

To the shareholders of Fred. Olsen Energy ASA

Annual General Meeting

Please be advised that the Annual General Meeting in Fred. Olsen Energy ASA will be held on Monday 29th May 2006 at 15.00 pm.

Location: The Company's office at Fred. Olsensgt. 2, Oslo (Entrance from Tollbugt. 1b, vis-à-vis Oslo Stock Exchange)

The Agenda:

1. **Opening of the Annual General Meeting by the Chairman of the Board, Anette S. Olsen.**
2. **Election of Chairman for the meeting and one shareholder to sign the minutes together with the Chairman and approval of the Notice of the Meeting and the Agenda.**
3. **Directors' Report and the annual accounts for 2005.**
4. **Authorization for the Board of Directors to increase the share capital of the Company.**

The current authority with the Board to increase the share capital by 30,000,000 shares will expire on 19th May 2006. The Board proposes to the Annual General Meeting that a new authorization to increase the share capital is given to the Board. The Company may need additional equity in order to strengthen its business within the offshore segment. An increase in the share capital may be brought about either by issuing new shares or by raising loans with appurtenant rights to subscribe for new shares or a combination of these means, however only in such a way that the aggregated number of new shares will not exceed 30,000,000 shares (approximately 48 % of total number of shares). The authorization may be used for a private placement of shares to the holders of the subordinated convertible bond loan FOE 02 4.5% 2004/09 as previously announced. The bondholders will be offered to participate in a private placement of up to 5.34 million shares at NOK 68, - per share, equal to the conversion price, in exchange for a termination of the conversion right.

The Board proposes to the Annual General Meeting the following authorities:

1. Increase of the share capital by issuing new shares
 - a) The Board is authorized to increase the share capital by up to NOK 600,000,000, divided at 30,000,000 shares, each share with a nominal value of NOK 20.
 - b) Issue price and other subscription terms to be decided by the Board.
 - c) The authority also comprises share capital increases against other assets than cash, including decision on merger, and/or acquisition of other companies.
 - d) The authority will expire one year from the date of resolution by the Annual General Meeting.
 - e) The shareholders' pre-emption right may be waived, in whole or partly.
 - f) Following any changes in the Company's share capital or number of shares as a consequence of share split, bonus issue etc., the authorization shall be deemed adjusted accordingly.
 - g) § 4 of the Company's Articles of Association to be adjusted in connection and in accordance with the share capital increase.
 - h) The Board may not use this authorization in such a way that the share capital increase according to this authorization and the authorization to raise loans with rights to subscribe new shares in aggregate exceeds NOK 600,000,000.
2. Increase of the share capital by raising loans with the right to subscribe new shares
 - a) The Board is authorized to raise loans up to NOK 600,000,000 with appurtenant rights to subscribe for new shares.
 - b) The Board is authorized to increase the share capital by up to NOK 600,000,000, divided at 30,000,000 shares, each with a nominal value of NOK 20.
 - c) Issue price and other subscription terms to be decided by the Board.
 - d) The authority also comprises share capital increases against other assets than cash, including decision on merger, and/or acquisition of other companies.
 - e) The authority expires one year from the date of resolution by the Annual General Meeting.
 - f) The shareholders' pre-emption right may be waived, in whole or partly.
 - g) Following any changes in the Company's share capital or number of shares as a consequence of share split, bonus issue etc., the authorization shall be deemed adjusted accordingly.
 - h) § 4 of the Company's Articles of Association to be adjusted in connection and in accordance with the share capital increase.
 - i) The Board may not use this authorization in such a way that the share capital increase according to this authorization and the authorization to issue new shares in aggregate exceeds NOK 600,000,000.

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5. Authorization for the Board of Directors to purchase the Company's own shares.

The Board of Directors proposes to the Annual General Meeting that an authorization is given to the Board to purchase own shares. The reason for the proposal is to give the Board the flexibility it represents to purchase own shares limited to 10% of the share capital pursuant to Sections 9-2 – 9-4 of the Public Limited Companies Act.

The Board's proposal to the Annual General Meeting is as follows:

- a) The Board is authorized to acquire up to 6 000 000 shares in the Company, each share with a nominal value of NOK 20.
- b) The purchase price per share shall not be lower than NOK 10,- and not higher than NOK 500,-.
- c) The number of own shares shall not at any time exceed 10% of the total shares issued by the Company.
- d) The Board is authorized to decide the form of purchase of the shares and also the form of any sales of such shares.
- e) The authority is valid for a period of twelve months from 29th May 2006 to 29th May 2007.

6. Stipulation of Board of Directors' fees

7. Stipulation of auditor's fee.

8. Election of representatives to the Board.

The Board of Directors is elected for a two-year period. Two of the present board members are up for election. These are Mårten Lunde and Øivin Fjeldstad. It is hereunder proposed that they are re-elected. Stephen Knudtson is up for election as deputy board member. It is proposed that he is re-elected.

Shareholders who wish to attend the Annual General Meeting are kindly requested to inform DNB NOR, Verdipapirservice, P O Box, 1171 Sentrum, 0107 Oslo, (telefax 47 22 48 11 71), within Wednesday 24th May 2006 at 15.00.

Oslo, 15th May 2006
The Board of Directors of Fred. Olsen Energy ASA

Registration and Proxy

Registration relative to the ordinary general meeting of Fred. Olsen Energy ASA

The undersigned, who is shareholder of Fred. Olsen Energy ASA, will attend the ordinary Annual General Meeting.

Number of shares:

The undersigned, owner of:

The undersigned will attend by way of proxy for:

Total number of shares:

PROXY

The undersigned, owner of shares in Fred.Olsen Energy ASA hereby grants

..... proxy to attend the Annual General Meeting
(Please use capital letters) on May 29th 2006 and to vote on my behalf.

Place and date
(must be filled in)

Name
(must be signed)