

The background of the entire page is a dark blue field filled with numerous small, bright blue and white particles, resembling a starry night sky or a microscopic view of a fluid. A fine, light blue grid is overlaid on the entire image, creating a technical or scientific aesthetic.

**concedo**

Annual Report 2008

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# TARGETS ACHIEVED IN 2008

The company continued its work for allocation of new interests in licences. This gave good results, with allocations in both APA 2007 and in APA 2008. Our licence portfolio increased from one to six licences in 2008. The well on the Galtvort prospect in production licence 348 (PL 348) was the company's first discovery, representing a milestone for Concedo.

The Ministry of Oil and Energy awarded licences in application round APA 2007. Concedo was allocated two attractive licences off Mid-Norway, an area in which Concedo's geological competence and experience are very strong.

PL 475 is centrally located on the Halten Bank, Winterhall serves as operator and Centrica and Faroe Petroleum are partners. The work programme is one firm well.

Seismic reprocessing commenced in 2008 in PL 485 north of the Norne Field, with Winterhall as operator and E.ON Ruhrgas and Det norske oljeselskap as partners.

The company wanted to participate in drilling in the course of 2008 and contacted several companies on the Norwegian shelf to acquire interests in licences mature for drilling. A deal was made with Endeavour Energy whereby Concedo obtained a 5% interest in PL 348,

and a swap was made with Det norske oljeselskap for 15% in PL 383 for a corresponding percentage in PL 485.

Concedo participated in the nomination process in the 20th round, cooperating with operating companies that have access to drilling rigs. Four areas were prioritized and applications for the desired licences were submitted in November.

In June the company was able to announce its first discovery in PL 348, after drilling an exploration well with two branches which tested two parts of the Galtvort prospect. Gas was found in both of them. This discovery is in an attractive area near existing infrastructure between the Draugen and Njord platforms. StatoilHydro, the operator for this licence, is awaiting the results from the next well before possibly presenting a development solution. This could be a satellite to the Njord Field.

Prior to drilling the next well it has not been clarified whether discoveries in the area will be developed, such as with a satellite to the Njord Field.

The next well to be drilled under this licence is in a prospect where the probability of a discovery is high. Drilling is planned to commence in May 2009.

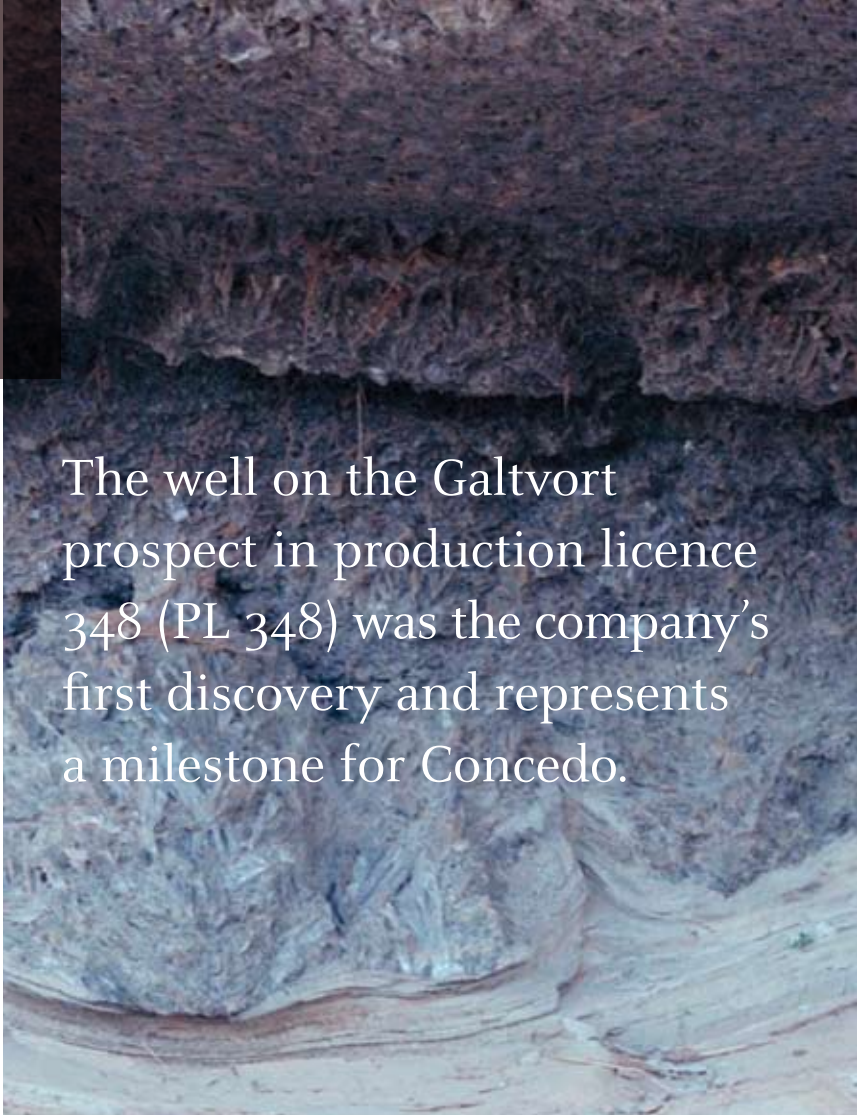


The autumn was hectic. First the APA 2008 application had to be filed, followed by the 20th licensing round application a month later. These applications were made with reputable operators in strong groups. In APA 2008 Concedo was awarded interests in PL 475 BS, which was very gratifying for the company. Allocations in the 20th licensing round will take place in spring 2009.

Concedo achieved its defined targets in 2008. The company is not seriously affected by the economic crisis since it has substantial cash reserves and no bank loans, other than a project loan secured by the remuneration for exploration costs. Concedo plans long-term and builds up assets from the beginning.

Concedo aims to become one of the best exploration environments on the Norwegian shelf.

Concedo intends to avail itself of the good opportunities of exploring for oil and gas that exist on the Norwegian shelf. The company will work actively under the general conditions for exploration that are provided by the Norwegian authorities and will contribute towards achieving the objectives adopted for Norwegian oil industry. Value is generated by Concedo selling the finds made, before capital-intensive development work commences.



The well on the Galtvort prospect in production licence 348 (PL 348) was the company's first discovery and represents a milestone for Concedo.

# ABOUT CONCEDO

Concedo ASA was established in 2006 for the purpose of focusing on exploration for petroleum resources on the Norwegian continental shelf. Its staff consists of experienced specialists who have contributed towards many viable discoveries on the Norwegian shelf in the past 30 years, including Goliat, the first commercial deposit found in the Barents Sea. The staff have experience from licensing rounds from as far back as the 4th round.

In 2006 Concedo moved into modern premises in the Torvgården building in Asker, a location that was seen as favourable for attracting additional first-class experts in future.

Huge potential resources on the Norwegian shelf, favourable external conditions and access to good technical data – these form the basis on which Concedo's experience can lead to new discoveries on the Norwegian shelf. The company's ambition is to become an important participant in one of Norway's great challenges – making new discoveries that can ensure production of oil and gas from the Norwegian shelf for many years to come.

Value is generated by new discoveries. These will mature before field development commences and Concedo will realise its assets before the development stage. The company will concentrate on exploration and not take the risks development projects involve.

Through to autumn 2006 the company operated as a firm of consultants specialising in exploration on the Norwegian shelf. After Concedo became an oil company it engaged more staff and established HSE and control systems in accordance with the requirements for a Norwegian oil company. Equity capital was raised in the sum of NOK 115 million. Its application for prequalification as a licensee on the Norwegian shelf was accepted early in 2007. From the beginning of 2007 Concedo had eight regular employees. From the beginning of 2009 Concedo had ten employees.

Oil production from the Norwegian shelf has dropped since 2001 and the Norwegian Petroleum Directorate expects that it will be halved in the course of 10 years. It is probable that the world as a whole will become even more dependent on oil, gas and coal in the coming decades.

