



I.M. SKAUGEN

To the shareholders of I.M. Skaugen ASA

NOTICE OF ORDINARY ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders of I.M. Skaugen ASA that an Ordinary Annual General Meeting of the shareholders is to be convened on Thursday 27 February 2003, at 9:30 a.m. The Ordinary General Meeting will be held at the Company's offices at Karenslyst Allé 8B, Skoyen, in Oslo.

The Board of Directors proposes the following agenda:

- 1) Opening of the meeting by Board Chairman Erik Eik**
- 2) Election of the chairperson for the meeting**
- 3) Election of a shareholder to sign the minutes jointly with the chairperson**
- 4) Approval of the meeting notice and the agenda of the meeting**
- 5) Presentation of the Company**
- 6) Approval of the annual report and accounts, including allocation of the result for I.M. Skaugen ASA, and payment of dividend of NOK 7,00 (USD 1.00) per share.**
- 7) Stipulation of the directors' fees and auditor fees**
- 8) Election of the Board of Directors**
- 9) Proposal for write-down of equity (repayment of treasury shares)**

I.M. Skaugen's holdings of treasury shares as of 6 February 2003 is 78,400 A-class shares, equivalent to 1.41 % of the total number of issued shares. Total number of issued shares is 5,471,697 excluding treasury shares. The book value of the treasury shares is NOK 5,488,000 (USD 759,800) or NOK 70 per share.

The Board has decided to propose to the Ordinary Annual General Meeting to amortise or write down these shares in order to free up capacity to buy more shares at values that are deemed beneficial to the shareholders.

Compensation for treasury shares owned per year-end, less the par value of these shares has been capitalised.

The Board of Directors proposes that the Annual General Meeting pass the following resolution:

- a) The share capital is written down with the amount of NOK 4,704,000, from 333.005.820 to 328,301,820, by redemption of 78,400 shares with par value NOK 60, equivalent to the company's treasury shares.
- b) The Articles of Association's § 4 first paragraph is amended to the following:
"The company's share capital is NOK 328,301,820 divided among 5,471,697 ordinary shares with par value NOK 60 fully paid-in.

10) Authorisation to acquire the Company's treasury shares

On 4 March 2002, the company's Ordinary Annual General Meeting granted the Board the authority to acquire treasury shares. The Board of Directors believes that the acquisition of the Company's treasury shares may be right for the Company with a view, inter alia, to improving the shareholders' return. The Board of Directors proposes that this authorisation be renewed. This also assures the company greater financial flexibility. The acquisition of the Company's own shares can for example be relevant in a situation where the Company's equity- and liquidity situation is good, while at the same time there is a limited supply of attractive investment opportunities.

The Board of Directors proposes therefore that the Annual General Meeting pass the following resolution:

- a) The Board of Directors of I.M. Skaugen ASA is hereby granted authorisation to acquire on behalf of the Company up to 547,169 of the Company's own shares with a total nominal value of NOK 32,830,140, corresponding to 10% of the Company's current share capital. This is according to the proposal for resolution in article 9 regarding equity write-down.
- b) The highest price that may be paid per share is NOK 150, and the lowest price is NOK 1.
- c) The acquisition and disposal of the Company's own shares may be carried out as deemed appropriate by the Board of Directors, not, however, by subscription for the Company's treasury shares.
- d) The authorisation shall remain in effect for 18 months from 27 February 2003.
- e) The authorisation for acquiring treasury shares dated 4 March 2002 is suspended.

The authorisation is registered in the Register of Business Enterprises.

Pursuant to Section 6 of the Articles of Association, shareholders that wish to participate at the Annual General Meeting themselves or by proxy must use the enclosed form (enclosure 1). A proxy may also be submitted to Board Chairman, Mr. Erik Eik.

Reply coupon must be registered with Nordea Bank Norge ASA, Verdipapirservice, telefax 22 48 63 49, no later than Tuesday 25 February 2003, at 1600 hours.

Oslo, 6 February 2003
The Board of Directors