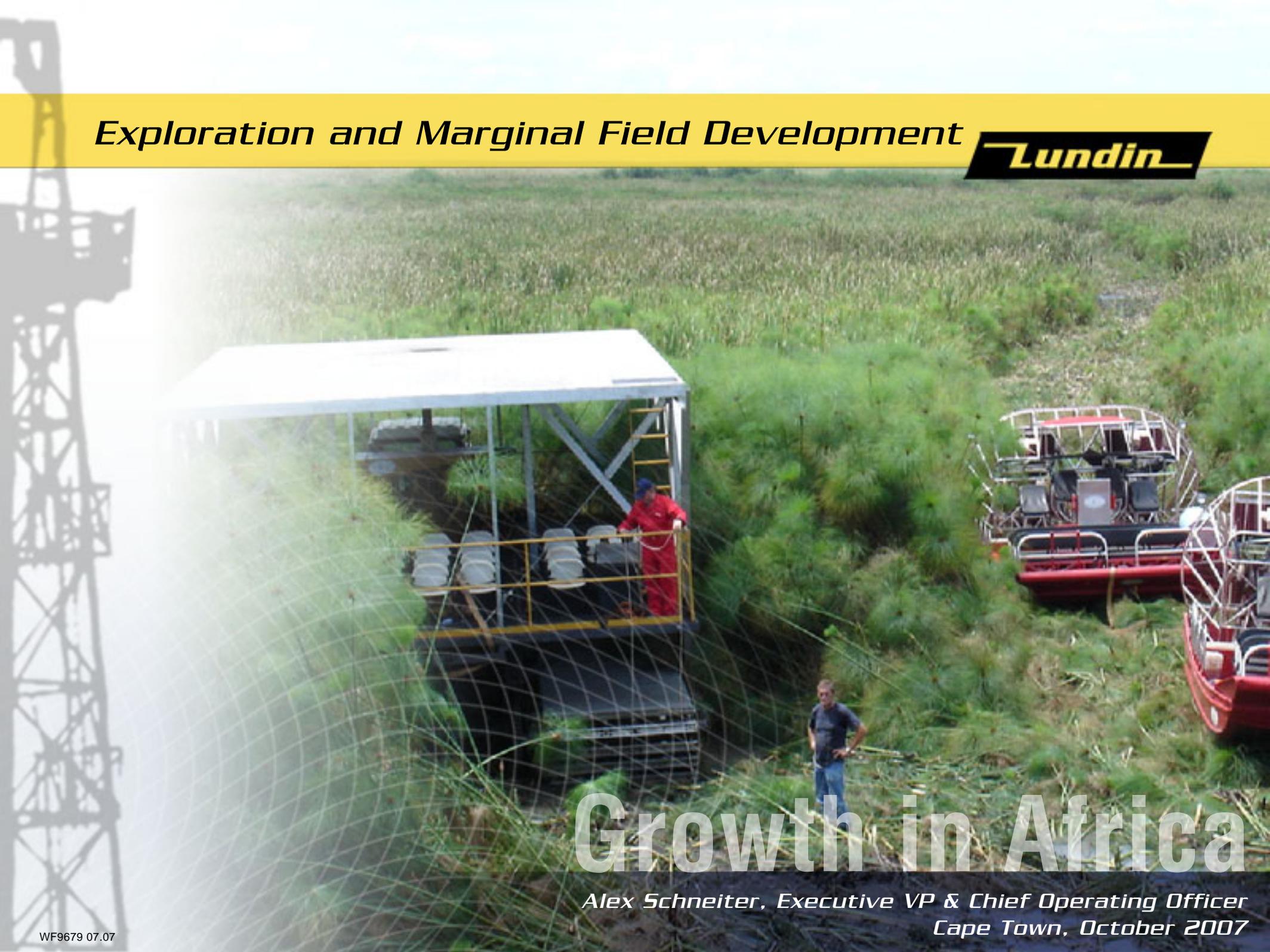


*Exploration and Marginal Field Development*



# Growth in Africa

*Alex Schneider, Executive VP & Chief Operating Officer  
Cape Town, October 2007*

## **DISCLAIMER**

Certain statements made in this presentation involve a number of risks and uncertainties that could cause actual results to differ materially from those projected. Certain statements relating to Lundin Petroleum's business and operations are based on management's expectations, estimates and projections. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Certain statements are based upon assumptions as to future events that may not prove to be accurate. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such statements. Lundin Petroleum makes no commitment, and disclaims any duty, to update or revise any of these statements.

This presentation is for informational purposes only and is not intended as a solicitation or offering of securities in any jurisdiction. The information contained in this presentation is not intended to qualify, supplement or amend information disclosed under corporate and securities legislation of any jurisdiction applicable to Lundin Petroleum and should not be relied upon for the purpose of making investment decisions concerning any securities of Lundin Petroleum.

