

CALL FOR ANNUAL GENERAL MEETING
ELECTROMAGNETIC GEOSERVICES ASA

To the shareholders of Electromagnetic Geoservices ASA:

Notice is hereby given of the 2009 Annual General Meeting of Electromagnetic Geoservices ASA (the "Company") in the Company's offices at the 7th floor of Klingenberggaten 5, 0125 Oslo to be held on

3 June, 2009 at 15:00

The Board of Directors of the Company has decided to call the Annual General Meeting to vote on the matters described below:

The Annual General Meeting will be opened by the Chairman of the Board of Directors and according to the Company's Articles of Association § 9, the Chairman shall also chair the General Meeting.

1 Election of one person to countersign the minutes

It is proposed that one person be elected among those present at the Annual General Meeting to countersign the Minutes.

2 Approval of the notice and agenda

3 Approval of the 2008 Annual Accounts and 2008 Director's Report

The 2008 Annual Accounts and 2008 Director's Report are attached hereto as Appendix 3.

The Board recommends that the Annual General Meeting passes the following resolution:

The Annual Accounts and Director's Report for 2008 are approved.

4 Statement on the fixing of salaries and other remuneration for leading personnel

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Directors has issued a statement with respect to the principles for remuneration for senior executives of the Company. The statement is attached hereto as Appendix 4.

Proposed resolution:

The Board statement pursuant to section 6-16a of the Norwegian Public Limited Liability Companies Act is approved.

5 Board authorization to issue new shares

At the Annual General Meeting of the Company held 5 June 2008, the Board of Directors was authorized to issue new shares. The Board of Directors proposes to substantially renew the authorizations granted in 2008. To be in compliance with the principles of corporate governance, the Board of Directors further proposes to continue to split the authorization in two, resulting in a general authorization and one authorization solely linked to the issuance of new shares in connection with the Company's share option programme.

The Board of Directors is of the opinion that the general authorization is necessary to provide flexibility in terms of potential acquisitions and other corporate transactions and settlements thereof, and therefore, is in the best interest of the Company. It is further proposed to authorize the Board of Directors to waive existing shareholders' preferential rights in order to allow the possibility for new shareholders subscribing shares.

5.1 General authorization

Based on the above, the Board recommends that the Annual General Meeting passes the following resolution:

The Board is given the authority to increase the share capital by up to NOK 10,196,157, through one or more subscriptions, equal to an issuance of up to 40,784,628 new shares each with a par value of NOK 0.25. The Board is further authorized to determine the price and terms of such offerings and subscriptions, including but not limited to, whether in the Norwegian and/or the international markets, whether private or public and whether or not underwritten.

The existing shareholders' right of first refusal to subscribe new shares may be set aside.

The new shares will entitle the holders to dividend and carry other rights in the Company from the time that the increase in share capital is registered with the Norwegian Register of Business Enterprises.

The new shares shall be ordinary shares with the same characteristics as the ordinary shares already issued by the Company.

The authorization includes a resolution to merge and to increase the share capital against contributions in assets other than cash. The authorization shall be utilised in connection with potential acquisitions of companies or businesses within the oil and energy sector, including the oil service sector, and/or to finance general corporate purposes.

The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be until 30 June 2010.

5.2 Authorization for exercise of options

Based on the above, the Board recommends that the Annual General Meeting passes the following resolution:

The Board is given the authority to increase the share capital by up to NOK 1,250,000 equal to an issuance of up to 5,000,000 new shares each with a par value of NOK 0.25.

The existing shareholders' right of first refusal to subscribe new shares may be set aside.

This authorization shall be utilized for fulfilling the Company's obligations towards holders of options, should such options be exercised.

The new shares will entitle the holders to dividend and carry other rights in the Company from the time that the increase in share capital is registered with the Norwegian Register of Business Enterprises.

The new shares shall be ordinary shares with the same characteristics as the ordinary shares already issued by the Company.

The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid until 30 June 2010.

5.3 Withdrawal of existing authorisations to issue shares

In total, the above authorizations represent approximately 50% of the Company's existing share capital. In accordance with section 10-14(3) of the Norwegian Public Limited Liability Companies Act, any existing authorizations registered by the Norwegian Register of Business Enterprises will be considered revoked with effect from the time of registration of the authorizations to issue new shares resolved at the Annual General Meeting in 2009.

6 Authorization to acquire own shares

In last year's Annual General Meeting the Board was granted a power of attorney, authorizing the Board to acquire the Company's own shares.

The Board proposes to the Annual General Meeting that the Board is granted a new power of attorney which substantially replaces the

current authorization and which will be valid for one year, authorizing the Board to acquire the Company's own shares. The purpose of any share repurchases is inter alia to allow for a more optimal capital structure for the Company. Further, treasury shares will give the Company flexibility in terms of satisfying employee share incentive plans and to fund possible acquisitions and other possible corporate transactions by the Company.

Any existing authorization registered by the Norwegian Register of Business Enterprises will be considered revoked with effect from the time of registration of the authorization resolved at the Annual General Meeting in 2009.

Proposed resolution:

The Board is authorized to acquire shares in the Company. The shares are to be acquired at market terms on a regulated market where the shares are traded, or from employees in accordance with any contractual obligations and entitlements for the Company. The shares are to be disposed of either as part of satisfying existing or future employee incentive schemes, as part of consideration payable for acquisitions made by the Company, as part of consideration for any mergers, demergers or acquisitions involving the Company, financing of general corporate purposes, by way of cancellation of the shares in part or full, or to raise funds for specific investments.

The maximum par value which can be acquired is NOK 2,289,231. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 0.25, and the maximum amount is NOK 130.

The authorization shall be effective from the date it is registered in the Norwegian Register of Business Enterprises and shall be valid for a period of one year from its effective date.

7 Board compensation

Principles for Board compensation were resolved by an Extraordinary General Meeting in the Company held 27 November 2007. The Board proposes that compensation is paid to the shareholder elected directors in accordance with the abovementioned principles. The Board's proposal regarding compensation is attached hereto as Appendix 5.

Proposed resolution:

The Annual General Meeting approves the compensation for the shareholder elected directors, as suggested in Appendix 5 of the calling notice.

8 Auditor's fees for 2008

It is proposed that the Annual Auditor's fees for the Company totalling NOK 2,719,000 (approximately USD 483,000) for 2008 be approved.

Proposed resolution:

The Annual General Meeting approves the Annual Auditor's fees for 2008.

9 Election of Board

The service period for the current directors is coming to an end and the Annual General Meeting is requested to appoint new shareholder elected directors.

To be in compliance with the principles of corporate governance, the Board of Directors proposes to cast vote separately for each candidate.

The Board proposes the following new shareholder appointed directors:

- Item 9.1: Bjarte Bruheim – Chairperson
- Item 9.2: Jeffrey Harris – Director
- Item 9.3: Christopher Wright – Director
- Item 9.4: Grethe Høiland – Director
- Item 9.5: Berit Svendsen – Director

In addition, the Board constitutes of two employee elected representatives, each with one deputy.

10 Issuance of convertible loan I – Fugro Norge AS

As notified to the market on 24 April 2009, the Company has entered into a global cooperation agreement with Fugro N.V.(Fugro). The parties have also entered into a non-exclusive worldwide multi-client cooperation agreement, as well as a non-exclusive global technology licensing agreement.

As a part of the agreement, Fugro Norge AS has agreed to provide the Company with a NOK 150 million secured convertible loan, bearing interest at 7.00% p.a. NOK 100 million of the loan has already been received by the Company. The convertible loan needs to be approved by the Annual General Meeting. The Company's largest shareholder, Warburg Pincus, has undertaken to vote in favor of the issuance of the convertible loan. The Board proposes that existing shareholders' preferential rights to subscribe the loan is set aside as this is necessary in order to secure the accomplishment of the loan and thereby financing of the Company. Subscription of financial instruments involves risks, hereunder the risk that the investment may be lost in its entirety.

The Loan Agreement (as defined below) is attached hereto as Appendix 6.

Proposed resolution:

- a. *The Company shall issue a convertible loan (the "Loan") with an aggregate principal amount of NOK 150,000,000 by which the holder of such Loan shall have the right to demand issuance of shares in the Company by setting off the debt against the Company.*
- b. *Fugro Norge AS ("Fugro") will subscribe the Loan against such consideration as set out in item e) and f) below. The existing shareholders' preferential right is set aside, cf. Section 11-4 of the Norwegian Public Limited Companies Act.*
- c. *The Loan shall be subscribed by Fugro no later than 6 June 2009 by way of a designated subscription form, cf. Section 11-5 first paragraph, cf. Section 10-7 of the Norwegian Public Limited Companies Act.*
- d. *The conversion price is NOK 5.75. Consequently, the Loan entitles the holder to a total of 26,086,957 shares upon conversion which equals a maximum share capital increase of NOK 6,521,739.25. The conversion price and hence the maximum share capital increase is subject to adjustments as set out in the Loan Agreement. The interest shall be 7.0%, commencing as of the date of this general meeting and as further set out in the Loan Agreement. Interest shall be paid quarterly in arrear. The Loan shall be repaid in its entirety on 2 January 2012 (the "Final Maturity Date").*
- e. *The Loan shall be subscribed at nominal value.*
- f. *NOK 100,000,000 of the Loan was received by the Company on 29 April 2009. NOK 50,000,000 is to be paid to the Company's account no. 9051.11.29159 with Handelsbanken no later than 8 June 2009.*
- g. *At conversion of the Loan NOK 0.25 per share shall be paid for each share which equals the nominal value of NOK 0.25. Payment of the share contribution is made by set off against the nominal value of the Loan. The balance between the nominal value of the shares and the value of the Loan is added to the*

Company's premium fund. In case that the nominal value of the Company's shares is changed during the term of the loan, an amount similar to the new nominal value shall be paid per share at conversion of the Loan. Only the debt can be converted. Should the nominal value of the debt not be divisible by the conversion price, it shall be rounded down to the nearest whole number of shares. The Lender will have the right to receive any amount not used in connection with the rounding off in cash. Interest accrued since the latest interest due date, but not fallen due by the conversion date will not be converted into shares. When the conversion right is exercised, the Company's share capital will be increased without the holding of a general meeting. The Company shall ensure that the share capital increase resulting from the conversion is registered with the Norwegian Register of Business Enterprises without undue delay.

- h. A demand for conversion may be presented at any time during the term of the Loan, for the whole or parts of the Loan, on several occasions, but must be presented at the latest on the date falling ten business days prior to the Final Maturity Date.*
- i. Shares acquired by conversion shall be equal with the other ordinary shares in the Company and give right to dividend payments from the time of registration with the Norwegian Register of Business Enterprises and the Norwegian Central Securities Depository.*
- j. Issuance of new shares in the Company when existing shareholders have preferential rights, issuance of financial instruments as described in Chapter 11 of the Norwegian Public Limited Companies Act, share capital decrease with payment to the Company's shareholders, funds issue, share split, share splice, dividend payments, completion of mergers and de-mergers and other changes to the Company's share capital that are not in the lenders interest, shall entail an adjustment of the conversion price such as to maintain the value of the conversion right and as further set out in the Loan Agreement.*
- k. The subscription right may not be separated from the debt.*
- l. Payment of the Loan together with interest thereon shall be secured as set out in the Loan Agreement.*
- m. Further, the Loan Agreement dated 24 April 2009 (enclosed*

with the calling notice for this general meeting) will apply and is hereby approved.

11 Issuance of convertible loan II

As notified to the market on 30 April 2009, the Company has secured a senior unsecured convertible bond loan bearing interest at 9.00%.

The Board proposes that existing shareholders' preferential rights to subscribe the loan is set aside as this is necessary in order to secure the accomplishment of the loan and thereby financing of the Company. Subscription of financial instruments involves risks, hereunder the risk that the investment may be lost in its entirety.

The Loan Agreement (as defined below) is attached hereto as Appendix 7.

The Board proposes the following resolution:

- a. The Company shall issue a convertible loan (the "Loan") with an aggregate principal amount of USD 5,000,000 by which the holders of such Loan shall have the right to demand issuance of shares in the Company by setting off the debt against the Company cf. the Norwegian Public Limited Companies Act sections 11-1 and 11-2.*
- b. The Loan shall be subscribed by the lenders (the "Lenders") listed in Appendix [1] hereto. The existing shareholders' preferential right is set aside, cf. Section 11-4 of the Norwegian Public Limited Companies Act.*
- c. The Loan shall be subscribed by the Lenders no later than 6 June 2009 in a designated subscription form, cf. Section 11-5 first paragraph, cf. Section 10-7 of the Norwegian Public Limited Companies Act.*
- d. The nominal value of the Loan is USD 5,000,000. The interest shall be 9.0%, commencing as of the date of the Lenders' disbursement of the Loan to the company as further set out in the Loan Agreement. Interest shall be paid quarterly in arrear.*
- e. The Loan shall be subscribed a par value (100%).*
- f. The Loan shall be paid to the Company, account no. [], no later than 6 June 2009.*

¹ The names of the lenders will be given at the AGM

- g. *Each Lender has the right to convert its portion of the Loan to shares in the Company on the terms and conditions set out in the Loan Agreement for the Loan at a conversion price (the "Conversion Price") of USD 0.88 per share (equal to NOK 5.75 at the time the Loan was agreed). The Conversion Price and hence the maximum share capital increase is subject to adjustments as set out in the Loan Agreement (including but not limited to specific adjustments to be made to the Conversion Price if a change of control event (as defined in the Loan Agreement) should occur as set out in the Loan Agreement).*

Conversion will be effected by set-off of the available amount under the Loan to be converted against the issuing of the whole number of shares (rounded downwards) resulting from dividing the nominal value of the portion of the Loan to be converted at any given time by the Conversion Price. Of the Conversion Price a USD equivalent of NOK 0.25 per share (equal to the par value per share) will be allocated as an increase of the Company's share capital and the remaining part of the Conversion Price per share will be allocated to the premium fund. In case that the nominal value of the Company's shares is changed during the term of the loan, an amount similar to the new nominal value shall be paid per share at conversion of the Loan.

The Company shall ensure that the share capital increase resulting from the conversion is registered with the Norwegian Register of Business Enterprises without undue delay. The Loan shall be repaid in its entirety on 18 May 2011 (the "Final Maturity Date").

- h. *A demand for conversion may be presented at any time during the term of the Loan, for the whole or parts of the Loan, on several occasions, but must be presented at the latest on the date falling ten business days prior to the Final Maturity Date.*
- i. *Shares acquired by conversion shall be equal with the other ordinary shares in the Company and give right to dividend payments from the time of registration with the Norwegian Register of Business Enterprises and the Norwegian Central Securities Depository.*
- j. *Issuance of new shares in the Company when existing shareholders have preferential rights, issuance of financial instruments as described in Chapter 11 of the Norwegian Public*

Limited Companies Act, share capital decrease with payment to the Company's shareholders, funds issue, share split, share splice, dividend payments, completion of mergers and demergers and other changes to the Company's share capital shall entail an adjustment of the conversion price such as to maintain the value of the conversion right and as further set out in the Loan Agreement.

k. The subscription right may not be separated from the Loan.

l. Further, the Loan Agreement dated 11 May 2009 (enclosed with the calling notice for this general meeting) will apply and is hereby approved.

At the date of this calling notice, there are 91,569,261 shares outstanding in the Company. As of the date of this calling notice, the Company does not own any treasury shares.

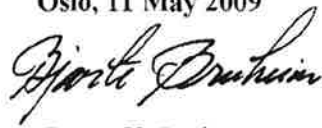
All shareholders are entitled to have the Annual General Meeting vote on an issue, if such issue is raised by a shareholder in writing to the Board in sufficient time before the meeting to be included in the calling notice, or if the calling notice has already been distributed, in time to be included in a new notice that can be distributed no later than two weeks before the meeting.

