

# To the shareholders of Fred. Olsen Energy ASA

## Notice of Annual General Meeting

The Annual General Meeting in Fred. Olsen Energy ASA will be held on Wednesday 26th May 2010 at 15.00 pm. in the Company's offices at Fred. Olsensgt. 2, Oslo

### Agenda:

1. **Opening of the Annual General Meeting by the Chairman of the Board.**
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 2009 for Fred. Olsen Energy ASA parent company and consolidated, hereunder the Board's proposal on dividend.**

It is suggested that an ordinary dividend of NOK 10,00 per share is distributed to the shareholders of the Company as of the date of the Annual General Meeting. Subject to the Annual General Meeting resolving the proposed distribution of dividend, the Company's shares will be traded ex. dividend from and including 27th May 2010, and it is expected that the payment date of dividend will be 15th July 2010.

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 13,400,000 shares will expire at this year's Annual General Meeting. 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. At the Annual General Meeting on 26th May 2009 the Board was authorized to increase the share capital by up to NOK 134,000,000 by issuing up to 6,700,000 new shares, each with a nominal amount of NOK 20,-. Furthermore, the Board was authorized to raise loans up to NOK 2,500,000,000 with the right to subscribe for new shares, with the corresponding authority to increase the share capital by up to NOK 134,000,000 by issuing up to 6,700,000 new shares, each with a nominal value of NOK 20,-. The current authorization has not been utilized.

The Board proposes to the Annual General Meeting to pass resolutions on 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 134,000,000 divided at 6,700,000 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 comprises share capital increases against other assets than cash, including decision on merger, and/or acquisition of other companies.
  - d) The authority will expire at the next Annual General Meeting.
  - e) The shareholders' pre-emption rights 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.
2. Increase of the share capital by raising loans with the right to subscribe for new shares
  - a) The Board is authorized to raise loans up to NOK 2,500,000,000 with rights to subscribe for new shares.
  - b) The Board is authorized to increase the share capital by up to NOK 134,000,000, divided at 6,700,000 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 expires at the next 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.
5. **Authorization for the Board of Directors to purchase the Company's own shares ("Treasury 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 financial flexibility it represents to purchase own shares limited to 10% of the share capital pursuant to Sections 9-2 onwards 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 6,700,000 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 20, - and not higher than NOK 600,-.
- 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 expires at the next Annual General Meeting.

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## 6. Statement by the Board of Directors on the remuneration of the senior management

The statement by the Board of Directors, in accordance with Section 6-16a of the Public Limited Companies Act, is enclosed to this notice as Appendix 1.

## 7. Stipulation of Board of Directors' fees

## 8. Stipulation of Auditor's fee.

## 9. Election of Board Directors.

The Board of Directors is elected for a two-year period. One of the present board members is up for election, Øivin Fjeldstad. It is proposed that he is re-elected. Stephen Knudtzon is up for election as Deputy Board Director. It is proposed that he is re-elected.

## 10. Amendments to the Articles of Association

During 2009 certain amendments were made to chapter 5 to the Norwegian Public Limited Liability Companies' Act (the "Act"), regarding general meetings. Provided documents concerning items to be discussed at the general meeting are made available at the company's website section 5-11a, in the Act allows the companies to determine in their articles of association that the requirement to ordinarily mail the mentioned documents to the shareholders, does not apply. Section 5-11b of the Act, sets a new deadline for notification of general meetings to at a minimum of 21 days prior to the date of the meeting. Section 5-8b of the Act allows for the companies to determine in their articles of association that the shareholders shall be able to cast votes in writing, including by electronic communication, in a period prior to the general meeting (vote in advance). Consequently, the Board proposes to amend the Articles of Association accordingly. The Board proposes that the general meeting adopts the following resolution:

Section 7 of the Articles of Association is amended to now read as follows:

"Notice of the General Meeting shall be made by written notification to all shareholders with a known address. Provided documents concerning items to be discussed at the General Meeting are made available at the company's web-site, the requirement under the Public Limited Liability Companies' Act of ordinarily mailing such documents to the shareholders does not apply. This also applies for documents which, by law, shall be included in or attached to the notice of General Meeting. A shareholder may nevertheless require that the documents concerning items to be discussed at the General Meeting are sent by ordinary mail. The Company may set a deadline in the Notice of the General Meeting for registration of attendance to the General Meeting, which shall not fall earlier than five (5) days prior to the General Meeting.

The Board can decide that the shareholders shall be able to cast votes in writing, including by electronic communication, in a period prior to the General Meeting. For such voting an adequate method to authenticate the sender shall be used. The Chairman of the Board or a person designated by the same shall preside at the General Meeting.

An ordinary general meeting shall be held each year before the end of June, to deal with the following matters:

- a) Examination of the directors' annual report and the directors' proposal for the income statement and balance sheet and in that connection, examination of the auditor's report.
- b) Adoption of the income statement and balance sheet.
- c) Adoption of the consolidated income statement and consolidated balance sheet.
- d) Decision on how to apply the year's profit or cover the loss in accordance with the adopted balance sheet, including the issue of dividends.
- e) Adoption of the directors' and auditor's fees.
- f) Election of directors as and when vacancies occur.
- g) Any other matters mentioned in the agenda which according to law or these articles pertain to the general meeting."

