

LUNDIN PETROLEUM – PRESS RELEASE



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Company registration number 556610-8055

NASDAQ OMX Stockholm : LUPE

7 April 2010

NOTICE OF ANNUAL GENERAL MEETING IN LUNDIN PETROLEUM AB

The shareholders of Lundin Petroleum AB (publ) are hereby invited to the Annual General Meeting of the Shareholders to be held on Thursday 6 May 2010 at 1 p.m. (Swedish time). Location: The Movie Theatre Skandia, Drottninggatan 82 in Stockholm.

Attendance at the meeting

Shareholders wishing to attend the meeting shall:

- be recorded in the share register maintained by Euroclear Sweden AB (former VPC AB) on Thursday 29 April 2010; and
- notify Lundin Petroleum of their intention to attend the meeting not later than Thursday 29 April 2010 in writing to Lundin Petroleum AB, c/o Computershare AB, P.O. Box 610, SE - 182 16 Danderyd, Sweden, or by fax Int +46-8-588 04 201, or by telephone Int +46-8-518 01 554, or by e-mail info@computershare.se.

Shareholders whose shares are registered in the name of a nominee must temporarily register the shares in their own names in the shareholders' register in order to be entitled to attend the meeting. Such registration must be effected by Thursday 29 April 2010.

Proposed agenda

1. Opening of the meeting.
2. Election of Chairman of the meeting.
3. Preparation and approval of the voting register.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.
6. Determination as to whether the meeting has been duly convened.
7. Speech by the Chief Executive Officer.
8. Presentation of the annual report and the auditors' report, the consolidated annual report and the auditors' Group report.
9. Resolution in respect of adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet.
10. Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet.
11. Resolution in respect of discharge from liability of the members of the Board and the Chief Executive Officer.
12. Presentation by the Nomination Committee:
 - The work of the Nomination Committee
 - Proposal for election of Chairman of the Board and other members of the Board
 - Proposal for remuneration of the Chairman and other members of the Board
 - Proposal for remuneration of the auditors
13. Resolution in respect of the number of members of the Board to be elected at the meeting.
14. Resolution in respect of remuneration of the Chairman and other members of the Board.
15. Election of Chairman of the Board and of other members of the Board.

16. Resolution in respect of remuneration of the auditors.

17. Presentation of proposals in relation to:

- Principles for compensation and other terms of employment for Management
- Principles for compensation under the Long-term Incentive Plan for Management other than senior executives
- Remuneration of Board members for special assignments outside the directorship
- Authorization of the Board to resolve new issue of shares and convertible debentures
- Authorization of the Board to resolve repurchase and sale of shares

18. Resolution in respect of principles for compensation and other terms of employment for Management.

19. Resolution in respect of principles for compensation under the Long-term Incentive Plan for Management other than senior executives.

20. Resolution in respect of remuneration of Board members for special assignments outside the directorship.

21. Resolution to authorize the Board to resolve new issue of shares and convertible debentures.

22. Resolution to authorize the Board to resolve repurchase and sale of shares.

23. Resolution regarding the nomination process for the AGM in 2011.

24. Other matters.

25. Closing of the meeting.

Proposals for resolutions

Resolution in respect of appropriation of the Company's profit or loss according to the adopted balance sheet (item 10)

The Board of Directors proposes that no dividend is declared for the financial year 2009.

