MANDATORY OFFER

Norsk Hydro ASA

and

Den norske stats oljeselskap a.s

offer to acquire all issued and outstanding shares in

Saga Petroleum ASA

in consideration of :

NOK 135 per Saga share

Norsk Hydro ASA and Den norske stats oljeselskap a.s will acquire all of the shares in Saga validly tendered and stamped as mailed no later than August 5, 1999.

Acceptances must be tendered to:

Fondsfinans ASA
Haakon VIIs gt 2
P.O. Box 1782 Vika
0122 Oslo

Oslo, July 8, 1999

This mandatory offer is made pursuant to chapter 4 of the Securities Trading Act of 1997.

TABLE OF CONTENTS

No person has been authorised to give any information or make any representation on behalf of the Offerors not contained in this offer document including the accompanying acceptance form and if given or made, such information or representation must not be relied upon as having been authorised. The delivery of this offer document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Offerors or Saga since the date hereof or that the information in this offer document or in the documents referred to herein is correct as of any time subsequent to the dates hereof or thereof. All information in this offer document regarding the Saga Group has been compiled from documents made publicly available by Saga.

This offer document and the related acceptance form contain important information that should be read before any decision is made with respect to accepting the offer.

This offer document and the contents hereof do not constitute the extension of an offer in the United States or into any jurisdiction where the making of the offer would be illegal. The offer does not extend to holders of Saga American Depositary Receipts. The offer is not being made directly or indirectly in the United States, or by use of the U.S. Mails, or by any means or instrumentality (including without limitation, the mail, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or any facilities of a national securities exchange, of the United States.

Copies of this offer document and the acceptance form are not being mailed or otherwise distributed or sent in or into the United States, and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute or send them in, into or from the United States or use such mails or any such means or instrumentality in connection with the offer. Custodians, nominees, trustees and any other persons who may intend to forward this offer document or any related document, and all other Saga shareholders, should read the section of this document entitled "Overseas Shareholders" before taking any action.

The offer is not being made to, nor will tenders be accepted from, or on behalf of, Saga shareholders in any jurisdiction in which the making of the offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. It is the responsibility of non-Norwegian citizens and foreign legal entities, as well as of any person living outside Norway, to satisfy themselves as to full observance of the laws of any relevant territory or country regarding, amongst other things, the right to tender shares pursuant to the offer.

This offer document is being mailed to holders of Saga shares in Canada, Australia and Japan for informational purposes only. Persons wishing to accept the offer must do so from outside Canada, Australia or Japan. Envelopes containing acceptance forms must not be post marked in Canada, Australia or Japan or mailed, faxed or otherwise dispatched from Canada, Australia or Japan and all accepting Saga shareholders must provide addresses outside Canada, Australia or Japan for the remittance of the consideration or return of acceptance forms, certificate(s) and/or other required document(s). Any purported acceptance of the offer in breach of these requirements will not be valid.

Save as described above, this offer document and the related acceptance form are being sent by post by the Offerors to holders of record of Saga shares, and are being furnished by the Offerors to brokers, dealers, commercial banks, trust companies and similar persons, whose names or the names of whose nominees appear as holders of record, for subsequent transmittal to beneficial owners of Saga shares.

The offer document has been published in Norwegian and English. In the event of discrepancies between the two versions, the Norwegian offer document shall prevail.

Statement from Norsk Hydro ASA and Den norske stats oljeselskap a.s
Norsk Hydro ASA and Den norske stats oljeselskap a.s hereby make the joint offer hereinafter set out in this document. Den norske stats oljeselskap a.s accepts responsibility for information only about itself, and confirms that to its best knowledge and belief, such information is in accordance with the facts and does not omit anything likely to affect the importance of such information. Likewise, Norsk Hydro ASA accepts responsibility for information only about itself, and confirms that to its best knowledge and belief, such information is in accordance with the facts and does not omit anything likely to affect the importance of such information. Neither Norsk Hydro ASA nor Den norske stats oljeselskap a.s takes any responsibility for information related to Saga Petroleum ASA , except that they confirm that the information provided conforms with the information made available by such company to the public domain.

Oslo, July 8, 1999

Norsk Hydro ASA

Egil Myklebust
President & CEO

Den norske stats oljeselskap a.s

Harald Norvik
President & CEO

1. The Offer

Introduction
Norsk Hydro ASA (hereinafter referred to as ***"Hydro"***) and Den norske stats oljeselskap a.s (hereinafter referred to as ***"Statoil")*** (Hydro and Statoil are hereinafter collectively referred to as the ***"Offerors"***) are, by issuing this document, jointly offering to acquire all of the outstanding shares in Saga Petroleum ASA (hereinafter referred to as ***"Saga"***) as described herein, but not except shares held by shareholders in jurisdictions where it is unlawful to make the offer. The offered consideration is NOK 135 for each Saga share (such offer hereinafter being referred to as the ***"Offer"***).

The Offer is being made to all Saga shareholders, except those in the United States or in any jurisdiction where making the Offer would be unlawful. A concurrent offer on substantially the same terms as herein is being made to Saga shareholders in the United States and to holders of American Depository Shares (hereinafter referred to as ***"ADS"***). The offer in the United States will be made by a separate offer document complying with the requirements of the United States Securities Exchange Act of 1934, as amended.

Background
On May 10, 1999, the Board of Directors of Hydro publicly announced an unsolicited stock bid for the Saga shares based on an exchange ratio of one newly-issued ordinary share of Hydro for each three Saga shares. After discussions with Statoil, the holder of approximately 20% of the outstanding Saga shares, the parties agreed to put forward a joint offer for the Saga shares.

On May 27, 1999, Hydro and Statoil entered into an agreement (hereinafter referred to as ***"Statoil-Hydro agreement"***) in order together to acquire Saga. On June 9, 1999, Hydro and Statoil entered into an addendum (hereinafter referred to as ***"Addendum"***) to the Statoil agreement to set forth their respective rights and obligations should a competing bid be made for Saga, both attached to this document. As of the date of the Addendum, a competing bid had, in fact, been announced by Elf Aquitaine.

On June 10, 1999, Hydro and Statoil jointly commenced a voluntary offer (hereinafter referred to as ***"Voluntary Offer"***) for all of the outstanding shares, other than shares held by U.S. Persons and ADSs. The Voluntary Offer was conducted according to the requirements of the Norwegian Securities Trading Act of 1997 and the applicable regulations of the Oslo Stock Exchange. The acceptance period for the Voluntary Offer expired on June 18, 1999.

The consideration offered per Saga share in the Voluntary Offer was one ordinary share of Hydro for each three Saga shares. This was subsequently amended so as also to include payment of an amount of cash equal to the difference between the market value of one-third of an ordinary share of Hydro and 135 NOK. For this purpose, the market value of the Hydro ordinary shares was deemed to be the volume-weighted average trading price of those shares on the Oslo Stock Exchange during the three trading days of June 16-18, 1999.

Hydro has through the Voluntary Offer acquired shares representing 75,4 % of the outstanding Saga shares. The per Saga share consideration paid for the Saga shares tendered in the Voluntary Offer, in the aggregate value of NOK 135, consisted of one-third of an ordinary share of Hydro, valued at NOK 103.20 (per the formula described in the preceding paragraph) and a cash payment of NOK 31.80.

Pursuant to Chapter 4 of the Norwegian Securities Trading Act of 1997, Section 4-1, if a person *who* acquires shares representing more than 40% of the voting rights in a Norwegian company whose shares are quoted on a Norwegian stock exchange, such person must - subject to certain exceptions not relevant here - make a "mandatory offer" to purchase for cash all remaining shares of the target company.

Section 4-10 of the Norwegian Securities Trading Act stipulates that the mandatory offer price shall be at least as high as the highest payment the offeror has made or agreed to make in the period six months prior to the mandatory offer obligation arising; provided that if the offeror, at any time during which the mandatory offer remains open, pays or agrees to pay a higher price, a new offer shall be deemed to have been made with an offer price equivalent to the higher payment amount. If it is evident that the market price at the time of arisal of the mandatory offer obligation exceed the highest payment made or agreed to be made during the last six months, the mandatory offer price shall at least be equivalent to the market price. The amount of the consideration being offered for each Saga share in the Offer – which equals that paid for each Saga share in the Voluntary Offer – satisfies the requirements of this provision of the Norwegian Securities Trading Act of 1997.

The Offerors' total number of Saga shares represents 94.8% of the issued and outstanding shares. The purpose of the Offer is to facilitate the acquisition of all the remaining shares in Saga not held by them.

The Offerors will transfer their Saga shares and the Saga shares acquired under this offer to a jointly owned holding company. Such transfer will not influence the rights and obligations under the Offer. The holding company will, as soon as practicable, conduct a compulsory acquisition of the remaining Saga shares pursuant to Section 4-25 of the Public Joint Stock Companies Act. Thereafter, Hydro and Statoil intend to conduct a corporate reorganisation so as to demerge certain of Saga's assets into a separate Statoil entity, in return for the remaining assets, liabilities, activities and organisation being wholly held by Hydro.

