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NASDAQ OMX Stockholm : **LUPE**
Toronto Stock Exchange (TSX): **LUP**

Stockholm 2 November 2011

FINANCIAL REPORT FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011

HIGHLIGHTS

Nine months ended 30 September 2011

- Avaldsnes/Aldous Major South discovery contains between 1.7 billion and 3.3 billion of gross recoverable contingent resources. One of the largest ever discoveries on the Norwegian Continental Shelf.
- Production of 32,800 boepd up 10% from the first nine months 2010
- Profit after tax of MUSD 169.3 up 295% from the first nine months 2010
- EBITDA of MUSD 767.3 up 80% from the first nine months 2010
- Operating cash flow of MUSD 586.8 up 41% from the first nine months 2010
- Net debt of MUSD 123.9 down from MUSD 410 at 2010 year end
- Two gas discoveries, offshore, East Malaysia
- Brynhild field plan of development offshore Norway submitted for approval
- Ten Norwegian licences awarded in the 2010 Norwegian licensing round, six as operator
- Operated licence awarded in Barents Sea in the 21st Norwegian licensing round
- Operated Gurita block awarded in the Natuna Sea, offshore, Indonesia

Third Quarter ended 30 September 2011

- Production of 33,900 boepd
- Profit after tax of MUSD 38.9
- EBITDA of MUSD 262.0
- Operating cash flow of MUSD 196.5

	1 Jan 2011- 30 Sep 2011 9 months	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Production in Mboepd	32.8	33.9	29.8	32.1	30.5
Operating income in MUSD	946.5	327.5	558.5	202.3	798.6
Net result in MUSD	169.3	38.9	42.8	22.0	129.5
Net result attributable to shareholders of the Parent Company in MUSD	172.6	39.5	52.5	26.6	142.9
Earnings/share in USD[1]	0.56	0.13	0.17	0.09	0.46
Diluted earnings/share in USD[1]	0.56	0.13	0.17	0.09	0.46
EBITDA in MUSD	767.3	262.0	425.6	167.2	603.5
Operating cash flow in MUSD	586.8	196.5	416.5	160.1	573.4

The numbers included in the table above are based on continuing operations.
[1] Based on net result attributable to shareholders of the Parent Company

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets primarily located in Europe and South East Asia. 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).

Dear fellow Shareholders

The major news in the third quarter of 2011 was clearly the announcement of increased contingent resources in the Avaldsnes discovery, offshore Norway. As we had previously indicated the Avaldsnes structure extends to the west into the Statoil operated PL265 and this was confirmed with the Aldous Major South discovery. Avaldsnes and Aldous Major South are essentially one connected giant oil field. Our Avaldsnes appraisal drilling programme in PL501, where we are operator, coupled with Statoil's discovery well and subsequent appraisal well in PL265 has confirmed that the thickness and quality of the Jurassic reservoir is better than previously assumed. As a result, Lundin Petroleum has increased the contingent resource range for the Avaldsnes discovery in PL501 to between 800 million and 1.8 billion barrels of gross recoverable oil. Statoil has announced a contingent resource range of 900 million to 1.5 billion barrels of gross recoverable oil for the Aldous Major South discovery. As a result, the Avaldsnes/Aldous Major South discovery is estimated to contain gross contingent resources of between 1.7 and 3.3 billion barrels of recoverable oil. This makes the discovery one of the five largest discoveries ever made on the Norwegian Continental Shelf, the largest discovery since the mid 1980s and the largest exploration find in the world this year. Furthermore the discovery is located in 115 metres of water depth, in a reservoir of less than 2,000 metres, close to existing infrastructure with spare capacity and with oil that is of excellent quality. It is truly remarkable that a discovery of this size and quality could be made by Lundin Petroleum, in the heart of the Norwegian North Sea, 45 years after the first exploration activity began in the area.

This news is transformational for Lundin Petroleum. The priority right now is to fully appraise the discovery to better define the resource range and to provide information for development planning. The resource range is still wide but my experience is that big fields usually get bigger. The discovery is material for everyone and we are working closely with Statoil and our partners to move the project forward. The discovery is material for everyone and as such everyone is aligned in moving forward as quickly as possible. There is no question in my mind that this discovery, will contribute a significant percentage of total North Sea production in years to come and due to its size, location and quality of reservoir, will be one of the most valuable discoveries ever made in the North Sea.

Financial Performance
Lundin Petroleum produced a net result for the first nine months of 2011 of MUSD 169.3. The strong production performance continues and has resulted in operating cash flow of MUSD 586.8 and EBITDA of MUSD 767.3 for the period. Our balance sheet remains very much under leveraged, with net debt of only MUSD 125. Our current production and development assets, excluding the recent Avaldsnes discovery, will comfortably support debt capacity of well above USD 2 billion. We expect to continue to generate strong operating cash flow from our producing assets which will be the primary source of funding for our future development and exploration expenditures. We will however refinance our existing reserve based lending facility to provide the Company with additional liquidity and flexibility.

Production
During the first nine months of 2011 production averaged 32,800 barrels of oil equivalent per day (boepd) which is at the high end of our forecast. The third quarter production of 33,900 boepd was particularly strong as a result of the continued out performance of the Volund field, offshore Norway. We maintain our previous production guidance of 31,000 - 34,000 boepd for 2011. Production in 2012 is forecast to increase with the impact of new production from the Gaupe field, offshore Norway.

Development
We maintain our medium term five year production forecast of over 60,000 boepd, driven principally by our various Norwegian development projects. This five year forecast excludes Avaldsnes/Aldous Major South which is expected to produce comfortably at multi hundreds of thousands of barrels per day, and will have a huge positive impact on our future production.

If we briefly look at the progress on our various development projects:

- The Gaupe field development wells are drilled and the facilities are substantially complete. We are now awaiting arrival of the pipe laying vessel to allow us to complete the development and commence production.
- We have submitted the plan of development for the Brynhild field to the Norwegian Ministry of Petroleum and Energy for approval and are expecting a response shortly.
- We still expect to submit a plan of development for the Bøyla field subsea tieback to the Alvheim FPSO in the first half of 2012.

The front end engineering and design studies for the Luno/Tellus field development have been completed. The development concept provides for the option to jointly develop the nearby Draupne field. We have been advised by the Norwegian Ministry of Petroleum and Energy that the Luno and Draupne partners should progress a joint development solution to achieve cost savings. We agree with the conclusions of the Ministry and believe that our joint development concept will deliver such cost savings benefits. We are in discussions with the Draupne partners in relation to our development solution. We still plan to submit the plan of development for Luno before year end 2011 to ensure we can continue to achieve our forecast 2015 first oil date.

Exploration
Our view has always been, that despite being seen as a mature area, the Norwegian Continental Shelf represented an area with excellent exploration potential. The higher historical tax environment compared to the UK coupled with the fact that the independent sector was not active in Norway until 10 years ago meant that exploration

drilling activity was much lower in Norway than in the UK. The geological setting is essentially the same and therefore the lower drilling activity in Norway creates an opportunity for aggressive exploration driven companies such as Lundin Petroleum. Our exploration success with the discovery of Luno, Apollo and now Avaldsnes clearly show that this strategy has worked.

Nevertheless we believe there is more to be found. Despite the priority in respect of rig capacity to the appraisal of Avaldsnes, we will have an aggressive exploration programme in Norway in 2012 with eight new exploration wells. We will be drilling three new exploration wells in the Southern Utsira High where we feel we have a very good understanding of the subsurface. The exploration drilling will continue in 2013. We will be drilling one well in the Møte Basin in the Northern North Sea close to where there have been interesting recent discoveries in the UK. In the Barents Sea, where we are one of the largest acreage owners, there will be two further exploration wells. We have built a licence portfolio of close to 50 licences in Norway over the last 10 years and we continue to increase our activity by obtaining new licences in the annual licensing rounds. We plan in forthcoming years to continue to drill out the numerous prospects we have identified in this portfolio.

Our exploration drilling campaign in Malaysia is proceeding well. The Tarap gas discovery announced in the second quarter has been followed up with a further gas discovery at Cempulut. The two discoveries coupled with a third existing discovery in our licence means we have contingent resources of over 250 billion cubic feet (bcf) of gas in SB303 offshore East Malaysia. This is most likely sufficient to consider a cluster development in an area which is facing an increasing gas deficit. Our Malaysian drilling campaign is ongoing with two further wells this year and five planned wells next year.

Happy Birthday

During the third quarter of this year Lundin Petroleum celebrated its 10th birthday. After selling Lundin Oil to Talisman Energy and creating significant shareholder value, we started Lundin Petroleum in 2001 with about USD 50 million of cash equity. I am very proud that we have been able to grow the company to a market value of USD 8 billion over the 10 years without asking our shareholders for any new equity. This success doesn't come without hard work and sacrifices from my management team and employees. Ten years ago in my first Letter to Shareholders when we started Lundin Petroleum I talked about our late founder Adolf Lundin's life long quest to find the elusive elephant - or billion barrel oil field. My parting quote was 'Lundin Petroleum plans to deliver'. Well Adolf we delivered and I know you are looking down on us all a very proud man. We are looking forward to the next 10 years and intend to continue to deliver.

Best Regards

C. Ashley Heppenstall
President and CEO

OPERATIONAL REVIEW

EUROPE

Norway

The net production in Norway to Lundin Petroleum for the nine month period ended 30 September 2011 (reporting period) was 22,700 barrels of oil equivalent per day (boepd).

The net production for the reporting period from the Alvheim field (Lundin Petroleum working interest (WI) 15%), offshore Norway, was 10,800 boepd. The Alvheim field has been on production since June 2008 and continues to perform above expectations. The excellent reservoir performance has resulted in increased gross ultimate recoverable reserves during 2010 to 276 million barrels of oil equivalent (MMboe) representing a 65 percent increase in ultimate recovery from when the Alvheim plan of development was completed in 2005. Phase 2 of Alvheim development drilling commenced in 2010 and is ongoing. Two development wells began production in October 2011. A third well is completed and will begin production before the end of 2011. The forecast cost of operations for the Alvheim field in 2011 is approximately USD 5.00 per barrel.

