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To the general meeting of Nexus Floating Production Ltd

Medlemmer av Den norske Revisorforening

Report on the Financial Statements

We have audited the accompanying financial statements of Nexus Floating Production Ltd, which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Nexus Floating Production Ltd as of December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Arendal, February 20, 2007

ERNST & YOUNG AS


Johan Bringsverd

State Authorised Public Accountant (Norway)

Nexus Floating Production Ltd

**Consolidated Income Statement
for the year ended 31 December 2006**

Figures in USD 1000

	Note	For the period 06.05 - 31.12 2006
Operating income		
Revenue		144,6
Total operating income		144,6
Operating expenses		
Cost of sales		233,6
Employee benefits	2	282,8
Other operating expenses	3	363,0
EBITDA		(734,8)
Depreciation	6	15,2
Operating profit		(750,0)
Financial income/costs		
Interest income	4	988,0
Finance cost	4	(51,3)
Net financial income		936,7
Profit before tax		186,7
Taxes	5	(197,4)
Net profit for the year		(10,7)
Earnings per share		
Basic earnings per share	12	-0,0008
Diluted earnings per share	12	-0,0008

Nexus Floating Production Ltd

Consolidated Balance Sheet
at 31 December 2006
Figures in USD 1 000

	Note	2006
ASSETS		
<i>Non-current assets</i>		
Software	6	27,1
Total intangible non-current assets		27,1
Vessel under construction	6	97 236,2
Other non-current assets	6	153,4
Total tangible non-current assets		97 389,6
Total non-current assets		97 416,7
<i>Current assets</i>		
Prepayments and other current assets	7	69,0
Total receivables		69,0
Cash and cash equivalents	9	28 447,0
Total current assets		28 516,0
Total assets		125 932,7

	Note	2006
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital		130 004,5
Total paid-in equity		130 004,5
Retained earnings		(4 725,2)
Total equity		125 279,3
<i>Liabilities</i>		
Total non-current liabilities		-
Trade payables		328,2
Income tax payable	5	197,4
Public duties payable		38,5
Other short-term liabilities	10	89,3
Total current liabilities		653,4
Total liabilities		653,4
Total equity and liabilities		125 932,7

Nexus Floating Production Ltd

Consolidated statement of changes in equity for the year ended 31 December 2006

	Share capital	Other paid-in equity	Retained earnings	Total equity	Number of shares
Incorporation	130 004,5			130 004,5	13 450 000
Equity transaction cost			(4 754,8)	(4 754,8)	
Net profit for the year			(10,7)	(10,7)	
Currency translation effect			40,3	40,3	
Equity as at 31.12.06	130 004,5	0,0	(4 725,2)	125 279,3	13 450 000

Equity transaction cost is related to the incorporation of the company.

Total number of shares issued 13.450.000.

13.000.000 shares have been issued at USD 10.

450.000 shares have been issued at USD 0,01.

Nexus Floating Production Ltd

**Consolidated Cash-Flow Statement
for the year end 31 December 2006
under indirect method**

	Notes	2006
Cash flow from operating activities:		
Ordinary profit before tax		186,7
Ordinary depreciation		15,2
Income tax paid		0,0
Changes in debtors, creditors and inventory		328,2
Change in other balance sheet items		99,1
Net cash flow from operating activities	A	629,2
Cash flow from investing activities:		
Vessel under construction	6	(97 236,2)
Investment in other non-current assets		(195,7)
Net cash flow from investing activities	B	(97 431,9)
Cash flow from financing activities:		
Increase in capital *)		125 249,7
Net cash flow from financing activities	C	125 249,7
Net change in cash and cash equivalents		28 447,0
Cash and cash equivalents as at 01.01		0,0
Cash and cash equivalents as at 31.12		28 447,0

*) See details in consolidated statement of change in equity.

Nexus Floating Production Ltd
Notes to the Consolidated Financial Statements 2006

Note 1 Accounting principles

1.1 Corporate information

The consolidated financial statements of Nexus Floating Production Ltd for the year ended 31. December 2006 were authorised for issue in accordance with a resolution of the directors on 20. February 2007. Nexus Floating Production Ltd was incorporated in Singapore 06. May 2006 as a limited company. The shares are publicly traded on the OTC-list in Norway. The company has a project office in Arendal, Norway.

The principal activity of the company is to build and operate an own fleet of generic FPSO vessels.

1.2 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis and on a going concern basis. The financial statements are prepared using the accrual basis of accounting, except for cash flow information.

