

Til Generalforsamlingen i Cogen AS

Deres ref.
Your ref.

Vår ref. KB
Our ref.

REVISJONSBERETNING FOR 2009

Vi har revidert årsregnskapet for Cogen AS for regnskapsåret 2009, som viser et underskudd på TNOK 23.114 for morselskapet og et underskudd på TNOK 1.142 for konsernet. Vi har også revidert opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av underskuddet. Årsregnskapet består av selskapsregnskap og konsernregnskap. Selskapsregnskapet består av resultatregnskap, balanse, kontantstrømoppstilling og noteopplysninger. Konsernregnskapet består av resultatregnskap, balanse, kontantstrømoppstilling og noteopplysninger. Regnskapslovens regler og god regnskapsskikk i Norge er anvendt ved utarbeidelsen av regnskapet. Årsregnskapet og årsberetningen er avgitt av selskapets styre og daglig leder. Vår oppgave er å uttale oss om årsregnskapet og øvrige forhold i henhold til revisorlovens krav.

Vi har utført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder revisjonsstandarder vedtatt av Den norske Revisorforening. Revisjonsstandardene krever at vi planlegger og utfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon. Revisjon omfatter kontroll av utvalgte deler av materialet som underbygger informasjonen i årsregnskapet, vurdering av de benyttede regnskapsprinsipper og vesentlige regnskapsestimer, samt vurdering av innholdet i og presentasjonen av årsregnskapet. I den grad det følger av god revisjonsskikk, omfatter revisjon også en gjennomgåelse av selskapets formuesforvaltning og regnskaps- og intern kontroll-systemer. Vi mener at vår revisjon gir et forsvarlig grunnlag for vår uttalelse.

Vi mener at

- årsregnskapet er avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets og konsernets økonomiske stilling 31. desember 2009 og for resultatet og kontantstrømmene i regnskapsåret i overensstemmelse med god regnskapsskikk i Norge
- ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge
- opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av underskuddet er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Lysaker, 23. april 2010

RSM Hasner AS



Ketil Bystrøm

Statsautorisert revisor

RSM Hasner AS er et frittstående medlem av
RSM International, en sammenslutning av
uavhengige revisjons- og konsulentfirmaer.

Medlemmer av Den Norske Revisorforening.

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To the Annual Shareholders' Meeting of Cogen AS

RSM Hasner AS, Statsautoriserte Revisorer
Vollsveien 13 c, 1366 Lysaker

Deres ref.
Your ref.

Vår ref. KB
Our ref.

AUDITOR'S REPORT FOR 2009

We have audited the annual financial statements of the Cogen AS as of 31 December 2009, showing a loss of TNOK 23.114 for the parent company and a loss of TNOK 1.142 for the group. 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 annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied to produce 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 the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good 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 good 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 the law and regulations and give a true and fair view of the financial position of the Company and of the Group as of December 31, 2009, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good 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 are consistent with the financial statements and comply with the law and regulations.

Lysaker, 23. April 2010
RSM Hasner AS

Ketil Bystrøm
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Income Statement

(Amounts in NOK 1000)

Average Exchange rate at 31st Dec

8,692

8,282

Parent company			NOK		EUR	
2008	31/12/2009	Note	31/12/2009	2008	31/12/2009	2008
1.708	417		319.306	283.057	36.737	34.179
1.708	417		319.306	283.057	36.737	34.179
0	0		222.604	222.596	25.611	26.878
4.321	972	8	30.236	30.811	3.479	3.720
5	0	1	20.935	14.637	2.409	1.767
9.575	4.351		12.788	12.882	1.471	1.556
13.900	5.323		286.563	280.926	32.970	33.922
-12.192	-4.906		32.743	2.131	3.767	257
7.863	5.847					
162	13		351	666	40	80
18.777	-16.039	15	-15.990	18.773	-1.840	2.267
9.796	7.943		8.779	9.315	1.010	1.125
6.731	85	16	1.381	6.380	159	770
10.275	-18.208		-25.799	3.885	-2.968	469
-1.917	-23.114		6.944	6.016	799	726
		7	-8.086	-1.929	-930	-233
-1.917	-23.114		-1.142	7.945	-131	959
		4	1.603	-781	184	-94
1.917	-23.114		-1.142	-7.945	-131	-959
0	0		-1.603	781	-184	94
-12.188	-4.906		53.678	16.768	6.176	2.025
			32.743	2.131	3.767	257