Therefore it is highly important, both for Norway and for the rest of the world, that new petroleum resources are found and also that these resources are produced and used in an ever more environmentally friendly manner, says Geir Lunde.

I took great interest in the documentary on Norway's early oil history that was broadcast by NRK in January 2009. What struck me in the first place was how important the contribution of a few far-seeing and active individuals was in creating such great value for Norway. Everyone in Norway owes them a boundless debt of gratitude. I personally would like to see Evensen, Løddesøl, Gulnes and the others, named on a par with Birke-land and Eide. Now there are many people in Norway whose work is connected with petroleum operations and major corporations have

Concedo aims to become one of the best exploration environments on the Norwegian shelf.

# TO FINDING NEW RESOURCES



**Geir Lunde, CEO**

been built up. Nonetheless, finding new deposits is still strongly connected with the efforts of individual persons and small groups in oil companies and public authorities. It is only through their knowledge and their powers of observation and implementation, that new discoveries will be realized. Concedo aims to become one of the best exploration environments on the Norwegian shelf. Based on knowledge and creativity we will contribute towards new discoveries. Each day spent on the study of seismic sections and well data is a new voyage of discovery. Although the petroleum industry

has now reached maturity in Norway, the time for pioneering explorers is not over!

I am highly satisfied with Concedo's development so far. The company has a goal-oriented staff, a good financial position, a discovery in its first exploratory well, and a portfolio of six exploration areas on the continental shelf off Mid-Norway. We build stone by stone and follow the plan made in 2006. In 2008 Concedo participated in drilling its first well and in 2009 drilling will take place in two exciting prospects. Through rules and regulations, a reimbursement scheme and good access to subsurface data Norwegian authorities have provided good conditions for Concedo's activities. Our business model is based on deposits being found and maturing towards development, and being sold before major development costs are incurred. We are thereby able to concentrate on exploration tasks and capital needs are kept at a moderate level. By proceeding cautiously in the beginning Concedo has avoided being directly affected by the great changes in oil prices and world economy towards the end of 2008. In the years ahead Concedo will participate in one or two exploration wells each year and further develop a technically focused company where all

resources are used for exploration. It is important for us to find petroleum reserves at low costs per unit (barrels oil equivalents). The company will continue to build on the good licence position it has secured off Mid-Norway, while at the same time we hope to obtain licences with great potential in the Barents Sea. In the mature parts of the North Sea we will concentrate on prospects with a very high probability of finding resources before drilling.

Seismic is the primary tool in the hunt for new exploration opportunities. In the next few years we will attach particular importance to seismic technology, partly through participation in the GeoCap project. This technology, where Concedo can contribute in user experience, will enable us to discern new, important details in the seismic sections. In the licences and in cooperation with other oil companies in licensing rounds, we will play our role as an active, innovative partner.

We have a bell on the wall in our office in Asker. We ring it whenever we experience anything positive in Concedo. It rang a lot in 2008 and we know that it will do so in 2009 as well. We wish to thank everyone who has given us cause to ring the bell and to enjoy our work every single day.

**Geir Lunde**  
CEO

# LICENSE PORTFOLIO

## 1 | PL 485

3D seismic is presently being reprocessed. A new interpretation of prospectivity will be made this year. A decision on whether to drill or to relinquish the license must be made in the course of 2010 at the latest. Concedo has a license share of 15 %.

## 2 | PL 383

15% interest obtained through a swap with Det norske oljeselskap. Drilling in a prospect near the Skarv Field is planned in summer 2009.

## 3 | PL 434

21% interest awarded in APA 2006, and achieved through an agreement with Revus (now Wintershall) and Nexen. New seismic is available for interpretation in March 2009. A decision on whether to drill or to relinquish the license must be made in the course of 2010 at the latest.

## 4 | PL 475

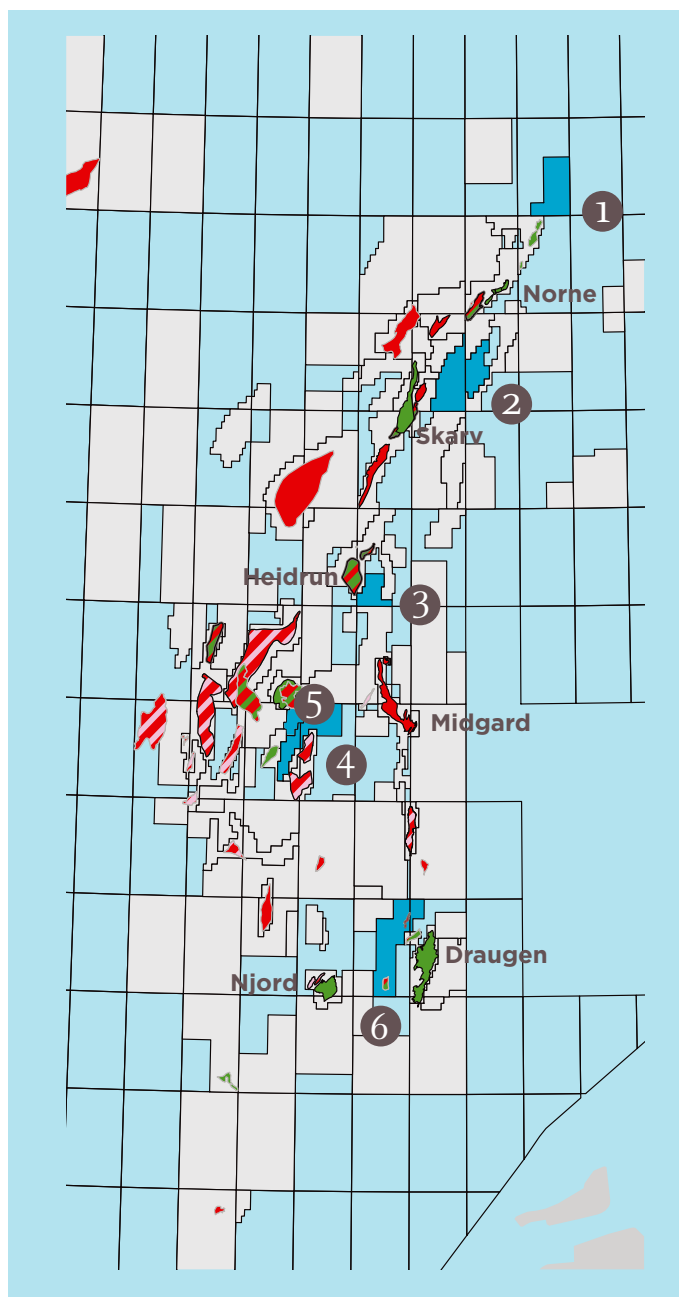
20% interest awarded in APA 2007. Further work on seismic interpretation and assessment of a well will take place in 2009, with PL 475 BS. Drilling a well is planned in 2010.

## 5 | PL 475 BS

Our newest license, 20% interest awarded in APA 2008. Further work on seismic interpretation and assessment of a well will be performed this year, with PL 475.

## 6 | PL 348

5% interest obtained through an agreement with Endeavour Energy Norge AS. Exploration drilling in 2008 resulted in the discovery of gas. New drilling in another prospect is planned in May 2009 and may have a future possibility of being a subsea satellite to existing infrastructure in the immediate vicinity.





# ACTIVE USERS CONTRIBUTE TO TECH DEVELOPMENT

Last year Concedo joined a three-year development programme for the seismic tool GIM. This tool may now be used for analysing seismic data.

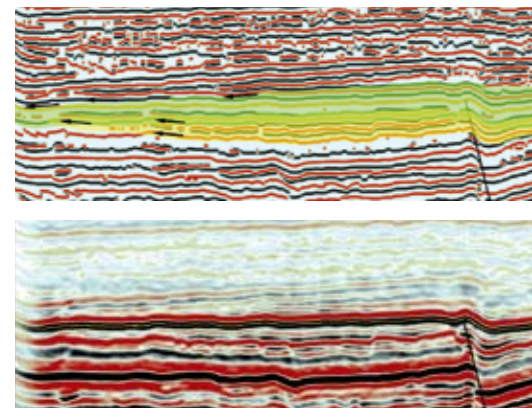
By means of this tool it is possible to discern details that it is not normally possible to see in seismic images.

