

## Statement from the Board of IGE Nordic AB regarding International Gold Exploration IGE AB's offer

### 1. Summary

IGE AB (publ) ("IGE") has announced an offer to acquire all outstanding shares in IGE Nordic AB (publ) ("IGE Nordic" or the "Company"). IGE offers four (4) newly issued shares in IGE for one (1) share in IGE Nordic (the "Offer"). The Board of IGE Nordic has, through its independent Directors, requested Evli Bank Plc ("Evli Bank") to provide an opinion as to the fairness, from a financial point of view, of the offer (including also a valuation of the consideration offered). Evli Bank has stated that the Offer and the consideration at the time of the assessment, i.e. per December 3 2008, is not fair from a financial point of view.

The Board of IGE Nordic (the "Board") recommends the shareholders in IGE Nordic not to accept the Offer based on the following reasons:

- According to Evli Bank's opinion the Offer is not fair from financial point of view.
- The board has noted that IGE is confident that the required working capital will be secured during Q1 2009 but it is also stated that should IGE fail to meet its working capital requirements for the coming 12 months period, some or all of the ongoing and planned activities of the Group are likely to be delayed or postponed and may, eventually, also come to a full stop.

### 2. Introduction

On October 30, 2008 IGE declared through a press-release their intention to make the Offer to acquire all outstanding shares in the Company. The offer document (the "Prospectus") was made public on November 28, 2008. The Board of IGE Nordic has, through its independent Directors, requested Evli Bank to provide an opinion as to the fairness, from a financial point of view, of the Offer (including also a valuation of the consideration offered).

IGE offers four shares in IGE for one share in IGE Nordic. The Offer entailed a bid premium of approximately 23 percent based on the closing price for each company's share on October 29, 2008, which was the day before the day that the initiators of the Offer made their plans public. The Offer entailed a bid premium of approximately 27 percent compared to the volume weighted average market price in the four week period ending on October 29, 2008. Trading in IGE Nordic's share has since the spin-off from IGE in the end of 2007 been very irregular. This trend has continued after the Offering which means that short term evaluation of the bid premium based on IGE Nordic's share price have not been seen as valid.

### **3. Applicable rules in accordance with the Securities Trading Act of Norway, Swedish and Norwegian corporate law**

According to Section 6-16 of the Norwegian Securities Trading Act (the “Act”), “the board of the offeree company shall make public a statement setting out its opinion of the bid and the reasons on which it is based, including its views on the effects of implementation of the bid on the company’s interests, and on the offeror’s strategic plans for the offeree company and their likely repercussions on employment and the locations of the company’s places of business.” The statement of the offeree company shall pursuant to the Act be made available at the latest one week before the expiry of the acceptance period. Since the offeror is a related party to the offeree and since the Offer is in kind as opposed to cash, the Board has been advised to obtain an independent fairness opinion.

### **4. Actions taken by IGE Nordic Board**

Following the announcement of the Offer IGE Nordic has, through its independent Directors, requested Evli Bank to provide an opinion as to the fairness, from a financial point of view, of the Offer, including also a valuation of the consideration offered. The Board also retained Eversheds Law Firm as Swedish legal advisor which also appointed a Norwegian legal advisor, Haavind Vislie Law Firm, to enable for IGE Nordic to comply with Norwegian law and listing requirements.

### **5. Fairness opinion**

Evli Bank has, among other things, reviewed and considered;

- Official available information such as annual reports, interim reports, prospectus, press releases etc regarding IGE and IGE Nordic,
- discussions with members of IGE’s and IGE Nordic’s senior management concerning past and current activities, financial position, investment requirements and future prospects for IGE and IGE Nordic,
- analyst reports for IGE,
- valuation regarding listed comparable companies,
- reported prices and trading activity for IGE and IGE Nordic shares as well as the development on the OSE Oslo Stock Exchange (“OSE”), Nordic Growth Market NGM and Oslo Axess,
- public tender offer premiums, and
- other public information which Evli Bank has deemed necessary or appropriate to take into account as basis for this opinion.

