

To the shareholders of Norsk Hydro ASA

## Notice of Extraordinary General Meeting

**Notice is hereby given that an Extraordinary General Meeting of Norsk Hydro ASA will be held at the company's head office at Vækerø, Drammensveien 260, 0283 Oslo, Norway on Monday, 21 June 2010 at 09:00 CET**

The Extraordinary General Meeting will be opened and chaired by the Chairperson of the Corporate Assembly in accordance with Section 5-12 (1) of the Norwegian Public Limited Companies Act and Section 10 of the Articles of Association of Norsk Hydro ASA.

Items on the agenda:

1. Approval of the notice of the meeting and of the agenda
2. Election of one person to countersign the minutes of the meeting
3. Rights offering
4. Board authorisation to issue new shares as part consideration for the acquisition by the company of Vale Austria Holdings GmbH's interests in certain aluminium businesses and assets.
5. Amendment to the Articles of Association

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The notice of the Extraordinary General Meeting and the enclosed documents are also available on the company's website [www.hydro.com](http://www.hydro.com).

The shareholders have the following main rights in connection with the Extraordinary General Meeting:

- Right to attend and vote at the Extraordinary General Meeting, either in person or by proxy (see below).
- Right to address the Extraordinary General Meeting.
- Right to bring advisers and give one adviser the right of address.
- Right to propose resolutions for items included on the agenda.

- Right to require that members of the Board of Directors, members of the Corporate Assembly and the CEO in the Extraordinary General Meeting provide available information about matters which may affect the assessment of (i) items which are presented to the shareholders for decision, and (ii) the company's financial situation, including information about activities in other companies in which the company participates, and other matters to be discussed at the Extraordinary General Meeting, unless the requested information cannot be disclosed without causing disproportionate harm to the company.

Shareholders wishing to request information from Board members, Corporate Assembly members and the CEO are requested to proceed as described on the company's website [www.hydro.com](http://www.hydro.com).

A shareholder has the right to vote for the number of shares it owns, and which are registered in its name with the Norwegian Central Securities Depository (abbreviated in Norwegian to the VPS) at the time of the Extraordinary General Meeting. If the shareholder has acquired shares shortly before the Extraordinary General Meeting, the voting rights of those acquired shares can only be exercised if the acquisition of the shares has been registered in the VPS, or if the acquisition has been reported to the VPS and is documented at the Extraordinary General Meeting. Beneficial owners of custodian registered shares, who wish to exercise their rights at the Extraordinary General Meeting, must register themselves directly in the VPS registry of shareholders.

A shareholder who wishes to attend the Extraordinary General Meeting should promptly send notification of this on the enclosed form to the following address:

DnB NOR Bank ASA  
Registrar Department  
N-0021 Oslo  
Norway  
Telefax +47 22 48 11 71

Notification may also be made electronically via the company's website [www.hydro.no/registrer](http://www.hydro.no/registrer), or electronically via VPS Investor Services. The registration form must be received by DnB NOR Bank ASA at the latest by 12:00 (CET) on Wednesday, 16 June 2010.

Any shareholder may attend by a representative holding a written power of attorney. A shareholder wishing to attend and vote by a representative at the Extraordinary General Meeting can send a power of attorney form electronically via Investor Services, or in writing to DnB NOR Bank ASA, Registrar Department, within the above deadline. A representative of a shareholder who is registered within the above deadline can also deliver the power of attorney form upon the attendance at the Extraordinary General Meeting. Identification documents of the principal and the

representative, and any certificate of registration if the shareholder is a legal entity, should be attached to the power of attorney. If a power of attorney has been sent without the representative being named, the power of attorney is considered given to the Chairperson of the Corporate Assembly or the person that she authorizes. A power of attorney form is enclosed.

The power of attorney may contain instructions on how the representative is to vote on each matter. If there is doubt regarding the interpretation of the instructions, the representative shall proceed on the basis of the interpretation that the representative finds reasonable. If the instructions are unclear, the representative may abstain from voting.

Admission cards to the Extraordinary General Meeting will not be issued.

Norsk Hydro ASA is a public limited company under the rules of the Norwegian Public Limited Companies Act. Each share carries one vote and the shares have also in other respects equal rights. There are in total 1,240,110,211 shares in Norsk Hydro ASA, of which the company itself owns 33,387,070 shares without voting rights. The total number of shares with voting rights is thus 1,206,723,141.

