

To the shareholders in Block Watne Gruppen ASA

Notice of Annual General Meeting

The Annual General Meeting in Block Watne Gruppen ASA will be held in Vika Atrium Conference center, meeting room Nyland, at Munkedamsveien 45, Oslo

Wednesday 18 April 2007 at 14:00 hours.

Opening of the general meeting by the Chairman of the Board, Harald Walther.

The Board of Directors proposes the following agenda:

1. Election of chairman for the meeting.
2. Registration of attending shareholders.
3. Approval of the notice of meeting and agenda.
4. Election of one person to sign the minutes jointly with the chairman.
5. Approval of the financial accounts and annual report for 2006 of Block Watne Gruppen ASA and the group, including the payment of dividend.
6. Guidelines for the remuneration of leading employees.
7. Election to the nomination committee.
8. Remunerations:
 - a) Determination of directors' remuneration.
 - b) Approval of auditor's remuneration.
 - c) Determination of remuneration of the nomination committee.
9. Election of the Board of Directors:
 - a) Election of the three shareholders' members of the Board of Directors.
 - b) Election of the Chairman of the Board and Deputy Chairman.
10. Proposal to increase the share capital by private placement and amendment of the articles of association.
11. Proposal to authorize to the Board of Directors to increase the share capital.

A complete printed version of the Annual Report including the Management review etc, will be handed out at the General Meeting, and sent to the shareholders.

Shareholders who will attend the General Meeting by themselves or by proxy, are kindly asked to return the enclosed attendance slip no later than 16:00 hrs on Monday 16 April 2007. The proxy can be given to the Chairman of the Board, Harald Walther, or to the CEO Lars Nilsen.

Oslo, 29 March 2007

The Board of Directors of Block Watne Gruppen ASA

A handwritten signature in black ink, appearing to read 'H. Walther', is written above a horizontal dashed line.

Harald Walther
Chairman

Enclosures:

1. The financial accounts and annual report for 2006.
2. Guidelines for the remuneration of leading employees.
3. Information on the acquisition of Prevesta AB.
4. The Board's proposal to increase the share capital by private placement and amendment of the articles of association.
5. Expert statement from State Authorized Public Accountant Ole Kjelstrup
6. The Board's proposal to authorize to the Board of Directors to increase the share capital
7. Attendance slip/proxy.

Wage policy in Block Watne Gruppen ASA

Management team

Block Watne Gruppen ASA's management team comprises the chief executive officer and the chief financial officer. The chief executive's salary is fixed by the board of directors. The chief financial officer's salary is fixed by the chief executive. Members of the management team do not have bonus schemes or other variable remuneration based on the company's profits, the development of its balance sheet or its share performance, nor do they have any share-based remuneration or option schemes. Members of the management team have company cars, and they have the cost of telephones, newspapers and other relevant expenses covered. The management team is covered by the parent company's defined benefit pension plan. This ensures a pension, including benefits from the National Insurance Scheme, of approximately 60 per cent of salary up to 12 times the National Insurance Scheme's base amount (G). In addition, the management team are members of the company's personnel insurance schemes covering group life insurance, accident insurance and occupational injury insurance. No amendments have been made to the above schemes for 2007, nor have any such amendments been proposed.

The chief executive officer may propose a discretionary bonus for the chief financial officer. This must be approved by the board of director's chairman.

Subsidiary Block Watne AS

Block Watne AS's managing director has his salary and bonus scheme set by the board of Block Watne AS. The board has given the managing director a discretionary bonus for 2006. For 2007, the board has approved a bonus model without any monetary limits. The managing director is a member of the company's contribution-based pension scheme and he receives mileage for use of his own car in accordance with State-adopted rates, expenses for telephone and newspapers, and for other relevant outlays. Furthermore, the managing director is a member of the company's personnel insurance schemes covering group life insurance, accident insurance and occupational injury insurance. No amendments have been made to the above schemes for 2007, nor have any such amendments been proposed.

Salaries to office staff and management comprise two elements: fixed compensation and performance-based remuneration. The performance-based remuneration is linked to the achievement of goals and is set by the board's chairman and the managing director. The performance-based remuneration can, as a maximum, represent from three to five months' salary, depending on the job category.

The primary pay system for the carpenters is piece-rate based, in accordance with piece-work tariffs as they apply at any time. Wage adjustments take place on 1 April for salaried office staff and carpenters (hourly paid) on the basis of centralised collective bargaining by the Norwegian Federation of Trade Unions and The Confederation of Norwegian Enterprises. Personal wage increases to office staff and managers are fixed by the managing director.

