

**NEXUS FLOATING
PRODUCTION LTD
FINANCIAL REPORT**

Q1 2007



Nexus Floating Production Ltd: First quarter 2007 results

Nexus Floating Production Ltd. was established and financed in May/June 2006 under Singapore Law with the sole purpose of building and owning Floating Production and Storage Vessels (FPSOs) for the international offshore oil production market. The first vessel was contracted June 19th, 2006, with Samsung Heavy Industries Ltd. This first FPSO is a new-build specified for operation in harsh environment and remote areas. The vessel will be delivered from the yard in June 2009. In connection with the contracting of its first FPSO the company was granted an option for another FPSO at similar terms.

During first quarter 2007 Nexus Floating Production Ltd. fully financed its first building project by a combination of bank loans, bonds and equity. In the same period the company was approved for listing on Oslo Stock Exchange with the first day of trading March 30th, 2007. With its first building project fully financed, the company has secured a solid financial basis.

Nexus key financials (USD thousands)

	Q1/06*	Q1/07	2006
Revenues	0	75,0	144,6
EBITDA	0	-1248,2	-734,8
Investment in the ship	0	102,9	97,2
Profit before tax	0	-1901,0	-186,7
Earnings per share	0	N/A	N/A

*The company was incorporated May 6th, 2006

Significant Events

During first quarter 2007 Nexus Floating Production Ltd. successfully completed the financing of its first FPSO. The company raised USD 175 million in a bond issue in February. There was a strong interest among investors and the bond issue was significantly over-subscribed. During the same period the company secured a bank loan of USD 320 million from DVB Bank in Singapore.

Nexus raised an additional USD 40 million by issuing new shares increasing the share capital from the initial USD 130 million to USD 170 million. The subscription price was NOK 71 per share and the company issued 3,458,900 new shares. The total number of shares outstanding in the company after the offering is 16,908,900 shares.

On March 30, the company was listed on the Oslo Stock Exchange.

Some additional Directors of the Board were elected at the company's Extraordinary General Meeting in March. The Board now consists of Chairman Mr. Svein Eggen and Vice Chairman Mr. Carl Krogh Arnet along with the directors Mr. Jean-Jacques Royant, Mr. Harry Bitounis and Mr. Arve Andersson.

Project Status

The Nexus FPSO project is running according to plan. Detail engineering and purchasing are ongoing while actual steel fabrication will commence in Q4 2007 in line with the project plans. The complete FPSO is scheduled for delivery June 30th, 2009.

The day-to-day project management is run from Arendal, Norway by an integrated project team consisting of personnel from Nexus and APL. Nexus has established a frame agreement with APL for technical support and

building supervision through the construction phases.

Samsung Heavy Industries is responsible for detailed engineering and construction of Nexus I. A site team is already in place at the Samsung yard in Korea following up the project activities there. The site team will be increased in line with activities. Steel cutting is scheduled for early November 2007.

A contract with APL for delivery of the turret, mooring and swivel system was entered into in March 2007. APL has also granted Nexus an option for an additional system.

The topside detail engineering is being performed by Rambøll Oil & Gas AS under a subcontract to Samsung Heavy Industries Ltd.

All work is progressing according to schedule.

Finance

The financial data have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The company has had a minor operating income of USD 75,000 during the reporting period. The revenues are related to studies of use paid by potential clients.

The operating expenses are increasing as the project activities intensify when entering into the detail engineering and procurement stages. Operating expenses for the first quarter amounted to USD 1,323,200 which is according to plan.

The costs related to the listing at Oslo Stock Exchange are included in the item "Other financial items". These costs are non-recurring.

After completing the financing and rising the equity, the company by the end of the quarter has deposits of USD 231 million. The financial income during the first quarter is interest related to these deposits.

Organisational update

The company has presently three full-time employees. The CEO, Mr Anders Holm and Ms. Solfrid Fløystad, the Office Manager. Mr. Arild Bårdsen took up the position as CFO on April 1st, 2007. He came from the position as CFO in Fundo Wheels AS. In addition the company has engaged Mr. Johan Beek as its Senior FPSO Advisor based on a full-time consultancy agreement

The company has frame agreements with APL for project execution, building supervision, administrative services, marketing and later operation of the vessels.

