

# **Lundin Petroleum AB – Press Release**



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## **Lundin Petroleum AB (publ)**

Hovslagargatan 5  
SE-111 48 Stockholm  
Tel: +46-8-440 54 50  
Fax: +46-8-440 54 59  
E-mail: [info@lundin.ch](mailto:info@lundin.ch)

OMX Nordic Exchange at Stockholmsbörsen: **LUPE**

**13 May 2009**

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## **Annual General Meeting of Lundin Petroleum AB, 13 May 2009**

The Annual General Meeting of Lundin Petroleum AB (the "Company") was held on Wednesday 13 May 2009 in Stockholm.

The Company's and the Group's income statements and balance sheets were adopted and the members of the Board of Directors and the President and Chief Executive Officer of the Company were discharged from liability for the financial year 2008.

The Meeting resolved that no dividends should be paid for the year 2008.

C. Ashley Heppenstall, Ian H. Lundin, Lukas H. Lundin, William A. Rand, Abjörn Larsen and Magnus Unger were re-elected as members of the Board of Directors. Dambisa F. Moyo was elected as a new member of the Board of Directors.

Ian H. Lundin was re-elected as chairman of the Board of Directors.

The Meeting resolved to pay the Board of Directors total directorship fees of SEK 3.5 million to be divided between the members of the Board of Directors. The fees include remuneration for work in the Board Committees. In addition, an amount of not more than SEK 2.5 million in total shall be available for remuneration of Board members for special assignments outside the directorship;

PricewaterhouseCoopers AB was elected as auditor of the Company with the authorized public accountant Bo Hjalmarsson as the auditor in charge. The auditors' fees shall be paid upon approval of their invoice.

Further, the Meeting resolved, in accordance with the Board of Directors' proposals:

- to approve the Company's Policy on Remuneration which includes five key elements: a) basic salary; b) yearly variable salary; c) long-term incentive plan ("LTIP"); d) pension arrangements and e) non-financial benefits. The LTIP is related to the Company's share price and is divided into one plan for senior executives (being the President and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Senior Vice President Operations) and one plan for other management. The LTIP is designed to align management incentives with shareholder interests.

The LTIP for senior executives includes the issuance of phantom options with an exercise price equal to 110 per cent of the average of the closing prices of the Company's shares on the Nasdaq OMX Nordic Exchange in Stockholm for the ten trading days immediately following the Annual General Meeting 2009. The phantom options will vest on the fifth anniversary of the date of grant and the recipient will be entitled to receive a cash payment equal to the average closing price of the Company's shares during the fifth year following grant, less the exercise price.

The LTIP for management other than senior executives includes the granting of units that are converted into a cash award related to the Company's share price. The LTIP will be payable over a period of three years from award. The cash payment will be determined at the end of each vesting period by multiplying the number of units then vested by the share price;

- to authorize the Board of Directors to issue new shares and/or convertible debentures corresponding to in total not more than 35,000,000 new shares, with or without the application of the shareholders pre-emption rights, in order to enable the Company to raise capital for the Company's business operations and business acquisitions;

- to authorize the Board of Directors to decide on repurchases and sales by the Company of its shares on the Nasdaq OMX Nordic Exchange in Stockholm, where the number of shares so repurchased shall be limited so that shares held in treasury from time to time do not exceed five per cent of all outstanding shares of the Company; and

- to amend the Articles of Association of the Company (i) to clarify the object of the Company's business (section 3) and (ii) to amend the procedure on how to issue a notice of a General Meeting (section 10) so that a notice to attend a General Meeting shall be issued in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on the Company's website, accompanied by an announcement that the notice has been issued in Svenska Dagbladet. The resolution regarding section 10 is conditional upon the proposed amendment of the Companies Act (SFS 2005:551) entering into force, entailing that the Articles of Association will be in accordance with the Companies Act.

The Meeting also resolved that the same procedure as applied in 2009 shall be applied for the nomination process in 2010, entailing that the Chairman of the Board will invite the three or four of the largest shareholders of the Company to form a Nomination Committee. The names of the members of the Nomination Committee will be announced not later than six months prior to the Annual General Meeting in 2010. The Nomination Committee will prepare the following proposals for resolutions to the Annual General Meeting in 2010: (i) proposal for Chairman of the meeting; (ii) proposal for members of the Board of Directors; (iii) proposal for Chairman of the Board of Directors; (iv) proposal for remuneration of the members of the Board of Directors, distinguishing between the Chairman and other members of the Board and remuneration for Committee work; (v) proposal for remuneration of the Company's auditors; and (vi) proposal for principles of the nomination process for the Annual General Meeting in 2011.

*Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Africa, Russia and the Far East. The Company is listed at the Nordic Exchange, Sweden (ticker "LUPE"). Lundin Petroleum has existing proven and probable reserves of 217,5 million barrels of oil equivalent (MMboe) as at 1 January 2009.*

For further information, please contact:

C. Ashley Heppenstall  
President and CEO  
Tel: +41 22 319 66 00

or

Maria Hamilton  
Head of Corporate Communications  
Tel: +46 8 440 54 50

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