At the Company's Annual General Meeting, each share has one vote. A shareholder with shares registered through an approved share manager or custodian pursuant to section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares covered by the share management assignment/custodian arrangement provided that the shareholder within two business days before the Annual General Meeting provides the Company with his name and address and presents confirmation from the share manager that the shareholder is the beneficial owner of the shares that are being managed or held in custody, and provided further that the Board does not disapprove such beneficial ownership after receipt of such notification.

Shareholders who wish to take part in the Annual General Meeting must not later than two business days before the Annual General Meeting, i.e. 1 June, 2009 by 09:00 (Norwegian time) either (i) register by internet at the website: <https://investor.vps.no/vit/servlet/no.vps.investorclient.gm.servlets> and the pin code included in the cover letter; (ii) give notice to Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 – Sentrum, 0107 Oslo, Norway Notice or (iii) give written notice to Nordea Bank Norge ASA by fax at + 47 22 48 63 49. A registration form is attached hereto as Appendix 1.

A power of attorney for the shareholders who wish to grant the chairman of the Board a proxy to represent their shares at the Annual General Meeting is attached hereto as Appendix 2.

Oslo, 11 May 2009



Bjarte H. Bruheim
Chairperson

Attachments:

- Appendix 1: *Registration Form*
- Appendix 2: *Form of Power of attorney*
- Appendix 3: *2008 Annual Account and 2008 Director's Report*
- Appendix 4: *Declaration on determination of salaries for 2009*
- Appendix 5: *Proposal regarding the Board's compensation*
- Appendix 6: *Issuance of convertible loan I – Fugro Norge AS
Loan agreement*
- Appendix 7: *Issuance of convertible loan II
Loan agreement*

APPENDIX 1

REGISTRATION FOR THE ANNUAL GENERAL MEETING IN ELECTROMAGNETIC GEOSERVICES ASA ON 3 JUNE 2009 AT THE 7th FLOOR OF KLINGENBERGGATEN 5, 0125 OSLO

Notification of your intention to attend the Annual General Meeting on 3 June 2009 shall be given on this registration form. The form must be received by Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 – Sentrum, 0107 Oslo, Norway not later than two business days before the Annual General Meeting, i.e. 1 June, 2009 by 09:00 (Norwegian time). Notice can also be given to Nordea Bank Norge ASA by fax at + 47 47 22 48 63 49 or by registration by internet at the website: <https://investor.vps.no/vit/servlet/no.vps.investorclient.gm.servlets> and the pin code included in the cover letter for the calling notice.

The undersigned will attend the Annual General Meeting of Electromagnetic Geoservices ASA on 3 June 2009 and (tic as appropriate):

☐ Vote my/our _____ (please specify the number) shares

☐ Vote _____ (please specify the number) shares in accordance with the enclosed power(s) of attorney

Shareholder's name and address:

(in capital letters)

Date

Place

Shareholder's signature

APPENDIX 2

POWER OF ATTORNEY FOR ANNUAL GENERAL MEETING IN ELECTROMAGNETIC GEOSERVICES ASA ON 3 JUNE 2009 AT THE 7th FLOOR OF KLINGENBERGGATEN 5, 0125 OSLO

If you are prevented from attending the Annual General Meeting on 3 June 2009, you may assign a power of attorney. In such event, you may use this power of attorney form. The form must be received by Electromagnetic Geoservices ASA by 1 June 2009 at 09.00 Norwegian time:

Electromagnetic Geoservices ASA
att.: Anette Mellbye, Chief Legal Counsel
Klingenberg gt. 5, 6th Floor
0125 Oslo, Norway
E-mail: amellbye@emgs.com

The undersigned shareholder in Electromagnetic Geoservices ASA hereby assigns (tic as appropriate):

☐ Chairman of the Board Bjarte Bruheim or a person designated by him

☐ _____ Name of proxy (in capital letters)

power of attorney to attend the AGM and vote my/our shares _____ (fill in number) shares at the Annual General Meeting of Electromagnetic Geoservices ASA on 3 June 2009. Where the power of attorney is submitted without naming a proxy, the power of attorney will be considered assigned to the Chairman of the Board or a person designated by him.

Voting shall take place in accordance with the instructions below. Please note that in the event a power of attorney is submitted without crossing off any of the boxes, your vote will be considered cast "in favour" of the motions in the notice, yet so that the proxyholder decides how to vote to the extent that other motions are made in addition to or instead of the motions in the notice.

<u>Item:</u>	<u>In favor</u>	<u>Against</u>	<u>Abstention</u>
1. Election of a person to countersign the minutes of meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the notice and the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 2008 Annual Accounts and Directors' Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Statement on the fixing of salaries and other remuneration for leading personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Board authorization to issue shares			
5.1 General authorization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2 Authorization for exercise of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Authorisation to acquire own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Board compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Auditor's fees for 2008	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Election of new Board of Directors:

9.1 Election of Bjarte Bruheim

☐ ☐ ☐

9.2 Election of Jeffrey Harris

☐ ☐ ☐

9.3 Election of Cristopher Wright

☐ ☐ ☐

9.4 Election of Grethe Høiland

☐ ☐ ☐

9.5 Election of Berit Svendsen

☐ ☐ ☐

10. Issuance of convertible bond I

☐ ☐ ☐

11. Issuance of convertible bond II

☐ ☐ ☐

Shareholder's name and address (in capital letters):

Date

Place

Shareholder's signature

ELECTROMAGNETIC GEOSERVICES ASA

DECLARATION ON DETERMINATION OF SALARY AND OTHER COMPENSATION TO CHIEF EXECUTIVE OFFICER AND OTHER EXECUTIVE MANAGEMENT

The Board of Directors of Electromagnetic Geoservices ASA ("EMGS" or the "Company") has prepared this declaration in accordance with the Norwegian Public Limited Liability Companies Act section 6-16a. This declaration shall be presented to the Annual General Meeting of EMGS to be held on 5 June 2009 in accordance with the Norwegian Public Limited Liability Companies Act section 5-6 subsection three.

1 Guidelines for determination of management remuneration for the financial year 2009

1.1 Main principles for determination of management remuneration for the financial year 2009

The goal of the Company's policy on salary and compensation ("Remuneration") for executive management ("management") is to recruit and retain world-class, skilled leaders who have the capacity to develop, manage and lead EMGS through these challenging times. The Remuneration shall consist of non-variable compensation ("Basic Salary") and variable forms of compensation such as bonuses, options and special payments ("Additional Compensation").

The Basic Salary will be competitive but not leading and will be set based on the manager's skills, competence, capacity and level of responsibility in the organization. When determining the Basic Salary competitor data for companies that operate within the same businesses area as EMGS and in the country in which the manager resides will be taken into consideration.

The main element of the management Remuneration shall be the Basic Salary. The Basic Salary should be motivational and aimed to encourage management to strive for constant improvement and development of the Company's operations and results.

Additional Compensation should be available to motivate managers' efforts on behalf of the Company. The bonus will be linked both to the performance of the Company and the manager and will be linked to certain percentage of the Basic Salary. A part of the total remuneration may also be in the form of shares and options in the company. In 2009, the Board is authorized to award up to 2,500,000 options for ordinary shares to employees (not only management).

The Additional Compensation shall provide incentives for additional efforts, the criteria must also be linked to factors which the individual manager is able to influence. EMGS aspires to have a Remuneration system based on teamwork and which encourages efforts that brings results beyond the individual manager's sphere of responsibility.

The Remuneration system will be simple and comprehensible and easy to administrate.

To achieve the stated goal of attracting and retaining top talent, the Remuneration system will be sufficiently flexible and allow for certain special solutions if required in particular circumstances. EMGS is involved in international businesses and it is important the company attracts skilled managers resident in other countries than Norway. The Remuneration system will allow for special solutions to attract and retain such managers if considered to be in the best interest of the Company

1.2 Determination of Remuneration

Basis Salary and Additional Compensation

The management of the Company will receive a Basic Salary and may in addition be granted Additional Compensation. The Basic Salary is the main element of a manager's Remuneration.

Total Remuneration is the aggregate of a manager's Basic Salary and Additional Compensation. This level is to be competitive and motivational, but not leading.

In the following the Board of Directors has commented on the individual benefits that are embraced by the Additional Compensation in more detail. Unless specifically mentioned, no special terms, conditions or allocation criteria apply to the benefits mentioned.

Additional Compensation

a) Benefits in kind

Managers will ordinarily be offered the benefits in kind that are common for comparable positions, e.g. free telephone service, home PC, free broadband service, newspapers, company car/car scheme and parking. No particular limitations apply on the type of benefits in kind that can be agreed.

a) The bonus scheme

The company has a bonus scheme for managers, which has been established by the Board of Directors. The current bonus scheme was adopted by the Board of Directors in 2008 and is reviewed annually. The Board of Directors intends to continue the scheme through 2009 and until the Annual General Meeting for 2009 in 2010, although adjustments may be made.

In the current bonus system the variable benefits according to the system is limited to a maximum of 40% of annual Basic Salary for the CEO and the other managers. The bonus is tied to the financial performance, events in the Company and other factors which the individual manager is able to influence. The level of bonus is tied to the achievement of agreed goals for the individual manager.

c) Shares, subscription rights, options and other remuneration related to shares or share price trends

The Company operates a share option scheme for management and staff to provide a long term incentive. The number of awarded outstanding options in EMGS per 31 December 2008 was 4,999,800. The options have been awarded to employees and directors in several tranches from 2 July 2004. The option strike price varies from NOK 10.95 (600,000 vested shares) to NOK 90 (4,000 vested shares) and the weighted average exercise price for the vested options is NOK 22.48 per share.

The awarded options are vested proportionally during the respective agreed periods. The vested options may be exercised in whole or in part at will within a period of 7 years from the date on which the option is granted. Options not exercised at the end of this period are annulled. The number of vested, but not exercised, options in EMGS per 31 December 2008 was 1,699,800.

For new grants, the minimum exercise price will be set at fair market value at the date of grant. Any new options granted may be exercised after a certain time, subject to the recipient still being in the Company's employment. Grants to Management will be at the discretion of the Board. In 2009, the Board is authorized to award up to 2,500,000 options for ordinary shares to employees (not only management). The option period is 4 years.

d) Pension plans

Early retirement agreements have not been entered into. However, the company may sign early retirement agreements in the future.

Management personnel will normally belong to the company's collective pension plan which will provide pensions that are proportional to final salary levels.

e) Severance schemes

The CEO has a Severance Agreement which pays 24 months salary and benefits during the notice period if his/her employment is terminated. Other managers have Severance Agreements which cover the payment of 12 months salary and benefits during the notice period if his/her employment is terminated.

The severance scheme is structured to ensure that members of the executive management do not leave the Company in order to start working immediately for a competitor.

The company's CEO should ordinarily have an agreement that takes into account the company's possible need to ask the CEO to leave immediately if this is considered to be in the company's best interest. Consequently, the severance scheme must be sufficiently attractive for the CEO to accept an agreement involving a reduction in protection against dismissal.

Agreements may be signed regarding severance pay for other members of corporate management to attend to the company's needs at all times to ensure that the selection of managers is in commensuration with the company's needs. Pursuant to the Working Environment Act, such agreements may not have a binding effect on executives other than the CEO.

Efforts shall be made to devise severance schemes that are acceptable both internally and externally. In addition to salary and other benefits during the term of notice, such schemes will limit severance pay to 12 months.

f) Other benefits

It may be used other variable elements in the remuneration or awarded other special benefits than those mentioned above, provided this is considered expedient for attracting and/or retaining a manager. No special limitations have been placed on the type of benefits in kind that can be agreed.

2 Executive management wages in subsidiaries of EMGS

Other companies in the Group are to follow the main principles of the Group's managerial salary policy as described in section 1. It is a goal to coordinate wage policy and the schemes used for variable benefits throughout the Group.

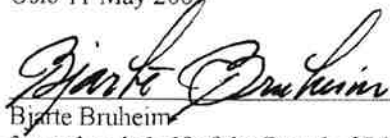
3 Review of the executive management remuneration policy that has been carried out in the financial year 2008

As a result of the conversion from a private limited company to a public limited company in 2008, a declaration on executive management salaries and remuneration was not presented to the Annual General Meeting in 2008. However, the policies set out herein were followed in all respects for the year 2008.

4 Review of the effects for the Company and its shareholders of agreements on Remuneration entered into or amended in the financial year 2008

The Company entered into an agreement with the Chairman, Bjarte Bruheim which was approved by the Extraordinary General Assembly on 27 November 2007. This agreement is deemed to have been beneficial for the Company. The agreement with the Executive Chairman has not been amended in 2008.

Oslo 11 May 2009

A handwritten signature in black ink, appearing to read 'Bjarte Bruheim', is written over a horizontal line.

Bjarte Bruheim
for and on behalf of the Board of Directors of EMGS

APPENDIX 5

PROPOSAL REGARDING BOARD COMPENSATION

Reference is made to item 7 to the calling notice dated 11 May 2009 2009. The Board of Directors (the "Board") of Electromagnetic Geoservices ASA (the "Company") proposes Annual General Meeting of the Company approves the following compensation for the Board directors:

Bjarte Bruheim	USD 554 000
David Krieger	USD 0
Jeffrey Harris	USD 0
Christopher Wright	USD 30 000
Berit Svendsen	USD 30 000
Grete Høiland	USD 30 000
Trine Sæther Romuld	USD 30 000

The employee representatives are not entitled to any compensation for their services as directors.

11 May 2009


Bjarte Bruheim
Chairman

Appendix 6

Execution Copy

LOAN AGREEMENT

between

Electromagnetic Geoservices ASA

(Borrower)

and

Fugro Norway AS

(Lender)

NOK 150,000,000 Senior Secured Convertible Loan

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This agreement (the "Loan Agreement") has been entered into on 29 April 2009 by and between

- (i) **ELECTROMAGNETIC GEOSERVICES ASA**, a Norwegian public limited liability company with registration number 984 195 486 and having its registered address at Stiklestadveien 1, 7041 Trondheim, Norway (the "Borrower"); and
- (ii) **FUGRO NORWAY AS** a Norwegian limited liability company with registration number 969 059 789 having its registered address at Hoffsvæien 1c 0213 Oslo, Norway (the "Lender").

1 Definitions

In this Loan Agreement, the following terms and expressions shall have the meaning set out below:

AGM: The annual general meeting of Borrower to be held on or about 5 June 2009.

AGM Resolution: The resolution adopted by the shareholders in the Borrower in the AGM to take up the Loan on the terms and conditions set out herein, evidenced by a resolution in form and substance in all material respects as set out in **Appendix 1** hereto.

Banking Day: A day on which banks are open for business in Norway.

**Change of Control
Conversion Period:** A period commencing on the date on which a Change of Control Event occurs and ending thirty (30) calendar days following such date or, if later, a period commencing on the Lender's receipt of a written notification from the Borrower of a Change of Control Event and ending thirty (30) days thereafter.