Balance Sheet

(Amounts in NOK 1.000)

Parent company		Note	8,299		9,750	
			NOK		EUR	
2008	31/12/2009		31/12/2009	2008	Group	
EQUITY & LIABILITIES						
EQUITY						
<i>Owners equity</i>						
4.522	4.522	4	4.522	4.522	545	464
-18	-18	4	-18	-18	-2	-2
65.139	65.139	4	65.139	65.139	7.849	6.681
69.644	69.644		69.644	69.644	8.392	7.143
<i>Other equity</i>						
20.524	-2.590	4	20.987	50.926	2.529	5.223
		4	2.546	943	307	97
20.524	-2.590		23.533	51.869	2.836	5.320
90.168	67.054		93.177	121.513	11.228	12.463
LIABILITIES						
<i>Provisions</i>						
340	0	11	156	562	19	58
0	0	7	4.854	3.445	585	353
0	0	10	21.249	26.482	2.561	2.716
340	0		26.259	30.489	3.164	3.127
<i>Long term liabilities</i>						
171.506	166.535	6	179.266	181.413	21.602	18.606
50.100	54.119	4	54.119	50.100	6.521	5.138
221.606	220.654		233.384	231.513	28.123	23.745
<i>Current liabilities</i>						
2.227	185	3				
204	257		54.157	51.287	6.526	5.260
1.147	301		7.729	4.055	931	416
35	187		343	126	41	13
3.613	930		62.229	55.468	7.499	5.689
225.559	221.584		321.872	317.470	38.786	32.561
315.727	288.638		415.050	438.983	50.014	45.024

Cash Flow Statement

(Amounts in NOK 1000)

	Parent company		Group	
	31/12/2009	2008	31/12/2009	2008
Cash flow from operational activities				
Profit / loss before tax	-23.114	-1.917	6.944	6.016
Payable tax for the period	-	-	-4.355	-53
Ordinary depreciation	-	5	20.935	14.637
Write-down shares in / receivables from subsidiaries				
Loss on sale of subsidiaries			-	-
Changes in trade receivables & other receivables	2.080	-2.619	2.576	-12.942
Changes in trade payables & other current liabilities	-2.684	229	6.761	21.796
Changes in other timing differences (Exchange rate value)			-29.515	27.195
Net cash flow from operational activities	-23.717	-4.303	3.346	56.650
Cash flow from investment activities				
Net in/out fixed assets & Other intan assets & negative goodwill	-	0	-22.181	-118.579
Net cash flow from acquisitions, shares & investments	-549	6.731		
Net Cash Flow Other Shares	1.074	-8.940	1.074	-8.940
Net cash flow from loans to subsidiaries	27.943	-99.832		
Net cash flow from other provisions			-3.791	25.483
Net cash flow from long term receivable	922	-4.198	-4.901	-16.904
Net cash flow from long term pension funds	-340	649	-406	753
Net cash flow from investment activities	29.049	-105.590	-30.204	-118.186
Cash flow from finance activities				
Cash inflow / outflow from long term debt	-952	94.946	1.872	94.816
Net cash flow from finance activities	-952	94.946	1.872	94.816
Net change in cash balances	4.380	-14.947	-24.986	33.279
Cash balance 01.01.09	3.348	18.294	57.287	24.007
Cash balance end of period	7.728	3.348	32.301	57.287

The cash flow statement has been prepared according to the indirect method. When using the indirect method, cash flows are reported gross from investment and financing activities while the accounting result is reconciled against the net cash flow from operational activities. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that may immediately, and with insignificant exchange rate risk, be converted to known amounts of cash and with dates of maturity that are less than three months from the date of aquisition.

