

13 October 2011

## **LUNDIN PETROLEUM - HISTORY IN ETHIOPIA**

In view of recent articles regarding Lundin Petroleum's past presence in Ethiopia, and the inaccurate information often presented in connection therewith, Lundin Petroleum would like to provide the following factual summary of activities in relation to its interests in three concession agreements in the Western Somali (also called Ogaden Basin) and Shinile regions of Ethiopia, from November 2006 to April 2009.

### **2006; activities before award of concessions**

- » Prior to acquiring assets in Ethiopia, Lundin Petroleum consulted with multiple stakeholders to assess the socio-political and economic situation in the country. The consultations confirmed that while challenges may exist, it was possible to operate in the areas in a safe and responsible manner.

### **2006 - 2009; activities after award of concessions**

- » Following the award of concessions in November 2006, Lundin Petroleum undertook a number of field studies, carried out by international experts, to assess the socio-economic, environmental and security situation in its concession areas.
- » With the assistance of local Somali NGOs, Lundin Petroleum gathered 65 clan leaders from its concession areas for a day-long meeting in September 2007. The meeting confirmed that the population wanted Lundin Petroleum to undertake exploration activities, that the armed opposition movement called ONLF was not present in the concession areas nor did it represent concession communities' point of view.
- » Lundin Petroleum's sole exploration activity in Ethiopia was the carrying out of a one week aerial magnetic survey in January 2008. For the purpose of the survey, a temporary base camp was set up, with the assistance of the local population in Cherety (Western Somali region).
- » Community projects carried out in relation to the aero-magnetic survey included medical services in five villages and the installation of a water-well.

### **April 2009; sale of assets**

- » Due to the acquisition of new concessions in Norway and Malaysia and disappointing exploration results in Sudan, Lundin Petroleum decided on a strategic repositioning. It sold all of its East African assets, including those in Ethiopia, to Africa Oil Corp on commercial terms. As part of the sale, Lundin Petroleum initially advanced a convertible loan to Africa Oil Corp, however, Lundin Petroleum no longer holds any shares or debt of Africa Oil Corp.
- » Lundin Petroleum and Africa Oil Corp are separate, publicly-listed companies, with no common assets, employees, management or directors. The holding of the Lundin family in Lundin Petroleum is, as per public record, approximately 30%. We further understand that the Lundin family holds shares in Africa Oil Corp, however, as per public filings, no shareholder owns more than 10%.
- » Since the sale, Lundin Petroleum has had no presence or activities in Ethiopia. During its time in Ethiopia, Lundin Petroleum engaged proactively with its stakeholders including community leaders, local and international NGOs and IGOs. For further information, please refer to the Corporate Responsibility section of the company's website.

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