Change of Control Conversion Price:	Shall have the meaning given in Clause 7.5 (b).
Change of Control Event:	An event where a shareholder of the Borrower (other than the Lender) or a group of affiliated companies or persons, directly or indirectly (including purchase, merger etc.), have acquired the right to cast, at a general meeting of shareholders of the Borrower, more than 50 percent of the votes that may ordinarily be cast in a general meeting.
Change of Control Conversion Date:	The Banking Day being ten (10) Banking Days after the Lender has given a notice of conversion if a Change of Control Event has occurred.
Commercial Agreements:	The exclusive worldwide cooperation agreement and the non-exclusive worldwide global licensing agreement to be entered into by the Borrower and the Lender based on the main commercial terms and conditions as set out in the global agreement (the "Global Agreement") between the parties dated 24 April 2009.
Conversion:	Shall have the meaning ascribed to it in Clause 9.1.
Conversion Price:	NOK 5.75 per Conversion Share, subject to adjustments as provided in Clauses 11 and 12.
Conversion Right:	The right of the Lender to convert the Loan, in parts or in full into Shares, subject to Clauses 9, 11 and 12.
Conversion Shares:	The common shares of the Borrower to be issued following Conversion, which shares shall be vested with equal rights in all respects to those of the existing Shares in the Borrower.
Event of Default:	Each event defined as an event of default in Clause 15.1.
Exercise Period:	The period commencing on the Second Disbursement Date and ending on the tenth (10) Banking Day prior to the Maturity Date (both days inclusive) during which the Conversion Rights may be exercised.
Finance Documents:	This Loan Agreement, and the Loan Security documents.
First Disbursement Date:	29 April 2009; the date on which the First Tranche shall be made available to the Borrower.
First Tranche:	The amount of NOK 100,000,000.

Group: The Borrower and its (direct and indirect) Subsidiaries.

Interest Rate: 7.00 percent payable quarterly in arrears on each Interest Payment Date

Interest Payment Date: 30 January, 30 April, 30 July and 30 October each year

IPR: Means any patents, and applications for same, located anywhere in the world.

Loan: The maximum principal amount of NOK 150,000,000 provided by the Lender to the Borrower pursuant to the terms of this Loan Agreement, which, following the AGM Resolution, shall be convertible into Conversion Shares.

Loan Security: (i) A first priority pledge over Borrower's machinery and plant (Norwegian "*pant i driftstilbehør*") in the amount of NOK 150,000,000 (plus interests and expenses), which as per the Norwegian Mortgages Act Section 3-4 will include, inter alia, the trademarks, patents and the operating equipment of the Borrower; and

(ii) A first priority pledge over Borrower's inventory (Norwegian "*pant i varelager*") in the amount of NOK 150,000,000 (plus interests and expenses), which as per the Norwegian Mortgages Act Section 3-17 will include, inter alia, the EM multi-client library of the Borrower.

Maturity Date: 2 January 2012.

Payment Date: The dates specified for payment of interest or principal. If Payment Date is not a Banking Day payments should be made the following Banking Day.

Reference Price: NOK 5.00.

Second Disbursement Date: The date on which the Second Tranche is made available to the Borrower (subject to the First Tranche having been paid out and the Conditions Precedent in Clause 3.3 having been complied with) which shall be the first Banking Day following the AGM.

Second Tranche: The amount of NOK 50,000,000.

Shares: The shares of the Borrower, being at the date of this Loan Agreement 91,569,251 ordinary shares, fully paid up with a face value of NOK 0.25, representing, in aggregate, one hundred percent (100%) of the issued share capital of the Borrower.



Shareholder: A shareholder in the Borrower.

Subsidiary: An entity defined as a subsidiary pursuant to Section 1-3 of the Norwegian Public Limited Companies Act of 13 June 1997, No. 45; and/or an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership, where "control" for this purpose means the legal power to direct or cause the direction of the management and the policies of the person whether through the ownership of voting capital, by contract or otherwise.

Total Commitments: The aggregate of the First Tranche and the Second Tranche

2 The Loan

- 2.1. Upon and subject to the terms and conditions of this Loan Agreement, the Lender shall grant to the Borrower a loan in an aggregate maximum principal amount equal to the amount of the Total Commitments.
- 2.2. Subject as provided herein, the term of the Loan is from and including the First Disbursement Date to the Maturity Date.
- 2.3. The Borrower will employ the net proceeds of the Loan for general corporate purposes of the Borrower, provided that a relevant portion of the First Tranche shall be applied towards repayment in full of all amounts outstanding under its current loan facility with Nordea Bank Norge ASA and Nordea Bank Finland PLC (the "Nordea Facility") within its due date on 1 May 2009 at the latest.
- 2.4. The First Tranche and the Second Tranche will be advanced to the Borrower's account no 9051 112 9159 with Handelsbanken (IBAN number NO 49 9051 1129 159).

3 Conditions Precedent

- 3.1 Disbursement of the First Tranche will be subject to the Lender having received the following documents, in form and substance satisfactory to it:
 - (i) at least two Banking Days prior to the First Disbursement Date;
 - (a) certified copies of all necessary corporate resolutions of the Borrower to execute the Finance Documents,
 - (b) a power of attorney from the Borrower to relevant individuals for their execution of the relevant Finance Documents,



- (c) certified copies of the Certificate of Registration and Articles of Association of the Borrower, and extracts from the relevant registrar or similar documentation evidencing the authority of the individuals signing on behalf of the Borrower,
 - (d) evidence that the Loan Security documents in favour of the Lender evidencing the Loan Security have been sent to the Norwegian Register of Mortgaged Movable Property (Norwegian "løspørregisteret") on or before 27 April 2009 for registration, and
 - (ii) on the First Disbursement Date; confirmation in writing from the Borrower that the representations and warranties set out in Clause 4.1 remain true and accurate as at the First Disbursement Date.
- 3.2 Subject to the conditions set out above the First Tranche of the Loan will be made available to the Borrower at the First Disbursement Date.
- 3.3 Disbursement of the Second Tranche will be subject to the Lender having received (i) at least two Banking Days prior to the Second Disbursement Date, confirmation, in form and substance satisfactory to it, that the AGM Resolution has been duly passed in the AGM, and (ii) on the Second Disbursement Date, confirmation in writing from the Borrower that the representations and warranties set out in Clause 4.1 remain true and accurate as at the Second Disbursement Date.

4 Representations and Warranties

- 4.1 The Borrower shall in writing represent and warrant that as at the date of this Loan Agreement:
- (a) the Borrower is a public limited liability company, duly incorporated and validly existing under the laws of Norway and has the power to own its assets and carry on its business as presently conducted;
 - (b) the Borrower has the power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of the Finance Documents;
 - (c) the Finance Documents constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of such parties, enforceable in accordance with its terms, and (save as provided for therein) no registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against the Borrower and for any Loan Security to constitute a valid and enforceable agreed priority pledge;
 - (d) the entry into and performance by the Borrower of the Finance Documents and the transactions contemplated thereby do not and will not conflict with (i) any present law or regulation or judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on the Borrower;



- (e) no Event of Default exists; and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition, or any combination of the foregoing) would constitute a default under any document which is binding on the Borrower or any of its assets, and which may have a material adverse effect on the ability of the Borrower to perform its obligations under the Finance Documents;
 - (f) all documents and information which has been provided in connection with this Loan, represent the latest available financial information concerning the Group and there has been no change in the Group's financial position which could have a material adverse effect on the Borrower's ability to perform its duties under the Finance Documents;
 - (g) all authorisations, consents, licenses or approvals of governmental authorities required for the Borrower in connection with the execution, performance validity or enforceability of the Finance Documents, and the transactions contemplated thereby, have been obtained and are valid;
 - (h) all authorisations, consents, licenses or approvals of governmental authorities required for the Borrower to carry on its business as presently conducted, have been obtained and are in full force and effect;
 - (i) except as disclosed in writing by the Borrower to the Lender prior to the date of this Agreement, no litigation, arbitration or administrative proceeding is pending or, to the best of the Borrower's knowledge, threatened against it which would materially and adversely affect the affairs, assets or financial condition of the Borrower or its ability to perform its obligations under the Finance Documents;
 - (j) the Borrower is not required to make any deduction or withholding from any payment which it may become obliged to make to the Lender under the Finance Documents;
 - (k) the Borrower's payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatory preferred by law applying to companies generally;
 - (l) no financial indebtedness save the Nordea Facility have been secured in respect of any Loan Security prior to the signing of the Loan Agreement; and
 - (m) the representations and warranties set out in this Clause 4.1, are made by the Borrower on the signing date of the Loan Agreement and shall be deemed to be repeated on the First Disbursement Date and the Second Disbursement Date.
- 4.2 The Borrower shall indemnify the Lender for any economic losses suffered as a result of any failure to comply with the representations and warranties provided by the Borrower herein both prior to disbursement of the Loan, and during its life.



5 Status of the Loan and security

- 5.1 The Loan shall rank *pari passu* with all other senior obligations of the Borrower other than obligations which are mandatory preferred by law. The Loan shall rank ahead of subordinated capital.
- 5.2 The Loan including interest and expenses shall be secured by the Loan Security.
- 5.3 During the term of this Loan Agreement, neither the Borrower nor its Subsidiaries may grant any security, or allow any security to be granted over any of its IPRs (negative pledge) in favor of any third party.

6 Interest

- 6.1 The Borrower shall pay interest on the at all times outstanding Loan from and including the First Disbursement Date at a fixed rate of 7 percent per annum. Interest payments shall be made in arrears on each Interest Payment Date, the first Interest Payment Date being 30 July 2009.
- 6.2 Interest shall be calculated on the basis of a year of 360 days with twelve 30-day months, unless:
 - (a) the last day of the period is the 31st day of a month but the first day of the period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or
 - (b) the last day of the period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.

7 Maturity of the Loan and Change of Control

- 7.1 The Loan will run without installments and mature in whole on the Maturity Date at par (100%) together with accrued interest thereon.
- 7.2 The Borrower may prepay the Loan in full in the event there is a material breach by the Lender under any of the Commercial Agreements.
- 7.3 The Lender may demand immediate repayment of the outstanding Loan plus accrued interest if the AGM Resolution has not been validly adopted by the AGM by 30 June 2009.
- 7.4 The Lender may demand that the Loan plus accrued interest be prepaid on 31 December 2009 in the event that the Commercial Agreements (or any of them) have not been agreed and signed within 15 August 2009 and the Lender has sent the Borrower a written notice in respect thereof prior to 1 September 2009.
- 7.5 If a Change of Control Event has occurred the Lender shall at any time during the Change of Control Conversion Period have the option to (at the Lender's discretion):

either:

- (a) require early repayment of the Loan at 101% of the outstanding Loan amount plus accrued interest;

or

- (b) convert the Loan at the Change of Control Conversion Price, which shall be set out as per the provisions immediately below, but in each case adjusted, if appropriate, under the provisions of Clauses 11 and 12 (provided that no adjustment to the Conversion Price will be made in respect of such Change of Control Event other than pursuant to this Clause 10.3 in respect of exercise of the conversion right in the Change of Control Conversion Period):

$$\text{COCCP} = \frac{[\text{RP} \times (\text{N} - \text{n})] + [(\text{OCP} \times \text{n})]}{\text{N}}$$

where:

COCCP is the Change of Control Conversion Price;

RP is the Reference Price;

OCP is the current Conversion Price;

N is the number of days from (and including) the First Disbursement Date to (but excluding) the Maturity Date;

n is the number of days from (and including) the First Disbursement Date to (but excluding) the date of the Change of Control Event.

The number of the Conversion Shares required to be issued shall be determined by dividing the outstanding Loan amount by the Change of Control Conversion Price in effect on the relevant exercise date. Any accrued interest shall be paid in cash upon conversion.

The Lender must within the Change of Control Conversion Period notify the Borrower of its election of whether or not to (a) require early repayment, or (b) convert the Loan to Conversion Shares.

In the event of an early repayment pursuant to this Clause 7.4, settlement shall be three (3) Banking Days after the Borrower has received such request.

In the event of conversion pursuant to this Clause 7.4, the Borrower shall as soon as possible, but in no event later than on the Change of Control Conversion Date issue to and in the names of the Lender the number of new Conversion Shares which are

necessary in order to fulfil the Borrower's obligations to issue new Shares to the Lender.

The terms and conditions set out in Clauses 9, 11 and 12 shall (to the extent applicable) apply for any conversion of the Loan to Shares according to this Clause 7.4

If a Change of Control Event is triggered by a merger in which the Borrower is the acquired company, this Clause 7.4 and Clause 12.1 shall be alternative rights for the Lender.

8 Interest in the event of late payment

- 8.1 In the event that payment of interest or principal is not made on the relevant Payment Date, the amount outstanding shall bear interest from the Payment Date at an interest rate equivalent to the interest rate according to Clause 6 plus 3.00 percentage points.
- 8.2 The outstanding amounts shall bear interest as mentioned above until payment is made, whether or not the Loan is declared to be in default pursuant to Clause 15.1 (a), cf. Clause 15.2.

9 Conversion terms

- 9.1 The Lender may convert the Loan, in part or in full, and on one or more occasions, into Conversion Shares at the Conversion Price at any time during the Exercise Period upon 2 Banking Days written notice to the Borrower (the "Conversion").
- 9.2 The Conversion Price shall be adjusted pursuant to Clauses 11 and 12.
- 9.3 Interest accrued since the latest Interest Payment Date on the amount of the Loan to be converted shall fall due and be payable upon Conversion.
- 9.4 The Borrower is responsible for ensuring that:
 - (i) the share capital increase resulting from the Conversion is registered in the company register as soon as possible,
 - (ii) the Conversion Shares issued upon Conversion are registered in the Securities Depository on the Conversion Date.
- 9.5 Conversion will be effected by set-off of the outstanding Loan to be converted against the issuing of the whole number of Conversion Shares resulting from dividing the total nominal value of the Loan to be converted by the Conversion Price. Any excess amount beyond the whole number of shares converted shall fall to the Borrower.
- 9.6 The Conversion Right cannot be separated from the Loan.



- 9.7 The Borrower shall take all necessary and appropriate actions such that upon Conversion the Conversion Shares so issued will be duly listed and freely tradable on the principal exchange for the Borrower's shares.

10 Rights Issue

- 10.1 The Lender shall be granted the same rights as the Shareholders to the extent they are granted rights of subscription to new shares, warrants, options, convertible loans or other securities exchangeable or convertible into Shares as if the Lender already had exercised its Conversion Right.
- 10.2 The Loan Agreement has been entered into on the mutual assumption that, through conversion of the Loan, the Lender shall be able to acquire and maintain a substantial minority ownership interest in the Borrower, ref. also Clause 13.3. The parties shall discuss and agree mitigation options if, for any reason, this assumption is challenged.

11 Adjustment of the Conversion Price

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows:

- 11.1 If and whenever there shall be a consolidation or subdivision of the Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Shares in issue immediately before such consolidation or subdivision, as the case may be; and
- B is the aggregate number of Shares in issue immediately after, and as a result of, such consolidation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation or subdivision, as the case may be, takes effect.

- 11.2 If and whenever the Borrower shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Shares issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have received or (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:



$$\frac{A}{B}$$

where:

- A is the aggregate nominal amount of the Shares in issue immediately before such issue; and
- B is the aggregate nominal amount of the Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares.

- 11.3 If and whenever the Borrower shall pay or make any Dividend to shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the relevant Dividend by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the dealing day immediately preceding the date of the first public announcement of the relevant Dividend or, in the case of a purchase of Shares or any receipts or certificates representing Shares by or on behalf of the Borrower or any Subsidiary of the Borrower, on which such Shares are purchased or, in the case of a Spin-Off, is the mean of the Volume Weighted Average Prices of a Share for the five consecutive dealing days ending on the dealing day immediately preceding the first date on which the Shares are traded ex- the relevant Spin-Off; and
- B is the portion of the Fair Market Value, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase of Shares or any receipts or certificates representing shares by or on behalf of the Borrower or any Subsidiary of the Borrower, by the number of Shares in issue immediately prior to such purchase), of the Dividend attributable to one Share.