Cogen AS

2009 Accounts and notes

(Amounts in NOK 1000)

Note 1 Fixed assets and negative goodwill

Group	Cogeneration plants & equipment	Cogeneration plants/ written down value (4)	Equipment Cogen AS	TOTAL
Tangible fixed assets				
Purchase cost at 01.01.2009	508.372	(76.551)	566	432.388
Additions (1)	70.035			70.035
Variation due to Exchange rate	-39.737			-39.737
Disposals				0
Purchase cost at 31.12.2009	538.670	(76.551)	566	462.686
Accumulated depreciation 31.12.2009	233.999	(34.111)	567	200.454
Net book value at 31.12.2009	304.671	(42.440)	0	262.231
Depreciation this period (3)	28.005	(5.069)	0	22.936
Estimated useful life	10-23 year		3 year	
Depreciation plan	Straight line		Straight line	

Intangible fixed assets	Negative goodwill	Other intangible assets (2)	TOTAL
Purchase cost at 01.01.2009	(20.000)	24.798	4.798
Net additions/disposals		-3.993	-3.993
Purchase cost at 31.12.2009	(20.000)	20.805	805
Accumulated depreciation 31.12.2009	13.500		13.500
Net book value at 31.12.2009	(6.500)	20.805	14.305
Cost reduction / negative depreciation this period (3)	(2.000)		(2.000)
Estimated useful life	10 year		
Depreciation plan	Straight line		

(1) Additions analysis:

Cogeneration Plant & Equipment	2009
Tortosa Energía, SA Plant	68.823
Incogen, SA Plant	220
Cogen Eresma, SL Plant	800
Others	193
Purchase cost at 31.12.09	70.035

(2) Other intangible assets:

	2009	2008
Cogen Energía España SLU software	1.227	1.285
Cogen Energía Italia Srl Software		1
Tortosa Energía SA software	71	76
Cogen Eresma, SL software	65	77
Energy by Cogen, SA software	450	
Cogen Eresma, SL stars-up costs		604
CO2 Allowances of Spanish plants *)	18.992	22.755
Total Other Intangible Assets up to 31	20.805	24.798

*) The CO2 allowances are related to the book value of the annual CO2 allowances of the Spanish plants. The company accounted for the correspondent liability accrual within the other provisions line. The liability is explained in Note 10. The net liability amounts 2.201 KNOK.

(3) Depreciation this period:

Specification of depreciation of fixed assets and negative goodwill 31.12.2009

Total depreciation in individual company accounts	28.005
Negative depreciation in consolidated accounts due to write downs in group accounts	(5.069)
Cost reduction negative goodwill (4)	(2.000)
Total depreciation up to 31.12.2009	20.936

(4) Negative goodwill

Negative goodwill was established with the acquisition of subsidiary Tortosa S.A in 2003 as a consequence of necessary write-downs occurring on the date of acquisition of the fixed assets of Tortosa.

The 5.06 Mill NOK & 2 Mill NOK of negative depreciation are related to the specified write-downs occurring on the date of Tortosa Plant acquisition. The original entries made in 2003 were (Mill NOK):

		YTD Depreciation	Annual Depreciation
Negative goodwill	(20)	(14)	(2)
Fix Assets negative adjustment	(77)	(34)	(5)
Total Group Assets adjustment	(97)	(48)	(7)

Other current liabilities interestbearing	(116.256)
Unrestricted reserves	19.705
Total Group Equity & Liabilities adjustment	(97)

Note 2 Subsidiary companies, associated companies etc

Parent company

Investments in subsidiary companies are accounted for at cost.

Subsidiary	Registered office	Stake	Equity	Profit&Loss	Net book value
			31.12.2009 (100 %)	31.12.2009 (100 %)	
Create Energy UK Ltd	England	100%	(334)	(122)	252
Cogen Energia Italia	Italia	100%	(295)	(1.375)	784
Energogen AS	Norge	100%	2.679	300	3.300
Cogen Energia España SLU	Spania	100%	35.199	15.442	27.413
Balance sheet value at 31.12.2009			37.250	14.244	31.748

Shares owned by subsidiary Cogen Energia SLU:	Registered office	Stake	Equity	Profit&Loss	Net book value
			31.12.2009 (100 %)	31.12.2009 (100 %)	
Cogeneracion y Biomasa *	Spain	90%		0	0

* The company is under liquidation. Equity was written off in 2004.

