TO THE SHAREHOLDERS OF BLOM ASA

NOTICE OF EXTRAORDINARY GENERAL MEETING

The board of directors hereby convenes an
extraordinary general meeting of Blom ASA

Friday 18 March 2011, 09:00, in Thon Vika Atrium, Munkedamsveien 45, Oslo.

The chairman of the board of directors, Gunnar Hirsti, will open the general meeting.

Agenda:

1. **Election of a chairperson of the meeting**

2. **Approval of the notice**

3. **Election of a person to sign the minutes together with the chairperson of the meeting**

4. **Proposal for a share capital increase by way of a rights issue**

5. **Proposal for a convertible loan**

   Proposed resolutions and the reasons for the proposals are set out in appendix 1 to the notice.

The company's share capital is NOK 4 173 063.60 divided into 41 700 636 shares, each with a par value NOK 0.10. The company owns 1 100 000 own shares. The company's own shares have no voting rights and the amount of own shares will not be included in the total amount of shares if the resolution requires a certain part of the share capital to be approved by the general meeting (Section 5-4 of the Norwegian Public Limited Liability Companies Act.) As for the remainder of shares each share gives right to one vote at the company's general meetings. The shareholders have the right to vote for the amount of shares he or she holds. The shares have to be registered in the share register of the Norwegian Central Securities Depository (VPS) at the time of the general meeting. The shareholders have the following rights at the General Meeting:

- Right to attend the general meeting in person or with proxy.
- Right to speak at the general meeting.
- Right to have one adviser present and give him right to speak at the General Meeting
- Right to request information from the members of the board and the managing director according to regulations in Section 15-5 of the Norwegian Public Limited Liability Companies Act.
- Right to hear a case at the general meeting after a written request to the board in time

to include the case in the notice of the general meeting. If the notice has been distributed, a new notice have to be distributed if it is not less than three weeks before the date for the general meeting.

The shareholders who would like to attend the general meeting must notify the company's office as soon as possible and no later than 17 March 2011 at 16:00 by returning the enclosed attendance slip. The right to attend the general meeting is reserved for shareholders who were recorded in the shareholders' registry on the fifth business day prior to the general meeting. Fax no. +47 22 13 19 21, e-mail: egil.huseth@blomasa.com.

If you wish to be represented by proxy we request that you complete the enclosed proxy form and send it to Blom ASA, c/o the chairman of the board of directors.

This notice with appendices is available on the company's website: www.blomasa.com.

Oslo, 23 February 2011

Gunnar Hirsti
Chairman of the board of directors

Appendix 1

Blom was as of 31 December 2010 in breach of covenants relating to equity ratio and the ratio between interest bearing debt and EBITDA in the company's bond loan referred to as "FRN Blom ASA Senior Secured Bond Issue 2009/2012". The breach of the covenants came after a period of disappointing operating results, and significant write-downs and loss of income following a dispute with Pictometry. The board of directors believes that the breach of the covenants is not only a temporary problem, but that it is necessary to restructure the company's capital situation to establish a sound financial basis for continued operations.

The company has against this background carried out negotiations with representatives of the bondholders with a view to achieving such a restructuring. These negotiations have had a positive development, and the aim is a solution which will ensure a satisfactory liquidity and a sound financial basis for the company. A final solution is expected to be ready shortly. A solution will include the following elements which will require resolutions by the company's general meeting:

- As part of a solution Blom shall seek to raise at least NOK 50 million in new equity, and
- If Blom does not succeed to obtain subscriptions for such new equity by 30 April 2011, then NOK 50 million of the bond loan will be converted to a convertible loan, provided, however, that if it becomes clear prior to 30 April that a rights issue in this amount will not be completed, then the conversion will take place at such earlier time.

When a final proposal for a solution with the bondholders is available, it will be made public through a stock exchange notice.

The restructuring is subject to approval by a bondholders meeting expected to be held prior to the general meeting and to the general meeting passing the required resolutions. Please note that changes may be introduced as a result of continuing discussions with the bondholders. Any such changes will be presented at the general meeting and, if relevant, through stock exchange notices.

Two resolutions will be presented to the general meeting in connection with the restructuring. The restructuring requires that the general meeting pass both these resolutions.

Firstly (item 4), it is proposed that the general meeting pass a resolution to increase the share capital by way of a right issue.

