

# **BRIDGE ENERGY ASA**

## **CORPORATE GOVERNANCE POLICY**

as resolved by the Board of Directors on 26 March 2010

## 1. INTRODUCTION TO THE CORPORATE GOVERNANCE POLICY

The Board of Directors of Bridge Energy ASA (the “**Company**”) has prepared and approved this corporate governance policy document (the “**Policy**”).

The Company is a public limited liability company seeking listing on the Oslo Stock Exchange / Oslo Axsess. Thus, the Norwegian Recommendation for Corporate Governance (the “**Recommendation**”) will apply to the Company and this Policy has been prepared for the purpose of complying with the Recommendation.

This Policy addresses the framework of guidelines and principles regulating the interaction between the Company’s shareholders, the Board of Directors (the “**Board**”), the Chief Executive Officer (the “**CEO**”) and the Company’s executive management team (the “**Executive Management Team**”).

## 2. BUSINESS ACTIVITY

Bridge is the parent company of a group which activities are exploration, development and production of oil and gas. The Company has two operational subsidiaries, one of which operates in Norway and the other operating in the UK. The Company’s business is further defined in the Company’s Articles of Association.

Further information concerning the business activities, including licenses held by the group, can be found on the Company’s web-site: [www.bridge-energy.no](http://www.bridge-energy.no).

## 3. VALUES AND OBJECTIVES

The Board considers good corporate governance to be an important foundation for long term value creation, for building trust between the Company and its stakeholders and maintaining shareholder value.

Owners, investors, customers, employees and other key parties should always be confident that Company’s business activities are characterized by reliability, control, transparency and high ethical standards. Company will in endeavour to follow the Recommendation as amended from time to time in all material aspects, and exemptions will be explained herein.

## 4. ETHICAL GUIDELINES

The Company will maintain a high ethical standard in its business concept and relations with customers, suppliers and employees. The following ethical guidelines shall be practiced in the Company, and shall apply to all employees and directors of the Company group:

1. *Personal conduct:* All employees and representatives of the Company shall behave with respect and integrity towards business relations and partners, customers and colleagues. The Executive Management Team has a particular responsibility to promote openness, loyalty and respect.
2. *Conflict of Interests:* The Company’s employees or representatives shall avoid situations wherein a conflict between their own personal and/or financial interests and the Company’s interests may occur.
3. *Confidential Information:* Employees or representatives of the Company possessing confidential information related to the Company, shall conduct themselves and safeguard such information with great care and loyalty, and comply with any and all signed confidentiality statements.

4. *Influence*: The Company's employees or representatives shall neither directly nor indirectly offer, promise, request, demand or accept illegal or unjust gifts of money or any other remuneration in order to achieve a commercial benefit.
5. *Competition*: The Company supports fair and open competition. The Company's employees or representatives shall never take part in any activities that may constitute a breach of competition legislation.
6. *Breach of Ethical Guidelines*: Any breach of these ethical guidelines may inflict severe consequences for the Company, and any breach may imply consequences for the person in question.

## **5. COMPANY CAPITAL AND DIVIDEND**

The Board aims to maintain a satisfactory equity ratio in the Company in light of the Company's goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board shall continuously assess the Company's capital requirements in light of the Company's strategy and risk profile.

The Board's authority to increase the share capital and to buy own shares shall be granted for periods no longer than until the next Annual General Meeting of the Company. The purpose for which the Board can use its authority to increase the share capital shall be defined in the authority. If the General Meeting wishes to grant the Board an authority which covers multiple purposes each of these shall be separated and voted for separately by the General Meeting.

It is an objective for the Company to generate return to the shareholders in the form of capital appreciation over time, at a level which is at least equal to other investment possibilities with comparable risk. The Company does not envisage paying dividends on a short, medium or long term.

## **6. SHARE CLASSES**

The Company has one class of shares only. Hence, all shares have equal voting rights, organizational rights and economical rights. Each share represents one vote at the Company's General Meeting.

## **7. EQUAL TREATMENT AND TRANSACTIONS WITH RELATED PARTIES**

Any proposal and decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the Company in the event of an increase in the share capital will be explained.

Any transactions, agreements or arrangements between the Company and its shareholders, members of the Board, members of the Executive Management Team or close associates of any such parties shall only be entered into as part of the ordinary course of business and on arms length market terms. All such transactions shall comply with the procedures set out in the Norwegian Public Limited Liability Companies Act. The Board shall consider to arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question must be considered to be immaterial or if it is approved by the Company's General Meeting in accordance with the Norwegian Public Limited Liability Companies Act.

No person or company mentioned in the above paragraph shall vote or otherwise participate in any decision by the Company regarding a transaction, agreement or arrangement with such person or company as counterparty.

The Company's acquisition of own shares (as relevant) shall always be carried out at market prices. The Company's financial statements shall provide further information about transactions with related parties.

Board members and members of the Executive Management Team are obliged to immediately notify the Board if they have any material direct or indirect interest in any transaction to be entered into by the Company.

## **8. TRANSFER OF SHARES**

The shares of the Company are not subject to any transfer restrictions, except as provided for by statute.

## **9. THE GENERAL MEETING**

All shareholders have the right to participate in the General Meetings of the Company, which exercise the highest authority of the Company. The Company shall summon the shareholders to any General Meeting as soon as possible.

The person chairing a General Meeting shall be the chairman of the Company.

The full notice for General Meetings shall be made available on the website of the Company and sent to the shareholders no later than 21 days prior to the meeting unless a shorter notice period is provided for in the Company's articles of association. The notices for such meetings shall include documents providing the shareholders with sufficient detail in order for the shareholders to make an assessment of all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The recommendation of the nomination committee shall be made available simultaneously.

Notices for General Meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the General Meeting. The notice shall also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the General Meeting.

The General Meeting shall be able to vote separately for the candidates to be elected to hold positions in the various Company bodies.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that the shareholders, who are unable to attend in person, will be able to vote by proxy.

The Board, the CEO, a representative of the nomination committee and the Company's auditor shall be present at the Ordinary General Meetings. The majority of the Board, the CEO and the Company's auditor shall normally be present at any Extraordinary General Meetings.

## **10. NOMINATION COMMITTEE**

The Company shall have a nomination committee consisting of 3 members where at least one shall not have any office in the Company. The committee is elected by the General Meeting pursuant to the Company's Articles of Association. The members shall be elected by the General Meeting for two years at a time. The majority of the committee shall be independent of the Board. No more than one member of the nomination committee shall be a member of the Board and any such member shall not offer himself or herself for re-election. No member of the Executive Management Team shall be a member of the nomination committee.

The purpose of the committee is to recommend candidates for election to the Board and the nomination committee and to review the remuneration and performance of the Board. The nomination committee shall justify its recommendations.

The instruction for the nomination committee is attached hereto as **Appendix 1**.

## **11. THE BOARD - COMPOSITION**

The Board shall have 5-9 members as specified in the Articles of Association. In appointing members to the Board, it is emphasized that the Board shall have the requisite competency to independently evaluate the cases presented by the Executive Management Team as well as the Company's operation. It is also considered important that the Board can function well as a body of colleagues.

Board members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board members shall be encouraged to own shares in the Company.

