

**NEXUS FLOATING
PRODUCTION LTD
FINANCIAL REPORT
FIRST QUARTER 2008**



Nexus Floating Production Ltd: First quarter 2008 results

The progress in the Nexus#1 and Nexus#2 building projects is according to plan. The long term demand for FPSOs is still promising but the market has seen delays in development projects and award of contracts. Nexus retains accordingly its positive market outlook and is confident it will secure attractive contracts for the vessels.

Nexus key financials (USD thousands)

	Q1/08	Q4/07	Q3/07	Q2/07	Q1/07	2007
Revenues	62	0	118	0	75	193
EBITDA	-919	-1 217	-750	-1 061	-1 248	-4 278
Investment in the ships	296 189	274 889	264 039	254 478	102 916	274 889
Profit before tax	-60	-423	384	-1 003	-1 901	-2 948
Earnings per share	N/A	N/A	N/A	N/A	N/A	N/A

Company background

Nexus Floating Production Ltd. has been established with the sole purpose of building, owning and operating Floating Production and Storage Vessels (FPSOs) for the international offshore oil production market. The company has contracted two FPSOs. The first vessel (Nexus#1) was contracted on June 19, 2006 with Samsung Heavy Industries Ltd. On June 18, 2007, the company signed the contract for the second vessel (Nexus#2) on substantially similar terms as the first. These FPSOs are new builds specified for operation in harsh environments. The first vessel will be delivered from the yard in June 2009, and the second in September 2010. The company has also secured an option for a third vessel.

The first vessel was fully financed by the end of 1Q 2007 through a combination of bank loans, bonds and equity. Prior to the signing of the contract for the second vessel, the company made a public offering of MUSD 100 to cover part of the financing through convertible bonds and equity.

Main events during Q1

The Nexus#1 building project is moving rapidly and the keel laying will take place in the beginning of May as planned.

The company has completed paid placement study work on behalf of oil companies.

The market interest in Nexus' vessels has remained positive and the company considers the market interest as a positive signal in the efforts to secure contracts for the vessels.

The due date for the second payment to Samsung Heavy Industries for Nexus#2 was moved from June 18, 2008 to September 18, 2008.

Project Status

The Nexus#1 construction project is progressing according to plan. By the end of the quarter the

builder Samsung Heavy Industries had produced 276 large blocks of total 294 for the hull construction. Also the construction work on the topside is well underway.

All procurement of long-lead items has been completed.

The FPSO is scheduled to be delivered on June 30, 2009.

The day-to-day project management is run from Arendal, Norway, by an integrated project team consisting of personnel from Nexus Floating Production Norge AS and APL ASA (a company in the BW Offshore Group). Nexus has a frame agreement with APL ASA for technical support and building supervision through the construction phases.

Samsung Heavy Industries is responsible for detail engineering and construction.

Nexus has high expectations regarding the builder's HSE performance, and the follow-up of this work is an important task for the Nexus site team, as well as the inspections on quality related issues. By the end of the first quarter no lost time injuries have been reported on the Nexus projects.

Advanced Production and Loading AS (a company in the BW Offshore Group) has a contract for delivery of turret, mooring and swivel systems.

The Nexus#2 project is also progressing according to plan. The ordering of long lead-items has started and there are no delays as of today. Advanced Production and Loading AS (a company in the BW Offshore Group) has been awarded the contract for the turret mooring system.

Finance

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

The company had operating income of USD 62' during the reporting period. The income is generated from study work for oil companies.

The operating expenses in the reporting period were in line with previous quarters. Operating expenses for the first quarter amounted to MUSD 0.9.

By the end of the quarter the company had cash deposits of MUSD 134. The financial income is related to these deposits.

The next payment milestone for the Nexus#2 project is due September 18, 2008. The company needs additional financing for this milestone.