The Offerors
Norsk Hydro ASA, Bygdøy allé 2, 0240 Oslo, a *Norwegian* public limited liability company registered under enterprise number 914 778 271 and Den norske stats oljeselskap a.s, 4035 Stavanger, a *Norwegian* private limited liability company registered under enterprise number 923 609 016. Further information about the Offerors is given under Section 2 of this Offer.

The Target Company
Saga Petroleum ASA, Kjørboveien 16, 1337 Sandvika, a *Norwegian* public limited liability company registered under enterprise number 925 111 406.

The share capital of Saga is constituted by a single class of shares and amounts to NOK 2,239,806,900 allotted to 149,320,460 shares each of NOK 15 nominal value.

Offer Price
The offer price is NOK 135 per share in Saga and has been fixed on the basis of the consideration value in the Voluntary Offer having been determined at NOK 135 per share in Saga. Neither of the Offerors has acquired shares in Saga, other than as a result of the Voluntary Offer, during the six months preceding June 18, 1999 or subsequently.

Financing of the Offer and Guarantee
The offer is being financed by application of the Offerors' existing liquid assets and committed credit lines. As required by Section 4-10 of the Securities Trading Act, Handelsbanken - Svenska Handelsbanken AB (publ) Norwegian Branch - has guaranteed, as principal obligor and not merely as surety, settlement of the Offer, which guarantee has been deposited with the Oslo Stock Exchange and a copy of which is attached hereto. The guarantee amount may, with the approval of the Oslo Stock Exchange, be reduced proportionately based on the number of shares and the transfer of shares of which has been completed pursuant to the Offer.

Acceptances
The Offer period will expire on August 5, 1999. Acceptance forms mailed and stamped or transmitted via facsimile no later than August 5, 1999, will be accepted.

The Offer may not be accepted otherwise than by executing the enclosed acceptance form. In the event that the account in Verdipapirsentralen to which such shares are credited has been encumbered, the holder of any such encumbrances must consent to the acceptance. The detailed acceptance procedure is described in the acceptance form. Acceptances may include less than the number of shares specified in the acceptance form, in which case the number of shares therein specified shall be obliterated and replaced with the number of shares to which the acceptance is to relate. Shareholders whose shares are registered through other legal entities must contact the entity in question in order to render instructions in relation to acceptance or in order to clarify the acceptance procedure. The Offer is being despatched by mail to all registered shareholders in Saga as of July 6, 1999, other than those in jurisdictions to or in which such distribution is unlawful.

No confirmation will be given by or on behalf of the Offerors of acceptance forms or other documents received.

Withdrawal of acceptances
Simultaneously and parallel with the Offer made in this document, the Offer is also made to Saga shareholders in the United States and holders of ADS through a document which fulfills the requirements of the United States. According to the requirements of the Unites States, a person given the Offer must, at any time during the Offer period, be allowed to withdraw the acceptance given. In order to secure equal threatment of the receivers of the Offer, acceptances of the Offer may be withdrawn at any time during the Offer period.

Holders of Saga shares who desire to withdraw their acceptances prior to the end of the Offer period must **fill in and return** the withdrawal form attached to the Offer in order to accomplish such withdrawal of acceptance. Such withdrawal form must be stamped as mailed or despatched via facsimile and received by to Fondsfinans within the Offer period in order to be valid.

Holders of Saga shares who have withdrawn their acceptances and who later desire to accept the Offer must **fill in and return** the blank acceptance form attached to the Offer, such new acceptance form will bind the Offerors only if it is stamped as mailed or despatched via facsimile to Fondsfinans within the Offer period.

Announcements
Any amendments to the Offer will be notified to the Oslo Stock Exchange as soon as practicable and shall be deemed to have been publicised and binding upon dissemination through the information system of the Oslo Stock Exchange, as referred to in Section 23-2 of the Stock Exchange Regulations.

Settlement
Payment of the offer price in exchange for Saga shares pursuant to the mandatory offer will be made only to the extent Fondsfinans ASA has, within the expiry of the Offer period, received properly completed and executed acceptance forms and any other required documents.

Payment will take place no later than two weeks after the Offer period. Absent unforeseen difficulties, payment is expected to take place one week after expiry of the Offer period.

Costs in connection with the transfer
The Offerors will settle Verdipapirsentralen's direct transaction costs in connection with accepting the Offer, including costs related to transfer of Saga shares. The Offerors will also pay other costs in connection with the Offer, but shall not be liable for any costs, including any taxes, incurred by the shareholders in connection with acceptance of the Offer.

Delisting
When the Offer has been completed, the Offerors intend to procure that a General Meeting of Shareholders of Saga shall be held in order to consider and adopt a resolution to seek delisting of the Saga shares from the Oslo Stock Exchange.

Contacts with Saga, its management and members of its governing organs.
The Offerors have not, prior to the making of the Offer, agreed or indicated the grant of any special benefits to members of the management or governing organs of Saga.

Hydro
There has, in connection with making the Offer, been no contact between Hydro and Saga's management or governing organs.

Statoil
Statoil had for some time considered making an offer to acquire all shares in Saga when Hydro announced, on May 10, 1999 its intention to make an offer.

In common with other potential bidders in respect of the Saga shares, Statoil accepted an offer to gain access to a data room which Saga had made available for potentially interested parties, against an incidental confidentiality agreement as required by the second paragraph of Section 5-1 of the Stock Exchange Regulations. For the avoidance of doubt that Statoil was free under such confidentiality and applicable legislation to make an offer in respect of Saga, on May 24, 1999, a written statement was obtained from Saga to the effect that Saga undertook to make public disclosure of all information, to the extent such disclosure would be required by the Oslo Stock Exchange in connection with the making of any offer in respect of Saga by Statoil.

Proper law and jurisdiction
The laws of Norway shall be the proper law of the Offer and acceptances thereof.

Foreign shareholders
Acceptances for or on behalf of foreign shareholders shall automatically be deemed to constitute a confirmation to the effect that the acceptee:

a) has not received or sent copies of this Offer document, the acceptance form or any related offering documents in, into or from the United States;

b) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States;

c) was outside the United States when the acceptance form was sent or at the time of accepting the Offer; or/and

d) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such principal has given all instructions with respect to the Offer from outside the United States.

Miscellaneous

The Offer has been dispatched to Saga shareholdes registered in Verdipapirsentralen as of July 6, 1999 and to the address therein specified, excluding shareholders in jurisdictions where distribution of this offer document is unlawful.

Further information related to the Offer and further copies of this offer document, may be obtained upon application to:

Fondsfinans ASA
Haakon VIIs gt 2
P.O. Box 1782 Vika
0122 Oslo
Norway
Telephone: + 47 23 11 30 00
Telefax: + 47 23 11 30 04

2. The reasons for and objects of the Offer

Saga

Saga is one of the world's largest non-integrated oil and gas exploration and production companies, based on proved reserves. Saga is a significant participant on the Norwegian Continental Shelf (hereinafter referred to as ***"NCS"***), where approximately 89% of its proved oil and gas reserves are located. As at May 5, 1999, Saga participated in 63 licenses on the NCS and was operator of 21 of these. Its involvement on the NCS includes participating interests in 27 producing fields, five fields under development and eight fields under evaluation. Saga has participated in approximately one-third of all exploration wells drilled on the NCS to date. As at May 5, 1999, it participated through Saga Petroleum UK Ltd. in 34 licenses in the United Kingdom and in Ireland, in three of which as operator. Saga has participating interests in eight producing fields on the United Kingdom Continental Shelf.

As at December 31, 1998, Saga's proved reserves of crude oil and natural gas were estimated at 867 million barrels oil equivalent (hereinafter referred to as "boe") compared to 925 million boe at the end of 1997. Total proved reserves consisted of 47% crude oil proved reserves and 53% natural gas proved reserves. Approximately 60% of the proved reserves were under development and approximately 40% were not yet developed. For the year ended December 31, 1998, Saga's average net daily production of crude oil and natural gas was 180,600 boe. In 1998, net production of crude oil accounted for approximately 85% of Saga's average daily production.

Presentation of Hydro and Statoil

Hydro

Hydro is owned 43,8 per cent by the Norwegian Government through its Ministry of Industry and Trade, and is the largest publicly-owned industrial group in Norway in terms of assets and operating revenues. Hydro's core areas are Oil and Energy, Agriculture, Light Metals and Petrochemicals. In 1998, substantially all of Hydro's oil and gas production came from the Norwegian

Continental Shelf. The largest markets for Hydro's products are located outside of Norway. In 1998, approximately 65 per cent of Hydro's total sales were to customers located in the European Union (hereinafter referred to as "EU") and 5 per cent of sales were to customers in European countries other than the EU and Norway.

Hydro has divided its business areas into the following ten operating segments:

Exploration and Production. Exploration and Production is responsible for Hydro's oil and gas exploration, field development and operation of production and transportation facilities. Most of this activity presently takes place on the NCS. As of December 31, 1998, Hydro had an interest in approximately 45 per cent of the 166 licenses on the NCS and was operator for 29 of such licenses. In addition, Hydro is involved in upstream activities abroad, mainly in Canada, Angola and Russia.

