

NOTICE OF ANNUAL GENERAL MEETING IN LUNDIN PETROLEUM AB

The shareholders of Lundin Petroleum AB are hereby invited to the Annual General Meeting of the shareholders to be held on Wednesday, 16 May, 2007 at 1:00 p.m. (Swedish time). Location: Oscarsteatern, Kungsgatan 63 in Stockholm.

Attendance at the meeting

Shareholders wishing to attend the meeting shall:

- be recorded in the share register maintained by the Swedish Central Securities. Depository (VPC) on Thursday 10 May, 2007; and
- notify Lundin Petroleum of their intention to attend the meeting not later than Thursday 10 May, 2007 in writing to Lundin Petroleum AB, Hovslagargatan 5, SE-111 48 Stockholm, Sweden, or by fax Int +46-8-440 54 59, or by telephone Int +46-8-440 54 50, or by e-mail bolagsstamma@lundin.ch.

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 10 May, 2007.

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 Managing Director and the management of the company.
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 by the Board of Directors' proposals in relation to:
 - Principles for compensation and other terms of employment for management
 - Implementation of a Long-term Incentive Plan
 - Issuance of warrants and authorization of the Board to repurchase shares in order to secure Lundin Petroleum's obligations under the Long-term Incentive Plan
 - Adjustment of the terms and conditions of outstanding share options
 - Authorization of the Board to resolve new issue of shares and convertible debentures.
18. Resolution in respect of principles for compensation and other terms of employment for management.
19. Adoption of a Long-term Incentive Plan.
20. Resolution to issue warrants.
21. Resolution to authorize the Board to resolve repurchase of shares.
22. Adjustments of the terms and conditions of outstanding share options.
23. Resolution to authorize the Board to resolve new issue of shares and convertible debentures.
24. Resolution regarding the nomination process for the AGM in 2008.
25. Other matters.
26. Closing of the meeting.

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 2006.

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 13-17)

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), Björn Lind (SEB Trygg-Liv), Ossian Ek Dahl (Första AP-fonden) and Magnus Bakke (Swedbank Robur), jointly representing more than 33 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 five members of the Board of Directors with no deputy members.
- A total compensation to the Board of Directors of SEK 6.65 million to be divided as follows: SEK 750'000 to the Chairman, SEK 400'000 to other members of the Board not employed in Lundin Petroleum and a total of SEK 700'000 for work in the Committees of the Board of Directors. In addition, the Board of Directors shall have disposal of an amount of no more than SEK 4 million for remuneration of Board members for special assignments outside the directorship.
- Re-election of the members of the Board Ian. H. Lundin, Magnus Unger, William Rand, Lukas H. Lundin and Ashley Heppenstall. Viveca Ax:son Johnson and Kai Hieterainta have declined re-election.
- 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) Variable salary; c) Long-term Incentive Plan; d) Pension arrangements; and e) Non-financial benefits.

Implementation of a Long-Term Incentive Plan (item 19)

The Board of Directors proposes that the General Meeting approves the implementation of a Long-term Incentive Plan ("LTI") consisting of a Share Option Plan and a Performance Share Plan. Employees will have a choice to select either the Share Option Plan or the Performance Share Plan or a 50/50 allocation of both.

The Share Option Plan includes a grant of a maximum of not more than 3'950'000 options with a vesting period of 18 months and subject to (i) the achievement of a performance condition relative TSR and (ii) that the employee is employed by Lundin Petroleum when the options are exercised. Each option shall entitle the holder to acquire one newly issued share at a price equivalent to 110 per cent of the average last paid price for Lundin Petroleum's shares on the Stockholm Stock Exchange during the period 18 - 31 May, 2007. The Share Option Plan will use relative total shareholder return ("TSR") as a performance condition for the vesting of the options according to which the employees will earn between 0 per cent and 100 per cent of the option grant based on the performance of Lundin Petroleum relative to its peers. To earn 100 per cent requires that Lundin Petroleum's TSR is among the best 25 per cent of the companies included in the peer group. The peer group will consist of oil and gas exploration and production companies of a similar size and form to Lundin Petroleum. In addition to the achievement of the performance condition, the right to exercise the options is subject to that the employee is employed by Lundin Petroleum at the end of the vesting period. Lundin Petroleum will fulfill its undertaking to deliver shares by delivery of warrants, see further item 20 on the agenda below.

