

STORM REAL ESTATE AS

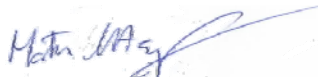
Opening balance for conversion to Public Limited Liability Company (ASA)
as at 31 March 2010

ASSETS	000 USD
Non-current assets	
Investment in Subsidiaries	5
Other financial assets	16.296
Long term loans, intra-group	80.789
Total non-current assets	<u>97.089</u>
Current assets	
Short term receivables, intra-group	17.047
Other receivables, external	233
Cash and cash equivalents	9.871
Total current assets	<u>27.151</u>
TOTAL ASSETS	124.241
EQUITY AND LIABILITIES	
Share capital	1.556
Share premium	21.036
Treasury shares	-139
Other paid-in equity	65.719
Sum paid-in equity	<u>88.173</u>
Retained earnings and translation reserves	-5.860
Sum other equity	<u>-5.860</u>
Total equity	82.313
Non-current liabilities	
Loans, external	38.516
Other long term liabilities	811
Total non-current liabilities	<u>39.327</u>
Current liabilities	
Trade payables	74
Other short term payables	2.526
Total current liabilities	<u>2.601</u>
Total liabilities	41.928
TOTAL EQUITY AND LIABILITIES	124.241

Oslo, 30 April 2010



Stein Aukner
Chairman



Morten E. Astrup
Board member



Michael Sivertsen
Board member



Thomas Eriksen
Board member



Christopher W. Ihlen
Board member



Maja Lindstrøm
Managing Director

APPENDIX 2

To the shareholders in Storm Real Estate AS

STATEMENT OF THE CONSEQUENCES OF CONVERSION FROM AS TO ASA

Reference is made to Section 8 in the calling notice to the general meeting in Storm Real Estate AS on the 12 May 2010. Pursuant to the Private Limited Liability Companies Act § 15-1 third paragraph, the board of directors hereby presents an overview of the consequences of a conversion of Storm Real Estate AS (the “Company”) from a private limited liability company to a public limited liability company. For the sake of good order, please note that this statement contains a description of the assumed main consequences and is thus not exhaustive with regards to a description of all the effects of a conversion.

1 LEGAL EFFECTS

1.1 Invitation to subscribe

Conversion of the Company to a public limited company will allow the Company to facilitate the invitations to subscribe for shares to the public, cf. the Public Limited Liability Companies Act § 10-1. Private limited companies in general may not issue invites to the public, cf. Private Limited Liability Companies Act § 10-1, first paragraph. In addition, the Public Limited Liability Companies Act includes more flexible regulations with respect to convertible loans, including the right to separate claims and the right to issue shares, the Public Limited Liability Companies Act § 11-2.

Furthermore, the right to authorise the board of directors in connection with capital increases and raise loans with conversion rights is more extensive for public limited liability companies than private limited liability companies, cf. the Public Limited Liability Companies Act §§ 10-1 and 11-2.

1.2 Listing on the stock exchange

Conversion of the Company to a public limited liability company will allow for a listing of the Company’s shares on a regulated market, cf. the Exchange Regulations § 2-1.

1.3 Registration in the Norwegian Registry of Securities (VPS)

Shares in public limited liability companies shall be registered in the VPS – such registration is not mandatory for private limited liability companies, cf. Public Limited Liability Companies Act § 4-4 and Private Limited Liability Companies Act § 4-4. Furthermore, as opposed to shares in private limited liability companies shares in public limited liability companies may be registered with an administer, cf. Public Limited Liability Companies Act § 4-10.

1.4 Share capital

The minimum requirement for share capital in private limited liability companies is NOK 100,000, while the minimum share capital in public limited liability companies is NOK 1,000,000, cf. Private Limited Liability Companies Act § 3-1 and the Public Limited Liability Companies Act § 3-1. The requirement concerning share capital is fulfilled by the Company.

