



# HIGHLIGHTS

- > **Q3/07 revenue was 15,5 MNOK.** Harvest and sales revenues up more than 50 % compared to Q3/06. YTD revenue of 27,7 MNOK, reflecting the sales of 941 tons (r.w.) own produced cod and 95 tons (r.w.) of sourced external cod.
- > **EBIT of – 5,6 MNOK in Q3/07** relative to -3,2 MNOK in Q3/06, reflecting 0,1 MNOK in positive margin for the generations sold and normal admin costs.
- > **495 tons (r.w) harvested** in Q3/07, all from the Hellevika location.
- > **Average achieved FOB price of 39.3 NOK/kg** in Q3/07, up 5% on Q3/06 due to a strong market for fresh cod.
- > **31 % of all farmed cod exported** from Norway in Q3/07 was produced by Codfarmers.
- > **Investments** per third quarter 2007 came to MNOK -65.9, of which MNOK -30.4 reflects investments in new production equipment and boats at the locations Kjølsvika, Hammarvika and Vindsvika along with upgrade of current production equipment at the existing locations at Skjetneset. MNOK 20.5 has been invested in hatching facility at Mørkvadbukta outside Bodø. The purchase of Halså processing plant from Marine Harvest adds MNOK 7.0 to the third quarter investments. The remaining MNOK 8.0 relates to the purchase of 12.5 % of Marin Invest AS.
- > **2,8 mill. juveniles** put to sea in 2007, including 1,8 mill. at two locations in Nordfjorden, 0,3 mill. at a new location in Kjerringøy and another 0,7 mill. at Marin Invest.
- > **Of contracted 2008 juveniles**, 2,2 mill. with a current average weight of 20 grams are already in the sea and under production at Marin Invest for delivery Codfarmers spring 2008.

# FINANCIALS

## CONSOLIDATED KEY FINANCIALS FIGURES

NOK (1000`)	Q3 2007	Q3 2006	YTD 2007	YTD 2006	Year 2006
Revenue	15,460	10,097	27,693	15,413	33 430
EBITDA	-3,718	-2,301	-11,438	-10,171	-18,326
EBIT before biomass adj	-5,630	-3,151	-15,677	-12,471	-22,209
EBIT after biomass adj	-5,630	-3,151	-15,677	-12,471	-22,209
Total assets	273,314	126,433	273,314	126,433	231,406
Totalt Equity	245,696	112,638	245,696	112,638	211,503
Equity ratio	90%	89%	90%	89%	91%
Interest bearing debt	2,792	3,384	2,792	3,384	3,139
Cash and cash equivalents	53,701	49,343	53,701	49,343	136,110

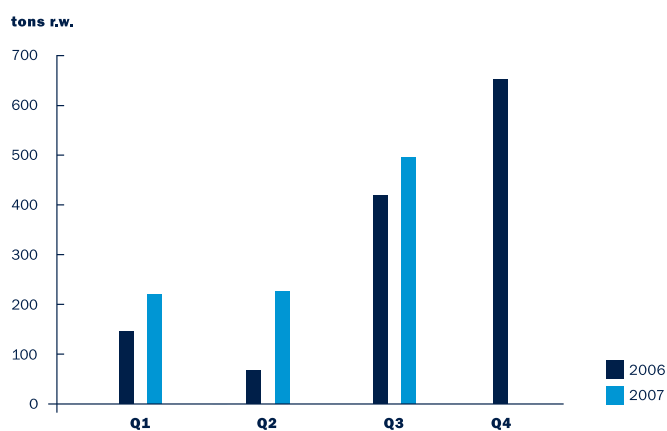
- Q3/07 revenue was 15,5 MNOK. Harvest and sales revenues up more than 50 % compared to Q3/06. YTD revenue of 27,7 MNOK, reflecting the sales of 941 tons (r.w.) own produced cod and 95 tons (r.w.) of sourced external cod.
- EBIT of - 5,6 MNOK in Q3/07 relative to -3,2 MNOK in Q3/06, reflects normal administration costs. Net margin of fish sold of 0,1 MNOK. Results from subsidiaries contribute with a EBIT of - 0,1 MNOK.
- YTD 2007 EBIT of -15,6 MNOK. Net margin of fish sold YTD of - 0,3 MNOK.
- Total assets of 273 MNOK, reflecting 85 MNOK in non current assets and 189 MNOK in current assets.
- Total equity of 246 MNOK with an equity ratio of 90 % and 2,8 MNOK of interest bearing debt.
- 54 MNOK in cash and cash equivalents.