Such adjustment shall become effective on the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase of Shares or any receipts or certificates representing Shares, on the date such purchase is made or, in the case of a Spin-Off, the first date on which the Shares are traded ex- the relevant Spin-Off.

For the purposes of the above, the Fair Market Value of a Cash Dividend shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange, and in the case of a Non-Cash Dividend, the Fair Market Value of the relevant Dividend shall be the Fair Market

Value of the relevant Spin-Off Securities or, as the case may be, the relevant property or assets.

"Non-Cash Dividend" means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

"Cash Dividend" means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of "Spin-Off" and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of "Dividend" shall be treated as being a Non-Cash Dividend.

- 11.4 If and whenever the Borrower shall issue Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at a price per Share which is less than (1) 100 percent of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the terms of the issue or grant of such Shares, options, warrants or other rights, or (2) 100 percent of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be); and
- C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- 11.5 If and whenever the Borrower shall issue any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase any Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Shares or

options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the dealing day immediately preceding the first date on which the terms of such issue or grant are publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- 11.6 If and whenever the Borrower shall issue (otherwise than as mentioned in Clause 11.4 above) wholly for cash or for no consideration any Shares (other than Shares issued on conversion of the Loan or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of Shares, save for issuance of Shares on the exercise of option or other securities issued and/or granted prior to the date of this Loan Agreement) or issue or grant (otherwise than as mentioned in Clause 14.4 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Shares (other than the Loan), in each case at a price per Share which is less than (1) 100 percent of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the terms of such issue or grant or (2) 100 percent of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before the issue of such Shares or the grant of such options, warrants or rights;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be); and
- C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon

exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the date of issue of such Shares or, as the case may be, the grant of such options, warrants or rights.

- 11.7 If and whenever the Borrower or any subsidiary of the Borrower or (at the direction or request of or pursuant to any arrangements with the Borrower or any subsidiary of the Borrower) any other company, person or entity (otherwise than as mentioned in Clause 11.4, 11.5 or 11.6 above) shall issue wholly for cash or for no consideration any Securities (other than the Loan), which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Shares, and the consideration per Share receivable upon conversion, exchange, subscription or redesignation is less than (1) 100 percent of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant) or (2) 100 percent of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued by the Borrower for the purposes of or in connection with such issue, less the number of such Shares so issued);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be); and
- C is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Shares which may be issued or arise from any such redesignation.

Provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Clause 11.7 the "Specified Date") such number of Shares is to be

determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this Clause 11.7, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the date of issue of such Securities or, as the case may be, the grant of such rights.

- 11.8 If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such Securities (other than the Loan) as are mentioned in Clause 11.7 above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Share receivable has been reduced and is less than (1) 100 percent of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the proposals for such modification or (2) 100 percent of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued, purchased or acquired by the Borrower or any Subsidiary of the Borrower (or at the direction or request or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) for the purposes of or in connection with such issue, less the number of such Shares so issued, purchased or acquired);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be) or, if lower, the existing conversion, exchange or subscription price of such Securities; and
- C is the maximum number of Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an

Independent Financial Adviser shall consider appropriate for any previous adjustment under this Clause 11.8 or Clause 11.7 above.

Provided that if at the time of such modification (as used in this Clause 11.8 the "Specified Date") such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Clause 11.8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such Securities.

- 11.9 If and whenever the Borrower or any Subsidiary of the Borrower or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) any other company, person or entity shall offer any Securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under Clause 11.2, 11.3, 11.4, 11.6 or 11.7 (or would fall to be so adjusted if the relevant issue or grant was at less than (1) 100 percent of the Current Market Price per Share on the relevant dealing day) or (2) 100 percent of the Conversion Price in effect or (3) under Clause 11.5), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price or the Conversion Price in effect (as the case may be) of one Share on the dealing day immediately preceding the date on which the terms of such offer are first publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Share.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights on the Relevant Stock Exchange.

11.10 Notwithstanding the foregoing provisions, where the events or circumstances giving rise to any adjustment pursuant to this Clause 11.10 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the reasonable opinion of the Lender, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result.

11.11 For the purpose of any calculation of the consideration receivable or price pursuant to Clauses 11.4, 11.6, 11.7 and 11.8, the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Borrower to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the date of the first public announcement of the terms of issue of such Securities or, as the case may be, such options, warrants or rights, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than Norwegian Kroner it shall be converted into Norwegian Kroner at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on the date of the first public announcement of the terms of issue of such Securities (or if no such rate is available on that date, the



equivalent rate on the immediately preceding date on which such rate is available); and

- (d) in determining consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Shares or Securities or otherwise in connection therewith.

11.12 If the Conversion Date in relation to the conversion of any Loan shall be after any consolidation or sub-division as is mentioned in Clause 11.1, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Clauses 11.2, 11.3, 11.4, 11.5 or 11.9, or after any such issue or grant as is mentioned in Clause 11.6 and 11.7, in any case in circumstances where the relevant Conversion Date falls before the relevant adjustment becomes effective under Clause 11 (such adjustment, a "**Retroactive Adjustment**"), then the Borrower shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or delivered to the converting Lender, such additional number of Shares (if any) (the "**Additional Shares**") as, together with the Shares issued or to be issued or delivered on conversion of the Loan (together with any fraction of a Share not so issued), is equal to the number of Shares which would have been required to be issued or delivered on conversion of the Loan if the relevant adjustment (more particularly referred to in the said provisions of Clause 11) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date. Additional Shares will be delivered to Lender not later than 10 Banking Days following the date the relevant Retroactive Adjustment becomes effective (the "**Reference Date**").

11.13 On any adjustment, the resultant Conversion Price, if not an integral multiple of NOK 0.10, shall be rounded down to the nearest whole multiple of NOK 0.10. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one percent of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.

Notice of any adjustments to the Conversion Price shall be given by the Borrower to Lender promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal value of the Shares and the Borrower undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.

11.14 "**Current Market Price**" means, in respect of a Share at a particular date, the average of the Volume Weighted Average Price of a Share for the fifteen consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said fifteen-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during

some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Shares to be issued or transferred do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of first public announcement of such Dividend (or entitlement); or
- (b) if the Shares to be issued or transferred do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of first public announcement of such Dividend (or entitlement),

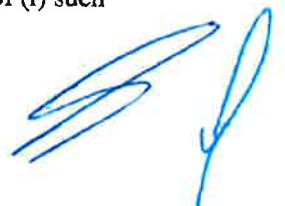
and provided further that, if on each of the said fifteen dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of the first public announcement of such Dividend or entitlement,

and provided further that, if the Volume Weighted Average Price of a Share is not available on one or more of the said five dealing days, then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

“dealing day” means a day on which the Relevant Stock Exchange is open for business, (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time).

“Dividend” means any dividend or any form of distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Shares, or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of the Dividend in cash, then for the purposes of this definition the Dividend in question shall be treated as a Cash Dividend of the greater of (i) such



cash amount and (ii) the Fair Market Value (on the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined), of such Shares or other property or assets;

- (b) any issue of Shares falling within Clause 11.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Borrower by the Borrower or any Subsidiary of the Borrower shall not constitute a Dividend unless, in the case of purchases, redemptions or buy backs of Shares by or on behalf of the Borrower or any of its Subsidiaries, the weighted average price per Share (before expenses) on any one day (a "Specified Share Day") in respect of such purchases, redemptions or buy backs (translated, if not in Norwegian Kroner, into Norwegian Kroner at the spot rate ruling at the close of business on such day as determined in good faith by an Independent Financial Adviser (or if no such rate is available on that date, the equivalent rate on the immediately preceding date on which such rate is available), exceeds by more than 5 percent the average of the closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase Shares at some future date at a specified price, on the five dealing days immediately preceding the date of such announcement, in which case such purchase shall be deemed to constitute a Dividend in Norwegian Kroner to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased by the Borrower or, as the case may be, any of its Subsidiaries (translated where appropriate into Norwegian Kroner as provided above) exceeds the product of (i) 105 percent of the average closing price of the Shares determined as aforesaid and (ii) the number of Shares so purchased; and
- (d) if the Borrower or any of its Subsidiaries shall purchase any receipts or certificates representing Shares, the provisions of paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser.

"Fair Market Value" means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Adviser provided, that (i) the Fair Market Value of a Cash Dividend paid or to be paid shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the fair market value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five trading days on the relevant market commencing on such date (or, if

later, the first such trading day such Securities or Spin-Off Securities, options, warrants or other rights are publicly traded); and (iv) in the case of (i) converted into Norwegian Kroner (if declared or paid in a currency other than Norwegian Kroner) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in Norwegian Kroner; and in any other case, converted into Norwegian Kroner (if expressed in a currency other than Norwegian Kroner) at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

"Independent Financial Adviser" means an independent investment bank of international repute appointed by the Borrower and approved in writing by the Lender or, if the Borrower fails to make such appointment and such failure continues for a reasonable period (as determined by the Lender) and the Lender is indemnified and/or secured as to costs to its satisfaction against the costs, fees and expenses of such adviser, appointed by the Lender following notification to the Borrower.

"Relevant Stock Exchange" means the Oslo Stock Exchange or, if at the relevant time, the Shares are not at that time listed and admitted to trading on the Oslo Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

"Securities" means any securities including, without limitation, Shares, or options, warrants or other rights to subscribe for or purchase or acquire Shares.

"Spin-Off" means:

- (a) a distribution of Spin-Off Securities by the Borrower to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Borrower) to Shareholders as a class, pursuant in each case to any arrangements with the Borrower or any of its Subsidiaries.

"Spin-Off Securities" means equity share capital of an entity other than the Borrower or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Borrower.

"Volume Weighted Average Price" means, in respect of a Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the volume-weighted average price of a Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of a Share) from the Relevant Stock Exchange or (in the case of a Security or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume

Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined.

References to any issue or offer or grant to Shareholders "as a class" or "by way of rights" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

11.15 If changes are made in the share capital other than those mentioned above, which are unfavourable to the Lender compared to the Shareholders, the Lender and the Borrower shall agree on a new Conversion Price.

11.16 If the Conversion Price is below par value of the Shares, par value of the Shares still applies, and the Borrower shall on the Maturity Date pay the Lender the difference between the par value of the Shares and the Conversion Price.

12 Merger and de-merger

12.1 If the Borrower prior to the expiry of the Conversion Period decides on a statutory merger (in accordance with prevailing legislation from time to time) in which the Borrower is the acquired company, the Lender has the right to demand the Loan to be redeemed at par plus accrued interest.

The Borrower shall give the Lender written notification through the Securities Depository at the latest 5 – five – Banking Days after notification of the merger. The notification shall refer to the regulations and deadlines of Clause 12.2.

12.2 Request for repayment takes place by the Lender notifying the Borrower at the latest two (2) months after notification of the merger.

Repayment shall take place 5 – five- Banking Days after the acquiring company has notified that the merger shall be effective.

12.3 If the Lender does not use the right to request repayment according to Clause 12.2, the conversion right shall be transferred to a right to convert to shares in the acquiring company on terms that are adjusted to reflect the exchange ratio of the merger.



- 12.4 If the Borrower decides on a merger in which the Borrower is the acquiring company, and the shareholders of the acquired company receive settlement in the form of shares only, no adjustment will be made to the Conversion Price. If the shareholders of the acquired company receive settlement in any other form, in full or partly, the Conversion Price shall be adjusted according to Clause 11.
- 12.5 In the event of a de-merger, a split-up, a spin-off, split-off or if any other event occurs which has the same effect as a de-merger, the Borrower and the Lender shall agree on appropriate adjustments to the Conversion Right and the Conversion Price, which shall be made pursuant to the principles as set out in Clause 11.
- 12.6 The provisions in this Clause 12 have no limitation on the creditor's right of objection to the merger or de-merger.

13 Covenants

- 13.1 During the term of the Loan the Borrower shall comply with the following information covenants:
- (a) immediately inform the Lender of any default of the Loan pursuant to Clause 15 as well as of any circumstances which the Borrower understands may lead to an Event of Default,
 - (b) of its own accord, make annual and interim reports available to the Lender as soon they are available, and not later than 150 days after the end of the financial year and not later than 60 days after the end of the relevant interim report period,
 - (c) forward to the Lender copies of any creditors' notifications of the Borrower, including but not limited to; mergers, demergers and reduction of shareholders capital,
 - (d) within a reasonable time limit provide information about the Borrower's financial condition as the Lender may reasonably request,
 - (e) in connection with reporting under 13.1 (b) confirm to the Lender the Borrower's compliance with this Clause 13,
 - (f) of its own accord, inform the Lender of any event that results in an adjustment of the Conversion Price promptly thereafter, and
 - (g) following the occurrence of a Change of Control Event, immediately after the Borrower becomes aware of it, notify the Lender thereof. The notice shall specify (i) the applicable Change of Control Conversion Price, (ii) the Change of Control Conversion Period, (iii) the Change of Control Conversion Date and (iv) details concerning the potential Change of Control Event.
- 13.2 During the term of the Loan, the Borrower shall not, and it shall procure that its Subsidiaries shall not (in each case, unless the Lender shall have agreed otherwise in writing):



- (a) cease to carry on its business;
- (b) sell or dispose of all or a substantial part of its assets or operations, provided that such sale or disposal has an adverse effect on the Borrower's ability to perform hereunder;
- (c) change the nature of its business in a manner which may jeopardize the Borrower's fulfillment of its obligations under this Loan Agreement;
- (d) merge, demerge or in any other way restructure its business in a manner which may jeopardize the Borrower's fulfillment of its obligations under this Loan Agreement;
- (e) change its jurisdiction of incorporation;
- (f) make any financial or other arrangements which are likely to have a material adverse effect on the Borrower's fulfillment of its obligations under this Loan Agreement;
- (g) make any arrangements (by way of sale, license or otherwise) concerning the patents and/or other material IPRs which is likely to have a material adverse effect on the Borrower's ability to fulfil its obligations under this Loan Agreement and/or any of the Commercial Agreements; and
- (h) make any arrangements regarding the Loan Security which could adversely affect the Lender's position or interest therein.

13.3 For as long as the Loan (or any part thereof) remains outstanding, the Borrower undertakes to give the Borrower a right of first refusal to subscribe for or otherwise acquire any convertible loan, or other debt instrument convertible or exchangeable into Shares, which could, upon conversion, result in the Lender being diluted to under 15% of the outstanding Shares had the Loan been converted at that time. The Lender shall notify the Borrower in writing of whether or not it wishes to use the said right of first refusal within 10 Business Days following receipt of an offer from the Borrower to grant such debt instrument. Should the Lender fail to give such notice within the said deadline, the Borrower shall be entitled to issue the said debt instrument to any third party.

13.4 For as long as the Loan (or any part thereof) remains outstanding, the Borrower undertakes to:

- (a) maintain, on a consolidated basis, a total equity which constitutes more than 25% of total assets (each of which expressions shall be determined in accordance with the standards of IFRS);
- (b) maintain non-restricted, free cash (which expression shall be determined in accordance with the standards of IFRS) of at least USD 3,000,000;

(c) not make any payments of dividend, repurchase of shares or other capital contribution to its shareholders, including repurchase of any equity or subordinated debt.

13.5 The Borrower shall on a quarterly basis provide the Lender with a statement confirming compliance with the covenants set out in Clause 13.4, which statement shall be given on or about the same date as the Borrower makes mandatory quarterly financial reporting to Oslo Børs.

13.6 For as long as the Loan (or any party thereof) remains outstanding, the Borrower undertakes to continue its current practice as regards allocation of ownership to IPRs, operating equipment and multi-client library, and accordingly to maintain ownership to any existing and future IPRs, operating equipment and multi-client library of the Group in the name of the Borrower.

