



Eltek ASA

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Reg.nr.: NO 824 545 022 MVA

To the Shareholders of Eltek ASA

Your ref.:

Our ref.:
04b-JL/SW

Drammen, 2004-03-26

NOTICE OF ANNUAL GENERAL MEETING IN ELTEK ASA

Notice is hereby given on behalf of the Board of Directors of Eltek ASA of the Annual General Meeting in Eltek ASA to be held on 21 April 2004 at 1700 hrs at Gråterudveien 8, Drammen, Norway.

Recording of meeting shareholders will take place from 1630 hrs.

The following issues will be considered:

1. **Opening of the General Meeting and recording of meeting shareholders**
2. **Appointment of a chairman of the General Meeting and of a person to co-sign the minutes from the General Meeting**
3. **Approval of the notice and the agenda of the General Meeting**
4. **Information on the company's state of affairs**
5. **Approval of the annual accounts and report of the Board of Directors for the financial year 2003, including allocation of profit and presentation of the auditors' report**
6. **Powers of attorney to the Board of Directors**
7. **Remuneration to the Board of Directors and auditor for 2003**
8. **Appointment of members of the Board of Directors**

The General Meeting will be opened by the Chairman of the Board, Erik Thorsen.

The reasons for and proposed resolutions under item 6 – 8 are appended.

We kindly request that shareholders who intend to attend the Annual General Meeting give notice to the company within 20 April 2004 by telephone or telefax (by using the enclosed form) on the following numbers:

Telephone: + 47 32 20 32 00

Telefax: +47 32 20 33 02

Shareholders may choose to be represented by power of attorney. If so preferred, the attached power of attorney may be used. Power of attorney can also be given to the Chairman of the Board or the company's CEO.

After the Annual General Meeting, management will present the results for the first quarter of 2004.

Appendices:

1. Notification of attendance / power of attorney
2. Reason for and proposals for resolutions under item 6 – 8
3. Annual report 2003

Drammen, 26 March 2004
On behalf of the Board of Directors of Eltek ASA

Erik Thorsen (sign.)
Chairman

TO BE RETURNED TO:

Eltek ASA
PO Box 2340 Strømsø
N-3003 Drammen
Norway

(Fax. no. +47 32 20 33 02)

**ANNOUNCEMENT OF PARTICIPATION
at Annual General Meeting of Shareholders in Eltek ASA,
on 21st April 2004 at 1700 hrs in Eltek ASA's premises in Drammen.**

I ownshares

I am a proxy forshares

I am a legal proxy for (Board Member, guardian for minors, etc.):

Name:..... Shares:.....

Name:..... Shares:.....

.....
Place Date Signature by the participant at the
Annual General Meeting of Shareholders

AUTHORISATION

As an owner ofshares in Eltek ASA, I hereby give

.....
authorisation to represent me at the Annual General Meeting of Shareholders in Eltek ASA,
21st April 2004 at 1700 hrs., and to vote for my shares.

.....
Place Date Principal/shareholder's signature

Principal/shareholder's name and address (please use capital letters)

.....

REASONS FOR AND PROPOSED RESOLUTIONS

Item 6. Powers of attorney to the Board of Directors

6.1 Current powers of attorney

As per today, the Board of Directors has the following remaining powers of attorney to increase the company's share capital:

(i) **Option agreements, 1,000,000 shares.**

Power of attorney to the Board of Directors to increase the share capital by up to NOK 1,000,000 granted in the general meeting on April 24 2003 through a renewal of an existing power of attorney granted by the general meeting on April 18 2002. The power of attorney remains in force until 24 April 2005. As per today, 165,000 shares have been issued under the power of attorney.

(ii) **Option agreements, 600,000 shares.**

Power of attorney to the Board of Directors to increase the share capital by up to NOK 600,000 granted in the general meeting on April 24 2003. The power of attorney remains in force until 24 April 2005. The Board of Directors has as per today not made use of the power of attorney for issuance of shares.

(iii) **Option agreements, 1,355,000 shares.**

Power of attorney to the Board of Directors to increase the share capital by up to NOK 1,355,000 granted in the general meeting on April 18 2002. The power of attorney remains in force until 18 April 2004. As per today, 1,007,600 shares have been issued under the power of attorney.

(iv) **General power of attorney to issue up to 4,941,270 shares.**

Power of attorney to the Board of Directors to increase the share capital by up to NOK 4,941,270 granted in the general meeting on April 18 2002. The power of attorney remains in force until April 18 2004. As per today, 2,568,202 shares have been issued under the power of attorney.

6.2 Proposal on new power of attorney related to the company's stock option programs

In the Board of Director's opinion, it is an advantage for the company that the stock option programs have longer terms than two years. The Board of Directors therefore proposes that the General Meeting replaces the Board of Directors power of attorney mentioned under item 6.1 (i) and (ii) above, to the extent they are not utilized for issuance of shares, with a new power of attorney with a term of two years. 1 244 700 options have been granted under these powers of attorney. The power of attorney mentioned under item 6.1 (iii) above will have expired at the date of the General Meeting.

Hence, the Board of Directors proposes that the General Meeting adopts the following resolution:

"The power of attorney given in the Annual General Meeting 24 April 2003 to the Board of Directors to increase the Company's share capital with up to NOK 1,000,000, to be used to issue shares pursuant to option agreements entered into between the Company and its employees and Board of Directors, and the power of attorney given in the Annual General Meeting 24 April 2003 to the Board of Directors to increase the Company's share capital with up to NOK 600,000, to be used to issue shares pursuant to option agreements entered into between the Company and its employees, are both declared void, and replaced by the following power of attorney with equal total size:

The Board of Directors is given power of attorney to increase the share capital of the Company with up to NOK 1,435,000. The power of attorney shall be used when issuing shares pursuant to option

agreements entered into between the Company and the employees. The Board of Directors sets the subscription price and other conditions for subscription under the option agreements. The shareholders' preferential right according to the Norwegian Public Liability Companies Act § 10-4 can be derogated from. The power of attorney is valid for two years from the date of this resolution."