# FINANCIALS

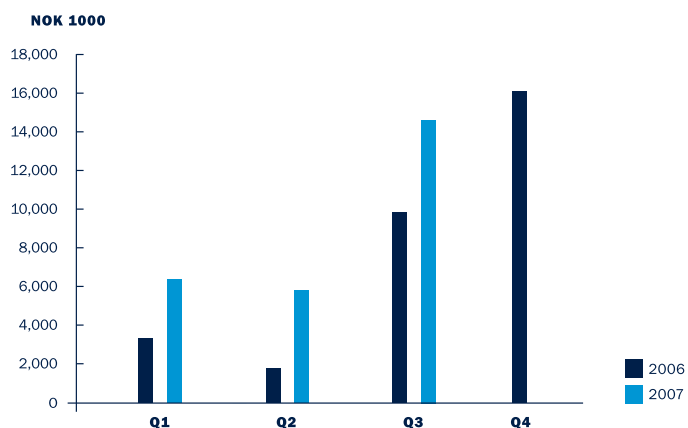
## HARVEST

- Q3/07 harvest of 495 tons (r.w.) up 20 % relative to Q3/06.
- Harvesting from two different generations at location Hellevika.
- Total harvest of 941 tons (r.w.) YTD in 2007.



## SALES

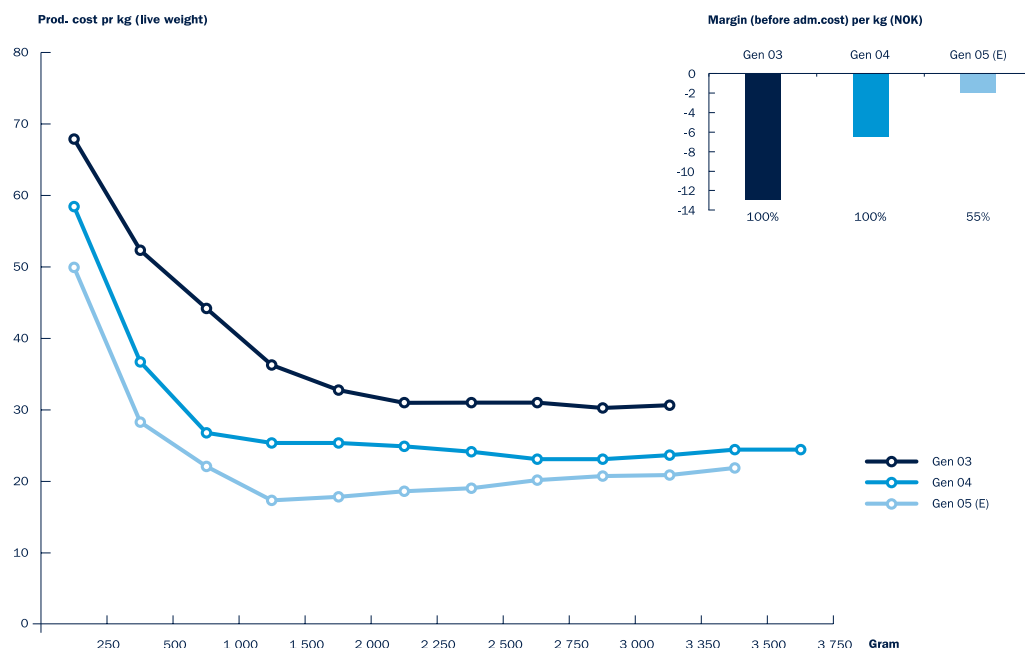
- Q3/07 revenue of 14,8 MNOK.
- Total sales of 27,7 MNOK in 2007 including 2,6 MNOK of external sales.
- Approx. 31 % market share of total farmed cod sales from Norway in Q3/07.



# FINANCIALS

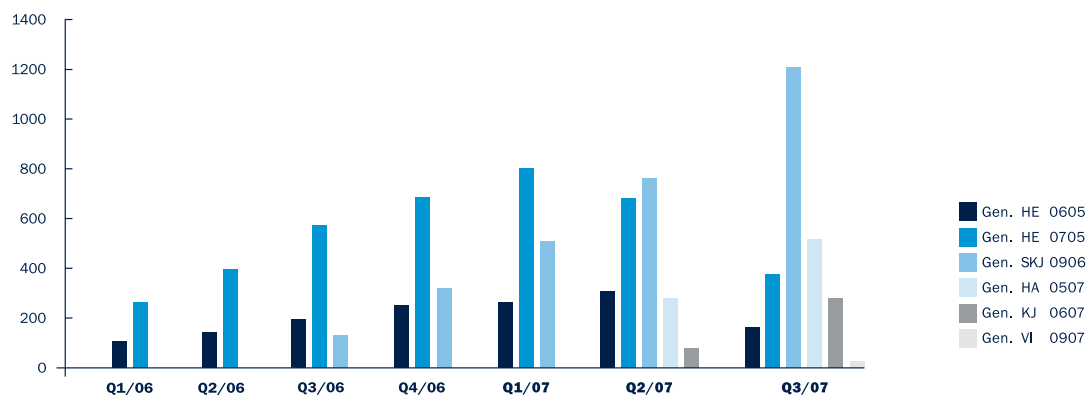
## MARGIN ANALYSIS 2007 (HARVESTED GENERATIONS)