# Lundin Petroleum - A Diversified Portfolio



**Four Core Areas: Europe, Africa, Russia, Far East**

# The Lundin Group Areas of Operation - Africa



LUNDIN PETROLEUM  
Tunisia - Oudna Field  
Oil production

## lundin mining

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



RED BACK MINING  
Mauritania / Ghana  
Gold production



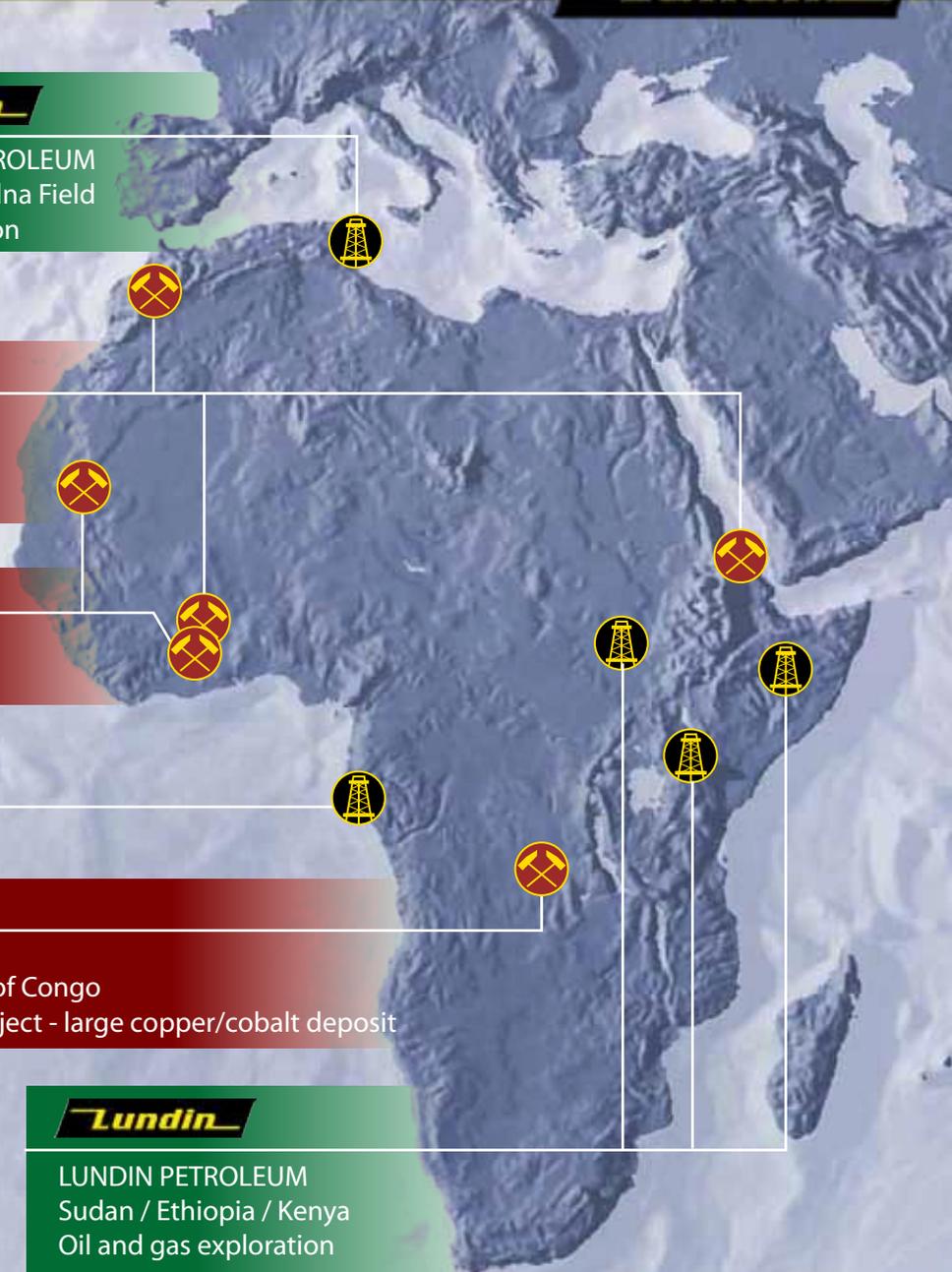
LUNDIN PETROLEUM  
Congo Brazzaville -  
Oil and gas exploration

## lundin mining

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



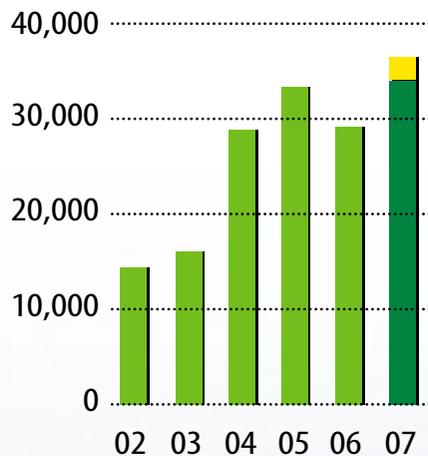
LUNDIN PETROLEUM  
Sudan / Ethiopia / Kenya  
Oil and gas exploration



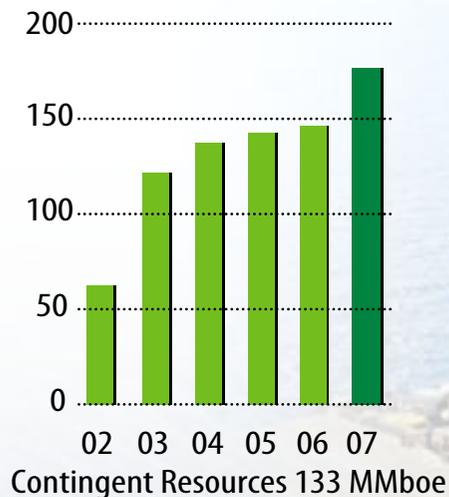
# Company Profile



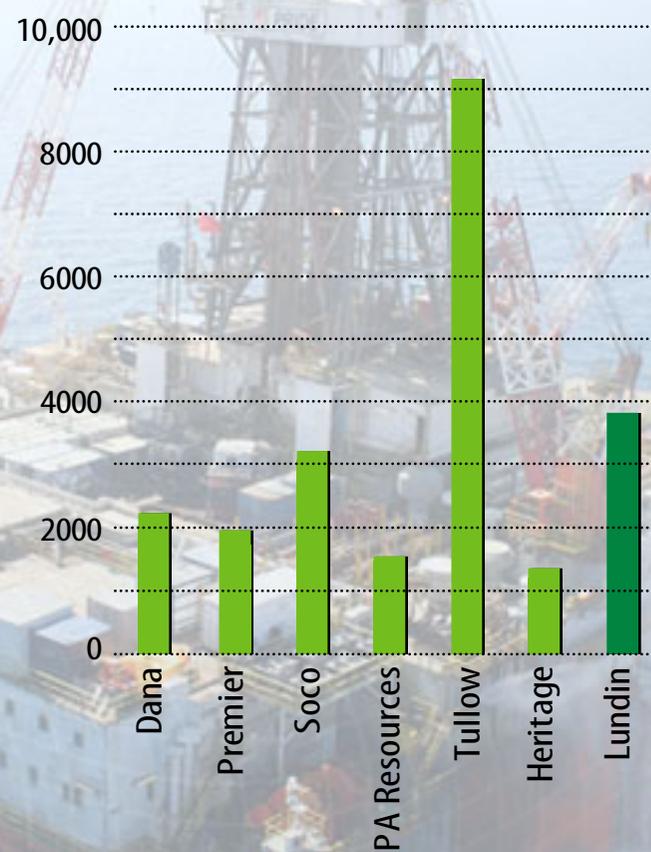
## PRODUCTION (BOEPD)



