

**NEXUS FLOATING
PRODUCTION LIMITED**

**Interim Consolidated
Financial Information**

First Quarter 2011



Nexus Floating Production Ltd: **First Quarter 2011** results

During the quarter the main tasks for the Company have been to entertain the business opportunities related to the deferred contracts for the Nexus#2 FPSO. All other activities have been cut back to save costs. The deferral period for the construction contract with Samsung Heavy Industries ended 30 April, and the Company is currently discussing an extension of the deferral agreement.

Finance

The Company had no operating income during the first quarter of 2011.

The total operating cost for the first quarter was USD 0.2 million compared to USD 0.3 million for the first quarter of 2010.

The result for the Company in the first quarter of 2011 was a loss of USD 0.2 million compared to a loss of USD 0.4 million for the first quarter of 2010.

The assets consist mainly of cash holdings of USD 1.4 million and a USD 1.9 million cash reserve booked as other current assets to cover an equivalent short term liability.

The negative equity of USD 66 million is related to the remaining commitments to the bondholders of USD 67.0 million 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.

The IFRS accounting rules implies that the liability has to be booked at the full amount until the terms has been formally amended in accordance with the understanding with the bondholders' committee.

Accounting principles

The preparation of the interim report is based upon IAS 34, and the accounting principles are equal to the 2010 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 agreement with Samsung Heavy Industries expired 30 April, 2011, and discussions for an extended option period are currently ongoing.

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.

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Singapore, 23 May 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

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Consolidated figures¹ (in USD 1000)

NEXUS FLOATING PRODUCTION LTD
Consolidated figures according to IFRS

INCOME STATEMENT (USD 1000)	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	TOTAL 2010
Revenues	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0
Employee benefits	52	448	140	156	100	843
Other operating expenses	137	172	24	335	208	738
EBITDA ²	-189	-619	-164	-490	-308	-1 581
Depreciation	6	6	15	13	15	49
Write down/(reversal)	0	0	0	0	0	0
EBIT ³	-195	-625	-179	-503	-323	-1 630
Financial income	-6	20	14	4	16	54
Financial costs	2	52	-93	-25	-103	-169
Profit before taxes	-199	-554	-258	-523	-410	-1 744
Taxes	-18	7	-13	23	-1	16
Profit after taxes	-217	-547	-271	-500	-411	-1 728
Other comprehensive income						
Exchange differences on translation of foreign operations	0	12	9	9	0	30
Other comprehensive income for the period	0	12	9	9	0	30
Total comprehensive income for the period	-217	-535	-262	-491	-411	-1 698
Earnings per share (USD)	-0,0114	-0,0281	-0,0138	-0,0258	-0,0216	-0,0891
Diluted earnings per share (USD)	-0,0114	-0,0281	-0,0138	-0,0258	-0,0216	-0,0891

¹ The figures are not audited

² Earnings before interest, taxes, depreciation and amortisation

³ Earnings before interest and taxes

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NEXUS FLOATING PRODUCTION LTD

BALANCE SHEET

(USD 1000)

ASSETS

NON-CURRENT ASSETS

Intangible assets	0	0	0	0	0
Vessels under construction	0	0	0	0	0
Other non-current assets	17	24	70	82	95
Pension funds	0	0	42	42	42

TOTAL NON-CURRENT ASSETS

17 24 112 124 137

CURRENT ASSETS

Other current assets	2 010	2 005	12	1 644	1 742
Cash and cash equivalents	1 386	1 565	3 250	1 984	2 652
Asset held for sale	0	0	0	0	0

TOTAL CURRENT ASSETS

3 396 3 570 3 262 3 628 4 394

TOTAL ASSETS

3 413 3 594 3 374 3 752 4 531

EQUITY AND LIABILITIES

SHAREHOLDERS EQUITY (note 1)

-65 948 -65 731 -65 293 -64 934 -64 444

LIABILITIES

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	0	4	4	4
Deferred tax liability	0	0	4	4	4

TOTAL NON-CURRENT LIABILITIES

67 025 67 025 67 033 67 033 67 033

CURRENT LIABILITIES

Interest bearing loans	0	0	0	0	0
Trade and other payables	97	85	57	8	57
Income tax payable	18	0	-20	-9	12
Public duties payable	0	5	0	403	55
Other short-term liabilities	2 221	2 210	1 597	1 251	1 818

TOTAL CURRENT LIABILITIES

2 336 2 300 1 634 1 653 1 942

TOTAL LIABILITIES

69 361 69 325 68 667 68 686 68 975

TOTAL EQUITY AND LIABILITIES

3 413 3 594 3 374 3 752 4 531

Note 1:

The negative equity of USD 66 million is related to the remaining commitments to the bondholders of USD 67.0 million 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. The IFRS accounting rules implies that the liability has to be booked at the full amount until the terms has been formally amended in accordance with the understanding with the bondholders' committee.



NEXUS FLOATING PRODUCTION LTD

CASH FLOW STATEMENT

(USD 1000)

CASH FLOW FROM OPERATING ACTIVITIES

	Q1 2011	TOTAL 2010
Ordinary profit before taxes	-199	-1 744
Ordinary depreciation	6	49
Impairment	0	0
Share option program	0	0
Income tax paid	18	12
Interest income	-6	54
Interest cost	2	-169
Financial gain	0	0
Changes in debtors and creditors	12	40
Other non cash adjustments	0	0
Change in other balance sheet items	-12	-73
NET CASH FLOW FROM OPERATING ACTIVITIES	-179	-1 831

CASH FLOW FROM INVESTING ACTIVITIES

Vessel under construction/Proceed from sale of vessel	0	0
Investment in other non-current assets	0	0
Interest received	0	4
NET CASH FLOW FROM INVESTMENTS ACTIVITIES	0	4

CASH FLOW FROM FINANCIAL ACTIVITIES

Incorporation/increase in capital	0	0
Interest paid and capitalized	0	0
NET CASH FLOW FROM FINANCIAL ACTIVITIES	0	0

NET CASH FLOW

Cash as at start of period	1 565	3 392
Cash as at end of period	1 386	1 565

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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 2010	187 738	(263 024)	9 428	55	1 770	(64 033)
Net profit for the period		(1 728)				(1 728)
Share based payments						-
Currency translation effect				30		30
Equity as at 31 December 2010	187 738	(264 752)	9 428	85	1 770	(65 731)
Equity as at 1 January 2011	187 738	(264 752)	9 428	85	1 770	(65 731)
Net profit for the period		(217)				(217)
Share based payments					-	-
Currency translation effect				-		-
Equity as at 31 March 2011	187 738	(264 969)	9 428	85	1 770	(65 948)

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

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