

Documents for the AGM in

LUNDIN PETROLEUM AB (publ)

Tuesday 13 May 2008

AGENDA
for the AGM in
LUNDIN PETROLEUM AB (publ)

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 Managing Director.**
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 Managing Director.**
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**
 - **Remuneration of Board members for special assignments outside the directorship**
 - **Authorization of the Board to adjust the terms and conditions of outstanding share options**

- **Authorization of the Board to resolve new issue of shares and convertible debentures**
 - **Authorization of the Board to resolve repurchase of shares.**
- 18. Resolution in respect of principles for compensation and other terms of employment for management.**
 - 19. Resolution in respect of remuneration of Board members for special assignments outside the directorship.**
 - 20. Resolution to authorize the Board to adjust the terms and conditions of outstanding share options.**
 - 21. Resolution to authorize the Board to resolve new issue of shares and convertible debentures.**
 - 22. Resolution to authorize the Board to resolve repurchase of shares.**
 - 23. Resolution regarding the nomination process for the AGM in 2009.**
 - 24. Other matters.**
 - 25. Closing of the meeting.**

**Proposals for resolutions to be presented at the AGM in
Lundin Petroleum AB (publ)
Tuesday, 13 May, 2008**

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 2007.

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 (Chairman of the Board of Directors), Magnus Unger, (Member of the Board of Directors and Chairman of the Nomination Committee), Åsa Nisell (Swedbank Robur), Lars Öhrstedt (AFA Insurance) and Anders Oscarsson (SEB Trygg-Liv), 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 six members of the Board of Directors with no deputy members.
- A total compensation to the Board of Directors of SEK 3.1 million to be divided as follows. SEK 800,000 to the Chairman, SEK 400,000 to other members of the Board not employed in Lundin Petroleum 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).
- Re-election of the members of the Board Ian. H. Lundin, Magnus Unger, William A. Rand, Lukas H. Lundin and Ashley Heppenstall and election of Asbjörn Larsen as new member of the Board. Asbjörn Larsen was previously president and CEO of Saga Petroleum ASA. Asbjörn Larsen is independent of the company and its management as well as of its major shareholders.
- Re-election of Ian H. Lundin as Chairman of the Board of Directors.
- 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 in essence 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 senior executives are rewarded fairly for their contribution to the Group's performance.

There are five key elements to the remuneration package of senior executives in the Group: a) Basic salary; b) Yearly variable salary; c) Long-term variable bonus retention program; d) Pension arrangements; and e) Non-financial benefits.

Refer to [attachment 1](#) for more information.

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 the Board of Directors shall have disposal of an amount of not more than SEK 2.5 million for remuneration of Board members for special assignments outside the directorship.

Authorization to adjust the terms and conditions of outstanding share options (item 20)

The Board of Directors proposes that the Board is authorized to decide on such adjustments of the terms of the outstanding share option schemes which from time to time are necessary in order to comply with applicable insider trading rules. The authorization shall include a right to extend the exercise period for outstanding share options for up to six months.

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 increase of the current share capital corresponds to a dilution of approximately 10 per cent.

Authorization to resolve repurchase 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 OMX Nordic Exchange Stockholm. 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 OMX Nordic 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 OMX Nordic Exchange Stockholm. The repurchases shall be made in accordance with the provisions concerning the purchase and sale of a company's own shares in the Listing Agreement with the OMX Nordic Exchange Stockholm AB.

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 costs in relation regarding long term variable bonus retention program (see item 18 above). The authorization shall also include the right to secure the obligations regarding long term variable bonus retention program by the acquisition of derivatives. Repurchased shares may not be transferred to employees.

Based on the annual report, the consolidated financial statements and other information which has become known, the Board of Lundin Petroleum AB has considered all aspects of the Company's and the

Group's financial position. This evaluation has led the Board to the conclusion that a repurchase of shares in accordance with the authorization is justifiable, in view of the requirements that the nature and scope of, and risks involved in the Company's operations place on the size of the Company's and group's equity, as well as its consolidation needs, liquidity and position in other respects.

Resolution regarding the nomination process for the AGM in 2009 (item 23)

The Nomination Committee proposes that the Annual General Meeting decides that the nomination process for the Annual General Meeting in 2009 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 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 2009. The Nomination Committee shall prepare the following proposals for resolutions to the Annual General Meeting in 2009: (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 the Company's auditors; (vi) proposal for remuneration of the Company's auditors; and (vii) proposal for principles of the nomination process for the AGM in 2010. 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.

