

**NEXUS FLOATING  
PRODUCTION LIMITED**

**Interim Consolidated  
Financial Information**

**Fourth Quarter and  
preliminary results 2010**



## Nexus Floating Production Ltd: Fourth Quarter 2010 results

**During the quarter the main tasks for the Company have been to entertain the business opportunities related to the existing contracts for the Nexus#2 FPSO. All other activities have been cut back to save costs.**

### Finance

The Company had USD 50' of operating income for the fourth quarter of 2010. The income was generated from the sale of an asset.

The total operating cost for the fourth quarter was USD 0.6 million compared to USD 3.3 million for the fourth quarter 2009.

The result for the Company in the fourth quarter of 2010 was a loss of USD 0.5 million compared to a gain of USD 94 million for the fourth quarter of 2009. The gain in 2009 was related to the sale of the Nexus#1 FPSO, which for the year 2009 implied a total loss of USD 164 million.

For 2010 the operating income was USD 50' compared to USD 103' for the previous year. The operating cost was USD 1.5 million compared to USD 8 million for 2009. The financial result for the year is a loss of USD 1,7 million compared to a loss of USD 164 million for the previous year.

The assets consist of cash holdings of USD 1.6 million and a USD 1.9 million cash reserve booked as other current assets to cover an equivalent short term liability.

The non-interest bearing debt of USD 67 million is related to the agreement made with the bondholders after the sale of Nexus#1 FPSO in 2009 giving the bondholders a potential additional recovery limited to such amount in the event the Nexus#2 project is reactivated. However, in the second quarter of 2010 the

Company renegotiated this agreement and reached an understanding with the bondholders' committee to reduce the debt from USD 67 million to USD 15 million plus 20% of any additional net income in the event the Nexus#2 project is reactivated or sold.

The booked liability of USD 67 million is not taking account for such understanding, and remains in the balance sheet as a formal liability with the maximum amount of USD 67 million recoverable by the bondholders. However, the contingent liability will, based on the agreement with the bondholders, never be effective for an amount higher than new values created by the Company after the sale of Nexus#1 FPSO. In the event no such new values are generated the current booked negative equity of USD 66 million is to be understood as a positive equity of USD 1 million.

### Accounting principles

The preparation of the interim report is based upon IAS 34, and the accounting principles are equal to the 2009 Annual Report. The interim report has not been audited.

### Organisation

The Company is managed by Nexus Floating Production Norge AS. The Board has initiated steps to reduce the running operational costs to a minimum level.

### Outlook

After the sale of the Nexus#1FPSO the Board has decided to evaluate

the various options available to the Company, specifically any opportunities related to the existing contracts for the Nexus#2 FPSO. The construction of the second vessel has been suspended with no further liability to the Company, but with an option to restart construction. The agreement also gives the Company an option to terminate the Nexus#2 construction contract with an exposure limited to USD 67 million, which has already been paid under the contract. The initial option period is about to expire, and discussions for an extended option period is currently ongoing and will not be concluded by the issue of this report.

On this basis the work to develop the Nexus#2 project is still ongoing. However the Board wishes to emphasise that the outcome of such work, including the discussions for an extended option period, is uncertain, and that the Company's ability to continue as a going concern on the basis of its present capital, including maintaining listing on the Oslo Axess will require a successful outcome of such work during 2011.

The intended locations for the Nexus vessels are in harsh environments.

The operators have accumulated a backlog of prospects that are likely to move forward on present market conditions. The exploration activities in deeper waters and remote areas where FPSOs often are the chosen development solution are expected to continue.

Nexus Floating Production Limited  
Interim Consolidated Financial Information  
Fourth Quarter and preliminary results 2010

---

Singapore, 23 February 2011

The Board of Directors

**Finn Bjørnstad**  
Chairman

**Carl K. Arnet**  
Vice-Chairman

**Harry J. Bitounis**  
Director

**Jean-Jacques Royant**  
Director

**Knut R. Sæthre**  
Director

Nexus Floating Production Limited  
Interim Consolidated Financial Information  
Fourth Quarter and preliminary results 2010

