

# Securities Note

## SAMS 07 6



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# 1 Risk Factors

The Issuer considers the following factors liable to affect its ability to fulfil its obligations under the Bonds and/or to be material for the purpose of assessing the market risks associated with the Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer considers the factors described below to represent the principal risks inherent in investing in the Bonds in question, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur or arise for other reasons than those the Issuer may currently be able to anticipate and there may be other factors which are material to the market risks associated with Bonds.

## Issuer's accountability to make Payments

The Issuer is accountable to make payments on the Bonds when due. The obligations of the Issuer under the Bonds are direct, unsecured, unconditional and unsubordinated obligations, equally ranked without any preference amongst themselves and equal to its other direct, unsecured, unconditional and unsubordinated obligations.

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Bonds regarding its ability to incur additional indebtedness ranking equally to the obligations under or in connection with the Bonds.

## Change of Law

The Terms and Conditions of the Bonds are based on Icelandic law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Icelandic law or administrative practice after the date of this Prospectus.

## The Secondary Market

The Bonds may not have established a trading market when listed, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

## The Bonds may not be a suitable Investment for all Investors

Each investor of the Bonds must determine the suitability of that investment in light of his own circumstances. In particular, each potential investor should:

1. have sufficient knowledge and experience to make a meaningful evaluation of the Bonds,
2. understand the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus. The potential investors should familiarize themselves thoroughly with this Prospectus.
3. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
4. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
5. understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and be able to evaluate (either alone or with the help of a financial adviser)

possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

## 2 Notice to investors

This Securities Note concerns the listing of bonds issued by Samson eignarhaldsélag ehf. and listed and admitted to trading on OMX ICE. The listing is conducted in accordance with Icelandic law and regulations, including Act No. 108/2007 on Securities Transactions, Directive 2003/71/EC of European Parliament and of the Council 4 November 2003 (the "Prospectus Directive") which has been implemented by national law. This Securities Note is prepared pursuant to current legislation and rules for issuers of shares on OMX ICE that apply to the listing. OMX ICE has scrutinized and approved this Securities Note, which is only published in English.

The listing is expected to take place on 20 December 2007 which will then be the earliest date on which the bonds will be admitted to trading on OMX ICE.

This Securities Note has been prepared by the Corporate Finance section of Landsbanki Íslands hf., in co-operation with the Board of Directors and senior management of Samson eignarhaldsfélag ehf.

In the Securities Note, "Samson", "the Issuer" and "the Company" refer to Samson eignarhaldsfélag ehf., "Landsbanki" and "the bank" refer to Landsbanki Íslands hf. and "OMX ICE" refers to the OMX Nordic Exchange Iceland hf., unless otherwise indicated from the wording or context.

Samson is listed on OMX ICE as a bond issuer with the ticker symbol SAMS, and complies with OMX ICE rules regarding on-going information disclosure for bond issuers. Investors are advised to follow the news announcements and notifications concerning Samson, which will be published on Samson's website [www.samson.is](http://www.samson.is) once the Securities Note has been issued.

The purchase of bonds is inherently a risk investment. Investors are advised to familiarize themselves thoroughly with this Securities Note. All information included in here is correct as of the date of issue of the Securities Note. Each investor must base a decision to invest in bonds issued by Samson on his own examination and analysis of the information presented in the Securities Note. Investors are advised to study their legal position, including taxation issues that may be relevant to their transactions in Samson's bonds. Investors are urged especially to acquaint themselves well with the discussion of risk provided in Chapter 1 of this Securities Note.

This Securities Note and any document forming a part of the Prospectus shall not be distributed and must not be mailed or otherwise distributed or sent in or into any country in which distribution would require any additional registration measures or other measures to be taken, other than as applicable under Icelandic law and regulations, or would be in conflict with any law or regulation in the respective country.

Attention is drawn to the fact that the Manager of the listing, Landsbanki Íslands hf. – Corporate Finance, is part of Landsbanki's Investment Banking division. Landsbanki is one of Samson's principal banks. Samson is also Landsbanki's largest shareholder. At the time the Registration Document was issued, Samson was the registered owner of 4,559,048,058 shares in Landsbanki, or the equivalent of 40,73% of its total share capital.

