

28 November 2001

Lundin Petroleum announces 2002 Capital Budget of \$37 Million.

Lundin Petroleum AB is pleased to announce that the Board of Directors has approved a 2002 Capital Budget of USD 37 million. Of the total, USD 31.5 million will be spent on exploration and appraisal activities in Sudan and Iran. The majority of the budget relates to Block 5A in Sudan where the Company has already made one significant discovery known as Thar Jath.

The development plan for the Thar Jath field on Block 5A is expected to be completed during the first quarter 2002. In parallel, two additional appraisal wells are being drilled back to back on the structure starting late 2001. After those two wells are completed an exploration well will be drilled on the Mala structure approximately 20 kilometers north of Thar Jath (see attached map). In addition a new 2D seismic survey will be carried out on existing leads and more infrastructure will be put in place.

On Block 5B, the programme consists of the establishment of an operations base and the completion of a 2D seismic survey. Blocks 5A and 5B together cover approximately 50% of the surface area of the prolific Muglad Basin which is one of the few remaining proven but yet undeveloped major oil basins of the World.

The Company's ongoing community development programme in the Block 5A area will continue 2002 with activities such as the refurbishment of an old hospital, the drilling of water wells and the education/training of indigenous people.

Finally the programme on the Munir Block, which is located in the highly prolific Zagros Fold Belt, onshore Iran, consists of the acquisition of 800 kms of seismic data and drilling preparation.

Lundin Petroleum has a 40.375% interest in Block 5A (Sudan), a 24.5% interest in Block 5B (Sudan) and a 40% interest in the Munir Block (Iran). The Company acts as Operator for Block 5A whereas 5B and Munir are operated by Petronas Carigali/ Sudapet and Edison International, respectively.

Background:

Lundin Petroleum AB is the result of a spin-off of certain assets held by Lundin Oil AB which was effected in conjunction with the SEK 4 billion take-over of Lundin Oil AB by Talisman Energy Inc. during the summer of 2001. The shareholders of Lundin Oil received SEK 36.5 plus one share in Lundin Petroleum for each share held in Lundin Oil. The Management of Lundin Oil was transferred to Lundin Petroleum and a Rights Issue was initiated immediately in order to finance the ongoing activities of the new company. The Rights Issue was fully subscribed as at November 16, 2001 netting the Company SEK 319 million. Assuming exercise of all allotted warrants the Company will receive an additional MSEK 239 in June 2002.

Lundin Petroleum is a Swedish independent oil and gas exploration company with a strategic focus on areas of the world where there are proven petroleum systems, large reserves potential and lack of recent exploration activity. The Company's shares are traded on the New Market at Stockholmsbörsen (ticker 'LUPE').

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