- Significant cost improvements relative to the generations harvested in previous years.
- Highly improved margins due to lower production cost and higher average selling price.
- Positive net result for the generation harvested in Q3 of 0,1 MNOK before adm.cost.
- Accumulated net margin of – 1,5 NOK pr kg (r.w.) for the Hellevika location with 45 % of expected total biomass still remaining in the sea. Margin improvement of 1,5 NOK per kg (r.w) from Q2/07.



## BIOMASS DEVELOPMENT (TONS)

- 2577 tons (r.w.) standing biomass per Q3/07.
- A total of 3,1 mill. fish at 5 different locations.
- Net growth of 955 tons (r.w.) biomass in Q3/07.



# PRODUCTION

- 495 tons (r.w.) harvested from the Hellevika location during Q3/07.
- Normal sea-temperatures at all locations.
- Mortality has slightly increased at the Hellevika and Hammarvika location due to some maturation and poor performers.
- Production cost at Hellervika higher than expected.

## COD PERFORMANCE INDICATORS PER Q3 2007

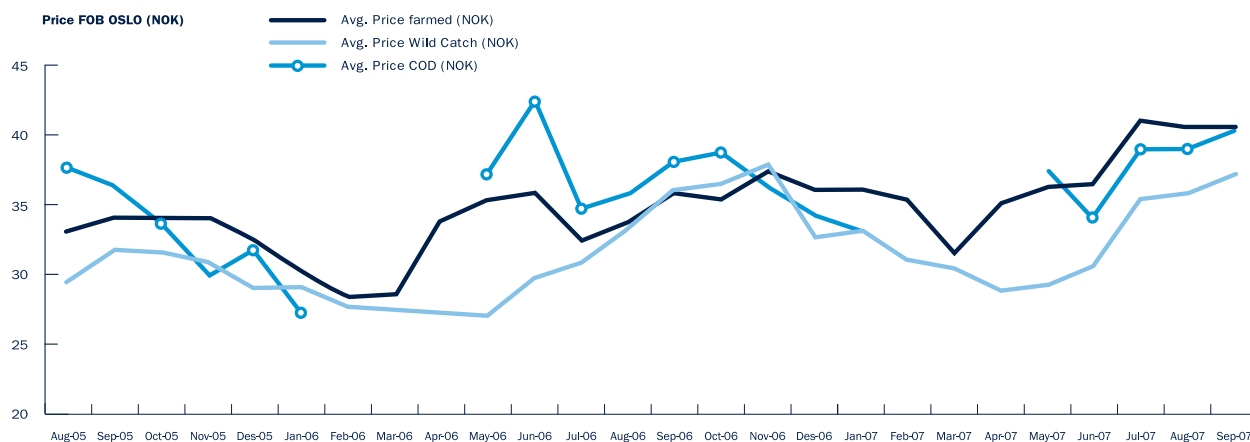
	Hellvika Gen. June 2005	Hellvika Gen. July 2005	Sjetnes Gen. Sept 2006	Hammarvika Gen. May 2007	Kjølvika Gen. June 2007	Vindvika Gen. Sept 2007
Harvest %	50%	60%	0%	0%	0%	0%
Growth from 100g to 1,5kg	14 months	13 months				
Growth from 100g to harvested weight	27 months	23 months				
Avg. harvested weight	3,2 kg	3,1 kg				
Current avg. weight	3,5 kg	3,3 kg	1,3 kg	0,8 kg	0,3 kg	0,1 kg
No. offish (1000)	47	115	960	671	1060	232
Biological feed factor (FCR)	1,27	1,17	1,02	1,04	0,90	0,90
Economic feed factor (EFCR)	1,41	1,26	1,06	1,08	0,92	0,97
Mortality (%)	11,4%	7,8%	2,9%	2,4%	1,3%	1,2%
Estimated Production cost (r.w.)	NOK 22,6	NOK 21,7	NOK 25,0	NOK 42,3	NOK 65,7	NOK 148,0

- Light equipment installed at Hammarvika and Sjetnes.
- 2,8 mill. juveniles put to sea in 2007, including 1,8 mill. at two locations in Nordfjorden, 0,3 mill. at a new location in Kjerringøy and another 0,7 mill. at Marin Invest.
- Of the juveniles contracted for 2008, 2,2 mill. with a current average weight of 20 grams are already in the sea for ongrowing at Marin Invest. These will be delivered to Codfarmers in spring 2008.

