



MEMO

Norsk Hydro / Statoil Transaction

In October 2007, in the context of the merger of the petroleum activities of Norsk Hydro ASA ("Hydro") with Statoil ASA ("Statoil"), Canadian resident shareholders of Hydro received shares of Statoil.

Our Canadian tax advisors confirm that the distribution of Statoil shares does not qualify as an eligible distribution under subsection 86.1(2) of the Income Tax Act (Canada) (hereinafter the "Act") or as a share-for-share exchange under subsection 85.1(5) of the Act. Furthermore, the distribution of Statoil shares should not be considered a return of capital, a dividend distribution or a benefit conferred on the Canadian shareholders pursuant to section 15 of the Act.

The receipt of Statoil shares by Canadian shareholders in the context of the above-mentioned merger should be considered a non-taxable event for Canadian tax purposes such that no income or gain should be attributed to the Canadian shareholders as a result thereof. The adjusted cost base of Hydro shares should remain unchanged. The adjusted cost base of the newly issued Statoil shares should be nil.

The above summary of tax consequences to Canadian resident shareholders is of a general nature. Holders of Hydro shares should contact professional tax advisors to clarify individual tax consequences in connection with the merger.