

## Annual General Meeting of Lundin Petroleum AB 15 May 2014

### **The Annual General Meeting of Shareholders of Lundin Petroleum AB (publ) (the "Company") was held today Thursday 15 May 2014 in Stockholm.**

The Company's and the Group's income statements and balance sheets for the financial year 2013 were adopted and the members of the Board of Directors and the Chief Executive Officer of the Company were discharged from liability for the financial year 2013.

The Meeting resolved that no dividends should be paid for the financial year 2013.

Peggy Bruzelius, C. Ashley Heppenstall, Asbjørn Larsen, Ian H. Lundin, Lukas H. Lundin, William A. Rand, Magnus Unger and Cecilia Vieweg were re-elected as members of the Board of Directors.

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

The Meeting resolved to remunerate the members of the Board of Directors as follows: (i) annual fees of the members of the Board of Directors of SEK 500,000 (excluding the Chairman of the Board of Directors and the Chief Executive Officer); (ii) annual fees of the Chairman of the Board of Directors of SEK 1,050,000; (iii) annual fees for Committee members of SEK 100,000 per Committee assignment (excluding the Committee Chairmen and the Reserves Committee for which no fee is to be paid); and (iv) annual fees for Committee Chairmen of SEK 150,000 (excluding the Reserves Committee for which no fee is to be paid); with the total fees for Committee work, including Committee Chairmen fees, not to exceed SEK 900,000. In addition, an amount of SEK 1,500,000 shall be paid to the Chairman of the Board of Directors for special assignments outside the directorship.

PricewaterhouseCoopers AB was re-elected as the auditor of the Company for a period until the 2015 Annual General Meeting. The Meeting resolved that 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 2014 Policy on Remuneration for Lundin Petroleum's Group Management, which includes four key elements of remuneration: a) base salary; b) yearly variable salary; c) Long-term Incentive Plan (LTIP); and d) other benefits;
- to approve the 2014 LTIP for members of Group Management and a number of key employees, which gives the participants the possibility to receive shares in Lundin Petroleum subject to uninterrupted employment and to the fulfilment of a performance condition over a three year performance period. The performance condition is based on the share price growth and dividends ("Total Shareholder Return") of the Lundin Petroleum share compared to the Total Shareholder Return of a peer group of companies. The total number of performance shares under LTIP 2014 as at the date of award may not exceed 700,000 and the maximum cost for granting awards under LTIP 2014, excluding costs related to delivery of the performance shares, is approximately USD 14.7 million (approximately SEK 95.0 million), excluding social security charges.
- to approve a reduction of the Company's share capital with an amount of SEK 68,402.50 (rounded-off to two decimals) through cancellation of 6,840,250 shares held in treasury, without reimbursement to the shareholders. The Company holds 8,840,250 own shares and will after the reduction hold 2,000,000 own shares, representing 0.6% of the share capital. The total number of shares in the Company will be reduced from 317,910,580 shares to 311,070,330 shares.
- to approve an increase of the Company's share capital through a bonus issue with an amount of SEK 68,402.50 to restore the Company's share capital after the reduction effected in accordance with the resolution above. No new shares will be issued in connection with the increase of share capital.

- to authorise the Board of Directors to issue new shares and/or convertible debentures corresponding to in total not more than 34,000,000 new shares, with or without the application of the shareholders pre-emption rights, in order to enable the Company to make business acquisitions or other major investments; and
- to authorize the Board of Directors to decide on repurchases and sales by the Company of its shares on the NASDAQ OMX Stockholm Exchange or the Toronto Stock Exchange, 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.

The Meeting also resolved that the nomination procedure for future Annual General Meetings shall follow the Nomination Committee Process, which provides that the Chairman of the Board of Directors shall invite four of the larger shareholders of the Company based on shareholdings as per 1 August of each year to form a Nomination Committee for the Annual General Meeting of the following year. The Nomination Committee shall according to the Nomination Committee Process prepare proposals for the following resolutions: (i) Chairman of the Annual General Meeting; (ii) number of members of the Board of Directors; (iii) members of the Board of Directors; (iv) Chairman of the Board of Directors; (v) remuneration of the members of the Board of Directors, distinguishing between the Chairman and other members and remuneration for Board Committee work; (vi) election of auditor of the Company; (vii) remuneration of the Company's auditor; and (viii) Nomination Committee Process (in case of amendments).

*Lundin Petroleum is a Swedish independent oil and gas exploration and production company with a well balanced portfolio of world-class assets primarily located in Europe and South East Asia. The Company is listed at the NASDAQ OMX, Stockholm (ticker "LUPE") and at the Toronto Stock Exchange (TSX) (Ticker "LUP"). Lundin Petroleum has proven and probable reserves of 194 million barrels of oil equivalent (MMboe).*

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## **Forward-Looking Statements**

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, operational risks (including exploration and development risks), production costs, availability of drilling equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. These risks and uncertainties are described in more detail under the heading "Risks and Risk Management" and elsewhere in the Company's annual report. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.

## **Reserves and Resources**

Unless otherwise stated, Lundin Petroleum's reserve and resource estimates are as at 31 December 2013, and have been prepared and audited in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless otherwise stated, all reserves estimates contained herein are the aggregate of "Proved Reserves" and "Probable Reserves", together also known as "2P Reserves". For further information on reserve and resource classifications, see "Reserves, Resources and Production" in the Company's annual report.

## **Contingent Resources**

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. There is no certainty that it will be commercially viable for the Company to produce any portion of the Contingent Resources. Unless otherwise stated, all contingent resource estimates contained herein are the best estimate ("2C") contingent resources.

## **Prospective Resources**

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources. Unless otherwise stated, all Prospective Resource estimates contained herein are reflecting a P50 Prospective Resource estimate. Risked Prospective Resources reported herein are partially risked. They have been risked for chance of discovery, but have not been risked for chance of development.

## **BOEs**

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.