

## Invitation to the Annual General Meeting of Lundin Petroleum AB

The shareholders of Lundin Petroleum AB (publ) are hereby given notice of the Annual General Meeting of Shareholders to be held on Thursday 7 May 2015 at 1 p.m. (Swedish time). Location: Vinterträdgården at Grand Hôtel, Södra Blasieholmshamnen 8 in Stockholm. The Annual General Meeting will be translated from Swedish to English and from English to Swedish.

### Attendance at the Annual General Meeting

Shareholders wishing to attend the Annual General Meeting shall:

- be recorded in the share register maintained by Euroclear Sweden AB on Thursday 30 April 2015; and
- notify Lundin Petroleum of their intention to attend the Annual General Meeting no later than Thursday 30 April 2015 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 Annual General Meeting. Such registration must be effected by Thursday 30 April 2015.

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 [www.lundin-petroleum.com](http://www.lundin-petroleum.com) and will be sent to shareholders upon request.

### Proposed agenda

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General 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 Annual General Meeting has been duly convened.
7. Speech by the Chief Executive Officer.
8. Presentation of the annual report and the auditor's report, the consolidated financial statements and the auditor's 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 of Directors and the Chief Executive Officer.
12. Presentation by the Nomination Committee:
  - The work of the Nomination Committee.
  - Proposal for the number of members of the Board.
  - 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 election of auditor.
  - Proposal for remuneration of the auditor.
13. Presentation of a proposal in relation to remuneration of the Chairman for work performed outside the directorship.
14. Resolution in respect of the number of members of the Board.
15. Board members:
  - a) Re-election of Peggy Bruzelius as a Board member;
  - b) re-election of C. Ashley Heppenstall as a Board member;
  - c) re-election of Ian H. Lundin as a Board member;
  - d) re-election of Lukas H. Lundin as a Board member;
  - e) re-election of William A. Rand as a Board member;

- f) re-election of Magnus Unger as a Board member;
  - g) re-election of Cecilia Vieweg as a Board member;
  - h) election of Grace Reksten Skaugen as a Board member; and
  - i) re-election of Ian H. Lundin as the Chairman of the Board.
16. Resolution in respect of remuneration of the Chairman and other members of the Board.
  17. Resolution in respect of remuneration of the Chairman for work performed outside the directorship.
  18. Election of auditor.
  19. Resolution in respect of remuneration of the auditor.
  20. Presentation of proposals in relation to:
    - The 2015 Policy on Remuneration for Group Management.
    - The 2015 Long-term, Performance-based Incentive Plan.
    - Authorisation of the Board to resolve on new issue of shares and convertible debentures.
    - Authorisation of the Board to resolve on repurchase and sale of shares.
  21. Resolution in respect of the 2015 Policy on Remuneration for Group Management.
  22. Resolution in respect of the 2015 Long-term, Performance-based Incentive Plan.
  23. Resolution to authorise the Board to resolve on new issue of shares and convertible debentures.
  24. Resolution to authorise the Board to resolve on repurchase and sale of shares.
  25. Closing of the Annual General Meeting.

**Proposals for resolutions to be presented at the Annual General Meeting of Lundin Petroleum AB on Thursday 7 May 2015 in Stockholm**

**Resolution in respect of appropriation of the Company's result (item 10)**

The Board proposes that no dividend is declared for the financial year 2014.

**Resolutions in respect of Chairman of the Annual General Meeting, number of Board members, election of Chairman of the Board and of other members of the Board, fees payable to the Chairman of the Board and other members of the Board, election of auditor and fees payable to the auditor (items 2, 14-16 and 18-19)**

Lundin Petroleum AB's Nomination Committee for the 2015 Annual General Meeting, consisting of Ian H. Lundin (Lorito Holdings (Guernsey) Ltd., Zebra Holdings and Investment (Guernsey) Ltd. and Landor Participations Inc., as well as Chairman of the Board), Magnus Unger (member of the Board and Chairman of the Nomination Committee), Åsa Nisell (Swedbank Robur fonder), Arne Lööv (Fjärde AP-fonden) and Pehr-Olof Malmström (Danske Capital AB), jointly representing approximately 38 percent of the voting rights for all the shares in Lundin Petroleum AB as per 1 August 2014, proposes the following:

