



I.M. SKAUGEN

(office translation)

To the shareholders in I.M. Skaugen ASA
who owns 16 shares or less in the company

Offer to purchase small share holdings in I.M. Skaugen ASA

I.M. Skaugen ASA hereby puts forward an offer to redeem small share holdings in the company. The offer is being sent to shareholders with a holding so small that the total value of the holding is less than NOK 500, i.e. 16 shares or less. The offer is in accordance with the new Norwegian Public Limited Companies Act (§§ 4-24 and 4-25) and the resolution passed at the company's extraordinary general meeting 7 January, 1999.

I.M. Skaugen ASA has a total of approx. 2000 shareholders who owns 16 shares or less. The reason for the company putting forward an offer to purchase small shareholdings is the high annual administration cost connected with such a large number of shareholders.

THE PURCHASE OFFER

I.M. Skaugen ASA offers to purchase all of the shares from shareholders owning 16 shares or less. The shares will be purchased at NOK 30 per share, which is the closing price on the Oslo Stock Exchange 13 April, 1999. I.M. Skaugen ASA will cover all selling costs. This entails that the shareholder will be credited with the full sales amount. The selling cost of small share holdings would normally be approx. NOK 300.

The closing date for this offer is Wednesday, 23 June, 1999 at 16:00 hrs. **Should no objections be made to Handelsbanken Markets by that date, I.M. Skaugen ASA will regard the offer as accepted by the shareholder.** We urge that such objections be raised in writing to Handelsbanken Markets, attn. Randi Amb Dyrdal, P.O.Box 1342 Vika, 0113 Oslo, Norway, fax no. +47 22 94 08 46.

The purchase amount will be transferred to the shareholder's account (based on the registry of securities' account) after 23 June, 1999. In the case of no bank account being listed, a cheque will be issued to the address listed in the registry of securities.

ACQUISITION OF ADDITIONAL SHARES TO AVOID REDEMPTION

If the shareholder increases the holding to 17 shares or more before the closing date of this offer, this offer will not apply. The shareholders that wish to increase their shareholding to 17 shares, may do so by filling out the enclosed subscription form. I.M. Skaugen ASA covers all purchase expenses. The price per share will be NOK 30.

Correctly completed subscription forms must reach Handelsbanken Markets no later than Friday, 11 June, 1999 at 4 p.m. Subscription forms which are received after that date, or which contain errors or flaws, cannot be accepted under this offer. In regards to the offer to purchase additional shares in I.M. Skaugen, the purchase order will be cancelled should there be insufficient funds available in the designated bank account.

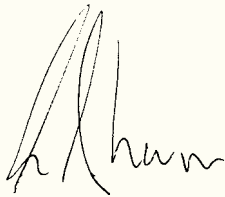
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COMPULSORY TRANSFER

Should there be shareholders who object to the offer, or refuse to be redeemed, the company may apply to the Ministry of Trade and Industry for a permission to compulsory transfer shareholdings with a value of less than NOK 500.

All questions should be directed to Randi Amb Dyrdal, Handelsbanken Markets, phone +47 22 94 07 00.

Oslo, 14 April 1999

A handwritten signature in black ink, appearing to read 'M. Skaugen jr.', with a stylized, cursive script.

Morits Skaugen jr.
President & CEO