AMARIN CORP PLC\UK
Form 20-F/A
September 24, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20−F/A

Amendment 1

o REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

OR

o SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DATE OF EVENT REQUIRING THIS SHELL COMPANY REPORT

Commission file number 0−21392

AMARIN CORPORATION PLC

(Exact Name of Registrant as Specified in Its Charter)
England and Wales
(Jurisdiction of Incorporation or Organization)
First Floor, Block 3, The Oval
Shelbourne Road, Ballsbridge
Dublin 4, Ireland
(Address of Principal Executive Offices)

SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
None	None

SECURITIES REGISTERED OR TO BE REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
American Depositary Shares, each representing one Ordinary Share
Ordinary Shares, 5 pence par value per share
(Title of Class)

SECURITIES FOR WHICH THERE IS A REPORTING OBLIGATION PURSUANT TO SECTION 15(d) OF THE ACT:
None.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

139,057,370 Ordinary Shares, 5 pence par value per share

Indicate by check mark if the registrant is a well−known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES o NO x

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES o NO x

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES x NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b−2 of the Exchange Act. (Check one):
Large accelerated filer o Accelerated filer o Non-accelerated filer x

Indicate by check mark which financial statement item the registrant has elected to follow.
ITEM 17 o ITEM 18 x

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b−2 of the Exchange Act).

YES o NO x

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EXPLANTORY NOTE

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, Amarin Corporation plc (the “Company”) hereby amends its Annual Report on Form 20-F for the fiscal year ended December 31, 2007, as filed with the U.S. Securities and Exchange Commission on May 19, 2008 (the "Original Filing"), by setting forth the following amendments to Item 18 of the Original Filing:

- the amendment of the financial statements and related notes to correctly reflect the accounting treatment of contingent consideration relating to the acquisition of Ester Neurosciences, which was originally accounted for under IAS “37 Provisions, contingent liabilities and contingent assets”. The amendment correctly accounts for the contingent consideration as an equity settled share based compensation under IFRS 2 “Share based compensation”. For further information please see note 36 to the F-pages of this annual report.

- the amendment of the financial statements and related notes to correctly reflect the accounting treatment of warrants issued in connection with a registered direct offering in December 2007. The amendment correctly accounts for the warrants as a derivative financial liability under IAS 32 “Financial instruments: presentation and disclosure”. For further information please see note 36 to the F-pages of this annual report.

This Form 20-F/A also amends the Selected Financial Data in Item 3 by updating the IFRS amounts to be consistent with the amendments to the financial statements described above.

This Form 20-F/A also amends the Operating Results in Item 5 by updating the description of finance income to be consistent with the amendments to the financial statements described above.

See Item 15, which has also been amended, for further discussion of the restatement.

This Form 20-F/A also amends the list of Exhibits in Item 19 and in the Exhibit Index to reflect the filing of a new consent of PricewaterhouseCoopers and the filing of new certifications of Mr. Thomas G. Lynch and Mr. Alan Cooke pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

This Form 20-F/A should be read in conjunction with the Original Filing, continues to speak as of the date of the Original Filing, and does not amend, modify or update disclosures in the Original Filing except as noted above. Accordingly, this Form 20-F/A does not reflect events occurring after the Original Filing or amend, modify or update any related disclosures. In particular, any forward-looking statements included in this Form 20-F/A represent management’s view as of the filing date of the Form 20-F.

In accordance with Rule 12b-15, the complete text of each amended Item is set forth in this report, even though much of the disclosure in some of the restated Items has not changed.

Item 3 Key Information

A. Selected Financial Data

General

The following table presents selected historical consolidated financial data. The selected historical consolidated financial data as of December 31, 2007 and 2006 and for each of the years ended December 31, 2007 and 2006 have been derived from our audited consolidated financial statements beginning on page F−1 of this annual report, prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the E.U. and as issued by the International Accounting Standards Board ("IASB"), which have been audited by PricewaterhouseCoopers, an independent registered public accountant firm, for the years ended December 31, 2007 and 2006.

The selected historical consolidated financial data as of December 31, 2005, 2004 and 2003 and for the years then ended has been derived from our audited historical financial statements prepared in accordance with generally accepted accounting principles in the United Kingdom ("U.K. GAAP") which are not included in these financial statements.

Unless otherwise specified, all references in this annual report to "fiscal year" or "year" of Amarin refer to a twelve-month financial period ended December 31. We prepare our consolidated financial statements in accordance with IFRS as adopted by the E.U. and as issued by the IASB.

We adopted IFRS for the first time for our financial year ended December 31, 2007. Our audited Consolidated Financial Statements as of and for the year ended December 31, 2006 were originally prepared in accordance with U.K. GAAP. As part of our adoption of IFRS, we have restated our Consolidated Financial Statements in accordance with IFRS for comparative purposes.

During 2002 our Ordinary Shares were consolidated on a ten-for-one basis. Concurrently, we amended the terms of our American Depositary Shares, or ADSs, to provide that each ADS would represent one Ordinary Share. Previously each ADS had represented ten ordinary shares of 10p each. The new conversion ratio has been reflected in all years in the weighted average share numbers shown in the consolidated statement of operations data below. In June 2004 we converted each of our £1 Ordinary Shares into one Ordinary Share of 5 pence and one deferred share of 95 pence (with such deferred shares having been subsequently cancelled). This share conversion in 2004 did not affect the ratio as between our Ordinary Shares and our ADSs but is recorded below in the year 2004.

On January 18, 2008 our Ordinary Shares were consolidated on a one-for-ten basis whereby ten Ordinary Shares of 5p each became one Ordinary Share of 50p each.

On May 14, 2008, we announced a private placement of Ordinary Shares for up to $60.0 million. The first tranche from new investors of $28.0 million closed on May 19, 2008. See Item 8B "Significant changes" for further information.

Selected Consolidated Financial Data — IFRS

	2006	2007 as restated(1)
	(In U.S. $, thousands except per share data and number of shares information)	
Statement of Operations Data — IFRS		
Net sales revenues	500	—
Total loss from operations	(28,068)	(40,733)
Net loss	(26,751)	(37,800)
Net loss per Ordinary Share (basic – post share split**)	(3.25)	(3.86)
Net loss per Ordinary Share (basic – pre share split**)	(0.33)	(0.39)
Net loss per Ordinary Share (diluted – post share split**)	(3.25)	(3.86)
Net loss per Ordinary Share (diluted – pre share split**)	(0.33)	(0.39)
Consolidated balance sheet data – amounts in accordance with IFRS		
Working capital assets	28,710	11,072
Total assets	49,559	42,254
Long term obligations	(110)	(4,801)
Capital stock (ordinary shares)	7,990	12,942
Total shareholders' equity	38,568	26,797
Number of ordinary shares in issue (thousands – post share split**)	9,068	13,906
Number of ordinary shares in issue (thousands – pre share split**)	90,684	139,057
Denomination of each ordinary share (post share split**)	£0.50	£0.50
Denomination of each ordinary share (pre share split**)	£0.05	£0.05

(1) see note 36 to the F-pages of this annual report for information on our restatement.

Selected Consolidated Financial — U.K. GAAP

	Years Ended December		
	2003	2004* as restated	2005* as restated
	(In U.S. $, thousands except per share data and number of shares information)		
Statement of Operations Data — U.K. GAAP			
Net sales revenues	7,365	1,017	500
Total loss from operations	(38,821)	(11,875)	(20,478)
Loss from continuing operations	(6,200)	(10,608)	(20,4878)
Net (loss)/income	(19,224)	3,229	(20,547)
Loss from continuing operations per Ordinary Share (basic – post share split**)	(3.63)	(4.71)	(4.45)
Loss from continuing operations per Ordinary Share (basic – pre share split**)	(0.36)	(0.47)	(0.45)
Net (loss)/income per Ordinary Share (basic – post share split**)	(11.25)	1.43	(4.41)

Net (loss)/income per Ordinary Share (basic – pre share split**)	(1.13)	0.14	(0.44)
Net (loss)/income per Ordinary Share (diluted – post share split**)	(11.25)	1.43	(4.41)
Net (loss)/income per Ordinary Share (diluted – pre share split**)	(1.13)	0.14	(0.44)
Consolidated balance sheet data – amounts in accordance with U.K. GAAP			
Working capital (liabilities)/assets	(39,128)	8,651	28,673
Total assets	47,377	23,721	46,760
Long term obligations	—	(2,687)	(180)
Capital stock (ordinary shares)	29,088	3,206	6,778
Total shareholders' (deficit)/equity	(6,348)	16,693	38,580
Number of ordinary shares in issue (thousands – post share split**)	1,794	3,763	7,755
Number of ordinary shares in issue (thousands – pre share split**)	17,940	37,632	77,549
Denomination of each ordinary share (post share split**)	£10.00	£0.50	£0.50
Denomination of each ordinary share (pre share split**)	£1.00	£0.05	£0.05

For previously reported 2006 financial information prepared under U.K. GAAP please see our 2006 20–F filed with the SEC on March 5, 2007.

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* As restated for the non-cash compensation expense due to the adoption of U.K. GAAP, Financial Reporting Standard 20 "Share-based payments".

** On January 18, 2008, our Ordinary Shares were consolidated on a one-for-ten basis whereby ten Ordinary Shares of 5p each became one Ordinary Share of 50p. Post-split shares and share information above has been adjusted to reflect this share consolidation.

Exchange Rates

We changed our functional currency on January 1, 2003 from pounds sterling to U.S. Dollars to reflect the fact that the majority of our transactions, assets and liabilities were denominated in that currency. Consequently, all data provided in this annual report is in U.S. Dollars from 2003.

As some of our assets, liabilities and transactions are denominated in pounds sterling, euro and shekel, the rate of exchange between pounds sterling and the U.S. Dollar, between euro and U.S. Dollar and between shekel and U.S. Dollar, which is determined by supply and demand in the foreign exchange markets and affected by numerous factors, continues to impact our financial results. Fluctuations in the exchange rates between the U.S. Dollar and pounds sterling, between U.S. Dollar and euro and between the U.S. Dollar and shekel may affect any earnings or losses reported by us and the book value of our shareholders' equity as expressed in U.S. Dollars, and consequently may affect the market price for our ADSs.

The following table sets forth, for the periods indicated, the average of the noon buying rate on the last day of each month during the relevant period as announced by the Federal Reserve Bank of New York for pounds sterling expressed in U.S. Dollars per pound sterling:

Fiscal Period	Average Noon Buying Rate (U.S. Dollars/pound sterling)
12 months ended December 31, 2003	1.6450
12 months ended December 31, 2004	1.8356
12 months ended December 31, 2005	1.8204
12 months ended December 31, 2006	1.8434
12 months ended December 31, 2007	2.0073

The following table sets forth, for each of the last six months, the high and low noon buying rate during each month as announced by the Federal Reserve Bank of New York for pounds sterling expressed in U.S. Dollars per pound sterling:

Month	High Noon Buying Rate (U.S. Dollars/pound sterling)	Low Noon Buying Rate (U.S. Dollars/pound sterling)
November 2007	2.1104	2.0478
December 2007	2.0658	1.9774
January 2008	1.9895	1.9515
February 2008	1.9923	1.9405
March 2008	2.0311	1.9823
April 2008	1.9994	1.9627

The noon buying rate as of May 15, 2008 was 1.9488 U.S. Dollars per pound sterling.

B. Capitalization And Indebtedness

Not applicable.

C. Reasons For The Offer And Use Of Proceeds

Not applicable.

D. Risk Factors

RISK FACTORS

You should carefully consider the risks and the information about our business described below, together with all the other information included in this annual report. You should not interpret the order in which these considerations are presented as an indication of their relative importance to you. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. If any of the following risks and uncertainties develops into actual events, our business, financial condition and results of operations could be materially and adversely affected. In such an instance, the trading price of our ADSs and Ordinary Shares could decline.

We have a history of losses, and we may not be able to attain profitability in the foreseeable future.

We have not been profitable in four of the last five fiscal years. For the fiscal years ended December 31, 2003, 2004 and 2005, we reported (losses)/profits under U.K. GAAP of approximately $(19.2) million, $3.2 million and $(20.5) million respectively. For the fiscal years ended December 31, 2006 and 2007, we reported losses under IFRS of approximately $26.8 million and $37.8 million respectively. Unless and until marketing approval is obtained from either the U.S. Food and Drug Administration, which we refer to as the FDA, or European Medicines Evaluation Agency, which we refer to as the EMEA, for any of our products, or we are otherwise able to acquire rights to products that have received regulatory approval or are at an advanced stage of development and can be readily commercialized, we may not be able to generate sufficient revenues in future periods to enable us to attain profitability.

We acquired Amarin Neuroscience (formerly Laxdale Limited) on October 8, 2004 and Ester Neurosciences Limited on December 5, 2007. We continue to have limited operations, assets and financial resources. We currently have no marketable products or other source of revenues other than the Multicell out-licensing contract described herein. All of our current products are in the development stage. The development of pharmaceutical products is a capital intensive business. Therefore, we expect to incur expenses without corresponding revenues at least until we are able to obtain regulatory approval and sell our future products in significant quantities. This may result in net operating losses until we can generate an acceptable level of revenues, which we may not be able to attain. Further, even if we do achieve operating revenues, there can be no assurance that such revenues will be sufficient to fund continuing operations. Therefore, we cannot predict with certainty whether we will ever be able to achieve profitability.

In addition to advancing our existing development pipeline, we may also acquire rights to additional products. However, we may not be successful in doing so. We may need to raise additional capital before we can acquire any products. There is also a risk that any of our development stage products we may acquire will not be approved by the FDA or regulatory authorities in other countries on a timely basis or at all. The inability to obtain such approvals would adversely affect our ability to generate revenues.

The likelihood of success of our business plan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with developing and expanding early stage businesses and the regulatory and competitive environment in which we operate.

Our historical financial results do not form an accurate basis for assessing our current business.

As a consequence of divestitures in 2003 and 2004 and our acquisition of Amarin Neuroscience in October 2004 and Ester Neurosciences Limited in December 2007, our historical financial results do not form an accurate basis upon which investors should base an assessment of our business and prospects. We are now focused on the research, development and commercialization of novel drugs for the central nervous system and cardiovascular disease. Accordingly, our historical financial results reflect a substantially different business from that currently being conducted.

Our indebtedness under our 8% Convertible Debentures due 2010 could adversely affect our financial condition and our ability to respond to changes in our business.

As described in our Report of Foreign Issuer furnished to the SEC on December 12, 2007, on December 4, 2007, we issued $2.75 million aggregate principal amount of our 8% Convertible Debentures due 2010 to finance, in part, our acquisition of Ester Neurosciences Limited, a private pharmaceutical development company based in Israel. We have debt service obligations under our Debentures. These debt obligations could have significant negative consequences, including, but not limited to:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other business purposes;
- limiting our flexibility to plan for, or react to, changes in our business and the industry in which we compete;
- placing us at a possible disadvantage to competitors with fewer debt obligations and competitors that have better access to capital resources; and
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital expenditures, research and development efforts and other general corporate purposes.

We may incur additional indebtedness.

The indenture governing the Debentures does not prohibit us from incurring substantial additional indebtedness in the future. Any such additional indebtedness that is permitted to be secured would be effectively senior to the Debentures to the extent of the assets securing such indebtedness. As described under the heading “Description of Debentures — Additional Covenant — Limitation on Incurrence of Subsidiary Indebtedness” in our prospectus supplement filed with the SEC on December 5, 2007, the Debentures limit the ability of our subsidiaries to incur indebtedness. However, because they are not guaranteed by our subsidiaries (or any other third party), the Debentures are structurally subordinated to the indebtedness and other liabilities that our subsidiaries are permitted to incur. In addition, the indenture does not contain any restrictive covenants limiting our ability to pay dividends, make any payments on junior or other indebtedness or otherwise limit our financial condition.

We may have to issue additional equity, leading to shareholder dilution.

We are committed to issue equity to the former shareholders of Amarin Neuroscience upon the successful achievement of specified milestones for the AMR101 development program (subject to such shareholders’ right to choose cash payment in lieu of equity). Pursuant to the Amarin Neuroscience share purchase agreement, further success-related milestones will be payable as follows:

Upon receipt of marketing approval in the United States and Europe for the first indication of any product containing Amarin Neuroscience intellectual property as secured in the 2004 Laxdale acquisition, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£7.5 million for each of the two potential market approvals (i.e., GBP£15.0 million maximum). In addition, upon receipt of a marketing approval in the United States and Europe for any other product using Amarin Neuroscience intellectual property as secured in the 2004

Laxdale acquisition or for a different indication of a previously approved product, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£5.0 million for each of the two potential market approvals (i.e., GBP£10.0 million maximum). The exchange rate as of May 15, 2008 was approximately $1.9488 per GBP£.

As described under the heading "Unaudited Pro Forma Financial Information" in our Report of Foreign Issuers on Form 6−K filed with the SEC on December 5, 2007, if the Monarsen Phase IIa in Myasthenia Gravis ("MG") clinical study meets its study objectives, we are committed to pay $5 million, at Amarin's option, in equity or cash, to the former shareholders of Ester Neurosciences Limited. In addition, upon successful completion of the Monarsen Phase II MG development program with adequate efficacy and safety data that fully supports the commencement of a Phase III clinical study in the U.S., we are committed to pay $6 million, at Amarin's option, in equity or cash, to the former shareholders of Ester Neurosciences Limited.

In December 2007, we issued $2.75 million in aggregate principal amount of three-year convertible Debentures. The Debentures may be converted into 5.7 million ADSs commencing four months after the date of closing at a conversion price of $0.48 per ADS. If, at any time prior to December 6, 2009, the Company issues Ordinary Shares, securities convertible into ADSs or Ordinary Shares, warrants to purchase ADSs or Ordinary Shares or options to purchase any of the aforementioned convertible debentures at a price that is less than, or converts at a price that is less than, $3.66 ("Down-round Price"), then the conversion price shall be adjusted to equal 130% of the Down-round Price.

In addition, the Debenture holders received five-year warrants to purchase 2.3 million ADSs at an exercise price of $0.48. If, at any time prior to December 6, 2009, the Company issues Ordinary Shares, securities convertible into ADSs or Ordinary Shares, warrants to purchase ADSs or Ordinary Shares or options to purchase any of the aforementioned warrants at a price that is less than, or converts at a price that is less than, $3.66 ("Down-round Price"), then the exercise price shall be adjusted to equal 130% of the Down-round Price.

The convertible Debentures will be required to be repaid from the proceeds of, and the holders of the convertible Debentures will have the right to participate in, future financings of the Company, with certain exceptions.

Taking account for the one-for-ten consolidation of our Ordinary Shares on January 18, 2008, as at May 16, 2008 we had 2,052,473 warrants outstanding with a weighted average exercise price of $8.70 per share. As at May 16, 2008, we also had outstanding employee options to purchase 1,475,481 Ordinary Shares at an average exercise price of $13.23 per share.

Additionally, in pursuing our growth strategy we will either need to issue new equity as consideration for the acquisition of products, or to otherwise raise additional capital, in which case equity, debt convertible into equity or debt instruments may be issued. The creation of new shares may lead to dilution of the value of the shares held by our current shareholder base.