27 May 2010

The Board of Directors

Appendices:

1. Information about the items on the agenda
2. Registration and proxy forms

## Appendix 1 Information about the items on the agenda

### *General*

Items 3, 4 and 5 of the agenda all relate to Norsk Hydro ASA's contemplated acquisition of Vale Austria Holdings GmbH's interests in certain aluminium businesses and assets upon and subject to the terms and conditions set out in the sale and contribution agreement between the company, Vale S.A. and Vale Austria Holdings GmbH dated 2 May 2010 (the "Sale and Contribution Agreement"). Reference is made to the company's stock exchange notice of 2 May 2010. The company will also publish an information memorandum in accordance with Section 3.5 of the Oslo Stock Exchange Continuing Obligations with further details regarding the acquisition, including pro forma financial information for the consolidated group, prior to the Extraordinary General Meeting. This information memorandum will be made available on the company's website on or about 2 June 2010.

The transaction contemplated by the Sale and Contribution Agreement will, when completed, transform the company into a fully-integrated aluminium company with, among other things, control over substantial long-life bauxite deposits, an alumina refinery and an aluminium smelter in Brazil. Under the terms of the Sale and Contribution Agreement, Vale Austria Holdings GmbH will receive a total consideration comprising (i) approximately USD 1.1 billion in cash (assuming net proceeds from the proposed rights offering of USD 1.75 billion), which amount is subject to certain adjustments including for any variation in the USD net proceeds from the rights offering and (ii) new shares in Norsk Hydro ASA equivalent upon issue at completion of the Transaction to 22 percent of the outstanding shares (i.e. the total share capital less treasury shares), in the company.

It is a condition for completion of the acquisition contemplated by the Sale and Contribution Agreement that, among other things, the Corporate Assembly of Norsk Hydro ASA has elected to the Board of Directors of the company an individual to be nominated by Vale Austria Holdings GmbH. To cater for the additional director, the Board of Directors recommends that the first paragraph of Section 5 of the Articles of Association of Norsk Hydro ASA be amended so that the Board of Directors shall be composed of nine to eleven members, as further set forth in item 5 below.

The Board of Directors recommends that the Extraordinary General Meeting adopts the resolutions relating to (i) the rights offering

as proposed in item 3 below, (ii) the authorisation to the Board of Directors as proposed in item 4 below and (iii) the amendment to the Articles of Association as proposed in item 5 below. As the three resolutions proposed in items 3, 4 and 5 below are all required to complete the transaction contemplated by the Sale and Contribution Agreement, the Board of Directors proposes that items 3, 4 and 5 are voted upon as one resolution.

### *Item 3 Rights offering*

The Board of Directors of the company recommends that the Extraordinary General Meeting resolves a share capital increase raising gross proceeds in the amount of NOK 10 billion (subject to minor adjustments upon determination of the subscription price and number of subscription rights per existing shares) through an issuance of new shares, with pre-emptive subscription rights for existing shareholders as well as the holders of unredeemed founder certificates and unredeemed subscription certificates, to finance the cash consideration for the acquisition contemplated by the Sale and Contribution Agreement, to support the company's investment grade rating and to enhance the company's capacity to implement future projects.

It is contemplated that the acquisition will be completed in the fourth quarter of 2010 and, as it is desirable to complete the rights offering as early as possible, completion of the rights offering will not be conditional on completion of the acquisition.

The number of shares to be issued in the rights offering will depend on the subscription price, which will be determined immediately prior to the Extraordinary General Meeting. In the proposed resolution for this item, it is thus provided for a subscription price in the range of NOK 10 to NOK 100, the issuance of between 100,000,000 and 1,000,000,000 new shares, and a share capital increase in the range of NOK 109,800,000 to NOK 1,098,000,000, but so that at the Extraordinary General Meeting there will be a proposal for the final subscription price, the exact number of new shares to be issued and the exact amount of the share capital increase.