**Consolidated figures<sup>1</sup> (in USD 1000)**

**NEXUS FLOATING PRODUCTION LTD**

**Consolidated figures according to IFRS**

<b>INCOME STATEMENT</b> (USD 1000)	<b>Q4</b> <b>2010</b>	<b>Q3</b> <b>2010</b>	<b>Q2</b> <b>2010</b>	<b>Q1</b> <b>2010</b>	<b>Q4</b> <b>2009</b>	<b>YTD</b> <b>2010</b>	<b>YTD</b> <b>2009</b>
<b>Revenues</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	<b>103</b>
Cost of sales	0	0	0	0	31	0	177
Employee benefits	448	140	156	100	343	843	525
Other operating expenses	225	24	335	208	3 992	791	7 525
<b>EBITDA<sup>2</sup></b>	<b>-622</b>	<b>-164</b>	<b>-490</b>	<b>-308</b>	<b>-4 366</b>	<b>-1 584</b>	<b>-8 124</b>
Depreciation	6	15	13	15	15	49	64
Write down/(reversal)	0	0	0	0	-9 330	0	239 175
<b>EBIT<sup>3</sup></b>	<b>-628</b>	<b>-179</b>	<b>-503</b>	<b>-323</b>	<b>4 949</b>	<b>-1 633</b>	<b>-247 363</b>
Financial income	36	14	4	16	89 370	70	89 432
Financial costs	71	-93	-25	-103	-1 840	-150	-7 759
<b>Profit before taxes</b>	<b>-522</b>	<b>-258</b>	<b>-523</b>	<b>-410</b>	<b>92 479</b>	<b>-1 712</b>	<b>-165 690</b>
Taxes	-9	-13	23	-1	1 548	0	1 410
<b>Profit after taxes</b>	<b>-531</b>	<b>-271</b>	<b>-500</b>	<b>-411</b>	<b>94 027</b>	<b>-1 712</b>	<b>-164 280</b>
<b>Other comprehensive income</b>							
Exchange differences on translation of foreign operations	2	9	9	0	-7	20	166
<b>Other comprehensive income for the period</b>	<b>2</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>-7</b>	<b>20</b>	<b>166</b>
<b>Total comprehensive income for the period</b>	<b>-529</b>	<b>-262</b>	<b>-491</b>	<b>-411</b>	<b>94 020</b>	<b>-1 692</b>	<b>-164 114</b>
Earnings per share (USD)	-0,0278	-0,0138	-0,0258	-0,0216	4,9355	-0,0888	-8,6150
Diluted earnings per share (USD)	-0,0278	-0,0138	-0,0258	-0,0216	4,9355	-0,0888	-8,6150

<sup>1</sup> The figures are not audited

<sup>2</sup> Earnings before interest, taxes, depreciation and amortisation

<sup>3</sup> Earnings before interest and taxes

Nexus Floating Production Limited  
Interim Consolidated Financial Information  
Fourth Quarter and preliminary results 2010

**NEXUS FLOATING PRODUCTION LTD**

**BALANCE SHEET**

(USD 1000)

	<b>31.12</b>	<b>30.09</b>	<b>30.06</b>	<b>31.03</b>	<b>31.12</b>
	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Intangible assets	0	0	0	0	2
Vessels under construction	0	0	0	0	0
Other non-current assets	24	70	82	95	107
Pension funds	0	42	42	42	41
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24</b>	<b>112</b>	<b>124</b>	<b>137</b>	<b>150</b>
<b>CURRENT ASSETS</b>					
Other current assets	1 883	12	1 644	1 742	1 748
Cash and cash equivalents	1 565	3 250	1 984	2 652	3 392
Asset held for sale	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>3 448</b>	<b>3 262</b>	<b>3 628</b>	<b>4 394</b>	<b>5 140</b>
<b>TOTAL ASSETS</b>	<b>3 472</b>	<b>3 374</b>	<b>3 752</b>	<b>4 531</b>	<b>5 290</b>
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS EQUITY</b> (note 1)	<b>-65 725</b>	<b>-65 293</b>	<b>-64 934</b>	<b>-64 444</b>	<b>-64 033</b>
<b>LIABILITIES</b>					
Interest bearing loans (note 1)	0	0	0	0	0
Non-interest bearing loans	67 025	67 025	67 025	67 025	67 025
Pension liability	0	4	4	4	4
Deferred tax liability	0	4	4	4	4
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>67 025</b>	<b>67 033</b>	<b>67 033</b>	<b>67 033</b>	<b>67 033</b>
<b>CURRENT LIABILITIES</b>					
Interest bearing loans	0	0	0	0	0
Trade and other payables	79	57	8	57	326
Income tax payable	0	-20	-9	12	40
Public duties payable	0	0	403	55	127
Other short-term liabilities	2 093	1 597	1 251	1 818	1 797
<b>TOTAL CURRENT LIABILITIES</b>	<b>2 172</b>	<b>1 634</b>	<b>1 653</b>	<b>1 942</b>	<b>2 290</b>
<b>TOTAL LIABILITIES</b>	<b>69 197</b>	<b>68 667</b>	<b>68 686</b>	<b>68 975</b>	<b>69 323</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 472</b>	<b>3 374</b>	<b>3 752</b>	<b>4 531</b>	<b>5 290</b>