Shareholders who wish to attend the Annual General Meeting must in writing advise:

Fokus Bank Verdipapirservice  
Postboks 1170 Sentrum  
0107 Oslo  
Telefax +47 22 42 00 19

within Friday 21st May 2010 at 15.00 hrs.

Oslo, 5th May 2010  
The Board of Directors of Fred. Olsen Energy ASA

## Appendix 1 to Agenda item 6

The Board of Directors' statement on salary and other remuneration of the Company's senior management, cf. Public Limited Liability Companies Act § 16-6 a, is placed before the AGM for advisory approval.

The statement is as follows:

### **Fred. Olsen Energy ASA - statement by the Board of Directors on salary and other remuneration for leading personnel**

#### **Statement by the Board**

The Board of Directors of Fred. Olsen Energy ASA will present the following statement on salary and other remuneration for leading personnel to the 2010 Annual General Meeting in accordance with the Public Limited Liability Companies Act § 6-16a:

#### **The Board's Compensation Committee**

The Board of Directors of Fred. Olsen Energy ASA has a Compensation Committee comprising the Chairman of the Board and three Directors, of which two are independent of the main shareholders. The Compensation Committee considers and recommends to the Board salary and benefits for the Chief Executive Officer and leading personnel as well as management incentive schemes for the Group. The leading personnel consists of the Group management (Chief Executive Officer and Chief Financial Officer of Fred. Olsen Energy ASA) and the Managing Directors in the subsidiaries, a total of 6 employees.

#### **Guidelines for determining the salary and other remuneration of Fred. Olsen Energy ASA's leading personnel**

The policy of Fred. Olsen Energy ASA is to offer competitive payments and benefits to the leading personnel in order to attract qualified management within the Company's business segments. The Company seeks to apply competitive and motivating remuneration principles to attract, develop and retain highly qualified employees. The salaries paid to the leading personnel are determined on the basis of the responsibility and complexity of the appointment in question. A part of the remuneration to the leading personnel is based on the Company's financial performance and related to achieved budget goals and the increase in market value of the shares of the Company. In addition to fixed salary, the leading personnel of Fred. Olsen Energy ASA receives other remuneration by way of potential annual cash bonuses, participation in the Group's pension scheme, benefits in kind in the form of newspapers, telephone, and company car, and other employee benefits. The leading personnel is not entitled to salary payments upon termination of employment for a period beyond what is stipulated by law.

The beneficiaries of the Company's cash bonus scheme are the leading personnel and certain key personnel. Annual payments under the scheme, maximised to one year's salary, are subject to the Group achieving certain pre-defined financial criteria, including achieved budget goals and increase in the market value of the Company's shares. The remuneration for 2009 has been in accordance with the statement presented at the Annual General Meeting in May 2009. The principles are unchanged from 2009 to 2010. The remuneration of the leading personnel is further described in note 17 in the annual report for 2009.

The Board proposes that the AGM approve the following resolution:

*"The AGM hereby approves on an advisory basis the Board's statement on determination of the salary and other remuneration for leading personnel".*

Oslo, 5th May 2010

(Sign.)  
Anette S. Olsen

(Sign.)  
Cecilie B. Heuch

(Sign.)  
Agnar Gravdal

(Sign.)  
Jan Peter Valheim

(Sign.)  
Øivin Fjeldstad

## NOTICE OF APPEARANCE

Registration relative to the ordinary Annual General Meeting of Fred. Olsen Energy ASA

The undersigned, who is shareholder of Fred.Olsen Energy ASA, will attend the Annual General Meeting on 26th May 2010.

Number of shares:

The undersigned, owner of: .....

The undersigned will attend by way of proxy for: .....

Total number of shares: .....

.....  
Place and date (must be filled in)

.....  
Name (must be signed)

(In the event the shareholder is not an individual, but a company, trust etc., adequate documentation by way of Certificate of Registration ("Firmaattest") or proxy must be presented.)

## PROXY

Shareholders, who are not able to attend the Annual General Meeting in person, may execute a proxy in the name of another person attending the meeting. Such proxy may be issued to the Chairman Annette S. Olsen, CEO Ivar Brandvold or any other person. If no name is stated, the proxy will be considered given to the Chairman of the meeting.

Proxy for the Chairman or other representatives of the Company may only be given to the extent such proxy supports a vote fully consistent with the Board's proposal.

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

..... proxy to attend the Annual General Meeting on  
(Please use capital letters) 26th May 2010 and to vote on my/our behalf.

.....  
Place and date (must be filled in)

.....  
Name (must be signed)

(In the event the shareholder is not an individual, but a company, trust etc., adequate documentation by way of Certificate of Registration ("Firmaattest") or proxy must be presented.)