

REGISTERED NUMBER: 05119310 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
SCIRA OFFSHORE ENERGY LIMITED

TUESDAY



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SCIRA OFFSHORE ENERGY LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

SCIRA OFFSHORE ENERGY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS

Mr K Aanstad
Ms A Lycke
Mr J Roos
Mr A van der Hem

SECRETARY

Mr P Fergusson

REGISTERED OFFICE:

3rd Floor, Bridge House,
69 London Road
Twickenham
Middlesex
TW1 3RH

REGISTERED NUMBER:

05119310 (England and Wales)

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

SCIRA OFFSHORE ENERGY LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report with the financial statements of the company for the year ended 31 December 2005

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a wind energy developer

Until 23 June 2005, the issued share capital of the company consisted of 1 A Ordinary Share and 1 B Ordinary Share. On 23 June 2005, 499 A and 499 B Ordinary Shares were allotted and fully paid for. Subsequently, on 27 June 2005, the A and B Ordinary Shares of £1 each were re-designated into Ordinary Shares of £1 each and the authorised share capital of the company increased from £1,000 to £10,000.

An additional 200 Ordinary Shares were issued at premium of £4,999 to Hydro Energy UK Limited on 27 June 2005. After 27 June 2005 the authorised share capital was £10,000 consisting of 10,000 shares of £1, of which 1,200 were issued.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2005.

DIRECTORS

The directors of the company who served during the period were as follows:

Mr K Ovreas	- appointed 27 6 05 (resigned 31 01 06)
Mr P O Eide	- appointed 27 6 05 (resigned 30 05 07)
Mr D A Edwards	resigned 19 04 07
Mr D Berkhout	resigned 30 01 07
Mr I Hexeberg	- appointed 31 1 06 (resigned 30 05 07)
Mr A B van der Hem	appointed 30 01 07
Mr J A Roos	appointed 19 04 07
Mr K Aanstad	appointed 30 05 07
Ms A Lycke	appointed 30 05 07

None of the directors holding office at any time during the year ended 31 December 2005 held any beneficial interest in the issued share capital of the company at any time during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL RISK MANAGEMENT

The company is exposed to risks associated with changes in foreign exchange rates. These risks are monitored on an ongoing basis, but the Company does not enter into any hedging activity and does not use financial instruments in this regard.

SCIRA OFFSHORE ENERGY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005

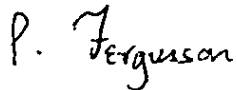
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Deloitte & Touche LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD.



Mr P Fergusson - Secretary

7 June 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
SCIRA OFFSHORE ENERGY LIMITED

We have audited the financial statements of Scira Offshore Energy Limited for the year ended 31 December 2005 which comprise the profit and loss, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

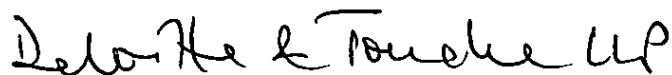
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants
London

7 June 2007

SCIRA OFFSHORE ENERGY LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2005

		Year Ended 31 12 05 £	Period 5 5 04 to 31 12 04 £
	Notes		
TURNOVER		-	-
Administrative expenses		<u>(1,646,058)</u>	-
OPERATING LOSS	3	(1,646,058)	-
Interest receivable and similar income		<u>7,929</u>	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,638,129)	-
Tax on loss on ordinary activities	4	<u>-</u>	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(1,638,129)</u>	-
LOSS FOR THE YEAR		<u><u>(1,638,129)</u></u>	-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period

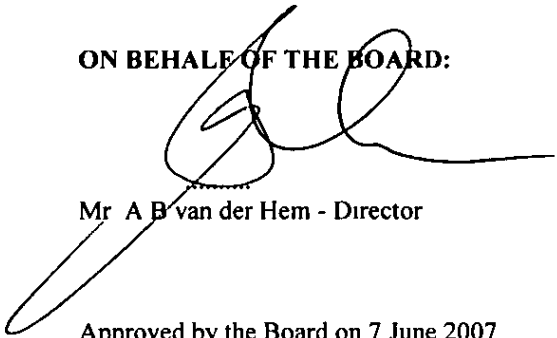
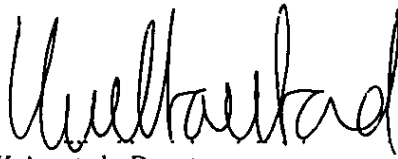
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year

SCIRA OFFSHORE ENERGY LIMITED**BALANCE SHEET**
31 DECEMBER 2005

	Notes	2005 £	2004 £
CURRENT ASSETS			
Debtors	5	67,838	7,547
Cash at bank and in hand		<u>748,871</u>	<u>2</u>
		816,709	7,549
CREDITORS			
Amounts falling due within one year	6	<u>(1,453,838)</u>	<u>(7,547)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(637,129)</u>	<u>2</u>
NET (LIABILITIES)/ASSETS		<u><u>(637,129)</u></u>	<u><u>2</u></u>
CAPITAL AND RESERVES			
Called up share capital	7	1,200	2
Share premium	8	999,800	-
Profit and loss account	8	<u>(1,638,129)</u>	<u>-</u>
SHAREHOLDERS' DEFICIT	9	<u><u>(637,129)</u></u>	<u><u>2</u></u>

ON BEHALF OF THE BOARD:


Mr A B van der Hem - Director
Mr K Aanstad - Director

Approved by the Board on 7 June 2007

SCIRA OFFSHORE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2005**

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently in both the current and preceding year are described below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 (revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a small company.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax in the future. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is more likely than not.