The net production from the Volund field (WI 35%) amounted to 11,900 boepd for the reporting period and significantly exceeded forecast. First production from the Volund field commenced in April 2010 and production increased during the year to the plateau production as development drilling was successfully completed. Volund field production during the reporting period was above the 8,700 boepd net Volund field firm capacity on the Alvheim FPSO as it took advantage of additional spare capacity. An additional Volund development well will be drilled and completed in 2012.

In October 2009, a new oil discovery on the Bøyla prospect in PL340 (WI 15%) was announced. Bøyla contains gross recoverable contingent resources of 20 MMboe and will be developed as a subsea tieback to the Alvheim FPSO. A plan of development will be submitted for the Bøyla field in the first half of 2012 with first oil expected in 2014. During the first quarter of 2011, the Caterpillar exploration well in PL340BS was completed as an additional new oil discovery. Caterpillar, located close to Bøyla, will now most likely be developed through the Bøyla subsea development facilities.

The Luno field located in PL338 (WI 50%) was discovered in 2007 and has subsequently been appraised by two further wells. The results of these appraisal wells have been incorporated into the reservoir model being used for development planning and has resulted in an upgrade of gross proven and probable (2P) reserves from 95 MMboe to 148 MMboe for the Luno field. The reserves have been audited by third party reserves auditors Gaffney Cline & Associates. Front end engineering for the Luno development is complete. A development plan which incorporates the provision for a joint development of the nearby Draupne field will be completed and submitted for approval before the end of 2011. Further exploration drilling in PL338 on the Jorvik prospect close to the Luno discovery will take place in 2012.

In April 2011, the Tellus exploration well in PL338 was completed as an oil discovery. The Tellus discovery is a northern extension of the Luno field and is estimated to contain gross contingent resources of between 11 and 55 MMboe. Two reservoir tests were completed in the Tellus well, the first of which, in the fractured basement, was the first successful full scale basement test on the Norwegian Continental shelf. The potential commercial production from the fractured basement has positive implications to add resources from this interval in the Luno South discovery and in the surrounding area. In May 2011, the Tellus exploration well was successfully sidetracked to appraise the discovery and as a result the Tellus development will now be included as part of the Luno development programme.

An exploration well in PL501 (WI 40%) targeting the Avaldsnes prospect was successfully completed in the third quarter of 2010 as an oil discovery. After the discovery well it was estimated that the Avaldsnes discovery contained gross recoverable contingent resources of 100 to 400 MMboe within PL501 and that the fault controlled structure extended to the west into PL265 (WI 10%).

During 2011, two Avaldsnes appraisal wells 16/3-4 and 16/2-7, both of which were sidetracked, have been successfully completed. The appraisal wells confirmed the extension of the Avaldsnes discovery to the south-east and south. Both wells confirmed excellent quality Jurassic reservoir characteristics following comprehensive coring and logging programmes. The wells encountered oil bearing reservoir of thickness and quality better than the discovery well and the first appraisal well tested at an average production rate in excess of 5,500 boepd through a restricted choke. In August 2011, Statoil, the operator of PL265, announced the discovery of Aldous Major South with the well 16/2-8 encountering a gross oil column of 65 metres of excellent quality Jurassic sandstone reservoir. An appraisal of Aldous Major South was successfully completed in October 2011 with well 16/2-10. As a result of the appraisal drilling on Avaldsnes and Aldous Major South it is now confirmed that the two discoveries are one connected giant oil field. Following the recent appraisal drilling Lundin Petroleum has announced a range of gross recoverable contingent resources for the Avaldsnes discovery in PL501 of between 800 million and 1.8 billion barrels which have been audited by Gaffney Cline & Associates. Similarly, Statoil has announced a range of gross recoverable contingent resources in PL265 of between 900 million and 1.5 billion barrels of oil. The joint Avaldsnes/Aldous Major South discovery is therefore estimated to contain contingent resources of between 1.7 and 3.3 billion barrels of recoverable oil which is one of the largest ever discoveries on the Norwegian continental shelf and the largest since the mid 1980s. The discovery is located in 115 metres water depth, the reservoir is at a depth less than 2,000 metres and the field is located 35 kms from the Grane field pipeline infrastructure with significant spare capacity. The discovered oil is approximately 28 degree API and is of excellent quality.

During the third quarter of 2011 Statoil, as operator, also completed the drilling of the Aldous Major North prospect in PL265. The well encountered an oil column in the Upper Jurassic reservoir which was thinner and of lesser quality than anticipated. Further appraisal drilling will be required to determine the commerciality of Aldous Major North.

The priority in 2012 will be further appraisal of the Avaldsnes/Aldous Major South discovery with at least three appraisal wells in PL501 to define the recoverable resource and to assist with the development planning strategy. The Avaldsnes/Aldous Major South discovery will be unitized as one field and Lundin Petroleum as operator of PL501 and Statoil as operator of PL265 are jointly committed to moving forward the development as a top priority.

There will be further exploration drilling in 2012 in the Southern Utsira High area with the drilling of the Luno II prospect in PL359 (WI 40%), Jorvik prospect in PL338 (WI 50%) and Biotitt prospect in PL544 (WI 70%). Additional prospectivity has been identified in the area where further exploration drilling will continue in 2013.

The plan of development for the Gaupe field in PL292 (WI 40%) was approved in June 2010, and first production is expected in late 2011. The Gaupe field operated by BG Group has estimated gross proven plus probable reserves of approximately 31 MMboe and is estimated to produce at a plateau production rate net to Lundin Petroleum of 5,000 boepd.

A plan of development of the Brynhild field (formerly called Nemo) in PL148 (WI 50%) has been submitted to the Norwegian Ministry of Petroleum and Energy for approval. The Brynhild field contains gross proven plus probable reserves of 22 MMboe and is expected to produce at a plateau production rate net to Lundin Petroleum of 6,000 boepd with first oil forecast in late 2013. The development involves the drilling of three wells tied back to the existing Shell operated Pierce field infrastructure in the UK sector of the North Sea.

In January 2011, Lundin Petroleum was awarded ten exploration licenses in the 2010 APA Licensing Round of which six licenses will be operated by Lundin Petroleum. In April 2011, Lundin Petroleum was awarded license PL609 as operator in the 21st Norwegian Licensing Round. PL609 (WI 40%) is located in the Barents Sea to the east of Statoil's large new Skrugard oil discovery which is estimated to contain between 150 and 250 MMboe. Lundin Petroleum now has interests in five exploration licenses in the Barents Sea.

In July 2011, the Skalle exploration well in PL438 (WI 25%) was completed as a gas discovery with estimated gross contingent resources of between 88 and 280 billion cubic feet (bcf). The Skalle discovery is located approximately 25 kms from the producing Snøvhit gas field. Additional prospectivity for further hydrocarbons exists in the Skalle substructure and in additional prospects in PL438.

In July 2011, Lundin Petroleum completed the drilling of well 25/10-11 on the Earb South prospect in PL505. The well encountered three separate hydrocarbon bearing Jurassic sandstones sequences with poor reservoir quality. The well was tested and flowed oil and gas to surface but the reservoir was tight. It is unlikely that the discovery can currently be commercialised despite the large in place hydrocarbon volumes.

In May 2011, Lundin Petroleum acquired a 30 percent interest in PL330 located in the northern Norwegian Sea.

France

The net production in the Paris Basin (WI 100%) averaged 2,400 boepd and in the Aquitaine Basin (WI 50%) averaged 700 boepd for the reporting period. The redevelopment of the Grandville field in the Paris Basin involving the drilling of eight new development wells and the installation of new production facilities has commenced. Grandville development drilling will continue into 2012.

The Netherlands

The net gas production to Lundin Petroleum from the Netherlands averaged 2,000 boepd for the reporting period.

Ireland

Interpretation of the 3D seismic acquired in 2010 on the Slyne Basin licence 04/06 (WI 50%) has been completed.

SOUTH EAST ASIA

Indonesia

Lematang (South Sumatra)
The net production to Lundin Petroleum from the Singa gas field (WI 25.9%) during the reporting period amounted to 1,000 boepd. Production from the Singa field commenced in 2010. Current gross production from the two Singa production wells is in excess of 30 million standard cubic feet per day (MMscfd) of sales gas.

Rangkas (Java)
A 474 km 2D seismic acquisition programme has been completed on the Rangkas block (WI 51%).

Baronang/Cakalang (Natuna Sea)
A 975 km² 3D seismic acquisition programme on the Baronang and Cakalang blocks (WI 100%) was completed in 2010. Exploration drilling will now commence in 2013. In addition a 1,500 km 2D seismic acquisition programme will be completed on Cakalang in 2011.

South Sokang (Natuna Sea)
A new Production Sharing Contract for the South Sokang block was signed in December 2010 (WI 60%). A 2,400 km 2D seismic acquisition programme was completed in 2011.

Gurita (Natuna Sea)
A new Production Sharing Contract for the Gurita block was signed in March 2011 (WI 100%). A 400km² 3D seismic acquisition programme will be completed in 2012.

Malaysia
The 2009 3D seismic data programme identified numerous drilling targets for the 2011/2012 drilling campaign. Five exploration and appraisal wells will be drilled in 2011.

The Tarap exploration well drilled in SB303 (WI 75%), offshore Sabah, East Malaysia was completed in July 2011 as a gas discovery. The well encountered gas in each of the five independently sealed Miocene sands targeted finding gross vertical pay of approximately 150 metres. The gross contingent resources of the Tarap discovery are 171bcf. The Cempulut exploration well also in SB303 was also completed as a gas discovery. The well encountered a Miocene reef with 50 metres of gross vertical pay. There is a third discovery named Titik Terang in the SB303 contract area. The three discoveries are in close proximity to one another and we are now evaluating the potential for a cluster development. There are various options for the commercialisation of gas in the Sabah area.