We have granted the initial purchasers of the Debentures the right to participate in certain of our future financings, which may restrict our ability to raise capital.

So long as the initial purchaser of a Debenture is the registered holder of the Debenture, such initial purchaser shall have a right, subject to certain exceptions, to participate in future equity or debt financings by us for cash on terms equal to those of other investors in such future financings. This right is not transferable upon the sale of the Debentures by initial purchasers. This financing participation right may restrict our ability to raise capital through equity financing in the future as it may, among other things, make potential investors less likely to enter into negotiations with us.

If we cannot find additional capital resources, we will have difficulty in operating as a going concern and growing our business.

At December 31, 2007, we had a cash balance of approximately $18.3 million. On May 14, 2008, we announced a private placement of Ordinary Shares for up to $60.0 million. The first tranche from new investors of $28.0 million closed on May 19, 2008. Based upon current business activities, we forecast having sufficient cash to fund operations for at least the next 12 months from May 19, 2008. We may also require further funds in the future to implement our long-term growth strategy of acquiring additional development stage and/or marketable products, recruiting clinical, regulatory and sales and marketing personnel, and growing our business. Our ability to execute our business strategy and sustain our infrastructure at our current level will be impacted by whether or not we have sufficient funds.

Depending on market conditions and our ability to maintain financial stability, we may not have access to additional funds on reasonable terms or at all. Any inability to obtain additional funds when needed would have a material adverse effect on our business and on our ability to operate on an ongoing basis.

We may be dependent upon the success of a limited range of products.

On April 24, 2007, we reported top-line results from our two Phase III clinical trials of AMR101 to treat Huntington's disease. Study data showed no statistically significant difference in either study between AMR101 and placebo with regard to the primary and secondary endpoints at 6−months of treatment. The adverse clinical trial data on AMR101 for Huntington's disease could materially affect our ability to develop the product for Huntington's disease and for other therapeutic indications. If development efforts for our products are not successful for any indications or if they are not approved by the FDA, or if adequate demand for our products are not generated, our business will be materially and adversely affected. Although we intend to bring additional products forward from our research and development efforts, even if we are successful in doing so, the range of products we will be able to commercialize may be limited. This could restrict our ability to respond to adverse business conditions. If we are not successful in developing any future product or products, or if there is not adequate demand for any such products or the market for such product develops less rapidly than we anticipate, we may not have the ability to shift our resources to the development of alternative products. As a result, the limited range of products we intend to develop could constrain our ability to generate revenues and achieve profitability.

Our ability to generate revenues depends on obtaining regulatory approvals for our products.

In order to successfully commercialize a product, we will be required to conduct all tests and clinical trials needed in order to meet regulatory requirements, to obtain applicable regulatory approvals, and to prosecute patent applications. The costs of developing and obtaining regulatory approvals for pharmaceutical products can be substantial. Our ability to commercialize any of our products in development is dependent upon the success of development efforts in clinical studies. If these clinical trials fail to produce satisfactory results, or if we are unable to maintain the financial and operational capability to complete these development efforts, we may be unable to generate revenues. Even if we obtain regulatory approvals, the timing or scope of any approvals may prohibit or reduce our ability to commercialize products successfully. For example, if the approval process takes too long, we may miss market opportunities and give other companies the ability to develop competing products. Additionally, the terms of any approvals may not have the scope or breadth needed for us to commercialize products successfully.

We may not be successful in developing or marketing future products if we cannot meet extensive regulatory requirements of the FDA and other regulatory agencies for quality, safety and efficacy.

Our long-term strategy involves the development of products we may acquire from third parties. The success of these efforts is dependent in part upon the ability of the Group, its contractors, and its products to meet and to continue to meet regulatory requirements in the jurisdictions where we ultimately intend to sell such products. The development, manufacture and marketing of pharmaceutical products are subject to extensive regulation by governmental authorities in the United States, the European Union, Japan and elsewhere. In the United States, the FDA generally requires pre-clinical testing and clinical trials of each drug to establish its safety and efficacy and extensive pharmaceutical development to ensure its quality before its introduction into the market. Regulatory authorities in other jurisdictions impose similar requirements. The process of obtaining regulatory approvals is lengthy and expensive and the issuance of such approvals is uncertain. The commencement and rate of completion of clinical trials may be delayed by many factors, including:

- the inability to manufacture sufficient quantities of qualified materials under current good manufacturing practices for use in clinical trials;

- slower than expected rates of patient recruitment;
- the inability to observe patients adequately after treatment;

- changes in regulatory requirements for clinical trials;
- the lack of effectiveness during clinical trials;
- unforeseen safety issues;
- delay, suspension, or termination of a trial by the institutional review board responsible for overseeing the study at a particular study site; and
- government or regulatory delays or “clinical holds” requiring suspension or termination of a trial.

Even if we obtain positive results from early stage pre-clinical or clinical trials, we may not achieve the same success in future trials. Clinical trials that we conduct may not provide sufficient safety and effectiveness data to obtain the requisite regulatory approvals for product candidates. The failure of clinical trials to demonstrate safety and effectiveness for our desired indications could harm the development of that product candidate as well as other product candidates, and our business and results of operations would suffer.

Any approvals that are obtained may be limited in scope, or may be accompanied by burdensome post-approval study or other requirements. This could adversely affect our ability to earn revenues from the sale of such products. Even in circumstances where products are approved by a regulatory body for sale, the regulatory or legal requirements may change over time, or new safety or efficacy information may be identified concerning a product, which may lead to the withdrawal of a product from the market. Additionally, even after approval, a marketed drug and its manufacturer are subject to continual review. The discovery of previously unknown problems with a product or manufacturer may result in restrictions on that product or manufacturer, including withdrawal of the product from the market, which would have a negative impact on our potential revenue stream.

After approval, our products will be subject to extensive government regulation.

Once a product is approved, numerous post-approval requirements apply. Among other things, the holder of an approved NDA or other license is subject to periodic and other monitoring and reporting obligations enforced by the FDA and other regulatory bodies, including obligations to monitor and report adverse events and instances of the failure of a product to meet the specifications in the approved application. Application holders must also submit advertising and other promotional material to regulatory authorities and report on ongoing clinical trials.

Advertising and promotional materials must comply with FDA rules in addition to other potentially applicable federal and local laws in the United States and in other countries. In the United States, the distribution of product samples to physicians must comply with the requirements of the U.S. Prescription Drug Marketing Act. Manufacturing facilities remain subject to FDA inspection and must continue to adhere to the FDA’s current good manufacturing practice requirements. Application holders must obtain FDA approval for product and manufacturing changes, depending on the nature of the change. Sales, marketing, and scientific/educational grant programs must also comply with the U.S. Medicare-Medicaid Anti-Fraud and Abuse Act, as amended, the U.S. False Claims Act, as amended and similar state laws. Pricing and rebate programs must comply with the U.S. Medicaid rebate requirements of the Omnibus Budget Reconciliation Act of 1990, as amended. If products are made available to authorized users of the U.S. Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. All of these activities are also potentially subject to U.S. federal and state consumer protection and unfair competition laws. Similar requirements exist in all of these areas in other countries.

Depending on the circumstances, failure to meet these post-approval requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, or refusal to allow us to enter into supply contracts, including government contracts. In addition, even if we comply with FDA and other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval. Adverse regulatory action, whether pre- or post-approval, can potentially lead to product liability claims and increase our product liability exposure. We must also compete against other products in qualifying for reimbursement under applicable third party payment and insurance programs.

Our future products may not be able to compete effectively against those of our competitors.

Competition in the pharmaceutical industry is intense and is expected to increase. If we are successful in completing the development of any of our products, we may face competition to the extent other pharmaceutical companies are able to develop products for the treatment of similar indications. Potential competitors in this market may include companies with greater resources and name recognition than us. Furthermore, to the extent we are able to acquire or develop additional marketable products in the future such products will compete with a variety of other products within the United States or elsewhere, possibly including established drugs and major brand names. Competitive factors, including generic competition, could force us to lower prices or could result in reduced sales. In addition, new products developed by others could emerge as competitors to our future products. Products based on new technologies or new drugs could render our products obsolete or uneconomical.

Our potential competitors both in the United States and Europe may include large, well-established pharmaceutical companies, specialty pharmaceutical sales and marketing companies, and specialized neurology companies. In addition, we may compete with universities and other institutions involved in the development of technologies and products that may compete with ours. Many of our competitors will likely have greater resources than us, including financial, product development, marketing, personnel and other resources. Should a competing product obtain marketing approval prior to any of our products, this would significantly erode the projected revenue streams for our product.

The success of our future products will also depend in large part on the willingness of physicians to prescribe these products to their patients. Our future products may compete against products that have achieved broad recognition and acceptance among medical professionals. In order to achieve an acceptable level of subscriptions for our future products, we must be able to meet the needs of both the medical community and end users with respect to cost, efficacy and other factors.

Our supply of future products could be dependent upon relationships with manufacturers and key suppliers.

We have no in-house manufacturing capacity and, to the extent we are successful in completing the development of our products and/or acquiring or developing other marketable products in the future, we will be obliged to rely on contract manufacturers to produce our products. We may not be able to enter into manufacturing arrangements on terms that are favorable to us. Moreover, if any future manufacturers should cease doing business with us or experience delays, shortages of supply or excessive demands on their capacity, we may not be able to obtain adequate quantities of product in a timely manner, or at all. Manufacturers are required to comply with current NDA commitments and good manufacturing practices requirements enforced by the FDA, and similar requirements of other countries. The failure by a future manufacturer to comply with these requirements could affect its ability to provide us with product. Any manufacturing problem or the loss of a contract manufacturer could be disruptive to our operations and result in lost sales.

Additionally, we will be reliant on third parties to supply the raw materials needed to manufacture our potential products. Any reliance on suppliers may involve several risks, including a potential inability to obtain critical materials and reduced control over production costs, delivery schedules, reliability and quality. Any unanticipated disruption to future contract manufacture caused by problems at suppliers could delay shipment of products, increase our cost of goods sold and result in lost sales.

We may not be able to grow our business unless we can acquire and market or in-license new products.

We are pursuing a strategy of product acquisitions and in-licensing in order to supplement our own research and development activity. For example, in December 2007, we acquired the entire issued share capital of Ester Neurosciences Limited whose lead product, EN101, is currently in Phase IIa clinical development to treat myasthenia gravis, a debilitating neuromuscular disease; in March 2007, we acquired the global rights to a novel, nasal lorazepam formulation for the out-patient treatment of emergency seizures in epilepsy patients, specifically status epilepticus and acute repetitive seizures; and in May 2006, we acquired the global rights to a novel formulation of apomorphine for the treatment of "off" episodes in patients with advanced Parkinson's disease. Our success in this regard will be dependent on our ability to identify other companies that are willing to sell or license product lines to us. We will be competing for these products with other parties, many of whom have substantially greater financial, marketing and sales resources than we do. Even if suitable products are available, depending on competitive conditions we may not be able to acquire rights to additional products on acceptable terms, or at all. Our inability to acquire additional products or successfully introduce new products could have a material adverse effect on our business.

In order to commercialize our future products, we will need to establish a sales and marketing capability.

At present, we do not have any sales or marketing capability since all of our products are currently in the development stage. However, if we are successful in obtaining regulatory approval for any product for any indication, we may directly commercialize this product for that indication in the U.S. market. Similarly, to the extent we execute our long-term strategy of expanding our portfolio by developing or acquiring additional marketable products, we intend to directly sell our neurology products in the United States. In order to market new products, we will need to add marketing and sales personnel who have expertise in the pharmaceuticals business. We must also develop the necessary supporting distribution channels. Although we believe we can build the required infrastructure, we may not be successful in doing so if we cannot attract personnel or generate sufficient capital to fund these efforts. Failure to establish a sales force and distribution network in the U.S. would have a material adverse effect on our ability to grow our business.

The planned expansion of our business may strain our resources.

Our strategy for growth includes potential acquisitions of new products for development and the introduction of these products to the market. Since we currently operate with limited resources, the addition of such new products could require a significant expansion of our operations, including the recruitment, hiring and training of additional personnel, particularly those with a clinical or regulatory background. Any failure to recruit necessary personnel could have a material adverse effect on our business. Additionally, the expansion of our operations and work force could create a strain on our financial and management resources and it may require us to add management personnel.

We may incur potential liabilities relating to discontinued operations or products.

In October 2003, we sold Gacell Holdings AB, the Swedish holding company of Amarin Development AB, which we refer to as ADAB, our Swedish drug development subsidiary, to Watson Pharmaceuticals, Inc. In February 2004, we sold our U.S. subsidiary, Amarin Pharmaceuticals Inc., and certain assets, to Valeant. In connection with these transactions, we provided a number of representations and warranties to Watson and Valeant regarding the respective businesses sold to them, and other matters, and we undertook to indemnify Watson and Valeant under certain circumstances for breaches of such representations and warranties. We are not aware of any circumstances which could reasonably be expected to give rise to an indemnification obligation under our agreements with either Watson or Valeant. However, we cannot predict whether matters may arise in the future which were not known to us and which, under the terms of the relevant agreements, could give rise to a claim against us.

We will be dependent on patents, proprietary rights and confidentiality.

Because of the significant time and expense involved in developing new products and obtaining regulatory approvals, it is very important to obtain patent and trade secret protection for new technologies, products and processes. Our ability to successfully implement our business plan will depend in large part on our ability to:

- acquire patented or patentable products and technologies;
- obtain and maintain patent protection for our current and acquired products;
- preserve any trade secrets relating to our current and future products; and
- operate without infringing the proprietary rights of third parties.

Although we intend to make reasonable efforts to protect our current and future intellectual property rights and to ensure that any proprietary technology we acquire does not infringe the rights of other parties, we may not be able to ascertain the existence of all potentially conflicting claims. Therefore, there is a risk that third parties may make claims of infringement against our current or future products or technologies. In addition, third parties may be able to obtain patents that prevent the sale of our current or future products or require us to obtain a license and pay significant fees or royalties in order to continue selling such products.

We may in the future discover the existence of products that infringe upon patents that we own or that have been licensed to us. Although we intend to protect our trade secrets and proprietary know-how through confidentiality agreements with our manufacturers, employees and consultants, we may not be able to prevent our competitors from breaching these agreements or third parties from independently developing or learning of our trade secrets.

We anticipate that competitors may from time to time oppose our efforts to obtain patent protection for new technologies or to submit patented technologies for regulatory approvals. Competitors may seek to challenge patent applications or existing patents to delay the approval process, even if the challenge has little or no merit. Patent challenges are generally highly technical, time consuming and expensive to pursue. Were we to be subject to one or more patent challenges, that effort could consume substantial time and resources, with no assurances of success, even when holding an issued patent.

The loss of any key management or qualified personnel could disrupt our business.

We are highly dependent upon the efforts of our senior management. The loss of the services of one or more members of senior management could have a material adverse effect on us. As a small company with a streamlined management structure, the departure of any key person could have a significant impact and would be potentially disruptive to our business until such time as a suitable replacement is hired. Furthermore, because of the specialized nature of our business, as our business plan progresses we will be highly dependent upon our ability to attract and retain qualified scientific, technical and key management personnel. There is intense competition for qualified personnel in the areas of our activities. In this environment, we may not be able to attract and retain the personnel necessary for the development of our business, particularly if we do not achieve profitability. The failure to recruit key scientific, technical and management personnel would be detrimental to our ability to implement our business plan.

We are subject to continuing potential product liability.

Although we disposed of the majority of our former products during 2003 and 2004, we remain subject to the potential risk of product liability claims relating to the manufacturing and marketing of our former products during the period prior to their divestiture. Any person who is injured as a result of using one of our former products during our period of ownership may have a product liability claim against us without having to prove that we were at fault. The potential for liability exists despite the fact that our former subsidiary, Amarin Pharmaceuticals Inc. conducted all sales and marketing activities with respect to such products. Although we have not retained any liabilities of Amarin Pharmaceuticals Inc. in this regard, as the prior holder of ownership rights to such former products, third parties could seek to assert potential claims against us. Since we distributed and sold our products to a wide number of end users, the risk of such claims could be material.

We do not at present carry product liability insurance to cover any such risks. If we were to seek insurance coverage, we may not be able to maintain product liability coverage on acceptable terms if our claims experience results in high rates, or if product liability insurance otherwise becomes costlier or unavailable because of general economic, market or industry conditions. If we add significant products to our portfolio, we will require product liability coverage and

may not be able to secure such coverage at reasonable rates or at all.

Product liability claims could also be brought by persons who took part in clinical trials involving our current or former development stage products. A successful claim brought against us could have a material adverse effect on our business. Amarin does not carry product liability insurance to cover clinical trials.

Amarin was responsible for the sales and marketing of Permax from May 2001 until February 2004. On May 17, 2001, Amarin acquired the U.S. sales and marketing rights to Permax from Elan. An affiliate of Elan had previously obtained the licensing rights to Permax from Eli Lilly and Company in 1993. Eli Lilly originally obtained approval for Permax on December 30, 1988, and has been responsible for the manufacture and supply of Permax since that date. On February 25, 2004, Amarin sold its U.S. subsidiary, Amarin Pharmaceuticals, Inc., including the rights to Permax, to Valeant Pharmaceuticals International.

In late 2002, Eli Lilly, as the holder of the NDA for Permax, received a recommendation from the U.S. Food and Drug Administration ("FDA") to consider making a change to the package insert for Permax based upon the very rare observation of cardiac valvulopathy in patients taking Permax. While Permax has not been definitely proven as the cause of this condition, similar reports have been notified in patients taking other ergot-derived pharmaceutical products, of which Permax is an example. In early 2003, Eli Lilly amended the package insert for Permax to reflect the risk of cardiac valvulopathy in patients taking Permax and also sent a letter to a number of doctors in the United States describing this potential risk. Causation has not been established, but is thought to be consistent with other fibrotic side effects observed in Permax.

On March 29, 2007, the FDA announced that the manufacturers of pergolide drug products will voluntarily remove these drug products, including Permax, from the market. Further information about the removal of Permax and other pergolide drug products is available on the FDA's website.

During 2007, one lawsuit alleging claims related to cardiac valvulopathy and Permax was pending in the United States and currently remains pending. Eli Lilly, Elan, Valeant, Amarin Pharmaceuticals Inc., Athena Neurosciences, Inc., and Amarin are named as defendants in this lawsuit, and are defending against the claims and allegations. The case is currently in discovery. In addition, a lawsuit alleging claims related to cardiac valvulopathy and Permax was filed in March 2008 and is currently pending in the United States. Eli Lilly, Elan, Valeant, and Amarin are named as defendants in this lawsuit. Amarin has not been formally served with the complaint from this lawsuit.

Two other claims related to cardiac valvulopathy and Permax and one claim related to compulsive gambling and Permax are or were being threatened against Eli Lilly, Elan, and/or Valeant, and could possibly implicate Amarin.

The group has reviewed the position and having taken external legal advice considers the potential risk of significant liability arising for Amarin from these legal actions to be remote. No provision is booked in the accounts at December 31, 2007.

The price of our ADSs and Ordinary Shares may be volatile.