In connection with the rights offering, the company has entered into an underwriting agreement with BNP PARIBAS, Citigroup Global Markets Limited, DnB NOR Markets (a part of DnB NOR Bank ASA), Commerzbank

AG, Nordea Bank Norge ASA, Skandinaviska Enskilda Banken AB (publ) and Societe Generale, who upon and subject to certain conditions severally, but not jointly, underwrite subscription of all the shares to be offered in the rights offering except for those shares offered to the Norwegian government and the Government Pension Fund (Folketrygdfondet). The company has also entered into an underwriting agreement with the Government Pension Fund (Folketrygdfondet) who, upon and subject to certain conditions, underwrites, and pre-commits to subscription of, the number of shares that would be offered to it under the rights offering based on its ownership at the date of the underwriting agreement. The subscription by the Norwegian government of its pro rata share in the rights offering is one of the conditions to both underwritings.

The proposed subscription price will, pursuant to the underwriting agreements, be agreed immediately prior to the Extraordinary General Meeting. On this basis, the Board of Directors will propose the final subscription price, the number of new shares to be issued and thus the exact amount of the share capital increase. The proposal of the Board of Directors will be made public immediately prior to the Extraordinary General Meeting and be reflected in the final proposed resolution by the Extraordinary General Meeting.

A prospectus relating to the rights offering, to be approved by the Financial Supervisory Authority of Norway, will be prepared by the company. The prospectus will be made public prior to the subscription period and represent the subscription material for the rights offering. Provided that the prospectus for the rights offering is approved by the Financial Supervisory Authority of Norway in time, the subscription period will commence on 25 June 2010 and end on 9 July 2010 at 17:30 (CET). If the prospectus is not approved in time to maintain this subscription period, the subscription period will commence on the fourth trading day on the Oslo Stock Exchange following approval of the prospectus and end two weeks thereafter.

The shareholders, the holders of unredeemed founder certificates and the holders of unredeemed subscription certificates will be given preferential rights to subscribe for the new shares.

According to section 4 A of the Articles of Association, subscription rights for 0.83 per cent of the shares offered in the rights offering will be reserved for holders of unredeemed founder certificates and subscription rights for 2.79 per cent of the shares offered in the rights offering will be reserved for holders of unredeemed

subscription certificates. The entitlement of each certificate will equal the total number of subscription rights allocated to the respective category of certificates divided by the number of certificates in the respective category, for each certificate holder rounded down to the nearest whole number of subscription rights.

The shareholders will be given subscription rights for the remaining shares offered in the rights offering pro rata to their existing shareholdings in the company. The shareholders will, pursuant to the proposal of the Board of Directors, receive subscription rights on the basis of their pro rata shareholdings as registered in the company's shareholder register as at the end of 24 June 2010. Provided that the traded shares are subject to ordinary settlement in the VPS, shares that are acquired up to and including 21 June 2010 will carry the right to receive subscription rights, whereas shares that are acquired on and after 22 June 2010 will not carry the right to receive subscription rights.

The subscription rights being issued to the shareholders and the holders of unredeemed founder certificates and unredeemed subscription certificates will carry equal rights.

The subscription rights reserved for holders of unredeemed founder certificates and unredeemed subscription certificates will be transferred to those certificate holders who present their certificates to DnB NOR Markets during the subscription period.

Subscription rights allocated to shareholders will be transferred to the VPS account(s) on which the shareholder has registered shares in Norsk Hydro ASA on or about 25 June 2010. The subscription rights will be freely tradable and listed on the Oslo Stock Exchange from the commencement of the subscription period until 6 July 2010 at 17:30 (CET), or, should the subscription period be moved, for a minimum period of eight trading days.

Oversubscription and subscription without subscription rights will be permitted. Shares not subscribed for at the expiry of the subscription period will be allotted to the underwriters. An underwriting fee of 1.35% of the aggregate amount underwritten by the underwriters has been agreed.

The subscription rights and the new shares to be delivered upon exercise of the subscription rights have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and may not be offered or sold in the United States absent an exemption from the registration requirements of the US

Securities Act. The notice of the Extraordinary General Meeting and this accompanying appendix shall not constitute an offer of the subscription rights and new shares described herein in the United States or elsewhere.

With respect to circumstances to be considered upon subscription for new shares, reference is made to the above-mentioned background information, including the information memorandum to be published on or about 2 June 2010. The prospectus to be prepared in connection with the rights offering will comprise the full subscription material for the rights offering. Apart from this information and the news communicated to the market in the ordinary course, no circumstances of significant importance to the company have occurred since the last balance sheet date. Copies of the latest annual report, accounts and the auditor's statement are available at the company's office and on the company's website [www.hydro.com](http://www.hydro.com).