The first exploration well Batu Hitam-1 drilled in PM308A, offshore peninsular Malaysia was plugged and abandoned as a dry hole after encountering good reservoir with high concentrations of carbon dioxide. The second exploration well in PM 308A Janglau-1 is currently drilling.

In June 2011 Lundin Petroleum acquired a 75 percent working interest in Block PM307 offshore Peninsula Malaysia. A 2,100 km² 3D seismic acquisition programme is planned for 2011 plus the drilling of an appraisal well on the Bertram discovery.

A further five exploration and/or appraisal wells will be drilled in Malaysia in 2012 offshore Sabah and offshore peninsular Malaysia.

RUSSIA
The net production to Lundin Petroleum from Russia for the period was 3,200 boepd.

In the Lagansky Block (WI 70%) in the northern Caspian a major oil discovery was made on the Morskaya field in 2008. The discovery due to its offshore location is deemed to be strategic by the Russian Government under the Foreign Strategic Investment Law. As a result a 50 percent ownership by a state owned company is required prior to appraisal and development. During 2010, 103 km² of new 3D seismic was acquired on the Lagansky block which has identified further exploration prospects in the Lagansky Block.

AFRICA

Tunisia
The net production to Lundin Petroleum from the Oudna field (WI 40%) was 800 boepd for the reporting period.

Congo (Brazzaville)
The drilling of the exploration well Mindou Marine-1 on Block Marine XI (WI 18.75%) was completed in October 2011. The well will be plugged and abandoned as a dry hole. The well is the first of a two or three well exploration programme on blocks Marine XI and Marine XIV (WI 21.55%) which will be completed in 2012.

FINANCIAL REVIEW

Result

The net result from continuing operations for the nine month period ended 30 September 2011 (reporting period) amounted to MUSD 169.3 (MUSD 42.8). The net result attributable to shareholders of the Parent Company from continuing operations for the reporting period amounted to MUSD 172.6 (MUSD 52.5) representing earnings per share on a fully diluted basis of USD 0.56 (USD 0.17).

Earnings before interest, tax, depletion and amortisation (EBITDA) for the reporting period amounted to MUSD 767.3 (MUSD 425.6) representing EBITDA per share on a fully diluted basis of USD 2.47 (USD 1.36). Operating cash flow for the reporting period amounted to MUSD 586.8 (MUSD 416.5) representing operating cash flow per share on a fully diluted basis of USD 1.89 (USD 1.33).

Changes in the Group

There are no changes to the Group for the reporting period.

The prior year includes the results of Etrion Corporation up to 12 November 2010, the date of distribution of the shares held in Etrion Corporation to Lundin Petroleum's shareholders, and the Salawati Basin and Salawati Island assets which were sold on 29 December 2010. The results of the United Kingdom operations are included under discontinued operations up to 6 April 2010, the date of the spin-off of the UK business.

Production

Production for the reporting period amounted to 32.8 Mboe per day (Mboepd) (29.8 Mboepd) and was comprised as follows:

Production	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Norway					
- Quantity in Mboe	6,215.1	2,180.3	4,755.7	1,838.2	6,629.8
- Quantity in Mboepd	22.7	23.7	17.4	20.0	18.2
France					
- Quantity in Mboe	843.2	286.4	864.2	296.1	1,160.8
- Quantity in Mboepd	3.1	3.1	3.2	3.2	3.2
Netherlands					
- Quantity in Mboe	540.3	172.0	565.3	176.2	756.7
- Quantity in Mboepd	2.0	1.9	2.1	1.9	2.1
Indonesia					
- Quantity in Mboe	292.6	128.5	636.9	234.1	887.1
- Quantity in Mboepd	1.0	1.4	2.3	2.5	2.4
Russia					
- Quantity in Mboe	861.9	284.2	1,019.2	319.1	1,321.2
- Quantity in Mboepd	3.2	3.1	3.7	3.5	3.6
Tunisia					
- Quantity in Mboe	210.2	66.1	288.9	90.6	372.2
- Quantity in Mboepd	0.8	0.7	1.1	1.0	1.0
Total from continuing operations					
- Quantity in Mboe	**8,963.3**	3,117.5	8,130.2	2,954.3	11,127.8
- Quantity in Mboepd	**32.8**	33.9	29.8	32.1	30.5
Discontinued operations - United Kingdom					
- Quantity in Mboe	-	-	812.2	-	812.2
- Quantity in Mboepd	-	-	3.0	-	2.2
Total excluding non-controlling interest					
- Quantity in Mboe	**8,963.3**	3,117.5	8,942.4	2,954.3	11,940.0
- Quantity in Mboepd	**32.8**	33.9	32.8	32.1	32.7

The increase in Norway production volumes over the comparative reporting period is attributable to the Volund field which came onstream in April 2010. The Volund field has a contracted minimum capacity of 25.0 Mboepd through the Alvheim FPSO but has produced at over 39.0 Mboepd in the third quarter of 2011 taking advantage of spare capacity. Volund has contributed 11.9 Mboepd (3.8 Mboepd) for the reporting period and 13.7 Mboepd (7.1 Mboepd) for the third quarter of 2011.

The 2010 production figures for Indonesia include the contributions of the Salawati assets of 2.1 Mboepd for the first nine months of 2010 and 2.0 Mboepd for the full year 2010. The Salawati assets were sold in December 2010.

Operating income
Net sales of oil and gas for the reporting period amounted to MUSD 938.9 (MUSD 549.0) and are detailed in Note 1. Sales volumes for the reporting period were 17 percent higher and the achieved oil price was 46 percent higher than the comparative period. The average price achieved by Lundin Petroleum for a barrel of oil equivalent amounted to USD 101.63 (USD 69.51) and is detailed in the following table. The premium over dated Brent on Norwegian crude oil sold during the reporting period averaged USD 3.82 per barrel. The average Dated Brent price for the reporting period amounted to USD 111.89 (USD 77.14) per barrel.

Sales of oil and gas for the reporting period were comprised as follows:

Sales Average price per boe expressed in USD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Norway					
- Quantity in Mboe	6,489.5	2,300.7	4,742.1	1,700.2	6,712.5
- Average price per boe	110.36	111.61	75.33	75.38	77.93
France					
- Quantity in Mboe	872.2	295.4	878.5	287.9	1,168.0
- Average price per boe	110.56	112.59	76.33	75.53	79.35
Netherlands					
- Quantity in Mboe	540.3	172.0	565.3	176.2	756.7
- Average price per boe	59.58	61.99	42.28	48.19	44.37
Indonesia					
- Quantity in Mboe	270.7	111.8	330.2	103.2	607.7
- Average price per boe	32.54	32.26	63.83	51.96	65.31
Russia					
- Quantity in Mboe	867.2	290.2	999.5	320.0	1,290.0
- Average price per boe	69.69	70.07	50.21	51.97	51.65
Tunisia					
- Quantity in Mboe	198.2	-	382.6	187.0	382.6
- Average price per boe	125.12	-	77.15	75.98	77.15
Total from continuing operations					
- Quantity in Mboe	**9,238.1**	3,170.1	7,898.2	2,774.5	10,917.5
- Average price per boe	**101.63**	102.41	69.51	70.14	71.92
Discontinued operations - United Kingdom					
- Quantity in Mboe	**-**	-	814.4	-	814.4
- Average price per boe	**-**	-	76.82	-	76.82
Total					
- Quantity in Mboe	**9,238.1**	3,170.1	8,712.6	2,774.5	11,731.9
- Average price per boe	**101.63**	102.41	70.19	70.14	72.26

Sales quantities in a period can differ from production quantities as a result of permanent and timing differences. Timing differences can arise due to inventory, storage and pipeline balances effects. Permanent differences arise as a result of paying royalties in kind as well as the effects from production sharing agreements.

Oil produced in Tunisia is only lifted when the Ikdam FPSO is near to full. An Oudna cargo was lifted in April 2011 and is forecast to be the only Tunisian lifting during 2011.

The oil produced in Russia is sold on either the Russian domestic market or exported into the international market. 36 percent (40 percent) of Russian sales for the reporting period were on the international market at an average price of USD 110.28 per barrel (USD 74.16 per barrel) with the remaining 64 percent (60 percent) of Russian sales being sold on the domestic market at an average price of USD 46.56 per barrel (USD 33.94 per barrel).

Other operating income amounted to MUSD 7.6 (MUSD 9.5) for the reporting period and includes MUSD 3.5 (MUSD -) of income relating to a quality differential compensation adjustment payable from the Vilje field owners to the Alvheim and Volund field owners. All three fields produce to the Alvheim FPSO vessel and the oil is commingled to produce an Alvheim crude blend which is then sold. This adjustment for the comparative period amounted to MUSD 2.1 and was netted off against production costs. Also included in other operating income is tariff income from France and the Netherlands and income for maintaining strategic inventory levels in France. Operating income for the comparative period includes MUSD 7.0 relating to Etrion's solar business.

Production costs
Production costs for the reporting period amounted to MUSD 146.2 (MUSD 108.3) and are detailed in Note 2. The production and depletion costs per barrel of oil equivalent produced from continuing oil and gas operations are detailed in the table below.

Production cost and depletion in USD per boe	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Cost of operations	8.27	8.20	8.18	7.55	8.63
Tariff and transportation expenses	1.97	1.67	1.45	1.65	1.57
Royalty and direct taxes	4.41	4.53	3.87	3.44	3.74
Changes in inventory/overlift	1.47	0.89	-0.45	-5.26	-0.31
Other	0.19	0.18	0.21	0.18	0.38
Total production costs	**16.31**	15.47	13.26	7.56	14.01
Depletion	**13.54**	13.71	12.87	13.22	12.85
Total cost per boe	**29.85**	29.18	26.13	20.78	26.86

The total cost of operations for the reporting period was MUSD 74.1 compared to MUSD 67.0 for the comparative period. The current reporting period includes costs of the Volund field, Norway and Singa field, Indonesia for a full nine month period whereas the Volund and Singa fields contributed costs partially in the comparative period having commenced production in the second quarter of 2010. In addition, in the reporting period there has been certain one-off costs associated with the unplanned shutdown of the Alvheim FPSO during the second quarter of 2011 and expenditures related to the FPSO used on the Oudna field. The increases are partly offset by a reduction compared to the comparative period following the disposal of the Salawati assets, Indonesia in December 2010.

