

LUNDIN PETROLEUM – PRESS RELEASE



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FIRST APPRAISAL WELL CONFIRMS EXTENSION OF THE AVALDSNES FIELD

Lundin Norway AS (Lundin Norway) a wholly owned subsidiary of Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that the first appraisal well, 16/3-4 has confirmed the extension of the Avaldsnes field to the south-east of the 16/2-6 discovery well in PL501 on the Norwegian Continental Shelf (NCS). The well was successfully tested and a comprehensive logging and coring program has been acquired.

Avaldsnes was confirmed as an oil discovery by the Lundin Norway operated well 16/2-6 in 2010 and is located approximately 25 km east of the Lundin Norway operated Luno discovery.

The first appraisal well 16/3-4 was drilled approximately 6.5 km south-east of the discovery well and has proved an oil column of 13,5 meters in excellent quality sandstone of Jurassic age. A high net to gross has resulted in net pay at the appraisal location in excess of that at the discovery well. The data acquired confirms excellent reservoir properties, with average porosity of approximately 30 percent and multi-Darcy permeability. The average production rate was in excess of 5,500 barrels of oil equivalent per day through a restricted choke size of 60/64 inch.

The well will now be side-tracked to confirm the lateral continuity of the reservoir towards the west.

The well will then be plugged and abandoned. The total depth of the well is 2020 meters.

Ashley Heppenstall, President & CEO of Lundin Petroleum comments: *"We are very pleased with the results of the first Avaldsnes appraisal well which encountered oil bearing reservoir of thickness and quality which is better than the discovery well. We will now sidetrack the appraisal well to provide information regarding the lateral continuity of the reservoir towards the part of the structure we had assumed in our previous resource estimates was non-hydrocarbon bearing. We will update our Avaldsnes resource estimates following the sidetrack and second appraisal well."*

Lundin Norway is using the semi submersible drilling rig Bredford Dolphin to drill the well. The rig will start drilling the second appraisal well on Avaldsnes, 16/2-7, immediately after 16/3-4.

Lundin Norway is the operator with 40 percent interest. Partners are Statoil Petroleum AS with 40 percent interest and Maersk Oil Norway AS with 20 percent interest.

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, South East Asia, Russia and Africa. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE") and at the Toronto Stock Exchange (TSX) (ticker "LUP"). Lundin Petroleum has proven and probable reserves of 187 million barrels of oil equivalent (MMboe).

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FORWARD-LOOKING STATEMENTS

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All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be unduly relied upon.

These statements speak only as on the date of this news release and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment and access, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, financial risks. These risks and uncertainties are described in more detail under the heading "Risk Factors" and elsewhere in the Company's 2010 annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements included in this new release are expressly qualified by this cautionary statement.

Resources

The recovery and production estimates of the Company's resources provided herein are only estimates and there is no guarantee that the estimated resources will be recovered or produced. Actual resources may be greater than or less than the estimates provided here. There is no certainty that it will be commercially viable for the Company to produce any portion of these resources.