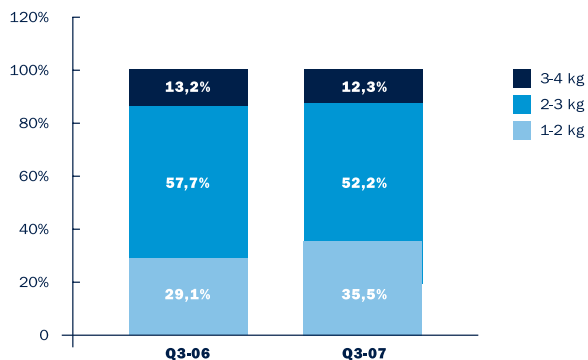
# MARKET

## MARKET

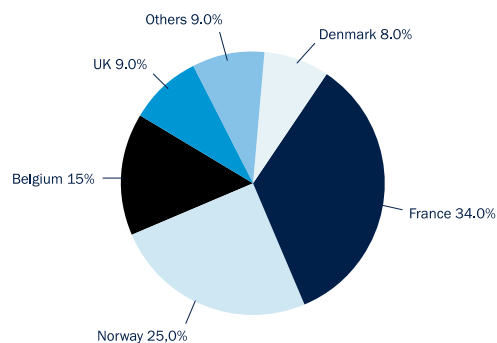
- Average FOB price of 39.3 NOK/kg in Q3/07, up 5 % on Q3/06.
- 35 % share of 1-2 kg fish reducing average price, partly due to a large pen with high biomass that was harvested early due to strong currents.
- 31 % of all farmed cod exported from Norway in Q3/07 was produced by Codfarmers.
- The geographical sales spread continues to widen as planned, with new clients in the UK, Germany and Spain.
- New contract deliveries initiated to several high-end retailers in four different countries in Europe in line with Codfarmers' strategy to go deeper into the markets and tie up part of our volume in fixed contracts and long-term partnerships.
- Q3 also saw the first regular deliveries of fillets to European clients. This too is in line with our strategy to gradually add more value to our products and reduce the dependency on only selling whole fish.



## SIZE DISTRIBUTION Q2 2006/2007



## SALES VALUE BY GEOGRAPHICAL MARKETS Q3 2007



# FUTURE

## MOMENTUM

While Q2/07 was the time for important strategic moves such as the purchase of the Mørkvedbukta juvenile facility, the Halså processing plant, the Marine Breed partnership and the juvenile supply agreements, Q3/07 has been followed up with substantial further investments in production capacity in the sea. These are all moves for the future.

## GROWTH

In terms of harvesting volumes, standing biomass, juvenile release and capex, Codfarmers is by far the leading player in the industry. The value chain is secured through vertical integration. Some of the most experienced managers and key personnel in the industry have been recruited and the organization has grown to 65 people. Investments per Q3 came to 65,9 MNOK, of which 30.4 MNOK reflects investments in new production equipment and boats at the locations Kjølvika, Hammarvika and Vindvika along with the upgrade of current production equipment at the existing location at Skjetneset. At the same time substantial new production capacity is being secured.

## MARGINS

Momentum and size are not objectives in their own right, but are means to exploit the potential of the industry. We experience record high prices as a result of continuously reduced wild quotas and catches. We experience reduced production costs as a result of scale and improved farming practices. In Q3, we were for the first time harvesting at positive margins before administrative costs. We see potential for substantial further cost reductions not only related to scale,

but also to reduced harvesting costs, juvenile costs, reduced maturation due to developing more efficient light manipulation regimes and not the least a shortened growth cycle due to genetic improvement. Our partner, Marine Breed, expects the cod based on next years roe material to grow 20 % faster than the previous generation.

## BIOLOGY

Obviously, there is a trade-off between growth and risk. The main risk factors at the present stage in the development of the industry are the continuity and quality of juvenile supplies and disease control. While it seems as if we are more sheltered in our colder waters in the North, we are not fully protected and only some vaccines are yet developed for cod. While the juvenile production code has been more or less solved, the supply of high quality juveniles is still erratic. Our main juvenile supplier lost three batches in a row last year, resulting in the spring juveniles this year delivered later and smaller in size and numbers than originally planned.

Cod farming is a pioneering industry and challenges related to brood stock, biological constraints, unknown growth patterns and fish health issues can delay us, but will not stop us. There will be bumps in the road. To date, however, everything is developing according to plan. The market is even better than expected.



**Øystein Steiro**  
CEO Codfarmers ASA



# FINANCIAL INFO

## ACCOUNTING PRINCIPLES – TRANSITION TO IFRS

As of 1 January 2005, Codfarmers has reported in accordance with the International Financial Reporting Standards (IFRS). The annual reports for previous years were presented in accordance with Norwegian accounting rules (N-GAAP). On the conversion to IFRS, historical accounting figures for 2004 were adapted to enable comparison. The transition to IFRS is described in the notes and the annual accounts for 2006. See our website: [www.codfarmers.com](http://www.codfarmers.com).