- Advokat Klaes Edhall to be appointed as Chairman of the Annual General Meeting.
- Eight members of the Board to be appointed without deputy members.
- Re-election of Peggy Bruzelius, C. Ashley Heppenstall, Ian H. Lundin, Lukas H. Lundin, William A. Rand, Magnus Unger and Cecilia Vieweg as members of the Board and election of Grace Reksten Skaugen as a new member of the Board. Asbjørn Larsen has declined re-election. Grace Reksten Skaugen is a Norwegian businesswoman with extensive international, financial and oil and gas experience. She is Chair of NAXS Nordic Access Buyout A/S and the Deputy Chair of the Board of Directors of Orkla ASA and a member of the Board of Directors of Investor AB. She is also the Founder and Chair of the Norwegian Institute of Directors and a Council Member of the International Institute of Strategic Studies in London. She has a Master of Business Administration from the BI Norwegian School of Management and a Bachelor of Science (Honours in Physics) as well as a Doctorate (Laser Physics) from the Imperial College of Science and Technology at London University.
- Re-election of Ian H. Lundin as Chairman of the Board.
- Remuneration of the members of the Board and the Chairman of the Board, including in respect of Committee membership, to be as follows: (i) annual fees of the members of the Board of SEK 500,000 (excluding the Chairman of the Board and the Chief Executive Officer); (ii) annual fees of the Chairman of the Board of SEK 1,050,000; (iii) annual fees for Committee members of SEK 100,000 per Committee assignment (excluding the Committee Chairmen); and (iv) annual fees for Committee Chairmen of SEK 150,000; with the total fees for Committee work, including Committee Chairmen fees, not to exceed SEK 900,000.

- Re-election of the registered accounting firm PricewaterhouseCoopers AB as the auditor of the Company, which intends to appoint authorised public accountant Johan Rippe as the auditor in charge, for a period until the end of the 2016 Annual General Meeting.
- The auditor's fees shall be payable upon approval of their invoice.

#### **Resolution in respect of remuneration of the Chairman for work performed outside the directorship (item 17)**

Shareholders jointly representing approximately 30 percent of the voting rights for all the shares in the Company propose that an amount of SEK 1,500,000 be paid to the Chairman of the Board for the work that he performs outside the directorship. The work performed extends over and above the general tasks and duties of the Chairman and include, among other things, representing the Company in meetings with various stakeholders, such as governments, industry representatives and financial institutions.

#### **Resolution in respect of the 2015 Policy on Remuneration for Group Management (item 21)**

The Board's proposal for the 2015 Policy on Remuneration for Lundin Petroleum's Group Management, which consists of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Senior Vice President Development and other Vice President level employees, 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 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 Group Management is rewarded fairly for its contribution to the Group's performance.

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

The 2015 Policy on Remuneration also provides for mutual notice periods on termination of employment and for severance arrangements in the event of termination of employment due to a change of control of the Company, where employment is terminated by the Company without cause, or otherwise in circumstances at the discretion of the Board.

The proposed 2015 Policy on Remuneration for Group Management is available on [www.lundin-petroleum.com](http://www.lundin-petroleum.com).

#### **Resolution for the 2015 Long-term, Performance-based Incentive Plan (item 22)**

The Board of Directors proposes that the Annual General Meeting resolve to establish a long-term, performance-based incentive plan ("**LTIP 2015**") in respect of Group Management and a number of key employees of Lundin Petroleum, which follows the same principles as the long-term, performance-based incentive plan ("**LTI**") approved by the 2014 Annual General Meeting and which is based on the guidelines and the principal terms and conditions set out below.

The primary reason for establishing LTIP 2015 is to align the interests of Group Management and other key employees with the interests of the shareholders, and to provide market appropriate reward reflecting performance and commitment.

In order to be eligible to participate in future LTI plans, each participant needs to build towards a meaningful shareholding in Lundin Petroleum, meaning that a certain portion of any allotted shares pursuant to LTIP 2015 (and any future LTI plans) shall be retained until the required level of shareholding has been met.

Awards under LTIP 2015 are proposed to be made to approximately 20 permanent employees of the Lundin Petroleum Group (the "**Participants**"), comprising the CEO and other members of Group Management as well as certain other key employees within the Lundin Petroleum Group. The Board of Directors may, within the total number of shares available under LTIP 2015, invite a limited number of additional Participants in LTIP 2015 following recruitment to the Lundin Petroleum Group.