The stock market has from time to time experienced significant price and volume fluctuations that may be unrelated to the operating performance of particular companies. In addition, the market prices of the securities of many pharmaceutical and medical technology companies have been especially volatile in the past, and this trend is expected to continue in the future. Our ADSs may also be subject to volatility as a result of their limited trading market. At December 31, 2007 we had 132,712,369 ADSs representing Ordinary Shares outstanding and 6,345,001 Ordinary Shares outstanding (which are not held in the form of ADSs). Taking account for the one-for-ten consolidation of our Ordinary Shares on January 18, 2008 we currently have 25,339,642 ADSs representing Ordinary Shares outstanding and 837,509 Ordinary Shares outstanding (which are not held in the for of ADSs). There is a risk that there may not be sufficient liquidity in the market to accommodate significant increases in selling activity or the sale of a large block of our securities. Our ADSs have historically had limited trading volume, which may also result in volatility. During the twelve-month period ending December 31, 2007, the average daily trading volume for our ADSs was 1,161,203

ADSs.

If our public float and the level of trading remain at limited levels over the long term, this could result in volatility and increase the risk that the market price of our ADSs and Ordinary Shares may be affected by factors such as:

- the announcement of new products or technologies;

- innovation by us or our competitors;
- developments or disputes concerning any future patent or proprietary rights;
- actual or potential medical results relating to our products or our competitors' products;
- interim failures or setbacks in product development;
- regulatory developments in the United States, the European Union or other countries;
- currency exchange rate fluctuations; and
- period-to-period variations in our results of operations.

The issuances of ADSs and Ordinary Shares upon the conversion or exercise of our securities will dilute the ownership interest of existing stockholders, including stockholders who had previously exercised their warrants.

The issuances of ADSs and Ordinary Shares in connection with the conversion of our Debentures and exercise of our warrants will dilute the ownership interest of existing stockholders. Any sales in the public market of the ADSs and Ordinary Shares issuable upon such conversion or exercise could adversely affect prevailing market prices of our ADSs and Ordinary Shares.

Future sales of our ADSs and/or Ordinary Shares in the public market could lower the market price for our ADSs and/or Ordinary Shares.

In the future, we may sell additional ADSs and/or Ordinary Shares to raise capital or pursuant to contractual obligations. See "— We may have to issue additional equity, leading to shareholder dilution." We cannot predict the size of future issuances or sales of our ADSs and/or Ordinary Shares to raise capital or the effect, if any, that they may have on the market price for our ADSs and/or Ordinary Shares. The issuances and sales of substantial amounts of ADSs and/or Ordinary Shares, or the perception that such issuances and sales may occur, could adversely affect the market price of our ADSs and/or Ordinary Shares.

U.S. Holders of our Ordinary Shares or ADSs could be subject to material adverse tax consequences if we are considered a PFIC for U.S. federal income tax purposes.

There is a risk that we will be classified as a passive foreign investment company, or "PFIC", for U.S. federal income tax purposes. Our status as a PFIC could result in a reduction in the after-tax return to U.S. Holders of our Ordinary Shares or ADSs and may cause a reduction in the value of such shares. We will be classified as a PFIC for any taxable year in which (i) 75% or more of our gross income is passive income or (ii) at least 50% of the average value of all our assets produce or are held for the production of passive income. For this purpose, passive income includes interest, gains from the sale of stock, and royalties that are not derived in the active conduct of a trade or business. Because we receive interest and may receive royalties, there is a risk that we will be considered a PFIC under the income test described above. In addition, because of our cash position and our ownership of patents, there is a risk that we will be considered a PFIC under the asset test described above. While we believe that the PFIC rules were not intended to apply to companies such as us that focus on research, development and commercialization of drugs, no assurance can be given that the U.S. Internal Revenue Service or a U.S. court would determine that, based on the composition of our income and assets, we are not a PFIC currently or in the future. If we were classified as a PFIC, U.S. Holders of our

Ordinary Shares or ADSs could be subject to greater U.S. income tax liability than might otherwise apply, imposition of U.S. income tax in advance of when tax would otherwise apply, and detailed tax filing requirements that would not otherwise apply. The PFIC rules are complex and a U.S. Holder of our Ordinary Shares or ADSs is urged to consult its own tax advisors regarding the possible application of the PFIC rules to it in its particular circumstances.

U.S. Holders of our Ordinary Shares or ADSs may be subject to U.S. income taxation at ordinary income tax rates on undistributed earnings and profits.

Given our current ownership, we expect that we will be a controlled foreign corporation, ("CFC") for the taxable year 2008 and we may be classified as a CFC in future taxable years. If we are classified as a CFC for U.S. federal income tax purposes, any shareholder that is a U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares may be subject to current U.S. income taxation at ordinary income tax rates on all or a portion of the Company's undistributed earnings and profits attributable to "subpart F income." Such 10% shareholder may also be taxable at ordinary income tax rates on any gain realized on a sale of Ordinary Shares or ADSs to the extent of the Company's current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Holders of our Ordinary shares or ADSs are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

The recent adverse clinical trial data on AMR101 for Huntington's disease could materially affect our ability to develop AMR101 for other therapeutic indications.

On April 24, 2007, we reported top-line results from our two Phase III clinical trials of AMR101 to treat Huntington's disease ("HD"). We had conducted two Phase III double-blind, placebo-controlled studies in which HD patients were randomized to receive either placebo or 2 grams (1 gram twice daily) of AMR101 daily for six months. Study data showed no statistically significant difference in either study between AMR101 and placebo with regard to the primary and secondary endpoints at 6–months of treatment. These findings were inconsistent with earlier clinical trial data that showed statistical significance in a subset of HD patients with a CAG repeat length of less than or equal to 44. This adverse clinical trial data on AMR101 for Huntington's disease could materially affect our ability to develop AMR101 for other therapeutic indications.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

We are incorporated under English law and our Ordinary Shares were admitted to trading on the AIM market of the London Stock Exchange and the IEX market of the Irish Stock Exchange on July 17, 2006. The rights of holders of Ordinary Shares and, therefore, certain of the rights of holders of ADSs, are governed by English law, including the provisions of the Companies Act 1985 (as amended) that remain in force and the Companies Act 2006 (together the "Companies Acts"), and by our memorandum and articles of association and the Group is subject to the rules of AIM and IEX. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations. The principal differences include the following:

- Under English law, each shareholder present at a meeting has only one vote unless a valid demand is made for a vote on a poll, in which each holder gets one vote per share owned. Under U.S. law, each shareholder typically is entitled to one vote per share at all meetings. Under English law, it is only on a poll that the number of shares determines the number of votes a holder may cast. You should be aware, however, that the voting rights of ADSs are also governed by the provisions of a deposit agreement with our depositary bank.

- Under English law, each shareholder generally has pre-emptive rights to subscribe on a proportionate basis to any issuance of shares. Under U.S. law, shareholders generally do not have pre-emptive rights unless specifically granted in the certificate of incorporation or otherwise.

- Under English law, certain matters require the approval of 75% of the shareholders, including amendments to the memorandum and articles of association. This may make it more difficult for us to complete corporate transactions

deemed advisable by our board of directors. Under U.S. law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions. Under the rules of AIM and IEX, certain transactions require the approval of 50% of the shareholders, including disposals resulting in a fundamental change of business and reverse takeovers. In addition, certain transactions with a party related to the Group for the purposes of the AIM rules requires that the Group consult with its nominated adviser as to whether the transaction is fair and reasonable as far as shareholders are concerned.

- Under English law, shareholders may be required to disclose information regarding their equity interests upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares, including prohibitions on the transfer of the shares, as well as restrictions on dividends and other payments. Comparable provisions generally do not exist under U.S. law.

- The quorum requirements for a shareholders' meeting is a minimum of two persons present in person or by proxy. Under U.S. law, a majority of the shares eligible to vote must generally be present (in person or by proxy) at a shareholders' meeting in order to constitute a quorum. The minimum number of shares required for a quorum can be reduced pursuant to a provision in a company's certificate of incorporation or bylaws, but typically not below one-third of the shares entitled to vote at the meeting.

U.S. shareholders may not be able to enforce civil liabilities against us.

A number of our directors and executive officers and those of each of our subsidiaries, including Amarin Finance Limited, are non-residents of the United States, and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to affect service of process within the United States upon such persons or to enforce against them judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors that there is doubt as to the enforceability in England in original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities to the extent predicated upon the federal securities laws of the United States. Amarin Finance Limited is an exempted company limited by shares organized under the laws of Bermuda. We have been advised by our Bermuda attorneys that uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions (including the United States) against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

Foreign currency fluctuations may affect our future financial results or cause us to incur losses.

We prepare our financial statements in U.S. Dollars. Since our strategy involves the development of products for the U.S. market, a significant part of our clinical trial expenditures are denominated in U.S. Dollars and we anticipate that the majority of our future revenues will be denominated in U.S. Dollars. However, a significant portion of our costs are denominated in pounds sterling, euro and shekel as a result of our being engaged in activities in the United Kingdom, the European Union and Israel. As a consequence, the results reported in our financial statements are potentially subject to the impact of currency fluctuations between the U.S. Dollar on the one hand, and pounds sterling, euro or shekel on the other hand. We are focused on development activities and do not anticipate generating on-going revenues in the short-term. Accordingly, we do not engage in significant currency hedging activities in order to limit the risk of exchange rate fluctuations. However, if we should commence commercializing any products in the United States, changes in the relation of the U.S. Dollar to the pound sterling, euro and/or the shekel may affect our revenues and operating margins. In general, we could incur losses if the U.S. Dollar should become devalued relative to pounds sterling, euro and/or the shekel.

We do not currently have the capability to undertake manufacturing of any potential products.

We have not invested in manufacturing and have no manufacturing experience. We cannot assure you that we will successfully manufacture any product we may develop, either independently or under manufacturing arrangements, if any, with third party manufacturers. To the extent that we enter into contractual relationships with other companies to manufacture our products, if any, the success of those products may depend on the success of securing and maintaining contractual relationships with third party manufacturers (and any sub–contractors they engage).

We do not currently have the capability to undertake marketing, or sales of any potential products.

We have not invested in marketing or product sales resources. We cannot assure you that we will be able to acquire such resources. We cannot assure you that we will successfully market any product we may develop, either independently or under marketing arrangements, if any, with other companies. To the extent that we enter into contractual relationships with other companies to market our products, if any, the success of such products may depend on the success of securing and maintaining such contractual relationships the efforts of those other companies (and any sub-contractors they engage).

We have limited personnel to oversee out-sourced clinical testing and the regulatory approval process.

It is likely that we will also need to hire additional personnel skilled in the clinical testing and regulatory compliance process if we develop additional product candidates with commercial potential. We do not currently have the capability to conduct clinical testing in-house and do not currently have plans to develop such a capability. We out-source our clinical testing to contract research organizations. We currently have a limited number of employees and certain other outside consultants who oversee the contract research organizations involved in clinical testing of our compounds.

We cannot assure you that our limited oversight of the contract research organizations will suffice to avoid significant problems with the protocols and conduct of the clinical trials.

We depend on contract research organizations to conduct our pre-clinical and our clinical testing. We have engaged and intend to continue to engage third party contract research organizations and other third parties to help us develop our drug candidates. Although we have designed the clinical trials for drug candidates, the contract research organizations will be conducting all of our clinical trials. As a result, many important aspects of our drug development programs have been and will continue to be outside of our direct control. In addition, the contract research organizations may not perform all of their obligations under arrangements with us. If the contract research organizations do not perform clinical trials in a satisfactory manner or breach their obligations to us, the development and commercialization of any drug candidate may be delayed or precluded. We cannot control the amount and timing of resources these contract research organizations devote to our programs or product candidates. The failure of any of these contract research organizations to comply with any governmental regulations would substantially harm our development and marketing efforts and delay or prevent regulatory approval of our drug candidates. If we are unable to rely on clinical data collected by others, we could be required to repeat, extend the duration of, or increase the size of our clinical trials and this could significantly delay commercialization and require significantly greater expenditures.

Despite the use of confidentiality agreements and/or proprietary rights agreements, which themselves may be of limited effectiveness, it may be difficult for us to protect our trade secrets.

We rely on trade secrets to protect technology in cases when we believe patent protection is not appropriate or obtainable. However, trade secrets are difficult to protect. While we require certain of our academic collaborators, contractors and consultants to enter into confidentiality agreements, we may not be able to adequately protect our trade secrets or other proprietary information.

Potential technological changes in our field of business create considerable uncertainty.

We are engaged in the biopharmaceutical field, which is characterized by extensive research efforts and rapid technological progress. New developments in research are expected to continue at a rapid pace in both industry and academia. We cannot assure you that research and discoveries by others will not render some or all of our programs or product candidates uncompetitive or obsolete.

Our business strategy is based in part upon new and unproven technologies to the development of biopharmaceutical products for the treatment of neurological and cardiovascular disorders. We cannot assure you that unforeseen problems will not develop with these technologies or applications or that commercially feasible products will ultimately be developed by us.

Third-party reimbursement and health care cost containment initiatives and treatment guidelines may constrain our future revenues.

Our ability to market successfully our existing and future new products will depend in part on the level of reimbursement that government health administration authorities, private health coverage insurers and other organizations provide for the cost of our products and related treatments. Countries in which our products are sold through reimbursement schemes under national health insurance programs frequently require that manufacturers and sellers of pharmaceutical products obtain governmental approval of initial prices and any subsequent price increases. In certain countries, including the United States, government-funded and private medical care plans can exert significant indirect pressure on prices. We may not be able to sell our products profitably if adequate prices are not approved or reimbursement is unavailable or limited in scope. Increasingly, third-party payers attempt to contain health care costs in ways that are likely to impact our development of products including:

- failing to approve or challenging the prices charged for health care products;
- introducing reimportation schemes from lower priced jurisdictions;
- limiting both coverage and the amount of reimbursement for new therapeutic products;
- denying or limiting coverage for products that are approved by the regulatory agencies but are considered to be experimental or investigational by third-party payers;
- refusing to provide coverage when an approved product is used in a way that has not received regulatory marketing approval; and
- refusing to provide coverage when an approved product is not appraised favorably by the National Institute for Clinical Excellence in the U.K., or similar agencies in other countries.

We are undergoing significant organizational change. Failure to manage disruption to the business or the loss of key personnel could have an adverse effect on our business.

We are making significant changes to both our management structure and the locations from which we operate. As a result of this, in the short term, morale may be lowered and key employees may decide to leave, or may be distracted from their usual role. This could result in delays in development projects, failure to achieve managerial targets or other disruption to the business which could have material adverse affects on our business and results of operations.

Item 5 Operating and Financial Review and Prospects

A. Operating Results

The following discussion of operating results should be read in conjunction with our selected financial information set forth in Item 3 "Key Information — Selected Financial Data" and our consolidated financial statements and notes thereto beginning on page F-1 of this annual report.

Comparison of Fiscal Years Ended December 31, 2007 and December 31, 2006

Overview

We have undergone significant change over the last two years, including the initiation of a cardiovascular development program and the completion of a number of acquisitions in the CNS area.

During 2007, we initiated a cardiovascular development program leveraging our proprietary expertise and intellectual property in lipid science to target billion dollar market opportunities such as dyslipidemia. We also focused on expanding and strengthening our research and development management team. In April 2007, we appointed Dr. Declan Doogan to the newly-created position of Head of Research and Development. Dr. Doogan was Senior Vice President and Head of Worldwide Development at Pfizer Global Research and Development. Since joining Amarin, Dr. Doogan has been instrumental in transforming our research and development organization and streamlining development activities from translational research through clinical operations. Other recent additions to our management team include Dr. Keith Wood, a thirty year industry veteran as Head of Research and Development Operations and Stuart Sedlack, (formerly Global Head of Negotiations for a business unit of Novartis Pharma AG), as Executive Vice President, Corporate Development.

In 2007 and 2006 we expanded our CNS pipeline through the acquisition of a global license to a novel sublingual apomorphine for the treatment of "off" episodes in patients with advanced Parkinson's disease, a novel nasal formulation of lorazepam for the out-patient treatment of emergency seizures in epilepsy patients and the acquisition of Ester Neurosciences Limited. Ester's lead product, EN101, an AChE-R mRNA inhibitor, currently in Phase IIa clinical development, represents an important therapeutic approach to treat myasthenia gravis, a debilitating neuromuscular disease. An interim analysis of this Phase IIa study suggests EN101 may have superior efficacy, longer duration of action, and a more favorable side effect profile and dosing regimen, as compared with current first line treatment. The acquisition also provides Amarin with access to a platform messenger RNA (mRNA) silencing technology which targets the cholinergic pathway, and a promising preclinical program in neurodegeneration and inflammation.

With respect to our HD program, in late 2007, we met with the FDA following the completion of a comprehensive analysis of the 12-month data from the U.S. Phase III trial of AMR101 in Huntington's disease showing a statistically significant benefit with AMR101 over longer periods of treatment. The FDA indicated that one additional Phase III trial demonstrating robust results, in conjunction with the confirmatory evidence from the existing clinical data, may be sufficient clinical data to support a New Drug Application. This positive analysis followed the disappointing results announced in April 2007, which showed no difference between AMR101 and placebo after six months of treatment. We are also in discussions with EMEA.

On December, 19, 2007, Mr. Thomas Lynch was appointed Chief Executive Officer following the resignation of Mr. Richard Stewart. Mr. Lynch joined us in January 2000 as Chairman of the Board. Between 1993 and 2004, Mr. Lynch was with Elan Corporation plc where he held a number of positions including Chief Financial Officer and Executive

Vice Chairman. Also on December 19, 2007, Mr. Alan Cooke was appointed to the position of President and Chief Operating Officer.

Revenue

We recorded no revenue in 2007. During 2006, we earned milestone revenue of $0.5 million under a license agreement signed with Multicell in 2005, pursuant to which we granted the exclusive, worldwide rights to LAX-202 (renamed MCT-125) for the treatment of fatigue in patients suffering from multiple sclerosis.

Research and Development

The U.S. and E.U. AMR101 trials into Huntington's disease were completed in the first quarter of 2007 with final data available in November 2007. Research and development expense decreased by $3.0 million to $12.1 million compared to 2006's research and development expense of $15.1 million. The completion of the AMR101 trials into Huntington's disease was the primary reason for the fall in research and development expense in 2007. The decrease in research and development expense was partly offset by costs incurred on our two Parkinson's disease programs, our epilepsy and memory programs and the initiation of our new cardiovascular program.

General and Administrative

General and administrative expenses were $28.6 million in 2007 compared with $13.5 million in 2006, an increase of $15.1 million. The increase in general and administrative expenses over 2006 is mainly due to the $8.8 million impairment of intangible assets, an increase in share based compensation expenses of $2.8 million, reorganization costs associated with the departure of our former chief executive officer and the planned vacation of our offices in London, increased personnel costs and the significant level of business development activities during the year.

Finance income

Finance income for 2007 was $2.3 million compared to $3.3 million for 2006. The 2007 finance income comprises interest and similar income of $1.3 million which was earned from cash balances held on deposit. We hold cash denominated in pounds sterling, U.S. Dollars and euro. In 2007, a gain of $0.6 million was recorded from holding pounds sterling and euro as the U.S. Dollar weakened relative to both currencies, compared to a $2.0 million gain in 2006. We manage foreign exchange risk by holding our cash in the currencies in which we expect to incur future cash outflows. In 2007, a gain of $0.4 million was recorded due to a decrease in the fair value of derivative financial liabilities in connection with warrants issued in the December 2007 registered direct offering.

