

# NOTICE OF EXTRAORDINARY GENERAL MEETING

To the shareholders of I.M Skaugen ASA

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Translation from Norwegian

Notice is hereby given that an Extraordinary General Meeting of I.M Skaugen ASA will be held on Monday 25 June 2001 at 10.00 hrs in the Company's premises at Karenslyst Allé 8B, Skøyen, 0212 Oslo, Norway.

The agenda is as follows:

- 1. Opening of the Meeting by the Chairman of the Board, including registration of shareholders attending the Meeting**
- 2. Approval of the Notice and the Agenda**
- 3. Election of Chairman of the Meeting and at least one person to co-sign the Minutes**
- 4. Proposal for reducing the Company's share capital by way of redemption of the Company's own shares**

The Company's holding of own shares as of the date of this notice is 197,647 shares, of which 138,347 shares have been resolved redeemed and reduced in the Company's ordinary General Meeting held on 8th March 2001. This reduction of the Company's share capital will be completed and lawfully registered in the Norwegian Companies' Register in July 2001. The Board recommends that the General Meeting resolves that the Company redeems the remaining holding of the Company's own shares, i.e a total of 59,300 shares. The book value of these shares is NOK 3,8 million, i.e NOK 64 per share. The consideration for the shares, less the par value of the shares, is charged against the equity in the Company's balance sheet. The reasons for the motion is that the Board intends to release capacity to acquire more of the Company's own shares at share prices considered favourable to the shareholders.

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

- 1. The share capital is reduced by NOK 3,558,000, from NOK 352,295,820 to NOK 348,737,820 by way of redemption of 59,300 shares at par value NOK 60 per share, corresponding to the Company's holding of own shares*
- 2. Section 4 of the Company's articles of association is amended as followed:*

*"The share capital of the company is NOK 348,737,820, divided into 5,812,297 shares at par value NOK 60 per share, fully paid."*

3. *The redemption, the reduction of the share capital and the amendment to the Company's articles of association are resolved under the assumption that the reduction of the Company's share capital resolved in the General meeting held on 8th March 2001 is registered in the Norwegian Companies Register.*
5. **5 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 7th March 2000 the Company's ordinary 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 7th March 2000.

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 174,368,910 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 7th March 2000 and shall have a term of two years from 25th June 2001.*
- 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. "*

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The Board is considering issuing a convertible loan to partly finance two LPG/E newbuildings in China pursuant to options obtained by the Company in connection with contracting in the summer 2000. The Board has already secured that the subscription for such loan of a minimum of NOK 90 million and a maximum of NOK 124 million is guaranteed by an underwriting syndicate managed by Pareto Securities ASA. This loan will, if raised, have a term of up to seven years, bearing an interest of 11 % for the initial 5 years and 13 % for the last 2 years. Conversion may take place within the initial five years. The conversion price shall be 30 % above the weighted average transaction share price on Oslo Stock Exchange in the sales period, preliminary set to be in the period from June 11th to June 22nd 2001. A prospectus will be prepared in connection with the sales of the loan according to

dispensation granted by the Oslo Stock Exchange as stated in letter dated 9th May 2001, cf section 21-4 of the Stock Exchange Regulations.

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The Company's Annual Accounts and Annual Report for 2000 are available at the Company's home page [www.skaugen.com](http://www.skaugen.com), and may be obtained upon request to, I.M Skaugen ASA, P.O. Box 23 Skøyen, 0212 Oslo, per email to [info@ngc.no](mailto:info@ngc.no) or telefax no 47 23 12 04 01. The draft convertible loan agreement may be obtained at the same addresses. These documents will also be available at the General Meeting.

With respect to important events having occurred since 31st December 2000, please refer to the Reports of the Board for the first quarter of 2001, published on 10th April 2001, also made available on the Company's home page [www.skaugen.com](http://www.skaugen.com), and the Company's other announcements for the first quarter of 2001.

When determining whether to subscribe for bonds in the loan, consideration should be given to the terms of the bond issue, as well as the information provided in said material and the prospectus/offering circular being prepared in connection with the bond issue. Further information may be obtained by request to:

Pareto Securities ASA  
Dronning Mauds gt. 3  
P.O.Box 1411 Vika  
0115 Oslo, Norway  
URL: [www.pareto.no](http://www.pareto.no)  
Bloomberg: PARE (GO)  
Reuter: PARETO (Enter)

Shareholders wishing to attend the General Meeting, either in person or by way of proxy, is asked to notify their attendance to Christiania Bank og Kreditkasse, Verdipapirservice, P.O Box 1166 Sentrum, 0107 Oslo, telefax no 22 48 63 49 within Friday 22nd June at 1300 hrs. Please then use the enclosed Form of Notice of Attendance. A proxy may, if desirable, be given to the Chairman of the Board.

Oslo, 8th June 2001  
The Board of Directors of I.M Skaugen ASA

Appendix:  
[Form of Notice of Attendance](#)