Exploration and Marginal Field Development

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Growth in Africa
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Four Core Areas: Europe, Africa, Russia, Far East
The Lundin Group Areas of Operation - Africa

LUNDIN PETROLEUM
Tunisia - Oudna Field
Oil production

LUNDIN MINING
Eritrea / Morocco / Burkina Faso
Investments in mineral exploration

RED BACK MINING
Mauritania / Ghana
Gold production

LUNDIN PETROLEUM
Congo Brazzaville -
Oil and gas exploration

LUNDIN MINING
Democratic Republic of Congo
Tenke Fungurume Project - large copper/cobalt deposit

LUNDIN PETROLEUM
Sudan / Ethiopia / Kenya
Oil and gas exploration
Company Profile

**PRODUCTION (BOEPD)**

- 2007: 40,000
- 2006: 30,000
- 2005: 20,000
- 2004: 10,000
- 2003: 0
- 2002: 0

**2P RESERVES (MMBOE)**

- 2007: 150
- 2006: 100
- 2005: 50
- 2004: 0
- 2003: 0
- 2002: 0

**EBITDA (MUSD)**

- 2007: 300
- 2006: 200
- 2005: 100
- 2004: 0
- 2003: 0
- 2002: 0

**OPERATING CASH FLOW (MUSD)**

- 2007: 200
- 2006: 100
- 2005: 0
- 2004: 0
- 2003: 0
- 2002: 0

**MARKET CAPITALISATION (MUSD)**

- 2007: 8000
- 2006: 6000
- 2005: 4000
- 2004: 2000
- 2003: 0
- 2002: 0

*Contingent Resources 133 MMboe*

*as at 16 October 2007*

- Lundin
- Dana
- Premier
- Soco
- PA Resources
- Tullow
- Heritage
- PA Resources
**Last Decade - African Developments**

- **1998 - En Naga Field, Onshore Libya**
  - Lundin as operator discovers and develops the North and West En Naga Fields with reserves of 100 MMB oil

- **1999 - Thar Jath Field, Onshore Sudan**
  - Lundin as operator discovers the Thar Jath oil field with estimated reserves of 150 MMB oil. First oil June 2006

- **2006 - Oudna Field, Offshore Tunisia**
  - Lundin Petroleum as operator develops the Oudna oil field with a single subsea producer tied back to a FPSO. First oil November 2006 with a start-up production of 20,000 bopd. Estimated reserves are 12 MMB oil
Forecast approximately 20% of the Company’s total production in 2007 to come from Africa

Estimate 25% of the Company’s total 5.4bn barrels of unrisked prospective resources to be in Africa

25% of the Company’s total exploration expenditure for first half of 2007 spent in Africa

Anticipate to drill 3 exploration wells in Africa in 2007 and up to 5 exploration wells in 2008
High risk, high reward frontier exploration
  → target prospects with significant resource potential

Marginal field development
  → creative designs
  → quick pay-back
**Lundin Petroleum - African Assets**

**Sudan**
- 5B: Partner with Petronas Sudapet, ONGC Videsh.
- 2D seismic ongoing
- Drilling commences Q4 07

**Congo Brazzaville**
- Partner with Soco, Raffia Oil, SNPC, AOGC
- 3D seismic Q4 2006
- Currently interpreting seismic
- Commence drilling in 2008

**Kenya**
- Block 10A signed 4Q 2007
- Gravity survey and reprocessing 2008

**Tunisia (operator)**
- Produced 7 MMB oil at Isis
- Oudna plateau production 21,000 bopd

**Somalia**
- 1 exploration licence in force majeure

**Ethiopia (operator)**
- 2 blocks signed 4Q 2006
- 3 blocks signed 2Q 2007
- Aeromagnetic and gravity surveys Q4 07

Over 120,000 km² of acreage position in Africa
Africa - an Increasing New Ventures Focus

