

07 July 2006

NOTICE OF EXTRAORDINARY GENERAL MEETING IN LUNDIN PETROLEUM AB.

The shareholders of Lundin Petroleum AB (publ) are hereby invited to an Extraordinary General Meeting of the shareholders to be held on Friday, 21 July 2006 at 10 a.m. (Swedish time). Location: Hilton Hotel, Guldgränd 8, Slussen 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 Friday 14 July, 2006; and
 - notify Lundin Petroleum of their intention to attend the meeting not later than Friday 14 July 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.
- 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 14 July, 2006.

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. The Board of Directors' proposal for a new issue of shares.
8. The Board of Directors' proposal for an authorisation to issue shares.
9. The Board of Directors proposal for an issue of warrants (i).
10. The Board of Directors' proposal for an issue of warrants (ii).
11. Closing of the meeting.

The Board of Directors' proposal for an acquisition of Valkyries Petroleum Corporation

On 29 May 2006, Lundin Petroleum and Valkyries Petroleum Corporation ("Valkyries") announced that Lundin Petroleum, subject to approval by shareholders in Lundin Petroleum and Valkyries and by court approval, has agreed to acquire all of the outstanding shares of Valkyries in exchange for Lundin Petroleum shares.

Valkyries is a Canadian upstream oil and gas company with exploration and producing interests in Russia. The company trades on the TSX Venture Exchange in Toronto under the symbol "VPC". Valkyries' year end proven and probable reserves as of 31 December, 2005 plus third party estimated reserves for recent new acquisitions are approximately 29.45 million barrels of oil and current net production is approximately 4,500 barrels of oil per day (bopd).

The acquisition of Valkyries will be completed by way of a Plan of Arrangement in accordance with Canadian law, by which a subsidiary of Lundin Petroleum will acquire 100% of the shares of Valkyries following approval by Valkyries' shareholders and court approval.

Each Valkyries common share will be exchanged for one new Lundin Petroleum share. All Valkyries options will be converted into options to acquire shares of Lundin Petroleum based on the same exchange ratio.

As at 20 June, 2006, the fully diluted number of shares of Valkyries was 57,451,414 shares, consisting of the following: (i) 55,780,414 shares issued and outstanding; (ii) 1,000,000 shares reserved for issuance to the previous holder of Valkyries' interest in the Caspian Field, for issuance only upon the Caspian Field producing 2,500 bopd for a continuous period of thirty days); and (iii) 671,000 shares reserved for issuance under the Valkyries share option plan. In addition, Valkyries may issue further incentive options under the Valkyries share option plan during the period from 20 June, 2006 until completion of the transaction.

As a result, following the completion of the transaction, on a fully diluted basis, Lundin Petroleum will issue a maximum of 57,451,414 new shares (plus any further share issuable upon exercise of incentive options granted under the Valkyries share option plan during the period from 20 June, 2006 until completion of the transaction). Prior to any issuance of Valkyries shares currently reserved for issuance, there will be 313,832,580 Lundin Petroleum shares issued and outstanding. Current holders of Lundin Petroleum shares will own approximately 82 % of the total number of Lundin Petroleum shares, and current holders of Valkyries shares will own approximately 18% of the number of Lundin Petroleum shares.

The Board of Directors' proposal for a new issue of shares (item 7)

The Board of Directors proposes that the EGM resolves to approve the acquisition of Valkyries in accordance with the terms of the Plan of Arrangement and, as a consequence hereof, issue not more than 57,000,000 shares. The right to subscribe for the new shares shall only be granted to the shareholders in Valkyries, with the right and the obligation for the subscribers to pay for the new shares by transfer of their shares in Valkyries, whereby the subscribers shall be entitled to receive one new share in Lundin Petroleum for each share in Valkyries in accordance with the terms and conditions for the Plan of Arrangement. The number of shares includes the number of issued and outstanding shares in Valkyries plus any further share issuable upon exercise of incentive options granted under the Valkyries share option plan prior to completion of the transaction (see item 9, below). The number of issued shares is not expected to exceed 56,451,414.

The Board of Directors' proposal for an authorization to issue new shares (item 8)

The Board of Directors proposes that the shareholders' meeting resolves to authorize the Board to, on one or several occasions before the next Annual General Meeting, resolve on a new issue of not more than in total 1,000,000 shares with disapplication of shareholders' preferential rights. The authorization may be used only for issuance of shares to the previous holder of Valkyries' interest in the Caspian Field and only upon the Caspian Field producing 2,500 bopd for a continuous period of thirty days.

The Board of Directors' proposal for an issue of warrants (i) (item 9)

Under the terms of the Plan of Arrangement, each option exercisable for a share of Valkyries will be converted into an option exercisable for a share of Lundin Petroleum, with the exercise price to be converted from CAD into SEK at the noon exchange rate of the Bank of Canada on the completion date of the transaction. The expiry dates of the options varies between 7 February, 2007 and 1 June, 2008. The exercise price varies in the range CAD 2.90 - 14.78. As per 20 June 2006 there were 671,000 options outstanding under the Valkyries share option plan. In addition hereto, options will be granted during July/August 2006 to current and future employees of the company.

The Board of Directors proposes that the shareholders' meeting resolves to issue not more than 799,000 warrants. Each warrant shall entitle the holder to subscribe for one new share in Lundin Petroleum. 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 fulfilment of the obligation to grant options in Lundin Petroleum to holders of options in Valkyries as set out above.

The Board of Directors' proposal for an issue of warrants (ii) (item 10)

The Board of Directors proposes that the shareholders' meeting resolves to issue not more than 275,000 warrants. Each warrant shall entitle the holder to subscribe for one new share in Lundin Petroleum. 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 24 July, 2006 up to and including 4 August, 2006. 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 fulfilment of the obligation to grant options in Lundin Petroleum in accordance with agreement with certain key managers in Valkyries.

Documents for the Meeting

The Board of Directors' complete proposals for resolutions are available at Lundin Petroleum's office at Hovslagargatan 5 in Stockholm. The proposals will be sent to shareholders free of charge upon request.

Stockholm in July 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, Ireland, Netherlands, Nigeria, Norway, Sudan, Tunisia, United Kingdom and Venezuela. The Company is listed on the O-list, Attract 40 at Stockholm Stock Exchange, Sweden (ticker "LUPE").

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