The majority of the shareholder-elected members of the board shall be independent of the Company's Executive Management Team and material business contacts. At least two members of the Board elected by the shareholders shall be independent of the Company's main shareholder(s).

The Company shall strive to avoid having representatives of the Executive Management Team as members of the Board, and shall provide explanations if representatives of the Executive Management Team are members of the Board and also implement any additional necessary measures to ensure the independent preparation of matters regardless of the representation.

The chairman of the Board shall be elected by the General Meeting.

The Company does not have a corporate assembly.

## **12. SUB-COMMITTEES OF THE BOARD**

The Company shall have a remuneration committee appointed by the Board, consisting of 3 members. The remuneration committee shall administer the Company's bonus incentive program and provide general compensation related advice to the Board. The remuneration committee shall be governed according to the instructions appended hereto as **Appendix 2**.

The Company shall have an audit committee. The audit committee shall be governed according to the instructions attached hereto as **Appendix 3**.

## **13. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

The Board shall prepare an annual plan for its work with special emphasis on goals, strategy and implementation. The Board's primary responsibility shall be (i) participating in the development and approval of the Company's strategy, (ii) performing necessary monitoring functions and (iii) acting as an advisory body for the Executive Management Team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operation of the Company is in compliance with the Company's values and ethical guidelines. The Chairman of the Board shall be responsible for ensuring that the Board's work is performed in an effective and correct manner.

The Board shall ensure that the Company has a good management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the Board and the Executive Management Team. The CEO is responsible for the executive management of the Company.

All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board.

The Board shall prepare an annual evaluation of its work and expertise.

The Board shall provide details in the annual report of any board committees appointed.

Instructions for the Board and for the CEO are appended hereto as **Appendix 4** and **Appendix 5** respectively.

#### **14. RISK MANAGEMENT AND INTERNAL CONTROL**

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The internal control and the systems shall also encompass the Company's corporate values and ethical guidelines. The objective of the risk management and internal control shall be to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

The Company's internal control and risk management routines are set out in **Appendix 6**.

#### **15. BOARD COMPENSATION**

The General Meeting shall annually determine and approve the Board's remuneration. Remuneration of Board Members shall be reasonable and based on the Board's responsibilities, expertise, time invested and the complexity of the enterprise. The compensation shall be a fixed annual amount based on the calendar year (and may be paid in shares) and an allocation under the share option scheme approved at the companies annual meeting. The Chairman of the Board may receive a higher compensation than the other Board Members. The Board shall be informed if individual Board Members perform other tasks for the Company than exercising their role as Board Members, and approve remuneration for such work. Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

#### **16. COMPENSATION TO EMPLOYED MANAGEMENT**

The Board decides the salary and other compensation to the CEO. The CEO's salary and bonus shall be determined on the basis of an evaluation with emphasis on the following factors: operating and financial results gauged against forecast and peer performance, business development, growth and profitability gauged against forecast and peer performance. Any fringe benefits shall be in line with market practice, and should not be substantial in relation to the CEO's basic salary. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

The Company's financial statements shall provide detailed information about salary and other compensation to the CEO and the Executive Management Team.

The CEO determines the remuneration of executive employees. The Board shall (through the Remuneration Committee) issue guidelines for the remuneration of the Executive Management Team and will maintain oversight of compensation through approval of the companies annual G and A budget (General and Administration Budget). The guidelines shall lay down the main principles for the Company's management remuneration policy, which may include performance related remuneration. The salary level should be competitive with peer companies and in line with the companies relative performance.-. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience.

## 17. INFORMATION AND COMMUNICATION

The Board and the Executive Management Team assign considerable importance to public disclosure of material information in a timely and clear method. Emphasis is placed on ensuring full, true and plain disclosure of material information to investor's and the public in a timely fashion.

Sensitive information will be handled internally in a manner that minimizes the risk of leaks. All contracts to which the Company becomes a party, shall contain confidentiality clauses.

The Company shall have clear routines for who is allowed to speak on behalf of the Company on different subjects, and who shall be responsible for submitting information to the market and investor community. The CEO and the CFO shall be the main contact persons of the Company in such respects. All employees will be briefed and made aware of this policy and of specific time periods or events that may require trading black outs or heightened concerns over handling of confidential information.

The Company's routines for safe handling of inside information are appended hereto as **Appendix 7**.

Each year the shareholders shall receive a financial calendar with dates of important events such as the annual General Meeting, publishing of financial reports throughout the year, dates for distribution of dividend etc. Information to shareholders, investor relations and the market shall be available on the Company's website.

Board shall ensure that the shareholders are given the opportunity to present their points of view at and outside the General Meeting.

The Company's investor relations guidelines are appended hereto as **Appendix 8**.

## 18. TAKEOVERS

The Board shall not without specific reasons attempt to hinder or exacerbate anyone's attempt to submit a takeover bid for the Company's shares or individual business areas.

In situations of takeover or restructuring, it is the Board's particular responsibility to ascertain that all shareholders' values and interests are protected and that business activities are not disrupted unnecessarily.

When receiving a takeover bid the Board shall issue a statement regarding the bid and a recommendation as to whether or not the shareholders should accept the bid. The reasons for the Board's recommendation shall be explained. The Board's statement shall describe whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board shall consider whether to arrange a valuation from an independent expert. If any member of the Board or Executive Management Team, or close associate of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in the bid that individual will not be allowed to vote on the proposal and will be excluded from a review of such proposal., the Board shall always arrange for an independent valuation. This shall also apply if the bidder is a major shareholder. Any such valuation shall be either appended to the Board's statement, be reproduced in the statement or be referred to in the statement.

The Board shall do its utmost to ensure that sufficient and relevant information is made available concerning all events that affect the interest of the shareholders.

The Company has not established any defence mechanisms against takeover bids in its articles of association, nor have other measures been taken to restrict the opportunity to acquire shares in the Company.

## **19. AUDITOR**

Each year the auditor shall present to the audit committee a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be present at Board meetings where the annual accounts are on the agenda.

Whenever necessary, the audit committee shall meet with the auditor to review the auditor's view on the Company's accounting principles, risk areas, internal control routines etc.

The auditor shall be present during at least one Board meeting where no members of the Executive Management Team are present.

The auditor may only be used as a financial advisor to the Company provided that such use of the auditor does not have the ability to affect or question the auditors' independence and objectiveness as auditor for the Company. Only the Company's chairman, on behalf of the board, or the CEO and/or CFO shall have the authority to enter into agreements in respect of such counselling assignments.

At the Annual General Meeting the Board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other concrete assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board should specifically consider if the auditor to a satisfactory degree also carries out a control function.

The Board shall arrange for the auditor to attend all General Meetings.

**APPENDIX 1****INSTRUCTIONS TO THE NOMINATION COMMITTEE**

Resolved by the Board of Directors on 26 March 2010 (subject to approval by the General Meeting)

**1. SCOPE AND CHANGE OF THE INSTRUCTIONS**

- 1.1 These instructions set out the operations of the Nomination Committee (the “**Committee**”) of Bridge Energy ASA (the “**Company**”). The instructions shall be approved by the Company’s General Meeting, who shall have sole authority to amend these instructions.