### 3 Persons responsible

The Chairman of the Board of Directors and the CEO of Samson eignarhaldsfélag ehf., on behalf of the Issuer, named below, hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Reykjavík, 19 December 2007,

On behalf of the Board of Directors of Samson eignarhaldsfélag ehf., Sigtún 42, Reykjavík, ID No. 490902-2520

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Björgólfur Thor Björgólfsson,  
Chairman of the Board

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Ágúst H. Leósson,  
CEO

### 4 Manager

The Manager, Landsbanki Íslands hf. – Corporate Finance, Hafnarstræti 5, Reykjavík, Iceland, had been the advisor to the Issuer in the preparation of this Securities Note and advisor to the admission of the Bonds to trading on the OMX Nordic Exchange Iceland hf. (OMX ICE).

# 5 Information concerning the Securities to be admitted to Trading

The Bonds are issued electronically at the Icelandic Securities Depository (ISD) and are registered there under the name of the relevant bondholder or his/her nominee. Amounts payable under the bonds will be paid to the financial institution where the registered owner has his/her custody account.

The Bonds are in the same class and equally ranked. There are no restrictions on transferring the Bonds to other parties other than that the Bonds must be transferred to parties mentioned by name. The Issuer has not entered into any restrictive covenants in connection with the issuance of the Bonds regarding its ability to incur additional indebtedness ranking equally to the obligations under or in connection with the Bonds.

The Issuer is accountable to make payments on the Bonds when due. The obligations of the Issuer under the Bonds are direct, unsecured, unconditional and unsubordinated obligations, equally ranked without any preference amongst themselves and equally with its other direct, unsecured, unconditional and unsubordinated obligations.

## Legislation

The governing law is Icelandic law. Any dispute shall be subject to the exclusive jurisdiction of the District Court of Reykjavík. Legal action regarding the bonds may be proceeded with in accordance with Chapter 17 of the Act on Civil Procedure No. 91/1991.

According to Act 14/1905 the bonds will become void unless presented for payment within 10 years (in the case of principal) and four years (in the case of interest or any other amount) after the Relevant Date.

The Bonds are registered electronically and are therefore subject to Act No. 131/1997 on Electronic Registration of Title to Securities.

In the event of default of payment of the principal or interest on any bond, it is permitted to declare the bond immediately due and payable, whereupon it shall become immediately due and payable at its outstanding principal amount together with accrued interest. If default occurs the Issuer shall furthermore pay default interest at the rate determined by the Central Bank of Iceland, according to article 6 of Act no. 38/2001.

## Taxation

All payments in respect of the Bonds, by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any tax jurisdiction unless such withholding or deduction is required by law according to Act no. 94/1996. In such event, the Issuer will not pay any additional amounts in respect of amounts withheld pursuant to such withholding or deduction.

## Admission to trading

The bonds will be listed on the OMX Nordic Exchange Iceland hf. (OMX ICE). Application has been made for the Bonds to be admitted to trading on the regulated market of OMX ICE, which is an EU regulated market within the meaning of Directive 2004/39/EC.

The bonds are expected to be admitted to trading on OMX ICE on 20 December 2007.

## Expenses of the admission to trading

The total cost of the admission to trading is estimated at ISK 3,250,000.

## Authorization

The board of Samson., Sigtún 42, 105 Reykjavík, ID No. 490902-2520, authorised a bond issue for ISK 4,000,000,000 on a board meeting held 19 October 2007, according to the meeting's minutes. Samson has at the date of this Securities Note issued bonds amounting to ISK 4,000,000,000 under SAMS 07 6.

## Other information

Type:	Interest bearing bond with one payment of principal at the date of maturity.
Issue date:	23 October 2007
Date of maturity:	23 October 2010
Size limit according to agreement:	ISK 4,000,000,000
Issued:	ISK 4,000,000,000
Denomination:	ISK 10,000,000
Currency:	ISK
Interest rates	The interest rate is determined at the beginning of each interest rate period and will be the sum of 6-month REIBOR and 220 basis points two business days before each interest payment date. REIBOR refers to the interest rate in the interbank market in EUR. The interest rate for the first interest period is 16.2% (the sum of 6-month REIBOR on 19 October 2007 and 220 basis points). The bonds were sold at par.
Interest payment dates:	The interest becomes payable from 23 October 2007 and will be paid six times, 23 April 2008, 23 October 2008, 23 April 2009, 23 October 2009, 23 April 2010 and 23 October 2010.
Day count fraction:	Interest shall be calculated on the basis of the rule Act/360-Modified Following Adjusted.
ISIN:	IS0000015931
Depository Agent:	Icelandic Securities Depository, Laugavegi 182, 105 Reykjavík.
Paying Agent:	Landsbanki Íslands hf., Austurstræti 11, 155 Reykjavík.