Resolutions in respect of Chairman of the meeting, number of Board members, fees payable to the Board members and auditors and election of Chairman of the Board and of other members of the Board (items 2 and 13-16)

Lundin Petroleum AB's Nomination Committee, consisting of Ian H. Lundin (Lorito Holdings (Guernsey) Ltd., Landor Participations Inc. and Zebra Holdings and Investment (Guernsey) Ltd. and Chairman of the Board of Directors), Magnus Unger (Member of the Board of Directors and Chairman of the Nomination Committee), KG Lindvall (Swedbank Robur fonder), Ulrika Danielson (Second Swedish National Pension Fund) and Ossian Ekdahl (First Swedish National Pension Fund), jointly representing approximately 40 per cent of the voting rights for all the shares in Lundin Petroleum AB, proposes the following:

- Election of advokat Erik Nerpin as Chairman of the meeting
- Election of seven members of the Board of Directors with no deputy members
- Re-election of the members of the Board Ian. H. Lundin, Magnus Unger, William A. Rand, Lukas H. Lundin, C. Ashley Heppenstall, Asbjørn Larsen and Dambisa F. Moyo
- Re-election of Ian H. Lundin as Chairman of the Board of Directors
- A total compensation to the Board of Directors of SEK 3.5 million to be divided as follows. SEK 800'000 to the Chairman, SEK 400'000 to other members of the Board except the Chief Executive Officer C. Ashley Heppenstall and SEK 100'000 for each

assignment in the Committees of the Board of Directors (in total not more than SEK 700'000 for committee work)

- Payment of auditors' fees upon approval of their invoice

Resolution in respect of principles for compensation and other terms of employment for Management (item 18)

The Board of Directors' proposal for principles for compensation and other terms of employment for Lundin Petroleum's Management entails that it is the aim of Lundin Petroleum to recruit, motivate and retain high calibre executives capable of achieving the objectives of the Group, and to encourage and appropriately reward superior performance in a manner that enhances shareholder value. Accordingly, the Group operates a Policy on Remuneration which ensures that there is a clear link to business strategy and a close alignment with shareholder interests and current best practice, and aims to ensure that executives are rewarded fairly for their contribution to the Group's performance.

There are five key elements to the remuneration package of Management in the Group: a) Basic salary; b) Yearly variable salary; c) Long-term Incentive Plan (LTIP) (separate resolution – see item 19); d) Pension arrangements; and e) Non-financial benefits. The yearly variable salary shall normally be within the range of 1 - 10 monthly salaries, however the Compensation Committee may recommend to the Board of Directors for approval yearly variable salary outside of this range in circumstances or in respect of performance which the Compensation Committee considers to be exceptional.

Resolution in respect of principles for compensation under the Long-term Incentive Plan for Management other than senior executives (item 19)

The proposed 2010 LTIP for Management other than senior executives entails a remuneration plan related to the Company's share price. Senior executives, being the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Senior Vice President Operations, will not participate in any proposed 2010 LTIP.

The LTIP is designed to align management incentives with shareholders interests and 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 in order to aid in the retention of staff. The cash payment is conditional upon the holder of the units remaining an employee of the Lundin Petroleum Group at the time of the payment. The units may not be assigned to any third party. The total number of units to be granted in 2010 for the whole Group, including Management other than senior executives, will be approximately 720'000. In comparison to unit awards in previous years, the number of units for 2010 takes into account the effect of the spin-off of the Company's UK business into EnQuest plc and the subsequent distribution of the EnQuest plc shares to Lundin Petroleum's shareholders.

Lundin Petroleum's undertaking under the proposed LTIP is a cash liability and will not include any dilution of the share capital.

Remuneration of Board members for special assignments outside the directorship (item 20)

Shareholders jointly representing approximately 30 per cent of the voting rights for all the shares in the Company propose that an amount of not more than SEK 2.5 million in total be available for remuneration of Board members for special assignments outside the directorship.

Authorization to resolve new issue of shares and convertible debentures (item 21)

The Board of Directors proposes that the Board is authorized to decide, at one or more occasions until the next Annual General Meeting:

(i) to issue new shares with consideration in cash or in kind or by set-off or otherwise with conditions and thereby be able to resolve to disapply the shareholders pre-emption rights. To the extent the new shares are issued with disapplication of the shareholders pre-emption rights they shall be issued at a subscription price that closely corresponds to the market price of the shares at the time of the issue; and

(ii) to issue convertible debentures with consideration in cash or in kind or by set-off or otherwise with conditions and thereby be able to resolve to disapply the shareholders pre-emption rights. To the extent the convertible debentures are issued with disapplication of the shareholders pre-emption rights they shall be issued at a subscription price that closely corresponds to market value based on the market price of the shares at the time of the issue of the convertible debentures.

