

TO THE SHAREHOLDERS OF BLOM ASA

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Board of Directors hereby calls an Extraordinary General Meeting of Blom ASA

*at 2:00 p.m. on Wednesday, 25 April 2012 at Thon Vika Atrium,
Munkedamsveien 45, Oslo.*

Board Chairman Gunnar Hirsti will open the General Meeting.

The following items are on the agenda:

1. **Election of a chairperson for the meeting**
2. **Approval of the notice of the meeting**
3. **Election of a representative to sign the minutes jointly with the chairperson**
4. **Statement of the company's financial situation and proposed restructuring**
5. **Proposed combination of shares**
6. **Proposed reduction of capital**
7. **Proposed conversion of a bond loan to share capital**
8. **Proposed issuance of a convertible bond loan**

Item 5 – Proposed combination of shares

The Board of Directors proposes that the number of shares in the Company be reduced by a combination of the shares. The Board of Directors proposes that the combination be carried out by combining 100 shares with a nominal value of NOK 0.10 into one share with a nominal value of NOK 10.00.

The purpose of this proposal is to increase the minimum share price and avoid major price fluctuations for the Company's shares and ineffective pricing as a result of this. This proposal is in accordance with the continuing obligations in section 2.4 of the Stock Exchange Rules from Oslo Børs.

Some of the Company's shareholders currently own a number of shares that is not divisible by 100. The Board of Directors proposes therefore that the treasury shares held by the Company be used to transfer the number of shares required so that the shareholders' holdings are rounded up to the nearest whole share free of charge so that the combination of shares can be executed by the central securities depository (VPS).

Since the share capital cannot be combined into a whole number of shares after the combination, it is proposed that [one new share] be issued prior to the combination. It is proposed that the share be issued at the nominal price of NOK 0.10 to the Board Chairman. This share will be used for rounding in connection with the combination.

The Board of Directors proposes that the General Meeting pass the following resolution concerning the capital increase and combination of the Company's shares:

"The Company's share capital shall be increased by NOK 0.10 from NOK 25,464,719.90 to NOK 25,464,720 by issuing one new share to Hirsti Invest AS, represented by Gunnar Hirsti, at a subscription price of NOK 0.10. The pre-emptive rights of the existing shareholders shall be waived. The share shall be subscribed for in the minutes of the General Meeting and payment of the subscription amount shall be made to the Company's new issue account no later than the same day as the General Meeting. This share shall carry dividend rights from the date the capital increase is registered with the Register of Business Enterprises.

Thereafter, 100 shares with a nominal value of NOK 0.10 shall be combined to one new share with a nominal value of NOK 10.00. The issuance of share fractions is not permitted. It is a condition for the execution of the combination that the Company transfer the number of shares that is required free of charge so that all share fractions can be rounded up to the nearest whole share. The combination shall be carried out so that the Company's shares are traded combined from the first trading day after the combination has been registered with the Register of Business Enterprises. The number of shares before the combination is 254,647,200, and after the combination the number of shares will be 2,546,472. The combination of shares shall be completed before the reduction of capital in the form of a reduction in the nominal value of the shares and the capital increase in connection with the conversion of the bond loan, cf. items 6 and 7 below. The exact date for the execution of the combination shall be determined by the Board of Directors.

It is proposed accordingly that article 4 of the Articles of Association be amended to reflect the number of shares and their nominal value after completion of the combination."

Item 6 – Proposed reduction of capital

The Board of Directors finds that it would be appropriate to reduce the nominal value of the shares. Recently the Company's shares have traded at a price that is close to the nominal value of the shares. The fact that the nominal value is so high in relation to the market value limits the Company's flexibility to increase the share capital. The Board of Directors proposes therefore a reduction in capital in the form of a reduction in the nominal value of the shares.

Pursuant to the provisions of the Public Limited Liability Companies Act, the reduction in capital shall be based on an audited interim balance sheet for Blom ASA as at 31 December 2011. This interim balance sheet and the associated auditor's certificate will be attached to this notice.

