

**Circular No. 11/2007****Unofficial translation**

To: - Issuers of shares listed on Oslo Børs  
or Oslo Axess  
- Members of Oslo Børs

26 November 2007

Our ref: 659065

<http://www.oslobors.no/ob/sirkulaere2?languageID=1>**Norwegian rules on takeover bids - application to foreign companies - rules on exemptions****1 Introduction**

This Circular deals specifically with foreign companies from states outside the EU/EEA that are listed on Oslo Børs/Oslo Axess, but are not listed in the state where they have their registered office. These companies, as listed in the attachment to the Circular, will also receive this information by letter. However, the information is distributed as a Circular since the scope of the rules in this respect is also of interest for other market participants.

The new Securities Trading Act was approved in June 2007, cf. Act of 29 June 2007 No. 75 on securities trading (Securities Trading Act)<sup>1</sup>. Chapter 6 of the Act sets out rules on mandatory and voluntary bids in connection with takeovers, and is based on the approach and main features of Chapter 4 of the current Securities Trading Act<sup>2</sup> but with a number of changes. Further rules are provided in Chapter 6 of the Securities Trading Regulations<sup>3</sup>, and there are also a number of specific transitional rules<sup>4</sup>. The new rules on takeover bids in Chapter 6 of the Securities Trading Act and the related regulations come into force on 1 January 2008<sup>5</sup>. Recipients are referred to the description of the new rules provided in Oslo Børs Circular No. 8/2007<sup>6</sup>. Oslo Børs is the takeover supervisory authority pursuant to the Securities Trading Act for Oslo Børs/Oslo Axess<sup>7</sup>, and checks and approves offers and offer documents.

The current Norwegian rules on takeover bids<sup>8</sup> apply to bids for Norwegian companies that are listed on Oslo Børs/Oslo Axess, and possibly also on a regulated market overseas. With effect from 1 January 2008, the Norwegian rules on takeover bids will as a general rule also apply to bids for foreign companies that are listed on Oslo Børs/Oslo Axess, see the more detailed description at 2 below.

Oslo Børs has some degree of authority to grant exemptions from the Norwegian rules on takeover bids in respect of Norwegian companies and companies incorporated outside the EU/EEA area, subject to the company being listed both on Oslo Børs/Oslo Axess and on

<sup>1</sup> See <http://www.lovdatab.no/all/hl-20070629-075.html>

<sup>2</sup> Cf. Act of 19 June 1997 No. 79

<sup>3</sup> See <http://www.lovdatab.no/for/sf/fd/xd-20070629-0876.html>

<sup>4</sup> See <http://www.lovdatab.no/for/sf/fd/xd-20070629-0750.html#map0>

<sup>5</sup> Many of the provisions of the Securities Trading Act came into effect on 1 November 2007, but the changes in respect of ongoing and periodic reporting, as well as the rules on takeover bids (Chapters 4, 5 and 6 of the Act) come into force on 1 January 2008.

<sup>6</sup> See <http://www.oslobors.no/ob/sirkulaere2?template=cont&contentid=1189151895810>

<sup>7</sup> Cf. Securities Trading Act § 6-4

<sup>8</sup> Cf. Act of 19 June 1997 No. 79 § 4-1

another regulated market in a state outside the EU/EEA area<sup>9</sup>. This Circular sets out the guidelines that Oslo Børs intends to apply in exercising its authority to grant exemptions, see 3.2 and 3.3 below. A description of practical matters relating to such exemptions is provided at 3.4 and 3.5 below.

Oslo Børs intends to produce a list of listed companies that are subject to the Norwegian rules on takeover bids, and this will be published on the Oslo Børs website.

## 2 Scope of the Norwegian rules on takeover bids

The scope of the new rules on takeover bids is defined in Section 6-1 of the Securities Trading Act, cf. Section 6-23. The new rules apply to a takeover bid that targets:

- A Norwegian company (i.e. a company with its registered office in Norway) if its shares are listed on Oslo Børs/Oslo Axess, and possibly also on a regulated market in another state.
- A Norwegian company if its shares are not listed on Oslo Børs/Oslo Axess, but are listed on a regulated market in another EU/EEA state.
- A foreign company (i.e. a company with its registered office in another EU/EEA state or in a state outside the EU/EEA area), if its shares are not listed on a regulated market in the state where the company has its registered office, but are listed on a Norwegian regulated market and possibly also on a regulated market in a state other than the state of the company's registration. Accordingly, if a company is listed in the state where it has its registered office, the Norwegian rules do not apply.

In the case of a takeover bid that targets a company *with links to an EU/EEA state*, the Directive on Takeover Bids<sup>10</sup> lays down specific rules on scope and choice of applicable law. A process is currently underway to implement the directive's provisions on choice of law in Norwegian legislation, and further provisions in this respect are expected to be included in Chapter 6 of the Securities Trading Regulations. Reference is made to the consultation document issued by the Ministry Finance on 14 September 2007<sup>11</sup>.

