

Lighthouse Caledonia ASA Q&A
24 June 2009

Lighthouse Caledonia ASA provides the following Q&A in order to further clarify and explain the restatement of the Company's 2007 financial accounts and certain other Company matters. Lighthouse Caledonia ASA will continue its commitment to provide full transparency and accountability to its shareholders and the market consistent with sound corporate governance principles.

Q: Why did Lighthouse Caledonia ASA restate its 2007 accounts?

A: The 2007 accounts have been restated as the directors of the Company believe that the results in the financial statements provide more reliable and relevant information about the effects of transactions, other events and conditions on the Company's financial position, performance and cash flows.

Changes were also made to the 2007 Balance Sheet in that additional provisions were made and assets impaired.

Q: What are the major differences between the original 2007 and the restated 2007 accounts?

A: Lighthouse Caledonia ASA was established on 17 September 2007. In the 2007 Annual Report, the Company's accounting policies state that business combinations are to be accounted for using the acquisition accounting method. Yet, the pooling accounting method was utilized for the purchase of companies and assets from the Marine Harvest group of companies ("Marine Harvest"). It must be noted that this method may only be used where there is common ownership and control is not transitory.

The financial statements for 2007 are now presented for the period from Lighthouse Caledonia ASA's incorporation on 17 September 2007 to 31 December 2007. The acquisition method of accounting is used for the acquisition of companies and assets from Marine Harvest as the Company believes it provides more reliable and relevant information about the effects of the transactions.

The restated accounts also include changes that were also made to the 2007 Balance Sheet in that additional provisions were made and assets impaired.

The differences between the original 2007 accounts and the restated 2007 accounts are detailed in the Notes to the financial statements.

Q. Can you explain the asset write downs?

The Company applied rigorous impairment testing in order to determine the fair value of its assets. This impairment testing subsequently led to a material write down in the value of assets acquired from Marine Harvest. The largest asset was the Marybank processing plant in Stornoway, which was fully provided for.

The fair value of the assets acquired from Marine Harvest was significantly lower than the price at which they were purchased. Included within the assets acquired were old and obsolete plant and equipment, diseased biomass and loss making sales contracts. The adjustments required the write down of assets to their fair value and the inclusion of liabilities assumed as part of the purchases that were previously unrecorded as part of the total consideration paid. Licenses were revalued to market value. The details of the write downs are contained with the fair value adjustments as disclosed in Note 8 to the financial statements.

Q: The Company's auditor states that the interest charged on the intercompany loan by Lighthouse Caledonia ASA to its wholly owned subsidiary Lighthouse Caledonia Ltd is "understated by at least MGBP 1.0." Please comment.

The interest amount charged by the parent company to its subsidiary is at market rate and is calculated at approximately the value of the total interest charged by DnB NOR ASA on the entire credit facility extended to the Group (plus an arrangement fee). It is not the objective of Lighthouse Caledonia ASA to earn a profit on lendings to its sole and wholly owned subsidiary.

Q. Why was Ernst & Young AS replaced by Horwath Revisjon AS as the Company's auditor?

The Company's shareholders appointed Horwath Revisjon AS at the 26 May 2009 Extraordinary General Meeting of shareholders to serve as the auditor for the Company. As Ernst & Young AS previously served as the Company's auditor, the directors, in order to avoid any potential conflicts of interest, recommended that Horwath Revisjon AS be appointed to serve as auditor in Norway and that a second independent auditor, Campbell Dallas LLP, be appointed in the United Kingdom.

The Company believes that the appointment of two independent audit firms will serve to ensure that the financial statements presented by the Company are true and fair.

Q. Can you clarify the competing proposals presented by the Nomination Committee and the Company's controlling shareholder Northern Link Ltd in respect to the election of new members to the Committee and compensation to the members of the Board?

A. The Nomination Committee's proposal is posted on the Company's website. The Company, in order to avoid any possible conflicts of interest, makes no recommendation to shareholders with regards to voting on the proposals presented.

Q. Does the Board make any recommendation to shareholders to assist in their consideration for the AGM vote regarding Chairman Gabriel Smith's compensation of NOK 550,000?

A. Mr. Gabriel Smith's compensation of NOK 550,000 includes compensation for the period of July 2008 until 13 March 2009 and a bonus payment for his efforts while Chairman of the Board of Directors. Mr. Smith has already received compensation for his work as Chairman for the period of January 2008 until June 2008.

The current Board does not make recommendations regarding board members' compensation to avoid any possible conflicts of interest. It is the duty of the Nomination Committee to make recommendations to the shareholders regarding compensation proposals. The Nomination Committee has made no recommendation for compensation for Mr. Smith.

Q. Can you please elaborate on the share buyback that was approved at the 26 May 2009 Extraordinary General Meeting of shareholders?

A. Lighthouse Caledonia has more than 11,980 shareholders, of which approximately 10,230 shareholders own less than NOK 500 per shareholding. The total value of the 10,230 shareholders' shares is approximately NOK 390,000. The Company incurs significant costs in sending out annual reports, statements, etc., as well the costs of printing, postage, and VPN fees. These costs are each significantly greater than value of these shareholdings.

The Company will, in the near future, make a proposal to all shareholders who hold NOK 500 worth of shares or less to buy back these shares at or above the market price.