Concedo used GIM in the recent licensing rounds and in some of its license areas in the search for new prospects. Being active users we provide the program developer with input for further improvements. Concedo and two other oil companies (Det norske oljeselskap and RWE Dea) also contribute financially and then obtain rights for further use of the software.

GIM is a part of the GeoCap program package developed by the company of that name. GeoCap has roots in Oslo's reservoir modelling environment, which is a world-leader and during the past 25 years has produced programs such as Irap RMS and Petrel. Today these programs are used all over the world and we expect the same international developments for GeoCap and GIM.

GeoCap is not very well known as yet, but it has managed to maintain close contact with the user environments. This means that the program is developing rapidly in the direction required by active users. GeoCap is a very general tool that can be adapted for use in most tasks for analysis of prospects and reservoirs. Concedo

wishes to take part in this flexibility and willingness to implement solutions based on creative ideas and untraditional geological interpretations. Technically GIM (GeoCap Interpretation Machine) is a process that automatically follows all continuous reflectors along seismic lines or in a three-dimensional seismic cube. The result cannot replace traditional seismic interpretation, but gives the interpreter an alternative presentation of the seismic data that can help to provide greater insight and understanding of the geology.



The diagram above shows how GIM accentuates variations in thickness in the geological strata over and under a un-conformity.

The program is developing rapidly in the direction desired by active users.

# GREAT BENEFIT FROM PROFESSIONAL RELATIONS

Concedo considers it highly important to participate in professional networks, in Norway and internationally. Such participation fortifies the company, while its employees contribute with their competence.

## Offices in AAPG

AAPG (the American Association of Petroleum Geologists) is an international geological society that was founded in 1917. Its purpose is to contribute towards research and technology in the science of geology and to promote a high standard in geological professions. It is currently the world's largest geological society and has more than 30,000 members.

Geir Lunde, Concedo's CEO, holds the office of AAPG's conference chairman for the European region of AAPG. He also chaired the international AAPG conference in Athens in November 2007, which was attended by 1200 delegates, and the AAPG North Sea Conference in Oslo in October 2008. For his work in connection with the conference in Athens he was recently awarded the AAPG Certificate of Merit.

## Important fora in OLF

Concedo regards membership in OLF, and especially participation in the special committee for licensing policy, the OLF Scout Group, and FORCE, as important fora for commu-

nal work in the petroleum industry in Norway.

The Scout Group in OLF is responsible for the exchange of well and seismic data for all licences on the Norwegian shelf. Being a neutral party, OLF succeeded to this role after Statoil, which had been responsible for exchange of data on behalf of the oil companies since 1973. The Scout Group (the Norwegian Scout Group) is the collaborating network where changes are discussed before being adopted.

FORCE is a group for collaboration between the oil companies and the technological companies for developing tools, methods and research to enhance recovery from existing and new oil and gas deposits and to contribute towards better exploration on the Norwegian shelf.

Concedo also contributes towards GeoCap's development of the seismic interpretation tool GIM, see article on page 7.

## Promoting HSE

Work to achieve good results in health, safety and environment (HSE)

on the Norwegian shelf has ranked high on the agenda for many years. In recent years more and more emphasis has been placed on exchanging knowledge and experience between interested parties in the industry.

Concedo is a member of the HSE Managers Committee in OLF and also the HSE Forum - Best Practice. HSE Forum was founded by the smaller oil companies on the Norwegian shelf, for the purpose of systematically sharing information, experience and methods and achieving Best Practice in HSE. Since 2003 the number of members has grown from 5 to 27 oil companies.



# ACTIVE IN HSE FORA

The company's objective is that operations shall be carried out without injury to humans or the environment.

Health, safety and the environment (HSE) is an integral part of the company's control system and is tailor-made for its operations. The control system describes the company's objectives, visions, strategy and targets and how these are to be realised through good management. Concedo has guidelines and procedures designed to take the best possible care of the the company's work environment, organisation, economy and technical matters.

Concedo attaches importance to use of innovative technology and methods for finding petroleum deposits. We use a network of special competence in technical fields. Concedo aims to become an attractive competence company that attracts the finest experts and business partners. The

company's employees are to be proactive in the everyday work by contributing towards:

- finding petroleum deposits through reconnaissance and exploration activities on the Norwegian shelf
- generating value for the company's owners, partners and the community by means of quality, competence and creativity
- reducing risks in business operations
- being an active partner in the licences

In integrated HSE work Concedo uses a centralised document handling system. This system is a reliable tool for keeping good order in revisals, documenting and showing all developments. The control system is readily available from all workplaces in the office, at home or when travelling.

Concedo has played an active role in the collaboration network "The Forum for Best HSE Practice", cooperating with other oil companies on the Norwegian shelf. For many years the oil industry has been engaged in work

to achieve good HSE results. In recent years the companies on the Norwegian shelf have increasingly shared the HSE knowledge and experience they have gained.

The Forum for Best HSE Practice has established foundations for systematically sharing information, experience and methods for achieving the best possible results. Concedo plays a central role in this work, having developed an HSE document base that is available to all members of the Forum. Concedo has assumed responsibility for ensuring that this experience and knowledge is available to all who work to promote our common goal of achieving good HSE results.

Concedo also participates in HSE activities in OLF (the Norwegian Oil Industry Association), to which all major operator companies belong. The many large and small oil companies on the Norwegian shelf have a common interest in solving problems that arise both in their roles as licensees and as operators.

In recent years, the HSE knowledge and experience gained has been shared to an ever-increasing extent by the companies working on the Norwegian shelf.

# BOARD OF DIRECTORS' REPORT

Concedo avails itself of the good opportunities of exploration for oil and gas offered by the Norwegian shelf and will contribute towards accomplishing objectives set for Norwegian petroleum operations. Value generation takes place in Concedo through sale of finds made before the capital-intensive developments take place. One of Concedo's targets is to be one of the best exploration environments on the Norwegian shelf.

In 2008 the company continued its work to obtain interests in new exploration licences. This gave good results with allocations in both APA 2007 and APA 2008. Our license portfolio grew from one to six exploration licenses in 2008. The well in the Galtvort prospect under production licence 348 (PL348) was the company's first discovery and represents a milestone for Concedo.

#### Business office

Concedo's offices are in modern premises in downtown Asker.

#### History

Until autumn 2006 the company operated as a consultants company with expertise in exploration on the Norwegian shelf. After conversion into an oil company, the number of staff was increased and HSE control systems were established that were adapted to the requirements for a Norwegian oil company. Its application for pre-qualification as a licensee on the Norwegian shelf was granted in April 2007. From the beginning of 2007 the company had a regular staff of eight employees and ever since has had a core staff with sound experience

and competence. The number of staff was in 2009 increased to 10, in pace with the scope of our assignments and the number of licenses in our portfolio.

#### Significant events during the year

The Ministry of Petroleum and Energy awarded licences in APA 2007 in February 2008. Concedo received two attractive licences off Mid-Norway, an area in which Concedo's geological competence and experience is very strong.

A trade took place with Endeavour Energy whereby Concedo obtained a 5% interest in PL 348. A 15% interest in PL 485 was exchanged for a corresponding interest in PL 383, where Det norske oljeselskap serves as operator.

In June the company was able to announce its first discovery in PL 348, after drilling an exploration well with two branches. Two segments of the Galtvort prospect were drilled and both were found to be gas-bearing.

The Galtvort discovery was small in volume. Any further appraisal drilling

in this prospect has not been decided. As of today, the Galtvort discovery on its own is not economically viable for development. A new well will be drilled in a separate prospect, called Gygrid, in some kilometres distance away from Galtvort. Dependent on a discovery in Gygrid a development may be evaluated based on a combined subsea satellite field solution for both Gygrid and Galtvort.

