8
Congo (Brazzaville)	19.4	1.2	48.8	48.8	79.0
Other	21.8	11.5	26.4	19.1	70.4
Exploration expenditures	**392.6**	225.8	275.6	209.1	668.6

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

Other tangible assets as at 30 June 2007 amounted to MSEK 120.5 (MSEK 117.4).

The book amount for goodwill in relation to the acquisition of the Russian business as at 30 June 2007 amounted to MSEK 815.6 (MSEK 817.2).

Financial assets as at 30 June 2007 amounted to MSEK 412.2 (MSEK 357.4) and are detailed in Note 8. Shares and participations amount to MSEK 255.8 (MSEK 260.3) as at 30 June 2007. Restricted cash as at 30 June 2007 amounted to MSEK 18.6 (MSEK 18.6) and represents the cash amount deposited to support a letter of credit issued in support of exploration work commitments in Sudan. Capitalised financing fees amount to MSEK 5.7 (MSEK -) and relate to the costs incurred in increasing the bank credit facility and are being amortised over the period of estimated usage of the facility. Other financial assets amount to MSEK 132.1 (MSEK 78.5) and mainly represent VAT paid on exploration and development costs in Russia that is expected to be recovered from VAT received on future project revenues.

The deferred tax asset amounted at 30 June 2007 to MSEK 422.3 (MSEK 488.0) and relates primarily to tax losses carried forward in Tunisia and Norway.

Current assets

Receivables and inventories amounted to MSEK 1,187.6 (MSEK 1,200.3) as at 30 June 2007 and are detailed in Note 9. Inventories include hydrocarbons and consumable well supplies. Corporation tax receivables as at 30 June 2007 amounted to MSEK 156.3 (MSEK 115.0) and related to tax refunds due in Norway and the Netherlands. Other assets amounted to MSEK 112.0 (MSEK 101.5) as at 30 June 2007.

Cash and cash equivalents as at 30 June 2007 amounted to MSEK 616.1 (MSEK 297.2). The increase in cash is due to the timing of receipts and payments around the period end. Receipts of cash at the end of June included MSEK 95.9 in respect of Oudna sales, along with a cash refund relating to 2003-2005 UK corporation tax returns of MSEK 72.5 and a dividend distribution of MSEK 14.4 from the 5% investment in Baripetrol SA.

Non-current liabilities
Provisions as at 30 June 2007 amounted to MSEK 4,603.6 (MSEK 4,481.5) and are detailed in Note 10. This amount includes a provision for site restoration of MSEK 656.4 (MSEK 624.7). The provision for deferred tax amounted to MSEK 3,915.4 (MSEK 3,832.6) and is mainly arising on the excess of book value over the tax value of oil and gas properties and the deferred tax gross up of the excess purchase price allocated to the in 2006 acquired Russian assets.

Long term interest bearing debt amounted to MSEK 2,008.1 (MSEK 1,391.1) as at 30 June 2007. The credit facility agreement entered into on the 16 August 2004 of MUSD 385.0 was increased to MUSD 500.0 on 28 February 2007. The cash drawings outstanding under the credit facility increased from MUSD 185.0 at 31 December 2006 to MUSD 280.0 as at 30 June 2007. The long term interest bearing debt also includes the long-term portion of a bank loan drawn by a subsidiary in Russia.

Current liabilities
Current liabilities as at 30 June 2007 amounted to MSEK 1,364.6 (MSEK 1,245.0) and are detailed in Note 11. Joint venture creditors amounted to MSEK 598.8 (MSEK 650.8) and mainly relate to the amounts payable for the development activities in progress in Norway and ongoing operational costs. Short-term interest bearing debt amounted to MSEK 47.3 (MSEK 47.4) and relates to the current portion of a bank loan drawn by a subsidiary in Russia. Tax payable amounted to MSEK 341.9 (MSEK 174.0). The increase in current tax payable is primarily attributable to tax payable in Tunisia on the profits of the Oudna field.

DERIVATIVE FINANCIAL INSTRUMENTS

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

Contract date	USD Libor interest rate	Amount hedged	Start date	End date
3/2004	2.32%	40,000,000	1/4/2004	2/4/2007

As at 30 June 2007 there were no outstanding oil price, interest or currency hedging contracts.

