

NORDIC HEAVY LIFT ASA
Enterprise no. 990 919 321

BOARD OF DIRECTORS' 1st QUARTER 2008 REPORT

Background

Nordic Heavy Lift ASA ("NHL") was established in January 2007 with the purpose to order a state-of-the-art 5,000 tonne heavy lift crane vessel for future offshore installation and construction work. In May 2007, the order was placed with the Sembawang Shipyard in Singapore. Sembawang has sub-contracted the hull fabrication with the Nantong Yahua shipyard in China. The order for the 5,000 tonne mast crane was placed with Huisman in the Netherlands. The scheduled delivery date of the Vessel is 31 March 2010.



Among the unique features of the Vessel are DP3 class, significantly improved speed; 13-14 knots, compared to most existing crane vessels with about half that speed and the largest crane of its kind. The Huisman crane and associated equipment will be specifically designed for deepwater lowering activities, which also include active heave compensation. In the event that future use should require pipelaying capability, the Vessel can be modified for either S-lay and J-lay operation.

Finance

The Company had no operating revenues in the 1st Quarter 2008. The Company's operating profit in the 1st Quarter 2008 was USD -0.4 million. Pretax profit was USD -3.1 million, predominantly as a result from remeasurement of fair values of financial instruments in accordance with IFRS accounting guidelines. There are no comparable numbers for the 1st Quarter 2007.

The Company's 1st Quarter 2008 financials are enclosed hereto.

The Board of Directors is of the opinion that the financial statements and the balance sheet reflect the status of the Company per 31 March 2008.

The Company's interest bearing debt per 31 March 2008 was USD 115 million which included in its entirety a bond which the Company raised in May 2007 in connection with its immediate finance need. The bond was raised shortly after the Company raised USD 108 million of equity. The combination of the debt and equity is intended to be sufficient funding until the 2nd Quarter 2009 from which time the Company expects that it will start drawing upon conventional debt including possible state credit facilities and/or other debt instruments.

Investment update: Earlier reported investments in deep water lowering and active heave compensation equipment and some further crane improvements have now been committed. As a result of completing the basic design phase, the project is moving into detailed design. The Company is currently in the process of verifying the overall capex cost including pre-opex cost as well as cost related to the Company's long term debt financing until delivery of the Vessel. The Company will report this separately in due course.

Changes in Management and Board of Directors

At the Ordinary General Meeting held in Oslo on 26 March 2008 it was decided that as a result of Mr. Rob Boer becoming the CEO of the Company, he resigned as Member of the Board of Directors, and Mr. Frederik Steenbuch, the Company's former CEO became a Member of the Board of Directors of the Company.

Effective 1 May 2008 Mr. Erik Hageman will join the Company as CFO.

Frederik Steenbuch has over 36 years of experience from the offshore industry; including senior positions with Dyvi, Smedvig (now Seadrill), Wilrig, Northern Offshore, Offshore Heavy Transport, Heerema Marine

Contractors and Fairmount Heavy Transport. He is among the initiators of the Company.

Rob Boer has over 20 years of experience from the offshore industry; including senior positions with Wijismuller, Dockwise, AP Møller Terminals and Sealift Ltd. During 2001 - 2004 Mr. Boer was Commercial Director/COO at Dockwise, at the time a Heerema Group heavy transportation shipping company. He has recently worked as Managing Director for AP Møller Terminals in Belgium, and as COO for Sealift Ltd (2007).

Erik Hageman has 30 years of professional financial and offshore industry experience. He has worked with KPMG, Heerema Group companies, and Dockwise as CFO. Prior to joining Nordic Heavy Lift he was with IHC Dredgers in the Netherlands

The Company has further retained engineering and construction expertise to act as Owner's representative on the construction project.

Construction Project Development

In order to run an efficient operation, the Company entered into a Technical Construction Management Agreement with Dyvi AS ("Dyvi") who is responsible towards the Company during the construction phase. As the design phase is now closed and the detailed engineering (conducted by Sembawang) and construction phase is in full operation, most of the project management activities have now shifted to Singapore where the Project Manager is located. Although the manning of the site teams (Singapore and Nantong) will reach 16 members during the peak activities, eight members are now employed, as per the current requirements. Most of the site team members have experience from similar projects undertaken by the same yards and main vendors.

Representatives of the Company and its manager Dyvi, recently attended meetings with the yard and the Project Team in Singapore and partly China to discuss the project and its progress. The detailed engineering is progressing and sufficient assurance has been provided by the yard that the baseline schedule will be maintained.

Similar site visits and discussions have taken place with Huisman in relation to the finalisation of the engineering works related to the 5,000 tonne crane.

Construction progress: Keel laying at Nantong Yahua is scheduled for early July 2008 which is according to plan.

Market Conditions

The offshore market shows further strong signs of continued growth, which is best evidenced with recent Petrobras long term offshore drilling rig contracts as at

rates substantially higher than "last done". Further significant new deepwater discoveries offshore Brazil and other deepwater areas, like Angola and the USG have recently been announced. It is reported that Petrobras will tender for an additional 140 offshore supply and support vessels. Infield recently issued a revised forecast for the floating production market stating an investment requirement of USD 34 billion for the next six years, maintaining a healthy annual growth rate. These projects typically will require deeper water installation works of different kind of subsea equipment and/or mooring systems, all of which can be performed with the Company's Vessel.

Oil companies continue to award large installation contracts to offshore construction companies worth several hundred million dollars and more per project.

Shareholder and Bondholder Structure

The Company's stock is being traded at the OTC market in Oslo. As for most OTC listed companies the current trade liquidity is limited.

The Company currently has some 80 shareholders of whom the 10 largest own about 80%. The shareholders are mainly Norwegian. The Company's bond is mainly held by UK and US investors, and about 15% Norwegian investors; some 60 bond investors in total.

Corporate Structure

In March 2008 the Company established its operating company in Rotterdam, The Netherlands; Nordic Heavy Lift Management B.V ("NHLM"); also headed by Mr. Rob Boer. NHLM will be providing services such as commercial, engineering and operations and also directly or indirectly be the employer of the Vessel's construction crew. Staffing of NHLM has started, and a recruitment campaign will be initiated shortly.

Forecasts

The outlook for the offshore oil and gas market is expected to stay strong, with a high oil price and high level of offshore exploration and production activities, which also will benefit the offshore construction and installation market where the Company will become an active player covering installations of equipment as illustrated below:

For additional information about the Company - reference is made to its website www.nordicheavylift.com

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Oslo, 23 April 2008

The Board of Directors of Nordic Heavy Lift ASA