

# LUNDIN PETROLEUM – PRESS RELEASE



Lundin Petroleum AB (publ)  
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Company registration number 556610-8055

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Visit our website: [www.lundin-petroleum.com](http://www.lundin-petroleum.com)

Stockholm 6 April 2011

## 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 5 May 2011 at 1 p.m. (Swedish time). Location: Spegelsalen at Grand Hotel, Södra Blasieholmshamnen 8 in Stockholm.

### Attendance at the meeting

Shareholders wishing to attend the meeting shall:

- be recorded in the share register maintained by Euroclear Sweden AB on Friday 29 April 2011; and
- notify Lundin Petroleum of their intention to attend the meeting no later than Friday 29 April 2011 through the website [www.lundin-petroleum.com](http://www.lundin-petroleum.com) (only applicable to individuals) or by mail to Lundin Petroleum AB, c/o Computershare AB, P.O. Box 610, SE - 182 16 Danderyd, Sweden, by telephone Int +46-8-518 01 554 or by e-mail [info@computershare.se](mailto:info@computershare.se).

Shareholders whose shares are registered in the name of a nominee must temporarily register, through the nominee, the shares in their own names in order to be entitled to attend the meeting. Such registration must be effected by Friday 29 April 2011.

Shareholders may attend the Annual General Meeting through a proxy. A shareholder shall in such a case issue a written and dated proxy signed by the shareholder. Proof of authorisation (through a certificate of registration or similar) shall be attached to proxies issued by legal entities. A proxy form is available on the Company's website [www.lundin-petroleum.com](http://www.lundin-petroleum.com) and will be sent to shareholders upon request.

### 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 financial statements and the auditors' Group report.
9. Resolution in respect of adoption of the income statement and the balance sheet and the consolidated income statement and consolidated balance sheet.
10. Resolution in respect of appropriation of the Company's result 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:
  - The 2011 Policy on Remuneration for the Executive Management
  - 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 the 2011 Policy on Remuneration for the Executive Management.
19. Resolution in respect of remuneration of Board members for special assignments outside the directorship.
20. Resolution to authorize the Board to resolve new issue of shares and convertible debentures.
21. Resolution to authorize the Board to resolve repurchase and sale of shares.
22. Resolution regarding the nomination process for the AGM in 2012.
23. Other matters.
24. Closing of the meeting.

### **Proposals for resolutions**

#### ***Resolution in respect of appropriation of the Company's result according to the adopted balance sheet (item 10)***

The Board of Directors proposes that no dividend is declared for the financial year 2010.

#### ***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 (appointed by 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 (appointed by Swedbank Robur fonder), Anders Algotsson (appointed by AFA Försäkring) and Ossian Ekdahl (appointed by Första AP-fonden), jointly representing approximately 39 per cent of the voting rights for all the shares in Lundin Petroleum AB, proposes the following:

- Election of Ian H. Lundin as Chairman of the meeting.

- Election of eight 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, Dambisa F. Moyo and Asbjørn Larsen and election of Kristin Færøvik as a new member of the Board. Kristin Færøvik is currently the Executive Vice President Offshore of Bergen Group. Before joining Bergen Group in 2010, she was associated with Marathon Petroleum Company since 2003, where she held several positions, including the position of Managing Director of Marathon Petroleum Company (Norway). She also has extensive international experience from various senior positions within BP. Kristin Færøvik holds a Master of Science degree in Petroleum Engineering from the University of Trondheim (formerly NTH).
- Re-election of Ian H. Lundin as Chairman of the Board of Directors.
- A total compensation to the Board of Directors of SEK 4.2 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 1'000'000 for committee work).
- Payment of auditors' fees upon approval of their invoice.

***Resolution in respect of the 2011 Policy on Remuneration for the Executive Management (item 18)***

The Board of Directors' proposal for the 2011 Policy on Remuneration for Lundin Petroleum's Executive 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 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 the Executive Management is rewarded fairly for its contribution to the Group's performance.

There are four key elements to the remuneration package of Executive Management in the Group: a) Basic salary; b) Yearly variable salary; c) Long-term Incentive Plan (LTIP); and d) Other benefits.

***Remuneration of Board members for special assignments outside the directorship (item 19)***

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 20)***

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 ten per cent of the share capital.

***Authorization to resolve repurchase and sale of shares (item 21)***

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 or the Toronto Stock Exchange (the "Exchanges"). The maximum number of shares repurchased shall be such that shares held in treasury from time to time do not exceed five per cent of all shares of the Company. Repurchase of shares on the Exchanges 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 Exchanges. The repurchases shall be made in accordance with the provisions concerning the purchase of a company's own shares under applicable stock exchange rules and regulations.

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 its incentive plans. The authorization shall also include the right to secure the obligations under the incentive plans by the acquisition of derivatives. Repurchased shares may not be transferred to employees.

***Resolution regarding the nomination process for the AGM in 2012 (item 22)***

The Nomination Committee proposes that the Annual General Meeting decides that the nomination process for the Annual General Meeting in 2012 shall follow the same procedure as the current year, meaning that the Chairman of the Board shall invite three or four of the larger shareholders of the Company based on the shareholdings as per 1 August 2011 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 2012. If the shareholding in the Company is significantly changed before the Nomination Committee's work is completed, or if a member leaves the Nomination Committee before its work has been 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 2012: (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 2013.

### **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 2011, 6'882'638 own shares which cannot be represented at the Annual General Meeting.

The Board of Directors and the Chief Executive Officer shall, if a shareholder so request and the Board considers that it may do so without significant damage to the Company, give information at the Annual General Meeting regarding circumstances that could affect the assessment of an item on the agenda and circumstances that could affect the assessment of the Company's or a subsidiary's financial situation. The duty to give information also applies to the Company's relationship with another Group company and the consolidated financial statements.

The Nomination Committee's complete proposal regarding items 2, 13-16 and 22, including a motivated opinion regarding the proposal for the Board of Directors, is available on Lundin Petroleum's website [www.lundin-petroleum.com](http://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](http://www.lundin-petroleum.com) no later than 14 April 2011: the Board of Directors complete proposal for resolutions regarding items 18 and 20-22; the shareholder proposal for resolution regarding item 19; and Lundin Petroleum's annual report, the audit report, the statement of the auditors regarding the application of guidelines for remuneration and the Board of Director's report on the evaluation of the Policy on Remuneration etc.

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

Stockholm in April 2011  
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, South East Asia, Russia and Africa. 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 187 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 Canadian 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 unduly relied upon. These statements speak only as on the date of this news release 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 and access, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, financial risks. These risks and uncertainties are described in more detail under the heading "Risk Factors" and elsewhere in the Company's 2009 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 included in this new release are expressly qualified by this cautionary statement.