13.7 For the avoidance of doubt, this Clause 13 shall not prevent the Borrower from continuing the employee option program existing at the date of this Loan Agreement, provided that any new grants under such program are consistent with previous practice.

14 Fees and expenses

14.1 The Borrower shall cover any document fee and other public fees in connection with the Loan and the Loan Security.

14.2 The Borrower is responsible for withholding any withholding tax imposed by Norwegian law.

15 Events of Default

15.1 The occurrence of any of the following events shall constitute an Events of Default:

(a) the Borrower shall on any Payment Date fail to pay any interest or principal due or any other amount payable under the Finance Documents (or any of them) unless the failure to pay is due to a technical error and the payment is made within 3 Banking Days;

(b) the Borrower shall fail to duly perform any other covenant or obligation, to be performed under Finance Documents and such failure (if capable of remedy) is not remedied within 10 - ten - Banking Days after notice thereof is given to the Borrower by the Lender in writing;

(c) if, the aggregate amount of financial indebtedness or commitment for financial indebtedness of the Group falling within paragraphs (i) to (iii) below exceeds a total of USD 5,000,000 (or the equivalent thereof in other currencies);

(i) any financial indebtedness of, or guaranteed by, the Borrower and/or any of its Subsidiaries is not paid when due nor within any originally applicable grace period,



- (ii) any financial indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or
 - (iii) any commitment for any financial indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described),
- (d) if, in respect of any member of the Group, save for any Subsidiaries with no material assets;
 - (i) it is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness, or
 - (ii) a substantial part of its assets are impounded, confiscated or subject to distraint,
- (e) if, in respect of any member of the Group, any corporate action, legal proceedings or other procedure or step (or any analogous procedure or step is taken in any jurisdiction) is taken in relation to;
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation,
 - (ii) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (iii) enforcement of any security over any of its assets with an aggregate value of more than USD 250,000,
- (f) any representation or statement made or deemed to be made by the Borrower in any of the Finance Documents or any other document delivered by or on behalf of any Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and such incorrect or misleading information has an adverse effect of the Borrowers performance hereunder,
- (g) a failure by the Borrower to in any material respect comply with any representation or warranty set out in Clause 4 of this Loan Agreement and such failure has an adverse effect on the Borrowers ability to perform hereunder,
- (h) a failure to comply with any covenants set out in Clause 13 of this Loan Agreement,
- (i) there is a material breach by the Borrower under the Global Agreement and/or any of the Commercial Agreements.



15.2 In the event that one or more of the circumstances mentioned in Clause 15.1 occurs and is continuing, the Lender may by written notice declare the entire Loan including accrued interest and expenses to be in default and due for immediate payment.

16 Limitation

16.1 Claims for interest and principal shall be limited in time pursuant to the Norwegian Act relating to the Limitation Period for Claims of May 18, 1979 nr. 18.

17 Assignment

17.1 Save for assignment within the Fugro group, the Lender may not assign its rights and obligations under the Loan Agreement to any third party, except with the prior written consent of the Borrower.

18 Dispute resolution and legal venue

18.1 Disputes arising out of or in connection with the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law.

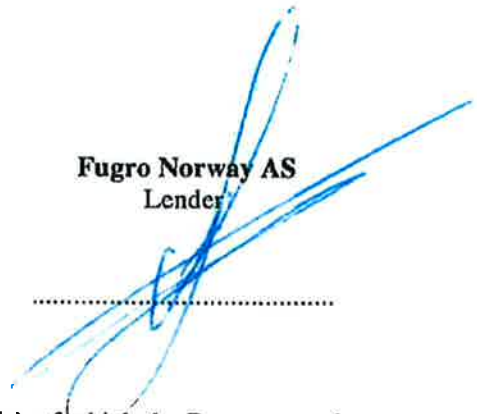
18.2 Disputes arising in connection with or as a result of this Loan Agreement shall be referred to the Oslo District Court.

Oslo, 29 April 2009

Electromagnetic Geo Services ASA
Borrower



Fugro Norway AS
Lender



The Loan Agreement has been executed in 2 copies (originals), of which the Borrower and the Lender keep one each.



LOAN AGREEMENT

between

Electromagnetic Geoservices ASA
(Borrower)

and

Norsk Tillitsmann ASA
(Loan Trustee)

on behalf of

the Bondholders

in the bond issue

**9.00 per cent EMGS ASA Senior Unsecured Convertible
Bond Issue
2009/2011**

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This agreement (the "**Loan Agreement**") has been entered into on [] May 2009 between **Electromagnetic Geoservices ASA** (Norwegian Company No 984 195 486) as borrower (the "**Borrower**") and **Norsk Tillitsmann ASA** (Norwegian Company No 963 342 624) as loan trustee (the "**Loan Trustee**").

Through their subscription in the Loan the Bondholders have acceded to the Loan Agreement (i.e.):

- * The Bondholders are bound by the terms of the Loan Agreement as a consequence of their subscription of the Bonds on the terms set out in the term sheet for the Loan.
- * The Loan Trustee has through the Bondholders' subscription been granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement.

The Loan Agreement is available to anyone and may be obtained from the Loan Trustee or the Borrower. The Borrower shall ensure that the Loan Agreement is available to the general public throughout the entire term of the Loan.

1 Definitions

Whenever used in this Loan Agreement the following terms shall have the following meaning:

Account Manager:	a Bondholder's account manager in the Securities Depository.
Banking Day:	a day when the Norwegian Central Bank's Settlement System is open and when Norwegian banks can settle foreign currency transactions.
Bondholders:	the holders of the Bonds.
Bonds:	bonds in the Loan, as described in Clause 2.1.
Borrower's Bonds:	Bonds in the Remaining Loan, owned by the Borrower or any party over whom the Borrower has decisive influence or any party who has decisive influence over the Borrower.
Change of Control Conversion Date:	means a date being ten (10) Banking Days after the Bondholder has given a notice of conversion if a Change of Control Event has occurred.

Change of Control Event:	An event where a shareholder of the Borrower or a group of affiliated shareholders, or companies, directly or indirectly (including purchase, merger etc.), have acquired the right to cast, at a general meeting of shareholders of the Borrower, more than 50 percent of the votes that may ordinarily be cast in a general meeting. For of the combined ownership of funds managed by Warburg Pincus LLP the similar Change of Control Event threshold is 75 percent of the votes.
Change of Control Conversion Period:	means the sixty (60) calendar days period following a Change of Control Event or, if later, sixty (60) calendar days following the date the notification of a Change of Control Event (cf. Clause 16.1 (i)).
Change of Control Conversion Price:	shall have the meaning given in Clause 10.4.
Change of Control Put Option:	each Bondholder's right of early redemption as set out in Clause 10.4 (a).
Conversion Date:	the date falling 10 – ten – Banking Days after the Paying Agent has received the relevant exercise notice pursuant to Clause 13.1.
Conversion Period:	the entire term of the Loan, subject to the Conversion Right having been exercised within the Exercise Period.
Conversion Price:	USD 0.88 per Share, subject to any adjustments as set out in Clauses 14 and 15.
Conversion Right:	the right of each Bondholder to convert each Bond at the Conversion Price into Shares, subject to Clauses 10.4, 13, 14 and 15
Disbursement Date:	18 May 2009.
Equity Ratio:	the ratio of Total Equity to Total Assets.
Escrow Account:	an account established in the name of the Borrower to be blocked and pledged on first priority in favour of the Loan Trustee (on behalf of the Bondholders), in which the bank operating the accounts has waived any set-off rights.
Escrow Account Pledge:	a Norwegian law first priority pledge/assignment over the Borrower's claim against the bank for the amount from time to time standing to the credit of the Borrower in the

Escrow Account in favour of the Loan Trustee (on behalf of the Bondholders) securing the Borrower's obligations under this Loan Agreement up and until the Borrower's due fulfilment of all conditions for drawdown from the Escrow Account as set out in Clause 6.3.

Event of Default:	means each event defined as an event of default in Clause 18.1.
Exchange:	securities exchange or other reputable market place for securities having satisfactory requirements as to listing and trading, where the Loan and/or the Shares is listed or applied for listing.
Exercise Period:	the period commencing on the Disbursement Date and ending on the tenth (10) Banking Day prior to the Maturity Date (both days inclusive) during which the Conversion Rights may be exercised.
Finance Documents:	(i) this Loan Agreement, (ii) the fee agreement according to Clause 17.1, and (iii) any other document which is executed at any time by the Borrower in relation to any amount payable under this Loan Agreement or any of the other documents referred to in this definition.
Free Cash:	means the aggregate amount (expressed in USD or as a USD equivalent) of all non-restricted amounts of the Borrower which are standing to the credit of current and deposit accounts with banks and other deposit taking institutions, excluding prepaid amounts and any amounts to which the right of access or use is blocked or restricted (whether by way of encumbrance or otherwise).
Group:	the Borrower and its (direct and indirect) Subsidiaries.
Loan Security:	the security for the Loan (including interest and expenses) as set out in sub-clause 8.2.
Material Subsidiary:	means: <ul style="list-style-type: none"> (i) any Subsidiary whose total consolidated assets represent at least 5 % of the total consolidated assets of the Group, or (ii) any Subsidiary whose total consolidated net sales represent at least 5 % of the total consolidated net sales of the Group, or (iii) any other Subsidiary to which is transferred either (A) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary or (B) sufficient assets of

the Issuer that such Subsidiary would have been Material Subsidiary had the transfer occurred on or before the relevant date,

always provided that Subsidiaries not being a Material Subsidiary shall in aggregate not exceed 20 % of the consolidated turnover, gross assets or nets assets of the Group (as the case may be).

Maturity Date:	18 May 2011, unless earlier as determined by Clause 6.4.
Outstanding Loan:	Remaining Loan less Borrower's Bonds.
Paying Agent:	Nordea Bank Norge ASA.
Payment Date:	in relation to the Loan the dates specified for payment of interest or principal. If Payment Date is not a Banking Day payments should be made the following Banking Day.
Reference Price	USD 0.77 per Share.
Remaining Loan:	the aggregate principal amount of all Bonds outstanding in the Loan less the principal amount of the Bonds redeemed by the Borrower and discharged through the Securities Depository.
Securities Depository:	the securities depository in which the Loan is registered. On Disbursement Date the Securities Depository is Verdipapirsentralen ("VPS").
Securities Depository act:	the Norwegian act of 2002 no. 64 regarding securities depository.
Shares:	the shares of the Borrower, being at the date of this Loan Agreement 91,569,261 ordinary shares, fully paid up with a face value of NOK 0.25, representing, in aggregate, one hundred per cent (100 %) of the issued share capital of the Borrower, each individually a "Share".
Subsidiary	means each and all of the entities which according to the Norwegian Public Limited Companies Act (13 June 1997, no 45) is a (direct or indirect owned) subsidiary of the Borrower at any time.

Total Assets:	the aggregate book value (on a consolidated basis) of the Group's total assets in accordance with IFRS as set out in the then most recent audited consolidated financial statements (or, if no audited consolidated financial statements are prepared, then reference shall be made to unaudited consolidated financial statements (if any) or on the basis of pro forma consolidated financial statements) of the Borrower.
Total Equity:	the aggregate book value (on a consolidated basis) of the Group's total equity in accordance with IFRS minus any senior liability or perpetual liability with a step-up treated as equity under IFRS as set out in the then most recent audited consolidated financial statements (or, if no audited consolidated financial statements are prepared, then reference shall be made to unaudited consolidated financial statements (if any) or on the basis of pro forma consolidated financial statements) of the Borrower.
USD	United States Dollars, being the lawful currency, at the date hereof, of the United States of America.

2 The Loan

- 2.1 The Borrower has resolved to issue a series of Bonds at a maximum amount of USD 5,000,000 (US dollar five million), herein referred to as the "**Loan**".

The Bonds will be in denominations of USD 100,000 each and rank *pari passu*.

The Loan will be described as "9.00 per cent EMGS Senior Secured Convertible Bond Issue 18 May 2009 – 18 May 2011".

The registration number (ISIN) of the Loan will be NO 001 0509656.

The term of the Loan is from and including the Disbursement Date to the Maturity Date or earlier if all of the Bonds are redeemed prior to the Maturity Date following (i) the Bondholders' exercise of their Conversion Right, and/or (ii) otherwise pursuant to the terms and conditions set forth herein.

The net proceeds of the Loan will be employed for the general financing of the Borrower.

3 Listing

- 3.1 The Bonds will initially not be listed on an Exchange.

4 Registration in a Securities Depository

- 4.1 The Loan must prior to disbursement be registered in a Securities Depository according to the Securities Depository Act and the conditions from the Securities Depository.
- 4.2 The Borrower shall promptly arrange for notification to the Securities Depository of any changes in the terms and conditions of the Loan. The Loan Trustee shall have a copy of the notification.
- 4.3 The Borrower is responsible for the implementation of correct registration in the Securities Depository. The registration may be executed by an agent for the Borrower provided that the agent is qualified according to relevant regulation.

5 The functions, duties and liability of the Loan Trustee

- 5.1 The Loan Trustee shall pursuant to this Loan Agreement and in compliance with laws and regulations monitor the Bondholders' interests and rights vis-à-vis the Borrower, inter alia,
 - monitor the Borrower's fulfilment of his obligations under the Loan Agreement,
 - exercise necessary discretion in carrying out the duties assigned to the Loan Trustee under the Loan Agreement,
 - ensure that valid decisions made at Bondholder meetings are carried out,
 - make the decisions and implement the measures that are assigned to or imposed on the Loan Trustee pursuant to this Loan Agreement,
 - forward to the Bondholders necessary information which is obtained and received in its capacity as Bondholder's representative,
 - verify the timely and correct payment of interest and principal, and
 - provided the Loan is listed, inform the Exchange of circumstances which are of importance to the listing and quotation of the Loan; however, this only applies to cases in which the Loan Trustee gains knowledge of or should have knowledge of such circumstances and the Borrower fails to fulfil its duty of information towards the Exchange after having been urged to do so by the Loan Trustee.
- 5.2 In performing its functions as Bondholder's representative, the Loan Trustee is not obligated to assess the Borrower's financial situation or ability to service the Loan except to the extent such duty may clearly be inferred from the Loan Agreement.
- 5.3 The Loan Trustee shall be liable to pay damages for financial losses suffered by the Bondholders as a result of negligence of the Loan Trustee in performing its functions and duties under the Loan Agreement. The Loan Trustee is not responsible for the content of the information the Loan Trustee has submitted on behalf of the Borrower.