Block Watne Gruppen ASA acquires Prevesta AB, and takes over the leading Swedish residential house builders Myresjöhus and SmålandsVillan

Block Watne Gruppen ASA ("BWG") has 23 March 2007 entered into an agreement to acquire the leading Swedish residential house builder Prevesta AB ("Prevesta") from the Industri Kapital 2004 Fund ("Industri Kapital") and Prevesta's management.

The agreed purchase price for Prevesta is SEK 1 900 million (NOK 1 731 million) on a cash and debt free basis ("enterprise value").

Highlights of the acquisition

- The acquisition complements BWG's successful Norwegian operation and is in line with BWG's ambition to take an active part in consolidating the Scandinavian market for residential house building
- Prevesta is Sweden's leading producer of prefabricated houses with the highly recognized brands Myresjöhus and SmålandsVillan
- BWG becomes the leading Scandinavian residential house builder
 - Pro forma operating revenues in 2006 of NOK 3 059 million
 - Pro forma operating profit (EBIT) in 2006 of NOK 382 million
- The acquisition is expected to contribute positively to earnings per share from 2007 and onwards (not including any synergies)
- Potential to realise synergies through economies of scale in purchasing, best practice efforts, cross-selling of concepts, improved capacity utilization and productivity gains
- BWG will continue its current policy of targeting a dividend ratio of 50 - 70 per cent of net profit after taxes

Transaction structure and financing

The purchase price amounts to SEK 1 900 million (NOK 1 731 million) on a cash and debt free basis ("enterprise value") and will be financed through a combination of 6 502 242 new BWG shares to be issued to the Prevesta shareholders, and approximately SEK 1 600 million (NOK 1 460 million) in cash including refinancing of existing debt in Prevesta.

The entire purchase price is fully financed through committed credit facilities. The completion of the acquisition is not conditional upon approval of the annual general meeting in BWG due to the committed financing.

The board of directors of BWG will recommend to the Annual General Meeting to approve the directed issue of the 6 502 242 BWG shares to the Prevesta shareholders, as well as to authorize the board to carry out a further share issue in the amount of NOK 500 - 800 million. The latter share issue is expected to be carried out in the second quarter of 2007, and the proceeds will be used to repay the acquisition credit facilities.

Newly issued shares will carry rights to dividend for the financial year 2007.

Closing of the transaction is conditional upon the Financial Supervisory Authority in Sweden and the Commissariat aux Assurances (Insurance Regulatory Authority) in Luxembourg approving the indirect change of ownership of two insurance companies, Gar-Bo Försäkring AB in which Prevesta owns 33.6 percent which in turns owns Agat Re SA in Luxemburg. These two companies are owned jointly with other house developers in the Swedish market.

The applications have been submitted. BWG and Industri Kapital assume the approvals to be granted within two months.

The transaction will not require filing with any competition authorities.

Description of Prevesta

Prevesta, Sweden's leading producer of prefabricated houses, with the highly recognized brands Myresjöhus and SmålandsVillan, is headquartered in Myresjö in the province of Småland. Since its inception in 1927, Prevesta has delivered more than 80 000 houses primarily in the Swedish market.

In 2006 Prevesta had a turnover of SEK 1 756 million (NOK 1 530 million) and an operating profit of SEK 173 million (NOK 150 million). The company has production facilities in Myresjö, Vrigstad and Sundsvall and currently has approximately 530 employees.

Prevesta's operations are divided into two business areas:

Myresjöhus: Development, production and marketing of houses using prefabricated elements, under the Myresjöhus brand, including both single family houses and housing estates on the company's sites or on the customer's site.

SmålandsVillan: Development, production and marketing of prefabricated houses using volume techniques under the SmålandsVillan brand; single family houses on the customer's site.

Lock-up agreements

Industri Kapital has entered into a six month lock-up agreement from the closing of the transaction for its BWG shares. All management shareholders of Prevesta have similarly entered into a 12 month lock-up agreement from the closing of the transaction for its BWG shares.

For further information, please refer to the stock exchange notice/press release of 26 March 2007.

