

# **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

## **NORDIC HEAVY LIFT ASA**

3rd QUARTER 2008

## 1. CONSOLIDATED INTERIM INCOME STATEMENT

In USD 1,000

(Unaudited)

	Note	3rd Quarter		Nine months	
		2008	2007	2008	2007
Revenues		-	-	-	-
Project related cost		-	-	-	-
<b>Gross margin</b>		-	-	-	-
Salaries, social securities and pensions		-450	-	-722	-
SG&A		-654	-372	-1,533	-373
Depreciation		-	-	-	-
Other gains / losses - net		-1,442	122	-1,419	152
<b>Operating result</b>		<b>-2,546</b>	<b>-250</b>	<b>-3,674</b>	<b>-221</b>
Interest income		866	962	1,131	1,520
Interest expense	1	-87	-	-87	-
Foreign exchange gains/losses		1,803	275	1,835	294
Other financial items		-38	-39	-55	-39
<b>Net financial items</b>		<b>2,544</b>	<b>1,198</b>	<b>2,824</b>	<b>1,775</b>
<b>Result before income tax</b>		<b>-2</b>	<b>948</b>	<b>-850</b>	<b>1,554</b>
Income tax expense		-	-	-	-
<b>Net result for the period</b>		<b>-2</b>	<b>948</b>	<b>-850</b>	<b>1,554</b>
Net result attributable to the Shareholders of the Company		-2	948	-850	1,554
Earnings per share (basic and diluted)		0.00	0.02	-0.06	0.03

## 2. CONSOLIDATED INTERIM BALANCE SHEET

In USD 1,000

	Note	<u>30 September 2008</u> (unaudited)	<u>31 December 2007</u> (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		1,106	1,106
Vessel and other assets	1	101,254	53,041
Derivative financial instruments		216	2,087
Non-current restricted cash		-	34,387
<b>Total non-current assets</b>		<u>102,576</u>	<u>90,621</u>
<b>Current assets</b>			
Derivative financial instruments		711	478
Other current assets		544	3
Current restricted cash		60,741	63,600
Cash and cash equivalents		53,515	65,044
<b>Total current assets</b>		<u>115,511</u>	<u>129,125</u>
<b>Total assets</b>		<u>218,087</u>	<u>219,746</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital		4,655	4,655
Share premium reserve		99,461	99,461
Other equity		-3,321	-2,471
<b>Total Shareholders' Equity</b>		<u>100,795</u>	<u>101,645</u>
<b>Non-current liabilities</b>			
Long-term borrowings		112,303	111,651
Other non-interest bearing debt and provisions		3,242	3,285
<b>Total non-current liabilities</b>		<u>115,545</u>	<u>114,936</u>
<b>Current liabilities</b>			
Trade and other payables		-52	32
Other non-interest bearing debt		711	1,540
Provisions for other charges and liabilities		1,088	1,593
<b>Total current liabilities</b>		<u>1,747</u>	<u>3,165</u>
<b>Total liabilities</b>		<u>117,292</u>	<u>118,101</u>
<b>Total Shareholders' Equity and Liabilities</b>		<u>218,087</u>	<u>219,746</u>

### 3. CONSOLIDATED INTERIM CASH FLOW STATEMENT

In USD 1,000

(Unaudited)

	<u>Nine months</u>	
	<u>2008</u>	<u>2007</u>
<b>Net profit before tax</b>	<u>-850</u>	<u>1,554</u>
Changes in fair value of financial assets	4,091	-1,454
Changes in fair value of financial liabilities	-872	1,302
Change in other current assets	-540	-52
Changes in other current liabilities and accruals	-589	5,985
<b>Net cash flow from operations</b>	<u>2,090</u>	<u>7,335</u>
Changes in restricted cash	37,246	-113,999
Investment in operating fixed assets	-42,539	-30,756
Investment in intangible assets	0	-1,091
<b>Net cash flow from investing activities</b>	<u>-5,293</u>	<u>-145,846</u>
Deemed dividend	-	-2,299
Issue of warrants	-	-1,136
New long-term borrowings	-	112,087
Paid interest	-8,326	-2,456
Transaction cost - borrowings	-	-
Paid in equity	-	104,115
<b>Net cash flow from financing activities</b>	<u>-8,326</u>	<u>210,311</u>
<b>Net changes in cash during the period</b>	<u>-11,529</u>	<u>71,800</u>
Cash at beginning of period (1 January)	65,044	-
Cash at end of period (30 September)	53,515	71,800
<b>Change</b>	<u>-11,529</u>	<u>71,800</u>

#### 4. CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In USD 1,000 unless otherwise noted

	Number of shares	Par value NOK	Share capital	Share premium	Other equity	Total equity
Proceeds from shares issued 5 January 2007	100	1,000.00	16			16
Proceeds from shares issued 2 May 2007	900	1,000.00	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	4,488	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					-1,289	-1,289
Net profit					1,117	1,117
<b>Equity at 31 December 2007</b> (audited)	<b>56,000,000</b>		<b>4,655</b>	<b>99,461</b>	<b>-2,471</b>	<b>101,645</b>
Net loss per September 2008					-850	-850
<b>Equity at 30 September 2008</b> (unaudited)	<b>56,000,000</b>		<b>4,655</b>	<b>99,461</b>	<b>-3,321</b>	<b>100,795</b>

#### 5. ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Nordic Heavy Lift ASA ("the Company" or "NHL") is a public limited liability company incorporated and domiciled in Norway. The consolidated financial information comprise the Financial Statements of Nordic Heavy Lift ASA and its subsidiaries Nordic Heavy Lift Management BV, The Netherlands and Nordic Heavy Lift Shipowning Ltd, Cyprus. The Dutch management company was established in March 2008 to render services. The Cypriot ship owning company was established in 2007 as a vessel owner and vessel operating Company.

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

This consolidated interim financial information for the 3rd Quarter, 2008 as well as the first nine months of 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 Statements 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.

The Consolidated Interim Financial Statements were approved by the Company's Board of Directors on 29 October, 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 Statements 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 statements as reported.

##### Note 1

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