**2. MANDATE**

- 2.1 The Nomination Committee shall submit a recommendation to the Annual General Meeting for members - of the board of directors (the “**Board**”) and the Nomination Committee. The Nomination Committee shall also submit a proposal for remuneration of members of the Board.

**3. COMPOSITION, ELECTION AND REMUNERATION**

- 3.1 The Nomination Committee is composed and elected pursuant to the provisions set out in the Company’s Articles of Association.
- 3.2 Members of the Nomination Committee are elected for a term of two years, but may be re-elected. The members may be removed or replaced at any time by a resolution of the General Meeting.
- 3.3 The Annual General Meeting stipulates the remuneration to be paid to the Nomination Committee. The Nomination Committee’s expenses shall be covered by the Company.

**4. PROCEDURES**

- 4.1 Meetings of the Nomination Committee shall be convened by the Chairman of the Committee. Each of the members of the Nomination Committee, as well as the Chairman of the Board and the Company’s CEO jointly, has the right to demand that a meeting be convened. The Chairman of the Committee decides whether the meeting will take the form of a physical meeting, a telephone meeting or otherwise.
- 4.2 The Nomination Committee constitutes a quorum when half or more of the Committee’s members participate and all other members of the committee have been given the opportunity to participate. In the case of an equal vote, the Chairman shall have a casting vote.
- 4.3 Minutes shall be taken of the committee meetings. The minutes shall be signed by all participating members.
- 4.4 In its work, the Nomination Committee may contact shareholders, members of the Board, the management and external advisers. Shareholders shall be given the opportunity to propose Board member candidates to the Nomination Committee. The Nomination Committee shall give considerable weight to the wishes of the shareholders when making its recommendations. The Nomination Committee shall also give weight to the proposed candidates’ experience, qualifications, and their capacity to serve as officers of the Company in a satisfactory manner. Emphasis must also be given to ensuring independence of the Board in relation to the Company. The Nomination Committee shall also strive to achieve an adequate representation of both genders on the Board.

- 4.5 The Nomination Committee's recommendations shall at all times satisfy the requirements relating to the composition of the Board laid down in applicable legislation, including the requirements related to representation of both genders, and in the regulations of any regulated markets on which the Company's shares are listed. The Nomination Committee shall take into account the recommendations relating to the composition of the Board that follow from the Norwegian Code of Practice on Corporate Governance and any other relevant recommendations relating to corporate governance, as well as the principles laid down in the Company's Corporate Governance Policy.
- 4.6 Before recommending the proposed candidates, the Nomination Committee shall ask the candidates whether they are willing to serve as a member of the Board. Only candidates who have confirmed that they are willing to take on such office shall be recommended.
- 4.7 The Nomination Committee shall justify its recommendations and provide relevant information about the candidates. Any dissenting votes shall be stated in the recommendation.
- 4.8 The Nomination Committee shall also include in the recommendation a description of the work performed by the Committee resulting in the recommendation.
- 4.8 If the Board has prepared an evaluation of its work, the Nomination Committee shall examine such report, and take its contents into consideration when making recommendations.

## **5. PROCESSING OF THE NOMINATION COMMITTEE'S RECOMMENDATIONS**

- 5.1 The Nomination Committee's recommendation to the Annual General Meeting relating to the election of members and deputy members of the Board shall be available in time to be sent together with the notice of the General Meeting, or without undue delay thereafter, thereby giving the shareholders an opportunity to submit their views on the recommendation to the Nomination Committee ahead of the meeting.
- 5.2 The Chairman of the Committee or a person authorized by the Chairman, shall present the Committee's recommendations for the Annual General Meeting, and give an account of the reasons for its recommendations.

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## APPENDIX 2

**INSTRUCTIONS TO THE REMUNERATION COMMITTEE**

(Resolved by the Board of Directors on 26 March 2010)

**1. SCOPE AND AMENDMENT OF THE INSTRUCTIONS**

- 1.1 These instructions set out the operations of the Remuneration Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Bridge Energy ASA (the “**Company**”). The Committee shall at least annually review these instructions and recommend any proposed changes to the Board, which shall have sole authority to amend these instructions. The Company shall evaluate whether these instructions shall be made available on its website. The Company shall also evaluate disclosing such availability in its Annual Report.

**2. PURPOSE OF THE COMMITTEE**

- 2.1 The Committee shall be appointed by the Board to:
- (i) Evaluate and propose the compensation of the Company’s Chief Executive Officer (“**CEO**”) and other senior executives of the Company (collectively, the “**Executive Management Team**”).
  - (ii) Produce an annual report on the compensation of the Executive Management Team, which shall be included in the Company’s annual accounts pursuant to applicable rules and regulations, including accounting standards, promulgated from time to time.
  - (iii) Review the CEO’s recommendation regarding any bonus pool to be awarded, the level of annual employee benefit related increase (on a company wide level) and any amendment to the company’s compensation plans and make a recommendation for the approval of such items to the full board.

**3. COMMITTEE DUTIES AND RESPONSIBILITIES**

- 3.1 The Committee’s duties and responsibilities shall be to:
- (i) Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives and set the compensation level for the CEO based on this evaluation. In determining the long-term incentive component of the CEO compensation, if any, the Committee may consider the Company’s performance and relative shareholder return, the value of similar incentive awards given to CEO’s at comparable companies and the awards given to the CEO in past years.
  - (ii) Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.
  - (iii) Conduct an annual review of director compensation and recommend to the Board for its approval the form and amount of such compensation.
  - (iv) Assist the Board in developing and evaluating potential candidates for executive positions, including the CEO, and oversee the development of executive succession plans.
  - (v) Review and approve the Executive Management Team’s employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.
  - (vi) Review major organizational and staffing matters.

- 3.2 The Committee has the authority to retain and terminate compensation consultants or firms to assist in the evaluation of the compensation of the Executive Management Team and the Board, including the authority to approve such consultants' or firms' fees and other retention terms, which shall be borne by the Company.

#### **4. MEETINGS**

- 4.1 The Committee may hold meetings at such time and location as the Committee may determine, but in no event shall the Committee meet less frequently than annually. When it deems it appropriate, the Committee may meet immediately before or after any meeting of the Board, but should otherwise meet separately from the Board.
- 4.2 At any meeting of the Committee, a majority of its members shall constitute a quorum. When a quorum is present at any meeting, a majority of Committee members present may take any action.
- 4.3 The Committee may establish rules and procedures for the conduct of its meetings that are consistent with this Charter.

#### **5. MEMBERS AND QUALIFICATIONS**

- 5.1 The members and the Chairman of the Committee shall be appointed and replaced by the Board. The Committee shall be composed of three members. The Board shall make an affirmative determination that the majority of the members of the Committee do not have a material relationship with the Executive Management and the Company's major contract parties. .
- 5.2 The Chairman of the Committee shall be elected by the Committee among those of its members who are independent of the Company's management.

#### **6. REPORT TO THE BOARD OF DIRECTORS**

- 6.1 The Chairman of the Committee shall report annually to the Board in an executive session on the Committee's activities. Such annual report shall include a review of the Committee's performance.
- 6.2 The Committee shall annually review its own performance.