Secondly (item 5), it is proposed that the general meeting pass a resolution to take up a convertible loan of NOK 50 million.

Item 4 - Proposal for a share capital increase by way of a rights issue

The board of directors proposes that the company carry out a share capital increase with gross proceeds of approx. NOK 50 million. The share capital increase is proposed to be carried out as a rights' issue.

The number of new shares to be issued in the share capital increase will depend upon the subscription price which will be set in connection with the extraordinary general meeting. In the proposed resolution it is therefore stated that the subscription price may fall within the range of NOK 0.10 to NOK 2.50, and that between 500,000,000 and 20,000,000 new shares will be issued. Accordingly, it is indicated that the share capital increase will be between NOK 50,000,000 and NOK 2,000,000.

The board of directors' proposal for the final subscription price, the number of new shares to be issued, and thus the exact amount by which the share capital will be increased, will be published in connection with the extraordinary general meeting, and will be reflected in the final proposal for the resolution of the general meeting.

A prospectus to be approved by the Norwegian Financial Supervisory Authority will be prepared. The prospectus will be made public prior to the subscription period and represent the subscription material for the offering. Provided that the prospectus for the rights issue is approved by the Norwegian Financial Supervisory Authority in time, the subscription period will commence on 25 March and end on 8 April at 17:30 (CET). If the prospectus is not approved in time to maintain this subscription period, the subscription period will commence on the fourth trading day on the Oslo Stock Exchange following approval of the prospectus and end two weeks thereafter.

Pursuant to Section 10-4 of the Norwegian Public Limited Companies Act, the shareholders have preferential rights to subscribe for the new shares pro rata to their existing shareholdings in the company. The shareholders will, pursuant to the proposal of the board of directors, receive subscription rights on the basis of their pro rata shareholdings as registered in the company's shareholder register as per the end of 23 March 2011. Provided that the traded shares are subject to ordinary settlement in the Norwegian Central Securities Depository (VPS), shares that are acquired until and including 18 March 2011 will carry subscription rights, whereas shares that are acquired from and including 21 March 2011 will not carry subscription rights. Allocated subscription rights will be transferred to the VPS account(s) on which the shareholder has registered Blom shares on or about 24 March 2011.

The subscription rights will be freely tradable and listed on the Oslo Stock Exchange. Oversubscription and subscription without subscription rights will be permitted.

The company will consider establishing a subscription guarantee for the share issue. The draft resolution reflects such a guarantee, but the wording will be changed on this point if no subscription guarantee has been established by the time of the general meeting.

The board of directors proposes that the general meeting pass the following resolution:

i) *The share capital of the Company shall be increased by a minimum of NOK 2,000,000 and a maximum of NOK 50,000,000 through the issuance of a minimum of 20,000,000 and a maximum of 500,000,000 new shares, each with a nominal value of NOK 0.10.*

ii) *The new shares are issued at a subscription price of a minimum of NOK 0.10 and a maximum of NOK 2.50 per share. The contribution shall be made in cash.*

iii) *Shareholders who are registered in the company's shareholder register on 23 March 2011 shall have preferential rights to subscribe for the new shares corresponding to their pro rata holdings of shares in the company. Subscription rights will not be issued on the company's own shares. Tradable subscription rights will be issued. If the subscription rights are not fully exercised, subscribers who have exercised their subscription rights and who have subscribed for a higher number of shares than they have subscription rights for (oversubscription) shall have preferential rights to such excess shares. Such excess shares shall be allocated among such subscribers as far as possible pro rata to the number of subscription rights exercised by each such subscriber. Any excess shares after such allocation shall be allocated by the board of directors among subscribers without subscription rights. Any shares then not allocated shall be subscribed for by the guarantors.*

iv) *The company shall prepare a prospectus that shall be approved by the Financial Supervisory Authority in connection with the rights issue. Unless the Board of Directors decides otherwise, the prospectus shall not be registered with or approved by any foreign prospectus authority. The new shares cannot be subscribed for by investors in jurisdictions in which it is not permitted to offer new shares. With respect to any shareholder that in the company's view is not entitled to subscribe for new shares due to limitations imposed by laws or regulations of the jurisdiction where such shareholder is a resident or citizen, the company or someone appointed or instructed by it may sell such shareholder's subscription rights against transfer of the net proceeds from such sale to the shareholder.*