Note 1:

The non-interest bearing debt of USD 67 million is related to the agreement made with the bondholders after the sale of Nexus#1 FPSO in 2009 giving the bondholders a potential additional recovery limited to such amount in the event the Nexus#2 project is reactivated. However, in the second quarter of 2010 the Company renegotiated this agreement and reached an understanding with the bondholders' committee to reduce the debt from USD 67 million to USD 15 million plus 20% of any additional net income in the event the Nexus#2 project is reactivated or sold. The booked liability of USD 67 million is not taking account for such understanding, and remains in the balance sheet as a formal liability with the maximum amount of USD 67 recoverable by the bondholders. However, the contingent liability will, based on the agreement with the bondholders, never be effective for an amount higher than new values created by the Company after the sale of Nexus#1 FPSO. In the event no such new values are generated the current booked negative equity of USD 65 million is to be understood as a positive equity of USD 2 million.

## NEXUS FLOATING PRODUCTION LTD

### CASH FLOW STATEMENT

(USD 1000)

#### CASH FLOW FROM OPERATING ACTIVITIES

	2010	2009
Ordinary profit before taxes	-1 712	-164 258
Ordinary depreciation	49	64
Impairment	0	239 175
Share option program	0	11
Income tax paid	-12	-30
Interest income	70	-95
Interest cost	-150	-10 187
Financial gain	0	-93 213
Changes in debtors and creditors	22	2 176
Other non cash adjustments	0	0
Change in other balance sheet items	-94	-8 028
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-1 827</b>	<b>-34 385</b>

#### CASH FLOW FROM INVESTING ACTIVITIES

Vessel under construction/Proceed from sale of vessel	0	336 353
Investment in other non-current assets	0	0
Interest received	0	95
<b>NET CASH FLOW FROM INVESTMENTS ACTIVITIES</b>	<b>0</b>	<b>336 448</b>

#### CASH FLOW FROM FINANCIAL ACTIVITIES

Incorporation/increase in capital	0	-319 777
Interest paid and capitalized	0	10 187
<b>NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>0</b>	<b>-309 590</b>

#### NET CASH FLOW

Cash as at start of period	3 392	10 919
<b>Cash as at end of period</b>	<b>1 565</b>	<b>3 392</b>

Nexus Floating Production Limited  
Interim Consolidated Financial Information  
Fourth Quarter and preliminary results 2010

**NEXUS FLOATING PRODUCTION LTD**

**STATEMENT OF CHANGES IN EQUITY**

(USD 1000)

	Share capital	Retained earnings	Other paid-in equity	Currency translation effect	Share-based payments	Total equity
Equity as at 1 January 2009	187 738	(98 744)	9 428	(111)	1 759	100 070
Net profit for the period		(164 280)				(164 280)
Share based payments					11	11
Currency translation effect				166		166
<b>Equity as at 31 December 2009</b>	<b>187 738</b>	<b>(263 024)</b>	<b>9 428</b>	<b>55</b>	<b>1 770</b>	<b>(64 033)</b>
Equity as at 1 January 2010	187 738	(263 024)	9 428	55	1 770	(64 033)
Net profit for the period		(1 712)				(1 712)
Share based payments						-
Currency translation effect				20		20
<b>Equity as at 31 December 2010</b>	<b>187 738</b>	<b>(264 736)</b>	<b>9 428</b>	<b>75</b>	<b>1 770</b>	<b>(65 725)</b>

### Disclaimer for forward-Looking Statements

This Report includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Nexus Floating Production Ltd. and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the Nexus Floating Production Ltd's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although Nexus Floating Production Ltd. believes that its expectations and the information in this Report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this Report. Neither Nexus Floating Production Ltd. nor its Directors or any of its subsidiaries is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the Report, and neither Nexus Floating Production Ltd., any of its subsidiaries nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the Report. Nexus Floating Production Ltd. undertakes no obligation to publicly update or revise any forward-looking information or statements in the Report.

Nexus is founded as a Singapore company, governed under Singapore law and is managed by Nexus Floating Production Norge AS under a management agreement.

For further information, visit: [www.nexusfp.no](http://www.nexusfp.no)

Or contact:

Anders Holm, CEO, [aho@nexusfp.no](mailto:aho@nexusfp.no), +47 90 60 50 72  
Arild Bårdsen, CFO, [aba@nexusfp.no](mailto:aba@nexusfp.no), +47 92 66 75 90