6 Conditions Precedent

- 6.1 Disbursement of the Loan to the Borrower as set out in Clause 6.2 is subject to the Loan Trustee having received the following documents, in form and substance satisfactory to it, at least two Banking Days prior to the Disbursement Date:

- (a) the Loan Agreement duly executed,

- (b) certified copies of all necessary corporate resolutions to issue the Bonds and execute the Finance Documents,
 - (c) a power of attorney from the Borrower to relevant individuals for their execution of the relevant Finance Documents,
 - (d) certified copies of the Certificate of Incorporation and Articles of Association of the Borrower,
 - (e) the latest available annual and interim report (if applicable) of the Borrower and the Group,
 - (f) to the extent necessary, certified copies of authorisations required for the validity of and execution, delivery and performance by and the enforceability against the Borrower of the Loan Agreement, i.a. - confirmation that the subscription documents have been controlled by the Exchange or confirmation from the manager of the Loan that the subscription documents have been controlled and that a prospectus is not required according to Norwegian law and any other applicable law,
 - (g) confirmation that the Loan has been registered in a Securities Depository,
 - (h) the agreement set forth in Clause 17.1, duly executed,
 - (i) any written documentation made public in connection with the Loan,
 - (j) the Escrow Account Pledge cf. Clause 8.2 duly executed, perfected and enforceable, and
 - (k) written evidence from the relevant bank that (i) the Escrow Account has been opened, (ii) the Escrow Account Pledge has been duly registered, (iii) the Escrow Account has been blocked, (iv) the bank has waived its rights of set-off, and (v) no further security over the Escrow Account has been granted,
- 6.2 Subject to the conditions set out above, at the Disbursement Date the Bonds will be issued to the investors and the net proceeds of the Loan will be transferred to the Escrow Account.
- 6.3 The release of the funds from the Escrow Account to the Borrower is subject to the Loan Trustee having received certified copies of a resolution, in a form and content satisfactory to the Trustee (the “**Resolution**”) by the Borrower’s general meeting to issue the Loan (and acceptance of the Conversion Rights) on the terms and conditions set out in this Loan Agreement.
- 6.4 Notwithstanding the terms of Clause 6.3, in the event the Resolution is not delivered to the Trustee within 1 July 2009, the Trustee has the right to demand immediate and full repayment of the Loan at 102% of par plus accrued and unpaid interest. The Trustee is hereby authorised to withdraw the funds from the Escrow Account to be used as part repayment to the Bondholders in this respect.

6.5 The Loan Trustee is entitled to accept a delay in receiving documents listed above.

7 Representations and Warranties

7.1 The Borrower hereby represents and warrants that:

- (a) the Borrower is a public limited liability company, duly incorporated and validly existing under the law in which it is registered, and has the power to own its assets and carry on its business as presently conducted;
- (b) the Borrower has the power to enter into and perform, and has taken all necessary corporate action to authorise the entry into, performance and delivery of the Finance Documents;
- (c) the Finance Documents constitute (or will constitute, when executed by the respective parties thereto) legal, valid and binding obligations of such parties, enforceable in accordance with its terms, and (save as provided for therein) no registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against the Borrower;
- (d) the entry into and performance by the Borrower of the Finance Documents and the transactions contemplated thereby do not and will not conflict with (i) any present law or regulation or judicial or official order; (ii) its articles of association, by-laws or other constitutional documents; or (iii) any document or agreement which is binding on the Borrower;
- (e) no Event of Default exists; and no other circumstances exist which constitute or (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition, or any combination of the foregoing) would constitute a default under any document which is binding on the Borrower or any of its assets, and which may have a material adverse effect on the ability of the Borrower to perform its obligations under the Finance Documents;
- (f) all documents and information which has been provided in connection with this Loan, represent the latest publicly available financial information concerning the Group and there has been no change in the Group's financial position which could have a material adverse effect on the Borrower's ability to perform its duties under the Finance Documents;
- (g) all authorisations, consents, licenses or approvals of governmental authorities required for the Borrower in connection with the execution, performance validity or enforceability of the Finance Documents, and the transactions contemplated thereby, have been obtained and are valid;
- (h) all authorisations, consents, licenses or approvals of governmental authorities required for the Borrower to carry on its business as presently conducted, have been obtained and are in full force and effect,

- (i) no litigation, arbitration or administrative proceeding is pending or, to the best of the Borrower's knowledge, threatened against it which would materially and adversely affect the affairs, assets or financial condition of the Borrower or its ability to perform its obligations under the Finance Documents;
- (j) the Borrower is not required to make any deduction or withholding from any payment which it may become obliged to make to the Loan Trustee (on behalf of the Bondholders) under the Finance Documents
- (k) the Borrower's payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatory preferred by law applying to companies generally; and
- (l) the representations and warranties set out in this Clause 7.1, are made by the Borrower on the signing date of the Loan Agreement and is deemed to have been repeated on the Disbursement Date.

7.2 The Borrower shall indemnify the Loan Trustee and the Bondholders for any economic losses suffered as a result of complying with the representations and warranties provided by the Borrower herein both prior to disbursement of the Loan, and during its life.

8 Status of the Loan and security

- 8.1 Save for the security to be provided for according to Clause 8.2, the Loan is senior unsecured and shall rank *pari passu* with all other senior obligations of the Borrower and shall rank ahead of subordinated capital.
- 8.2 The Loan including accrued interest and expenses shall from the Disbursement Date and thereafter, to the extent permitted by applicable law (i) be secured by the Escrow Account Pledge until all amounts on the Escrow Account has been released in full, and (ii) the Loan Security as defined in Clause 16.2 (h) below.

9 Interest

- 9.1 The Borrower shall pay interest on the Loan from and including the Disbursement Date at a fixed rate of 9.00 per cent per annum. Interest payments shall be made quarterly in arrears on 18 February, 18 May, 18 August and 18 November each year, first interest Payment Date being 18 August 2009.
- 9.2 Interest shall be calculated on the basis of a year of 360 days with twelve 30-day months, unless:
 - (a) the last day of the period is the 31st day of a month but the first day of the period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or

- (b) the last day of the period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month.

10 Maturity of the Loan, Clean-up Call Option and Change of Control Put Option

- 10.1 The Loan will run without instalments and mature in whole on the Maturity Date at par (100%).
- 10.2 The Trustee may demand immediate repayment of the Bonds at 102% of par plus accrued interest if the shareholders of the Borrower fail to deliver the Resolution to the Trustee prior to 1 July 2009 as set out in Clause 6.4 herein.
- 10.3 The Borrower may at any time during the term of the Loan, provided that 90 per cent or more of the original issued Bonds shall have been redeemed or converted into shares, call the remaining part of the Loan at its par value plus accrued interest ("**Clean-up Call Option**").

Should the Borrower exercise its Clean-up Call Option, the Loan Trustee and the Bondholders must be informed of the Borrower's decision to exercise such rights (the Bondholders in writing via VPS) no later than thirty (30) Banking Days before the date of redemption.

Bonds redeemed by the Borrower in accordance with this Clause shall be discharged against the Remaining Loan.

- 10.4 If a Change of Control Event has occurred, each Bondholder shall at any time during the period (the "**Change of Control Conversion Period**") commencing on the date on which a change of control event occurs and ending sixty (60) calendar days following such date or, if later, sixty (60) calendar days period following the notification of a change of control event, be entitled at its option to (at each Bondholder's discretion) either:
- (a) require early redemption of its Bonds (the "**Change of Control Put Option**") at 100 % of their par value plus accrued interest;
- or
- (b) convert its Bonds at the Change of Control Conversion Price, which shall be calculated as set out below, but in each case adjusted, if appropriate, under the provisions of Clauses 14 and 15 (provided that no adjustment to the Conversion Price will be made in respect of such Change of Control Event other than pursuant to this Clause 10.4 in respect of exercise of the Conversion Right in the Change of Control Conversion Period):

$$\text{COCCP} = \frac{[\text{RP} \times (\text{N} - \text{n})] + [(\text{OCP} \times \text{n})]}{\text{N}}$$

where:

- COCCP is the Change of Control Conversion Price;
- RP is the Reference Price;
- OCP is the current Conversion Price on the relevant Conversion Date;
- N is the number of days from (and including) the Disbursement Date to (but excluding) the Maturity Date; and
- n is the number of days from (and including) the Disbursement Date to (but excluding) the date of the Change of Control Event.

The respective Bondholder must notify the Paying Agent within the Change of Control Conversion Period of its election of whether or not to (a) require early redemption, or (b) convert the Bonds to Shares. For the avoidance of doubt, the aforesaid is an option exercisable at the sole discretion of each Bondholder, and each Bondholder may elect not to exercise such option and to continue to hold its Bonds.

In the event of an early redemption pursuant to this Clause 10.4, settlement shall be three (3) Banking Days after the Paying Agent has received such request.

In the event of conversion pursuant to this Clause 10.4, the Borrower shall as soon as possible, but in no event later than on the Change of Control Conversion Date issue to and in the names of the relevant Bondholder the number of new Shares which are necessary in order to fulfil the Borrower's obligations to issue new Shares to the relevant Bondholder pursuant to its Conversion Rights.

The number of Shares required to be issued shall be determined by dividing the principal amount of the Bonds by the Change of Control Conversion Price in effect on the relevant Conversion Date.

The terms and conditions set out in Clauses 13 to 15 shall (to the extent applicable) apply for any conversion of Bonds to Shares according to this Clause 10.4.

If a Change of Control Event is triggered by a merger in which the Borrower is the acquired company, this Clause 10.4 and Clause 15.1 shall be alternative rights for the Bondholders.

11 Interest in the event of late payment

- 11.1 In the event that payment of interest or principal is not made on the relevant Payment Date, the amount outstanding shall bear interest from the Payment Date at an interest rate equivalent to the interest rate according to Clause 9 plus 5.00 percentage points.
- 11.2 The outstanding amounts shall bear interest as mentioned above until payment is made, whether or not the Loan is declared to be in default pursuant to Clause 18.1 (a), cf. Clauses 18.2 - 18.4.

12 Borrower's acquisition of Borrower's Bonds

- 12.1 The Borrower (and/or its Subsidiaries) has the right to acquire and own Borrower's Bonds. Such Bonds may at the Borrower's discretion be retained by the Borrower, cancelled or sold or be used for partial redemption of the Remaining Loan.

13 Conversion terms

- 13.1 Unless previously redeemed, according to the terms and conditions set out herein, or purchased and cancelled, each Bondholder may exercise one or more of his Conversion Right(s) to convert Bonds into Shares at the Conversion Price at any time during the Exercise Period, rounded down to the nearest number of whole Share, provided that the relevant Bondholder at the Conversion Date has the right to own Shares under the applicable law and that notification thereof is given pursuant to Clause 13.4.
- 13.2 The Conversion Right(s) cannot be separated from the Bond.
- 13.3 The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the relevant Bond by the Conversion Price in effect on the relevant Conversion Date. The Conversion Price shall be subject to adjustment pursuant to Clauses 10.4 (b), 14 and 15.
- 13.4 In order to exercise a Conversion Right, the Bondholder shall deliver to the Paying Agent (via its Account Manager) a duly completed, irrevocable and signed exercise notice.

Request for conversion takes place by the Bondholder notifying his Account Manager of the number of Bonds which shall be converted. The Account Manager shall then promptly forward the request to the Paying Agent. The Paying Agent shall carry the conversion into effect at the Conversion Date.

Conversion will be effected by a set-off of the total nominal value of the Bonds to be converted against the issuing of the whole number of shares resulting from dividing the total nominal value of the Bonds to be converted by the Conversion Price. Any excess amount beyond the whole number of shares converted by the Bonds shall fall to the Borrower.

The Borrower shall pay all (if any) taxes and capital, stamp, issue and registration duties payable in Norway arising on conversion and on the issue and delivery of Shares upon conversion.

Interest accrued since the latest Interest Payment Date but not due on a Conversion Date, shall not be paid in cash nor kind to the Bondholders, but shall accrue to the Borrower unless the Conversion Date fall on the Payment Date and/or the Maturity Date, then interest due shall be paid to the relevant Bondholder.

- 13.5 The Borrower is responsible for ensuring that:

(a) the Remaining Loan is being written down within the Conversion Date, and

- (b) Shares issued upon conversion are registered in (i) the Norwegian Register of Business Enterprises (*Norwegian: "Foretaksregisteret"*) (the "**Company Register**"), and (ii) the Securities Depository on the Conversion Date.

If the share capital increase following the conversion is not registered in the Company Register at the Conversion Date, the Borrower shall ensure that the Shares following the conversion shall be temporarily registered in the Securities Depository (with temporary ISIN).

- 13.6 Shares issued upon conversion give rights in the Borrower as of the registration of the share capital increase in the Company Register, unless the general meeting of the Borrower has resolved differently.

14 Adjustment of the Conversion Price

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows:

- 14.1 If and whenever there shall be a consolidation or subdivision of the Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Shares in issue immediately before such consolidation or subdivision, as the case may be; and
- B is the aggregate number of Shares in issue immediately after, and as a result of, such consolidation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation or subdivision, as the case may be, takes effect.

- 14.2 If and whenever the Borrower shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Shares issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have received or (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate nominal amount of the Shares in issue immediately before such issue; and
- B is the aggregate nominal amount of the Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares.

- 14.3 If and whenever the Borrower shall pay or make any Dividend to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the relevant Dividend by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the dealing day immediately preceding the date of the first public announcement of the relevant Dividend or, in the case of a purchase of Shares or any receipts or certificates representing Shares by or on behalf of the Borrower or any Subsidiary of the Borrower, on which such Shares are purchased or, in the case of a Spin-Off, is the mean of the Volume Weighted Average Prices of a Share for the five consecutive dealing days ending on the dealing day immediately preceding the first date on which the Shares are traded ex- the relevant Spin-Off; and
- B is the portion of the Fair Market Value, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Shares entitled to receive the relevant Dividend (or, in the case of a purchase of Shares or any receipts or certificates representing shares by or on behalf of the Borrower or any Subsidiary of the Borrower, by the number of Shares in issue immediately prior to such purchase), of the Dividend attributable to one Share.

Such adjustment shall become effective on the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, in the case of a purchase of Shares or any receipts or certificates representing Shares, on the date such purchase is made or, in the case of a Spin-Off, the first date on which the Shares are traded ex- the relevant Spin-Off.

For the purposes of the above, the Fair Market Value of a Cash Dividend shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the first date on which the Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange, and in the case of a Non-Cash Dividend, the Fair Market Value of the relevant Dividend shall be the Fair Market Value of the relevant Spin-Off Securities or, as the case may be, the relevant property or assets.

“Non-Cash Dividend” means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

“Cash Dividend” means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of “Spin-Off” and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of “Dividend”, and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of “Dividend” shall be treated as being a Non-Cash Dividend.

- 14.4 If and whenever the Borrower shall issue Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at a price per Share which is less than (1) 100 per cent. of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the terms of the issue or grant of such Shares, options, warrants or other rights, or (2) 100 per cent. of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be); and
- C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- 14.5 If and whenever the Borrower shall issue any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase any Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the dealing day immediately preceding the first date on which the terms of such issue or grant are publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- 14.6 If and whenever the Borrower shall issue (otherwise than as mentioned in Clause 14.4 above) wholly for cash or for no consideration any Shares (other than Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Shares) or issue or grant (otherwise than as mentioned in Clause 14.4 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Shares (other than the Bonds), in each case at a price per Share which is less than (1) 100 per cent. of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the terms of such issue or grant or (2) 100 per cent. of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before the issue of such Shares or the grant of such options, warrants or rights;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such Shares or, as the case may be, for the Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be); and
- C is the number of Shares to be issued pursuant to such issue of such Shares or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the date of issue of such Shares or, as the case may be, the grant of such options, warrants or rights.

- 14.7 If and whenever the Borrower or any Subsidiary of the Borrower or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) any other company, person or entity (otherwise than as mentioned in Clause 14.4, 14.5 or 14.6 above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds), which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Shares, and the consideration per Share receivable upon conversion, exchange, subscription or redesignation is less than (1) 100 per cent. of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant) or (2) 100 per cent. of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued by the Borrower for the purposes of or in connection with such issue, less the number of such Shares so issued);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be); and
- C is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Shares which may be issued or arise from any such redesignation.

Provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Clause 14.7 the “**Specified Date**”) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this Clause 14.7, “C” shall be determined by the application of such

formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the date of issue of such Securities or, as the case may be, the grant of such rights.