Stockholm, April 2008

LUNDIN PETROLEUM AB (publ)

The Board of Directors

LUNDIN PETROLEUM AB POLICY ON REMUNERATION

PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR MANAGEMENT

It is the aim of Lundin Petroleum AB 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 senior executives are rewarded fairly for their contribution to the Group's performance.

This document sets out the Policy on Remuneration for the Company's senior executives, including the Executive Directors. The term 'executives' refers to the President and Chief Executive Officer, and other members of the Management Group that includes the Executive Vice President and Chief Operating Officer, and other executive officers at Vice President level.

The Board of Directors' proposal outlined herein complies with the principles for compensation previously awarded to the Management Group and is based on agreements made between the Company and each executive.

Compensation Committee

The Compensation Committee is responsible for receiving information on, and determining matters regarding executive compensation. The Committee meets regularly and is responsible for reviewing the Policy on Remuneration, the emoluments of the Executive Directors and other executives and for making recommendations thereon to the Board. The Committee also has access to external advisors to provide assistance in ensuring that salary and benefit packages are competitive and appropriate.

Correspondingly, compensation levels, criteria for variable salary and other employment terms for the President and Chief Executive Officer are proposed by the Compensation Committee to be approved by the Board. For other Vice Presidents, the President and Chief Executive Officer is responsible for proposing appropriate terms to be subject to approval by the Compensation Committee and reported to the Board.

Elements of Remuneration

There are five key elements to the remuneration package of senior executives in the Group:

- a) Basic salary;
- b) Yearly variable salary;
- c) Long-term variable bonus retention program;
- d) Pension arrangements; and
- e) Non-financial benefits.

Basic Salary

The basic salary shall be based on market conditions, be competitive, and will take into account the scope and responsibilities associated with the position, as well as the skills, experience and performance of the incumbent. In addition, the basic salary shall be reviewed annually to ensure that it remains representative. In order to assess the competitiveness of the pay and benefits packages offered by the Group, comparisons may be made to those offered by similar companies. In such circumstances, the comparator group is chosen with regard to:

- a) companies in the same industry;
- b) the size of the Company (turnover, profits and employee numbers);
- c) the diversity and complexity of their businesses;
- d) the geographical spread of their businesses; and
- e) their growth, expansion and change profile.

Periodic benchmarking activities incorporating industries and markets in the oil and gas sector shall be undertaken to ensure that compensation packages remain in line with current market conditions.

Yearly variable salary

The Company considers that Yearly variable salary is an important part of the remuneration package where associated performance targets reflect the key drivers for value creation and growth in shareholder value.

At the end of each year the President and Chief Executive Officer will make a recommendation to the Compensation Committee regarding the payment of the Yearly variable salary to employees based upon their individual contribution to the Company's performance. This includes the achievement of the Company's strategic objective of growth and enhancement of shareholder value through increases in the stock price resulting from increased reserves, production, cash flow and profit.

After consideration of the President & CEO's recommendations the Compensation Committee will recommend to the Board of Directors for their approval the level of payment of Yearly variable salary for the President & CEO in addition to that of all other employees to the extent that such award is in excess of US\$10,000 per employee. The Yearly variable salary shall normally be within the range of 1 - 10 monthly salaries.

Long-term variable bonus retention program

The Long-term variable bonus retention program ("LTVB") includes the granting of units that are converted into a cash award related to the Company's share price. The LTVB will be payable over a period of three years from award in order to aid in the retention of staff. The LTVB is designed to align management incentives with shareholder interests.

The LTVB consists of an annual grant of units that will be converted into a cash payment at vesting. The cash payment will be determined at the end of each vesting period by multiplying the number of units by the share price.

The LTVB has a three year duration whereby the initial grant of units vests equally in three tranches: one third after 1 year; one third after 2 years; and the final third after 3 years.

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 shall be approximately 700,000 for the whole Group of which senior management will be allocated 178,500.

The Board of Directors believes that the LTVB has tax advantages in terms of increased tax deductibility compared to the previously used share option plans.

The Compensation Committee recommends to the Board of Directors a total number of units to be allocated together with a recommendation for the individual allocations. The respective individual allocations shall be based on both position and the achievement of the Company's strategic objective of growth and enhancement of shareholder value through increases in the stock price resulting from increased reserves, production, cash flow and profit.

