

To the Shareholders of PhotoCure ASA

Notice of Annual General Meeting

(The following is merely a translation of the Notice from Norwegian language.)

The Shareholders of PhotoCure ASA are hereby invited to the Annual General Meeting

**Thursday, March 29, 2001 at 5 p.m.
in the Auditorium of The Norwegian Radium Hospital, Ullernchausséen 70, Oslo.
Entrance via the hospital main reception.**

The following agenda has been proposed

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 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 to the Board members.
9. Approval of the auditor's remuneration and appointment of auditor.
10. Transfer from the share premium account to distributable reserves.
11. Authority to the Board to increase the share capital.
12. Authority to acquire own shares.

The shareholders who wish to participate are requested to notify their attendance as soon as possible, and at the latest by 26 March at 2 p.m. by returning the attached attendance form. Proxy may be granted by submitting the attached proxy form by 26 March at 2 p.m.

Oslo, 6 March 2001
on behalf of the Board of PhotoCure ASA

Halvor Bjerke
The Chairman of the Board

Further explanation of Items 10-12 is attached as Appendices 1, 2 and 3. Director's report, financial statements, including notes, and auditor's report are enclosed.

Appendices

1. Further explanation of Item 10.
2. Further explanation of Item 11.
3. Further explanation of Item 12.
4. Proxy form.
5. Attendance form.

Appendix 1 – Item 10 of the Agenda

Transfer from the share premium account to distributable reserves

The Board of the Company proposes that NOK 300 million be transferred from the share premium account to other shareholders' equity. The share premium account will thus be reduced from NOK 346.9 million to 46.9 million. In support of the transfer it is adduced that greater distributable reserves give the Company flexibility and dynamism to offer partial cash consideration in connection with mergers and to enable the Company to acquire its own shares.

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

In accordance with Section 3-2 of the Act Relating to Public Limited Companies, the share premium account will be reduced by NOK 300 million from NOK 346.9 million to NOK 46.9 million. The reduction amount shall be transferred to other shareholders' equity.

No events that may be of negative significance to the Company's position have occurred after the last balance sheet day, December 31, 2000. Reference is made to Item 6 of the Agenda which addresses the annual accounts for 2000.

Appendix 2 – Item 11 of the Agenda

Authority to increase the share capital

1 Background

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

*(figures stated
in number of shares)*

	Ordinary share issue	Employee share issues
Authority granted to the Board 23.03.00	4 000 000	1 100 000
Share issues	-2 300 000	-65 000
Remaining under the authorities	1 700 000	1 035 000

Under the authority, subscription rights to 657 000 shares, which have not been exercised, have been allotted to employees and 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 Annual General Meeting held on the 22 September 1999.

The Company Board proposes that the Annual 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 2 million through the issue of up to 4 million shares of NOK 0.50 per share. 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 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 Annual General Meeting pass the following resolution:

The Board was granted the authority to increase the share capital by a maximum amount of NOK 2,550,000 in one or more issues and at a subscription price per share to be decided by the Board in connection with each single issue.

- a) *The Board may increase the share capital by up to NOK 2 million through the issue of up to 4 million 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 consideration 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, provisions 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 Annual 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 3 – Item 12 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 presented for discussion. 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. Such acquisition may only take place if the General Meeting, by a majority decision, in the same way as for amendments to the articles of association, has authorized the Board to do so, and the authority is registered in the Register of Business Enterprises. The authority shall be granted for a specific period, which may not exceed 18 months. Such a resolution cannot be made if the acquisition amount for the shares exceeds the Company'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 the Company's 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 will propose that the Annual General Meeting pass the following resolution:

- 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.*

No events that may be of negative significance to the Company's position have occurred after the last balance sheet day December 31, 2000. Reference is made to Item 6 of the Agenda which addresses the annual accounts for 2000.

Appendix 4 – Proxy Form

Shareholders wishing to participate by proxy at the Annual General Meeting Thursday, March 29, 2001, are requested to fill out this **proxy form** and return it as soon as possible, and at the latest by Monday, March 26, 2001, 2 p.m. to:

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

Or by mail to:
 Kreditkassens Verdipapirservice
 Attention: Anikken Jensen
 Postoffice Box 1166 Sentrum
 0107 OSLO
 Norway

PROXY

I hereby grant (use capital letters) proxy to vote on behalf of the undersigned's shares in PhotoCure ASA at the Company's Annual General Meeting on Thursday March 29, 2001 at 5 p.m.

The undersigned holds shares in PhotoCure ASA.

Place and date:

Signature:

Name (use capital letters):

Company (if the shares are in the name of a company):
 (use capital letters)

The Annual General Meeting is to be held in the Auditorium of the Norwegian Radiumhospital, Ullernchausseen 70, Oslo.
 Entrance via the hospital main reception.

Appendix 5 – Attendance Form

Shareholders wishing to attend the Annual General Meeting Thursday, March 29, 2001, are requested to fill out this **attendance form** and return it as soon as possible, and at the latest by Monday, March 26, 2001, 2 p.m. to:

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

Or by mail to:
 Kreditkassens Verdipapirservice
 Attention: Anikken Jensen
 Postoffice Box 1166 Sentrum
 0107 OSLO
 Norway

ATTENDANCE FORM

I hereby give notice that I will be represented at the Annual General Meeting in PhotoCure ASA on Thursday, March 29, 2001, 5 p.m.

The undersigned holds shares in PhotoCure ASA.

Place and date:

Signature:

Name (use capital letters):

Company (if the shares are in the name of a company):
 (use capital letters)

Address:

Postal code:

Country:

The Annual General Meeting is to be held in the
 Auditorium of the Norwegian Radiumhospital, Ullernchauséén 70, Oslo.
 Entrance via the hospital main reception.