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**APPENDIX 3****INSTRUCTIONS TO THE AUDIT BOARD**

(Resolved by the Board of Directors on 26 March 2010)

**1. SCOPE AND CHANGE OF THE INSTRUCTIONS**

These instructions set out the operations of the Audit Committee of the board of directors (the "Board") of Bridge Energy ASA (the "Company"). At least annually, the Audit Committee shall review and reassess these instructions and recommend changes to the Board, which shall have the sole authority to amend these instructions.

**2. THE PURPOSE OF THE AUDIT COMMITTEE**

The purpose of the audit committee is to hold independent controls with respect to the Company's financial reporting and systems for control.

The Audit Committee shall not make any decisions on behalf of the Board, but will present its assessment and recommendations to the Board

**3. AUDIT COMMITTEE DUTIES AND RESPONSIBILITIES**

The Audit Committee's duties and responsibilities shall include, but not be limited to, the following:

- (i) Preparing the follow-up of the financial reporting process for the Board,
- (ii) Monitoring the systems for internal control and risk management including the internal audit of the Company,
- (iii) Having continuous contact with the appointed auditor of the Company regarding the auditing of the annual accounts,
- (iv) Reviewing and monitoring the independence of the auditor, including in particular to which extent other services than audit services which have been rendered by the auditor or the audit firm represents a threat against the independence of the auditor.

The Audit Committee shall also give a statement regarding the proposed auditor for the Company prior to the presentation to the General Meeting.

**4. MEETINGS**

The Audit Committee shall meet in connection with the preparation of quarterly reports and annual statutory accounts, and additional meetings may be held whenever deemed necessary by the Audit Committee.

The CEO, CFO and other Board members have the right to participate in Audit Committee meetings.

The statutory auditor may participate when relevant and upon the request from the Audit Committee.

The Audit Committee may invite other participants as required.

**5. APPOINTMENT OF MEMBERS AND REQUIRED QUALIFICATIONS**

The members of the Audit Committee shall be elected by and among the members of the Board. Members of the Audit Committee shall not include members of the executive management team of the

Company. A majority for the members shall be independent from the executive management and shall be financially literate or have qualifications within accounting or auditing.

The Audit Committee shall be led by one member of the Audit Committee elected by the Board as Chairman.

## **6. REPORT TO THE BOARD OF DIRECTORS**

All minutes of Audit Committee meetings shall be distributed to the Board.

An oral report should be given to the Board at the first board meeting following the Audit Committee meeting.

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## INSTRUCTIONS TO THE BOARD OF DIRECTORS

(Resolved by the Board of Directors on 26 March 2010)

### 1. PURPOSE OF THE INSTRUCTIONS

The purpose of these instructions (the “**Instructions**”) is to give an overview of the function, duties and responsibility of the board of directors (the “**Board**”), as well as procedures for Board meetings and the Chief Executive Officer’s (the “**CEO**”) duties and responsibilities to the Board.

These Instructions apply to the Board of Bridge Energy ASA (the “**Company**”) and the business of the Company.

### 2. THE ROLE OF THE BOARD

The Board shall contribute with expertise and experience to the management. It shall set the vision, values and long term objectives of the Company.

### 3. THE DUTIES OF THE BOARD

The duties of the Board are subject to the existing relevant laws, Articles of Association, powers and instructions given by the General Meeting, these Instructions and the Company’s Corporate Governance Policy.

The main duties of the Board may be divided in:

- The Board’s administration of the Company, cf. the Norwegian Public Limited Liability Companies Act (the “**Companies Act**”) Section 6-12
- The Board’s supervisory responsibility, cf. the Companies Act Section 6-13

The Board shall in general get involved and consider all matters that are significant to the Company’s financing, operational performance and long term development.

#### 3.2 The Board’s administration of the Company

##### 3.2.1 Administration and organization

The Board shall ensure an adequate organization of the business, including appointment and discharge of the CEO and issuing of instructions to him (the Companies Act Section 6-2)

The Board is responsible for issuing any incentive programs for the management of the Company.

##### 3.2.2 Budgets, planning and strategy

The Board shall approve the overall strategy, business plans and budgets for the Company. The strategy discussions shall be finalized well in time before the yearly budget process is started. The Board shall, when necessary, timely initiate discussions on strategic areas, especially within restructuring and/or change of the administration and/or the management.

##### 3.2.3 Financial administration and supervision

Through an adequate monthly reporting system, the Board members shall keep themselves fully updated on the Company’s operational and financial development. The information shall be given in a meeting and/or in writing.

#### *Annual report and accounts*

The annual report and the annual accounts shall be submitted to the Board for approval within relevant legal time frames. The Board shall submit its annual report, which shall include information about net profit or loss and prospects for the future (cf. the Accounting Act Section 3-3, cf. Section 3-8).

#### *Dividend policy*

The Board shall, in cooperation with the Executive Management Team, issue the Company's dividend policy and shall annually submit proposal for distribution of dividend to the General Meeting, in line with the Company's no dividends policy.

### **3.3 The Board's supervisory responsibility**

The Board shall supervise the management of the Company's business in general. The Board may issue instructions for the CEO.

### **3.4 Adequate equity**

The Board shall procure the Company at all times is adequately funded and financed with respect to the risk and scope of the Company's business.

### **3.5 The Board's duties in relation to the General Meeting**

#### *Authority to convene and preparation of proposals to resolutions*

The General Meetings are convened by the Board (the Companies Act Section 5-8). The Board shall prepare all matters to be considered by a General Meeting.

#### *Attendance at the General Meetings*

Directors of the Board and the CEO have the right to attend and speak at General Meetings. The Chairman of the Board and CEO shall attend General Meetings unless the General Meeting in each case decides otherwise (the Companies Act Section 5-5).

#### *Duties in regards to the annual reports and accounts*

The Board shall submit its proposal to profit and loss account and balance sheet, and its proposal to application of profit or coverage of loss to each shareholder (the Companies Act Section 5-6 third paragraph) preferably together with the notice to the General Meetings, but not later than one week before the matter shall be considered by the General Meeting.

### **3.6 Other responsibilities**

#### *Other legal duties*

The Board shall be responsible for all other duties which are attributed to the Board pursuant to laws or the Articles of Association, and the Board shall keep itself informed about or resolve matters which in the opinion of the administration or the Chairman of the Board is natural or required.

## **4. CEO'S RESPONSIBILITIES AND DUTIES TO THE BOARD**

### **4.1 Day-to-day administration**

The CEO is in charge of the day-to-day administration of the Company's business and shall comply with the guidelines and instructions issued by the Board. The day-to-day administration does not comprise matters which by the Company's standards are of an unusual kind or major importance.

The CEO may decide matters under authorization from the Board in each case or whenever the Board decision cannot be awaited without major detriments to the Company. The Board shall be notified as soon as possible of the decision.

The CEO shall ensure that the Company's accounts are in accordance with laws and regulations, and that the capital management is safely organized.

### **4.2 The CEO's duties to the Board**

The CEO shall on a monthly basis, in a meeting or in writing, furnish the Board with information on the Company's financial and operational performance.

The CEO shall regularly inform the Board of achieved results and plans of action in relation to health, environment and security.

The Board may at any time require the CEO to furnish the board with a detailed report on specific matters. Such report may also be demanded by each of the Directors.