In 1998, Hydro's oil production represented 79 per cent of Hydro's total oil and gas production. At the end of 1998, Hydro's proven developed oil and gas reserves were estimated to be 733 million boe, of which gas reserves accounted for approximately 49 percent. As of such date, these reserves consisted of 375.5 million boe of oil and 57 billions Sm3 of gas. Hydro's proven undeveloped reserves accounted for an additional 675 million boe, of which gas reserves accounted for approximately 61 percent. As of such date, proven undeveloped reserves included 263 million boe of oil and 64.9 billions Sm3 of gas.

Refining and Marketing. Refining and Marketing is responsible for marketing crude oil, natural gas liquids and refined oil products. Hydro has a wholly owned retail marketing network for gasoline and oil products in Sweden. Through its 50 percent interest in Hydro Texaco joint venture, Hydro participates in retail marketing activities in Norway, Denmark and the Baltic countries.

Hydro Energy. Hydro Energy is responsible for the production and sale of electricity generated at hydro-electric power plants in Norway, primarily for use in Hydro's own production facilities and for acquiring additional power to meet the needs of Hydro's production facilities in Norway. The Division is also responsible for Hydro's downstream gas activities.

Hydro Agri Europe. Hydro Agri Europe (hereinafter referred to as ***"HAE"***) is responsible for the production and sale in Europe of ammonia and fertilizer products, including nitrate fertilizer, complex fertilizer and urea. HAE is one of the world's largest producers of fertilizers and is the leading fertilizer producer in Western Europe. At the end of 1998, HAE's total production capacity was approximately 12 million tonnes per year.

Hydro Agri International. Hydro Agri International (hereinafter referred to as ***"HAI"***) is responsible for the production, sale and trade of mineral fertilizer and ammonia. HAI operates principally in markets outside Europe.

Industrial Chemicals. Industrial Chemicals is responsible for the marketing and sale of a number of products mainly derived from Hydro's ammonia and fertilizer production. Its main products are carbon dioxide, nitrogen, oxygen and argon. Its products also include nitrates for non-military explosives, urea for the production of glue, and nitrogen chemicals for a variety of industrial processes.

With effect from 1 July 1999 Hydro Agri Europe, Hydro Agri International and Industrial Chemicals have reorganised.

KFK. Hydro owns 62.3 per cent of A/S Korn- og Foderstof Kompagniet (hereinafter referred to as ***"KFK"***). KFK is a publicly-held Danish company engaged in the production and sale of animal- and fish feed, and the trading of grain, fertilizer and other agricultural related products.

Hydro Aluminum Metal Products. Hydro is one of the largest European producers of primary aluminum with growing remelt activities. Total primary aluminum production was 747,000 tons in 1998. Hydro also has a tolling agreement with an American smelter which provided an additional 159,000 tons of primary aluminum in 1998.

Hydro Aluminum Extrusion. Hydro Aluminum Extrusion is among the world's largest extruders of aluminum in terms of sales. Hydro is the world market leader in aluminum tubing for automotive heat exchanger applications. The Extrusion Europe business area accounted for 55% of the operating revenue and the sale of building systems and heat exchanger components to the automotive market both accounted for 17% each. The remaining 11% was divided among light metal wheel, finished products and general extrusion outside Europe.

Petrochemicals. Hydro is one of the largest producers of the plastic raw material polyvinyl chloride (hereinafter referred to as ***"PVC"***) in Scandinavia and the United Kingdom. PVC is used mainly in the building and construction industry. PVC-based products are used for various types of pipes, floors, roofing materials, window profiles and cable insulation.

Other Activities. Other Hydro business activities include Hydro Aluminum Rolled Products, Hydro Raufoss Automotive, Hydro Magnesium, Hydro Seafood, Pronova, Industriforsikring, and Hydro Technology and Projects.

Statoil

Statoil is a fully integrated oil and gas company with headquarters in Stavanger, Norway. All shares in Statoil are held by the Norwegian Government. Statoil's objective is to conduct exploration, production, transport and refining operations and marketing of petroleum and petroleum-derived products. Based on revenues, the Statoil Group is the largest in Norway, with revenues in 1998 of NOK 107 billion, and shareholder's recorded equity as at December 31,1998 of NOK 40.442 billion. As an integrated part of its activities, Statoil manages the State's Direct Financial Interest (hereinafter referred to as "SDFI"). Statoil has 18.133 employees and has business operations in 23 countries.

Exploration and Production on the Norwegian Continental Shelf and Internationally:

Statoil's proven reserves as at December 31, 1998 consisted of 2.4 billion barrels of oil and NGL and 340 billion Sm^3 of natural gas. The body of Statoil's reserves are located on the NCS. Statoil participates in nearly all producing fields on the NCS and is the operator in relation to eight major field areas: Statfjord, Gullfaks, Sleipner East, Sleipner West, Heidrun, Troll Gass, Norne and Åsgard. In 1998, Statoil's daily production of oil was 408.000 barrels, while daily production of natural gas amounted to 17, 6 mill. Sm^3.

Statoil's oil and NGL production outside Norway comes mainly from several fields in the UK sector of the North Sea, from the Lufeng-field outside China, from the USA and from Azeri/Chirag-field in Azerbaijan. During 1999, Statoil commenced production of the Siri-field in the Danish sector of the North Sea. Statoil's international oil production amounted to 52,000 barrels per day in 1998, while daily production of natural gas was 5,9 mill. Sm^3.

Natural Gas downstream:

Statoil is involved in the energy business through its subsidiary Statoil Energy Inc., which produces and sells natural gas and trades electricity to primarily industrial customers on the US east coast.

In the UK, the Statoil holds the shares in Alliance Gas Ltd, a gas marketing company.

Refining and Marketing:

Statoil owns and operates the Mongstad refinery in Norway and the Kalundborg refinery in Denmark. Statoil also has a 15% interest in a refinery in Melaka, Malaysia. Statoil and Shell have signed a Letter of Intent for the transfer of 22 per cent of Statoil's share in Mongstad to Shell, in exchange for a 10 per cent stake in Shell's refinery in Pernis, The Netherlands.

Statoil is the largest retail marketer of oil products in Scandinavia. The business consists primarily of sale of gasoline and consumer oil products through more than 2000 service stations in 9 countries, and in addition sales of distillates, LPG and aviation and marine fuels. Statoil has recently entered into a co-operation agreement with the Scandinavian grocery retailer, the ICA/Hakon Group. Through a new company, Statoil Detaljhandel, the parties will jointly own and operate 1500 service stations in Scandinavia. In the beginning of June, 1999, Statoil and the Finnish energy company Fortum signed a letter of intent in relation to combining their Polish, Baltic and Russian service station activities.

Petrochemicals:
<u>Borealis:</u>
Statoil holds 50% of Borealis, the largest producer of polyolefins in Europe. The other 50% is owned by OMV AG (Austria) and IPIC (International Petroleum Investment Company of Abu Dhabi). Borealis, headquartered in Copenhagen, Denmark, has production sites in 10 countries and had at the end of 1998 approximately 5800 employees.

<u>Methanol:</u>
Statoil holds 82% of a methanol plant at Tjeldbergodden in Norway. Plant operations started in 1997, and yearly production capacity is 830.000 tons of methanol.

Other activities:
<u>Oil Trading and Supply:</u>
Statoil is the third largest net seller of crude oil in the world (including the SDFI-volumes) and has trading offices in Stavanger, London, Singapore and Stamford, Connecticut, USA. Statoil's main markets are Northwest-Europe and North-America.

<u>Shipping:</u>
In 1997, Statoil's shipping activities were segregated by incorporating Navion AS, in which Statoil holds 80% with the balance being held by the Rasmussen Group. Navion is the world's leading operator of shuttle tankers, and a significant transporter of crude oil, oil products and natural gas in the North Sea. In addition, Navion's business areas consist of floating production and drilling.

The reasons for the Offer
Large-scale mergers between several major oil companies have taken place over the past couple of years, motivated by a need to reduce costs in expectation of lower long term oil prices. Another important reason has been the fact that oil production is expected to take place in increasingly challenging geographical areas, both as to technological risks (e.g. greater water depths) and necessary financial strength.

Both Hydro and Statoil have extensive operations on the Norwegian continental shelf. An integration of Saga's operation partly with Hydro and partly with Statoil in areas where the two companies already have established operations will increase efficiency for the companies, their partners and Norwegian society as a whole. The offer to Saga's shareholders with the subsequent distribution of its assets between Hydro and Statoil will provide such an opportunity to increase efficiency of operations on the Norwegian shelf and to reduce the costs of both development and operations. The most efficient method of extending the lifetime of existing fields in production on the Norwegian shelf, is through a reduction in production costs for these fields. Moreover, as exploration of the shelf progresses, new finds will constantly be smaller and more difficult to develop. There will be further pressure to increase the efficiency of operations in order to retain a competitive edge in the global oil and gas market.

These considerations will be addressed through the Statoil-Hydro Agreement and the Addendum. Statoil will receive approximately 25% of Saga's oil and gas assets while Hydro will integrate Saga's other operations into Hydro's Norwegian and international operations. All the Saga employees will remain in the part of Saga which will be integrated with Hydro. Reduction in manning will take place in relation to the operation as a whole and will affect both Hydro and Saga employees.