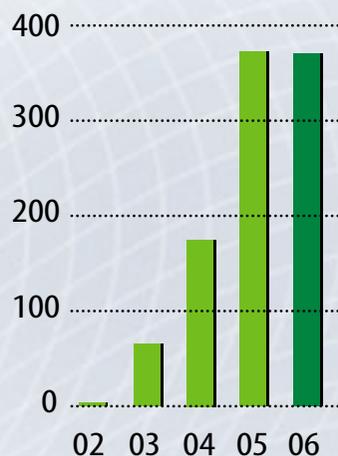
## 2P RESERVES (MMBOE)



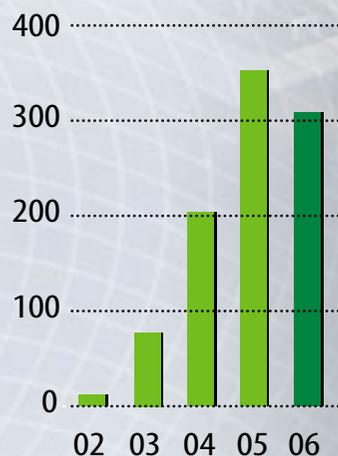
## MARKET CAPITALISATION (MUSD) as at 16 October 2007



## EBITDA (MUSD)



## OPERATING CASH FLOW (MUSD)



## 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

# Africa Exploration - Increasing Company Focus

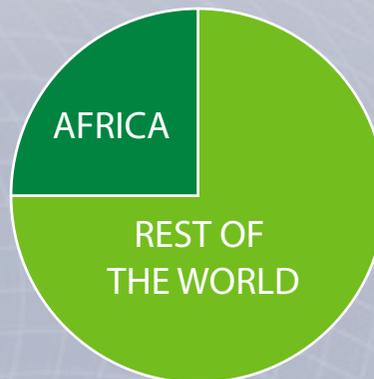


- Forecast approximately 20% of the Company's total production in 2007 to come from Africa
- Estimate 25% of the Company's total 5.4bn barrels of unrisks prospective resources to be in Africa
- 25% of the Company's total exploration expenditure for first half of 2007 spent in Africa
- Anticipate to drill 3 exploration wells in Africa in 2007 and up to 5 exploration wells in 2008

Lundin Petroleum activity in Africa



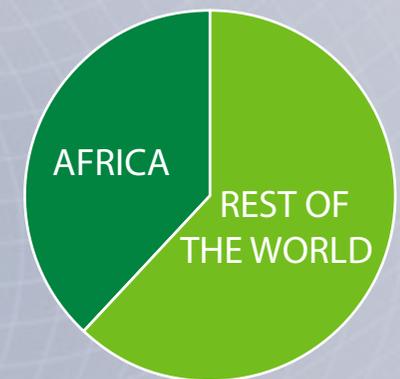
2007 Forecast  
Production



Total Unrisks  
Prospective Resources



Exploration Expenditure  
1H 2007



Unrisks Prospective  
Resources targeted in 2007

- **High risk, high reward frontier exploration**
  - ➔ target prospects with significant resource potential



- **Marginal field development**
  - ➔ creative designs
  - ➔ quick pay-back



## Sudan

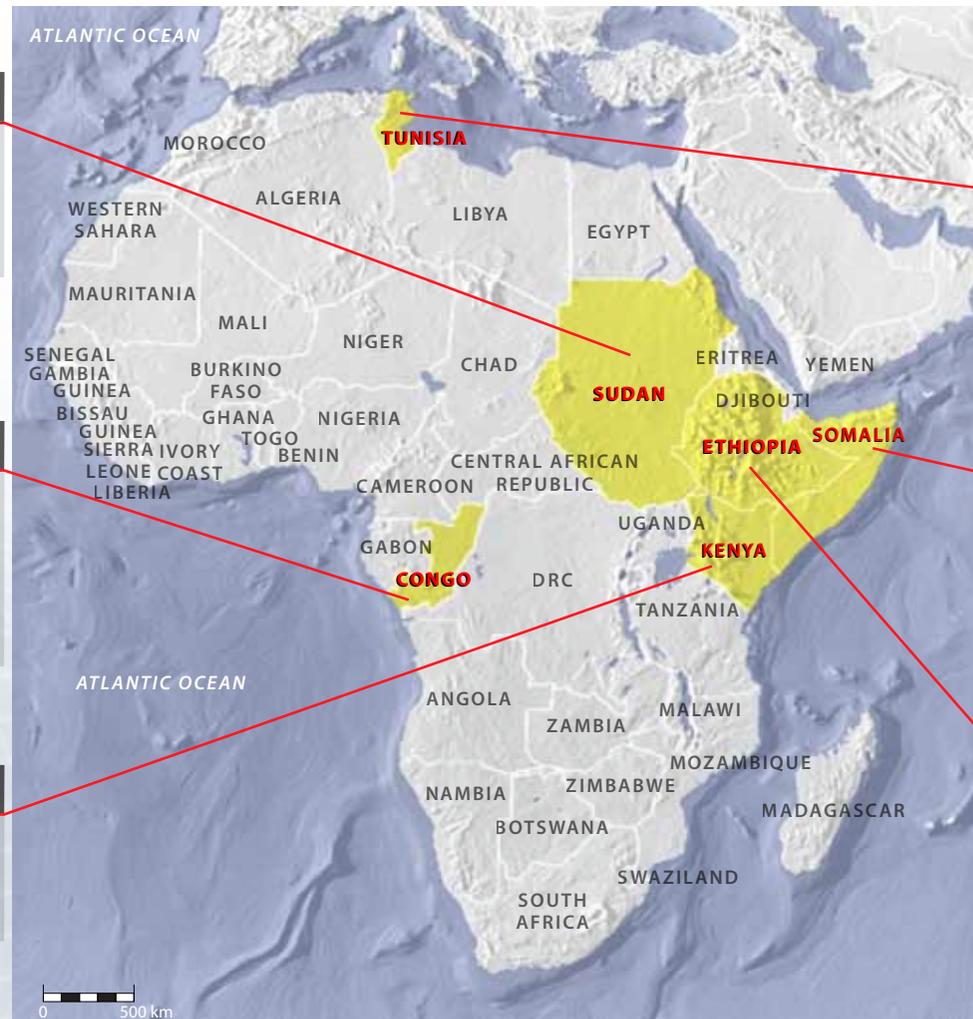
- 5B: Partner with Petronas Sudapet, ONGC Videsh.
- 2D seismic ongoing
- Drilling commences Q4 07