v) *The subscription period shall commence on 25 March 2011 and end at 17:30 (CET) on 8 April 2011. However, if the prospectus is not approved in time to maintain this subscription period, the subscription period shall commence on the fourth trading day on the Oslo Stock Exchange after such approval has been obtained and end at 17:30 (CET) two weeks thereafter. Shares not subscribed for at the expiry of the subscription period and which thus will be allocated to the guarantors, shall be subscribed for by the guarantors within five business days after the expiry of the subscription period.*

vi) *The due date for payment for the new shares is 18 April 2011 or the seventh trading day on the Oslo Stock Exchange after the expiry of the subscription period if the subscription period is postponed in accordance with sub-item v) above. When subscribing for shares, each subscriber with a Norwegian bank account must by completion of the subscription form grant Pareto Securities AS a one-time power of attorney to debit a stated Norwegian bank account for the subscription amount corresponding to the number of allocated shares. Upon allocation, the allocated amount will be debited the account of the subscriber. The debit will take place on or around the due date for payment. Payment of the subscription amount by subscribers without a Norwegian bank account shall be made to the company's bank account for share issues.*

vii) *The new shares shall carry rights to dividends from the date on which the capital increase is registered with the Register of Business Enterprises.*

vii) *A guarantee consortium has been established for the rights issue. The guarantee consortium guarantees in the aggregate the subscription of all the new shares. The liability of the guarantors is several but not joint. The guarantors are entitled to a* *guarantee commission equal to [XX[1]] of the guaranteed amount.*

viii) *Section 4 of the articles of association shall be amended so as to reflect the share capital and the number of shares after the share capital increase.*

Item 5

The convertible loan will be reserved for bondholders in the existing bond loan, and will be taken up by way of conversion of NOK 50 million of this loan. The loan will only be taken up if the company is not successful in obtaining subscriptions for NOK 50 million of new equity through a share issue by 30 April 2011, provided, however, that if it becomes clear prior to 30 April that a rights issue in this amount will not be completed, then the conversion will take place at such earlier time.

The board of directors proposes that the general meeting pass the following resolution:

(i) *The company shall take up a convertible loan of in accordance with the rules of chapter 11 I of Public Limited Liability Companies Act.*

(ii) *The taking up of the loan is conditional upon a share issue by the company with gross proceeds of no less than NOK 50,000,000 not having been fully subscribed by 30 April 2011, provided, however, that if it becomes clear prior to 30 April 2011 that such a share issue will not be completed then the condition for taking up shall be deemed to have been satisfied.*

(iii) *The nominal value of the loan shall be NOK 50,000,000. The loan shall be divided into 100 bonds, each with a nominal value of NOK 500,000, in the aggregate NOK 50,000,000.*

(iv) *The subscription price for the bonds shall be equal to the nominal value per bond, NOK 500,000.*

(v) *The loan shall be issued to the bondholders in the company's bond loan referred to as "FRN Blom ASA Senior Secured Bond Issue 2009/2012". The bonds shall as far as practicable be allocated in proportion to how many bonds each bondholder holds in this bond loan, as further determined by the board of directors. The pre-emptive rights of the existing shareholders under section 10-4 cf. section 11-4 of the Public Limited Companies Act are set aside.*

(vi) *Subscription for the loan shall be made no later than 7 May 2011 on a separate subscription form.*

(vii) *The loan shall be made by way of conversion of bonds in "FRN Blom ASA Senior Secured Bond Issue 2009/2012". The conversion shall take place at nominal value, so that one bond with nominal value NOK 500,000 in the existing bond loan shall be converted into one bond with nominal value NOK 500,000 in the new bond loan. The conversion between the two loans shall take place no later than 14 May 2011.*

(viii) *The loan shall not carry interest.*

(ix) *Each bondholder may demand the conversion of his portion of the principal amount of the loan into shares in the company at any time during the period to*

[1] The percentage rate will be the result of negotiations with any guarantors. As stated above it is not certain as of the date of this notice whether a subscription guarantee will be established.

and including 25 September 2012. The subscription price on conversion of the loan shall be NOK [YY[2]*] per share.*