In the beginning of 2009 Concedo was allocated interests in PL 475 BS which were applied for in APA 2008, which was highly satisfying to the company. Concedo now has a portfolio of six licences: PL 348, PL 383, PL 434, PL 475, PL 475BS and PL 485.

An application for the 20th licensing round was submitted in November 2008 and allocations are expected to take place in spring 2009.

### Research & Development

Concedo is a member of FORCE (Forum for reservoir characterisation, reservoir engineering and exploration). FORCE is to stimulate industrial cooperation to improve exploration processes and enhance recovery of resources on the Norwegian shelf.

In 2008 Concedo joined a 3-year development programme for the seismic interpretation tool GIM and used this in the applications at licensing rounds and in some of its licenses in the search for new prospects.

and gas. The greatest risks are connected with offshore drilling operations under licences in which Concedo holds interests. The company has control systems designed to minimise such risks and complies with the rules and regulations issued by the authorities. Risks for accidents associated with drilling operations are covered by offshore liability insurance for the company's interests.

### Gender equality

The company had ten employees at the beginning of 2009, one woman and nine men. The composition of the

other remuneration for the company's management and employees, in accordance with section 6-16a of the Act relating to public limited companies.

### Accounts

The accounts were closed in accordance with the Act relating to Public Limited Companies and in accordance with Norwegian accounting standards. To the best of the Directors' knowledge, there are no circumstances of significance for judging the company's position as of 31/12-2008 or the result for 2008, that are not set forth in the annual report and financial statements. The

## continued work to obtain allocation of interests in results with allocations in both APA 2007 and APA 2008.

### Health, safety and the environment

The company's aim is that all of its activities shall be carried out without injury to human beings or the environment. Safeguarding people, the environment and economic assets is an integral part of our management system and operations. There were no accidents or injuries in 2008. Nor were there any oil spills from licences in which Concedo holds interests. Activity has been high and the working environment is good. It is a continuous process to further improve the working environment. 23 days absence on sick leave were recorded, totalling 1.1% for 2008. Risks for the company are related to future activities in exploration for oil

board of directors satisfies the gender equality requirements in the Act relating to public limited companies.

### Corporate Governance

The company's management system also includes guidelines for owner control and company management that are in accordance with Norwegian recommendations regarding this. Company guidelines for this were reviewed and revised by the Board in the course of 2008.

### Salaries for management and employees

The Board of Concedo ASA has prepared guidelines for determining salaries and

Directors consider that the annual accounts give a true presentation of Concedo's financial position as of 31/12-2008 and of the result and cash flows during the financial year.

### Result

The company had no operating revenues in 2008. Operating costs amounted to NOK 62,105,180, which is in keeping with the company's plans.

Loss for the year after tax amounted to NOK 10,131,214. The company was still in an investment phase in 2008.

### Balance sheet and liquidity

At year-end 2008 the company had equity capital amounting to NOK



104,341,325, which corresponds to an equity ratio of 67%. The company had no distributable capital as of 31/12-2008. At year-end it had interest-bearing debt amounting to NOK 42,500,000, secured by the reimbursement scheme for exploration costs. It is expected that the tax-related reimbursement resulting from exploration activities in 2008 will be NOK 49,885,163. It is estimated that this will be paid in December 2009. The company has a loan facility that supports the exploration programme.

#### Cash flow

Cash flow from operational activities in 2008 was NOK -42,168,049.

#### RISK RELATED TO OPERATIONS AND FINANCIAL RISK

##### Market risks

The company's strategy is to obtain revenues through sale of interests in licenses and the discoveries made.

Central risks and elements of uncertainty in our operations are linked with the results of the exploration activities and the associated capitalisation from them. Therefore the company is exposed to market risks connected with fluctuations in oil price. In addition the company has interest-bearing debts and is exposed to changes in interest levels. At present the company does not have any contracts for hedging market risks.

##### Credit risks

The company has few receivables. The risk of debtors and our collaborating partners becoming insolvent, is low.

##### Liquidity risks

The company has a loan facility that increases its financial flexibility. The Directors consider that liquidity is good.

##### Going concern

In compliance with section 3-3a of the Accountancy Act, we confirm that the accounts were prepared on the

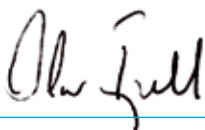
assumption that the company is a going concern. Growth in the coming years will probably involve a need for financing.

##### Future prospects

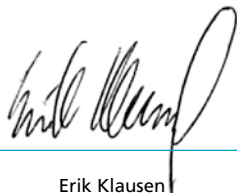
The board is satisfied with the year's activities. Concedo is in a position to make new finds and further develop exploration operations in the coming licensing rounds, or through swapping interests and participating in trading.

In 2009 the company will participate in the drilling of at least two exploration wells. Good working relations have been established with reputable oil companies which increases the opportunities of quality and growth in the company's portfolio. The Directors expect that the company will also operate at a loss in 2009.

Asker, 27 March 2009



Olav Fjell  
Chairman of the Board



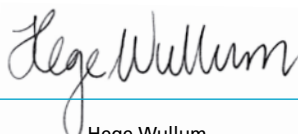
Erik Klausen  
Director



Carsten Andreas Mellbye  
Director



Karen Sund  
Director



Hege Wullum  
Director



Geir Lunde  
CEO

Concedo ASA

## INCOME STATEMENT FOR 2008

	Note	2008	2007
Sales revenues	2	0	419 250
<b>Total operating income</b>		<b>0</b>	<b>419 250</b>
Depreciation of fixed and intangible assets	4	(416 083)	(263 938)
Exploration costs	3, 14	(61 689 097)	(21 842 149)
<b>Total operating expenses</b>		<b>(62 105 180)</b>	<b>(22 106 088)</b>
<b>Operating income / (loss)</b>		<b>(62 105 180)</b>	<b>(21 686 838)</b>
Other financial income		5 526 312	4 385 788
Other financial expenses		(2 104 858)	(9 760)
<b>Income / (loss) on ordinary activities before taxation</b>		<b>(58 683 726)</b>	<b>(17 310 810)</b>
Tax cost on ordinary income	7	48 552 512	15 573 377
<b>Income / (loss) on ordinary activities after taxation</b>		<b>(10 131 214)</b>	<b>(1 737 433)</b>
<b>Income/loss for the Financial year</b>		<b>(10 131 214)</b>	<b>(1 737 433)</b>
<b>Allocations</b>			
Transferred to other equity	6	(10 131 214)	(1 737 433)
<b>Total allocations</b>		<b>(10 131 214)</b>	<b>(1 737 433)</b>

Concedo ASA

## BALANCE SHEET AS OF 31 DECEMBER 2008

ASSETS	Note	2008	2007
<b>Intangible fixed assets</b>			
Exploration costs and licences	4	2 058 130	0
Deferred tax assets	7	2 753 690	4 634 340
<b>Total intangible fixed assets</b>		<b>4 811 820</b>	<b>4 634 340</b>
<b>Tangible fixed assets</b>			
Operating tools, FF&E, office equipment, etc.	4	817 740	767 920
<b>Total tangible fixed assets</b>		<b>817 740</b>	<b>767 920</b>
<b>Total fixed assets</b>		<b>5 629 560</b>	<b>5 402 260</b>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		0	57 665
Other receivables	9	54 421 362	16 749 004
<b>Total receivables</b>		<b>54 421 362</b>	<b>16 806 669</b>
<b>Bank deposits, cash in hand, etc.</b>	8	<b>96 128 717</b>	<b>98 320 799</b>
<b>Total current assets</b>		<b>150 550 079</b>	<b>115 127 468</b>
<b>TOTAL ASSETS</b>		<b>156 179 639</b>	<b>120 529 727</b>

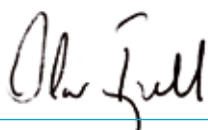
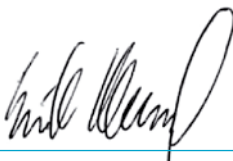