## 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 km<sup>2</sup> of acreage position in Africa

# Africa - an Increasing New Ventures Focus



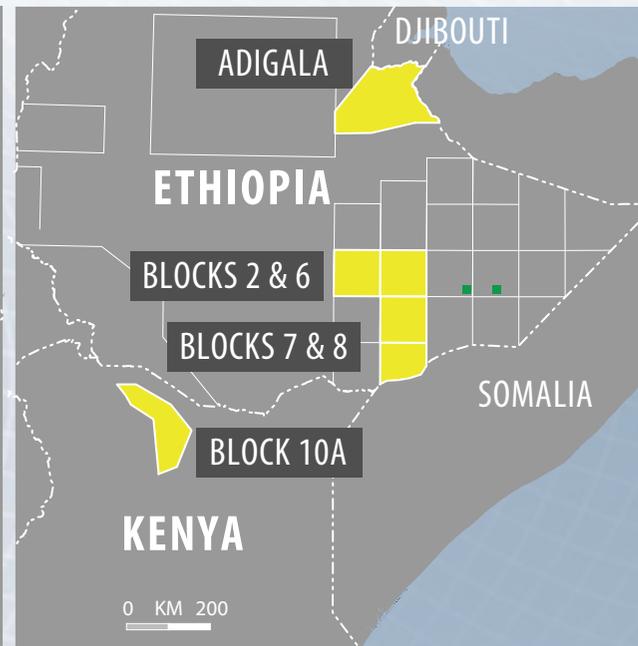
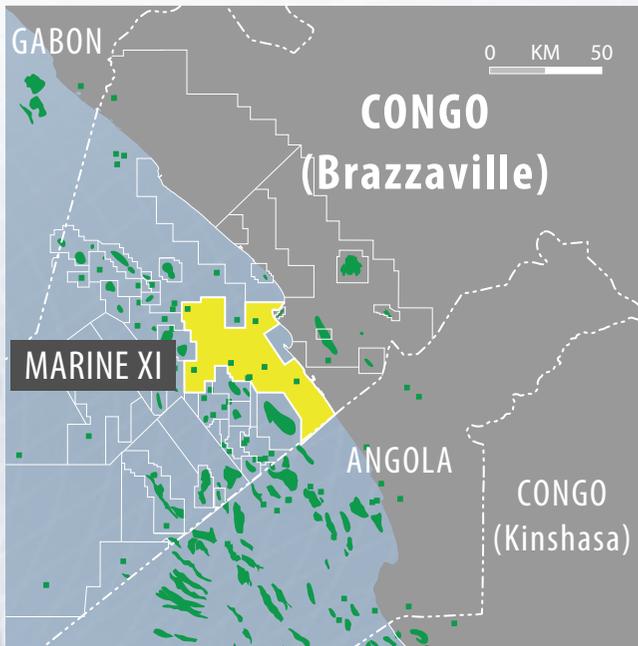
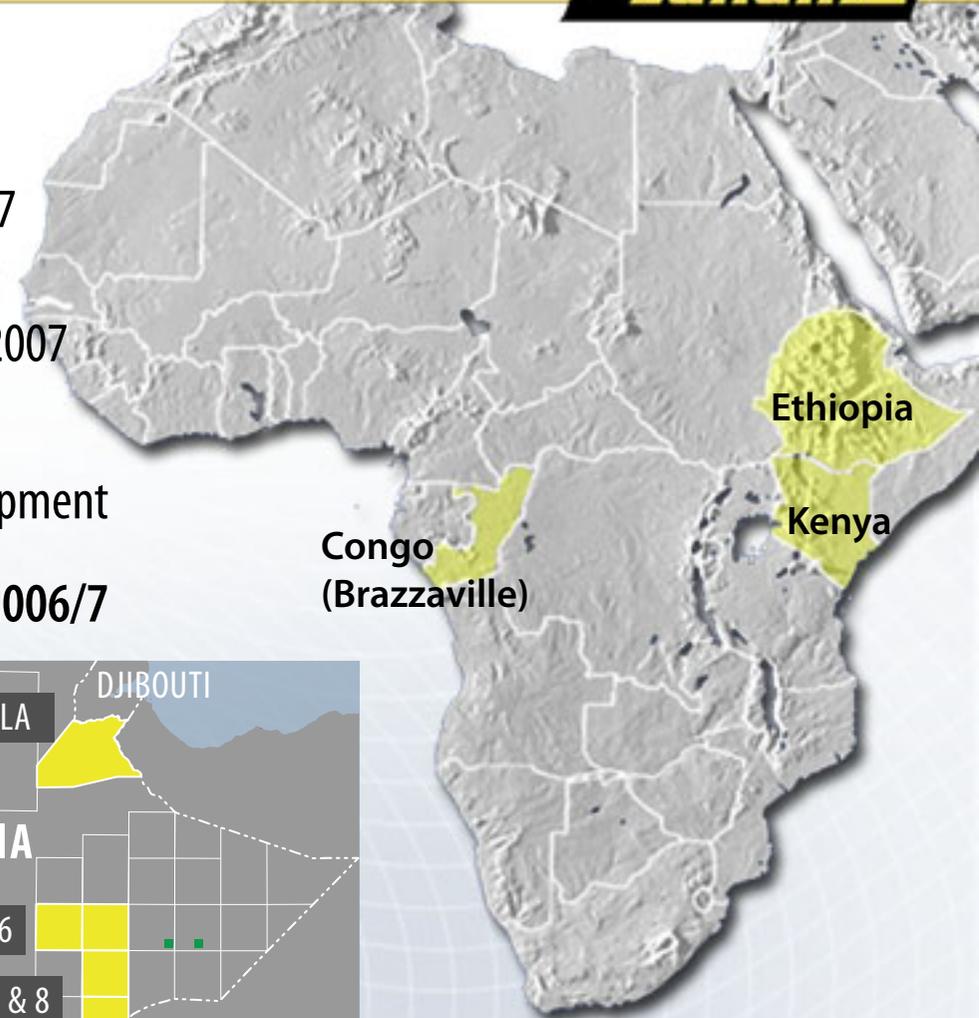
## ➔ Exploration