Evli Bank has stated that the Offer and the consideration at the time of the assessment, i.e. per December 3 2008, is not fair from a financial point of view.

The Opinion from Evli Bank in its entirety is enclosed to this statement (“Opinion IGE Nordic 081203”).

## 6. Financial risks

In the Prospectus it is stated that “The Group does not have sufficient working capital to cover its present requirements for the upcoming 12 months period (i.e. the whole year 2009). However, it is expected that the working capital of the Group will be sufficient to support its ongoing and planned activities at least until May 2009. The board has noted that IGE is confident that the required working capital will be secured during Q1 2009 but it is also stated that should IGE fail to meet its working capital requirements for the coming 12 months period, some or all of the ongoing and planned activities of the Group are likely to be delayed or postponed and may, eventually, also come to a full stop.

## 7. Effects of implementation of the bid on the company's interests and repercussions on employment and the locations of the company's places of business

IGE has stated in the Prospectus that it plans to concentrate on projects close to production, i.e. emphasis on Africa relative to Sweden and Norway. As a result, a reduction of the activities in Sweden and Norway are likely and would impact IGE Nordic's current business activities and indirectly its employees in the short term.

## 8. Recommendation by the Board of IGE Nordic's Board (independent members)

The Board recommends the shareholders in IGE Nordic not to accept the Offer based on the following reasons:

- According to Evli Bank's fairness opinion the offer is not fair from a financial point of view.
- The board has noted that IGE is confident that the required working capital will be secured during Q1 2009 but it is also stated that should IGE fail to meet its working capital requirements for the coming 12 months period, some or all of the ongoing and planned activities of the Group are likely to be delayed or postponed and may, eventually, also come to a full stop.

## 9. General Comments

Notwithstanding the Board's recommendation above, the Board wishes to draw the shareholders' attention to the following conditions and risks, which are not considered in Evli's Opinion, but which should also be observed by a shareholder who contemplates not to accept the Offer concerning shares.

The Offer consists of a share exchange offer, in which the value of the consideration offered is important. The recent strong turbulence on the stock market has complicated the assessment of the value of the consideration. The share price in IGE has been subject to high volatility and will ultimately be affected by a number of factors which are particularly difficult for IGE Nordic to assess in the current stock market situation. The Board does not in this context have access to any more information regarding IGE than information made public by IGE in the market.

# IGE NORDIC

IGE has in its offer document stated that "International Gold Exploration intends to make a compulsory acquisition of the remaining shares in IGE Nordic upon obtaining more than 90% of the number of all outstanding IGE Nordic shares, pursuant to the section 22 of the Swedish Companies Act. Please see section 9.8 (Other Shareholder Matters) for details on applicable law" and further "International Gold Exploration intends to propose a resolution to the shareholder's meeting of IGE Nordic that an application is made to delist the IGE Nordic shares from Oslo Axess, unless Oslo Axess itself decides to delist the IGE Nordic shares before the application for delisting has been submitted. An application for delisting will not be made before completion of a compulsory acquisition."

IGE has on December 3 announced that it has received acceptance from shareholders in IGE Nordic corresponding to more than 90% of the total number of outstanding shares in IGE Nordic.

Shareholders who choose not to accept the offer should understand that IGE will execute a compulsory acquisition of any outstanding shares and that the Company will be delisted. This means that shareholders not accepting the offer may stand a risk that their shares in the Company are not liquid during the compulsory acquisition process, and that they will have to wait for a considerable time before the consideration is paid out, whereas shareholders who have accepted the Offer may obtain consideration shares (in IGE) which are liquid in that they trade on the stock exchange.

## 10. Unanimity, conflicts of interest

The Board's decisions in the matter have been unanimous but it should be noted that the chairman of the board, Tomas Fellbom, and board member Lars Olof Nilsson have, due to a conflict of interest not participated in the deliberations or in any decision.

Stockholm, 8 December, 2008

IGE Nordic AB (publ)  
The Board of Directors

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Previous press-releases from IGE Nordic are available at [www.igenordic.se](http://www.igenordic.se)