On this basis, the Board of Directors recommends that the Extraordinary General Meeting adopts the following resolution, with the specifications of the subscription price, number of new shares and the amount of the share capital increase to be made public prior to the Extraordinary General Meeting:

1. *The share capital is increased by minimum NOK 109,800,000 and maximum NOK 1,098,000,000, from NOK 1,361,641,011.678 to minimum NOK 1,471,441,011.678 and maximum NOK 2,459,641,011.678, by the issuance of minimum 100,000,000 and maximum 1,000,000,000 new shares, each with a nominal value of NOK 1.098.*
  2. *The holders of the unredeemed founder certificates and unredeemed subscription certificates of the company shall be granted a right to receive preferential rights to subscribe for up to 0.83% and 2.79% of the shares offered in the rights offering, respectively, in accordance with Section 4A of the Articles of Association. Shareholders who are registered in the company's shareholder register as at 24 June 2010 shall have preferential rights to subscribe for the remaining new shares corresponding to their pro rata holdings of shares in the company. The subscription rights of the shareholders and the holders of unredeemed founder certificates and unredeemed subscription certificates shall carry equal rights. The subscription rights shall be tradable, and listed on the Oslo Stock Exchange in the period from 25 June 2010 to 6 July 2010 at 17:30 (CET), or, should the subscription period be moved pursuant to*
    - sub-item 6 below, for a period of minimum eight trading days. Oversubscription and subscription without subscription rights is permitted.
3. *The company shall prepare a prospectus that shall be approved by the Financial Supervisory Authority of Norway in connection with the rights offering. Unless the Board of Directors decides otherwise, the prospectus shall not be registered with or approved by any foreign stock exchange or securities regulatory authority. The new shares cannot be subscribed for by investors in jurisdictions in which it is not permitted to offer new shares. With respect to any shareholder or certificate holder that in the company's view is not entitled to subscribe for new shares due to limitations imposed by laws or regulations of the jurisdiction where such shareholder or certificate holder is a resident or citizen, the company or someone appointed or instructed by it may (but shall not be obliged to) sell such shareholder's or certificate holder's subscription rights against transfer of the net proceeds from such sale to the shareholder or the certificate holder.*
  4. *Allocation of the new shares shall be made by the Board of Directors. The following allocation criteria shall apply:*
    - 4.1 *Allocation will be made to subscribers on the basis of granted and acquired subscription rights which have been validly exercised during the subscription period.*
    - 4.2 *If not all subscription rights are exercised, subscribers having exercised their subscription rights and who have over-subscribed will be allocated additional new shares on a pro rata basis based on the number of subscription rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the company will determine the allocation by the drawing of lots.*
    - 4.3 *New shares not allocated pursuant to sub-items 4.1 and 4.2 above will be allocated to subscribers not holding subscription rights. Allocation will be sought made on a pro rata basis based on the relevant subscription amounts, provided, however, that such allocations may be rounded down to the nearest 100 shares.*
    - 4.4 *New shares not allocated pursuant to sub-items 4.1, 4.2 and 4.3 above will be subscribed by, and allocated to, the underwriters based on and in accordance with the underwriting*

*obligations of the respective underwriters.*

5. *The subscription price in the rights offering shall be between NOK 10 and NOK 100 per new share. The subscription amount shall be paid in cash.*
6. *The subscription period shall commence on 25 June 2010 and end on 9 July 2010 at 17:30 (CET). However, if the prospectus is not approved in time to maintain this subscription period, the subscription period shall commence on the fourth trading day on the Oslo Stock Exchange after such approval has been obtained and end at 17:30 (CET) two weeks thereafter. Shares not subscribed for at the expiry of the subscription period, which thus will be allocated to the underwriters, shall be subscribed for by the underwriters within four trading days after the expiry of the subscription period.*
7. *The due date for payment for the new shares is 15 July 2010 or the fourth trading day on the Oslo Stock Exchange after the expiry of the subscription period if the subscription period is postponed in accordance with sub-item 6 above. When subscribing for shares, each subscriber with a Norwegian bank account must by completion of the subscription form grant DnB NOR Bank ASA a one-time power of attorney to debit a stated Norwegian bank account for the subscription amount corresponding to the number of allocated shares. Upon allocation, the allocated amount will be debited from the account of the subscriber. The debit will take place on or around the due date for payment. Payment of the subscription amount by subscribers without a Norwegian bank account shall be made pursuant to the instructions to be included in the subscription form.*
8. *The new shares will give full shareholder rights in the company, including the right to dividends declared, from the time the share capital increase is registered with the Norwegian Register of Business Enterprises.*
9. *Section 4 of the company's Articles of Association shall be amended to reflect the new share capital and number of shares following the share capital increase.*
10. *As underwriting commission for the underwriting, the underwriters; BNP PARIBAS, Citigroup Global Markets Limited, DnB NOR Markets (a part of DnB NOR Bank ASA), Commerzbank AG, Nordea Bank Norge ASA, Skandinaviska*