Finance costs

Finance costs for 2007 were $0.2 million compared to $2.8 million for 2006. Finance costs in 2007 relate to the fair value of interest expense on the convertible debentures issued in December 2007. Finance costs for 2006 relate to the future investment right which was granted under the May 2005 financing. The future investment right was settled in March 2006. A charge of approximately $2.8 million was recorded in 2006, being the movement in the fair value of the future investment right from January 1, 2006 to March 15, 2006.

Taxation

A research and development tax credit of $0.8 million was recognized in the year ended December 31, 2007. An amount of $0.8 million was also recognized in 2006. Under U.K. tax law, qualifying companies can surrender part of their tax losses in return for a cash refund.

Critical Accounting Policies

Our significant accounting policies are described in Note 2 to the consolidated financial statements beginning on page F-1 of this annual report. Our consolidated financial statements are presented in accordance with IFRS as adopted by the E.U. and as issued by the IASB. All professional accounting standards effective as of December 31, 2007 have been taken into consideration in preparing the consolidated financial statements. These accounting principles require us to make certain estimates, judgments and assumptions.

We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of our consolidated financial statements, as well as the reported amounts of revenues and expenses during the periods presented. To the extent there are material differences between these estimates, judgments or assumptions and actual results, our financial statements will be affected. The significant accounting policies that we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

- intangible assets and research and development expenditure;
- foreign currency; and
- revenue recognition.

Intangible assets and research and development expenditure

In-process research and development

Acquired in-process research and development ("IPR&D") is stated at cost less accumulated amortization and impairments. Acquired IPR&D arising on acquisitions is capitalized and amortized on a straight-line basis over its estimated useful economic life. The useful economic life commences upon generation of economic benefits relating to the acquired IPR&D.

Cost is defined as the amount of cash or cash equivalents paid, or the fair value of other consideration given. When IPR&D is acquired and the consideration is settled using the company's equity instruments, the IPR&D is stated at fair value at the date of acquisition. In cases where the fair value of the IPR&D acquired cannot be measured reliably, the fair value capitalized at the date of acquisition is measured by reference to the fair value of the equity instruments granted as consideration.

Capitalization policy

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the following criteria are fulfilled: completing the asset so it will be available for use or sale is technically feasible; management intends to complete the intangible asset and use or sell it; an ability to use or sell the intangible asset; it can be demonstrated how the intangible asset will generate probable future economic benefits; adequate technical; financial and other resources to complete the development and to use or sell the intangible asset are available; and the expenditure attributable to the intangible asset during its development can be reliably measured. To date, development expenditures have not met the criteria for recognition of an internally generated intangible asset.

Intangible assets not yet available for use are not subject to amortization but are tested for impairment at least annually. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use.

Research and development expenditure

On an ongoing basis the Group undertakes research and development, including clinical trials to establish and provide evidence of product efficacy. Clinical trial costs are expensed to the income statement on a systematic basis over the

estimated life of trials to ensure the costs charged reflect the research and development activity performed. To date, all research and development costs have been written off as incurred and are included within operating expenses, as disclosed in Note 6. Research and development costs include staff costs, professional and contractor fees, inventory, and external services.

Foreign currency

Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in U.S. Dollars, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. The resulting monetary assets and liabilities are translated into the appropriate functional currency at exchange rates prevailing at the balance sheet date and the resulting gains and losses are recognized in the income statement. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognized as a separate component of equity.

Monetary items that are receivable or payable to a foreign operation are treated as a net investment in the foreign operation by the Company as settlement is neither planned nor likely to occur in the foreseeable future. On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from technology licensing to third parties is recognized when earned and non-refundable, through the achievement of specific milestones set forth in the applicable contract, when there is no future obligation with respect to the revenue and receipt of the consideration is probable, in accordance with the terms prescribed in the applicable contract.

Royalty income is recognized when earned, based on related sales of products under agreements providing for royalties.

Impact of Inflation

Although our operations are influenced by general economic trends, we do not believe that inflation had a material impact on our operations for the periods presented.

Foreign Currency

The U.S. Dollar is the functional currency for the Company. A percentage of our expenses, assets and liabilities are denominated in currencies other than our functional currency. Fluctuations in exchange rates may have a material adverse effect on our consolidated results of operations and could also result in exchange gains and losses. We cannot accurately predict the impact of future exchange rate fluctuations on our consolidated results of operations. We aim to minimize our foreign currency risk by holding cash balances in the currencies in which we expect to incur future cash outflows.

Governmental Policies

We are not aware of any governmental, economic, fiscal, monetary or political policies that have materially affected or could materially affect, directly or indirectly, our operations or investments by U.S. shareholders.

B. Liquidity and Capital Resources

Our capital requirements relate primarily to clinical trials, employee infrastructure and working capital requirements. Historically, we have funded our cash requirements primarily through the public and private sales of equity and debt securities. As of December 31, 2007, we had approximately $18.3 million in cash representing a decrease of $18.5 million compared to December 31, 2006. On May 14, 2008, we announced a private placement of Ordinary Shares for up to $60.0 million. The first tranche from new investors of $28.0 million closed on May 19, 2008, see Item 8B - “Significant Changes” in this annual report for further details. Based upon current business activities, we forecast having sufficient cash to fund operations for at least the next 12 months from May 19, 2008.

Over the two years ended December 31, 2007, we have received $34.0 million in cash from the issuance of shares and $2.75 million in convertible debentures, from equity and debt financings.

Cash

As of December 31, 2007, we had approximately $18.3 million in cash compared with $36.8 million as of December 31, 2006. Our cash has been invested primarily in U.S. Dollar, pounds sterling and euro denominated money market and checking accounts with financial institutions in the U.K., Ireland and Israel, having a high credit standing.

Cash flows expended on operating activities were $26.3 million for the year ended December 31, 2007 as compared with $24.2 million for the year ended December 31, 2006.

The operating cash flows expended on operating activities reflect funding of the net loss of $37.8 million adjusted for a non-cash impairment charge on intangible assets of $8.8 million, non-cash depreciation and amortization of $0.4 million, non-cash inflow in respect of share based compensation of $5.3 million, a non cash inflow in respect of a fair value gain on derivative financial liability of $0.4 million, net outflow of interest, foreign exchange and other items of $1.6 million and net outflow on working capital of $0.8 million.

In 2006, the operating cash flows expended on operating activities reflect funding of the net loss of $26.8 million adjusted for non-cash depreciation and amortization of $0.8 million, a non-cash fixed asset impairment and disposals of $0.3 million, a non-cash inflow in respect of share based compensation of $2.2 million, net outflow of interest, foreign exchange and other items of $3.4 million and a net inflow on working capital of $3.0 million.

Cash out flows expended on investing activities were $5.0 million in 2007 as compared to cash inflows of $1.1 million generated in 2006. Our investing activities related to the purchase of intangible assets, property, plant and equipment and interest received.

Cash inflows from financing activities in 2007, net of related expenses, were $12.1 million, compared to cash inflows from financing activities in 2006 net of related expenses, of $24.0 million. Gross receipts from financing activities in 2007 comprised two equity financings yielding $9.1 million, gross proceeds on the issue of convertible debentures $2.75 million and other warrant and option exercises of $0.6 million, offset by issuance costs of $0.3 million. Net cash provided by financing activities in 2006 comprised two financings yielding $20.8 million, shares issued pursuant to certain pre-existing contractual commitments yielding $4.2 million and other warrant and option exercises of $1.4 million, offset by issuance costs of $2.5 million.

On December 4, 2007, we accepted subscriptions of $5.4 million from institutional and other accredited investors for approximately 16.3 million Ordinary Shares in the form of ADSs in a registered direct offering at a purchase price of $0.33 per share and issued warrants to purchase approximately 8.1 million Ordinary Shares at an exercise price of $0.48 per share. The net proceeds of our December registered offering (taking into account professional advisers' fees associated with filing the related registration statement, cash fees of our placement agent and government stamp duty but not our travel, printing or other expenses) were approximately $5.1 million.

On June 1, 2007, we issued approximately 6.2 million ordinary shares and warrants to purchase approximately 0.6 million shares with an exercise price of $0.72 per share in a registered direct offering, in consideration for $3.7 million.

On October 23, 2006, we accepted subscriptions of $18.7 million from institutional and other accredited investors for approximately 9.0 million Ordinary Shares in the form of ADSs in a registered direct offering at a purchase price of $2.09 per share. The net proceeds of our October registered offering (taking into account professional advisers' fees associated with filing the related registration statement, cash fees of our placement agent and government stamp duty but not our travel, printing or other expenses) were approximately $17.3 million.

On March 31, 2006, we issued approximately 2.4 million Ordinary Shares in the form of ADSs in consideration for $4.2 million raised in a registered direct financing which was completed pursuant to pre-existing contractual commitments arising from a previously completed financing in May 2005.

On January 23, 2006, we issued a total of approximately 0.9 million Ordinary Shares in the form of ADSs and issued warrants to purchase approximately 0.3 million Ordinary Shares at an exercise price of $3.06 in consideration for $2.1 million raised in the January 23, 2006, private equity placement.

At December 31, 2007, we had total debt of $2.75 million with a cash maturity in 2010. We had no debt at December 31, 2006.

All treasury activity is managed by the corporate finance group. Cash balances are invested in short-term money market deposits, either U.S. Dollars, pounds sterling, euro or shekel. No formal hedging activities are undertaken as cash balances are maintained in currencies that match our anticipated financial obligations and forecast cash flows.

C. Research and Development

Amarin has in-house research and development capability and expertise, supplemented by retained external consultants. Costs classified as research and development are written off as incurred, as are patent costs. Such costs include external trial costs, clinical research organization costs, staff costs, professional and contractor fees, materials and external services. Details of amounts charged in the two years ended December 31, 2007 and December 31, 2006, are disclosed above. Specifically, we incurred $12.1 million in 2007. In 2006, we incurred costs of $15.1 million. Our expenditure will be increasingly focused on the research, development and commercialization of novel drugs for CNS disorders and cardiovascular diseases.

Amarin is initiating a series of cardiovascular preclinical and clinical programs to capitalize on the known therapeutic benefits of essential fatty acids in cardiovascular disease. Amarin's CNS development pipeline includes programs in myasthenia gravis, Huntington's disease, Parkinson's disease, epilepsy and memory. Amarin also has two proprietary technology platforms: a lipid-based technology platform for the targeted transport of molecules through the liver and/or to the brain, and a unique mRNA technology based on cholinergic neuromodulation.

D. Trend Information

In 2004, we changed our business model and have had no other sources of revenue since then other than revenue pursuant to our out-licensing contract with Multicell. Until we are able to market a product or secure revenue from licensing sources, this trend is expected to continue. We refer users to Items 4B "Business Overview", 5A "Operating Results" and 5B "Liquidity and Capital Resources".

E. Off Balance Sheet Transactions

Although there are no disclosable off balance sheet transactions, there have been transactions involving contingent milestones — see "Note 30 — Financial Commitments" in the financial statements.

F. Contractual Obligations

The following table summarizes our payment obligations as of December 31, 2007. The operating lease obligations primarily represent rent payable on properties leased by the Group. Some of the properties leased by the Group have been sub-let and generate rental income. Purchase obligations relate to manufacturing contracts with a third party for the production of our products.

	Payment Due By Period in $000's						
	Total	Less than 1 Year	1–2 Years	2–3 Years	3–4 Years	4–5 Years	Thereafter
Long-term debt	2,750	—	—	2,750	—	—	—
Capital/finance lease	—	—	—	—	—	—	—
Operating lease	4,529	1,278	1,415	755	572	283	496
Purchase obligations	674	674	—	—	—	—	—
Other long-term creditors	—	—	—	—	—	—	—

Total	7,953	1,952	1,145	3,505	572	283	496

There are no capital commitments relating to the AMR101 development project. However, under the purchase agreement for Laxdale, upon the attainment of specified development milestones, we will be required to issue additional Ordinary Shares to the selling shareholders or make cash payments (at the sole option of each of the selling shareholders) and we will be required to make royalty payments of 6% on future sales of AMR101 (consisting of 5% payable to Scarista Limited and 0.5% payable to each of Dr. Malcolm Peet and Dr. Krishna Vaddadi). The final purchase price will be a function of the number of Ordinary Shares of Amarin issued at closing and actual direct acquisition costs, together with contingent consideration which may become payable, in the future, on the achievement of certain approval milestones. Upon receipt of marketing approval in the United States and Europe for the first indication of any product containing Amarin Neuroscience intellectual property, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£7.5 million for each of the two potential market approvals (i.e., GBP£15.0 million maximum). In addition, upon receipt of a marketing approval in the United States and Europe for any other product using Amarin Neuroscience intellectual property or for a different

indication of a previously approved product, we must make an aggregate stock or cash payment (at the sole option of each of the sellers) of GBP£5.0 million for each of the two potential market approvals (i.e., GBP£10.0 million maximum). The exchange rate as of May 15, 2008 was approximately $1.9488 per GBP£.

Following the acquisition of Ester Neurosciences Limited on December 5, 2007, if the Monarsen Phase II in MG clinical study meets its study objectives we are commmitted to pay $5 million at Amarin's option in equity or cash, to the former shareholders of Ester Neurosciences Limited. In addition, upon successful completion of the Monarsen Phase II MG study program with adequate efficacy and safety data that fully supports the commencement of a Phase III program in the U.S., we are committed to pay $6 million in equity or cash, at Amarin's option to the former shareholders of Ester Neurosciences Limited. A further $6 million will become payable on the successful completion of the U.S. Phase III clinical trial program (to include successful completion of long term studies) enabling NDA filing for Monarsen for MG in the U.S. Such additional consideration may be paid in cash.

Final payments due to the University of Rochester and Icon pursuant to the now completed trials for AMR101 in HD are as follows:

	Estimated Payments Due by Period in $000's from 1 January 2008						
	Total	Less than 1 Year	1–2 Years	2–3 Years	3–4 Years	4–5 Years	Thereafter
Clinical research	2,825	2,825	—	—	—	—	—

PART II

Item 15 Controls and Procedures

A. Disclosure Controls and Procedures

In the original filing of our Annual Report on Form 20-F for the year ended December 31, 2007, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2007. Subsequent to our determination to make the restatement discussed below, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were not effective as of December 31, 2007 with respect to the matters giving rise to the restatement as set out in Item 15B below.

B. Management's Annual Report on Internal Control Over Financial Reporting (Restated)

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with IFRS. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of

Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2007, based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Management's assessment of the internal control over financial reporting did not include Ester Neurosciences Limited ("Ester") because it was acquired by the Company in a purchase business combination during 2007. The total assets of Ester represented less than 1% of the related consolidated financial statements as of and for the year ended December 31, 2007.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

Subsequent to the original filing of this annual report, we concluded that the accounting treatment of (a) the contingent consideration on the acquisition of Ester; and (b) the warrants issued in connection with our December 2007 financing as originally applied was incorrect and that the financial information in this annual report as originally filed should be restated.

Evaluation of Internal Control Over Financial Reporting Following the Restatement

In light of the need for the restatement of the financial information in this annual report as originally filed, management re-evaluated the effectiveness of our internal control over financial reporting. Based on this evaluation, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2007 with respect to the technical expertise/review for the accounting for complex, non-ordinary course transactions and that there was a deficiency in our internal control over financial reporting relating to such transactions and that this deficiency constituted a material weakness.

A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

C. Background to the Restatement

In accounting for the contingent consideration on acquisition of Ester in December 2007, the Company had applied IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" for the year ended December 31, 2007. We had initially concluded that the application of IAS 37 to the contingent consideration was appropriate based on the fact that payment of the contingent consideration was probable in either cash or shares at the Company's option. This resulted in the recognition of the contingent consideration as a contingent liability. Subsequent to the original filing of this annual report, we determined that the application of IFRS 2 "Share-based Payment" was appropriate based on the fact that, if the contingent milestone became payable, it was always the Company's intention to settle in shares. This change results in a reduction in provisions of $4.8 million and an increase in share based payments reserve of $4.8 million.

Separately, the warrants issued as part of our December 2007 financing had been accounted for in equity. However, due to certain provisions of the warrants which had the potential to vary the consideration on exercise, we determined that the warrants should have been have accounted for under IAS 32 "Financial instruments: presentation and disclosure" as debt. This change results in the recognition of a non-current financial liability of $2.1 million, a reduction in shareholders equity of $2.1 million, and a gain of $0.4 million in finance income (on our income statement) as a result of the change in the fair value of the financial liability from the date of recognition, December 5, 2007, to the year end date, December 31, 2007.

These changes do not impact cash and cash equivalents.

The changes giving rise to the restatement relate to two distinct transactions; however both have common features, in that they were complex transactions outside the ordinary course of our business and raised highly technical accounting considerations. In addition, our original accounting for each transaction was internally reviewed and documented in considerable detail.

Remediation of Material Weakness in Internal Control Over Financial Reporting

Management continues to believe that its internal control over financial reporting was effective as of December 31, 2007 as to all matters other than those that gave rise to the restatement of the financial information in this annual report as originally filed. However, as a result of the material weakness described above, in 2008 we have implemented improved procedures and controls in respect of our accounting for complex, non-ordinary course transactions, including the use of outside consultants to provide enhanced technical expertise. Going forward, management will seek the advice of outside consultants on accounting matters related to the application of IFRS to complex, non-ordinary course transactions and in other instances as warranted. We believe these improved procedures and controls will remediate the material weakness we have identified and strengthen our internal control over financial reporting. The Company remains committed to maintaining and enhancing the effectiveness of its internal controls.

D. Changes in Internal Control over Financial Reporting During 2007

There were no changes in our internal control over financial reporting during the year ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 18 Financial Statements

See our consolidated financial statements beginning at page F-1.