LTIP 2015 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 normally commencing on 1 July 2015 and expiring on 30 June 2018 (the “**Performance Period**”). The performance condition (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 “**Peer Group**”). At the beginning of the Performance Period, the Participants will, free of charge be granted awards (“**LTIP Awards**”) which, provided that i.a. the Performance Condition is met, entitle the Participant to be allotted, also free of charge, shares in Lundin Petroleum (“**Performance Shares**”) as soon as reasonably practicable following the end of the Performance Period.

The LTIP Award (i.e. the number of Performance Shares that a Participant may be allotted following the expiration of the Performance Period, provided that i.a. the Performance Condition is met) to be awarded to each Participant shall be calculated as follows:

LTIP Award = A multiplied by B divided by C, where

A is the Participant’s monthly gross base salary applicable as at the date of grant of the LTIP Award;

B is a number of months as determined by the Board of Directors in respect of each Participant, taking into account such factors as industry benchmarking and the Participant’s position within the Lundin Petroleum Group (but in any case, not exceeding 36 months); and

C being the average closing price of the Lundin Petroleum share on NASDAQ Stockholm for the three month period immediately prior to the Performance Period (the “**Initial Share Price**”).

Fractions of Performance Shares shall be rounded-off to the immediate lower whole number.

Assuming a share price of the Lundin Petroleum share as of 1 April 2015 of SEK 118.40, the total number of Performance Shares that may be allotted under LTIP 2015 as at the date of award (assuming 100 per cent vesting) is approximately 800,000, corresponding to approximately 0.3 per cent of the current total number of shares and votes in Lundin Petroleum. Since LTIP Awards are intended to be awarded in July 2015 and the share price of the Lundin Petroleum share may fluctuate until the Initial Share Price is determined, and considering additional Participants following recruitment, the total number of Performance Shares under LTIP 2015 as at the date of award may not exceed 900,000.

Allotment of Performance Shares will be determined by the Board of Directors after the expiration of the Performance Period on the basis of LTIP Awards made and is conditional on (i) the Participant retaining his or her uninterrupted employment in the Lundin Petroleum Group until the expiry of the Performance Period and (ii) the Performance Condition having been met. The Board of Directors may reduce (including reduce to zero) allotment of Performance Shares at its discretion, should it consider the underlying performance not to be reflected in the outcome of the Performance Condition, for example, in light of operating cash flow, reserves, and health and safety performance.

A minimum and a maximum level for the Performance Condition to be fulfilled have been established by the Board of Directors. In order for the LTIP Awards to give entitlement to the maximum number of Performance Shares, the maximum level for the Performance Condition must have been fulfilled. Where the level of fulfilment is between the minimum and maximum levels, allotment will occur on a linear basis.

The Participants will not be entitled to transfer, pledge or dispose of the LTIP Award or any rights or obligations under LTIP 2015, or exercise any shareholders’ rights regarding the LTIP Awards during the Performance Period.

Recalculation of the Performance Condition and the LTIP Awards, including the number of Performance Shares allotted, shall take place in the event of an intervening dividend in kind, bonus issue, split, preferential rights issue and/or other similar corporate events.

The Board of Directors will be entitled to adopt different terms and conditions for LTIP 2015 regarding, among other things, the Performance Period and allotment of Performance Shares in the event of commencement or termination of employment during the Performance Period, e.g. due to new recruitments, illness, disability, death, redundancy, contractual retirement and other exceptional circumstances determined by the Board of Directors.

The LTIP Awards entitle Participants to acquire already existing Lundin Petroleum shares. To ensure delivery of the required number of shares under LTIP 2015, the Board of Directors will consider means to secure the Company's commitment. One method would be to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares in Lundin Petroleum to the Participants. The Company further holds 2,000,000 own shares, which mitigate the Company's financial exposure under LTIP 2015.

The maximum cost for granting LTIP Awards under LTIP 2015 (assuming 100 per cent vesting), excluding costs related to delivery of the Performance Shares, is approximately USD 11.1 million (approximately SEK 96.0 million), excluding social security charges. The maximum cost for social security charges is estimated to be approximately USD 1.3 million (approximately SEK 11.6 million) assuming 100 per cent vesting and an annual share price increase of 10 per cent during the Performance Period.