Further details on Hydro's objectives in acquiring Saga
Hydro's objective in acquiring Saga is to create value for Hydro's shareholders.
Hydro has accordingly considered it desireable to further develop its own petroleum operations, in order to obtain a greater reduction in unit costs and greater ability to assume risk entailed in operations outside of Norway as and when Norwegian oil production declines.

For this reason, it has been a prerequisite that an acquisition of Saga could be achieved without a major reduction of Hydro's financial strength, and that such an acquisition should accordingly principally be financed by issuing Hydro shares, as was the case in the Voluntary Offer. An optimal combination of the companies' human and financial resources is also required in order to ensure the lowest possible cost level, while preserving the ability to further promote exploration and production.

Saga's activities in the Norwegian sector are, to a very large extent, coincidental with Hydro's own operations. Hydro considers that an acquisition of Saga would entail a lower risk when appraising reserves and technological challenges, and a better platform for appraisal of potential synergies, than any other realistic alternative.

Both Saga and Hydro have considerable expertise in exploration, development and production from complex major submarine projects. It will be possible to achieve significant synergies by drawing on the experience of both the organisations in further Norwegian development and in more extensive international involvement.

Hydro believes that its strong financial position will provide an efficient solution to the challenges Saga is currently facing, both in Norway and abroad, and that the combined companies should thus be in a position to create enhanced value to Hydro's shareholders, which also Saga shareholders will benefit from as a result of the Voluntary Offer. Hydro also believes that there will be substantial benefits to be gained from a coordination of Saga's and Hydro's operations in Norway and overseas.

The synergies available to the two companies are also related to the combined organisation performing operator functions and streamlining of duplicating functions relating to streamlining of general administrative functions related to non-operating licence interest.

Further details on Statoils's objective in relation to acquiring Saga assets
Statoil's objective in participating in acquiring Saga is to add value to Statoil's shareholder, by enhancing Statoils profitability and competitive position. The acquisition by Statoil of certain Saga's assets will constitute a basis for increased efficiency of the Group's activities in central areas on the Norwegian continental shelf.

An acquisition of the specified Saga assets will strengthen Statoil's position in the Group's core areas on the NCS, including Gullfaks, Troll, Statfjord, Norne and Haltenbanken South. It is also important for Statoil to acquire an interest in the deep water block Gjallarryggen.

The possibility for co-ordination of the activities on Tampenkilen and Haltenbanken South will increase and establish a basis for cost-reductions in the fields in question and in Statoil. The transfer of the operatorships on Snorre (including Tordis and Vigdis) and Visund will further improve this basis to realise the benefits of the increased co-ordination. The potential for improvement will enhance Statoil's competitiveness and robustness in a low oil-price environment.

Statoil will by taking over parts of Saga's existing production and reserve bases obtain a valuable addition to the Group's reserves. This will strengthen its long-term production profile and related cash-flows and consequently improve the basis for its continue growth on the NCS. Combined with the potential cost-reductions, this will ensure that Statoil's competitive position will be strengthened, which will be a benefit for both other license partners and the Norwegian Government.

Consequences to the Offerors of the acquisition of Saga's operation
Hydro
Hydro's upstream oil operation (E&P Norway and E&P International) constituted at the end of 1998 in excess of 30 per cent of Hydro's total assets and almost 50 per cent of the group's property, plant and equipment. The operation was incontestably the largest of the company's ten operative segments.

In order to coordinate the human and financial resources of Hydro and Saga, and to realise the planned synergies, it will be necessary to conduct a full integration between Saga's and Hydro's upstream oil operations and Group functions.

An acquisition of Saga will accordingly entail that oil activities will gain an even more predominant position in Hydro's operations. Once the transaction described in the Statoil-Hydro Agreement and the Addendum has been completed, the Exploration and Production (E&P) division of the merged company will have a 1998 pro forma operating income, excluding impairments and write-downs of NOK 2,355 million, of NOK 1,364 million, representing 30 per cent of the total operating income for the combined companies. In addition to the other core business areas of Hydro, the merged company will have operatorship of nine of the 20 largest fields on the Norwegian shelf (seven from Hydro and two from Saga), and interests in a total of 16 of these fields. The total proven reserves of 2,008 million boe will be comprised by 47 per cent oil reserves and 53 per cent of gas reserves.

Statoil
Statoil will by acquiring the specified Saga-assets increase the Group's production by approximately 80.000 boe per day. Statoil's proven and probable reserves will increase by approximately 11 per cent through this transaction, based on 1998 year-end numbers. Statoil will not take the responsibility for any of the current Saga employees.

The realisation of the Offer will not result in material changes to Statoil's corporate structure or organisation.

Consequences for employees
Once Saga's current rationalisation program has been completed, it will have approximately 1350 employees, 50 of which are abroad. Hydro has 2150 employees in its Norwegian oil activities and 150 in its international activities.

Hydro considers that a combined organisation will be able to operate with approximately 800 fewer man-years than would have been the case had the companies continued to operate as separate entities. Saga's organisation possesses considerable expertise and experience from all aspects of oil-related operations on the NCS. Efforts will be made to preserve these skills in connection with the integration.

The Saga employees will have that same rights in the combined organisation as employees currently employed in Hydro. The reduction in man years will, therefore, also affect those who are currently employed by Hydro.

3 Tax Consequences

This summary is based on Norwegian law and practice as applied and interpreted as at the date of this prospectus and gives an overview of the material Norwegian tax consequences for those of Saga's shareholders that accept the offer. This summary should fairly summarise the situation from a taxation point of view as at the date of this prospectus. Saga shareholders should, nevertheless, consult their own tax advisors concerning the consequences, in their particular circumstances, under the laws and regulations of any relevant taxing jurisdiction.

Tax Consequences for Norwegian Shareholders
Shareholders resident in Norway for tax purposes will be taxed for capital gains arising upon disposal of Saga shares. Any losses upon disposal of Saga shares will be deductible from ordinary income. The capital gain or loss is equal to the difference between the consideration received and the adjusted base cost on each Saga share. The adjusted base cost is the Saga shareholder's base cost, adjusted up or down in accordance with changes in the retained taxed capital of Saga Petroleum ASA during the period the current shareholder has been the owner of the share in question. This is called the RISK-adjustment, whereby the base cost of the shares is adjusted in proportion to the company's after-tax retained earnings. Ordinary income is taxed at a rate of 28 %.

If the holder disposes of only some of the shares, the first in-first out ("FIFO") principle applies when calculating capital gain or loss.

Saga shares may be held as AMS-shares, thereby giving the shareholder a right to obtain a deduction of tax. If such shares are voluntarily disposed of within a period of 4 years from the date of acquisition of those shares, the tax benefit will be recaptured and taxed correspondingly, but the tax benefit may be preserved by holding the shares until any compulsory acquisition occurs.

Tax Consequences for Non-Norwegian Shareholders
Non-Norwegian shareholders are normally not subject to capital gains tax in Norway on the sales of shares. A tax liability may, however, arise in two different circumstances. The first is if the shares are connected to a business carried out in Norway by the shareholder. The second is if the shareholder has previously been a resident in Norway for tax purposes and the share is disposed of within five years of the expiration of the calendar year in which Norwegian tax residence ceased.

4 Legal Consequences

The Offerors consider that the Offer will have no material legal consequences for the shareholders in Saga.

5 Other Issues

As a result of the Offerors' acqusition of Saga shares through the Voluntary Offer, Saga's lender to a credit facility of maximum USD 1 400 000 000, an international bank syndicate, is entitled to call upon the loan in accordance with the loan agreement. As of June 30, 1999, USD 1 165 000 000 was drawn under the credit facility. Therefore, Hydro has agreed to enter into a loan agreement as lender towards Saga on the same conditions as the previous lender, provided that EU's competition authority approves Hydro's acqusition of Saga shares.

Translation

Handelsbanken

Olav V's gate

BANKGUARANTEE

Guaranteenumber:	Amount:
60039	NOK 1.070.000.000,-

Based on Norsk Hydro ASA and Den norske stats oljeselskap a.s' offer to buy shares in Saga Petroleum ASA according to the Norwegian Securities Trading Act of 19 June, 1997 no. 79 Chapter 4, and on the basis of the prospectus in relation to the mandatory offer ("Offer Document") prepared by Norsk Hydro ASA and Den norske stats oljeselskap a.s dated July 8, 1999, we

Handelsbanken, branch of Svenska Handelsbanken AB (publ),

issue at the request of Norsk Hydro ASA and Den norske stats oljeselskap a.s,

a guarantee in favour of those shareholders who accept the offer according to the terms and conditions outlined in the Offer Document. The guarantee is security for settlement in connection with the mandatory offer of NOK 135.- pr. share in Saga petroleum ASA. In addition, it guarantees the payment of interest for up to thirtyone days after the settlement date at an interest rate of 12% p.a. No other claims can be made under this guarantee.