SUBSEQUENT EVENTS

On 18 July 2007 Lundin Petroleum signed a binding letter of intent for the sale of its wholly owned subsidiary, Lundin Latina de Petróleos SA for USD 41 million to PetroFalcon Corporation in exchange for approximately 57.2 million shares in PetroFalcon and to subscribe for approximately 6.7 million shares in PetroFalcon at a subscription price of CAD 0.80 per share through a private placement valued at USD 8 million. As part of the private placement PetroFalcon will issue to Lundin Petroleum five million warrants giving Lundin Petroleum the right to subscribe for one common share in PetroFalcon per option at a subscription price of CAD 1.20.

Lundin Latina de Petróleos SA owns five percent of Baripetrol SA, the company that holds the Colon unit in Venezuela. Lundin Latina de Petróleos SA also has a receivable of approximately USD 21.4 million which will be assigned to PetroFalcon and paid upon completion of the transaction.

Parent company
The business of the Parent Company is investment in and management of oil and gas assets. The net profit for the parent company amounted to a profit of MSEK 36.8 (MSEK 7.7) for the six month period ended 30 June 2007 and MSEK -29.7 (MSEK 5.2) for the second quarter of 2007.

The profit included general and administrative expenses of MSEK 20.9 (MSEK 29.0). Interest income derived from loans to subsidiary companies amounted to MSEK 16.9 (MSEK 18.4). Currency exchange gains amounted to MSEK 31.9 (MSEK -1.9). The foreign exchange gains relates primarily to the revaluation of the loan to a subsidiary in relation to the anticipated dividend accrued for at 31 December 2006. On 16 May 2007 the loan was converted to shares in the subsidiary.

The Parent Company acquired 68,000 of its own shares at an average price of 64.43 SEK per share to fully hedge its potential obligations under its employee Long Term Incentive Plan. This transaction was recorded as a reduction in equity.

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.

CHANGES IN THE BOARD

At the AGM on 16 May 2007, Viveca Ax:son Johnson and Kai Hietarinta did not stand for re-election as members of the Board of Directors of Lundin Petroleum.

SHARE DATA

Lundin Petroleum AB's registered share capital at 30 June 2007 amounts to SEK 3,154,086 represented by 315,408,580 shares with a quota value of SEK 0.01 each.

At the AGM held on 16 May 2007, the shareholders of Lundin Petroleum approved the implementation of a Long-Term Incentive Plan (LTI) consisting of a Share Option Plan and a Performance Share Plan. Employees had the choice to select either the Share Option Plan or the Performance Share Plan or a 50/50 allocation of both.

The Share Plan Option includes the conditional granting of options with a vesting period of 18 months and subject to the achievement of a performance condition measuring Total Shareholder Return (TSR) relative to a peer group of companies. The options were issued at a 10% premium to the average closing price of Lundin Petroleum shares for the ten days after the AGM. Employees will earn between 0 and 100 percent of the options depending upon the companies performance measured using a relative TSR.

The Performance Share Plan includes a conditional award of Lundin Petroleum shares with a vesting period of three years and subject to the achievement of a performance condition relative to TSR. The number of shares awarded under the Performance Share Plan is based on the value of the options granted under the Share Option Plan. The employees will earn between 50 and 100 percent of the award of shares depending upon the companies performance measured using a relative TSR. Under the performance Share Plan, Lundin Petroleum made a conditional award of 67,751 shares subject to the achievement of performance criteria. In June 2007, Lundin Petroleum acquired 68,000 of its own shares to fully hedge its potential obligation under the Performance Share Plan.

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 2004	Issued 2005	Issued 2006	Issued 2007
Exercise price (SEK)	45.80	60.20	97.40	78.05
Number authorised	2,250,000	3,000,000	3,250,000	3,950,000
Number outstanding	-	2,480,000	3,106,000	3,525,000
Exercise period	31 May 2005 -31 May 2007	15 June 2006 -31 May 2008	15 June 2007 -31 May 2009	1 Dec 2008 - 31 May 2010

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 number of incentive warrants associated with the Valkyries acquisition outstanding at 30 June 2007 amounted to 465,000 with an exercise price in the range 41.16 – 97.40 SEK with various exercise periods up to 31 May 2009.

ACCOUNTING PRINCIPLES

The financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Reporting, and the Swedish financial accounting standards RR31. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006.

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

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 categorized 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 2006.