PROPOSAL TO INCREASE THE SHARE CAPITAL BY PRIVATE PLACEMENT AND AMENDMENTS OF THE ARTICLES OF ASSOCIATION

Block Watne Gruppen ASA ("BWG") has the 23 March 2007 entered into an agreement with Industri Kapital 2004 Limited, 30-32 New Street, St Helier, Jersey JE2, Channel Islands, on behalf of all the shareholders in the leading Swedish house-builder Prevesta AB ("Prevesta"), for the purchase of all the shares of Prevesta. The purchase price has been determined based on a value of SEK 1 900 million on a cash and debt free basis (enterprise value). The total purchase price for all the shares in Prevesta is with the reference to the balance sheet per 31.12.2006 agreed to be SEK 1 519 million. 80 % of the shares in Prevesta shall be acquired by BWG through its wholly-owned subsidiary, Husinvest I Stockholm AB, against cash consideration of SEK 1 215 200. The remaining 20 % of the shares shall in accordance with the agreement be acquired by BWG against consideration in the form of BWG shares. The Sellers of Prevesta shall in total receive 6 502 242 shares in BWG against contribution of in aggregate 139 798 shares in Prevesta.

Based on this, the Board of the company proposes to increase the share capital by NOK 1 300 448,40 by subscription of new shares.

It is proposed that the shareholders' preferential rights to the new shares are waived in accordance with the Public Limited Liability Companies Act § 10-5, and that all shares are subscribed by Industri Kapital and the other shareholders in Prevesta. The reason for the proposal to waive the preferential rights is that the purpose of the capital increase is to issue consideration shares in connection with the acquisition of Prevesta.

The Board of Directors propose that the general meeting makes the following resolutions:

- 1 The share capital is increased by NOK 1 300 448.40 by the issuance of 6 502 242 shares.
- 2 The face value per share shall be NOK 0.20.
- 3 The shares shall be subscribed by the shareholders of Prevesta (hereinafter jointly referred to as the "Subscribers"). The shareholders' preferential rights are waived.
- 4 The subscription price shall be NOK 41.08181 per share. Payment shall be made by contribution in kind of in aggregate 139 798 shares in Prevesta AB, a Swedish company with reg. no. 556678-4145, in accordance with share purchase agreement of 23 March 2007 between BWG and the Subscribers.
- 5 Subscription shall be made on a separate subscription form.
- 6 The deadline for subscription of the shares is 30 September 2007.
- 7 The contribution in kind falls due for payment immediately after the subscription.
- 8 The new shares in BWG are entitled to any dividends that are approved after the capital increase has been registered in the Register of Business Enterprises. In all other respects the new shares carry rights in BWG from the time of registration of the capital increase in the Register of Business Enterprises.
- 9 Section 4 of the Articles of Association shall be amended, so that it states share capital, number of shares and face value after the capital increase.

KJELSTRUP & WIGGEN AS
Statsautoriserte revisorer



Vidar Haugen
Ole F. Kjelstrup
Per-Henning Lie
Erik Olsen
Petter Røed
Paul G. M. Thomassen

To the annual general meeting of Block Watne Gruppen ASA

UNOFFICIAL TRANSLATION FROM NORWEGIAN

Expert statement in connection with non-cash share contribution

We have been assigned by the Board of Directors of Block Watne Gruppen ASA as independent expert to render an expert statement according to the Public Limited Liability Companies Act § 10-2, ref. § 2-6.

According to an Agreement dated March 23, 2007, Block Watne Gruppen ASA ("BWG") shall acquire all shares in the Swedish company Prevesta AB ("Prevesta". The acquisition will partly be made through a wholly owned subsidiary which shall hold 80 % of Prevesta shares and the remaining 20 % of the shares shall receive consideration in shares in BWG.

This expert statement covers the transfer of 139 798 of the shares in Prevesta (20 %) with consideration in shares in BWG.

Prevesta is the leading single-house manufacturer in Sweden with the two brand names Myresjöhus and SmålandsVillan. The Group has 530 employees, a total turnover of MSEK 1 756 and a net profit after taxes of MSEK 115 in 2006. The head office of the Group is located in Myresjö in Småland and is primarily manufacturing for the Swedish market.

The acquisition of Prevesta is based on negotiations between two independent parties. BWG has also made an external valuation of the Group. Based upon the negotiations and the valuation it was agreed that BWG should pay MSEK 1 900 to acquire all the shares in Prevesta on a cash and debt free basis (enterprise value). By deducting net interest bearing debt of MSEK 381 as of December 31, 2006, the net price of acquisition is MSEK 1 519. Consequently, Prevesta is valued at fair market value.