The CEO shall prepare matters that are to be dealt with by the Board in consultation with the Chairman of the Board. Matters shall be prepared and submitted so that the Board has adequate basis for its consideration.

Documents and other material which is the basis for resolutions shall be distributed to the Directors of the Board normally one week before the matter shall be considered.

## **5. THE BOARD'S PROCEDURES**

### **5.1 Board proceedings**

The Board shall deal with matters in meetings unless the Chairman finds that the matter can be submitted in writing or dealt with in some other adequate manner. The Chairman shall ensure that the Directors, wherever possible, can participate in a collective consideration of matters that are dealt with outside meetings. The Directors and the CEO may require the matter to be dealt with at a meeting.

Board proceedings are chaired by the Chairman. If neither the Chairman nor the deputy Chairman participates, the Directors will elect an ad hoc Chairman for the proceedings.

The CEO has the right and obligation to participate in the Board's dealing with matters and has the right to speak, except as otherwise decided by the Board in each matter.

Quorum requirements shall be in accordance with the Companies Act Section 6-24, and resolutions shall be adopted by a majority required by the Companies Act Section 6-25.

### **5.2 Notice of board proceedings**

The Chairman shall ensure the consideration of matters that pertain to the Board and is responsible for convening the board meetings. Each Director and the CEO may require the Board to deal with specific matters.

Board meetings shall be convened in writing, by e-mail, telefax or telephone, specifying the agenda and time and place of the meeting if possible. Meetings convened by telephone shall be confirmed in writing. If possible, the meeting shall be convened with one week's notice. In special circumstances the meeting may be convened with shorter notice.

Normally there should be between four and six ordinary Board meetings annually. The dates of ordinary Board meetings in a financial year shall be set at the last board meeting of the foregoing year, unless the Board decides otherwise.

Extraordinary Board meetings should be convened with at least one week notice, but the Board may be convened on shorter notice if the nature of the matter requires immediate consideration.

If no Directors objects, representatives of the administration, experts and other persons who have relevant information may be convened to the Board meetings.

### **5.3 Objectives and plans for the work of the Board**

Based on the Company's vision, values and objectives, the Board shall annually prepare a long term plan for Board matters, which describes the central issues which the Board wishes to focus on in the coming year. When the Board prepares the long term plan, it shall also evaluate its work in the previous year in relation to last year's plan.

### **5.4 Delegation of authority, committees**

The Board may delegate certain matters to the Chairman or to one or more committees originating from the Board.

### **5.5 Board minutes**

Minutes shall be kept of the Board's meetings. It shall at least give the time and place, name the participants, the mode of procedure and the Board's resolution(s). It shall state that the procedure satisfies the quorum requirements (the Companies Act Section 6-24).

If the Board's resolution is not unanimous, the names of those having voted for and against shall be stated. Directors and the CEO who do not agree with a resolution may require their opinion to be entered in the minutes.

The minutes shall be signed by all the Directors who have participated in the board discussion. The other Directors shall endorse that they are familiar with the content of the minutes. The minutes shall be distributed to the Directors as soon as possible after the board meeting, allowing them a period in which to return their comments that shall be included in the minutes (the Companies Act Section 6-29). The minutes shall be approved in the next board meeting.

### **5.6 Disqualification**

A Director of the Board may not participate in the discussion or resolution of any matter which is of such particular importance to such Director or any related party that the Director must be deemed to have a special or prominent personal or financial interest in the matter. The same rule applies to the CEO. For the purpose of this clause, related parties also mean companies in which one is a board director.

Nor may a Director or CEO participate in any decision or grant a loan or other credit to such Director/CEO or to issue security for such person's debt.

## **5.7 Confidentiality**

All Directors of the Board have a duty of confidentiality regarding Company matters which they become familiar with and negotiations and voting in the Board and its committees. Information to outsiders may be given by the Chairman or the CEO only.

## **6. THE BOARD'S AUTHORISATION**

The rules regarding the Board's composition are stated in the Articles of Association Section 5.

The Board represents the Company in its dealings with third parties and signs for the Company. Pursuant to the Articles of Association, any two Directors of the Board or any director together with the Company's CEO may sign for the Company. The Board may also authorize Directors, the CEO or named employees to sign for the Company (the Companies Act Section 6-31). Such powers to sign for the Company may be revoked at any time.

Furthermore, the Board may grant power of procuration. The power of procuration includes all matters relating to the administration of the Company, with the exception of the transfer and encumbrance of the Company's property and to appear on behalf of the Company in lawsuits.

## **7. THE BOARD'S LIABILITY**

The Board's principal responsibility for the administration of the Company follows from the Norwegian Company legislation. The Board's liability shall be duly covered by board liability insurance at all times.

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**APPENDIX 5****INSTRUCTIONS TO THE CEO**

(Resolved by the Board of Directors on 26 March 2010)

**1. PURPOSE**

These instructions have been laid down by the Board of Directors of Bridge Energy ASA (the "**Company**") pursuant to Section 6-13 (2) of the Norwegian Public Limited Liability Companies Act. The purpose of these instructions is to clarify the powers and responsibilities of the Chief Executive Officer (the "**CEO**") of the Company.

**2. POWERS AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER**

The CEO is responsible for the day-to-day management of the Company in accordance with approved strategies, budgets and the overall guidelines and instructions issued by the board of the Company (the "**Board**"). The CEO represents the Company externally in matters which form part of the day-to-day management. The day-to-day management does not cover matters of extraordinary nature or major importance.

The following matters shall always be decided by the Board of Directors:

- The disposal or acquisition by the Company of assets with an aggregate value of more than NOK 5,000,000 ;
- The launching or settlement of any lawsuits or arbitration proceedings regarding values of more than NOK 5,000,0000;
- Any decision to take up a loan or issue a guarantee or provide security on behalf of any third party;
- The companies annual operating and G and A budget and any matters which result in a deviation from such budgets in excess of ten percent.
- Any commitment of capital within, or line item change in such budget with an aggregate value of more than xx.

The CEO is authorized to decide on matters of extraordinary nature or major importance in cases, including matters of the type listed above where the safety of our employees, the general public or the environment require a decision which would otherwise trip one of the aforementioned hurdles but need to be dealt with immediately in the CEO's sole judgement where the decisions of the Board of Directors cannot be awaited without this being of serious detriment to the Company. The Board of Directors must be notified of the decision as soon as possible.

The CEO shall ensure that the operations of the Company are carried out in accordance with all applicable laws and high ethical standards and the Company's Corporate Governance Policy.

The CEO shall ensure that the Company's accounts are in accordance with existing Norwegian legislation and regulations and other relevant laws, and that the assets of the Company are soundly managed.

The CEO may not receive remuneration from any other party in connection with his work for the Company.

**3. DUTIES TOWARDS THE BOARD OF DIRECTORS**

The CEO shall ensure that the resolutions of the Board of Directors are carried out.

The CEO is responsible for, in co-operation with the Chairman of the Board of Directors, the preparation of matters which are to be considered by the Board of Directors. Such matters shall be prepared and presented in such a way that the Board of Directors has satisfactory grounds on which to base its discussion.

The CEO shall once a month make a statement on the Company's activities, positions and profit/loss development to the Board of Directors.