- ➔ 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

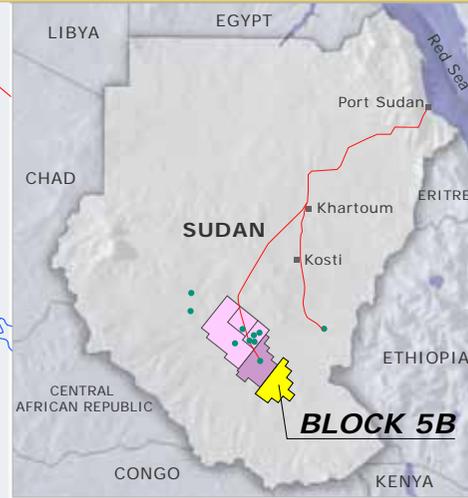
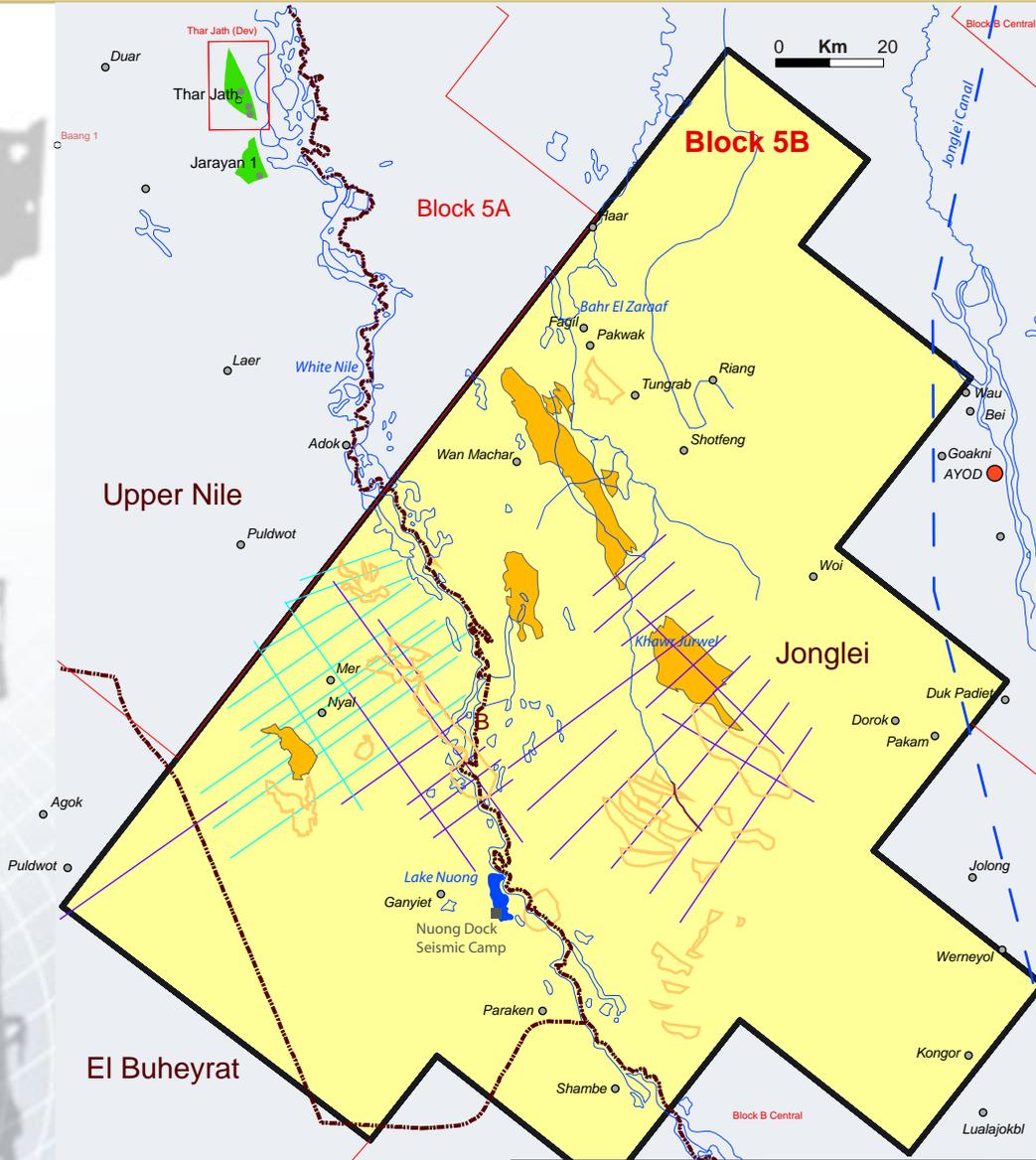
## ➔ Appraisal

- ➔ Congo Brazzaville - Viudo marginal field development

## ➔ 90,000 km<sup>2</sup> of exploration acreage secured in 2006/7



# Exploration - Sudan, Block 5B



- ➔ 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%	} Joint operators (WNPOC)
Petronas Carigali	39.0%	
Sudapet	13.0%	
ONGC Videsh Ltd	23.5%	

