

Report regarding the work of Lundin Petroleum AB's Nomination Committee and proposals for the 2011 Annual General Meeting of the Shareholders as well as a reasoned statement regarding proposals for the election of the members of the Board of Directors

The Nomination Committee of Lundin Petroleum AB (hereinafter "Lundin Petroleum" or the "Company") submits the following report regarding its work prior to the Annual General Meeting of Lundin Petroleum to be held on 5 May 2011.

Formation of the Nomination Committee

It was resolved at the Annual General Meeting of Lundin Petroleum held on 6 May 2010 that the following principles would apply for the nominations process prior to the 2011 Annual General Meeting. The Chairman of the Board of Directors will invite three to four of the Company's larger shareholders to form a Nomination Committee. The names of the members of the Nomination Committee shall be made public not later than six months prior to the 2011 Annual General Meeting. The Nomination Committee shall prepare proposals for the following resolutions to be taken at the 2011 Annual General Meeting: (i) proposal for election of a Chairman of the meeting; (ii) proposal for election of the members of the Board of Directors; (iii) proposal for election of the Chairman of the Board of Directors; (iv) proposal for Directors fees with an allocation between the Chairman and the other Directors and compensation for Committee work; (v) proposal for auditor's fees; and (vi) proposals for principles for the nomination process prior to the 2012 Annual General Meeting. Should the ownership situation change materially prior to the completion of the Nomination Committee's work, it must be possible for changes to be made in the composition of the Nomination Committee. The term of the Nomination Committee shall extend until a new Nomination Committee has been appointed.

On 14 October 2010, the Nomination Committee was formed with the following members: Ian H. Lundin (Chairman of the Board of Directors, appointed by Lorito Holdings (Guernsey) Ltd., Landor Participations Inc. and Zebra Holdings and Investment (Guernsey) Ltd.), Magnus Unger (member of the Board of Directors), KG Lindvall (appointed by Swedbank Robur fonder), Ossian Ekdahl (appointed by Första AP-fonden) and Anders Algotsson (appointed by AFA Försäkring). The Nomination Committee represents approximately 39 percent of the shares in Lundin Petroleum.

Magnus Unger was appointed chairman of the Nomination Committee at the first meeting. The circumstances underlying this deviation from the Swedish Code of Corporate Governance (hereinafter the "Code") are that the members of the Nomination Committee felt it was justified that Ian H. Lundin be appointed chairman in light of the Lundin family's large shareholdings in the Company. Ian H. Lundin gratefully acknowledged this confidence but proposed that Magnus Unger be appointed chairman since, for some time, he has had the responsibility for these types of issues within the Board of Directors and at shareholder meetings, and his closer connections to Sweden would facilitate the work of the Nomination Committee. For the same reasons, Magnus Unger served as chairman of Lundin Petroleum's previous Nomination Committees leading up to the shareholder meetings in 2006 - 2010.

The formation of the Nomination Committee was announced through a press release issued on 15 October 2010. The press release contained information as to how shareholders can submit proposals to the Nomination Committee. No such proposal has been received.

The work of the Nomination Committee

The Nomination Committee has met on three occasions and has had informal contacts in between these meetings. The Nomination Committee has received a report on the Board of Directors' work and the structure of its work over the past year, the results of an evaluation of the Board of Directors' work carried out by the Chairman of the Board of Directors, and a study by Lundin Petroleum's legal counsel regarding the independence of the Board members.

The members independent of the major shareholders of Lundin Petroleum (KG Lindvall, Ossian Ekdahl and Anders Algotsson) met director William A. Rand, who is the Chairman of Lundin Petroleum's Audit Committee and Kristin Færøvik, who is proposed for election as a new member of the Board privately. Ian H. Lundin and Magnus Unger were not present at these meetings.

The reasoned proposals of the Nomination Committee for election of the Board of Directors

The Nomination Committee proposes the re-election of all of the members of the Board of Directors - Ian H. Lundin, William A. Rand, Magnus Unger, Lukas H. Lundin, C. Ashley Heppenstall, Asbjørn Larsen and Dambisa F. Moyo and election of Kristin Færøvik as a new member of the Board. The Nomination Committee further proposes the re-election of Ian H. Lundin as Chairman of the Board of Directors.

