

## **Remora ASA - Q1 2009**

### **Business activities**

#### **Highlights**

- Remora completed a NOK 120 million private placement securing the project to be fully financed to mid 2009.
- Successful sea-launch of HiLoad DP no.1 in March, followed by inclination-tests with positive results, hence eliminating a critical design risk.
- Hazard Identification program (Hazid) on HiLoad operations conducted in Houston, with participation from several oil majors. Good results and positive feedback received.
- Construction project HiLoad DP no.1 remains challenging, with progress behind schedule and with additional cost.

#### **Market activities**

Marketing efforts are focused on employment of HiLoad DP no.1, and Remora sees an increased interest from the market as the project is moving closer towards completion and testing of the vessel. Remora is in dialogue with several operators, discussing specific applications for the vessel's start up contract. The upcoming sea trials will be a significant milestone in the work to secure a start-up contract for HiLoad DP no.1.

As part of the preparations for the sea trials, a one day seminar was conducted in Houston in March, gathering a large number of major E&P operators. The objective was to discuss and get feedback on the planned test scope, Remora's operational set up as well as conducting an operational Hazid. During the Hazid exercise, the operators could challenge and familiarize themselves with the operational procedures for HiLoad DP as well as the elements of the sea trial program. Remora is pleased with the outcome of the seminar, with no major question left unanswered and with positive feedback from the participants.

#### **Construction of HiLoad DP no. 1**

HiLoad DP no.1 was afloat for the first time in March, after a successful sea-launch operation. The inclination- and stability-testing following the sea-launch yielded positive results, and represented a critical verification of the HiLoad design.

The construction yard Aibel (Haugesund, Norway) has not been able to meet the scheduled milestones, which has led to delays in the completion, inshore testing, delivery and sea trial of the HiLoad DP no.1. Low productivity in the construction work, partly caused by a need for extensive rework, is the main driver behind the delays.

Remora is focusing all efforts on securing progress in the final phase of the project, without compromising on quality. Det norske Veritas is approving all work handed over by Aibel in the Mechanical Complete procedures, hence serving as a guarantor of the quality of the final product.

Based on the current status and remaining scope of work, Remora estimates completion of the vessel in Q2/Q3 of 2009, followed by inshore testing in July and sea trials.

The arbitration process with Aibel is proceeding, and is expected to be concluded in 2010.

### Financing activities

During the first quarter Remora completed a preferential rights issue and a total of 6 million new shares were issued, bringing the total number of outstanding shares in Remora ASA to 19.098.776. The proceeds from the issue secure financing of the construction and commissioning of the HiLoad DP no. 1 until mid summer 2009.

The HiLoad DP no 1 project has mainly been financed through equity. The need for further financing and how this will be structured is currently under consideration, and among the parameters in these considerations are the ongoing market introductions of the HiLoad DP no. 1.

### Financial results

The financials for Remora ASA for the first quarter of 2009 are presented below. All figures are presented in MNOK. The accounts have not been audited.

<b>Income Statement</b>	<b>Jan-Mars 2009</b>	<b>Jan-Mars 2008</b>	<b>Jan-Des 2008</b>
Operating income	0,1	0,1	3,6
Operating expenses	12,1	7,7	41,8
Net operating loss	(12,0)	(7,6)	(38,2)
Net financial items	(0,4)	1,4	10,9
Net loss before tax	(12,5)	(6,2)	(27,3)

### Income statement

Operating expenses are related to project costs and administration costs related to running operations. The increase in operating expenses compared to 2008 is mainly due to the hired operation crew for HiLoad DP no 1.

<b>Balance Sheet</b>	<b>31.03.2009</b>	<b>31.03.2008</b>	<b>31.12.2008</b>
Intangible assets	38,9	38,9	38,9
Fixed assets	3,9	0,5	3,1
Construction in progress	552,9	284,4	451,0
Shares and other assets	1,1	0,9	1,1
Other current assets	39,9	7,5	33,6
Cash and bank	64,9	65,7	20,0
<b>Total assets</b>	<b>701,5</b>	<b>397,9</b>	<b>547,7</b>
Total equity	619,4	386,8	515,1
Long term liabilities	11,9	-	-
Other current liabilities	70,2	11,1	32,6
<b>Total equity and liabilities</b>	<b>701,5</b>	<b>397,9</b>	<b>547,7</b>

### Balance sheet

Construction in progress is mainly related to HiLoad DP no 1. Main items are equipment and construction cost. Other current assets consist of VAT receivables, accounts receivable, payment in advance and withheld amount related to disputed invoices from Aibel on reimbursable work. Long term liabilities are related to drawdowns under the Credit Bank Facility for the building of long-lead equipment for HiLoad DP no 2. Other current liabilities relate to short term accruals for costs and debt to vendors, including the withheld disputed amount booked as other current assets.

### Cash flow

Main cash flow out of the company is related to costs for the HiLoad DP no. 1 project, preparation for sea launching, commissioning and mobilization of the vessel as well as administration costs. The company expects to establish a positive cash flow from operating activities following startup of first contract for HiLoad DP no.1

### Shareholder issues:

The 20 largest shareholders (registered in VPS per March 31 2009) are:

Shareholder	Number of shares	Ownership
HITEC INDUSTRIES PORTFOLIO KS	4,650,277	24.4 %
UBS AG, LONDON BRANCH	3,819,904	20.0 %
STENA INVESTMENT SARL	2,379,670	12.5 %
HILOAD HOLDING AS	1,625,401	8.5 %
SOBRA FINANS II AS	1,562,851	8.2 %
SKEIE CAPITAL INVESTMENT AS	1,338,788	7.0 %
KONGSBERG GRUPPEN ASA	691,000	3.6 %
SKAGEN VEKST	550,521	2.9 %
STYRBJØRN AS	461,492	2.4 %
DET STAVANGERSKE DAMPSKIBSSEL.AS	294,554	1.5 %
MORGAN STANLEY & CO INTL PLC	265,000	1.4 %
PACTUM AS	205,000	1.1 %
SEB PRIVATE BANK S.A. LUXEMBOURG	200,000	1.0 %
MP PENSJON	136,000	0.7 %
ISINVEST AS	129,748	0.7 %
STATE STREET BANK AND TRUST CO.	123,738	0.6 %
GOLDMAN SACHS INT. - EQUITY -	103,754	0.5 %
DAHLE	83,235	0.4 %
BD TRADING AS	75,668	0.4 %
JCE GROUP AB	64,874	0.3 %
OTHERS	337,301	1.8 %

As of March 31, the last registered share price is NOK 20 per share.

Shares owned by the Board of Directors, per March 31:

- Jon Gjedebo owns 24 629 shares directly and through Naust AS. In addition he represents the majority of shares in Hitec Industries, who in turn owns 92,4 % of HiLoad Holding AS.
- Yuhong Jin Hermansen, controls 294 554 shares through Det Stavangerske Dampskibsselskap and owns 2 837 shares directly.