Our total liability under this guarantee shall under no circumstance exceed

NOK 1.070.000.000 (Norwegian Crowns onebillionseventymillion 00/100)

Pursuant to the Regulations of 1997 12.15, no. 1307 regarding the requirements for guarantees in respect of mandatory offers given pursuant to the Norwegian Securities Trading Act of 19 June 1997 No. 79 § 4-10, § 4, the guarantee amount referred to above may be reduced proportionately based on the number of shares and the transfer of which has been completed pursuant to the offer, provided permission from Oslo Stock Exchange.

This guarantee shall be in force and effect in the period from July 8, 1999 to September 17, 1999, any claim hereunder must be received by us in writing at 3.00 p.m. on such last day, as our liability will then otherwise cease. Any claim under this guarantee, must include documentation evidencing that the shareholder has accepted the offer in accordance with the requirements of the Offer Document. Demands must be sent by mail to Handelsbanken, postboks 1664 Vika, 0120 Oslo, or delivered to Olav V's gt. Oslo.

This guarantee shall be governed and construed in accordance with Norwegian law.

Olav V's gate, 06.07.1999
Handelsbanken

S Beth Krefting

Siri Beth Krefting

Sven Ove Oksvik

Sven Ove Oksvik

Handelsbanken
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Agreement between Hydro and Statoil of May 27, 1999

Agreement

(1) Norsk Hydro ASA (hereinafter referred to as "Hydro")
(2) Den norske stats oljeselskap a.s (hereinafter referred to as "Statoil")
have today entered into the following agreement:

1. On May 10, 1999, Hydro announced its intention to make an offer by means of an share exchange to acquire Saga Petroleum ASA (hereinafter referred to as "Saga"), while the Statoil Group and the Statoil Pension Funds hold an aggregate of 29,864,186 shares in Saga and Statoil wishes to acquire all or parts of Saga, and the parties are therefor in agreement that they shall co-operate in relation to an acquisition on the terms of this agreement.

2. Hydro will as soon as practicable upon obtaining clearance so to do from the Oslo Stock Exchange and the SEC, circulate its previous announced offer, which:

(i) which shall provide for a maximum for a period of three months, including any extensions thereof; and
(ii) shall offer to exchange one Hydro share in consideration of three Saga-shares (hereinafter referred to as the "Share Exchange") and a corresponding cash settlement in respect of Saga share holdings which are not a whole multiple of three such that the surplus beyond the highest whole multiple of three shall be settled on the basis of the average volume weighted trading price for Hydro shares on the last day of the offer period; in which connection Statoil:

(1) shall refrain from accepting the offer; and
(2) shall be afforded reasonable opportunity to examine and render comments in relation to Hydro's offer and Prospectus, provided that this shall not operate so as to defer Hydro's time schedule and the Prospectus shall contain a legend to the effect that Hydro has sole responsibility for the contents.

3. Statoil undertakes for the duration of Hydro's offer pursuant to the preceding Section 2., to refrain from any discussion of whatsoever nature with actual or potential competing offerors and may not accept any competing offer.

4. As soon as practicable upon completion of the exchange offer, the parties shall procure that Saga adopts a resolution to seek a delisting from the Oslo and New York Stock Exchanges.

5. As soon as practicable upon completion of the share exchange, Hydro shall make a mandatory offer as provided for in Chapter 4 of the Securities Trading Act, in which the offer price shall comply with the requirements therein set forth and the offer period shall be four weeks.

6. Promptly upon completion of the mandatory offer, Hydro and Saga shall incorporate Saga Holding AS (hereinafter referred to as **"Holding"**) in which connection:

(i) Hydro shall contribute in kind its Saga shares;
(ii) Hydro shall furthermore make a cash contribution in an amount sufficient to finance a redemption offer at the same price in relation to the compulsory redemption hereinafter referred to; and
(iii) Statoil shall contribute in kind its 29,864,186 Saga shares; and contributions in kind shall be made at the price provided for in the mandatory offer.

7. Promptly upon incorporation of Holding and on the assumption that Holding shall then have come to hold more than 90 % of the shares in Saga, Holding shall conduct a compulsory redemption of the minority share holdings, as provided for in Section 4-25 of the Public Joint Stock Companies Act, offering a redemption price equal to the price provided for in the mandatory offer, but if such redemption is incapable of implementation, Section 21, shall have application.

8. Holding shall as soon as reasonably practicable, procure that Saga shall compile a demerger plan as referred to in Chapter 14 of the Public Joint Stock Companies Act, and take the other preparatory steps in relation to completing such a demerger, and both parties shall exercise all reasonable endeavours in order to procure completion thereof within year-end 1999.

9. When completing the demerger of Saga, the following participating interest as specified Enclosures 1-8 and the indebtedness referred to in paragraph (xii), which shall be repaid to Saga in connection with completion of the demerger, shall pass to the entity being demerged from Saga (hereinafter referred to as "Statpet"):

(i) 6 per cent in Production Licence 050 and 050 B (Gullfaks);
(ii) 3 per cent in Production Licence 085 and 085 B (Troll);
(iii) 2.04 per cent in the Troll Oil Pipeline Joint Venture;
(iv) 13 per cent in Production Licence 199;
(v) 5 per cent in Production Licence 091;
(vi) 2.82 per cent in Production Licence 089 (outside);
(corresponding to a 3 per cent interest in the Snorre Unit, based on the current participating interest)
(vii) 1.875 per cent in Production Licence 037 (Statfjord);
(viii) 15 per cent in Production Licence 128 (Norne);
(corresponding to a 9 per cent interest in the Norne field)
(ix) 9 per cent in Production Licence 128 B (Norne);
(x) 15 per cent in Production Licence 215;
(xi) 5 per cent in Production Licence 213; and
(xii) a debt to Saga in an amount equal to:

(1) NOK 7.015 billion, which shall be converted to USD on the last day of the Share Exchange offer period, on the basis of Norges Bank's official exchange rate fixing for USD on such day; less
(2) the aggregate USD value on the last day of the Share Exchange offer period, of the Saga shares being contributed in kind pursuant to Section 6., at the value there specified; in respect of which interest shall accrue at the aggregate of one month's LIBOR and five base point, and interest shall be compounded at the end of each such interest period, from the date of Statoil's contribution in Holding, as specified in Section 6., until completion of the demerger; while all other assets and liabilities, rights and obligations shall remain in Saga.

10. Contemporaneously with the assets to referred to in Section 9. passing to Statpet, Hydro shall procure that Saga Petroleum Ireland Ltd. shall transfer its 21.5 per cent interests in respectively Production Licenses 3/94 and 2/93 (including Corrib), pursuant to a separate transfer agreement in the form set out in Enclosure 9.

11. The parties shall co-operate with a view to Statpet, the company demerged from Holding (hereinafter referred to as **"Statholding"**) or Statoil shall be enabled to assumed the Operating functions specified in Enclosures 3, 4, 8 and 10:

(i) as soon as possible, as to Production Licence 199
(ii) as soon as possible, as to Production Licence 213
(iii) as of July 1, 2003, as to Production Licences 057 and 089 (Snorre); and
(iv) as of July 1, 2003, as to Production Licences 120 (Visund).

12. The parties shall co-operate and exercise all reasonable endeavours in order to obtain that the Joint Operating Agreements related to the Production Licences referred to in the preceding shall be amended in such manner as to avoid any change in voting power consequent upon the demerger and any amalgamations of the demerged companies with their new parent companies having due regard to the allocation of participating interest consequent upon the demerger.

13. As soon as reasonably practicable upon execution of this agreement, the parties shall procure that Holding shall prepare a demerger plan, as referred to in Chapter 14 of the Private Stock Companies Act and take the other preparatory steps in relation to completing such a demerger, and both parties shall exercise all reasonable endeavours in order to procure completion thereof within year-end 1999.

14. When demerging Holding, the Holding's shares in Statpet shall pass to Statholding, while Holding shall retain its shares in Saga and any remaining liquid assets contributed by Hydro at the incorporation of Holding.

15. Statoil, Statholding and Statpet assume all risk of whatsoever nature in relation to the assets, rights and liabilities which are to pass to Statpet, including, without limitation, the risks related to government approvals, regulatory intervention, reservoirs, operations, taxes, duty, fees and similar imposts, liability for damages, physical and title defects, obtaining approvals from partners and third parties and economic risk in relation to investment, revenue and costs as well as political risk, but:

(i) This shall not apply in relation to the risk of intervention from the EU competition authorities and other conditions included in Hydro's share exchange offer, other than the minimum acceptance level, but to the extent Hydro waives such conditions, Statoil's corresponding conditions shall be deemed to be automatically waived to the same extent; and
(ii) the parties have assumed that the transaction will qualify for tax relief pursuant to the Reorganisation Act of 1961, and they will promptly together communicate with the Ministry of Finance and other government authorities to which they relate, in order to procure the granting of such relief.

16. The demerger of Holding and Saga shall take tax and accounting effect as of July 1, 1999, on the assumption that the Share Exchange has taken place, co-operate in order to procure that Saga shall, as soon as practicable, render audited semi-annual financial statements in a manner consistent with its accounting principals, Statoil shall be granted opportunity to audit the demerger balance sheet, and in the event of disagreement, the provisions in the final part of Section 20. shall have application.