The Board of Directors proposes that the General Meeting adopt the following resolution with regard to a reduction of the Company's capital:

- (i) *The interim balance sheet for Blom ASA as at 31 December 2011 is hereby approved.*
- (ii) *The Company's share capital shall be reduced by NOK 24,191,484 from NOK 25,464,720 to NOK 1,273,236 by a reduction of the nominal value of the Company's shares from NOK 10 to NOK 0.50.*
- (iii) *The amount of the reduction shall be used to cover losses that cannot otherwise be covered.*
- (iv) *Section 4 of the Articles of Association shall be amended to reflect the share capital and nominal value of the shares after the reduction in capital.*
- (v) *This resolution is subject to the completion of the combination of the Company's shares, cf. Item 5 on the General Meeting's agenda.*

Item 7 – Proposed conversion of a bond loan to share capital.

The Company has had an ongoing dialogue for some time with a majority of the key bondholders for the Company's bond loan with a view to strengthening the Company's capital structure through an increase in equity. The bondholders are prepared to contribute to re-establishing a healthy balance sheet for the Company and securing adequate liquidity so that the Company can follow its original business plan. In this connection an amendment agreement was recently entered into with the bondholders that extended the term of the Company's NOK 50 million bond loan by two months. The aim of this extension was to allow the Company additional time to make conclusions under the various alternatives in the ongoing restructuring process.

The Company's Board of Directors has decided now to propose to the General Meeting that the bond loan with an original principal of NOK 300 million be converted to equity. This measure will have a positive impact on the Company's balance sheet by reducing the debt burden. It will contribute to a necessary strengthening of the Company's equity at the same time. Conversion of the bond loan will take place in the form of a capital increase in which the bonds and the accrued interest will be used to subscribe for shares. The company will thus not receive any injection of cash, but the balance sheet will improve by converting debt to equity. The subscription price will be NOK 10 per share.

Some of the bondholders are not permitted to own shares in accordance with their articles of association. As an alternative to converting their bonds to shares, the bondholders will therefore receive an offer to exchange their bonds from the existing loan to bonds in a new, subordinated bond loan, see Item 8 below, however so that no more than NOK 40 million of the bond loan can be transferred to the convertible bond loan. It is therefore not possible at present to calculate the exact size of the increase in capital.

Conversion of the bond loan requires the consent of the bondholder meeting. This will be held prior to the General Meeting.

The Board of Directors proposes accordingly that the company's General Meeting pass the following resolution:

- (i) *The Company's share capital shall be increased by a minimum of NOK 15,306,252 and a maximum of NOK 17,306,252 by the issuance of a minimum of 30,612,504 and maximum of 34,612,504 new shares, each with a nominal value of NOK 0.50.*
- (ii) *The new shares shall be issued at a subscription price of NOK 10 per share.*
- (iii) *The new shares shall be issued to the bondholders of the bond loan FRN Blom ASA Senior Secured Bond Issue 2009/2012 (ISIN NOOO 1053847.3) ("the Bond Loan"), with the exception of the bondholders who choose settlement in the form of convertible bonds, see Item 8 below.*
- (iv) *Subscription for the new shares shall be made in the minutes of the General Meeting.*
- (v) *Settlement for the new shares will take place by offsetting so that the principal, including capitalised interest, and accrued, uncapitalised interest for the period up to, and including, 24 April 2012 under the Bond Loan is used as share deposit in its entirety. The amount that is set off constitutes a minimum of NOK 306,125,040 and a maximum of NOK 346,125,040. Such offsetting shall take place from the point in time when the new shares are subscribed for.*
- (vi) *The new shares will be entitled to dividends from the date when the capital increase is registered with the Register of Business Enterprises.*
- (vii) *Section 4 of the Articles of Association shall be amended so that it reflects the share capital and number of shares after the increase in capital.*
- (viii) *Completion of the capital increase is subject to completion of the preceding capital reduction, cf. Item 6 on the General Meeting's agenda.*

With regard to events after the date of the last balance sheet and circumstances that must be emphasised in terms of subscription for new shares, reference is made to the Company's stock exchange announcements, which are available at www.blomasa.com and www.newsweb.no.

A copy of the most recent annual accounts, annual report and auditor's report are available at the Company's offices.

