

THE BOARD OF DIRECTORS' RECOMMENDATIONS REGARDING SHAREHOLDER PROPOSALS OF MR. EGBERT WESSELINK

30 March 2023

The Board of Directors of Orrön Energy AB (the “**Company**”) has received two shareholder proposals (the “**Proposals**”) from Mr. Egbert Wesselink for the Annual General Meeting (“**AGM**”) to be held on 4 May 2023.

Mr. Wesselink has previously presented proposals to the 2012, 2013, 2017, 2019, 2020, 2021 and 2022 AGMs. All of these previous proposals, which also related to the Company’s past activities in Sudan during 1997-2003, were rejected by the Company’s shareholders at the requisite AGMs.

The Proposals are available on the Company’s website.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE COMPANY’S SHAREHOLDERS VOTE AGAINST THESE PROPOSALS AT THE AGM TO BE HELD ON 4 MAY 2023.

The Board of Directors’ recommendation is based on the following:

A. THE COMPANY HAS A RESPONSIBILITY TO DEFEND ITSELF AGAINST THE UNFOUNDED CHARGES IN THE INDICTMENT BROUGHT BY THE SWEDISH PROSECUTOR

The Company has an obligation towards its shareholders, and the Board of Directors has a fiduciary duty, to defend itself and its representatives against legal proceedings where such actions are based on unfounded and unsupported allegations. Since the beginning of the Swedish Prosecutor’s flawed preliminary investigation almost 13 years ago, the Company has sought Swedish and international legal and related advice to achieve a discontinuation of the preliminary investigation and to prepare a vigorous defence for the Swedish Courts. This has been undertaken to ensure that the impact of these unfounded allegations for the Company, including economic consequences, negative goodwill and effect on the business in general, will be minimal. The Company’s former representatives have been investigated and charged due to their roles within the Company at the time and hence the defence of the Company and its former representatives is intrinsically linked.

The Swedish Prosecutor’s incomprehensible decision in November 2021 to bring criminal charges in relation to past operations in Sudan and seek a corporate fine and forfeiture of economic benefits means that resolution of this case now lies with the Swedish Courts. As a result, it is both right and legitimate that the Company and the Company’s former representatives continue to defend themselves vigorously and that ultimately the judicial process will result in a clear and unambiguous discharge of any and all allegations.

B. THE COMPANY DENIES ALLEGATIONS OF WRONGDOING IN SUDAN AND CHALLENGES THE LEGAL BASIS OF THE SWEDISH PROSECUTOR’S CRIMINAL CHARGES IN RELATION TO THE COMPANY’S PAST OPERATIONS THERE

The Company refutes that there are any grounds for allegations of wrongdoing by the Company or any of its former representatives. Both Ian H. Lundin and Alex Schneider strongly deny the charges and have the full support of the Board of Directors in contesting them at trial.

The Company and the Board remain extremely critical of the fact that the Swedish Prosecutor has based his unfair and flawed investigation and unfounded prosecution upon unreliable and not credible allegations in NGO reports including in particular “Unpaid Debt,” which was authored by Mr. Wesselink.

In the Board's firm opinion, there is no evidence linking any current or former representative or the Company to the alleged primary crimes and this will be fully demonstrated at trial.

It remains the Board of Directors' firm belief that the Company was a positive influence for development in Sudan and did everything in its power to advocate for peace by peaceful means in the country. The Company engaged with the local population to ensure that its operations had a positive impact and contributed to improved living conditions. The Company's community development and humanitarian assistance made life better for people. The Company continued to provide humanitarian assistance even throughout the suspension of operations.

C. THE COMPANY IS FULLY COMMITTED TO THE HIGHEST STANDARDS OF CORPORATE RESPONSIBILITY

The Company has a full and robust framework of Corporate Responsibility Policies in place and has publicly stated its commitment to international standards of corporate responsibility, including as a member of the United Nations' Global Compact since 2010. The Company has since 2011 endorsed the United Nations' Guiding Principles on Business and Human Rights and in 2012, implemented a Human Rights Policy and Guidelines in accordance therewith. The Company is fully committed to respect human rights as set out in the International Bill of Human Rights and the International Labour Organisation Core Conventions, not to infringe on the human rights of others, and to address adverse human rights impact, including not to be complicit in or contribute directly or indirectly to human rights abuses.

The Board of Directors reviews on a regular basis the Company's performance and compliance in regard to these standards of corporate responsibility and human rights, and fully supports the Company and its management in carrying out the obligations under these international standards.

D. ADDRESSING THE SPECIFIC REQUESTS IN THE SHAREHOLDER PROPOSALS

The Board of Directors considers that the two Proposals are driven not by a genuine interest of wider shareholders' needs, but by Mr. Wesselink's well-known, direct and personal involvement in the case against the Company and its former representatives.

The Board of Director's view is as follows:

i. 'Proposal to make a provision of MSEK 1,394.8 for the Swedish Prosecution Authority's claim against the Company'

The Company refutes that there are any grounds for allegations of wrongdoing by any of its former representatives and sees no circumstance in which a corporate fine or forfeiture could become payable. The charges brought forward by the Swedish Prosecutor include claims against the Company for a corporate fine of MSEK 3.0 and forfeiture of economic benefits of MSEK 1,391.8, which according to the Swedish Prosecutor represents the value of the gain of MSEK 720.1 that the Company made on the sale of the business in 2003. Any corporate fine or forfeiture of economic benefits could only be imposed should the prosecution prevail, and only after an adverse final conclusion of the case. The trial at the Stockholm District Court is planned to start on 5 September 2023. The Company considers this to be a contingent liability and therefore no provision has been recognized, which has been assessed and approved by the Company's third party auditor.

ii. 'Proposal to disclose in detail all current and projected direct and indirect costs and material risks connected with the legal defence of the former Chairman Ian Lundin and its former CEO and Director Alex Schneider, and the company itself'

The Company continuously provides financial guidance to the markets, including in relation to costs related to the Sudan legal case. For the second half of 2022, these costs came in lower than the previously issued guidance. Guidance of estimated costs for 2023 for the defence of the Company and its former representatives was provided in February 2023, and such information may also be updated during the year. The Company has also publicly communicated the view that the upcoming trial at the Stockholm District Court, due to start in September 2023, may last in excess of two years. In the same manner, the corporate fine and forfeiture of economic benefits that have been sought by the Swedish Prosecutor have been fully disclosed to the public. The Company sees no circumstance in which the corporate fine or forfeiture of economic benefits would become payable, as this fine and forfeiture could only be imposed after an adverse final conclusion of the case.

The risks related to the Sudan legal case are set out in the Annual and Sustainability Report 2022.

THE BOARD OF DIRECTORS OF THE COMPANY HAS THEREFORE CONCLUDED THAT THE PROPOSALS ARE NOT IN THE BEST INTERESTS OF THE COMPANY OR THE SHAREHOLDERS. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST THESE PROPOSALS AT THE AGM ON 4 MAY 2023.