Item 19 Exhibits

Exhibits filed as part of this annual report:

1.1	Memorandum of Association of the Group(16)
1.2	Articles of Association of the Group(17)
2.1	Form of Deposit Agreement, dated as of March 29, 1993, among the Group, Citibank, N.A., as Depositary, and all holders from time to time of American Depositary Receipts issued thereunder(1)
2.2	Amendment No. 1 to Deposit Agreement, dated as of October 8, 1998, among the Group, Citibank, N.A., as Depositary, and all holders from time to time of the American Depositary Receipts issued thereunder(2)
2.3	Amendment No. 2 to Deposit Agreement, dated as of September 24,2002 among the Group, Citibank N.A., as depositary, and all holders from time to time of the American Depositary Receipts issued thereunder(3)
2.4	Form of Ordinary Share certificate(10)
2.5	Form of American Depositary Receipt evidencing ADSs (included in Exhibit 2.3)(3)
2.6	

	Registration Rights Agreement, dated as of October 21, 1998, by and among Ethical Holdings plc and Monksland Holdings B.V.(10)
2.7	Amendment No. 1 to Registration Rights Agreement and Waiver, dated January 27, 2003, by and among the Group, Elan International Services, Ltd. and Monksland Holdings B.V.(10)
2.8	Second Subscription Agreement, dated as of November 1999, among Ethical Holdings PLC, Monksland Holdings B.V. and Elan Corporation PLC(4)
2.9	Purchase Agreement, dated as of June 16, 2000, by and among the Group and the Purchasers named therein(4)
2.10	Registration Rights Agreement, dated as of November 24, 2000, by and between the Group and Laxdale Limited(5)

2.11	Form of Subscription Agreement, dated as of January 27, 2003 by and among the Group and the Purchasers named therein(10) (The Group entered into twenty separate Subscription Agreements on January 27, 2003 all substantially similar in form and content to this form of Subscription Agreement.).
2.12	Form of Registration Rights Agreement, dated as of January 27, 2003 between the Group and the Purchasers named therein (10) (The Group entered into twenty separate Registration Rights Agreements on January 27, 2003 all substantially similar in form and content to this form of Registration Rights Agreement.).
2.13	Securities Purchase Agreement dated as of December 16, 2005 by and among the Group and the purchasers named therein(16)
4.1	Amended and Restated Asset Purchase Agreement dated September 29, 1999 between Elan Pharmaceuticals Inc. and the Group(10)
4.2	Variation Agreement, undated, between Elan Pharmaceuticals Inc. and the Group(10)
4.3	License Agreement, dated November 24, 2000, between the Group and Laxdale Limited(6)
4.4	Option Agreement, dated as of June 18, 2001, between Elan Pharma International Limited and the Group(7)
4.5	Deed of Variation, dated January 27, 2003, between Elan Pharma International Limited and the Group(10)
4.6	Lease, dated August 6, 2001, between the Group and LB Strawberry LLC(7)
4.7	Amended and Restated Distribution Marketing and Option Agreement, dated September 28, 2001, between Elan Pharmaceuticals, Inc. and the Group(8)
4.8	Amended and Restated License and Supply Agreement, dated March 29, 2002, between Eli Lilly and Group(10)†
4.9	Deed of Variation, dated January 27, 2003, between Elan Pharmaceuticals Inc. and the Group(10)
4.10	Stock and Intellectual Property Right Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Sergio Lucero, Francisco Stefano, Amarin Technologies S.A., Amarin Pharmaceuticals Company Limited and the Group(7)
4.11	Stock Purchase Agreement, dated November 30, 2001, by and among Abriway International S.A., Beta Pharmaceuticals Corporation and the Group(7)
4.12	Novation Agreement, dated November 30, 2001, by and among Beta Pharmaceuticals Corporation, Amarin Technologies S.A. and the Group(7)
4.13	Loan Agreement, dated September 28, 2001, between Elan Pharma International Limited and the Group(8)
4.14	Deed of Variation, dated July 19, 2003, amending certain provisions of the Loan Agreement between the Group and Elan Pharma International Limited(10)
4.15	Deed of Variation No. 2, dated December 23, 2002, between The Group and Elan Pharma International Limited(10)
4.16	Deed of Variation No. 3, dated January 27, 2003, between the Group and Elan Pharma International Limited(10)
4.17	The Group 2002 Stock Option Plan(17)
4.18	Agreement Letter, dated October 21, 2002, between the Group and Security Research Associates, Inc.(10)
4.19	Agreement, dated January 27, 2003, among the Group, Elan International Services, Ltd. and Monksland Holdings B.V.(10)

4.20	Master Agreement, dated January 27, 2003, between Elan Corporation, plc., Elan Pharma International Limited, Elan International Services, Ltd., Elan Pharmaceuticals, Inc., Monksland Holdings B.V. and the Group(10)
4.21	Form of Warrant Agreement, dated March 19, 2003, between the Group and individuals designated by Security Research Associates, Inc.(10) (The Group entered into seven separate Warrant Agreements on March 19, 2003 all substantially similar in form and content to this form of Warrant Agreement).
4.22	Sale and Purchase Agreement, dated March 14, 2003, between F. Hoffmann — La Roche Ltd., Hoffmann — La Roche Inc, and the Group(10)†
4.23	Share Subscription and Purchase Agreement dated October 28, 2003 among the Group, Amarin Pharmaceuticals Company Limited, Watson Pharmaceuticals, Inc. and Lagrummet December NR 911 AB (under name change to WP Holdings AB)(12)

4.24	Asset Purchase Agreement dated February 11, 2004 between the Group, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International(12)†
4.25	Amendment No. 1 to Asset Purchase Agreement dated February 25, 2004 between the Group, Amarin Pharmaceuticals Company Limited and Valeant Pharmaceuticals International(12)
4.26	Development Agreement dated February 25, 2004 between the Group and Valeant Pharmaceuticals International(12)
4.27	Settlement Agreement dated February 25, 2004 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Group(12)
4.28	Debenture dated August 4, 2003 made by the Group in favor of Elan Corporation plc as Trustee(12)
4.29	Debenture Amendment Agreement dated December 23, 2003 between the Group and Elan Corporation plc as Trustee(12)
4.30	Debenture Amendment Agreement No. 2 dated February 24, 2004 between the Group and Elan Corporation plc as Trustee(12)
4.31	Loan Instrument dated February 25, 2004 executed by Amarin in favor of Elan Pharma International Limited(12)
4.32	Amended and Restated Master Agreement dated August 4, 2003 among Elan Corporation plc, Elan Pharma International Limited, Elan International Services, Ltd, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Group (11)(12)
4.33	Amended and Restated Option Agreement dated August 4, 2003 between the Group and Elan Pharma International Limited (11)(12)
4.34	Deed of Variation No. 2, dated August 4, 2003, to the Amended and Restated Distribution, Marketing and Option Agreement between Elan Pharmaceuticals, Inc. and the Group(11)(12)
4.35	Deed of Variation No. 4, dated August 4, 2003, to Loan Agreement between the Group and Elan Pharma International Limited (11)(12)
4.36	Amendment Agreement No. 1, dated August 4, 2003, to Amended and Restated Asset Purchase Agreement Among Elan International Services, Ltd., Elan Pharmaceuticals, Inc. and the Group(11)(12)
4.37	Warrant dated February 25, 2004 issued by the Group in favor of the Warrant Holders named therein(12)
4.38	Amendment Agreement dated December 23, 2003, between Elan Corporation plc, Elan Pharma International Limited, Elan Pharmaceuticals, Inc., Monksland Holdings BV and the Group(11)(12)
4.39	Bridging Loan Agreement dated December 23, 2003 between the Group and Elan Pharmaceuticals, Inc.(11)(12)
4.40	Agreement dated December 23, 2003 between the Group and Elan Pharma International Limited, amending the Amended and Rested Option Agreement dated August 4, 2003(11)(12)
4.41	Form of Subscription Agreement, dated as of October 7, 2004 by and among the Group and the Purchasers named therein(13) (The Group entered into 14 separate Subscription Agreements on October 7, 2004 all substantially similar in form and content to this form of Subscription Agreement.)
4.42	Form of Registration Rights Agreement, dated as of October 7, 2004 between the Group and the Purchasers named therein(13) (The Group entered into 14 separate Registration Rights Agreements on October 7, 2004 all substantially similar in

	form and content to this form of Registration Rights Agreement.)
4.43	Share Purchase Agreement dated October 8, 2004 between the Group,Vida Capital Partners Limited and the Vendors named therein relating to the entire issued share capital of Laxdale Limited(13)
4.44	Escrow Agreement dated October 8, 2004 among the Group, Belsay Limited and Simcocks Trust Limited as escrow agent(13)
4.45	Loan Note Redemption Agreement dated October 14, 2004 between Amarin Investment Holding Limited and the Group(13)
4.46	Settlement agreement dated 27 September 2004 between the Group and Valeant Pharmaceuticals International(14)†
4.47	Exclusive License Agreement dated October 8, 2004 between Laxdale and Scarista Limited pursuant to which Scarista has the exclusive right to use certain of Laxdale's intellectual property(14)†
4.48	Clinical Supply Agreement between Laxdale and Nisshin Flour Milling Co., Limited dated 27th October 1999(14)†

4.49	Clinical Trial Agreement dated March 18, 2005 between Amarin Neuroscience Limited and the University of Rochester. Pursuant to this agreement the University is obliged to carry out or to facilitate the carrying out of a clinical trial research study set forth in a research protocol on AMR 101 in patients with Huntington's disease(14)†
4.50	Loan Note Redemption Agreement dated May, 2005 between Amarin Investment Holding Limited and the Group.(14)
4.51	Services Agreement dated June 16, 2005 between Icon Clinical Research Limited and Amarin Neuroscience Limited.(15)
4.52	Employment Agreement with Alan Cooke, dated May 12, 2004 and amended September 1, 2005.(16)
4.53	Clinical Supply Extension Agreement dated December 13, 2005 to Agreement between Amarin Pharmaceuticals Ireland Limited and Amarin Neuroscience Limited and Nisshin Flour Milling Co.†(17)
4.54	Securities Purchase Agreement dated May 20, 2005 between the Company and the purchasers named therein. The Company entered into 34 separate Securities Purchase Agreements on May 18, 2005 and in total issued 13,677,110 ordinary shares to management, institutional and accredited investors. The purchase price was $1.30 per ordinary share.(17)
4.55	Securities Purchase Agreement dated January 23, 2006 between the Company and the purchasers named therein. The Company entered into 2 separate Securities Purchase Agreements on January 23, 2006 and in total issued 840,000 ordinary shares to accredited investors. The purchase price was $2.50 per ordinary share.(17)
4.56	Assignment Agreement dated May 17, 2006 between Amarin Pharmaceuticals Ireland Limited and Dr Anthony Clarke, pursuant to which, Amarin Pharmaceuticals Ireland Limited acquired the global rights to a novel oral formulation of Apomorphine for the treatment of "off" episodes in patients with advanced Parkinson's disease.(17)
4.57	Amendment (Change Order Number 2), dated June 8, 2006 to Services Agreement dated June 16, 2005 between Icon Clinical Research Limited and Amarin Neuroscience Limited.*
4.58	Lease Agreement dated July 4, 2006 between Amarin Neuroscience Limited and Magdalen Development Company Limited and Prudential Development Management Limited. Pursuant to this agreement, Amarin Neuroscience Limited took a lease of a premises at the South West Wing First Floor Office Suite, The Magdalen Centre North, The Oxford Science Park, Oxford, England.(17)
4.59	Securities Purchase Agreement dated October 18, 2006 between the Company and the purchasers named therein. The Company entered into 32 separate Securities Purchase Agreements on October 18, 2006 and in total issued 8,965,600 ordinary shares to institutional and accredited investors. The purchase price was $2.09 per ordinary share(17)
4.60	Master Services Agreement dated November 15, 2006 between Amarin Pharmaceuticals Ireland Limited and Icon Clinical Research (U.K.) Limited. Pursuant to this agreement, Icon Clinical Research (U.K.) Limited agreed to provide due diligence services to Amarin Pharmaceuticals Ireland Limited on ongoing licensing opportunities on an ongoing basis.(17)
4.61	Amendment dated December 8, 2006 to Clinical Trial Agreement dated March 18, 2005 between Amarin Neuroscience Limited and the University of Rochester.†(17)

4.62	Agreement dated January 18, 2007 between Neurostat Pharmaceuticals Inc. ("Neurostat"), Amarin Pharmaceuticals Ireland Limited, Amarin Corporation plc and Mr. Tim Lynch whereby the Company agreed to pay Neurostat a finder's fee relating to a potential licensing transaction and similar payments comprising upfront and contingent milestones totaling $565,000 and warrants to purchase 175,000 ordinary shares with an exercise price of $1.79 per ordinary share.*
4.63	Lease Agreement dated January 22, 2007 between the Company, Amarin Pharmaceuticals Ireland Limited and Mr. David Colgan, Mr. Philip Monaghan, Mr. Finian McDonnell and Mr. Patrick Ryan. Pursuant to this agreement, Amarin Pharmaceuticals Ireland Limited took a lease of a premises at The First Floor, Block 2, The Oval, Shelbourne Road, Dublin 4, Ireland (17)
4.64	Amendment (Change Order Number 4), dated February 15, 2007 to Services Agreement dated June 16, 2005 between Icon Clinical Research Limited and Amarin Neuroscience Limited. (17)
4.65	Employment Agreement Amendment with Alan Cooke, dated February 21, 2007. (17)
4.66	Amendment (Change Order Number 3), dated March 1, 2007 to Services Agreement dated June 16, 2005 between Icon Clinical Research Limited and Amarin Neuroscience Limited. (17)
4.67	Development and License Agreement dated March 6, 2007 between Amarin Pharmaceuticals Ireland Limited and Elan Pharma International Limited. Pursuant to this agreement, Amarin Pharmaceuticals Ireland Limited acquired global rights to a novel nasal lorazepam formulation for the treatment of emergency seizures in epilepsy patients.*†

4.68	Consultancy Agreement dated March 9, 2007 between Amarin Corporation plc and Dalriada Limited. Under the Consultancy Agreement, Amarin Corporation plc will pay Dalriada Limited a fee of £240,000 per annum for the provision of the consultancy services. Dalriada Limited is owned by a family trust, the beneficiaries of which include our Chairman and Chief Executive Officer, Mr. Thomas Lynch, and members of his family.*
4.69	Form of Securities Purchase Agreement dated June 1, 2007 between Amarin Corporation plc and the Purchasers named therein. Amarin Corporation plc entered into 11 separate Securities Purchase Agreements on June 1, 2007 all substantially similar in form and content to this Securities Purchase Agreement pursuant to which we issued an aggregate of 6,156,406 ordinary shares to such Purchasers, including management. The purchase price was $0.60 per ordinary share.*
4.70	Equity Credit Agreement dated June 1, 2007 between Amarin Corporation plc and Brittany Capital Management. Pursuant to this agreement, Amarin has an option to draw up to $15,000,000 of funding at any time over a three year period solely at Amarin Corporation plc's discretion.(18)
4.71	Form of Equity Securities Purchase Agreement dated December 4, 2007 between Amarin Corporation plc and the Purchasers named therein. Amarin Corporation plc entered into 19 separate Equity Securities Purchase Agreements on December 4, 2007 all substantially similar in form and content to this Equity Securities Purchase Agreement pursuant to which we issued an aggregate of 16,290,900 ordinary shares to such Purchasers, including management. The purchase price was $0.33 per ordinary share.(19)
4.72	Form of Debt Securities Purchase Agreement dated December 4, 2007 between Amarin Corporation plc and the Purchasers named therein. Amarin Corporation plc entered into 2 separate Debt Securities Purchase Agreements on December 4, 2007 both substantially similar in form and content to this Debt Securities Purchase Agreement pursuant to which we issued an aggregate of $2,750,000 of 3 year convertible loan notes to such Purchasers including management. The conversion price to convert the loan notes into ordinary shares of Amarin Corporation plc is $0.48 per ordinary share.(19)
4.73	Stock Purchase Agreement dated December 5, 2007 between Amarin Corporation plc, the selling shareholders of Ester Neurosciences Limited ("Ester"), Ester, and Medica II Management L.P. pursuant to which Amarin Corporation plc acquired the entire issued share capital of Ester. Pursuant to this agreement, Amarin Corporation plc paid initial consideration of $15,000,000, of which $5,000,000 was paid in cash and $10,000,000 was paid through the issuance of shares of Amarin Corporation plc. Additional contingent payments, valued at an aggregate of $17,000,000 are payable in the event that certain development-based milestones are successfully completed.(21)
4.74	Letter Agreement dated December 6, 2007 between Amarin Corporation plc and the Seller's Representatives of the selling shareholders of Ester pursuant to which the definition of "Closing Date Average Buyer Stock Price" in the Stock Purchase Agreement dated December 5, 2007 described above was amended.(22)
4.75	Senior Indenture dated December 6, 2007 between Amarin Corporation plc and Wilmington Trust Company. Under this Indenture, Amarin Corporation plc may issue one or more series of senior debt securities from time to time.(19)
4.76	

	First Supplemental Senior Indenture Dated December 6, 2007 between Amarin Corporation plc and Wilmington Trust Company. Under this Supplemental Senior Indenture, together with the senior debt indenture dated December 6, 2007 described above, Amarin Corporation plc issued its 8% Convertible Debentures due 2010.(19)
4.77	Compromise Agreement dated December 19, 2007 between Amarin Corporation plc and Richard Stewart.(20)
4.78	Collaboration Agreement dated January 8, 2008 between Amarin Pharmaceuticals Ireland Limited and ProSeed Capital Holdings (“ProSeed”). Pursuant to this agreement, 975,000 ordinary shares in Amarin Corporation plc were issued in the form of ADSs to ProSeed in respect of fees due for investment banking advice provided to Amarin Coporation plc and Amarin Pharmaceuticals Ireland Limited on the acquisition of Ester. *†
4.79	Amendment No. 1 to Stock Purchase Agreement dated April 7, 2008 between Amarin Corporation plc and Medica II Management L.P. pursuant to which the definition of “Milestone II Time Limit Date” in the Stock Purchase Agreement dated December 5, 2007 described above was amended.*

4.80	Employment Agreement dated April 28, 2008 with Dr Declan Doogan.*
4.81	Form of Equity Securities Purchase Agreement dated May 13, 2008 between Amarin Corporation plc and the Purchasers named therein. Amarin Corporation plc entered into 9 separate Equity Securities Purchase Agreements on May 13, 2008 all substantially similar in form and content to this Securities Purchase Agreement pursuant to which we issued an aggregate of 12,173,914 Ordinary Shares and 8 Preference Shares to such Purchasers. The purchase price was $2.30 per Ordinary Share.*†
8.1	Subsidiaries of the Group*
11.1	Code of Ethics(17)
12.1	Certification of Thomas G. Lynch required by R1 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes–Oxley Act of 2002**
12.2	Certification of Alan Cooke required by Rule 15d–14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
13.1	Certification of Thomas G. Lynch required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002**
13.2	Certification of Alan Cooke required by Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002**
14.1	Consent of PricewaterhouseCoopers**

* Previously filed

** Filed herewith

† confidential treatment requested (the confidential potions of such exhibits have been omitted and filed separately with the Securities and Exchange Commission.

(1)	Incorporated herein by reference to certain exhibits to the Group's Registration Statement on from F–1, File No. 33–58160, filed with the Securities and Exchange Comission on February 11, 1993.
(2)	Incorporated herein by reference to Exhibit (a)(i) to the Group's Registration Statement on Post–Effective Amendment No. 1 to Form F–6, File No. 333–5946, filed with the Securities and Exchange Commission on October 8, 1998.
(3)	Incorporated herein by reference to Exhibit (a)(ii) to the Group's Registration Statement on Post–Effective Amendment No. 2 to Form F–6, File No. 333–5946, filed with the Securities and Exchange commission on September 26, 2002.
(4)	Incorporated herein by reference to certain exhibits to the Group's Annual Report on Form 20–F for the year ended December 31, 1999, filed with the Securities and Exchange Commission on June 30, 2000.
(5)	Incorporated herein by reference to certain exhibits to the Group's Registration Statement on Form F–3, File No. 333–13200, filed with the Securities and Exchange Commission on February 22, 2001.