**Net unrisks resource from targeted prospects > 500 million boe**

# Exploration - Sudan, Block 5B



UD-1 well site preparation



Nuong Dock seismic camp

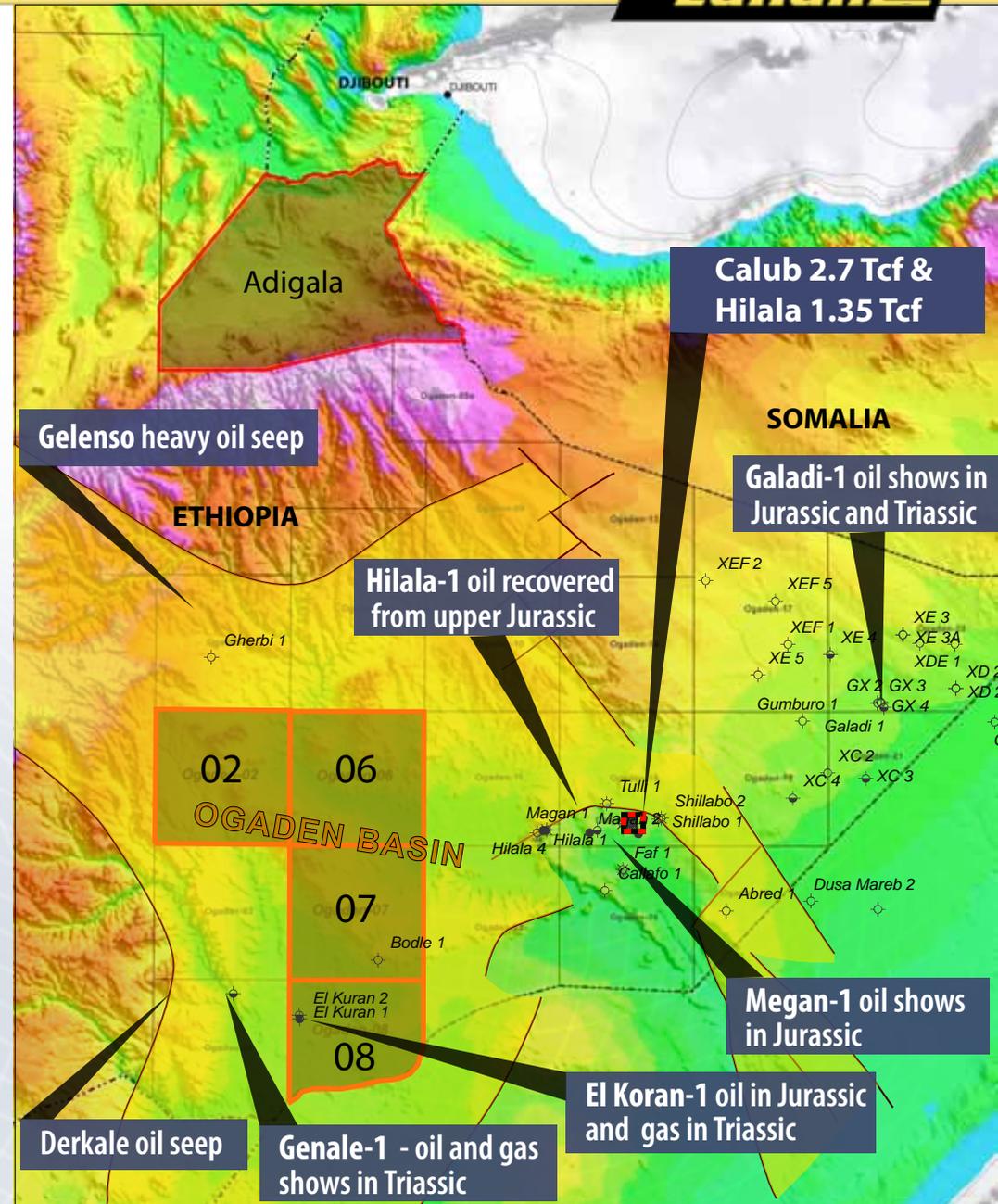


Barges and drilling equipment at Kosti logistics base before transit to well location

## Exploration - Ethiopia



- ➔ Three PSA's signed in 2006 and 2007
- ➔ 100% operated by Lundin East Africa BV
- ➔ **Ogaden Basin**
  - ➔ Blocks 2 & 6 (Nov 06)
    - 24,514 km<sup>2</sup>
  - ➔ Blocks 7 & 8 (July 07)
    - 21,767 km<sup>2</sup>
- ➔ **Afar Basin**
  - ➔ Adigala Area (July 07)
    - 27,508 km<sup>2</sup>
- ➔ 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



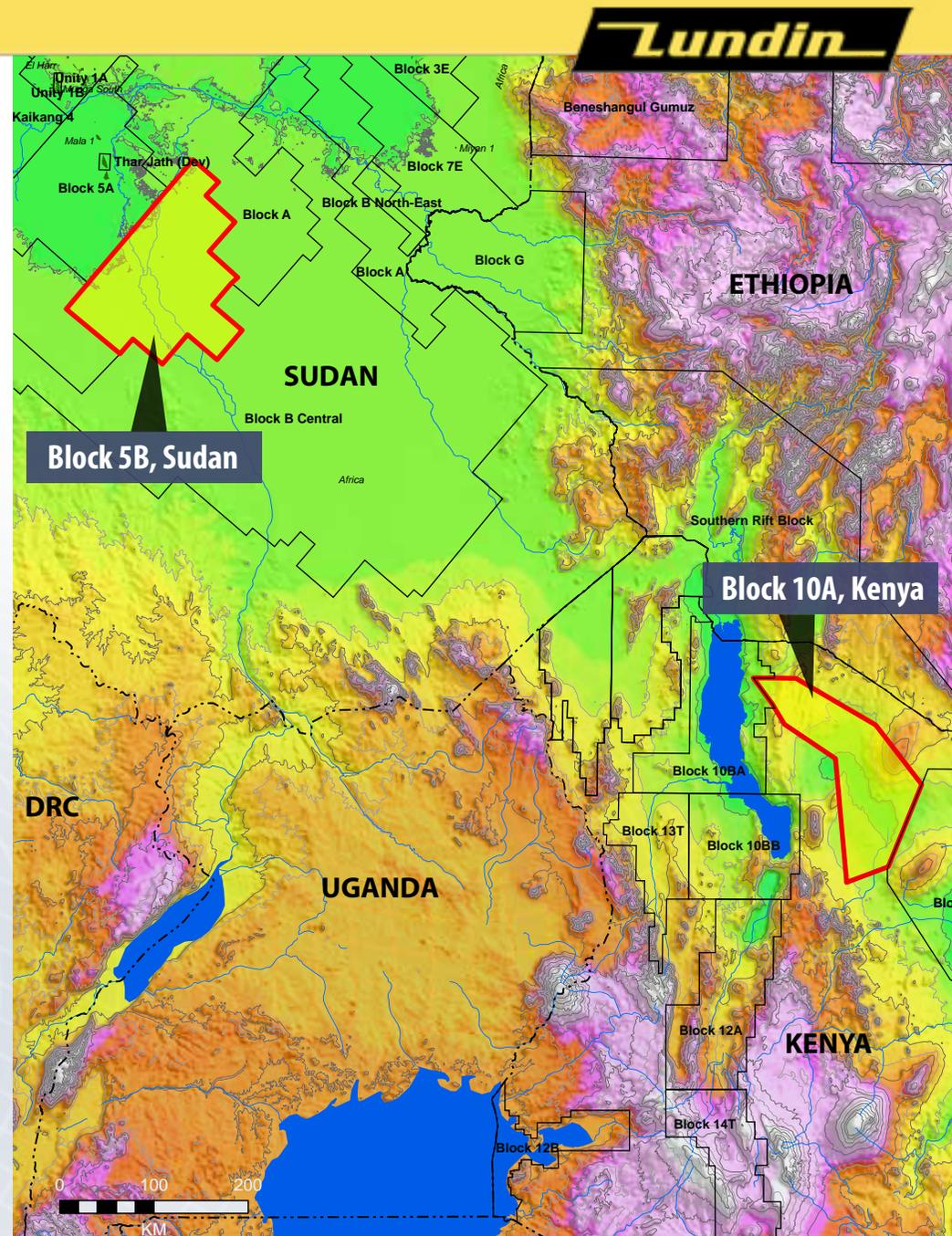
Lundin Petroleum scout trip - Ogaden Basin Blocks