Parent Company - Other minority shares	Registered office	Stake	Net book value	
Agroenergetica de Pinzón SL	Spain	39,03%		9.738
Agrícola de Servicios Pinzón,SL	Spain	23,64%		261
Montelimpo	Spain	10,00%		1.293
Balance sheet value at 31.12.2009				11.292

Note 3 Intercompany balances with subsidiaries

Parent company

	Short term liabilities		Short term receivables		Long term receivables	
	2009	2008	2009	2008	2009	2008
	Create Energy UK Ltd			70	377	1.630
Cogen Energía Italia Srl		2.227				
Energogen AS			25	216	3.120	4.709
Cogen Eresma,SL			119	4.020	68.048	87.263
Cogen Energía SLU	185		1.242	(212)	18.172	25.348
Incogen SA			246	578	33.341	39.172
Tortosa Energía SA			724	(112)	101.600	94.701
Sum	185	2.227	2.426	4.867	225.911	253.854
			Net Total 2009	2.241	Net Total 2009	225.911
			Net Total 2008	2.640	Net Total 2008	253.854

Note 4 Equity**Parent company**

This year's changes in equity	Share		Share		Other Equity	Minority share	Sum
	capital	Own shares	premium fund				
Equity at 01.01.2009	4.522	(18)	65.139		20.524		90.168
Net result for the year					(23.114)		(23.114)
Equity at 31.12.2009	4.522	(18)	65.139		(2.590)	-	67.054

Group

This year's changes in equity	Share		Share		Other Equity	Minority share	Sum
	capital	Own shares	premium fund				
Equity at 01.01.2009	4.522	(18)	65.139		50.927	943	121.514
Net result for the year					(1.801)	1.602	(199)
Net additions/disposals	-	-	-				-
Exchange diffs. in consolidated accounts					(28.139)		(28.139)
Equity at 31.12.2009	4.522	(18)	65.139		20.987	2.546	93.177

Parent company

						2.009	2.008
Owners Loan						54.119	50.100
Total Owners Loan						54.119	50.100

Note 5 Share capital and shareholder information**Parent company**

The share capital of NOK 4.522.488 consists of 2.261.244 shares at NOK 2,-.

The company has only one class of shares and all shares have equal rights.

Summary of the largest shareholders as at 31.12.2009

	Class A Shares	Stake
Arendal Fossekompni ASA	1.119.135	49,5 %
Hafslund Venture AS	1.013.344	44,8 %
L.Gill-Johannessen AS	117.995	5,2 %
Sum	2.250.474	99,5 %
Own shares	8.272	0,4 %
Others < 1%	2.498	0,1 %
Total no of shares	2.261.244	100,0 %

Note 6 Long term debt and pledged assets**Group**

Debt	2009	2008
Leasing debt Incogen S.A.	5.950	9.907
Tortosa Short Term Debt (CO2 Repurchase Agreement)	6.780	
Shareholder's loan	54.119	50.100
Handelsbanken revolving facility	166.535	171.506
Sum	233.384	231.513

Book value of pledged assets

	2009	2008
Shares in Incogen SA	5.422	4.873
Shares in Cogen Eresma	14.252	14.252
Shares in Tortosa Energia SA	3.023	3.023
Sum	22.696	22.147

Related to the Handelsbanken Revolving facility

Maturity Long Term Debt

	Year	2010	2011 to 14	Sum
Handelsbanken Loan facility		11.618	154.917	166.535
Tortosa Short Term Debt (CO2 Repurchase Agreement)		6.780		6.780
Shareholder's loan		54.119		54.119
Leasing debt Incogen S.A.		2.143	3.807	5.950
Sum	-	74.660	158.724	233.384

The Handelsbanken loan is guaranteed by the owners Hafslund Venture AS, Arendal Fossekompni ASA and L.Gill Johannessen, AS.

Parent company:

Calculation of deferred tax/deferred tax assets and changes in deferred tax/deferred tax assets

Temporary differences	Annual variation	2009	2008
Fixed assets	75	(273)	(348)
Provision for pension obligations	340	-	(340)
Net temporary differences	415	(273)	(688)
Losses carried forward		(37.124)	(21.653)
Basis for deferred tax in balance sheet	(15.056)	(37.397)	(22.341)
28% deferred tax/tax assets		(10.471)	(6.255)
Deferred tax / tax assets		(10.471)	(6.255)

Deferred tax assets are not recorded on the balance sheet of 31.12.2009 as a consequence of the inability to substantiate future taxable income.