The cost of operations for the third quarter of 2011 were MUSD 25.6, corresponding to USD 8.20 per barrel compared to MUSD 25.4 corresponding to USD 8.96 per barrel for the second quarter of 2011. The reduction in the cost of operations per barrel in the third quarter compared to the second quarter is due to the 10 percent higher production during the third quarter. Included in the third quarter of 2011 was expenditure of MUSD 1.5 for inspection of the mooring system and riser as well as further re-certification costs of the FPSO used on the Oudna field, Tunisia. During the second quarter of 2011, costs of MUSD 1.2 were incurred associated with the inspecting and testing of the deluge system on the Alvheim FPSO. The total cost of operations per barrel for the full year is expected to be USD 8.50 per barrel in line with the original 2011 forecast.

The tariff and transportation expenses for the reporting period amounted to MUSD 17.6 compared to MUSD 11.8 for the comparative period. The increase is mainly due to the increased production contribution from the Volund field, Norway which pays a tariff to the Alvheim field owners and commenced production in April 2010. Lundin Petroleum has a 15 percent working interest in the Alvheim field and a 35 percent interest in the Volund field and the self-to-self element of the tariff is eliminated for accounting purposes leaving a net 20 percent cost for Volund in tariff and transportation expenses.

Royalty and direct taxes includes Russian Mineral Resource Extraction Tax (MRET) and Russian Export Duties. The rate of MRET is levied on the volume of Russian production and varies in relation to the international market price of Urals blend and the Rouble exchange rate. MRET averaged USD 21.34 (USD 13.45) per barrel of Russian production for the reporting period. The rate of export duty on Russian oil is revised by the Russian Federation monthly and is dependent on the average price obtained for Urals Blend for the preceding one month period. The export duty is levied on the volume of oil exported from Russia and averaged USD 57.78 (USD 37.14) per barrel for the reporting period. The royalty and direct taxes have increased compared to the comparative period following the rise in crude prices impacting the cost of Russian MRET and export duty.

There are both permanent and timing differences that result in sales volumes not being equal to production volumes during a period. Changes to the hydrocarbon inventory and under or overlift positions result from these timing differences and an amount of MUSD 13.1 (MUSD -3.7) was charged to the income statement for the reporting period.

Depletion costs
Depletion costs amounted to MUSD 121.4 (MUSD 107.0) and are detailed in Note 3. The main increase from the comparative period is in Norway where the depletion cost expensed has increased by 30 percent in line with the increase in production. Norway contributed approximately 80 percent of the total depletion charge for the period at a rate of USD 15.35 per barrel and this increases the overall rate from the comparative period. Depletion per barrel for the reporting period is in line with forecast.

Exploration costs
Exploration costs for the reporting period amounted to MUSD 80.2 (MUSD 66.8) and are detailed in Note 4. The amount expensed during the third quarter of 2011 was MUSD 64.0 and relates primarily to the costs associated

with the Earb South well in PL505, offshore Norway, completed at the end of July 2011. The Earb South well was a discovery but is unlikely to be commercial and therefore the costs associated with PL505 have been expensed. During the third quarter of 2011 the Batu Hitam exploration well drilled on Block 308A, offshore Malaysia, was plugged and abandoned as a dry well. The costs associated with this well were expensed during the quarter.

Exploration and appraisal costs are capitalised as they are incurred. When exploration drilling is unsuccessful the costs are immediately charged to the income statement as exploration costs. All capitalised exploration costs are reviewed on a regular basis and are expensed where there is uncertainty regarding their recoverability.

General, administrative and depreciation expenses
The general, administrative and depreciation expenses for the reporting period amounted to MUSD 35.1 (MUSD 26.7) of which MUSD 18.1 (MUSD 3.8) related to non-cash charges in relation to the Group's Long-term Incentive Plan (LTIP) scheme. The MUSD 26.7 reported in the comparative reporting period includes an amount of MUSD 10.9 relating to Etrion.

The cost for the third quarter of 2011 increased due to the increase in the LTIP provision as a result of a higher Lundin Petroleum share price at the balance sheet date. The value of the LTIP award, based on Lundin Petroleum's share price at the balance sheet date, is applied to the vested portion of all outstanding LTIP awards including that of prior periods and therefore the charge to the income statement reflects the change in the provision. Lundin Petroleum has mitigated the exposure of the LTIP by purchasing 6,882,638 of its own shares. For more detail refer to the Remuneration section.

Financial income
Financial income for the reporting period amounted to MUSD 39.2 (MUSD 13.8) and is detailed in Note 6.

Interest income for the reporting period amounted to MUSD 3.3 (MUSD 1.9). The interest income in the reporting period includes an amount of MUSD 1.5 relating to a loan to Etrion Corporation which is no longer eliminated on consolidation, following the distribution of the shares held in Etrion in November 2010. The Etrion loan was repaid during the second quarter of 2011.

Foreign exchange gains for the reporting period amounted to MUSD 2.7 (MUSD 8.4). The US Dollar strengthened against the Euro and the Norwegian Kroner during the third quarter of 2011 giving rise to exchange gain movements on the intercompany loans and working capital balances. The MUSD 16.0 exchange gain in the third quarter of 2011 reversed the MUSD 13.4 foreign exchange loss reported for the six months ended 30 June 2011.

In March 2011, Lundin Petroleum converted MUSD 13.0 of the MUSD 23.8 convertible loan receivable from Africa Oil Corporation (AOC) loan into 14 million shares in AOC at a conversion price of Canadian Dollars (CAD) 0.90 per share. The shares were subsequently sold on the open market for CAD 2.00 per share realising a gain of MUSD 15.6. In April 2011, the remainder of the loan was converted into 11.85 million shares at a conversion price of CAD 0.90 per share and the shares were sold on the open market for CAD 2.10 per share realising a further gain of MUSD 14.3.

Financial expenses
Financial expenses for the reporting period amounted to MUSD 16.2 (MUSD 25.1) and are detailed in Note 7.

Interest expenses for the reporting period amounted to MUSD 4.3 (MUSD 6.3). An additional amount of MUSD 2.4 of interest associated with the funding of the development of the Volund field, offshore Norway, was capitalised in the comparative period.

In January 2008, the Group entered into an interest rate hedging contract to fix the LIBOR rate of interest at 3.75 percent per year on MUSD 200 of the Group's USD borrowings for the period from January 2008 until January 2012. An amount of MUSD 5.2 (MUSD 5.2) was charged to the income statement for the reporting period for settlements under the hedging contracts.

A provision for the costs of site restoration is recorded in the balance sheet at the discounted value of the estimated future cost. The effect of the discount is unwound each year and charged to the income statement. An amount of MUSD 3.4 (MUSD 3.0) has been charged to the income statement for the reporting period.

Tax
The tax charge for the reporting period amounted to MUSD 417.3 (MUSD 195.6) and is detailed in Note 8.

The current tax charge for the reporting period amounted to MUSD 213.5 (MUSD 33.7) of which MUSD 185.7 (MUSD 14.6) relates to Norway. The increase in the Norway current tax charge from the comparative period is mainly due to the utilisation of the tax losses in 2010.

The deferred tax charge for the reporting period amounted to MUSD 203.7 (MUSD 161.9) and arises where there is a difference in depreciation for tax and accounting purposes and tax losses have offset the current tax charge. MUSD 194.0 (MUSD 161.4) of the deferred tax charge is attributable to Norway.

The Group operates in various countries and fiscal regimes where corporate income tax rates are different from the regulations in Sweden. Corporate income tax rates for the Group vary between 20 percent and 78 percent. The effective tax rate for the Group for the reporting period amounted to 71 percent. This effective rate is calculated from the face of the income statement and does not reflect the effective rate of tax paid within each country of operation. The main contributor to the tax charge is Norway where the tax rate is 78 percent reduced by the effect of uplift for tax purposes on development expenditure. The effective rate of cash tax payable in the reporting period is 36 percent primarily because exploration expenditure and tax allowances on development expenditure provided a tax deduction in Norway during the reporting period.

Non-controlling interest
The net result attributable to non-controlling interest for the reporting period amounted to MUSD -3.4 (MUSD -9.6) and mainly relates to the non-controlling interest's share in a Russian subsidiary which is fully consolidated.

Discontinued operations
The net result from discontinued operations for the reporting period amounted to MUSD - (MUSD 369.3). The amount in the comparative period is attributable to the net result for the United Kingdom up to 6 April 2010, the date of the UK spin-off. For more detail refer to Note 9.

BALANCE SHEET

Non-current assets
Oil and gas properties amounted to MUSD 2,309.8 (MUSD 1,999.0) and are detailed in Note 10.

Development and exploration expenditure incurred for the reporting period was as follows:

Development expenditure in MUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Norway	156.0	63.9	85.9	23.6	106.3
France	20.7	11.3	9.1	1.7	13.2
Netherlands	2.4	1.2	3.6	1.5	4.5
Indonesia	4.1	0.0	8.4	0.3	10.2
Russia	3.5	0.8	5.5	1.8	6.6
Development expenditures from continuing operations	**186.7**	77.2	112.5	28.9	140.8
Discontinued operations - United Kingdom	**-**	-	17.1	-	17.1
Development expenditures	**186.7**	77.2	129.6	28.9	157.9

During the reporting period, an amount of MUSD 156.0 of development expenditure was incurred in Norway, primarily on the Gaupe field development and the Phase 2 drilling on the Alvheim field. MUSD 85.9 was spent on development projects in Norway in the comparative period, predominantly on the Volund field development and Alvheim field drilling.