*Enskilda Banken AB (publ), Societe Generale and the Government Pension Fund (Folketrygdfondet) shall receive an amount equal to 1.35% of the amount underwritten by each of them.*

***Item 4 Board authorisation to issue new shares as part consideration for the acquisition by the company of Vale Austria Holdings GmbH's interests in certain aluminium businesses and assets***

The Board of Directors of the company recommends that the Extraordinary General Meeting resolves to grant to the Board of Directors an authorisation to issue new shares in the company to Vale Austria Holdings GmbH as part consideration for the acquisition of Vale Austria Holdings GmbH's interest in certain aluminium business and assets as contemplated by the Sale and Contribution Agreement. The company has agreed that such share consideration shall represent a 22 percent ownership of the outstanding shares in the company, i.e. the total share capital of the company at completion of the transaction and following the issue of the shares (and thus determined after completion of the rights offering proposed in item 3 above) less any shares in the company which are, at such time, owned by or pledged to the company or any subsidiary of the company. The proposed authorisation is for up to 622,409,091 new shares, each with a nominal value of NOK 1.098 based on the assumption that the maximum number of shares proposed in item 3 above will be issued and will, accordingly, be adjusted when the Board of Directors has determined the exact number of shares to be issued in the rights offering (i.e. immediately prior to the Extraordinary General Meeting).

The Board of Directors recommends that the Extraordinary General Meeting adopts the following resolution as adjusted when the final number of new shares to be issued in the rights offering has been determined:

1. *The transaction contemplated by the sale and contribution agreement between the company, Vale S.A. and Vale Austria Holdings GmbH dated 2 May 2010 is approved and pursuant to Section 10-14 of the Norwegian Public Limited Companies Act, the Board of Directors is authorised to increase the share capital by up to NOK 683,405,181.918.*
2. *The authorisation may only be used to issue shares to Vale Austria Holdings GmbH or to an affiliate of Vale Austria Holdings GmbH pursuant to the sale and contribution agreement dated 2 May 2010*

*between Vale S.A., Vale Austria Holdings GmbH and Norsk Hydro ASA, so that Vale Austria Holdings GmbH or such affiliate of Vale Austria Holdings GmbH holds at completion of the transaction and following issue of such shares, 22 percent of the outstanding shares of Norsk Hydro ASA, i.e. the total share capital of the company immediately following completion of the transaction contemplated by such agreement less any shares in Norsk Hydro ASA which are, at such time, owned by or pledged to Norsk Hydro ASA or any subsidiary of Norsk Hydro ASA.*

3. *The authority shall remain in force for a period of 2 years from the date of the Extraordinary General Meeting.*
4. *As a consequence of sub-item 2 above, the shareholders' pre-emptive rights pursuant to Section 10-4 of the Norwegian Public Companies Act may be set aside and the authority includes capital increases by way of contributions other than in cash or the rights to incur special obligations in accordance with Section 10-2 of the Norwegian Public Limited Companies Act.*

#### **Item 5      Amendment to the Articles of Association**

Section 5 of the Articles of Association of the company currently provides that the Board of Directors shall be composed of nine members who are elected by the Corporate Assembly for periods of two years at a time. The Board of Directors currently consists of nine members and the Board of Directors recommends that Section 5 of the Articles of Association is amended to allow for the election to the Board of Directors of the individual to be nominated by Vale Austria Holdings GmbH pursuant to the Sale and Contribution Agreement.

The Board of Directors recommends that the Extraordinary General Meeting resolves to amend the first paragraph of Section 5 of the Articles of Association to read as follows (new text is underlined):

*"The company's Board of Directors shall be composed of nine to eleven members who are elected by the Corporate Assembly for periods of two years at a time. The Corporate Assembly elects the Chairperson and the Deputy Chairperson of the Board for the same period."*