

Buying Convertible Bond

A convertible bond of NOK 124 million was granted at the extraordinary general meeting of the company on 25th June 2001 and placed in the Norwegian market in July 2001. The nominal value of the Convertible bond is presently NOK 97.500.000,-, of which I.M. Skaugen ASA holds NOK 23.5 million. The convertible bond has seven years maturity with an option to convert to shares in I.M. Skaugen ASA (IMSK) during the first five years (05/2006). The present conversion price is NOK 60 per share less NOK 3.50 per share, which will be paid at time of conversion as a compensation for dividend.