Outlook

With its first construction project well underway Nexus Floating Production Ltd. is actively marketing the vessel towards the Offshore Oil Industry world wide, with special emphasis put on the markets where harsh environment and/or strict regulatory requirements yield demand for advanced units designed and

constructed to the highest standards. The Nexus FPSO receives a lot of attention from the industry. The demand for FPSO's are increasing due to the persistent high oil price and the fact that the new oil discoveries and developments are on deeper water and in remote areas where FPSO's often are the chosen development solution..

Market opportunities are actively pursued in all main geographical target areas through dialog with potential clients. Potential clients have approached the company for paid studies related to possible placement of the Nexus FPSO at specific locations. Several studies have been completed or are currently being prepared. The prospects are mainly in harsh environment areas such as Norway, UK, Canada, US Gulf of Mexico, but also West Africa and Australia offer some interesting opportunities. With a delivery in June 2009 the Nexus FPSO is well positioned to meet the increasing market demand in the years to come.

Singapore, 21st May 2007

The Board of Directors

Consolidated figures¹ (in USD 1000)

NEXUS FLOATING PRODUCTION LTD

Consolidated figures according to IFRS

INCOME STATEMENT (USD 1000)	6.5-30.09 2006	Q4 2006	Q1 2007	Total 2006
Revenues	0,0	144,6	75,0	144,6
Cost of sales	45,3	188,3	90,0	233,6
Employee benefits	129,0	153,8	941,2	282,8
Other operating expenses	193,9	169,1	292,0	363,0
EBITDA ²	-368,2	-366,6	-1248,2	-734,8
Depreciation	3,1	12,1	15,8	15,2
EBIT ³	-371,3	-378,7	-1264,0	-750,0
Financial income	626,0	362,0	424,7	988,0
Financial costs	0,0	-51,3	-12,7	-51,3
Other financial items ⁴	0,0	0,0	-1049,0	0,0
Profit before taxes	254,7	-68,0	-1901,0	186,7
Taxes	-125,2	-72,2	-84,5	-197,4
Profit after taxes	129,5	-140,2	-1985,5	-10,7
Earnings per share (USD)	0,0096	-0,0104	-0,1459	-0,0008
Diluted earnings per share (USD)	0,0096	-0,0104	-0,1459	-0,0008

¹ The figures are not audited

² Earnings before interest, taxes, depreciation and amortisation

³ Earnings before interest and taxes

⁴ Cost related to the IPO

NEXUS FLOATING PRODUCTION LTD - KEY FIGURES

		Q3 2006	Q4 2006	Q1 2007
Equity ratio	Note 1	97,1 %	99,5 %	48,2 %
Liquidity ratio	2	9,3	43,6	58,8
Net interest-bearing debt (USD 1000)	3	-34 775,3	-28 447,0	-59 478,1
No. of employees incl. consultants		3	3	3

Notes:

- 1) Equity / total capital
- 2) Current assets / current liabilities
- 3) Interest bearing debt - cash

NEXUS FLOATING PRODUCTION LTD

BALANCE SHEET	Q3	Q4	Q1
(USD 1000)	2006	2006	2007
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	11,5	27,1	24,5
Vessel under construction	94 146,8	97 236,2	102 915,6
Other non-current assets	146,3	153,4	145,8
TOTAL NON-CURRENT ASSETS	94 304,6	97 416,7	103 085,9
CURRENT ASSETS			
Prepayments and other current assets	36,4	69,0	4 686,9
Cash and cash equivalents	34 775,3	28 447,0	231 196,9
TOTAL CURRENT ASSETS	34 811,7	28 516,0	235 883,8
TOTAL ASSETS	129 116,3	125 932,7	338 969,7
EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY	125 381,2	125 279,3	163 238,1
LIABILITIES			
Interest bearing loans	0,0	0,0	171 718,8
TOTAL NON-CURRENT LIABILITIES	0,0	0,0	171 718,8
CURRENT LIABILITIES			
Trade and other payables	3 083,2	328,2	1 047,1
Income tax payable	125,2	197,4	282,0
Public duties payable	53,7	38,5	23,1
Other short-term liabilities	473,0	89,3	2 660,6
TOTAL CURRENT LIABILITIES	3 735,1	653,4	4 012,8
TOTAL LIABILITIES	3 735,1	653,4	175 731,6
TOTAL EQUITY AND LIABILITIES	129 116,3	125 932,7	338 969,7

