



To the shareholders of PhotoCure ASA

NOTICE OF GENERAL MEETING

The shareholders of PhotoCure ASA are hereby invited to Ordinary General Meeting

**Wednesday 20 March 2002 at 5 pm
in the Auditorium at the Norwegian Radium Hospital, Ullernchausséen 70, Oslo.
Entrance via the hospital main reception.**

The Board of Directors has proposed the following agenda:

1. Opening of the meeting, including registration of attending shareholders.
2. Election of chairman to preside over the meeting.
3. Election of one person to co-sign the minutes.
4. Approval of the notice of meeting and agenda.
5. Presentation of the Company status.
6. Adoption of the Profit and Loss account and the Balance Sheet for the accounting year of 2000.
7. Settlement of the deficit in accordance with the adopted Balance Sheet.
8. Election of the Board of Directors and approval of the remuneration of the Board members.
9. Approval of the auditor's remuneration and appointment of auditor.
10. Authority to the Board of Directors to increase the share capital.
11. Authority to acquire own shares
12. Alteration of the Articles of Association

Shareholders who wish to participate are requested to notify their attendance by returning the attached attendance form as soon as possible, and at the latest by Monday 18 March at 4 pm. Proxy may be granted by submitting the attached proxy form by Monday 18 March at 4 pm.

Oslo, 4 March 2002
on behalf of the Board of Directors of PhotoCure ASA

Halvor Bjerke
Chairman of the Board
(Signature)

Further explanations of Items 10, 11 and 12 are found in Appendices 1, 2 and 3. Director's report, financial statements, including notes, and auditor's report will be forwarded separately.

Appendices:

1. Further explanation of Item 10
2. Further explanation of Item 11
3. Alteration of the Articles of Association
4. Proxy Form

5. Attendance Form

Appendix 1 – Item 10 of the agenda

Authority to increase the share capital

1 Background

The General Meeting has as of today, granted the following authorities to the Board of PhotoCure ASA to increase the Company's share capital by means of share options and subscription rights to employees.

<i>(Figures represent number of shares)</i>	Ordinary share issues	Employee share issues
Authorities granted to the Board 29.03.01	4,000,000	1,100,000
Share issues	0	-305,000
Remaining under the authorities	4,000,000	795,000

As part of PhotoCure's incentive programme, subscription rights to 388,000 shares, which have not been exercised, are under the authority allotted to employees. Selected employees may, if certain goals are achieved in 2002, receive up to 100,000 new share options, each giving a right to buy one share in the Company. Moreover, subscription rights to 50,000 shares have been allotted to a business partner. Beyond the above-mentioned, a total of 400,000 independent subscription rights to Hydro Research AS have been registered, based on the resolution passed at the General Meeting held on 22 September 1999.

The Company Board proposes that the General Meeting adopt a new authority that replaces granted authorities in accordance with the proposed resolution included below.

The authority is desired for the following reasons:

- The Board wants to be able to use the authority to finance the Company's further development. It is appropriate that the authority may be utilised both for the issue of shares against cash consideration, mergers or as compensation for other acquisition of importance to the Company's development. It is proposed that the Board be allowed to increase the share capital by up to NOK 915,000 through the issue of up to 1,830,000 shares of NOK 0.50 per share, which equals 10% of the Company shares (including issued subscription rights). Such capital increase is subject to the issue price / consideration for the shares, at the Board's assessment, being approximately equivalent to the shares' market value.
- Furthermore, the Board would like to have the authority to increase the Company's share capital by maximum NOK 550,000 through the issue of up to 1.1 million shares of NOK 0.50 per share to employees, or certain business partners, whose

closer association to the Company will, in the Board's individual assessment, benefit the shareholders. This authority may be used for the issue of options and/or subscription rights under the Company's established incentive programme, including the employees in cases where options have been issued. The right to subscribe for shares that are granted under this Item shall at the time of granting as a minimum correspond to the market price per share.

- The Board would also like to implement the Company's incentive programme by allowing employees or some business partners to subscribe for shares at a price fixed at the Board's discretion. In connection with the share subscription, an agreement will be signed under which the difference between the subscription price and the market price at the time of the agreement shall be relinquished to the Company, if the shares are sold. Furthermore, under the agreement, the Company shall have a pre-emptive right to acquire the shares if the employee's employment is terminated or sale of the shares is considered desirable. The pre-emptive right will be reduced gradually over time. The Company will treat the difference between the subscription price and the market price as a conditional receivable, i.e. that it will not be entered into the balance sheet. The programme and the established agreements will be mentioned in the annual report and accounts for each individual year. The Board will formulate the details of the agreements concerning share subscription.

2 Proposal

In the light of the above-mentioned, the Board will propose that the General Meeting pass the following resolution:

The Board was granted the authority to increase the share capital by a maximum amount of NOK 1,465,000 in one or more issues. The subscription price per share is to be decided by the Board in connection with each single issue.

- a) *The Board may increase the share capital by up to NOK 915,000 through the issue of up to 1,830,000 shares of NOK 0.50 per share to secure the financing of the Company's development. The authority may also be used for acquisitions, mergers, and for other corporate purposes that serve the Company's development. The shares may be issued against a cash consideration or other considerations in the form of other assets. The consideration shall, at the Board's assessment, be approximately equivalent to the shares' market value.*
- b) *The Board may increase the share capital through the issue of shares to employees and certain co-operation partners, whose closer association to the Company will, in the Board's individual assessment, benefit the shareholders. The authority may be used for the issue of share options / subscription rights under the Company's incentive programme. The right to*

subscribe for shares as assigned under this clause shall at the time of allotment, at least, correspond with the market value per share.