The Board of Directors may at any time require the CEO to report to the Board of Directors on specific matters.

The CEO shall have a right and an obligation to participate in meetings of the Board of Directors, and to make comments, unless otherwise decided by the Board of Directors on a case-by-case basis.

#### **4. DISQUALIFICATION**

The CEO may not participate in the discussion or decision of issues which are of such special importance to the CEO or to any related person (as defined in Section 1-5 of the Norwegian Public Limited Liability Companies Act) of the CEO that he must be regarded as having a major personal or financial special interest in the matter.

The CEO may not participate in the discussion of a matter concerning a loan or other credit to himself or on the furnishing of security for his debt.

#### **5. DUTY OF CONFIDENTIALITY**

The CEO shall treat as confidential all information regarding contractual relations, economical matters, technical appliances and production methods, corporate analyses and calculations, as well as other non-public affairs of the Company.

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## INTERNAL CONTROL AND RISK MANAGEMENT ROUTINES

(Resolved by the Board of Directors on 26 March 2010)

### 1. INTRODUCTION

As set out in the corporate governance guidelines of Bridge Energy ASA (the “**Company**”) the board of directors (the “**Board**”) shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company’s activities. This documents sets out the routines for such internal control and risk management.

### 2. OBJECTIVE OF THE RISK MANAGEMENT AND INTERNAL CONTROL

The objective for the Company’s risk management and internal control is to manage, rather than eliminate, exposure to risks related to the successful conduct of the Company’s business and to support the quality of its financial reporting. Effective risk management and good internal control contribute to securing shareholders’ investment in the Company and the Company’s assets.

The following risks have been identified and shall be taken into account when applying these routines:

- The Company is dependent on its ability to appraise, find, acquire, develop and commercially produce oil and gas reserves. The Company is dependent on its ability to appraise, find, acquire, develop and commercially produce oil and gas reserves. The Company must continually locate and develop or acquire new reserves to replace its existing reserves that are being depleted by production. Significant expenditure is required to establish the extent of oil and gas reserves through seismic and other surveys and drilling and there can be no certainty that oil and gas reserves will be found.
- The Company’s business may require substantial investments and new capital. Failure to acquire new capital may cause a limited ability to undertake or complete future exploration programs, development investments and acquisitions. The Company’s business also requires significant financial liquidity and capital expenditure and in certain circumstances it may need to obtain further external debt and equity financing at a future date. There is no assurance that such additional funding, if required, will be available on acceptable terms at the relevant time.
- The profitability and cash flow of the Company’s operations will be dependent upon the market price of oil and gas. Oil and gas prices may not remain at their current levels.
- Changes in the legislative and fiscal framework may affect both operations and profitability.
- All phases of the oil business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. The Company has a responsibility towards employees, the environment and its contract parties to observe and comply with best practices. The failure to comply with current HSE laws and regulations has and may in the future result in regulatory action, the imposition of fines or the payment of compensation to third parties.
- The Company’s current production of oil and gas is concentrated in a small number of offshore fields and its results of operations and financial condition could be adversely affected in the event adverse issues arise on one or some of its fields.
- The Company may be subject to liability claims due to the inherently hazardous nature of its business or for act and omissions of partners, sub-contractors and service providers.
- The Company has operations which involve cash flows in a variety of currencies. Although the Company may undertake limited hedging activities in an attempt to reduce certain currency fluctuation risks, these activities provide only limited protection against currency-related losses.

### **3. THE BOARD'S RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL**

The Board shall ensure that the Company's internal control comprises guidelines, processes, duties, conduct and other matters that:

- facilitate targeted and effective operational arrangements for the Company and also make it possible to manage commercial risk, operational risk, the risk of breaching applicable legislation and regulations as well as all other forms of risk that may be material for achieving the Company's commercial objectives
- contribute to ensuring the quality of internal and external reporting
- contribute to ensuring that the Company operates in accordance with the relevant legislation and regulations as well as with its internal guidelines for its activities, including the Company's ethical guidelines and corporate values.

The Board shall form its own opinion on the Company's internal controls, based on the information presented to the Board. Reporting by executive management to the Board shall be prepared in a format which gives a balanced presentation of all risks of material significance, and of how the internal control system handles these risks.

### **4. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The Board shall develop and assess the need for internal control systems which address the organisation and execution of the company's financial reporting. These systems shall be continuously developed in light of the Company's growth and situation.

The Board shall also focus on the need for developing ethical guidelines ensuring that employees can safely communicate to the Board matters related to illegal or unethical conduct by the Company.

The board shall ensure a proper risk management policy is developed, approved and effectively operating before any financial or physical hedge transactions are implemented.

The Board shall ensure that the Company has the necessary routines and hired personnel to ensure that any outsourced functions are handled in a satisfactory manner.

### **5. ANNUAL REVIEW BY THE BOARD OF DIRECTORS**

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and of the Company's internal control systems. The Board's review shall cover all matters included in reports to the Board during the course of the year, together with any additional information that may be necessary to ensure that the Board has taken into account all matters related to the Company's internal control.

When conducting their review, the Board shall pay attention to:

- changes relative to previous years' reports in respect of the nature and extent of material risks and the Company's ability to cope with changes in its business and external changes;
- the extent and quality of management's routine monitoring of risks and the internal control system and, where relevant, the work of the internal audit function;
- the extent and frequency of management's reporting to the Board on the results of such monitoring, and whether this reporting makes it possible for the Board to carry out an overall evaluation of the internal control situation in the Company and how risks are being managed;
- instances of material shortcomings or weaknesses in internal control that come to light during the course of the year which have had, could have had or may have had a significant effect on the Company's financial results or financial standing; and
- to which extent the Company's external reporting process functions.

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

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## ROUTINES FOR SECURE HANDLING OF INSIDE INFORMATION

(Resolved by the Board of Directors on 26 March 2010)

### 1. OBJECTIVES AND PURPOSE OF THESE ROUTINES

These instructions have been resolved by the Board of Directors of Bridge Energy ASA (the “**Company**”). The purpose of the instructions is to lay down guidelines for secure handling of inside information.

“Inside information” is defined in the Norwegian Securities Trading Act (the “**STA**”) Section 3-2 first paragraph:

**Section 3-2** *Definition of inside information*

*(1) Inside information means any information of a precise nature relating to financial instruments, the issuers thereof or other circumstances which has not been made public and is not commonly known in the market and which is likely to have a significant effect on the price of those financial instruments or of related financial instruments.*

It is of the greatest importance for listed companies that all information which could influence the value of the shares or other financial instruments related to the shares is handled with confidentiality and communicated to the market in accordance with all financial market regulations.

It is a legal offence under the STA to misuse inside information. If the abuse of inside information has resulted in any gain, the person who has profited from the gain may be ordered to relinquish this, in whole or in part. The misuse of inside information is a criminal offence, for which fines or a prison sentence of up to six years may be imposed under Norwegian law.

To maintain and strengthen the Company’s confidence among its shareholders and the financial markets in general, it is important to avoid any situations of questionable trading in the Company’s shares, committed by the Company, its subsidiaries or employees, or external advisors and business contacts of the Company group. It is the Company’s view that such trading under given circumstances could harm the Company, even if the transactions should not constitute a criminal liability.