Concedo ASA

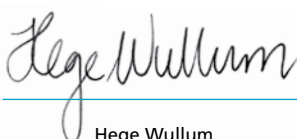
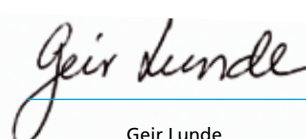
## BALANCE SHEET AS OF 31 DECEMBER 2008

EQUITY AND LIABILITIES	Note	2008	2007
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital ( 9,805,000 shares at NOK 1 )	5,6	9 805 000	9 805 000
Share premium account	6	94 536 325	103 577 442
<b>Total paid-in capital</b>		<b>104 341 325</b>	<b>113 382 442</b>
<b>Retained earnings</b>			
Other equity	6	0	1 090 097
<b>Total retained earnings</b>		<b>0</b>	<b>1 090 097</b>
<b>Total equity</b>		<b>104 341 325</b>	<b>114 472 539</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Deferred tax		460 049	0
Debt to credit institutions	11, 13	42 500 000	0
Trade creditors		4 030 281	3 044 767
Payable tax		106 798	1 114 846
Public dues payable		1 168 627	909 659
Other current liabilities	12	3 572 559	987 917
<b>Total current liabilities</b>		<b>51 838 314</b>	<b>6 057 188</b>
<b>Total liabilities</b>		<b>51 838 314</b>	<b>6 057 188</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>156 179 639</b>	<b>120 529 727</b>

Asker, 27 March 2009


Olav Fjell  
Chairman of the Board

Erik Klausen  
Director

Carsten Andreas Mellbye  
Director

Karen Sund  
Director

Hege Wullum  
Director

Geir Lunde  
CEO

Concedo ASA

## CASH FLOW STATEMENT

	Note	2008	2007
<b>Cash flows from / used in operations:</b>			
<b>Profit/loss for year</b>		(10 131 214)	(1 737 433)
Plus ordinary depreciation	4	416 083	263 938
Plus/Minus change in deferred tax	7	2 340 699	8 174
Plus/Minus change in debtors		57 665	(49 496)
Plus/Minus change in creditors		3 570 156	738 697
Plus/Minus change in other accrual items		(38 421 438)	(11 048 709)
<b>A = Net change in cash flow from operations</b>		<b>(42 168 049)</b>	<b>(11 824 829)</b>
<b>Cash flows from/used on investments:</b>			
Minus investments in tangible assets		(2 524 033)	(157 169)
<b>B = Net change in cash flow from investments</b>		<b>(2 524 033)</b>	<b>(157 169)</b>
<b>Cash flows from/used on financing:</b>			
Plus new loans raised (short and long term)	11	42 500 000	304 393
Plus correction equity capital		0	500 000
<b>C = Net change in cash flow from financing</b>		<b>42 500 000</b>	<b>804 393</b>
PLUS CASH IN HAND AT 1/1		98 320 799	109 498 403
A+B+C Net change in cash through year		(2 192 082)	(11 177 605)
<b>= Cash in hand 31/12</b>		<b>96 128 717</b>	<b>98 320 799</b>

This cash flow statement is drawn up according to the indirect method.

## NOTE 1 ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with The Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

#### MAIN PRINCIPLES FOR VALUATION AND CLASSIFICATION OF ASSETS AND LIABILITIES

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Classification of current and long term liabilities is based on the same criteria.

Fixed assets are valued at procurement cost after deduction of scheduled depreciation. If the sum recoverable on an asset is less than the book value, and the drop in value is expected to be permanent, the value is written down to the recoverable sum. Fixed assets that have a limited economic life, are depreciated according to a reasonable schedule. Current assets are valued at procurement cost or the true value, whichever is lower. Other long-term liabilities and current liabilities are entered at nominal value.

#### REVENUE RECOGNITION

Revenues are entered when earned, i.e. when entitlement to the consideration arises. Revenues are measured at the fair value of the consideration at the time of the transaction.

#### RECEIVABLES

Trade receivables and other receivables are entered at nominal value less provision for expected loss. A bad debt provision is based on an individual appraisal of each of the receivables.

#### BANK DEPOSITS, CASH IN HAND, ETC.

Bank deposits, cash in hand and cash equivalents include cash in hand, bank deposits and other means of payment with a maturity of less than three months from the date of purchase.

#### PENSIONS

Pension plans are accrued according to the matching principle. The company is required to have an occupational pension scheme in accordance with the Norwegian law on mandatory occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme satisfies the requirements in the law.

#### EXPENSES

Expenses are generally entered in the same period as the corresponding income. If no distinct connection exists between expenses and revenues, then the cut-off will be made at discretion. Other exceptions from the matching principle are stated where applicable.

#### TAXES

Tax costs are matched with book income before tax. Tax cost consists of payable tax (tax on the year's direct taxable income), change in net deferred tax and expected refunds related to exploration expenses. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

#### LEASE AGREEMENTS

Payments related to operational lease agreements are expensed linearly over the term of the lease.

#### ACCOUNTING FOR OIL AND GAS OPERATIONS

The company uses the "successful efforts" method of accounting for exploration and development costs in oil and gas operations. Costs for acquiring mineral interests in oil and gas areas and for drilling and fitting out exploration wells are capitalised until it is ascertained whether recoverable reserves have been found. Costs for drilling exploration wells when no recoverable reserves are discovered, geological and geophysical costs, and other exploration costs, are expensed.

Capitalised exploration costs are reviewed quarterly and dry wells are expensed. Exploration wells that have shown reserves, but where classification as proven reserves depends on whether substantial investments are justified, may remain capitalised for more than one year. The most important conditions are either that plans are adopted for future exploratory drilling in the licensed area, or that it is expected that a development plan will be adopted in the near future.

#### INTERESTS IN OIL AND GAS LICENCES

The straight-line method of accounting is used for interests in oil and gas licences.

## NOTE 2 SALES REVENUES

	2008	2007
Consulting services / Norway	o	419 250
<b>Total</b>	<b>o</b>	<b>419 250</b>

There were no sales revenues in 2008.



**NOTE 3 PAYROLL COSTS, NUMBER OF EMPLOYEES, BENEFITS ETC.**

The company has not paid out any remuneration other than salary and pension to its employees as presented in the table below.

<b>Payroll costs</b>	<b>2008</b>	<b>2007</b>
Salaries	9 360 785	8 038 374
Employer's payroll tax	1 426 933	1 152 732
Pension costs	542 567	439 157
Other benefits	248 168	200 149
<b>Total</b>	<b>11 578 454</b>	<b>9 830 412</b>
Average number of persons employed during the financial year	9	9

<b>Directors' and management remuneration</b>	<b>Salaries</b>	<b>Pension costs</b>	<b>Other remuneration</b>
Geir Lunde (CEO)	1 122 044	71 196	14 929
Olav Fjell (Chairman of the Board of Directors)	-	-	100 000
Erik Klausen (Director and HSE manager)	1 062 820	69 708	15 810
Carsten Andreas Mellbye (styremedlem)	-	-	100 000
Hege Wullum (Director)	-	-	100 000
Karen Sund (Director)	-	-	100 000

The CEO has a severance pay contract under which he is entitled to salary for 6 months after expiry of his period of notice if he leaves at the company's request.

Consultant services for NOK 249,996.-, excl. VAT, were purchased from Fjellvit AS, a company owned by The Chairman of the Board. Legal services for NOK 276,311.-, excl. VAT, were purchased from the law firm Wiersholm, Mellbye & Bech Advokatfirma AS, a firm in which director Carsten Andreas Mellbye is a partner.

**BOARD OF DIRECTORS' STATEMENT REGARDING REMUNERATION OF SENIOR MANAGEMENT IN CONCEDO ASA**

In accordance with section 6-16a of the Public Limited Companies Act, the Directors of Concedo ASA have drawn up guidelines for determining the salaries and remuneration for senior management and employees. These guidelines cover the basic pay for officers and employees and remuneration in the form of subscription rights in the

company and a new bonus programme for use in extraordinary cases.

