

To the shareholders of Fred. Olsen Energy ASA

Annual General Meeting

Please be advised that the Annual General Meeting in Fred. Olsen Energy ASA will be held on Thursday 19th May 2005 at 15.00.

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

The Agenda:

1. Election of Chairman for the meeting and one shareholder to sign the minutes together with the Chairman and approval of the Notice of the Meeting and the Agenda.
2. Approval of Director's Report and the annual accounts for 2004.
3. Stipulation of Board of Directors' fees
4. Stipulation of auditor's fee.

5. Authorization for the Board of Directors to increase the share capital of the Company.

The current authority with the Board to increase the share capital by 23,752,941 shares (after the issue of convertible bonds in April 2004) will expire on 22nd May 2005. The Board proposes that the existing authorization is cancelled and replaced by a new authorization to increase the share capital. The Company may need additional equity in order to strengthen its business within the offshore segment. An increase in the share capital may be brought about either by issuing new shares or by raising loans with appurtenant rights to subscribe for new shares or a combination of these means, however only in such a way that the aggregated number of new shares will not exceed 30,000,000 shares (approximately 49% of total number of shares).

6. Election of representatives to the Board.

The Board of Directors is elected for a two-year period. Three board members are up for election. These are Anette S. Olsen, John C. Wallace and Ivar Saunes. It is proposed that they are re-elected.

Shareholders who wish to attend the Annual General Meeting are kindly requested to inform Den norske Bank, Verdipapirservice, P O Box, 1171 Sentrum, 0107 Oslo, (telefax 47 22 48 11 71), within Friday 13th May 2005 at 15.00.

Oslo, 4th May 2005

The Board of Directors of Fred. Olsen Energy ASA

Enclosure

Re: Item 5

The current authority with the Board to increase the share capital will expire on 22nd May 2005. The Board proposes that the existing authorization is cancelled and replaced by a new authorization to increase the share capital. The Company may need additional equity in order to strengthen its business within the offshore segment. An increase in the share capital may be brought about either by issuing new shares or by raising loans with appurtenant rights to subscribe for new shares or a combination of these means, however only in such a way that the aggregated number of new shares will not exceed 30,000,000 shares (approximately 49% of total number of shares).

Consequently the Board proposes to the Annual General Meeting that the current authority with the Board to increase the share capital is cancelled and replaced by the following authorities:

1. Increase of the share capital by issuing new shares

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

2. Increase of the share capital by raising loans with the right to subscribe new shares

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