Pursuant to the STA section 3-4 Second paragraph, the Company is obliged to adopt written “Routines for secure handling of inside information” (the “**Routines**”):

**Section 3-4** *Duty of confidentiality and due care of information handling*

*(1) Persons possessing inside information must not disclose such information to unauthorised parties.*

*(2) Persons possessing inside information shall handle such information with due care, so that the inside information does not come into the possession of unauthorised parties or is misused. Issuers of financial instruments and other legal entities who are regularly in possession of inside information shall have routines for secure handling of inside information.*

In these Routines the Company’s *financial instruments* are all the financial instruments that have been issued by the Company at any time, as well as options and futures/forward contracts on these. Financial instruments are defined by the STA and include, inter alia, shares, subscription rights and option and futures/forward contracts linked to the Company’s shares.

### 2. INFORMATION DUTY

Provisions on the publication of inside information are set out in the STA Section 5-2. The Company shall appoint one member of the Company’s management who shall be responsible for ensuring that the Company complies with its information duty in accordance with the rules. The STA Section 5-2 reads as follows:

**Section 5-2** *Content of the information requirement*

- (1) *An issuer shall without delay and on his own initiative publicly disclose inside information which concerns the issuer directly, cf section 3-2 subsections (1) to (3).*
- (2) *Information as mentioned in subsection (1) shall be publicly disclosed in accordance with section 5-12. The information shall in addition be made available on the issuer's Internet site after publication has taken place.*
- (3) *An issuer must not combine the public disclosure of information as mentioned in subsection (1) with his marketing in a way that is liable to mislead.*
- (4) *Information to be communicated or publicly disclosed as a result of admission to trading on other regulated markets shall be forwarded to the regulated market in writing for public disclosure in accordance with section 5-12 at the latest when notification is sent to another regulated market or the information is publicly disclosed by other means.*

Publication of inside information may in certain circumstances be postponed if the Company so decides. Section 5-3 first paragraph of the Stock Exchange Regulation has the following wording:

*"(1) An issuer may delay the public disclosure of information as mentioned in section 5-2 subsection (1) such as not to prejudice his legitimate interests, provided that such omission does not mislead the public and provided that the issuer ensures the confidentiality of that information, cf section 3-4."*

### **3. IDENTIFYING INSIDE INFORMATION**

With regards to the definition of "*inside information*" in the STA Section 3-2 first paragraph, "*information of a precise nature*" means information which indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur and which is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of the financial instruments or related financial instruments. In principle, *any type of information* is covered by this if it may affect the price of the securities in question as stated. Such information could for instance (not exhaustive) be:

- The outcome of exploration drilling operations in the Company's petroleum licenses
- Acquisition of other companies or substantial parts of other companies
- New contracts which will increase turnover substantially
- Loss of contracts which will reduce turnover substantially
- Documentation prepared for adoption of interim reports or annual accounts, when the processing of this has come far enough to show a general picture of the Company's result or specific elements which could effect the value of the Company
- Preliminary information about any of the above (obligation to maintain confidentiality only)

The fact that the information is *not publicly available* means that it has not been published through Oslo Stock Exchange' information system or in any other way made publicly known.

Every member of the Board or the management of the Company, or the boards or management of any subsidiaries of the Company has a duty to consider whether any information could be considered to meet the definition of "*inside information*". Situations with possible occurrence of such should be discussed with the member of the management responsible for Investor Relations and communication towards Oslo Stock Exchange.

The assessment to be made in relation to the definition of "*inside information*" in the STA is discretionary. For the Company, the member of management responsible for Investor Relations decides upon the application of these Routines for situations brought to his attention according to the previous paragraph. If he (masculine form used for convenience only) is in doubt on the assessment of specific types of information, he has a duty to consult with the CEO and the Chairman of the Board.

#### 4. ESTABLISHING THE INSIDE LIST

When a situation which means that "inside information" occurs, the Company has a duty to establish and maintain a list of all persons who have been given access to the information, in accordance with the STA Section 3-5:

**Section 3-5** *List of persons with access to inside information*

*(1) Issuers of financial instruments shall ensure that a list is drawn up of persons who are given access to inside information. If a person who is given access to inside information is a legal entity, the list shall include those of the entity's employees, elected officers, and assistants etc., who are given access to the information.*

*(2) The list shall be continuously updated and shall state the identity of persons with access to inside information, the date and time the persons were given access to such information, the functions of the persons, the reasons why the persons are on the list and the date of entries and changes to the list. The list shall be retained in a satisfactory manner for at least 5 years after its creation or updating, and shall be transmitted to the Norwegian Financial Supervisory Authority upon request.*

*(3) Issuers of financial instruments shall ensure that persons given access to inside information are aware of the duties and responsibilities this involves, as well as the criminal liability associated with misuse or unwarranted distribution of such information. Issuers of financial instruments shall be able to satisfy the Norwegian Financial Supervisory Authority that persons with access to inside information are aware of their duties under the first sentence.*

The list shall be established by using the form attached to these Routines. All persons with knowledge of the information at the time of the establishing of the list (external or internal), shall be listed immediately. The list shall be continuously updated as information is passed on to new persons. Every person with knowledge should be listed, regardless of his or her position. This includes secretaries and IT personnel with access to archives and mail systems.

The Company's obligation includes listing of persons outside the Company who gain access to the information. This includes contractual partners, advisers and other business relationships. External persons shall be informed about the Company's classification of the information as "inside information" and further about the legal implications thereof.

Whenever a person is put on the list, he shall be informed of his duties and obligations according to the STA and these Routines. Further on, he shall confirm that this is understood, either by signing on the list or giving a declaration or signature in another way which will make the Company able to provide satisfactory documentation upon request from the Financial Supervisory Authority. If information is given and accepted by e-mail, copies of the correspondence should be attached to the list.

Any person who is put on the inside list shall be informed about when inside information no longer exists, either due to publication on Oslo Stock Exchange or other circumstances.

#### 5. PRIMARY INSIDER LIST AND NOTIFICATION REQUIREMENTS

In addition to the Company's duty to establish and maintain such list of insiders as set out in section 4 above, the Company has a duty to establish, maintain and at all times keep updated, a list of primary insiders, to be transmitted to Oslo Stock Exchange in accordance with the STA Section 4-1 fourth paragraph, cf. Section 3-6.

Primary insiders may include, but will not be limited to, members of the Board, deputy members of the Board, auditors, observers to the Board, employees in leading positions, members of committees elected by the Board or the shareholders meeting, etc.

The list of primary insiders shall be transmitted to Oslo Stock Exchange without undue delay, and updated accordingly upon changes. The list transmitted shall contain the name, the personal identity

number, address, type of office or position in the Company and other employment position, if any, cf. the STA section 4-1 fourth paragraph.

In the event any person or company closely associated with a primary insider holds financial instruments in the Company, the primary insider shall without undue delay transmit to Oslo Stock Exchange a list identifying such person or company, cf. the STA Section 3-1 fifth paragraph.

