

To the Shareholders in Pan Fish ASA

## **SUMMONS to SHAREHOLDERS' GENERAL MEETING**

The Board of Directors hereby summons the Shareholders to the Company's Shareholders' General Meeting on the date of:

**9 May 2005 at 10:00 a.m.**

in the Company's offices in Maskinveien 32, Stavanger.

The following items are submitted for consideration:

- 1. Election of a person to sign the minutes**
- 2. Approval of the summons and agenda**
- 3. Approval of the annual accounts and annual report for 2004**
- 4. Establish the compensation to the Board of Directors**
- 5. Approval of the Auditor's fee**
- 6. Election of board members**
- 7. Election of members of the election committee**
- 8. A brief orientation about the refinancing and why the refinancing is needed**
- 9. Recommendation regarding reduction of share capital**

It is a necessary element in the recommended refinancing of the Company, that the Company's share capital be reduced by reducing the nominal value per share from NOK 2.00 to NOK 0.75 through a capital reduction in order to cover losses that

cannot be covered in any other way, and through a capital reduction by transfer to other equity capital.

Implementation of any decisions in respect of items 9b), 10 and 11 below, is contingent upon having obtained a signed refinancing agreement prior to the Shareholders' Annual Meeting between the Company and the banks; the lenders of the so-called syndicate loan, and that Nordea Bank Norge ASA has received confirmation from Oslo Børs (Norwegian Stock Exchange) that the conversion to shares will not trigger an obligation to sell.

The Auditor's confirmation pursuant to Section 12.2 of the Companies Act is incorporated into the Summons as Attachment 1.

**a) Capital reduction to cover losses**

As shown in the annual accounts for 2004 the Company has uncovered losses of NOK 550,213,000.-. The amount is sufficient to cover a capital reduction of NOK 527,415,228.90 through a reduction of the share nominal value from NOK 2.00 to NOK 0.95 per share. This capital reduction can be implemented without notice to the creditors pursuant to the Companies Act section 12.1.1.1, ref. section 12.5.1.

On this background the Board recommends that Shareholders' General Meeting decides as follows:

- 1. The share capital is reduced by NOK 527,415,228.90 from NOK 1,004,600,436.- to NOK 477,185,207.10 by reducing the share nominal value from NOK 2.- to NOK 0.95.*
- 2. The reduction amount shall be used to cover losses that cannot be covered in any other way.*
- 3. Article 4 is amended to:*

*"The Company's share capital is NOK 477,185,207.10 distributed on 502,300,218 shares, each with a nominal value of NOK 0.95."*

**b) Capital reduction to cover additional losses and transfer to other shareholders' equity**

In order to achieve flexibility in respect of the refinancing, the Board recommends that the share nominal value be additionally reduced from NOK 0.95 to NOK 0.75 through a capital reduction where (i) NOK 22,797,771.10 of the reduction amount is used to cover the Company's remaining losses that cannot be covered in any other way, and (ii) NOK 77,662,272.50 of the reduction amount is transferred to reserves that shall be used for purposes decided by the Shareholders' General Meeting, ref. the Companies' Act section 12.1.3. The Board recommends that the latter part of the reduction be transferred to other shareholders' equity. Also the reduction accomplished through transfer to other shareholders' equity can be done without notice to creditors, provided the Company together with the notice of the capital reduction also notifies that the share capital is increased by new subscriptions for shares against deposits, so that the Company's restricted equity capital is at least as high as before this part of the reduction. This condition will be satisfied if the share issue recommended in item 11 below is implemented. The implementation of the capital reduction in accordance with this item b) is therefore conditional on a factual implementation of the share issue in item 11.

On this background the Board recommends that the Shareholders' General Meeting decides as follows:

1. *The share capital is reduced by NOK 100,460,043.60 from NOK 477,185,207.10 to NOK 376,725,163.50 by reducing the share nominal value from NOK 0.95 to NOK 0.75.*
2. *NOK 22,797,771.10 of the reduction amount shall be used to cover losses that cannot be covered in any other way, while the remaining NOK 77,662,272.50 will be transferred to other shareholders' equity. At the same time as the capital reduction, a share issue will be implemented with the result that the Company's restricted equity capital is at least as high as before the last mentioned part of the capital reduction.*
3. *This decision is conditional on actual implementation of the public share issue recommended in item 11 below.*
4. *Article 4 is amended to:*

*”The Company’s share capital is NOK 376,725,163.50 distributed on 502,300,218 shares, each with a nominal value of NOK 0.75.”*

**10. The capital increase is a private placing to Nordea Bank Norge ASA and DnB NOR Bank ASA settled by reduction of bank debt.**

The recommended refinancing also implies that Nordea Bank Norge ASA and DnB NOR Bank ASA shall convert NOK 500 million of the Company’s debt to equity capital, provided the Company at the same time implements a cash issue of NOK 200 million. The subscription price shall correspond to the subscription price determined by the Board in the public issue, the implementation of which is recommended in item 11 below, and the number of shares issued to Nordea Bank Norge ASA and DnB NOR Bank ASA will depend on the subscription price thus determined.

Because the issue is made to Nordea Bank Norge ASA and DnB NOR Bank ASA, it is necessary to wave the existing shareholders’ preference right to subscribe, ref. the Company’s Act sections 10.4 and 10.5. According to the recommended refinancing, however, there will also be implemented a public issue where other shareholders will be able to participate. The Company’s other shareholders will be preferred in case the issue is oversubscribed.

Pursuant to the Companies’ Act section 10.2, ref. section 2.6, an expert statement of the banks’ settlement is incorporated into the summons as Attachment 2 .