1.5 Board Members and General Manager

Public limited liability companies shall at least have three Board members and a general manager, while private limited liability companies with share capital below NOK 3,000,000 may have only one board member and are not required to have a general manager, cf. the Public Limited Liability Companies Act § 6-1 and § 6-2 and the Private Limited Liability Companies Act §§ 6-1 and 6-2. The quota system also applies for public limited liability companies, cf. the Public Limited Liability Companies Act § 6-11a.

The general manager of a public limited liability company shall each month give a statement to the Board.

1.6 Shares with no voting rights

Shares with no voting rights may not constitute more than half of the share capital when it comes to public limited liability companies, while no limitations apply for private limited liability companies, cf. the Public Limited Liability Companies Act §§ 5-4 and 5-3. The Ministry may grant exemptions.

1.7 Expulsion

A statutory access exists for private limited liability companies for expulsion in breach situations, cf. the Private Limited Liability Companies Act §§ 4-24 and 4-25. Such provisions are not included in the Public Limited Liability Companies Act. Instead the Public Limited Liability Companies Act includes provisions concerning forced release of small shareholdings and access for parent companies who own more than 90 % of the shares to trigger the other shareholders, cf. the Public Limited Liability Companies Act §§ 4-24 and 4-25.

1.8 The shares negotiability

Pre-emption rights and board of directors approval applies in case of transfer in private limited liability companies, unless otherwise is stated in the articles of association, cf. Private Limited Liability Companies Act §§ 4-19 and 4-16. Such limitations do not apply for public limited liability companies unless specified in the articles of association, cf. Public Limited Liability Companies Act §§ 4-16 – 4-23.

1.9 Establishment of European company

Public limited liability companies may be converted into an European company, cf. Establishment of European Company (SE)

1.10 Determination of executive pay

Special provisions apply with regards to determination of executive pay in public limited liability companies, cf. Public Limited Liability Companies Act § 6-16 a.

1.11 General Meeting

Private limited liability companies with less than 20 shareholders may hold general meetings without a meeting as such (Private Limited Liability Companies Act § 5-7). Such right does not exist for public limited liability companies.

The board of directors shall call for an extraordinary general meeting if at least one twentieth of the share capital so requires, cf. the Public Limited Liability Companies Act § 5-7.

According to the Public Limited Liability Companies Act, a group of shareholders may require that the court determines who shall open the meeting, cf. the Public Limited Liability Companies Act § 5-12, second paragraph. The Private Limited Liability Companies Act has no similar provision.

In public limited liability companies the board of directors may decide that the shareholders shall be able to attend the general meeting through the use of electronic aids, including that the shareholders can exercise their rights as shareholders electronically, cf. the Public Limited Liability Companies Act § 5-8a. In public limited liability companies it may be stipulated in the articles of association that the shareholders may cast their vote in writing, including by means of electronic communication, in a period prior to the general meeting cf. the Public Limited Liability Companies Act § 5-8b. The Public Limited Liability Companies Act also has different provisions concerning calling for a meeting.

1.12 Restrictions of voting rights

Public limited liability companies may stipulate that the right to attend and vote at the general meeting can only be exercised when the acquisition is included in the shareholder register on the fifth business day prior to the General Meeting, cf. the Public Limited Liability Companies Act § 4-2. The same rules do not apply to private limited liability companies.

1.13 Provisions concerning procedures

The Public Limited Liability Companies Act poses in several cases more strict procedures than the Private Limited Liability Companies Act, including the requirement with regards to reports and statements issued by the board of directors, independent reports, etc.

2 ECONOMIC AND ADMINISTRATIVE EFFECTS

Conversion of the Company from a private limited liability company to a public limited liability company is necessary in connection with the Company's intention to be listed on a regulated market. Such listing and conversion will require more administrative resources than what is the case today. The additional costs are assumed to be proportional in conjunction with the Company's anticipated future needs.