Typical terrain

## Exploration - Kenya

- ➔ PSA signed for Block 10A, Anza Graben
  - ➔ 14,748 km<sup>2</sup>
- ➔ 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



## Tunisia, Oudna Field - Marginal Field Development



- **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**



Successful testing of Oudna-3

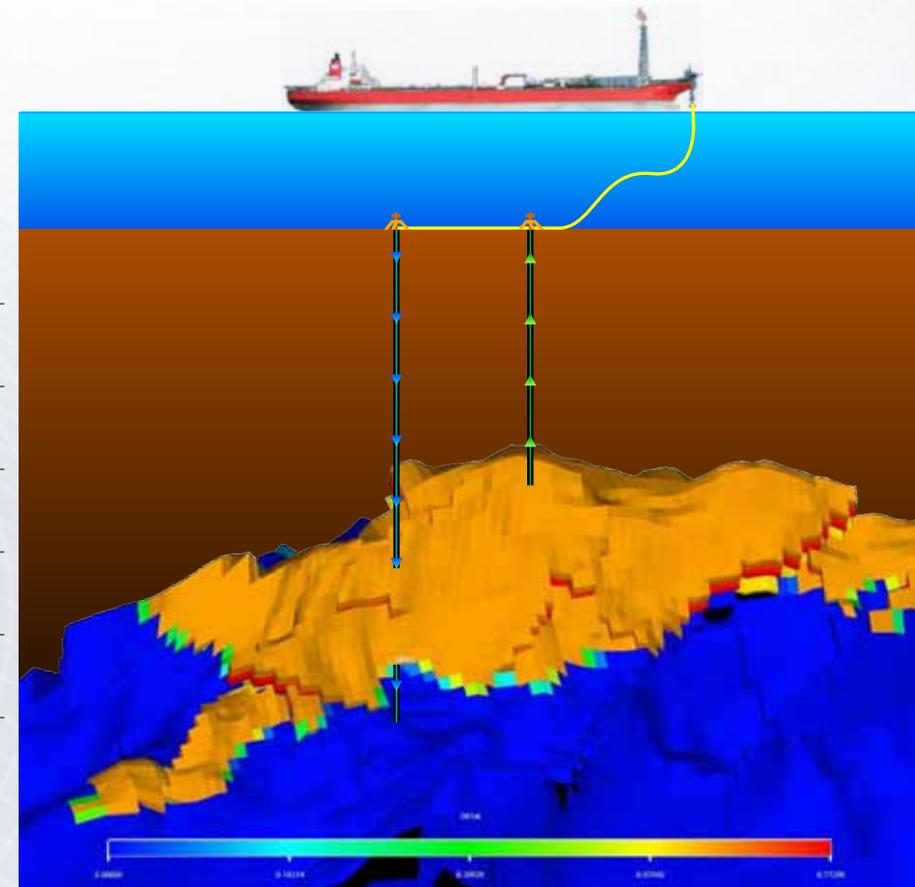
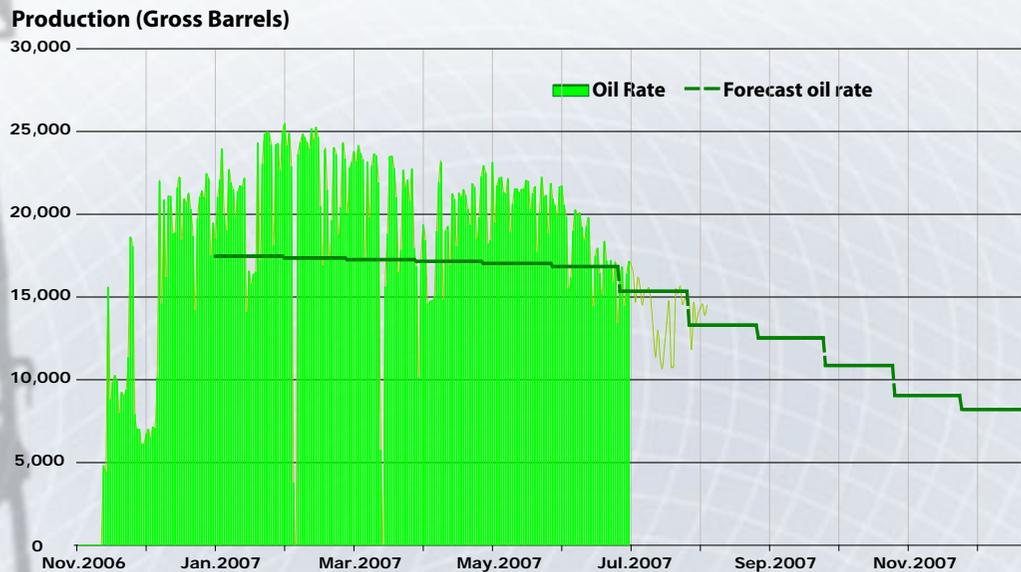