Statement of compliance

The consolidated financials statements of Nexus Floating Production Ltd and its subsidiary have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU and valid as of 31. December 2006.

Functional currency and presentation currency

The group presents its financial statements in USD. USD is also the group's functional currency. All figures in the annual report are presented in 1,000, if not stated otherwise.

Basis of consolidation

The consolidated financial statements of Nexus Floating Production Ltd include the financial statements of the parent company, Nexus Floating Production Ltd, and its subsidiary, Nexus Floating Production Norge AS. Subsidiaries are those entities in which Nexus Floating Production Ltd either owns, directly or indirectly, over fifty per cent of the voting rights, or otherwise has the power to govern their operating and financial policies. Share options, convertibles and other equity instruments are considered when assessing whether an entity is controlled.

Where necessary, the accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the group. All intergroup transactions, receivables, liabilities and unrealised profits, as well as intragroup profit distributions, are eliminated.

1.3 Changes in accounting policies

The company was incorporated in 2006. The accounting policies are consistent with International Financial Reporting Standards (IFRS) as adopted in the EU and valid as of 31. December 2006.

Nexus Floating Production Ltd
Notes to the Consolidated Financial Statements 2006

The Group has adopted the following new and amended IFRIC interpretation during the year relevant for Nexus business. Adoption of this revised interpretation did not have any effect on the financial statements of the Group. They did however give rise to additional disclosures.

- IFRIC 4 *Determining whether an Arrangement contains a Lease*

The principal effects of this change is as follows:

IFRIC 4 Determining Whether an Arrangement contains a Lease

The Group adopted IFRIC Interpretation 4 as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. This change in accounting policy has not had a significant impact on the Group as at 31 December 2006.

1.4 Significant accounting estimates and assumptions

Use of estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Accounting estimates are employed in the financial statements to determine reported amounts, including the recoverability of certain assets, the useful lives of tangible and intangible assets, income taxes and others. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

1.5 Summary of significant accounting policies

Revenues

Sales are recognised after the transfer of the significant risks and rewards that are connected with the ownership of the goods sold to the buyer and the Group retains neither a continuing right to dispose of the goods, nor effective control of those goods. Revenues from services are recorded when the service has been performed. Sales are shown net of indirect sales taxes, discounts and exchange differences on sales in foreign currency.

Foreign currency translation and transactions

Functional currency

Items included in the financial statements of each subsidiary in the Group are initially recorded in the functional currency, i.e. the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. The consolidated financial statements are presented in USD, which is also the functional currency of the parent company.

Nexus Floating Production Ltd
Notes to the Consolidated Financial Statements 2006

Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the date of the transaction. Receivables and liabilities in foreign currencies are translated into USD at the mid exchange rates ruling on the balance sheet day. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange differences arising in respect of operating business items are included in operating profit in the appropriate line item in the income statement, and those arising in respect of finance assets and liabilities are recorded net as a financial item.

Group companies

Income statements and cash flows of subsidiaries, whose functional currency is not USD, are translated into USD at weighted average exchange rates for the period. Balance sheet items are translated at the mid exchange rates ruling on the balance sheet date. The translation differences are taken to translation reserve which is part of shareholders' equity. When a foreign entity is sold, such translation differences are recognized in the income statement as part of the gain or loss on sale.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. An asset's carrying amount is written down immediately to its recoverable amount, if the assets carrying amount is exceeding it's estimated recoverable amount. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognised, and any gain or loss on the sale or disposal is recognised in the income statement.

Construction contracts are capitalized as non-current assets under construction equal to instalments being paid to the yard. In addition, direct attributable costs are capitalized as part of the asset under construction, including costs related to supervision of the project during the construction period and other contractual costs. Contractual costs include costs related to the project for the duration of the contract, i.e. from signing of the contract to delivery of the vessel. Costs incurred prior to signing the contract that relate to procurement of the contract are regarded as purchase of contractual assistance and are included as contractual costs. Borrowing costs directly connected with the construction of the vessel will be capitalized during the construction period.

Depreciation will be calculated using the straight-line method over the useful life of the asset. As the vessel has not been delivered, no depreciation has been made.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.. Intangible assets with indefinite useful lives are tested for impairment annually.

Nexus Floating Production Ltd
Notes to the Consolidated Financial Statements 2006

Depreciation of intangible assets with finite lives

Depreciation of intangible assets is based on the following expected useful lives:

Computer software: 3 years,

Impairment of non-current assets

Property, plant and equipment and intangible assets are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable, mainly independent, cash inflows. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the higher of the asset's net selling price and its value in use. The value in use is determined by reference to discounted future net cash flows expected to be generated by the asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to a higher amount than the carrying amount that would have been determined had no impairment loss been recognised in prior years.

Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the period of the lease.

All leasing arrangements of the Group are at present deemed to classify as operating leases.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- (a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
- (b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- (c) There is a change in the determination of whether fulfilment is dependant on a specified asset; or
- (d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal or extension period for scenario b).

Nexus Floating Production Ltd
Notes to the Consolidated Financial Statements 2006

Trade receivables

Trade receivables are carried at their anticipated realisable value, which is the original invoice amount less an estimated valuation allowance for impairment of these receivables. A valuation allowance for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

Income taxes

Nexus Floating Production provides for income tax on the basis of the profit for financial reporting purposes, adjusted for income and expense items, which are not taxable or deductible for income tax purposes.

Due to local tax legislation in Singapore, the company is obliged to pay tax on interest income.

Deferred taxation is provided in the balance sheet according to the liability method in respect of temporary differences between the tax base of an asset or a liability and its carrying amount in the balance sheet. The tax base of an asset or a liability is the amount attributed to that asset for tax purposes. Deferred tax liabilities are recognized for all temporary taxable differences. Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that the taxable profits will be earned and against which the deductible temporary difference can be offset.

End December 2006 the group has a net deferred tax asset based on loss carried forward. This asset has not been accounted for in the Balance sheet, as the group has not secured any charter for its FPSO vessel at year end.

Employee benefits

The company is in a process of establishing a share option incentive programme for the management and Chairman of the Board. An agreement is expected to be entered into during 2007.

The Group's employees have a defined pension contribution plan. The defined contribution plan covers 2 employees.

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount of the provision is the present value of the risk adjusted expenditures expected to be required to settle the obligation, determined using the estimated risk free interest rate as discount rate. Where discounting is used, the carrying amount of provision increases in each period to

Nexus Floating Production Ltd
Notes to the Consolidated Financial Statements 2006

reflect the unwinding of the discount by the passage of time. This increase is recognized as interest expense.

Dividends

Dividend payable is recorded in the Group's financial statements in the period in which they are approved by the Group's shareholders. Dividends receivable from investments are recognised as income when they are approved.

Earnings pr. share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders using the weighted average number of shares outstanding during the period.

Related party transactions

All transactions, agreements and business activities with related parties are conducted on arm's length according to ordinary business terms and conditions.

Note 2 Employee benefits

Employee benefits includes ordinary payroll expenses, share-based payments and pensions.

	2006
Salaries	191,0
Social security costs	28,3
Pension costs	11,0
Other personnel costs	52,5
Total	282,8
Average number of employees:	2,0

Pension costs

The company's employees have a defined contribution plan. The defined contribution plan cover full-time employees and contributions comprise approx. 5 % salaries until 5G and 8 % of salaries until 12 G. As at 31. December 2006, two employees were covered by the plan.

Share-based payments

The company is in a process of establishing a share option incentive programme for the management and Chairman of the Board. An agreement is expected to be entered into during 2007.

Note 3 Other operating expenses

Other operating expenses	2006
Office expenses (incl rent)	32,0
Travel	30,0
External consulting services	301,0
Total other operating expenses	363,0

Note 4 Net financial items

	2006
Interest income	988,0
Foreign exchange gain	0,0
Other financial income	0,0
Total financial income	988,0
Interest cost	0,0
Foreign exchange loss	47,5
Other financial expenses	3,8
Total financial expenses	51,3
Net financial items	936,7

Note 5 Taxes

The year's taxes is calculated as follows:

	2006
Taxes payable based on interest income in parent company *	197,4
Change in deferred tax	
Taxation cost based on ordinary result	197,4

* due to local tax legislation in Singapore, the company is obliged to pay tax on interest income.

Taxes payable as at 31.12 is calculated as follows:

	2006
Taxes payable	197,4
Pre-paid taxes	
Taxes payable due as at 31.12.	197,4

Tax calculation:

	2006
Ordinary result before taxes	186,7
+ operating profit	750,0
+ finance cost	51,3
+ finance income in subsidiary	-0,7
Tax base in Singapore	987,3
20% tax	197,4

	2006	
	Benefit	Liability
Operating equipment		39,5
Tax loss carried forward	60,9	
Total	60,9	39,5
Net deferred tax benefit	6,0	
of which deferred tax benefit not offset	-6,0	
Gross deferred tax benefit in balance sheet	0,0	

Temporary differences are based on the Norwegian subsidiary, Nexus Floating Production Norge AS, where the tax rate is 28 percent.