17. Until completion of the demerger, Saga shall continue to manage and operate the activities which are to pass to Statpet, but they shall be subject to separate accounting in Saga's accounts, such that the demerger may take effect as of July 1, 1999, in which connection Saga shall apply its existing allocation, accounting and recognition principals, to the extent consistent with the Accounting Act, applicable accounting standards and good and prudent business practice, provided that Saga's direct and indirect administrative cost in connection with the license interests which are to be demerged, shall not be charged to Statpet.

18. However, to the extent reasonably possible and on the assumption that the Share Exchange has been completed, as of July 1, 1999, or as soon as reasonably possible thereafter and in any case on the first business day consequent election of any new board of Saga, Statoil shall assume management control over those parts of Saga's activities which are to pass to Statpet, and Hydro shall procure that Saga shall to the extent reasonably possible give effect to such instructions as Statoil may issue in such connection, provided that Saga shall be entitled not to comply with such instructions to the extent Saga considers so to do would expose Saga, its board or personnel to civil or criminal liability, and they shall be free of liability and shall be rendered harmless against any liability of whatsoever nature incurred in connection giving effect to such instructions, except to the extent of wilful misconduct or gross negligence, and they shall be free of liability in connection with any refusals by reasons as stated herein to comply with such instructions.

19. At the completion of the demerger a settlement shall be conducted in accordance with normal oil industry practice, in relation to the activities which are to pass to Statpet insofar as related to the demerger balance sheet and the subsequent period until such completion, such that:

(i) all cash flow as from July 1,1999, related to the assets which are to pass pursuant to Section 9., shall be settled at the completion of the demerger, provided that crude oil sales shall be settled at the norm price;
(ii) over-/underlift as of June 30, 1999, shall be settled at production cost, determined in accordance with normal industry practice;
(iii) differences between produced and sold gas quantities shall be regulated, on the basis of established industry practice, in a separate mutually acceptable agreement;
(iv) interest in relation to the items specified in paragraphs (i) and (ii) shall be charged at the same rate as for Saga's debts, refer to Section 9.; and
(v) the settlement shall be due to be made as soon as practicable; and Statoil shall be entitled to audit the settlement and in case of disagreement the rules in the final part of Section 20. shall have application.

20. The following rules shall apply in the demerger to Saga's tax positions:

(i) Statpet shall as from July 1, 1999, be entitled to tax depreciation and special-tax allowance in relation to the interests which are to pass;
(ii) the parties shall settle the difference between such tax positions to the extent:

(1) there is a net difference in comparison with the numbers appearing in enclosure 11;
(2) the tax positions assumed by Statpet are after July 1, 1999, changed by final and binding assessment decision, warning of which has been given within the fifth anniversary of the date hereof; and
(3) the treatment of the demerger pursuant to Section 10. of the Petroleum Tax Act in relation to the demerger of Saga results in a different allocation of tax positions than what would result from tax continuity, inter alia, on the basis that the Section 10. decision shall be based on neutrality as if the aggregate net indebtedness in Saga and Statpet shall not be changed in comparison with the pre-demerger indebtedness; and the net present value of such changes shall be settled between the parties;

(iii) if any Section 10. decision in connection with this agreement results in tax neutralisation for Saga, this shall not im pact on Statpet, and vice versa;
(iv) the balance sheets for the demerged entities shall be included in the material which is to be presented in the parties' Section 10. application, when seeking the consent of the authorities thereto; and
(v) to the extent any tax loss carry-forward passes to Statpet, the net present value of these to Saga shall be settled;

and the preceding settlements shall be implemented as soon as practicable and, failing agreement between the parties, they shall be determined by Hydro's and Statoil's elected auditors and a third auditor appointed jointly by them, and such determination shall be final and conclusive, except to the extent of any amendments made by such audit panel.

21. In the event that Hydro fails to attain a proportionate interest in Saga in excess of 70% of the shares therein, the following additional provisions shall apply:

(i) Hydro shall be entitle to proceed with the Share Exchange offer, but Statoil shall not be committed to participation in the further transaction structure, other than on the terms hereinafter specified;
(ii) Statoil shall accept the Share Exchange;
(iii) Hydro shall transfer all shares, including those acquired by exchange of Statoil's Saga shares, to Holding, at the same price as specified in the preceding Section 6., and Holding shall thus be incorporated as a wholly-owned subsidiary of Hydro;
(iv) Hydro shall exercise all reasonable endeavours to procure that Holding and Saga shall merge, with Holding as the surviving entity and with merger consideration in the form of Hydroshares, such that Saga's minority shareholders will thus become shareholders in Hydro;
(v) the merger-related share capital increase in Hydro shall be financed by Holding granting Hydro a corresponding payable, as referred to in the second sentence of the second paragraph of Section 13-2 of the Public Joint Stock Companies Act the second paragraph of Section 5-14 of the Accounting Act, which shall promptly be converted into share capital of Holding;
(vi) Hydro and Holding shall be demerged in the manner described in Sections 9. and 11. and Holding and Statpet will thus become wholly-owned subsidiaries of Hydro; and
(vii) Hydro is assumed to be authorised to acquire shares in itself and exercises such authorisation to exchange Statoil's Hydro shares with the shares in Statpet.

22. Communications hereunder shall be in writing and shall take place by messenger, facsimile or e-mail transmission to the following addresses:

Hydro Norsk Hydro ASA
Bygdøy allé 2
0240 Oslo
via facsimile 2243 2234
via e-mail odd.ivar.biller@hydro.com

Statoil Den norske stats oljeselskap a.s
4035 Stavanger
via facsimile 5199 7255
via e-mail osol@statoil.com

such that the recipient shall without unreasonable delay from receipt dispatch a confirmation thereof to the other party, unless the received communication is such a confirmation, and such communication shall be deemed to have taken place upon the communication of such a confirmation.

23. Disputes arising out of this agreement shall be resolved by arbitration in Oslo in accordance with the rules of Chapter 32 of the Civil Procedure Act.

Norsk Hydro ASA	Oslo May 27,1999	Den norske stats oljeselskap a.s
Einar Kloster Chairman of the Board		Ole Lund Chairman of the Board

Enclosure 1
TRANSFER OF PARTICIPATING INTERESTS IN PRODUCTION LICENCES 050 AND 050 B (GULLFAKS)

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 6 per cent of Production Licence 050
- 6 per cent of Production Licence 050 B

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licences 050 and 050 B. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interests.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such conditions as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licences 050 and 050 B and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19. of the Agreement, unless the damage or loss to which the insurance incident relates has already reinstated by repair or replacement.

Enclosure 2
TRANSFER OF PARTICIPATING INTERESTS IN PRODUCTION LICENCES 085 AND 085 B AND TROLL OIL PIPELINE (TROLL)

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 3 per cent of Production Licence 085
- 3 per cent of Production Licence 085 B
- 2,04 per cent of the Troll Oil Pipeline Participants Agreement (herinafter referred to as Troll Oil Pipeline)

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licences 085 and 085 B and Troll Oil Pipeline. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interests.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licences 085 and 085 B and Troll Oil Pipeline and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19. of the Agreement, unless the damage or loss to which the insurance incident relates has already reinstated by repair or replacement.

5. In relation to the redetermination process currently being conducted in relation to the Troll Unit (expert decision and arbitration), the parties agree that the participating interests referred to in Section 1. hereof are subject to such redetermination and shall pass to Statpet with all resulting rights and obligations and with such change in interest as may result from such redetermination.

Enclosure 3
TRANSFER OF PARTICIPATING INTERESTS IN PRODUCTION LICENCE 199 AND 091 AND CHANGE OF OPERATOR IN RELATION TO PRODUCTION LICENCE 199

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 13 per cent of Production Licence 199
- 5 per cent of Production Licence 091

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licences 199 and 091. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interests.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licence 199 and which are related to this participating interest, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19. of the Agreement, unless the damage or loss to which the insurance incident relates has already reinstated by repair or replacement.

5. As referred to in Section 11. of the Agreement and this Enclosure, Hydro and Statoil shall together seek to procure that the Operatorship related to Production Licence 199 shall be transferred from Saga to Statpet, Statholding or Statoil as soon as practicable, and Hydro and Statoil undertake in this connection to vote for such transfer in the Management Committee in respect of Production Licence 199 and to procure that Statpet and Saga vote accordingly.

6. Hydro shall exercise all reasonable endeavours in order to procure that Saga shall co-operate in order to expedite a speedy and efficient practical implementation of the change of Operatorship in accordance with good industry practice.

Enclosure 4
TRANSFER OF OPERATORSHIP IN PRODUCTION LICENCE 089 AND TRANSFER OF OPERATORSHIP IN PRODUCTION LICENCE 089, 057 AND SNORRE UNIT

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 2.82 per cent of Production Licence 089

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licence 089. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interest.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licence 089 and which are related to this participating interest, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19. of the Agreement, unless the damage or loss to which the insurance incident relates has already reinstated by repair or replacement.