The Performance Share Plan includes a conditional award of not more than 450'000 Lundin Petroleum shares with a vesting period of three years and subject to (i) the achievement of a performance condition relative TSR and (ii) that the employee is employed by Lundin Petroleum at the end of the vesting period. The number of shares awarded under the Performance Share Plan is based on the value of the options granted under the Share Option Plan. The employees will earn between 50 per cent and 100 per cent of the award of shares based on the performance of Lundin Petroleum relative its peers. To earn 100 per cent requires that Lundin Petroleum's TSR is among the best 25 per cent of the companies included in the peer group. Lundin Petroleum will fulfill its undertaking to deliver shares with repurchased shares, see further item 21 on the agenda below.

The LTI includes a Fairness Clause which authorizes the Board of Directors to make such adjustments of the terms and conditions and outcome of the LTI as the Board of Directors determines is appropriate to ensure that the LTI gives a reasonable result for both the employees and the shareholders. The proposal is subject to approval by shareholders holding no less than nine-tenths of the shares voted as well as nine-tenths of all shares present or represented at the meeting.

Resolution to issue warrants (item 20)

The Board proposes that the meeting adopts a resolution to issue not more than 3'950'000 warrants. Each warrant shall entitle the holder to subscribe for one new share in Lundin Petroleum AB. The exercise price shall be 110 per cent of the average last paid price for Lundin Petroleum's shares on the Stockholm Stock Exchange during the period 18 - 31 May, 2007. The right to subscribe for the warrants shall rest with a wholly owned subsidiary of Lundin Petroleum. The reason for the disapplication of the pre-emption rights is to secure Lundin Petroleum's obligation to grant not more than 3'950'000 options under the Share Option Plan. In the event that all warrants are exercised, the current share capital of the company will increase by SEK 39'500, corresponding to a dilution of approx. 1.2 per cent.

Resolution to authorize the Board to resolve repurchase 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 repurchase and sale of Lundin Petroleum shares on the Stockholm Stock Exchange. The maximum number of shares repurchased shall be such that shares held in treasury from time to time do not exceed 450'000. Repurchase of shares 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 Stockholm Stock Exchange. The purpose of the authorization is to secure Lundin Petroleum's obligations to deliver shares to the employees under the Performance Share Plan and the authorization shall also include the right to secure the obligations by acquisition of derivatives.

Adjustment of terms and conditions of outstanding share options (item 22)

Under Lundin Petroleum's current share option plan the right to exercise the share options is subject to the employee being employed by the Lundin Petroleum Group at the time of exercise. The Board proposes that the employees of Viking Oil and Gas ASA ("Viking") shall be entitled to keep their share options notwithstanding that Viking will not be a formal member of the Lundin AB Group, in order to reflect that Lundin Petroleum's holding of approx. 49,99 per cent of the shares in Viking will be a substantial asset of Lundin Petroleum and vital for the value of Lundin Petroleum. If the IPO of Viking is completed the employees of Viking will not be entitled to participate in the LTI.

Authorization to resolve new issue of shares and convertible debentures (item 23)

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 raise capital for the company's business operations and business acquisitions. 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 10.0 per cent.

Resolution regarding the nomination process for the AGM in 2008 (item 24)

Shareholders jointly representing more than 33 per cent of the voting rights for all the shares in the company propose that the Annual General Meeting decides that the nomination process for the Annual General Meeting in 2008 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 2008. The Nomination Committee shall prepare the following proposals for resolutions to the Annual General Meeting in 2008: (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; and (v) proposal for remuneration of the Company's auditors.

Further information

The Nomination Committee's proposal for resolutions regarding items 13-16 and the Board of Directors' complete proposals for resolutions regarding items 18-23 will be available at Lundin Petroleum's web site www.lundin-petroleum.com from May 2, 2007. The proposals will be sent to shareholders free of charge upon request. The Annual Report will be made available at Lundin Petroleum's web site no later than May 2, 2007.

Stockholm in April 2007 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, Africa, Russia and the Far East. The Company is listed at the Nordic Exchange, Sweden (ticker "LUPE"). Lundin Petroleum has existing proven and probable reserves of 176.4 million barrels of oil equivalent (mmboe) as at 1 January 2007.

For further information, please contact:

C. Ashley Heppenstall ,
President and CEO
Tel: +41 22 595 10 00
or
Maria Hamilton
Head of Corporate Communications
Tel: +46 8 440 54 50