Organisational update

The company is managed by Nexus Floating Production Norge AS, and this company has three full-time employees; Mr Anders Holm, CEO, Mr. Arild Bårdsen,

CFO, and Ms. Solfrid Fløystad, Office Manager. In addition, Mr. Johan Beek works as the company's Senior FPSO Technical Advisor on the basis of a full-time consultancy agreement

Further the company has frame agreements with APL ASA (a company in the BW Offshore Group) for project execution, building supervision, administrative services, marketing and subsequent operation of the vessels. A total of 40 persons are employed in the Nexus projects under the frame agreements.

Marketing activities

The two contracted vessels are being marketed world-wide through bids, paid studies and dialogue with possible clients.

The most probable locations for vessel contracts are the North Sea, the Atlantic West of Shetland and East of Canada, the Norwegian Sea and the Barents Sea. The vessels are tailor-made for the weather conditions in these areas where FPSO solutions currently are being considered for a number of field developments. But also the Gulf of Mexico and Australia are regions where the Nexus FPSOs

are well suited due to hurricane and typhoon activity.

Paid vessel placement study work has been completed in the period. The North Sea market looks increasingly stronger, and there are several oil fields in need of production facilities from 2009 and onwards.

The long term demand for FPSOs looks promising due to the persistent high oil price and exploration activities in deeper waters and remote areas, where FPSOs often are the chosen development solution. However, the number of FPSO contracts awarded in 2007 was lower than expected, mainly due to project delays caused by industry bottlenecks. This delay seems to continue into 2008.

In Nexus' core target areas there are several interesting opportunities for FPSO employment contracts from 2009 and onwards. The delivery position of the Nexus vessels is well suited to meet that demand in a market where equipment lead times are increasingly longer.

Singapore, 21st April 2008

The Board of Directors

Consolidated figures¹ (in USD 1000)

NEXUS FLOATING PRODUCTION LTD
Consolidated figures according to IFRS

INCOME STATEMENT (USD 1000)	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Total 2007
Revenues	75	0	118	0	62	193
Cost of sales	90	0	78	179	85	347
Employee benefits	941	566	208	861	242	2 575
Other operating expenses	292	496	582	178	654	1 548
EBITDA²	-1 248	-1 061	-750	-1 218	-919	-4 278
Depreciation	16	17	24	14	20	71
EBIT³	-1 264	-1 078	-774	-1 232	-940	-4 349
Financial income	425	185	2 977	-43	1 197	3 544
Financial costs	-13	-73	-1 819	879	-317	-1 026
Other financial items ⁴	-1 049	0	0	-26	0	-1 075
Profit before taxes	-1 901	-966	384	-423	-60	-2 906
Taxes	-85	-37	-595	674	0	-42
Profit after taxes	-1 986	-1 003	-211	251	-61	-2 948
Earnings per share (USD)	-0,1459	-0,0590	-0,0111	0,0132	-0,0032	-0,1707
Diluted earnings per share (USD)	-0,1459	-0,0590	-0,0111	0,0132	-0,0032	-0,1707

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

BALANCE SHEET

(USD 1000)

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	25	22	20	20	19
Vessels under construction	102 916	254 478	264 039	274 889	296 189
Other non-current assets	146	138	251	232	230
Pension funds	0	0	0	2	2
TOTAL NON-CURRENT ASSETS	103 086	254 637	264 310	275 143	296 440
CURRENT ASSETS					
Other current assets	4 687	100 060	5 588	5 643	4 781
Cash and cash equivalents	231 197	123 831	164 097	153 733	134 374
TOTAL CURRENT ASSETS	235 884	223 891	169 685	159 375	139 155
TOTAL ASSETS	338 970	478 529	433 996	434 518	435 595
EQUITY AND LIABILITIES					
SHAREHOLDERS EQUITY	163 238	197 919	197 776	195 923	195 991
LIABILITIES					
Interest bearing loans	171 719	231 994	232 938	233 678	234 434
Pension liability	0	0	0	177	189
Deferred tax liability	0	0	0	2 065	2 065
TOTAL NON-CURRENT LIABILITIES	171 719	231 994	232 938	235 921	236 688
CURRENT LIABILITIES					
Trade and other payables	1 047	48 115	949	967	1 125
Income tax payable	282	289	884	210	213
Public duties payable	23	54	40	72	52
Other short-term liabilities	2 661	158	1 408	1 426	1 525
TOTAL CURRENT LIABILITIES	4 013	48 616	3 281	2 674	2 915
TOTAL LIABILITIES	175 732	280 610	236 219	238 595	239 603
TOTAL EQUITY AND LIABILITIES	338 970	478 529	433 996	434 518	435 595