Current tax is provided at amounts to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Where losses are surrendered from fellow group undertakings they are paid in full.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and expensed over the period during which the Group is expected to benefit. Provision is made for any impairment.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2005 or for the period ended 31 December 2004.

The company has no employees. The directors did not receive, nor were due, any remuneration in respect of their services to the company in either year.

3 OPERATING LOSS

The operating loss is stated after charging

	Year Ended 31 12 05 £	Period 5 5 04 to 31 12 04 £
Auditors' remuneration	8,000	-
Development costs	<u>1,600,333</u>	<u>-</u>

SCIRA OFFSHORE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2005**

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2005 or for the period ended 31 December 2004

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31 12 05 £
Loss on ordinary activities before tax	<u>(1,638,129)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(491,438)
Effects of Loss carried forward, prospect of utilisation uncertain	<u>491,438</u>
Current tax charge	<u>-</u>

5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
VAT	<u>67,838</u>	<u>7,547</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	729,494	-
Other creditors	165,357	7,547
Accrued expenses	158,987	-
Other loans	<u>400,000</u>	<u>-</u>
	<u>1,453,838</u>	<u>7,547</u>

Included in the above amount are

	Norsk Hydro ASA Group companies £	Sea & Land Power and Energy Ltd £	Ecoventures BV and group companies £	Total £
Trade creditors	109,749	280,208	222,028	611,985
Other creditors	157,357	-	-	157,357
Accrued expenses	2,454	-	-	2,454
Other loans	<u>100,000</u>	<u>250,000</u>	<u>50,000</u>	<u>400,000</u>
	<u>369,560</u>	<u>530,208</u>	<u>272,028</u>	<u>1,171,796</u>

The above loans have no fixed repayment date, are only repayable with the agreement of the Board and bear no interest

SCIRA OFFSHORE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2005**

7 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2005 £	2004 £
10,000	Ordinary Shares of £1		10,000	1,000
(2004 – 500 A and 500 B Ordinary Shares)			<u> </u>	<u> </u>

Allotted, issued and fully paid Number	Class	Nominal value £1	2005 £	2004 £
1,200	Ordinary Shares of £1	£1	1,200	-
	A Ordinary Shares of £1	£1	-	1
	B Ordinary Shares of £1	£1	-	1
			<u> </u>	<u> </u>

On 23 June 2005, 499 A and 499 B Ordinary Shares were allotted and fully paid for. Subsequently, on 27 June 2005, the A and B Ordinary Shares of £1 each were re-designated into Ordinary Shares of £1 each and the authorised share capital of the Company increased from 1,000 to 10,000 Ordinary Shares of £1 each.

An additional 200 Ordinary Shares were issued at premium of £4,999 to Hydro Energy UK Limited on 27 June 2005.

8 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2005	-	-	-
Deficit for the year	(1,638,129)	-	(1,638,129)
Shares issued during the year	<u>-</u>	<u>999,800</u>	<u>999,800</u>
At 31 December 2005	<u>(1,638,129)</u>	<u>999,800</u>	<u>(638,329)</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2005 £	2004 £
Loss for the financial year	(1,638,129)	-
Share capital issued	1,198	2
Shares issued at a premium	<u>999,800</u>	<u>-</u>
Net addition to shareholders' deficit	(637,131)	2
Opening shareholders' funds	<u>2</u>	<u>-</u>
Closing shareholders' deficit	<u>(637,129)</u>	<u>2</u>
Equity interests	<u>(637,129)</u>	<u>2</u>

SCIRA OFFSHORE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 DECEMBER 2005**

10 RELATED PARTY TRANSACTIONS

The following table shows the charges levied during the year by the joint venture partners

	Sea & Land Power and Energy Ltd £	Ecoventures BV and group companies £	Norsk Hydro ASA Group companies £
Consultancy and other charges	490,478	506,835	82,259
Administrative	-	-	37,725

11 SHAREHOLDERS NOTE

Throughout the year the company was a joint venture between

Hydro Energy UK Limited	600 shares
Ecoventures BV	300 shares
Sea & Land Power and Energy Limited	300 shares

On 29 January 2007, Sea and Land Power and Energy Limited transferred 300 shares to Ecoventures B V with the result that the Company has henceforth been a joint venture between

Hydro Energy UK Limited	600 shares
Ecoventures BV	600 shares

No party has a controlling interest in, or dominant influence over, the Company