

**CONSOLIDATED INTERIM FINANCIAL  
STATEMENT**  
**Nordic Heavy Lift Group**

**Q1 – 2008**

# CONSOLIDATED INTERIM INCOME STATEMENT

## Condensed consolidated interim income statement

(In USD 1 000 unless otherwise noted - unaudited)	Note	March 08	March 07	Full year 31 Dec. 2007
Revenues		0	0	0
<b>Gross margin</b>		0	0	0
Salaries, social security and pensions		-96		-280
Selling general and administrative expenses		-263	0	-990
<b>Operating profit</b>		-359	0	-1 270
Interest income		552	0	2 248
Interest expenses	1	0	0	-64
Gains on derivatives		3 308	0	808
Losses on derivatives		-6 735	0	-323
Foreign exchange losses		242	0	-233
Other financial items		-68	0	-48
<b>Net financial items</b>		-2 701	0	2 387
<b>Profit before income tax</b>		-3 060	0	1 117
Income tax expense		0	0	0
<b>Net profit for the period</b>		-3 060	0	1 117
Earnings per share (basic and diluted)		-0.05	0	0.02

## CONSOLIDATED INTERIM BALANCE SHEET

(In USD 1 000 unless otherwise noted - unaudited)

	Q1 - 2008	Q1 - 2007	31 Dec. 2007
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1 106	0	1 106
Vessels and other assets	69 619	0	53 041
Derivative financial instruments	3 005	0	2 087
Non-current restricted cash	13 888	0	34 387
<b>Total non-current assets</b>	87 619	0	90 621
<b>Current assets</b>			
Derivative financial assets	2 867	0	478
Other current assets	89	0	4
Current restricted cash	70 794	0	63 600
Cash and cash equivalents	61 910	16	65 044
<b>Total current assets</b>	135 660	16	129 126
<b>Total assets</b>	223 279	16	219 746
<b>EQUITY</b>			
Share capital	4 655	16	4 655
Share premium reserve	99 461	0	99 461
Other equity	-5 531	0	-2 471
<b>Total equiity</b>	98 585	16	101 645
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	111 758	0	111 651
Other non-interest-bearing debt and provisions	7 483	0	3 285
<b>Total non-current liabilities</b>	119 241	0	114 936
<b>Current liabilities</b>			
Trade and other payables	2	0	32
Derivative financial instruments ( warrants, IRS)	4 077	0	1 540
Provisions for other charges and liabilities	1 374	0	1 593
<b>Total current liabilities</b>	5 453	0	3 165
	0		
<b>Total liabilities</b>	124 694	0	118 101
<b>Total equity and liabilities</b>	223 279	16	219 746

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(In USD 1 000 unless otherwise noted - unaudited)	Number of shares	Par value NOK	Share capital	Share premium	Other equity	Total equity
Proceeds from shares issued 5 January 2007	100	1.00	16			16
Proceeds from shares issued 2 May 2007	900	1.00	151			151
Share split 7 May 2007	1 999 000	0.50				
Proceed from shares issued 16 May 2007 (Private placement)	54 000 000	0.50	4 487	103 199		107 686
Transaction cost related to the issuance of share capital				-3 738		-3 738
Deemed dividend					-2 299	-2 299
Issuance of warrants to the founding shareholders					-1 288	-1 288
Net profit					1 117	1 117
<b>At 31 December 2007</b>	<b>56 000 000</b>		<b>4 655</b>	<b>99 461</b>	<b>-2 471</b>	<b>101 645</b>
Net profit					-3 060	-3 060
Equity at 31 March 2008	56 000 000		4 655	99 461	-5 531	98 585

## CONSOLIDATED CASH FLOW STATEMENT

(In USD 1 000 unless otherwise noted - unaudited)	Q1 - 2008	Q1 - 2007	2007
Net profit before tax	-3 060		1 117
<b>Working capital adjustments</b>			
Changes in fair value of financial assets	-3 308		-2 565
Changes in fair value of financial liabilities	6 531		4 825
Change in other current assets	-85		-4
Changes in other current liabilities and accruals	249		3 059
<b>Net cash flow from operations</b>	<b>327</b>	<b>0</b>	<b>6 432</b>
Changes in restricted cash	13 305		-97 987
Investment in operating fixed assets	-13 527		-48 549
Investment in intangible assets	0		-1 106
<b>Net cash flow from investing activities</b>	<b>-222</b>	<b>0</b>	<b>-147 642</b>
Deemed dividend	0		-2 299
Issue of warrants	0		0
New long-term borrowings	0		115 000
Paid interest	-3 239		-7 584
Transaction cost - borrowings	0		-2 978
Paid in equity	0	16	107 853
Transaction cost - issuance of share capital	0		-3 738
<b>Net cash flow from financing activities</b>	<b>-3 239</b>	<b>16</b>	<b>206 254</b>
<b>Net changes in cash during period</b>	<b>-3 134</b>	<b>16</b>	<b>65 044</b>
Cash at beginning of period	65 044	0	0
Cash at end of period	61 910	16	65 044
Change	-3 134	16	65 044

## **Accounting policies**

Nordic Heavy Lift ASA (“the Company” or “NHLI”) is a public limited liability company incorporated and domiciled in Norway. In March 2008 a subsidiary was established in the Netherlands to perform commercial management for the Company and its shipowning subsidiary. The principal activity of the Company and its affiliated companies is to construct and subsequently operate a 5,000 tonne crane vessel earmarked for worldwide operations mainly aimed at the offshore oil and gas industry.

The Company's shares are registered for trading on the OTC list in Oslo, Norway.

This consolidated interim financial information for the 1<sup>st</sup> Quarter, 2008 has been prepared in accordance with IAS 34, “Interim financial reporting”. The consolidated interim financial report should be read in conjunction with the Consolidated Financial Statement presented at year end , 2007 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as they provide an update of previously reported information.

This consolidated interim financial statement was approved by the Company's Board of Directors on the 23<sup>rd</sup> April, 2008.

The preparation of consolidated interim financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Management has principally made estimates and assumptions in respect to fair values of financial instruments and provision for liabilities.

The accounting policies applied and the presentation of the consolidated interim financial information are consistent with the consolidated financial statement prepared for year end 2007.

Management has assessed that in its opinion there are no new IFRS accounting standards, amendments and interpretations to standards that are relevant to the Company with respect to the consolidated interim financial statement as reported.

### Note 1

Interest expenses related to the senior secured bond and interest income from the related escrow account have been capitalised net as part of the carrying amount of the Vessel.