The reason for disapplying the shareholders' pre-emption rights is to enable Lundin Petroleum to make business acquisitions or other major investments. The total number of shares that can be issued based on the authorization may not exceed 35'000'000. If the authorization is exercised in full, the newly issued shares would constitute approximately 10 per cent of the share capital.

Authorization to resolve repurchase and sale of shares (item 22)

The Board of Directors proposes that the Board is authorized, during the period until the next Annual General Meeting, to decide on repurchases and sales of Lundin Petroleum shares on the NASDAQ OMX Stockholm Exchange (the "Exchange"). The maximum number of shares repurchased shall be such that shares held in treasury from time to time do not exceed 5 per cent of all shares of the Company. Repurchase of shares on the Exchange may take place only at a price within the spread between the highest bid price and lowest ask price as registered from time to time on the Exchange. The repurchases shall be made in accordance with the provisions concerning the purchase and sale of a company's own shares in the "Rule Book for Issuers" issued by the Exchange.

The purpose of the authorization is to provide the Board of Directors with an instrument to optimize Lundin Petroleum's capital structure and thereby create added value for the shareholders and to secure Lundin Petroleum's obligations under the Long-term Incentive Plan (LTIP). The authorization shall also include the right to secure the obligations under the LTIP by the acquisition of derivatives. Repurchased shares may not be transferred to employees.

Resolution regarding the nomination process for the AGM in 2011 (item 23)

The Nomination Committee proposes that the Annual General Meeting decides that the nomination process for the Annual General Meeting in 2011 shall follow the same procedure as the current year, meaning that the Chairman of the Board shall invite three or four of the largest shareholders of the Company based on the shareholdings as per 1 August 2010 to form a Nomination Committee. The names of the members of the Nomination Committee shall be announced not later than six months prior to the Annual General Meeting in 2011. If the shareholding in the Company is significantly changed before the Nomination Committee's work

is completed, a change in the composition of the Nomination Committee may take place. The Nomination Committee shall remain in office until a new Nomination Committee has been appointed. The Nomination Committee shall appoint its Chairman within the Nomination Committee. The Nomination Committee shall prepare the following proposals for resolutions to the Annual General Meeting in 2011: (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 election of auditors of the Company (when needed), (vi) proposal for remuneration of the Company's auditors; and (vii) proposal for principles of the nomination process for the AGM in 2012.

Further information

Lundin Petroleum AB's share capital amounts to SEK 3'179'105,80, represented by 317'910'580 shares. Each share carries one vote. Lundin Petroleum AB holds, as per 6 April 2010, 4'490'300 own shares which cannot be represented at the Annual General Meeting.

The Nomination Committee's complete proposal regarding items 2, 13-16 and 23, including a motivated opinion regarding the proposal for the Board of Directors, will be published on Lundin Petroleum's website www.lundin-petroleum.com. The following information will further be available at Lundin Petroleum's office (Hovslagargatan 5 in Stockholm) and on Lundin Petroleum's website www.lundin-petroleum.com no later than 22 April 2010: the Board of Directors complete proposal for resolutions regarding items 18-19 and 21-23; the shareholder proposal for resolution regarding item 20; and Lundin Petroleum's annual report, the audit report and the statement of the auditors regarding the application of guidelines for remuneration.

All documents will be sent to shareholders free of charge upon request.

Stockholm in April 2010
LUNDIN PETROLEUM AB (publ)
The Board of Directors

Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets in Europe, Russia, South East Asia and Africa. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 177 million barrels of oil equivalent (MMboe).

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