(6)	Incorporated herein by reference to certain exhibits to the Group's Annual Report on Form 20–F for the year ended December 31, 2000, filed with the Securities and Exchange Commission on July 2, 2001.
(7)	Incorporated herein by reference to certain exhibits to the Group's Annual Report on Form 20–F for the year ended December 31, 2001, filed with the Securities and Exchange Commission on May 9, 2002.
(8)	Incorporated herein by reference to certain exhibits to the Group's Registration Statement on Pre-Effective Amendment No. 2 to Form F–3, File No. 333–13200, filed with the Securities and Exchange Commission on November 19, 2001.
(9)	Incorporated herein by reference to certain exhibits to the Group's Registration Statement on form S-8, File No. 333-101775, filed with the Securities and Exchange Commission on December 11, 2002.
(10)	Incorporated herein by reference to certain exhibits to the Group's Annual Report on Form 20-F for the year ended December 21, 2002, filed with the Securities and Exchange Commission on April 24, 2003.
(11)	These agreements are not longer in effect as a result of superseding agreements entered into by the Group.
(12)	Incorporated herein by reference to certain exhibits to the Group's Annual Report on Form 20-F for the year ended December 31, 2003, filed with the Securities and Exchange Commission on March 31, 2004.

(13)	Incorporated herein by reference to certain exhibits o the Group's Registration Statement on Form F-3, File No. 333–121421, filed with the securities and Exchange Commission on December 20, 2004.
(14)	Incorporated herein by reference to certain exhibits to the Group's Annual Report on Form 20-F for the year ended December 31, 2004, filed with the Securities and Exchange Commission on April 1, 2005.
(15)	Incorporated herein by reference to certain exhibits to the Group's Registration Statement on Form F-3, File No. 333–131479, filed with the Securities and Exchange Commission on February 2, 2006.
(16)	Incorporated by reference herein to certain exhibits in the Group's Annual Report on Form 20–F for year ended December 31, 2005, filed with the Securities and Exchange Commission on March 30, 2006 as amended on From 20–F/A filed October 13, 2006.
(17)	Incorporated by reference herein to certain Exhibits in the Group's Annual Report on From 20–F for the year ended December 31, 2006, filed with the Securities and Exchange Commission on March 5, 2007.
(18)	Incorporated by reference herein to certain exhibits in the Group's Report of Foreign Private Issuer filed on Form 6–K with the Securities and Exchange Commission on June 1, 2007.
(19)	Incorporated by reference herein to certain exhibits in the Group's Report of Foreign Private Issuer filed on From 6–K with the Securities and Exchange Commission on December 17, 2007.
(20)	Incorporated by reference herein to certain exhibits in the Group's Report of Foreign Private Issuer filed on From 6–K with the Securities and Exchange Commission on December 19, 2007.
(21)	Incorporated by reference herein to certain exhibits in the Group's Report of Foreign Private Issuer filed on Form 6–K with the Securities and Exchange Commission on January 28, 2008.
(22)	Incorporated by reference herein to certain exhibits in the Group's Report of Foreign Private Issuer filed on Form 6–K with the Securities and Exchange Commission on February 1, 2008.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AMARIN CORPORATION PLC

By: /s/ THOMAS G. LYNCH

Thomas G. Lynch
Chairman and Chief Executive Officer

Date: September 24, 2008

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Amarin Corporation plc:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity, and cash flows present fairly, in all material respects, the financial position of Amarin Corporation plc and its subsidiaries at December 31, 2007 and 2006, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2007 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and International Standards on Auditing (UK and Ireland). Those 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 36 to the consolidated financial statements, the Company has restated its 2007 consolidated financial statements.

Our audit of the consolidated financial statements of the Company was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Company has included parent only information on the face of the consolidated financial statements and other parent company only disclosures in the notes to the financial statements. Such parent only information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board or by International Financial Reporting Standards as adopted by the European Union. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers
Dublin, Ireland
May 19, 2008, except for the effects of the restatement discussed in Note 36 to the consolidated financial statements as to which the date is September 24, 2008

Amarin Corporation plc

Consolidated Income Statement for year ended December 31, 2007

	Note	Total 2007 $'000	Total 2006 $'000
Revenue	4	—	500
Gross profit		—	500
Research and development expenses	6	(12,108)	(15,106)
Selling, general and administrative expenses	6	(19,841)	(13,462)
Impairment of intangible assets	5,6	(8,784)	—
Total operating expenses		(40,733)	(28,568)
Operating loss		(40,733)	(29,068)
Finance income	9	2,279	3,344
Finance costs	10	(183)	(2,826)
Loss before taxation		(38,637)	(27,550)
Tax credit	12	837	799
Loss attributable to equity holders of the parent		(37,800)	(26,751)
		U.S. Cents	U.S. Cents
Basic loss per ordinary share*	14	(3.86)	(3.25)
Diluted loss per ordinary share*	14	(3.86)	(3.25)

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*Basic and diluted loss per share information is adjusted for our one-for-ten share consolidation which is effective January 18, 2008. See note 14 for further information.

The accompanying notes on pages F-7 to F-73 are an integral part of the financial statements.

Amarin Corporation plc

Balance Sheets at December 31, 2007

	Note	Group 2007 $'000	Group 2006 $'000	Company 2007 $'000	Company 2006 $'000
Non-current assets					
Property, plant and equipment	16	595	314	19	25
Intangible assets	15	19,916	9,636	19,916	3,765
Investments in subsidiaries	17	—	—	60,136	22,715
Available for sale investments	20	15	18	15	18
Total non-current assets		20,526	9,968	80,086	26,523
Current assets					
Inventory	18	—	—	—	—
Current tax recoverable	19	1,704	1,617	—	—
Other current assets	19	1,721	1,172	1,059	770
Cash and cash equivalents		18,303	36,802	17,298	34,719
Total current assets		21,728	39,591	18,357	35,489
Total assets		42,254	49,559	98,443	62,012
Non-current liabilities					
Borrowings	21	2,051	—	2,051	—
Provisions	24	606	110	606	110
Derivative financial liability	27	2,108	—	2,108	—
Other liabilities	23	36	—	—	—
Total non-current liabilities		4,801	110	4,765	110
Current liabilities					
Trade payables		3,462	2,096	841	396
Accrued expenses and other liabilities	22	6,733	8,625	3,430	1,814
Provisions	24	461	160	461	160
Total current liabilities		10,656	10,881	4,732	2,370
		15,457	10,991	9,497	2,480

Total liabilities					
Equity					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	12,942	7,990	12,942	7,990
Share premium		147,171	139,313	147,171	136,587
Share based payment reserve	28	14,931	4,824	14,931	4,824
Warrant reserve		10,823	10,009	10,823	10,009
Equity component of 8% convertible debt		145	—	145	—
Capital redemption reserve		27,633	27,633	27,633	27,633
Treasury shares		(217)	(217)	—	—
Foreign currency translation reserve		(1,836)	(1,261)	832	683
Retained earnings		(184,795)	(149,723)	(125,531)	(128,194)
Total shareholders' equity		26,797	38,568	88,946	59,532
Total shareholders' equity and liabilities		42,254	49,559	98,443	62,012

The accompanying notes on pages F-7 to F-73 are an integral part of the financial statements.

Amarin Corporation plc

Consolidated Statement of Changes in Equity for the year ended December 31, 2007

	Share capital US$'000	Share premium US$'000	Share based payment reserve US$'000	Warrant reserve US$'000	Equity component of 8% convertible debt US$'000	Capital redemption reserve US$'000	Treasury shares US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Total US$'000
At January 1, 2006	6,778	113,239	2,623	9,620	—	27,633	(217)	697	(122,972)	37,401
Share issuances	1,212	25,212	—	—	—	—	—	—	—	26,424
Share issuance costs	—	(2,450)	—	—	—	—	—	—	—	(2,450)
Share based compensation	—	—	2,201	—	—	—	—	—	—	2,201
Fair value of future investment right	—	3,701	—	—	—	—	—	—	—	3,701
Warrant issue/exercise	—	(389)	—	389	—	—	—	—	—	—
Recognized income and expense:										
Foreign currency translation adjustment	—	—	—	—	—	—	—	(1,958)	—	(1,958)
Net loss recognized directly in equity	—	—	—	—	—	—	—	(1,958)	—	(1,958)
Loss for the year	—	—	—	—	—	—	—	—	(26,751)	(26,751)
Total recognized income and expense	—	—	—	—	—	—	—	(1,958)	(26,751)	(28,709)
At December 31, 2006 and January 1, 2007	7,990	139,313	4,824	10,009	—	27,633	(217)	(1,261)	(149,723)	38,568
Share issuances	4,952	14,032	—	—	—	—	—	—	—	18,984
Share issuance costs	—	(948)	—	—	—	—	—	—	—	(948)
Share based compensation	—	—	10,107	—	—	—	—	—	—	10,107
Warrant issue/exercise	—	(2,498)	—	814	—	—	—	—	—	(1,684)

Strike off of subsidiary	—	(2,728)	—	—	—	—	—	—	2,728	—
Fair value of equity on 8% convertible debt	—	—	—	—	145	—	—	—	—	145
Recognized income and expense:										
Foreign currency translation adjustment	—	—	—	—	—	—	—	(575)	—	(575)
Net loss recognized directly in equity	—	—	—	—	—	—	—	(575)	—	(575)
Loss for the year	—	—	—	—	—	—	—	—	(37,800)	(37,800)
Total recognized income and expense	—	—	—	—	—	—	—	(575)	(37,800)	(38,375)
At December 31, 2007	12,942	147,171	14,931	10,823	145	27,633	(217)	(1,836)	(184,795)	26,797

The accompanying notes on pages F-7 to F-73 are an integral part of the financial statements.

Amarin Corporation plc

Company Statement of Changes in Equity for the year ended December 31, 2007

	Share capital US$'000	Share premium US$'000	Share based payment reserve US$'000	Warrant reserve US$'000	Equity component of 8% convertible debt US$'000	Capital redemption reserve US$'000	Foreign currency translation reserve US$'000	Retained earnings US$'000	Total US$'000
At January 1, 2006	6,778	110,513	2,623	9,620	—	27,633	(235)	(120,842)	36,090
Share issuances	1,212	25,212	—	—	—	—	—	—	26,424
Share issuance costs	—	(2,450)	—	—	—	—	—	—	(2,450)
Share based compensation	—	—	2,201	—	—	—	—	—	2,201
Fair value of future investment right	—	3,701	—	—	—	—	—	—	3,701
Warrant issue/exercise	—	(389)	—	389	—	—	—	—	—
Recognized income and expense:									
Foreign currency translation adjustment	—	—	—	—	—	—	918	—	918
Net loss recognized directly in equity	—	—	—	—	—	—	918	—	918
Loss for the year	—	—	—	—	—	—	—	(7,352)	(7,352)
Total recognized income and expense	—	—	—	—	—	—	918	(7,352)	(6,434)
At December 31, 2006 and January 1, 2007	7,990	136,587	4,824	10,009	—	27,633	683	(128,194)	59,532
Share issuances	4,952	14,032	—	—	—	—	—	—	18,984
Share issuance costs	—	(950)	—	—	—	—	—	—	(950)
Share based compensation	—	—	10,107	—	—	—	—	—	10,107
Warrant issue/exercise	—	(2,498)	—	814	—	—	—	—	(1,684)
Adjustment on asset acquisition	—	—	—	—	—	—	—	(371)	(371)
Fair value of equity on 8%	—	—	—	—	145	—	—	—	145

convertible debt									
Recognized income and expense:									
Foreign currency translation adjustment	—	—	—	—	—	—	149	—	149
Net loss recognized directly in equity	—	—	—	—	—	—	149	—	149
Profit for the year	—	—	—	—	—	—	—	3,034	3,034
Total recognized income and expense	—	—	—	—	—	—	149	3,034	3,183
At December 31, 2007	12,942	147,171	14,931	10,823	145	27,633	832	(125,531)	88,946

The accompanying notes on pages F-7 to F-73 are an integral part of the financial statements.

Amarin Corporation plc

Cash Flow Statements for the year ended December 31, 2007

	Note	Group 2007 $'000	Group 2006 $'000	Company 2007 $'000	Company 2006 $'000
Cash flows from operating activities					
(Loss)/Profit after tax		(37,800)	(26,751)	3,034	(7,352)
Adjustments:					
Depreciation of property, plant and equipment	16	217	121	20	31
Amortization of intangible assets	15	169	674	58	232
Impairment of investment in subsidiary	17	—	—	4,593	—
Impairment of intangible assets	15	8,784	—	3,707	—
Impairment of property, plant and equipment		—	235	—	151
Impairment of available for sale investment	20	3	—	3	—
Share based compensation	28, 17	5,001	2,201	(640)	2,201
Share based compensation - warrants	28	275	—	275	—
Effect of exchange rate changes on assets/liabilities and other items*		(560)	(2,020)	(858)	1,867
Interest received	9	(1,252)	(1,344)	(1,197)	(1,299)
Interest expense	10	176	—	176	—
Interest paid on finance leases		4	(2)	—	—
(Increase)/decrease in other current assets		(250)	282	10	(75)
(Decrease)/increase in current liabilities		(1,359)	2,690	1,238	(2,408)
(Decrease) in other liabilities		—	(49)	—	—
Gain on strike off of subsidiaries	17	—	—	(14,085)	—
Increase/(decrease) in provisions		797	104	797	(35)
Fair value gain on derivative financial liability through income statement	27	(397)	—	(397)	—
R&D tax credit	12	(837)	(799)	—	—
Cash expended on operating activities		(27,029)	(24,658)	(3,266)	(6,687)
Tax refund		750	505	—	—
Net cash outflow from operating activities		(26,279)	(24,153)	(3,266)	(6,687)
Cash flows from investing activities					
Purchase intangible assets		(5,810)	—	(5,810)	—

Interest received	9	1,252	1,344	1,197	1,299
Investment in subsidiaries	17	—	—	(22,288)	(19,524)
Purchases of property, plant and equipment		(415)	(245)	(14)	(13)
Net cash (outflow)/inflow from investing activities		(4,973)	1,099	(26,915)	(18,238)
Cash flows from financing activities					
Proceeds from issue of share capital	26	9,685	26,424	9,685	26,424
Proceeds on the issue of convertible debentures	21	2,750	—	2,750	—
Expenses on issue of share capital		(285)	(2,450)	(285)	(2,450)
Expenses on issue of convertible debentures		(20)	—	(20)	—
Repayment of finance lease		(7)	(25)	—	—
Net cash inflow from financing activities		12,123	23,949	12,130	23,974
Net (decrease)/increase in cash and cash equivalents		(19,129)	895	(18,051)	(951)
Cash and cash equivalents at the beginning of the year		36,802	33,907	34,719	33,691
Exchange rate gains on cash and cash equivalents		630	2,000	630	1,979
Cash and cash equivalents at end of year		18,303	36,802	17,298	34,719

* Included in the 2006 comparative figure is an amount of $2,818,000 reflecting the loss arising from the movement in the fair value between January 1, 2006 and the date of settlement, March 15, 2006 of the Future Investment Right negotiated as part of the May 2005 financing.

The accompanying notes on pages F-7 to F-73 are an integral part of the financial statements.

Amarin Corporation plc

Notes to the financial statements

for the year ended December 31, 2007

1. Going concern and basis of preparation

Going concern and liquidity

At December 31, 2007, Amarin had a cash balance of $18.3 million. On May 14, 2008, we announced a private placement of Ordinary Shares for up to $60.0 million. The first tranche from new investors of $28.0 million closed on May 19, 2008, see note 33 "Post balance sheet events". Based upon current business activities, the directors forecast Amarin having sufficient cash to fund operations for at least the next 12 months from May 19, 2008. The directors therefore believe that it is appropriate that these financial statements are prepared on a going concern basis. This basis of preparation assumes that the Group will continue in operational existence for the foreseeable future.

Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“E.U.”) and International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”). All International Financial Reporting Standards issued by the IASB and effective at the time of preparing these consolidated financial statements have been adopted by the E.U. through the endorsement procedure established by the European Commission, with the exception of the International Accounting Standard IAS 39 “Financial Instruments: Recognition and Measurement” related to the hedging portfolio. Since the company is not materially affected by the provisions regarding portfolio hedging that are not required by the E.U.-endorsed version of IAS 39, the accompanying financial statements comply with both International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards issued by the IASB.

These are our first Consolidated Financial Statements prepared in accordance with IFRS, and comparative information, which was previously presented in accordance with United Kingdom (“U.K.”) generally accepted accounting principles (“U.K. GAAP”) for the year ended December 31, 2006 has been restated under IFRS as adopted by the E.U. and as issued by the IASB. As these are our first Consolidated Financial Statements prepared in accordance with IFRS as adopted by the E.U. and issued by the IASB we have availed of the option to disclose two years of financial information. Previously three years financial information was disclosed.

In December 2007 the Securities and Exchange Commission (“SEC”) adopted rules to allow foreign private issuers to file financial statements prepared in accordance with IFRS as issued by the IASB without reconciliation to United States generally accepted accounting principles (“U.S. GAAP”), effective March 4, 2008. Therefore, we have not prepared reconciliations from IFRS to U.S. GAAP.

An explanation of the effect of the transition to IFRS is provided in Note 35 to the Consolidated Financial Statements.

The Consolidated and Parent Company Financial Statements are presented in U.S. Dollars rounded to the nearest thousand, being the functional and presentation currency of the Parent Company. They are prepared on the historical cost basis of accounting as modified by the revaluation of available-for-sale financial assets and financial liabilities (including the future investment right) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS as adopted by the E.U. and as issued by the IASB requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in note 2.

Statement of compliance

The Consolidated and Parent Company Financial Statements have been prepared in accordance with IFRS as adopted by the E.U. and as issued by the IASB that are effective at December 31, 2007. These are our first Consolidated Financial Statements prepared in accordance with IFRS, and therefore, IFRS 1, "First-time Adoption of International Financial Reporting Standards," ("IFRS 1"), has been applied. For additional information on the transition to IFRS, please refer to Note 35 to the Consolidated Financial Statements.

Adoption of new and revised standards

Standards, amendments and interpretations effective in 2007

In the current year, the Group has adopted IFRS 7 "Financial Instruments: Disclosures" ("IFRS 7") which is effective for annual reporting periods beginning on or after January 1, 2007, and the complementary amendments to IAS 1 "Presentation of Financial Statements" ("IAS 1"). The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Group's financial instruments and management of capital (see note 25).

Four interpretations issued by the IFRIC are effective for the current period. These are: IFRIC 7, "Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies"; IFRIC 8 "Scope of IFRS 2", IFRIC 9 "Reassessment of Embedded Derivatives" and IFRIC 10 "Interim financial reporting and impairment". The adoption of these interpretations has not led to any changes in the Group's accounting policies.