**Exploration**
- Ethiopia - Signed PSC in fourth quarter 2006
- Ethiopia - Signed two PSCs in third quarter 2007
- Kenya - Signed PSC in fourth quarter 2007
- Congo Brazzaville - Signed PSC in first quarter 2007

**Appraisal**
- Congo Brazzaville - Viodo marginal field development

**90,000 km² of exploration acreage secured in 2006/7**
Prolific Muglad Basin petroleum system

1500 km 2D seismic survey programme

Over ~1200 km of seismic acquired since 2006

5 exploration wells in 2007-8

Current Partners 5B interest

- Lundin Petroleum 24.5%
- Petronas Carigali 39.0%
- Sudapet 13.0%
- ONGC Videsh Ltd 23.5%

Joint operators (WNPOC)

Net unrisked resource from targeted prospects > 500 million boe
Exploration - Sudan, Block SB

UD-1 well site preparation

Nuong Dock seismic camp

Barges and drilling equipment at Kosti logistics base before transit to well location
Three PSA’s signed in 2006 and 2007

- 100% operated by Lundin East Africa BV

- **Ogaden Basin**
  - Blocks 2 & 6 (Nov 06)
    - 24,514 km²
  - Blocks 7 & 8 (July 07)
    - 21,767 km²

- **Afar Basin**
  - Adigala Area (July 07)
    - 27,508 km²

- Frontier exploration in under explored basins with multiple plays and proven petroleum systems

- Unappreciated Jurassic oil system in Ogaden

- Possible extension of Somalia geology into Adigala block
Exploration - Ethiopia

Lundin Petroleum scout trip - Ogaden Basin Blocks

Typical terrain
Exploration - Kenya

- PSA signed for Block 10A, Anza Graben → 14,748 km²
- 100% operated by Lundin Kenya BV
- Anza Graben is south eastern continuation of the Cretaceous Rift System productive in the Muglad Basin, Sudan
  → Proven oil-prone mature source rock
  → Proven sandstone reservoirs
  → Proven multiple undrilled rift structures
- Initial work programme - 4 years
  → Seismic reprocessing
  → Gravity survey
  → Seismic acquisition
  → One exploration well
Discovery well in 1978 (Shell)
- Tested cumm. rate of 7,000 bopd (41°)
- Miocene sandstone reservoirs

Negotiated fiscal and technical solution

Water Depth: 264m

Reservoir: Miocene Birsa Sands

Gross reserves: ~12 MMBO (41°API)

Field onstream 11 November 2006
- 1 subsea producer with jet pump
- 1 subsea injector
- tieback to Ikdam FPSO

Total investment USD 186 MM

Payback - Q4 2007
Tunisia, Oudna Field - Marginal Field Development

- Lundin Petroleum 40% (operator)
  Atlantis 40%
  ETAP 20% back-in right exercised March 2007

- Production forecast for 2007 of >14,000 bopd (gross)

- Water breakthrough and production decline as modelled in approved FDP
Development - Congo Brazzaville

- **Block Marine XI:**
  - Soco E+P Congo (operator) 37.5%
  - Lundin Petroleum 18.75%
  - Raffia Oil 18.75%
  - SNPC 15.0%
  - AOGC 10.0%

- Marine XI spans 1,400 km² in water depths less than 110m

- 4 discoveries remain undeveloped

- 10 prospects/leads identified w/ 2D seismic

- 1,200 km² 3D acquired 4Q-2006; currently being interpreted

**Key points:**
- “Marginal” discoveries potentially commercial in current oil price environment
- No exploration to date in block using 3D seismic
Over 20 years of operational experience in Africa

Well established projects across Africa

Proven track record in Africa
- Exploration success resulting in commercial developments (Libya, Sudan)
- Able to secure new areas in highly competitive market
- Development of marginal fields success (Tunisia)

Going forward, continue two prong strategy in Africa
- Marginal field development
- Frontier, high risk / high reward exploration
Lundin Petroleum

Active Explorer

Talented & Motivated Staff

Onshore/Offshore Operations Experience

Financially Strong

HSE Competence

Corporate Responsibility Commitment

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