The Board of Directors proposes that the Annual General Meeting resolves in accordance with the Board of Directors proposal to establish LTIP 2015. A valid resolution requires a simple majority of the votes cast.

A more detailed description of the Board's proposal for the 2015 LTIP is available on [www.lundin-petroleum.com](http://www.lundin-petroleum.com).

#### **Resolution to authorise the Board to resolve new issue of shares and convertible debentures (item 23)**

The Board proposes that the Board is authorised to decide, at one or more occasions until the next Annual General Meeting:

- (i) to issue no more than 34,000,000 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, where the number of shares that may be issued after conversion must not exceed 34,000,000. 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 proposed authorisations under (i) and (ii) may not together exceed 34,000,000. If the authorisation is exercised in full, the newly issued shares would constitute approximately ten percent of the share capital.

This proposal requires the affirmative support of shareholders holding at least two thirds of the votes given for this resolution and of the shares represented at the Annual General Meeting.

#### **Resolution to authorise the Board to resolve repurchase and sale of shares (item 24)**

The Board proposes that the Board is authorised, during the period until the next Annual General Meeting, to decide on repurchases and sales of Lundin Petroleum shares on NASDAQ Stockholm (the "Exchange"). The maximum number of shares repurchased shall be such that shares held in treasury from time to time do not exceed five percent of all shares of the Company. Repurchase of shares on the 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

the Exchange. 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 authorisation is to provide the Board with an instrument to optimise 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 authorisation shall also include the right to secure the obligations under the incentive plans by the acquisition of derivatives. The shares to be repurchased under this authorisation may not be transferred to employees.

This proposal requires the affirmative support of shareholders holding at least two thirds of the votes given for this resolution and of the shares represented at the Annual General Meeting.

#### **Further information**

Lundin Petroleum AB's share capital amounts to SEK 3,179,105.80, represented by 311,070,330 shares. Each share carries one vote. Lundin Petroleum AB holds, as per 8 April 2015, 2,000,000 own shares which cannot be represented at the Annual General Meeting. The Company's Articles of Association are available on [www.lundin-petroleum.com](http://www.lundin-petroleum.com).

The Board 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 Chief Executive Officer's speech will be available on [www.lundin-petroleum.com](http://www.lundin-petroleum.com) after the Annual General Meeting.

Members of Lundin Petroleum's Group Management will be available before and after the Annual General Meeting to discuss the business and operations of the Company and to answer questions from shareholders.

#### **Additional documentation**

The following documentation is further available at Lundin Petroleum's office (Hovslagargatan 5 in Stockholm) and on [www.lundin-petroleum.com](http://www.lundin-petroleum.com):

- The Nomination Committee's complete proposal regarding items 2, 14-16 and 18-19, including a reasoned statement regarding the proposal for the Board.
- Lundin Petroleum AB's annual report, which includes the financial statements and the audit report.
- The statement of the auditor regarding the application of guidelines for remuneration as per the Swedish Companies Act Chapter 8, Section 54.
- The Board's report on the evaluation of remuneration of Group Management in 2014.
- The Board's proposal for the 2015 Policy on Remuneration for Group Management.
- The Board's proposal for the 2015 LTIP.
- The Board's statement pursuant to the Swedish Companies Act Chapter 19, Section 22 in respect of the authorisation to purchase and sell own shares.
- A proxy form.

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

Stockholm in April 2015  
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 primarily located in Europe and South East Asia. The Company is listed on NASDAQ Stockholm (ticker "LUPE"). Lundin Petroleum has proven and probable reserves of 187.5 million barrels of oil equivalent (MMboe).*

For further information, please contact:

Maria Hamilton  
Head of Corporate Communications  
maria.hamilton@lundin.ch  
Tel: +41 22 595 10 00  
Tel: +46 8 440 54 50  
Mobile: +41 79 63 53 641

or

Teitur Poulsen  
VP Corporate Planning & Investor Relations  
Tel: +41 22 595 10 00

This information has been made public in accordance with the Securities Market Act (SFS 2007:528) and/or the Financial Instruments Trading Act (SFS 1991:980).

### **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), productions 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.