The Group will comply with the guidelines stated in IAS 41 for the valuation of live fish, in accordance with our interpretation of IFRS. The main principle is that the fish is to be valued at its estimated fair value less sales costs. When limited biological transformation has taken place or when the estimated fair value is clearly unreliable, §24 of IAS 41 allows the fish to be recorded at its production cost.

## THIRD QUARTER 2007 RESULTS

The Group achieved a total revenue during third quarter 2007 of MNOK 15.5, compared with MNOK 10.1 for the same period in 2006, as a result of increasing harvesting volumes and sales.

The operating result before biomass adjustments came to MNOK -5.6, compared to MNOK -3.2 for the same period in 2006. The operating result after biomass adjustments equalled MNOK -5.6 with no biomass adjustments in the period reporting on the basis of IAS 41 (IFRS). The third quarter result after tax came to MNOK -5.0, compared to MNOK -2.8 in 2006.

The net cash flow from operations for the first nine months of 2007 was MNOK -63.9, compared to MNOK -29.0 for the same period last year.

The net cash flow from investment activities per third quarter 2007 came to MNOK -65.9, of which MNOK -30.4 reflects investments in new production equipment and boats at the locations Kjølvika, Hammarvika and Vindvika along with upgrade of current production equipment at the existing locations at Skjetneset. MNOK 20.5 has been invested in hatcing facility at Mørkvedbukta outside Bodø. The purchase of Halså processing plant from Marine Harvest adds MNOK 7.0 to the third quarter investments. The remaining MNOK 8.0 relates to the purchase of 12.5 % of Marin Invest AS.

The cash flow from financing activities shows that the Group reduced its net interest bearing debt by MNOK 0.3 in the first 9 months of 2007 and increased its equity by the net amount of MNOK 46.9 through an share issue in May 2007.

At the end of third quarter 2007, the Group had MNOK 53.7 in available cash and cash equivalents.

## FINANCING, CAPITAL STRUCTURE AND SHAREHOLDERS

End of third quarter, the Group had total assets with a book value of MNOK 273.3 and interest bearing debt of MNOK 2.8. The Group's book equity equalled MNOK 245.7, giving an equity ratio of approx. 90%.

As per 30 October 2007, Codfarmers ASA had 423 shareholders. 43 % of the shares were owned by foreign

investors (US 14,5 % , UK represents 11,7 %,) End Oktober, the 20 largest shareholders owned a total of 78,4 % of the Company's shares. The largest shareholder is Odin Verdipapirfond and have a stake of 10% , while "In Cod We Trust" from USA and Orkla ASA have 9,1 % and 8,5 % of the shares respectively.

In Q3, Codfarmers ASA have been trading at between NOK 36 and NOK 42 per share.

# INCOME STATEMENT

		Q3	Q3	IFRS	YTD	YEAR
Unaudited (NOK 1000)	Note	2007	2006	YTD	2006	2006
Revenue		15 460	10 097	27 693	15 413	33 430
Consumables used		14 248	18 011	56 716	25 227	35 026
Inventory change		-17 993	-10 742	-55 023	-16 369	-8 247
Salaries		6 477	3 209	14 471	8 412	13 554
Depreciation, amortisation and impairment charges		1 912	851	4 239	2 301	3 883
Other expenses		16 446	1 920	22 967	8 314	11 423
<b>Operating profit before biomass adj.</b>		<b>-5 630</b>	<b>-3 151</b>	<b>-15 677</b>	<b>-12 471</b>	<b>-22 209</b>
Biomass adjustment		0	0	0	0	0
<b>Operating profit</b>		<b>-5 630</b>	<b>-3 151</b>	<b>-15 677</b>	<b>-12 471</b>	<b>-22 209</b>
Financial income		867	440	2 575	1 360	1 541
Financial cost		-241	-58	-466	-317	-282
<b>Net finance</b>		<b>626</b>	<b>382</b>	<b>2 109</b>	<b>1 043</b>	<b>1 259</b>
Profit before income tax		-5 004	-2 770	-13 568	-11 429	-20 950
Income tax (expense) / income		0	0	0	0	0
<b>Profit for the period</b>		<b>-5 004</b>	<b>-2 770</b>	<b>-13 568</b>	<b>-11 429</b>	<b>-20 950</b>
<b>Attributable to:</b>						
Equity holders of the company		-5 004	-2 770	-13 568	-11 429	-20 950
<b>Earnings per share</b>						
basic	11	-0,31	-0,26	-0,84	-1,06	-1,96
diluted	11	-0,31	-0,26	-0,83	-1,06	-1,96

