

18 April 2006

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, 17 May 2006 at 1:00 p.m. (Swedish time).

Location: Berns, Berzelii Park, Stockholm, main entrance, registration 1 story down.

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 11 May, 2006; and
- notify Lundin Petroleum of their intention to attend the meeting not later than Friday 12 May 2006 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.

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 Board of Directors including the Board committees
 - Proposal for election of Chairman of the Board and other members of the Board
 - Proposal for remuneration of the Board of Directors
 - Presentation of remuneration of the CEO
 - Proposal for incentive programme
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. Election of a new auditor in replacement of Carl-Eric Bohlin.
18. Presentation by the Board of Directors proposals in relation to:
 - Principles for compensation and other terms of employment for management
 - Issue of warrants under the option plan
 - Authorization of the Board to resolve new issue of shares and convertible debentures.
19. Resolution in respect of principles for compensation and other terms of employment for management.
20. Resolution to issue warrants.
21. Resolution to authorize the Board to resolve new issue of shares and convertible debentures.
22. Resolution regarding amendments to the Articles of Association.
23. Resolution regarding the nomination process for the AGM in 2007.
24. Other matters.
25. 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 2005.

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 and of an auditor (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 Ekdahl (Första AP-fonden) and Magnus Bakke (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 nine members of the Board of Directors with no deputy members.
- A total compensation to the Board of Directors of SEK 7.5 million to be divided as follows: SEK 700'000 to the Chairman, SEK 350'000 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 Adolf H. Lundin, Kai Hietarinta, Magnus Unger, William Rand, Lukas H. Lundin, Ian H. Lundin, Ashley Heppenstall, Carl Bildt and Viveca Ax:son Johnson.
- Re-election of Ian H. Lundin as chairman of the Board of Directors.
- Payment of auditors' fees upon approval of their invoice.
- The Annual General Meeting in 2005 elected Carl-Eric Bohlin and Klas Brand as auditors of the company with Bo Hjalmarsson as deputy auditor for the period until the end of the 2009 Annual General Meeting. Carl-Eric Bohlin has notified the company that he wishes to be replaced due to his retirement. The Nomination Committee proposes that Bo Hjalmarsson is elected new auditor and that Bo Karlsson is elected new deputy auditor for the period until the end of the 2009 Annual General Meeting.

Resolution in respect of principles for compensation and other terms of employment for management (item 19)

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) Share option incentives; d) Pension arrangements; and e) Non-financial benefits. The proposal in its entirety is presented on Lundin Petroleum's web site www.lundin-petroleum.com.

Resolution to issue warrants (item 20)

The Board of Directors proposes that the General Meeting adopts a resolution to issue not more than 3'250'000 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 O-list of the Stockholm Stock Exchange during the period from 18 May 2006 up to and including 1 June 2006. The exercise price thus established shall be rounded off to nearest ten öre, whereby SEK 0.05 shall be rounded upwards. The warrants may be exercised from 31 May 2007 up to and including 31 May 2009.

The right to subscribe for the warrants shall by virtue of the disapplication of the shareholders' pre-emption rights, rest with a wholly owned subsidiary of Lundin Petroleum. The reason for the disapplication of the pre-emption rights is to guarantee the fulfillment of the obligation to grant not more than 3'250'000 options in accordance with the company's option plan, based on stock options which entitle the option holder to acquire shares in the company on terms equivalent to those of the warrants.

Option plans are common practice for companies in the international oil and gas exploration business. In the opinion of the Board of Directors, Lundin Petroleum derives benefit from a remuneration system, of which a part of the remuneration package consists of stock options, enabling Lundin Petroleum to recruit and motivate highly qualified personnel.

Allotment shall be made with 400'000 options to the Managing Director Ashley Heppenstall, 350'000 to the Deputy Managing Director Alex Schneider and a total of 2'450'000 options to other employees. Members of the Board who are not employees of the company will not receive any options.

In the event that all warrants are exercised, the current share capital of the company will increase by SEK 32'500, corresponding to a dilution of 1.2 per cent. 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.

Authorization to resolve new issue of shares and convertible debentures (item 21)

The Board of Directors proposes that the General Meeting authorizes the Board of Directors to resolve, 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 27,000,000. If the authorization is exercised in full, the increase of the current share capital corresponds to a dilution of approximately 9.6 per cent.

Resolution regarding amendments to the Articles of Association (item 22)

In order to comply with the new Swedish Companies Act, the Board of Directors proposes that the Articles of Association are amended as follows.

- The clause concerning the nominal value of the shares should be discarded.
- A clause stating that the number of shares shall not be less than 100,000,000 and not more than 400,000,000 should be introduced.
- The clause concerning the record date provision should be adjusted to the new definition of a company connected to VPC (the Swedish Securities Register Center).
- The clause concerning notice of general meetings should be amended so that notices of general meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and Svenska Dagbladet.
- The record date for participation in general meetings is changed to the fifth weekday before the meeting.

Resolution regarding the nomination process for the AGM in 2007 (item 23)

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 2007 shall follow the same procedure as the current year, meaning that the Chairman of the Board shall invite the three or four 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 2007. The Nomination Committee shall prepare the following proposals for resolutions to the Annual General Meeting in 2007: (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 in items 13-17 above and the Board of Directors' complete proposals for resolutions in items 19-22 above are available at Lundin Petroleum's home page www.lundin-petroleum.com from May 3, 2006. The proposals will be sent to shareholders free of charge upon request. The Annual Report will be made available at the company's office and on the company's home page no later than May 3, 2006.

Stockholm in April 2006 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 Albania, France, Indonesia, Iran, Netherlands, Norway, Sudan, Tunisia and Venezuela. The Company is listed on the Attract 40-list at Stockholm Stock Exchange, Sweden (ticker "LUPE").

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