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 programs 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 credit financing. The Company shall seek to control these risks through sound management practice and the use of internationally accepted financial instruments, such as oil price hedges 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 2006.

EXCHANGE RATES

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

	Average	Period end
1 EUR equals SEK	9.2234	9.2525
1 USD equals SEK	6.9380	6.8512

CONSOLIDATED INCOME STATEMENT<<

Expressed in TSEK	Note	**1 Jan 2007-30 Jun 2007 6 months**	1 Apr 2007-30 Jun 2007 3 months	1 Jan 2006-30 Jun 2006 6 months	1 Apr 2006-30 Jun 2006 3 months	1 Jan 2006-31 Dec 2006 12 months
Operating income						
Net sales of oil and gas	1	2,673,997	1,354,422	2,192,843	997,622	4,233,348
Other operating income		66,062	33,635	109,004	59,471	181,158
		2,740,059	1,388,057	2,301,847	1,057,093	4,414,506
Cost of sales						
Production costs	2	-990,403	-453,984	-667,832	-387,206	-1,575,781
Depletion of oil and gas properties	3	-585,515	-283,298	-405,201	-204,128	-776,735
Write off of oil and gas properties		-81,898	-45,287	-34,407	-20,420	-123,469
Gross profit		**1,082,243**	605,488	1,194,407	445,339	1,938,521
Other income		1,030	550	2,842	879	9,618
General, administration and depreciation expenses		-108,770	-57,757	-55,780	-23,947	-116,818
Operating profit		**974,503**	548,281	1,141,469	422,271	1,831,321
Result from financial investments						
Financial income	4	58,540	-486	89,585	46,617	96,395
Financial expenses	5	-64,628	-33,835	-47,349	-24,723	-96,364
		-6,088	-34,321	42,236	21,894	31
Profit before tax		**968,415**	513,960	1,183,705	444,165	1,831,352
Tax	6	-458,671	-216,235	-681,567	-361,536	-1,036,917
Net result		**509,744**	297,725	502,138	82,629	794,435
Net result attributable to:						
Shareholders of the parent company		523,494	308,649	501,242	81,936	803,005
Minority interest		-13,750	-10,924	896	693	-8,570
Net result		**509,744**	297,725	502,138	82,629	794,435
Earnings per share – SEK 1)		1.66	0.98	1.95	0.32	2.86
Diluted earnings per share – SEK 1)		1.66	0.98	1.94	0.32	2.85

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

>> CONSOLIDATED BALANCE SHEET

Expressed in TSEK	Note	**30 June 2007**	31 December 2006
ASSETS			
Non-current assets			
Oil and gas properties	7	15,628,460	14,407,846
Other tangible assets		120,471	117,424
Goodwill		815,620	817,185
Financial assets	8	412,203	357,442
Deferred tax		422,278	488,024
Total non-current assets		**17,399,032**	**16,187,921**
Current assets			
Receivables and inventory	9	1,187,640	1,200,269
Cash and cash equivalents		616,131	297,221
Total current assets		**1,803,771**	**1,497,490**
TOTAL ASSETS		**19,202,803**	**17,685,411**
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		9,629,327	8,952,680
Minority interest		1,597,169	1,615,131
Total equity		**11,226,496**	**10,567,811**
Non-current liabilities			
Provisions	10	4,603,646	4,481,496
Bank loans		2,008,094	1,391,063
Total non-current liabilities		**6,611,740**	**5,872,559**
Current liabilities	11	**1,364,567**	**1,245,041**
TOTAL EQUITY AND LIABILITIES		**19,202,803**	**17,685,411**
Pledged assets		7,921,434	1,986,537
Contingent liabilities		161,003	161,313