6.3 Proposal on new power of attorney to issue shares in connection with new option program

In order to ensure that the company is able to offer competitive terms to both new and existing management and key employees and to retain employees through active co-ownership, the Board of Directors wishes to continue the incentive programs that are linked to the development in the share price.

The Board of Directors considers the existing option programs to have been successful, as they have created great involvement and enthusiasm among key employees. The existing option programs have also been used to grant a smaller amount of options to all employees in the Group, and the Board of Directors is of the opinion that this program should continue.

Following exercise of 1,172,600 options by the Board of Directors and employees in March 2004, 1,244,700 options are still outstanding. Following the mentioned exercise, there are no outstanding options among the members of the Board of Directors. Management and other employees, who were employed by the company at grant of the current option program, have been granted options with maturity in 2005 and 2006. In order to cover grant of options to the Board of Directors and new members of management/key employees, and grant of a smaller amount of options to all employees, it is proposed to issue a power of attorney to the Board of Directors to increase the share capital of the company by up to NOK 300,000, corresponding to 300,000 shares. Following this resolution, the authorizations to the Board of Directors to increase the share capital of the company connected to options granted to employees and the Board of Directors come to 1,735,000 shares corresponding to 6.2 % of the total outstanding and issued shares of the company.

Hence, the Board of Directors proposes that the General Meeting adopts the following resolution:

"The Board of Directors is given power of attorney to increase the share capital with up to NOK 300,000. The power of attorney shall be used when issuing shares pursuant to option agreements entered into between the Company, and the employees and members of the Board of Directors. The Board of Directors sets the subscription price and other conditions for subscription under the option agreements with employees. The shareholders' preferential right according to the Norwegian Public Liability Companies Act § 10-4 can be derogated from. The power of attorney is valid for two years from the date of this resolution."

6.4 Proposal on grant of options to the members of the Board of Directors

As per today, members of the Board of Directors appointed by the shareholders do not hold any options.

As part of the option program mentioned under Item 6.3 above, the Board of Directors proposes that the General Meeting grants share options to the members of the Board of Directors.

Hence, the Board of Directors proposes that the General Meeting adopts the following resolution:

"Members of the Board of Directors appointed by the shareholders are granted options to subscribe for shares in the Company at a price equaling the price quoted at Oslo Stock Exchange at the end of the trading day at the date of the General Meeting granting the options, allocated as follows:

<i>Erik Thorsen (Chairman):</i>	<i>30,000</i>
<i>Alain F. Angelil:</i>	<i>20,000</i>
<i>William H. Crown:</i>	<i>20,000</i>
<i>Joe T. Ford:</i>	<i>20,000</i>
<i>Arve Johansen:</i>	<i>20,000</i>

Edward S. Weil:

20,000

Issuance of shares at the exercise of the abovementioned options shall be made by the Board of Directors according to the power of attorney granted under Item 6.3. The options are earned during the first consecutive year following this resolution, and can be exercised in May, August and December 2005 and in March 2006 following further resolution made by the Board of Directors. Other terms and conditions follow from the general option program of the Company."

6.5 Proposal on new general power of attorney to issue shares

In June 2003, 2,440,000 shares of the Company were issued under the power of attorney described under Item 6.1 (iv) by way of a private placing among Norwegian and international investors. Furthermore, 128,202 shares of the Company were issued under the same authorization as consideration for 39 % of Eltek Energy Ltd., Hong Kong, in June 2003.

The Board of Directors believes that it is vital that the Board of Directors is authorized to issue shares in connection with mergers or takeovers, or financing of mergers and/or the day-to-day business of the Company by way of a share issue. It is thus proposed to grant a power of attorney to the Board of Directors to issue 6,000,000, valid for 2 years.

Hence, the Board of Directors proposes that the General Meeting adopts the following resolution:

"The Board of Directors is given power of attorney to increase the share capital with up to NOK 6,000,000. The Board of Directors sets the share price and other terms and conditions for subscription. The shareholders' preferential right according to the Norwegian Public Liability Companies Act § 10-4 can be derogated from at the sole discretion of the Board of Directors. The power of attorney covers increase of the share capital by no-cash payment and a right to charge the Company with special obligations, cf. the Norwegian Public Liability Companies Act § 10-2, and resolution to merge according to the Norwegian Public Liability Companies Act § 13-5. The power of attorney can be used in connection with a takeover situation, cf. the Norwegian Securities Trading Act § 4-17. The power of attorney is valid for two years from the date of this resolution."

Item 7. Remuneration to the Board of Directors and auditor for 2003

The Board of Directors proposes that the General Meeting adopts the following resolution regarding remuneration to the members of the Board of Directors:

"Remuneration shall be paid to the Board of Directors for 2003 with NOK 300,000 to the chairman of the Board and NOK 200,000 to each of the other shareholder elected Board members. For members of the Board elected by the employees a remuneration of NOK 40,000 shall be paid to each. "

The Board of Directors proposes that the General Meeting adopts the following resolution regarding remuneration to the company's auditor:

"Remuneration shall be paid to the auditor for auditing and other professional services for 2003 according to invoice from the auditor of NOK 294,000."

Item 8. Appointment of new members of the Board of Directors

A proposal to reelect the current members of the Board of Directors is put forward.