Deferred tax benefit is not recorded based on the fact that the company has not entered into a contract for the first FPSO under construction.

Change in deferred tax:

	2006
Net deferred tax benefit / liability at 01.01	0,0
Deferred tax in income statement	0,0
Deferred tax relating to equity transactions	0,0
Net deferred tax benefit / liability at 31.12	0,0

Note 6 Non-current assets

	Vessel under construction	Software	Office equipments etc	Total
Acquisition cost				
Opening balance				
Acquisitions	97 236,2	30,0	165,7	97 431,9
Disposals				
Effect of movement in foreign exchange				
Balance at 31 December 2006	97 236,2	30,0	165,7	97 431,9
Depreciation and impairment losses				
Opening balance				
Depreciation charge for the year		2,9	12,3	15,2
Impairment losses				
Disposals				
Effect of movement in foreign exchange				
Balance at 31 December 2006	0,0	2,9	12,3	15,2
Useful life		3 years	3-5 years	
Depreciation rate		33,3 %	20-33,3 %	
Method of depreciation		Straight-line	Straight-line	
Carrying amounts				
At opening balance				
Balance at 31 December 2006	97 236,2	27,1	153,4	97 416,7

Software

Software are defined as intangible assets and are depreciated over 3 years. As of 31.12.06, there is no indication that the software may be impaired.

Vessel under construction

Capitalized construction costs includes all payments being paid to the yard and all other direct attributable costs.

Direct attributable costs includes costs related to supervision of the project during the construction period and other contractual costs related to the project for the duration of the contract.

Costs incurred prior to signing the contract that relate to procurement of the contract are regarded as purchase of contractual assistance and included in the capitalized contractual costs.

Capitalized cost from Nexus Floating Production Norge AS amounts to USD 220.000,-

Basis for depreciation

The vessel is expected to be delivered to Nexus Floating Production Ltd mid 2009. The total expenditure of the vessel will be decomposed to groups of components with different expected useful lives. Component accounting will take place from the moment the vessel is delivered, and the different group of components will be depreciated over their

expected useful lives. The vessel is expected to have an economic useful lifetime of approx. 20-30 years. The vessel will be depreciated from the moment of delivery from the yard using the straight line method. Estimated expected scrap value will be taken into consideration when calculating depreciation.

Contractual obligations

Nexus Floating Production Ltd has entered into contracts regarding delivery of a complete integrated FPSO and turret- and mooring system that amounts to approx. USD 525 million.

Option for a second vessel

The group has an option to contract one additional vessel identical to the vessel under construction. The option forfeits at 19. June 2007.

As no costs have been identified for the option, it has not been recognised in the balance sheet.

Operational lease

The Group has entered various rental agreements for premises and equipment.

Total annual rental cost is USD 20,000. In accordance with IFRS these rental agreements are determined as operational lease and consequently all rental cost is expensed when incurred.

Minimum lease payments under

operational lease of premises and equipment

	2006
Not later than one year	USD 20 000,00
Between one and five years	0
More than five years	0

Note 7 Prepayments and other current assets

	<u>2006</u>
Refundable VAT	69,0

Note 8 Financial risks

Financial risk management

The company is exposed to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk) and credit risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

However, based on an assessment of the different risks involved, no hedging contract has been entered.

The company has a contract risk based on the fact that at balance sheet date, no contract with customer has been entered into regarding the FPSO under construction.

Foreign currency risk

The majority of cost and investments are made in USD. The company is also funded in this currency. Cost related to operating of the project office in Norway is mainly in NOK. However, these costs are not significant compared to total investment and the company has not entered into any currency hedging contracts.

Currency fluctuations regarding book values of assets and liabilities in the company's foreign subsidiaries are recorded as a translation difference directly against equity.

Interest rate risk

The company's cash are placed mainly in USD with short duration, and the company is exposed to changes in the USD interest rate.

The company has no long term debt.

Credit risk

Credit risk is not considered to be significant as the operations of the company is limited.

Exchange rates

	Exchange rates 1.1.2006	Average exchange rates 2006	Exchange rates 31.12.2006
USD /NOK	6,76	6,42	6,28

Note 9 Cash and cash equivalents

	<u>2006</u>
Cash and cash equivalents	28 447,0

Restricted cash deposits amounts to 25,0 and relates to withholding tax for employees in subsidiary Nexus Floating Production Norge AS.