NEXUS FLOATING PRODUCTION LTD

	6.5-30.09	Q4	Q1	Total
CASH FLOW STATEMENT	2006	2006	2007	2006
(USD 1000)				
CASH FLOW FROM OPERATING ACTIVITIES				
Ordinary profit before taxes	254,7	-68,0	-1 901,0	186,7
Ordinary depreciation	3,1	12,1	15,8	15,2
Share option program	0,0	0,0	824,4	0,0
Income tax paid	0,0	0,0	0,0	0,0
Changes in debtors and creditors	3 083,2	-2 755,0	718,9	328,2
Change in other balance sheet items	492,3	-393,2	-2 042,0	99,1
NET CASH FLOW FROM OPERATING ACTIVITIES	3 833,3	-3 204,1	-2 383,9	629,2
CASH FLOW FROM INVESTING ACTIVITIES				
Vessel under construction	-94 146,8	-3 089,4	-5 679,4	-97 236,2
Investment in other non-current assets	-160,9	-34,8	-5,6	-195,7
NET CASH FLOW FROM INVESTMENTS ACTIVITIES	-94 307,7	-3 124,2	-5 685,0	-97 431,9
CASH FLOW FROM FINANCIAL ACTIVITIES				
Change of interest bearing loans	0,0	0,0	171 718,8	0,0
Incorporation/increase in capital	125 249,7	0,0	39 100,0	125 249,7
NET CASH FLOW FROM FINANCIAL ACTIVITIES	125 249,7	0,0	210 818,8	125 249,7
NET CASH FLOW	34 775,3	-6 328,3	202 749,9	28 447,0
Cash as at start of period	0,0	34 775,3	28 447,0	0,0
Cash as at end of period	34 775,3	28 447,0	231 196,9	28 447,0

NEXUS FLOATING PRODUCTION LTD STATEMENT OF CHANGES IN EQUITY

(USD 1000)

	6.5-30.09 2006	Q4 2006	Q1 2007
Total shareholders equity at beginning of period	0,0	125 381,2	125 279,3
Profit after taxes for the period	129,5	-140,2	-1 985,5
Currency translation difference	2,0	38,3	19,9
Incorporation	130 004,5	0,0	0,0
Issue of new shares	0,0	0,0	40 000,0
Equity transaction cost	-4 754,8	0,0	-900,0
Share option program	0,0	0,0	824,4
Total shareholders equity at end of period	125 381,2	125 279,3	163 238,1

Disclaimer for forward-Looking Statements

This quarterly 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. Nexus Floating Production Ltd. 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.

Facts about Nexus floating Production Ltd.:

Nexus, which was incorporated by First Securities and APL on 6 May 2006, has signed a Construction Contract with Samsung, Korea, for the construction and delivery of one Floating Production Storage & Offloading vessel (FPSO), "Nexus 1". The vessel is scheduled for delivery in June 2009. In addition to Nexus 1, Nexus and Samsung have entered into an Option Agreement concerning construction and delivery of one additional FPSO (the "Option Unit"). Nexus is founded as a Singapore company, governed under Singapore law.

First Securities and APL initiated the "Nexus Floating Production project" in September 2005 based on a vision to create a unique investment opportunity in the anticipation of a favorable market development. The company was listed at the Oslo Børs March 30th, 2007.

APL is a company listed on Oslo Børs, and develops, fabricates and sells advanced systems for offshore production, specializing in storage and transport of oil and gas by ships.

For further information, visit: www.nexusfp.no

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