Item 8 – Proposed issuance of a convertible bond loan

Some of the bondholders are not permitted to own shares in accordance with their articles of association. As an alternative to converting their bonds to shares, cf. Item 7 above, the bondholders will therefore receive an offer to exchange their bonds from the existing loan to bonds in a new, subordinated bond loan. However, there will not be access to transfer more than NOK 40 million of the existing bond loan to the new convertible bond loan. The exchange ratio between the two loans will be 100:31, which means that the subscribers will receive, for every 100th transferred bond in the existing bond loan, 31 bonds in the new loan. The maximum size of the new loan will therefore be NOK 12,400,000. The interest rate applicable to the loan will be 2% p.a. The loan will have a term of five years, but can only be converted to shares up until 30 April 2012.

The Board of Directors proposes accordingly that the company's General Meeting pass the following resolution:

- (i) *The company shall issue a convertible bond loan pursuant to Chapter 11 I of the Public Limited Liability Companies Act.*
- (ii) *The loan will be a subordinated loan with priority after the Company's ordinary obligations.*
- (iii) *The total amount of the loan will be a minimum of NOK 1 and a maximum of NOK 12,400,000. The loan will be divided into a minimum of 1 and a maximum of 12,400,000 bonds, each with a nominal value of NOK 1..*
- (iv) *The bonds are offered exclusively to bondholders in the bond loan FRN Blom ASA Senior Secured Bond Issue 2009/2012 (ISIN NOOO 1053847.3) ("the Existing Bond Loan"). In the event of over-subscription, the bonds are divided on a pro rata basis among the subscribers. The pre-emptive rights of the existing shareholders shall be waived pursuant to section 10-4, cf. 11-4, of the Public Limited Liability Companies Act.*
- (v) *Subscription for the loan shall be made in the minutes of the General Meeting.*
- (vi) *As contribution for the loan, the subscribers shall transfer bonds in the Existing Boan Loan to the Company. The exchange ratio between the loans shall be 100:31, meaning that the subscribers will, for every 100th transferred bond of NOK 1 in the Existing Bond Loan, receive 31 bonds of NOK 1 in the new loan. Bond fractions will not be issued, and the subscribers do not receive any compensation in that respect. The bonds shall be transferred to a VPS account with ABG Sundal Collier Norge ASA in accordance with detailed instructions. This transfer shall take place no later than 25 April 2012.*
- (vii) *The loan bears interest at a rate of 2% p.a. Accrued interest will be added to the principal of the loan in arrears every quarter.*
- (viii) *Each of the lenders may demand that their share of the loan's principal (including capitalised interest) be converted to shares in the company at any time during the period up until, and including, 30 April 2014. The subscription price upon conversion of the loan shall be equal to the volume weighted average trading price of the Company's shares on Oslo Børs on the two first days of trading after the general meeting plus 20%.*
- (ix) *In the event of an increase or reduction of the share capital, the raising of a loan that is encompassed by chapter 11 I of the Public Limited Liability Companies Act or liquidation, merger, spinoff or reorganisation, the conversion price shall be adjusted in accordance with the standard adjustment terms in the loan agreements of Norsk Tillitsmann, with the adjustments that the Board of Directors may approve.*
- (x) *Shares issued by conversion will be entitled to dividends from the date when the capital increase is registered with the Register of Business Enterprises.*
- (xi) *The Board of Directors is granted the power of attorney to enter into a loan agreement for the loan on behalf of the Company based on the terms that follow from this resolution.*

The Company's share capital totals NOK 25,464,719.90, divided into 254,647,199 shares, each with a par value of NOK 0.10. The Company holds 1,100,000 treasury shares. Voting rights cannot be exercised for the Company's treasury shares, and they shall not be counted when a resolution requires approval by a certain percentage of the share capital, cf. section 5-4 of the Public Limited Liability Companies Act. All other shares carry one vote at the Company's General Meetings. Shareholders are entitled to vote for the number of shares they own, provided the acquisition of the shares has been entered in the register of shareholders by the fifth working day prior to the date of the General Meeting (registration date). The shareholders have the following rights in connection with the General Meeting.

- Right to attend the General Meeting, either in person or by proxy.
- Right to speak at the General Meeting.
- Right to be accompanied by an adviser and to grant him/her the right to speak.
- Right to demand the disclosure of information by members of the Board of Directors and the Managing Director pursuant to the detailed provisions in section 5-15 of the Public Limited Liability Companies Act.
- Right to consideration of items at the General Meeting that they have reported in writing to the Board of Directors far enough in advance so that they can be included in the notice of the meeting. If the notice has already been sent, then a new notice shall be distributed if at least three weeks remain before the General Meeting is to be held.