Taxable profit (basis for payable tax) appears as follows:

Basis for payable tax (tax charges)	2009	2008
Result before taxes, after any group contributions received	(23.114)	(1.917)
Permanent differences	2.021	1
Income from written down receivables, not taxable	-	-
Gain on sale of shares, 3 %	6.036	-
Changes in temporary differences	(415)	(559)
Taxable income	(15.472)	(2.475)
Use of deficit	-	-
Basis for payable tax (tax charges)	(15.472)	(2.475)

Deferred tax asset not capitalised on balance sheet:	2009	2008
Payable tax (28% of taxable profit)	-	-
Changes in deferred tax	-	-
Withholding tax Italy	-	-
Sum tax cost	-	-
28% of profit before tax	(6.472)	-
Recorded tax cost	-	-
Difference	6.472	
The difference appears as follows:		
Taxable income gain on sale of shares	(1.690)	-
Income from written down receivable, not taxable income	-	-
Tax on other permanent differences	(566)	-
Deferred tax asset not capitalised on balance sheet	(4.216)	-
Withholding tax Italy	-	-
Sum details of difference	(6.472)	

Group:

Deferred tax liability / deferred tax assets in the group are distributed as follows:

	2009	2008	2009	2008
	Deferred tax liability		Deferred tax asset	
Cogen AS		0		0
Energogen AS		59		
Incogen SA		1.275	4.134	4.620
Tortosa Energia SA	4.854	2.111		
Cogen Energia Espana SLU			2.626	3.390
Cogen Eresma SL				255
Energy by Cogen, SA			62	
Sum deferred tax liability / asset	4.854	3.445	6.822	8.265

This year's tax cost consists of the following:	2009	2008
Payable tax	4.355	53
Changes in deferred tax	3.731	(1.982)
Withholding tax Italy	-	-
Sum tax costs	8.086	(1.929)

Tax costs / tax rates in P&L are distributed as follows:	Taxation rate	2009	2008
Cogen AS	28%	0	0
Energocogen AS	28%/30 %	(56)	(18)
Cogen Energia Italia Srl	36%	56	49
Incogen SA	30,0%	4	(1.050)
Tortosa Energia SA	30,0%	3.372	(864)
Cogen Energia Espana SLU	30,0%	375	141
Cogen Eresma SL	30,0%	4.355	(187)
Energy by Cogen, SA	30,0%	(21)	
Sum tax costs for the group		8.086	(1.929)

Note 8 Salaries and payroll overheads, employee statistics, remuneration, loans to employees, etc.

Parent company

Salaries and payroll overheads	2009	2008
Salaries	660	2.896
Employer`s N.H.contribution	163	357
Pension costs	21	753
Other payments	128	315
Total	972	4.321

There has been an average of 1 employees in the company in 2009.

The company has not issued any loans/guarantees to the Managing Director, the Chairman or other related parties.

During 2008 the Bergen office was closed and the activities were moved to the Madrid office. COGEN AS has reached an agreement with Cogen Energia España to develop the CEO position as well as all management and operations of the company.

Auditor's fees

Technical / legal assistance ex VAT	63
Audit fee ex VAT	132
Total audit cost in 2009	195

Group

Salaries and payroll overheads	2009	2008
Salaries	21.492	22.465
Employer`s N.H.contribution	4.874	4.666
Pension costs	91	840
Other payments (Travel expenses included)	3.779	2.840
Sum	30.236	30.811

There has been an average of 55 employees in the group in 2009.

Payments to senior officers:	2009	2008
Salary & bonus Managing Director	1.219	1.152
Pension cost Managing Director		
Other payments / benefits Managing Director	117	99
	1.336	1.252

There has not been recorded any compensation paid to the boards of the group subsidiaries.

Option Agreements

The CTO in Spain has option agreement for the purchase of 60.000 shares in Cogen AS at a share price of NOK 50 per share, valid until 31. December 2011. The board has the possibility to alter the net value of this option agreement to a cash bonus payment on the date of execution.

Auditor's fees	2009	2008
Technical/ legal assistance	63	
Audit fee Norway	132	152
Audit fee Italy	21	20
Audit fee UK	126	134
Audit fee Spain	456	327
Total audit cost in 2009	799	633

Note 9 Long Term Receivables external**Group**

Long Term receivables external:	2009	2008
COGEN ENERGIA ESPAÑA SLU -Papertech & Agraz grid access guarantee	3.510	4.093
TORTOSA ENERGIA SA - OMEL & MEFF + Enlargement guarantee	19.212	10.570
INCOGEN SA - OMEL & MEFF guarantee	17	3.452
ERESMA SL- OMEL & MEFF guarantee	2.623	2.321
ENERGY BY COGEN SA -OMEL & MEFF guarantee	896	
Locked-in bank deposits	26.259	20.436
Cash deposited in external bank accounts as guarantees - mainly related to the market operation.		
COGEN AS Pinzón loan	8.058	8.980
Participative loan to Agroenergética de Pinzón associated company.		
Total Long term receivables	34.317	29.416