CONSOLIDATED STATEMENT OF CASH FLOW<<

Expressed in TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Cash flow from operations					
Net result	509,744	297,725	502,138	82,629	794,435
Adjustments from non-cash related items	867,631	535,912	766,217	464,453	1,526,866
Changes in working capital	40,276	125,369	263,459	456,771	-245,905
Total cash flow from operations	**1,417,651**	959,006	1,531,814	1,003,853	2,075,396
Cash flow used for investments					
Investment in subsidiary assets	-	-	-	-	40,971
Investment in real estate	-139	-	-11,693	-3,123	-18,586
Change in other financial fixed assets	76	103	-41,634	-40,051	-1,793
Other payments	12	25	-19,970	-19,650	-28,324
Investment in oil and gas properties	-1,749,594	-766,671	-1,065,281	-667,001	-2,782,309
Investment in office equipment and other assets	-14,780	-9,402	-7,756	-4,551	-19,399
Total cash flow used for investments	**-1,764,425**	-775,945	-1,146,334	-734,376	-2,809,440
Cash flow from / used for financing					
Changes in long-term bank loan	627,555	39,062	-417,277	-378,378	651,574
Paid financing fees	-5,986	-2,764	-	-	-
Purchase of own shares	-4,395	-4,395	-	-	-
Proceeds from share issues	53,035	46,162	24,532	19,363	40,648
Dividend paid to minority	-	-	-	-	-2,125
Total cash flow from / used for financing	**670,209**	78,065	-392,745	-359,015	690,097
Change in cash and cash equivalents	323,435	261,126	-7,265	-89,538	-43,947
Cash and cash equivalents at the beginning of the period	297,221	366,205	389,415	463,921	389,415
Currency exchange difference in cash and cash equivalents	-4,525	-11,200	-32,190	-24,423	-48,247
Cash and cash equivalents at the end of the period	**616,131**	616,131	349,960	349,960	297,221

>>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 2006	**2,571**	**1,333,405**	**1,350,133**	**993,507**	**3,050**	**3,682,666**
Transfer of prior year net result	-	-	993,507	-993,507	-	-
Currency translation difference	-	-250,793	-	-	116	-250,677
Change in fair value	-	-62,741	-	-	-	-62,741
Income and expenses recognised directly in equity	**-**	**-313,534**	**-**	**-**	**116**	**-313,418**
Net result	-	-	-	501,242	896	502,138
Total recognised income and expense	**-**	**-313,534**	**-**	**501,242**	**1,012**	**188,720**
Issuance of shares	9	24,523	-	-	-	24,532
Transfer of share based payments	-	3,366	-3,366	-	-	-
Share based payments	-	-	10,802	-	-	10,802
Balance at 30 June 2006	**2,580**	**1,047,760**	**2,351,076**	**501,242**	**4,062**	**3,906,720**
Currency translation difference	-	-444,465	-	-	-89,113	-533,578
Change in fair value	-	43,551	-	-	-	43,551
Income and expenses recognised directly in equity	**-**	**-400,914**	**-**	**-**	**-89,113**	**-490,027**
Net result	-	-	-	301,763	-9,466	292,297
Total recognised income and expense	**-**	**-400,914**	**-**	**301,763**	**-98,579**	**-197,730**
Transfer to income statement	-	62,216	-	-	-	62,216
Dividend	-	-	-	-	-2,125	-2,125
Acquired minority	-	-	-	-	1,714,036	1,714,036
Issuance of shares	562	5,069,831	-	-	-	5,070,393
Transfer of share based payments	-	1,818	-1,818	-	-	-
Share based payments	-	-	16,564	-	-	16,564
Investments	-	-	-	-	-2,263	-2,263
Balance at 31 December 2006	**3,142**	**5,780,711**	**2,365,822**	**803,005**	**1,615,131**	**10,567,811**
Transfer of prior year net result	-	-	803,005	-803,005	-	-
Currency translation difference	-	98,062	-	-	-4,212	93,850
Change in fair value	-	-7,567	-	-	-	-7,567
Income and expenses recognised directly in equity	**-**	**90,495**	**-**	**-**	**-4,212**	**86,283**
Net result				523,494	-13,750	509,744
Total recognised income and expense	**-**	**90,495**	**-**	**523,494**	**-17,962**	**596,027**
Transfer to income statement	-	-288	-	-	-	-288
Issuance of shares	11	53,024	-	-	-	53,035
Purchase of own shares	-	-4,395	-	-	-	-4,395
Transfer of share based payments	-	7,367	-7,367	-	-	-
Share based payments	-	-	14,306	-	-	14,306
Balance at 30 June 2007	**3,153**	**5,926,914**	**3,175,766**	**523,494**	**1,597,169**	**11,226,496**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS>>