Exploration expenditure in MUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Norway	237.0	84.7	70.0	40.2	160.8
France	1.0	0.5	0.6	0.3	1.0
Indonesia	12.0	5.6	10.5	2.5	13.5
Russia	6.9	2.4	14.0	3.3	18.3
Malaysia	60.3	33.9	6.8	2.1	10.6
Congo (Brazzaville)	7.6	4.9	1.7	0.4	2.5
Vietnam	0.4	0.0	15.6	6.6	15.3
Other	1.8	1.8	3.9	3.6	4.4
Exploration expenditures from continuing operations	**327.0**	133.8	123.1	59.0	226.4
Discontinued operations - United Kingdom	-	-	0.2	-	0.2
Exploration expenditures	**327.0**	133.8	123.3	59.0	226.6

During the reporting period, exploration expenditure of MUSD 237.0 was incurred in Norway mainly on the Tellus discovery well on licence PL338, the Caterpillar discovery well on licence PL340, the Earb South well on licence PL505, the Skalle well on licence PL438 and the Avaldsnes/Aldous Major South appraisal wells on licences PL501 and PL265. MUSD 60.3 was incurred in Malaysia and was primarily for the drilling and testing of the Tarap and Cempulut wells on block SB303 and drilling the Batu Hitam well on block PM308A.

Other tangible assets amounted to MUSD 16.2 (MUSD 15.3) and represent office fixed assets and real estate.

Financial assets amounted to MUSD 49.0 (MUSD 114.9) and are detailed in Note 11. Other shares and participations amounted to MUSD 20.3 (MUSD 68.6) and predominantly relate to the shares held in ShaMaran Petroleum which are reported at market price. Long-term receivables amounted to MUSD - (MUSD 23.8) following the conversion to shares of the MUSD 23.8 convertible loan to Africa Oil Corporation and their subsequent sale. Other financial assets amounted to MUSD 25.7 (MUSD 17.8) and mainly represent recoverable VAT paid on costs in Russia amounting to MUSD 14.0 (MUSD 16.5) and Etrion Corporation bonds of MUSD 10.3 (MUSD -) held by Lundin Petroleum.

The deferred tax asset amounted to MUSD 13.3 (MUSD 15.1) and mainly relates to unutilised tax losses in the Netherlands.

Current assets
Receivables and inventories amounted to MUSD 171.2 (MUSD 236.2) and are detailed in Note 12.

Trade receivables amounted to MUSD 115.6 (MUSD 94.2). Higher oil prices have resulted in the value of the trade receivables being higher at 30 September 2011.

Short-term loan receivable amounted to MUSD - (MUSD 74.5) following repayment of the Etrion loan during the second quarter of 2011.

Cash and cash equivalents amounted to MUSD 98.1 (MUSD 48.7). Cash balances are held to meet operational and investment requirements.

Non-current liabilities
Provisions amounted to MUSD 1,002.1 (MUSD 769.7) and are detailed in Note 13.

The provision for site restoration amounted to MUSD 111.7 (MUSD 93.8) and relates to future decommissioning obligation liabilities. An amount of MUSD 8.3 was recognised at the balance sheet date for the decommissioning liability associated with the work to date on the Gaupe development. The provision will be increased as the Gaupe development progresses.

The provision for deferred taxes amounted to MUSD 845.9 (MUSD 650.7) and is arising on the excess of book value over the tax value of oil and gas properties. Deferred tax assets are netted off against deferred tax liabilities where they relate to the same jurisdiction in accordance with International Financial Reporting Standards (IFRS).

The provision for Lundin Petroleum’s LTIP scheme amounted to MUSD 37.3 (MUSD 18.8).

Other provisions amounted to MUSD 5.7 (MUSD 5.0) and include a termination indemnity provision in Tunisia.

Long term interest bearing debt amounted to MUSD 222.0 (MUSD 458.8) and relates to the outstanding loan under the Group’s MUSD 850 revolving borrowing base facility.

Current liabilities
Other current liabilities amounted to MUSD 303.1 (MUSD 185.0) and are detailed in Note 14.

Tax payables amounted to MUSD 156.8 (MUSD 39.7). MUSD 144.8 (MUSD 20.9) of the tax payable balance relates to Norway.

Joint venture creditors amounted to MUSD 115.1 (MUSD 100.9) and relate to ongoing operational costs.

The short term portion of the fair value of the interest rate swap entered into in January 2008 is included in current liabilities and amounted to MUSD 1.9 (MUSD 6.9).

PARENT COMPANY
The business of the Parent Company is investment in and management of oil and gas assets. The net result for the Parent Company amounted to MSEK -96.5 (MSEK 3,967.0) for the reporting period.

The result includes general and administrative expenses of MSEK 112.0 (MSEK 38.3), financial income of MSEK 4.1 (MSEK 15.3) for supporting certain financial obligations for ShaMaran Petroleum and interest expense of MSEK 18.0 (MSEK 28.1). The comparative result for 2010 includes a dividend received from a subsidiary of MSEK 3,995.2.

RELATED PARTY TRANSACTIONS
During the reporting period, the Group has entered into transactions with related parties on a commercial basis as described below:

The Group received MUSD 0.5 (MUSD 0.5) from ShaMaran Petroleum for the provision of office and other services and MUSD 0.7 (MUSD 2.0) for supporting certain financial obligations.

The Group received MUSD 0.2 (MUSD 0.7) from AOC being interest on a loan of MUSD - (MUSD 23.8) that was converted into shares in the reporting period.

The Group paid MUSD 0.6 (MUSD 0.2) to other related parties in respect of aviation services received.

Etrion has reimbursed a Euro loan provided by the Group which amounted to MUSD 83.0 at the time of the reimbursement in May 2011. Interest of MUSD 1.5 (MUSD 0.6) was charged on the loan in the reporting period.

LIQUIDITY
Lundin Petroleum has a secured revolving borrowing base facility of MUSD 850 with a seven year term expiring in 2014, of which MUSD 222.0 was drawn in cash as at 30 September 2011. The MUSD 850 facility is a revolving borrowing base facility secured against certain cash flows generated by the Group. The amount available under the facility is recalculated every six months based upon the calculated cash flow generated by certain producing fields at an oil price and economic assumptions agreed with the banking syndicate providing the facility and is currently in excess of the facility size. The facility has reached a stage where availability reduces every six months. The maximum amount that can be drawn under the facility has been reduced to MUSD 740 and will continue to reduce until maturity of the facility.

Lundin Petroleum has, through its subsidiary Lundin Malaysia BV, entered into five Production Sharing Contracts (PSC) with Petroliam Nasional Berhad, the oil and gas company of the Government of Malaysia (Petronas), in respect of the six operated blocks in Malaysia. BNP Paribas, on behalf of Lundin Malaysia BV has issued bank guarantees in support of the work commitments in relation to these PSCs amounting to MUSD 100.3. In addition, BNP Paribas has issued additional bank guarantees to cover work commitments in Indonesia amounting to MUSD 4.2.

SUBSEQUENT EVENTS
At the end of October 2011, the Mindou Marine-1 exploration well (WI 18.75%) was completed on Block Marine XI, offshore Congo (Brazzaville). The well will be plugged and abandoned as a dry hole and the costs associated with the well will be expensed during the fourth quarter of 2011.

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

As at 30 September 2011, Lundin Petroleum held 6,882,638 of its own shares.

REMUNERATION
In 2008, Lundin Petroleum implemented a LTIP scheme consisting of a Unit Bonus Plan which provides for an annual grant of units that will lead to a cash payment at vesting. The LTIP will be payable over a period of three years from award. The cash payment will be determined at the end of each vesting period by multiplying the number of units then vested by the share price. The share price for determining the cash payment at the end of each vesting period will be the five trading day average closing Lundin Petroleum share price prior to and following the actual vesting date.

The AGM held on 13 May 2009 approved the 2009 LTIP and divided it into one plan for Executive Management (being the President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Senior Vice President Operations) and one plan for certain other employees.

The LTIP for Executive Management includes 5,500,928 phantom options with an exercise price of SEK 52.91 (rebased from 4,000,000 phantom options and SEK 72.76 respectively following the distribution of the EnQuest and Etrion shares). The phantom options will vest in May 2014 being the fifth anniversary of the date of grant. The recipients will be entitled to receive a cash payment equal to the average closing price of the Company's shares during the fifth year following grant, less the exercise price, multiplied by the number of phantom options. The participants of the phantom option scheme are not entitled to receive new awards under the Unit Bonus Plan whilst the phantom options are still outstanding.

Lundin Petroleum holds 6,882,638 of its own shares acquired at an average cost of SEK 46.51 per share which mitigates the exposure of the LTIP. The Lundin Petroleum share price at 30 September 2011 was SEK 117.60. The provision for LTIP amounted to MUSD 37.3 as at 30 September 2011 and the market value of the shares held at 30 September 2011 was MUSD 118.0. The gain in the value of the own shares held is not offset against the cost for the LTIP in accordance with accounting rules.

The number of units relating to the 2009, 2010 and 2011 Unit Bonus Plans outstanding as at 30 September 2011 were 219,985, 470,169, and 425,850.

ACCOUNTING PRINCIPLES
The financial statements of the Group have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Reporting, and the Swedish Annual Accounts Act (1995:1554). The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

The financial statements of the Parent Company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 issued by the Swedish Financial Reporting Board and the Annual accounts Act (1995:1554).

Under Swedish company regulations it is not allowed to report the Parent Company results in any other currency than SEK and consequently the Parent Company financial statements are still reported in SEK and not in USD.

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 that 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.

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 2010.

Lundin Petroleum is, and will be, actively engaged in oil and gas operations in various countries. 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. Further, certain aspects of Lundin Petroleum's exploration and production programmes require the consent or favourable decisions of governmental bodies.

Financial risk

As an international oil and gas exploration and production company operating globally, Lundin Petroleum is exposed to financial risks such as fluctuations in oil price, currency rates, interest rates as well as liquidity and credit risks. The Company shall seek to control these risks through sound management practice and the use of internationally accepted financial instruments, such as oil price, currency and interest rate hedges. Lundin Petroleum uses financial instruments solely for the purpose of minimising risks in the Company's business. A more detailed analysis of the financial risks faced by Lundin Petroleum and how it addresses these risks is given in the Company's annual report for 2010.

