

LUNDIN PETROLEUM – PRESS RELEASE



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NASDAQ OMX Stockholm : LUPE

Toronto Stock Exchange (TSX): LUP

Stockholm 12 July 2011

LUNDIN PETROLEUM DISCOVERS GAS IN ITS FIRST MALAYSIAN EXPLORATION WELL

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that it has discovered gas in the Tarap-1 well that was drilled in Block SB303, offshore Sabah, East Malaysia.

Tarap-1 was drilled with the Offshore Courageous rig in a water depth of approximately 70 meters. The well was directionally drilled to a measured depth of 2,675 metres.

The Tarap discovery is a stratigraphic trap and the well encountered gas in each of the 5 independently sealed stacked Miocene sands targeted. Gross total vertical pay thickness for the sands encountered is approximately 150 metres. An extensive data acquisition program was completed including pressure measurements, sampling and a mini flow test in selected zones.

The data recovered from the well will be analysed further in order to determine a range of resource estimates.

Ashley Heppenstall, President and CEO of Lundin Petroleum comments: " *This is an encouraging start to the drilling campaign in Malaysia and provides strong support for our strategy in South East Asia of pursuing organic growth and value creation in focused core areas. With a large number of prospects and leads already identified within SB303, I'm confident that we can continue grow our resource base in this area in the coming years.*

Sabah currently has two gas demand centres located in Kota Kinabalu and Labuan Island that are supplied from existing offshore infrastructure. The addition of a third demand centre with the construction of the Sabah Oil and Gas Terminal at Kimanis and the Sabah-Sarawak gas pipeline gives us a broad range of options to explore for gas monetisation in the area "

The rig will now move to drill the Cempulut prospect, also in SB303, the second well in Lundin Petroleum's five well drilling campaign in Malaysia in 2011.

Lundin Petroleum holds a 75 percent interest in SB303 through its subsidiary Lundin Malaysia BV. Lundin Malaysia BV's partner is PETRONAS Carigali Sdn Bhd with a 25 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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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.