Note 1. Segment information, TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Operating income					
Net sales of:					
Crude oil					
- United Kingdom	1,178,276	569,128	1,573,456	752,268	2,670,527
- France	251,780	148,115	315,269	125,136	634,301
- Norway	53,969	27,853	68,895	35,814	141,812
- Indonesia	146,801	60,913	90,481	54,546	272,333
- Russia	288,935	148,337	-	-	203,604
- Tunisia	607,908	330,535	58,651	32,153	180,912
	2,527,669	1,284,881	2,106,752	999,917	4,103,489
Condensate					
- United Kingdom	9,012	4,965	22,306	8,135	40,160
- Netherlands	3,558	1,852	2,961	2,414	6,328
- Indonesia	1,367	697	168	59	901
	13,937	7,514	25,435	10,608	47,389
Gas					
- Norway	231	93	219	84	442
- Netherlands	131,679	61,596	149,946	71,792	269,337
- Indonesia	481	338	534	223	820
	132,391	62,027	150,699	72,099	270,599
Service fee					
- Venezuela	-	-	25,409	-669	23,478
Oil price hedging settlement	-	-	-115,452	-84,333	-211,607
	2,673,997	1,354,422	2,192,843	997,622	4,233,348
Operating profit contribution					
- United Kingdom	427,891	215,548	813,888	312,460	1,268,597
- France	154,884	96,044	213,729	95,412	385,285
- Norway	13,401	7,808	34,387	16,989	72,682
- Netherlands	63,747	25,019	74,893	41,013	140,348
- Venezuela	-	-	-13,713	-18,952	-49,280
- Russia	29,682	35,531	-	-	-21,875
- Indonesia	19,323	-3,341	57,377	15,149	106,094
- Tunisia	374,308	200,465	-4,370	-26,908	89,115
- Albania	-31,973	-325	-	-	-
- Other	-76,760	-28,467	-34,722	-12,892	-159,645
Total operating profit contribution	**974,503**	**548,282**	1,141,469	422,271	1,831,321

Note 2. Production costs, TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Cost of operations	765,767	384,319	597,881	314,197	1,358,254
Tariff and transportation expenses	93,547	57,642	68,416	27,179	149,665
Direct production taxes	171,822	78,228	16,080	7,913	155,197
Change in inventory/ overlift position	-40,733	-66,205	-14,545	37,917	-87,335
	990,403	453,984	667,832	387,206	1,575,781

Note 3. Depletion of oil and gas properties, TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
United Kingdom	245,371	117,513	237,723	101,781	427,516
France	28,271	15,277	30,402	12,625	66,420
Norway	11,861	5,433	13,611	5,983	25,993
Netherlands	37,106	18,055	35,158	16,614	60,402
Indonesia	17,715	7,849	12,680	9,070	24,944
Russia	35,825	17,065	-	-	37,555
Tunisia	209,366	102,106	44,233	39,830	66,568
Venezuela	-	-	31,394	18,225	67,337
	585,515	283,298	405,201	204,128	776,735

Note 4. Financial income, TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Interest income	16,154	9,984	14,445	6,755	31,572
Dividends received	18,094	16,767	6,495	3,110	12,028
Foreign exchange gain, net	21,844	-28,623	66,449	34,556	46,216
Fair value adjustment on pension	-	-	-	-	1,679
Repayment received on loan	2,448	1,386	2,196	2,196	4,900
	58,540	-486	89,585	46,617	96,395

Note 5. Financial expenses, TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Loan interest expenses	41,934	21,420	18,338	8,694	41,803
Unwind site restoration discount	16,532	8,421	13,737	8,772	24,126
Change in market value interest rate hedge	-11	-	232	947	691
Amortisation of deferred financing fees	346	212	9,396	4,688	18,633
Other financial expenses	5,827	3,782	5,646	1,622	11,111
	64,628	33,835	47,349	24,723	96,364

Note 6. Tax, TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Current tax	328,861	124,439	402,430	150,825	567,709
Deferred tax	129,810	91,796	279,137	210,711	469,208
	458,671	216,235	681,567	361,536	1,036,917

Note 7. Oil and gas properties, TSEK	**Book amount 30 Jun 2007**	Book amount 31 Dec 2006
United Kingdom	2,827,095	2,589,545
France	988,602	865,059
Norway	2,810,430	1,980,342
Netherlands	426,321	434,797
Indonesia	294,542	274,364
Russia	7,661,437	7,524,638
Tunisia	325,806	543,155
Sudan	138,920	75,347
Albania	-	30,283
Congo (Brazzaville)	93,306	74,232
Vietnam	17,114	1,798
Ethiopia	15,596	11,292
Others	29,294	2,994
	15,628,460	14,407,846