The shareholders who would like to attend must notify the Company's office as soon as possible and no later than **10:00 a.m. on 24 April 2012** by returning the enclosed attendance slip. The right to attend the General Meeting is reserved for shareholders who have been entered in the register of shareholders by the fifth working day prior to the date of the General Meeting. Fax no. +47 22 13 19 21, e-mail: egil.huseth@blomasa.com.

If you would like to be represented by proxy we request that you complete the enclosed proxy form and send it to Blom ASA, care of the Board Chairman.

This notice is available on the Company's website: www.blomasa.com.

Oslo, 2 April 2012

Gunnar Hirsti
Board Chairman

ATTENDANCE SLIP

To be sent to: Blom ASA, P.O. Box 34 Skøyen, 0212 Oslo, and it must be received by Blom ASA no later than 10:00 a.m. on 24 April 2012. Fax no. +47 22 13 19 21, e-mail: egil.huseth@blomasa.com
The undersigned will attend Blom ASA's General Meeting at Thon Vika Atrium, Munkedamsveien 45, Oslo, at 2:00 p.m. on 25 April 2012 and vote for:

_____ own shares

_____ other shares pursuant to the enclosed proxy(ies)

For a total of _____ shares

Place: _____

Date: _____

(Name in block letters)

Signature



PROXY WITHOUT VOTING INSTRUCTIONS

If you do not have the opportunity to attend the General Meeting, this proxy can be used by whomever you grant authority, or you can send the proxy without entering the name of the proxy. In this case, the proxy will be given to the Board Chairman or a member of the Board of Directors before the General Meeting is held.

If the proxy is to include instructions on how the proxy should vote on each individual item, use the "Proxy with Voting Instructions" form.

The proxy from is to be sent to: Blom ASA, P.O. Box 34 Skøyen, 0212 Oslo, and it must be received by Blom ASA no later than 10:00 a.m. on 24 April 2012. Fax no. +47 22 13 19 21, e-mail: egil.huseth@blomasa.com

The undersigned hereby grants: **The Board Chairman**

or _____
(Name of the proxy with block letters)

a proxy to appear and vote at Blom ASA's General Meeting at **2:00 p.m. on Wednesday, 25 April**

for my/our _____ shares.

Place: _____

Date: _____

(Name in block letters)

Shareholder's signature

PROXY WITH VOTING INSTRUCTIONS

If you do not have the opportunity to attend Blom ASA's General Meeting at **2:00 p.m. on Wednesday, 25 April**, you may appear by proxy. In this case, you can use this proxy form to state your voting instructions.

The proxy is to be sent to: Blom ASA, P.O. Box 34 Skøyen, 0212 Oslo, and it must be received by Blom ASA no later than 10:00 a.m. on 24 April 2012. Fax no. +47 22131921, e-mail: egil.huseth@blomasa.com

The undersigned hereby grants (tick off)

The Board Chairman or whomever he so authorises, or

Name of the proxy (please use capital letters)

the authority to attend and cast a vote for my/our shares at the General Meeting of Blom ASA at **2:00 p.m. on 25 April 2012**. If a proxy is submitted without the name of the proxy, then the proxy will be deemed to have been granted to the Board Chairman or whomever he so authorises.

The voting shall be in accordance with the instructions below. Note that **if the alternatives below are not ticked off, this will be deemed to be an instruction to vote "in favour" of the proposals in the notice**. The proxy will, however, determine the voting if a proposal is put forward in addition to, or as a replacement for the proposals in the notice.

Item:	In favour	Against	Abstention	At proxy's discretion
1. Election of a chairperson for the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the notice of the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of a representative to sign the minutes jointly with the chairperson.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Proposed combination of shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Proposed reduction of capital.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Proposed conversion of a bond loan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Proposed issuance of a convertible bond loan.				

The aforementioned proxy has the authority to appear and vote at Blom ASA's General Meeting at **2:00 p.m. on Wednesday, 25 April 2012** for my/our _____ shares.

Place: _____

Date: _____

(Name in block letters)

Shareholder's signature