

Open Letter to Lundin Petroleum's Shareholders, March 2, 2010

Dear Shareholders,

A book has appeared in Sweden about Lundin Petroleum's alleged past role in East Africa. We strongly refute the inferences, insinuations and false allegations made in the book, which are based on incorrect and purposely misleading information. The intent of the book is clearly to tarnish the reputation not only of the Company, but of the Lundin family as well, and reflects a lack of professional integrity on the part of the author.

We refuted previous allegations regarding our operations in Sudan and our purported role in the conflict in a document called "Lundin Oil in Sudan, May 2001". We have since explained our approach in that country as well as in Ethiopia in various articles, which can be found on our website.

My initial anger at the accusations against the Company and my family contained in the book has been replaced by sadness. At all times our objective in Africa has been to find oil and gas in the most sound and efficient manner but always being responsible from a social and environmental perspective.

During our time in Sudan, we shared the view of many groups that economic development, catalysed by natural resource wealth and constructive engagement, was the best way to bring sustainable peace in the country. We were very pleased that in 2005 a Comprehensive Peace Agreement (CPA) was signed between the Government of Sudan and the Government of Southern Sudan which has brought an end to the conflict in south Sudan. To date, despite the painful history and complexity of the multiple interests involved, the peace agreement has held. The important issue today is that the peace process continues and strengthens.

As for Ethiopia, our Stakeholder Awareness Meetings with clan leaders confirmed that they were eager to see economic development occur in their area. It should also be noted that the book erroneously attributes the existence of camps and activities to Lundin Petroleum in eastern Ogaden. By the time of the sale of these assets, Lundin Petroleum had undertaken no field activity, but for social, environmental and logistical assessments and an aero-magnetic survey.

Unfortunately, conflict and poverty are two tragic aspects of the human condition that go hand in hand. As an international oil company we cannot do much to resolve conflicts but we can help to alleviate poverty by stimulating local economies. The millions of people who live in poverty in zones of conflict rely almost entirely on foreign aid for survival. This is due to the fact that foreign investment is more or less non-existent in those areas. But foreign investment can lead to sustainable development and peace.

Perhaps it is time to bring the debate to a higher level and address conflict resolution and poverty eradication together. It is also time to recognise the role of international companies and foreign investment which despite difficult conditions establish the economic stimulus that leads to both poverty alleviation and peace.

Sincerely,
Ian H. Lundin