

Summons to the Annual General Meeting in Fred. Olsen Production ASA

The Annual General Meeting will be held at the Company's offices at Fred. Olsens gate 2, Oslo (entrance Tollbugaten 1B vis-à-vis Oslo Stock Exchange) on Wednesday 23 May 2012 at 2. p.m.

Agenda:

- 1) Opening of Annual General Meeting by the Chairman of the Board.
- 2) Election of a chairman for the meeting and one attending shareholder to sign the minutes together with the person chairing the meeting.
- 3) Approval of the Annual Accounts and the Directors' report for Fred. Olsen Production ASA parent company and consolidated.

4) Authorization for acquisition of own shares

The Board is proposing that it is granted authority to purchase own shares (treasury shares). The reason for the proposal is to provide the Board with such continuous financial flexibility that flows from having the authority to purchase own shares, limited to 10 % of the share capital pursuant to the Norwegian Public Limited Liability Companies Act §§ 9-2 onwards. The Board currently holds a similar authority which however expires at this Ordinary Annual General Meeting.

The Board is thus proposing the following resolution in reference to the Norwegian Public Limited Liability Companies Act, §§ 9-2 onwards:

"The Annual General Meeting in Fred. Olsen Production ASA grants the Board authority to let the Company purchase shares in Fred. Olsen Production ASA with a nominal value up to NOK 10,593,000,- divided on up to 10,593,000 shares. The minimum and maximum price to be paid per share shall be NOK 1.- and NOK 30.- respectively.

The Board may at its discretion decide how the purchase and sale of own shares shall be made. This authority shall take effect from 23 May 2012 and remain valid until the next Ordinary Annual General Meeting."

5) Authorization to increase the share capital of the Company

The current authority with the Board to increase the share capital by 10,593,000 shares will expire at this year's Annual General meeting. The Board proposes to this Annual General Meeting that a new and similar authorization to increase the share capital is granted to the Board. The Company may need additional equity in order to strengthen its business within the floating production industry. An increase in the share capital may be brought about either by issuing new shares or by raising loans with rights to subscribe for new shares or a combination of these means, however only in such a way that the aggregated number of new shares will not exceed 10,593,000 shares (10 % of total number of issued shares).

The Board is of the opinion that issuance of international convertible bonds with the right to subscribe shares may be advantageous to the Company as a mean to strengthen the Company's financial position and for general corporate purposes.

The Board proposes to the Annual General Meeting the following two distinct authorities:

1. Increase of the share capital by issuing new shares
 - a) The Board is authorized to increase the share capital by up to NOK 10,593,000 divided at 10,593,000, shares, each share with a nominal value of NOK 1.
 - b) Issue price and other subscription terms to be determined by the Board.
 - c) The authority also comprises share capital increases against other assets than cash, including decision on merger, and/or acquisition of other companies.
 - d) This authority shall take effect from 23 May 2012 and remain valid until the next Ordinary Annual General Meeting.
 - e) The shareholders' pre-emption right may be waived, in whole or partly.
 - f) Following any changes in the Company's share capital or number of shares as a consequence of share split, bonus issue etc., the authorization shall be deemed adjusted accordingly.
 - g) § 4 of the Company's Articles of Association to be adjusted in connection with and corresponding to the share capital increase.
 - h) The Board may not use this authorization in such a way that the share capital increase according to this authorization and the authorization to raise loans with rights to subscribe new shares in aggregate exceeds NOK 10,593,000.

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2. Increase of the share capital by raising loans with the right to subscribe for new shares
 - a) The Board is authorized to raise loans up to NOK 500,000,000 with rights to subscribe for new shares.
 - b) The Board is authorized to increase the share capital by up to NOK 10,593, 000, divided at 10,593,000 shares, each with a nominal value of NOK 1.
 - c) Issue price and other subscription terms to be determined by the Board.
 - d) This authority shall take effect from 23 May 2012 and remain valid until the next Ordinary Annual General Meeting.
 - e) The shareholders' pre-emption right may be waived, in whole or partly.
 - f) Following any changes in the Company's share capital or number of shares as a consequence of share split, bonus issue etc., the authorization shall be deemed adjusted accordingly.
 - g) § 4 of the Company's Articles of Association to be adjusted in connection with and corresponding to the share capital increase.
 - h) The Board may not use this authorization in such a way that the share capital increase according to this authorization and the authorization to issue new shares in aggregate exceeds NOK 10,593,000.

6) Election of members to the Board of Directors.

The Directors are elected for a two-year period. The term of service for two of the Directors; Siv Jønland Staubo and Ivar Brandvold, and the Alternate Director Jan Peter Valheim, expires at this Annual General Meeting. It is proposed that they are re-elected.

7) Approval of the Board of Directors' fees

8) Approval of the Auditor's fee

9) Guidelines on remuneration to the Company's Senior Management

The statement by the Board in accordance with § 6-16 a of the Norwegian Public Limited Liability Company's Act is enclosed with this notice as Appendix 1.