(x) *In the event of any increase or reduction of the share capital, of the taking up of any loan pursuant to the Public Limited Companies Act chapter 11 I, or of the dissolution, merger, de-merger or conversion of the company, the conversion price shall be adjusted in accordance with the adjustment provisions in Norsk Tillitsmann's standard agreement for convertible loans. Other than this, the bondholders shall not have any rights in such cases.*

(xi) *Shares issued upon conversion of the loan shall carry rights to dividends from the date on which the capital increase is registered with the Register of Business Enterprises.*

(xii) *The board of directors is authorized to enter into a loan agreement for the loan on behalf of the company on the basis of the terms set out in this resolution.*

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The resolutions proposed in items 4 and 5 require the approval of no less than two thirds of the votes cast and the share capital represented at the general meeting.

When it comes to matters which should be considered when subscribing for new shares and to events after the latest balance sheet date, reference is made to the company's interim reports and stock exchange notices. These are available at the company's web pages, www.blomasa.com. Reference is also made to the prospectus which will be published before the start of the subscription period.

Copies of the latest annual accounts, directors' report and auditor report are available at the company's offices, Drammensveien 165, 0277 Oslo, and are also available at the company's website, www. blomasa.com.

[2] The conversion price will be determined as part of the negotiations with the bondholders.

BLOM
IMAGING THE WORLD

ATTENDANCE SLIP

To be sent to: Blom ASA, P.O. Box 34 Skøyen, 0212 Oslo, Norway. Slip must be <u>received</u> by Blom ASA no later than 16:00 on 17 March 2011. Fax no. 0 47 22 13 19 21, e-mail: egil.huseth@blomasa.com

The undersigned will attend Blom ASA's General Meeting at Thon Vika Atrium,
, at 09:00 on Friday, 18 March 2011 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 cannot personally attend the Extraordinary General Meeting, you may appoint a proxy to use this power of attorney, or you can return a blank power of attorney. In the latter case, the company will appoint the Chairman of the Board or one of the members of the Board of Directors as your proxy before the Extraordinary General Meeting takes place. The power of attorney may instruct the proxy on how to vote on each specific matter. See next page.

To be sent to: Blom ASA, P.O. Box 34 Skøyen, 0212 Oslo, Norway. Slip must be <u>received</u> by Blom ASA no later than 16:00 on 17 March 2011. Fax no. 0 47 22 13 19 21, e-mail: egil.huseth@blomasa.com

The undersigned hereby appoints: ☐ **Chairman of the Board**

or :____
(Name in capital letters)
(Name must be entered; otherwise the proxy will be invalid.)

to appear and vote at the General Meeting of Blom ASA at **Thon Vika Atrium on Friday 18 March 2011** and to
vote for my/our ___________ shares.

Place: __________________ *Date*: ___________________________

____
(Name in block letters)

____
Signature

PROXY WITH VOTING INSTRUCTOINS

If you are not able to attend the Extraordinary General Meeting at **Thon Vika Atrium Friday 18 March 2011**, you may be represented by way of proxy, in which case this proxy form may be used.

The undersigned hereby appoints (check-off):

☐ The Chairman of the Board of Directors, or the person he appoints

☐ ____
(Name in capital letters)

to meet and vote for my/our: ___________ shares at the General Meeting at **Thon Vika Atrium Friday 18 March 2011**. If the proxy form is submitted without stating the name of the proxy, the proxy will be deemed to have been given to the Chairman of the Board of Directors or the person he authorises.

The votes shall be cast in accordance with the instructions below. Please note that **if the alternatives below are not ticked off, this will be deemed to be an instruction to vote "in favor" of the proposals in the notice**, provided, however, that the proxy determines the voting to the extent proposals are put forward in addition to, or instead of, the proposals in the notice.

Items:	In favor	Against	Abstention	At proxy's discretion
1. Election of chairperson for the meeting	☐	☐	☐	☐
2. Approval of the notice for the meeting	☐	☐	☐	☐
3. Election of representative to sign the minutes jointly with the chairperson	☐	☐	☐	☐
4. Proposal for a share capital increase by way of a rights issue	☐	☐	☐	☐
5. Proposal for a convertible loan	☐	☐	☐	☐

for my/our ___________ shares.

Place: _________________ *Date*: _________________________

____
(Name in block letters)

____
Signature