Standards and interpretations in issue not yet adopted

At the date of authorization of these financial statements, other than the Interpretation adopted by the Group in advance of the effective date the following new standards and amendments relevant to the Group were in issue but not yet effective:

- IFRS 2 "Vesting conditions and cancellations - Amendment to IFRS 2 Share-based Payment", (effective for accounting periods beginning on or after January 1, 2009). The amendment addresses two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply this revised standard from the effective date and is currently assessing the impact on the Group's financial statements;

- IAS 23, (Amendment), "Borrowing Costs" (effective for accounting periods beginning on or after January 1, 2009). The amendment to the standard requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from January 1, 2009 but is currently not applicable to the Group as there are no qualifying assets;

- IAS 32 and IAS 1 (Amendment) "Puttable financial instruments and obligations arising on liquidation", (effective for annual periods beginning on or after 1 January 2009). The amendments require some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of net assets of the entity only on liquidation to be classified as equity;

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- IFRS 8, “Operating Segments” (effective for accounting periods beginning on or after January 1, 2009). This standard will replace IAS 14 “Segment Reporting”, and will require additional disclosures relating to operating segments than those currently required;

- IFRS 3 (Revised), “Business combinations”, (effective for accounting periods beginning on or after 1 July 2009). The standard continues to apply the acquisition method to business combinations, with some significant changes. These changes include a requirement that all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured through income. Goodwill may be calculated based on the parent’s share of net assets or it may include goodwill related to minority interest. All transactions costs will be expensed;

- IAS 27 (Revised), ‘Consolidated and separate financial statements’, (effective for annual periods beginning on or after 1 July 2009). IAS 27 (revised) requires the effect of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognized in profit or loss.

The Group is currently assessing the impact of the adoption of these new standards and amendments and currently believe they will have no material impact on the Consolidated Financial Statements of the Group in the period of initial application.

Interpretations not yet effective

IFRIC 11, “IFRS 2: Group and Treasury Share Transactions”, provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with U.K. Companies Acts and applicable international financial reporting standards. The significant accounting policies adopted by Amarin Corporation plc (“the Group”), are as follows:

Basis of consolidation

The Consolidated Financial Statements include the parent and all its subsidiary undertakings. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from the entity’s activities. Control generally accompanies a shareholding of more than one half of the voting rights. The financial statements of subsidiary companies are included in the Consolidated Financial Statements from the date of acquisition.

All inter-company account balances, transactions, and any unrealized gains and losses or income and expenses arising from inter-company transactions have been eliminated in preparing the Consolidated Financial Statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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The purchase method of accounting is used in accounting for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange, plus costs directly attributable to the acquisition. On the acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities acquired. Goodwill arises when the fair value of the consideration given for a business exceeds the fair value of such assets, liabilities and contingent liabilities acquired. Goodwill arising on acquisitions is capitalized and subject to an impairment review, both annually and when there is an indication that the carrying value may not be recoverable.

Contingent consideration is recognized as an additional cost of an acquisition when it can be measured reliably and it is probable that an outflow of economic benefit will be required. The fair value of the contingent component is determined through discounting the amounts payable to their present value using the binomial model.

Intangible assets and research and development expenditure

In-process research and development

Acquired in-process research and development (“IPR&D”) is stated at cost less accumulated amortization and impairments. Acquired IPR&D arising on acquisitions is capitalized and amortized on a straight-line basis over its estimated useful economic life. The useful economic life commences upon generation of economic benefits relating to the acquired IPR&D.

Cost is defined as the amount of cash or cash equivalents paid, or the fair value of other consideration given. When IPR&D is acquired and the consideration is settled using the company's equity instruments, the IPR&D is stated at fair value at the date of acquisition. In cases where the fair value of the IPR&D acquired cannot be measured reliably, the fair value capitalized at the date of acquisition is measured by reference to the fair value of the equity instruments granted as consideration.

Capitalization policy

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the following criteria are fulfilled: completing the asset so it will be available for use or sale is technically feasible; management intends to complete the intangible asset and use or sell it; an ability to use or sell the intangible asset; it can be demonstrated how the intangible asset will generate probable future economic benefits; adequate technical; financial and other resources to complete the development and to use or sell the intangible asset are available; and the expenditure attributable to the intangible asset during its development can be reliably measured. To date, development expenditures have not met the criteria for recognition of an internally generated intangible asset.

Intangible assets not yet available for use are not subject to amortization but are tested for impairment at least annually. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset’s continued use

Research and development expenditure

On an ongoing basis the Group undertakes research and development, including clinical trials to establish and provide evidence of product efficacy. Clinical trial costs are expensed to the income statement on a systematic basis over the

estimated life of trials to ensure the costs charged reflect the research and development activity performed. To date, all research and development costs have been written off as incurred and are included within operating expenses, as disclosed in Note 6. Research and development costs include staff costs, professional and contractor fees, inventory, and external services.

Foreign currency

Functional and presentation currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in U.S. Dollars, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. The resulting monetary assets and liabilities are translated into the appropriate functional currency at exchange rates prevailing at the balance sheet date and the resulting gains and losses are recognized in the income statement. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognized as a separate component of equity.

Monetary items that are receivable or payable to a foreign operation are treated as a net investment in the foreign operation by the Company as settlement is neither planned nor likely to occur in the foreseeable future. On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from technology licensing to third parties is recognized when earned and non-refundable, through the achievement of specific milestones set forth in the applicable contract, when there is no future obligation with respect to the revenue and receipt of the consideration is probable, in accordance with the terms prescribed in the applicable contract.

Royalty income is recognized when earned, based on related sales of products under agreements providing for royalties.

Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is calculated using the straight line method to write down the value of assets to their residual value over their estimated useful lives as follows:

Plant and equipment	5-10 years
Short leasehold	5-10 years
Fixtures and fittings	5 years
Computer equipment	3 years

Evaluation of assets for impairment

Intangible assets are subject to impairment testing at each balance sheet date. All intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill, intangible assets with an indefinite life and intangible assets not yet available for use are not subject to amortization but are tested for impairment at least annually. Additionally, non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use. For the purposes of impairment, assets are grouped into cash-generating units and an impairment charge is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses in respect of goodwill are not reversed. For other assets, an impairment loss may be reversed to the extent that the asset's original carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are shown at cost less any provision for impairment. Cost includes loans advanced to/received from subsidiary undertakings that are considered to form part of the net investment in the subsidiary undertakings. Investments in subsidiaries also include the cost of recharges to subsidiary undertakings for share based payment expense incurred by Amarin Corporation plc.

Pre-launch costs

Prior to launch of a new pharmaceutical product, the Group may incur significant pre-launch marketing costs. Such costs are expensed as incurred.

Advertising costs

Advertising costs are expensed as incurred.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated on a first-in, first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition (e.g. the purchase price, including import duties, transport and handling costs and any other directly attributable costs, less trade discount). Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventory held for research and development is written off when acquired unless capitalized as part an internally generated intangible asset in accordance with our capitalization policy.

Leases

Property, plant and equipment acquired under a lease that transfers substantially all of the risks and rewards of ownership to the Group (finance lease), are capitalized. Upon initial recognition, a finance lease is capitalized at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Subsequent to initial recognition the property, plant and equipment acquired under the finance lease is accounted for in accordance with the accounting policy applicable to the asset.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges on finance leases are expensed over the term of the lease to give a constant periodic rate of interest charge in proportion to the capital balances outstanding.

All other leases which are not finance leases are considered operating leases. Rental payments on operating leases are expensed on a straight-line basis over the term of the lease.

Financial assets

Available for sale financial assets are non-derivative assets that are either designated in this category or not classified in any other category. Equity securities are classified as available for sale. They are measured on initial recognition and subsequently at fair value within non-current assets. Fair value gains or losses are recognized directly in shareholders' equity. A significant or prolonged decline in the fair value of the investment be low its cost is considered as an indicator that the investment is impaired.

If any such evidence exists, the accumulated fair value adjustments recognized in equity are included in the income statement as gains or losses from investments. Impairment losses recognized in the income statement on available for sale securities are not reversed through the income statement if there is a subsequent increase in value. Available for sale financial assets are classified in non-current assets as management does not intend to dispose of the assets during the next 12 months.

Derivative financial liabilities

Financial liabilities

Issued financial liabilities or their components are classified as derivative financial liabilities where the substance of the contractual arrangement results in the group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavorable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of shares.

Derivative financial liabilities on initial recognition are recorded at fair value, being the fair value of consideration received. They are subsequently held at fair value, with gains and losses arising for changes in fair value recognized in the income statement at each period end. The group derecognizes the derivative financial liability, and recognizes a gain in the income statement when its contractual obligations are cancelled or expired. If the group issues shares to discharge the liability, the derivativefinancial liability is derecognized and share premium is recognized on the issuance of those shares.

Current and deferred taxation

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the liability method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases. However, the deferred tax is not accounted for as it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities at rates expected to apply in the period when the temporary differences reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

No deferred tax asset or liability is recognized in respect of temporary differences associated with investments in subsidiaries where the Group is able to control the timing of reversals of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Borrowings

Convertible debentures

The fair value of the liability portion of a convertible debenture is determined using a market interest rate for an equivalent non-convertible debenture. This amount is recorded as a liability on an amortized cost basis until

extinguished on conversion, redemption or maturity of the debentures. The remainder of the proceeds is allocated to the conversion option. This is recognized and included in shareholders' equity, net of income tax effects.

Derivative financial instruments

Financial assets and liabilities are recorded at their fair value at each reportable period end, with any gains and losses recorded in the income statement.

Employee benefits

Pension obligations and vacation pay

The Group accounts for pensions and other employee benefits under IAS 19 “Employee benefits”. Short-term employee benefits including vacation pay are accrued for in the period in which the related employee service is rendered.

The Group operates a defined contribution benefit plan. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group provides no other post retirement benefits to its employees.

Share based compensation

The Group operates an equity-settled, share based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the Group modifies share options and the fair value of the options granted increases, the incremental fair value granted is recognized over the remaining vesting period. The incremental fair value is calculated as the difference between the fair value of the modified option and that of the original option, both estimated at the date of the modification.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings is treated as a capital contribution in the books of the subsidiary. The fair value of employee services received by the subsidiary, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Provision is made for employer’s National Insurance and similar taxes that arise on the exercise of certain share options, calculated using the market price at the balance sheet date.

In transactions where the Group receive goods and services from non-employees in exchange for its equity instruments, the corresponding increase in equity is measured at the fair value of the goods and services received.

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Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal: or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and for the purposes of the cashflow statement, bank overdrafts are included within cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Provisions and contingencies

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation and it is reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is disclosed where the existence of the obligation is considered more than remote.

Contingent consideration payable under collaborative agreements is recognized when it is probable that any cash flow of economic benefit will be required and can be measured reliably. Payments relating to the funding of research are expensed and payments relating to the acquisition of an asset are capitalized. Provisions are re-measured at each balance sheet date based on the best estimate of the settlement amount.

Finance income and costs

Finance income comprises interest income on cash and cash equivalents, gains on the disposal of available for sale financial assets, gains on fair value movements of derivative financial instruments and foreign currency gains on financing activities. Interest income is recognized on a time proportion basis using the effective interest method.

Finance costs comprise foreign currency losses incurred on financing activity, impairment losses on financial assets and borrowing costs. Borrowing costs are allocated to financial reporting periods over the effective life of the related borrowings using the effective interest method.

Share capital

(a) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares, options or warrants are recognized as a deduction from share premium account in equity.

(b) Treasury shares

When share capital recognized as equity is repurchased, it is classified as treasury shares, with the amount of the consideration paid, including directly attributable costs, being recognized as a reduction from equity. When such shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity.

(c) Warrants and options granted in connection with ordinary share issuances

Where at the time of an ordinary share issuance the Group grants shareholders warrants or options to acquire additional shares, the total consideration received is apportioned on a fair value basis between that relating to the issued shares, which is recorded in share capital and share premium account, and the warrants or options.

Where the options or warrants give rise to an obligation for the Group to issue, if called to do so, a fixed number of shares for a fixed amount of money in functional currency terms then the options or warrants are classified into a separate component in equity.

Where the options and warrants give rise to obligations to issue ordinary shares other than on the above basis they are classified as financial liabilities on the balance sheet. Where these instruments meet the definition of derivatives they are included at fair value on the balance sheet at each reporting year end, with the resulting unrealised gains or losses being recorded in the income statement.

In both situations, at settlement date the carrying value of the options and warrants are transferred to retained earnings. The cash proceeds received from shareholders for additional shares are recorded in the share capital and share premium account.

Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its own ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible debentures, share options and warrants granted. If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the balance sheet date but before the financial statements are authorised for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

Segment reporting

A segment is a distinguishable component of the Group that is engaged in either providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group’s primary format for segment reporting is currently based on geographic location.

Capital redemption reserve

The capital redemption reserve is comprised of deferred shares previously in issue, which were cancelled.

Risks and uncertainties

Intellectual Property

The value of the Group's patent and proprietary rights will be affected by its ability to obtain and preserve patent protection for its products and trade secrets, and by the emergence of competing technologies over time. In particular, the value of the intangible assets described in Note 3 could be severely affected by changes in the status of the Group's patent and proprietary rights.

Foreign Exchange Rate Risks

We record our transactions and prepare our financial statements in U.S. Dollars. Since our strategy involves the development of products for the U.S. market, a significant part of our clinical trial expenditures are denominated in U.S. Dollars and we anticipate that the majority of our future revenues will be denominated in U.S. Dollars. However, a significant portion of our costs are denominated in pounds sterling, euro and shekel as a result of our conducting activities in the United Kingdom, the European Union and Israel. As a consequence, the results reported in our financial statements are potentially subject to the impact of currency fluctuations between the U.S. Dollar, pounds sterling, euro and shekel. We are focused on development activities and do not anticipate generating on-going revenues in the short-term. Accordingly, we do not engage in significant currency hedging activities in order to restrict the risk of exchange rate fluctuations. However, if we should commence commercializing any products in the U.S., changes in the relation of the U.S. Dollar to the pound sterling, the euro and/or the shekel may affect our revenues and operating margins. In general, we could incur losses if the U.S. Dollar should become devalued relative to the pound sterling, the euro and/or the shekel. We manage foreign exchange risk by holding our cash in the currencies in which we expect to incur future cash outflows.

Interest Rate Risk

At December 31, 2007 we had fixed rate convertible debentures and are therefore not subject to interest rate risk. Accordingly, we do not hedge any of our interest rate risks.

Patent costs

The Group undertakes to protect its intellectual property using patent applications. Costs associated with such applications are written off as incurred where they relate to ongoing development expenditure that is also not capitalized.

Acquired patent costs arising on acquisitions are capitalized and amortized on a straight-line basis over its estimated useful economic life. The useful economic life commences upon generation of economic benefits relating to the acquired patent.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of intangible assets

Intangible assets relate to the asset acquisition of Ester Neurosciences Limited on December 5, 2007. The carrying value of the intangible asset comprises Amarin Common Stock issued, cash paid and Amarin Common Stock to be issued under the achievement of certain milestones. The Group used certain judgments when determining the probability and timing of contingent consideration payable.

The Group reviews intangible assets not yet available for use for impairment at least annually. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an intangible asset is determined by discounting the expected future cash flows. The Group uses significant assumptions and

estimates in determining an intangible assets recoverable amount.

Carrying value of investment in subsidiaries

The carrying value of the Company's investment in subsidiaries is tested at least annually for impairment. The Company uses the present value of future cash flows of their products to determine whether an impairment provision is required. These cash flows assume the Company's products will be approved by the FDA and will be capable of generating revenues. Management judgment is required in forecasting the cash flows of each product and these cash flows are adjusted for industry probability factors and the Group discount rate. During 2007, the Company provided for $4,593,000 for impairment on AMR101 for HD related investments.

3. Asset acquisitions

On December 5, 2007, Amarin Corporation plc, declared its offer for the shares of Ester Neurosciences Limited ("Ester") wholly unconditional and on that date acquired 100% of the outstanding Ester shares (the "Acquisition"). Ester's principal assets include rights to intellectual property relating to the treatment Myasthenia Gravis ("MG"). Ester has been accounted for as an asset acquisition and as a result Ester's net assets are included within the consolidated balance sheet at December 31, 2007. The results of Ester from the date of acquisition are included in the income statement for the Company which has been consolidated into the Group income statement.

Ester's core assets include (i) a platform messenger RNA (mRNA) silencing technology which targets the cholinergic pathway; (ii) EN101, a Phase II compound with promising efficacy data for the treatment of MG utilizing this technology; and (iii) a preclinical program in neurodegenerative and inflammatory diseases.

The purchase price for the acquisition of Ester comprises both upfront and contingent consideration in the form of both cash and share payments. Share payments will be in the form of ADSs with each ADS representing one Ordinary Shares of £0.05 each in the capital of Amarin (one Ordinary Share of £0.50 post share consolidation effective January 18, 2008 whereby ten Ordinary Share of £0.05 each became one Ordinary Share of £0.50 each) and certain success based milestone payments as follows:

- Initial consideration of approximately $15 million on closing comprising $5.191 million in cash and $10 million in Amarin shares (subject to a maximum of 25 million Ordinary Shares).

- $5 million, payable, at Amarin's option in either, (i) Amarin shares at the volume weighted average closing price for the 10-day trading period ending the day before the Acquisition Agreement is signed ("First Share Amount"), subject to the adjustment described below or (ii) cash, upon achievement of Milestone Ia – Monarsen Phase II in MG study meeting its study objectives: Efficacy – having a QMG score of one or more of the three doses being superior to Mestinon as compared to the baseline by at least 10%; Safety – no major adverse drug related side effects. If the weighted average closing price for the 10-day trading period commencing immediately after the date of announcement of the achievement of Milestone Ia ("Milestone Ia Price") exceeds twice the Closing Price by any amount ("First Excess"), the First Share Amount will be reduced by a percentage calculated by dividing 2/3rds of the First Excess by the Milestone Ia Price provided that if the Milestone Ia Price exceeds $50 per Amarin Share ($5 per Amarin Share pre one-for-ten share consolidation which became effective on January 18, 2008), such excess shall be disregarded and the Milestone Ia Price shall be deemed to be $50 per Amarin Share ($5 per Amarin Share pre one-for-ten share consolidation which became effective on January 18, 2008). If the Milestone Ia Price is less than the Closing Price no adjustment will be made to the First Share Amount.

- $6 million, payable, at Amarin's option in either, (i) Amarin shares at the Closing Price ("Second Share Amount"), subject to the adjustment described below or (ii) cash, upon achievement of Milestone Ib – successful completion of Monarsen Phase II MG study program with adequate efficacy and safety data that fully supports the commencement of a Phase III program in the U.S. If the volume weighted average closing price for the 10-day

trading period commencing immediately

after the date of announcement of the achievement of Milestone Ib ("Milestone Ib Price") exceeds twice the Closing Price by any amount ("Second Excess"), the Second Share Amount will be reduced by a percentage calculated by dividing 2/3rds of the Second Excess by the Milestone Ib Price provided that if the Milestone Ib Price exceeds $50 per Buyer Ordinary Share ($5 per Buyer Ordinary Share pre one-for-ten share consolidation which became effective on January 18, 2008), such excess shall be disregarded and the Milestone Ib Price shall be deemed to be $50 per Amarin Share ($5 per Amarin Share pre one-for-ten share consolidation which became effective on January 18, 2008). If the Milestone Ib Price is less than the Closing Price no adjustment will be made to the Second Share Amount.