Derivative financial instruments

The Group entered into an interest hedging contract on 8 January 2008, fixing the LIBOR rate of interest at 3.75 percent p.a. on MUSD 200 of the Group's USD borrowings for the period January 2008 to January 2012. The interest rate contract relates to the current credit facility. Under IAS 39, the interest rate contract is effective and qualifies for hedge accounting. Changes in fair value of this contract are charged directly to other comprehensive income. As at 30 September 2011, there is a current liability in the balance sheet amounting to MUSD 1.9 (MUSD 6.9) representing the fair value of the outstanding part of the interest rate contract.

EXCHANGE RATES

For the preparation of the financial statements for the reporting period, the following currency exchange rates have been used.

	30 Sep 2011		30 Sep 2010		31 Dec 2010	
	Average	Period end	Average	Period end	Average	Period end
1 USD equals NOK	5.5498	5.8417	6.0724	5.8382	6.0345	5.8564
1 USD equals Euro	0.7111	0.7406	0.7599	0.7327	0.7537	0.7484
1 USD equals Rouble	28.7857	32.1040	30.2364	30.5483	30.3570	30.5493
1 USD equals SEK	6.4047	6.8563	7.3381	6.6985	7.1954	6.7097

CONSOLIDATED INCOME STATEMENT

Expressed in TUSD	Note	**1 Jan 2011-30 Sep 2011 9 months**	1 Jul 2011-30 Sep 2011 3 months	1 Jan 2010-30 Sep 2010 9 months	1 Jul 2010-30 Sep 2010 3 months	1 Jan 2010-31 Dec 2010 12 months
Continuing operations						
Operating income						
Net sales of oil and gas	1	938,881	324,637	548,965	194,590	785,162
Other operating income		7,631	2,907	9,541	7,737	13,437
		946,512	327,544	558,506	202,327	798,599
Cost of sales						
Production costs	2	-146,169	-48,247	-108,330	-22,860	-157,065
Depletion costs	3	-121,381	-42,747	-106,964	-41,342	-145,316
Exploration costs	4	-80,227	-64,041	-66,847	-20,674	-127,534
Gross profit		**598,735**	172,509	276,365	117,451	368,684
Gain on sale of assets		-	-	-	-	66,126
General, administration and depreciation expenses		-35,119	-17,976	-26,690	-12,941	-40,960
Operating profit	5	**563,616**	154,533	249,675	104,510	393,850
Result from financial investments						
Financial income	6	39,150	4,105	13,839	9,848	20,956
Financial expenses	7	-16,232	7,984	-25,073	-8,953	-33,463
		22,918	12,089	-11,234	895	-12,507
Profit before tax		**586,534**	166,622	238,441	105,405	381,343
Tax	8	-417,255	-127,687	-195,594	-83,368	-251,865
Net result from continuing operations		**169,279**	38,935	42,847	22,037	129,478
Discontinued operations						
Net result from discontinued operations	9	-	-	369,275	-	368,992
Net result		**169,279**	38,935	412,122	22,037	498,470
Net result attributable to the shareholders of the Parent Company:						
From continuing operations		172,637	39,489	52,487	26,569	142,883
From discontinued operations		-	-	369,275	-	368,992
		172,637	39,489	421,762	26,569	511,875
Net result attributable to Non-controlling interest:						
From continuing operations		-3,358	-554	-9,640	-4,532	-13,405
From discontinued operations		-	-	-	-	-
		-3,358	-554	-9,640	-4,532	-13,405
Net result		**169,279**	38,935	412,122	22,037	498,470
Earnings per share – USD [1]						
From continuing operations		0.56	0.13	0.17	0.09	0.46
From discontinued operations		-	-	1.18	-	1.18
		0.56	0.13	1.35	0.09	1.64
Diluted earnings per share – USD [1]						
From continuing operations		0.56	0.13	0.17	0.09	0.46
From discontinued operations		-	-	1.18	-	1.18
		0.56	0.13	1.35	0.09	1.64

[1] Based on net result attributable to shareholders of the Parent Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Expressed in TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Net result	169,279	38,935	412,122	22,037	498,470
Other comprehensive income					
Exchange differences foreign operations	-12,332	-86,788	-42,771	61,106	-43,972
Cash flow hedges	5,263	1,628	-1,595	-591	-378
Available-for-sale financial assets	-48,627	-17,569	13,437	7,254	53,128
Income tax relating to other comprehensive income	-1,316	-407	-1,942	-1,699	-1,771
Other comprehensive income, net of tax	-57,012	-103,136	-32,871	66,070	7,007
Total comprehensive income	**112,267**	-64,201	379,251	88,107	505,477
Total comprehensive income attributable to:					
Shareholders of the Parent Company	118,198	-56,457	389,654	91,708	510,165
Non-controlling interest	-5,931	-7,744	-10,403	-3,601	-4,688
	112,267	-64,201	379,251	88,107	505,477

CONSOLIDATED BALANCE SHEET

Expressed in TUSD	Note	**30 September 2011**	31 December 2010
ASSETS			
Non-current assets			
Oil and gas properties	10	2,309,757	1,998,971
Other tangible assets		16,164	15,271
Financial assets	11	49,043	114,878
Deferred tax		13,284	15,066
Total non-current assets		**2,388,248**	2,144,186
Current assets			
Receivables and inventories	12	171,219	236,247
Cash and cash equivalents		98,075	48,703
Total current assets		**269,294**	284,950
TOTAL ASSETS		**2,657,542**	2,429,136
EQUITY AND LIABILITIES			
Equity			
Shareholders´ equity		1,038,614	920,416
Non-controlling interest		71,222	77,365
Total equity		**1,109,836**	997,781
Non-current liabilities			
Provisions	13	1,002,142	769,687
Bank loans		222,000	458,835
Other non-current liabilities		20,446	17,836
Total non-current liabilities		**1,244,588**	1,246,358
Current liabilities			
Other current liabilities	14	303,118	184,997
Total current liabilities		**303,118**	184,997
TOTAL EQUITY AND LIABILITIES		**2,657,542**	2,429,136
Pledged assets		658,647	459,220
Contingent liabilities		-	-

CONSOLIDATED STATEMENT OF CASH FLOW

Expressed in TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Cash flow from operations					
Net result	169,279	38,935	412,122	22,037	498,470
Gain on sale of assets	-	-	-358,353	-	-424,196
Adjustments for non-cash related items	623,200	238,855	408,339	153,309	575,955
Interest received	1,416	326	362	68	589
Interest paid	-3,932	454	-3,295	-2,828	-2,937
Income taxes paid	-64,323	-19,655	-20,788	-10,405	-25,029
Changes in working capital	37,485	-55,635	-52,351	3,486	-65,734
Total cash flow from operations	**763,125**	203,280	386,036	165,667	557,118
Cash flow used for investments					
Investment in subsidiary assets	-	-	-8,183	450	-22,553
Investment in associated company	-	-	225	-	235
Proceeds from sale of other shares and participations	53,938	-	446	-32	446
Change in other financial fixed assets	-10,260	724	-4	-251	39
Other payments	-875	36	-1,521	-243	-3,085
Divestment	-	-	-25,003	-	-65,808
Investment in intangible assets	-	-	-205	-21	-200
Investment in oil and gas properties	-513,727	-210,979	-253,608	-87,887	-348,819
Investment in solar power properties	-	-	-19,397	-10,087	-21,210
Investment in office equipment and other assets	-3,113	-1,042	-3,132	-673	-4,853
Total cash flow used for investments	**-474,037**	-211,261	-310,382	-98,744	-465,808
Cash flow used for / from financing					
Changes in long-term receivables	-	-	-66,637	-66,637	-75,324
Changes in long-term liabilities	-238,622	66,091	13,986	2,968	-49,609
Paid financing fees	-	-	-51	-	-51
Purchase of own shares	-	-	-10,712	-2,823	-10,712
Proceeds from share issuance subsidiary company	-	-	15,191	15,191	15,191
Dividend paid to non-controlling interests	-212	-	-	-	-
Total cash flow used for / from financing	**-238,834**	66,091	-48,223	-51,301	-120,505
Change in cash and cash equivalents	50,254	58,110	27,431	15,622	-29,195
Cash and cash equivalents at the beginning of the period	48,703	38,127	77,338	89,874	77,338
Cash held for sale / distribution	-	-	-50,074	-50,074	-
Currency exchange difference in cash and cash equivalents	-882	1,838	-1,150	-1,877	560
Cash and cash equivalents at the end of the period	**98,075**	98,075	53,545	53,545	48,703
Cash flow from operations					
From continuing operations	763,125	203,280	709,029	165,667	880,394
Used for discontinued operations	-	-	-322,993	-	-323,276
	763,125	203,280	386,036	165,667	557,118
Cash flow used for investments					
Used for continuing operations	-474,037	-211,261	-267,996	-98,744	-423,422
Used for discontinued operations	-	-	-42,386	-	-42,386
	-474,037	-211,261	-310,382	-98,744	-465,808
Cash flow used for / from financing					
Used for/from continuing operations	-238,834	66,091	-48,223	-51,301	-120,505
Used for/from discontinued operations	-	-	-	-	-
	-238,834	66,091	-48,223	-51,301	-120,505