In the case of schemes that involve allocation of shares, subscription rights and other forms of remuneration linked with shares or development of the company's share prices, these guidelines are binding for the Directors. Otherwise the guidelines are intended as guidance. If the Directors depart from these guidelines in any contract, the reason for this shall be recorded in the board meeting minutes.

It follows from the Norwegian Recommendation for owner control and company management that the Directors' guidelines for remuneration for senior staff, shall be submitted to the annual general meeting for its information. The Recommendation further provides that the framework for option schemes and schemes for allocating shares to employees, should be approved by the general meeting in advance. Therefore the company presents these guidelines and its proposed incentive programme to the

annual general meeting of Concedo ASA. The guidelines principally provide that earnings in Concedo ASA shall consist of a fixed basic pay, plus a variable consisting of an incentive programme and a bonus scheme, respectively.

**THE GUIDELINES AND COMPLIANCE WITH THEM IN 2008:**

Salaries policy for 2008 followed the guidelines contained in the annual report for 2007, which was presented for advisory voting at the annual general meeting in 2008.

For the year 2008 subscription rights were given that were equivalent in value to 40% of the salary paid out, in accordance with the company guidelines. Each subscription right carries the right to purchase one share in the company at a price corresponding to an estimated market price of NOK 15. Company employees then have an opportunity to subscribe shares in accordance with guidelines as follows:

## NOTE 3 continued

Name	Number of shares	Price (NOK)	Total price (NOK)
Geir Lunde	29 333	15	439 995
Erik Klausen	28 000	15	420 000
Morten Hedemark	28 000	15	420 000
Nils Fagerland	28 000	15	420 000
Ole Herman Fjelltnun	28 000	15	420 000
Arve Gulbrandsen	28 000	15	420 000
Odd Eirik Baglo	28 000	15	420 000
Elisabet Malmquist	28 000	15	420 000
Enric Leon	12 000	15	180 000
<b>Total</b>	<b>237 333</b>	<b>15</b>	<b>3 559 995</b>

237,333 subscription rights were allocated for 2008.

## GUIDELINES FOR 2009:

The Directors have established guidelines for 2009 for salaries for the CEO and other officers, which will be presented to the annual general meeting in 2009.

The Directors will present the following declaration at the annual general meeting in 2009:

**(i) Basic pay:**

Pursuant to the guidelines basic pay shall be determined by the CEO based on what is considered to be good, competitive normal pay in the market. The CEO's basic pay shall be determined by the Directors.

**(ii) Incentive programme:**

In addition to the fixed basic pay, the Directors' propose that the present incentive programme with subscription rights in the company, be continued. This programme shall normally be used each year and the subscription rights shall be allocated by the Directors on the basis of recommendations from the CEO within the framework of the resolution adopted by the general meeting. Subscription rights under this scheme shall be allocated in accordance with specific targets achieved by the company and shall normally be issued to all employees.

Pursuant to the guidelines the number of sub-

scription rights shall be calculated by dividing a percentage of the annual pay earned by the employee during the year, limited to 40%, by the market price of the shares. The maximum number of subscription rights for each employee will therefore be equivalent in value to up to 40% of the employee's earnings during the year, divided by the market price of the shares. The market price of the shares shall be determined by an arm's length public accountant or other arm's length person who possesses expert knowledge of the matter.

No charge shall be made for allocation of the subscription rights. Each subscription right carries a right to one share in the company at a price corresponding to the average market price of the shares in the year to which the incentive scheme applies, as that is determined by an arm's length public accountant or other arm's length person having expert knowledge of the matter.

Subscription rights may at the earliest be exercised at the time of listing the company or in the event of sale of the company. Otherwise the rights may be exercised at any time during a period of from 3 to 5 years from the date of allocation. However, for exercise of the rights it is a condition that the person is still in the company's employ. New shares in the company issued through exer-

cise of subscription rights, carry a right to dividend, if distributed, from the date of issue i.e. a right of dividend from the financial year prior to the year in which the shares were issued.

**(iii) Bonus scheme**

The other variable element proposed by the Directors, is a bonus scheme. This is intended for situations where extra effort from the employees has in all probability contributed towards extremely high value generation and only extraordinary targets in excess of NOK 100 million shall give a bonus.

Normally the bonus shall be divided equally and be awarded to employees at discretion. However the CEO may also distribute a bonus as an individual reward.

Bonus shall not normally be given in money, but in subscription rights. As under the incentive programme only maximum 40% of annual earnings may be distributed as bonus each year, the number of subscription rights distributed as bonus must therefore be calculated by dividing the percentage of the earnings by the market price of the shares. The market price shall be determined by an arm's length public accountant or other arm's length person possessing expert knowledge of the matter.

**NOTE 3 continued****Auditor**

Remuneration to Deloitte AS is as follows (VAT excl.)	<b>2008</b>
Statutory audit	65 375
Other non-audit services	31 000

**NOTE 4 TANGIBLE AND INTANGIBLE ASSETS**

	<b>Plant &amp; Machinery</b>	<b>FF&amp;E</b>	<b>Intangible assets</b>	<b>Total</b>
Procurement cost 1/1	50 690	1 024 536	0	1 075 226
Purchased tangible assets	50 690	465 902	2 058 130	2 524 032
Procurement cost 31/12		1 490 438	2 058 130	3 599 258
<b>Accum. depr., write downs and reversed write-downs as at 31/12</b>	<b>21 121</b>	<b>702 267</b>		<b>723 388</b>
<b>BOOK VALUE AS AT 31/12</b>	<b>29 569</b>	<b>788 171</b>	<b>2 058 130</b>	<b>2 875 870</b>
Current year's depreciation	10 138	405 845	0	263 938
Current year's write-downs	-	-		
Economic life	5 years	3 – 5 years		
Depreciation schedule	Straight line	Straight line		

Intangible assets include procurement costs for exploration licences and costs connected with exploration wells.

Yearly rental costs for non-capitalised fixed assets: NOK 668 723.-. This sum relates to rent for the offices in Asker. The remaining term of the tenance contract is 3 years.

**NOTE 5 SHARE CAPITAL AND SHAREHOLDER INFORMATION**

Share capital in the company per 31.12.08 comprises of one share class with equal voting rights:

	<b>Number</b>	<b>Face value</b>	<b>Book value</b>
Shares	9 805 000	1	9 805 000
<b>Total</b>	<b>9 805 000</b>		<b>9 805 000</b>

Acquisition of shares through purchase or as a gift requires approval from the Board of Directors.

**SUBSCRIPTION RIGHTS**

1 000 000 independent subscription rights exist in the company for shares having a nominal value of NOK 1, with a subscription price of NOK 30 per share. These rights may be exercised until and including 20 November 2011. The right to exercise subscription rights will lapse in the event of the company being listed on the stock exchange. In addition 143 619 subscription rights with a subscription price of NOK 15 per share, were allocated in connection with the incentive scheme for employees. Subscription rights may be exercised during a period of 3 to 5 years from the date of allocation. A full list of subscription rights is given below.