Please note that this English translation of the statement of the consequences of conversion is for information purposes only and that the Norwegian statement of the consequences of conversion shall prevail in case of any inconsistencies.

To the general meeting in Storm Real Estate ASA

Medlemmer av Den norske Revisorforening

Statement on opening balance at the conversion to a public limited company

We have reviewed the opening balance dated 31 March 2010 for Storm Real Estate ASA showing a share capital of USD 1 556 000. The Board is responsible for the opening balance sheet including assets and liabilities at the conversion. Our responsibility is to give a statement on the classification and presentation of the opening balance sheet on the basis of our review.

We conducted our review and issue our statement in accordance with the Norwegian standard SA 3802 "The auditor's statements and reports pursuant to Norwegian company legislation". The standard requires that we plan and perform our review to obtain reasonable assurance for the fact that the information in the opening balance sheet is classified and presented in accordance with simplified IFRSs pursuant to the Norwegian Accounting Act §3-9. We have examined, on a test basis, evidence supporting the information in the opening balance sheet. We believe that our review provides a reasonable basis for our opinion.

In our opinion, the classification and presentation of the opening balance sheet dated 31 March 2010 for Storm Real Estate ASA is in accordance with simplified IFRSs pursuant to the Norwegian Accounting Act §3-9.

Oslo, 3 May 2010
ERNST & YOUNG AS

Asbjørn Rødal
State Authorized Public Accountant (Norway)

This is a translation of the original official Norwegian document and is provided for information purposes only.

To the general meeting of Storm Real Estate ASA

Medlemmer av Den norske Revisorforening

Report on conversion to a public limited company

As independent experts and on instructions from the Board, we report in accordance with the Public Limited Liability Companies Act § 2-6. The Board is responsible for the information on which the report is based and the performed valuations. Our responsibility is to prepare a report on whether the assets and liabilities at the conversion can be disclosed in the balance sheet at a total net value covering the share capital required in a public limited company (ref. the Norwegian Limited Liability Companies Act § 2-6, ref. § 15-1).

The remaining report is divided into two parts. The first part is a presentation of information in accordance with the requirements set by the Norwegian Public Limited Companies Act § 2-6 first par. no. 1 to 4. The second part is our opinion.

Part 1: Information about the assets and liabilities at the conversion

Assets and obligations at the conversion are included in the opening balance dated 31 March 2010 and comprise the following:

- Investment in Subsidiaries. Valued at cost. No impairment issue identified.
- Other financial assets. Valued at fair value based on observable market prices.
- Long term loans, intra group. Valued at amortized cost. No impairment issue identified.
- Short term receivables, intra group. Valued at amortized cost. No impairment issue identified.
- Other receivables, external. Valued at amortized cost. No impairment issue identified.
- Cash and cash equivalents. Valued at nominal value.
- Loans, external. Valued at amortized cost based on effective interest method.
- Other long term liabilities. Valued at fair value based on an external valuation.
- Trade payables. Valued at amortized cost.
- Other short term payables. Valued at amortized cost.

The conversion is performed by transferring book values.

Part 2: The independent expert's report

We conducted our review and issue our statement in accordance with the Norwegian standard SA 3802 "The auditor's statements and reports pursuant to Norwegian company legislation". The standard requires that we plan and perform our review to obtain reasonable assurance for the fact that the assets and obligations at the conversion can be disclosed in the balance sheet at a total net value covering the nominal value of the share capital of USD 1 556 000 required in a public limited company. We have also assessed the valuation methods applied and the assumptions constituting the basis for the valuation. We believe that our review provides a reasonable basis for our opinion.

In our opinion, the assets and obligations at the conversion can be disclosed in the balance sheet at a total net value covering the nominal value of the share capital of USD 1 556 000 required in a public limited company.

Oslo 3 May 2010
ERNST & YOUNG AS

Asbjørn Rødal
State Authorized Public Accountant (Norway)

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