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in TUSD	Share capital	Additional paid-in-capital/Other reserves	Retained earnings	Net result	Non-controlling interest	Total equity
Balance at 1 January 2010	**463**	**840,378**	**712,085**	**-411,268**	**95,555**	**1,237,213**
Transfer of prior year net result	-	-	-411,268	411,268	-	-
Total comprehensive income	**-**	**-32,365**	**256**	**421,763**	**-10,403**	**379,251**
Transactions with owners						
Acquired on consolidation	-	-	-	-	97	97
Distributions	-	-358,049	-298,288	-	-	-656,337
Purchase of own shares	-	-10,714	-	-	-	-10,714
Held for sale / distributions	-	1,587	-10,195	-	-4,543	-13,151
Transfer of share based payments	-	4,386	-4,386	-	-	-
Share based payments	-	-	2,443	-	-	2,443
Total transactions with owners	**-**	**-362,790**	**-310,426**	**-**	**-4,446**	**-677,662**
Balance at 30 September 2010	**463**	**445,223**	**-9,353**	**421,763**	**80,706**	**938,802**
Total comprehensive income	**-**	**30,406**	**-7**	**90,112**	**5,715**	**126,226**
Transactions with owners						
Divestments	-	4,662	-10,520	-	-13,599	-19,457
Distributions	-	-61,267	-	-	-	-61,267
Held for sale / distributions	-	-1,587	10,195	-	4,543	13,151
Transfer of share based payments	-	-7	7	-	-	-
Share based payments	-	-	326	-	-	326
Total transactions with owners	**-**	**-58,199**	**8**	**-**	**-9,056**	**-67,247**
Balance at 31 December 2010	**463**	**417,430**	**-9,352**	**511,875**	**77,365**	**997,781**
Transfer of prior year net result	-	-	511,875	-511,875	-	-
Total comprehensive income	**-**	**-54,439**	**-**	**172,637**	**-5,931**	**112,267**
Transactions with owners						
Distributions	-	-	-	-	-212	-212
Total transactions with owners	**-**	**-**	**-**	**-**	**-212**	**-212**
Balance at 30 September 2011	**463**	**362,991**	**502,523**	**172,637**	**71,222**	**1,109,836**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Net sales of oil and gas, TUSD	1 Jan 2011- 30 Sep 2011 9 months	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Net sales of:					
Crude oil					
- Norway	674,641	242,652	335,977	119,167	490,390
- France	96,430	33,256	67,053	21,747	92,681
- Netherlands	171	56	76	39	128
- Indonesia	3	3	18,699	3,590	34,994
- Russia	60,437	20,333	50,179	16,631	66,624
- Tunisia	24,795	-	29,517	14,209	29,517
	856,477	296,300	501,501	175,383	714,334
Condensate					
- Netherlands	971	363	735	253	1,088
- Indonesia	-	-	64	19	200
	971	363	799	272	1,288
Gas					
- Norway	41,580	14,130	21,260	8,984	32,687
- Netherlands	31,048	10,239	23,091	8,199	32,357
- Indonesia	8,805	3,605	2,314	1,752	4,496
	81,433	27,974	46,665	18,935	69,540
Net sales of oil and gas from continuing operations	**938,881**	324,637	548,965	194,590	785,162
Net sales of oil and gas from discontinued operations – United Kingdom	-	-	62,567	-	62,567
Total net sales of oil and gas	**938,881**	324,637	611,532	194,590	847,729

Note 2. Production costs, TUSD	1 Jan 2011- 30 Sep 2011 9 months	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Cost of operations	74,138	25,559	67,008	22,846	97,179
Tariff and transportation expenses	17,635	5,220	11,800	4,884	17,438
Direct production taxes	39,547	14,119	31,488	10,160	41,624
Change in inventory/lifting position	13,146	2,780	-3,684	-15,549	-3,409
Other	1,703	569	1,718	519	4,233
Production costs from continuing operations	**146,169**	48,247	108,330	22,860	157,065
Production costs from discontinued operations – United Kingdom	**-**	**-**	32,030	-	32,030
Total production costs	**146,169**	48,247	140,360	22,860	189,095

Note 3. Depletion costs, TUSD	1 Jan 2011- 30 Sep 2011 9 months	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Norway	95,389	33,761	73,381	28,025	101,643
France	9,118	3,126	10,654	3,859	14,623
Netherlands	8,954	2,767	12,775	4,371	16,490
Indonesia	4,318	1,896	3,201	1,343	4,218
Russia	3,602	1,197	4,632	1,452	6,002
Tunisia	-	-	6	6	6
Depletion of oil and gas properties	121,381	42,747	104,649	39,056	142,982
Italy	-	-	2,315	2,286	2,334
Depletion of solar properties	-	-	2,315	2,286	2,334
Depletion from continuing operations	**121,381**	42,747	106,964	41,342	145,316
Depletion from discontinued operations – United Kingdom	-	-	11,362	-	11,362
Total depletion costs	**121,381**	42,747	118,326	41,342	156,678

Note 4. Exploration costs, TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Norway	66,727	52,177	33,473	2,891	94,526
Malaysia	11,015	10,747	-	-	-
Vietnam	440	13	32,164	17,129	31,906
Other	2,045	1,104	1,210	654	1,102
Exploration costs from continuing operations	**80,227**	64,041	66,847	20,674	127,534
Exploration costs from discontinued operations - United Kingdom	-	-	61	-	61
Total exploration costs	**80,227**	64,041	66,908	20,674	127,595

Note 5. Operating profit, TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Operating profit					
- Norway	507,536	153,540	241,475	105,145	303,892
- France	65,446	22,276	37,927	11,806	52,309
- Netherlands	14,082	4,489	4,687	1,814	7,273
- Indonesia	435	495	4,336	1,108	18,203
- Russia	6,524	1,712	3,779	2,144	4,734
- Tunisia	13,673	-70	11,705	8,548	11,500
- Malaysia	-11,010	-11,010	-	-	-
- Vietnam	-453	-13	-32,164	-17,129	-31,906
- Other	-32,617	-16,886	-22,070	-8,926	27,845
Operating profit from continuing operations	**563,616**	154,533	249,675	104,510	393,850
Operating profit from discontinued operations – United Kingdom	-	-	20,774	-	20,774
Total operating profit	**563,616**	154,533	270,449	104,510	414,624

Note 6. Financial income, TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Interest income	3,323	736	1,887	591	3,409
Foreign exchange gain, net	2,654	2,654	8,437	8,437	13,360
Insurance proceeds	1,734	8	377	-	377
Guarantee fees	704	215	2,260	491	2,348
Gain on sale of loan conversion shares	29,974	-	-	-	-
Other financial income	761	492	878	329	1,462
Financial income from continuing operations	**39,150**	4,105	13,839	9,848	20,956
Financial income from discontinued operations – United Kingdom	-	-	360	-	360
Total financial income	**39,150**	4,105	14,199	9,848	21,316

Note 7. Financial expenses, TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Loan interest expenses	4,297	1,457	6,270	3,697	10,047
Foreign exchange loss, net	-	-13,365	-	-626	-
Result on interest rate hedge settlement	5,234	1,800	5,189	1,673	6,990
Change in market value of interest rate hedge	-	-	3,840	2,037	3,872
Unwinding of site restoration discount	3,403	1,144	2,974	978	3,989
Amortisation of deferred financing fees	1,722	520	1,757	985	2,360
Loss on sale of shares	-	-	3,884	-	3,879
Other financial expenses	1,576	460	1,159	209	2,326
Financial expenses from continuing operations	**16,232**	-7,984	25,073	8,953	33,463
Financial expenses from discontinued operations – United Kingdom	**-**	-	1,224	-	1,224
Total financial expenses	**16,232**	-7,984	26,297	8,953	34,687

Note 8. Tax, TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Continuing operations					
Current tax	213,509	82,804	33,724	19,353	68,152
Deferred tax	203,746	44,883	161,870	64,015	183,713
Tax from continuing operations	**417,255**	127,687	195,594	83,368	251,865
Current tax	-	-	7,315	-	7,315
Deferred tax	-	-	1,673	-	1,673
Tax from discontinued operations – United Kingdom	-	-	8,988	-	8,988
Total tax	**417,255**	127,687	204,582	83,368	260,853

Note 9. Discontinued operations, TUSD	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Net sales	-	-	62,567	-	62,567
Other operating income	-	-	1,983	-	1,983
Operating income	**-**	-	64,550	-	64,550
Production costs	-	-	-32,030	-	-32,030
Depletion costs	-	-	-11,362	-	-11,362
Exploration costs	-	-	-61	-	-61
General, administration and depreciation expenses	-	-	-323	-	-323
Operating profit	**-**	-	20,774	-	20,774
Financial income	-	-	360	-	360
Financial expenses	-	-	-1,224	-	-1,224
Profit before tax	**-**	-	19,910	-	19,910
Tax	-	-	-8,988	-	-8,988
Net result from discontinued operations	**-**	-	10,922	-	10,922
Gain on sale of assets	-	-	358,353	-	358,070
Net result from discontinued operations	**-**	-	369,275	-	368,992

Note 10. Oil and gas properties, TUSD	**30 Sep 2011**	31 Dec 2010
Norway	1,254,134	1,018,533
France	172,079	159,168
Netherlands	44,855	49,721
Indonesia	89,120	78,011
Russia	613,547	614,731
Malaysia	91,403	42,058
Congo (Brazzaville)	39,863	32,256
Ireland	4,337	4,099
Others	419	394
	2,309,757	1,998,971

Note 11. Financial assets, TUSD	**30 Sep 2011**	31 Dec 2010
Other shares and participations	20,277	68,613
Capitalised financing fees	3,086	4,650
Long-term receivable	-	23,791
Other financial assets	25,680	17,824
	49,043	114,878

Note 12. Receivables and inventories, TUSD	**30 Sep 2011**	31 Dec 2010
Inventories	24,690	20,039
Trade receivables	115,583	94,190
Underlift	1,540	13,452
Short-term loan receivable	-	74,527
Joint venture debtors	17,979	21,389
Prepaid expenses and accrued income	5,801	6,351
Other assets	5,626	6,299
	171,219	236,247

Note 13. Provisions, TUSD	**30 Sep 2011**	31 Dec 2010
Site restoration	111,659	93,766
Deferred taxes	845,863	650,695
Long-term incentive plan	37,334	18,821
Pension	1,560	1,421
Other provisions	5,726	4,984
	1,002,142	769,687