## NOTE 5 continued

Name	Number	Total price	Subscription price	Allocation Date
Megabas AS	840 000	30	25 200 000	Extraord. gen. meeting 20/11-06
Incap1 AS	100 000	30	3 000 000	Extraord. gen. meeting 20/11-06
Fjellvit AS	60 000	30	1 800 000	Extraord. gen. meeting 20/11-06
Geir Lunde	17 059	15	255 885	General meeting 30/05-08
Erik Klausen	17 059	15	255 885	General meeting 30/05-08
Morten Hedemark	17 059	15	255 885	General meeting 30/05-08
Nils Fagerland	17 059	15	255 885	General meeting 30/05-08
Ole Hermann Fjelltun	17 059	15	255 885	General meeting 30/05-08
Arve Gulbrandsen	17 059	15	255 885	General meeting 30/05-08
Odd Eirik Baglo	17 059	15	255 885	General meeting 30/05-08
Elisabet Malmquist	17 059	15	255 885	General meeting 30/05-08
Enric Leon	7 147	15	107 205	General meeting 30/05-08

## SHARE HOLDERS

## The largest shareholders in the company per 31.12.08:

	Shares	Stake	Voting rights
Credit Suisse, GBR	3 225 000	32,9 %	32,9 %
UBS AG, GBR	2580 000	26,3 %	26,3 %
Megabas AS	1 820 000	18,6 %	18,6 %
Holding Structures Ltd, VGB	1 050 000	10,7 %	10,7 %
Umoe Industri AS	430 000	4,4 %	4,4 %
Incap 1 AS	216 667	2,2 %	2,2 %
Morgan Stanley & Co, GBR	215 000	2,2 %	2,2 %
Fjellvit AS	130 000	1,3 %	1,3 %
<b>Total share holders with at least 1 % stake</b>	<b>9 711 667</b>	<b>98,6 %</b>	<b>98,6 %</b>
Total others	93 333	1,4 %	1,4 %
<b>Totalt number of shares</b>	<b>9 805 000</b>	<b>100 %</b>	<b>100 %</b>

## SHARES OWNED BY DIRECTORS AND CEO

Name	Office	Total number of shares
Olav Fjell, through 100% in Fjellvit AS	Board Chairman	130 000
Geir Lunde, through 16.4% in Megabas AS	CEO	298 480
Erik Klausen through 16.4% in Megabas AS	Director	298 480
Erik Klausen through 11.4% in Incap 1 AS	Director	24 700

## NOTE 6 EQUITY

	Share Capital	Share premium account	Other equity	Share premium total
Equity capital 1/1-08	9 805 000	103 577 442	1 090 097	114 472 539
Current year's profit/loss	-	- 9 041 117	- 1 090 097	- 10 131 214
Equity capital as at 31/12-0	9 805 000	94 536 325	0	104 341 325

## NOTE 7 TAX COST

<b>The year's tax cost is obtained as follows:</b>	<b>2008</b>	<b>2007</b>
Payable tax	106 798	1 114 845
Excess provision for tax in 2007	-1 114 846	0
Change in deferred tax	2 340 699	8 174
Tax reimbursement for exploration costs (see note 9)	-49 885 163	-16 696 397
<b>Tax cost on ordinary income</b>	<b>-48 552 512</b>	<b>-15 573 377</b>
<b>Reconciling nominal and actual tax rate:</b>	<b>2008</b>	<b>2007</b>
Ordinary pre-tax profit	-58 683 724	-17 310 810
Anticipated income tax at nominal tax rate (28%)	- 16 431 443	-4 847 027
Tax effect of following items:		
Tax effect of financial items allocated to onshore	103 791	
Excess provision for tax	- 1 114 846	0
Non-deductible expenses	3 007	1 200
Effect of surtax (50%)	-31 113 021	-10 727 550
<b>Tax cost</b>	<b>-48 552 512</b>	<b>-15 573 377</b>
<b>Effective tax rate</b>	<b>83%</b>	<b>90%</b>

Specification of tax effect of temporary differences and loss for carrying forward:	2008		2007	
	Credit	Debit	Credit	Debit
Fixed assets		1 281 565		118 342
Loss to be carried forward	3 575 206	-	4 752 682	-
<b>Total</b>	<b>3 575 206</b>	<b>1 281 565</b>	<b>4 752 682</b>	<b>118 342</b>
Of which net value is recognized:	-821 516	-821 516	-118 342	-118 342
<b>Net deferred credit/debit in balance sheet:</b>	<b>2 753 690</b>	<b>460 049</b>	<b>4 634 340</b>	<b>-</b>

The deferred tax benefit entered is based on anticipated future earnings.

Profit from oil and gas operations on the Norwegian continental shelf is taxed in accordance with the Norwegian Petroleum Tax Act. In addition to ordinary corporate taxation of 28%, a special 50% surtax is levied. The taxpayer may claim payment from the State for the tax value of direct and indirect expenses (except for financing expenses) for petroleum exploration costs, provided that this sum does not exceed the year's loss on, respectively, ordinary income in the shelf tax district and the basis for surtax. See also Note 9.

**NOTE 8 BANK DEPOSITS**

Bank deposits, cash in hand etc. includes non-distributable funds in the sums of NOK 504 878.- for payable withheld taxes, NOK 438 718.- on a rental deposit account, and NOK 18 097 774.- on an escrow account linked with a licence.

**NOTE 9 RECEIVABLES**

For the 2008 assessment the company claims reimbursement of a total sum of NOK 49 885 163.-, see Petroleum Tax Act, section 3c, 5th paragraph. Outstanding accounts with operators and others are also included under receivables.

**NOTE 10 LEASING AGREEMENT**

On 29 November 2006 Concedo ASA concluded a 3-year agreement with Dell AS for leasing PC equipment, at a cost of NOK 4546 per month.

**NOTE 11 DEBT TO CREDIT INSTITUTIONS**

The company has a credit line for NOK 100 000 000 in DnB NOR BANK ASA. Withdrawals are limited to 95% of petroleum exploration costs. The company can make withdrawals until 31/12-2010 and the last repayment must be made in December 2011.

As of 31/12-2008 withdrawals totalled NOK 42,500,000.-, which falls due for repayment when the tax value of petroleum exploration expenses is paid out.

Interest on this loan amounted to NOK 990,299 in 2008. The loan is secured by the reimbursement scheme and by 21% of the interests in licence PL 343 and 20% in licence PL 475.

**NOTE 12 PROVISIONS**

A provision is made for costs connected with the licenses in which the company holds interests.

**NOTE 13 FINANCIAL MARKET RISK**

The risk of Concedo's debtors and collaborating partners becoming insolvent is considered to be negligible. The company has established a short-term loan of NOK 42.5 million. Interest terms are NIBOR plus a 0.7% margin. The claim for reimbursement of the tax value of petroleum exploration expenses amounts to NOK 49 885,163.-. Therefore the company considers that its liquidity is good. The company is not exposed to foreign exchange risks.

**NOTE 14 EXPLORATION EXPENSES**

Exploration expenses consists of NOK 11 578 454 for wages and salaries, NOK 45 900 885 for seismic, drilling and general licence costs, and NOK 4 209 758 for other operating expenses.

**NOTE 15 LICENSES**

The company obtained 4 new licenses in 2008 (PL 348, PL 383, PL 475 and PL 485). Events and obligations for these licenses are described below.

PL 348 – A 5% interest was obtained through an agreement with Endeavour Energy Norge AS bearing 2.5% of the license costs in 2008 and a new well in 2009. Exploratory drilling in 2008 resulted in a gas find and the drilling of a new well is planned in May 2009.

PL 383 – A 15% interest was obtained through a swap with DNO in 2008. Drilling in a prospect near the Skarv Field is planned in summer 2009.

PL 434 – We were allocated a 21% interest in 2007 (APA 2006) through an agreement with Revus (now Wintershall) and Nexen. New seismic has been collected and will become available in March 2009. A decision on whether to drill or to relinquish the license must be made in 2010 at the latest.

PL 475 – A 20% interest was obtained in the allocations in 2008 (APA 2007). Further work on seismic interpretations and assessment of a well will take place in 2009. The drilling of a well is planned in 2010.

PL 475 BS – Our newest license was allocated in 2009 (APA 2008), with a 20% interest. Further work on seismic interpretations and assessment of a well with PL 475 will take place in 2009.

PL 485 – A 30% interest was allocated in 2008 (APA 2007) and later 15% was exchanged for a 15% interest in PL 383. Reprocessing of 3D seismic is taking place. A decision on whether to drill or to relinquish the license must be made in the course of 2010 at the latest.



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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Concedo ASA

## AUDITOR'S REPORT FOR 2008

We have audited the annual financial statements of Concedo ASA as of 31 December 2008, showing a loss of NOK 10.131.214. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway have been applied to prepare the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing practice, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as of 31 December 2008, and the results of its operations and its cash flows for the year then ended, in accordance with generally accepted accounting practice in Norway
- the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the coverage of the loss, is consistent with the financial statements and complies with law and regulations.

