

# LUNDIN PETROLEUM – PRESS RELEASE



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## SKALLE WELL IN THE BARENTS SEA IS A GAS DISCOVERY

**Lundin Norway AS, a wholly owned subsidiary of Lundin Petroleum AB (Lundin Petroleum), operator of production licence 438, has completed well 7120/2-3S on the Skalle prospect as a gas discovery. A comprehensive logging and coring program has been acquired.**

The well is situated approximately 25 kilometers north of the Snøhvit Field in the south western part of the Barents Sea. The primary target for the well was to prove hydrocarbons in reservoir rocks from both the Cretaceous and the Jurassic age. Gas was proven in three separate zones.

The initial gross contingent resource range for the Skalle discovery is estimated at between 88 to 280 billion cubic feet (bcf) (15 to 50 million barrels of oil equivalent (MMboe)). There is a potential for a deeper oil leg in the lower Cretaceous reservoir of Skalle and an upside potential in Skalle substructures.

The results of the well will be further analysed to determine the appraisal program for the discovery.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments; *"The Skalle gas discovery is close to existing infrastructure with upside potential both in nearby substructures and other prospects on the licence. We remain confident regarding the oil prospectivity of Lundin Petroleum's Barents Sea acreage."*

The well 7120/2-3S is the first exploration well in PL438 and was drilled to a vertical depth of approximately 2,600 meters below sea level.

Well 7120/2-3S was drilled using the rig Transocean Leader, which now will move to PL265 in the Greater Luno Area in the Norwegian North Sea to drill the Aldous Major South exploration well 16/2-8. Statoil ASA is the operator of PL265 and Lundin Petroleum has a 10 percent interest.

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

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## **FORWARD-LOOKING STATEMENTS**

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.

## ***Resources***

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