The Board may also increase the share capital through the issue of shares to employees and certain business partners, in which case the share price shall be fixed at the Board's discretion. An agreement shall be signed on share subscription against cash payment of the subscription price, revisions regarding a right of pre-emption for the Company and further conditional payment obligations towards the Company. These conditions shall be fixed at the Board's discretion, but the total of the subscription price and conditional payment obligations shall be equal to the market price of the shares at the time of the agreement.

The total increase of capital under this item b) shall be maximum NOK 550,000 through the issue of maximum 1.1 million shares of NOK 0.50 per share.

Authority a) shall apply until the next Ordinary General Meeting, whereas the authority under b) shall apply for 2 years. The existing shareholders of the Company waive their pre-emptive right to subscribe for shares. Previously granted authorities shall be deemed null and void.

Appendix 2 – Item 11 of the agenda

Authority to acquire own shares

A proposal that the Board be authorized to let the Company acquire its own shares has been taken up to consideration. In accordance with Sections 9-2 to 9-4 of the Act Relating to Public Limited Companies the Company may, on further defined conditions, acquire its own shares within a maximum limit of 10 % of the share capital. The ordinary general meeting in 2001 granted the Board authority to acquire up to 5% of the outstanding Company shares. The authority was granted for a period of 18 months and has, to date, not been used. The authority was given on condition that the acquisition amount for the shares does not exceed PhotoCure's distributable reserves, cf. Section 9-3 of the Act Relating to Public Limited Companies.

In the opinion of the Board of PhotoCure ASA, such acquisition of own shares may be relevant for the Company, among other things, for the purpose of increasing the liquidity of its shares and to be able to exercise any pre-emptive right to acquire shares under the Company's incentive programme.

In the light of the above-mentioned, the Board proposes that the general meeting replace the existing authority with a new, identical 18-month authority.

- 1) *The Board of PhotoCure ASA is, on behalf of the Company, authorized to acquire Company shares with a total face value of NOK 430,000, which corresponds to 5 % of the present share capital.*
- 2) *The maximum amount to be paid per share is NOK 400 and minimum amount is NOK 10.*
- 3) *The Board shall ensure that the provisions of the law concerning equal treatment of the Company's shareholders and a ban on giving shareholders an unreasonable advantage at the other shareholders' expense are complied with.*
- 4) *The authority applies for 18 months from the General Meeting resolution is passed.*
- 5) *If own shares are sold, the authority also includes the purchase of new shares as replacement for those sold, as long as the total shareholding of own shares does not exceed 5% of the present share capital.*
- 6) *Previously granted authorities to acquire own shares are annulled.*

No events that may be of negative significance to the Company's position have occurred after the last balance sheet day 31 December 2001. Reference is made to Item 6 of the Agenda, which addresses the annual accounts for 2001.

Appendix 3 – Alteration of the Articles of Association

The Board of Directors suggests that section 5 of the Articles of Association be altered so that the chairman is elected by the Board.

Section 5 in force reads as follows:

The Board of Directors of the Company shall consist of up to 7 members. The General Meeting elects the chairman and deputy chairman.

The Board of Directors can grant power of attorney. The authorised signatory of the Company is exercised by the chairman of the Board of Directors and the deputy chairman together, or three board members together.

The Board of Directors suggests that the Articles of Association be altered so that section 5 reads as follows:

The Board of Directors of the Company shall consist of up to 7 members. The Board of Directors elects chairman and deputy chairman.

The Board of Directors can grant power of attorney. The authorised signatory of the Company is exercised by the chairman of the Board of Directors and the deputy chairman together, or three board members together.

Appendix 4 – Proxy Form

Shareholders wishing to participate by proxy at the General Meeting Wednesday 20 March 2002, are requested to fill out this **proxy form** and return it as soon as possible, and at the latest by Monday 18 March 2002 at 4 pm to:

Kreditkassens Verdipapirservice
Attn: Anikken Jensen
Fax: +47 22 48 63 49

Or sent by post to:
Kreditkassens Verdipapirservice
Attn: Anikken Jensen
Post office box 1166 Sentrum
N-0107 OSLO, Norway

PROXY

I hereby grant (printed in capitals) proxy to vote for PhotoCure shares owned by the undersigned at the Ordinary General Meeting of the Company Wednesday 20 March 2002 at 5 pm.

The undersigned holds shares in PhotoCure ASA.

Place and date:

Signature:

Name (printed in capitals):

Company (printed in capitals), if the shares are in the name of a company:

The General Meeting is to be held in the Auditorium at the Norwegian Radium Hospital, Ullernchausséen 70, Oslo.
Entrance via the hospital main entrance.

Appendix 5 – Attendance Form

Shareholders wishing to attend the General Meeting Wednesday 20 March 2002 are requested to fill out this **attendance form** and return it as soon as possible, and at the latest by Monday 18 March 2002 at 4 pm to:

Kreditkassens Verdipapirservice
Attn: Anikken Jensen
Fax: +47 22 48 63 49

Or sent by post to:
Kreditkassens Verdipapirservice
Attn: Anikken Jensen
Post office box 1166 Sentrum
N-0107 OSLO, Norway

ATTENDANCE FORM

I hereby give notice that I will be represented at the General Meeting in PhotoCure ASA on Wednesday 20 March 2002 at 17 pm.

The undersigned holds shares in PhotoCure ASA.

Place and date:

Signature:

Name (printed in capitals):

Company (printed in capitals), if the shares are in the name of a company:

Address:

Postal Code:

Country:

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