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).

It is the opinion of the Nomination Committee that, taking into consideration the business operations of Lundin Petroleum, its current phase of development, and circumstances generally, the proposed Board of Directors is composed of multi-faceted individuals who are well-suited for the job and whose expertise, experience and background is extensive and the Board fulfils the requirements regarding independence in relation to the Company, group management and the Company's major shareholders (see further below).

The independence of the directors

According to the Code, a majority of the members of the Board of Directors elected at the shareholders' meeting must be independent of the Company and group management. In addition, at least two of the directors who are independent of the Company and group management must also be independent of the Company's major shareholders.

It is the opinion of the Nomination Committee that all of the proposed members of the Board of Directors with the exception of the Chief Executive Officer Ashley Heppenstall must be considered to be independent of the Company and group management. In the opinion of the Nomination Committee, the fact that Ian H. Lundin has received fees for special assignments outside the directorship shall not mean that he shall be considered to be dependent of the Company and group management.

With respect to independence of the Company's major shareholders, it is the opinion of the Nomination Committee that William A. Rand and C. Ashley Heppenstall cannot be deemed to be independent of the Company's major shareholders who are represented on the Board of Directors by Ian H. Lundin and Lukas H. Lundin. The reason for this assessment is that William A. Rand serves on the boards of

directors of a number of listed companies in which the Lundin family, through a trust, is a significant shareholder. C. Ashley Heppenstall is, in addition to his position as Chief Executive Officer of the Company, also member of the board of two other companies in which the Lundin family, through a trust, is a significant shareholder. It is the opinion of the Nomination Committee that Magnus Unger, Asbjørn Larsen, Dambisa F. Moyo and Kristin Færøvik are independent of the Company's major shareholders.

Information about the proposed members of the Board

Ian H. Lundin

Born: 1960

Member of the Board since: 2001

Shareholding in Lundin Petroleum: 0; however, Ian H. Lundin is the settler of a trust that owns Landor Participations Inc., an investment company that holds 11,538,956 shares in the Company, and he is a member of the Lundin family that holds, through a family trust, Lorito Holdings (Guernsey) Ltd. which holds 76,342,895 shares in the Company and Zebra Holdings and Investment (Guernsey) Ltd which holds 10,844,643 shares in the Company.

Education: Bachelor of Science in Petroleum Engineering from University of Tulsa

Other directorships: Chairman of the Board of Etrion Corp. and Bukowski Auktioner AB.

Independent in relation to the Company and group management. Not independent in relation to major shareholders of the Company.

Magnus Unger

Born: 1942

Member of the Board since: 2001

Shareholding in Lundin Petroleum: 50,000 shares

Education: MBA in business administration and economics from Stockholm School of Economics

Other directorships: Member of the Board of Black Earth Farming Ltd and CAL Konsult AB.

Independent in relation to the Company and group management. Independent in relation to major shareholders of the Company.

William A. Rand

Born: 1942

Member of the Board since: 2001

Shareholding in Lundin Petroleum: 120,441 shares

Education: Bachelor of Commerce degree (Honours Economics and Major Accounting) from McGill University, Bachelor of Laws degree from Dalhousie Law School and a Masters of Law degree from the London School of Economics

Other directorships: Member of the Board of Lundin Mining Corp., Vostok Nafta Investment Ltd., Denison Mines Corp., NGEEx Resources Inc and New West Energy Services Inc.

Independent in relation to the Company and group management. Not independent in relation to major shareholders of the Company.

Lukas H. Lundin

Born: 1958

Member of the Board since: 2001

Shareholding in Lundin Petroleum: 788,331 shares; in addition, Lukas H. Lundin is a member of the Lundin family that holds, through a family trust, Lorito Holdings (Guernsey) Ltd. which holds 76,342,895 shares in the Company and Zebra Holdings and Investment (Guernsey) Ltd which holds 10,844,643 shares in the Company.