From an accounting perspective the LTVB is regarded as compensation for services provided and will, under IFRS 2, result in accounting costs which will be distributed over the three year period. Lundin Petroleum's liability under the LTVB will be measured at fair value and revalued at each reporting period

(quarterly). The changes in value will be recognized in the income statement over the three year period so that the accumulated cost over the period corresponds to the value of the LTVB on the final date.

Lundin Petroleum's Board of Directors will seek an authorization by the AGM to repurchase shares on the OMX Nordic Exchange Stockholm. The purpose with the repurchase of shares is, inter alia, to fix the undertaking under the LTVB. Those shares will be sold in the market in conjunction with the payments under the LTVB. This means that the actual cash payment by Lundin Petroleum under the LTVB will correspond to the total price Lundin Petroleum pays for the repurchased shares. An increase of the undertaking under the LTVB due to a rise of the stock price will be secured by the corresponding increase of the value of the repurchased shares.

Pension Arrangements

The pension benefit shall comprise a defined contribution scheme with premiums calculated on the full basic salary. The ratio of pension provision to basic salary is dependent upon the age of the executive.

Non-Financial Benefits

Non-financial benefits shall be based on market terms and shall facilitate the discharge of each executive's duties.

Severance Arrangements

A mutual termination period of between 1 month and 6 months applies between the Company and senior executives and is contingent upon the employee's length of continuous service with the Company. In addition, severance terms are incorporated into the Employment Contracts for senior executives that give rise to compensation in the event of termination of employment due to a company change of control.

The Compensation Committee is responsible for the approval of termination packages that exceed US\$ 150,000 in value per individual.

Authorization for the Board

The Board is proposed to be authorized to deviate from the principles in accordance with Chapter 8, section 53 of the Swedish Companies Act if special circumstances occurs in a certain case.



Lundin Petroleum AB

Company Reg. No. 556610-8055

ARTICLES OF ASSOCIATION

Adopted at the Annual General Meeting on 17 May, 2006

1. Name

The name of the Company is Lundin Petroleum AB. The Company is a public company (publ).

2. Registered office

The board of directors shall have its registered office in Stockholm.

3. Object of the Company

The object of the Company's business is to explore for and exploit gas, oil and minerals and activities compatible therewith, either directly, through its subsidiaries, associated companies or other forms of partnerships.

4. Share capital

The share capital of the Company shall amount to not less than SEK 1,000,000 and not more than SEK 4,000,000.

5. Shares

The number of shares in the Company shall not be less than 100.000.000 and not more than 400.000.000.

6. Financial year

The financial year of the Company shall be January 1 – December 31.

7. Board of directors

The board shall consist of not less than three and not more than ten members with not more than three deputies.

8. Auditors

The Company shall have not more than two auditors with or without not more than two deputy auditors.

9. Shareholders' meeting

At an annual general meeting the following matters shall be dealt with;

1. Election of a chairman at the meeting,
2. Preparation and approval of the voting list,
3. Election of at a minimum one person to attest the minutes,
4. Approval of the agenda
5. Determination as to whether the meeting has been duly convened,
6. Presentation of the annual statement of accounts and the auditor's report
7. Resolutions in respect of
 - a) adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet,
 - b) appropriation of the company's profit or loss according to the adopted balance sheet,
 - c) discharge of the directors and managing director from liability
8. Resolutions in respect to the fees payable to the board of directors and, where applicable, to the auditors,
9. Election of the board members and, where applicable, of auditors
10. Other matters which should be addressed by the Annual General Meeting according to the Swedish Companies Act (2005:551) or the Articles of Association

10. Notice

Notice convening General Meeting of shareholders shall be given through announcement in the Post- och Inrikes Tidningar (the Swedish Gazette) and in Svenska Dagbladet.

Notice of Annual General Meeting and any Extraordinary General Meeting at which a proposal for amendment of the articles of association is to be considered shall be given not earlier than six weeks and not sooner than four weeks before the meeting. Notice of other Extraordinary General Meetings shall be given not earlier than six weeks and not sooner than two weeks before to the meeting.

Shareholders who wish to participate in a General Meeting of shareholders shall be recorded as a shareholder in a print-out or other manifestation of the share register five weekdays before the meeting, as well as give notice to the company of his or her intention to participate in the meeting no later than the day that is set forth in the notice of the meeting. The last-mentioned day shall not be a Sunday, or any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall prior to the fifth weekday before the meeting.

11. Record date provision

The shareholder or nominee who is registered on the record date in the share register and in a central securities depository register pursuant to Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).