Of the total price of acquisition, MSEK 1 215.2 shall be paid in cash and the remaining MSEK 303.8 (20%) shall be paid with consideration in shares in BWG.

The parties has agreed to use a currency exchange rate of 87.9275 (SEK/NOK) and a subscription rate of the BWG shares of NOK 43.58181 which is an average of the share price quoted at Oslo Stock of Exchange in a period prior to the acquisition. The subscription rate is reduced by dividend of NOK 2.50 per share. Consequently, the subscription rate used is NOK 41.08181 to estimate the number of shares which shall be paid as consideration in shares in BWG for 139 798 shares in Prevesta valued at NOK 267 123 890. With a subscription rate of NOK 41.08181 of the BWG shares it represent an issue of 6 502 242 new shares. Nominal value of the shares in BWG is NOK 0.20.

We confirm that the shares in Prevesta to be transferred to BWG, can be reflected in the balance sheet at a value at least equal to the par value of the shares to be issued as consideration of NOK 1 300 448.40 and a share premium of NOK 265 823 441.60.

Oslo, March 29, 2007
Kjelstrup & Wiggen AS

Ole F. Kjelstrup (signed)
State Authorized Public Accountant (Norway)

AUTHORISATION TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL

In connection with the acquisition of Prevesta the Board of Directors wish to carry out a share issue in the amount of NOK 500 - 800 million. The share issue is expected to be carried out in the second quarter of 2007, and the proceeds will be used to repay parts of the committed acquisition financing for the acquisition of Prevesta. In order to give as much flexibility as possible with regard to the timing of the share issue, it is proposed that the general meeting authorises the Board of Directors to increase the share capital.

It is proposed that the Board of Directors shall be able to resolve that the shareholders' preferential rights to the new shares are waived. The reason for the potential waiver of preferential rights is that, in line with market practice, it is assumed to be advantageous to accomplish the share issue through a private placement ("book-building").

Based on this, the Board of Directors proposes that the general meeting makes the following resolutions:

- 1 In accordance with the Public Limited Liability Companies Act § 10-14 the Board of Directors is given authority to increase the company's share capital by up to NOK 4 500 000.
- 2 The authorisation is valid to 31 December 2007.
- 3 The shareholders' preferential rights to the new shares in accordance with the Public Limited Liability Companies Act § 10-4 may be waived.
- 4 The authorisation does not include capital increase against payment in kind or by merger in accordance with the Public Limited Liability Companies Act § 13-5.

* * *

With regard to circumstances that must be taken into consideration in the determination of the question to subscribe for shares, reference is made to the company's annual accounts for 2006 and the announcements that have been published on Oslo Stock Exchange, including the announcement of 26 March 2007 regarding the acquisition of Prevesta.

Shareholder's complete name and address
(in block capitals)

NOTICE OF ANNUAL GENERAL MEETING

Annual General Meeting in Block Watne Gruppen ASA to be held on Wednesday 18 April 2007 at 14:00 hours in Vika Atrium Conference center, meeting room Nyland, Munkedamsveien 45, Oslo

ATTENDANCE SLIP – Block Watne Gruppen ASA – Annual General Meeting

The Attendance slip must be returned to Nordea Bank Norge ASA, Issuer Services no later than **16:00 on Monday 16 April 2007**. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo. Telefax: +47 22 48 63 49.

The undersigned will attend Block Watne Gruppen ASA Annual General Meeting on **18 April 2007** and

Shareholder's complete name and address
(in block capitals)

vote for my/our shares

vote for shares in accordance with proxy(ies) enclosed

_____ Date

_____ Shareholder's signature

PROXY – Block Watne Gruppen ASA – Annual General Meeting

Shareholders who are unable to attend the Annual General Meeting, may execute a proxy in the name of any other person attending the meeting.

The proxy must be returned to Nordea Bank Norge ASA, Issuer Services no later than **16:00 on Monday 16 April 2007**. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo. Telefax: +47 22 48 63 49.

The undersigned shareholder in Block Watne GruppenASA hereby authorises:

Shareholder's complete name and address
(in block capitals)

Harald Walther, Chairman of the Board

Lars Nilsen, President and Chief Executive

Other person (name)

to attend and vote on my/our behalf at Block Watne Gruppen ASAs Annual General Meeting on Wednesday 18 April 2007.

_____ Date

_____ Shareholder's signature