Note 10 Other short term liabilities

	<u>2006</u>
Accrued expenses related to payroll	21,8
Other short-term liabilities	67,5
Total	89,3

Note 11 Related party disclosures

Identify of related parties

The Group has a related part relationship with its subsidiary, shareholders and with its directors and executive officers. All transactions with related parties are based on arms lengths principle.

Transactions with key management personell

Name (role)	Share- holding	Salary / board member fee (USD)	Other remuneration (USD)	Pension (funding) (USD)
Management				
Anders Holm (CEO)	59 000	119 505	13 423	3 631
Board of directors				
Svein Eggen (Chairman)	89 000	127 002	0	0
Carl K Arnet (Vice Chairman)	150 000	0	0	0
LK Wong (Director)	0	10 000	0	0

The numbers in the table above are remuneration paid during 2006.

Svein Eggen, Chairman of the Board, is hired as a working chairman from Opus International Management AG.

Shareholding includes number of shares owned by companies controlled by key management personell and their families.

Compensation to Board of Directors for 2006 has been charged to the income statement with USD 169.002.

The CEO's contract entitles him to 15 months pay from the date of termination of employment.

The company's largest shareholders

Registered at 31 December 2006	Account type	Number of shares	Ownership
APL ASA		5 425 000	40,33
BAYERISCHE HYPO UND	Nominee	750 000	5,58
GOLDMAN SACHS & CO	Nominee	750 000	5,58
UBS AG, LONDON BRANC	Nominee	604 000	4,49
VERDIPAPIRFONDET KLP		575 000	4,28
KLP LIV-NORG1-SPESIA		500 000	3,72
GOLDMAN SACHS INTERN	Nominee	464 360	3,45
SKANDINAVISKA ENSKIL	Nominee	461 500	3,43
FIRST SECURITIES ASA		445 000	3,31
GRIFFIN UMBRELLA FUN		350 000	2,60
SIS SEGAINTERSETTLE	Nominee	300 000	2,23
SEB PRIVATE BANK S.A	Nominee	198 000	1,47

STOREBRAND LIVSFORSI		184 992	1,38
ANDERSEN LARS SIGVAR		163 000	1,21
CITIBANK, N.A.	Nominee	150 000	1,12
KOLBJØRN INVEST AS *)		150 000	1,12
MORGAN STANLEY AND C	Nominee	150 000	1,12
Bank of New York BR	Nominee	125 640	0,93
JPMORGAN CHASE BANK	Nominee	100 000	0,74
UBS AG, LONDON BRANC		100 000	0,74

*) Kolbjørn Invest AS's sole shareholder is CEO of APL ASA and Vice Chairman in Nexus Floating Production LTD, Carl K. Arnet.

Auditor's fee for 2006

(USD)

Statutory audit	
Other attestation services	
Tax consulting	
Other services	<u>9</u>

Transactions with subsidiary

Transactions between the group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The transactions relates mainly to administrative services for Nexus Floating Production LTD.

The following subsidiary is included in the consolidated financial statements:

Company	Country of registration	Year of acquisition	Ownership share	Voting share
Nexus Floating Production Norge AS	Norway	2006	100 %	100 %

Nexus Floating Production Norge AS was founded by Nexus Floating Production Ltd in July 2006.

The transaction falls out of the scope of IFRS 3, Business Combinations.

Other related party transactions

The company has transactions with companies within the APL ASA group. The transactions relate to management services regarding building of the FPSO. In addition, Nexus Floating Production Ltd has entered into an agreement with APL regarding delivery of a complete STP-system for the vessel.

Sales and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

Note 12 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

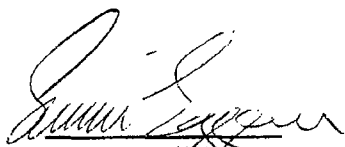
	2006
Net profit (TUSD)	-10,7
Weighted average number of share	13 450 000
Earnings per share (USD)	-0,0008

Note 13 Events after the balance sheet date

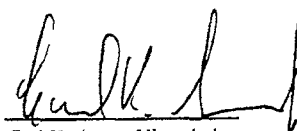
Nexus has decided to apply for a listing on the Oslo Stock Exchange. The application is expected to be filed by the end of February 2007. The background for the application is to secure improved liquidity and valuation for the company's shareholders and is consistent with the plans announced in connection with the establishing of the company.

31. December 2006

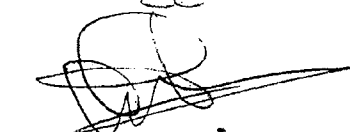
20. February 2007



Svein Eggen, Chairman



Carl K. Arnet, Vice chairman



LK Wong, Director



Anders Holm, CEO