# BALANCE SHEET

			IFRS	
		30 SEPT.	30 SEPT.	Year
Unaudited (NOK 1000)	Note	2007	2006	2006
ASSETS				
Non-current assets				
Property, plant and equipment	5	74 474	18 698	21 545
Intangible assets	5	2 099	1 541	1 571
Financial assets for sale		8 003	3	3
Total non-current assets		84 576	20 241	23 119
Current assets				
Inventories		2 489	745	1 798
Biomass		90 794	43 613	35 491
Trade receivables		8 686	7 823	10 113
Other receivables		33 068	4 668	24 775
Cash and cash equivalents		53 701	49 343	136 110
Total current assets		188 738	106 192	208 287
Total assets		273 314	126 433	231 406
EQUITY				
Capital and reserves attributable to equity holders of the company				
Share capital	6	292 879	139 251	245 370
Other equity	6	0	183	0
Retained earnings	6	-46 583	-26 796	-33 867
Total equity		245 696	112 638	211 503
LIABILITIES				
Non-current liabilities				
Borrowings	7	2 792	3 384	3 139
Total non-current liabilities		2 792	3 384	3 139
Current liabilities				
Trade payables		18 374	7 449	11 689
Indirect taxes and excises		1 186	380	898
Borrowings	7	602	596	585
Convertible loan		0	0	0
Other current liabilities		4 664	1 986	3 592
Total current liabilities		24 826	10 411	16 764
Total liabilities		27 618	13 795	19 903
Total equity and liabilities		273 314	126 433	231 406

# CASH FLOW

Unaudited (NOK 1000)	IFRS	
	30 SEPT. 2007	30 SEPT. 2006
<b>Cash generated from operating activities</b>		
Profit for the period	-13 568	-11 429
Depreciation and amortisation	4 239	2 301
Gain on sale of asset	186	-700
Change in inventories	-55 994	-16 674
Change in trade receivables	1 427	-4 655
Change in trade payables	6 685	3 240
Change in other	-6 933	-1 103
<b>Net cash generated from operating activities</b>	<b>-63 958</b>	<b>-29 020</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (PPE)	-58 062	-8 692
Proceeds from sale of PPE	180	1 000
Purchase of financial assets	-8 000	0
<b>Net cash used in investing activities</b>	<b>-65 882</b>	<b>-7 692</b>
<b>Cash flow from financing activities</b>		
Repayments of borrowings	-330	-547
Proceeds from share issue	46 909	84 273
Share option costs	852	113
Interest of convertible bond	0	50
<b>Net cash used in financing activities</b>	<b>47 431</b>	<b>83 889</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-82 409</b>	<b>47 177</b>
Cash and cash equivalents at beginning of the period	136 110	2 166
<b>Cash and cash equivalents at end of the period</b>	<b>53 701</b>	<b>49 343</b>
Restricted cash as of 30 Sept.	236	305
<b>Cash and cash equivalents at end of the period adjusted for restricted cash</b>	<b>53 465</b>	<b>49 038</b>
<b>From the balance sheet</b>	<b>53 701</b>	<b>49 343</b>

## CHANGE IN EQUITY

Unaudited (NOK 1000)	Share capital	Share premium	Reserves	Retained earnings	Total
<b>Balance at 1 January 2007</b>	<b>1 539</b>	<b>243 832</b>	<b>0</b>	<b>-33 867</b>	<b>211 503</b>
Issue of shares 21.05.07	154	46 755			46 909
Market value of awarded options				852	852
Profit for the period				-13 568	-13 568
<b>Balance at 30 Sept. 2007</b>	<b>1 693</b>	<b>290 587</b>	<b>0</b>	<b>-46 583</b>	<b>245 696</b>

# NOTES

## 1 GENERAL INFORMATION

Codfarmers ASA ("the Company") and its subsidiaries ("the Group") is a group incorporated and domiciled in Norway. The address of the registered office of Codfarmers ASA is;

8120 Nygårdsjøen  
Gildeskål

The group produces and sells farmed cod. It has its main base in Gildeskål in Nordland county. At present the group has 5 active licenses in Gildeskål. In addition, Codfarmers ASA has 2 licenses in Bodø.

The condensed consolidated interim financial statements for the period from Jan-Sept 2007, consists of Codfarmers ASA and its subsidiaries Cod Juveniles AS and Cod Processing AS.

## 2 BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with IAS 34, "Interim financial reporting".

## 3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the IFRS annual financial statements for the year ended 31 December 2006, as described in the IFRS annual financial statements for the year ended 31 December 2006. The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 December 2006.