- 14.8 If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such Securities (other than the Bonds) as are mentioned in Clause 14.7 above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Share receivable has been reduced and is less than (1) 100 per cent. of the Current Market Price per Share on the dealing day immediately preceding the date of the first public announcement of the proposals for such modification or (2) 100 per cent. of the Conversion Price in effect, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Shares which have been issued, purchased or acquired by the Borrower or any Subsidiary of the Borrower (or at the direction or request or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) for the purposes of or in connection with such issue, less the number of such Shares so issued, purchased or acquired);
- B is the number of Shares which the aggregate consideration (if any) receivable for the Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Share or the Conversion Price in effect (as the case may be) or, if lower, the existing conversion, exchange or subscription price of such Securities; and
- C is the maximum number of Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this Clause 14.8 or Clause 14.7 above.

Provided that if at the time of such modification (as used in this Clause 14.8 the “**Specified Date**”) such number of Shares is to be determined by reference to the

application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Clause 14.8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such Securities.

- 14.9 If and whenever the Borrower or any Subsidiary of the Borrower or (at the direction or request of or pursuant to any arrangements with the Borrower or any Subsidiary of the Borrower) any other company, person or entity shall offer any Securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under Clause 14.2, 14.3, 14.4, 14.6 or 14.7 or Clause 10.4 (or would fall to be so adjusted if the relevant issue or grant was at less than (1) 100 per cent. of the Current Market Price per Share on the relevant dealing day) or (2) 100 per cent. of the Conversion Price in effect or (3) under Clause 14.5), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price or the Conversion Price in effect (as the case may be) of one Share on the dealing day immediately preceding the date on which the terms of such offer are first publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Share.

If adjustments may be made pursuant to (1) and (2) above, the calculation that gives the lowest new Conversion Price shall be elected.

Such adjustment shall become effective on the first date on which the Shares are traded ex-rights on the Relevant Stock Exchange.

- 14.10 Notwithstanding the foregoing provisions, where the events or circumstances giving rise to any adjustment pursuant to this Clause 14.10 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within

such a short period of time that, in the opinion of the Loan Trustee, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result.

14.11 For the purpose of any calculation of the consideration receivable or price pursuant to Clauses 14.4, 14.6, 14.7 and 14.8, the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Borrower to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the date of the first public announcement of the terms of issue of such Securities or, as the case may be, such options, warrants or rights, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than Norwegian Kroner it shall be converted into Norwegian Kroner at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on the date of the first public announcement of the terms of issue of such Securities (or if no such rate is available on that date, the equivalent rate on the immediately preceding date on which such rate is available); and
- (d) in determining consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Shares or Securities or otherwise in connection therewith.

- 14.12 If the Conversion Date in relation to the conversion of any Bond shall be after any consolidation or sub-division as is mentioned in Clause 14.1, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Clauses 14.2, 14.3, 14.4, 14.5 or 14.9, or after any such issue or grant as is mentioned in Clause 14.6 and 14.7, in any case in circumstances where the relevant Conversion Date falls before the relevant adjustment becomes effective under Clause 14 (such adjustment, a “**Retroactive Adjustment**”), then the Borrower shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or delivered to the converting Bondholder, such additional number of Shares (if any) (the “**Additional Shares**”) as, together with the Shares issued or to be issued or delivered on conversion of the relevant Bond (together with any fraction of a Share not so issued), is equal to the number of Shares which would have been required to be issued or delivered on conversion of such Bond if the relevant adjustment (more particularly referred to in the said provisions of Clause 14) to the Conversion Price had in fact been made and become effective immediately prior to the relevant Conversion Date. Additional Shares will be delivered to Bondholders not later than 10 Banking Days following the date the relevant Retroactive Adjustment becomes effective (the “**Reference Date**”).
- 14.13 No adjustment will be made to the Conversion Price where Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees or former employees (including Directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Borrower or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person, in any such case pursuant to any employees’ share or option scheme.
- 14.14 On any adjustment, the resultant Conversion Price, if not an integral multiple of USD 0.01, shall be rounded down to the nearest whole multiple of USD 0.01. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.
- Notice of any adjustments to the Conversion Price shall be given by the Borrower to Bondholders and the Loan Trustee promptly after the determination thereof.
- The Conversion Price shall not in any event be reduced to below the nominal value of the Shares and the Borrower undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.
- 14.15 “**Current Market Price**” means, in respect of a Share at a particular date, the average of the Volume Weighted Average Price of a Share for the fifteen consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said fifteen-dealing-day period the Volume Weighted Average Price

shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Shares to be issued or transferred do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of first public announcement of such Dividend (or entitlement); or
- (b) if the Shares to be issued or transferred do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of first public announcement of such Dividend (or entitlement),

and provided further that, if on each of the said fifteen dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Shares to be issued do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Share as at the date of the first public announcement of such Dividend or entitlement,

and provided further that, if the Volume Weighted Average Price of a Share is not available on one or more of the said five dealing days, then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined in good faith by an Independent Financial Adviser.

“dealing day” means a day on which the Relevant Stock Exchange is open for business, (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time).

“Dividend” means any dividend or any form of distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of Shares, or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of the Dividend in cash, then for the purposes of this definition the

Dividend in question shall be treated as a Cash Dividend of the greater of (i) such cash amount and (ii) the Fair Market Value (on the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or delivered is determined), of such Shares or other property or assets;

- (b) any issue of Shares falling within Clause 14.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Borrower by the Borrower or any Subsidiary of the Borrower shall not constitute a Dividend unless, in the case of purchases, redemptions or buy backs of Shares by or on behalf of the Borrower or any of its Subsidiaries, the weighted average price per Share (before expenses) on any one day (a “**Specified Share Day**”) in respect of such purchases, redemptions or buy backs (translated, if not in Norwegian Kroner, into Norwegian Kroner at the spot rate ruling at the close of business on such day as determined in good faith by an Independent Financial Adviser (or if no such rate is available on that date, the equivalent rate on the immediately preceding date on which such rate is available), exceeds by more than 5 per cent. the average of the closing prices of the Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase Shares at some future date at a specified price, on the five dealing days immediately preceding the date of such announcement, in which case such purchase shall be deemed to constitute a Dividend in Norwegian Kroner to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased by the Borrower or, as the case may be, any of its Subsidiaries (translated where appropriate into Norwegian Kroner as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Shares determined as aforesaid and (ii) the number of Shares so purchased; and
- (d) if the Borrower or any of its Subsidiaries shall purchase any receipts or certificates representing Shares, the provisions of paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser.

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Adviser provided, that (i) the Fair Market Value of a Cash Dividend paid or to be paid shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the fair market value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during

the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such Securities or Spin-Off Securities, options, warrants or other rights are publicly traded); and (iv) in the case of (i) converted into Norwegian Kroner (if declared or paid in a currency other than Norwegian Kroner) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in Norwegian Kroner; and in any other case, converted into Norwegian Kroner (if expressed in a currency other than Norwegian Kroner) at such rate of exchange as may be determined in good faith by an Independent Financial Adviser to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available).

“Independent Financial Adviser” means an independent investment bank of international repute appointed by the Borrower and approved in writing by the Loan Trustee or, if the Borrower fails to make such appointment and such failure continues for a reasonable period (as determined by the Loan Trustee) and the Loan Trustee is indemnified and/or secured as to costs to its satisfaction against the costs, fees and expenses of such adviser, appointed by the Loan Trustee following notification to the Borrower.

“Prevailing Rate” means, in respect of any dealing day, the noon buying rate on that day for cable transfers of Norwegian Kroner as certified for customs purposes by the Federal Reserve Bank of New York or if on such dealing day such rate is not available, such rate prevailing on the immediately preceding day on which such rate is so available.

“Relevant Stock Exchange” means the Oslo Stock Exchange or, if at the relevant time, the Shares are not at that time listed and admitted to trading on the Oslo Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“Securities” means any securities including, without limitation, Shares, or options, warrants or other rights to subscribe for or purchase or acquire Shares.

“Spin-Off” means:

- (a) a distribution of Spin-Off Securities by the Borrower to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than the Borrower) to Shareholders as a class, pursuant in each case to any arrangements with the Borrower or any of its Subsidiaries.

“Spin-Off Securities” means equity share capital of an entity other than the Borrower or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Borrower.

“Volume Weighted Average Price” means, in respect of a Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the volume-weighted average price of a Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of a Share) from the Relevant Stock Exchange or (in the case of a

Security or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined.

References to any issue or offer or grant to Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

- 14.16 If changes are made in the share capital other than those mentioned above, which are unfavourable to the Bondholders compared to the Shareholders, the Loan Trustee and the Borrower shall agree on a new Conversion Price. This also applies to other transactions, which are unfavourable to the Bondholders compared to the effects thereof to the Shareholders.
- 14.17 If the Conversion Price is below par value of the Shares, par value of the Shares still applies, and the Borrower shall on the Maturity Date pay the Bondholders the difference between the par value of the Shares and the Conversion Price.
- 14.18 If an adjustment of the Conversion Price requires a conversion to USD, the exchange rate shall be the official reference rate provided by the Norwegian Central Bank on the date triggering such adjustments. For the avoidance of doubt, when calculating weighted averages over several days, each day should apply the official reference rate for that day.

15 Merger and de-merger

- 15.1 If the Borrower prior to the expiry of the Conversion Period decides on a statutory merger (in accordance with prevailing legislation from time to time) in which the Borrower is the acquired company, each Bondholder has the right to demand the Bonds to be redeemed at par plus accrued interest.

The Borrower shall give the Bondholders written notification through the Securities Depository at the latest 5 – five – Banking Days after notification of the merger. The notification shall refer to the regulations and deadlines of Section 15.2.

- 15.2 Request for redemption takes place by the Bondholder notifying his Paying agent in the Securities Register at the latest two (2) months after notification of the merger. The Bondholder's Account Manager shall then promptly forward the request to the Paying Agent.

Redemption shall take place 5 – five- Banking Days after the acquiring company has notified that the merger shall be effective.

- 15.3 If a Bondholder does not use the right to request redemption according to Clause 15.2, the Conversion Right shall be transferred to a right to convert to shares in the acquiring company on terms that are adjusted to reflect the exchange ratio of the merger.
- 15.4 If the Borrower decides on a merger in which the Borrower is the acquiring company, and the shareholders of the acquired company receive settlement in the form of shares only, no adjustment will be made to the Conversion Price. If the shareholders of the acquired company receive settlement in any other form, in full or partly, the Conversion Price shall be adjusted according to Clause 14.
- 15.5 In the event of a de-merger, a split-up, a spin-off, split-off or if any other event occurs which in the opinion of the Loan Trustee has the same effect as a de-merger, the Borrower and the Loan Trustee shall agree on appropriate adjustments to the Conversion Right and the Conversion Price, which shall be made pursuant to the principles as set out in Clause 14.
- 15.6 The provisions in this Clause 15 have no limitation on the creditor's right of objection to the merger or de-merger.

16 Covenants

- 16.1 During the term of the Loan the Borrower shall comply with the following information covenants:
- (a) immediately inform the Loan Trustee of any default of the Loan pursuant to Clause 18 as well as of any circumstances which the Borrower understands or should understand may lead to default,
 - (b) of its own accord, make annual and interim financial accounts and reports available on the Borrower's website, alternatively by sending them to the Loan Trustee, as soon they are available, and not later than 150 days after the end of the financial year and not later than 60 days after the end of the relevant interim report period, such accounts to prepared in accordance with IFRS or any other general accepted accounting principles applied by the Borrower,
 - (c) at the request of the Loan Trustee send a report outlining the balance of Borrower's Bonds,

- (d) forward to the Loan Trustee copies of any creditors' notifications of the Borrower, including but not limited to; mergers, demergers and reduction of shareholders capital,
 - (e) at the request of the Loan Trustee provide the documents and information necessary to maintain the listing and quotation of the Loan on Exchange (if applicable) and to otherwise enable the Loan Trustee to carry out its rights and duties pursuant to the Loan Agreement, laws and regulations,
 - (f) within a reasonable time limit provide information about the Borrower's financial condition as the Loan Trustee may reasonably request,
 - (g) in connection with reporting under 16.1 (b) confirm to the Loan Trustee the Borrower's compliance with Clause 16,
 - (h) of its own accord, inform the Loan Trustee of any event that results in an adjustment of the Conversion Price promptly thereafter, and
 - (i) following the occurrence of a Change of Control Event, immediately after the Borrower becomes aware of it, notify the Bondholders (via the Securities Depository), the Loan Trustee and (if listed) the Exchange thereof. The notice shall specify (i) that each Bondholder's has the right to either early redemption or convert the Bonds in accordance with the terms of section 10.4, (ii) the applicable Change of Control Conversion Price and early redemption price, (iii) the Change of Control Conversion Period, (iv) the Change of Control Conversion Date, and (v) details concerning the Change of Control Event.
- 16.2 During the term of the Loan, the Borrower shall (unless the Loan Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following general covenants:
- (a) not, and shall ensure that no Material Subsidiary shall, cease to carry on its business,
 - (b) not, and ensure that the Borrower nor any Material Subsidiary, shall:
 - (i) sell or dispose of all or a substantial part of its assets or operations;
 - (ii) change the nature of its business; or
 - (iii) merge, de-merge or in any other way restructure its business in a manner which may have a material adverse effect on the Borrower's ability to comply with its obligations under this Loan Agreement,

in a manner which is likely to have a material adverse effect on the Borrower's ability to perform any of its obligations under this Loan Agreement.
 - (c) not declare or make any dividend payment, reduction of share capital, repurchase of shares (including any transaction with a similar effect) or other distributions or loans to its shareholders,

- (d) not, and shall ensure that no Material Subsidiary shall, make any financial or other arrangements which is likely to have a material adverse effect on the Borrower's ability to fulfill its obligations under the Loan Agreement,
 - (e) not, and ensure that no member of the Group shall, make any arrangements which may jeopardize the Loan Security,
 - (f) not permit any member of the Group to engage in, directly or indirectly, any transaction with any party, except in the ordinary course of such member of the Group's business and upon fair and reasonable terms that are no less favourable to the member of the Group than those which might be obtained in an arm's length transaction at the time, and
 - (g) ensure that a 2nd priority pledge (the "**Loan Security**") is established on vessels and real estate that the Borrower may acquire after the date of this Loan Agreement. The 2nd priority pledge will be subordinated to a 1st priority pledge limited to (on the date of establishment of such pledge) an amount equal to 70% of the market value of such acquired assets.
- 16.3 During the term of the Loan, the Borrower shall (unless the Loan Trustee or the Bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following financial covenants, and reporting thereof:
- (a) ensure that the Group, on a consolidated basis, maintain a Equity Ratio of more than 25 %, and
 - (b) ensure that the Borrower maintain Free Cash (non-restricted cash) of at least USD USD 3,000,000 and
 - (c) deliver to the Trustee, on a quarterly basis (on or about the same date as the Borrower makes mandatory quarterly financial reporting to Oslo Børs) a compliance certificate, in the form set out in Appendix 1 hereto, confirming the Borrower's compliance with the financial covenants set out in this Clause 16.3, subsections (a) and (b).

17 Fees and expenses

- 17.1 The Borrower shall pay an annual fee to the Loan Trustee, the amount of which is set out in a separate agreement between the Borrower and the Loan Trustee.
- 17.2 The Borrower shall cover all expenses in connection with the Loan (and any security for the Loan), such as preparation of the Loan Agreement (and any security for the Loan), listing of the Loan on the Exchange (if applicable) and registration and administration of the Loan in the Securities Depository in accordance with the agreement between the Borrower and the Securities Depository (or the Paying Agent).

- 17.3 The Borrower shall cover any document fee and other public fees in connection with the Loan (and any security for the Loan). Any public fees or taxes on sales of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise decided by law or regulation.

