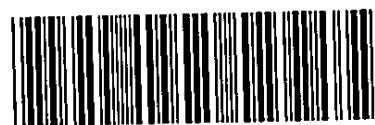


**Directors' Report and Financial
Statements**

Scira Offshore Energy Limited

31 December 2007

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COMPANIES HOUSE

Scira Offshore Energy Limited

Registered No 5119310

DIRECTORS

Mr K M Aanstad

Ms A S Lycke

SECRETARY

Mr A J Saul

AUDITOR

Ernst & Young LLP

1 More London Place

London

SE1 2AF

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

REGISTERED OFFICE

Statoil House

11a Regent Street

London

SW1Y 4ST

Scira Offshore Energy Limited

DIRECTORS' REPORT

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES

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

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

REVIEW OF THE 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

RESULTS AND DIVIDENDS

The loss for the year after taxation was £3,898,515 (2006 £2,971,503) No dividends will be declared for or paid in the year ended 31 December 2007

DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31 December 2007 were as follows

Mr P O Eide	(Resigned 30 May 2007)
Mr D A Edwards	(Resigned 19 April 2007)
Mr D Berkhout	(Resigned 30 January 2007)
Mr I Hexeberg	(Resigned 30 May 2007)
Mr A B van der Hem	(Appointed 30 January 2007, resigned 30 September 2008)
Mr J A Roos	(Appointed 19 April 2007, resigned 30 September 2008)
Mr K M Aanstad	(Appointed 30 May 2007)
Ms A S Lycke	(Appointed 30 May 2007)

No director had any interests requiring disclosure under Schedule 7 of the Companies Act 1985 in the shares of the company or any of its subsidiaries during the year No contract or arrangement entered into by the company in which any director is interested has subsisted during the year

Scira Offshore Energy Limited

DIRECTORS' REPORT

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made inquiries of fellow directors and of the company's auditors, each of these directors confirms that

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be placed before the members at the Annual General Meeting

By order of the Board

Secretary



Date

9/10/08

Scira Offshore Energy Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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, 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 financial statements comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these requirements, and having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements.

Scira Offshore Energy Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCIRA OFFSHORE ENERGY LIMITED

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 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 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.

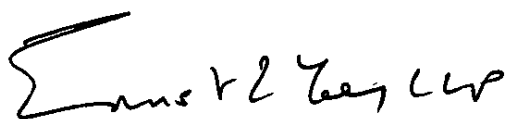
Scira Offshore Energy Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCIRA OFFSHORE ENERGY LIMITED

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 2007 and its loss for the year then ended,
- 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



Ernst & Young LLP

13 Oct 2008

Registered auditor

London

Scira Offshore Energy Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
TURNOVER		-	-
COST OF SALES		(3,923,732)	(2,994,306)
OPERATING LOSS	3	(3,923,732)	(2,994,306)
Interest receivable and similar income		41,197	36,687
Interest payable and similar charges		(3,385)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,885,920)	(2,957,619)
Tax charge on profit on ordinary activities	4	(12,595)	(13,884)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(3,898,515)	(2,971,503)

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

There are no recognised gains or losses attributable to the shareholders of the company other than the loss of £3,898,515 for the year ended 31 December 2007 (2006 £2,971,503)

Movements on reserves are set out in note 8

Scira Offshore Energy Limited

BALANCE SHEET at 31 December 2007

	<i>Notes</i>	<i>2007</i> £	<i>2006</i> £
CURRENT ASSETS			
Debtors	5	91,628	47,848
Cash at bank and in hand		1,814,667	126,810
		<u>1,906,295</u>	<u>174,658</u>
CREDITORS amounts falling due within one year	6	(1,613,442)	(383,290)
NET CURRENT ASSETS / (LIABILITIES)		<u>292,853</u>	<u>(208,632)</u>
CREDITORS amounts falling due after more than one year	6	(7,800,000)	(3,400,000)
NET LIABILITIES		<u>(7,507,147)</u>	<u>(3,608,632)</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,200	1,200
Share premium	8	999,800	999,800
Profit and loss account	8	(8,508,147)	(4,609,632)
EQUITY SHAREHOLDERS' DEFICIT		<u>(7,507,147)</u>	<u>(3,608,632)</u>

Notes 1 to 12 form part of these financial statements

Approved by the Board of Directors on

9/10 - 2008



Mr K Aanstad - Director

Scira Offshore Energy Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2007

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Accounting standards

These accounts are prepared in accordance with applicable UK accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation

The directors consider it appropriate to prepare the accounts on a going concern basis, since the parent undertaking agreed to provide sufficient finance, whether directly or through one of its subsidiaries to enable the company to meet its liabilities as they fall due for the foreseeable future.