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 December 2006, but are not considered to be relevant for the group:

- Amendment to IAS 19, 'Employee Benefits'
- Amendment to IAS 21, 'Net Investment in Foreign Operations'
- Amendment to IAS 39, 'Cash Flow Hedge Account of Forecast Intragroup Transactions'

- Amendment to IAS 39, 'Fair Value Options'
- Amendment to IAS 39 and IFRS 4, 'Financial guarantee contracts',
- IFRS 6, 'Exploration for and evaluation of mineral resources'
- IFRIC 4, 'Determining whether an arrangement contains a lease'
- IFRIC 5, 'Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds',
- IFRIC 6, 'Liabilities arising from participating in a specific market - waste electrical and electronic equipment',

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:

- IFRIC 7, 'Applying the Restatement Approach under IAS 29', effective for annual periods beginning on or after 1 March 2006. Management do not expect the interpretation to be relevant for the Group;
- IFRIC 8, 'Scope of IFRS 2', effective for annual periods beginning on or after 1 May 2006. Management do not expect the interpretation to be relevant for the Group.
- IFRIC 9, 'Reassessment of Embedded Derivatives', effective for annual periods beginning on or after 1 June 2006. Management do not expect the interpretation to be relevant for the Group; and
- IFRIC 10, 'Interim Financial Reporting and Impairment', effective for annual periods beginning on or after 1 November 2006. Management do not expect the interpretation to be relevant for the Group.

## 4 SEGMENT INFORMATION

The group operates in one segment, being the production and sale of farmed cod within Europe.

# NOTES

## 5 CAPITAL EXPENDITURE

30 September 2006	Tangible and intangible assets
<b>Opening net book amount 1 January 2006</b>	<b>13 847</b>
Additions	8 692
Disposals	0
Depreciation, amortisation, impairment and other movements	2 301
<b>Closing net book amount 30 September 2006</b>	<b>20 238</b>

### 30 Sept 2007

<b>Opening net book amount at 1 January 2007</b>	<b>23 116</b>
Additions	58 062
Disposals	366
Depreciation/amortisation, impairment and other movements	4 239
<b>Closing net book amount at 30 September 2007</b>	<b>76 573</b>

## 6 CAPITAL

Capital	Number of shares ('000)	Ordinary shares	Share premium	Other equity	Total
<b>Opening balance 1 January 2006</b>	63 388	634	54 364	-15 367	39 631
Proceeds from issue of new shares	26 814	455	83 818		84 273
Reverse share split	-79 312				
Market value on awarded options				113	113
Convertible bonds - equity share				50	50
Result				-11 429	-11 429
<b>At 30 Sept 2006</b>	<b>10 890</b>	<b>1 089</b>	<b>138 182</b>	<b>-26 633</b>	<b>112 638</b>
<b>Opening balance 1 January 2007</b>	<b>15 389</b>	<b>1 539</b>	<b>243 831</b>	<b>-33 867</b>	<b>211 503</b>
Proceeds from issue of new shares	1 539	154	46 755		46 909
Market value on awarded options				852	852
Result				-13 568	-13 568
<b>At 30 Sept 2007</b>	<b>16 928</b>	<b>1 693</b>	<b>290 586</b>	<b>-46 583</b>	<b>245 696</b>

The AGM has given the board of Directors the following proxy to issue new shares:

Date given	Expiry date	Maximum increase in share capital (NOK)	Remaining amount (NOK)
8 Sept 2006	8 Sept 2009	554 462	94 462
<b>Total remaining amount:</b>			<b>94 462</b>

### Employee share option scheme:

The Group has a share option program for some of its leading employees. During the years 2007, 2008 and 2009 these employees can subscribe 450,000 shares in Codfarmers ASA.



**7 BORROWINGS**

	30 Sept 2007	30 Sept 2006
Non-current	2 792	3 384
Current	602	596
	<b>3 394</b>	<b>3 980</b>

Movements in borrowings is analysed as follows:

2006

Opening amount as at 1 January 2006	4 527
Repayments of borrowings	-547
<b>Closing amount as at 30 September 2006</b>	<b>3 980</b>

2007

Opening amount 1 January 2007	3 724
Repayments of borrowings	-330
<b>Closing amount as at 30 September 2007</b>	<b>3 394</b>

**8 PENSION PLANS**

Due to legislation in force from 1 January 2006, the Group has implemented a pension arrangement for its employees.