All payments in respect of the Bonds shall be made without deduction of or withholding of any present or future taxes (including but not limited to withholding tax) imposed unless such deduction or withholding is required by any relevant and applicable law.

In the event that any such deduction or withholding is required by applicable law, the Borrower shall pay additional amounts in respect thereof so that each bondholder receives the full coupon.

- 17.4 In addition to the fee of the Loan Trustee pursuant to Clause 17.1 and normal expenses pursuant to Clauses 17.2 and 17.2, the Borrower shall on demand cover extraordinary expenses incurred by the Loan Trustee in connection with the Loan, as determined in separate agreement between the Borrower and the Loan Trustee. See however Clause 22.2.

18 Events of Default

- 18.1 The Loan may be declared to be in default by the Loan Trustee upon the occurrence of any of the following events (Events of Default):
- (a) the Borrower shall, on any Payment Date, fail to pay any interest or principal due or any other amount payable under the Finance Document; provided, however, that such failure shall not include failures which are remedied within five (5) Banking Days after the relevant Payment Date, and it is obvious that the Borrower will remedy the failure within this time.
 - (b) the Borrower shall fail to duly perform any other covenant or obligation, to be performed under Finance Documents (including but not limited to the obligation to comply with the obligation to convert the Loan to Shares or to comply with the anti-dilution requirement) and such failure is not remedied within 10 - ten - Banking Days after notice thereof is given to the Borrower by the Loan Trustee,
 - (c) if, for each of the Material Subsidiaries, the aggregate amount of financial indebtedness or commitment for financial indebtedness falling within paragraphs (i) to (iv) below exceeds a total of USD 5 million - or the equivalent thereof in other currencies;
 - (i) any financial indebtedness or guarantee is not paid when due nor within any originally applicable grace period,
 - (ii) any financial indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described),

- (iii) any commitment for any financial indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described), or
 - (iv) any creditor becomes entitled to declare any financial indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),
- (d) any representation or warranty of the Borrower made or to be made under this Loan Agreement is untrue in any material respect,
- (e) if, for the Borrower or any Material Subsidiary;
 - (i) it is unable or admits inability to pay its debts as they fall due or suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness,
 - (ii) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities),
 - (iii) a moratorium is declared, or
 - (iv) a substantial part of its assets are impounded, confiscated or subject to distraint,
- (f) if, for the Borrower or any Material Subsidiary; any corporate action, legal proceedings or other procedure or step (or any analogous procedure or step is taken in any jurisdiction) is taken in relation to;
 - (i) the suspension of payments in general to all creditors, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than solvent liquidation or reorganisation,
 - (ii) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on the Borrower's ability to perform its payment obligations hereunder,
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (iv) enforcement of any security over any of its assets with an aggregate value of more than USD 250,000,
- (g) any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of any Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

- 18.2 In the event that one or more of the circumstances mentioned in Clause 18.1 occurs and is continuing, the Loan Trustee can, in order to protect the interests of the Bondholders, declare the entire Remaining Loan including accrued interest and expenses to be in default and due for immediate payment. The Loan Trustee may at his discretion, on behalf of the Bondholders, take every measure necessary to recover the Loan, and all other amounts outstanding under the Loan Agreement.
- 18.3 In the event that one or more of the circumstances mentioned in Clause 18.1 occurs and is continuing, the Loan Trustee shall declare the entire Remaining Loan including accrued interest and costs to be in default and due for payment if:
- (a) the Loan Trustee receives a demand in writing with respect to the above from Bondholders representing at least 1/5 of the Outstanding Loan, and the Bondholders' meeting has not decided on other solutions, or
 - (b) the Bondholders' meeting has decided to declare the Loan in default and due for payment.

In either case the Loan Trustee shall on behalf of the Bondholders take every measure necessary to recover the Remaining Loan. The Loan Trustee can request satisfactory security for any possible liabilities and anticipated expenses from those Bondholders who requested that the declaration of default be made pursuant to sub Clause a) above and/or those who voted in favour of the decision pursuant to sub Clause b) above.

- 18.4 In the event that the Loan Trustee pursuant to the terms of Clauses 18.2 or 18.3 declares the Loan to be in default and due for payment, the Loan Trustee shall immediately deliver to the Borrower a notice demanding payment of interest and principal due to the Bondholders under the Loan including accrued interest and interest on overdue amounts and, in the case of the Borrower, expenses.
- 18.5 The individual Bondholder cannot of his own accord recover his bond(s) directly from the Borrower.

19 Authority of the Bondholders' meeting and the Loan Trustee

- 19.1 To the extent creditor's approval is required according to law, regulation or agreement, the Bondholders' meeting may make decisions in all questions concerning the Loan, such as:
- (a) change of Loan Trustee,
 - (b) change of Borrower,
 - (c) changes to the Loan Agreement regarding interest, payment, maturity or other conditions,
 - (d) changes in the Borrower's corporate structure, such as mergers, demergers, capital reduction or conversion,

- (e) approve the sale or other transactions concerning the Borrower's assets or security for the Loan,
- (f) declaring the Loan to be in default.

The Bondholders' meeting may attach conditions to its decisions.

The Bondholders' meeting cannot make decisions that are liable to give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.

19.2 The Loan Trustee can, subject as aforesaid, on its own make a decision as mentioned in Clause 19.1 (d) and (e), provided that:

- (a) the changes are not, in the judgement of the Loan Trustee, of significant importance for the fulfilment of the Loan Agreement, or
- (b) any security provided by the Borrower in connection with the change offers, in the judgment of the Loan Trustee, adequate security for the fulfillment of the Loan Agreement.

The Loan Trustee can make a decision regarding other changes in the Loan Agreement as mentioned in Clause 19.1 (c), provided that the matters in question are, in the judgment of the Loan Trustee, of minor importance to the Bondholders' financial and legal rights in the Loan. Before such a decision is made, the Bondholders shall be notified in writing through the Securities Depository. The notification shall clearly describe the proposal and the opinion of the Loan Trustee of it, and shall also inform that the proposal cannot be approved by the Loan Trustee alone if any Bondholder submits a written protest against the proposal, and such protest is dispatched within a time limit which shall not be shorter than 5 – five – Banking Days from the dispatchment of the notification.

The Loan Trustee may attach conditions to its decision.

The Loan Trustee cannot make a decision under the Loan Agreement that is liable to give certain Bondholders or others unreasonable advantages at the expense of other Bondholders.

- 19.3 The Loan Trustee is free, subject as aforesaid, to submit any question to the Bondholders' meeting.
- 19.4 The Loan Trustee has the right and obligation to implement all decisions validly made at the Bondholders' meeting.
- 19.5 The Borrower, the Bondholders and - if the Loan is listed - the Exchange shall be notified of decisions made in accordance with Clauses 19.1 and 19.2 as soon as possible and in a suitable manner.

20 Procedural rules

20.1 A Bondholders' meeting shall be held at the request of:

- (a) the Borrower,
- (b) Bondholders representing at least 1/10 of Outstanding Loan or
- (c) the Exchange - if the Loan is listed - or
- (d) the Loan Trustee.

A request of a Bondholders' meeting shall be made in writing and clearly state the matters to be discussed and the provisions of this Loan Agreement on which the request is based. The request shall be sent to the Loan Trustee.

20.2 The Bondholders' meeting shall be summoned by the Loan Trustee pursuant to the provisions of Clause 20.3. Simultaneously with the decision to summon the Bondholders' meeting, the Loan Trustee can demand that the Borrower does not increase the Outstanding Loan.

If the Loan Trustee has not complied with a valid request for a Bondholders' meeting as set forth in Clause 20.1 within five Banking Days after having received such request, then the Borrower and the relevant Bondholder(s) and - if the Loan is listed - the Exchange have the right themselves to summon the meeting pursuant to the provisions of Clause 20.3.

20.3 The summons to a Bondholders' meeting shall be dispatched and if necessary notified at the latest five Banking Days before the date of the meeting.

The summons shall be effected by written notification through the Securities Depository to every Bondholder with known place of residence and - if the Loan is listed - the Exchange for publication. The notification through the Securities Depository shall also state the number of Bonds in the Loan (print-out) owned by the Bondholder in question at the time the print-out is made.

The summons shall clearly state the matters to be discussed at the Bondholders' meeting, and the provisions of this Loan Agreement on which the request is based and inform that the relevant documents are available from the Loan Trustee, the Borrower or at such other place as stated in the summons. If any change of the Loan Agreement has been proposed, the main content of the proposal shall be stated in the summons.

The meeting can only make decisions regarding the matters which were stated in the summons, unless all the Bondholders in the Outstanding Loan agree otherwise subject to the provisions hereof.

If in order to make a valid decision it is necessary, pursuant to Clause 21, to hold a new Bondholders' meeting and discuss the matter a second time, such new Bondholders' meeting cannot be summoned before the first meeting has been held. The summons to the second meeting shall inform of the turnout and result of the vote at the first Bondholders' meeting.

- 20.4 The meeting shall be held at the premises of the Loan Trustee or at premises designated by the Loan Trustee.

The meeting shall be presided over by the Loan Trustee, unless the Bondholders' meeting decides otherwise. If the Loan Trustee is not present, the meeting shall be presided over by a Bondholder or representative of the Bondholders, elected by the Bondholders.

The minutes of the meeting shall be kept, showing the number of Bondholders present, the decisions made at the meeting and the result of the vote. The minutes shall be signed by the chairman and two Bondholders or proxies. The minutes shall be kept in a safe manner by the Loan Trustee, and shall be available to the Bondholders.

- 20.5 Bondholders, the Borrower, the Loan Trustee and - if the Loan is listed - the Exchange have the right to attend the Bondholders' meeting. The Bondholders' meeting can grant entrance to the meeting to other parties. The participants at the meeting have the right to meet with an advisor and/or by proxy.
- 20.6 At the Bondholders' meeting each Bondholder has one vote for each Bond he owns. The notification of the number of Bonds in the Loan (print-out) which was sent to each Bondholder through the Securities Depository in the summons to the meeting, see Clause 20.3, serves as proof of ownership of the Bonds and of each owner's right to vote. In the event that Bonds have been transferred after the print-out was made, the new Bondholder must bring to the meeting the original summons and the print-out, endorsed so as to document the transfer.

The Borrower's Bonds do not give the right to vote and are not taken into account when determining the number of voting Bonds.

In case of doubt, the Bondholders' meeting decides which Bondholders can vote and how many votes each one has.

- 20.7 In order for the Bondholders' meeting to be able to make valid decisions, Bondholders representing at least 5/10 of the Outstanding Loan must be represented, see however Clause 21.

Valid decisions may be made by a simple majority, see however Clause 20.8.

- 20.8 In the following matters a majority of 2/3 of the Bonds represented at the meeting must vote in favour of the decision:

(a) change of bondholders' representative,

- (b) change of borrower,
- (c) changes in the Loan Agreement's material conditions, including interest, maturity, term and security/collateral, or
- (d) corporate or business changes in the Borrower which are of significant importance for the fulfilment of the Loan Agreement.

20.9 In all matters where unanimity is not attained, the voting shall be in writing and the number of votes shall be recorded in the minutes of the meeting. In the case of a tie in the votes, the matter shall be decided by the chairman, even if he is not a Bondholder or proxy.

Decisions made at a Bondholders' meeting which entail changes to the Loan Agreement shall be attached to the Loan Agreement in the form of a certified copy of the minutes of the meeting.

21 Repeated Bondholders' meeting

21.1 In the event that less than 5/10 of the Outstanding Loan are represented, a valid decision may not be made at the first Bondholders' meeting at which the matter is discussed. After a new meeting has been summoned and the matter discussed a second time, a valid decision may be made pursuant to the voting rules set forth above; this also applies to cases in which less than 5/10 of the Outstanding Loan are represented.

22 Change of Loan Trustee

22.1 In the event that the Borrower or Bondholders in accordance with sub-Clause 20.1 b) wish to replace the Loan Trustee, or a change of Loan Trustee is necessary according to law, regulation or ordinance, or the Loan Trustee has requested such change, the Loan Trustee shall immediately summon a Bondholders' meeting to discuss the matter.

The Loan Trustee shall put before the Bondholders' meeting a proposal for a new loan trustee. The bondholders, the Borrower and the Exchange - if the Loan is listed - can submit proposals.

The Bondholders and the Exchange - if the Loan is listed - shall after the Bondholders' meeting, be notified of the decision and the date on which the change of loan trustee becomes effective.

22.2 The Loan Trustee shall act as Loan Trustee until a new loan trustee has been elected. In the event that the Loan Trustee does not act properly and the interests of the bondholders suffer, the Exchange may appoint a temporary loan trustee. The cost of the temporary loan trustee shall be covered by the Borrower pursuant to sub-Clause 17.4, but may be recovered wholly or in part from the former loan trustee if the change is due to breach of the loan trustee's duties under the Loan Agreement, or other circumstances for which the loan trustee is responsible.

- 22.3 The Loan Trustee shall co-operate so that the new loan trustee is given, without undue delay after the Bondholders' meeting, the documents and information necessary to perform his functions and duties under the Loan Agreement. The Loan Trustee shall provide a summary of the following up of conditions of the Loan Agreement.

23 Limitation

- 23.1 Claims for interest and principal shall be limited in time pursuant to the Norwegian Act relating to the Limitation Period for Claims of May 18, 1979 nr. 18.

24 Governing law, dispute resolution and legal venue

- 24.1 The Agreement shall be governed by and construed in accordance with Norwegian law. Disputes arising out of or in connection with the Loan Agreement which are not resolved amicably shall be resolved in accordance with Norwegian law and in the Norwegian courts.
- 24.3 Legal suits shall be served at the competent legal venue of the Loan Trustee.

25 Eligible purchasers and transfer restrictions

- 25.1 The Bonds are not being offered to and may not be purchased by investors located in the United States except for "Qualified Institutional Buyers" (QIBs) within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended ("Securities Act"). In addition to the Subscription Agreement that each investor will be required to execute, each U.S. investor that wishes to purchase Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB. The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.
- 25.2 Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available).

The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the bonds were originally issued. Standard selling restrictions apply elsewhere

Oslo, [] May 2009

Electromagnetic GeoServices ASA
Borrower

Norsk Tillitsmann ASA
Loan Trustee

.....

.....

The Loan Agreement has been executed in 2 copies (originals), of which the Borrower and the Loan Trustee keep one each.

Appendix 1

[FORM OF COMPLIANCE CERTIFICATE]

Norsk Tillitsmann ASA
Attn: []

[Place and date]

Dear Sirs,

**ELECTROMAGNETIC GEOSERVICES – ISIN NO. [] – 9.00 % SENIOR
UNSECURED CONVERTIBLE BOND ISSUE 2009/2011**

We refer to the 9.00 per cent. Senior Unsecured Convertible Bond Issue 2009/2011 with ISIN NO [] (the "**Loan Agreement**") made between Electromagnetic GeoServices ASA as Borrower and Norsk Tillitsmann ASA as Loan Trustee (on behalf of the Bondholders).

Capitalised terms defined in the Loan Agreement shall have the same meaning when being used in this Compliance Certificate.

With reference to Cause 16.3 of the Loan Agreement, we confirm that as at [date] the following to be true:

Covenant	Status at the date hereof	Minimum requirement
Total Equity		The Total Equity to Total Assets to exceed 25 %
Free Cash		At least USD 3,000,000

No event has occurred which with or without notice and/or lapse of time would constitute an Event of Default under the Loan Agreement.

We hereby repeat the representations and warranties of the Loan Agreement Clause 7 to be true and correct in all respects at the date hereof.

Yours faithfully,

ELECTROMAGNETIC GEOSERVICE ASA

[signed by a duly authorised representative of the Borrower]