

To the shareholders of PhotoCure ASA

NOTICE OF EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting of PhotoCure ASA ("**PhotoCure**" or the "**Company**") is being held at the premises of the Company at Hoffsvæien 48, Oslo, Norway:

Tuesday 24 January 2006 at 16.00

- 1 OPENING OF THE GENERAL MEETING BY THE CHAIRMAN OF THE BOARD OF DIRECTORS, ERIK ENGBRETSSEN, AND RECORDING OF ATTENDING SHAREHOLDERS**
- 2 APPOINTMENT OF CHAIRMAN OF THE GENERAL MEETING AND OF A PERSON TO CO-SIGN THE MINUTES**
- 3 APPROVAL OF THE NOTICE AND THE AGENDA**
- 4 PROPOSAL ON INCREASE OF THE SHARE CAPITAL**

The Board of directors proposes to carry out a share issue to finance the Company's research and development activities in developing products based on the Company's proprietary technology. Especially, the proceeds will be allocated to support preclinical and clinical development of products that can be used to meet an existing unmet medical need in treatment of patients with acne and pre-malignant cell changes in cervix. In addition, the funds will be allocated to continue our development of products for diagnosis of colon cancer. The Company does not currently have any plans for acquisition or investments in complementary technologies or companies, however, part of the proceeds may be used for such purposes if new opportunities should occur.

With regard to issues of import when considering to subscribe for the shares and events that have occurred after the last balance sheet date of material importance to the Company, reference is made to the Company's reports and the disclosures made by the Company through Oslo Børs' disclosure system.

The Board proposes that the general meeting passes the following resolutions:

- 1 The share capital is increased by NOK 2,198,025.50 by the issue of 4,396,051 shares.
- 2 The par value of each share shall be NOK 0.50.
- 3 The Shareholders of the Company as at Tuesday 24 January 2006 are entitled to subscribe for and be allotted the new shares on a pre-emptive basis, cf. the Public Companies Act Section 10-4. Oversubscription is allowed and subscription rights will be issued.

For shareholders resident in jurisdictions where subscription in rights offerings is illegal or otherwise restricted by applicable law, the Company shall have the right (but not the obligation) to, itself or through a nominee, sell the subscription rights and distribute the net proceeds to the relevant shareholder.

- 4 The subscription price shall be NOK 46 per share. The consideration is to be paid in cash.
- 5 The subscription period is from Friday 3 February 2006 to and including Friday 17 February 2006 at 16.00 (CET). The subscription shall be made at a separate subscription form.
- 6 Payment of the consideration shall be made by 27 February 2006. Payment is made to a separate subscription account.
- 7 The new shares entitles to dividends as of the financial year 2005. Otherwise, the new shares entitles to rights in the Company as of the registration of the increase of the share capital.
- 8 Section 4 of the Articles of Association is amended to read as follows:

"The company's share capital is NOK 10,990,127.50 divided into 21,980,255 shares of nominal value NOK 0.50 each, registered by name and fully paid up. The company's shares shall be registered with the Norwegian Central Securities Depository (VPS)."

- 9 The commission for the underwriting for full subscription given by the underwrites listed below shall be equal to 1.5 % of the gross value of the share issue, i.e. approximately NOK 3,033,275.

Gezina AS, Arendals Fossekompani ASA, Ferd AS, Radiumhospitalets Forskningstiftelse, Rustad AS, Vicama AS, Range Capital, Odin Norge, DNB NOR Kapitalforvaltning Fondene, Vital, Inst Vital Link (VFF), Skagen Vekst, Skagen Vekst 3, Bergen Kommunale PK, Ragnhild Ulstein Loen, Miraa Verdi AS, Marlin Verdi AS, ELL Loen, Vikerud Verdi AS, Ingus Verdi AS, Mustad Industrier AS, Pumpøs AS, MP Pensjon, Fondsfinans Kapitalforvaltning Fondene, Waterman Holding Inc, Norsk Hydro PK

Those Shareholders that wish to attend the extraordinary general meeting are kindly asked to submit the enclosed participation form to PhotoCure ASA, att: Christian Fekete, Hoffsvæien 48, 0377 OSLO, Norway or by telefax +47 22 06 22 18. Shareholders may attend by proxy. In this event, a written and dated letter of proxy must be submitted, preferably by using the enclosed form of proxy. The Chairman of the Board or the Chief Executive Officer may, if desirable, be appointed as proxy.

Oslo, 9 January 2006
For the Board of Directors of PhotoCure ASA

Erik Engebretsen
Chairman of the Board