

LUNDIN PETROLEUM – PRESS RELEASE

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

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LUNDIN PETROLEUM SPUDS THIRD APPRAISAL WELL 16/5-2S ON VALDSNES, OFFSHORE NORWAY

Lundin Petroleum AB (Lundin Petroleum) is pleased to announce that drilling of the appraisal well 16/5-2S on the Avaldsnes discovery located in the North Sea sector of the Norwegian Continental Shelf (NCS), has commenced.

The planned total vertical depth is approximately 2,150 meters below mean sea level and the well will be drilled using the semi-submersible drilling rig Bredford Dolphin. The drilling operation is expected to take approximately 40 days.

The objective of the well is to appraise the Avaldsnes discovery following the 16/2-6 discovery well in 2010 and the successful appraisal wells 16/3-4 and 16/2-7 drilled earlier this year. The 16/5-2S well will be followed in 2012 by further Avaldsnes appraisal wells in PL501.

Lundin Petroleum has previously announced estimated gross contingent recoverable resources for the Avaldsnes discovery located in PL501 of between 800 million and 1.8 billion barrels of oil. The gross contingent recoverable resources of the Aldous Major South discovery located in PL265 have been estimated previously by Statoil at between 900 million to 1.5 billion barrels of oil. The Avaldsnes/Aldous Major South discovery is therefore estimated to contain gross contingent recoverable resources of 1.7 to 3.3 billion barrels, which is one of the largest discoveries on the Norwegian Continental Shelf.

Lundin Petroleum is the operator of PL501 with 40 percent interest. Partners are Statoil Petroleum AS with 40 percent and Maersk Oil Norway AS with 20 percent interest.

Lundin Petroleum is a partner with a 10 percent interest in PL265. Statoil Petroleum AS is the operator with 40 percent, Petoro has 30 percent and Det Norske oljeselskap ASA has 20 percent interest.

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

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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), production costs, availability of drilling equipment and access, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, financial risks. These risks and uncertainties are described in more detail under the heading "Risk Factors" and elsewhere in the Company's 2010 annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements included in this new release are expressly qualified by this cautionary statement.

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.