5. As referred to in Section 11 of the Agreement and this Enclosure, Hydro and Statoil shall together seek to procure that the Operatorship related to Production Licences 057, 089 and Snorre Unit shall as of July 1, 2003, be transferred from Saga, or if the Operatorship shall then have been transferred to Hydro, from Hydro to Statpet, Statholding or Statoil, in which connection Hydro undertakes to terminate the Operatorship, and Hydro and Statoil undertake in this connection to vote in the Management Committee in respect of Production Licences 057, 089 and Snorre Unit for such transfer and Hydro undertakes to procure that Saga shall to appropriate extent vote accordingly.

6. Hydro shall exercise all reasonable endeavours in order to expedite a speedy and efficient practical implementation of the change of Operatorship in accordance with good industry practice.

7. Consequent upon the change of Operatorship, Statpet, Statholding and Statoil shall for a period of five years from the change of Operatorship render Hydro harmless in relation to operating cost related to Production Licences 057, 089 and Snorre Unit, to the extent to any excess in any calendar year over and above those in the last calendar year of Hydro's Operatorship in Production Licences 057, 089 and Snorre Unit. Operating costs shall in this context be deemed to include all direct and indirect operating costs, other than costs related to well, well maintenance and such as are required by reason of safe and prudent operation, including compliance with regulatory requirements, and which on the basis of good industry practice must be considered as unpredictable.

Enclosure 5
TRANSFER OF PARTICIPATING INTEREST IN PRODUCTION LICENCE 037

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 1.875 per cent of Production Licence 037

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licence 037. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interest.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licence 037 and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19 of the Agreement, unless the damage or loss to which the insurance incident relates has already been reinstated by repair or replacement.

Enclosure 6
TRANSFER OF PARTICIPATING INTEREST IN PRODUCTION LICENCES 128 AND 128 B

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 15 per cent of Production Licence 128
- 9 per cent of Production Licence 128 B

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licences 128 and 128 B. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interests.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licences 128 amd 128 B and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19 of the Agreement, unless the damage or loss to which the insurance incident relates has already been reinstated by repair or replacement.

Enclosure 7
TRANSFER OF PARTICIPATING INTEREST IN PRODUCTION LICENCES 215

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 15 per cent of Production Licence 215

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licence 215. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interest.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licence 215 and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19 of the Agreement, unless the damage or loss to which the insurance incident relates has already been reinstated by repair or replacement.

Enclosure 8
TRANSFER OF PARTICIPATING INTEREST IN PRODUCTION LICENCES 213

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga shall in consequence of the demerger of Statpet transfer with effect from July 1, 1999, the following participating interests to Statpet:

- 5 per cent of Production Licence 213

2. Promptly upon having obtained all required regulatory authorisations from public authorities, Statpet shall acceed as party to the Production Licences and Joint Operating Agreements related to Production Licence 213. Promptly upon having obtained any required consents from third parties, Statpet shall become party to all agreements related the transferred interests.

3. Hydro shall procure that Saga shall execute and register in the Petroleum Registry Deeds of Transfer and deliver them to or as directed by Statpet.

4. The assets which are to pass to Statpet shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or the Operator in relation to Production Licence 213 and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statpet. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19 of the Agreement, unless the damage or loss to which the insurance incident relates has already been reinstated by repair or replacement.

5. Hydro shall exercise all reasonable endeavours in order to procure that Saga shall co-operate in order to expedite a speedy and efficient practical implementation of the change of Operatorship in accordance with good industry practice.

Enclosure 9
TRANSFER OF PARTICIPATING INTEREST IN PRODUCTION LICENCES 3/94 AND 2/93 IN IRELAND (CORRIB)

1. Hydro shall on the terms of the Agreement and this Enclosure procure that Saga Petroleum Ireland Ltd ("Saga Ireland") shall transfer with financial effect from July 1, 1999, under a separate agreement of sale transfer the following participating interests to Statoil Exploration Ireland Ltd. ("Statoil Ireland")t:

- 21.5 per cent of Production Licence 3/94 (including Corrib)
- 21.5 per cent of Production Licence 2/93 (including Corrib)

at a price of NOK 185 million

2. Promptly upon having obtained all required regulatory authorisations from public authorities and from partners and third partys, Statoil Ireland shall acceed as party to Production Licences 3/94 and 2/93 in Ireland, and to all agreements related to the transferred participating interest, with full rights and obligations, including the carried interest obligation for the benefit for Saga Ireland, to the extent related to Irish Production LIicences 3/94 and 2/93.

3. The assets which are to pass to Statoil Ireland shall pass in such condition as they may be in at the formal completion of the demerger. All insurance policies taken out by Saga or one of its subsidiaries or the Operator in Irish Production Licences 3/94 and 2/93 and which are related to these participating interests, shall be included in the transfer of interest, and any future receipt of insurance proceeds resulting from insurance incidents shall be for the account of Statoil Ireland. Insurance proceeds received and insurance claims recorded as assets and which are related to such insured assets, shall be disregarded in relation to the settlement to be made pursuant to Section 19 of the Agreement, unless the damage or loss to which the insurance incident relates has already been reinstated by repair or replacement.

Enclosure 10
CHANGE OF OPERATORSHIP IN RELATION TO PRODUCTION LICENCE 120 (VISUND)

1. As referred to in Section 11. of the Agreement and this Enclosure, Hydro and Statoil shall together seek to procure that the Operatorship related to Production Licence 199 shall be transferred from Hydro to Statpet, Statholding or Statoil pr. 1 July 2003, and Hydro herunder undertakes to terminate its operatorship and Hydro and Statoil undertake in this connection to vote for such transfer in the Management Committee in respect of Production Licence 199 and to procure that Statpet and Saga vote accordingly.

2. Hydro shall exercise all reasonable endeavours in order to procure that Saga shall co-operate in order to expedite a speedy and efficient practical implementation of the change of Operatorship in accordance with good industry practice.

3. Consequent upon the change of Operatorship, Statpet, Statholding and Statoil shall for a period of five years from the change of Operatorship render Hydro harmless in relation to operating cost related to Production Licence 120, to the extent to any excess in any calendar year over and above those in the last calendar year of Hydro's Operatorship in Production Licences 120. Operating costs shall in this context be deemed to include all direct and indirect operating costs, other than costs related to well, well maintenance and such as are required by reason of safe and prudent operation, including compliance with regulatory requirements, and which on the basis of good industry practice must be considered as unpredictable.

SIDE LETTER TO AGREEMENT OF MAY 27 1999 BETWEEN NORSK HYDRO ASA ("HYDRO") AND DEN NORSKE STATS OLJESELSKAP A.S ("STATOIL")

In the event of any exercise of any preemption rights which operate so as to prevent transfer to Statpet of Saga's participating interests in Production Licence 037, Hydro and Statoil shall enter into consultations in order to seek to agree an alternative method for consummating the transaction related to transfer of Production Licence 037, in order to avoid in whole or in part such exercise or to minimise the consequences thereof.

In the event that the transfer to Statpet shall be precluded in whole or in part by reason of such preemptive rights, the Statoil consideration shall be reduced by an amount equal to the amount payable by the party exercising such preemptive rights, to the extent related to Saga's participating interests in Production Licence 037 and which are not the subject matter of the intended transfer to Statpet.

Oslo May 27, 1999

For Norsk Hydro ASA   For Den norske stats oljeselskap a.s

AGREEMENT IN PRINCIPLE BETWEEN NORSK HYDRO PRODUKSJON AS ("HYDRO") AND DEN NORSKE STATS OLJESELSKAP A.S ("STATOIL")
Hydro and Statoil shall within three weeks after completion of the demerger referred to in Section 9. of the Agreement between Hydro and Statoil of May 27, 1999 and with effect from July 1, 1999, free of consideration enter into an agreement relating to transfer of the following participating interests:

1. Statoil shall transfer to Hydro 5 per cent of that part of Production Licence 134 which does not include the Åsgard Unit Area.

2. Hydro shall transfer to Statoil 20 per cent of Production Licence 121.

3. Hydro shall transfer to Statoil 4.67 per cent in Production Licence 073.

Oslo, May 27, 1999

for Norsk Hydro Produksjon a.s   for Den norske stats oljeselskap a.s

ADDENDUM TO AGREEMENT OF MAY 27, 1999

By a voluntary offer document of June 4, 1999, Elf Aquitaine (hereinafter referred to as ”Elf”) has made a cash offer of NOK 125 for each Saga share, by reason of anticipations of further offers, the traded price for such shares is currently higher than such amount, Norsk Hydro ASA’s previous announced share exchange currently represents a not insignificantly lower value, but the parties wish to preserve and further develop the substance of the agreement between Den norske stats oljeselskap a.s and Norsk Hydro ASA of May 27, 1999 (such agreement hereinafter referred to as the ”Agreement”) and the joint bidding thereby established, by means of regulating their interrelationship in relation to the possible continued bidding contest.

1. 1 Terms defined in the Agreement shall have the same meanings when used in this Addendum.

2. On the assumption that Hydro and Statoil agree to make a new and improved offer to the Saga shareholders and the magnitude of such an improvement, the parties shall within five days from execution hereof, announce or make such a new and improved offer to the Saga shareholders.