Education: Graduate from the New Mexico Institute of Mining and Technology (engineering).

Other directorships: Chairman of the Board of Vostok Nafta Investment Ltd., Denison Mines Corp., NGEEx Resources Inc., Lundin Mining Corp., Lucara Diamond Corp., Atacama Minerals Corp. and Lundin for Africa (Lundin for Africa Foundation and Lundin for Africa Society). Member of the Board of Kinross Gold Corp., Fortress Minerals Corp. and Bukowski Auktioner AB.

Independent in relation to the Company and group management. Not independent in relation to major shareholders of the Company.

C. Ashley Heppenstall

Born: 1962

Member of the Board since: 2001

Shareholding in Lundin Petroleum: 1,391,283 shares

Education: Graduate of the University of Durham in Mathematics

Other directorships: Member of the Board of Etrion Corp., Vostok Nafta Investment Ltd and Gateway Storage Company Limited.

Not independent in relation to the Company and group management. Not independent in relation to major shareholders of the Company.

Asbjørn Larsen

Born: 1936

Member of the Board since: 2008

Shareholding in Lundin Petroleum: 12,000

Education: Bachelor's degree in business administration and economics

Other directorships: Chairman of the Board of Belships ASA. Vice Chairman of the Board of Saga Fjordbase AS. Member of the Board of Selvaag Gruppen AS, GreenStream Network Oyj, Montebello Cancer Rehabilitation Foundation and The Tom Wilhelmsen Foundation.

Independent in relation to the Company and group management. Independent in relation to major shareholders of the Company.

Dambisa F. Moyo

Born: 1969

Member of the Board since: 2009

Shareholding in Lundin Petroleum: 0

Education: Doctorate in Economics at Oxford University. Master from Harvard University's Kennedy School of Government. MBA in Finance and Bachelors degree in Chemistry from the American University in Washington D.C.

Other directorships: Member of the Board of Barclays PLC, Barclays Bank PLC, SABMiller plc and Room to Read.

Independent in relation to the Company and group management. Independent in relation to major shareholders of the Company.

Kristin Færøvik

Born: 1962

Member of the Board since: ---

Shareholding in Lundin Petroleum: 0

Education: Master of Science degree in Petroleum Engineering from the University of Trondheim (formerly NTH)

Other directorships: none.

Independent in relation to the Company and group management. Independent in relation to major shareholders of the Company.

Further information about the members of the Board is available on Lundin Petroleum's website www.lundin-petroleum.com.

The Nomination Committee's complete proposal for resolutions by the Annual General Meeting

- The Chairman of the Board Ian H. Lundin as Chairman of the Annual General Meeting.
- Eight members of the Board of Directors without alternate members.
- Re-election of Ian H. Lundin, William A. Rand, Magnus Unger, Lukas H. Lundin, C. Ashley Heppenstall, Asbjørn Larsen and Dambisa F. Moyo and election of Kristin Færøvik as a new member of the Board.
- Re-election of Ian H. Lundin as Chairman of the Board of Directors.
- An annual Board fee in the amount of SEK 4,200,000, of which SEK 800,000 is payable to the Chairman and SEK 400,000 to each and every one of the members of the Board of Directors with the exception of the Chief Executive Officer Ashley Heppenstall, and SEK 100,000 per appointment to the members of the Board of Directors appointed to the Board's Compensation Committee, Audit Committee and Reserves Committee. However, the total fee for committee work may not exceed SEK 1,000,000.
- The registered accounting firm PricewaterhouseCoopers AB with authorised public accountant Bo Hjalmarsson as the auditor in charge was elected at the 2009 Annual General Meeting as the new auditor for a term of four years and therefore no election of auditor is required at the Annual General Meeting.
- The auditor's fees be payable according to approved invoicing.
- Nominations procedure for election of Board of Directors and auditors, etc. prior to the 2012 Annual General Meeting: 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.

Stockholm, March 2011

Magnus Unger
Chairman

Ian H. Lundin

KG Lindvall

Ossian Ekdahl

Anders Algotsson