Note 8. Financial assets, TSEK	**Book amount 30 Jun 2007**	Book amount 31 Dec 2006
Shares and participations	255,808	260,265
Restricted cash	18,605	18,641
Capitalised financing fees	5,658	-
Other financial assets	132,132	78,536
	412,203	357,442

Note 9. Receivables and inventories, TSEK	**Book amount 30 Jun 2007**	Book amount 31 Dec 2006
Inventories	160,669	123,679
Trade receivables	554,870	621,273
Underlift	68,587	46,936
Corporation tax	156,278	114,963
Joint venture debtors	135,265	187,671
Derivative instruments	-	4,199
Other assets	111,971	101,548
	1,187,640	1,200,269

Note 10. Provisions, TSEK	**Book amount 30 Jun 2007**	Book amount 31 Dec 2006
Site restoration	656,404	624,675
Pension	10,586	10,127
Deferred taxes	3,915,434	3,832,648
Other	21,222	14,046
	4,603,646	4,481,496

Note 11. Current liabilities, TSEK	**Book amount 30 Jun 2007**	Book amount 31 Dec 2006
Trade payables	131,038	220,734
Overlift	52,403	17,986
Tax payables	341,941	173,998
Accrued expenses	69,557	56,645
Acquisition liabilities	38,056	37,183
Joint venture creditors	642,622	650,845
Short-term bank loans	47,273	47,364
Other liabilities	41,677	40,286
	1,364,567	1,245,041

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Operating income					
Other operating income	8,737	4,161	20,091	11,913	39,218
Gross profit	**8,737**	4,161	20,091	11,913	39,218
General, administration and depreciation expenses	-20,925	-11,734	-28,983	-14,730	-34,192
Operating profit	**-12,188**	-7,573	-8,892	-2,817	5,026
Result from financial investments					
Financial income	48,998	-22,083	18,502	9,351	1,806,299
Financial expenses	-	-	-1,933	-1,341	-56,492
	48,998	-22,083	16,569	8,010	1,749,807
Profit before tax	**36,810**	-29,656	7,677	5,193	1,754,833
Tax	-	-	-	-	-
Net result	**36,810**	-29,656	7,677	5,193	1,754,833

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**30 June 2007**	31 December 2006
ASSETS		
Non-current assets		
Financial assets	7,848,703	5,974,079
Total non-current assets	**7,848,703**	5,974,079
Current assets		
Receivables	11,086	1,791,160
Cash and cash equivalents	7,223	8,962
Total current assets	**18,309**	1,800,122
TOTAL ASSETS	**7,867,012**	7,774,201
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,863,817	7,764,091
Current liabilities	3,195	10,110
TOTAL EQUITY AND LIABILITIES	**7,867,012**	7,774,201
Pledged assets	7,921,434	1,986,537
Contingent liabilities	161,003	161,313

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Cash flow from / used for operations					
Net result	36,810	-29,656	7,677	5,193	1,754,833
Adjustments for non- cash related items	-32,194	28,371	9,382	4,381	-8,484
Changes in working capital	-6,703	-11,057	-5,364	-1,128	-1,787,486
Total cash flow from / used for operations	**-2,087**	-12,342	11,695	8,446	-41,137
Cash flow used for investments					
Change in other financial fixed assets	-48,261	-37,716	-28,745	-14,450	-3,242
Investment in subsidiaries	-	-	-149	-	-
Total cash flow used for investments	**-48,261**	-37,716	-28,894	-14,450	-3,242
Cash flow from financing					
Purchase of own shares	-4,395	-4,395	-	-	-
Proceeds from share issues	53,035	46,163	24,532	19,363	40,648
Total cash flow from financing	**48,640**	41,768	24,532	19,363	40,648
Change in cash and cash equivalents	-1,708	-8,290	7,333	13,359	-3,731
Cash and bank at the beginning of the period	8,962	15,631	10,856	5,057	10,856
Currency exchange difference in cash and cash equivalents	-31	-118	1,093	866	1,837
Cash and cash equivalents at the end of the period	**7,223**	7,223	19,282	19,282	8,962