- $6 million in cash on the achievement of Milestone II – successful completion of the US Phase III clinical trial program (to include successful completion of long term studies) enabling NDA filing for Monarsen for MG in the US. If Milestone Ia is successfully achieved, a time limit date is triggered for Milestone II being the date which falls two years following the achievement of Milestone Ib ("Time Limit Date"). If on the Time Limit Date, Milestone II has not yet been achieved (other than by reason of failure to meet primary endpoints in any Phase III Clinical Study or a delay in completing the U.S. Phase III Clinical Study caused by certain Monarsen-related factors), Amarin will pay the Sellers $3 million in cash with the remaining $3 million being payable whenever Milestone II is achieved. In addition, if the Milestone Ib Price is greater than or equal to $10 ($1 pre one-for-ten share consolidation which became effective on January 18, 2008), no Time Limit Date will apply.

Amarin also incurred approximately $1.3 million in transaction fees, including legal, due diligence and accounting fees. The transaction has been accounted for as an asset acquisition as it does not constitute a business under IFRS 3.

Preliminary purchase price

The preliminary purchase price consisted of an upfront payment of $5.191 million in cash and $10 million in common stock and contingent common stock payment of $5 million (which is considered probable) for 100% of the outstanding shares of Ester. The fair value of the Amarin common stock issued was $9 million. This was based on the issue of 25 million shares and the closing price of Amarin common stock of $0.36, on December 5, 2007, the date of the acquisition. The achievement of Milestone Ia is considered to be probable and therefore has been recognized as a cost of investment. In accordance with IFRS 2, 'Share-based payments', Milestone Ia is an equity-settled share based payment transaction and has been valued at fair value of the equity instrument at the date of acquisition. The resulting valuation (using a Monte Carlo model) of $4.8 million has been recognized in share based payment reserve (see note 28) and the corresponding intangible asset. No amount has been recognized in respect to Milestones Ib and II.

The preliminary purchase price for the acquisition of 100% of the outstanding shares of Ester is as follows:

	$'000
Fair value of Amarin common stock issued	9,000
Fair value of cash paid	5,191
Fair value of Amarin common stock to be issued under Milestone Ia	4,756
Direct acquisition costs	1,340
Total preliminary purchase price	20,287

The final purchase price is dependent on the actual number of shares of Amarin common stock issued and actual direct acquisition costs, together with contingent consideration which may become payable, in the future, on the achievement of certain Milestones (as outlined above). Such additional consideration may be paid in cash or shares at the sole option of Amarin (with the exception of Milestone II which is payable in cash) and would increase the cost of the intangible fixed assets and result in an increased amortization charge over the useful economic life of these assets. Under the asset acquisition method of accounting, the fair value of the consideration is allocated to net tangible assets based on their fair value with the remaining balance allocated to intangible assets.

Allocation of the costs of investment to the net assets

	Ester $'000	Adjustments $'000	Acquisition accounting $'000
Intangible assets	—	19,916	19,916
Property, plant and equipment	7	—	7
Net current assets	364	—	364
Net assets acquired	371	19,916	20,287

Consideration

	No. of Shares ('000)	$	$'000
Fair value of Amarin common stock issued	25,000	0.36	9,000
Cash payment			5,191
Fair value of Amarin common stock to be issued under Milestone Ia			4,756
Direct acquisition costs			1,340
Cost of investment			20,287

The cost of the investment is allocated to the net tangible assets based on their fair value with the remaining balance allocated to intangible assets. For all asset classes other than intangible assets, no fair value adjustment is required due to the nature of the assets and liabilities acquired and the proximity to settlement for the other current assets and liabilities.

The intangible asset is required to be adjusted for any contingent consideration as soon as payment becomes probable and the amount can be measured reliably. A description of the contingent consideration is described in detail above (see preliminary purchase price).

4. Analysis by segment

For management purposes the Group is organized into two principal operating divisions based on the geographic operations of the Group: U.K. and Ireland, and Rest of World. The information in the tables below is based on the origin of each segment's activities and the location of their respective assets and liabilities.

	2007			2006		
	UK & Ireland US$'000	Rest of world US$'000	Total US$'000	UK & Ireland US$'000	Rest of world US$'000	Total US$'000
Revenue	—	—	—	500	—	500
Operating expenses	(40,571)	(162)	(40,733)	(28,568)	—	(28,568)
Operating loss	(40,571)	(162)	(40,733)	(28,068)	—	(28,068)
Finance income	2,279	—	2,279	3,344	—	3,344
	(183)	—	(183)	(2,826)	—	(2,826)

Finance costs						
Loss before taxation	(38,475)	(162)	(38,637)	(27,550)	—	(27,550)
Tax credit	837	—	837	799	—	799
Loss for the year	(37,638)	(162)	(37,800)	(26,751)	—	(26,751)
Other segment items:						
Impairment of intangible assets	(8,784)	—	(8,784)	—	—	—
Impairment of property, plant and equipment	—	—	—	(235)	—	(235)

Revenue in 2006 originated in the U.K. and Ireland and related to one customer in the U.S.

Assets and liabilities

	2007			2006		
	UK & Ireland US$'000	Rest of world US$'000	Total US$'000	UK & Ireland US$'000	Rest of world US$'000	Total US$'000
Segment assets	41,996	258	42,254	49,559	—	49,559
Segment liabilities	(15,228)	(49)	(15,277)	(10,838)	—	(10,838)
Unallocated liabilities: Income tax liabilities	(180)	—	(180)	(153)	—	(153)
Net assets	26,588	209	26,797	38,568	—	38,568
Other segment items:						
Capital expenditure on property, plant and equipment	444	—	444	245	—	245
Capital expenditure on intangible assets	20,287	—	20,287	—	—	—
Depreciation	217	—	217	121	—	121

The Group operates as one business segment, research and development.

5. Exceptional operating expenses

	2007 $'000	2006 $'000
Impairment of intangible assets	8,784	—
Redundancy	—	277
Property	—	19
Impairment of property, plant and equipment	—	235
Total	8,784	531

On April 24, 2007, we announced top-line results from Amarin's two Phase III trials of AMR 101 to treat HD. Study data showed no statistically significant difference in either study between AMR 101 and placebo with regard to the primary and secondary endpoints.

While AMR 101 may have potential value in HD, central nervous system disorders and other therapeutic indications, due to the results of the Phase III trials, it was deemed appropriate to write off the AMR 101 intangible asset.

During 2006, the Group recorded reorganization charges to align the business for maximum efficiency. Amarin's reorganization plan, now completed, has resulted in a reduction in headcount, the relocation of the research and development function to Oxford, England and the consolidation of administrative functions in Dublin, Ireland. In determining the charges to record, the directors made certain estimates and judgments surrounding the amounts ultimately to be paid for the actions the Group has taken or is committed to taking. As at December 31, 2007, all

payments in respect of exceptional operating expenses have been made and there are no provisions in respect of exceptional operating expenses.

6. Operating expenses

	Note	2007 $'000	2006 $'000
Selling, general and administrative expenses			
Administrative and general expenses*		9,794	6,306
Employee benefit expenses		4,736	3,535
Depreciation of property, plant and equipment		217	121
Operating lease expenses		1,260	820
Amortization of intangible assets		169	674
Restructuring costs	5	—	531
Share based compensation	28	3,665	1,475
		19,841	13,462
Impairment of intangible assets	5	8,784	—
Total selling, general and administrative expenses		28,625	13,462
Research and development expenses			
General research and development expenses		8,563	12,831
Employee benefit expenses		2,209	1,549
Share based compensation	28	1,336	726
Total research and development expenses		12,108	15,106
Total operating expenses		40,733	28,568

Research and development costs include professional and contractor fees, materials and external services.

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* Included in administrative and general expenses is a termination payment to a former director and chief executive officer, Mr. Richard Stewart and a provision relating to the lease of offices at Curzon Street, London, from which Amarin has planned to vacate.

7. Directors' emoluments

	2007 $'000	2006 $'000
Aggregate emoluments	3,688	2,097
Group pension contributions to money purchase schemes	90	294
	3,778	2,391

The Group paid or accrued pension contributions to money purchase pension schemes on behalf of three directors for December 31, 2007 (year to December 31, 2006: two directors).

Mr. Groom waived emoluments in respect of the year ended December 31, 2007 amounting to $50,000 (year to December 31, 2006; $46,000).

Total remuneration of directors (including benefits in kind) includes amounts paid to:

Highest paid director

	2007 $'000	2006 $'000
Aggregate emoluments*	1,517	815
Group pension contributions to money purchase schemes	60	169
	1,577	984

* Included in aggregate emoluments in 2007, is a termination payment of $908,000.

During each of the years ended December 31, 2007 and 2006 no director exercised options.

Directors emoluments and interests are presented in further detail in "Item 6 — Directors, Senior Management and Employees" in the front section of this document.

8. Employee information

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	2007 Number	2006 Number
Marketing and administration	17	12
Research and development	8	6
	25	18

	2007 $'000	2006 $'000
Staff costs (for the above persons):		
Wages and salaries	6,075	4,228
Social security costs	566	453
Other pension costs	304	403
	6,945	5,084

Share based payment information is disclosed in note 28.

At the end of 2007, the Group employed 28 people.

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2007 Number	2006 Number
Marketing and administration	2	3

	2007 $'000	2006 $'000
Staff costs (for the above persons):		
Wages and salaries	677	1,032
Social security costs	121	87
Other pension costs	68	181
	866	1,300

At the end of 2007, the Company employed 1 person.

9. Finance income

	2007 $'000	2006 $'000
Interest income on short term bank deposits	1,252	1,344
Fair value gain on derivative financial liability (see note 27)	397	—
Foreign exchange gains	630	2,000
	2,279	3,344

For the years ended December 31, 2007 and 2006 the foreign exchange gain resulted primarily from the weakening of the U.S. Dollar against sterling.

10. Finance costs

	2007 $'000	2006 $'000
On future investment right	—	2,818
On finance leases	4	2
On 8% convertible debentures	176	—
Impairment on available for sale investments	3	6
	183	2,826

On December 4, 2007 we entered into an agreement to issue three year 8% convertible debentures. Interest is payable quarterly in arrears. See note 21 for further information.

On March 15, 2006 the future investment right which was granted under the May 2005 financing was settled. A charge of $2,818,000 was recorded in 2006, being the movement in the fair value of the future investment right from January 1, 2006 to March 15, 2006.

11. Loss before taxation

	2007 $'000	2006 $'000
Loss before taxation is stated after charging/(crediting):		
Depreciation/amortization charge for the period:		
Intangible assets	169	674
Owned property, plant and equipment	207	111
Property, plant and equipment held under finance leases	10	10
Auditors remuneration:		
Auditor's remuneration for audit of Company and consolidated statutory accounts*	444	408
Auditor's remuneration for audit of subsidiaries' statutory accounts*	72	69
Auditor's service for Sarbanes Oxley	101	
Other advisory services	52	4
Taxation Compliance services	43	19
Taxation Advisory services	88	85
Operating lease charges:		
Plant and machinery	10	21
Other operating lease charges	1,250	799
Foreign exchange difference	(630)	(2,000)

* Professional fees of $312,000 were paid to PricewaterhouseCoopers in respect to the acquisition of shares in Ester Neurosciences Limited. These fees were directly attributable to the transaction and have been capitalized.

In order to maintain the independence of the external auditors, the Board has determined policies as to what non-audit services can be provided by the Group's external auditors and the approval processes related to them.

12. Taxation

	2007 $'000	2006 $'000
Tax on loss before taxation:		
United Kingdom corporation tax at 30%:		
current year	(837)	(799)
Total current tax credit	(837)	(799)
Total tax credit	(837)	(799)

The following items represent the principal reasons for the differences between corporate income taxes computed at the U.K. statutory tax rate and the total tax charge for the year.

	2007 $'000	2006 $'000
Loss before taxation	(38,637)	(27,550)
Loss on ordinary activities multiplied by standard rate of corporate tax in the U.K. of 30%	(11,591)	(8,265)
Overseas tax and adjustments in respect of foreign tax rates	521	238
Unrecognized accelerated capital allowances and other timing differences	5,981	7,320
Research and development tax credit relief (rate differences)	734	1,079
Expenses not deductible for tax purposes	5,192	1,171
Total tax credit	(837)	(799)

In the U.K., the applicable statutory rate for corporate income tax was 30% for the years ended December 31, 2007 and 2006.

The corporate tax rate in Ireland is 12.5% for profits on trading activities and 25% for non-trading activities. The corporate tax rate in Israel is 27%.

Tax losses carried forward in Amarin Corporation plc at December 31, 2007 were $43,866,000 (December 31, 2006: $41,697,000) subject to confirmation by U.K. tax authorities. Tax losses carried forward in Amarin Neuroscience Limited at December 31, 2007 were $43,364,000 (December 31, 2006: $42,501,000) subject to confirmation by U.K. tax authorities.

Tax losses carried forward in Amarin Pharmaceuticals Ireland Limited at December 31, 2007 were $13,778,000 (December 31, 2006: $5,440,000) subject to confirmation by Irish tax authorities.

Tax losses carried forward in Ester Neurosciences Limited at December 31, 2007 were $9,189,000 subject to confirmation by Israeli tax authorities.

Deferred tax (Group)

The Group has unrecognized deferred tax asset as follows:

	2007 $'000	2006 $'000
Accelerated capital allowances	(19,409)	(19,380)
Short term timing differences	(3,446)	(1,143)
Losses	(32,499)	(26,772)
	(55,354)	(47,295)

In 2007 and 2006 high levels of corporate tax losses carried forward and insufficient certainty of future profitability resulted in unrecognized deferred tax assets of $55,354,000 and $47,295,000 respectively. The deferred tax asset of $32,499,000 in respect of losses includes $153,000 of capital loss that can only be utilized against future capital gains.

During the years ended December 31, 2007 and 2006 the reconciling items in arriving at the current tax charge related to accelerated capital allowances, other short term timing differences, tax losses carried forward and expenses not deductible for tax purposes. The main timing difference related to tax losses that were carried forward for set off against future profits of the same trade.

The tax residency of Amarin Corporation plc migrated to Ireland in early 2008. Trading losses not utilized at the date of migration may no longer be available for offset against taxable profits.

13. Profit/(Loss) for the financial period

As permitted by section 230 of the Companies Acts, the Company's Income Statement has not been included in these financial statements. Of the consolidated loss attributable to the shareholders of Amarin Corporation plc, a profit of $3,034,000 (December 31, 2006: loss of $7,352,000) has been dealt with in the financial statements of the Company.

14. Loss per ordinary share

The loss per ordinary share is as follows:

	2007 $'000	2006 $'000
Loss for the financial year attributable to ordinary shareholders	(37,800)	(26,751)
	U.S. cents	U.S. cents
Basic loss per ordinary share	(3.86)	(3.25)
Diluted loss per ordinary share	(3.86)	(3.25)
	Number	Number
Weighted average number of ordinary shares in issue	9,783,595	8,233,705
Dilutive impact of convertible debentures	—	—
Dilutive impact of share options and warrants outstanding	—	—
Diluted average number of ordinary shares in issue	9,783,595	8,233,705

Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders by the weighted average number of ordinary shares in issue in the year. In 2007, 20,079 (2006: 20,079) shares have been deducted in arriving at the weighted average number of ordinary shares in issue, being the weighted average number of treasury shares for the year.

Diluted

Diluted loss per share is calculated by dividing the loss for the year by the weighted average number of ordinary shares outstanding and, when dilutive, adjusted for the effect of all potentially dilutive shares, including share options, warrants and convertible debt on an as-if-converted basis. The Group reported a net loss from continuing operations in 2007 and 2006. As a result the loss per share is not reduced by dilution. As at December 31, 2007, there were share options and warrants outstanding of 3.2 million shares (2006: 1.9 million shares) which could potentially have a dilutive impact in the future, but which were anti-dilutive in 2007 and 2006. On December 6, 2007 we issued convertible debentures which may be converted into 0.6 million ADSs commencing four months after the date of closing. At December 31, 2007 the convertible debentures had no dilutive effect, however they could potentially have a dilutive impact in the future.

On January 18, 2008 our Ordinary Shares were consolidated on a one-for-ten basis whereby ten Ordinary Shares of 5p each became one Ordinary Share of 50p. The shares and share information above has been adjusted to reflect this share consolidation.

15. Intangible assets

Group

	IPR&D $'000
Cost	
At January 1, 2006	12,753
Foreign currency adjustment	1,343
At December 31, 2006 and at January 1, 2007	14,096
Acquisitions	19,916
Impairments	(14,096)
At December 31, 2007	19,916
Amortization	
At January 1, 2006	3,361
Charge for the year	674
Foreign currency adjustment	425
At December 31, 2006 and at January 1, 2007	4,460
Charge for the year	169
Elimination on impairments	(4,629)
At December 31, 2007	—
Net book value at December 31, 2007	19,916
Net book value at December 31, 2006	9,636
Net book value at January 1, 2006	9,392

Company

	IPR&D $'000
Cost	
At January 1, 2006	5,895
Foreign currency adjustment	1,343
At December 31, 2006 and at January 1, 2007	7,238
Acquisitions	19,916
Impairments	(7,238)
At December 31, 2007	19,916
Amortization	
At January 1, 2006	2,816
Charge for the year	232
Foreign currency adjustment	425
	3,473

At December 31, 2006 and at January 1, 2007	
Charge for the year	58
Elimination on impairments	(3,531)
At December 31, 2007	—
Net book value at December 31, 2007	19,916
Net book value at December 31, 2006	3,765
Net book value at January 1, 2006	3,079

On December 5, 2007, Amarin Corporation plc, declared its offer for the shares of Ester wholly unconditional and on that date acquired 100% of the outstanding Ester shares (the “Acquisition”). The acquisition was accounted for as an asset acquisition, see note 3 for further information. The carrying value of the Ester intangible asset (“EN101”) at December 5, 2007 was supported by a discounted future cash flow model using a discount factor of 15%. EN101 is protected by a granted composition of matter patent in the U.S. which extends to 2022. We reviewed the carrying value of the Ester intangible asset at December 31, 2007 for impairment and no adjustments are required.

Intangible assets not yet available for use (Ester IPR&D) are not subject to amortization but are tested for impairment at least annually. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is determined using a value in use methodology which is arrived at by discounting the expected future cash flows of the intangible asset.

On April 24, 2007, we announced top-line results from Amarin's two Phase III trials of AMR 101 to treat HD. Study data showed no statistically significant difference in either study between AMR 101 and placebo with regard to the primary and secondary endpoints. While AMR 101 may have potential value in HD, central nervous system disorders and other therapeutic indications, due to the results of the Phase III trials, it was deemed appropriate to write off the AMR 101 intangible asset. See note 5 for further information.

Of the impairment of $9,467,000 above, $8,784,000 was recognized in the income statement and $683,000 was recognized in the foreign currency translation reserve.

16. Property, plant and equipment

Group

Cost	Short leasehold $'000	Plant and equipment $'000	Fixtures and fittings $'000	Computer equipment $'000	Total $'000
At January 1, 2006	409	37	192	341	979
Additions	102	11	21	111	245
Impairments	(408)	—	(95)	—	(503)
Disposals	—	(33)	(90)	—	(123)
Foreign exchange adjustments	6	1	1	24	32
At December 31, 2006 and at 1 January 2007	109	16	29	476	630
Additions	152	76	8	232	468
Disposals	—	—	—	—	—
Foreign exchange adjustments	3	3	5	19	30
At December 31, 2007	264	95	42	727	1,128
Accumulated depreciation					
At January 1, 2006	165	8	111	235	519
Charge for the year	17	13	21	70	