Oslo, 27 March 2009

Deloitte AS

Mette Herdlevær (signed)  
State Authorised Public Accountant (Norway)

Audit & Advisory • Tax & Legal • Consulting • Financial Advisory •

Member of  
Deloitte Touche Tohmatsu

Org.nr.: 980 211 282

# BOARD OF DIRECTORS 2008



*Andreas Mellbye was not present when picture was taken.*

## **Olav Fjell, Chairman of the Board**

Olav Fjell is chief executive officer of Hurtigruten (Norwegian Coastal Cruises) and has previously held a number of managerial posts in Norwegian business and industry, among them the position of CEO for the Statoil Group. He is on the board of 4 other companies, besides Concedo. Olav Fjell is 57 years of age and graduated in economics from NHH (the Norwegian School of Economics and Business Administration) in 1975.

## **Erik Klausen, Director**

Erik Klausen is HSE manager in Concedo and has previously held managerial positions in the oil and gas industry. He was project director in Aker, and has also been the chief executive officer in several oil and gas service companies. Erik Klausen has a seat on the board of three companies, besides Concedo. He is 57 years of age and graduated in engineering from the Heriot-Watt University in 1976 and studied economics in addition.

## **Karen Sund, Director**

Karen Sund is CEO of Sund Energy and has worked as an advisor on international oil, gas and power operations for more than 20 years. She holds a seat on the boards of 5 other companies, besides Concedo. She graduated in economics, specialising in international management and petroleum economics, focusing on strategic and commercial angles.

## **Hege Wullum, Director**

Hege Wullum is senior project manager for business development in Edda Media AS, where she works on mergers and acquisitions (M&A), sales and restructuring projects. She has wide international and oil-related experience from positions in Norsk Hydro AS, in the Ministry of Oil and Energy, and as marketing manager in the IT and entrepreneurial company N3sport AS. Hege Wullum graduated in economics from NHH (the Norwegian School of Economics and Business Administration) in 1993 and has an Executive MBA in Brand Management from NHH in 2003.

## **Andreas Mellbye, Director**

Andreas Mellbye is a partner in the law firm Wiersholm, Mellbye & Bech. He mainly works on mergers and acquisitions (M&A), corporate and transaction law, and securities and stock exchange law, and is a member of the Exchange and Securities Law Committee at Oslo Stock Exchange. He has experience as a lawyer from Conoco and from Norsk Hydro and holds seats on the board of several companies, besides Concedo. He graduated in laws from the University of Oslo in 1983.



# EMPLOYEES 2008



### 1. Geir Lunde, CEO

Geir Lunde graduated (M.Sc.) in petroleum prospecting from NTNU (The Norwegian University of Science and Technology) in 1978 and in business administration from BI (the Norwegian School of Management) in 1989. With his 30 years of experience from Norwegian and international industry he has concentrated particularly on exploration, geology and seismic interpretation. He played key roles in several discoveries on the Norwegian shelf off Mid-Norway and in the Barents Sea, including the Goliat Field, the first commercial oil field in the Barents Sea. For a total of 9 years he has held a seat on the boards of Neste/Fortum Petroleum and the seismic company Nopec. Before Concedo, he spent most of his working life in Norsk Hydro, Nopec and Neste/Fortum Petroleum. He chaired the international AAPG conference in Athens in 2007 and the AAPG North Sea Conference in Oslo in 2008.

### 2. Erik Klausen, HSE Manager

Erik Klausen has long experience from development projects and offshore operations. His experience spans the value chain from concept development, engineering, development and operating phases for several fields on the Norwegian shelf. His experience includes engineering services, management and project director positions in Aker, engineering of drilling rigs, management of engineering companies for operations of oil and gas fields, safety offshore, besides commercial experience embracing economy, financing and administration. Erik graduated in engineering from the Heriot-Watt University and in addition studied economics and management.

### 3. Arve Gulbrandsen, Chief Geophysicist

Arve Gulbrandsen graduated in technical physics from NTNU (The Norwegian University of Science and Technology) in 1976. He has been engaged in interpretations of geophysical data and prospect generation and evaluation in several oil companies (Norsk Hydro, Saga, Neste/Fortum and ENI), mainly in Norway but also in other countries. As a member of various licensing committees and through involvement in licensing rounds since 1979, he has contributed towards a number of discoveries, some of which have become major producing fields.

### 4. Morten Hedemark, Operations manager and petroleum engineer

Morten Hedemark graduated in offshore engineer-

ing from the Heriot-Watt University in 1987. His operational background started with employment as a logging engineer, followed by a position as operations geologist. Since then Morten has mainly been engaged in formation evaluation, both sandstone and carbonate reservoirs, for Norwegian and international oil companies and also as a consultant. These companies include Statoil, Norsk Hydro and Neste/Fortum. Morten also has experience in petroleum economics, production technology, business development and drilling/completion.

### 5. Elisabet Malmquist, Geological Advisor

Elisabet Malmquist graduated from the University of Stockholm in 1983 and has a Master degree in geology. She has worked as a geologist in exploration over the whole Norwegian shelf. Elisabet worked in Saga Petroleum for 16 years, where among other things she played a central role in discovery of the Borg Field in the Tampen area.

She has experience from most of the Norwegian licensing rounds, APA applications, data analysis and G&G work in partner as well as operator licences. She has also worked as an independent G&G consultant, in which she had long-term contracts with Norwegian and international oil companies.

### 6. Nils Fagerland, Exploration Advisor

Nils Fagerland graduated in technical geology from the university in Trondheim (NTH) in 1971. He has very wide and varied experience from oil companies such as Norsk Hydro, Saga Petroleum, Deminex, and firms of consultants such as Sagex, both from the Norwegian shelf and abroad, for example Peru's Amazon basin, the Baltic, and from Irakian Kurdistan, where he played a central role in discovery of the Tawke Field and the definition of several other attractive structures. His specialties focus mainly on seismic interpretation, structural geology and licensing rounds (documentation etc.). This contributed towards a number of commercial finds and interests in licences in Norway and abroad.

### 7. Dirk van der Wel, Senior Geologist, reservoir-evaluation

Dirk van der Wel graduated in geology and mineralogy from the University of Oslo in 1974. He has wide experience from positions with the University of Oslo, the Geological Survey of Norway (NGU)

and positions with major oil companies, including many years with Norsk Hydro. He was also manager of the section for petroleum technology software in Norsk Hydro. His experience embraces work in prospect evaluation, reservoir evaluation, applied geo-statistics and risking all over the Norwegian continental shelf and also internationally. He has worked on a number of oil and gas fields, siliciclastic as well as carbonate reservoirs.

### 8. Ole Herman Fjelltnun, Reservoir Geologist

Ole Herman Fjelltnun graduated from the Department of Applied Earth Sciences and Metallurgy at the University of Trondheim (NTH) in 1981 and in business administration from BI (Norwegian school of Management). After being employed as a geophysicist for Shell International and as a reservoir geologist with Saga Petroleum, he worked as a consultant to a number of small oil companies for some years. He has contributed towards a number of discoveries and the development of oil and gas fields as an expert on reservoir modelling and use of computer tools.

### 9. Odd Eirik Baglo, Geophysical Advisor

Odd has wide experience in seismic interpretation and exploration on the Norwegian continental shelf. He graduated in applied geophysics from the University of Oslo in 1989. From 1996 to 2006 he worked for Saga Petroleum and Norsk Hydro. He has worked on exploration licences for a number of operators and at times was attached to the Petek team. For the last two years Odd worked for Norsk Hydro in Bergen as geophysics discipline manager in the Brage Petek team. He also participated in interpreting 4D seismic and planning new drilling activities.

### 10. Enric León, Geologist

Enric León has a wide background of studies at the University of Barcelona, where he graduated in geology in 1992, with a strong focus on structural geology, sedimentology and advanced studies in groundwater geology in 1996. In 2007 he completed his master's degree in petroleum geology at the University of Oslo, specialising in gravity modelling and intensive use of modern geophysics software. Since joining Concedo Enric has participated in various projects on the Norwegian continental shelf in the Barents Sea and off Mid-Norway.

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