3. Upon any announcement or making of such an offer as referred to in Section 2. and if Elf or a third party makes a higher offer, Hydro and Statoil shall in a manner consistent with Section 2., within five days from publication of:

(i) such bid improvement from Elf; or
(ii) the intention of a third party to make such an offer, provided that such publication specifies the offer terms, and otherwise upon the making of such offer; or
(iii) an improvement of any bid as referred to in the preceding paragraph (ii);

in a manner consistent with Section 2. consider announcing or making a new and improved offer.

4. Upon any announcement or making of such an offer as referred to in Sections 2. and 3., the Agreement shall remain in force and effect, provided that:

(i) the NOK amount in subparagraph (1) of paragraph (xii) of Section 9. of the Agreement shall be amended:

(1) by the same percentage as any change of the Share Exchange referred to in paragraph (ii) of Section 2. of the Agreement; and
(2) by an amount corresponding to 24.66 per cent of the aggregate value of any cash consideration actually paid under a new and improved bid to the Saga share holders; and

(ii) the amount in subparagraph (2) of paragraph (xii) of Section 9. shall be equal to the cash amount of the mandatory offer multiplied by 28,977,320 converted to USD in the manner specified in the Agreement.

5. If such an offer as referred to in Sections 2. and 3. is not announced or made within the periods therein specified:

(i) the parties shall seek to agree the consequences thereof to the Agreement;
(ii) the parties shall for a period of five days from the expiry of the preceding periods on a continuous basis make themselves available for consultations in relation thereto;
(iii) failing agreement on such consequences within the expiry of such five days, and failing agreement to the contrary, the Agreement shall automatically cease to have force and effect.

6. Sections 1. and 6. of the Agreement shall be amended such that that the number of shares held by the Statoil Group shall be 28,977,320, and the price in paragraph (ii) of Section 2. Shall be the official closing trading price and not the average volume weighted.

7. In relation to paragraph (ii) of Section 21. of the Agreement, Statoil's acceptance shall include the number of shares specified in paragraph (iii) of Section 6, as amended by this Addendum.

8. On the assumption that a new offer is made as referred to in Section 2. of the Agreement and Sections 2. and 3. of this Addendum, Hydro shall have sole financial and legal responsibility for the voluntary and mandatory offers, but Statoil shall until such time as it may be determined that such a new offer will not be made, refrain from transactions relating to Saga shares or derivatives thereof, except in accordance with the Agreement and this Addendum.

9. Hydro shall render Statoil and its subsidiaries harmless against all liability of whatsoever nature which Statoil may incur in relation to the voluntary and any mandatory offers and the prospectus prepared in accordance with the Securities Trading Act and the Stock Exchange Regulations, except to the extent resulting from information relating to Statoil and its subsidiaries.

10. Statoil shall render Hydro and its subsidiaries harmless against all liability of whatsoever nature which Hydro may incur in relation to statements concerning Statoil and/or its subsidiaries in connection with the voluntary and any mandatory offers and the prospectus prepared in accordance with the Securities Trading Act and the Stock Exchange Regulations.

11. Sections 22. and 23. of the Agreement shall have application in relation to this Addendum, as if herein entirely restated.

Oslo June 9, 1999

Den norske stats oljeselskap a.s — Norsk Hydro ASA

Ole Lund — Einar Kloster

Acceptance Form - Mandatory Offer - *For use when accepting after previous withdrawal*

For acceptance of the Offer (the "Offer") by Norsk Hydro ASA and Den norske stats oljeselskap a.s (the "Offerors") to purchase shares in Saga Petroleum ASA in accordance with the Offer Document dated 8, July 1999 (the "Offer Document")

Return to:
Fondsfinans ASA
Haakon VIIs gt. 2
Postboks 1782 Vika
0122 Oslo
Telefon: 23 11 30 00
Telefax: 23 11 30 03/04/05

The share register of Saga Petroleum ASA at 6, July 1999 shows:

VPS account:	No. of shares:	Holder(s) of legal rights registered:

TIME LIMIT FOR ACCEPTANCE:

Fondsfinans ASA must receive this Acceptance Form not later than stated in the Offer Document. Shareholders with shares in Saga Petroleum ASA that are registred in several VPS accounts will receive an Acceptance Form for each separate account. All Acceptance Forms received must be returned and be received by Fondsfinans ASA, duly and correctly filled in, before the expiry of the time limit.

To Norsk Hydro ASA, Den norske stats oljeselskap a.s and Fondsfinans ASA

1. I/we have received the Offer Document dated 8, July 1999 and accept the offer to acquire my/our shares in Saga Petroleum ASA in accordance with the terms contained in the offer.

2. The acceptance covers

   ☐ a) ____________________shares in Saga Petroleum ASA
   fill in

   ☐ b) All shares that I/we today own in Saga Petroleum ASA, in addition to those shares I/we might acquire after today's date, and which will be registered in my/our VPS account prior to the acceptance being received and registered and the shareholding transferred.

   Cross off for desired alternative. If no cross is made, it is assumed that alternative b) has been chosen.

3. Fondsfinans ASA is given authority to transfer the Acceptance shares to a VPS account in the name of Norsk Hydro ASA.

4. I/we accept that the payment in NOK is effected by crediting the bank account that is registered as the dividend account on my/our VPS account, or, if no such account is registered, that settlement is sent to me/us in the form of a bank giro or cheque.

5. My/our shares are transferred free and clear of any encumbrances whatsoever. If any holder(s) of legal rights has/have been registered, I/we acknowledge that this acceptance can only be processed if the holder(s) of legal rights (marked with YES under "Holder(s) of legal rights registered" in the box to the right, above) has have agreed in writing on this Form that the shares are sold and transferred to the Offerors free from encumbrances,

6. If the Acceptance Form is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capasity, such persons should so indicate when signing and proper evidence satisfacory to Fondsfinans ASA of their authority to act must be submitted together with the Acceptance Form.

7. The Offerors will pay transaction costs charged directly by the VPS in connection with this acceptance. Brokerage fees will not be charged to me/us. The Offerors will not be liable for any other costs incurrred by me/us in connection with this accceptance.

8. None of the Offerors, Fondsfinans ASA, or any other person will be under any duty to give notification of any defects or irregularities in acceptances or incur any liability or failure to give any such notification.

9. I/we understand and agree that the Offer is not being made to, nor will offers be accepted from or on behalf of, Saga Petroleum shareholders in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. In particular, the Offer is not being made directly or indirectly in the United States, by use of the U.S. mails, or by any means of instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of the United States.

10. The laws of Norway shall be the proper law of this Acceptance Form.

....	....	....
Place	Date	Authorised signature *****)

) If signed under power of attorney, the power of attorney or Certificate of Registration shall be enclosed

Holder(s) of legal rights:
In the event that any holder(s) of legal rights is/are registered on the VPS account, this is marked YES at the upper right of the Acceptance Form. As holder of legal rights the undersigned accepts that the transaction is processed so that the Acceptance shares are transferred free from encumbrances.

....	....	....
Place	Date	Authorised signature *****)

) If signed under power of attorney, the power of attorney or Certificate of Registration shall be enclosed

Withdrawal Form - Mandatory offer

For withdrawal ("Withdrawal") of acceptance of the Offer (the "Offer") by Norsk Hydro ASA and Den norske stats oljeselskap a.s (the "Offerors") to purchase shares in Saga Petroleum ASA in accordance with the Offer Document dated 8, July 1999 (the "Offer Document")

Return to:
Fondsfinans ASA
Haakon VIIs gt. 2
Postboks 1782 Vika
0122 Oslo
Telefon: 23 11 30 00
Telefax: 23 11 30 03/04/05

The share register of Saga Petroleum ASA at 6, July 1999 shows:
VPS account: No. of shares:

TIME LIMIT FOR WITHDRAWAL:
Fondsfinans ASA must receive the Witdrawal Form not later than stated in the Offer Document.

To Norsk Hydro ASA, Den norske stats oljeselskap a.s and Fondsfinans ASA

1. I/we have received the Offer Document dated 8, July 1999 and make hereby a withdrawal, to the extent pointed out below, of the accept ance of the offer to acquire my/our shares in Saga Petroleum ASA in accordance with the terms contained in the Offer.

2. The withdrawal covers

   ☐ a) ______________________shares in Saga Petroleum ASA
   fill in

   ☐ b) All shares that I/we today own in Saga Petroleum ASA

   Cross off for desired alternative. If no cross is made, it is assumed that alternative b) has been chosen.

3. If the Withdrawal Form is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capasity, such persons should so indicate when signing and proper evidence satisfacory to Fondsfinans ASA of their authority to act must be submitted together with the Withdrawal Form.

4. None of the Offerors, Fondsfinans ASA, or any other person will be under any duty to give notification of any defects or irregularities in withdrawals or incur any liability or failure to give any such notification.

5. The laws of Norway shall be the proper law of this Withdrawal Form.

....	....	....
Place	Date	Authorised signature ***)**

***)** *If signed under power of attorney, the power of attorney or Certificate of Registration shall be enclosed*

Norsk Hydro ASA
N-0240 Oslo
Norway

Fondsfinans ASA
Haakon VII's Gt. 2
Postboks 1782, Vika
N-0122 Oslo
Norway

Den norske stats oljeselskap a.s
N-4035 Stavanger
Norway

11311 Hydro Media 6/99