Note 10 Provisions for liabilities**Group**

Provisions for liabilities	2009	2008
Cogen Italia provision for litigation. Hearing date not fixed, probably in June 2009	24	1.166
Cogen Italia provision for other taxes	32	28
Cogen Energia Espana accrual for misc. costs		
Create Energy	0	82
Incogen, Tortosa & Eresma annual CO2 Allowances (compensate the CO2 Intangible Asset) & Other provisions *)	21.193	25.206
Sum	21.249	26.482

*) See Note I.

Note 11 Pensions**Parent company**

The company has a pension plan which includes 0 employees at the year end. This plan entitle the member to defined future benefits. These benefits depend largely on length of service, final salary at retirement and the level of benefits from the state. The pension liabilities are funded through an insurance company. An actuarial calculation of Cogen AS's liability at 31.12.2009 has been undertaken.

Net pension cost	2009	2008
NPV of this year's pension earnings	0	708
Interest cost on pension liability	0	239
Return on pension fund assets	0	-255
Redemption of estimated deviations profit/(loss) posted in P&L account	0	1
Administration cost	0	72
Employers N.H. contribution	0	107
Net pension cost	0	872

Net pension liability	2009	2008
Pension liability	0	2.618
Pension fund assets (market value) 31.12.	0	-3.583
Unrecorded changes in estimated deviations not posted in P&L account	0	1.305
Employers N.H. contribution	0	0
Net book value pension liability	0	340

Financial assumptions	2009	2008
Discount rate	5,8 %	5,8 %
Anticipated rate of return on pension fund assets	5,8 %	5,8 %
Anticipated salary increases	4,0 %	4,0 %
G-adjustment	3,8 %	3,8 %
Adjustment of current pensions	2,3 %	2,3 %

The actuarial assumptions are based on commonly used presumptions within the insurance sector with respect to demographic factors.

Group

In addition the Group has a pension liability related to its business in Italy of TNOK 156 as of December 31, 2009

Note 12 Revenue

Geographic distribution external revenue	2009	2008
Norway	606	250
UK	5.873	4.285
Italy	645	4
Spain	312.182	278.518
Total group net revenue	319.306	283.057

Intercompany revenue has been eliminated

Note 13 Trade Receivable**Group**

Trade receivable	2009	2008
Cogen AS	0	42
Cogen Energía Italia Srl	62	73
Energocogen AS	251	294
Cogen Eresma,SL	8.116	19.636
Cogen Energía SLU	2.730	2.280
Incogen SA	6.340	6.337
Tortosa Energía SA	20.323	12.371
Energy by Cogen, SA	755	
Total Group Trade receivable	38.578	41.033

Note 14 Other Receivable**Group**

	2009	2008
Prepaid tax-VAT	8.195	8.374
Other receivables	285	380
Other receivables Total	8.480	8.754

Note 15 Net Currency Gain/(Loss)**Parent Company**

	2009	2008
Net Currency Gain/(Loss)	-16.039	18.777
Net Currency Gain/(Loss)	-16.039	18.777

Cogen AS is exposed to fluctuations in foreign exchange rates, in particular EUR due to the EUR positions maintained in its Balance Sheet:

i) Intercompany transactions balance and ii) Handelsbanken loan balance.

Group

	2009	2008
Net Currency Gain/(Loss)	-15.990	18.773
Net Currency Gain/(Loss)	-15.990	18.773

In the countries of energy operation, revenues and expenses are in the same currency.

Note 16 Other finance costs**Group**

	2009	2008
Electricity Hedging security contracted in Spain for 2008		6.380
Other financial costs	1.381	
Other finance costs	1.381	6.380

Accounting principles

The annual accounts have been drawn up in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Practice.

Consolidation principles

The consolidated accounts cover the parent company, Cogen AS, and its subsidiaries. The consolidated accounts have been prepared as though the group was one financial unit. Transactions and outstanding accounts between companies in the group are eliminated. The group accounts have been prepared according to uniform principles and the subsidiaries follow the same accounting principles as the parent company.

