

Eltek ASA

Post address:
PO Box 2340 Strømsø
3003 DRAMMEN

Visiting address:
Gråterudveien 8
3036 DRAMMEN

Tel.: 32 20 32 00
Fax: 32 20 32 10

E-post: eltek@eltek.no
Internet: www.eltekenergy.com

Reg.nr.: NO 824 545 022 MVA

To the Shareholders of Eltek ASA

Your ref.:

Our ref.:
06b-JL/KR

Drammen, 2006-04-05

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 20 April 2006 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 2005, 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 2005**
8. **Annual appointment of members of the Board of Directors – amendment to the Articles of Association**
9. **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 12 April 2006 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 2006.

Appendices:

1. Notification of attendance / power of attorney
2. Reason for and proposals for resolutions under item 6 – 8
3. Annual report 2005

Drammen, 5 April 2006
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 20th April 2006 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,
20th April 2006 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, 805,000 shares.**

Power of attorney to the Board of Directors to increase the share capital by up to NOK 805,000 by issuance of up to 805,000 shares granted in the general meeting on April 15 2005. The power of attorney remains in force until 15 April 2007. The power of attorney has been fully used to grant stock options to employees and member of the Board of Directors and NOK 565,633 of the power of attorney has been used to issue shares in connection with exercising of stock options. The balance of the power of attorney amounts to NOK 239,367.

(ii) **Option agreements, 800,000 shares.**

Power of attorney to the Board of Directors to increase the share capital by up to NOK 800,000 by issuance of up to 800,000 shares granted in the general meeting on April 15 2005. The power of attorney remains in force until 15 April 2007. The Board of Directors has as per today granted 691,133 stock options under this power of attorney, but the power of attorney has not yet been made use of for issuance of shares.

General power of attorney to issue up to 6,000,000 shares.

Power of attorney to the Board of Directors to increase the share capital by up to NOK 6,000,000 by issuance of up to 6,000,000 shares granted in the general meeting on April 15 2005. The power of attorney remains in force until April 15 2007. The Board of Directors has as per today not made use of the power of attorney for issuance of shares.

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. In line with the policy previously communicated to the General Meeting, the Board will propose to extend the power of attorney every year to the extent it has not been used for issuance of shares. 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.

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

"The power of attorney given at the Annual General Meeting 15 April 2005 to the Board of Directors to increase the Company's share capital by up to NOK 805,000, to be used to issue shares pursuant to option agreements entered into between the Company and its employees and members of the Board of Directors and the power of attorney given at the Annual General Meeting 15 April 2005 to the Board of Directors to increase the Company's share capital by up to NOK 800,000, 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:

The Board of Directors is given power of attorney to increase the share capital of the Company by up to NOK 1,040,000. The power of attorney shall be used when issuing shares pursuant to existing option agreements entered into between the Company and its 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 Eltek Group, and the Board of Directors is of the opinion that this program should continue.

Outstanding options by the employees as per date are 930,500 of which 918,000 can be exercised in 2006. In order to cover grant of new options to management and 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 600,000, corresponding to 600,000 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 come to 1,640,000 shares corresponding to 5.0 % 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 by up to NOK 600,000. The power of attorney shall be used when issuing shares pursuant to new option agreements to be entered into between the Company and its employees. 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 new general power of attorney to issue shares

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. The Board of Directors therefore proposes that the General Meeting replaces the Board of Directors’ power of attorney mentioned under item 6.1 (iii) above, with a new power of attorney which is increased NOK 1,000,000 to NOK 7,000,000 with a term of two years.

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

“The power of attorney given in the Annual General Meeting 15 April 2005 to the Board of Directors to increase the Company’s share capital by up to NOK 6,000,000 to be used to issue shares in connections with mergers and takeovers is declared void, and replaced by the following power of attorney:

The Board of Directors is given power of attorney to increase the share capital of the Company by up to NOK 7,000,000. 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 non-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 and the Norwegian Stock Exchange Act § 5-15. 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 2005

The Board of Directors proposes that the Board member fee is maintained on the same level as for 2004. The Board of Directors informed at the Annual General Meeting in 2005 that a Board Committee had been established to prepare for nomination of candidates for the election of board members in 2006. The Board also informed of its intension to propose a remuneration of NOK 10 000 per meeting for work in Board Committees. 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 2005 with NOK 480,000 to the chairman of the Board and NOK 300,000 to each of the other shareholder elected Board members. For members of the Board elected by the employees a remuneration of NOK 50,000 shall be paid to each. Remuneration for work in Board committees shall be paid to the two members of the compensation committee with NOK 30,000 to each and to the two members of the Nominating Committee with NOK 20,000 to each. "

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

"Remuneration shall be paid to the auditor for auditing and other professional services for 2005 according to invoice from the auditor of NOK 767,000."

Item 8. Annual appointment of members of the Board of Directors – amendment to the Articles of Association

The Board of Directors proposes that election of Board members shall be preformed every year effective from this General Meeting. The Board of Directors therefore proposes that the General Meeting adopts the following resolution:

"§ 5 of the Articles of Association is changed from:

"The Board of Directors of the company shall consist of up to 10 Board Members, elected for a period of 2 years at a time. The signature of the company shall be held by one Board Member and the Managing Director jointly or two Board Members jointly, at least one of which must be elected by the shareholders. The Board of Directors may grant power of procuration."

To:

"The Board of Directors of the company shall consist of up to 10 Board Members, elected for a period of 1 year at a time. The signature of the company shall be held by one Board Member and the Managing Director jointly or two Board Members jointly, at least one of which must be elected by the shareholders. The Board of Directors may grant power of procuration."

Item 9. Election of members of the Board of Directors

The Nominating Committee will present its proposal for election of members to the Board of Directors at the General Meeting.