In the case of a company with links to a *state outside the EU/EEA area* that is listed on Oslo Børs/Oslo Axess, then as mentioned Oslo Børs is authorised to grant exemptions from the Norwegian rules on takeover bids, cf. 3 below.

## 3 Scope for exemptions

### 3.1 Introduction

Section 6-23, third paragraph, of the Securities Trading Act permits Oslo Børs to make case-by-case decisions on granting exemptions from all or part of the provisions of Chapter 6 of the Securities Trading Act in respect of takeover bids directed towards:

- A Norwegian company if its shares are listed on regulated markets both in Norway and in a state outside the EEA, and

<sup>9</sup> Cf. Securities Trading Act § 6-23, third paragraph

<sup>10</sup> Directive 2004/25/EC

<sup>11</sup> See <http://www.regjeringen.no/nb/dep/fin/dok/hoeringer/hoeringsdok/2007/Horing--forslag-til-forskriftsbestemmels/-4.html?id=480880>

- A company with its registered office in a state outside the EEA, if its shares are listed on a regulated market in Norway.

The rules on the scope of exemptions assume that the company is not listed in the state where it is registered, since in such cases the company would fall outside the scope of the Norwegian rules on takeover bids.

Decisions made by Oslo Børs on exemptions may be appealed to the Stock Exchange Appeals Committee<sup>12</sup>.

In general terms, Oslo Børs will strive to develop uniform principles for exercising its discretion on exemptions, and will place particular importance on equal treatment in exercising its discretion. Oslo Børs will carry out an evaluation on the basis of the application for exemption received from the (target) company. If it decides to grant an exemption, it will normally expect to grant an exemption from all the provisions of Chapter 6 of the Securities Trading Act. It should be noted for the sake of good order that Oslo Børs will not consider applications for exemptions from a bidding company or a (target) company in respect of a specific takeover process.

### **3.2 Secondary listed companies**

Section 1.2 of the Standard Secondary Listing Agreement requires all companies with a secondary listing on Oslo Børs/Oslo Axess – i.e. both Norwegian companies and foreign companies - to comply inter alia with the Norwegian Securities Trading Act. With effect from 1 January 2008, this will also include the Norwegian rules on takeover bids, cf. 2 above. In principle, the Norwegian rules on takeover bids will apply to any bid for a company with a secondary listing on Oslo Børs/Oslo Axess, including companies that have their registered office in a state outside the EEA.

It is generally assumed that companies with a secondary listing will have a closer link with the market on which they have their primary listing than with their secondary market(s). Companies with a secondary listing that are incorporated in jurisdictions other than Norway may be subject to the provisions of company law and securities legislation other than those that apply in Norway, either through regulation in their state where they are incorporated and/or as a result of their primary listing. It is therefore possible to envisage conflicts between the regulatory frameworks of the state where the company has its registered office and of the state where it has its primary listing. In addition, companies may have secondary listings on a number of regulated markets. One consequence of this may be that the duty to make a mandatory bid is triggered by thresholds and share purchases in the state where the company has its registered office that differ from those in the state(s) in which it is listed.

Against this background, Oslo Børs will as a general rule grant exemptions from the Norwegian rules on takeover bids where a company with a secondary listing on Oslo Børs/Oslo Axess has its registered office in a state outside the EEA.

In the case of Norwegian companies that wish to have a secondary listing on Oslo Børs/Oslo Axess, it is assumed that as a general rule such companies will be subject to the Norwegian rules.

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<sup>12</sup> Cf. Stock Exchange Act § 40 and Stock Exchange Act § 32, cf. Stock Exchange Regulations § 3.

### **3.3 Primary listed companies**

Section 1.2 of the Standard Primary Listing Agreement requires all companies with a primary listing on Oslo Børs/Oslo Axess – i.e. both Norwegian companies and foreign companies - to comply inter alia with the Norwegian Securities Trading Act. With effect from 1 January 2008, the Norwegian rules on takeover bids will apply to takeover bids that target any company that has its primary listing on Oslo Børs/Oslo Axess, including companies that have their registered office in a state outside the EEA.

The objective of the rules on takeover bids is to protect the interests of shareholders with investments in the Norwegian market. Oslo Børs is of the view that the general protection that the rules on takeover bids provide for minority shareholders should not be waived when takeover bids are made for companies with a primary listing on Oslo Børs/Oslo Axess unless there are particular reasons so to do. This view dictates a restrictive approach to granting exemptions from the rules on takeover bids in respect of primary listed companies.

However, in some special cases Oslo Børs may nonetheless after careful evaluation grant exemption from the rules on takeover bids in respect of bids for a company that has its registered office in a state outside the EEA and has its primary listing on Oslo Børs. Such special cases may relate, for example, to clear evidence of conflicts with the rules and regulations on takeover bids in the company's home state.