**9 SHARE OPTIONS**

Per 30 September 2007 the following options have been granted to employees:

Name	Grant date	No.of options	Vested date	Expire date	Share price	Strike
					NOK	NOK
Øystein Sterio	25-04-06	75 000	01-01-07	31-12-09	26	19
Øystein Sterio	25-04-06	75 000	01-01-08	31-12-09	26	19
Øystein Sterio	25-04-06	75 000	01-01-09	31-12-09	26	19
Michael Malling	25-04-06	25 000	01-01-07	31-12-09	26	19
Michael Malling	25-04-06	25 000	01-01-08	31-12-09	26	19
Michael Malling	25-04-06	25 000	01-01-09	31-12-09	26	19
Henrik Andersen	01-07-06	25 000	01-07-07	31-12-09	26	24
Henrik Andersen	01-07-06	25 000	01-07-08	31-12-09	26	24
Henrik Andersen	01-07-06	25 000	01-07-09	31-12-09	26	24
Tore Laugsand	01-08-06	25 000	01-08-07	31-12-09	26	24
Tore Laugsand	01-08-06	25 000	01-08-08	31-12-09	26	24
Tore Laugsand	01-08-06	25 000	01-08-09	31-12-09	26	24

A cost of TNOK 2.622 has been taken through the profit and loss. The cost has been determined using the Black-Schols option pricing model.

**10 INCOME TAXES**

The current income tax rate is 28%. None of the Group companies are currently in a taxable position.

# NOTES

## 11 EARNINGS PER SHARE

Earnings per share attributable to equity holders of the company are as follows:

Earnings per share for loss from continuing operations attributable to the equity holders of the company (expressed in NOK per share)	2007	2006
- basic	-0,84	-1,06
- diluted	-0,83	-1,06

## 12 DIVIDENDS

No dividends have been paid in the period.

## 13 RELATED-PARTY TRANSACTIONS

The following transactions have occurred with related parties during 2007:

Type of transaction	Related party	Purchase in TNOK
Consultancy services	Ole Jacob Myre (member of the Board of Directors)	805

## 14 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There has been no significant events occurring after the balance sheet day.

# SHARE CAPITAL DEVELOPMENT

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## SHARE CAPITAL DEVELOPMENT

Date	Event	Share Issued (NOK 1000)	Share Price (NOK)	Proceeds (MNOK)
Jan 2002	Incorporation	1 000	0,11	110
April 2002	Share issue	696	1,00	696
Oct 2002	Share issue	625	4,48	2 800
Des 2002	Share issue	107	5,61	600
Sep 2003	Share issue	643	7,00	4 501
Nov 2003	Share issue	440	9,00	3 960
Aug 2004	Share issue	945	12,00	11 344
Feb 2005	Employee shares	25	10,00	250
April 2004	Share issue	869	18,00	15 648
May 2005	Loan conversion	119	12,60	1 500
June 2005	Share issue	869	18,00	15 648
Feb 2006	Convertible Loan	351	14,25	5 000
April 2006	Adjustment issue	0,015		0,0015
April 2006	Share issue	3 158	19,00	60 000
May 2006	Share issue	1 042	24,00	25 000
Oct 2006	Offering/IPO	4 500	26,00	117 000
May 2007	Share issue	1 538	32,00	49 228
<b>Total</b>	<b>Shares issued</b>	<b>16 927</b>		<b>313 285</b>

# SHAREHOLDERS

## SHAREHOLDERLIST PER 30.10.2007

Shareholders	Shares	Ownership (%)
VERDIPAPIRFOND ODIN NORGE	1 685 111	10,0 %
IN COD WE TRUST LLC	1 532 243	9,1 %
ORKLA ASA	1 440 000	8,5 %
CHEYNE GLOBAL CATALYST	1 323 502	7,8 %
JPMORGAN BANK LUXEMBOURG	1 001 200	5,9 %
FUTURUM CAPITAL AS	858 995	5,1 %
MORTEN WERRINGS REDERI AS	639 722	3,8 %
MORGAN STANLEY AND CO. INTL. PLC	626 200	3,7 %
VERDIPAPIRFONDET KLP AKSJENORGE	500 595	3,0 %
SEB PRIVATE BANK S.A. LUXEMBOURG	500 000	3,0 %
SKAGEN VEKST	500 000	3,0 %
VITAL FORSIKRING ASA	425 213	2,5 %
STIFTELSEN STATOILS PENSJONSKASSE	400 782	2,4 %
BURCH JOHN CHRISTOPHER	376 101	2,2 %
WAHLSTRØM ERIK	337 436	2,0 %
BRØDR. HETLAND AS	333 525	2,0 %
CHEYNE SPECIAL SITUATIONS FUND LP	259 904	1,5 %
DNB NOR NORGE (IV)	243 800	1,4 %
SIS SEGAINTERSETTLE AG 25PCT	194 600	1,1 %
STATOIL FORSIKRING AS	191 586	1,1 %
SKANDINAVISKA ENSKILDA BANKEN	177 414	1,0 %
VERDIPAPIRFONDET NORDEA AVKASTNING	151 300	0,9 %
HETLANDS GECCO MANAGEMENT AS	150 300	0,9 %
OTHERS	2 807 937	16,6 %
<b>SUM</b>	<b>16 928 150</b>	<b>100%</b>

Number of shareholders: 423

Ownership Norway: 57 %

Ownership foreign: 43 %





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