Shareholders, who wish to attend the Annual General Meeting in person or by proxy must use the attached form which can be sent either by mail to Fred. Olsen Production ASA, P.O. Box 1159 Sentrum, N-0107 Oslo, Norway in the attention of Dorthé Reinertsen, e-mail to dorthereinertsen@fredolsen.no or by fax to +47 22 42 99 46. The form must be received by the Company no later than Friday 18 May 2012 at 11 a.m.

The Company's Annual Report is available on the Company's web-site but the Company will send this as hard copies by ordinary mail to any Shareholder who may ask for this.

Oslo, 30 April 2012
The Board of Directors

Appendix 1 to Agenda item 9:

The Board of Directors' statement on salary and other remuneration of the Company's senior management, re. the Norwegian Public Limited Liability Companies Act § 6-16 a, is placed before the Annual General Meeting for its advisory vote.

The statement is as follows:

FRED. OLSEN PRODUCTION ASA - STATEMENT BY THE BOARD OF DIRECTORS ON SALARY AND OTHER REMUNERATION OF THE SENIOR MANAGEMENT

Statement by the Board

The Board of Directors of Fred. Olsen Production ASA will place the following statement on salary and other remuneration of the senior management before the 2012 Annual General Meeting in accordance with the Public Limited Liability Companies Act § 6-16a:

The Board's Compensation Committee

The Board of Directors of Fred. Olsen Production ASA has a Compensation Committee comprising of two Directors whereof one is the Chairman of the Board. The Compensation Committee discusses and recommends to the Board salary and benefits for the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, as well as management incentive schemes for senior management and other key employees.

Guidelines for determining the salary and other remuneration of Fred. Olsen Production ASA's senior management

The policy of Fred. Olsen Production ASA is to offer competitive payments and benefits to senior management in order to attract qualified management personnel to the company's business segments.

The salaries paid to the senior management are determined on the basis of the responsibility and complexity of the appointment in question. A part of the total remuneration to the senior management is based on the company's financial performance and related to achieved budget goals and the increase in market value of the shares for the company.

In addition to fixed salary, the remuneration of senior management of Fred. Olsen Production ASA comprise a management bonus scheme, participation in the group's pension scheme, benefits in kind in the form of newspapers, telephone, and company car, and other employee benefits. The senior management is not entitled to salary payments at termination of employment for a period beyond what is stipulated by law.

There is no stock option scheme to senior management.

The guidelines on remuneration of the senior management for the coming accounting year are based on the same principals as previous year. The remuneration to the senior management has been in accordance with these guidelines.

Further information on the bonus scheme

The general management bonus scheme was implemented in 2008. The beneficiaries of the cash bonus scheme are the senior management and certain key personnel. Bonus under the scheme range from 10% to 60% of one year's salary subject to the Group achieving certain predefined financial criteria such as budget target and/or increase in the market value of the company's shares as well as achieving defined individual goals and objectives. These criteria are evaluated by the Compensation Committee on an annual basis. The management bonus scheme is under re-evaluation.

The remuneration of the senior management is further described in note 10 in the parent company's annual report for 2011.

The Board proposes that the AGM approve the following resolution:

"The AGM hereby approves on an advisory basis the Board's statement on the salary and other remuneration of senior executives".

Oslo, 30. April 2012

Ivar Brandvold
Chairman

Anette S. Olsen

Siv Jønland Staubo

Agnar Gravdal

Alternative 1:

Notice of appearance

Application in person for the Annual General Meeting in Fred. Olsen Production ASA 23 May 2012.

The undersigned, who is shareholder in Fred. Olsen Production ASA, will attend in person at the Company's Annual General Meeting at Fred. Olsen gt 2, Oslo on Wednesday 23 May 2012.

The undersigned owns the following number of shares:

The undersigned will (in addition) by way of proxy
(copy/copies of which follow enclosed) on behalf of:

.....
representing the following number of shares:

.....
representing the following number of shares:

.....
representing the following number of shares:

.....
representing the following number of shares:

Total number of shares:

.....
Place and date

.....
Shareholder's signature

.....
Shareholder's signature in capital letters

(In event the shareholder is not an individual, but a company,
trust etc., adequate documentation by way of Certificate of
Registration ("Firmaattest") or proxy must be presented.)

 **Fred. Olsen Production ASA**



Alternative 2:

Proxy

Application for the Annual General Meeting in Fred. Olsen Production ASA Wednesday 23 May 2012.

The undersigned who owns shares in Fred. Olsen Production ASA, **will not attend** in person at the Company's Annual General Meeting at Fred. Olsen's gate 2, and therefore authorizes:

☐ The Chairman of the Board, Mr. Ivar Brandvold

☐ Others (name):

to represent the undersigned by way of proxy at the Annual General Meeting 23 May 2012, and to consent to vote on my behalf. Such proxy to the Chairman or other representatives of the Company may however only be given to the extent such proxy supports votes fully consistent with all of the Board's proposals.

.....
Place and date

.....
Shareholder's signature

.....
Shareholder's name in capital letters

(In event the shareholder is not an individual, but a company,
trust etc., adequate documentation by way of Certificate of
Registration ("Firmaattest") or proxy must be presented.)

 **Fred. Olsen Production ASA**