

LUNDIN PETROLEUM – PRESS RELEASE

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LUNDIN PETROLEUM PARTNERS WITH GUNVOR IN THE LAGANSKY BLOCK, RUSSIA

Lundin Petroleum AB (“Lundin Petroleum”) is pleased to announce that it has entered into an agreement with Gunvor Cyprus Holding Ltd, an entity in the Gunvor Group, (“Gunvor”) under which Gunvor will acquire a 30 percent interest in the Lagansky Block, located in the Russian sector of the Caspian. Lundin Petroleum will hold the remaining 70 percent interest in the Lagansky Block.

Lundin Petroleum has recently agreed to acquire the 30 percent interest held by a minority partner in the Lagansky Block, a private company called Mintley Kalmykia Ltd. (“Mintley Kalmykia”). Since Lundin Petroleum’s acquisition of its Lagansky Block interest, Lundin Petroleum had paid all of the exploration costs related to the minority partner’s 30 percent interest. As a result of this transaction, Gunvor will become a full paying partner in respect of its 30 percent interest from commencement of the preparations for drilling the Petrovskaya-1 well. Lundin Petroleum will retain its rights to recover the shareholder loan previously funded 100 percent by it into the Lagansky Block.

Gunvor will pay cash consideration of USD 30 million for the 30 percent interest which Lundin Petroleum will offset against the same purchase price payable by Lundin Petroleum to Mintley Kalmykia. The parties have also agreed to certain deferred consideration amounts payable on future commercial discoveries and on certain levels of certified reserves within the Lagansky Block.

Gunvor is one of the world’s major independent companies specialising in the trade, transport and storage of oil and petroleum products. This acquisition of an interest in the Lagansky Block is Gunvor’s first direct investment in the oil and gas exploration and production sector.

Formal completion of these transactions remains subject to applicable Russian government approvals.

Lundin Petroleum announced earlier in 2009 the extension of the Lagansky Block licence until August 2014. In 2008, Lundin Petroleum drilled the first exploration well, Morskaya-1, in the Lagansky Block which resulted in a major oil discovery. Lundin Petroleum estimates that the Morskaya discovery contains between 110 and 450 million barrels of oil equivalent (MMboe) of recoverable resources from the part of the structure contained within the Lagansky Block. The Petrovskaya prospect is another structure on-trend and up-dip of the Morskaya discovery containing an estimated 300 MMboe of gross potential resource. Preparations for the Petrovskaya-1 exploration well are ongoing and Lundin Petroleum expects that drilling will commence shortly from an island location close to the Volga shipping channel.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: *“We are very pleased to welcome Gunvor as a partner into the Lagansky licence in the Russian sector of the Northern Caspian. The prospectivity of Lagansky was confirmed by last year’s Morskaya discovery and we look forward to testing further potential with the forthcoming drilling of the Petrovskaya prospect where we are awaiting final approvals prior to commencing drilling operations.”*

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Africa, Russia and the Far East. The Company is listed at the Nordic Exchange, Sweden (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 265 million barrels of oil equivalent (MMboe).

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