### **3.4 Practical implications**

#### **3.4.1 Company with a secondary listing on Oslo Børs/Oslo Axess**

In practical terms, a company with a secondary listing is free to decide whether it wishes to take advantage of the scope for exemption. If a company wishes to apply for this exemption, we ask that a written application for exemption be submitted to Oslo Børs. The company must take its own steps to establish the procedures required under company law to apply for such exemption. The application must include information on the state in which the company is registered and on its primary listing, as well as information on any other regulated markets on which the company is listed. Oslo Børs will then issue a written decision on the application which will be sent to the company and published as a stock exchange announcement.

#### **3.4.2 Company with a primary listing on Oslo Børs/Oslo Axess**

In the same way as described in 3.4.1 above, a company with a primary listing that wishes to apply for exemption must submit a written application to Oslo Børs. The company must take its own steps to establish the procedures required under company law to apply for such exemption. The application must explain and document a special reason for such exemption to be granted. The application must include information on whether the company is subject to rules on takeover bids in its home state, and if so a copy of the relevant rules must be provided. Oslo Børs will then issue a written decision on whether the application is granted or refused, and this will be sent to the company and published as a stock exchange announcement.

### **3.5 Company applying for admission to listing**

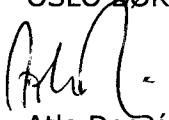
#### **3.5.1 Company applying for a secondary listing on Oslo Børs/Oslo Axess**

It is preferable for the question of exemption from the rules on takeover bids to be resolved as part of the process of admission to listing. A company that wishes to apply for exemption from the rules on takeover bids should therefore make an application and justify its reasons as part of the process of admission to listing. Oslo Børs will then issue a written decision on the application which will be sent to the company and published as a stock exchange announcement. The decision may be included in the secondary listing agreement. It is assumed that Oslo Børs will deal with such an application for exemption before the process of admission to listing is completed. In order to clarify that these procedures form part of the process of admission to listing, suitable wording will be added to the Listing Rules for Oslo Børs and Oslo Axess<sup>13</sup>.

#### **3.5.2 Company applying for a primary listing on Oslo Børs/Oslo Axess**

It is assumed that there will be few cases where a company applying for a primary listing will apply for, or be granted, an exemption from the rules on takeover bids. However, in such cases it will be preferable for the question of a possible exemption from the rules on takeover bids to be resolved in connection with the process of admission to listing. The company must state in the application for admission to listing that it is applying for exemption from the Norwegian rules on takeover bids. In the application for admission to listing the company must explain and document a special reason for such exemption to be granted. It must include information on whether the company is subject to rules on takeover bids in its home state, and if so a copy of the relevant rules must be provided. Oslo Børs will then issue a written decision on the application for exemption, which will be sent to the company and published as a stock exchange announcement.

Yours sincerely  
OSLO BØRS ASA



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Enclosure: Schedule of companies listed on Oslo Børs/Oslo Axess that are domiciled in states outside the EU/EEA area.

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<sup>13</sup> The Listing Rules are currently revised. New listing rules are expected to be adopted within 1 December 2007,

<b>OSLO BØRS - PRIMARY LISTED COMPANIES</b>			
<i>State in which the company is registered</i>	<i>Company</i>	<i>State of secondary listing If appropriate</i>	<i>Other state(s) of secondary listing(s) if appropriate</i>
Arab Emirates	MARITIME INDUSTRIAL SERVICES		
Bermuda	BW Offshore Limited		
Bermuda	Dockwise		
Bermuda	Golden Ocean Group		
Bermuda	Jinhui Shipping and Transport.		
Bermuda	Northern Offshore		
Bermuda	Odfjell Invest		
Bermuda	Scorpion Offshore		
Bermuda	Seadrill		
Bermuda	Trefoil		
Bermuda	Golar	US	
Canada	Artumas Group		
Canada	Northland Resources		
Singapore	Nexus Floating Production		
Singapore	EOC		
USA	CanArgo Energy Corporation	US	
USA	DynaPel Systems		
Virgin Islands	SeaBird Exploration		

<b>OSLO BØRS - SECONDARY LISTED COMPANIES</b>			
<i>State in which the company is registered</i>	<i>Company</i>	<i>State of primary listing</i>	<i>Primary exchange</i>
Bermuda	Frontline	US	
Canada	Crew Gold Corporation	Canada	
Canada	Northland Resources	Canada	
Canada	Petrobank Energy and Resources	Canada	
Canada	Questerre Energy Corporation	Canada	
Israel	Vizrt	Germany	Frankfurt
Liberia	Royal Caribbean Cruises	US	
Liberia	B+H Ocean Carriers	US	AMEX

<b>OSLO AXESS - PRIMARY LISTED COMPANIES</b>			
<i>State in which the company is registered</i>	<i>Company</i>	<i>State of secondary listing if appropriate</i>	<i>Other state(s) of secondary listing(s) if appropriate</i>
Bermuda	Seajacks International		
Bermuda	RomrReal		

<b>OSLO AXESS - SECONDARY LISTED COMPANIES</b>			
<i>State in which the company is registered</i>	<i>Company</i>	<i>State of primary listing</i>	<i>Primary exchange</i>
Canada	Transeuro Energy Corp.	Canada	TSX