On this background the Board recommends that the Shareholders’ General Meeting decides as follows:

- 1. The share capital is increased by a minimum of NOK 150,000,000 and a maximum of NOK 375,000,000 through an issue of minimum 200,000,000 and maximum 500,000,000 shares, each with a nominal value of NOK 0.75. The final number of shares to be issued will be determined when the Board has decided the subscription price in accordance with item 4 below, and such number of shares shall correspond to the number of shares obtained by dividing NOK 500 million with the subscription price thus decided. Pursuant to the Companies’ Act section 10.1.2.1, the Board can at its discretion make a final decision as to the amount of increase in the share capital when the subscription price has been determined.*

2. *Existing shareholders' preference rights pursuant to the Companies Act section 10.4 are waived. The shares are subscribed by Nordea Bank Norge ASA and DnB NOR Bank ASA under the same internal circumstances as their respective shares of the so-called syndicate loan.*
3. *The subscription price shall be minimum NOK 1.00 and maximum NOK 2.50 and shall correspond to the subscription price decided by the Board in the public issue described in item 11 below. Pursuant to the Companies Act section 10.1.2.3, the Board has authority to decide the subscription price within these parameters. The subscription amount shall be settled through a set-off against a corresponding part of the Company's debt to the subscribers according to the so-called syndicate loan, ref. the Companies Act section 10.2.1.1.*
4. *The shares are subscribed the day following the end of the subscription period in the public issue provided this issue is fully subscribed, but no later than 3 June 2005. The subscription is contingent upon the Company's obtaining gross proceeds of NOK 200 million through the issue described in item 11, and the settlement [off-set] will therefore be contingent upon, and will only be implemented after, the Company's auditor's written confirmation to the subscribers that this amount has been received into the Company's share issue account.*
5. *The new shares carry rights to any dividends distributed after the new shares are issued. Moreover, the new shares carry rights in the Company from the time of registration of the share capital increase.*
6. *Article 4 of the Articles of Association is amended to show the actual share capital, number of shares and their nominal value after the capital increase.*

## **11. Public share issue**

The recommended refinancing is conditional on a public share issue being implemented that will give the Company gross proceeds of NOK 200 million to strengthen the Company's equity capital and to further reduce the Company's debt ratio. The refinancing, including the capital reduction in item 9b) and the debt conversion in item 10, is contingent upon the Company's actually receiving this amount through the public issue.

The reason for recommending the implementation of a public issue instead of a pre-emptive rights issue, is the actual size of the issue; that a public issue provides greater flexibility for, among other matters, to decide the subscription price, as well as the wish to achieve a larger distribution of shares. A public issue necessitates that existing shareholders' pre-emptive rights to subscribe, are waived, ref. the Companies Act sections 10.4 and 10.5. However, like other investors, existing shareholders will be able to subscribe for shares in the public issue and will be given priority in case of oversubscription.

The issue will be implemented at a subscription price determined by the Board within the interval defined in item 3 of the recommendation to decide a share issue. The subscription price shall be market based and will only be decided when the subscription period has expired. The prospect for the issue will contain a more detailed description of the principals used by the Board when the subscription price is determined.

On this background the Board recommends that the Shareholders' General Meeting decides as follows:

- 1. The share capital is increased by a minimum of NOK 60,000,000 and a maximum of NOK 150,000,000 through the issue of a minimum of 80,000,000 and a maximum of 200,000,000 shares, each with a nominal value of NOK 0.75. The purpose of the issue is to bring in gross proceeds of NOK 200 million. The final number of shares to be issued will be determined when the Board has decided the subscription price in accordance with item 3 below, and such subscription price shall correspond to the number of shares obtained when dividing NOK 200 million with the subscription price that is determined. Pursuant to the Companies Act section 10.1.2.1 the Board has the authority to finally decide the amount of increase in the share capital when the subscription price has been determined. Implementation of the issue is contingent upon the Company's receiving gross proceeds of NOK 200 million from the issue.*
- 2. The shares shall be subscribed in a public issue and the Company's existing shareholders' pre-emptive rights pursuant to the Companies Act section 10.4 are waived. The Board is given authority to establish criteria for allocation of shares, provided, however, that the*

*Company's existing shareholders are given priority in case the share issue is oversubscribed.*

3. *The subscription price shall be minimum NOK 1.00 and maximum NOK 2.50. Pursuant to the Companies Act section 10.1.2.3, the Board may at its discretion determine the final subscription price.*
4. *The subscription period is from and including 13 May 2005 to and including 27 May 2005.*
5. *Payment of the subscription amount shall take place no later than 2 June 2005 to the Company's nearest share issue account as shown in the prospect.*
6. *The new shares carry rights to any dividends to be distributed after the new shares are issued. Moreover, the new shares carry rights in the Company from the time of registration of the share capital increase.*

*Article 4 of the Company's Articles of Association is amended to show the share capital and the number of shares and their nominal value after the share capital increase.*

## **12. Amending the Articles of Association**

In order to bring the Company's Articles of Association in line with the recommended Corporate Governance, the Board recommends that the Article defining the Company's type of business is amended to read as follows:

*Articles 3 of the Articles of Association is amended to read as follows:*

*The Company's business is production, processing, sale and distribution of seafood and products associated with seafood production and, either directly or through ownership of shares, participate in other companies and in all activities associated with this.*

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The Annual Accounts, the Annual Report and the Auditor's Report have been distributed earlier.

The Shareholders' General Meeting will be opened by the Chairman of the Board of Directors.

All shareholders who want to be present, are kindly asked to send their registration to Pan Fish ASA early enough to have been received by us prior to 5 May 2005. If you wish to be represented by proxy, please include the proxy's name and authority in the registration.

Any authority assigned to the Chairman of the Board of Directors should be at Pan Fish ASA no later than 5 May 2005.

Cordially,  
Pan Fish ASA

*Gabriel Smith*  
Chairman of the Board of Directors