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.

Foreign currencies

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.

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.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2007 or for the period ended 31 December 2006.

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

Scira Offshore Energy Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2007

3. OPERATING LOSS

The operating loss is stated after charging

	2007 £	2006 £
Auditors' remuneration	10,000	12,000
Development costs	3,913,732	2,940,695

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 – 30%) The differences are reconciled below

	2007 £	2006 £
Loss on ordinary activities before tax	(3,885,920)	(2,957,619)
Profit on ordinary activities multiplied by standard rate of corporation		
Tax in the UK of 30% (2006 – 30%)	(1,165,776)	(887,286)
Pre-trading expenses not deductible for tax purposes	1,178,135	898,292
Prior year under provision	236	2,878
Total current tax charge	12,595	13,884

No deferred tax has been recognised in respect of pre-trading expenditure of £8,500,000 for which relief may not be available until the company commences to trade

5. DEBTORS

	2007 £	2006 £
VAT	73,123	47,848
Prepayments	18,505	-
	91,628	47,848

Scira Offshore Energy Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2007

6. CREDITORS

Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	1,294,876	222,779
Other creditors	57,060	50
Taxation	14,011	13,884
Accruals	247,495	146,577
	<u>1,613,442</u>	<u>383,290</u>

Amounts falling due after more than one year

Loans from joint venture partners	7,800,000	3,400,000
	<u>7,800,000</u>	<u>3,400,000</u>

Included in the above amounts are

	StatoilHydro ASA group companies	Ecoventures BV group companies	Total
	£	£	£
Trade creditors	825,225	22,244	847,469
Other creditors	50,000	-	50,000
Accrued expenses	-	4,800	4,800
Loans from joint venture partners	3,900,000	3,900,000	7,800,000
	<u>4,775,225</u>	<u>3,927,044</u>	<u>8,702,269</u>

7. SHARE CAPITAL

	2007	Authorised 2006	Allotted, called up and fully paid 2007	2006
	No	No	£000	£000
Ordinary shares of £1 each	10,000	10,000	1,200	1,200
	<u>10,000</u>	<u>10,000</u>	<u>1,200</u>	<u>1,200</u>

Scira Offshore Energy Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2007

8. RESERVES

	Profit and loss account £	Share Premium account £	Total £
At 1 January 2007	(4,609,632)	999,800	(3,609,832)
Loss for the year	(3,898,515)	-	(3,898,515)
At 31 December 2007	<u>(8,508,147)</u>	<u>999,800</u>	<u>(7,508,347)</u>

9. SHAREHOLDERS' NOTE

At 1 January 2007, the company was a joint venture between

Norsk Hydro (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 BV with the result that the Company became a joint venture between

Norsk Hydro (UK) Limited	600 shares
Ecoventures BV	600 shares

During 2007, no party has a controlling interest in, or dominant influence over, the Company

During 2008, Ecoventures BV transferred its shareholding to Norsk Hydro (UK) Limited (note 12)

10. RELATED PARTY DISCLOSURES

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

	Ecoventures BV and group Companies £	StatoilHydro ASA group Companies £
Consultancy and other charges	96,007	1,748,522
Administrative	-	52,929
	<u>96,007</u>	<u>1,801,451</u>

Scira Offshore Energy Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2007

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2007	2006
	£	£
Loss for the financial year	(3,898,515)	(2,971,503)
Opening shareholders' funds	(3,608,632)	(637,129)
Closing shareholders' funds	(7,507,147)	(3,608,632)
Equity interests	(7,507,147)	(3,608,632)

12. POST BALANCE SHEET EVENT

On 29 May 2008, Ecoventures BV transferred 60 shares in Scira Offshore Energy Limited to Norsk Hydro (UK) Limited. On 30 September 2008, Ecoventures BV transferred its remaining 540 shares in Scira Offshore Energy Limited to Norsk Hydro (UK) Limited.

This resulted in the Company becoming a 100% subsidiary of Norsk Hydro (UK) Limited.