Acquired subsidiaries are accounted in the consolidated accounts based on the parent company's acquisition cost. Acquisition costs are applied to identifiable assets and liabilities in the subsidiary, which are recorded in the consolidated accounts at actual value at the time of acquisition. Any residual value other than that which can be applied to identifiable assets or liabilities is entered on the balance sheet as goodwill. Added value in the consolidated accounts is depreciated over the acquired assets' expected lifetime.

Revenue from sales of goods is recorded at the time of delivery. Revenue from services is recorded as these are performed. Project fees are recorded as revenue in their entirety when projects are completed.

Classification and evaluation of balance sheet items

Assets that are designated for long-term ownership or use are classified as fixed assets. Assets that are connected to goods circulation are classified as current assets. Receivables are classified as current assets if they are payable within a year from the time of recording. Equivalent criteria are used for current liabilities.

Current assets are valued at the purchase price or the actual value, whichever is lower. Short-term debt is recorded on the balance sheet at the nominal amount at the time of issue.

Fixed assets are valued at their purchase price. Fixed assets that depreciate in value are depreciated straight line over the estimated useful life of the asset. Fixed assets are written down to their actual value when there is a fall in value that is not expected to be temporary. Write-downs are reversed to the extent that the basis for the write-down no longer exists.

Intangible assets

Intangible assets are recorded on the balance sheet to the extent that the criteria for recording them there are present and it is deemed probable that the future economic benefits linked to these asset will accrue to the company.

Fixed assets

Fixed assets are recorded on the balance sheet and depreciated straight line over the expected useful life of the fixed asset if this is assumed to be over three years and if the fixed asset has a cost price above NOK 15,000. Maintenance for fixed assets is recorded as current operational costs. Refurbishments or improvements are added to the fixed asset's cost price and depreciated in line with the fixed asset.

Subsidiaries

Subsidiaries are valued according to the cost method in the parent company's accounts. Investments are valued at the acquisition cost for the shares unless write-downs have been necessary. Write-downs to the actual value are made when a fall in value is due to causes that cannot be assumed to be temporary, and when generally accepted accounting practice deems this necessary. Write-downs are reversed when the basis for the write-down is no longer present.

Inventory

Stores of purchased goods are valued at the lowest of the purchase price according to the FIFO principle and the actual value. Write-downs are made for foreseeable obsolescence.

Receivables

Customer receivables and other receivables are recorded on the balance sheet at nominal value after deductions for allocated foreseeable losses. Loss allocations are made on the basis of an individual assessment of the various receivables. In addition, an unspecified allocation is made for other customer receivables to cover foreseeable loss.

Currency

Money items in foreign currencies on the balance sheet are valued according to the official exchange rates at the end of the accounting year. This final rate is used for consolidating the balance sheet items and an average exchange rate for the year is used for profit and loss items. Any exchange differences on balance sheet items in the consolidation are recorded directly against equity.

Pensions

The pension plan in Cogen AS is a defined benefit plan, which means that the company has the financial responsibility for pension benefits. Pension costs and pension obligations are calculated according to linear contributions based on assumptions on discount rates, future salary adjustments, pensions and benefits from the Norwegian National Insurance, future yield from pension funds as well as actuarial assumptions on mortality, voluntary departure etc. Pension funds are valued at their actual value and deducted in the net pension obligations recorded on the balance sheet. Changes in the obligations that are due to changes in pension schemes are distributed over the assumed remaining contribution time. The same is true for deviations in estimates if they exceed 10% of the highest of either pension obligations or pension funds ("corridor method").

The employer's social security contribution cost is calculated on the basis of actual pension premiums paid for the secured pension plan and not those paid from the pension fund.

Tax

The tax cost in the profit and loss account consist of both the period's payable tax and change in deferred taxes. Group deferred taxes are calculated at 28 to 36% on the basis of the temporary differences that exist between the accounting and the taxable values, as well as any taxable deferred losses that can be carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that are reversed or can be reversed in the same period are offset. Recording of deferred tax assets on net tax reducing differences that are not offset

Cash flow statement

The cash flow statement has been prepared according to the indirect method. When using the indirect method, cash flows are reported gross from investment and financing activities while the accounting result is reconciled against the net cash flow from operational activities. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments that may immediately, and with insignificant exchange rate risk, be converted to known amounts of cash and with dates of maturity that are less than three months from the date of acquisition.