FPSO Ikdam undocking in Malta

# 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

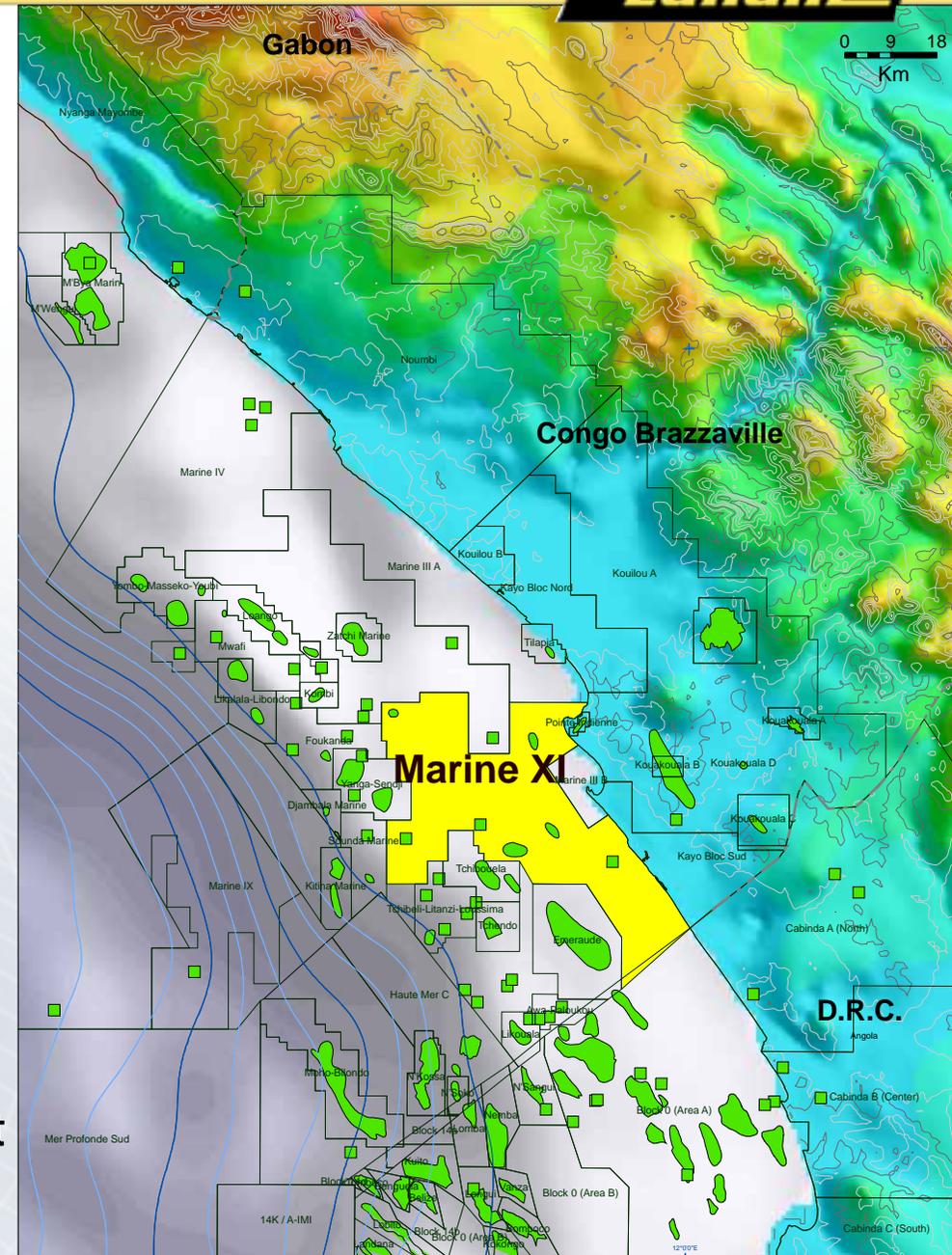


- ➔ **Block Marine XI:**

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 km<sup>2</sup> in water depths less than 110m
- ➔ 4 discoveries remain undeveloped
- ➔ 10 prospects/leads identified w/ 2D seismic
- ➔ 1,200 km<sup>2</sup> 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



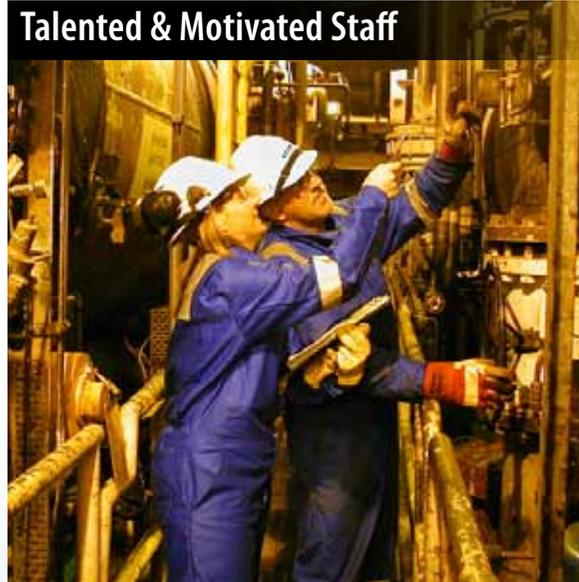
- ➔ **Over 20 years of operational experience in Africa**
- ➔ **Well established projects across Africa**
- ➔ **Proven track record in Africa**
  - ➔ Exploration success resulting in commercial developments (Libya, Sudan)
  - ➔ Able to secure new areas in highly competitive market
  - ➔ Development of marginal fields success (Tunisia)
- ➔ **Going forward, continue two prong strategy in Africa**
  - ➔ Marginal field development
  - ➔ Frontier, high risk / high reward exploration



**Active Explorer**



**Talented & Motivated Staff**



**Onshore/Offshore Operations Experience**



**Financially Strong**



**HSE Competence**



**Corporate Responsibility Commitment**