Note 14. Other current liabilities, TUSD	**30 Sep 2011**	31 Dec 2010
Trade payables	9,360	16,031
Overlift	3,358	1,761
Tax payables	156,841	39,679
Accrued expenses and deferred income	11,075	7,667
Acquisition liabilities	-	5,680
Joint venture creditors	115,085	100,931
Short-term loans	-	450
Derivative instruments	1,884	6,866
Other liabilities	5,515	5,932
	303,118	184,997

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Operating income					
Other operating income	29,045	15,912	15,227	4,088	25,822
Gross profit	**29,045**	15,912	15,227	4,088	25,822
General and administration expenses	-111,951	-59,093	-38,314	-10,295	-72,222
Operating loss	**-82,906**	-43,181	-23,087	-6,207	-46,400
Result from financial investments					
Financial income	4,683	1,798	4,011,134	3,997,716	4,012,086
Financial expenses	-18,314	-6,483	-28,382	-265	-36,928
	-13,631	-4,685	3,982,752	3,997,451	3,975,158
Profit before tax	**-96,537**	-47,866	3,959,665	3,991,244	3,928,758
Corporation tax	-	-	7,328	-	7,328
Net result	**-96,537**	-47,866	3,966,993	3,991,244	3,936,086

PARENT COMPANY COMPREHENSIVE INCOME STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Net result	**-96,537**	-47,866	3,966,993	3,991,244	3,936,086
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-96,537**	-47,866	3,966,993	3,991,244	3,936,086
Total comprehensive income attributable to:					
Shareholders of the Parent Company	-96,537	-47,866	3,966,993	3,991,244	3,936,086
	-96,537	-47,866	3,966,993	3,991,244	3,936,086

PARENT COMPANY BALANCE SHEET IN SUMMARY

Expressed in TSEK	**30 September 2011**	31 December 2010
ASSETS		
Non-current assets		
Financial assets	7,871,947	7,871,947
Total non-current assets	**7,871,947**	7,871,947
Current assets		
Receivables	12,307	7,175
Cash and cash equivalents	894	6,735
Total current assets	**13,201**	13,910
TOTAL ASSETS	**7,885,148**	7,885,857
SHAREHOLDERS´EQUITY AND LIABILITIES		
Shareholders´ equity including net result for the period	7,255,839	7,352,376
Non-current liabilities		
Provisions	36,403	36,403
Payables to Group companies	572,651	482,281
Total non-current liabilities	**609,054**	518,684
Current liabilities		
Current liabilities	20,255	14,797
Total current liabilities	**20,255**	14,797
TOTAL EQUITY AND LIABILITIES	**7,885,148**	7,885,857
Pledged assets	5,041,587	3,081,228
Contingent liabilities	-	-

PARENT COMPANY CASH FLOW STATEMENT IN SUMMARY

Expressed in TSEK	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Cash flow used for / from operations					
Net result	-96,537	-47,866	3,966,993	3,991,244	3,936,086
Non-cash items	-5,019	-6,271	-3,947,996	-3,988,488	-3,918,807
Changes in working capital	5,301	18,636	-2,739	-14,048	-798
Total cash flow used for / from operations	**-96,255**	**-35,501**	16,258	-11,292	16,481
Cash flow from investments					
Change in other financial fixed assets	-	-	68,318	29,770	1,590
Total cash flow from investments	**-**	-	68,318	29,770	1,590
Cash flow from / used for financing					
Change in long term liabilities	90,371	33,078	-83,157	-21,915	71,870
Purchase of own shares	-	-	-	-	-83,157
Total cash flow from / used for financing	**90,371**	**33,078**	-83,157	-21,915	-11,287
Change in cash and cash equivalents	-5,884	-2,423	1,419	-3,437	6,784
Cash and cash equivalents at the beginning of the period	6,735	3,302	532	5,474	532
Currency exchange difference in cash and cash equivalents	43	15	-295	-381	-581
Cash and cash equivalents at the end of the period	**894**	**894**	1,656	1,656	6,735

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity		Unrestricted equity			
Expressed in TSEK	Share capital	Statutory reserve	Other reserves	Retained earnings	Net result	Total equity
Balance at 1 January 2010	**3,179**	**861,306**	**5,120,750**	**1,887,788**	**-32,271**	**7,840,752**
Transfer of prior year net result	-	-	-	-32,271	32,271	-
Total comprehensive income	**-**	**-**	**-**	**-**	**3,966,993**	**3,966,993**
Transactions with owners						
Dividend	-	-	-2,123,457	-1,826,272	-	-3,949,729
Purchase of own shares	-	-	-83,157	-	-	-83,157
Transfer of share based payments	-	-	29,380	-29,380	-	-
Share based payments	-	-	-	135	-	135
Total transactions with owners	**-**	**-**	**-2,177,234**	**-1,855,517**	**-**	**-4,032,751**
Balance at 30 September 2010	**3,179**	**861,306**	**2,943,516**	**-**	**3,966,993**	**7,774,994**
Total comprehensive income	**-**	**-**	**-**	**-**	**-30,907**	**-30,907**
Transactions with owners						
Dividend	-	-	-391,711	-	-	-391,711
Total transactions with owners	**-**	**-**	**-391,711**	**-**	**-**	**-391,711**
Balance at 31 December 2010	**3,179**	**861,306**	**2,551,805**	**-**	**3,936,086**	**7,352,376**
Transfer of prior year net result	-	-	-	3,936,086	-3,936,086	-
Total comprehensive income	**-**	**-**	**-**	**-**	**-96,537**	**-96,537**
Balance at 30 September 2011	**3,179**	**861,306**	**2,551,805**	**3,936,086**	**-96,537**	**7,255,839**

KEY FINANCIAL DATA

Key financial data is based on continuing operations.

Financial data (TUSD)	**1 Jan 2011- 30 Sep 2011 9 months**	1 Jul 2011- 30 Sep 2011 3 months	1 Jan 2010- 30 Sep 2010 9 months	1 Jul 2010- 30 Sep 2010 3 months	1 Jan 2010- 31 Dec 2010 12 months
Operating income	946,512	327,544	558,506	202,327	798,599
EBITDA	767,311	261,984	425,625	167,237	603,450
Net result	169,279	38,935	42,847	22,037	129,478
Operating cashflow	586,834	196,493	416,451	160,113	573,380
Data per share (USD)					
Shareholders' equity per share	3.34	3.34	2.76	2.76	2.96
Operating cash flow per share	1.89	0.63	1.33	0.51	1.84
Cash flow from operations per share	2.45	0.65	1.24	0.53	1.79
Earnings per share	0.56	0.13	0.17	0.09	0.46
Earnings per share fully diluted	0.56	0.13	0.17	0.09	0.46
EBITDA per share fully diluted	2.47	0.84	1.36	0.54	1.93
Dividend per share	-	-	2.10	-	2.30
Quoted price at the end of the financial period	17,15	17,15	8.47	8.47	12.47
Number of shares issued at period end	317,910,580	317,910,580	317,910,580	317,910,580	317,910,580
Number of shares in circulation at period end	311,027,942	311,027,942	311,027,942	311,027,942	311,027,942
Weighted average number of shares for the period	311,027,942	311,027,942	312,457,256	311,027,942	312,096,990
Weighted average number of shares for the period (fully diluted)	311,027,942	311,027,942	312,457,256	311,027,942	312,096,990
Key ratios (%)					
Return on equity	16	4	4	2	12
Return on capital employed	41	10	15	6	24
Net debt/equity ratio	14	14	62	62	36
Equity ratio	42	42	37	37	41
Share of risk capital	73	73	62	62	67
Interest coverage ratio	6,226	4,724	1,603	1,401	1,860
Operating cash flow/interest ratio	6,157	6,033	2,722	2,161	2,742
Yield	-	-	25	-	18

KEY RATIO DEFINITIONS

Shareholders' equity per share: Shareholders' equity divided by the number of shares in circulation at period end.

Operating cash flow per share: Operating income less production costs and less current taxes divided by the weighted average number of shares for the period.

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

Earnings per share: Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period.

Earnings per share fully diluted: Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants.

EBITDA per share fully diluted: EBITDA divided by the weighted average number of shares for the period after considering the dilution effect of outstanding warrants. EBITDA is defined as operating profit before depletion of oil and gas properties, exploration costs, impairment costs, depreciation of other assets and gain on sale of assets.

Quoted price at the end of the financial period: The quoted price in USD is based on the quoted price in SEK converted in USD against the closing rate of the period.

Weighted average number of shares for the period: The number of shares at the beginning of the period with changes in the number of shares weighted for the proportion of the period they are in issue.

Return on equity: Net result divided by average total equity.

Return on capital employed: 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).

Net debt / equity ratio: Net interest bearing liabilities divided by shareholders' equity.

Equity ratio: Total equity divided by the balance sheet total.

Share of risk capital: The sum of the total equity and the deferred tax provision divided by the balance sheet total.

Interest coverage ratio: Result after financial items plus interest expenses plus/less exchange differences on financial loans divided by interest expenses.

Operating cash flow / interest ratio: Operating income less production costs and less current taxes divided by the interest charge for the period.

Yield: dividend per share in relation to quoted share price at the end of the financial period.

Stockholm, 2 November 2011

C. Ashley Heppenstall
President & CEO

The financial information relating to the nine month period ended 30 September 2011 has not been subject to review by the auditors of the company.

Financial information

The Company will publish the following reports:

- The year end report (January – December 2011) will be published on 8 February 2012.
- The three month report (January – March 2012) will be published on 9 May 2012.
- The six month report (January – June 2012) will be published on 1 August 2012.
- The nine month report (January – September 2012) will be published on 31 October 2012.

The AGM will be held on 10 May 2012 in Stockholm, Sweden.

For further information, please contact:

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DISCLOSURE

The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.

FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

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), productions 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.*

CONTINGENT RESOURCE ESTIMATES

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies.

The contingent resource range has been estimated including uncertainties in reservoir extent, reservoir properties and recovery factors. The main contingency preventing the classification of the resources as reserves is the definition of a conceptual development plan.

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.

The effective date of the resource estimate is the date of this press release.