

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 Monday 4 March 2002, at 4:00 p.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 7,50 (USD 0.83) 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 5 February 2002 is 262,200 A-class shares, equivalent to 4.5% of the total number of issued shares. Total number of issued shares is 5,550,097 excluding treasury shares. The book value of the treasury shares is NOK 19.1 mill (USD 2.1 mill) or NOK 72.87 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 thence proposes that the Annual General Meeting pass the following resolution:

- a) The share capital is written down with the amount of NOK 15,732,000, from 348.737.820 to 333,005,820, by redemption of 262,200 shares with par value NOK 60, equivalent to the company's treasury shares.
- b) The Articles of Association's § 4 is amended to the following:

"The company's share capital is NOK 333,005,820 divided among 5,550,097 ordinary shares with par value NOK 60 fully paid-in. The company's shares are to be registered in The Norwegian Central Securities Depository (VPS). Dividend is disbursed to the shareholders registered as shareowners at the time the dividend is determined, in the event the Annual General Meeting does not resolve otherwise regarding dividend".

10) Authorisation to acquire the Company's treasury shares

On 8 March 2001, 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 555,009 of the Company's own shares with a total nominal value of NOK 33,300,540, 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 4 March 2002.
- e) The authorisation for acquiring treasury shares dated 8 March 2001 is suspended.

The authorisation is registered in the Register of Business Enterprises.

11) Proposal for repeating the power of attorney granted to the Board of Directors to adopt a resolution on the raising of convertible loans of up to NOK 320.000.000

On 25 June 2001 the Company's Extraordinary General Meeting granted the Board of Directors a power of attorney to adopt a resolution on the issuing of convertible loans to make it possible for the company to acquire its own shares,

shipping shares or ships without debiting the company's liquidity. The power of attorney has a term of 2 years as of 25 June 2001.

The Board recommends that the said power of attorney is extended for another two years and further that the Board shall be entitled to evaluate the timing for the possible raising of convertible loans within the flexibility as set forth in the Norwegian Public Limited Companies Act, i.a the deadline for exercising the right to demand that shares are to be issued.

The Board proposes that the following resolution be made by the General Meeting:

- (a) *"The Board of Directors of the Company is granted a power of attorney to adopt a resolution on the raising of convertible loans up to NOK 320,000,000. The loans may be raised in USD, Euros or NOK.*
- (b) *As a result of the conversion, the share capital may be increased by up to NOK 166,502,910 at par value NOK 60. The conversion price shall be set by the Board of Directors.*
- (c) *The power of attorney granted to the Board of Directors replaces the power of attorney granted to the Board of Directors in the ordinary General Meeting 25 June 2001 and shall have a term of two years from 4 March 2002.*
- (d) *The Board of Directors may derogate from the shareholders' preferential right to subscribe the loans, pursuant to § 11-4, cf §§ 10-4 and 10-5 of the Norwegian Public Limited Companies Act. "*

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 Friday 1 March 2002, at 1300 hours.

Oslo, 5 February 2002
The Board of Directors