NEXUS FLOATING PRODUCTION LTD - KEY FIGURES

		Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008
Equity ratio	Note 1	48,2 %	41,4 %	45,6 %	45,1 %	45,0 %
Liquidity ratio	2	58,8	4,6	51,7	59,6	47,7
Net interest-bearing debt (USD 1000)	3	-59 478	108 163	68 842	79 946	100 060
No. of employees incl. consultants		3	4	4	4	4

Notes:

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

NEXUS FLOATING PRODUCTION LTD

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Total 2007
CASH FLOW STATEMENT (USD 1000)						
CASH FLOW FROM OPERATING ACTIVITIES						
Ordinary profit before taxes	-1 901	-966	384	-423	-60	-2 906
Ordinary depreciation	16	17	24	14	20	71
Share option program	824	553	105	92	92	1 573
Income tax paid	0	30	0	0	0	30
Changes in debtors and creditors	719	47 068	-47 166	18	159	638
Change in other balance sheet items	-2 042	-97 884	95 765	2 243	992	-1 918
NET CASH FLOW FROM OPERATING ACTIVITIES	-2 384	-51 183	49 112	1 944	1 203	-2 511
CASH FLOW FROM INVESTING ACTIVITIES						
Vessel under construction	-5 679	-151 562	-9 562	-10 850	-21 300	-177 653
Investment in other non-current assets	-6	-6	-136	3	-18	-144
NET CASH FLOW FROM INVESTMENTS ACTIVITIES	-5 685	-151 568	-9 697	-10 847	-21 317	-177 797
CASH FLOW FROM FINANCIAL ACTIVITIES						
Change of interest bearing loans	171 719	60 275	945	740	756	233 678
Incorporation/increase in capital	39 100	35 110	-93	-2 201	0	71 916
NET CASH FLOW FROM FINANCIAL ACTIVITIES	210 819	95 385	852	-1 461	756	305 594
NET CASH FLOW	202 750	-107 366	40 266	-10 364	-19 359	125 286
Cash as at start of period	28 447	231 197	123 831	164 097	153 733	28 447
Cash as at end of period	231 197	123 831	164 097	153 733	134 374	153 733

NEXUS FLOATING PRODUCTION LTD

STATEMENT OF CHANGES IN EQUITY

(USD 1000)

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008
Total shareholders equity at beginning of period	125 279	163 238	197 919	197 776	195 923
Profit after taxes for the period	-1 986	-1 003	-211	251	-61
Currency translation difference	20	21	57	-73	50
Incorporation	0	0	0	0	0
Issue of new shares	40 000	24 922	0	0	0
Convertible bond, equity part	0	11 494	0	-2 065	0
Equity transaction cost	-900	-1 305	-93	-136	0
Share option program	824	553	105	169	78
Total shareholders equity at end of period	163 238	197 919	197 776	195 923	195 991

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.

Facts about Nexus Floating Production Ltd.:

Nexus, which was incorporated by First Securities and APL on 6 May 2006, has signed Construction Contracts with Samsung, Korea, for the construction and delivery of two Floating Production Storage & Offloading vessel (FPSO), "Nexus 1" and "Nexus 2". The vessels are scheduled for delivery in June 2009 and September 2010. In addition to Nexus 1 and 2, 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 and is managed by Nexus Floating Production Norge AS under a management agreement.

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