Primary insiders must further comply with the STA Section 4-1, first to third paragraph, stipulating the following:

**Section 4-1** Notification requirement for primary insiders

(1) Persons as mentioned in section 3-6 subsection (1) shall **immediately notify** the Norwegian regulated market on which the shares are quoted of any **purchase, sale, exchange or subscription** of shares issued by the company or by companies in the same group. This also applies to the company's trade in its own shares and shares of companies in the same group. An undertaking which owns quoted shares in another undertaking or shares in another undertaking that is listed on a regulated market, and which because of such ownership is represented on the board of the other undertaking, must notify trading in such shares. **Notification shall be sent no later than the start of trading on the regulated market on the day following the purchase, sale, exchange or subscription.**

(2) The notification requirement also applies to **loans** as mentioned in the Private Limited Liability Companies Act section 11-1 and the Public Limited Liability Companies Act section 11-1, agreements on, exchange, purchase or sale of subscription rights, options and corresponding rights connected to shares as mentioned in subsection (1).

(3) The notification requirement also applies to trading involving a shareholder's **close associates** as mentioned in section 2-5 nos. 1, 2 and 4.

## 6. PROHIBITION AGAINST TRADING

The STA section 3-3 stipulates:

**Section 3-3** Misuse of inside information

(1) Persons possessing inside information may neither directly nor indirectly, for own or third party account, subscribe, purchase, sell or exchange financial instruments or incite others to carry out such transactions.

(2) Subsection (1) applies only to misuse of inside information as mentioned in section 3-2. Subsection (1) does not prevent the normal exercise of any option or forward/futures contracts previously entered into upon the expiry of such contracts.

The prohibition against trading applies to *everyone* when the person concerned is trading in financial instruments on his/her own account, without regard to whether the trade is carried out in the person's own name or through a third party, for example in the case of an acquisition through a broker. The prohibition also applies to trading carried out on behalf of someone else, i.e. to a person who purchases or sells financial instruments on behalf of someone else in his/her own or another person's name. This means that a person cannot trade listed financial instruments on behalf of another party if he has inside information.

A person who has been put on an inside list according to chapter 4 of these Routines is always prohibited from trading until he receives information saying that the inside information no longer exists. If a person should, for some reason, not be listed according to chapter 4, trading is still prohibited if he has the inside information.

Primary insiders are always prohibited from trading if inside information exist, regardless of whether or not the primary insider has actual knowledge of the particulars of the inside information.

## 7. DUTY OF CONFIDENTIALITY AND PROHIBITION OF GIVING ADVICE

Persons who possess inside information in the Company must not pass such information on to unauthorised persons. *Unauthorised* persons mean people who would not normally have access to the information in question by virtue of their work or tasks for the Company or its subsidiaries. For the avoidance of doubt, a shareholder of the Company is also an unauthorised person under the STA (regardless of whether or not such shareholder has nominated a director).

The duty of confidentiality does not prevent inside information being given to others within the Company as a part of normal procedures, or to advisors if this is necessary for carrying out the tasks the employee or advisor is to do for the Company. The duty of confidentiality does not prevent information being given to the authorities or Oslo Stock Exchange. However, persons outside the Company should also be put on the inside list according to chapter 4 of these Routines.

All persons on the list should handle inside information within due course, and follow guidelines such as the below (not exhaustive):

- Inside information on paper should be stored safely and so that others do not have access when it is not in use.
- Papers that include inside information should only be handled, copied or maculated by persons who are listed according to chapter 4
- Inside information should only be sent on fax-machines when the person to which the document is sent (and who is listed according to chapter 4) are near the receiving fax-machine
- If inside information is stored in electronic systems, actual access to the documents in the system should be limited to those persons who are on the inside list.
- If inside information is sent by electronic mail, both sender and receiver should show due care when handling the information.
- All projects with existence of inside information should be given a project name which does not reflect the information, and all references to the project, internally and externally, should be made by this name.

If an inside list is established according to chapter 4 of these Routines, the duty of confidentiality also applies to the existence of the list itself.

Persons who are put on an inside list in accordance with chapter 4 must not *advise others* on trading in financial instruments issued by the Company. This also applies to advice to refrain from such transactions.

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## INVESTOR RELATIONS GUIDELINES

(Resolved by the Board of Directors on 26 March 2010)

### 1. PURPOSE OF THE INVESTOR RELATIONS GUIDELINES

The following sets out the investor relations guidelines of Bridge Energy ASA (the “**Company**”).

The purpose of the investor relations guidelines is to:

- Ensure that relevant, accurate and timely information is made available to the market as a basis for fair pricing and regular trading of the Company’s shares
- Ensure that the Company is perceived as a visible, accessible, reliable and professional company by the capital market.

This above goals shall be achieved while at the same time observing the rules and legislation for listed companies on Oslo Stock Exchange and/or Oslo Axess (as applicable).

### 2. THE ROLE OF THE INVESTOR RELATIONS OFFICER

The Company shall appoint one member of the Company’s executive management team (the “**Executive Management Team**”) who shall be responsible for investor relations (the “**Investor Relations Officer**”). The Investor Relations Officer will typically be an existing member of the Executive Management Team, who in addition to the person’s normal duties shall also handle investor relations. The board of directors (the “**Board**”) shall continuously evaluate the need to hire a full time Investors Relations Officer.

The Investor Relations Officer shall ensure a high and uniform level of information from the Company and ensure that information is channelled back from the share market to the Executive Management Team and the Company’s Board. Furthermore, the Investor Relations Officer shall continuously ensure awareness of, and confidence in, the Company’s vision, strategy, policies and decisions among participants in the capital markets.

The Company aims to be well known by Norwegian and foreign institutional investors, and shall aim to maintain this position through, inter alia, the following measures:

- Maintaining a broad coverage by both domestic and foreign equity analysts
- Ensuring a diversified shareholder base both in terms of investment horizon and geographical location
- Arranging and participating in regular investor meetings throughout the year
- Arranging and participating in presentations for investors and equity analysts on relevant topics and contributing to industry conferences

### 3. AUTHORISED SPOKESPERSONS

The following individuals are authorized to communicate with the investment community (including analysts, stockbrokers, individual and institutional shareholders):

- The Chairman of the Board
- The Investor Relations Officer
- The Chief Executive Officer

The following individuals are authorized to communicate with the media in general, unless other instructions are given in specific situations:

- The Chairman of the Board

- The Investor Relations Officer
- The Chief Executive Officer

#### **4. COMMUNICATION AND MEETINGS IN CONNECTION WITH THE PUBLICATION OF QUARTERLY AND ANNUAL REPORTS**

Quarterly and annual reports shall be published through Oslo Stock Exchange's information service and on the Company's web site, and shall also be presented in a public meeting.

#### **5. COMMUNICATION WITH ANALYSTS, ETC.**

##### **5.1 Review of analyst draft reports**

When asked to review analyst draft reports, the Investor Relations Officer should limit any reviews and comments to the following:

- Correcting historical information of a factual nature
- To a reasonable extent provide and point out information that is already in the public domain and areas that are inconsistent with the companies current disclosure
- Discussing on a general basis the factors which could influence underlying assumptions used for any future projections

##### **5.2 Publication of investor presentations, etc.**

All investor presentations and similar documents containing new information of a non-confidential nature will be made available through the Company's Investor Relations site at [www.bridge-asa.com](http://www.bridge-asa.com).

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