REGISTERED NUMBER 05119310 (England and Wales)

REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

FOR

SCIRA OFFSHORE ENERGY LIMITED

TUESDAY

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SCIRA OFFSHORE ENERGY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2006

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SCIRA OFFSHORE ENERGY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006

DIRECTORS:	Mr K Aanstad Ms A Lycke Mr J Roos Mr A B 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
BANKERS.	Barclays Bank Plc 7th Floor 5 The North Colonnade Canary Wharf London E14 4BB
SOLICITORS	Norton Rose 3 More London Riverside London SE1 2AQ
	Greene and Greene 80 Guildford Street Bury St Edmunds IP33 1QB

SCIRA OFFSHORE ENERGY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006

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

On 10 October 2006, Hydro Energy UK Limited, transferred its 50% equity stake in the company to Norsk Hydro (UK) Limited

REVIEW OF BUSINESS
The results for the year are satisfactory and in line with directors expectations

On the basis of current financial projections and facilities available, we have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing the financial statements

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

The company has claimed exemption under Section 246(4) from preparing an enhanced business review (EBR) and Financial Risk Management disclosure on the basis that it is a small company

EVENTS SINCE THE END OF THE YEAR
On 29 January 2007, Sea & Land Power and Energy Limited, transferred its 25% equity stake in the company to Ecoventures BV the other existing 25% equity stakeholder, leaving the company with only two 50% equity stakeholders, being Norsk Hydro (UK) Limited and Ecoventures BV

RESULTS AND DIVIDENDS
The loss for the year after taxation was £2,971,503 (2005 £1,638,129) No dividends will be declared for or paid in the year ended 31 December 2006

DIRECTORS

The directors of the company who served during the year were as follows

Mr K Ovreas	-	resigned 31 1 06
Mr P O Eide		resigned 30 05 07
Mr D A Edwards		resigned 19 04 07
Mr D Berkhout	-	resigned 30 1 07
Mr I Hexeberg	-	Appointed 31 1 06 (resigned 30 05 07)
Mr A B van der Hem	-	appointed 30 1 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 2006 held any beneficial interest in the issued share capital of the company at any time during the year

SCIRA OFFSHORE ENERGY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2006

AUDITORS
Each of the persons who is a director at the date of approval of this report confirms that

1) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and

2) The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD

P. Fergusson

By order of the Board
Mr P Fergusson - Secretary

7 June 2007

SCIRA OFFSHORE ENERGY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2006

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

The company financial statements are required by law to 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 these 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 UK standards have been followed, and
- 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 parent company 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

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

We have audited the financial statements of Norsk Hydro (UK) Limited for the year ended 31 December 2006 which comprise of the profit and loss account, the balance sheet and related notes numbered 1 to 11 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 in the statement of directors' responsibilities on page 4, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 whether in our opinion, the information given in the Directors' Report is consistent with the financial statements In addition we report to you if, in our opinion, 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 directors' report and other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

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 2006 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

7 June 2007

SCIRA OFFSHORE ENERGY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
TURNOVER		-	-
Administrative expenses		(2,994,306)	(1,646,058)
OPERATING LOSS	3	(2,994,306)	(1,646,058)
Interest receivable and similar income		36,687	7,929
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,957,619)	(1,638,129)
Tax charge for the year	4	(13,884)	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(2,971,503)	(1,638,129)
LOSS FOR THE YEAR	9	(2,971,503)	(1,638,129)

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 in either year other than the loss for the year

SCIRA OFFSHORE ENERGY LIMITED

BALANCE SHEET
31 DECEMBER 2006

	Notes	2006 £	2005 £
CURRENT ASSETS			
Debtors	5	47,848	67,838
Cash at bank and in hand		126,810	748,871
		174,658	816,709
CREDITORS			
Amounts falling due within one year	6	(3,783,290)	(1,453,838)
NET CURRENT LIABILITIES		(3,608,632)	(673,129)
NET LIABILITIES		(3,608,632)	(637,129)
CAPITAL AND RESERVES			
Called up share capital	7	1,200	1,200
Share premium	8	999,800	999,800
Profit and loss account	8	(4,609,632)	(1,638,129)
SHAREHOLDERS' DEFICIT	9	(3,608,632)	(637,129)

ON BEHALF OF THE BOARD:

Mr A B van der Hem - Director

Mr K Aanstad - Director

Approved by the Board on 7 June 2007

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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
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

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

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 2006 or for the period ended 31 December 2005

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

	2006	2005
	£	£
Auditors' remuneration	12,000	8,000
Development costs	2,940,695	1,600,333

continued

4 TAXATION

Factors affecting the tax charge
The tax charge is lower than the standard rate of corporation tax in the UK
The difference is explained below

	2006 £	2005 £
Loss on ordinary activities before tax	(2,957,619)	(1,638,129)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	(887,286)	(491,439)
Effects of		
Pre-trading expenses not deductible for tax purposes	898,292	491,439
Prior year under provision	2,878	0
Current tax charge/(credit)	13,884	0

A deferred tax asset has not been recognised in respect of timing differences relating to pre-trading expenses as prospect of utilisation is uncertain

5 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
VAT	47,848	67,838

6 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	222,779	729,494
Other creditors	50	165,357
Taxation	13,884	0
Accrued expenses	146,577	158,987
Other loans	3,400,000	400,000
	3,783,290	1,453,838

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	64,440	74,536	65,771	204,747
Other creditors	50	-	-	50
Accrued expenses	9,566	-	10,176	19,742
Loans from Joint Ventures	1,700,000	850,000	850,000	3,400,000
	1,774,056	924,536	925,947	3,624,539

The above loans have no fixed repayment date, are only repayable with the agreement of the Board and bear no interest In January 2007, Sea & Land Power and Energy Ltd's loans were taken over by Ecoventures BV together with their 25% share in the Joint Venture

continued

7 CALLED UP SHARE CAPITAL

Authorised

Number	Class	Nominal value	2006 £	2005 £
10,000	Ordinary Shares of £1	£1	10,000	10,000

Allotted, issued and fully paid

Number	Class	Nominal value	2006 £	2005 £
1,200	Ordinary Shares of £1	£1	1,200	1,200

8 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2006	(1,638,129)	999,800	(638,329)
Loss for the financial year	(2,971,503)	-	(2,971,503)
At 31 December 2006	(4,609,632)	999,800	(3,609,832)

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2006 £	2005 £
Loss for the financial year	(2,971,503)	(1,638,129)
Share capital issued	-	1,198
Shares issued at a premium	-	999,800
Net addition to shareholders' deficit	(2,971,503)	(637,131)
Opening shareholders' funds	(637,129)	2
Closing shareholders' deficit	(3,608,632)	(637,129)
Equity interests	(3,608,632)	(637,129)

continued

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	410,623	392,035	234,339
Administrative	-	-	29,155

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