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 2006	2,571	861,306	-	23,118	6,265	893,260
Transfer of prior year net result	-	-	-	6,265	-6,265	-
New share issuance	9	-	24,523	-	-	24,532
Transfer of share based payments	-	-	3,366	-3,366	-	-
Share based payments	-	-	-	10,802	-	10,802
Currency translation difference	-	-	-18,013	-	-	-18,013
Net result	-	-	-	-	7,677	7,677
Balance at 30 June 2006	**2,580**	**861,306**	**9,876**	**36,819**	**7,677**	**918,258**
New share issuance	562	-	5,069,831	-	-	5,070,393
Transfer of share based payments	-	-	1,818	-1,818	-	-
Share based payments	-	-	-	16,564	-	16,564
Currency translation difference	-	-	11,720	-	-	11,720
Net result	-	-	-	-	1,747,156	1,747,156
Balance at 31 December 2006	**3,142**	**861,306**	**5,093,245**	**51,565**	**1,754,833**	**7,764,091**
Transfer of prior year net result	-	-	-	1,754,833	-1,754,833	-
New share issuance	11	-	53,024	-	-	53,035
Purchase of own shares	-	-	-4,395	-	-	-4,395
Transfer of share based payments	-	-	7,367	-7,367	-	-
Share based payments	-	-	-	14,307	-	14,307
Currency translation difference	-	-	-31	-	-	-31
Net result	-	-	-	-	36,810	36,810
Balance at 30 June 2007	**3,153**	**861,306**	**5,149,210**	**1,813,338**	**36,810**	**7,863,817**

KEY FINANCIAL DATA

Data per share	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Shareholders' equity SEK per share[1]	35.59	35.59	15.14	15.14	33.63
Operating cash flow SEK per share [2]	12.89	6.24	4.76	2.00	8.05
Cash flow from operations SEK per share[3]	4.84	3.18	5.92	3.87	7.35
Earnings SEK per share[4]	1.62	0.95	1.95	0.32	2.83
Earnings SEK per share fully diluted[5]	1.62	0.94	1.94	0.32	2.81
Dividend per share	-	-	-	-	-
Quoted price at the end of the financial period (regards the parent company), SEK	68.50	68.50	87.25	87.25	79.50
Number of shares at period end	315,408,580	315,408,580	258,061,166	258,061,166	314,215,080
Weighted average number of shares for the period[6]	314,573,909	314,822,136	257,570,912	257,816,037	280,867,805
Weighted average number of shares for the period (fully diluted)[6]	315,029,829	315,266,088	258,847,614	259,092,739	282,251,337

Key data group	**1 Jan 2007- 30 Jun 2007 6 months**	1 Apr 2007- 30 Jun 2007 3 months	1 Jan 2006- 30 Jun 2006 6 months	1 Apr 2006- 30 Jun 2006 3 months	1 Jan 2006- 31 Dec 2006 12 months
Return on equity, %[7]	5	3	13	2	11
Return on capital employed, %[8]	8	4	25	9	22
Debt/equity ratio, %[9]	15	15	-2	-2	12
Equity ratio, %[10]	59	59	48	48	51
Share of risk capital, %[11]	77	77	71	71	81
Interest coverage ratio, %[12]	2,389	2,500	5,108	3,722	4,010
Operating cash flow/interest ratio[13]	9,597	9,181	5,210	4,232	4,848
Yield[14]	-	-	-	-	-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial information

The Company will publish the following reports:

- The nine months report (January – September 2007) will be published on 14 November 2007.
- The year end report (January – December 2007) will be published in February 2008.

BOARD ASSURANCE

The Board of Directors and the President & CEO certify that the half-yearly financial report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Stockholm, August 15, 2007

Lundin Petroleum AB (publ)
Org. Nr. 556610-8055

Ian H. Lundin
Chairman

C. Ashley Heppenstall
President & CEO

Lukas H. Lundin

William Rand

Magnus Unger

REVIEW REPORT

We have reviewed this report for the period 1 January 2007 to 30 June 2007, for Lundin Petroleum AB (publ). The board of directors and the President & CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act.

Stockholm, August 15, 2007

Klas Brand
Authorized Public Accountant
PricewaterhouseCoopers AB

Bo Hjalmarsson
Authorized Public Accountant
PricewaterhouseCoopers AB